

# SAN LUIS OBISPO COUNTY ECONOMIC FORECAST

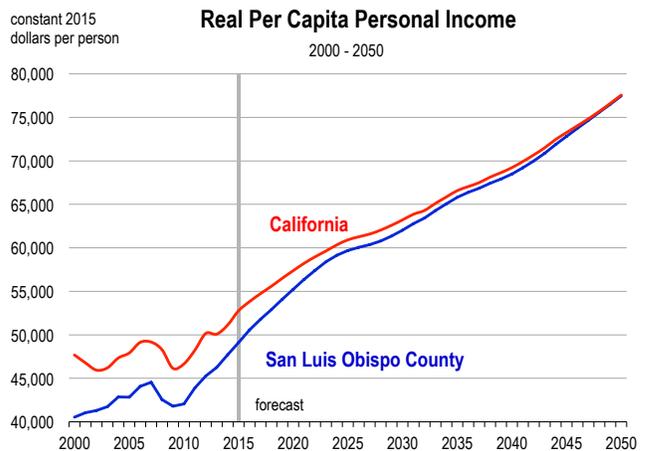
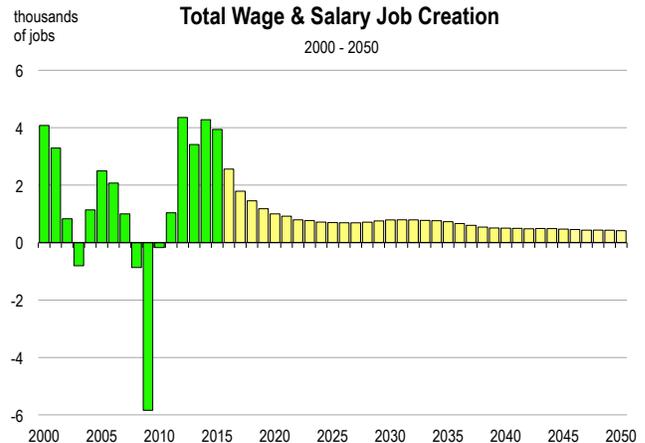
San Luis Obispo County is located on the central coast of California, north of Santa Barbara County. It is one of the principal regions for California's wine industry. The county has a population of 276,100 people and a total of 119,400 wage and salary jobs. The per capita income is \$49,104 and the average salary per worker is \$50,326.

The principal employment clusters in San Luis Obispo County are retail trade, leisure services, education and healthcare services, and government. However, with 23,500 jobs, the public sector dominates all other industries. This is primarily because the county has several large state institutions, including Cal Poly State University, Cuesta College, Atascadero State Hospital, the California Men's Colony, and the California Youth Authority.

Across Southern California, employment increased by 2.6 percent in 2015. In San Luis Obispo County, a total of 3,900 jobs were created, representing a growth rate of 3.4 percent. The unemployment rate improved substantially, falling from 5.6 percent in 2014 to 4.6 percent in 2015.

In 2015, job growth was spread across a number of industries. The largest employment gains were observed in leisure and hospitality (+740 jobs), professional and business services (+700 jobs), government (+580 jobs), and agriculture (+330 jobs). Job losses were not observed in any major sector.

From 2010 to 2015, the population of San Luis Obispo County increased by 0.5 percent per year. This was largely due to in-migration, as the natural increase (new births) was low. Because the county has an older resident base, the birth rate is low, and most future population growth will be the result of in-migration.



