

# RIVERSIDE COUNTY ECONOMIC FORECAST

Riverside County is the fourth largest county in the state in terms of total land area. The county, along with its neighbor to the north, San Bernardino County comprise the Inland Empire, one of the fastest growing metro areas of the state and nation from 1997 to 2006. However, because the real estate and labor market declines have been pronounced in the area, the economic fallout has been severe over the last three years.

Riverside County has a population of 2.2 million people, and there are 532,000 wage and salary jobs located in the county. The per capita income in Riverside County is \$29,035, and the average salary per worker is \$47,134.

The economic contraction was severe in Southern California between 2008 and 2010, with particularly acute losses in the Inland Empire. In 2010, over 12,500 total jobs were lost in Riverside County, representing a growth rate of -2.3 percent. The unemployment rate increased to 14.7 percent.

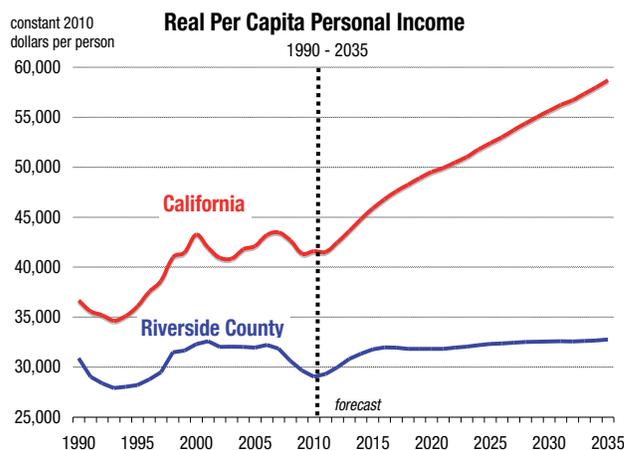
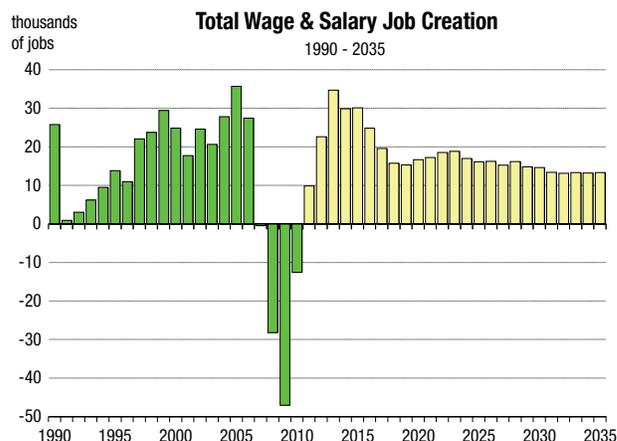
Employment in the construction sector fell by 5,000 workers, and is now down 56 percent from the 2006 peak. The contraction was due primarily to a decline in new home production (down 87 percent from the peak in 2004). Employment declined in the manufacturing and government sectors by 1,800 and 2,300 jobs, respectively. The only sectors to record positive job creation were education and health services and information.

Population growth has slowed in recent years, but remained relatively high in 2010 at 2.0 percent. Migration continues to be positive in the county, though at slower rates than early in the decade. Population growth will accelerate over the forecast, but does not approach the previous peak levels.

Riverside County and the entire Inland Empire economy are expected to expand in 2011 but general economic growth will be muted until 2012 and 2013. Over the longer-term forecast, the Inland Empire will experience greater growth than the coastal counties, due largely to the availability of land at lower cost.

## FORECAST HIGHLIGHTS

- Job growth turns positive in 2011, expanding by 1.9 percent. From 2011 to 2016, the annual growth rate is expected to average 4.7 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 1.4 percent per year from 2011 to 2016.
- From 2011 to 2016, the momentum for employment growth is broad based. Nearly every sector grows at least 10 percent, with the only exceptions being the farm and information sectors.
- Employment in construction, transportation, and wholesale trade rapidly increase, rising by more than 40 percent from 2011 to 2016.

