

# CALIFORNIA ECONOMIC FORECAST

In 2011, the state's official population was 37.58 million people, and total wage and salary employment stood at just over 14.4 million jobs. California accounts for 12.0 percent of the U.S. population and 10.5 percent of the nation's non-farm wage and salary employment. The per capita income in California is \$44,618, and the average salary per worker is \$65,235.

In 2011, 126,300 total wage and salary jobs were gained in California, representing an increase of 0.9 percent. This is the first annual increase since 2007. Farm employment, which accounts for less than 3 percent of total employment in the state, rose by 2,500 jobs or 0.6 percent. The unemployment rate improved moderately, falling from 12.4 percent in 2010 to 11.7 percent in 2011.

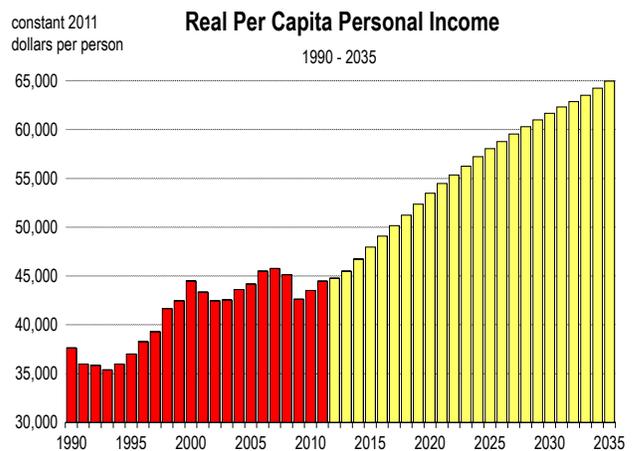
Across the economy, virtually all sectors created jobs in 2011. The largest increases occurred in professional services (+51,900 jobs), education and healthcare (+45,300 jobs), leisure and hospitality (+28,700 jobs), and retail trade (+18,700 jobs). The only sectors to decline were government (-49,700 jobs), and construction (-6,100 jobs). Particularly noteworthy is the fact that in 2011, the manufacturing industry (+4,900 jobs) created jobs for the first time since the year 2000.

Between 2006 and 2011, the California population grew at an annual average rate of 0.7 percent. Growth occurred in 47 counties, while declines were observed in 11 counties. The fastest growing county in the state was Riverside, which grew at an average rate of 2.4 percent per year. Twelve additional counties grew by more than 1.0 percent per year.

Despite overall population growth, net migration has been negative in each year since 2005. In 2011, California lost a total of 22,400 residents through this process. Over the past five years, the state has lost an average of 43,300 residents through net migration each year.

## FORECAST HIGHLIGHTS

- In 2012, total wage and salary employment will increase by 1.7 percent. Between 2012 and 2017, growth will average 1.9 percent per year. Farm employment will grow by just 0.6 percent per year during this period.
- Average salaries, adjusted for inflation, are forecast to decline by 0.5 percent in 2012. Salaries begin to grow again in 2012, and will increase at an annual average rate of 0.7 percent over the forecast period.
- Between 2012 and 2017, job creation will occur primarily in professional services, healthcare and education, leisure and hospitality, retail trade, and manufacturing. Together, these sectors will account for 71 percent of all jobs created in the state.
- The population growth rate will increase slightly over the medium term, but will not exceed one percent. Annual growth in the 2012 to 2017 period is expected to average 0.9 percent per year.

