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Santa Barbara County Issues

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Outline

- **Demographics and the resulting economic impacts**
- **High housing costs and the resulting economic impacts**
- **Income inequality**
- **Regional differences**



Demographics and the resulting economic impacts

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“Unless demographic and economic trends change dramatically, home prices will remain high in Coastal California”

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What are these trends?

- **Aging Baby Boomers**
- **Wealth Accumulation**
- **Information Based Economy**
- **Communications**

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What are the impacts?

- **Increased effective housing demand for Coastal California communities**
- **Higher housing costs for Coastal California communities**
- **Changing demographics for Coastal California communities**



High housing costs and the resulting economic impacts

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Median Home Prices

Average for 2002

		growth
• Santa Barbara County	\$391,500	15.7%
• South Coast	\$749,000	11.3%
• Montecito	\$1,675,000	2.2%
• S.B. East of State	\$795,000	7.6%
• S.B. West of State	\$675,000	9.5%
• Goleta North of 101	\$648,900	15.0%
• Goleta South of 101	\$599,000	22.6%
• North County	\$237,700	24.4%

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Some Median Condo Prices

Average for 2002

		growth
• S.B. East of State	\$555,700	40.4%
• S.B. West of State	\$412,700	15.3%
• Goleta North of 101	\$374,400	21.3%
• Goleta South of 101	\$337,400	10.3%

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Are home prices a crisis?

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“Home prices are the market’s response to powerful economic and demographic forces”

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Impacts of high housing costs:



Job Impacts

- **Increasing wage demands**
- **Increased commuting**
- **Loss of tradable-goods producers**
- **Increased service sector**

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Where 188,900 Workers Live?

Santa Barbara County	168,864	89.39%
Ventura County	9,009	4.77%
San Luis Obispo	7,480	3.96%



Demographic Composition

- **Older**
- **Younger**
- **Richer**
- **Poorer**

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Density

- **Decreases**
- **Increases**

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**Is there anything we can do
about this?**

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**Is population growth necessary
for economic viability?**

