

MENDOCINO COUNTY ECONOMIC FORECAST

Mendocino County is located on the coast of Northern California. The county is noted for its distinctive Pacific Ocean coastline, Redwood forests, and wine production. Redwood Valley is the location of the principal wine-growing region in the county. Lake Mendocino is the largest recreational area, offering year-round resident and visitor boating, fishing, water skiing, and hiking.

Mendocino County has a population of 88,600 people and a total of 29,200 wage and salary jobs. The per capita income in Mendocino County is \$36,850, and the average salary per worker is \$41,709.

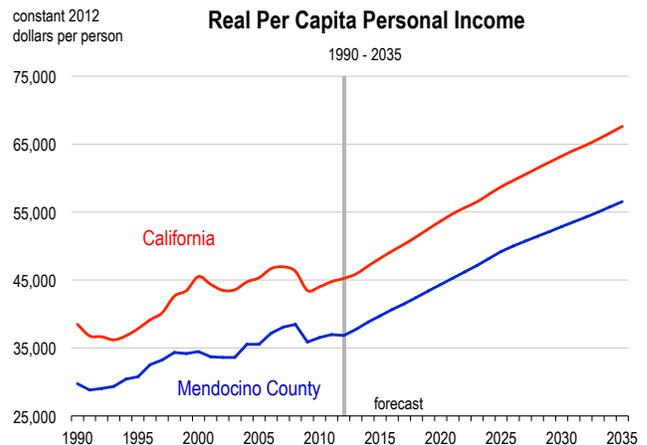
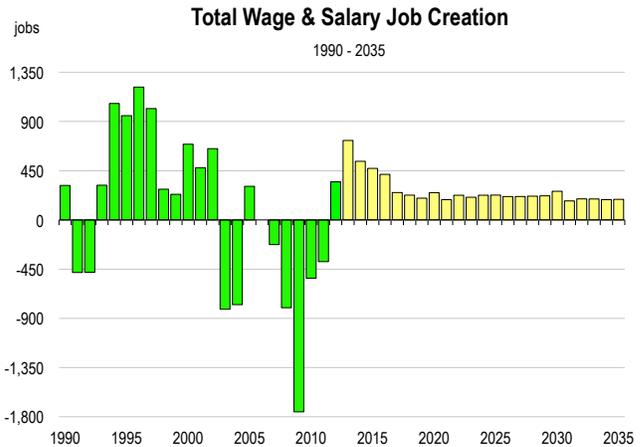
In 2012, Mendocino County gained 348 wage and salary jobs, representing an increase of 1.2 percent. The unemployment rate improved substantially, dropping from 10.9 percent in 2011 to 9.7 percent in 2012.

Over the past year, most employment sectors were characterized by positive job growth. The largest gains were observed in education and healthcare (+166 jobs), manufacturing (+132 jobs), leisure and hospitality (+56 jobs), and mining and natural resources (+53 jobs). The public sector lost the largest number of positions (-148 jobs), followed by professional services (-60 jobs).

Between 2007 and 2012, the population of Mendocino County increased at an annual average rate of 0.2 percent. This growth was due entirely to the natural increase (new births), as net migration was negative.

FORECAST HIGHLIGHTS

- In 2013, total wage and salary employment will expand by 2.5 percent. From 2013 to 2018, total employment growth will average 1.2 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 1.0 percent per year from 2013 to 2018.
- Between 2013 and 2018, the strongest employment growth will be observed in manufacturing, wholesale and retail trade, leisure and hospitality, and government. Together, these sectors will account for 80 percent of net job creation in the county.
- In the coming years, the population of Mendocino County will increase at a moderate rate. Annual growth in the 2013 to 2018 period will average 0.6 percent.
- In 2013, approximately 290 net-migrants will enter Mendocino County. This is consistent with the medium-term outlook, as an average of 290 net-migrants will enter the county each year between 2013 and 2018.

