

STANISLAUS COUNTY ECONOMIC FORECAST

Stanislaus County is located in the heart of the San Joaquin Valley, bordered by the Bay Area to the west and the Sierra Nevada Mountains to the east. Stanislaus County has a population of 530,300 people and a total of 175,700 wage and salary jobs. Most of the population, as well as the jobs, are located in Modesto, the county's largest city. The income per capita in Stanislaus County is \$36,983 and the average salary per worker is \$50,732.

Like the rest of the San Joaquin Valley, Stanislaus County is a large producer of agricultural goods. Its primary commodities are milk, almonds, walnuts, cattle, and chickens, each generating more than \$200 million in output per year.

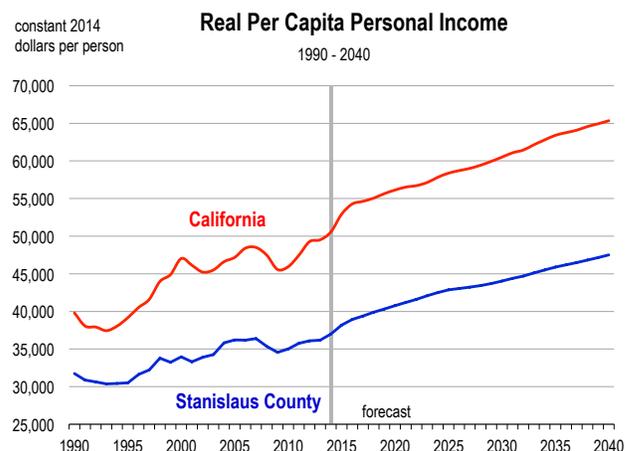
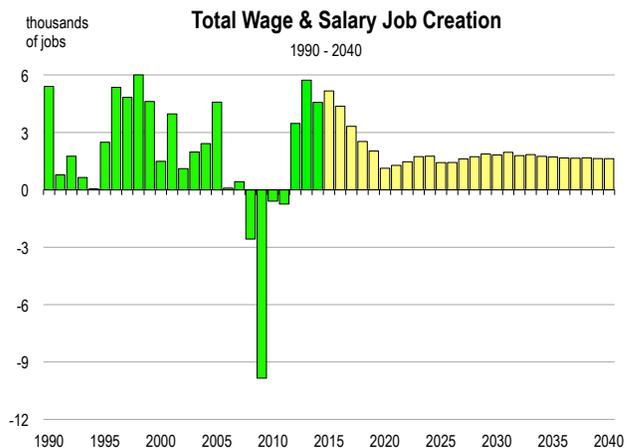
In 2014, employment across Northern California increased by 3.4 percent, whereas employment in the San Joaquin Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties) grew by 2.5 percent. In Stanislaus County, 4,600 total wage and salary jobs were gained, representing a growth rate of 2.7 percent. The unemployment rate remains high, but improved from 12.9 percent in 2013 to 11.2 percent in 2014.

In 2014, most sectors were characterized by positive job growth. The largest gains were observed in education and healthcare (+1,200 jobs), leisure and hospitality (+1,200 jobs), professional and business services (+670 jobs), and government (+500 jobs). Significant declines were not observed in any major sector.

Between 2009 and 2014, the population of Stanislaus County increased at an average rate of 0.7 percent per year. This growth was due entirely to the natural increase (new births), as overall net migration was negative.