- **Monterey**
- **Laguna Beach**

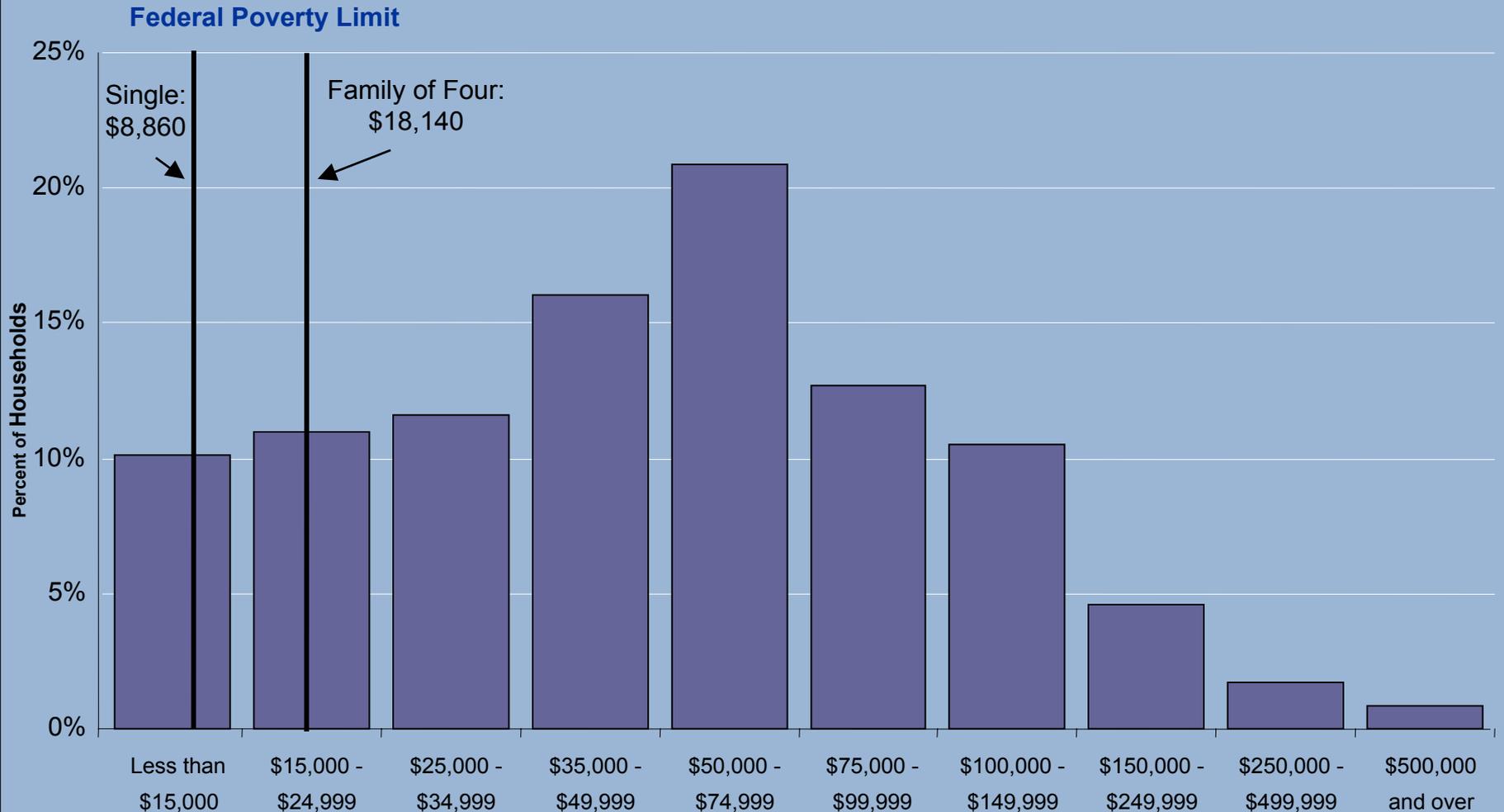


Income Inequality

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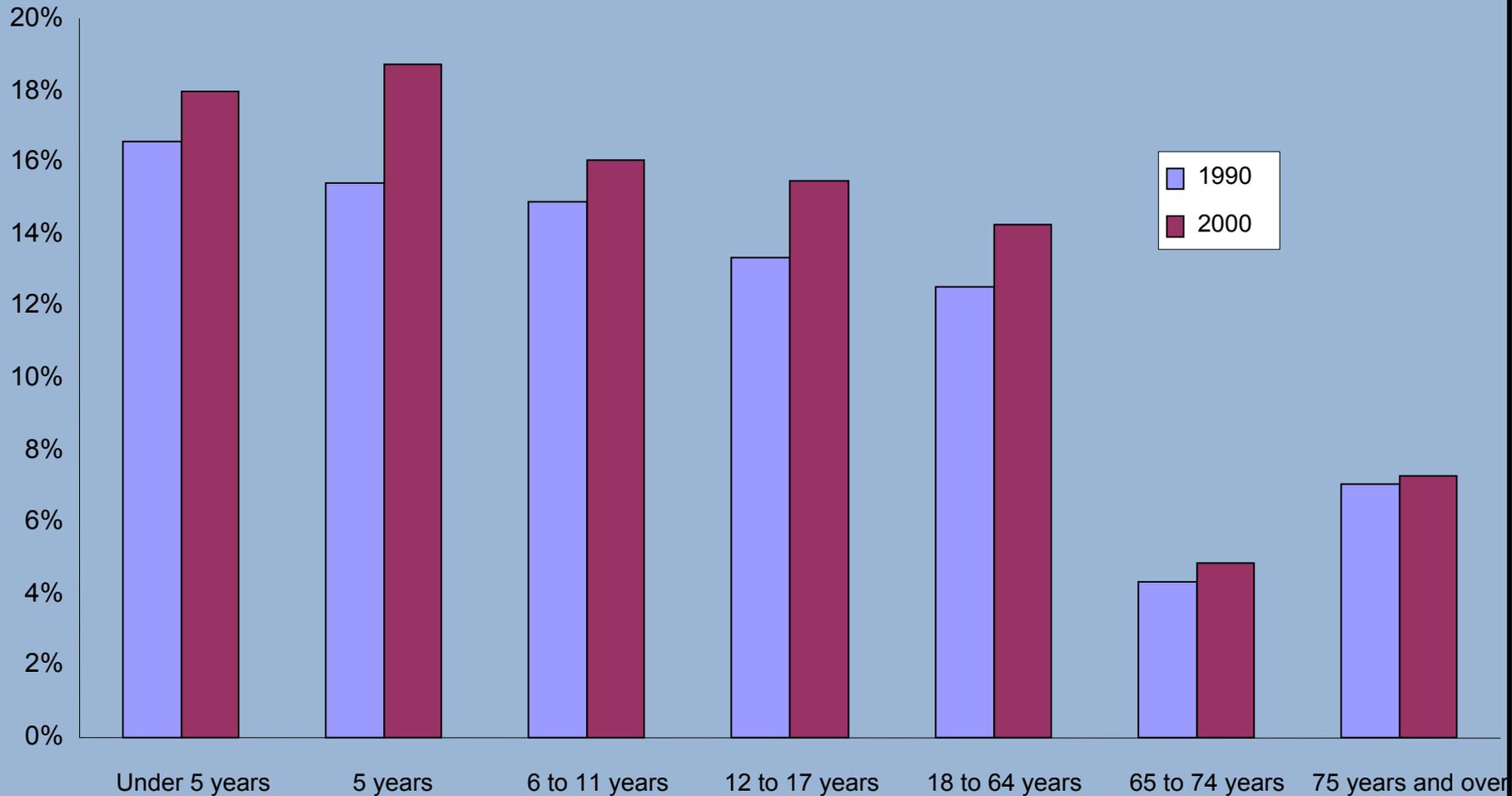
Santa Barbara County Household Income Distribution
2002



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Percent of Age Cohort Income Below Poverty Level
1990, 2000 Census



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The problem is exacerbated in:

