

SACRAMENTO COUNTY ECONOMIC FORECAST

Sacramento County is home to the state capital and 6th largest city in California. Sacramento County has a population of 1.42 million people and 555,000 wage and salary jobs. The per capita income in Sacramento County is \$37,640, and the average salary per worker is \$62,814.

Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) declined 2.9 percent during 2010, the third straight year of contracting employment. In 2010, 15,600 total wage and salary jobs were lost in Sacramento County, a decline of -2.7 percent. The unemployment rate increased to 12.8 percent in 2010.

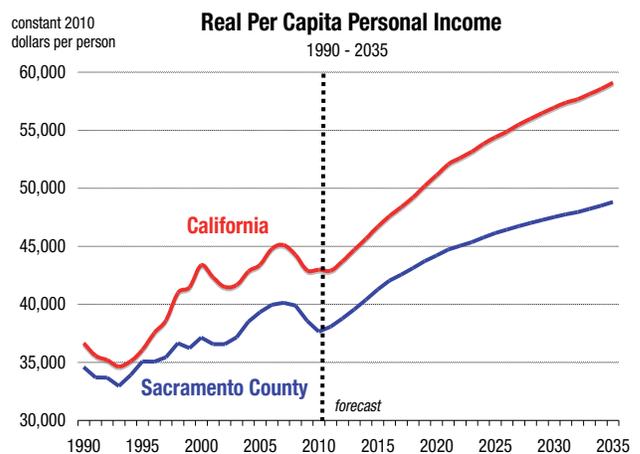
The only sector that produced jobs in Sacramento County during 2010 was professional business services. Employment in construction declined over 12 percent, the fifth straight year of declining employment, and currently down approximately 50 percent from the 2005 high. Housing production rose slightly in 2010, though it remains less than 10 percent of what was being built annually during the early part of the decade. The sectors that lost the most jobs during 2010 were government (-4,300 jobs), construction (-3,200 jobs), financial activities (-3,100 jobs), and leisure activities, (-1,200 jobs).

The city of Sacramento, which accounts for 33 percent of the total population in the county, grew by 14.6 percent between the 2000 and 2010 census. The fastest growing city in the county was Folsom, which grew 39.2 percent during this time period.

Employment and population growth in Sacramento County are both expected to accelerate over the next few years as the state rebounds from the Great Recession.

FORECAST HIGHLIGHTS

- Job growth is forecast at 1.5 percent during 2011. From 2011 to 2016, the rate is forecast to average 3.1 percent per year.
- Average salaries adjusted for inflation are slightly above the California state average, but are expected to converge with the state in the long term. Average salaries adjusted for inflation rise an average of 0.7 percent per year from 2011 to 2016.
- Between 2011 and 2016, jobs will be created predominantly in professional services, construction, education and healthcare, government, and retail trade. These sectors are forecast to contribute 74 percent of all jobs created in the county from 2011 to 2016. The financial activities, farm, manufacturing, and government sectors have the slowest growth rates over this period.
- Population growth will accelerate over the next 5 years. Annual growth in the 2011 to 2016 period averages 1.5 percent per year.

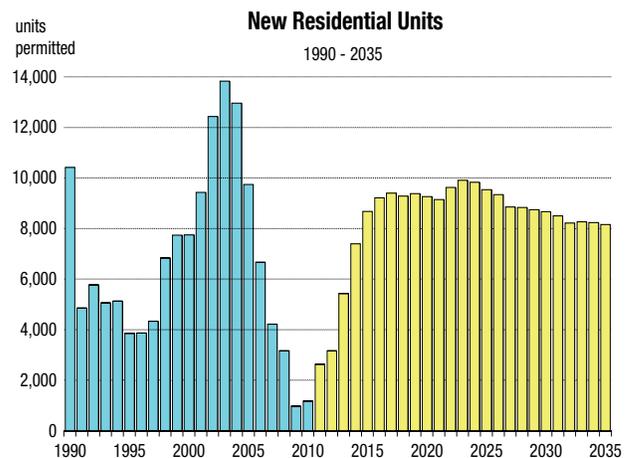
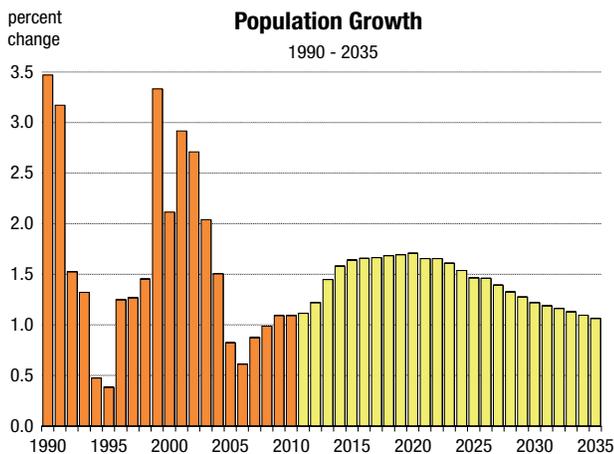


