

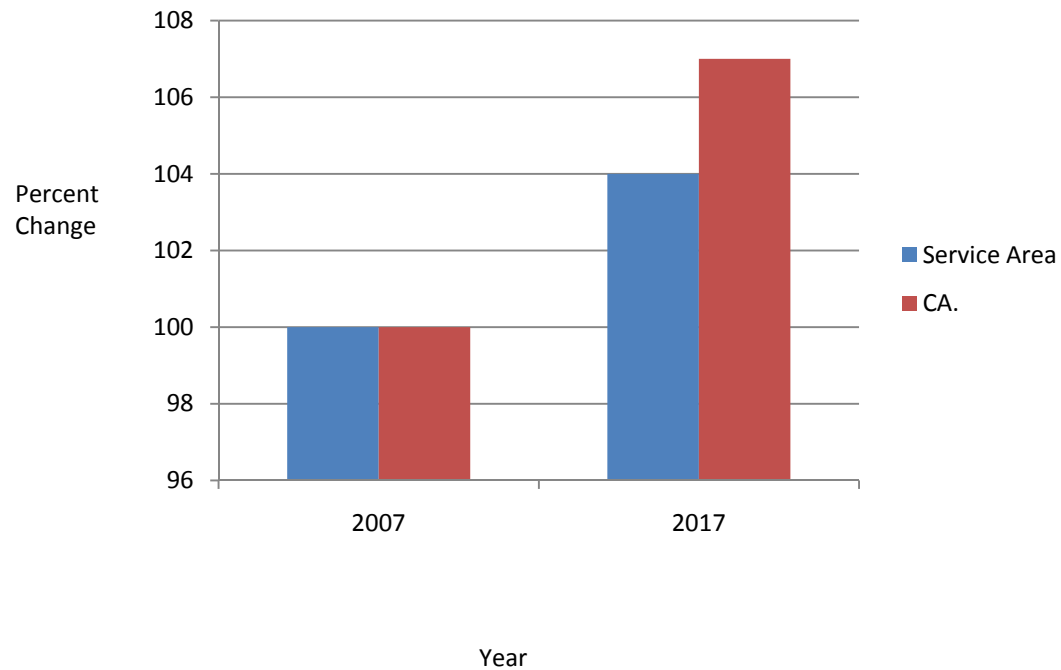
DEMOGRAPHY

Barriers to Service Area Growth
Access to Affordable Housing

2007-2017 DEMOGRAPHIC TRENDS--Numbers

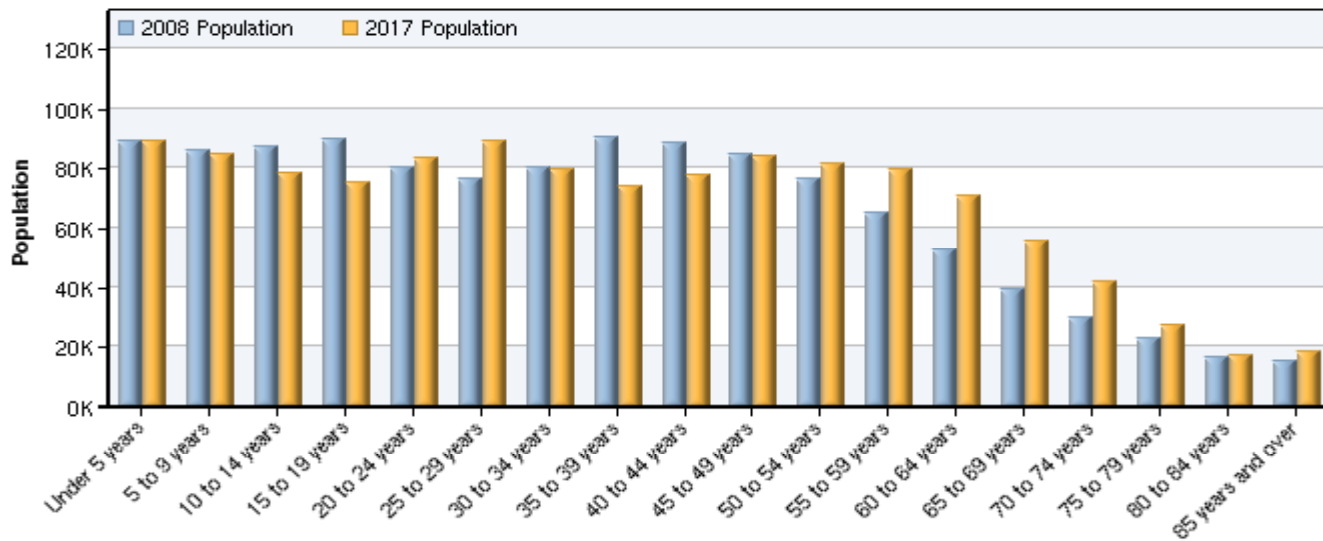
Our Service Area is projected to grow by 4%, the State is projected to grow by 7%

