

# CALIFORNIA ECONOMIC FORECAST

In 2012, the state's official population was 37.83 million people, and total wage and salary employment stood at just under 14.8 million jobs. California accounts for 12.0 percent of the U.S. population and 10.8 percent of the nation's non-farm wage and salary employment. The per capita income in California is \$44,905 and the average salary per worker is \$65,683.

In 2012, a total of 300,900 wage and salary jobs were gained in California, representing an increase of 2.1 percent. This is the fastest rate of growth since the year 2000. Farm employment, which accounts for less than 3 percent of all jobs in the state, increased by 3.4 percent. The unemployment rate improved substantially, falling from 11.8 percent in 2011 to 10.5 percent in 2012.

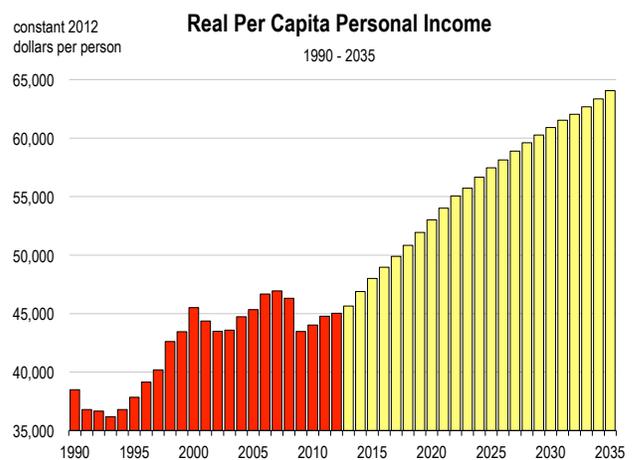
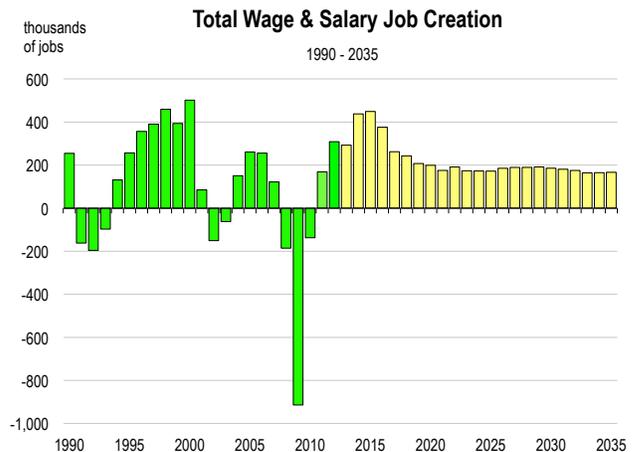
Across the economy, virtually all sectors created jobs in 2012. The largest increases were observed in professional services (+103,200 jobs), leisure and hospitality (+63,300 jobs), wholesale and retail trade (+44,500 jobs), education and healthcare (+43,500 jobs), and construction (+26,200 jobs). The only sector to decline was government (-29,800 jobs).

Between 2007 and 2012, the state population grew at an annual average rate of 0.7 percent. In total, growth occurred in 45 counties, while declines occurred in 13 counties. The fastest growing county in the state was Placer, which increased at an average rate of 1.8 percent per year. Eight additional counties grew by more than 1.0 percent per year.

Despite overall population growth, net migration has been negative since 2005. Over the past five years, the state has lost an average of 39,700 residents through net migration each year. However, out-migration has been moderating, and in 2012 only 13,500 net migrants left the state.

