

SACRAMENTO COUNTY ECONOMIC FORECAST

Sacramento County is home to the California state capital. Sacramento County has a population of 1.44 million people and approximately 552,900 wage and salary jobs. The per capita income in Sacramento County is \$39,769, and the average salary per worker is \$66,429. Because it contains the state capital, the Sacramento County economy is highly influenced by the public sector, with government jobs comprising more than 25 percent of total wage and salary employment.

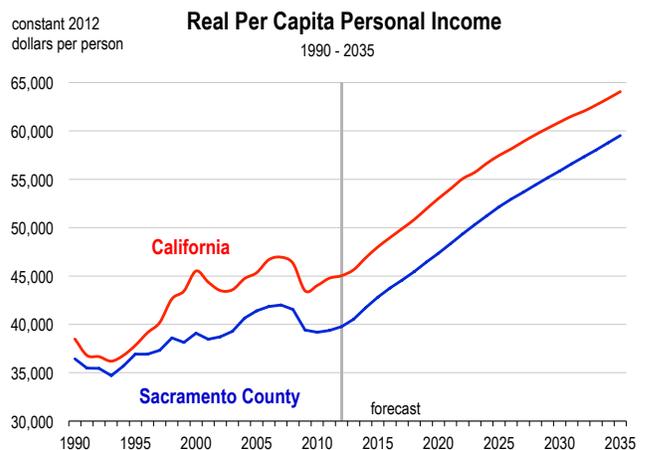
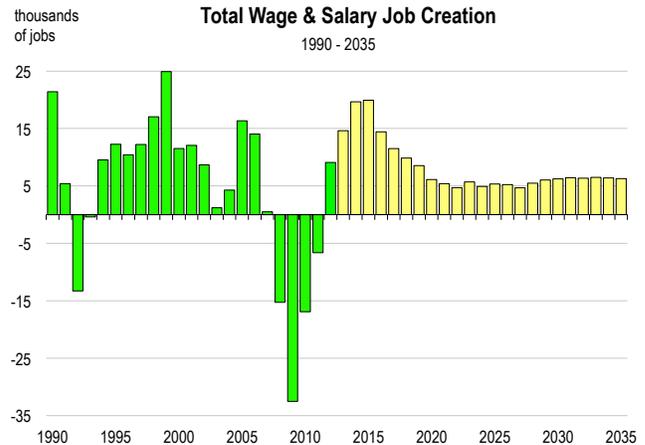
In 2012, employment across Northern California increased by 2.4 percent, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) increased by 1.7 percent. In Sacramento County, 9,100 wage and salary jobs were created, representing a growth rate of 1.7 percent. This is the first annual increase for Sacramento County since before the recession of 2007-2009. The unemployment rate improved as well, falling from 12.1 percent in 2011 to 10.6 percent in 2012.

Over the past year, virtually all sectors were characterized by positive job growth. The largest gains were observed in professional and business services (+4,700 jobs), wholesale and retail trade (+2,400 jobs), and education and healthcare (+2,000 jobs). The only sector with significant losses was government (-2,300 jobs).

From 2007-2012, the population of Sacramento County grew at an annual average rate of 0.7 percent. This is a slowdown from the rates that prevailed during the previous decade, and is largely the result of lower net migration. Between 2007 and 2012, the county lost an average of 500 net migrants per year.

