

# SONOMA COUNTY ECONOMIC FORECAST

Sonoma County is the northernmost county in the San Francisco Bay Area. Although slightly less famous than Napa County – its neighbor to the east – Sonoma County produces nearly as many wine grapes as Napa. The county thrived in the late 1990s when technology was booming, but conditions turned negative during the dotcom bust in 2000. The county had just recovered all of the jobs lost in 2001 and 2002, only to lose many more from 2008-2010. It is estimated that total employment will not return to the 2000-2001 peak levels until 2017.

Sonoma County has a population of 487,000 people and more than 175,000 wage and salary jobs. The per capita income in Sonoma County is \$46,583, and the average salary per worker is \$54,065.

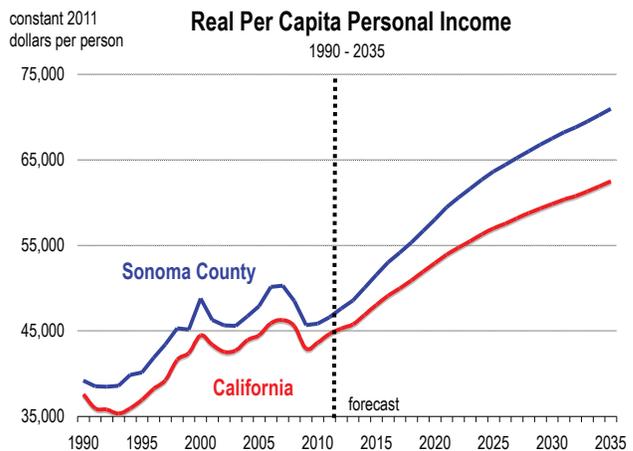
In 2011, employment in Northern California increased by 0.9 percent, whereas employment grew by 1.2 percent in the Bay Area. In Sonoma County, 800 jobs were gained, representing a growth rate of 0.5 percent. The unemployment rate improved to 9.8 percent in 2011.

Job growth was uneven across the major sectors over the past year. The manufacturing sector had the largest increase (+600 jobs), followed closely by the public sector (+500 jobs), and the professional services industry (+300 jobs). Construction exuded the largest decrease (-500 jobs), and all other sectors were virtually flat.

Between 2006 and 2011, the population of Sonoma County increased by 3.6 percent, an annual average rate of 0.6 percent. The natural increase accounted for the majority of this growth (births were greater than deaths), as net migration added only 800 residents per year.

## FORECAST HIGHLIGHTS

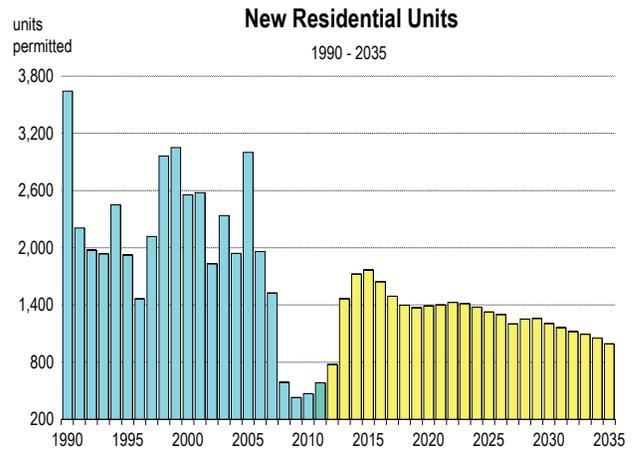
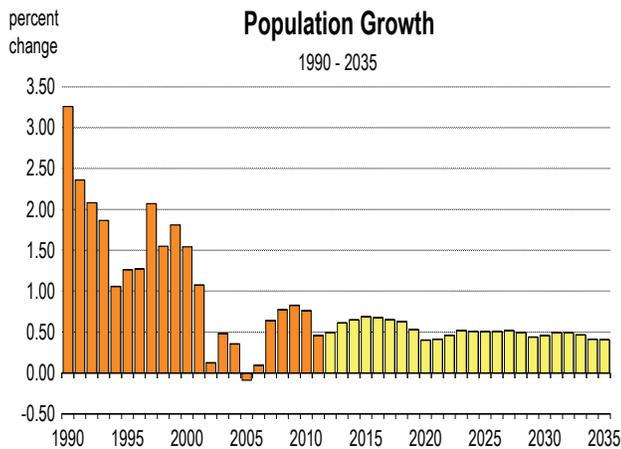
- Employment will expand by 1.4 percent in 2012. Between 2012 and 2017, the annual growth rate is expected to average 2.0 percent.
- Average salaries are currently below the California average, and are expected to remain so over the life of the forecast. Adjusted for inflation, average salaries are forecast to rise an average of 1.2 percent per year from 2012 to 2017.
- The largest employment gains will be in professional services, trade, leisure services, education, and construction. These sectors will account for 68 percent of all job growth in the county between 2012 and 2017, though all sectors are expected to create jobs.
- The population will grow at a rate of approximately 0.5 percent in 2012. Annual growth in the 2012 to 2017 period is forecast to average 0.6 percent.
- In 2012, net migration will increase the population base by 1,100 individuals. From 2012 to 2017 net migration is forecast to average 1,800 migrants per year.
- Real per capita incomes increase at a rate of 2.2 percent in 2012. Between 2012 and 2017, real per capita incomes are forecast to increase 2.5 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase an average of 2.9 percent per year during the 2012 to 2017 period.
- Industrial production is forecast to rise by 2.9 percent in 2012. Between 2012 and 2017, the growth rate of industrial production will average 3.0 percent per year.
- Farm production is forecast to increase by only 0.2 percent per year between 2012 and 2017. The principal crop in the county is wine grapes.



