

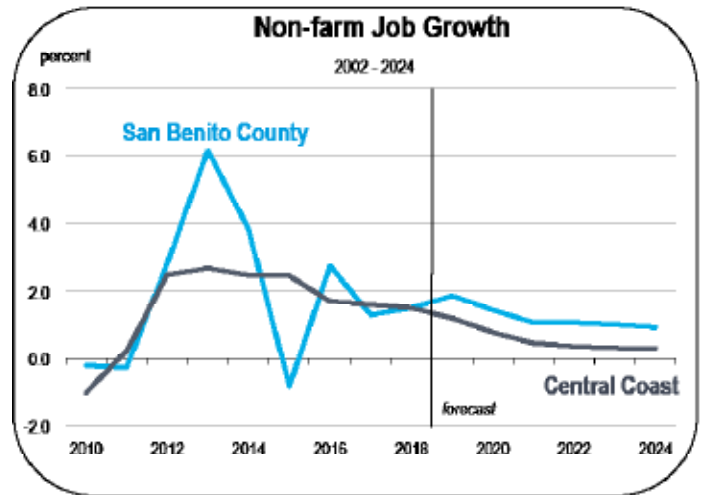
# San Benito County Economic Forecast

## Forecast Summary

- 300 non-farm jobs will be created in San Benito County during 2019. Over the entire 2018–2024 period, an average of 200 new jobs per year are expected.
- Employment growth will be led by education and healthcare, manufacturing, retail trade, and government. Together, these sectors will account for 68 percent of net job creation through 2024.
- Between 2018 and 2024, a number of sectors are at risk of employment contraction, including construction, wholesale trade, financial activities, and information.
- The unemployment rate averaged 5.1 percent in 2018 and is near its lowest sustainable level.
- The population of San Benito County is expanding faster than the average for the Central Coast and will continue to do so.
- Housing production has accelerated but is not keeping pace with population growth.

## Job Growth

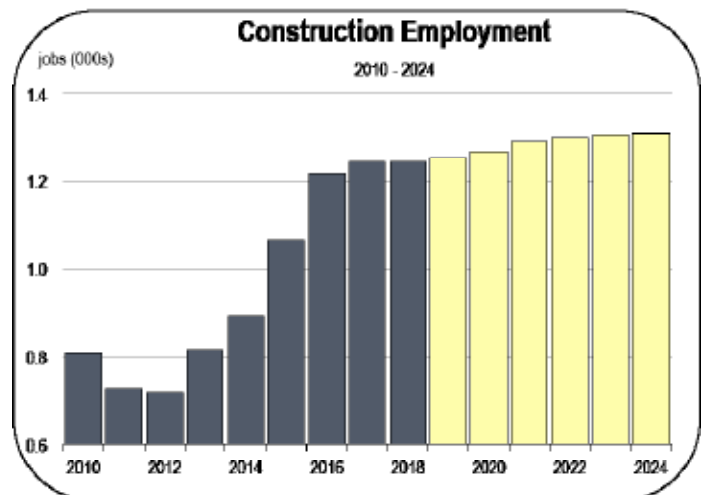
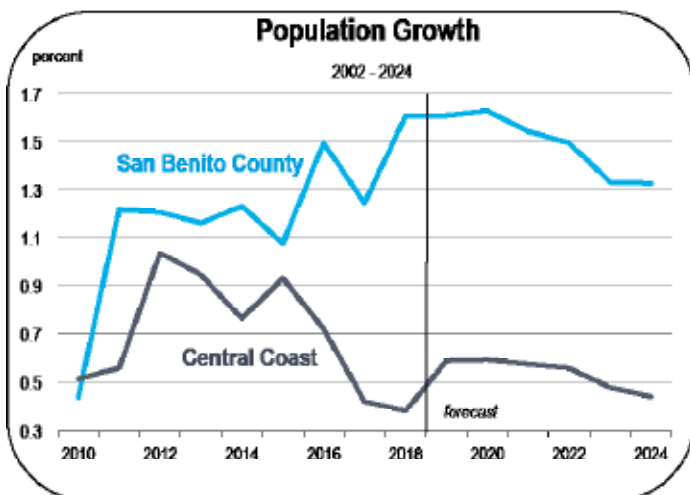
- Approximately 200 non-farm jobs were created in San Benito County in 2018.
- The largest gains in 2018 were observed in manufacturing, leisure and hospitality, education and healthcare, and government. Employment contraction was observed in wholesale trade.



