

# ORANGE COUNTY ECONOMIC FORECAST

The population of Orange County is just over 3 million people. It is the third largest county in California, behind neighboring Los Angeles and San Diego counties, which have populations of 9.9 million and 3.1 million, respectively. There are almost 1.4 million wage and salary jobs located in Orange County. The per capita income is \$51,030, and the average salary is \$62,884 per worker.

After four years of job losses, the labor market began to turn around in 2011. Across Southern California, employment increased by 0.7 percent. In Orange County, 13,800 jobs were gained over the year, which represents an increase of 1.0 percent. The unemployment rate in Orange County decreased to 8.7 percent.

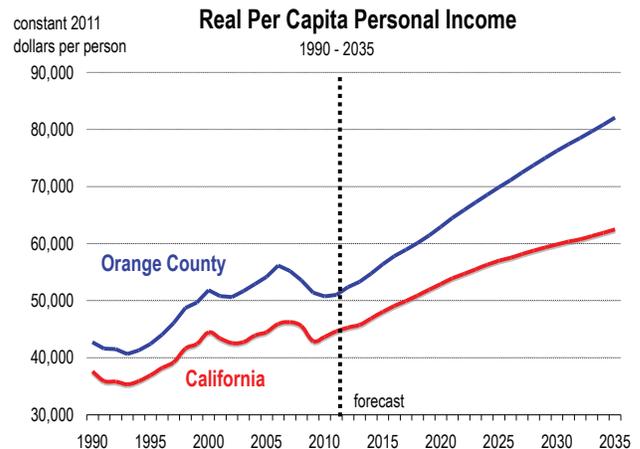
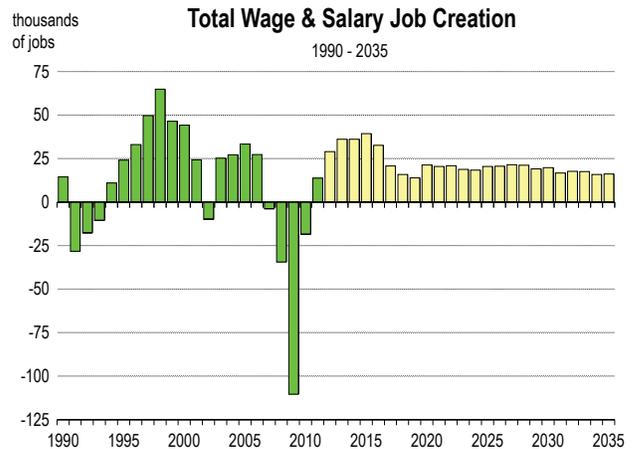
The nationwide downturn in residential real estate had a disproportionately large impact on Orange County. Growth during the past decade had been driven in large part by the expansion of mortgage loan companies headquartered in the region. From 2007-2010, a number of these companies declared bankruptcy and shut down as loan volumes declined and loan defaults soared.

As a result of this process, job losses in the financial services sector were unprecedented in the late 2000s. However, in 2011, this industry appeared to hit bottom, and actually showed a small amount of growth. Across the labor market, the largest growth occurred in leisure and hospitality (+4,600 jobs), manufacturing (+3,200 jobs), education and health (+3,200 jobs), and professional services (+3,200 jobs). The only industries to lose significant numbers of workers were government (-2,700 jobs), and information services (-1,000 jobs).

Between 2006 and 2011, the Orange County population grew by 2.9 percent, an average annual increase of 0.5 percent. This growth was due entirely to the natural increase (births were higher than deaths), as an average of 10,400 people left the county each year.