# Sonoma County Economic Forecast

## 2006-2011 History, 2012-2040 Forecast

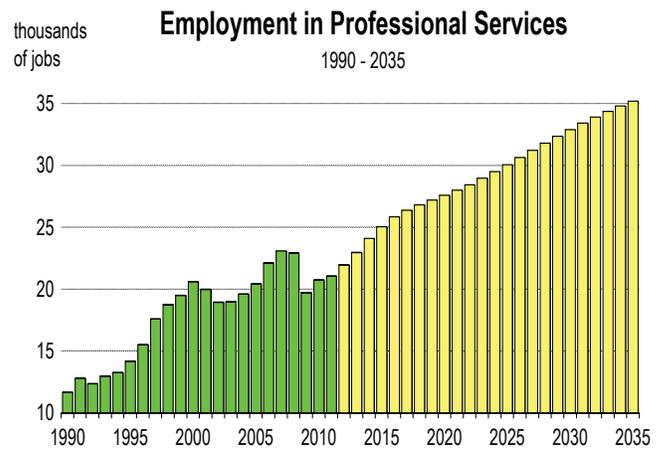
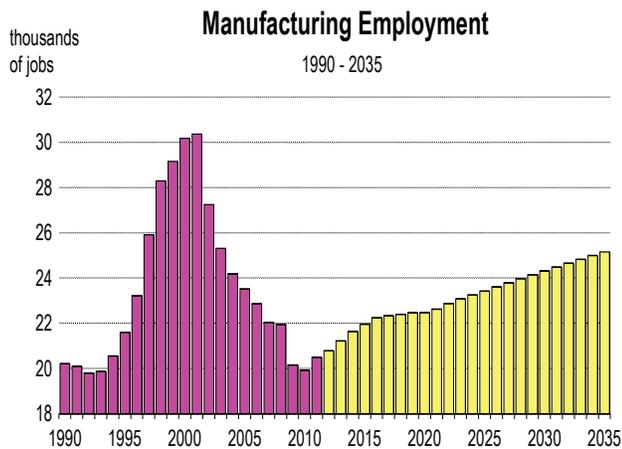
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	469,967	-1,575	488	181.8	1,962	\$7.9	\$21.1	\$50,131	3.2	662.1	4.3	4.0
2007	472,987	923	485	183.1	1,526	\$7.9	\$22.1	\$50,274	3.4	688.8	4.3	4.3
2008	476,650	1,685	487	185.0	591	\$7.4	\$22.1	\$48,492	3.0	610.8	4.7	5.7
2009	480,598	1,881	487	185.5	430	\$6.3	\$21.1	\$45,675	0.8	674.4	4.2	9.7
2010	484,258	1,645	486	185.8	470	\$6.5	\$21.7	\$45,853	1.3	608.5	4.4	10.5
2011	486,479	469	487	186.1	585	\$6.7	\$22.7	\$46,583	2.5	605.7	4.6	9.8
2012	488,886	1,099	489	186.8	777	\$7.0	\$23.7	\$47,590	1.9	608.2	4.7	8.5
2013	491,874	1,668	493	187.7	1,466	\$7.3	\$24.8	\$48,546	2.1	609.7	4.9	7.7
2014	495,071	1,861	495	189.3	1,725	\$7.7	\$26.3	\$50,037	2.1	610.0	5.0	7.0
2015	498,489	2,063	500	191.1	1,768	\$8.0	\$27.8	\$51,567	1.8	611.2	5.2	6.5
2016	501,870	2,006	504	192.8	1,645	\$8.5	\$29.3	\$52,989	1.7	612.7	5.3	6.2
2017	505,148	1,897	511	194.4	1,491	\$9.0	\$30.6	\$54,148	1.7	614.0	5.5	5.9
2018	508,344	1,816	517	195.8	1,399	\$9.5	\$32.0	\$55,345	1.7	615.5	5.7	5.6
2019	511,046	1,351	524	197.0	1,372	\$10.0	\$33.5	\$56,679	1.5	617.6	5.9	5.4
2020	513,118	765	530	198.3	1,390	\$10.6	\$34.9	\$58,056	1.4	619.6	6.1	5.2
2021	515,246	876	536	199.5	1,402	\$11.1	\$36.4	\$59,447	1.3	620.6	6.3	4.9
