

SAN DIEGO COUNTY ECONOMIC FORECAST

San Diego County, the southern-most county in California, has a population of 3.2 million people and a total of 1.3 million wage and salary jobs. The average salary per worker is \$72,524 and the per capita income is \$51,870. San Diego County has a diverse economy with a strong tourism sector, a sizeable defense industry, and a bustling technology cluster. The U.S. Navy is the largest employer.

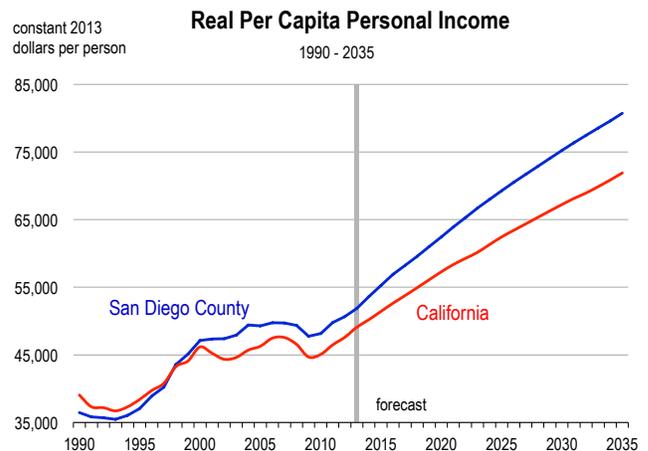
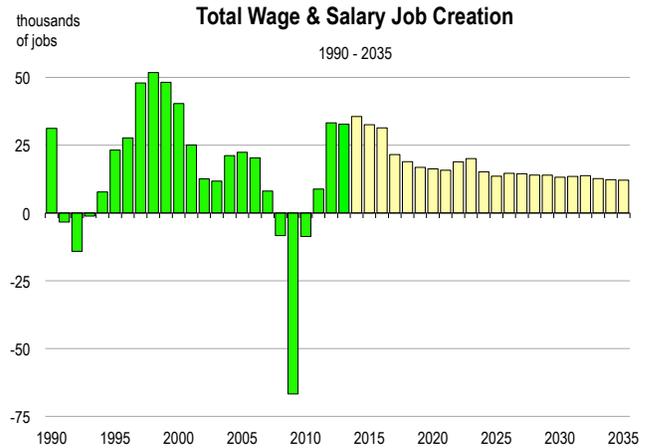
During 2013, San Diego was characterized by employment growth of 2.5 percent, gaining a total of 32,700 jobs. Across the broader Southern California region, total employment increased by 2.7 percent. In San Diego County, the unemployment rate also improved from 8.9 percent in 2012 to 7.6 percent in 2013.

In 2013, most employment sectors were characterized by job growth. The largest gains occurred in education and healthcare (+8,800 jobs), professional and business services (+6,400 jobs), and leisure and hospitality (+5,800 jobs). The only sectors that lost jobs were information (-400 jobs) and transportation and utilities (-100 jobs).

From 2008-2013, the population of San Diego County grew at an annual average rate of 0.8 percent. This growth was largely a result of the natural increase (new births), as net migration was very low.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 2.7 percent in 2014. From 2014 to 2019, growth will average 1.7 percent per year.
- Average salaries are well above the California state average, and will remain so over the foreseeable future. In San Diego County, real average salaries will rise by an average of 1.4 percent per year from 2014 to 2019.
- Between 2014 and 2019, the largest gains will be observed in professional and business services (+34,400 jobs), leisure and hospitality (+19,600 jobs), and education and healthcare (+17,400 jobs).
- Population growth will remain moderate, averaging 0.9 percent per year from 2014 to 2019.
- From 2014 to 2019, an average of 5,300 net migrants will enter the county each year. This represents a dramatic increase over the previous five years, in which an average of 870 people entered the county each year.

