

SOLANO COUNTY ECONOMIC FORECAST

Solano County is located on the Northeast edge of the San Francisco Bay, approximately halfway between San Francisco and Sacramento. Solano County has a population of 415,900 people and a total of 120,700 wage and salary jobs. The per capita income in Solano County is \$39,566, and the average salary per worker is \$66,630.

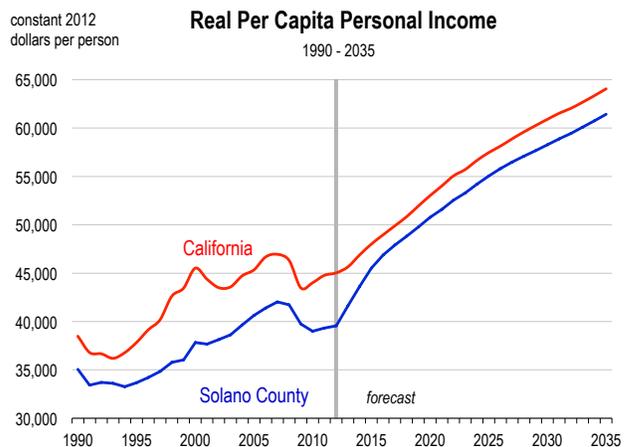
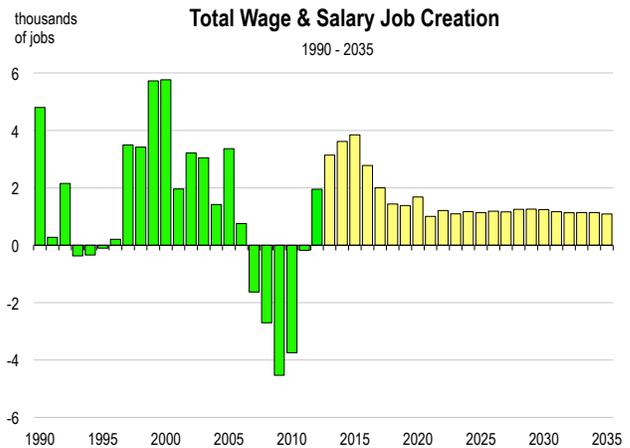
In 2012, employment in Northern California increased by 2.4 percent, whereas employment in the greater Bay Area grew by 3.0 percent. In Solano County, a total of 2,000 wage and salary jobs were created, representing a total increase of 1.6 percent. The unemployment rate improved significantly, falling from 11.5 percent in 2011 to 10.1 percent in 2012.

Most sectors gained jobs in 2012. The largest gains were in education and healthcare, (+550 jobs), wholesale and retail trade (+520 jobs), manufacturing (+380 jobs), and transportation (+290 jobs). The largest losses occurred in the public sector (-180 jobs) and the professional services industry (-150 jobs).

From 2007-2012, the Solano County population increased at an annual average rate of 0.2 percent. This growth was due entirely to the natural increase (new births), as the county lost an average of 1,900 residents per year through net migration.

FORECAST HIGHLIGHTS

- In 2013, total employment will increase by 2.6 percent. Between 2013 and 2018, the annual growth rate is expected to average 2.1 percent.
- Average salaries are approximately equal to the California state average. However, over time, salaries will grow faster in Solano County than across the state. Between 2013 and 2018, inflation-adjusted salaries are projected to increase by 1.8 percent per year in Solano County, and 1.0 percent per year in California.
- Between 2013 and 2018, the largest employment increases will occur in construction, wholesale and retail trade, education and healthcare, and professional services. Each of these sectors will create more than 2,000 jobs, and together, they will account for 73 percent of net employment growth across the county.
- The population is expected to grow by 0.4 percent in 2013. Annual growth in the 2013 to 2018 period is forecast to average 0.7 percent.
- Net migration will remain negative in 2013, but turn positive thereafter. From 2013 to 2018, an average of 1,200 net migrants will enter the county each year.

