

SACRAMENTO COUNTY ECONOMIC FORECAST

Sacramento County is home to the state capital and 7th largest city in California. Sacramento County has a population of nearly 1.4 million people and 610,900 wage and salary jobs. The per capita income in Sacramento County is \$35,351, and the average salary per worker is \$56,745.

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, 13,400 total wage and salary jobs were created in Sacramento County, implying a growth rate of 2.2 percent. Non-farm employment grew at the same rate. The unemployment rate declined slightly to 4.7 percent in 2006.

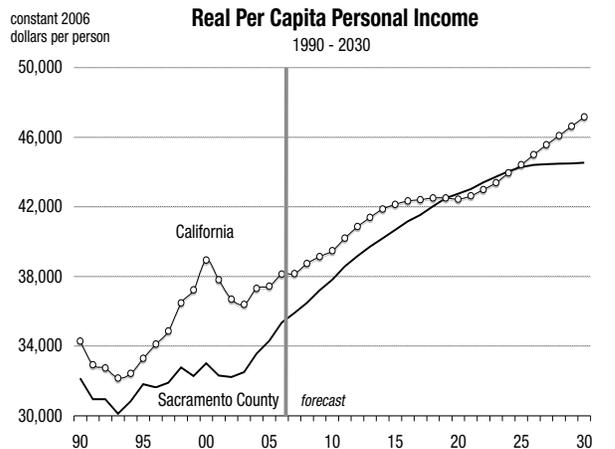
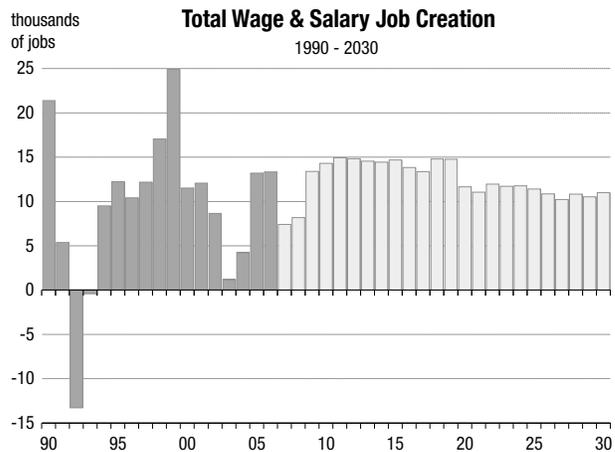
The principal sectors that are producing jobs in Sacramento County are professional services, government, retail trade, healthcare and education, and leisure services. Leisure services and other population serving sectors are creating more job opportunities as the greater Valley population continues to grow. The construction sector lost 1,500 jobs in 2006 as housing production continued to slow.

The city of Sacramento, which accounts for 33 percent of the total population in the county, grew at a rate of 2.0 percent last year. The fastest growing cities are Rancho Cordova and Elk Grove, which grew 4.6 and 4.0 percent respectively from January 2006 to January 2007.

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

FORECAST HIGHLIGHTS

- Job growth declines in 2007, averaging 1.2 percent. From 2007 to 2011, the rate is forecast to average 1.8 percent, with higher rates in 2009, 2010 and 2011.
- Average salaries adjusted for inflation are currently above the California state average, and will remain so over the foreseeable future. Average salaries adjusted for inflation rise an average of 0.8 percent per year over the next 5 years.
- Between 2007 and 2011, the momentum for employment growth is in professional services, government, and wholesale and retail trade. These three sectors are forecast to contribute nearly 70 percent of all jobs created in the county over the next five years. The construction sector loses 2,500 jobs in the near term, but fully recovers by 2011.

