

# SANTA CLARA COUNTY ECONOMIC FORECAST

Santa Clara County is the largest county in the San Francisco Bay Area and accounts for more than 25 percent of the region's total employment. The northwest portion of the county, known as Silicon Valley, is home to many leading computer and electronics companies. The county thrived in the late 1990s when technology was booming, but conditions turned negative in the dotcom bust in 2000. The county and the region have shown signs of recovery in the last two years. Santa Clara County has a population of 1.79 million people and more than 880,000 wage and salary jobs. The per capita income in Santa Clara County is \$53,664, and the average salary per worker is the highest in the state at \$90,916. The median family income is also the highest in the state at \$94,500.

Employment growth in Northern California was strong in 2006, compared to the previous five years. Employment in the greater Bay Area increased by 1.9 percent last year. In 2006, 22,000 wage and salary jobs were created in Santa Clara County, an increase of 2.6 percent. The unemployment rate fell to 4.5 percent.

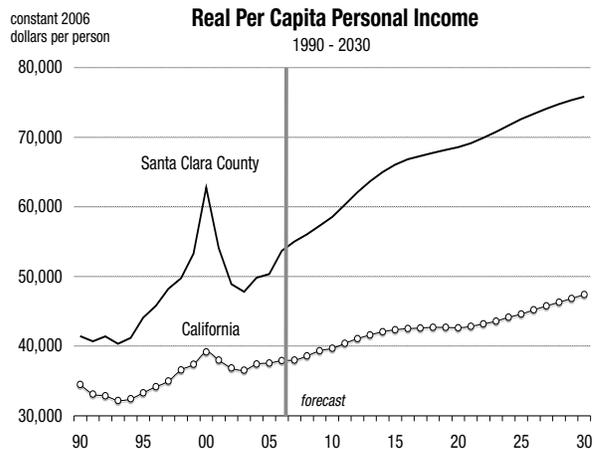
Job growth was broad-based in 2006, with professional services, healthcare and education, leisure services, information technologies, wholesale and retail trade, and construction all adding between 2,400 and 5,000 jobs. The manufacturing sector did not lose any jobs in 2006, after declining by 87,000 workers from 2000 to 2005.

During calendar 2006, the population in Santa Clara County grew 1.6 percent. The fastest growing cities in the county are Morgan Hill and Campbell, where population growth was 3.1 and 3.0 percent respectively last year.

Employment and population growth in Santa Clara County is forecast to moderate compared to 2006, but remain positive. Total wage and salary employment is not forecast to reach the peak of 2000 until 2015.

## FORECAST HIGHLIGHTS

- Job growth in 2007 averages 1.6 percent. Job growth declines in 2008, but is still well above 1 percent. Over the next five years, from 2007 to 2011, the annual growth rate is forecast to average 1.8 percent per year.
- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the forecast horizon. Real average salaries are forecast to rise an average of 1.8 percent per year over the next 5 years.
- Between 2007 and 2011, the momentum for employment growth is in the professional services sector, which accounts for nearly half of all job creation. The information sectors is expected to continue to rebound from dotcom era job losses, while the manufacturing sector is not.

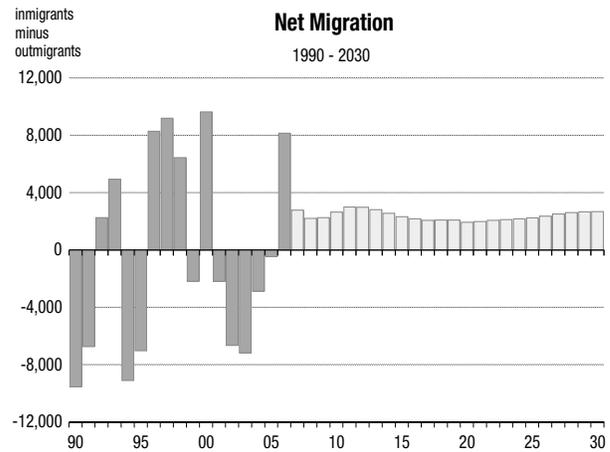
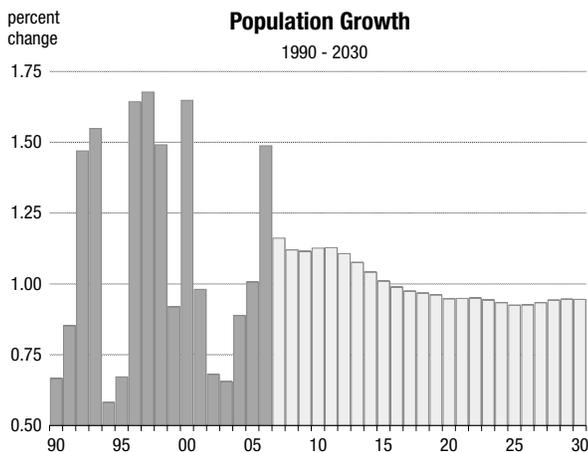


- The population is expected to grow at a rate of 1.2 percent in 2007. Annual growth in the 2007 to 2011 period is forecast to average 1.1 percent per year.
- Net migration is expected to moderate from the 2006 level, but remain positive. Over the next five years an annual average of 2,600 net migrants is forecast.
- Real per capita incomes increase at a rate of 2.5 percent in 2007. Over the next five years real per capita incomes are forecast to rise 2.4 percent per year.
- Total taxable sales are expected to increase by an average of 8.8 percent over the next five years.
- Industrial production is expected to increase 3.6 percent in 2007. Over the next five years the growth rate of industrial production is forecast to average 4.2 percent per year.