## FORECAST HIGHLIGHTS

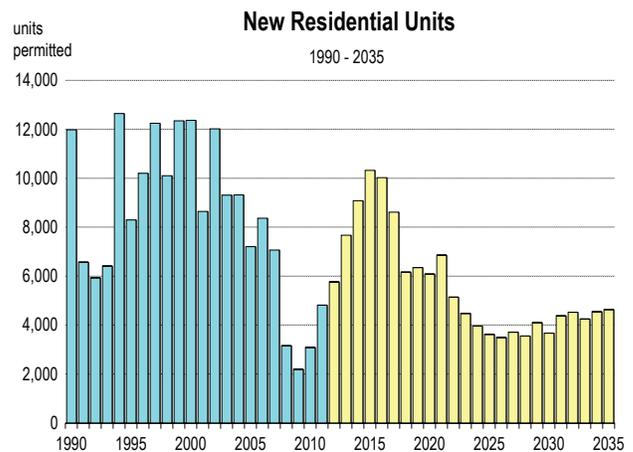
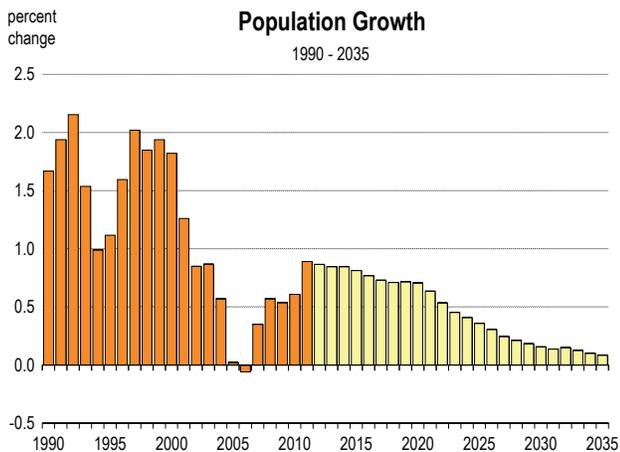
- Job growth strengthens in 2012, rising by 2.1 percent. This momentum continues over the next five years, as annual employment gains average 2.2 percent through 2017.
- Average salaries are slightly below the California state average. Average salaries, adjusted for inflation, move in lockstep with the state from 2012 to 2017, both growing by 1.0 percent per year.
- The professional services sector will remain the growth engine for jobs in Orange County, and will expand by 56,500 positions between 2012 and 2017. Other industries that will exude strong growth are leisure and hospitality (+21,500 jobs), retail trade (+19,100 jobs), and health and education (+16,700 jobs).
- Annual population growth will be moderate over the next five years, increasing by an average of 0.8 percent. Net migration will stay positive, with an average of 6,900 individuals entering the county each year between 2012 and 2017.
- Per capita incomes, adjusted for inflation, are expected to increase by 2.6 percent in 2012. Over the 2012-2017 period, incomes will rise by an average of 2.4 percent per year.
- Total taxable sales, adjusted for inflation, will increase by 3.2 percent between 2012 and 2017.
- Industrial production in will increase by 2.6 percent in 2012, and will grow at an average rate of 2.5 percent between 2012 and 2017.



