

PLACER COUNTY ECONOMIC FORECAST

Rising from 100 feet above sea level on its western border to over 9,000 feet in the eastern Sierra Mountain range, Placer County is located in the northern Sacramento Valley with an eastern border that touches the Nevada state line. Placer County has a population of 356,000 people and has just over 124,000 wage and salary jobs. The per capita income in Placer County is \$47,192, and the average salary per worker is \$55,104.

Employment across Northern California increased by 0.9 percent in 2011, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) declined 0.8 percent, the fourth straight year of contracting employment. In Placer County, 800 wage and salary jobs were lost, representing a decline of 0.7 percent. The unemployment rate in Placer County dropped from 11.5 percent in 2010 to 10.8 percent in 2011.

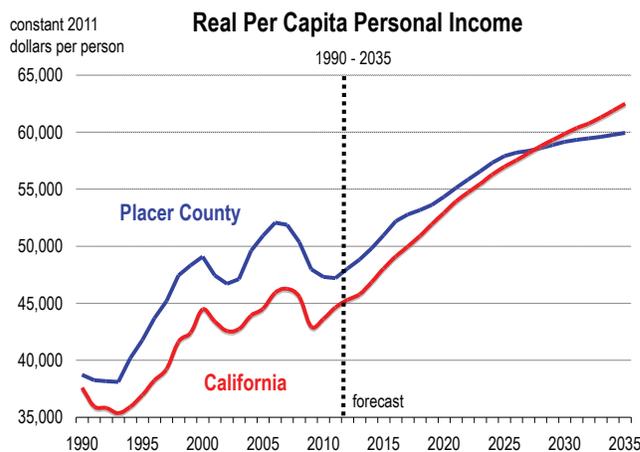
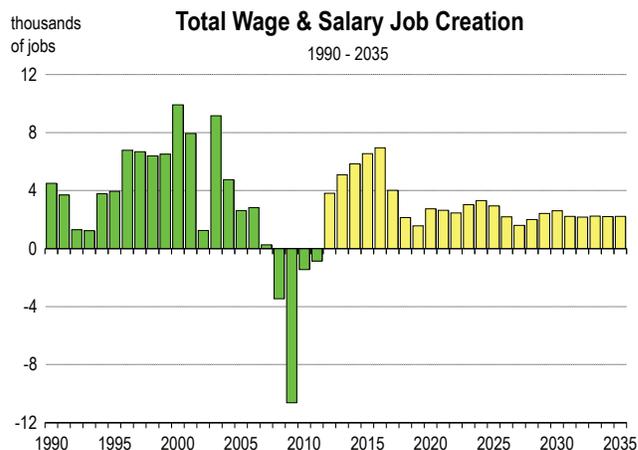
During 2011, the only sectors to add jobs were education and healthcare (+600 jobs) and retail trade (+200 jobs). The largest declines occurred in construction (-500 jobs), government (-400 jobs), and financial activities (-300 jobs). 2011 was the sixth straight year in which construction jobs declined. Housing production has all but halted in the county, as the outer regions of the Sacramento Valley were disproportionately affected by the real estate bust.

Population growth has slowed in recent years, but remained at a relatively high rate of 1.5 percent in 2011. Between 2006 and 2011, the population grew by a total of 13.8 percent, an annual average of 1.7 percent. This growth was almost entirely due to net migration, as an average of 5,800 net migrants entered the county each year.

Employment and population growth are expected to be substantial over the next few years. Jobs are forecast to exceed pre-recession levels by 2015, and population growth should accelerate, reaching 2.1 percent by 2016. Despite the troubled housing market, net migration should remain high, as Placer County has affordable home prices within proximity to the job market in Sacramento County. In turn, this population growth will lead to the creation of new jobs.

FORECAST HIGHLIGHTS

- Jobs rapidly return to Placer County beginning in 2012, with an estimated increase of 3.1 percent. Job growth is expected to continue to exceed most areas of the state, averaging 3.9 percent per year between 2012 and 2017.
- Average salaries are currently below the California state average, and will remain so over the foreseeable future. Average salaries, adjusted for inflation, are forecast to rise an average of 1.0 percent per year from 2012 to 2017.

