

# SOLANO COUNTY ECONOMIC FORECAST

Solano County is located north of the San Francisco Bay, approximately halfway between San Francisco and Sacramento. The per capita income in Solano County is \$39,594, and the average salary per worker is \$62,300. Although the economy of Solano County was one of the brighter spots in the Bay Area after the dotcom bust, it was hit especially hard by the 2008-09 recession.

In 2011, employment in Northern California increased by 0.9 percent, whereas employment in the greater Bay Area grew by 1.2 percent. In 2011, 300 wage and salary jobs were gained in Solano County, representing a total increase of 0.3 percent. The unemployment rate improved to 11.5 percent.

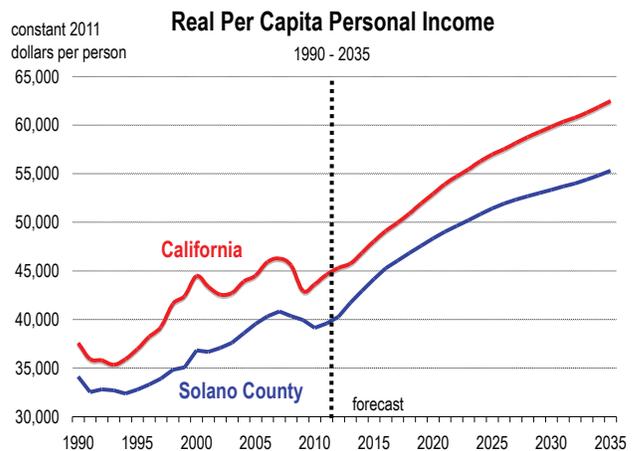
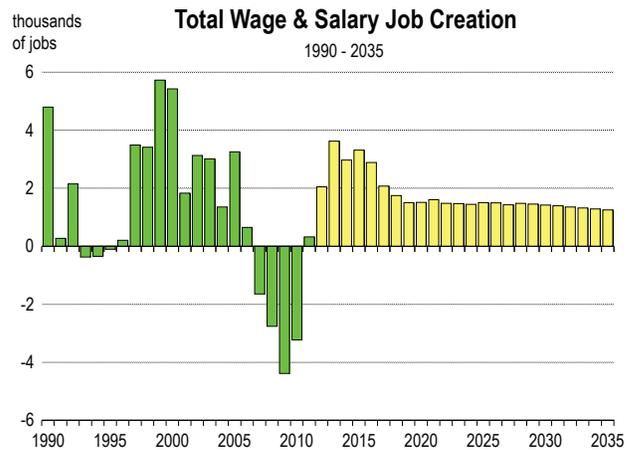
Across the major employment sectors, job growth was mixed in 2011. Construction (+600 jobs), leisure and hospitality (+500 jobs), education and healthcare (+200 jobs), and retail trade (+200 jobs), were the only industries to have significant gains. The public sector (-500 jobs) and the professional services industry (-200 jobs) were the only categories to lose significant numbers. The rest were relatively flat.

From 2006-2011, population growth was very low in Solano County, increasing by only 0.8 percent overall. This represents an annual average increase of less than 0.1 percent. This growth was due entirely to the natural increase (births were greater than deaths), as the county lost an average of 2,300 residents per year through out-migration.

Hamstrung by rising salary costs, declining real estate values, and falling retail tax revenues, Vallejo filed for bankruptcy in May 2008, becoming the largest California city to do so. In November of 2011, the city was released from bankruptcy by the federal court system, but the region is currently experiencing the effects of deep budget cuts.

## FORECAST HIGHLIGHTS

- Employment will increase by 1.7 percent in 2012. Between 2012 and 2017, the annual growth rate will average 2.2 percent.
- Salaries per worker are slightly lower the California average. Adjusted for inflation, salaries are forecast to rise an average of 1.0 percent per year between 2012 and 2017, but remain below the California average throughout the forecast.
- Between 2012 and 2017, all sectors experience some net positive job creation, with the exception of agriculture. The largest increases are expected in professional services, wholesale and retail trade, education and healthcare, government, and construction, each of which creates over 2,000 jobs. Over the life of the forecast, employment in financial activities remains below the levels of 2005-2006.

