

EL DORADO COUNTY ECONOMIC FORECAST

El Dorado County is home to the town of Coloma, where the first discoveries of gold sparked the California gold rush. It is part of the greater Sacramento Valley, and shares its eastern border with the state of Nevada. It is also home to a portion of Lake Tahoe, one of the most popular recreational destinations in the state. As a result, leisure and hospitality is one of the county's largest industries, accounting for 15 percent of all wage and salary jobs.

El Dorado County has a population of 181,700 people and 46,400 wage and salary jobs. The per capita income in El Dorado County is \$51,392, and the average salary per worker is \$47,880.

Employment across Northern California increased by 0.9 percent in 2011, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) declined 0.8 percent, the fourth straight year of contraction. In El Dorado County, 400 wage and salary jobs were lost, a decline of 0.9 percent. The unemployment rate improved from 12.6 percent in 2010 to 11.8 percent in 2011.

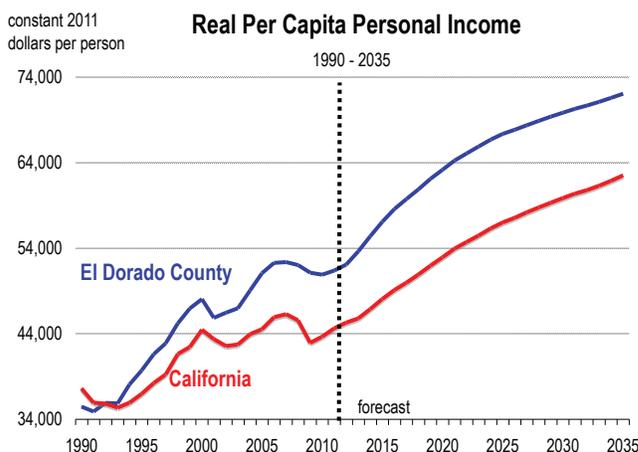
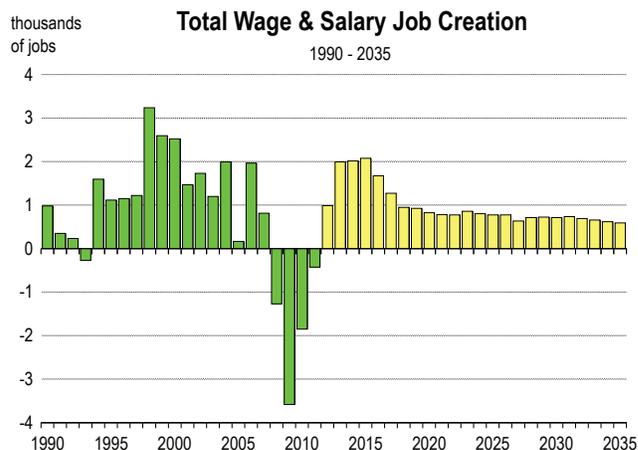
During 2011, the only sectors to create a significant number of jobs were education and healthcare (+200 jobs) and retail trade (+100 jobs). The only industries to lose a significant number of jobs were government (-300 jobs), construction (-200 jobs), and financial activities (-100 jobs). All other sectors either gained or lost a small number of positions.

Population growth has slowed dramatically since the mid 2000s, largely the result of lower in-migration. In 2011, the population increased by only 0.3 percent. Over the forecast, in-migration should accelerate, but will remain below the levels that prevailed between 2000 and 2005.

Employment and population growth in El Dorado County are both expected to accelerate over the next few years as the state slowly rebounds from the Great Recession.

FORECAST HIGHLIGHTS

- Total employment is expected to increase by 2.1 percent in 2012. From 2012 to 2017, the growth rate is forecast to average 3.3 percent per year.
- Average salaries are currently below the California state average, and will remain so throughout the forecast. Adjusted for inflation, average salaries are expected to rise an average of 1.4 percent per year between 2012 and 2017.
- Employment growth will be greatest in construction, which will add 2,700 jobs between 2012 and 2017. The housing bust was severe in the Sacramento Valley, and the region will need to build new units to accommodate expected population growth. Other sectors with strong growth will be professional services (+2,300 jobs), and healthcare and education (+1,400 jobs).