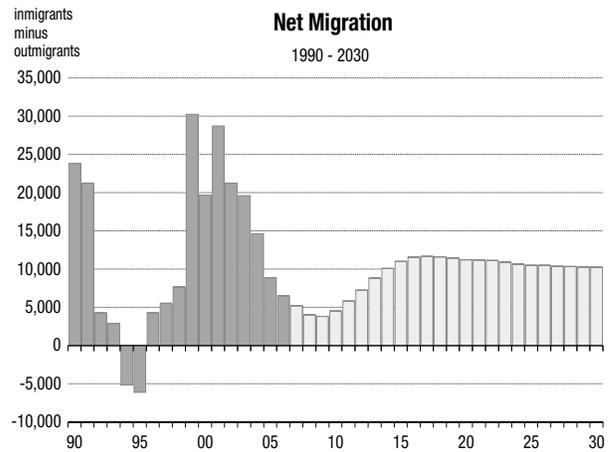
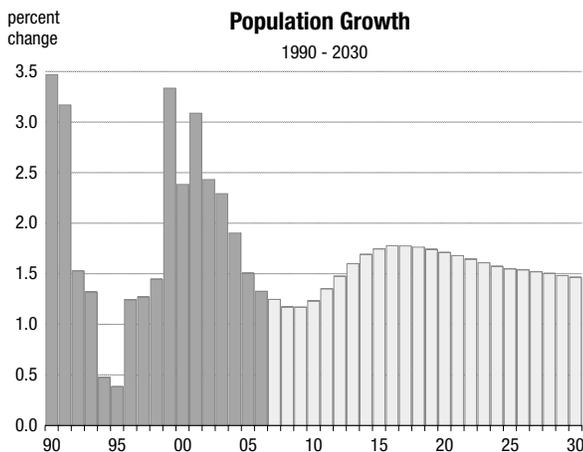


- The population will continue to grow, but at a lower rate than in the previous five years. Annual growth in the 2007 to 2011 period averages 1.2 percent per year.
- Net migration is expected to slow to 5,200 people in 2007. Over the next five years net migration is forecast to average 4,700 net migrants entering the county per year.
- Real per capita incomes are forecast to rise 1.6 percent in 2007. Over the next five years real per capita incomes are forecast to increase 1.8 percent per year.
- Total taxable sales are expected to increase by an average of 5.5 percent over the next five years.
- Industrial production will improve by 5.4 percent in 2007. Over the next five years industrial production is forecast to rise 4.7 percent per year, due to sustained growth in the durable manufacturing and transportation sectors.