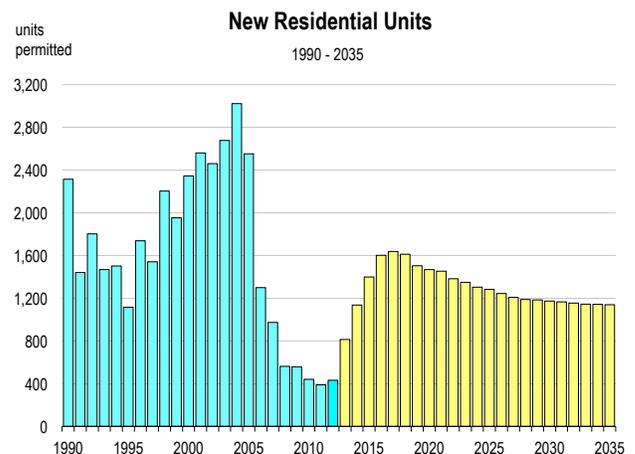
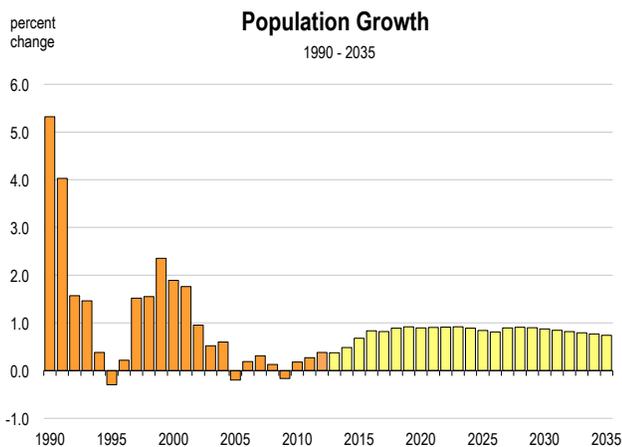


- Real per capita income is forecast to rise by 5.2 percent in 2013. Between 2013 and 2018, real per capita income will grow at an average rate of 3.2 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 4.3 percent per year during the 2013-2018 period.
- Industrial production is expected to increase by 3.2 percent in 2013. Between 2013 and 2018, the growth rate is forecast to average 4.2 percent per year.

