

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 322,400 people and over 141,000 wage and salary jobs. The per capita income in Placer County is \$40,853, and the average salary per worker is \$46,444.

Employment growth in Northern California was strong in 2006, compared to the previous five years. Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) grew at a robust pace of 2.2 percent. In 2006, nearly 2,900 total wage and salary jobs were created in Placer County, representing a growth rate of 2.1 percent. The unemployment rate increased slightly to 4.2 percent in 2006.

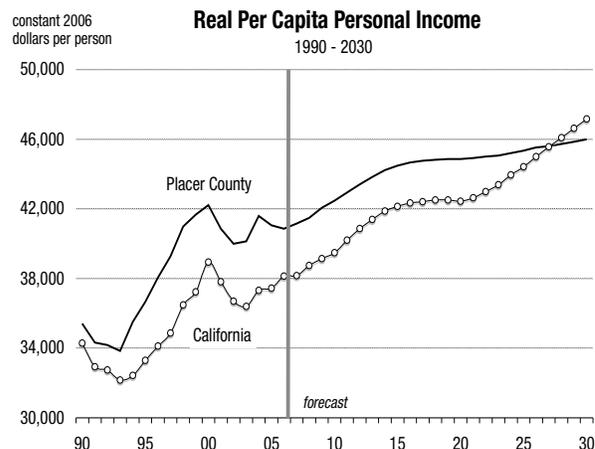
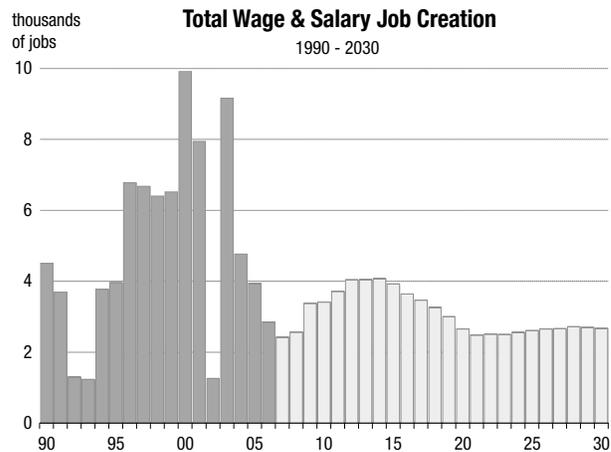
In 2006, the professional services, leisure services, government, wholesale and retail trade, and healthcare and education sectors each created approximately 450 to 750 jobs. The manufacturing sector added nearly 100 jobs. Since 2002, the manufacturing sector in Placer County has upsized by 1,400 jobs, but is still below the peak in 2000.

The population increased 2.2 percent in Placer County from January 2006 to January 2007, making it the 9th fastest growing county in California. The fastest growing city in the county is Lincoln, which through annexation and development has grown 60 percent in the last three years.

Employment and population growth in Placer County is expected to moderate over the next few years, but over the long term will return to higher levels. Inland counties, like Placer County, will dominate growth in the state due to the relative affordability and higher production of homes.

FORECAST HIGHLIGHTS

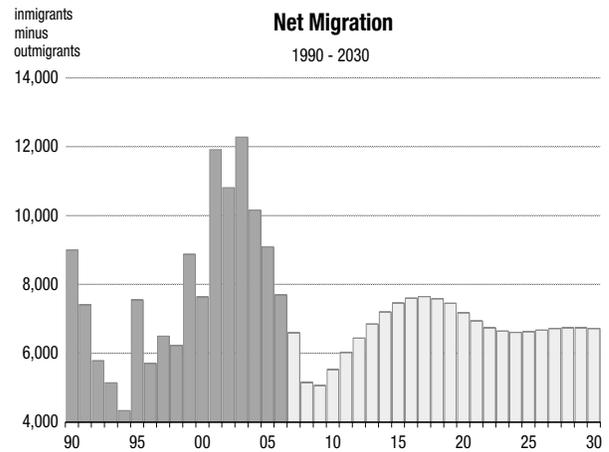
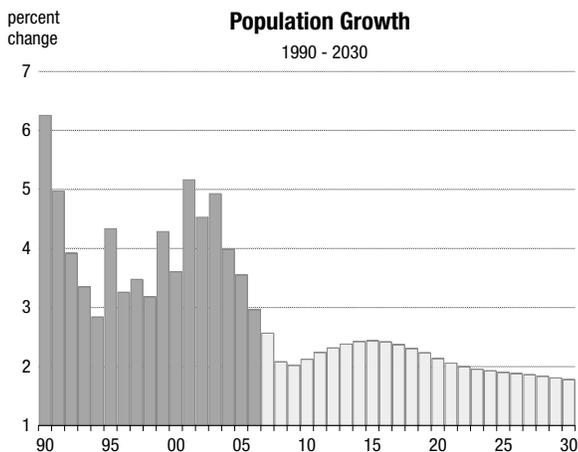
- Job growth is forecast to decline in 2007 to 1.7 percent. Job growth is expected to rebound and over the five period from 2007 to 2011 will average 2.1 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, but are rising at a faster rate than the state average. Average salaries adjusted for inflation are forecast to rise an average of 1.5 percent per year over the next 5 years.
- The momentum for employment growth is in government, wholesale and retail trade, leisure services and professional services. These sectors account for 83 percent of net job creation 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 2007 to 2011 period averages 2.2 percent per year.
- Net migration will decline to approximately 6,600 people in 2007. Over the next five years net migration is expected to average 5,700 net migrants entering the county per year.
- Real per capita incomes increase at a rate of 0.7 percent in 2007. Over the next five years real per capita incomes are forecast to increase 1.0 percent per year.
- Total taxable sales are expected to increase by an average of 8.3 percent over the next five years.
- Industrial production is forecast to increase 4.3 percent in 2007. Over the next five years industrial production will rise 5.3 percent per year, due to growth in the durable manufacturing and transportation sectors.