Sacramento 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	1,149,127	5,524	860.8	430.5	4,339	\$12.5	\$28.1	\$31,891	3.4	330.8	4.12	5.6
1998	1,165,767	7,656	919.4	434.3	6,842	\$13.3	\$30.2	\$32,776	3.2	348.9	4.31	5.0
1999	1,204,658	30,239	948.8	438.7	7,743	\$15.0	\$32.0	\$32,285	4.2	356.9	4.67	4.3
2000	1,233,386	19,682	991.0	453.6	7,750	\$16.6	\$35.0	\$33,012	4.5	332.8	4.90	4.4
2001	1,271,471	28,735	1,044.1	459.6	9,434	\$17.3	\$37.2	\$32,304	5.4	329.6	4.30	4.5
2002	1,302,397	21,275	1,098.0	469.1	12,440	\$17.6	\$38.6	\$32,218	1.6	299.6	4.34	5.6
2003	1,332,269	19,613	1,110.1	480.4	13,833	\$18.5	\$40.6	\$32,512	1.8	293.1	4.55	5.8
2004	1,357,617	14,664	1,187.2	490.8	12,962	\$20.2	\$43.2	\$33,561	1.2	341.7	4.82	5.5
2005	1,378,068	8,902	1,181.6	502.1	9,749	\$21.3	\$45.8	\$34,298	2.0	360.3	5.06	4.8
2006	1,396,353	6,517	1,197.3	512.9	6,665	\$22.5	\$49.4	\$35,351	3.3	373.0	5.21	4.7
2007	1,413,789	5,220	1,214.2	518.7	6,373	\$24.2	\$52.2	\$35,904	2.9	369.8	5.49	4.6
2008	1,430,375	4,024	1,241.5	524.9	5,349	\$25.4	\$54.8	\$36,479	2.0	367.2	5.75	4.8
2009	1,447,121	3,815	1,268.0	530.1	6,389	\$26.6	\$57.7	\$37,198	2.0	365.1	6.01	4.9
2010	1,464,977	4,522	1,294.8	536.3	6,870	\$28.0	\$60.8	\$37,816	2.5	363.4	6.28	4.8
2011	1,484,793	5,824	1,325.2	542.9	7,688	\$29.5	\$64.4	\$38,578	2.4	362.0	6.54	4.8
2012	1,506,697	7,258	1,352.0	550.4	8,135	\$31.0	\$67.8	\$39,172	2.2	360.9	6.78	4.9
2013	1,530,802	8,822	1,379.9	558.2	7,997	\$32.6	\$71.5	\$39,707	2.3	360.0	7.03	5.0
2014	1,556,700	10,085	1,409.1	566.0	8,315	\$34.4	\$75.3	\$40,193	2.3	359.3	7.31	5.0
2015	1,583,898	10,998	1,438.5	574.0	8,673	\$36.2	\$79.5	\$40,674	2.6	358.7	7.57	5.0
2016	1,612,073	11,593	1,468.9	582.4	7,975	\$38.3	\$84.1	\$41,165	2.7	358.2	7.83	5.1
2017	1,640,705	11,669	1,498.6	590.2	8,173	\$40.4	\$88.7	\$41,541	2.7	357.9	8.11	5.1
2018	1,669,657	11,628	1,526.6	598.1	8,424	\$42.5	\$93.6	\$42,030	2.5	357.6	8.45	5.0
2019	1,698,742	11,463	1,554.0	606.2	8,374	\$44.7	\$98.7	\$42,494	2.5	357.3	8.77	5.0
2020	1,727,808	11,249	1,580.9	614.3	7,295	\$47.0	\$103.5	\$42,757	2.5	357.1	9.08	5.0
2021	1,756,853	11,204	1,604.3	621.4	7,044	\$49.4	\$108.5	\$43,021	2.4	357.0	9.34	5.0
2022	1,785,802	11,145	1,625.1	628.2	7,275	\$51.8	\$114.1	\$43,399	2.5	356.8	9.53	5.0
2023	1,814,567	10,916	1,644.7	635.3	7,764	\$54.2	\$119.7	\$43,735	2.5	356.7	9.75	5.0
2024	1,843,159	10,658	1,664.1	642.8	8,179	\$56.7	\$125.3	\$44,047	2.3	356.6	9.97	5.0
2025	1,871,761	10,491	1,681.1	650.7	8,407	\$59.4	\$130.9	\$44,288	2.4	356.6	10.17	5.0
2026	1,900,607	10,514	1,700.3	658.8	8,142	\$62.2	\$136.5	\$44,416	2.4	356.5	10.36	5.0
2027	1,929,524	10,391	1,720.7	666.7	8,096	\$65.1	\$142.1	\$44,445	2.5	356.5	10.50	5.0
2028	1,958,547	10,359	1,744.3	674.6	8,192	\$68.2	\$148.2	\$44,475	2.7	356.4	10.69	5.0
2029	1,987,620	10,284	1,768.9	682.5	8,357	\$71.4	\$154.5	\$44,495	2.7	356.4	10.90	4.9
2030	2,016,757	10,263	1,794.0	690.6	8,395	\$74.7	\$160.9	\$44,534	2.6	356.4	11.10	4.9



