

SAN JOAQUIN COUNTY ECONOMIC FORECAST

San Joaquin County is the northernmost county of the San Joaquin Valley. The county's central location in California makes it a hot spot for business activity, because it connects the San Joaquin Valley, Bay Area, and Sacramento Valley. San Joaquin County has a population of 674,300 people and over 223,000 wage and salary jobs. The per capita income in San Joaquin County is \$27,617, and the average salary per worker is \$42,929.

Employment growth in Northern California was strong in 2006, compared to the previous five years. However, employment growth in the San Joaquin Valley was actually lower at 1.5 percent in 2006 compared to 2.3 percent in 2005. In 2006, 2,700 total wage and salary jobs were created in San Joaquin County, representing a growth rate of 1.2 percent. Non-farm employment grew at a rate of 1.3 percent. The unemployment remained relatively unchanged at 9.6 percent in 2006.

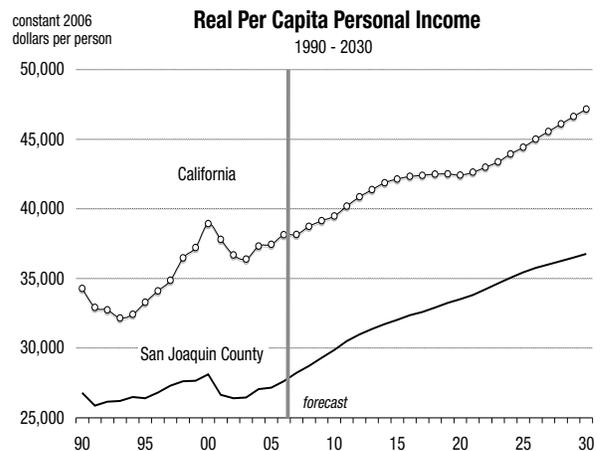
The sectors that added the most jobs in 2006 in San Joaquin County were wholesale and retail trade, transportation, manufacturing, and professional services. Employment in the construction industry declined by nearly 700 jobs in 2006.

From January 2006 to January 2007, population growth was 1.7 percent in San Joaquin County, compared to 1.3 percent for the entire state. The largest city in the county, Stockton, grew 1.3 percent last year. Communities in the western half of San Joaquin County are growing due to an influx of people that commute to the East Bay or Santa Clara County for work, but cannot afford the expensive housing in those areas.

Employment and population growth will continue at healthy rates in San Joaquin County over the next several years because inland counties will dominate growth in the state due to the relative affordability and higher production of housing.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to decline in 2006 to 1.0 percent. From 2007 to 2011, total job growth averages 1.6 percent and non-farm job growth averages 1.7 percent.
- Average salaries adjusted for inflation are currently well below the California state average, but are rising at a rate faster than the state average. Average salaries adjusted for inflation are forecast to rise an average of 1.6 percent per year over the next 5 years.
- Annual population growth in the 2007 to 2011 period averages 1.9 percent per year.
- Net migration will not reach the levels seen from 2000 to 2005. Over the next five years net migration is expected to average 4,700 people per year.

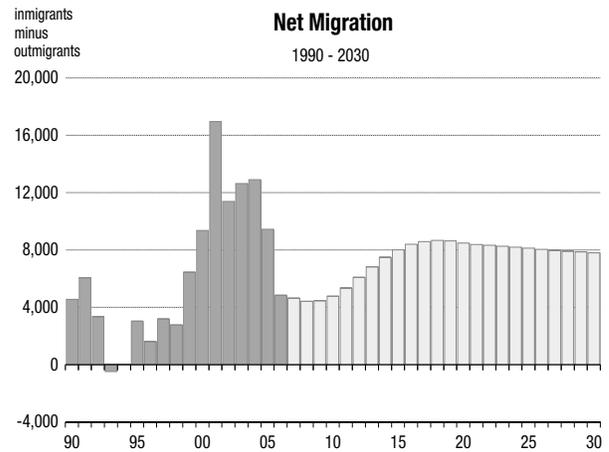
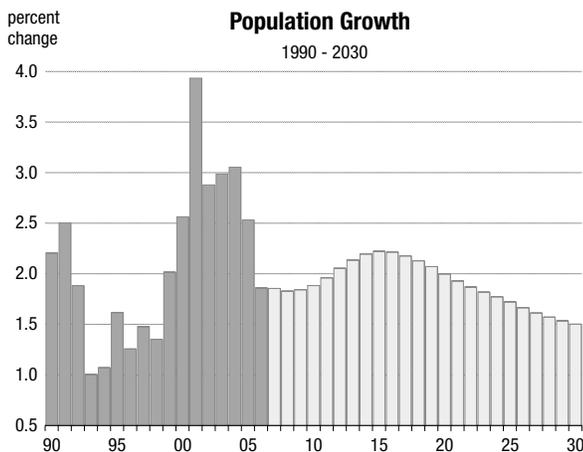


- Between 2007 and 2011, employment growth will be led by job creation in professional services, transportation, wholesale and retail trade, healthcare and education, and the public sector. These sectors account for more than 90 percent of all expected new jobs in the county over the next five years. Employment in the construction sector contracts by more than 1,500 jobs.
- Real per capita incomes are forecast to rise 2.2 percent in 2007. Over the next five years real per capita incomes are forecast to increase 2.0 percent per year.
- Total taxable sales are expected to increase by an average of 7.4 percent over the next five years.
- Industrial production is forecast to increase 4.5 percent in 2007. Over the next five years the growth rate will remain approximately the same averaging 4.8 percent per year.

