

SAN MATEO COUNTY ECONOMIC FORECAST

San Mateo County is located on the Bay Area Peninsula, south of San Francisco County. San Mateo County has a population of 743,000 people and approximately 352,000 wage and salary jobs. The per capita income in San Mateo County is \$79,021, and the average salary per worker is \$94,085.

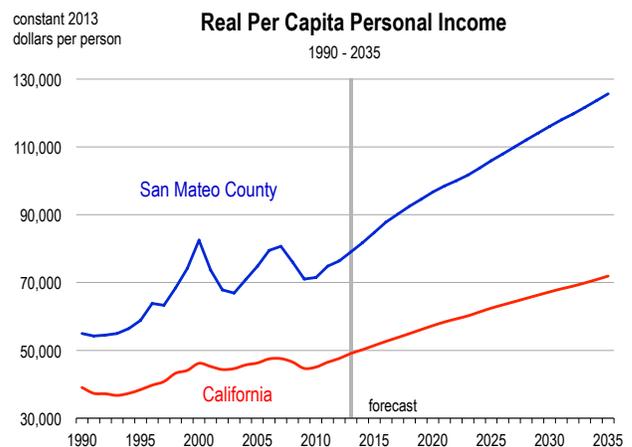
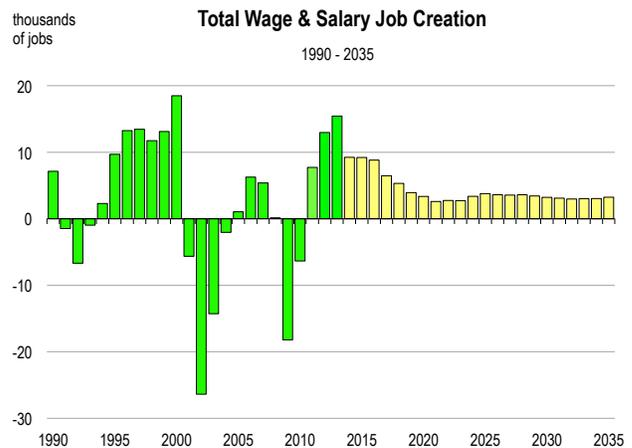
In 2013, employment in Northern California increased by 3.7 percent, whereas employment in the greater Bay Area grew by 4.1 percent. In San Mateo County, total employment grew by 15,400 jobs, representing a growth rate of 4.6 percent. The unemployment rate improved substantially, falling from 6.7 percent in 2012 to 5.4 percent in 2013.

Most sectors added jobs in 2013. The largest increases were observed in professional services (+4,000 jobs), education and healthcare (+2,700 jobs), and leisure and hospitality (+1,800 jobs). The only industry with declines was government (-100 jobs).

Between 2008 and 2013, the population of San Mateo County grew at an annual average rate of 0.9 percent. Net migration was responsible for 24 percent of this growth, whereas the natural increase (new births) accounted for the remaining 76 percent.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 2.6 percent in 2014. From 2014 to 2019, job growth is forecasted to average 1.8 percent per year.
- Average salaries are currently well above the California average, and will remain so over the forecast horizon. In San Mateo County, inflation-adjusted salaries are projected to rise by an average of 1.8 percent per year from 2014 to 2019.
- Between 2014 and 2019, employment growth will be lead by the professional services, information, and wholesale and retail sectors, which are expected to account for 59 percent of employment growth over this period.
- The population will grow at a rate of approximately 0.8 percent in 2014. Annual growth in the 2014-2019 period is expected to average 0.6 percent.
- Over the 2014-2019 forecast period, net migration will remain positive but modest. During this time frame, an average of 740 net migrants will enter the county each year.
- Real per capita income will rise by 3.5 percent in 2014. During the 2014-2019 period, real per capita income is expected to increase by 3.0 percent per year.