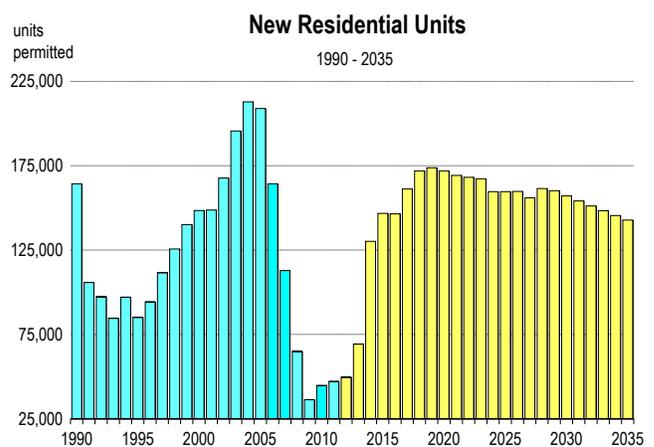
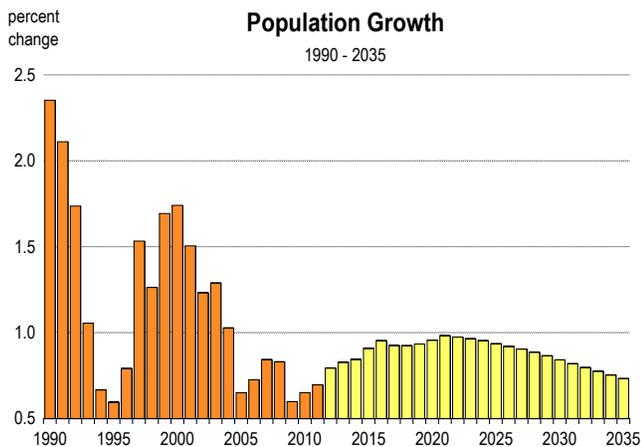


- Net migration is expected to turn positive in 2012, with 14,000 new residents entering the state. Over the next five years, net migration will average 67,700 net migrants per year.
- Real per capita income is forecast to increase by 0.5 percent in 2012. Between 2012 and 2017, real per capita incomes are expected to rise by an average of 2.0 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to grow by 4.1 percent in 2012. From 2012 to 2017, real taxable sales are forecast to increase by an average of 2.5 percent per year.
- Industrial production is forecast to increase by 2.2 percent in 2012. Between 2012 and 2017, the growth rate of industrial production will average 3.0 percent per year. Total crop production, adjusted for inflation, is expected to rise by an average of 0.5 percent per year between 2012 and 2017.