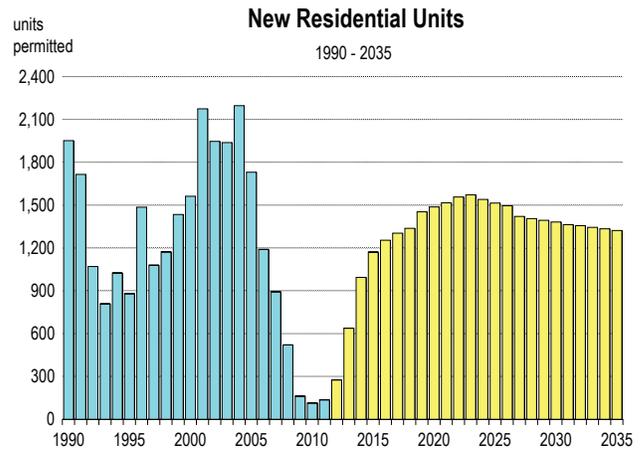
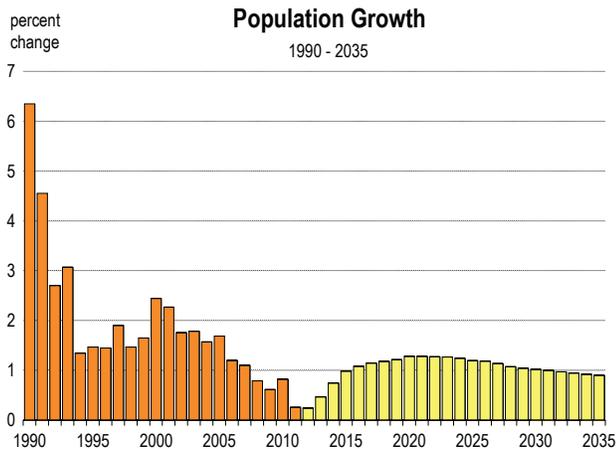


- Population is forecast to grow by 0.2 percent in 2012. Growth then accelerates, reaching 1.2 percent by 2017. Annual growth in the 2012 to 2017 period is expected to average 0.8 percent.
- Net migration is forecast to remain low through 2017. Between 2012 and 2017, net migration is expected to average 1,100 in-migrants each year.
- Real per capita income is forecast to rise by 1.3 percent in 2012. Between 2012 and 2017 real per capita income is forecast to increase 2.5 percent per year.
- Total taxable sales adjusted for inflation are expected to increase an average of 3.0 percent per year between 2012 and 2017.
- Industrial production is forecast to remain virtually flat in 2012. From 2012 to 2017, industrial production is forecast to rebound, growing by an average of 3.5 percent per year.

