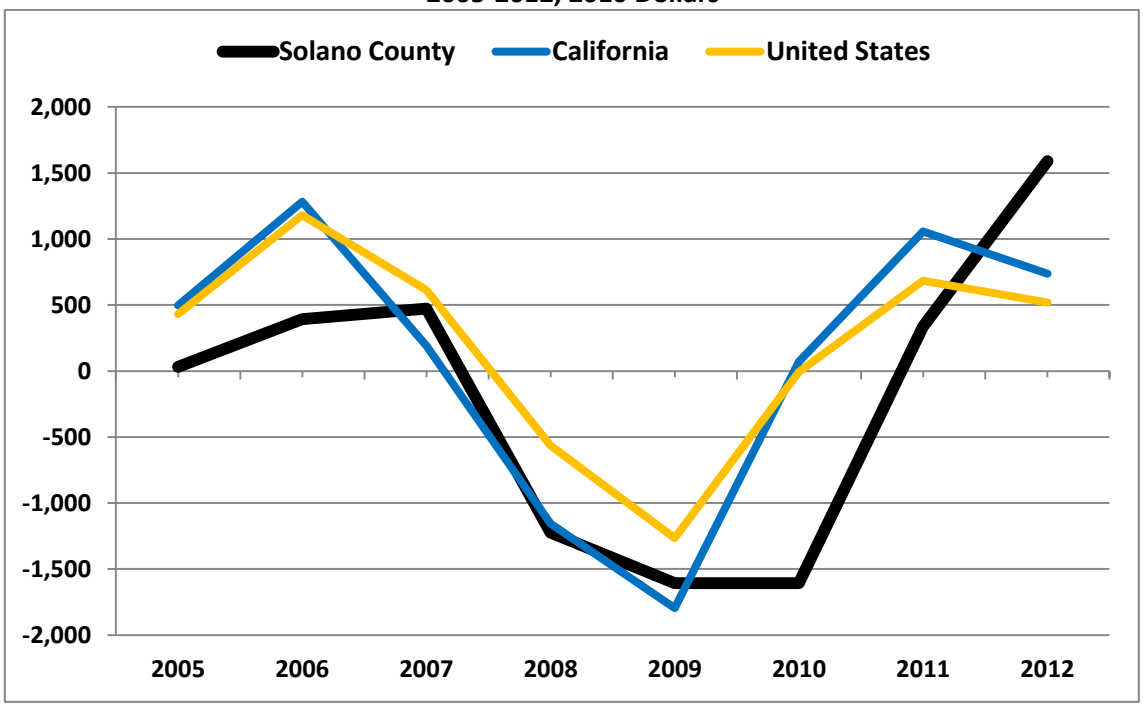
Personal Income

Per Capita Personal Income Changes: Solano County, California, and United States 2005-2012, 2010 Dollars



*Source: Bureau of Economic Analysis (*www.bea.gov*)*

Percent Change in Personal Income Per Capita to 2012, 2010 Dollars

From Date to 2012	*Solano County*	*California*	*United States*
2005	**-4.7%**	0.9%	2.9%
2007	**-7.0%**	-2.4%	-1.5%
2010	**6.1%**	4.2%	3.0%