FORECAST HIGHLIGHTS

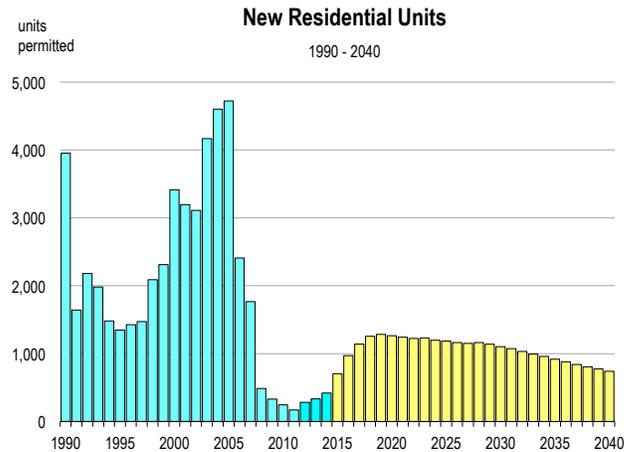
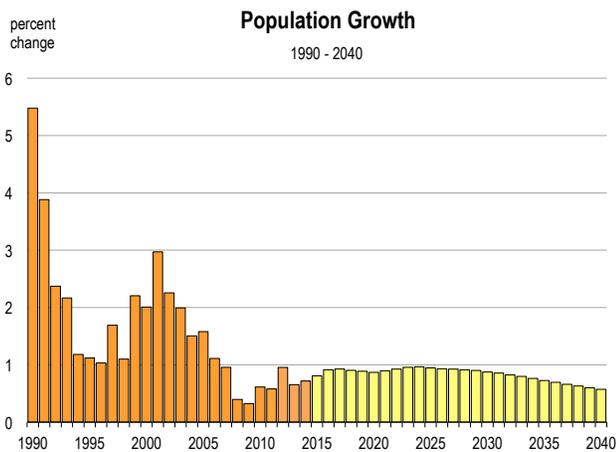
- In 2015, total wage and salary employment is expected to increase by 2.9 percent, while agricultural employment will decline by 0.3 percent. Between 2015 and 2020, total job growth will average 1.4 percent per year, while growth in agricultural employment will average 0.2 percent per year.
- Average salaries are currently well below the California state average, and will remain so over the forecast period. In Stanislaus County, inflation-adjusted salaries are expected to rise by an average of 0.6 percent per year between 2015 and 2020.
- Between 2015 and 2020, employment growth will be led by education and healthcare (+3,400 jobs), professional and business services (+2,600 jobs), leisure and hospitality (+2,400 jobs), and government (+1,500 jobs). Combined, these sectors will account for 74 percent of net job creation in the county.
- Over the 2015-2020 period, population growth will average 0.9 percent per year.
- Between 2015 and 2020, an average of 1,400 net migrants will enter the county each year.
- Real income per capita is forecasted to rise by 3.3 percent in 2015. From 2015 to 2020, real income per capita is expected to increase by 1.3 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.0 percent per year over the 2015-2020 period.
- Industrial production is forecasted to rise by 3.2 percent in 2015. From 2015 to 2020, the growth rate of industrial production is expected to average 2.5 percent per year.
- Farm production is forecasted to increase by 0.3 percent per year between 2015 and 2020. The principal commodities in the county are milk, almonds, and chickens.