Solano County Economic Forecast

2006-2012 History, 2013-2040 Forecast

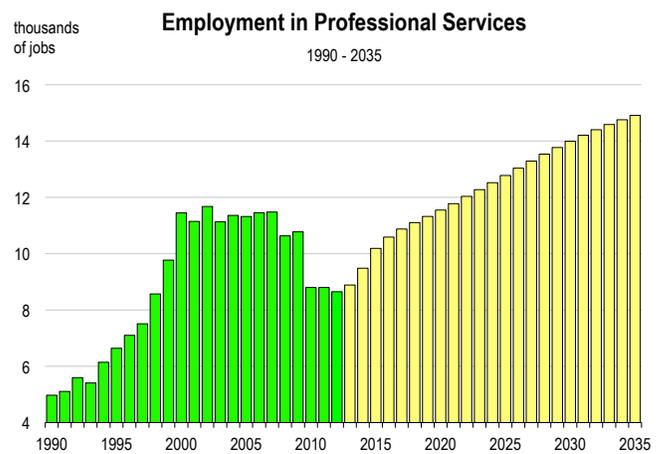
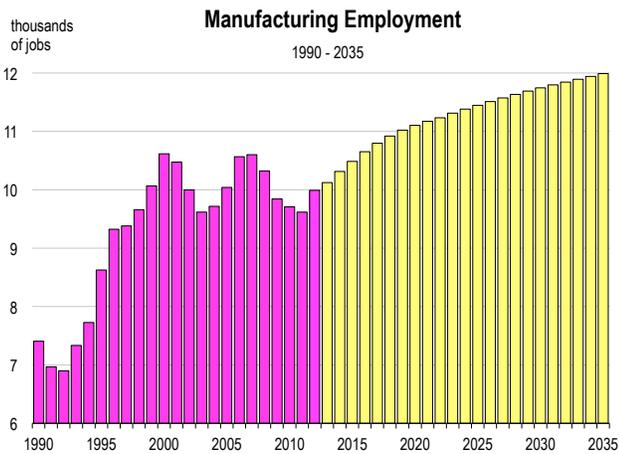
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	411,351	-2,268	380	140.0	1,300	\$6.5	\$14.9	\$41,393	3.3	267.3	2.7	4.9
2007	412,636	-1,836	375	140.5	973	\$6.3	\$15.6	\$42,026	3.2	297.6	2.7	5.3
2008	413,167	-2,468	371	141.1	562	\$6.0	\$16.0	\$41,732	3.1	315.1	2.9	6.9
2009	412,488	-3,558	372	140.9	559	\$5.3	\$15.4	\$39,753	0.9	268.7	2.8	10.6
2010	413,220	-1,678	371	140.7	441	\$5.2	\$15.3	\$38,993	1.2	273.3	2.7	12.0
2011	414,337	-1,140	365	142.4	388	\$5.8	\$15.9	\$39,313	2.6	299.6	2.8	11.5
2012	415,913	-647	364	142.8	432	\$6.1	\$16.5	\$39,566	2.7	297.5	3.0	10.1
2013	417,468	-372	365	143.2	814	\$6.5	\$17.8	\$41,637	2.3	297.0	3.1	9.2
2014	419,486	114	366	144.0	1,136	\$6.9	\$19.2	\$43,630	2.7	295.4	3.2	8.1
2015	422,330	959	366	145.0	1,399	\$7.4	\$20.6	\$45,520	2.1	287.2	3.4	7.0
2016	425,852	1,649	368	146.3	1,602	\$8.0	\$21.9	\$46,871	2.4	288.2	3.5	6.3
2017	429,337	1,601	369	147.8	1,638	\$8.5	\$23.1	\$47,910	2.1	287.7	3.7	6.0
2018	433,155	1,915	370	149.3	1,612	\$8.9	\$24.2	\$48,811	2.1	287.4	3.8	5.9
2019	437,130	2,059	372	150.8	1,504	\$9.4	\$25.4	\$49,770	2.1	288.5	3.9	5.7
2020	441,043	1,980	373	152.1	1,468	\$10.0	\$26.7	\$50,781	2.1	279.0	4.1	5.7
2021	445,033	2,072	373	153.5	1,453	\$10.5	\$28.0	\$51,588	2.2	267.8	4.2	5.8
2022	449,091	2,165	373	154.8	1,383	\$11.2	\$29.5	\$52,557	2.3	270.0	4.3	5.7
2023	453,215	2,251	374	156.1	1,349	\$11.8	\$30.9	\$53,299	2.3	270.5	4.5	5.7
2024	457,247	2,178	375	157.3	1,304	\$12.5	\$32.4	\$54,198	2.4	272.3	4.6	5.7
2025	461,092	2,018	376	158.5	1,283	\$13.2	\$34.0	\$55,050	2.4	272.1	4.8	5.7
2026	464,828	1,929	377	159.7	1,245	\$13.8	\$35.6	\$55,813	2.5	268.6	4.9	5.7
2027	468,988	2,375	379	160.9	1,209	\$14.6	\$37.3	\$56,489	2.5	263.6	5.1	5.7
2028	473,247	2,504	380	162.0	1,189	\$15.3	\$39.0	\$57,091	2.5	261.7	5.3	5.7
2029	477,502	2,510	383	163.1	1,185	\$16.0	\$40.7	\$57,684	2.5	258.2	5.4	5.6
2030	481,673	2,435	386	164.2	1,174	\$16.8	\$42.5	\$58,281	2.5	247.7	5.6	5.6
2031	485,743	2,332	391	165.2	1,166	\$17.6	\$44.4	\$58,884	2.5	237.7	5.8	5.6
2032	489,711	2,218	396	166.3	1,155	\$18.5	\$46.3	\$59,460	2.5	241.2	6.0	5.6
2033	493,590	2,106	402	167.4	1,145	\$19.4	\$48.3	\$60,097	2.5	243.1	6.2	5.6
2034	497,384	2,000	407	168.4	1,143	\$20.3	\$50.5	\$60,763	2.5	243.6	6.4	5.6
2035	501,062	1,895	412	169.5	1,140	\$21.3	\$52.7	\$61,437	2.5	238.9	6.6	5.6
2036	504,640	1,788	416	170.5	1,134	\$22.3	\$55.0	\$62,115	2.5	242.6	6.8	5.6
2037	508,108	1,692	421	171.6	1,137	\$23.3	\$57.4	\$62,830	2.5	241.3	7.0	5.6
2038	511,463	1,601	426	172.6	1,138	\$24.3	\$59.9	\$63,583	2.5	228.6	7.2	5.6
2039	514,715	1,513	431	173.7	1,142	\$25.4	\$62.6	\$64,375	2.5	228.6	7.4	5.6
2040	517,883	1,432	436	174.7	1,134	\$26.6	\$65.3	\$65,198	2.4	227.5	7.6	5.6

