

SANTA BARBARA COUNTY ECONOMIC FORECAST

Santa Barbara County located immediately west of Ventura County is dominated by three principal economic activities: tourism, Vandenberg Air Force Base, and education. The population now exceeds 420,000 people, and there are 188,000 wage and salary jobs. The per capita income in Santa Barbara County is \$39,425, and the average salary per worker is \$47,218. The median family income in 2007 is \$67,100.

In Santa Barbara County, only 200 wage and salary jobs were created last year, representing an anemic growth rate of 0.1 percent. Non-farm employment grew at a modestly higher rate of 0.6 percent last year. The unemployment rate dropped to 4.1 percent, indicative of a very tight labor market.

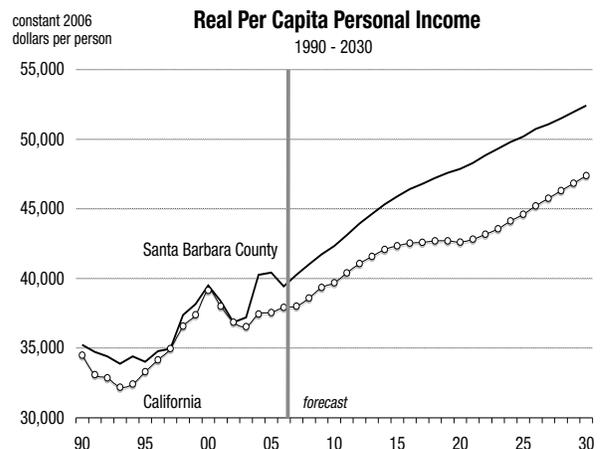
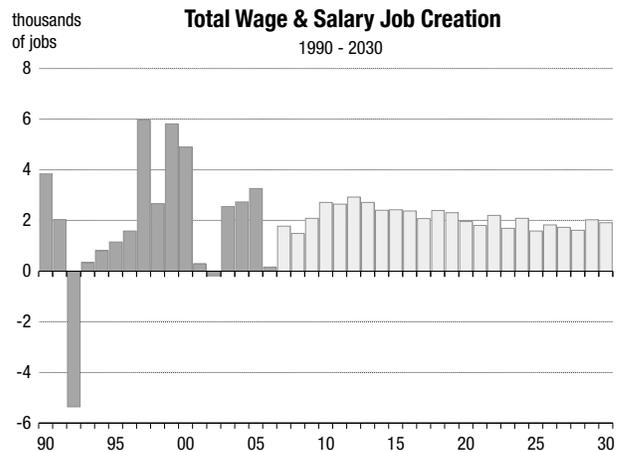
The principal employment clusters in Santa Barbara County are government, retail trade, and services. Last year the fastest growing sectors in the county were wholesale trade, leisure services, and construction. Employment in the farm sector, which was at a record high in 2005 and accounts for 8 percent of total employment, lost 800 jobs in 2006, declining nearly 5 percent.

Seventy percent of the population gain from January 2006 to January 2007 occurred in the unincorporated areas, mostly in the north county. The north county region is growing much faster than the south county area, due largely to the greater production of housing in the Santa Maria Valley.

Employment and population growth will remain modest in Santa Barbara County over the next five years. The northern end of the county will continue to dominate population and job growth in the county. The growth of population in the southern end of the county will decline and new job creation will remain limited.

FORECAST HIGHLIGHTS

- Non-farm job growth is expected to increase slightly in 2007 to 0.8 percent. From 2007 to 2012, both non-farm job growth and total wage and salary job growth averages 1.1 percent.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 0.9 percent per year over the next 5 years.
- The professional services, government, leisure services, wholesale and retail trade, and farm sectors each add at least 1,300 jobs over the next five years. Together they account for nearly 90 percent of net job creation. No other sectors is expected to add 500 jobs from 2007 to 2011.
- Real per capita incomes are expected to rise at an annual compound growth rate of 1.8 percent over the next 5 years.

