

DEL NORTE COUNTY ECONOMIC FORECAST

Del Norte County is located in the northwestern corner of California. The county shares its northern border with the state of Oregon. The closest large city (with 100,000 or more residents) is Eugene, Oregon, 225 miles to the north. Del Norte County has a population of 28,520 people and 7,853 wage and salary jobs. The per capita income in Del Norte County is \$28,028, and the average salary per worker is \$42,406.

The public sector is the largest employer in the county, accounting for 49 percent of all wage and salary jobs. Pelican Bay State Penitentiary, located in Crescent City, is one of the largest entities, employing 1,521 people and housing roughly 3,175 inmates.

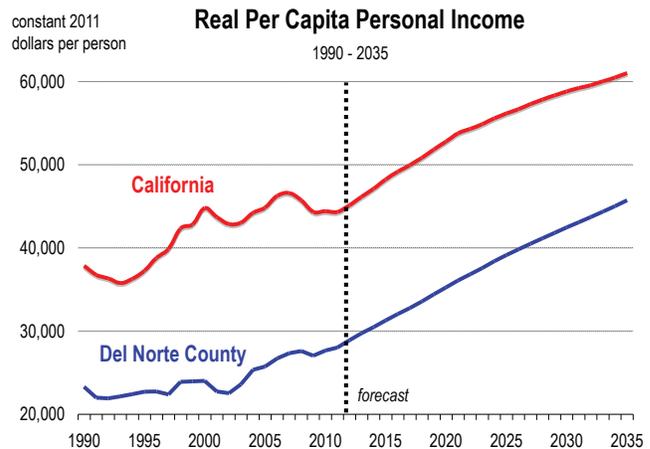
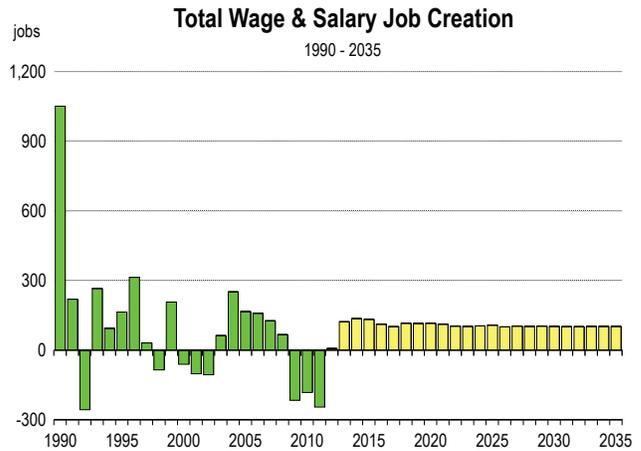
In 2011, 246 total wage and salary jobs were lost in Del Norte County, representing a decline of 3.0 percent. The unemployment rate deteriorated slightly, rising from 13.1 to 13.4 percent.

The only sector to create jobs during 2011 was retail trade (+18 jobs). The largest employment losses were in the public (-91 jobs), education and healthcare (-77 jobs), agriculture (-25 jobs), and construction (-20 jobs) sectors.

The population of Del Norte County grew at an annual rate of 0.1 percent between 2006 and 2011. This growth was due entirely to the natural increase (new births), as the county lost an average of 45 residents per year through net migration.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to be relatively flat in 2012. The point forecast calls for 7 new jobs, an increase of 0.1 percent. From 2012 to 2017, total employment growth will average 1.3 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 0.9 percent per year over the 2012-2017 period.
- Between 2012 and 2017, the momentum for employment growth is in government, healthcare and education, retail trade, construction, and manufacturing. These sectors will account for nearly all jobs created in the county during this time.
- The population in the county will continue to grow, but at a slower rate than the state average. Annual growth in the 2012 to 2017 period is expected to average 0.4 percent per year.
- Net migration is estimated at 137 people leaving the county in 2012. Net migration will turn positive in 2014, and over the entire 2012-2017 period, migration is expected to average approximately 30 people entering the county per year.

