

SAN MATEO COUNTY ECONOMIC FORECAST

San Mateo County is located south of San Francisco County, along the Bay Area Peninsula. The county has some of the most expensive housing in the state, with a median price of nearly \$700,000. San Mateo County has a population of 751,000 people and approximately 325,000 wage and salary jobs. The per capita income in San Mateo County is \$65,833, and the average salary per worker is among the highest in the state at \$84,896. Together with San Francisco and Marin Counties, the median household income for 2009 is \$96,800, second highest in the state behind Santa Clara County.

Employment growth in Northern California was negative in 2009. Employment in the greater Bay Area declined by 4.2 percent last year. In San Mateo County, employment declined by 14,600 jobs in 2009, a growth rate of -4.3 percent. The unemployment rate increased to 8.8 percent, but remains one of the lowest unemployment rates in the state.

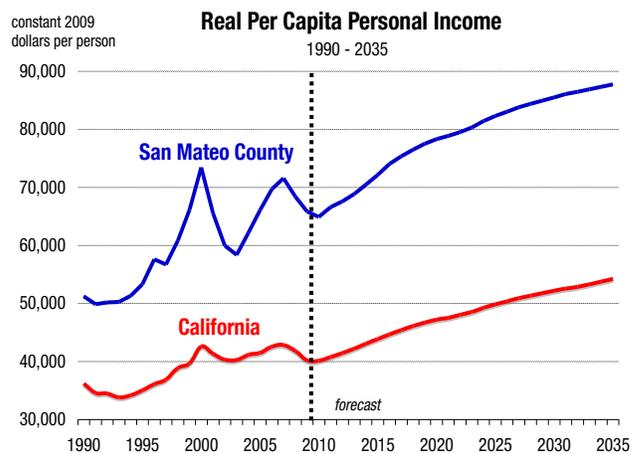
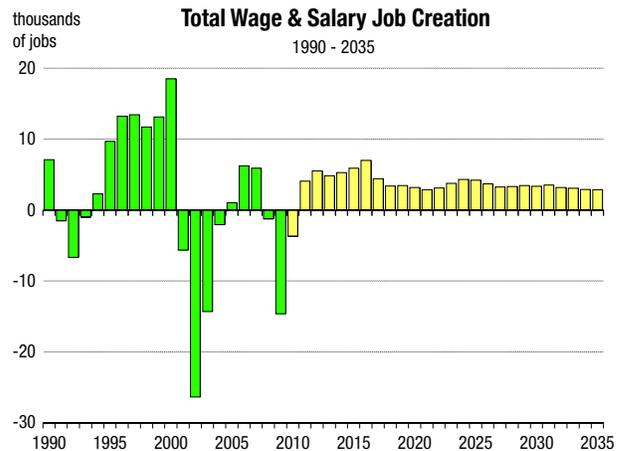
The only sector to create any jobs during 2009 was education and healthcare, which increased by one percent, or 300 jobs. The sectors that had the largest job declines were construction (-3,200 jobs), professional business services (-2,200 jobs), retail trade (-2,000 jobs), and transportation and utilities (-1,500 jobs).

Population growth remains positive in San Mateo County. The rate of growth during 2009 was 1.1 percent. All cities in San Mateo had positive growth between January 2008 and January 2009. The fastest growing cities were Brisbane and South San Francisco, which both grew 2.3 percent during this period.

Employment growth is forecast to return in San Mateo County by 2011. Total wage and salary jobs are not forecast to reach the 2000 peak until the next decade. Population growth will remain low throughout the forecast.

FORECAST HIGHLIGHTS

- Job growth is forecast to be -1.1 percent in 2010. From 2010 to 2015 job growth is expected to average 1.6 percent per year.
- Average salaries adjusted for inflation are currently well above the California average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 1.2 percent per year from 2010 to 2015.
- Between 2010 and 2015, the principle job creation occurs in the professional services, transportation and warehousing, construction, information, and retail trade sectors. Wholesale trade employment is forecast to decline by 1,200 jobs during this period, while manufacturing employment declines by 160 jobs. The largest employment losses come in the financial sector, which loses nearly 2,000 jobs, or 10 percent of the workforce from 2010 to 2015.

