

SACRAMENTO COUNTY ECONOMIC FORECAST

Sacramento County is home to the California state capital. Sacramento County has a population of 1.43 million people and 544,900 wage and salary jobs. The per capita income in Sacramento County is \$38,636, and the average salary per worker is \$66,429.

Because it contains the state capital, the Sacramento County economy is highly influenced by the public sector. Government jobs account for almost 30 percent of total wage and salary employment, one of the highest concentrations in the state. Due to large-scale revenue shortfalls, spending by the state of California declined dramatically during the recession, and continued to fall over the past year. Consequently, the recovery in Sacramento County is progressing relatively slowly.

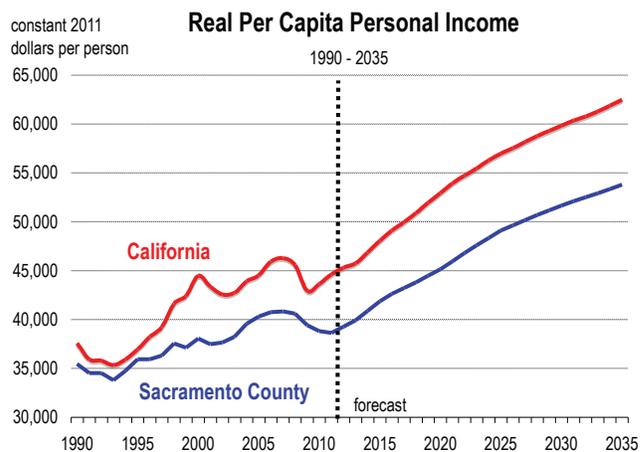
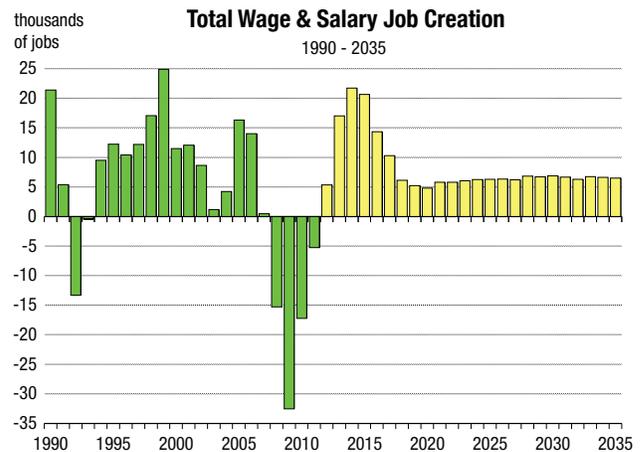
In 2011, employment across Northern California increased by 0.9 percent, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) declined by 0.8 percent – the fourth straight year of contraction. In Sacramento County, 5,300 wage and salary jobs were lost, a decline of 1.0 percent. The unemployment rate, however, dropped from 12.8 percent in 2010 to 12.1 percent in 2011.

Over the past year, the only sectors that produced jobs in Sacramento County were education and healthcare (+2,200 jobs), retail trade (+500 jobs), and wholesale trade (+100 jobs). The largest decreases were in government (-4,000 jobs), construction (-1,300 jobs), and financial activities (-1,100 jobs).

From 2006-2011, the population of Sacramento County grew by 5.3 percent, an annual average rate of 0.9 percent. This is a mild slowdown from the rates that prevailed during the previous decade, largely the result of lower net migration, which has been negative since 2009.

FORECAST HIGHLIGHTS

- Job growth is forecast at 1.0 percent during 2012. From 2012 to 2017, job growth is expected to average 2.6 percent per year.
- Average salaries are slightly below the California state average, and are expected to grow more slowly than the state average. Average salaries, adjusted for inflation, will rise by an average of 0.8 percent per year from 2012 to 2017, compared to 1.0 percent for California as a whole.
- As the housing market heals, employment in the construction industry will increase by 17,800 jobs. The professional services sector will add 18,000 jobs from 2012-2017, and the public sector will add 11,700 new positions as the state's budget situation improves.

