



"There are very few jobs in Santa Cruz County – not even with the temp agencies."

A Summary of Santa Cruz County's Economy, 2003

Our Goals

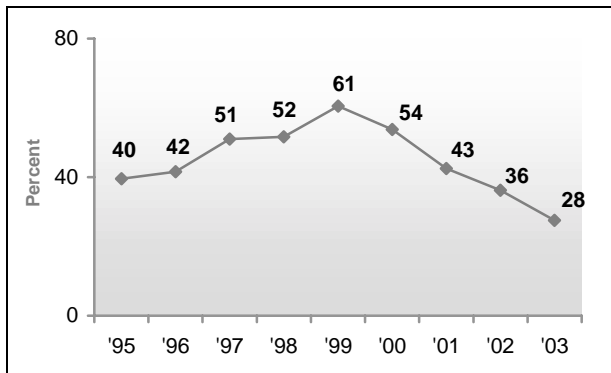
By the Year 2004,
the number of jobs in Santa Cruz County will increase in proportion to the workforce.

By the Year 2004,
the County's unemployment rate will be at or below the State rate.

By the Year 2004,
more residents of Santa Cruz County will have access to housing they can afford.

For the fourth consecutive year, fewer respondents said that they are better off economically than the year before. At 27.5%, this is the lowest percentage reporting that they are "better off" since 1995. The most common reasons cited by survey respondents are "increases in the cost of living" (20.5%) and "less income" (20.4%). People ages 25-44 were more likely to feel they were better off than those 65 and older. Those earning \$35,000 or more per year were more likely to indicate they were better off than those earning less.

Residents Reporting They Are Better Off

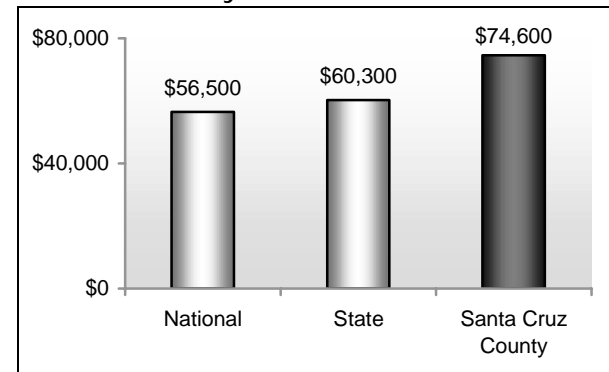


✓ Percentage of respondents indicating they are better off economically this year than last year

The TANF/CalWORKs program saw an 8.8% reduction in the number of recipients in 2002; the number of children (under age 16) was reduced by 16% while the number of adults (age 16+) increased by 12.2%. Almost six times as many female adults (908) received TANF aid as male adults (152). There was a 37.8% increase in recipients aged 16-20 and a 22.7% increase in recipients aged 55 and over. The ethnicity of recipients saw a 33.3% increase in Asian/Pacific Islanders, a slight decline in Caucasians (-1.8%) and increases in Hispanic (5.5%) and African American (9.8%) recipients. "Other" ethnicities declined by 28.6%. The total number of participants with active status in the County's Welfare to Work program declined 8% in 2003.

The U.S. Department of Housing and Urban Development's calculations of median family income for Santa Cruz County for FY 2003 grew by 8.1% to \$74,600.

Median Family Income, 2003



✓ Median family income for fiscal year 2003

Per capita personal income for 2001 dropped by 2.6% in 2001 to \$36,865, the first annual decline since 1994. Statewide and national figures showed small increases, 0.9% and 2.2% respectively.

Wages tracked by the California Employment Development Department in 2002 for the 17 job categories included in the CAP increased an average of 6.0% across all categories, with the largest

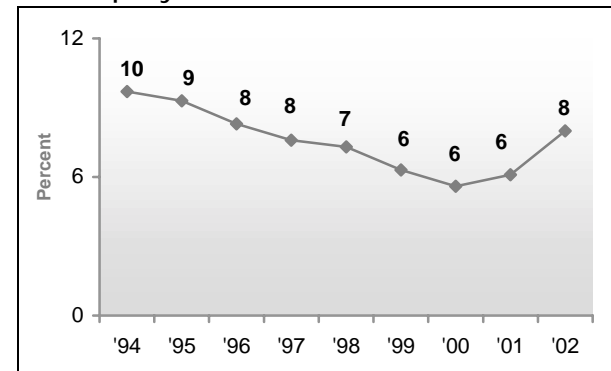
increases for child care workers, general and operations managers, and arts, design, entertainment, sports and media occupations. The lowest increases were for restaurant cooks, data entry keyers, accountants and auditors.



Overall job growth in the county dropped by 2.1% in 2002, with the greatest losses in “information technology” (-15.4%), “manufacturing” (-11.2%), and “wholesale trade” (-8.6%). The labor force declined by 0.4%. Statewide, total employment saw a 0.9% decrease, while the labor force increased by 1.3%.

Reflecting today’s tight economy, Santa Cruz County’s unemployment rate rose 1.9 points (31.1% increase), from 6.1% in 2001 to 8.0% in 2002. This rate is higher than both the state and national rates of 6.7% and 5.8% respectively. The highest local rate of unemployment in 2002 was experienced in Watsonville (16.5%, a 3.7% net change).

Unemployment Rate



✓ Unemployment rate

Once again, survey respondents indicated that they were less optimistic about finding work in the area, with 61.5% indicating that they feel they have opportunities to find work in this area, compared to 65.3% saying “yes” to this question in 2002. Of those who felt they didn’t have job opportunities, nearly 52% of the survey respondents cited the lack of jobs, and 12% cited low-paying jobs as key factors. In non-farm industries, only “education and health services” and “government” posted increases, of 5.5% and 3.0% respectively, while “information” and “manufacturing” industries posted the greatest losses, at 15.4% and 11.2% respectively. A 6.4% increase in employment by the County’s farm industries from 2001 to 2002 contrasted with California’s farm sector with a 0.9% decline.

During 2001, Santa Cruz County saw a slight drop in taxable retail sales (1.4%), while Santa Clara County saw a nearly 14% drop in sales. Monterey and San Benito Counties each saw an approximately 5% increase in taxable sales. Statewide, taxable retail sales dropped by 0.1%. Locally, while other county jurisdictions saw overall reductions in sales in 2001, or very modest increases (Capitola, 0.3% increase), Watsonville saw a nearly 9% increase in taxable sales.

