

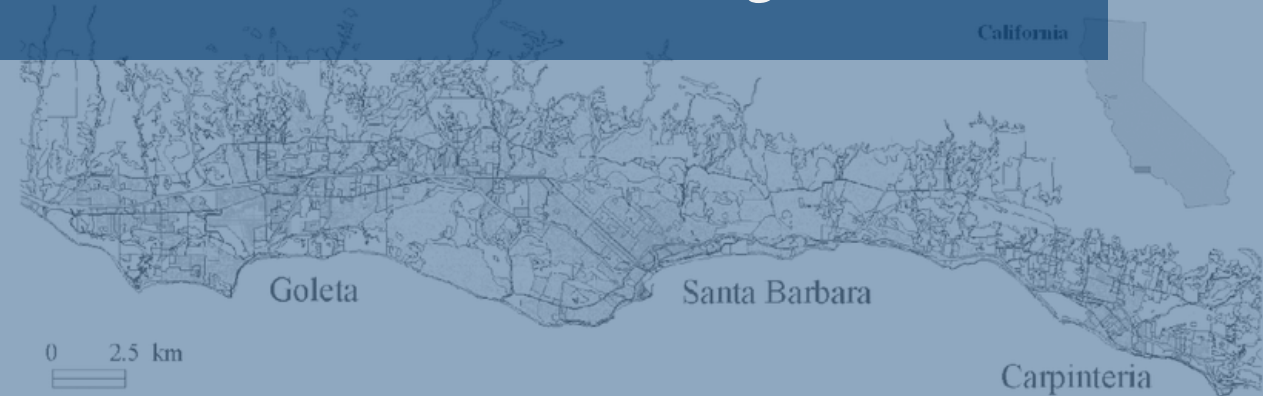


# Catalyzing Economic Growth and Opportunity in the Santa Barbara South Coast



**South Coast Chamber Leadership Forum**  
*January 27, 2026*

***Marek Gootman, Brookings Institution***









# Objectives

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- What is economic development success, and how does it differ by interest or geography?
- How is the South Coast / Santa Barbara County performing, and what are the implications?
- What are the evolving roles of economic development actors in response, especially Chambers and Business Leadership Groups?

# Tensions in defining economic development success

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**Balance between how economic outcomes support tax base or workers – cities or citizens.**

- Job Counts
- Capital Expenditures
- Tax Revenue (*car dealership or factory*)
  
- Job Quality / Financial Self-Sufficiency Gap
- Median Household Incomes / Wealth
- Economic Mobility

**Balance between Traded or Local-Serving sector focus.**

**Balance between local and regional action.**

# Redefining economic success

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## GROWTH



More jobs created and expanded output that increases labor demand and wages, plus young firms that generate greater wealth, employment, and earnings.

## PROSPERITY



More productive firms to grow the economy from within and generate higher-paying jobs, so the region competes on quality versus low wages.

## MOBILITY / INCLUSION



Access to opportunities that raise employment and income, enabling residents across all community segments to participate to the fullest of their ability.

# Themes linking economic development and local economic mobility

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**Places can have Growth without Opportunity...  
but they cannot have Opportunity without Growth.**

