

# 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. Santa Clara County has a population of 1.82 million people and more than 895,000 wage and salary jobs. The per capita income in Santa Clara County is \$55,300, and the average salary per worker is the highest in the state at \$91,500. The median family income is also the highest in the state at \$97,800.

Employment growth in Northern California was modest in 2007, compared to the previous two years. Employment in the greater Bay Area increased by 1.3 percent last year. In 2007, 16,700 wage and salary jobs were created in Santa Clara County, an increase of 1.9 percent. The unemployment rate increased slightly to 4.7 percent.

Job growth was led by professional service, which added more than 5,400 jobs in 2007, a gain of 3.3 percent. Other strong sectors included manufacturing, wholesale and retail trade, and information. There were no sectors that had negative growth, though employment in financial activities remained constant.

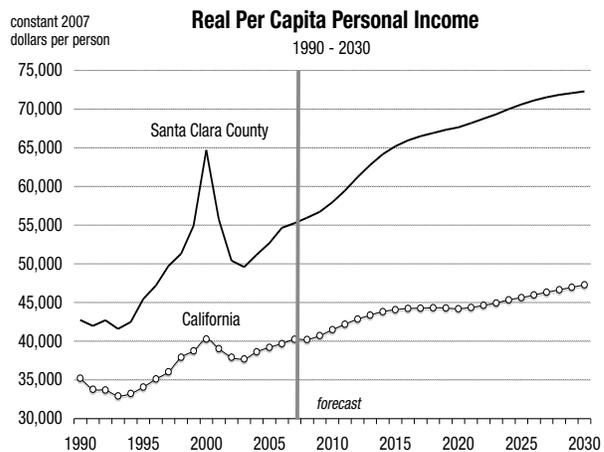
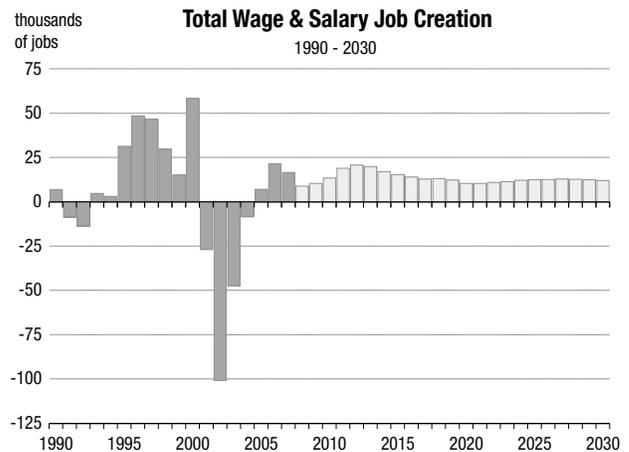
During calendar 2007, the population in Santa Clara County grew 1.8 percent. The fastest growing city was Milpitas, whose population grew by 4.4 percent in 2007. Gilroy and Los Gatos each added 3.2 percent to their population.

Net migration was positive in 2006 and 2007, totaling approximately 20,000 in-migrants. In the previous five years, from 2001 to 2005, out-migration averaged 4,000 people leaving the county per year.

Employment growth slows in the near-term in tandem with the rest of state. Total wage and salary employment is not forecast to reach the peak of 2000 until 2016.

## FORECAST HIGHLIGHTS

- Job growth in 2008 averages 1.0 percent. Over the next five years, from 2008 to 2012, the annual growth rate is forecast to average 1.6 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 1.6 percent per year over the next 5 years.
- Between 2008 and 2012, the momentum for employment growth is in the professional services sector, which accounts for more than 40 percent of job creation. The information sectors is expected to continue to rebound from dotcom era job losses, reaching its previous year 2000 high by 2011.

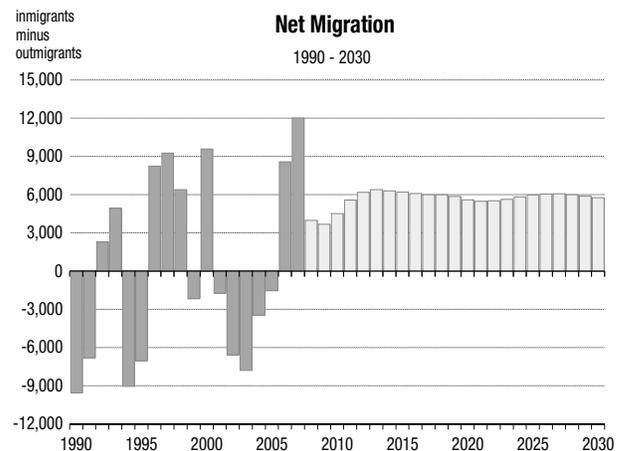
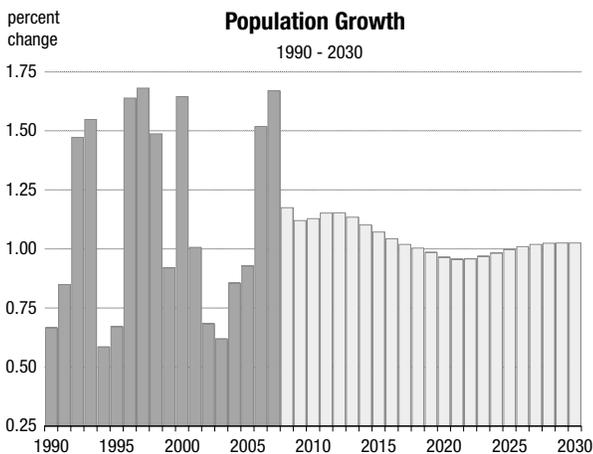


