# Mendocino County Economic Forecast

Forecast Summary

- Approximately 400 jobs are expected to be created in Mendocino County in 2019.

- Job creation will decelerate, and through 2024 an average of 200 jobs per year is expected.

- The largest gains will be in agriculture, leisure and hospitality, healthcare, and government. Together, these industries will account for virtually all net job creation between 2018 and 2024.

- Employment contractions are expected in construction and manufacturing.

- The unemployment rate averaged 3.9 percent in 2018, the lowest rate on record by a wide margin.

- The unemployment rate is near its lowest sustainable level and will begin to rise during the 2018–2024 forecast period.

- The Mendocino County population is growing at a similar rate to the surrounding Northern California region, and will continue to do so.

- Housing production has accelerated in Mendocino County. New homes have been built to accommodate a growing population, and some homes have been rebuilt after being destroyed by wildfires.

Job Growth

- Between 2012 and 2018, job creation averaged 1.4 percent per year. Between 2018 and 2024 it is expected to average 0.6 percent per year.
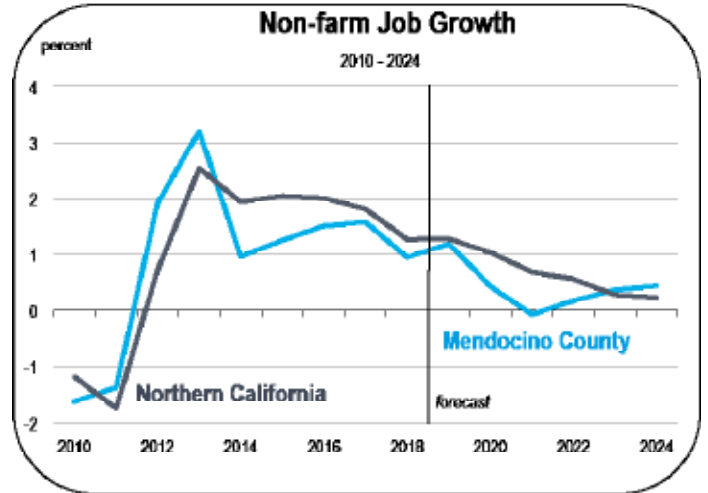

- In 2018 the largest gains were observed in construction (+100 jobs), professional business services (+100 jobs), and leisure services (+100 jobs).

- Employment contractions in 2018 were observed in manufacturing (-100 jobs) and government (-50 jobs).

Government Employment

- Government is the largest employment sector in the county, accounting for 22 percent of wage and salary jobs.

- Government agencies in Mendocino County gained approximately 300 jobs between 2012 and 2016, but then lost approximately 50 jobs by 2018.
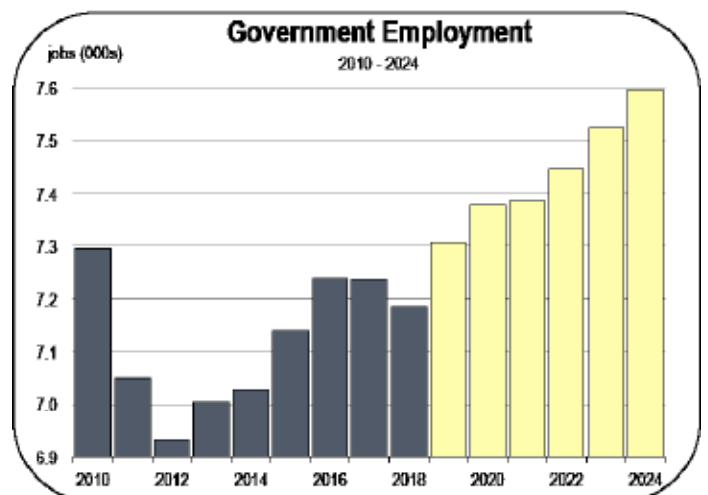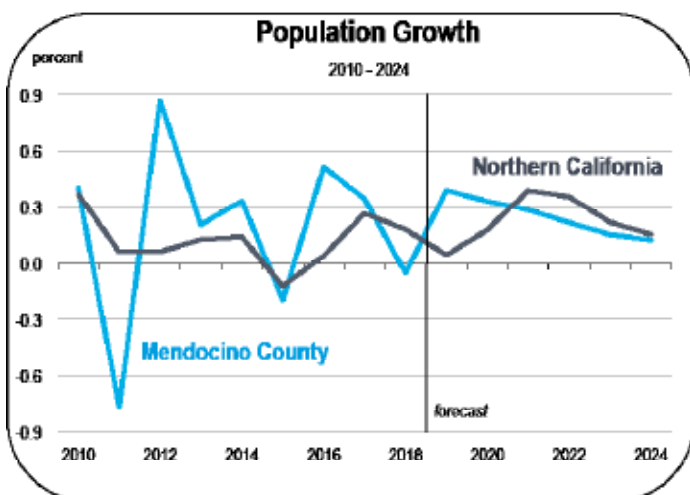
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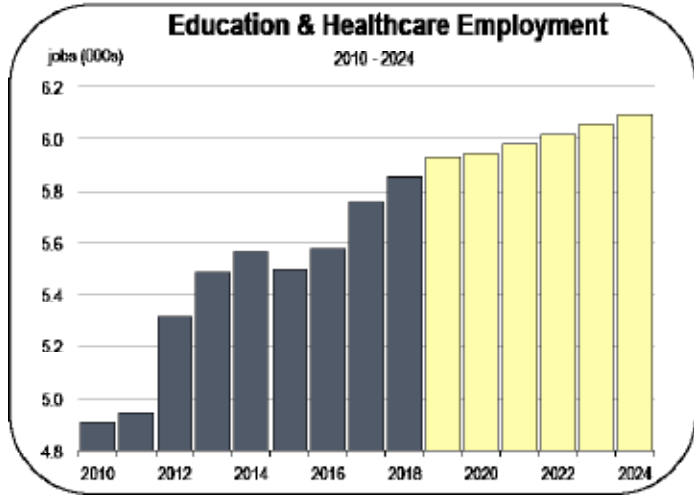
- Future employment levels will be determined by population growth and by the condition of federal, state, and local government budgets.