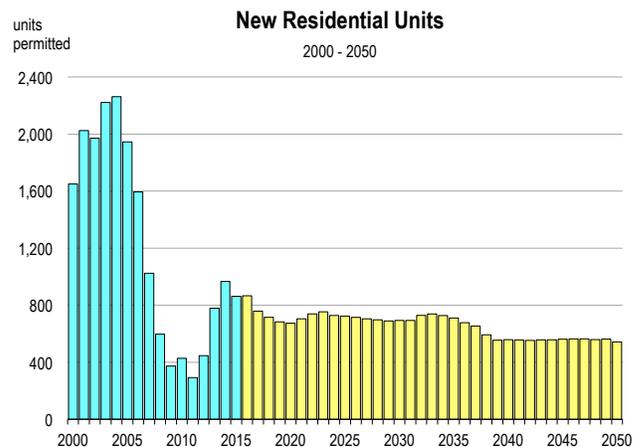
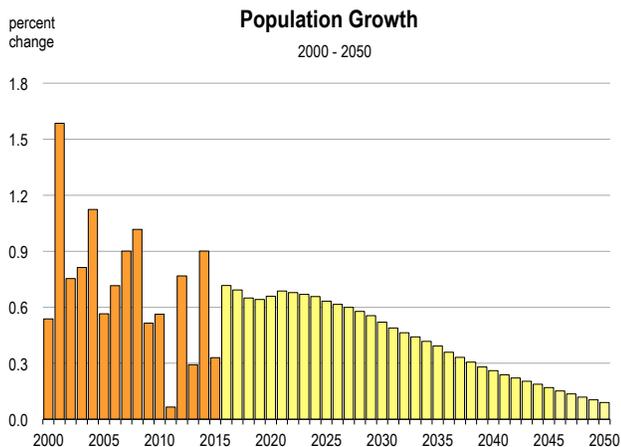
## FORECAST HIGHLIGHTS

- In 2016, total employment is expected to increase by 3.4 percent. From 2016 to 2021, growth is expected to average 1.0 percent per year.
- Average salaries are currently well below the California state average, and will remain so over the forecast horizon. In San Luis Obispo County, inflation-adjusted salaries will rise by an average of 1.4 percent per year between 2016 and 2021.
- The professional services, wholesale and retail trade, education and healthcare, and government sectors will exhibit the strongest job growth between 2016 and 2021. Together, these sectors will account for 82 percent of net job creation in the county.
- Population growth will remain slow, with growth averaging 0.5 percent per year between 2016 and 2021.
- Between 2016 and 2021, an average of 1,500 net migrants will enter the county each year, accounting for 80 percent of total population growth.
- Real income per capita will rise by 3.0 percent in 2016. Over the 2016-2021 period, growth will average 2.2 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.2 percent per year over the 2016-2021 period.
- Industrial production will increase by 2.7 percent in 2016. From 2016 to 2021, the growth rate of industrial production will average 1.6 percent per year.
- Farm production is expected to increase by 0.7 percent per year between 2016 and 2021. The principal crops in the county are strawberries and wine grapes.

