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FORECAST





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Highlights of the May 2016 California Forecast

- California is forecast to maintain steady growth in real gross state product at approximately 3% through 2019.
- The California unemployment rate has fallen to 5.3% and it should stabilize near this level for the next two years.
- Nonfarm payroll jobs have grown at a strong 3% pace for the past three years, but we project more moderate 2.3% growth in 2016, 1.7% growth in 2017, and approximately 1% growth from 2018 through the end of the forecast in 2020.
- Health Services has become the largest employment sector in the state, and is projected to add an additional 55,000 positions over the next 12 months, slightly less than the 70,000 jobs added annually in recent years.
- Professional Scientific & Technical Services is a high-paying sector that has fueled the recovery. Growth in this sector will slow to about 30,000 jobs over the next year as Silicon Valley growth cools.
- Growing tourism and a gradual shift in consumer spending from retail to restaurants has led the Leisure and Hospitality sector to exceed 4% job growth in each of the past 4 years, and is projected to add more than 35,000 additional jobs over the next year.
- State and local government employment is one of the slowest growing sectors, projected to grow less than 1% over the next year. State and local government payrolls in California will finally regain their 2008 level in late 2017.
- Nearly 40,000 new Construction jobs are anticipated in each of the next three years, just below a 5% annual growth rate. Despite this expected growth, there will still be fewer Construction jobs in 2020 than before the recession.
- Single-family housing starts are beginning to increase, but fell short of 50,000 units in 2015 and are on track for a modest gain to 57,000 units in 2016. We project a substantial increase to 79,000 units in 2017, and 90,000 units in 2018.
- Multi-family housing starts have surpassed pre-recession levels, but growth has stalled in recent months and 2016 is on track to be similar to the 45,000 multi-family units produced in 2015. We expect multi-family growth to resume in 2017 and exceed 60,000 units by 2019.

California Outlook

Economic growth has been slightly slower in the first half of 2016 due to weaker exports and business investments. Consumer spending and residential investment, which were expected to drive growth in 2016, have increased less than expected but both consumers and the housing market remain well positioned to support future growth. Job growth in California was slow in the first quarter, but had a strong rebound in April and should maintain a pace of about 25,000 net new jobs each month over the next year. Despite the modest slowdown, the overall outlook remains on track for continued steady growth with the unemployment rate remaining near its current level of 5.3%.

The biggest economic news in California over the past few months was the surprise announcement that the legislature and Governor had agreed to a historic increase to the minimum wage. California has already increased the minimum hourly wage from \$8 to \$10 over the past few years, and the new law will phase in further increases to \$15 per hour by 2022 and index future changes to inflation. Even after adjusting for expected inflation, this new minimum wage will be at least 50% higher than we have seen in the past. Over time, beyond our forecast horizon of 2020, the impacts will be large and uncertain. We

have slightly increased our projected unemployment rate in 2019 and 2020 to 5.6% to 5.7% compared to the 4.9% rate in our January 2016 forecast. The full impact of this change on labor markets is highly uncertain, and we will adjust the forecast as the effects become better known with time.

While the drought persists in California, an average to wet winter across most of Northern California has improved conditions. Mandatory conservation requirements have been relaxed or removed in urban areas, and most agricultural areas will also have improved supplies with the notable exception of junior water rights holders on the west side of the San Joaquin Valley. However, there will be little economic boost from improved water supplies since, as we have explained in previous forecasts, the economic cost of the drought in recent years was much smaller than generally believed. At its worst last year, we projected the drought reduced California's economic output by about 0.2% and the impact this year should be less than half of what was seen last year. The biggest risk for 2016 is fire as millions of trees have died in the past year creating increased risk of large and costly wildfires.

A recession is not in our forecast, but the probability of a recession in 2017 is non-trivial,

Table 1. California Annual Forecast Summary

	2015	2016	2017	2018	2019	2020
Real Gross State Product (% change)	3.9	1.9	3.4	3.2	2.7	2.6
Non-Farm Payroll Employment (% change)	3.0	2.3	1.7	1.1	0.9	1.1
Unemployment Rate (%)	6.2	5.4	5.3	5.3	5.6	5.7
Housing Starts (thousands)	91.3	100.3	131.4	147.3	156.2	162.9

perhaps one in five, after seven years of expansion. In recent years, stumbling global growth has not caused a U.S. recession but global economic problems in China and Europe remain an unresolved risk factor. The U.S. also faces political risk as it enters an unpredictable election season in which the presumptive Republican nominee Donald Trump is threatening a trade war with China and Mexico and isolationist sentiments have increased in both parties. In light of this climate of uncertainty, the Federal Reserve has not increased interest rates since its initial move in December 2015, but the expectations of a second increase in June are growing. In California, the primary risk remains a sharp slow-down in the Bay Area economy that has been driving so much of the state's growth. Our forecast is for a gradual slowing of Bay Area growth as it faces limits to its labor force, high costs, and a decreasing flow of venture capital. Nevertheless, while risks are increasing, the strengths of the California's diverse economy should be sufficient to continue growing over the next few years.

THE REGIONAL OUTLOOK

Recent years have seen substantial economic growth and recovery in the Stockton and Fresno MSAs to the surprise of many. As its largest city, Stockton, fell into bankruptcy in 2012 many predicted doom and stagnation for the Stockton MSA (San Joaquin County). Instead, the Stockton MSA is in the process of posting its 4th consecutive year of job growth above 3%, led by a booming logistics sector that has added more than 6,000 warehousing and trucking jobs in the last year as Amazon and other fulfillment centers have flocked to its strategic location as the closest part of the Central Valley to the booming Bay Area. Most of this expansion has been in the southern half of San Joaquin County (i.e. Tracy, Lathrop, Manteca) but it has also provided an employment and economic boost to Stockton city residents. The economic gains are especially impressive since the devastated residential construction industry has

only begun to recover and remains one-fourth its pre-recession size as housing demand and costs rise. There is substantial room for additional growth and we project the Stockton MSA will lead Northern California in job growth in 2016 and 2017 before slowing down.

Fresno is the center of California's agriculture industry and has been dealing with several years of extreme drought. Despite the drought, the Fresno economy has experienced some of the fastest job growth in the state, exceeding 3% in 2014 and 2015 as its unemployment rate dropped to single-digits, only the fourth year in the past twenty-five where Fresno unemployment has been below 10%. The agriculture industry has maintained revenue near record highs as prices for fruit and nuts have been high and drought-induced fallowing was concentrated on low-value field crops. While water supplies are somewhat improved in 2016, nut prices have dropped from 2015's record levels. Fresno's large government sector has also been adding jobs in the recovery. Initial construction on high-speed rail is finally entering a more intensive phase in the Fresno area and will help keep the expansion going in 2016 and 2017.

The Sacramento MSA has been slower to recover. It was the last major metro area in California to recover its pre-recession level of employment and is the only metro area in northern California where we project lower than 2% employment growth in 2016. Economic optimism abounds in the capital, much of it centered on the Fall 2016 opening of the Golden One Arena downtown, and the area has seen its unemployment rate drop below 6% in the recovery. The construction and healthcare industries have added significant employment, but its largest economic sector remains the government which has experienced steady growth but lacks the private sector dynamism that has driven other areas forward at a faster pace. Another concern in Sacramento has been very weak growth in professional and business services employment, especially the high-paying technical jobs that are essential to building a knowledge economy.

While we do not expect rapid near-term growth in Sacramento, the region is successfully developing a more dynamic urban core that will help it attract investment and young educated workers in the future. Combined with the relative stability of its state government base, these forces should maintain solid growth in Sacramento and it is likely to be leading northern California growth at the end of the decade as other areas slow down.

The Bay Area continues to drive the state’s growth but a slow-down seems inevitable. The only question is whether it is a gradual “soft landing” as we are

projecting or a sharp drop that could destabilize the state’s economy. Venture capital investment is declining, and extreme housing costs will deter the migration of talent to the area and are forcing some residents and companies to question their future in the region. Despite these challenges, the Bay Area is continuing to grow jobs, and attract significant investment and people to its dynamic entrepreneurial culture and unique quality of life. We expect a gradual slowdown to 3% job growth in 2016 from 4+% in recent years, gradually declining towards 1% growth in 2018-19 as the unemployment rate stabilizes near 3%.

Table 2. Central Valley Metro Forecast Summary

Metro Area	Non-farm Payroll Employment (% change)					Unemployment Rate (%)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Sacramento	3.0	1.6	1.7	1.6	1.5	5.7	5.2	5.4	5.4	5.6
Stockton	3.6	3.5	2.4	1.4	1.2	8.7	7.6	7.3	7.3	7.6
Modesto	2.7	2.7	1.6	1.2	1.1	9.3	8.3	8.2	8.3	8.7
Merced	1.9	2.4	2.2	1.8	1.6	11.0	10.3	9.7	9.2	9.2
Fresno	3.8	2.5	1.8	1.3	1.1	9.9	8.9	8.7	8.7	9.0
California	3.0	2.3	1.7	1.1	0.9	6.2	5.4	5.3	5.3	5.6

NOTE: Sacramento MSA includes Sacramento, El Dorado, Placer, and Yolo Counties. Stockton, Merced, Fresno and Modesto MSAs correspond to San Joaquin, Merced, Fresno and Stanislaus Counties.

Table 3. Bay Area Metro Forecast Summary

Metro Area	Non-farm Payroll Employment (% change)					Unemployment Rate (%)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
San Francisco	4.7	3.0	2.0	1.1	0.7	3.4	3.0	2.9	2.9	3.1
San Jose	4.1	2.6	2.3	1.5	1.1	4.1	3.5	3.3	3.3	3.4
Oakland	3.0	2.1	1.9	1.3	1.1	4.7	4.2	4.1	4.1	4.2
California	3.0	2.3	1.7	1.1	0.9	6.2	5.4	5.3	5.3	5.6

NOTE: San Francisco MSA includes San Francisco and San Mateo counties. Oakland MSA includes Contra Costa and Alameda Counties. San Jose MSA includes Santa Clara and San Benito Counties.

THE IMPACT OF MINIMUM WAGE INCREASES

The recent move to increase California's minimum wage to \$15 over time will have larger impacts in the Central Valley than any other region in the state. We estimate that it will impact up to 50% of jobs in the Central Valley over time, double the percentage in coastal areas, and the redistribution of local income spurred by the change will also be substantially larger in the Valley.¹

The general arguments of the policy debate are well known. Proponents of the minimum-wage point to increasing inequality, the difficulty of making ends meet on minimum wage jobs, and argue that minimum wages will boost the economy as they are more likely to spend their income and boost demand. Opponents argue that the minimum wage will reduce employment and slow economic growth, and that the minimum wage is poorly targeted towards the poor and that there are more effective policies to reduce poverty. Both sides are right, and little is known about the magnitude of these impacts in the face of such a large and unprecedented change in policy.

Two of the less discussed impacts of the minimum wage are its impact on migration and the agriculture industry. These impacts are particularly important for the Central Valley whose economy is heavily influenced by changes to population growth and its largest industry.

Migration: In recent decades, California migration patterns have been dominated by low and moderate income households moving out of coastal areas due to the high cost of living. Most of these households leave the state altogether, but many have relocated to the lower cost Central Valley. Higher wages will make the working poor less likely to move from coastal areas, possibly reducing migration into the Central Valley. However, the higher minimum wage will attract some in-migration from other states with much lower minimum wages and those in-migrants could be

attracted to the Central Valley's combination of a high minimum wage and comparably lower housing costs. Higher wages will also pull some current residents into the labor force. Overall, it should increase the pool of people willing to work low-wage jobs in areas such as agriculture and fast food while employers in these industries will be searching for ways to reduce their labor needs. Changes to migration and labor force participation could lead to displacement in the labor market which could stimulate some offsetting out-migration. As with so many aspects of this large and unprecedented increase to the minimum wage, there will be offsetting impacts on migration and population growth and the net impacts are uncertain. The geographical patterns and demographics of migration in the Valley could change significantly even if total net migration and population growth changes little. These migration patterns could change the skills profile of the Valley workforce as policy and economic changes increase employer demands for higher-skilled workers.

Agriculture: Farmers sell their output into global markets and have very little ability to raise prices in response to cost increases. Thus, the minimum wage increases are more likely to be absorbed by farmers. If prices and profits remain at the high-levels of recent years, farmers do have some capacity to absorb these costs and the minimum wage will have the effect desired by its backers of reducing income inequality. Shifting income from farmers to farm workers will probably lead to more spending and consumer economic activity in the Valley, boosting the demand for some goods.

California agriculture is the most labor-intensive in the nation and labor costs were equal to about 32% of gross farm revenue in 2014, the most recent year with available data and when the minimum wage averaged only \$8.50. As the \$15 minimum wage is fully phased in over the next six years, labor costs could increase to as much as 45% of revenue if other costs and revenue grow at the rate of inflation. Such a large change would reduce farm profit margins from

¹ For more details, see our fact sheet on regional differences <http://goo.gl/Xfl7aw>

typical values of 25% of revenues to below 15% of revenues and could reduce farmland values that have increased sharply over the past decade. Given the magnitude of this shift, this scenario where everything stays the same except wages is unlikely, and the higher minimum wage is likely to accelerate the pace of mechanization, spur the development of new labor-saving technologies and shifts away from more labor-intensive crops such as vegetables and fruit where California farms would become less competitive in global markets. It could also have significant impacts on water policy as the reduction in farm profits will have a substantial negative impact on farmers' capacity to pay their share of the costs of multi-billion dollar new water infrastructure such as the Delta tunnels and dams.

In summary, the minimum wage increase will result in fewer, but higher-paying and higher-skill jobs in agriculture and lower profits for farmers. This will be

a significant change for the Central Valley economy. If farmers are able to successfully adapt and remain competitive at the higher wages, it could benefit the overall Valley economy. The high labor turnover and poverty among farm workers has resulted in concentrated poverty and high unemployment that has deterred investment in other industries in the Valley. If higher wages and technological change were to make the average farm job more comparable to construction or low-skill manufacturing, it could significantly benefit the Valley economy in the long-run. However, the sharp increase in cost will also generate some displacement of vulnerable, low-income workers and threaten the global competitive position of the region's largest industry. The risk and uncertainty surrounding this policy change on the agricultural economy are great, and adjusting the law so that there is a slower phase-in of the \$15 per hour wage in the Valley or a more moderate increase like Oregon's \$12.50 wage in rural areas would reduce these risks.

Table 1. Annual Summary

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income and Gross State Product													
Personal Income (Bil. \$)	1602.7	1537.1	1583.4	1691.0	1812.3	1849.5	1939.5	2061.3	2146.4	2256.2	2377.1	2499.4	2625.2
Calif. (%Ch)	2.4	-4.1	3.0	6.8	7.2	2.1	4.9	6.3	4.1	5.1	5.4	5.1	5.0
Real Personal Income (Bil. 2009\$)	1420.9	1365.2	1373.3	1435.5	1515.2	1536.1	1590.3	1685.1	1739.6	1795.4	1851.3	1904.3	1956.8
(%Ch)	-0.7	-3.9	0.6	4.5	5.6	1.4	3.5	6.0	3.2	3.2	3.1	2.9	2.8
Real Disposable Income (Bil. 2009\$)	1232.8	1221.5	1218.5	1258.2	1327.2	1325.8	1367.9	1439.0	1483.7	1532.5	1585.7	1634.1	1674.9
(%Ch)	0.0	-0.9	-0.2	3.3	5.5	-0.1	3.2	5.2	3.1	3.3	3.5	3.1	2.5
Gross State Product (Bil. \$)	1997.2	1915.7	1964.6	2035.3	2124.1	2215.7	2305.9	2430.7	2513.2	2646.4	2783.0	2916.1	3053.2
Calif. (%Ch)	2.4	-4.1	2.6	3.6	4.4	4.3	4.1	5.4	3.4	5.3	5.2	4.8	4.7
Real GSP (Bil. 2009\$)	2005.8	1915.7	1934.8	1961.3	2006.8	2056.3	2103.0	2184.5	2225.5	2301.3	2373.9	2438.7	2501.9
Calif. (%Ch)	0.6	-4.5	1.0	1.4	2.3	2.5	2.3	3.9	1.9	3.4	3.2	2.7	2.6
Employment and Labor Force (Household Survey % Change)													
Employment	-0.5	-4.0	-0.5	1.0	2.2	2.4	2.3	2.1	2.0	1.6	1.2	0.9	0.9
Labor Force	1.7	0.1	0.5	0.4	0.8	0.8	0.8	0.8	1.1	1.5	1.2	1.2	1.0
CA Unemployment Rate (%)	7.5	11.2	12.1	11.6	10.3	8.8	7.5	6.2	5.4	5.3	5.3	5.6	5.7
Nonfarm Employment (Payroll Survey % Change)													
Total Nonfarm													
California	-1.0	-5.6	-1.0	1.1	2.2	2.7	2.8	3.0	2.3	1.7	1.1	0.9	1.1
Mining	7.9	-9.3	3.0	7.6	5.9	0.4	3.1	-8.2	-13.5	-0.7	4.6	3.8	2.0
Construction	-11.8	-21.0	-9.8	0.2	5.1	8.1	5.8	7.7	5.2	4.3	4.3	3.3	3.1
Manufacturing	-2.6	-10.1	-3.0	0.5	0.3	0.2	1.4	1.4	-0.6	0.6	0.7	0.4	0.3
Nondurable Goods	-2.0	-8.2	-2.4	-0.4	0.3	0.5	1.1	0.7	-0.6	0.2	-0.1	0.0	0.0
Durable Goods	-3.0	-11.2	-3.3	1.0	0.3	0.0	1.6	1.8	-0.6	0.9	1.2	0.6	0.6
Trans. Warehs. & Utility	-0.6	-6.0	-1.7	1.7	2.7	3.2	4.1	5.8	1.4	2.3	2.0	1.0	0.5
Wholesale Trade	-1.7	-8.3	-0.2	2.2	2.7	2.7	2.3	1.5	2.2	1.6	1.3	1.4	1.3
Retail Trade	-2.9	-7.2	-0.3	1.9	1.5	1.6	2.1	2.1	2.3	1.1	-1.0	-0.9	-0.2
Financial Activities	-6.1	-7.0	-2.9	0.2	1.5	1.2	0.0	2.1	1.0	-0.8	-1.9	-1.2	-0.3
Prof. and Business Services	-1.1	-7.9	0.7	2.8	5.0	4.4	3.5	3.0	2.7	4.1	2.4	1.2	2.1
Edu & Health Services	4.3	3.0	0.8	1.4	3.2	3.4	3.0	3.8	3.4	1.8	1.2	1.3	1.1
Leisure & Hospitality	0.8	-4.4	-0.1	2.3	4.1	4.9	4.9	3.9	3.6	1.7	1.3	0.9	0.7
Information	1.1	-7.4	-2.8	0.5	1.0	3.2	3.1	4.2	3.0	1.5	0.7	1.6	1.2
Federal Gov't.	0.5	1.1	6.8	-4.6	-1.8	-2.0	-1.2	0.8	0.3	-1.5	-1.8	-1.6	4.9
State & Local Gov't.	1.0	-1.8	-2.1	-1.3	-1.3	0.1	2.0	2.1	1.4	0.8	1.6	1.7	1.0
Population and Migration													
Population (thous)	36649.1	37012.2	37382.8	37743.9	38100.9	38462.7	38834.8	39189.9	39553.4	39932.6	40328.1	40726.5	41122.1
(%Ch)	1.0	1.0	1.0	1.0	0.9	0.9	1.0	0.9	0.9	1.0	1.0	1.0	1.0
Net Migration (quarterly rate, thous.)	8.5	17.2	21.8	24.4	25.6	30.4	30.9	27.0	24.8	24.0	24.4	24.8	24.2
Housing													
Housing Starts Tot. Private (Annual Rate, Ths.)	60.9	36.0	39.1	45.8	56.0	72.6	79.1	91.3	100.3	131.4	147.3	156.2	162.9
Housing Starts Single Family	36.4	26.7	26.7	23.9	28.8	36.7	41.8	46.3	56.6	78.7	89.9	93.1	96.2
Housing Starts Multi-Family	24.5	9.4	12.3	21.9	27.2	35.9	37.3	45.1	43.7	52.7	57.4	63.1	66.7
Consumer Prices													
(%Ch)	3.3	-0.4	1.1	2.8	2.2	1.5	1.9	1.4	1.3	2.2	2.5	2.5	2.5

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Table 2. Quarterly Summary

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income and Gross State Product												
Personal Income (Annual Rate, Bil. \$)	2011.3	2056.6	2078.2	2099.3	2114.8	2133.5	2155.1	2182.2	2212.1	2242.2	2270.6	2299.7
Calif. (%Ch)	5.7	6.8	6.3	6.3	5.1	3.7	3.7	3.9	4.6	5.1	5.4	5.4
Real Personal Income (Bil. 2009\$)	1654.1	1682.0	1694.3	1709.9	1722.8	1735.1	1745.1	1755.6	1774.7	1789.7	1801.1	1816.2
(%Ch)	5.4	6.5	6.0	5.8	4.2	3.2	3.0	2.7	3.0	3.1	3.2	3.5
Real Disposable Income (Bil. 2009\$)	1412.3	1436.0	1446.9	1460.6	1469.5	1479.2	1488.3	1497.8	1514.1	1527.0	1537.4	1551.5
(%Ch)	4.7	5.7	5.3	5.1	4.0	3.0	2.9	2.5	3.0	3.2	3.3	3.6
Gross State Product (Bil. \$)	2386.7	2424.0	2448.5	2463.6	2474.5	2498.0	2521.9	2558.6	2594.1	2630.7	2666.8	2693.9
Calif. (%Ch)	5.6	5.7	5.0	5.2	3.7	3.1	3.0	3.9	4.8	5.3	5.7	5.3
Real GSP (Bil. 2009\$)	2158.9	2182.5	2193.8	2202.6	2204.0	2217.6	2229.8	2250.4	2272.1	2293.7	2313.2	2326.2
Calif. (%Ch)	4.1	4.3	3.5	3.7	2.1	1.6	1.6	2.2	3.1	3.4	3.7	3.4
Employment and Labor Force (Household Survey % Change)												
Employment	2.5	2.3	2.0	1.7	1.9	2.0	2.0	2.2	1.9	1.6	1.5	1.4
Labor Force	1.1	1.0	0.7	0.5	0.6	1.0	1.3	1.6	1.7	1.6	1.5	1.3
CA Unemployment Rate (%)	6.7	6.3	6.1	5.9	5.5	5.4	5.4	5.4	5.3	5.3	5.3	5.3
Non-farm Employment (Payroll Survey % Change)												
Total Non-farm												
California	2.9	2.8	3.3	3.0	2.7	2.5	1.9	1.9	1.9	1.8	1.6	1.4
Mining	-2.2	-6.8	-10.7	-13.2	-13.5	-14.1	-14.0	-12.3	-7.2	-2.5	2.7	4.2
Construction	6.7	7.5	8.8	8.0	6.5	5.5	4.4	4.6	4.0	4.3	4.5	4.5
Manufacturing	1.7	1.7	1.6	0.6	-0.3	-0.8	-1.1	-0.2	0.3	0.7	0.9	0.7
Nondurable Goods	1.0	1.1	0.9	-0.1	-0.7	-0.8	-1.0	0.1	0.3	0.3	0.2	-0.1
Durable Goods	2.1	2.1	2.1	1.0	0.0	-0.7	-1.1	-0.4	0.2	0.9	1.3	1.2
Trans. Warehs. & Utility	5.9	5.6	6.6	4.9	3.1	2.1	0.1	0.3	1.6	2.2	2.9	2.7
Wholesale Trade	1.0	1.2	1.8	2.1	2.4	2.5	2.0	1.8	1.7	1.7	1.6	1.3
Retail Trade	2.1	1.9	2.4	2.0	2.0	2.4	2.3	2.7	2.3	1.5	0.7	0.0
Financial Activities	1.4	1.9	2.6	2.4	1.2	1.2	1.1	0.5	0.5	-0.6	-1.6	-1.7
Prof. and Business Services	2.9	2.6	3.3	3.1	2.8	2.9	2.5	2.7	4.2	4.4	4.3	3.6
Edu. & Health Services	3.2	3.6	4.2	4.1	4.2	4.0	2.7	2.7	2.2	2.0	1.6	1.4
Leisure & Hospitality	4.0	3.7	3.9	4.1	4.2	4.0	3.5	2.6	1.9	1.7	1.7	1.6
Information	4.1	4.8	4.7	3.3	3.9	2.1	2.5	3.4	1.9	2.5	1.0	0.5
Federal Gov't.	0.1	0.8	1.0	1.3	1.0	0.6	0.1	-0.5	-1.1	-1.4	-1.7	-1.9
State & Local Gov't.	2.3	1.8	2.5	1.9	1.9	1.8	0.9	0.8	0.5	0.7	0.9	1.2
Population and Migration												
Population (Ths.)	39056.7	39144.8	39233.9	39324.3	39415.1	39506.8	39599.2	39692.3	39786.9	39883.1	39980.9	40079.5
(%Ch)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0
Net Migration (Ths.)	27.2	27.1	27.0	26.8	25.8	25.2	24.5	23.7	23.8	23.9	24.1	24.3
Housing												
Housing Starts Tot. Private (Annual Rate, Ths.)	83.5	106.1	94.8	80.9	87.4	96.4	103.4	114.1	121.6	129.7	134.6	139.6
Housing Starts Single Family	42.2	49.2	46.8	46.8	45.9	53.5	61.3	65.8	70.5	77.3	81.8	85.2
Housing Starts Multi-Family	41.3	56.9	48.1	34.1	41.5	42.8	42.1	48.3	51.1	52.4	52.8	54.4
Consumer Prices												
(%Ch)	1.0	1.4	1.3	1.7	1.7	1.0	0.9	1.5	1.9	2.3	2.5	2.1

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Table 2. Quarterly Summary

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income and Gross State Product												
Personal Income (Bil. \$)	2333.5	2362.0	2391.2	2421.7	2454.8	2484.8	2514.1	2543.8	2577.6	2609.9	2641.2	2672.2
Calif. (%Ch)	5.5	5.3	5.3	5.3	5.2	5.2	5.1	5.0	5.0	5.0	5.1	5.0
Real Personal Income (Bil. \$)	1833.1	1844.8	1857.1	1870.3	1885.7	1898.5	1910.5	1922.5	1937.4	1950.8	1963.6	1975.5
(%Ch)	3.3	3.1	3.1	3.0	2.9	2.9	2.9	2.8	2.7	2.8	2.8	2.8
Real Disposable Income (Bil. \$)	1568.8	1579.6	1591.1	1603.4	1618.3	1629.7	1639.5	1648.9	1660.6	1670.6	1679.6	1688.9
(%Ch)	3.6	3.4	3.5	3.3	3.2	3.2	3.0	2.8	2.6	2.5	2.4	2.4
Gross State Product (Bil. \$)	2731.7	2766.8	2803.4	2830.1	2866.7	2899.5	2934.2	2963.9	2997.7	3024.8	3081.9	3108.4
Calif. (%Ch)	5.3	5.2	5.1	5.1	4.9	4.8	4.7	4.7	4.6	4.3	5.0	4.9
Real GSP (Bil. 2009\$)	2347.9	2365.5	2385.8	2396.4	2415.3	2430.9	2448.0	2460.7	2474.7	2485.2	2519.4	2528.3
Calif. (%Ch)	3.3	3.1	3.1	3.0	2.9	2.8	2.6	2.7	2.5	2.2	2.9	2.7
Employment and Labor Force (Household Survey % Change)												
Employment	1.3	1.2	1.2	1.1	1.0	1.0	0.9	0.8	0.8	0.9	0.9	0.9
Labor Force	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.0	1.0	1.0	0.9
CA Unemployment Rate (%)	5.3	5.3	5.3	5.4	5.5	5.6	5.6	5.7	5.7	5.7	5.7	5.7
Non-farm Employment (Payroll Survey % Change)												
Total Non-farm												
California	1.3	1.1	1.1	1.0	1.0	0.9	0.9	0.9	0.9	1.1	1.1	1.1
Mining	4.5	4.8	4.5	4.5	4.6	3.9	3.5	3.2	2.5	2.2	1.9	1.4
Construction	4.6	4.5	4.3	4.0	3.7	3.4	3.1	3.1	3.0	3.0	3.2	3.1
Manufacturing	0.8	0.7	0.7	0.7	0.6	0.4	0.3	0.2	0.2	0.3	0.4	0.5
Nondurable Goods	-0.2	-0.2	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Durable Goods	1.4	1.3	1.2	1.1	0.9	0.7	0.5	0.3	0.4	0.5	0.7	0.7
Trans. Warehs. & Utility	2.4	2.2	1.9	1.7	1.5	1.1	0.8	0.7	0.7	0.5	0.5	0.4
Wholesale Trade	1.2	1.2	1.2	1.3	1.5	1.4	1.4	1.4	1.4	1.3	1.3	1.3
Retail Trade	-0.5	-0.9	-1.3	-1.4	-1.3	-1.1	-0.8	-0.5	-0.4	-0.2	-0.2	-0.1
Financial Activities	-1.7	-1.8	-2.1	-2.2	-2.0	-1.5	-0.9	-0.5	-0.2	-0.3	-0.3	-0.2
Prof. and Business Services	3.0	2.7	2.3	1.7	1.3	1.0	1.1	1.5	1.8	2.0	2.2	2.4
Edu. & Health Services	1.4	1.1	1.2	1.3	1.4	1.3	1.3	1.2	1.1	1.0	1.1	1.0
Leisure & Hospitality	1.4	1.3	1.2	1.3	1.2	1.1	0.8	0.6	0.7	0.7	0.7	0.8
Information	0.4	0.1	0.9	1.5	1.6	1.9	1.6	1.1	1.0	0.9	1.3	1.7
Federal Gov't.	-1.9	-1.9	-1.8	-1.7	-1.6	-1.6	-1.7	-1.6	-0.5	14.5	5.6	-0.1
State & Local Gov't.	1.4	1.6	1.7	1.8	1.9	1.8	1.6	1.4	1.2	1.0	1.0	1.0
Population and Migration												
Population (Ths.)	40178.6	40278.3	40377.9	40477.5	40577.2	40676.9	40776.3	40875.7	40974.6	41073.3	41171.5	41269.0
(%Ch)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Net Migration (Ths.)	24.4	24.4	24.4	24.6	24.8	24.9	24.7	24.8	24.6	24.4	24.1	23.7
Housing												
Housing Starts Tot. Private (Annual Rate, Ths.)	143.9	145.7	148.7	150.8	152.9	154.5	157.5	160.0	161.6	162.4	163.6	164.0
Housing Starts Single Family	87.9	89.9	91.1	90.7	90.9	92.1	94.2	95.1	96.1	96.4	96.3	95.9
Housing Starts Multi-Family	56.0	55.9	57.5	60.1	62.0	62.4	63.3	64.8	65.5	66.1	67.3	68.0
Consumer Prices												
(%Ch)	2.5	2.5	2.4	2.7	2.6	2.5	2.5	2.5	2.5	2.6	2.6	2.6

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Table 3. Employment Quarterly

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
California Payroll Employment (Thousands)												
Total Nonfarm	15862.1	15965.6	16146.9	16232.6	16296.2	16371.3	16452.5	16537.8	16603.4	16668.9	16723.5	16773.4
Manufacturing	1288.9	1292.5	1296.8	1290.6	1285.6	1282.8	1282.8	1288.3	1289.0	1291.7	1294.4	1297.4
Durable Goods	807.2	810.0	813.5	811.4	807.2	804.2	804.2	808.5	808.9	811.8	814.9	818.1
Wood Products	22.1	22.3	22.7	22.6	22.7	22.4	22.4	22.6	22.9	23.3	23.6	24.0
Computer & Electronics	264.7	266.2	266.8	266.9	266.4	266.0	266.9	269.1	270.1	272.7	275.5	278.0
Transportation Equipment	115.4	115.6	117.2	116.4	116.2	115.9	115.8	115.8	115.3	114.9	114.5	114.2
Nondurables	481.7	482.5	483.3	479.2	478.4	478.6	478.6	479.8	480.1	479.9	479.5	479.3
Foods	154.5	155.4	156.0	152.9	151.6	152.0	152.1	153.0	153.6	154.0	154.4	154.7
Non-Manufacturing	14573.2	14673.0	14850.1	14942.0	15010.5	15088.5	15169.7	15249.5	15314.4	15377.2	15429.1	15476.0
Mining	30.4	29.5	28.3	27.7	26.3	25.3	24.4	24.3	24.4	24.7	25.0	25.3
Construction	707.9	720.5	735.7	742.3	753.7	760.4	768.0	776.4	783.9	792.9	802.7	811.5
Transportation, Warehouse & Util.	542.4	548.3	560.3	562.8	559.0	560.1	560.8	564.6	568.0	572.6	576.7	579.6
Wholesale Trade	714.5	717.1	723.4	728.4	731.8	734.7	737.9	741.7	744.4	747.3	749.9	751.6
Retail Trade	1650.9	1657.4	1671.4	1673.8	1683.9	1697.4	1709.2	1718.7	1722.1	1722.5	1721.9	1718.6
Information	475.4	482.6	486.5	485.5	494.2	492.7	498.6	502.0	503.6	505.1	503.7	504.5
Prof. & Bus. Services	2461.8	2477.8	2508.0	2537.6	2531.2	2550.3	2571.3	2604.9	2637.6	2661.6	2681.1	2698.4
Admin. & Support	1046.1	1048.0	1060.3	1081.1	1066.7	1076.0	1086.6	1111.9	1142.1	1165.5	1184.3	1199.5
Prof. Sci. & Tech.	1187.1	1199.6	1217.1	1225.9	1231.3	1240.5	1250.2	1258.3	1260.7	1261.6	1262.4	1264.9
Mgmt. of Co.	228.6	230.2	230.6	230.6	233.2	233.8	234.5	234.7	234.8	234.6	234.4	234.0
Financial Activities	790.2	795.5	802.2	804.4	800.0	805.2	811.0	808.5	804.3	800.8	798.0	794.5
Real Estate & Rent	268.5	270.4	273.1	275.6	274.0	275.1	276.3	277.6	278.5	279.0	279.3	279.8
Finance & Insurance	521.7	525.1	529.0	528.9	525.9	530.1	534.6	530.9	525.8	521.8	518.7	514.7
Education & Health Service	2413.7	2436.1	2479.7	2493.9	2515.4	2533.4	2547.9	2560.2	2569.8	2583.6	2588.0	2596.3
Education Services	342.0	343.2	350.8	349.2	358.0	360.1	359.0	357.6	356.5	356.1	355.3	355.2
Health Services	2071.7	2092.9	2128.9	2144.8	2157.4	2173.4	2188.9	2202.6	2213.3	2227.5	2232.7	2241.1
Leisure & Hospitality	1802.6	1816.8	1835.1	1858.5	1878.5	1889.8	1899.4	1907.1	1914.9	1921.7	1931.4	1937.6
Other Services	540.4	543.0	548.2	549.6	549.5	549.8	549.1	547.5	545.3	543.4	542.7	542.2
Government	2442.8	2448.6	2471.3	2477.5	2487.2	2489.3	2492.3	2493.6	2496.1	2500.9	2508.0	2516.1
Federal Gov't.	243.2	244.1	244.8	245.5	245.7	245.5	245.0	244.2	243.1	242.1	240.9	239.6
State & Local Gov't.	2199.6	2204.5	2226.5	2232.0	2241.5	2243.8	2247.4	2249.4	2253.0	2258.8	2267.2	2276.5

