

HUMBOLDT COUNTY ECONOMIC FORECAST

Humboldt County is located on the coast of Northern California in a densely forested and mountainous region. The county is the largest timber producer in California, and according to Humboldt State University, approximately half of all manufacturing employment is lumber-based. Humboldt County has a population of 134,900 people and a total of 45,800 wage and salary jobs. The per capita income is \$33,980, and the average salary per worker is \$42,796.

In 2012, Humboldt County gained a total of 75 wage and salary jobs, representing a growth rate of 0.2 percent. This was the first increase since 2007, and only the third increase over the last decade. In 2012, non-farm employment grew by 83 jobs, while farm employment fell by 8 jobs. Over the course of the year, the unemployment rate improved substantially, falling from 11.4 in 2011 to 10.5 percent in 2012.

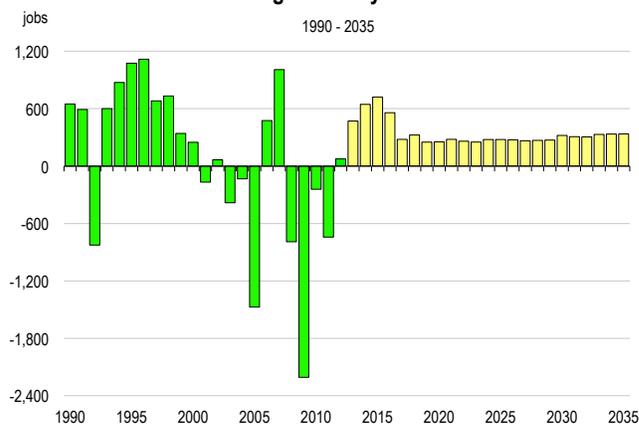
Over the past year, most major sectors were characterized by job losses. The only sectors to add jobs were leisure and hospitality (+175 jobs), transportation and utilities (+125 jobs), wholesale and retail trade (+125 jobs), and government (+17 jobs). The largest employment losses were observed in education and healthcare (-108 jobs), information (-83 jobs), manufacturing (-58 jobs), and construction (-42 jobs). In the manufacturing sector, employment has declined in each year since 1996.

The population in Humboldt County grew at an annual rate of 0.3 percent from 2007 to 2012. This growth was largely due to the natural increase (new births), as net migration added only 150 residents per year.

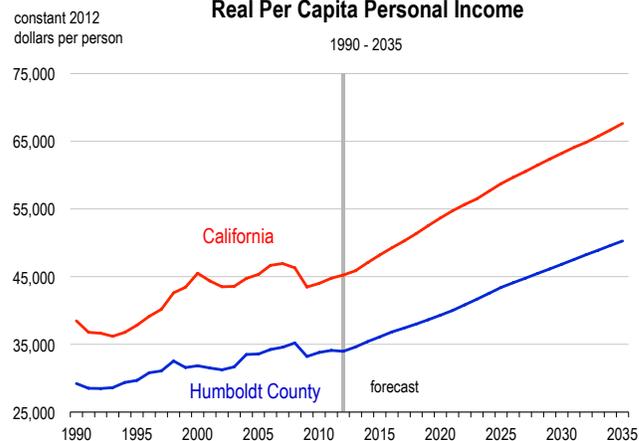
FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.5 percent in 2013. From 2013 to 2018, total employment growth will average 1.1 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise by an average of 0.4 percent per year from 2013 to 2018.
- Between 2013 and 2018, the largest employment gains will be observed in wholesale and retail trade, leisure and hospitality, education and healthcare, professional services, and government. Together, these industries will account for 75 percent of net job creation in the county.

