

# RIVERSIDE COUNTY ECONOMIC FORECAST

Riverside County is the fourth largest county in the state in terms of total land area. The county, along with its neighbor to the north, San Bernardino County, comprise the Inland Empire. The Inland Empire is the fastest growing region of the state, and among the fastest growing metro areas in the nation. Riverside County has a population of 2.0 million people, and there are 611,000 wage and salary jobs located in the county. The per capita income in Riverside County is \$27,879, and the average salary per worker is \$42,981.

Economic growth in Southern California has been strong during the decade, but was even more impressive during 2006. Much of the growth in Southern California took place in the Inland Empire. Last year over 22,000 total jobs were created in Riverside County, representing an outstanding growth rate of 3.7 percent. The unemployment rate dropped to 5.0 percent.

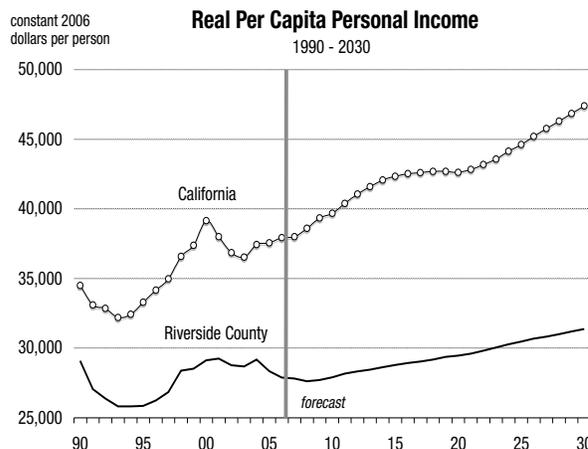
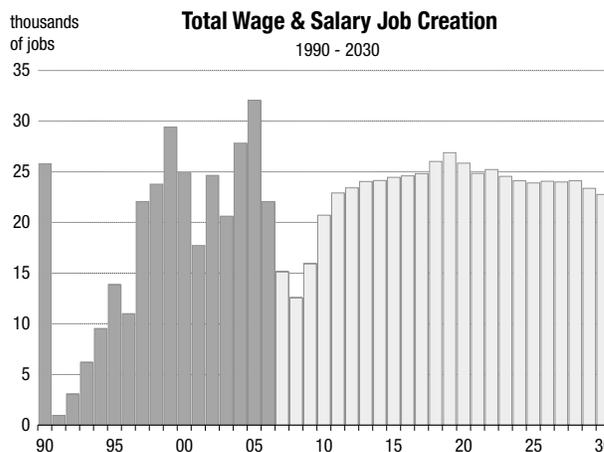
The principal sectors that are producing jobs in Riverside County are business services, retail and wholesale trade, and leisure and hospitality. The recreation and leisure services sector is creating more job opportunities as population growth continues to swell in the Inland Empire. The construction sector added jobs in 2006, but growth in the sector has slowed and may reverse in the upcoming years. Employment increased moderately in the manufacturing sector again in 2006.

The population continues to grow at annual average rates exceeding 3 percent in Riverside County. The Coachella Valley (Indio, Coachella, Beaumont) is adding population rapidly, as is Murrieta, Perris, and Temecula. Falling levels of home production, especially in the Coachella Valley mean that population growth is likely to slow.

However, population and employment are expected to grow at healthy rates in Riverside County over the next several years. The Inland Empire is positioned to dominate growth in California for the foreseeable future.

## FORECAST HIGHLIGHTS

- Job growth is forecast to slow down in 2007, but remain at a 2.5 percent pace. Over the next five years, the annual growth rate is expected to average 2.7 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.6 percent per year over the next 5 years.
- Over the next five years, the momentum for employment growth is in services and logistics. Employment in professional services is forecast to grow 37 percent over the next five years. Transportation, wholesale and retail trade, and leisure and hospitality are all forecast to increase by at least 18 percent from 2007 to 2011.