Private Education and Healthcare Employment

- Healthcare agencies have gained approximately 1,000 jobs since 2010.

- The most prominent employers are:
  - Ukiah Valley Medical Center (500–1000 employees)
  - Advantest Health (350–750 employees)
  - Mendocino Coast District Hospital (250–500 employees)
  - Alliance for Rural Community Health (250–500 employees)

- The private education industry is very small, and neither gains nor loses a substantial number of jobs each year.
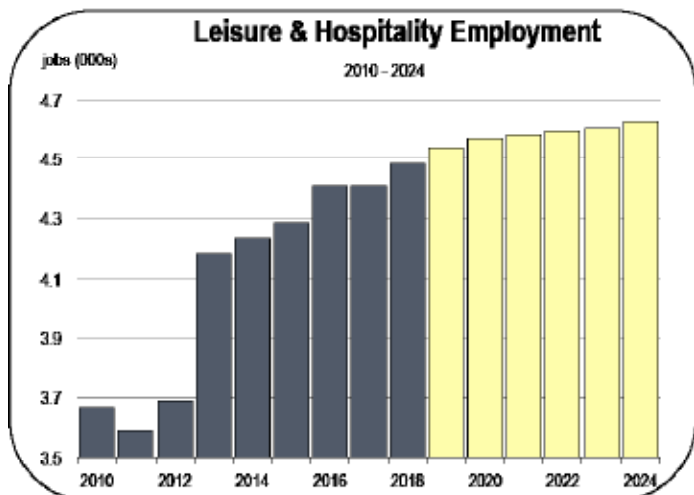
- Healthcare employment is expected to grow during the 2018–2024 forecast period, rising by approximately 200 jobs.

Leisure and Hospitality Employment

- Leisure and hospitality agencies have gained approximately 800 jobs since 2010.

- Most job growth since 2010 has been observed in restaurants, bars, and catering services. Small numbers of jobs have also been created at fitness centers, casinos, and other recreation entities.

- The largest employers are the casinos in Hopland and Redwood Valley. Each has between 100 and 250 employees.

- The private education industry is very small, and neither gains nor loses a substantial number of jobs each year.

- Healthcare employment is expected to grow during the 2018–2024 forecast period, rising by more than 100 jobs.

Construction Employment

- The Mendocino County construction sector is small, employing just 1,300 workers. But it generated 400 jobs since 2010, expanding by more than 40 percent.

- The county has been impacted by major wildfires—the Redwood Fire in 2017 and the Mendocino Complex Fires in 2018—that destroyed hundreds of homes.

