

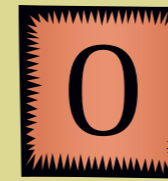


Solano County 2008 Index of Economic and Community Progress

Solano Economic Development Corporation

Prepared by Collaborative Economics

The inaugural Solano County Index of Economic and Community Progress reflects the ongoing collaboration of many community partners – the County of Solano, the Solano Economic Development Corp., respected community experts serving on a Technical Advisory Committee and the consultant Collaborative Economics – who understand that with this knowledge they can sustain and grow the Solano County economy. The entire Solano County Index of Economic and Community Progress can be found at: www.solanocounty.com.



On behalf of the Board of Supervisors and our community partners, I am excited to present this inaugural *Solano County 2008 Index of Economic and Community Progress*. This insightful document shows how we have been successful in reshaping our economy over the last decade. It also brings to light areas where our collaborative efforts are needed to sustain a thriving economy that ensures our shared economic prosperity.

This index reflects the commitment of true leaders from all segments of our community who understood that creating a shared vision for our economy would improve the quality of life for all of us. Two of my colleagues on the Board – Mike Reagan and John Vasquez – championed this effort alongside other thinkers in business, education, nonprofits and government. We owe them a debt of gratitude.

When they started this journey nearly two years ago with the first Economic Summit, the majority of us shared a sense of optimism about the local economy. We knew then it wouldn't last forever, and we lacked a practical measurement tool to guide our decisions in good and bad times. This index will provide us the foundation for the fact-based decisions needed to restore our economy.

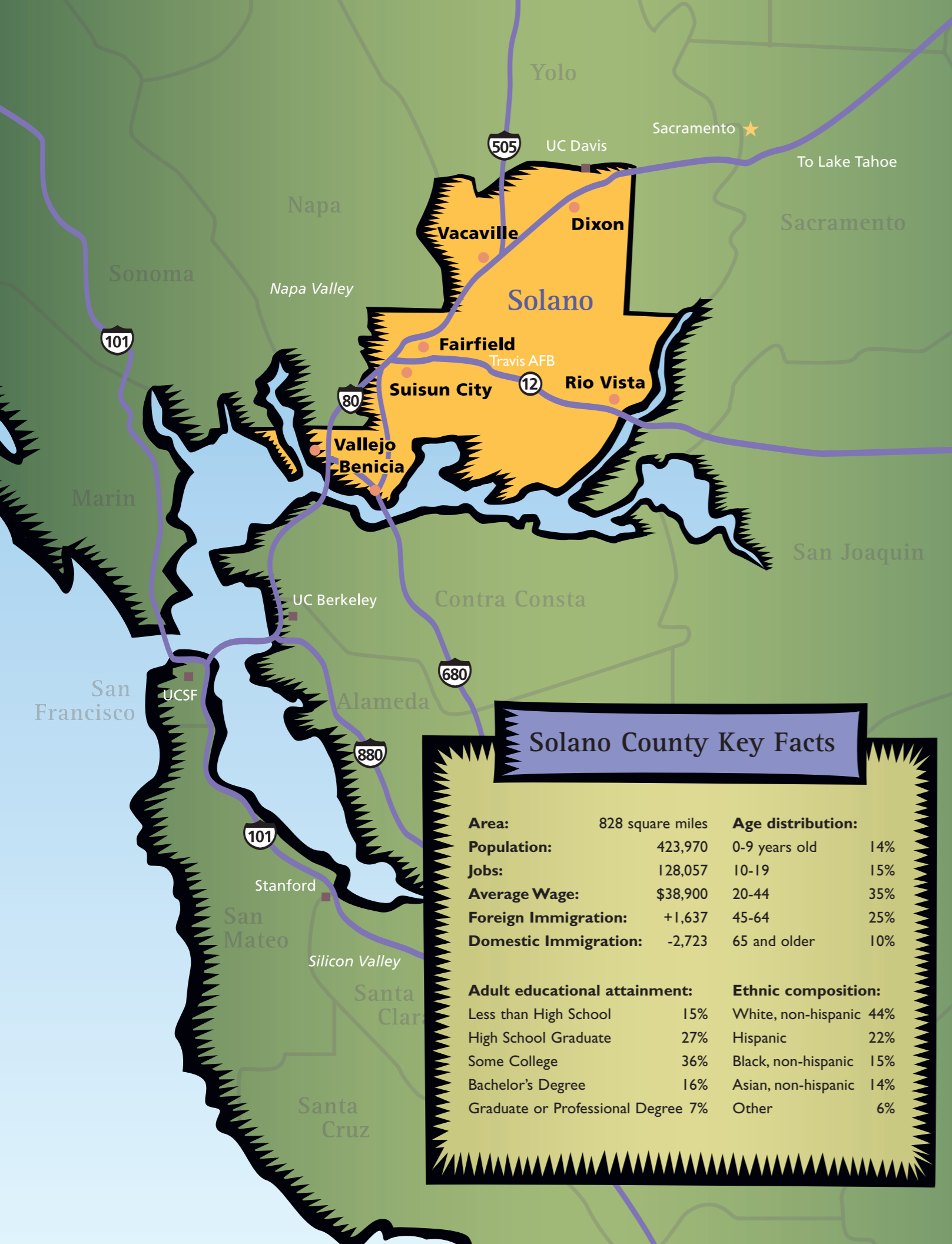
In one snapshot, we can see how during the first part of this decade we created unprecedented economic opportunity. Our efforts to diversify our economy in the wake of military base closures paid off with seven industry clusters now making up almost 40 percent of our job base. Resident income grew by more than 15 percent. Now, that diversified growth is providing a resilience that will help us weather through these turbulent times.

The economic indicators also foretell of the hard work that is left to be done. We need more higher-wage jobs and more of residents staying in the County to earn a living. Our community could do more to prepare our children to be successful in the world of work. These are not exactly new issues, but it does mean the community's efforts to address these problems are consistent with the facts.

This document is the starter for some serious conversations about the future of Solano County. I challenge you to work with our partners across this county to take the action necessary to build upon our strengths and to address our challenges – to move us toward a positive vision of the future.

Sincerely,

John F. Silva
Chairman
Solano County Board of Supervisors

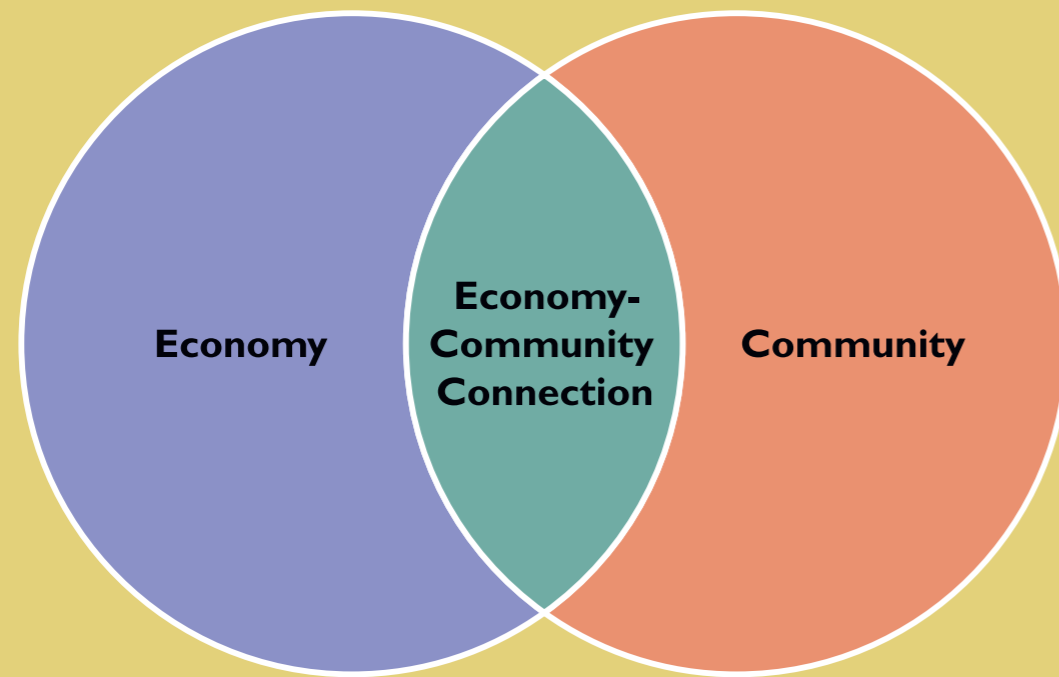


Solano County Key Facts

Area:	828 square miles	Age distribution:	
Population:	423,970	0-9 years old	14%
Jobs:	128,057	10-19	15%
Average Wage:	\$38,900	20-44	35%
Foreign Immigration:	+1,637	45-64	25%
Domestic Immigration:	-2,723	65 and older	10%
Adult educational attainment:		Ethnic composition:	
Less than High School	15%	White, non-hispanic	44%
High School Graduate	27%	Hispanic	22%
Some College	36%	Black, non-hispanic	15%
Bachelor's Degree	16%	Asian, non-hispanic	14%
Graduate or Professional Degree	7%	Other	6%

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Index Overview

Measuring Our Progress

Connecting Our Economy and Community

Solano County has undergone an economic transformation that has produced unprecedented opportunity for its residents. Since the dawn of the decade, incomes of residents have grown much faster than those of the rest of the Bay Area, California and the nation. This has not happened by accident. Solano County has successfully grown high-wage jobs, birthed thousands of new companies, and performed better in specific industries than the rest of the region.

This transformation and prosperity lifted per capita income by 15%, after adjusting for inflation, while the rest of the Bay Area actually experienced a 6% increase during the same time. Solano County has benefited in many ways by being part of the Bay Area—such as becoming an increasingly attractive location for companies and industries with roots in the region.

Seven Growing Industry Clusters

Seven growing industry clusters have driven this change: a diverse mix of sectors ranging from life sciences to trade and logistics, from health services to advanced food, beverage, and other specialized manufacturing, from professional services to construction. In total, these clusters now directly account for almost 40% of Solano County's jobs—up from 28% in 1995. They also have a ripple effect on retail and other services that makes them particularly important to the future of the County.

The County is Showing Resilience

Even with the recent economic turbulence that has rippled across the nation, Solano County is showing its resilience, with job losses that are modest in comparison to the substantial employment gains since the beginning of the decade. While jobs held by Solano County residents increased 8.1% between August 2000 and August 2006 (and total jobs grew 10.2%), jobs held by residents declined 1.7% between August 2006 and August 2008. Since total Solano County jobs declined about 3.5% between August 2006 and August 2008, over half of the job losses have affected those who commute into Solano County for work rather than County residents. Despite increasing financial pressures on some residents, the vast majority of homeowners are weathering the economic turbulence.

The Potential to Grow Stronger Connections between the Economy and Community

There is no question that Solano County's economy is producing growing opportunity over the long term. The real question is: will Solano County be able to connect its residents—workers, commuters, and children—to these opportunities now and in the future? So far, the answer for many residents has been yes, as the past decade of job and income gains attests.

But, there are indications that the connection between the people and economy of Solano County has the potential to grow stronger.

- While the local economy has grown more higher-wage jobs, it is not yet producing enough of these jobs for the County's college-educated population. Well over half of the 75,000 Solano residents who commute to other counties have college-level education. This daily migration of talent not only clogs freeways and contributes to greenhouse gas emissions, but pulls people out of their communities and away from their families, undercutting their quality of life. It is perhaps not surprising that more college educated people are leaving the County than arriving as new residents.

- Solano County is doing an uneven job preparing local children for economic opportunity. Despite some high-performing schools, dropout rates for some groups are alarmingly high. Too many of Solano County's children are not on a path that would lead them into the mid- to high-wage jobs that the local economy is producing.
- Housing has become both a greater burden and a growing opportunity for Solano County residents. Rising home prices since the dawn of the decade have put added financial pressure on homeowners. By 2006, almost half of Solano County households (46%) spent 35% or more of their income on housing costs—compared to just 27% of households in 2000. Foreclosures have spiked in the last two years. But, prices have also dropped—35% from July 2007 to July 2008. Housing is now becoming more affordable for new home buyers.
- A spike in crime affects quality of life, which is an essential ingredient for economic prosperity. Talented people live in Solano County today because they enjoy the distinctive quality of life and unique attributes offered by different local communities. Despite a long-term record of improved public safety, the current spike in crime is a concern because it undercuts Solano's quality of life, which in turn impacts Solano's economic prosperity.

The Challenge

None of these trends is inevitable or irreversible. They are signs that the connection between the economy and community could be stronger. This is a challenge for every region, County, and city—and one that never ends. Places that succeed create opportunity that is widely shared among their residents—and keep adjusting as realities change.

The Long-term View

What the inaugural Solano County Index reveals is a long-term economic transformation that is producing growing opportunity for the people of Solano County, a community resilience that bodes well for the future, and areas where the connection between the economy and community needs to be strengthened.

Because of its diverse and resilient economy and residents, Solano County is not bound by the past to a pre-determined future. It has proven that it can prosper in good times and bounce back from difficult times. Since the closure of Mare Island in the 1990s, the local economy has diversified into higher-wage industries and jobs, and the County has bounced back stronger.

Solano County is a place that provides opportunity for local children to grow up, become educated, find a job, establish a career, raise a family, and build a life—if they are adequately prepared. This is not the case in every community across America. The Index provides a shared base of information that can help all the communities of Solano County work together to strengthen this connection between their residents and opportunities provided by the local economy.

2008 Index at a Glance

What is the Index?

The Solano County Index tells a story through indicators that measure the strength of our economy and the health of our community – highlighting challenges and providing an analytical foundation for leadership and decision making.

What is an Indicator?

Indicators are measurements that tell us how we are doing; whether we are going up or down, going forward or backward, becoming better or worse, or staying the same. All indicators use the most comprehensive data from the latest year available.

Good indicators do the following:

- They are bellwethers that reflect fundamentals of long-term regional health;
- They reflect the interests and concerns of the community;
- They are statistically measurable on a frequent basis; and
- They measure outcomes, rather than inputs.

Appendix A provides detail on data sources for each indicator.

What is an Industry Cluster?

Several of the economic indicators relate to “industry clusters.” An industry cluster is a geographic concentration of independent, internationally competitive firms in related industries, and includes a significant number of companies that sell their products and services outside the region. Healthy, outward-oriented industry clusters are a critical prerequisite for a strong economy.

Appendix B identifies the specific subsectors included in each cluster.