El Dorado County Economic Forecast

2006-2011 History, 2012-2040 Forecast

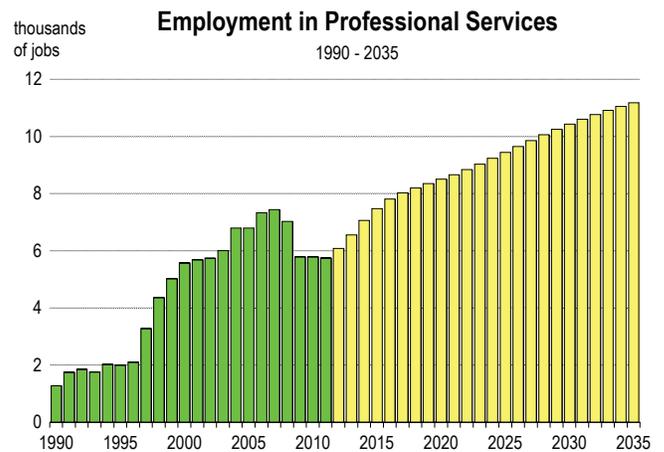
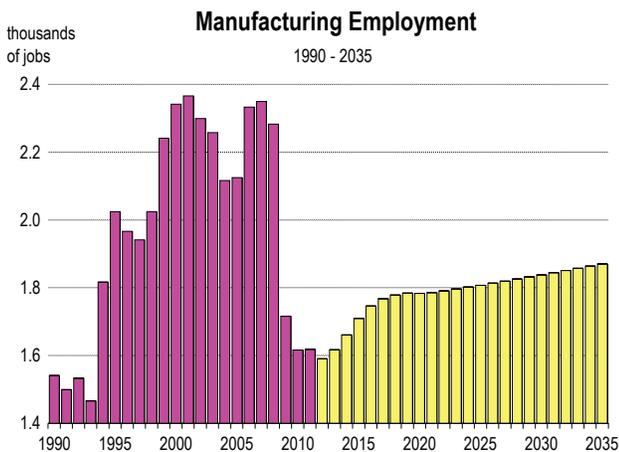
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	175,258	1,324	228	67.7	1,189	\$1.9	\$8.2	\$52,288	3.2	32.8	545.0	4.6
2007	177,195	1,243	224	68.7	894	\$1.9	\$8.6	\$52,359	3.4	37.3	567.3	5.2
2008	178,599	785	222	69.2	521	\$1.8	\$8.9	\$52,016	3.0	30.7	582.3	6.9
2009	179,701	609	219	69.7	162	\$1.5	\$8.8	\$51,128	0.8	37.1	439.1	11.1
2010	181,183	1,115	215	70.2	115	\$1.6	\$9.0	\$50,891	1.3	34.6	453.9	12.6
2011	181,653	76	212	70.3	137	\$1.6	\$9.3	\$51,392	2.5	34.4	447.3	11.8
2012	182,093	128	208	70.4	277	\$1.7	\$9.7	\$52,070	1.9	34.7	447.8	10.5
2013	182,951	558	209	70.6	638	\$1.8	\$10.2	\$53,644	2.1	35.6	456.5	9.3
2014	184,314	1,072	211	70.9	995	\$1.9	\$10.9	\$55,404	2.1	36.4	478.7	8.5
2015	186,131	1,534	214	71.3	1,171	\$2.0	\$11.5	\$57,099	1.8	37.3	503.0	7.8
2016	188,149	1,735	216	71.9	1,255	\$2.1	\$12.1	\$58,565	1.7	37.7	526.0	7.1
2017	190,304	1,867	217	72.7	1,305	\$2.2	\$12.7	\$59,753	1.7	37.8	548.6	6.7
2018	192,548	1,952	218	73.5	1,338	\$2.4	\$13.3	\$60,890	1.7	37.8	569.1	6.4
2019	194,885	2,036	219	74.5	1,454	\$2.5	\$14.0	\$62,106	1.5	37.5	589.1	6.1
2020	197,389	2,196	220	75.5	1,487	\$2.6	\$14.6	\$63,188	1.4	37.8	609.9	5.8
2021	199,923	2,222	221	76.6	1,517	\$2.7	\$15.3	\$64,248	1.3	38.5	626.9	5.8
2022	202,471	2,241	223	77.8	1,558	\$2.8	\$15.9	\$65,102	1.5	38.3	643.5	5.8
2023	205,039	2,263	224	79.0	1,572	\$3.0	\$16.5	\$65,904	1.5	37.8	661.1	5.8
2024	207,591	2,252	226	80.3	1,540	\$3.1	\$17.2	\$66,706	1.6	36.9	680.5	5.8
2025	210,074	2,191	227	81.5	1,514	\$3.3	\$17.9	\$67,373	1.7	35.9	699.9	5.8
2026	212,562	2,205	229	82.8	1,496	\$3.5	\$18.5	\$67,871	1.7	35.2	719.6	5.8
2027	214,976	2,142	230	84.1	1,421	\$3.6	\$19.2	\$68,382	1.7	34.6	739.9	5.8
2028	217,283	2,050	231	85.4	1,405	\$3.8	\$19.9	\$68,901	1.7	34.0	760.1	5.8
2029	219,552	2,026	233	86.6	1,395	\$4.0	\$20.6	\$69,385	1.7	33.3	781.3	5.8
2030	221,788	2,002	234	87.9	1,382	\$4.2	\$21.3	\$69,847	1.7	33.3	803.3	5.8
2031	224,012	2,006	234	89.1	1,364	\$4.4	\$22.0	\$70,309	1.7	33.7	826.1	5.8
2032	226,186	1,974	234	90.3	1,356	\$4.6	\$22.7	\$70,671	1.7	33.1	849.5	5.8
2033	228,328	1,963	235	91.5	1,344	\$4.7	\$23.5	\$71,114	1.7	32.0	873.7	5.8
2034	230,439	1,953	235	92.6	1,334	\$4.9	\$24.3	\$71,580	1.7	30.9	898.6	5.8
2035	232,519	1,944	235	93.8	1,322	\$5.1	\$25.1	\$72,060	1.7	30.1	924.3	5.8
2036	234,498	1,870	235	95.0	1,313	\$5.3	\$25.9	\$72,530	1.7	28.7	950.8	5.8
2037	236,438	1,856	235	96.1	1,300	\$5.5	\$26.8	\$73,031	1.7	27.4	978.1	5.8
2038	238,341	1,839	235	97.3	1,286	\$5.6	\$27.6	\$73,581	1.7	27.3	1,006.2	5.8
2039	240,213	1,825	235	98.4	1,273	\$5.8	\$28.6	\$74,163	1.7	26.7	1,035.1	5.8
2040	242,061	1,811	235	99.5	1,260	\$6.0	\$29.5	\$74,761	1.7	25.9	1,042.4	5.8

