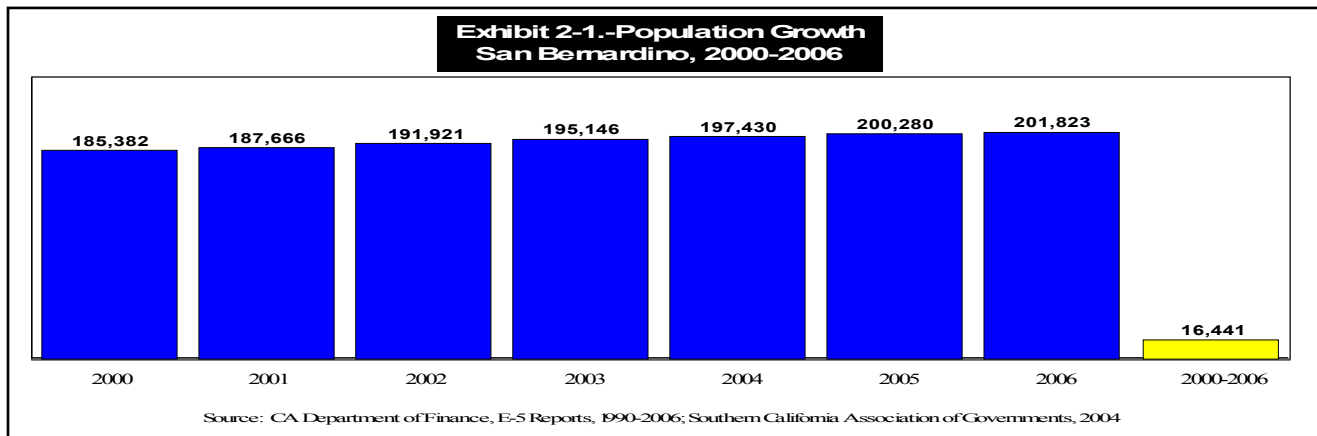




## SECTION II

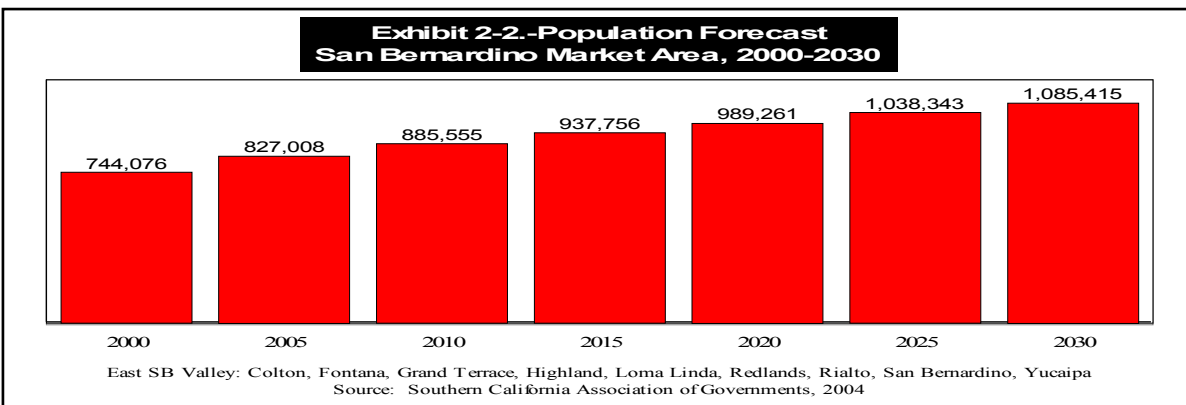
### Demographics

A look at the demographic information available on San Bernardino reveals a city that is a county seat, the second largest community in the Inland Empire, ethnically diverse, and one that is expanding at a modest rate by inland standards. The community is the central city of an East San Bernardino Valley area that is growing in population and economic power, a fact that explains why its Hospitality Lane, Inland Center and the East Highland Avenue retail areas have done very well. San Bernardino's households have modest incomes, a fact that reflects the City's lower housing costs, and the young age of its population.



