

# 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 area. The county's official slogans include, "The last best place," and "Where the West still lives."

Modoc County has a population of 9,500 people and a total of 2,600 wage and salary jobs. The per capita income is \$36,416 and the average salary per worker is \$41,719. The largest employer in the county is the government, which accounts for 47 percent of all wage and salary jobs.

In 2012, Modoc County gained 81 wage and salary jobs, representing a growth rate of 3.2 percent. The non-farm sectors gained 43 jobs, whereas the farm sector gained 38 jobs. The unemployment rate improved substantially, falling from 15.1 percent in 2011 to 13.5 percent in 2012.

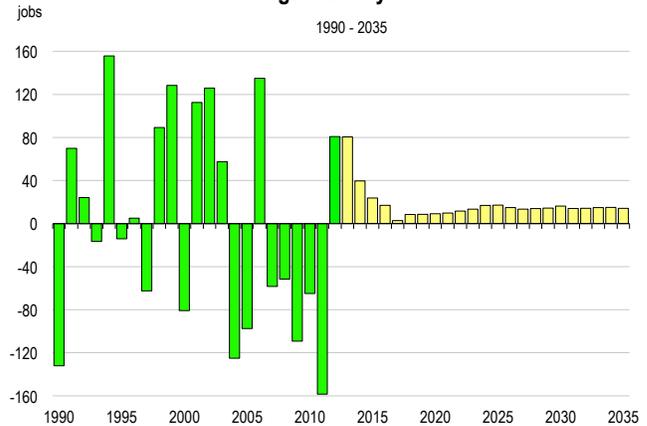
Over the course of the year, most sectors were characterized by positive job growth. The largest gains were observed in agriculture (+38 jobs); trade, transportation and utilities (+28 jobs); and leisure and hospitality (+17 jobs). The largest declines occurred in the public sector (-24 jobs) and the goods producing sector (-14 jobs).

Between 2007 and 2012, the population of Modoc County declined at an annual average rate of 0.2 percent. This was partially due to out-migration between 2010 and 2012, with a total of 111 net-migrants leaving the county. However, the county also experienced a natural decrease (deaths outnumbering births), which contributed to overall population decline.

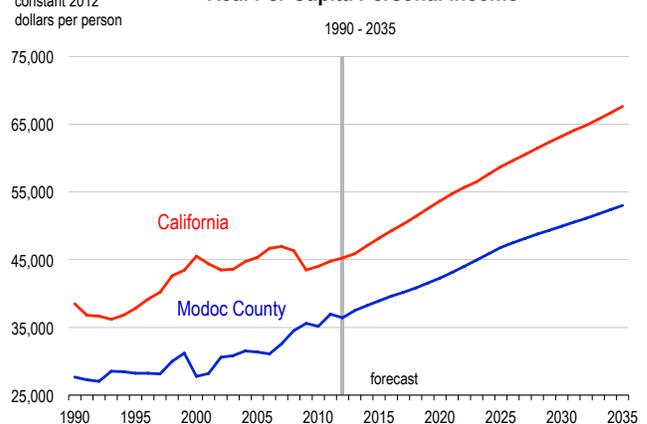
## FORECAST HIGHLIGHTS

- In 2013, total wage and salary employment will increase by 3.1 percent. Over the 2013-2018 period, the growth rate will average 0.7 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 0.8 percent per year over the 2013-2018 period.
- Between 2013 and 2018, the principal employment growth is expected to occur in the public sector and the trade, transportation, and utilities industry. Together, these sectors will account for all of the net job growth in the county. Over the same time frame, the goods-producing sector will decline.
- Annual population growth in the 2013-2018 period is expected to average 0.1 percent per year. All of this growth will be the result of net migration, as the county will continue to experience a natural decrease (deaths will outnumber births).
- Net migration will turn positive in 2013. Between 2013 and 2018, an average of 41 net migrants will enter the county each year.
- Real per capita income is forecast to rise by 2.9 percent in 2013. Over the following five years, real per capita income is expected to increase at an annual average rate of 1.7 percent.
- Total taxable sales, adjusted for inflation, are expected to rise by 3.6 percent in 2013. Between 2013 and 2018, real taxable sales will increase by 1.9 percent per year.
- Industrial production is forecast to rise sharply in 2013. Over the following five years, total industrial production will decline slightly, falling at an annual average rate of 0.1 percent.
- Total crop production, adjusted for inflation, is expected to increase an average of 0.8 percent per year between 2013 and 2018. The principle crop in the county is alfalfa hay.

