

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. 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 90,163 people and 32,461 wage and salary jobs. The per capita income in Mendocino County is \$31,875, and the average salary per worker is \$36,618.

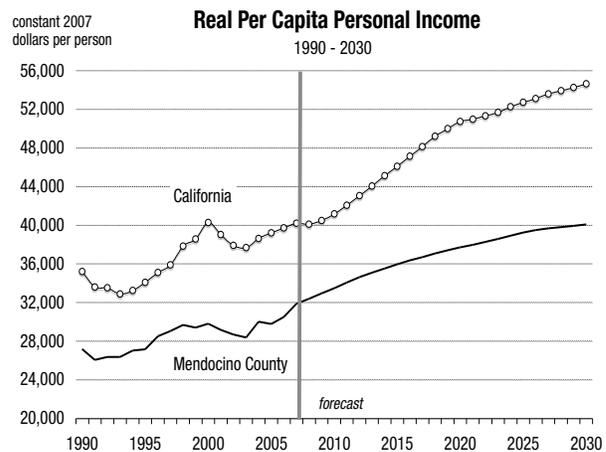
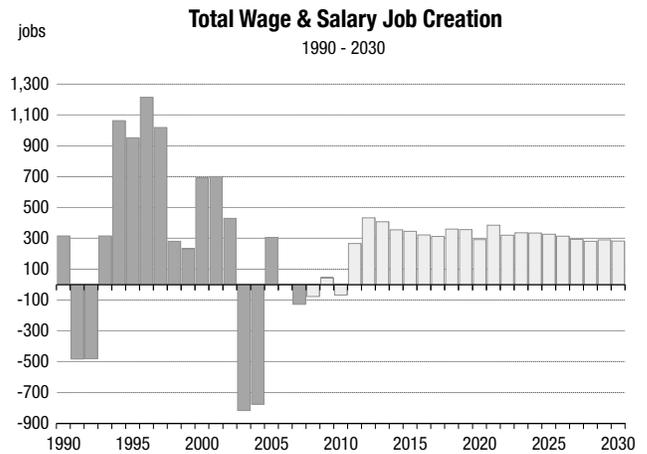
In 2007, total wage and salary positions declined by 26 jobs. Non-farm employment lost 26 jobs, while farm employment lost 101 jobs, a decline of 5.1 percent. The unemployment rate rose to 5.6 percent in 2007.

The retail trade sector created more jobs (135) than any other sector in 2007, an increase of 2.5 percent. Health and education added approximately 84 workers. Employment fell in leisure, information, financial activities, construction and the public sector. Employment in manufacturing declined by 163 jobs in 2007, continuing a trend that has produced a decline of over 2,000 jobs since 1999.

The population in Mendocino County rose 0.7 percent in 2007. The largest city in the county is Ukiah, with 15,758 residents. Ukiah's population increased 0.1 percent between January 2007 and January 2008. Net migration was positive last year, with an estimated total of 125 migrants entering the county.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to increase by 0.2 percent in 2008. From 2008 to 2012, total employment growth averages 0.4 percent per year. Over that same period, non-farm growth averages 0.5 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 1.3 percent per year over the next 5 years.
- Between 2008 and 2012, labor market momentum will largely come from the leisure and recreation services sector, which is expected to account for nearly 41 percent of all job creation. Other sectors that significantly contribute to job growth include healthcare and education, professional services and transportation.
- The population in the county will continue to grow, but at a slower rate than the state average. Annual growth in the 2008 to 2012 period averages 0.4 percent per year.

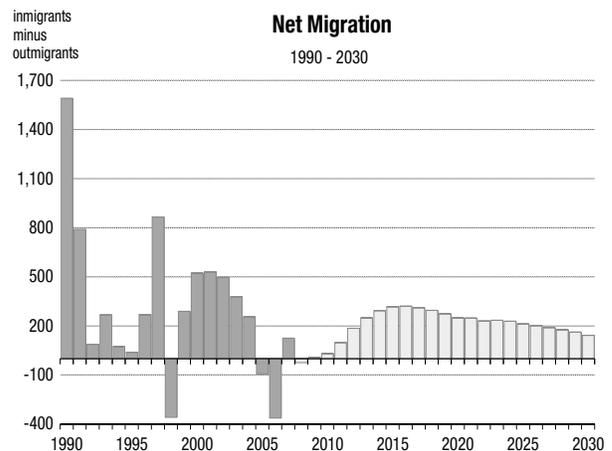
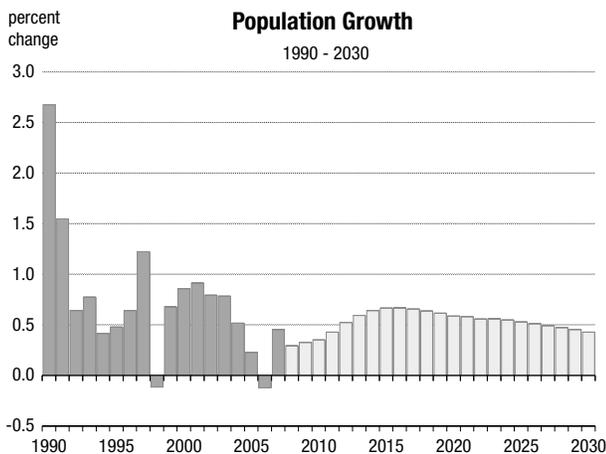


