

SOLANO COUNTY ECONOMIC FORECAST

Solano County is located on the Northeast edge of the San Francisco Bay, approximately halfway between San Francisco and Sacramento. Solano County has a population of 423,000 people and a total of 127,000 wage and salary jobs. The per capita income in Solano County is \$44,310 and the average salary per worker is \$67,417.

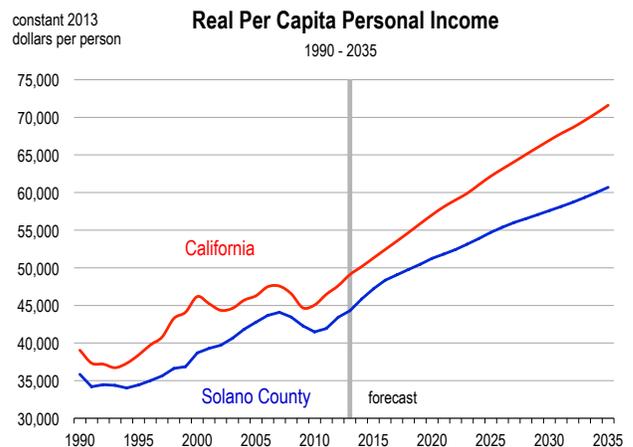
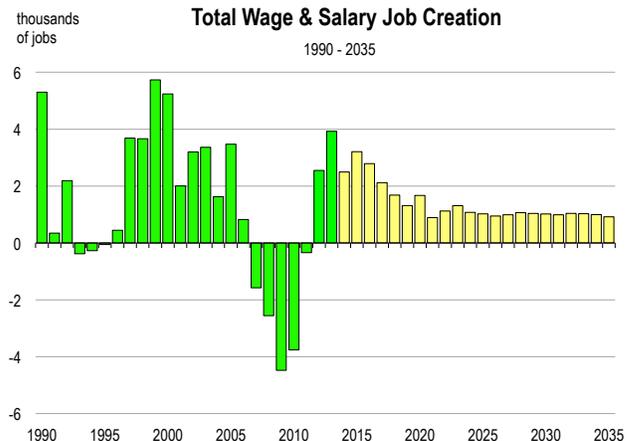
In 2013, employment in Northern California increased by 3.7 percent, whereas employment in the greater Bay Area grew by 4.1 percent. In Solano County, a total of 3,900 wage and salary jobs were created, representing a total increase of 3.2 percent. The unemployment rate improved significantly, falling from 10.1 percent in 2012 to 8.4 percent in 2013.

Most sectors gained jobs in 2013. The largest increases were in education and healthcare (+1,800 jobs), construction (+520 jobs), wholesale and retail trade (+480 jobs), and professional and business services (+420 jobs). The largest losses occurred in the public sector (-230 jobs).

From 2008 to 2013, the Solano County population increased at an annual average rate of 0.5 percent. This growth was due entirely to the natural increase (new births), as the county lost an average of 400 residents per year through net migration.

