

October 2, 2015



# **Economic Overview**

## **Monterey County, California**



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# Demographic Profile

In 2014, the population in Monterey County, California was 431,344. Between 2004 and 2014, the region's population grew at an annual average rate of 0.5%.

The region has a civilian labor force of 195,998 with a participation rate of 61.1%. Of individuals 25 to 64 in Monterey County, California, 21.3% have a bachelor's degree or higher which compares with 30.5% in the nation.

The median household income in Monterey County, California is \$59,168 and the median house value is \$362,400.

Demographic Profile <sup>1</sup>						
	Percent			Value		
	Monterey County, California	California	USA	Monterey County, California	California	USA
<b>Demographics</b>						
Population <sup>2</sup>	—	—	—	431,344	38,802,500	318,857,056
Population Annual Average Growth <sup>2</sup>	0.5%	0.9%	0.9%	2,261	322,792	2,605,176
Median Age <sup>3</sup>	—	—	—	32.9	35.2	37.2
Under 18 Years	26.7%	25.0%	24.0%	111,013	9,295,040	74,181,467
18 to 24 Years	11.1%	10.5%	9.9%	46,253	3,922,951	30,672,088
25 to 34 Years	15.0%	14.3%	13.3%	62,077	5,317,877	41,063,948
35 to 44 Years	13.2%	13.9%	13.3%	54,820	5,182,710	41,070,606
45 to 54 Years	12.8%	14.1%	14.6%	53,254	5,252,371	45,006,716
55 to 64 Years	10.4%	10.8%	11.8%	43,218	4,036,493	36,482,729
65 to 74 Years	5.5%	6.1%	7.0%	22,921	2,275,336	21,713,429
75 Years, and Over	5.2%	5.3%	6.0%	21,501	1,971,178	18,554,555
Race: White	55.6%	57.6%	72.4%	230,717	21,453,934	223,553,265
Race: Black or African American	3.1%	6.2%	12.6%	12,785	2,299,072	38,929,319
Race: American Indian and Alaska Native	1.3%	1.0%	0.9%	5,464	362,801	2,932,248
Race: Asian	6.1%	13.0%	4.8%	25,258	4,861,007	14,674,252
Race: Native Hawaiian and Other Pacific Islander	0.5%	0.4%	0.2%	2,071	144,386	540,013
Race: Some Other Race	28.3%	17.0%	6.2%	117,405	6,317,372	19,107,368
Race: Two or More Races	5.1%	4.9%	2.9%	21,357	1,815,384	9,009,073
Hispanic or Latino (of any race)	55.4%	37.6%	16.3%	230,003	14,013,719	50,477,594
<b>Economic</b>						
Labor Force Participation Rate and Size (civilian population 16 years and over) <sup>4</sup>	61.1%	63.7%	63.8%	195,998	18,804,519	157,113,886
Armed Forces Labor Force <sup>4</sup>	1.9%	0.5%	0.4%	6,222	141,725	1,083,691
Veterans, Age 18-64 <sup>4</sup>	4.7%	4.3%	6.2%	12,048	1,019,562	11,977,656
Median Household Income <sup>3,4</sup>	—	—	—	\$59,168	\$61,094	\$53,046
Poverty Level (of all people) <sup>4</sup>	17.0%	15.9%	15.4%	68,185	5,885,417	46,663,433
Mean Commute Time (minutes) <sup>4</sup>	—	—	—	22.5	27.2	25.5
Commute via Public Transportation <sup>4</sup>	1.9%	5.2%	5.0%	3,360	841,628	7,000,722

