

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 350,000 people and just over 121,000 wage and salary jobs. The per capita income in Placer County is \$45,861, and the average salary per worker is \$53,025.

Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) declined 2.9 percent during 2010, the third straight year of contracting employment. In 2010, 4,300 total wage and salary jobs were lost in Placer County, representing decline of -3.5 percent. The unemployment rate increased to 11.5 percent in 2010.

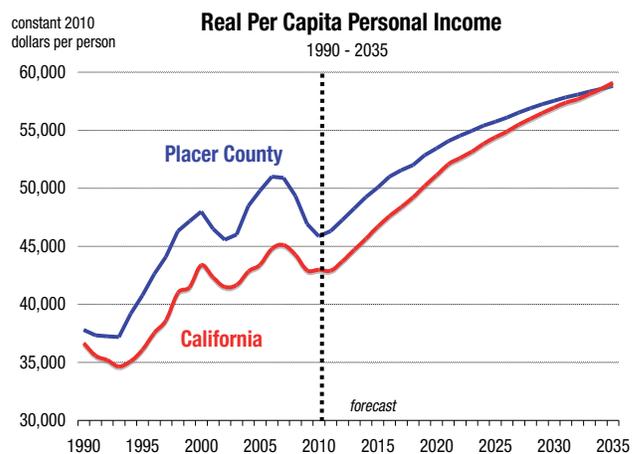
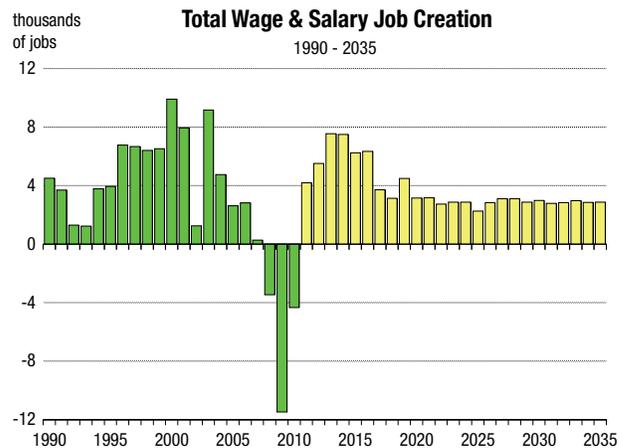
During 2010, new jobs in professional services were created, but all other non-farm sectors experienced job contraction. As with most counties, employment in construction suffered the largest losses, down 1,100 jobs or 12 percent. Large losses also occurred in government (-1,000 jobs), and financial activities (-800 jobs).

The population increased by 40.3 percent in Placer County between the 2000 and 2010 census, making it the second fastest growing county in California. The fastest growing city in the county is Lincoln, which nearly quadrupled in population over the past 10 years.

Employment growth in Placer County is expected to be substantial over the next few years. Jobs are forecast to exceed pre-recession levels by 2014. 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

- Jobs rapidly return to Placer County beginning in 2011, with an estimated increase of 3.5 percent. Job growth is expected to continue to exceed most areas of the state after 2011, averaging 4.8 percent per year between 2011 and 2016.
- 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 1.0 percent per year from 2011 to 2016.
- The momentum for employment growth occurs in construction, retail trade, leisure services, education and healthcare, and professional services. These sectors account for 67 percent of the total gain in employment between 2011 and 2016. Transportation and wholesale trade each grow by over 25 percent during this time, but start from a low employment base.

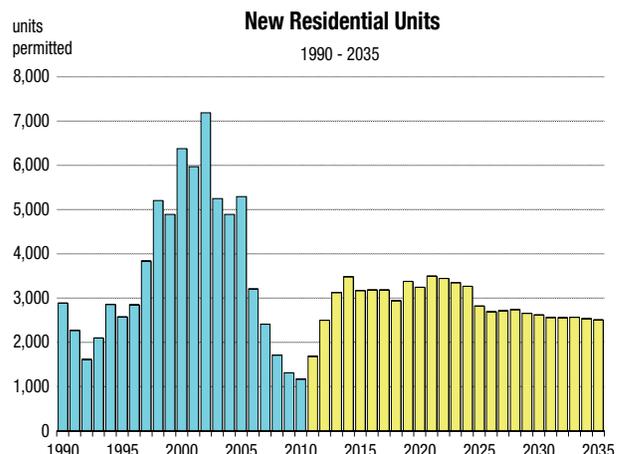
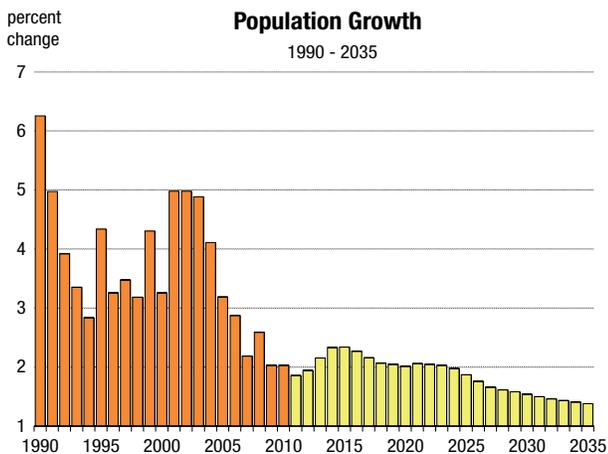