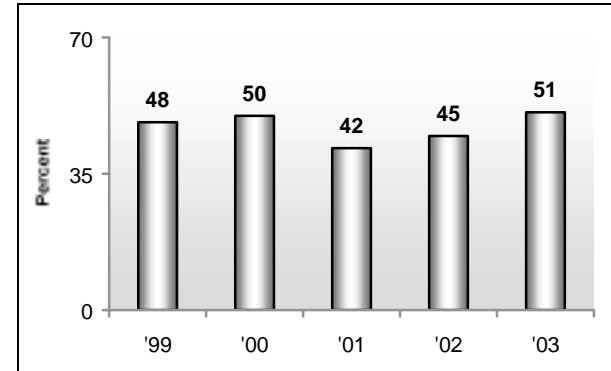
Local businesses saw sales trends that were in some cases similar to statewide trends, while other industries varied. “Farm implement dealers,” for example, saw a 10.5% increase in sales locally, while statewide, these businesses saw a 3.0% decline. The largest area of growth in the County was in “general merchandise,” with a 27.6% increase.

Local building activity saw a 6.8% increase in building permit valuation in 2002 (residential and non-residential). Multi-family housing permits increased by nearly 117%, while single family (6.7%) and additions/alterations (3.3%) permits increased more modestly. The County residential permit valuation total increased by 21% over 2001. The number of multi-family permits increased by nearly 154%, while single family permits increased by only 1.5%.

The value of non-residential permits dropped by more than 37% in 2002. Specifically, the value of commercial permits dropped by 83.9%, the value of industrial permits dropped to essentially zero from \$932,000 in 2001, and the value of additions/alterations dropped by more than 19%. The value of “other non-residential permits” increased by more than 21%.

The California Association of Realtors calculated that 17.2% of households in Santa Cruz County were able to afford a median-priced home in 2002. This was somewhat better than San Francisco (13.5%) and worse than Santa Clara County (24.4%). Statewide, 28.8% of households could afford a median-priced home, while the national rate was 56.7%. In 2003, the average local rents dropped by 7.8% for a studio unit, 13.1% for a 1-bedroom unit, and 12.9% for a 2-bedroom unit during the last year.

Affordable Housing



✓ Percentage of respondents indicating that 1/2 or more of their total household income goes to rent / housing costs

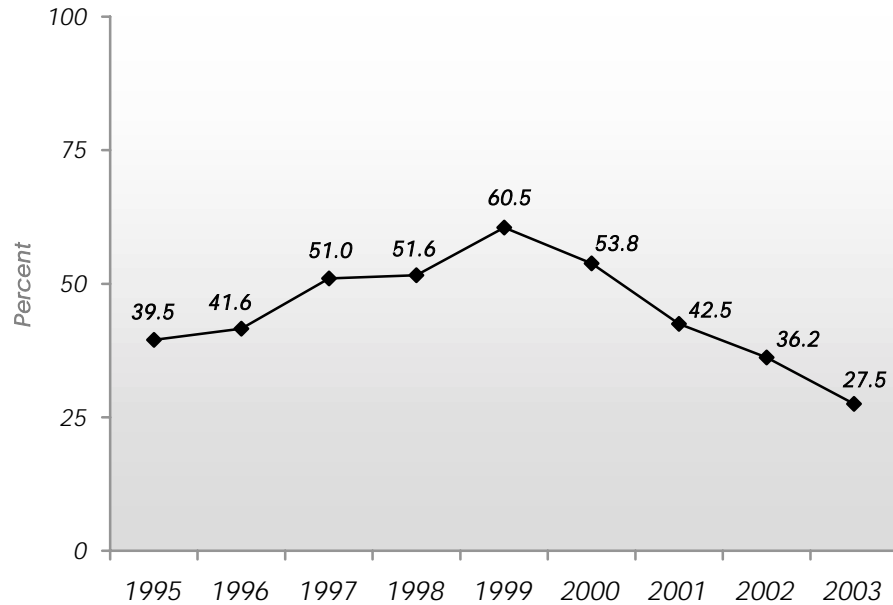
When asked, “Does half or more of your total household take-home pay go to housing costs?,” nearly 51% of the survey respondents indicated “yes.” Twenty percent of respondents indicated that they spend 75% or more of their total household take-home pay on housing costs.



Economic Well-being

Changes in perceptions of financial well-being provide more forward-looking projections than wage data from the previous year, because survey respondents' answers take into account anticipated income, known and coming costs, and other individual matters.

*Do you feel you are better off this year than last year?
(economically) (Respondents answering "Yes")*



 *If "No", why do you feel this way? (Selected responses)*

Response	1997	1998	1999	2000	2001	2002	2003
Cost of living increased	35.3	32.4	39.1	42.8	28.9	23.3	20.5
Less income	17.9	13.9	13.4	14.1	16.1	19.9	20.4
Stock market / Investments	N/A	N/A	N/A	N/A	15.5	9.3	7.1
Doing the same, ok	N/A	N/A	7.4	5.4	11.8	16.2	8.0
On a fixed income	17.9	28.2	26.7	34.4	10.7	11.2	9.9

Year 2003: 479 respondents offering 644 responses.

Source: Santa Cruz County Community Assessment Project, Telephone Survey.

See appendix for results of statistical testing for this question.

Total respondents	1995	1996	1997	1998	1999	2000	2001	2002	2003
Overall	306	485	490	498	552	653	705	678	688

QUALITY OF LIFE INDICATOR 1

 **Economic Well-being**

 **Community Profile**

Percent of respondents who answered “Yes” to: “Do you feel you are economically better off this year than last year?”