# San Luis Obispo County Economic Forecast

## 2010-2015 History, 2016-2050 Forecast

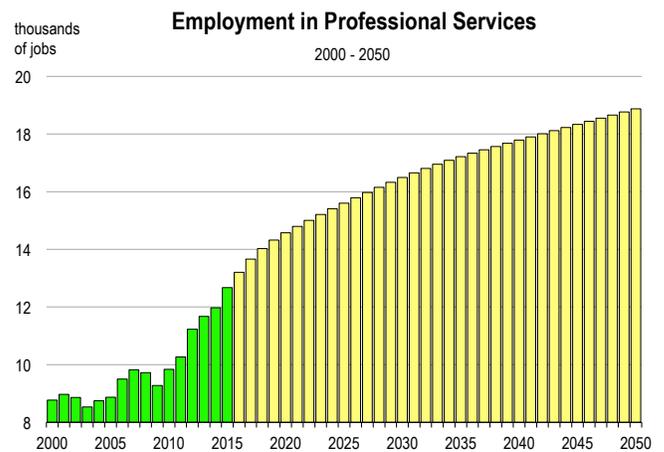
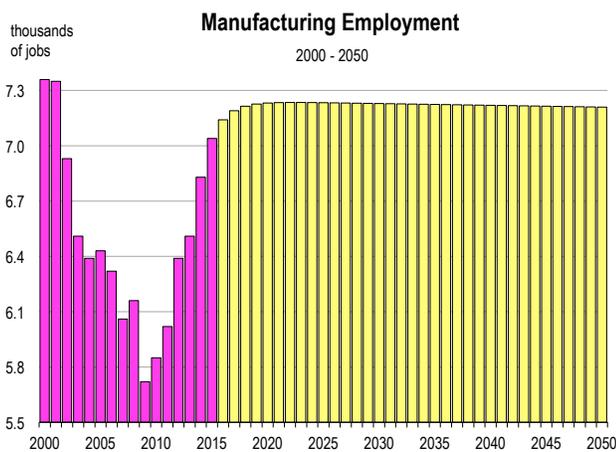
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	269,732	742	286	102.0	427	\$3.61	\$10.47	\$42,049	1.2	771.9	1,796	10.1
2011	269,908	1,107	286	102.2	293	\$4.02	\$11.23	\$43,894	2.7	776.5	1,750	9.6
2012	271,982	-188	284	102.8	446	\$5.03	\$11.91	\$45,261	2.0	890.9	1,883	8.2
2013	272,775	1,708	293	103.4	778	\$5.02	\$12.34	\$46,256	1.1	982.5	1,991	6.8
2014	275,233	420	298	104.1	967	\$5.23	\$13.01	\$47,709	1.3	911.2	2,057	5.6
2015	276,142	2,107	304	105.0	862	\$5.31	\$13.56	\$49,104	0.9	939.1	2,107	4.6
2016	278,121	1,541	308	105.4	866	\$5.62	\$14.45	\$50,567	1.9	946.2	2,165	3.9
2017	280,047	1,503	310	106.0	759	\$5.94	\$15.41	\$51,778	3.0	951.6	2,202	3.6
2018	281,866	1,423	312	106.6	715	\$6.21	\$16.18	\$52,910	2.9	958.1	2,234	3.5
2019	283,675	1,429	313	107.3	683	\$6.48	\$17.00	\$54,091	1.6	965.2	2,270	3.4
2020	285,545	1,508	315	107.9	674	\$6.76	\$17.83	\$55,231	1.6	972.6	2,304	3.4
2021	287,507	1,627	317	108.5	705	\$7.03	\$18.71	\$56,376	1.6	979.7	2,339	3.4
2022	289,458	1,638	319	109.1	739	\$7.31	\$19.58	\$57,407	1.6	987.0	2,375	3.4
2023	291,395	1,643	320	109.7	754	\$7.58	\$20.47	\$58,396	1.6	994.1	2,414	3.3
2024	293,310	1,646	322	110.4	728	\$7.87	\$21.37	\$59,143	1.9	1001.4	2,446	3.4
2025	295,166	1,617	324	111.0	724	\$8.18	\$22.27	\$59,699	2.1	1008.5	2,477	3.3
2026	296,983	1,607	326	111.7	715	\$8.49	\$23.15	\$60,062	2.2	1015.7	2,513	3.3
2027	298,763	1,598	328	112.3	705	\$8.80	\$24.04	\$60,372	2.2	1022.9	2,553	3.3
2028	300,489	1,583	330	112.9	698	\$9.11	\$24.95	\$60,781	2.0	1030.1	2,599	3.3