FORECAST HIGHLIGHTS

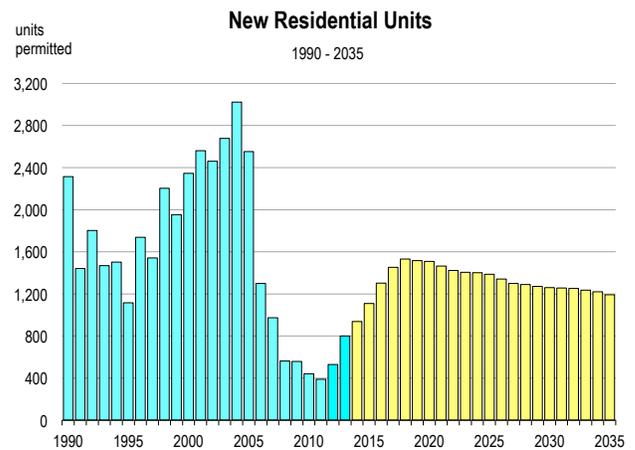
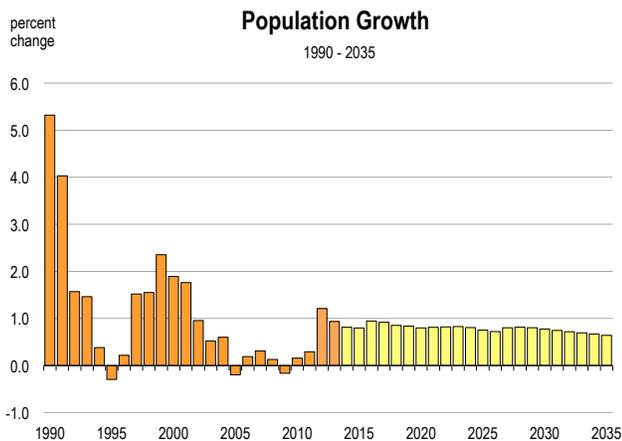
- In 2014, total employment will increase by 2.0 percent. Between 2014 and 2019, the annual growth rate is expected to average 1.7 percent.
- Average salaries in Solano County are slightly below the California state average. Between 2014 and 2019, inflation-adjusted salaries are projected to increase by 0.6 percent per year in Solano County.
- Between 2014 and 2019, the largest employment increases will occur in education and healthcare (+2,900 jobs), professional and business services (+2,100 jobs), construction (+1,900 jobs), and wholesale and retail trade (+1,400 jobs). Together, these sectors will account for 74 percent of net job creation in the county.
- The population is expected to grow by 0.8 percent in 2014. Annual growth in the 2014 to 2019 period is forecasted to average 0.9 percent.
- Net migration will remain positive over the forecast period. From 2014 to 2019, an average of 1,800 net migrants will enter the county each year.
- Real per capita income is forecasted to rise by 3.5 percent in 2014. Between 2014 and 2019, real per capita income will grow at an average rate of 1.9 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.9 percent per year during the 2014-2019 period.
- Industrial production is expected to increase by 1.5 percent in 2014. Between 2014 and 2019, the growth rate is forecasted to average 2.8 percent per year.



