

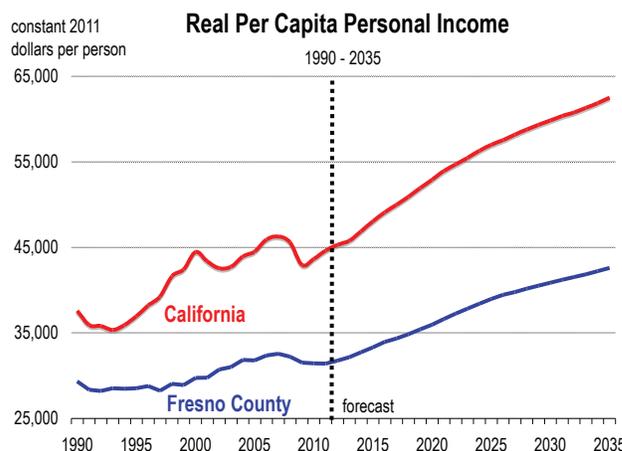
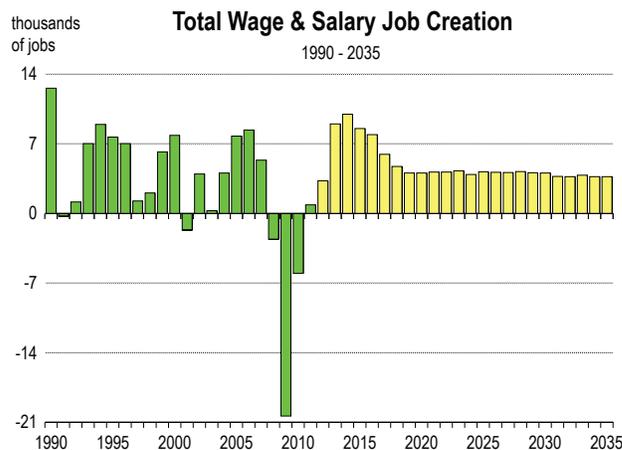
FRESNO COUNTY ECONOMIC FORECAST

Fresno County is the most productive agricultural county in the nation. In each of the last five years the total value of agricultural output has exceeded \$5 billion. Grapes are the most prevalent commodity, followed by almonds and tomatoes. Fresno County is located in the San Joaquin Valley, and has a population of 942,000 people and just over 326,000 wage and salary jobs. The per capita income in Fresno County is \$31,400, and the average salary per worker is \$45,393.

In Fresno County, employment increased by 900 jobs during 2011, representing a growth rate of 0.3 percent. This was a relatively modest performance, but was significantly better than the greater San Joaquin Valley, which declined by 0.7 percent. During 2011, the Fresno County unemployment rate decreased from 16.8 percent to 16.6 percent.

Across the major employment sectors, job growth was mixed in 2011. The largest increases occurred in education and healthcare (+800 jobs), wholesale trade (+800 jobs), leisure and hospitality (+600 jobs), and agriculture (+400 jobs). The largest declines took place in the public sector (-1,500 jobs), construction (-500 jobs), manufacturing (-200 jobs), information (-200 jobs), and financial activities (-200 jobs). The public sector – Fresno County’s largest employment industry – will continue to decline through 2012, but will rebound in 2013 as government budgets begin to heal.

The population continues to grow in Fresno County, and the growth rate remained relatively high during 2011 at 1.0 percent. Between 2006 and 2011, the population increased by 8.3 percent, an annual average rate of 1.3 percent. This growth largely came from the natural increase (new births), as net migration was relatively low.



