

SAN BERNARDINO COUNTY ECONOMIC FORECAST

San Bernardino County is the largest county in the nation in terms of total land area. The county, along with its neighbor to the south, Riverside County, comprise the Inland Empire. The Inland Empire was one of the fastest growing metro areas of the state and nation from 1997 to 2006, but growth stalled in 2007. San Bernardino County has a population of 2.04 million people, with over 665,000 wage and salary jobs. The per capita income in San Bernardino County is \$28,005, the average salary per worker is \$45,436.

Economic growth in Southern California declined sharply in 2007 and job creation was at the lowest level since 2002. Last year 3,400 total jobs were created in San Bernardino County, representing a meager growth rate of 0.5 percent. The unemployment rate increased to 5.6 percent in 2007.

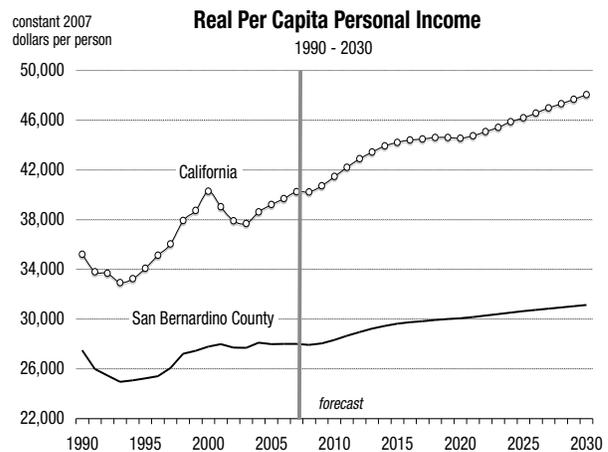
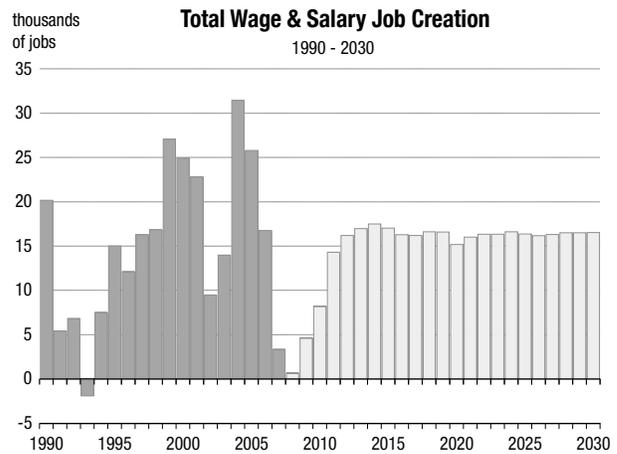
Employment in the construction and financial services sectors fell by 6,200 workers, a decline of 8.3 percent. The contraction was due primarily to a decline in home sales (down 59 percent from peak in 2004) and new home production (down 57 percent from peak in 2004). Employment declined in the manufacturing sector. Job creation was still positive in population serving sectors and the transportation and warehousing sectors.

The population growth rate was only 1.4 percent in San Bernardino County in 2007, just a few tenths of a percent above the state average.

San Bernardino County and the entire Inland Empire economy are expected to be relatively weak over the next several years, though population growth will remain positive. Over the longer-term forecast, the Inland Empire is still positioned to dominate growth in California.

FORECAST HIGHLIGHTS

- Job growth is forecast to decline in 2008 to 0.1 percent. Over the next five years, the annual growth rate is expected to average 1.3 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.8 percent per year over the next 5 years.
- Over the next five years, the momentum for employment growth is in services and logistics. Transportation and warehousing, professional and business services, leisure services, healthcare and education, and wholesale and retail trade all grow between 10 and 16 percent over the forecast period.
- Population growth averages 1.4 percent over the next five years, as compared to 2.4 percent over the previous five years.

