

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 nearly 137,000 people and 63,700 wage and salary jobs. The per capita income in Napa County is \$50,017, and the average salary per worker is \$53,486. The median family income in the Napa-Solano metro area was estimated at \$79,200 in 2010, among the highest in the state.

Employment growth in Northern California was negative in 2010, and employment in the greater Bay Area declined by 1.4 percent last year. There were 2,100 total wage and salary jobs lost in Napa County in 2010 representing a total workforce decline of -3.2 percent. Non-farm employment declined by 2.9 percent. Farm employment declined by 6.9 percent. The unemployment rate increased to 9.8 percent in 2010.

Employment gains were observed in the education and healthcare (+120 jobs), retail trade (+60 jobs), and leisure and hospitality (+250 jobs) sectors during 2010. The largest declines in employment were in the professional services (-500 jobs), construction (-480 jobs), manufacturing (-420 jobs), farm (-340 jobs), and government (-240 jobs) sectors. The non-durable manufacturing sector, largely beverage manufacturing from the wine industry has fallen 37 percent in the past two years.

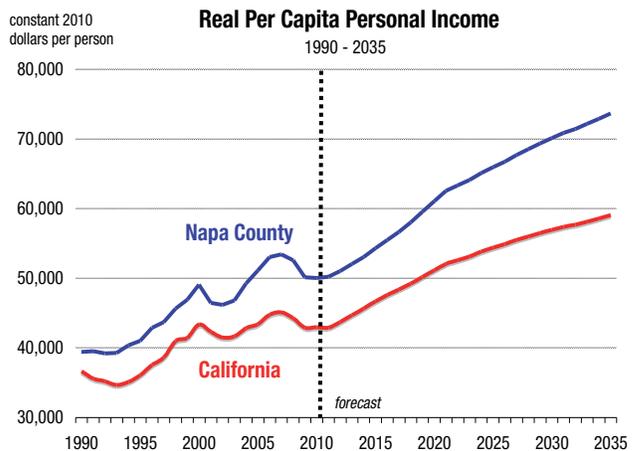
There was virtually no building in the county during 2010. Just 117 homes were started during the year, the lowest on record by a substantial margin.

The population grew by 9.8 percent between the 2000 and 2010 census in Napa County. The fastest growing city in the county is American Canyon, where population nearly doubled, and accounted for 79 percent of all growth in the county. The city of Napa is by far the largest in the county, accounting for over 56 percent of the total population.

After a decline in 2010, employment is expected to increase in 2011, while population will continue to grow at just under one percent.

FORECAST HIGHLIGHTS

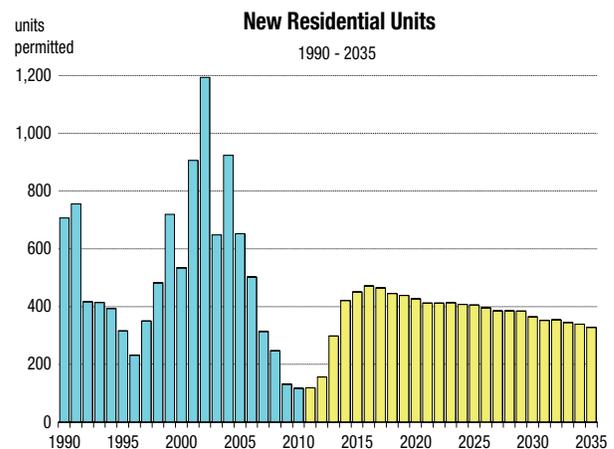
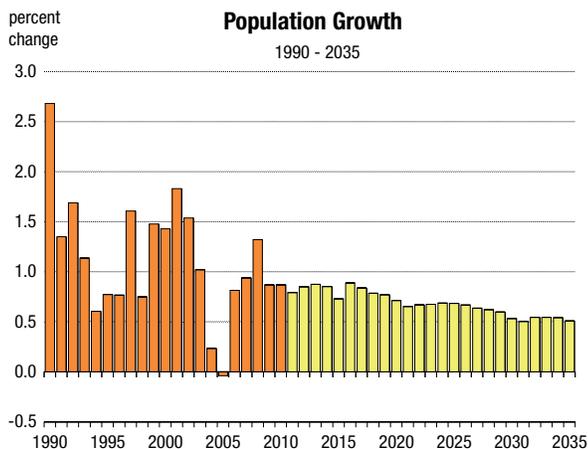
- 1.6 percent job growth is forecast in 2011. The farm sector is expected to rise 6.0 percent, reversing the losses of last year. Between 2011 and 2016, the annual growth rate is forecast to average 2.0 percent per year.
- Average salaries adjusted for inflation are below the California average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.8 percent per year from 2011 to 2016.
- Between 2011 and 2016, job creation is concentrated in retail trade, healthcare and education, professional services, and manufacturing.
- Government employment will continue to decline through 2012, though losses are minor relative to what occurred in the private sector.
- Population growth is expected to average 0.8 percent per year from 2011 to 2016.
- During the 2011 to 2016 period net migration is forecast to average 750 people entering the county per year. Migration will decline over the longer term forecast, but remains positive.
- Real per capita incomes rise 0.4 percent in 2011. From 2011 to 2016 real per capita incomes are forecast to rise approximately 2.0 percent per year.
- Total taxable sales adjusted for inflation are expected to increase an average of 4.4 percent per year between 2011 and 2016.
- Industrial production is expected to rise 3.4 percent in 2011. From 2011 to 2016 industrial production is forecast to grow an average of 2.9 percent per year.
- Farm production is forecast to increase by 1.4 percent per year between 2011 and 2016. The principal crop in the county is wine grapes.



