

LOCAL METRICS PULSE™

Morgan Hill Economic Signal – Wave 2

Behavioral, Digital & Infrastructure Snapshot

Where Morgan Hill Stands Right Now

Wave 2 integrates resident feedback, small business sentiment, and public infrastructure data to understand how the local economy is actually functioning — not just how it looks on paper.

The headline:

Morgan Hill is stable — but structurally shifting.

Resident Responses (Total Behavioral Sample)

- 185 Dining & Downtown responses
- 117 Core Dining frequency responses
- 23 Retail-specific responses
- 22 Household stability responses

- 37 Morgan Hill SMBs surveyed.

1. Income Is Stable. Households Feel Tightening.

Official indicators show:

- Median Household Income: +2.6% YoY
- Unemployment: ~4%
- Population: Stable (~45,000)

But locally:

- **77% of residents report increased financial tightening**
- 72% expect to remain in Morgan Hill over the next 12 months

What this means:

Residents are not leaving.

They are adjusting how and where they spend.

2. Spending Is Reallocating — Not Disappearing

From Wave 2 resident responses:

- 75% dine locally weekly
- 60% dine outside Morgan Hill at least 30% of the time
- 47% of discretionary spending occurs outside the city
- **63.78% report doing most household shopping online**

This is critical.

Demand still exists.

But it is increasingly:

- Digital
- Convenience-driven
- Category-driven

Morgan Hill is not experiencing demand collapse.

It is experiencing demand redistribution.

3. Downtown & Traffic Remain Strong

- 67% visited downtown Morgan Hill in the past 7 days
- ~1.7M weekly vehicle miles travel through Morgan Hill's US-101 corridor
- Major arterials (Tennant, Dunne, Cochrane) remain high-capacity

Foot traffic and commuter density remain intact.

Infrastructure is not the constraint.

Commercial alignment is the opportunity.

4. Small Businesses: Pressure + Readiness

From 37 Morgan Hill small businesses:

- 45% report slowing or pressure
- 30% are delaying hiring
- 40% cite traffic softness
- 78% want recurring local economic insights

This is important.

Local businesses are:

- Feeling inflation-driven margin compression
- Competing against digital retail
- Seeking structured visibility into local trends

This is not disengagement.

It's demand for clarity.

5. What This Means for Morgan Hill

Wave 2 suggests Morgan Hill is:

- ✓ Income-stable
- ✓ Population-stable
- ✓ Infrastructure-supported
- ✓ Digitally disrupted
- ✓ Commercially under-aligned

The city does not lack demand.

It lacks full alignment between:

- Income capacity
- Physical retail mix
- Digital enablement
- Corridor density

That gap is measurable.

And measurable gaps can be addressed.

What Residents Should Know

If you're a resident:

Your spending behavior matters.

Wave 2 shows high willingness (over 80%) to support local businesses if offerings improve.

The local economy is responsive — not fragile.

What Business Owners Should Know

If you're a business owner:

You are not alone.

Nearly half of surveyed SMBs report pressure.

Many are seeking recurring insight into local trends.

Visibility reduces uncertainty.

What Civic Leaders Should Know

Infrastructure investment is reinforcing Morgan Hill's physical competitiveness.

The next layer of economic strength will come from:

- Category diversification
- Digital integration
- Alignment between public investment and private activity

Data Integrity & Response Validation

All Wave 2 findings are derived from structured survey collection and undergo a standardized integrity review prior to aggregation and reporting.

To protect against manipulation, duplication, or non-local distortion, the following safeguards are applied:

Controlled Distribution

Survey access is distributed through geo-targeted outreach, chamber channels, and localized QR placements. Open mass distribution and raw public download access are not permitted.

Geographic Filtering

Responses require local identifiers (city/ZIP). Non-local submissions are removed prior to analysis to preserve regional accuracy.

Duplicate & Pattern Monitoring

Submissions are reviewed for timestamp clustering, repeated answer patterns, and duplicate entries. Identified duplicates are excluded before aggregation.

Behavioral Plausibility Review

Responses are screened for internal inconsistencies, incomplete submissions, and implausible answer combinations.

Aggregate-Only Reporting

All outputs are reported in aggregate form. No individual-level data is published. No personally identifiable information (PII) is collected or disclosed.

Following validation, responses are incorporated into the NextMove Metrics Behavioral Signal Framework and weighted against publicly available macroeconomic data sources where applicable.

All published insights represent aggregated, anonymized, and non-prescriptive observations of current local sentiment and conditions.