

# NAPA COUNTY ECONOMIC FORECAST

Napa County is home to the Napa Valley, which is a popular tourist destination known for wine grapes and premium wine production. Napa County has a population of over 138,000 people and 65,200 wage and salary jobs. The per capita income in Napa County is \$49,607, and the average salary per worker is \$51,044. The median family income in the Napa-Solano metro area was estimated at \$81,800 in 2009, among the highest in the state.

Employment growth in Northern California was negative in 2009, and employment in the greater Bay Area declined by 4.2 percent last year. There were 4,300 total wage and salary jobs lost in Napa County in 2009 representing a total workforce decline of -6.1 percent. Non-farm employment declined by 6.2 percent. Farm employment declined by 4.7 percent. The unemployment rate increased to 9.2 percent in 2009.

Employment gains were observed in both the public and the transportation services sectors during 2009, adding 50 and 30 jobs, respectively. The education/healthcare and information sectors each showed no change in employment during 2009. The largest declines in employment were in the manufacturing (-1,040 jobs), leisure (-750 jobs), construction (-640 jobs), and retail trade (-540 jobs) sectors. The manufacturing sector, largely beverage manufacturing from the wine industry, was heavily impacted by declining consumer spending in 2009. Employment declined by nearly 9 percent.

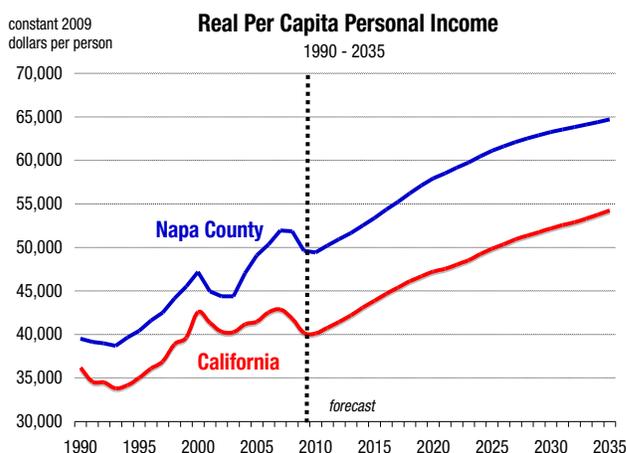
There was virtually no building in the county during 2009. Just over 100 homes were started during the year, the lowest on record by a substantial margin.

The population grew at a rate of 1.0 percent in Napa County from 2008 to 2009. The fastest growing city in the county is American Canyon, whose population grew by 1.8 percent between January 2008 and January 2009. The city of Napa is by far the largest in the county, accounting for over 55 percent of the population.

After a decline in 2009, employment is expected to remain steady in 2010, while population will continue to grow at approximately one percent.

## FORECAST HIGHLIGHTS

- No discernable job growth is forecast in 2010. The farm sector is expected to decline another 1.1 percent. Between 2010 and 2015, the annual growth rate is forecast to average 1.0 percent per year.
- Average salaries adjusted for inflation are below the California average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.6 percent per year from 2010 to 2015.
- Between 2010 and 2015, job creation is concentrated in leisure services, retail trade, healthcare and education, professional services, and construction. Napa County is one of the few areas in California where manufacturing employment is forecast to increase.

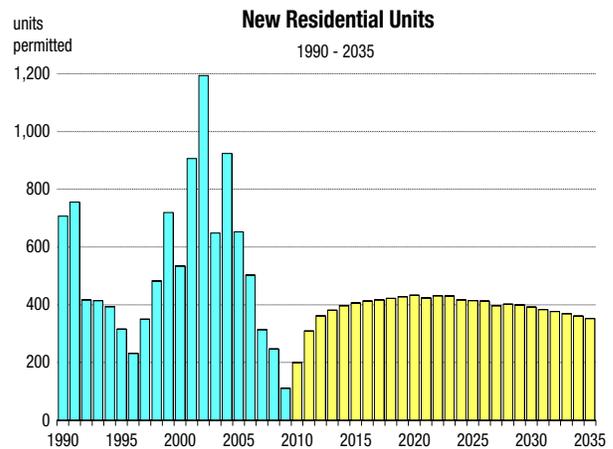
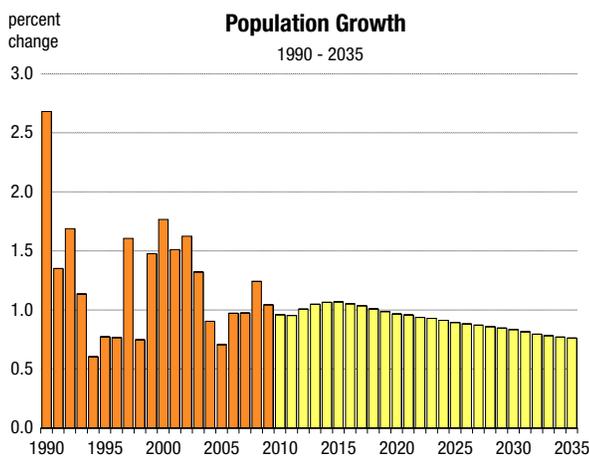


