

MODOC COUNTY ECONOMIC FORECAST

Modoc County is located in the northeastern corner of the state, bordering Nevada and Oregon. Approximately 90 percent of the land in the county consists of national forests and wilderness areas. The county's official slogans include, "The last best place," and "Where the West still lives." Modoc County has a population of 9,522 people and 2,569 wage and salary jobs. The per capita income in Modoc County is \$34,752, and the average salary per worker is \$40,845. The largest employer in the county is the government, which accounts for half of all wage and salary jobs.

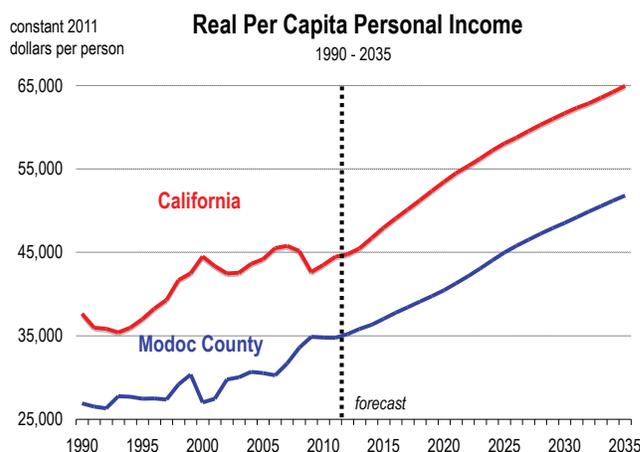
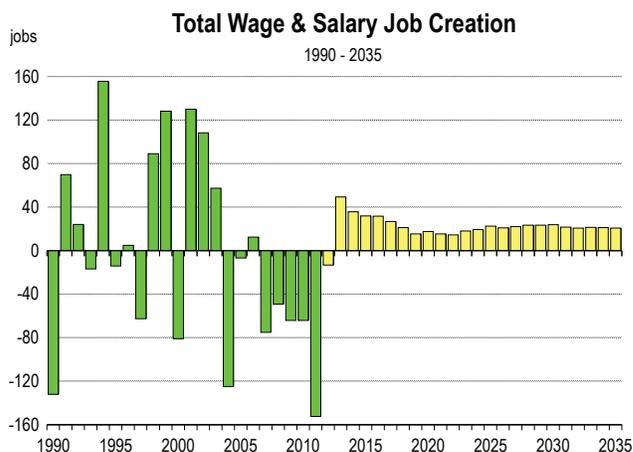
In 2011, total wage and salary employment decreased by 153 jobs in Modoc County, a decline of 5.6 percent. The non-farm sectors, which account for 87 percent of all jobs in the county, lost 169 jobs whereas the farm sector gained 18 jobs. The unemployment rate deteriorated substantially, rising from 14.4 percent to 14.9 percent.

In 2011, the farm sector was the only industry to create jobs. The education and healthcare sector was virtually flat, while all other sectors shed positions. The largest declines occurred in the public sector (-68 jobs); the goods producing sector (-38 jobs); and the wholesale and retail trade sector (-33 jobs).

Between 2006 and 2011, the population of Modoc County declined at an annual average rate of 0.1 percent. This was mostly due to a large out-migration in 2011, with 167 net residents leaving the county. However, the county also experienced a natural decrease (deaths greater than births), which contributed to the population decline.

