

SAN FRANCISCO COUNTY ECONOMIC FORECAST

San Francisco County, located on a peninsula north of San Mateo County between the San Francisco Bay and Pacific Ocean, is one of the State's largest tourist destinations. San Francisco County has a population of 852,750 people, and 527,750 wage and salary jobs making it a jobs center for the adjacent counties of Marin and San Mateo. The per capita income in San Francisco County is \$62,312, and the average salary per worker is among the highest in the state at \$81,942.

Employment growth in Northern California was negative in 2009. Employment in the greater Bay Area declined by 4.2 percent last year. Employment fell by 22,100 total jobs in San Francisco County, a decline of 4.0 percent. The unemployment rate increased to 9.6 percent in 2009.

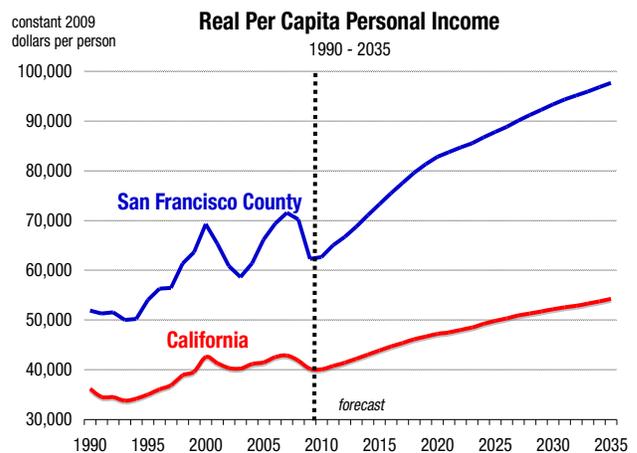
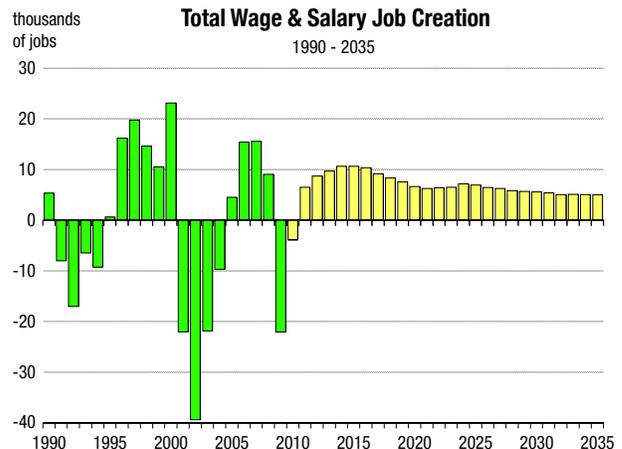
The education and healthcare sector was the only sector to create jobs during 2009, increasing employment by 600 workers or 1.0 percent. The sectors that had the largest job declines were professional business services (-4,300 jobs), retail trade (-3,800 jobs), construction (-3,300 jobs), financial activities (-3,100) and leisure (-3,000 jobs). 2009 was the 12th consecutive year of negative growth in the transportation, warehousing and utilities sector where employment has declined 55 percent since 1997. The services sector will lead the economic recovery in 2010.

The population continues to grow in San Francisco County at 1.2 percent between 2008 and 2009. Net migration fell slightly, but remained high at nearly 7,000 people.

The county never fully recovered from the dotcom bust of 2000. As a result of the fallout from the 2008-09 recession it will take until the end of the decade for employment to recover to the peak level reached in 2000.

FORECAST HIGHLIGHTS

- Employment in 2010 falls 0.7 percent. From 2010 to 2015, the annual growth rate is forecast to average 1.7 percent per year.
- Average salaries adjusted for inflation are currently well above the California state average, and will remain so over the foreseeable future. Real average salaries are expected to rise an average of 1.8 percent per year between 2010 and 2015.
- From 2010 to 2015 the principle job creation occurs in professional services, recreation/leisure services, healthcare and education, and retail trade. These sectors account for over 84 percent of the job growth forecast for the county.
- Population growth remains positive, but modest, averaging 0.7 percent per year between 2010 and 2015.