- Population growth is expected to average 1.0 percent per year from 2010 to 2015.
- Net migration is forecast to decline slightly in 2010 because of the lack of job creation. During the 2010 to 2015 period net migration is forecast to average 900 people entering the county per year.
- Real per capita incomes decline at a rate of 0.4 percent in 2010. From 2010 to 2015 real per capita incomes are forecast to rise approximately 1.6 percent per year.
- Total taxable sales adjusted for inflation are expected to increase an average of 3.5 percent per year between 2010 and 2015.
- Industrial production is expected to rise 2.0 percent in 2010. From 2010 to 2015 industrial production is forecast to grow an average of 3.8 percent per year.
- Farm production is forecast to increase by 1.7 percent per year between 2010 and 2015. The principal crop in the county is wine grapes.

# Napa County Economic Forecast

## 2002-2009 History, 2010-2035 Forecast

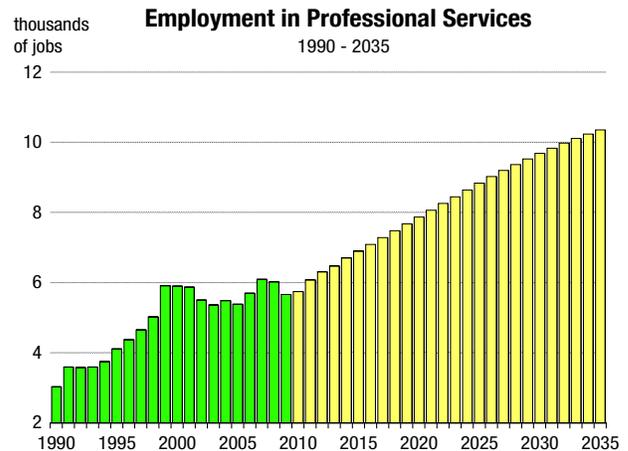
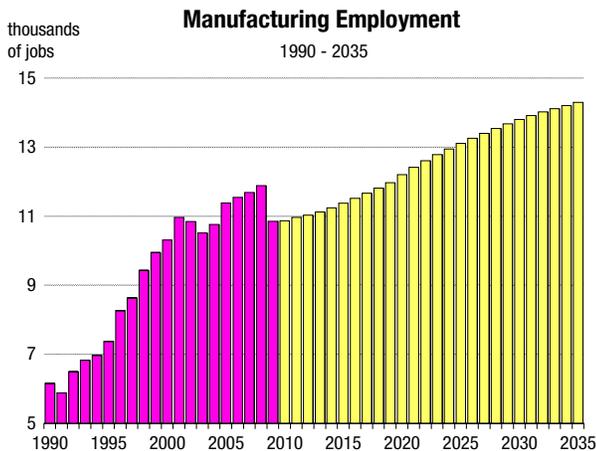
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	128,910	1,761	131	46.5	1,194	\$2.08	\$4.92	\$44,369	1.6	452.9	1.27	4.6
2003	130,616	1,339	130	47.2	649	\$1.99	\$5.08	\$44,386	1.8	450.5	1.36	4.9
2004	131,798	817	137	48.3	924	\$2.14	\$5.49	\$47,041	1.2	404.9	1.48	4.8
2005	132,731	600	136	48.9	653	\$2.33	\$5.88	\$49,069	2.0	609.9	1.65	4.4
2006	134,022	741	138	49.6	503	\$2.45	\$6.29	\$50,347	3.2	514.8	1.82	3.9
2007	135,328	763	138	50.2	314	\$2.58	\$6.78	\$51,941	3.4	502.1	1.89	4.0
2008	137,010	1,194	139	50.6	247	\$2.62	\$7.05	\$51,853	3.0	414.0	2.02	5.1
2009	138,442	913	138	50.8	111	\$2.54	\$6.87	\$49,607	0.8	425.3	1.92	9.2
2010	139,773	788	137	51.1	200	\$2.58	\$7.06	\$49,425	2.1	435.4	1.96	10.3
2011	141,108	784	137	51.3	309	\$2.66	\$7.41	\$50,210	2.4	454.2	2.02	9.5