By Ethnicity	1999	2000	2001	2002	2003	2003 N
Caucasian	61.8	57.0	41.9	37.4	27.7	476
Latino	53.5	47.5	42.2	28.9	27.4	158

By Gender	1999	2000	2001	2002	2003	2003 N
Male	62.2	57.7	41.4	38.9	31.9	340
Female	59.6	50.8	43.6	33.6	23.1	348

By Region	1999	2000	2001	2002	2003	2003 N
North County	58.3	52.0	40.5	37.2	26.6	230
South County	57.6	52.3	44.3	34.2	28.5	238
San Lorenzo Valley	75.0	60.7	50.2	37.1	27.8	222

By Income	1999	2000	2001	2002	*2003	2003 N
\$34,999 per year or less	42.6	39.4	42.8	30.5	22.3	304
\$35,000 - \$65,499 per year	65.9	59.4	39.6	38.5	35.1	159
Over \$65,500 per year	79.5	70.9	46.5	44.4	32.4	173

By Age	1999	2000	2001	2002	*2003	2003 N
18-24 years of age	59.5	48.9	56.3	44.7	30.8	107
25-44 years of age	66.0	58.5	44.5	38.3	32.0	225
45-64 years of age	64.0	59.8	42.6	37.5	26.1	250
65 and older	38.5	32.3	32.2	24.0	17.9	105

* Indicates statistically significant survey responses when reporting differences between sub-groups for the 2003 data. Absence of this symbol indicates no statistical significance difference between sub-groups for the 2003 data.

Source: Santa Cruz County Community Assessment Project, Telephone Survey.

Significance Testing Results

Age: 25-44 year olds were significantly more likely to respond “Yes” than were those 65 and older.

Income: Those earning \$35,000 to \$65,499 were significantly more likely to respond “Yes” than were those earning \$34,999 or less; those earning \$65,500 or more were significantly more likely to respond “Yes” than were those earning \$34,999 or less.

Retail Sales

Taxable sales are a measure of consumer spending and confidence, because purchases (luxuries, in particular, but also other purchases ranging from restaurants to new homes) are the first expenditures to dip when confidence declines.

Annual Taxable Sales by Jurisdiction, Santa Cruz County (in thousands \$)

Jurisdiction	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Capitola	\$326,874	\$363,732	\$366,477	\$380,811	\$398,322	\$427,333	\$463,310	\$464,914	0.3
Santa Cruz	345,553	499,232	550,962	605,283	634,138	725,287	828,500	809,628	-2.3
Scotts Valley	131,485	158,168	164,688	167,624	164,906	167,366	184,736	176,661	-4.4
Watsonville	274,265	291,177	307,070	317,738	340,271	397,891	445,077	484,801	8.9
Unincorporated/ Unallocated	584,235	616,399	698,533	781,953	829,234	906,755	1,000,719	945,278	-5.5
County Total	\$1,780,923	\$1,928,708	\$2,087,730	\$2,253,409	\$2,366,871	\$2,624,632	\$2,922,342	\$2,881,282	-1.4

Annual Taxable Sales by County and State (in thousands \$)

County	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Monterey	\$2,981,207	\$3,161,181	\$3,437,830	\$3,643,016	\$3,858,997	\$4,280,676	\$4,897,051	\$5,101,569	4.2
San Benito	257,401	282,592	328,365	357,785	380,829	421,941	475,986	501,089	5.3
Santa Clara	19,633,186	22,585,949	25,260,854	26,951,487	27,488,815	30,348,644	37,303,662	32,133,247	-13.9
Santa Cruz	1,780,923	1,928,708	2,087,730	2,253,409	2,366,871	\$2,624,632	2,922,342	2,881,282	-1.4
State	\$285,974,711	\$300,956,449	\$321,076,250	\$341,091,634	\$358,858,378	\$394,736,245	\$441,854,412	\$441,517,560	-0.1

Source: California State Board of Equalization, Report of Taxable Sales in California, 2003.

Figures shown in thousands of dollars.

QUALITY OF LIFE INDICATOR 2

Retail Sales

Retail sales provide a measure of total taxable transactions per person by type of business.

Per Capita Taxable Sales, Santa Cruz County by Business Type

Type of Business	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Apparel stores group	\$256	\$248	\$261	\$267	\$263	\$260	\$312	\$315	1.0
General merchandise group	903	1,055	1,091	1,100	1,170	978	1,333	1,340	0.5
Specialty stores group	682	762	803	911	937	1,035	1,175	1,119	-4.8
Food stores selling all types of liquor	323	306	333	346	343	360	376	406	8.0
All other food stores	194	196	189	197	194	215	235	247	5.1
Packaged liquor stores	97	104	106	106	105	115	123	125	1.6
Eating and drinking group	834	846	889	928	960	1,013	1,090	1,129	3.6
Household and home furnishings	134	125	134	150	174	200	236	214	-9.3
Household appliance dealers	37	38	43	109	121	133	153	149	-2.6
Second-hand merchandise	15	17	18	14	14	14	15	16	6.7
Farm implement dealers	18	15	N/A	N/A	17	20	19	21	10.5
Farm and garden supply stores	103	112	110	127	115	120	114	119	4.4
Fuel and ice dealers	19	18	36	14	17	20	20	22	10.0
Building material group	592	619	677	770	794	894	931	918	-1.4
Automotive group	1,171	1,244	1,366	1,453	1,537	1,684	1,941	1,980	2.0
Mobile Homes, trailers and campers	6	4	3	5	13	16	19	16	-15.8
Boats, motorcycles and planes	50	60	71	70	93	112	147	149	1.4
Retail stores total	5,434	5,767	6,132	6,571	6,865	7,465	8,239	8,285	0.6
Business and personal services	377	402	445	471	479	498	588	558	-5.1
All other outlets	1,647	1,818	1,993	2,074	2,093	2,266	2,513	2,303	-8.4
Total all outlets	\$7,458	\$7,986	\$8,570	\$9,116	\$9,437	\$10,228	11,340	\$11,146	-1.7

Source: California State Board of Equalization, Report of Taxable Sales in California, 2003; California Department of Finance, E1 City / County Population Estimates, with annual percentage change, Sacramento, CA May 2003.

Per capita taxable sales figures are derived by dividing taxable sales by the total population for a given area.