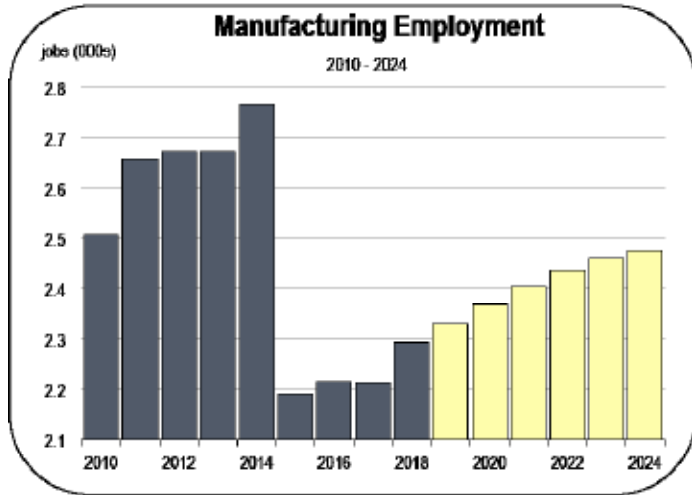
- Between 2012 and 2018, non-farm job growth averaged 2.4 percent per year. Between 2018 and 2024, growth is expected to average 1.2 percent per year.

## Construction Employment

- Between 2012 and 2016, construction employment increased at a rapid pace. During this time, housing production accelerated sharply, as did the development of non-residential structures.
- Housing production slowed down in 2018 when only 342 units broke ground.
- Non-residential construction began to plateau in 2018, with only \$125 million invested into building new structures and renovating existing structures.



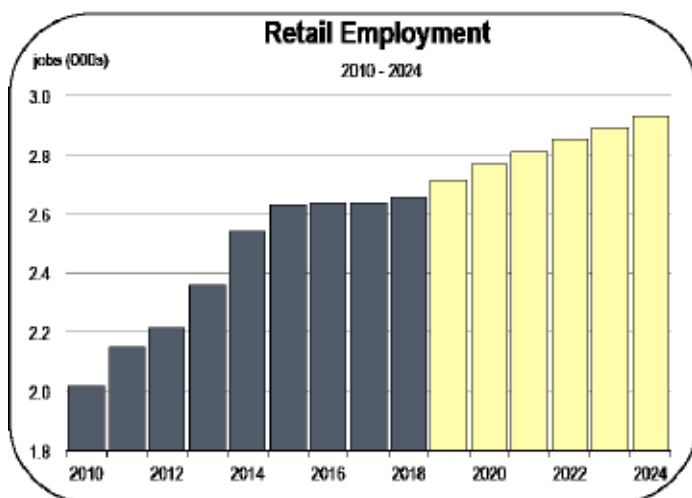
# San Benito County Economic Forecast



- We are near the peak of the building cycle. Construction employment will grow slowly over the forecast period, and is at risk of contraction if the economy falls into recession.

## Manufacturing Employment

- The manufacturing sector is among the top employers in San Benito County, accounting for 13 percent of the total job market.
- San Benito County’s manufacturing firms are primarily in the food manufacturing business, turning agricultural commodities into finished products ready for consumption.
- In 2015, approximately 20 food manufacturing plants went out of business, eliminating more than 500 jobs.



