

# STANISLAUS COUNTY ECONOMIC FORECAST

Stanislaus County is located in the heart of the San Joaquin Valley, and is bordered by San Joaquin, Santa Clara, Merced, and Tuolumne Counties. Stanislaus County has a population of nearly 520,000 people and 172,500 wage and salary jobs. The per capita income in Stanislaus County is \$27,685, and the average salary per worker is \$41,879.

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, 300 total wage and salary jobs were lost in Stanislaus County, representing a decline of 0.2 percent. Much of the job loss was in the farm sector, which contracted by 800 jobs, while the non-farm sectors added 500 jobs, at a rate of 0.3 percent. The unemployment rate declined to 8.0 percent in 2006.

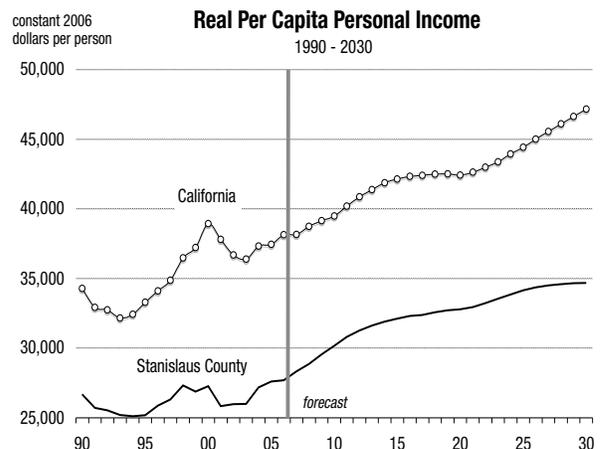
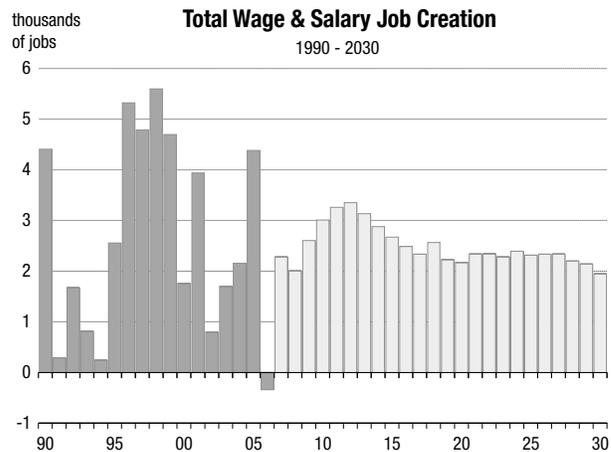
The principal sectors that are producing jobs in Stanislaus County are leisure services and government, which both added 700 jobs in 2006. A number of sectors had flat or declining employment levels in 2006, including construction, manufacturing, wholesale trade, professional services, information and farm. Manufacturing had the largest job losses, shedding nearly 800 workers.

From January 2006 to January 2007, the population growth rate was 1.6 percent in Stanislaus County. Approximately 40 percent of the population resides in the city of Modesto, which grew 0.7 percent last year.

Employment and population growth will continue at healthy rates in Stanislaus 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 rebound in 2007 to 1.3 percent, while non-farm job growth increases to 1.6 percent. From 2007 to 2011, farm employment will remain flat, as total job growth averages 1.5 percent and non-farm job growth averages 1.6 percent.
- Average salaries adjusted for inflation are currently well below the California state average. Lower than average state salaries are forecast over the foreseeable future. However, real average salaries (adjusted for inflation) are expected to rise an average of 1.8 percent per year over the next 5 years.
- Between 2007 and 2011, employment growth will be led by job creation in professional services, education and healthcare services, wholesale and retail trade, and government. Employment in the construction industry is expected to fall by more than 1,000 jobs.

