

MENDOCINO COUNTY ECONOMIC FORECAST

Mendocino County is located on the coast of Northern California. The county shares a southern border with Sonoma County, and an eastern border with Lake County. Trinity and Humboldt Counties are immediately to the north. Mendocino County has a population of 89,961 people and 32,610 wage and salary jobs. The per capita income in Mendocino County is \$30,037, and the average salary per worker is \$34,654. The median family income in Mendocino County was \$51,100 in 2007.

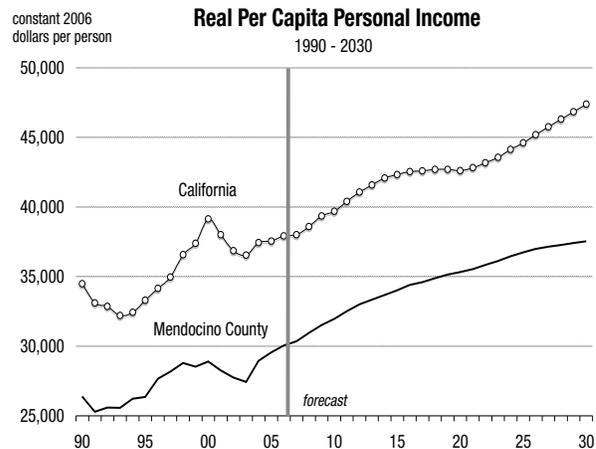
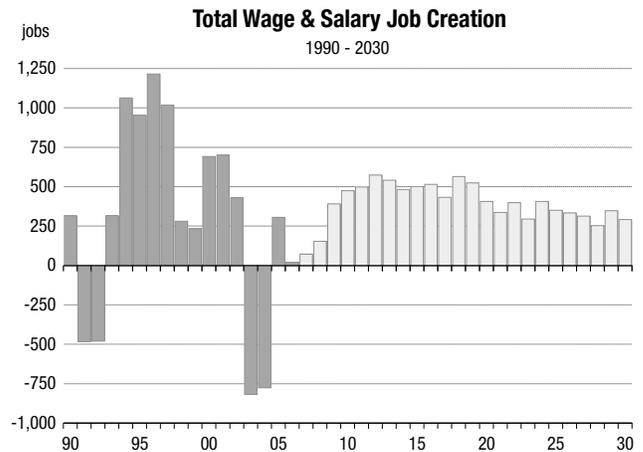
In 2006, total wage and salary jobs increased by 20 workers, a scant increase of 0.1 percent. Non-farm employment lost 90 jobs. This represents a decline of 0.3 percent. Farm employment, on the other hand, gained 110 jobs, an increase of 5.3 percent. The unemployment rate declined to 5.3 percent in 2006.

Other than the farm sector, the only other sector to create a significant number of jobs was construction, which increased employment by 110 workers in 2006. The financial services and professional services also added approximately 30 workers each. Employment fell between 30 and 60 jobs in the retail trade, transportation and warehousing, information technologies, and healthcare and education sectors. Employment in manufacturing declined by another 100 jobs in 2006, and has fallen by 2,000 jobs since 1999.

The population in Mendocino County rose 0.5 percent in 2006. The largest city in the county is Ukiah, with 15,876 residents, which increased by 0.2 percent from January 2006 to January 2007. Net migration was negative last year, with an estimated total of 149 migrants leaving the county.