FORECAST HIGHLIGHTS

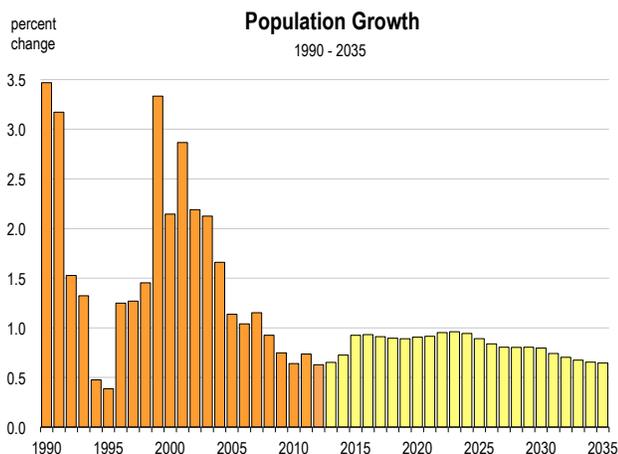
- In 2013, total employment is expected to increase by 2.6 percent. From 2013 to 2018, job growth is expected to average 2.5 percent per year.
- Average salaries are slightly above the California state average, and are expected to remain so over the forecast period. Average salaries, adjusted for inflation, will rise by an average of 0.7 percent per year from 2013 to 2018.
- Between 2013 and 2018, employment in the construction industry will increase at an average annual rate of 8.0 percent. As the housing sector rebounds, the region will recover many of the construction jobs that were lost during the downturn. Government employment will begin to rebound in 2013, and will be characterized by positive job growth in each year through 2018.
- Population growth will accelerate over the next 5 years. Annual growth in the 2013 to 2018 period will average 0.9 percent per year.
- Net migration is expected to turn positive in 2013, and will remain positive over the life of the forecast. Between 2013 and 2018, an average of 4,200 net migrants will enter the county each year.
- Real per capita income is forecast to rise by 1.9 percent in 2013. Between 2013 and 2018, growth will average 2.3 percent per year.
- Total taxable sales, adjusted for inflation, are expected to rise by 2.2 percent per year from 2013-2018.
- Industrial production is expected to rise by 3.6 percent in 2013. Between 2013 and 2018, industrial production is forecast to rise by an average of 4.6 percent per year.