San Joaquin 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	536,476	3,183	388.3	173.4	2,475	\$4.7	\$11.2	\$27,293	3.4	1.94	3.16	10.9
1998	543,745	2,769	414.5	175.1	3,229	\$5.1	\$11.9	\$27,614	3.2	1.66	3.23	10.6
1999	554,706	6,439	434.6	177.5	4,046	\$5.8	\$12.6	\$27,661	4.2	1.64	3.59	8.9
2000	568,932	9,364	454.1	181.6	5,323	\$6.6	\$13.8	\$28,117	4.5	1.57	3.94	8.9
2001	591,307	16,961	477.0	184.6	4,399	\$7.0	\$14.3	\$26,649	5.4	1.53	3.49	8.9
2002	608,337	11,396	509.2	189.5	6,280	\$7.3	\$14.8	\$26,393	1.6	1.47	3.49	10.0
2003	626,513	12,638	515.6	193.5	6,952	\$7.7	\$15.5	\$26,450	1.8	1.59	3.82	9.1
2004	645,645	12,909	558.9	199.3	6,886	\$8.7	\$16.6	\$27,055	1.2	1.70	3.97	8.6
2005	662,008	9,449	568.0	205.4	6,272	\$9.6	\$17.4	\$27,155	2.0	1.81	4.01	9.7
2006	674,323	4,852	578.6	211.1	4,022	\$10.5	\$18.6	\$27,617	3.3	1.88	4.20	9.6
2007	686,846	4,642	587.6	216.2	4,199	\$11.2	\$19.9	\$28,221	2.9	1.93	4.39	9.7
2008	699,419	4,423	596.6	220.5	4,238	\$12.1	\$21.1	\$28,710	2.0	1.88	4.61	9.5
2009	712,310	4,475	606.0	224.9	4,283	\$12.9	\$22.4	\$29,301	2.0	1.95	4.83	9.0
2010	725,729	4,770	616.1	229.2	4,321	\$13.8	\$23.8	\$29,861	2.5	1.99	5.07	8.4
2011	739,974	5,355	627.0	233.7	4,367	\$15.0	\$25.4	\$30,494	2.4	1.97	5.32	7.8
2012	755,181	6,092	638.7	238.1	4,417	\$16.1	\$26.9	\$30,979	2.2	1.99	5.55	7.4
2013	771,325	6,833	651.0	242.7	4,452	\$17.2	\$28.5	\$31,365	2.3	2.04	5.80	7.1
2014	788,279	7,491	663.8	247.2	4,476	\$18.4	\$30.1	\$31,718	2.3	2.05	6.06	7.0
2015	805,801	8,025	676.9	251.8	4,495	\$19.7	\$31.9	\$32,030	2.6	2.07	6.29	6.9
2016	823,660	8,411	690.2	256.4	4,506	\$21.1	\$33.8	\$32,354	2.7	2.10	6.54	6.9
2017	841,599	8,592	703.7	261.0	4,518	\$22.5	\$35.7	\$32,592	2.7	2.06	6.79	6.9
2018	859,518	8,679	717.4	265.6	4,539	\$24.0	\$37.7	\$32,908	2.5	2.09	7.07	6.9
2019	877,320	8,649	731.2	270.3	4,563	\$25.6	\$39.9	\$33,245	2.5	2.12	7.32	6.8
2020	894,866	8,498	744.8	274.9	4,572	\$27.2	\$42.0	\$33,504	2.5	2.13	7.59	7.0
2021	912,143	8,392	758.3	279.6	4,587	\$28.9	\$44.3	\$33,808	2.4	2.09	7.82	7.1
2022	929,195	8,330	771.7	284.3	4,597	\$30.8	\$46.8	\$34,223	2.5	2.14	7.99	7.1
2023	946,096	8,263	785.0	289.0	4,614	\$32.7	\$49.4	\$34,639	2.5	2.10	8.19	7.2
2024	962,876	8,201	798.2	293.7	4,635	\$34.7	\$52.1	\$35,054	2.3	2.17	8.41	7.2
2025	979,479	8,131	811.2	298.5	4,664	\$36.8	\$54.8	\$35,441	2.4	2.19	8.60	7.2
2026	995,795	8,054	824.1	303.3	4,695	\$38.9	\$57.6	\$35,754	2.4	2.20	8.78	7.3
2027	1,011,858	7,989	836.7	308.1	4,728	\$41.0	\$60.4	\$36,007	2.5	2.22	8.93	7.4
2028	1,027,768	7,927	849.2	312.9	4,746	\$43.2	\$63.4	\$36,249	2.7	2.20	9.11	7.4
2029	1,043,568	7,875	861.4	317.8	4,750	\$45.6	\$66.5	\$36,503	2.7	2.25	9.31	7.5
2030	1,059,259	7,813	873.4	322.6	4,742	\$48.0	\$69.8	\$36,764	2.6	2.27	9.50	7.5