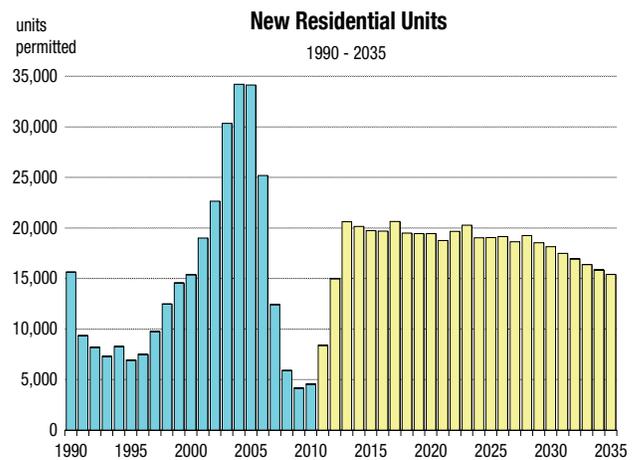
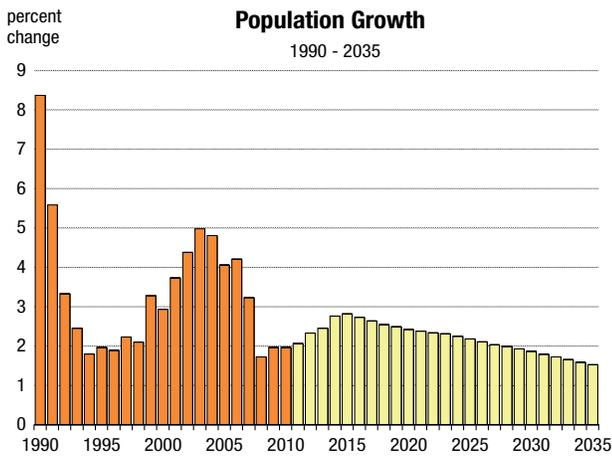


- Population growth rises to 2.1 percent in 2011, and reaches nearly 3 percent by 2015. Annual growth in the 2011 to 2016 period is expected to average 2.6 percent per year.
- From 2011 to 2016 net migration will gradually increase, though it remains lower than levels observed between 2002 and 2006. An average of 39,300 net migrants enter the county per year from 2011 to 2016.
- Real per capita incomes are expected to rise 1.0 percent in 2011, then increase 1.7 percent per year between 2011 and 2016.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 5.7 percent per year during the 2011 to 2016 period.
- Industrial production is expected to rise 3.9 percent in 2011. From 2011 to 2016, the growth rate of industrial production is expected to average 7.2 percent per year.

