

PLACER COUNTY ECONOMIC FORECAST

Rising from 100 feet above sea level on its western border to over 9,000 feet in the eastern Sierra Mountain range, Placer County is located in the northern Sacramento Valley with an eastern border that touches the Nevada state line. Placer County has a population of 344,000 people and over 129,400 wage and salary jobs. The per capita income in Placer County is \$45,747, and the average salary per worker is \$49,867.

Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) fell at a rate of -4.9 percent during 2009, the worst employment loss on record. In 2009, nearly 8,300 total wage and salary jobs were lost in Placer County, representing decline of -6.0 percent. The unemployment rate increased to 11.3 percent in 2009.

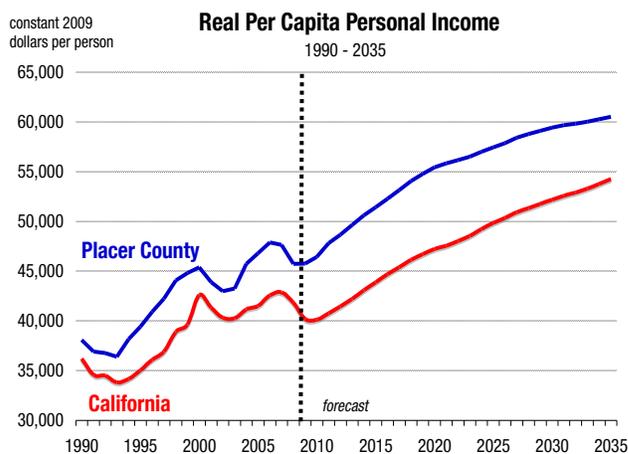
During 2009 jobs were created in education and healthcare, but were lost in all other non farm sectors. As with most counties, employment in construction suffered the largest losses, down 2,600 jobs or 21 percent. Other sectors which lost over 1,000 jobs during 2009 included leisure, retail trade, and professional business services. Government employment recorded only minor losses compared with the private sector, with employment falling only 0.2 percent.

The population increased 1.6 percent in Placer County from 2008 to 2009, making it one of the fastest growing counties in California. The fastest growing city in the county is Roseville, which grew by 2.7 percent between January 2008 and January 2009.

Employment growth in Placer County is expected to be substantial over the next few years. Jobs are forecast to exceed pre-recession levels by 2013. Inland counties, like Placer County, will lead growth in the state due to the relative affordability and higher production of homes over the long run.

FORECAST HIGHLIGHTS

- More job growth (+0.9 percent) is forecast for Placer County during 2010 than most other counties in the state. Job growth is expected to continue to exceed most areas of the state after 2010, averaging 3.1 percent per year between 2010 and 2015.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Average salaries adjusted for inflation are forecast to rise an average of 0.9 percent per year from 2010 to 2015.
- The principle job creation occurs in construction, retail trade, leisure services, education and healthcare, and professional services. These sectors account for 78 percent of growth between 2010 and 2015. Transportation and wholesale trade each grow by over 20 percent during this time, but start from a low employment base.

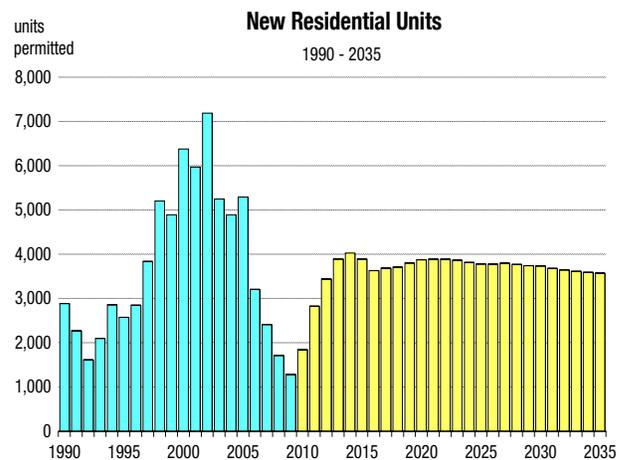
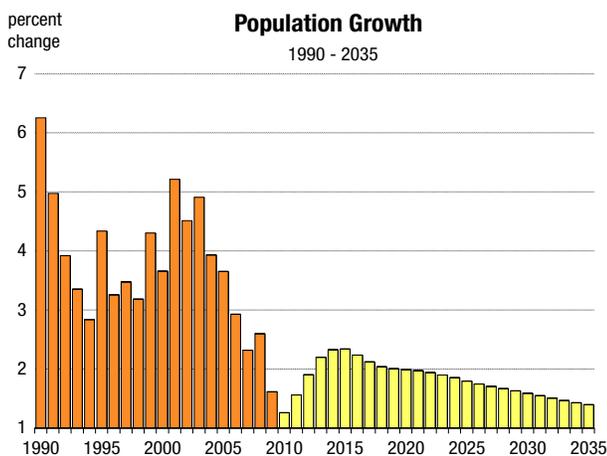


