

CONTRA COSTA COUNTY ECONOMIC FORECAST

Contra Costa County is located on the eastern edge of the San Francisco Bay. With a value of \$89,200, it has the 5th highest median family income in the state (along with Alameda County). Contra Costa County has a population of 1.1 million people and a total of 322,600 wage and salary jobs. The per capita income in Contra Costa County is \$59,087, and the average salary per worker is \$75,047.

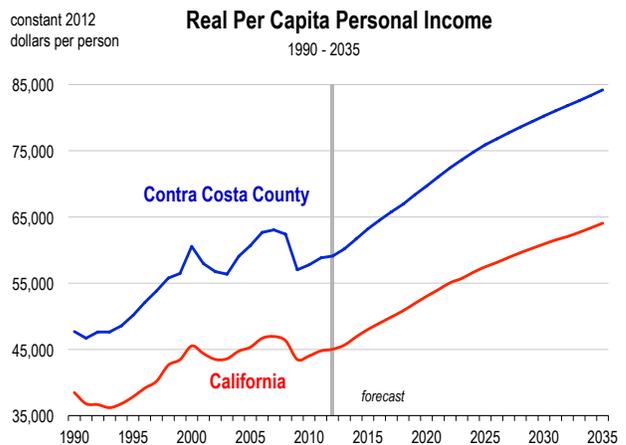
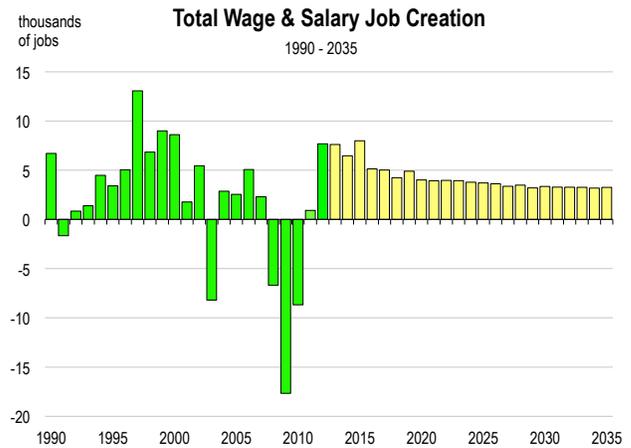
In 2012, employment in Northern California increased by 2.4 percent, whereas employment in the greater Bay Area grew by 3.0 percent. In Contra Costa County, 7,700 jobs were created, representing an increase of 2.4 percent. In addition, the unemployment rate improved substantially, falling from 10.4 percent in 2011 to 9.0 percent in 2012.

During 2012, the largest employment increases were observed in professional and business services (+2,300 jobs), construction (+1,700 jobs), leisure and hospitality (+1,400 jobs) and healthcare and education (+1,400 jobs). Employment losses were greatest in government (-300 jobs), and information (-200 jobs).

Between 2007 and 2012, the population increased at an annual average rate of 0.9 percent. Much of this growth was the result of net migration, as an average of 4,000 net migrants entered the county each year. Over the net five years, net migration will remain positive, as new residents will move to the area to take advantage of housing prices that are lower than neighboring counties.