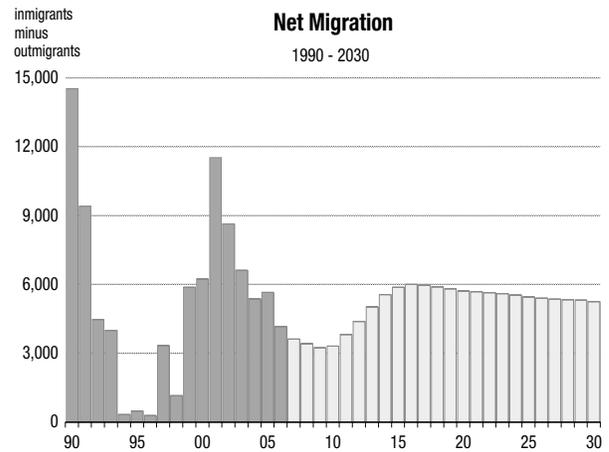
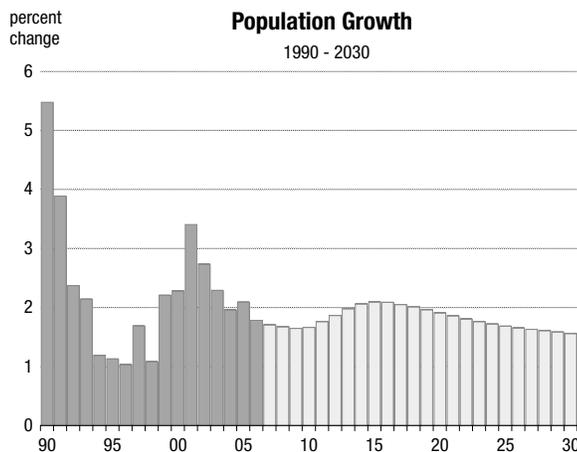


- The population will continue to grow at a healthy, but more moderate rate in the county. Annual growth in the 2007 to 2011 period averages 1.7 percent per year.
- Net migration will decline to 3,600 people in 2007. Over the next five years, the population is expected to increase by an average of 3,500 net migrants per year.
- Real per capita incomes are forecast to rise 2.3 percent in 2007. Over the next five years real per capita incomes are forecast to increase 2.2 percent per year.
- Total taxable sales are expected to increase by an average of 6.8 percent over the next five years.
- Industrial production is forecast to increase 4.1 percent in 2006. Over the next five years the growth rate of industrial production is expected to average 3.8 percent per year.