- Annual population growth in the 2010 to 2015 period averages 2.1 percent per year.
- Net migration will decline to approximately 3,000 people in 2010. This will be the lowest migration since 1983. Migration then accelerates as jobs are created, averaging 5,600 people entering the county per year from 2010 to 2015.
- Real per capita incomes are expected to increase by 1.5 percent in 2010. During the 2010 to 2015 period real per capita income growth averages 2.1 percent per year.
- Total taxable sales adjusted for inflation are expected to increase by an average of 3.5 percent per year between 2010 and 2015.
- Industrial production will improve by 0.8 percent in 2010. From 2010 to 2015 industrial production is forecast to rise 4.0 percent per year.

Placer County Economic Forecast

2002-2009 History, 2010-2035 Forecast

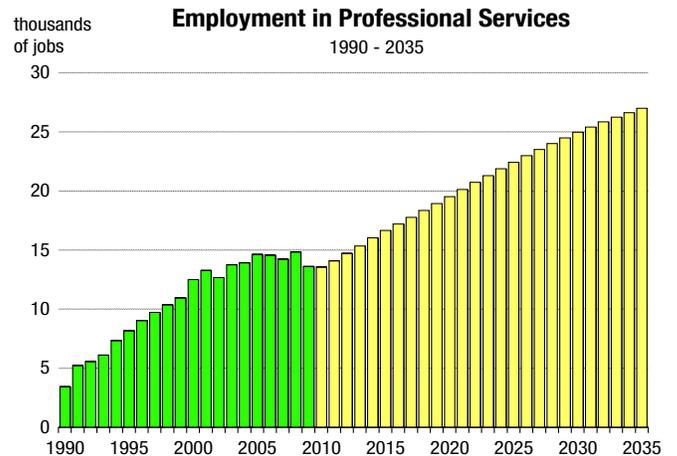
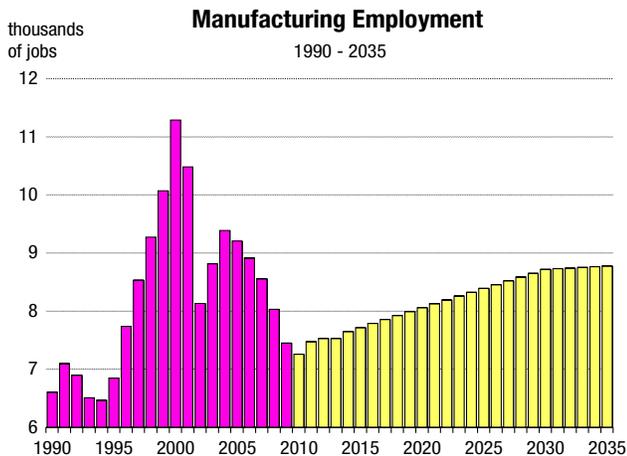
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	277,379	10,786	301.9	102.8	7,188	\$5.57	\$10.3	\$42,975	1.6	77.7	1.23	4.9
2003	290,994	12,231	308.8	108.7	5,254	\$6.00	\$11.0	\$43,263	1.8	76.2	1.33	5.1
2004	302,438	10,004	346.2	114.8	4,894	\$6.62	\$12.3	\$45,725	1.2	68.5	1.44	4.8
2005	313,496	9,554	357.5	120.0	5,294	\$7.26	\$13.2	\$46,783	2.0	69.3	1.49	4.3
2006	322,680	7,728	372.0	125.1	3,205	\$7.56	\$14.4	\$47,890	3.2	56.8	1.58	4.2
2007	330,167	5,908	372.1	128.6	2,413	\$7.46	\$15.2	\$47,634	3.4	54.5	1.53	4.8
2008	338,750	6,978	371.5	131.5	1,713	\$6.76	\$15.4	\$45,718	3.0	60.3	1.43	6.5
2009	344,226	3,826	366.5	133.2	1,283	\$6.53	\$15.7	\$45,747	0.8	59.3	1.40	11.3
2010	348,565	3,000	365.6	134.0	1,844	\$6.64	\$16.5	\$46,419	2.1	62.1	1.41	10.5
2011	354,013	4,150	367.6	135.7	2,826	\$6.96	\$17.7	\$47,818	2.4	63.5	1.47	9.1
2012	360,749	5,406	372.2	138.3	3,444	\$7.34	\$18.7	\$48,647	2.1	64.3	1.53	7.6
