

# PLACER COUNTY ECONOMIC FORECAST

Rising from 100 feet above sea level on its western border to over 9,000 feet in the eastern Sierra Mountain range, Placer County is located in the northern Sacramento Valley with an eastern border that touches the Nevada state line. Placer County has a population of 313,900 people and over 137,600 wage and salary jobs. The per capita income in Placer County is \$38,151, and the average salary per worker is \$43,990.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year, while the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) grew at a robust pace of 2.4 percent. In 2005, nearly 3,600 total wage and salary jobs were created in Placer County, representing a growth rate of 2.7 percent. The non-farm employment sector also grew at the same rate. The unemployment rate declined to a very tight 4.0 percent in 2005.

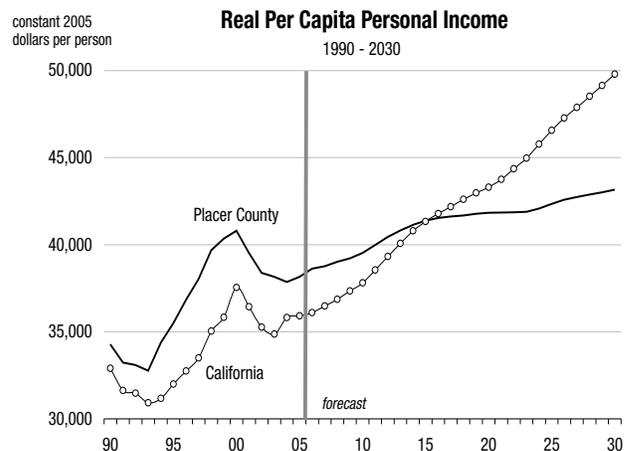
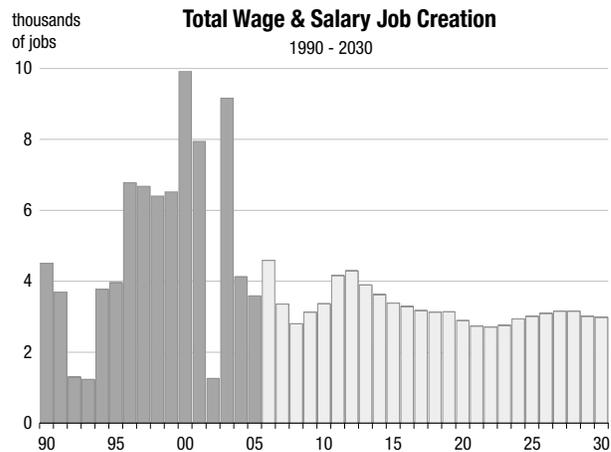
In 2005, the construction, professional services, leisure services, financial services, wholesale and retail trade, and health-care and education sectors created 400 to 650 jobs each. These six sectors accounted for virtually all of the net job growth in the county. Employment in manufacturing increased slightly in 2005, adding 330 jobs. Since 2001, the manufacturing sector in Placer County has upsized by 1,500 jobs.

The population increased 2.6 percent in Placer County from January 2005 to January 2006, making it the 5th fastest growing county in California. The fastest growing city in the county is Lincoln, which through annexation and development has grown 43 percent in the last two years.

Employment and population growth will continue at healthy rates in Placer County over the next several years. Inland counties, like Placer County, will dominate growth in the state due to the relative affordability and higher production of homes.

## FORECAST HIGHLIGHTS

- Job growth is forecast to increase in 2006 to 3.3 percent. Job growth is expected to slow from 2006 to 2010, but will remain healthy, averaging 2.4 percent per year.
- The momentum for employment growth is in wholesale and retail trade, leisure services and professional services. These sectors account for 66 percent of all jobs created in the county over the next five years. Employment in construction is forecast to decline as housing production moderates.
- The population will continue to grow at a rapid rate in the county. Annual growth in the 2006 to 2010 period averages 2.6 percent per year.