FORECAST HIGHLIGHTS

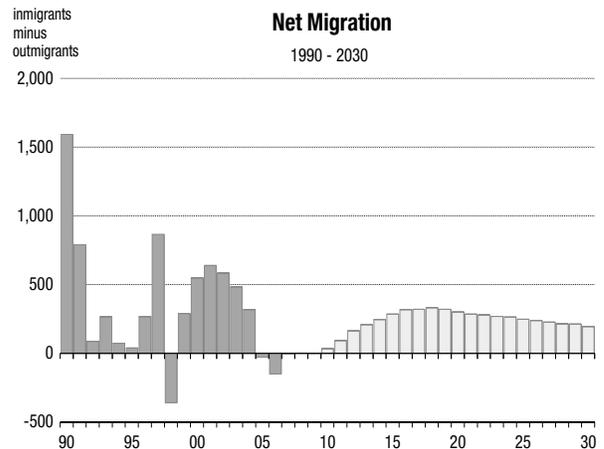
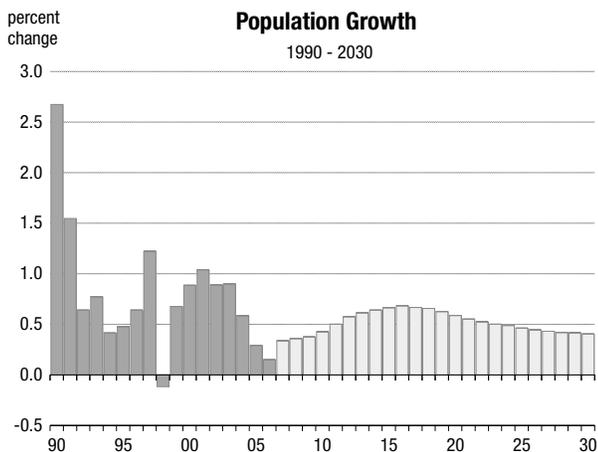
- Total wage and salary job growth is forecast to increase to 0.2 percent in 2007. From 2007 to 2011, total employment growth averages 1.0 percent per year. Over that same period, non-farm growth averages 0.9 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.7 percent per year over the next 5 years.
- Between 2007 and 2011, the momentum for employment growth is predominately in the public sector, which is expected to account for nearly 45 percent of all job creation. Other sectors that significantly contribute to job growth include healthcare and education, professional services and farm.
- The population in the county will continue to grow, but at a slower rate than the state average. Annual growth in the 2007 to 2011 period averages 0.4 percent per year.
- Net migration is expected to be essentially zero from 2007 to 2009. Over the next five years net migration is expected to average just 25 net migrants per year.
- Real per capita income is forecast to increase 1.0 percent in 2007. Over the next five years real per capita incomes are expected to increase an average of 1.6 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 4.4 percent in 2007. Over the next five years real taxable sales are forecast to increase 2.6 percent per year.
- Industrial production is forecast to increase 2.9 percent in 2007. Over the next five years the growth rate of industrial production averages 5.1 percent. Total crop production in real inflation adjusted dollars is expected to decline marginally between 2007 and 2011.