- Construction workers have been hired to rebuild homes destroyed by the fires, and to build additional homes to accommodate a growing population.
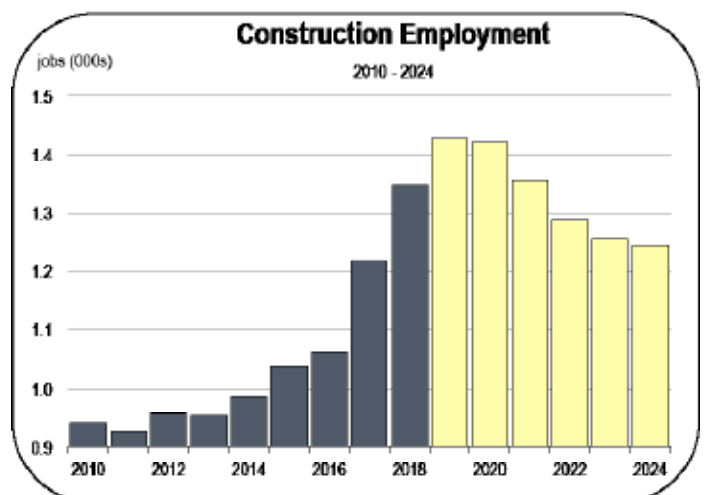
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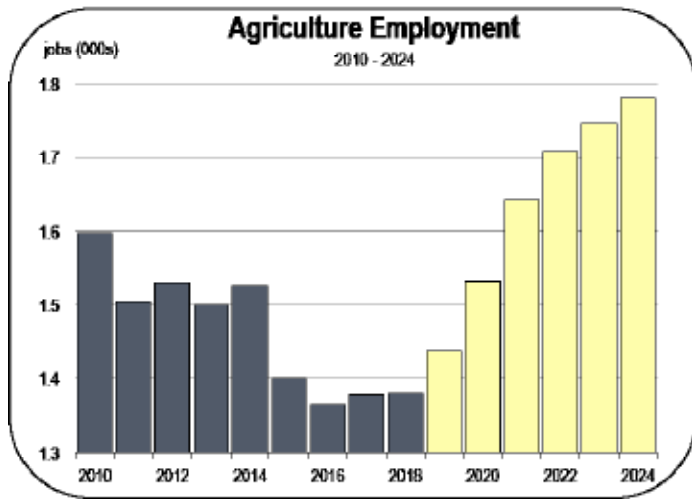
- The peak of the building cycle is approaching, and construction employment may begin to decline after 2019 or 2020.

Legal Cannabis

- Under California law, it is now legal to cultivate, manufacture, sell, and use cannabis and cannabis products.

- The state of California offers three broad types of cannabis permits: cultivation, manufacturing, and retail.

- As cannabis businesses across the state obtain permits and enter the legal market, they will impact employment data most prominently in agriculture, manufacturing, and retail. Cannabis workers are typically not counted in official employment data until their firms obtain permits.

- As of October 2019, Mendocino County had the second largest number of cannabis cultivation permits in California, behind only Humboldt County.
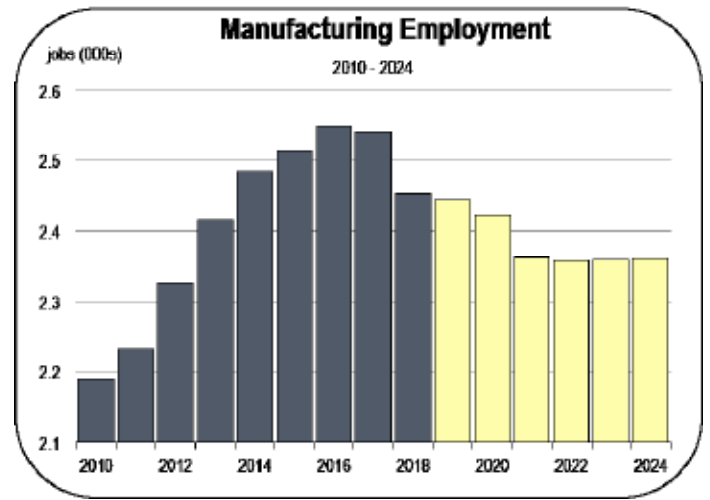
- Not all cannabis growers have entered the legal market, and many still grow cannabis without a license. If more obtain permits and enter the legal market, the number of legal cannabis farms in Mendocino County could increase substantially.

- As of October 2019, Mendocino County only had 16 legal cannabis retailers, which is far fewer than counties like Los Angeles, San Diego, and San Francisco.

- The county only had 7 legal cannabis manufacturing businesses in October 2019, which lags far behind places like Los Angeles and Alameda Counties, which have more than 100 legal manufacturing businesses each.