Index at a Glance



Our Changing Economy

Our Economy has Produced Growing Revenues, Incomes, Jobs, and Firms

- **Our Incomes have Grown.** Solano County has become a much more prosperous and productive place—and at an ever faster rate since the beginning of the decade. These economic gains helped increase per capita income by 15%, more than double that of the rest of the San Francisco Bay Area (6%), and almost two thirds greater than California (9%) during this period.
- **Our Job Growth has been Strong and the Number of Individual Business Owners has Proliferated.** The total number of jobs grew 30% between 1990 and 2007. Job growth has been slower since 2002—and contracted modestly in 2007 and 2008. Between 1997 and 2006, the number of individual business owners (37%) actually grew faster than jobs in firms (27%). This group is now equivalent to 16% of total jobs in Solano County.

Our Economy has Diversified and Our Competitive Advantages have Grown

- **Leading Clusters Represent a Growing Share of the Solano County Economy.** Solano County has emerging industry clusters that are high in employment concentration, experiencing growing real wages, and producing positive average annual growth. The seven industry clusters identified in Solano County accounted for 39% of the total jobs in 2006, compared to just 28% in 1995. Expanding 35%, the Life Sciences cluster

experienced the fastest growth between 2000 and 2006. This total number of jobs understates the overall impact of these clusters because of the ripple effect leading clusters have on the growth of local retail and other services.

- **These Clusters Grew Faster in Solano than in Other Bay Area Counties.** While the majority of Solano County clusters experienced positive average annual growth rates between 2000 and 2006, the same industry clusters in the rest of the San Francisco Bay Area either lost employment or remained relatively unchanged.



Our Changing Community

Who We Are

- **Our Population is Becoming Much More Diverse.** The number of Latino residents has grown by more than a third (36%), but the number of Asian (19%) and African American residents (11%)—as well as all other people of color (13%)—grew substantially between 2000 and 2006.
- **Our Population is Becoming Older—and Younger.** The number of residents 65 and older grew by more than one-third (36%), with residents 50-64 increasing 22% between 2000 and 2006. Although residents aged 35-49 dropped in number by 1%, the next generation (16 to 34 year olds) grew 16%.

How We Are Growing

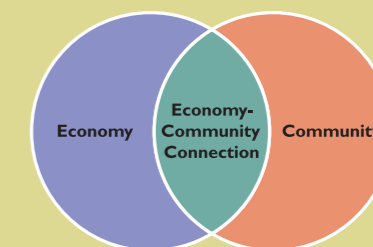
- **Our Population Growth has Slowed.** Reversing an earlier trend, Solano County is now adding people at a slower rate (0.5% from 2006 to 2007) than the rest of the Bay Area and California.

- **We are Experiencing Rising Outmigration, but Continued In-migration as well.** Reversing an earlier trend, more people are now leaving Solano County than entering. A closer look reveals that foreign immigration has remained fairly steady, while domestic outmigration has increased enough to produce a total net outmigration of population since 2004.
- **Many College Educated People are Arriving, but More are Leaving.** A closer look at migration patterns also reveals that almost 15,000 residents with at least some college education left the County in 2006, while about 12,000 with comparable education relocated to Solano County.

How We Are Doing

- **Incomes are Rising, But Many Households are Being Squeezed By Housing Costs That are Rising Faster.** Between 2000 and 2006, per capita income (adjusted for inflation) rose almost 9% in Solano County. At the same time, the percentage of households that have to spend 35% or more of their income on housing costs jumped from 27% to 46%. Foreclosure sales have also skyrocketed in Solano County as they have across California.
- **More of Our Youth are in Better Shape, but Fewer are Prepared for Higher Education.** Unlike California as a whole, the proportion of Solano County's youth considered overweight or obese—an indicator of future health risks—has declined in recent years. However, high school dropout rates have doubled since 2000—and are particularly high among certain groups, with 36-48% of students leaving high school before graduation.
- **Crime Rates have Declined Over the Long Term, but Spiked Up Recently.** Felony crime had dropped from a 1997 high to a 2004 low, but has since spiked back up in 2005 and 2006—including a particularly rapid rise in juvenile felony arrests.
- **Higher Home Prices have Increased Property Tax Revenues, but Prices are Now Dropping Significantly.** Thanks to rising housing prices,

property tax revenues doubled between 2000 and 2006, helping Solano County's city revenues rise during this period. However, by July 2008, average housing prices had dropped 35% since July 2007, according to the California Association of Realtors.



The Connection between Our Economy and Community

Connecting Residents to Jobs

- **We have Fewer Higher-Skilled Jobs than Highly-Educated Residents.** Almost 60% of our residents have at least some college (including associate degrees and professional certifications), while only 44% of the County's occupations require at least some college education.
- **Many Residents Must Commute Outside the County to Work.** About 75,000 residents commute to jobs outside the County—and well over half of these commuters have a college-level education. This daily migration of talent not only clogs freeways and adds to greenhouse gas emissions, but pulls people out of their communities and away from their families, undercutting their quality of life. It is, perhaps, not surprising that more college educated people are leaving the County than arriving as new residents.
- **We have been Producing More Housing than Jobs.** Despite recent progress towards balance, in 2006, Solano County produced just over nine jobs for every ten housing units. In addition, 37% of employed residents commuted outside Solano County for work.



Solano's per Capita Income has Grown



Why Is This Important?

A community's standard of living can be estimated by the value of the region's per capita income. Per capita income rises when a region generates wealth faster than its population increases.

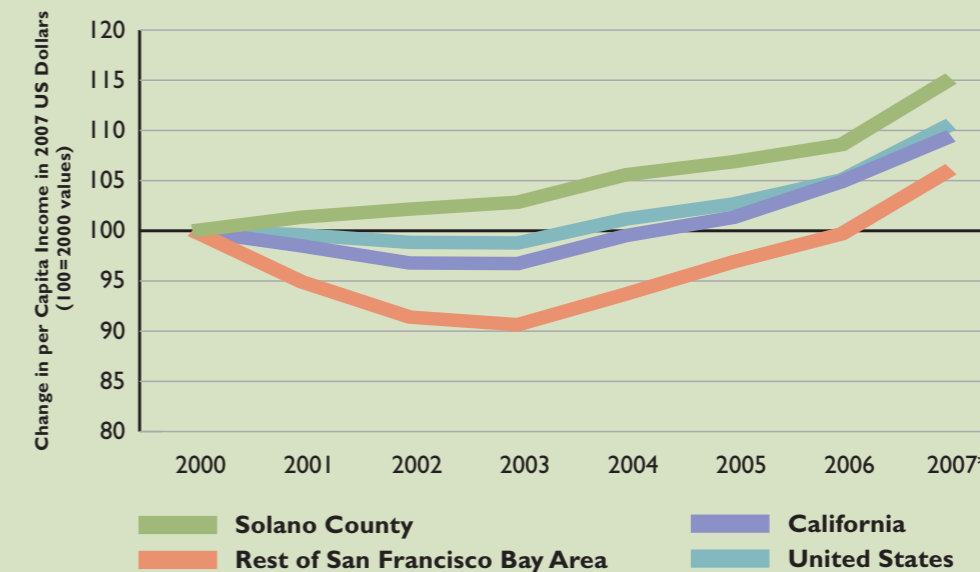


How Are We Doing?

The shift in Solano County's economic base has led to an increase in per capita income by 15% to \$38,239, almost two thirds greater than the per capita income increase for California (9%) and greater than the growth for the United States (11%). In addition, Solano County experienced an increase in per capita income two and a half times the per capita income increase for the rest of the San Francisco Bay Area (6%).

Change in per Capita Income

Solano County, Rest of San Francisco Bay Area, California, and United States



Data Source: Bureau of Economic Analysis
 Analysis: CEI
 Rest of San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, and Sonoma Counties
 * Preliminary per Capita Income estimates for 2007.

Percent Change in per Capita Income from 2000 to 2007

Solano County	+15%
Rest of San Francisco Bay Area	+6%
California	+9%
United States	+11%



What Does this Mean?

Since 2000 Solano County's per capita income has been increasing at a faster rate than in the rest of the Bay Area, California and the nation. This means that the County has experienced a rise in relative prosperity.

Years of Strong Job Growth Helps Solano Cope with Recent Job Contractions



Why Is This Important?

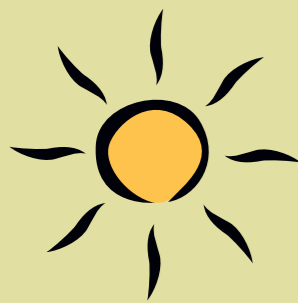
Tracking job gains and losses is a basic measure of economic health. Shifting employment across industries suggests structural changes in Solano County's economic composition. Over the course of the business cycle, employment shifts have taken place across industries as entire industries grow and shrink, exposing structural changes in Solano County's economic composition.



How Are We Doing?

The total number of jobs and employed residents in the County grew significantly between August 2000 and August 2006 – 10.2% and 8.1% respectively. From August 2006 to August 2008, Solano County jobs declined by 3.5%, while the number of employed residents only declined by 1.7%. This difference means that more than half the job loss was experienced by commuters rather than residents in the past two years.

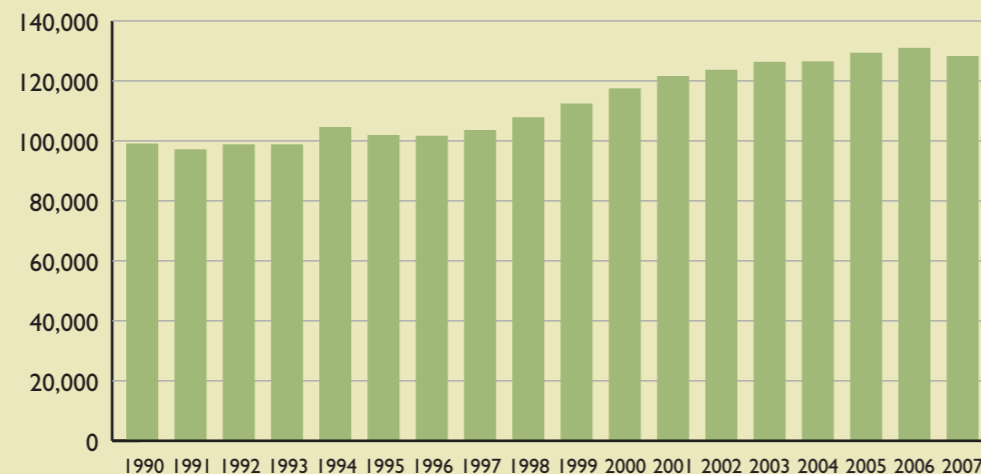
To put recent job losses in longer-term perspective, Solano County jobs grew 30% between 1990 and 2006—much faster than California (18%) or the rest of the Bay Area (9%). Since 1990, Solano County's last significant job losses occurred with the Mare Island Base closure. In 1993, Mare Island was included in the Base Realignment and Closure Commission's closure list, and on April 1, 1996, the base was officially closed. Solano County bounced back after the base closure with a more diversified economy, robust job growth, increasing productivity, and rising incomes. Between 1996 and 2007, Solano County jobs grew by more than 26,000 jobs, (26%).



What Does this Mean?

Solano County's recent job growth and prior rebounds from earlier economic shocks, such as the closure of Mare Island, indicates that the County has demonstrated resiliency.

Annual Number of Jobs Solano County 1990-2007



Data Source: California Employment Development Department
Analysis: CEI

Percentage Increase in Jobs between 1990 and 2007

	Increase
Solano County	30%
Rest of San Francisco Bay Area	9%
California	18%

Change in Employed Residents and Total Industry Jobs

Trends relative to 2000 • Solano County



Data Source: California Employment Development Department
Analysis: CEI



+6%

Between August 2000 and August 2008, the number of jobs and employed residents in the County grew over 6%.

Micro-Enterprises are Increasingly Vital to the Solano Economy



Why Is This Important?

Micro-enterprises are firms with less than five employees. These include “non-employers”—that is, companies without employees that are owned and operated by a single person or co-owners—and firms with less than five employees. These firms are increasingly important because today’s global economy demands flexibility and agility—and smaller enterprises with highly skilled talent, as well as good access to the Internet and transportation infrastructure, can succeed in local and global markets.



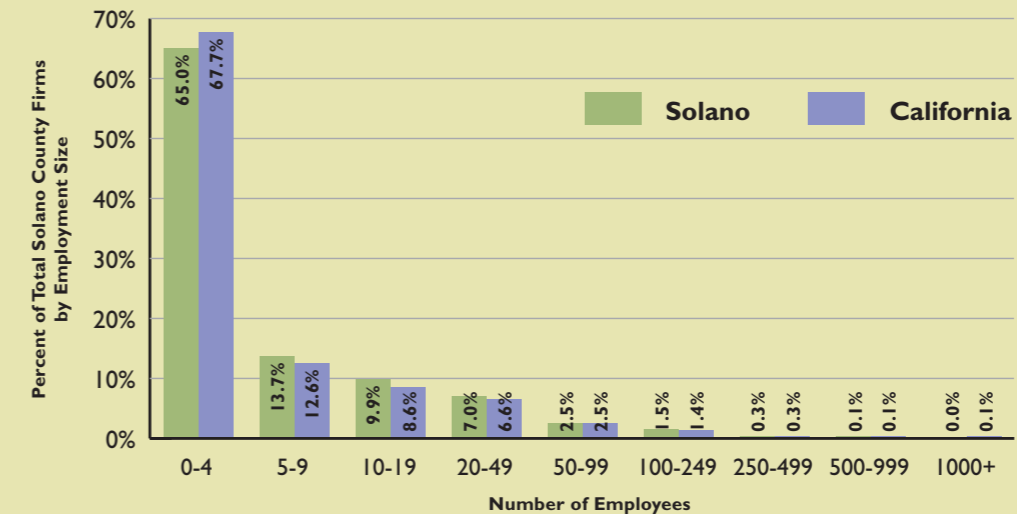
How Are We Doing?

In Solano County, 65% of businesses have fewer than five employees and 95% of the firms have fewer than 50 employees, not including firms without employees. In addition, Solano County also has a greater percentage of employees working for firms with fewer than 250 employees than California. Eighty-one percent of Solano County’s employees work in firms with fewer than 250 employees.

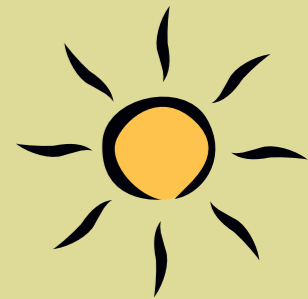
Firms without employees (also known as non-employers) have been growing at a faster rate than employment in firms with payrolls. Between 1997 and 2006, businesses without employees increased in number by 37%, and employment in firms with employees increased by 27%. From 1997 to 2006, Solano County added 5,786 firms without employees, with more than 24% starting up after 2000. In 2006, the County had 21,272 firms without employees. Importantly, firms without employees are equivalent to approximately 16% of the job base of Solano County. Adding the number of firms without employees to number of jobs provides a fuller picture of how Solano County residents actually make a living.