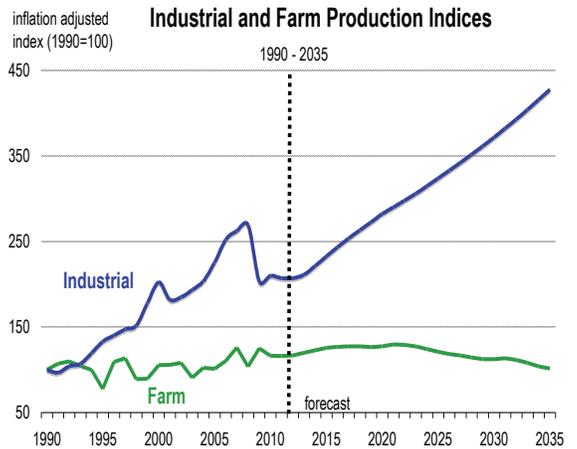
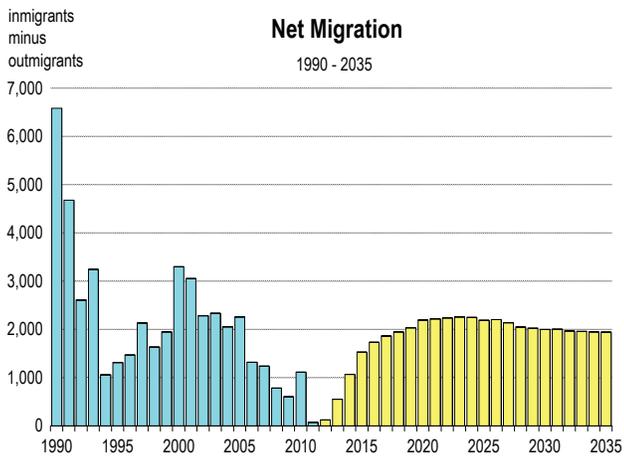
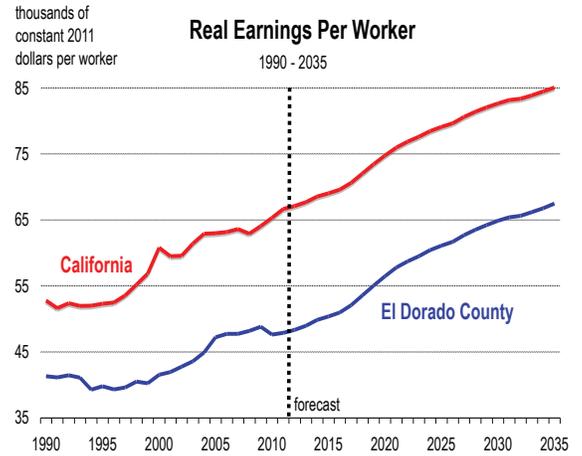
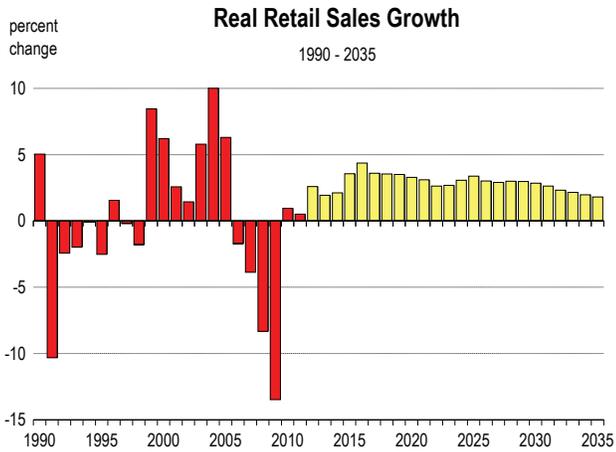