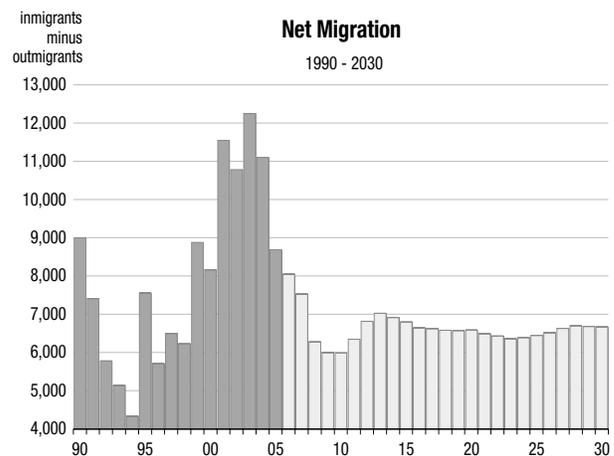
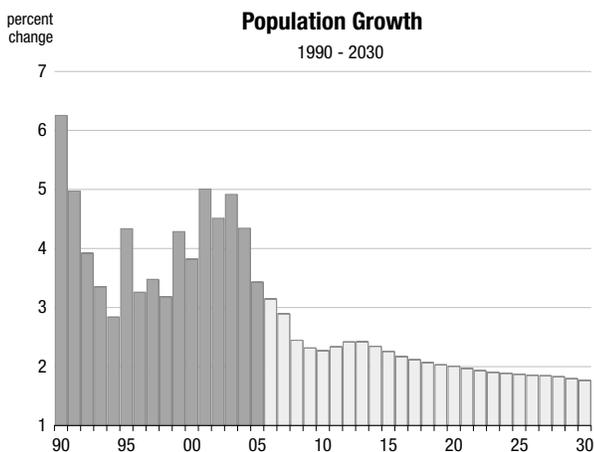


- Net migration will decline slightly to approximately 8,000 people in 2006. Over the next five years net migration is expected to continue to decline from historical highs of the last five years to an average of 6,800 net migrants entering the county per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Average salaries adjusted for inflation are forecast to rise an average of 1.4 percent per year over the next 5 years.
- Real per capita incomes increase at a rate of 1.2 percent in 2006. Over the next five years real per capita incomes are forecast to increase 0.7 percent per year.
- Industrial production is forecast to increase 4.5 percent in 2006. Over the next five years industrial production will rise 4.0 percent per year, due to growth in the durable manufacturing sector.