Firms without employees tend to be service enterprises. Many are in real estate, rental, and leasing, which grew substantially during the housing boom. However, there are nearly as many in professional, scientific, and technical services—which tend to be firms with high-skilled, high-wage owners, often serving local and global markets.

Firm Size by Number of Employees Percent of Total Solano County Firms by Employment Size



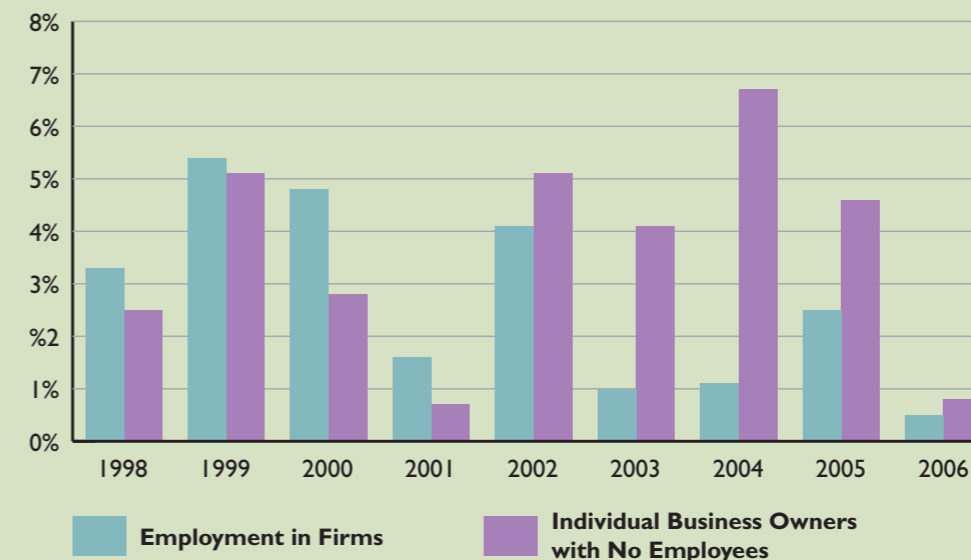
Data Source: California Employment Development Department
Analysis: CEI
Note: Based on employers who are subject to the Unemployment Insurance provision of the Unemployment Insurance Code.



What Does this Mean?

Solano County is dominated by micro-enterprises that are critical to the vitality of the economy. While large firms are still important, economic development efforts should also focus on the needs of these micro-enterprises.

Percent Change in Industry Employment and Individual Business Owners (with no employees) Solano County



Data Source: California Employment Development Department and U.S. Census Bureau, Nonemployer Statistics
Analysis: CEI



+24%

Between 2000 and 2006, Individual Business Owners with no employees increased by 24%.

Solano's Economy has Become More Diversified with Growing Specializations



Why Is This Important?

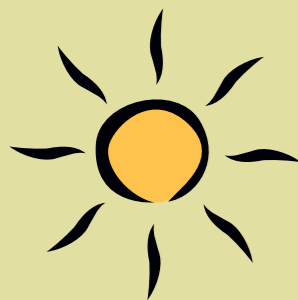
Regions are constantly challenged by changes in the global economy. To the extent that their economies are diversified with several strong specializations, they are more likely to be resilient in the face of economic turbulence as well as opportunistic in the case of emerging industries and markets.

Diversification is the development of a regional advantage across several industries—so when one industry experiences a downturn, others can help provide balance for the region.



How Are We Doing?

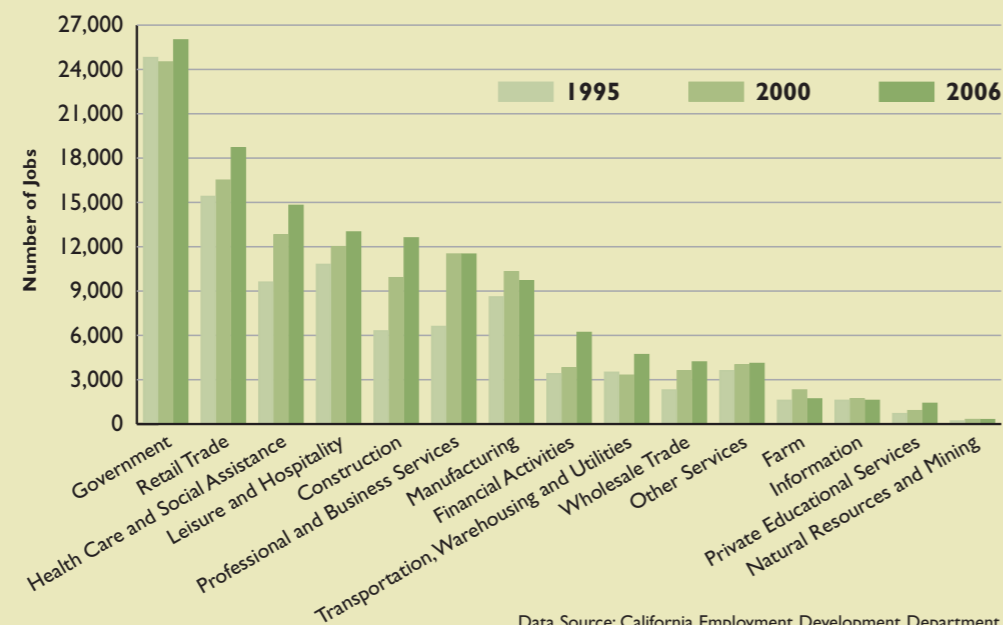
Looking at the entire economy in Solano County, almost all industry sectors grew between 1995 and 2006. Employment has grown across a diverse mix of major industry sectors—including construction, professional and business services, health care, financial services, wholesale trade, and transportation, warehousing, and utilities. At the same time, the share of government employment dropped from 25% to 20%, even with an increase in the number of government jobs – demonstrating Solano County's ability to diversify towards more of a private-sector economy with several specializations. As the following exhibits show, two of Solano County's traditional economic engines—agriculture and the military—remain important contributors, and part of the diverse economic base of Solano County.



What Does this Mean?

Solano County's economic diversity has created a greater balance of jobs, which provides increased stability in times of economic turbulence.

Comparison of Industry Sector Employment Solano County



Data Source: California Employment Development Department
Analysis: CEI

Solano County's Agricultural Value Chain

Solano County's economy includes multiple facets of the agricultural value chain such as production, manufacturing, packaging, and distribution that together contribute to Solano's competitiveness in the global food market. In 2007, the gross value of Solano County's agricultural production was \$268,255,200, with nursery stock, alfalfa, tomatoes (processing), cattle and calves, and walnuts rounding out the top five crops. The segments of the Food Chain consist of 1) Support, 2) Production, 3) Package/Processing, and 4) Distribution. Agricultural support consists of activities related to production, such as fieldwork, veterinary services, agricultural implement manufacturing, food product machinery manufacturing, irrigation systems construction, pesticide and fertilizer manufacturing, and technical consulting. Agricultural production processes vary widely across crop farming, vegetable farming, animal farming, and poultry and egg production. Food processing and packaging includes the full range of processes involved in canning products, fermenting wine, baking tortillas, and packaging fresh produce. Distribution is the process of moving the food products to the store shelves. Agriculture still adds much value to the economy, though its impact in terms of jobs has become less substantial over time.

Source: California Economic Strategy Panel, "California's Food Chain at Work: Agriculture Production, Processing, Distribution, and Support," November 2006

Economic Impact of Travis Air Force Base

The Travis Air Force Base is located east of the City of Fairfield in Solano County. It employs over 14,000 active-duty military members, various military reserves, and civilian employees. The majority of the workforce at the base is not included in the industry data; government employment only includes civilian employees and excludes all military personnel. There are 3,500 civilian employees, 3,300 reservists, and 7,900 military personnel. With such a large workforce, Travis Air Force Base contributes more than \$1 billion annually to the local economy. The base houses the largest air mobility organization in the Air Force with an all-jet fleet, which handles more cargo and passengers than any other military air terminal in the United States.

Source: Travis Air Force Base. November 2006. United States Air Force. June 2008 <http://www.travis.af.mil/>

Solano's Growing Industry Clusters Increasingly Drive Its Economy



Why Is This Important?

The performance of related industry sectors, or “clusters,” can determine a region’s primary source of wealth creation. A region’s competitive advantage can be measured by its employment concentration – a calculation that compares the percentage of regional employment with the percentage of the State employment in that cluster. The year 2006 is the last year available for the most comprehensive industry employment data.



How Are We Doing?

Solano County’s seven industry clusters (see exhibit) have become a much larger share of total jobs since the 1990s. The clusters accounted for 39% of the total jobs in Solano County in 2006—a major increase from 28% in 1995. The two largest clusters are Construction and Professional and Environmental Services with 13,755 and 12,915 employees, respectively. Life Sciences is the smallest of the seven; however, with 385 employees in 2000 and 2,301 in 2006, life sciences increased in employment by almost a factor of six since 2000.

Four of the seven clusters are more concentrated in Solano County than in California. The Life Sciences Cluster is the most concentrated in Solano County. The other three industry clusters with high concentration in Solano County are Construction, Specialized Manufacturing, and Health and Social Services.

Six out of seven clusters experienced real wage increases between 1995 and 2006. With the highest average annual wage growth, wages in Life Sciences grew by 99% to \$75,582. Although reporting the lowest wages on average, earnings in Advanced Food and Beverage Manufacturing grew by 77% to \$35,043 during this period.

Different clusters also have different growth rates. Three clusters—life sciences, trade and logistics, and construction—grew faster than other clusters during the 2000-2006 time period, and increased their overall share of cluster employment.

Solano’s clusters have done much better than their counterparts in the rest of the Bay Area. Using the same industry cluster definitions, none of the Bay Area clusters had a positive average annual growth rate between 2000 and 2006; all of the clusters either lost employment or remained relatively unchanged. In contrast, the majority of Solano’s industry clusters experienced positive average annual growth rates during this period. Six of the seven clusters for Solano County reported an annual growth rate of at least 1%.

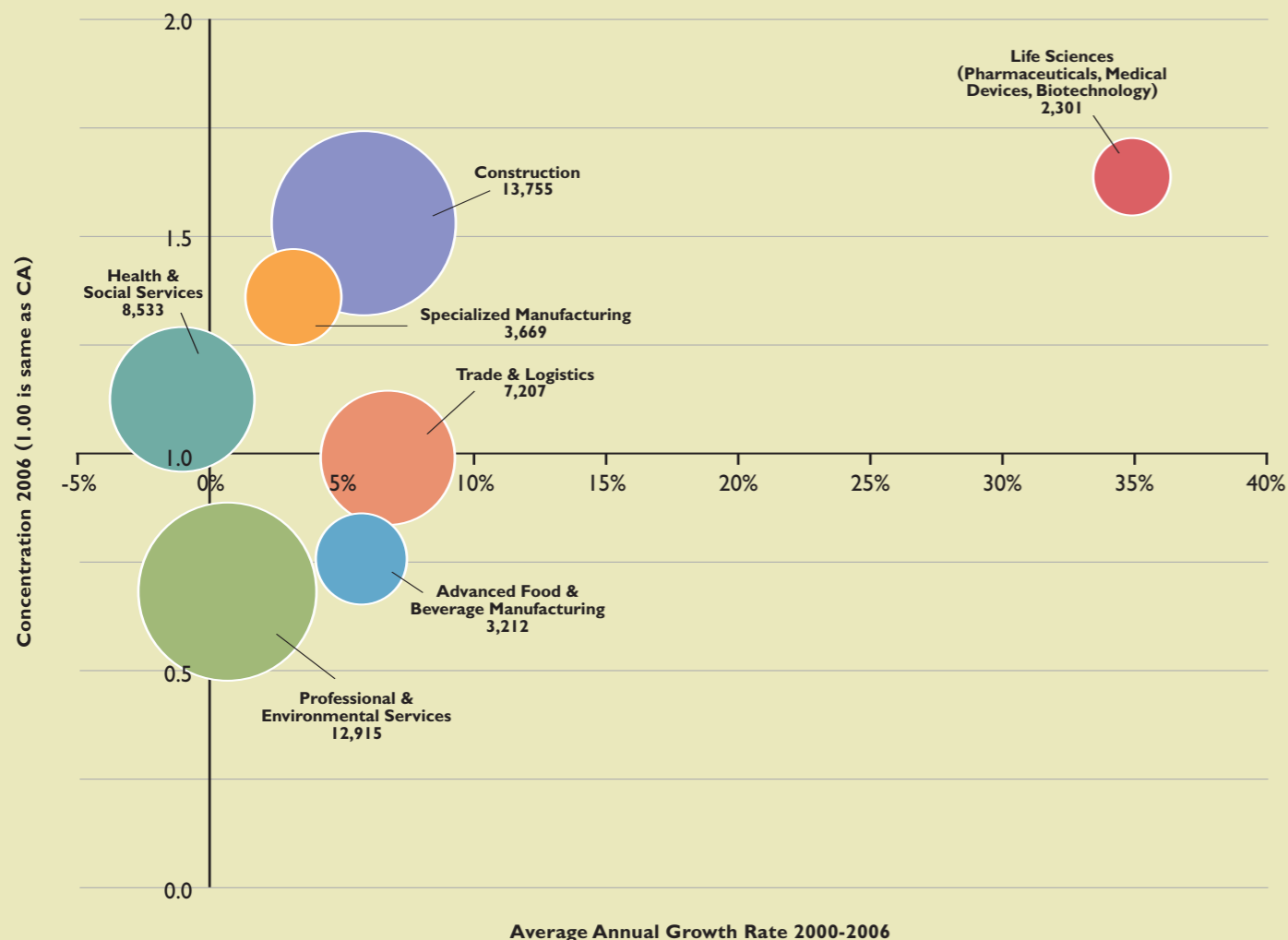
Industry Clusters:

-  **The Advanced Food and Beverage Manufacturing cluster** is comprised of crop production, animal processing, and manufacturing.
-  **The Construction cluster** includes building construction, heavy and civil engineering construction, specialty trade contractors, and architectural, landscape, and engineering services.
-  **The Health and Social Services cluster** is made up of doctor’s offices, dentist’s offices, outpatient centers, individual and family services, residential care facilities, and child care services.
-  **The Life Sciences cluster** is comprised of pharmaceutical manufacturing, medical devices, biotechnology, scientific R&D, and testing laboratories.
-  **The Professional and Environmental Services cluster** is made up of various industries supporting the businesses in Solano County. Some of the key industries are the following: insurance agencies, legal services, accounting, payroll services, employment services, technical and trade schools, real estate services, and environmental consulting services.
-  **The Specialized Manufacturing cluster** is made up of support activities for mining, commercial and industrial machinery services, and manufacturing firms in areas such as cement, architectural metals, glass and other manufacturing.
-  **The Trade and Logistics cluster** is composed of warehousing, wholesalers, and transportation. However, the military workforce in logistics at Travis Air Force Base is not included in industry data; government employment only includes civilian employees and excludes all military personnel.

