

IMPERIAL COUNTY ECONOMIC FORECAST

Imperial County is located at the extreme southeastern edge of the state, adjacent to San Diego County. Imperial County has a population of over 178,000 people and 53,900 wage and salary jobs. The per capita income in Imperial County is \$26,897 and the average salary per worker is \$44,152, both of which represent the lowest levels among all Southern California counties.

Imperial County's economy is heavily agricultural. With roughly 9,400 farm workers, the county produces more than \$1.6 billion in agricultural commodities per year. It's most prevalent commodities are cattle and leaf lettuce.

During 2011, employment across Southern California increased by 0.7 percent. Imperial County gained 270 jobs, representing a growth rate of 0.5 percent. Farm employment grew by 3.0 percent, while total non-farm jobs were virtually flat. In 2011, the unemployment rate improved slightly, dropping from 29.9 percent to 29.6 percent. However, this measure is still extremely high, and is currently higher than any other county in the state.

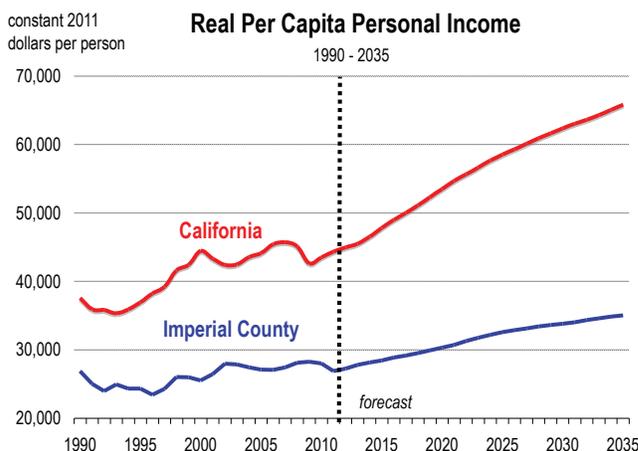
The principal employment sectors in Imperial County are farming, retail trade, and government. Many of the government jobs in Imperial County are related to the two state correctional facilities, which employ over 2,500 staff and house nearly 8,400 inmates.

In 2011, the farm sector added 270 jobs, while the "other services" sector added 100 workers. The transportation, wholesale trade, and education and healthcare industries each gained 60 jobs. These gains, however, were partially offset by 310 jobs lost in the public sector.

Between 2006 and 2011, the Imperial County population grew at an annual rate of 2.1 percent. This rapid rate of growth was largely due to the natural increase (new births), with only 35 percent of all new residents coming from net migration.

FORECAST HIGHLIGHTS

- Employment is expected to increase in 2012, growing by 0.9 percent. From 2012 to 2017, the average annual growth rate will be 2.5 percent per year.
- Average salaries are currently well below the California state average, and will remain so over the forecast horizon. Adjusted for inflation, average salaries in Imperial County will rise by an average of 1.0 percent per year from 2012 to 2017.
- The sectors creating the most jobs between 2012 and 2017 will be government, education and healthcare, agriculture, transportation and utilities, and retail trade.
- Annual population growth in the 2012 to 2017 period will average 1.5 percent per year.

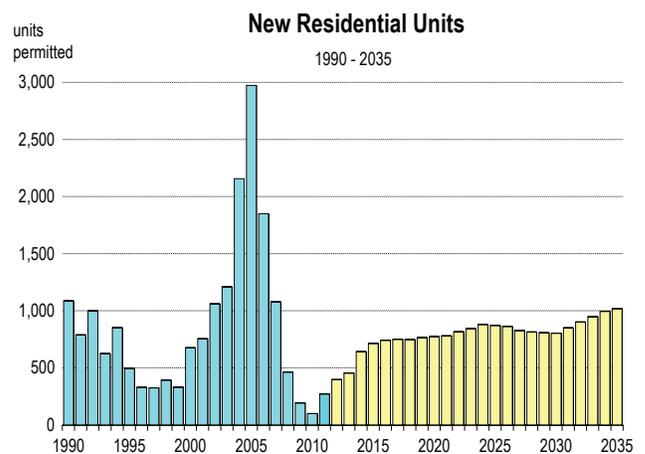
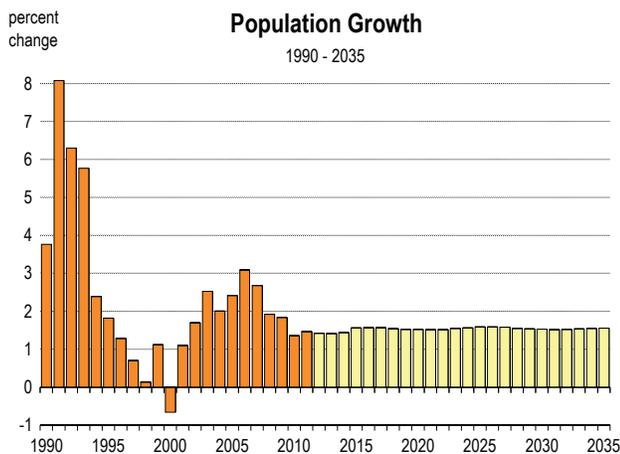