**Total Wage & Salary Job Creation**



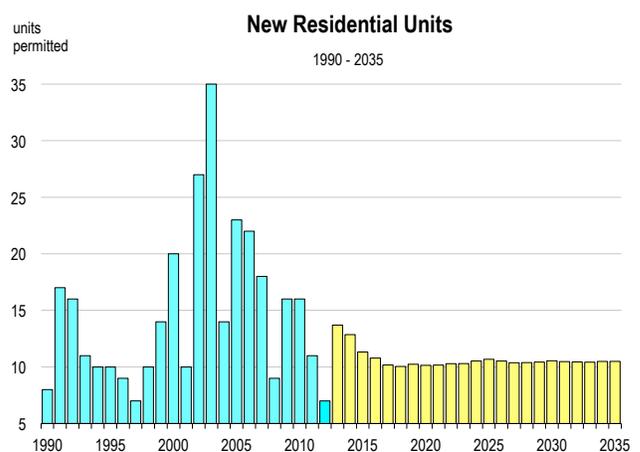
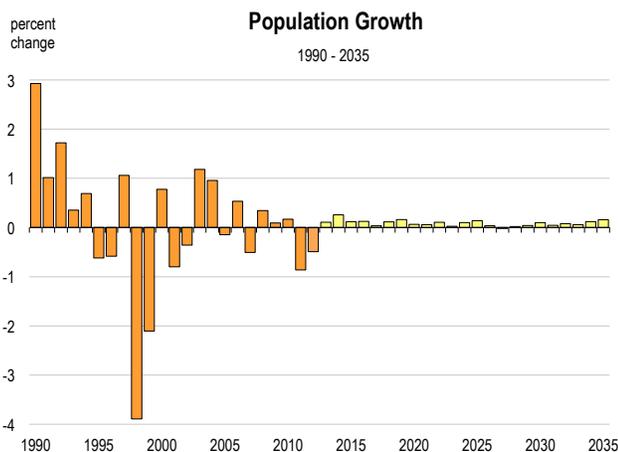
**Real Per Capita Personal Income**



