

SANTA BARBARA COUNTY ECONOMIC FORECAST

Santa Barbara County, located immediately northwest of Ventura County, is dominated by three principal economic activities: tourism, Vandenberg Air Force Base, and education. It has a population of 445,400 people and a total of 201,500 wage and salary jobs. The income per capita is \$53,484 and the average salary per worker is \$59,094.

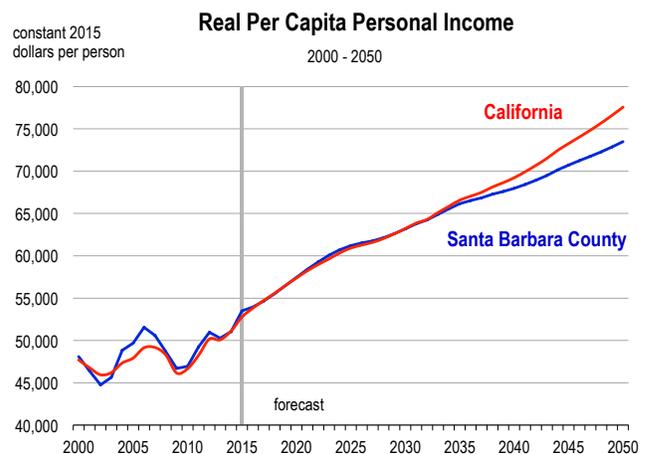
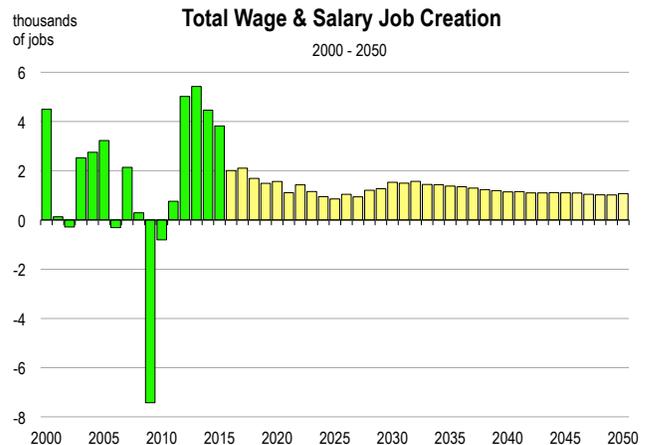
Across Southern California, employment increased by 2.6 percent in 2015. In Santa Barbara County, 3,800 wage and salary jobs were created, representing a growth rate of 1.9 percent. The unemployment rate improved substantially, falling from 6.1 percent in 2014 to 5.3 percent in 2015.

In 2015, most major sectors were characterized by positive job growth. The largest gains were observed in leisure and hospitality (+1,200 jobs), government (+770 jobs), and manufacturing (+670 jobs). The largest losses were in professional and business services (-330 jobs).

Between 2010 and 2015, the population of Santa Barbara County grew at an average rate of 1.0 percent per year. This growth was due partially to in-migration, which has been strong in recent years. During the forecast period, the majority of population growth will occur in the northern portion of the county. Because of restrictions on new housing development, population growth in the southern portion of the county will be limited.

FORECAST HIGHLIGHTS

- In 2016, total employment is expected to increase by 1.0 percent. Over the 2016-2021 period, growth is expected to average 0.8 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast horizon. In Santa Barbara County, inflation-adjusted salaries are forecasted to rise at a rate of 1.2 percent per year from 2016 to 2021.
- Over the 2016-2021 period, the largest employment gains will be observed in professional services, government, and education and healthcare. Combined, these industries will account for 65 percent of net job creation in the county.
- Population growth will remain relatively moderate. Growth in the 2016-2021 period will average 0.8 percent per year.
- Net migration will be positive over the 2016-2021 period, with an average of 670 net migrants entering the county each year. Northern Santa Barbara County will be characterized by positive net migration, while Southern Santa Barbara County will lose residents through out-migration.