- In terms of employment, agriculture is the primary sector that will be affected by legal cannabis. As cannabis growers slowly enter the market, agriculture employment is expected to grow steadily.

Population Growth

- The Mendocino County population is growing slowly, and this trend will continue.
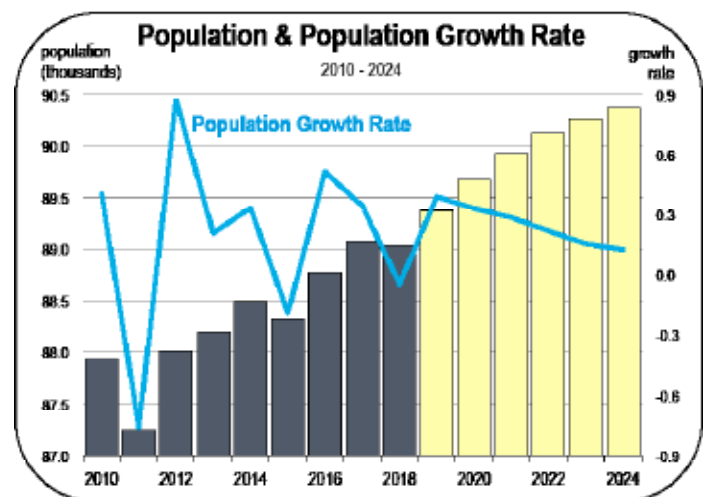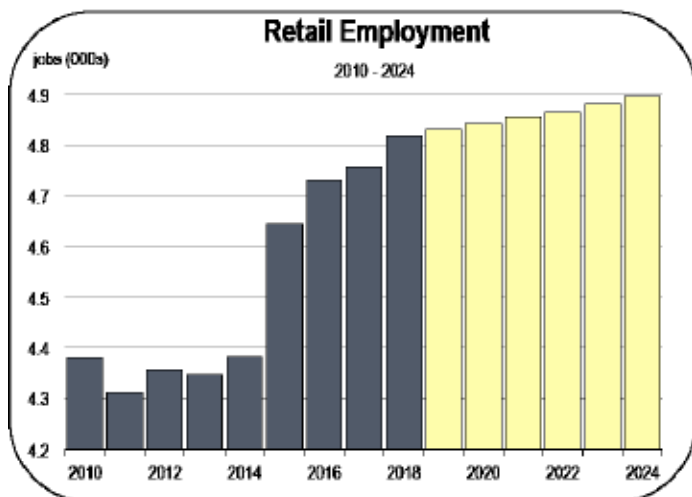
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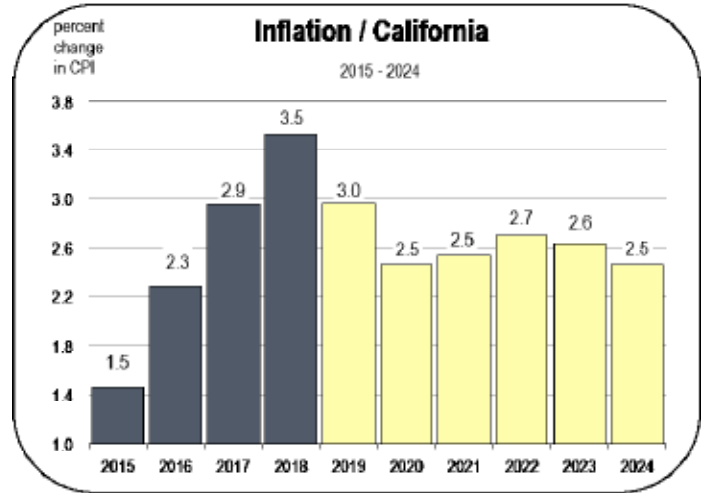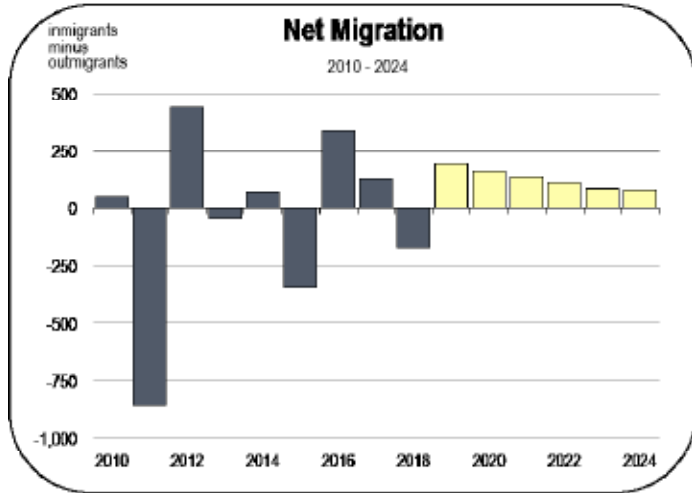
- Net migration is expected to be positive, with more people moving into the county than moving out. From 2019 to 2024, the migratory process will add approximately 130 residents to the population each year.