# Placer County Economic Forecast

## 1997-2005 History, 2006-2030 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)
1997	226,100	6,498	214.7	79.6	3,837	\$3.1	\$6.8	\$38,029	3.4	62.8	1.0	4.7
1998	233,300	6,230	233.8	82.1	5,206	\$3.4	\$7.6	\$39,676	3.2	59.5	1.1	4.1
1999	243,300	8,877	246.0	85.9	4,896	\$4.0	\$8.3	\$40,344	4.2	68.6	1.3	3.2
2000	252,605	8,167	266.5	93.4	6,379	\$4.7	\$9.2	\$40,793	4.5	66.7	1.6	3.6
2001	265,261	11,550	287.8	97.2	5,974	\$5.2	\$9.8	\$39,531	5.4	65.8	1.3	3.9
2002	277,242	10,787	301.9	102.8	7,188	\$5.5	\$10.1	\$38,386	1.6	70.0	1.2	4.8
2003	290,881	12,255	308.8	108.7	5,254	\$6.0	\$10.8	\$38,150	1.8	68.6	1.3	4.8
2004	303,519	11,099	346.2	114.8	4,894	\$6.6	\$11.3	\$37,862	1.2	61.7	1.5	4.6
2005	313,931	8,687	370.1	120.0	5,294	\$7.0	\$12.0	\$38,151	2.0	65.0	1.6	4.0
2006	323,815	8,052	393.7	123.8	3,655	\$7.8	\$12.8	\$38,622	2.7	67.8	1.7	3.9
2007	333,200	7,534	417.6	127.2	3,380	\$8.5	\$13.5	\$38,763	2.1	68.7	1.7	4.2
2008	341,359	6,281	441.6	130.3	3,148	\$9.2	\$14.3	\$39,016	2.3	71.1	1.8	4.3
2009	349,271	6,000	465.8	133.2	3,071	\$9.8	\$15.0	\$39,220	2.2	70.8	1.8	4.5
2010	357,204	5,985	490.2	136.0	3,286	\$10.5	\$15.9	\$39,533	2.4	69.6	2.0	4.4
2011	365,548	6,346	514.8	139.0	3,615	\$11.1	\$16.8	\$39,984	2.3	69.5	2.1	4.2
2012	374,387	6,815	539.6	142.3	3,621	\$11.8	\$17.8	\$40,439	2.1	68.9	2.2	4.2
2013	383,459	7,023	564.6	145.6	3,602	\$12.4	\$18.8	\$40,818	2.2	67.8	2.4	4.1
2014	392,446	6,920	589.6	148.9	3,479	\$13.1	\$19.8	\$41,140	2.2	66.9	2.5	4.0
2015	401,306	6,795	614.5	152.1	3,407	\$13.8	\$20.8	\$41,375	2.4	65.8	2.7	3.9
2016	410,018	6,647	639.4	155.3	3,340	\$14.6	\$21.9	\$41,535	2.5	64.5	2.8	3.8
2017	418,709	6,627	663.9	158.3	3,270	\$15.4	\$23.0	\$41,619	2.6	64.8	3.0	3.9
2018	427,368	6,584	688.2	161.3	3,331	\$16.2	\$24.1	\$41,684	2.4	64.5	3.1	4.0
2019	436,047	6,577	712.3	164.4	3,355	\$17.0	\$25.2	\$41,776	2.4	63.5	3.2	4.1
2020	444,800	6,591	736.0	167.4	3,357	\$17.8	\$26.3	\$41,836	2.3	62.7	3.4	4.3
2021	453,554	6,495	759.4	170.5	3,263	\$18.6	\$27.5	\$41,848	2.3	62.7	3.5	4.4
2022	462,329	6,431	782.6	173.5	3,227	\$19.5	\$28.7	\$41,862	2.4	61.7	3.6	4.6
2023	471,124	6,362	805.6	176.5	3,224	\$20.3	\$29.9	\$41,889	2.3	61.8	3.6	4.7
2024	480,019	6,395	828.5	179.4	3,275	\$21.2	\$31.3	\$42,067	2.2	60.6	3.6	4.7
2025	488,996	6,447	851.3	182.4	3,334	\$22.1	\$32.8	\$42,341	2.2	59.7	3.6	4.6
2026	498,068	6,520	874.2	185.5	3,391	\$23.0	\$34.4	\$42,579	2.3	59.1	3.6	4.4
2027	507,272	6,635	897.2	188.6	3,443	\$24.0	\$35.9	\$42,737	2.3	58.5	3.6	4.2
2028	516,561	6,702	920.3	191.7	3,449	\$25.0	\$37.6	\$42,874	2.5	58.6	3.6	4.3
2029	525,851	6,683	943.4	194.9	3,424	\$26.1	\$39.4	\$43,013	2.5	57.6	3.7	4.4
2030	535,146	6,670	966.7	198.0	3,438	\$27.3	\$41.3	\$43,160	2.5	56.8	3.7	4.5