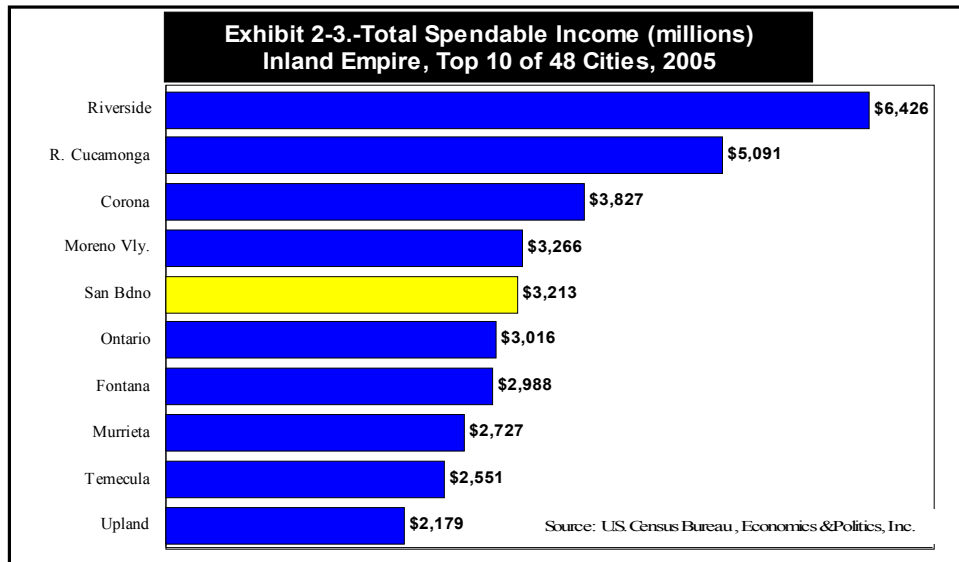
**Population.** From 2000-2006, San Bernardino grew from 185,382 people to 201,823, a gain of 16,441 people or 8.9% in six years (*Exhibit 2-1*). In this same period, San Bernardino County added 107,416 people, a gain of 14.4%. From 2000-2006, the 16,441 people added in the City was the eleventh largest increase among the 48 Inland Empire cities. In 2006, San Bernardino ranked second in size among the inland region's communities, behind Riverside (287,820). Also in 2006, San Bernardino was California's 18<sup>th</sup> largest City behind Glendale (206,308) and above Huntington Beach (201,100).

San Bernardino's market area, which is composed of San Bernardino, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Redlands, Rialto and Yucaipa, had 851,492 people in 2006. It is forecasted to reach 885,555 people by 2010 and move on to 989,261 in 2020 and 1,085,415 in 2030 (*Exhibit 2-2*).

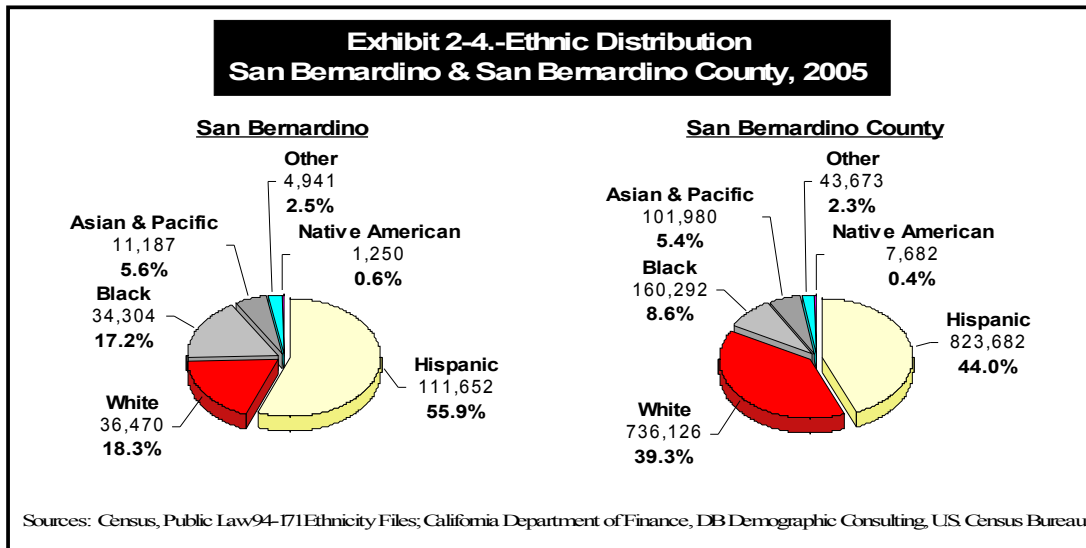


**Income.** In 2005, the City's total personal income was estimated at \$3.21 billion, fifth highest among the 48 Inland Empire cities, behind Moreno Valley (\$3.26 billion) (Exhibit 2-3). Ontario was the next highest (\$3.02 billion). At the per capita income level applicable to the East San Bernardino Valley area in 2005 (\$20,526), the City's merchants are competing in a market place with 851,492 people and \$17.5 billion in total income. That regional market was the reason for San Bernardino's relatively strong retail sales performance in 2005 (see section V). In 2005, the City's median income was \$38,470.