FORECAST HIGHLIGHTS

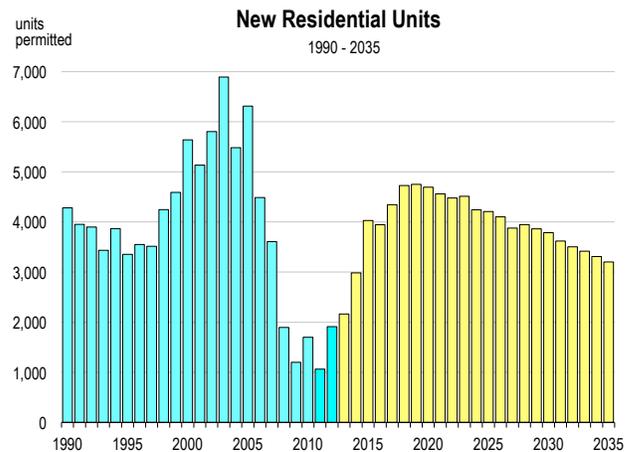
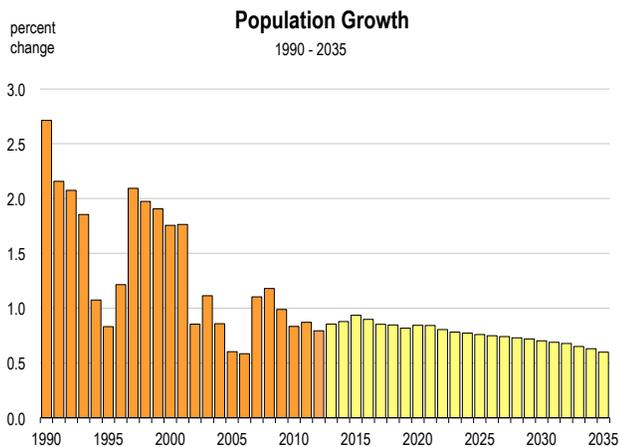
- Job growth will be strong in 2013 as total employment expands by 2.4 percent. From 2013 to 2018, employment growth is expected to average 1.7 percent per year.
- Average salaries are currently above the California State average, and will remain so for the foreseeable future. Real average salaries are forecast to rise by an average of 1.3 percent per year between 2013 and 2018.
- The professional services sector will add 5,700 new jobs between 2013 and 2018, representing an overall growth rate of 11.8 percent. Education and healthcare (+4,900 jobs) and leisure and hospitality (+4,200 jobs) will also be characterized by sizeable employment gains.
- The population of Contra Costa County is projected to grow at an annual average rate of 0.9 percent from 2013 to 2018.
- From 2013 to 2018, an average of 4,800 net migrants will enter the county each year.
- Real per capita income will increase by 1.9 percent in 2013 as the labor market continues to heal. Between 2013 and 2018, real per capita income is forecast to grow by 2.1 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.0 percent per year from 2013 to 2018.
- Industrial production is expected to rise by 3.0 percent in 2013. Between 2013 and 2018, the growth rate of industrial production will average 4.3 percent per year.