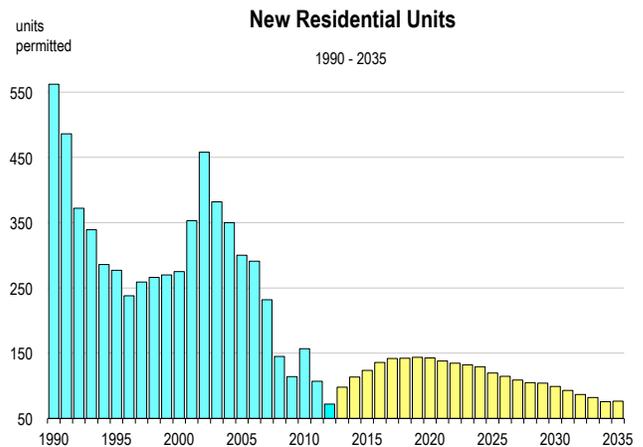
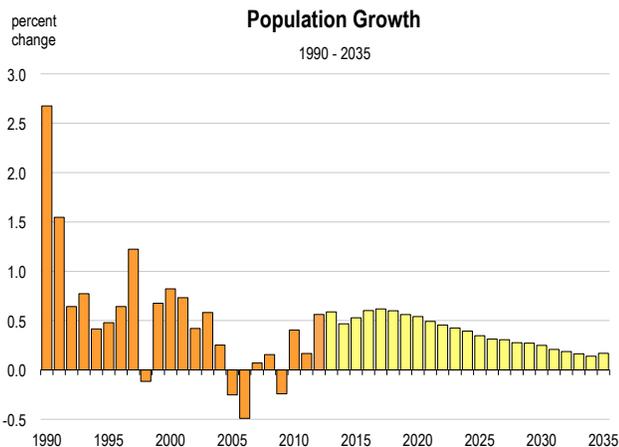


- Real per capita income is forecast to increase by 2.5 percent in 2013. Between 2013 and 2018, real per capita income is expected to increase at an average rate of 2.4 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase by an annual average rate of 1.6 percent between 2013 and 2018.
- Between 2013 and 2018, the growth rate of industrial production will average 3.8 percent per year. Total crop production is expected to rise by 0.5 percent per year over the same time frame. The principal crop in the county is the wine grape.

Mendocino 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 (millions)	Unemploy- ment Rate (percent)
2006	87,584	-714	111.8	34.6	291	\$1.25	\$2.85	\$37,191	3.3	157.0	803.8	5.2
2007	87,646	-287	110.8	34.7	232	\$1.29	\$3.01	\$38,085	3.2	142.2	808.7	5.5
2008	87,782	-280	112.0	34.9	145	\$1.25	\$3.14	\$38,470	3.1	117.0	825.1	6.9
2009	87,569	-490	111.6	34.9	114	\$1.06	\$2.95	\$35,890	0.9	126.0	636.8	10.3
2010	87,924	54	111.7	34.9	157	\$1.08	\$3.05	\$36,548	1.2	122.4	657.0	11.3
2011	88,071	-40	110.2	35.0	107	\$1.16	\$3.17	\$36,975	2.6	118.5	711.3	10.9
2012	88,566	254	108.9	35.1	72	\$1.24	\$3.26	\$36,850	2.7	118.9	799.0	9.7
2013	89,087	291	108.6	35.2	98	\$1.33	\$3.44	\$37,753	2.3	120.0	830.8	8.4
2014	89,503	190	108.6	35.2	113	\$1.39	\$3.65	\$38,820	2.7	120.3	863.0	7.3
2015	89,976	252	108.8	35.3	124	\$1.44	\$3.84	\$39,758	2.1	120.2	897.0	6.2
2016	90,518	324	109.1	35.3	136	\$1.50	\$4.04	\$40,689	2.4	121.6	933.4	5.3
2017	91,077	347	109.5	35.4	142	\$1.56	\$4.24	\$41,513	2.1	122.1	967.1	5.1
2018	91,623	338	109.9	35.5	142	\$1.61	\$4.45	\$42,445	2.1	122.8	999.7	4.9