Demographic Profile <sup>1</sup>						
	Percent			Value		
	Monterey County, California	California	USA	Monterey County, California	California	USA
Union Membership <sup>5</sup>	11.5%	16.5%	11.1%	—	—	—
<b>Educational Attainment, Age 25-64</b>						
No High School Diploma <sup>4</sup>	30.0%	17.9%	12.2%	64,688	3,580,812	20,081,351
High School Graduate <sup>4</sup>	20.7%	20.2%	26.7%	44,716	4,037,147	43,924,394
Some College, No Degree <sup>4</sup>	20.2%	22.5%	22.0%	43,577	4,502,924	36,266,398
Associate's Degree <sup>4</sup>	7.8%	8.0%	8.6%	16,917	1,601,517	14,216,331
Bachelor's Degree <sup>4</sup>	13.6%	20.3%	19.5%	29,327	4,058,591	32,105,737
Postgraduate Degree <sup>4</sup>	7.7%	11.1%	11.0%	16,675	2,227,154	18,142,599
<b>Housing</b>						
Total Housing Units <sup>4</sup>	—	—	—	139,326	13,726,869	132,057,804
Median House Value (of owner-occupied units) <sup>3,4</sup>	—	—	—	\$362,400	\$366,400	\$176,700
Homeowner Vacancy <sup>4</sup>	2.5%	1.8%	2.2%	1,611	129,787	1,682,020
Rental Vacancy <sup>4</sup>	4.0%	4.9%	7.3%	2,616	292,195	3,230,123
Renter-Occupied Housing Units (% of Occupied Units) <sup>4</sup>	50.3%	44.7%	35.1%	63,030	5,603,356	40,534,516
Occupied Housing Units with No Vehicle Available (% of Occupied Units) <sup>4</sup>	5.3%	7.8%	9.1%	6,710	973,952	10,483,077
<b>Social</b>						
Enrolled in Grade 12 (% of total population) <sup>4</sup>	1.7%	1.7%	1.4%	7,093	637,748	4,496,472
Disabled, Age 18-64 <sup>4</sup>	6.4%	8.0%	10.1%	15,762	1,878,329	19,403,946
Foreign Born <sup>4</sup>	29.9%	27.0%	12.9%	125,837	10,175,839	40,341,898
Speak English Less Than Very Well (population 5 yrs and over) <sup>4</sup>	28.2%	19.4%	8.6%	109,286	6,799,270	25,148,900

Source: [JobsEQ®](#)

1. Census 2010, unless noted otherwise

2. Census 2014, annual average growth rate since 2004

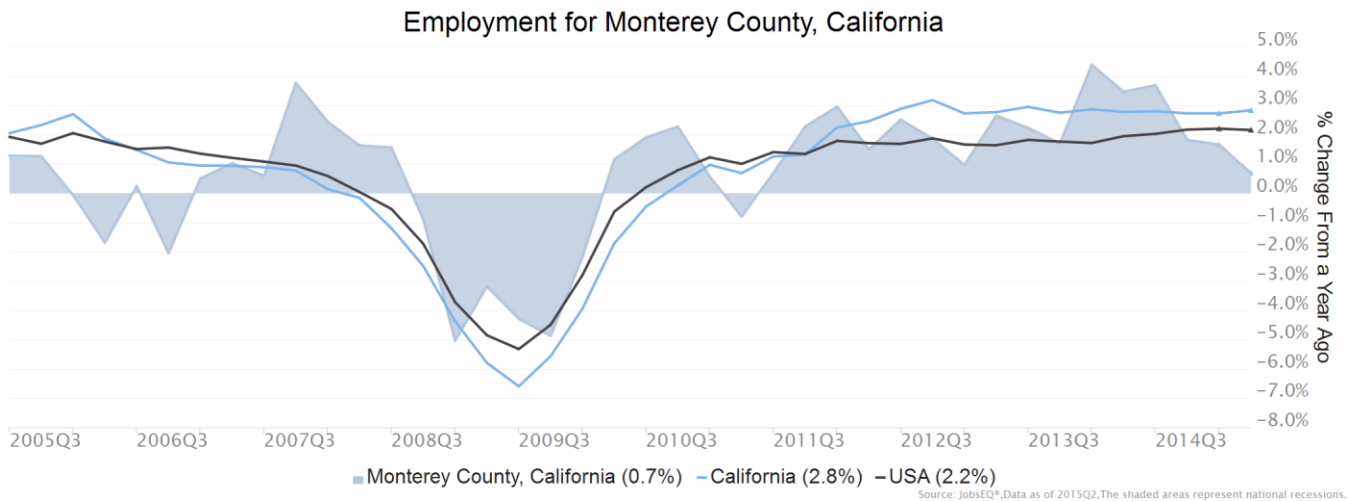
3. Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties.