# Riverside County Economic Forecast

## 2006-2010 History, 2011-2040 Forecast

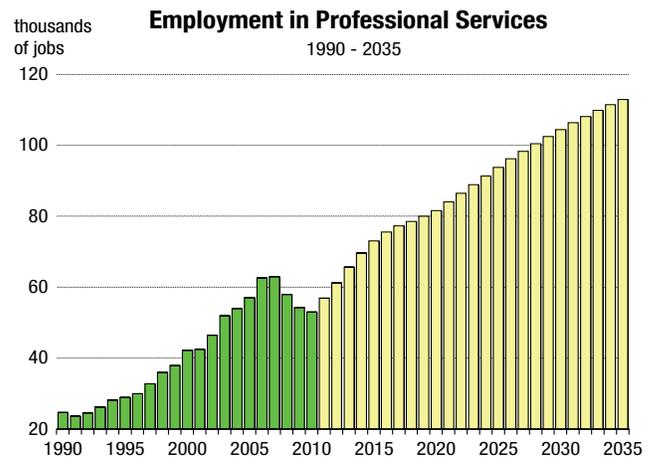
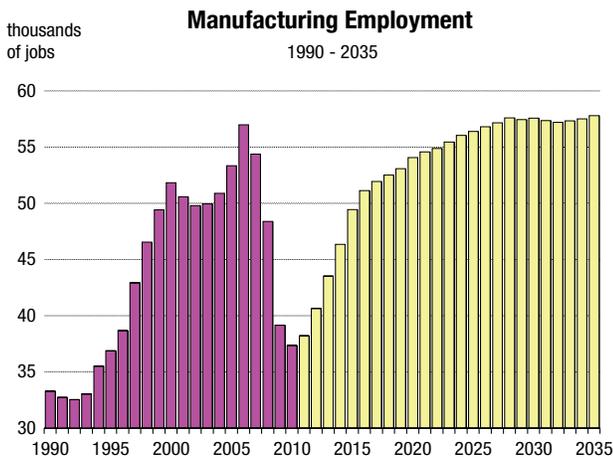
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	2,014,437	63,130	1.70	627	25,211	\$29.8	\$60.5	\$32,212	4.3	1,183	10.9	5.0
2007	2,079,543	44,806	1.70	654	12,453	\$29.0	\$63.7	\$31,863	3.3	1,315	11.2	6.0
2008	2,115,437	15,622	1.69	671	5,919	\$26.0	\$64.5	\$30,609	3.5	1,274	10.8	8.5
2009	2,157,049	23,506	1.69	678	4,190	\$22.2	\$63.2	\$29,664	-0.8	1,028	9.9	13.4
2010	2,199,479	24,781	1.71	682	4,568	\$23.3	\$63.9	\$29,035	1.2	1,053	9.7	14.7
2011	2,244,917	27,930	1.75	686	8,418	\$25.1	\$67.4	\$29,333	2.3	1,045	10.1	13.2
2012	2,297,275	33,998	1.80	693	15,004	\$27.0	\$72.1	\$29,986	2.3	1,037	10.7	11.5
2013	2,353,662	36,986	1.87	705	20,621	\$29.1	\$77.8	\$30,815	2.5	1,030	11.5	9.8
2014	2,418,676	44,607	1.94	723	20,153	\$31.7	\$83.5	\$31,334	2.7	1,024	12.4	8.4
2015	2,486,886	46,805	2.01	740	19,752	\$34.6	\$89.5	\$31,762	2.8	1,018	13.4	6.9
2016	2,554,843	45,632	2.08	756	19,709	\$37.7	\$95.2	\$31,970	2.9	1,013	14.3	6.3
2017	2,622,325	44,250	2.14	773	20,647	\$40.9	\$100.3	\$31,938	2.8	1,009	15.1	6.1
2018	2,689,203	42,661	2.19	790	19,507	\$44.3	\$105.3	\$31,821	2.7	1,004	15.9	6.0
2019	2,756,247	41,872	2.24	807	19,456	\$47.7	\$110.6	\$31,809	2.5	1,000	16.7	5.8
2020	2,823,161	40,896	2.28	823	19,461	\$50.4	\$115.9	\$31,813	2.3	997	17.6	5.6
2021	2,890,474	40,429	2.33	840	18,769	\$53.1	\$121.3	\$31,810	2.2	994	18.4	5.6
2022	2,958,109	40,238	2.37	855	19,672	\$55.9	\$127.3	\$31,921	2.3	991	19.1	5.5
2023	3,026,519	40,700	2.41	872	20,283	\$58.7	\$133.7	\$32,037	2.2	989	19.9	5.5
2024	3,094,762	40,478	2.45	889	19,042	\$61.8	\$140.2	\$32,174	2.2	986	20.8	5.5
2025	3,162,393	39,805	2.48	905	19,074	\$65.2	\$146.9	\$32,286	2.2	983	21.7	5.5
2026	3,229,081	38,918	2.52	921	19,169	\$68.5	\$153.5	\$32,349	2.2	980	22.6	5.5
2027	3,294,870	38,200	2.56	937	18,646	\$72.1	\$160.3	\$32,413	2.1	978	23.5	5.5
2028	3,360,606	38,030	2.60	953	19,275	\$75.8	\$167.4	\$32,478	2.2	975	24.5	5.5
2029	3,425,482	37,287	2.64	969	18,550	\$79.7	\$174.5	\$32,506	2.2	973	25.4	5.5
2030	3,489,529	36,520	2.68	985	18,163	\$83.7	\$181.9	\$32,532	2.2	971	26.4	5.5
2031	3,552,135	35,011	2.72	1,000	17,513	\$87.8	\$189.3	\$32,539	2.2	970	27.4	5.5
2032	3,613,638	33,770	2.77	1,015	16,963	\$92.1	\$196.8	\$32,525	2.2	968	28.4	5.5
2033	3,673,562	32,213	2.82	1,029	16,410	\$96.6	\$204.7	\$32,562	2.2	966	29.5	5.5
2034	3,732,143	30,730	2.87	1,043	15,853	\$101.3	\$213.0	\$32,614	2.3	964	30.6	5.5
2035	3,789,283	29,263	2.92	1,056	15,415	\$106.2	\$221.7	\$32,708	2.2	962	31.8	5.5
2036	3,845,295	28,049	2.97	1,069	15,187	\$111.3	\$230.6	\$32,806	2.2	960	32.8	5.5
2037	3,900,742	27,206	3.02	1,082	15,208	\$116.6	\$240.1	\$32,932	2.2	957	33.9	5.5
2038	3,955,603	26,462	3.08	1,095	14,974	\$122.2	\$250.0	\$33,090	2.2	956	35.0	5.5
2039	4,010,172	26,019	3.13	1,108	15,199	\$128.0	\$260.3	\$33,274	2.2	954	36.2	5.4
2040	4,064,396	25,335	3.18	1,120	14,777	\$134.0	\$270.9	\$33,466	2.1	952	37.4	5.4