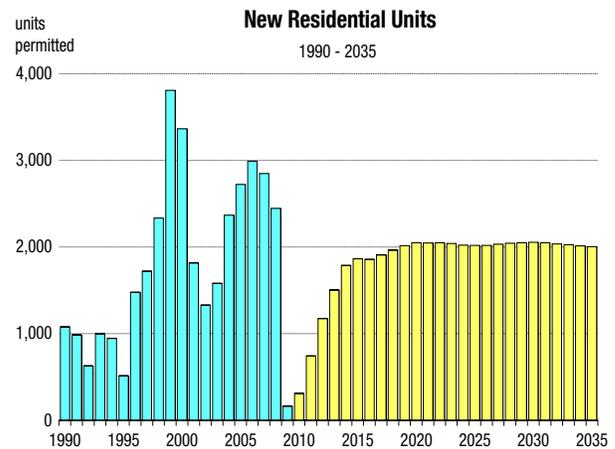
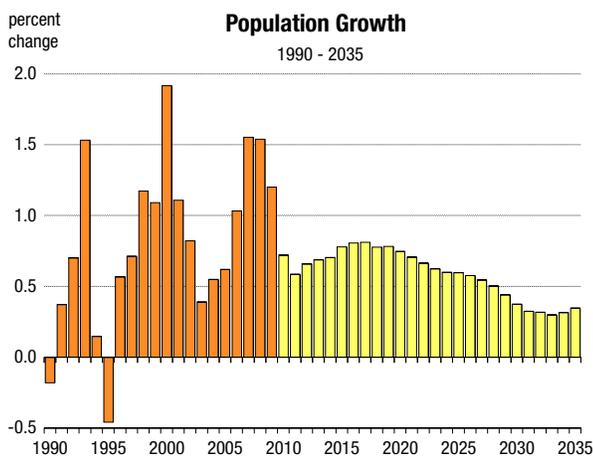


- Net migration is expected to slow in 2010, to 2,700 people. Net migration averages 2,600 persons from 2010 to 2015.
- Real per capita incomes are forecast to increase at a rate of 0.6 percent in 2010. During the 2010 to 2015 period real per capita incomes are forecast to increase 3.2 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 2.9 percent per year between 2010 and 2015.
- Industrial production is forecast to decline slightly in 2010, due to weakness in the transportation, warehousing and utilities sector. This weakness will continue and contributes to a negative 0.3 percent growth rate in industrial production per year from 2010 to 2015.