- **Agriculture**
- **Tourism**
- **Retail Sales**
- **Many Services**

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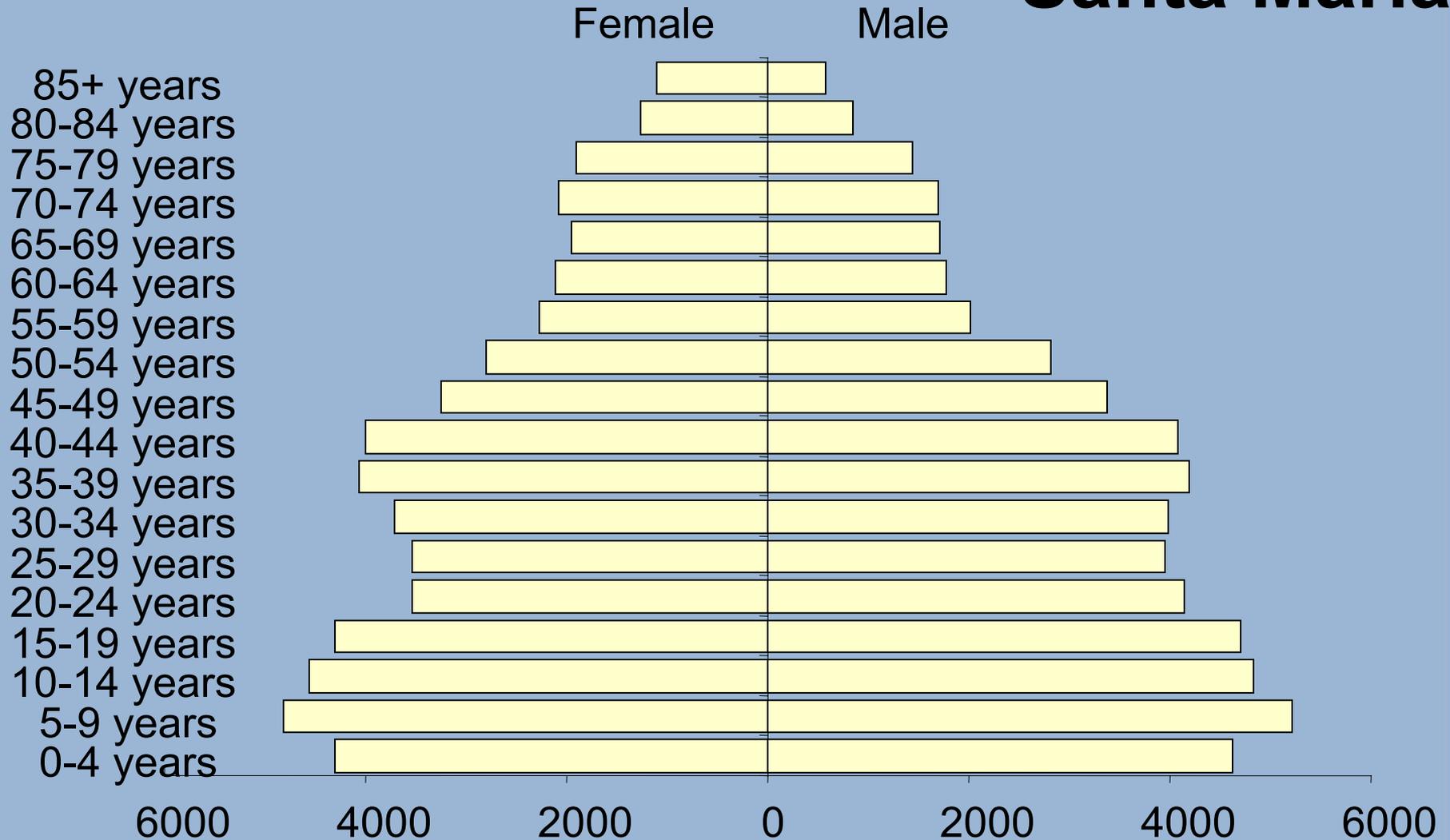