# California Economic Forecast

## 2006-2011 History, 2012-2040 Forecast

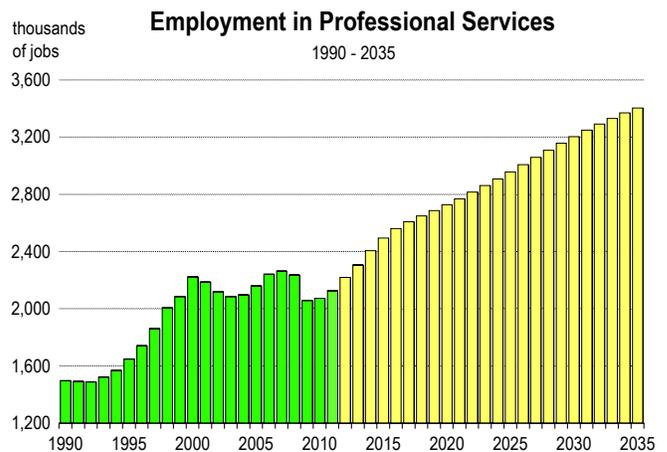
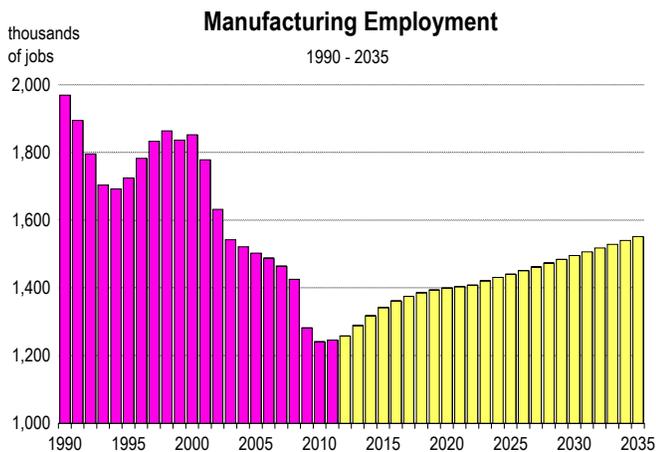
	Population (millions)	Net Migration (thousands)	Registered Vehicles (millions)	Households (millions)	New Homes Permitted (thousands)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	36.25	-52.8	31.5	12.3	164.3	\$555.4	\$1,484.4	\$45,656	3.2	35.8	311.1	4.9
2007	36.55	-24.2	31.5	12.4	113.0	\$558.0	\$1,557.1	\$45,915	3.4	40.3	314.3	5.4
2008	36.86	-25.2	31.9	12.5	65.0	\$526.2	\$1,594.3	\$45,288	3.0	39.3	328.9	7.2
2009	37.08	-89.1	31.8	12.5	36.4	\$457.0	\$1,528.3	\$42,797	0.8	36.1	306.2	11.3
2010	37.32	-46.3	31.9	12.6	44.8	\$478.2	\$1,590.3	\$43,667	1.3	38.5	321.3	12.4
2011	37.58	-22.4	31.7	12.6	47.1	\$516.0	\$1,676.7	\$44,618	2.5	38.3	327.6	11.7
2012	37.88	14.0	32.1	12.7	49.7	\$550.1	\$1,731.9	\$44,852	1.9	38.3	334.9	10.6
2013	38.19	31.7	32.3	12.7	69.4	\$573.1	\$1,809.6	\$45,545	2.1	38.6	343.2	9.7
2014	38.51	48.7	32.6	12.8	130.2	\$600.8	\$1,913.9	\$46,761	2.1	38.8	354.5	8.3
2015	38.86	84.4	32.9	12.9	146.8	\$625.9	\$2,017.5	\$47,976	1.8	38.7	364.9	7.2
2016	39.23	113.4	33.3	13.0	146.6	\$650.2	\$2,121.4	\$49,114	1.7	39.1	376.4	6.4
2017	39.60	114.0	33.6	13.2	161.3	\$673.6	\$2,226.0	\$50,194	1.7	39.3	390.4	6.1
2018	39.96	115.4	33.9	13.3	172.1	\$698.0	\$2,334.0	\$51,299	1.7	39.6	404.0	5.9
2019	40.34	120.8	34.2	13.5	173.8	\$721.8	\$2,444.9	\$52,429	1.5	39.9	416.8	5.8
2020	40.72	131.8	34.5	13.6	172.0	\$743.5	\$2,554.7	\$53,525	1.4	39.8	429.6	5.7
2021	41.12	144.2	34.8	13.8	169.3	\$763.8	\$2,663.2	\$54,526	1.3	39.5	440.0	5.8
2022	41.52	146.8	35.1	14.0	168.2	\$783.2	\$2,771.0	\$55,375	1.5	39.9	451.1	5.7
2023	41.93	149.0	35.4	14.1	167.4	\$814.0	\$2,882.6	\$56,194	1.5	40.3	464.6	5.7
2024	42.33	150.1	35.8	14.3	159.7	\$849.7	\$3,003.6	\$57,075	1.6	40.7	479.0	5.7
2025	42.72	148.4	36.1	14.4	159.6	\$889.6	\$3,122.4	\$57,824	1.7	41.0	494.3	5.7
2026	43.11	147.9	36.4	14.6	159.9	\$928.9	\$3,238.1	\$58,433	1.7	41.2	510.3	5.7
2027	43.51	147.3	36.8	14.7	156.0	\$969.3	\$3,362.6	\$59,129	1.7	41.3	527.4	5.7
2028	43.89	145.6	37.1	14.9	161.5	\$1,012.1	\$3,487.9	\$59,784	1.7	41.5	544.8	5.7
2029	44.27	142.9	37.5	15.0	160.2	\$1,057.0	\$3,614.5	\$60,389	1.7	41.7	562.8	5.7
2030	44.64	138.4	37.8	15.2	157.2	\$1,102.9	\$3,743.6	\$60,973	1.7	41.4	581.5	5.7
2031	45.01	134.1	38.2	15.3	154.2	\$1,148.2	\$3,874.1	\$61,543	1.7	41.2	600.8	5.7
2032	45.37	129.9	38.5	15.4	151.2	\$1,192.4	\$4,001.8	\$62,006	1.7	41.8	620.7	5.7
2033	45.72	125.9	38.9	15.6	148.4	\$1,236.4	\$4,139.4	\$62,583	1.7	42.3	641.4	5.7
2034	46.07	122.0	39.2	15.7	145.6	\$1,280.1	\$4,283.2	\$63,199	1.7	42.7	662.9	5.7
2035	46.40	118.3	39.6	15.9	142.8	\$1,323.5	\$4,433.4	\$63,843	1.7	42.8	685.0	5.7
2036	46.74	114.6	39.9	16.0	140.1	\$1,366.7	\$4,586.9	\$64,460	1.7	43.5	708.0	5.7
2037	47.06	111.2	40.3	16.1	137.5	\$1,409.7	\$4,747.2	\$65,114	1.7	43.8	731.8	5.7
2038	47.38	107.8	40.6	16.2	135.0	\$1,452.5	\$4,914.6	\$65,815	1.7	43.3	756.4	5.7
2039	47.69	104.5	40.9	16.4	132.4	\$1,495.1	\$5,087.8	\$66,552	1.7	43.7	782.0	5.7
2040	47.99	101.4	41.3	16.5	130.0	\$1,537.6	\$5,265.0	\$67,306	1.7	44.1	796.1	5.7