# Stanislaus 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	426,734	3,337	323.2	139.7	1,472	\$4.0	\$8.6	\$26,316	3.4	1.74	2.39	13.3
1998	431,370	1,145	343.3	140.9	2,090	\$4.2	\$9.3	\$27,326	3.2	1.65	2.45	12.3
1999	440,908	5,879	356.6	142.4	2,310	\$4.7	\$9.8	\$26,879	4.2	1.47	2.54	10.7
2000	450,982	6,230	372.3	145.1	3,413	\$5.2	\$10.6	\$27,260	4.5	1.39	2.69	7.8
2001	466,344	11,530	390.9	147.5	3,195	\$5.6	\$10.9	\$25,830	5.4	1.49	2.58	8.3
2002	479,105	8,637	413.6	150.9	3,109	\$5.8	\$11.5	\$25,971	1.6	1.49	2.62	9.6
2003	490,078	6,619	414.5	153.7	4,168	\$6.2	\$11.9	\$25,985	1.8	1.55	2.92	9.8
2004	499,693	5,366	445.2	156.8	4,603	\$6.8	\$12.9	\$27,168	1.2	2.09	3.01	9.2
2005	510,164	5,653	450.1	160.8	4,723	\$7.3	\$13.6	\$27,592	2.0	2.04	3.11	8.3
2006	519,276	4,164	458.2	165.3	2,378	\$7.8	\$14.4	\$27,685	3.3	2.07	3.07	8.0
2007	528,158	3,613	465.1	168.1	2,627	\$8.4	\$15.4	\$28,321	2.9	2.08	3.20	7.7
2008	537,024	3,414	473.0	170.7	2,424	\$9.0	\$16.3	\$28,852	2.0	2.03	3.33	7.6
2009	545,884	3,242	481.1	173.2	2,324	\$9.6	\$17.3	\$29,555	2.0	2.06	3.45	7.3
2010	554,985	3,312	489.7	175.5	2,493	\$10.2	\$18.4	\$30,160	2.5	2.07	3.58	7.2
2011	564,771	3,818	498.8	178.0	2,522	\$10.9	\$19.6	\$30,805	2.4	2.04	3.70	7.2
2012	575,322	4,390	507.8	180.5	2,684	\$11.5	\$20.7	\$31,269	2.2	2.05	3.82	7.2
2013	586,720	5,026	517.2	183.2	2,798	\$12.2	\$21.8	\$31,614	2.3	2.07	3.96	7.1
2014	598,827	5,560	527.1	186.0	2,804	\$12.9	\$23.0	\$31,904	2.3	2.07	4.10	7.0
2015	611,380	5,879	537.2	188.8	2,773	\$13.6	\$24.2	\$32,121	2.6	2.08	4.23	6.9
2016	624,157	6,007	547.6	191.6	2,706	\$14.3	\$25.6	\$32,312	2.7	2.09	4.35	6.8
2017	636,981	5,974	557.2	194.3	2,656	\$15.0	\$26.8	\$32,386	2.7	2.07	4.47	6.7
2018	649,808	5,901	566.4	196.9	2,681	\$15.7	\$28.2	\$32,576	2.5	2.09	4.62	6.7
2019	662,582	5,810	575.2	199.6	2,693	\$16.4	\$29.6	\$32,713	2.5	2.10	4.76	6.7
2020	675,253	5,720	583.4	202.3	2,701	\$17.2	\$31.0	\$32,786	2.5	2.11	4.91	6.7
2021	687,835	5,687	591.4	205.0	2,673	\$17.9	\$32.5	\$32,942	2.4	2.08	5.04	6.7
2022	700,292	5,642	598.7	207.7	2,657	\$18.7	\$34.3	\$33,227	2.5	2.11	5.14	6.7
2023	712,651	5,599	605.1	210.3	2,614	\$19.5	\$36.0	\$33,538	2.5	2.09	5.23	6.7
2024	724,934	5,536	611.4	213.0	2,571	\$20.4	\$37.9	\$33,844	2.3	2.13	5.35	6.7
2025	737,166	5,454	616.9	215.5	2,552	\$21.3	\$39.7	\$34,142	2.4	2.13	5.45	6.7
2026	749,395	5,403	622.9	218.1	2,533	\$22.3	\$41.6	\$34,353	2.4	2.14	5.54	6.7
2027	761,632	5,360	629.4	220.6	2,556	\$23.3	\$43.5	\$34,493	2.5	2.15	5.61	6.7
2028	773,897	5,339	636.1	223.2	2,566	\$24.3	\$45.5	\$34,581	2.7	2.14	5.70	6.7
2029	786,185	5,312	642.9	225.7	2,552	\$25.4	\$47.6	\$34,655	2.7	2.17	5.80	6.7
2030	798,461	5,249	650.0	228.3	2,500	\$26.4	\$49.6	\$34,676	2.6	2.18	5.90	6.8