Regional Differences

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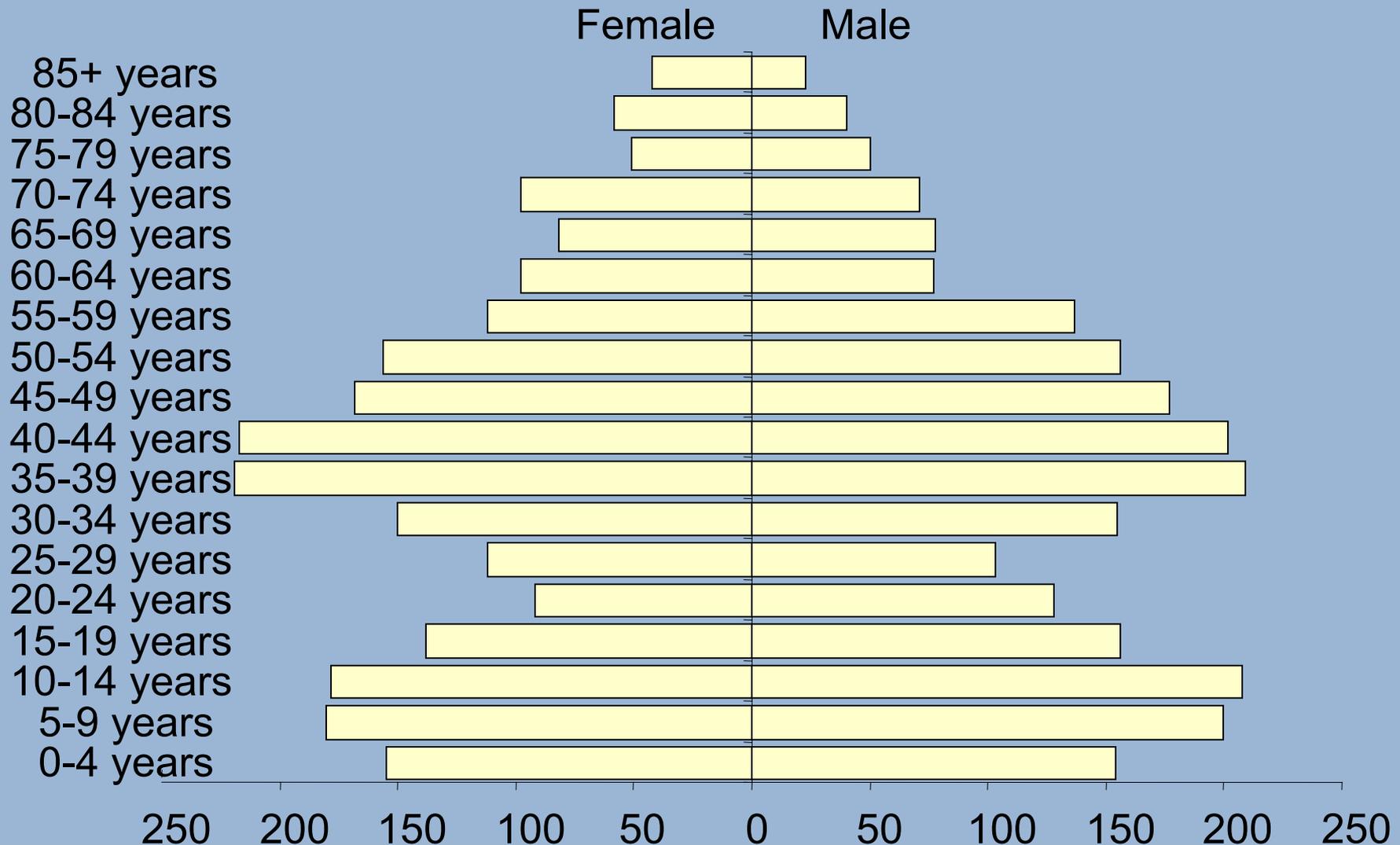
Santa Maria



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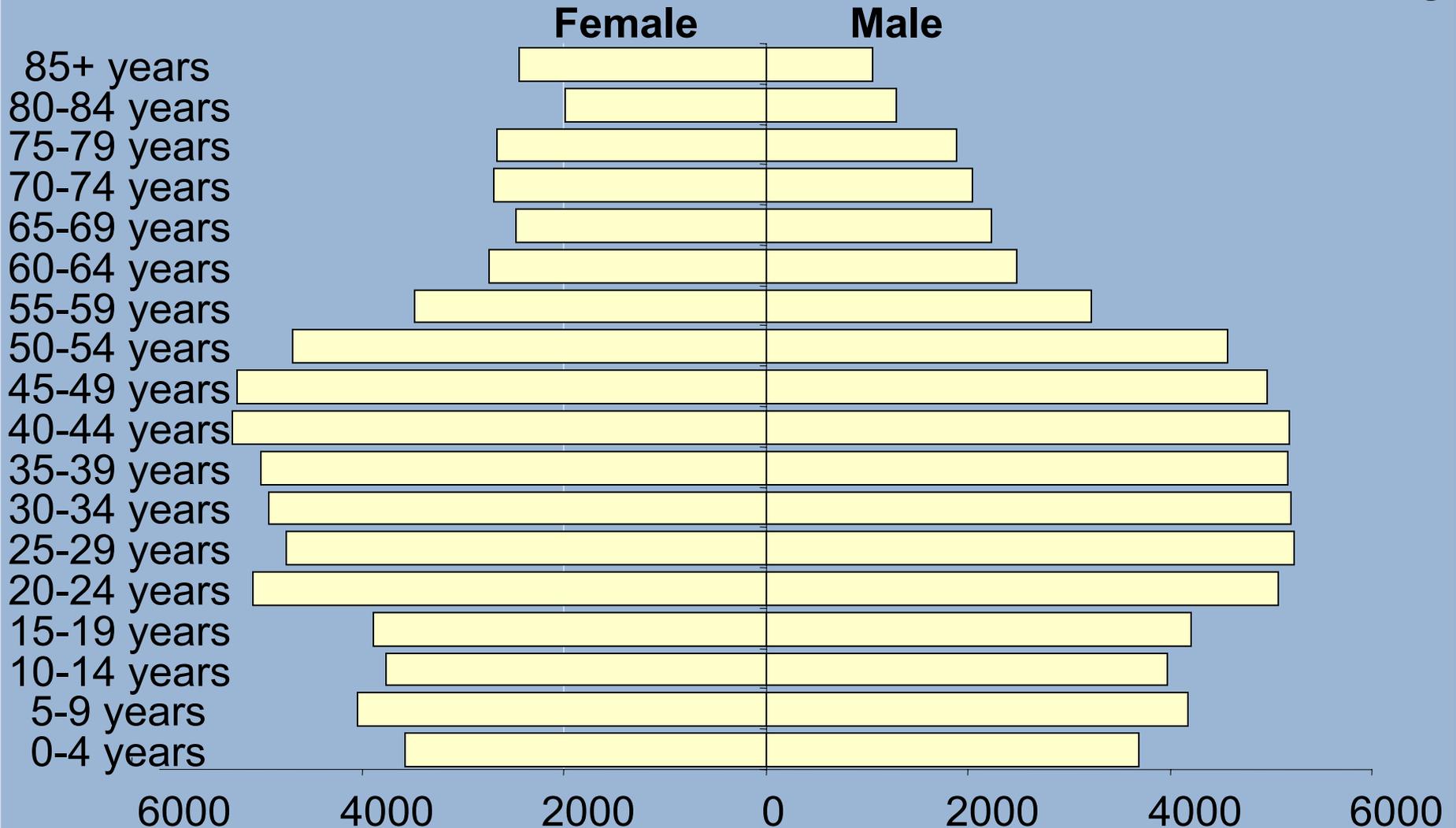
Buellton