2013	368,684	6,542	378.6	141.5	3,894	\$7.82	\$20.0	\$49,650	2.2	64.5	1.59	6.8
2014	377,265	7,174	386.4	145.2	4,028	\$8.32	\$21.3	\$50,609	2.2	64.6	1.65	6.1
2015	386,096	7,417	394.9	148.9	3,895	\$8.81	\$22.6	\$51,436	2.2	65.0	1.72	5.7
2016	394,732	7,241	403.7	152.5	3,630	\$9.27	\$24.0	\$52,256	2.2	64.7	1.78	5.4
2017	403,117	7,020	412.8	155.9	3,689	\$9.84	\$25.5	\$53,146	2.2	64.1	1.84	5.3
2018	411,345	6,898	422.2	159.3	3,708	\$10.47	\$27.1	\$54,044	2.2	63.3	1.91	5.3
2019	419,607	6,957	431.9	162.8	3,805	\$11.16	\$28.6	\$54,774	2.2	62.1	1.98	5.1
2020	427,965	7,062	441.7	166.3	3,875	\$11.87	\$30.1	\$55,438	2.1	61.9	2.06	5.0
2021	436,414	7,157	451.8	169.9	3,886	\$12.65	\$31.7	\$55,825	2.5	62.6	2.13	5.0
2022	444,894	7,202	461.9	173.5	3,886	\$13.43	\$33.4	\$56,165	2.6	62.1	2.21	4.9
2023	453,350	7,188	472.1	177.1	3,867	\$14.21	\$35.1	\$56,512	2.5	60.9	2.29	4.8
2024	461,749	7,150	482.4	180.7	3,818	\$14.98	\$36.9	\$57,007	2.4	59.1	2.37	4.7
2025	470,050	7,079	492.6	184.2	3,785	\$15.78	\$38.8	\$57,434	2.5	57.0	2.46	4.6
2026	478,266	7,022	502.7	187.7	3,779	\$16.64	\$40.8	\$57,866	2.5	55.3	2.55	4.6
2027	486,427	7,004	512.7	191.3	3,802	\$17.56	\$42.9	\$58,401	2.6	54.0	2.65	4.6
2028	494,547	6,990	522.6	194.8	3,772	\$18.55	\$45.1	\$58,782	2.8	52.5	2.74	4.6
2029	502,616	6,962	532.5	198.3	3,745	\$19.58	\$47.4	\$59,108	2.7	51.0	2.84	4.5
2030	510,613	6,916	542.1	201.8	3,735	\$20.62	\$49.7	\$59,423	2.7	50.6	2.95	4.5
2031	518,523	6,856	551.7	205.2	3,680	\$21.69	\$52.0	\$59,675	2.7	51.0	3.05	4.4
2032	526,347	6,795	561.2	208.7	3,648	\$22.78	\$54.4	\$59,812	2.7	49.9	3.16	4.4
2033	534,068	6,728	570.5	212.0	3,616	\$23.91	\$56.8	\$60,034	2.7	47.9	3.27	4.5
2034	541,709	6,682	579.8	215.4	3,591	\$25.07	\$59.4	\$60,265	2.7	45.5	3.39	4.6
2035	549,269	6,643	588.9	218.7	3,576	\$26.28	\$62.1	\$60,508	2.7	43.7	3.51	4.6