2012	142,529	868	139	51.6	362	\$2.80	\$7.76	\$50,941	2.1	463.8	2.10	8.1
2013	144,023	944	140	52.0	381	\$2.98	\$8.13	\$51,666	2.2	470.9	2.18	7.1
2014	145,558	985	141	52.3	397	\$3.19	\$8.53	\$52,511	2.2	475.7	2.27	6.3
2015	147,116	1,008	142	52.8	406	\$3.42	\$8.96	\$53,383	2.2	473.3	2.36	5.7
2016	148,666	1,000	143	53.2	413	\$3.68	\$9.41	\$54,336	2.2	482.8	2.44	5.4
2017	150,207	996	144	53.6	418	\$3.94	\$9.88	\$55,221	2.2	490.0	2.53	5.2
2018	151,726	975	145	54.0	423	\$4.19	\$10.38	\$56,214	2.2	497.2	2.63	5.1
2019	153,222	957	146	54.4	428	\$4.44	\$10.88	\$57,120	2.2	506.7	2.75	5.0
2020	154,705	948	147	54.9	433	\$4.72	\$11.38	\$57,950	2.1	501.9	2.90	4.9
2021	156,186	948	147	55.3	424	\$5.00	\$11.90	\$58,519	2.5	494.8	3.03	4.9
2022	157,650	932	148	55.8	432	\$5.27	\$12.46	\$59,157	2.6	506.7	3.16	4.8
2023	159,115	934	149	56.2	430	\$5.54	\$13.02	\$59,745	2.5	516.2	3.29	4.7
2024	160,568	925	150	56.6	417	\$5.82	\$13.62	\$60,472	2.4	528.2	3.42	4.6
2025	162,003	912	151	57.1	415	\$6.13	\$14.23	\$61,125	2.5	537.7	3.55	4.5
2026	163,433	905	151	57.5	413	\$6.45	\$14.84	\$61,620	2.5	542.5	3.69	4.5
2027	164,858	897	152	57.9	397	\$6.77	\$15.47	\$62,113	2.6	544.9	3.83	4.5
2028	166,274	887	153	58.3	403	\$7.12	\$16.14	\$62,529	2.8	552.0	3.97	4.4
2029	167,684	878	153	58.7	400	\$7.47	\$16.83	\$62,906	2.7	556.8	4.12	4.4
2030	169,085	867	154	59.1	392	\$7.83	\$17.52	\$63,249	2.7	549.6	4.28	4.3
2031	170,466	850	154	59.5	384	\$8.20	\$18.22	\$63,559	2.7	542.5	4.44	4.3
2032	171,824	826	155	59.9	377	\$8.59	\$18.94	\$63,834	2.7	559.2	4.60	4.3
2033	173,171	816	156	60.3	369	\$8.99	\$19.68	\$64,101	2.7	573.5	4.77	4.3
2034	174,508	801	156	60.7	361	\$9.41	\$20.46	\$64,399	2.7	585.4	4.94	4.4
2035	175,839	791	157	61.0	353	\$9.85	\$21.27	\$64,710	2.7	587.8	5.12	4.4