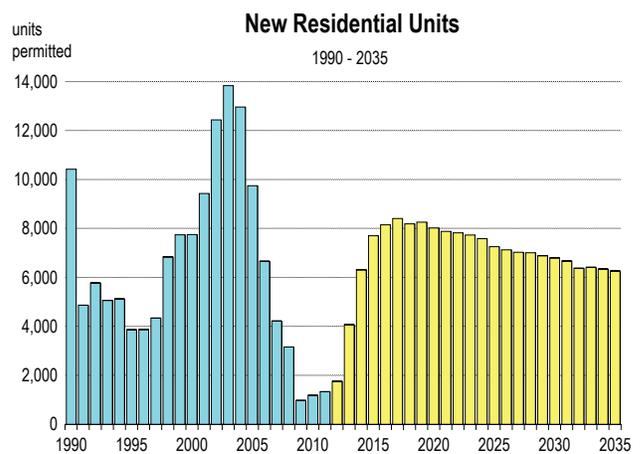
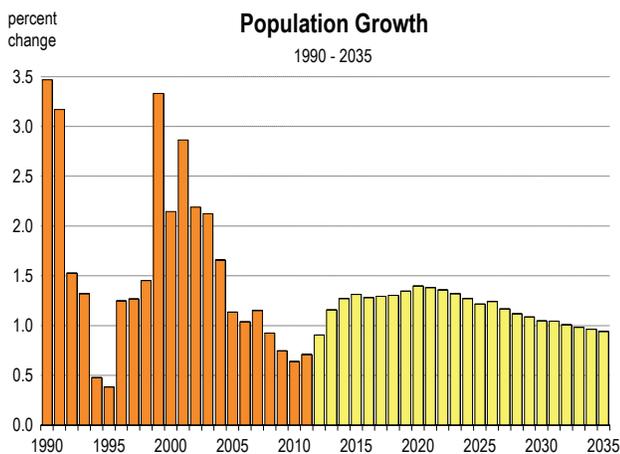


- Population growth will accelerate over the next 5 years. Annual growth in the 2012 to 2017 period averages 1.2 percent per year.
- Net migration is expected to turn positive in 2012. Between 2012 and 2017, net migration is forecast to average 7,900 net migrants entering the county per year.
- Real per capita income is forecast to rise 1.6 percent in 2012. Between 2012 and 2017, growth will average 1.9 percent per year.
- Total taxable sales, adjusted for inflation, are expected to rise 2.1 percent per year from 2012-2017.
- Industrial production is expected to rise by 3.1 percent in 2012. Between 2012 and 2017, industrial production is forecast to rise by an average of 3.4 percent per year.