- Net migration is expected to slow during the 2012 to 2017 period, though it remains positive. Between 2012 and 2017, net migration will average 400 individuals per year.
- Real per capita income, adjusted for inflation, is projected to increase by 1.3 percent in 2012 as employment rises. An annual compound rate of growth of 1.4 percent is forecast from 2012 to 2017.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.9 percent per year between 2012 and 2017.
- Industrial production is expected to increase by 6.1 percent in 2012 due to strength in manufacturing. From 2012 to 2017, the growth rate of industrial production is expected to average 5.5 percent per year.
- Farm production is forecast to increase by 0.1 percent per year between 2012 and 2017. The principal farm products in the county are cattle and leaf lettuce.

Imperial County Economic Forecast

2006-2011 History, 2012-2040 Forecast

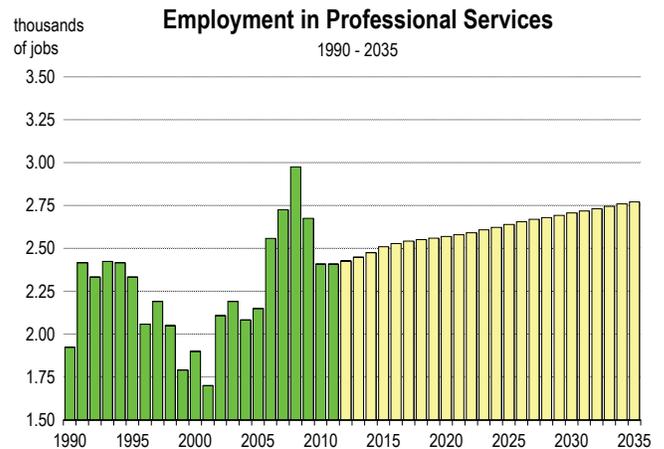
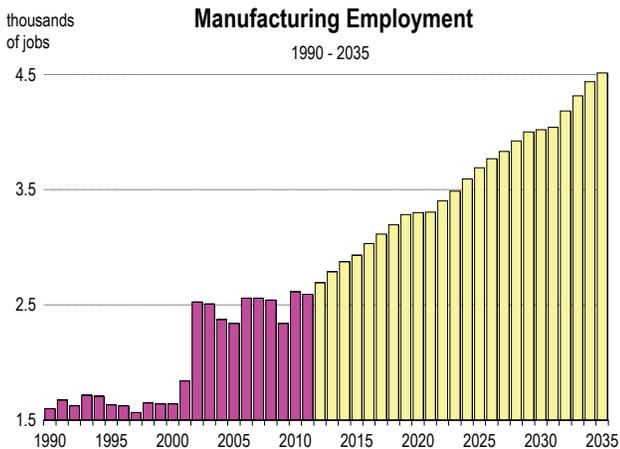
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	162,532	2,845	144.6	46.3	1,850	\$2.15	\$3.99	\$27,061	4.3	1.50	0.70	15.4
2007	166,894	2,132	145.0	48.5	1,079	\$2.25	\$4.29	\$27,410	3.3	1.48	0.70	18.0
2008	170,104	857	147.7	48.8	464	\$2.18	\$4.64	\$28,120	3.5	1.74	0.75	22.3
2009	173,241	847	151.5	49.1	195	\$1.77	\$4.72	\$28,273	-0.8	1.51	0.72	27.8
2010	175,594	180	155.8	49.1	102	\$1.97	\$4.79	\$27,988	1.2	1.64	0.80	29.9
2011	178,169	318	157.3	49.2	274	\$2.19	\$4.79	\$26,897	2.6	1.63	0.82	29.6
2012	180,706	323	160.2	49.8	398	\$2.17	\$5.03	\$27,246	2.1	1.63	0.87	28.4
2013	183,264	294	164.5	50.2	455	\$2.31	\$5.32	\$27,802	2.2	1.63	0.92	26.1
2014	185,908	326	168.5	50.6	643	\$2.40	\$5.59	\$28,164	2.3	1.63	0.98	22.5
2015	188,812	540	172.7	51.2	715	\$2.51	\$5.85	\$28,450	2.0	1.61	1.02	19.0