San Francisco County Economic Forecast

2002-2009 History, 2010-2035 Forecast

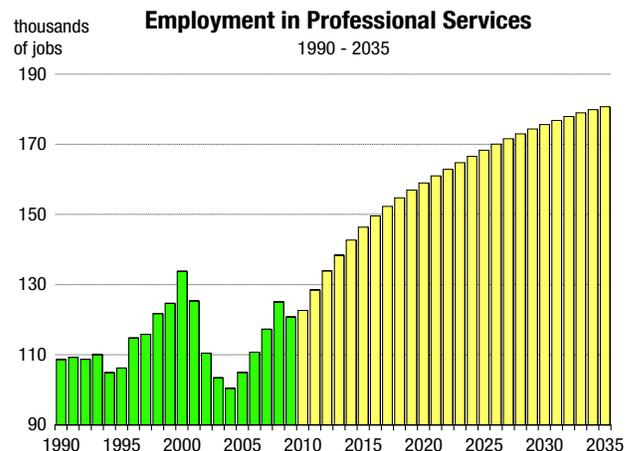
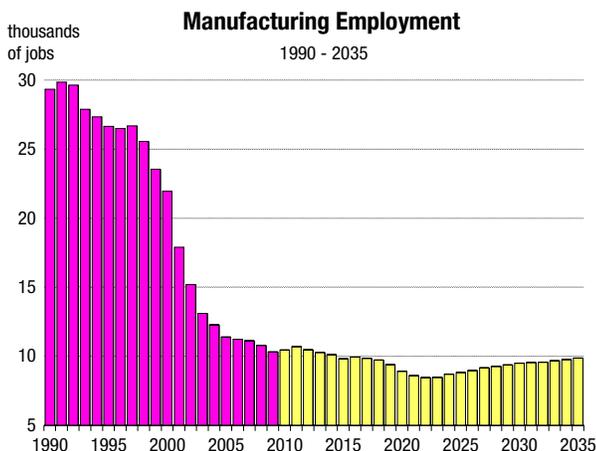
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	796,330	4,691	475	333	1,330	\$11.6	\$41.7	\$60,839	1.6	1.9	3.93	6.9
2003	799,431	599	458	336	1,582	\$11.5	\$41.1	\$58,643	1.8	2.2	3.79	6.8
2004	803,824	2,009	476	337	2,368	\$12.3	\$43.7	\$61,397	1.2	2.2	3.71	5.8
2005	808,801	2,280	465	338	2,724	\$13.1	\$48.3	\$66,143	2.0	2.0	3.61	5.0
2006	817,154	5,912	469	339	2,992	\$14.0	\$52.9	\$69,395	3.2	2.7	3.69	4.2
2007	829,848	9,767	474	342	2,848	\$14.7	\$57.3	\$71,552	3.4	1.7	3.44	4.2
2008	842,625	9,767	470	345	2,447	\$15.5	\$58.8	\$70,230	3.0	1.1	3.30	5.3
2009	852,750	6,953	464	348	164	\$15.0	\$53.1	\$62,312	0.8	1.0	3.27	9.6
2010	858,892	2,686	460	345	310	\$15.5	\$55.0	\$62,668	2.1	1.1	3.25	9.7
2011	863,923	1,574	460	345	742	\$16.2	\$58.8	\$65,049	2.4	1.1	3.26	8.7
2012	869,612	2,245	463	346	1,176	\$17.0	\$62.0	\$66,725	2.1	1.1	3.24	7.5
2013	875,598	2,567	467	347	1,506	\$17.9	\$65.7	\$68,734	2.2	1.1	3.22	6.8
2014	881,758	2,786	472	348	1,787	\$18.9	\$69.9	\$71,066	2.2	1.1	3.21	6.1
2015	888,629	3,563	477	349	1,866	\$20.0	\$74.3	\$73,302	2.2	1.1	3.20	5.6
2016	895,798	3,948	482	350	1,857	\$21.1	\$78.8	\$75,469	2.2	1.0	3.26	5.4
2017	903,071	4,147	486	352	1,911	\$22.3	\$83.4	\$77,550	2.2	1.0	3.30	5.3
2018	910,084	3,996	490	353	1,966	\$23.4	\$88.2	\$79,607	2.2	1.0	3.35	5.3
2019	917,209	4,224	495	355	2,016	\$24.6	\$92.7	\$81,319	2.2	1.0	3.36	5.2
2020	924,055	4,069	499	356	2,051	\$25.8	\$97.1	\$82,826	2.1	1.0	3.36	5.1
2021	930,593	3,893	504	357	2,046	\$27.1	\$101.5	\$83,771	2.5	1.0	3.40	5.1
2022	936,773	3,663	508	359	2,051	\$28.4	\$105.9	\$84,677	2.6	1.0	3.46	5.1
2023	942,619	3,451	513	360	2,042	\$29.7	\$110.4	\$85,523	2.5	1.0	3.56	5.0
2024	948,260	3,356	517	362	2,023	\$31.1	\$115.3	\$86,726	2.4	0.9	3.71	4.9
2025	953,922	3,474	522	363	2,019	\$32.6	\$120.4	\$87,811	2.5	0.9	3.86	4.8
2026	959,429	3,400	526	365	2,021	\$34.1	\$125.6	\$88,833	2.5	0.9	4.02	4.8
2027	964,666	3,198	531	366	2,035	\$35.7	\$131.3	\$90,094	2.6	0.9	4.21	4.8
2028	969,511	2,860	535	368	2,045	\$37.4	\$137.3	\$91,220	2.8	0.9	4.38	4.8
2029	973,783	2,331	540	369	2,049	\$39.1	\$143.4	\$92,295	2.7	0.9	4.56	4.7
2030	977,421	1,730	544	371	2,057	\$40.9	\$149.5	\$93,381	2.7	0.9	4.75	4.7
2031	980,595	1,292	548	372	2,049	\$42.8	\$155.6	\$94,367	2.7	0.9	4.93	4.7
2032	983,712	1,251	551	374	2,037	\$44.7	\$161.6	\$95,131	2.7	0.8	5.10	4.7
2033	986,655	1,089	554	375	2,029	\$46.7	\$167.8	\$95,945	2.7	0.8	5.31	4.7
2034	989,764	1,260	557	376	2,015	\$48.8	\$174.4	\$96,809	2.7	0.8	5.52	4.8
2035	993,201	1,591	559	378	2,006	\$51.0	\$181.3	\$97,650	2.7	0.8	5.74	4.8

