

SAN BENITO COUNTY ECONOMIC FORECAST

San Benito County is located in the Coast Range Mountains of Central California. Compared to other California counties, San Benito has one of the highest rates of workers who commute outside the county for work. Most of these individuals are employed in Santa Clara County. San Benito County has a population of 55,700 people and 14,800 wage and salary jobs. The per capita income in San Benito County is \$39,916, and the average salary per worker is \$43,175.

In 2011, employment increased by 270 jobs in San Benito County, representing a growth rate of 1.9 percent. The unemployment rate, while still very high, improved substantially, falling from 17.2 percent to 15.6 percent.

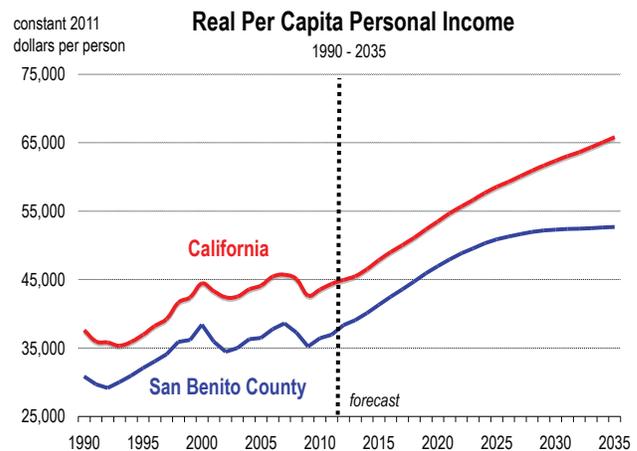
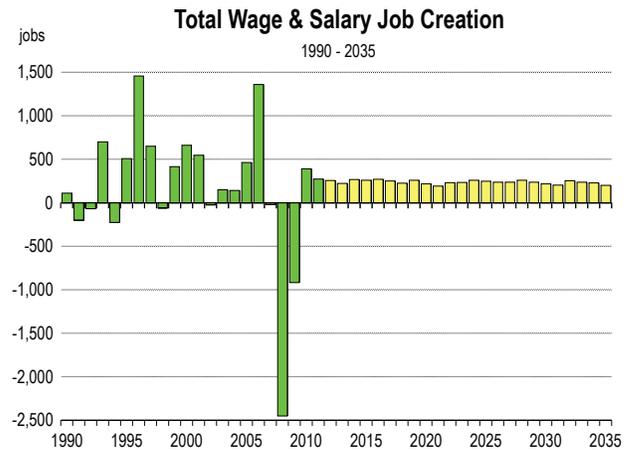
The largest employment increases occurred in construction (+130 jobs) and manufacturing (+90 jobs). The only industries to lose jobs were the public sector (-60 jobs) and agriculture (-50 jobs).

Between 2006 and 2011, the population of San Benito County grew at an annual average rate of 0.2 percent. This growth was due entirely to the natural increase (new births), as net migration was negative each year.

Net migration has been negative since 2002, but the pace of out-migration has slowed over the past few years. Net migration will turn positive again in 2022.

FORECAST HIGHLIGHTS

- Total wage and salary employment will increase by 1.8 percent in 2012, and by an average annual rate of 1.7 percent over the 2012-2017 period.
- Average salaries are currently below the California state average, and will remain so over the forecast period. However, inflation adjusted salaries will increase rapidly over the medium term, rising at an annual rate of 2.0 percent from 2012 to 2017.
- Between 2012 and 2017, the principal employment growth will occur in construction, retail trade, government, and healthcare and education. These sectors will account for 67 percent of all jobs created in the county.
- Population is forecast to rise by 0.7 percent in 2012. Annual growth in the 2012 to 2017 period will average 0.9 percent per year.
- Net migration will remain negative over the next five years. In 2012, approximately 120 net migrants are expected to leave the county. From 2012 to 2017, net migration is forecast to average 80 out-migrants per year.