Contra Costa County Economic Forecast

2006-2012 History, 2013-2040 Forecast

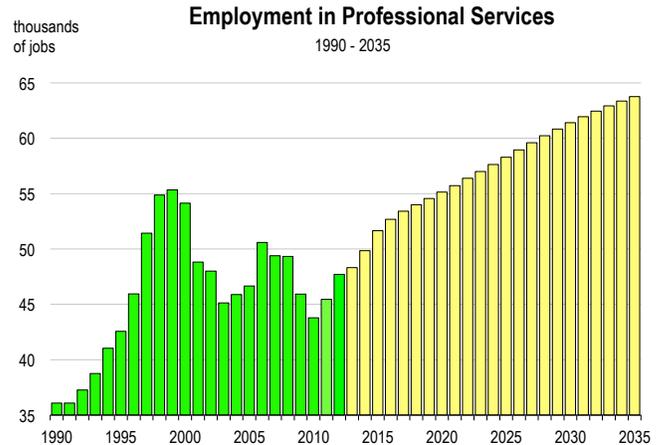
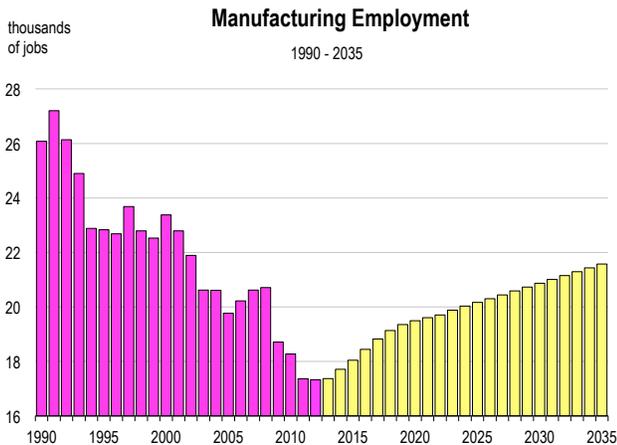
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	1,010,104	-533	0.92	367.9	4,488	\$13.9	\$55.3	\$62,686	3.3	95.5	4.6	4.3
2007	1,021,251	4,402	0.92	371.6	3,607	\$14.1	\$58.0	\$63,052	3.2	85.0	4.8	4.7
2008	1,033,292	5,646	0.92	374.2	1,894	\$13.3	\$59.9	\$62,397	3.1	76.7	5.1	6.2
2009	1,043,501	4,155	0.92	375.2	1,201	\$11.9	\$55.8	\$57,009	0.9	68.7	4.7	10.2
2010	1,052,211	3,062	0.92	375.0	1,699	\$12.0	\$57.7	\$57,775	1.2	83.9	4.7	11.1
2011	1,061,375	3,755	0.91	376.4	1,063	\$12.8	\$60.8	\$58,818	2.6	95.4	4.7	10.4
2012	1,069,803	3,202	0.91	377.7	1,911	\$13.8	\$63.2	\$59,087	2.7	97.6	4.8	9.0
2013	1,078,955	4,222	0.92	380.9	2,164	\$14.3	\$66.4	\$60,190	2.3	97.6	5.0	8.2
2014	1,088,430	4,515	0.93	383.8	2,984	\$15.0	\$70.5	\$61,673	2.7	97.9	5.2	7.2
2015	1,098,616	5,250	0.94	387.1	4,029	\$15.6	\$74.5	\$63,208	2.1	97.8	5.4	6.2
2016	1,108,481	4,963	0.95	391.5	3,945	\$16.3	\$78.5	\$64,522	2.4	97.9	5.6	5.6
2017	1,117,937	4,553	0.96	395.5	4,345	\$17.0	\$82.5	\$65,759	2.1	98.8	5.9	5.3
2018	1,127,408	4,547	0.97	399.3	4,727	\$17.7	\$86.4	\$66,933	2.1	99.9	6.1	5.2
2019	1,136,628	4,325	0.98	403.3	4,751	\$18.5	\$90.8	\$68,347	2.1	100.6	6.4	5.1
2020	1,146,220	4,754	0.98	407.5	4,694	\$19.4	\$95.4	\$69,690	2.1	100.5	6.6	5.0
2021	1,155,875	4,879	0.99	411.4	4,561	\$20.3	\$100.3	\$71,064	2.2	100.5	6.9	5.1
2022	1,165,183	4,584	0.99	415.2	4,478	\$21.4	\$105.4	\$72,427	2.3	100.6	7.1	5.0
2023	1,174,297	4,390	1.00	419.0	4,513	\$22.5	\$110.5	\$73,626	2.3	100.8	7.4	5.0
2024	1,183,371	4,352	1.00	422.9	4,243	\$23.6	\$115.9	\$74,808	2.4	100.9	7.6	5.0
2025	1,192,363	4,291	1.01	426.4	4,209	\$24.7	\$121.3	\$75,901	2.4	101.0	7.9	5.0
2026	1,201,295	4,245	1.01	430.0	4,102	\$25.9	\$126.8	\$76,834	2.5	101.1	8.2	5.0
2027	1,210,199	4,234	1.02	433.5	3,878	\$27.0	\$132.3	\$77,709	2.5	101.1	8.5	5.0
2028	1,219,029	4,179	1.02	436.8	3,947	\$28.2	\$138.1	\$78,591	2.5	101.2	8.8	5.0
2029	1,227,799	4,135	1.02	440.2	3,863	\$29.3	\$144.1	\$79,417	2.5	101.3	9.1	5.0
2030	1,236,425	4,011	1.03	443.6	3,786	\$30.6	\$150.3	\$80,244	2.5	101.3	9.4	5.0
2031	1,244,946	3,912	1.03	446.8	3,620	\$32.0	\$156.6	\$81,061	2.5	101.3	9.8	5.0
2032	1,253,389	3,823	1.04	450.0	3,504	\$33.5	\$163.1	\$81,819	2.5	101.5	10.1	5.0
2033	1,261,547	3,537	1.04	453.0	3,417	\$35.1	\$169.8	\$82,582	2.5	101.6	10.5	5.0
2034	1,269,501	3,354	1.05	456.0	3,310	\$36.6	\$176.7	\$83,359	2.5	101.8	10.9	5.0
2035	1,277,103	3,050	1.05	458.9	3,202	\$38.2	\$184.0	\$84,184	2.5	101.9	11.3	5.0
2036	1,284,546	2,954	1.06	461.7	3,096	\$39.8	\$191.6	\$85,017	2.5	102.1	11.7	5.0
2037	1,291,816	2,867	1.07	464.3	3,047	\$41.4	\$199.5	\$85,896	2.5	102.2	12.1	5.0
2038	1,298,887	2,779	1.08	467.0	2,960	\$43.0	\$207.9	\$86,829	2.5	102.1	12.5	5.0
2039	1,305,777	2,712	1.10	469.6	2,876	\$44.7	\$216.6	\$87,805	2.5	102.3	13.0	5.0
2040	1,312,459	2,617	1.11	472.1	2,777	\$46.3	\$225.6	\$88,836	2.4	102.4	13.4	5.0

