

NEVADA COUNTY ECONOMIC FORECAST

Nevada County is located on the California-Nevada state border. In addition to being a recreation destination, the county is a mini technology hub, home to over 50 high tech businesses. Nevada County has a population of 98,721 people and 27,919 wage and salary jobs. The per capita income in Nevada County is \$43,069, and the average salary per worker is \$43,599.

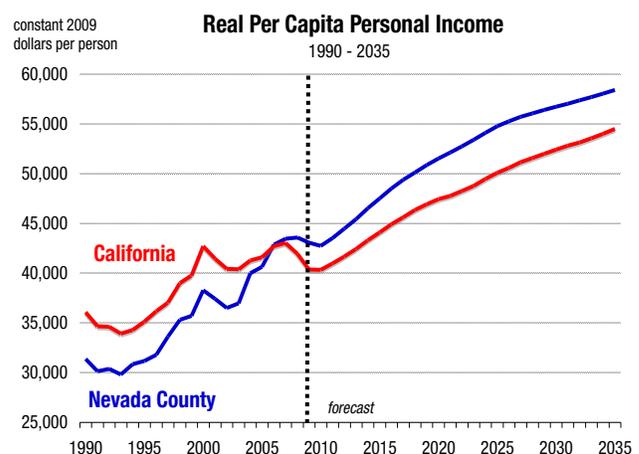
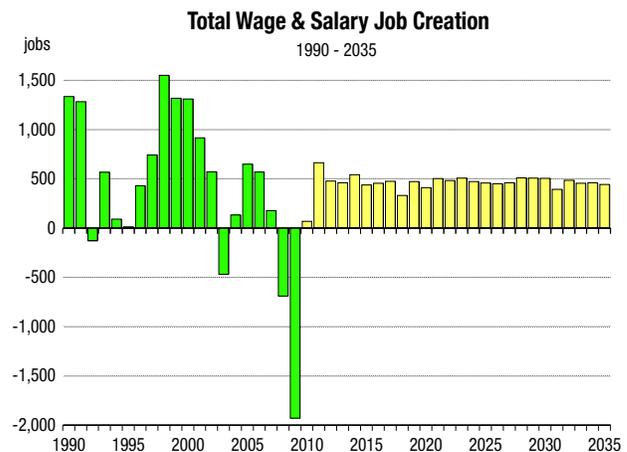
In 2009, 1,928 total wage and salary jobs were lost in Nevada County, representing a decline in employment of 6.5 percent. Non-farm employment accounts for over 99 percent of total employment in the county. The farm sector has been expanding rapidly in recent years, increasing employment by 44 workers, or 35 percent in 2009. The unemployment rate jumped to 11.1 percent in 2009.

The only non-farm sectors to create jobs during 2009 were wholesale trade and financial activities, which created 50 and 20 jobs, respectively. These gains were offset by far greater losses in leisure services (-480 jobs), retail trade (-450 jobs), government (-410 jobs), and construction (-370 jobs). Many of the largest employers in the county are related to tourism, including Soda Springs Ski Area, Sugar Bowl Ski Resort, and Boreal Mountain Resort.

The population declined 0.2 percent in Nevada County in 2009. The largest city in the county is Truckee with 16,241 residents, which grew 0.8 percent from January 2008 to January 2009. Net migration into the county was negative last year, with an estimated total of 178 out-migrants. Since 1997 the county has relied on net migration for growth, because the natural increase has been negative.