FORECAST HIGHLIGHTS

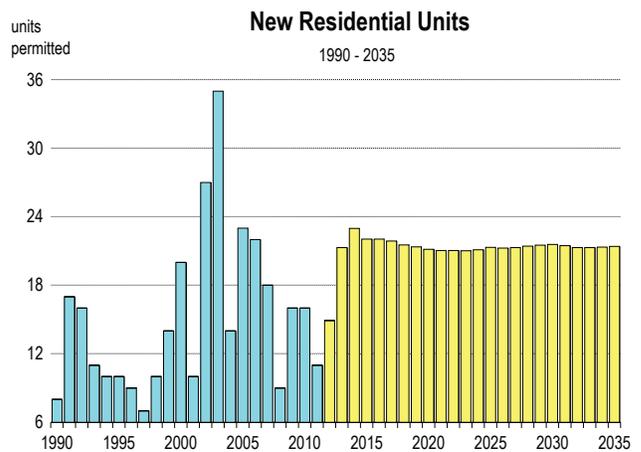
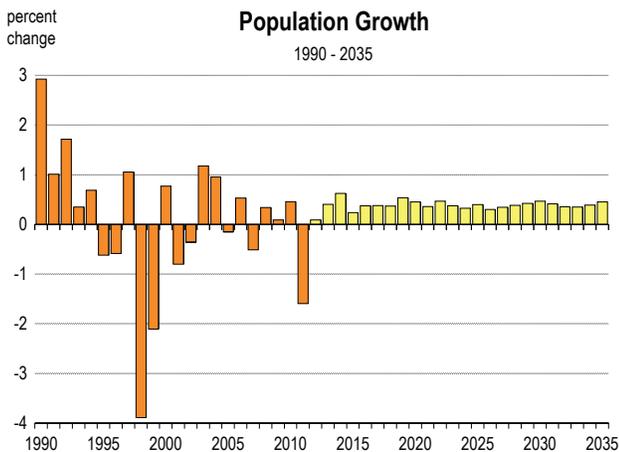
- Total wage and salary employment will continue to decline in 2012, falling by 0.5 percent. In 2013, employment growth will turn positive, and over the 2012-2017 period, job growth will average 1.0 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to increase by an average of 0.5 percent per year over the 2012-2017 period.
- Between 2012 and 2017, the principal employment growth is expected to occur in the wholesale and retail trade industry and the public sector.
- Annual population growth in the 2012 to 2017 period is forecast to average 0.4 percent per year. The majority of this growth will be the result of net migration, but the natural increase (births greater than deaths) will also add to the population.
- Net migration is forecast at approximately 10 persons entering the county in 2012. Between 2012 and 2017, migration is expected to average 31 net migrants per year.
- Real per capita income is forecast to rise 1.3 percent in 2012. Over the next five years real per capita income is expected to increase at an average rate of 1.7 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise by 4.4 percent in 2012. Between 2012 and 2017, real taxable sales are forecast to increase by 2.4 percent per year.
- Industrial production is forecast to rise 3.9 percent in 2012. Over the next five years the growth rate of industrial production will average 4.1 percent per year.
- Total crop production, adjusted for inflation, is expected to increase an average of 4.1 percent per year between 2012 and 2017. The principle crop in the county is alfalfa hay.