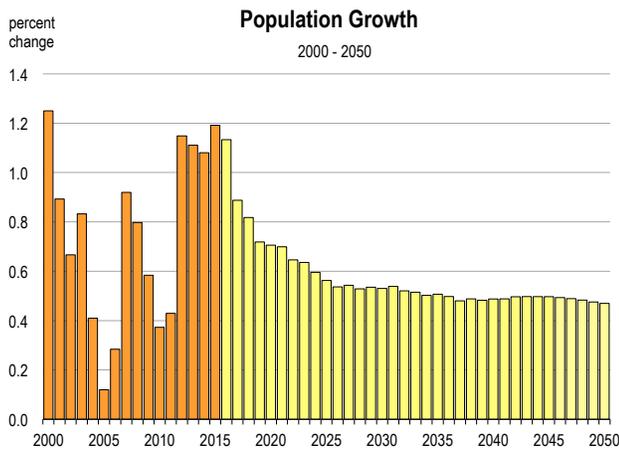


- Real income per capita is expected to rise at an average annual rate of 1.6 percent from 2016 to 2021.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.3 percent per year during the 2016-2021 period.
- From 2016 to 2021, industrial production will rise by an average of 1.9 percent per year.
- Farm production will increase by 0.9 percent per year between 2016 and 2021. The principal crop in the county is the strawberry.

