

TULARE COUNTY ECONOMIC FORECAST

Tulare County is located in the San Joaquin Valley. Nearly half of the land in the county is devoted to national parks or national forests. Tulare's large agricultural sector routinely ranks as the second highest gross crop value in the nation, behind Fresno County. Tulare County has a population of 417,300 people and 139,700 wage and salary jobs. The per capita income in Tulare County is \$23,452, and the average salary per worker is \$33,745.

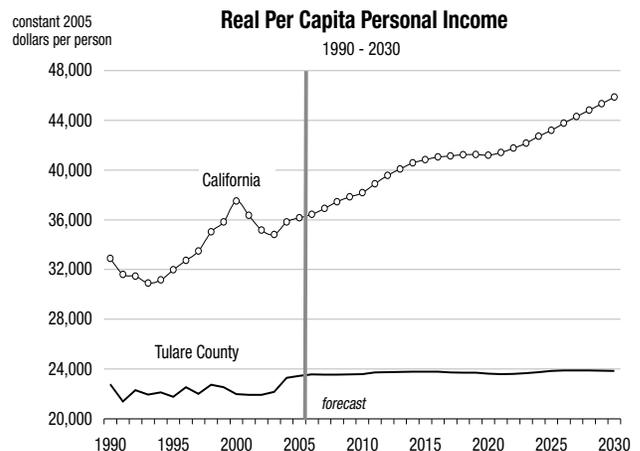
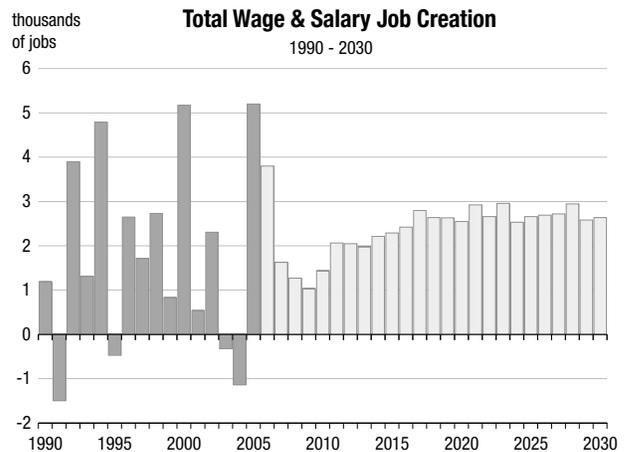
Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year, while the San Joaquin Valley grew at a robust pace of 2.3 percent. In 2005, 5,230 total wage and salary jobs were created in Tulare County, representing an increase in employment of 3.9 percent. Farm employment, which accounts for 23 percent of total employment, jumped 6.1 percent last year after declining by 8.4 percent the year before. The non-farm sectors added 3,350 new jobs, representing a growth rate of 3.0 percent. The unemployment rate increased to 12.2 percent in 2005.

The principal sectors producing jobs in 2005 in Tulare County were construction, retail trade, professional services and government. The two largest sectors in the county are government and farm. Farm employment is likely to plateau, while public sector employment is expected to grow.

The population grew in Tulare County at a rate of 2.2 percent during 2005. The fastest growing cities in the county are Visalia and Tulare, which each grew at a rate of 2.9 and 3.6 percent, respectively, between January 2005 and January 2006. Visalia is the largest city in the county and is currently home to 111,200 residents.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to moderate to 2.7 percent in 2006. From 2006 to 2010, total employment growth averages 1.3 percent per year. However, non-farm employment growth will outpace the farm sector, averaging 1.6 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 1.0 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in professional services, education and healthcare services, leisure services, and government. These sectors account for over 75 percent of all jobs created in the county over the next five years.