# Santa Clara County Economic Forecast

## 1997-2006 History, 2007-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	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	1,626,163	9,192	1.30	544.4	8,810	\$27.0	\$60.0	\$48,207	3.4	199.5	25.0	3.1
1998	1,650,414	6,453	1.39	551.5	7,686	\$27.5	\$64.9	\$49,748	3.2	202.3	25.7	3.3
1999	1,665,590	-2,169	1.40	559.2	6,014	\$30.3	\$73.0	\$53,271	4.2	213.9	26.9	3.1
2000	1,693,040	9,638	1.45	565.9	7,054	\$37.3	\$91.4	\$62,764	4.5	349.9	31.5	2.0
2001	1,709,645	-2,178	1.47	570.7	5,960	\$32.1	\$83.8	\$54,109	5.4	318.0	24.6	4.6
2002	1,721,297	-6,645	1.47	576.7	4,513	\$27.5	\$77.5	\$48,912	1.6	277.6	21.8	8.5
2003	1,732,582	-7,165	1.42	582.3	7,490	\$27.1	\$77.7	\$47,801	1.8	257.1	21.3	8.2
2004	1,747,991	-2,876	1.48	586.9	5,505	\$28.5	\$82.6	\$49,829	1.2	272.2	21.0	6.6
2005	1,765,604	-463	1.46	593.2	5,872	\$30.2	\$86.1	\$50,347	2.0	260.6	20.8	5.4
2006	1,791,869	8,153	1.49	598.2	6,186	\$31.1	\$96.2	\$53,664	3.3	253.6	21.1	4.5
2007	1,812,693	2,783	1.50	603.2	5,527	\$36.5	\$102.6	\$55,020	2.9	245.2	21.9	4.6
2008	1,833,015	2,218	1.52	608.3	5,550	\$39.4	\$107.9	\$56,059	2.0	240.0	22.9	4.8
2009	1,853,456	2,256	1.54	613.5	5,641	\$41.7	\$113.7	\$57,289	2.0	234.3	23.9	4.6
2010	1,874,338	2,657	1.57	618.8	5,735	\$44.4	\$120.6	\$58,556	2.5	229.0	24.9	4.4
2011	1,895,492	3,002	1.59	624.1	5,511	\$47.2	\$128.5	\$60,280	2.4	225.6	25.9	4.2
2012	1,916,481	2,989	1.61	629.3	5,490	\$50.1	\$136.7	\$62,084	2.2	222.3	27.0	4.3
2013	1,937,101	2,813	1.63	634.4	5,431	\$53.0	\$145.0	\$63,653	2.3	218.9	28.0	4.4
2014	1,957,295	2,571	1.65	639.5	5,379	\$55.8	\$153.1	\$65,011	2.3	216.0	29.1	4.6
2015	1,977,085	2,321	1.67	644.5	5,332	\$58.6	\$161.2	\$66,066	2.6	213.2	30.1	4.8
2016	1,996,655	2,184	1.69	649.5	5,282	\$61.4	\$169.1	\$66,846	2.7	210.3	31.0	4.9
2017	2,016,119	2,081	1.71	654.4	5,247	\$64.1	\$176.5	\$67,288	2.7	209.1	32.1	4.9
2018	2,035,629	2,091	1.74	659.3	5,245	\$66.8	\$184.0	\$67,751	2.5	207.3	33.3	4.9
2019	2,055,206	2,099	1.76	664.2	5,263	\$69.5	\$191.6	\$68,178	2.5	205.3	34.5	4.8
2020	2,074,697	1,943	1.78	669.2	5,235	\$72.2	\$199.4	\$68,559	2.5	203.6	35.7	4.7
2021	2,094,392	1,994	1.81	674.0	5,250	\$75.0	\$207.9	\$69,139	2.4	203.0	36.6	4.5
2022	2,114,307	2,078	1.83	678.9	5,279	\$78.3	\$217.6	\$69,929	2.5	201.5	37.1	4.4
2023	2,134,272	2,118	1.85	683.9	5,349	\$81.7	\$227.8	\$70,762	2.5	201.2	37.7	4.4
2024	2,154,209	2,175	1.87	688.9	5,380	\$85.2	\$238.3	\$71,699	2.3	199.4	38.4	4.4
2025	2,174,133	2,250	1.89	693.9	5,456	\$88.9	\$249.3	\$72,608	2.4	197.8	39.1	4.3
2026	2,194,284	2,369	1.91	699.0	5,531	\$92.8	\$260.3	\$73,332	2.4	196.2	39.7	4.2
2027	2,214,789	2,512	1.93	704.2	5,642	\$96.9	\$272.0	\$74,097	2.5	194.7	40.2	4.1
2028	2,235,677	2,623	1.95	709.4	5,692	\$101.2	\$284.4	\$74,751	2.7	194.1	40.9	4.0
2029	2,256,830	2,663	1.98	714.8	5,699	\$105.7	\$296.9	\$75,327	2.7	192.4	41.7	3.9
2030	2,278,170	2,675	2.00	720.1	5,728	\$110.1	\$309.6	\$75,832	2.6	190.8	42.5	3.8