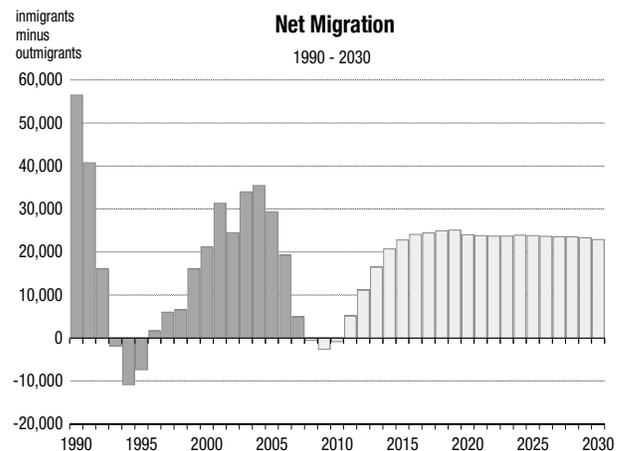
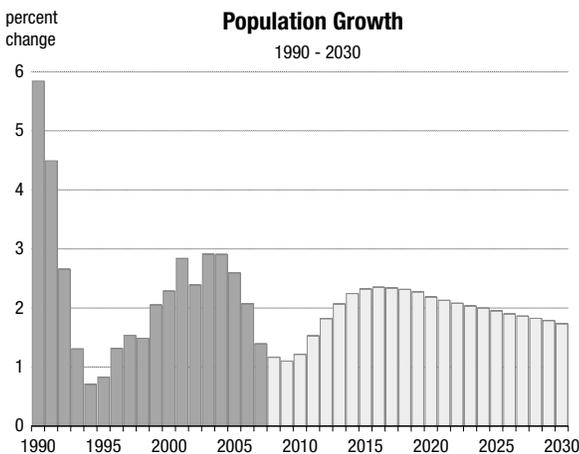


- The County is forecast to experience net out-migration through 2010, for the first time since the mid 1990s. Net migration rebounds over the long-term forecast. Over the next five years net migration is forecast to average 2,500 people per year.
- Real per capita incomes are expected to decline slightly in 2008 as population increases outpace income gains. Over the next five years real per capita incomes are forecast to increase 0.7 percent per year.
- Total taxable sales are expected to increase by an average of 3.9 percent over the next five years.
- Industrial production is expected to remain unchanged in 2008 due to weakness in manufacturing. From 2008 to 2012, the growth rate of industrial production is expected to average 2.7 percent per year.