Solano County Economic Forecast

2006-2013 History, 2014-2040 Forecast

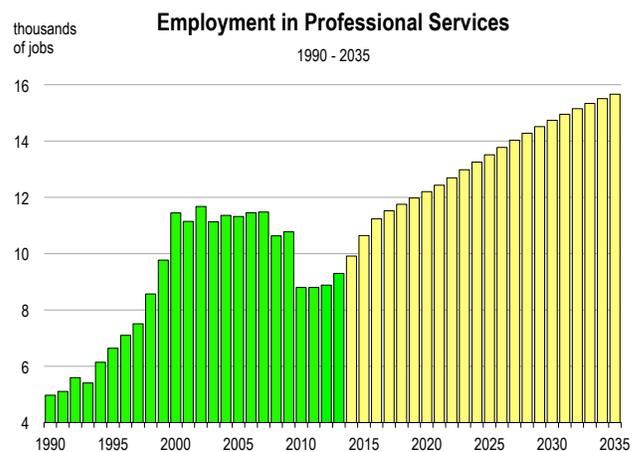
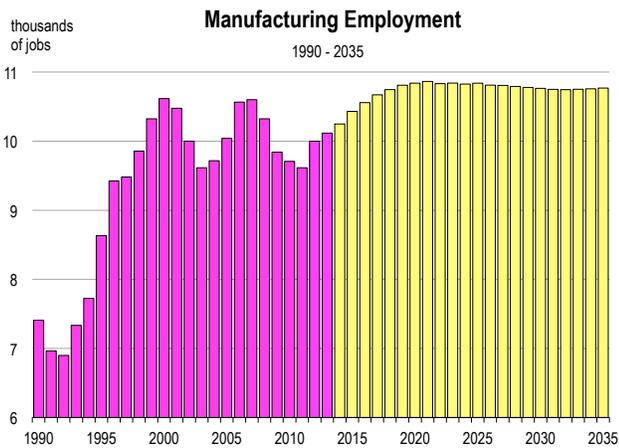
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	411,351	-2,268	380	140.0	1,300	\$6.5	\$15.3	\$43,669	3.2	273.6	2.6	4.9
2007	412,636	-1,836	375	140.5	973	\$6.3	\$16.1	\$44,081	3.4	303.9	2.7	5.3
2008	413,167	-2,468	371	141.1	562	\$6.0	\$16.3	\$43,457	3.0	322.2	2.9	6.9
2009	412,488	-3,558	372	140.9	559	\$5.3	\$16.0	\$42,285	0.8	274.9	2.8	10.6
2010	413,129	-1,769	371	141.8	441	\$5.2	\$15.9	\$41,470	1.3	279.4	2.6	12.0
2011	414,335	-1,131	365	142.4	388	\$5.8	\$16.6	\$41,927	2.7	306.0	2.5	11.5
2012	419,347	2,764	368	142.8	529	\$6.0	\$17.8	\$43,428	2.7	350.2	2.6	10.1
2013	423,265	1,678	381	143.3	800	\$6.4	\$18.8	\$44,310	2.2	359.8	2.8	8.4
2014	426,707	1,438	384	144.0	938	\$6.7	\$20.1	\$45,866	2.7	353.5	2.9	7.5
2015	430,110	1,418	390	144.9	1,109	\$7.2	\$21.5	\$47,200	3.2	340.4	3.0	6.6
2016	434,173	2,088	395	145.9	1,303	\$7.6	\$22.9	\$48,341	3.1	338.7	3.1	5.8
2017	438,161	2,002	399	147.1	1,453	\$8.0	\$24.0	\$49,069	2.3	337.4	3.2	5.5
2018	441,893	1,726	402	148.4	1,531	\$8.4	\$25.1	\$49,772	2.2	336.2	3.3	5.4
2019	445,593	1,679	405	149.8	1,517	\$8.9	\$26.3	\$50,483	2.3	336.7	3.5	5.3
2020	449,152	1,524	409	151.2	1,509	\$9.3	\$27.5	\$51,264	2.3	325.3	3.6	5.2
2021	452,796	1,622	411	152.6	1,465	\$9.7	\$28.7	\$51,815	2.4	311.9	3.7	5.3
2022	456,511	1,719	413	154.0	1,423	\$10.2	\$30.0	\$52,433	2.5	313.7	3.8	5.3
2023	460,290	1,797	416	155.3	1,405	\$10.6	\$31.4	\$53,127	2.4	313.5	3.9	5.2
2024	463,998	1,745	418	156.6	1,401	\$11.1	\$32.9	\$53,892	2.4	315.0	4.0	5.2
2025	467,491	1,554	420	157.9	1,387	\$11.6	\$34.5	\$54,687	2.4	314.6	4.1	5.2
2026	470,861	1,451	422	159.1	1,341	\$12.1	\$36.0	\$55,403	2.4	310.5	4.2	5.2
2027	474,636	1,876	424	160.4	1,299	\$12.6	\$37.6	\$56,007	2.4	304.8	4.4	5.2
2028	478,497	1,992	426	161.6	1,289	\$13.3	\$39.2	\$56,534	2.4	302.5	4.5	5.2
2029	482,339	1,980	428	162.8	1,271	\$13.9	\$40.8	\$57,060	2.4	298.5	4.6	5.2
2030	486,076	1,883	430	163.9	1,260	\$14.6	\$42.6	\$57,598	2.4	286.8	4.8	5.2
2031	489,696	1,762	431	165.1	1,256	\$15.4	\$44.3	\$58,155	2.4	275.5	4.9	5.2
2032	493,207	1,639	433	166.2	1,252	\$16.2	\$46.2	\$58,726	2.4	279.3	5.1	5.2
2033	496,629	1,524	435	167.4	1,236	\$17.1	\$48.1	\$59,355	2.4	281.3	5.3	5.2
2034	499,956	1,407	437	168.5	1,220	\$18.0	\$50.2	\$60,020	2.4	281.6	5.4	5.2
2035	503,157	1,287	439	169.6	1,192	\$18.9	\$52.3	\$60,702	2.4	276.4	5.6	5.2
2036	506,244	1,165	440	170.7	1,164	\$19.9	\$54.6	\$61,412	2.4	280.5	5.8	5.2
2037	509,215	1,058	442	171.8	1,137	\$20.8	\$56.9	\$62,170	2.4	279.1	6.0	5.2
2038	512,064	955	444	172.9	1,112	\$21.8	\$59.4	\$62,965	2.4	264.8	6.2	5.2
2039	514,795	850	446	173.9	1,087	\$22.8	\$61.9	\$63,810	2.4	264.8	6.4	5.2
2040	517,437	759	447	174.9	1,086	\$23.8	\$64.6	\$64,669	2.4	263.4	6.7	5.2