The Seven Clusters' Percentage of Total Jobs in Solano County

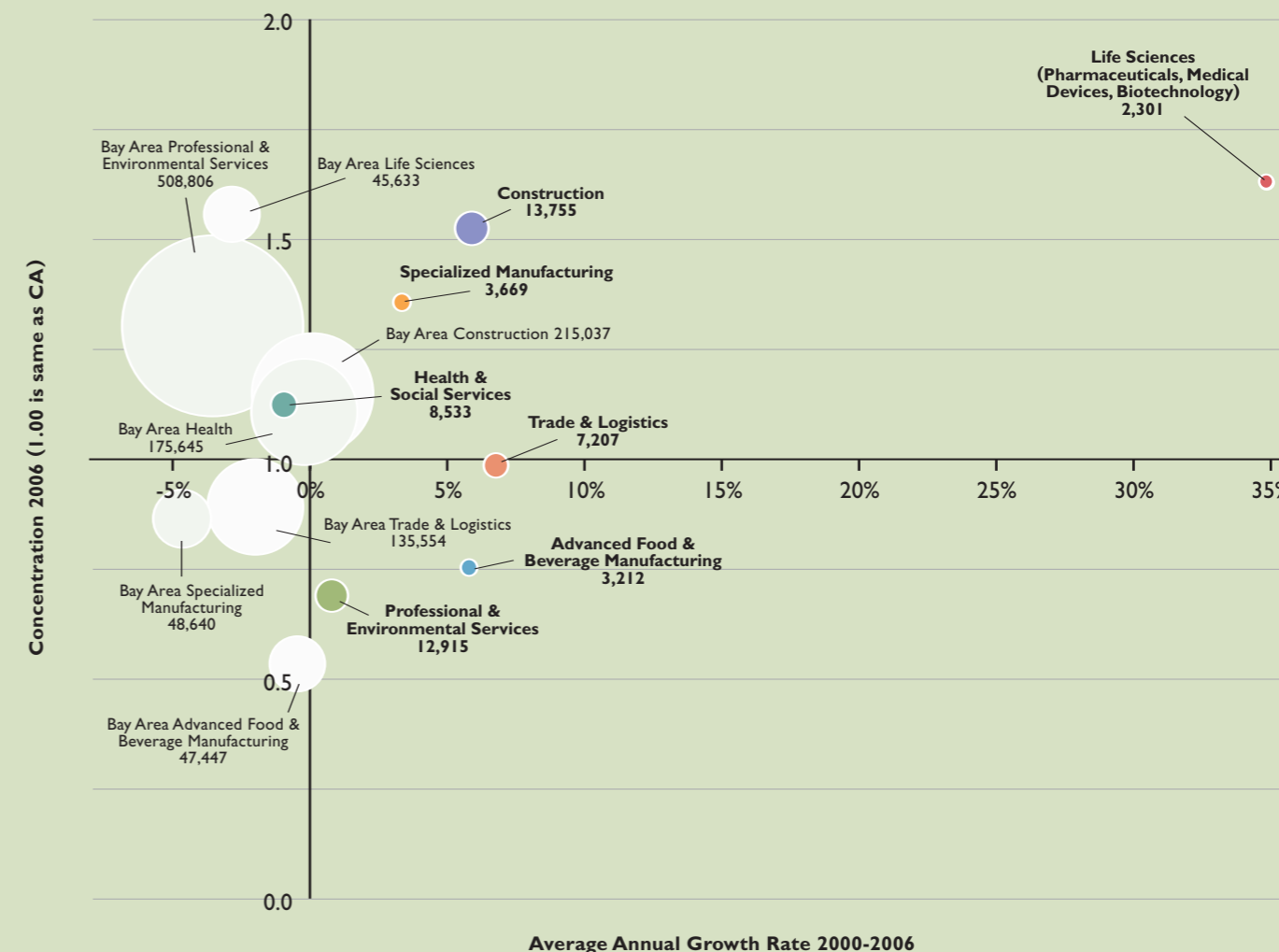
1995	2000	2006
28%	36%	39%

Solano Clusters of Opportunity 2000-2006



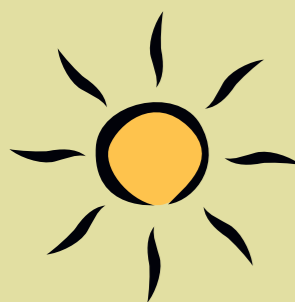
Size of bubble represents employment size in 2006.

Clusters of Opportunity Solano County and Rest of Bay Area* 2000-2006



Size of bubble represents employment size in 2006.

* Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.



What Does this Mean?

Solano County's major industry clusters are more specialized and growing faster than the same industries in the rest of the Bay Area. These clusters pay higher wages and generate demand for support services.

How to Read a Bubble Chart

A bubble chart provides perspective on three dimensions: the size, growth, and employment concentration in a cluster. Cluster bubbles arranged together in a chart help to communicate the overall regional picture. It tells what industries make up the region, their size, growth, and relative employment concentration.

The size of the bubble shows the employment size for the industry cluster. The x axis displays

the average annual growth rate each industry cluster grew or declined between 2000 and 2006. The y axis displays the employment concentration of each industry cluster and its ratio to California's employment in a cluster. A concentration greater than one indicates Solano County has relatively more employment in that cluster as compared to the State's economy as a whole.





Our Changing Community

Slower Growth, Greater Diversity, More People Leaving than Arriving



Why Is This Important?

A region's most important asset is its people. The population drives the region's economy and shapes its quality of life. Solano County has benefited from substantial growth from people drawn from around the country and around the world. New people bring new resources and new ideas, which can germinate economic growth in a region.



How Are We Doing?

Solano County's population continues to grow; however, in 2007, it was the slowest growing county in the Bay Area and California, with a 0.5% increase from 2006. Between 2000 and 2007, the County's population increased by almost 7%, with a net increase of 26,800 while the rest of the Bay Area grew by 6%. In contrast, in 2000 and 2001, Solano County was the fastest growing county in the San Francisco Bay Area.

Natural change, due to a combination of births and deaths, is currently driving population growth. On the other hand, net migration has remained negative for the last four consecutive years, with 1,086 people migrating out of the County in 2007. Net migration includes all legal foreign immigrants, residents who left the State to live abroad, and domestic migration, the balance of people moving to and from the region from within the United States.

While net domestic migration dropped by 2,723 people between 2006 and 2007, net foreign migration, although slowing, has remained a constant source of new population. To put these figures in perspective: these population flows accounted for only 1% of the county's population in 2007.

More educated people are leaving rather than moving to the County. Of the people migrating out of Solano County in 2006, 49% (14,970 people) had at least some college education, while only 44% (11,880 people) of the people migrating in had at least some college education. However, at the highest levels—bachelor's degree or higher—Solano County has gained more talent than it has lost during this period.

Solano County's population is getting older—and younger. The largest growth (35%) occurred in the age group of people 65 years and older. People 50 to 64 years increased in number by 22%, the second largest increase. Residents aged 35 to 39 years make up only 7% of the population and declined the most, dropping 26%. At the same time, those aged 18-34 increased 16%.

Solano County is getting more diverse. Between 2000 and 2006, the Hispanic population had the strongest growth, increasing 36% and accounting for over 23,000 people. However, the Asian and Black populations also grew substantially by 19% and 11%, respectively. Whites decreased in number by 4%. Looking at the Asian population more closely, Asian Indians and Vietnamese are growing in number while Filipinos and Japanese are decreasing.

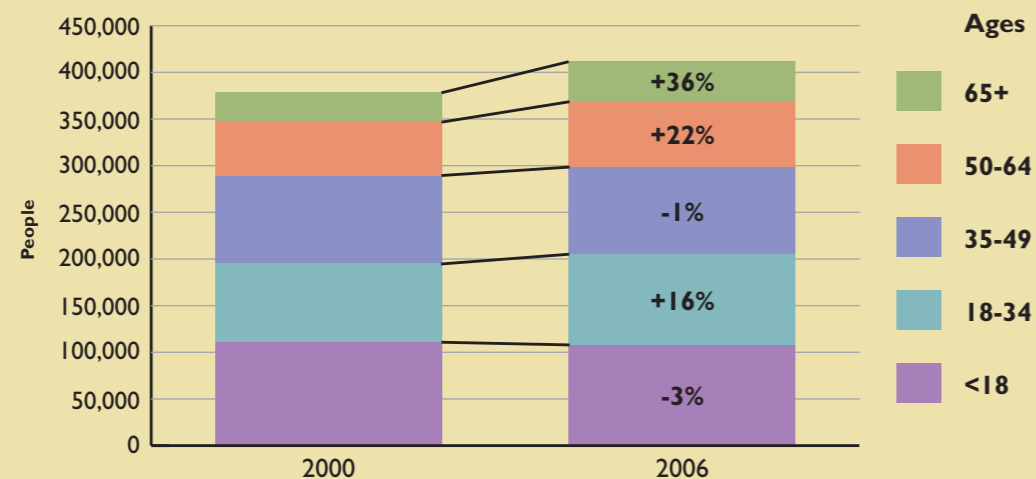


+16%

From 2000 to 2006 the population between 18 and 34 years of age increased by 13,000 people (16%).

Age Distribution

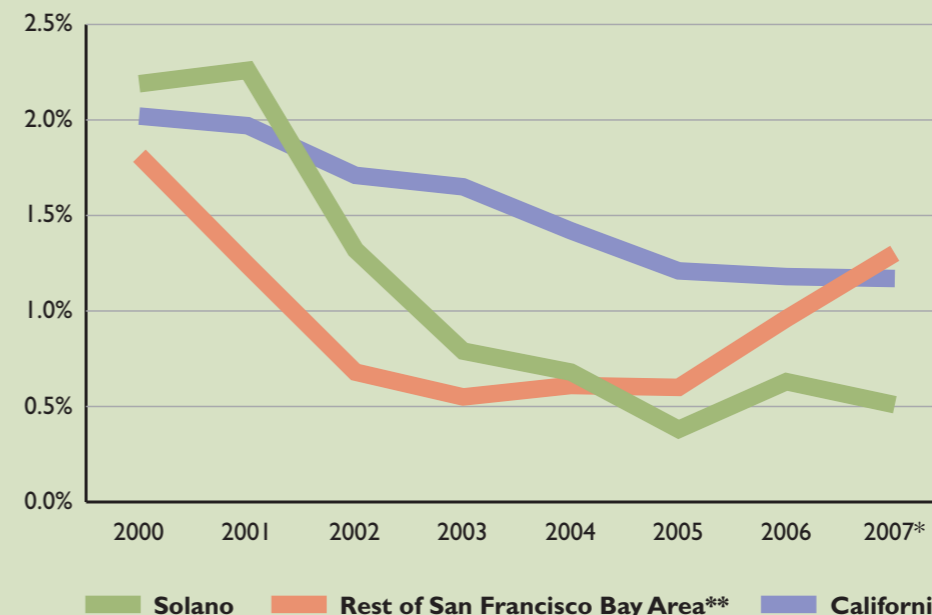
Number of People and Percent of Growth
Solano County



Data Source: U.S. Census Bureau, Decennial Census 2000 and American Community Survey 2006
Analysis: CEI

Population Growth Percent Change over Prior Year

Solano County, Rest of San Francisco Bay Area, and California



Data Source: California Department of Finance
Analysis: CEI
* Provisional population estimates for 2007
** San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.



+26,800

Solano County's population grew by 26,800 people between 2000 and 2007. Although the county has experienced a steady slowing in population growth, the county grew 0.5% in 2007.

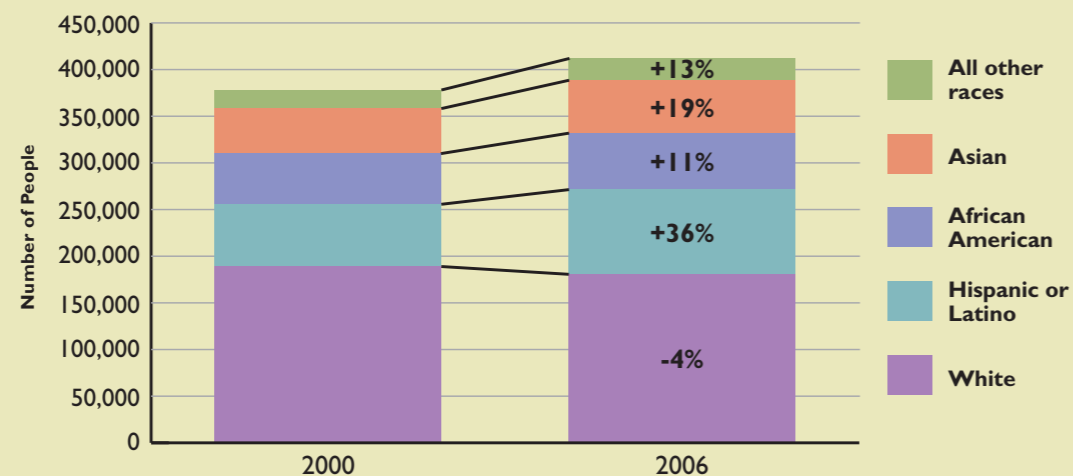


What Does this Mean?

Solano County's changing demographics have implications on the demand for education, health, and public services as the population becomes older, younger, and more diverse. Slower population growth changes the underlying drivers of some elements of the economy, including housing and construction, which historically been driven by population growth.

