# San Benito County Economic Forecast

Forecast Summary

- The county has a population of 66,500, with 31,150 residents working. However, there are only 18,000 wage and salary jobs reported in the county. Consequently, about 42 percent of working residents commute into adjacent Santa Clara or Monterey Counties for work or are self-employed.

- San Benito County added 870 jobs in 2022 and is on pace to grow by 320 more jobs in 2023.

- Important sectors in the county are manufacturing, healthcare, leisure/hospitality, and state & local government. Combined, these four labor markets account for 53 percent of all jobs located in the county.

- Construction, however, will lead all labor markets in new job creation during 2023, growing 4.7 percent and adding 80 workers.

- The unemployment rate averaged 5.0 percent in 2022 and is forecast to average 5.7 percent in 2023.

- The San Benito County population is expected to grow at a faster pace than the Central Coast region, with an average annual growth rate of 1.1 percent between 2023 and 2028, Households relocate into San Benito County for its affordable housing options.

- Home prices increased by 5.8 percent in 2022 and are on track to correct downward by 4.7 percent by the end of 2023, with a median selling value of $774,600. Home values are projected to resume appreciating over the forecast period by an average annual rate of 3.1 percent.

Job Growth

- Total employment in San Benito County expanded by 6.5 percent in 2022 and is forecast to grow at a 1.3 percent clip in 2023.

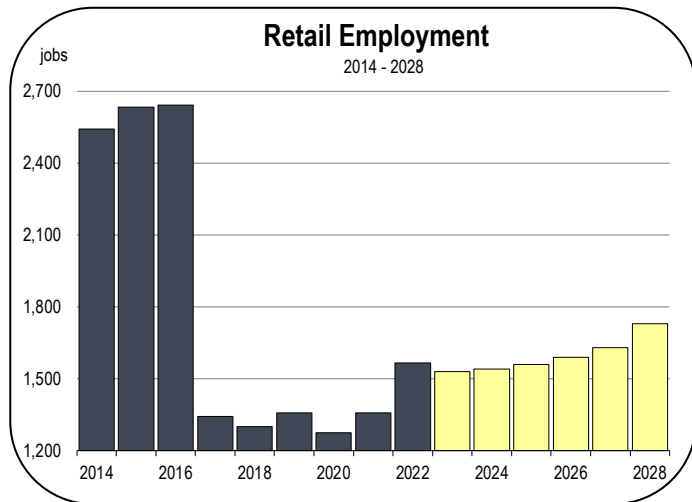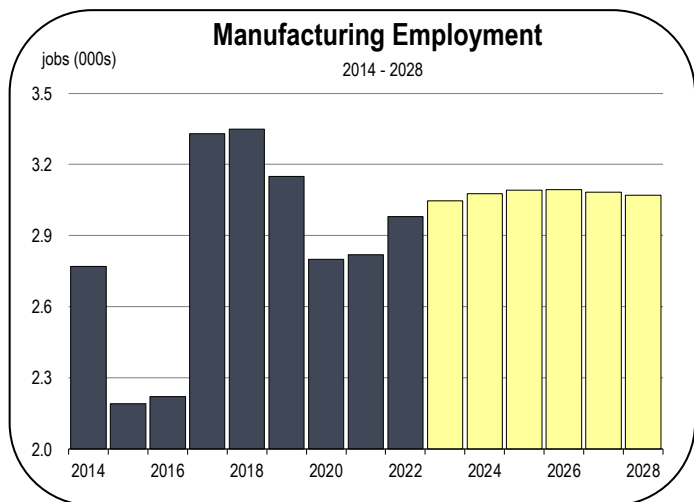**Non-farm Job Growth**
2014 - 2028
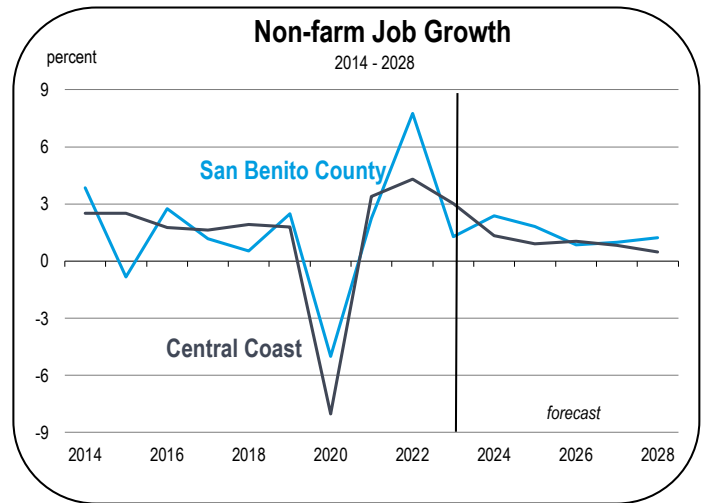
- Between 2023 and 2028, job growth will average 1.4 percent per year and add 1,500 jobs over this time.

Construction Employment

- Construction employment was strong in 2022 growing 4.4 percent and adding 70 jobs. In 2023, the sector is on pace to grow an additional 4.7 percent and add 80 jobs. The forecast for 2024 is also robust: 4.0 percent growth rate and 70 new jobs. Employment growth in construction might slow after 2026 if larger project approvals are delayed.

- The level of housing production and non-residential construction activity now in the pipeline will require greater expansion of the construction workforce than is currently forecast if project consent by cities and the county is expedited over the next 5 years.

- Since 2022, the California construction workforce has been fully employed, and construction firms have and will continue to struggle to hire additional workers. The unemployment rate for the construction workforce in the nation has been under 4.0 percent from May through September 2023.