San Joaquin 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	185.0	17.56	7.8	23.1	10.5	27.6	8.3	13.9	2.5	20.3	13.3	34.3
1998	188.6	17.11	8.8	22.9	10.5	28.1	8.2	15.0	2.5	21.2	13.7	34.8
1999	196.7	18.06	10.5	23.8	11.6	28.8	8.4	16.1	2.7	21.5	13.8	35.6
2000	202.6	16.74	11.6	24.7	11.7	30.0	8.5	16.8	3.0	22.0	14.4	37.0
2001	206.8	15.73	13.2	22.5	12.3	31.3	8.9	16.9	3.3	22.3	15.3	38.8
2002	210.0	15.93	13.5	20.8	12.7	32.0	9.4	16.8	3.1	23.2	15.9	40.1
2003	213.8	16.56	14.4	20.4	13.4	33.1	9.9	17.0	2.9	23.9	16.4	39.5
2004	216.7	16.00	15.3	20.7	13.3	34.0	9.6	17.9	2.8	24.4	16.8	39.4
2005	221.0	15.20	16.7	20.9	13.0	36.0	9.8	18.1	2.6	25.6	17.1	39.6
2006	223.7	15.11	16.1	21.6	13.6	36.8	9.9	18.7	2.5	26.0	17.3	39.6
2007	225.9	15.04	15.1	21.4	14.1	37.8	10.0	19.2	2.5	26.4	17.6	40.3
2008	228.7	14.95	14.6	21.4	14.6	39.0	10.1	19.7	2.5	26.8	17.9	40.7
2009	232.4	15.03	14.4	21.3	15.2	40.0	10.2	20.2	2.5	27.1	18.2	41.7
2010	236.7	15.10	14.3	21.4	15.7	41.0	10.3	20.9	2.6	27.5	18.5	42.7
2011	241.6	15.10	14.4	21.5	16.3	42.1	10.4	21.7	2.7	28.2	18.8	43.5
2012	246.7	15.14	14.6	21.5	16.9	43.2	10.5	22.7	2.8	29.0	19.1	44.3
2013	251.6	15.21	14.7	21.5	17.5	44.2	10.6	23.6	2.9	29.9	19.4	45.0
2014	256.3	15.25	14.9	21.4	18.0	45.2	10.7	24.5	2.9	30.8	19.7	45.6
2015	261.0	15.30	15.1	21.3	18.6	46.1	10.8	25.2	3.0	31.7	20.0	46.3
2016	265.7	15.35	15.2	21.4	19.2	47.0	11.0	25.8	3.1	32.7	20.4	47.0
2017	270.1	15.31	15.4	21.4	19.8	47.9	11.1	26.3	3.1	33.7	20.8	47.7
2018	274.6	15.32	15.6	21.4	20.3	48.7	11.2	26.7	3.2	34.6	21.2	48.5
2019	279.1	15.35	15.7	21.4	20.9	49.6	11.3	27.1	3.3	35.6	21.5	49.4
2020	283.0	15.37	15.8	21.3	21.4	50.4	11.4	27.5	3.3	36.6	21.7	50.1
2021	287.0	15.33	15.9	21.2	22.0	51.1	11.5	27.9	3.4	37.5	21.9	50.9
2022	291.0	15.39	16.0	21.2	22.5	52.0	11.6	28.4	3.4	38.4	22.1	51.6
2023	294.9	15.36	16.1	21.2	23.0	52.7	11.7	28.8	3.5	39.3	22.3	52.3
2024	298.7	15.44	16.1	21.2	23.5	53.5	11.8	29.2	3.5	40.2	22.5	52.9
2025	302.5	15.49	16.2	21.2	24.0	54.3	11.9	29.6	3.6	41.0	22.7	53.6
2026	306.1	15.53	16.3	21.2	24.5	55.0	12.0	30.0	3.6	41.8	22.9	54.1
2027	309.7	15.57	16.4	21.3	25.0	55.6	12.1	30.4	3.6	42.6	23.2	54.8
2028	313.1	15.55	16.5	21.3	25.5	56.2	12.2	30.8	3.7	43.3	23.4	55.3
2029	316.6	15.62	16.5	21.3	26.0	56.8	12.3	31.2	3.7	44.0	23.6	56.0
2030	319.9	15.67	16.5	21.3	26.5	57.4	12.4	31.6	3.8	44.6	23.9	56.6

