

MADERA COUNTY ECONOMIC FORECAST

Madera County is located in the heart of the San Joaquin Valley, northwest of Fresno County. Madera County has a population of 142,800 people and 43,900 wage and salary jobs. The per capita income in Madera County is \$21,138, and the average salary per worker is \$32,791.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year, while the San Joaquin Valley grew at a robust pace of 2.3 percent. In 2005, 1,100 total wage and salary jobs were created in Madera County, representing a solid growth rate of 2.6 percent. However, all of the net growth was in the farm sector as non-farm employment declined 0.1 percent. The unemployment rate increased dramatically in 2005, rising from 8.8 percent to 10.6 percent. Higher unemployment rates in the Central Valley counties are due to the large concentrations of farm employment. In Madera County, the farming sector accounts for 24 percent of total wage and salary jobs.

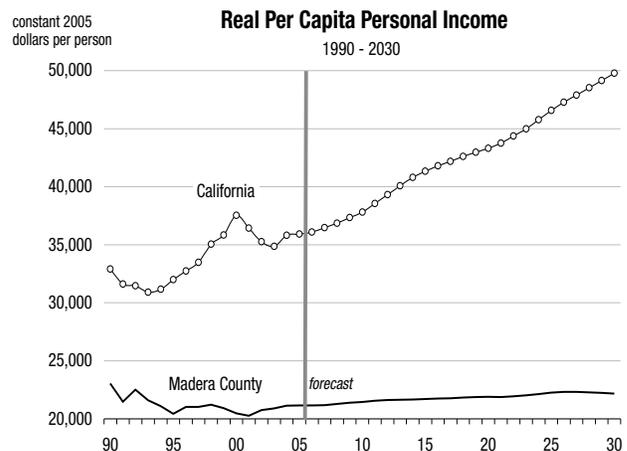
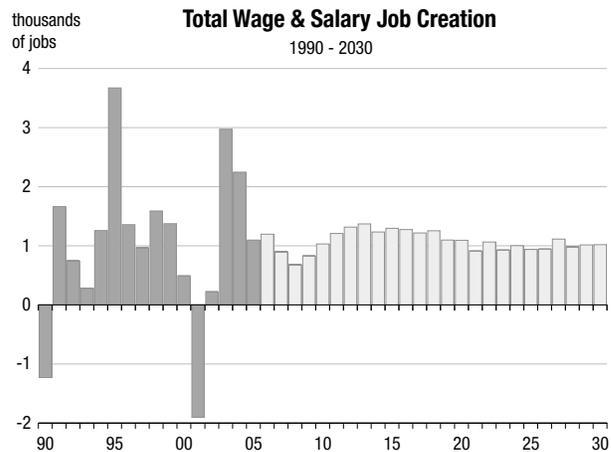
The principal sectors that are producing jobs are healthcare and education, government, farm and construction. Employment in the professional services sector accounts for less than six percent of total employment, compared to 14 percent at the state level.

From January 2005 to January 2006, Madera was the sixth fastest growing county in California, adding population at a rate of 2.6 percent. The two incorporated cities in the county, Chowchilla and Madera, grew at a rate of 6.5 and 3.6 percent, respectively.

Employment and population are forecast to grow at healthy rates in Madera County over the next several years because inland counties will dominate growth in the state due to the relative affordability and higher production of housing.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to increase in 2006 to 2.7 percent, while non-farm job growth advances 3.4 percent. From 2006 to 2010, total wage and salary job growth averages 2.0 percent and non-farm job growth averages 2.5 percent.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 1.2 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in professional services, government, transportation and utilities, and education and healthcare services. These sectors account for 69 percent of all jobs created in the county over the next five years.

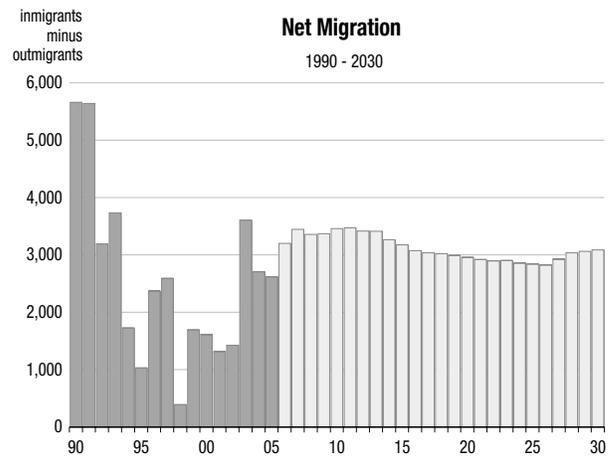
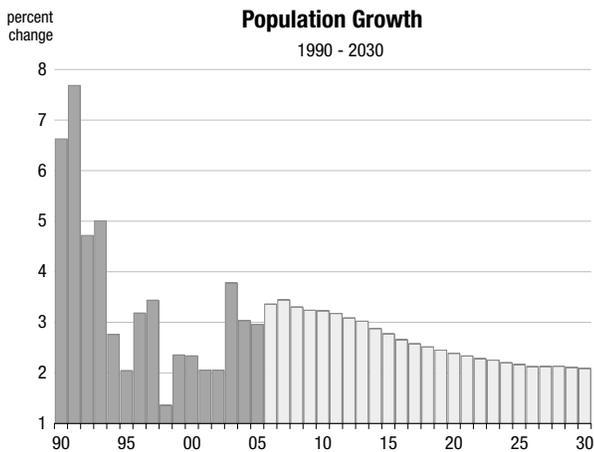