FORECAST HIGHLIGHTS

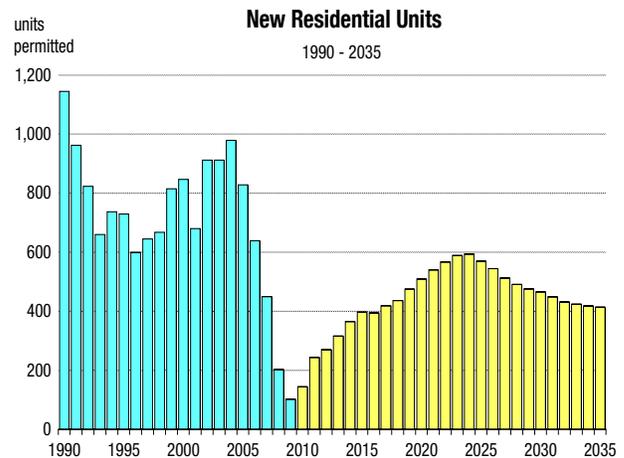
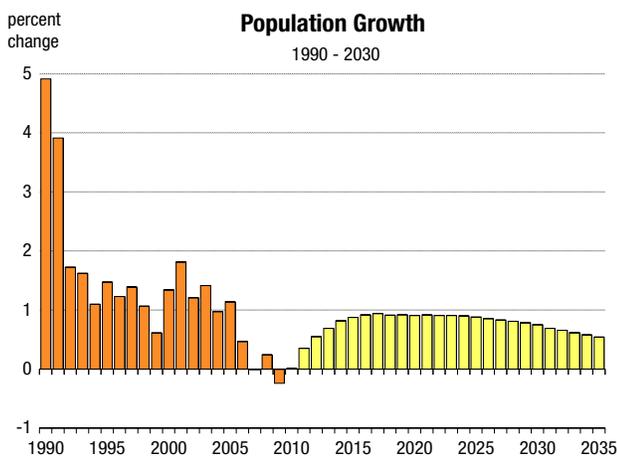
- Total wage and salary job growth is forecast to be 0.2 percent in 2010. From 2010 to 2015, total employment growth averages 1.8 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.2 percent per year during the 2010 to 2015 period.
- Between 2010 and 2015, the principle job creation is in professional services, health and education, leisure services, retail trade and construction. These sectors account for 80 percent of all job creation during this time. Employment remains flat in the financial activities, transportation, information, and manufacturing sectors.
- Population growth in the 2010 to 2015 period is forecast to average 0.7 percent per year.
- Net migration is expected to be approximately 76 net migrants entering the county in 2010, down from over 1,000 every year from 2000 to 2005. Over the next five years net migration averages 720 net migrants per year.
- Real per capita income is forecast to decline 0.7 percent in 2010. From 2010 to 2015 real per capita incomes are expected to increase an average of 2.1 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase 2.3 percent in 2010. Between 2010 and 2015 real taxable sales are forecast to increase at an average rate of 4.1 percent per year.
- Industrial production is forecast to remain unchanged in 2010. From 2010 to 2015 the growth rate of industrial production averages 2.1 percent per year.