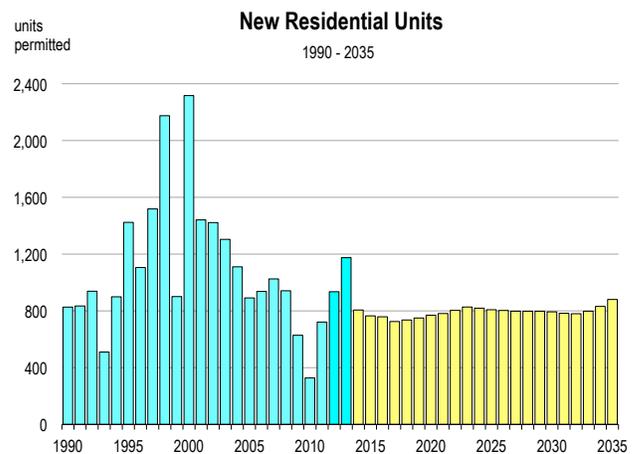
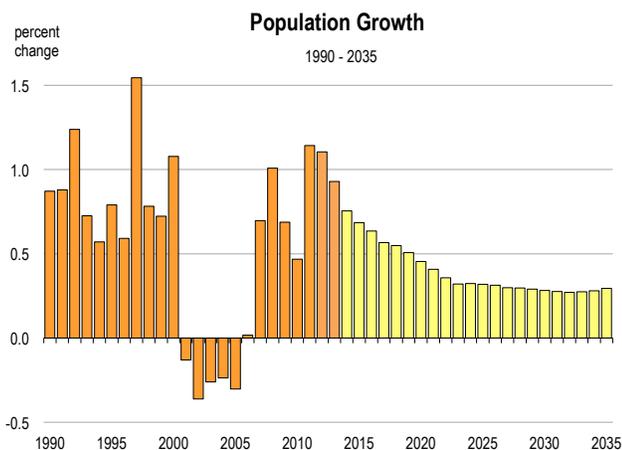


- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.0 percent per year from 2014 to 2019.
- Industrial production is forecasted to rise by 5.4 percent in 2014. Over the following five years, the growth rate will average 4.0 percent per year.