- The natural increase (the number of births compared to the number of deaths) will also contribute to population growth, adding approximately 90 residents to the population each year.

- The Mendocino County population is ageing, and the share of residents over age 75 is increasing quickly. Sometime before 2030, this will cause the number of deaths to exceed the number of births, reducing population growth rates.

Unemployment and Inflation Rates

- The unemployment rate in Mendocino County was 3.9 percent in 2018, which is well below the average for Northern California.

- The unemployment rate has reached its lowest sustainable level and is expected to increase during the 2018–2024 forecast period.

- Inflation accelerated in 2018 as home prices and energy costs increased across California.

- In 2019 and 2020, inflation is expected to be within a range of 2.0 percent and 3.5 percent.

New Housing Production

- Mendocino County has been impacted by several wildfires in the last few years, including the Mendocino Complex Fires in 2018 and the Redwood Fire in 2017.

- The Mendocino Complex Fires destroyed 544 homes, and the Redwood Fire destroyed 314 homes.
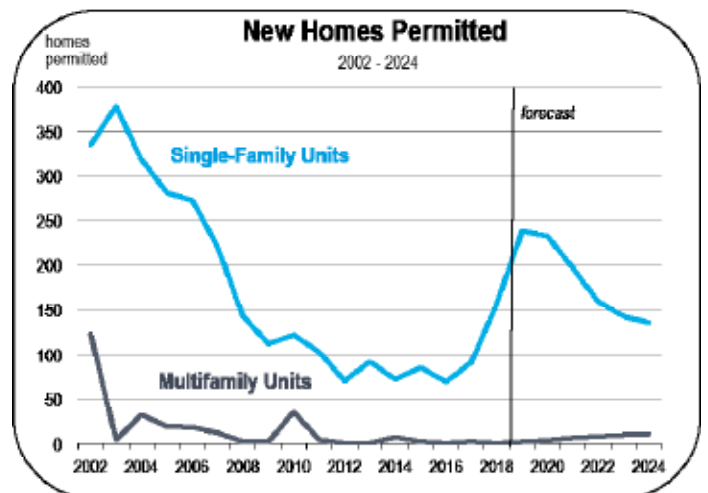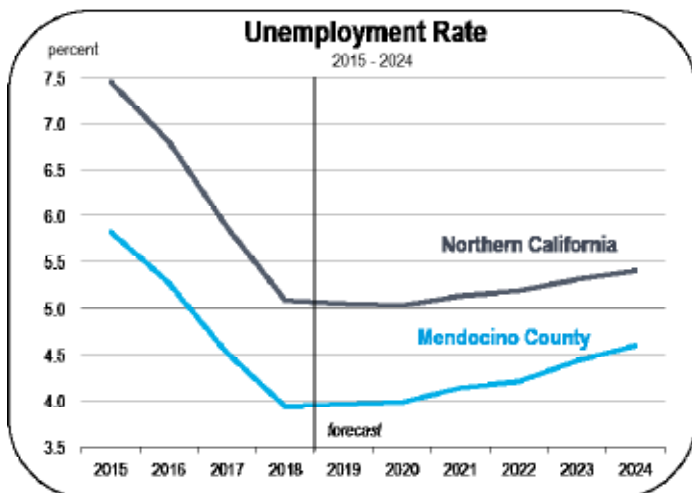
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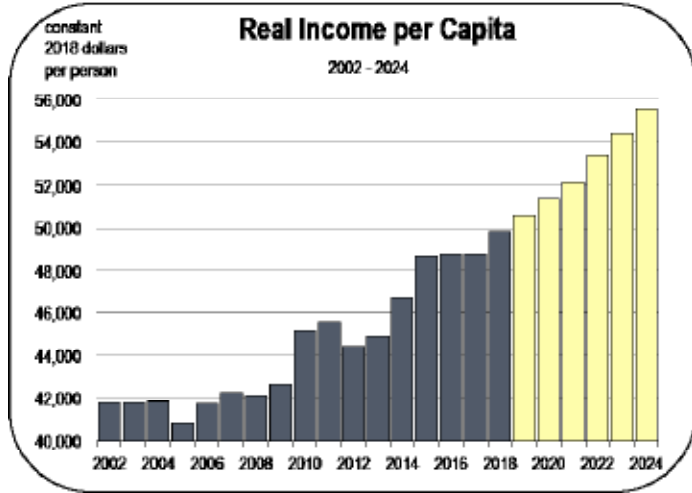
- Rebuilding these homes led to an increase in construction activity, with 157 totals housing starts through the end of 2018.