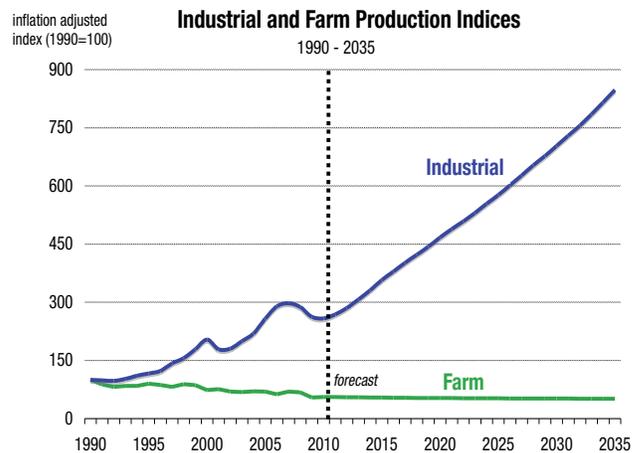
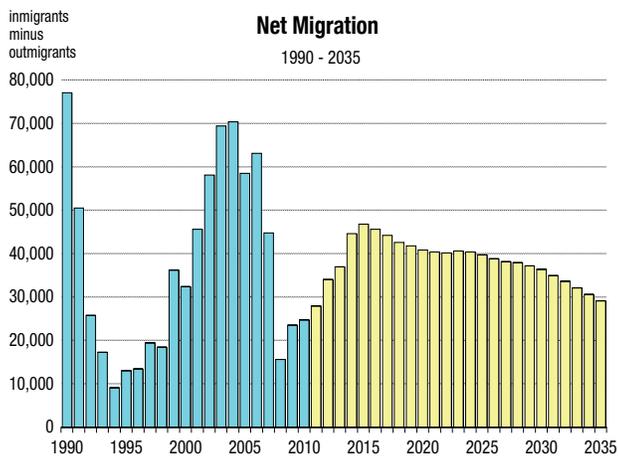
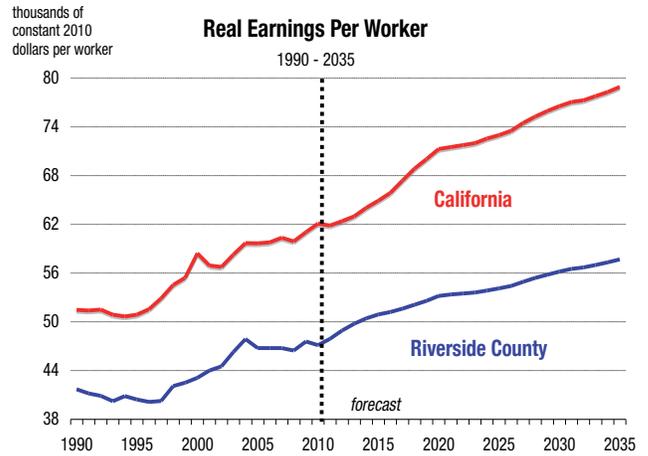
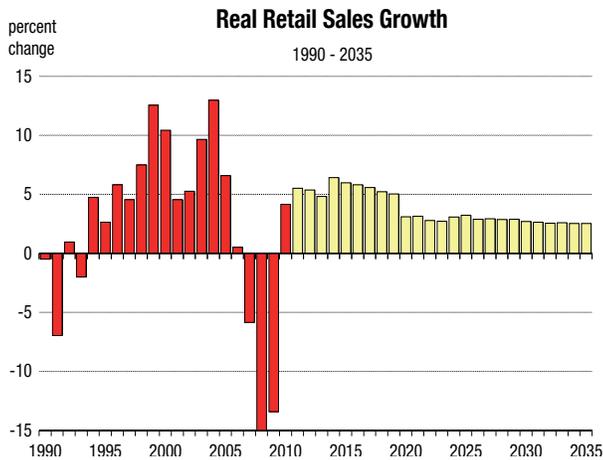


