

# ORANGE COUNTY ECONOMIC FORECAST

Orange County has a population of 3.1 million people. It is the third largest county in California, behind neighboring Los Angeles and San Diego counties, which have populations of 9.9 million and 3.1 million, respectively. There are more than 1.4 million wage and salary jobs located in Orange County. The per capita income is \$52,093, and the average salary per worker is \$65,216.

After slow growth in 2011, the labor market began to expand more quickly in 2012. Across Southern California, employment increased by 2.1 percent. In Orange County, 31,100 jobs were gained, representing an increase of 2.3 percent. At the same time, the unemployment rate in Orange County improved from 8.7 percent in 2011 to 7.6 percent in 2012.

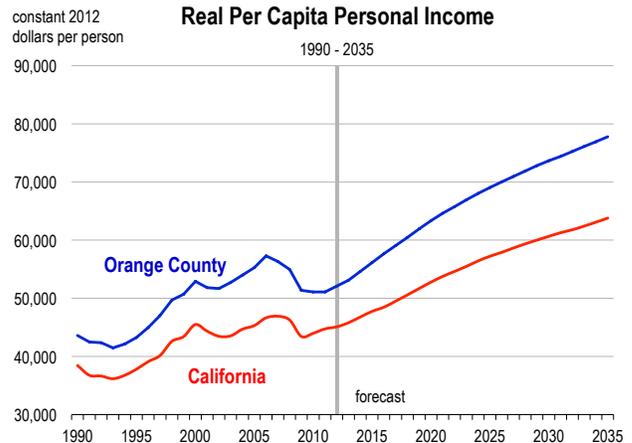
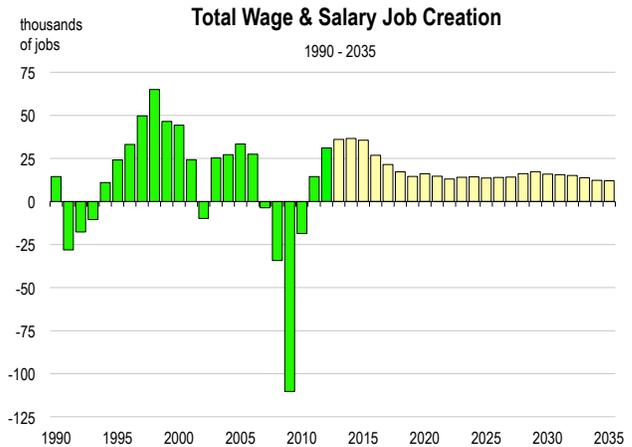
The nationwide downturn in residential real estate had a disproportionately large impact on Orange County. Growth during the past decade had been driven in large part by the expansion of mortgage loan companies headquartered in Orange County. From 2007-2010, a number of these companies declared bankruptcy and shut down as loan volumes declined and loan defaults soared. As a result of this process, job losses in financial services were unprecedented in the late 2000s. However, in 2011 this industry appeared to hit bottom, and in 2012 it expanded by almost 3.2 percent.

During 2012, the largest employment gains were observed in professional services (+10,200 jobs), leisure and hospitality (+6,500 jobs), and education and healthcare (+4,600 jobs). The only sector to lose a significant number of workers was the public sector (-1,500 jobs).

Between 2007 and 2012, the Orange County population grew at an annual average rate of 0.7 percent. This growth was due entirely to the natural increase (new births), as an average of 2,000 net migrants left the county each year.

## FORECAST HIGHLIGHTS

- The labor market will strengthen in 2013, as total employment increases by 2.6 percent. Between 2013 and 2018, employment growth is expected to average 1.8 percent per year.
- Average salaries are slightly below the California State average. Over the 2013-2018 period, average salaries will increase by 1.2 percent per year in Orange County.
- The professional services sector will remain the growth engine of the Orange County labor market, growing by 38,100 jobs between 2013 and 2018. Other industries with strong growth will be leisure and hospitality (+18,200 jobs), health and education (+18,100 jobs), retail trade (+13,700 jobs), and construction (11,700 jobs).