- Net migration is expected to be negative in 2008, with an estimated 20 to 30 migrants leaving the county. Over the next five years net migration is expected to average 60 migrants per year.
- Real per capita income is forecast to increase 1.6 percent in 2008. Over the next five years real per capita incomes are expected to increase an average of 1.6 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to decline 0.2 percent in 2008. Over the next five years real taxable sales are forecast to increase 1.3 percent per year.
- Industrial production is forecast to fall 1.3 percent in 2008. Over the next five years the growth rate of industrial production averages 3.4 percent. Total crop production adjusted for inflation is expected to decline 0.3 percent between 2008 and 2012.

Mendocino County Economic Forecast

1997-2007 History, 2008-2030 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	\$29,053	3.4	194.5	734.3	8.1
1998	85,223	-358	91.2	33.3	266	\$0.82	\$1.94	\$29,682	3.2	166.7	675.1	7.9
1999	85,800	290	93.9	33.5	270	\$0.90	\$2.01	\$29,413	4.2	159.9	767.0	6.9
2000	86,536	523	97.1	33.3	275	\$0.98	\$2.15	\$29,804	4.5	154.1	853.3	5.6
2001	87,327	530	101.0	33.5	353	\$1.01	\$2.24	\$29,174	5.4	149.1	625.2	6.0
2002	88,020	497	104.4	33.7	458	\$1.03	\$2.26	\$28,684	1.6	142.1	559.0	6.7
2003	88,710	378	104.2	34.1	382	\$1.06	\$2.29	\$28,376	1.8	130.9	562.0	6.9
2004	89,169	255	110.9	34.5	350	\$1.13	\$2.46	\$30,027	1.2	116.7	561.4	6.5
2005	89,373	-92	109.9	34.8	300	\$1.19	\$2.50	\$29,783	2.0	128.0	607.5	5.8
2006	89,264	-363	111.8	35.1	291	\$1.25	\$2.64	\$30,507	3.2	141.2	630.5	5.2
2007	89,669	125	110.8	35.3	232	\$1.32	\$2.86	\$31,875	3.3	137.2	636.8	5.6
2008	89,932	-24	112.1	35.7	163	\$1.38	\$3.01	\$32,392	3.3	136.6	628.5	6.0
2009	90,226	9	113.2	35.9	166	\$1.42	\$3.14	\$32,960	2.2	138.2	636.5	5.8
2010	90,543	30	114.2	36.1	189	\$1.47	\$3.26	\$33,488	1.9	139.1	656.7	5.4
2011	90,930	99	115.5	36.3	202	\$1.53	\$3.40	\$34,071	2.0	138.8	686.6	5.1
2012	91,407	186	117.2	36.5	214	\$1.60	\$3.54	\$34,632	2.0	139.4	718.6	5.0
2013	91,949	249	119.1	36.7	224	\$1.68	\$3.69	\$35,095	2.1	140.3	752.8	4.9
2014	92,539	294	121.1	36.9	231	\$1.77	\$3.84	\$35,537	2.0	140.6	785.9	4.9
2015	93,156	317	123.0	37.2	236	\$1.86	\$3.99	\$35,956	2.1	141.2	818.7	4.8
2016	93,778	320	125.0	37.4	238	\$1.96	\$4.15	\$36,380	2.0	141.7	854.8	4.8
2017	94,393	311	127.0	37.6	240	\$2.06	\$4.30	\$36,690	2.1	141.2	888.1	4.8
2018	94,996	295	129.0	37.8	241	\$2.16	\$4.46	\$37,077	2.1	141.8	923.7	4.9
2019	95,579	275	131.0	38.0	242	\$2.26	\$4.63	\$37,419	2.1	142.3	955.9	4.9
2020	96,139	250	132.9	38.3	242	\$2.36	\$4.78	\$37,721	2.0	142.6	989.4	4.8
2021	96,698	248	134.8	38.5	239	\$2.47	\$4.96	\$37,983	2.4	142.0	1016.8	4.7
2022	97,238	230	136.6	38.7	240	\$2.58	\$5.16	\$38,285	2.5	142.9	1037.8	4.7
2023	97,782	235	138.4	38.9	240	\$2.69	\$5.36	\$38,587	2.5	142.3	1060.5	4.7
2024	98,319	229	140.2	39.2	236	\$2.80	\$5.56	\$38,928	2.3	143.4	1081.6	4.7
2025	98,838	213	141.8	39.4	234	\$2.92	\$5.77	\$39,255	2.4	143.7	1102.2	4.7
2026	99,343	202	143.4	39.6	233	\$3.05	\$5.97	\$39,492	2.4	144.0	1126.3	4.6
2027	99,834	190	144.7	39.8	229	\$3.18	\$6.18	\$39,681	2.5	144.2	1150.5	4.5
2028	100,307	176	145.9	40.1	230	\$3.31	\$6.40	\$39,813	2.7	143.9	1173.5	4.5
2029	100,762	163	146.9	40.3	228	\$3.46	\$6.62	\$39,950	2.7	144.8	1199.9	4.4
2030	101,194	143	147.9	40.5	224	\$3.60	\$6.84	\$40,098	2.6	145.0	1227.2	4.4