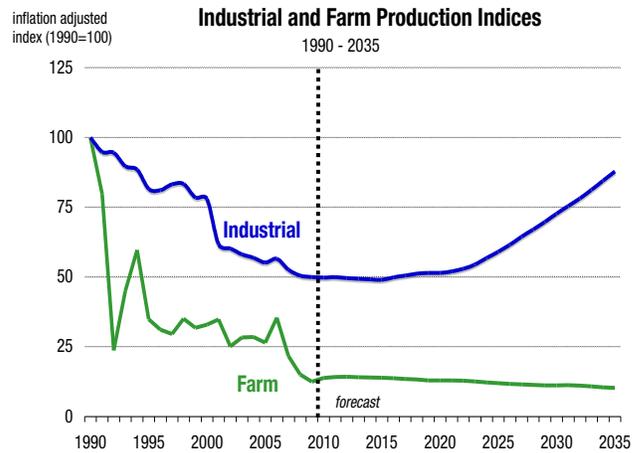
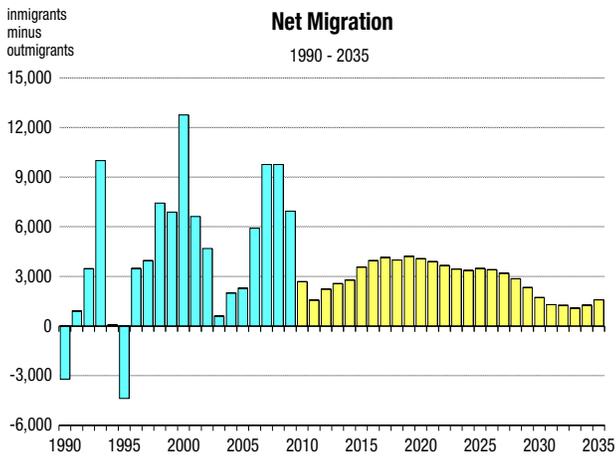
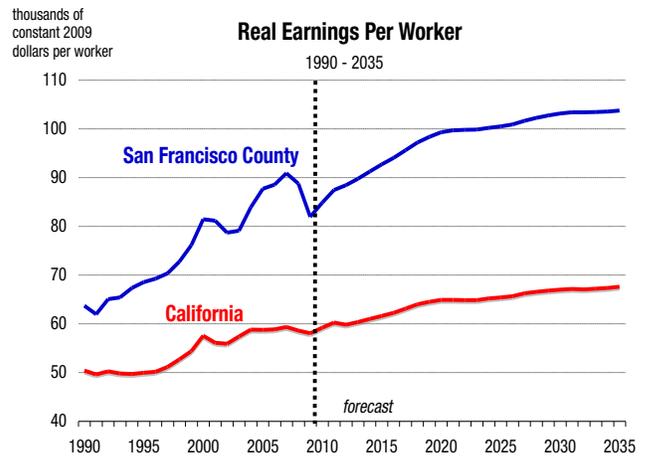
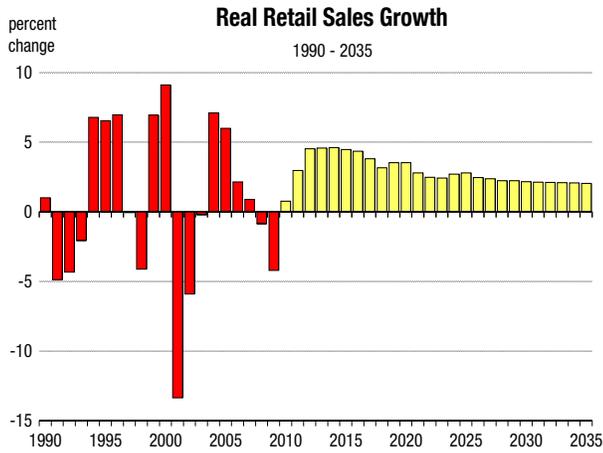