# Modoc County Economic Forecast

## 2006-2012 History, 2013-2040 Forecast

|      | Population<br>(people) | Net<br>Migration<br>(people) | Registered<br>Vehicles<br>(thousands) | Households<br>(thousands) | New Homes<br>Permitted<br>(homes) | Total Taxable<br>Sales<br>(millions) | Personal<br>Income<br>(millions) | Real Per<br>Capita Income<br>(dollars) | Inflation Rate<br>(% change<br>in CPI) | Real Farm<br>Crop Value<br>(millions) | Real Industrial<br>Production<br>(millions) | Unemploy-<br>ment Rate<br>(percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2006 | 9,639                  | 64                           | 13.3                                  | 4.0                       | 22                                | \$90                                 | \$262                            | \$31,080                               | 3.3                                    | 106.5                                 | 30.3  | 7.8                                 |
| 2007 | 9,590                  | -31                          | 13.5                                  | 4.0                       | 18                                | \$89                                 | \$282                            | \$32,599                               | 3.2                                    | 101.8                                 | 31.4  | 8.1                                 |
| 2008 | 9,623                  | 38                           | 13.7                                  | 4.0                       | 9                                 | \$92                                 | \$309                            | \$34,509                               | 3.1                                    | 115.2                                 | 34.1  | 9.7                                 |
| 2009 | 9,632                  | 28                           | 13.7                                  | 4.1                       | 16                                | \$78                                 | \$322                            | \$35,603                               | 0.9                                    | 111.8                                 | 26.6  | 12.4                                |
| 2010 | 9,648                  | -2                           | 13.6                                  | 4.1                       | 16                                | \$75                                 | \$322                            | \$35,159                               | 1.2                                    | 115.2                                 | 26.0  | 14.4                                |
| 2011 | 9,565                  | -78                          | 13.3                                  | 4.1                       | 11                                | \$87                                 | \$344                            | \$36,942                               | 2.6                                    | 114.6                                 | 17.1  | 15.1                                |
| 2012 | 9,518                  | -30                          | 12.9                                  | 4.1                       | 7                                 | \$87                                 | \$347                            | \$36,416                               | 2.7                                    | 113.8                                 | 14.5  | 13.5                                |
| 2013 | 9,528                  | 34                           | 12.8                                  | 4.1                       | 14                                | \$92                                 | \$365                            | \$37,470                               | 2.3                                    | 115.3                                 | 19.2  | 12.4                                |
| 2014 | 9,553                  | 51                           | 12.8                                  | 4.1                       | 13                                | \$96                                 | \$383                            | \$38,205                               | 2.7                                    | 116.5                                 | 19.2  | 11.5                                |
| 2015 | 9,564                  | 40                           | 13.0                                  | 4.1                       | 11                                | \$100                                | \$399                            | \$38,930                               | 2.1                                    | 117.5                                 | 18.7  | 10.5                                |
| 2016 | 9,576                  | 43                           | 13.1                                  | 4.1                       | 11                                | \$105                                | \$417                            | \$39,614                               | 2.4                                    | 118.4                                 | 18.7  | 9.8                                 |
| 2017 | 9,579                  | 35                           | 13.3                                  | 4.1                       | 10                                | \$109                                | \$432                            | \$40,171                               | 2.1                                    | 119.2                                 | 18.8  | 9.6                                 |
| 2018 | 9,590                  | 43                           | 13.4                                  | 4.1                       | 10                                | \$113                                | \$448                            | \$40,823                               | 2.1                                    | 119.8                                 | 19.1  | 9.5                                 |
| 2019 | 9,606                  | 47                           | 13.5                                  | 4.1                       | 10                                | \$118                                | \$467                            | \$41,558                               | 2.1                                    | 120.5                                 | 19.8  | 9.4                                 |
| 2020 | 9,612                  | 37                           | 13.5                                  | 4.1                       | 10                                | \$123                                | \$485                            | \$42,287                               | 2.1                                    | 120.9                                 | 20.4  | 9.4                                 |
| 2021 | 9,617                  | 36                           | 13.7                                  | 4.1                       | 10                                | \$128                                | \$506                            | \$43,117                               | 2.2                                    | 121.2                                 | 21.1  | 9.1                                 |
| 2022 | 9,627                  | 42                           | 13.8                                  | 4.2                       | 10                                | \$134                                | \$529                            | \$44,016                               | 2.3                                    | 121.6                                 | 21.8  | 8.7                                 |
| 2023 | 9,630                  | 35                           | 13.9                                  | 4.2                       | 10                                | \$139                                | \$553                            | \$44,946                               | 2.3                                    | 121.9                                 | 22.4  | 8.5                                 |
| 2024 | 9,639                  | 43                           | 14.0                                  | 4.2                       | 11                                | \$146                                | \$579                            | \$45,895                               | 2.4                                    | 122.3                                 | 23.3  | 8.5                                 |
| 2025 | 9,653                  | 48                           | 14.1                                  | 4.2                       | 11                                | \$152                                | \$606                            | \$46,813                               | 2.4                                    | 122.6                                 | 24.1  | 8.5                                 |
| 2026 | 9,656                  | 39                           | 14.2                                  | 4.2                       | 11                                | \$159                                | \$630                            | \$47,523                               | 2.5                                    | 123.0                                 | 24.8  | 8.5                                 |
| 2027 | 9,654                  | 34                           | 14.3                                  | 4.2                       | 10                                | \$165                                | \$654                            | \$48,151                               | 2.5                                    | 123.2                                 | 25.4  | 8.5                                 |
| 2028 | 9,656                  | 37                           | 14.3                                  | 4.2                       | 10                                | \$171                                | \$679                            | \$48,767                               | 2.5                                    | 123.5                                 | 26.2  | 8.5                                 |
| 2029 | 9,660                  | 39                           | 14.4                                  | 4.2                       | 10                                | \$177                                | \$704                            | \$49,354                               | 2.5                                    | 123.8                                 | 27.1  | 8.5                                 |
| 2030 | 9,669                  | 44                           | 14.4                                  | 4.2                       | 11                                | \$184                                | \$731                            | \$49,931                               | 2.5                                    | 123.9                                 | 28.0  | 8.5                                 |
| 2031 | 9,673                  | 38                           | 14.5                                  | 4.2                       | 10                                | \$191                                | \$758                            | \$50,530                               | 2.5                                    | 124.0                                 | 28.8  | 8.4                                 |
| 2032 | 9,681                  | 40                           | 14.6                                  | 4.2                       | 10                                | \$199                                | \$787                            | \$51,110                               | 2.5                                    | 124.2                                 | 29.7  | 8.4                                 |
| 2033 | 9,686                  | 37                           | 14.6                                  | 4.2                       | 10                                | \$206                                | \$817                            | \$51,737                               | 2.5                                    | 124.4                                 | 30.5  | 8.4                                 |
| 2034 | 9,698                  | 41                           | 14.7                                  | 4.2                       | 10                                | \$214                                | \$848                            | \$52,372                               | 2.5                                    | 124.7                                 | 31.5  | 8.4                                 |
| 2035 | 9,713                  | 43                           | 14.7                                  | 4.2                       | 10                                | \$223                                | \$881                            | \$53,003                               | 2.5                                    | 125.0                                 | 32.5  | 8.4                                 |
| 2036 | 9,734                  | 47                           | 14.8                                  | 4.2                       | 11                                | \$232                                | \$915                            | \$53,609                               | 2.5                                    | 125.3                                 | 33.5  | 8.4                                 |
| 2037 | 9,751                  | 43                           | 14.8                                  | 4.2                       | 10                                | \$241                                | \$951                            | \$54,230                               | 2.5                                    | 125.7                                 | 34.5  | 8.4                                 |
| 2038 | 9,762                  | 38                           | 14.9                                  | 4.2                       | 10                                | \$250                                | \$988                            | \$54,880                               | 2.5                                    | 125.8                                 | 35.4  | 8.4                                 |
| 2039 | 9,774                  | 40                           | 14.9                                  | 4.3                       | 10                                | \$259                                | \$1,026                          | \$55,559                               | 2.5                                    | 126.1                                 | 36.5  | 8.4                                 |
| 2040 | 9,793                  | 46                           | 14.9                                  | 4.3                       | 11                                | \$269                                | \$1,066                          | \$56,266                               | 2.4                                    | 126.3                                 | 37.5  | 8.4                                 |