2019	92,138	310	110.4	35.5	144	\$1.66	\$4.68	\$43,399	2.1	123.6	1035.0	4.9
2020	92,636	299	110.9	35.6	143	\$1.71	\$4.90	\$44,325	2.1	123.3	1071.9	4.8
2021	93,092	265	111.5	35.7	138	\$1.77	\$5.15	\$45,269	2.2	123.8	1105.3	4.5
2022	93,515	249	112.1	35.7	135	\$1.85	\$5.40	\$46,205	2.3	125.7	1139.2	4.0
2023	93,913	237	112.7	35.8	132	\$1.92	\$5.66	\$47,126	2.3	126.2	1168.7	3.8
2024	94,283	219	113.3	35.9	129	\$2.00	\$5.95	\$48,181	2.4	126.9	1203.9	3.8
2025	94,610	190	113.9	36.0	120	\$2.08	\$6.24	\$49,192	2.4	127.4	1240.2	3.8
2026	94,906	170	114.6	36.0	115	\$2.16	\$6.52	\$50,005	2.5	127.7	1277.0	3.8
2027	95,196	175	115.3	36.1	109	\$2.24	\$6.80	\$50,724	2.5	128.1	1314.7	3.8
2028	95,459	156	115.9	36.2	105	\$2.33	\$7.08	\$51,446	2.5	129.0	1353.5	3.8
2029	95,718	158	116.6	36.2	104	\$2.43	\$7.38	\$52,153	2.5	129.4	1393.6	3.8
2030	95,957	144	117.4	36.3	99	\$2.53	\$7.68	\$52,881	2.5	129.2	1434.9	3.8
2031	96,156	108	118.1	36.4	93	\$2.64	\$7.99	\$53,580	2.5	129.7	1477.4	3.8
2032	96,335	87	118.8	36.4	87	\$2.75	\$8.31	\$54,259	2.5	131.9	1521.1	3.8
2033	96,493	64	119.5	36.5	82	\$2.86	\$8.65	\$54,998	2.5	132.2	1566.2	3.8
2034	96,627	40	120.2	36.6	76	\$2.97	\$9.00	\$55,762	2.5	132.6	1612.6	3.8
2035	96,790	67	120.9	36.6	77	\$3.08	\$9.36	\$56,534	2.5	132.5	1660.5	3.8
2036	96,936	51	121.6	36.7	74	\$3.19	\$9.74	\$57,296	2.5	134.1	1709.7	3.8
2037	97,058	28	122.3	36.7	69	\$3.30	\$10.14	\$58,091	2.5	133.9	1760.5	3.8
2038	97,157	5	123.0	36.8	64	\$3.42	\$10.55	\$58,926	2.5	132.8	1812.7	3.8
2039	97,233	-16	123.7	36.8	59	\$3.55	\$10.98	\$59,793	2.5	135.0	1866.6	3.8
2040	97,295	-31	124.4	36.9	53	\$3.68	\$11.43	\$60,730	2.4	135.3	1910.7	3.8