4. ACS 2009-2013

5. 2014; Current Population Survey, unionstats.com, and Chmura

# Employment Trends

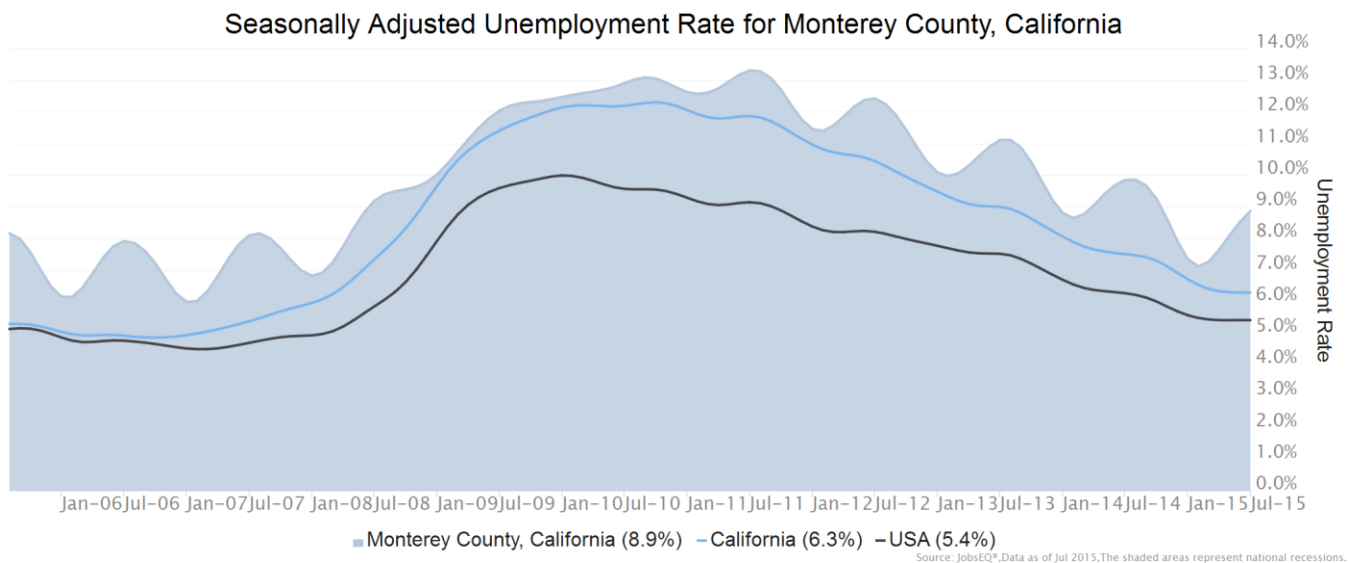
As of 2015Q2, total employment for Monterey County, California was 181,311 (based on a four-quarter moving average). Over the year ending 2015Q2, employment increased 0.7% in the region.



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2014Q4 with preliminary estimates updated to 2015Q2.

# Unemployment Rate

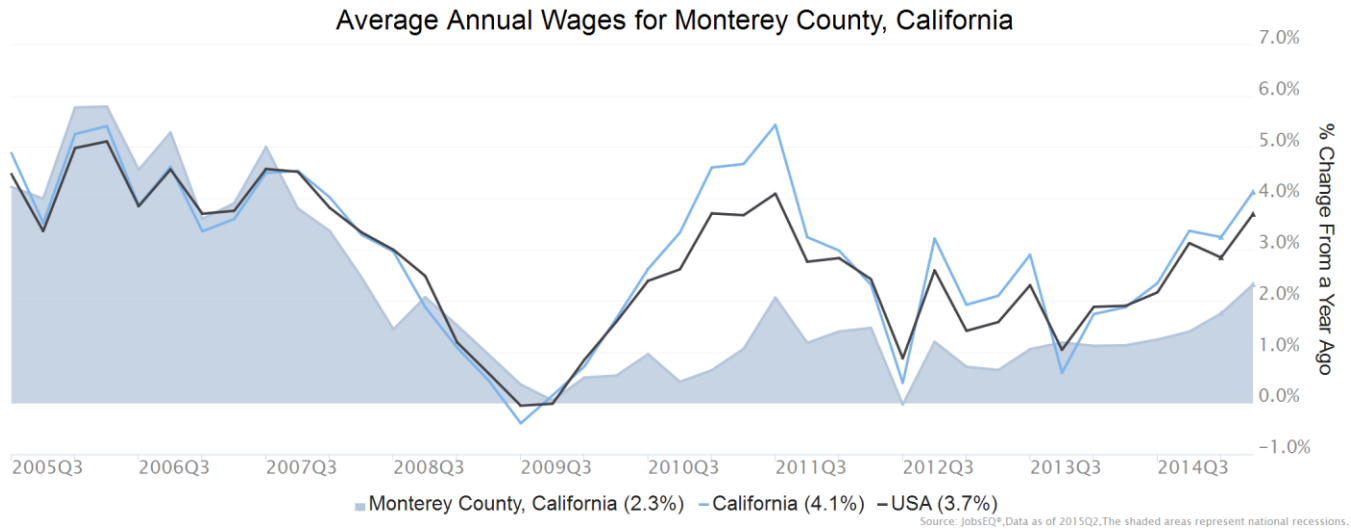
The seasonally adjusted unemployment rate for Monterey County, California was 8.9% as of July 2015. The regional unemployment rate was higher than the national rate of 5.4%. One year earlier, in July 2014, the unemployment rate in Monterey County, California was 9.8%.