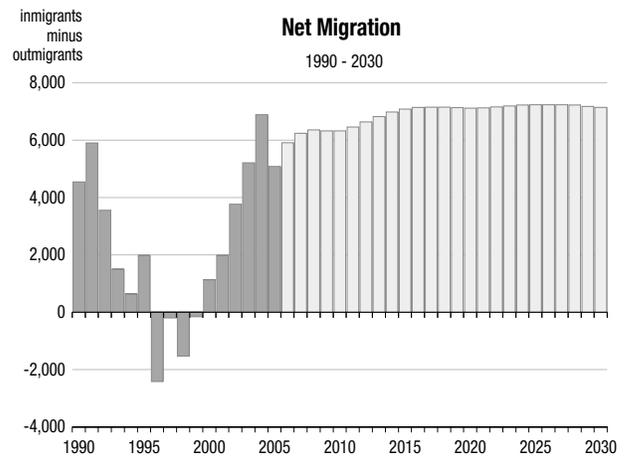
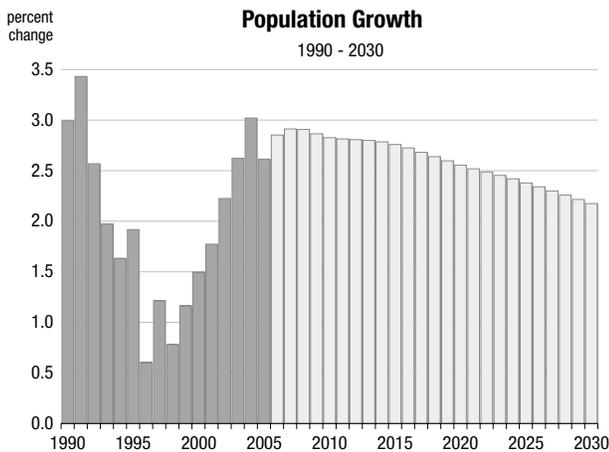


- The population in the county will continue to grow faster than the state average. Annual growth in the 2006 to 2010 period averages 2.9 percent per year.
- Net migration will increase to approximately 5,900 people in 2006. Over the next five years net migration is expected to average 6,200 net migrants entering the county per year.
- Real per capita income is forecast to rise 0.5 percent in 2006. Over the next five years, the growth of real per capita income is expected to remain positive, averaging just 0.1 percent per year.
- Industrial production is forecast to increase 2.5 percent in 2006. Over the next five years the growth rate of industrial production averages 2.6 percent per year. The value of total crop production, which set record levels in 2004 and 2005, is expected to decline by an average of 1.6 percent per year between 2006 and 2010.