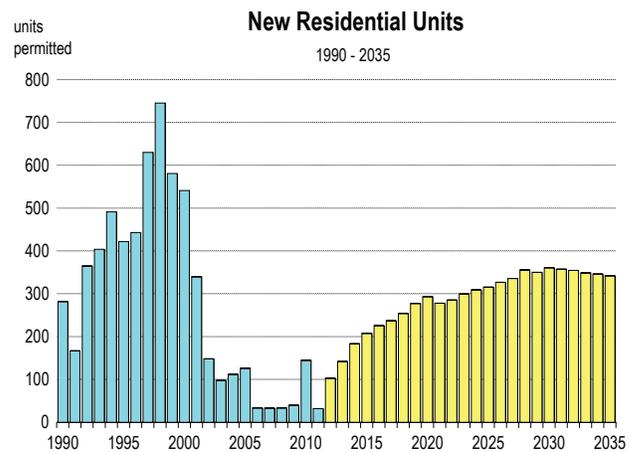
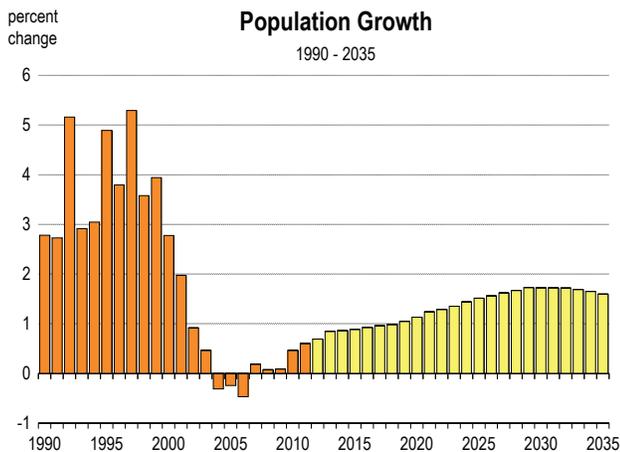


- Real per capita income is forecast to grow by 3.8 percent in 2012, and by an average of 2.8 percent between 2012 and 2017.
- Total taxable sales, adjusted for inflation, are forecast to increase by an average of 4.5 percent per year between 2012 and 2017.
- Industrial production is forecast to increase by 3.3 percent in 2012. Between 2012 and 2017, industrial production will rise by an average of 1.9 percent per year.
- Farm production is forecast to increase by 1.3 percent per year between 2012 and 2017. The principal crops in the county are lettuce and bell peppers.

