

STANISLAUS COUNTY ECONOMIC FORECAST

Stanislaus County is located in the heart of the San Joaquin Valley, bordered by the Bay Area to the west and the Sierra Nevada to the east. Stanislaus County has a population of 528,700 people and 164,700 wage and salary jobs, most of them located in the largest city, Modesto. The per capita income in Stanislaus County is \$30,044, and the average salary per worker is \$44,220.

Employment in Northern California contracted during 2009, consistent with the rest of the state and nation. In 2009, 5,300 total wage and salary jobs were lost in Stanislaus County. Employment in the farm sector declined by 110 jobs, and though it has recovered slightly since 2007, remains near a 15 year low. The annual unemployment rate increased to 16.9 percent in 2009.

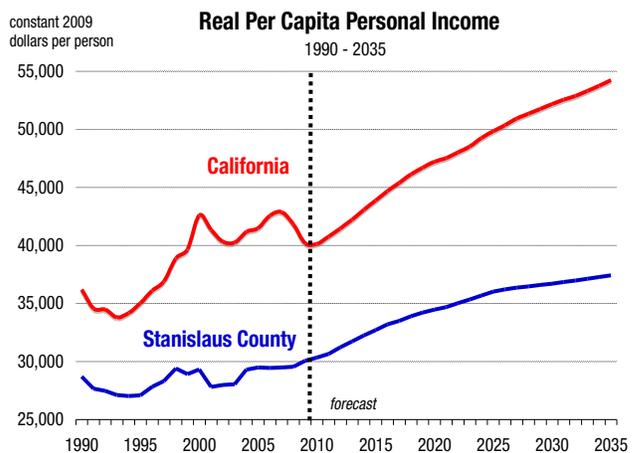
Professional business services and education and healthcare were the only sectors to create jobs in Stanislaus County during 2009, though in both cases the employment gains were minor. The largest employment losses occurred in the construction (900 jobs), leisure (1,100 jobs), government (800 jobs), and manufacturing (600 jobs) sectors. New home production plunged 93 percent from the peak in 2005.

From 2008 to 2009, the population growth rate was 0.5 percent in Stanislaus County. Approximately 40 percent of the population resides in the city of Modesto, which rose 0.8 percent between January 2008 and January 2009.

Over the long term, population in the county will grow at a rate exceeding the state average, however employment will grow at a slower rate.

FORECAST HIGHLIGHTS

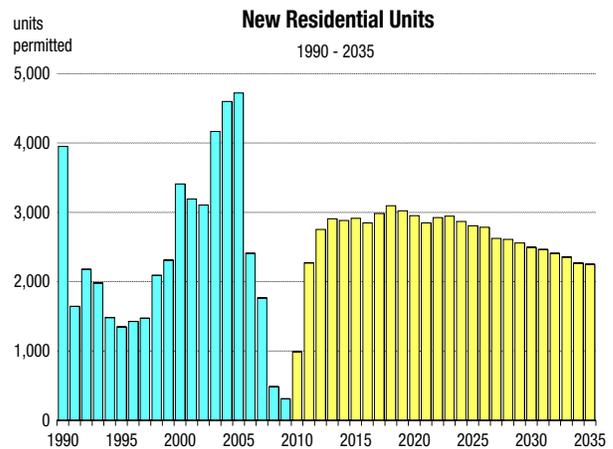
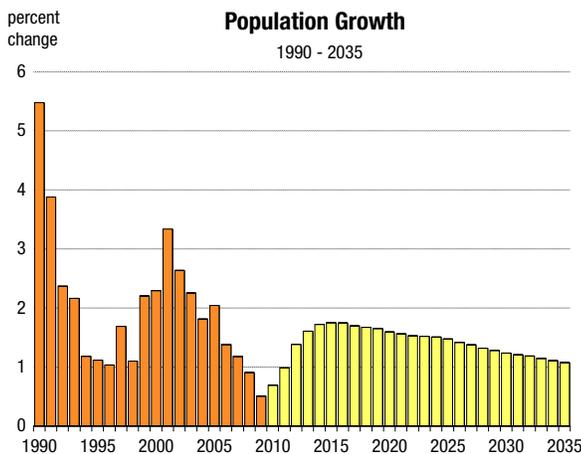
- Total wage and salary job growth is forecast to remain slightly negative in 2010, averaging -0.5 percent. From 2010 to 2015, farm employment will decline slightly, as total job growth averages 2.0 percent per year and non-farm job growth averages 2.2 percent.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the forecast. Average salaries adjusted for inflation are forecast to rise an average of 0.6 percent per year from 2010 to 2015.
- Between 2010 and 2015, the principle job creation occurs in professional services, education and healthcare services, leisure services, retail trade, construction and government. The farm sector is the only labor market that is forecast to consolidate further, over the next 5 years. However, both manufacturing and financial activities experience very little growth during this time.
- The population will continue to grow at a healthy, but more moderate rate in the county. Annual growth in the 2010 to 2015 period averages 1.5 percent per year.
- Net migration will remain negative in 2010, with out-migration forecast at approximately 1,200 people. Migration then turns positive in 2011, and between 2010 and 2015 net migration is expected to average 2,300 net migrants entering the county per year.
- Real per capita incomes are forecast to rise 0.9 percent in 2010. From 2010 to 2015 real per capita incomes are forecast to increase 1.5 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 4.1 percent per year over the 2010 to 2015 period. Sales do not eclipse their 2005 peak until 2016.
- Industrial production is forecast to increase 1.5 percent in 2010. From 2010 to 2015 the growth rate of industrial production is expected to average 2.4 percent per year.
- Farm production is forecast to increase by 0.6 percent per year between 2010 and 2015. The principal crop in the county is dairy products.



