

FRESNO COUNTY ECONOMIC FORECAST

Fresno County is the most productive agricultural county in the Nation. In each of the last four years total crop value has exceeded \$4 billion. Fresno County has a population of 909,000 people and over 348,000 wage and salary jobs. The per capita income in Fresno County is \$27,308, and the average salary per worker is \$39,654. The median family income in 2007 is \$48,900.

Employment growth in Northern California was strong in 2006, compared to the previous five years. However, employment growth in the San Joaquin Valley was actually lower at 1.5 percent in 2006 compared to 2.3 percent in 2005. In 2006, 7,900 total wage and salary jobs were created in Fresno County, representing a growth rate of 2.3 percent. Non-farm employment grew at a rate of 2.5 percent. The unemployment rate declined very sharply in 2006 to 8.1 percent.

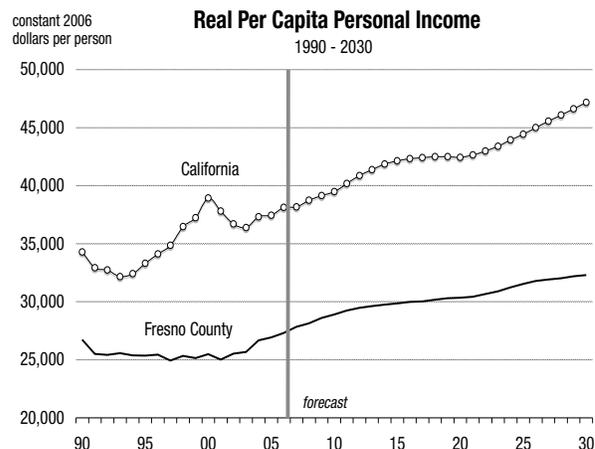
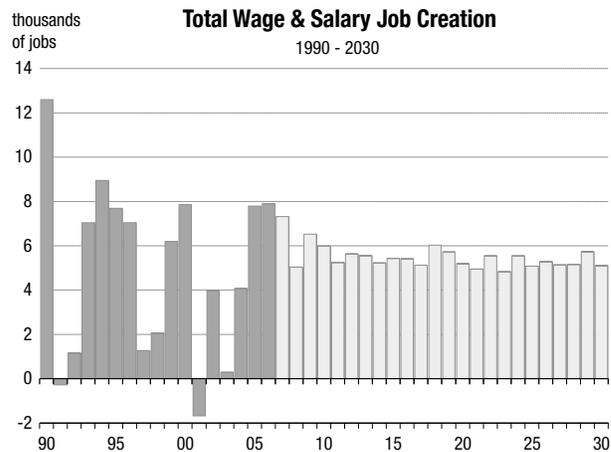
The principal sectors that are producing jobs in Fresno County are professional services, construction, and leisure services. Employment has also been increasing in the government, financial services, healthcare and education, and wholesale and retail trade sectors.

The population continues to grow in Fresno County, and the growth rate remained high during calendar 2006 at 2.0 percent. The neighboring cities of Clovis and Fresno account for 62 percent of the county population and combined for 67 percent of the population growth from January 2006 to January 2007.

Employment and population growth will continue at healthy rates in Fresno 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