# Orange County Economic Forecast

## 2006-2011 History, 2012-2040 Forecast

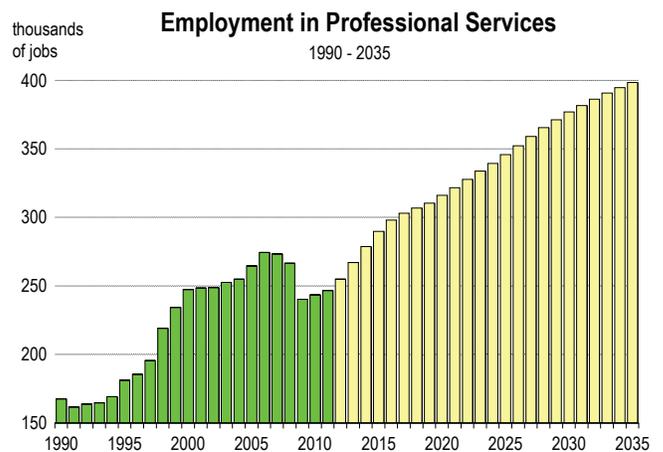
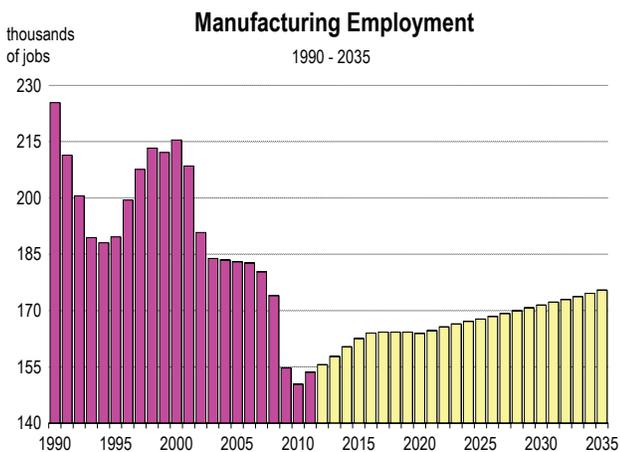
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	2,955,433	-28,732	2.55	976.5	8,371	\$57.2	\$150.6	\$56,136	4.3	317.1	30.8	3.4
2007	2,965,823	-16,529	2.54	981.4	7,072	\$57.3	\$153.4	\$55,189	3.3	272.2	31.0	3.9
2008	2,982,788	-9,866	2.53	985.8	3,159	\$53.6	\$155.1	\$53,565	3.5	234.9	31.8	5.2
2009	2,998,816	-8,430	2.51	989.0	2,200	\$45.7	\$148.4	\$51,387	-0.8	199.5	29.9	8.9
2010	3,017,089	-4,344	2.52	992.4	3,091	\$47.7	\$149.1	\$50,732	1.2	154.3	31.7	9.6
2011	3,043,964	5,519	2.53	997.7	4,818	\$50.0	\$155.3	\$51,030	2.6	134.4	32.7	8.7
2012	3,070,339	6,766	2.55	1,002.2	5,765	\$53.0	\$164.2	\$52,363	2.1	128.6	33.6	7.8
2013	3,096,336	7,035	2.59	1,007.5	7,671	\$55.9	\$172.4	\$53,320	2.2	122.8	34.0	6.9
2014	3,122,578	7,842	2.63	1,014.5	9,087	\$58.7	\$182.6	\$54,723	2.3	116.1	34.9	6.3
2015	3,147,985	7,525	2.67	1,022.7	10,324	\$62.0	\$193.3	\$56,358	2.0	108.5	35.9	5.8
2016	3,172,203	6,677	2.71	1,032.1	10,026	\$65.7	\$203.6	\$57,806	1.9	102.1	36.9	5.5
2017	3,195,348	5,779	2.73	1,041.2	8,619	\$69.0	\$213.1	\$58,920	1.9	94.7	38.0	5.4
2018	3,218,096	5,572	2.75	1,049.1	6,171	\$72.3	\$222.9	\$60,097	1.8	87.5	39.1	5.4
2019	3,241,164	6,134	2.77	1,054.7	6,353	\$75.7	\$233.3	\$61,421	1.7	80.4	40.3	5.3
2020	3,264,069	6,257	2.79	1,060.5	6,084	\$79.2	\$244.5	\$62,951	1.5	72.4	41.5	5.0
2021	3,284,824	4,538	2.81	1,066.0	6,863	\$82.6	\$255.9	\$64,502	1.5	64.6	42.5	4.9