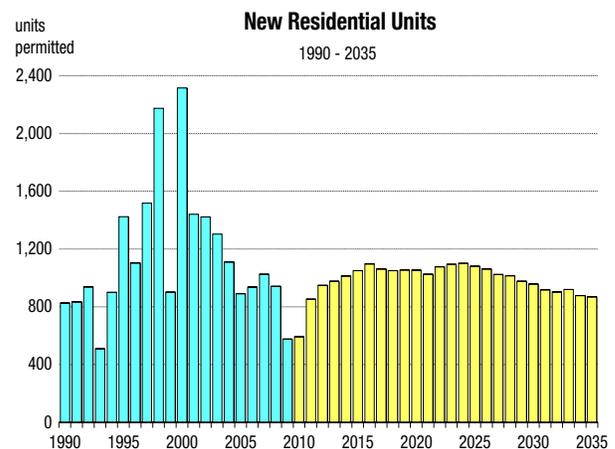
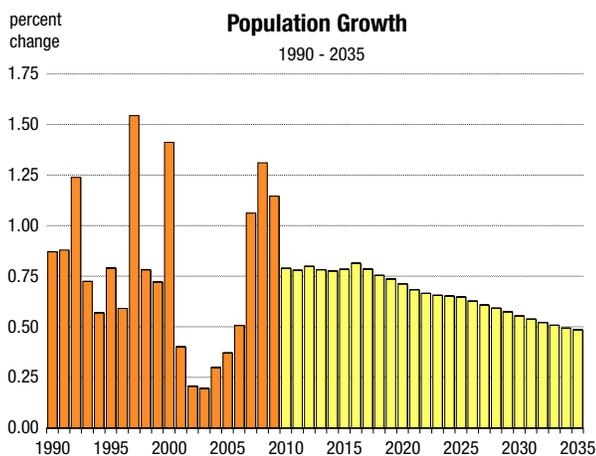


- The population will grow at a rate of approximately 0.8 percent in 2010. Annual growth in the 2010 to 2015 period is forecast to also average 0.8 percent per year.
- After high levels of out-migration from 2001 to 2006, net migration has been positive since. Between 2010 and 2015 it is expected that migration will slow substantially, with an average of only 1,200 people entering the county per year.
- Real per capita incomes decline at a rate of 1.4 percent in 2010. During the 2010 to 2015 period real per capita incomes are forecast to increase 2.1 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 3.4 percent per year from 2010 to 2015.
- Industrial production is forecast to rise 0.4 percent in 2010. Over the next five years the growth rate of industrial production will average 2.7 percent per year.