- Homebuilding will continue to expand through 2019 or 2020, but will begin to taper off substantially sometime during the 2020–2024 period.

Income per Capita

- Income per capita was $49,800 in 2018, which was above the Northern California average of $46,200.

- Over the last six years, real income per capita increased at a rate of 1.9 percent per year.

- Over the next six years, real income per capita is expected to increase by an average of 1.8 percent per year.
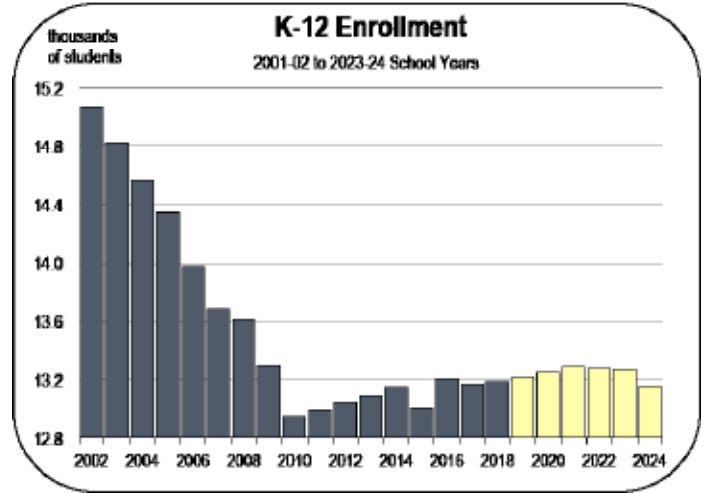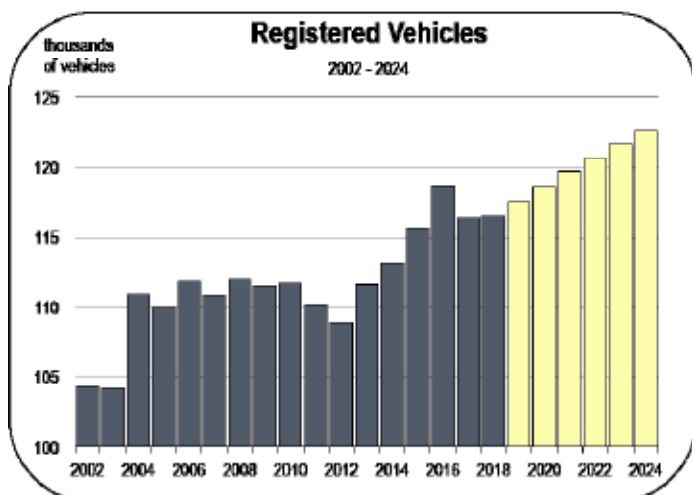
Registered Vehicles

- There were approximately 116,400 registered vehicles in Mendocino County in 2018.

- By 2024, it is expected that the county will have 122,500 registered vehicles.

Public School Enrollment

- In Mendocino County, approximately 13,200 students were enrolled in K-12 public schools in 2018.

- By 2024, enrollment is expected to remain near 13,200 public K-12 students.