- Annual population growth in the 2011 to 2016 period averages 2.2 percent per year.
- Net migration will decline to approximately 5,200 people in 2011. Migration then accelerates as more jobs are created, averaging 6,600 people entering the county per year from 2011 to 2016.
- Real per capita incomes are expected to increase by 0.7 percent in 2011. During the 2011 to 2016 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 7.0 percent per year between 2011 and 2016.
- Industrial production will improve by 8.6 percent in 2011. From 2011 to 2016 industrial production is forecast to rise 4.0 percent per year.

Placer County Economic Forecast

2006-2010 History, 2011-2040 Forecast

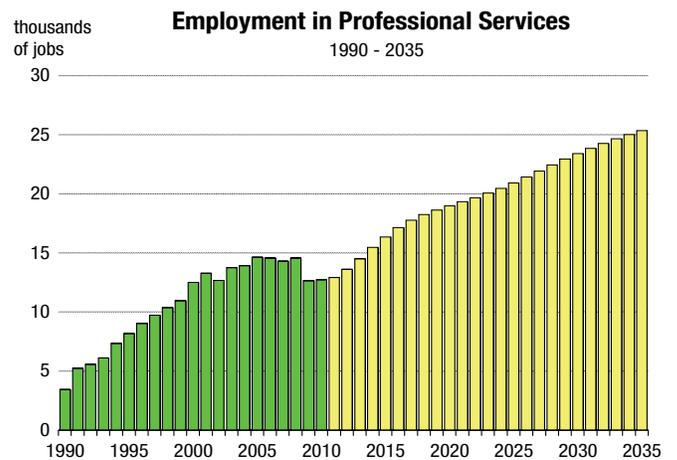
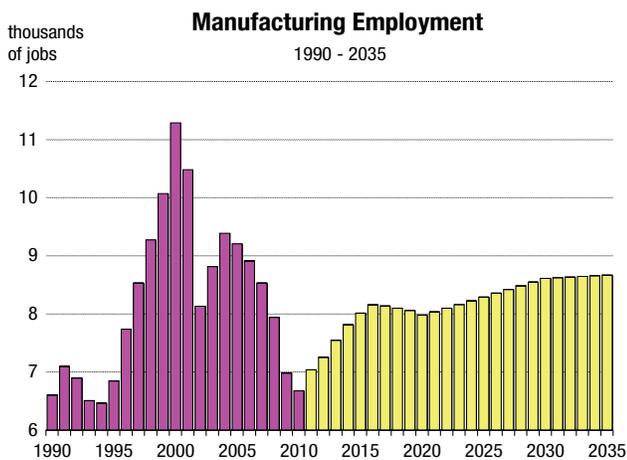
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	321,017	7,522	372.0	125.1	3,205	\$7.53	\$15.0	\$51,004	3.2	57.4	1.70	4.2
2007	328,045	5,574	372.1	128.6	2,413	\$7.43	\$15.9	\$50,882	3.4	55.4	1.64	4.8
2008	336,546	6,974	371.5	131.5	1,713	\$6.63	\$16.3	\$49,343	3.0	53.5	1.56	6.4
2009	343,379	5,492	375.6	133.2	1,315	\$5.80	\$15.9	\$46,915	0.8	67.4	1.53	10.4
2010	350,350	5,649	376.2	134.7	1,171	\$6.22	\$16.1	\$45,861	1.3	65.6	1.49	11.5
2011	356,841	5,201	384.5	135.3	1,668	\$6.82	\$17.0	\$46,191	3.3	64.6	1.62	9.7
2012	363,721	5,583	394.9	136.9	2,411	\$7.50	\$18.1	\$47,115	2.3	64.7	1.68	8.8
2013	371,493	6,462	408.8	139.1	3,115	\$8.24	\$19.4	\$48,220	2.3	65.2	1.75	7.7
2014	380,144	7,328	422.6	142.0	3,565	\$9.03	\$20.7	\$49,303	2.4	66.1	1.83	6.6
2015	389,134	7,651	434.3	145.3	3,263	\$9.86	\$22.1	\$50,192	2.1	67.5	1.89	5.8
2016	398,105	7,600	446.1	148.4	3,248	\$10.69	\$23.5	\$51,131	2.1	67.9	1.97	5.2
2017	406,802	7,279	453.4	151.4	3,187	\$11.48	\$24.7	\$51,578	2.1	67.9	2.03	5.1