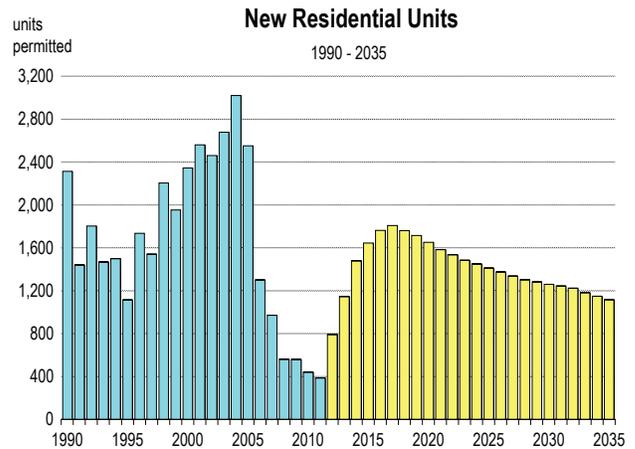
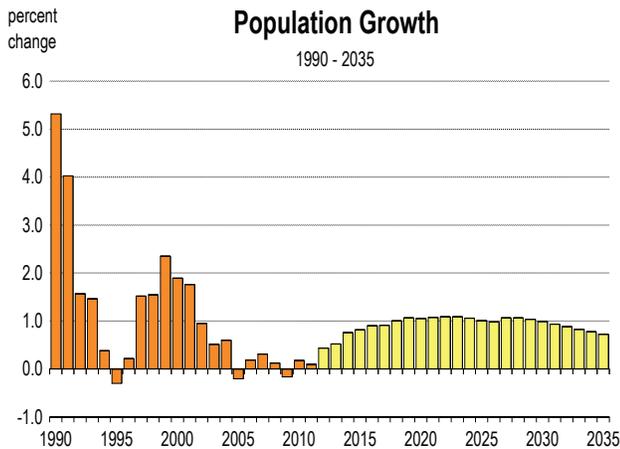


- The population is expected to grow by 0.4 percent in 2012. Annual growth in the 2012 to 2017 period is expected to average 0.7 percent per year.
- Net migration will remain negative in 2012, but increase thereafter. From 2012 to 2017, an average of 900 net migrants enter the county each year.
- Real per capita income is forecast to rise 1.7 percent in 2012. Between 2012 and 2017, real per capita incomes grow an average of 2.6 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 4.3 percent per year from 2012 to 2017.
- Industrial production is expected to increase by 3.0 percent in 2012. Between 2012 and 2017, the growth rate of industrial production is forecast to average 2.9 percent per year.