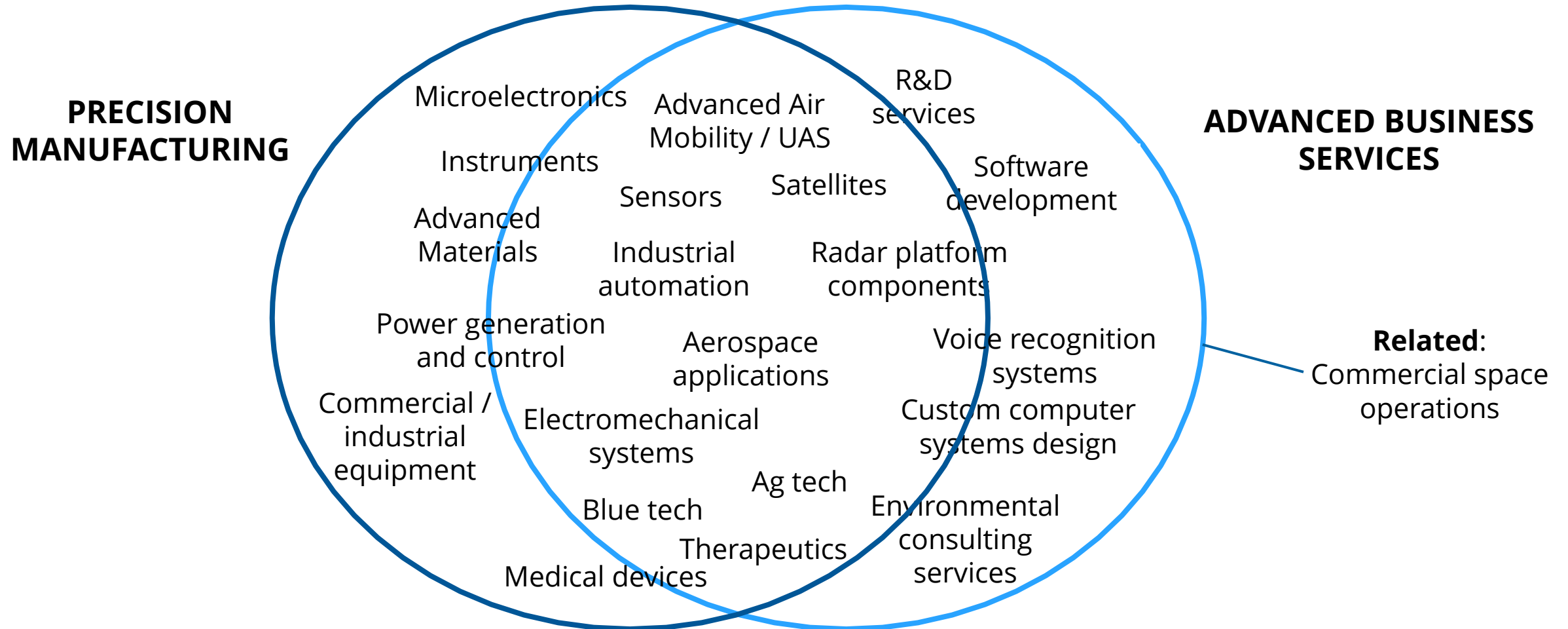
**We cannot bring enough Economy into Neighborhoods ...  
we must connect Neighborhoods to the Economy.**

**Economic (and workforce) development metrics are annual ...  
achieving economic goals takes years.**

# Santa Barbara's assets are exceptional and core to Central Coast strengths in "Autonomous Systems" Value Chain, yet underrecognized outside the region

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*"What we make is less important than how we make it."*

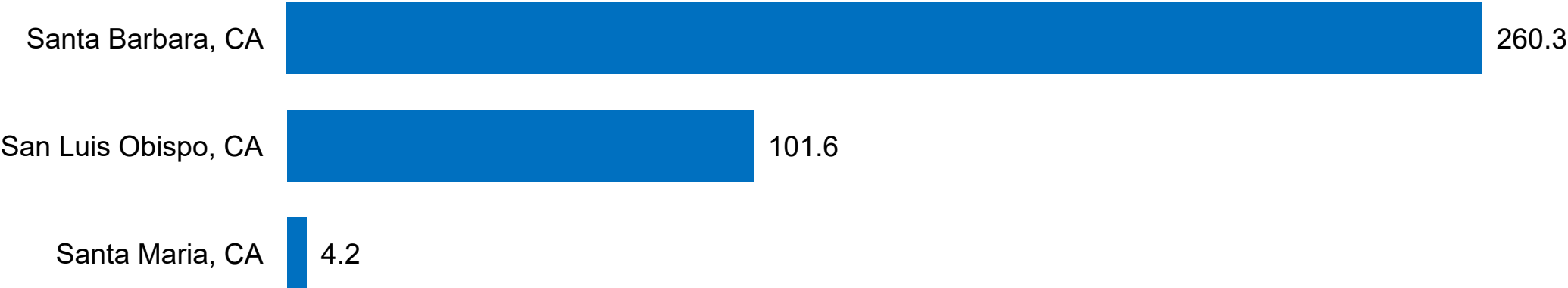


# Innovation as a driver: the South Coast dramatically exceeds the nation and state in R&D productivity against population