2022	517,632	1,157	542	200.8	1,429	\$11.6	\$37.8	\$60,571	1.5	621.1	6.5	4.9
2023	520,322	1,488	547	202.1	1,415	\$12.2	\$39.2	\$61,612	1.5	621.2	6.7	4.9
2024	522,979	1,485	552	203.5	1,377	\$12.8	\$40.8	\$62,697	1.6	620.9	6.9	4.9
2025	525,632	1,518	557	204.7	1,328	\$13.4	\$42.3	\$63,629	1.7	620.4	7.1	4.9
2026	528,322	1,591	561	206.0	1,302	\$14.1	\$43.7	\$64,411	1.7	619.3	7.4	4.9
2027	531,080	1,698	565	207.2	1,203	\$14.8	\$45.3	\$65,221	1.7	617.6	7.6	4.9
2028	533,714	1,618	569	208.3	1,254	\$15.5	\$46.8	\$65,990	1.7	615.9	7.9	4.9
2029	536,064	1,377	573	209.5	1,260	\$16.3	\$48.4	\$66,771	1.7	613.8	8.1	4.9
2030	538,516	1,526	576	210.7	1,208	\$17.1	\$50.0	\$67,516	1.7	610.7	8.4	4.9
2031	541,178	1,781	580	211.9	1,164	\$17.9	\$51.6	\$68,210	1.7	606.9	8.7	4.9
2032	543,841	1,827	583	213.0	1,124	\$18.7	\$53.2	\$68,804	1.7	603.6	9.0	4.9
2033	546,372	1,738	587	214.0	1,094	\$19.5	\$54.9	\$69,480	1.7	600.6	9.3	4.9
2034	548,646	1,532	590	215.1	1,055	\$20.3	\$56.7	\$70,207	1.7	597.8	9.6	4.9
2035	550,887	1,549	594	216.1	993	\$21.1	\$58.5	\$70,948	1.7	594.6	9.9	4.9
2036	553,236	1,709	597	217.0	918	\$21.9	\$60.3	\$71,634	1.7	591.6	10.2	4.9
2037	555,909	2,082	600	217.9	857	\$22.7	\$62.3	\$72,295	1.7	588.6	10.6	4.9
2038	558,462	2,010	604	218.7	822	\$23.4	\$64.3	\$72,998	1.7	584.6	10.9	4.9
2039	561,187	2,228	607	219.5	792	\$24.2	\$66.3	\$73,711	1.7	581.0	11.3	4.9
2040	564,072	2,437	611	220.3	738	\$25.0	\$68.4	\$74,409	1.7	577.5	11.6	4.9