San Bernardino County Economic Forecast

1997-2007 History, 2008-2030 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	1,625,800	6,003	1.10	506.2	5,593	\$14.0	\$31.2	\$26,053	1.7	912.4	8.8	6.5
1998	1,650,000	6,636	1.17	510.9	6,113	\$15.0	\$33.5	\$27,213	1.4	942.4	9.9	5.7
1999	1,683,843	16,140	1.21	515.9	7,072	\$16.8	\$35.3	\$27,446	2.3	945.2	11.1	4.9
2000	1,722,343	21,229	1.27	528.6	6,580	\$18.9	\$37.8	\$27,784	3.3	785.5	12.4	4.8
2001	1,771,263	31,349	1.33	534.0	8,527	\$19.7	\$40.4	\$27,978	3.4	863.1	10.7	5.1
2002	1,813,570	24,499	1.41	540.4	10,616	\$20.8	\$42.1	\$27,712	2.8	753.2	11.1	6.1
2003	1,866,384	34,005	1.44	548.5	12,640	\$22.6	\$44.5	\$27,688	2.6	750.8	11.9	6.3
2004	1,920,648	35,478	1.59	557.9	18,470	\$26.2	\$48.0	\$28,111	3.3	773.8	13.1	5.8
2005	1,970,532	29,317	1.64	570.0	16,684	\$29.7	\$51.2	\$27,992	4.5	608.5	13.8	5.2
2006	2,011,404	19,302	1.69	584.1	13,872	\$31.3	\$54.5	\$28,001	4.3	450.1	14.6	4.8
2007	2,039,467	4,939	1.72	597.6	8,004	\$31.8	\$57.1	\$28,005	3.3	425.4	15.2	5.6
2008	2,063,273	-551	1.73	604.9	5,972	\$31.8	\$58.9	\$27,918	2.3	372.6	15.2	6.4
2009	2,086,024	-2,605	1.75	610.3	7,061	\$32.9	\$61.1	\$28,045	2.1	383.1	15.4	6.3
2010	2,111,413	-835	1.77	616.7	9,250	\$34.2	\$63.9	\$28,316	2.3	394.6	15.8	5.7
2011	2,143,754	5,219	1.80	625.0	10,142	\$36.2	\$67.4	\$28,651	2.7	370.2	16.5	5.7
2012	2,182,850	11,206	1.83	634.1	10,968	\$38.3	\$71.2	\$28,965	2.6	356.6	17.3	5.9
2013	2,228,056	16,565	1.86	644.0	10,570	\$40.8	\$75.3	\$29,231	2.7	352.4	18.3	6.0
2014	2,278,127	20,740	1.91	653.5	10,158	\$43.4	\$79.7	\$29,457	2.7	336.2	19.3	6.0
2015	2,331,074	22,821	1.96	662.6	9,875	\$46.3	\$84.5	\$29,634	2.9	325.0	20.2	6.1
2016	2,385,938	24,104	2.01	671.5	9,741	\$49.5	\$89.4	\$29,755	3.0	316.1	21.0	6.1
2017	2,441,767	24,418	2.05	680.3	9,809	\$52.9	\$94.6	\$29,836	3.1	276.6	21.8	6.1
2018	2,498,376	24,971	2.09	689.1	10,015	\$56.4	\$99.9	\$29,926	2.9	261.8	22.7	6.2
2019	2,555,240	25,112	2.12	698.1	10,209	\$60.1	\$105.4	\$30,015	2.9	248.8	23.4	6.2
2020	2,611,163	24,043	2.15	707.3	10,208	\$64.0	\$111.0	\$30,075	2.8	230.7	24.2	6.1
2021	2,666,857	23,824	2.18	716.5	10,158	\$68.0	\$116.9	\$30,166	2.8	187.5	24.9	6.1
2022	2,722,372	23,701	2.21	725.6	10,053	\$72.2	\$123.3	\$30,277	2.9	176.1	25.5	6.1
2023	2,777,805	23,708	2.23	734.7	10,133	\$76.6	\$129.8	\$30,392	2.8	135.2	26.0	6.2
2024	2,833,345	23,966	2.25	743.8	10,021	\$81.1	\$136.5	\$30,511	2.7	132.4	26.5	6.2
2025	2,888,698	23,825	2.28	752.8	10,060	\$85.9	\$143.5	\$30,635	2.7	117.8	27.0	6.2
2026	2,943,650	23,632	2.30	761.9	10,009	\$91.0	\$150.9	\$30,747	2.8	116.6	27.6	6.1
2027	2,998,492	23,541	2.33	770.9	10,128	\$96.5	\$158.6	\$30,841	2.8	115.4	28.3	6.2
2028	3,053,296	23,529	2.37	780.0	10,091	\$102.3	\$166.9	\$30,933	3.0	114.3	28.9	6.2
2029	3,107,881	23,332	2.40	789.1	10,015	\$108.4	\$175.6	\$31,036	3.0	113.1	29.6	6.2
2030	3,161,878	22,921	2.44	798.1	9,941	\$114.7	\$184.5	\$31,131	3.0	112.0	30.3	6.2



