

RIVERSIDE COUNTY ECONOMIC FORECAST

Riverside County is the fourth largest county in California in terms of total land area. The county, along with San Bernardino County, comprise the Inland Empire, one of the fastest growing metro areas in the nation from 1997 to 2006. The recession had an outsized impact on the region, but general economic improvements have been observed over the last two years.

Riverside County has a population of 2.2 million people and a total of 564,400 wage and salary jobs. Income per capita is \$30,912 in Riverside County, and the average salary per worker is \$49,401.

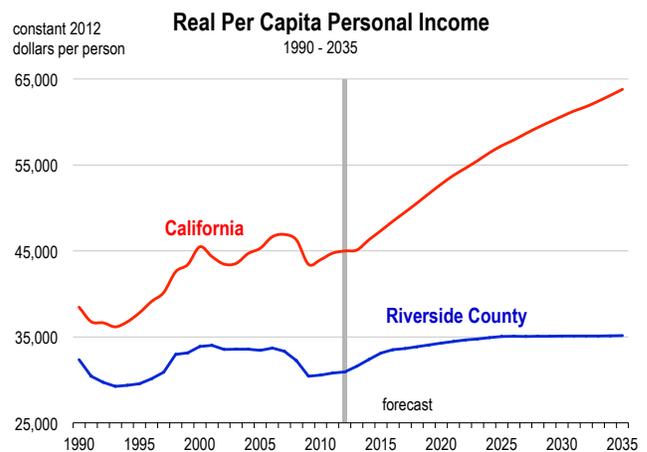
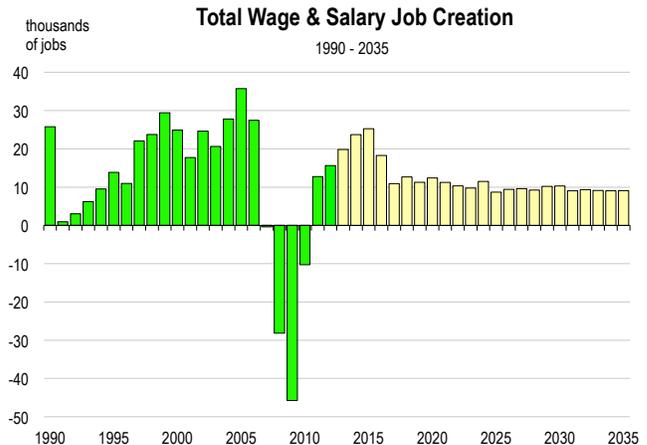
The Riverside County labor market began to improve in 2011, and growth accelerated in 2012. The county added a total of 15,600 jobs over the past year, representing an increase of 2.9 percent. This compares favorably to the broader Southern California region, which was characterized by a growth rate of 2.1 percent. The unemployment rate in Riverside County also improved, falling from 13.6 percent in 2011 to 12.3 percent in 2012.

In 2012, job growth was strongest in construction (+5,200 jobs), leisure and hospitality (+3,100 jobs), and education and healthcare (+2,800 jobs). The only sectors to lose jobs were government (-500 jobs) and information (-400 jobs).

Population growth has slowed in recent years, but remained relatively high in 2012 at 1.1 percent. Migration continues to be positive in the county, with an average of 14,400 in-migrants each year between 2007 and 2012. Population growth will accelerate through 2020, but will remain well below the levels observed in the mid 2000s.