Population Growth
2014 - 2028

Construction Employment
2014 - 2028
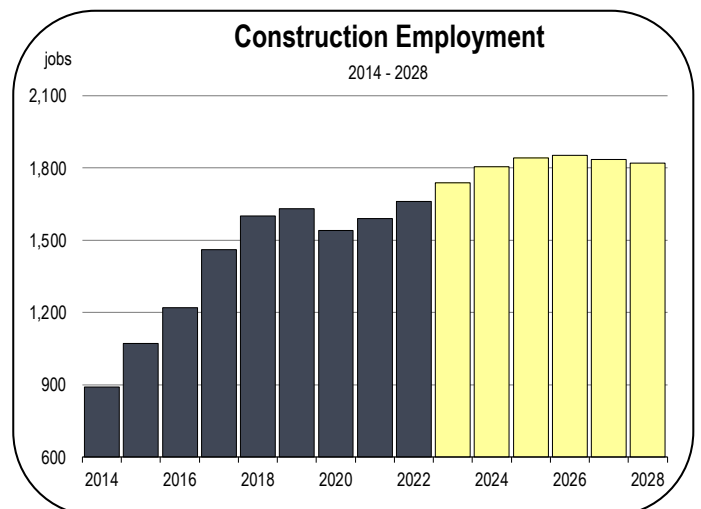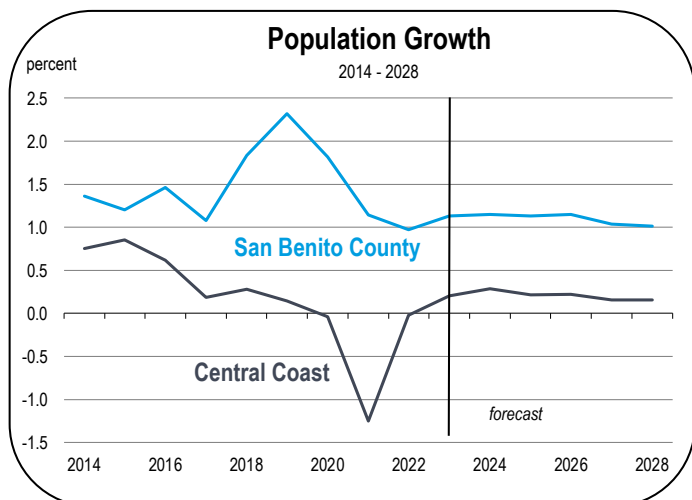
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**Manufacturing Employment**
2014 - 2028
jobs (000s)

Manufacturing Employment

- San Benito County has a high concentration in food manufacturing, which consists of facilities that turn agricultural commodities into finished food products.

- Manufacturing is the largest private employer in the county with about 3,000 workers. 160 jobs were created in 2022 and another 75 additional jobs are forecast in 2023.

- Some of the largest employers of food manufacturing workers are:
    - San Benito Foods, a tomato canning plant
    - Marich Confectionery, a manufacturer of chocolate products
    - Tourist Hat Coffee, a coffee roaster
    - Corbin Sparrow, manufacturer of motorcycle parts

Transportation and Warehousing Employment

- Most transportation jobs in San Benito County are in trucking and warehousing, where firms deliver goods to and from the Port of Oakland and store these goods in warehouse and distribution facilities.

Transportation & Warehousing Employment
2014 - 2028
jobs

Retail Employment
2014 - 2028
jobs
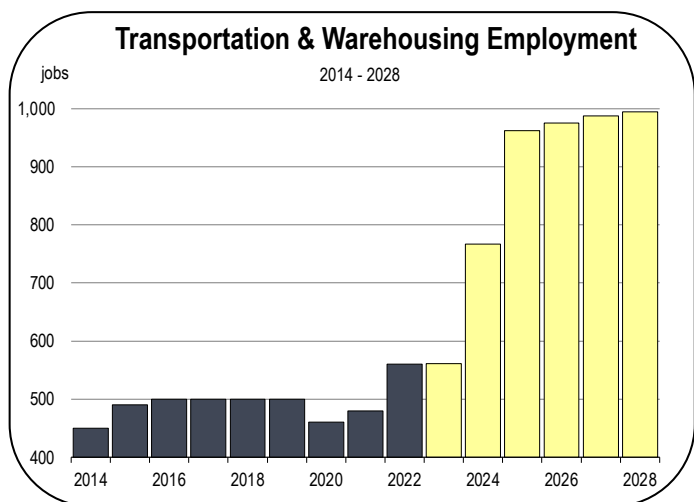
- Amazon opened a new delivery station in Hollister in the fall of 2021. This facility has been nearly entirely responsible for the growth of jobs in transportation/warehousing during 2022. A second Amazon fulfilment center is now under construction next to the airport in Hollister.

- The transportation employment sector grew 16.7 percent in 2022 with the addition of 80 new jobs. Employment in warehousing jumps sharply in 2024 and 2025 with the opening and hiring of the new Amazon facility. An additional 400 jobs are added by this warehouse alone over the 2024-2025 period.
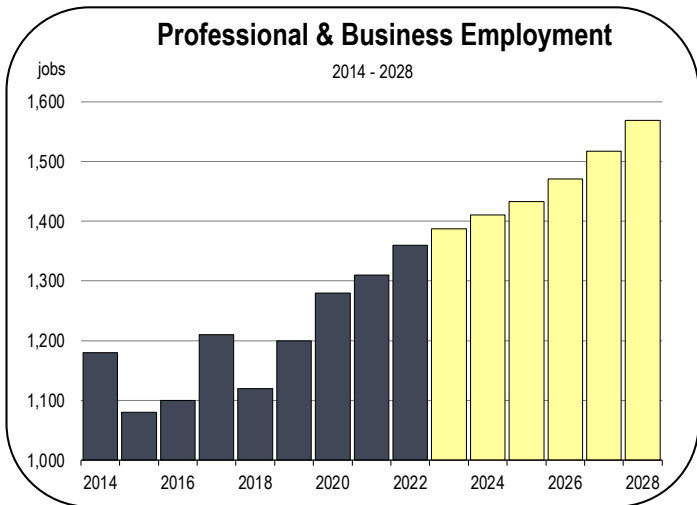
Retail Trade Employment

- Retail trade employment rose by 208 jobs in 2022. With the onset of new housing and a growing population, the demand for retail stores and workers to staff them will rise over the forecast period, adding another 165 jobs between 2023-28.