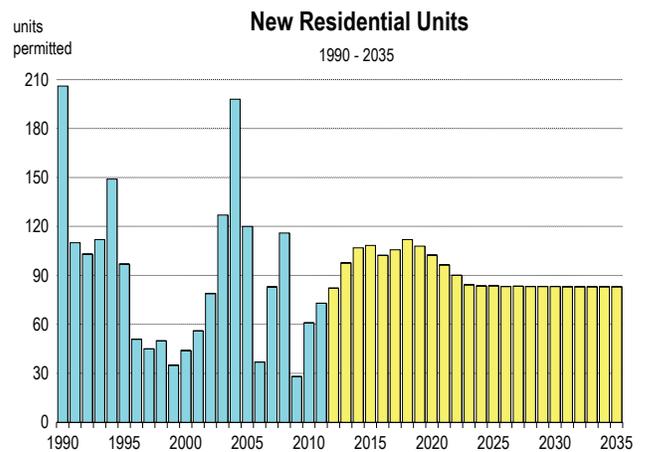
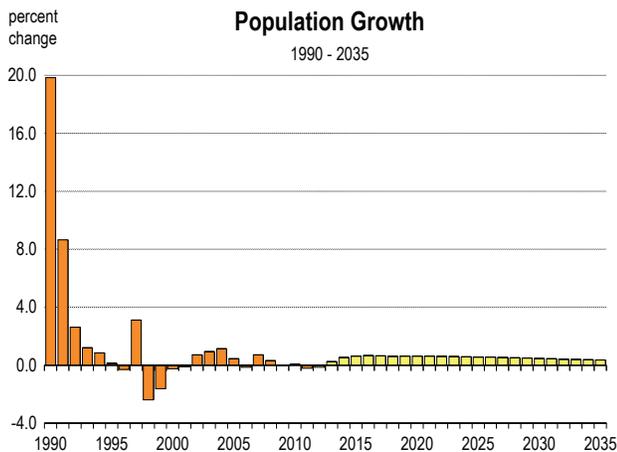


- Real per capita income is forecast to rise by 3.1 percent in 2012. From 2012 to 2017, real per capita income is expected to increase at an average rate of 2.6 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to grow by 2.5 percent in 2012. Between 2012 and 2017, real taxable sales growth is expected to average 3.0 percent per year.
- Industrial production is forecast to rise by 6.4 percent in 2012. Over the next five years, industrial production will grow rapidly, increasing by an average of 8.6 percent per year.
- Total crop production is expected to increase by an average of 0.3 percent per year. The principal agricultural commodity is cattle.