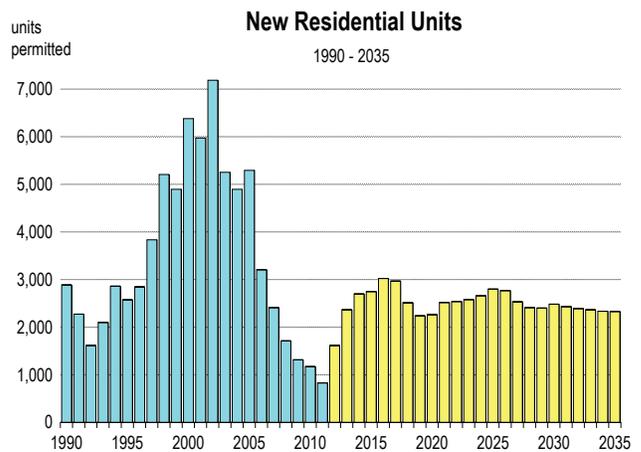
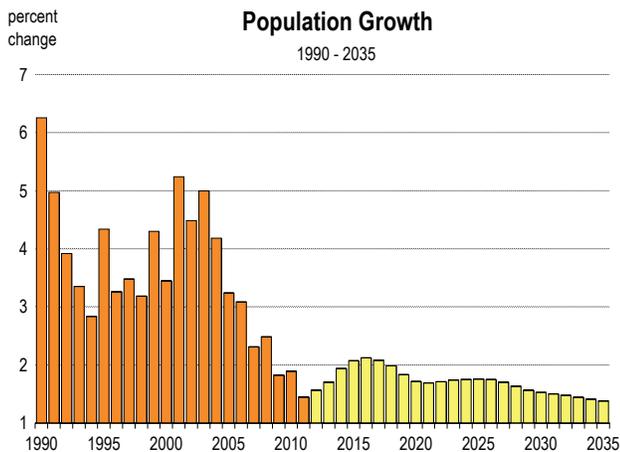


- The momentum for employment growth will be broad-based, with virtually all sectors growing by 15 percent or more over the next five years. The fastest growth will be in construction, which will increase by 80 percent as the region recovers from the housing bust.
- Annual population growth in the 2012 to 2017 period will average 1.9 percent per year. The vast majority of this growth will be the result of rapid in-migration. Net migration will average 5,800 people per year, identical to the 2006-2011 period.
- Real per capita incomes are expected to increase by 1.8 percent in 2012. During the 2012 to 2017 period, real per capita income growth will average 1.9 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 5.7 percent per year between 2012 and 2017.
- Industrial production will increase by 6.2 percent in 2012. From 2012 to 2017 industrial production is forecast to rise 4.1 percent per year.