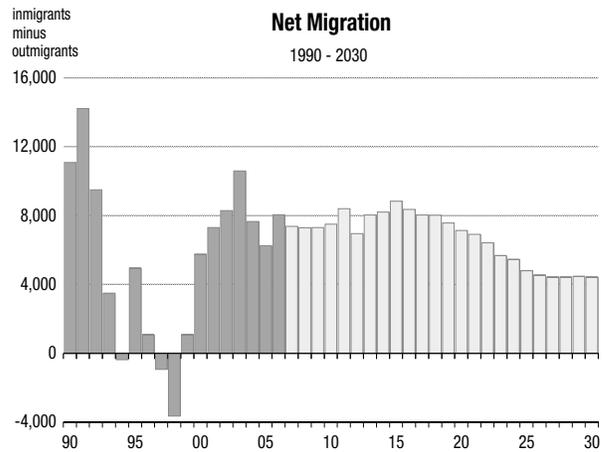
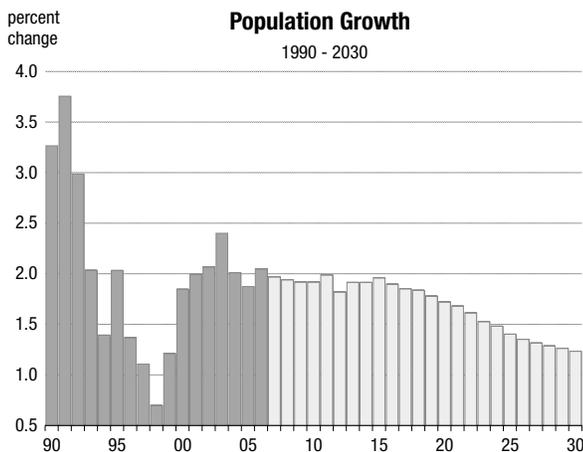
- Total wage and salary job growth is forecast to be 2.1 percent in 2007. From 2007 to 2011 total wage and salary growth and non-farm job growth average 1.7 percent per year, as the farm sector experiences some short term job creation.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the foreseeable future. Real average salaries rise an average of 1.6 percent per year over the next 5 years.
- Between 2007 and 2011, employment growth will be led by job creation in leisure services and government. These sectors account for 50 percent of job creation over the next five years. The professional services, farm, and wholesale and retail trade sectors will also contribute to employment growth. Employment in manufacturing declines by 1,300 jobs.
- The population will continue to grow at a significant rate in the county. Annual growth in the 2007 to 2011 period averages 2.0 percent per year.
- Net migration will remain at relatively high levels. Over the next five years net migration is expected to average 7,600 net migrants entering the county per year.
- Real per capita incomes are forecast to rise 1.9 percent in 2007. Over the next five years real per capita incomes are forecast to increase 1.4 percent per year.
- Total taxable sales are expected to increase by an average of 6.4 percent over the next five years.
- Industrial production is forecast to rise 5.7 percent in 2007. Over the next five years the growth rate of industrial production will decline, with total production advancing an average of 3.5 percent per year.