Table 3. Employment Quarterly

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
California Payroll Employment (Thousands)												
Total Nonfarm	16815.7	16860.5	16903.6	16941.0	16977.7	17011.1	17050.0	17089.6	17134.3	17204.5	17236.1	17271.7
Manufacturing	1299.3	1301.4	1303.6	1306.4	1307.3	1307.2	1307.6	1308.5	1310.3	1311.0	1312.8	1314.5
Durable Goods	820.2	822.3	824.5	827.0	827.9	827.9	828.4	829.3	831.0	832.0	833.8	835.5
Wood Products	24.4	24.7	25.0	25.3	25.4	25.5	25.6	25.8	26.0	26.4	26.7	27.0
Computer & Electronics	279.6	280.8	281.9	282.8	282.7	282.8	283.2	283.7	284.5	284.6	284.9	285.3
Transportation Equipment	113.9	113.7	113.4	112.9	112.2	111.5	110.6	110.0	109.4	109.0	108.6	108.0
Nondurables	479.1	479.0	479.2	479.4	479.4	479.3	479.2	479.2	479.2	479.0	479.1	479.0
Foods	155.2	155.6	156.0	156.4	156.6	156.9	157.1	157.4	157.9	158.3	158.8	159.2
Non-Manufacturing	15516.4	15559.1	15599.9	15634.5	15670.5	15703.9	15742.3	15781.0	15824.0	15893.5	15923.2	15957.2
Mining	25.5	25.9	26.2	26.5	26.7	26.9	27.1	27.3	27.4	27.5	27.6	27.7
Construction	819.9	828.2	837.2	844.0	850.1	856.3	863.0	869.9	875.9	882.2	890.6	896.7
Transportation, Warehouse & Util.	581.8	585.1	587.8	589.2	590.3	591.3	592.3	593.4	594.4	594.6	595.2	595.9
Wholesale Trade	753.6	756.5	759.2	761.7	764.6	767.2	769.7	772.1	775.1	777.0	779.5	781.9
Retail Trade	1712.7	1706.3	1699.8	1694.4	1690.4	1687.3	1686.4	1685.3	1684.3	1684.2	1683.7	1684.1
Information	505.5	505.5	508.0	511.8	513.7	515.3	516.2	517.4	519.1	520.0	522.8	525.9
Prof. & Bus. Services	2716.3	2732.4	2741.7	2744.0	2751.5	2760.1	2772.9	2785.7	2799.8	2815.0	2834.3	2853.6
Admin. & Support	1214.9	1231.0	1240.6	1244.3	1248.1	1254.4	1264.2	1273.8	1283.0	1291.8	1302.9	1314.3
Prof. Sci. & Tech.	1267.7	1268.3	1268.3	1267.1	1271.2	1274.4	1277.9	1281.8	1287.1	1294.1	1302.8	1311.4
Mgmt. of Co.	233.8	233.1	232.9	232.6	232.2	231.4	230.8	230.1	229.7	229.1	228.7	227.9
Financial Activities	790.6	786.1	781.4	777.3	775.0	774.3	774.2	773.7	773.6	771.9	771.9	771.8
Real Estate & Rent	280.0	280.3	280.6	280.9	281.0	280.9	280.7	280.7	280.8	280.7	280.7	280.6
Finance & Insurance	510.6	505.8	500.8	496.5	494.0	493.5	493.5	493.0	492.7	491.2	491.2	491.2
Education & Health Service	2604.5	2612.3	2619.4	2629.1	2640.7	2647.4	2653.3	2660.9	2669.9	2673.7	2681.7	2688.9
Education Services	356.0	356.3	356.7	356.6	356.4	355.9	355.4	354.7	354.1	352.5	351.5	350.2
Health Services	2248.6	2256.0	2262.7	2272.5	2284.2	2291.5	2297.9	2306.2	2315.8	2321.1	2330.2	2338.7
Leisure & Hospitality	1941.0	1946.1	1954.9	1962.2	1963.8	1967.1	1971.1	1974.7	1976.9	1980.5	1985.4	1989.6
Other Services	542.1	541.6	541.5	541.5	541.5	541.0	540.4	540.0	539.7	539.1	538.7	538.4
Government	2522.8	2533.1	2543.1	2552.8	2562.2	2569.8	2575.7	2580.7	2588.1	2628.0	2611.8	2602.9
Federal Gov't.	238.5	237.4	236.5	235.5	234.5	233.5	232.5	231.6	233.4	267.4	245.6	231.5
State & Local Gov't.	2284.4	2295.7	2306.6	2317.3	2327.6	2336.2	2343.1	2349.1	2354.7	2360.6	2366.2	2371.5

Table 4. Employment Annual

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
California Payroll Employment (Thousands)													
Total Nonfarm	15299.6	14436.0	14282.0	14436.2	14759.1	15153.3	15584.1	16051.8	16414.4	16692.3	16880.2	17032.1	17211.7
Manufacturing	1426.8	1283.5	1244.1	1250.2	1254.4	1256.3	1274.2	1292.2	1284.9	1293.1	1302.7	1307.6	1312.1
Durable Goods	901.1	800.7	773.2	781.0	783.7	783.4	796.1	810.5	806.0	813.5	823.5	828.4	833.1
Wood Products	24.0	19.7	19.0	19.8	19.9	19.0	18.7	18.5	17.9	17.4	17.2	17.4	17.5
Computer & Electronics	300.0	278.6	271.9	275.2	269.9	262.9	263.1	266.2	267.1	274.1	281.3	283.1	284.8
Transportation Equipment	125.1	114.6	108.7	105.0	105.2	106.2	109.9	116.1	115.9	114.7	113.5	111.1	108.7
Nondurables	525.6	482.8	470.9	469.2	470.6	472.8	478.2	481.7	478.9	479.7	479.2	479.3	479.1
Foods	153.0	147.9	147.1	149.5	150.3	150.9	152.9	154.7	152.2	154.2	155.8	157.0	158.5
Non-Manufacturing	13872.8	13152.5	13037.9	13185.9	13504.7	13897.0	14309.9	14759.6	15129.5	15399.2	15577.5	15724.5	15899.5
Mining	28.7	26.1	26.8	28.8	30.5	30.7	31.6	29.0	25.1	24.9	26.0	27.0	27.5
Construction	788.3	622.8	560.0	561.0	589.8	637.5	674.4	726.6	764.6	797.8	832.3	859.8	886.3
Trans., Warehouse & Util.	504.6	474.5	466.5	474.5	487.3	502.6	523.3	553.4	561.1	574.2	585.9	591.8	595.0
Wholesale Trade	703.4	645.1	643.8	657.8	675.7	694.0	710.1	720.8	736.5	748.3	757.7	768.4	778.4
Retail Trade	1640.9	1522.4	1518.2	1546.9	1570.1	1595.6	1628.9	1663.4	1702.3	1721.3	1703.3	1687.3	1684.1
Information	476.3	441.0	428.6	430.6	435.0	449.1	462.9	482.5	496.8	504.2	507.7	515.6	521.9
Prof. & Bus. Services	2241.5	2063.6	2076.9	2135.1	2242.1	2341.3	2423.9	2496.3	2564.4	2669.7	2733.6	2767.6	2825.7
Admin. & Support	952.7	850.4	863.2	882.9	932.1	980.6	1025.0	1058.9	1085.3	1172.8	1232.7	1260.1	1298.0
Prof. Sci. & Tech.	1079.4	1013.2	1015.2	1049.1	1100.7	1139.4	1173.3	1207.4	1245.1	1262.4	1267.8	1276.3	1298.9
Mgmt. of Co.	209.4	200.0	198.6	203.0	209.4	221.2	225.6	230.0	234.1	234.4	233.1	231.1	228.8
Financial Activities	841.6	782.6	759.6	761.3	772.8	782.1	781.8	798.1	806.2	799.4	783.9	774.3	772.3
Real Estate & Rent	275.9	254.9	248.3	247.1	250.8	258.7	265.2	271.9	275.8	279.1	280.4	280.8	280.7
Finance & Insurance	565.7	527.7	511.3	514.2	522.0	523.4	516.6	526.2	530.4	520.3	503.4	493.5	491.6
Education & Health Service	2045.0	2106.3	2123.2	2153.8	2222.8	2297.8	2365.8	2455.8	2539.2	2584.4	2616.3	2650.6	2678.5
Education Services	283.7	286.6	291.0	306.1	315.6	325.8	337.4	346.3	358.7	355.8	356.4	355.6	352.1
Health Services	1761.3	1819.8	1832.2	1847.7	1907.2	1972.0	2028.4	2109.6	2180.5	2228.7	2259.9	2295.0	2326.4
Leisure & Hospitality	1573.0	1503.3	1501.3	1536.0	1598.8	1676.8	1758.8	1828.2	1893.7	1926.4	1951.1	1969.2	1983.1
Other Services	511.6	485.8	484.7	493.6	505.1	517.3	536.6	545.3	549.0	543.4	541.7	540.7	539.0
Government	2517.9	2478.9	2448.2	2406.5	2374.8	2372.2	2411.7	2460.0	2490.6	2505.3	2537.9	2572.1	2607.7
Federal Gov't.	248.3	251.1	268.3	255.3	250.6	245.5	242.4	244.4	245.1	241.4	236.9	233.0	244.5
State & Local Gov't.	2269.6	2227.8	2179.9	2151.2	2124.3	2126.7	2169.3	2215.6	2245.5	2263.9	2301.0	2339.0	2363.3

Table 5. Personal Income - Quarterly

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Bil. \$)	2011.3	2056.6	2078.2	2099.3	2114.8	2133.5	2155.1	2182.2	2212.1	2242.2	2270.6	2299.7
Wages & Salaries	1034.3	1060.9	1066.1	1078.3	1087.7	1102.4	1117.4	1133.0	1148.2	1164.6	1180.1	1194.7
Other Labor Income	240.9	246.1	248.7	250.9	253.2	255.4	258.6	261.8	265.4	268.4	271.5	274.3
Nonfarm	175.0	176.9	179.1	180.9	182.8	184.9	187.6	191.0	193.2	196.6	198.3	200.2
Farm	12.2	12.3	13.5	13.6	8.5	8.7	8.3	8.3	8.6	8.3	8.1	8.5
Property Income	396.7	405.5	411.3	411.6	415.4	413.1	412.2	414.9	422.5	427.7	434.1	441.8
Transfer Payments	308.1	314.2	319.1	325.0	329.8	333.1	336.7	340.6	345.3	349.3	352.8	355.9
Billions 2009 \$												
Real Personal Income (Bil. \$)	1654.1	1682.0	1694.3	1709.9	1722.8	1735.1	1745.1	1755.6	1774.7	1789.7	1801.1	1816.2
Wages & Salaries	850.6	867.6	869.2	878.3	886.1	896.5	904.8	911.5	921.2	929.6	936.0	943.5
Other Labor Income	198.1	201.3	202.7	204.4	206.2	207.7	209.4	210.6	213.0	214.2	215.3	216.7
Nonfarm	143.9	144.7	146.0	147.4	148.9	150.4	151.9	153.7	155.0	156.9	157.3	158.1
Farm	10.1	10.1	11.0	11.0	6.9	7.1	6.7	6.7	6.9	6.6	6.4	6.7
Property Income	326.2	331.6	335.4	335.3	338.4	336.0	333.8	333.8	339.0	341.4	344.3	348.9
Transfer Payments	253.4	257.0	260.1	264.7	268.7	270.9	272.7	274.0	277.0	278.8	279.8	281.1
New Passenger Car & Truck Registrations	1977.4	2024.8	2103.5	2105.5	2023.6	2121.9	2131.2	2138.9	2153.9	2170.1	2179.8	2185.9
Retail Sales (Billions \$)	539.5	552.1	558.5	560.3	560.6	566.6	574.9	585.8	590.7	599.4	608.5	614.7
Real Retail Sales (Billions 2009\$)	443.9	451.7	455.4	456.3	456.7	460.8	465.6	471.2	473.9	478.4	482.6	485.5

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Table 5. Personal Income - Quarterly

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Bil. \$)	2333.5	2362.0	2391.2	2421.7	2454.8	2484.8	2514.1	2543.8	2577.6	2609.9	2641.2	2672.2
Wages & Salaries	1209.7	1224.1	1238.7	1253.4	1268.1	1282.8	1297.9	1313.3	1329.6	1346.3	1363.3	1380.3
Other Labor Income	277.8	280.1	282.8	285.4	289.0	291.8	294.7	297.6	301.7	305.0	307.8	310.9
Nonfarm	202.2	204.6	206.4	208.1	210.0	211.9	213.8	216.0	218.8	222.1	224.7	227.5
Farm	8.4	8.1	8.0	7.9	7.9	7.7	7.6	7.4	7.4	7.4	7.4	7.4
Property Income	451.3	459.5	467.8	477.5	485.7	493.9	501.0	508.0	514.7	521.9	528.7	534.9
Transfer Payments	363.3	366.3	369.8	373.2	381.6	385.5	389.6	393.6	401.8	405.6	409.5	413.6
Billions 2009 \$												
Real Personal Income (Bil. \$)	1833.1	1844.8	1857.1	1870.3	1885.7	1898.5	1910.5	1922.5	1937.4	1950.8	1963.6	1975.5
Wages & Salaries	950.3	956.1	962.1	968.0	974.1	980.1	986.3	992.6	999.3	1006.3	1013.5	1020.4
Other Labor Income	218.2	218.8	219.6	220.4	222.0	222.9	223.9	224.9	226.8	228.0	228.8	229.8
Nonfarm	158.8	159.8	160.3	160.7	161.3	161.9	162.5	163.2	164.5	166.0	167.0	168.2
Farm	6.6	6.3	6.2	6.1	6.1	5.9	5.8	5.6	5.6	5.5	5.5	5.5
Property Income	354.5	358.9	363.3	368.8	373.0	377.4	380.7	383.9	386.9	390.1	393.0	395.4
Transfer Payments	285.4	286.1	287.2	288.3	293.1	294.6	296.0	297.5	302.0	303.2	304.5	305.8
New Passenger Car & Truck Registrations	2178.7	2173.6	2170.1	2158.3	2151.9	2141.6	2130.5	2117.7	2107.9	2092.5	2076.5	2070.5
Retail Sales (Billions \$)	622.5	630.5	638.5	645.9	652.9	660.3	668.3	676.2	683.5	691.4	698.9	707.0
Real Retail Sales (Billions 2009\$)	489.0	492.5	495.9	498.8	501.5	504.5	507.8	511.0	513.8	516.8	519.6	522.6

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

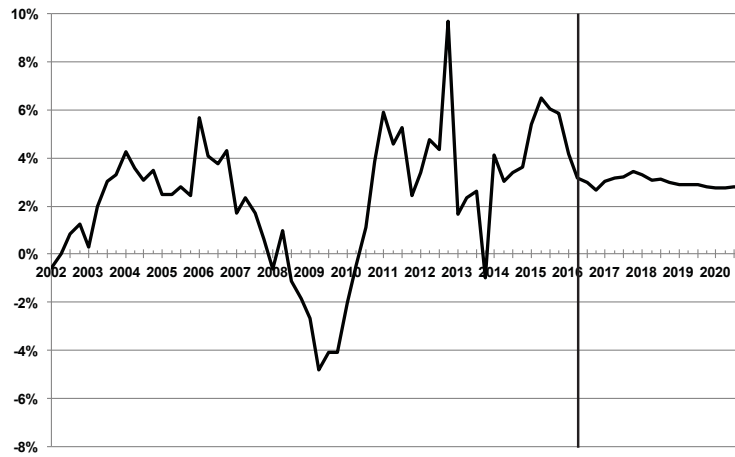
Table 6. Personal Income - Annual

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Billions Current Dollars													
Personal Income	1602.7	1537.1	1583.4	1691.0	1812.3	1849.5	1939.5	2061.3	2146.4	2256.2	2377.1	2499.4	2625.2
Wages & Salaries	842.9	799.3	814.5	848.5	903.7	933.9	991.2	1059.9	1110.1	1171.9	1231.5	1290.5	1354.9
Other Labor Income	204.7	197.1	202.9	218.5	220.4	230.7	235.0	246.6	257.2	269.9	281.5	293.3	306.3
Nonfarm	127.7	123.0	124.3	131.5	156.5	160.0	168.4	178.0	186.6	197.1	205.3	212.9	223.3
Farm	5.0	5.8	6.3	9.3	10.0	12.1	12.0	12.9	8.4	8.4	8.1	7.6	7.4
Property Income	330.9	293.5	292.0	330.6	371.0	372.7	389.2	406.3	413.9	431.5	464.1	497.1	525.1
Transfer Payments	218.2	241.1	266.9	268.7	271.6	282.0	293.7	316.6	335.1	350.8	368.2	387.6	407.6
Billions 2009 \$													
Personal Income	1420.9	1365.2	1373.3	1435.5	1515.2	1536.1	1590.3	1685.1	1739.6	1795.4	1851.3	1904.3	1956.8
Wages & Salaries	747.2	710.0	706.4	720.3	755.5	775.6	812.7	866.4	899.7	932.6	959.1	983.3	1009.9
Other Labor Income	181.5	175.0	175.9	185.5	184.3	191.6	192.7	201.6	208.5	214.8	219.2	223.4	228.4
Nonfarm	113.2	109.2	107.8	111.6	130.8	132.9	138.1	145.5	151.2	156.8	159.9	162.2	166.4
Farm	4.4	5.1	5.5	7.9	8.3	10.0	9.8	10.6	6.8	6.7	6.3	5.8	5.5
Property Income	293.4	260.8	253.2	280.6	310.2	309.5	319.1	332.1	335.5	343.4	361.4	378.8	391.4
Transfer Payments	193.4	214.1	231.4	228.2	227.1	234.2	240.8	258.8	271.6	279.2	286.7	295.3	303.9
New Passenger Car & Truck Reg.	1401.3	1036.2	1105.8	1223.0	1529.2	1711.9	1848.2	2052.8	2103.9	2172.4	2170.2	2135.4	2086.8
Retail Sales (Billions \$)	451.6	411.9	431.5	464.2	493.3	514.9	535.2	552.6	572.0	603.3	634.4	664.4	695.2
Real Retail Sales (Billions 2009\$)	400.3	365.8	374.2	394.0	412.5	427.6	439.0	451.8	463.6	480.1	494.0	506.2	518.2

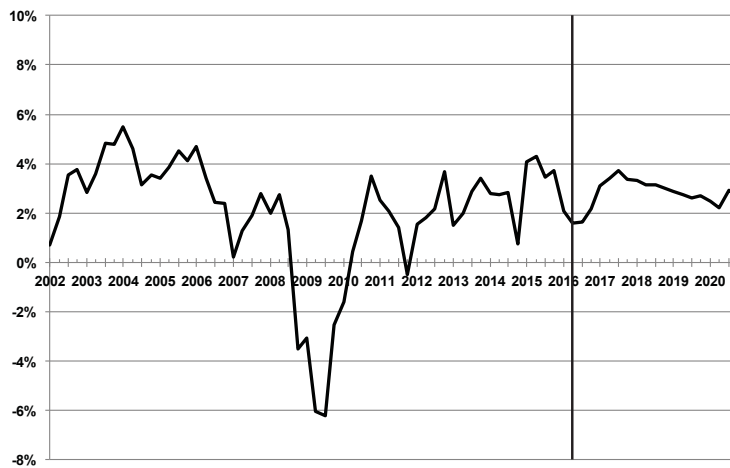
* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

CHARTS

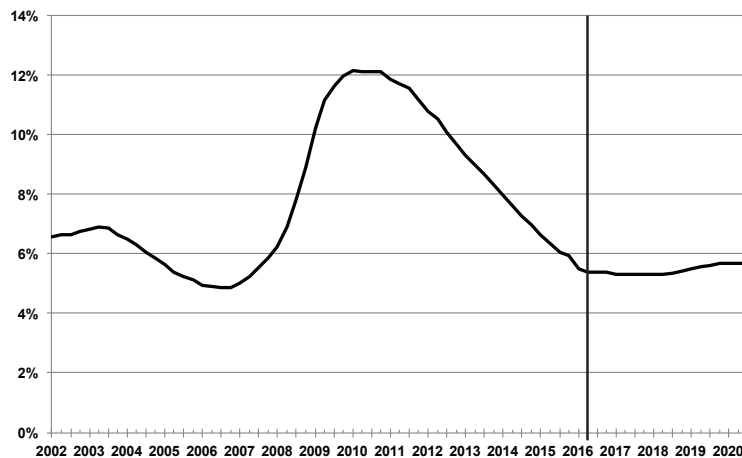
California Real Personal Income
(percent change from one year ago)



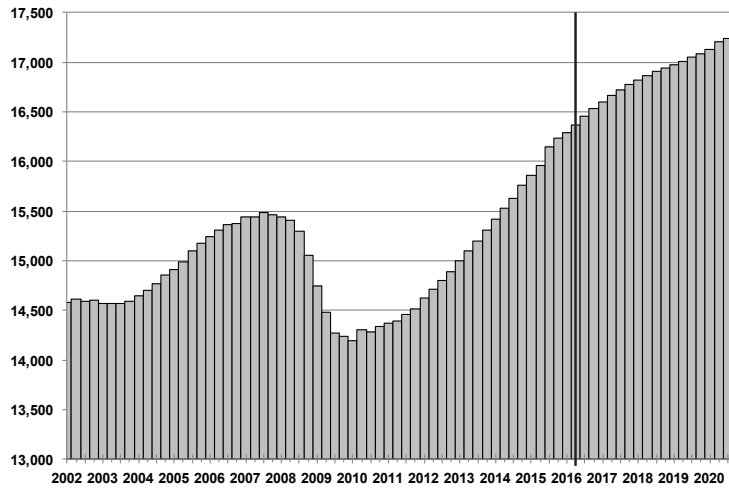
California Real Gross State Product
(percent change from one year ago)



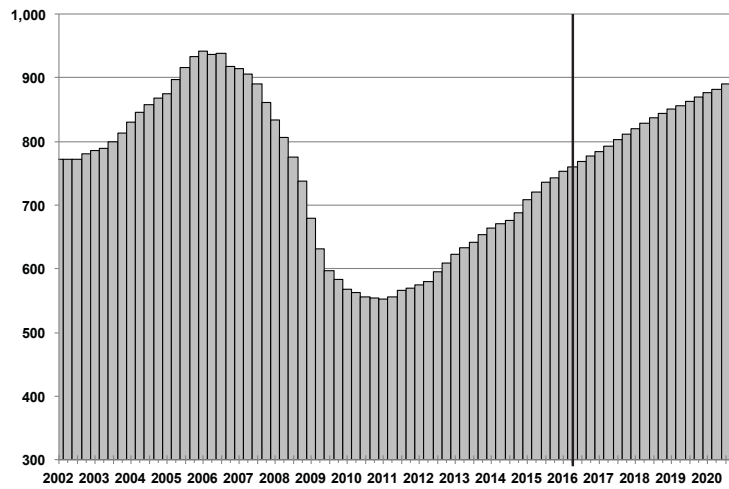
California Unemployment Rates
(percent)



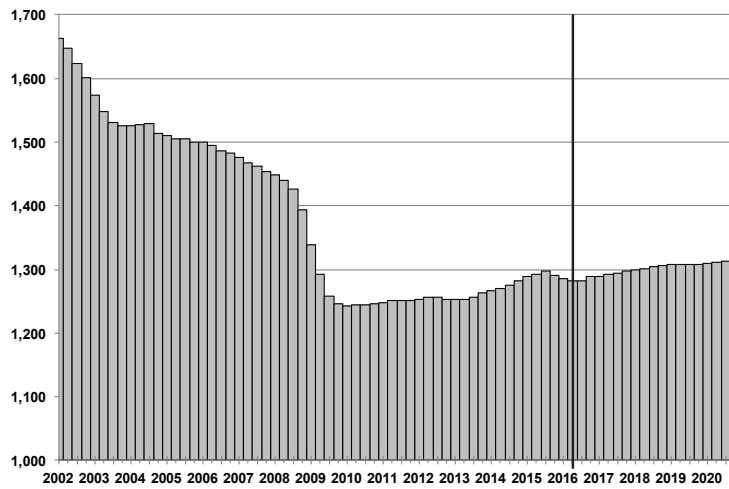
California Total Nonfarm Employment
(Thousands)



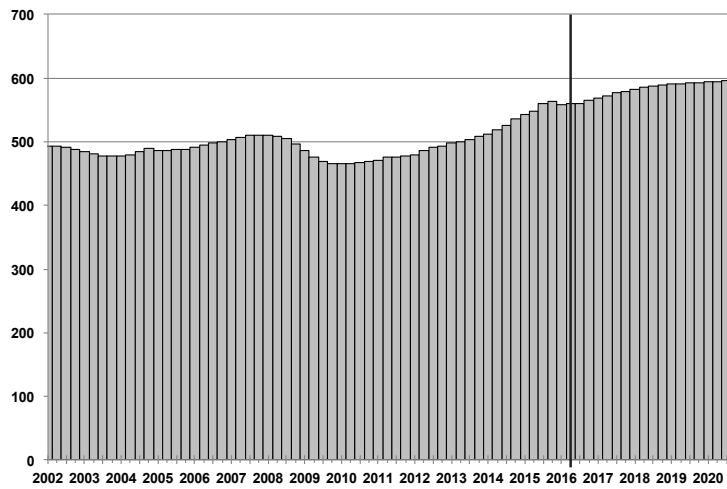
California Construction Employment
(Thousands)



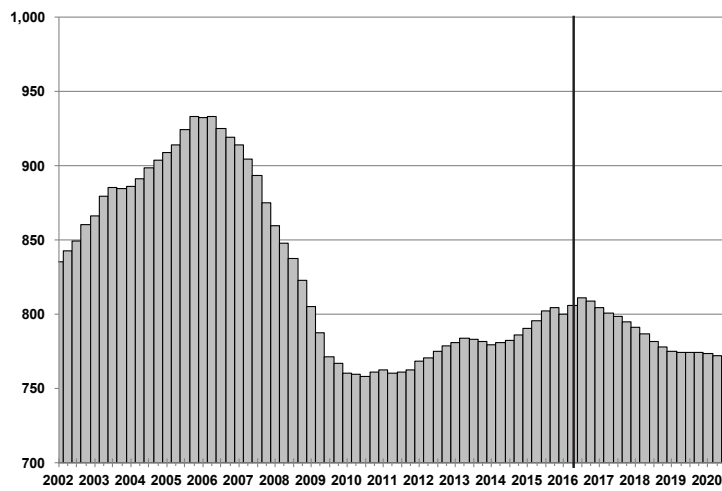
California Manufacturing Employment
(Thousands)



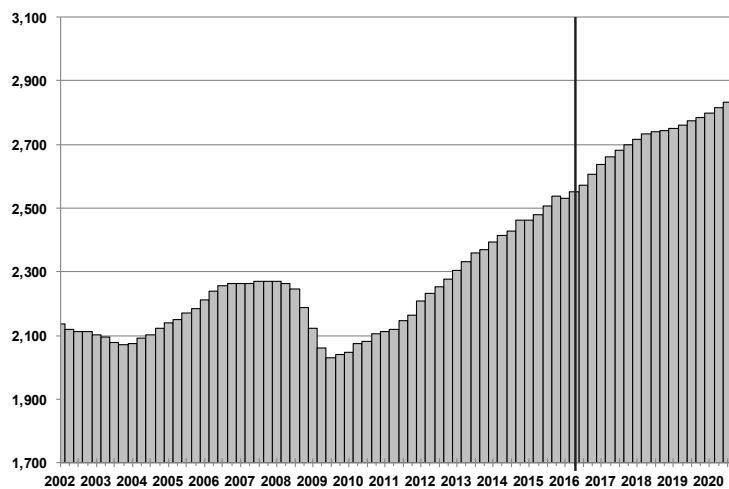
California Trade, Transportation, and Utilities Employment (Thousands)



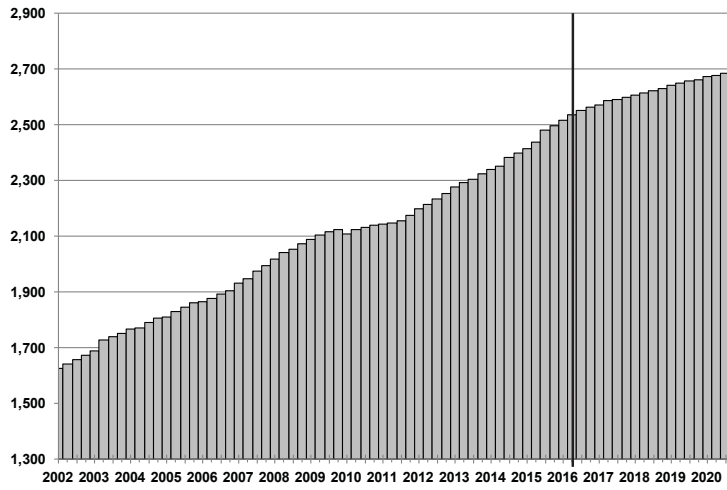
California Financial Activities Employment (Thousands)



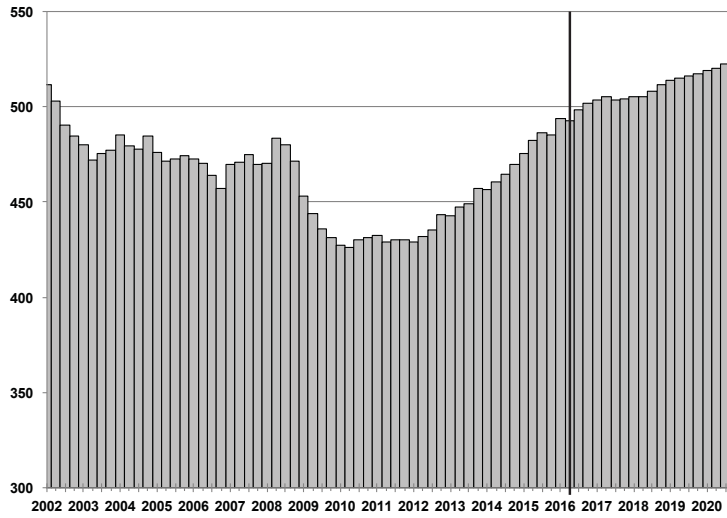
California Professional and Business Employment (Thousands)



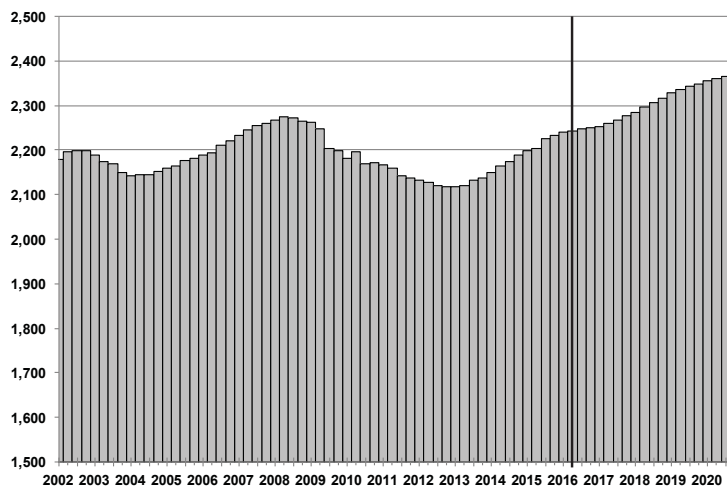
**California Education and Health Services
Employment (Thousands)**



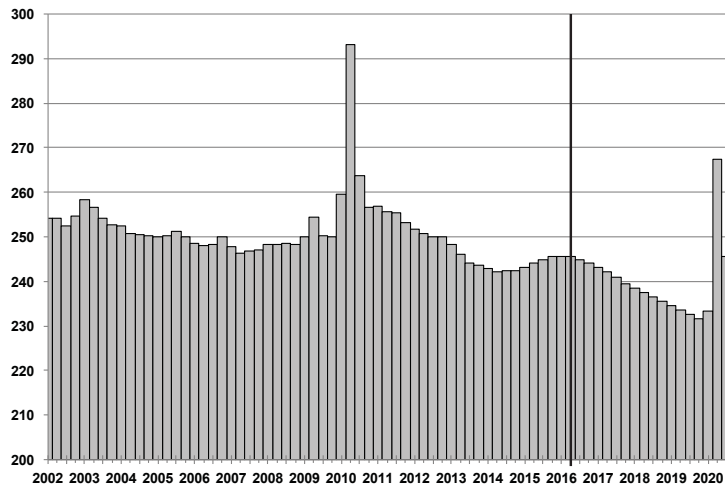
California Information Employment (Thousands)



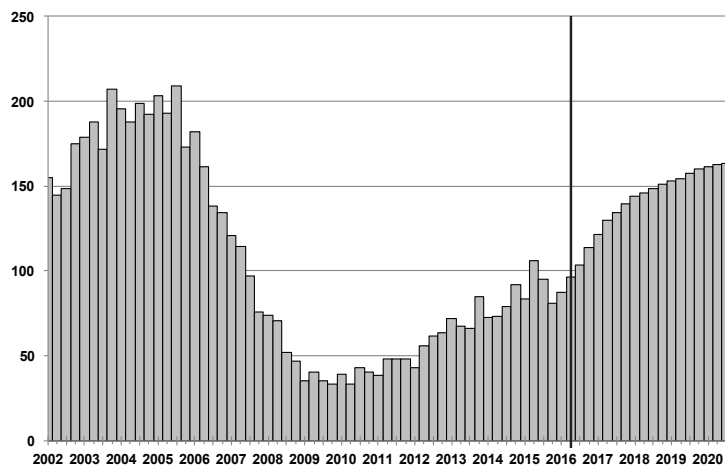
**California State and Local Government
Employment (Thousands)**



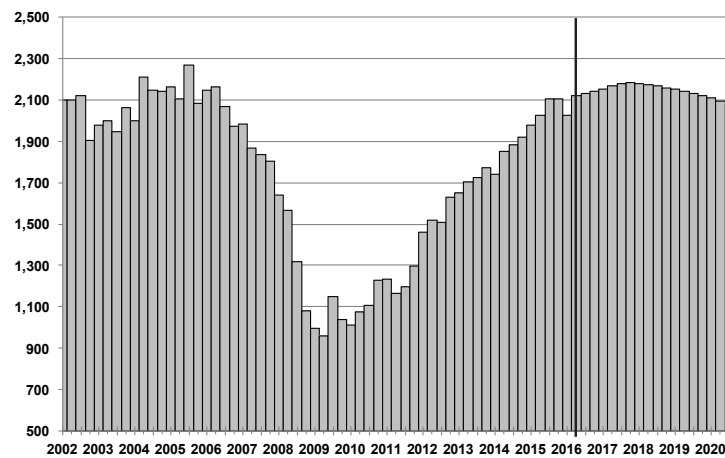
**California Federal Government Employment
(Thousands)**



**California Housing Starts
(Thousands)**



**California New Passenger & Light Truck
Registrations (Thousands)**



METROS

Fresno MSA

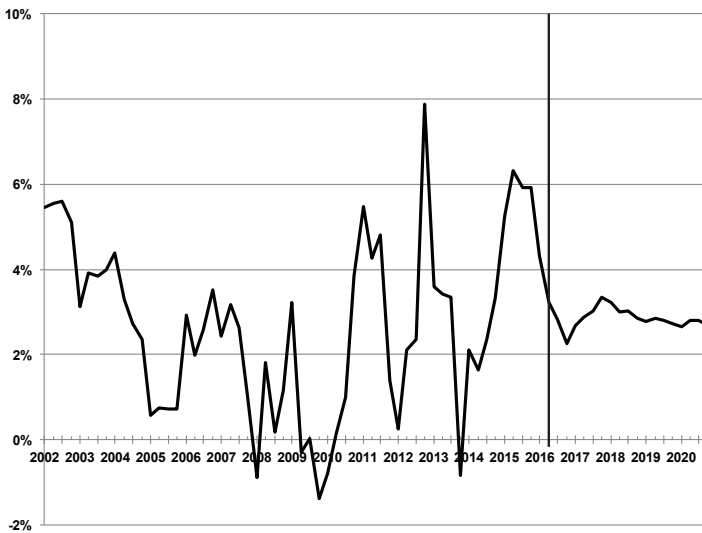
SHORT TERM OUTLOOK

Total nonfarm employment in the Fresno MSA is expected to grow by 2.5% between 2015 and 2016. Nonfarm employment in the first and second quarters of 2017 is expected to have a 3.1% and 2.9% increase followed by 2.3% and 1.6% growth in the third and fourth quarters, respectively. The leading sectors for employment growth for 2017 are predicted to be the Construction and Mining and the Professional and Business Services sectors with 6.6% and 4.7% increases, respectively. Employment is expected to increase in all sectors with the exception of the Federal Government (-1.5%), Other Services (-0.8%), and Financial Activities (-0.7%) sectors.

