

MONTEREY COUNTY ECONOMIC FORECAST

Monterey County is located on the central coast of California, north of San Luis Obispo County. Farming is a vital component of the county economy, accounting for over \$3.4 billion in total crop value, and 24 percent of the workforce. Monterey County has a population of 423,500 people and 167,900 wage and salary jobs. The per capita income in Monterey County is \$36,674, and the average salary per worker is \$47,170.

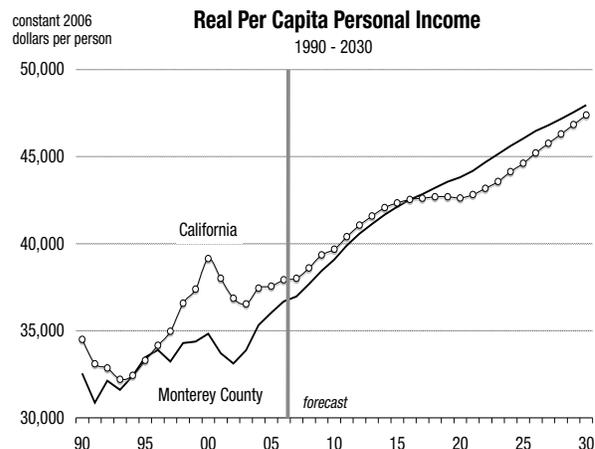
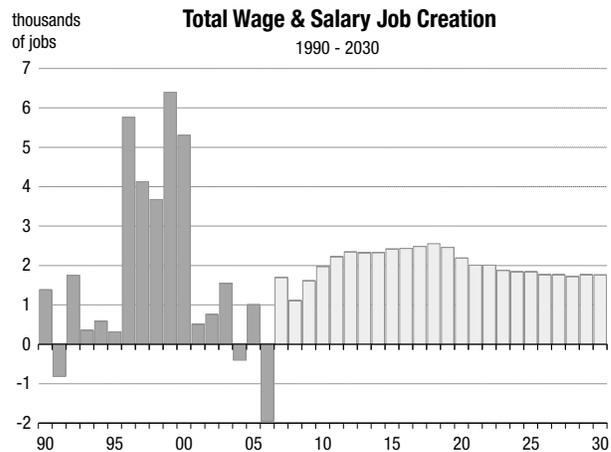
In 2006, an estimated 1,950 wage and salary jobs were lost in Monterey County, representing a decline in employment of 1.1 percent. Non-farm employment grew by 275 jobs, an increase of 0.2 percent. The farm sector lost 2,225 jobs in 2006, after creating a total of 5,600 jobs in the previous four years. The unemployment rate declined to 7.1 percent in 2006.

The principal sectors producing jobs in 2006 in Monterey County are the construction, government, and healthcare and education sectors. The manufacturing sector lost another 525 jobs in 2006. Since 2001, the sector has lost over 3,000 jobs. Government and farm are the largest sectors in the county, accounting for 18 and 24 percent, respectively of total employment in the county. Many of the public sector jobs are associated with the state correctional facilities in Soledad, which accommodate a total of 11,500 inmates.

From January 2006 to January 2007, the population barely increased by 0.7 percent in Monterey County. The largest city in the county is Salinas with a population of 149,360, more than 100,000 people larger than the cities of Seaside and Monterey. Population in Salinas increased by 0.3 percent during 2006.