Source: EMSI Complete Employment - Fall 2008



2007-2017 DEMOGRAPHIC TRENDS—Age Distribution-Part 2

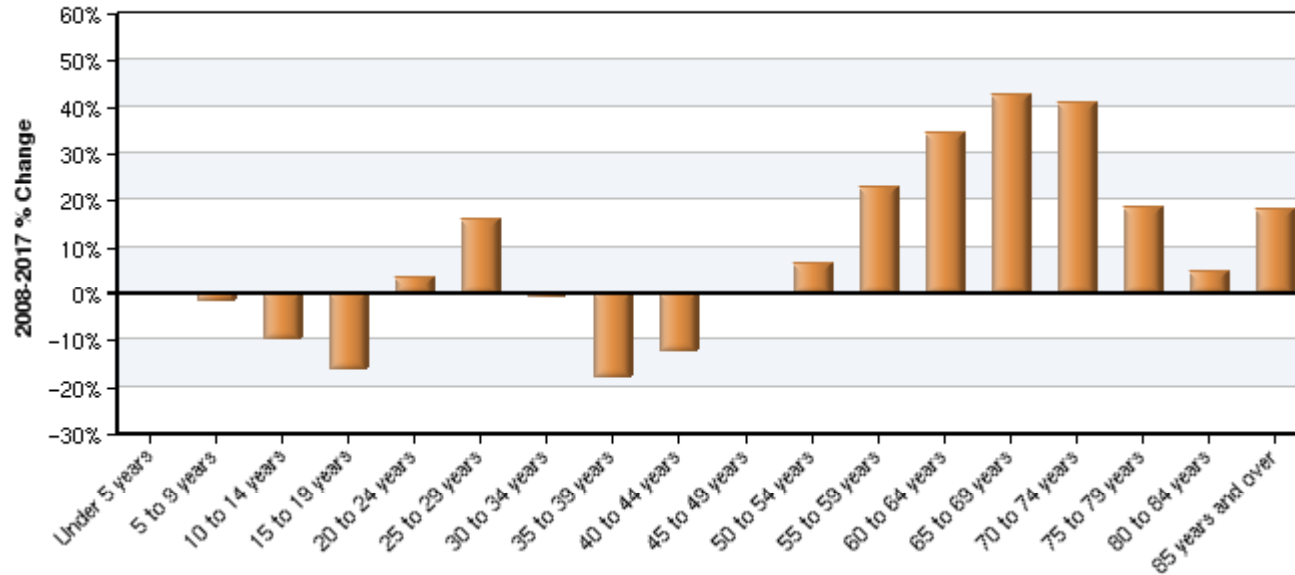
Our Service Area population is aging



Source: EMSI Complete Employment - Fall 2008

2007-2017 DEMOGRAPHIC TRENDS—Age Distribution-Part 2 Alternate View

Our Service Area population is aging



Source: EMSI Complete Employment - Fall 2008

2007-2017 DEMOGRAPHIC TRENDS

Access to Affordable Housing

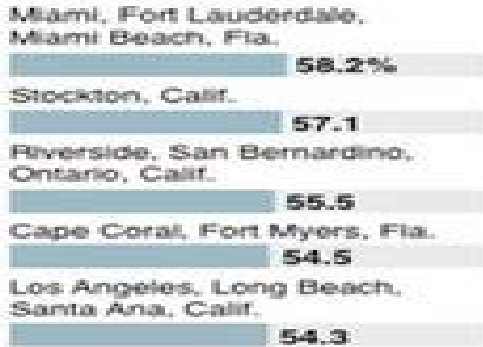
According to the latest survey by the U.S. Census Bureau, 54.3% of homeowners in Los Angeles, Long Beach, and Santa Ana are spending 30% of their income on housing cost. Of that group, 24.6% are spending 50% of their income on housing. These figures are based on 2007 data.

Owners spend half of income on costs

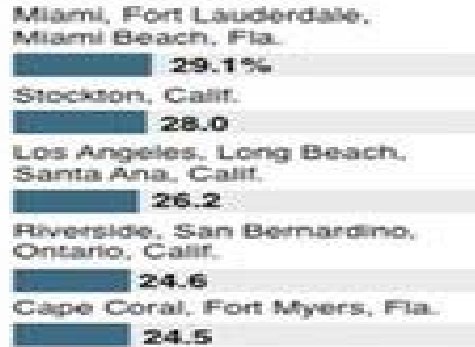
The Miami-Fort Lauderdale-Miami Beach metro area leads the nation with 58 percent of homeowners spending 30 percent of their income on housing costs, and 29 percent spending half of their income.

Metro areas with the highest percentage of homeowners paying 30 or 50 percent of their income on monthly owner costs

PAYING 30 PERCENT



PAYING 50 PERCENT



National owner costs as a percentage of household income

PAYING 30 PERCENT
PAYING 50 PERCENT



2007-2017 DEMOGRAPHIC TRENDS Access to Affordable Housing

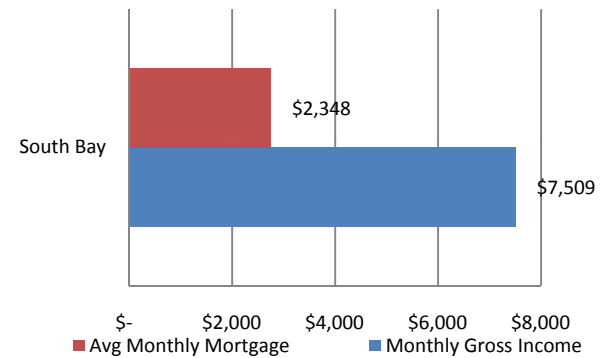
The table below shows that homeowners in Harbor's surrounding areas spend more than 31% of their monthly gross income on house payments.

With taxes and other deductions taken into account, an average household spends 48% of its income on housing.

Average Annual Household Income and Mortgage Payments, 2008			
Region	Average Household Income	Gross Monthly Income	% of GROSS Income Designated for Mortgage
South Bay	\$ 90,111	\$ 7,509	31.27%

Average Annual Household Income and Mortgage Payments, 2008			
Region	Average Household Income	Net Monthly Income	% of NET Income Designated for Mortgage
South Bay	\$ 90,111	\$ 4,845	48.47%

Average Monthly GROSS Income Compared to Monthly Mortgage Payment, 2008



Average Monthly NET Income Compared to Monthly Mortgage Payment, 2008

