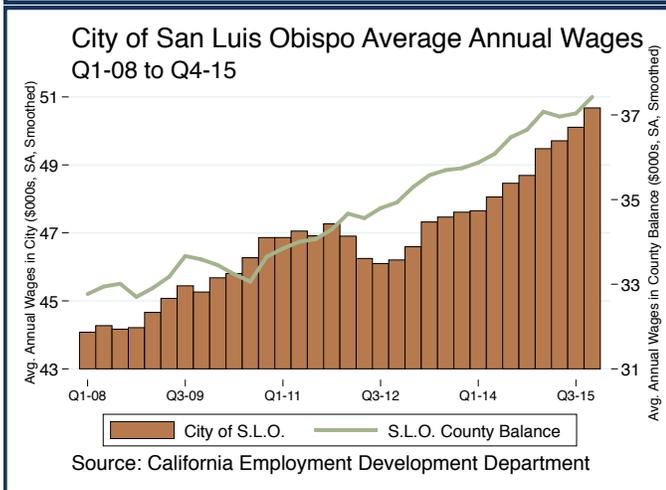
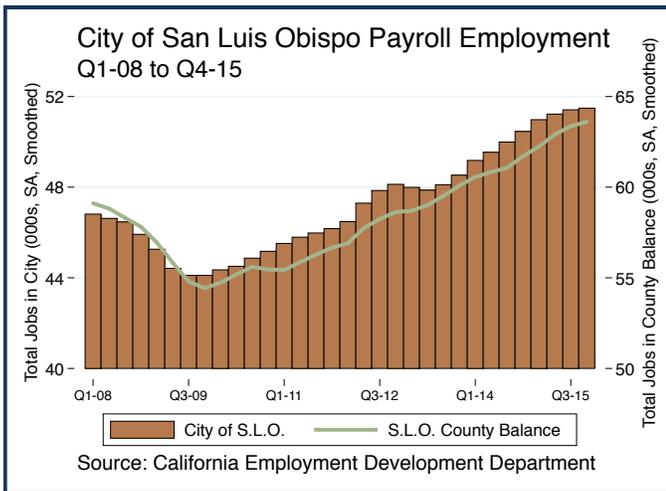


# City of San Luis Obispo Employment Report Card



### Establishment Births/Deaths: 2010 to 2015

| Year | Firm Births | Firm Deaths | Net Total | Total Firms* |
|------|-------------|-------------|-----------|--------------|
| 2010 | 86          | 61          | +25       | 1,920        |
| 2011 | 79          | 53          | +26       | 1,946        |
| 2012 | 103         | 52          | +51       | 1,997        |
| 2013 | 94          | 67          | +27       | 2,024        |
| 2014 | 110         | 65          | +45       | 2,069        |
| 2015 | 95          | 71          | +24       | 2,093        |

\*Establishments with 3 or more employees

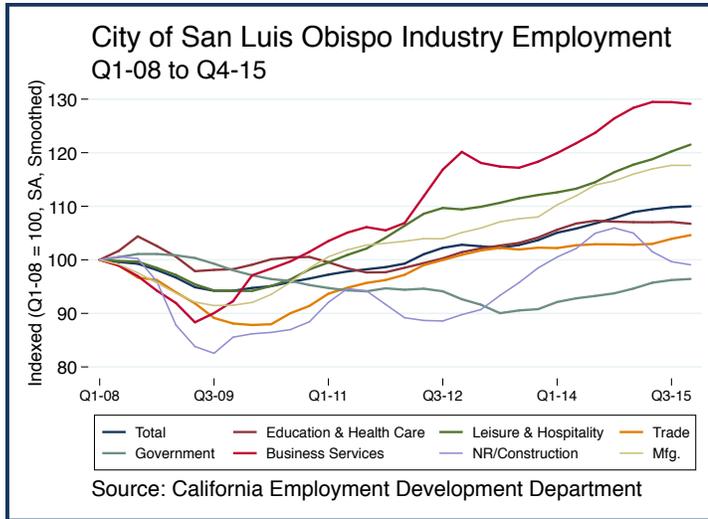
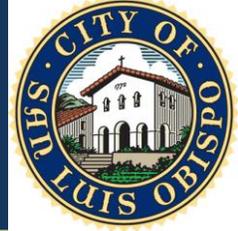
### Employment Growth in Q4-2015 by Establishment Size

| Establishment Type      | Total Employment (#) | Growth Since Q4-14 (%) |
|-------------------------|----------------------|------------------------|
| Less than 50 Employees  | 23,834               | 3.1                    |
| 50 to 250 Employees     | 14,310               | -1.1                   |
| More than 250 Employees | 13,366               | 3.6                    |