FORECAST HIGHLIGHTS

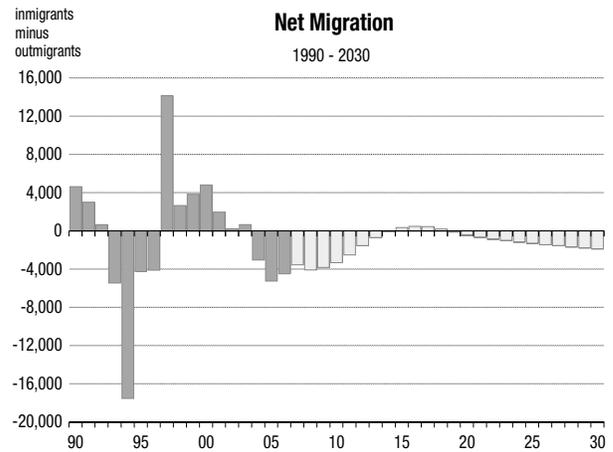
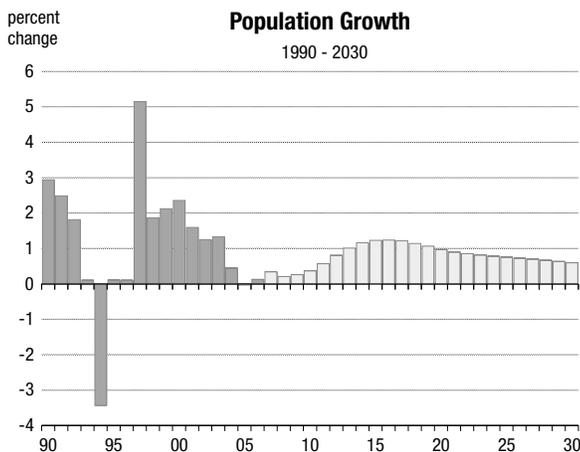
- Job growth averages 1.0 percent in 2007. Over the next five years, a 1.0 percent average annual growth rate is forecast. Non-farm employment increases by an average of 1.4 percent over the same period.
- Average salaries adjusted for inflation are currently below the California state average. Inflation adjusted salaries are expected to rise an average of 0.7 percent per year over the next 5 years.
- Between 2007 and 2011, the momentum for employment growth is in the professional services, wholesale and retail trade, leisure services, government, and healthcare and education sectors. These sectors account for 98 percent of all net job creation in the county over the next five years.
- Population growth will remain low over the foreseeable future. Annual growth in the 2007 to 2011 period averages 0.4 percent per year.
- Net migration will remain negative over the next five years. In 2007, out-migration will be 3,550 people. Over the next five years out-migration is expected to average 3,450 net migrants per year.
- Real per capita incomes increase at a rate of 0.8 percent in 2007. But over the next five years real per capita incomes are forecast to increase approximately 1.7 percent per year.
- Total taxable sales are expected to increase by an average of 3.6 percent over the next five years. Adjusted for inflation, they increase by 1.2 percent per year.
- Industrial production is forecast to increase 4.7 percent in 2007. Over the next five years the growth rate of industrial production will average 4.2 percent. Total real crop production is expected to decline an average of 0.7 percent per year between 2007 and 2011.