San Benito County Economic Forecast

2006-2011 History, 2012-2040 Forecast

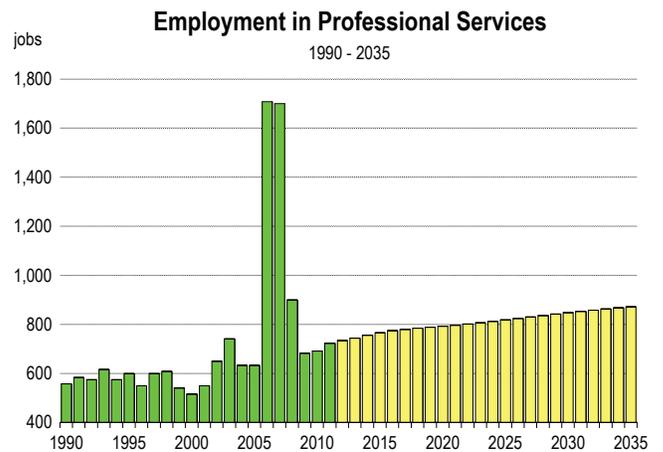
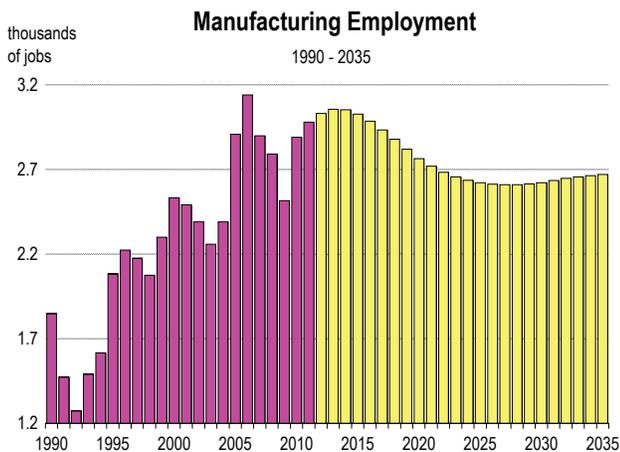
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	54,895	-904	56.3	16.8	34	\$0.54	\$1.86	\$37,764	3.2	302.1	515	7.1
2007	55,000	-551	55.7	16.8	33	\$0.55	\$1.97	\$38,601	3.4	315.9	485	7.2
2008	55,043	-513	55.0	16.8	34	\$0.50	\$1.96	\$37,262	3.0	274.3	514	9.6
2009	55,093	-478	54.7	16.8	40	\$0.42	\$1.87	\$35,186	0.8	252.2	472	14.2
2010	55,350	-182	55.6	16.8	145	\$0.45	\$1.97	\$36,438	1.3	261.8	593	17.2
2011	55,684	-134	55.8	16.8	32	\$0.47	\$2.06	\$36,916	2.5	260.6	623	15.6
2012	56,071	-123	56.4	16.9	103	\$0.51	\$2.19	\$38,327	1.9	267.2	644	14.9
2013	56,548	-58	57.0	17.0	142	\$0.53	\$2.30	\$39,072	2.1	271.9	655	13.9
2014	57,037	-72	57.6	17.1	184	\$0.57	\$2.43	\$40,109	2.1	275.3	667	12.2
2015	57,545	-80	58.3	17.3	208	\$0.61	\$2.57	\$41,310	1.8	277.7	676	11.0
2016	58,079	-82	59.1	17.5	226	\$0.65	\$2.72	\$42,480	1.7	279.5	686	10.3
2017	58,639	-85	59.9	17.8	237	\$0.70	\$2.86	\$43,575	1.7	280.9	698	9.8
2018	59,216	-95	60.7	18.0	254	\$0.74	\$3.01	\$44,717	1.7	282.1	710	9.4
2019	59,837	-83	61.5	18.2	278	\$0.79	\$3.18	\$45,900	1.5	283.0	723	9.1
2020	60,517	-53	62.5	18.5	293	\$0.83	\$3.33	\$46,958	1.4	283.8	735	8.7
2021	61,268	-7	63.4	18.8	278	\$0.88	\$3.49	\$47,935	1.3	284.6	745	8.6
2022	62,059	9	64.5	19.1	285	\$0.93	\$3.65	\$48,811	1.5	285.2	759	8.6
2023	62,899	39	65.5	19.4	300	\$0.97	\$3.81	\$49,563	1.5	285.8	775	8.6
2024	63,806	87	66.7	19.7	309	\$1.03	\$3.99	\$50,299	1.6	286.4	794	8.6
2025	64,773	132	68.0	20.0	316	\$1.08	\$4.17	\$50,879	1.7	287.0	815	8.6
2026	65,788	170	69.3	20.3	327	\$1.13	\$4.34	\$51,272	1.7	287.5	837	8.5
2027	66,856	214	70.7	20.6	336	\$1.19	\$4.51	\$51,650	1.7	288.1	862	8.5
2028	67,974	261	72.2	21.0	356	\$1.25	\$4.69	\$51,960	1.7	288.6	888	8.5
2029	69,152	319	73.8	21.3	350	\$1.30	\$4.88	\$52,164	1.7	289.1	917	8.5
2030	70,345	333	75.5	21.7	361	\$1.36	\$5.06	\$52,303	1.7	289.6	946	8.4
2031	71,559	354	77.2	22.0	357	\$1.42	\$5.24	\$52,389	1.7	290.1	979	8.3
2032	72,790	370	79.0	22.4	355	\$1.48	\$5.43	\$52,428	1.7	290.6	1012	8.3
2033	74,023	372	80.8	22.8	349	\$1.54	\$5.62	\$52,517	1.7	291.1	1047	8.3
2034	75,246	361	82.6	23.1	346	\$1.60	\$5.82	\$52,609	1.7	291.6	1082	8.3
2035	76,451	344	84.5	23.5	342	\$1.66	\$6.03	\$52,688	1.7	292.0	1118	8.3
2036	77,650	336	86.3	23.8	340	\$1.73	\$6.24	\$52,770	1.7	292.5	1154	8.4
2037	78,839	325	88.2	24.1	338	\$1.79	\$6.45	\$52,846	1.7	292.9	1191	8.4
2038	80,010	301	90.0	24.5	334	\$1.85	\$6.67	\$52,897	1.7	293.4	1230	8.3
2039	81,181	297	91.8	24.8	334	\$1.92	\$6.90	\$53,019	1.7	293.8	1270	8.3
2040	82,356	293	93.7	25.2	334	\$1.99	\$7.13	\$53,137	1.7	294.2	1328	8.3