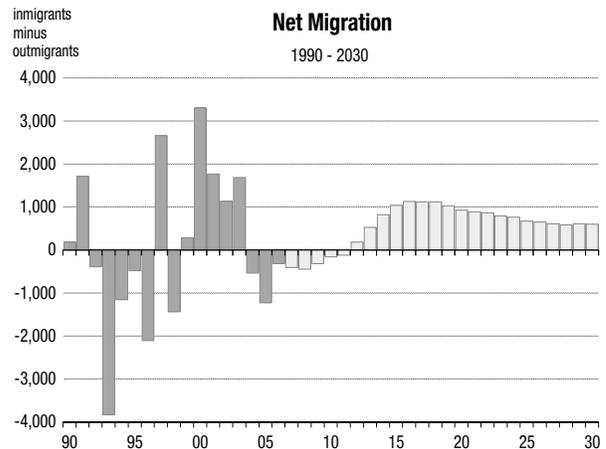
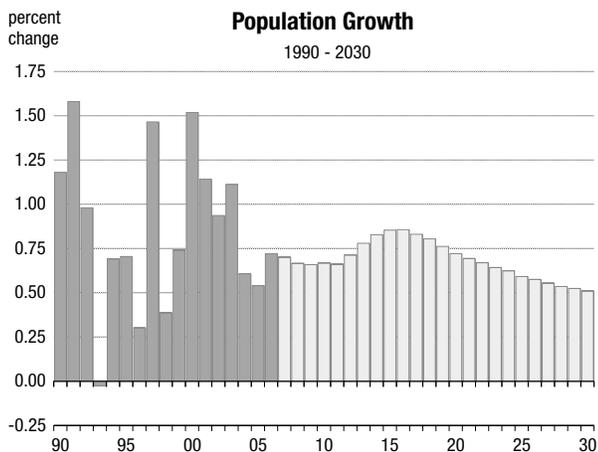


- Population growth will remain modest in the county. Annual growth in the 2007 to 2011 period averages 0.7 percent per year. The population will increase at faster rates in the Santa Maria Valley, while continuing to decline in the Santa Barbara-Goleta area.
- Net migration for the entire county is expected to remain slightly negative for the entire forecast. The north county will likely have positive net migration, but that will be offset by losses in the south county. From 2007 to 2011, there is an average of 300 net migrants leaving the county per year.
- Total taxable sales are expected to increase by an average of 4.3 percent over the next five years.
- Industrial production will increase by 8.3 percent in 2007. From 2007 to 2011, the growth rate of industrial production will average 7.2 percent per year, due to gains in the mining sector from oil and gas operations.