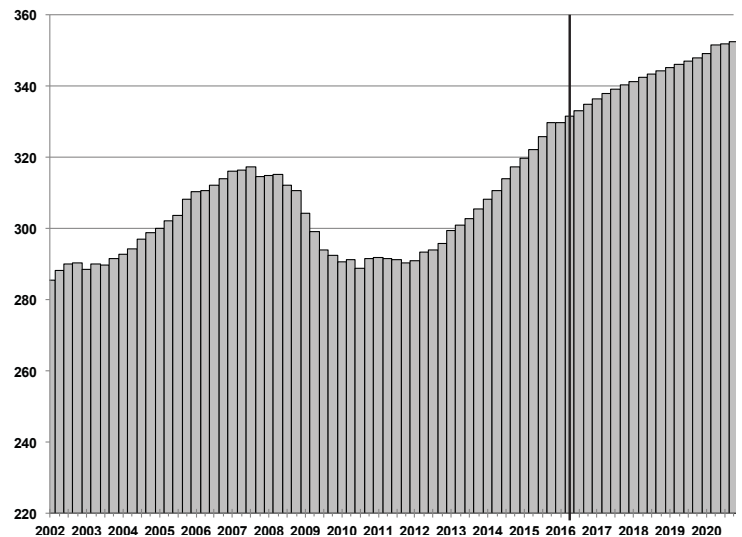
Real personal income in Fresno is expected to grow 3% between 2016 and 2017 or \$31.9 billion and also 3% between 2017 and 2018 to \$32.8 billion.

The Fresno MSA's population is expected to reach approximately 998,335 in 2017 and will grow approximately 1.2% to 1.3% each year, reaching approximately 1,037,000 in 2020. An increase in the labor force between 2016 and 2017 of 1.8% is also expected. The labor force is projected to maintain a 1.5% growth for both 2018 and 2019. The unemployment rate in 2017 is expected to decrease to 8.7% from 8.9% in 2015. Unemployment is expected to remain between 8.7% and 9.1% through 2020.

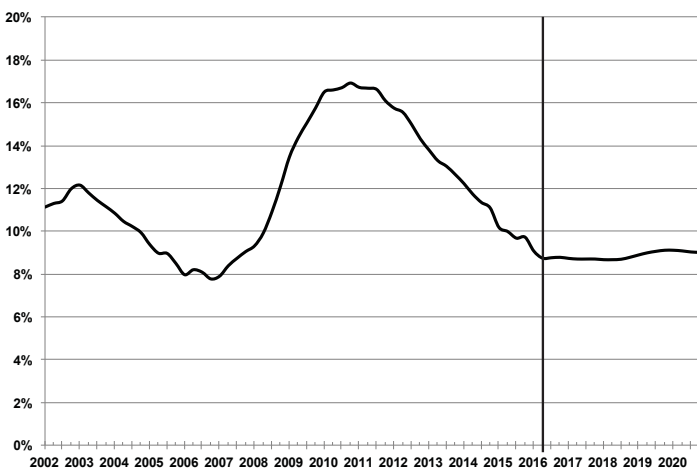
Fresno Real Personal Income
(percent change from one year ago)



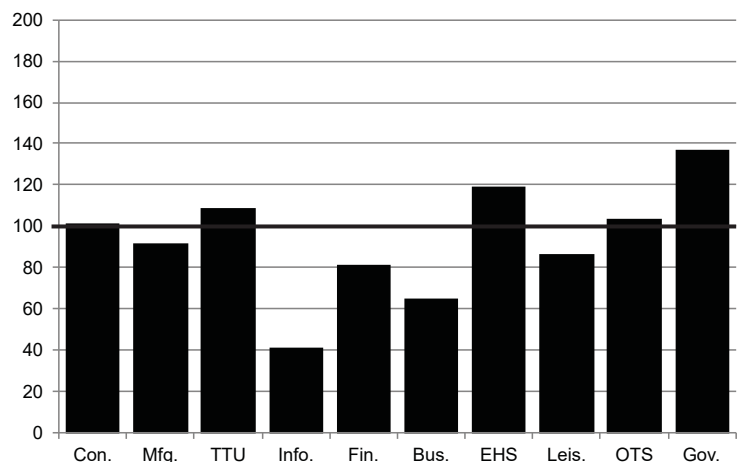
Fresno Payroll Employment
(Thousands)



Fresno Unemployment Rates
(percent)



Fresno Employment Mix Relative to California, 2014
(California = 100)



Quarterly Outlook for Fresno

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	35.8	36.6	37.0	37.5	37.7	38.0	38.3	38.8	39.3	39.8	40.3	40.8
Pct Chg Year Ago	5.6	6.6	6.2	6.4	5.3	3.9	3.5	3.5	4.3	4.8	5.2	5.3
Wages and Salaries	15.9	16.3	16.4	16.6	16.7	16.9	17.1	17.3	17.5	17.8	18.0	18.2
Nonwage Income	19.9	20.3	20.7	20.8	21.0	21.1	21.2	21.5	21.8	22.1	22.3	22.6
Real Personal Income	29.4	29.9	30.2	30.5	30.7	30.9	31.0	31.2	31.5	31.8	32.0	32.3
Pct Chg Year Ago	5.3	6.3	5.9	5.9	4.3	3.2	2.8	2.3	2.7	2.9	3.0	3.3
Per Capita Income (Ths.)	36.8	37.5	37.9	38.2	38.4	38.6	38.8	39.2	39.5	39.9	40.3	40.7
Real Per Capita Income	30.3	30.7	30.9	31.1	31.3	31.4	31.4	31.5	31.7	31.9	32.0	32.2
Average Annual Wage (Ths.)	49.3	50.2	50.0	50.2	50.4	50.8	51.1	51.5	51.8	52.3	52.8	53.2
Pct Chg Year Ago	3.3	4.8	2.5	2.5	2.2	1.1	2.3	2.5	2.8	3.0	3.2	3.4

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	319.9	322.3	325.8	329.9	329.8	331.6	333.3	335.1	336.4	337.9	339.2	340.5
Pct Chg Year Ago	3.8	3.7	3.8	4.0	3.1	2.9	2.3	1.6	2.0	1.9	1.8	1.6
Manufacturing	25.2	25.2	25.6	25.9	25.9	25.9	26.1	26.3	26.3	26.4	26.4	26.5
Pct Chg Year Ago	7.4	6.8	6.5	5.4	2.7	3.0	1.6	1.5	1.6	1.7	1.5	0.9
Nonmanufacturing	294.7	297.1	300.2	304.0	304.0	305.6	307.2	308.8	310.1	311.5	312.7	314.0
Pct Chg Year Ago	3.5	3.4	3.5	3.9	3.2	2.9	2.3	1.6	2.0	1.9	1.8	1.7
Construction & Mining	14.9	15.3	15.2	15.2	15.3	15.7	16.0	16.5	16.6	16.8	17.0	17.1
Pct Chg Year Ago	6.9	10.0	7.9	3.7	2.5	2.2	4.9	8.3	8.9	7.2	6.1	4.2
Trade, Trans, & Utilities	62.7	62.6	63.6	64.9	65.8	66.2	66.6	67.0	67.2	67.5	67.7	67.8
Pct Chg Year Ago	1.7	0.9	2.8	4.2	4.9	5.8	4.7	3.2	2.2	1.9	1.7	1.2
Wholesale Trade	13.5	13.5	13.8	14.2	14.5	14.5	14.6	14.7	14.7	14.8	14.9	14.9
Retail Trade	37.1	37.0	37.6	38.2	38.6	38.9	39.2	39.4	39.5	39.6	39.6	39.6
Trans, Wrhsng, & Util	12.1	12.0	12.2	12.5	12.7	12.7	12.8	12.9	13.0	13.1	13.2	13.3
Information	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	4.0	4.0	3.9	3.9
Pct Chg Year Ago	2.6	3.4	1.0	-0.7	-0.4	-1.3	-0.4	0.4	1.5	1.8	0.0	0.3
Financial Activities	12.9	12.9	13.1	13.1	13.3	13.4	13.5	13.4	13.4	13.3	13.3	13.3
Pct Chg Year Ago	1.0	2.0	3.6	1.9	3.2	3.4	2.8	2.3	0.5	-0.5	-1.4	-1.4
Prof & Business Services	31.4	31.9	31.3	31.1	31.0	31.2	31.4	31.9	32.3	32.7	33.0	33.4
Pct Chg Year Ago	4.2	4.5	-1.6	-2.1	-1.3	-2.2	0.4	2.4	4.4	4.8	5.1	4.7
Educ & Health Services	58.7	59.4	61.2	62.3	61.7	61.9	62.2	62.3	62.6	63.0	63.2	63.4
Pct Chg Year Ago	5.0	5.0	7.0	7.7	5.1	4.2	1.6	0.0	1.5	1.7	1.6	1.9
Leisure & Hospitality	31.1	31.4	31.4	31.7	30.4	30.6	30.8	30.9	31.0	31.2	31.3	31.5
Pct Chg Year Ago	3.1	2.8	2.6	2.6	-2.4	-2.5	-2.2	-2.6	2.1	1.9	1.9	2.0
Other Services	11.4	11.4	11.6	11.6	11.6	11.6	11.5	11.5	11.5	11.5	11.4	11.4
Pct Chg Year Ago	2.0	2.6	2.8	2.2	1.7	1.1	-0.2	-0.6	-0.6	-1.0	-0.9	-0.6
Federal Government	9.6	9.5	9.8	9.5	9.6	9.6	9.6	9.6	9.6	9.5	9.5	9.4
Pct Chg Year Ago	-1.9	-3.0	-1.8	-1.7	0.9	2.0	-1.6	0.5	-1.0	-1.4	-1.6	-1.8
State & Local Government	58.2	58.7	59.1	60.7	61.5	61.6	61.8	61.9	62.0	62.2	62.5	62.8
Pct Chg Year Ago	4.7	4.4	4.4	5.7	5.7	4.9	4.5	2.0	0.8	1.0	1.1	1.5

Other Economic Indicators

Population (Ths.)	972.4	974.9	977.4	979.9	982.4	985.1	987.8	990.6	993.6	996.7	999.9	1003.2
Pct Chg Year Ago	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2	1.2	1.3
Labor Force (Ths.)	442.6	444.9	443.6	442.7	444.4	446.1	448.1	450.2	452.5	454.2	456.1	457.7
Pct Chg Year Ago	0.6	1.0	0.7	0.0	0.4	0.3	1.0	1.7	1.8	1.8	1.8	1.7
Unemployment Rate (%)	10.2	10.0	9.7	9.7	9.1	8.8	8.8	8.8	8.8	8.7	8.7	8.7
Total Housing Starts (Annual Rate)	2720	2808	2346	2090	2036	2398	2726	2982	3206	3419	3529	3618
Single-Family	2530	2463	2248	1974	1840	2128	2385	2505	2638	2788	2868	2924
Multifamily	190	346	98	116	196	271	342	477	568	632	661	694

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for Fresno

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	41.4	41.9	42.4	42.9	43.5	44.1	44.6	45.1	45.7	46.3	46.8	47.3
Pct Chg Year Ago	5.4	5.3	5.2	5.2	5.1	5.1	5.1	5.0	4.9	5.1	5.1	5.0
Wages and Salaries	18.4	18.6	18.8	19.0	19.2	19.4	19.6	19.9	20.1	20.4	20.6	20.8
Nonwage Income	23.0	23.3	23.6	23.9	24.3	24.6	24.9	25.2	25.6	25.9	26.2	26.5
Real Personal Income	32.5	32.7	32.9	33.2	33.4	33.7	33.9	34.1	34.3	34.6	34.8	35.0
Pct Chg Year Ago	3.2	3.0	3.0	2.8	2.8	2.8	2.8	2.7	2.7	2.8	2.8	2.7
Per Capita Income (Ths.)	41.2	41.5	41.9	42.3	42.7	43.1	43.4	43.8	44.2	44.7	45.1	45.4
Real Per Capita Income	32.3	32.4	32.5	32.6	32.8	32.9	33.0	33.1	33.3	33.4	33.5	33.6
Average Annual Wage (Ths.)	53.6	54.1	54.5	55.0	55.4	55.9	56.3	56.9	57.3	57.7	58.2	58.8
Pct Chg Year Ago	3.5	3.4	3.3	3.3	3.3	3.3	3.4	3.4	3.4	3.3	3.4	3.4

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	341.5	342.4	343.4	344.3	345.2	346.1	347.1	348.1	349.2	351.5	352.0	352.6
Pct Chg Year Ago	1.5	1.4	1.2	1.1	1.1	1.1	1.1	1.1	1.2	1.6	1.4	1.3
Manufacturing	26.6	26.6	26.7	26.8	26.8	26.8	26.8	26.9	26.9	26.9	27.0	27.1
Pct Chg Year Ago	1.0	0.9	0.9	0.9	0.8	0.7	0.5	0.4	0.4	0.5	0.7	0.8
Nonmanufacturing	314.9	315.8	316.7	317.5	318.4	319.3	320.3	321.2	322.3	324.6	325.0	325.6
Pct Chg Year Ago	1.5	1.4	1.3	1.1	1.1	1.1	1.1	1.2	1.2	1.6	1.5	1.3
Construction & Mining	17.1	17.1	17.1	17.0	16.9	17.1	17.2	17.3	17.5	17.6	17.7	17.9
Pct Chg Year Ago	3.1	1.8	0.5	-0.8	-1.1	-0.2	0.8	1.9	3.1	3.1	3.2	3.1
Trade, Trans, & Utilities	67.8	67.9	67.9	67.9	68.0	68.0	68.2	68.3	68.4	68.5	68.6	68.8
Pct Chg Year Ago	0.8	0.6	0.3	0.2	0.3	0.3	0.4	0.6	0.7	0.7	0.7	0.7
Wholesale Trade	15.0	15.0	15.1	15.2	15.2	15.3	15.4	15.4	15.5	15.5	15.6	15.7
Retail Trade	39.5	39.4	39.3	39.2	39.1	39.1	39.1	39.1	39.1	39.2	39.2	39.3
Trans, Wrhsg, & Util	13.4	13.4	13.5	13.6	13.6	13.7	13.7	13.7	13.8	13.8	13.8	13.9
Information	3.9	4.0	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1
Pct Chg Year Ago	-0.8	0.0	2.0	2.3	2.3	2.0	1.3	1.0	1.0	1.2	1.7	2.0
Financial Activities	13.2	13.1	13.1	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Pct Chg Year Ago	-1.3	-1.4	-1.7	-1.9	-1.7	-1.2	-0.6	-0.2	0.2	0.0	0.1	0.2
Prof & Business Services	33.7	34.0	34.1	34.3	34.5	34.6	34.8	35.0	35.2	35.5	35.8	36.1
Pct Chg Year Ago	4.3	3.9	3.4	2.7	2.2	1.9	1.9	2.0	2.1	2.5	2.9	3.2
Educ & Health Services	63.7	64.0	64.2	64.6	64.9	65.1	65.4	65.6	65.9	66.1	66.4	66.6
Pct Chg Year Ago	1.8	1.6	1.7	1.7	1.9	1.8	1.8	1.7	1.6	1.5	1.6	1.5
Leisure & Hospitality	31.6	31.7	31.9	32.1	32.1	32.2	32.3	32.4	32.5	32.6	32.7	32.8
Pct Chg Year Ago	1.8	1.8	1.7	1.8	1.7	1.6	1.3	1.1	1.1	1.2	1.2	1.2
Other Services	11.5	11.4	11.4	11.4	11.5	11.4	11.4	11.4	11.4	11.4	11.4	11.4
Pct Chg Year Ago	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.2	-0.3	-0.2
Federal Government	9.4	9.3	9.3	9.3	9.2	9.2	9.2	9.1	9.2	10.5	9.7	9.1
Pct Chg Year Ago	-1.9	-1.9	-1.8	-1.6	-1.6	-1.6	-1.6	-1.6	-0.4	14.3	5.5	-0.2
State & Local Government	63.0	63.4	63.7	64.1	64.4	64.7	64.9	65.1	65.2	65.4	65.6	65.8
Pct Chg Year Ago	1.6	1.9	2.0	2.0	2.1	2.0	1.8	1.6	1.3	1.1	1.1	1.1

Other Economic Indicators

Population (Ths.)	1006.4	1009.7	1013.0	1016.2	1019.4	1022.6	1025.8	1029.0	1032.2	1035.4	1038.6	1041.7
Pct Chg Year Ago	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2
Labor Force (Ths.)	459.3	461.0	462.6	464.5	466.4	468.0	469.4	470.7	472.2	473.6	474.6	475.6
Pct Chg Year Ago	1.5	1.5	1.4	1.5	1.5	1.5	1.5	1.3	1.2	1.2	1.1	1.0
Unemployment Rate (%)	8.7	8.7	8.7	8.8	8.9	9.0	9.1	9.1	9.1	9.1	9.1	9.0
Total Housing Starts (Annual Rate)	3692	3735	3808	3850	3876	3961	4049	4177	4197	4194	4216	4241
Single-Family	2965	2988	2988	2936	2938	2966	3026	3072	3103	3092	3081	3073
Multifamily	727	748	820	914	938	995	1023	1105	1094	1102	1135	1167

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for Fresno

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	28.1	28.1	29.1	30.9	32.4	33.4	34.6	36.7	38.2	40.1	42.2	44.3	46.5
Pct Chg Year Ago	3.6	0.2	3.5	6.2	4.7	3.1	3.6	6.2	4.1	4.9	5.3	5.1	5.0
Wages and Salaries	13.7	13.2	13.2	13.4	14.0	14.5	15.2	16.3	17.0	17.9	18.7	19.5	20.5
Nonwage Income	14.4	15.0	16.0	17.5	18.4	18.8	19.4	20.4	21.2	22.2	23.5	24.8	26.0
Real Personal Income	24.9	25.0	25.2	26.2	27.1	27.7	28.4	30.0	31.0	31.9	32.8	33.8	34.7
Pct Chg Year Ago	0.6	0.4	1.0	4.0	3.1	2.4	2.4	5.9	3.2	3.0	3.0	2.8	2.7
Per Capita Income (Ths.)	30.8	30.5	31.2	32.8	34.1	34.9	35.8	37.6	38.7	40.1	41.7	43.3	44.9
Real Per Capita Income	27.3	27.1	27.0	27.9	28.5	29.0	29.3	30.7	31.4	31.9	32.5	33.0	33.4
Average Annual Wage (Ths.)	43.5	43.9	45.0	45.8	47.3	47.8	48.4	49.9	51.0	52.5	54.3	56.1	58.0
Pct Chg Year Ago	3.6	1.1	2.4	1.8	3.4	1.0	1.2	3.3	2.0	3.1	3.4	3.4	3.4

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	313.3	297.6	290.6	291.4	293.6	302.2	312.6	324.5	332.4	338.5	342.9	346.6	351.3
Pct Chg Year Ago	-0.9	-5.0	-2.3	0.3	0.8	2.9	3.4	3.8	2.5	1.8	1.3	1.1	1.4
Manufacturing	27.1	25.1	24.1	23.8	23.7	23.1	23.9	25.5	26.0	26.4	26.7	26.8	27.0
Pct Chg Year Ago	-3.6	-7.4	-3.7	-1.4	-0.5	-2.5	3.7	6.5	2.2	1.4	0.9	0.6	0.6
Nonmanufacturing	286.2	272.5	266.5	267.6	269.9	279.1	288.7	299.0	306.4	312.1	316.2	319.8	324.4
Pct Chg Year Ago	-0.6	-4.8	-2.2	0.4	0.9	3.4	3.4	3.6	2.5	1.9	1.3	1.1	1.4
Construction & Mining	18.0	13.9	12.2	11.7	12.4	13.4	14.1	15.2	15.8	16.9	17.1	17.1	17.7
Pct Chg Year Ago	-15.1	-22.8	-11.9	-3.9	5.7	8.2	5.5	7.2	4.5	6.6	1.1	0.4	3.1
Trade, Trans, & Utilities	59.2	55.6	55.2	57.4	58.1	60.7	61.9	63.4	66.4	67.5	67.9	68.1	68.6
Pct Chg Year Ago	-2.1	-6.0	-0.8	4.0	1.3	4.4	2.1	2.4	4.7	1.7	0.5	0.4	0.7
Wholesale Trade	12.9	11.9	11.5	12.5	12.8	13.6	13.7	13.8	14.6	14.8	15.1	15.3	15.6
Retail Trade	35.4	33.1	32.8	33.4	33.8	35.1	36.3	37.5	39.0	39.6	39.3	39.1	39.2
Trans, Wrhsng, & Util	11.0	10.6	10.8	11.4	11.6	12.0	11.9	12.2	12.8	13.1	13.5	13.7	13.8
Information	4.7	4.2	3.6	3.5	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.0	4.1
Pct Chg Year Ago	13.3	-11.7	-14.1	-1.5	8.1	0.2	1.5	1.5	-0.4	0.9	0.9	1.6	1.5
Financial Activities	14.8	13.8	13.4	13.0	12.8	12.9	12.8	13.0	13.4	13.3	13.1	13.0	13.0
Pct Chg Year Ago	-3.5	-6.4	-3.1	-3.1	-0.9	0.3	-1.0	2.1	2.9	-0.7	-1.6	-0.9	0.1
Prof & Business Services	30.6	28.2	26.7	27.0	26.8	29.0	31.1	31.4	31.4	32.8	34.0	34.7	35.6
Pct Chg Year Ago	2.2	-8.1	-5.0	1.0	-0.5	8.1	7.0	1.2	-0.2	4.7	3.6	2.0	2.7
Educ & Health Services	50.4	51.3	51.6	52.0	53.2	55.3	56.9	60.4	62.0	63.0	64.1	65.3	66.3
Pct Chg Year Ago	3.8	1.8	0.5	0.9	2.3	3.9	2.9	6.2	2.7	1.7	1.7	1.8	1.5
Leisure & Hospitality	27.9	26.6	26.8	27.1	28.0	29.0	30.6	31.4	30.7	31.3	31.8	32.3	32.6
Pct Chg Year Ago	-0.9	-4.7	0.7	1.2	3.3	3.4	5.5	2.8	-2.4	2.0	1.8	1.4	1.2
Other Services	10.6	10.2	10.0	10.1	10.6	10.9	11.2	11.5	11.5	11.5	11.4	11.4	11.4
Pct Chg Year Ago	-3.1	-4.4	-1.8	1.5	4.8	2.9	2.7	2.4	0.5	-0.8	-0.1	0.0	-0.2
Federal Government	9.7	9.8	10.7	10.2	10.2	9.9	9.8	9.6	9.6	9.5	9.3	9.2	9.6
Pct Chg Year Ago	2.0	0.8	8.8	-4.8	0.3	-2.5	-1.4	-2.1	0.4	-1.5	-1.8	-1.6	4.8
State & Local Government	60.2	58.9	56.4	55.6	53.9	54.2	56.5	59.2	61.7	62.4	63.6	64.7	65.5
Pct Chg Year Ago	1.0	-2.1	-4.3	-1.4	-3.0	0.6	4.1	4.8	4.3	1.1	1.9	1.9	1.1

Other Economic Indicators

Population (Ths.)	911.0	923.0	933.6	941.7	948.7	956.6	966.2	976.1	986.5	998.3	1011.3	1024.2	1037.0
Pct Chg Year Ago	1.5	1.3	1.2	0.9	0.7	0.8	1.0	1.0	1.1	1.0	1.3	1.3	1.2
Labor Force (Ths.)	428.6	433.2	438.8	442.7	440.6	439.9	441.0	443.5	447.2	455.1	461.9	468.6	474.0
Pct Chg Year Ago	2.6	1.1	1.3	0.9	-0.5	-0.2	0.3	0.6	0.9	1.8	1.5	1.5	1.1
Unemployment Rate (%)	10.6	14.7	16.7	16.5	15.2	13.2	11.6	9.9	8.9	8.7	8.7	9.0	9.1
Total Housing Starts	2693	2266	2179	1893	1899	2531	2076	2491	2536	3443	3771	4016	4212
Single-Family	2280	2163	1902	1664	1588	2274	1863	2304	2214	2805	2969	3000	3087
Multifamily	413	102	277	228	312	257	213	187	321	639	802	1015	1125

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Merced MSA

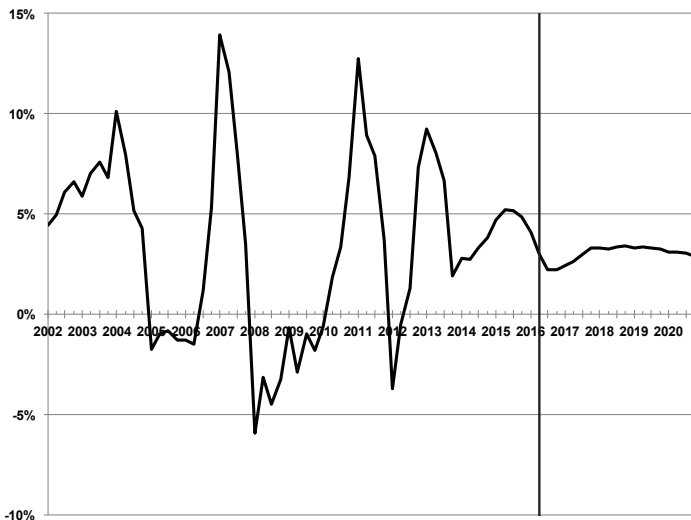
SHORT TERM OUTLOOK

Total nonfarm employment in the Merced MSA is expected to grow 2.4% between 2015 and 2016 and grow 2.2% between 2016 and 2017. The expected leading sectors for employment growth in 2016 are in the Manufacturing (6.6%), Federal Government (4.3%), and State and Local Government (4.1%) sectors. The Professional and Business Services (-1.3%); Trade, Transportation, and Utilities (-1%); and Financial Activities (-0.5%) sectors are forecasted to experience declining rates in 2016. The Federal Government and Financial Activities sectors are expected to see declining rates between 2017 and 2019.

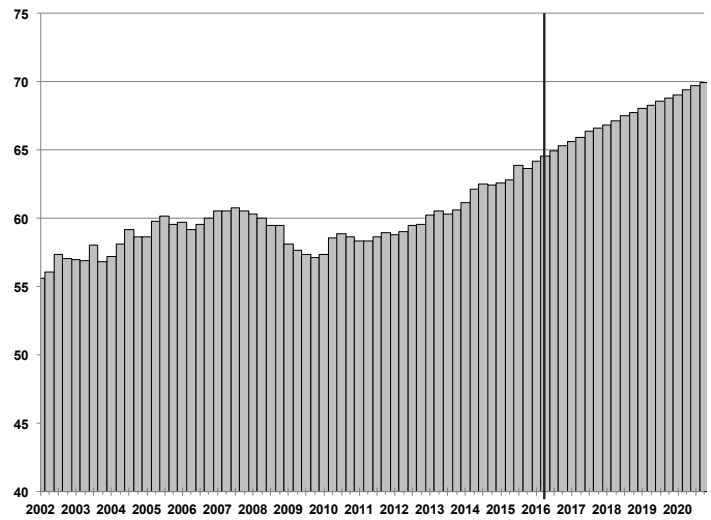
Real personal income in the Merced MSA is expected to increase to \$8 billion dollars in 2016, a 2.9% increase from 2015 real personal income of \$7.8 billion. An increase in real personal income is expected to continue each year until it reaches \$9 billion in 2020.

The population in Merced is expected to reach approximately 275,100 in 2017. The labor force is expected to grow 0.6% between 2015 and 2016. The unemployment rate for the Merced MSA is forecasted to be 10.3% in 2016, down from 11% in 2015. Unemployment will decline each year, reaching 9% in 2020. In addition, housing starts will grow each year with an expected 925 in 2017 and an estimated 1,256 by 2020.