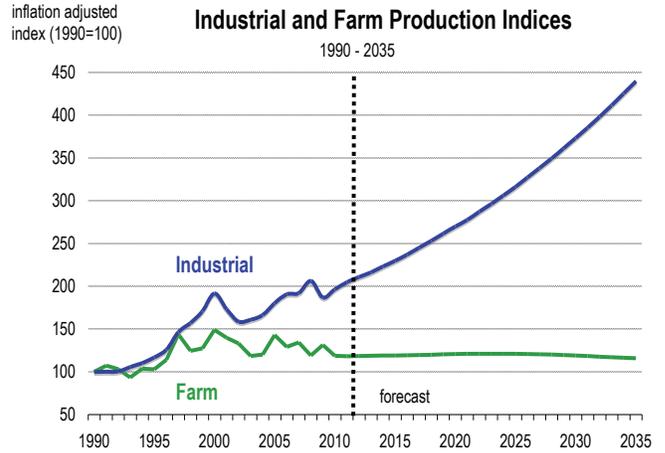
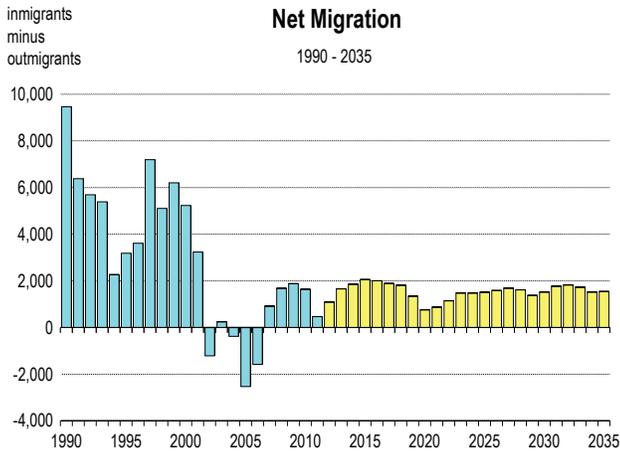
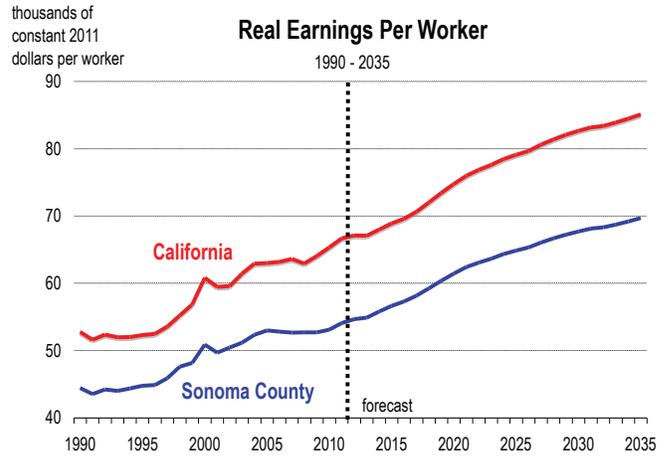
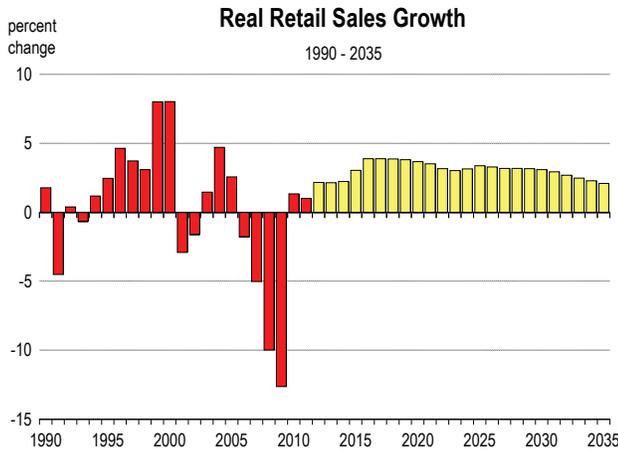