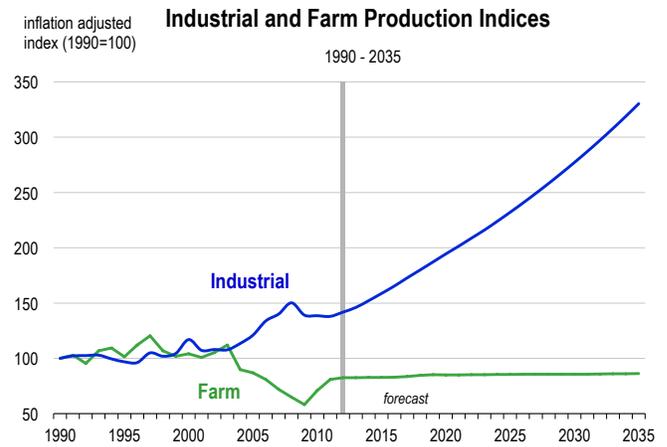
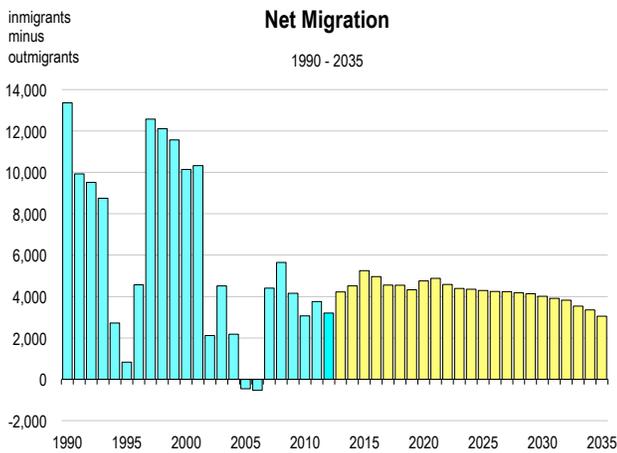
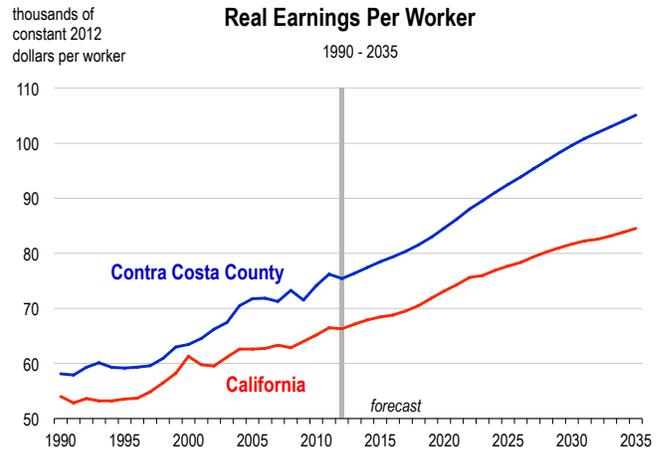
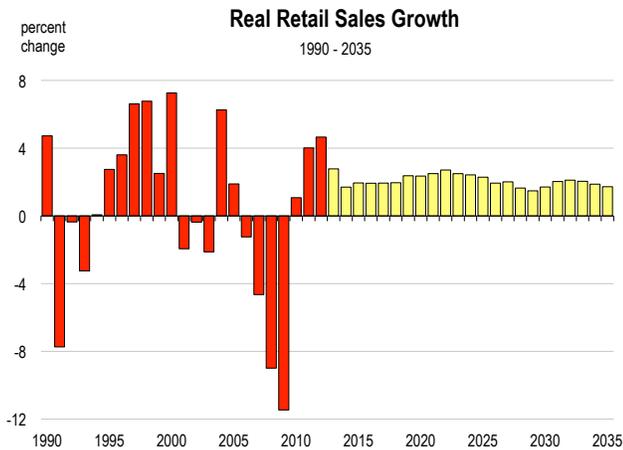