- The population is expected to grow at a rate of 1.2 percent in 2008. Annual growth in the 2008 to 2012 period is forecast to average 1.1 percent per year.
- Net migration is expected to moderate significantly from the 2007 level, but remain positive. Over the next five years an annual average of 4,800 net migrants is forecast.
- Real per capita incomes increase at a rate of 1.3 percent in 2008. Over the next five years real per capita incomes are forecast to rise 2.1 percent per year.
- Total taxable sales are expected to increase by an average of 6.3 percent over the next five years.
- Industrial production is expected to increase 3.7 percent in 2008. Over the next five years the growth rate of industrial production is forecast to average 3.5 percent per year.

# Santa Clara 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	1,626,200	9,261	1.30	544.4	8,810	\$27.0	\$60.0	\$49,704	3.4	205.7	24.6	3.1
1998	1,650,400	6,402	1.39	551.5	7,686	\$27.5	\$64.9	\$51,295	3.2	208.6	26.4	3.3
1999	1,665,590	-2,155	1.40	559.2	6,014	\$30.3	\$73.0	\$54,927	4.2	220.6	28.0	3.1
2000	1,693,000	9,598	1.45	565.9	7,054	\$37.3	\$91.4	\$64,717	4.5	360.8	33.5	3.1
2001	1,710,050	-1,733	1.47	570.8	5,960	\$32.1	\$83.8	\$55,778	5.4	327.8	26.2	5.1
2002	1,721,751	-6,596	1.47	576.7	4,513	\$27.5	\$77.5	\$50,419	1.6	286.2	22.0	8.4
2003	1,732,417	-7,784	1.42	582.3	7,490	\$27.1	\$78.2	\$49,591	1.8	265.1	19.9	8.4
2004	1,747,249	-3,453	1.48	587.0	5,505	\$28.5	\$82.3	\$51,181	1.2	280.7	19.1	6.5
2005	1,763,481	-1,535	1.46	593.1	5,872	\$30.2	\$87.2	\$52,676	2.0	268.9	19.3	5.4
2006	1,790,272	8,575	1.50	598.1	6,204	\$32.3	\$94.7	\$54,636	3.2	252.5	20.4	4.5
2007	1,820,176	12,011	1.52	603.0	4,597	\$32.9	\$100.6	\$55,248	3.3	250.0	21.8	4.7
2008	1,841,571	3,983	1.53	606.5	3,729	\$35.9	\$105.1	\$55,954	2.0	244.8	22.6	5.4
2009	1,862,211	3,679	1.55	610.0	4,567	\$37.8	\$109.7	\$56,726	1.8	239.1	23.3	5.6
2010	1,883,234	4,515	1.57	614.3	5,204	\$39.5	\$115.5	\$57,967	1.9	233.7	24.1	5.5
2011	1,904,939	5,588	1.60	619.2	5,395	\$42.0	\$122.7	\$59,452	2.4	230.2	24.9	5.3
2012	1,926,910	6,195	1.62	624.2	5,624	\$44.6	\$130.6	\$61,210	2.2	226.9	25.9	5.2
2013	1,948,780	6,400	1.65	629.5	5,740	\$47.3	\$138.7	\$62,780	2.3	223.3	27.0	5.2
2014	1,970,260	6,295	1.68	634.8	5,816	\$49.8	\$146.6	\$64,158	2.3	220.2	28.0	5.2
2015	1,991,376	6,214	1.70	640.3	5,878	\$52.4	\$154.4	\$65,197	2.6	217.3	29.0	5.2
2016	2,012,148	6,102	1.73	645.8	5,881	\$55.0	\$162.1	\$65,964	2.7	214.3	29.8	5.1
2017	2,032,662	6,008	1.75	651.3	5,886	\$57.5	\$169.5	\$66,490	2.7	213.0	30.7	5.1
2018	2,053,080	6,008	1.78	656.8	5,878	\$59.9	\$176.6	\$66,912	2.5	211.1	31.8	5.1
2019	2,073,325	5,866	1.80	662.3	5,806	\$62.3	\$184.0	\$67,313	2.5	209.0	32.9	5.3
2020	2,093,325	5,600	1.83	667.7	5,721	\$64.7	\$191.3	\$67,640	2.5	207.1	33.9	5.6
2021	2,113,347	5,497	1.86	673.0	5,653	\$67.2	\$199.4	\$68,180	2.4	206.6	34.9	5.8
2022	2,133,615	5,526	1.88	678.3	5,656	\$70.0	\$208.1	\$68,759	2.5	205.0	35.5	5.9
2023	2,154,287	5,643	1.90	683.6	5,746	\$72.9	\$217.1	\$69,321	2.5	204.6	36.1	5.8
2024	2,175,484	5,831	1.93	689.0	5,817	\$75.8	\$226.4	\$70,001	2.3	202.8	36.7	5.5
2025	2,197,188	5,972	1.95	694.4	5,899	\$79.0	\$236.1	\$70,608	2.4	201.0	37.2	5.2
2026	2,219,384	6,047	1.97	699.9	5,927	\$82.3	\$246.0	\$71,106	2.4	199.3	37.8	4.9
2027	2,242,019	6,071	1.99	705.5	5,939	\$85.7	\$256.2	\$71,530	2.5	197.7	38.6	4.7
2028	2,264,992	6,007	2.01	711.0	5,875	\$89.2	\$266.8	\$71,831	2.7	197.0	39.3	4.7
2029	2,288,235	5,895	2.04	716.5	5,788	\$92.8	\$277.6	\$72,069	2.7	195.2	40.1	4.7
2030	2,311,714	5,779	2.06	721.9	5,735	\$96.4	\$288.6	\$72,285	2.6	193.5	41.0	4.8



