

# RIVERSIDE COUNTY ECONOMIC FORECAST

Riverside County is the fourth largest county in the state in terms of total land area. The county, along with its neighbor to the north, San Bernardino County comprise the Inland Empire, one of the fastest growing metro areas of the state and nation from 1997 to 2006. However, because the real estate and labor market declines have been pronounced in the area, the economic fallout has been severe over the last two years. Riverside County has a population of 2.1 million people, and there are 554,000 wage and salary jobs located in the county. The per capita income in Riverside County is \$28,224, and the average salary per worker is \$44,663.

Economic growth in Southern California declined sharply in 2008 and 2009 and job losses were the largest on record. In 2009, over 38,000 total jobs were lost in Riverside County, representing a growth rate of -6.5 percent. The unemployment rate increased to 14.6 percent.

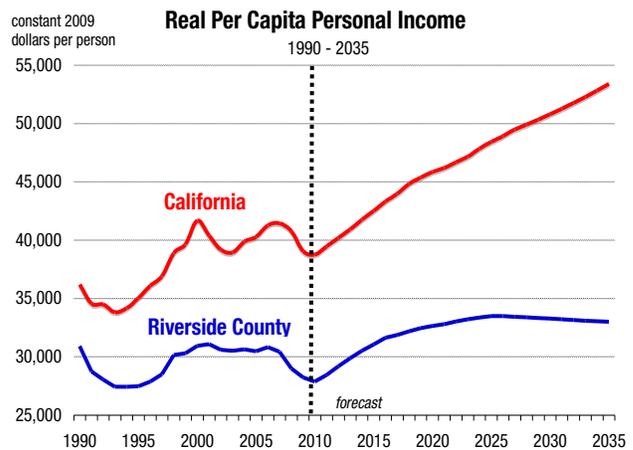
Employment in the construction sector fell by 13,300 workers, a decline of 24 percent. The contraction was due primarily to a decline in new home production (down 89 percent from the peak in 2004). Employment declined in the manufacturing and retail trade sectors by 6,000 and 7,000 jobs, respectively. The only sector to record positive job creation was education and health services.

Population growth slowed in 2009 to 1.4 percent. This is the lowest population growth rate since 1951 in Riverside County. Low levels of home production and contracting labor markets will keep population growth at a minimum in 2010.

Riverside County and the entire Inland Empire economy are expected to recover in 2010 but general economic growth will remain sluggish until 2012. Over the longer-term forecast, the Inland Empire will experience greater growth than the coastal counties, due largely to the availability of land at lower cost.

## FORECAST HIGHLIGHTS

- Job growth remains negative in 2010 with a further 1.5 percent contraction in employment. From 2010 to 2015, the annual growth rate is expected to average 2.8 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.8 percent per year from 2010 to 2015.
- From 2010 to 2015, job creation is broad based. Nearly every sector grows at least 10 percent, with the exception of financial services (6.4 percent), information (6.6 percent) government (8.7 percent) and retail trade (9.4 percent).
- Employment in construction, manufacturing, and wholesale trade increase at more than twice the rate of the state from 2010 to 2015.

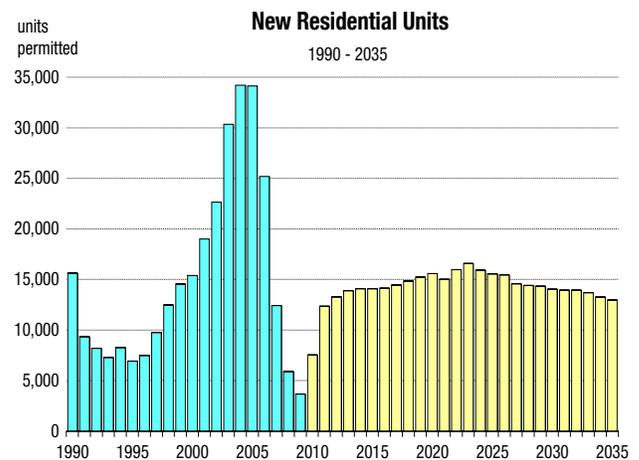
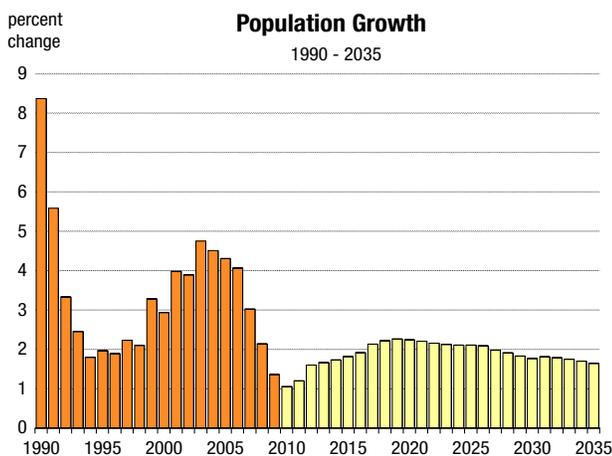


