

### San Luis Obispo Overview

Job growth in the City of San Luis Obispo continues to lag the state, with total employment declining by 0.4% over the past year compared to a 0.4% increase in California overall. This decline was partially due to a pullback in Government employment, considering private-sector employment in the city increased 0.1% compared to last year. Although, there were a handful of private-sector industries that saw sharp losses. Some of the challenges facing the private sector stem from declines in Leisure and Hospitality, the city's second largest industry, which saw payrolls fall by 1.1% year-over-year. Government and Professional, Scientific, and Technical Services posted the largest absolute losses.

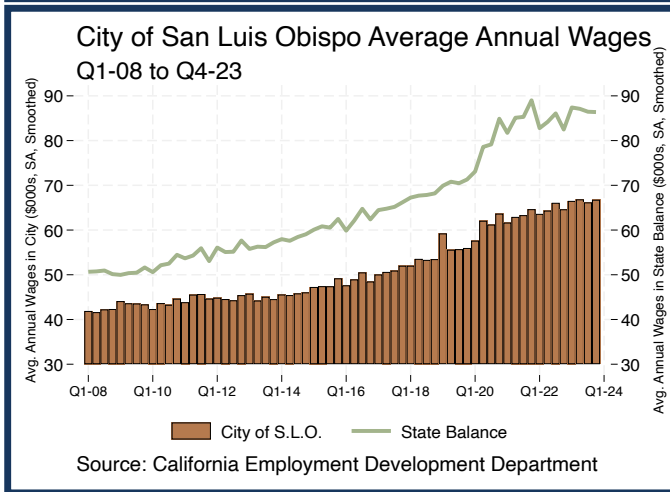
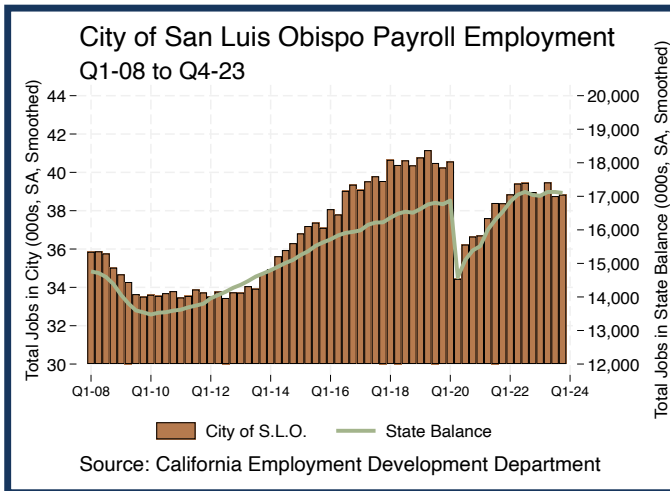
The Education and Health Care super-sector was the top performer in San Luis Obispo, with payrolls increasing by 4.6% in the most recent year, surpassing pre-pandemic levels. This growth can be attributed to a significant rise in the Nursing and Residential Care subsector, which saw employment increase by almost 30% year-over-year.

Despite recent increases in Education, Health Care, and Other Services, payrolls in San Luis Obispo remain 4.3% below pre-pandemic levels. To put this in perspective, payrolls across the state are up 1.7% compared to pre-pandemic peaks. The sluggish recovery is largely due to steep employment drop-offs in Government and Leisure and Hospitality, which together account for nearly three-quarters of payroll declines since the pre-pandemic peak.

Declines in Leisure and Hospitality can be traced to sharp losses in Accommodation and Food Services, an industry that caters to both locals and tourists. Sales tax receipts for Food Services and Drinking Places in the city rose by 3.4% in 2023, the largest increase among categories disclosed by the California Department of Tax and Fee Administration. Hotel occupancy rates have also recovered and are trending around pre-pandemic norms. In addition, San Luis Obispo's population has grown 6% since 2020, whereas the statewide population has declined 1.3%. This suggests that the drop in payrolls is likely due to a labor supply issue rather than a lack of demand.

San Luis Obispo's recent population growth should help support spending levels in the near term, and tourism will continue to bring outside dollars into the local economy. However, the city's long-term outlook will be shaped by an aging population and a shrinking supply of workforce housing.