Monterey County Economic Forecast

1997-2006 History, 2007-2030 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	379,344	14,140	266.9	114.7	1,713	\$3.6	\$9.6	\$33,223	3.4	2.96	1.13	11.0
1998	386,441	2,659	285.1	116.3	1,178	\$3.9	\$10.5	\$34,296	3.2	2.91	1.13	10.8
1999	394,653	3,844	296.5	117.5	2,081	\$4.3	\$11.2	\$34,377	4.2	2.88	1.19	9.7
2000	403,976	4,820	309.8	121.2	1,702	\$4.9	\$12.1	\$34,820	4.5	3.50	1.29	7.4
2001	410,437	1,971	322.7	122.0	1,064	\$5.1	\$12.5	\$33,714	5.4	2.95	1.31	7.9
2002	415,580	222	335.3	123.3	1,223	\$4.9	\$12.7	\$33,115	1.6	3.05	1.25	9.0
2003	421,146	659	332.1	124.2	1,385	\$4.9	\$13.4	\$33,874	1.8	3.51	1.25	9.0
2004	423,054	-3,029	350.6	125.3	1,276	\$5.2	\$14.2	\$35,324	1.2	3.11	1.27	8.4
2005	422,925	-5,239	345.1	126.6	1,335	\$5.5	\$14.8	\$36,026	2.0	3.46	1.25	7.4
2006	423,478	-4,473	348.4	127.7	951	\$5.7	\$15.5	\$36,674	3.3	3.49	1.21	7.1
2007	424,946	-3,548	352.6	128.8	1,309	\$5.9	\$16.2	\$36,967	2.9	3.43	1.27	6.7
2008	425,854	-4,068	356.6	129.7	1,093	\$6.1	\$16.8	\$37,671	2.0	3.38	1.32	6.8
2009	426,971	-3,822	360.8	130.6	1,055	\$6.3	\$17.6	\$38,440	2.0	3.36	1.38	6.6
2010	428,572	-3,326	365.1	131.5	1,082	\$6.5	\$18.4	\$39,088	2.5	3.37	1.43	6.5
2011	431,040	-2,497	369.4	132.3	1,044	\$6.8	\$19.3	\$39,897	2.4	3.36	1.48	6.4
2012	434,522	-1,553	373.8	133.2	1,047	\$7.1	\$20.3	\$40,580	2.2	3.37	1.53	6.4
2013	438,922	-710	378.1	133.9	1,017	\$7.4	\$21.2	\$41,127	2.3	3.39	1.58	6.4
2014	444,025	-40	382.3	134.7	999	\$7.7	\$22.3	\$41,666	2.3	3.41	1.62	6.5
2015	449,513	356	386.6	135.4	995	\$8.0	\$23.4	\$42,109	2.6	3.43	1.66	6.5
2016	455,104	487	390.9	136.1	983	\$8.4	\$24.5	\$42,530	2.7	3.46	1.70	6.5
2017	460,641	450	395.1	136.7	978	\$8.8	\$25.7	\$42,832	2.7	3.47	1.75	6.5
2018	465,928	197	399.4	137.4	1,001	\$9.2	\$26.9	\$43,207	2.5	3.50	1.80	6.5
2019	470,893	-109	403.6	138.0	1,012	\$9.6	\$28.1	\$43,561	2.5	3.52	1.85	6.4
2020	475,484	-448	407.6	138.6	1,013	\$10.0	\$29.2	\$43,816	2.5	3.54	1.90	6.4
2021	479,784	-673	411.6	139.2	1,002	\$10.4	\$30.4	\$44,185	2.4	3.55	1.93	6.4
2022	483,883	-852	415.5	139.8	1,010	\$10.8	\$31.8	\$44,675	2.5	3.57	1.95	6.4
2023	487,862	-1,011	419.3	140.4	1,010	\$11.2	\$33.2	\$45,148	2.5	3.58	1.98	6.4
2024	491,708	-1,170	423.1	140.9	1,000	\$11.7	\$34.6	\$45,611	2.3	3.60	2.01	6.4
2025	495,439	-1,315	426.9	141.5	1,005	\$12.1	\$36.0	\$46,032	2.4	3.63	2.03	6.3
2026	499,072	-1,439	430.6	142.1	1,000	\$12.6	\$37.5	\$46,472	2.4	3.65	2.05	6.3
2027	502,577	-1,552	434.3	142.7	1,020	\$13.1	\$39.0	\$46,797	2.5	3.67	2.06	6.3
2028	505,936	-1,671	437.9	143.3	1,024	\$13.7	\$40.6	\$47,163	2.7	3.68	2.09	6.3
2029	509,153	-1,779	441.6	143.9	1,018	\$14.2	\$42.3	\$47,552	2.7	3.71	2.11	6.2
2030	512,217	-1,882	445.2	144.5	1,013	\$14.8	\$44.0	\$47,957	2.6	3.73	2.14	6.2