- Population growth declines to 1.1 percent in 2010, and remains under 2 percent until approximately 2017. Annual growth in the 2010 to 2015 period is expected to average 1.6 percent per year.
- From 2010 to 2015 net migration will gradually increase, though it remains sharply lower than levels observed since 2001. An average of 11,900 net migrants enter the county per year from 2010 to 2015.
- Real per capita incomes are expected to decline 1.2 percent in 2010, but increase 2.2 percent per year between 2010 and 2015.
- Total taxable sales are expected to increase by an average of 3.5 percent per year during the 2010 to 2015 period.
- Industrial production is expected to decline 1.3 percent in 2010 due to weakness in non-durable manufacturing. From 2010 to 2015, the growth rate of industrial production is expected to average 5.9 percent per year.

# Riverside County Economic Forecast

## 2002-2009 History, 2010-2035 Forecast

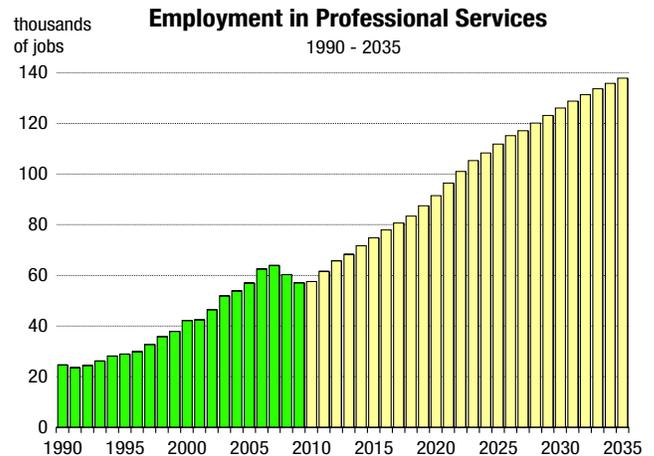
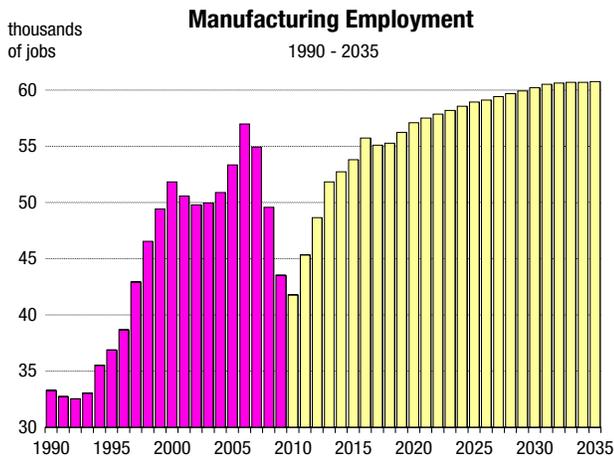
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	1,684,276	50,362	1.34	531	22,664	\$19.5	\$42.0	\$30,599	2.8	1,305	6.7	6.5
2003	1,764,313	65,296	1.39	549	30,361	\$21.7	\$45.0	\$30,515	2.6	1,276	7.2	6.5
2004	1,843,953	64,723	1.56	572	34,226	\$25.2	\$48.8	\$30,645	3.3	1,309	7.7	6.0
2005	1,923,454	62,604	1.62	598	34,134	\$28.3	\$52.9	\$30,473	4.5	1,295	8.8	5.4
2006	2,001,641	59,960	1.70	627	25,211	\$29.8	\$58.1	\$30,826	4.3	1,171	10.0	5.0
2007	2,062,150	40,555	1.70	654	12,453	\$29.0	\$61.0	\$30,440	3.3	1,294	9.9	6.0
2008	2,106,328	23,018	1.69	671	5,919	\$26.6	\$61.5	\$28,994	3.5	1,302	9.4	8.6
2009	2,135,052	6,408	1.65	678	3,695	\$25.7	\$60.3	\$28,224	-0.8	1,245	8.7	14.6
2010	2,159,140	4,461	1.64	678	7,632	\$26.6	\$61.3	\$27,877	1.8	1,239	8.6	13.8
2011	2,184,887	5,797	1.67	684	12,191	\$27.9	\$64.9	\$28,440	2.4	1,234	9.2	11.5
