



Blueprint

Then | Now | Next

An Economic Perspective

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The Economy and Planning for Growth—A Two Way Connection



The economic forecast
tells us how many jobs,
people and households
to plan for

But good planning is
necessary to make the
region attractive for
companies and families

Then-The View When the Blueprint Was Developed



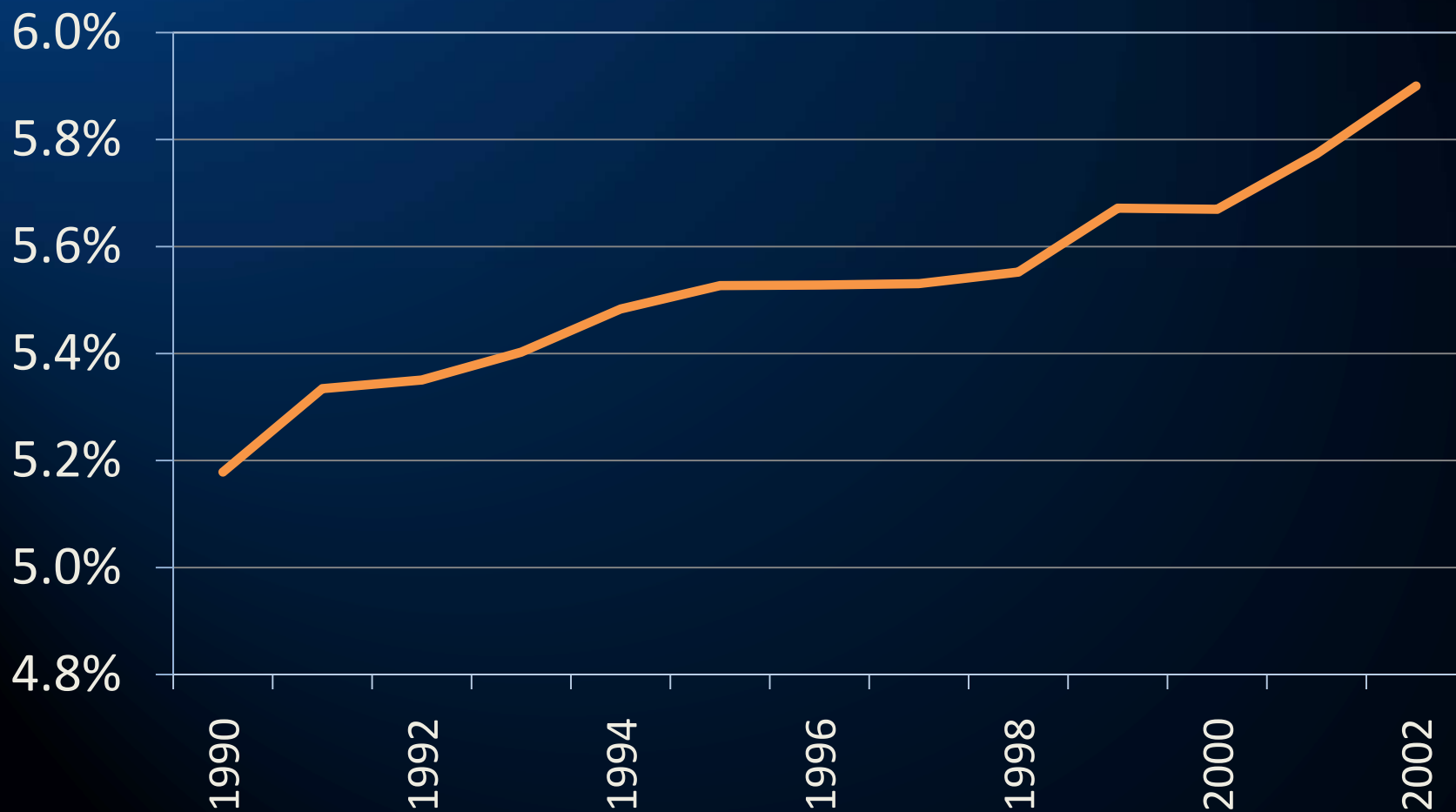
- A region in the midst of surging growth
- Job growth outpacing the state and nation

Then-The View When the Blueprint Was Developed



- A surge in population and housing growth
- The beginnings of an unsustainable surge in housing prices

SACOG Share of California Jobs



SACOG Region Residential Permits



SACOG Median Resale Housing Price



Now—The View From 2010



A period of rapid growth was experienced in the mid decade followed by slowing growth and now we have.....