Stanislaus County Economic Forecast

2002-2009 History, 2010-2035 Forecast

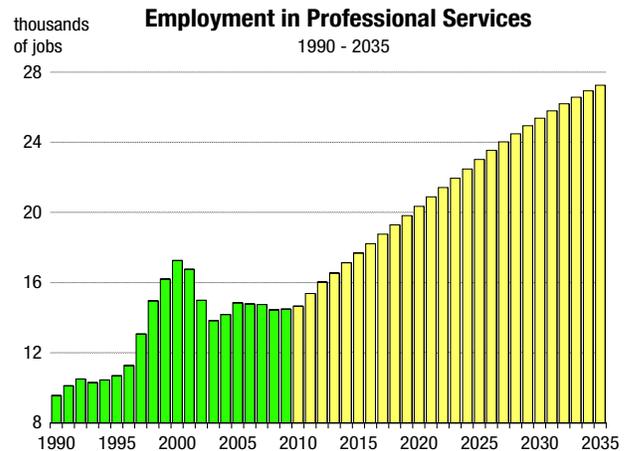
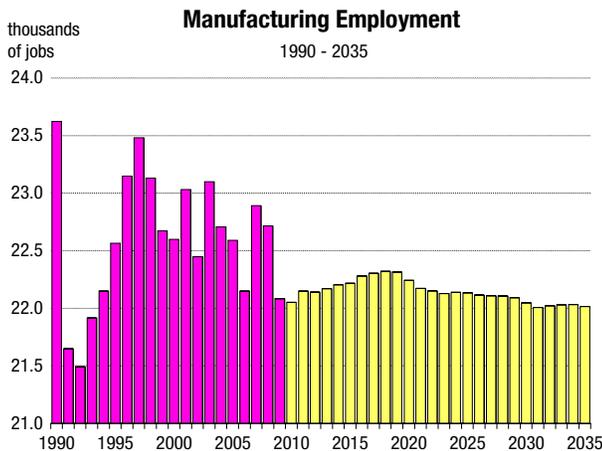
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	478,372	8,171	414	151	3,109	\$5.85	\$11.51	\$27,974	1.6	1.60	2.87	9.7
2003	489,151	6,425	415	154	4,168	\$6.20	\$12.01	\$28,033	1.8	1.67	3.15	9.9
2004	498,027	4,627	445	157	4,603	\$6.79	\$12.92	\$29,289	1.2	2.24	3.31	9.3
2005	508,204	5,368	450	161	4,723	\$7.32	\$13.53	\$29,472	2.0	2.20	3.58	8.5
2006	515,229	2,282	455	165	2,410	\$7.38	\$14.14	\$29,429	3.2	2.31	3.76	8.0
2007	521,316	876	451	168	1,767	\$7.17	\$14.82	\$29,477	3.4	2.52	3.96	8.7
2008	526,047	-494	448	170	486	\$6.89	\$15.43	\$29,545	3.0	2.50	4.08	11.1
2009	528,715	-1,868	441	171	311	\$6.67	\$15.88	\$30,044	0.8	2.50	4.13	16.9
2010	532,389	-1,210	431	172	992	\$6.57	\$16.48	\$30,323	2.1	2.45	4.19	18.0
2011	537,648	348	438	173	2,275	\$6.82	\$17.25	\$30,640	2.4	2.57	4.26	16.0
2012	545,110	2,442	450	175	2,756	\$7.26	\$18.20	\$31,227	2.1	2.59	4.38	13.3
2013	553,872	3,592	460	178	2,908	\$7.78	\$19.21	\$31,723	2.2	2.60	4.50	11.8
2014	563,425	4,286	471	181	2,884	\$8.35	\$20.28	\$32,233	2.2	2.59	4.61	10.3
2015	573,298	4,563	481	183	2,915	\$8.96	\$21.41	\$32,710	2.2	2.51	4.73	9.4
2016	583,313	4,686	490	186	2,849	\$9.59	\$22.58	\$33,186	2.2	2.54	4.84	8.9
2017	593,224	4,553	499	189	2,984	\$10.21	\$23.69	\$33,495	2.2	2.54	4.96	8.7