Total Wage & Salary Job Creation



Real Per Capita Personal Income

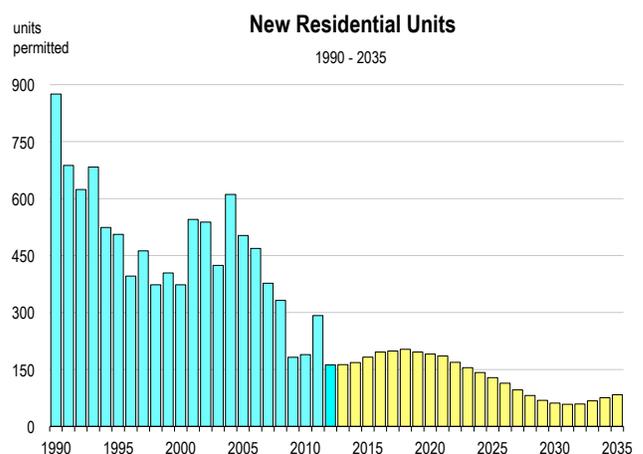
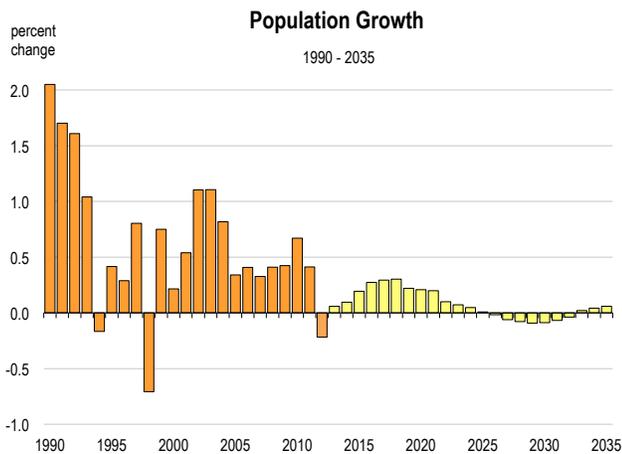


- The population of Humboldt County will continue to grow, but at a slower rate than the state average. Annual growth in the 2013-2018 period will average 0.2 percent per year.
- Net migration will remain negative in 2013 and 2014, but turn positive thereafter. Between 2013 and 2018, the county will gain an average of 90 net migrants per year.
- Real per capita income is forecast to rise by 1.9 percent per year between 2013 and 2018.
- Total taxable sales, adjusted for inflation, are forecast to rise by 1.7 percent in 2013. From 2013 to 2018, real taxable sales are expected to increase by an average of 2.1 percent per year.
- Industrial production is forecast to increase by 3.5 percent per year between 2013 and 2018. Over the same period, total crop production, excluding timber, is expected to grow at an annual rate of 0.5 percent per year.

Humboldt County Economic Forecast

2006-2012 History, 2013-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	132,226	118	146.1	54.2	469	\$1.70	\$3.96	\$34,241	3.3	133.7	0.99	5.5
2007	132,657	72	147.3	54.7	377	\$1.73	\$4.13	\$34,577	3.2	146.5	1.04	5.9
2008	133,201	274	146.6	55.2	332	\$1.69	\$4.36	\$35,215	3.1	141.2	1.06	7.2
2009	133,766	260	147.1	55.6	182	\$1.54	\$4.16	\$33,196	0.9	119.1	0.75	10.9
2010	134,663	587	148.7	56.0	189	\$1.70	\$4.32	\$33,810	1.2	145.6	0.81	11.4
2011	135,218	219	146.8	56.1	292	\$1.70	\$4.49	\$34,097	2.6	171.8	0.86	11.4
2012	134,923	-608	144.6	56.3	162	\$1.78	\$4.58	\$33,980	2.7	175.6	0.88	10.5
2013	135,002	-175	144.4	56.5	163	\$1.85	\$4.78	\$34,618	2.3	175.3	0.90	9.3
2014	135,131	-114	144.3	56.6	168	\$1.95	\$5.02	\$35,395	2.7	176.5	0.93	8.5
2015	135,393	31	144.5	56.8	182	\$2.04	\$5.24	\$36,119	2.1	176.1	0.97	7.6