- Net migration is expected to increase slightly in 2011, with approximately 5,400 people entering the county. Between 2011 and 2016 net migration is forecast to average 11,200 net migrants entering the county per year.
- Real per capita incomes are forecast to rise 1.2 percent in 2011. Between 2011 and 2016 growth will average 2.0 percent per year.
- Total taxable sales adjusted for inflation are expected to rise 2.7 percent during 2011. From 2011 to 2016 the average annual growth rate is 4.4 percent per year. Sales do not return to the previous peak until approximately 2019.
- Industrial production is expected to rise by 4.1 percent in 2011. Between 2011 and 2016 industrial production is forecast to rise by an average of 3.0 percent per year.

Sacramento County Economic Forecast

2006-2010 History, 2011-2040 Forecast

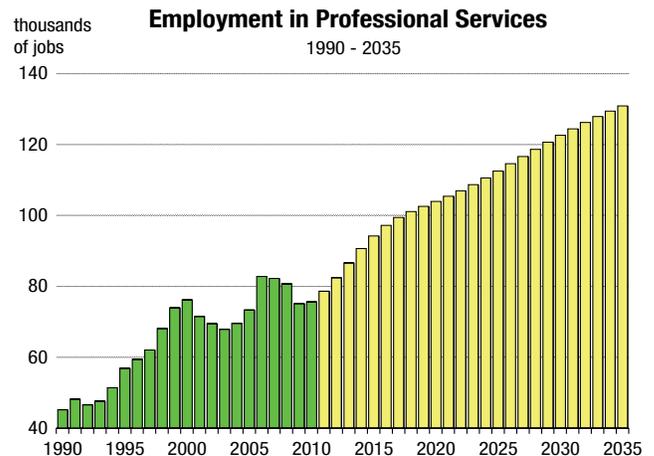
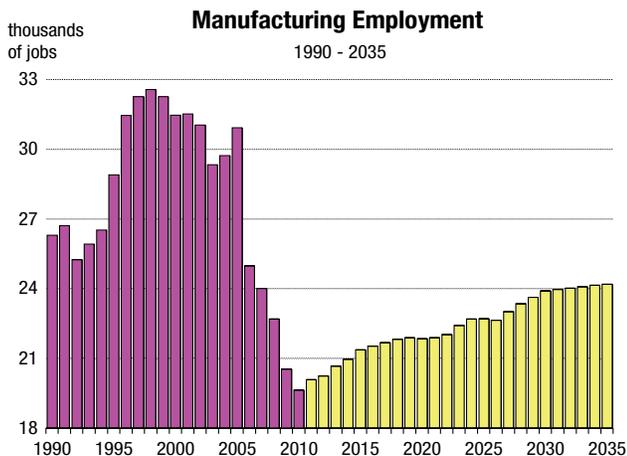
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	1,366,303	-3,110	1,174.3	512.9	6,663	\$21.1	\$50.2	\$39,948	3.2	333.9	5.61	4.8
2007	1,378,268	-176	1,166.0	521.6	4,223	\$20.6	\$52.6	\$40,123	3.4	383.8	5.57	5.4
2008	1,391,877	1,401	1,157.0	526.7	3,164	\$19.3	\$54.3	\$39,883	3.0	366.1	5.65	7.1
2009	1,407,101	4,198	1,159.9	530.1	973	\$16.6	\$53.6	\$38,569	0.8	353.2	5.63	11.5
2010	1,422,492	4,967	1,157.3	531.5	1,181	\$16.9	\$53.5	\$37,640	1.3	352.4	5.51	12.8
2011	1,438,156	5,413	1,175.5	533.2	2,537	\$17.9	\$56.6	\$38,101	3.3	358.0	5.74	11.3
2012	1,455,802	7,532	1,189.9	535.7	3,145	\$19.2	\$59.6	\$38,742	2.3	362.8	5.88	10.3
2013	1,476,770	10,895	1,209.7	538.7	5,325	\$20.5	\$63.1	\$39,547	2.3	367.1	6.09	9.0
2014	1,500,073	13,291	1,231.7	543.9	7,331	\$21.9	\$67.0	\$40,381	2.4	370.2	6.26	7.8
2015	1,524,536	14,542	1,253.8	551.0	8,563	\$23.4	\$71.1	\$41,265	2.1	372.1	6.45	6.7
2016	1,549,984	15,546	1,275.7	559.3	9,085	\$24.8	\$75.1	\$42,029	2.1	372.9	6.66	6.0
2017	1,575,815	15,855	1,294.4	568.1	9,233	\$26.2	\$78.9	\$42,548	2.1	370.6	6.87	5.6