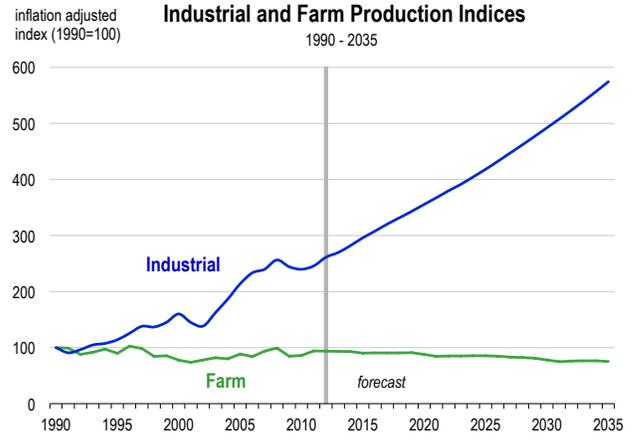
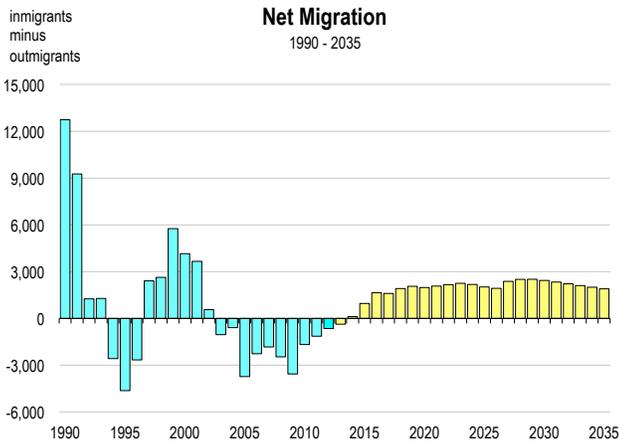
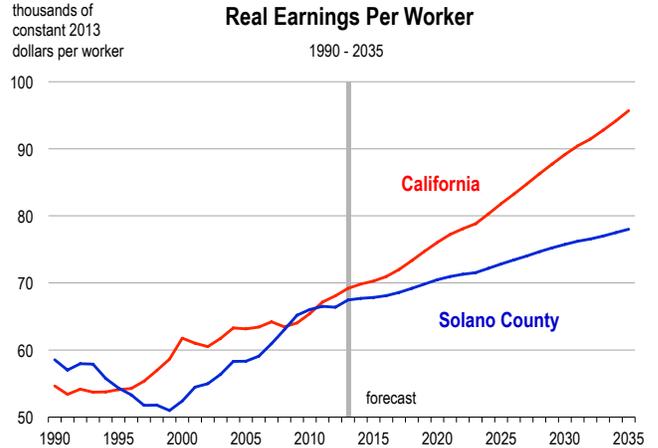
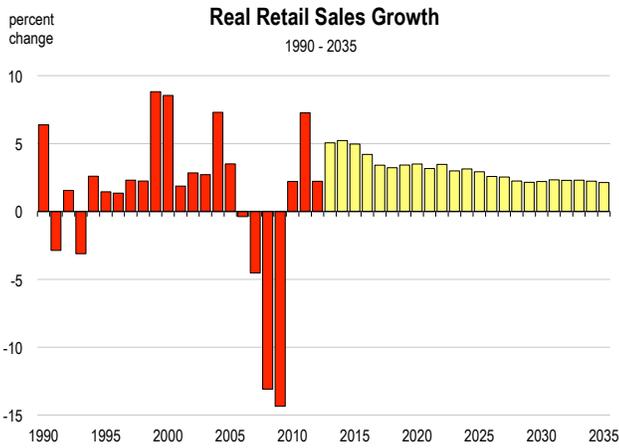