Tulare 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 (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	357,261	-195	248.7	110.1	1,338	\$2.7	\$6.2	\$22,011	3.4	3.67	1.34	15.5
1998	360,065	-1,526	261.0	111.2	1,455	\$2.8	\$6.7	\$22,743	3.2	3.58	1.46	15.7
1999	364,256	-150	270.1	112.2	1,653	\$3.0	\$7.0	\$22,531	4.2	3.62	1.55	16.6
2000	369,703	1,139	277.6	110.4	1,651	\$3.2	\$7.2	\$21,982	4.5	3.45	1.68	10.4
2001	376,266	1,984	286.5	111.5	1,773	\$3.3	\$7.7	\$21,926	5.4	3.71	1.59	11.5
2002	384,643	3,776	298.9	113.0	1,988	\$3.3	\$8.0	\$21,913	1.6	3.36	1.72	12.0
2003	394,726	5,213	301.4	114.6	2,390	\$3.6	\$8.5	\$22,169	1.8	3.40	1.88	12.3
2004	406,650	6,892	324.2	116.6	2,751	\$4.0	\$9.3	\$23,296	1.2	4.12	2.03	11.6
2005	417,287	5,087	331.6	119.1	3,386	\$4.3	\$9.8	\$23,452	2.0	4.36	2.13	12.2
2006	429,191	5,919	338.4	122.8	3,431	\$4.7	\$10.5	\$23,573	3.9	4.18	2.18	10.7
2007	441,689	6,247	347.7	126.3	3,353	\$5.1	\$11.1	\$23,556	2.4	4.09	2.25	10.8
2008	454,537	6,363	358.5	129.6	3,264	\$5.4	\$11.6	\$23,551	2.0	4.02	2.31	11.3
2009	467,561	6,330	370.2	132.9	3,233	\$5.7	\$12.2	\$23,571	2.0	4.01	2.36	12.0
2010	480,771	6,327	382.1	136.2	3,237	\$6.1	\$12.9	\$23,589	2.5	4.02	2.43	12.2
2011	494,303	6,467	394.2	139.4	3,247	\$6.5	\$13.6	\$23,728	2.4	4.02	2.53	12.1
2012	508,183	6,641	406.1	142.7	3,239	\$7.0	\$14.4	\$23,755	2.2	4.04	2.65	12.2
2013	522,416	6,828	418.1	145.9	3,253	\$7.4	\$15.1	\$23,756	2.3	4.07	2.78	12.3
2014	536,970	6,986	430.0	149.2	3,261	\$7.9	\$15.9	\$23,780	2.3	4.10	2.91	12.4
2015	551,786	7,088	441.8	152.5	3,261	\$8.4	\$16.7	\$23,776	2.5	4.13	3.05	12.4
2016	566,819	7,144	453.4	155.8	3,258	\$9.0	\$17.7	\$23,786	2.7	4.17	3.17	12.4
2017	582,021	7,154	464.9	159.1	3,245	\$9.6	\$18.6	\$23,731	2.7	4.18	3.30	12.3
2018	597,385	7,154	476.3	162.3	3,244	\$10.1	\$19.5	\$23,712	2.5	4.20	3.44	12.2
2019	612,897	7,138	487.8	165.6	3,247	\$10.8	\$20.5	\$23,700	2.5	4.23	3.58	12.2
2020	628,561	7,125	499.4	168.8	3,257	\$11.4	\$21.5	\$23,620	2.5	4.26	3.72	12.2
2021	644,398	7,134	511.2	172.1	3,258	\$12.0	\$22.6	\$23,579	2.4	4.26	3.82	12.0
2022	660,426	7,166	523.4	175.4	3,269	\$12.7	\$23.7	\$23,605	2.5	4.28	3.88	12.0
2023	676,634	7,201	535.8	178.7	3,272	\$13.4	\$25.0	\$23,661	2.5	4.29	3.91	11.9
2024	693,003	7,228	548.7	182.0	3,288	\$14.2	\$26.3	\$23,736	2.3	4.32	3.88	12.0
2025	709,499	7,238	561.6	185.3	3,296	\$15.0	\$27.6	\$23,837	2.4	4.34	3.83	12.0
2026	726,104	7,237	574.8	188.6	3,299	\$15.9	\$29.0	\$23,884	2.4	4.37	3.86	11.9
2027	742,811	7,243	588.2	191.9	3,298	\$16.7	\$30.4	\$23,888	2.5	4.39	3.89	11.9
2028	759,592	7,229	601.8	195.2	3,285	\$17.6	\$31.9	\$23,882	2.7	4.40	3.96	11.8
2029	776,417	7,184	615.6	198.5	3,279	\$18.6	\$33.5	\$23,860	2.7	4.43	4.03	11.8
2030	793,298	7,146	629.7	201.8	3,271	\$19.6	\$35.1	\$23,845	2.6	4.45	4.10	11.8