# Santa Clara 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	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	5.02	48.1	255.7	17.5	133.5	34.0	220.4	42.7	85.3	71.4	95.7
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	861.3	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	860.1	3.84	42.7	168.0	12.8	117.5	36.0	159.1	35.2	96.1	71.4	92.9
2006	881.6	3.79	45.2	167.4	12.6	120.8	36.8	164.0	38.4	100.5	74.0	93.5
2007	898.3	3.80	45.3	169.8	13.2	123.0	36.8	169.4	40.4	102.4	75.0	94.3
2008	907.2	3.74	44.8	172.7	12.9	123.5	36.4	172.4	40.4	104.3	75.7	95.4
2009	917.6	3.71	44.5	175.4	12.8	124.3	36.3	176.1	40.8	105.6	76.3	97.0
2010	931.0	3.68	44.5	177.5	12.9	125.9	36.2	181.1	41.3	107.2	77.0	98.6
2011	950.0	3.66	44.7	178.5	13.1	128.2	36.4	189.7	43.0	109.1	78.0	100.1
2012	970.7	3.64	45.0	179.2	13.3	130.7	36.6	200.1	44.7	110.7	78.9	101.8
2013	990.6	3.62	45.3	179.5	13.5	133.0	36.9	210.2	46.2	112.1	79.8	103.9
2014	1,007.6	3.60	45.5	178.3	13.6	135.0	37.2	219.4	47.5	113.6	80.7	106.2
2015	1,023.0	3.59	45.7	177.0	13.8	136.9	37.4	227.4	48.7	115.1	81.6	108.5
2016	1,037.0	3.57	45.8	176.2	14.0	138.7	37.7	233.4	49.9	116.6	82.6	110.8
2017	1,049.8	3.56	45.9	175.1	14.2	140.3	38.0	238.6	51.1	118.1	83.6	113.1
2018	1,062.9	3.55	46.0	174.4	14.4	141.8	38.3	243.2	52.4	120.1	84.5	115.3
2019	1,075.3	3.54	46.1	173.9	14.5	143.1	38.6	247.8	53.5	122.0	85.3	117.4
2020	1,085.6	3.53	46.1	172.8	14.6	144.1	38.8	252.3	54.4	123.8	85.7	119.5
2021	1,096.0	3.53	46.1	171.6	14.6	145.1	39.0	256.8	55.3	125.8	86.0	121.5
2022	1,106.9	3.52	46.1	170.4	14.7	146.2	39.3	261.4	56.1	128.2	86.2	123.4
2023	1,118.2	3.51	46.2	169.4	14.8	147.5	39.6	265.9	57.0	130.5	86.5	125.4
2024	1,130.4	3.50	46.4	168.4	15.1	149.1	39.9	270.3	57.9	132.9	87.0	127.4
2025	1,142.8	3.49	46.6	167.6	15.4	150.8	40.2	274.7	58.7	135.2	87.6	129.5
2026	1,155.4	3.48	46.8	167.0	15.7	152.5	40.5	279.2	59.5	137.3	88.3	131.6
2027	1,168.3	3.47	46.9	166.5	16.0	154.1	40.8	283.8	60.4	139.5	89.1	133.7
2028	1,181.1	3.47	47.1	166.3	16.2	155.5	41.1	288.2	61.3	141.6	89.8	135.9
2029	1,193.5	3.46	47.2	166.2	16.4	156.7	41.3	292.3	62.3	143.8	90.5	138.1
2030	1,205.5	3.45	47.2	166.3	16.5	157.8	41.6	296.3	63.1	146.1	91.1	140.4