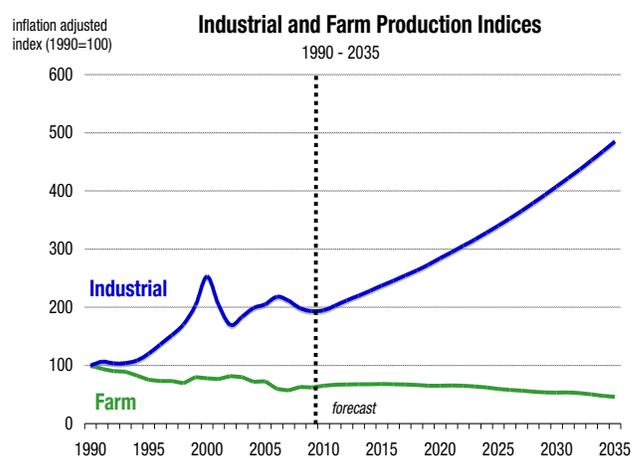
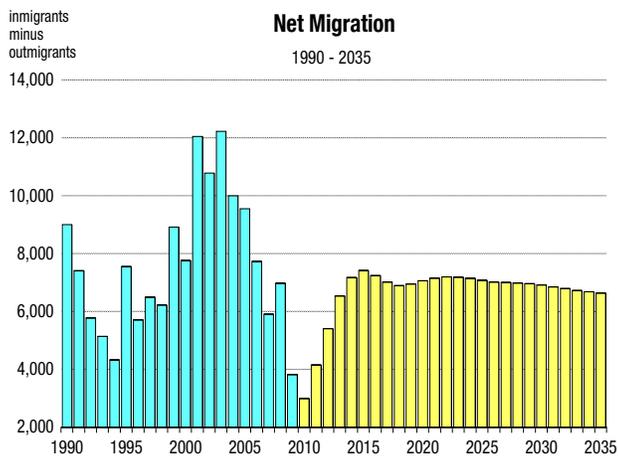
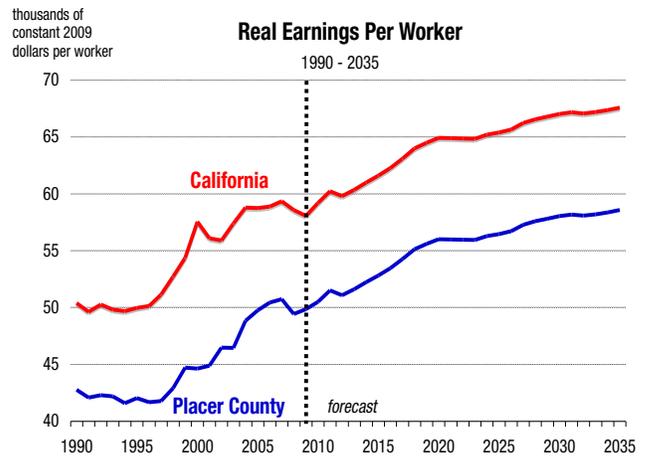
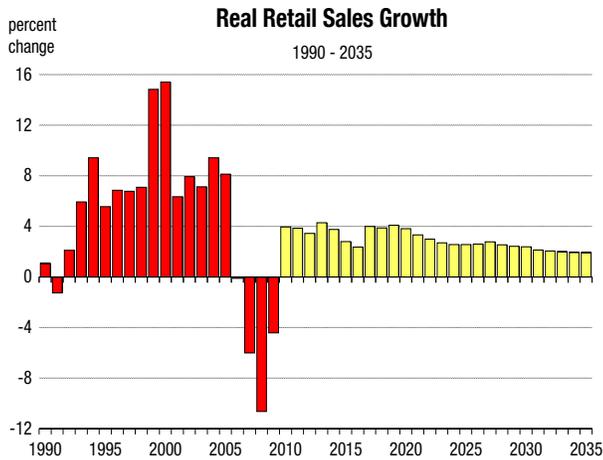