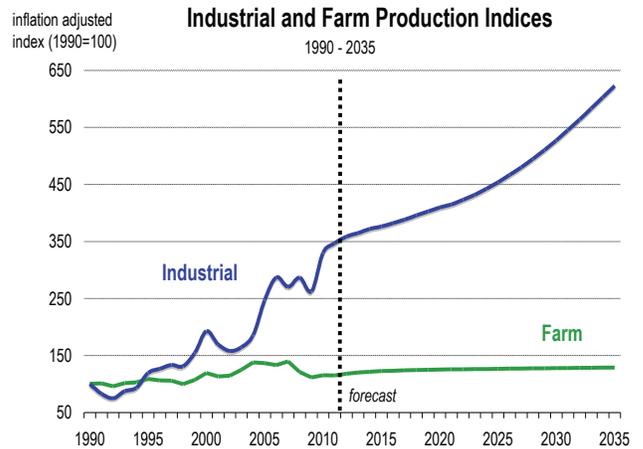
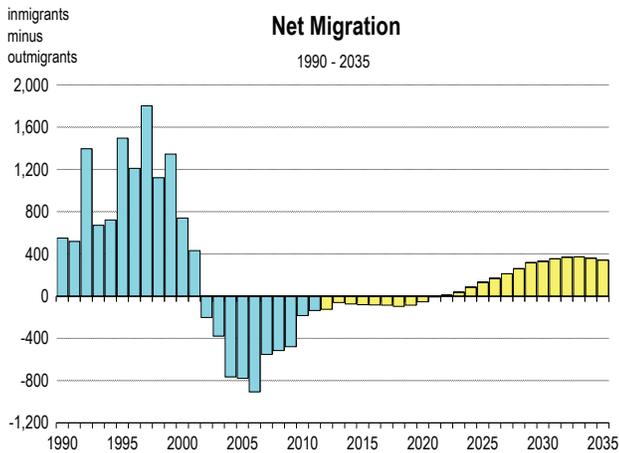
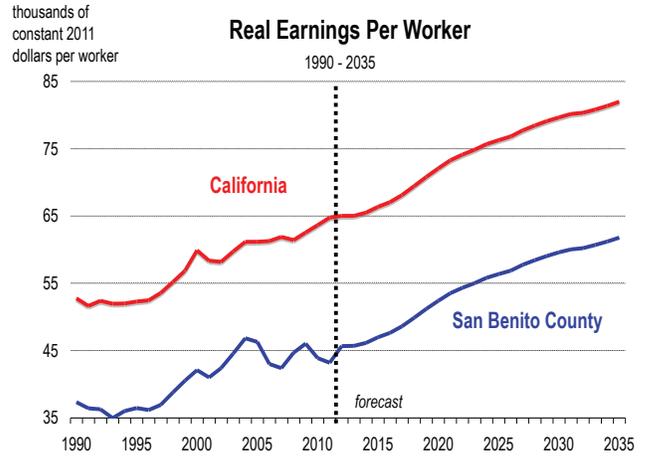
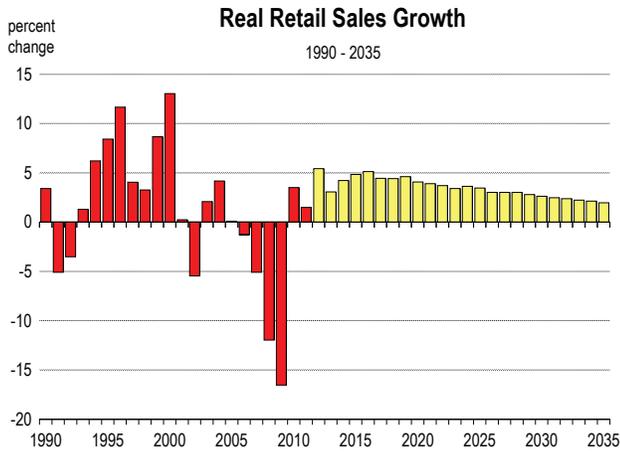