San Mateo County Economic Forecast

2006-2013 History, 2014-2040 Forecast

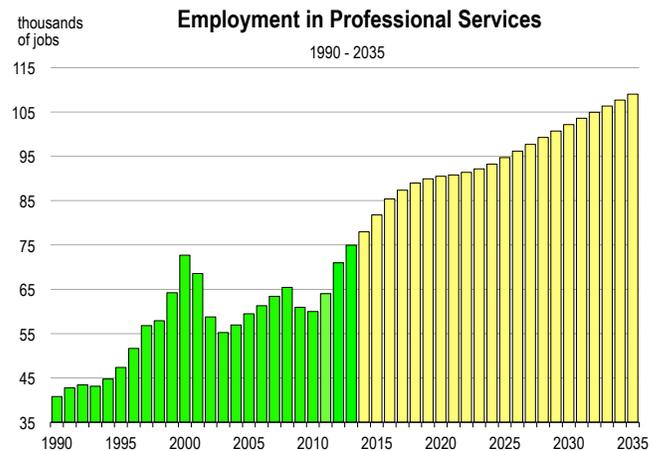
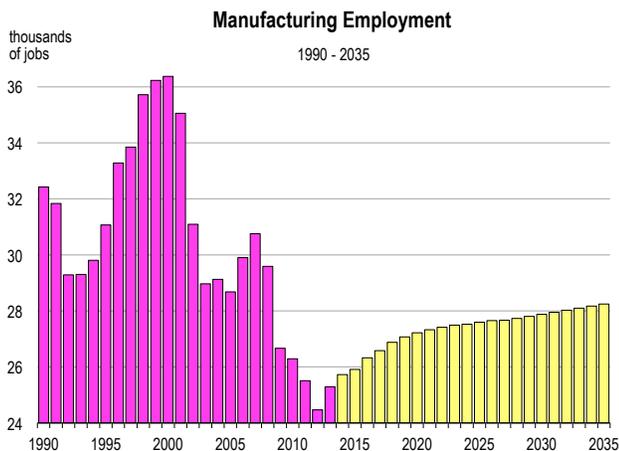
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	699,398	-5,098	702	256.3	937	\$12.9	\$47.4	\$79,478	3.2	197.5	8.9	3.7
2007	704,272	-360	707	257.5	1,025	\$13.3	\$50.2	\$80,724	3.4	195.8	9.2	3.8
2008	711,374	1,623	698	258.0	942	\$13.1	\$49.1	\$76,022	3.0	179.1	9.4	4.8
2009	716,264	-280	684	258.1	629	\$11.3	\$46.6	\$71,043	0.8	162.8	8.9	8.4
2010	719,619	-1,560	678	257.8	327	\$12.0	\$47.8	\$71,517	1.3	154.8	8.6	8.8
2011	727,840	3,602	675	258.2	721	\$13.0	\$51.9	\$74,849	2.7	143.7	8.4	7.9
2012	735,882	3,568	684	258.8	935	\$13.9	\$55.0	\$76,363	2.7	143.1	8.8	6.7
2013	742,719	2,229	702	259.2	1,175	\$14.9	\$58.7	\$79,021	2.2	142.8	9.4	5.4
2014	748,324	1,460	709	260.2	806	\$15.9	\$62.9	\$81,767	2.7	137.4	9.9	5.0
2015	753,447	1,166	715	260.9	765	\$16.9	\$67.7	\$84,765	3.2	132.3	10.3	4.4
2016	758,233	989	722	261.5	758	\$17.9	\$72.8	\$87,825	3.1	127.2	10.7	3.9
2017	762,529	591	728	262.2	725	\$18.6	\$76.9	\$90,157	2.3	122.2	11.1	3.8
2018	766,713	574	735	262.8	736	\$19.3	\$81.0	\$92,484	2.2	117.2	11.6	3.7
2019	770,600	375	740	263.5	750	\$20.0	\$85.2	\$94,582	2.3	112.2	12.0	3.6
2020	774,101	80	746	264.2	770	\$20.7	\$89.5	\$96,652	2.3	107.7	12.4	3.6
2021	777,260	-181	751	264.8	782	\$21.4	\$93.7	\$98,483	2.4	103.6	12.9	3.6
2022	780,039	-467	756	265.5	804	\$22.1	\$97.9	\$100,044	2.5	99.5	13.3	3.5
2023	782,541	-649	761	266.2	827	\$22.9	\$102.3	\$101,648	2.4	95.3	13.7	3.4
2024	785,072	-609	765	266.9	819	\$23.7	\$107.2	\$103,745	2.4	91.1	14.1	3.4
2025	787,576	-607	770	267.7	808	\$24.4	\$112.5	\$105,935	2.4	87.0	14.5	3.3
2026	790,045	-627	774	268.4	803	\$25.2	\$117.8	\$107,955	2.4	83.0	15.0	3.3
2027	792,405	-716	777	269.1	798	\$26.0	\$123.3	\$109,989	2.4	79.3	15.4	3.4
2028	794,759	-707	781	269.8	797	\$27.0	\$129.1	\$112,078	2.4	75.7	15.9	3.4
2029	797,067	-759	784	270.5	797	\$27.9	\$135.0	\$114,090	2.4	72.2	16.4	3.4
2030	799,318	-830	788	271.2	793	\$28.9	\$141.0	\$116,078	2.4	69.1	16.9	3.4
2031	801,526	-906	791	271.9	783	\$29.9	\$147.3	\$118,006	2.4	66.2	17.4	3.5
2032	803,699	-990	794	272.6	780	\$31.0	\$153.5	\$119,748	2.4	63.3	18.0	3.5
2033	805,907	-1,030	797	273.3	798	\$32.2	\$160.2	\$121,674	2.4	60.4	18.5	3.5
2034	808,166	-1,070	800	274.0	832	\$33.3	\$167.1	\$123,635	2.4	57.5	19.1	3.6
2035	810,548	-1,057	803	274.7	881	\$34.5	\$174.5	\$125,665	2.4	54.8	19.6	3.6
2036	812,934	-1,134	805	275.5	919	\$35.7	\$182.1	\$127,610	2.4	52.0	20.2	3.7
2037	815,301	-1,211	808	276.3	943	\$37.0	\$189.9	\$129,606	2.4	49.4	20.8	3.7
2038	817,640	-1,251	811	277.1	956	\$38.2	\$198.3	\$131,703	2.4	47.0	21.4	3.7
2039	819,967	-1,280	814	277.9	970	\$39.5	\$206.9	\$133,835	2.4	44.7	22.1	3.8
2040	822,267	-1,322	817	278.8	975	\$40.9	\$215.9	\$135,922	2.4	42.5	22.8	3.8