Mendocino County Economic Forecast

Economic Indicators — 2015-2018 History, 2019-2050 Forecast

	Population (people)	House-holds (thousands)	Average Household Income (dollars)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Local Sales Tax (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	School Enrollment (thousands)	Births (people)	Deaths (people)
2015	88,315	34.3	$115,182	87	116	$3.9	$1.0	$14	$473.7	$48,650	13.0	1,020	842
2016	88,766	34.4	$117,827	69	119	$4.1	$1.0	$14	$475.0	$48,731	13.2	1,013	873
2017	89,071	34.5	$121,041	93	116	$4.2	$1.1	$15	$476.1	$48,746	13.2	1,042	861
2018	89,027	35.3	$125,571	157	116	$4.4	$1.1	$15	$470.7	$49,814	13.2	1,010	868
2019	89,372	35.3	$131,634	240	118	$4.6	$1.2	$16	$473.3	$50,590	13.2	1,026	877
2020	89,667	35.3	$137,784	236	119	$4.9	$1.2	$17	$479.4	$51,386	13.2	1,030	895
2021	89,922	35.3	$144,140	202	120	$5.1	$1.2	$17	$481.3	$52,153	13.3	1,033	917
2022	90,117	35.3	$151,766	168	121	$5.4	$1.3	$18	$491.7	$53,341	13.3	1,033	952
2023	90,255	35.3	$159,095	152	122	$5.6	$1.3	$19	$500.7	$54,402	13.3	1,036	982
2024	90,368	35.4	$166,499	146	123	$5.9	$1.4	$19	$509.5	$55,509	13.2	1,039	1,007
2025	90,424	35.4	$173,833	141	123	$6.2	$1.4	$20	$520.0	$56,615	13.1	1,040	1,034
2026	90,452	35.5	$181,091	138	124	$6.4	$1.5	$20	$531.0	$57,681	13.0	1,041	1,054
2027	90,485	35.5	$188,884	139	125	$6.7	$1.5	$21	$543.1	$58,894	12.9	1,042	1,072
2028	90,477	35.6	$196,489	137	126	$7.0	$1.6	$22	$554.2	$59,982	12.8	1,042	1,088
2029	90,464	35.6	$203,521	137	127	$7.3	$1.6	$22	$561.9	$60,782	12.8	1,045	1,100
2030	90,438	35.7	$210,613	136	128	$7.5	$1.7	$23	$568.4	$61,610	12.6	1,045	1,110
2031	90,403	35.8	$217,576	136	129	$7.8	$1.7	$24	$575.7	$62,412	12.6	1,048	1,118
2032	90,394	35.8	$224,723	138	129	$8.1	$1.8	$24	$581.2	$63,073	12.5	1,053	1,124
2033	90,383	35.9	$231,963	139	130	$8.3	$1.8	$25	$588.7	$63,951	12.5	1,058	1,129
2034	90,377	36.0	$239,524	139	131	$8.6	$1.9	$25	$595.5	$64,743	12.5	1,063	1,129
2035	90,375	36.0	$247,384	139	132	$8.9	$1.9	$26	$601.9	$65,493	12.5	1,067	1,130
2036	90,398	36.1	$255,651	141	133	$9.2	$2.0	$27	$606.3	$66,024	12.5	1,069	1,127
2037	90,418	36.2	$264,182	141	133	$9.6	$2.0	$28	$610.2	$66,496	12.6	1,072	1,122
2038	90,464	36.3	$272,893	143	134	$9.9	$2.1	$29	$615.0	$67,052	12.7	1,073	1,115
2039	90,498	36.3	$281,909	141	135	$10.2	$2.1	$29	$618.9	$67,502	12.8	1,072	1,103
2040	90,534	36.4	$291,153	139	135	$10.6	$2.2	$30	$622.5	$67,999	12.8	1,071	1,090
2041	90,627	36.5	$300,368	143	136	$11.0	$2.3	$31	$627.9	$68,514	12.9	1,073	1,081
2042	90,721	36.6	$309,734	144	137	$11.3	$2.3	$32	$633.4	$69,070	13.0	1,074	1,068
2043	90,784	36.7	$319,168	140	138	$11.7	$2.4	$33	$639.1	$69,675	13.0	1,072	1,057
2044	90,874	36.7	$328,747	140	138	$12.1	$2.5	$34	$645.8	$70,372	13.1	1,072	1,048
2045	90,980	36.8	$338,737	141	139	$12.5	$2.5	$35	$651.4	$70,950	13.1	1,070	1,041
2046	91,106	36.9	$348,844	143	140	$12.9	$2.6	$35	$657.5	$71,551	13.1	1,068	1,033
2047	91,252	37.0	$359,160	145	140	$13.3	$2.6	$36	$663.5	$72,123	13.2	1,067	1,025
2048	91,410	37.1	$369,762	146	141	$13.7	$2.7	$37	$669.7	$72,687	13.2	1,066	1,014
2049	91,520	37.1	$380,535	141	142	$14.1	$2.8	$38	$675.8	$73,266	13.2	1,063	1,007
2050	91,641	37.2	$391,676	140	142	$14.6	$2.8	$39	$682.1	$73,852	13.1	1,063	1,000