2016	191,779	579	177.6	51.9	742	\$2.66	\$6.15	\$28,866	1.9	1.63	1.08	16.2
2017	194,792	598	182.2	52.7	752	\$2.78	\$6.43	\$29,162	1.9	1.64	1.14	14.0
2018	197,806	585	187.0	53.4	750	\$2.91	\$6.73	\$29,523	1.8	1.66	1.20	12.4
2019	200,823	571	191.9	54.1	766	\$3.03	\$7.04	\$29,918	1.7	1.68	1.27	11.2
2020	203,885	592	196.6	54.9	775	\$3.16	\$7.35	\$30,292	1.5	1.66	1.33	10.1
2021	206,984	610	201.3	55.6	782	\$3.29	\$7.68	\$30,704	1.5	1.63	1.38	9.5
2022	210,127	627	206.7	56.4	817	\$3.43	\$8.07	\$31,273	1.6	1.66	1.46	9.2
2023	213,383	679	211.8	57.2	846	\$3.57	\$8.45	\$31,734	1.7	1.68	1.53	9.1
2024	216,718	709	216.8	58.0	881	\$3.74	\$8.86	\$32,180	1.8	1.71	1.62	9.0
2025	220,164	764	221.8	58.9	872	\$3.92	\$9.28	\$32,587	1.8	1.73	1.71	8.9
2026	223,665	775	226.3	59.7	864	\$4.10	\$9.69	\$32,877	1.9	1.73	1.80	8.9
2027	227,211	787	230.5	60.6	829	\$4.29	\$10.10	\$33,111	1.9	1.73	1.88	8.9
2028	230,743	758	235.0	61.4	816	\$4.50	\$10.54	\$33,402	1.9	1.74	1.97	8.8
2029	234,300	761	239.2	62.2	810	\$4.72	\$10.98	\$33,643	1.9	1.75	2.07	8.8
2030	237,896	782	243.1	63.0	806	\$4.93	\$11.42	\$33,810	1.9	1.72	2.15	8.8
2031	241,513	787	247.2	63.8	851	\$5.16	\$11.89	\$34,037	1.9	1.70	2.24	8.8
2032	245,194	827	251.8	64.6	902	\$5.41	\$12.41	\$34,358	1.9	1.73	2.37	8.7
2033	248,972	896	256.3	65.5	950	\$5.64	\$12.93	\$34,611	1.9	1.76	2.51	8.7
2034	252,834	958	260.8	66.4	997	\$5.88	\$13.47	\$34,851	1.9	1.78	2.64	8.6
2035	256,781	1,023	265.0	67.4	1,020	\$6.11	\$14.01	\$35,040	1.9	1.78	2.77	8.6
2036	260,759	1,041	269.9	68.4	1,040	\$6.37	\$14.63	\$35,334	1.9	1.82	2.94	8.5
2037	264,800	1,079	274.7	69.4	986	\$6.62	\$15.24	\$35,583	1.9	1.83	3.09	8.5
2038	268,830	1,050	279.2	70.3	927	\$6.85	\$15.87	\$35,796	1.9	1.80	3.20	8.4
2039	272,800	976	284.6	71.2	938	\$7.13	\$16.57	\$36,151	1.9	1.82	3.37	8.4
2040	276,824	998	289.9	72.2	943	\$7.39	\$17.27	\$36,470	1.8	1.83	3.63	8.3