2012	2,219,633	13,865	1.71	695	13,345	\$29.7	\$69.2	\$29,189	2.2	1,229	9.9	10.2
2013	2,256,210	14,459	1.75	706	13,893	\$31.6	\$73.7	\$29,878	2.4	1,222	10.6	9.1
2014	2,295,173	15,641	1.78	718	14,121	\$33.5	\$78.3	\$30,508	2.3	1,216	11.0	8.0
2015	2,336,900	17,208	1.82	730	14,093	\$35.5	\$83.1	\$31,074	2.4	1,210	11.5	7.4
2016	2,381,684	19,148	1.86	742	14,134	\$37.4	\$88.2	\$31,625	2.3	1,203	12.0	6.9
2017	2,432,571	24,145	1.90	754	14,470	\$39.1	\$92.9	\$31,865	2.3	1,199	12.2	6.8
2018	2,486,526	26,028	1.94	766	14,862	\$40.6	\$98.1	\$32,173	2.3	1,194	12.6	6.7
2019	2,542,791	27,185	1.98	779	15,246	\$42.3	\$103.5	\$32,452	2.3	1,189	13.1	6.3
2020	2,599,918	27,002	2.02	792	15,582	\$44.1	\$108.8	\$32,645	2.2	1,184	13.7	6.3
2021	2,657,457	26,348	2.06	805	15,019	\$46.0	\$114.8	\$32,791	2.7	1,181	14.2	6.2
2022	2,714,849	25,489	2.10	817	15,978	\$47.9	\$121.4	\$33,031	2.8	1,176	14.6	6.0
2023	2,772,586	25,324	2.13	831	16,588	\$49.7	\$128.0	\$33,219	2.7	1,174	15.1	5.9
2024	2,831,116	25,868	2.17	845	15,942	\$51.6	\$134.6	\$33,369	2.5	1,169	15.6	5.8
2025	2,890,843	26,809	2.20	859	15,559	\$53.8	\$141.6	\$33,489	2.6	1,165	16.2	5.6
2026	2,951,253	27,353	2.23	872	15,453	\$56.0	\$148.4	\$33,484	2.7	1,161	16.7	5.7
2027	3,009,703	25,379	2.26	885	14,582	\$58.2	\$155.1	\$33,429	2.7	1,157	17.3	5.6
2028	3,067,168	24,078	2.29	897	14,403	\$60.7	\$162.5	\$33,377	2.9	1,154	17.9	5.5
2029	3,123,424	22,797	2.32	910	14,351	\$63.4	\$170.0	\$33,329	2.9	1,150	18.5	5.4
2030	3,178,641	21,627	2.36	922	14,035	\$66.3	\$177.7	\$33,284	2.8	1,145	19.1	5.4
2031	3,236,229	23,739	2.40	934	13,945	\$69.4	\$185.6	\$33,216	2.8	1,142	19.8	5.3
2032	3,294,193	23,782	2.44	946	13,956	\$72.7	\$193.9	\$33,152	2.8	1,139	20.5	5.3
2033	3,351,823	23,283	2.48	957	13,697	\$76.2	\$202.6	\$33,096	2.8	1,137	21.2	5.3
2034	3,408,924	22,420	2.53	969	13,262	\$80.0	\$211.5	\$33,046	2.8	1,135	21.9	5.5
2035	3,465,092	21,269	2.57	980	12,976	\$84.0	\$220.9	\$33,016	2.8	1,133	22.6	5.5