Del Norte County Economic Forecast

2006-2011 History, 2012-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	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	28,276	-86	27.7	9.6	37	\$227.5	\$0.68	\$26,703	3.2	51.1	31.9	6.9
2007	28,480	115	27.9	9.7	83	\$239.3	\$0.72	\$27,345	3.4	48.9	27.5	7.5
2008	28,571	8	27.6	9.8	116	\$232.2	\$0.75	\$27,587	3.0	48.5	26.9	8.8
2009	28,559	-60	27.4	9.8	28	\$201.2	\$0.74	\$27,021	0.8	38.7	19.4	12.0
2010	28,577	-91	27.4	9.9	61	\$204.3	\$0.77	\$27,657	1.3	37.7	20.5	13.1
2011	28,520	-153	26.8	9.9	73	\$208.4	\$0.80	\$28,028	2.5	37.5	21.5	13.4
2012	28,482	-137	26.9	10.0	82	\$218.0	\$0.84	\$28,907	1.9	37.7	22.8	12.5
2013	28,554	-27	27.1	10.0	98	\$230.1	\$0.88	\$29,729	2.1	37.9	24.6	11.2
2014	28,707	57	27.3	10.1	107	\$243.1	\$0.93	\$30,487	2.1	38.0	27.0	9.7
2015	28,891	87	27.6	10.2	108	\$256.2	\$0.98	\$31,279	1.8	37.9	29.5	8.4
2016	29,085	98	27.8	10.3	102	\$269.4	\$1.03	\$32,054	1.7	38.1	32.3	7.5
2017	29,272	93	28.0	10.4	106	\$281.9	\$1.07	\$32,758	1.7	38.3	35.3	7.0
2018	29,453	89	28.2	10.5	112	\$294.1	\$1.13	\$33,560	1.7	38.4	38.1	6.5
2019	29,637	94	28.4	10.6	108	\$306.3	\$1.18	\$34,422	1.5	38.6	40.8	6.1
2020	29,824	98	28.6	10.7	103	\$317.9	\$1.23	\$35,252	1.4	38.5	43.3	5.8
2021	30,014	102	28.8	10.8	97	\$329.1	\$1.29	\$36,102	1.3	38.4	45.7	5.7
2022	30,199	101	28.9	10.9	90	\$340.3	\$1.34	\$36,838	1.5	38.6	48.5	5.6
2023	30,379	99	29.1	11.0	84	\$351.7	\$1.40	\$37,583	1.5	38.8	51.3	5.6
2024	30,556	98	29.3	11.0	84	\$364.4	\$1.46	\$38,390	1.6	39.1	54.3	5.5
2025	30,730	98	29.5	11.1	84	\$378.6	\$1.52	\$39,159	1.7	39.3	57.5	5.5
2026	30,901	99	29.6	11.2	83	\$392.8	\$1.58	\$39,833	1.7	39.4	60.9	5.4
2027	31,066	96	29.8	11.3	83	\$407.5	\$1.65	\$40,522	1.7	39.4	64.4	5.4
2028	31,226	96	29.9	11.3	83	\$422.7	\$1.71	\$41,176	1.7	39.6	68.1	5.4
2029	31,381	94	30.1	11.4	83	\$438.6	\$1.77	\$41,823	1.7	39.7	72.0	5.3
2030	31,529	92	30.3	11.5	83	\$454.8	\$1.84	\$42,461	1.7	39.5	76.1	5.3
2031	31,669	90	30.4	11.6	83	\$471.2	\$1.91	\$43,097	1.7	39.4	80.3	5.2
2032	31,802	87	30.6	11.6	83	\$488.3	\$1.98	\$43,704	1.7	39.7	84.4	5.2
2033	31,929	85	30.7	11.7	83	\$506.1	\$2.05	\$44,362	1.7	40.0	88.7	5.2
2034	32,050	83	30.9	11.8	83	\$524.4	\$2.12	\$45,029	1.7	40.3	93.0	5.1
2035	32,165	81	31.0	11.9	83	\$543.7	\$2.20	\$45,736	1.7	40.4	97.4	5.1
2036	32,274	79	31.2	11.9	83	\$564.0	\$2.28	\$46,453	1.7	40.8	101.8	5.1
2037	32,378	78	31.3	12.0	83	\$585.1	\$2.37	\$47,188	1.7	41.0	106.4	5.0
2038	32,477	76	31.4	12.1	83	\$607.0	\$2.45	\$47,959	1.7	40.7	111.1	5.0
2039	32,573	75	31.6	12.2	83	\$629.9	\$2.55	\$48,752	1.7	40.9	115.9	4.9
2040	32,666	73	31.7	12.2	83	\$653.6	\$2.64	\$49,563	1.7	41.1	125.0	4.9