Placer 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 (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	226,100	6,498	214.7	79.6	3,837	\$3.1	\$6.8	\$39,278	3.4	64.9	1.02	4.7
1998	233,300	6,230	233.8	82.1	5,206	\$3.4	\$7.6	\$40,979	3.2	61.5	1.12	4.1
1999	243,300	8,877	246.0	85.9	4,896	\$4.0	\$8.3	\$41,669	4.2	70.9	1.32	3.2
2000	252,076	7,638	266.5	93.4	6,379	\$4.7	\$9.2	\$42,222	4.5	68.9	1.63	3.6
2001	265,100	11,918	287.8	97.2	5,974	\$5.2	\$9.8	\$40,854	5.4	68.0	1.35	3.9
2002	277,108	10,814	301.9	102.8	7,188	\$5.5	\$10.2	\$39,998	1.6	72.3	1.14	4.8
2003	290,777	12,285	308.8	108.7	5,254	\$6.0	\$10.9	\$40,137	1.8	70.8	1.31	4.8
2004	302,377	10,160	346.2	114.8	4,894	\$6.6	\$11.9	\$41,595	1.2	63.7	1.44	4.6
2005	313,133	9,095	357.5	120.0	5,294	\$7.2	\$12.4	\$41,054	2.0	64.4	1.46	4.0
2006	322,428	7,701	368.1	125.1	3,207	\$7.8	\$13.2	\$40,853	3.3	63.9	1.50	4.2
2007	330,710	6,597	378.7	127.2	2,530	\$8.7	\$14.0	\$41,153	2.9	67.2	1.57	4.2
2008	337,593	5,152	388.5	129.5	2,681	\$9.5	\$14.8	\$41,478	2.4	70.6	1.64	4.3
2009	344,417	5,060	398.1	132.0	3,137	\$10.2	\$15.6	\$42,061	2.0	71.4	1.74	4.2
2010	351,741	5,527	407.6	134.9	3,302	\$10.9	\$16.5	\$42,468	2.5	71.4	1.85	4.2
2011	359,619	6,026	417.2	137.9	3,546	\$11.7	\$17.4	\$42,931	2.4	72.2	1.95	4.4
2012	367,944	6,439	427.1	141.2	3,749	\$12.4	\$18.4	\$43,409	2.2	72.2	2.06	4.5
2013	376,710	6,849	437.3	144.6	3,940	\$13.1	\$19.5	\$43,833	2.3	71.6	2.18	4.4
2014	385,853	7,200	447.6	148.3	4,135	\$13.9	\$20.6	\$44,225	2.3	71.2	2.32	4.2
2015	395,263	7,462	458.0	152.1	4,184	\$14.7	\$21.8	\$44,487	2.6	70.6	2.45	4.1
2016	404,817	7,601	468.3	155.9	4,184	\$15.6	\$23.0	\$44,668	2.7	69.9	2.56	4.0
2017	414,428	7,651	478.5	159.8	4,260	\$16.5	\$24.2	\$44,758	2.7	70.6	2.68	3.9
2018	423,998	7,587	488.4	163.7	4,078	\$17.4	\$25.5	\$44,824	2.5	70.3	2.81	3.9
2019	433,470	7,455	498.0	167.5	3,985	\$18.3	\$26.7	\$44,860	2.5	69.8	2.95	3.9
2020	442,732	7,180	507.1	171.1	3,819	\$19.3	\$27.9	\$44,858	2.5	69.4	3.10	3.9
2021	451,862	6,942	515.7	174.6	3,738	\$20.2	\$29.3	\$44,925	2.4	70.1	3.22	3.9
2022	460,885	6,745	524.0	178.1	3,669	\$21.2	\$30.7	\$44,997	2.5	69.5	3.31	3.8
2023	469,904	6,645	532.0	181.5	3,648	\$22.2	\$32.1	\$45,062	2.5	69.8	3.41	3.8
2024	478,962	6,609	539.7	184.8	3,682	\$23.2	\$33.5	\$45,207	2.3	68.6	3.52	3.8
2025	488,076	6,627	547.4	188.2	3,708	\$24.3	\$35.1	\$45,347	2.4	67.6	3.62	3.8
2026	497,263	6,672	554.9	191.6	3,736	\$25.4	\$36.8	\$45,523	2.4	66.9	3.70	3.8
2027	506,524	6,721	562.4	195.1	3,755	\$26.6	\$38.4	\$45,604	2.5	66.2	3.77	3.8
2028	515,834	6,744	569.9	198.5	3,741	\$27.8	\$40.3	\$45,723	2.7	66.3	3.86	3.8
2029	525,167	6,741	577.3	202.0	3,729	\$29.1	\$42.2	\$45,849	2.7	65.2	3.95	3.8
2030	534,509	6,725	584.6	205.4	3,731	\$30.4	\$44.2	\$45,990	2.6	64.3	4.05	3.8