Modoc 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 (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	9,639	64	13.3	4.0	22	\$90	\$262	\$30,272	3.2	103.7	35.6	7.8
2007	9,590	-31	13.5	4.0	18	\$89	\$282	\$31,672	3.4	99.0	31.5	8.1
2008	9,623	38	13.7	4.0	9	\$92	\$309	\$33,574	3.0	112.0	33.3	9.7
2009	9,632	28	13.7	4.0	16	\$78	\$324	\$34,876	0.8	108.9	25.1	12.4
2010	9,676	26	13.6	4.1	16	\$75	\$328	\$34,781	1.3	112.0	25.1	14.4
2011	9,522	-167	13.3	4.1	11	\$78	\$331	\$34,752	2.5	111.5	18.1	14.9
2012	9,531	10	13.2	4.1	15	\$83	\$342	\$35,207	1.9	113.0	18.8	13.8
2013	9,569	38	13.4	4.1	21	\$87	\$357	\$35,820	2.1	114.3	19.3	12.8
2014	9,629	58	13.6	4.1	23	\$91	\$372	\$36,331	2.1	115.3	20.1	11.5
2015	9,652	20	13.7	4.1	22	\$95	\$387	\$37,024	1.8	116.2	20.8	10.5
2016	9,688	31	13.9	4.1	22	\$99	\$403	\$37,778	1.7	117.0	21.8	9.7
2017	9,725	30	14.0	4.1	22	\$103	\$418	\$38,408	1.7	117.6	23.0	9.4
2018	9,761	28	14.1	4.1	22	\$107	\$434	\$39,086	1.7	118.2	24.2	9.2
2019	9,814	43	14.1	4.2	21	\$111	\$451	\$39,746	1.5	118.8	25.5	9.1
2020	9,859	33	14.2	4.2	21	\$115	\$467	\$40,455	1.4	119.2	26.7	9.0
2021	9,895	23	14.3	4.2	21	\$120	\$485	\$41,288	1.3	119.5	28.0	9.1
2022	9,941	33	14.3	4.2	21	\$124	\$505	\$42,139	1.5	119.8	29.5	9.0
2023	9,978	23	14.4	4.2	21	\$129	\$526	\$43,060	1.5	120.1	30.9	9.0
2024	10,011	18	14.5	4.2	21	\$134	\$548	\$44,027	1.6	120.5	32.6	9.0
2025	10,051	24	14.6	4.2	21	\$140	\$571	\$44,976	1.7	120.9	34.3	9.0
2026	10,081	14	14.7	4.2	21	\$146	\$593	\$45,785	1.7	121.2	36.0	9.0
2027	10,116	19	14.7	4.3	21	\$151	\$615	\$46,512	1.7	121.5	38.1	9.0
2028	10,155	24	14.8	4.3	21	\$157	\$637	\$47,224	1.7	121.8	40.4	8.9
2029	10,198	29	14.9	4.3	22	\$163	\$660	\$47,901	1.7	122.0	42.7	8.9
2030	10,247	34	15.0	4.3	22	\$169	\$684	\$48,544	1.7	122.2	45.1	8.9
2031	10,289	28	15.1	4.3	21	\$176	\$708	\$49,210	1.7	122.3	47.7	8.9
2032	10,326	22	15.2	4.3	21	\$182	\$733	\$49,878	1.7	122.5	50.3	8.9
2033	10,362	21	15.3	4.3	21	\$188	\$758	\$50,548	1.7	122.7	53.1	8.9
2034	10,403	25	15.4	4.3	21	\$194	\$784	\$51,202	1.7	123.0	56.0	8.9
2035	10,450	32	15.4	4.4	21	\$201	\$810	\$51,819	1.7	123.3	59.1	8.9
2036	10,493	28	15.5	4.4	21	\$207	\$838	\$52,435	1.7	123.6	62.3	8.8
2037	10,534	25	15.6	4.4	21	\$214	\$866	\$53,065	1.7	124.0	65.6	8.8
2038	10,570	20	15.6	4.4	21	\$220	\$895	\$53,728	1.7	124.2	69.1	8.8
2039	10,612	25	15.7	4.4	21	\$227	\$925	\$54,394	1.7	124.4	72.8	8.8
2040	10,660	31	15.8	4.4	21	\$234	\$957	\$55,056	1.7	124.7	79.3	8.8