# Placer County Employment Forecast

## 1997-2005 History, 2006-2030 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	88.7	0.36	6.6	8.5	2.0	15.3	5.0	9.7	1.8	8.9	12.6	14.4
1998	95.1	0.36	8.4	9.3	2.0	15.9	5.5	10.4	2.1	8.8	12.6	15.7
1999	101.6	0.34	10.0	10.1	2.3	16.3	5.9	11.0	2.2	9.1	13.2	16.8
2000	111.5	0.38	11.9	11.3	2.7	17.9	6.7	12.5	2.5	9.5	13.7	17.7
2001	119.5	0.38	14.1	10.5	3.1	19.9	7.3	13.3	2.6	10.8	14.5	18.2
2002	120.7	0.39	14.7	8.1	2.7	20.8	8.2	12.7	2.5	11.8	15.4	19.5
2003	129.9	0.53	16.6	8.8	2.6	22.0	9.2	13.8	2.8	12.5	16.4	20.9
2004	134.0	0.68	17.2	9.2	2.8	22.7	9.8	14.3	2.8	13.1	16.7	21.0
2005	137.6	0.65	17.8	9.6	2.9	23.1	10.3	14.9	2.6	13.6	17.2	21.3
2006	142.2	0.67	18.1	9.9	2.8	24.1	10.8	15.7	2.7	14.0	17.9	21.7
2007	145.5	0.68	17.5	10.2	2.8	25.1	11.1	16.4	2.8	14.3	18.6	22.1
2008	148.3	0.67	16.7	10.3	2.8	25.9	11.3	17.1	2.8	14.7	19.3	22.5
2009	151.5	0.67	16.4	10.6	2.9	26.7	11.4	17.8	2.9	15.0	19.9	22.9
2010	154.9	0.68	15.7	10.9	3.1	27.4	11.6	18.6	3.0	15.3	20.5	23.3
2011	159.0	0.68	15.6	11.2	3.3	28.1	11.9	19.6	3.2	15.6	21.0	23.8
2012	163.3	0.68	15.8	11.6	3.5	28.8	12.1	20.6	3.3	15.9	21.6	24.2
2013	167.2	0.69	15.8	11.8	3.7	29.4	12.2	21.7	3.4	16.3	22.2	24.5
2014	170.8	0.70	15.7	12.1	3.9	30.0	12.3	22.6	3.6	16.6	22.7	24.9
2015	174.2	0.70	15.7	12.3	4.1	30.6	12.3	23.5	3.7	16.9	23.2	25.3
2016	177.5	0.71	15.6	12.5	4.2	31.2	12.3	24.3	3.8	17.3	23.8	25.6
2017	180.7	0.72	15.6	12.7	4.4	31.8	12.3	24.9	3.9	17.7	24.4	26.0
2018	183.8	0.72	15.5	12.9	4.6	32.4	12.3	25.5	4.0	18.1	25.0	26.3
2019	187.0	0.73	15.4	13.1	4.8	32.9	12.3	26.1	4.1	18.6	25.5	26.7
2020	189.9	0.73	15.3	13.2	4.9	33.4	12.4	26.7	4.1	19.1	26.0	27.1
2021	192.6	0.74	15.1	13.4	5.1	34.0	12.4	27.2	4.2	19.5	26.3	27.6
2022	195.3	0.74	15.0	13.5	5.3	34.5	12.3	27.8	4.3	20.0	26.7	28.0
2023	198.1	0.75	14.9	13.7	5.5	35.0	12.3	28.3	4.4	20.4	27.0	28.4
2024	201.0	0.75	15.0	13.9	5.7	35.4	12.4	28.8	4.4	20.9	27.2	28.8
2025	204.0	0.76	15.2	14.0	5.8	35.9	12.6	29.3	4.5	21.4	27.4	29.2
2026	207.1	0.77	15.5	14.1	6.0	36.4	12.9	29.9	4.6	21.8	27.7	29.6
2027	210.3	0.77	15.8	14.3	6.1	36.8	13.2	30.4	4.6	22.3	27.9	29.9
2028	213.5	0.78	16.1	14.4	6.2	37.3	13.4	30.9	4.7	22.8	28.1	30.3
2029	216.5	0.78	16.4	14.5	6.3	37.8	13.6	31.5	4.8	23.3	28.4	30.6
2030	219.5	0.79	16.6	14.6	6.5	38.3	13.8	32.0	4.8	23.8	28.7	30.9