# Stanislaus County Employment Forecast

## 1997-2006 History, 2007-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	147.8	16.14	6.7	23.5	3.8	22.8	5.0	13.1	1.9	14.9	11.2	23.4
1998	153.4	16.22	7.9	23.1	3.8	24.1	5.2	15.0	1.9	15.2	11.7	23.7
1999	158.1	16.37	9.2	22.7	4.0	25.3	5.3	16.2	2.0	15.8	11.9	23.7
2000	159.9	15.68	9.8	22.6	3.8	25.5	5.1	17.3	2.0	16.4	12.1	23.9
2001	163.8	14.05	11.0	23.0	4.3	26.5	5.4	16.8	2.2	17.1	13.0	24.6
2002	164.6	13.94	10.7	22.5	4.5	27.3	5.6	15.0	2.1	18.1	13.6	25.3
2003	166.3	14.01	11.4	23.1	4.6	27.4	6.0	13.8	2.2	18.9	13.7	24.9
2004	168.5	13.82	12.3	22.7	4.7	27.5	6.1	14.2	2.5	19.2	14.2	25.1
2005	172.8	13.75	13.4	22.6	5.2	28.5	6.2	14.9	2.5	19.4	14.8	25.6
2006	172.5	12.95	13.4	21.8	5.2	28.4	6.4	14.8	2.4	19.6	15.5	26.3
2007	174.8	12.72	12.9	21.8	5.2	29.5	6.3	15.2	2.4	20.2	15.8	26.7
2008	176.8	12.62	12.6	21.7	5.3	30.2	6.3	15.5	2.4	20.8	16.2	27.2
2009	179.4	12.72	12.4	21.6	5.4	31.0	6.3	15.9	2.4	21.4	16.5	27.8
2010	182.4	12.68	12.3	21.5	5.5	31.8	6.3	16.6	2.5	21.9	16.8	28.6
2011	185.7	12.65	12.3	21.4	5.5	32.7	6.4	17.4	2.5	22.3	17.1	29.3
2012	189.0	12.71	12.4	21.4	5.6	33.5	6.4	18.3	2.5	22.7	17.4	30.0
2013	192.1	12.72	12.5	21.4	5.7	34.3	6.4	19.1	2.6	23.0	17.7	30.6
2014	195.0	12.68	12.7	21.3	5.8	35.1	6.5	19.7	2.6	23.4	18.0	31.2
2015	197.7	12.67	12.7	21.2	5.9	35.8	6.5	20.2	2.6	23.8	18.4	31.8
2016	200.2	12.62	12.8	21.1	6.0	36.6	6.6	20.5	2.6	24.2	18.8	32.3
2017	202.5	12.56	12.8	21.0	6.0	37.2	6.7	20.7	2.6	24.6	19.2	32.9
2018	205.1	12.57	12.8	21.0	6.1	37.9	6.7	21.0	2.6	25.0	19.8	33.5
2019	207.3	12.52	12.9	20.9	6.2	38.6	6.7	21.2	2.7	25.3	20.0	34.2
2020	209.5	12.47	12.9	20.8	6.3	39.2	6.8	21.5	2.7	25.5	20.4	34.9
2021	211.8	12.43	13.0	20.8	6.4	39.8	6.8	21.8	2.7	25.8	20.8	35.5
2022	214.2	12.47	13.0	20.7	6.4	40.5	6.8	22.2	2.7	26.1	21.1	36.1
2023	216.5	12.43	13.0	20.7	6.5	41.1	6.9	22.5	2.7	26.3	21.5	36.7
2024	218.9	12.47	13.0	20.7	6.6	41.8	6.9	22.8	2.7	26.6	21.8	37.3
2025	221.2	12.39	13.1	20.7	6.7	42.5	7.0	23.1	2.7	26.9	22.1	37.9
2026	223.5	12.35	13.2	20.7	6.7	43.2	7.0	23.5	2.7	27.2	22.4	38.4
2027	225.9	12.31	13.2	20.7	6.8	43.8	7.1	23.9	2.8	27.6	22.7	38.9
2028	228.1	12.28	13.2	20.7	6.9	44.5	7.1	24.2	2.8	28.0	22.9	39.4
2029	230.2	12.30	13.2	20.7	6.9	45.1	7.1	24.6	2.8	28.5	23.0	39.9
2030	232.2	12.24	13.1	20.7	7.0	45.7	7.2	24.9	2.8	28.9	23.1	40.5