2022	3,302,446	1,769	2.83	1,072.3	5,142	\$85.9	\$267.1	\$65,900	1.6	61.4	43.6	4.9
2023	3,317,459	-117	2.85	1,076.9	4,480	\$89.3	\$278.3	\$67,203	1.7	58.3	44.6	4.9
2024	3,331,040	-1,145	2.87	1,081.0	3,962	\$93.2	\$290.1	\$68,545	1.8	55.4	45.8	4.9
2025	3,343,061	-2,088	2.89	1,084.6	3,625	\$97.7	\$302.2	\$69,872	1.8	52.6	47.0	4.8
2026	3,353,360	-3,156	2.90	1,087.9	3,497	\$102.1	\$314.2	\$71,097	1.9	50.0	48.3	4.8
2027	3,361,648	-4,274	2.92	1,091.1	3,717	\$106.7	\$326.9	\$72,429	1.9	47.5	49.6	4.8
2028	3,368,843	-4,456	2.93	1,094.5	3,554	\$111.5	\$339.7	\$73,750	1.9	45.1	50.9	4.8
2029	3,375,079	-4,387	2.95	1,097.7	4,100	\$116.5	\$352.6	\$74,990	1.9	42.9	52.3	4.8
2030	3,380,363	-4,406	2.96	1,101.4	3,676	\$121.7	\$365.9	\$76,246	1.9	40.7	53.7	4.8
2031	3,385,060	-4,043	2.97	1,104.8	4,383	\$126.7	\$378.9	\$77,415	1.9	38.7	55.1	4.9
2032	3,390,187	-2,605	2.99	1,108.8	4,529	\$131.8	\$392.1	\$78,509	1.9	36.7	56.6	4.9
2033	3,394,502	-2,279	3.00	1,112.9	4,254	\$136.8	\$405.8	\$79,665	1.9	34.9	58.2	4.9
2034	3,398,002	-1,692	3.01	1,116.8	4,550	\$141.7	\$419.9	\$80,839	1.9	33.2	59.8	4.9
2035	3,400,901	-965	3.02	1,120.9	4,638	\$146.7	\$434.7	\$82,072	1.9	31.5	61.4	4.9
2036	3,402,302	-1,203	3.03	1,125.1	4,325	\$151.7	\$449.9	\$83,303	1.9	29.9	63.1	4.9
2037	3,402,793	-1,036	3.04	1,129.1	4,555	\$156.7	\$465.7	\$84,599	1.9	28.4	64.9	4.9
2038	3,402,162	-960	3.05	1,133.2	4,389	\$161.8	\$482.3	\$85,991	1.9	27.0	66.7	4.9
2039	3,400,054	-1,388	3.06	1,137.2	4,265	\$166.8	\$499.4	\$87,444	1.9	25.7	68.5	4.9
2040	3,397,828	-740	3.06	1,141.1	4,114	\$171.8	\$516.8	\$88,921	1.8	24.4	68.0	4.9