2018	415,233	6,956	459.7	154.3	2,879	\$12.25	\$25.9	\$52,004	2.0	67.5	2.09	4.9
2019	423,682	6,916	468.2	157.0	3,348	\$13.10	\$27.4	\$52,834	1.9	66.3	2.15	4.4
2020	432,149	6,870	474.4	160.1	3,222	\$13.94	\$28.7	\$53,403	1.7	66.3	2.21	4.4
2021	440,996	7,187	480.5	163.1	3,468	\$14.79	\$30.1	\$54,005	1.7	67.4	2.29	4.4
2022	449,970	7,255	485.8	166.4	3,419	\$15.69	\$31.7	\$54,432	2.2	66.7	2.37	4.4
2023	459,052	7,309	491.2	169.5	3,308	\$16.60	\$33.3	\$54,824	2.2	65.1	2.44	4.4
2024	468,054	7,180	496.6	172.6	3,223	\$17.59	\$34.9	\$55,238	2.1	62.7	2.52	4.4
2025	476,729	6,811	500.9	175.6	2,781	\$18.64	\$36.5	\$55,554	2.1	59.9	2.60	4.4
2026	485,043	6,422	506.2	178.2	2,663	\$19.66	\$38.1	\$55,902	2.1	57.6	2.69	4.4
2027	493,035	6,090	511.9	180.7	2,690	\$20.74	\$39.9	\$56,300	2.1	55.8	2.78	4.3
2028	500,951	6,018	517.7	183.2	2,713	\$21.87	\$41.6	\$56,678	2.1	53.8	2.87	4.3
2029	508,832	5,993	523.1	185.7	2,635	\$23.04	\$43.4	\$56,991	2.1	51.8	2.97	4.4
2030	516,639	5,940	528.8	188.2	2,599	\$24.23	\$45.3	\$57,297	2.1	51.3	3.07	4.3
2031	524,353	5,841	534.4	190.6	2,546	\$25.47	\$47.1	\$57,552	2.2	51.8	3.17	4.4
2032	531,995	5,768	540.2	193.0	2,522	\$26.74	\$49.1	\$57,772	2.2	50.3	3.27	4.4
2033	539,589	5,728	546.2	195.3	2,540	\$28.07	\$51.1	\$58,021	2.1	47.6	3.37	4.3
2034	547,149	5,708	552.0	197.7	2,520	\$29.46	\$53.1	\$58,249	2.2	44.5	3.48	4.3
2035	554,671	5,691	557.9	200.0	2,497	\$30.91	\$55.2	\$58,501	2.2	42.0	3.59	4.3
2036	562,138	5,655	563.8	202.3	2,478	\$32.42	\$57.4	\$58,763	2.1	38.2	3.70	4.3
2037	569,559	5,631	569.9	204.6	2,484	\$34.01	\$59.7	\$59,038	2.2	34.6	3.82	4.3
2038	576,959	5,628	576.3	207.0	2,496	\$35.66	\$62.1	\$59,344	2.1	33.7	3.94	4.3
2039	584,346	5,630	582.6	209.3	2,486	\$37.39	\$64.6	\$59,663	2.1	31.8	4.06	4.3
2040	591,713	5,621	589.1	211.6	2,467	\$39.19	\$67.1	\$59,999	2.1	29.4	4.19	4.3