Mendocino County Economic Forecast

1997-2006 History, 2007-2030 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)
1997	85,322	866	87.2	33.1	259	\$0.79	\$1.84	\$28,177	3.4	188.7	0.71	8.1
1998	85,223	-358	91.2	33.3	266	\$0.82	\$1.94	\$28,787	3.2	161.6	0.67	7.9
1999	85,800	290	93.9	33.5	270	\$0.90	\$2.01	\$28,526	4.2	155.1	0.77	6.9
2000	86,562	549	97.1	33.3	275	\$0.98	\$2.15	\$28,897	4.5	149.5	0.89	5.6
2001	87,463	640	101.0	33.5	353	\$1.01	\$2.24	\$28,250	5.4	144.6	0.65	6.0
2002	88,243	584	104.4	33.7	458	\$1.03	\$2.26	\$27,749	1.6	137.8	0.60	6.7
2003	89,039	484	104.2	34.1	382	\$1.06	\$2.29	\$27,418	1.8	127.0	0.60	6.9
2004	89,562	319	110.9	34.5	350	\$1.13	\$2.46	\$28,943	1.2	113.2	0.59	6.5
2005	89,825	-28	109.9	34.8	300	\$1.19	\$2.57	\$29,555	2.0	124.1	0.59	5.8
2006	89,961	-149	111.8	35.1	289	\$1.26	\$2.70	\$30,037	3.3	124.1	0.61	5.3
2007	90,267	-3	113.7	35.5	273	\$1.35	\$2.82	\$30,340	2.9	122.4	0.63	5.2
2008	90,593	2	115.3	35.8	271	\$1.41	\$2.94	\$30,941	2.0	121.7	0.66	5.5
2009	90,935	1	116.9	36.1	277	\$1.47	\$3.07	\$31,509	2.0	123.4	0.70	5.3
2010	91,325	35	118.7	36.4	284	\$1.54	\$3.20	\$31,950	2.5	124.3	0.74	5.3
2011	91,783	94	120.7	36.6	289	\$1.61	\$3.35	\$32,512	2.4	124.0	0.78	5.3
2012	92,311	164	122.8	36.9	298	\$1.68	\$3.50	\$32,999	2.2	124.6	0.82	5.5
2013	92,878	210	125.0	37.2	304	\$1.75	\$3.64	\$33,338	2.3	125.6	0.87	5.5
2014	93,474	247	127.4	37.5	310	\$1.83	\$3.79	\$33,683	2.3	125.9	0.91	5.6
2015	94,095	285	129.8	37.8	316	\$1.92	\$3.95	\$34,014	2.6	126.5	0.94	5.6
2016	94,739	319	132.3	38.1	321	\$2.01	\$4.13	\$34,394	2.7	127.1	0.98	5.6
2017	95,371	322	134.7	38.4	325	\$2.11	\$4.29	\$34,597	2.7	126.5	1.02	5.5
2018	95,998	332	137.2	38.7	328	\$2.20	\$4.47	\$34,886	2.5	127.2	1.06	5.5
2019	96,601	321	139.7	39.0	329	\$2.31	\$4.64	\$35,146	2.5	127.7	1.10	5.4
2020	97,169	302	142.1	39.3	328	\$2.41	\$4.81	\$35,321	2.5	128.0	1.15	5.3
2021	97,705	286	144.3	39.6	325	\$2.52	\$4.98	\$35,535	2.4	127.4	1.18	5.2
2022	98,219	280	146.4	39.9	325	\$2.63	\$5.18	\$35,833	2.5	128.3	1.18	5.2
2023	98,712	269	148.3	40.2	324	\$2.74	\$5.38	\$36,121	2.5	127.7	1.21	5.2
2024	99,195	265	150.1	40.5	323	\$2.85	\$5.58	\$36,458	2.3	128.9	1.23	5.3
2025	99,654	249	151.8	40.8	322	\$2.98	\$5.78	\$36,742	2.4	129.2	1.26	5.2
2026	100,100	239	153.3	41.2	321	\$3.11	\$5.99	\$36,980	2.4	129.5	1.28	5.2
2027	100,534	228	154.6	41.5	321	\$3.24	\$6.19	\$37,149	2.5	129.8	1.29	5.2
2028	100,956	215	155.7	41.8	321	\$3.38	\$6.40	\$37,268	2.7	129.4	1.32	5.2
2029	101,379	213	156.7	42.1	320	\$3.53	\$6.63	\$37,418	2.7	130.3	1.35	5.1
2030	101,792	196	157.6	42.4	318	\$3.68	\$6.85	\$37,538	2.6	130.6	1.38	5.1