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**The South Coast is exceptional at converting local R&D investments and personnel into tangible, innovative outputs.**





# In priority tech sectors, the Central Coast excels in R&D activity, industry partnerships, and translational outcomes

	Activity	Concentration	Industry-Led	Industry-Sponsor
 Physics and Mech. Eng.	10,107 articles / 25.1% of total	2.80x national average	16.6% articles	13.1% articles
 Materials Sci. and Eng.	6,863 articles / 16.7% of total	1.72x national average	11.6% articles	7.3% articles
 Autonomous Syst. and Tech.	6,750 articles / 16.8% of total	1.96x national average	16.9% articles	6.1% articles
 Environmental Sci. and Tech.	5,239 articles / 13.0% of total	1.46x national average	7.2% articles	4.8% articles

# Workers need high incomes to cover basic costs, with some wealth-build

Self-sufficiency for **two** adults, two kids (one preschool and one schoolage) in Santa Barbara County

*One full-time worker*



*Two full-time workers*



Self-sufficiency for **one** adult, two kids (one preschool and one schoolage)



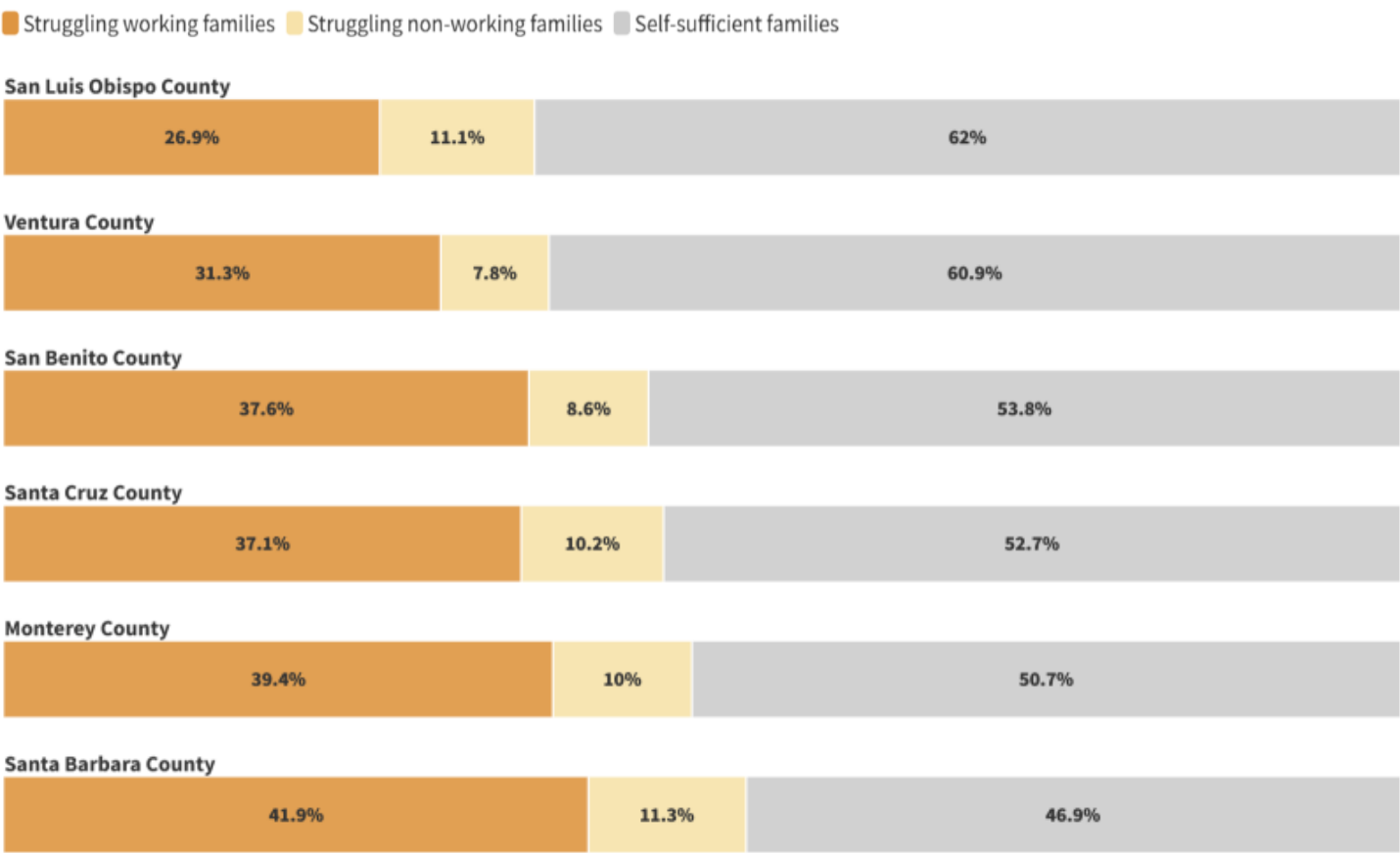
*Housing and childcare represent 46% of total budgets, split evenly.*