FORECAST HIGHLIGHTS

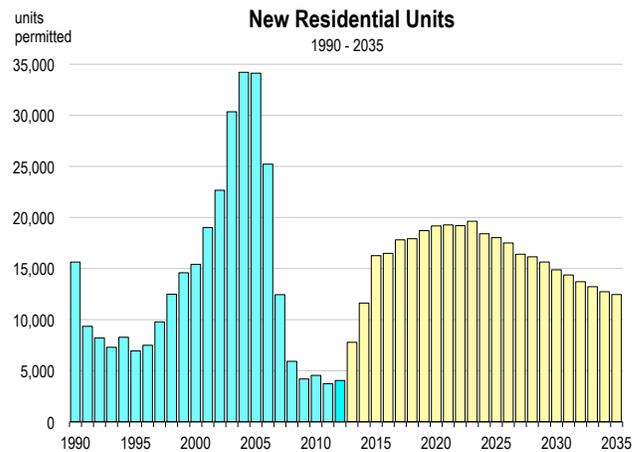
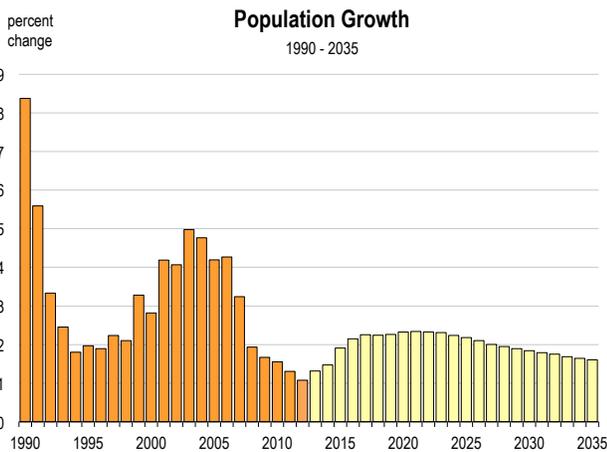
- The labor market will strengthen in 2013 as employment increases by 3.5 percent. From 2013 to 2018, employment will grow at an annual average rate of 2.9 percent.
- Average salaries are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise by an average of 0.9 percent per year between 2013 and 2018.
- From 2013 to 2018, employment growth will be broad-based. Almost every sector will increase by at least 10 percent, with the only exceptions being information, government, and agriculture.
- Employment in construction, manufacturing, and professional services will rise rapidly, each growing by more than 20 percent over the next five years.
- The population is expected to increase by 1.3 percent in 2013. Annual growth in the 2013 to 2018 period is expected to average 2.0.
- From 2013 to 2018, net migration will gradually increase, surpassing 35,000 individuals by 2018. An average of 28,600 net migrants are expected to enter the county each year between 2013 and 2018.
- Real per capita income is expected to rise by 2.2 percent in 2013, and increase by an average of 1.4 percent per year between 2013 and 2018.
- Total taxable sales are expected to increase by an average of 3.5 percent per year over the next five years.
- Industrial production is expected to rise by 6.4 percent in 2013. From 2013 to 2018, the growth rate of industrial production is expected to average 6.0 percent per year.