2018	603,166	4,544	507	192	3,098	\$10.79	\$24.91	\$33,902	2.2	2.55	5.10	8.4
2019	613,134	4,571	516	195	3,023	\$11.42	\$26.10	\$34,205	2.2	2.57	5.25	7.9
2020	622,928	4,407	524	198	2,954	\$12.08	\$27.28	\$34,463	2.1	2.48	5.41	7.7
2021	632,653	4,343	532	201	2,848	\$12.74	\$28.59	\$34,684	2.5	2.37	5.57	7.6
2022	642,321	4,268	539	204	2,926	\$13.41	\$30.08	\$35,024	2.6	2.40	5.72	7.5
2023	652,083	4,279	546	207	2,946	\$14.08	\$31.59	\$35,332	2.5	2.41	5.87	7.3
2024	661,920	4,323	554	210	2,871	\$14.80	\$33.17	\$35,685	2.4	2.43	6.04	7.1
2025	671,691	4,261	561	213	2,808	\$15.59	\$34.80	\$36,014	2.5	2.44	6.21	6.9
2026	681,220	4,146	567	216	2,786	\$16.37	\$36.38	\$36,209	2.5	2.41	6.39	6.8
2027	690,605	4,085	574	218	2,626	\$17.17	\$37.98	\$36,362	2.6	2.37	6.58	6.7
2028	699,729	3,942	581	221	2,611	\$18.01	\$39.66	\$36,469	2.8	2.35	6.78	6.6
2029	708,691	3,830	587	224	2,559	\$18.89	\$41.40	\$36,582	2.7	2.32	6.98	6.5
2030	717,448	3,678	593	226	2,495	\$19.78	\$43.18	\$36,703	2.7	2.21	7.18	6.4
2031	726,122	3,588	600	229	2,467	\$20.70	\$45.04	\$36,839	2.7	2.12	7.40	6.3
2032	734,739	3,514	606	231	2,409	\$21.67	\$46.98	\$36,985	2.7	2.15	7.63	6.4
2033	743,170	3,303	612	233	2,355	\$22.69	\$48.97	\$37,124	2.7	2.18	7.87	6.4
2034	751,427	3,117	617	236	2,270	\$23.74	\$51.04	\$37,271	2.7	2.18	8.11	6.5
2035	759,515	2,951	623	238	2,252	\$24.84	\$53.20	\$37,431	2.7	2.14	8.36	6.5