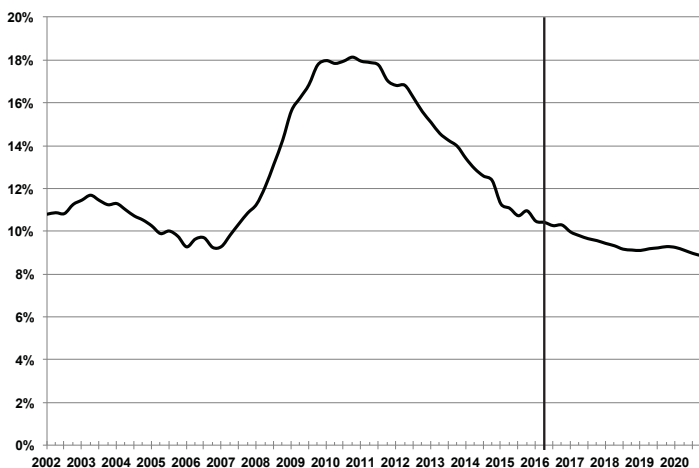
Merced Real Personal Income
(percent change from one year ago)



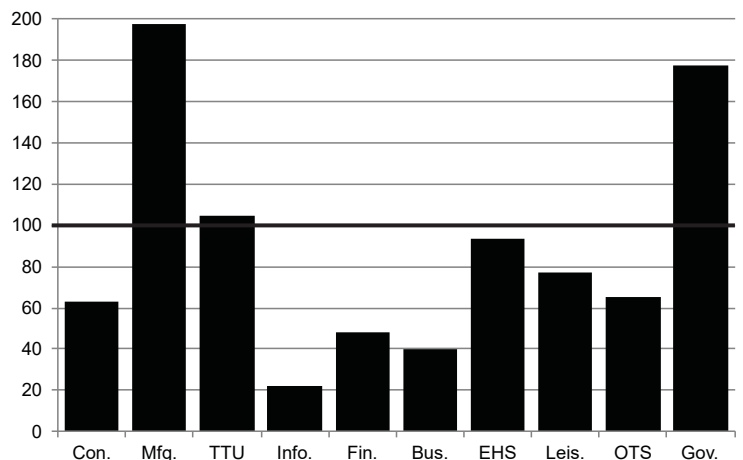
Merced Payroll Employment
(Thousands)



Merced Unemployment Rates
(percent)



Merced Employment Mix Relative to California, 2014
(California = 100)



METRO SUMMARY - MERCED

Quarterly Outlook for Merced

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	9.3	9.5	9.6	9.7	9.7	9.8	9.9	10.0	10.1	10.3	10.4	10.5
Pct Chg Year Ago	5.0	5.5	5.4	5.4	5.1	3.6	2.9	3.5	4.0	4.6	5.1	5.2
Wages and Salaries	3.0	3.1	3.1	3.1	3.2	3.2	3.2	3.3	3.3	3.4	3.4	3.4
Nonwage Income	6.3	6.4	6.5	6.5	6.6	6.6	6.6	6.7	6.8	6.9	7.0	7.1
Real Personal Income	7.6	7.7	7.8	7.9	7.9	8.0	8.0	8.0	8.1	8.2	8.2	8.3
Pct Chg Year Ago	4.7	5.2	5.1	4.8	4.1	3.0	2.2	2.2	2.4	2.6	3.0	3.3
Per Capita Income (Ths.)	34.6	35.3	35.7	35.8	36.0	36.2	36.3	36.6	37.0	37.4	37.7	38.0
Real Per Capita Income	28.4	28.9	29.1	29.2	29.3	29.4	29.4	29.5	29.7	29.8	29.9	30.0
Average Annual Wage (Ths.)	47.5	48.7	48.5	48.8	48.9	49.3	49.5	49.8	50.1	50.6	51.1	51.4
Pct Chg Year Ago	2.1	4.1	1.8	2.3	2.9	1.1	2.0	2.0	2.5	2.7	3.2	3.2

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	62.6	62.9	63.9	63.6	64.2	64.5	65.0	65.3	65.7	66.0	66.4	66.6
Pct Chg Year Ago	2.3	1.1	2.2	1.9	2.6	2.7	1.7	2.7	2.3	2.2	2.1	2.0
Manufacturing	9.2	9.6	10.4	10.3	10.5	10.5	10.5	10.5	10.6	10.6	10.6	10.6
Pct Chg Year Ago	0.6	0.3	1.2	8.5	14.0	9.3	1.1	2.0	0.4	0.9	1.2	1.0
Nonmanufacturing	53.4	53.3	53.5	53.3	53.7	54.1	54.5	54.8	55.1	55.4	55.8	56.0
Pct Chg Year Ago	2.6	1.3	2.4	0.7	0.6	1.5	1.8	2.8	2.6	2.5	2.3	2.2
Construction & Mining	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.2
Pct Chg Year Ago	14.1	11.2	11.0	4.9	-1.2	2.1	1.2	4.9	8.4	8.3	8.5	8.3
Trade, Trans, & Utilities	12.3	12.2	11.9	11.8	11.8	11.9	12.0	12.1	12.1	12.2	12.2	12.2
Pct Chg Year Ago	1.7	-0.1	0.9	-1.8	-3.9	-2.4	0.4	2.0	2.5	2.1	1.6	1.0
Wholesale Trade	1.9	1.8	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Retail Trade	8.0	8.0	8.1	8.0	8.2	8.2	8.3	8.4	8.4	8.4	8.4	8.4
Trans, Wrhsng, & Util	2.4	2.4	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3
Information	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Pct Chg Year Ago	-24.6	-25.3	-25.3	-25.6	-1.2	-2.2	0.8	3.0	3.6	2.2	-0.8	-0.2
Financial Activities	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pct Chg Year Ago	0.2	1.8	-0.4	-7.0	-0.7	-2.9	-1.7	3.2	1.2	-0.4	-1.8	-2.3
Prof & Business Services	3.9	3.7	3.7	3.6	3.6	3.7	3.7	3.8	3.8	3.9	3.9	3.9
Pct Chg Year Ago	-1.6	-6.3	-0.2	-0.7	-6.0	-1.1	-1.3	3.2	5.5	5.5	5.4	4.5
Educ & Health Services	9.3	9.4	9.4	9.4	9.5	9.6	9.6	9.7	9.8	9.8	9.9	9.9
Pct Chg Year Ago	5.3	3.8	3.2	1.3	1.6	2.2	2.4	3.3	3.0	2.7	2.3	2.4
Leisure & Hospitality	5.4	5.4	5.4	5.4	5.4	5.4	5.5	5.5	5.5	5.6	5.6	5.6
Pct Chg Year Ago	2.6	1.0	-1.5	0.5	-0.2	0.7	1.9	1.1	2.4	2.2	2.2	2.2
Other Services	1.4	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Pct Chg Year Ago	-2.5	-0.4	7.5	6.9	4.1	4.9	1.5	1.4	0.2	-0.2	-0.2	-0.1
Federal Government	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Pct Chg Year Ago	-8.6	4.6	-0.2	8.1	12.1	2.2	2.6	0.4	-0.4	-0.8	-1.0	-1.2
State & Local Government	16.7	16.7	17.1	17.1	17.5	17.5	17.7	17.7	17.8	17.9	18.1	18.2
Pct Chg Year Ago	3.5	2.4	4.6	2.7	4.6	4.8	3.5	3.5	1.8	2.0	2.2	2.5

Other Economic Indicators

Population (Ths.)	267.9	268.5	269.1	269.7	270.3	271.1	272.0	272.9	273.8	274.7	275.6	276.48
Pct Chg Year Ago	0.9	0.9	0.9	0.9	0.9	1.0	1.1	1.2	1.3	1.3	1.3	1.3
Labor Force (Ths.)	116.2	115.9	114.0	114.5	115.6	115.7	115.9	116.1	116.2	116.2	116.3	116.4
Pct Chg Year Ago	1.3	0.7	-0.9	-1.9	-0.5	-0.2	1.6	1.4	0.5	0.4	0.4	0.3
Unemployment Rate (%)	11.3	11.1	10.7	10.9	10.5	10.4	10.3	10.3	10.0	9.8	9.6	9.6
Total Housing Starts (Annual Rate)	114	57	119	83	178	259	424	573	746	896	952	1105
Single-Family	114	57	119	83	178	259	415	553	715	855	895	1028
Multifamily	0	0	0	0	0	0	9	20	31	41	58	77

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for Merced

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	10.7	10.8	11.0	11.1	11.3	11.4	11.6	11.7	11.9	12.0	12.2	12.3
Pct Chg Year Ago	5.5	5.5	5.6	5.8	5.7	5.6	5.6	5.5	5.4	5.4	5.3	5.2
Wages and Salaries	3.5	3.5	3.6	3.6	3.7	3.7	3.7	3.8	3.8	3.9	3.9	4.0
Nonwage Income	7.2	7.3	7.4	7.5	7.6	7.7	7.8	8.0	8.1	8.2	8.3	8.4
Real Personal Income	8.4	8.5	8.5	8.6	8.7	8.7	8.8	8.9	8.9	9.0	9.1	9.1
Pct Chg Year Ago	3.3	3.2	3.4	3.4	3.3	3.3	3.3	3.3	3.1	3.1	3.0	2.9
Per Capita Income (Ths.)	38.5	38.9	39.3	39.7	40.1	40.5	40.9	41.3	41.7	42.1	42.5	42.8
Real Per Capita Income	30.2	30.4	30.5	30.7	30.8	31.0	31.1	31.2	31.3	31.5	31.6	31.7
Average Annual Wage (Ths.)	51.8	52.2	52.6	53.1	53.4	53.8	54.2	54.7	55.1	55.5	56.0	56.5
Pct Chg Year Ago	3.4	3.2	3.1	3.3	3.1	3.1	3.0	3.1	3.1	3.1	3.2	3.4
Establishment Employment (Place of Work, Thousands, SA)												
Total Non-Farm Employment	66.9	67.2	67.5	67.8	68.0	68.3	68.6	68.8	69.1	69.4	69.7	70.0
Pct Chg Year Ago	1.9	1.8	1.7	1.7	1.7	1.7	1.6	1.5	1.5	1.7	1.6	1.6
Manufacturing	10.7	10.7	10.7	10.7	10.7	10.7	10.8	10.8	10.8	10.8	10.8	10.9
Pct Chg Year Ago	1.0	1.0	0.9	0.8	0.8	0.6	0.5	0.4	0.5	0.6	0.8	0.9
Nonmanufacturing	56.2	56.5	56.8	57.1	57.3	57.5	57.9	58.1	58.3	58.6	58.9	59.1
Pct Chg Year Ago	2.0	2.0	1.9	1.9	1.9	1.9	1.8	1.8	1.7	1.9	1.8	1.8
Construction & Mining	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4
Pct Chg Year Ago	7.1	6.3	5.9	5.1	4.7	4.2	3.9	3.8	3.7	3.6	3.6	3.5
Trade, Trans, & Utilities	12.2	12.2	12.2	12.2	12.2	12.2	12.3	12.3	12.3	12.3	12.3	12.4
Pct Chg Year Ago	0.6	0.4	0.1	0.1	0.2	0.3	0.5	0.6	0.7	0.7	0.8	0.9
Wholesale Trade	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Retail Trade	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.5
Trans, Wrhsng, & Util	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Information	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Pct Chg Year Ago	-1.6	0.8	3.3	3.3	2.6	2.5	2.4	1.8	1.9	1.8	2.2	2.5
Financial Activities	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pct Chg Year Ago	-2.3	-2.3	-2.4	-2.3	-2.0	-1.4	-0.8	-0.2	0.0	0.0	0.0	0.1
Prof & Business Services	4.0	4.0	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.2	4.2	4.3
Pct Chg Year Ago	3.7	3.4	2.8	2.3	2.0	1.8	2.0	2.2	2.5	3.0	3.2	3.4
Educ & Health Services	10.0	10.0	10.1	10.1	10.2	10.2	10.3	10.3	10.3	10.4	10.4	10.5
Pct Chg Year Ago	2.1	1.8	2.0	2.0	2.1	2.0	1.9	1.8	1.7	1.6	1.7	1.7
Leisure & Hospitality	5.6	5.7	5.7	5.7	5.7	5.8	5.8	5.8	5.8	5.8	5.8	5.9
Pct Chg Year Ago	2.0	1.8	1.6	1.8	1.6	1.6	1.4	1.0	1.0	1.0	1.0	1.2
Other Services	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Pct Chg Year Ago	0.1	0.3	0.3	0.9	0.8	0.7	0.6	0.4	0.4	0.3	0.3	0.3
Federal Government	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8
Pct Chg Year Ago	-1.2	-1.2	-1.1	-1.0	-0.9	-0.9	-0.9	-0.8	0.6	15.6	6.5	0.7
State & Local Government	18.3	18.4	18.6	18.7	18.9	19.0	19.2	19.2	19.3	19.4	19.6	19.7
Pct Chg Year Ago	2.8	3.0	3.1	3.1	3.2	3.1	3.0	2.7	2.5	2.4	2.3	2.3
Other Economic Indicators												
Population (Ths.)	277.4	278.34	279.28	280.24	281.2	282.2	283.2	284.2	285.2	286.2	287.2	288.3
Pct Chg Year Ago	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Labor Force (Ths.)	116.6	116.8	117.0	117.3	117.6	118.0	118.3	118.7	119.1	119.4	119.7	120.0
Pct Chg Year Ago	0.4	0.5	0.6	0.7	0.8	1.0	1.2	1.3	1.2	1.2	1.1	1.1
Unemployment Rate (%)	9.4	9.3	9.2	9.1	9.1	9.2	9.2	9.3	9.2	9.1	9.0	8.8
Total Housing Starts (Annual Rate)	1179	1212	1225	1199	1197	1209	1232	1241	1254	1261	1259	1251
Single-Family	1084	1114	1124	1094	1091	1104	1128	1136	1148	1153	1149	1139
Multifamily	95	97	102	105	106	105	105	105	107	108	110	112

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for Merced

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	6.9	6.7	7.1	7.9	8.1	8.6	9.0	9.5	9.9	10.3	10.9	11.5	12.1
Pct Chg Year Ago	-1.3	-1.8	5.3	10.7	2.6	7.2	4.5	5.3	3.8	4.7	5.6	5.6	5.3
Wages and Salaries	2.6	2.5	2.5	2.5	2.7	2.8	2.9	3.1	3.2	3.4	3.6	3.7	3.9
Nonwage Income	4.3	4.2	4.6	5.3	5.3	5.8	6.1	6.4	6.6	6.9	7.3	7.8	8.2
Real Personal Income	6.1	6.0	6.2	6.7	6.7	7.2	7.4	7.8	8.0	8.2	8.5	8.8	9.0
Pct Chg Year Ago	-4.2	-1.6	2.8	8.3	1.1	6.5	3.2	5.0	2.9	2.8	3.3	3.3	3.0
Per Capita Income (Ths.)	27.4	26.7	27.6	30.2	30.8	32.7	33.9	35.3	36.3	37.5	39.1	40.7	42.3
Real Per Capita Income	24.3	23.7	24.0	25.7	25.7	27.2	27.8	28.9	29.4	29.9	30.4	31.0	31.5
Average Annual Wage (Ths.)	42.7	43.7	43.2	42.9	45.5	46.3	47.2	48.4	49.4	50.8	52.4	54.0	55.8
Pct Chg Year Ago	4.8	2.4	-1.1	-0.8	6.1	1.8	1.9	2.5	2.0	2.9	3.2	3.1	3.2

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	59.8	57.6	58.4	58.6	59.2	60.5	62.1	63.3	64.8	66.2	67.3	68.4	69.6
Pct Chg Year Ago	-1.3	-3.8	1.4	0.4	1.1	2.1	2.7	1.9	2.4	2.2	1.8	1.6	1.6
Manufacturing	9.3	8.6	8.3	8.2	8.4	8.7	9.6	9.9	10.5	10.6	10.7	10.8	10.8
Pct Chg Year Ago	0.3	-7.9	-3.0	-1.1	2.2	3.7	10.5	2.6	6.6	0.9	0.9	0.6	0.7
Nonmanufacturing	50.5	49.0	50.1	50.4	50.8	51.7	52.5	53.4	54.3	55.6	56.6	57.7	58.7
Pct Chg Year Ago	-1.5	-3.0	2.2	0.6	0.9	1.8	1.4	1.7	1.7	2.4	1.9	1.8	1.8
Construction & Mining	2.4	1.6	1.6	1.5	1.6	1.6	1.7	1.9	1.9	2.1	2.2	2.3	2.4
Pct Chg Year Ago	-24.9	-32.0	-2.4	-1.6	4.2	0.0	7.9	10.3	1.7	8.4	6.1	4.2	3.6
Trade, Trans, & Utilities	11.7	11.5	11.4	11.8	12.1	12.2	12.0	12.1	11.9	12.2	12.2	12.2	12.3
Pct Chg Year Ago	-2.3	-1.5	-1.0	3.5	2.4	0.7	-0.8	0.2	-1.0	1.8	0.3	0.4	0.8
Wholesale Trade	1.8	2.0	2.0	2.0	2.2	2.1	1.9	1.7	1.5	1.5	1.5	1.6	1.6
Retail Trade	7.6	7.3	7.2	7.4	7.4	7.6	7.8	8.0	8.3	8.4	8.4	8.4	8.4
Trans, Wrhsng, & Util	2.3	2.2	2.2	2.4	2.4	2.5	2.3	2.3	2.2	2.2	2.3	2.3	2.3
Information	0.7	0.6	0.6	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Pct Chg Year Ago	-12.0	-5.9	1.5	-29.6	-7.3	0.0	0.2	-25.2	0.1	1.2	1.4	2.3	2.1
Financial Activities	1.8	1.6	1.6	1.5	1.6	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.5
Pct Chg Year Ago	-3.4	-12.4	0.0	-3.7	0.6	-3.1	4.5	-1.3	-0.5	-0.8	-2.3	-1.1	0.0
Prof & Business Services	4.4	4.1	4.2	4.4	4.3	4.3	3.8	3.7	3.7	3.9	4.0	4.1	4.2
Pct Chg Year Ago	-4.5	-7.7	3.8	4.7	-2.0	-0.3	-11.5	-2.2	-1.3	5.2	3.0	2.0	3.0
Educ & Health Services	7.5	7.7	8.1	8.2	8.3	8.8	9.1	9.4	9.6	9.8	10.0	10.2	10.4
Pct Chg Year Ago	4.9	2.4	4.9	1.2	1.5	5.8	3.2	3.4	2.4	2.6	2.0	2.0	1.7
Leisure & Hospitality	5.0	4.7	4.5	4.6	4.7	5.0	5.4	5.4	5.5	5.6	5.7	5.8	5.8
Pct Chg Year Ago	0.6	-6.3	-3.5	2.6	2.4	5.7	7.3	0.7	0.9	2.2	1.8	1.4	1.1
Other Services	1.5	1.4	1.4	1.4	1.4	1.4	1.3	1.4	1.4	1.4	1.4	1.4	1.4
Pct Chg Year Ago	-6.3	-6.9	0.0	1.3	0.7	-1.1	-2.9	2.9	3.0	-0.1	0.4	0.6	0.4
Federal Government	0.8	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Pct Chg Year Ago	1.1	-0.1	5.2	-5.8	-5.2	-3.1	6.1	1.0	4.3	-0.8	-1.1	-0.9	5.9
State & Local Government	14.8	15.0	15.9	15.6	15.7	15.9	16.3	16.9	17.6	18.0	18.5	19.1	19.5
Pct Chg Year Ago	2.5	1.9	5.4	-1.3	0.3	1.2	3.0	3.3	4.1	2.1	3.0	3.0	2.4

Other Economic Indicators

Population (Ths.)	250.7	253.1	257.1	260.0	261.9	263.7	266.4	268.8	271.6	275.1	278.8	282.7	286.7
Pct Chg Year Ago	0.8	0.9	1.6	1.1	0.8	0.7	1.0	0.9	1.0	1.3	1.3	1.4	1.4
Labor Force (Ths.)	106.2	109.6	113.3	114.5	115.2	115.0	115.4	115.2	115.8	116.3	116.9	118.2	119.5
Pct Chg Year Ago	2.3	3.2	3.4	1.1	0.6	-0.2	0.4	-0.2	0.6	0.4	0.5	1.1	1.1
Unemployment Rate (%)	12.7	16.6	18.0	17.7	16.4	14.5	12.8	11.0	10.3	9.7	9.2	9.2	9.0
Total Housing Starts	363	120	119	126	180	165	169	93	358	925	1204	1220	1256
Single-Family	282	118	116	99	77	97	162	93	351	873	1104	1115	1147
Multifamily	81	2	3	28	103	68	7	0	7	52	100	105	109

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Modesto MSA

SHORT TERM OUTLOOK

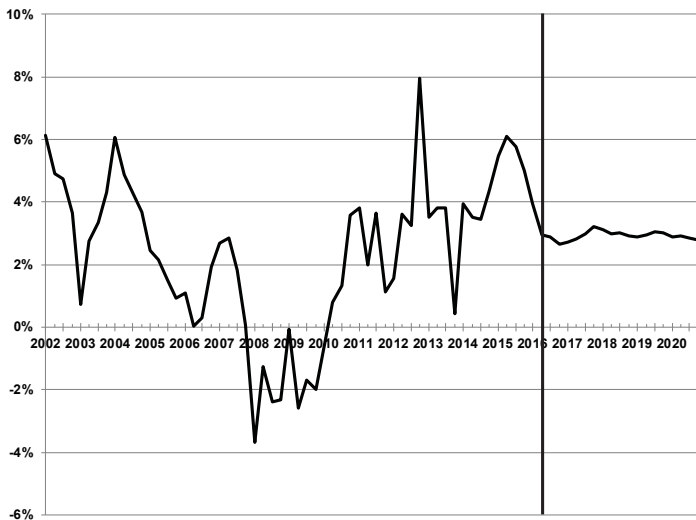
Total nonfarm employment in the Modesto MSA is expected to grow 2.7% between 2015 and 2016 and 1.6% between 2016 and 2017. Job growth in the first quarter of 2016 is estimated at 3% growth and 2.9% growth in the second quarter. The leading sectors for employment growth between 2015 and 2016 are in the Leisure and Hospitality (6.5%); Construction and Mining (5.5%); and Trade, Transportation, and Utilities (4.1%) sectors. Meanwhile, declines are expected in the Other Services (-1.1%); State and Local Government (-0.8%); Information (-0.6%); and Federal Government (-0.5%) sectors.

Real personal income is expected to increase 3.1% in 2016 to \$17.3 billion, up from \$16.7 billion the previous year.

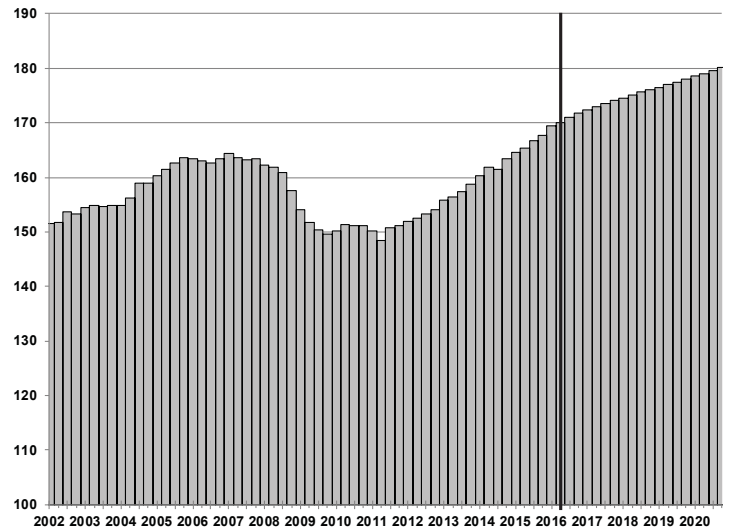
Real personal income is expected to grow approximately between 2.9% and 3% between 2017 and 2020. The average annual wage is estimated to be \$50,000 in 2016 and will continue to grow each year reaching \$58,000 in 2020.

The population in the Modesto MSA is expected to reach 545,600 in 2016 and will grow each year reaching 571,800 in 2020. Modesto's labor force is expected to grow at a rate of 1.6% for 2016, up from declines in the previous three years. Unemployment is estimated to decline to 8.3% in 2016 from 9.3% in 2015 but will rise between 2018 and 2020, reaching approximately 8.8% in 2020. Housing starts are expected to see increases each year between 2016 and 2020.

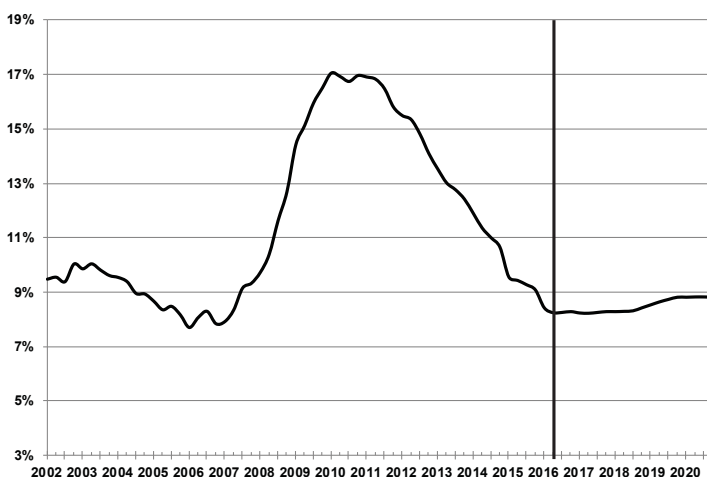
Modesto Real Personal Income
(percent change from one year ago)



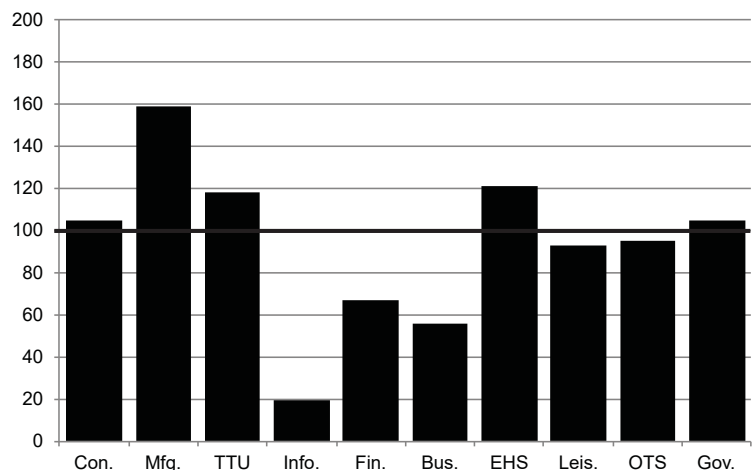
Modesto Payroll Employment
(Thousands)



Modesto Unemployment Rates
(percent)



Modesto Employment Mix Relative to California, 2014
(California = 100)



Quarterly Outlook for Modesto

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	20.0	20.5	20.6	20.8	21.0	21.2	21.4	21.6	21.9	22.2	22.5	22.8
Pct Chg Year Ago	5.8	6.3	6.0	5.5	5.0	3.6	3.6	3.9	4.3	4.8	5.1	5.1
Wages and Salaries	8.1	8.3	8.2	8.3	8.4	8.5	8.6	8.7	8.8	9.0	9.1	9.2
Nonwage Income	12.0	12.2	12.4	12.5	12.6	12.7	12.8	12.9	13.1	13.2	13.4	13.6
Real Personal Income	16.5	16.7	16.8	17.0	17.1	17.2	17.3	17.4	17.6	17.7	17.8	18.0
Pct Chg Year Ago	5.5	6.1	5.8	5.0	4.0	3.0	2.9	2.6	2.7	2.8	3.0	3.2
Per Capita Income (Ths.)	37.3	38.0	38.2	38.4	38.7	38.9	39.1	39.5	39.9	40.3	40.7	41.1
Real Per Capita Income	30.7	31.1	31.2	31.3	31.5	31.6	31.7	31.8	32.0	32.2	32.3	32.4
Average Annual Wage (Ths.)	48.7	49.8	49.2	49.3	49.5	49.8	50.2	50.6	51.0	51.6	52.1	52.6
Pct Chg Year Ago	2.7	4.5	2.0	1.8	1.6	0.2	2.0	2.5	3.2	3.4	3.9	4.0

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	164.5	165.3	166.8	167.7	169.4	170.1	170.9	171.7	172.4	173.0	173.5	174.1
Pct Chg Year Ago	2.7	2.2	3.3	2.7	3.0	2.9	2.5	2.4	1.7	1.7	1.5	1.4
Manufacturing	21.3	21.5	21.0	20.8	21.5	21.5	21.5	21.6	21.6	21.7	21.7	21.8
Pct Chg Year Ago	0.6	0.1	0.2	-2.4	0.9	0.2	2.5	3.9	0.4	0.8	1.0	0.8
Nonmanufacturing	143.2	143.9	145.8	146.9	147.9	148.6	149.4	150.1	150.7	151.3	151.8	152.3
Pct Chg Year Ago	3.0	2.5	3.7	3.4	3.3	3.3	2.5	2.2	1.9	1.8	1.6	1.5
Construction & Mining	8.2	8.3	8.4	8.5	8.7	8.8	8.9	9.0	9.1	9.3	9.4	9.5
Pct Chg Year Ago	12.2	12.5	12.2	8.9	5.6	5.4	5.2	5.7	5.2	5.5	5.8	5.8
Trade, Trans, & Utilities	35.5	35.6	36.1	36.6	37.1	37.3	37.5	37.7	37.8	37.9	38.0	38.0
Pct Chg Year Ago	2.4	2.1	3.3	4.2	4.7	4.7	4.0	3.0	1.8	1.5	1.2	0.8
Wholesale Trade	5.9	6.0	6.0	6.0	6.2	6.2	6.2	6.2	6.3	6.3	6.3	6.3
Retail Trade	22.3	22.4	22.6	23.0	23.4	23.5	23.7	23.8	23.8	23.8	23.8	23.8
Trans, Wrhsng, & Util	7.3	7.3	7.5	7.6	7.6	7.6	7.6	7.7	7.7	7.8	7.9	7.9
Information	0.9	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Pct Chg Year Ago	-0.1	3.3	-3.7	-0.3	0.1	-4.8	-0.2	2.4	3.2	2.7	0.3	0.4
Financial Activities	5.2	5.2	5.1	5.2	5.2	5.2	5.2	5.2	5.2	5.2	5.1	5.1
Pct Chg Year Ago	-3.9	-3.2	-1.3	-0.5	0.0	0.6	1.5	0.1	0.2	-0.6	-1.9	-1.7
Prof & Business Services	13.8	14.0	14.1	14.3	14.3	14.4	14.5	14.7	14.9	15.1	15.2	15.3
Pct Chg Year Ago	0.9	1.0	1.8	4.8	3.6	2.8	3.2	2.9	4.7	4.9	4.7	4.0
Educ & Health Services	30.4	30.5	31.1	31.4	31.4	31.6	31.8	31.9	32.0	32.1	32.1	32.2
Pct Chg Year Ago	3.2	2.9	4.1	3.8	3.2	3.4	1.9	1.5	1.8	1.6	1.2	1.1
Leisure & Hospitality	17.4	17.5	17.9	18.2	18.8	18.9	19.0	19.1	19.1	19.2	19.3	19.3
Pct Chg Year Ago	5.0	3.5	5.4	6.0	7.9	7.8	5.9	4.5	1.7	1.4	1.3	1.2
Other Services	5.2	5.3	5.4	5.4	5.3	5.3	5.2	5.2	5.2	5.2	5.2	5.2
Pct Chg Year Ago	0.8	-0.8	2.4	2.1	0.7	-0.4	-2.4	-2.4	-1.0	-1.3	-1.5	-1.3
Federal Government	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Pct Chg Year Ago	0.0	-0.1	0.0	-0.5	0.0	-0.4	-1.0	-0.6	-0.9	-1.3	-1.6	-1.8
State & Local Government	25.7	25.6	25.9	25.6	25.4	25.5	25.6	25.6	25.7	25.8	25.9	26.0
Pct Chg Year Ago	2.7	1.6	3.1	-0.9	-1.2	-0.6	-1.3	0.1	0.9	1.0	1.2	1.5

Other Economic Indicators

Population (Ths.)	536.8	538.4	540.0	541.7	543.3	544.9	546.3	547.7	549.2	550.7	552.2	553.8
Pct Chg Year Ago	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.0	1.1	1.1
Labor Force (Ths.)	241.4	240.9	239.7	242.8	243.3	244.5	245.6	246.7	247.7	248.4	249.2	249.9
Pct Chg Year Ago	0.1	-0.5	-0.7	0.6	0.8	1.5	2.5	1.6	1.8	1.6	1.4	1.3
Unemployment Rate (%)	9.5	9.4	9.3	9.1	8.4	8.2	8.2	8.3	8.2	8.2	8.2	8.3
Total Housing Starts (Annual Rate)	212	79	80	40	227	642	751	971	1062	1274	1427	1532
Single-Family	138	79	80	40	194	572	651	823	875	1057	1193	1284
Multifamily	74	0	0	0	33	70	99	148	187	217	235	248

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for Modesto

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	23.1	23.4	23.7	23.9	24.3	24.6	24.9	25.2	25.5	25.9	26.2	26.5
Pct Chg Year Ago	5.3	5.3	5.2	5.2	5.2	5.2	5.3	5.3	5.1	5.2	5.1	5.1
Wages and Salaries	9.3	9.4	9.5	9.6	9.8	9.9	10.0	10.1	10.2	10.4	10.5	10.6
Nonwage Income	13.8	13.9	14.1	14.3	14.5	14.7	14.9	15.1	15.3	15.5	15.7	15.8
Real Personal Income	18.1	18.2	18.4	18.5	18.7	18.8	18.9	19.0	19.2	19.3	19.5	19.6
Pct Chg Year Ago	3.1	3.0	3.0	2.9	2.9	3.0	3.1	3.0	2.9	2.9	2.8	2.8
Per Capita Income (Ths.)	41.6	41.9	42.3	42.7	43.2	43.6	44.0	44.4	44.9	45.3	45.7	46.1
Real Per Capita Income	32.7	32.8	32.9	33.0	33.2	33.3	33.5	33.6	33.7	33.9	34.0	34.1
Average Annual Wage (Ths.)	53.1	53.6	54.0	54.5	55.0	55.5	56.1	56.6	57.1	57.7	58.3	58.8
Pct Chg Year Ago	4.1	3.9	3.5	3.5	3.6	3.6	3.9	3.9	3.8	4.0	3.9	3.9
Establishment Employment (Place of Work, Thousands, SA)												
Total Non-Farm Employment	174.6	175.1	175.6	176.1	176.5	177.0	177.4	177.9	178.5	179.1	179.6	180.2
Pct Chg Year Ago	1.3	1.2	1.2	1.1	1.1	1.1	1.0	1.1	1.1	1.2	1.2	1.2
Manufacturing	21.8	21.9	21.9	21.9	22.0	22.0	22.0	22.0	22.0	22.1	22.1	22.2
Pct Chg Year Ago	0.9	0.8	0.8	0.7	0.6	0.4	0.3	0.3	0.4	0.6	0.7	0.8
Nonmanufacturing	152.7	153.2	153.7	154.1	154.6	155.0	155.5	155.9	156.5	157.0	157.5	158.0
Pct Chg Year Ago	1.3	1.3	1.3	1.2	1.2	1.2	1.1	1.2	1.2	1.3	1.3	1.3
Construction & Mining	9.6	9.8	9.9	10.0	10.1	10.2	10.3	10.4	10.5	10.6	10.7	10.8
Pct Chg Year Ago	5.7	5.5	5.2	4.9	4.6	4.3	3.9	3.9	3.9	3.8	4.0	3.8
Trade, Trans, & Utilities	38.0	37.9	37.9	37.9	37.9	37.9	38.0	38.0	38.0	38.1	38.1	38.2
Pct Chg Year Ago	0.4	0.2	0.0	-0.1	-0.1	0.0	0.1	0.2	0.4	0.4	0.4	0.5
Wholesale Trade	6.3	6.4	6.4	6.4	6.5	6.5	6.5	6.5	6.6	6.6	6.6	6.6
Retail Trade	23.7	23.6	23.5	23.4	23.4	23.4	23.3	23.3	23.3	23.3	23.3	23.3
Trans, Wrhsng, & Util	7.9	8.0	8.0	8.1	8.1	8.1	8.1	8.2	8.2	8.2	8.2	8.2
Information	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pct Chg Year Ago	-1.3	-0.1	2.0	2.7	2.9	3.1	2.6	1.7	2.0	1.5	2.1	2.4
Financial Activities	5.1	5.1	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Pct Chg Year Ago	-1.7	-1.9	-2.0	-2.4	-2.0	-1.4	-0.8	0.0	0.2	-0.2	0.0	0.0
Prof & Business Services	15.5	15.6	15.7	15.7	15.8	15.8	15.9	16.0	16.1	16.2	16.4	16.5
Pct Chg Year Ago	3.4	3.2	2.8	2.3	1.9	1.6	1.7	2.1	2.3	2.5	2.8	3.1
Educ & Health Services	32.3	32.4	32.5	32.6	32.8	32.8	32.9	33.1	33.2	33.2	33.3	33.4
Pct Chg Year Ago	1.1	0.9	1.1	1.2	1.4	1.4	1.3	1.3	1.2	1.1	1.2	1.2
Leisure & Hospitality	19.3	19.4	19.5	19.5	19.6	19.6	19.6	19.7	19.7	19.8	19.8	19.9
Pct Chg Year Ago	1.0	1.1	1.1	1.2	1.2	1.1	0.9	0.7	0.9	1.0	1.0	1.0
Other Services	5.2	5.2	5.2	5.1	5.2	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Pct Chg Year Ago	-1.0	-0.6	-0.2	-0.2	0.0	-0.2	-0.4	-0.2	-0.4	-0.2	0.0	0.0
Federal Government	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8
Pct Chg Year Ago	-1.8	-1.8	-1.7	-1.6	-1.6	-1.6	-1.6	-1.3	-0.4	15.0	5.7	-0.1
State & Local Government	26.1	26.3	26.4	26.5	26.7	26.8	26.9	27.0	27.1	27.2	27.3	27.3
Pct Chg Year Ago	1.7	1.9	2.1	2.1	2.2	2.1	1.9	1.7	1.5	1.4	1.3	1.3
Other Economic Indicators												
Population (Ths.)	555.4	557.0	558.7	560.4	562.1	563.8	565.6	567.3	569.1	570.9	572.7	574.7
Pct Chg Year Ago	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3
Labor Force (Ths.)	250.7	251.3	252.0	252.9	253.8	254.7	255.6	256.5	257.3	258.0	258.7	259.2
Pct Chg Year Ago	1.2	1.2	1.1	1.2	1.2	1.4	1.4	1.4	1.4	1.3	1.2	1.1
Unemployment Rate (%)	8.3	8.3	8.3	8.4	8.5	8.6	8.7	8.8	8.8	8.8	8.8	8.8
Total Housing Starts (Annual Rate)	1638	1737	1858	1993	2112	2160	2213	2241	2310	2337	2376	2406
Single-Family	1359	1437	1537	1649	1759	1798	1847	1866	1920	1936	1955	1953
Multifamily	279	300	321	345	353	362	366	376	389	401	421	453