Napa County Economic Forecast

2006-2010 History, 2011-2040 Forecast

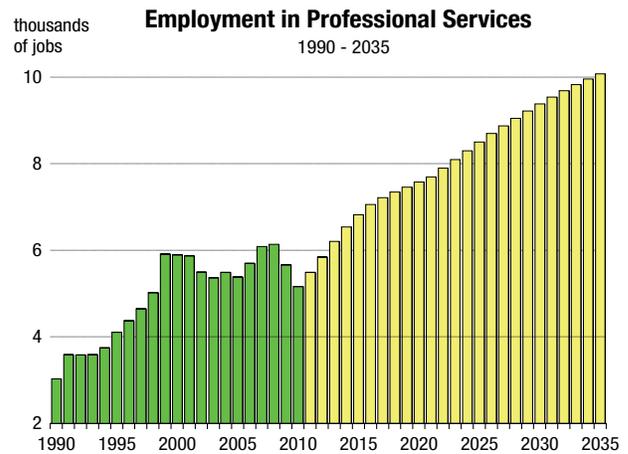
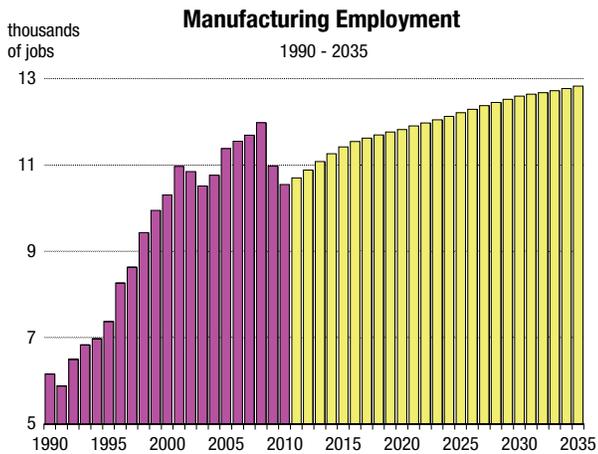
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	131,417	513	138	49.6	503	\$2.44	\$6.41	\$53,053	3.2	520.0	2.16	3.9
2007	132,654	703	138	50.2	314	\$2.57	\$6.74	\$53,408	3.4	507.2	2.26	4.0
2008	134,407	1,292	139	50.6	247	\$2.55	\$6.91	\$52,561	3.0	418.2	2.66	5.1
2009	135,575	717	138	50.8	132	\$2.22	\$6.71	\$50,121	0.8	508.9	2.63	8.6
2010	136,754	770	138	51.0	117	\$2.33	\$6.84	\$50,017	1.3	461.5	2.61	9.8
2011	137,843	700	138	51.1	119	\$2.41	\$7.15	\$50,203	3.3	492.3	2.70	9.1
2012	139,018	778	138	51.2	157	\$2.55	\$7.49	\$51,012	2.3	504.3	2.78	8.5
2013	140,236	814	139	51.4	298	\$2.73	\$7.89	\$52,041	2.3	513.3	2.87	7.5
2014	141,430	782	140	51.7	421	\$2.92	\$8.31	\$53,056	2.4	519.1	2.94	6.5
2015	142,460	611	141	52.1	451	\$3.13	\$8.75	\$54,316	2.1	516.3	3.01	5.7
2016	143,725	834	142	52.6	493	\$3.35	\$9.20	\$55,508	2.1	528.4	3.11	5.1
2017	144,932	761	144	53.1	499	\$3.56	\$9.67	\$56,655	2.1	537.3	3.23	4.8
2018	146,074	682	145	53.6	500	\$3.78	\$10.17	\$58,004	2.0	546.2	3.35	4.5
2019	147,203	653	146	54.1	505	\$4.01	\$10.71	\$59,497	1.9	558.3	3.47	4.2
2020	148,258	562	147	54.6	491	\$4.24	\$11.25	\$60,950	1.7	552.1	3.60	4.0
2021	149,231	466	149	55.1	471	\$4.47	\$11.78	\$62,384	1.7	543.2	3.74	4.0
