



BEACON
ECONOMICS

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY OVERVIEW

Economic Insights | Business Expertise | Public Policy
Experience

PREPARED FOR:
THE COUNTY OF MONTEREY

May 4, 2021

OUR APPROACH

Economic Development Planning

Assess the Landscape

- Industry Analysis
- Employment
- Regional Context
- Housing & Land Use
- Demographics

Develop Framework

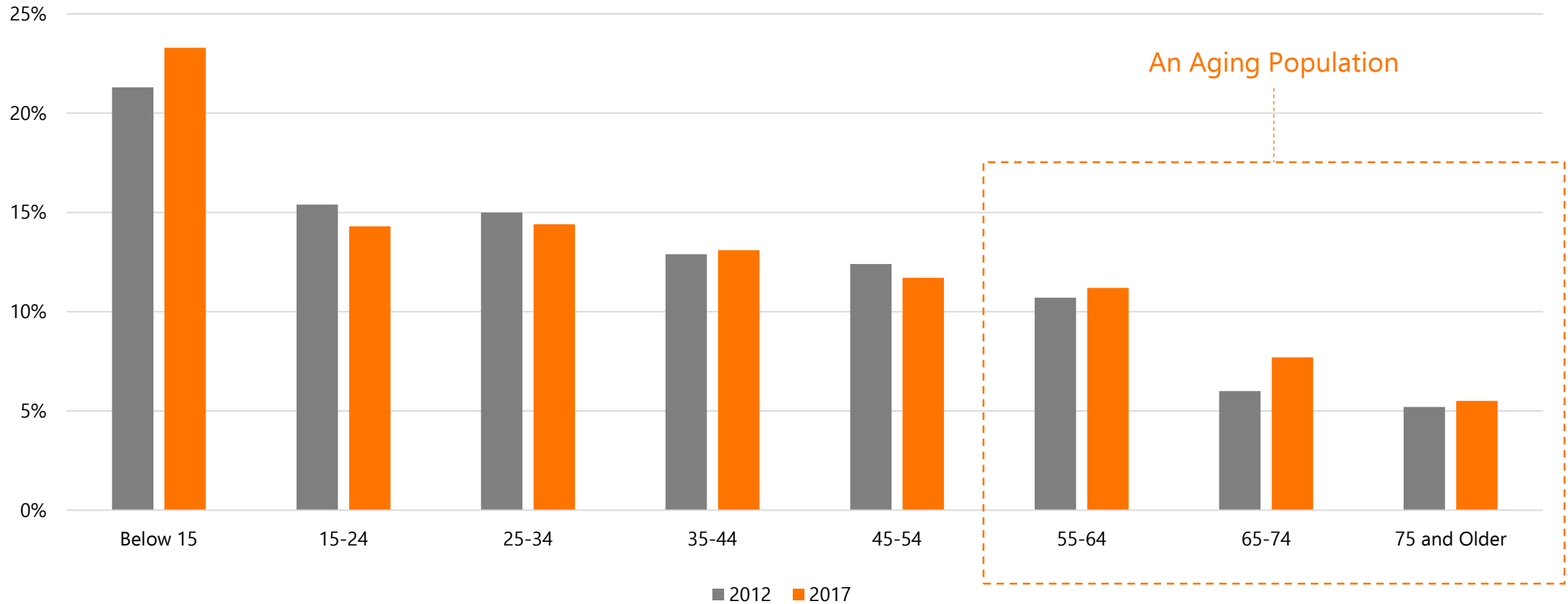
- Guiding Principles
- Opportunities/Challenges
- Goals & Objectives
- Cases & Benchmarks
- Targets & Metrics

Advise on Solutions

- Action Items
- Implementation
- Stakeholder Roles
- Community Outreach
- Media Outreach