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for Modesto

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	15.7	15.5	16.0	16.8	17.8	18.4	19.3	20.5	21.3	22.3	23.5	24.7	26.0
Pct Chg Year Ago	0.6	-1.8	3.7	4.9	5.7	3.6	5.1	5.9	4.0	4.8	5.3	5.3	5.1
Wages and Salaries	7.0	6.7	6.8	6.9	7.2	7.4	7.8	8.2	8.6	9.0	9.5	9.9	10.4
Nonwage Income	8.7	8.7	9.3	10.0	10.6	11.0	11.5	12.3	12.7	13.3	14.0	14.8	15.6
Real Personal Income	14.0	13.7	13.9	14.3	14.9	15.3	15.9	16.7	17.3	17.8	18.3	18.9	19.4
Pct Chg Year Ago	-2.4	-1.6	1.3	2.6	4.1	2.9	3.8	5.6	3.1	2.9	3.0	3.0	2.9
Per Capita Income (Ths.)	30.9	30.2	31.1	32.4	34.0	34.9	36.3	38.0	39.1	40.5	42.1	43.8	45.5
Real Per Capita Income	27.4	26.8	27.0	27.5	28.4	29.0	29.8	31.1	31.7	32.2	32.8	33.4	33.9
Average Annual Wage (Ths.)	43.4	44.3	44.6	45.4	46.9	47.1	47.9	49.3	50.0	51.8	53.8	55.8	58.0
Pct Chg Year Ago	3.7	2.1	0.7	1.8	3.3	0.3	1.9	2.7	1.6	3.6	3.8	3.8	3.9

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	160.6	151.4	151.0	150.1	152.9	157.1	161.7	166.1	170.5	173.2	175.3	177.2	179.3
Pct Chg Year Ago	-1.9	-5.7	-0.3	-0.5	1.9	2.7	2.9	2.7	2.7	1.6	1.2	1.1	1.2
Manufacturing	22.6	20.9	20.7	20.7	20.7	20.9	21.2	21.1	21.5	21.7	21.9	22.0	22.1
Pct Chg Year Ago	-1.3	-7.7	-0.9	0.0	0.4	0.7	1.7	-0.4	1.9	0.8	0.8	0.4	0.6
Nonmanufacturing	138.0	130.6	130.3	129.5	132.2	136.2	140.5	144.9	149.0	151.5	153.4	155.3	157.2
Pct Chg Year Ago	-1.9	-5.4	-0.2	-0.6	2.1	3.0	3.1	3.2	2.8	1.7	1.3	1.2	1.3
Construction & Mining	9.1	6.6	5.9	5.8	6.3	7.0	7.5	8.4	8.8	9.3	9.8	10.2	10.6
Pct Chg Year Ago	-18.8	-27.3	-10.6	-1.7	8.5	11.3	7.7	11.5	5.5	5.6	5.3	4.2	3.9
Trade, Trans, & Utilities	32.9	31.4	31.6	32.2	33.5	34.5	34.9	35.9	37.4	37.9	37.9	38.0	38.1
Pct Chg Year Ago	-2.6	-4.5	0.7	1.8	4.0	3.1	1.1	3.0	4.1	1.3	0.1	0.0	0.4
Wholesale Trade	6.0	6.1	5.9	5.8	5.8	5.9	5.9	6.0	6.2	6.3	6.4	6.5	6.6
Retail Trade	21.1	19.5	19.5	19.9	20.8	21.5	21.8	22.5	23.6	23.8	23.6	23.4	23.3
Trans, Wrhsng, & Util	5.7	5.7	6.2	6.4	6.8	7.1	7.2	7.4	7.6	7.8	8.0	8.1	8.2
Information	1.8	1.3	1.2	1.1	1.0	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0
Pct Chg Year Ago	-19.2	-30.1	-4.5	-8.3	-13.6	-5.0	2.8	-0.2	-0.6	1.7	0.8	2.6	2.0
Financial Activities	6.1	5.6	5.4	5.4	5.4	5.4	5.3	5.2	5.2	5.1	5.0	5.0	5.0
Pct Chg Year Ago	-2.2	-7.6	-2.6	-0.9	0.3	0.0	-2.6	-2.2	0.5	-1.0	-2.0	-1.0	0.0
Prof & Business Services	14.3	13.2	12.5	12.2	12.8	13.3	13.8	14.0	14.5	15.1	15.6	15.9	16.3
Pct Chg Year Ago	-3.2	-7.7	-5.2	-2.0	4.7	4.2	3.0	2.1	3.2	4.6	2.9	1.8	2.7
Educ & Health Services	25.9	26.8	27.8	27.8	28.1	28.8	29.8	30.9	31.7	32.1	32.5	32.9	33.3
Pct Chg Year Ago	4.8	3.9	3.5	0.0	1.3	2.4	3.5	3.5	2.5	1.4	1.1	1.3	1.2
Leisure & Hospitality	15.5	14.7	14.6	14.5	14.9	15.8	16.9	17.8	18.9	19.2	19.4	19.6	19.8
Pct Chg Year Ago	1.0	-5.6	-0.6	-0.7	3.1	5.8	7.5	5.0	6.5	1.4	1.1	1.0	1.0
Other Services	5.8	5.2	5.1	4.8	4.9	5.0	5.2	5.3	5.2	5.2	5.1	5.1	5.1
Pct Chg Year Ago	-3.8	-10.2	-2.7	-4.0	0.2	2.9	4.9	1.1	-1.1	-1.3	-0.5	-0.2	-0.1
Federal Government	0.9	0.9	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Pct Chg Year Ago	-18.7	-1.0	12.8	-9.0	-0.9	-6.6	-3.8	-0.2	-0.5	-1.4	-1.7	-1.5	5.1
State & Local Government	25.8	24.9	25.2	24.8	24.5	24.7	25.3	25.7	25.5	25.8	26.3	26.8	27.2
Pct Chg Year Ago	1.6	-3.2	1.3	-1.8	-1.1	0.7	2.6	1.7	-0.8	1.1	2.0	2.0	1.4

Other Economic Indicators

Population (Ths.)	509.4	512.1	515.6	518.8	522.6	527.0	532.8	539.2	545.6	551.4	557.9	564.7	571.8
Pct Chg Year Ago	0.3	0.5	0.7	0.6	0.7	0.8	1.1	1.2	1.2	1.1	1.2	1.2	1.3
Labor Force (Ths.)	232.9	235.7	242.8	242.1	242.3	241.7	241.5	241.2	245.0	248.8	251.7	255.1	258.3
Pct Chg Year Ago	2.1	1.2	3.0	-0.3	0.1	-0.3	-0.1	-0.1	1.6	1.5	1.2	1.4	1.2
Unemployment Rate (%)	11.1	15.5	16.9	16.5	14.9	12.9	11.2	9.3	8.3	8.2	8.3	8.7	8.8
Total Housing Starts	635	376	270	212	319	311	391	103	648	1324	1807	2182	2357
Single-Family	533	288	169	132	192	279	376	84	560	1102	1495	1818	1941
Multifamily	103	87	101	80	128	32	15	19	88	221	311	364	416

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Oakland MSA

SHORT TERM OUTLOOK

Nonfarm employment in the Oakland MSA is expected to increase 2.1% between 2015 and 2016 and 1.8% between 2016 and 2017. The expected leading sectors for employment growth in 2017 are the Professional & Business Services and Construction and Mining sectors with 4.4% and 4.1% growth, respectively. Meanwhile, declines are expected in the Federal Government (-1.8%), Financial Activities (-0.7%), and Other Services (-0.7%) sectors. These sectors are expected to continue to experience declines or no growth through 2019.

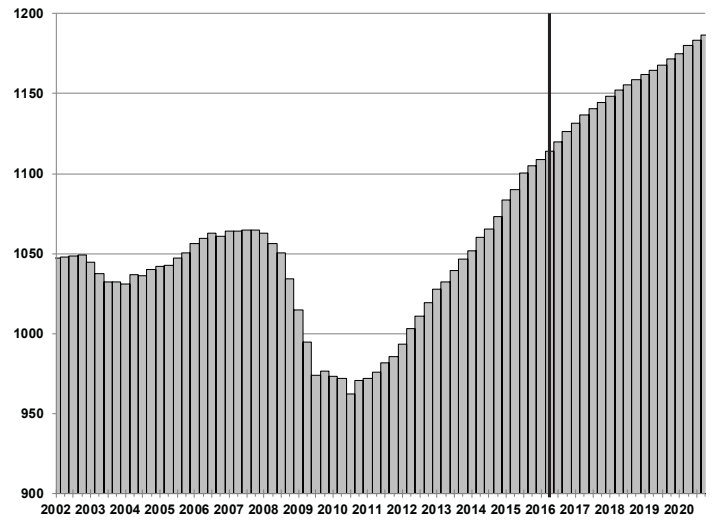
Real personal income for 2017 is expected to increase to \$150.1 billion, a 3.2% increase from 2016. Real personal income is expected to grow over 3% each year through 2020.

The Oakland MSA population is expected grow to 2,846,965 in 2017, a growth of 1.3% between 2016 and 2017; the population is expected to reach approximately 2,956,500 by 2020. Unemployment in Oakland is expected to decrease to 4.1% in 2016, down from 4.7% in 2015. The labor force is expected to growth 1.5% between 2015 and 2016.

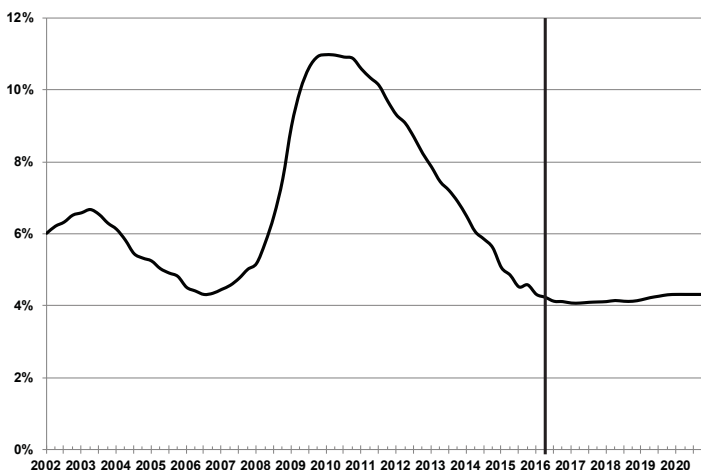
Oakland Real Personal Income
(Percent change from one year ago)



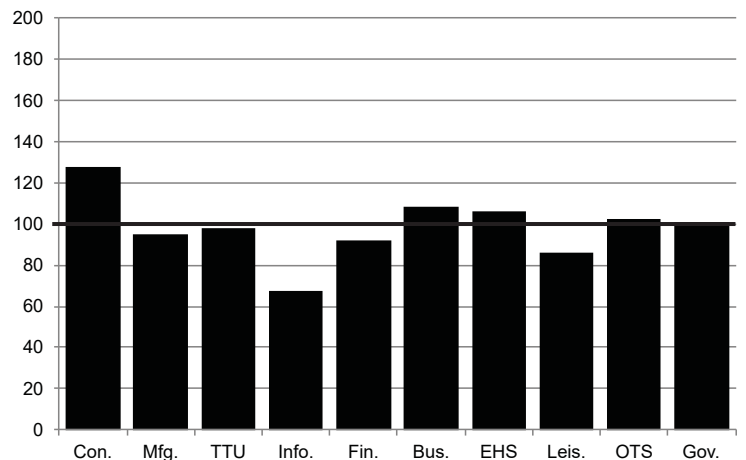
Oakland Payroll Employment
(Thousands)



Oakland Unemployment Rates
(percent)



Oakland Employment Mix Relative to California, 2014
(California = 100)



METRO SUMMARY - OAKLAND

Quarterly Outlook for Oakland

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	168.2	171.6	173.2	175.3	176.7	178.3	180.3	182.7	184.9	187.4	189.8	192.3
Pct Chg Year Ago	6.8	7.1	6.3	6.0	5.1	4.0	4.1	4.2	4.7	5.1	5.3	5.3
Wages and Salaries	76.3	78.1	78.3	79.2	79.9	81.0	82.1	83.2	84.3	85.5	86.7	87.9
Nonwage Income	91.9	93.5	95.0	96.2	96.8	97.4	98.2	99.5	100.6	101.9	103.1	104.5
Real Personal Income*	138.4	140.4	141.3	142.8	143.9	145.0	146.0	147.0	148.4	149.6	150.6	151.9
Pct Chg Year Ago	6.5	6.9	6.0	5.5	4.0	3.3	3.4	2.9	3.1	3.1	3.1	3.4
Per Capita Income (Ths.)	61.0	62.0	62.4	62.9	63.2	63.6	64.1	64.7	65.3	65.9	66.6	67.2
Real Per Capita Income*	50.2	50.8	50.9	51.3	51.5	51.7	51.9	52.0	52.4	52.6	52.8	53.1
Average Annual Wage (Ths.)	70.0	71.3	70.8	71.3	71.7	72.3	72.9	73.5	74.1	74.9	75.7	76.4
Pct Chg Year Ago	3.9	5.2	3.0	3.2	2.5	1.5	3.0	3.0	3.3	3.5	3.8	4.0

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	1083.7	1089.7	1100.5	1104.6	1108.6	1114.3	1120.1	1126.5	1131.7	1136.6	1140.7	1144.7
Pct Chg Year Ago	3.1	2.8	3.3	2.9	2.3	2.3	1.8	2.0	2.1	2.0	1.8	1.6
Manufacturing	85.6	85.8	87.1	87.9	86.9	86.7	86.7	87.1	87.2	87.4	87.6	87.8
Pct Chg Year Ago	5.6	4.4	4.8	3.6	1.5	1.1	-0.4	-0.9	0.3	0.7	1.0	0.7
Nonmanufacturing	998.1	1003.9	1013.5	1016.7	1021.7	1027.5	1033.4	1039.4	1044.5	1049.2	1053.1	1056.9
Pct Chg Year Ago	2.8	2.7	3.2	2.9	2.4	2.4	2.0	2.2	2.2	2.1	1.9	1.7
Construction & Mining	62.0	62.6	63.1	65.1	64.3	64.8	65.3	66.1	66.6	67.4	68.2	68.9
Pct Chg Year Ago	6.8	6.0	5.1	7.8	3.7	3.4	3.4	1.5	3.6	4.0	4.4	4.3
Trade, Trans, & Utilities	196.2	197.4	199.9	201.6	202.7	204.0	205.1	206.3	207.1	207.8	208.3	208.5
Pct Chg Year Ago	3.4	3.3	3.8	4.1	3.3	3.4	2.6	2.4	2.2	1.9	1.6	1.0
Wholesale Trade	47.1	47.2	48.0	48.2	48.8	49.1	49.4	49.7	49.9	50.2	50.5	50.6
Retail Trade	111.7	112.3	113.4	114.2	115.2	116.1	116.8	117.4	117.7	117.7	117.6	117.3
Trans, Wrhsng, & Util	37.4	37.8	38.6	39.1	38.7	38.8	38.9	39.2	39.5	39.9	40.2	40.5
Information	22.0	22.2	22.7	22.7	22.9	22.8	23.0	23.0	23.3	23.2	22.9	23.0
Pct Chg Year Ago	4.5	4.9	6.3	5.5	4.1	2.4	1.4	1.5	1.8	1.8	-0.2	0.1
Financial Activities	49.6	49.7	49.8	49.0	49.2	49.5	49.9	49.7	49.5	49.3	49.2	49.0
Pct Chg Year Ago	0.3	1.3	1.2	-1.2	-0.8	-0.4	0.0	1.4	0.7	-0.4	-1.4	-1.5
Prof & Business Services	182.1	183.0	183.5	183.0	183.1	184.7	186.4	188.9	191.4	193.3	194.7	196.1
Pct Chg Year Ago	2.7	2.0	2.4	1.9	0.6	0.9	1.6	3.2	4.5	4.7	4.5	3.8
Educ & Health Services	175.7	177.2	180.4	180.1	183.9	185.4	186.5	187.5	188.2	189.3	189.7	190.4
Pct Chg Year Ago	2.2	2.7	4.2	3.0	4.7	4.6	3.4	4.1	2.3	2.1	1.7	1.6
Leisure & Hospitality	104.6	105.7	106.8	107.9	107.9	108.6	109.2	109.9	110.4	110.8	111.4	111.9
Pct Chg Year Ago	3.8	4.1	4.2	4.2	3.2	2.8	2.3	1.8	2.3	2.0	2.0	1.8
Other Services	37.7	37.8	38.2	38.3	38.3	38.4	38.3	38.3	38.2	38.0	38.0	38.0
Pct Chg Year Ago	0.7	0.3	2.2	2.2	1.6	1.4	0.3	-0.2	-0.4	-0.8	-0.8	-0.7
Federal Government	13.8	13.8	13.7	13.8	13.7	13.6	13.6	13.6	13.5	13.4	13.3	13.3
Pct Chg Year Ago	0.5	1.4	-0.5	-0.8	-0.6	-1.4	-1.0	-1.6	-1.4	-1.7	-2.0	-2.2
State & Local Government	154.5	154.5	155.3	155.3	155.7	155.9	156.1	156.2	156.4	156.7	157.3	157.9
Pct Chg Year Ago	2.2	1.2	1.4	0.8	0.8	0.9	0.5	0.6	0.4	0.6	0.8	1.1

Other Economic Indicators

Population (Ths.)	2754.9	2765.0	2775.2	2785.4	2795.8	2805.1	2814.4	2823.7	2833.1	2842.3	2851.6	2860.9
Pct Chg Year Ago	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.3
Labor Force (Ths.)	1357.7	1364.8	1370.5	1369.7	1376.5	1383.2	1389.1	1394.9	1401.0	1406.1	1411.3	1415.9
Pct Chg Year Ago	0.8	0.9	0.9	0.4	1.4	1.3	1.4	1.8	1.8	1.7	1.6	1.5
Unemployment Rate (%)	5.0	4.8	4.5	4.6	4.3	4.2	4.1	4.1	4.1	4.1	4.1	4.1
Total Housing Starts (Annual Rate)	5690	9229	7917	6708	8648	9156	9387	9826	10000	10145	10088	10122
Single-Family	3533	5074	4267	4154	4259	4745	5139	5193	5244	5386	5406	5412
Multifamily	2157	4155	3651	2554	4389	4411	4248	4632	4756	4759	4682	4710

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for Oakland

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	195.0	197.4	199.9	202.5	205.2	207.9	210.6	213.3	216.3	219.1	222.0	224.7
Pct Chg Year Ago	5.4	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.4	5.4	5.4	5.3
Wages and Salaries	89.0	90.1	91.2	92.3	93.5	94.7	95.8	97.0	98.2	99.5	100.9	102.2
Nonwage Income	106.0	107.3	108.6	110.2	111.7	113.2	114.7	116.4	118.0	119.5	121.1	122.5
Real Personal Income*	153.2	154.2	155.2	156.4	157.7	158.8	160.0	161.2	162.5	163.7	165.0	166.1
Pct Chg Year Ago	3.2	3.1	3.1	3.0	2.9	3.0	3.1	3.1	3.1	3.1	3.1	3.0
Per Capita Income (Ths.)	67.9	68.5	69.2	69.9	70.6	71.3	72.0	72.7	73.5	74.2	75.0	75.7
Real Per Capita Income*	53.4	53.5	53.7	54.0	54.2	54.5	54.7	54.9	55.2	55.5	55.7	55.9
Average Annual Wage (Ths.)	77.1	77.8	78.6	79.3	80.1	80.9	81.6	82.4	83.2	83.9	84.9	85.7
Pct Chg Year Ago	4.1	4.0	3.9	3.8	3.8	3.9	3.9	3.9	3.9	3.8	4.0	4.1
Establishment Employment (Place of Work, Thousands, SA)												
Total Non-Farm Employment	1148.3	1152.1	1155.7	1158.7	1161.9	1164.8	1168.1	1171.5	1175.1	1180.0	1183.1	1186.3
Pct Chg Year Ago	1.5	1.4	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.3	1.3	1.3
Manufacturing	87.9	88.1	88.3	88.5	88.5	88.6	88.6	88.7	88.8	88.9	89.1	89.2
Pct Chg Year Ago	0.9	0.8	0.8	0.8	0.7	0.5	0.4	0.2	0.3	0.4	0.5	0.6
Nonmanufacturing	1060.4	1064.1	1067.4	1070.2	1073.3	1076.3	1079.5	1082.8	1086.3	1091.1	1094.0	1097.1
Pct Chg Year Ago	1.5	1.4	1.4	1.3	1.2	1.1	1.1	1.2	1.2	1.4	1.3	1.3
Construction & Mining	69.6	70.3	71.1	71.6	72.2	72.7	73.2	73.8	74.3	74.8	75.5	76.1
Pct Chg Year Ago	4.5	4.3	4.2	4.0	3.7	3.4	3.1	3.0	3.0	3.0	3.2	3.0
Trade, Trans, & Utilities	208.4	208.5	208.5	208.4	208.5	208.6	208.8	209.1	209.4	209.6	209.8	210.1
Pct Chg Year Ago	0.6	0.3	0.1	0.0	0.0	0.1	0.2	0.3	0.4	0.5	0.5	0.5
Wholesale Trade	50.8	51.1	51.3	51.5	51.8	52.0	52.2	52.4	52.7	52.9	53.1	53.3
Retail Trade	116.9	116.5	116.0	115.6	115.3	115.1	115.0	114.9	114.8	114.8	114.7	114.7
Trans, Wrhsg, & Util	40.7	41.0	41.2	41.3	41.4	41.5	41.6	41.7	41.8	41.9	42.0	42.0
Information	23.2	23.2	23.4	23.5	23.6	23.7	23.7	23.8	23.9	24.0	24.1	24.2
Pct Chg Year Ago	-0.6	0.2	1.9	2.2	2.1	2.0	1.6	1.2	1.1	1.1	1.5	1.8
Financial Activities	48.8	48.5	48.2	48.0	47.9	47.9	47.9	47.9	48.0	47.9	47.9	48.0
Pct Chg Year Ago	-1.5	-1.6	-1.9	-1.9	-1.7	-1.2	-0.6	-0.2	0.1	0.0	0.0	0.0
Prof & Business Services	197.6	199.0	200.0	200.3	201.2	202.0	203.2	204.3	205.5	206.9	208.5	210.2
Pct Chg Year Ago	3.3	3.0	2.7	2.2	1.8	1.5	1.6	2.0	2.2	2.4	2.6	2.9
Educ & Health Services	191.1	191.8	192.4	193.2	194.1	194.7	195.3	195.9	196.6	197.0	197.7	198.3
Pct Chg Year Ago	1.5	1.3	1.4	1.5	1.6	1.5	1.5	1.4	1.3	1.2	1.2	1.2
Leisure & Hospitality	112.1	112.4	113.0	113.4	113.6	113.9	114.2	114.5	114.6	114.9	115.2	115.5
Pct Chg Year Ago	1.6	1.5	1.4	1.4	1.3	1.3	1.1	0.9	0.9	0.9	0.9	0.9
Other Services	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	38.0	37.9	37.9	37.9
Pct Chg Year Ago	-0.4	-0.2	-0.1	0.1	0.1	0.1	0.0	-0.1	-0.2	-0.2	-0.2	-0.2
Federal Government	13.2	13.1	13.1	13.0	12.9	12.9	12.8	12.7	12.8	14.7	13.5	12.7
Pct Chg Year Ago	-2.2	-2.2	-2.1	-2.0	-1.9	-1.9	-1.9	-1.9	-0.7	14.0	5.2	-0.4
State & Local Government	158.4	159.2	159.9	160.6	161.3	161.9	162.4	162.8	163.1	163.5	163.9	164.2
Pct Chg Year Ago	1.3	1.6	1.7	1.7	1.8	1.7	1.5	1.3	1.1	1.0	0.9	0.9
Other Economic Indicators												
Population (Ths.)	2870.2	2879.6	2888.8	2898.1	2907.2	2916.3	2925.4	2934.4	2943.3	2952.1	2960.9	2969.7
Pct Chg Year Ago	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2
Labor Force (Ths.)	1420.5	1424.6	1428.7	1433.0	1437.0	1441.8	1446.0	1450.6	1455.1	1459.3	1463.4	1466.4
Pct Chg Year Ago	1.4	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.1
Unemployment Rate (%)	4.1	4.1	4.1	4.1	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.3
Total Housing Starts (Annual Rate)	10272	10396	10603	10671	10809	10866	11037	11287	11460	11560	11698	11756
Single-Family	5432	5467	5519	5436	5460	5549	5691	5747	5795	5803	5791	5765
Multifamily	4840	4929	5084	5235	5349	5317	5346	5539	5665	5757	5906	5992

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

METRO SUMMARY - OAKLAND

Annual Outlook for Oakland

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	130.1	123.5	126.5	136.7	146.7	151.9	161.5	172.1	179.5	188.6	198.7	209.3	220.5
Pct Chg Year Ago	1.9	-5.1	2.4	8.1	7.3	3.6	6.3	6.6	4.3	5.1	5.3	5.3	5.4
Wages and Salaries	63.8	60.3	61.2	63.1	66.9	69.0	72.9	77.9	81.5	86.1	90.7	95.2	100.2
Nonwage Income	66.4	63.2	65.3	73.6	79.8	82.9	88.6	94.1	98.0	102.5	108.0	114.0	120.3
Real Personal Income*	115.4	109.7	109.7	116.0	122.6	126.2	132.5	140.7	145.5	150.1	154.7	159.4	164.4
Pct Chg Year Ago	-1.1	-4.9	0.0	5.8	5.7	2.9	5.0	6.2	3.4	3.2	3.1	3.0	3.1
Per Capita Income (Ths.)	52.0	48.6	49.2	52.5	55.5	56.6	59.2	62.1	63.9	66.3	68.9	71.6	74.6
Real Per Capita Income*	46.1	43.2	42.7	44.5	46.4	47.0	48.5	50.8	51.8	52.7	53.7	54.6	55.6
Average Annual Wage (Ths.)	60.4	60.6	62.7	64.1	66.1	66.2	68.2	70.8	72.6	75.3	78.2	81.2	84.4
Pct Chg Year Ago	1.8	0.3	3.5	2.3	3.1	0.2	3.0	3.8	2.5	3.6	3.9	3.9	3.9

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	1050.7	989.9	969.6	978.6	1006.6	1036.3	1062.5	1094.6	1117.4	1138.4	1153.7	1166.6	1181.1
Pct Chg Year Ago	-1.3	-5.8	-2.0	0.9	2.9	3.0	2.5	3.0	2.1	1.9	1.3	1.1	1.2
Manufacturing	91.7	81.5	78.6	79.7	79.9	80.1	82.8	86.6	86.9	87.5	88.2	88.6	89.0
Pct Chg Year Ago	-1.4	-11.1	-3.5	1.5	0.2	0.2	3.4	4.6	0.3	0.7	0.8	0.5	0.5
Nonmanufacturing	959.0	908.4	891.0	898.9	926.7	956.2	979.7	1008.0	1030.5	1051.0	1065.5	1078.0	1092.1
Pct Chg Year Ago	-1.3	-5.3	-1.9	0.9	3.1	3.2	2.5	2.9	2.2	2.0	1.4	1.2	1.3
Construction & Mining	66.2	54.8	48.6	48.6	52.9	57.3	59.4	63.2	65.1	67.8	70.6	73.0	75.2
Pct Chg Year Ago	-9.3	-17.2	-11.1	0.1	8.9	8.3	3.7	6.4	3.0	4.1	4.3	3.3	3.0
Trade, Trans, & Utilities	193.2	179.2	173.7	175.7	180.7	186.4	191.7	198.8	204.5	207.9	208.4	208.7	209.7
Pct Chg Year Ago	-3.2	-7.3	-3.0	1.1	2.9	3.2	2.8	3.7	2.9	1.7	0.3	0.1	0.5
Wholesale Trade	47.7	43.7	41.9	42.2	43.7	45.2	46.2	47.6	49.2	50.3	51.2	52.1	53.0
Retail Trade	109.6	102.2	100.4	101.2	104.1	107.7	109.9	112.9	116.4	117.6	116.2	115.1	114.8
Trans, Wrhsng, & Util	35.9	33.2	31.5	32.2	32.9	33.5	35.6	38.2	38.9	40.0	41.0	41.6	41.9
Information	27.8	25.3	23.6	22.6	22.1	21.4	21.3	22.4	22.9	23.1	23.3	23.7	24.0
Pct Chg Year Ago	-4.0	-9.2	-6.6	-4.3	-2.3	-2.8	-0.9	5.3	2.4	0.9	0.9	1.7	1.4
Financial Activities	52.7	48.0	48.2	47.8	48.8	49.7	49.3	49.5	49.6	49.2	48.4	47.9	47.9
Pct Chg Year Ago	-9.3	-8.8	0.4	-0.9	2.2	1.8	-0.7	0.4	0.1	-0.7	-1.7	-0.9	0.0
Prof & Business Services	163.5	151.3	152.2	157.6	166.5	173.4	178.8	182.9	185.8	193.9	199.2	202.7	207.8
Pct Chg Year Ago	3.3	-7.5	0.7	3.5	5.7	4.2	3.1	2.3	1.6	4.4	2.8	1.7	2.5
Educ & Health Services	153.2	157.7	158.7	158.9	164.7	170.5	173.1	178.3	185.8	189.4	192.1	195.0	197.4
Pct Chg Year Ago	5.4	3.0	0.6	0.1	3.6	3.5	1.5	3.0	4.2	1.9	1.4	1.5	1.2
Leisure & Hospitality	89.1	85.1	85.8	88.2	91.8	97.2	102.1	106.2	108.9	111.1	112.7	114.0	115.1
Pct Chg Year Ago	1.2	-4.5	0.8	2.9	4.1	5.9	5.0	4.1	2.5	2.1	1.4	1.1	0.9
Other Services	36.1	34.7	35.0	35.7	36.4	37.0	37.5	38.0	38.3	38.0	38.0	38.0	37.9
Pct Chg Year Ago	-0.2	-4.0	0.9	2.1	1.8	1.7	1.5	1.4	0.8	-0.7	-0.1	0.0	-0.2
Federal Government	17.1	16.7	15.7	14.6	14.2	13.7	13.8	13.8	13.6	13.4	13.1	12.8	13.4
Pct Chg Year Ago	0.2	-2.4	-5.8	-7.0	-2.6	-3.2	0.1	0.1	-1.1	-1.8	-2.1	-1.9	4.5
State & Local Government	160.1	155.7	149.5	149.3	148.6	149.5	152.8	154.9	156.0	157.1	159.5	162.1	163.7
Pct Chg Year Ago	-4.0	-2.7	-4.0	-0.1	-0.4	0.6	2.1	1.4	0.7	0.7	1.6	1.6	1.0

Other Economic Indicators

Population (Ths.)	2505.0	2539.9	2570.9	2604.5	2642.1	2685.5	2729.3	2770.1	2809.8	2847.0	2884.2	2920.8	2956.5
Pct Chg Year Ago	1.4	1.4	1.2	1.3	1.4	1.6	1.6	1.5	1.4	1.3	1.3	1.3	1.2
Labor Force (Ths.)	1303.2	1308.7	1307.2	1315.8	1337.0	1346.7	1355.3	1365.7	1385.9	1408.6	1426.7	1443.8	1461.0
Pct Chg Year Ago	1.6	0.4	-0.1	0.7	1.6	0.7	0.6	0.8	1.5	1.6	1.3	1.2	1.2
Unemployment Rate (%)	6.2	10.1	10.9	10.2	8.8	7.3	6.0	4.7	4.2	4.1	4.1	4.2	4.3
Total Housing Starts	4258	2829	3160	3080	4461	4607	5287	7386	9254	10089	10486	11000	11619
Single-Family	2110	1902	1918	1618	2729	3075	3387	4257	4834	5362	5463	5612	5789
Multifamily	2148	928	1241	1462	1733	1532	1900	3129	4420	4727	5022	5388	5830

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Sacramento MSA

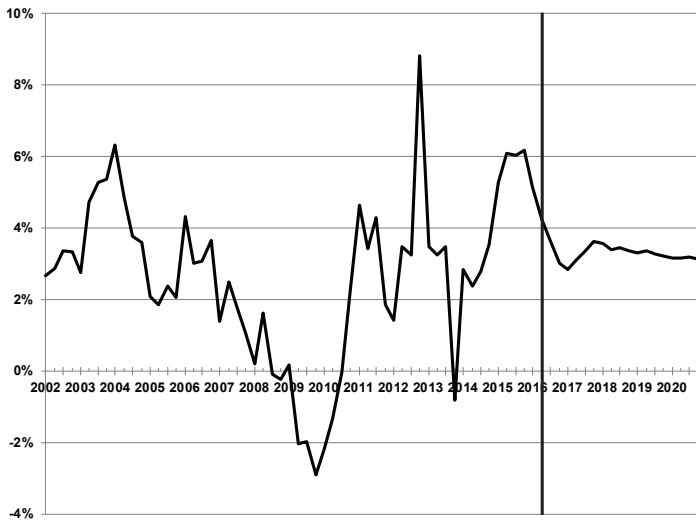
SHORT TERM OUTLOOK

Total nonfarm employment in the Sacramento MSA is expected to increase 1.6% between 2015 and 2016 and will grow each year between 1.5%–1.7% through 2020. This percent change is lower than the previous few years where growth was between 2% and 3% between 2012 and 2015. The leading sectors for employment growth in 2016 are Construction and Mining (7.9%); Leisure and Hospitality (2.6%); and Education and Health Services (2.2%), while a decline of 1.7% is expected in the Other Services sector. The Financial Services and the Federal Government sectors are expected to experience declines between 2017 and 2019.