2022	150,235	486	150	55.6	490	\$4.70	\$12.29	\$63,236	2.2	558.3	3.87	4.0
2023	151,255	490	151	56.1	497	\$4.94	\$12.81	\$64,073	2.2	570.0	4.01	4.0
2024	152,302	509	152	56.6	483	\$5.19	\$13.38	\$65,108	2.1	585.1	4.14	4.0
2025	153,351	502	154	57.1	472	\$5.46	\$13.94	\$65,987	2.1	597.1	4.29	4.0
2026	154,380	474	155	57.6	462	\$5.74	\$14.50	\$66,780	2.1	603.0	4.44	4.0
2027	155,367	429	156	58.0	427	\$6.02	\$15.11	\$67,744	2.1	606.1	4.59	4.0
2028	156,339	413	158	58.5	422	\$6.32	\$15.73	\$68,609	2.1	615.0	4.76	4.0
2029	157,280	379	159	58.9	414	\$6.63	\$16.35	\$69,426	2.1	620.9	4.92	4.0
2030	158,123	280	160	59.3	398	\$6.95	\$16.98	\$70,204	2.1	611.9	5.10	4.0
2031	158,925	234	161	59.7	386	\$7.28	\$17.61	\$70,922	2.2	603.0	5.27	4.0
2032	159,798	302	162	60.1	387	\$7.62	\$18.24	\$71,497	2.2	624.0	5.45	4.0
2033	160,674	301	163	60.5	382	\$7.97	\$18.92	\$72,220	2.1	641.9	5.64	4.0
2034	161,554	301	165	60.9	377	\$8.34	\$19.64	\$72,938	2.2	657.0	5.83	4.0
2035	162,382	246	166	61.3	366	\$8.73	\$20.38	\$73,736	2.2	660.0	6.04	4.0
2036	163,228	263	167	61.7	362	\$9.13	\$21.16	\$74,548	2.1	683.8	6.25	4.0
2037	164,070	256	168	62.1	356	\$9.56	\$21.97	\$75,372	2.2	695.8	6.48	4.0
2038	164,886	224	169	62.4	347	\$10.00	\$22.80	\$76,228	2.1	677.9	6.71	4.0
2039	165,719	236	170	62.8	343	\$10.47	\$23.68	\$77,161	2.1	692.7	6.94	4.0
2040	166,557	234	171	63.1	338	\$10.95	\$24.58	\$78,094	2.1	704.8	7.19	4.0