Nevada County Economic Forecast

2002-2009 History, 2010-2035 Forecast

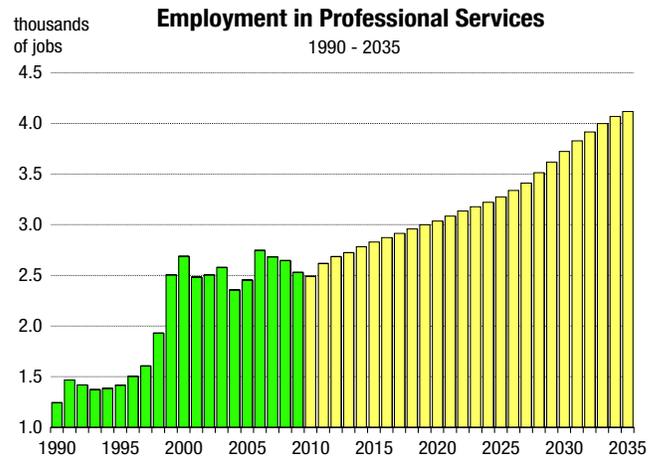
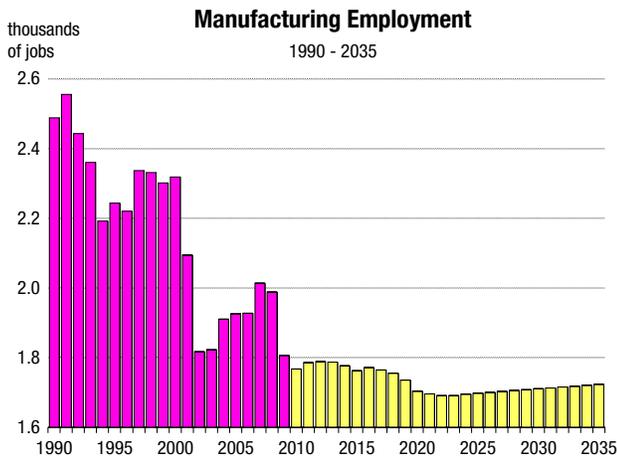
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	94,882	1,255	120.1	38.0	912	\$1.03	\$2.98	\$36,495	1.6	8.7	256.0	5.3
2003	96,223	1,446	119.3	38.6	912	\$1.06	\$3.11	\$36,964	1.8	9.0	277.1	5.6
2004	97,161	1,153	128.2	39.4	979	\$1.17	\$3.44	\$39,983	1.2	9.8	308.4	5.3
2005	98,270	1,208	129.4	40.2	829	\$1.27	\$3.60	\$40,619	2.0	10.3	328.7	4.8
2006	98,731	507	131.5	40.6	639	\$1.35	\$3.94	\$42,847	3.2	9.6	355.2	4.9
2007	98,722	88	128.9	41.1	450	\$1.32	\$4.13	\$43,457	3.4	9.9	377.0	5.0
2008	98,959	270	129.0	41.7	203	\$1.19	\$4.28	\$43,574	3.0	9.3	389.7	5.1
2009	98,721	-178	127.3	42.0	103	\$1.15	\$4.25	\$43,069	0.8	9.4	363.7	11.1
2010	98,732	76	124.8	42.2	145	\$1.20	\$4.31	\$42,748	2.1	9.5	364.0	9.4
2011	99,081	408	125.8	42.3	244	\$1.26	\$4.51	\$43,529	2.4	9.5	371.7	8.1
2012	99,626	601	127.6	42.5	270	\$1.34	\$4.73	\$44,457	2.1	9.5	381.7	7.0
2013	100,314	745	129.6	42.8	316	\$1.44	\$4.97	\$45,430	2.2	9.5	389.6	6.4
2014	101,134	879	131.8	43.0	366	\$1.53	\$5.24	\$46,519	2.2	9.5	396.9	5.7
2015	102,021	951	133.8	43.3	397	\$1.64	\$5.53	\$47,522	2.2	9.5	404.4	5.4
2016	102,956	1,004	135.7	43.7	395	\$1.74	\$5.81	\$48,504	2.2	9.5	413.1	5.2
2017	103,924	1,041	137.8	44.0	419	\$1.84	\$6.10	\$49,376	2.2	9.5	421.3	5.1
2018	104,872	1,027	139.4	44.3	437	\$1.92	\$6.39	\$50,114	2.2	9.4	429.9	5.1
2019	105,839	1,051	141.3	44.7	475	\$2.02	\$6.69	\$50,867	2.2	9.4	438.3	4.9
2020	106,799	1,051	143.1	45.1	510	\$2.12	\$6.98	\$51,526	2.1	9.4	447.1	5.0
2021	107,778	1,076	145.1	45.5	540	\$2.22	\$7.30	\$52,118	2.5	9.4	458.2	4.9
2022	108,759	1,086	147.1	45.9	567	\$2.32	\$7.66	\$52,746	2.6	9.4	469.0	4.9
2023	109,749	1,104	149.1	46.4	589	\$2.42	\$8.02	\$53,409	2.5	9.4	480.5	4.9
2024	110,736	1,108	151.0	46.9	594	\$2.52	\$8.40	\$54,116	2.4	9.4	493.6	4.8
2025	111,708	1,105	152.9	47.4	570	\$2.64	\$8.78	\$54,767	2.5	9.4	507.0	4.8
2026	112,662	1,098	154.6	47.9	544	\$2.75	\$9.17	\$55,277	2.5	9.4	521.3	4.8
2027	113,596	1,094	156.2	48.3	513	\$2.86	\$9.55	\$55,711	2.6	9.4	536.5	4.8
2028	114,518	1,098	157.8	48.7	491	\$2.98	\$9.96	\$56,071	2.8	9.4	552.0	4.7
2029	115,415	1,094	159.4	49.1	476	\$3.10	\$10.38	\$56,402	2.7	9.3	567.9	4.6
2030	116,283	1,083	160.9	49.5	466	\$3.23	\$10.80	\$56,738	2.7	9.4	584.5	4.5
2031	117,086	1,041	162.1	49.9	449	\$3.35	\$11.22	\$57,025	2.7	9.4	601.6	4.5
2032	117,857	1,031	163.5	50.3	432	\$3.49	\$11.66	\$57,364	2.7	9.3	619.1	4.4
2033	118,586	1,010	164.8	50.6	424	\$3.62	\$12.12	\$57,691	2.7	9.3	637.0	4.4
2034	119,275	991	166.2	51.0	418	\$3.76	\$12.59	\$58,038	2.7	9.3	655.5	4.4
2035	119,922	970	167.5	51.3	414	\$3.91	\$13.08	\$58,404	2.7	9.3	674.5	4.4