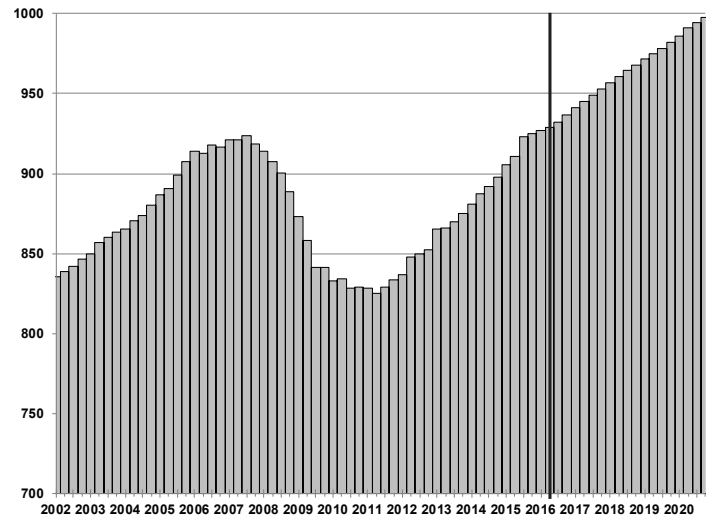
Real personal income is forecasted to grow to \$95 billion in 2016, an increase of 4% from the previous year, and progressive growth is expected in each quarter of 2016. Real personal income will grow approximately between 3.2% and 3.4% in the following years through 2020.

The population of the Sacramento MSA is expected to be 2,307,917 in 2016, a 1.3% increase from 2015. The labor force is calculated to also experience a 1.4% increase in 2016 and will grow 1.5% and 1.9% in the following years through 2020. The unemployment rate is expected to be at approximately 5.2% in 2016 and will stay between 5.4% and 5.6% in the following years through 2020.

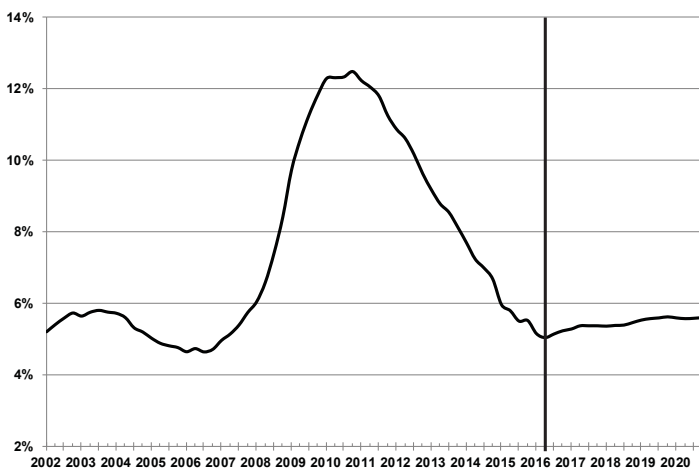
Sacramento Real Personal Income
(percent change from one year ago)



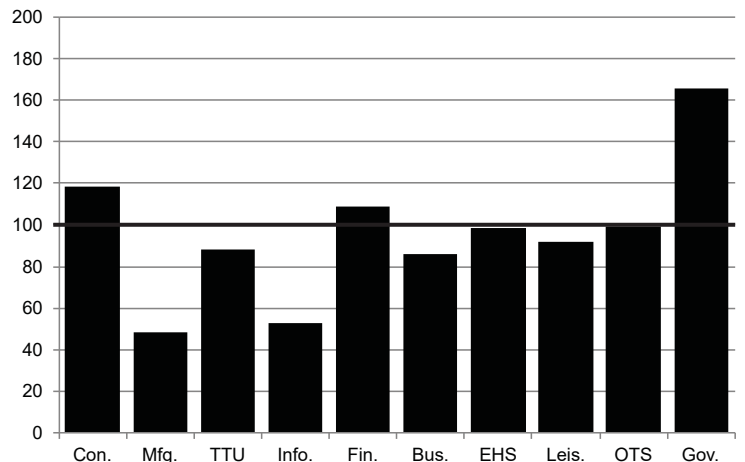
Sacramento Payroll Employment
(Thousands)



Sacramento Unemployment Rate
(percent)



Sacramento Employment Mix Relative to California, 2014
(California = 100)



METRO SUMMARY - SACRAMENTO

Quarterly Outlook for Sacramento

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Billions \$)												
Total Personal Income	108.9	111.1	112.7	114.2	115.6	116.5	117.6	119.1	120.7	122.4	124.1	125.7
Pct Chg Year Ago	5.6	6.3	6.3	6.7	6.2	4.9	4.4	4.3	4.4	5.1	5.5	5.6
Wages and Salaries	54.7	56.0	56.6	57.7	58.7	59.4	60.0	60.8	61.6	62.5	63.4	64.3
Nonwage Income	54.1	55.1	56.0	56.5	56.9	57.2	57.6	58.2	59.1	59.9	60.6	61.4
Real Personal Income (09\$)	89.6	90.9	91.9	93.0	94.2	94.8	95.2	95.8	96.8	97.7	98.4	99.3
Pct Chg Year Ago	5.3	6.1	6.0	6.2	5.1	4.2	3.6	3.0	2.8	3.1	3.4	3.6
Per Capita Income (Ths.)	48.0	48.9	49.4	49.9	50.3	50.6	50.9	51.3	51.9	52.4	52.9	53.4
Real Per Capita Income (09\$)	39.5	40.0	40.3	40.6	41.0	41.1	41.2	41.3	41.6	41.8	42.0	42.2
Average Annual Wage (Ths)	60.2	61.2	61.1	62.1	63.0	63.6	64.1	64.7	65.2	65.9	66.6	67.1
Pct Chg Year Ago	3.6	4.8	3.1	4.2	4.7	4.0	5.0	4.2	3.4	3.6	3.8	3.8

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	905.3	911.0	922.9	925.1	927.0	929.1	931.8	936.5	941.0	945.3	949.1	953.0
Pct Chg Year Ago	2.8	2.7	3.5	3.0	2.4	2.0	1.0	1.2	1.5	1.7	1.8	1.8
Manufacturing	36.2	36.4	36.2	36.2	36.8	36.8	36.8	37.0	37.1	37.2	37.3	37.4
Pct Chg Year Ago	3.5	3.8	1.9	1.1	1.8	0.9	1.7	2.1	0.7	1.1	1.3	1.1
Nonmanufacturing	869.1	874.6	886.6	888.8	890.2	892.3	895.0	899.5	903.9	908.1	911.8	915.6
Pct Chg Year Ago	2.7	2.6	3.6	3.1	2.4	2.0	0.9	1.2	1.5	1.8	1.9	1.8
Construction & Mining	48.6	49.6	50.6	52.9	53.8	54.1	54.6	54.9	55.5	56.3	57.0	57.7
Pct Chg Year Ago	7.2	8.5	10.2	13.3	10.8	9.1	7.9	3.8	3.2	3.9	4.4	5.1
Trade, Trans., & Utilities	145.2	146.4	147.7	147.6	146.6	147.7	148.7	149.8	150.4	150.9	151.3	151.5
Pct Chg Year Ago	1.6	2.5	2.9	2.5	1.0	0.9	0.6	1.5	2.6	2.2	1.8	1.1
Wholesale Trade	24.3	24.4	24.9	24.8	25.0	25.1	25.2	25.4	25.5	25.7	25.8	25.9
Retail Trade	96.6	97.6	98.0	97.9	97.0	97.9	98.7	99.4	99.7	99.9	100.0	99.9
Trans, Wrhsng, & Util	24.3	24.4	24.8	24.9	24.6	24.7	24.8	25.0	25.2	25.4	25.6	25.7
Information	14.2	14.2	14.2	14.1	14.1	14.2	14.3	14.3	14.7	14.6	14.3	14.4
Pct Chg Year Ago	3.5	3.1	1.9	0.3	-0.7	0.1	0.8	1.7	3.7	2.6	0.4	0.6
Financial Activities	50.3	50.7	51.1	51.6	51.4	51.7	52.1	52.0	51.8	51.6	51.5	51.3
Pct Chg Year Ago	3.4	4.5	4.8	3.9	2.1	2.1	2.0	0.7	0.8	-0.3	-1.3	-1.4
Prof & Business Services	118.8	119.1	120.8	119.9	120.1	120.0	119.8	121.5	123.1	124.3	125.2	126.1
Pct Chg Year Ago	1.1	0.4	2.2	1.2	1.2	0.7	-0.8	1.3	2.4	3.6	4.5	3.8
Educ & Health Services	137.4	139.0	141.9	142.7	143.2	143.2	143.1	143.9	144.5	145.5	145.9	146.5
Pct Chg Year Ago	4.0	4.3	5.0	4.6	4.2	3.0	0.9	0.8	1.0	1.6	1.9	1.8
Leisure & Hospitality	93.9	94.7	95.5	95.5	96.6	97.2	97.6	98.0	98.4	98.8	99.3	99.6
Pct Chg Year Ago	3.7	3.2	3.3	3.4	2.9	2.6	2.2	2.6	1.8	1.7	1.7	1.7
Other Services	30.4	30.8	31.1	30.6	30.6	30.1	30.1	30.0	30.0	29.9	29.9	29.9
Pct Chg Year Ago	2.3	1.8	2.4	0.6	0.6	-2.3	-3.3	-2.0	-2.3	-0.7	-0.6	-0.4
Federal Government	13.6	13.7	13.7	13.9	14.0	14.0	14.0	13.9	13.9	13.9	13.8	13.7
Pct Chg Year Ago	1.5	1.0	1.2	1.8	2.6	2.4	1.8	0.4	-0.7	-1.0	-1.3	-1.5
State & Local Government	216.6	216.4	220.0	219.9	219.7	220.1	220.7	221.1	221.7	222.5	223.6	224.8
Pct Chg Year Ago	2.2	1.1	2.7	1.7	1.4	1.7	0.3	0.6	0.9	1.1	1.3	1.6

Other Economic Indicators

Population (Ths)	2266.9	2274.2	2281.6	2289.1	2296.6	2304.0	2311.6	2319.4	2327.4	2335.6	2343.9	2352.4
Pct Chg Year Ago	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4
Labor Force (Ths)	1048.3	1057.0	1059.5	1057.6	1062.0	1067.7	1073.1	1078.7	1083.9	1088.4	1092.9	1097.2
Pct Chg Year Ago	0.2	0.8	0.9	0.6	1.3	1.0	1.3	2.0	2.1	1.9	1.8	1.7
Unemployment Rate (%)	6.0	5.8	5.5	5.5	5.2	5.1	5.2	5.2	5.3	5.4	5.4	5.4
Total Housing Starts (Annual Rate)	4552	6754	7134	7396	5650	6860	8142	9146	10048	10939	11551	12073
Single-Family	3909	6075	6156	6697	5062	6061	7181	7841	8467	9150	9619	9982
Multifamily	643	679	978	699	588	799	961	1306	1580	1789	1932	2091

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for Sacramento

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Billions \$)												
Total Personal Income	127.7	129.4	131.1	132.9	134.9	136.7	138.4	140.2	142.2	144.1	146.0	147.8
Pct Chg Year Ago	5.8	5.7	5.7	5.7	5.6	5.7	5.6	5.5	5.4	5.5	5.5	5.4
Wages and Salaries	65.1	66.0	66.8	67.7	68.6	69.5	70.4	71.3	72.3	73.3	74.2	75.2
Nonwage Income	62.5	63.4	64.3	65.2	66.3	67.2	68.0	68.9	69.9	70.9	71.7	72.6
Real Personal Income (09\$)	100.3	101.0	101.8	102.6	103.6	104.4	105.2	105.9	106.9	107.7	108.5	109.3
Pct Chg Year Ago	3.6	3.4	3.5	3.4	3.3	3.4	3.3	3.2	3.2	3.2	3.2	3.1
Per Capita Income (Ths.)	54.1	54.6	55.1	55.7	56.3	56.8	57.3	57.8	58.5	59.0	59.6	60.1
Real Per Capita Income (09\$)	42.5	42.6	42.8	43.0	43.2	43.4	43.6	43.7	43.9	44.1	44.3	44.4
Average Annual Wage (Ths)	67.8	68.4	69.0	69.7	70.3	71.0	71.6	72.3	73.0	73.6	74.4	75.1
Pct Chg Year Ago	4.0	3.8	3.7	3.7	3.7	3.8	3.8	3.8	3.8	3.7	3.8	3.9

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	956.5	960.5	964.3	967.8	971.4	974.8	978.4	982.0	985.9	991.3	994.3	997.6
Pct Chg Year Ago	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.7	1.6	1.6
Manufacturing	37.5	37.6	37.7	37.8	37.9	37.9	37.9	38.0	38.1	38.2	38.2	38.3
Pct Chg Year Ago	1.2	1.1	1.0	1.0	1.0	0.8	0.7	0.5	0.6	0.7	0.8	0.8
Nonmanufacturing	919.0	922.9	926.6	930.0	933.6	936.9	940.4	944.0	947.8	953.1	956.1	959.3
Pct Chg Year Ago	1.7	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.7	1.7	1.6
Construction & Mining	58.4	59.1	59.8	60.4	61.0	61.5	62.1	62.7	63.2	63.7	64.4	64.9
Pct Chg Year Ago	5.2	5.1	4.9	4.7	4.4	4.1	3.8	3.7	3.7	3.6	3.7	3.6
Trade, Trans., & Utilities	151.5	151.5	151.5	151.5	151.6	151.8	152.0	152.3	152.6	152.8	153.1	153.4
Pct Chg Year Ago	0.7	0.4	0.1	0.0	0.1	0.2	0.4	0.5	0.6	0.7	0.7	0.7
Wholesale Trade	25.9	26.1	26.2	26.3	26.4	26.5	26.6	26.7	26.9	27.0	27.1	27.2
Retail Trade	99.7	99.4	99.2	99.0	98.9	98.8	98.9	99.0	99.1	99.2	99.3	99.5
Trans, Wrhsng, & Util	25.9	26.0	26.2	26.3	26.3	26.4	26.5	26.6	26.7	26.7	26.7	26.8
Information	14.5	14.6	14.7	14.8	14.9	15.0	15.1	15.1	15.2	15.3	15.4	15.5
Pct Chg Year Ago	-1.4	-0.1	2.8	2.9	3.3	3.1	2.2	2.0	1.6	1.7	2.2	2.5
Financial Activities	51.1	50.9	50.6	50.4	50.4	50.4	50.4	50.5	50.6	50.5	50.6	50.7
Pct Chg Year Ago	-1.3	-1.4	-1.7	-1.7	-1.4	-1.0	-0.4	0.1	0.4	0.3	0.3	0.4
Prof & Business Services	127.2	128.1	128.7	129.0	129.6	130.2	131.0	131.8	132.6	133.6	134.8	135.9
Pct Chg Year Ago	3.3	3.1	2.8	2.3	1.9	1.6	1.7	2.2	2.4	2.6	2.9	3.1
Educ & Health Services	147.2	147.8	148.4	149.2	150.0	150.6	151.1	151.8	152.5	152.9	153.6	154.2
Pct Chg Year Ago	1.8	1.6	1.7	1.8	1.9	1.9	1.9	1.7	1.6	1.5	1.6	1.6
Leisure & Hospitality	99.9	100.2	100.7	101.1	101.3	101.5	101.7	102.0	102.1	102.4	102.7	103.0
Pct Chg Year Ago	1.5	1.4	1.4	1.5	1.4	1.3	1.0	0.8	0.9	0.9	1.0	1.0
Other Services	30.0	30.0	30.0	30.1	30.1	30.1	30.1	30.2	30.2	30.2	30.2	30.3
Pct Chg Year Ago	0.0	0.3	0.4	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3
Federal Government	13.7	13.6	13.6	13.6	13.5	13.5	13.4	13.4	13.5	15.5	14.2	13.4
Pct Chg Year Ago	-1.5	-1.5	-1.4	-1.3	-1.2	-1.2	-1.2	-1.1	0.1	14.9	6.0	0.2
State & Local Government	225.8	227.2	228.5	229.9	231.2	232.4	233.4	234.3	235.3	236.2	237.1	238.0
Pct Chg Year Ago	1.9	2.1	2.2	2.3	2.4	2.3	2.1	1.9	1.8	1.6	1.6	1.5

Other Economic Indicators

Population (Ths)	2361.1	2369.9	2378.7	2387.6	2396.5	2405.4	2414.4	2423.3	2432.3	2441.3	2450.3	2459.4
Pct Chg Year Ago	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Labor Force (Ths)	1102.0	1106.4	1110.8	1115.5	1120.1	1124.7	1128.8	1133.1	1137.3	1141.3	1145.5	1149.2
Pct Chg Year Ago	1.7	1.7	1.6	1.7	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.4
Unemployment Rate (%)	5.4	5.4	5.4	5.5	5.5	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Total Housing Starts (Annual Rate)	12485	12693	12813	12738	12852	13001	13282	13494	13632	13675	13720	13705
Single-Family	10258	10418	10430	10211	10192	10287	10487	10593	10690	10708	10695	10647
Multifamily	2226	2275	2383	2527	2661	2713	2796	2900	2941	2967	3025	3058

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for Sacramento

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	87.4	85.8	87.5	92.6	98.0	100.9	105.2	111.7	117.2	123.2	130.3	137.5	145.0
Pct Chg Year Ago	3.5	-1.9	2.1	5.8	5.8	3.0	4.2	6.2	4.9	5.1	5.7	5.6	5.5
Wages and Salaries	47.2	45.3	44.9	46.3	48.6	50.2	52.6	56.3	59.7	63.0	66.4	69.9	73.7
Nonwage Income	40.2	40.5	42.6	46.3	49.4	50.8	52.6	55.4	57.5	60.3	63.8	67.6	71.3
Real Personal Income (09\$)	77.5	76.2	75.9	78.6	81.9	83.8	86.3	91.3	95.0	98.1	101.4	104.8	108.1
Pct Chg Year Ago	0.4	-1.7	-0.3	3.5	4.2	2.3	2.9	5.9	4.0	3.2	3.4	3.3	3.2
Per Capita Income (Ths.)	41.4	40.2	40.6	42.5	44.6	45.4	46.8	49.0	50.8	52.7	54.9	57.1	59.3
Real Per Capita Income (09\$)	36.7	35.7	35.2	36.1	37.3	37.7	38.4	40.1	41.2	41.9	42.7	43.5	44.2
Average Annual Wage (Ths)	52.0	52.8	53.7	55.5	57.1	57.4	58.8	61.1	63.9	66.2	68.7	71.3	74.0
Pct Chg Year Ago	3.8	1.4	1.9	3.3	2.9	0.5	2.5	3.9	4.5	3.6	3.8	3.8	3.8

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	902.6	853.6	831.2	829.0	846.7	869.2	889.5	916.1	931.1	947.1	962.3	976.7	992.3
Pct Chg Year Ago	-2.0	-5.4	-2.6	-0.3	2.1	2.7	2.3	3.0	1.6	1.7	1.6	1.5	1.6
Manufacturing	38.7	34.4	32.8	33.2	33.9	34.1	35.4	36.3	36.9	37.2	37.7	37.9	38.2
Pct Chg Year Ago	-5.2	-11.1	-4.7	1.3	2.0	0.7	3.6	2.6	1.6	1.0	1.1	0.7	0.7
Nonmanufacturing	863.9	819.1	798.4	795.8	812.8	835.0	854.1	879.8	894.3	909.8	924.6	938.7	954.1
Pct Chg Year Ago	-1.9	-5.2	-2.5	-0.3	2.1	2.7	2.3	3.0	1.7	1.7	1.6	1.5	1.6
Construction & Mining	56.9	44.1	38.8	37.4	38.8	43.7	45.9	50.4	54.4	56.6	59.4	61.8	64.1
Pct Chg Year Ago	-15.9	-22.6	-11.6	-3.6	3.8	12.7	5.1	9.8	7.9	4.1	5.0	4.0	3.7
Trade, Trans, & Utilities	146.7	134.9	132.6	134.2	138.9	141.7	143.3	146.7	148.2	151.0	151.5	151.9	153.0
Pct Chg Year Ago	-4.2	-8.0	-1.7	1.2	3.6	2.0	1.2	2.4	1.0	1.9	0.3	0.3	0.7
Wholesale Trade	26.5	24.1	22.8	23.7	25.2	25.0	24.5	24.6	25.2	25.7	26.1	26.6	27.0
Retail Trade	95.2	87.6	88.0	89.4	91.8	93.8	95.3	97.5	98.2	99.9	99.3	98.9	99.2
Trans, Wrhsng, & Util	25.1	23.2	21.7	21.1	21.9	22.9	23.6	24.6	24.8	25.5	26.1	26.5	26.7
Information	19.2	18.3	17.2	16.3	15.6	14.8	13.9	14.2	14.2	14.5	14.6	15.0	15.3
Pct Chg Year Ago	-4.1	-4.8	-6.0	-5.0	-4.6	-5.2	-6.0	2.2	0.5	1.8	1.1	2.7	2.0
Financial Activities	57.2	52.9	48.3	46.7	48.2	49.4	48.9	50.9	51.8	51.5	50.8	50.4	50.6
Pct Chg Year Ago	-7.1	-7.5	-8.6	-3.4	3.2	2.5	-1.0	4.2	1.7	-0.5	-1.5	-0.7	0.3
Prof & Business Services	110.2	101.2	102.3	104.4	111.1	114.6	118.2	119.6	120.3	124.7	128.2	130.6	134.2
Pct Chg Year Ago	-1.8	-8.1	1.1	2.1	6.4	3.2	3.1	1.2	0.6	3.6	2.9	1.9	2.7
Educ & Health Services	119.9	121.7	120.7	122.5	125.6	130.7	134.3	140.3	143.4	145.6	148.1	150.9	153.3
Pct Chg Year Ago	4.3	1.5	-0.9	1.5	2.6	4.0	2.8	4.5	2.2	1.6	1.7	1.9	1.6
Leisure & Hospitality	85.9	81.9	80.2	81.7	84.5	88.7	91.8	94.9	97.4	99.0	100.5	101.6	102.5
Pct Chg Year Ago	-0.9	-4.6	-2.0	1.9	3.4	5.0	3.4	3.4	2.6	1.7	1.4	1.1	0.9
Other Services	29.6	28.8	28.1	28.0	28.6	29.0	30.2	30.7	30.2	29.9	30.0	30.1	30.2
Pct Chg Year Ago	2.3	-2.6	-2.4	-0.5	1.9	1.6	4.1	1.8	-1.7	-1.0	0.3	0.5	0.3
Federal Government	12.5	13.3	14.6	14.0	13.7	13.5	13.5	13.7	14.0	13.8	13.6	13.5	14.2
Pct Chg Year Ago	1.0	6.2	10.6	-4.1	-1.9	-1.9	0.5	1.4	1.8	-1.1	-1.5	-1.2	5.3
State & Local Government	225.9	222.0	215.6	210.6	207.7	209.0	214.2	218.2	220.4	223.1	227.9	232.8	236.6
Pct Chg Year Ago	1.4	-1.7	-2.9	-2.3	-1.4	0.6	2.5	1.9	1.0	1.2	2.1	2.2	1.6

Other Economic Indicators

Population (Ths)	2111.2	2135.3	2157.0	2177.9	2198.3	2221.3	2248.7	2277.9	2307.9	2339.8	2374.4	2409.9	2445.8
Pct Chg Year Ago	1.2	1.1	1.0	1.0	0.9	1.0	1.2	1.3	1.3	1.4	1.5	1.5	1.5
Labor Force (Ths)	1044.7	1050.6	1048.3	1044.3	1049.8	1046.7	1049.2	1055.6	1070.4	1090.6	1108.7	1126.7	1143.3
Pct Chg Year Ago	0.9	0.6	-0.2	-0.4	0.5	-0.3	0.2	0.6	1.4	1.9	1.7	1.6	1.5
Unemployment Rate (%)	7.1	10.9	12.4	11.8	10.3	8.7	7.2	5.7	5.2	5.4	5.4	5.6	5.6
Total Housing Starts	5532	2925	2563	2814	3424	4137	4368	6459	7449	11153	12682	13157	13683
Single-Family	4291	2721	2247	2070	2942	3557	4002	5709	6536	9305	10329	10390	10685
Multifamily	1241	204	316	744	481	580	366	750	913	1848	2353	2767	2998

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

San Francisco MSA

SHORT TERM OUTLOOK

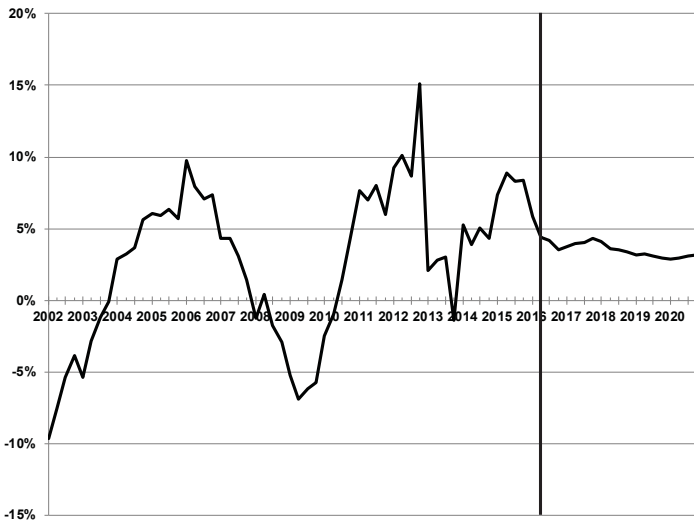
Nonfarm employment in the San Francisco MSA is expected to grow by 3% between 2015 and 2016 and 2% between 2016 and 2017. In the first quarter of 2017, job growth in nonfarm employment is expected to be 2.3%. The expected leading sectors for employment growth in 2017 are the Professional and Business Services (4.3%); Construction and Mining (3.3%); and the Information (2.9%) sectors. Meanwhile, declines are expected in the Federal Government (-2.1%), Other Services (-0.6%), and Financial Activities (-0.3%) sectors. No growth is expected for the Manufacturing sector in 2017.

Real personal income is expected to grow 4.5% between 2015 and 2016 and 4% between 2016 and 2017, reaching

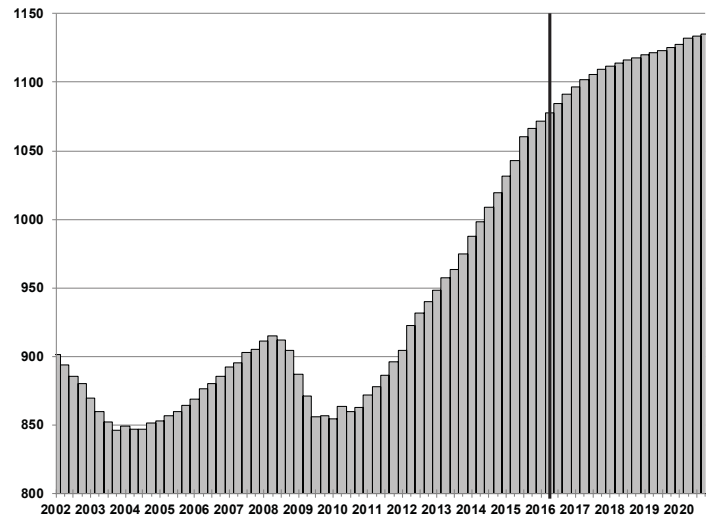
\$154.2 billion in 2020. Per Capita Income is expected to increase each year and will reach an estimated \$122,100 in 2020.

The San Francisco MSA population is expected to reach approximately 1,660,755 in 2017, an increase of 0.8% from the previous year. The labor force is expected to grow 1.4% between 2015 and 2016 as well as between 2016 and 2017; the labor force will grow between 0.4% and 0.9% each year through 2020. The unemployment rate is expected to slightly decline to 2.9% in 2017 from 3% in 2016 and is expected to stay between 2.9% and 3.2% through 2020.

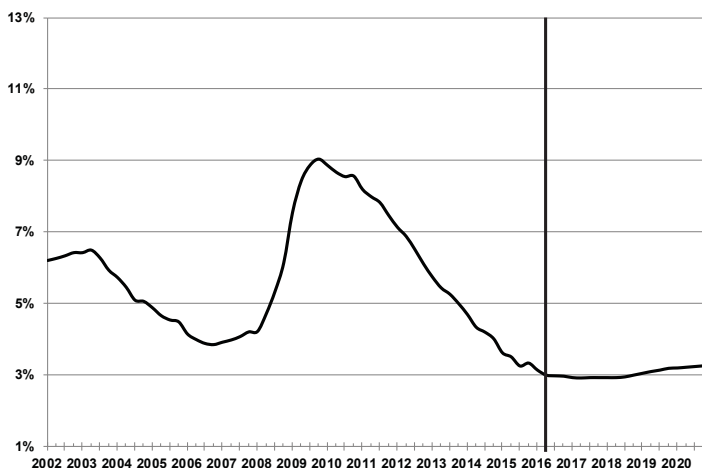
San Francisco Real Personal Income
(percent change from one year ago)



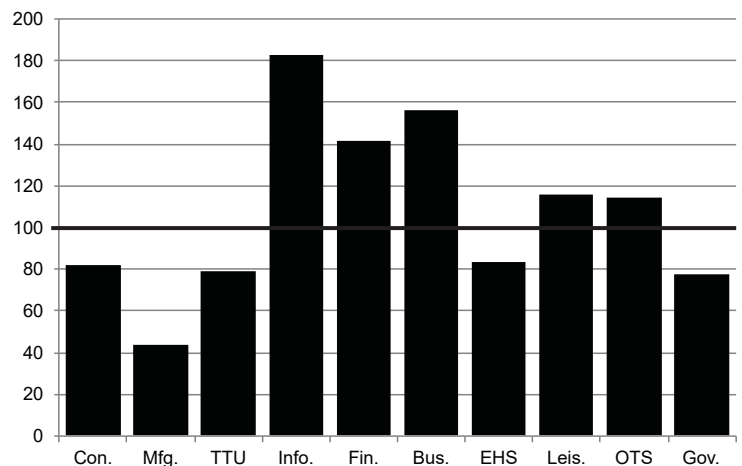
San Francisco Payroll Employment
(Thousands)



San Francisco Unemployment Rates (percent)



San Francisco Employment Mix Relative to California, 2014
(California = 100)



Quarterly Outlook for San Francisco

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	152.8	157.1	159.4	161.6	163.3	165.1	167.2	169.4	172.0	174.9	177.5	180.0
Pct Chg Year Ago	7.7	9.2	8.6	8.9	6.9	5.0	4.9	4.8	5.4	5.9	6.2	6.3
Wages and Salaries	110.1	113.4	114.8	116.6	118.2	120.0	122.0	123.9	125.7	127.7	129.5	131.2
Nonwage Income	42.7	43.7	44.6	45.0	45.1	45.0	45.2	45.5	46.3	47.2	48.0	48.8
Real Personal Income (2009\$)	125.7	128.6	130.0	131.6	133.0	134.2	135.4	136.3	138.0	139.6	140.8	142.2
Pct Chg Year Ago	7.4	8.9	8.3	8.4	5.8	4.4	4.1	3.5	3.8	4.0	4.0	4.3
Per Capita Income (Ths.)	94.0	96.4	97.5	98.6	99.4	100.3	101.4	102.5	103.9	105.4	106.8	108.1
Real Per Capita Income (2009\$)	77.3	78.9	79.5	80.3	80.9	81.5	82.1	82.5	83.4	84.1	84.7	85.4
Average Annual Wage (Ths.)	106.4	108.4	108.0	109.1	110.0	111.1	112.2	113.2	114.4	115.6	116.8	118.0
Pct Chg Year Ago	4.9	6.3	4.2	4.7	3.4	2.4	3.9	3.8	4.0	4.1	4.1	4.2

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	1031.1	1043.1	1060.5	1066.1	1071.5	1077.6	1084.2	1091.2	1096.5	1101.7	1105.7	1109.0
Pct Chg Year Ago	4.4	4.5	5.1	4.6	3.9	3.3	2.2	2.4	2.3	2.2	2.0	1.6
Manufacturing	35.9	35.6	35.9	35.4	35.4	35.2	35.2	35.3	35.2	35.2	35.3	35.3
Pct Chg Year Ago	2.2	0.6	0.6	-1.9	-1.5	-1.2	-2.0	-0.3	-0.4	0.0	0.2	0.1
Nonmanufacturing	995.2	1007.5	1024.6	1030.7	1036.1	1042.4	1049.0	1055.9	1061.3	1066.4	1070.5	1073.8
Pct Chg Year Ago	4.5	4.6	5.3	4.8	4.1	3.5	2.4	2.4	2.4	2.3	2.0	1.7
Construction & Mining	39.8	41.0	42.6	43.1	44.8	44.9	45.2	45.6	46.0	46.4	46.9	47.3
Pct Chg Year Ago	12.3	12.8	18.7	15.9	12.7	9.5	6.2	6.0	2.6	3.3	3.6	3.6
Trade, Trans, & Utilities	147.0	148.4	150.0	151.0	150.8	151.6	152.3	153.3	154.0	154.5	154.9	155.1
Pct Chg Year Ago	2.4	2.7	3.0	3.4	2.6	2.2	1.5	1.5	2.1	1.9	1.7	1.2
Wholesale Trade	26.7	27.1	27.3	27.2	27.0	27.1	27.1	27.3	27.4	27.6	27.7	27.7
Retail Trade	80.5	81.0	81.7	82.5	82.9	83.6	84.2	84.7	85.0	85.0	85.0	84.8
Trans, Wrhsng, & Util	39.8	40.3	41.0	41.2	40.9	41.0	41.0	41.3	41.6	42.0	42.3	42.5
Information	57.8	59.3	60.6	61.1	60.4	60.7	61.9	63.1	62.8	63.4	63.6	63.5
Pct Chg Year Ago	10.3	10.1	9.3	7.8	4.4	2.4	2.1	3.4	4.1	4.4	2.6	0.5
Financial Activities	72.1	73.1	74.5	74.1	73.7	74.2	74.9	74.7	74.5	74.3	74.1	73.9
Pct Chg Year Ago	3.0	3.5	4.6	3.7	2.3	1.6	0.4	0.8	1.1	0.1	-1.0	-1.2
Prof & Business Services	252.7	257.6	264.7	268.4	269.8	272.2	274.5	277.8	281.6	284.3	286.5	288.5
Pct Chg Year Ago	5.9	6.7	7.8	7.3	6.8	5.7	3.7	3.5	4.4	4.4	4.4	3.9
Educ & Health Services	128.1	129.0	130.3	131.8	133.6	134.6	135.3	135.9	136.4	137.1	137.3	137.7
Pct Chg Year Ago	2.9	2.4	3.1	3.7	4.3	4.3	3.8	3.1	2.1	1.9	1.5	1.3
Leisure & Hospitality	134.7	135.1	136.4	136.3	137.6	138.6	139.5	140.2	141.0	141.6	142.4	142.9
Pct Chg Year Ago	4.2	3.6	3.6	2.5	2.1	2.6	2.3	2.9	2.4	2.1	2.1	1.9
Other Services	40.2	40.1	40.2	39.9	39.6	39.6	39.6	39.6	39.5	39.3	39.3	39.3
Pct Chg Year Ago	2.9	1.6	0.6	-0.1	-1.7	-1.2	-1.5	-0.8	-0.2	-0.7	-0.9	-0.8
Federal Government	17.7	17.8	17.6	17.6	17.7	17.7	17.6	17.5	17.4	17.3	17.2	17.1
Pct Chg Year Ago	0.7	1.9	0.4	0.3	0.4	-0.4	0.1	-0.1	-1.7	-2.0	-2.3	-2.5
State & Local Government	105.1	106.0	107.6	107.4	108.1	108.1	108.1	108.1	108.1	108.2	108.3	108.6
Pct Chg Year Ago	3.4	3.3	3.7	2.7	2.8	2.0	0.5	0.6	0.0	0.0	0.2	0.5