# Santa Clara 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	933.1	5.07	37.0	251.9	16.7	124.8	32.3	175.4	28.1	81.4	64.6	89.9
1998	962.9	5.15	41.9	249.9	16.9	126.8	33.8	191.7	29.0	84.2	66.7	90.3
1999	978.0	5.28	45.4	238.7	17.3	129.5	34.2	201.9	32.5	85.5	68.6	92.8
2000	1,036.4	5.01	48.2	255.8	17.5	133.5	34.0	220.2	42.7	85.2	71.4	95.9
2001	1,009.5	4.62	48.6	245.1	16.3	129.4	35.3	204.0	41.9	89.8	72.0	96.0
2002	908.7	4.47	43.1	206.1	15.0	119.8	35.2	166.7	34.2	91.1	67.4	99.5
2003	861.4	4.24	40.1	180.5	14.0	115.4	34.8	159.5	31.3	92.9	67.5	96.1
2004	853.0	4.13	41.5	171.8	13.2	115.0	35.1	158.0	32.5	94.4	69.4	93.2
2005	858.6	3.77	42.7	168.6	12.9	116.8	35.9	159.0	34.6	95.7	71.0	93.0
2006	880.6	3.65	45.0	168.7	12.7	119.9	36.6	163.9	37.8	100.1	73.6	93.5
2007	894.4	3.64	45.7	167.1	12.7	121.7	37.1	171.3	38.6	101.9	75.0	94.4
2008	906.4	3.61	45.9	166.8	12.6	123.2	37.3	177.0	39.2	103.4	76.1	95.6
2009	920.2	3.58	46.3	167.0	12.7	125.1	37.5	183.4	39.8	104.8	77.3	97.0
2010	939.5	3.55	46.7	167.2	12.9	127.6	37.8	192.0	41.7	106.7	78.6	98.4
2011	962.4	3.53	47.2	168.0	13.2	130.2	38.0	202.8	43.7	108.8	79.9	100.0
2012	984.7	3.51	47.7	168.5	13.4	132.7	38.3	214.5	45.6	110.6	80.9	101.6
2013	1,004.9	3.49	48.1	168.5	13.6	134.8	38.6	225.5	47.3	112.3	81.8	103.2
2014	1,022.7	3.47	48.3	168.1	13.7	136.6	38.9	235.4	48.6	114.1	82.5	104.8
2015	1,038.1	3.45	48.5	167.3	13.7	138.2	39.1	243.8	49.8	116.0	83.2	106.4
2016	1,052.5	3.44	48.7	167.5	13.8	139.7	39.5	250.0	51.1	117.8	83.9	107.9
2017	1,066.1	3.43	48.9	167.6	14.0	141.1	39.8	255.5	52.4	119.7	84.7	109.5
2018	1,079.9	3.42	49.1	167.7	14.1	142.6	40.1	260.4	53.7	122.0	85.5	111.1
2019	1,093.5	3.41	49.3	167.7	14.4	144.1	40.4	265.3	54.8	124.2	86.3	112.7
2020	1,105.4	3.40	49.6	166.8	14.6	145.5	40.7	270.1	55.8	126.2	87.0	114.3
2021	1,117.8	3.39	49.8	165.8	14.9	147.2	41.0	274.9	56.8	128.4	87.8	116.0
2022	1,130.9	3.38	50.1	165.0	15.2	148.9	41.2	279.7	57.6	131.0	88.5	117.7
2023	1,143.8	3.38	50.3	164.2	15.5	150.5	41.5	284.4	58.6	133.6	89.1	119.4
2024	1,156.5	3.37	50.5	163.7	15.7	152.1	41.8	289.2	59.5	136.0	89.6	121.1
2025	1,168.8	3.36	50.7	163.2	15.9	153.6	42.2	293.9	60.4	138.2	90.0	122.9
2026	1,181.2	3.35	50.9	162.9	16.1	155.2	42.5	298.6	61.2	140.2	90.5	124.8
2027	1,193.8	3.34	51.0	162.7	16.3	156.7	42.8	303.5	62.1	142.3	91.0	126.7
2028	1,206.7	3.34	51.2	162.7	16.5	158.2	43.1	308.2	63.1	144.2	91.6	128.6
2029	1,219.4	3.33	51.4	162.8	16.7	159.6	43.4	312.5	64.1	146.3	92.2	130.6
2030	1,231.9	3.32	51.6	162.9	16.9	161.0	43.7	316.7	65.0	148.3	92.8	132.6