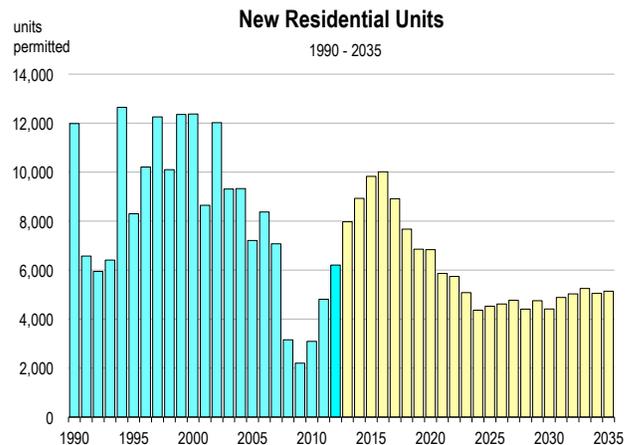
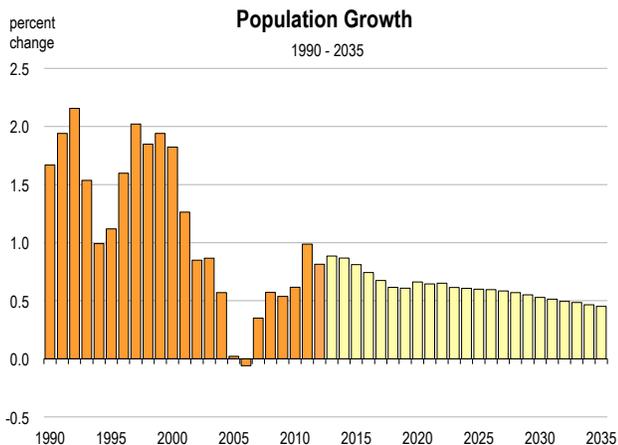


- Population growth will be moderate over the next five years, increasing at an annual average rate of 0.7 percent. Net migration will be positive but low, averaging 2,000 individuals entering the county each year.
- Personal income per capita, adjusted for inflation, is expected to increase by 2.0 percent in 2013. Over the 2013-2018 period, income per capita will rise by an average of 2.6 percent per year.
- Total taxable sales, adjusted for inflation, will increase by 2.8 percent per year between 2013 and 2018.
- Industrial production will increase by 2.4 percent in 2013, and will grow at an average annual rate of 3.5 percent between 2013 and 2018.