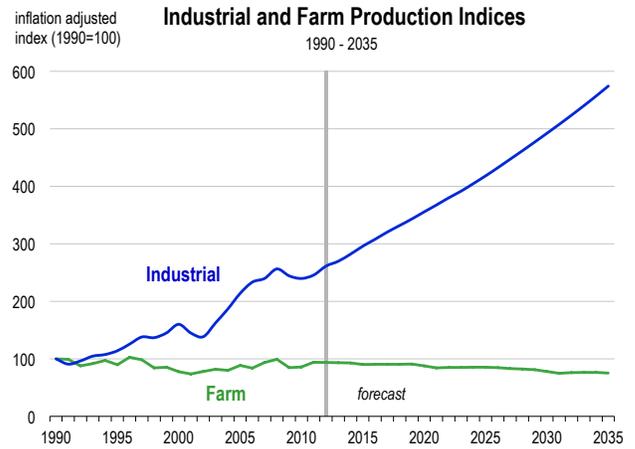
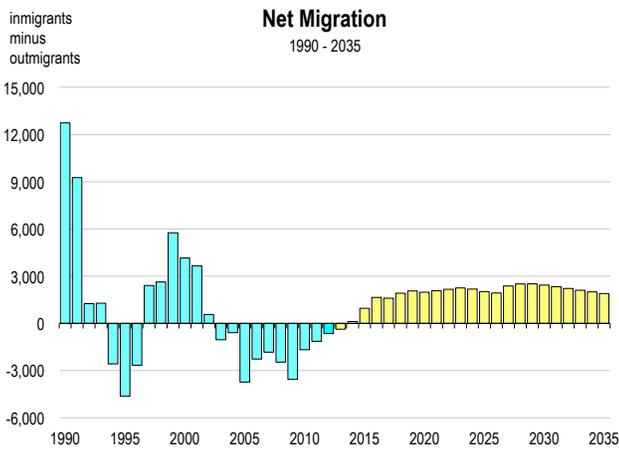
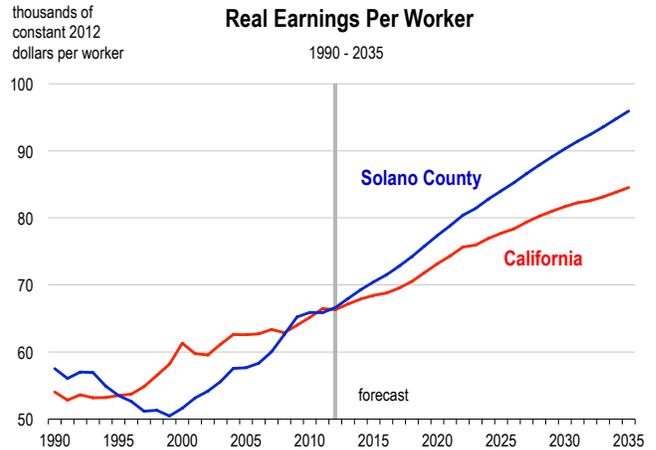
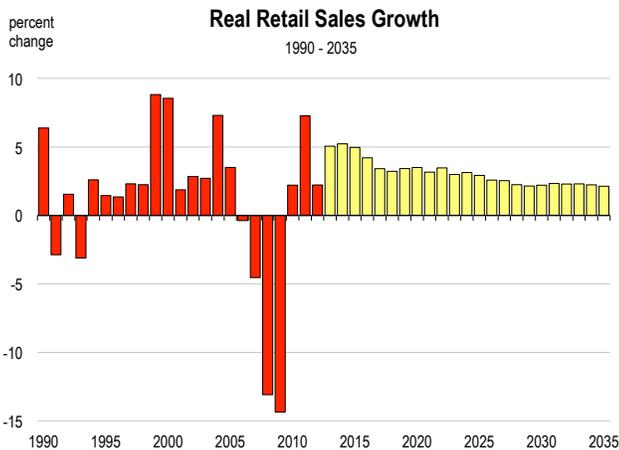