Unemployment rate data are from the Local Area Unemployment Statistics, provided by the Bureau of Labor Statistics and updated through July 2015.

# Wage Trends

The average worker in Monterey County, California earned annual wages of \$43,028 as of 2015Q2. Average annual wages per worker increased 2.3% in the region during the preceding four quarters. For comparison purposes, annual average wages were \$52,408 in the nation as of 2015Q2.



Annual average wages per worker data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2014Q4 with preliminary estimates updated to 2015Q2.

# Cost of Living Index

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 45.4% higher in Monterey County, California than the U.S. average.

Cost of Living Information			
	Annual Average Salary	Cost of Living Index (Base US)	US Purchasing Power
Monterey County, California	\$43,028	145.4	\$29,592
California	\$60,453	150.1	\$40,263
USA	\$52,408	100.0	\$52,408

Source: [JobsEQ®](#)

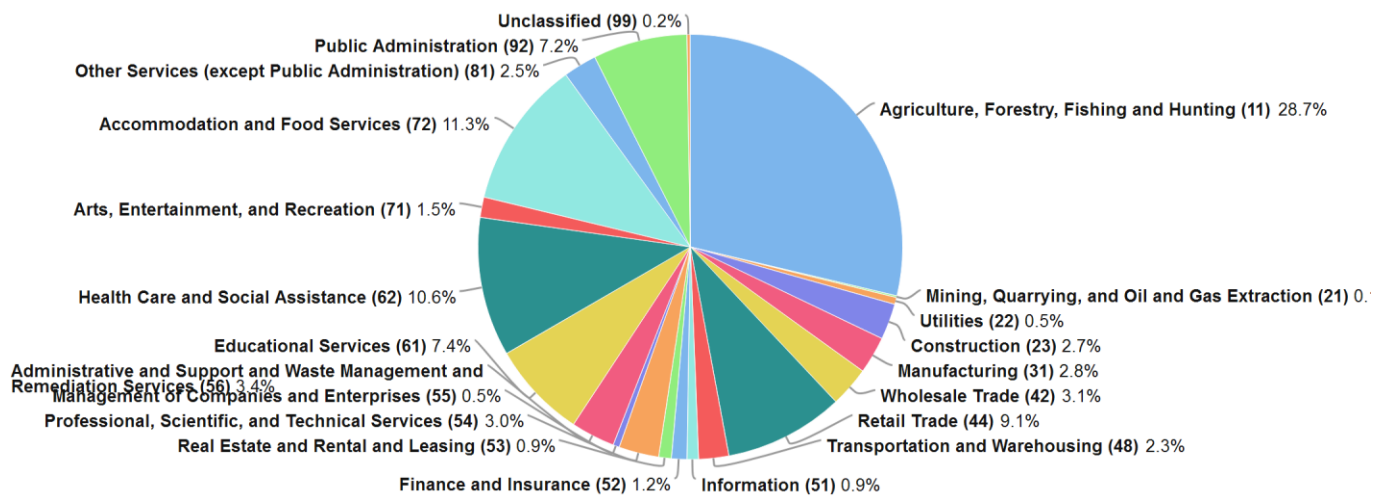
Data as of 2015Q2

The Cost of Living Index is developed by Chmura Economics & Analytics and is updated quarterly.

# Industry Snapshot

The largest sector in Monterey County, California is Agriculture, Forestry, Fishing and Hunting, employing 52,047 workers. The next-largest sectors in the region are Accommodation and Food Services (20,406 workers) and Health Care and Social Assistance (19,176). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Agriculture, Forestry, Fishing and Hunting (LQ = 31.91), Public Administration (1.37), and Accommodation and Food Services (1.22).

Total Workers for Monterey County, California by Industry



Source: JobsEQ®, Data as of 2015Q2

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2014Q4 with preliminary estimates updated to 2015Q2.

