

SONOMA COUNTY ECONOMIC FORECAST

Sonoma County is the northernmost county in the San Francisco Bay Area. It has a prominent agricultural sector and is a large producer of wine grapes. 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 during 2001 and 2002 when the 2008-09 recession began. In 2015, the region set a new employment record and is now home to 202,900 jobs. The county has a population of 500,500 people. The per capita income is \$52,300 and the average salary per worker is \$55,999.

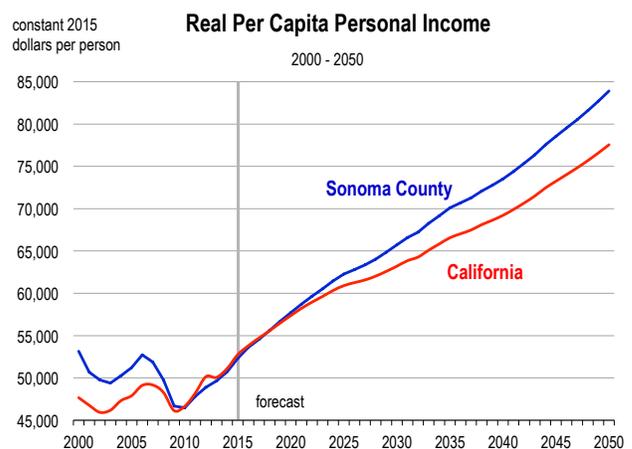
In 2015, employment in Northern California increased by 3.3 percent, whereas employment in the greater Bay Area grew by 3.8 percent. In Sonoma County 5,800 jobs were created, representing a growth rate of 2.9 percent. The unemployment rate improved dramatically, falling from 5.6 percent in 2014 to 4.5 percent in 2015.

During 2015, the largest employment gains occurred in manufacturing (+1,100 jobs), construction (+1,000 jobs), leisure and hospitality (+800 jobs), and professional and business services (+640 jobs). The largest losses were observed in agriculture (-110 jobs).

Between 2010 and 2015, the population of Sonoma County increased at an average rate of 0.7 percent per year. Net migration accounted for approximately two thirds of this growth, as the county gained an average of 2,000 net migrants each year.

FORECAST HIGHLIGHTS

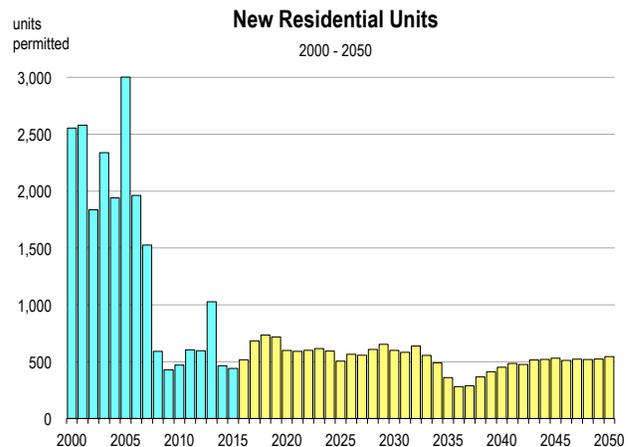
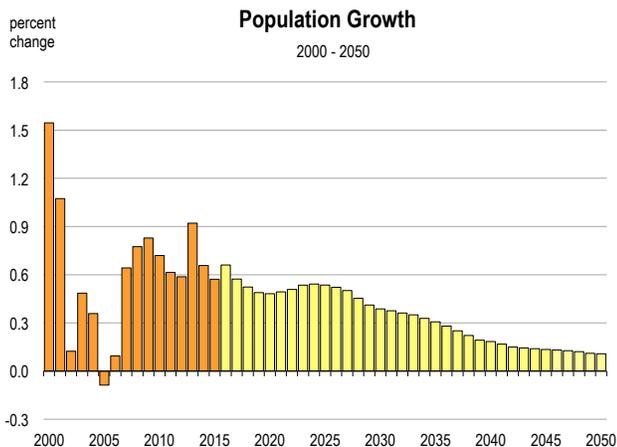
- Employment will expand by 2.3 percent in 2016. Between 2016 and 2021, the annual growth rate is expected to average 1.1 percent per year.
- Average salaries are currently below the California average, and are expected to remain so over the life of the forecast. In Sonoma County, inflation-adjusted salaries are expected to rise by an average of 1.5 percent per year between 2016 and 2021.
- The largest employment gains will be observed in leisure and hospitality, professional and business services, and education and healthcare. Combined, these sectors will account for 75 percent of net job creation in the county between 2016 and 2021.
- The population will increase by 0.7 percent in 2016. Throughout the 2016 to 2021 period, growth will average 0.5 percent per year.
- From 2016 to 2021, net migration is expected to average 1,500 individuals per year.
- Real per capita income will increase by 2.5 percent in 2016. Between 2016 and 2021, real per capita income is expected to rise at a rate of 1.8 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.9 percent per year during the 2016-2021 period.
- Industrial production will increase by 2.8 percent in 2016. Between 2016 and 2021, the growth rate of industrial production will average 1.7 percent per year.
- Farm production is expected to increase at an average rate of 0.3 percent per year between 2016 and 2021. The principal crop in the county is the wine grape.