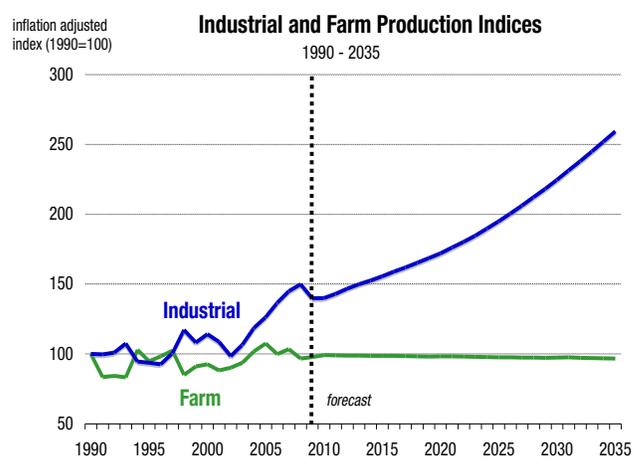
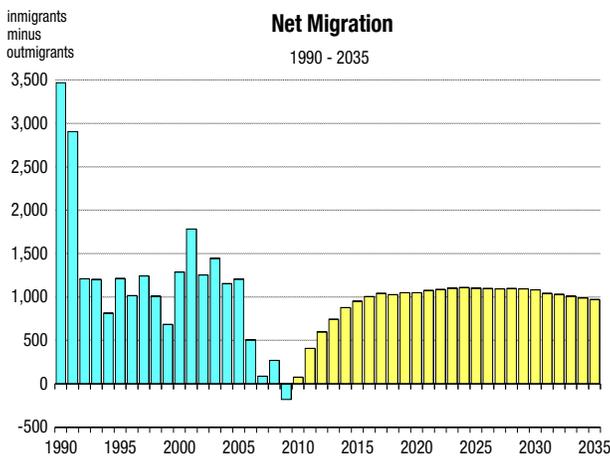
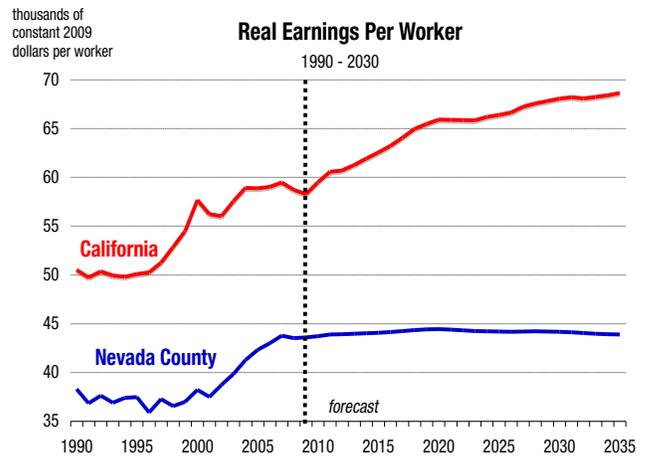
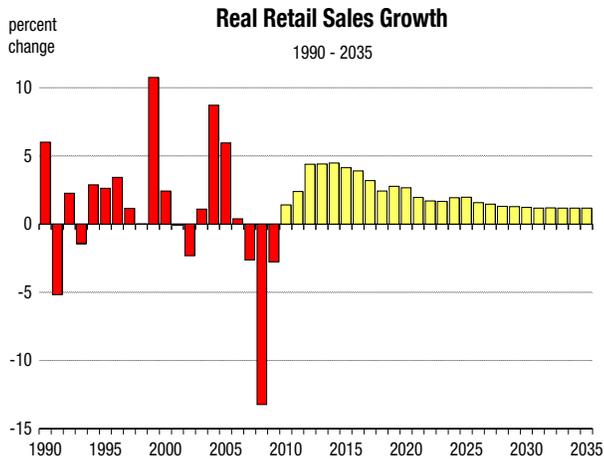