Solano County Employment Forecast

2006-2013 History, 2014-2040 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	133.2	1.73	12.6	10.6	4.2	23.0	6.2	11.5	1.6	17.9	13.5	26.0
2007	131.6	1.55	10.7	10.6	4.5	22.4	5.6	11.5	1.6	18.6	13.7	26.6
2008	129.0	1.60	9.2	10.3	4.6	21.8	5.1	10.6	1.5	19.2	13.9	26.9
2009	124.6	1.56	7.4	9.8	4.6	20.3	5.1	10.8	1.3	19.8	13.8	26.0
2010	120.8	1.39	7.2	9.7	4.2	20.5	5.2	8.8	1.3	20.2	13.7	24.9
2011	120.5	1.41	7.8	9.6	3.7	20.5	5.1	8.8	1.1	20.4	13.9	24.3
2012	123.0	1.49	8.1	10.0	3.7	21.1	5.0	8.9	1.1	21.1	14.2	24.1
2013	126.9	1.63	8.6	10.1	3.9	21.6	5.2	9.3	1.1	22.9	14.5	23.9
2014	129.4	1.60	8.8	10.2	3.9	21.8	5.2	9.9	1.1	23.6	14.9	24.0
2015	132.6	1.56	9.5	10.4	4.0	22.1	5.2	10.6	1.1	24.3	15.2	24.3
2016	135.4	1.55	10.1	10.6	4.0	22.4	5.2	11.2	1.1	24.8	15.6	24.5
2017	137.5	1.55	10.5	10.7	4.1	22.7	5.2	11.5	1.1	25.3	16.0	24.6
2018	139.2	1.54	10.7	10.7	4.1	23.0	5.2	11.8	1.1	25.9	16.2	24.7
2019	140.5	1.54	10.7	10.8	4.1	23.2	5.3	12.0	1.1	26.5	16.2	24.7
2020	142.2	1.50	10.8	10.8	4.1	23.4	5.4	12.2	1.1	27.0	16.2	25.2
2021	143.1	1.46	10.8	10.9	4.2	23.5	5.4	12.4	1.2	27.6	16.2	25.1
2022	144.2	1.46	10.8	10.8	4.2	23.7	5.5	12.7	1.2	28.2	16.2	25.2
2023	145.5	1.46	10.8	10.8	4.3	23.8	5.5	13.0	1.2	28.8	16.2	25.3
2024	146.6	1.47	10.9	10.8	4.3	23.9	5.5	13.3	1.2	29.3	16.2	25.4
2025	147.6	1.47	10.8	10.8	4.3	24.0	5.5	13.5	1.2	29.8	16.2	25.6
2026	148.6	1.45	10.8	10.8	4.3	24.1	5.5	13.8	1.2	30.3	16.1	25.8
2027	149.6	1.43	10.7	10.8	4.3	24.2	5.6	14.0	1.2	30.8	16.1	26.0
2028	150.6	1.42	10.7	10.8	4.4	24.4	5.6	14.3	1.2	31.2	16.1	26.2
2029	151.7	1.41	10.7	10.8	4.4	24.5	5.6	14.5	1.2	31.7	16.1	26.4
2030	152.7	1.37	10.7	10.8	4.4	24.6	5.6	14.7	1.2	32.2	16.1	26.7
2031	153.7	1.33	10.7	10.7	4.4	24.7	5.6	15.0	1.2	32.7	16.1	26.9
2032	154.7	1.34	10.7	10.7	4.4	24.8	5.6	15.2	1.2	33.2	16.1	27.2
2033	155.8	1.35	10.7	10.8	4.5	24.9	5.6	15.3	1.2	33.7	16.0	27.4
2034	156.8	1.35	10.7	10.8	4.5	24.9	5.6	15.5	1.2	34.2	16.0	27.7
2035	157.7	1.33	10.6	10.8	4.5	25.0	5.6	15.7	1.2	34.7	16.0	27.9
2036	158.6	1.35	10.6	10.8	4.5	25.1	5.6	15.8	1.2	35.2	16.0	28.1
2037	159.6	1.34	10.6	10.8	4.6	25.2	5.6	16.0	1.2	35.7	16.0	28.3
2038	160.5	1.29	10.5	10.8	4.6	25.2	5.7	16.1	1.2	36.2	16.0	28.5
2039	161.4	1.29	10.5	10.8	4.6	25.3	5.7	16.3	1.2	36.7	15.9	28.7
2040	162.3	1.29	10.5	10.8	4.6	25.4	5.7	16.5	1.2	37.2	15.9	29.0





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	14.9%
Expected job growth:	8.6%
Fastest growing jobs sector:	Construction
Expected personal income growth:	14.9%

Expected population growth:	4.4%
Net migration to account for:	47.2%
Expected growth in number of vehicles:	5.4%

Demographics (2014)

Unemployment rate (April 2014):	7.0%
County rank* in California (58 counties):	18th
Working age: (16-64) population:	66.4%

Population with B.A. degree or higher:	24.3%
Median home selling price (2013):	\$251,000
Median household income:	\$65,070

Quality of Life

Violent crime rate (2012):	421 per 100,000 persons
County rank* in California (58 counties):	35th
Average commute time to work (2014):	31.6 minutes

High school drop out rate (2012):	15.6%
Households at/below poverty line (2014):	9.7%

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