Tulare County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	124.4	34.48	4.1	11.9	3.7	17.1	3.6	7.5	0.8	6.9	7.1	24.7
1998	127.1	34.96	4.4	12.1	4.0	17.0	3.7	7.8	0.9	7.0	7.3	25.5
1999	127.9	33.30	5.1	11.9	4.2	16.8	4.0	8.0	1.0	7.1	7.4	26.6
2000	133.1	34.93	5.2	11.7	4.6	17.2	3.9	8.5	1.1	7.6	7.4	28.3
2001	133.6	33.34	5.5	11.5	5.1	16.9	4.2	8.4	1.0	8.3	7.4	29.1
2002	136.0	33.48	5.6	11.2	5.2	16.6	4.5	9.2	1.0	8.9	7.9	29.6
2003	135.6	32.90	6.2	11.2	5.1	16.7	4.5	9.0	1.1	9.3	7.9	29.0
2004	134.5	30.01	6.7	11.3	5.1	17.2	4.3	9.1	1.2	9.5	7.9	29.4
2005	139.7	31.86	7.4	11.5	5.1	17.9	4.5	9.7	1.0	9.9	8.0	30.0
2006	143.5	33.54	7.9	11.5	5.1	18.0	4.6	9.9	1.0	10.1	8.2	30.7
2007	145.1	33.54	7.7	11.6	5.1	18.2	4.7	10.2	1.0	10.3	8.4	31.4
2008	146.4	33.41	7.4	11.6	5.2	18.3	4.7	10.5	1.1	10.5	8.6	32.1
2009	147.4	32.69	7.2	11.7	5.3	18.5	4.8	10.8	1.1	10.8	8.8	32.9
2010	148.9	32.00	7.2	11.7	5.4	18.6	4.9	11.0	1.1	11.1	9.0	33.7
2011	150.9	31.76	7.2	11.7	5.7	18.8	4.9	11.4	1.1	11.3	9.3	34.5
2012	153.0	31.46	7.2	11.8	5.9	19.0	5.0	11.6	1.1	11.6	9.6	35.4
2013	155.0	31.11	7.2	11.8	6.1	19.1	5.1	11.9	1.2	11.8	9.9	36.3
2014	157.2	30.94	7.3	11.7	6.4	19.3	5.2	12.1	1.2	12.1	10.2	37.3
2015	159.5	30.78	7.3	11.7	6.7	19.4	5.3	12.4	1.2	12.3	10.5	38.4
2016	161.9	30.64	7.4	11.7	7.0	19.6	5.3	12.6	1.2	12.6	10.8	39.5
2017	164.7	30.85	7.5	11.8	7.2	19.8	5.5	12.8	1.2	12.8	11.1	40.6
2018	167.4	30.81	7.5	11.8	7.5	20.0	5.5	12.9	1.2	13.2	11.4	41.8
2019	170.0	30.73	7.5	11.8	7.8	20.1	5.6	13.1	1.2	13.5	11.7	43.0
2020	172.5	30.70	7.5	11.7	8.1	20.3	5.7	13.2	1.2	13.8	11.9	44.3
2021	175.5	30.93	7.5	11.7	8.4	20.5	5.8	13.4	1.2	14.2	12.2	45.6
2022	178.1	30.81	7.5	11.7	8.8	20.6	5.8	13.6	1.3	14.5	12.5	46.8
2023	181.1	30.99	7.5	11.6	9.1	20.8	5.9	13.7	1.3	14.9	12.8	48.1
2024	183.6	30.77	7.6	11.6	9.4	21.0	6.0	13.9	1.3	15.3	13.0	49.4
2025	186.3	30.66	7.7	11.6	9.7	21.2	6.1	14.1	1.3	15.6	13.3	50.7
2026	189.0	30.61	7.7	11.6	10.0	21.3	6.2	14.3	1.3	15.8	13.5	52.0
2027	191.7	30.59	7.8	11.6	10.2	21.5	6.3	14.6	1.3	16.1	13.8	53.4
2028	194.6	30.76	7.9	11.6	10.5	21.7	6.4	14.8	1.3	16.4	14.0	54.7
2029	197.2	30.61	7.9	11.6	10.7	21.9	6.5	15.1	1.3	16.6	14.2	56.0
2030	199.9	30.54	8.0	11.6	11.0	22.0	6.6	15.3	1.3	16.9	14.4	57.4