## FORECAST HIGHLIGHTS

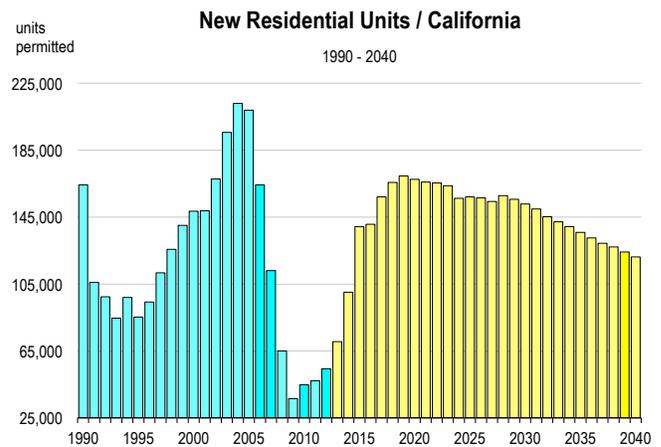
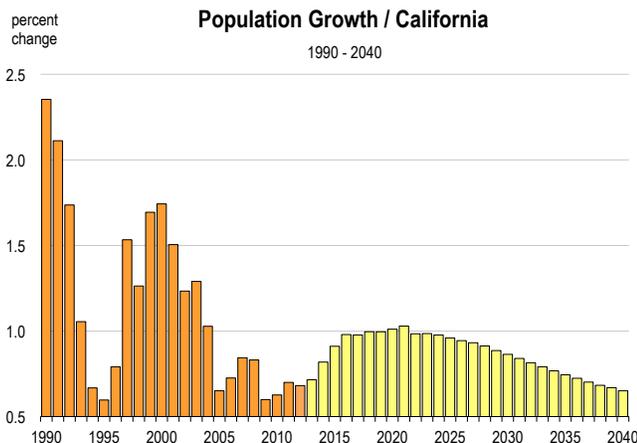
- In 2013, total wage and salary employment will increase by 2.0 percent. Between 2013 and 2018, growth will average 2.2 percent per year. Farm employment will grow by just 0.5 percent per year during this period.
- Average salaries, adjusted for inflation, are forecast to increase by 1.3 percent in 2013. Over the 2013-2018 period, average salaries will increase by 1.0 percent per year.
- Between 2013 and 2018, job creation will occur primarily in wholesale and retail trade, leisure and hospitality, education and healthcare, professional services, and government. Together, these sectors will account for 74 percent of net job creation in the state.
- The population growth rate will increase slightly over the medium term, averaging 0.9 percent per year during the 2013-2018 period.
- Net migration is expected to turn positive in 2013, with 5,500 net migrants entering the state. Over the next five years, net migration will average 83,300 individuals per year.
- Real per capita income is forecast to increase by 1.9 percent in 2013. Between 2013 and 2018, real per capita income is expected to rise by an average of 2.5 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to grow by 2.0 percent in 2013. From 2013 to 2018, real taxable sales will increase at an average annual rate of 4.8 percent.
- Industrial production is expected to increase by 3.0 percent in 2013. Between 2013 and 2018, the growth rate of industrial production will average 3.6 percent per year. Total crop production, adjusted for inflation, is expected to rise by an average of 0.5 percent per year between 2013 and 2018.



