

MONTEREY COUNTY ECONOMIC FORECAST

Monterey County is located on the central coast of California. Farming is a vital component of the county's economy, accounting for over \$4 billion in total output and approximately 29 percent of all wage and salary jobs. Lettuce is the principal crop in the region, with Monterey County producing roughly half of all lettuce in the United States. In addition, Monterey is one of California's leading producers of strawberries.

Monterey County has a population of 425,000 people and a total of 177,000 wage and salary jobs. The income per capita is \$46,224 and the average salary per worker is \$54,301.

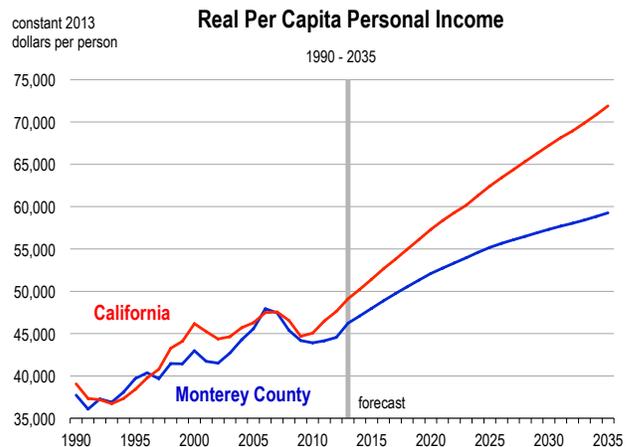
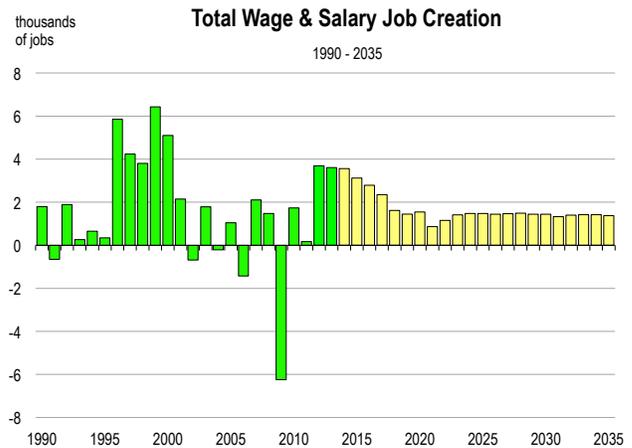
In 2013, a total of 3,600 wage and salary jobs were created in Monterey County, representing an increase of 2.1 percent. Total employment has now surpassed its pre-recession peak. The unemployment rate also improved, falling from 11.6 percent in 2012 to 10.2 percent in 2013.

During 2013, the largest job gains occurred in agriculture (+2,500 jobs), education and healthcare (+760 jobs), leisure and hospitality (+600 jobs), construction (+330 jobs), and wholesale and retail trade (+300 jobs). The largest declines were observed in the public sector (-1,100 jobs) and financial activities (-170 jobs).

Between 2008 and 2013, the population of Monterey County grew at an average rate 0.7 percent per year. All of this growth can be attributed to the natural increase (new births), as the county lost an average of 1,900 people per year through net migration.