- The population will continue to grow at a rapid rate in the county. Annual growth in the 2006 to 2010 period averages 3.3 percent per year.
- Net migration will increase to approximately 3,200 people in 2006. Over the next five years net migration is expected to average of 3,400 net migrants per year.
- Real per capita incomes are flat in 2006, as population growth outpaces income. Over the next five years real per capita incomes are forecast to increase by 0.3 percent per year.
- Industrial production is forecast to increase 6.3 percent in 2006. Over the next five years the growth rate will remain high, averaging 5.5 percent per year, due primarily to growth in the transportation and utilities sector.

Madera County Economic Forecast

1997-2005 History, 2006-2030 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)
1997	117,300	2,591	86.9	34.9	505	\$0.71	\$1.95	\$21,025	3.4	995.8	0.32	13.6
1998	118,900	388	91.8	35.5	633	\$0.78	\$2.06	\$21,205	3.2	777.5	0.34	12.8
1999	121,700	1,694	94.9	35.9	619	\$0.83	\$2.16	\$20,917	4.2	826.0	0.37	11.7
2000	124,545	1,612	98.6	36.2	648	\$0.88	\$2.27	\$20,475	4.5	800.9	0.38	8.9
2001	127,111	1,315	103.2	36.6	793	\$0.86	\$2.41	\$20,244	5.4	696.3	0.36	9.6
2002	129,727	1,427	108.4	37.2	982	\$0.92	\$2.56	\$20,750	1.6	747.8	0.40	10.6
2003	134,635	3,606	110.8	38.1	1,234	\$1.01	\$2.73	\$20,893	1.8	785.3	0.47	10.3
2004	138,725	2,707	120.6	39.1	1,658	\$1.13	\$2.87	\$21,127	1.2	1,091.9	0.50	8.8
2005	142,837	2,621	126.9	40.3	2,379	\$1.22	\$3.02	\$21,138	2.0	972.5	0.51	10.6
2006	147,638	3,202	132.1	43.1	2,209	\$1.37	\$3.20	\$21,143	2.7	873.0	0.55	10.1
2007	152,729	3,449	137.1	45.3	2,148	\$1.50	\$3.39	\$21,171	2.1	862.2	0.58	10.3
2008	157,774	3,357	141.9	47.5	2,010	\$1.65	\$3.60	\$21,284	2.3	783.7	0.61	10.6
2009	162,888	3,372	146.5	49.6	1,880	\$1.79	\$3.82	\$21,382	2.2	831.9	0.64	10.7
2010	168,156	3,461	151.1	51.5	1,882	\$1.95	\$4.05	\$21,447	2.4	832.7	0.67	10.7
2011	173,504	3,473	155.9	53.4	1,888	\$2.11	\$4.30	\$21,557	2.3	790.2	0.71	10.7
2012	178,863	3,420	160.7	55.4	1,894	\$2.27	\$4.53	\$21,611	2.1	808.7	0.74	10.9
2013	184,273	3,413	165.6	57.3	1,900	\$2.44	\$4.78	\$21,628	2.2	831.5	0.79	11.0
2014	189,582	3,265	170.5	59.2	1,857	\$2.62	\$5.03	\$21,658	2.2	818.3	0.84	11.2
2015	194,842	3,177	175.3	61.1	1,832	\$2.80	\$5.30	\$21,689	2.4	821.9	0.89	11.3
2016	200,024	3,075	179.8	63.0	1,792	\$3.00	\$5.59	\$21,739	2.5	824.8	0.93	11.4
2017	205,184	3,038	183.8	64.8	1,792	\$3.21	\$5.89	\$21,763	2.6	774.4	0.98	11.6
2018	210,345	3,023	187.7	66.7	1,783	\$3.42	\$6.20	\$21,832	2.4	808.5	1.03	11.7
2019	215,509	2,992	191.6	68.5	1,770	\$3.64	\$6.52	\$21,867	2.4	815.9	1.08	11.7
2020	220,667	2,959	195.6	70.3	1,762	\$3.86	\$6.84	\$21,886	2.3	807.8	1.12	11.7
2021	225,824	2,921	199.8	72.1	1,744	\$4.09	\$7.16	\$21,875	2.3	765.0	1.16	11.6
2022	230,990	2,899	204.3	73.9	1,754	\$4.33	\$7.52	\$21,942	2.4	799.0	1.18	11.6
2023	236,200	2,904	209.1	75.7	1,770	\$4.59	\$7.89	\$22,026	2.3	746.7	1.19	11.6
2024	241,410	2,862	214.4	77.5	1,780	\$4.85	\$8.28	\$22,129	2.2	781.8	1.19	11.6
2025	246,643	2,846	220.2	79.3	1,784	\$5.12	\$8.70	\$22,251	2.2	759.4	1.18	11.6
2026	251,883	2,828	226.2	81.1	1,784	\$5.41	\$9.11	\$22,313	2.3	760.3	1.19	11.6
2027	257,246	2,927	232.4	83.0	1,885	\$5.71	\$9.52	\$22,320	2.3	760.5	1.20	11.5
2028	262,740	3,036	238.8	84.9	1,969	\$6.02	\$9.95	\$22,279	2.5	740.8	1.22	11.5
2029	268,286	3,064	245.2	86.9	1,988	\$6.34	\$10.39	\$22,220	2.5	788.7	1.24	11.5
2030	273,897	3,088	251.8	88.9	2,013	\$6.66	\$10.84	\$22,161	2.5	785.7	1.25	11.5