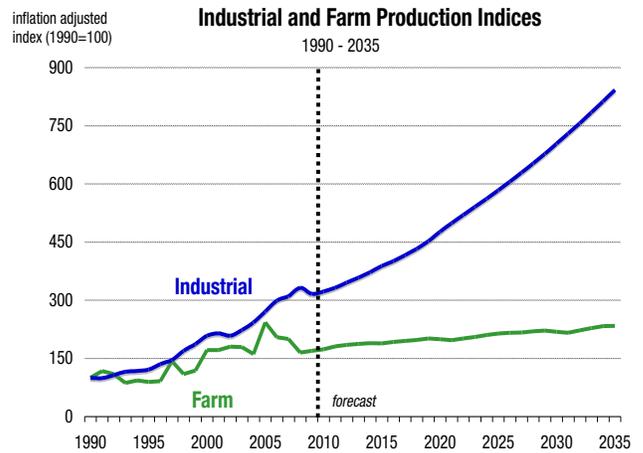
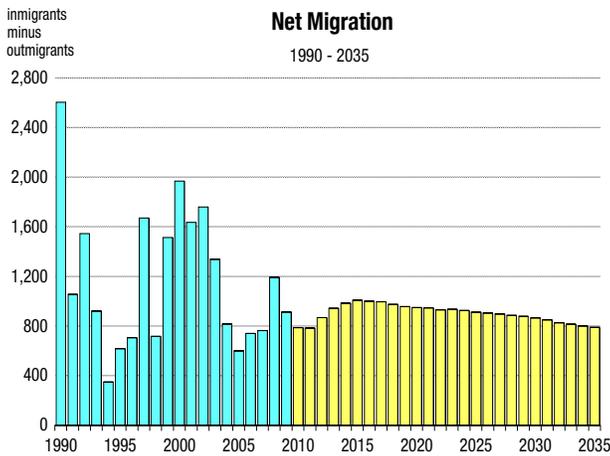
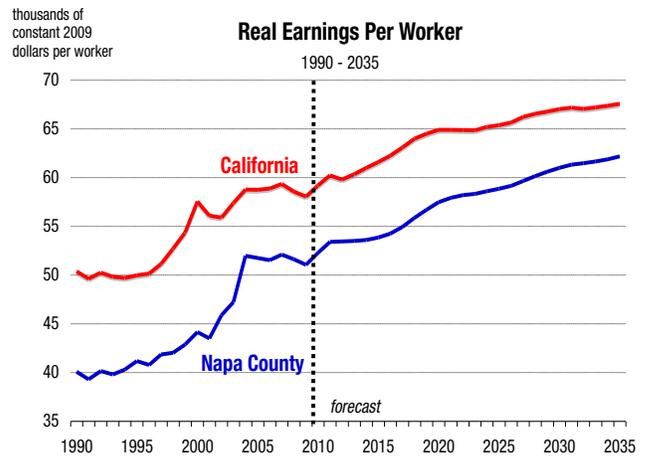
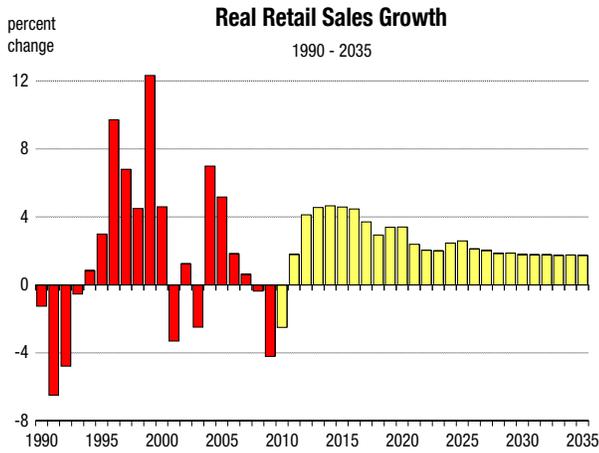