2018	1,602,711	16,780	1,312.2	577.0	9,180	\$27.6	\$83.0	\$43,128	2.0	367.0	7.08	5.2
2019	1,630,767	17,809	1,329.6	585.9	9,299	\$29.0	\$87.2	\$43,719	1.9	365.3	7.28	4.8
2020	1,660,412	19,288	1,346.6	594.9	9,227	\$30.4	\$91.4	\$44,210	1.7	365.7	7.50	4.5
2021	1,690,641	19,752	1,363.4	603.8	9,171	\$31.8	\$95.7	\$44,716	1.7	366.1	7.77	4.6
2022	1,720,923	19,689	1,378.1	612.7	9,580	\$33.3	\$100.3	\$45,042	2.2	366.9	8.02	4.6
2023	1,751,209	19,546	1,392.2	622.0	9,880	\$34.8	\$104.9	\$45,354	2.2	367.3	8.30	4.6
2024	1,781,040	18,998	1,405.9	631.5	9,768	\$36.4	\$110.0	\$45,763	2.1	367.9	8.58	4.7
2025	1,810,157	18,250	1,417.6	641.0	9,527	\$38.2	\$115.1	\$46,144	2.1	368.2	8.84	4.7
2026	1,839,758	18,648	1,431.4	650.2	9,382	\$39.9	\$120.1	\$46,425	2.1	368.6	9.11	4.7
2027	1,868,617	17,911	1,444.9	659.3	8,917	\$41.8	\$125.4	\$46,737	2.1	368.8	9.44	4.8
2028	1,896,605	17,191	1,459.1	667.9	8,915	\$43.7	\$130.7	\$47,014	2.1	369.3	9.78	4.8
2029	1,923,959	16,714	1,473.7	676.6	8,825	\$45.8	\$136.2	\$47,272	2.1	369.4	10.12	4.8
2030	1,950,531	16,119	1,488.9	685.1	8,744	\$47.9	\$141.7	\$47,521	2.1	369.8	10.48	4.8
2031	1,976,844	16,012	1,503.6	693.6	8,582	\$50.1	\$147.5	\$47,756	2.2	370.1	10.82	4.8
2032	2,002,573	15,585	1,518.6	701.9	8,295	\$52.5	\$153.3	\$47,940	2.2	370.5	11.17	4.8
2033	2,027,760	15,228	1,534.1	709.9	8,345	\$55.0	\$159.4	\$48,210	2.1	370.8	11.54	4.8
2034	2,052,508	14,992	1,548.9	718.0	8,283	\$57.6	\$165.9	\$48,488	2.2	371.1	11.92	4.8
2035	2,076,867	14,823	1,562.8	726.0	8,201	\$60.3	\$172.6	\$48,807	2.2	371.4	12.31	4.8
2036	2,099,562	13,475	1,577.3	733.9	8,089	\$63.1	\$179.5	\$49,153	2.1	371.7	12.70	4.9
2037	2,121,359	12,898	1,593.3	741.8	8,198	\$66.2	\$186.7	\$49,540	2.2	372.0	13.11	4.9
2038	2,142,526	12,561	1,610.2	749.7	8,121	\$69.3	\$194.2	\$49,973	2.1	372.3	13.54	4.9
2039	2,163,158	12,302	1,627.5	757.6	8,052	\$72.6	\$202.1	\$50,436	2.1	372.5	13.98	4.9
2040	2,183,321	12,090	1,644.2	765.4	7,981	\$76.0	\$210.1	\$50,920	2.1	372.8	14.46	4.9