Sacramento County Economic Forecast

2006-2011 History, 2012-2040 Forecast

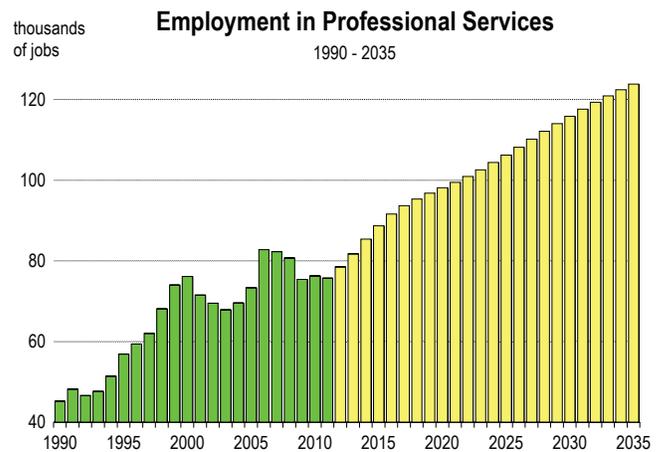
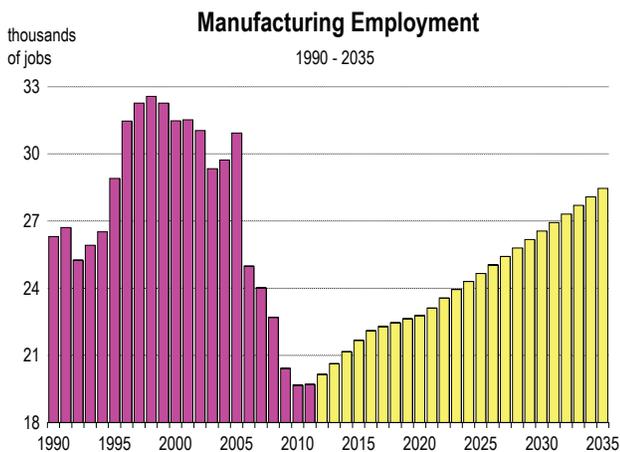
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	1,372,275	2,675	1.17	501.4	6,663	\$21.1	\$50.2	\$40,755	3.2	342.1	5.8	4.8
2007	1,388,086	3,670	1.17	508.6	4,223	\$20.6	\$52.6	\$40,822	3.4	393.3	5.7	5.4
2008	1,400,939	645	1.16	510.0	3,164	\$19.3	\$54.3	\$40,603	3.0	375.1	5.8	7.1
2009	1,411,403	-772	1.16	512.0	973	\$16.6	\$53.6	\$39,400	0.8	363.9	5.5	11.5
2010	1,420,447	-1,603	1.16	513.4	1,181	\$16.9	\$53.8	\$38,798	1.3	364.7	5.7	12.8
2011	1,430,537	-246	1.16	514.9	1,332	\$17.4	\$55.3	\$38,636	2.5	363.1	5.7	12.1
2012	1,443,497	2,812	1.17	516.4	1,765	\$18.2	\$57.8	\$39,261	1.9	366.0	5.9	10.5
2013	1,460,215	6,671	1.18	518.1	4,077	\$19.0	\$60.6	\$39,915	2.1	370.3	6.1	9.0
2014	1,478,793	8,659	1.20	521.9	6,312	\$19.8	\$64.3	\$40,888	2.1	373.5	6.3	8.1
2015	1,498,245	9,706	1.22	527.8	7,707	\$20.9	\$67.9	\$41,859	1.8	375.4	6.5	7.3
2016	1,517,452	9,592	1.24	535.1	8,152	\$22.1	\$71.2	\$42,620	1.7	376.2	6.8	6.6
2017	1,537,116	10,104	1.25	542.7	8,412	\$23.2	\$74.4	\$43,216	1.7	373.9	7.0	6.1
2018	1,557,183	10,514	1.27	550.6	8,189	\$24.3	\$77.6	\$43,799	1.7	370.2	7.3	5.6
2019	1,578,144	11,359	1.28	558.3	8,259	\$25.5	\$81.1	\$44,475	1.5	368.5	7.5	5.3
2020	1,600,216	12,422	1.29	566.1	8,022	\$26.6	\$84.7	\$45,141	1.4	368.9	7.8	4.9
2021	1,622,331	12,409	1.30	573.6	7,886	\$27.7	\$88.6	\$45,961	1.3	369.2	8.1	4.9