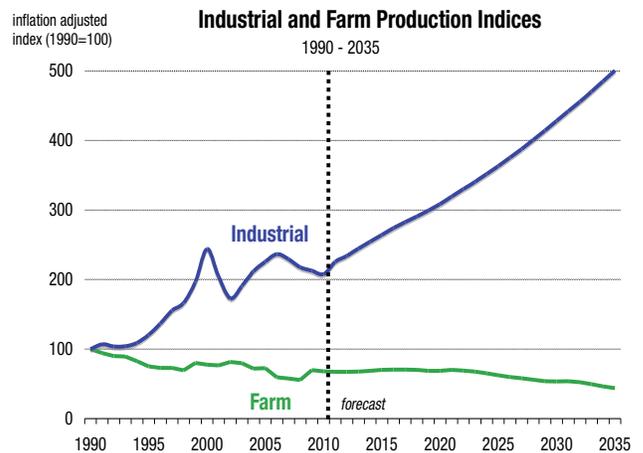
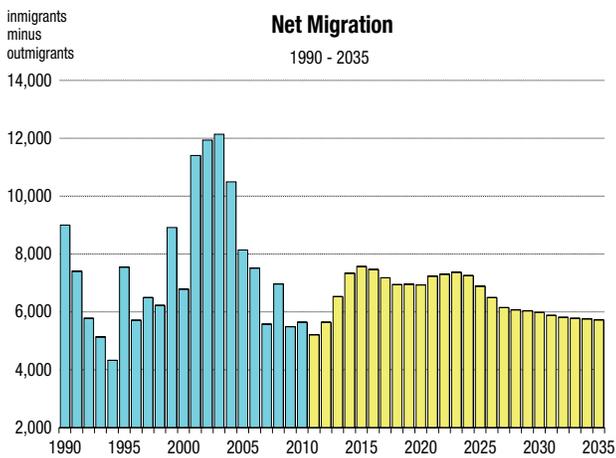
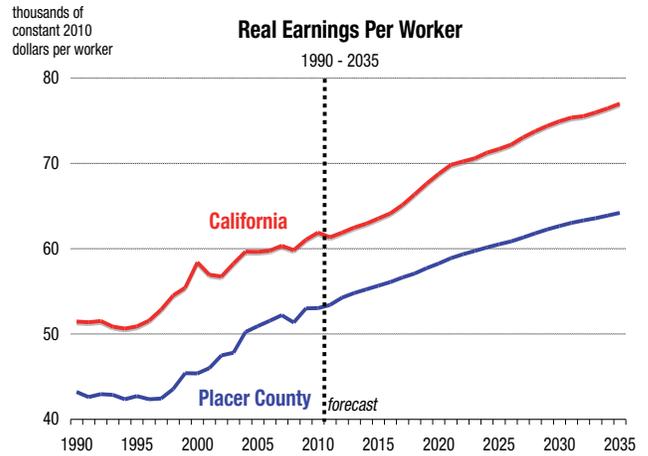
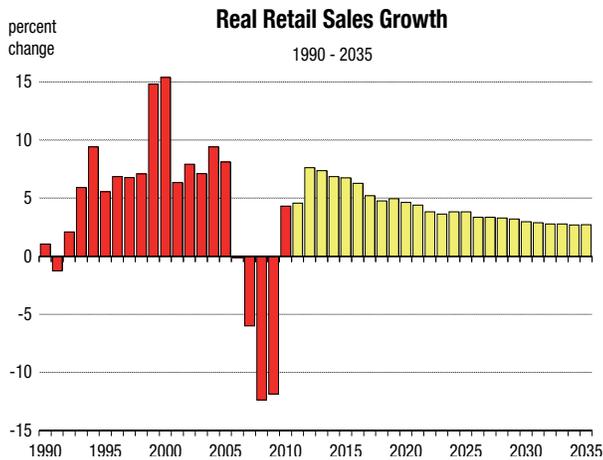