Retail Sales

Per Capita Taxable Sales, California by Business Type

Type of Business	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Apparel stores group	\$334	\$327	\$342	\$350	\$350	\$338	\$373	\$385	3.2
General merchandise group	1,054	1,062	1,071	1,108	1,158	1,254	1,329	1,358	2.2
Specialty stores group	832	888	967	1,026	1,080	1,204	1,330	1,265	-4.9
Food stores selling all types of liquor	315	316	330	336	333	341	355	358	0.8
All other food stores	135	135	138	147	148	165	178	183	2.8
Packaged liquor stores	54	54	54	54	54	58	60	61	1.7
Eating and drinking group	772	794	826	857	897	956	1,028	1,060	3.1
Household and home furnishings	159	163	172	180	199	233	268	265	-1.1
Household appliance dealers	136	144	129	112	116	120	127	118	-7.1
Second-hand merchandise	12	12	12	13	14	15	15	15	0.0
Farm implement dealers	48	52	55	59	66	69	67	65	-3.0
Farm and garden supply stores	50	53	57	59	59	58	60	59	-1.7
Fuel and ice dealers	12	11	12	12	12	13	15	14	-6.7
Building material group	431	419	437	475	513	587	652	696	6.7
Automotive group	1,503	1,576	1,691	1,740	1,784	2,044	2,376	2,457	3.4
Mobile Homes, trailers and campers	19	18	18	20	23	26	28	28	0.0
Boats, motorcycles and planes	37	39	43	43	45	51	65	69	6.2
Retail stores total	5,885	6,062	6,354	6,592	6,849	7,532	8,326	8,457	1.6
Business and personal services	438	456	485	515	562	599	643	640	-0.5
All other outlets	2,673	2,868	3,076	3,243	3,303	3,501	3,846	3,605	-6.3
Total all outlets	\$8,996	\$9,386	\$8,607	\$10,350	\$10,714	\$11,632¹	\$12,815	\$12,702	-0.9

Source: California State Board of Equalization, Annual Report of Taxable Sales in California, 2003; California Department of Finance, E1 City / County Population Estimates, with annual percentage change, Sacramento, CA May 2003.

¹ Figure revised.

Per capita taxable sales figures are derived by dividing taxable sales by the total population for a given area.

QUALITY OF LIFE INDICATOR 3

Building Permit Valuation

Building permit valuation provides an indication of the volume of residential and commercial construction, a component of the County's economic development.

Santa Cruz County Residential Permit Valuation (in thousands \$) and Growth

Permit Valuation	1994	1995	1996	1997	1998	1999	2000	2001	2002	% Change
Single Family	\$65,792	\$68,398	\$69,898	\$99,591	\$96,185	\$84,619	\$109,869	\$91,169	\$97,235	6.7
Multi-Family	8,768	8,164	12,417	19,013	16,579	13,543	16,320	20,371	44,171	116.8
Additions and Alterations	21,213	21,091	23,944	23,181	29,994	34,183	30,241	36,032	37,217	3.3
County Total	\$95,773	\$97,652	\$106,259	\$141,785	\$142,757	\$132,345*	\$156,430	\$147,572	\$178,623	21.0
Residential Permits										
Single Family	418	379	385	529	453	372	430	398	404	1.5
Multi-Family	91	124	151	222	186	134	157	204	518	153.9
County Total	509	503	536	751	639	506	587	602	922	53.2

Santa Cruz County Non-Residential Permit Valuation (in thousands \$)

Permit Valuation	1994	1995	1996	1997	1998	1999	2000	2001	2002	% Change
Commercial	\$11,658	\$5,565	\$13,906	\$20,114	\$71,294	\$29,571	\$4,941	\$17,993	\$2,901	-83.9
Industrial	1,650	0	970	2,605	3,926	4,183	512	932	NA	NA
Other	5,154	5,560	5,555	6,146	18,002	8,747	7,283	9,296	11,283	21.4
Additions and Alterations	16,278	23,081	16,515	16,844	15,868	19,380	31,648	19,691	15,913	-19.2
County Total	34,740	34,205	36,946	45,709	109,090	61,881	44,384	47,912	30,097	-37.2
Total Valuation of Residential and Non-Residential permits	\$130,513	\$131,858	\$143,205	\$187,494	\$251,847	\$194,226	\$200,814	\$195,484	\$208,720	6.8

Source: California Department of Finance, Construction Industry Research Board, 2003.

Figures shown in thousands of dollars.

New Business

The growth of new business contributes to the economic vitality of a community by creating new jobs, providing tax revenues and allowing access to a wider range of goods and services.

Net Sales Permits Growth / Loss ¹

Jurisdiction	1993	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Capitola	581	587	582	593	587	566	570	580	584	0.7
Santa Cruz	1,874	1,952	2,015	2,101	2,154	2,135	2,215	2,246	2,249	0.1
Scotts Valley	516	506	518	508	511	514	511	493	490	-0.6
Watsonville	970	985	994	916	956	947	986	1,041	1,147	10.2
Unincorporated	-	-	-	-	4,650	4,514	4,301	4,201	4,069	-3.1
County Total	8,864	9,068	9,160	9,157	9,018	8,833	8,763	8,721	8,679	-0.5

Source: California State Board of Equalization, Annual Reports of Taxable Sales in California, 2003.

¹ The sum of the jurisdictions and unincorporated areas may not add up to the County total due to “unallocated” permittees who can conduct business in any of the jurisdictions or unincorporated areas.

QUALITY OF LIFE INDICATOR 5

Agricultural Production

Agriculture is a key employment industry in Santa Cruz County.

Annual Crop Production Value (in millions \$)

Crops	1994	1995	1996	1997	1998	1999	2000	2001	2002	% Change
Berries	\$120.2	\$108.3	\$108.7	\$122.2	\$100.1	\$175.3	\$180.8	\$175.0 ¹	\$153.2	-12.5
Tree and Vine Fruits	9.0	11.5	12.2	19.2	10.0	16.0	10.6	14.0 ¹	12.5	-10.7
Vegetables	58.8	60.6	57.1	61.9	52.5	42.6	66.9	59.6	55.6	-6.7
Nursery / Ornamental Crops	43.8	51.8	63.0	73.1	56.7	64.6	76.6	75.0	61.0	-20.0
Animal Products	2.2	2.8	2.8	2.2	2.4	2.7	2.9	3.1	2.3	-25.8
Field Crops	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.3	50.0
Total Crops Value	234.0	235.0	244.0	278.7	221.8	301.3	338.0	326.9¹	284.9	-12.8
Timber Farming	12.6	11.0	11.5	10.5	8.9	7.9	14.0	4.7	4.1	-12.8
Total Production Value	\$246.5	\$246.1	\$255.4	\$289.2	\$230.8	\$309.2	\$352.0	\$365.1¹	\$289.0	-20.8

Top Agricultural Crops by Production Value (in millions \$)