# Solano County Economic Forecast

## 2006-2011 History, 2012-2040 Forecast

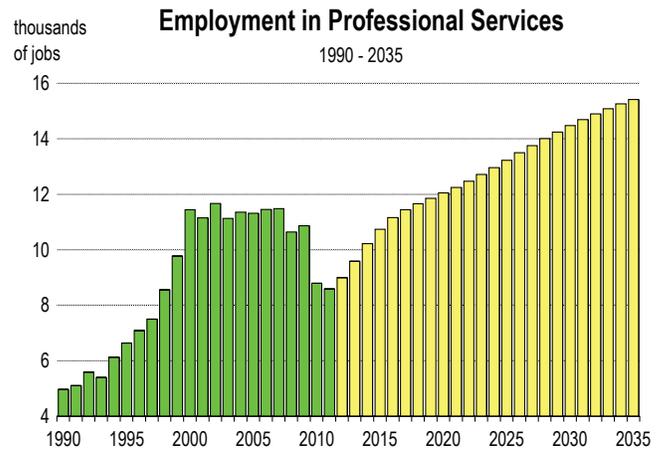
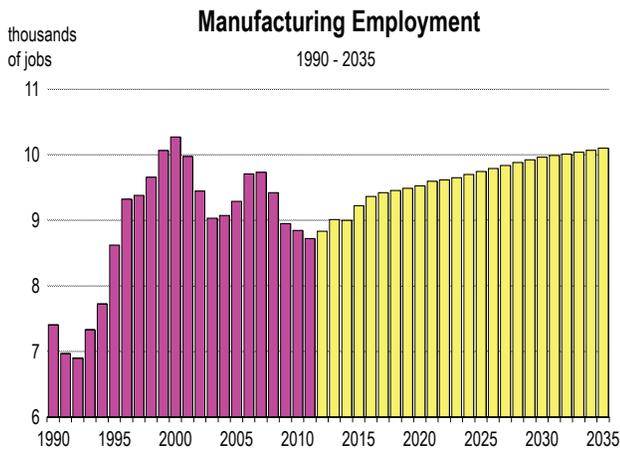
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	411,351	-2,268	380	140.0	1,300	\$6.5	\$14.9	\$40,317	3.2	260.3	2.5	4.9
2007	412,636	-1,836	375	140.6	973	\$6.3	\$15.6	\$40,831	3.4	289.1	2.5	5.3
2008	413,167	-2,468	371	140.8	562	\$6.0	\$15.9	\$40,337	3.0	306.5	2.7	6.8
2009	412,488	-3,558	372	141.0	559	\$5.3	\$15.9	\$39,936	0.8	261.6	2.5	10.7
2010	413,220	-1,678	371	141.1	441	\$5.2	\$15.8	\$39,139	1.3	265.8	2.6	12.0
2011	413,635	-1,999	371	141.9	388	\$5.3	\$16.4	\$39,594	2.5	264.6	2.7	11.5
2012	415,438	-387	371	142.2	794	\$5.4	\$17.1	\$40,262	1.9	271.5	2.8	10.5
2013	417,621	2	380	142.9	1,146	\$5.7	\$18.1	\$41,709	2.1	271.4	2.8	9.1
2014	420,790	983	387	144.0	1,479	\$6.0	\$19.2	\$42,936	2.1	269.2	2.9	8.4
2015	424,223	1,242	395	145.4	1,646	\$6.4	\$20.3	\$44,147	1.8	262.6	3.0	7.7
2016	428,057	1,641	402	146.9	1,762	\$6.9	\$21.3	\$45,259	1.7	264.9	3.1	7.0
2017	431,972	1,712	407	148.5	1,808	\$7.3	\$22.3	\$46,062	1.7	265.3	3.2	6.6
2018	436,313	2,128	411	150.2	1,760	\$7.8	\$23.3	\$46,842	1.7	265.9	3.3	6.3
2019	440,966	2,440	415	151.8	1,715	\$8.2	\$24.3	\$47,600	1.5	268.3	3.4	6.0
2020	445,623	2,444	419	153.4	1,652	\$8.7	\$25.2	\$48,333	1.4	261.5	3.5	5.7
2021	450,418	2,580	423	154.9	1,585	\$9.1	\$26.2	\$49,033	1.3	253.3	3.6	5.6
2022	455,337	2,713	426	156.3	1,536	\$9.6	\$27.2	\$49,622	1.5	257.4	3.7	5.6
2023	460,300	2,768	430	157.8	1,484	\$10.0	\$28.3	\$50,211	1.5	259.6	3.8	5.6
2024	465,194	2,712	433	159.1	1,451	\$10.6	\$29.4	\$50,843	1.6	262.9	3.9	5.6
2025	469,889	2,532	437	160.5	1,412	\$11.1	\$30.5	\$51,435	1.7	264.5	4.0	5.6
2026	474,511	2,476	440	161.8	1,377	\$11.6	\$31.7	\$51,923	1.7	263.0	4.1	5.6
2027	479,568	2,932	443	163.0	1,337	\$12.2	\$32.8	\$52,345	1.7	260.0	4.2	5.6
2028	484,678	3,022	447	164.3	1,303	\$12.8	\$33.9	\$52,687	1.7	259.9	4.4	5.6
2029	489,726	2,996	450	165.5	1,284	\$13.4	\$35.1	\$53,011	1.7	258.3	4.5	5.6
2030	494,586	2,858	453	166.6	1,261	\$14.0	\$36.3	\$53,338	1.7	249.8	4.6	5.6
2031	499,226	2,679	456	167.8	1,243	\$14.6	\$37.5	\$53,686	1.7	241.7	4.8	5.6
2032	503,638	2,489	459	168.9	1,224	\$15.2	\$38.7	\$53,999	1.7	246.8	4.9	5.6
2033	507,820	2,296	462	170.1	1,184	\$15.8	\$40.0	\$54,397	1.7	250.3	5.0	5.6
2034	511,769	2,106	465	171.2	1,149	\$16.4	\$41.3	\$54,838	1.7	252.5	5.2	5.6
2035	515,481	1,918	468	172.2	1,116	\$17.0	\$42.7	\$55,311	1.7	249.5	5.3	5.6
2036	518,964	1,735	470	173.2	1,117	\$17.7	\$44.1	\$55,801	1.7	254.9	5.5	5.6
2037	522,261	1,590	473	174.3	1,104	\$18.4	\$45.6	\$56,333	1.7	255.3	5.6	5.6
2038	525,375	1,448	476	175.3	1,088	\$19.0	\$47.1	\$56,907	1.7	243.9	5.8	5.6
2039	528,317	1,312	479	176.3	1,072	\$19.7	\$48.7	\$57,525	1.7	245.6	6.0	5.6
2040	531,106	1,192	482	177.3	1,059	\$20.4	\$50.4	\$58,175	1.7	246.1	6.2	5.6