FORECAST HIGHLIGHTS

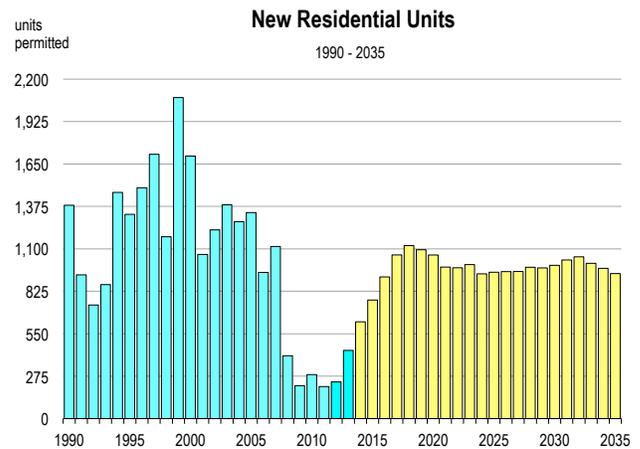
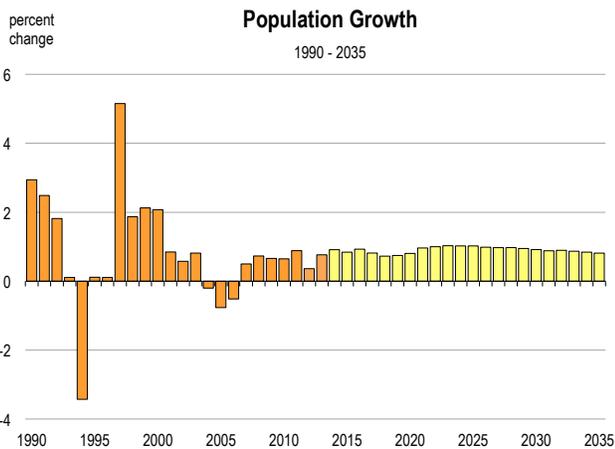
- Total employment is expected to increase by 2.0 percent in 2014. Between 2014 and 2019, growth will average 1.2 percent per year. During the same period, agricultural employment will increase by an average of 0.4 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Monterey County, inflation-adjusted salaries are expected to rise by an average of 0.4 percent per year between 2014 and 2019.
- Between 2014 and 2019, the largest employment gains will be observed in education and healthcare (+2,000 jobs), leisure and hospitality (+1,900 jobs), professional services (+1,700 jobs), wholesale and retail trade (+1,200 jobs), and government (+1,100 jobs). Together, these sectors will account for 69 percent of net job creation in the county.
- Over the 2014-2019 period, annual population growth is expected to average 0.8 percent per year.
- Over the 2014-2019 period, total net migration will be negative, as an average of 820 net migrants leave the county each year.
- Real income per capita is expected to rise by 1.9 percent in 2014. Between 2014 and 2019, real income per capita is forecasted to increase by 1.7 percent per year.
- Total taxable sales, adjusted for inflation, will rise by an average of 1.9 percent per year from 2014 to 2019.
- Industrial production is forecasted to increase by 4.5 percent in 2014. From 2014 to 2019, the growth rate of industrial production will average 4.1 percent per year.
- Farm production is expected to increase by 1.2 percent per year between 2014 and 2019. The principal crop in the county is lettuce.