Sacramento County Economic Forecast

2006-2012 History, 2013-2040 Forecast

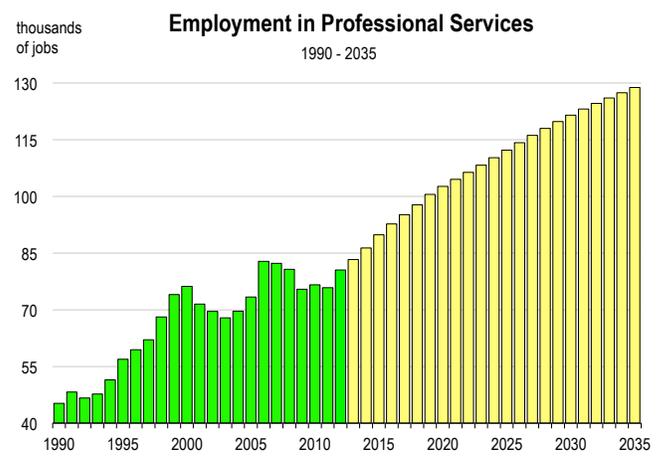
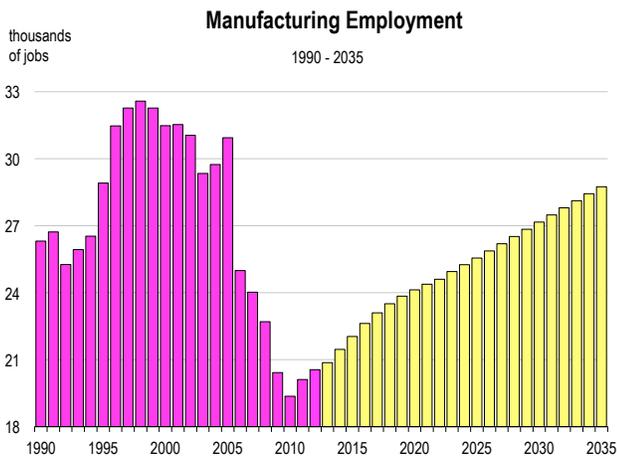
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	1,372,275	2,675	1.17	501.0	6,663	\$21.1	\$50.2	\$41,844	3.3	351.2	5.9	4.8
2007	1,388,086	3,670	1.17	507.9	4,223	\$20.6	\$52.6	\$42,016	3.2	404.8	5.9	5.4
2008	1,400,939	645	1.16	512.0	3,164	\$19.3	\$54.1	\$41,540	3.1	385.5	5.9	7.2
2009	1,411,403	-772	1.16	513.6	973	\$16.6	\$52.2	\$39,405	0.9	373.8	5.5	11.4
2010	1,420,434	-1,616	1.16	513.9	1,181	\$16.9	\$52.8	\$39,172	1.2	392.2	5.4	12.7
2011	1,430,884	223	1.14	514.9	1,332	\$18.0	\$54.9	\$39,381	2.6	416.2	5.5	12.1
2012	1,439,874	-782	1.14	516.1	1,581	\$19.3	\$57.3	\$39,769	2.7	425.5	5.8	10.6
2013	1,449,260	365	1.14	518.2	2,285	\$20.4	\$60.1	\$40,531	2.3	422.8	6.0	9.6
2014	1,459,775	1,574	1.15	520.4	3,531	\$21.4	\$64.0	\$41,736	2.7	421.9	6.3	8.3
2015	1,473,274	4,648	1.15	523.7	4,728	\$22.3	\$67.7	\$42,824	2.1	420.4	6.6	7.0
2016	1,486,998	4,945	1.16	528.1	4,881	\$23.4	\$71.4	\$43,752	2.4	419.2	6.9	6.3
2017	1,500,540	4,810	1.17	532.7	5,429	\$24.4	\$75.0	\$44,572	2.1	421.3	7.3	6.0
2018	1,513,977	4,763	1.17	537.8	5,562	\$25.4	\$78.8	\$45,456	2.1	425.1	7.6	5.9
2019	1,527,451	4,856	1.18	543.0	5,844	\$26.5	\$82.9	\$46,428	2.1	426.8	7.9	5.8
2020	1,541,285	5,312	1.18	548.5	5,891	\$27.7	\$87.2	\$47,355	2.1	426.1	8.3	5.7
2021	1,555,380	5,613	1.19	554.0	5,789	\$29.0	\$91.8	\$48,357	2.2	425.9	8.6	5.8
2022	1,570,186	6,338	1.19	559.5	5,511	\$30.5	\$96.8	\$49,349	2.3	425.7	8.9	5.7
2023	1,585,266	6,650	1.20	564.6	5,634	\$31.9	\$101.9	\$50,305	2.3	425.6	9.3	5.7
2024	1,600,212	6,587	1.20	569.9	5,549	\$33.5	\$107.3	\$51,230	2.4	425.5	9.7	5.7
2025	1,614,468	6,033	1.21	575.1	5,482	\$35.1	\$112.9	\$52,151	2.4	425.5	10.1	5.8
2026	1,628,003	5,484	1.21	580.3	5,422	\$36.7	\$118.4	\$52,936	2.5	425.5	10.5	5.8
2027	1,641,104	5,281	1.21	585.4	5,171	\$38.4	\$123.9	\$53,665	2.5	425.6	10.9	5.9
2028	1,654,281	5,587	1.22	590.2	5,027	\$40.1	\$129.8	\$54,415	2.5	425.7	11.3	5.9
2029	1,667,592	5,904	1.23	594.9	5,022	\$41.7	\$135.9	\$55,150	2.5	425.8	11.8	5.8
2030	1,680,871	6,062	1.23	599.6	4,817	\$43.6	\$142.2	\$55,869	2.5	425.9	12.2	5.8
2031	1,693,334	5,428	1.24	604.2	4,839	\$45.6	\$148.7	\$56,612	2.5	426.1	12.7	5.9
2032	1,705,241	5,046	1.25	608.7	4,897	\$47.7	\$155.4	\$57,316	2.5	426.3	13.2	5.9
2033	1,716,741	4,798	1.27	613.3	4,839	\$50.0	\$162.3	\$58,037	2.5	426.5	13.7	5.9
2034	1,727,974	4,672	1.28	617.8	4,715	\$52.2	\$169.6	\$58,769	2.5	426.7	14.3	5.9
2035	1,739,128	4,756	1.29	622.3	4,682	\$54.4	\$177.1	\$59,511	2.5	427.0	14.8	5.8
2036	1,750,050	4,696	1.30	626.7	4,514	\$56.7	\$184.9	\$60,248	2.5	427.2	15.4	5.8
2037	1,760,661	4,586	1.31	630.9	4,382	\$59.1	\$193.1	\$61,004	2.5	427.5	16.0	5.8
2038	1,770,660	4,201	1.32	635.0	4,233	\$61.5	\$201.7	\$61,803	2.5	427.7	16.6	5.8
2039	1,779,760	3,562	1.33	639.0	4,110	\$63.9	\$210.7	\$62,666	2.5	428.0	17.2	5.9
2040	1,788,148	3,118	1.33	642.8	4,070	\$66.4	\$220.0	\$63,584	2.4	428.3	17.8	5.9