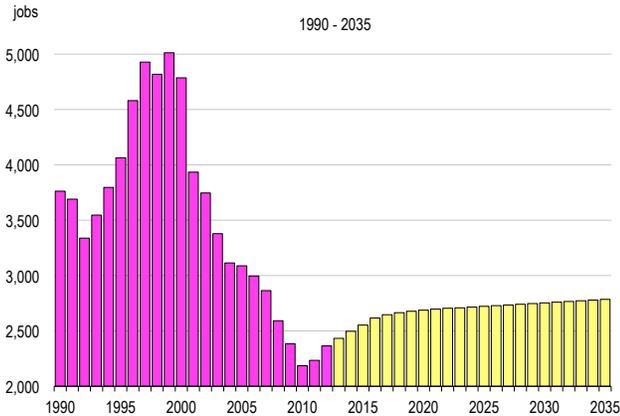


Mendocino County Employment Forecast

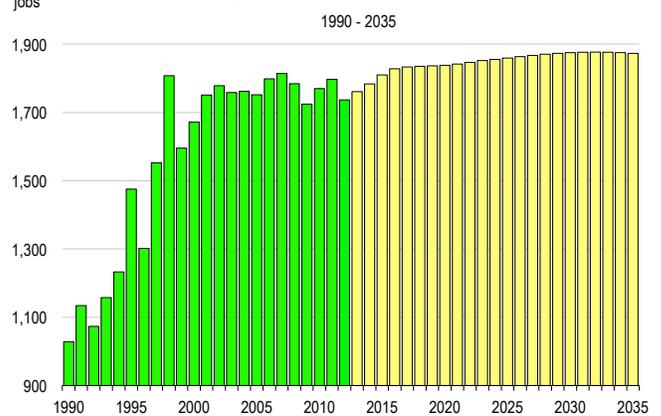
2006-2012 History, 2013-2040 Forecast

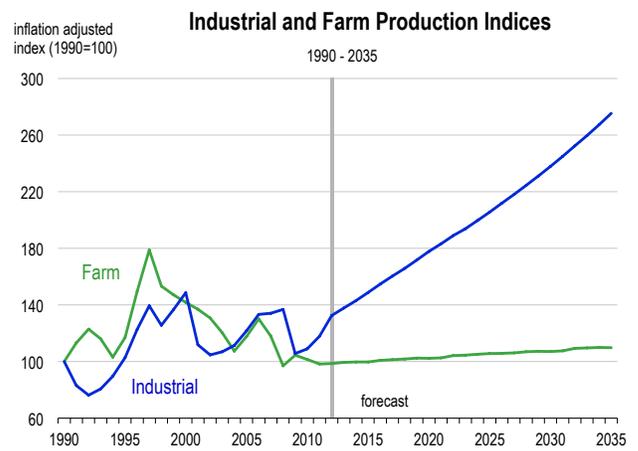
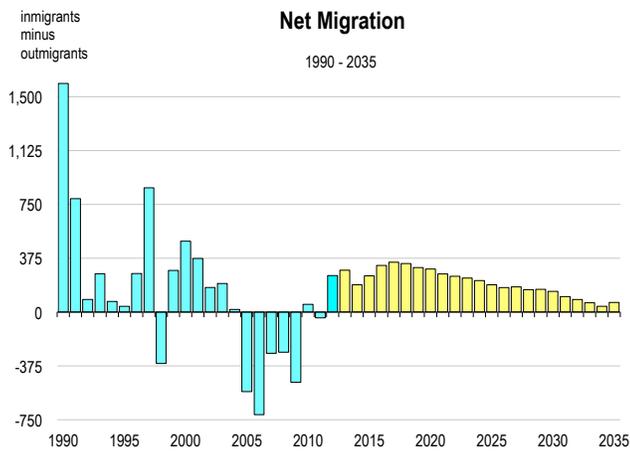
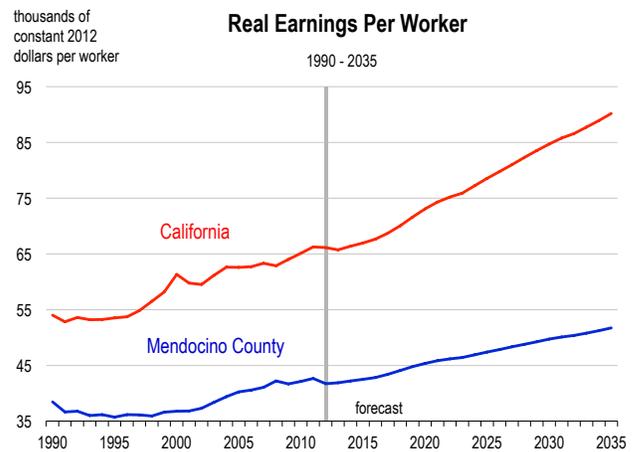
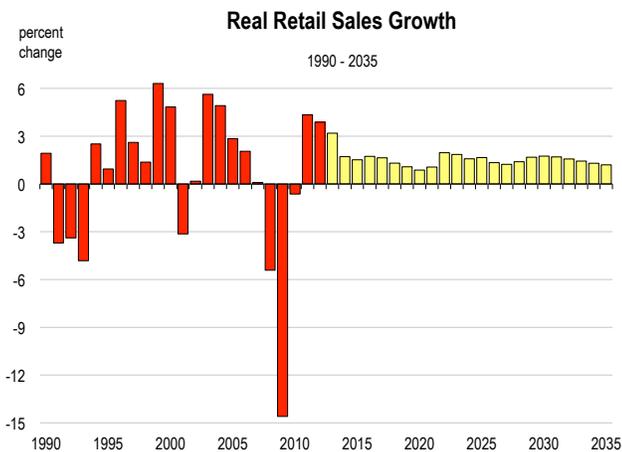
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	32.6	2.1	1.6	3.0	0.6	5.3	1.3	1.8	0.4	3.7	4.2	7.5
2007	32.4	2.0	1.5	2.9	0.6	5.4	1.2	1.8	0.4	3.8	4.2	7.5
2008	31.6	1.9	1.3	2.6	0.6	5.3	1.2	1.8	0.4	3.8	4.0	7.6
2009	29.8	1.6	1.0	2.4	0.6	5.0	1.2	1.7	0.3	3.8	3.7	7.5
2010	29.3	1.6	0.9	2.2	0.6	5.0	1.2	1.8	0.3	3.7	3.7	7.3
2011	28.9	1.5	0.9	2.2	0.6	5.0	1.1	1.8	0.3	3.9	3.6	7.0
2012	29.2	1.5	1.0	2.4	0.6	5.1	1.1	1.7	0.3	4.0	3.6	6.9
2013	30.0	1.6	1.0	2.4	0.6	5.1	1.1	1.8	0.3	4.0	3.8	7.2
2014	30.5	1.6	1.1	2.5	0.6	5.2	1.1	1.8	0.3	4.1	3.8	7.4
2015	31.0	1.6	1.1	2.6	0.7	5.2	1.1	1.8	0.3	4.1	3.9	7.6
2016	31.4	1.6	1.1	2.6	0.7	5.2	1.1	1.8	0.3	4.1	4.0	7.7
2017	31.6	1.6	1.1	2.6	0.7	5.3	1.1	1.8	0.3	4.1	4.0	7.8
2018	31.9	1.5	1.1	2.7	0.7	5.3	1.1	1.8	0.3	4.1	4.1	7.9
2019	32.1	1.5	1.1	2.7	0.7	5.3	1.1	1.8	0.3	4.1	4.1	8.0
2020	32.3	1.5	1.1	2.7	0.7	5.3	1.1	1.8	0.3	4.2	4.2	8.2
2021	32.5	1.5	1.1	2.7	0.7	5.3	1.2	1.8	0.3	4.2	4.2	8.2
2022	32.7	1.5	1.2	2.7	0.7	5.4	1.2	1.8	0.3	4.2	4.3	8.3
2023	32.9	1.5	1.2	2.7	0.7	5.4	1.2	1.9	0.3	4.2	4.3	8.4
2024	33.2	1.5	1.2	2.7	0.7	5.5	1.2	1.9	0.3	4.2	4.4	8.5
2025	33.4	1.5	1.2	2.7	0.7	5.5	1.2	1.9	0.3	4.2	4.4	8.6
2026	33.6	1.6	1.2	2.7	0.8	5.5	1.2	1.9	0.3	4.2	4.5	8.7
2027	33.8	1.6	1.2	2.7	0.8	5.5	1.2	1.9	0.3	4.2	4.5	8.7