Riverside County Economic Forecast

2006-2012 History, 2013-2040 Forecast

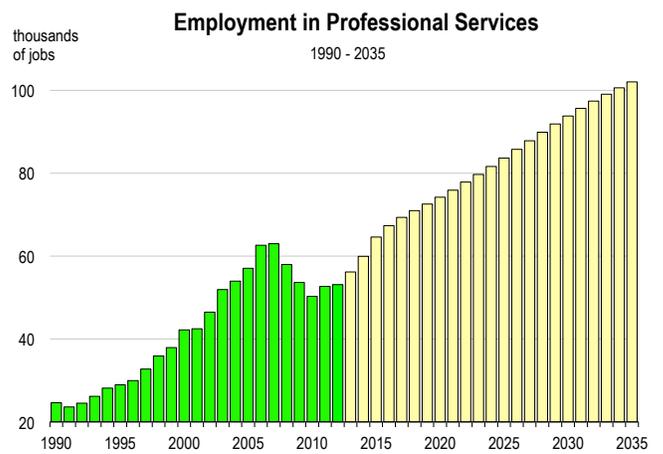
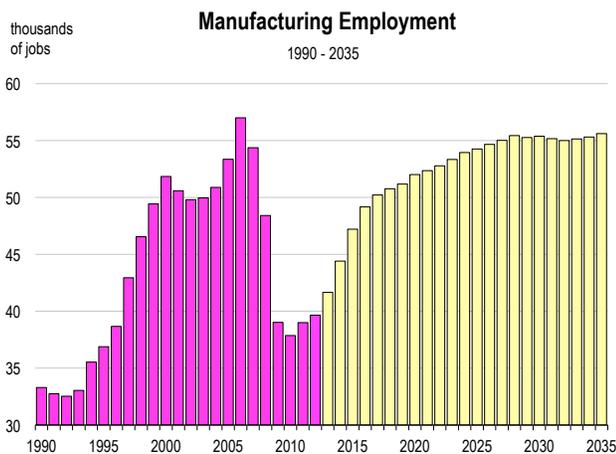
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	2,017,350	64,400	1.70	629.2	25,211	\$29.8	\$60.5	\$33,698	4.3	1,239.7	11.4	5.0
2007	2,082,656	45,005	1.70	656.3	12,453	\$29.0	\$63.7	\$33,330	3.3	1,377.5	11.7	6.0
2008	2,122,920	19,992	1.69	674.1	5,919	\$26.0	\$65.1	\$32,236	3.5	1,334.2	11.2	8.5
2009	2,158,399	17,036	1.69	680.5	4,190	\$22.2	\$62.0	\$30,436	-0.8	1,076.9	9.8	13.4
2010	2,191,886	16,100	1.71	685.6	4,557	\$23.2	\$63.9	\$30,564	1.2	1,145.7	10.0	14.5
2011	2,220,502	11,546	1.71	689.7	3,749	\$25.6	\$67.0	\$30,799	2.7	1,308.4	10.6	13.6
2012	2,244,399	7,100	1.72	692.5	4,047	\$28.5	\$69.4	\$30,912	2.0	1,307.9	11.1	12.3
2013	2,273,912	12,568	1.75	695.9	7,786	\$30.2	\$73.0	\$31,585	1.7	1,299.5	11.8	10.6
2014	2,307,373	15,936	1.79	702.4	11,627	\$32.0	\$77.5	\$32,374	2.1	1,292.3	12.7	9.1
2015	2,351,416	25,864	1.84	712.2	16,265	\$33.7	\$82.0	\$33,108	1.5	1,286.3	13.6	7.5
2016	2,401,936	31,655	1.89	725.9	16,489	\$35.5	\$86.4	\$33,522	1.8	1,281.2	14.4	6.7
2017	2,456,091	34,753	1.93	739.7	17,815	\$37.2	\$90.0	\$33,657	1.5	1,276.8	15.2	6.3
2018	2,511,149	35,140	1.98	754.7	17,921	\$38.9	\$93.9	\$33,855	1.5	1,273.1	15.9	6.1
2019	2,567,955	36,316	2.02	769.8	18,716	\$40.7	\$98.2	\$34,077	1.5	1,269.8	16.6	5.9
2020	2,627,649	38,365	2.07	785.5	19,174	\$42.5	\$102.6	\$34,276	1.5	1,267.1	17.4	5.8
2021	2,689,110	39,577	2.11	801.7	19,274	\$44.2	\$107.3	\$34,461	1.6	1,265.0	18.1	6.0