Population by Race and Ethnicity

Number of People and Percent of Growth
Solano County



Data Source: U.S. Census Bureau, Decennial Census 2000 and American Community Survey 2006
Analysis: CEI

Percent Change in Population

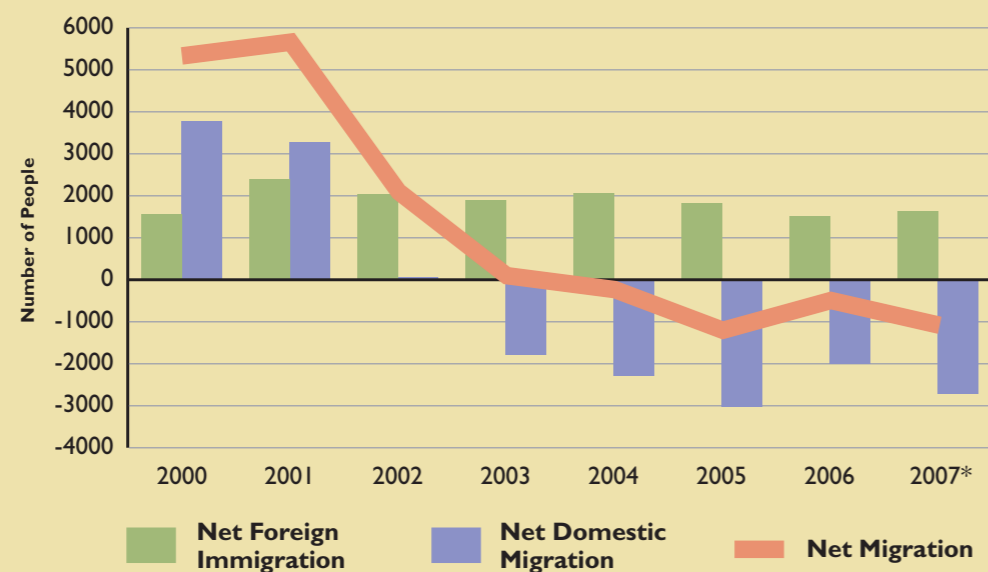
	2000	2007
Solano County	2.2%	0.5%
Rest of Bay Area	1.8%	1.3%
California	2%	1.2%



Net foreign immigration

Net foreign immigration is the difference of all legal foreign immigrants entering and leaving the County.

Domestic and Foreign Migration Solano County



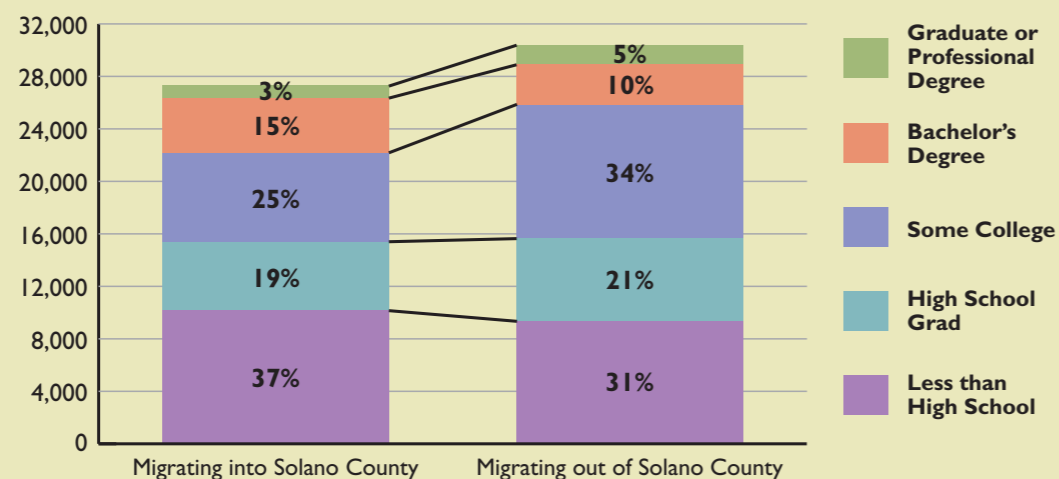
Data Source: California Department of Finance
Analysis: CEI

* Provisional population estimates for 2007

Net Migration Solano County 2006-2007

Foreign	+1,637
Domestic	-2,723

Educational Attainment of People Migrating in and out of Solano County 2006



Data Source: US Census Bureau, American Community Survey 2006
Analysis: CEI

Households are being Squeezed, with Rising Housing Cost Burden and Foreclosure Rates



Why Is This Important?

The affordability of housing affects a region's ability to maintain a viable economy and high quality of life. High housing costs in a region force people away from the region's core in search of cheaper housing, which results in longer commutes, less family time, and more traffic congestion.

The current mortgage crisis has resulted in the added stress of housing foreclosures. Foreclosures occur when homeowners cannot meet their mortgage payments. Thus, an increase in foreclosures is an indication of financial stress among households due to any variety of factors, including job loss, income decline, and adjustments of variable rate mortgages.



How Are We Doing?

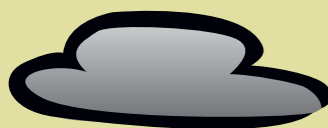
Currently, 84% of Solano County owner-occupied housing units are mortgaged compared to California with 76%. Of those homeowners with a mortgage, 46% of the households spent more than 35% of the household income on housing costs in 2006—up from 27% in 2000. This change reflects a similar trend in California and the rest of the Bay Area. According to the U.S. Department of Housing and Urban Development, housing costs greater than 30% of household income pose moderate to severe financial burdens. Families paying more than 30% of their income for housing might have difficulty affording necessities such as food, clothing, transportation, and medical care.

Similar to California, Solano County witnessed a dramatic increase in the number of sales of foreclosed homes. Although low in 2005, foreclosure sales in Solano County shot up to 1,754 in 2007. Between 2006 and 2007, the number of foreclosure sales increased by more than seven times. The year 2008 appears headed for a similar story with 1,059 foreclosure sales in the first quarter.



+1,100

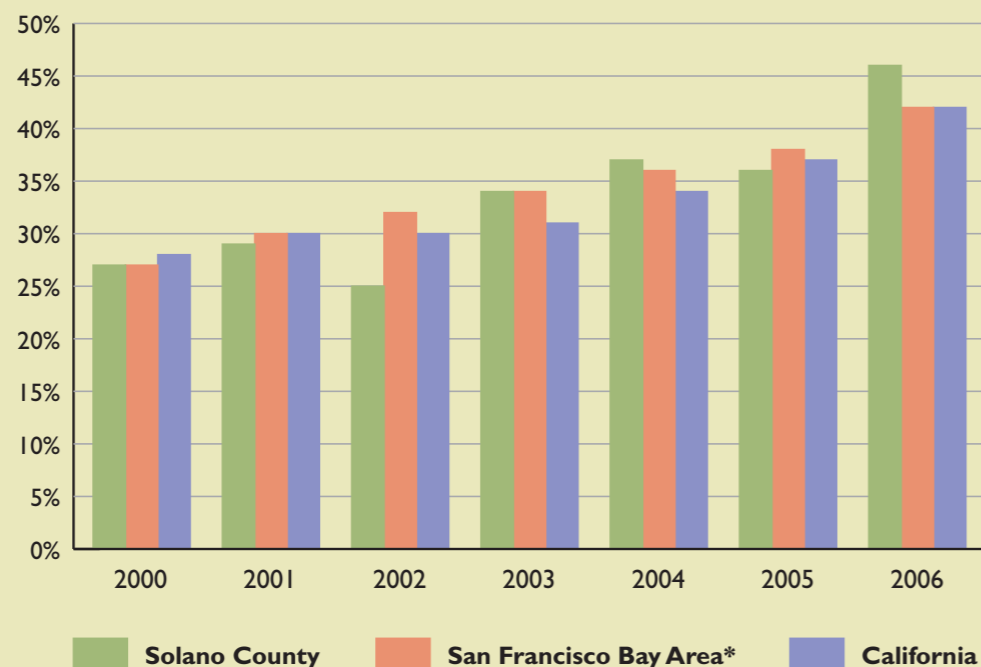
In 2006, more than 1,100 people with bachelor's degrees moved into the County than left.



What Does this Mean?

With rising housing costs and foreclosure rates, Solano County has not escaped the national and statewide housing crisis.

Housing Affordability
 Percent of Homeowner Households with Housing Costs Greater Than 35% of Income
 Solano County, San Francisco Bay Area, and California

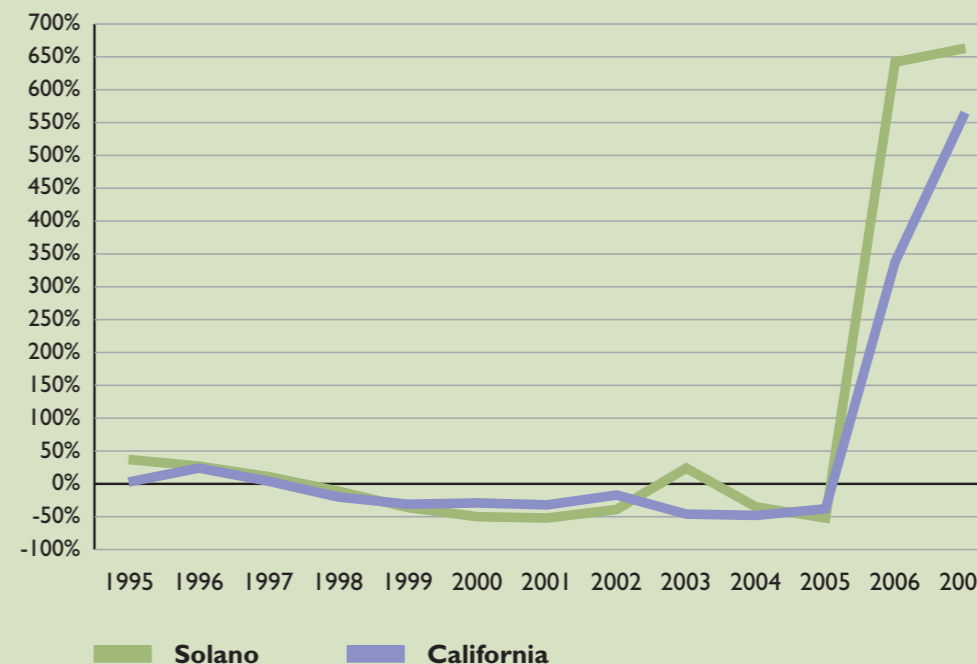


Data Source: U.S. Census Bureau, American Community Survey
 Analysis: CEI
 Note: Includes only housing units with a mortgage.
 * San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma Counties.

Percentage of Homeowner Households Spending 35% or more of Household Income on Housing

	2000	2006
Solano County	27%	46%
Bay Area	27%	42%
California	28%	42%

Residential Foreclosure Activity
 Percent Change in Annual Foreclosure Sales
 Solano County and California



Data Source: DataQuick
 Analysis: CEI

Number of Foreclosure Sales

	2006	2007	% change
Solano County	230	1,754	663%
California	12,729	84,551	564%



1,059

There were 1,059 foreclosure sales in the first quarter of 2008.

Youth in Better Shape as Childhood Obesity Declines



Why Is This Important?

Being overweight or obese increases the risk of many diseases and health conditions, including Type 2 diabetes, hypertension, coronary heart disease, stroke, and some types of cancers. These conditions have a significant economic impact on the nation's health care system as well as the overall economy due to declines in productivity.



How Are We Doing?

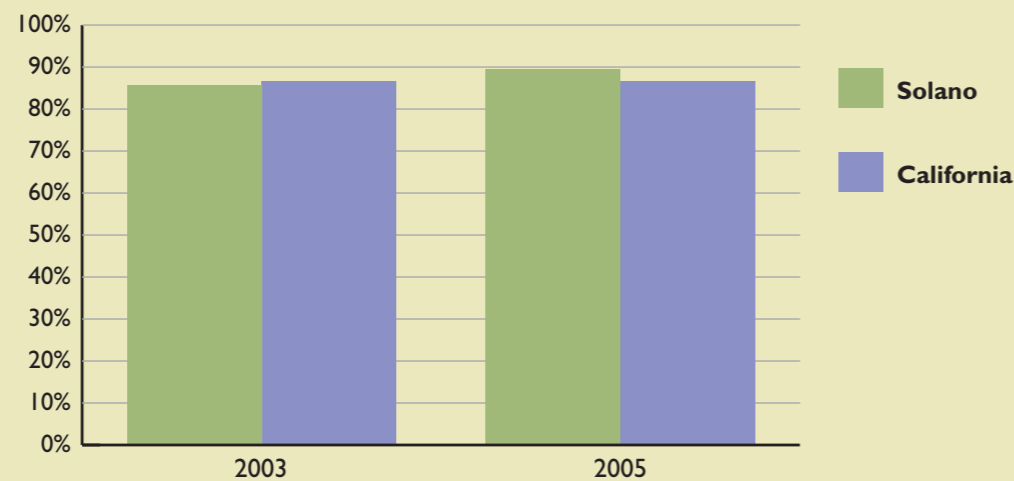
The number of overweight and/or obese children in Solano County declined from 2003 to 2005 (the latest year comprehensive data are available). In 2005, 89.4% of the children from infancy to 12 years old were not overweight for their age. That is more than a 3% increase in children not overweight from 2003.



What Does this Mean?

Solano County has made some progress in reducing childhood obesity which can be a cause of a number of significant and costly health problems in later years.

Percentage of Children Determined to NOT be Overweight or Obese by Body Mass Index Solano County



Data Source: UCLA Center for Health Policy Research, California Health Interview Survey
 Analysis: CEI
 Note: For adolescents, "Overweight or obese" includes the respondents who have a BMI in the 95th percentile with respect to their age and gender.
 Child population-under the age of 12 including infants.

Percent of Children NOT Overweight or Obese

	2005
Solano County	89.4%
California	86.6%

Too Many Youth Unprepared for Higher Education and Skilled Work



Why Is This Important?

An indicator for how well a region is preparing its students for post-secondary education is its graduation rates; while on the other hand, high school dropout rates signify a challenge a region must address. High school dropouts are more likely to be unemployed and earn less when they are employed than high school graduates. Variations by race and ethnicity reveal disparity in opportunity.

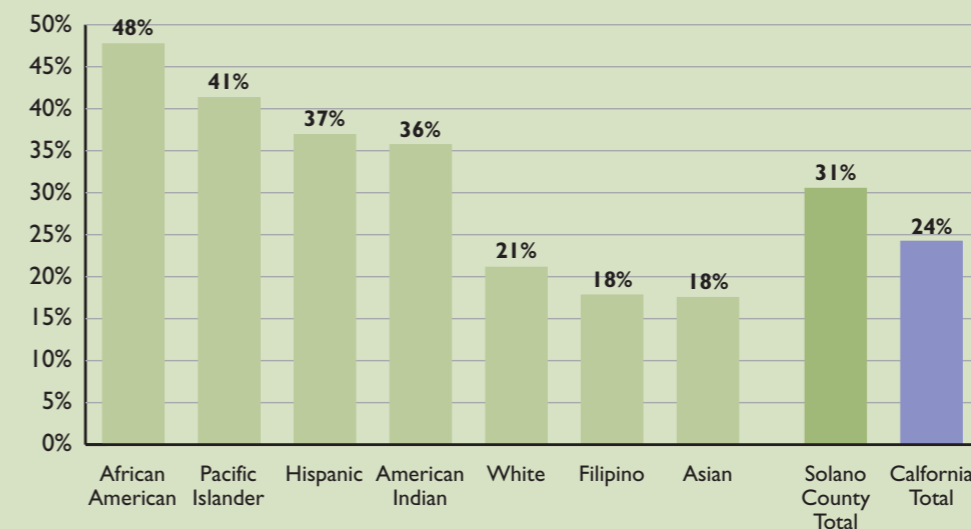


How Are We Doing?