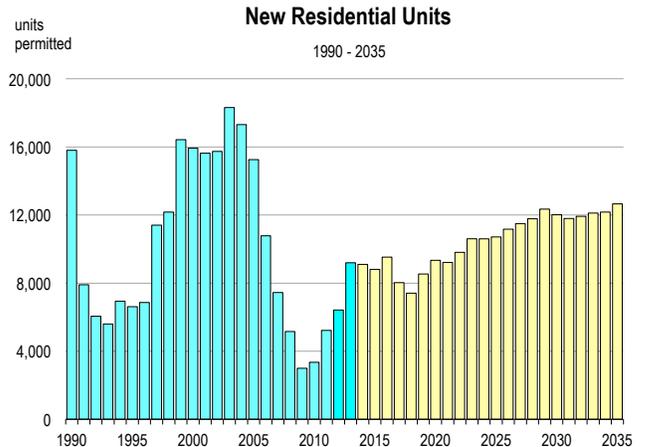
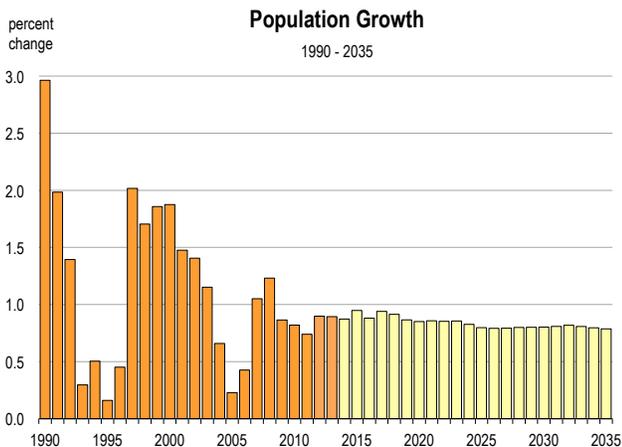


- Real per capita income is expected to increase by 3.4 percent in 2014. An annual average rate of 2.6 percent is forecast from 2014 to 2019.
- Total taxable sales are expected to increase by an average of 2.4 percent per year from 2014 to 2019.
- Industrial production is expected to rise by an average of 3.9 percent per year from 2014 to 2019.