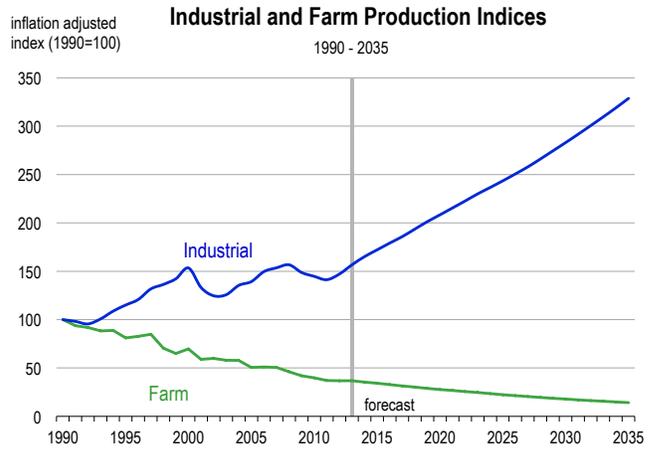
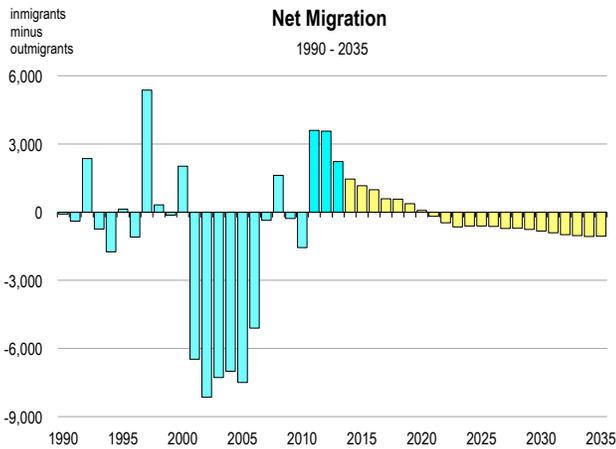
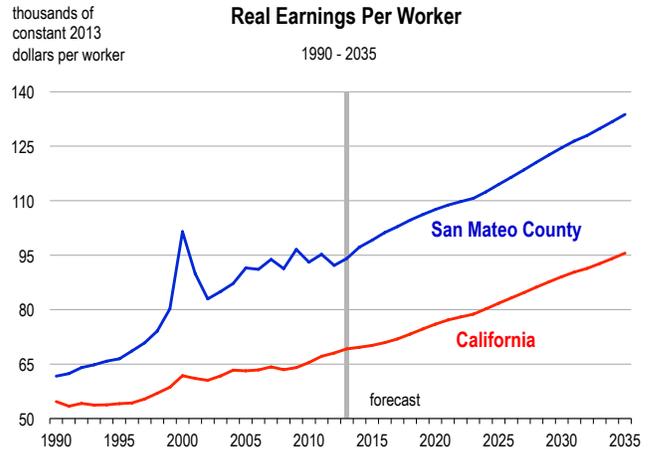
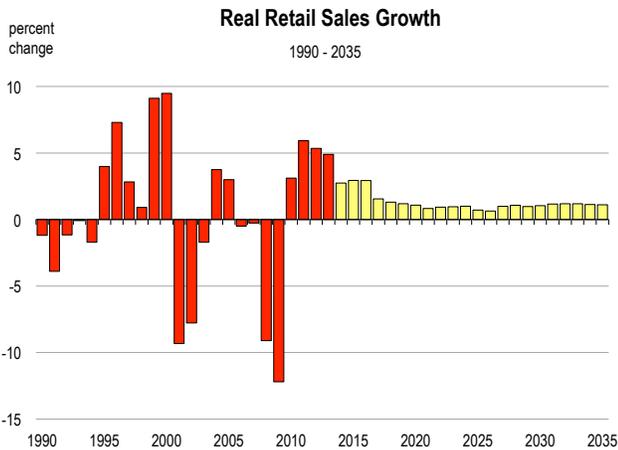