# City of San Luis Obispo Employment Report Card



#### Establishment Births/Deaths: 2019 to 2023

Year	Firm Births	Firm Deaths	Net Total	Total Firms*
2019	108	51	+57	1,962
2020	58	48	+10	1,972
2021	61	49	+12	1,984
2022	83	54	+29	2,013
2023	99	48	+51	2,064

\*Establishments with 3 or more employees

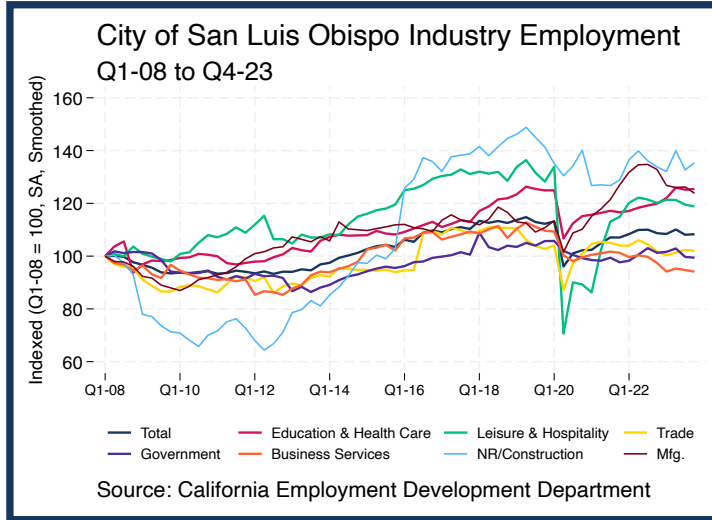
#### Employment Growth in Q4-23 by Establishment Size

Establishment Type	Total Employment (#)	Annual Growth (%)
Less than 10 Employees	5,888	3.3
10 to 49 Employees	16,669	1.9
50 to 250 Employees	11,588	1.5
More than 250 Employees	6,434	-1.7

## Summary

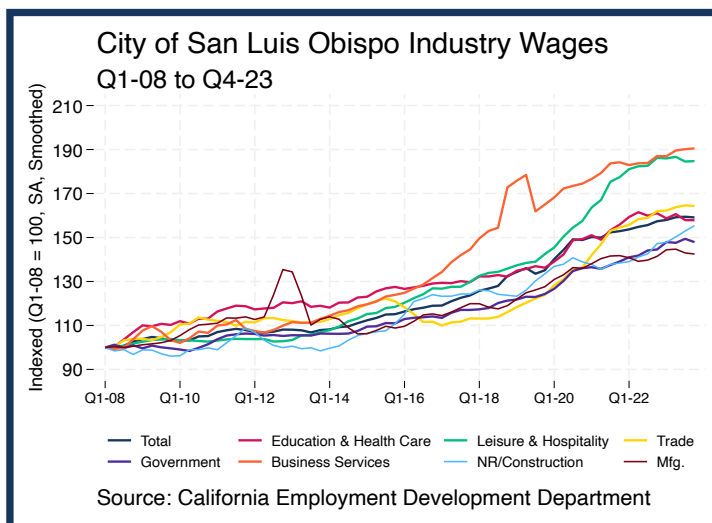
- Payrolls in the City of San Luis Obispo fell by 0.4% from the fourth quarter of 2022 to the fourth quarter of 2023, trailing 0.4% growth in the state overall.
- Wages in San Luis Obispo increased 3.3% across all sectors in the last year, trailing a 4.7% statewide increase.
- Other Services; Education and Health Care; Wholesale Trade; Natural Resources and Construction; and Financial Services and Real Estate were the fastest growing sectors over the past year.
- At the subsector level, Nursing and Residential Care; Religious, Grantmaking, Civic, Professional, and Similar Organizations; and General Merchandise Retailers led job growth from the fourth quarter of 2022 to the fourth quarter of 2023.
- Over the last year, wage growth in the city was led by Wholesale Trade; Information; Administrative Support; Natural Resources and Construction; and Retail Trade.
- In 2023, the City of San Luis Obispo added a total of 51 establishments.
- Job growth was strongest at the micro, small, and mid-size level in San Luis Obispo. Payrolls for micro firms (3.3%), small firms (1.9%), and mid-size firms (1.5%) grew over the last year, while employment at firms with more than 250 employees declined by 1.7%.