Santa Barbara County Economic Forecast

1997-2006 History, 2007-2030 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)
1997	390,515	2,662	312.3	134.9	903	\$3.8	\$10.4	\$34,953	1.7	823.4	2.24	5.1
1998	392,029	-1,435	318.0	135.3	1,026	\$4.0	\$11.3	\$37,386	1.4	793.5	2.10	4.4
1999	394,936	285	323.7	136.1	915	\$4.4	\$11.9	\$38,149	2.3	832.5	2.22	3.9
2000	400,932	3,307	336.0	136.6	924	\$4.8	\$12.9	\$39,503	3.3	901.6	2.60	4.4
2001	405,511	1,767	347.0	137.5	1,113	\$5.0	\$13.1	\$38,361	3.4	841.6	2.19	4.4
2002	409,309	1,137	355.0	138.3	1,732	\$5.1	\$13.1	\$36,844	2.8	891.1	1.98	5.2
2003	413,865	1,690	353.1	140.2	1,617	\$5.3	\$13.7	\$37,197	2.6	965.8	2.15	5.1
2004	416,385	-534	374.6	141.6	1,517	\$5.5	\$15.4	\$40,257	3.3	986.2	2.22	4.8
2005	418,639	-1,229	369.4	143.3	960	\$5.8	\$16.2	\$40,426	4.5	1,040.2	2.38	4.4
2006	421,656	-315	373.2	146.2	897	\$6.0	\$16.6	\$39,425	4.3	1,016.7	2.57	4.1
2007	424,618	-403	378.4	147.0	843	\$6.3	\$17.7	\$40,256	3.6	1,020.0	2.78	4.0
2008	427,445	-443	382.1	147.7	1,009	\$6.5	\$18.6	\$40,997	2.5	1,020.0	2.99	4.2
2009	430,263	-316	384.6	148.6	1,162	\$6.8	\$19.5	\$41,723	2.5	1,026.8	3.21	4.2
2010	433,143	-160	386.3	149.6	1,305	\$7.1	\$20.6	\$42,337	3.1	1,036.6	3.43	4.1
2011	436,008	-121	387.3	150.7	1,380	\$7.5	\$21.7	\$43,117	2.9	1,043.4	3.63	4.1
2012	439,123	186	389.7	151.9	1,418	\$7.9	\$22.9	\$43,940	2.7	1,051.8	3.84	4.2
2013	442,549	532	393.1	153.2	1,414	\$8.3	\$24.1	\$44,624	2.8	1,062.9	4.07	4.3
2014	446,216	821	396.9	154.4	1,381	\$8.7	\$25.4	\$45,316	2.8	1,073.5	4.28	4.4
2015	450,030	1,038	401.0	155.6	1,351	\$9.2	\$26.7	\$45,894	3.1	1,085.1	4.44	4.4
2016	453,885	1,133	404.9	156.8	1,320	\$9.7	\$28.1	\$46,423	3.2	1,097.5	4.60	4.4
2017	457,654	1,121	408.3	158.0	1,270	\$10.2	\$29.5	\$46,799	3.2	1,105.0	4.76	4.4
2018	461,336	1,121	411.4	159.1	1,253	\$10.7	\$30.9	\$47,209	3.0	1,114.5	4.93	4.5
2019	464,853	1,029	414.1	160.2	1,225	\$11.2	\$32.3	\$47,584	3.0	1,124.7	5.10	4.4
2020	468,205	931	416.2	161.2	1,175	\$11.7	\$33.7	\$47,866	3.0	1,134.6	5.36	4.4
2021	471,454	889	418.2	162.3	1,133	\$12.2	\$35.3	\$48,297	3.0	1,140.1	5.47	4.4
2022	474,615	866	420.5	163.3	1,133	\$12.8	\$37.0	\$48,842	3.0	1,148.8	5.48	4.4
2023	477,670	794	423.0	164.3	1,098	\$13.3	\$38.7	\$49,320	3.0	1,153.2	5.54	4.4
2024	480,655	766	426.4	165.2	1,103	\$13.9	\$40.5	\$49,806	2.8	1,162.5	5.62	4.4
2025	483,504	674	430.4	166.2	1,071	\$14.5	\$42.2	\$50,186	2.9	1,171.5	5.71	4.4
2026	486,288	654	434.9	167.1	1,067	\$15.1	\$44.1	\$50,727	2.9	1,180.4	5.76	4.3
2027	488,988	613	438.9	168.0	1,057	\$15.7	\$46.0	\$51,073	3.0	1,189.2	5.80	4.3
2028	491,609	586	442.4	169.0	1,044	\$16.4	\$48.1	\$51,490	3.2	1,194.8	5.90	4.4
2029	494,187	611	445.8	169.9	1,065	\$17.2	\$50.4	\$51,956	3.2	1,203.9	6.01	4.3
2030	496,713	600	449.1	170.8	1,072	\$18.0	\$52.6	\$52,418	3.1	1,212.9	6.13	4.3