Monterey County Economic Forecast

2006-2013 History, 2014-2040 Forecast

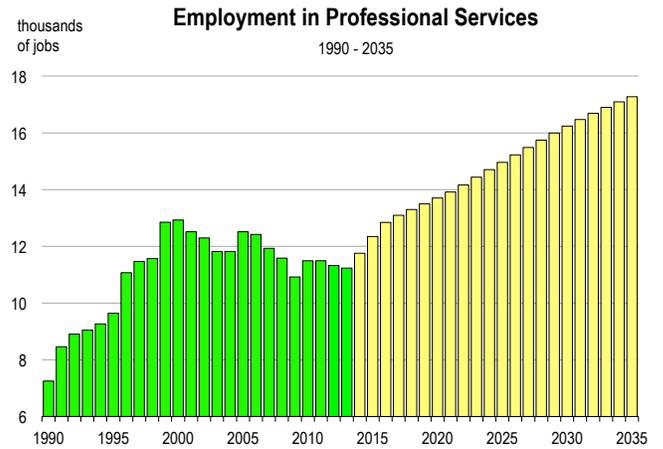
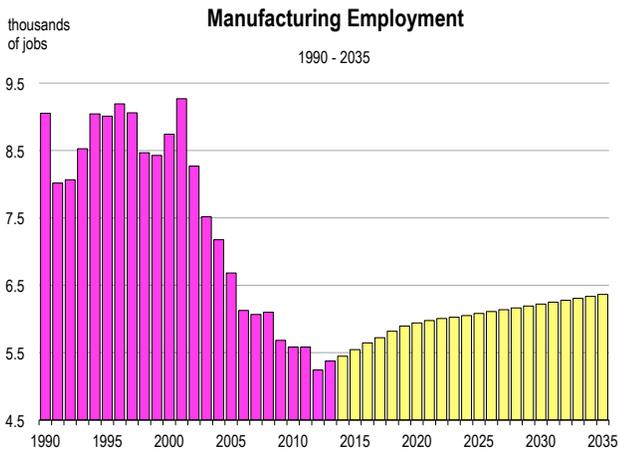
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	405,877	-7,135	348	123	948	\$5.7	\$16.6	\$47,935	3.2	4.09	1.72	7.0
2007	407,896	-3,230	349	123	1,116	\$5.7	\$17.1	\$47,462	3.4	4.33	1.76	7.2
2008	410,877	-2,425	349	124	408	\$5.4	\$16.9	\$45,372	2.9	4.21	1.91	8.5
2009	413,590	-2,301	349	124	213	\$4.7	\$16.7	\$44,176	0.8	4.40	1.79	11.8
2010	416,265	-1,887	352	125	285	\$5.0	\$17.0	\$43,901	1.3	4.32	1.71	12.8
2011	419,961	-838	348	125	208	\$5.3	\$17.7	\$44,161	2.7	4.04	1.70	12.6
2012	421,486	-2,976	350	125	238	\$5.6	\$18.4	\$44,555	2.7	4.23	1.77	11.6
2013	424,713	-1,308	361	125	442	\$6.0	\$19.6	\$46,224	2.3	4.30	1.86	10.2
2014	428,593	-526	366	126	627	\$6.2	\$20.6	\$47,092	2.8	4.36	1.94	9.1
2015	432,203	-774	371	126	768	\$6.5	\$21.8	\$47,996	3.3	4.40	2.03	8.3
2016	436,219	-344	376	127	918	\$6.8	\$22.9	\$48,872	3.2	4.45	2.11	7.6
2017	439,783	-787	381	127	1,061	\$7.1	\$23.9	\$49,718	2.4	4.50	2.19	7.3
2018	442,978	-1,151	385	128	1,121	\$7.3	\$24.9	\$50,524	2.3	4.56	2.28	7.3
2019	446,285	-1,032	389	129	1,094	\$7.6	\$25.9	\$51,326	2.4	4.62	2.37	7.2
2020	449,882	-732	393	130	1,060	\$7.8	\$27.0	\$52,098	2.3	4.66	2.46	7.3
2021	454,215	-4	397	131	982	\$8.1	\$28.1	\$52,735	2.5	4.70	2.54	7.4
2022	458,756	200	400	132	978	\$8.3	\$29.3	\$53,346	2.6	4.74	2.63	7.4
2023	463,475	375	404	132	998	\$8.6	\$30.5	\$53,967	2.5	4.79	2.72	7.4
2024	468,217	402	406	133	938	\$8.9	\$31.8	\$54,611	2.5	4.85	2.81	7.4
2025	473,007	458	409	134	949	\$9.1	\$33.1	\$55,200	2.5	4.91	2.90	7.4
2026	477,671	340	412	134	953	\$9.4	\$34.3	\$55,665	2.5	4.96	3.00	7.4
2027	482,318	328	415	135	953	\$9.7	\$35.6	\$56,091	2.5	5.02	3.10	7.5
2028	487,018	388	417	136	981	\$10.1	\$36.9	\$56,506	2.5	5.07	3.22	7.5
2029	491,639	310	419	137	977	\$10.4	\$38.2	\$56,912	2.5	5.13	3.34	7.5
2030	496,146	195	422	137	993	\$10.8	\$39.6	\$57,313	2.5	5.17	3.46	7.5
2031	500,523	68	424	138	1,028	\$11.2	\$41.0	\$57,696	2.5	5.20	3.59	7.6
2032	505,008	171	426	139	1,048	\$11.6	\$42.4	\$58,041	2.5	5.25	3.73	7.6
2033	509,399	70	428	140	1,006	\$12.1	\$43.8	\$58,423	2.5	5.30	3.86	7.6
2034	513,693	-30	430	140	974	\$12.5	\$45.4	\$58,836	2.5	5.36	4.01	7.6
2035	517,878	-132	433	141	940	\$13.0	\$47.0	\$59,278	2.5	5.42	4.16	7.6
2036	522,375	181	434	142	901	\$13.5	\$48.6	\$59,696	2.5	5.49	4.31	7.7
2037	526,777	91	436	143	861	\$14.0	\$50.3	\$60,139	2.5	5.56	4.47	7.7
2038	531,069	-10	438	143	801	\$14.4	\$52.1	\$60,595	2.5	5.61	4.64	7.7
2039	535,367	9	440	144	738	\$14.9	\$53.9	\$61,066	2.5	5.67	4.81	7.7
2040	539,586	-65	442	144	718	\$15.4	\$55.8	\$61,549	2.5	5.73	5.06	7.7