San Diego County Economic Forecast

2006-2013 History, 2014-2040 Forecast

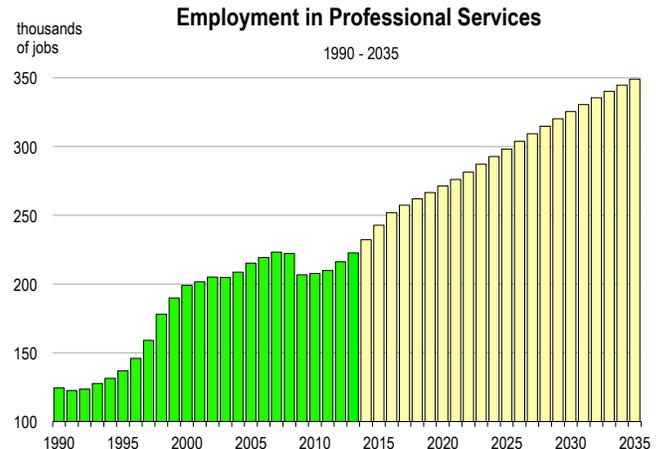
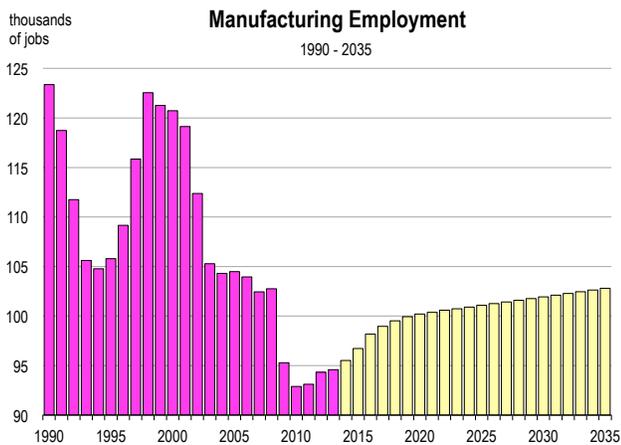
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	2,982,816	-13,669	2.64	1,060.8	10,777	\$47.8	\$130.5	\$49,747	4.3	1.66	19.7	4.0
2007	3,014,165	3,410	2.64	1,069.1	7,445	\$47.5	\$136.1	\$49,733	3.3	1.69	19.8	4.6
2008	3,051,262	8,830	2.64	1,077.2	5,154	\$45.3	\$141.6	\$49,361	3.5	1.65	20.5	6.0
2009	3,077,633	-480	2.65	1,084.0	2,990	\$39.7	\$137.0	\$47,746	-0.8	1.66	19.9	9.6
2010	3,102,852	-249	2.67	1,086.2	3,346	\$41.6	\$141.0	\$48,154	1.2	1.75	19.2	10.6
2011	3,125,810	-2,082	2.65	1,089.0	5,222	\$45.1	\$150.8	\$49,801	2.7	1.74	19.3	10.0
2012	3,153,877	3,611	2.67	1,092.3	6,419	\$47.9	\$158.0	\$50,657	2.0	1.77	20.8	8.9
2013	3,182,072	3,552	2.71	1,096.9	9,195	\$50.3	\$165.1	\$51,870	1.1	1.78	21.3	7.6
2014	3,209,846	3,874	2.77	1,106.0	9,101	\$52.8	\$175.0	\$53,626	1.7	1.79	22.1	6.6
2015	3,240,278	6,425	2.83	1,114.6	8,808	\$55.5	\$186.1	\$55,273	2.2	1.79	23.1	5.7
2016	3,268,818	4,427	2.88	1,123.0	9,528	\$58.4	\$197.3	\$56,912	2.1	1.79	24.0	5.0
2017	3,299,545	6,201	2.92	1,132.0	8,027	\$60.4	\$206.4	\$58,245	1.2	1.79	24.9	4.7
2018	3,329,712	5,479	2.95	1,139.6	7,410	\$62.4	\$215.5	\$59,576	1.2	1.78	25.9	4.6
2019	3,358,535	3,876	2.99	1,146.6	8,535	\$64.5	\$225.4	\$60,996	1.3	1.78	26.8	4.4
2020	3,387,108	3,576	3.02	1,154.7	9,340	\$66.4	\$235.6	\$62,460	1.2	1.78	27.8	4.4
2021	3,416,158	4,399	3.04	1,163.6	9,216	\$68.6	\$246.5	\$63,918	1.4	1.78	28.7	4.5
2022	3,445,295	4,721	3.08	1,172.3	9,809	\$71.0	\$257.7	\$65,324	1.5	1.79	29.6	4.4
2023	3,474,778	5,399	3.11	1,181.6	10,603	\$73.6	\$269.1	\$66,711	1.4	1.79	30.7	4.4
2024	3,503,496	4,853	3.14	1,191.7	10,599	\$75.8	\$280.4	\$68,011	1.4	1.80	31.6	4.4
2025	3,531,436	4,312	3.17	1,201.7	10,711	\$77.8	\$291.9	\$69,286	1.4	1.80	32.7	4.4
2026	3,559,387	4,548	3.20	1,211.9	11,168	\$79.9	\$303.6	\$70,504	1.4	1.80	33.7	4.3
2027	3,587,605	5,077	3.22	1,222.4	11,496	\$82.1	\$315.4	\$71,695	1.4	1.81	34.9	4.3
2028	3,616,281	5,480	3.25	1,233.3	11,779	\$84.5	\$327.6	\$72,873	1.4	1.81	36.2	4.3
2029	3,645,237	5,948	3.28	1,244.5	12,346	\$86.9	\$340.3	\$74,061	1.4	1.82	37.5	4.3
2030	3,674,492	6,503	3.30	1,256.2	12,017	\$89.6	\$353.2	\$75,223	1.4	1.82	38.9	4.3
2031	3,704,199	7,059	3.33	1,267.6	11,797	\$92.6	\$366.5	\$76,370	1.4	1.82	40.4	4.3
2032	3,734,516	7,904	3.36	1,278.8	11,923	\$95.8	\$380.0	\$77,472	1.4	1.83	41.8	4.3
2033	3,764,680	8,108	3.38	1,290.1	12,115	\$98.9	\$393.6	\$78,533	1.4	1.83	43.4	4.3
2034	3,794,660	8,282	3.41	1,301.6	12,173	\$102.0	\$407.8	\$79,613	1.4	1.83	45.0	4.3
2035	3,824,522	8,432	3.43	1,313.1	12,655	\$105.0	\$422.5	\$80,726	1.4	1.83	46.7	4.3
2036	3,854,492	8,977	3.45	1,325.1	12,114	\$108.0	\$437.6	\$81,840	1.4	1.83	48.4	4.3
2037	3,884,477	9,191	3.48	1,336.6	11,562	\$111.2	\$453.4	\$82,984	1.4	1.84	50.2	4.3
2038	3,914,240	9,160	3.50	1,347.5	11,300	\$114.2	\$469.7	\$84,160	1.4	1.84	52.1	4.3
2039	3,943,816	9,145	3.53	1,358.2	11,462	\$117.3	\$486.7	\$85,378	1.4	1.84	54.0	4.3
2040	3,973,355	9,301	3.55	1,369.1	11,272	\$120.3	\$504.3	\$86,599	1.4	1.85	55.7	4.3