Placer County Economic Forecast

2006-2011 History, 2012-2040 Forecast

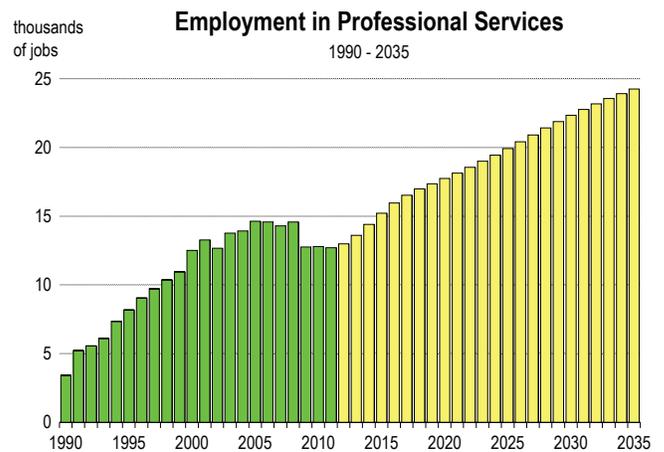
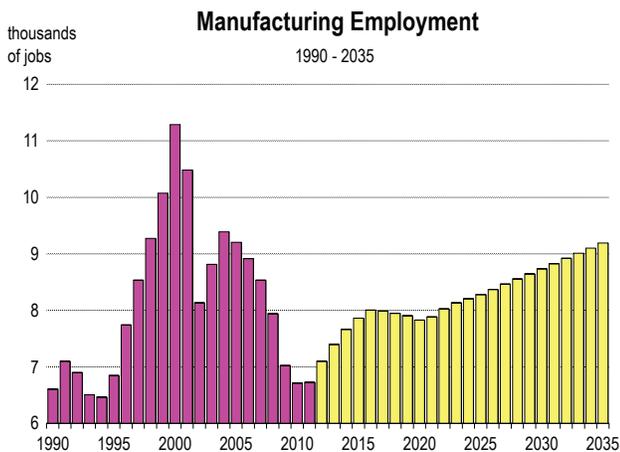
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	322,270	8,184	372	123.7	3,205	\$7.53	\$15.0	\$52,059	3.2	58.8	1.7	4.2
2007	329,719	5,994	372	127.0	2,413	\$7.43	\$15.9	\$51,873	3.4	56.8	1.7	4.8
2008	337,914	6,668	371	129.7	1,713	\$6.63	\$16.3	\$50,355	3.0	54.8	1.6	6.4
2009	344,088	4,812	376	131.1	1,315	\$5.80	\$15.9	\$47,974	0.8	69.0	1.6	10.4
2010	350,609	5,186	376	132.4	1,169	\$6.02	\$16.2	\$47,307	1.3	62.5	1.7	11.5
2011	355,687	3,716	378	133.6	829	\$6.29	\$16.8	\$47,192	2.5	62.3	1.7	10.8
2012	361,255	4,247	381	134.4	1,615	\$6.81	\$17.7	\$48,045	1.9	61.3	1.8	9.4
2013	367,408	4,819	388	135.9	2,363	\$7.25	\$18.7	\$48,820	2.1	61.8	1.9	8.2
2014	374,541	5,785	394	138.0	2,699	\$7.77	\$19.8	\$49,807	2.1	62.5	2.0	7.4
2015	382,309	6,404	402	140.4	2,748	\$8.42	\$21.1	\$50,969	1.8	63.9	2.1	6.6
2016	390,432	6,728	410	142.9	3,023	\$9.16	\$22.4	\$52,187	1.7	64.2	2.1	5.9
2017	398,566	6,692	418	145.6	2,966	\$9.84	\$23.6	\$52,775	1.7	64.0	2.2	5.7
2018	406,486	6,420	425	148.3	2,512	\$10.50	\$24.6	\$53,166	1.7	63.3	2.3	5.6
2019	413,947	5,903	432	150.6	2,240	\$11.17	\$25.7	\$53,613	1.5	61.9	2.3	5.4
2020	421,059	5,491	438	152.6	2,261	\$11.85	\$26.8	\$54,346	1.4	61.8	2.4	5.1
2021	428,188	5,444	443	154.6	2,519	\$12.55	\$28.0	\$55,121	1.3	62.8	2.5	5.1
2022	435,520	5,588	448	156.9	2,539	\$13.25	\$29.3	\$55,840	1.5	62.0	2.5	5.1
2023	443,115	5,797	452	159.2	2,579	\$14.00	\$30.7	\$56,574	1.5	60.2	2.6	5.0
2024	450,866	5,906	456	161.5	2,660	\$14.83	\$32.1	\$57,311	1.6	57.5	2.7	5.0
2025	458,792	6,037	460	163.9	2,801	\$15.72	\$33.6	\$57,906	1.7	54.4	2.8	5.0
2026	466,823	6,114	463	166.4	2,771	\$16.58	\$34.9	\$58,209	1.7	51.9	2.9	5.0
2027	474,777	6,028	467	168.9	2,535	\$17.42	\$36.2	\$58,370	1.7	50.0	3.0	5.1
2028	482,531	5,831	471	171.2	2,410	\$18.31	\$37.6	\$58,598	1.7	47.7	3.1	5.1
2029	490,081	5,637	474	173.4	2,403	\$19.25	\$39.0	\$58,885	1.7	45.6	3.2	5.0
2030	497,572	5,598	479	175.6	2,483	\$20.21	\$40.5	\$59,157	1.7	45.1	3.3	5.0
2031	505,055	5,585	486	177.8	2,429	\$21.16	\$41.9	\$59,336	1.7	45.7	3.4	5.1
2032	512,528	5,574	493	180.0	2,391	\$22.09	\$43.3	\$59,455	1.7	44.0	3.5	5.1
2033	519,934	5,515	500	182.2	2,367	\$23.02	\$44.8	\$59,598	1.7	41.1	3.6	5.1
2034	527,268	5,457	507	184.3	2,335	\$23.97	\$46.4	\$59,760	1.7	37.6	3.7	5.1
2035	534,544	5,420	515	186.4	2,331	\$24.93	\$48.0	\$59,946	1.7	35.0	3.8	5.1
2036	541,766	5,385	523	188.5	2,314	\$25.89	\$49.6	\$60,131	1.7	30.8	3.9	5.1
2037	548,955	5,373	532	190.6	2,317	\$26.88	\$51.3	\$60,337	1.7	26.8	4.0	5.1
2038	556,118	5,366	542	192.7	2,321	\$27.87	\$53.1	\$60,563	1.7	25.9	4.2	5.0
2039	563,256	5,356	553	194.8	2,300	\$28.88	\$54.9	\$60,804	1.7	23.8	4.3	5.0
2040	570,366	5,338	564	196.8	2,284	\$29.91	\$56.8	\$61,065	1.7	21.2	4.2	5.0