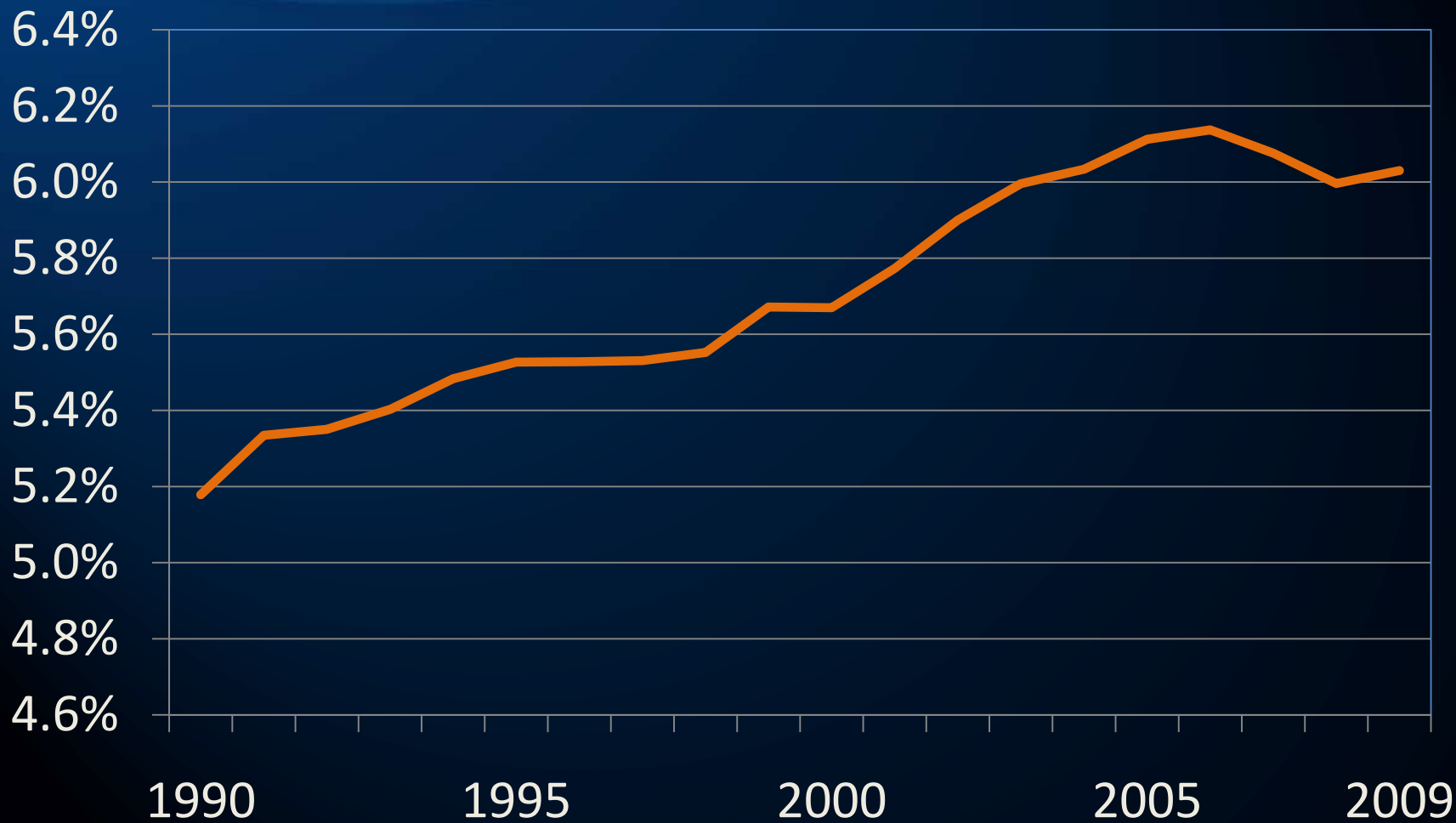
- A deep recession engulfs the region and people are worried about the future
- The largest sector in our regional economic base—state government—is losing jobs

Now—The View From 2010



- Population growth has declined and housing prices have fallen sharply
- The future feels uncertain as residents and businesses worry about the future