DEMOGRAPHICS

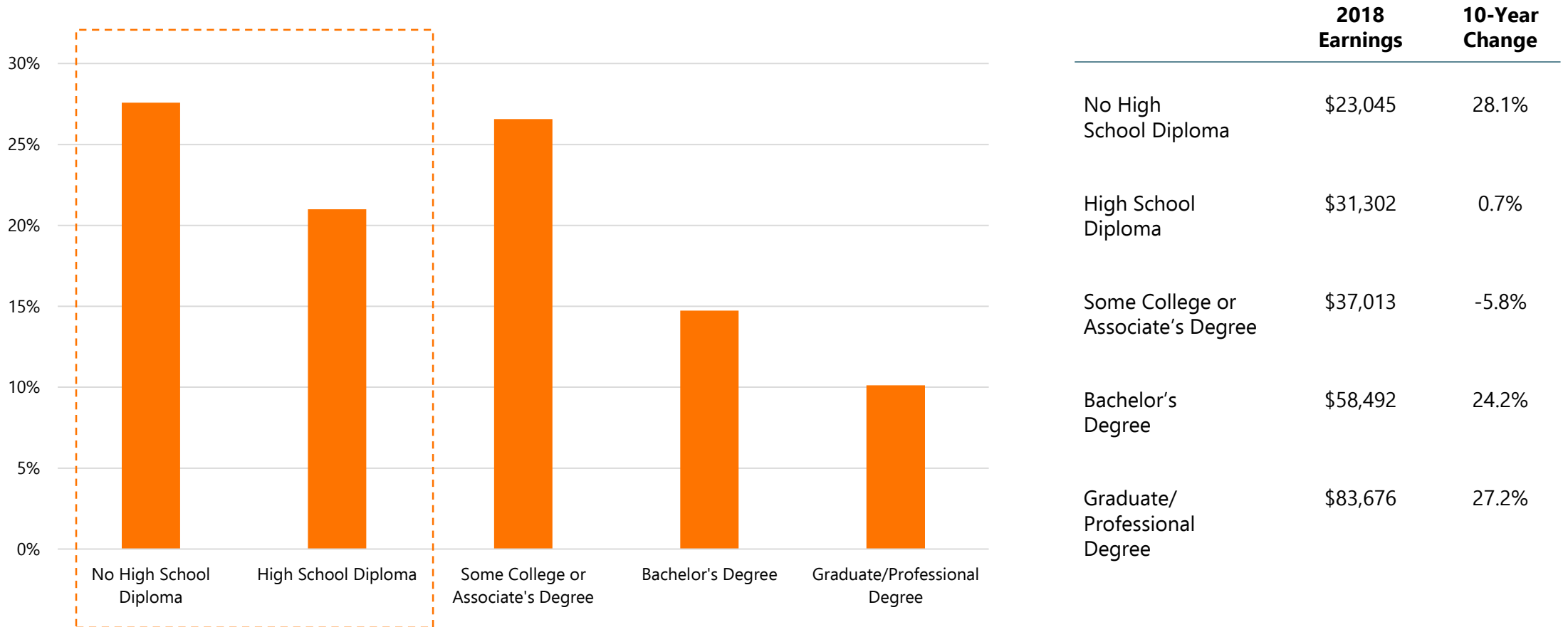
Population Age Distribution



Source: American Community Survey

DEMOGRAPHICS

Population by Educational Attainment



Source: American Community Survey

INDUSTRY ANALYSIS

Sector Size by Employment

Industry	2010	2020	Growth
Total Farm	41,737	56,035	22.5%
Total Nonfarm	123,800	146,800	18.6%
Government	32,457	33,902	4.5%
Accommodation and Food	17,922	24,103	34.5%
Health Care	14,292	18,288	28.0%
Retail Trade	14,854	16,787	13.0%
Professional/Business	11,065	14,971	35.3%
Construction	4,332	6,635	53.2%
Wholesale Trade	4,968	6,051	21.8%
Other Services	4,672	5,089	8.9%
Manufacturing	5,316	5,061	-4.8%
Transport, Warehouse, Utilities	3,385	4,865	43.7%
Financial Activities	4,415	4,474	1.3%
Arts and Entertainment	2,116	2,851	34.8%
Educational Services	2,091	2,426	16.1%
Information	1,718	994	-42.2%
Natural Resources and Mining	200	301	50.9%

Largest

1. Agriculture (Farm)
2. Government
3. Accommodation and Food
4. Health Care
5. Retail Trade

Fastest Growing

1. Construction
2. Natural Resources and Mining
3. Transport and Warehousing
4. Professional/Business
5. Arts and Entertainment