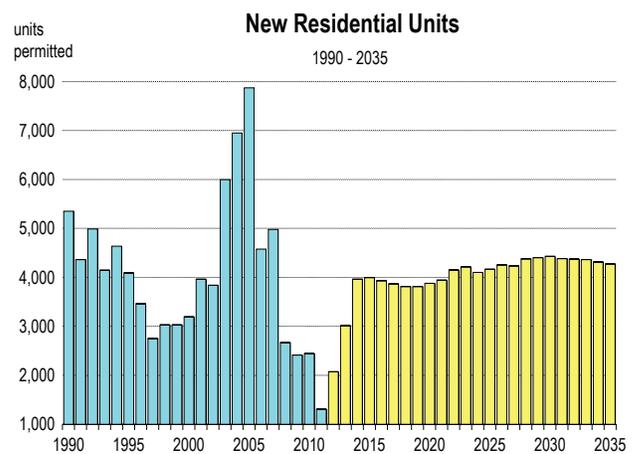
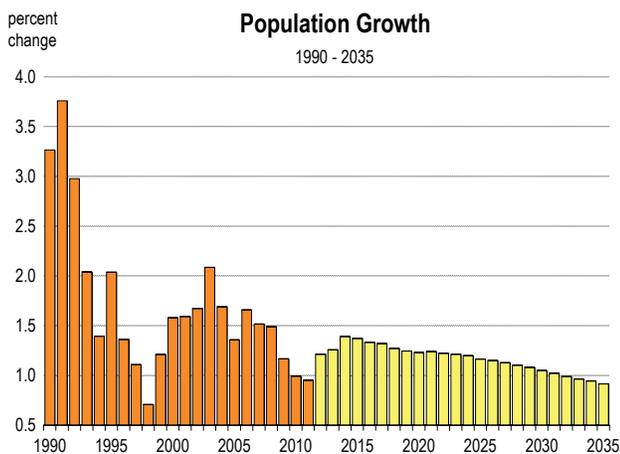
FORECAST HIGHLIGHTS

- Total wage and salary employment is forecast to increase by 1.0 percent in 2012. Agricultural job growth will be higher, increasing 2.7 percent. From 2012 to 2017, total wage and salary growth averages 2.7 percent per year, while agricultural growth averages 1.5 percent.
- Average salaries are currently well below the California state level, and will remain so over the foreseeable future. Real average salaries are expected to rise by of 0.9 percent per year during the 2012 to 2017 period.
- Between 2012 and 2017, employment growth will be led by construction, leisure services, professional services, healthcare and education, and government. These sectors are each forecast to add between 4,500 and 7,000 jobs over the period.
- Annual population growth will accelerate over the near term, rising to 1.4 percent by 2014. During the 2012 to 2017, period population growth averages 1.3 percent per year.
- Net migration turns positive in 2012, reaching 3,000 net in-migrants in 2014. From 2012 to 2017, net migration is expected to average 2,300 net in-migrants per year.
- Real per capita incomes are forecast to increase by 1.1 percent in 2012, and by an average of 1.5 percent between 2012 and 2017.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 3.7 percent per year from 2012 to 2017.
- Industrial production is forecast to rise by 3.8 percent in 2012. Between 2012 and 2017, industrial production will increase by an average of 2.1 percent per year.
- Farm production is forecast to increase by 1.1 percent per year between 2012 and 2017. Grapes are the principal crop in the county.