- The outlook runs counter to the trend of automation and the transition to online shopping putting local store and shop employment at risk of stagnation or contraction over time. But new retail outlets accompany new housing development, offsetting consolidation of employments within the existing industry.

Professional and Business Services Employment

- The professional and business services sector added 50 jobs in 2022; 25 new jobs are expected in 2023 and 180 more over the forecast period representing average annual growth of 2.5 percent.

- New jobs will be created in business consulting and IT consulting as new facilities are developed to support these subsectors.
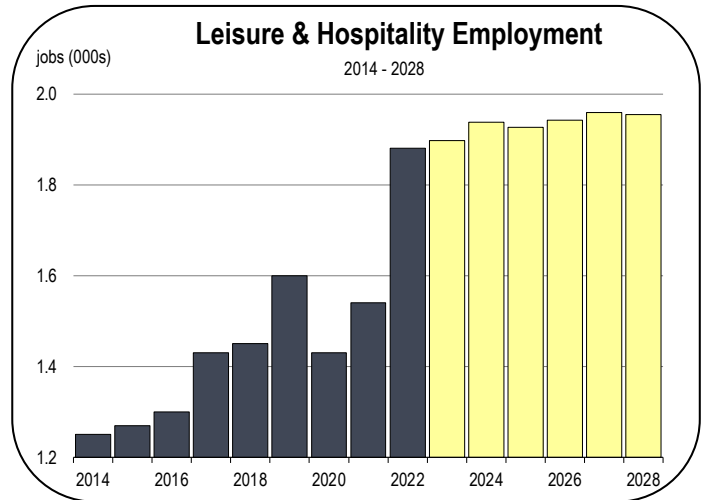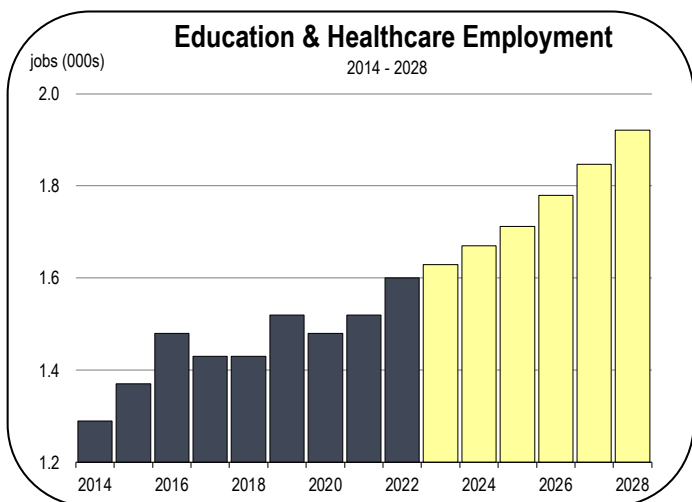
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Professional & Business Employment
2014 - 2028

jobs

(bar chart with values on y-axis: 1,000; 1,100; 1,200; 1,300; 1,400; 1,500; 1,600. x-axis years: 2014, 2016, 2018, 2020, 2022, 2024, 2026, 2028)

- There are plans to build multiple R&D campuses for autonomous vehicles. These projects will create jobs in engineering and scientific research (which are in the professional and business services industry), along with jobs in other industries such as leisure services, retail trade, and manufacturing.

- The industry will create many jobs if the proposed Strada Verde Innovation Park discussed in the New Development section becomes a reality. More than 5,000 new jobs would be created over time.

Private Education and Healthcare Employment

- During 2022, 80 jobs were created in healthcare. The sector is on pace to add 30 jobs in 2023, and 300 more over the forecast period.

- The healthcare sector will be among the leading industries for job creation over the forecast in San Benito County.

- The largest healthcare provider is Hazel Hawkins Memorial Hospital in Hollister with 750 employees. It is also the largest employer in the County.

Education & Healthcare Employment
2014 - 2028

jobs (000s)

(bar chart with values on y-axis: 1.2; 1.4; 1.6; 1.8; 2.0. x-axis years: 2014, 2016, 2018, 2020, 2022, 2024, 2026, 2028)

Leisure & Hospitality Employment
2014 - 2028

jobs (000s)

(bar chart with values on y-axis: 1.2; 1.4; 1.6; 1.8; 2.0. x-axis years: 2014, 2016, 2018, 2020, 2022, 2024, 2026, 2028)

Leisure and Hospitality Employment

- The leisure and hospitality sector expanded by 340 jobs in 2022, accounting for a growth of 22.1 percent. Another 420 jobs are expected to be added in 2023.

- Job growth slows over the forecast period to an average annual rate of 0.7 percent with the addition of 75 jobs.

- The Pinnacles National Park features a unique landscape of canyons, woodlands, caves and towering rock spiers. It is a principal destination of California hikers. There was 275,000 visitors to the park in 2022. Visitation however has surged 24 percent during the first 9 months of 2023. At the current pace, this year will garner the third highest annual attendance in the Park's history which began in 1924.

- The Northern California Renaissance Faire is held in Hollister each year, running for six consecutive weekends in September and October. It is set in the fictional village of "Willingtown" in Derbyshire, England during the reign of Queen Elizabeth I. It is estimated that 150,000 people annually attend the faire.

- Since the Faire and other events were revived in 2021, employment within the leisure/ hospitality sector has soared.