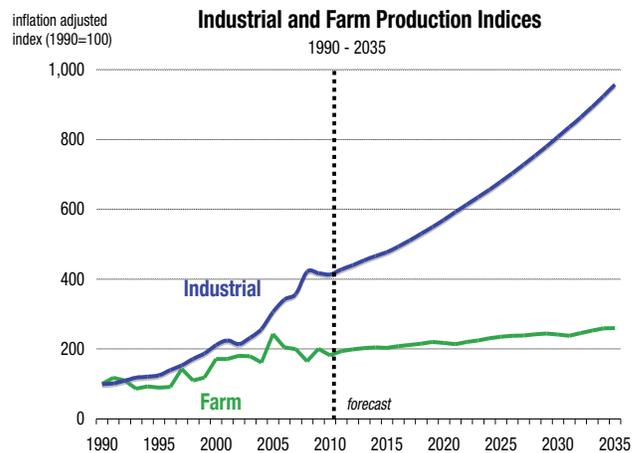
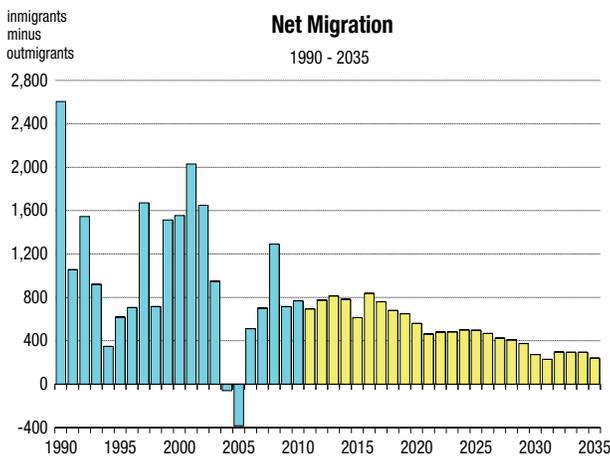
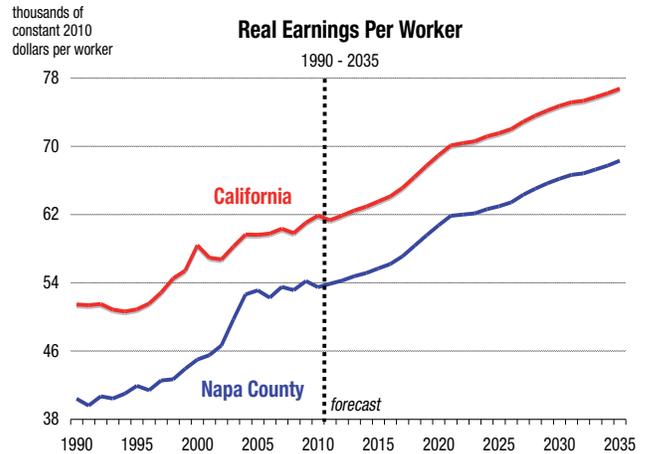
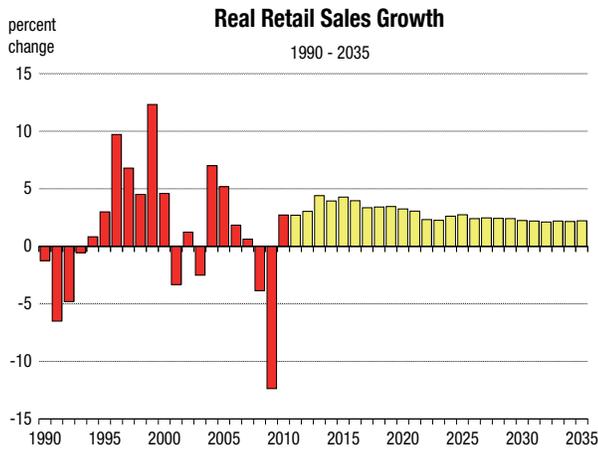