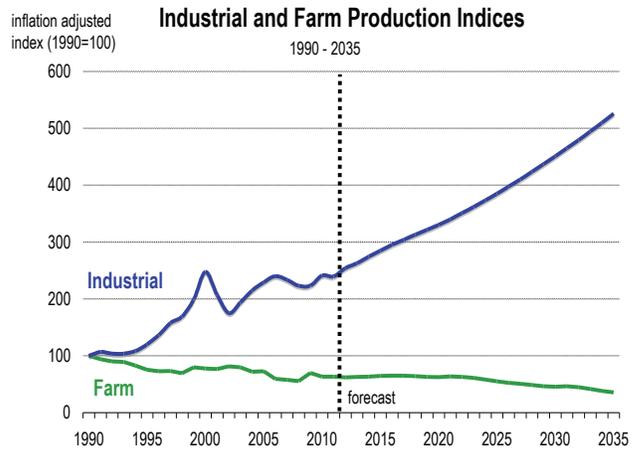
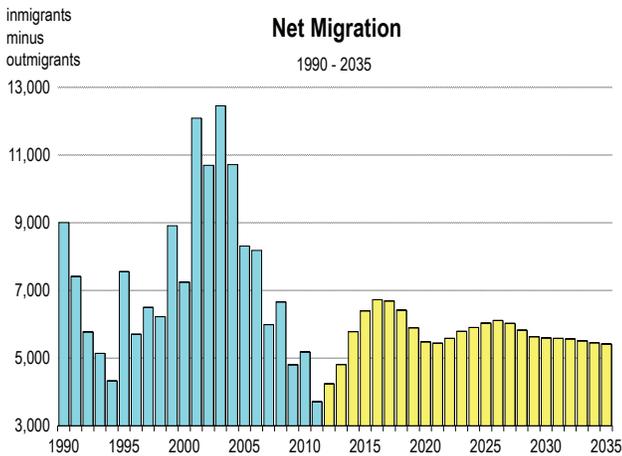
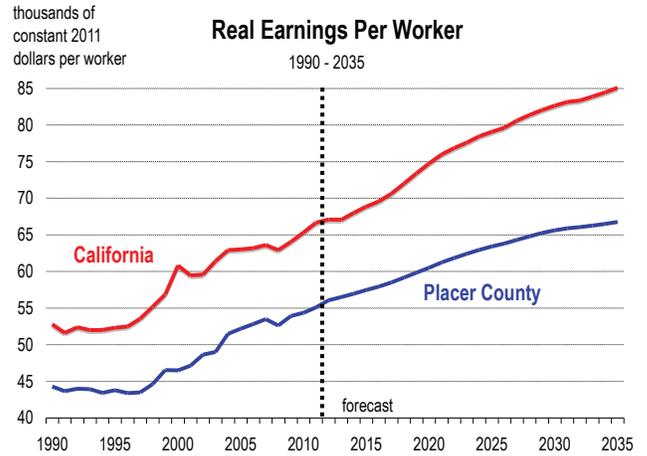
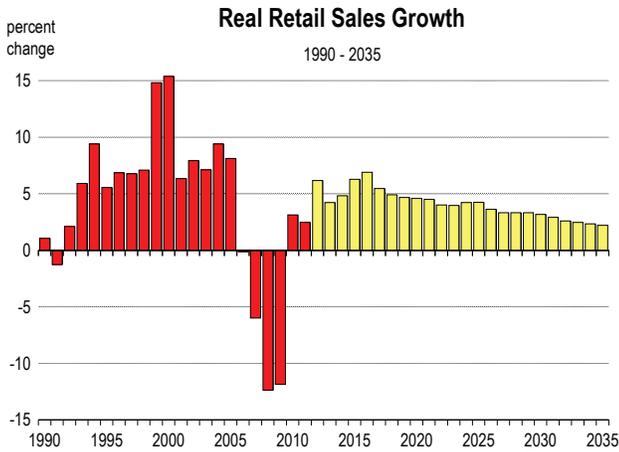