2029	302,157	1,556	332	113.5	690	\$9.45	\$25.91	\$61,354	1.8	1037.3	2,648	3.3
2030	303,729	1,509	334	114.2	693	\$9.81	\$26.91	\$62,030	1.7	1044.5	2,699	3.3
2031	305,215	1,468	336	114.8	693	\$10.22	\$27.94	\$62,782	1.6	1051.7	2,750	3.3
2032	306,629	1,423	339	115.4	729	\$10.67	\$29.01	\$63,437	1.8	1058.9	2,803	3.3
2033	307,983	1,378	341	116.0	739	\$11.10	\$30.08	\$64,276	1.4	1066.1	2,857	3.3
2034	309,268	1,337	343	116.7	727	\$11.57	\$31.22	\$65,062	1.6	1073.3	2,911	3.3
2035	310,484	1,290	345	117.3	710	\$12.05	\$32.40	\$65,818	1.7	1080.5	2,967	3.3
2036	311,598	1,248	347	117.9	677	\$12.56	\$33.64	\$66,379	2.1	1087.7	3,025	3.3
2037	312,632	1,201	348	118.5	654	\$13.04	\$34.91	\$66,859	2.2	1094.8	3,083	3.3
2038	313,589	1,155	349	119.1	593	\$13.51	\$36.20	\$67,432	2.0	1102.0	3,142	3.2
2039	314,468	1,108	350	119.7	555	\$14.00	\$37.55	\$67,916	2.2	1109.3	3,202	3.2
2040	315,287	1,074	351	120.2	558	\$14.49	\$38.95	\$68,498	2.1	1116.5	3,265	3.2
2041	316,038	1,035	351	120.7	557	\$14.98	\$40.39	\$69,208	1.9	1123.7	3,328	3.2
2042	316,737	1,004	352	121.2	553	\$15.48	\$41.88	\$70,000	1.8	1130.9	3,393	3.3
2043	317,382	972	353	121.7	557	\$16.00	\$43.43	\$70,878	1.7	1138.1	3,459	3.3
2044	317,978	943	353	122.2	558	\$16.52	\$45.00	\$71,884	1.5	1145.3	3,527	3.3
2045	318,518	912	354	122.7	562	\$17.08	\$46.67	\$72,816	1.7	1152.5	3,595	3.3
2046	319,001	879	354	123.2	564	\$17.64	\$48.37	\$73,742	1.6	1159.7	3,666	3.3
2047	319,435	855	354	123.6	564	\$18.21	\$50.11	\$74,663	1.9	1166.9	3,737	3.3
2048	319,815	821	354	124.1	559	\$18.80	\$51.90	\$75,583	1.9	1174.2	3,811	3.3
2049	320,148	799	354	124.6	563	\$19.41	\$53.75	\$76,511	2.0	1181.4	3,885	3.3
2050	320,436	776	355	125.1	543	\$20.05	\$55.65	\$77,451	2.2	1188.6	3,962	3.3