# California Economic Forecast

## 2006-2012 History, 2013-2040 Forecast

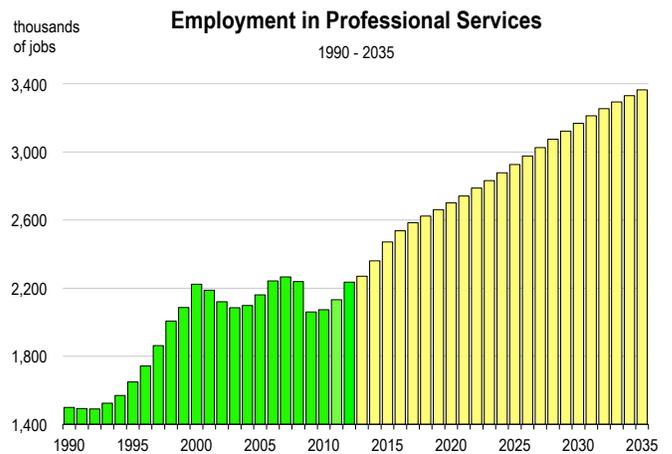
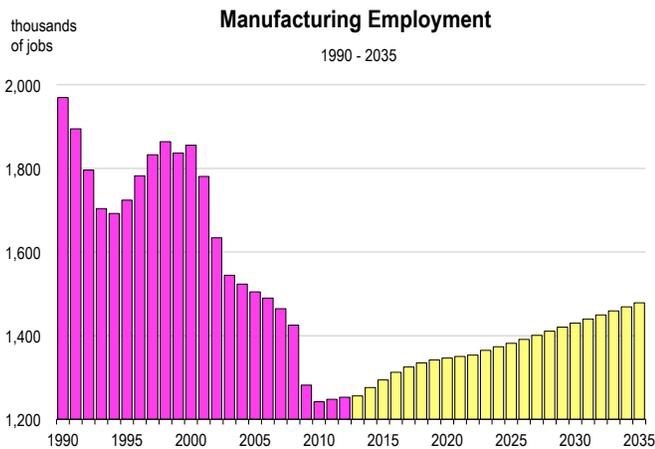
	Population (millions)	Net Migration (thousands)	Registered Vehicles (millions)	Households (millions)	New Homes Permitted (thousands)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	36.25	-52.8	31.5	12.2	164.3	\$553.1	\$1,478.2	\$46,681	3.3	36.6	316.9	4.9
2007	36.55	-24.2	31.5	12.4	113.0	\$554.3	\$1,546.9	\$46,946	3.2	41.2	320.7	5.4
2008	36.86	-25.2	31.9	12.5	65.0	\$523.5	\$1,585.9	\$46,305	3.1	40.1	332.1	7.2
2009	37.08	-89.1	31.8	12.5	36.4	\$454.9	\$1,511.2	\$43,468	0.9	36.9	304.5	11.3
2010	37.31	-55.4	31.9	12.6	44.8	\$475.7	\$1,558.7	\$44,016	1.2	39.4	313.6	12.4
2011	37.57	-15.0	31.7	12.6	47.1	\$518.2	\$1,637.8	\$44,775	2.6	44.5	329.6	11.8
2012	37.83	-13.5	31.7	12.6	54.4	\$553.5	\$1,698.6	\$44,905	2.7	44.4	341.0	10.5
2013	38.10	5.5	31.9	12.7	70.6	\$577.3	\$1,782.8	\$45,756	2.3	42.0	351.3	9.2
2014	38.41	36.8	32.4	12.8	100.1	\$629.7	\$1,904.5	\$47,228	2.7	42.3	363.7	8.2
2015	38.76	69.9	32.8	12.9	139.3	\$680.8	\$2,017.4	\$48,533	2.1	42.2	376.4	7.3
2016	39.14	98.1	33.3	13.0	140.7	\$741.1	\$2,133.6	\$49,645	2.4	42.6	390.0	6.7
2017	39.52	100.2	33.7	13.1	157.1	\$774.3	\$2,244.6	\$50,639	2.1	42.8	404.8	6.6
2018	39.91	111.6	34.1	13.3	165.7	\$816.1	\$2,361.7	\$51,684	2.1	43.1	419.3	6.6
2019	40.31	119.9	34.7	13.4	169.6	\$854.0	\$2,492.5	\$52,875	2.1	43.4	434.8	6.7
2020	40.72	136.5	35.1	13.6	167.6	\$889.0	\$2,627.1	\$54,028	2.1	43.3	450.9	6.7
2021	41.14	156.1	35.5	13.7	166.0	\$923.7	\$2,766.5	\$55,082	2.2	43.0	466.0	6.7
2022	41.54	149.0	35.9	13.9	165.4	\$964.3	\$2,917.4	\$56,206	2.3	43.4	481.6	6.7
2023	41.95	155.7	36.3	14.0	163.8	\$1,000.4	\$3,048.3	\$56,847	2.3	43.8	497.5	6.7
2024	42.36	158.2	36.7	14.2	156.2	\$1,039.6	\$3,202.2	\$57,760	2.4	44.2	514.6	6.7
2025	42.77	157.2	37.1	14.3	157.1	\$1,077.4	\$3,355.6	\$58,534	2.4	44.6	532.6	6.7
2026	43.17	156.6	37.4	14.5	156.5	\$1,118.3	\$3,508.9	\$59,180	2.5	44.8	551.4	6.7
2027	43.57	157.5	37.8	14.6	154.4	\$1,164.8	\$3,674.5	\$59,922	2.5	44.8	571.0	6.6
2028	43.97	155.7	38.2	14.8	157.8	\$1,209.0	\$3,842.3	\$60,603	2.5	45.1	591.4	6.6
2029	44.36	150.4	38.6	14.9	155.7	\$1,255.7	\$4,014.0	\$61,237	2.5	45.3	612.4	6.5
2030	44.74	146.9	39.0	15.1	152.8	\$1,301.8	\$4,190.2	\$61,836	2.5	45.0	634.2	6.5
2031	45.12	142.3	39.4	15.2	149.9	\$1,347.5	\$4,369.6	\$62,411	2.5	44.8	656.8	6.5
2032	45.49	136.9	39.7	15.4	145.2	\$1,392.0	\$4,547.0	\$62,859	2.5	45.4	680.3	6.6
2033	45.85	131.9	40.1	15.5	142.2	\$1,437.4	\$4,738.0	\$63,423	2.5	45.9	704.6	6.6
2034	46.20	127.3	40.5	15.6	139.3	\$1,485.9	\$4,939.2	\$64,034	2.5	46.3	729.8	6.6
2035	46.54	122.4	40.8	15.8	135.9	\$1,537.1	\$5,151.4	\$64,684	2.5	46.4	755.8	6.6
2036	46.88	118.8	41.2	15.9	132.6	\$1,588.9	\$5,369.8	\$65,300	2.5	47.1	782.6	6.6
2037	47.21	113.9	41.5	16.0	129.4	\$1,644.0	\$5,599.5	\$65,959	2.5	47.5	810.5	6.6
2038	47.53	110.8	41.8	16.1	127.2	\$1,702.5	\$5,841.3	\$66,670	2.5	47.0	839.0	6.6
2039	47.85	109.7	42.2	16.2	124.2	\$1,764.4	\$6,093.9	\$67,420	2.5	47.4	868.7	6.6
2040	48.16	106.6	42.6	16.4	121.2	\$1,826.7	\$6,354.4	\$68,182	2.4	47.7	895.0	6.6