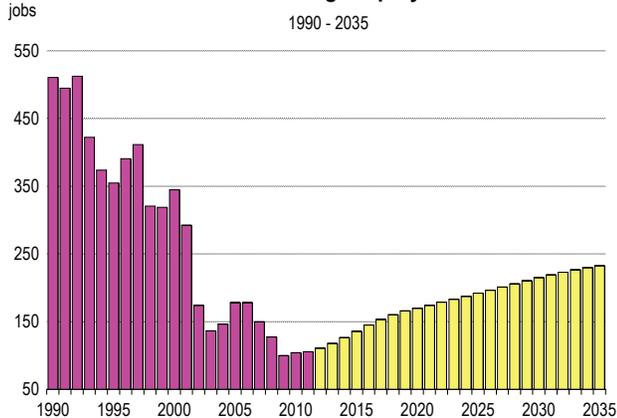


Del Norte County Employment Forecast

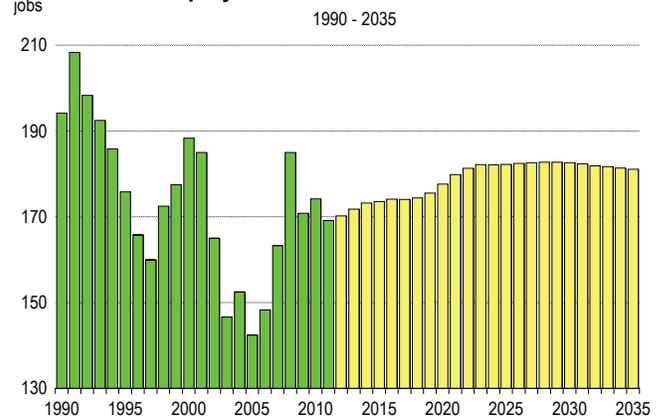
2006-2011 History, 2012-2040 Forecast

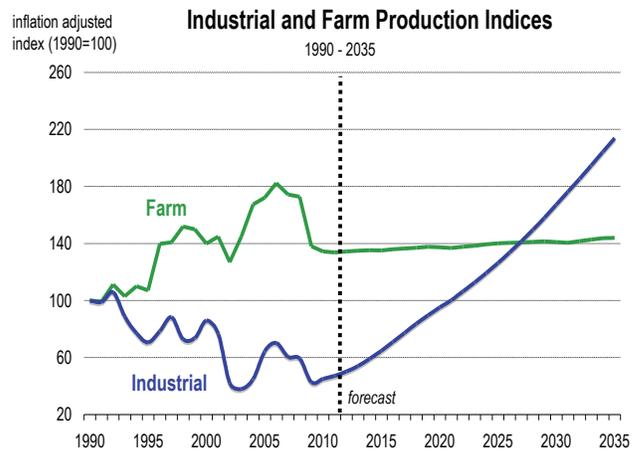
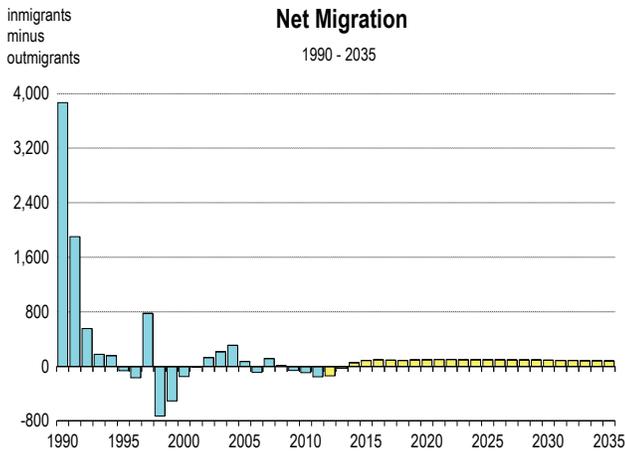
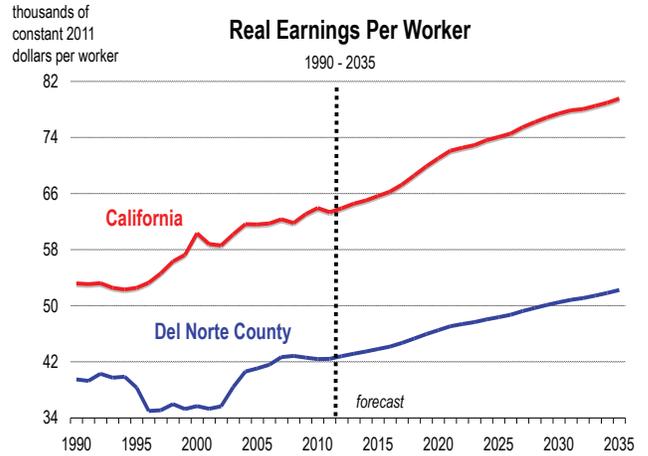
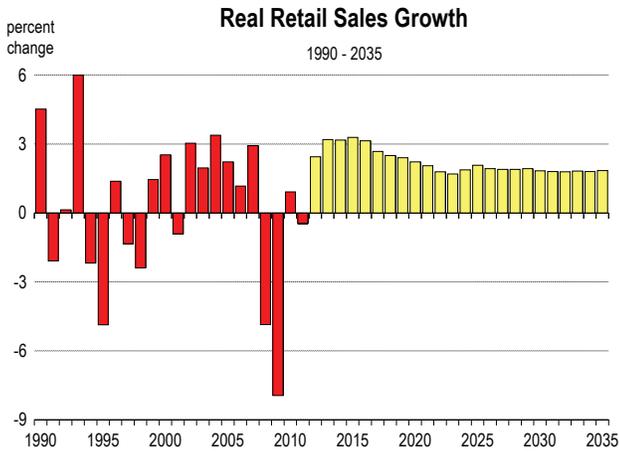
	Total Wage & Salary	Farm	Construction	Manufacturing	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----										
2006	8.3	0.42	0.27	0.18	1.23	0.22	0.15	0.11	1.12	0.88	3.66
2007	8.4	0.39	0.25	0.15	1.26	0.22	0.16	0.11	1.19	0.87	3.76
2008	8.5	0.40	0.28	0.13	1.16	0.20	0.19	0.11	1.22	0.86	3.87
2009	8.3	0.35	0.22	0.10	1.10	0.20	0.17	0.10	1.23	0.79	3.92
2010	8.1	0.32	0.17	0.10	1.08	0.18	0.17	0.09	1.21	0.76	3.90
2011	7.9	0.29	0.15	0.11	1.10	0.18	0.17	0.09	1.13	0.72	3.81
2012	7.9	0.28	0.18	0.11	1.11	0.18	0.17	0.09	1.16	0.72	3.76
2013	8.0	0.27	0.20	0.12	1.14	0.19	0.17	0.09	1.19	0.72	3.81
2014	8.1	0.26	0.20	0.13	1.16	0.19	0.17	0.09	1.22	0.72	3.86
2015	8.3	0.26	0.21	0.14	1.20	0.20	0.17	0.09	1.26	0.72	3.91
2016	8.4	0.26	0.20	0.15	1.23	0.20	0.17	0.09	1.29	0.73	3.95
2017	8.5	0.25	0.20	0.15	1.25	0.20	0.17	0.10	1.31	0.73	3.98
2018	8.6	0.25	0.21	0.16	1.27	0.21	0.17	0.10	1.34	0.73	4.03
2019	8.7	0.25	0.21	0.17	1.30	0.21	0.18	0.10	1.37	0.73	4.08
2020	8.8	0.25	0.20	0.17	1.32	0.22	0.18	0.10	1.39	0.73	4.14
2021	8.9	0.25	0.20	0.17	1.34	0.22	0.18	0.10	1.42	0.73	4.20
2022	9.0	0.25	0.19	0.18	1.35	0.22	0.18	0.10	1.45	0.73	4.25
2023	9.1	0.25	0.19	0.18	1.37	0.23	0.18	0.10	1.48	0.73	4.31
2024	9.2	0.25	0.19	0.19	1.38	0.23	0.18	0.10	1.51	0.73	4.36
2025	9.3	0.25	0.19	0.19	1.39	0.24	0.18	0.10	1.54	0.73	4.41
2026	9.4	0.25	0.19	0.20	1.41	0.24	0.18	0.10	1.58	0.73	4.45