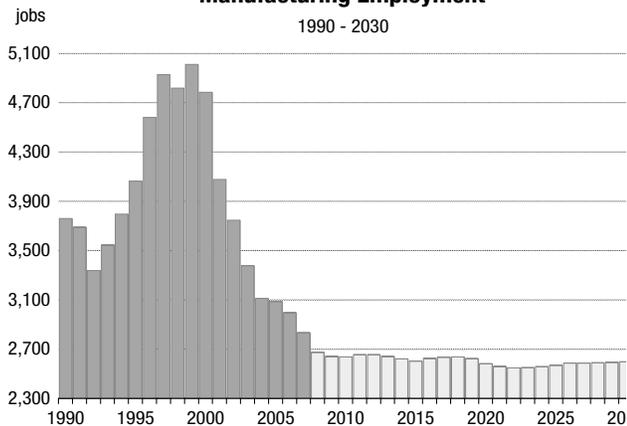


Mendocino County Employment Forecast

1997-2007 History, 2008-2030 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	2.09	1.6	3.0	0.6	5.3	1.3	1.8	0.4	3.7	4.2	7.5
2007	32.5	1.98	1.5	2.8	0.6	5.4	1.2	1.8	0.4	3.8	4.2	7.5
2008	32.4	1.78	1.4	2.7	0.6	5.4	1.2	1.9	0.4	3.8	4.3	7.7
2009	32.4	1.79	1.4	2.6	0.6	5.4	1.2	2.0	0.4	3.8	4.4	7.6
2010	32.4	1.75	1.4	2.6	0.7	5.4	1.2	2.0	0.4	3.8	4.4	7.5
2011	32.6	1.74	1.3	2.7	0.7	5.5	1.2	2.1	0.4	3.9	4.5	7.6
2012	33.1	1.74	1.4	2.7	0.7	5.5	1.2	2.1	0.4	3.9	4.6	7.8
2013	33.5	1.77	1.4	2.6	0.7	5.5	1.2	2.2	0.4	3.9	4.6	8.0
2014	33.8	1.80	1.4	2.6	0.8	5.5	1.2	2.2	0.4	3.9	4.7	8.2
2015	34.2	1.83	1.4	2.6	0.8	5.5	1.2	2.2	0.4	3.9	4.8	8.3
2016	34.5	1.85	1.4	2.6	0.8	5.5	1.2	2.2	0.4	4.0	4.9	8.4
2017	34.8	1.90	1.4	2.6	0.8	5.6	1.3	2.3	0.4	4.0	4.9	8.5
2018	35.2	1.93	1.4	2.6	0.8	5.6	1.3	2.3	0.4	4.0	5.0	8.8
2019	35.5	1.96	1.4	2.6	0.9	5.6	1.3	2.3	0.4	4.0	5.0	9.0
2020	35.8	1.99	1.4	2.6	0.9	5.6	1.3	2.3	0.4	4.1	5.0	9.2
2021	36.2	2.04	1.4	2.6	0.9	5.6	1.3	2.3	0.4	4.1	5.0	9.4
2022	36.5	2.05	1.4	2.5	0.9	5.6	1.3	2.4	0.4	4.1	5.1	9.6
2023	36.9	2.04	1.4	2.6	0.9	5.6	1.3	2.4	0.4	4.1	5.1	9.8
2024	37.2	2.05	1.4	2.6	1.0	5.6	1.3	2.4	0.4	4.2	5.1	10.0
2025	37.5	2.05	1.4	2.6	1.0	5.7	1.3	2.5	0.4	4.2	5.1	10.2
2026	37.8	2.06	1.4	2.6	1.0	5.7	1.3	2.5	0.4	4.2	5.2	10.4
2027	38.1	2.06	1.5	2.6	1.0	5.7	1.3	2.5	0.4	4.2	5.2	10.5
2028	38.4	2.06	1.4	2.6	1.0	5.7	1.3	2.6	0.4	4.2	5.2	10.7
2029	38.7	2.07	1.4	2.6	1.0	5.7	1.3	2.6	0.4	4.2	5.3	10.9
2030	39.0	2.07	1.4	2.6	1.1	5.7	1.4	2.6	0.4	4.2	5.3	11.0

Manufacturing Employment



Employment in Professional Services