Declining

1. Information
2. Manufacturing

Source: California EDD

INDUSTRY ANALYSIS

Sector Size by Output

Industry	2018	10-Year Growth
Total All Industries	\$25,834,713	21.6%
Agriculture, Forestry, Fishing & Hunting	\$6,009,076	77.2%
Government	\$4,364,008	5.5%
Real Estate	\$4,183,628	27.2%
Retail Trade	\$1,337,603	9.9%
Health Care & Social Assistance	\$1,323,046	28.0%
Wholesale Trade	\$1,308,726	34.5%
Accommodation & Food Services	\$1,248,554	20.8%
Professional, Scientific, & Technical Services	\$736,692	-11.0%
Manufacturing	\$689,849	-1.5%
Construction	\$648,256	-0.4%
Mining, Quarrying, & Extraction	\$620,807	123.7%
Utilities	\$584,152	-28.4%
Administrative Support Services	\$539,372	51.8%
Information	\$514,250	2.3%
Other Services	\$441,262	-5.0%
Arts & Entertainment	\$415,309	34.6%
Finance & Insurance	\$360,772	5.4%

Largest

1. Agriculture
2. Government
3. Real Estate
4. Retail Trade
5. Health Care & Social Assistance

Fastest Growing

1. Mining, Quarrying, & Extraction
2. Agriculture
3. Administrative Services
4. Arts and Entertainment
5. Wholesale Trade