Sacramento 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	504.6	3.19	23.9	32.3	11.5	68.4	36.9	62.1	13.8	47.4	41.2	146.3
1998	521.7	2.99	26.0	32.6	12.0	70.6	42.1	68.1	13.8	47.4	40.2	147.6
1999	546.6	3.17	30.2	32.3	12.8	74.5	42.5	74.0	14.7	48.9	41.5	152.9
2000	558.1	3.16	32.2	31.3	12.9	76.7	40.3	78.1	14.4	51.3	43.9	154.7
2001	570.2	3.25	36.1	31.5	11.9	77.7	39.8	71.5	18.1	54.9	44.7	160.5
2002	578.8	2.65	37.4	31.1	11.2	78.1	40.8	69.6	18.9	55.4	46.5	166.0
2003	580.0	2.38	40.2	29.3	11.4	80.5	43.3	67.9	17.4	57.4	47.2	161.8
2004	584.3	2.58	43.6	29.7	11.7	82.2	43.6	69.6	16.3	60.0	48.2	155.5
2005	597.5	2.58	45.8	30.8	12.2	83.0	45.3	73.5	15.5	62.0	49.8	155.9
2006	610.9	2.66	44.3	31.1	12.5	85.4	46.6	75.9	15.5	64.6	52.0	158.9
2007	618.3	2.68	42.9	31.5	12.7	86.9	46.1	77.1	15.6	65.2	52.8	163.1
2008	626.5	2.69	41.6	31.7	12.9	88.3	45.7	78.4	15.7	66.6	53.7	167.4
2009	639.9	2.69	42.2	31.9	13.2	89.8	46.3	81.0	15.9	68.0	54.6	172.1
2010	654.2	2.69	43.1	32.0	13.6	91.6	47.2	84.2	16.2	69.5	55.4	176.1
2011	669.1	2.68	44.3	32.2	13.9	93.4	48.2	87.0	16.6	71.6	56.3	179.9
2012	684.0	2.68	45.6	32.2	14.3	95.3	49.0	90.1	17.0	73.5	57.1	183.7
2013	698.5	2.67	46.4	32.2	14.5	97.1	49.5	93.6	17.4	75.6	58.0	187.7
2014	712.9	2.67	47.1	32.2	14.8	98.9	50.1	96.6	17.7	77.8	59.0	191.9
2015	727.6	2.66	47.8	32.1	15.1	100.7	50.8	99.2	18.1	80.3	60.0	196.2
2016	741.5	2.66	47.5	32.3	15.4	102.6	50.7	101.7	18.4	83.2	61.1	200.9
2017	754.9	2.66	47.6	32.5	15.6	104.6	50.8	103.8	18.7	86.1	62.2	205.0
2018	769.7	2.65	47.8	32.6	16.0	106.5	51.4	106.1	19.0	89.3	63.3	209.1
2019	784.5	2.65	48.0	32.8	16.3	108.4	51.8	108.6	19.3	92.3	64.4	213.7
2020	796.1	2.65	47.1	32.8	16.6	110.3	51.3	109.8	19.6	95.0	65.5	218.9
2021	807.2	2.65	46.3	32.8	16.8	112.3	51.0	111.6	19.8	96.7	66.6	223.4
2022	819.2	2.65	46.0	32.8	17.1	114.3	51.2	113.3	20.1	98.4	67.6	228.2
2023	830.9	2.64	46.1	32.8	17.4	116.1	51.7	114.8	20.3	100.0	68.6	232.4
2024	842.7	2.64	46.1	32.8	17.7	117.9	52.2	116.5	20.5	101.4	69.6	236.9
2025	854.1	2.64	46.2	32.9	17.9	119.7	52.6	118.1	20.7	102.8	70.6	241.3
2026	865.0	2.64	46.2	32.9	18.1	121.4	52.6	119.7	20.9	104.2	71.5	245.7
2027	875.2	2.64	46.1	32.9	18.3	122.8	52.6	121.5	21.1	105.4	72.4	249.9
2028	886.0	2.64	46.2	33.0	18.5	124.3	52.8	122.9	21.4	106.8	73.4	254.4
2029	896.6	2.64	46.2	33.0	18.7	125.8	53.2	124.3	21.6	108.2	74.4	258.4
2030	907.6	2.64	46.3	33.1	18.9	127.4	53.6	125.7	21.8	109.5	75.4	262.9