Santa Barbara County Economic Forecast

2010-2015 History, 2016-2050 Forecast

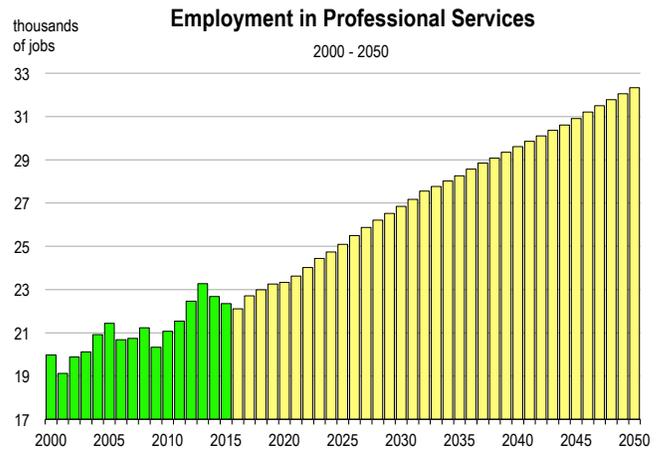
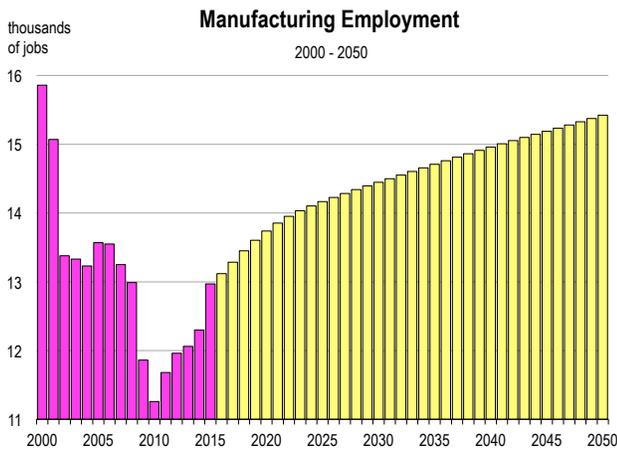
| | Population (people) | Net Migration (people) | Registered Vehicles (thousands) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (billions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (millions) | Real Industrial Production (billions) | Unemploy- ment Rate (percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2010 | 423,999 | -1,515 | 368.1 | 142 | 460 | \$5.31 | \$18.37 | \$46,930 | 1.2 | 1,321 | 3.44 | 9.7 |
| 2011 | 425,820 | -1,044 | 366.1 | 143 | 347 | \$5.72 | \$19.88 | \$49,240 | 2.7 | 1,260 | 3.70 | 9.4 |
| 2012 | 430,712 | 2,142 | 366.7 | 143 | 496 | \$6.05 | \$21.24 | \$50,972 | 2.0 | 1,335 | 4.03 | 8.4 |
| 2013 | 435,497 | 2,074 | 372.7 | 143 | 426 | \$6.33 | \$21.40 | \$50,264 | 1.1 | 1,469 | 3.98 | 7.2 |
| 2014 | 440,200 | 1,926 | 386.4 | 144 | 898 | \$6.66 | \$22.26 | \$51,036 | 1.3 | 1,504 | 3.90 | 6.1 |
| 2015 | 445,444 | 2,308 | 393.9 | 144 | 1,071 | \$6.84 | \$23.82 | \$53,484 | 0.9 | 1,550 | 4.22 | 5.3 |
| 2016 | 450,492 | 2,058 | 397.3 | 146 | 1,199 | \$7.13 | \$24.75 | \$53,949 | 1.9 | 1,556 | 4.33 | 4.4 |
| 2017 | 454,491 | 935 | 401.1 | 147 | 1,232 | \$7.45 | \$26.07 | \$54,676 | 3.0 | 1,571 | 4.39 | 4.3 |
| 2018 | 458,208 | 623 | 404.2 | 148 | 1,215 | \$7.75 | \$27.46 | \$55,519 | 2.9 | 1,577 | 4.51 | 4.2 |
| 2019 | 461,501 | 161 | 406.9 | 149 | 1,165 | \$7.98 | \$28.59 | \$56,477 | 1.6 | 1,594 | 4.59 | 4.1 |
| 2020 | 464,758 | 111 | 409.7 | 150 | 1,142 | \$8.22 | \$29.76 | \$57,443 | 1.6 | 1,628 | 4.67 | 4.1 |
| 2021 | 468,007 | 105 | 411.9 | 151 | 1,121 | \$8.47 | \$30.95 | \$58,395 | 1.6 | 1,627 | 4.77 | 4.1 |
| 2022 | 471,030 | -136 | 414.5 | 152 | 1,107 | \$8.73 | \$32.15 | \$59,291 | 1.6 | 1,649 | 4.86 | 4.1 |
| 2023 | 474,025 | -165 | 416.7 | 153 | 1,085 | \$8.96 | \$33.31 | \$60,077 | 1.6 | 1,657 | 4.96 | 4.1 |
| 2024 | 476,849 | -334 | 418.5 | 154 | 1,034 | \$9.19 | \$34.51 | \$60,708 | 1.9 | 1,673 | 5.10 | 4.1 |
| 2025 | 479,532 | -470 | 420.1 | 155 | 1,004 | \$9.43 | \$35.72 | \$61,190 | 2.1 | 1,684 | 5.20 | 4.1 |
| 2026 | 482,105 | -576 | 422.1 | 155 | 986 | \$9.66 | \$36.90 | \$61,511 | 2.2 | 1,698 | 5.31 | 4.1 |
| 2027 | 484,723 | -514 | 423.9 | 156 | 965 | \$9.89 | \$38.07 | \$61,756 | 2.2 | 1,712 | 5.44 | 4.1 |