Crops	1994	1995	1996	1997	1998	1999	2000	2001	2002	% Change
Strawberries	\$93.7	\$79.0	\$83.5	\$91.8	\$72.3	\$139.9	\$126.5	\$118.6 ¹	\$107.4	-9.4
Iceberg Lettuce	24.5	27.1	23.9	28.7	19.0	13.9	30.0	24.8	14.8	-40.3
Raspberries	23.8	27.1	20.3	24.8	24.4	29.4	44.4	44.9	37.9	-15.6
Roses, Cut Hybrid Tea	18.6	21.1	15.7	14.9	13.0	11.3	11.2	10.3	N/A ²	-
Timber Farming	12.6	11.0	11.5	10.5	8.9	7.9	14.0	4.7	4.1	-12.8
Apples	8.7	11.0	11.1	17.0	9.3	14.5	8.7	10.1 ¹	9.2	-8.9
Lettuce, Leaf & Romaine	8.0	6.6	6.0	9.1	4.7	5.3	11.7	9.9	15.0	51.5
Cut Field Flowers	7.7	6.7	11.5	11.5	7.4	15.8	15.6	11.4	8.8	-22.8
Brussels Sprouts	7.6	5.7	6.1	4.1	7.2	6.6	5.6	5.7	5.6	-1.8
Landscape Plants	N/A	N/A	21.6	25.5	14.3	22.8	23.2	25.9	17.9	-30.9

Source: County Agricultural Commissioner, Santa Cruz County Crop Report, 2003.

¹Figures revised.

²Figures for roses were not available at the time of printing.

Tourism

The transient occupancy tax measures the taxes levied on out-of-town visitors for lodging. Santa Cruz is a popular destination for weekend and holiday travel, which have substantial economic impacts.

Santa Cruz County

Category	1993	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Travel Spending ¹	\$327.4	\$330.0	\$348.7	\$397.2	\$428.1	\$445.6	\$497.3	\$517.3	\$512.0	-1.0
Earnings Generated ¹	109.4	110.3	118.1	134.4	145.8	153.1	170.9	176.7	174.4	-1.3
Local Tax Receipts ¹	8.5	8.5	9.1	10.7	11.2	11.8	13.1	13.9	13.3	-4.3
State Tax Receipts ¹	\$14.6	\$14.7	\$15.7	\$18.0	\$19.4	\$20.1	\$22.1	\$22.8	\$22.7	-0.4
Total employment (# of jobs)	7,720	7,820	8,110	8,940	9,340	9,360	9,700	9,360	8,840	-5.6

¹in millions of dollars

Dean Runyan Associates has improved the manner and form in which data are reported. Changes include reporting of earnings rather than payroll.

Transient Occupancy Tax by Jurisdiction

City / Area	1993	1994	1995	1996	1997	1998	1999	2000	2001	% Change
Capitola ²	\$216.1	\$232.1	\$241.0	\$262.3	\$260.1	\$286.4	\$300.8 ³	\$340.8 ³	\$512.4	50.4
Santa Cruz ²	2,392.1	2,176.5	2,227.9	2,570.6	2,710.9	2,716.4	3,174.7 ³	3,541.4 ³	3,900.9	10.2
Scotts Valley ²	89.8	89.2	91.1	98.1	98.2	101.1	105.3 ³	392.1 ³	581.4	48.3
Watsonville ²	279.0	212.0	223.7	223.8	272.7	281.4	381.6 ³	486.4 ³	590.3	21.4
Unincorporated ²	1,866.2	2,071.3	2,113.3	2,362.2	2,709.0	3,117.5	3,305.5 ³	3,841.1 ³	4,081.9	6.3
County Total ²	\$4,843.2 ³	\$4,781.1	\$4,897.0	\$5,517.0	\$6,050.9	\$6,502.8	\$7,267.9 ³	\$8,601.8 ³	\$9,666.9	12.4

Source: California State Controller's Office, Local Government Annual Financial Reports, 2003.

² in thousands of dollars

³ Figure revised.

QUALITY OF LIFE INDICATOR 7

Net Job Growth

Net job growth is a measure of workers employed by firms located in Santa Cruz County, by industry.



Net Job Growth by Industry Division, Santa Cruz County

Industry	1994	1995	1996	1997	1998	1999	2000	2001	2002	% Change
Natural Resources, Mining & Construction	2,800	3,100	3,200	3,400	3,800	4,200	4,500	4,900	4,700	-4.1
Manufacturing	10,200	10,100	10,700	10,800	9,900	9,500	9,300	8,900	7,900	-11.2
Wholesale Trade	3,200	3,400	3,600	3,800	3,700	3,600	3,600	3,500	3,200	-8.6
Retail Trade	11,800	12,100	11,600	12,300	13,100	13,600	14,000	14,000	13,600	-2.9
Transportation, Warehousing & Utilities	1,300	1,300	1,400	1,500	1,500	1,500	1,400	1,700	1,600	-5.9
Information Technology	2,900	2,600	2,400	2,200	2,400	2,400	2,600	2,600	2,200	-15.4
Finance, Insurance & Real Estate	3,400	3,200	3,100	3,400	3,500	3,800	4,100	3,900	3,800	-2.6
Professional & Business Services	9,300	9,900	10,200	10,700	10,500	10,900	11,700	11,400	10,400	-8.8
Education & Health Services	9,800	10,100	10,100	10,300	10,500	10,400	10,600	11,000	11,600	5.5
Leisure & Hospitality	10,100	10,100	10,400	10,400	10,800	11,100	11,500	12,100	11,800	-2.5
Other Services	3,400	3,500	3,900	4,000	4,200	4,300	4,400	4,500	4,200	-6.7
Government	16,300	16,700	16,900	17,600	18,000	18,800	19,500	20,200	20,800	3.0
Total Employment, Non-farm Industries	84,400	86,000	87,500	90,400	92,000	94,100	97,200	98,500	95,800	-2.7
Total Employment, Farm Industries	12,200	11,700	11,700	11,200	11,000	9,100	8,300	7,800	8,300	6.4
Total Employment, All Industries	96,600	97,700	99,200	101,600	103,000	103,200	105,600	106,300	104,100	-2.1
Comparison: Labor Force	142,100	139,800	138,700	141,700	141,300	139,900	140,700	143,500	144,100	0.4

Net Job Growth, California

	1994	1995	1996	1997	1998	1999	2000	2001	2002	% Change
Total Employment, Non-farm Industries	12,159,500	12,422,000	12,743,400	13,129,700	13,596,100	13,991,800	14,488,200	14,602,000	14,476,500	-0.9
Total Employment, Farm Industries	379,700	373,500	408,300	413,000	406,200	404,000	408,500	379,500	376,100	-0.9
Total Employment, All Industries	12,539,100	12,795,500	13,151,700	13,542,700	14,002,300	14,395,800	14,896,700	14,981,500	14,852,600	-0.9
Comparison: Labor Force	15,450,000	15,412,200	15,511,600	15,947,200	16,336,500	16,596,500	16,884,200	17,182,900	17,404,600	1.3

Source: State of California Employment Development Department, Labor Market Information Division, 2003.