Santa Barbara County Employment Forecast

1997-2006 History, 2007-2030 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)-----												
1997	166.2	14.73	7.1	15.7	3.8	23.1	7.5	17.2	4.2	16.4	19.1	30.9
1998	168.8	13.83	6.9	15.7	3.3	23.9	8.0	17.5	4.4	17.2	19.6	31.8
1999	174.6	15.26	8.0	15.3	2.9	25.6	8.1	18.1	4.1	18.0	20.2	32.4
2000	179.5	14.85	8.1	15.9	2.9	26.1	8.4	20.2	4.3	18.4	20.8	32.8
2001	179.8	13.76	8.4	15.1	3.0	25.5	8.8	19.6	4.5	18.6	21.0	34.5
2002	179.6	14.23	8.0	13.4	2.8	25.1	8.6	20.6	4.1	19.3	21.0	35.8
2003	182.2	16.18	8.6	13.3	2.9	24.4	8.4	21.1	4.1	19.3	21.7	35.6
2004	184.9	16.01	9.7	13.2	2.9	24.7	8.5	22.1	4.0	19.6	21.9	35.9
2005	188.2	16.25	10.1	13.6	3.0	24.9	8.6	22.8	4.1	19.4	22.4	36.4
2006	188.4	15.46	10.5	13.7	3.1	25.3	8.8	22.1	4.1	19.4	23.0	36.0
2007	190.1	15.85	10.3	13.6	3.1	25.4	8.7	22.5	4.0	19.4	23.4	36.6
2008	191.6	15.84	10.2	13.6	3.1	25.7	8.7	22.9	4.0	19.3	23.8	37.0
2009	193.7	16.32	10.0	13.6	3.1	26.1	8.9	23.2	4.0	19.2	24.2	37.2
2010	196.4	16.68	10.1	13.7	3.1	26.5	9.1	23.7	4.1	19.2	24.5	38.0
2011	199.1	16.77	10.3	13.7	3.1	26.9	9.3	24.2	4.1	19.2	24.8	38.6
2012	202.0	17.06	10.6	13.8	3.1	27.4	9.5	24.7	4.2	19.2	25.1	39.2
2013	204.7	17.42	10.8	13.9	3.1	27.8	9.7	25.2	4.3	19.2	25.4	39.7
2014	207.1	17.66	10.9	13.9	3.1	28.2	9.8	25.6	4.4	19.2	25.6	40.1
2015	209.6	17.96	11.1	13.9	3.1	28.6	10.0	26.1	4.4	19.3	25.9	40.7
2016	211.9	18.27	11.2	13.8	3.1	29.0	10.2	26.4	4.5	19.3	26.2	41.2
2017	214.0	18.29	11.3	13.8	3.1	29.4	10.4	26.8	4.6	19.3	26.5	41.7
2018	216.4	18.61	11.4	13.8	3.1	29.7	10.5	27.2	4.6	19.3	26.8	42.4
2019	218.7	18.88	11.5	13.8	3.1	30.1	10.7	27.5	4.7	19.2	27.0	43.2
2020	220.7	19.12	11.6	13.8	3.1	30.4	10.8	27.9	4.8	19.2	27.1	43.9
2021	222.5	19.13	11.7	13.7	3.1	30.7	10.9	28.3	4.9	19.3	27.2	44.5
2022	224.7	19.48	11.8	13.6	3.1	31.0	11.1	28.7	5.0	19.4	27.3	45.1
2023	226.4	19.49	11.9	13.4	3.1	31.3	11.2	29.1	5.0	19.4	27.4	45.7
2024	228.5	19.92	12.0	13.3	3.1	31.7	11.4	29.5	5.1	19.5	27.5	46.3
2025	230.1	20.14	11.8	13.2	3.1	31.9	11.6	29.9	5.2	19.5	27.6	46.8
2026	231.9	20.37	11.9	13.0	3.1	32.2	11.8	30.3	5.3	19.5	27.8	47.3
2027	233.6	20.60	11.9	13.0	3.1	32.5	11.9	30.7	5.3	19.5	27.9	47.8
2028	235.2	20.66	11.8	12.9	3.1	32.8	12.1	31.1	5.4	19.4	28.1	48.3
2029	237.3	21.03	11.8	12.8	3.1	33.1	12.3	31.5	5.5	19.4	28.2	48.8
2030	239.2	21.26	11.8	12.8	3.1	33.4	12.4	31.9	5.6	19.4	28.4	49.3