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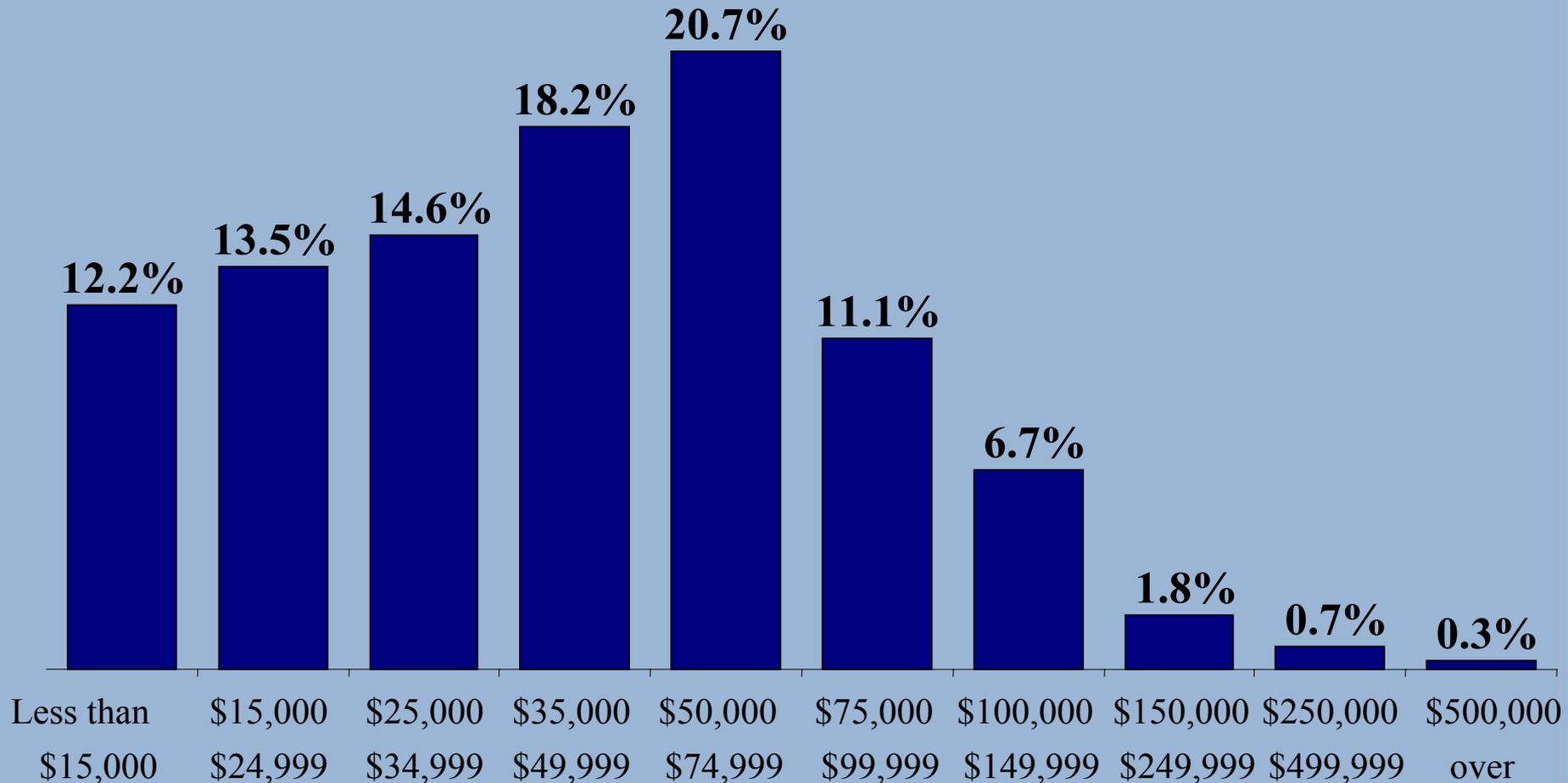
Santa Barbara City