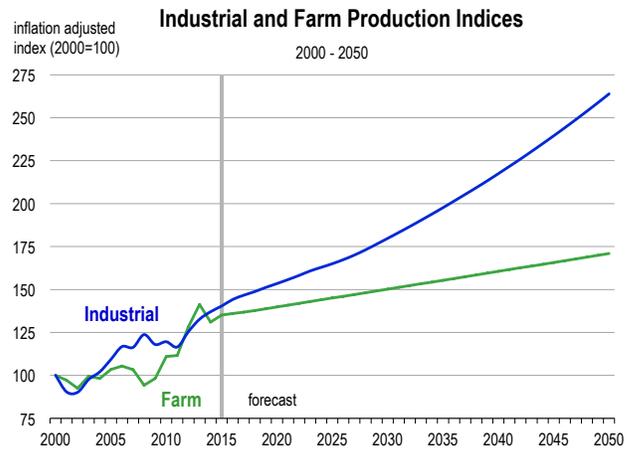
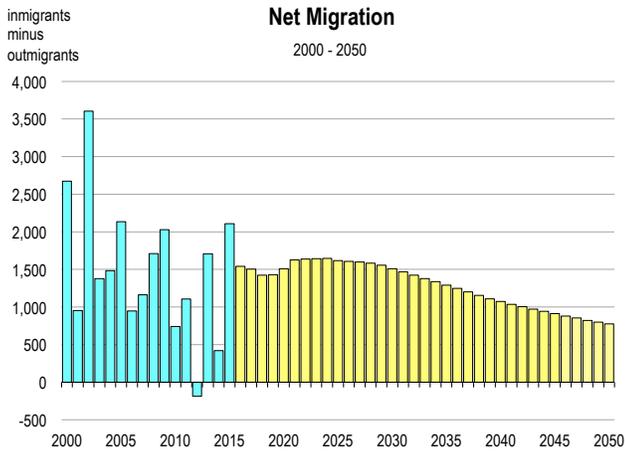
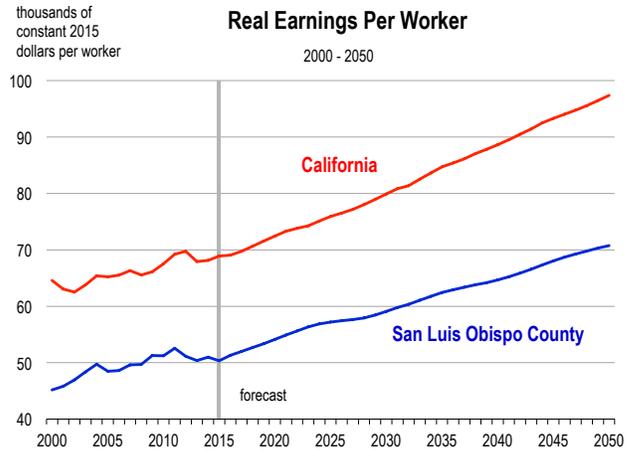
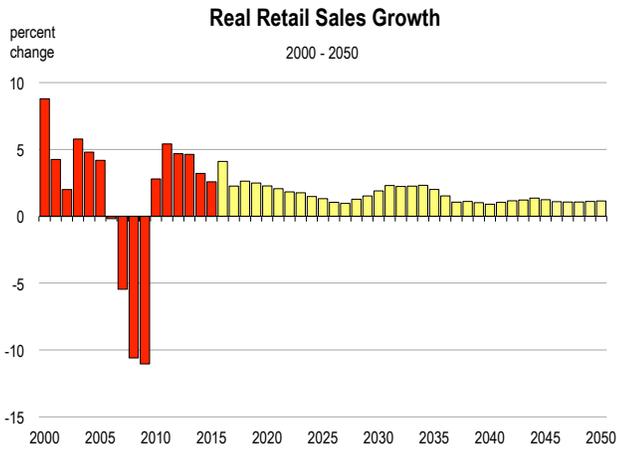