SACOG Share of California Jobs



Median Resale Housing Prices



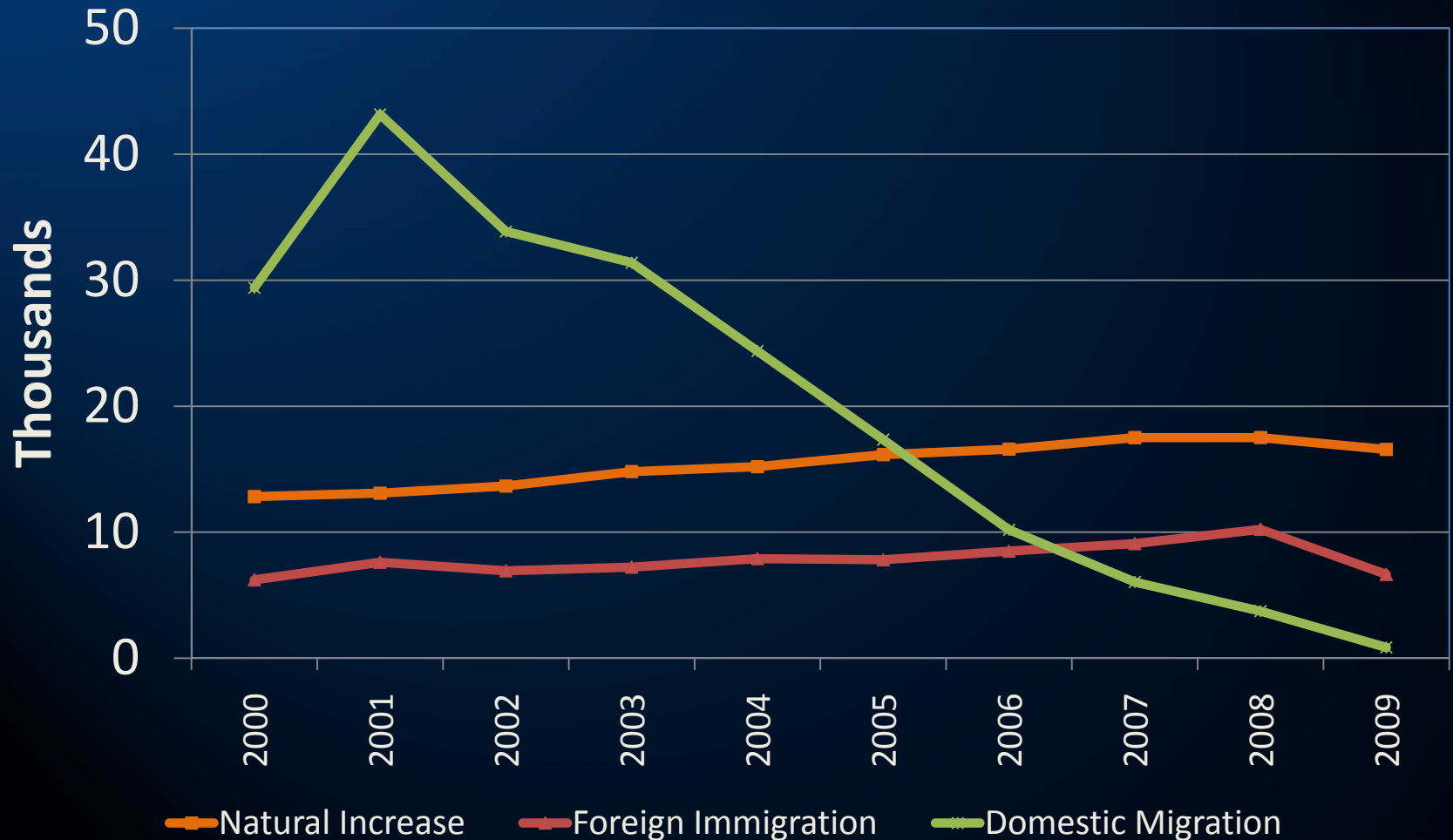
SACOG Region Population Growth



(Thousands)



SACOG Components of Population Change



Next—The View to 2020 and 2035



The future for jobs—Will state government rebound? Will a new sector emerge?

The future for housing—Can we provide housing that people want and can afford?

Future Outlook— Changes Since the Blueprint was Adopted



Positive for Growth

- Housing Affordability??
- New Industry Opportunities

Negative for Growth

- Lower US Pop Growth
- Lower CA Job Share
- State Budget Gridlock and Impact on jobs and infrastructure

The Outlook to 2035

Lower Growth, Strong Role for Planning



- The SACOG region will outpace the state and nation but job growth in the region, state and nation will be less than previously expected.
- Population growth will remain near current levels and there will be dramatic changes in the region's age structure.