Other Economic Indicators

Population (Ths.)	1625.2	1630.0	1634.8	1639.6	1643.5	1646.4	1649.0	1652.4	1655.9	1659.2	1662.4	1665.6
Pct Chg Year Ago	1.2	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.8
Labor Force (Ths.)	978.2	987.6	997.8	1000.7	998.5	1003.6	1007.7	1011.6	1015.3	1018.2	1021.1	1023.5
Pct Chg Year Ago	2.7	3.1	3.2	2.5	2.1	1.6	1.0	1.1	1.7	1.5	1.3	1.2
Unemployment Rate (%)	3.6	3.5	3.2	3.3	3.1	3.0	3.0	3.0	2.9	2.9	2.9	2.9
Total Housing Starts (Annual Rate)	3733	4507	4441	4199	4312	4773	4533	4721	4699	4527	4317	4263
Single-Family	485	524	682	754	257	317	375	368	433	444	432	429
Multifamily	3248	3984	3759	3445	4055	4456	4158	4353	4266	4082	3884	3833

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for San Francisco

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	182.8	185.2	187.7	190.3	192.9	195.4	197.7	200.1	202.9	205.6	208.3	211.0
Pct Chg Year Ago	6.3	5.9	5.7	5.7	5.5	5.5	5.3	5.2	5.2	5.2	5.3	5.4
Wages and Salaries	132.9	134.5	136.2	137.8	139.4	141.0	142.6	144.3	146.1	147.9	149.9	151.8
Nonwage Income	49.9	50.7	51.5	52.5	53.6	54.4	55.1	55.8	56.8	57.7	58.4	59.2
Real Personal Income (2009\$)	143.6	144.6	145.8	146.9	148.2	149.3	150.2	151.2	152.5	153.7	154.8	156.0
Pct Chg Year Ago	4.1	3.6	3.5	3.4	3.2	3.2	3.1	2.9	2.9	3.0	3.1	3.1
Per Capita Income (Ths.)	109.6	110.8	112.1	113.4	114.8	116.1	117.3	118.5	120.0	121.4	122.8	124.2
Real Per Capita Income (2009\$)	86.1	86.5	87.0	87.6	88.2	88.7	89.1	89.6	90.2	90.7	91.3	91.8
Average Annual Wage (Ths.)	119.3	120.4	121.6	122.9	124.1	125.4	126.6	127.9	129.2	130.4	131.9	133.3
Pct Chg Year Ago	4.3	4.2	4.1	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.1	4.2

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	1111.7	1114.2	1116.4	1118.0	1119.7	1121.2	1123.3	1125.4	1127.9	1131.9	1133.5	1135.5
Pct Chg Year Ago	1.4	1.1	1.0	0.8	0.7	0.6	0.6	0.7	0.7	1.0	0.9	0.9
Manufacturing	35.3	35.3	35.3	35.3	35.3	35.2	35.1	35.1	35.1	35.0	35.0	35.0
Pct Chg Year Ago	0.1	0.1	0.0	0.0	-0.1	-0.3	-0.4	-0.6	-0.5	-0.4	-0.3	-0.3
Nonmanufacturing	1076.4	1078.9	1081.1	1082.8	1084.5	1086.1	1088.2	1090.3	1092.8	1096.9	1098.5	1100.5
Pct Chg Year Ago	1.4	1.2	1.0	0.8	0.7	0.7	0.7	0.7	0.8	1.0	1.0	0.9
Construction & Mining	47.7	48.1	48.6	49.0	49.2	49.6	49.9	50.2	50.5	50.8	51.2	51.4
Pct Chg Year Ago	3.8	3.8	3.8	3.5	3.2	3.0	2.7	2.6	2.6	2.4	2.5	2.3
Trade, Trans, & Utilities	155.1	155.1	155.0	154.9	154.8	154.8	154.9	154.9	155.0	155.0	155.1	155.1
Pct Chg Year Ago	0.7	0.4	0.1	-0.1	-0.1	-0.2	-0.1	0.0	0.1	0.1	0.1	0.1
Wholesale Trade	27.8	27.9	28.0	28.1	28.2	28.3	28.4	28.5	28.6	28.6	28.7	28.8
Retail Trade	84.6	84.2	83.9	83.6	83.4	83.2	83.1	83.0	83.0	82.9	82.9	82.9
Trans, Wrhsng, & Util	42.7	42.9	43.1	43.2	43.3	43.3	43.4	43.4	43.5	43.5	43.5	43.5
Information	63.4	63.3	63.5	64.0	64.3	64.5	64.6	64.8	65.0	65.1	65.4	65.7
Pct Chg Year Ago	0.8	-0.3	-0.1	0.9	1.4	1.9	1.7	1.2	1.1	1.0	1.2	1.5
Financial Activities	73.6	73.2	72.8	72.4	72.2	72.1	72.1	72.1	72.0	71.9	71.8	71.8
Pct Chg Year Ago	-1.2	-1.4	-1.8	-2.0	-1.9	-1.5	-0.9	-0.5	-0.2	-0.4	-0.4	-0.3
Prof & Business Services	290.4	292.0	292.8	293.0	293.5	294.2	295.3	296.6	297.8	299.0	300.8	302.7
Pct Chg Year Ago	3.1	2.7	2.2	1.5	1.1	0.7	0.9	1.2	1.4	1.6	1.9	2.1
Educ & Health Services	138.1	138.4	138.6	139.0	139.6	139.8	140.0	140.2	140.6	140.7	140.9	141.2
Pct Chg Year Ago	1.2	0.9	1.0	1.0	1.1	1.0	1.0	0.9	0.8	0.6	0.7	0.7
Leisure & Hospitality	143.2	143.6	144.3	144.8	144.9	145.2	145.4	145.7	145.8	146.0	146.3	146.6
Pct Chg Year Ago	1.6	1.5	1.3	1.3	1.2	1.1	0.8	0.6	0.6	0.6	0.6	0.7
Other Services	39.2	39.2	39.2	39.2	39.2	39.1	39.1	39.0	39.0	38.9	38.9	38.8
Pct Chg Year Ago	-0.6	-0.4	-0.3	-0.2	-0.2	-0.2	-0.3	-0.4	-0.5	-0.6	-0.5	-0.5
Federal Government	17.0	16.9	16.8	16.7	16.6	16.5	16.4	16.3	16.5	18.8	17.3	16.2
Pct Chg Year Ago	-2.5	-2.5	-2.4	-2.3	-2.2	-2.2	-2.3	-2.2	-1.0	13.7	5.0	-0.7
State & Local Government	108.8	109.1	109.4	109.8	110.1	110.3	110.5	110.5	110.6	110.8	110.9	110.9
Pct Chg Year Ago	0.6	0.9	1.0	1.1	1.2	1.1	0.9	0.7	0.5	0.4	0.4	0.3

Other Economic Indicators

Population (Ths.)	1668.8	1671.9	1674.9	1677.7	1680.5	1683.3	1686.0	1688.6	1691.1	1693.6	1696.2	1698.7
Pct Chg Year Ago	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6
Labor Force (Ths.)	1025.8	1027.7	1029.3	1030.8	1032.3	1033.5	1034.3	1035.2	1036.1	1037.0	1038.1	1038.6
Pct Chg Year Ago	1.0	0.9	0.8	0.7	0.6	0.6	0.5	0.4	0.4	0.3	0.4	0.3
Unemployment Rate (%)	2.9	2.9	2.9	3.0	3.0	3.1	3.1	3.2	3.2	3.2	3.2	3.3
Total Housing Starts (Annual Rate)	4253	4176	4249	4382	4348	4236	4156	4136	4061	4061	4100	4051
Single-Family	433	439	444	438	439	452	467	473	475	479	477	475
Multifamily	3820	3737	3806	3944	3909	3783	3689	3663	3586	3582	3623	3576

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for San Francisco

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	112.7	105.7	108.9	119.2	134.1	137.1	145.2	157.7	166.2	176.1	186.5	196.5	206.9
Pct Chg Year Ago	1.7	-6.2	3.0	9.5	12.5	2.3	5.9	8.6	5.4	5.9	5.9	5.4	5.3
Wages and Salaries	72.0	69.3	69.7	75.0	90.3	95.6	103.5	113.7	121.0	128.6	135.3	141.8	148.9
Nonwage Income	40.8	36.4	39.2	44.2	43.8	41.6	41.8	44.0	45.2	47.6	51.2	54.7	58.0
Real Personal Income (2009\$)	99.9	93.9	94.4	101.2	112.1	113.9	119.1	129.0	134.7	140.1	145.2	149.7	154.2
Pct Chg Year Ago	-1.4	-6.0	0.6	7.2	10.8	1.6	4.6	8.2	4.5	4.0	3.6	3.1	3.0
Per Capita Income (Ths.)	75.3	69.7	71.2	77.0	85.3	86.1	90.0	96.6	100.9	106.0	111.5	116.7	122.1
Real Per Capita Income (2009\$)	66.7	61.9	61.8	65.3	71.3	71.5	73.9	79.0	81.8	84.4	86.8	88.9	91.0
Average Annual Wage (Ths.)	78.8	79.6	80.8	84.6	97.3	99.1	102.8	108.0	111.6	116.2	121.0	126.0	131.2
Pct Chg Year Ago	0.6	1.1	1.4	4.8	15.0	1.9	3.7	5.0	3.4	4.1	4.2	4.1	4.1

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	910.6	867.7	859.9	882.9	924.8	960.9	1003.5	1050.2	1081.1	1103.2	1115.1	1122.4	1132.2
Pct Chg Year Ago	1.3	-4.7	-0.9	2.7	4.7	3.9	4.4	4.7	3.0	2.0	1.1	0.7	0.9
Manufacturing	40.0	36.1	35.0	34.4	34.0	34.7	35.6	35.7	35.3	35.3	35.3	35.2	35.0
Pct Chg Year Ago	-3.2	-9.9	-3.0	-1.6	-1.2	2.1	2.5	0.4	-1.2	0.0	0.1	-0.3	-0.4
Nonmanufacturing	870.5	831.6	824.9	848.5	890.8	926.2	967.9	1014.5	1045.9	1068.0	1079.8	1087.3	1097.2
Pct Chg Year Ago	1.5	-4.5	-0.8	2.9	5.0	4.0	4.5	4.8	3.1	2.1	1.1	0.7	0.9
Construction & Mining	37.9	30.1	27.7	28.4	30.3	32.7	36.2	41.6	45.1	46.6	48.4	49.7	51.0
Pct Chg Year Ago	-2.3	-20.8	-7.6	2.6	6.7	7.8	10.8	14.9	8.6	3.3	3.7	2.9	2.4
Trade, Trans, & Utilities	142.3	133.4	130.1	130.9	135.5	140.9	144.9	149.1	152.0	154.6	155.0	154.9	155.0
Pct Chg Year Ago	-1.2	-6.2	-2.5	0.6	3.6	4.0	2.9	2.9	2.0	1.7	0.3	-0.1	0.1
Wholesale Trade	24.1	22.2	21.6	22.3	23.5	24.7	25.6	27.1	27.1	27.6	28.0	28.3	28.7
Retail Trade	79.6	74.5	73.3	73.7	75.6	77.5	79.6	81.4	83.9	84.9	84.1	83.2	82.9
Trans, Wrhsng, & Util	38.6	36.7	35.3	34.9	36.4	38.7	39.7	40.6	41.0	42.1	43.0	43.3	43.5
Information	38.6	37.6	36.9	40.6	46.3	49.6	54.6	59.7	61.6	63.3	63.5	64.5	65.3
Pct Chg Year Ago	4.1	-2.5	-1.8	10.0	14.2	7.0	10.2	9.4	3.1	2.9	0.3	1.6	1.2
Financial Activities	76.2	69.3	67.0	66.4	67.7	69.5	70.8	73.5	74.4	74.2	73.0	72.1	71.9
Pct Chg Year Ago	-2.4	-9.0	-3.3	-0.9	2.1	2.7	1.9	3.7	1.3	-0.3	-1.6	-1.2	-0.3
Prof & Business Services	192.1	182.3	182.0	195.8	214.2	228.0	243.9	260.9	273.6	285.2	292.0	294.9	300.1
Pct Chg Year Ago	3.2	-5.1	-0.1	7.6	9.4	6.5	7.0	6.9	4.9	4.3	2.4	1.0	1.8
Educ & Health Services	112.2	115.2	116.5	116.9	120.0	123.4	126.0	129.8	134.8	137.1	138.5	139.9	140.8
Pct Chg Year Ago	5.7	2.7	1.1	0.3	2.7	2.8	2.1	3.0	3.9	1.7	1.0	1.0	0.7
Leisure & Hospitality	113.9	109.8	110.5	115.0	121.5	125.7	131.1	135.6	139.0	142.0	144.0	145.3	146.2
Pct Chg Year Ago	1.9	-3.6	0.7	4.1	5.6	3.5	4.3	3.5	2.5	2.1	1.4	0.9	0.6
Other Services	34.5	33.2	32.8	34.1	35.8	37.6	39.6	40.1	39.6	39.3	39.2	39.1	38.9
Pct Chg Year Ago	2.6	-3.5	-1.3	3.9	4.9	5.3	5.3	1.2	-1.3	-0.6	-0.3	-0.3	-0.5
Federal Government	18.3	17.9	19.3	18.3	17.9	17.6	17.5	17.7	17.7	17.3	16.9	16.5	17.2
Pct Chg Year Ago	-1.6	-2.2	7.6	-5.0	-2.2	-2.0	-0.2	0.8	0.0	-2.1	-2.4	-2.2	4.3
State & Local Government	104.5	102.7	102.0	102.1	101.5	101.3	103.2	106.5	108.1	108.3	109.3	110.3	110.8
Pct Chg Year Ago	1.2	-1.8	-0.7	0.1	-0.5	-0.2	1.9	3.3	1.5	0.2	0.9	1.0	0.4

Other Economic Indicators

Population (Ths.)	1497.4	1516.3	1528.9	1549.0	1572.5	1593.3	1613.2	1632.4	1647.8	1660.8	1673.3	1684.6	1694.9
Pct Chg Year Ago	1.5	1.3	0.8	1.3	1.5	1.3	1.2	1.2	0.9	0.8	0.8	0.7	0.6
Labor Force (Ths.)	871.8	876.7	878.5	894.4	923.6	940.9	963.4	991.1	1005.3	1019.6	1028.4	1033.8	1037.4
Pct Chg Year Ago	3.4	0.6	0.2	1.8	3.3	1.9	2.4	2.9	1.4	1.4	0.9	0.5	0.4
Unemployment Rate (%)	5.1	8.5	8.7	7.9	6.6	5.4	4.3	3.4	3.0	2.9	2.9	3.1	3.2
Total Housing Starts	2493	681	795	2582	3495	4684	3927	4220	4584	4451	4265	4219	4068
Single-Family	425	280	251	298	352	422	456	611	329	435	438	458	477
Multifamily	2068	401	544	2283	3143	4263	3471	3609	4256	4017	3827	3761	3592

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

San Jose MSA

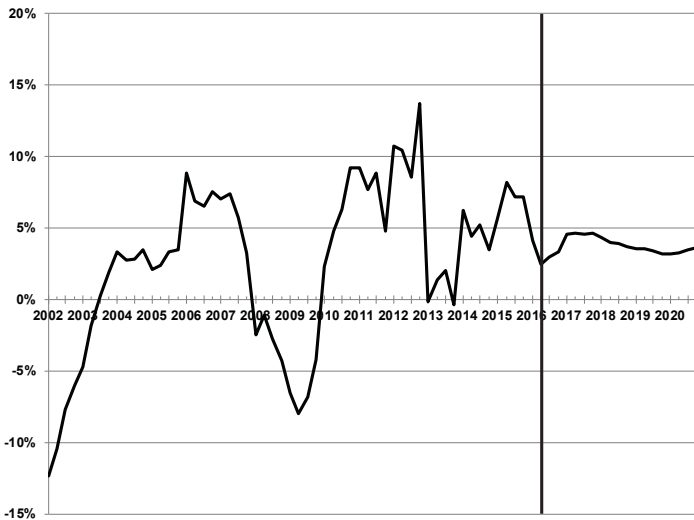
SHORT TERM OUTLOOK

Total nonfarm employment in the San Jose MSA is expected to grow 2.6% between 2015 and 2016 and grow 2.3% between 2016 and 2017. The leading sectors for employment growth in the second quarter of 2016 are the Information; Professional and Business Services; and Construction and Mining sectors. These sectors will also lead growth between 2016 and 2017: Professional & Business Services sector at 4.9% growth, the Construction and Mining sector at 4.3% growth, and the Information sector at 4.2% growth. Between 2016 and 2017, declines are expected in the Federal Government (-1.6%), Other Services (-0.6%), and in the Financial Activities (-0.4%) sectors. The Federal Government and Financial Activities sectors will see declines through 2019.

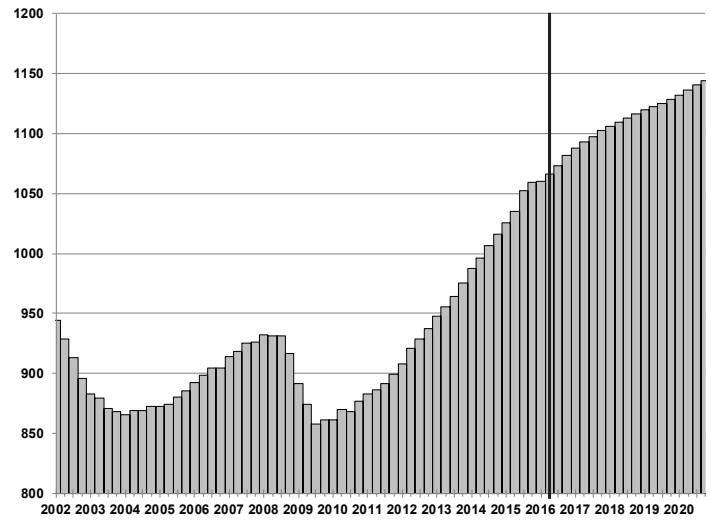
Real Personal Income is expected to grow to \$130.8 billion, an increase of 3.2%, in 2016 and is expected to grow 4.6% between 2016 and 2017. By 2020, real personal income is expected to reach \$152.2 billion

The San Jose MSA population is expected to reach approximately 2,002,877 in 2016, an increase of 1.2% from the previous year. The population will continue to grow approximately 1.2% each year through 2020, reaching 2,098,900. The labor force will grow by 0.6% in 2016 and then 1.2% in 2017. The unemployment rate is forecasted to decrease to 3.5% in 2016 and will be at approximately 3.3-3.4% between 2017 and 2020.

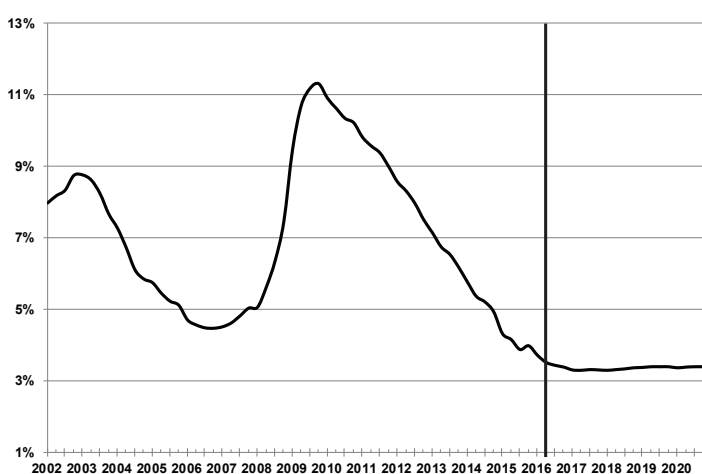
San Jose Real Personal Income
(percent change from one year ago)



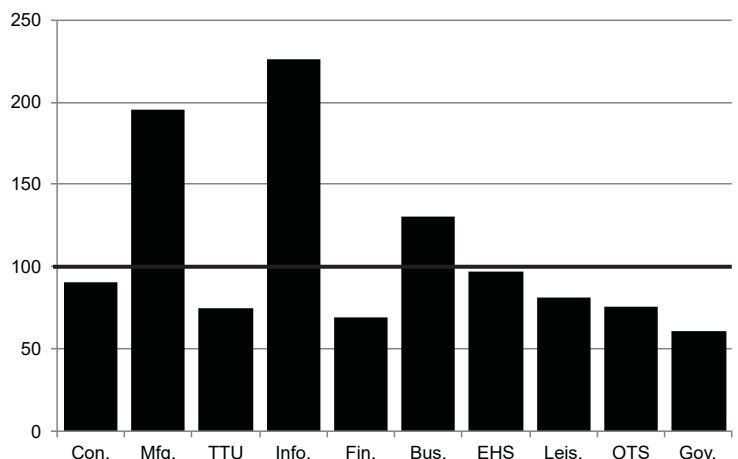
San Jose Payroll Employment
(Thousands)



San Jose Unemployment Rates
(percent)



San Jose Employment Mix Relative to California, 2014
(California = 100)



Quarterly Outlook for San Jose

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	150.4	155.2	156.6	157.8	158.1	160.0	162.3	165.0	167.9	170.6	173.3	176.0
Pct Chg Year Ago	6.0	8.4	7.5	7.7	5.1	3.1	3.7	4.6	6.2	6.7	6.8	6.6
Wages and Salaries	115.9	119.9	120.6	121.5	121.8	123.7	125.8	128.2	130.4	132.6	134.6	136.7
Nonwage Income	34.5	35.3	36.0	36.3	36.3	36.3	36.4	36.8	37.4	38.1	38.7	39.2
Real Personal Income	123.7	127.0	127.7	128.5	128.8	130.1	131.4	132.8	134.7	136.2	137.4	139.0
Pct Chg Year Ago	5.7	8.2	7.2	7.2	4.1	2.5	2.9	3.3	4.6	4.7	4.6	4.7
Per Capita Income (Ths.)	76.3	78.5	79.0	79.4	79.3	80.0	80.9	82.0	83.2	84.3	85.4	86.5
Real Per Capita Income	62.8	64.2	64.4	64.6	64.6	65.1	65.5	66.0	66.8	67.3	67.7	68.3
Average Annual Wage (Ths.)	112.6	115.5	114.2	114.4	114.5	115.6	116.9	118.2	119.5	120.9	122.2	123.6
Pct Chg Year Ago	4.6	6.7	3.7	3.5	1.7	0.1	2.3	3.3	4.4	4.5	4.6	4.6

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	1025.7	1034.8	1052.2	1059.3	1060.2	1066.0	1073.5	1081.9	1088.1	1093.4	1097.8	1102.5
Pct Chg Year Ago	3.9	3.9	4.5	4.2	3.4	3.0	2.0	2.1	2.6	2.6	2.3	1.9
Manufacturing	160.4	161.1	161.9	163.1	161.9	161.4	161.4	162.0	162.1	162.5	162.9	163.3
Pct Chg Year Ago	1.6	1.7	2.0	2.1	0.9	0.2	-0.3	-0.6	0.2	0.7	0.9	0.8
Nonmanufacturing	865.3	873.7	890.4	896.3	898.4	904.5	912.1	919.9	926.0	930.9	934.9	939.2
Pct Chg Year Ago	4.3	4.3	5.0	4.6	3.8	3.5	2.4	2.6	3.1	2.9	2.5	2.1
Construction & Mining	42.0	43.3	43.9	44.5	45.0	45.4	45.8	46.3	46.8	47.3	47.9	48.4
Pct Chg Year Ago	8.3	10.7	9.9	9.4	7.1	4.9	4.5	4.1	3.9	4.2	4.5	4.5
Trade, Trans, & Utilities	139.1	138.8	139.6	139.8	141.0	142.0	143.0	143.8	144.3	144.7	145.0	145.1
Pct Chg Year Ago	1.5	0.9	1.2	1.0	1.4	2.3	2.4	2.9	2.4	1.9	1.4	0.9
Wholesale Trade	36.2	36.4	36.5	36.4	36.4	36.6	36.8	37.0	37.2	37.3	37.5	37.6
Retail Trade	87.7	87.3	87.8	87.3	88.3	89.1	89.8	90.4	90.6	90.7	90.7	90.6
Trans, Wrhsng, & Util	15.3	15.2	15.3	16.0	16.2	16.3	16.3	16.4	16.5	16.7	16.8	16.9
Information	71.9	74.1	76.4	77.0	77.8	78.0	80.0	81.9	82.5	82.7	82.6	83.1
Pct Chg Year Ago	14.6	13.9	12.9	10.2	8.2	5.4	4.7	6.3	6.1	6.0	3.2	1.5
Financial Activities	35.1	35.2	35.7	35.5	34.6	35.0	35.4	35.3	35.1	35.0	34.9	34.7
Pct Chg Year Ago	1.6	1.3	2.7	2.3	-1.2	-0.7	-0.8	-0.5	1.4	0.0	-1.4	-1.6
Prof & Business Services	210.4	213.9	218.3	221.4	222.2	224.3	226.4	229.8	233.2	235.8	238.0	240.2
Pct Chg Year Ago	5.8	6.5	7.0	6.5	5.6	4.9	3.7	3.8	5.0	5.1	5.1	4.5
Educ & Health Services	153.1	154.9	159.0	160.1	160.8	162.0	163.0	163.8	164.4	165.4	165.7	166.4
Pct Chg Year Ago	3.5	3.6	5.2	5.7	5.0	4.6	2.5	2.3	2.3	2.1	1.7	1.6
Leisure & Hospitality	94.6	94.8	95.7	97.9	97.7	98.3	98.9	99.3	99.8	100.2	100.8	101.1
Pct Chg Year Ago	4.6	3.9	3.4	4.7	3.3	3.7	3.4	1.5	2.1	1.9	1.9	1.8
Other Services	26.7	26.7	27.3	27.9	26.9	26.9	26.9	26.9	26.8	26.7	26.7	26.7
Pct Chg Year Ago	2.5	1.0	2.8	4.6	0.8	0.9	-1.2	-3.6	-0.3	-0.7	-0.7	-0.6
Federal Government	9.9	9.9	9.9	9.9	9.9	9.9	9.9	9.8	9.8	9.7	9.7	9.6
Pct Chg Year Ago	0.0	0.6	0.1	-0.3	-0.1	-0.3	-0.4	-0.7	-1.1	-1.5	-1.7	-1.9
State & Local Government	82.6	82.1	84.6	82.3	82.5	82.7	82.9	83.0	83.2	83.3	83.6	83.9
Pct Chg Year Ago	-1.4	-1.4	1.2	-1.4	0.0	0.7	-2.1	0.8	0.8	0.8	0.9	1.1

Other Economic Indicators

Population (Ths.)	1971.2	1976.8	1982.5	1988.3	1994.0	1999.9	2006.0	2011.6	2017.3	2023.1	2028.9	2034.8
Pct Chg Year Ago	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2
Labor Force (Ths.)	1044.7	1060.1	1066.1	1068.9	1059.3	1064.6	1069.0	1072.8	1075.5	1078.0	1080.2	1082.2
Pct Chg Year Ago	3.0	4.0	3.7	3.1	1.4	0.4	0.3	0.4	1.5	1.3	1.0	0.9
Unemployment Rate (%)	4.3	4.2	3.9	4.0	3.7	3.5	3.4	3.4	3.3	3.3	3.3	3.3
Total Housing Starts (Annual Rate)	9629	4485	8337	5116	4465	5440	6343	6415	6315	6291	6234	6307
Single-Family	2426	2094	2021	2178	2199	2441	2563	2563	2595	2719	2785	2831
Multifamily	7203	2391	6316	2938	2266	3000	3780	3852	3720	3573	3449	3476

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for San Jose

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	178.9	181.3	183.9	186.7	189.5	192.0	194.4	196.9	199.8	202.6	205.6	208.6
Pct Chg Year Ago	6.6	6.3	6.2	6.1	5.9	5.9	5.7	5.5	5.5	5.5	5.8	6.0
Wages and Salaries	138.9	140.8	142.8	144.8	146.9	148.9	150.9	152.9	155.2	157.3	159.8	162.2
Nonwage Income	40.1	40.6	41.2	41.8	42.6	43.2	43.6	43.9	44.7	45.3	45.8	46.4
Real Personal Income	140.5	141.6	142.8	144.2	145.5	146.7	147.8	148.8	150.2	151.5	152.9	154.2
Pct Chg Year Ago	4.4	4.0	3.9	3.7	3.6	3.6	3.4	3.2	3.2	3.2	3.5	3.7
Per Capita Income (Ths.)	87.7	88.6	89.6	90.6	91.7	92.7	93.6	94.5	95.6	96.7	97.8	99.0
Real Per Capita Income	68.9	69.2	69.6	70.0	70.5	70.8	71.1	71.4	71.9	72.3	72.7	73.2
Average Annual Wage (Ths.)	125.1	126.4	127.8	129.3	130.8	132.2	133.7	135.1	136.6	138.0	139.7	141.3
Pct Chg Year Ago	4.7	4.6	4.6	4.6	4.5	4.6	4.6	4.5	4.5	4.4	4.5	4.6

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	1106.2	1109.9	1113.3	1116.7	1119.7	1122.3	1125.4	1128.8	1132.4	1136.7	1140.2	1144.1
Pct Chg Year Ago	1.7	1.5	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.3	1.3	1.4
Manufacturing	163.5	163.8	164.1	164.4	164.5	164.5	164.6	164.7	164.9	165.0	165.3	165.5
Pct Chg Year Ago	0.9	0.8	0.8	0.7	0.6	0.4	0.3	0.2	0.2	0.3	0.4	0.5
Nonmanufacturing	942.7	946.1	949.2	952.3	955.1	957.8	960.9	964.1	967.5	971.7	975.0	978.6
Pct Chg Year Ago	1.8	1.6	1.5	1.4	1.3	1.2	1.2	1.2	1.3	1.5	1.5	1.5
Construction & Mining	48.9	49.4	49.9	50.3	50.7	51.0	51.4	51.8	52.1	52.5	53.0	53.3
Pct Chg Year Ago	4.6	4.4	4.2	3.9	3.6	3.3	3.0	3.0	2.9	2.9	3.1	2.9
Trade, Trans, & Utilities	145.0	145.1	145.0	145.0	145.1	145.2	145.4	145.6	145.8	146.0	146.2	146.4
Pct Chg Year Ago	0.5	0.2	0.0	0.0	0.1	0.1	0.3	0.4	0.5	0.5	0.5	0.6
Wholesale Trade	37.8	38.0	38.1	38.3	38.5	38.7	38.8	39.0	39.1	39.3	39.4	39.5
Retail Trade	90.3	90.1	89.8	89.6	89.5	89.3	89.4	89.4	89.4	89.4	89.4	89.5
Trans, Wrhsng, & Util	16.9	17.0	17.1	17.2	17.2	17.2	17.3	17.3	17.3	17.3	17.4	17.4
Information	83.5	83.7	84.3	85.2	85.7	86.1	86.5	86.8	87.3	87.6	88.3	89.0
Pct Chg Year Ago	1.2	1.2	2.0	2.6	2.6	2.9	2.6	1.9	2.0	1.7	2.1	2.5
Financial Activities	34.6	34.4	34.2	34.1	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Pct Chg Year Ago	-1.5	-1.6	-1.9	-1.9	-1.7	-1.2	-0.7	-0.2	0.1	-0.1	-0.1	0.0
Prof & Business Services	241.9	243.4	244.4	244.8	245.5	246.4	247.6	248.9	250.3	251.7	253.5	255.4
Pct Chg Year Ago	3.7	3.2	2.7	1.9	1.5	1.2	1.3	1.7	1.9	2.2	2.4	2.6
Educ & Health Services	167.0	167.5	168.1	168.7	169.6	170.1	170.5	171.1	171.8	172.1	172.7	173.2
Pct Chg Year Ago	1.5	1.3	1.4	1.4	1.6	1.5	1.5	1.4	1.3	1.2	1.2	1.2
Leisure & Hospitality	101.4	101.7	102.3	102.7	102.9	103.1	103.4	103.6	103.8	104.1	104.4	104.7
Pct Chg Year Ago	1.6	1.5	1.5	1.6	1.5	1.4	1.1	0.9	0.9	0.9	1.0	1.0
Other Services	26.7	26.7	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8	26.8
Pct Chg Year Ago	-0.3	0.0	0.1	0.2	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Federal Government	9.6	9.6	9.5	9.5	9.4	9.4	9.4	9.3	9.4	10.7	9.9	9.3
Pct Chg Year Ago	-2.0	-2.0	-1.9	-1.8	-1.7	-1.7	-1.7	-1.7	-0.5	14.3	5.5	-0.2
State & Local Government	84.1	84.5	84.8	85.2	85.5	85.7	85.9	86.1	86.2	86.3	86.4	86.5
Pct Chg Year Ago	1.1	1.4	1.5	1.5	1.6	1.5	1.3	1.0	0.8	0.6	0.6	0.6

Other Economic Indicators

Population (Ths.)	2041.0	2047.3	2053.4	2059.6	2065.7	2071.8	2077.9	2084.0	2090.0	2096.0	2101.9	2107.9
Pct Chg Year Ago	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1
Labor Force (Ths.)	1085.2	1087.8	1090.4	1093.2	1095.9	1098.6	1100.9	1103.3	1105.6	1108.1	1110.5	1112.4
Pct Chg Year Ago	0.9	0.9	0.9	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.8
Unemployment Rate (%)	3.3	3.3	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Total Housing Starts (Annual Rate)	6416	6433	6557	6681	6792	6873	6991	7109	7183	7280	7372	7440
Single-Family	2863	2873	2855	2780	2746	2754	2774	2747	2772	2807	2812	2818
Multifamily	3553	3559	3701	3901	4046	4119	4217	4362	4411	4474	4560	4622