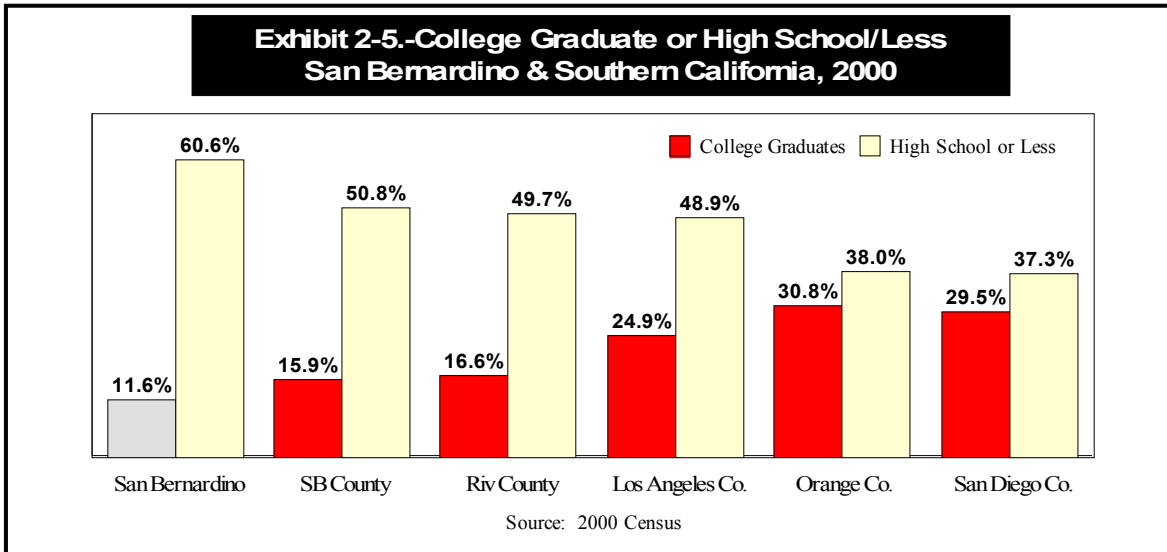
**Ethnicity.** Ethnically, San Bernardino's largest group was the 55.9% of residents who classify themselves as Hispanic (Exhibit 2-4). This was up from 47.5% in 1990 and above the 44.0% in San Bernardino County. The next largest group were the 18.3% who were White in 2005. This was down from 28.9% in 1990 and about half the share in San Bernardino County (39.3%). African-American residents made up 17.2% of the City in 2005, up from 16.0% in 1990. That was double the 8.6% share in the county. Some 5.6% of San Bernardino's residents were estimated to be Asian or Pacific Islanders in 2005. This was up from 4.4% in 1990. The rate was 5.4% for San Bernardino County. In 2005, San Bernardino was home to 1,250 Native Americans (0.6%). They represented 16.3% of San Bernardino County's 7,682 Native Americans.



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**Education.** San Bernardino education levels largely reflect those of the Inland Empire. In 2000, 11.6% of the City's adults had either a bachelor's or advanced degree. That level was somewhat below the share of the adult population in either San Bernardino (15.9%) or Riverside (16.6%) counties. The rates were higher in the coastal counties: Los Angeles (24.9%), San Diego (29.6%) or Orange (30.8%) counties (*Exhibit 2-5*). Some 60.6% of the City's adults stopped their educations at high school or less schooling. That was above San Bernardino (50.8%) or Riverside (49.7%) counties. Employers thus find a large workforce seeking blue-collar jobs.



**Age.** San Bernardino is a very young city with an estimated 60.2% of its residents under 35 in 2005. This composition likely reflects the City's status in having the most affordable housing in urbanized Southern California. In 2005, its largest population group was made up of older children and young adults aged 10-19 (18.6%). This group was followed by their younger siblings 0-9 (17.3%). The third largest group were their parents aged 24-34 (15.4%). In 2005, only 15.3% of San Bernardino's population was over 55 versus 18.5% for the Inland Empire (*Exhibit 2-6*).