Fresno County Economic Forecast

1997-2006 History, 2007-2030 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 (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	774,838	-939	520.1	249.5	2,756	\$6.8	\$14.8	\$24,916	3.4	4.49	3.34	13.6
1998	780,261	-3,651	546.8	251.8	3,034	\$7.1	\$15.6	\$25,323	3.2	4.12	3.39	14.3
1999	789,748	1,073	562.9	254.3	3,032	\$7.8	\$16.3	\$25,129	4.2	4.34	3.61	13.6
2000	804,342	5,744	579.6	252.9	3,196	\$8.5	\$17.6	\$25,483	4.5	3.82	3.99	10.5
2001	820,382	7,301	596.6	255.1	3,963	\$8.6	\$18.6	\$25,006	5.4	3.55	3.63	10.7
2002	837,367	8,295	627.5	258.4	3,839	\$9.0	\$19.7	\$25,530	1.6	3.74	3.71	11.6
2003	857,480	10,596	636.0	261.6	5,999	\$9.7	\$20.6	\$25,659	1.8	4.34	4.04	11.7
2004	874,730	7,661	683.0	265.9	6,950	\$10.7	\$22.1	\$26,673	1.2	4.85	4.23	10.4
2005	891,134	6,255	691.6	271.9	7,875	\$11.9	\$23.2	\$26,920	2.0	4.79	4.24	11.8
2006	909,399	8,052	705.8	278.2	4,548	\$12.9	\$24.8	\$27,308	3.3	4.70	4.38	8.1
2007	927,335	7,380	721.4	282.7	4,567	\$14.0	\$26.6	\$27,826	2.9	4.74	4.63	7.9
2008	945,343	7,295	737.1	287.0	5,026	\$14.8	\$27.9	\$28,128	2.0	4.51	4.84	8.1
2009	963,506	7,311	752.4	291.8	5,445	\$15.7	\$29.5	\$28,592	2.0	4.73	4.97	8.0
2010	982,004	7,510	767.4	297.0	5,579	\$16.6	\$31.2	\$28,894	2.5	4.78	5.10	7.9
2011	1,001,554	8,407	781.5	302.4	5,305	\$17.6	\$32.9	\$29,228	2.4	4.67	5.19	8.0
2012	1,019,817	6,950	793.1	307.4	5,215	\$18.5	\$34.5	\$29,460	2.2	4.77	5.33	8.1
2013	1,039,354	8,034	802.5	312.4	5,228	\$19.4	\$36.2	\$29,615	2.3	4.87	5.48	8.3
2014	1,059,277	8,214	810.8	317.4	5,243	\$20.4	\$37.9	\$29,748	2.3	4.84	5.66	8.5
2015	1,080,051	8,847	817.6	322.4	5,251	\$21.5	\$39.8	\$29,852	2.6	4.87	5.82	8.5
2016	1,100,564	8,359	823.4	327.4	5,207	\$22.6	\$41.8	\$29,985	2.7	4.90	5.96	8.5
2017	1,120,973	8,033	827.8	332.4	5,249	\$23.7	\$43.8	\$30,011	2.7	4.74	6.12	8.4
2018	1,141,579	8,029	830.5	337.4	5,152	\$24.9	\$45.9	\$30,163	2.5	4.89	6.31	8.3
2019	1,161,905	7,578	831.3	342.3	5,153	\$26.1	\$48.1	\$30,296	2.5	4.93	6.48	8.3
2020	1,181,924	7,141	830.5	347.3	5,018	\$27.3	\$50.2	\$30,334	2.5	4.90	6.67	8.2
2021	1,201,813	6,918	831.2	352.1	4,980	\$28.6	\$52.5	\$30,419	2.4	4.75	6.83	8.1
2022	1,221,246	6,422	833.6	356.8	4,939	\$30.1	\$55.1	\$30,658	2.5	4.86	6.93	8.1
2023	1,239,922	5,673	838.3	361.5	4,970	\$31.6	\$57.8	\$30,899	2.5	4.64	7.05	8.0
2024	1,258,318	5,445	845.7	366.3	4,953	\$33.2	\$60.6	\$31,223	2.3	4.71	7.19	8.0
2025	1,275,978	4,803	855.1	371.0	4,958	\$34.9	\$63.5	\$31,534	2.4	4.59	7.31	7.9
2026	1,293,246	4,531	866.7	375.8	4,932	\$36.6	\$66.5	\$31,780	2.4	4.63	7.42	7.8
2027	1,310,277	4,430	880.4	380.5	4,950	\$38.2	\$69.3	\$31,909	2.5	4.65	7.51	7.8
2028	1,327,157	4,421	896.3	385.2	4,884	\$40.0	\$72.3	\$32,025	2.7	4.63	7.63	7.7
2029	1,343,946	4,464	914.1	389.9	4,815	\$41.8	\$75.6	\$32,196	2.7	4.84	7.77	7.7
2030	1,360,565	4,420	933.1	394.5	4,800	\$43.6	\$78.7	\$32,285	2.6	4.86	7.89	7.6