2028	34.0	1.6	1.2	2.7	0.8	5.6	1.2	1.9	0.3	4.3	4.6	8.8
2029	34.2	1.6	1.2	2.7	0.8	5.6	1.2	1.9	0.3	4.3	4.6	8.9
2030	34.5	1.6	1.2	2.8	0.8	5.6	1.2	1.9	0.3	4.3	4.7	9.0
2031	34.7	1.6	1.2	2.8	0.8	5.7	1.2	1.9	0.3	4.3	4.7	9.1
2032	34.9	1.6	1.3	2.8	0.8	5.7	1.3	1.9	0.4	4.3	4.8	9.1
2033	35.1	1.6	1.3	2.8	0.8	5.8	1.3	1.9	0.4	4.3	4.8	9.2
2034	35.3	1.6	1.3	2.8	0.8	5.8	1.3	1.9	0.4	4.3	4.9	9.3
2035	35.4	1.6	1.3	2.8	0.8	5.8	1.3	1.9	0.4	4.3	4.9	9.3
2036	35.6	1.6	1.3	2.8	0.8	5.8	1.3	1.9	0.4	4.3	5.0	9.4
2037	35.8	1.6	1.3	2.8	0.8	5.9	1.3	1.9	0.4	4.4	5.0	9.4
2038	36.0	1.6	1.3	2.8	0.8	5.9	1.3	1.9	0.4	4.4	5.1	9.5
2039	36.2	1.6	1.3	2.8	0.8	5.9	1.3	1.9	0.4	4.4	5.1	9.6
2040	36.4	1.6	1.3	2.8	0.8	6.0	1.3	1.9	0.4	4.4	5.2	9.7

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	8.2 %
Expected job growth:	6.3 %
Fastest growing jobs sector:	Transportation and Utilities
Expected personal income growth:	15.6 %

Expected population growth:	2.9 %
Net migration to account for:	57.2 %
Expected growth in number of vehicles:	1.2 %

Demographics (2013)

Unemployment rate (April 2013)	8.0 %
County Rank* in California (58 counties):	18th
Working age (16-64) population:	63.9 %

Population with B.A. Degree or higher:	22.1 %
Median Home Selling Price (2012):	\$220,000
Median Household Income:	\$36,554

Quality of Life

Violent Crime rate (2010):	555 per 100,000 persons
County Rank* in California (58 counties):	48th
Average Commute Time to work (2013):	20.7 minutes

High School drop out rate (2011):	9.6 %
Households at/below poverty line (2013):	13.2 %

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