San Mateo County Economic Forecast

2002-2009 History, 2010-2035 Forecast

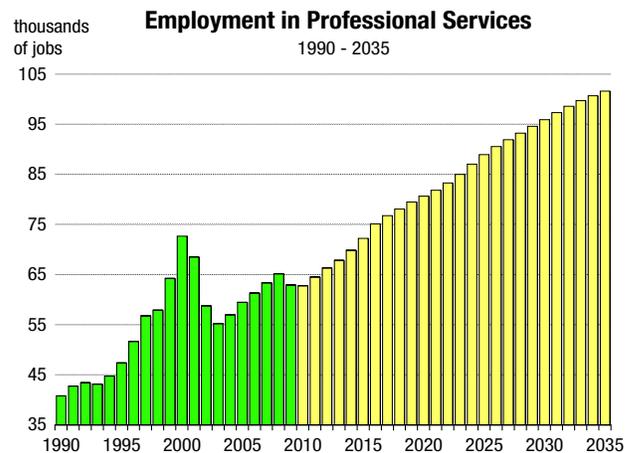
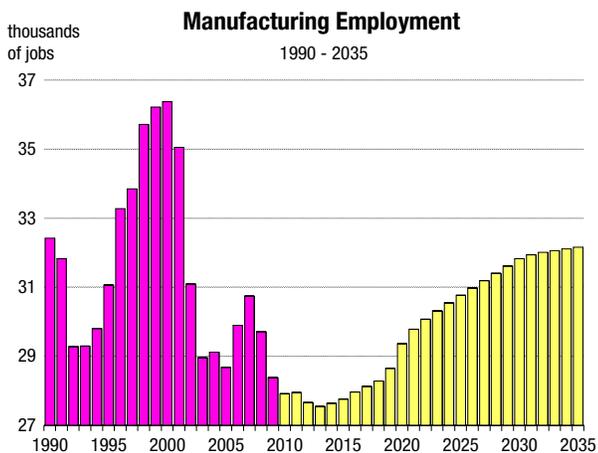
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	715,061	-4,102	712	257	1,423	\$11.7	\$36.9	\$59,987	1.6	213.8	7.07	5.7
2003	716,465	-4,041	685	258	1,304	\$11.4	\$36.6	\$58,361	1.8	207.1	6.98	5.8
2004	718,609	-3,196	715	259	1,111	\$11.9	\$39.6	\$62,156	1.2	205.8	7.40	4.9
2005	721,281	-2,695	712	260	892	\$12.5	\$43.1	\$66,070	2.0	180.2	7.47	4.3
2006	724,945	-1,555	702	260	937	\$13.0	\$47.1	\$69,682	3.2	181.5	7.94	3.7
2007	732,643	2,597	707	262	1,025	\$13.4	\$50.6	\$71,564	3.4	169.5	8.03	3.8
2008	742,251	4,540	698	263	942	\$13.6	\$50.4	\$68,395	3.0	174.9	8.18	4.8
2009	750,757	3,505	690	264	577	\$13.2	\$49.4	\$65,833	0.8	166.7	8.02	8.8
2010	756,681	1,005	702	264	593	\$12.8	\$50.2	\$64,914	2.1	161.6	8.06	8.6
2011	762,588	1,063	703	265	854	\$13.6	\$53.1	\$66,611	2.4	155.8	8.18	7.5
2012	768,679	1,294	705	266	948	\$14.5	\$55.5	\$67,601	2.1	149.9	8.40	6.5
2013	774,697	1,254	709	266	977	\$15.2	\$58.2	\$68,844	2.2	144.1	8.65	5.9
2014	780,714	1,281	714	267	1,014	\$16.1	\$61.4	\$70,447	2.2	138.4	8.93	5.4
2015	786,846	1,435	721	268	1,052	\$16.9	\$64.7	\$72,150	2.2	133.1	9.22	5.0
2016	793,256	1,757	731	269	1,098	\$17.7	\$68.4	\$74,048	2.2	127.7	9.52	4.7
2017	799,489	1,626	738	270	1,063	\$18.4	\$71.7	\$75,331	2.2	122.5	9.81	4.8
2018	805,523	1,472	743	271	1,050	\$19.1	\$75.0	\$76,496	2.2	117.3	10.08	4.8
2019	811,461	1,412	748	272	1,056	\$19.9	\$78.2	\$77,499	2.2	112.2	10.42	4.7
2020	817,241	1,298	753	273	1,054	\$20.6	\$81.3	\$78,333	2.1	107.5	10.83	4.7
2021	822,831	1,154	757	274	1,025	\$21.4	\$84.5	\$78,873	2.5	103.3	11.18	4.7
2022	828,313	1,099	762	275	1,078	\$22.2	\$88.0	\$79,522	2.6	99.0	11.47	4.6
2023	833,754	1,112	768	276	1,095	\$23.1	\$91.7	\$80,311	2.5	94.8	11.78	4.5
2024	839,197	1,170	774	277	1,101	\$24.0	\$95.8	\$81,407	2.4	90.5	12.10	4.4
2025	844,633	1,227	781	278	1,080	\$25.0	\$99.9	\$82,295	2.5	86.3	12.44	4.4
2026	849,933	1,159	787	279	1,063	\$25.9	\$104.0	\$83,045	2.5	82.3	12.79	4.4
2027	855,101	1,108	792	280	1,024	\$26.9	\$108.3	\$83,790	2.6	78.5	13.18	4.4
2028	860,169	1,100	797	281	1,016	\$27.9	\$112.7	\$84,374	2.8	74.8	13.56	4.4
2029	865,110	1,068	802	282	977	\$29.0	\$117.2	\$84,952	2.7	71.3	13.97	4.4
2030	869,900	1,002	808	282	959	\$30.1	\$121.8	\$85,504	2.7	68.1	14.39	4.3
2031	874,585	978	813	283	918	\$31.3	\$126.6	\$86,072	2.7	65.3	14.83	4.3
2032	879,155	942	818	284	903	\$32.4	\$131.3	\$86,478	2.7	62.3	15.26	4.3
2033	883,629	925	823	285	921	\$33.6	\$136.2	\$86,911	2.7	59.4	15.70	4.3
2034	887,993	896	829	286	878	\$34.8	\$141.2	\$87,331	2.7	56.5	16.15	4.4
2035	892,307	929	833	287	871	\$36.1	\$146.4	\$87,752	2.7	53.8	16.60	4.4