| 2028 | 487,286 | -534 | 426.1 | 157 | 984 | \$10.16 | \$39.28 | \$62,133 | 2.0 | 1,725 | 5.56 | 4.1 |
| 2029 | 489,894 | -470 | 428.3 | 158 | 985 | \$10.42 | \$40.52 | \$62,612 | 1.8 | 1,739 | 5.69 | 4.1 |
| 2030 | 492,493 | -452 | 431.0 | 159 | 987 | \$10.69 | \$41.81 | \$63,183 | 1.7 | 1,753 | 5.82 | 4.1 |
| 2031 | 495,145 | -386 | 433.7 | 160 | 990 | \$10.95 | \$43.12 | \$63,786 | 1.6 | 1,767 | 5.95 | 4.1 |
| 2032 | 497,722 | -397 | 436.4 | 160 | 999 | \$11.22 | \$44.46 | \$64,251 | 1.8 | 1,781 | 6.07 | 4.0 |
| 2033 | 500,286 | -368 | 439.0 | 161 | 1,012 | \$11.48 | \$45.79 | \$64,919 | 1.4 | 1,795 | 6.20 | 4.0 |
| 2034 | 502,799 | -378 | 441.5 | 162 | 1,026 | \$11.77 | \$47.23 | \$65,554 | 1.6 | 1,810 | 6.34 | 4.0 |
| 2035 | 505,347 | -349 | 443.9 | 163 | 1,041 | \$12.07 | \$48.73 | \$66,159 | 1.7 | 1,825 | 6.48 | 4.0 |
| 2036 | 507,862 | -331 | 446.3 | 164 | 1,051 | \$12.39 | \$50.29 | \$66,542 | 2.1 | 1,840 | 6.62 | 4.0 |
| 2037 | 510,300 | -293 | 448.6 | 165 | 1,065 | \$12.73 | \$51.90 | \$66,859 | 2.2 | 1,854 | 6.76 | 4.0 |
| 2038 | 512,790 | -246 | 450.8 | 166 | 1,073 | \$13.06 | \$53.54 | \$67,279 | 2.0 | 1,869 | 6.88 | 4.0 |
| 2039 | 515,264 | -204 | 453.0 | 167 | 1,085 | \$13.41 | \$55.25 | \$67,608 | 2.2 | 1,885 | 7.01 | 3.9 |
| 2040 | 517,777 | -151 | 455.0 | 168 | 1,108 | \$13.76 | \$56.99 | \$67,963 | 2.1 | 1,901 | 7.15 | 3.9 |
| 2041 | 520,304 | -103 | 457.1 | 169 | 1,091 | \$14.10 | \$58.76 | \$68,423 | 1.9 | 1,916 | 7.29 | 3.9 |
| 2042 | 522,888 | -34 | 459.1 | 170 | 1,076 | \$14.44 | \$60.57 | \$68,928 | 1.8 | 1,932 | 7.44 | 3.9 |
| 2043 | 525,489 | 3 | 461.1 | 171 | 1,067 | \$14.78 | \$62.42 | \$69,488 | 1.7 | 1,948 | 7.60 | 3.9 |
| 2044 | 528,101 | 42 | 463.1 | 171 | 1,050 | \$15.11 | \$64.31 | \$70,164 | 1.5 | 1,964 | 7.77 | 3.9 |
| 2045 | 530,726 | 80 | 465.1 | 172 | 1,032 | \$15.46 | \$66.26 | \$70,724 | 1.7 | 1,981 | 7.93 | 3.9 |
| 2046 | 533,344 | 102 | 467.1 | 173 | 1,020 | \$15.80 | \$68.18 | \$71,256 | 1.6 | 1,997 | 8.11 | 3.9 |
| 2047 | 535,952 | 119 | 469.0 | 174 | 1,010 | \$16.19 | \$70.33 | \$71,770 | 1.9 | 2,014 | 8.30 | 3.9 |
| 2048 | 538,542 | 122 | 470.9 | 175 | 1,006 | \$16.59 | \$72.55 | \$72,304 | 1.9 | 2,031 | 8.49 | 3.9 |
| 2049 | 541,102 | 130 | 472.8 | 176 | 991 | \$17.02 | \$74.96 | \$72,874 | 2.0 | 2,048 | 8.69 | 3.9 |
| 2050 | 543,644 | 146 | 474.7 | 177 | 976 | \$17.50 | \$77.62 | \$73,492 | 2.2 | 2,066 | 8.89 | 3.9 |