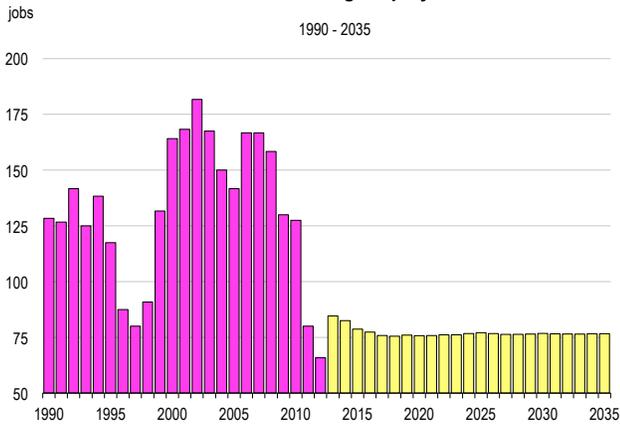


# Modoc County Employment Forecast

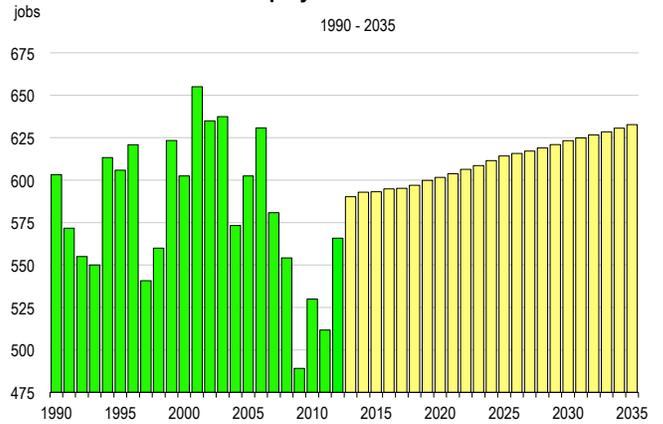
## 2006-2012 History, 2013-2040 Forecast