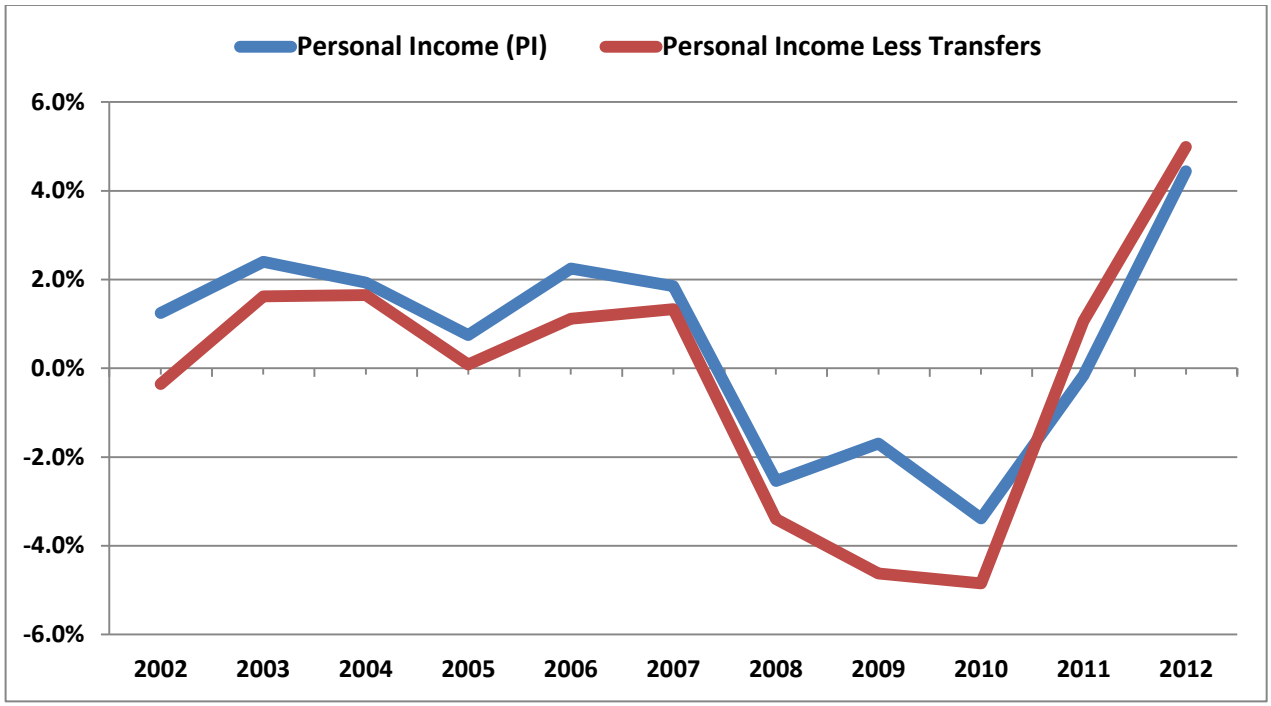
*Source: Bureau of Economic Analysis (*www.bea.gov*)*

Personal income is the genesis of retail sales, mortgage payments, and purchases of all kinds. Personal income is made up of wages and salaries, transfer payments from all levels of government, investment income (dividends, interest, and rents), business income from owning a business (proprietor's income) and other income sources. Since 2009, Solano County has seen growth in personal income, initially from stock market gains and investment income, and accelerated by wage and salary growth.

TAKEAWAY: Changes in personal income per capita have been relatively similar between the United States, California and Solano County.

WHAT IS IMPORTANT: Notice that Solano County had a better year per capita than both the state and nation areas in 2012, where Solano County was still climbing out of the recession since the bottom was hit in 2010. Much of the change in 2011 was due to equity market gains versus job growth; 2012 was a mix of both on personal income growth.

Personal Income Rates of Change, Solano County, 2010 Dollars, Percentage Change



*Source: Bureau of Economic Analysis (*www.bea.gov*)*

Notice that the growth rate of personal income is no longer outpacing the growth of personal income less governmental transfer payments. This is a sign that Solano County is less dependent on government transfers to generate personal income, and thus retail sales, personal services purchases, and other purchases rise more quickly. Both 2011 and 2012 showed this phenomenon.