Stanislaus County Economic Forecast

2006-2014 History, 2015-2040 Forecast

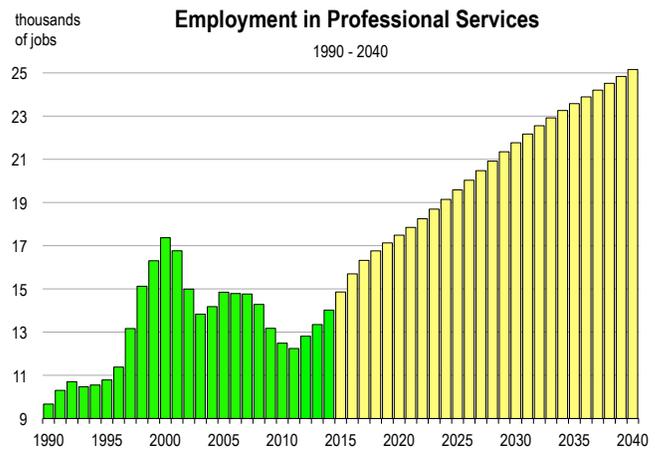
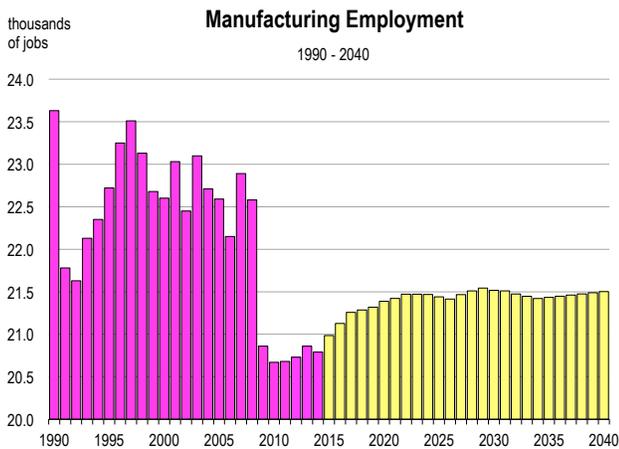
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	503,548	785	455	161.2	2,410	\$7.4	\$15.1	\$36,180	3.2	2.59	4.91	8.0
2007	508,372	-371	451	163.8	1,767	\$7.1	\$15.9	\$36,378	3.4	2.82	5.26	8.7
2008	510,396	-3,100	448	164.8	486	\$6.7	\$15.9	\$35,333	2.9	2.80	5.69	11.0
2009	512,052	-3,147	445	165.0	331	\$5.8	\$15.8	\$34,546	0.8	2.60	5.44	15.8
2010	515,194	-1,201	443	165.2	244	\$6.1	\$16.3	\$35,020	1.3	2.85	5.41	16.9
2011	518,178	-1,147	439	165.3	171	\$6.7	\$17.2	\$35,758	2.7	3.31	5.26	16.5
2012	523,126	1,041	439	165.4	283	\$7.2	\$18.0	\$36,100	2.7	3.45	5.52	14.9
2013	526,549	-236	453	165.6	334	\$7.6	\$18.5	\$36,189	2.3	3.77	5.57	12.9
2014	530,327	368	464	165.8	420	\$7.9	\$19.6	\$36,983	2.8	3.74	5.67	11.2
2015	534,605	957	469	167.1	705	\$8.5	\$20.7	\$38,185	1.2	3.76	5.85	9.8
2016	539,487	1,528	475	168.2	971	\$8.9	\$21.9	\$38,930	3.2	3.76	5.97	8.4
2017	544,487	1,587	481	169.5	1,141	\$9.2	\$23.1	\$39,399	3.2	3.78	6.09	7.9
2018	549,406	1,454	487	170.8	1,256	\$9.6	\$24.3	\$39,900	3.0	3.78	6.23	7.8
2019	554,282	1,333	493	172.1	1,284	\$9.9	\$25.5	\$40,328	2.8	3.79	6.41	7.7
2020	559,097	1,211	498	173.3	1,265	\$10.3	\$26.8	\$40,751	2.9	3.82	6.61	7.8
2021	564,105	1,363	503	174.5	1,243	\$10.7	\$28.1	\$41,181	3.0	3.82	6.80	7.9
2022	569,324	1,527	507	175.8	1,224	\$11.0	\$29.6	\$41,607	3.1	3.84	7.01	7.9
2023	574,769	1,713	512	177.0	1,232	\$11.4	\$31.0	\$42,073	2.7	3.84	7.22	7.8
2024	580,319	1,806	516	178.3	1,198	\$11.8	\$32.4	\$42,506	2.6	3.86	7.42	7.8
2025	585,812	1,750	520	179.5	1,185	\$12.2	\$33.9	\$42,854	2.8	3.86	7.61	7.8
2026	591,266	1,725	524	180.6	1,163	\$12.6	\$35.4	\$43,057	2.8	3.88	7.82	7.8
2027	596,735	1,745	528	181.8	1,151	\$13.1	\$36.9	\$43,218	2.8	3.89	8.06	7.7
2028	602,183	1,758	532	183.0	1,164	\$13.6	\$38.4	\$43,430	2.7	3.90	8.33	7.7
2029	607,612	1,752	536	184.2	1,139	\$14.1	\$39.9	\$43,707	2.5	3.91	8.61	7.7
2030	612,925	1,671	541	185.4	1,103	\$14.6	\$41.5	\$44,020	2.4	3.92	8.88	7.6
2031	618,171	1,607	546	186.6	1,074	\$15.2	\$43.2	\$44,389	2.3	3.93	9.16	7.6
2032	623,262	1,473	551	187.7	1,033	\$15.8	\$44.9	\$44,703	2.5	3.94	9.44	7.6
2033	628,235	1,359	556	188.8	994	\$16.5	\$46.7	\$45,123	2.1	3.95	9.73	7.6
2034	633,027	1,227	560	189.9	960	\$17.1	\$48.5	\$45,515	2.3	3.96	10.03	7.5
2035	637,626	1,104	565	190.9	918	\$17.8	\$50.5	\$45,901	2.4	3.97	10.36	7.5
2036	642,057	1,000	569	191.9	880	\$18.4	\$52.5	\$46,197	2.8	3.99	10.69	7.4
2037	646,295	905	574	192.9	841	\$19.1	\$54.7	\$46,480	2.8	4.00	11.04	7.3
2038	650,371	832	579	193.8	807	\$19.8	\$57.0	\$46,834	2.7	4.01	11.39	7.2
2039	654,263	759	584	194.7	775	\$20.4	\$59.3	\$47,150	2.8	4.02	11.69	7.1
2040	658,010	689	589	195.5	740	\$21.1	\$61.8	\$47,501	2.8	4.03	12.04	7.1