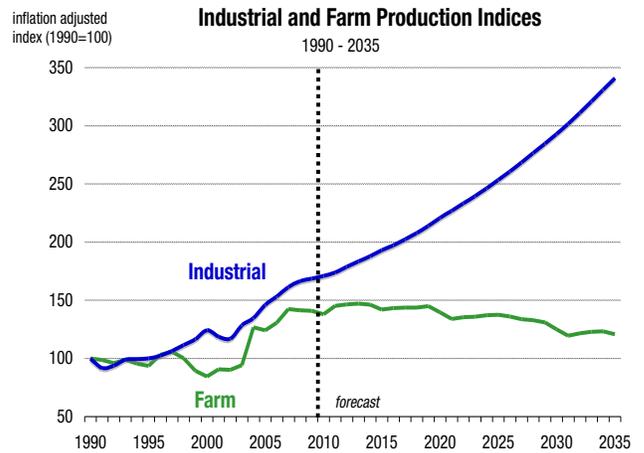
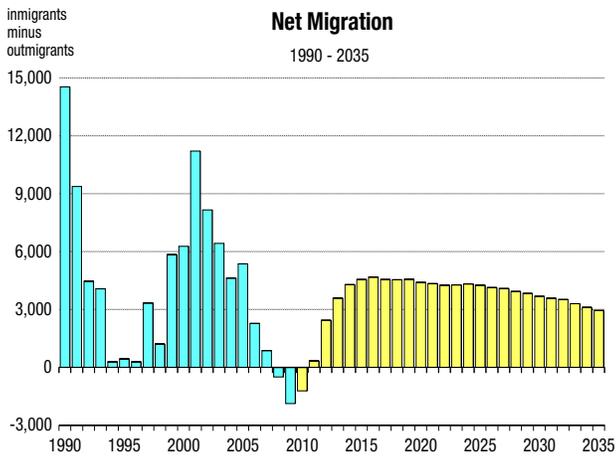
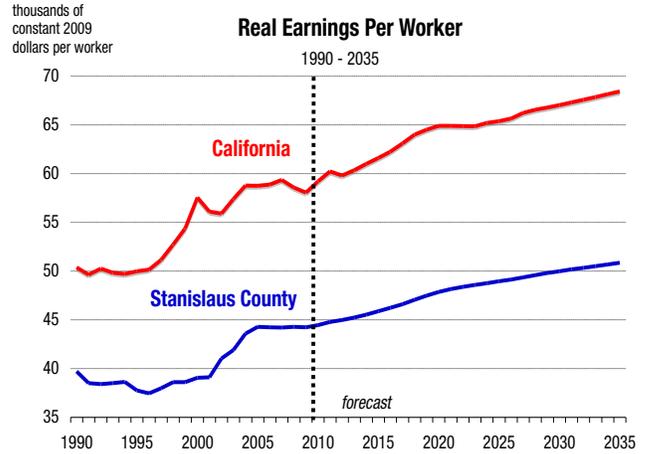