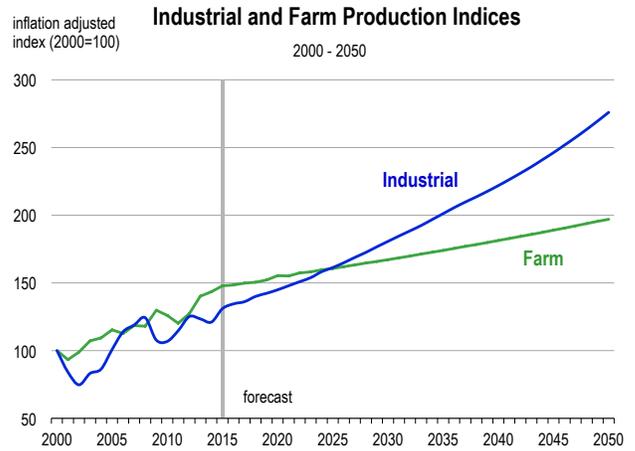
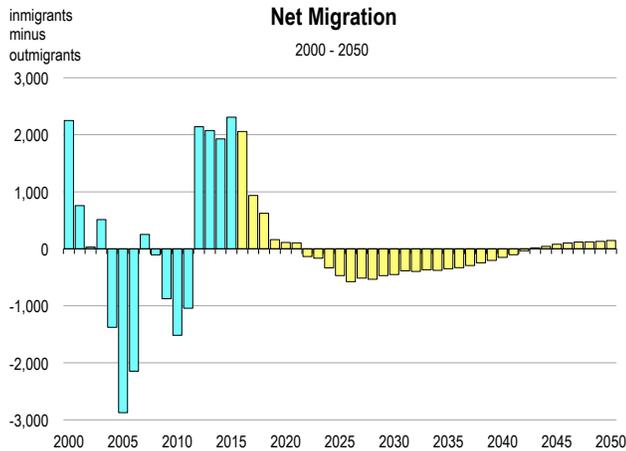
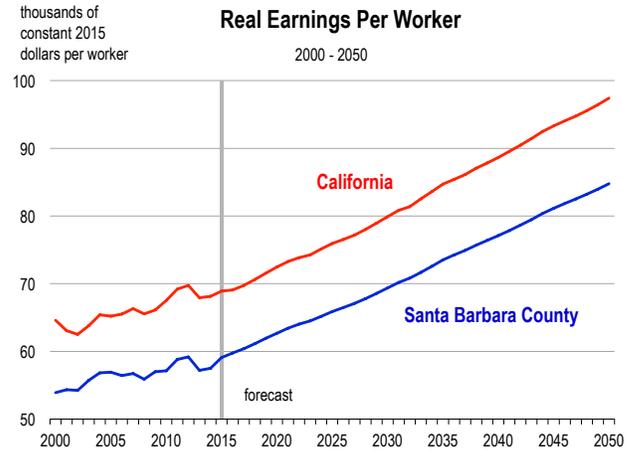
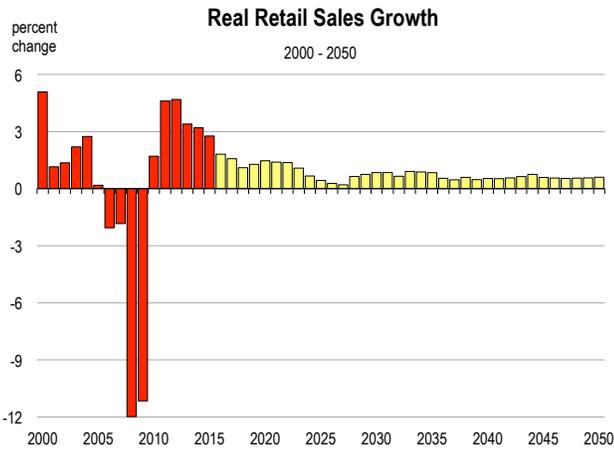