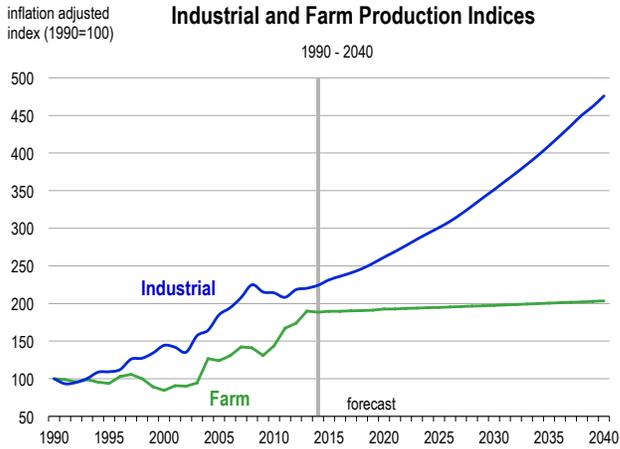
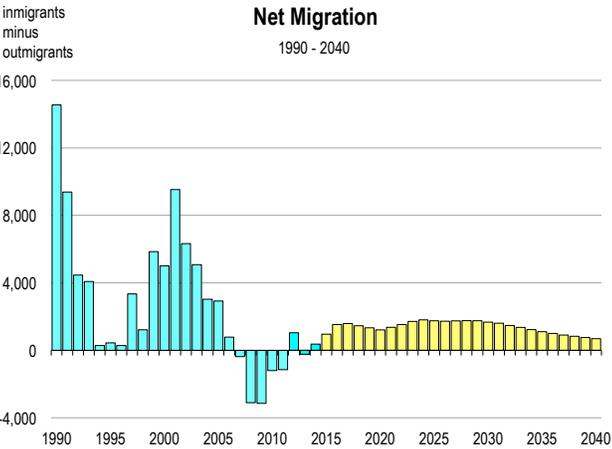
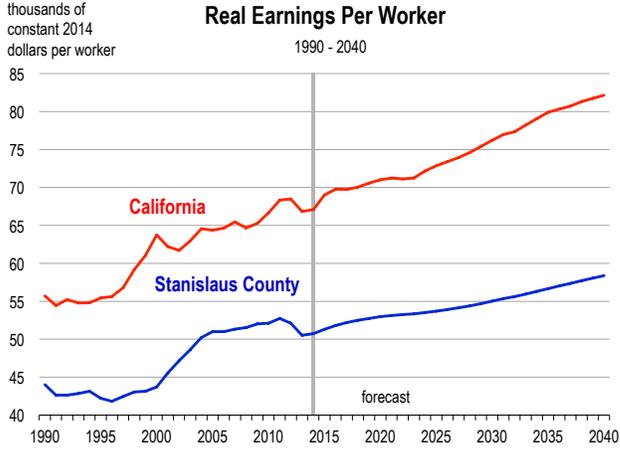