Madera County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	35.8	11.27	1.3	2.9	0.8	3.8	0.6	1.5	0.7	2.8	2.4	7.0
1998	37.4	11.87	1.2	2.9	0.8	3.6	0.6	2.0	0.8	3.3	2.5	7.2
1999	38.7	11.99	1.4	3.1	0.7	3.4	0.6	2.0	0.7	4.2	2.6	7.3
2000	39.2	11.90	1.5	2.9	0.6	3.6	0.7	2.2	0.6	4.4	2.5	7.6
2001	37.3	9.40	1.7	3.0	0.8	3.7	0.7	2.3	0.6	4.5	2.5	7.5
2002	37.6	8.68	1.8	3.1	0.8	3.8	0.7	2.2	0.6	4.9	2.4	8.0
2003	40.5	9.01	2.3	3.4	0.8	4.0	0.8	2.3	0.6	5.4	2.4	8.8
2004	42.8	9.46	2.6	3.3	0.8	4.2	0.8	2.7	0.6	5.5	2.5	9.7
2005	43.9	10.58	2.7	3.2	0.9	4.2	0.8	2.3	0.6	5.6	2.4	9.8
2006	45.1	10.64	2.8	3.3	0.9	4.3	0.8	2.3	0.6	5.8	2.4	10.2
2007	46.0	10.75	2.8	3.4	1.0	4.4	0.9	2.4	0.6	6.0	2.5	10.4
2008	46.7	10.69	2.7	3.4	1.1	4.5	0.9	2.5	0.6	6.1	2.5	10.7
2009	47.5	10.80	2.6	3.5	1.2	4.6	0.9	2.6	0.6	6.3	2.5	10.9
2010	48.5	10.93	2.6	3.5	1.3	4.7	0.9	2.8	0.6	6.4	2.6	11.2
2011	49.7	10.95	2.6	3.5	1.4	4.7	0.9	3.0	0.7	6.7	2.6	11.6
2012	51.0	11.03	2.7	3.5	1.5	4.8	1.0	3.2	0.7	7.0	2.6	11.9
2013	52.4	11.17	2.7	3.5	1.6	4.9	1.0	3.4	0.7	7.4	2.7	12.3
2014	53.7	11.27	2.6	3.6	1.7	5.0	1.0	3.6	0.7	7.7	2.7	12.7
2015	54.9	11.38	2.6	3.6	1.8	5.1	1.0	3.8	0.7	8.0	2.7	13.1
2016	56.2	11.51	2.6	3.7	2.0	5.1	1.0	3.9	0.7	8.3	2.8	13.6
2017	57.4	11.50	2.6	3.7	2.1	5.2	1.1	4.0	0.7	8.6	2.8	14.1
2018	58.7	11.57	2.6	3.7	2.2	5.3	1.1	4.1	0.7	8.9	2.9	14.6
2019	59.8	11.67	2.6	3.8	2.3	5.3	1.1	4.2	0.7	9.1	2.9	15.0
2020	60.9	11.74	2.6	3.8	2.4	5.4	1.1	4.3	0.7	9.4	2.9	15.4
2021	61.8	11.71	2.6	3.8	2.5	5.5	1.1	4.4	0.7	9.6	2.9	15.8
2022	62.9	11.78	2.6	3.8	2.6	5.5	1.2	4.5	0.7	9.9	2.9	16.2
2023	63.8	11.73	2.6	3.8	2.7	5.6	1.2	4.6	0.7	10.1	2.9	16.6
2024	64.8	11.81	2.6	3.8	2.8	5.7	1.2	4.7	0.7	10.3	2.9	17.0
2025	65.8	11.86	2.6	3.8	2.9	5.7	1.2	4.8	0.7	10.5	2.9	17.4
2026	66.7	11.91	2.7	3.8	3.0	5.8	1.3	4.8	0.8	10.6	3.0	17.8
2027	67.8	11.96	2.8	3.8	3.1	5.8	1.3	4.9	0.8	10.8	3.0	18.2
2028	68.8	11.96	2.9	3.8	3.2	5.9	1.3	5.0	0.8	10.9	3.0	18.6
2029	69.8	12.07	3.0	3.8	3.3	5.9	1.3	5.1	0.8	11.1	3.0	19.0
2030	70.8	12.17	3.0	3.8	3.4	6.0	1.3	5.2	0.8	11.2	3.0	19.5