The Nothern California Renaissance Faire

San Benito County Economic Forecast

Agriculture Employment
2014 - 2028
jobs (000s)

Government Employment
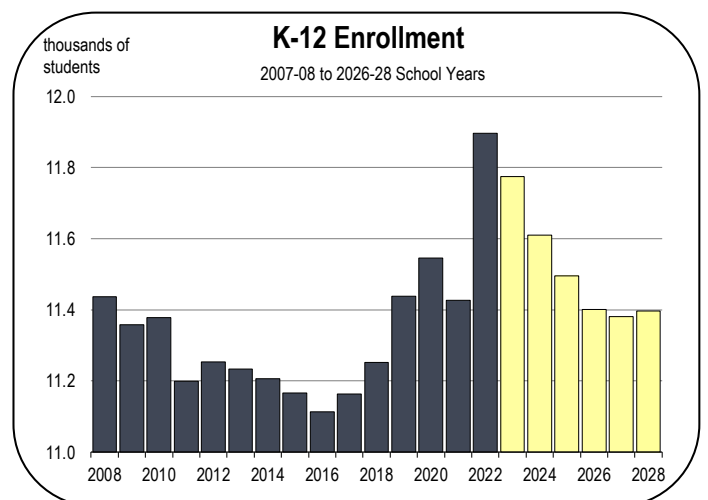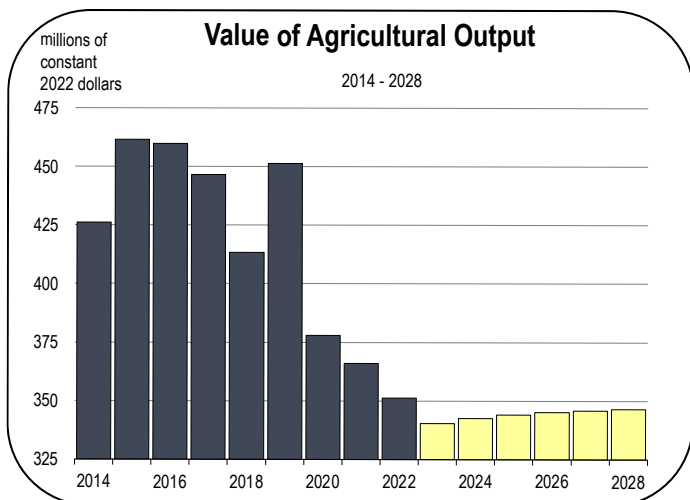2014 - 2028
jobs (000s)
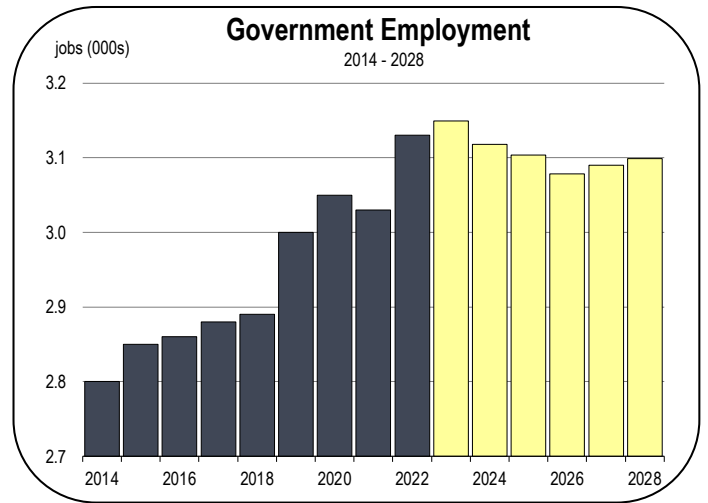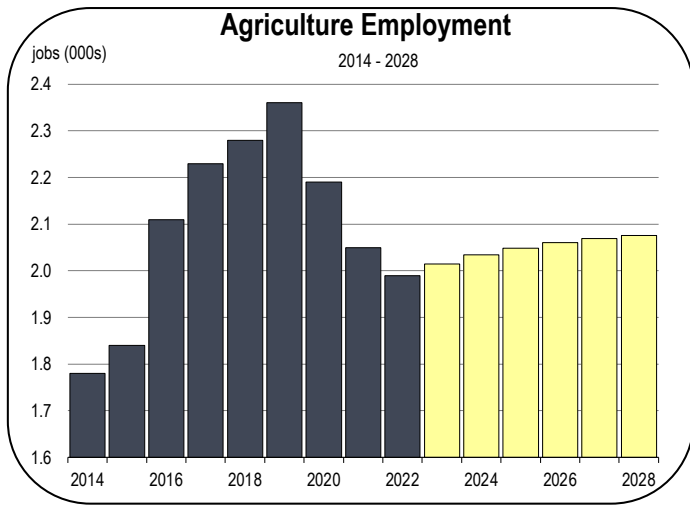
Agriculture Employment

- Farming employment within the county has undergone a period of consolidation. The sector shrank by 60 jobs in 2022.

- Farming jobs are subject to consolidation over time as automation and other advances in planting, maintaining, and harvesting inundate the industry.

- However, moderate job growth of 1.2 percent representing 25 new jobs is forecast for 2023. The average annual growth for the duration of the forecast period is expected to be 0.6 percent representing 60 new jobs.

- San Benito County reported gross sales of $350 million of agricultural commodities in 2022, an increase of 3 percent over total production value in 2021. The county's principal crops were:
  – Miscellaneous vegetables ($48.3 million)
  – Wine grapes ($40.6 million)
  – Spinach ($37.4 million)
  – Tomatoes ($30 million)

– Lettuce ($24.4 million)
– Broccoli ($24 million)
– Cattle & Livestock ($23 million)
– Pasture & rangeland ($17.4 million)
– Peppers ($17.1 million)

Government Employment

- The public sector is the largest labor market in the county with over 3,000 jobs.

- K-12 school enrollment jumped sharply in the Fall of the 2022-2023 school year. That was a contributing factor in the gain of 100 jobs in state and local government. An additional 20 new jobs are forecast for 2023.

- The forecast calls for employment to remain high but contract gradually over the forecast period at an average annual negative growth rate of 0.3 percent and the loss of 50 jobs.