2016	135,764	149	144.8	56.9	196	\$2.13	\$5.49	\$36,833	2.4	177.6	1.00	7.0
2017	136,163	187	145.1	57.1	199	\$2.22	\$5.71	\$37,401	2.1	178.8	1.04	6.8
2018	136,575	207	145.5	57.3	203	\$2.30	\$5.94	\$38,013	2.1	179.9	1.07	6.8
2019	136,876	106	145.8	57.5	196	\$2.39	\$6.19	\$38,652	2.1	181.5	1.11	6.8
2020	137,160	102	146.3	57.7	190	\$2.49	\$6.44	\$39,293	2.1	180.7	1.14	6.7
2021	137,433	102	146.7	57.8	186	\$2.59	\$6.71	\$40,019	2.2	179.5	1.18	6.4
2022	137,570	-20	147.2	58.0	169	\$2.71	\$7.02	\$40,829	2.3	181.5	1.21	6.1
2023	137,670	-45	147.6	58.2	155	\$2.83	\$7.33	\$41,672	2.3	183.0	1.24	5.9
2024	137,735	-65	148.1	58.3	142	\$2.96	\$7.67	\$42,541	2.4	185.0	1.28	5.9
2025	137,746	-106	148.7	58.4	128	\$3.10	\$8.01	\$43,393	2.4	186.5	1.32	6.0
2026	137,723	-126	149.2	58.6	114	\$3.23	\$8.34	\$44,113	2.5	187.3	1.35	6.0
2027	137,639	-174	149.7	58.7	96	\$3.36	\$8.67	\$44,784	2.5	187.7	1.39	6.0
2028	137,531	-184	150.3	58.7	81	\$3.50	\$9.01	\$45,458	2.5	188.8	1.43	6.1
2029	137,405	-190	150.8	58.8	69	\$3.64	\$9.37	\$46,141	2.5	189.6	1.47	6.0
2030	137,284	-170	151.4	58.9	61	\$3.79	\$9.74	\$46,835	2.5	188.4	1.51	6.0
2031	137,191	-128	152.0	58.9	58	\$3.95	\$10.12	\$47,540	2.5	187.3	1.56	5.8
2032	137,139	-70	152.6	59.0	59	\$4.12	\$10.52	\$48,231	2.5	190.0	1.60	5.7
2033	137,167	28	153.2	59.0	67	\$4.29	\$10.93	\$48,916	2.5	192.3	1.65	5.5
2034	137,225	76	153.9	59.1	76	\$4.46	\$11.37	\$49,610	2.5	194.2	1.69	5.4
2035	137,306	120	154.5	59.2	83	\$4.64	\$11.81	\$50,269	2.5	194.6	1.74	5.3
2036	137,409	163	155.2	59.3	90	\$4.83	\$12.28	\$50,960	2.5	197.7	1.79	5.1
2037	137,562	238	155.9	59.3	99	\$5.02	\$12.78	\$51,659	2.5	199.2	1.84	4.9
2038	137,733	280	156.5	59.4	107	\$5.22	\$13.29	\$52,339	2.5	196.9	1.90	4.8
2039	137,894	295	157.2	59.5	111	\$5.43	\$13.82	\$53,049	2.5	198.9	1.95	4.8
2040	138,029	292	157.9	59.6	111	\$5.64	\$14.37	\$53,784	2.4	200.4	2.00	4.7