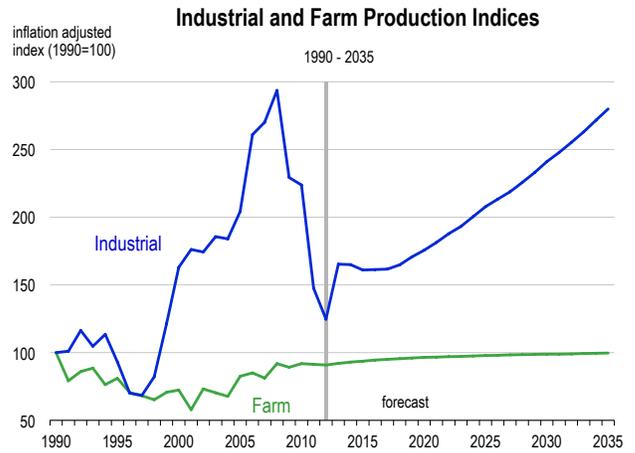
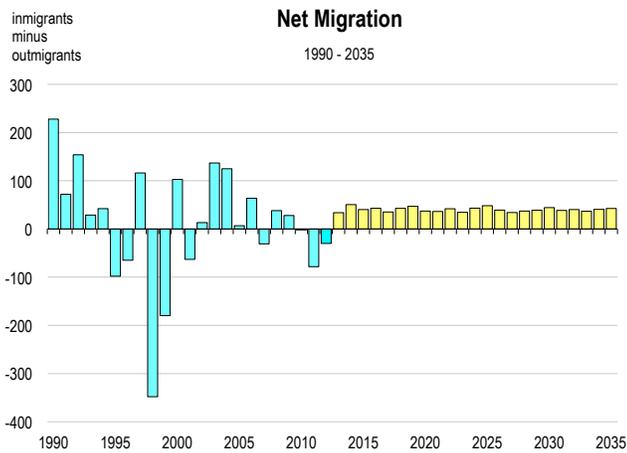
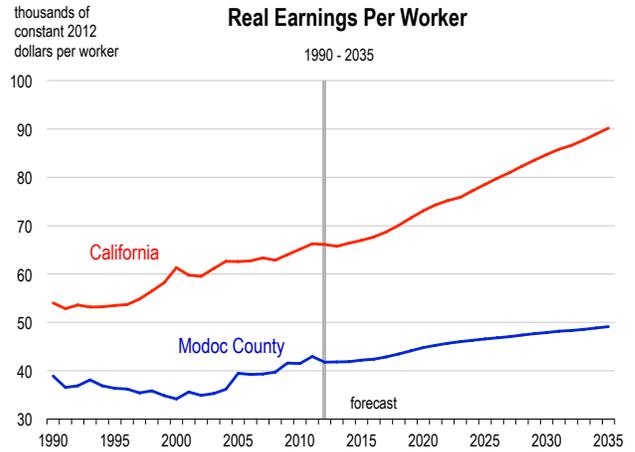
|      | Total Wage & Salary         | Farm  | Goods Producing | Wholesale & Retail Trade | Health & Education | Leisure | Government |
|------|-----------------------------|-------|-----------------|--------------------------|--------------------|---------|------------|
|      | -----employment (jobs)----- |       |                 |                          |                    |         |            |
| 2006 | 3.006                       | 0.342 | 0.167           | 0.500                    | 0.200              | 0.142   | 1.367      |
| 2007 | 2.948                       | 0.333 | 0.167           | 0.525                    | 0.192              | 0.117   | 1.342      |
| 2008 | 2.896                       | 0.358 | 0.158           | 0.458                    | 0.192              | 0.100   | 1.367      |
| 2009 | 2.787                       | 0.351 | 0.130           | 0.415                    | 0.153              | 0.134   | 1.402      |
| 2010 | 2.722                       | 0.320 | 0.128           | 0.403                    | 0.150              | 0.153   | 1.341      |
| 2011 | 2.563                       | 0.330 | 0.080           | 0.378                    | 0.153              | 0.147   | 1.264      |
| 2012 | 2.644                       | 0.368 | 0.066           | 0.405                    | 0.155              | 0.163   | 1.240      |
| 2013 | 2.725                       | 0.378 | 0.085           | 0.412                    | 0.159              | 0.164   | 1.260      |
| 2014 | 2.764                       | 0.382 | 0.082           | 0.418                    | 0.163              | 0.164   | 1.289      |
| 2015 | 2.788                       | 0.384 | 0.079           | 0.424                    | 0.166              | 0.165   | 1.308      |
| 2016 | 2.805                       | 0.385 | 0.077           | 0.430                    | 0.169              | 0.165   | 1.317      |
| 2017 | 2.808                       | 0.383 | 0.076           | 0.437                    | 0.171              | 0.165   | 1.317      |
| 2018 | 2.816                       | 0.379 | 0.076           | 0.443                    | 0.173              | 0.165   | 1.322      |
| 2019 | 2.825                       | 0.378 | 0.076           | 0.448                    | 0.175              | 0.166   | 1.323      |
| 2020 | 2.834                       | 0.378 | 0.076           | 0.452                    | 0.177              | 0.166   | 1.326      |
| 2021 | 2.844                       | 0.379 | 0.076           | 0.456                    | 0.179              | 0.166   | 1.330      |
| 2022 | 2.856                       | 0.380 | 0.076           | 0.460                    | 0.181              | 0.166   | 1.334      |
| 2023 | 2.869                       | 0.381 | 0.076           | 0.467                    | 0.183              | 0.166   | 1.337      |
| 2024 | 2.886                       | 0.382 | 0.077           | 0.474                    | 0.185              | 0.167   | 1.342      |
| 2025 | 2.903                       | 0.383 | 0.077           | 0.479                    | 0.187              | 0.167   | 1.349      |
| 2026 | 2.918                       | 0.384 | 0.077           | 0.485                    | 0.189              | 0.167   | 1.356      |
| 2027 | 2.931                       | 0.385 | 0.076           | 0.490                    | 0.190              | 0.167   | 1.363      |
| 2028 | 2.945                       | 0.385 | 0.076           | 0.495                    | 0.192              | 0.167   | 1.370      |
| 2029 | 2.960                       | 0.386 | 0.076           | 0.500                    | 0.194              | 0.167   | 1.376      |
| 2030 | 2.976                       | 0.387 | 0.077           | 0.506                    | 0.196              | 0.168   | 1.383      |
| 2031 | 2.990                       | 0.387 | 0.077           | 0.512                    | 0.197              | 0.168   | 1.389      |
| 2032 | 3.004                       | 0.388 | 0.076           | 0.519                    | 0.199              | 0.168   | 1.395      |
| 2033 | 3.019                       | 0.389 | 0.076           | 0.524                    | 0.201              | 0.168   | 1.401      |
| 2034 | 3.034                       | 0.389 | 0.077           | 0.530                    | 0.202              | 0.168   | 1.408      |
| 2035 | 3.048                       | 0.390 | 0.077           | 0.535                    | 0.204              | 0.169   | 1.414      |
| 2036 | 3.062                       | 0.391 | 0.077           | 0.539                    | 0.206              | 0.169   | 1.420      |
| 2037 | 3.075                       | 0.392 | 0.077           | 0.543                    | 0.207              | 0.170   | 1.427      |
| 2038 | 3.088                       | 0.393 | 0.076           | 0.547                    | 0.209              | 0.170   | 1.433      |
| 2039 | 3.101                       | 0.393 | 0.076           | 0.551                    | 0.211              | 0.170   | 1.440      |
| 2040 | 3.117                       | 0.394 | 0.077           | 0.556                    | 0.212              | 0.171   | 1.447      |