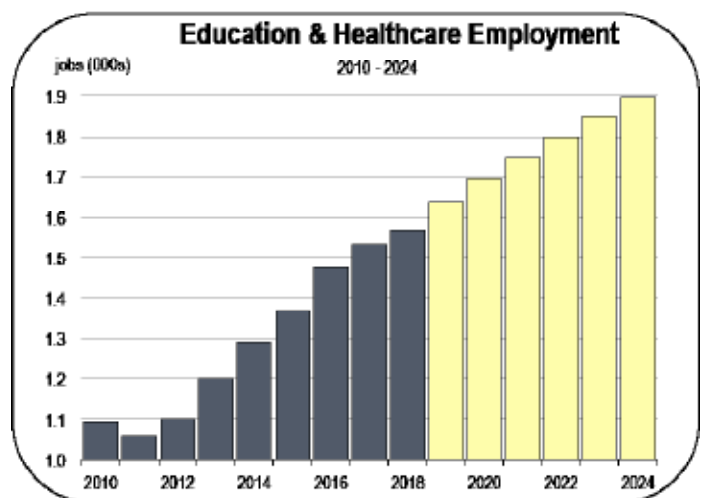
- Since 2015, the food manufacturing sector has begun to expand again, and is expected to create additional jobs during the forecast period.

## Retail Trade Employment

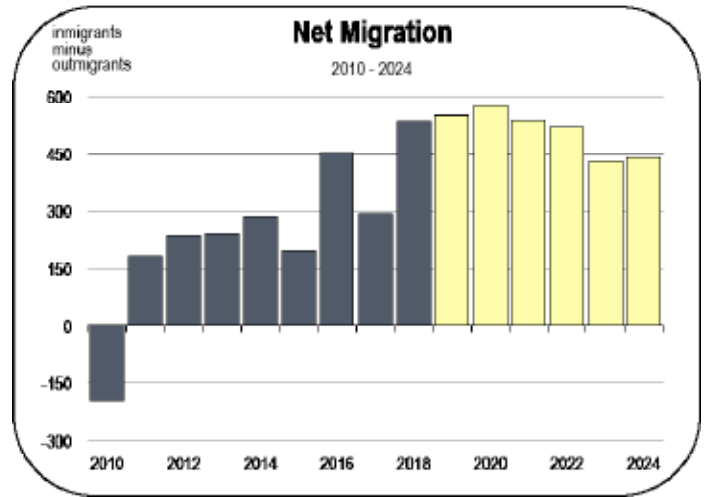
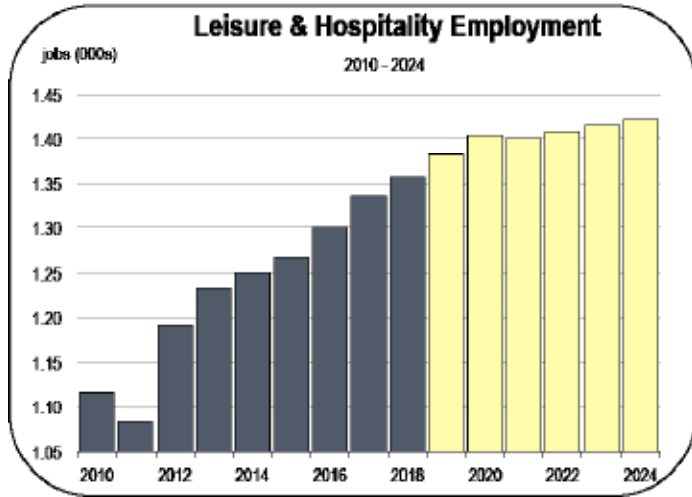
- Employment in the San Benito County retail sector has been relatively stable since 2015.
- The retail industry is being divided into two groups: stores that face heavy online competition, and stores that don’t.
- In 2019 and 2020, jobs are expected to be created in sectors not facing heavy online competition:
  - Car dealerships
  - Drug stores and healthcare stores
  - Grocery stores
  - Gas Stations
- Job growth is expected to be slow, and may even turn negative, in sectors that are facing heavy online competition:
  - Clothing stores
  - Sporting goods stores
  - Consumer electronics stores
  - Department stores (i.e. Macy’s)
  - Office supply stores

## Private Education and Healthcare Employment

- This industry has grown quickly for much of the last decade.



# San Benito County Economic Forecast



- Gains have been widespread, with strength in doctors’ offices, home health services, outpatient care centers, and facilities that serve the elderly and people with disabilities.
- The private education industry gained a small number of jobs in 2018 (public schools are included in the government sector).
- The future of the U.S. health insurance landscape is unknown, and legislative changes could influence job growth in this sector.