Mendocino County Employment Forecast

1997-2006 History, 2007-2030 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)-----												
1997	31.5	2.41	1.4	4.9	0.6	5.1	1.0	1.6	0.5	3.5	3.7	5.3
1998	31.8	2.47	1.4	4.8	0.7	5.1	1.0	1.8	0.5	3.5	3.6	5.4
1999	32.1	2.41	1.4	5.0	0.7	5.3	1.1	1.6	0.5	3.5	3.7	5.6
2000	32.7	2.49	1.5	4.8	0.7	5.2	1.0	1.7	0.5	3.5	3.7	6.4
2001	33.4	2.47	1.6	4.1	0.7	5.4	1.2	1.8	0.5	3.5	4.2	6.7
2002	33.9	2.34	1.7	3.7	0.7	5.3	1.2	1.8	0.5	3.6	4.1	7.7
2003	33.1	2.17	1.6	3.4	0.7	5.2	1.2	1.8	0.5	3.4	4.1	7.8
2004	32.3	2.24	1.5	3.1	0.7	5.3	1.2	1.8	0.5	3.5	4.1	7.4
2005	32.6	2.08	1.5	3.1	0.6	5.4	1.2	1.8	0.4	3.8	4.2	7.4
2006	32.6	2.19	1.6	3.0	0.6	5.3	1.3	1.8	0.4	3.7	4.2	7.4
2007	32.7	2.29	1.6	2.9	0.6	5.3	1.2	1.8	0.4	3.7	4.1	7.5
2008	32.8	2.25	1.6	2.9	0.6	5.4	1.3	1.9	0.4	3.8	4.2	7.6
2009	33.2	2.36	1.6	2.9	0.6	5.4	1.3	1.9	0.4	3.8	4.2	7.7
2010	33.7	2.42	1.6	2.9	0.6	5.4	1.3	2.0	0.4	3.8	4.3	7.9
2011	34.2	2.40	1.6	2.9	0.7	5.4	1.3	2.0	0.4	3.9	4.4	8.1
2012	34.8	2.44	1.6	2.9	0.7	5.5	1.3	2.0	0.4	4.0	4.5	8.3
2013	35.3	2.51	1.6	2.9	0.7	5.5	1.3	2.1	0.4	4.1	4.5	8.5
2014	35.8	2.53	1.6	2.9	0.7	5.6	1.3	2.1	0.4	4.2	4.6	8.7
2015	36.3	2.57	1.6	2.9	0.8	5.6	1.3	2.2	0.4	4.3	4.7	8.9
2016	36.8	2.61	1.6	2.9	0.8	5.7	1.3	2.2	0.4	4.4	4.7	9.0
2017	37.3	2.57	1.6	2.9	0.8	5.7	1.4	2.3	0.4	4.5	4.8	9.2
2018	37.8	2.62	1.7	2.9	0.8	5.7	1.4	2.3	0.4	4.6	4.9	9.4
2019	38.3	2.66	1.7	2.9	0.8	5.8	1.4	2.4	0.4	4.6	4.9	9.6
2020	38.7	2.68	1.7	2.9	0.9	5.8	1.4	2.4	0.4	4.7	5.0	9.8
2021	39.1	2.64	1.7	2.8	0.9	5.9	1.4	2.4	0.4	4.8	5.0	9.9
2022	39.5	2.70	1.7	2.8	0.9	5.9	1.4	2.5	0.4	4.9	5.0	10.1
2023	39.8	2.66	1.7	2.8	0.9	6.0	1.4	2.5	0.4	4.9	5.1	10.3
2024	40.2	2.74	1.7	2.8	0.9	6.0	1.4	2.5	0.4	5.0	5.1	10.4
2025	40.5	2.76	1.7	2.7	1.0	6.1	1.4	2.5	0.4	5.0	5.1	10.6
2026	40.9	2.78	1.7	2.7	1.0	6.2	1.4	2.6	0.5	5.0	5.1	10.7
2027	41.2	2.81	1.7	2.7	1.0	6.2	1.5	2.6	0.5	5.1	5.2	10.8
2028	41.4	2.78	1.7	2.7	1.0	6.3	1.5	2.6	0.5	5.1	5.2	10.9
2029	41.8	2.85	1.7	2.7	1.0	6.3	1.5	2.6	0.5	5.1	5.2	11.1
2030	42.1	2.87	1.7	2.7	1.0	6.4	1.5	2.6	0.5	5.1	5.3	11.2