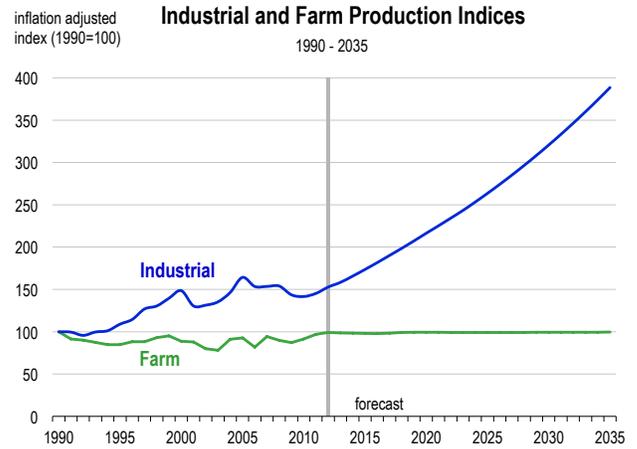
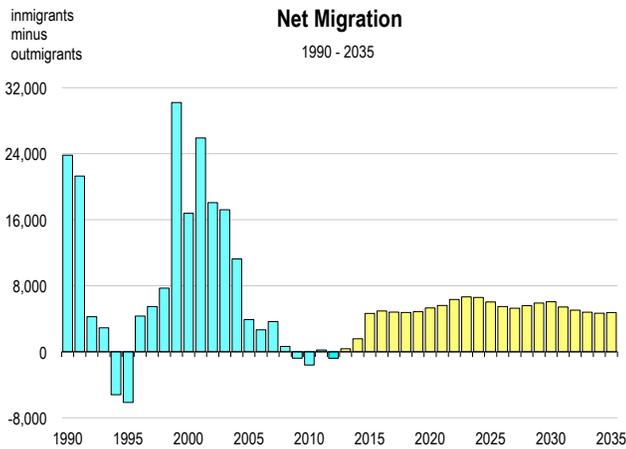
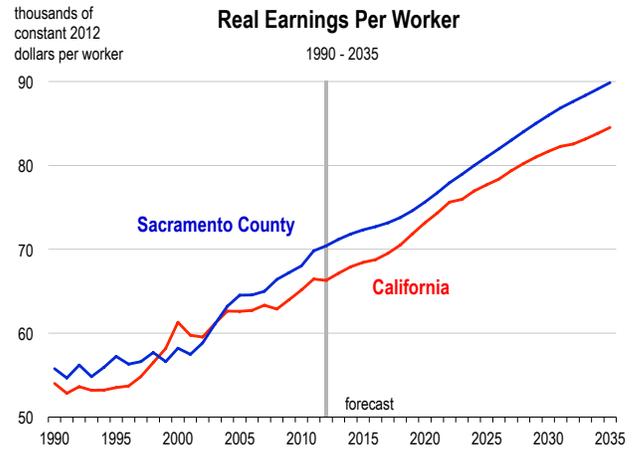
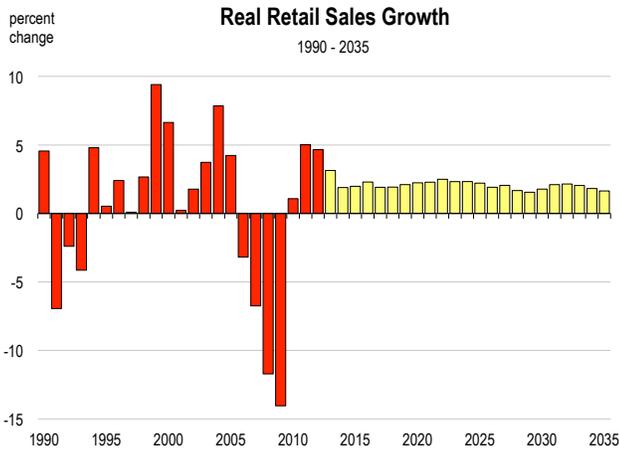