Value of Agricultural Output
2014 - 2028
millions of constant 2022 dollars

K-12 Enrollment
2007-08 to 2026-28 School Years
thousands of students

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Population & Population Growth Rate
2014 - 2028

Unemployment Rate
2018 - 2027
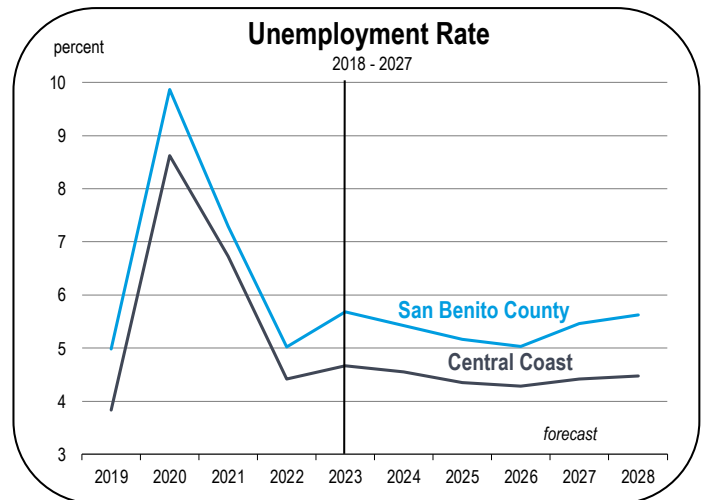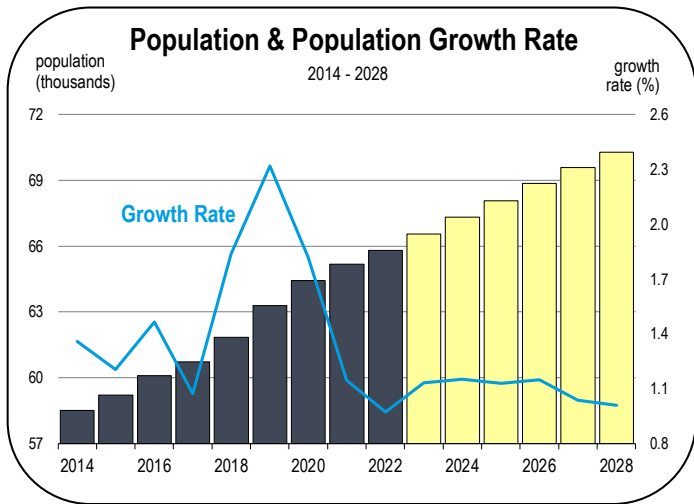
Population Growth

- The San Benito County population is expected to expand more quickly than the Central Coast average between 2023 and 2028.

- Net migration is expected to continue to be a meaningful contributor to population growth. Home prices in San Benito County are more affordable than neighboring Santa Clara and Monterey Counties, and this has incentivized residents of Silicon Valley to relocate to Hollister and Salinas.

- The population will expand at an annual average rate of 1.1 percent per year from 2023 to 2028, placing San Benito County among the fastest growing counties of California.

- By 2028 the San Benito County population will surpass 70,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in San Benito County averaged 5.0 percent in 2022.

Net Migration
2014 - 2028

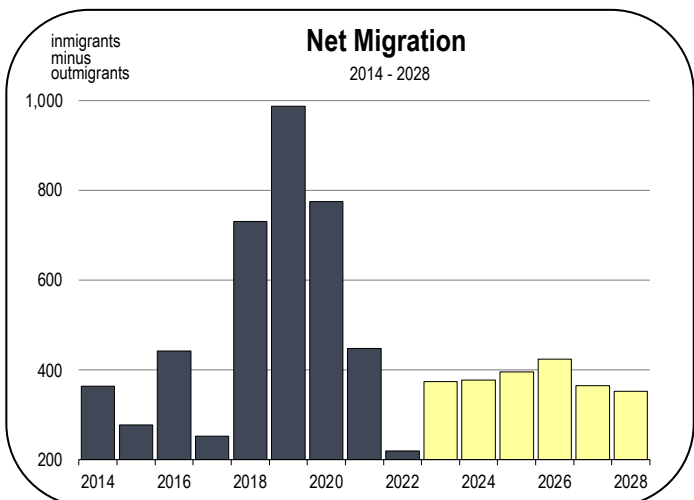- The unemployment rate in San Benito County is always higher than the Central Coast average because San Benito County has a larger share of agricultural workers, and agriculture is a seasonal industry.

- An unemployment rate below 6.0 percent signifies a fully employed workforce in San Benito County.

- The unemployment rate is expected to average 5.7 percent in 2023, 5.4 percent in 2024, and 5.3 percent per year during the forecast period.

- Inflation soared to 7.9 percent in 2022, its highest rate in 40 years, but will decelerate in 2023 to 3.7 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.

- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.

- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.

- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.

- Average general inflation rates are eventually forcasted to decline to 3 percent again by 2024.

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Inflation / California
2019 - 2028

Median Home Price
2014 - 2028
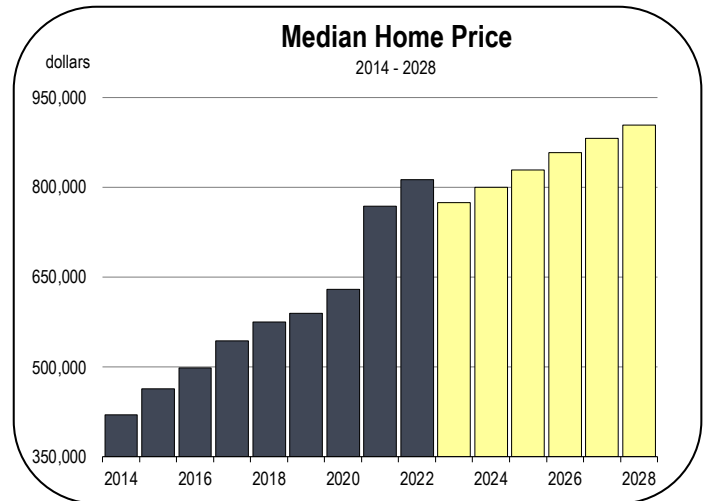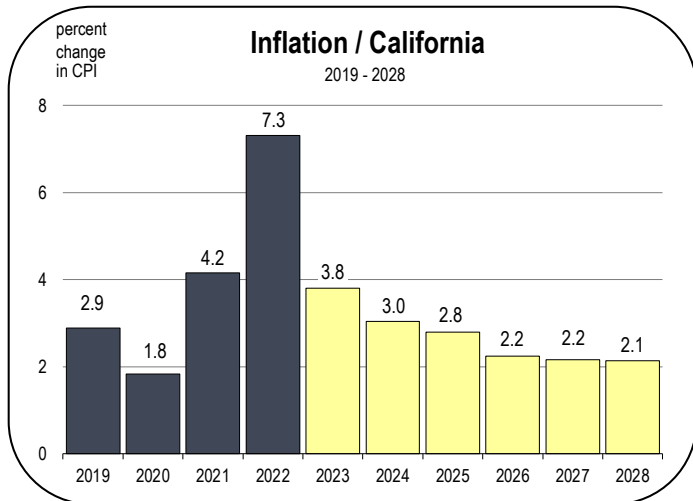
Home Prices and New Housing Production