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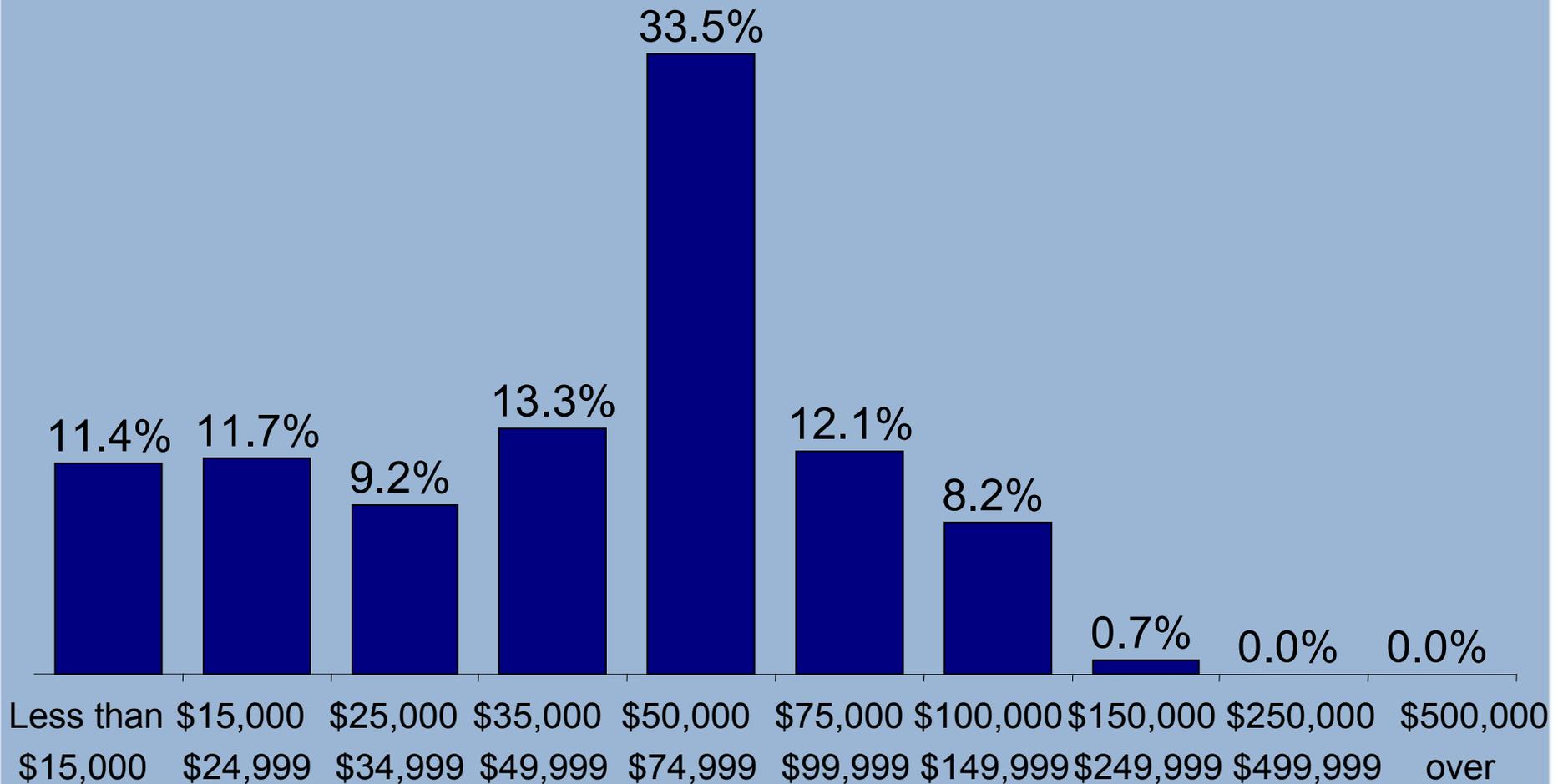
Santa Maria Household Income Distribution