Stanislaus County Employment Forecast

2006-2014 History, 2015-2040 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	175.3	12.9	13.2	22.2	5.2	28.4	6.3	14.8	2.4	22.4	15.3	26.3
2007	175.7	12.9	11.2	22.9	5.6	28.2	6.2	14.8	2.3	23.8	15.4	26.5
2008	173.1	13.6	9.1	22.6	5.7	27.2	6.1	14.3	1.9	24.9	15.5	26.7
2009	163.3	12.9	6.6	20.9	5.7	25.7	5.6	13.2	1.3	25.8	14.7	25.8
2010	162.7	12.9	5.9	20.7	6.2	25.4	5.5	12.5	1.2	26.7	14.6	26.2
2011	162.0	12.9	5.8	20.7	6.4	25.8	5.4	12.2	1.1	26.7	14.5	25.7
2012	165.4	13.4	6.3	20.7	6.8	26.7	5.4	12.8	1.0	27.2	14.9	25.4
2013	171.2	14.1	7.0	20.9	7.1	27.4	5.4	13.4	0.9	28.8	15.8	25.5
2014	175.7	14.0	7.3	20.8	7.2	27.8	5.4	14.0	0.9	30.1	16.9	26.0
2015	180.9	14.0	7.8	21.0	7.2	28.4	5.4	14.9	1.0	31.0	18.1	26.5
2016	185.3	14.0	8.4	21.1	7.3	28.6	5.4	15.7	1.1	31.8	19.1	27.0
2017	188.6	14.0	8.9	21.3	7.3	28.7	5.4	16.3	1.1	32.3	19.8	27.3
2018	191.1	14.1	9.2	21.3	7.4	28.7	5.4	16.8	1.2	33.0	20.2	27.6
2019	193.1	14.2	9.2	21.3	7.4	28.9	5.4	17.1	1.2	33.7	20.5	27.8
2020	194.3	14.2	8.8	21.4	7.5	29.0	5.4	17.5	1.2	34.4	20.5	28.0
2021	195.5	14.2	8.7	21.4	7.5	29.0	5.4	17.8	1.2	35.1	20.5	28.1
2022	197.0	14.2	8.7	21.5	7.6	29.0	5.4	18.2	1.2	35.8	20.4	28.2
2023	198.7	14.2	8.8	21.5	7.7	29.1	5.5	18.7	1.3	36.6	20.3	28.4
2024	200.5	14.2	9.0	21.5	7.7	29.3	5.5	19.1	1.3	37.3	20.3	28.5
2025	201.9	14.2	8.9	21.4	7.8	29.4	5.5	19.6	1.3	38.0	20.2	28.7
2026	203.4	14.2	8.9	21.4	7.9	29.4	5.5	20.0	1.4	38.6	20.2	28.8
2027	205.0	14.2	9.0	21.5	7.9	29.5	5.5	20.5	1.4	39.3	20.2	28.9
2028	206.7	14.2	9.0	21.5	8.0	29.7	5.5	20.9	1.4	39.9	20.2	29.1
2029	208.6	14.2	9.1	21.5	8.1	29.9	5.5	21.3	1.4	40.7	20.3	29.2
2030	210.4	14.2	9.1	21.5	8.1	30.1	5.5	21.8	1.5	41.4	20.4	29.3
2031	212.4	14.2	9.1	21.5	8.2	30.3	5.5	22.2	1.5	42.2	20.5	29.5
2032	214.1	14.2	9.1	21.5	8.2	30.5	5.5	22.6	1.5	43.0	20.6	29.6
2033	216.0	14.2	9.1	21.4	8.3	30.8	5.5	22.9	1.5	43.7	20.8	29.8
2034	217.7	14.2	9.1	21.4	8.3	31.0	5.6	23.3	1.6	44.5	20.9	29.9
2035	219.5	14.2	9.1	21.4	8.4	31.2	5.6	23.6	1.6	45.3	21.0	30.0
2036	221.1	14.2	9.1	21.4	8.5	31.3	5.6	23.9	1.6	46.0	21.2	30.2
2037	222.8	14.2	9.1	21.5	8.5	31.3	5.6	24.2	1.6	46.8	21.3	30.3
2038	224.4	14.2	9.1	21.5	8.5	31.4	5.6	24.5	1.7	47.6	21.4	30.5
2039	226.1	14.2	9.1	21.5	8.6	31.5	5.6	24.8	1.7	48.4	21.6	30.6
2040	227.7	14.2	9.1	21.5	8.6	31.6	5.6	25.2	1.7	49.2	21.7	30.7





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	5.2%
Expected job growth:	7.4%
Fastest growing jobs sector:	Information
Expected personal income growth:	11.6%

Expected population growth:	4.6%
Net migration to account for:	29.0%
Expected growth in number of vehicles:	6.1%

Demographics (2015)

Unemployment rate (March 2015):	10.4%
County rank* in California (58 counties):	45th
Working age (16-64) population:	63.9%

Population with B.A. or higher:	16.1%
Median home selling price (2014):	\$210,000
Median household income:	\$46,065

Quality of Life

Violent crime rate (2013):	515 per 100,000 persons
County rank* in California (58 counties):	44th
Average commute time to work (2015):	28.8 minutes

High school drop out rate (2014):	12.3%
Households at/below poverty line (2015):	16.6%

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