Starting with the school year 2006-2007, the California Department of Education derived dropout and graduate counts by tracking individual students. This approach more accurately reflects the in-and-out transferring of students in a four-year high school graduating class. Before the use of student identifiers, aggregate data on enrollment and dropouts were used to estimate dropout rates.

Under this new system, Solano County's dropout rates are higher than previously estimated. For the school year 2006-2007, Solano County had a 31% dropout rate. All ethnic groups experienced an increase in dropout rates. Of all groups, African-American, Pacific Islander, Hispanic, and American Indian students are more likely to leave school before graduating. To put a 31% dropout rate in perspective: in 2006, 82% of all jobs in Solano County required at least a high school diploma (for further discussion, see the final section of the Index).

High School Dropout Rate Solano County 2007



Data Sources: California Department of Education, Solano County School Districts
 Analysis: CEI
 Note: This is the first year that dropout counts are derived from student-level data.



What Does this Mean?

Solano County's high school dropout rates are rising at a time when the economy demands higher skills from the local workforce.

Public Safety a Concern with a Spike in Crime



Why Is This Important?

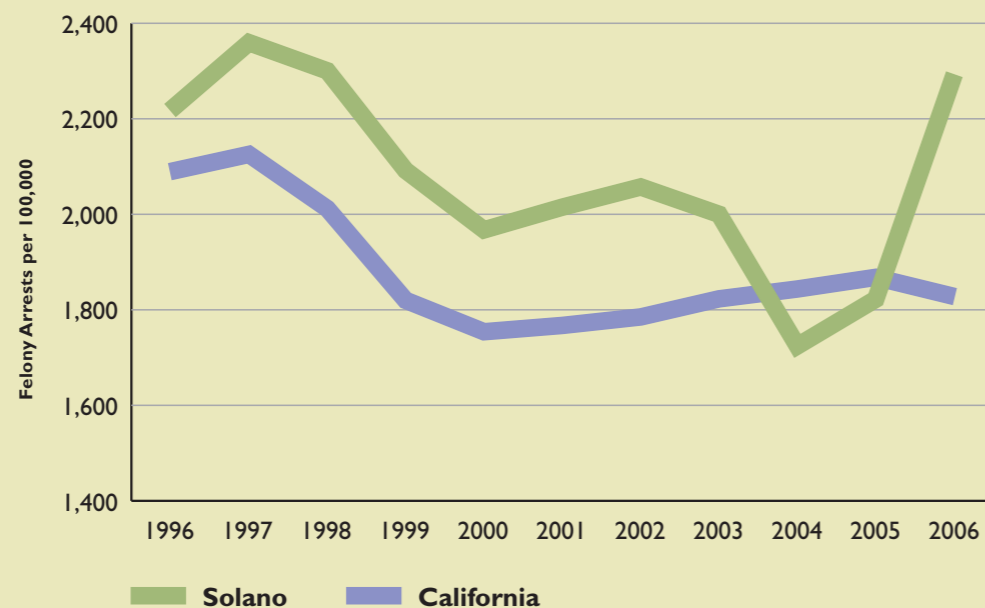
The level of crime in a community is a significant factor affecting quality of life. Incidence of crime poses an economic burden and creates fear, frustration, and instability, and diminishes a sense of community.



How Are We Doing?

From 2005 to 2006, total felony offenses increased by 27% in Solano County. The number of felony offenses rate per 100,000 almost reached levels not seen since 1998. In contrast, California's rates have held relatively steady since 1999. Property, violent, and drug offenses all increased in 2006. The 34% increase in violent offenses was the highest between 2005 and 2006. This spike in crime comes amidst a long-term drop in crime rates from a peak in 1997.

Felony Offenses Rate per 100,000 people Solano County and California

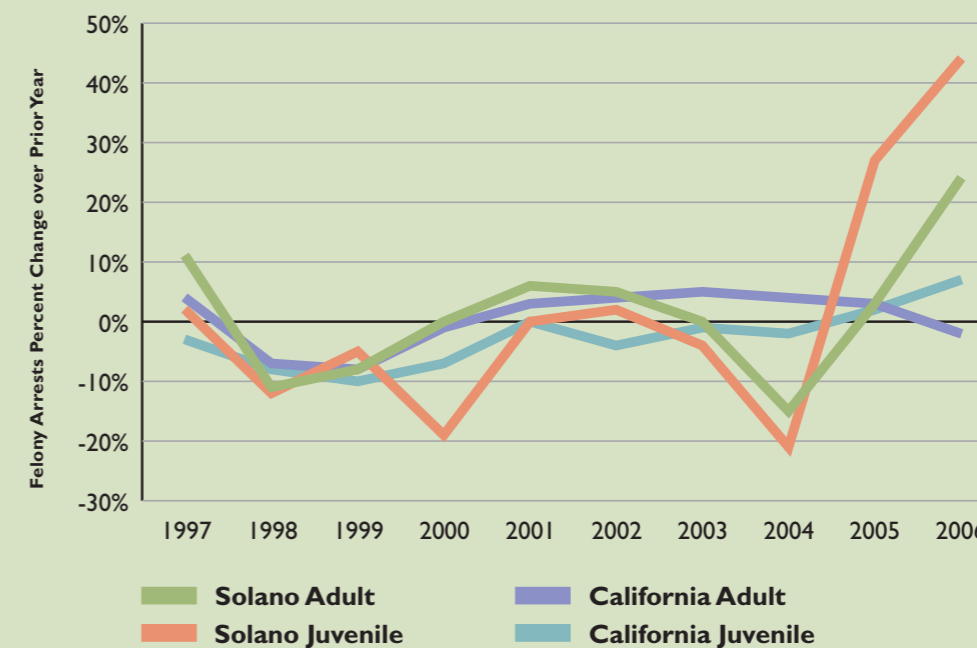


Data Source: California Department of Justice
Analysis: CEI
Note: Felony offenses include violent, property, and drug offenses

What Does this Mean?

After years of progress, crime rates have recently spiked in Solano County. Related to rising dropout rates, gang violence and other socioeconomic issues, juvenile felonies are rising dramatically.

Felony Offenses Percent Change over Prior Year Solano County and California



Data Source: California Department of Justice
Analysis: CEI
Note: Felony offenses include violent, property, and drug offenses



+70%

Juvenile violent offenses increased by 70% between 2005 and 2006.

Higher Home Prices have Increased Property Tax Revenues, but Prices have Now Dropped



Why Is This Important?

Local governments rely on revenue to maintain service levels and respond to a changing environment. Many factors, including availability of financial resources, influence the ability of local government to govern effectively. Property tax revenue is the most stable source of city government revenue, fluctuating much less over time than do other sources of revenue. Since property tax revenue represents less than a quarter of all revenue, other revenue streams are critical in determining the overall volatility of local government funding.



How Are We Doing?

Solano County city revenues increased in the 2005-2006 fiscal year over prior years. City revenues rose 6% from \$473 million in 2000-2001 to \$503 million in 2005-2006. Increasing the most, property tax revenue grew by 99%, while sales tax revenue dropped 11% over this period. In fact, in fiscal year 2005-2006, the percentage of total city revenues from property tax was at its highest and sales tax at its lowest since 1998-1999. In 2004-2005, as a share of total revenue, property tax revenue overtook sales tax revenue for the first time. Property tax revenue increased 22% from \$69 million in 2004-2005 to \$84 million in 2005-2006.

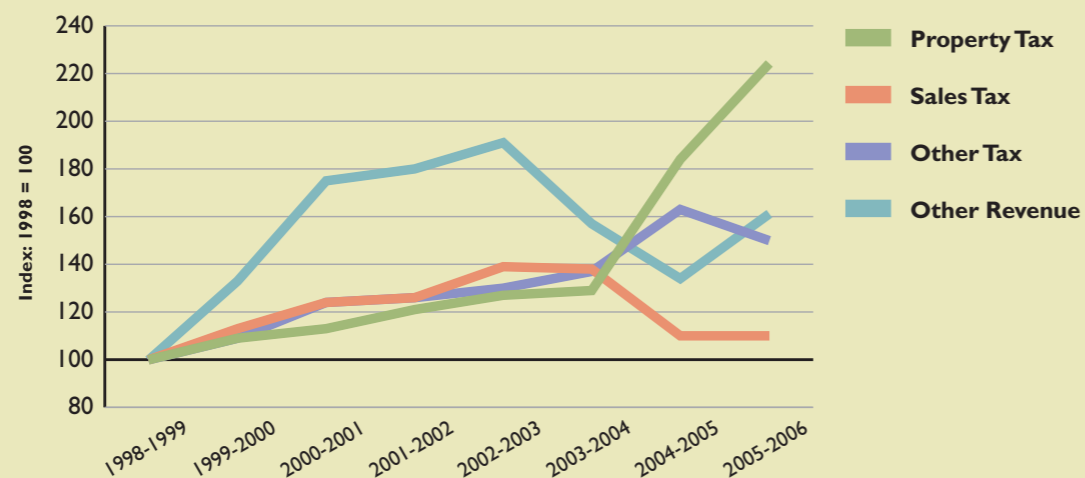
Despite the increase in property tax revenue, Solano County cities still derive most of their revenue from the most volatile sources: sales tax, other taxes, and other sources of revenue. "Other revenue" sources include intergovernmental transfers, special benefit assessments, fines, as well as permits and investments. In 2004, the State Legislature enacted procedures called the "Triple Flip," where ad valorem property tax revenues were provided in lieu of the local Bradley Burns Sales and Use Tax and a swap of the Vehicle License Fees.



What Does this Mean?

While city revenues from property taxes have risen in the County, revenues from sales and other taxes are more susceptible to business cycles.

Growth in City Revenues since 1998
Solano County



Data Source: California State Controller's Office
Analysis: CEI

There are Fewer Higher-Skilled Jobs than Highly-Educated Residents



Why Is This Important?

The better the match between the skills of residents and higher-skilled jobs in growing clusters, the more likely Solano County will capture the benefits of its dynamic economy. Education provides people with access to opportunity. As skill sets increase, income potential increases. As the educational levels of a region's population rises, the region improves its ability to compete in the global economy for higher paying jobs. This results in a higher standard of living in the region.



How Are We Doing?

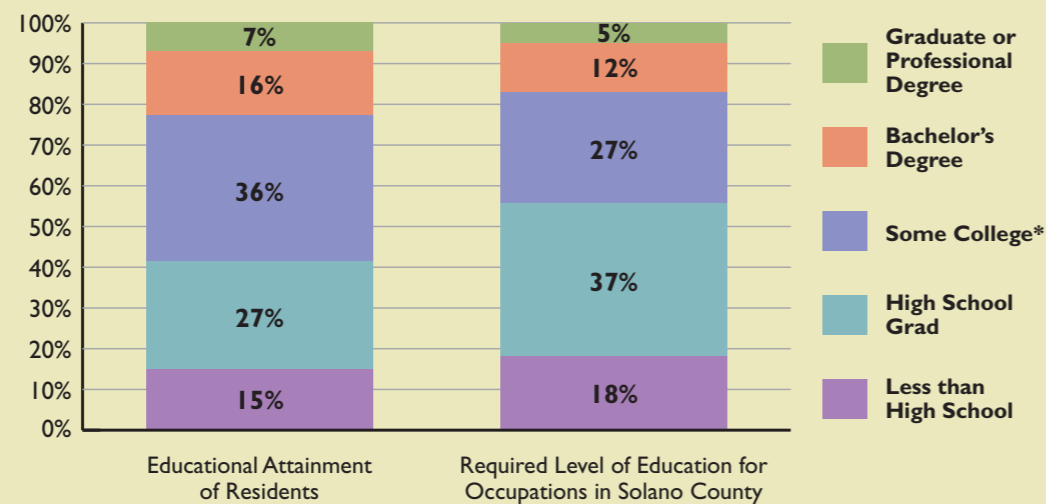
Solano County residents have higher educational levels than the occupations in the County require. This discrepancy results in commute flows into and out of the County. In 2006, 59% of Solano County's residents had at least some college (including associate degrees and professional certifications) while 23% had at least a four-year degree. In comparison, 45% of the County's occupations required at least some college education. This gap means that Solano County has the opportunity to add more higher-skilled jobs that could employ its higher-educated residents.



What Does this Mean?

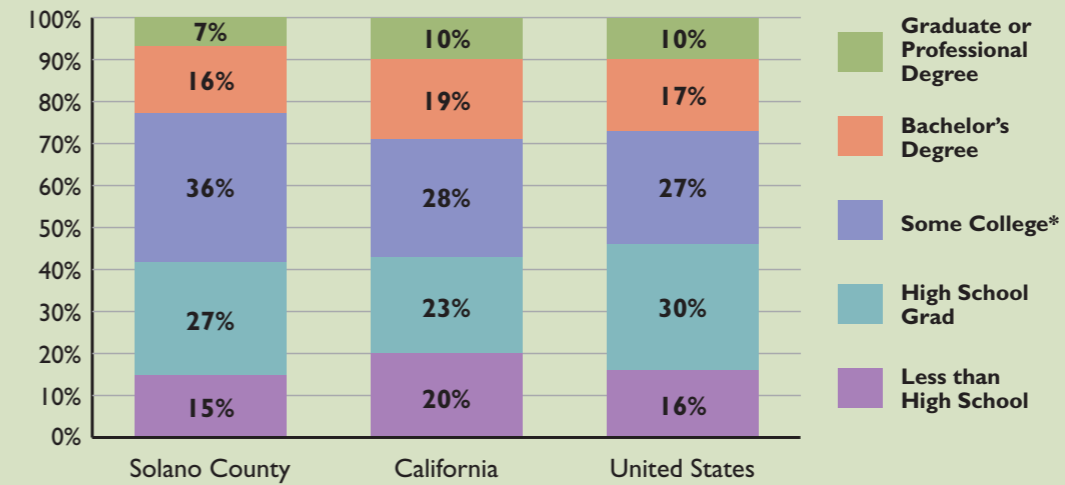
Solano County has the opportunity to create higher-skilled jobs for its residents, especially within its cluster industries.

Comparison of Educational Attainment of Population to Required Level of Education for Occupations Solano County 2006



Source: U.S. Census Bureau, 2006 American Community Survey; O*NET; Bureau of Labor Statistics, Occupational Employment Statistics
 Analysis: CEI
 * Some College includes: Less than 1 year of college; Some college, 1 or more years, no degree; Associates degree; Professional certification

Educational Attainment Solano County, California, and United States, 2006



Source: U.S. Census Bureau, American Community Survey
 Analysis: CEI
 * Some College includes: Less than 1 year of college; Some college, 1 or more years, no degree; Associates degree; Professional certification



Some College Education

In 2006, residents with some college or more made up a larger percentage of the population in Solano County (59%) than in California (57%) or the U.S. (54%).