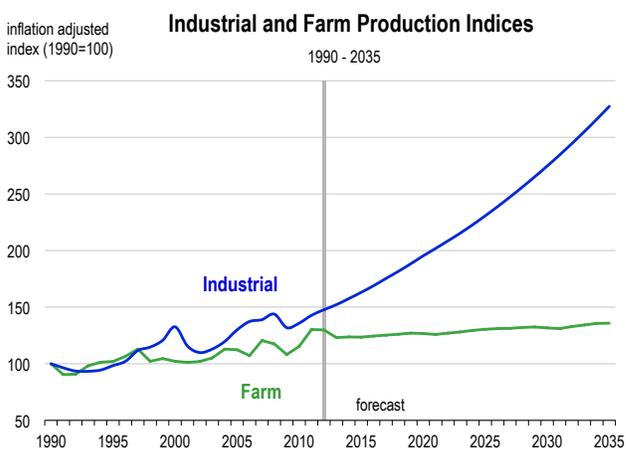
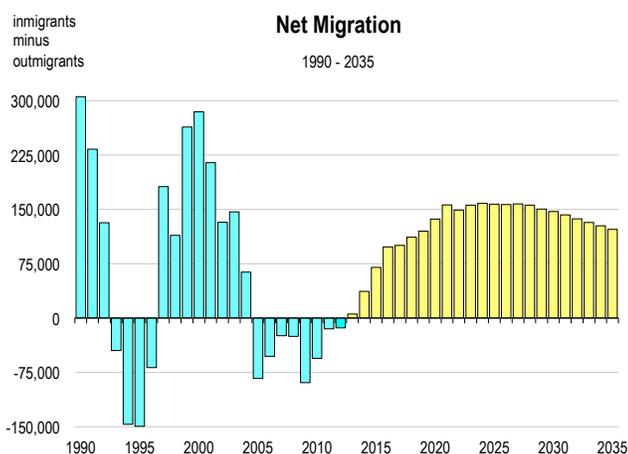
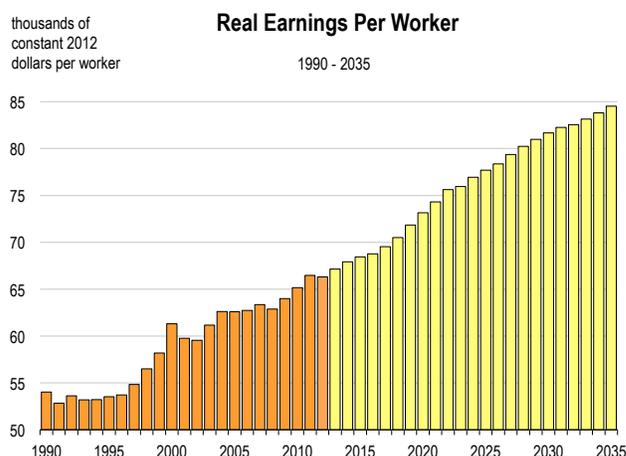