# Orange County Economic Forecast

## 2006-2012 History, 2013-2040 Forecast

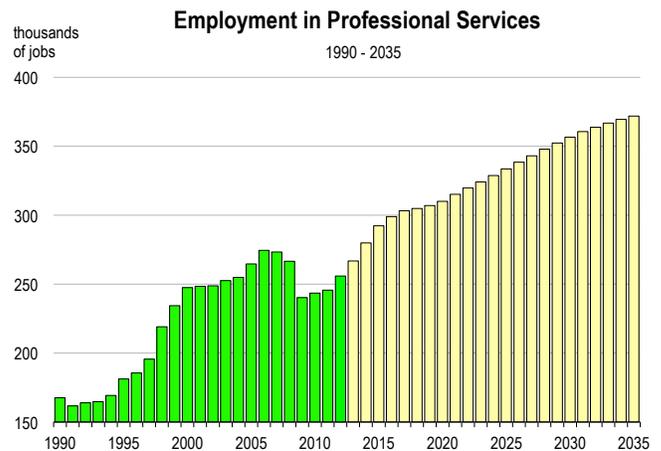
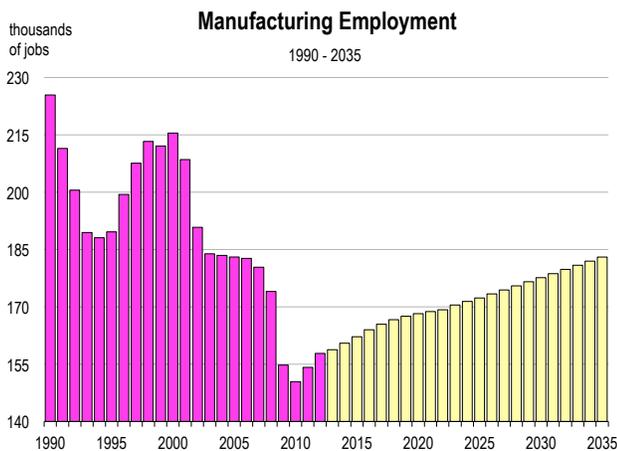
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	2,955,433	-28,732	2.55	977.3	8,371	\$57.2	\$150.6	\$57,302	4.3	323.7	31.3	3.4
2007	2,965,823	-16,529	2.54	981.8	7,072	\$57.3	\$153.4	\$56,336	3.3	277.9	31.6	3.9
2008	2,982,788	-9,866	2.53	986.1	3,159	\$53.6	\$155.9	\$54,979	3.5	239.8	32.1	5.2
2009	2,998,816	-8,430	2.51	989.1	2,200	\$45.7	\$145.2	\$51,349	-0.8	203.7	29.7	8.9
2010	3,017,327	-4,106	2.52	992.6	3,091	\$47.7	\$147.1	\$51,086	1.2	157.5	31.0	9.6
2011	3,047,120	8,685	2.52	993.9	4,807	\$51.7	\$152.6	\$51,091	2.7	148.9	33.0	8.7
2012	3,071,933	3,843	2.53	995.9	6,205	\$56.0	\$160.0	\$52,093	2.0	148.8	34.5	7.6
2013	3,099,114	6,505	2.54	1,001.7	7,971	\$58.6	\$167.4	\$53,129	1.7	145.5	35.7	6.8
2014	3,126,000	5,756	2.57	1,008.9	8,927	\$61.7	\$177.2	\$54,623	2.1	141.2	36.8	5.9
2015	3,151,352	4,204	2.60	1,017.0	9,824	\$64.7	\$186.4	\$56,139	1.5	136.1	38.0	5.0
2016	3,174,763	2,108	2.63	1,026.0	10,010	\$68.2	\$196.3	\$57,648	1.8	132.0	39.3	4.6
2017	3,196,176	-55	2.66	1,035.1	8,912	\$70.6	\$205.6	\$59,089	1.5	127.1	40.8	4.4
2018	3,215,846	-1,891	2.69	1,043.2	7,671	\$73.0	\$214.9	\$60,497	1.5	122.3	42.3	4.3
2019	3,235,405	-1,986	2.72	1,050.1	6,853	\$75.3	\$224.8	\$61,941	1.5	117.6	43.8	4.2
2020	3,256,817	-48	2.74	1,056.4	6,834	\$77.6	\$235.0	\$63,360	1.5	112.0	45.5	4.2
2021	3,277,826	-392	2.77	1,062.6	5,863	\$79.8	\$245.3	\$64,650	1.6	106.6	47.0	4.2