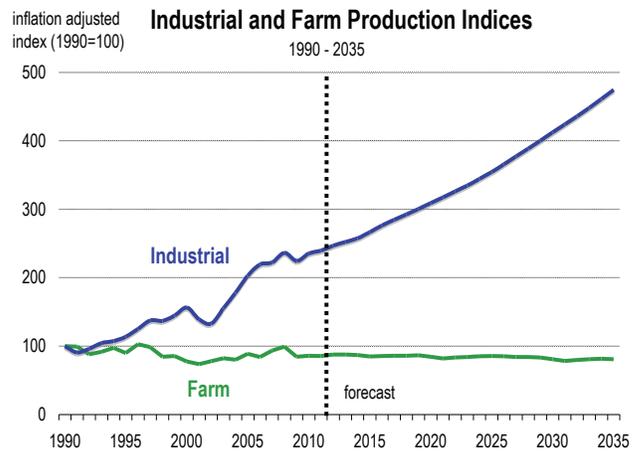
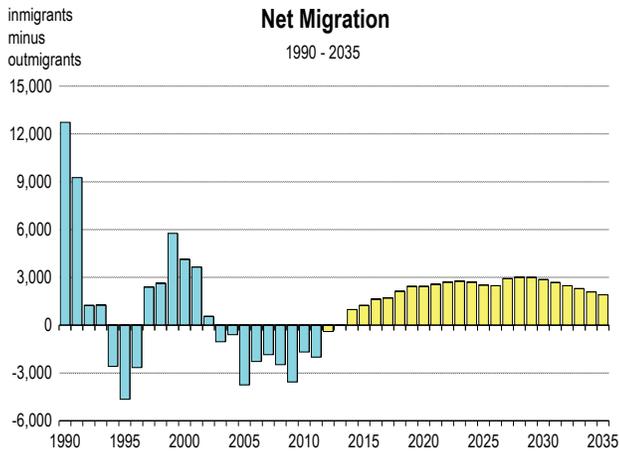
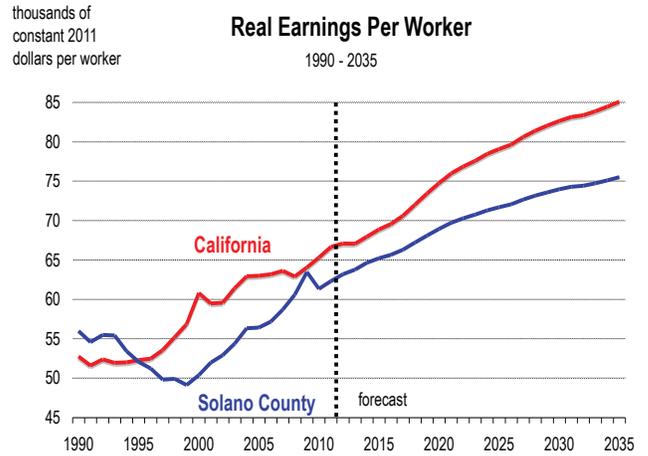
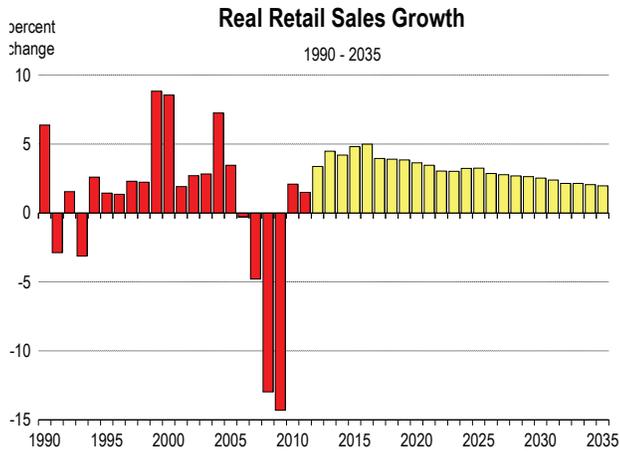