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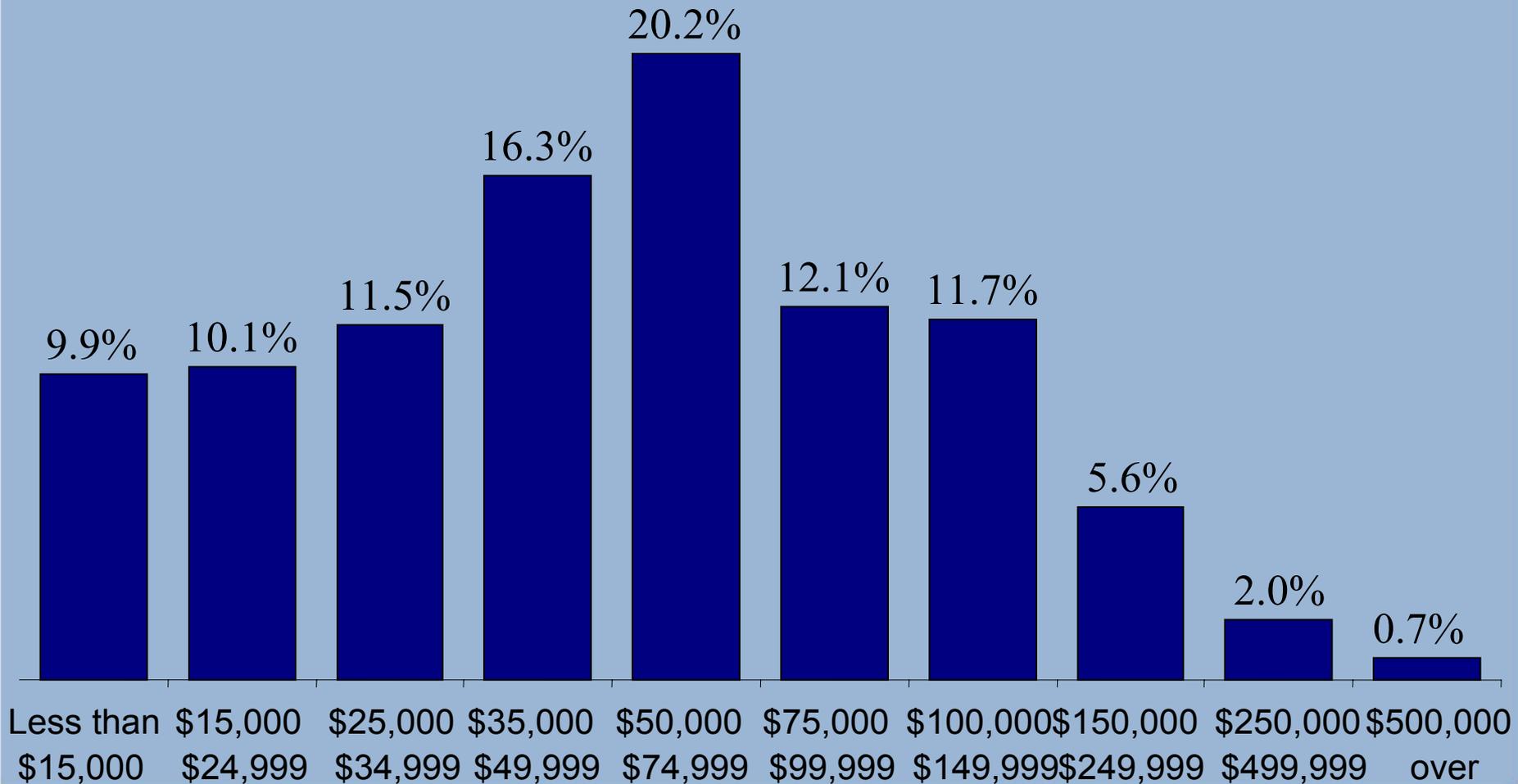
Buellton Household Income Distribution



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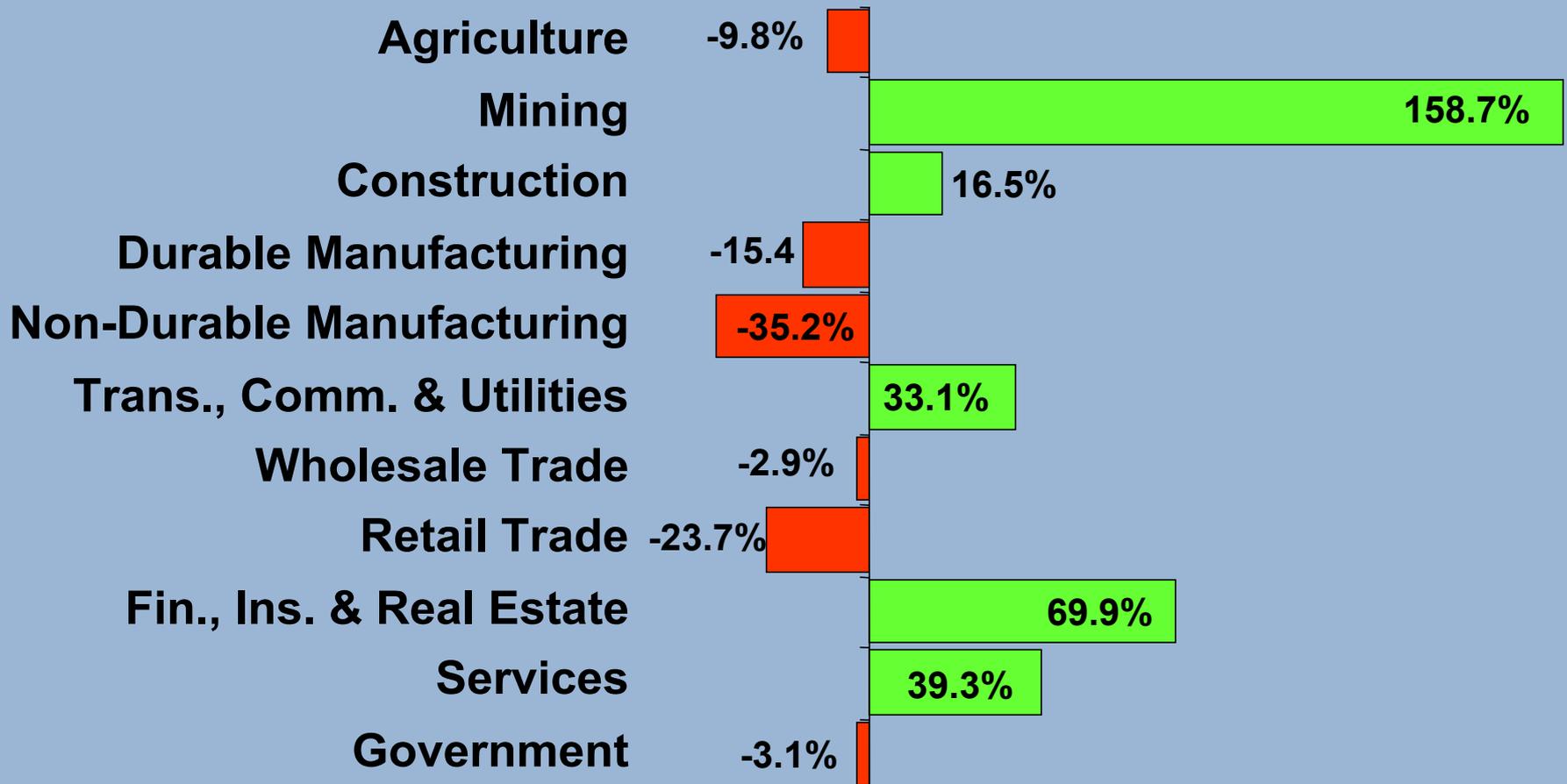
Santa Barbara City Household Income Distribution