# San Luis Obispo County Employment Forecast

## 2010-2015 History, 2016-2050 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)-----												
2010	102.4	4.7	4.9	5.9	3.6	15.6	3.9	9.8	1.2	12.6	14.8	20.9
2011	103.4	4.7	5.1	6.0	3.5	15.9	4.0	10.3	1.1	12.7	14.9	20.6
2012	107.8	5.1	5.5	6.4	3.8	16.3	4.1	11.2	1.2	13.0	15.7	20.7
2013	111.2	4.5	6.1	6.5	4.0	16.5	4.1	11.7	1.4	14.0	16.2	21.5
2014	115.5	4.7	6.4	6.8	4.0	16.6	4.1	12.0	1.4	14.5	16.8	22.9
2015	119.4	5.1	6.7	7.0	4.1	16.8	4.2	12.7	1.5	14.7	17.6	23.5
2016	122.0	5.1	6.9	7.1	4.1	17.0	4.2	13.2	1.5	14.9	17.9	24.2
2017	123.8	5.1	6.9	7.2	4.1	17.2	4.2	13.7	1.5	15.0	18.2	24.7
2018	125.2	5.1	6.8	7.2	4.1	17.5	4.2	14.0	1.6	15.2	18.4	25.1
2019	126.4	5.1	6.8	7.2	4.1	17.7	4.2	14.3	1.6	15.4	18.5	25.4
2020	127.4	5.1	6.7	7.2	4.2	17.9	4.3	14.6	1.6	15.6	18.5	25.7
2021	128.3	5.2	6.7	7.2	4.2	18.1	4.3	14.8	1.6	15.7	18.5	25.9
2022	129.1	5.2	6.7	7.2	4.2	18.2	4.3	15.0	1.6	15.9	18.5	26.0
2023	129.9	5.2	6.7	7.2	4.2	18.4	4.3	15.2	1.6	16.1	18.5	26.2
2024	130.6	5.3	6.7	7.2	4.2	18.6	4.3	15.4	1.7	16.3	18.5	26.3
2025	131.3	5.3	6.7	7.2	4.2	18.7	4.3	15.6	1.7	16.5	18.5	26.4
2026	132.0	5.4	6.7	7.2	4.2	18.8	4.3	15.8	1.7	16.7	18.6	26.5
2027	132.7	5.4	6.7	7.2	4.2	18.9	4.3	16.0	1.7	16.9	18.6	26.5
2028	133.4	5.4	6.7	7.2	4.2	19.0	4.3	16.2	1.7	17.1	18.7	26.6
2029	134.1	5.5	6.7	7.2	4.2	19.2	4.3	16.3	1.7	17.3	18.8	26.7
2030	134.9	5.5	6.7	7.2	4.2	19.3	4.3	16.5	1.7	17.5	18.9	26.8
2031	135.7	5.5	6.7	7.2	4.2	19.5	4.3	16.7	1.7	17.7	19.0	26.8
2032	136.5	5.6	6.7	7.2	4.2	19.7	4.3	16.8	1.8	17.8	19.2	26.9
2033	137.3	5.6	6.7	7.2	4.2	19.8	4.3	17.0	1.8	18.0	19.3	27.0
2034	138.1	5.7	6.7	7.2	4.2	20.0	4.3	17.1	1.8	18.2	19.4	27.1
2035	138.8	5.7	6.7	7.2	4.2	20.2	4.3	17.2	1.8	18.4	19.5	27.1
2036	139.4	5.7	6.7	7.2	4.2	20.3	4.3	17.3	1.8	18.5	19.6	27.2
2037	140.1	5.8	6.7	7.2	4.2	20.4	4.3	17.5	1.8	18.7	19.7	27.3
2038	140.6	5.8	6.6	7.2	4.2	20.6	4.2	17.6	1.8	18.8	19.8	27.3
2039	141.1	5.8	6.6	7.2	4.2	20.7	4.2	17.7	1.8	18.9	20.0	27.4
2040	141.6	5.9	6.6	7.2	4.2	20.7	4.2	17.8	1.9	19.0	20.1	27.5
2041	142.1	5.9	6.5	7.2	4.2	20.8	4.2	17.9	1.9	19.1	20.2	27.5
2042	142.6	6.0	6.5	7.2	4.2	20.9	4.2	18.0	1.9	19.2	20.3	27.6
2043	143.1	6.0	6.5	7.2	4.2	21.0	4.2	18.1	1.9	19.2	20.4	27.7
2044	143.6	6.0	6.5	7.2	4.2	21.1	4.2	18.2	1.9	19.2	20.5	27.7
2045	144.0	6.1	6.5	7.2	4.2	21.3	4.2	18.3	1.9	19.3	20.6	27.8
2046	144.5	6.1	6.5	7.2	4.2	21.3	4.2	18.4	1.9	19.3	20.8	27.9
2047	144.9	6.1	6.5	7.2	4.2	21.4	4.2	18.5	2.0	19.3	20.9	28.0
2048	145.4	6.2	6.5	7.2	4.2	21.5	4.2	18.7	2.0	19.3	21.0	28.0
2049	145.8	6.2	6.5	7.2	4.2	21.6	4.2	18.8	2.0	19.3	21.1	28.1
2050	146.2	6.3	6.5	7.2	4.2	21.7	4.2	18.9	2.0	19.3	21.2	28.2





## County Economic and Demographic Indicators

### Projected Economic Growth (2016-2021)

Expected retail sales growth:	12.3%
Expected job growth:	5.2%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	15.3%

Expected population growth:	3.4%
Net migration to account for:	79.8%
Expected growth in number of vehicles:	3.0%

### Demographics (2016)

Unemployment rate (April 2016):	3.9%
County rank* in California (58 counties):	6th
Working age (16-64) population:	65.7%

Population with B.A. or higher:	31.7%
Median home selling price (2015):	484,000
Median household income:	\$62,428

### Quality of Life

Violent crime rate (2014):	303 per 100,000 persons
County rank* in California (58 counties):	19th
Average commute time to work (2016):	23.0 minutes

High School drop out rate (2015):	6.7%
Households at/below poverty line (2016):	8.0%

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