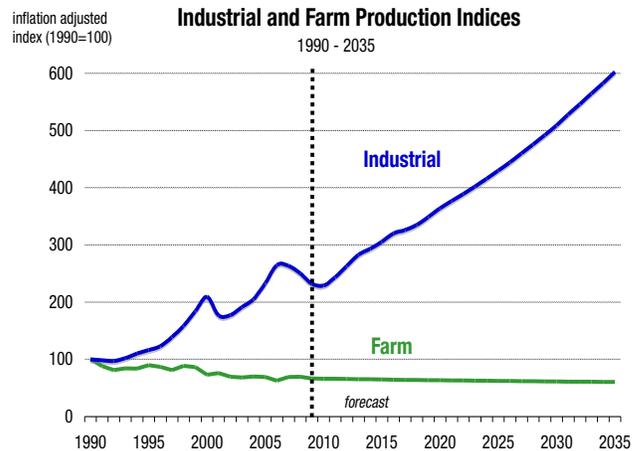
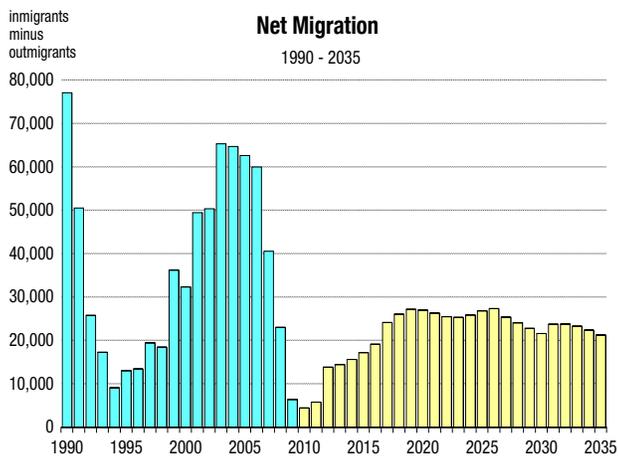
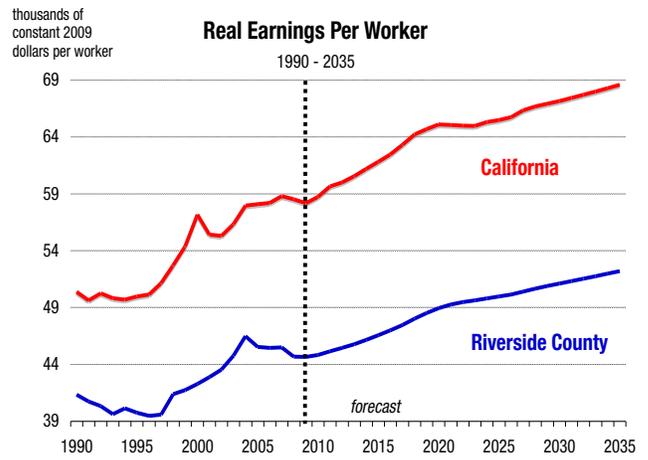
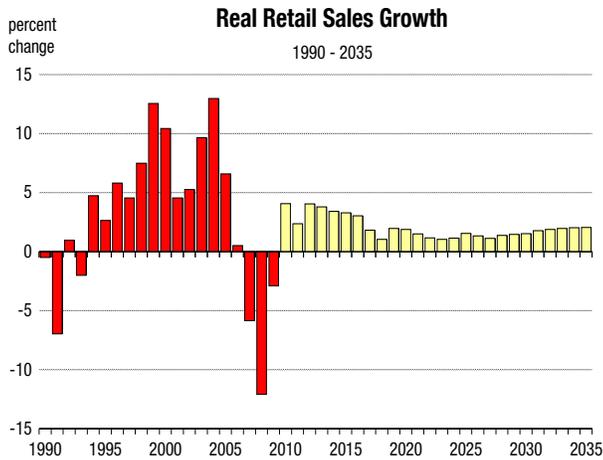