## SUMMARY

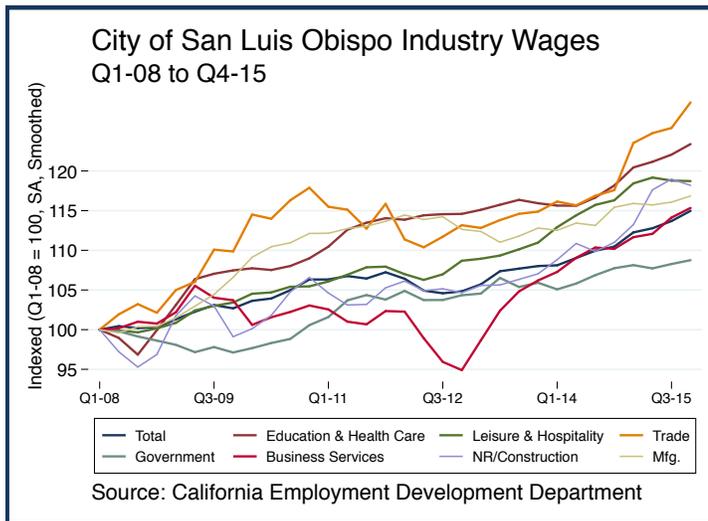
- Payrolls in the City of San Luis Obispo grew 2.0% from the fourth quarter of 2014 to the fourth quarter of 2015, trailing the 3.1% mark set in the rest of San Luis Obispo County.
- Wages in the City of San Luis Obispo have also increased over the last year, with the average annual wage across all sectors growing by 4.1%, compared to 2.1% in the rest of the county.
- The Professional, Scientific, Technical, and Management sector (10.5%), Other Services sector (5.3%), and Leisure and Hospitality sector (4.4%) led industry level job growth during this time period.
- Over the last year, the Transportation and Warehousing sector, Manufacturing sector, Wholesale Trade sector, and Government sector also added a significant number of new jobs in the City of San Luis Obispo.
- At the subsector level, Truck Transportation, Administration of Human Resource Programs, Management of Companies, and Professional and Technical Services led job growth from the fourth quarter of 2014 to the fourth quarter of 2015.
- Over the last year, wage growth in the Transportation and Warehousing, Information, Natural Resource and Mining, and Education sectors led the way in the City of San Luis Obispo.
- Large firms continue to drive much of the growth in the City of San Luis Obispo, as firms with more than 250 employees have increased their payrolls by 3.6% since the fourth quarter of 2014.

# City of San Luis Obispo Employment Report Card



## Employment by Industry: Q4-2015

| Industry                   | Employment (000s) | Growth Since Q4-14 |                    | City Share of County (%) |
|----------------------------|-------------------|--------------------|--------------------|--------------------------|
|                            |                   | City (%)           | County Balance (%) |                          |
| Government                 | 11.7              | +2.9               | +0.6               | 59.0                     |
| Health Care                | 5.9               | -0.4               | +3.5               | 44.6                     |
| Leisure and Hospitality    | 5.6               | +4.4               | +3.4               | 31.8                     |
| Retail Trade               | 5.4               | +0.5               | +1.8               | 39.0                     |
| Prof, Sci, Tech, and Mgmt  | 4.1               | +10.5              | +6.5               | 64.8                     |
| Admin Support              | 4.0               | -2.3               | +6.4               | 60.5                     |
| Other Svcs.                | 3.5               | +5.3               | +22.7              | 61.5                     |
| Transport/Warehouse        | 3.2               | +3.1               | -2.3               | 80.2                     |
| Manufacturing              | 2.2               | +2.5               | -2.4               | 31.4                     |
| NR/Construction            | 1.8               | -6.5               | +3.8               | 15.6                     |
| Fin. Svcs. and Real Estate | 1.7               | -1.4               | +0.4               | 40.8                     |
| Wholesale Trade            | 1.1               | +3.5               | +6.7               | 36.3                     |
| Information                | 0.9               | -5.1               | -0.4               | 62.3                     |
| Education                  | 0.3               | +0.5               | +3.7               | 51.1                     |
| <b>Total</b>               | <b>51.5</b>       | <b>+2.0</b>        | <b>+3.1</b>        | <b>44.7</b>              |