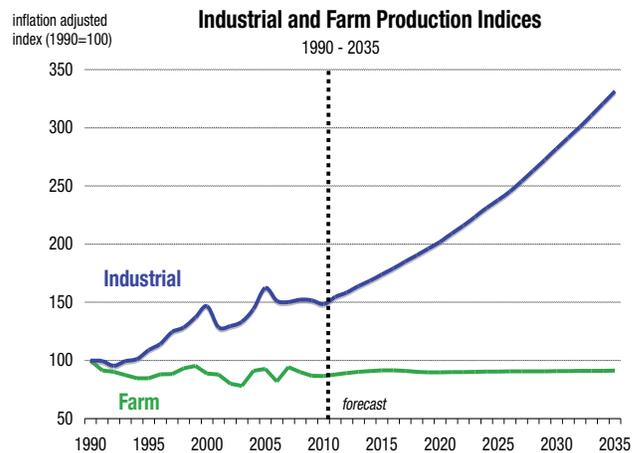
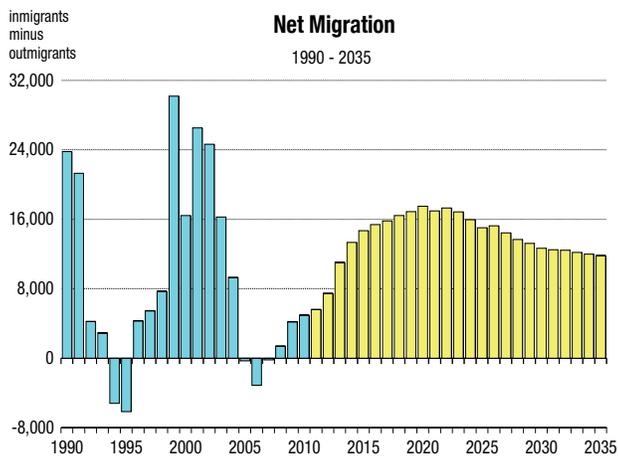
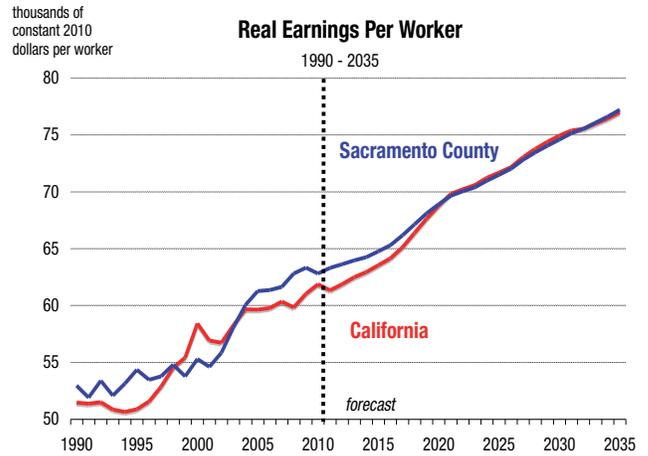
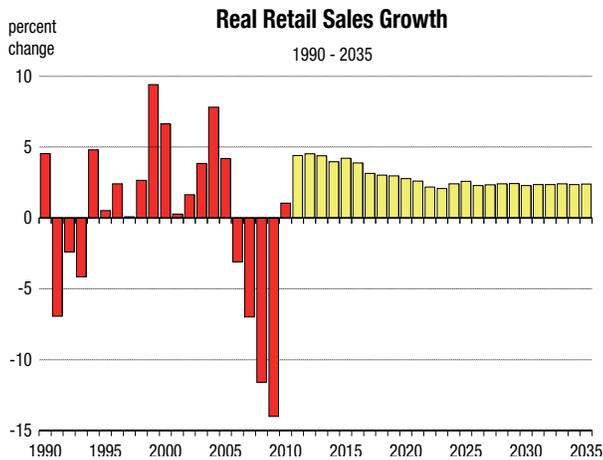