El Dorado County Employment Forecast

2006-2011 History, 2012-2040 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)-----												
2006	52.7	0.40	5.6	2.3	0.7	6.9	3.4	7.3	0.7	6.0	7.7	9.5
2007	53.5	0.37	5.7	2.4	0.7	7.0	3.5	7.4	0.8	6.1	7.6	9.8
2008	52.2	0.33	4.8	2.3	0.6	6.9	3.6	7.0	0.7	6.5	7.3	10.2
2009	48.7	0.33	3.4	1.7	0.6	6.2	3.5	5.8	0.6	6.5	7.0	11.1
2010	46.8	0.20	2.8	1.6	0.6	6.2	3.4	5.8	0.5	6.0	7.0	10.8
2011	46.4	0.21	2.7	1.6	0.5	6.3	3.3	5.7	0.5	6.2	7.0	10.5
2012	47.4	0.21	2.9	1.6	0.5	6.3	3.4	6.1	0.5	6.5	7.1	10.4
2013	49.4	0.22	3.5	1.6	0.6	6.4	3.5	6.6	0.5	6.7	7.1	10.6
2014	51.4	0.23	4.2	1.7	0.6	6.6	3.7	7.1	0.5	6.9	7.2	10.6
2015	53.5	0.24	4.8	1.7	0.7	6.7	3.9	7.5	0.5	7.2	7.4	10.8
2016	55.1	0.24	5.1	1.7	0.7	6.8	4.0	7.8	0.5	7.4	7.5	10.9
2017	56.4	0.24	5.4	1.8	0.7	7.0	4.1	8.0	0.5	7.6	7.7	11.1
2018	57.4	0.24	5.4	1.8	0.8	7.1	4.2	8.2	0.6	7.8	7.8	11.2
2019	58.3	0.24	5.5	1.8	0.8	7.2	4.3	8.4	0.6	8.0	7.8	11.4
2020	59.1	0.24	5.5	1.8	0.8	7.4	4.3	8.5	0.6	8.2	7.8	11.5
2021	59.9	0.25	5.5	1.8	0.9	7.5	4.4	8.7	0.6	8.3	7.8	11.7
2022	60.7	0.25	5.6	1.8	0.9	7.6	4.4	8.8	0.6	8.5	7.8	11.8
2023	61.5	0.24	5.7	1.8	0.9	7.7	4.5	9.0	0.6	8.6	7.8	12.0
2024	62.3	0.23	5.7	1.8	0.9	7.8	4.6	9.2	0.6	8.8	7.8	12.1
2025	63.1	0.22	5.7	1.8	1.0	7.9	4.6	9.4	0.6	8.9	7.9	12.3
2026	63.9	0.21	5.7	1.8	1.0	8.1	4.7	9.7	0.6	9.1	7.9	12.4
2027	64.5	0.21	5.6	1.8	1.0	8.2	4.7	9.9	0.6	9.2	7.9	12.6
2028	65.2	0.20	5.6	1.8	1.0	8.3	4.8	10.1	0.6	9.4	7.9	12.7
2029	66.0	0.19	5.6	1.8	1.0	8.4	4.8	10.3	0.6	9.6	7.9	12.8
2030	66.7	0.19	5.6	1.8	1.0	8.6	4.9	10.4	0.6	9.7	8.0	12.9
2031	67.4	0.20	5.6	1.8	1.0	8.7	4.9	10.6	0.6	9.9	8.0	13.0
2032	68.1	0.19	5.5	1.9	1.0	8.8	5.0	10.8	0.6	10.1	8.0	13.1
2033	68.8	0.18	5.5	1.9	1.1	8.9	5.0	10.9	0.6	10.2	8.1	13.2
2034	69.4	0.17	5.5	1.9	1.1	9.1	5.1	11.1	0.6	10.4	8.1	13.3
2035	70.0	0.16	5.4	1.9	1.1	9.2	5.1	11.2	0.6	10.5	8.1	13.4
2036	70.6	0.14	5.4	1.9	1.1	9.3	5.2	11.3	0.6	10.7	8.2	13.4
2037	71.1	0.13	5.4	1.9	1.1	9.4	5.2	11.4	0.6	10.9	8.2	13.5
2038	71.7	0.13	5.3	1.9	1.1	9.5	5.3	11.6	0.6	11.0	8.2	13.6
2039	72.3	0.12	5.3	1.9	1.1	9.6	5.3	11.7	0.6	11.2	8.3	13.6
2040	72.8	0.11	5.3	1.9	1.2	9.7	5.4	11.8	0.6	11.4	8.3	13.7





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	19.6 %
Expected job growth:	21.7 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	21.8 %

Expected population growth:	4.8 %
Net migration to account for:	80.0 %
Expected growth in number of vehicles:	2.3 %

Demographics

Unemployment rate (March 2012)	11.9 %
County Rank* in California (58 counties):	22nd
Working age (16-64) population:	67.4 %

Population with B.A. Degree or higher:	31.3 %
Median Home Selling Price (2011):	\$250,000
Median Household Income (2012):	\$66,150

Quality of Life

Violent Crime rate (2010):	265 per 100,000 persons
County Rank* in California (58 counties):	16th
Average Commute Time to work (2012):	31.5 minutes

High School drop out rate (2010):	9.8 %
Households at/below poverty line:	5.1 %

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