Notes: Workers may reside outside of Santa Cruz County. Industry employment figures are rounded, so totals may not sum exactly. "Total Employment" refers to jobs located in Santa Cruz County. "Labor Force" refers to people who reside in Santa Cruz County, employed or unemployed, but who may work outside of the County.

Net Job Growth

Twenty Occupations with the Greatest Projected Growth

Employment Category	1999 (Surveyed)	Job 2006 (Projected)	% Change	Most-Comparable Median Wages					
				1998	1999	2000	2001	2002	% Change
Salespersons, retail	4,140	4,480	8.2	7.77	7.78 ³	8.49	8.63	8.96	3.8
Cashiers ¹	2,590	2,900	12.0	7.61	7.57 ³	8.02	8.15	8.64	6.0
General office clerks ¹	2,520	2,810	11.5	10.22	10.39	10.84	11.22	11.73	4.5
Teachers – secondary schools ²	1,040	1,320	26.9	43,680	N/A	46,600	48,024	N/A	N/A
General managers, top executives ¹	2,610	2,880	10.3	29.10	25.76	32.57	33.46	39.47	18.0
Computer engineers ¹	450	710	57.8	34.92	25-45	26-47	26-48	30-47	N/A
Teachers – elementary schools ²	1,370	1,630	19.0	44,410	41,390 ³	40,660	41,900	46,420	10.8
Teacher aides, educational assistants, clerical ²	730	930	27.4	22,510	21,640 ³	21,530	22,218	23,151	4.2
Computer support specialists ¹	430	620	44.2	17.73	N/A	22.08	22.76	22.88	0.5
Laborers – landscaping, grounds keeping	1,030	1,220	18.4	8.29	8.79	9.50	9.81	10.35	5.5
Guards & watch guards	740	920	24.3	7.60	7.93	8.78	9.01	9.59	6.4
Carpenters ¹	870	1,040	19.5	20.05	21.97	23.02	23.81	24.32	2.1
Waiters & waitresses	2,070	2,230	7.7	6.01	6.27 ³	6.74	6.84	7.12	4.1
Teachers – special education ²	410	550	34.1	N/A	N/A	N/A	45,749	N/A	N/A
Counter & rental clerks	490	620	26.5	7.19	7.44 ³	8.32	8.46	9.94	17.5
Janitors, cleaners – except maids	1,200	1,330	10.8	8.24	8.52 ³	8.42	8.64	9.25	7.1
Police patrol officers ¹	310	430	38.7	23.95	21.82	22.98	N/A	N/A	N/A
Child care workers	570	690	21.1	7.58	7.98 ³	6.98	7.15	8.68	21.4
Systems analysts – electronic data processing ¹	290	400	37.9	31.09	24.15	26.07	26.88	30.03	11.7
County Total (for these occupations)	23,860	27,710	16.1	-	-	-	-	-	-

Sources: Projected occupation growth data: Employment Development Department, Labor Market Information, Occupational Employment Statistics (OES) 2002; Wage data from the U.S. Department of Labor, Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates for the Santa Cruz-Watsonville PMSA, 2003.

¹ Wage data after 1998 include classification system changes and therefore may not be directly comparable. The closest available proxy is reported.

² Hourly wage data are not available for occupations typically filled fewer than 10 months or 2,080 hours per year. Mean annual wages are reported instead.

³ Wages reported based on three years of data: 1997, 1998, and 1999.

N/A: Wage data not reported.

QUALITY OF LIFE INDICATOR 8

Annual Unemployment Rates

Annual unemployment rates indicate how well the labor market is able to utilize the existing supply of labor.