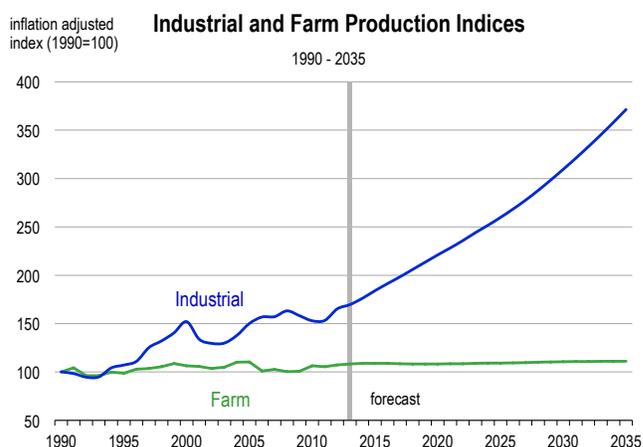
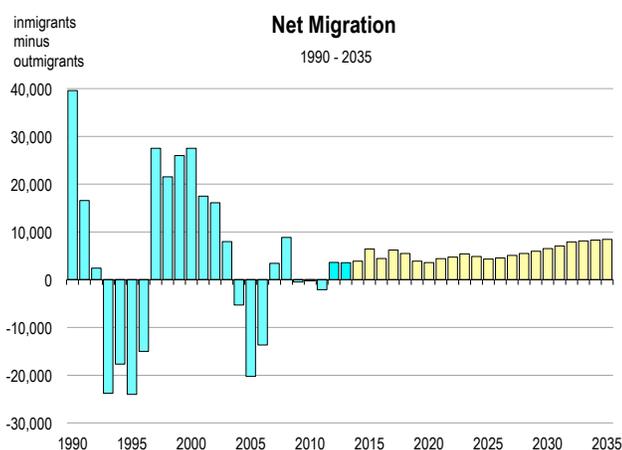
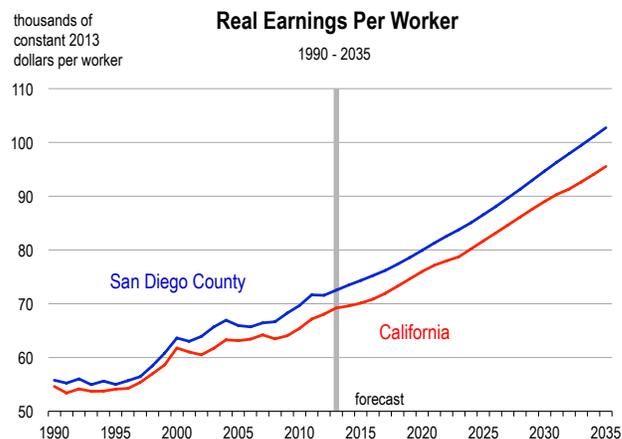
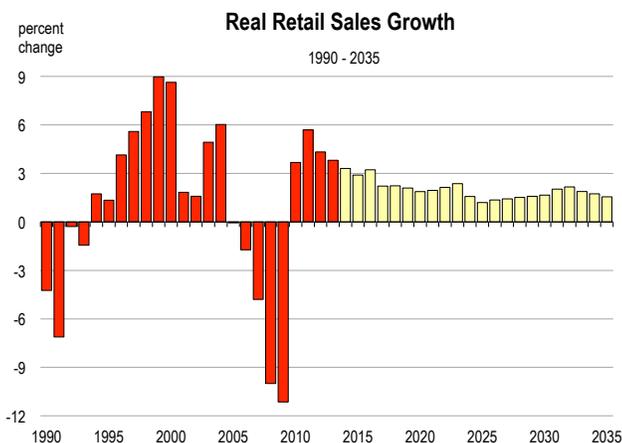