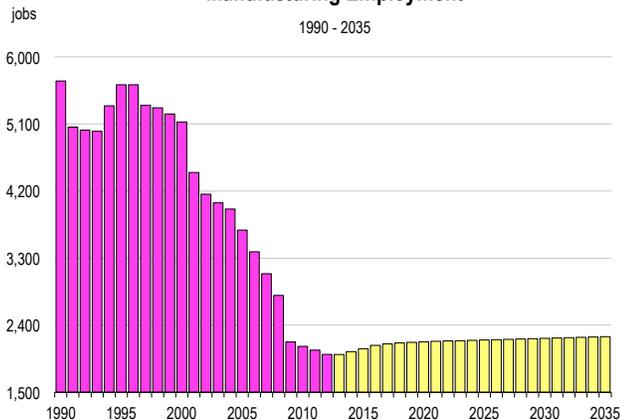


Humboldt County Employment Forecast

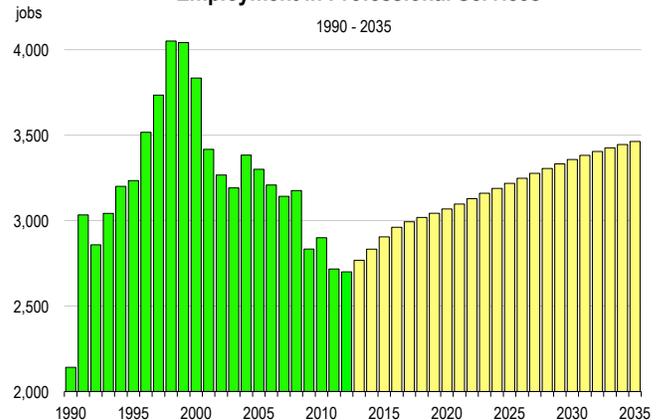
2006-2012 History, 2013-2040 Forecast

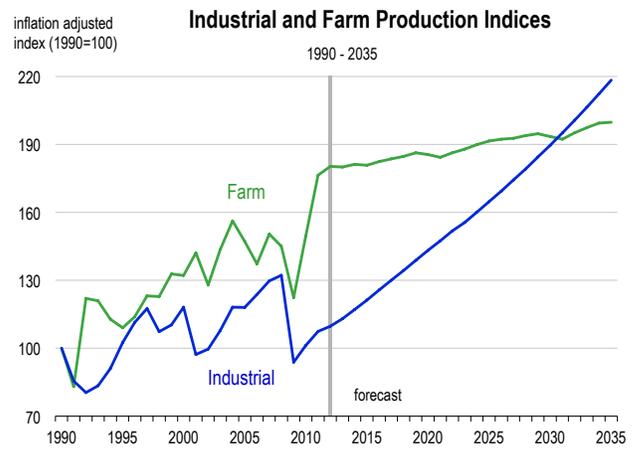
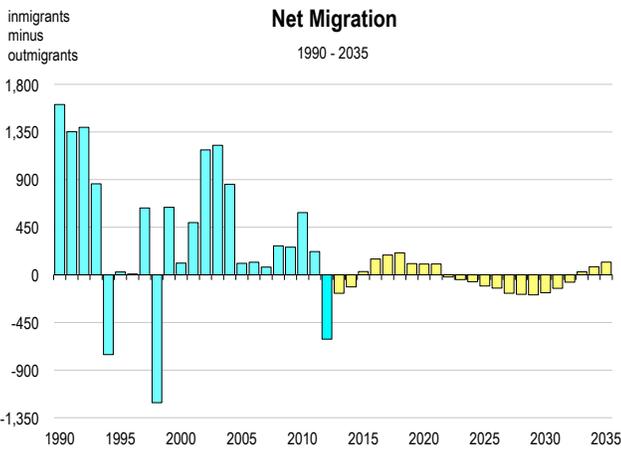
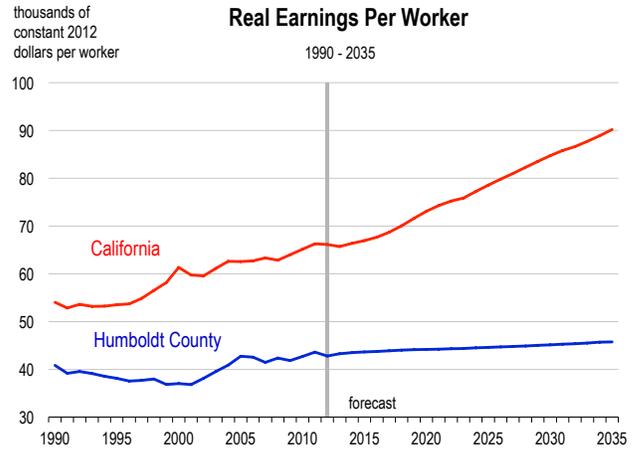
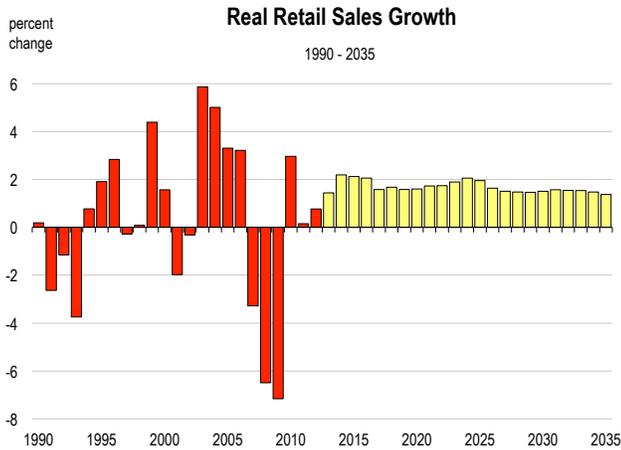
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	48.73	1.23	2.57	3.38	1.44	8.43	2.00	3.21	0.72	5.86	5.25	12.45
2007	49.73	1.26	2.44	3.09	1.38	8.41	1.96	3.14	0.70	5.83	5.23	13.94
2008	48.94	1.16	2.31	2.80	1.31	8.34	1.81	3.18	0.74	5.87	5.18	13.93
2009	46.73	1.01	1.88	2.18	1.17	7.89	1.69	2.83	0.63	6.39	5.08	13.80
2010	46.49	0.80	1.73	2.12	1.20	7.92	1.66	2.90	0.60	6.51	5.18	13.63
2011	45.75	0.86	1.75	2.07	1.16	7.76	1.62	2.72	0.59	6.52	4.99	13.48
2012	45.83	0.85	1.71	2.01	1.28	7.88	1.60	2.70	0.51	6.41	5.17	13.49
2013	46.30	0.86	1.73	2.01	1.31	7.93	1.62	2.77	0.50	6.49	5.29	13.56
2014	46.94	0.86	1.77	2.05	1.34	7.99	1.63	2.83	0.49	6.63	5.35	13.71
2015	47.66	0.87	1.79	2.08	1.37	8.05	1.65	2.90	0.49	6.76	5.45	13.91
2016	48.22	0.87	1.80	2.13	1.40	8.11	1.67	2.96	0.49	6.86	5.56	14.01
2017	48.50	0.88	1.80	2.15	1.42	8.15	1.68	2.99	0.49	6.89	5.64	14.00
2018	48.83	0.88	1.80	2.16	1.45	8.20	1.70	3.02	0.50	6.94	5.72	14.04
2019	49.08	0.89	1.79	2.17	1.46	8.24	1.72	3.04	0.50	6.99	5.78	14.06
2020	49.33	0.89	1.79	2.18	1.47	8.28	1.73	3.07	0.50	7.04	5.84	14.09
2021	49.61	0.90	1.79	2.18	1.48	8.32	1.74	3.10	0.50	7.09	5.91	14.13
2022	49.87	0.90	1.78	2.19	1.48	8.37	1.76	3.13	0.50	7.13	5.98	14.15
2023	50.12	0.90	1.77	2.19	1.48	8.42	1.77	3.16	0.50	7.17	6.05	14.18
2024	50.40	0.91	1.76	2.20	1.49	8.47	1.78	3.19	0.50	7.20	6.13	14.23
2025	50.68	0.91	1.74	2.20	1.50	8.52	1.80	3.22	0.50	7.21	6.20	14.30
2026	50.95	0.92	1.73	2.21	1.50	8.56	1.81	3.25	0.50	7.23	6.27	14.37