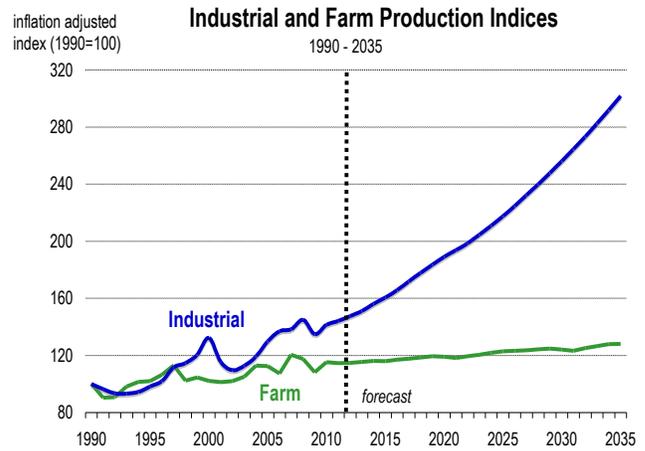
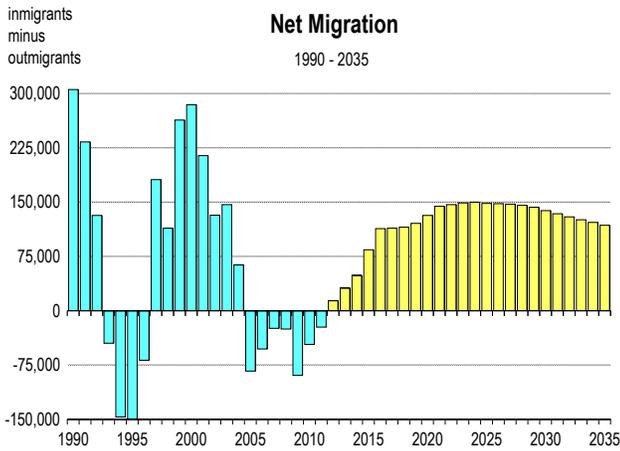
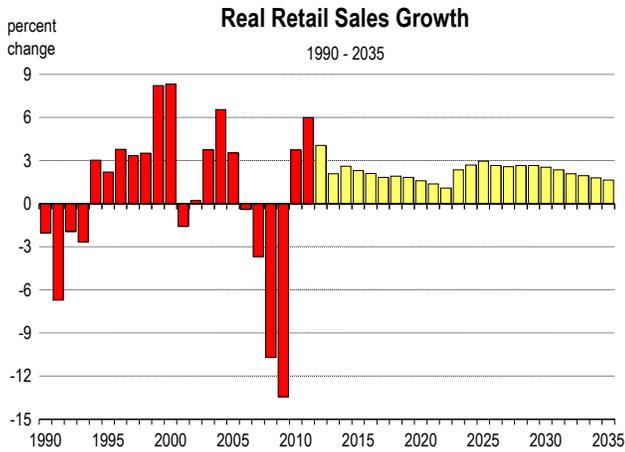