# California Employment Forecast

## 2006-2012 History, 2013-2040 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	15,436	375	934	1,490	496	2,380	928	2,242	466	1,621	1,519	2,452
2007	15,558	384	893	1,464	508	2,405	897	2,265	471	1,678	1,560	2,495
2008	15,372	389	788	1,425	505	2,344	842	2,238	476	1,733	1,573	2,519
2009	14,457	372	623	1,282	474	2,168	783	2,060	440	1,760	1,503	2,480
2010	14,319	383	560	1,242	466	2,157	760	2,074	428	1,788	1,502	2,448
2011	14,488	389	561	1,248	474	2,194	762	2,132	429	1,836	1,536	2,405
2012	14,797	403	588	1,253	486	2,239	775	2,235	430	1,879	1,599	2,375
2013	15,090	403	626	1,256	495	2,272	789	2,270	447	1,919	1,638	2,434
2014	15,528	404	676	1,276	509	2,347	801	2,360	459	1,978	1,666	2,496
2015	15,977	404	731	1,294	522	2,414	811	2,471	469	2,038	1,709	2,545
2016	16,353	405	771	1,312	533	2,486	821	2,537	485	2,079	1,753	2,594
2017	16,615	408	779	1,325	544	2,516	831	2,584	496	2,119	1,791	2,640
2018	16,858	412	792	1,335	553	2,553	839	2,623	504	2,159	1,814	2,684
2019	17,066	414	794	1,342	562	2,581	848	2,661	510	2,200	1,826	2,730
2020	17,265	414	802	1,346	571	2,604	856	2,701	517	2,242	1,831	2,778
2021	17,440	415	809	1,350	581	2,623	864	2,741	523	2,284	1,836	2,806
2022	17,632	415	817	1,353	591	2,645	874	2,788	529	2,328	1,836	2,841
2023	17,805	416	823	1,365	601	2,663	885	2,832	535	2,357	1,840	2,870
2024	17,978	416	830	1,374	611	2,681	897	2,878	542	2,388	1,842	2,896
2025	18,150	416	832	1,382	622	2,696	909	2,926	549	2,419	1,845	2,924
2026	18,335	416	843	1,391	633	2,712	920	2,976	555	2,450	1,850	2,952
2027	18,525	417	853	1,401	643	2,732	932	3,026	562	2,481	1,855	2,980
2028	18,714	417	859	1,411	654	2,748	945	3,075	568	2,516	1,864	3,010
2029	18,906	417	867	1,421	666	2,765	957	3,122	575	2,551	1,874	3,038
2030	19,091	417	871	1,430	677	2,780	968	3,168	582	2,587	1,884	3,067
2031	19,272	418	874	1,440	688	2,794	980	3,212	589	2,623	1,895	3,094
2032	19,448	418	878	1,450	700	2,805	991	3,254	596	2,659	1,906	3,121
2033	19,612	418	878	1,459	712	2,817	1,002	3,294	603	2,694	1,917	3,142
2034	19,777	418	879	1,469	724	2,829	1,014	3,330	610	2,730	1,928	3,165
2035	19,943	419	881	1,479	737	2,842	1,025	3,365	618	2,766	1,939	3,191
2036	20,110	419	882	1,488	749	2,854	1,037	3,399	625	2,802	1,950	3,216
2037	20,279	419	885	1,498	762	2,867	1,048	3,434	633	2,838	1,962	3,241
2038	20,451	419	888	1,507	775	2,881	1,059	3,469	640	2,875	1,973	3,268
2039	20,627	420	892	1,516	788	2,896	1,071	3,505	648	2,911	1,985	3,295
2040	20,802	420	895	1,526	802	2,911	1,082	3,541	655	2,948	1,996	3,323





## State Economic and Demographic Indicators

### Projected Economic Growth (2013-2018)

Expected retail sales growth:	27.4 %
Expected job growth:	11.7 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	18.3 %

Expected population growth:	4.8 %
Net migration to account for:	22.9 %
Expected growth in number of vehicles:	6.9 %

### Demographics (2013)

Unemployment rate (April 2013):	8.5 %
County Rank* in California (58 counties):	N/A
Working age (16-64) population:	66.2 %

Population with B.A. Degree or higher:	30.1 %
Median Home Selling Price (2012):	\$321,146
Median Household Income:	\$58,724

### Quality of Life

Violent Crime rate (2010):	422 per 100,000 persons
County Rank* in California (58 counties):	N/A
Average Commute Time to work (2013):	29.5 minutes

High School drop out rate (2011):	15.9 %
Households at/below poverty line (2013):	11.3 %

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