Placer 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	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	134.7	0.57	16.8	9.4	2.8	22.7	10.0	13.9	2.9	13.1	17.2	21.4
2005	138.6	0.52	16.7	9.5	2.8	23.7	11.0	14.2	2.7	13.5	17.6	22.2
2006	141.4	0.53	16.1	9.5	2.8	24.3	11.3	14.7	2.7	14.1	18.4	22.6
2007	143.9	0.55	14.9	9.6	2.8	25.4	11.6	15.1	2.7	14.5	19.2	23.2
2008	146.4	0.54	14.3	9.6	2.8	26.2	11.8	15.5	2.7	14.9	20.0	23.8
2009	149.8	0.54	14.1	9.8	2.9	27.0	12.1	15.9	2.8	15.2	20.7	24.3
2010	153.2	0.53	14.0	9.9	3.1	27.8	12.4	16.5	2.8	15.6	21.3	24.9
2011	157.0	0.53	14.1	9.9	3.4	28.5	12.6	17.2	2.9	15.9	21.9	25.4
2012	161.0	0.53	14.5	10.0	3.6	29.2	12.9	18.1	3.0	16.3	22.6	25.9
2013	165.0	0.53	14.8	10.1	3.8	29.8	13.2	19.0	3.1	16.6	23.1	26.3
2014	169.1	0.53	15.2	10.3	4.1	30.4	13.5	19.8	3.2	16.9	23.7	26.7
2015	173.0	0.53	15.5	10.4	4.3	31.0	13.7	20.6	3.3	17.3	24.3	27.1
2016	176.7	0.54	15.8	10.5	4.4	31.6	14.0	21.3	3.3	17.7	25.0	27.5
2017	180.2	0.54	15.9	10.6	4.6	32.1	14.3	21.9	3.4	18.1	25.6	27.9
2018	183.4	0.54	15.9	10.7	4.8	32.7	14.6	22.4	3.5	18.5	26.2	28.2
2019	186.4	0.54	15.7	10.9	5.0	33.2	14.8	22.9	3.6	19.0	26.8	28.6
2020	189.1	0.54	15.3	11.0	5.2	33.7	15.1	23.3	3.6	19.5	27.3	29.0
2021	191.6	0.54	14.9	11.0	5.3	34.3	15.3	23.8	3.7	20.0	27.8	29.4
2022	194.1	0.54	14.5	11.1	5.5	34.8	15.5	24.2	3.8	20.5	28.2	29.8
2023	196.6	0.54	14.2	11.2	5.7	35.2	15.7	24.6	3.8	20.9	28.5	30.2
2024	199.1	0.55	14.1	11.3	5.9	35.7	16.0	25.1	3.9	21.4	28.8	30.6
2025	201.8	0.56	14.1	11.4	6.0	36.2	16.3	25.5	4.0	21.9	29.1	31.0
2026	204.4	0.56	14.1	11.4	6.2	36.6	16.5	25.9	4.0	22.4	29.4	31.4
2027	207.1	0.57	14.2	11.5	6.3	37.1	16.8	26.3	4.1	22.9	29.6	31.7
2028	209.8	0.57	14.3	11.5	6.4	37.6	17.1	26.7	4.1	23.4	29.9	32.1
2029	212.5	0.58	14.4	11.6	6.5	38.0	17.4	27.1	4.2	23.9	30.2	32.4
2030	215.2	0.58	14.5	11.7	6.6	38.5	17.7	27.5	4.2	24.4	30.5	32.8