- In 2022, the median home price in San Benito County was $812,700, up 5.8 percent over 2021 values.

- The median selling price of all homes is on pace to fall 4.7 percent in 2023. Price appreciation resumes in 2023 at an average annual rate of 3.1 percent over the forecast years.

- Being adjacent to Santa Clara County, the median price has become relatively expensive in San Benito County, though homes are still affordable to many households.

- In 2022, a typical household in San Benito County would have had to spend 30 percent of its pre-tax income on mortgage payments in order to afford the median-priced home. This is far above the historical average, but is within most affordability guidelines.

- Homes in San Benito County are much more affordable than homes in neighboring Santa Clara County, where the typical household would have to spend 40 percent of its pre-tax income to afford the median priced home.

- From 2017 to 2022, an average of 480 new homes were started per year in San Benito County. Almost 100 percent were single-family homes.

- Housing production is expected to average 370 homes per year from 2023 to 2028 and 96 percent are planned to be single family residences.

New Development in San Benito County

Lee Subdivision

- The Lee subdivision residential project located in southeast Hollister includes 121 single family homes, 20 single family attached homes, and 25 ADUs. The project was denied by the Board of Supervisors in February 2023. The Lee family can reapply to have the project voted on, after one year, or they can propose an entirely new project. This particular housing project would have provided needed affordable housing to the Hollister community but traffic concerns and water were reasons cited for the ultimate rejection of the project.

New Homes Permitted
2006 - 2028
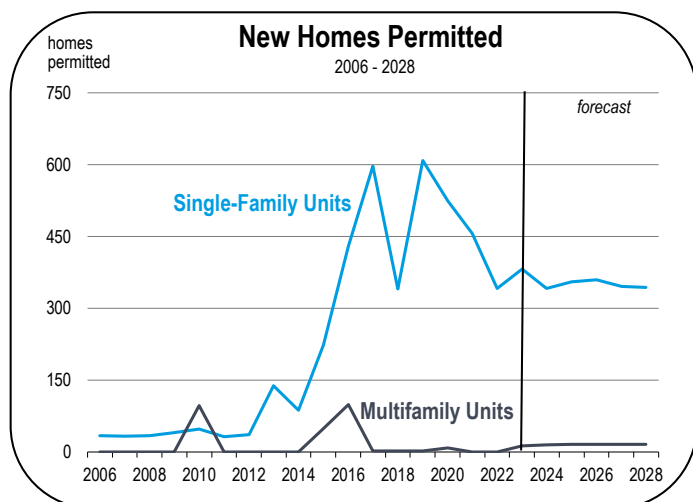
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Project Almond

- Construction of an industrial facility next to the Hollister Airport — codenamed Project Almond — has been confirmed to be a new, 1-million-square-foot Amazon fulfillment center. The facility is estimated to generate 400 new jobs when open in 2024.

County Ag Center

- The San Benito Ag Center consists of 3 main structures:

  - 16,000 square feet for a convenience store and food hall
  - 13,500 square foot cold storage building, and
  - 12,500 square foot truck service building

- The principal behind the project is to facilitate and support the movement of field crops to markets. The project cost is $30 million. Employment is projected to support 30 to 50 full time jobs.

West of Fairview Subdivision

- In April 2023, the city of Hollister approved a development of 100 multifamily apartments, a 100 percent affordable housing project for low, very low, and extremely low income categories. The project includes a community building, fitness center, management offices and resident serving facilities.

Autonomous Vehicle Research Campus

- There is a huge concentration of vehicle innovation occurring in Silicon Valley. However space is limited there.

- The $2.4 billion Strada Verde Innovation Park is proposed in an unincorporated area of northwest San Benito County. The campus will include automotive research and education facilities, a commercial driver experience center, e-commerce, and a commercial center. Strada Verde will provide a regional technological hub supporting groundbreaking automotive innovation.

- The campus would consist of nearly one million square feet of testing grounds, a 1.4 million square feet research park, 4.7 million square feet for e-commerce, and 130,700 square feet for commercial uses.

- The project would result in billions of dollars in investment in the county, and 5,000 permanent direct jobs for automotive engineers, software developers, truck drivers, and administrative support.