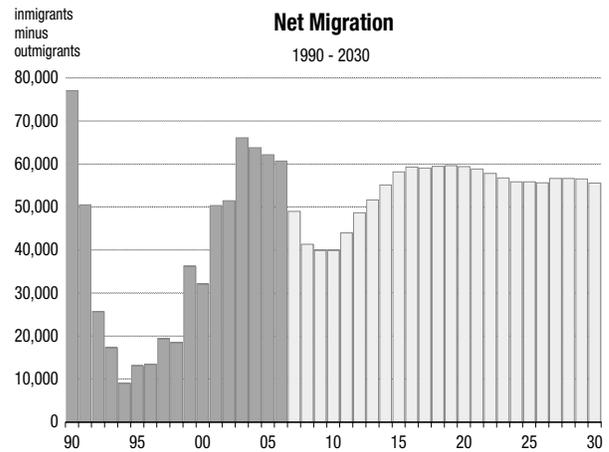
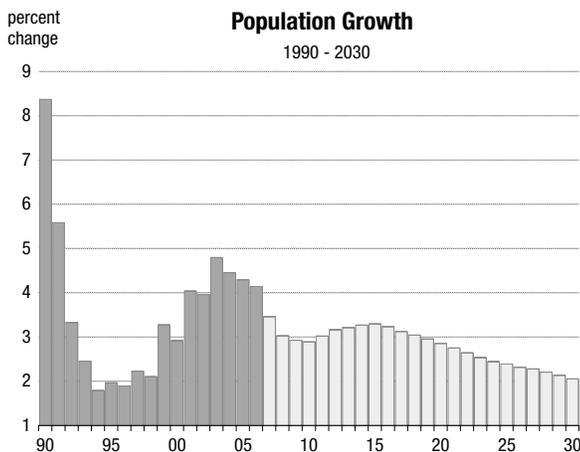


- The population will continue to grow at a rapid, but slower rate in the county. Annual growth in the 2007 to 2011 period is expected to average 3.1 percent per year.
- Over the next five years net migration is expected to decline slightly from the levels observed in the past four years, but still average 42,900 net migrants per year.
- Population growth is forecast to exceed income growth through 2009. Real per capita incomes are expected to decline 0.3 percent in 2007, but increase 0.2 percent per year overall through 2011.
- Total taxable sales are expected to increase by an average of 10.7 percent over the next five years.
- Industrial production is forecast to increase by 5.0 percent in 2007. From 2007 to 2011, the growth rate of industrial production is expected average to 5.1 percent per year.