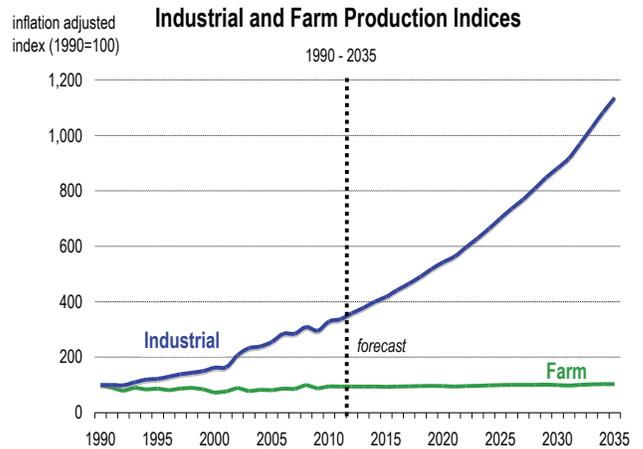
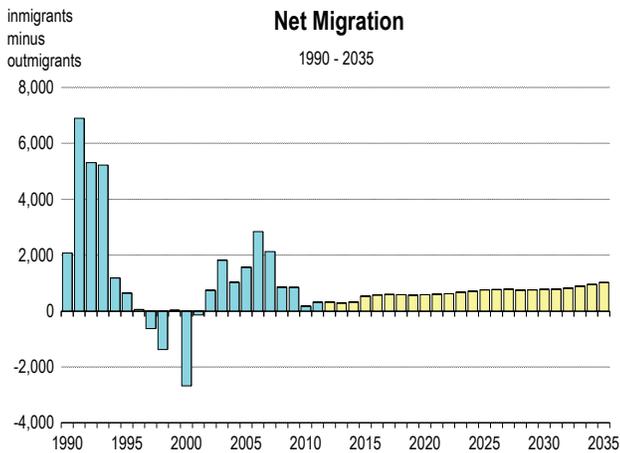
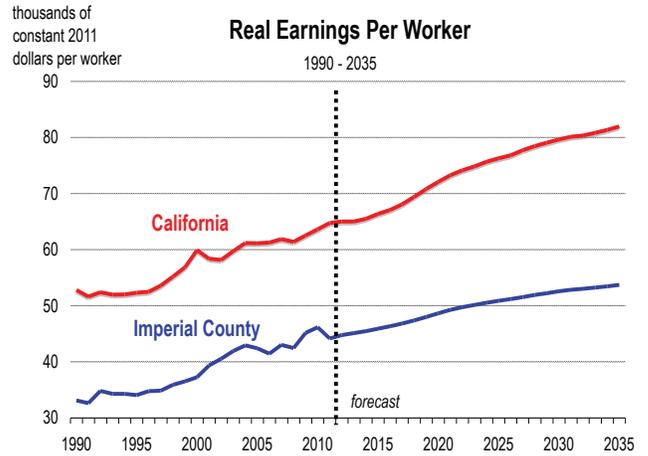
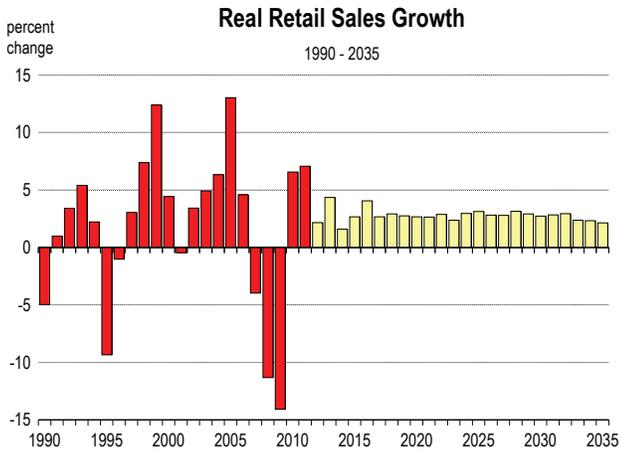