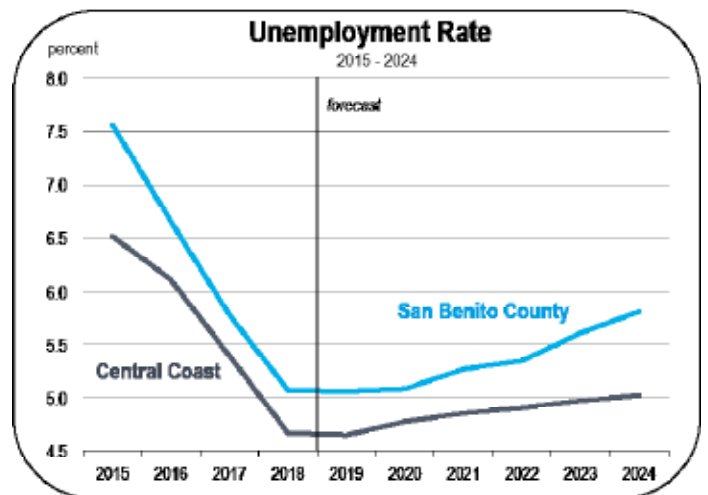
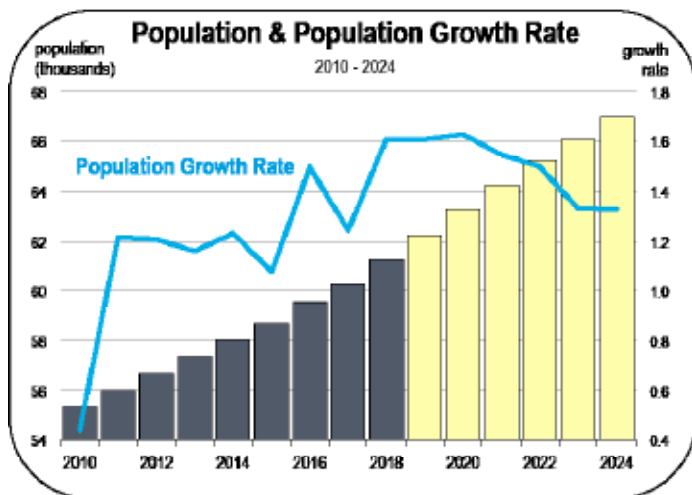
- After 2020, growth in the leisure sector may become more moderate, and this sector may be characterized by employment contraction if the economy falls into recession during the 2018–2024 forecast period.
- The leisure industry is sensitive to changes in the minimum wage. As California’s minimum wage rises to \$15 per hour by 2022, job growth could be impacted.

## Leisure and Hospitality Employment

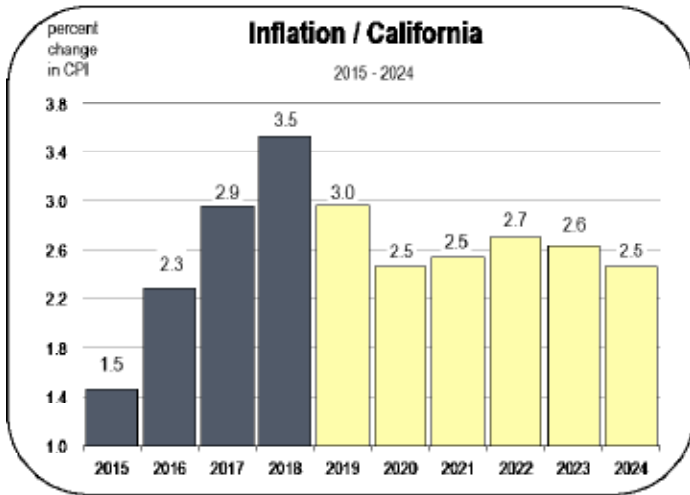
- The leisure and hospitality sector created hundreds of jobs between 2011 and 2018, and is expected to create more jobs by 2020.

## Population Growth

- The San Benito County population expanded by 1.6 percent in 2018, placing it among the fastest growing counties of the state.
- Net migration was prominent, adding more than 500 residents to the population.