# Solano County Employment Forecast

## 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	130.7	1.73	12.6	9.7	4.7	23.0	6.2	11.5	1.6	16.2	13.0	26.0
2007	129.0	1.55	10.7	9.7	4.7	22.4	5.6	11.5	1.6	17.1	13.3	26.6
2008	126.3	1.60	9.2	9.4	4.8	21.8	5.0	10.6	1.6	17.7	13.4	26.9
2009	121.9	1.56	7.5	9.0	4.9	20.4	4.8	10.9	1.6	18.3	13.2	26.0
2010	118.7	1.39	7.4	8.9	5.1	20.6	5.2	8.8	1.3	18.3	13.1	24.8
2011	119.0	1.28	8.0	8.7	5.0	20.7	5.2	8.6	1.2	18.5	13.5	24.4
2012	121.1	1.29	8.7	8.8	5.1	21.0	5.4	9.0	1.2	19.1	13.7	23.9
2013	124.7	1.29	9.5	9.0	5.2	21.3	5.5	9.6	1.2	19.5	13.9	24.5
2014	127.7	1.28	10.0	9.0	5.3	21.7	5.5	10.2	1.3	20.0	14.2	25.1
2015	131.0	1.27	10.5	9.2	5.5	22.1	5.6	10.7	1.3	20.7	14.5	25.6
2016	133.9	1.28	10.8	9.4	5.5	22.6	5.6	11.2	1.3	21.2	14.8	26.1
2017	135.9	1.28	11.0	9.4	5.6	22.9	5.6	11.4	1.4	21.6	15.1	26.5
2018	137.7	1.28	11.0	9.5	5.6	23.3	5.6	11.7	1.4	22.1	15.3	26.9
2019	139.2	1.28	11.0	9.5	5.6	23.7	5.7	11.9	1.4	22.6	15.4	27.2
2020	140.7	1.27	11.0	9.5	5.7	24.0	5.7	12.1	1.4	23.1	15.5	27.5
2021	142.3	1.26	11.0	9.6	5.7	24.3	5.7	12.2	1.4	23.5	15.5	28.0
2022	143.8	1.26	11.0	9.6	5.8	24.6	5.7	12.5	1.4	23.8	15.5	28.4
2023	145.3	1.27	11.0	9.7	5.9	24.9	5.8	12.7	1.4	24.2	15.6	28.8
2024	146.7	1.27	10.9	9.7	5.9	25.2	5.8	13.0	1.4	24.6	15.6	29.2
2025	148.2	1.27	10.9	9.7	6.0	25.5	5.8	13.2	1.4	25.1	15.6	29.6
2026	149.7	1.27	10.9	9.8	6.0	25.8	5.8	13.5	1.4	25.5	15.7	30.0
2027	151.2	1.27	10.8	9.8	6.1	26.1	5.8	13.8	1.4	25.9	15.7	30.3
2028	152.6	1.27	10.8	9.9	6.1	26.3	5.8	14.0	1.5	26.3	15.8	30.7
2029	154.1	1.26	10.8	9.9	6.2	26.6	5.8	14.2	1.5	26.8	15.8	31.0
2030	155.5	1.25	10.7	10.0	6.2	26.8	5.8	14.5	1.5	27.3	15.9	31.3
2031	156.9	1.24	10.7	10.0	6.3	27.1	5.8	14.7	1.5	27.8	16.0	31.7
2032	158.3	1.25	10.7	10.0	6.3	27.3	5.8	14.9	1.5	28.3	16.1	32.0
2033	159.6	1.25	10.6	10.0	6.3	27.5	5.8	15.1	1.5	28.7	16.2	32.3
2034	160.9	1.26	10.6	10.1	6.4	27.7	5.8	15.3	1.5	29.2	16.3	32.7
2035	162.2	1.25	10.5	10.1	6.4	27.9	5.8	15.4	1.6	29.7	16.3	33.0
2036	163.5	1.26	10.5	10.1	6.4	28.1	5.8	15.6	1.6	30.2	16.4	33.3
2037	164.8	1.26	10.5	10.2	6.5	28.2	5.8	15.7	1.6	30.7	16.5	33.6
2038	166.1	1.24	10.5	10.2	6.5	28.4	5.8	15.9	1.6	31.2	16.6	33.9
2039	167.4	1.24	10.4	10.2	6.5	28.6	5.8	16.1	1.6	31.7	16.7	34.3
2040	168.7	1.24	10.4	10.3	6.6	28.8	5.8	16.2	1.6	32.2	16.8	34.6





## County Economic and Demographic Indicators

### Projected Economic Growth (2012-2017)

Expected retail sales growth:	28.8 %
Expected job growth:	14.4 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	21.5 %

Expected population growth:	4.4 %
Net migration to account for:	28.3 %
Expected growth in number of vehicles:	9.8 %

### Demographics

Unemployment rate (March 2012):	11.1 %
County Rank* in California (58 counties):	18th
Working age (16-64) population:	66.1 %

Population with B.A. Degree or higher:	24.1 %
Median Home Selling Price:	\$184,872
Median Household Income:	\$66,206

### Quality of Life

Violent Crime rate (2010):	438 per 100,000 persons
County Rank* in California (58 counties):	38th
Average Commute Time to work (2012):	32.3 minutes

High School drop out rate (2010):	18.7 %
Households at/below poverty line:	8.5 %

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