Imperial County Employment Forecast

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	56.2	11.49	2.0	2.6	1.8	9.4	1.4	2.6	0.4	2.9	3.3	17.4
2007	56.0	10.09	1.9	2.6	1.8	9.4	1.4	2.7	0.4	2.9	3.5	18.1
2008	58.2	11.38	1.7	2.5	1.8	9.5	1.3	3.0	0.4	3.4	3.6	18.5
2009	54.8	9.36	1.5	2.3	1.8	8.6	1.3	2.7	0.4	3.8	3.4	18.8
2010	53.6	9.09	1.3	2.6	1.8	8.6	1.3	2.4	0.4	3.6	3.3	18.5
2011	53.9	9.37	1.3	2.6	1.9	8.6	1.3	2.4	0.4	3.7	3.4	18.2
2012	54.3	9.88	1.3	2.7	2.0	8.7	1.3	2.4	0.4	3.8	3.4	17.5
2013	56.2	10.11	1.4	2.8	2.1	8.9	1.3	2.4	0.4	3.9	3.6	18.4
2014	57.9	10.18	1.4	2.9	2.3	9.0	1.3	2.5	0.4	4.1	3.7	19.3
2015	59.3	10.14	1.4	2.9	2.4	9.1	1.3	2.5	0.4	4.3	3.7	20.1
2016	61.0	10.25	1.5	3.0	2.5	9.3	1.3	2.5	0.4	4.5	3.8	20.9
2017	62.5	10.28	1.5	3.1	2.6	9.4	1.3	2.5	0.4	4.7	3.9	21.7
2018	63.9	10.32	1.5	3.2	2.7	9.6	1.3	2.6	0.4	4.8	3.9	22.5
2019	65.1	10.39	1.5	3.3	2.8	9.7	1.3	2.6	0.4	5.0	3.9	23.1
2020	66.1	10.29	1.5	3.3	3.0	9.8	1.3	2.6	0.4	5.2	4.0	23.6
2021	67.0	10.19	1.5	3.3	3.1	9.9	1.3	2.6	0.4	5.4	4.0	24.1
2022	68.2	10.34	1.5	3.4	3.3	10.0	1.3	2.6	0.4	5.5	4.0	24.5
2023	69.2	10.40	1.5	3.5	3.4	10.2	1.3	2.6	0.4	5.7	4.0	24.9
2024	70.2	10.48	1.5	3.6	3.5	10.3	1.3	2.6	0.4	5.8	4.0	25.3
2025	71.2	10.52	1.6	3.7	3.6	10.4	1.3	2.6	0.4	5.9	4.0	25.6
2026	72.0	10.52	1.6	3.8	3.7	10.6	1.3	2.7	0.4	6.1	4.0	26.0
2027	72.7	10.49	1.6	3.8	3.8	10.7	1.3	2.7	0.4	6.2	4.0	26.2
2028	73.6	10.54	1.6	3.9	3.9	10.8	1.3	2.7	0.4	6.3	4.0	26.5
2029	74.3	10.54	1.6	4.0	4.0	11.0	1.3	2.7	0.4	6.4	4.0	26.8
2030	74.9	10.44	1.6	4.0	4.1	11.1	1.3	2.7	0.4	6.5	4.0	27.0
2031	75.5	10.36	1.6	4.0	4.2	11.2	1.3	2.7	0.4	6.6	4.0	27.2
2032	76.4	10.52	1.6	4.2	4.3	11.4	1.3	2.7	0.4	6.8	4.0	27.4
2033	77.3	10.62	1.6	4.3	4.4	11.5	1.3	2.7	0.4	6.9	4.1	27.7
2034	78.1	10.67	1.6	4.4	4.5	11.6	1.3	2.8	0.4	7.0	4.1	27.9
2035	78.8	10.64	1.6	4.5	4.6	11.7	1.3	2.8	0.5	7.1	4.1	28.1
2036	79.7	10.78	1.6	4.7	4.7	11.8	1.4	2.8	0.5	7.2	4.1	28.4
2037	80.5	10.80	1.6	4.8	4.8	11.9	1.4	2.8	0.5	7.3	4.1	28.6
2038	81.0	10.63	1.6	4.8	4.9	12.0	1.4	2.8	0.5	7.4	4.1	28.9
2039	81.9	10.73	1.6	4.9	5.0	12.1	1.4	2.8	0.5	7.5	4.1	29.2
2040	82.8	10.78	1.6	5.0	5.1	12.2	1.3	2.8	0.5	7.6	4.1	29.5





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	15.7 %
Expected job growth:	13.2 %
Fastest growing jobs sector:	Transport & Warehousing
Expected personal income growth:	7.3 %

Expected population growth:	7.6 %
Net migration to account for:	16.0 %
Expected growth in number of vehicles:	12.9 %

Demographics (2012)

Unemployment rate (March 2012):	26.8 %
County Rank* in California (58 counties):	58th
Working age (16-64) population:	61.4 %

Population with B.A. Degree or higher:	13.8 %
Median Home Selling Price:	\$131,000
Median Household Income:	\$36,878

Quality of Life

Violent Crime rate (2010):	336 per 100,000 persons
County Rank* in California (58 counties):	21st
Average Commute Time to work (2012):	20.6 minutes

High School drop out rate (2010):	13.4 %
Households at/below poverty line:	21.0 %

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