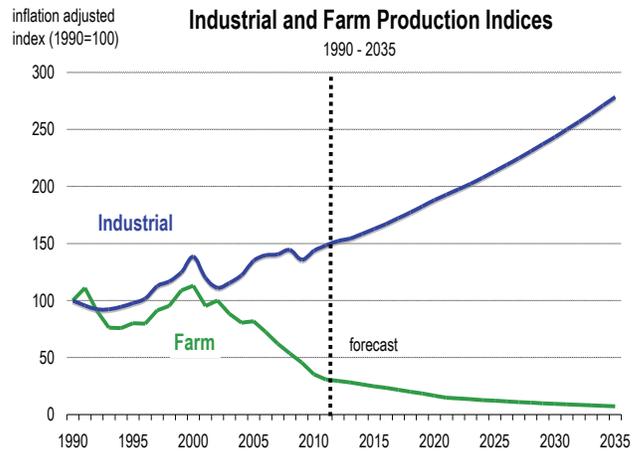
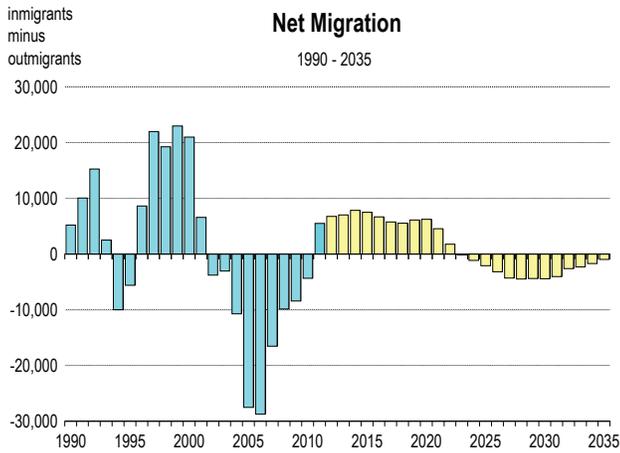
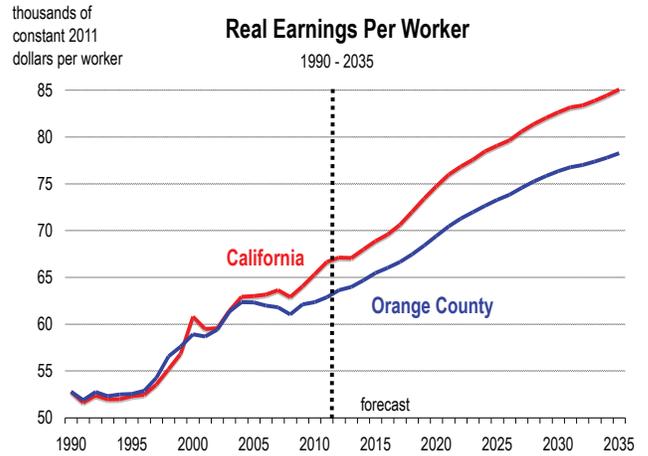
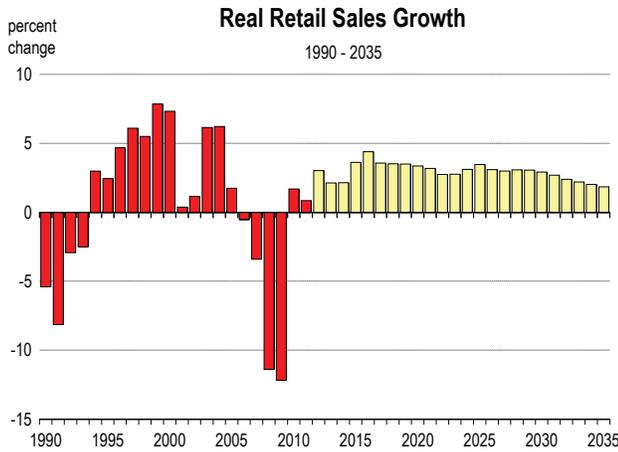