■ Housing ■ Child Care ■ Food ■ Transportation ■ Health Care ■ Miscellaneous ■ Emergency Savings ■ Retirement Savings ■ Taxes

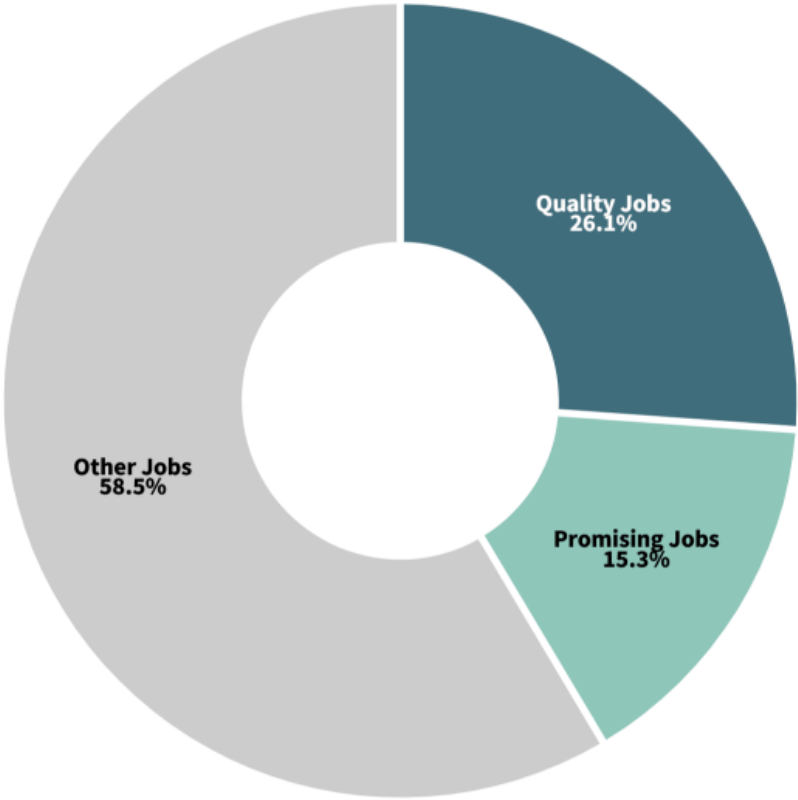
Total self-sufficiency budget for a single adult is \$51,970

# Santa Barbara County's economy does not offer enough opportunity

Share of Central Coast counties' population in families whose income does not cover basic costs