# California Employment Forecast

## 2006-2011 History, 2012-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	15,436	375	934	1,488	496	2,383	928	2,242	466	1,621	1,519	2,452
2007	15,558	384	893	1,464	508	2,405	897	2,265	471	1,678	1,560	2,495
2008	15,370	389	788	1,425	505	2,344	842	2,237	476	1,733	1,573	2,519
2009	14,457	372	623	1,282	474	2,168	783	2,059	440	1,760	1,503	2,480
2010	14,319	383	560	1,241	466	2,157	760	2,074	428	1,788	1,502	2,448
2011	14,446	385	554	1,246	472	2,191	761	2,126	432	1,834	1,530	2,399
2012	14,696	399	562	1,258	477	2,229	767	2,219	452	1,877	1,564	2,374
2013	14,954	401	563	1,289	487	2,266	777	2,306	472	1,908	1,591	2,357
2014	15,301	403	572	1,318	501	2,306	792	2,407	499	1,966	1,622	2,359
2015	15,637	403	582	1,342	514	2,342	803	2,494	523	2,016	1,664	2,374
2016	15,929	403	594	1,362	525	2,380	813	2,561	540	2,056	1,708	2,390
2017	16,162	399	607	1,375	536	2,404	822	2,610	552	2,096	1,745	2,407
2018	16,346	395	619	1,386	545	2,420	831	2,649	560	2,134	1,768	2,417
2019	16,509	393	630	1,394	554	2,433	840	2,688	567	2,175	1,780	2,428
2020	16,671	392	640	1,399	564	2,441	847	2,728	574	2,216	1,785	2,448
2021	16,813	392	651	1,404	573	2,449	855	2,769	581	2,258	1,789	2,447
2022	16,969	393	661	1,408	584	2,458	865	2,817	587	2,301	1,790	2,452
2023	17,128	393	671	1,421	594	2,468	876	2,861	594	2,330	1,793	2,463
2024	17,288	393	683	1,431	604	2,478	887	2,908	601	2,360	1,795	2,472
2025	17,451	393	696	1,440	615	2,487	899	2,958	608	2,391	1,798	2,482
2026	17,617	394	707	1,451	625	2,497	911	3,008	615	2,422	1,803	2,490
2027	17,789	394	723	1,462	636	2,506	923	3,059	622	2,452	1,808	2,499
2028	17,970	394	740	1,473	647	2,516	935	3,109	629	2,486	1,817	2,509
2029	18,151	394	757	1,484	658	2,526	947	3,157	636	2,520	1,827	2,518
2030	18,331	395	773	1,496	670	2,535	958	3,204	644	2,556	1,837	2,527
2031	18,510	395	789	1,507	682	2,545	969	3,249	651	2,592	1,848	2,536
2032	18,687	395	805	1,518	693	2,555	981	3,291	658	2,627	1,859	2,546
2033	18,862	395	821	1,529	705	2,565	992	3,332	666	2,662	1,869	2,555
2034	19,035	396	838	1,540	718	2,575	1,003	3,369	674	2,697	1,880	2,564
2035	19,206	396	854	1,552	730	2,585	1,014	3,404	682	2,733	1,891	2,574
2036	19,379	396	870	1,563	743	2,595	1,026	3,439	689	2,768	1,902	2,583
2037	19,553	396	886	1,574	756	2,605	1,037	3,475	697	2,804	1,913	2,593
2038	19,728	397	902	1,585	769	2,615	1,048	3,510	705	2,840	1,925	2,602
2039	19,904	397	918	1,597	782	2,625	1,060	3,547	714	2,876	1,936	2,612
2040	20,082	397	935	1,608	796	2,635	1,071	3,583	722	2,912	1,948	2,622





## State Economic and Demographic Indicators

### Projected Economic Growth (2012-2017)

Expected retail sales growth:	16.0 %
Expected job growth:	11.9 %
Fastest growing jobs sector:	Information
Expected personal income growth:	18.5 %

Expected population growth:	5.4 %
Net migration to account for:	20.1 %
Expected growth in number of vehicles:	6.1 %

### Demographics (2012)

Unemployment rate (March 2012):	11.5 %
County Rank* in California (58 counties):	N/A
Working age (16-64) population:	66.1 %

Population with B.A. Degree or higher:	29.9 %
Median Home Selling Price (2011):	\$286,684
Median Household Income:	\$58,373

### Quality of Life

Violent Crime rate (2010):	422 per 100,000 persons
County Rank* in California (58 counties):	N/A
Average Commute Time to work (2012):	29.5 minutes

High School drop out rate (2010):	17.4 %
Households at/below poverty line (2012):	10.3 %

\* The county ranked 1st corresponds to the lowest rate in California