Stanislaus County Employment Forecast

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	164.6	13.9	10.7	22.5	4.5	27.3	5.6	15.0	2.1	18.1	13.6	25.3
2003	166.3	14.0	11.4	23.1	4.6	27.4	6.0	13.8	2.2	18.9	13.7	24.9
2004	168.5	13.8	12.3	22.7	4.7	27.5	6.1	14.2	2.5	19.2	14.2	25.1
2005	172.8	13.8	13.4	22.6	5.2	28.5	6.2	14.9	2.5	19.4	14.8	25.6
2006	172.8	12.9	13.2	22.2	5.2	28.4	6.3	14.8	2.4	19.9	15.3	26.3
2007	173.0	12.9	11.2	22.9	5.6	28.1	6.2	14.8	2.3	21.1	15.4	26.5
2008	170.0	13.4	9.3	22.7	5.7	27.2	6.0	14.4	1.9	21.6	15.4	26.7
2009	164.7	13.3	8.4	22.1	5.6	26.5	5.6	14.5	1.4	21.7	14.3	25.8
2010	163.9	13.3	7.9	22.1	5.7	26.5	5.6	14.7	1.4	21.9	14.2	25.3
2011	166.1	13.4	8.8	22.2	5.7	26.9	5.6	15.4	1.6	22.0	14.4	24.7
2012	170.3	13.2	10.6	22.1	5.8	27.7	5.6	16.0	1.7	22.3	14.6	25.3
2013	174.0	13.1	11.8	22.2	5.9	28.5	5.6	16.5	1.8	22.5	14.8	25.8
2014	177.6	13.0	12.7	22.2	6.1	29.4	5.6	17.1	2.0	22.8	15.0	26.2
2015	180.8	13.0	13.3	22.2	6.2	30.2	5.7	17.7	2.0	23.2	15.2	26.7
2016	183.7	13.2	13.6	22.3	6.3	31.1	5.7	18.2	2.0	23.5	15.5	26.9
2017	186.2	13.1	13.7	22.3	6.5	31.8	5.7	18.8	2.1	23.8	15.7	27.2
2018	188.8	13.0	14.0	22.3	6.6	32.5	5.7	19.3	2.1	24.1	15.9	27.8
2019	191.4	12.9	14.2	22.3	6.7	33.3	5.7	19.8	2.2	24.3	16.1	28.4
2020	193.7	12.8	14.3	22.2	6.9	34.0	5.7	20.4	2.2	24.4	16.3	29.0
2021	196.1	12.9	14.3	22.2	7.0	34.7	5.7	20.9	2.2	24.6	16.5	29.6
2022	198.6	13.2	14.4	22.2	7.2	35.3	5.7	21.4	2.2	24.9	16.6	30.1
2023	201.0	13.2	14.5	22.1	7.4	35.9	5.8	22.0	2.3	25.1	16.8	30.6
2024	203.5	13.2	14.7	22.1	7.5	36.6	5.8	22.5	2.3	25.3	16.9	31.1
2025	205.8	13.2	14.8	22.1	7.7	37.3	5.8	23.0	2.3	25.6	17.1	31.6
2026	208.1	13.2	14.9	22.1	7.8	37.9	5.9	23.5	2.3	25.8	17.2	32.0
2027	210.3	13.2	14.9	22.1	8.0	38.5	5.9	24.0	2.3	26.1	17.3	32.5
2028	212.4	13.3	14.9	22.1	8.1	39.1	5.9	24.5	2.3	26.4	17.5	32.9
2029	214.5	13.4	14.8	22.1	8.3	39.7	5.9	24.9	2.4	26.7	17.6	33.4
2030	216.5	13.5	14.8	22.0	8.4	40.3	6.0	25.4	2.3	26.9	17.8	33.8
2031	218.7	13.7	14.7	22.0	8.5	40.9	6.0	25.8	2.3	27.2	17.9	34.3
2032	220.9	14.0	14.6	22.0	8.7	41.5	6.0	26.2	2.4	27.5	18.1	34.8
2033	222.8	14.0	14.5	22.0	8.8	42.1	6.0	26.6	2.3	27.7	18.2	35.2
2034	224.7	13.9	14.4	22.0	9.0	42.7	6.0	26.9	2.3	28.0	18.4	35.7
2035	226.5	13.9	14.3	22.0	9.1	43.3	6.1	27.3	2.3	28.2	18.5	36.2





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	23.4 %
Expected job growth:	10.3 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	16.2 %

Expected population growth:	7.7 %
Net migration to account for:	37.2 %
Expected growth in number of vehicles:	11.6 %

Demographics (2009)

Unemployment rate (December):	17.5 %
County Rank* in California (58 counties):	46th
Working age (16-64) population:	61.9 %

Population with B.A. Degree or higher:	14.1 %
Median Home Selling Price:	\$163,929
Median Household Income:	\$50,913

Quality of Life

Violent Crime rate (2008):	542 per 100,000 persons
County Rank* in California (58 counties):	43rd
Average Commute Time to work (2009):	28.3 minutes

High School drop out rate (2008):	22.8 %
Households at/below poverty line:	12.0 %

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