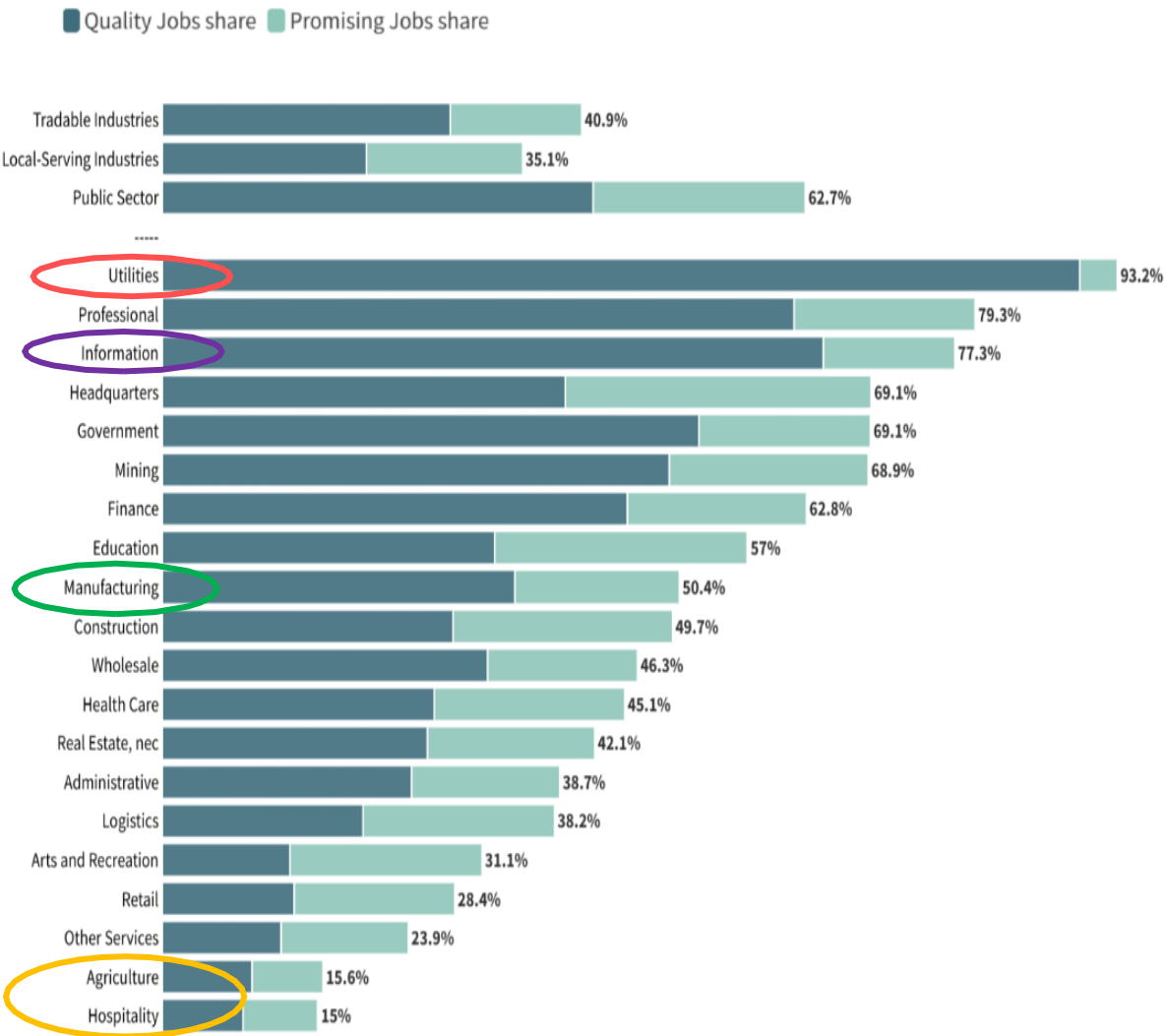


Share of “Opportunity Jobs” in Santa Barbara County

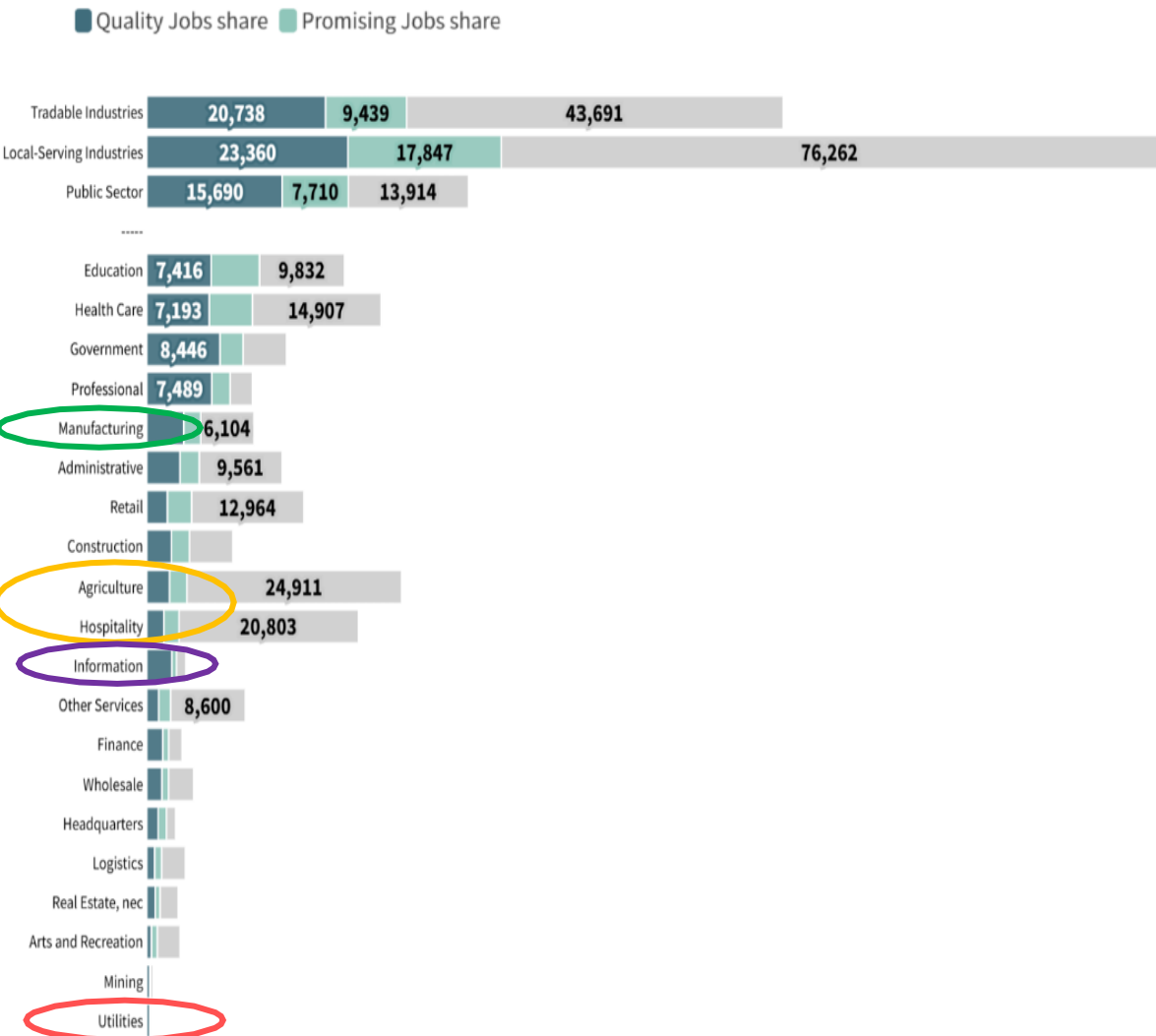