Placer County Employment Forecast

2002-2009 History, 2010-2035 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)-----												
2002	120.7	0.39	14.7	8.1	2.7	20.8	8.2	12.7	2.5	11.8	15.4	19.5
2003	129.9	0.53	16.6	8.8	2.6	22.0	9.2	13.8	2.8	12.5	16.4	20.9
2004	134.7	0.57	16.8	9.4	2.8	22.7	10.0	13.9	2.9	13.1	17.2	21.4
2005	137.3	0.56	16.8	9.2	2.8	23.7	11.0	14.6	2.7	13.6	18.1	20.0
2006	140.1	0.35	16.1	8.9	3.1	25.4	11.5	14.6	2.9	13.9	18.7	20.3
2007	141.4	0.37	15.0	8.6	3.1	26.1	11.5	14.3	2.6	15.7	19.2	20.5
2008	137.7	0.38	12.3	8.0	2.9	25.0	10.6	14.9	2.4	16.7	19.6	20.0
2009	129.4	0.40	9.7	7.5	2.7	23.1	9.8	13.6	2.1	17.3	18.3	19.9
2010	130.6	0.43	9.4	7.3	2.8	23.7	9.6	13.6	2.2	18.0	18.7	20.0
2011	134.4	0.44	9.9	7.5	2.9	24.3	9.5	14.1	2.2	18.8	19.3	20.2
2012	138.9	0.44	10.7	7.5	3.1	25.1	9.7	14.7	2.3	19.6	20.0	20.4
2013	143.3	0.44	11.7	7.5	3.2	26.1	9.7	15.4	2.3	20.4	20.5	20.8
2014	147.9	0.44	12.4	7.6	3.4	26.9	9.7	16.0	2.4	21.1	21.0	21.1
2015	151.9	0.44	12.9	7.7	3.5	27.7	9.8	16.7	2.4	21.9	21.6	21.4
2016	155.7	0.44	13.1	7.8	3.7	28.3	10.1	17.2	2.5	22.7	22.2	21.8
2017	159.5	0.45	13.3	7.9	3.8	29.2	10.2	17.8	2.5	23.6	22.7	22.2
2018	163.4	0.45	13.6	7.9	3.9	30.1	10.2	18.4	2.5	24.4	23.3	22.6
2019	167.4	0.46	13.9	8.0	4.1	31.1	10.2	18.9	2.6	25.3	23.8	23.0
2020	171.4	0.46	14.2	8.1	4.2	32.0	10.2	19.5	2.6	26.1	24.3	23.5
2021	175.5	0.46	14.4	8.1	4.3	32.9	10.2	20.1	2.6	27.0	24.8	23.9
2022	179.5	0.46	14.6	8.2	4.5	33.8	10.3	20.7	2.6	27.9	25.3	24.4
2023	183.6	0.47	14.7	8.3	4.6	34.7	10.5	21.3	2.6	28.8	25.8	25.0
2024	187.6	0.47	14.8	8.3	4.7	35.5	10.7	21.9	2.7	29.8	26.2	25.5
2025	191.5	0.48	14.9	8.4	4.9	36.3	10.9	22.4	2.7	30.7	26.7	26.0
2026	195.5	0.50	14.9	8.5	5.0	37.2	11.1	23.0	2.8	31.7	27.1	26.5
2027	199.5	0.51	15.0	8.5	5.0	38.0	11.2	23.5	2.8	32.7	27.5	27.0
2028	203.4	0.52	15.1	8.6	5.1	38.9	11.3	24.0	2.9	33.7	28.0	27.6
2029	207.2	0.53	15.1	8.7	5.2	39.7	11.5	24.5	2.9	34.7	28.4	28.1
2030	211.1	0.53	15.2	8.7	5.3	40.6	11.6	25.0	2.9	35.8	28.9	28.7
2031	214.8	0.54	15.1	8.7	5.4	41.4	11.7	25.4	3.0	36.8	29.3	29.2
2032	218.5	0.54	15.1	8.7	5.5	42.1	11.9	25.9	3.0	37.9	29.8	29.8
2033	222.1	0.55	15.0	8.8	5.6	42.9	12.0	26.3	3.1	38.9	30.2	30.4
2034	225.8	0.56	14.9	8.8	5.7	43.7	12.1	26.6	3.1	40.0	30.7	30.9
2035	229.4	0.57	14.8	8.8	5.8	44.4	12.3	27.0	3.1	41.1	31.2	31.5





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	19.5 %
Expected job growth:	16.3 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	22.7 %

Expected population growth:	10.8 %
Net migration to account for:	81.8 %
Expected growth in number of vehicles:	8.0 %

Demographics (2009)

Unemployment rate (December)	11.3 %
County Rank* in California (58 counties):	16th
Working age (16-64) population:	63.9 %

Population with B.A. Degree or higher:	29.6 %
Median Home Selling Price:	\$310,745
Median Household Income:	\$71,055

Quality of Life

Violent Crime rate (2008):	240 per 100,000 persons
County Rank* in California (58 counties):	8th
Average Commute Time to work (2009):	29.1 minutes

High School drop out rate (2008):	8.8 %
Households at/below poverty line:	4.3 %

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