Sectors in Monterey County, California with the highest average wages per worker are Management of Companies and Enterprises (\$116,518), Utilities (\$100,329), and Mining, Quarrying, and Oil and Gas Extraction (\$93,178). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Agriculture, Forestry, Fishing and Hunting (+8,461 jobs), Health Care and Social Assistance (+4,176), and Accommodation and Food Services (+2,361).

Over the next 10 years, employment in Monterey County, California is projected to expand by 23,449 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +3.3% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+7,267 jobs), Accommodation and Food Services (+2,881), and Retail Trade (+1,971).

		Current			Historical				Forecast		
		Four Quarters Ending with 2015q2			Total Change over the Last 5 Years	Average Annual % Change in Employment 2010q2-2015q2			Over the Next 10 Years		
NAICS	Industry	Empl	Avg. Annual Wages	Location Quotient	Empl	Monterey County, California	California	USA	Total Approx Repl Demand	Total Growth Demand	Avg. Annual Growth Percent
11	Agriculture, Forestry, Fishing and Hunting	52,047	\$32,763	31.91	8,461	3.6%	1.6%	1.6%	18,438	985	0.2%
21	Mining, Quarrying, and Oil and Gas Extraction	230	\$93,178	0.21	33	3.2%	3.7%	6.2%	61	49	1.9%
22	Utilities	957	\$100,329	0.90	286	7.4%	-0.5%	-0.2%	254	85	0.9%
23	Construction	4,953	\$50,083	0.59	528	2.3%	3.5%	2.1%	1,126	1,779	3.1%
31	Manufacturing	5,150	\$48,844	0.32	-329	-1.2%	0.4%	1.2%	1,202	68	0.1%
42	Wholesale Trade	5,532	\$68,474	0.72	659	2.6%	2.3%	1.4%	1,287	686	1.2%
44	Retail Trade	16,525	\$31,449	0.81	1,330	1.7%	1.7%	1.4%	5,385	1,971	1.1%
48	Transportation and Warehousing	4,154	\$50,429	0.58	423	2.2%	2.3%	1.9%	1,143	523	1.2%
51	Information	1,577	\$66,730	0.42	-312	-3.5%	1.6%	0.0%	379	-4	0.0%
52	Finance and Insurance	2,143	\$80,652	0.29	-629	-5.0%	-0.2%	0.5%	536	296	1.3%
53	Real Estate and Rental and Leasing	1,720	\$43,638	0.62	29	0.3%	1.3%	1.2%	415	317	1.7%
54	Professional, Scientific, and Technical Services	5,530	\$66,942	0.49	44	0.2%	3.4%	2.7%	1,278	1,501	2.4%
55	Management of Companies and Enterprises	892	\$116,518	0.31	-495	-8.4%	3.3%	3.5%	195	66	0.7%
56	Administrative and Support and Waste Management and Remediation Services	6,083	\$32,763	0.52	1,621	6.4%	4.9%	4.0%	1,519	1,560	2.3%
61	Educational Services	13,359	\$50,941	0.83	868	1.4%	0.2%	0.1%	2,935	1,565	1.1%
62	Health Care and Social Assistance	19,176	\$51,242	0.73	4,176	5.0%	6.8%	2.3%	4,290	7,267	3.3%
71	Arts, Entertainment, and Recreation	2,808	\$35,913	0.85	454	3.6%	1.8%	1.7%	917	473	1.6%
72	Accommodation and Food Services	20,406	\$24,618	1.22	2,361	2.5%	3.8%	2.9%	7,582	2,881	1.3%
81	Other Services (except Public Administration)	4,602	\$32,649	0.82	-2,112	-7.3%	-7.5%	-0.5%	1,243	798	1.6%
92	Public Administration	13,018	\$70,790	1.37	-1,006	-1.5%	-0.8%	-0.8%	3,200	512	0.4%
99	Unclassified	451	\$33,320	1.40	203	12.7%	5.8%	8.4%	116	58	1.2%
	Total - All Industries	181,311	\$43,028	1.00	16,592	1.9%	2.1%	1.6%	46,602	23,449	1.2%

Source: [JobsEQ®](#)

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2014Q4 with preliminary estimates updated to 2015Q2. Forecast employment growth uses national projections adapted for regional growth patterns.