Fresno County Economic Forecast

2006-2011 History, 2012-2040 Forecast

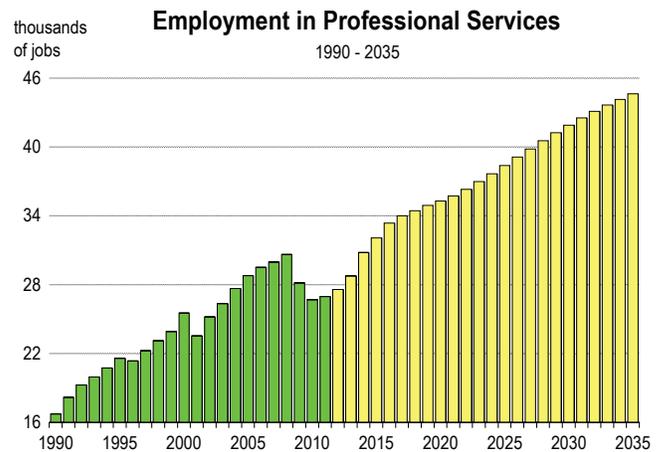
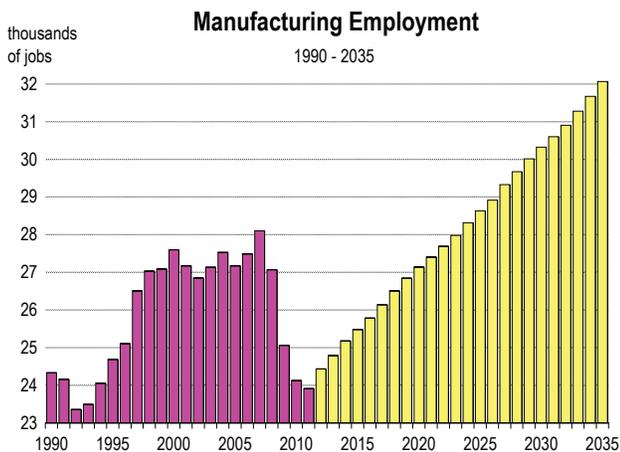
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	886,376	4,111	711	276.5	4,580	\$12.6	\$25.7	\$32,362	3.2	5.4	6.0	8.0
2007	899,826	2,477	713	281.6	4,979	\$12.3	\$27.2	\$32,548	3.4	5.8	6.3	8.5
2008	913,239	2,168	713	285.2	2,669	\$11.7	\$28.1	\$32,210	3.0	5.9	6.7	10.4
2009	923,895	243	717	288.3	2,416	\$10.0	\$28.0	\$31,522	0.8	5.6	6.3	15.0
2010	933,075	-1,297	721	289.0	2,444	\$10.2	\$28.6	\$31,421	1.3	6.1	6.5	16.8
2011	941,965	-1,530	726	290.8	1,311	\$10.4	\$29.6	\$31,400	2.5	6.1	6.6	16.6
2012	953,409	1,201	734	292.8	2,076	\$10.9	\$30.9	\$31,755	1.9	6.3	6.8	14.6
2013	965,412	1,673	745	295.1	3,016	\$11.4	\$32.3	\$32,165	2.1	6.3	7.0	13.2
2014	978,867	2,994	758	298.1	3,963	\$12.0	\$34.0	\$32,727	2.1	6.4	7.2	12.3
2015	992,320	2,868	771	301.8	3,997	\$12.7	\$35.8	\$33,299	1.8	6.3	7.4	11.4
2016	1,005,554	2,526	784	305.7	3,933	\$13.6	\$37.6	\$33,934	1.7	6.4	7.7	10.6
2017	1,018,856	2,463	793	309.5	3,872	\$14.3	\$39.2	\$34,341	1.7	6.5	8.0	10.1
2018	1,031,827	2,028	802	313.1	3,817	\$15.1	\$40.9	\$34,827	1.7	6.5	8.3	9.7
2019	1,044,675	1,824	812	316.6	3,814	\$16.0	\$42.8	\$35,410	1.5	6.6	8.6	9.3
2020	1,057,538	1,807	822	320.1	3,882	\$16.8	\$44.6	\$35,969	1.4	6.6	8.9	9.0
2021	1,070,663	2,050	833	323.6	3,946	\$17.7	\$46.6	\$36,614	1.3	6.5	9.2	8.9
2022	1,083,782	2,059	843	327.2	4,153	\$18.6	\$48.6	\$37,248	1.5	6.6	9.5	8.8
2023	1,096,945	2,150	854	331.0	4,218	\$19.5	\$50.8	\$37,847	1.5	6.7	9.8	8.8
2024	1,110,108	2,225	864	334.7	4,102	\$20.6	\$53.0	\$38,419	1.6	6.8	10.2	8.8
2025	1,123,058	2,118	874	338.5	4,170	\$21.7	\$55.3	\$38,971	1.7	6.9	10.6	8.7
2026	1,135,991	2,208	884	342.3	4,255	\$22.8	\$57.6	\$39,455	1.7	6.9	11.0	8.7
2027	1,148,811	2,206	893	346.1	4,236	\$23.8	\$59.7	\$39,766	1.7	6.9	11.5	8.7
2028	1,161,507	2,187	902	349.9	4,382	\$24.9	\$62.0	\$40,156	1.7	7.0	11.9	8.6
2029	1,174,084	2,174	911	353.9	4,408	\$26.1	\$64.3	\$40,517	1.7	7.0	12.4	8.6
2030	1,186,431	2,054	920	357.8	4,429	\$27.3	\$66.7	\$40,866	1.7	6.9	12.9	8.6
2031	1,198,575	1,952	929	361.8	4,384	\$28.5	\$69.1	\$41,207	1.7	6.9	13.3	8.5
2032	1,210,440	1,773	938	365.7	4,377	\$29.7	\$71.5	\$41,516	1.7	7.0	13.9	8.5
2033	1,222,128	1,696	947	369.6	4,365	\$30.8	\$74.0	\$41,855	1.7	7.1	14.4	8.5
2034	1,233,674	1,660	957	373.6	4,317	\$32.0	\$76.6	\$42,208	1.7	7.2	15.0	8.5
2035	1,244,988	1,549	966	377.4	4,276	\$33.2	\$79.3	\$42,584	1.7	7.2	15.6	8.4
2036	1,256,111	1,481	975	381.3	4,223	\$34.5	\$82.2	\$42,962	1.7	7.3	16.2	8.4
2037	1,267,073	1,429	984	385.1	4,193	\$35.7	\$85.1	\$43,362	1.7	7.4	16.9	8.4
2038	1,277,911	1,404	994	388.9	4,171	\$37.0	\$88.2	\$43,790	1.7	7.3	17.6	8.4
2039	1,288,633	1,371	1,003	392.7	4,134	\$38.3	\$91.4	\$44,247	1.7	7.4	18.3	8.3
2040	1,299,247	1,333	1,011	396.4	4,100	\$39.7	\$94.7	\$44,730	1.7	7.4	19.3	8.3