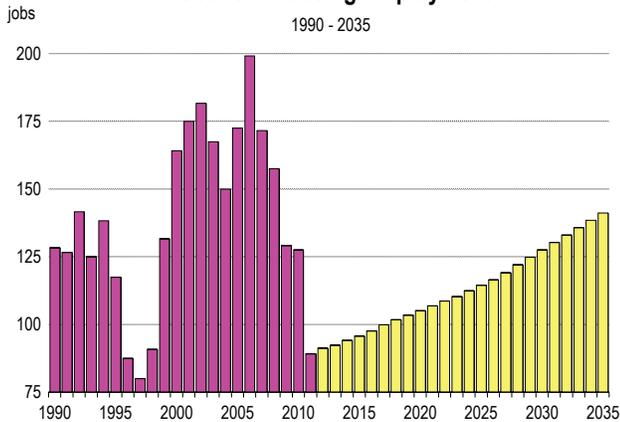


Modoc County Employment Forecast

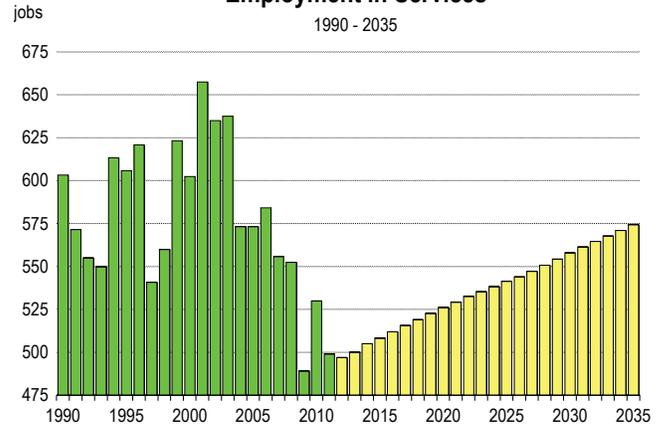
2006-2011 History, 2012-2040 Forecast

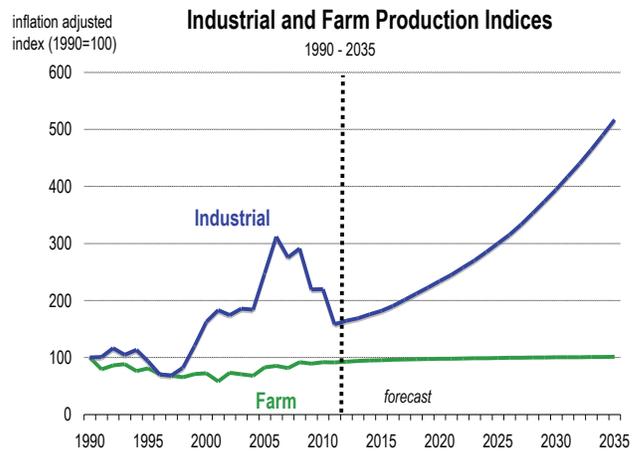
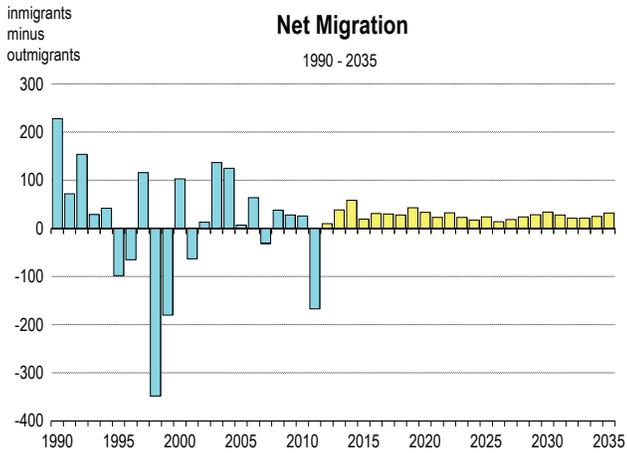
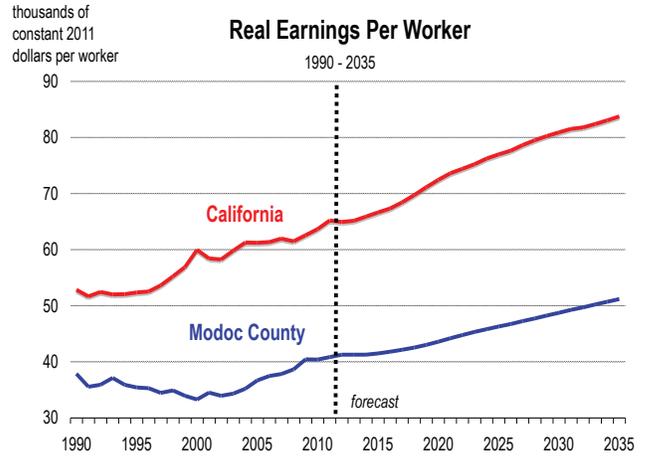
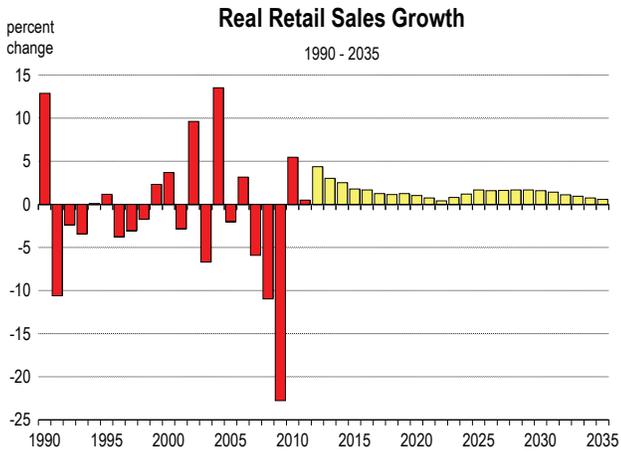
	Total Wage & Salary	Farm	Goods Producing	Wholesale & Retail Trade	Health & Education	Leisure	Government
	-----employment (jobs)-----						
2006	2,974	345	199	459	155	140	1,387
2007	2,899	333	172	470	158	126	1,369
2008	2,850	364	158	422	157	133	1,354
2009	2,786	351	129	415	153	134	1,402
2010	2,722	320	128	403	150	153	1,341
2011	2,569	338	89	371	151	136	1,273
2012	2,556	349	91	381	152	136	1,238
2013	2,605	355	92	386	153	137	1,272
2014	2,641	359	94	392	155	139	1,291
2015	2,673	361	96	398	157	140	1,310
2016	2,705	362	98	404	158	141	1,330
2017	2,732	359	100	409	159	142	1,348
2018	2,753	355	102	414	160	143	1,363
2019	2,768	354	103	419	160	145	1,370
2020	2,786	354	105	424	161	146	1,377
2021	2,802	354	107	428	162	147	1,383
2022	2,816	355	109	431	163	148	1,388
2023	2,834	357	110	438	163	149	1,394
2024	2,853	358	112	446	164	150	1,399
2025	2,876	359	115	455	165	152	1,406
2026	2,897	360	116	464	165	152	1,413
2027	2,919	360	119	472	166	153	1,420
2028	2,943	361	122	481	166	155	1,427
2029	2,966	362	125	491	167	156	1,434