Educational Attainment in 2006

	Some College or more	Bachelor's Degree or more
Solano County	59%	23%
California	57%	29%
United States	54%	27%

Solano's Economy has a Smaller Share of Higher-Wage Jobs and a Larger Share of Lower-Wage Jobs than the State or Region



Why Is This Important?

The wages in a region can serve as a measure for job quality and economic vitality. Average pay by occupation reflects the level of demand for skilled workers and how the region's occupations compare to occupations in other regions.



How Are We Doing?

Solano County's occupational distribution by wage level is similar to California's as a whole. In comparison to San Francisco and the East Bay, Solano County has a smaller percentage of higher wage occupations and a larger percentage of lower wage occupations. In 2007, the median annual wage was \$38,900. In 2006, median household income in Solano County was \$39,500 and in California, \$38,662, according to the U.S. Census Bureau.¹

Out of the 20 largest occupations in Solano County, half have a median annual wage of less than \$30,000 and earnings for only one occupation exceeded \$80,000. Earnings for the other nine occupations fell within the Mid Wage range of \$30,000-80,000. Solano County has a particularly high concentration of rotary drill operators (for oil and gas) due to a natural gas project in Rio Vista. In addition, the strong presence of manufacturing plants in Solano County leads to a higher concentration of machine operators and machinery mechanics.

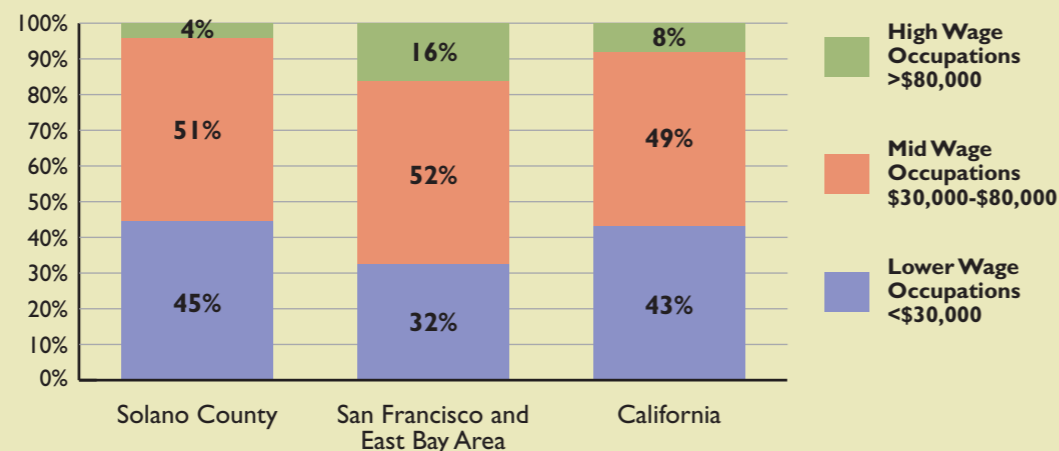
¹ All values are adjusted for inflation and reported in 2007 dollars.



What Does this Mean?

Solano County needs to expand its middle- and high-wage job opportunities for its residents by growing its cluster industries and continuing to diversify its economy.

Comparison of Occupational Distribution by Wage Level
Solano County, San Francisco and East Bay Area, and California • 2007



Data Source: Occupational Employment Statistics
Analysis: CEI
San Francisco and East Bay Area includes Alameda, Contra Costa, Marin, San Francisco, and San Mateo Counties.

Largest Occupations in Solano County

Top Occupations with the Most Employment • 2007

Occupation Title	Percentage of Labor Market	Total Employment (126,160)	Median Annual Wage
Retail salespersons	4.63%	5,840	19,360
Cashiers	3.02%	3,810	19,050
Carpenters	2.53%	3,190	55,350
Office clerks, general	2.42%	3,050	28,080
Registered nurses	2.35%	2,970	73,830
Combined food preparation and serving workers, including fast food	2.35%	2,960	17,260
Secondary school teachers, except special and vocational education	1.72%	2,170	64,090
Construction laborers	1.66%	2,090	31,460
Laborers and freight, stock, and material movers, hand	1.58%	1,990	21,710
Elementary school teachers, except special education	1.47%	1,850	55,230
Stock clerks and order fillers	1.44%	1,820	22,400
First-line supervisors/managers of retail sales workers	1.40%	1,770	35,170
General and operations managers	1.40%	1,760	87,600
Waiters and waitresses	1.39%	1,750	16,850
Bookkeeping, accounting, and auditing clerks	1.35%	1,700	36,300
First-line supervisors/managers of office and administrative support workers	1.28%	1,620	46,310
Executive secretaries and administrative assistants	1.17%	1,470	38,980
Janitors and cleaners, except maids and housekeeping cleaners	1.14%	1,440	24,390
Cooks, fast food	1.10%	1,390	17,320
Counter attendants, cafeteria, food concession, and coffee shop	1.09%	1,380	17,520

Most Specialized Occupations in Solano County

Top 10 Occupations with Highest Concentration relative to California • 2007

Occupation Title	Most Specialized Occupations in Solano (Location Quotient in comparison to California)	Total Employment (126,160)	Median Annual Wage
Rotary drill operators, oil and gas	4.87	40	53,740
Food and tobacco roasting, baking, and drying machine operators and tenders	3.92	70	20,230
Outdoor power equipment and other small engine mechanics	3.83	40	33,510
Industrial machinery mechanics	3.76	430	52,660
Extruding and drawing machine setters, operators, and tenders, metal and plastic	3.46	140	70,580
Health and safety engineers, except mining safety engineers and inspectors	3.26	70	82,030
Carpenters	3.00	3,190	55,350
Motorcycle mechanics	2.87	40	34,600
Stationary engineers and boiler operators	2.67	80	60,090
Sheet metal workers	2.63	360	43,430

Source: California Employment Development Department, Occupational Employment Statistics
Analysis: CEI

The Disconnect between Solano County's Residents and Jobs Means More Commuters



Why Is This Important?

An imbalance of jobs to housing likely means that some or many workers have to commute to another region. A ratio greater than 1 likely means that some or many workers have to commute to the region, in turn, a ratio less than 1 likely means that some or many workers have to commute from the region. Commute patterns point to opportunities and issues. Long commutes add to an increase in the percent of income spent on transportation costs. Strong flows of highly educated workers commuting into a region suggests that jobs requiring high skills exist in the region, but residents do not have the skills to fill these jobs. In contrast, strong flows of highly educated workers out of a region can mean that the region does not have sufficient highly skilled jobs for its resident population.



How Are We Doing?

Despite recent movement towards greater balance, between 2000 and 2006, Solano County produced just over nine jobs for every ten housing units—meaning larger numbers of Solano residents that have to commute outside the County for jobs. During this period, the rest of the Bay Area experienced a drop in their jobs-housing ratio from 1.59 to 1.34—providing more jobs than housing for regional residents.

In 2006, 37% (74,986) of employed residents commuted outside of Solano County for work. In addition, 27% of the residents who commuted out of Solano County for work had at least a bachelor's degree. Well over half of commuters to the four most common destinations (Contra Costa, Napa, Alameda, and San Francisco Counties) had some college education. In 2006, 30,676 employees commuted into Solano County, filling 23% of Solano's jobs. One third of the employees who commuted into Solano County for work have at least a bachelor's degree.



What Does this Mean?

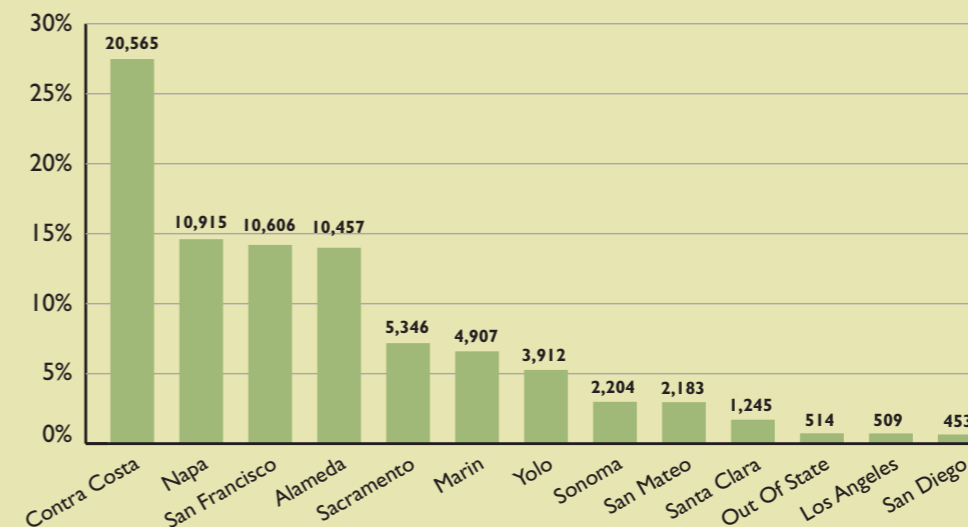
Creating higher paying jobs in Solano County will reduce the need for residents to commute to jobs outside the County and thereby reduce commuting stress, allow more family time, and slow the growth in carbon emissions.

Ratio of Jobs to Housing Units Solano County and the Rest of the Bay Area



Data Source: California Employment Development Department; U.S. Census Bureau, American Community Survey
Analysis: CEI
* Rest of Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Solano County Residents' Commute Flows Share of Population that Works Outside of the County • 2006

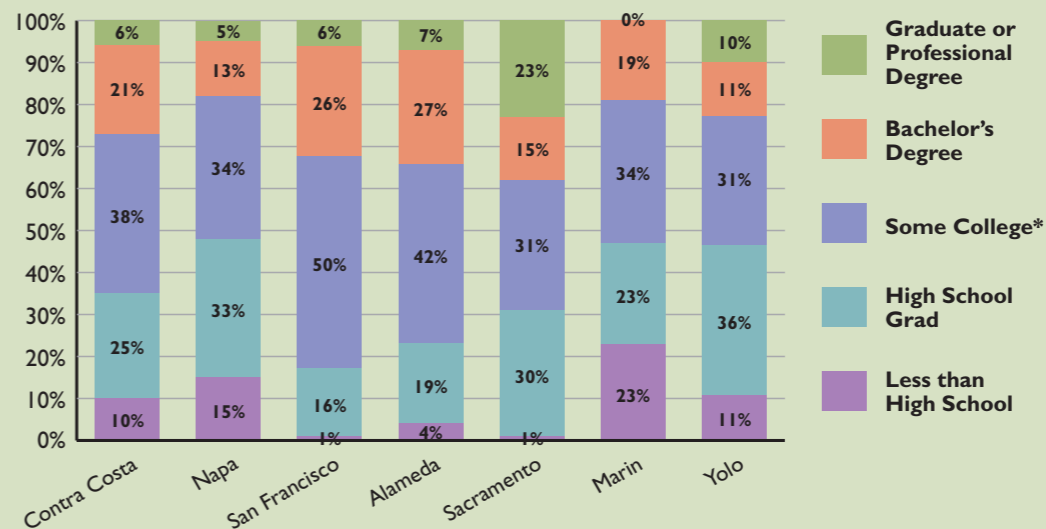


Source: U.S. Census Bureau, 2006 American Community Survey
Analysis: CEI
Note: 74,986 Solano County Residents commute outside of the county for work.

75,000

Almost 75,000 Solano County residents commuted outside of the County for work.

Solano County Residents' Commute Flows Educational Attainment of Population that Works Outside of the County • 2006



Source: U.S. Census Bureau, 2006 American Community Survey
Analysis: CEI
* Some College includes: Less than 1 year of college; Some college, 1 or more years, no degree; Associates degree; Professional certification

Educated Commuters

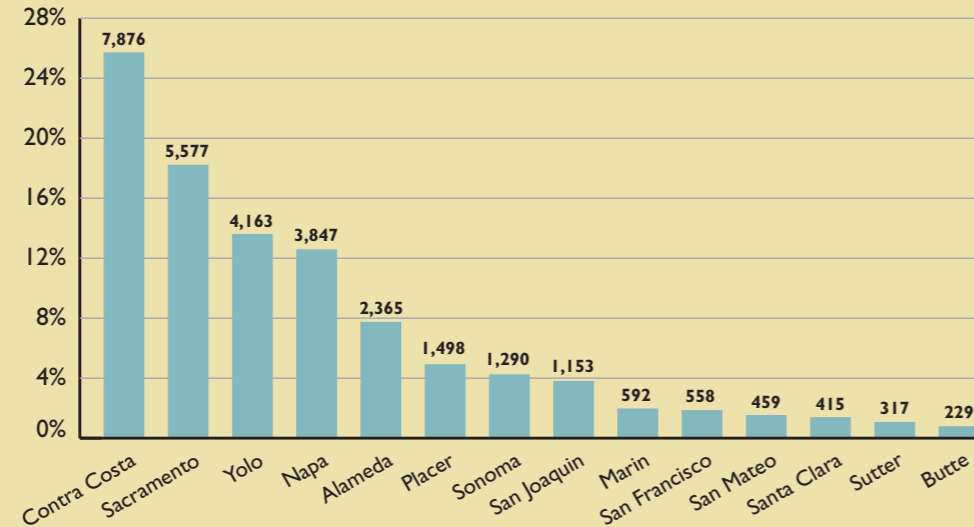
Twenty-seven percent of residents who commuted out of Solano County for work had at least a bachelor's degree.



30,000

In 2006, over 30,000 people commuted to Solano County for work.

Solano County Employees' Commute Flows Share of Workers that Live Outside of the County • 2006



Source: U.S. Census Bureau, 2006 American Community Survey
Analysis: CEI
Note: 30,676 Solano County Employees commute into the county for work.



1,400

More than 1,400 people with a graduate or professional degree commuted to Solano County for work.

Solano County Employees' Commute Flows Educational Attainment of Workers that Live Outside of the County • 2006



Source: U.S. Census Bureau, 2006 American Community Survey
Analysis: CEI
* Some College includes: Less than 1 year of college; Some college, 1 or more years, no degree; Associates degree; Professional certification



It isn't often that a community rallies together with the courage to ask the tough questions. Who are we? Why are we successful? What do we need to do to be an even better place? Even harder to find are communities with the courage to hear the answers and to act on them. Solano County has the courage.

This inaugural *Solano County 2008 Index of Economic and Community Progress* explored these tough questions about our community. The answers were both exhilarating in appreciation of what has been done to make our economy more resilient and daunting in the magnitude of what we must do to secure a desirable future. But we can do what it takes. Our history shows that we have the necessary passion, leadership and tenacity to overcome an uncertain future.