2022	2,751,677	40,081	2.14	817.9	19,202	\$46.0	\$112.2	\$34,638	1.7	1,263.0	18.8	5.9
2023	2,815,236	40,510	2.18	834.0	19,633	\$48.2	\$117.2	\$34,761	1.7	1,261.3	19.6	5.9
2024	2,878,196	39,651	2.22	850.5	18,408	\$50.8	\$122.5	\$34,924	1.8	1,259.7	20.4	5.8
2025	2,940,961	39,191	2.25	866.0	18,027	\$53.8	\$127.9	\$35,048	1.8	1,258.4	21.2	5.9
2026	3,002,780	37,924	2.28	881.2	17,507	\$57.1	\$133.1	\$35,068	1.9	1,257.1	21.9	5.8
2027	3,062,915	35,759	2.31	895.9	16,407	\$60.3	\$138.3	\$35,052	1.9	1,256.1	22.8	5.8
2028	3,122,594	34,628	2.34	909.7	16,151	\$63.8	\$143.6	\$35,069	1.9	1,255.2	23.6	5.8
2029	3,181,727	33,678	2.37	923.3	15,642	\$67.4	\$149.2	\$35,085	1.9	1,254.3	24.3	5.8
2030	3,240,300	32,871	2.40	936.4	14,877	\$71.2	\$154.8	\$35,093	1.9	1,253.7	25.0	5.8
2031	3,298,296	32,166	2.43	949.0	14,377	\$75.0	\$160.6	\$35,100	1.9	1,253.2	25.7	5.8
2032	3,356,062	31,969	2.47	961.0	13,717	\$78.9	\$166.5	\$35,106	1.9	1,252.7	26.5	5.8
2033	3,412,629	30,961	2.50	972.6	13,229	\$82.7	\$172.4	\$35,095	1.9	1,252.1	27.3	5.8
2034	3,468,703	30,263	2.53	983.7	12,737	\$86.4	\$178.7	\$35,122	1.9	1,251.6	28.1	5.8
2035	3,524,351	29,680	2.55	994.4	12,461	\$90.2	\$185.2	\$35,163	1.9	1,251.1	29.1	5.8
2036	3,579,723	29,369	2.59	1,004.9	12,221	\$93.9	\$191.9	\$35,211	1.9	1,250.5	29.8	5.8
2037	3,634,586	28,877	2.62	1,015.2	11,953	\$97.6	\$198.9	\$35,268	1.9	1,249.9	30.5	5.8
2038	3,688,774	28,370	2.67	1,025.2	11,689	\$101.3	\$206.2	\$35,347	1.9	1,249.6	31.3	5.7
2039	3,742,155	27,920	2.71	1,035.1	11,419	\$105.0	\$213.8	\$35,453	1.9	1,249.2	32.1	5.7
2040	3,794,910	27,505	2.76	1,044.7	11,166	\$108.7	\$221.6	\$35,579	1.8	1,248.8	32.7	5.7