San Diego County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	1,322.5	10.92	92.7	103.9	28.7	193.3	83.7	219.2	31.7	135.1	156.5	217.9
2007	1,330.6	10.87	87.0	102.5	28.8	193.5	80.3	223.2	31.3	140.5	161.8	222.4
2008	1,322.3	10.84	76.1	102.8	29.0	186.9	75.2	222.3	31.4	150.0	164.0	225.1
2009	1,255.6	10.36	61.1	95.3	27.3	172.2	69.8	206.8	28.2	158.2	154.8	224.5
2010	1,246.9	10.53	55.3	92.9	26.5	170.7	67.2	207.7	25.1	159.5	154.5	230.4
2011	1,255.7	9.79	55.2	93.1	26.1	174.7	67.5	209.8	24.2	162.8	155.6	229.0
2012	1,289.0	9.80	56.9	94.3	27.3	180.5	70.1	216.2	24.5	170.4	161.7	227.8
2013	1,321.8	9.78	61.2	94.6	27.2	185.1	71.4	222.6	24.1	179.3	167.5	229.5
2014	1,357.3	9.79	65.4	95.5	28.0	189.1	71.9	232.2	25.2	183.6	174.0	231.9
2015	1,389.9	9.80	68.0	96.7	28.6	191.9	72.6	242.8	26.3	188.0	179.0	234.0
2016	1,421.3	9.81	70.8	98.2	29.1	195.0	73.6	251.9	27.4	191.2	184.3	236.3
2017	1,442.8	9.82	71.2	99.0	29.7	197.3	74.5	257.3	28.1	194.4	189.1	237.9
2018	1,461.8	9.84	72.0	99.5	30.1	198.9	75.5	262.0	28.6	197.6	192.1	240.1
2019	1,478.6	9.85	74.1	99.9	30.6	200.2	76.7	266.5	29.0	201.0	193.6	240.9
2020	1,494.9	9.86	75.8	100.2	31.1	201.2	77.7	271.3	29.4	204.3	194.3	243.0
2021	1,510.6	9.87	77.7	100.4	31.6	202.1	78.6	276.0	30.0	207.7	194.8	244.4
2022	1,529.5	9.87	81.6	100.6	32.1	203.1	79.9	281.3	30.6	211.3	194.9	245.9
2023	1,549.6	9.88	86.0	100.7	32.6	204.0	81.4	287.1	31.1	214.9	195.2	247.3
2024	1,564.7	9.88	87.1	100.9	33.1	204.9	82.5	292.7	31.3	217.9	195.5	248.7
2025	1,578.3	9.88	87.0	101.1	33.7	205.8	83.4	298.2	31.7	220.9	195.9	250.1
2026	1,593.0	9.88	87.7	101.3	34.2	206.6	84.5	303.7	32.1	223.6	196.1	251.5
2027	1,607.4	9.87	88.0	101.4	34.8	207.5	85.7	309.3	32.4	226.5	196.4	253.0
2028	1,621.4	9.87	88.1	101.6	35.4	208.5	86.8	314.8	32.8	229.3	196.7	254.4
2029	1,635.4	9.86	88.9	101.8	35.9	209.4	87.9	320.2	33.3	232.1	197.0	255.0
2030	1,648.6	9.85	88.7	101.9	36.5	210.3	88.8	325.4	33.7	235.1	197.3	256.0
2031	1,662.0	9.84	89.1	102.1	37.1	211.3	89.7	330.5	34.2	238.0	197.6	256.8
2032	1,675.8	9.83	89.9	102.3	37.7	212.3	90.5	335.4	34.8	241.0	198.0	257.7
2033	1,688.5	9.82	90.0	102.5	38.4	213.2	91.4	340.1	35.3	243.9	198.3	258.6
2034	1,700.8	9.82	89.8	102.6	39.0	214.1	92.2	344.6	35.7	246.8	198.6	259.5
2035	1,712.9	9.81	89.8	102.8	39.6	215.0	93.1	348.9	36.1	249.7	198.9	260.3
2036	1,724.7	9.80	89.2	103.0	40.3	215.9	94.1	353.3	36.6	252.7	199.2	261.2
2037	1,737.1	9.79	89.1	103.2	41.0	216.8	95.1	357.6	37.0	255.6	199.5	262.1
2038	1,749.5	9.78	89.1	103.3	41.6	217.6	96.0	362.0	37.4	258.6	199.8	263.1
2039	1,762.4	9.77	89.3	103.5	42.3	218.5	97.0	366.4	37.8	261.6	200.1	264.1
2040	1,774.9	9.76	89.3	103.7	43.0	219.4	97.7	370.8	38.3	264.6	200.4	265.2





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	13.3%
Expected job growth:	8.9%
Fastest growing jobs sector:	Information
Expected personal income growth:	19.0%

Expected population growth:	4.6%
Net migration to account for:	17.8%
Expected growth in number of vehicles:	7.6%

Demographics (2014)

Unemployment rate (April 2014):	6.0%
County rank* in California (58 counties):	11th
Working age (16-64) population:	67.4%

Population with B.A. degree or higher:	33.8%
Median home selling price (2013):	\$403,000
Median household income:	\$59,846

Quality of Life

Violent crime rate (2012):	373 per 100,000 persons
County rank* in California (58 counties):	26th
Average commute time to work (2014):	26.5 minutes

High school drop out rate (2012):	12.9%
Households at/below poverty line (2014):	10.6%

* The county ranked 1st corresponds to the lowest rate in California