2027	51.22	0.93	1.72	2.21	1.51	8.60	1.82	3.28	0.50	7.24	6.35	14.44
2028	51.49	0.93	1.70	2.21	1.52	8.63	1.83	3.30	0.50	7.26	6.42	14.51
2029	51.76	0.94	1.69	2.22	1.52	8.67	1.84	3.33	0.50	7.28	6.50	14.58
2030	52.08	0.94	1.69	2.22	1.53	8.71	1.85	3.36	0.50	7.34	6.58	14.65
2031	52.39	0.94	1.68	2.23	1.53	8.75	1.87	3.38	0.50	7.39	6.66	14.72
2032	52.69	0.94	1.69	2.23	1.54	8.79	1.88	3.40	0.51	7.44	6.74	14.78
2033	53.03	0.95	1.69	2.24	1.54	8.83	1.89	3.43	0.51	7.50	6.82	14.85
2034	53.36	0.96	1.70	2.24	1.55	8.87	1.90	3.44	0.51	7.55	6.91	14.93
2035	53.70	0.97	1.71	2.25	1.56	8.90	1.91	3.46	0.51	7.61	6.99	15.00
2036	54.03	0.97	1.72	2.25	1.56	8.94	1.93	3.48	0.51	7.67	7.08	15.07
2037	54.37	0.98	1.73	2.26	1.57	8.97	1.94	3.50	0.51	7.74	7.17	15.14
2038	54.71	0.99	1.74	2.26	1.57	9.01	1.95	3.52	0.51	7.79	7.26	15.21
2039	55.04	0.99	1.75	2.26	1.58	9.04	1.96	3.53	0.51	7.85	7.35	15.29
2040	55.38	1.00	1.75	2.27	1.59	9.07	1.97	3.55	0.51	7.91	7.44	15.37

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	10.0%
Expected job growth:	5.5%
Fastest growing jobs sector:	Transportation and Utilities
Expected personal income growth:	11.1%

Expected population growth:	1.2%
Net migration to account for:	29.2%
Expected growth in number of vehicles:	0.8%

Demographics (2013)

Unemployment rate (April 2013)	8.4%
County Rank* in California (58 counties):	21st
Working age (16-64) population:	67.6%

Population with B.A. Degree or higher:	25.4%
Median Home Selling Price (2012):	\$215,000
Median Household Income:	\$39,892

Quality of Life

Violent Crime rate (2010):	395 per 100,000 persons
County Rank* in California (58 counties):	32nd
Average Commute Time to work (2013):	19.5 minutes

High School drop out rate (2011):	16.2%
Households at/below poverty line (2013):	10.8%

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