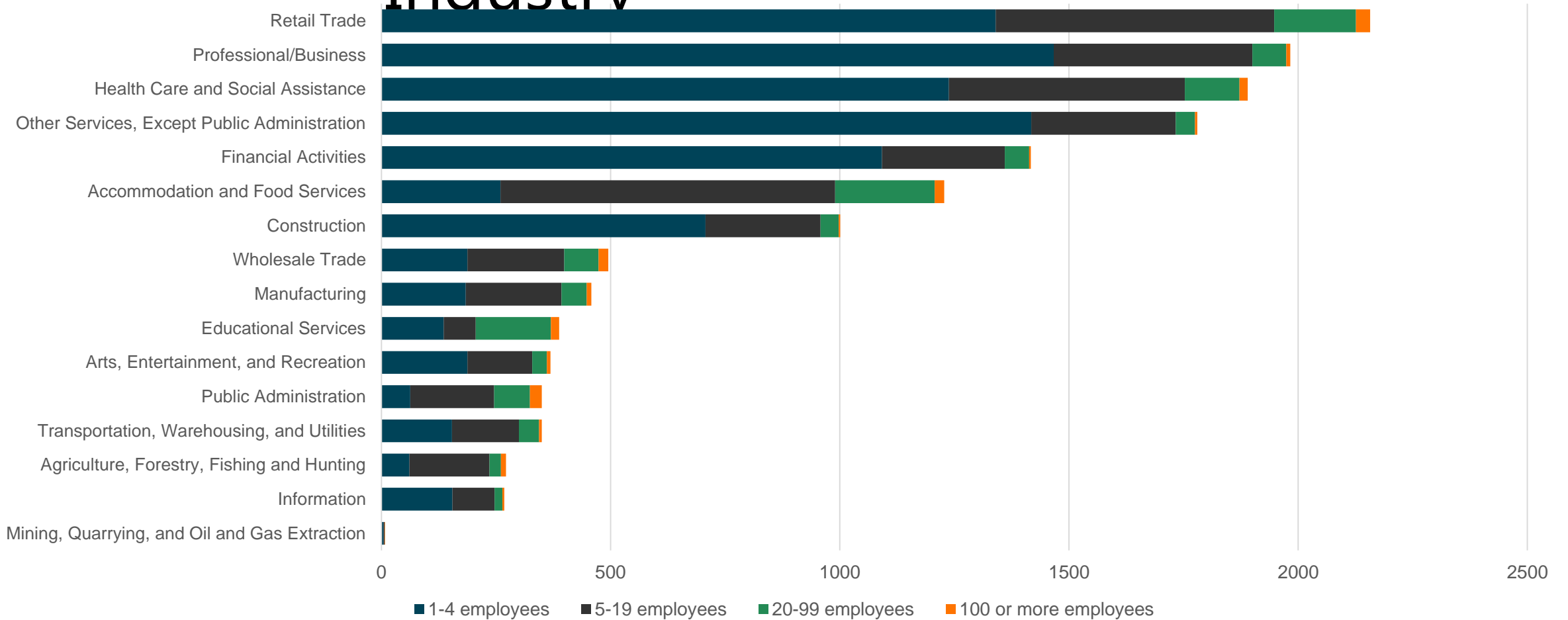
Declining

1. Utilities
2. Professional Services
3. Manufacturing

Source: U.S. Bureau of Economic Analysis

INDUSTRY ANALYSIS

Number of Establishments by Industry



SWOT

Strengths

Industry	Workforce	Amenities
<p>Agriculture sector</p> <p>Tourism (coastal, agriculture, recreational)</p> <p>Higher education and research</p> <p>Defense and cyberpresence</p> <p>Vibrant nonprofit sector</p>	<p>Proximity to regional employment centers</p> <p>Cultural and professional networks</p>	<p>Natural landscape</p> <p>World-class attractions</p>

SWOT

Weaknesses

Industry	Workforce	Housing	Education	Equity & Inclusion	Infrastructure
Tourism sector vulnerability	Labor shortage	Housing costs	Access to good-quality K-12 education	Socioeconomic and racial inequality	Limited transportation infrastructure
High regulatory burdens	Workforce decline/exodus	Pro-growth vs. anti-growth sentiments	Low educational attainment	Uneven access to health care	Limited water supply
	Lack of high-wage jobs in nonfarm industries	Permitting and red tape			

SWOT

Opportunities

Industry	Workforce	Housing	Planning	Equity & Inclusion
<p>Growing innovation economy</p> <p>Sustainable recreation and wellness</p> <p>Ag-tech</p> <p>Aerospace, robotics, and advanced technologies</p> <p>Small-business development and support</p>	<p>Entrepreneurship development</p> <p>Workforce retention and expansion</p> <p>Remote worker attraction</p>	<p>Housing expansion</p> <p>Workforce housing</p>	<p>Land use conversion</p> <p>Infill development</p> <p>Water supply reliability</p>	<p>Expanded access to public services</p> <p>Nonprofits that foster social cohesion</p>

SWOT

Threats

Industry	Workforce	Housing	Environment
Regional competition	Low workforce retention	Low housing supply	Climate change
Consolidation among firms and primacy of national brands in agriculture and hospitality sectors	Decline in working age population	Rising housing costs	Environmental hazards
National economic shocks	Declining school enrollment	Increasing homelessness	

Guiding Principles and Six Goals

Principles:

- Shared Responsibility
- Collaboration
- Inclusion
- Equity
- Communication
- Transparency
- Responsiveness

Goals:

- Economic Development Capacity
- Workforce
- Housing
- Cluster Development
- Small Business and Entrepreneurship
- Infrastructure

Goal #1: Build a Countywide Economic Development Capacity

- Although there are many ongoing economic development projects and programs underway – whether through city governments or led by local and regional organizations – Monterey County needs a formal mechanism that can guide, coordinate, and support countywide economic development activity.

Goal #2: Build, Support, and Retain a Robust and Adaptable Monterey County Workforce

- Educational attainment in Monterey County currently lags behind that of California. Many also lack the essential skills considered to be successful in the workforce.

Goal #3: Address Housing Shortage, Affordability, and Barriers to New Development

- While there are already several county-wide efforts and plans to address housing issues, currently, there is simply not enough housing to accommodate especially low-income households and housing costs are simply too high for many households.

Goal #4: Foster Development of Growing Established and Emerging Clusters

- Regions must be vigilant to brain drain, industry transformation, and stagnation. Targeting growth toward industry clusters can facilitate regional resilience by diversification of the local economy.

Goal #5: Strengthen Small Business and Entrepreneurship Environment

- Local developers should ensure that there is a healthy ecosystem of entrepreneur development, networking, capital acquisition, local business climate and culture.

Goal #6: Expand the Regional Broadband Infrastructure

- The COVID-19 pandemic shed light on the digital divide in the region, especially in rural regions where there is less internet access, which makes accessing essential telehealth services and other services during the pandemic challenging.