2022	3,299,173	109	2.79	1,067.9	5,742	\$82.0	\$255.5	\$65,768	1.7	101.8	48.6	4.2
2023	3,319,439	-734	2.81	1,073.2	5,080	\$85.1	\$266.0	\$66,927	1.7	96.8	50.1	4.2
2024	3,339,586	-921	2.82	1,077.8	4,362	\$88.4	\$276.9	\$68,038	1.8	91.5	51.8	4.2
2025	3,359,607	-867	2.84	1,081.7	4,525	\$92.2	\$287.9	\$69,039	1.8	86.5	53.6	4.2
2026	3,379,622	-527	2.86	1,085.9	4,617	\$96.2	\$299.2	\$70,028	1.9	81.7	55.4	4.2
2027	3,399,373	-252	2.88	1,090.1	4,767	\$100.0	\$310.6	\$70,959	1.9	76.8	57.2	4.2
2028	3,418,753	-67	2.90	1,094.4	4,407	\$104.2	\$322.4	\$71,888	1.9	71.8	59.1	4.2
2029	3,437,593	69	2.91	1,098.4	4,750	\$108.6	\$334.5	\$72,808	1.9	66.8	61.1	4.1
2030	3,455,773	-51	2.93	1,102.7	4,413	\$113.0	\$346.6	\$73,660	1.9	61.9	63.1	4.2
2031	3,473,532	84	2.95	1,106.7	4,883	\$117.4	\$358.6	\$74,429	1.9	56.7	65.2	4.2
2032	3,490,709	14	2.97	1,111.2	5,029	\$121.9	\$371.3	\$75,263	1.9	51.6	67.4	4.2
2033	3,507,646	368	2.98	1,115.8	5,250	\$126.2	\$384.2	\$76,099	1.9	46.6	69.6	4.2
2034	3,523,980	706	3.00	1,120.5	5,050	\$130.5	\$397.6	\$76,948	1.9	41.7	72.0	4.2
2035	3,539,902	1,098	3.02	1,125.1	5,138	\$134.8	\$411.4	\$77,779	1.9	37.0	74.4	4.2
2036	3,555,340	1,329	3.03	1,129.8	4,825	\$139.1	\$425.7	\$78,626	1.9	32.4	76.9	4.2
2037	3,570,347	1,392	3.04	1,134.2	5,055	\$143.4	\$440.6	\$79,515	1.9	27.9	79.4	4.2
2038	3,584,900	1,604	3.06	1,138.8	4,889	\$147.7	\$456.1	\$80,443	1.9	23.5	82.1	4.2
2039	3,599,063	1,781	3.07	1,143.2	4,765	\$151.9	\$472.0	\$81,386	1.9	19.2	84.8	4.2
2040	3,613,031	1,881	3.09	1,147.6	4,614	\$156.1	\$488.2	\$82,349	1.8	15.0	86.6	4.1