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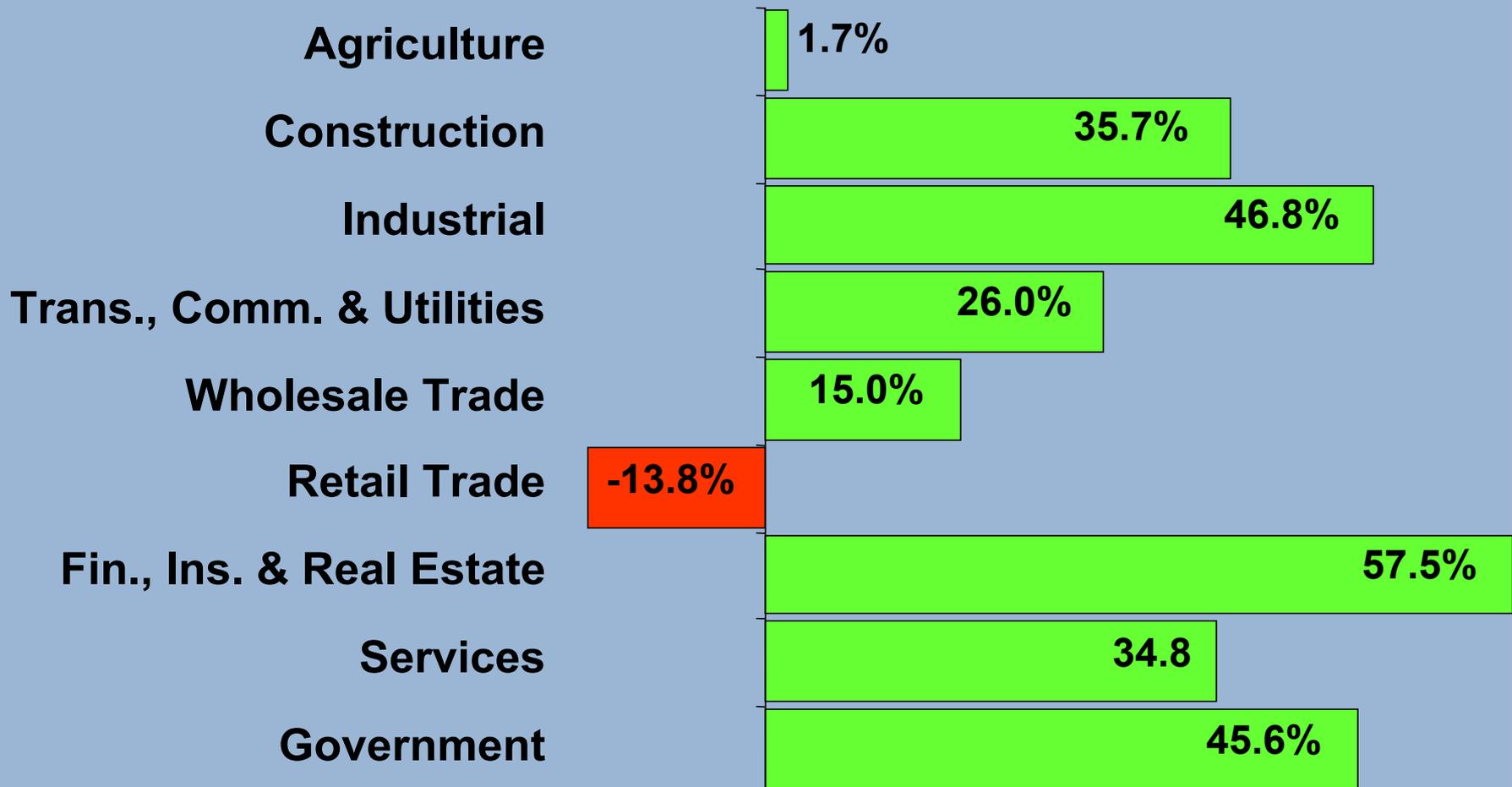
5-Year Job Growth by Industry South Coast Santa Barbara County



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5-Year Job Growth by Industry North Santa Barbara County



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“North County will drive Santa Barbara County's economic growth for the foreseeable future”

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Thank you.

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