- A General Plan Amendment and Specific Plan will need to be executed, along with a zoning change, vesting map, and development agreement.
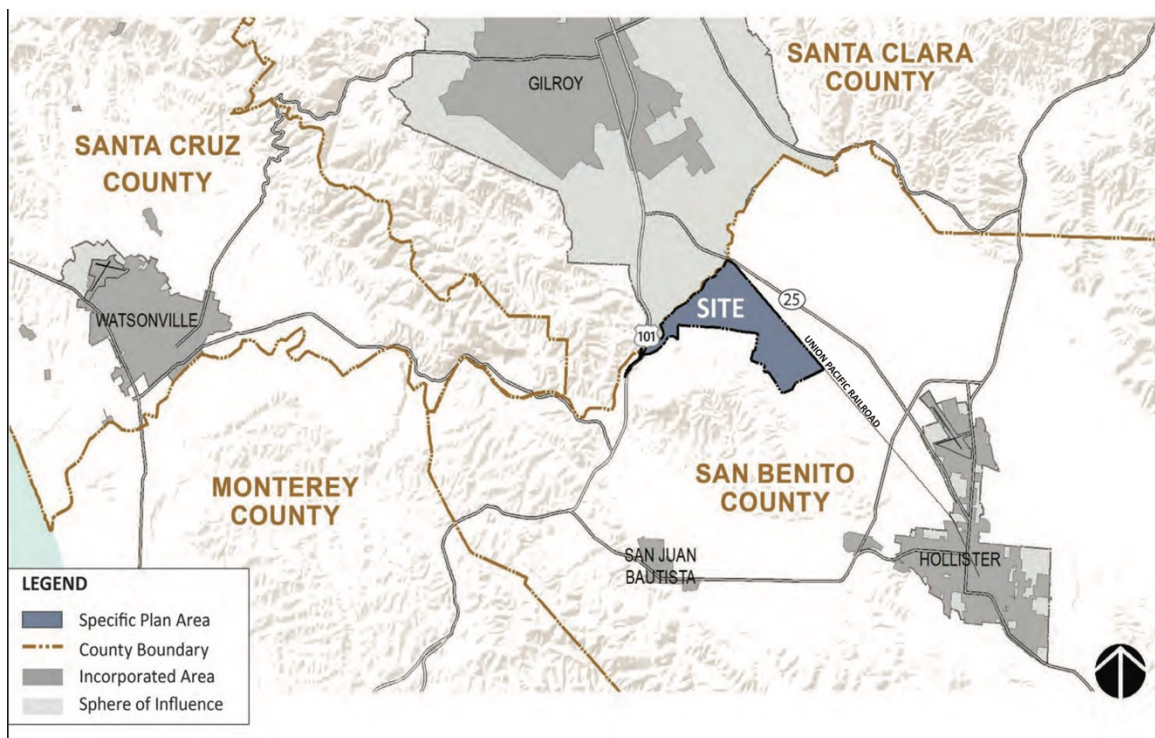
Strada Verde Innovation Park Specific Plan Site

San Benito County Economic Forecast

Economic Indicators — 2015-2022 History, 2023-2050 Forecast

	Population (people)	House-holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	59,220	17.3	277	272	62	$2.6	$358	$608	$492	$56,161	7.6	$461	1.4
2016	60,087	17.5	442	529	65	$2.8	$388	$665	$492	$57,774	6.7	$460	2.3
2017	60,733	17.7	252	599	65	$3.0	$420	$763	$653	$59,186	5.8	$446	3.0
2018	61,848	18.1	731	342	67	$3.1	$432	$768	$623	$59,088	5.1	$413	3.7
2019	63,282	18.6	987	611	70	$3.4	$459	$746	$640	$61,823	5.0	$451	2.9
2020	64,432	19.5	775	533	71	$4.0	$533	$841	$685	$68,937	9.9	$378	1.8
2021	65,170	19.8	448	456	73	$4.6	$587	$1,012	$761	$75,606	7.3	$366	4.2
2022	65,804	20.4	219	341	75	$4.7	$623	$1,030	$729	$71,175	5.0	$351	7.3
2023	66,548	20.8	374	394	76	$4.9	$664	$1,134	$744	$71,372	5.7	$340	3.8
2024	67,314	21.2	378	356	77	$5.2	$690	$1,179	$797	$72,478	5.4	$343	3.0
2025	68,075	21.6	396	371	79	$5.5	$737	$1,263	$846	$73,419	5.2	$344	2.8
2026	68,859	21.9	423	375	80	$5.7	$785	$1,349	$855	$73,688	5.0	$345	2.2
2027	69,573	22.3	365	361	81	$5.9	$824	$1,417	$861	$74,038	5.5	$346	2.2
2028	70,276	22.7	353	358	82	$6.1	$872	$1,503	$862	$74,356	5.6	$346	2.1
2029	71,000	23.0	378	347	83	$6.3	$910	$1,572	$864	$74,565	5.7	$347	2.1
2030	71,707	23.4	378	347	84	$6.5	$949	$1,641	$863	$74,554	5.8	$347	2.2
2031	72,406	23.7	378	336	86	$6.8	$987	$1,708	$863	$74,605	5.8	$347	2.1
2032	73,039	24.0	311	296	87	$6.9	$1,021	$1,768	$862	$74,305	5.6	$347	2.3
2033	73,628	24.3	286	285	88	$7.1	$1,056	$1,830	$863	$74,395	5.7	$347	1.9
2034	74,189	24.6	287	285	89	$7.4	$1,091	$1,893	$865	$74,560	5.8	$347	2.1
2035	74,741	24.9	297	285	90	$7.6	$1,125	$1,952	$866	$74,637	5.9	$348	2.2
2036	75,264	25.2	286	275	91	$7.8	$1,153	$2,001	$865	$74,450	6.0	$348	2.6
2037	75,785	25.4	297	275	92	$8.1	$1,181	$2,050	$864	$74,255	6.2	$348	2.7
2038	76,271	25.7	285	264	93	$8.3	$1,209	$2,098	$864	$74,220	6.3	$348	2.5
2039	76,740	26.0	286	264	94	$8.6	$1,237	$2,146	$862	$73,971	6.3	$347	2.7
2040	77,152	26.2	253	253	94	$8.8	$1,269	$2,202	$862	$73,977	6.4	$347	2.6
2041	77,524	26.5	235	243	95	$9.1	$1,298	$2,252	$864	$74,165	6.5	$347	2.2
2042	77,859	26.7	216	231	96	$9.4	$1,338	$2,322	$865	$74,441	6.4	$347	2.1
2043	78,135	26.9	175	211	97	$9.6	$1,381	$2,399	$867	$74,818	6.4	$347	2.0
2044	78,398	27.2	179	210	98	$9.9	$1,431	$2,487	$869	$75,317	6.5	$347	1.8
2045	78,622	27.4	162	200	98	$10.2	$1,480	$2,575	$871	$75,763	6.5	$347	1.9
2046	78,832	27.6	168	200	99	$10.5	$1,526	$2,657	$872	$76,129	6.6	$347	2.0
2047	79,014	27.8	151	190	100	$10.7	$1,576	$2,744	$871	$76,387	6.6	$347	2.2
2048	79,196	27.9	161	189	100	$11.0	$1,624	$2,830	$871	$76,592	6.6	$347	2.3
2049	79,375	28.1	170	188	101	$11.4	$1,681	$2,930	$871	$76,978	6.6	$347	2.0
2050	79,529	28.3	158	178	101	$11.7	$1,740	$3,036	$871	$77,334	6.6	$346	2.1