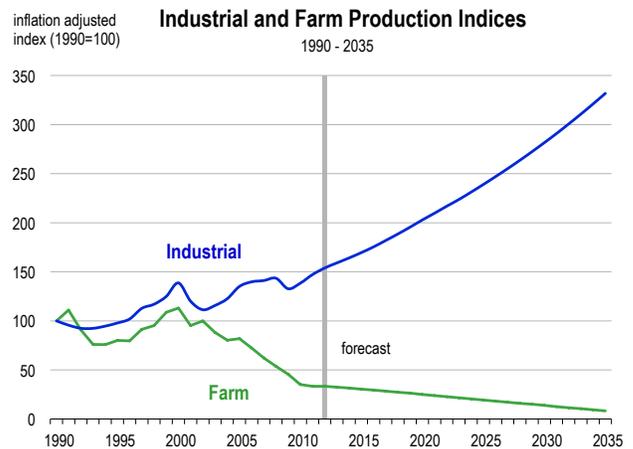
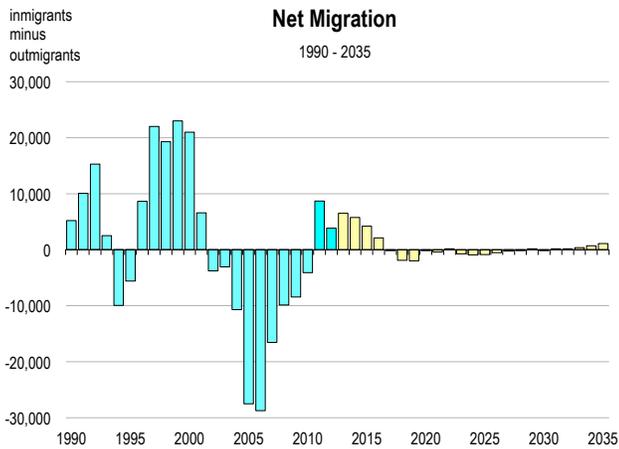
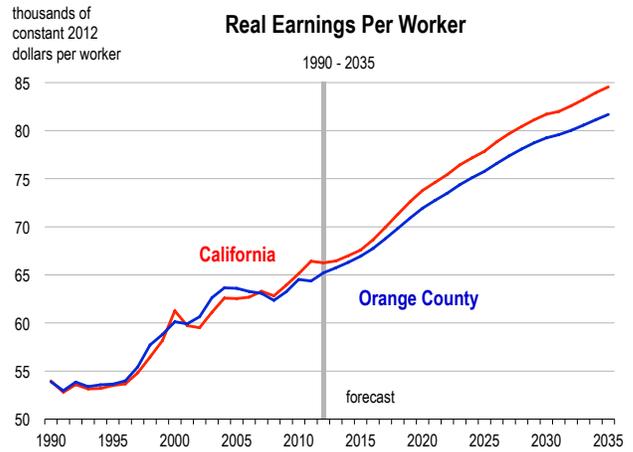
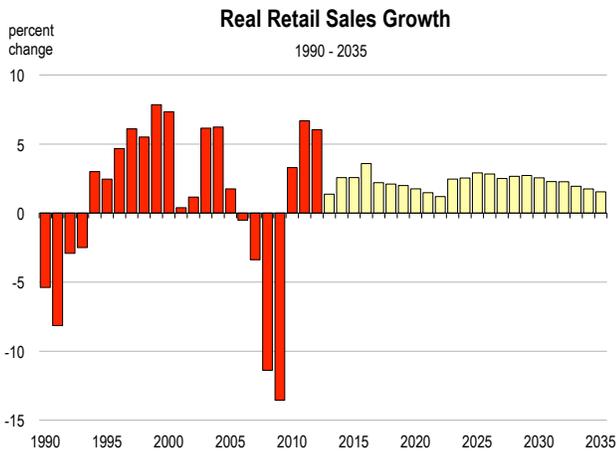