2027	9.5	0.25	0.19	0.20	1.42	0.24	0.18	0.11	1.61	0.73	4.49
2028	9.6	0.25	0.19	0.21	1.44	0.25	0.18	0.11	1.65	0.74	4.54
2029	9.7	0.25	0.19	0.21	1.45	0.25	0.18	0.11	1.68	0.74	4.58
2030	9.9	0.25	0.19	0.22	1.46	0.25	0.18	0.11	1.72	0.74	4.62
2031	10.0	0.25	0.19	0.22	1.48	0.25	0.18	0.11	1.76	0.74	4.67
2032	10.1	0.25	0.19	0.22	1.49	0.26	0.18	0.11	1.79	0.74	4.71
2033	10.2	0.25	0.19	0.23	1.50	0.26	0.18	0.11	1.83	0.74	4.75
2034	10.3	0.25	0.19	0.23	1.51	0.26	0.18	0.11	1.87	0.74	4.80
2035	10.4	0.25	0.19	0.23	1.53	0.26	0.18	0.11	1.91	0.74	4.84
2036	10.5	0.25	0.19	0.24	1.54	0.27	0.18	0.11	1.95	0.74	4.88
2037	10.6	0.25	0.19	0.24	1.55	0.27	0.18	0.11	1.99	0.74	4.93
2038	10.7	0.25	0.19	0.24	1.56	0.27	0.18	0.11	2.03	0.74	4.97
2039	10.8	0.25	0.19	0.24	1.58	0.27	0.18	0.11	2.07	0.74	5.02
2040	10.9	0.25	0.19	0.24	1.59	0.28	0.18	0.11	2.12	0.74	5.06

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	19.4%
Expected job growth:	7.8%
Fastest growing jobs sector:	Manufacturing
Expected personal income growth:	20.0%

Expected population growth:	2.6%
Net migration to account for:	22.9%
Expected growth in number of vehicles:	4.3%

Demographics (2012)

Unemployment rate (March 2012)	14.6%
County Rank* in California (58 counties):	33rd
Working age (16-64) population:	67.3%

Population with B.A. Degree or higher:	14.6%
Median Home Selling Price (2011):	\$153,000
Median Household Income:	\$35,337

Quality of Life

Violent Crime rate (2010):	388 per 100,000 persons
County Rank* in California (58 counties):	31st
Average Commute Time to work (2012):	17.1 minutes

High School drop out rate (2010):	20.4%
Households at/below poverty line (2012):	16.4%

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