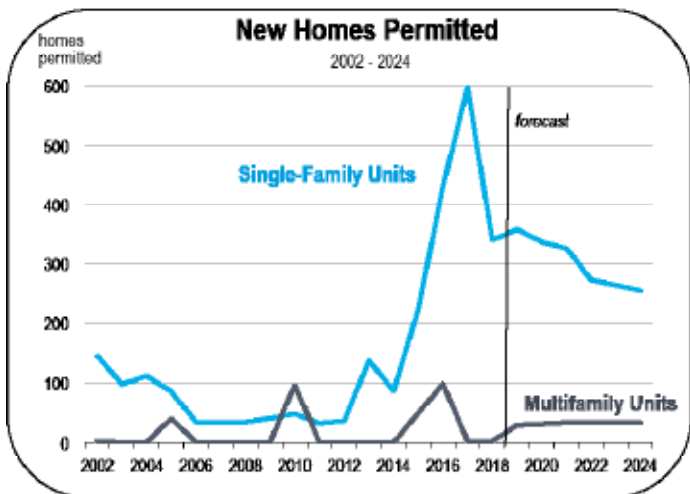
# San Benito County Economic Forecast



- Population growth averaged 1.3 percent per year between 2012 and 2018.
- Population growth is expected to average 1.5 percent per year between 2018 and 2024, largely due to high levels of in-migration.
- The countywide population will approach 67,000 residents by 2024.

## Unemployment and Inflation Rates

- The unemployment rate in San Benito County was 5.1 percent in 2018, which is above the average for the Central Coast.



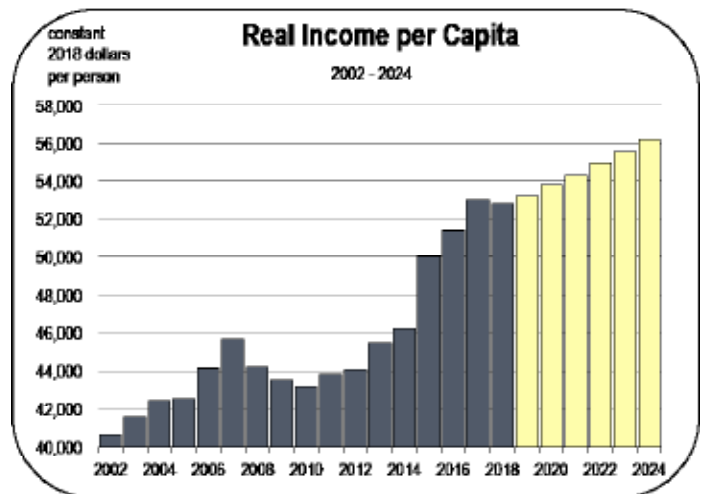
- The unemployment rate has reached its lowest sustainable level, and may begin to rise during the 2018–2024 forecast period.
- Inflation accelerated in 2018 as home prices and energy costs increased across California.
- In 2019 and 2020, inflation is expected to be within a range of 2.0 percent and 3.5 percent.

## New Housing Production

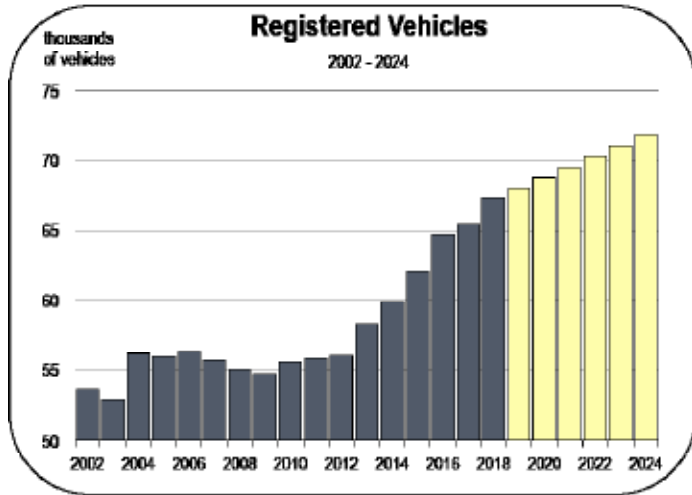
- From 2013 to 2018, construction started on an average of 330 new homes each year.
- Between 2019 and 2024, housing production is also expected to average 330 units per year. Virtually all are expected to be single-family units.