# Riverside County Economic Forecast

## 1997-2006 History, 2007-2030 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)
1997	1,436,278	19,412	0.96	458.0	9,784	\$12.0	\$29.3	\$26,832	1.7	1,431.0	4.8	7.6
1998	1,466,539	18,528	1.04	464.2	12,493	\$13.1	\$32.1	\$28,378	1.4	1,555.6	5.4	6.7
1999	1,514,602	36,213	1.10	473.1	14,579	\$15.1	\$34.1	\$28,519	2.3	1,517.2	6.2	5.5
2000	1,558,824	32,109	1.18	506.2	15,410	\$17.0	\$37.0	\$29,129	3.3	1,286.3	7.0	5.3
2001	1,621,757	50,324	1.26	515.7	19,014	\$18.2	\$40.0	\$29,254	3.4	1,335.1	6.0	5.5
2002	1,685,987	51,459	1.34	531.5	22,664	\$19.5	\$42.0	\$28,774	2.8	1,228.1	6.2	6.4
2003	1,766,831	66,103	1.39	549.5	30,361	\$21.7	\$45.0	\$28,679	2.6	1,201.4	7.0	6.4
2004	1,845,524	63,776	1.56	572.0	34,226	\$25.2	\$49.4	\$29,182	3.3	1,232.6	7.5	5.7
2005	1,924,881	62,141	1.62	598.0	34,134	\$28.3	\$52.3	\$28,336	4.5	1,218.6	7.9	5.1
2006	2,004,608	60,719	1.70	626.7	25,211	\$31.7	\$55.9	\$27,879	4.3	1,202.8	8.3	5.0
2007	2,074,024	48,987	1.77	644.8	16,896	\$35.7	\$59.7	\$27,809	3.6	1,199.1	8.7	5.2
2008	2,136,853	41,334	1.83	659.1	17,215	\$39.4	\$62.6	\$27,611	2.5	1,198.7	9.2	5.5
2009	2,199,407	39,990	1.87	673.6	18,562	\$43.3	\$66.3	\$27,701	2.5	1,192.0	9.7	5.2
2010	2,262,989	39,985	1.93	689.2	20,626	\$47.8	\$70.8	\$27,896	3.1	1,183.0	10.2	5.0
2011	2,331,416	44,017	1.99	706.6	22,194	\$52.5	\$75.8	\$28,172	2.9	1,177.1	10.6	4.9
2012	2,405,223	48,679	2.06	725.3	22,363	\$57.5	\$80.8	\$28,318	2.7	1,170.0	11.1	5.1
2013	2,482,603	51,674	2.13	744.1	23,643	\$62.8	\$86.2	\$28,459	2.8	1,160.7	11.7	5.1
2014	2,563,860	55,159	2.20	764.1	24,107	\$68.4	\$92.1	\$28,628	2.8	1,152.2	12.2	5.1
2015	2,648,349	58,187	2.28	784.4	24,377	\$74.5	\$98.5	\$28,778	3.1	1,143.1	12.8	5.1
2016	2,734,070	59,286	2.37	804.9	25,269	\$81.0	\$105.5	\$28,932	3.2	1,133.6	13.3	5.1
2017	2,819,608	59,091	2.46	826.2	24,975	\$87.9	\$112.7	\$29,028	3.2	1,128.4	13.8	5.1
2018	2,905,450	59,472	2.56	847.3	25,540	\$95.1	\$120.2	\$29,184	3.0	1,121.6	14.4	5.0
2019	2,991,447	59,651	2.66	868.8	26,110	\$102.5	\$128.4	\$29,370	3.0	1,114.3	15.0	4.9
2020	3,076,968	59,391	2.77	890.8	26,087	\$110.2	\$136.4	\$29,462	3.0	1,107.4	15.7	4.8
2021	3,161,736	58,849	2.88	912.8	25,492	\$118.1	\$145.0	\$29,600	3.0	1,104.2	16.2	4.8
2022	3,245,371	57,847	2.98	934.2	25,950	\$126.5	\$154.5	\$29,815	3.0	1,098.3	16.6	4.8
2023	3,327,779	56,756	3.08	956.1	25,561	\$134.9	\$164.3	\$30,047	3.0	1,095.8	17.0	4.8
2024	3,409,256	55,849	3.18	977.6	25,536	\$143.5	\$174.4	\$30,267	2.8	1,089.4	17.5	4.8
2025	3,490,829	55,887	3.28	999.2	25,744	\$152.4	\$184.9	\$30,474	2.9	1,083.2	18.0	4.7
2026	3,571,747	55,668	3.38	1,020.8	26,229	\$161.6	\$196.0	\$30,676	2.9	1,077.2	18.4	4.7
2027	3,653,228	56,625	3.47	1,042.9	26,702	\$171.3	\$207.5	\$30,827	3.0	1,071.4	18.8	4.7
2028	3,733,959	56,669	3.56	1,065.4	27,125	\$181.6	\$220.0	\$30,999	3.2	1,068.1	19.2	4.7
2029	3,813,884	56,517	3.65	1,088.3	26,557	\$192.4	\$233.3	\$31,191	3.2	1,062.0	19.7	4.6
2030	3,892,276	55,572	3.74	1,110.7	26,138	\$203.4	\$246.9	\$31,374	3.1	1,056.1	20.2	4.6