# Occupation Snapshot

The largest major occupation group in Monterey County, California is Farming, Fishing, and Forestry Occupations, employing 36,850 workers. The next-largest occupation groups in the region are Office and Administrative Support Occupations (21,076 workers) and Food Preparation and Serving Related Occupations (16,290). High location quotients (LQs) indicate occupation groups in which a region has high concentrations of employment compared to the national average. The major groups with the largest LQs in the region are Farming, Fishing, and Forestry Occupations (LQ = 30.35), Protective Service Occupations (1.26), and Management Occupations (1.09).

Occupation groups in Monterey County, California with the highest average wages per worker are Management Occupations (\$99,900), Healthcare Practitioners and Technical Occupations (\$96,000), and Architecture and Engineering Occupations (\$88,100). The unemployment rate in the region varied among the major groups from 2.7% among Legal Occupations to 10.0% among Food Preparation and Serving Related Occupations.

Over the next 10 years, the fastest growing occupation group in Monterey County, California is expected to be Healthcare Support Occupations with a +3.0% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Office and Administrative Support Occupations (+2,446 jobs) and Food Preparation and Serving Related Occupations (+2,411). Over the same period, the highest replacement demand (occupation demand due to retirements and workers moving from one occupation to another) is expected in Farming, Fishing, and Forestry Occupations (12,963 jobs) and Food Preparation and Serving Related Occupations (6,352).

Occupation Snapshot in Monterey County, California													
		Current					Historical				Forecast		
		Four Quarters Ending with 2015q2			2015q2		Total Change over the Last 5 Years	Avg Ann % Chg in Empl 2010q2-2015q2			Over the Next 10 Years		
SOC	Title	Empl	Avg. Annual Wages <sup>1</sup>	LQ	Unempl	Unempl Rate	Empl	Monterey County, California	California	USA	Total Repl Demand	Total Growth Demand	Avg. Annual Growth Percent
11-0000	Management Occupations	10,067	\$99,900	1.09	255	2.7%	970	2.0%	2.3%	1.6%	3,881	1,273	1.2%
13-0000	Business and Financial Operations Occupations	5,847	\$75,700	0.64	235	4.2%	-42	-0.1%	2.1%	1.6%	1,276	943	1.5%
15-0000	Computer and Mathematical Occupations	2,277	\$86,200	0.44	86	3.4%	-135	-1.1%	3.6%	2.5%	394	495	2.0%
17-0000	Architecture and Engineering Occupations	1,415	\$88,100	0.44	56	3.7%	85	1.2%	1.2%	1.4%	348	196	1.3%
19-0000	Life, Physical, and Social Science Occupations	1,406	\$74,600	0.92	61	4.7%	105	1.6%	2.1%	1.1%	454	149	1.0%
21-0000	Community and Social Service Occupations	2,514	\$46,500	0.97	94	4.0%	921	9.6%	10.4%	2.7%	624	697	2.5%
23-0000	Legal Occupations	848	\$83,300	0.62	21	2.7%	-80	-1.8%	0.5%	0.2%	165	124	1.4%
25-0000	Education, Training, and Library Occupations	9,714	\$62,500	0.87	543	5.9%	659	1.4%	0.8%	0.2%	2,118	1,382	1.3%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	1,678	\$47,500	0.70	113	6.8%	7	0.1%	1.7%	1.1%	542	254	1.4%