## Income per Capita

- Income per capita was \$52,800 in 2018, which is below the Central Coast average of \$60,500.
- Over the last six years, real income per capita has risen at a rate of 3.1 percent per year.
- Over the next six years, real income per capita is expected to increase by an average of 1.1 percent per year.



# San Benito County Economic Forecast

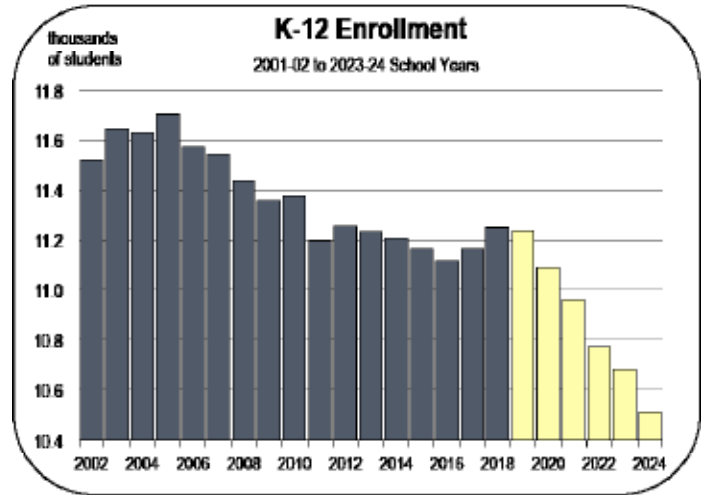


## Registered Vehicles

- There were 67,300 registered vehicles in San Benito County in 2018. By 2024, it is expected that the county will have 71,900 registered vehicles.

## Public School Enrollment

- In San Benito County, approximately 11,300 students were enrolled in K-12 public schools.



- By 2024, there are expected to be 10,500 enrolled students. Enrollment is expected to decline because the population aged 5 to 17 is expected to decline.