# Riverside County Employment Forecast

## 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	508.9	16.18	55.0	49.8	10.8	82.5	17.6	46.5	6.6	49.6	59.2	96.6
2003	529.6	16.21	60.8	50.0	12.3	86.3	19.5	52.0	6.6	50.7	60.6	96.2
2004	557.4	15.13	70.4	50.9	13.6	93.1	20.8	54.0	7.0	51.9	64.5	97.7
2005	593.1	14.97	78.4	53.4	15.7	100.5	22.2	57.1	7.4	53.3	67.9	102.8
2006	620.6	14.21	80.7	57.0	17.0	106.4	23.6	62.6	7.7	53.5	71.9	104.8
2007	618.8	13.72	69.9	54.9	18.3	108.8	23.1	64.0	7.6	56.9	73.6	106.6
2008	592.4	13.51	56.2	49.6	18.4	104.4	21.3	60.3	7.3	59.0	72.2	108.8
2009	554.2	13.29	42.9	43.5	17.4	96.1	19.8	57.2	6.6	60.0	68.8	108.2
2010	546.1	13.30	41.6	41.8	17.3	94.0	19.4	57.6	6.4	60.1	68.5	105.5
2011	560.4	13.28	44.2	45.3	17.5	94.3	19.7	61.6	6.6	61.2	69.4	106.0
2012	578.5	13.29	46.7	48.7	17.9	97.1	20.0	65.8	6.7	62.7	70.9	106.9
2013	596.1	13.30	49.7	51.8	18.3	99.9	20.2	68.3	6.7	63.9	72.4	108.9
2014	611.9	13.29	51.3	52.7	18.8	102.7	20.4	71.8	6.7	65.4	74.1	111.7
2015	627.8	13.29	52.5	53.8	19.2	105.5	20.6	74.9	6.8	66.9	76.0	114.6
2016	644.9	13.27	53.4	55.7	19.7	108.4	20.9	78.0	6.9	68.4	77.9	118.0
2017	658.5	13.20	54.4	55.1	20.2	110.8	21.2	80.7	7.1	69.9	79.7	121.6
2018	672.6	13.10	55.3	55.3	20.7	112.7	21.3	83.5	7.0	71.8	81.5	125.4
2019	690.0	13.02	56.4	56.2	21.2	114.8	21.3	87.5	7.1	74.1	83.2	129.3
2020	707.0	12.98	57.6	57.1	21.7	117.0	21.4	91.6	7.2	76.2	84.9	133.1
2021	725.0	12.98	58.5	57.5	22.3	119.2	21.5	96.6	7.2	79.2	86.5	136.6
2022	743.6	12.99	60.1	57.9	22.8	121.6	21.7	101.1	7.3	82.4	88.1	139.8
2023	761.7	12.99	61.9	58.2	23.4	123.8	22.0	105.4	7.3	85.6	89.7	142.9
2024	777.5	12.99	63.0	58.6	24.0	125.8	22.3	108.4	7.3	88.7	91.2	145.7
2025	793.2	12.99	64.0	58.9	24.6	127.9	22.7	112.0	7.4	91.4	92.6	148.3
2026	808.3	13.00	65.3	59.1	25.2	130.0	23.1	115.2	7.4	94.1	94.1	150.7
2027	821.4	13.00	66.3	59.4	25.7	132.0	23.6	117.2	7.5	96.7	95.5	152.9
2028	836.0	13.00	67.8	59.7	26.2	134.0	24.0	120.2	7.4	99.2	97.0	154.9
2029	850.3	13.00	69.1	59.9	26.7	136.1	24.4	123.3	7.4	101.7	98.5	156.7
2030	864.1	13.01	70.1	60.2	27.1	138.3	24.8	126.2	7.4	104.2	99.9	158.4
2031	877.5	13.01	71.0	60.5	27.6	140.5	25.2	128.9	7.4	106.7	101.4	159.8
2032	890.5	13.02	71.9	60.6	28.0	142.8	25.7	131.4	7.5	109.2	102.9	161.1
2033	903.3	13.02	72.6	60.7	28.5	145.1	26.1	133.8	7.6	111.7	104.5	162.3
2034	915.6	13.03	73.3	60.7	28.9	147.5	26.5	135.9	7.6	114.3	106.0	163.5
2035	928.0	13.03	74.0	60.8	29.3	150.0	26.9	138.0	7.6	116.8	107.6	164.7





## County Economic and Demographic Indicators

### Projected Economic Growth (2010-2015)

Expected retail sales growth:	18.1 %
Expected job growth:	15.0 %
Fastest growing jobs sector:	Professional Business Services
Expected personal income growth:	20.6%

Expected population growth:	8.2 %
Net migration to account for:	37.7 %
Expected growth in number of vehicles:	10.6 %

### Demographics (2009)

Unemployment rate (December):	14.3 %
County Rank* in California (58 counties):	33rd
Working age (16-64) population:	62.9 %

Population with B.A. Degree or higher:	16.6 %
Median Home Selling Price:	\$172,696
Median Household Income:	\$57,929

### Quality of Life

Violent Crime rate (2008):	400 per 100,000 persons
County Rank* in California (58 counties):	27th
Average Commute Time to work (2009):	33.5 minutes

High School drop out rate (2008):	17.3 %
Households at/below poverty line:	10.8 %

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