Placer County Employment Forecast

2006-2010 History, 2011-2040 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	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	140.4	0.34	14.7	8.5	3.1	26.1	11.3	14.3	2.6	15.8	19.1	20.0
2008	136.9	0.40	12.3	7.9	2.9	25.0	10.6	14.6	2.4	16.7	19.3	19.9
2009	125.5	0.33	9.0	7.0	2.9	23.0	10.1	12.7	2.5	16.6	18.1	18.5
2010	121.1	0.33	8.0	6.7	2.8	22.7	9.3	12.7	2.4	16.4	17.7	17.5
2011	125.3	0.35	8.4	7.0	3.0	23.7	9.8	12.9	2.4	17.5	18.5	17.0
2012	130.8	0.37	9.4	7.3	3.2	25.1	10.0	13.6	2.6	18.1	19.4	16.9
2013	138.4	0.39	11.0	7.5	3.3	26.8	10.4	14.5	2.7	18.6	20.4	17.3
2014	145.9	0.40	12.4	7.8	3.5	28.4	10.8	15.5	2.8	19.3	21.4	17.9
2015	152.1	0.41	12.7	8.0	3.7	29.9	10.9	16.4	2.9	20.0	22.5	18.6
2016	158.5	0.42	13.5	8.2	3.8	31.3	11.5	17.2	3.0	20.6	23.6	19.1
2017	162.2	0.41	13.7	8.1	3.9	32.1	11.8	17.8	3.0	21.1	24.4	19.2
2018	165.4	0.38	13.5	8.1	4.0	32.8	12.2	18.3	3.0	21.7	25.2	19.4
2019	169.8	0.36	14.8	8.1	4.2	33.4	12.5	18.6	3.1	22.2	26.0	19.6
2020	173.0	0.35	14.9	8.0	4.4	34.1	12.9	19.0	3.1	22.7	26.7	19.8
2021	176.2	0.34	15.3	8.0	4.5	34.8	13.0	19.3	3.1	23.3	27.3	20.0
2022	178.9	0.34	15.3	8.1	4.7	35.5	13.1	19.7	3.1	23.8	27.9	20.1
2023	181.8	0.34	15.2	8.2	4.8	36.1	13.4	20.1	3.2	24.4	28.4	20.2
2024	184.7	0.34	15.1	8.2	4.9	36.8	13.6	20.5	3.2	25.0	28.9	20.3
2025	186.9	0.34	14.2	8.3	5.0	37.5	13.9	20.9	3.2	25.7	29.4	20.5
2026	189.8	0.34	14.0	8.4	5.1	38.1	14.2	21.4	3.3	26.4	29.9	20.7
2027	192.9	0.34	14.1	8.4	5.2	38.6	14.4	21.9	3.3	27.0	30.4	20.8
2028	196.0	0.34	14.1	8.5	5.3	39.2	14.7	22.5	3.4	27.7	30.8	21.0
2029	198.9	0.34	13.9	8.5	5.4	39.8	14.9	23.0	3.4	28.5	31.3	21.2
2030	201.9	0.34	13.9	8.6	5.5	40.3	15.2	23.4	3.4	29.2	31.8	21.4
2031	204.6	0.34	13.8	8.6	5.6	40.9	15.4	23.9	3.5	29.9	32.3	21.6
2032	207.5	0.35	13.7	8.6	5.7	41.4	15.7	24.3	3.5	30.6	32.7	21.7
2033	210.5	0.35	13.8	8.6	5.8	41.9	16.0	24.7	3.6	31.4	33.2	21.9
2034	213.3	0.35	13.7	8.7	5.9	42.4	16.3	25.0	3.6	32.2	33.7	22.1
2035	216.2	0.35	13.7	8.7	6.0	42.9	16.5	25.4	3.6	33.0	34.2	22.3
2036	219.1	0.35	13.6	8.7	6.0	43.4	16.8	25.7	3.7	33.8	34.7	22.5
2037	222.0	0.36	13.6	8.7	6.1	44.0	17.1	26.0	3.7	34.6	35.2	22.7
2038	225.0	0.36	13.7	8.7	6.2	44.5	17.4	26.4	3.8	35.4	35.8	22.9
2039	228.0	0.36	13.6	8.7	6.3	45.0	17.7	26.7	3.8	36.2	36.3	23.1
2040	231.1	0.36	13.6	8.7	6.4	45.5	18.0	27.0	3.8	37.1	36.8	23.3





County Economic and Demographic Indicators

Projected Economic Growth (2011-2016)

Expected retail sales growth:	40.7 %
Expected job growth:	26.5 %
Fastest growing jobs sector:	Wholesale Trade
Expected personal income growth:	23.5 %

Expected population growth:	12.6 %
Net migration to account for:	83.9 %
Expected growth in number of vehicles:	16.0 %

Demographics (2011)

Unemployment rate (June 2011)	11.4 %
County Rank* in California (58 counties):	20th
Working age (16-64) population:	63.0 %

Population with B.A. Degree or higher:	33.5 %
Median Home Selling Price:	\$280,000
Median Household Income:	\$69,525

Quality of Life

Violent Crime rate (2009):	240 per 100,000 persons
County Rank* in California (58 counties):	7th
Average Commute Time to work (2011):	27.0 minutes

High School drop out rate (2009):	8.8 %
Households at/below poverty line:	4.2 %

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