2030	2,990	363	128	500	168	157	1,442
2031	3,012	363	130	508	168	158	1,448
2032	3,032	364	133	516	169	159	1,455
2033	3,054	365	136	524	169	160	1,462
2034	3,075	366	138	531	170	162	1,469
2035	3,096	367	141	537	171	163	1,477
2036	3,116	368	144	543	171	164	1,484
2037	3,136	369	147	549	172	165	1,491
2038	3,155	369	149	554	173	166	1,498
2039	3,174	370	152	559	173	167	1,506
2040	3,194	371	155	564	174	169	1,514

Goods Producing Employment



Employment in Services





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	15.6 %
Expected job growth:	6.3 %
Fastest growing jobs sector:	Goods-Producing
Expected personal income growth:	12.9 %

Expected population growth:	2.1 %
Net migration to account for:	92.5 %
Expected growth in number of vehicles:	5.4 %

Demographics (2012)

Unemployment rate (March 2012)	16.8 %
County Rank* in California (58 counties):	43rd
Working age (16-64) population:	62.4 %

Population with B.A. Degree or higher:	14.5 %
Median Home Selling Price (2011):	\$62,250
Median Household Income:	\$32,597

Quality of Life

Violent Crime rate (2010):	176 per 100,000 persons
County Rank* in California (58 counties):	1st
Average Commute Time to work (2012):	19.3 minutes

High School drop out rate (2010):	10.1 %
Households at/below poverty line (2012):	13.9 %

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