San Mateo County Employment Forecast

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	334.8	1.93	18.1	29.9	26.7	48.3	21.7	61.3	18.5	31.4	33.5	32.2
2007	340.1	1.87	19.1	30.8	27.0	48.3	21.5	63.4	17.4	32.1	34.9	32.1
2008	340.2	1.88	18.6	29.6	27.1	47.5	20.5	65.4	18.8	32.6	34.3	31.8
2009	322.0	1.71	14.7	26.7	25.3	44.6	19.1	60.9	18.1	34.6	33.5	31.3
2010	315.6	1.73	13.4	26.3	24.4	44.0	18.6	60.0	17.5	33.3	33.8	31.3
2011	323.3	1.58	13.8	25.5	24.1	44.3	19.4	64.0	17.9	34.5	35.4	30.6
2012	336.3	1.57	14.7	24.5	25.3	44.6	19.9	71.0	19.5	35.3	36.9	30.2
2013	351.7	1.60	15.7	25.3	26.9	46.2	20.4	74.9	20.5	37.9	38.7	30.1
2014	361.0	1.59	16.3	25.7	28.2	47.2	20.7	78.0	21.7	38.7	39.2	30.2
2015	370.2	1.59	16.5	25.9	29.0	48.0	21.1	81.8	22.7	39.5	40.0	30.4
2016	379.0	1.60	16.7	26.3	29.6	48.8	21.4	85.4	23.9	39.9	40.8	30.5
2017	385.5	1.61	16.8	26.6	30.3	49.4	21.7	87.4	24.9	40.6	41.5	30.6
2018	390.8	1.61	16.8	26.9	30.9	49.9	22.0	89.0	25.6	41.3	42.0	30.6
2019	394.7	1.62	16.9	27.1	31.5	50.2	22.2	89.9	26.1	42.0	42.2	30.6
2020	398.1	1.62	16.8	27.2	31.9	50.4	22.4	90.5	26.7	42.8	42.3	30.8
2021	400.7	1.63	16.8	27.3	32.5	50.6	22.4	90.8	27.2	43.6	42.4	30.7
2022	403.5	1.64	16.8	27.4	33.0	50.8	22.4	91.4	27.7	44.4	42.4	30.7
2023	406.2	1.64	16.8	27.5	33.4	51.0	22.3	92.2	28.1	45.1	42.4	30.8
2024	409.6	1.65	16.8	27.5	33.8	51.2	22.3	93.2	28.5	46.2	42.5	30.8
2025	413.3	1.66	16.8	27.6	34.1	51.3	22.3	94.7	28.9	47.2	42.5	30.9
2026	417.0	1.67	16.9	27.7	34.4	51.5	22.3	96.2	29.4	48.1	42.6	30.9
2027	420.5	1.67	16.9	27.7	34.7	51.7	22.3	97.7	29.8	49.0	42.6	30.9
2028	424.1	1.68	16.9	27.7	34.9	51.9	22.3	99.3	30.3	49.7	42.7	31.0
2029	427.6	1.69	16.9	27.8	35.1	52.1	22.4	100.7	30.7	50.5	42.7	31.0
2030	430.8	1.69	16.9	27.9	35.2	52.3	22.4	102.2	31.1	51.2	42.8	31.1
2031	433.9	1.70	16.9	28.0	35.3	52.6	22.4	103.6	31.6	51.7	42.8	31.1
2032	436.9	1.71	16.9	28.0	35.3	52.9	22.4	104.9	32.0	52.2	42.9	31.1
2033	439.9	1.72	16.9	28.1	35.4	53.1	22.5	106.3	32.4	52.7	42.9	31.2
2034	442.9	1.72	16.9	28.2	35.4	53.4	22.5	107.7	32.9	53.2	43.0	31.2
2035	446.2	1.73	16.9	28.2	35.5	53.7	22.6	109.0	33.3	53.9	43.0	31.3
2036	449.2	1.74	16.9	28.3	35.5	54.0	22.7	110.3	33.7	54.4	43.0	31.3
2037	452.1	1.75	16.9	28.4	35.5	54.4	22.8	111.6	34.2	54.8	43.1	31.3
2038	455.0	1.76	16.9	28.5	35.5	54.7	22.8	112.9	34.6	55.2	43.1	31.4
2039	457.9	1.77	16.9	28.5	35.6	55.0	22.9	114.3	35.1	55.6	43.2	31.4
2040	460.8	1.77	16.9	28.6	35.6	55.4	23.0	115.6	35.5	56.0	43.2	31.5





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	10.3%
Expected job growth:	9.4%
Fastest growing jobs sector:	Information
Expected personal income growth:	19.1%

Expected population growth:	3.0%
Net migration to account for:	16.6%
Expected growth in number of vehicles:	4.5%

Demographics (2014)

Unemployment rate (April 2014):	4.2%
County rank* in California (58 counties):	2nd
Working age (16-64) population:	65.7%

Population with B.A. degree or higher:	43.3%
Median home selling price (2013):	\$742,000
Median household income:	\$87,601

Quality of Life

Violent crime rate (2012):	229 per 100,000 persons
County rank* in California (58 counties):	10th
Average commute time to work (2014):	27.9 minutes

High school drop out rate (2012):	7.0%
Households at/below poverty line (2014):	4.8%

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