The Outlook to 2035

Lower Growth, Strong Role for Planning



- Housing affordability has returned but the outlook for new housing is uncertain given foreclosures, vacancies, income losses and lending standards.
- State government will need to grow to meet the 10-12 million new residents by 2035.

The Outlook to 2035

Lower growth, strong role for planning

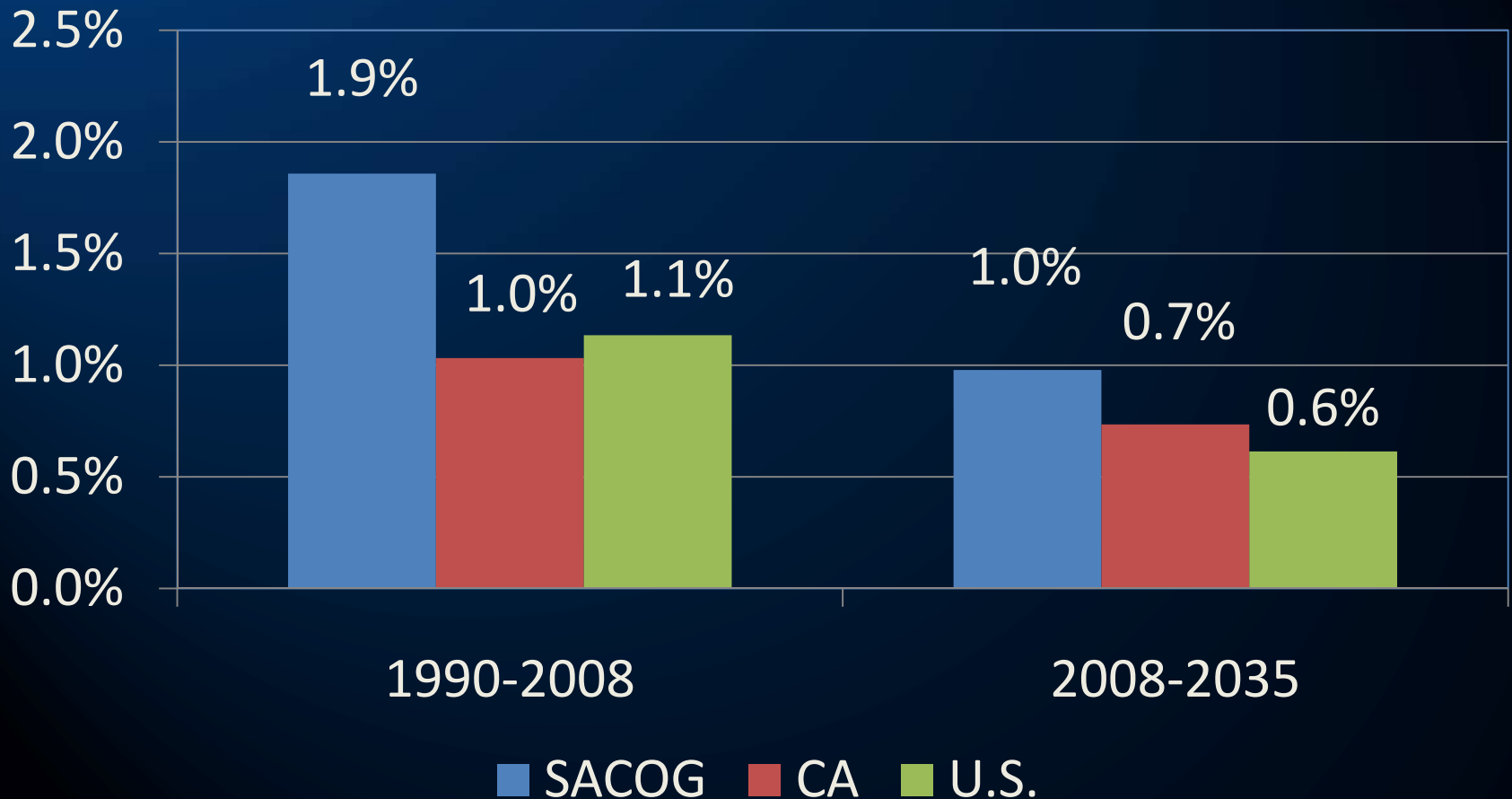


- It is likely that the region will participate in one or more of the new industries that will emerge as the nation tackles energy and health care and strives to promote innovation
- The region can offer well planned and comparatively less crowded communities.

SACOG Median Price as % of U.S.