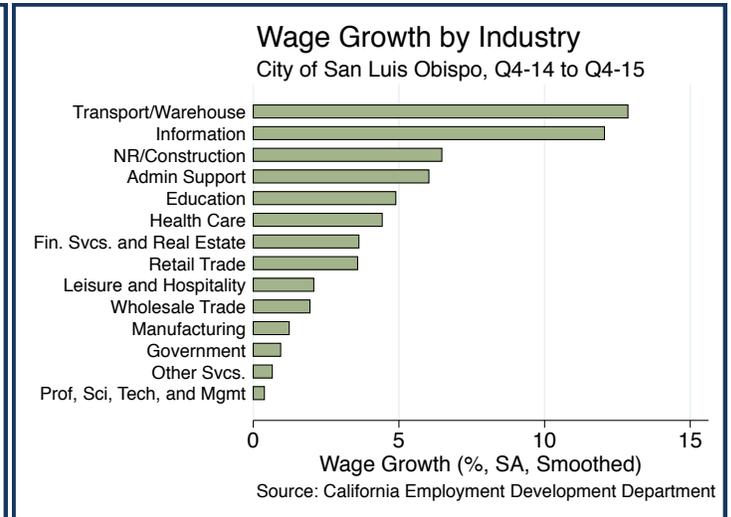
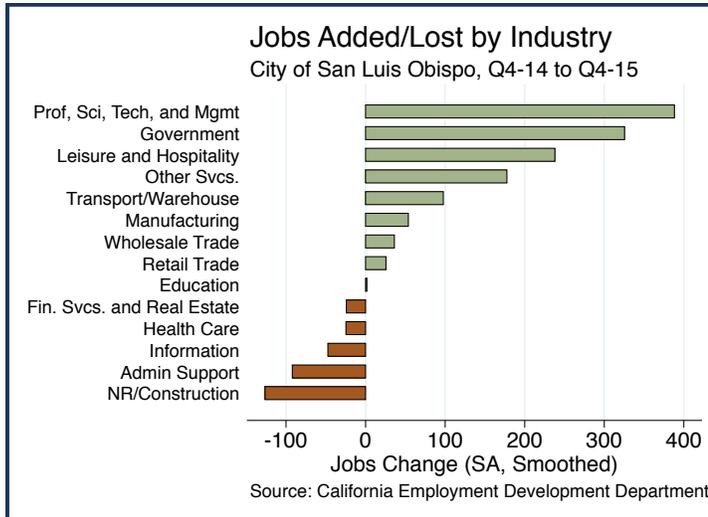
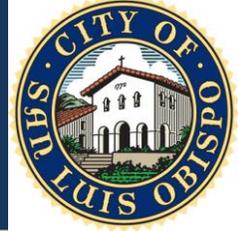


## Average Wages by Industry: Q4-2015

| Industry                   | Avg. Wage (\$000s) | Growth Since Q4-14 |                    | City vs. County Balance (%)* |
|----------------------------|--------------------|--------------------|--------------------|------------------------------|
|                            |                    | City (%)           | County Balance (%) |                              |
| Transport/Warehouse        | 117.0              | +12.9              | +0.1               | 113.2                        |
| Information                | 72.1               | +12.1              | +2.6               | 42.9                         |
| Fin. Svcs. and Real Estate | 66.7               | +3.6               | +2.6               | 27.1                         |
| Prof, Sci, Tech, and Mgmt  | 62.9               | +0.4               | -3.1               | 26.6                         |
| Government                 | 60.1               | +0.9               | +3.4               | 19.8                         |
| Wholesale Trade            | 58.5               | +1.9               | +2.7               | 22.1                         |
| NR/Construction            | 57.9               | +6.5               | -0.2               | 39.4                         |
| Health Care                | 55.1               | +4.4               | +3.8               | 47.5                         |
| Manufacturing              | 48.7               | +1.2               | +3.8               | -5.1                         |
| Retail Trade               | 35.8               | +3.6               | +3.5               | 23.5                         |
| Education                  | 31.1               | +4.9               | +0.4               | 29.9                         |
| Admin Support              | 28.4               | +6.0               | -1.1               | -5.8                         |
| Other Svcs.                | 20.3               | +0.7               | -4.3               | -28.5                        |
| Leisure and Hospitality    | 18.7               | +2.1               | +8.0               | -10.2                        |
| <b>Total</b>               | <b>50.7</b>        | <b>+4.1</b>        | <b>+2.1</b>        | <b>35.4</b>                  |