Santa Barbara County Employment Forecast

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 | 182.0 | 18.6 | 7.0 | 11.3 | 2.8 | 21.9 | 6.4 | 21.1 | 3.5 | 23.0 | 21.9 | 38.2 |
| 2011 | 182.7 | 18.2 | 6.8 | 11.7 | 2.8 | 21.8 | 6.5 | 21.5 | 3.6 | 23.5 | 22.1 | 37.8 |
| 2012 | 187.7 | 18.8 | 6.8 | 12.0 | 3.1 | 22.7 | 6.5 | 22.5 | 4.2 | 24.0 | 22.9 | 37.7 |
| 2013 | 193.2 | 19.3 | 7.2 | 12.1 | 3.4 | 23.5 | 6.5 | 23.3 | 4.3 | 24.6 | 24.4 | 37.9 |
| 2014 | 197.6 | 21.0 | 7.4 | 12.3 | 3.6 | 23.9 | 6.4 | 22.7 | 4.4 | 25.1 | 25.5 | 38.3 |
| 2015 | 201.5 | 21.0 | 7.9 | 13.0 | 3.6 | 24.4 | 6.4 | 22.4 | 4.4 | 25.7 | 26.7 | 39.1 |
| 2016 | 203.5 | 21.3 | 8.2 | 13.1 | 3.6 | 24.8 | 6.6 | 22.1 | 4.4 | 26.2 | 27.1 | 39.1 |
| 2017 | 205.6 | 21.5 | 8.2 | 13.3 | 3.6 | 24.9 | 6.6 | 22.7 | 4.4 | 26.6 | 27.4 | 39.3 |
| 2018 | 207.3 | 21.6 | 8.0 | 13.5 | 3.7 | 25.0 | 6.7 | 23.0 | 4.4 | 26.9 | 27.6 | 39.8 |
| 2019 | 208.7 | 21.8 | 7.9 | 13.6 | 3.6 | 25.1 | 6.6 | 23.3 | 4.4 | 27.3 | 27.7 | 40.2 |
| 2020 | 210.3 | 22.2 | 7.8 | 13.7 | 3.6 | 25.2 | 6.6 | 23.3 | 4.4 | 27.6 | 27.8 | 40.7 |
| 2021 | 211.4 | 22.2 | 7.9 | 13.9 | 3.6 | 25.3 | 6.6 | 23.6 | 4.4 | 27.9 | 27.8 | 41.0 |
| 2022 | 212.8 | 22.4 | 7.9 | 14.0 | 3.7 | 25.4 | 6.6 | 24.0 | 4.4 | 28.2 | 27.8 | 41.1 |
| 2023 | 214.0 | 22.5 | 7.9 | 14.0 | 3.6 | 25.5 | 6.6 | 24.4 | 4.4 | 28.6 | 27.8 | 41.3 |
| 2024 | 215.0 | 22.7 | 7.9 | 14.1 | 3.6 | 25.5 | 6.5 | 24.7 | 4.4 | 28.9 | 27.8 | 41.2 |
| 2025 | 215.8 | 22.8 | 7.8 | 14.2 | 3.6 | 25.6 | 6.5 | 25.1 | 4.5 | 29.2 | 27.9 | 41.1 |
| 2026 | 216.8 | 23.0 | 7.7 | 14.2 | 3.6 | 25.6 | 6.5 | 25.5 | 4.5 | 29.6 | 27.9 | 41.1 |
| 2027 | 217.8 | 23.1 | 7.6 | 14.3 | 3.6 | 25.7 | 6.5 | 25.9 | 4.5 | 30.0 | 28.0 | 40.9 |
| 2028 | 219.0 | 23.3 | 7.6 | 14.3 | 3.6 | 25.8 | 6.5 | 26.2 | 4.5 | 30.4 | 28.1 | 40.9 |
| 2029 | 220.3 | 23.4 | 7.7 | 14.4 | 3.7 | 25.9 | 6.5 | 26.5 | 4.5 | 30.9 | 28.2 | 40.9 |
| 2030 | 221.8 | 23.6 | 7.7 | 14.4 | 3.7 | 26.0 | 6.5 | 26.8 | 4.5 | 31.3 | 28.4 | 41.1 |
| 2031 | 223.3 | 23.7 | 7.7 | 14.5 | 3.7 | 26.1 | 6.5 | 27.2 | 4.5 | 31.7 | 28.5 | 41.2 |
| 2032 | 224.9 | 23.9 | 7.7 | 14.6 | 3.7 | 26.3 | 6.5 | 27.6 | 4.5 | 32.2 | 28.7 | 41.4 |
| 2033 | 226.3 | 24.0 | 7.7 | 14.6 | 3.7 | 26.5 | 6.5 | 27.8 | 4.5 | 32.7 | 28.8 | 41.6 |
| 2034 | 227.7 | 24.2 | 7.7 | 14.7 | 3.6 | 26.6 | 6.5 | 28.0 | 4.5 | 33.1 | 28.9 | 41.8 |
| 2035 | 229.1 | 24.3 | 7.7 | 14.7 | 3.6 | 26.7 | 6.5 | 28.3 | 4.5 | 33.5 | 29.1 | 41.9 |
| 2036 | 230.5 | 24.5 | 7.7 | 14.8 | 3.6 | 26.8 | 6.5 | 28.6 | 4.5 | 34.0 | 29.2 | 42.0 |