# Sonoma County Employment Forecast

## 2006-2011 History, 2012-2040 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	194.9	5.73	14.7	22.9	4.2	31.3	9.7	22.1	3.2	23.1	20.7	30.7
2007	196.2	5.77	14.4	22.0	4.5	31.8	9.3	23.1	3.0	23.5	21.0	31.1
2008	192.0	5.77	12.8	22.0	4.4	30.7	8.5	22.9	2.8	24.2	21.0	30.4
2009	177.6	5.80	9.8	20.2	4.0	28.1	7.8	19.7	2.6	24.1	20.1	29.2
2010	174.3	5.65	8.9	19.9	3.9	28.1	7.7	20.8	2.5	24.1	20.1	26.8
2011	175.1	5.67	8.4	20.5	3.8	28.2	7.6	21.1	2.4	24.2	20.0	27.3
2012	177.5	5.67	8.9	20.8	3.8	28.4	7.7	22.0	2.5	24.3	20.4	26.8
2013	181.7	5.67	9.5	21.2	3.9	28.8	7.9	23.0	2.6	24.3	20.9	27.5
2014	186.3	5.68	10.4	21.6	3.9	29.4	8.1	24.1	2.8	24.4	21.5	27.7
2015	190.6	5.68	10.9	22.0	4.0	30.0	8.3	25.1	3.0	24.5	22.2	28.1
2016	194.5	5.69	11.1	22.2	4.0	30.8	8.4	25.9	3.1	24.7	23.0	28.4
2017	197.1	5.70	11.0	22.3	4.1	31.5	8.5	26.4	3.1	24.8	23.7	28.7
2018	198.8	5.71	10.7	22.4	4.1	32.0	8.6	26.8	3.2	24.9	24.1	29.0
2019	200.3	5.72	10.4	22.5	4.2	32.4	8.6	27.2	3.2	24.9	24.4	29.3
2020	201.7	5.74	10.2	22.5	4.2	32.8	8.7	27.6	3.2	25.0	24.5	29.6
2021	203.4	5.74	10.1	22.6	4.3	33.3	8.7	28.0	3.2	25.0	24.7	30.0
2022	205.2	5.74	10.1	22.9	4.3	33.8	8.7	28.5	3.2	25.1	24.7	30.3
2023	207.1	5.75	10.0	23.1	4.4	34.2	8.7	29.0	3.2	25.3	24.8	30.7
2024	209.0	5.74	9.9	23.3	4.4	34.7	8.7	29.5	3.2	25.5	24.9	31.1
2025	210.9	5.74	9.7	23.4	4.4	35.1	8.7	30.1	3.3	25.7	24.9	31.6
2026	212.9	5.73	9.4	23.6	4.5	35.6	8.6	30.7	3.4	25.9	25.0	32.0
2027	214.8	5.72	9.1	23.8	4.5	36.1	8.6	31.2	3.4	26.2	25.1	32.4
2028	216.6	5.71	8.8	24.0	4.5	36.5	8.6	31.8	3.5	26.5	25.3	32.9
2029	218.7	5.70	8.6	24.2	4.5	37.0	8.5	32.4	3.5	26.8	25.5	33.3
2030	220.7	5.68	8.4	24.3	4.6	37.4	8.5	32.9	3.6	27.0	25.7	33.7
2031	222.6	5.66	8.1	24.5	4.6	37.8	8.5	33.4	3.6	27.4	25.9	34.1
2032	224.4	5.64	7.7	24.7	4.6	38.3	8.5	33.9	3.6	27.7	26.0	34.6
2033	226.2	5.62	7.4	24.8	4.7	38.7	8.5	34.4	3.7	28.1	26.2	35.0
2034	227.9	5.60	7.0	25.0	4.7	39.0	8.5	34.8	3.7	28.4	26.4	35.4
2035	229.6	5.58	6.6	25.2	4.7	39.4	8.5	35.2	3.7	28.8	26.6	35.9
2036	231.2	5.56	6.1	25.3	4.8	39.7	8.6	35.6	3.8	29.1	26.7	36.3
2037	232.7	5.54	5.6	25.5	4.8	40.0	8.6	36.0	3.8	29.5	26.9	36.7
2038	234.2	5.52	5.0	25.7	4.8	40.3	8.6	36.4	3.9	29.9	27.0	37.2
2039	235.7	5.50	4.5	25.8	4.9	40.6	8.6	36.8	3.9	30.3	27.2	37.6
2040	237.2	5.48	3.9	26.0	4.9	40.9	8.6	37.3	4.0	30.6	27.3	38.0





## County Economic and Demographic Indicators

### Projected Economic Growth (2012-2017)

Expected retail sales growth:	18.7 %
Expected job growth:	13.0 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	20.7 %

Expected population growth:	3.8 %
Net migration to account for:	56.7 %
Expected growth in number of vehicles:	4.9 %

### Demographics

Unemployment rate (March 2012):	9.5 %
County Rank* in California (58 counties):	9th
Working age (16-64) population:	66.8 %

Population with B.A. Degree or higher:	32.2 %
Median Home Selling Price:	\$295,052
Median Household Income:	\$62,722

### Quality of Life

Violent Crime rate (2010):	379 per 100,000 persons
County Rank* in California (58 counties):	29th
Average Commute Time to work (2011):	28.0 minutes

High School drop out rate (2009):	16.7 %
Households at/below poverty line:	5.5 %

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