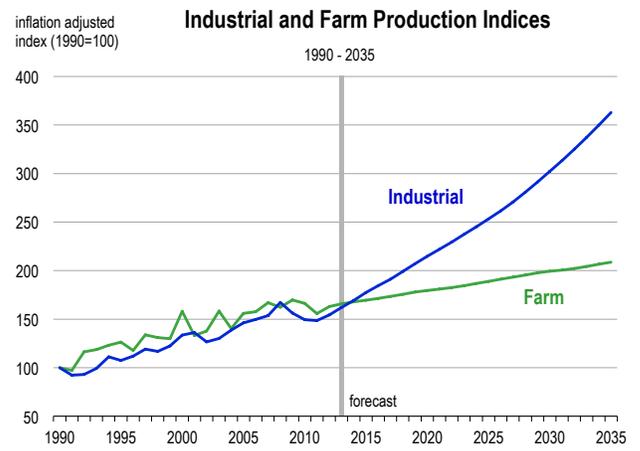
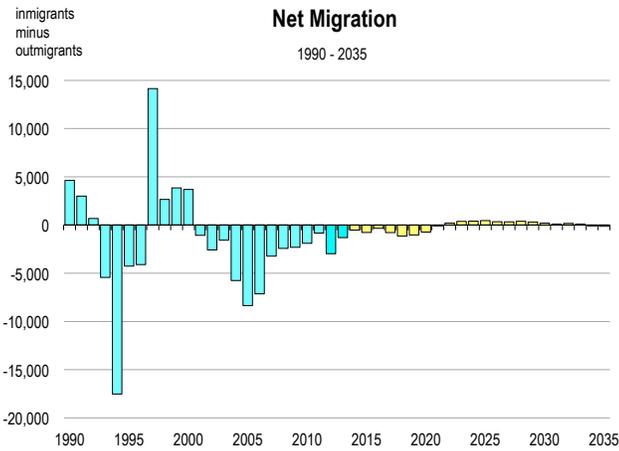
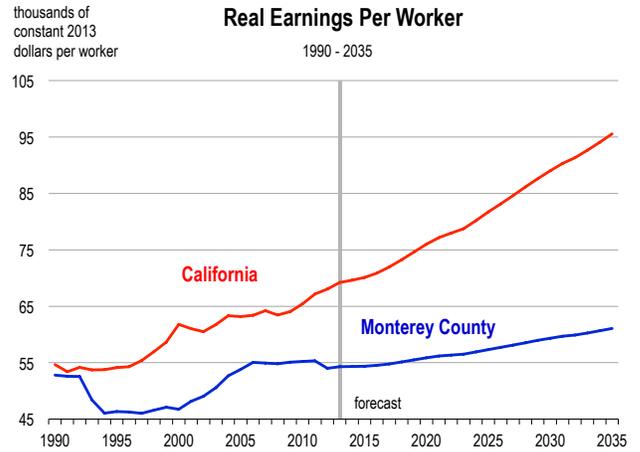
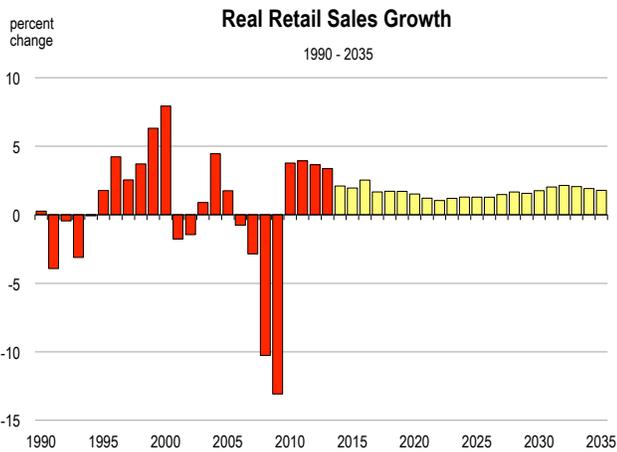