Employment Sectors — 2015-2018 History, 2019-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
					---(thousands of jobs)---							
2015	32.0	1.40	1.0	2.5	0.7	5.4	1.0	1.7	0.3	5.5	4.3	7.1
2016	32.4	1.36	1.1	2.5	0.7	5.5	1.0	1.7	0.2	5.6	4.4	7.2
2017	33.0	1.38	1.2	2.5	0.7	5.6	1.1	1.7	0.2	5.8	4.4	7.2
2018	33.3	1.38	1.3	2.5	0.7	5.6	1.0	1.8	0.2	5.9	4.5	7.2
2019	33.7	1.44	1.4	2.4	0.7	5.7	1.0	1.8	0.2	5.9	4.5	7.3
2020	33.9	1.53	1.4	2.4	0.7	5.7	1.0	1.8	0.2	5.9	4.6	7.4
2021	34.0	1.64	1.4	2.4	0.7	5.7	1.0	1.8	0.2	6.0	4.6	7.4
2022	34.1	1.71	1.3	2.4	0.7	5.7	1.0	1.9	0.2	6.0	4.6	7.4
2023	34.3	1.75	1.3	2.4	0.7	5.7	1.1	1.9	0.2	6.1	4.6	7.5
2024	34.5	1.78	1.2	2.4	0.7	5.8	1.1	1.9	0.2	6.1	4.6	7.6
2025	34.7	1.82	1.2	2.4	0.7	5.8	1.1	1.9	0.2	6.1	4.6	7.7
2026	34.8	1.84	1.2	2.4	0.7	5.8	1.1	1.9	0.2	6.2	4.7	7.7
2027	35.0	1.86	1.2	2.4	0.7	5.8	1.1	1.9	0.2	6.2	4.7	7.8
2028	35.2	1.88	1.2	2.4	0.7	5.8	1.1	1.9	0.2	6.2	4.7	7.9
2029	35.4	1.90	1.2	2.4	0.7	5.8	1.1	1.9	0.2	6.3	4.7	7.9
2030	35.6	1.91	1.2	2.5	0.7	5.8	1.1	1.9	0.2	6.3	4.7	8.0
2031	35.7	1.93	1.2	2.5	0.7	5.8	1.1	1.9	0.2	6.3	4.7	8.1
2032	35.9	1.95	1.2	2.5	0.7	5.8	1.1	2.0	0.2	6.4	4.8	8.1
2033	36.0	1.97	1.2	2.5	0.7	5.8	1.1	2.0	0.2	6.4	4.8	8.2
2034	36.2	1.98	1.2	2.5	0.7	5.9	1.1	2.0	0.2	6.4	4.8	8.3
2035	36.4	2.00	1.2	2.5	0.8	5.9	1.1	2.0	0.2	6.5	4.8	8.3
2036	36.5	2.02	1.2	2.5	0.8	5.9	1.1	2.0	0.2	6.5	4.8	8.4
2037	36.7	2.03	1.2	2.5	0.8	5.9	1.1	2.0	0.2	6.5	4.8	8.5
2038	36.9	2.05	1.2	2.5	0.8	5.9	1.1	2.0	0.2	6.5	4.9	8.5
2039	37.0	2.06	1.2	2.5	0.8	5.9	1.1	2.0	0.2	6.6	4.9	8.6
2040	37.2	2.08	1.2	2.5	0.8	5.9	1.1	2.1	0.2	6.6	4.9	8.7
2041	37.4	2.09	1.3	2.5	0.8	5.9	1.1	2.1	0.2	6.6	4.9	8.7
2042	37.5	2.10	1.3	2.5	0.8	5.9	1.1	2.1	0.2	6.7	4.9	8.8
2043	37.7	2.10	1.2	2.5	0.8	5.9	1.1	2.1	0.2	6.7	4.9	8.8
2044	37.8	2.11	1.2	2.5	0.8	5.9	1.1	2.1	0.2	6.8	5.0	8.9
2045	38.0	2.12	1.2	2.6	0.8	5.9	1.1	2.1	0.2	6.8	5.0	9.0
2046	38.1	2.12	1.3	2.6	0.8	5.9	1.1	2.1	0.2	6.8	5.0	9.1
2047	38.3	2.12	1.3	2.6	0.8	5.9	1.1	2.1	0.2	6.9	5.0	9.2
2048	38.4	2.12	1.3	2.6	0.8	5.9	1.1	2.2	0.2	6.9	5.0	9.2
2049	38.6	2.12	1.2	2.6	0.8	6.0	1.1	2.2	0.2	6.9	5.0	9.3
2050	38.7	2.11	1.2	2.6	0.8	6.0	1.1	2.2	0.2	7.0	5.0	9.4

Mendocino County Economic Forecast

Socioeconomic Indicators