# Riverside County Employment Forecast

## 1997-2006 History, 2007-2030 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)-----												
1997	388.4	17.44	30.4	42.9	8.0	62.5	14.1	32.7	4.9	39.1	49.7	72.2
1998	412.2	17.49	36.4	46.5	8.9	65.4	14.8	35.9	5.4	41.6	50.4	73.9
1999	441.6	17.28	43.7	49.4	10.2	69.7	15.7	37.9	5.5	42.7	54.5	78.2
2000	466.5	17.57	48.4	51.8	10.2	73.5	16.0	42.2	5.8	44.0	55.4	84.1
2001	484.3	16.67	53.4	50.6	10.5	77.5	16.8	42.5	6.3	45.3	57.3	89.3
2002	508.9	16.18	55.0	49.8	10.8	82.5	17.6	46.5	6.6	49.6	59.2	96.6
2003	529.6	16.21	60.8	50.0	12.3	86.3	19.5	52.0	6.6	50.7	60.6	96.2
2004	557.4	15.13	70.4	50.9	13.6	93.1	20.8	54.0	7.0	51.9	64.5	97.7
2005	589.5	15.13	77.6	51.7	15.1	99.8	21.8	57.5	7.5	52.9	67.7	103.3
2006	611.5	14.23	81.5	53.0	16.0	104.0	23.1	61.3	7.8	54.1	71.1	105.0
2007	626.7	14.17	77.6	53.2	16.5	108.0	23.8	66.2	8.3	56.5	74.0	107.4
2008	639.3	14.09	74.5	53.5	17.1	112.1	24.3	69.3	8.5	57.7	76.6	110.2
2009	655.3	14.26	75.5	53.8	17.8	116.4	24.7	72.6	8.5	59.0	79.1	111.5
2010	676.0	14.52	76.4	54.1	18.5	121.0	25.2	78.1	8.6	60.9	81.7	114.0
2011	698.9	14.78	77.5	54.4	19.3	125.7	25.7	84.2	8.8	63.1	84.5	117.1
2012	722.4	14.96	78.8	54.7	20.2	130.4	26.3	90.4	9.0	65.2	87.6	120.3
2013	746.4	15.06	80.6	55.0	21.0	135.1	26.8	96.4	9.2	67.5	90.8	123.5
2014	770.6	15.06	82.4	55.1	21.9	139.9	27.4	102.1	9.4	70.2	94.2	126.6
2015	795.0	15.06	84.3	55.1	22.9	144.8	28.0	107.7	9.5	73.1	97.9	129.7
2016	819.6	15.04	86.3	55.3	23.8	149.7	28.6	112.6	9.7	76.3	101.6	132.7
2017	844.5	15.01	88.1	55.5	24.8	154.7	29.4	117.5	9.8	79.8	105.5	135.9
2018	870.5	14.95	90.1	55.6	25.7	159.6	30.0	122.5	9.9	83.7	109.3	139.2
2019	897.4	14.91	92.3	55.7	26.7	164.5	30.7	127.6	10.0	87.7	113.3	142.9
2020	923.2	14.91	94.4	55.7	27.7	169.4	31.3	132.4	10.2	91.7	117.3	146.4
2021	948.1	14.91	96.0	55.7	28.7	174.3	31.9	137.0	10.2	95.2	121.3	149.9
2022	973.3	14.93	97.8	55.7	29.7	179.0	32.5	141.8	10.3	98.8	125.2	153.3
2023	997.9	14.93	99.3	55.8	30.6	183.7	33.1	146.5	10.4	102.2	129.3	156.6
2024	1,022.0	14.94	100.9	55.8	31.6	188.2	33.8	151.1	10.4	105.5	133.4	159.8
2025	1,045.9	14.94	102.6	56.0	32.6	192.6	34.5	155.7	10.4	108.6	137.6	162.9
2026	1,070.0	14.95	104.6	56.1	33.6	197.0	35.1	160.6	10.5	111.4	141.9	165.7
2027	1,094.0	14.95	106.8	56.2	34.6	201.3	35.8	165.8	10.5	114.1	146.0	168.6
2028	1,118.1	14.96	109.1	56.4	35.7	205.6	36.5	170.9	10.5	116.7	150.1	171.4
2029	1,141.5	14.96	110.7	56.5	36.7	209.9	37.2	176.0	10.6	119.1	154.3	174.2
2030	1,164.3	14.98	111.9	56.7	37.7	214.2	37.8	181.0	10.6	121.6	158.4	177.1