Monterey 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	151.0	34.76	4.5	9.1	3.2	19.1	6.1	11.5	3.0	10.0	17.9	28.1
1998	154.7	35.18	5.3	8.5	3.3	19.6	6.2	11.6	3.0	10.7	18.2	29.2
1999	161.1	37.50	5.9	8.4	3.6	20.2	6.3	12.9	2.9	10.7	18.8	29.8
2000	166.4	39.08	6.3	8.7	3.5	20.9	6.3	12.9	2.8	11.2	20.0	30.4
2001	166.9	36.88	6.7	9.3	3.5	21.9	6.5	12.5	2.8	11.7	20.4	30.4
2002	167.7	38.11	6.6	8.3	3.4	22.1	6.5	12.3	2.4	12.0	20.1	31.3
2003	169.2	41.43	6.7	7.5	3.2	22.0	6.5	11.8	2.4	12.3	19.7	31.1
2004	168.8	41.93	6.7	7.2	3.3	21.9	5.9	11.8	2.3	12.3	20.3	30.3
2005	169.8	42.43	6.7	6.7	3.4	21.6	6.1	12.5	2.4	12.2	20.8	30.3
2006	167.9	40.22	7.2	6.2	3.4	21.6	6.2	12.6	2.2	12.5	20.6	30.6
2007	169.6	40.05	7.5	6.1	3.4	21.9	6.2	13.1	2.1	12.7	20.9	31.0
2008	170.7	39.89	7.4	6.0	3.5	22.2	6.2	13.3	2.1	12.9	21.2	31.3
2009	172.3	39.84	7.4	5.9	3.5	22.5	6.3	13.6	2.0	13.2	21.5	31.7
2010	174.3	39.84	7.5	5.9	3.6	22.8	6.3	14.0	2.0	13.5	21.8	32.2
2011	176.5	39.83	7.6	5.8	3.7	23.1	6.3	14.5	1.9	14.0	22.1	32.7
2012	178.9	39.85	7.6	5.8	3.8	23.4	6.3	14.9	1.9	14.5	22.4	33.3
2013	181.2	39.91	7.6	5.7	3.9	23.7	6.3	15.3	1.9	15.0	22.7	33.9
2014	183.5	39.97	7.6	5.7	4.0	24.0	6.3	15.6	1.9	15.6	23.0	34.5
2015	185.9	40.05	7.7	5.6	4.1	24.3	6.4	15.9	2.0	16.3	23.2	35.2
2016	188.4	40.13	7.7	5.6	4.1	24.6	6.4	16.1	2.0	17.0	23.5	36.0
2017	190.9	40.17	7.8	5.5	4.2	24.8	6.4	16.2	2.0	17.7	23.8	36.8
2018	193.4	40.23	7.9	5.5	4.3	25.1	6.4	16.4	2.0	18.4	24.1	37.6
2019	195.9	40.30	7.9	5.4	4.4	25.4	6.4	16.5	2.0	19.2	24.3	38.4
2020	198.1	40.37	8.0	5.3	4.5	25.6	6.4	16.7	2.0	19.9	24.5	39.1
2021	200.1	40.39	8.0	5.3	4.6	25.9	6.4	16.8	2.0	20.5	24.6	39.8
2022	202.1	40.45	8.0	5.2	4.7	26.1	6.4	17.0	2.1	21.2	24.7	40.4
2023	204.0	40.47	8.0	5.1	4.7	26.4	6.4	17.1	2.1	21.8	24.8	40.9
2024	205.8	40.54	8.0	5.1	4.8	26.6	6.4	17.3	2.1	22.5	24.9	41.5
2025	207.7	40.61	8.0	5.0	4.9	26.9	6.4	17.4	2.1	23.1	25.0	42.0
2026	209.4	40.67	8.0	4.9	4.9	27.1	6.4	17.6	2.1	23.8	25.1	42.5
2027	211.2	40.73	8.1	4.9	5.0	27.3	6.4	17.7	2.1	24.4	25.2	43.0
2028	212.9	40.77	8.1	4.8	5.1	27.6	6.4	17.8	2.1	25.0	25.3	43.4
2029	214.7	40.83	8.2	4.8	5.1	27.8	6.4	18.0	2.1	25.6	25.4	43.9
2030	216.5	40.90	8.2	4.7	5.2	28.0	6.4	18.1	2.2	26.2	25.6	44.4