Average Annual Job Growth Rate



SACOG Population Growth 2008-2035



(Thousands)



Two Phases to Population and Household Growth



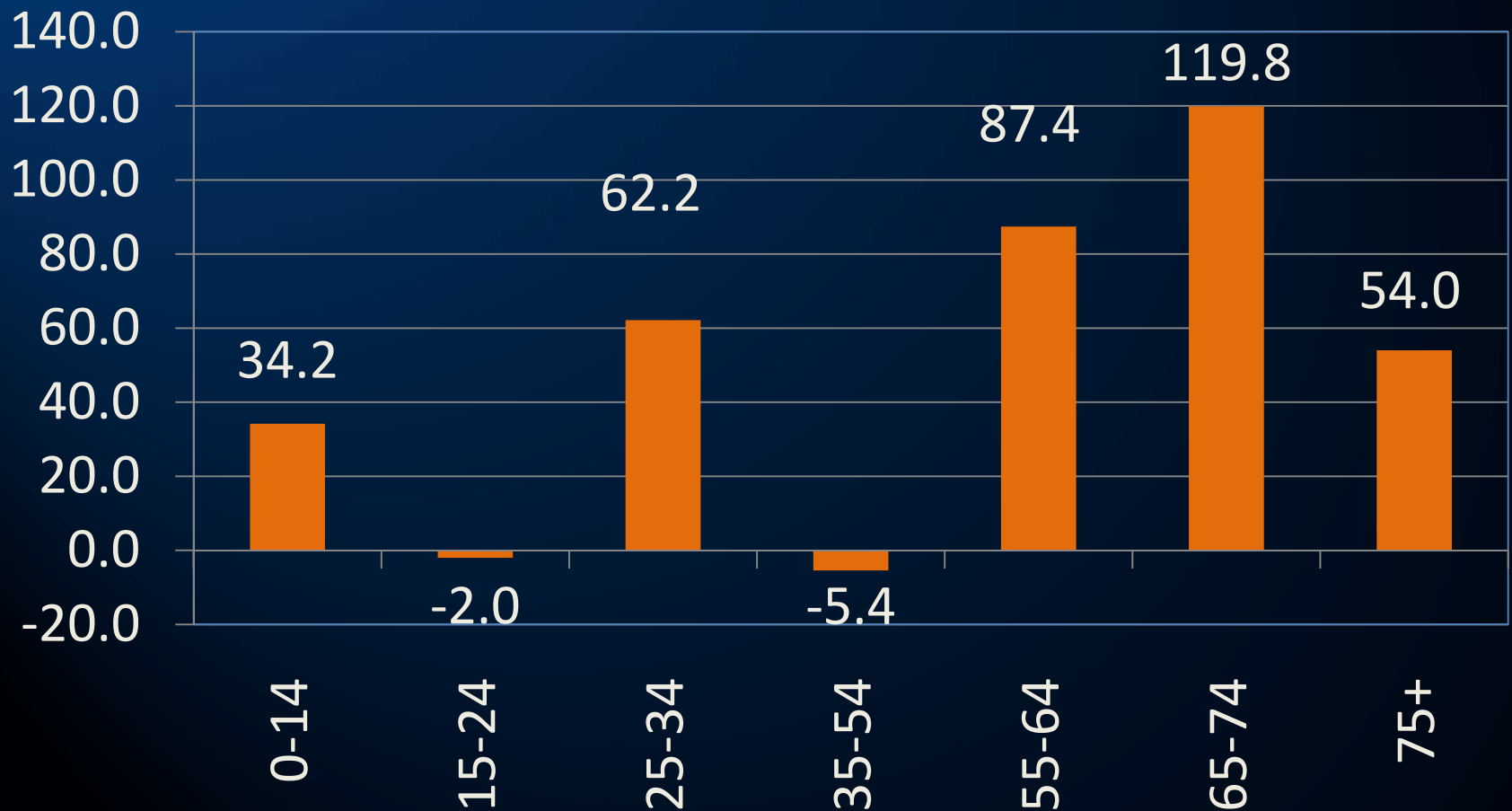
- Growth concentrated on older age groups throughout the period with 70% of HH growth in HH headed by someone 55 or older
- To 2020 there will be a surge in young adults with little growth in the 35-55 ages and only small growth in the number of school age children

Two Phases to Population and Household Growth



- After 2020 moderate growth will reemerge in the prime family age groups and in the number of school age children

SACOG Population Growth 2008-2020 (Thousands)



The Economy and Planning for Growth—The Role of Public Policy



The Blueprint process speaks to regional planning strategies

But good planning requires state support for investment—in people, in infrastructure and in communities so CA can offer great places to live and work