Sacramento County Employment Forecast

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)-----												
22006	614.7	2.70	43.7	25.0	12.9	84.5	45.9	82.8	15.3	66.0	52.3	163.1
2007	615.2	2.92	41.0	24.0	13.6	81.7	42.8	82.3	15.5	68.3	53.3	169.1
2008	599.9	2.72	34.4	22.7	13.7	76.4	39.9	80.7	15.0	69.4	52.6	171.5
2009	567.4	2.74	26.9	20.4	12.8	69.8	36.0	75.4	14.2	69.4	50.2	168.8
2010	550.4	2.57	23.5	19.4	12.0	69.7	32.1	76.6	13.2	68.5	48.5	164.3
2011	543.8	2.56	22.4	20.1	11.3	70.2	30.3	75.8	13.0	70.5	48.3	159.6
2012	552.9	2.68	22.6	20.6	11.8	72.5	30.9	80.5	12.2	72.4	49.3	157.4
2013	567.5	2.75	25.4	20.9	11.8	74.0	32.0	83.3	12.6	74.6	50.9	159.1
2014	587.2	2.75	30.9	21.5	12.1	75.3	33.4	86.3	12.8	77.3	51.9	162.3
2015	607.1	2.74	35.2	22.0	12.5	76.5	35.3	89.8	13.0	80.0	53.3	165.4
2016	621.5	2.73	36.1	22.6	12.8	78.1	36.6	92.7	13.3	82.0	54.8	167.9
2017	633.0	2.74	37.6	23.1	13.1	78.9	38.1	95.2	13.5	83.8	56.1	168.5
2018	642.8	2.76	37.3	23.5	13.4	79.7	39.2	97.8	13.7	85.6	56.9	170.4
2019	651.4	2.77	37.2	23.8	13.6	80.3	39.9	100.5	13.8	87.3	57.3	171.7
2020	657.5	2.77	37.0	24.1	13.9	80.8	40.0	102.6	13.9	88.6	57.5	172.9
2021	662.9	2.77	36.6	24.4	14.2	81.2	40.0	104.5	14.1	90.2	57.6	173.7
2022	667.6	2.77	36.0	24.6	14.4	81.7	39.8	106.4	14.2	91.7	57.6	174.4
2023	673.3	2.77	36.0	24.9	14.7	82.1	40.0	108.3	14.3	92.8	57.7	175.1
2024	678.2	2.77	35.9	25.3	15.0	82.7	39.8	110.2	14.4	93.7	57.8	175.8
2025	683.5	2.77	35.8	25.6	15.3	83.1	39.7	112.2	14.5	94.8	57.9	176.7
2026	688.7	2.77	35.7	25.9	15.6	83.5	39.4	114.2	14.7	95.8	58.1	177.7
2027	693.4	2.77	35.3	26.2	15.9	83.9	38.8	116.1	14.8	97.0	58.3	178.6
2028	698.9	2.77	35.0	26.5	16.2	84.3	38.7	118.0	14.9	98.3	58.6	179.6
2029	704.9	2.77	35.1	26.8	16.5	84.7	38.7	119.8	15.1	99.7	58.9	180.6
2030	711.1	2.77	34.9	27.2	16.8	85.1	38.7	121.5	15.2	101.4	59.3	181.7
2031	717.6	2.77	34.9	27.5	17.2	85.5	38.7	123.1	15.3	103.4	59.6	182.6
2032	723.9	2.77	35.0	27.8	17.5	86.0	38.6	124.6	15.5	105.4	60.0	183.5
2033	730.4	2.77	34.9	28.1	17.8	86.5	38.6	126.0	15.6	107.6	60.3	184.5
2034	736.8	2.77	34.6	28.4	18.2	86.9	38.6	127.4	15.8	109.8	60.7	185.6
2035	743.0	2.77	34.5	28.7	18.5	87.3	38.7	128.8	15.9	111.8	61.1	186.6
2036	749.1	2.78	34.2	29.0	18.8	87.7	38.7	130.2	16.0	113.8	61.5	187.6
2037	755.2	2.78	34.0	29.4	19.2	88.1	38.7	131.6	16.2	115.8	61.9	188.6
2038	761.3	2.78	33.7	29.7	19.6	88.4	38.7	133.1	16.3	117.8	62.2	189.7
2039	767.4	2.78	33.4	30.0	19.9	88.8	38.7	134.6	16.5	119.7	62.6	190.8
2040	773.8	2.78	33.3	30.2	20.3	89.2	38.6	136.3	16.6	121.5	63.0	191.9





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	10.4 %
Expected job growth:	13.4 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	17.2 %

Expected population growth:	4.5 %
Net migration to account for:	32.0 %
Expected growth in number of vehicles:	2.6 %

Demographics (2013)

Unemployment rate (April 2013)	8.3 %
County Rank* in California (58 counties):	20th
Working age (16-64) population:	65.7 %

Population with B.A. Degree or higher:	27.2 %
Median Home Selling Price (2012):	\$168,000
Median Household Income:	\$52,746

Quality of Life

Violent Crime rate (2010):	588 per 100,000 persons
County Rank* in California (58 counties):	53rd
Average Commute Time to work (2013):	28.1 minutes

High School drop out rate (2011):	14.8 %
Households at/below poverty line (2013):	12.0 %

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