# Riverside County Employment Forecast

## 2006-2010 History, 2011-2040 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	545.0	13.16	40.2	39.2	19.7	97.0	20.8	54.3	7.3	57.9	68.2	109.3
2010	532.4	13.11	35.2	37.4	19.6	96.1	20.1	53.0	7.6	58.0	67.2	106.9
2011	542.7	13.06	35.2	38.2	20.3	98.7	20.4	56.9	7.8	59.6	69.5	104.6
2012	565.1	13.11	39.5	40.7	21.6	104.0	21.7	61.3	7.9	60.6	72.1	102.9
2013	599.6	13.16	47.7	43.5	23.3	110.9	23.0	65.7	8.0	61.8	74.9	106.5
2014	629.3	13.18	52.6	46.4	25.5	117.7	23.7	69.7	7.7	63.2	78.2	109.0
2015	659.2	13.18	56.2	49.5	27.7	124.7	23.9	73.1	7.7	64.9	82.2	112.4
2016	683.9	13.17	58.8	51.1	29.8	131.0	24.0	75.5	7.7	66.5	85.5	116.0
2017	703.4	13.10	61.1	51.9	31.7	135.0	23.9	77.3	7.7	68.0	88.3	119.6
2018	719.1	13.01	61.9	52.5	33.8	138.1	23.7	78.6	7.8	69.7	90.2	123.4
2019	734.3	12.96	62.9	53.1	36.0	140.8	23.6	80.0	8.0	71.6	91.2	127.1
2020	751.0	12.95	63.9	54.1	38.1	144.3	23.7	81.6	8.1	73.8	91.8	131.0
2021	768.2	12.96	64.5	54.6	40.2	147.8	23.8	84.1	8.2	76.2	93.3	134.3
2022	786.6	12.96	65.9	54.9	42.2	151.4	24.0	86.5	8.3	78.9	94.9	137.7
2023	805.3	12.96	67.6	55.4	44.3	154.8	24.3	88.9	8.3	81.5	96.4	140.9
2024	822.1	12.97	68.2	56.0	46.4	158.1	24.7	91.4	8.3	83.9	97.8	143.6
2025	838.1	12.97	69.0	56.4	48.4	161.4	25.0	93.8	8.2	86.1	99.2	146.2
2026	854.3	12.97	70.0	56.8	50.4	164.7	25.3	96.2	8.2	88.2	100.6	148.7
2027	869.4	12.97	70.9	57.2	52.2	167.9	25.7	98.4	8.2	90.3	102.0	151.0
2028	885.4	12.98	72.5	57.6	54.1	171.1	26.0	100.5	8.3	92.2	103.5	153.1
2029	900.0	12.98	73.6	57.4	56.1	174.3	26.3	102.5	8.3	94.2	104.9	155.1
2030	914.5	12.98	74.4	57.6	58.0	177.4	26.7	104.5	8.4	96.1	106.4	156.9
2031	927.6	12.99	74.8	57.3	59.8	180.5	27.1	106.4	8.4	98.0	107.8	158.3
2032	940.5	12.99	75.2	57.2	61.6	183.6	27.5	108.2	8.5	99.9	109.3	159.7
2033	953.6	13.00	75.6	57.3	63.4	186.7	27.9	109.9	8.6	101.8	110.8	161.1
2034	966.6	13.00	75.9	57.5	65.1	189.7	28.3	111.5	8.6	103.8	112.3	162.4
2035	979.7	13.01	76.4	57.8	66.9	192.8	28.7	112.9	8.7	105.6	113.9	163.7
2036	992.2	13.01	76.9	57.3	68.5	195.8	29.1	114.4	8.7	107.6	115.4	165.1
2037	1,005.3	13.02	77.8	57.1	70.2	198.9	29.6	115.9	8.8	109.6	117.0	166.6
2038	1,018.6	13.02	78.6	56.8	71.9	201.9	30.0	117.5	8.9	111.7	118.6	168.1
2039	1,032.5	13.03	79.6	56.6	73.5	205.0	30.4	119.0	8.9	113.8	120.2	169.7
2040	1,046.3	13.03	80.4	56.2	75.2	208.0	30.8	120.5	9.0	116.1	121.8	171.5





## County Economic and Demographic Indicators

### Projected Economic Growth (2011-2016)

Expected retail sales growth:	31.9 %
Expected job growth:	26.0 %
Fastest growing jobs sector:	Wholesale Trade
Expected personal income growth:	24.0%

Expected population growth:	13.8 %
Net migration to account for:	67.1%
Expected growth in number of vehicles:	19.0 %

### Demographics (2011)

Unemployment rate (June 2011):	14.4 %
County Rank* in California (58 counties):	36th
Working age (16-64) population:	62.7%

Population with B.A. Degree or higher:	20.2%
Median Home Selling Price:	\$200,000
Median Household Income:	\$53,981

### Quality of Life

Violent Crime rate (2009):	346 per 100,000 persons
County Rank* in California (58 counties):	22nd
Average Commute Time to work (2011):	32.6 minutes

High School drop out rate (2009):	21.9 %
Households at/below poverty line:	9.8 %

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