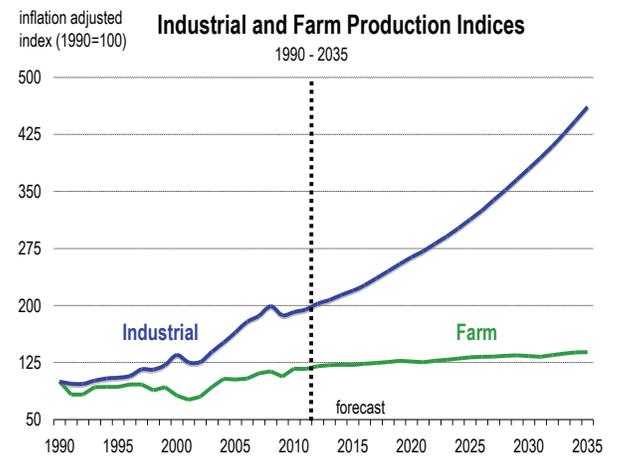
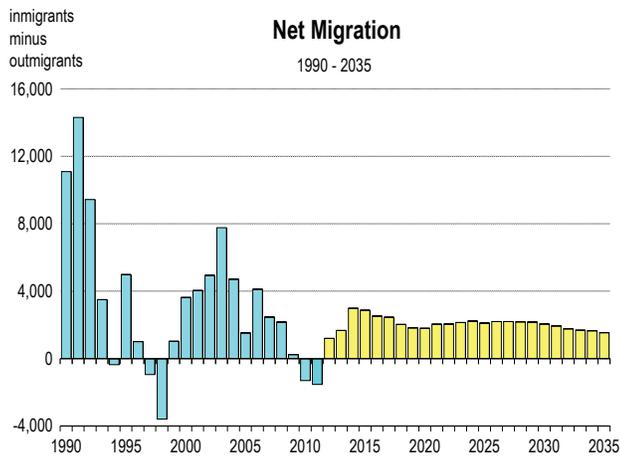
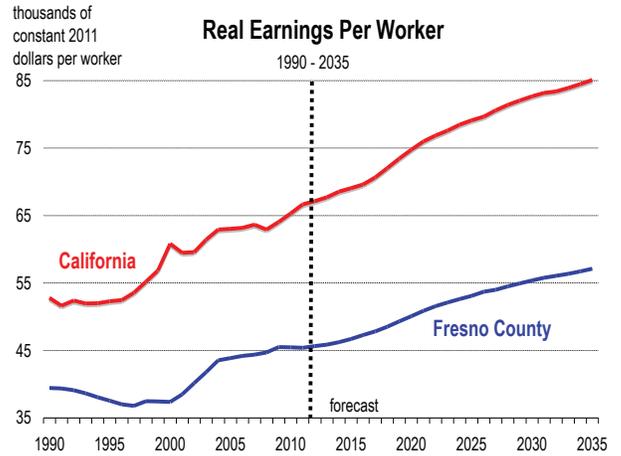