Monterey County Employment Forecast

2006-2013 History, 2014-2040 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	169.9	40.4	7.2	6.1	3.4	21.9	6.2	12.4	2.2	14.1	20.7	30.6
2007	172.0	41.6	7.0	6.1	3.6	21.9	6.0	11.9	2.1	14.4	21.1	31.5
2008	173.5	43.3	6.1	6.1	3.6	21.8	5.5	11.6	2.0	15.1	21.4	32.2
2009	167.2	42.8	4.6	5.7	3.4	20.0	4.7	10.9	1.7	15.8	20.3	32.6
2010	169.0	45.1	4.1	5.6	3.3	20.2	4.3	11.5	1.7	15.7	20.0	32.6
2011	169.2	46.3	3.8	5.6	3.4	20.5	4.1	11.5	1.6	15.6	20.2	31.7
2012	172.8	48.2	4.1	5.2	3.8	21.0	4.2	11.3	1.5	16.2	21.2	31.3
2013	176.5	50.7	4.4	5.4	3.9	21.3	4.0	11.2	1.6	16.9	21.8	30.2
2014	180.0	51.6	4.8	5.4	4.0	21.6	3.9	11.8	1.6	17.6	22.3	30.3
2015	183.1	52.0	4.9	5.5	4.1	21.9	4.0	12.3	1.6	18.0	22.8	30.7
2016	185.9	52.3	5.0	5.6	4.1	22.2	4.0	12.8	1.7	18.4	23.3	31.0
2017	188.3	52.6	5.2	5.7	4.2	22.4	4.1	13.1	1.7	18.7	23.7	31.2
2018	189.9	52.5	5.3	5.8	4.3	22.6	4.2	13.3	1.8	19.1	24.0	31.3
2019	191.3	52.6	5.4	5.9	4.3	22.8	4.2	13.5	1.8	19.6	24.2	31.3
2020	192.9	52.6	5.5	5.9	4.4	23.0	4.3	13.7	1.8	19.8	24.3	31.8
2021	193.7	52.5	5.6	6.0	4.4	23.1	4.3	13.9	1.9	20.3	24.4	31.6
2022	194.9	52.5	5.7	6.0	4.5	23.2	4.4	14.2	1.9	20.7	24.4	31.6
2023	196.3	52.7	5.8	6.0	4.6	23.3	4.4	14.4	1.9	21.1	24.4	31.7
2024	197.8	52.9	5.8	6.0	4.6	23.5	4.5	14.7	1.9	21.5	24.4	31.8
2025	199.3	53.2	5.9	6.1	4.7	23.6	4.6	15.0	2.0	21.8	24.5	31.9
2026	200.7	53.4	6.0	6.1	4.7	23.7	4.6	15.2	2.0	22.1	24.5	32.1
2027	202.2	53.7	6.1	6.1	4.8	23.8	4.7	15.5	2.0	22.5	24.5	32.2
2028	203.7	53.9	6.2	6.2	4.8	24.0	4.7	15.7	2.0	22.8	24.5	32.3
2029	205.1	54.1	6.4	6.2	4.9	24.1	4.8	16.0	2.1	23.2	24.6	32.4
2030	206.6	54.3	6.5	6.2	5.0	24.3	4.8	16.2	2.1	23.5	24.6	32.6
2031	207.9	54.4	6.6	6.2	5.0	24.4	4.8	16.5	2.1	23.8	24.6	32.7
2032	209.3	54.6	6.7	6.3	5.1	24.6	4.9	16.7	2.1	24.2	24.6	32.8
2033	210.7	54.8	6.8	6.3	5.1	24.8	4.9	16.9	2.2	24.5	24.7	32.9
2034	212.1	55.1	6.9	6.3	5.2	24.9	5.0	17.1	2.2	24.8	24.7	33.0
2035	213.5	55.3	7.0	6.4	5.2	25.1	5.0	17.3	2.2	25.1	24.7	33.1
2036	214.9	55.6	7.2	6.4	5.3	25.2	5.1	17.5	2.2	25.4	24.7	33.2
2037	216.3	55.9	7.3	6.4	5.4	25.4	5.1	17.6	2.3	25.7	24.8	33.3
2038	217.7	56.1	7.4	6.5	5.4	25.5	5.1	17.8	2.3	26.1	24.8	33.5
2039	219.0	56.4	7.5	6.5	5.5	25.6	5.1	18.0	2.3	26.4	24.8	33.6
2040	220.4	56.6	7.6	6.5	5.5	25.7	5.2	18.2	2.3	26.7	24.8	33.7





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	10.0%
Expected job growth:	6.3%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	13.5%

Expected population growth:	4.1%
Net migration to account for:	0%
Expected growth in number of vehicles:	6.5%

Demographics (2014)

Unemployment rate (April 2014):	9.3%
County rank* in California (58 counties):	33rd
Working age (16-64) population:	64.8%

Population with B.A. degree or higher:	22.6%
Median home selling price (2013):	\$356,250
Median household income :	\$54,341

Quality of Life

Violent Crime rate (2012):	440 per 100,000 persons
County rank* in California (58 counties):	39th
Average commute time to work (2014):	24.7 minutes

High School drop out rate (2012):	10.2%
Households at/below poverty line (2014):	13.1%

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