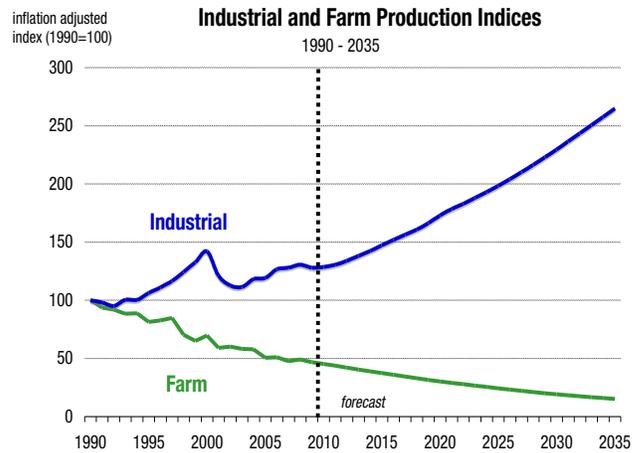
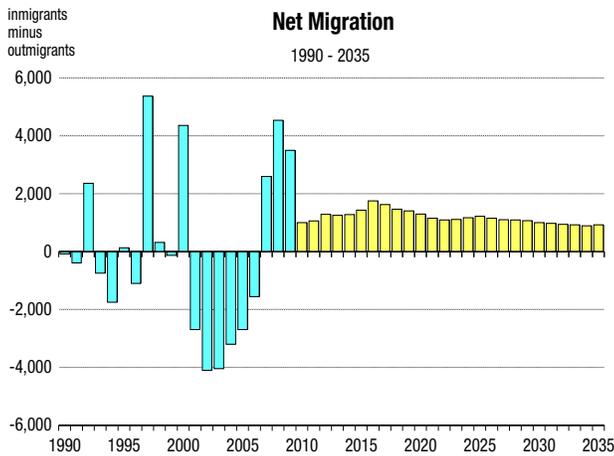
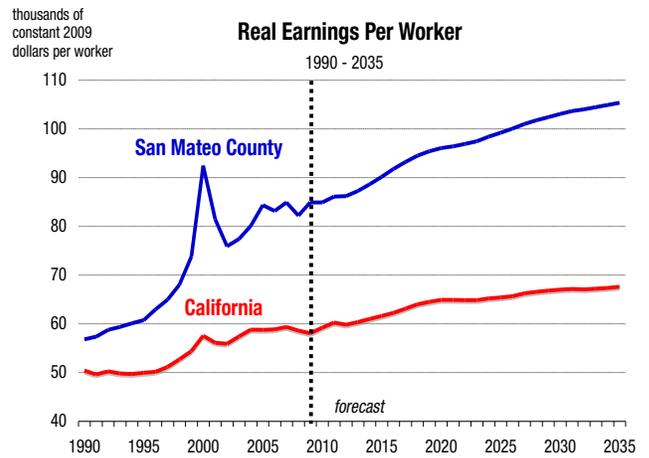
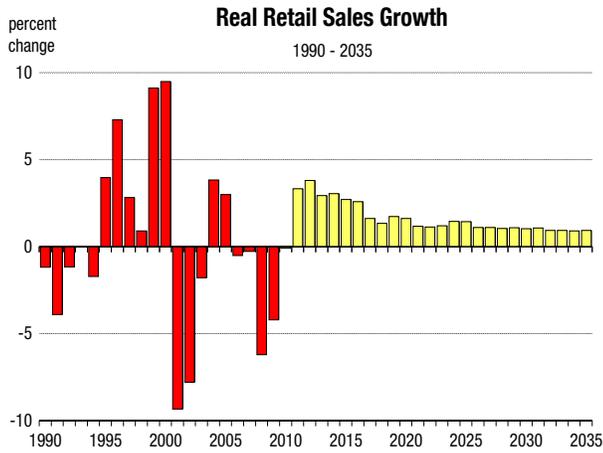