# Opportunity blends job quality and job growth

Share of opportunity jobs by major industry sector

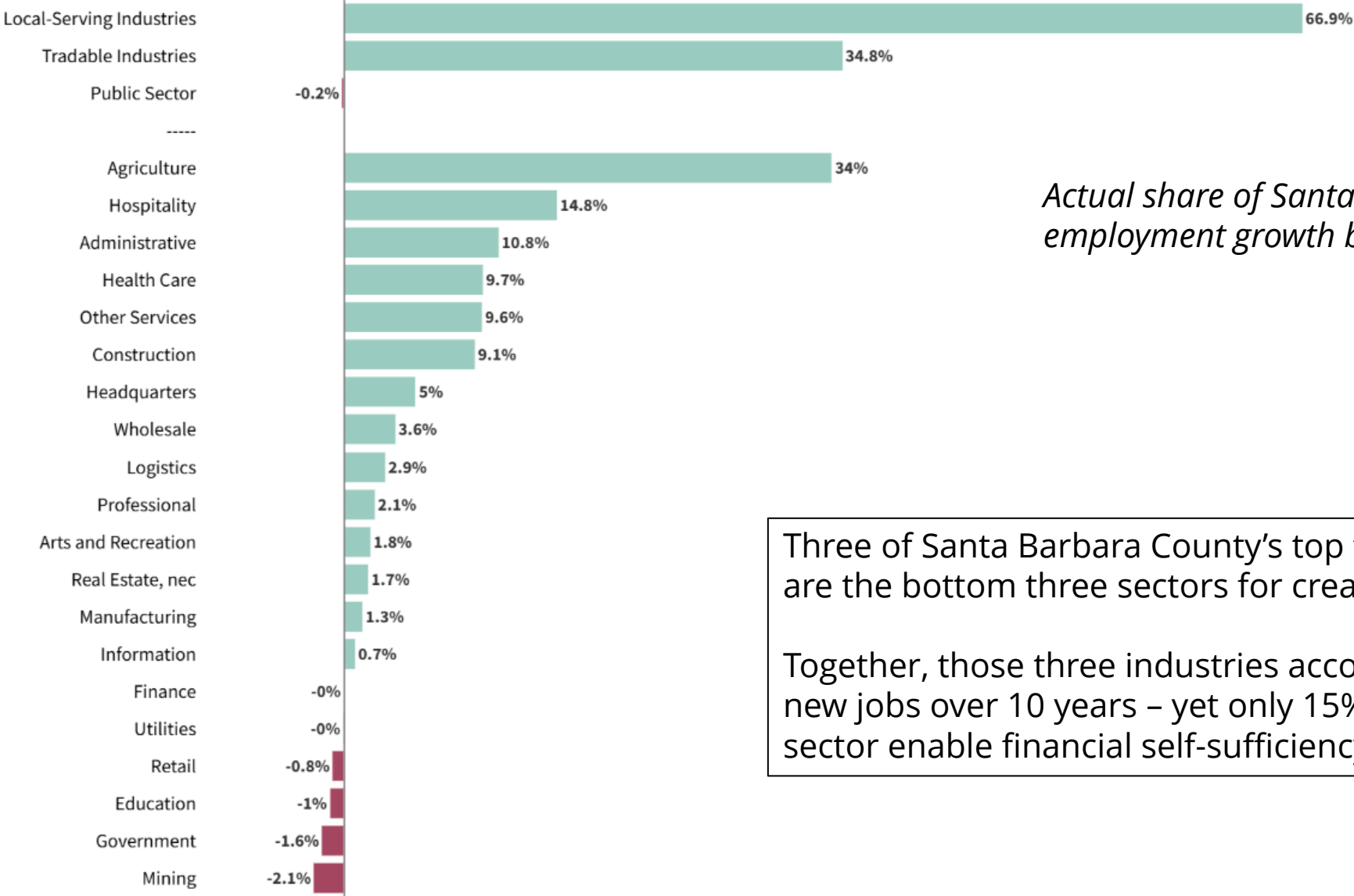


Number of opportunity jobs by major industry sector





# Job growth has not centered in opportunity industries



*Actual share of Santa Barbara County employment growth by industry over 10 years*