# Orange County Employment Forecast

## 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	1,524.3	5.33	106.6	182.7	28.2	244.5	138.2	274.5	31.9	137.7	169.6	156.7
2007	1,520.5	5.01	103.1	180.4	28.9	248.1	127.7	273.3	31.2	142.6	172.9	159.4
2008	1,486.2	4.64	91.2	174.1	29.3	242.3	113.1	266.6	30.1	150.7	176.4	160.8
2009	1,375.9	3.79	74.2	154.8	27.8	221.7	105.1	240.2	27.3	152.1	169.1	156.6
2010	1,357.4	3.73	68.0	150.4	26.7	217.7	103.5	243.5	24.8	155.5	168.6	152.3
2011	1,371.9	3.22	69.2	154.2	27.5	217.9	104.7	245.7	23.8	158.8	174.0	149.3
2012	1,403.0	2.69	71.3	157.8	27.7	218.9	108.1	255.9	24.2	163.4	180.5	147.8
2013	1,439.1	2.58	73.6	158.8	28.1	224.3	113.3	266.8	25.7	167.3	184.7	148.2
2014	1,475.7	2.48	76.9	160.5	28.9	229.4	114.4	279.9	26.7	171.5	188.2	150.0
2015	1,511.3	2.40	79.8	162.2	29.6	234.5	117.2	292.3	27.6	175.7	191.8	150.0
2016	1,538.1	2.32	82.2	164.0	30.2	239.1	117.8	299.0	28.9	179.2	195.6	150.3
2017	1,559.6	2.26	83.6	165.5	30.8	241.7	119.0	303.3	29.8	182.4	199.7	151.4
2018	1,576.8	2.20	85.3	166.6	31.3	243.6	120.9	304.9	30.4	185.3	202.9	152.2
2019	1,591.4	2.14	86.7	167.5	31.7	245.1	122.1	307.0	30.9	187.7	205.5	153.1
2020	1,607.5	2.09	88.6	168.2	32.1	246.3	123.4	310.1	31.4	190.9	207.7	154.1
2021	1,622.1	2.03	88.8	168.8	32.5	246.9	124.7	315.2	31.9	194.1	209.7	154.4
2022	1,635.2	1.98	87.7	169.2	32.9	247.6	126.5	319.7	32.3	197.5	211.3	154.7
2023	1,649.3	1.93	86.6	170.5	33.3	248.8	128.4	324.1	32.8	199.7	213.0	155.4
2024	1,663.6	1.88	85.2	171.4	33.7	250.0	130.8	328.8	33.3	202.0	214.7	156.1
2025	1,677.2	1.83	83.5	172.3	34.0	251.3	132.8	333.6	33.7	204.4	216.3	156.7
2026	1,691.1	1.79	82.3	173.4	34.4	252.6	134.5	338.5	34.2	206.8	217.8	157.3
2027	1,705.3	1.74	81.5	174.4	34.8	253.8	136.3	343.1	34.7	209.2	219.4	157.9
2028	1,721.5	1.69	81.8	175.5	35.1	255.0	138.3	347.9	35.2	211.8	221.1	158.6
2029	1,738.8	1.65	83.5	176.6	35.5	256.3	140.2	352.4	35.6	214.5	222.9	159.2
2030	1,754.7	1.60	84.5	177.6	35.8	257.5	141.8	356.6	36.1	217.3	224.6	159.8
2031	1,770.2	1.55	85.5	178.7	36.2	258.6	143.3	360.7	36.6	220.0	226.3	160.5
2032	1,785.4	1.51	86.9	179.8	36.5	259.7	144.9	363.9	37.0	222.8	227.8	161.1
2033	1,799.1	1.46	87.4	180.9	36.9	260.6	146.4	366.8	37.5	225.5	229.6	161.8
2034	1,811.4	1.41	86.7	182.0	37.3	261.5	147.8	369.5	38.0	228.2	231.4	162.4
2035	1,823.5	1.37	86.0	183.0	37.6	262.2	149.2	371.9	38.5	231.0	233.3	163.0
2036	1,835.4	1.32	85.2	184.1	38.0	263.0	150.7	374.4	38.9	233.7	235.1	163.7
2037	1,847.4	1.28	84.4	185.2	38.3	263.6	152.2	376.8	39.4	236.5	237.0	164.3
2038	1,859.7	1.24	83.7	186.3	38.7	264.3	153.7	379.2	39.9	239.3	239.0	165.0
2039	1,871.7	1.20	82.8	187.4	39.1	264.9	155.2	381.6	40.3	242.1	241.1	165.6
2040	1,883.9	1.15	81.9	188.5	39.4	265.4	156.9	384.1	40.8	244.9	243.2	166.3





## County Economic and Demographic Indicators

### Projected Economic Growth (2013-2018)

<u>Expected retail sales growth:</u>	13.7 %
<u>Expected job growth:</u>	9.6 %
<u>Fastest growing jobs sector:</u>	Information
<u>Expected personal income growth:</u>	18.2 %

<u>Expected population growth:</u>	3.8 %
<u>Net migration to account for:</u>	5.6 %
<u>Expected growth in number of vehicles:</u>	5.9 %

### Demographics (2013)

<u>Unemployment rate (April 2013):</u>	5.7 %
<u>County Rank* in California (58 counties):</u>	4th
<u>Working age (16-64) population:</u>	66.7 %

<u>Population with B.A. Degree or higher:</u>	36.3 %
<u>Median Home Selling Price (2012):</u>	\$439,000
<u>Median Household Income:</u>	\$71,193

### Quality of Life

<u>Violent Crime rate (2010):</u>	217 per 100,000 persons
<u>County Rank* in California (58 counties):</u>	6th
<u>Average Commute Time to work (2013):</u>	28.6 minutes

<u>High School drop out rate (2011):</u>	9.7 %
<u>Households at/below poverty line (2013):</u>	8.2 %

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