San Bernardino County Employment Forecast

1997-2007 History, 2008-2030 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	474.8	4.23	23.1	58.3	29.8	84.3	18.7	41.0	6.6	53.8	39.2	99.4
1998	491.6	4.10	24.6	62.6	33.1	83.8	18.2	45.8	6.9	54.8	40.4	100.8
1999	518.7	4.06	28.0	65.8	34.6	86.9	19.1	51.5	7.3	57.0	41.3	104.9
2000	543.6	4.15	31.5	67.9	36.1	91.7	19.6	54.6	8.5	57.8	45.1	108.1
2001	566.4	4.28	35.1	68.1	35.2	96.7	20.5	59.3	8.3	60.8	47.2	111.0
2002	575.9	4.12	35.9	65.6	36.0	96.9	21.9	60.3	7.5	62.8	48.0	116.2
2003	589.9	4.04	38.2	66.1	37.8	99.9	23.1	63.5	7.3	65.1	48.4	115.3
2004	621.3	3.57	41.3	69.3	41.9	106.3	24.9	71.5	7.1	66.5	52.2	114.7
2005	647.1	3.30	44.9	67.7	44.5	115.2	26.7	76.1	7.1	66.6	54.7	117.7
2006	663.9	2.98	46.4	67.9	45.9	119.4	28.1	79.0	7.5	67.9	56.6	119.1
2007	667.2	2.90	41.1	65.4	48.0	121.8	27.2	80.8	7.4	70.4	58.2	120.8
2008	667.9	2.77	37.7	61.9	49.4	123.9	26.1	82.1	7.4	71.8	59.3	122.1
2009	672.5	2.68	37.3	59.9	50.6	125.8	25.9	84.3	7.4	73.0	60.7	121.4
2010	680.8	2.61	38.4	59.6	52.2	128.0	25.8	85.1	7.5	74.7	62.2	120.8
2011	695.1	2.53	38.5	59.9	54.0	131.2	26.3	87.3	7.5	77.0	63.8	122.4
2012	711.3	2.45	38.6	60.7	55.8	134.3	26.8	90.9	7.6	79.0	65.4	124.3
2013	728.3	2.37	38.8	61.4	57.6	137.7	27.3	95.0	7.7	80.9	67.1	126.2
2014	745.8	2.30	39.2	62.1	59.3	141.2	27.7	99.1	7.8	83.0	68.8	128.1
2015	762.8	2.22	39.6	62.4	61.0	144.9	28.2	102.5	7.9	85.0	70.7	130.2
2016	779.1	2.14	40.3	62.3	62.6	148.9	28.7	104.8	8.0	87.1	72.7	132.4
2017	795.4	2.03	40.8	62.0	64.2	152.9	29.3	107.0	8.0	89.3	74.8	134.7
2018	812.0	1.93	41.3	61.4	65.9	157.0	29.8	108.7	8.1	92.0	76.8	137.4
2019	828.6	1.83	41.5	60.6	67.7	161.1	30.3	110.5	8.2	95.0	78.8	140.3
2020	843.8	1.72	41.4	59.7	69.3	165.3	30.8	112.4	8.3	97.7	80.5	142.9
2021	859.8	1.59	41.3	59.0	71.0	169.7	31.4	114.2	8.3	100.6	82.3	145.5
2022	876.2	1.46	41.3	58.5	72.6	174.0	31.8	115.7	8.4	103.8	84.2	147.9
2023	892.5	1.31	41.6	58.2	74.2	178.2	32.4	117.3	8.5	106.9	86.0	150.3
2024	909.1	1.18	42.1	58.0	75.8	182.4	32.9	119.1	8.5	109.9	87.9	152.5
2025	925.5	1.06	42.6	57.9	77.3	186.7	33.4	120.8	8.6	112.7	89.8	154.7
2026	941.7	1.05	43.0	57.9	78.7	191.2	33.9	122.7	8.7	115.2	91.8	156.6
2027	958.0	1.04	43.8	57.8	80.0	195.6	34.4	124.7	8.7	117.7	93.9	158.5
2028	974.5	1.03	44.5	57.7	81.4	200.3	34.9	126.4	8.8	120.1	96.2	160.4
2029	991.1	1.02	45.3	57.5	82.8	205.1	35.3	128.0	8.9	122.5	98.5	162.3
2030	1,007.6	1.01	46.0	57.3	84.1	209.9	35.8	129.7	8.9	124.9	101.0	164.1