| 2037 | 231.8 | 24.6 | 7.8 | 14.8 | 3.6 | 26.9 | 6.5 | 28.8 | 4.5 | 34.5 | 29.3 | 42.1 |
| 2038 | 233.0 | 24.8 | 7.8 | 14.9 | 3.6 | 27.0 | 6.5 | 29.1 | 4.5 | 34.9 | 29.5 | 42.2 |
| 2039 | 234.2 | 24.9 | 7.8 | 14.9 | 3.6 | 27.0 | 6.5 | 29.3 | 4.5 | 35.3 | 29.6 | 42.3 |
| 2040 | 235.3 | 25.1 | 7.8 | 15.0 | 3.6 | 27.1 | 6.5 | 29.6 | 4.6 | 35.6 | 29.8 | 42.3 |
| 2041 | 236.5 | 25.3 | 7.9 | 15.0 | 3.6 | 27.1 | 6.5 | 29.9 | 4.6 | 36.0 | 29.9 | 42.4 |
| 2042 | 237.6 | 25.4 | 7.9 | 15.1 | 3.6 | 27.2 | 6.5 | 30.1 | 4.6 | 36.2 | 30.1 | 42.5 |
| 2043 | 238.7 | 25.6 | 7.9 | 15.1 | 3.6 | 27.2 | 6.5 | 30.4 | 4.6 | 36.5 | 30.2 | 42.6 |
| 2044 | 239.8 | 25.7 | 8.0 | 15.1 | 3.6 | 27.3 | 6.5 | 30.6 | 4.6 | 36.7 | 30.3 | 42.7 |
| 2045 | 240.9 | 25.9 | 8.0 | 15.2 | 3.6 | 27.3 | 6.5 | 30.9 | 4.6 | 37.0 | 30.5 | 42.8 |
| 2046 | 242.0 | 26.0 | 8.1 | 15.2 | 3.6 | 27.4 | 6.5 | 31.2 | 4.6 | 37.2 | 30.6 | 42.9 |
| 2047 | 243.1 | 26.2 | 8.1 | 15.3 | 3.6 | 27.4 | 6.4 | 31.5 | 4.6 | 37.3 | 30.8 | 43.0 |
| 2048 | 244.1 | 26.3 | 8.1 | 15.3 | 3.6 | 27.5 | 6.4 | 31.8 | 4.6 | 37.5 | 30.9 | 43.1 |
| 2049 | 245.1 | 26.5 | 8.2 | 15.4 | 3.6 | 27.5 | 6.4 | 32.1 | 4.6 | 37.7 | 31.0 | 43.2 |
| 2050 | 246.2 | 26.7 | 8.2 | 15.4 | 3.6 | 27.6 | 6.4 | 32.3 | 4.6 | 37.9 | 31.2 | 43.3 |





County Economic and Demographic Indicators

Projected Economic Growth (2016-2021)

| | |
|----------------------------------|-----------------------|
| Expected retail sales growth: | 7.0% |
| Expected job growth: | 3.9% |
| Fastest growing jobs sector: | Professional Services |
| Expected personal income growth: | 12.5% |

| | |
|--|-------|
| Expected population growth: | 3.9% |
| Net migration to account for: | 11.0% |
| Expected growth in number of vehicles: | 3.7% |

Demographics (2016)

| | |
|---|-------|
| Unemployment rate (April 2016): | 4.5% |
| County rank* in California (58 counties): | 12th |
| Working age (16-64) population: | 65.5% |

| | |
|--|-----------|
| Population with B.A. degree or higher: | 31.9% |
| Median home selling price (2015): | \$464,000 |
| Median household income: | \$66,581 |

Quality of Life

| | |
|---|-------------------------|
| Violent crime rate (2014): | 290 per 100,000 persons |
| County rank* in California (58 counties): | 16th |
| Average commute time to work (2016): | 21.0 minutes |

| | |
|--|-------|
| High school drop out rate (2015): | 10.7% |
| Households at/below poverty line (2016): | 9.8% |

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