Employment Sectors — 2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
						(thousands of jobs)						
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	17.0	2.2	1.5	3.3	0.5	1.7	0.3	1.2	0.1	1.4	1.4	2.9
2018	17.2	2.3	1.6	3.4	0.5	1.6	0.3	1.1	0.1	1.4	1.5	2.9
2019	17.6	2.4	1.6	3.2	0.5	1.7	0.3	1.2	0.1	1.5	1.6	3.0
2020	16.7	2.2	1.5	2.8	0.5	1.6	0.3	1.3	0.1	1.5	1.4	3.1
2021	16.8	2.1	1.6	2.8	0.5	1.7	0.3	1.3	0.1	1.5	1.5	3.0
2022	17.9	2.0	1.7	3.0	0.6	1.9	0.3	1.4	0.1	1.6	1.9	3.1
2023	18.2	2.0	1.7	3.0	0.6	1.9	0.3	1.4	0.1	1.6	1.9	3.1
2024	18.6	2.0	1.8	3.1	0.8	1.9	0.3	1.4	0.1	1.7	1.9	3.1
2025	18.9	2.0	1.8	3.1	1.0	1.9	0.3	1.4	0.1	1.7	1.9	3.1
2026	19.0	2.1	1.9	3.1	1.0	1.9	0.3	1.5	0.1	1.8	1.9	3.1
2027	19.2	2.1	1.8	3.1	1.0	2.0	0.3	1.5	0.1	1.8	2.0	3.1
2028	19.4	2.1	1.8	3.1	1.0	2.1	0.3	1.6	0.1	1.9	2.0	3.1
2029	19.6	2.1	1.8	3.1	1.0	2.1	0.3	1.6	0.1	2.0	2.0	3.1
2030	19.8	2.1	1.8	3.0	1.0	2.2	0.3	1.7	0.1	2.1	2.0	3.1
2031	20.0	2.1	1.8	3.0	1.0	2.2	0.3	1.7	0.1	2.1	2.0	3.1
2032	20.1	2.1	1.8	3.0	1.0	2.2	0.3	1.8	0.1	2.2	2.0	3.1
2033	20.3	2.1	1.7	3.0	1.0	2.3	0.3	1.8	0.1	2.3	2.0	3.1
2034	20.5	2.1	1.7	3.0	1.0	2.3	0.3	1.9	0.1	2.4	2.0	3.1
2035	20.6	2.1	1.7	3.0	1.0	2.3	0.3	1.9	0.1	2.4	2.0	3.1
2036	20.8	2.1	1.7	3.0	1.0	2.3	0.3	2.0	0.1	2.5	2.0	3.1
2037	20.9	2.1	1.7	3.0	1.0	2.3	0.3	2.1	0.1	2.6	2.1	3.2
2038	21.0	2.1	1.7	3.0	1.0	2.3	0.3	2.1	0.1	2.7	2.1	3.2
2039	21.1	2.1	1.7	3.0	1.1	2.3	0.3	2.2	0.1	2.7	2.1	3.2
2040	21.3	2.1	1.7	3.0	1.1	2.3	0.3	2.2	0.1	2.8	2.1	3.2
2041	21.4	2.1	1.7	3.0	1.1	2.3	0.3	2.3	0.1	2.9	2.1	3.2
2042	21.6	2.1	1.6	3.0	1.1	2.3	0.3	2.3	0.1	3.0	2.1	3.2
2043	21.7	2.1	1.6	3.0	1.1	2.3	0.3	2.4	0.1	3.0	2.1	3.2
2044	21.9	2.1	1.6	3.0	1.1	2.4	0.3	2.4	0.1	3.1	2.1	3.2
2045	22.1	2.1	1.6	3.0	1.1	2.4	0.3	2.5	0.1	3.2	2.1	3.2
2046	22.2	2.1	1.6	3.0	1.1	2.5	0.3	2.5	0.1	3.2	2.1	3.2
2047	22.4	2.1	1.6	3.0	1.1	2.5	0.3	2.6	0.1	3.3	2.1	3.2
2048	22.5	2.1	1.6	3.0	1.1	2.5	0.3	2.6	0.1	3.4	2.2	3.2
2049	22.7	2.1	1.6	3.0	1.1	2.6	0.3	2.7	0.1	3.5	2.2	3.2
2050	22.8	2.1	1.6	3.0	1.1	2.6	0.3	2.7	0.1	3.5	2.2	3.2

San Benito County Economic Forecast

Socioeconomic Indicators

Students Proficient in English Language Arts/Literacy Grades 3-8 & 11

2023

percent of students tested

- San Benito County: 26
- Central Coast: 27
- California: 33

Poverty Rate

2023

percent of households below poverty line

- San Benito County: 7.1
- Central Coast: 7.0
- California: 8.6

Median Household Income

2023

dollars per household

- San Benito County: 140,200
- Central Coast: 87,900
- California: 89,100

Median Home Selling Price

2022

dollars

- San Benito County: 812,432
- Central Coast: 930,600
- California: 808,600

Average Travel Time to Work

2023

minutes each way

- San Benito County: 39
- Central Coast: 26
- California: 33

Percent of Population Age 25+ With at Least a 4-Year College Degree

2023

percent

- San Benito County: 20.2
- Central Coast: 33.3
- California: 34.7