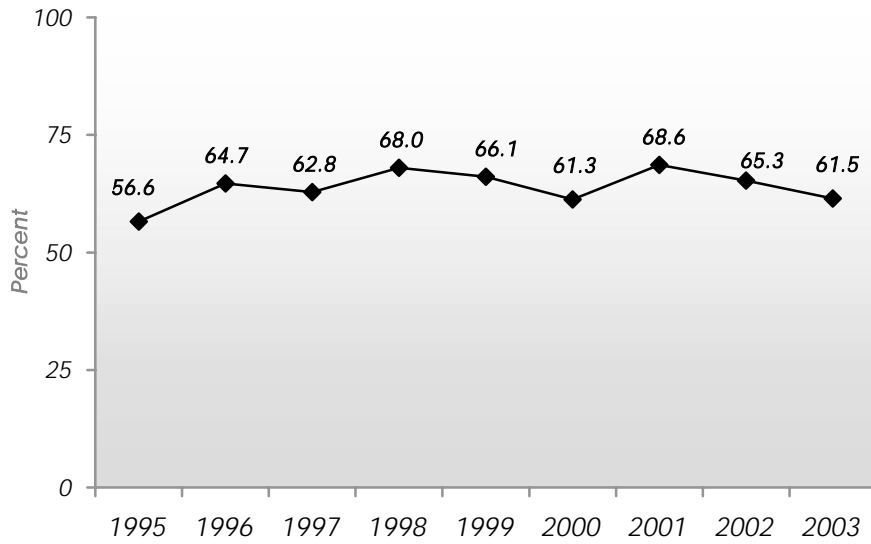
Unemployment Rate by Jurisdiction


	1994	1995	1996	1997	1998	1999	2000	2001	2002	Net Change
Aptos	4.7	4.5	4.0	3.7	3.5	3.0	2.7	2.9	3.9	1.0
Ben Lomond	7.1	6.9	6.1	5.6	5.3	4.6	4.1	4.4	5.9	1.5
Capitola	7.2	6.9	6.2	5.6	5.4	4.6	4.1	4.5	5.9	1.4
Live Oak	4.5	4.3	3.8	3.5	3.3	2.9	2.6	2.8	3.7	0.9
Rio Del Mar	5.2	5.0	4.4	4.0	3.9	3.3	3.0	3.2	4.2	1.0
Santa Cruz	8.5	8.2	7.3	6.7	6.4	5.5	4.9	5.3	7.0	1.7
Scotts Valley	5.4	5.2	4.6	4.2	4.0	3.4	3.1	3.3	4.4	1.1
Soquel	6.8	6.6	5.9	5.3	5.1	4.4	3.9	4.2	5.6	1.4
Watsonville	19.6	18.9	17.1	15.8	15.2	13.2	11.9	12.8	16.5	3.7
County	9.7	9.3	8.3	7.6	7.3	6.3	5.6	6.1	8.0	1.9
State	8.6	7.8	7.2	6.3	5.9	5.2	4.9	5.3	6.7	1.4
National	6.1	5.6	5.4	4.9	4.5	4.2	4.0	4.8	5.8	1.0

Source: State of California Employment Development Department, Labor Market Information Division, 2003; US Department of Labor, Bureau of Labor Statistics, 2003.

Job Opportunities

*Do you feel you have opportunities to work in this area?
(Respondents answering “Yes”)*



 *If “No”, why do you feel this way? (Selected responses)*

Response	1998	1999	2000	2001	2002	2003
Not enough jobs	44.1	40.6	34.8	31.2	30.2	51.8
Low paying jobs	31.7	48.4	39.4	17.8	20.8	12.0
Disabled / Retired	12.4	24.3	19.9	16.6	12.8	8.0
Need training / Skills / Education	N/A	N/A	2.3	12.7	3.7	1.6
Cost of living increased	N/A	4.6	5.0	6.7	10.5	3.5

Year 2003: 237 Respondents offering 273 Responses.

Response	1995	1996	1997	1998	1999	2000	2001	2002	2003
Yes (%)	56.6	64.7	62.8	68.0	66.1	61.3	68.6	65.3	61.5
No (%)	43.4	35.3	37.2	32.0	30.8	34.8	26.5	29.8	34.7

Respondents	1995	1996	1997	1998	1999	2000	2001	2002	2003
Overall	302	465	462	478	546	653	679	668	684

Source: Santa Cruz County Community Assessment Project, Telephone Survey.

See appendix for results of statistical testing for this question.

QUALITY OF LIFE INDICATOR 9

 **Job Opportunities**

 **Community Profile**

Percent of respondents who answered "Yes" to: "Do you feel you have opportunities to work in this area?"

By Ethnicity	1997	1998	1999	2000	2001	2002	2003	2003 N
Caucasian	63.9	70.3	66.3	59.1	67.4	68.4	64.1	474
Latino	58.7	59.3	64.8	71.1	71.5	58.8	54.3	158

By Region	1997	1998	1999	2000	2001	2002	2003	2003 N
North County	62.3	73.0	67.8	60.2	69.6	69.4	62.9	233
South County	55.9	61.3	64.9	67.0	67.0	62.0	60.0	231
San Lorenzo Valley	76.7	70.5	57.9	54.0	63.3	60.6	60.7	217

By Age	1997	1998	1999	2000	2001	2002	2003	2003 N
18-24 years of age	N/A	N/A	78.0	68.5	77.6	61.2	60.2	109
25-44 years of age	N/A	N/A	69.6	67.5	67.4	71.2	63.5	228
45-64 years of age	N/A	N/A	68.0	67.0	76.4	66.3	62.9	247
65 and older	N/A	N/A	39.7	24.2	50.9	50.9	55.2	99

By Gender	1997	1998	1999	2000	2001	2002	2003	2003 N
Male	N/A	N/A	68.4	61.7	69.3	68.9	65.3	339
Female	N/A	N/A	64.9	60.8	67.9	61.8	57.8	345

By Income	1997	1998	1999	2000	2001	2002	*2003	2003 N
\$34,999 per year or less	N/A	N/A	66.5	59.3	62.0	57.6	59.2	302
\$35,000 - \$65,499 per year	N/A	N/A	64.4	63.9	69.7	75.4	69.0	156
Over \$65,500 per year	N/A	N/A	70.3	68.1	72.6	71.3	64.3	175

* Indicates statistically significant survey responses when reporting differences between sub-groups for the 2003 data. Absence of this symbol indicates no statistical significance difference between sub-groups for the 2002 data.

Source: Santa Cruz County Community Assessment Project, Telephone Survey.

Significance Testing

Income: Those earning \$35,000 to \$65,499 were significantly more likely to respond "Yes" than were those earning \$34,999 or less.

Annual Payroll 1994 - 2000

Annual payroll is an additional indication of the vitality and value of selected major industries in the County.

Total Combined Annual Payroll by Industry Division (in millions \$)

Industry	1994	1995	1996	1997	1998	1999	2000
Farm	\$195	\$192	\$208	\$243	\$232	\$224	\$203
Mining	2	2	3	3	3	3	2
Construction	83	99	112	119	149	179	197
Manufacturing	432	490	535	520	502	540	808
Transportation, Communications & Public Utilities	85	80	86	99	106	100	96
Wholesale Trade	131	138	136	142	154	169	197
Retail Trade	267	282	291	322	357	377	418
Finance, Insurance & Real Estate	80	78	82	93	113	114	131
Services	583	595	621	674	760	798	993
Government	412	428	454	490	523	556	596
Total	\$2,270	\$2,384	\$2,528	\$2,705	\$2,899	\$3,060	\$3,642

Source: State of California Employment Development Department, Labor Market Information Division, 2001.

Note: Comparable new data not available because industry categories were revised after 2000. See next page for 2001 data under revised categories.

 **New data not available**

QUALITY OF LIFE INDICATOR 10

Annual Payroll 2001- 2002

Annual payroll is an additional indication of the vitality and value of selected major industries in the County.