Nevada County Employment Forecast

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	29.5	0.10	3.3	1.8	0.5	4.8	1.7	2.5	0.4	3.6	3.8	5.8
2003	29.0	0.10	3.1	1.8	0.5	4.6	1.7	2.6	0.4	3.8	3.7	5.7
2004	29.1	0.09	3.3	1.9	0.5	4.5	1.7	2.4	0.4	3.8	4.0	5.5
2005	29.8	0.08	3.7	1.9	0.5	4.5	1.6	2.5	0.4	3.8	4.2	5.4
2006	30.4	0.07	3.9	1.9	0.5	4.7	1.6	2.7	0.4	3.8	4.2	5.4
2007	30.5	0.09	3.7	2.0	0.5	4.7	1.6	2.7	0.4	3.8	4.4	5.4
2008	29.8	0.13	3.2	2.0	0.5	4.5	1.5	2.6	0.4	4.0	4.4	5.5
2009	27.9	0.17	2.8	1.8	0.5	4.1	1.5	2.5	0.4	4.0	3.9	5.1
2010	28.0	0.17	2.8	1.8	0.5	4.1	1.5	2.5	0.4	4.1	4.0	5.0
2011	28.7	0.17	3.1	1.8	0.5	4.2	1.5	2.6	0.4	4.2	4.1	4.9
2012	29.1	0.17	3.1	1.8	0.5	4.3	1.5	2.7	0.4	4.3	4.3	5.0
2013	29.6	0.17	3.1	1.8	0.5	4.3	1.5	2.7	0.4	4.4	4.3	5.0
2014	30.1	0.18	3.2	1.8	0.5	4.4	1.5	2.8	0.4	4.4	4.4	5.1
2015	30.6	0.18	3.2	1.8	0.5	4.5	1.5	2.8	0.4	4.5	4.6	5.2
2016	31.0	0.18	3.2	1.8	0.5	4.6	1.5	2.9	0.4	4.6	4.7	5.2
2017	31.5	0.18	3.3	1.8	0.5	4.6	1.5	2.9	0.4	4.6	4.8	5.3
2018	31.8	0.18	3.2	1.8	0.5	4.7	1.5	3.0	0.4	4.7	4.9	5.4
2019	32.3	0.18	3.3	1.7	0.5	4.7	1.5	3.0	0.4	4.8	5.0	5.6
2020	32.7	0.18	3.3	1.7	0.5	4.8	1.5	3.0	0.4	4.8	5.1	5.7
2021	33.2	0.18	3.4	1.7	0.5	4.8	1.5	3.1	0.4	4.9	5.2	5.8
2022	33.7	0.18	3.4	1.7	0.5	4.9	1.5	3.1	0.4	5.0	5.3	5.9
2023	34.2	0.18	3.5	1.7	0.6	4.9	1.6	3.2	0.4	5.1	5.4	6.0
2024	34.7	0.18	3.5	1.7	0.6	5.0	1.6	3.2	0.4	5.2	5.5	6.1
2025	35.2	0.18	3.5	1.7	0.6	5.0	1.6	3.3	0.4	5.3	5.5	6.2
2026	35.6	0.18	3.6	1.7	0.6	5.0	1.6	3.3	0.4	5.4	5.6	6.3
2027	36.1	0.18	3.6	1.7	0.6	5.1	1.6	3.4	0.4	5.4	5.7	6.4
2028	36.6	0.18	3.7	1.7	0.6	5.1	1.6	3.5	0.4	5.5	5.8	6.5
2029	37.1	0.18	3.7	1.7	0.6	5.1	1.7	3.6	0.4	5.6	5.9	6.6
2030	37.6	0.18	3.8	1.7	0.6	5.2	1.7	3.7	0.4	5.6	6.0	6.7
2031	38.0	0.18	3.7	1.7	0.6	5.2	1.7	3.8	0.4	5.7	6.0	6.8
2032	38.5	0.18	3.7	1.7	0.6	5.2	1.7	3.9	0.4	5.8	6.1	6.9
2033	38.9	0.18	3.8	1.7	0.6	5.3	1.7	4.0	0.4	5.9	6.2	7.0
2034	39.4	0.18	3.8	1.7	0.6	5.3	1.7	4.1	0.4	5.9	6.3	7.1
2035	39.8	0.18	3.8	1.7	0.6	5.3	1.7	4.1	0.5	6.0	6.4	7.2





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	21.5%
Expected job growth:	9.2%
Fastest growing jobs sector:	Construction
Expected personal income growth:	14.9%

Expected population growth:	3.3%
Net migration to account for:	100.0%
Expected growth in number of vehicles:	7.2%

Demographics (2009)

Unemployment rate (December)	11.4%
County Rank* in California (58 counties):	17th
Working age (16-64) population:	66.1%

Population with B.A. Degree or higher:	26.1%
Median Home Selling Price:	\$324,019
Median Household Income:	\$60,292

Quality of Life

Violent Crime rate (2008):	269 per 100,000 persons
County Rank* in California (58 counties):	12th
Average Commute Time to work (2009):	27.2 minutes

High School drop out rate (2008):	73.5%
Households at/below poverty line:	5.6%

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