We also have something today that we did have back then when our community rallied to overcome the far-reaching loss associated with base closures. Back then it was just our resolve that Solano County was a great place to grow businesses. Today, we have the facts that show we are the place – outpacing California and the Bay Area in several job growth categories. With this new index, we have the empirical data that links the prosperity of our community fabric to a prosperous mega economy connecting the Bay Area and Sacramento region.

Most importantly, today we have a track record of successfully working together on major issues such as overcoming congestion with new federal, state and local dollars for transportation infrastructure. We cannot under estimate the importance of our “collaborative capital.” We will need to muster and grow that capital as we address how we are going to better prepare our children for their role in the work force and in the community. We all have a part in the solution. We all have a stake in the future.

You have the continued commitment of the Solano EDC to be the facilitator that brings together our community to find ways to address these issues and opportunities of economic importance. Remember, we had the courage to ask the questions that needed to be asked. We had the courage to hear the answers we needed to hear. We will have the courage to act and do what needs to be done to secure our economic future.

Sincerely,

Mike Ammann
President
Solano Economic Development Corp.

Data Sources and Methodology

Per Capita Income

Data for per capita personal income are provided by the US Bureau of Economic Analysis. Income values are inflation-adjusted and reported in 2007 dollars, using the US City Average Consumer Price Index (CPI) of all urban consumers, published by the US Bureau of Labor Statistics. The rest of the San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Jobs

Jobs data for Solano County are provided by California Employment Development Department, and based on annual employment data from the Quarterly Census of Employment and Wages (QCEW) program. The program produces a tabulation of employment and wage information for workers covered by the State Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Employment data exclude members of the armed forces, self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system. Covered workers may live outside of Solano County. Multiple jobholders (i.e. individuals who hold more than one job) may be counted more than once. The rest of the San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Total Industry Jobs and Employed Residents

Data are provided by the California Employment Development Department. Total industry sector employment is based on monthly employment data from the Current Employment Statistics (CES) program. The industry data reflects the number of jobs in the county or Metropolitan Statistical Area (MSA) that may pay employees who live outside of the county. Data for the number of employed residents are from the Local Area Unemployment Statistics (LAUS). Civilian employment counts the number of working people by where they live. This includes business owners, the self-employed, unpaid family workers, private household

workers, and wage and salary workers. A person with more than one job is counted once. County labor force data are not adjusted for seasonality.

Business Size

Data for size of business for Solano County are derived from the California Employment Development Department. Data are based on a tabulation of employers who are subject to the Unemployment Insurance provision of the Unemployment Insurance Code submitted for the third calendar quarter of the year.

Industry Employment and Individual Business Owners

Data for Establishments with employees are from the California Employment Development Department Quarterly Census Wages and Employment program. The program produces a tabulation of employment and wage information for workers covered by State Unemployment Insurance (UI) laws and Federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. Employment data excludes members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system. Covered workers may live outside of Solano County. Data for Nonemployers are from the US Census Bureau. Nonemployer Statistics summarizes the number of establishments and sales or receipts of businesses without paid employees that are subject to federal income tax. Most nonemployers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner's principal source of income.

Total Industry Sector Employment

Solano County employment data are provided by the California Employment Development Department Current Employment Statistics (CES). The industry data reflects the number of jobs in the county or Metropolitan Statistical Area (MSA) that may pay employees who live outside of the county.

Employment by Cluster and Industry

Figures were derived from the Bureau of Labor Statistics Quarterly Census of Employment and Wages and are based on the North American Industry Classification System

(NAICS). Data is for Solano County and the rest of the San Francisco Bay Area. The rest of the San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Population by Race and Ethnicity, Age Distribution

Data for Solano County population come from the US Census Bureau, 2000 Decennial Census and 2006 American Community Survey. Population estimates are for 2000 and 2006. All Other Races includes people in the population who are American Indian, Alaska Native, Native Hawaiian and Other Pacific Islander, Some other race, and Two or More Races.

Population Change and Net Migration Flows

Data are from the E-6: County Population Estimates and Components of Change by County – July 1, 2000-2007 report by the California Department of Finance and are for Solano County and California. Estimates for 2007 are provisional. Net migration includes all legal and unauthorized foreign immigrants, residents who left the state to live abroad, and the balance of hundreds of thousands of people moving to and from California from within the United States. The rest of the San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Educational Attainment of People Migrating in and out of Solano County

Data are from the US Census Bureau, 2006 American Community Survey Public Use Microdata Samples (PUMS). The data are for Solano County and the rest of the United States.

Housing Affordability

Data for homeowner households housing costs are from the US Census Bureau American Community Survey. According to the US Department of Housing and Urban Development, housing costs greater than 30% of household income pose moderate to severe financial burdens. The rest of the San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Residential Foreclosure Activity

Data for residential foreclosure sales are provided by DataQuick Information Systems. Solano County and California foreclosure data are for all home types.

Childhood Obesity

Data on adolescent obesity are based on results from the California Health Information Survey, UCLA Center for Health Policy Research. For adolescents, "Overweight or obese" includes the respondents who have a Body Mass Index (BMI) in the 95th percentile with respect to their age and gender. The child population includes children under the age of 12 including infants.

High School Dropout Rates

Data are provided by the California Department of Education. Individual school districts in Solano County report their data through the CSIS program. CSIS is a program that was created to fulfill California's requirement per the Federal legislation, No Child Left Behind Act of 2001 (NCLB), to implement a statewide accountability program that measures the progress of its students and schools over time through the collection and analysis of disaggregated data. In response, California Legislature enacted SB 1453, which establishes two key components necessary for a long-term assessment and accountability system:

- Assignment of a unique, student identifier to each K-12 pupil enrolled in a public school program or in a charter school that will remain with the student throughout his or her academic 'career' in the California public school systems; and
- Establishment of a longitudinal database of disaggregated student information that will enable state policy-makers to determine the success of its program of educational reform.

Historical data are final and are from the California Department of Education. This methodology used calculates an approximate probability that one will graduate on time by looking at the number of 12th grade graduates and number of 9th, 10th, 11th, and 12th grade dropouts over a four-year period. Starting with the school year 2006-2007, the California Department of Education derived dropout and graduate counts from student-level data. When four years of student-level data is collected, four-year cohort graduation and dropout rates will more accurately reflect the in

and out transferring of students in a four-year high school graduating class.

The methodology uses a 4-year derived dropout rate that is an estimate of the percent of students who would drop out in a four year period based on data collected for a single year. Beginning in 2002-2003, the California Department of Education adopted the National Center for Educational Statistics (NCES) Dropout definition. Following the new guidelines, the California Department of Education now defines a dropout as a person who:

- 1) Was enrolled in grades 7, 8, 9, 10, 11, or 12 at some time during the previous school year AND left school prior to completing the school year AND has not returned to school as of Information Day. OR
- 2) Did not begin attending the next grade (7, 8, 9, 10, 11, or 12) in the school to which they were assigned or in which they had pre-registered or were expected to attend by Information Day.

Crime Rates

Crime data are from the California Department of Justice in their annual "Crime Justice Profiles." Felony offenses include violent, property, and drug offenses.

City Revenue

Data for city revenue are from the State of California Cities Annual Report provided by the California State Controller's Office. Data include all cities and towns and dependent special district and do not include redevelopment agencies and independent special districts. Data include all revenue sources to cities except for utility-based services (which are self-supporting from fees and the sales of bonds and notes. The "other taxes" and "other revenue" include sources such as transportation taxes, transient lodging taxes, business license fees, other non-property taxes and intergovernmental transfers. Data are for Solano County cities.

Educational Attainment of Solano County Residents and Required level of Education for Occupations

Data for educational attainment of the Solano County residents are provided by the United States Census Bureau,

2006 American Community Survey Public Use Microdata Samples (PUMS). Data for the required level of education for occupations in Solano County are provided by the US Department of Labor/Employment and training Administration's Occupational Information Network (O*NET).

Occupational Distribution by Low, Mid, and High Income Levels

Top Occupations with the Most Employment

Top 10 Occupations with Highest Concentration relative to California

Employment and wage data are from the Occupational Employment Statistics (OES) provided by the Bureau of Labor Statistics. The OES survey is a semiannual survey, measuring occupational wage rates and employment in nonfarm establishments. Wage Distribution is based on inflation-adjusted 50th percentile annual earnings and are reported in 2007 dollars using the US City Average Consumer Price Index (CPI) of all urban consumers, published by the Bureau of Labor Statistics. The San Francisco and East Bay Area includes Alameda, Contra Costa, Marin, San Francisco, and San Mateo.

Occupation concentration was determined using the location quotient. Location Quotients are ratios that allow an area's distribution of employment to be compared to a reference or base area's distribution.

Ratio of Jobs to Housing Units

Data are from the US Census Bureau's American Community Survey (ACS). Ratio is derived by dividing the number of jobs by the number of housing units. The rest of the San Francisco Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and Sonoma Counties.

Commute Flows

Data are from the United States Census Bureau, 2006 American Community Survey Public Use Microdata Samples (PUMS).

Industry Cluster Definitions

Advanced Food and Beverage Manufacturing

1112	Vegetable and Melon Farming
1113	Fruit and Tree Nut Farming
1114	Greenhouse, Nursery, and Floriculture Production
1119	Other Crop Farming
1121	Cattle Ranching and Farming
1124	Sheep and Goat Farming
1129	Other Animal Production
1151	Support Activities for Crop Production
1152	Support Activities for Animal Production
3114	Fruit and Vegetable Preserving and Specialty Food Manufacturing
3116	Animal Slaughtering and Processing
3118	Bakeries and Tortilla Manufacturing
3121	Beverage Manufacturing

Construction

2361	Residential Building Construction
2362	Nonresidential Building Construction
2371	Utility System Construction
2373	Highway, Street, and Bridge Construction
2381	Foundation, Structure, and Building Exterior Contractors
2382	Building Equipment Contractors
2383	Building Finishing Contractors
2389	Other Specialty Trade Contractors
541310	Architectural Services
541320	Landscape Architectural Services
541330	Engineering Services
541350	Building Inspection Services
541370	Surveying and Mapping (except Geophysical) Services
5413	Architectural, Engineering, and Related Services (Federal Government)

Health and Social Services

6222	Psychiatric and Substance Abuse Hospitals (State Government)
6211	Offices of Physicians
6212	Offices of Dentists
6213	Offices of Other Health Practitioners
6214	Outpatient Care Centers
6216	Home Health Care Services
6231	Nursing Care Facilities
6232	Residential Mental Retardation, Mental Health and Substance Abuse Facilities
6233	Community Care Facilities for the Elderly
6239	Other Residential Care Facilities
6241	Individual and Family Services
6243	Vocational Rehabilitation Services
6244	Child Day Care Services

Life Sciences

3254	Pharmaceutical and Medicine Manufacturing
3391	Medical Equipment and Supplies Manufacturing
5417	Scientific Research and Development Services (50%)
541380	Testing Laboratories
811219	Other Electronic and Precision Equipment Repair and Maintenance

Professional and Environmental Services

3231	Printing and Related Support Activities
5241	Insurance Carriers
5242	Agencies, Brokerages, and Other Insurance Related Activities
5311	Lessors of Real Estate
5312	Offices of Real Estate Agents and Brokers
5313	Activities Related to Real Estate
5411	Legal Services
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services
5414	Specialized Design Services
5415	Computer Systems Design and Related Services
5417	Scientific Research and Development Services (50%)

5418	Advertising and Related Services
5511	Management of Companies and Enterprises
5611	Office Administrative Services
5613	Employment Services
5616	Investigation and Security Services
5617	Services to Buildings and Dwellings
5619	Other Support Services
6115	Technical and Trade Schools
541620	Environmental Consulting Services
813312	Environment, Conservation, and Wildlife Organizations
9241	Administration of Environmental Quality Programs (Federal Government)
9241	Administration of Environmental Quality Programs (State Government)
9241	Administration of Environmental Quality Programs (Local Government)

Specialized Manufacturing

2131	Support Activities for Mining
3252	Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments Manufacturing
3256	Soap, Cleaning Compound, and Toilet Preparation Manufacturing
3272	Glass and Glass Product Manufacturing
3273	Cement and Concrete Product Manufacturing
3323	Architectural and Structural Metals Manufacturing
3324	Boiler, Tank, and Shipping Container Manufacturing
3326	Spring and Wire Product Manufacturing
3327	Machine Shops; Turned Product; and Screw, Nut, and Bolt Manufacturing
3328	Coating, Engraving, Heat Treating, and Allied Activities
3329	Other Fabricated Metal Product Manufacturing
3331	Agriculture, Construction, and Mining Machinery Manufacturing
3332	Industrial Machinery Manufacturing
3339	Other General Purpose Machinery Manufacturing

3371	Household and Institutional Furniture and Kitchen Cabinet Manufacturing
3399	Other Miscellaneous Manufacturing
8113	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance

Trade and Logistics

4231	Motor Vehicle and Motor Vehicle Parts and Supplies Merchant Wholesalers
4232	Furniture and Home Furnishing Merchant Wholesalers
4233	Lumber and Other Construction Materials Merchant Wholesalers
4234	Professional and Commercial Equipment and Supplies Merchant Wholesalers
4237	Hardware, and Plumbing and Heating Equipment and Supplies Merchant Wholesalers
4238	Machinery, Equipment, and Supplies Merchant Wholesalers
4239	Miscellaneous Durable Goods Merchant Wholesalers
4241	Paper and Paper Product Merchant Wholesalers
4243	Apparel, Piece Goods, and Notions Merchant Wholesalers
4244	Grocery and Related Product Merchant Wholesalers
4246	Chemical and Allied Products Merchant Wholesalers
4247	Petroleum and Petroleum Products Merchant Wholesalers
4251	Wholesale Electronic Markets and Agents and Brokers
4841	General Freight Trucking
4842	Specialized Freight Trucking
4883	Support Activities for Water Transportation
4884	Support Activities for Road Transportation
4889	Other Support Activities for Transportation
4921	Couriers
4931	Warehousing and Storage
424910	Farm Supplies Merchant Wholesalers
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers

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California Department of Justice	US Bureau of Labor Statistics
California Economic Strategy Panel	US Census Bureau
California Employment Development Department	US Department of Labor
California State Controller	UCLA Center for Health Policy Research
DataQuick Information Systems	

Solano EDC

The Mission of the Solano EDC is to attract, grow and retain business and industry in Solano County that enhance the economic vitality and quality of life in our communities. We serve as the facilitator of countywide and regional discussions on how to improve the way we work together and take action on critical employer, transportation, and education issues.

Collaborative Economics

Collaborative Economics is a nationally-recognized consulting firm specializing in developing regional indexes, working with private and public sector leaders to develop innovative solutions to pressing economic and community challenges, and advising civic entrepreneurs across the country and globally.

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The entire Solano County Index of Economic and
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