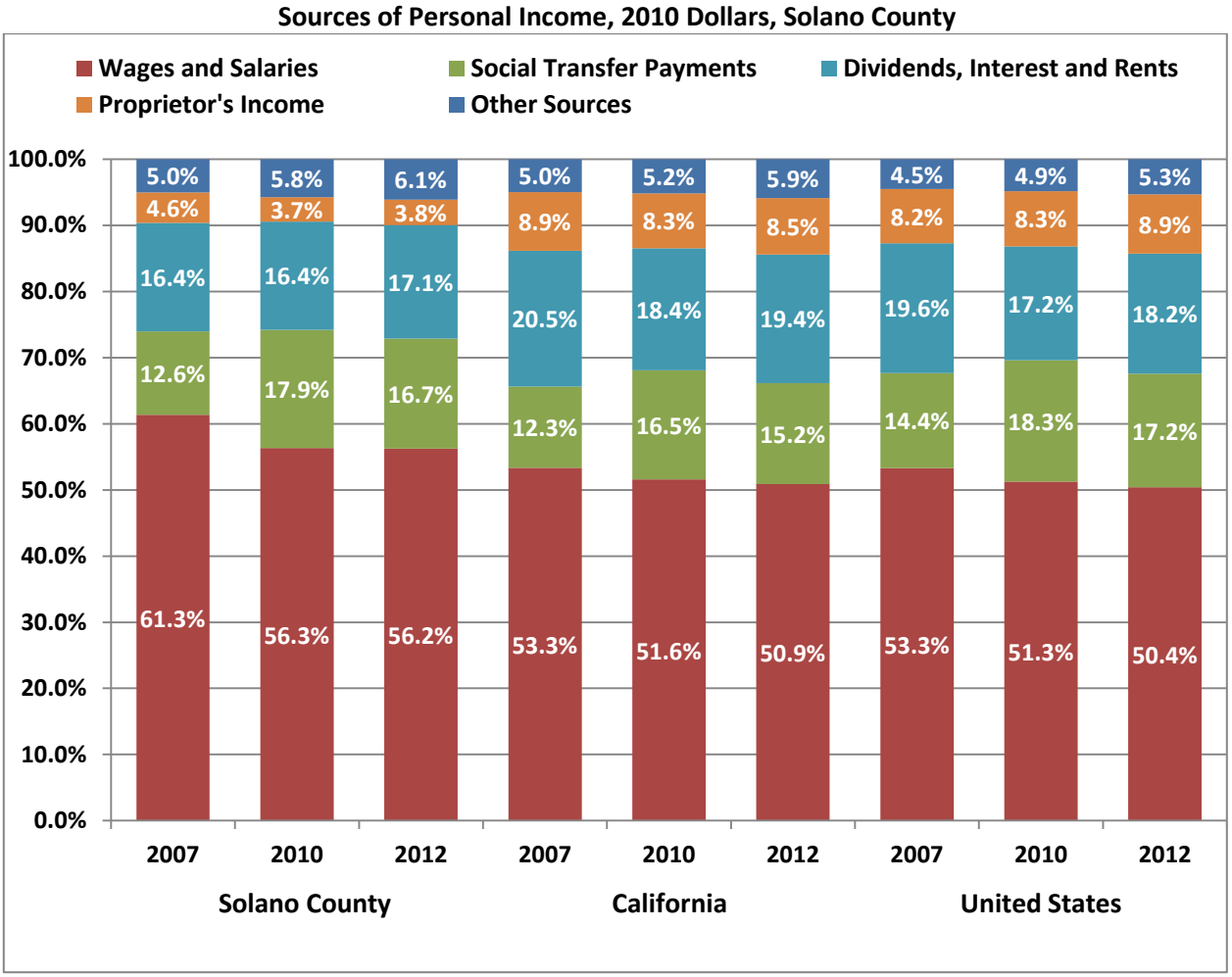
TAKEAWAY: Personal income is rising since 2009 in Solano County, which fuels housing, retail and job markets.

WHAT IS IMPORTANT: When personal income less transfers is growing at a slower pace than personal income overall, the local economy is drawing less from all levels of government as a supplemental income source.

Comparison of Percentage Change in Sources of Personal Income compared to 2013
2010 Dollars, Selected Areas

	Solano County		California		United States	
Percentage Change to 2012	***2007***	***2010***	***2007***	***2010***	***2007***	***2010***
Personal Income	**0.6%**	**6.3%**	13.0%	12.0%	2.6%	4.5%
Wages and Salaries	**-7.8%**	**6.0%**	7.8%	10.5%	-3.0%	2.7%
Social Transfer Payments	**33.0%**	**-0.9%**	40.4%	3.3%	22.7%	-2.0%
Dividends, Interest and Rents	**4.9%**	**11.4%**	7.0%	18.1%	-4.9%	10.4%
Proprietor's Income	**-16.0%**	**10.6%**	8.8%	15.4%	11.8%	12.0%
Other Sources	**22.4%**	**13.3%**	33.6%	27.1%	21.4%	14.6%

*Source: Bureau of Economic Analysis (*www.bea.gov*)*



*Source: Bureau of Economic Analysis (*www.bea.gov*)*

Wages and salaries remain the dominant way that Solano County residents generate personal income. Transfer payments fell in 2012 as a percentage of overall personal income in Solano County, which is also true for the state of California and the nation overall. Investment income remains a similar proportion of personal receipts, as does proprietor's income.

TAKEAWAY: Investment and business income are the main reason personal income has grown since 2010 across all areas compared; wages and business income are at lower levels than 2007.

WHAT IS IMPORTANT: When personal income less transfers is growing at a slower pace than personal income overall, the local economy is drawing less from all levels of government as a supplemental income source.