Sacramento County Employment Forecast

2006-2010 History, 2011-2040 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	570.7	2.91	26.7	20.5	12.9	69.4	37.1	75.2	14.1	69.5	50.1	171.9
2010	555.1	2.92	23.5	19.6	12.5	68.3	34.0	75.6	13.2	69.0	48.9	167.6
2011	563.6	2.95	23.4	20.1	12.6	70.3	35.5	78.6	14.0	71.0	50.6	164.0
2012	577.9	2.97	26.1	20.3	12.9	73.1	35.7	82.5	14.4	72.3	51.9	164.7
2013	599.9	3.00	32.0	20.7	13.3	76.5	36.5	86.7	14.8	73.7	53.2	167.5
2014	621.9	3.02	37.2	21.0	13.7	80.5	36.9	90.7	15.2	75.4	54.9	170.6
2015	641.6	3.03	40.3	21.4	14.2	84.2	37.0	94.3	15.5	77.1	56.8	174.4
2016	656.9	3.03	41.3	21.5	14.6	87.4	37.9	97.3	15.7	78.5	58.4	177.2
2017	664.7	3.02	40.5	21.7	14.8	89.2	38.5	99.5	15.9	79.5	59.7	177.8
2018	672.0	3.00	39.6	21.8	15.2	90.4	39.1	101.2	16.0	80.7	60.9	179.3
2019	678.7	2.99	38.9	21.9	15.6	91.4	39.6	102.6	16.1	81.9	61.9	180.5
2020	685.7	2.99	38.6	21.9	16.2	92.6	40.3	104.0	16.2	82.8	62.8	181.8
2021	692.7	2.99	38.6	21.9	16.7	93.8	40.4	105.4	16.3	83.8	63.6	183.1
2022	700.1	3.00	39.1	22.0	17.2	95.2	40.7	107.0	16.4	84.7	64.4	184.0
2023	708.6	3.00	39.9	22.4	17.6	96.8	41.1	108.7	16.5	85.5	65.1	184.9
2024	716.5	3.00	39.8	22.7	18.0	98.3	41.6	110.6	16.6	86.8	65.8	185.8
2025	724.6	3.00	39.9	22.7	18.4	99.7	42.1	112.6	16.7	88.1	66.5	187.0
2026	732.3	3.01	39.6	22.6	18.7	101.0	42.6	114.6	16.8	89.4	67.2	188.2
2027	739.9	3.01	39.0	23.0	19.0	102.2	43.2	116.7	17.0	90.8	67.9	189.5
2028	748.2	3.01	39.0	23.4	19.3	103.3	43.7	118.7	17.1	92.2	68.6	190.6
2029	756.3	3.01	38.9	23.6	19.6	104.6	44.2	120.7	17.3	93.6	69.3	191.8
2030	764.6	3.01	38.9	23.9	19.9	105.8	44.7	122.6	17.4	95.1	70.1	193.0
2031	772.3	3.02	38.7	24.0	20.2	107.1	45.2	124.5	17.5	96.7	70.8	194.0
2032	779.8	3.02	38.3	24.0	20.6	108.3	45.8	126.3	17.7	98.4	71.5	195.0
2033	787.9	3.02	38.4	24.1	20.9	109.6	46.3	127.9	17.8	100.2	72.3	196.1
2034	795.8	3.02	38.3	24.1	21.2	110.9	46.8	129.5	17.9	102.0	73.0	197.1
2035	803.8	3.02	38.3	24.2	21.6	112.2	47.3	130.9	18.1	103.8	73.8	198.3
2036	811.7	3.02	38.2	24.2	21.9	113.5	47.9	132.4	18.2	105.7	74.5	199.4
2037	819.9	3.03	38.5	24.2	22.3	114.8	48.4	133.8	18.3	107.6	75.3	200.5
2038	828.1	3.03	38.4	24.3	22.6	116.1	48.9	135.3	18.5	109.5	76.1	201.6
2039	836.4	3.03	38.4	24.4	23.0	117.4	49.5	136.8	18.6	111.5	76.9	202.8
2040	844.8	3.03	38.4	24.4	23.3	118.8	50.0	138.2	18.7	113.4	77.6	204.1





County Economic and Demographic Indicators

Projected Economic Growth (2011-2016)

Expected retail sales growth:	22.9%
Expected job growth:	16.6%
Fastest growing jobs sector:	Construction
Expected personal income growth:	18.9%

Expected population growth:	7.8%
Net migration to account for:	55.3%
Expected growth in number of vehicles:	8.5%

Demographics (2011)

Unemployment rate (June 2011)	12.6%
County Rank* in California (58 counties):	27th
Working age (16-64) population:	65.5%

Population with B.A. Degree or higher:	27.6%
Median Home Selling Price:	\$173,000
Median Household Income:	\$54,339

Quality of Life

Violent Crime rate (2009):	627 per 100,000 persons
County Rank* in California (58 counties):	52nd
Average Commute Time to work (2011):	26.8 minutes

High School drop out rate (2009):	23.3 %
Households at/below poverty line:	10.3 %

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