Napa County Employment Forecast

2006-2010 History, 2011-2040 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)-----												
2006	67.5	4.74	5.1	11.6	1.4	7.5	2.8	5.7	0.7	7.7	8.5	10.0
2007	69.0	4.91	4.5	11.7	1.6	7.8	2.6	6.1	0.7	8.0	9.1	10.2
2008	69.9	4.87	4.0	12.0	1.7	7.7	2.6	6.1	0.7	8.2	9.2	10.6
2009	65.8	4.93	3.0	11.0	1.6	7.3	2.4	5.7	0.6	8.0	8.8	10.6
2010	63.7	4.59	2.5	10.6	1.5	7.3	2.3	5.2	0.6	8.1	9.1	10.4
2011	64.7	4.87	2.6	10.7	1.5	7.4	2.3	5.5	0.6	8.3	9.0	10.2
2012	65.9	4.96	2.6	10.9	1.6	7.6	2.4	5.8	0.6	8.5	9.1	10.2
2013	67.3	5.03	2.6	11.1	1.7	7.8	2.4	6.2	0.7	8.6	9.2	10.2
2014	68.7	5.08	2.7	11.3	1.8	8.0	2.4	6.5	0.7	8.7	9.3	10.3
2015	70.0	5.07	2.8	11.4	1.9	8.2	2.5	6.8	0.7	8.9	9.5	10.5
2016	71.3	5.12	2.8	11.5	2.0	8.4	2.6	7.1	0.7	9.0	9.6	10.6
2017	72.2	5.13	2.9	11.6	2.0	8.6	2.6	7.2	0.7	9.2	9.6	10.6
2018	73.1	5.11	3.0	11.7	2.1	8.8	2.6	7.3	0.7	9.3	9.7	10.7
2019	74.1	5.14	3.2	11.8	2.2	9.0	2.7	7.5	0.7	9.5	9.8	10.7
2020	75.1	5.10	3.3	11.8	2.3	9.2	2.7	7.6	0.7	9.6	9.8	10.8
2021	75.9	5.06	3.5	11.9	2.4	9.4	2.7	7.7	0.7	9.7	9.9	10.9
2022	76.8	5.14	3.6	12.0	2.5	9.5	2.7	7.8	0.7	9.9	10.0	10.9
2023	77.7	5.20	3.7	12.1	2.6	9.7	2.7	8.0	0.7	10.0	10.0	11.0
2024	78.7	5.28	3.8	12.1	2.6	9.8	2.7	8.1	0.7	10.2	10.1	11.0
2025	79.6	5.34	3.9	12.2	2.7	10.0	2.7	8.3	0.7	10.3	10.1	11.1
2026	80.5	5.37	4.0	12.3	2.7	10.1	2.7	8.5	0.7	10.5	10.2	11.1
2027	81.4	5.39	4.1	12.4	2.8	10.2	2.7	8.7	0.8	10.6	10.3	11.2
2028	82.3	5.44	4.2	12.4	2.8	10.4	2.7	8.8	0.8	10.8	10.4	11.3
2029	83.2	5.47	4.2	12.5	2.9	10.5	2.7	9.0	0.8	10.9	10.5	11.3
2030	84.0	5.43	4.3	12.6	2.9	10.6	2.7	9.2	0.8	11.1	10.6	11.4
2031	84.7	5.38	4.4	12.6	3.0	10.8	2.7	9.3	0.8	11.2	10.7	11.5
2032	85.5	5.50	4.4	12.7	3.0	10.9	2.7	9.5	0.8	11.3	10.8	11.5
2033	86.3	5.59	4.5	12.7	3.1	11.0	2.7	9.6	0.8	11.4	10.9	11.6
2034	87.2	5.67	4.5	12.8	3.1	11.1	2.7	9.7	0.8	11.6	11.0	11.6
2035	87.9	5.69	4.6	12.8	3.2	11.3	2.7	9.8	0.8	11.7	11.1	11.7
2036	88.8	5.82	4.7	12.9	3.2	11.4	2.7	10.0	0.8	11.8	11.3	11.8
2037	89.7	5.88	4.7	13.0	3.3	11.5	2.7	10.1	0.8	11.9	11.4	11.8
2038	90.4	5.79	4.8	13.0	3.4	11.6	2.7	10.2	0.8	12.0	11.6	11.9
2039	91.3	5.87	4.8	13.1	3.4	11.8	2.7	10.3	0.8	12.0	11.8	12.0
2040	92.1	5.94	4.9	13.1	3.5	11.9	2.7	10.5	0.8	12.1	11.9	12.0





County Economic and Demographic Indicators

Projected Economic Growth (2011-2016)

Expected retail sales growth:	22.9 %
Expected job growth:	10.2 %
Fastest growing jobs sector:	Transportation, Warehousing, and Utilities
Expected personal income growth:	15.3 %

Expected population growth:	4.3 %
Net migration to account for:	64.9 %
Expected growth in number of vehicles:	3.2 %

Demographics (2011)

Unemployment rate (June 2011):	9.2 %
County Rank* in California (58 counties):	5th
Working age (16-64) population:	64.2 %

Population with B.A. Degree or higher:	30.5 %
Median Home Selling Price:	\$335,000
Median Household Income:	\$65,003

Quality of Life

Violent Crime rate (2009):	422 per 100,000 persons
County Rank* in California (58 counties):	33rd
Average Commute Time to work (2011):	25.1 minutes

High School drop out rate (2009):	20.4 %
Households at/below poverty line:	5.0 %

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