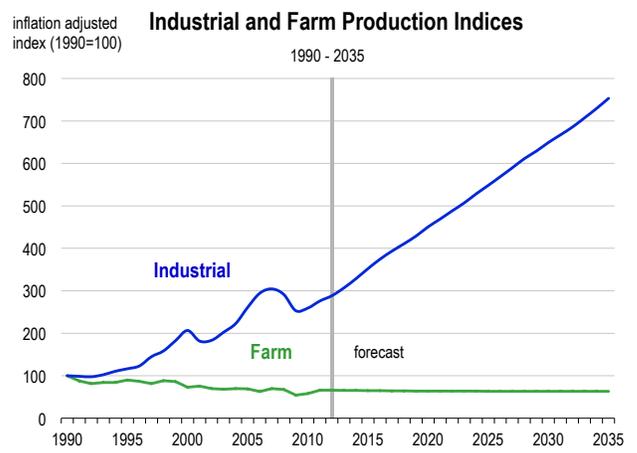
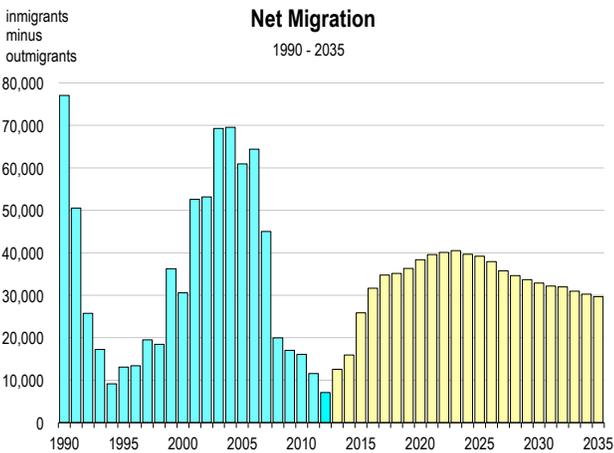
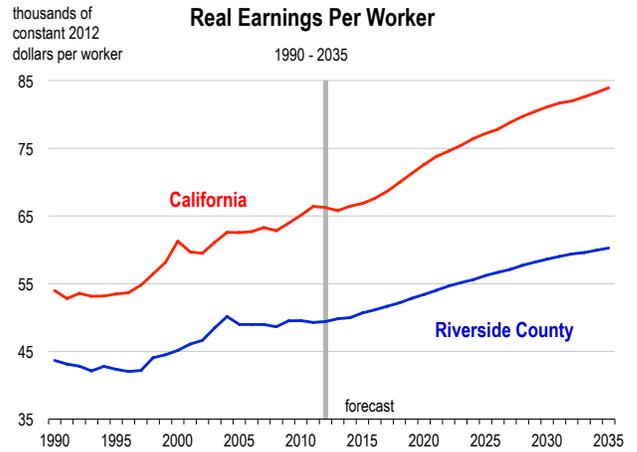
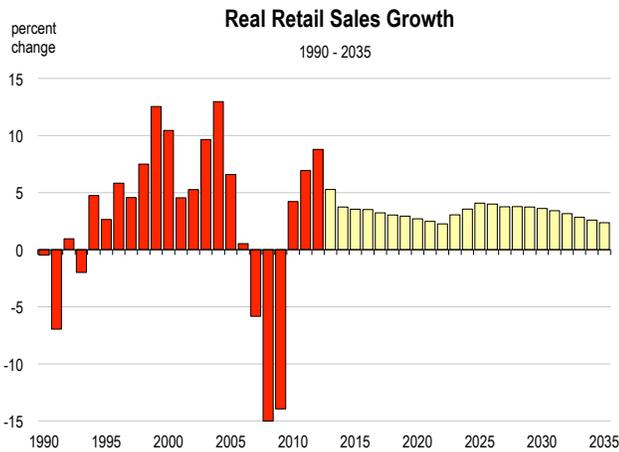