**Goods Producing Employment**



**Employment in Services**





## County Economic and Demographic Indicators

### Projected Economic Growth (2013-2018)

|                                  |                      |
|----------------------------------|----------------------|
| Expected retail sales growth:    | 6.3 %                |
| Expected job growth:             | 3.4 %                |
| Fastest growing jobs sector:     | Education and Health |
| Expected personal income growth: | 9.7 %                |

|  |       |
|--|-------|
| Expected population growth:            | 0.7 % |
| Net migration to account for:          | 100 % |
| Expected growth in number of vehicles: | 4.2 % |

### Demographics (2013)

|   |        |
|---|--------|
| Unemployment rate (April 2013)            | 12.2 % |
| County Rank* in California (58 counties): | 40th   |
| Working age (16-64) population:           | 60.0 % |

|  |          |
|--|----------|
| Population with B.A. Degree or higher: | 15.5 %   |
| Median Home Selling Price (2012):      | \$62,500 |
| Median Household Income:               | \$34,697 |

### Quality of Life

|   |                         |
|---|-------------------------|
| Violent Crime rate (2010):                | 176 per 100,000 persons |
| County Rank* in California (58 counties): | 1st                     |
| Average Commute Time to work (2013):      | 18.9 minutes            |

|  |        |
|--|--------|
| High School drop out rate (2011):        | 10.6 % |
| Households at/below poverty line (2013): | 16.1 % |

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