2022	1,644,359	12,263	1.31	581.0	7,822	\$28.7	\$92.7	\$46,794	1.5	370.1	8.4	4.9
2023	1,666,103	11,927	1.32	588.3	7,735	\$29.8	\$97.0	\$47,580	1.5	370.8	8.7	5.0
2024	1,687,309	11,419	1.33	595.6	7,590	\$31.1	\$101.4	\$48,356	1.6	371.4	9.0	5.1
2025	1,707,824	10,799	1.33	602.7	7,258	\$32.5	\$106.0	\$49,091	1.7	372.0	9.3	5.1
2026	1,729,064	11,577	1.34	609.6	7,126	\$33.9	\$110.3	\$49,637	1.7	372.5	9.6	5.0
2027	1,749,241	10,629	1.35	616.2	7,031	\$35.4	\$114.7	\$50,154	1.7	372.9	10.0	5.1
2028	1,768,823	10,194	1.36	622.9	7,011	\$37.0	\$119.2	\$50,688	1.7	373.4	10.4	5.2
2029	1,788,034	9,984	1.37	629.4	6,891	\$38.6	\$123.7	\$51,183	1.7	373.8	10.7	5.2
2030	1,806,779	9,701	1.38	635.9	6,803	\$40.4	\$128.4	\$51,663	1.7	374.2	11.1	5.2
2031	1,825,661	10,002	1.39	642.3	6,671	\$42.1	\$133.0	\$52,110	1.7	374.5	11.5	5.2
2032	1,844,060	9,689	1.40	648.6	6,379	\$43.8	\$137.7	\$52,501	1.7	374.9	11.9	5.2
2033	1,862,212	9,632	1.41	654.6	6,415	\$45.5	\$142.6	\$52,919	1.7	375.2	12.3	5.2
2034	1,880,165	9,638	1.42	660.6	6,346	\$47.3	\$147.6	\$53,349	1.7	375.5	12.7	5.2
2035	1,897,910	9,653	1.43	666.5	6,266	\$49.0	\$152.8	\$53,795	1.7	375.8	13.2	5.1
2036	1,914,056	8,334	1.44	672.4	6,139	\$50.7	\$158.2	\$54,287	1.7	376.1	13.6	5.3
2037	1,929,802	8,221	1.45	678.2	6,225	\$52.5	\$163.9	\$54,807	1.7	376.4	14.1	5.3
2038	1,945,164	8,118	1.46	684.0	6,125	\$54.2	\$169.7	\$55,351	1.7	376.7	14.6	5.3
2039	1,960,215	8,083	1.48	689.8	6,078	\$56.0	\$175.8	\$55,934	1.7	377.0	15.1	5.3
2040	1,974,946	8,037	1.49	695.5	6,010	\$57.7	\$182.0	\$56,549	1.7	377.3	15.3	5.2