Placer County Employment Forecast

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	140.1	0.35	16.1	8.9	3.1	25.4	11.5	14.6	2.9	13.9	18.7	20.3
2007	140.4	0.34	14.7	8.5	3.1	26.1	11.3	14.3	2.6	15.8	19.1	20.0
2008	136.9	0.40	12.3	7.9	2.9	25.0	10.6	14.6	2.4	16.7	19.3	19.9
2009	126.3	0.34	9.2	7.0	3.0	23.0	10.0	12.8	2.5	17.1	18.0	18.7
2010	124.9	0.31	8.4	6.7	3.1	22.6	9.6	12.8	2.4	17.9	17.9	18.4
2011	124.0	0.32	7.9	6.7	3.0	22.8	9.3	12.7	2.4	18.5	17.8	17.9
2012	127.8	0.33	10.0	7.1	3.1	23.7	9.5	13.0	2.4	18.7	18.4	16.8
2013	132.9	0.34	10.6	7.4	3.2	24.4	9.9	13.6	2.5	19.2	19.0	17.6
2014	138.8	0.36	11.7	7.7	3.3	25.3	10.0	14.4	2.6	19.8	19.8	18.3
2015	145.3	0.36	12.7	7.9	3.5	26.5	10.3	15.2	2.7	20.6	20.8	19.2
2016	152.3	0.37	14.3	8.0	3.6	27.7	10.7	16.0	2.8	21.2	21.8	19.8
2017	156.3	0.36	14.3	8.0	3.7	28.7	10.9	16.5	2.8	21.8	22.6	20.4
2018	158.4	0.33	13.4	7.9	3.8	29.3	11.1	17.0	2.9	22.3	23.2	20.7
2019	160.0	0.31	12.5	7.9	4.0	29.9	11.3	17.4	2.9	22.9	23.5	20.9
2020	162.8	0.30	13.0	7.8	4.1	30.5	11.4	17.7	2.9	23.4	23.7	21.1
2021	165.4	0.29	13.3	7.9	4.3	31.2	11.4	18.1	2.9	23.9	23.9	21.3
2022	167.9	0.29	13.6	8.0	4.4	31.9	11.4	18.6	2.9	24.3	24.0	21.5
2023	170.9	0.29	14.3	8.1	4.5	32.5	11.5	19.0	2.9	24.8	24.1	21.7
2024	174.2	0.29	15.3	8.2	4.6	33.2	11.6	19.4	2.9	25.3	24.1	21.8
2025	177.2	0.29	16.0	8.3	4.7	33.9	11.5	19.9	3.0	25.8	24.2	22.1
2026	179.4	0.29	15.9	8.4	4.8	34.5	11.5	20.4	3.0	26.3	24.3	22.3
2027	181.0	0.29	15.4	8.5	4.9	35.0	11.4	20.9	3.1	26.8	24.4	22.5
2028	183.0	0.30	15.1	8.6	5.0	35.6	11.2	21.4	3.1	27.4	24.6	22.7
2029	185.4	0.30	15.1	8.6	5.1	36.1	11.2	21.9	3.1	27.9	24.8	22.9
2030	188.0	0.30	15.3	8.7	5.1	36.7	11.2	22.3	3.2	28.5	25.1	23.1
2031	190.3	0.30	15.2	8.8	5.2	37.2	11.3	22.8	3.2	29.1	25.3	23.3
2032	192.4	0.30	15.1	8.9	5.3	37.6	11.3	23.2	3.2	29.7	25.6	23.5
2033	194.7	0.31	15.0	9.0	5.4	38.1	11.3	23.6	3.2	30.3	25.8	23.7
2034	196.9	0.31	14.9	9.1	5.5	38.5	11.4	23.9	3.3	30.9	26.1	23.9
2035	199.1	0.31	14.9	9.2	5.6	39.0	11.4	24.2	3.3	31.5	26.3	24.1
2036	201.3	0.31	14.8	9.3	5.6	39.4	11.5	24.6	3.3	32.0	26.6	24.4
2037	203.5	0.31	14.8	9.4	5.7	39.8	11.6	24.9	3.4	32.6	26.8	24.6
2038	205.7	0.32	14.8	9.5	5.8	40.2	11.6	25.2	3.4	33.2	27.1	24.8
2039	207.9	0.32	14.8	9.6	5.9	40.5	11.7	25.5	3.5	33.8	27.4	25.0
2040	210.1	0.32	14.7	9.6	6.0	40.9	11.7	25.9	3.5	34.4	27.6	25.3





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	39.1 %
Expected job growth:	26.1 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	25.3 %

Expected population growth:	12.1 %
Net migration to account for:	80.9 %
Expected growth in number of vehicles:	10.7 %

Demographics

Unemployment rate (March 2012)	10.5 %
County Rank* in California (58 counties):	17th
Working age (16-64) population:	63.1 %

Population with B.A. Degree or higher:	33.6 %
Median Home Selling Price (2011):	\$260,000
Median Household Income (2012):	\$69,373

Quality of Life

Violent Crime rate (2010):	224 per 100,000 persons
County Rank* in California (58 counties):	9th
Average Commute Time to work (2012):	28.8 minutes

High School drop out rate (2010):	8.8 %
Households at/below poverty line (2012):	4.5 %

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