San Francisco County Employment Forecast

2002-2009 History, 2010-2035 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)-----												
2002	536.6	0.25	19.4	15.2	18.0	56.3	64.1	110.5	23.7	51.9	70.2	84.4
2003	514.8	0.32	18.6	13.1	16.9	54.3	59.4	103.4	20.5	53.2	69.6	83.7
2004	505.2	0.26	18.0	12.3	15.4	54.6	57.3	100.4	19.1	54.4	70.7	81.7
2005	509.7	0.24	17.6	11.4	14.7	54.9	57.3	105.0	17.3	55.1	72.1	82.6
2006	525.1	0.23	18.4	11.2	14.1	55.0	57.8	110.8	18.3	56.0	73.8	88.1
2007	540.8	0.23	19.4	11.1	12.7	56.6	59.0	117.3	19.4	57.5	76.4	89.2
2008	549.8	0.28	18.8	10.8	11.6	56.4	57.7	125.1	19.1	58.1	78.6	91.1
2009	527.8	0.27	15.6	10.3	11.2	51.5	54.5	120.8	18.1	58.6	75.6	89.8
2010	523.9	0.27	15.3	10.5	10.8	51.4	51.3	122.7	17.7	59.5	74.7	89.3
2011	530.5	0.27	15.3	10.7	10.4	51.9	49.8	128.5	18.1	60.3	75.3	89.4
2012	539.2	0.27	15.6	10.5	10.1	53.0	49.6	133.9	18.8	61.3	76.6	89.4
2013	548.9	0.27	16.1	10.3	9.9	54.1	50.1	138.4	19.5	62.0	78.2	89.8
2014	559.6	0.27	16.7	10.1	9.7	55.3	51.0	142.7	20.1	62.8	80.0	90.3
2015	570.2	0.27	17.2	9.8	9.6	56.5	52.0	146.4	20.7	63.6	81.8	90.8
2016	580.6	0.27	17.6	9.9	9.6	57.7	53.0	149.6	21.3	64.4	83.6	91.4
2017	589.8	0.27	18.0	9.9	9.6	58.7	53.8	152.3	21.7	65.0	85.3	92.0
2018	598.1	0.27	18.2	9.7	9.7	59.5	54.5	154.8	22.1	65.8	87.0	92.6
2019	605.7	0.27	18.4	9.4	9.8	60.5	55.1	157.0	22.3	66.8	88.5	93.2
2020	612.4	0.27	18.6	8.9	9.9	61.5	55.6	159.0	22.5	67.6	89.8	93.7
2021	618.7	0.27	18.7	8.6	10.1	62.3	56.0	161.0	22.6	68.8	90.8	94.3
2022	625.1	0.26	18.8	8.5	10.3	63.0	56.3	162.9	22.9	70.1	91.8	94.9
2023	631.6	0.26	18.8	8.5	10.5	63.7	56.6	164.8	23.2	71.3	92.9	95.5
2024	638.8	0.26	18.8	8.7	10.7	64.5	57.0	166.6	23.6	72.4	94.2	96.1
2025	645.8	0.26	18.9	8.8	10.9	65.4	57.3	168.4	24.1	73.3	95.5	96.8
2026	652.3	0.26	18.9	9.0	11.1	66.1	57.5	170.1	24.5	74.2	96.7	97.4
2027	658.6	0.26	18.9	9.2	11.3	66.9	57.7	171.6	24.9	75.1	97.9	98.1
2028	664.4	0.26	19.0	9.3	11.6	67.6	57.9	173.0	25.4	75.8	98.9	98.8
2029	670.1	0.26	19.0	9.4	11.8	68.3	58.1	174.4	25.9	76.6	99.9	99.5
2030	675.7	0.26	19.0	9.5	12.0	68.9	58.2	175.6	26.3	77.4	100.8	100.3
2031	681.1	0.26	19.0	9.6	12.2	69.6	58.4	176.8	26.7	78.2	101.7	101.0
2032	686.2	0.26	19.0	9.6	12.5	70.3	58.5	177.9	27.1	79.0	102.4	101.8
2033	691.4	0.25	19.1	9.7	12.7	71.0	58.5	179.0	27.5	79.7	103.3	102.6
2034	696.5	0.25	19.1	9.8	12.9	71.7	58.5	179.9	27.9	80.5	104.2	103.5
2035	701.5	0.25	19.1	9.9	13.2	72.4	58.5	180.7	28.3	81.3	105.1	104.3





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	23.0 %
Expected job growth:	8.8 %
Fastest growing jobs sector:	Professional Business Services
Expected personal income growth:	21.0 %

Expected population growth:	3.5 %
Net migration to account for:	42.8 %
Expected growth in number of vehicles:	3.5 %

Demographics (2009)

Unemployment rate (December):	9.4 %
County Rank* in California (58 counties):	5th
Working age (16-64) population:	72.6 %

Population with B.A. Degree or higher:	44.6 %
Median Home Selling Price:	\$668,746
Median Household Income:	\$71,076

Quality of Life

Violent Crime rate (2008):	815 per 100,000 persons
County Rank* in California (58 counties):	54th
Average Commute Time to work (2009):	33.4 minutes

High School drop out rate (2008):	20.8 %
Households at/below poverty line:	8.4 %

* The county ranked 1st corresponds to the lowest rate in California