# Napa County Employment Forecast

## 2002-2009 History, 2010-2035 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)-----												
2002	66.0	5.27	4.2	10.9	1.3	7.4	3.0	5.5	0.8	8.1	8.0	9.9
2003	65.3	4.86	4.3	10.5	1.5	7.6	2.7	5.4	0.8	7.8	8.4	9.7
2004	65.6	4.71	4.6	10.8	1.4	7.6	2.5	5.5	0.7	7.9	8.5	9.7
2005	66.2	4.59	4.5	11.4	1.3	7.6	2.7	5.4	0.7	7.8	8.5	10.0
2006	67.4	4.74	5.1	11.6	1.4	7.5	2.8	5.7	0.7	7.7	8.5	10.0
2007	68.9	4.91	4.5	11.7	1.6	7.8	2.6	6.1	0.7	8.0	9.1	10.2
2008	69.5	4.87	3.9	11.9	1.7	7.7	2.5	6.0	0.7	8.2	9.2	10.7
2009	65.2	4.64	3.3	10.9	1.7	7.1	2.1	5.7	0.7	8.2	8.4	10.8
2010	65.2	4.59	3.2	10.9	1.7	7.0	2.1	5.7	0.7	8.3	8.5	10.6
2011	66.2	4.69	3.3	11.0	1.8	7.1	2.1	6.1	0.7	8.4	8.7	10.4
2012	67.6	4.76	3.4	11.0	1.9	7.3	2.3	6.3	0.7	8.6	8.8	10.6
2013	68.9	4.81	3.6	11.1	2.0	7.5	2.4	6.5	0.7	8.7	8.9	10.7
2014	70.3	4.84	3.8	11.2	2.1	7.8	2.4	6.7	0.7	8.9	9.1	10.8
2015	71.5	4.82	3.9	11.4	2.2	8.0	2.5	6.9	0.7	9.1	9.2	10.8
2016	72.8	4.87	4.0	11.5	2.3	8.3	2.5	7.1	0.7	9.3	9.2	10.9
2017	73.8	4.87	4.1	11.7	2.3	8.5	2.5	7.3	0.7	9.5	9.2	11.0
2018	74.8	4.86	4.1	11.8	2.4	8.7	2.6	7.5	0.7	9.7	9.2	11.1
2019	75.9	4.88	4.2	12.0	2.5	8.8	2.6	7.7	0.7	9.9	9.2	11.2
2020	77.0	4.82	4.3	12.2	2.6	9.0	2.6	7.9	0.8	10.2	9.2	11.4
2021	78.0	4.78	4.3	12.4	2.6	9.2	2.6	8.1	0.8	10.4	9.1	11.5
2022	79.1	4.86	4.4	12.6	2.7	9.3	2.6	8.3	0.8	10.6	9.1	11.6
2023	80.2	4.92	4.4	12.8	2.8	9.4	2.6	8.5	0.8	10.8	9.1	11.7
2024	81.3	4.99	4.4	13.0	2.9	9.5	2.7	8.6	0.8	11.0	9.2	11.8
2025	82.4	5.05	4.4	13.1	3.0	9.7	2.7	8.8	0.8	11.3	9.2	11.9
2026	83.4	5.09	4.4	13.3	3.1	9.8	2.7	9.0	0.8	11.5	9.2	12.0
2027	84.3	5.10	4.4	13.4	3.1	9.9	2.7	9.2	0.8	11.7	9.3	12.1
2028	85.3	5.15	4.4	13.5	3.2	10.0	2.7	9.4	0.8	11.9	9.4	12.2
2029	86.2	5.18	4.4	13.7	3.3	10.1	2.7	9.5	0.8	12.1	9.5	12.3
2030	87.1	5.14	4.4	13.8	3.3	10.2	2.7	9.7	0.8	12.4	9.6	12.4
2031	87.9	5.10	4.4	13.9	3.4	10.3	2.7	9.8	0.8	12.6	9.7	12.5
2032	88.9	5.20	4.3	14.0	3.5	10.4	2.7	10.0	0.8	12.8	9.8	12.6
2033	89.8	5.30	4.3	14.1	3.5	10.5	2.7	10.1	0.8	13.0	9.9	12.7
2034	90.7	5.37	4.3	14.2	3.6	10.6	2.7	10.2	0.8	13.1	10.0	12.9
2035	91.5	5.39	4.3	14.3	3.7	10.7	2.7	10.4	0.8	13.3	10.1	13.0





## County Economic and Demographic Indicators

### Projected Economic Growth (2010-2015)

Expected retail sales growth:	21.3 %
Expected job growth:	9.7 %
Fastest growing jobs sector:	Transportation, Warehousing, and Utilities
Expected personal income growth:	13.7 %

Expected population growth:	5.3 %
Net migration to account for:	62.5 %
Expected growth in number of vehicles:	4.1 %

### Demographics (2009)

Unemployment rate (December):	10.2 %
County Rank* in California (58 counties):	11th
Working age (16-64) population:	63.0 %

Population with B.A. Degree or higher:	25.7 %
Median Home Selling Price:	\$365,070
Median Household Income:	\$65,690

### Quality of Life

Violent Crime rate (2008):	611 per 100,000 persons
County Rank* in California (58 counties):	48th
Average Commute Time to work (2009):	26.6 minutes

High School drop out rate (2008):	18.4 %
Households at/below poverty line:	6.4 %

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