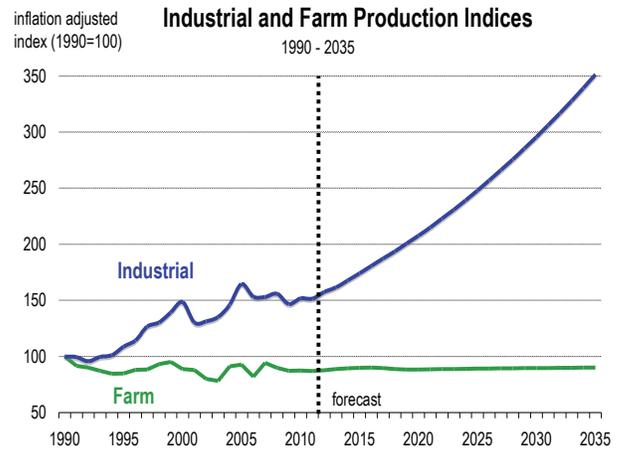
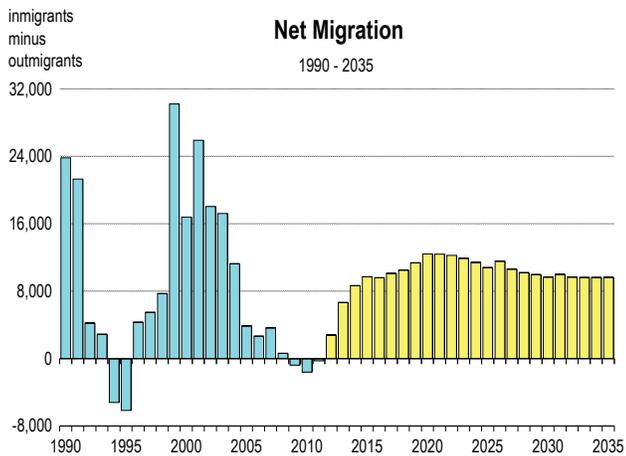
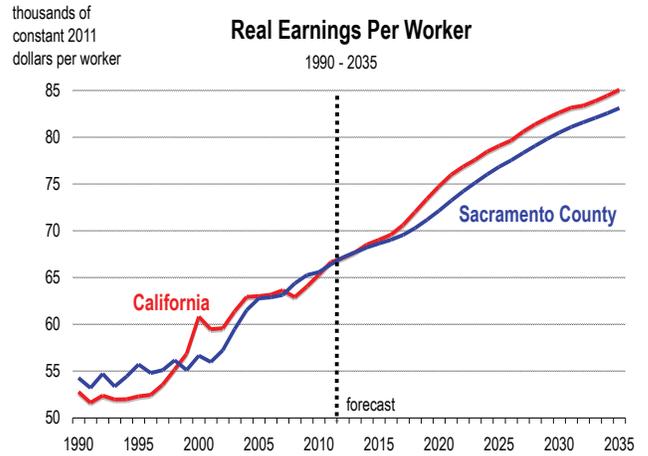
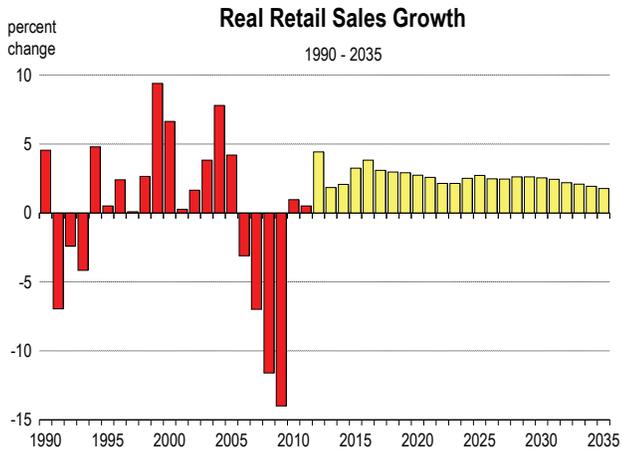