Fresno County Employment Forecast

1997-2006 History, 2007-2030 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)-----												
1997	310.1	60.31	11.9	26.5	8.9	41.8	12.8	22.2	4.8	30.2	22.2	58.2
1998	312.2	58.65	13.3	27.0	8.5	42.3	12.6	23.1	4.8	30.5	22.1	59.1
1999	318.4	56.32	14.7	27.1	8.7	43.1	13.1	23.9	4.8	31.5	22.9	61.8
2000	326.2	55.58	15.1	27.6	9.1	43.9	13.4	25.5	5.0	30.9	24.3	65.1
2001	324.6	48.65	15.9	27.2	9.2	44.7	14.1	23.5	5.1	32.5	24.5	67.6
2002	328.5	46.57	16.9	26.9	9.4	45.4	14.1	25.2	4.7	33.9	24.2	69.1
2003	328.8	46.18	18.1	27.1	9.6	46.3	13.7	26.4	4.2	34.9	23.6	67.6
2004	332.9	45.97	19.9	27.5	9.6	46.2	13.9	27.7	4.6	35.8	24.3	66.6
2005	340.7	46.38	21.6	27.2	9.4	47.7	14.7	28.8	4.3	36.6	25.9	67.0
2006	348.6	46.79	23.1	27.4	9.8	48.4	15.3	29.7	4.2	37.1	28.2	67.6
2007	355.9	48.16	22.9	27.3	10.5	49.4	15.4	30.7	4.2	37.4	29.8	69.0
2008	361.0	48.60	22.5	27.2	10.8	50.4	15.5	31.6	4.1	37.6	31.4	70.0
2009	367.5	49.78	22.8	26.8	10.9	51.2	15.6	32.1	4.2	37.9	32.8	71.9
2010	373.5	50.44	23.3	26.5	10.9	52.1	15.8	32.3	4.2	38.1	34.3	73.8
2011	378.7	50.60	23.6	26.2	10.8	52.9	15.9	32.9	4.3	38.3	35.8	75.4
2012	384.4	51.10	23.5	26.0	10.8	53.8	16.1	33.8	4.3	38.6	37.2	76.9
2013	389.9	51.55	23.4	26.0	10.8	54.6	16.3	34.7	4.4	38.9	38.6	78.2
2014	395.2	51.65	23.3	25.9	10.8	55.4	16.5	35.7	4.4	39.2	39.9	79.5
2015	400.6	51.85	23.3	25.8	10.8	56.3	16.7	36.6	4.4	39.6	41.3	80.9
2016	406.0	52.02	23.4	25.7	10.9	57.1	16.9	37.4	4.4	40.0	42.7	82.2
2017	411.1	51.74	23.5	25.6	10.9	57.9	17.1	38.2	4.4	40.4	44.1	83.6
2018	417.2	52.11	23.6	25.5	11.0	58.8	17.3	38.9	4.4	40.9	45.4	85.2
2019	422.9	52.24	23.7	25.4	11.0	59.6	17.5	39.7	4.5	41.5	46.6	86.9
2020	428.1	52.21	23.9	25.4	11.1	60.4	17.7	40.3	4.5	42.1	47.8	88.3
2021	433.1	51.90	23.9	25.3	11.1	61.3	17.8	40.9	4.5	42.7	49.0	89.8
2022	438.6	52.16	23.9	25.3	11.2	62.1	18.0	41.6	4.5	43.4	50.1	91.1
2023	443.4	51.72	23.9	25.2	11.3	63.0	18.2	42.3	4.5	44.0	51.2	92.5
2024	449.0	51.87	24.0	25.2	11.3	63.9	18.3	42.9	4.5	44.7	52.4	93.8
2025	454.1	51.63	24.1	25.2	11.4	64.8	18.5	43.6	4.5	45.5	53.6	95.1
2026	459.4	51.71	24.2	25.2	11.5	65.7	18.7	44.3	4.5	46.2	54.7	96.3
2027	464.5	51.75	24.3	25.2	11.5	66.6	18.9	45.0	4.5	46.9	55.6	97.5
2028	469.7	51.72	24.4	25.2	11.6	67.4	19.1	45.7	4.5	47.7	56.5	98.7
2029	475.4	52.17	24.5	25.2	11.6	68.3	19.3	46.4	4.5	48.4	57.5	99.9
2030	480.5	52.20	24.5	25.2	11.7	69.2	19.5	47.2	4.5	49.2	58.4	101.2