# City of San Luis Obispo Employment Report Card



## Employment by Industry: Q4-23

Industry	Employment (000s)	Growth Since Q4-22		City Location Quotient
		City (%)	State Balance (%)	
Education/Health	7.1	+4.6	+5.2	0.8
Leisure and Hospitality	5.1	-1.1	+2.4	1.2
Retail Trade	4.6	+0.5	-0.6	1.5
Prof, Sci, Tech, and Mgmt	3.1	-5.3	-2.6	1.0
Manufacturing	1.7	-6.8	-1.7	0.7
Other Svcs.	1.6	+6.4	+5.0	1.4
Fin. Svcs. and Real Estate	1.5	+0.7	-3.4	1.0
NR/Construction	1.3	+1.2	+1.6	0.5
Admin Support	1.0	-0.6	-5.9	0.5
Transport/Warehouse/Util	1.0	-1.7	-0.8	0.5
Wholesale Trade	0.6	+1.5	-1.1	0.5
Information	0.6	-7.4	-10.4	0.5
<b>Total Private</b>	<b>29.3</b>	<b>+0.1</b>	<b>+0.4</b>	<b>0.9</b>
<b>Government</b>	<b>9.5</b>	<b>-1.8</b>	<b>+3.6</b>	<b>1.9</b>
<b>Total</b>	<b>38.8</b>	<b>-0.4</b>	<b>+0.8</b>	<b>1.0</b>



## Average Wages by Industry: Q4-23

Industry	Avg. Wage (\$000s)	Growth Since Q4-22		City vs. State Balance (%)*
		City (%)	State Balance (%)	
Information	126.9	+14.2	+26.2	-49.7
Prof, Sci, Tech, and Mgmt	100.3	+2.6	+3.6	-34.9
Fin. Svcs. and Real Estate	95.3	+5.0	+6.5	-30.6
NR/Construction	81.0	+12.4	+3.9	10.2
Wholesale Trade	76.7	+16.7	+5.4	-23.7
Education/Health	65.9	+0.1	+2.9	-3.7
Admin Support	64.1	+13.2	+4.8	1.6
Transport/Warehouse/Util	64.0	+3.4	+10.2	-24.0
Manufacturing	64.0	+0.1	+7.9	-49.0
Retail Trade	47.0	+8.1	+1.3	-0.2
Other Svcs.	37.6	-1.7	+4.5	-30.0
Leisure and Hospitality	29.3	+2.9	-1.5	-24.4
<b>Total Private</b>	<b>62.1</b>	<b>+3.7</b>	<b>+4.7</b>	<b>-28.0</b>
<b>Government</b>	<b>81.1</b>	<b>+2.7</b>	<b>+4.4</b>	<b>-6.7</b>
<b>Total</b>	<b>66.8</b>	<b>+3.3</b>	<b>+4.7</b>	<b>-22.7</b>

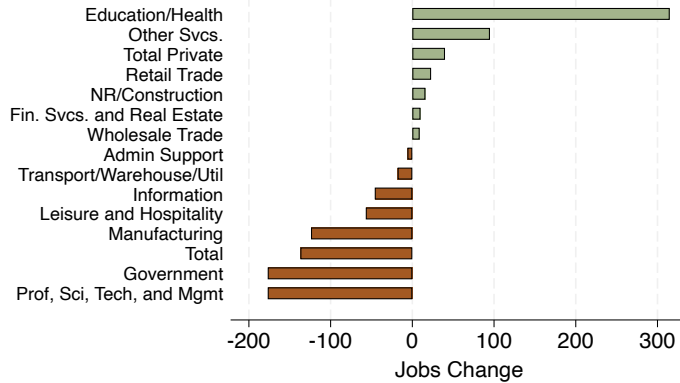
\*Industry wage relative to the average annual wage for the industry in the County Balance

# City of San Luis Obispo Employment Report Card



## Jobs Added/Lost by Industry

City of San Luis Obispo, Q4-22 to Q4-23



Source: California Employment Development Department

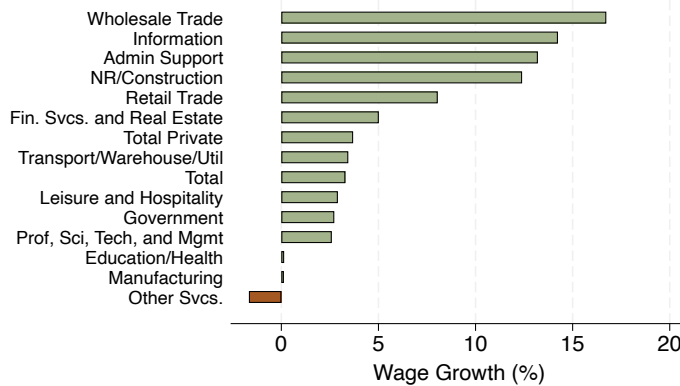
## One-Year Employment Growth

Fastest Growing Subsectors with 250+ employees: Q4-23

Region	Total Emp.	Growth (%)	Wage (\$000s)
Nursing and Residential Care	778	+29.5	51.1
Religious, Grantmaking, Civic, Prof, And	899	+16.4	31.8
General Merchandise Retailers	699	+12.8	47.6
Justice, Public Order, and Safety Activities	408	+12.7	105.0
Personal and Laundry Svcs.	265	+10.1	29.2
Real Estate	562	+9.6	72.9