Sacramento County Employment Forecast

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	614.7	2.70	43.7	25.0	12.9	84.5	45.9	82.8	15.3	66.0	52.3	163.1
2007	615.2	2.92	41.0	24.0	13.6	81.7	42.8	82.3	15.5	68.3	53.3	169.1
2008	599.9	2.72	34.4	22.7	13.7	76.4	39.9	80.7	15.0	69.4	52.6	171.5
2009	567.4	2.74	26.9	20.4	12.8	69.8	36.0	75.4	14.2	69.4	50.2	168.8
2010	550.2	2.69	23.5	19.7	12.7	69.1	32.1	76.3	13.2	68.3	48.7	164.1
2011	544.9	2.77	22.2	19.7	12.2	69.7	30.9	75.7	12.9	70.5	48.4	160.1
2012	550.3	2.75	24.6	20.1	12.4	69.9	32.9	78.5	13.1	72.1	49.3	154.4
2013	567.3	2.77	27.3	20.6	12.6	71.2	34.9	81.8	13.4	73.2	50.2	158.5
2014	589.0	2.79	33.8	21.2	13.0	73.3	36.4	85.4	13.7	74.6	51.3	162.0
2015	609.7	2.80	38.5	21.7	13.4	75.9	37.2	88.7	14.1	76.3	52.7	166.0
2016	624.0	2.80	39.5	22.1	13.8	78.7	37.2	91.6	14.3	77.7	54.2	169.1
2017	634.4	2.79	40.0	22.3	14.1	80.5	37.2	93.7	14.5	78.7	55.4	171.8
2018	640.5	2.77	38.4	22.5	14.4	81.6	37.2	95.4	14.6	79.8	56.3	173.9
2019	645.7	2.76	37.2	22.6	14.8	82.5	37.4	96.8	14.6	81.1	56.7	175.1
2020	650.5	2.76	36.2	22.8	15.3	83.6	37.3	98.1	14.7	81.9	57.0	176.5
2021	656.3	2.76	35.8	23.1	15.9	84.7	37.2	99.5	14.7	82.8	57.3	177.9
2022	662.1	2.77	35.8	23.6	16.3	85.9	37.1	101.0	14.7	83.3	57.4	179.2
2023	668.2	2.77	35.8	24.0	16.7	87.3	37.1	102.6	14.7	83.8	57.5	180.4
2024	674.5	2.78	35.7	24.3	17.1	88.5	37.0	104.4	14.8	84.7	57.6	181.5
2025	680.8	2.78	35.4	24.7	17.5	89.9	36.8	106.3	14.9	85.6	57.7	182.9
2026	687.1	2.78	35.2	25.0	17.8	91.0	36.6	108.2	15.1	86.5	57.9	184.3
2027	693.3	2.79	35.2	25.4	18.1	92.1	36.4	110.2	15.2	87.3	58.0	185.6
2028	700.2	2.79	35.2	25.8	18.3	93.2	36.3	112.1	15.3	88.3	58.3	186.9
2029	706.9	2.79	35.1	26.2	18.6	94.4	36.1	114.0	15.5	89.4	58.6	188.2
2030	713.8	2.79	35.0	26.6	18.9	95.5	36.0	115.9	15.6	90.5	59.0	189.6
2031	720.5	2.79	34.9	26.9	19.2	96.7	36.0	117.6	15.7	91.7	59.4	190.8
2032	726.8	2.80	34.5	27.3	19.6	97.8	35.9	119.3	15.8	93.0	59.7	191.9
2033	733.6	2.80	34.4	27.7	19.9	98.9	35.8	120.9	15.9	94.2	60.1	193.2
2034	740.2	2.80	34.3	28.1	20.2	100.0	35.8	122.4	16.0	95.5	60.5	194.5
2035	746.7	2.80	34.2	28.5	20.5	101.1	35.8	123.8	16.1	96.8	60.8	195.8
2036	753.2	2.80	34.0	28.9	20.8	102.2	35.8	125.2	16.2	98.1	61.2	197.0
2037	759.8	2.80	34.0	29.2	21.2	103.3	35.7	126.6	16.3	99.4	61.6	198.3
2038	766.3	2.81	33.8	29.6	21.5	104.5	35.6	128.0	16.5	100.7	62.0	199.5
2039	773.0	2.81	33.7	30.0	21.9	105.6	35.6	129.4	16.6	102.0	62.4	200.9
2040	779.7	2.81	33.6	30.4	22.2	106.6	35.6	130.8	16.7	103.3	62.7	202.2





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	20.1 %
Expected job growth:	16.5 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	20.2 %

Expected population growth:	7.5 %
Net migration to account for:	44.6 %
Expected growth in number of vehicles:	8.6 %

Demographics

Unemployment rate (March 2012)	11.4 %
County Rank* in California (58 counties):	19th
Working age (16-64) population:	65.9 %

Population with B.A. Degree or higher:	27.6 %
Median Home Selling Price:	\$157,500
Median Household Income:	\$53,922

Quality of Life

Violent Crime rate (2010):	588 per 100,000 persons
County Rank* in California (58 counties):	53rd
Average Commute Time to work (2012):	27.8 minutes

High School drop out rate (2010):	19.5 %
Households at/below poverty line:	10.7 %

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