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for San Jose

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	107.2	100.1	108.3	119.1	134.1	135.9	144.3	155.0	161.4	171.9	182.7	193.2	204.2
Pct Chg Year Ago	0.3	-6.5	8.2	10.0	12.6	1.4	6.2	7.4	4.1	6.6	6.3	5.7	5.7
Wages and Salaries	78.1	72.9	80.5	87.9	93.0	99.3	109.7	119.5	124.9	133.6	141.8	149.9	158.6
Nonwage Income	29.1	27.2	27.8	31.2	41.1	36.7	34.6	35.5	36.5	38.3	40.9	43.3	45.6
Real Personal Income	95.0	88.9	94.0	101.1	112.1	112.9	118.4	126.7	130.8	136.8	142.3	147.2	152.2
Pct Chg Year Ago	-2.7	-6.4	5.7	7.7	10.9	0.7	4.8	7.1	3.2	4.6	4.0	3.4	3.4
Per Capita Income (Ths.)	59.6	54.9	58.7	63.6	70.5	70.4	73.7	78.3	80.6	84.9	89.1	93.1	97.3
Real Per Capita Income	52.8	48.8	50.9	54.0	58.9	58.4	60.5	64.0	65.3	67.5	69.4	70.9	72.5
Average Annual Wage (Ths.)	83.9	83.4	92.3	98.5	100.3	103.0	109.2	114.2	116.3	121.6	127.2	132.9	138.9
Pct Chg Year Ago	-2.2	-0.5	10.7	6.8	1.9	2.7	6.1	4.6	1.9	4.5	4.6	4.5	4.5

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	927.7	871.3	869.0	889.8	923.9	960.7	1001.6	1043.0	1070.4	1095.5	1111.5	1124.0	1138.4
Pct Chg Year Ago	0.8	-6.1	-0.2	2.4	3.8	4.0	4.3	4.1	2.6	2.3	1.5	1.1	1.3
Manufacturing	166.7	153.9	151.5	155.3	155.9	155.7	158.7	161.6	161.7	162.7	164.0	164.6	165.2
Pct Chg Year Ago	0.7	-7.7	-1.5	2.5	0.4	-0.1	1.9	1.9	0.0	0.6	0.8	0.4	0.4
Nonmanufacturing	761.0	717.4	717.5	734.5	768.0	805.0	843.0	881.4	908.7	932.8	947.6	959.5	973.2
Pct Chg Year Ago	0.8	-5.7	0.0	2.4	4.6	4.8	4.7	4.6	3.1	2.6	1.6	1.3	1.4
Construction & Mining	44.5	34.7	32.4	31.8	34.8	37.5	39.6	43.4	45.7	47.6	49.6	51.2	52.7
Pct Chg Year Ago	-6.4	-22.1	-6.2	-1.8	9.5	7.7	5.8	9.6	5.1	4.3	4.2	3.2	3.0
Trade, Trans, & Utilities	137.7	126.5	125.8	127.9	132.0	135.3	137.7	139.3	142.4	144.8	145.0	145.3	146.1
Pct Chg Year Ago	-1.4	-8.1	-0.5	1.6	3.2	2.5	1.8	1.2	2.2	1.7	0.2	0.2	0.5
Wholesale Trade	39.8	35.7	35.0	34.0	35.0	36.3	36.5	36.4	36.7	37.4	38.0	38.7	39.3
Retail Trade	84.4	78.8	78.9	81.8	84.1	84.9	86.4	87.5	89.4	90.7	90.0	89.4	89.4
Trans, Wrhsng, & Util	13.5	12.1	12.0	12.1	12.9	14.1	14.9	15.4	16.3	16.7	17.1	17.2	17.4
Information	43.6	43.9	46.5	51.3	54.2	58.7	66.3	74.8	79.4	82.7	84.2	86.3	88.1
Pct Chg Year Ago	7.1	0.5	6.0	10.4	5.7	8.3	12.9	12.9	6.1	4.2	1.8	2.5	2.1
Financial Activities	34.3	31.5	31.1	32.4	33.3	33.9	34.7	35.3	35.1	34.9	34.3	34.0	34.0
Pct Chg Year Ago	-7.0	-8.0	-1.4	4.2	2.9	1.7	2.3	2.0	-0.8	-0.4	-1.7	-1.0	0.0
Prof & Business Services	178.3	160.6	160.9	166.7	178.1	191.1	202.9	216.0	225.7	236.8	243.6	247.1	252.7
Pct Chg Year Ago	0.2	-9.9	0.3	3.6	6.8	7.3	6.2	6.4	4.5	4.9	2.9	1.4	2.3
Educ & Health Services	121.4	124.5	127.1	129.7	136.8	143.8	150.0	156.8	162.4	165.5	167.8	170.3	172.4
Pct Chg Year Ago	6.9	2.5	2.1	2.1	5.5	5.1	4.3	4.5	3.6	1.9	1.4	1.5	1.2
Leisure & Hospitality	78.0	74.9	74.9	77.4	82.5	87.5	91.9	95.7	98.6	100.5	102.0	103.3	104.2
Pct Chg Year Ago	1.7	-4.1	0.1	3.3	6.6	6.1	5.0	4.2	3.0	1.9	1.6	1.2	1.0
Other Services	25.4	24.5	24.3	24.6	24.7	25.4	26.4	27.1	26.9	26.7	26.7	26.8	26.8
Pct Chg Year Ago	1.3	-3.5	-0.7	1.2	0.6	2.7	3.9	2.7	-0.8	-0.6	0.0	0.1	0.0
Federal Government	11.0	10.8	10.7	10.1	9.8	9.9	9.9	9.9	9.9	9.7	9.5	9.4	9.8
Pct Chg Year Ago	-0.6	-1.5	-0.6	-5.4	-2.8	0.8	-0.1	0.1	-0.3	-1.6	-1.9	-1.7	4.8
State & Local Government	86.9	85.6	83.7	82.5	81.6	81.8	83.5	82.9	82.8	83.5	84.7	85.8	86.3
Pct Chg Year Ago	0.8	-1.4	-2.3	-1.4	-1.1	0.3	2.1	-0.7	-0.2	0.9	1.4	1.4	0.6

Other Economic Indicators

Population (Ths.)	1798.0	1822.4	1846.3	1873.9	1902.2	1931.6	1957.0	1979.7	2002.9	2026.0	2050.3	2074.8	2098.9
Pct Chg Year Ago	1.6	1.4	1.3	1.5	1.5	1.5	1.3	1.2	1.2	1.2	1.2	1.2	1.2
Labor Force (Ths.)	941.9	948.6	954.7	968.7	990.3	1004.0	1024.4	1059.9	1066.4	1079.0	1089.1	1099.7	1109.2
Pct Chg Year Ago	3.0	0.7	0.6	1.5	2.2	1.4	2.0	3.5	0.6	1.2	0.9	1.0	0.9
Unemployment Rate (%)	6.1	10.7	10.5	9.4	8.1	6.7	5.3	4.1	3.5	3.3	3.3	3.4	3.4
Total Housing Starts	2693	1359	2319	3154	4982	6260	8108	6892	5666	6287	6521	6941	7319
Single-Family	1103	706	886	1077	1525	1874	2005	2180	2442	2733	2843	2755	2802
Multifamily	1591	652	1433	2077	3457	4386	6103	4712	3224	3555	3679	4186	4517

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Stockton MSA

SHORT TERM OUTLOOK

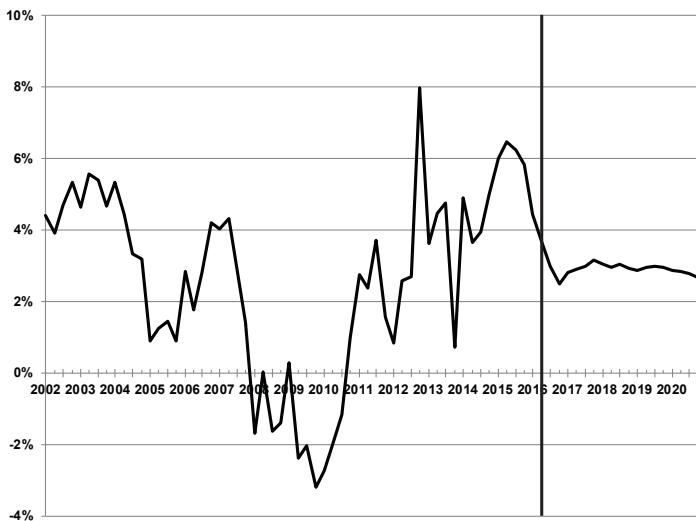
Total nonfarm employment in the Stockton MSA is expected to grow 3.5% between 2015 and 2016 and 2.4% between 2016 and 2017. The expected leading sectors for employment growth in 2016 are the Manufacturing (6.5%); Leisure and Hospitality (5.9%); Construction and Mining (5.8%); and the Trade, Transportation, and Utilities (4.3%) sectors. Meanwhile, declines are expected in the Financial Activities (-0.9%) and Federal Government (-0.5%) sectors; declines are expected in these sectors through 2019.

Real Personal Income is expected to increase 3.4% between 2015 and 2016 and will continue to grow approximately 2.8% to 3.0% each year through 2020.

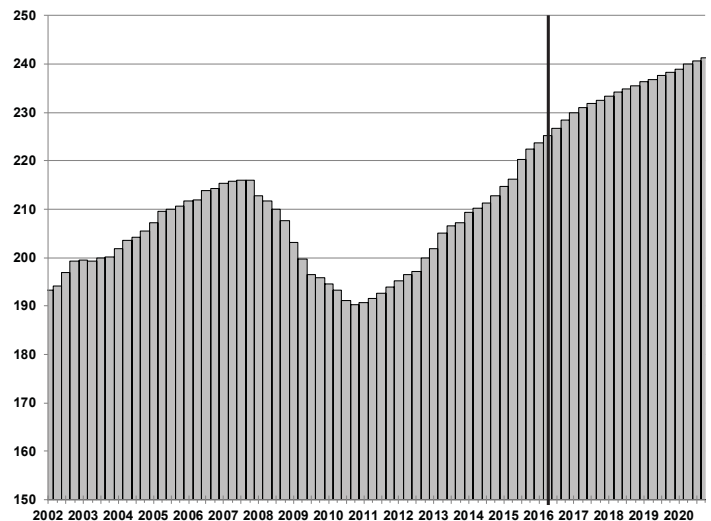
Per Capita Income, expected to be \$40,200 in 2017 will increase each year through 2020, reaching \$44,700 in 2020.

The population in the Stockton MSA will increase 1.6% in 2016 to approximately 738,937 and will increase each year reaching 784,400 in 2020. Growth each year in the labor force will be greater than the previous few years, with an expected growth rate of 2.3% between 2015 and 2016. The unemployment rate is expected to decrease from 8.7% in 2015 to 7.6% in 2016 and will remain at approximately 7.3% to 7.6% through 2020. Housing starts are also expected to grow each year between 2016 and 2020.

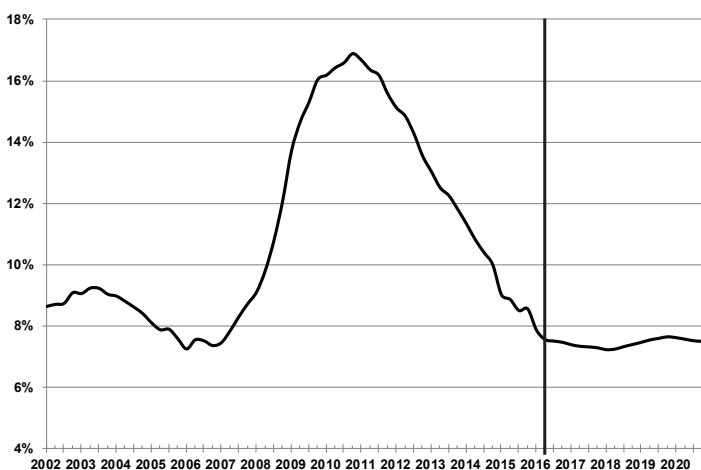
Stockton Real Personal Income
(percent change from one year ago)



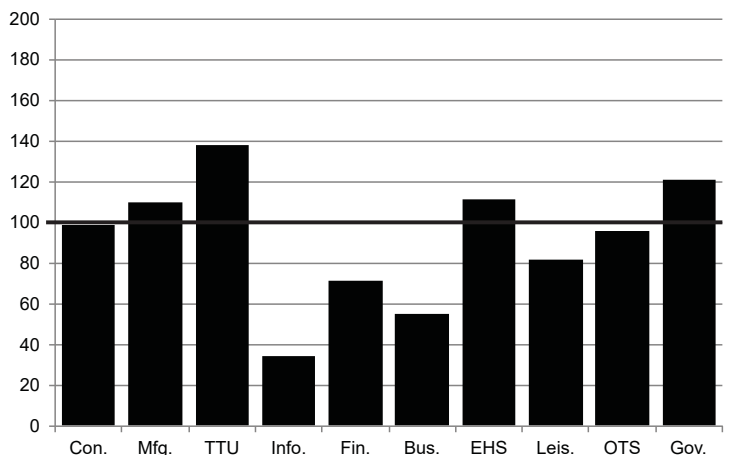
Stockton Payroll Employment
(Thousands)



Stockton Unemployment Rates
(percent)



Stockton Employment Mix Relative to California, 2014
(California = 100)



METRO SUMMARY - STOCKTON

Quarterly Outlook for Stockton

May 2016 Forecast

	2015Q1	2015Q2	2015Q3	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	26.8	27.4	27.8	28.1	28.3	28.6	28.8	29.2	29.6	29.9	30.3	30.7
Pct Chg Year Ago	6.3	6.7	6.5	6.4	5.5	4.3	3.7	3.8	4.4	4.8	5.1	5.1
Wages and Salaries	10.3	10.6	10.7	10.9	11.0	11.2	11.4	11.5	11.7	11.8	12.0	12.2
Nonwage Income	16.5	16.8	17.1	17.2	17.3	17.4	17.5	17.7	17.9	18.1	18.3	18.5
Real Personal Income*	22.1	22.4	22.7	22.9	23.1	23.2	23.3	23.5	23.7	23.9	24.0	24.2
Pct Chg Year Ago	6.0	6.5	6.2	5.8	4.4	3.7	3.0	2.5	2.8	2.9	3.0	3.2
Per Capita Income (Ths.)	37.1	37.7	38.1	38.4	38.6	38.7	38.9	39.3	39.6	40.0	40.4	40.7
Real Per Capita Income*	30.5	30.9	31.1	31.3	31.4	31.5	31.5	31.6	31.8	31.9	32.0	32.1
Average Annual Wage (Ths.)	47.8	48.6	48.5	48.9	49.1	49.5	49.8	50.2	50.6	51.0	51.5	52.0
Pct Chg Year Ago	3.4	4.7	2.9	3.1	2.8	1.9	2.8	2.7	3.0	3.1	3.4	3.6

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	214.7	216.3	220.2	222.3	223.6	225.2	226.7	228.4	229.9	230.9	231.8	232.6
Pct Chg Year Ago	2.6	2.9	4.2	4.5	4.1	4.1	2.9	2.7	2.8	2.5	2.2	1.8
Manufacturing	18.9	18.6	18.8	19.6	20.0	20.1	20.2	20.4	20.5	20.6	20.6	20.7
Pct Chg Year Ago	3.0	0.5	0.5	5.8	6.2	8.2	7.5	4.1	2.4	2.3	2.0	1.3
Nonmanufacturing	195.9	197.7	201.4	202.8	203.6	205.1	206.5	208.0	209.4	210.4	211.2	211.9
Pct Chg Year Ago	2.6	3.1	4.6	4.4	3.9	3.7	2.5	2.6	2.9	2.6	2.3	1.9
Construction & Mining	9.9	9.9	10.4	10.7	10.6	10.7	10.8	11.0	11.1	11.3	11.4	11.6
Pct Chg Year Ago	12.1	11.5	15.1	14.2	7.3	8.0	4.7	3.1	4.9	5.2	5.3	5.3
Trade, Trans, & Utilities	56.0	56.8	58.5	58.7	58.9	59.6	60.3	61.1	61.9	62.1	62.3	62.4
Pct Chg Year Ago	2.1	3.1	6.4	5.6	5.2	4.9	3.0	4.1	5.1	4.1	3.2	2.1
Wholesale Trade	11.2	11.3	11.4	11.6	11.4	11.5	11.6	11.7	11.8	11.8	11.9	11.9
Retail Trade	25.8	26.0	26.2	26.5	26.1	26.2	26.3	26.3	26.4	26.4	26.3	26.3
Trans, Wrhsng, & Util	18.9	19.6	20.9	20.6	21.3	21.9	22.4	23.1	23.8	23.9	24.1	24.2
Information	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.0	2.0
Pct Chg Year Ago	-6.4	-1.5	-4.8	-3.0	1.5	-1.8	1.4	1.2	2.3	2.3	0.3	0.6
Financial Activities	7.3	7.3	7.3	7.3	7.3	7.3	7.3	7.2	7.2	7.1	7.1	7.1
Pct Chg Year Ago	-1.9	-3.1	-0.9	-2.0	-0.9	-0.3	-1.0	-1.4	-1.8	-2.1	-2.5	-1.9
Prof & Business Services	18.9	19.3	20.3	20.3	20.3	20.4	20.5	20.7	21.0	21.2	21.3	21.5
Pct Chg Year Ago	5.2	8.5	10.6	7.3	7.3	5.6	0.6	2.2	3.4	4.0	4.4	3.7
Educ & Health Services	36.3	36.5	36.6	36.5	36.6	36.9	37.2	37.4	37.5	37.8	37.9	38.0
Pct Chg Year Ago	1.7	1.7	1.8	1.0	0.8	1.2	1.6	2.5	2.6	2.3	1.9	1.8
Leisure & Hospitality	19.4	19.6	19.5	20.0	20.6	20.8	20.9	21.0	21.0	21.1	21.2	21.3
Pct Chg Year Ago	2.0	2.5	3.2	4.6	6.2	6.1	6.8	4.6	2.0	1.7	1.7	1.7
Other Services	6.9	7.0	7.1	7.2	7.2	7.2	7.2	7.2	7.1	7.1	7.1	7.1
Pct Chg Year Ago	1.9	0.1	2.8	4.1	3.6	2.8	0.7	-0.9	-0.2	-0.7	-0.6	-0.5
Federal Government	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.9	2.9
Pct Chg Year Ago	-6.3	-6.2	-3.3	-0.8	-0.1	0.0	-0.6	-1.4	-0.5	-1.0	-1.3	-1.5
State & Local Government	36.2	36.3	36.6	37.1	37.2	37.3	37.4	37.5	37.6	37.7	37.8	38.0
Pct Chg Year Ago	3.2	3.3	2.2	4.0	2.8	2.7	2.2	1.1	1.1	1.1	1.1	1.4

Other Economic Indicators

Population (Ths.)	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.5	1.4	1.4	1.4
Pct Chg Year Ago	310.1	311.4	311.9	312.8	316.6	318.1	319.6	320.9	322.2	323.2	324.2	325.2
Labor Force (Ths.)	-0.1	0.3	0.2	0.2	2.1	2.1	2.5	2.6	1.8	1.6	1.5	1.3
Pct Chg Year Ago	9.0	8.9	8.5	8.6	7.9	7.6	7.5	7.5	7.4	7.3	7.3	7.3
Unemployment Rate (%)	9.0	8.9	8.5	8.6	7.9	7.6	7.5	7.5	7.4	7.3	7.3	7.3
Total Housing Starts (Annual Rate)	1407	1779	1748	1323	1592	1981	2104	2274	2462	2579	2786	2951
Single-Family	1399	1752	1707	1193	1326	1557	1811	1945	2100	2245	2424	2567
Multifamily	7	27	41	130	267	423	293	329	362	334	362	385

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Quarterly Outlook for Stockton

May 2016 Forecast

	2018Q1	2018Q2	2018Q3	2018Q4	2019Q1	2019Q2	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	2020Q4
Personal Income (Annual Rate, Billions \$)												
Total Personal Income	31.1	31.5	31.9	32.3	32.7	33.2	33.6	34.0	34.4	34.8	35.3	35.7
Pct Chg Year Ago	5.3	5.2	5.2	5.3	5.2	5.2	5.3	5.2	5.1	5.1	5.1	5.0
Wages and Salaries	12.3	12.4	12.6	12.7	12.9	13.0	13.2	13.3	13.5	13.7	13.9	14.0
Nonwage Income	18.8	19.1	19.3	19.5	19.8	20.1	20.4	20.6	20.9	21.2	21.4	21.6
Real Personal Income*	24.4	24.6	24.8	24.9	25.1	25.3	25.5	25.7	25.9	26.0	26.2	26.4
Pct Chg Year Ago	3.1	3.0	3.0	2.9	2.9	3.0	3.0	3.0	2.9	2.8	2.8	2.7
Per Capita Income (Ths.)	41.1	41.5	41.8	42.2	42.6	43.0	43.4	43.7	44.2	44.5	44.8	45.2
Real Per Capita Income*	32.3	32.4	32.5	32.6	32.8	32.9	33.0	33.1	33.2	33.3	33.3	33.4
Average Annual Wage (Ths.)	52.5	52.9	53.4	53.8	54.3	54.8	55.3	55.8	56.3	56.8	57.3	57.9
Pct Chg Year Ago	3.8	3.6	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.6	3.7	3.8

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	233.3	234.2	234.9	235.6	236.3	236.9	237.5	238.2	239.0	240.0	240.7	241.2
Pct Chg Year Ago	1.5	1.4	1.3	1.3	1.3	1.2	1.1	1.1	1.2	1.3	1.3	1.3
Manufacturing	20.7	20.7	20.8	20.8	20.8	20.8	20.9	20.9	20.9	20.9	21.0	21.0
Pct Chg Year Ago	0.9	0.8	0.8	0.8	0.7	0.6	0.4	0.3	0.3	0.4	0.5	0.6
Nonmanufacturing	212.6	213.4	214.1	214.8	215.4	216.0	216.7	217.4	218.1	219.1	219.7	220.3
Pct Chg Year Ago	1.5	1.5	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.4	1.4	1.3
Construction & Mining	11.7	11.8	12.0	12.1	12.2	12.3	12.4	12.5	12.6	12.7	12.8	12.9
Pct Chg Year Ago	5.2	4.9	4.7	4.4	4.1	3.8	3.5	3.5	3.5	3.6	3.8	3.7
Trade, Trans, & Utilities	62.5	62.6	62.7	62.7	62.8	62.9	63.0	63.1	63.2	63.3	63.4	63.5
Pct Chg Year Ago	1.0	0.9	0.6	0.5	0.5	0.4	0.4	0.6	0.6	0.7	0.7	0.7
Wholesale Trade	12.0	12.0	12.1	12.2	12.2	12.3	12.4	12.4	12.5	12.6	12.7	12.7
Retail Trade	26.2	26.1	26.0	25.9	25.9	25.8	25.8	25.8	25.8	25.8	25.8	25.8
Trans, Wrhsng, & Util	24.3	24.5	24.6	24.6	24.7	24.7	24.8	24.8	24.9	24.9	24.9	25.0
Information	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2
Pct Chg Year Ago	0.2	0.7	2.3	2.3	2.1	2.2	1.8	1.5	1.6	1.5	1.8	2.1
Financial Activities	7.0	7.0	6.9	6.9	6.9	6.9	6.8	6.8	6.8	6.8	6.8	6.8
Pct Chg Year Ago	-2.0	-2.2	-2.4	-2.4	-2.1	-1.6	-1.2	-0.6	-0.3	-0.4	-0.3	-0.3
Prof & Business Services	21.7	21.8	21.9	21.9	22.0	22.1	22.3	22.4	22.5	22.7	22.9	23.1
Pct Chg Year Ago	3.1	2.9	2.6	2.1	1.8	1.5	1.6	2.0	2.2	2.4	2.7	3.0
Educ & Health Services	38.2	38.3	38.5	38.7	38.9	39.0	39.2	39.3	39.5	39.6	39.8	39.9
Pct Chg Year Ago	1.7	1.5	1.6	1.6	1.8	1.8	1.8	1.7	1.6	1.5	1.6	1.6
Leisure & Hospitality	21.4	21.4	21.5	21.6	21.7	21.7	21.8	21.8	21.8	21.9	22.0	22.0
Pct Chg Year Ago	1.5	1.4	1.4	1.5	1.4	1.3	1.1	0.9	0.9	0.9	1.0	0.9
Other Services	7.1	7.1	7.1	7.1	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Pct Chg Year Ago	-0.1	0.2	0.3	0.4	0.4	0.4	0.3	0.2	0.2	0.2	0.1	0.2
Federal Government	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	3.3	3.0	2.9
Pct Chg Year Ago	-1.5	-1.6	-1.5	-1.3	-1.3	-1.3	-1.3	-1.2	0.0	14.8	5.9	0.2
State & Local Government	38.2	38.4	38.5	38.7	38.9	39.1	39.2	39.3	39.4	39.5	39.7	39.8
Pct Chg Year Ago	1.5	1.8	1.9	1.9	2.0	1.9	1.7	1.5	1.3	1.2	1.1	1.1

Other Economic Indicators

Population (Ths.)	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.7	1.6
Pct Chg Year Ago	326.1	327.1	328.0	329.1	330.3	331.4	332.4	333.3	334.3	335.2	336.0	336.6
Labor Force (Ths.)	1.2	1.2	1.1	1.2	1.3	1.3	1.4	1.3	1.2	1.1	1.1	1.0
Pct Chg Year Ago	7.2	7.3	7.3	7.4	7.5	7.6	7.6	7.7	7.6	7.6	7.5	7.5
Unemployment Rate (%)	7.2	7.3	7.3	7.4	7.5	7.6	7.6	7.7	7.6	7.6	7.5	7.5
Total Housing Starts (Annual Rate)	3125	3250	3319	3349	3393	3441	3527	3571	3632	3642	3659	3663.0
Single-Family	2727	2846	2915	2915	2934	2973	3047	3084	3131	3138	3143	3138.7
Multifamily	398	404	404	433	459	468	480	487	501	504	516	524.3

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

Annual Outlook for Stockton

May 2016 Forecast

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Personal Income (Billions \$)													
Total Personal Income	21.5	21.1	21.3	22.4	23.5	24.5	25.9	27.5	28.7	30.1	31.7	33.4	35.0
Pct Chg Year Ago	1.9	-2.0	1.1	4.8	5.1	4.1	5.7	6.5	4.3	4.9	5.2	5.2	5.1
Wages and Salaries	9.3	8.9	8.8	8.9	9.2	9.5	9.9	10.6	11.3	11.9	12.5	13.1	13.8
Nonwage Income	12.2	12.2	12.6	13.5	14.3	15.0	15.9	16.9	17.4	18.2	19.2	20.2	21.3
Real Personal Income*	19.1	18.7	18.5	19.0	19.7	20.3	21.2	22.5	23.3	24.0	24.7	25.4	26.1
Pct Chg Year Ago	-1.2	-1.8	-1.2	2.6	3.5	3.4	4.4	6.1	3.4	3.0	3.0	2.9	2.8
Per Capita Income (Ths.)	32.0	31.1	31.0	32.1	33.5	34.6	36.1	37.8	38.9	40.2	41.7	43.2	44.7
Real Per Capita Income*	28.4	27.6	26.9	27.3	28.0	28.8	29.6	30.9	31.5	32.0	32.5	32.9	33.3
Average Annual Wage (Ths.)	43.9	44.5	45.3	45.8	46.3	45.9	46.8	48.4	49.6	51.3	53.1	55.0	57.1
Pct Chg Year Ago	4.0	1.2	1.8	1.2	1.1	-1.0	2.0	3.5	2.5	3.3	3.6	3.6	3.7

Establishment Employment (Place of Work, Thousands, SA)

Total Non-Farm Employment	210.5	198.8	192.4	192.2	197.1	205.2	210.9	218.4	226.0	231.3	234.5	237.2	240.2
Pct Chg Year Ago	-2.5	-5.6	-3.2	-0.1	2.6	4.1	2.8	3.6	3.5	2.4	1.4	1.2	1.3
Manufacturing	21.2	18.9	17.6	18.0	17.8	17.9	18.5	19.0	20.2	20.6	20.7	20.8	20.9
Pct Chg Year Ago	-3.2	-11.2	-6.6	2.0	-0.7	0.5	3.3	2.4	6.5	2.0	0.8	0.5	0.5
Nonmanufacturing	189.3	179.9	174.8	174.2	179.3	187.3	192.4	199.4	205.8	210.7	213.7	216.4	219.3
Pct Chg Year Ago	-2.4	-4.9	-2.9	-0.3	2.9	4.4	2.7	3.7	3.2	2.4	1.4	1.2	1.3
Construction & Mining	11.5	8.5	7.7	7.5	7.7	8.9	9.0	10.2	10.8	11.3	11.9	12.3	12.8
Pct Chg Year Ago	-17.7	-26.1	-9.4	-2.9	3.0	15.3	1.4	13.2	5.8	5.2	4.8	3.7	3.6
Trade, Trans, & Utilities	50.1	47.6	47.5	49.1	51.7	53.9	55.1	57.5	60.0	62.2	62.6	62.9	63.4
Pct Chg Year Ago	-2.6	-5.1	-0.1	3.3	5.4	4.3	2.3	4.3	4.3	3.6	0.8	0.5	0.7
Wholesale Trade	10.4	9.9	10.0	10.2	10.8	11.1	11.1	11.4	11.6	11.8	12.1	12.3	12.6
Retail Trade	25.6	23.7	23.7	24.2	24.9	25.6	25.7	26.1	26.2	26.3	26.1	25.8	25.8
Trans, Wrhsng, & Util	14.1	13.9	13.8	14.7	16.0	17.2	18.3	20.0	22.2	24.0	24.5	24.8	24.9
Information	2.4	2.2	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.1	2.1	2.2
Pct Chg Year Ago	-3.3	-7.3	-4.1	-0.3	1.2	-1.2	-0.8	-3.9	0.6	1.4	1.4	1.9	1.8
Financial Activities	9.4	8.8	7.7	7.5	7.5	7.6	7.5	7.3	7.3	7.1	6.9	6.8	6.8
Pct Chg Year Ago	-5.3	-5.9	-12.7	-3.2	0.6	1.7	-2.1	-2.0	-0.9	-2.1	-2.3	-1.4	-0.3
Prof & Business Services	17.5	15.9	15.4	15.2	16.6	17.4	18.3	19.7	20.5	21.3	21.8	22.2	22.8
Pct Chg Year Ago	-4.3	-9.4	-3.1	-1.5	9.5	4.7	5.2	7.9	3.9	3.9	2.7	1.7	2.6
Educ & Health Services	33.1	33.3	33.5	33.7	34.0	35.5	35.9	36.5	37.0	37.8	38.4	39.1	39.7
Pct Chg Year Ago	3.9	0.6	0.5	0.7	0.8	4.5	1.2	1.5	1.5	2.1	1.6	1.8	1.6
Leisure & Hospitality	17.4	16.7	16.1	16.4	17.0	18.2	19.1	19.6	20.8	21.2	21.5	21.7	21.9
Pct Chg Year Ago	-1.7	-4.5	-3.3	1.5	4.1	6.8	4.9	3.1	5.9	1.8	1.4	1.2	0.9
Other Services	7.4	7.0	6.5	6.3	6.5	6.6	6.9	7.1	7.2	7.1	7.1	7.2	7.2
Pct Chg Year Ago	-4.1	-5.3	-6.1	-2.9	3.2	1.1	4.3	2.2	1.6	-0.5	0.2	0.3	0.2
Federal Government	3.9	4.1	4.3	4.0	3.9	3.5	3.1	3.0	3.0	3.0	2.9	2.9	3.0
Pct Chg Year Ago	-0.7	4.6	5.7	-7.1	-2.5	-10.8	-10.1	-4.2	-0.5	-1.1	-1.5	-1.3	5.2
State & Local Government	36.4	35.8	33.8	32.5	32.2	33.6	35.4	36.5	37.3	37.8	38.4	39.1	39.6
Pct Chg Year Ago	0.1	-1.7	-5.6	-3.8	-1.0	4.3	5.6	3.2	2.2	1.2	1.8	1.8	1.2

Other Economic Indicators

Population (Ths.)	672.6	679.3	688.4	696.1	701.7	706.4	716.5	727.5	738.9	749.7	760.7	772.1	784.4
Pct Chg Year Ago	0.6	1.0	1.4	1.1	0.8	0.7	1.4	1.5	1.6	1.5	1.5	1.5	1.6
Labor Force (Ths.)	304.5	309.9	311.2	310.9	311.0	311.0	311.1	311.6	318.8	323.7	327.6	331.9	335.5
Pct Chg Year Ago	1.5	1.8	0.4	-0.1	0.1	0.0	0.0	0.2	2.3	1.5	1.2	1.3	1.1
Unemployment Rate (%)	10.5	14.9	16.5	16.2	14.4	12.4	10.6	8.7	7.6	7.3	7.3	7.6	7.6
Total Housing Starts	1021	826	853	957	1058	1220	1297	1564	1988	2694	3261	3483	3649
Single-Family	898	826	846	825	1044	1096	1284	1513	1660	2334	2851	3010	3138
Multifamily	123	0	7	132	14	124	13	51	328	361	410	473	512

* Real personal income and real per capita income are adjusted for inflation and regional purchasing power parities. This facilitates interregional comparisons of income that control for the cost of living.

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A national doctoral university, University of the Pacific is recognized for an education combining exceptional professional preparation in a student-centered tradition of close interactions between students and professors. With a core liberal arts college and eight professional schools, more than any university enrolling fewer than 10,000 students, Pacific offers professional opportunities associated with far larger institutions in the environment of a small learning community. Pacific is California's first chartered institution of higher learning, having received its articles of incorporation from the California Supreme Court on July 10, 1851. The University enrolls more than 5,600 students on three campuses situated in the Northern California cities of San Francisco, Stockton and Sacramento.

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Center for Business and Policy Research

The Center for Business and Policy Research, founded in 2004 and housed in the Eberhardt School of Business, produces quarterly economic forecasts of California and 8 metropolitan areas from Sacramento to Fresno to the San Francisco Bay Area. In addition to its forecasting program, the Center conducts policy and planning studies on topics such as water, transportation, housing, and economic development for public and private clients throughout Northern California.

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Dr. Jeffrey Michael is Director of the Center for Business and Policy Research and Associate Professor in the Eberhardt School of Business at the University of the Pacific.

Jeff's areas of expertise include regional economic forecasting and environmental economics including work on the economic impacts of the Endangered Species Act, climate change, and regulation on land use, property values and employment growth.

His research has received numerous grants, been published in scholarly journals and received local and national press coverage including the Wall Street Journal, New York Times Magazine, San Francisco Chronicle, Washington Post, NPR, and PBS.

Prior to joining Pacific in 2008, Jeff was faculty at Towson University in Maryland where he served as Director of the Center for Applied Business and Economic Research, Associate Dean, and faculty. Jeff received his Ph.D. from North Carolina State University, M.S. from the University of Maine, and B.A. from Hamilton College (NY).





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