San Benito County Employment Forecast

2006-2011 History, 2012-2040 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)-----												
2006	17.5	2.44	1.88	3.14	0.26	2.26	0.38	1.71	0.10	0.68	1.37	2.84
2007	17.5	2.82	1.73	2.90	0.23	2.17	0.40	1.70	0.10	0.70	1.40	2.86
2008	15.1	2.43	1.38	2.79	0.20	2.10	0.40	0.90	0.10	0.72	0.68	2.93
2009	14.1	2.10	1.52	2.52	0.20	2.02	0.31	0.68	0.10	0.79	0.48	3.02
2010	14.5	1.65	1.42	2.89	0.30	2.51	0.30	0.69	0.10	0.81	0.48	2.98
2011	14.8	1.60	1.55	2.98	0.30	2.55	0.31	0.72	0.11	0.85	0.50	2.92
2012	15.1	1.65	1.59	3.03	0.31	2.60	0.31	0.73	0.12	0.85	0.52	2.94
2013	15.3	1.66	1.62	3.06	0.32	2.66	0.31	0.74	0.12	0.86	0.54	2.97
2014	15.6	1.68	1.67	3.05	0.33	2.73	0.33	0.76	0.13	0.87	0.56	3.01
2015	15.8	1.67	1.72	3.03	0.35	2.83	0.34	0.77	0.14	0.88	0.59	3.06
2016	16.1	1.70	1.77	2.99	0.36	2.93	0.35	0.77	0.15	0.90	0.61	3.10
2017	16.3	1.71	1.83	2.93	0.37	3.03	0.36	0.78	0.15	0.91	0.64	3.15
2018	16.6	1.73	1.88	2.88	0.38	3.12	0.37	0.78	0.16	0.93	0.66	3.20
2019	16.8	1.75	1.95	2.82	0.40	3.21	0.38	0.79	0.16	0.95	0.67	3.25
2020	17.0	1.74	2.03	2.77	0.41	3.29	0.38	0.79	0.17	0.97	0.67	3.31
2021	17.2	1.72	2.08	2.72	0.43	3.37	0.38	0.80	0.17	0.99	0.68	3.36
2022	17.5	1.75	2.12	2.68	0.44	3.45	0.38	0.80	0.18	1.01	0.68	3.42
2023	17.7	1.77	2.16	2.66	0.45	3.53	0.38	0.81	0.18	1.03	0.68	3.48
2024	18.0	1.80	2.21	2.64	0.46	3.60	0.39	0.81	0.19	1.06	0.68	3.54
2025	18.2	1.82	2.25	2.62	0.47	3.67	0.39	0.82	0.20	1.08	0.68	3.60
2026	18.4	1.83	2.30	2.61	0.48	3.74	0.39	0.82	0.20	1.10	0.69	3.66
2027	18.7	1.84	2.35	2.61	0.49	3.81	0.39	0.83	0.21	1.12	0.69	3.72
2028	18.9	1.86	2.42	2.61	0.50	3.87	0.39	0.84	0.21	1.14	0.70	3.77
2029	19.2	1.87	2.47	2.61	0.50	3.93	0.39	0.84	0.22	1.16	0.70	3.82
2030	19.4	1.85	2.53	2.62	0.51	3.99	0.39	0.85	0.22	1.18	0.71	3.86
2031	19.6	1.83	2.58	2.64	0.52	4.05	0.39	0.85	0.23	1.19	0.72	3.91
2032	19.9	1.87	2.63	2.65	0.53	4.10	0.40	0.86	0.24	1.21	0.72	3.95
2033	20.1	1.90	2.68	2.66	0.53	4.15	0.40	0.86	0.24	1.22	0.73	3.99
2034	20.3	1.93	2.73	2.66	0.54	4.20	0.40	0.87	0.25	1.23	0.74	4.03
2035	20.5	1.94	2.77	2.67	0.55	4.25	0.41	0.87	0.25	1.24	0.75	4.06
2036	20.8	1.98	2.82	2.67	0.56	4.30	0.41	0.88	0.26	1.25	0.75	4.10
2037	21.0	2.00	2.87	2.68	0.56	4.34	0.41	0.88	0.26	1.27	0.76	4.14
2038	21.1	1.97	2.92	2.68	0.57	4.38	0.42	0.88	0.27	1.28	0.77	4.17
2039	21.3	2.00	2.97	2.69	0.58	4.42	0.42	0.89	0.28	1.29	0.78	4.21
2040	21.5	2.02	3.02	2.69	0.59	4.46	0.42	0.89	0.28	1.30	0.78	4.24





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	30.5 %
Expected job growth:	10.3 %
Fastest growing jobs sector:	Information
Expected personal income growth:	24.3 %

Expected population growth:	5.3 %
Net migration to account for:	0 %
Expected growth in number of vehicles:	7.3 %

Demographics (2012)

Unemployment rate (March 2012):	17.6 %
County Rank* in California (58 counties):	48th
Working age (16-64) population:	65.4 %

Population with B.A. Degree or higher:	17.8 %
Median Home Selling Price (2011):	\$248,250
Median Household Income:	\$68,523

Quality of Life

Violent Crime rate (2010):	385 per 100,000 persons
County Rank* in California (58 counties):	30th
Average Commute Time to work (2012):	33.0 minutes

High School drop out rate (2010):	12.5 %
Households at/below poverty line (2012):	9.4 %

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