# San Benito County Economic Forecast

## Economic Indicators

## 2015-2018 History, 2019-2050 Forecast

	Population (people)	House- holds (thousands)	Average Household Income (dollars)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (millions)	Local Sales Tax (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	School Enrollment (thousands)	Births (people)	Deaths (people)
2015	58,673	17.4	\$155,267	272	62	\$2.7	\$358.0	\$4	\$588.1	\$50,003	11.2	721	318
2016	59,550	17.5	\$164,245	529	65	\$2.9	\$386.9	\$5	\$611.0	\$51,382	11.1	761	340
2017	60,291	17.5	\$175,719	599	65	\$3.1	\$416.0	\$5	\$637.4	\$53,028	11.2	764	319
2018	61,260	17.8	\$181,392	342	67	\$3.2	\$442.3	\$6	\$661.7	\$52,795	11.3	757	335
2019	62,244	18.3	\$186,183	386	68	\$3.4	\$453.1	\$6	\$676.9	\$53,256	11.2	768	336
2020	63,257	18.7	\$192,327	368	69	\$3.6	\$471.4	\$6	\$696.6	\$53,838	11.1	777	341
2021	64,233	19.1	\$198,494	360	69	\$3.8	\$488.9	\$6	\$717.7	\$54,275	11.0	788	349
2022	65,194	19.4	\$206,134	306	70	\$4.0	\$510.9	\$6	\$737.8	\$54,937	10.8	798	358
2023	66,062	19.7	\$213,626	297	71	\$4.2	\$532.8	\$7	\$755.5	\$55,556	10.7	806	367
2024	66,939	20.0	\$221,312	287	72	\$4.4	\$555.3	\$7	\$773.2	\$56,215	10.5	813	377
2025	67,809	20.3	\$228,566	278	73	\$4.6	\$574.9	\$7	\$788.5	\$56,746	10.4	819	389
2026	68,654	20.5	\$235,331	268	73	\$4.8	\$593.0	\$7	\$801.2	\$57,139	10.3	826	401
2027	69,472	20.8	\$242,436	260	74	\$5.0	\$612.0	\$8	\$814.5	\$57,614	10.3	831	412
2028	70,263	21.0	\$249,864	250	75	\$5.3	\$631.9	\$8	\$826.3	\$58,090	10.3	836	426
2029	71,026	21.3	\$256,342	240	76	\$5.5	\$649.3	\$8	\$833.0	\$58,246	10.4	842	441
2030	71,758	21.5	\$262,798	239	76	\$5.7	\$667.0	\$8	\$839.2	\$58,432	10.4	847	453
2031	72,484	21.8	\$269,135	239	77	\$5.9	\$684.4	\$9	\$845.1	\$58,617	10.5	853	465
2032	73,200	22.0	\$275,183	238	78	\$6.1	\$700.9	\$9	\$848.6	\$58,599	10.6	859	478
2033	73,907	22.3	\$281,253	238	78	\$6.3	\$717.7	\$9	\$855.8	\$58,786	10.8	864	492
2034	74,603	22.5	\$287,925	217	79	\$6.5	\$735.9	\$9	\$861.9	\$58,922	10.8	867	505
2035	75,242	22.7	\$295,209	196	80	\$6.7	\$755.5	\$9	\$867.6	\$59,083	10.9	869	519
2036	75,827	22.9	\$302,964	186	80	\$6.9	\$776.4	\$10	\$870.5	\$59,084	11.0	871	531
2037	76,378	23.1	\$311,092	185	81	\$7.2	\$798.6	\$10	\$872.9	\$59,079	11.2	870	542
2038	76,911	23.3	\$319,339	184	81	\$7.4	\$821.4	\$10	\$876.8	\$59,174	11.3	866	553
2039	77,431	23.4	\$327,936	184	82	\$7.7	\$845.1	\$11	\$879.4	\$59,191	11.4	863	563
2040	77,937	23.6	\$336,637	183	82	\$8.0	\$869.5	\$11	\$882.4	\$59,244	11.5	861	572
2041	78,430	23.8	\$345,254	182	83	\$8.2	\$893.9	\$11	\$886.3	\$59,366	11.5	858	581
2042	78,911	24.0	\$353,926	182	83	\$8.5	\$918.6	\$11	\$890.6	\$59,524	11.5	856	589
2043	79,382	24.2	\$362,657	181	84	\$8.8	\$943.8	\$12	\$895.3	\$59,720	11.6	853	595
2044	79,841	24.4	\$371,323	180	84	\$9.0	\$968.9	\$12	\$901.0	\$59,994	11.5	852	603
2045	80,289	24.5	\$380,339	179	84	\$9.3	\$995.2	\$12	\$905.2	\$60,179	11.5	850	612
2046	80,731	24.7	\$389,256	179	85	\$9.6	\$1,021.2	\$13	\$909.7	\$60,376	11.4	850	617
2047	81,168	24.9	\$398,239	178	85	\$9.9	\$1,047.7	\$13	\$913.9	\$60,553	11.4	851	620
2048	81,604	25.1	\$407,477	178	86	\$10.2	\$1,074.9	\$13	\$918.2	\$60,735	11.3	853	622
2049	82,040	25.3	\$416,999	177	86	\$10.5	\$1,103.0	\$14	\$922.5	\$60,925	11.3	853	621
2050	82,476	25.4	\$426,777	176	86	\$10.9	\$1,131.8	\$14	\$927.0	\$61,118	11.2	855	622