Solano County Employment Forecast

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	131.5	1.73	12.6	10.6	4.7	23.0	6.2	11.5	1.6	16.2	13.0	26.0
2007	129.9	1.55	10.7	10.6	4.9	22.4	5.6	11.5	1.6	17.0	13.3	26.6
2008	127.2	1.60	9.2	10.3	5.1	21.8	5.1	10.6	1.5	17.4	13.4	26.9
2009	122.7	1.56	7.4	9.8	5.3	20.3	5.1	10.8	1.3	17.8	13.2	26.1
2010	118.9	1.39	7.2	9.7	4.8	20.5	5.2	8.8	1.3	18.3	13.0	24.9
2011	118.8	1.41	7.8	9.6	4.4	20.5	5.1	8.8	1.1	18.7	13.1	24.3
2012	120.7	1.42	7.9	10.0	4.7	21.0	5.0	8.7	1.1	19.2	13.4	24.1
2013	123.8	1.41	8.7	10.1	4.7	21.6	5.2	8.9	1.2	19.9	13.7	24.3
2014	127.5	1.41	9.3	10.3	4.8	22.2	5.3	9.5	1.2	20.7	13.9	24.5
2015	131.3	1.39	10.0	10.5	5.0	22.8	5.3	10.2	1.2	21.6	14.3	24.8
2016	134.1	1.40	10.5	10.7	5.0	23.3	5.3	10.6	1.3	22.2	14.6	25.0
2017	136.1	1.39	10.7	10.8	5.1	23.6	5.3	10.9	1.3	22.7	14.9	25.1
2018	137.5	1.39	10.7	10.9	5.1	24.0	5.3	11.1	1.3	23.3	15.1	25.2
2019	138.9	1.40	10.6	11.0	5.1	24.2	5.3	11.3	1.3	23.9	15.2	25.3
2020	140.6	1.38	10.6	11.1	5.0	24.5	5.3	11.6	1.3	24.4	15.2	25.8
2021	141.6	1.36	10.6	11.2	5.1	24.7	5.3	11.8	1.4	25.0	15.3	25.7
2022	142.8	1.37	10.5	11.2	5.1	24.9	5.4	12.0	1.4	25.6	15.3	25.7
2023	143.9	1.37	10.4	11.3	5.1	25.1	5.4	12.3	1.4	26.0	15.3	25.9
2024	145.1	1.37	10.4	11.4	5.1	25.3	5.4	12.5	1.4	26.4	15.3	26.1
2025	146.2	1.37	10.4	11.4	5.2	25.5	5.4	12.8	1.4	26.9	15.4	26.2
2026	147.4	1.36	10.3	11.5	5.2	25.6	5.5	13.0	1.4	27.3	15.4	26.4
2027	148.5	1.36	10.3	11.6	5.3	25.8	5.5	13.3	1.4	27.7	15.5	26.6
2028	149.8	1.35	10.3	11.6	5.3	25.9	5.5	13.5	1.5	28.2	15.5	26.8
2029	151.1	1.35	10.2	11.7	5.4	26.1	5.5	13.8	1.5	28.7	15.6	27.0
2030	152.3	1.33	10.2	11.7	5.4	26.2	5.5	14.0	1.5	29.2	15.7	27.2
2031	153.5	1.31	10.2	11.8	5.4	26.3	5.5	14.2	1.5	29.7	15.8	27.4
2032	154.6	1.32	10.2	11.8	5.4	26.4	5.5	14.4	1.5	30.2	15.9	27.6
2033	155.7	1.32	10.1	11.9	5.5	26.5	5.5	14.6	1.6	30.7	15.9	27.8
2034	156.9	1.32	10.1	11.9	5.5	26.6	5.5	14.8	1.6	31.2	16.0	28.0
2035	158.0	1.32	10.1	12.0	5.5	26.7	5.5	14.9	1.6	31.6	16.1	28.2
2036	159.1	1.32	10.1	12.0	5.6	26.8	5.5	15.1	1.6	32.1	16.2	28.4
2037	160.2	1.32	10.1	12.1	5.6	26.9	5.5	15.2	1.6	32.6	16.3	28.5
2038	161.3	1.30	10.1	12.1	5.6	27.0	5.5	15.4	1.6	33.1	16.4	28.7
2039	162.4	1.30	10.1	12.2	5.7	27.2	5.5	15.5	1.7	33.6	16.5	28.9
2040	163.6	1.30	10.1	12.2	5.7	27.3	5.5	15.7	1.7	34.1	16.6	29.1





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	22.9 %
Expected job growth:	11.0%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	21.6 %

Expected population growth:	3.8 %
Net migration to account for:	39.8 %
Expected growth in number of vehicles:	1.4 %

Demographics (2013)

Unemployment rate (April 2013):	8.1 %
County Rank* in California (58 counties):	19th
Working age (16-64) population:	66.5 %

Population with B.A. Degree or higher:	23.3 %
Median Home Selling Price (2012):	\$193,000
Median Household Income:	\$66,598

Quality of Life

Violent Crime rate (2010):	438 per 100,000 persons
County Rank* in California (58 counties):	38th
Average Commute Time to work (2013):	31.8 minutes

High School drop out rate (2011):	17.9 %
Households at/below poverty line (2013):	8.8 %

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