Fresno County Employment Forecast

2006-2011 History, 2012-2040 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	349.1	46.5	23.2	27.5	10.0	48.5	15.5	29.5	4.2	37.5	28.1	67.6
2007	354.5	48.1	21.1	28.1	10.7	49.8	15.3	30.0	4.2	38.9	28.2	69.2
2008	351.9	48.9	17.9	27.1	11.0	48.2	14.8	30.7	4.7	40.1	28.0	70.0
2009	331.5	45.1	13.7	25.1	10.6	45.0	13.8	28.2	4.1	40.2	26.6	68.7
2010	325.5	46.0	12.0	24.1	10.8	44.3	13.4	26.7	3.4	40.7	26.8	67.1
2011	326.3	46.5	11.6	23.9	11.1	45.4	13.2	27.0	3.2	41.5	27.4	65.6
2012	329.6	47.7	11.8	24.4	11.3	45.5	13.2	27.6	3.3	42.6	28.0	63.7
2013	338.6	48.7	13.6	24.8	11.6	46.1	13.3	28.8	3.6	43.3	28.6	65.6
2014	348.6	49.5	15.1	25.2	11.8	46.9	13.4	30.8	3.9	44.1	29.3	67.6
2015	357.2	50.1	16.3	25.5	12.0	47.9	13.5	32.1	4.0	45.2	30.2	69.1
2016	365.2	50.5	17.0	25.8	12.1	49.0	13.6	33.4	4.2	46.1	31.1	70.6
2017	371.1	50.7	17.4	26.1	12.3	49.8	13.7	34.0	4.3	46.8	32.0	72.1
2018	375.8	50.7	17.7	26.5	12.5	50.3	13.7	34.5	4.4	47.6	32.5	73.4
2019	379.9	50.5	18.0	26.8	12.6	50.8	13.7	34.9	4.5	48.4	32.9	74.4
2020	384.0	50.4	18.5	27.1	12.7	51.3	13.8	35.3	4.6	49.1	33.1	75.4
2021	388.2	50.3	19.1	27.4	12.9	51.9	13.9	35.8	4.6	49.8	33.3	76.4
2022	392.4	50.2	19.7	27.7	13.0	52.6	14.1	36.3	4.7	50.4	33.5	77.4
2023	396.7	50.2	20.1	28.0	13.2	53.3	14.2	37.0	4.7	51.0	33.6	78.2
2024	400.6	50.2	20.3	28.3	13.3	54.0	14.3	37.7	4.7	51.7	33.7	79.0
2025	404.8	50.2	20.6	28.6	13.5	54.7	14.4	38.4	4.7	52.4	33.9	79.8
2026	408.9	50.2	21.1	28.9	13.6	55.3	14.5	39.1	4.8	53.1	34.1	80.5
2027	413.1	50.2	21.5	29.3	13.8	55.8	14.6	39.8	4.8	53.8	34.2	81.2
2028	417.3	50.3	21.9	29.7	14.0	56.3	14.7	40.6	4.8	54.6	34.5	81.8
2029	421.4	50.3	22.2	30.0	14.1	56.9	14.8	41.3	4.9	55.4	34.8	82.4
2030	425.5	50.3	22.5	30.3	14.3	57.5	14.9	41.9	4.9	56.2	35.0	83.0
2031	429.2	50.4	22.7	30.6	14.4	58.1	14.9	42.5	4.9	57.0	35.3	83.5
2032	432.9	50.4	22.9	30.9	14.5	58.6	15.0	43.1	4.9	57.8	35.6	84.0
2033	436.7	50.4	23.1	31.3	14.7	59.2	15.0	43.7	4.9	58.6	35.9	84.6
2034	440.4	50.5	23.3	31.7	14.8	59.8	15.0	44.2	4.9	59.4	36.2	85.1
2035	444.2	50.5	23.4	32.1	14.9	60.4	15.1	44.6	4.9	60.2	36.5	85.7
2036	447.9	50.5	23.6	32.5	15.0	60.9	15.1	45.1	5.0	61.0	36.8	86.2
2037	451.7	50.6	23.8	32.9	15.1	61.5	15.1	45.6	5.0	61.8	37.1	86.8
2038	455.6	50.6	24.0	33.3	15.2	62.1	15.1	46.1	5.0	62.7	37.4	87.4
2039	459.6	50.7	24.2	33.7	15.3	62.7	15.1	46.6	5.0	63.5	37.7	88.0
2040	463.7	50.7	24.5	34.1	15.4	63.3	15.1	47.1	5.0	64.3	38.0	88.7





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	24.2 %
Expected job growth:	14.5 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	18.3 %

Expected population growth:	8.2 %
Net migration to account for:	17.8 %
Expected growth in number of vehicles:	9.2 %

Demographics

Unemployment rate (March 2012):	17.4 %
County Rank* in California (58 counties):	45th
Working age (16-64) population:	63.4 %

Population with B.A. Degree or higher:	19.6 %
Median Home Selling Price:	\$145,000
Median Household Income:	\$43,738

Quality of Life

Violent Crime rate (2010):	519 per 100,000 persons
County Rank* in California (58 counties):	46th
Average Commute Time to work (2012):	23.7 minutes

High School drop out rate (2010):	20.3 %
Households at/below poverty line:	16.6 %

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