# Orange County Employment Forecast

## 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	1,524.3	5.33	106.6	182.7	28.2	244.5	138.2	274.5	31.9	137.7	169.6	156.7
2007	1,520.5	5.01	103.1	180.4	28.9	248.1	127.7	273.3	31.2	142.6	172.9	159.4
2008	1,486.2	4.64	91.2	174.1	29.3	242.3	113.1	266.6	30.1	150.7	176.4	160.8
2009	1,375.9	3.79	74.2	154.8	27.8	221.7	105.1	240.2	27.3	152.1	169.1	156.6
2010	1,357.4	3.73	68.0	150.4	26.7	217.7	103.5	243.5	24.8	155.5	168.6	152.3
2011	1,371.3	3.19	68.3	153.6	27.5	219.5	103.9	246.7	23.8	158.7	173.2	149.6
2012	1,400.3	2.97	71.3	155.6	27.5	223.8	107.6	255.0	26.3	162.1	175.5	148.3
2013	1,436.5	2.80	74.1	157.8	27.9	229.4	110.7	267.2	27.6	164.2	177.9	151.3
2014	1,472.7	2.65	77.4	160.3	28.7	234.8	111.1	278.8	29.2	166.9	181.8	153.8
2015	1,512.1	2.53	81.3	162.6	29.5	241.1	113.1	289.9	30.7	170.2	186.4	156.1
2016	1,544.8	2.42	84.0	164.0	30.2	248.2	114.2	298.1	31.6	173.0	190.9	157.8
2017	1,565.6	2.32	85.3	164.3	30.6	253.3	113.7	303.2	32.2	175.4	194.7	159.2
2018	1,581.5	2.23	85.4	164.3	31.3	256.4	113.5	306.9	32.6	177.9	197.9	160.8
2019	1,595.5	2.15	84.2	164.3	31.9	259.1	113.5	310.4	32.8	180.5	200.6	162.6
2020	1,616.8	2.07	85.6	163.9	32.7	262.3	116.0	316.2	33.1	182.9	203.0	164.8
2021	1,637.3	1.99	85.9	164.7	33.3	264.9	119.2	321.7	33.2	185.0	205.3	167.0
2022	1,658.3	1.91	86.7	165.6	33.9	267.7	122.2	327.8	33.2	186.7	207.0	169.4
2023	1,677.1	1.84	86.3	166.4	34.4	270.5	124.3	333.9	33.1	188.8	208.6	172.0
2024	1,695.5	1.77	86.4	167.1	34.8	273.2	124.9	339.5	33.4	191.1	210.3	175.1
2025	1,716.0	1.70	86.3	167.7	35.1	276.1	126.9	345.9	33.9	193.3	211.8	178.1
2026	1,736.7	1.63	86.2	168.4	35.4	278.9	129.0	352.4	34.6	195.6	213.1	181.3
2027	1,758.2	1.56	86.9	169.2	35.6	281.6	131.3	359.1	35.0	197.8	214.6	184.3
2028	1,779.4	1.49	87.6	170.0	35.8	284.4	133.2	365.5	35.6	200.2	216.2	187.2
2029	1,798.5	1.42	87.7	170.8	36.1	287.1	134.3	371.3	36.0	202.8	217.9	190.2
2030	1,818.4	1.35	88.2	171.5	36.3	289.7	135.6	377.0	36.3	205.4	219.5	193.1
2031	1,835.2	1.28	88.3	172.3	36.5	292.2	135.7	381.7	36.7	208.0	221.1	196.1
2032	1,852.9	1.21	89.1	173.0	36.8	294.6	136.3	386.4	37.1	210.5	222.4	199.1
2033	1,870.5	1.15	89.6	173.8	37.1	296.8	137.0	390.9	37.4	213.1	224.1	202.2
2034	1,886.4	1.08	89.7	174.6	37.3	299.0	137.0	394.7	37.8	215.7	225.8	205.2
2035	1,902.7	1.01	90.2	175.4	37.6	301.0	137.1	398.4	38.2	218.3	227.5	208.2
2036	1,918.2	0.94	90.5	176.3	37.9	303.0	137.0	402.0	38.6	220.9	229.3	211.2
2037	1,934.3	0.88	90.6	177.1	38.1	304.9	137.3	405.8	39.0	223.5	231.1	214.3
2038	1,951.4	0.81	91.1	177.9	38.4	306.7	137.9	409.8	39.5	226.1	233.0	217.3
2039	1,967.8	0.75	91.3	178.8	38.7	308.5	138.3	413.6	39.9	228.7	235.0	220.4
2040	1,983.9	0.69	91.4	179.6	38.9	310.2	138.7	417.5	40.3	231.4	237.1	223.3





## County Economic and Demographic Indicators

### Projected Economic Growth (2012-2017)

Expected retail sales growth:	20.5 %
Expected job growth:	14.3 %
Fastest growing jobs sector:	Information
Expected personal income growth:	21.2 %

Expected population growth:	5.0 %
Net migration to account for:	27.5 %
Expected growth in number of vehicles:	7.8 %

### Demographics

Unemployment rate (March 2012):	8.1 %
County Rank* in California (58 counties):	3rd
Working age (16-64) population:	66.5 %

Population with B.A. Degree or higher:	35.2 %
Median Home Selling Price:	\$420,036
Median Household Income:	\$71,342

### Quality of Life

Violent Crime rate (2010):	217 per 100,000 persons
County Rank* in California (58 counties):	6th
Average Commute Time to work (2011):	28.7 minutes

High School drop out rate (2010):	11.1 %
Households at/below poverty line:	7.2 %

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