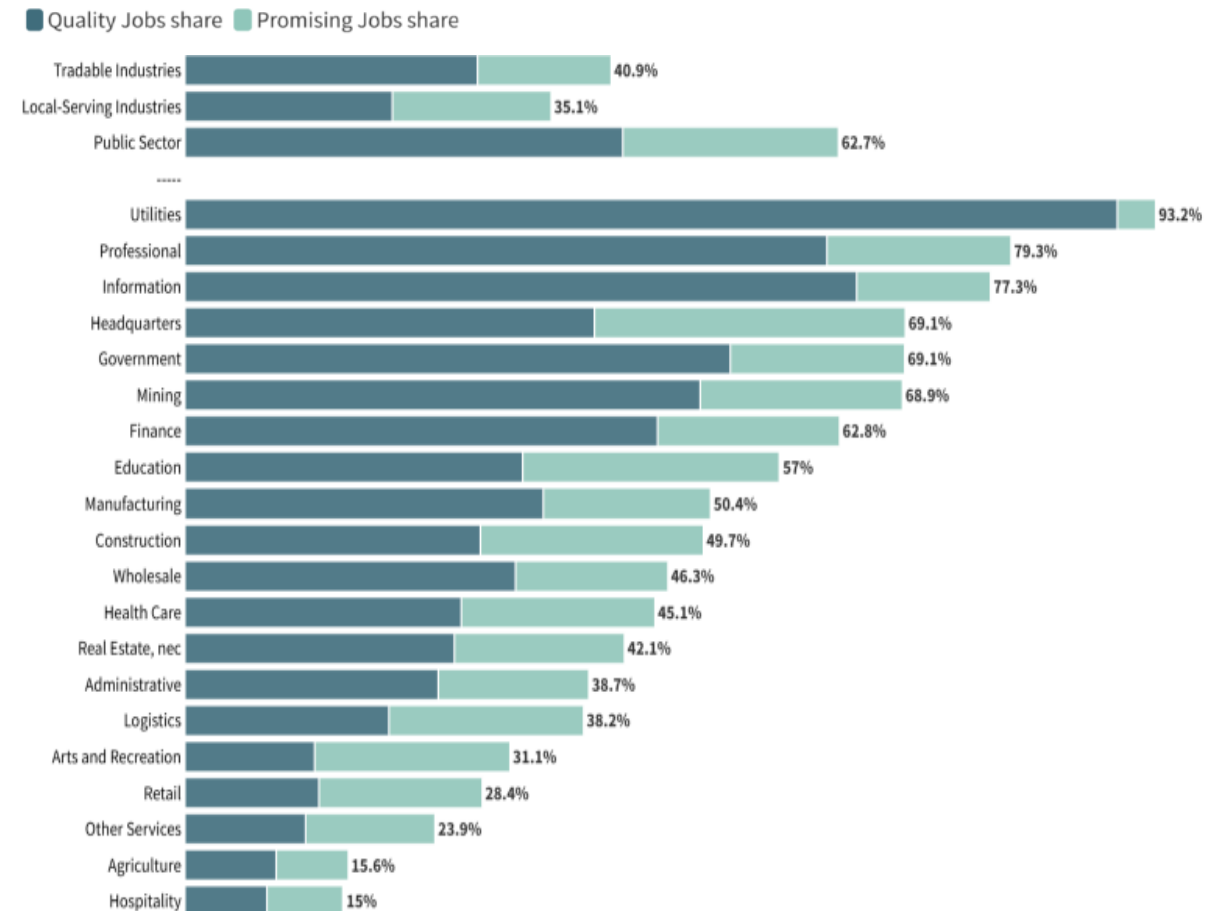
Three of Santa Barbara County’s top five industries for job growth are the bottom three sectors for creating opportunity jobs.

Together, those three industries account for nearly 60% of all net new jobs over 10 years – yet only 15% to 24% of the jobs in each sector enable financial self-sufficiency.

# Economic and workforce development alignment is central

**Economic and workforce development must jointly act on subsectors to bolster opportunity job creation and access. This requires redefining focus and measures of success in both systems, which have different metrics and constraints via funding.**

- Prioritize workforce needs in the Traded Sectors that complement and amplify economic development actions.
- Target job quality as an outcome, balanced against training and placement counts.
- Solve market information failures in accurate demand signals by aggregating and sharing business inputs.
- Increase efforts required to reach smaller employers over easy placements.
- Support smaller employer capacity in workforce planning and hiring.
- Emphasize incumbent worker advancement, not just new entrant needs.



# Implications for economic development strategies and organizations

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Industry emphasis toward diversified Traded Sector growth remains critical, given concentration of job creation in sectors that do not enable self-sufficiency or economic mobility.

As a smaller, low-density metro market, big economic outcomes require local links to multi-county regional partnerships -- collaborating to compete.

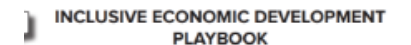
Compared to many other places, the South Coast / Santa Barbara County challenge to economic success is significantly driven by local policy factors impacting on job quality, beyond economic development, talent pipeline, or innovation:

- Land Use
- Childcare
- Housing
- *Energy*

Economic development and workforce development alignment is essential, requiring business leadership input and shared policy choices.

Business needs to invest and sustain a long-term agenda.

# Business-led economic collaboratives are driving action in diverse places





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