Total Combined Annual Payroll by Industry Division (in millions \$)

Industry	2001	2002
Mining	1	1
Utilities	1	1
Construction	\$200	\$206
Manufacturing	447	427
Wholesale Trade	169	161
Retail Trade	351	362
Transportation & Warehousing	42	39
Information	171	145
Finance & Insurance	99	113
Real Estate & Rental & Leasing	60	42
Professional, Scientific, & Technical Skills	344	285
Management of Companies and Enterprises	167	179
Admin & Support & Waste Mgmt & Remediation	101	86
Educational Services	27	28
Health Care & Social Assistance	303	326
Arts, Entertainment, & Recreation	29	30
Accommodation & Food Services	138	138
Other Services	73	75
Non-Classified	1	1
Federal Government	26	27
State Government	190	200
Local Government	462	490
Total	\$3,414	\$3,360

Source: State of California Employment Development Department, Labor Market Information Division, 2003.

¹ Value suppressed to preserve confidentiality.

Median Wages for Selected Occupations 1996 - 1998

Median wages for selected occupations in Santa Cruz County are compared to those in the state.

Santa Cruz County

Job Category	1996	1997	1998
Computer Engineers	\$33.70	\$34.38	\$34.92
Dental Hygienists	32.35	33.15	34.35
General Managers and Top Executives	27.60	27.92	29.10
Accountants and Auditors	18.22	18.95	19.62
Social Workers, Medical and Psychiatric	15.99	13.47	14.74
Truck Drivers, Heavy or Tractor-Trailer	15.40	13.55	15.79
Artists and Related Workers	12.97	14.75	14.41
Laborers, Landscaping, and Repairers	12.61	7.70	8.29
Secretaries (Except Legal and Medical)	12.16	12.12	12.23
Carpenters	11.02	19.29	20.05
General Office Clerks	9.33	9.89	10.22
File Clerks	9.25	7.45	6.75
Helpers, Laborers, and Material Movers	8.75	9.54	9.93
Data Entry Keyers (Except Composing)	8.21	9.10	9.32
Cashiers	6.38	7.34	7.61
Child Care Workers	6.27	7.20	7.58
Cooks, Restaurant	\$5.76	\$8.18	\$8.76

California

Job Category	1996	1997	1998
Computer Engineers	\$28.99	\$29.05	\$32.24
Dental Hygienists	29.43	29.52	30.23
General Managers and Top Executives	31.68	33.52	35.05
Accountants and Auditors	18.00	18.07	19.72
Social Workers, Medical and Psychiatric	17.70	17.47	18.79
Truck Drivers, Heavy or Tractor-Trailer	13.40	13.84	14.36
Artists and Related Workers	15.97	16.12	17.24
Laborers, Landscaping, and Repairers	13.23	8.32	8.47
Secretaries, Except Legal and Medical	12.23	13.01	13.38
Carpenters	16.42	16.78	17.41
General Office Clerks	9.72	10.07	10.36
File Clerks	7.31	8.05	8.50
Helpers, Laborers, and Material Movers	8.86	8.17	8.34
Data Entry Keyers, Except Composing	9.73	10.11	10.69
Cashiers	6.49	6.87	7.20
Child Care Workers	7.00	7.40	7.56
Cooks, Restaurant	\$7.58	\$7.87	\$8.02

Source: State of California Employment Development Department, Labor Market Information Division, 1999.

QUALITY OF LIFE INDICATOR 11

Median Wages for Selected Occupations 1999 - 2002

Median wages for selected occupations in Santa Cruz County are compared to those in the state.

Santa Cruz County

Job Category	1999	2000	2001	2002	% Change
Computer Software Engineers, Applications	45.61	44.69	46.06	47.36	2.8
Dental Hygienists	N/A	39.12	40.32	41.20	2.2
General and Operations Managers	25.76	32.57	33.46	39.47	18.0
Accountants and Auditors	20.57	25.18	25.87	26.40	2.0
Community and Social Service Occupations	12.56	15.30	15.77	16.30	3.4
Truck Drivers, Heavy and Tractor-Trailer	17.68	16.46	16.99	17.39	2.4
Arts, Design, Entertainment, Sports and Media Occ.	18.68	16.09	16.57	19.21	15.9
Supervisors / Mgrs of Landscaping, Lawn Service Services	12.65	13.36	13.80	14.38	4.2
Secretaries (Except Legal, Medical, and Executive)	12.52	11.97	12.38	12.74	2.9
Carpenters	21.97	23.02	23.81	24.32	2.1
General Office Clerks	10.39	10.84	11.22	11.73	4.5
File Clerks	7.72	9.35	9.67	9.96	3.0
Construction Laborers	8.98	11.44	11.82	12.82	8.5
Data Entry Keyers	10.13	11.07	11.45	11.67	1.9
Cashiers	7.57	8.02	8.15	8.64	6.0
Child Care Workers	7.98	6.98	7.15	8.68	21.4
Cooks, Restaurant	9.38	9.66	9.91	10.06	1.5

California

Job Category	1999	2000	2001	2002	% Change
Computer Software Engineers, Applications	34.30	37.44	38.58	39.26	1.8
Dental Hygienists	30.02	32.75	33.75	38.79	14.9
General and Operations Managers	32.80	37.75	38.75	41.21	6.3
Accountants and Auditors	20.76 ¹	22.94	23.57	25.26	7.2
Community and Social Service Occupations	16.32	16.78	17.29	17.18	-0.6
Truck Drivers, Heavy and Tractor-Trailer	15.44	15.96	16.48	16.85	2.2
Arts, Design, Entertainment, Sports and Media Occ.	21.47	19.42	19.92	19.88	-0.2
Supervisors / Mgrs of Landscaping, Lawn Service Services	16.11	15.70	16.22	17.07	5.2
Secretaries (Except Legal, Medical, and Executive)	13.26	13.68	14.15	14.17	0.1
Carpenters	19.82	19.34	20.01	20.37	1.8
General Office Clerks	10.81	11.40	11.79	11.94	1.3
File Clerks	9.33	9.99	10.34	10.43	0.9
Construction Laborers	13.02	14.10	14.61	14.94	2.3
Data Entry Keyers	10.59	11.04	11.42	11.68	2.3
Cashiers	7.30	7.73	7.86	8.22	4.6
Child Care Workers	7.89	8.31	8.53	9.12	6.9
Cooks, Restaurant	8.22	9.26	9.50	9.59	0.9

Source: State of California Employment Development Department, Labor Market Information Division, 2003.