Contra Costa County Employment Forecast

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	344.7	0.73	30.0	20.2	8.4	53.1	32.1	50.6	13.4	42.7	32.4	48.9
2007	347.0	0.73	29.4	20.6	8.8	53.5	29.1	49.4	13.0	44.6	33.2	52.2
2008	340.3	0.67	26.6	20.7	8.9	52.3	26.6	49.3	11.8	45.6	32.8	52.6
2009	322.6	0.76	22.1	18.7	8.3	49.0	25.7	45.9	10.4	47.7	31.2	51.3
2010	314.0	0.71	19.7	18.3	8.0	48.0	25.3	43.8	9.6	48.4	31.3	49.2
2011	314.9	0.91	19.7	17.4	8.0	48.2	24.5	45.5	9.0	49.2	32.2	47.8
2012	322.6	0.87	21.4	17.3	8.2	49.2	24.8	47.7	8.8	50.6	33.6	47.5
2013	330.2	0.87	24.7	17.4	8.3	49.8	25.4	48.3	9.1	51.3	34.8	47.3
2014	336.6	0.87	25.3	17.7	8.4	50.4	25.9	49.8	9.4	52.4	35.9	47.3
2015	344.6	0.87	26.8	18.0	8.5	51.0	26.7	51.6	9.7	53.5	37.0	47.4
2016	349.8	0.87	26.7	18.4	8.7	51.5	27.3	52.7	10.0	54.3	38.0	47.6
2017	354.8	0.88	27.0	18.8	8.8	52.0	28.2	53.4	10.3	54.9	38.9	47.8
2018	359.0	0.90	26.8	19.1	8.9	52.5	29.1	54.0	10.6	55.5	39.7	48.0
2019	363.9	0.90	27.5	19.4	9.0	53.0	30.1	54.6	10.8	56.1	40.4	48.1
2020	367.9	0.90	27.5	19.5	9.0	53.5	31.2	55.1	11.0	56.5	41.0	48.3
2021	371.8	0.90	27.5	19.6	9.2	54.1	32.5	55.7	11.1	57.0	41.5	48.4
2022	375.8	0.90	27.5	19.7	9.3	54.7	33.7	56.4	11.3	57.4	42.0	48.4
2023	379.7	0.91	27.7	19.9	9.4	55.3	34.9	57.0	11.4	57.7	42.3	48.6
2024	383.5	0.91	27.7	20.0	9.5	55.9	36.2	57.6	11.6	57.9	42.6	48.7
2025	387.2	0.91	27.8	20.2	9.6	56.5	37.4	58.3	11.7	58.2	42.9	48.8
2026	390.8	0.91	27.7	20.3	9.7	57.0	38.7	58.9	11.9	58.4	43.1	48.9
2027	394.2	0.91	27.6	20.4	9.8	57.6	39.9	59.6	12.0	58.6	43.3	49.1
2028	397.7	0.91	27.7	20.6	9.9	58.1	41.1	60.2	12.2	58.8	43.5	49.2
2029	400.9	0.91	27.6	20.7	10.0	58.6	42.3	60.8	12.4	59.0	43.7	49.4
2030	404.2	0.91	27.6	20.9	10.1	59.1	43.4	61.4	12.5	59.2	43.9	49.5
2031	407.5	0.91	27.6	21.0	10.2	59.6	44.5	61.9	12.7	59.5	44.1	49.6
2032	410.8	0.91	27.5	21.2	10.4	60.2	45.6	62.4	12.8	59.8	44.2	49.8
2033	414.0	0.92	27.4	21.3	10.5	60.8	46.7	62.9	13.0	60.1	44.4	49.9
2034	417.2	0.92	27.3	21.4	10.6	61.4	47.8	63.4	13.2	60.3	44.6	50.1
2035	420.4	0.92	27.3	21.6	10.7	61.9	48.9	63.8	13.4	60.6	44.7	50.2
2036	423.8	0.92	27.2	21.7	10.9	62.5	50.1	64.2	13.5	61.0	44.9	50.4
2037	427.4	0.92	27.1	21.9	11.0	63.0	51.3	64.6	13.7	61.7	45.0	50.5
2038	431.1	0.92	27.0	22.0	11.1	63.5	52.6	65.0	13.9	62.5	45.2	50.7
2039	434.9	0.92	26.9	22.1	11.3	63.9	53.8	65.4	14.1	63.4	45.4	50.8
2040	438.8	0.92	26.9	22.3	11.4	64.4	55.1	65.8	14.2	64.2	45.5	51.0





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth	9.9%
Expected job growth	8.7%
Fastest growing jobs sector	Information
Expected personal income growth	16.2%

Expected population growth	4.5%
Net migration to account for:	49.2%
Expected growth in number of vehicles	4.8%

Demographics (2013)

Unemployment rate (April 2013)	7.0%
County Rank in California (58 counties)	11th
Percent of population working age:(16-64)	65.2%

Population with B.A. or higher	38.6%
Median Home Selling Price (2012):	\$295,000
Median Household Income:	\$75,469

Quality of Life

Violent Crime rate (2010)	401 per 100,000 persons
County Rank in California (58 counties)	33rd
Average Commute Time to work (2013):	35.6 minutes

High School drop out rate (2011)	10.8%
Households at/below poverty line (2013)	6.8%

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