### Occupation Snapshot in Monterey County, California

		Current					Historical				Forecast		
		Four Quarters Ending with 2015q2			2015q2		Total Change over the Last 5 Years	Avg Ann % Chg in Empl 2010q2-2015q2			Over the Next 10 Years		
SOC	Title	Empl	Avg. Annual Wages <sup>1</sup>	LQ	Unempl	Unempl Rate	Empl	Monterey County, California	California	USA	Total Repl Demand	Total Growth Demand	Avg. Annual Growth Percent
29-0000	Healthcare Practitioners and Technical Occupations	7,216	\$96,000	0.69	196	2.9%	213	0.6%	2.0%	1.4%	1,572	1,966	2.4%
31-0000	Healthcare Support Occupations	3,749	\$32,800	0.71	216	5.6%	590	3.5%	5.0%	2.0%	760	1,300	3.0%
33-0000	Protective Service Occupations	5,494	\$65,800	1.26	298	5.7%	-133	-0.5%	0.6%	0.5%	1,561	608	1.1%
35-0000	Food Preparation and Serving Related Occupations	16,290	\$25,900	0.99	1,758	10.0%	2,055	2.7%	3.6%	2.7%	6,352	2,411	1.4%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	6,542	\$31,300	1.09	573	8.2%	-468	-1.4%	-3.0%	1.0%	1,612	964	1.4%
39-0000	Personal Care and Service Occupations	5,232	\$27,800	0.91	469	8.5%	584	2.4%	2.6%	1.9%	1,230	1,727	2.9%
41-0000	Sales and Related Occupations	14,203	\$37,400	0.75	931	6.5%	937	1.4%	1.7%	1.3%	4,887	1,869	1.2%
43-0000	Office and Administrative Support Occupations	21,076	\$38,000	0.73	1,481	6.9%	1,121	1.1%	2.1%	1.5%	5,078	2,446	1.1%
45-0000	Farming, Fishing, and Forestry Occupations	36,850	\$22,400	30.35	3,148	8.8%	5,941	3.6%	1.8%	1.6%	12,963	604	0.2%
47-0000	Construction and Extraction Occupations	4,364	\$55,400	0.61	501	9.9%	437	2.1%	3.0%	2.2%	919	1,322	2.7%
49-0000	Installation, Maintenance, and Repair Occupations	5,614	\$48,400	0.80	289	5.1%	579	2.2%	2.0%	1.6%	1,404	839	1.4%
51-0000	Production Occupations	6,520	\$33,500	0.55	621	8.4%	546	1.8%	1.5%	1.8%	1,674	513	0.8%
53-0000	Transportation and Material Moving Occupations	12,396	\$33,300	1.01	1,127	8.7%	1,703	3.0%	2.8%	2.2%	3,061	1,353	1.0%
00-0000	Total - All Occupations	181,311	\$44,200	1.00	n/a	n/a	16,592	1.9%	2.1%	1.6%	52,874	23,435	1.2%

Source: [JobsEQ®](http://www.jobseq.com)

Note: Figures may not sum due to rounding.

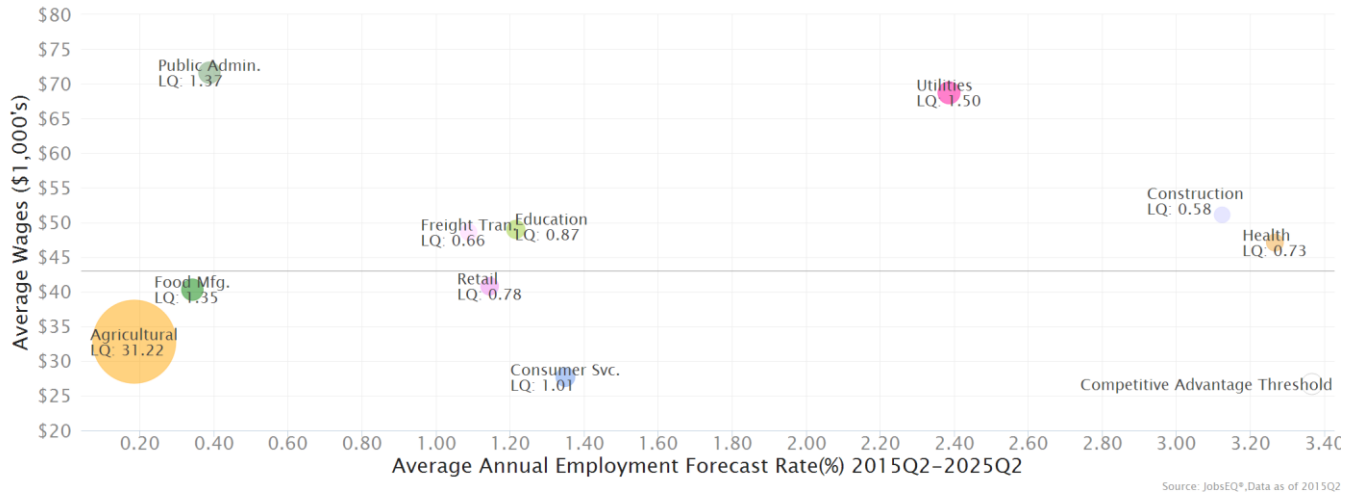
1. Occupation wages are as of 2014

Occupation employment data are estimated via industry employment data and the estimated industry/occupation mix. Industry employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and currently updated through 2014Q4, imputed where necessary with preliminary estimates updated to 2015Q2. Wages by occupation are as of 2014 provided by the BLS and imputed where necessary. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

# Industry Clusters

A cluster is a geographic concentration of interrelated industries or occupations. The industry cluster in Monterey County, California with the highest relative concentration is Agricultural with a location quotient of 31.22. This cluster employs 52,171 workers in the region with an average wage of \$32,800. Employment in the Agricultural cluster is projected to expand in the region about 0.2% per year over the next ten years.