## Employment Sectors

## 2015-2018 History, 2019-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	16.1	1.8	1.1	2.2	0.5	3.0	0.4	1.1	0.1	1.4	1.3	2.9
2016	16.7	2.1	1.2	2.2	0.5	3.0	0.4	1.1	0.1	1.5	1.3	2.9
2017	16.8	2.0	1.2	2.2	0.5	3.0	0.4	1.1	0.1	1.5	1.3	2.9
2018	17.0	2.0	1.2	2.3	0.5	3.0	0.4	1.1	0.1	1.6	1.4	2.9
2019	17.4	2.1	1.3	2.3	0.5	3.1	0.4	1.1	0.1	1.6	1.4	3.0
2020	17.6	2.1	1.3	2.4	0.5	3.1	0.4	1.1	0.1	1.7	1.4	3.0
2021	17.8	2.1	1.3	2.4	0.5	3.2	0.4	1.1	0.1	1.7	1.4	3.0
2022	18.0	2.2	1.3	2.4	0.5	3.2	0.4	1.2	0.1	1.8	1.4	3.0
2023	18.2	2.2	1.3	2.5	0.5	3.2	0.4	1.2	0.1	1.8	1.4	3.1
2024	18.4	2.2	1.3	2.5	0.6	3.3	0.4	1.2	0.1	1.9	1.4	3.1
2025	18.5	2.2	1.3	2.5	0.6	3.3	0.4	1.2	0.1	1.9	1.4	3.1
2026	18.7	2.3	1.3	2.5	0.6	3.3	0.4	1.2	0.1	2.0	1.4	3.1
2027	18.8	2.3	1.3	2.5	0.6	3.3	0.4	1.2	0.1	2.0	1.4	3.2
2028	18.9	2.3	1.3	2.5	0.6	3.4	0.4	1.2	0.1	2.1	1.5	3.2
2029	19.0	2.3	1.3	2.5	0.6	3.4	0.4	1.2	0.1	2.1	1.5	3.2
2030	19.1	2.3	1.3	2.5	0.6	3.4	0.4	1.2	0.1	2.2	1.5	3.2
2031	19.2	2.3	1.3	2.5	0.6	3.4	0.4	1.2	0.1	2.2	1.5	3.2
2032	19.2	2.3	1.2	2.5	0.6	3.4	0.4	1.2	0.1	2.2	1.5	3.3
2033	19.3	2.3	1.2	2.5	0.6	3.4	0.4	1.2	0.1	2.3	1.5	3.3
2034	19.4	2.3	1.2	2.4	0.6	3.4	0.4	1.2	0.1	2.3	1.5	3.3
2035	19.4	2.3	1.2	2.4	0.6	3.5	0.4	1.2	0.1	2.3	1.5	3.3
2036	19.4	2.3	1.2	2.4	0.6	3.5	0.4	1.2	0.1	2.3	1.5	3.3
2037	19.5	2.3	1.1	2.4	0.6	3.5	0.4	1.2	0.1	2.4	1.5	3.4
2038	19.5	2.3	1.1	2.4	0.6	3.5	0.4	1.2	0.1	2.4	1.5	3.4
2039	19.6	2.3	1.1	2.4	0.6	3.5	0.4	1.2	0.1	2.4	1.5	3.4
2040	19.6	2.3	1.1	2.4	0.6	3.5	0.4	1.2	0.1	2.4	1.6	3.4
2041	19.6	2.3	1.1	2.4	0.6	3.5	0.4	1.3	0.1	2.4	1.6	3.5
2042	19.7	2.3	1.1	2.4	0.6	3.5	0.4	1.3	0.1	2.4	1.6	3.5
2043	19.7	2.3	1.1	2.4	0.6	3.5	0.4	1.3	0.1	2.4	1.6	3.5
2044	19.8	2.3	1.1	2.3	0.6	3.5	0.4	1.3	0.1	2.4	1.6	3.5
2045	19.8	2.3	1.0	2.3	0.6	3.5	0.4	1.3	0.1	2.5	1.6	3.6
2046	19.8	2.3	1.0	2.3	0.6	3.5	0.4	1.3	0.1	2.5	1.6	3.6
2047	19.9	2.3	1.0	2.3	0.6	3.5	0.4	1.3	0.1	2.5	1.6	3.6
2048	19.9	2.3	1.0	2.3	0.6	3.5	0.4	1.3	0.1	2.5	1.6	3.6
2049	20.0	2.3	1.0	2.3	0.6	3.5	0.4	1.3	0.1	2.5	1.6	3.6
2050	20.0	2.3	1.0	2.3	0.6	3.5	0.4	1.3	0.1	2.5	1.6	3.7

# San Benito County Economic Forecast

## Socioeconomic Indicators