\*Industry wage relative to the average annual wage for the industry in the County Balance

# City of San Luis Obispo Employment Report Card



## One-Year Employment Growth

### Fastest Growing Subsectors with 250+ employees: Q4-2015

| Region                         | Total Emp. | Growth (%) | Total (\$000s) |
|--------------------------------|------------|------------|----------------|
| Truck Transportation           | 334        | +22.6      | 28.4           |
| Admin of HR Programs           | 888        | +12.8      | 54.9           |
| Mgmt of Companies              | 291        | +12.1      | 59.2           |
| Prof and Technical Svcs.       | 3,805      | +10.3      | 63.3           |
| Machinery Mfg                  | 339        | +7.3       | 60.8           |
| Food Svcs. and Drinking Places | 3,818      | +7.2       | 17.6           |

## One-Year Wage Growth

### Fastest Growing Subsectors with 250+ employees: Q4-2015

| Region                                 | Wage (\$000s) | Growth (%) | Total Emp. |
|--|---------------|------------|------------|
| Publishing Industries, Except Internet | 80.8          | +19.8      | 469        |
| Specialty Trade Contractors            | 57.2          | +7.7       | 1,031      |
| Real Estate                            | 42.5          | +7.3       | 508        |
| Misc. Store Retailers                  | 21.7          | +7.0       | 271        |
| Nursing and Residential Care           | 33.0          | +6.9       | 726        |
| Food and Beverage Stores               | 27.5          | +6.5       | 789        |

## DISCLAIMER ON CONFIDENTIALITY

The publication of data that would disclose an individual firm's employment or wage information is prohibited under the Bureau of Labor Statistic's guidelines of confidentiality. Aggregate data is not published if it represents fewer than three private employers or if one private employer represents 80% or more of the data.

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## Data Description

The data contained within this report are derived from establishment-level payroll data furnished by the California Employment Development Department (EDD). The EDD collects employment and wage data for every establishment enrolled in the State's Unemployment Insurance program. Entities such as nonprofit organizations that employ less than 4 workers, railroad workers, and workers in school systems that are owned and operated by religious institutions are omitted from this data set.

Each record typically represents an individual establishment. In some instances, larger firms with several establishments in a region report payroll information for all establishments as one record. To this end, Beacon Economics only considers single establishment employers and firms that report each establishment separately when analyzing employment by establishment size.

In order to link individual establishments from one quarter to the next, Beacon Economics developed a method of cleaning, processing, and linking the raw data provided by the EDD. This process amends, adds, or deletes data items, so there will not be a one-to-one relationship between the raw EDD data and the post-process data. Here is a list of a few key steps and assumptions made by Beacon Economics while processing the data.

Beacon Economics' methods explained below are continually being improved and the current data may be subject to revision as the methodology is refined.

- **Matching individual establishment records over time.** Data are merged/joined with the most recent quarter's data on a number of characteristics. Only data with exact matches along all selected criteria are merged at this stage, in order to isolate firms/establishments with identical information from quarter to quarter. The observations with exact matches are then incorporated into the database as a consistent time series of observations for that establishment.
- **Re-examining records without exact matches.** Any observations that do not have an exact match in future or previous quarters of data are flagged for a secondary, manual clerical review. To do this, Beacon estimates the missing data by calculating the employment/payroll growth from the quarters before and after the "hole" to interpolate the missing data based upon trends observed for that firm in surrounding quarters. Then, Beacon Economic investigates each firm individually to ensure every establishment's data is current, correct, and geographically relevant.
- **Creating consistent industry codes for establishments over time.** Many observations first enter the data under the catchall "999999" classification until EDD investigators are able to assign the establishment the correct industry/NAICS code. If the EDD finds that they have been misclassifying a particular establishment, the establishment's industry is re-coded from one NAICS code to another. However, the EDD does not update historical data to reflect these re-classifications, which can cause erroneous increases/decreases for the impacted industries.

A common classification issue involves government employment (2-digit NAICS 92). Some government establishments (e.g. public schools) are occasionally classified in the private sector, so employment figures for certain sectors will unintentionally include public sector employment. As a result, both public- and private-sector employment jumps around from quarter to quarter as these establishments move in and out of the public sector. To eliminate the artificial changes in employment caused by re-classifications, Beacon relies on the most recent classification for each establishment and applies that to the historical records for that establishment going back in time.