Industry Clusters for Monterey County, California as of 2015Q2

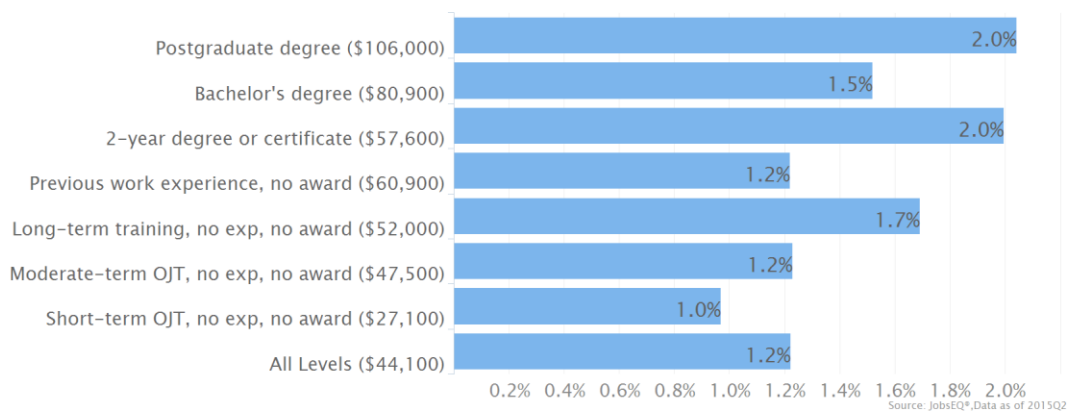


Location quotient and average wage data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics, imputed where necessary, and updated through 2014Q4 with preliminary estimates updated to 2015Q2. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

# Education Levels

Expected growth rates for occupations vary by the education and training required. While all employment in Monterey County, California is projected to grow 1.2% over the next ten years, occupations typically requiring a postgraduate degree are expected to grow 2.0% per year, those requiring a bachelor's degree are forecast to grow 1.5% per year, and occupations typically needing a 2-year degree or certificate are expected to grow 2.0% per year.

Annual Average Projected Job Growth by Training Required for Monterey County, California



Employment by occupation data are estimates as of 2015Q2. Education levels of occupations are based on BLS assignments. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

# FAQ

## What is a location quotient?

A location quotient (LQ) is a measurement of concentration in comparison to the nation. An LQ of 1.00 indicates a region has the same concentration of an industry (or occupation) as the nation. An LQ of 2.00 would mean the region has twice the expected employment compared to the nation and an LQ of 0.50 would mean the region has half the expected employment in comparison to the nation.

## What is replacement demand?

Replacement demand is the number of jobs required due to replacements—retirements and turnover resulting from workers moving from one occupation into another. Note that replacement demand does not include all turnover—it does not include when workers stay in the same occupation but switch employers. The replacement demand shown in this report may also be understated; thus, it can be taken to be a minimum measure of the number of workers who will need to be trained for the occupation due to replacements. The total projected demand for an occupation is the sum of the replacement demand and the growth demand (which is the increase or decrease of jobs in an occupation expected due to expansion or contraction of the overall number of jobs in that occupation).

## What is a cluster?

A cluster is a geographic concentration of interrelated industries or occupations. If a regional cluster has a location quotient of 1.25 or greater, the region is considered to possess a *competitive advantage* in that cluster.

## What is the difference between industry wages and occupation wages?

Industry wages and occupation wages are estimated via separate data sets, often the time periods being reported do not align, and wages are defined slightly differently in the two systems (for example, certain bonuses are included in the industry wages but not the occupation wages). It is therefore common that estimates of the average industry wages and average occupation wages in a region do not match exactly.

## What is NAICS?

The North American Industry Classification System (NAICS) is used to classify business establishments according to the type of economic activity. The NAICS Code comprises six levels, from the “all industry” level to the 6-digit level. The first two digits define the top level category, known as the “sector,” which is the level examined in this report.

## What is SOC?

The Standard Occupational Classification system (SOC) is used to classify workers into occupational categories. All workers are classified into one of over 820 occupations according to their occupational definition. To facilitate classification, occupations are combined to form 23 major groups, 96 minor groups, and 449 occupation groups. Each occupation group includes detailed occupations requiring similar job duties, skills, education, or experience.

## About This Report

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