## Wage Growth by Industry

City of San Luis Obispo, Q4-22 to Q4-23



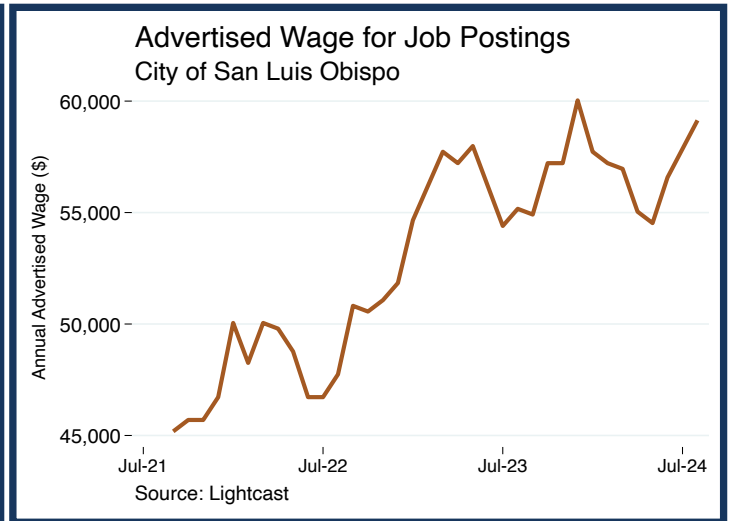
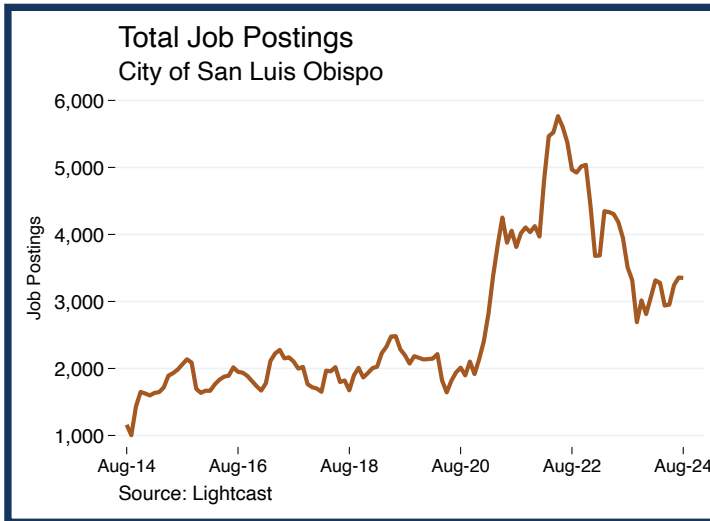
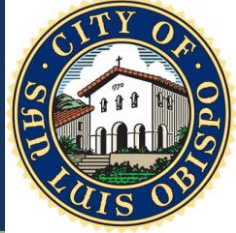
Source: California Employment Development Department

## One-Year Wage Growth

Fastest Growing Subsectors with 250+ employees: Q4-23

Region	Wage (\$000s)	Growth (%)	Total Emp.
Sporting Goods, Hobby, Music, Book,	48.5	+26.1	1,088
Insurance Carriers	114.1	+20.2	299
Construction of Buildings	91.7	+19.1	504
Nondurable Goods Wholesalers	95.6	+15.4	424
General Merchandise Retailers	47.6	+13.3	699
Admin and Support Svcs.	64.0	+13.1	1,024

# City of San Luis Obispo Employment Report Card



**City of San Luis Obispo Job Postings**

Industry	Job Postings Aug-23	Job Postings Aug-24	1-Year (Change)
Total	3509	3351	-158
Education/Health	956	1131	175
Admin Support	398	359	-39
Retail Trade	300	284	-16
Manufacturing	220	206	-14
Prof, Sci, Tech, and Mgmt	177	153	-24
Leisure and Hospitality	164	99	-65
Wholesale Trade	101	93	-8
Public Administration	180	81	-99
NR/Construction	71	76	5
Fin. Svcs. and Real Estate	90	61	-29
Information	36	48	12
Transport/Warehouse/Util	65	47	-18
Other Services	65	37	-28

## Contacts

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