Riverside County Employment Forecast

2006-2012 History, 2013-2040 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	620.6	14.21	80.7	57.0	17.0	106.4	23.6	62.6	7.7	53.5	71.9	104.8
2007	620.2	12.97	68.9	54.4	20.9	109.1	23.0	63.0	7.8	56.9	73.7	108.8
2008	592.0	13.11	54.7	48.4	21.2	105.3	22.3	58.0	7.7	58.1	72.8	110.6
2009	546.3	12.36	40.4	39.0	19.7	97.5	20.7	53.6	8.5	57.9	68.7	109.3
2010	536.0	12.41	35.4	37.9	19.4	97.6	19.3	50.3	10.2	58.0	67.7	109.2
2011	548.8	12.78	34.3	39.0	20.3	99.3	18.3	52.7	9.6	61.6	69.3	112.2
2012	564.4	12.95	39.5	39.7	21.0	101.9	18.6	53.1	9.2	64.4	72.4	111.8
2013	584.2	12.95	43.6	41.7	21.3	105.7	19.4	56.2	9.3	65.4	75.4	113.0
2014	608.0	12.98	48.2	44.4	21.9	109.2	20.0	59.9	9.4	68.0	77.4	115.2
2015	633.2	12.98	52.7	47.2	22.5	112.4	20.6	64.6	9.5	70.6	80.5	117.0
2016	651.5	12.99	54.3	49.2	23.5	115.4	21.2	67.3	9.6	72.4	83.7	118.5
2017	662.4	13.06	52.3	50.2	24.3	117.7	21.8	69.3	9.6	74.3	86.4	119.4
2018	675.1	13.16	53.8	50.8	25.1	119.9	22.3	71.0	9.7	76.1	88.1	120.7
2019	686.4	13.22	55.0	51.2	25.9	122.0	22.8	72.6	9.7	78.0	89.0	122.0
2020	698.8	13.22	57.2	52.0	26.6	124.0	23.2	74.2	9.8	79.6	89.3	124.2
2021	710.0	13.23	59.0	52.4	27.3	126.0	23.5	75.9	9.8	81.4	89.7	125.8
2022	720.3	13.24	59.9	52.8	28.0	127.8	23.9	77.9	9.8	83.3	89.7	127.5
2023	730.1	13.24	60.3	53.3	28.8	129.8	24.3	79.7	9.9	84.5	90.0	129.3
2024	741.6	13.25	62.2	53.9	29.6	132.0	24.7	81.6	9.9	85.8	90.1	131.1
2025	750.3	13.25	61.6	54.3	30.3	134.1	25.1	83.7	9.9	87.0	90.3	132.9
2026	759.7	13.26	61.2	54.7	30.9	136.2	25.4	85.8	10.0	88.2	90.7	134.9
2027	769.3	13.27	60.6	55.0	31.6	138.3	25.8	87.8	10.0	89.6	91.1	137.3
2028	778.6	13.27	58.8	55.4	32.1	140.5	26.2	89.9	10.0	91.1	91.7	140.1
2029	788.8	13.28	58.4	55.3	32.7	142.7	26.6	91.9	10.1	92.7	92.4	142.8
2030	799.1	13.28	57.9	55.4	33.3	145.0	27.0	93.8	10.1	94.2	93.2	145.6
2031	808.1	13.29	56.7	55.2	33.7	147.1	27.4	95.7	10.2	95.6	94.0	148.3
2032	817.5	13.30	55.9	55.0	34.2	149.3	27.9	97.4	10.2	97.1	94.8	151.0
2033	826.6	13.30	54.8	55.1	34.6	151.4	28.3	99.1	10.2	98.5	95.5	153.6
2034	835.7	13.31	53.9	55.3	35.0	153.5	28.8	100.6	10.3	99.9	96.3	156.3
2035	844.8	13.31	53.0	55.6	35.4	155.5	29.2	102.0	10.3	101.2	97.1	158.9
2036	853.3	13.32	52.5	55.2	35.7	157.5	29.7	103.5	10.4	102.5	97.9	161.5
2037	862.0	13.32	52.1	54.9	36.1	159.4	30.1	104.9	10.4	103.8	98.8	164.1
2038	870.6	13.33	51.6	54.7	36.4	161.3	30.6	106.4	10.4	105.0	99.6	166.5
2039	879.1	13.34	51.2	54.4	36.7	163.2	31.0	107.9	10.5	106.2	100.4	169.0
2040	887.3	13.34	50.7	54.1	36.9	165.0	31.4	109.4	10.5	107.4	101.3	171.3





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	18.3 %
Expected job growth:	15.6 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	18.4 %

Expected population growth:	10.4 %
Net migration to account for:	60.4 %
Expected growth in number of vehicles:	12.2 %

Demographics (2013)

Unemployment rate (April 2013):	9.6 %
County Rank* in California (58 counties):	27th
Working age (16-64) population:	63.4 %

Population with B.A. Degree or higher:	20.3 %
Median Home Selling Price (2012):	\$210,000
Median Household Income:	\$53,219

Quality of Life

Violent Crime rate (2010):	306 per 100,000 persons
County Rank* in California (58 counties):	18th
Average Commute Time to work (2013):	34.2 minutes

High School drop out rate (2011):	12.1 %
Households at/below poverty line (2013):	11.6 %

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