San Mateo County Employment Forecast

2002-2009 History, 2010-2035 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)-----												
2002	343.8	2.68	19.0	31.1	29.3	51.4	21.8	58.8	23.4	30.0	30.8	33.6
2003	329.5	2.58	18.3	29.0	27.8	48.9	20.8	55.2	22.5	30.1	30.3	32.7
2004	327.4	2.17	17.7	29.1	28.2	47.4	20.8	57.0	21.1	30.2	30.7	32.1
2005	328.5	1.91	17.3	28.7	27.4	47.4	21.2	59.5	20.5	30.2	31.4	32.1
2006	334.8	1.93	18.1	29.9	26.7	48.3	21.7	61.3	18.5	31.4	33.5	32.2
2007	340.7	1.87	19.1	30.8	26.7	48.4	21.6	63.4	17.4	32.1	35.0	32.6
2008	339.5	1.88	18.5	29.7	27.5	47.2	20.4	65.2	18.6	32.6	34.2	31.8
2009	324.9	1.81	15.3	28.4	26.0	44.8	19.2	62.9	17.6	32.9	32.9	31.1
2010	321.2	1.75	13.5	27.9	26.0	44.4	18.7	62.8	16.9	33.3	33.0	31.1
2011	325.3	1.70	14.2	28.0	26.5	44.7	18.4	64.5	16.9	33.7	33.5	31.3
2012	330.8	1.64	15.6	27.7	27.1	45.4	17.9	66.3	17.4	34.1	33.9	31.4
2013	335.6	1.59	16.1	27.6	28.0	45.8	17.6	67.9	18.1	34.6	34.3	31.7
2014	340.9	1.53	16.2	27.6	28.9	46.3	17.2	69.9	18.9	35.1	34.7	31.9
2015	346.9	1.48	16.5	27.8	29.8	46.7	16.8	72.2	19.7	35.6	35.2	32.2
2016	353.9	1.43	17.3	28.0	30.7	47.1	16.3	75.1	20.7	36.1	35.7	32.4
2017	358.3	1.37	17.7	28.1	31.4	47.3	15.8	76.8	21.4	36.6	36.1	32.6
2018	361.7	1.32	17.7	28.3	31.9	47.5	15.3	78.1	22.1	37.1	36.5	32.8
2019	365.2	1.27	17.6	28.7	32.5	47.7	14.8	79.5	22.5	37.5	36.9	32.9
2020	368.3	1.22	17.3	29.4	32.9	47.9	14.4	80.7	22.8	37.9	37.3	33.1
2021	371.2	1.17	17.0	29.8	33.3	48.2	14.0	81.9	23.1	38.3	37.7	33.2
2022	374.4	1.13	16.8	30.1	33.5	48.5	13.7	83.3	23.4	38.7	38.0	33.3
2023	378.2	1.08	16.8	30.3	33.9	49.0	13.3	85.0	23.9	39.1	38.4	33.4
2024	382.5	1.03	16.9	30.6	34.2	49.4	12.9	87.1	24.4	39.4	38.7	33.5
2025	386.7	0.99	17.2	30.8	34.4	49.9	12.6	89.0	25.0	39.8	39.1	33.5
2026	390.4	0.95	17.3	31.0	34.6	50.2	12.2	90.6	25.6	40.3	39.4	33.6
2027	393.7	0.91	17.3	31.2	34.7	50.6	11.8	91.9	26.2	40.7	39.8	33.6
2028	397.0	0.87	17.3	31.4	34.9	50.9	11.4	93.3	26.9	41.1	40.1	33.7
2029	400.5	0.83	17.3	31.6	35.0	51.3	11.0	94.6	27.6	41.6	40.5	33.7
2030	403.8	0.79	17.3	31.8	35.2	51.7	10.7	95.9	28.2	42.1	40.8	33.8
2031	407.4	0.75	17.3	31.9	35.4	52.1	10.3	97.4	28.9	42.5	41.2	33.8
2032	410.6	0.72	17.4	32.0	35.6	52.5	9.9	98.6	29.5	42.9	41.5	33.8
2033	413.6	0.68	17.4	32.1	35.7	53.0	9.5	99.7	30.1	43.4	41.9	33.9
2034	416.6	0.65	17.4	32.1	35.8	53.4	9.2	100.7	30.7	43.8	42.3	33.9
2035	419.4	0.62	17.4	32.2	35.9	53.9	8.8	101.7	31.3	44.3	42.6	34.0





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	16.7 %
Expected job growth:	8.0 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	15.6 %

Expected population growth:	4.0 %
Net migration to account for:	21.0 %
Expected growth in number of vehicles:	2.7 %

Demographics (2009)

Unemployment rate (December):	8.6 %
County Rank* in California (58 counties):	2nd
Working age (16-64) population:	67.4 %

Population with B.A. Degree or higher:	38.4 %
Median Home Selling Price:	\$686,433
Median Household Income:	\$86,266

Quality of Life

Violent Crime rate (2008):	294 per 100,000 persons
County Rank* in California (58 counties):	16th
Average Commute Time to work (2009):	29.5 minutes

High School drop out rate (2008):	12.3 %
Households at/below poverty line:	3.8 %

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