Sonoma County Economic Forecast

2010-2015 History, 2016-2050 Forecast

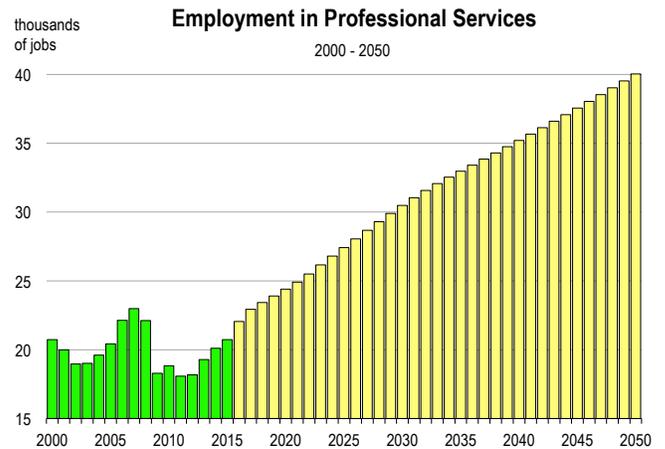
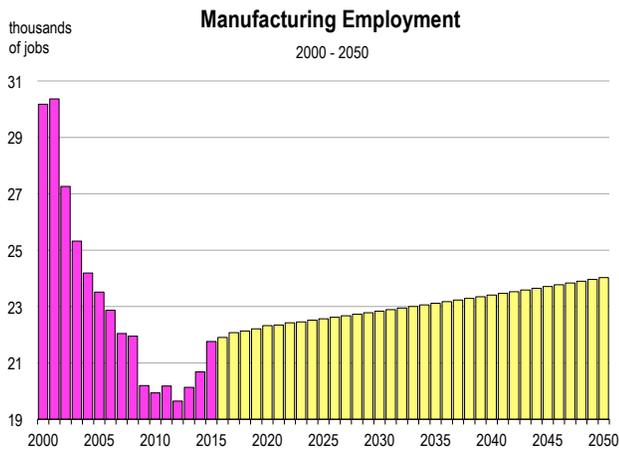
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	484,053	1,440	486	185.8	470	\$6.5	\$19.8	\$46,468	1.3	672.3	4.9	10.7
2011	487,029	1,512	484	186.1	604	\$7.0	\$21.0	\$47,818	2.7	643.5	4.7	10.1
2012	489,886	1,636	484	186.6	597	\$7.4	\$22.2	\$48,883	2.7	886.2	4.8	8.8
2013	494,398	3,340	501	187.2	1,027	\$8.0	\$23.3	\$49,663	2.3	895.1	5.1	7.0
2014	497,645	2,216	511	188.0	465	\$8.4	\$24.6	\$50,730	2.8	922.4	5.3	5.6
2015	500,487	1,647	522	188.5	441	\$8.7	\$26.2	\$52,300	2.6	935.0	5.6	4.5
2016	503,792	2,167	530	189.8	517	\$9.2	\$27.7	\$53,598	2.5	936.4	5.7	3.8
2017	506,678	1,715	537	190.5	683	\$9.7	\$29.4	\$54,558	3.6	939.7	5.8	3.7
2018	509,329	1,453	544	191.3	735	\$10.3	\$31.1	\$55,603	3.5	941.1	5.9	3.6
2019	511,817	1,253	551	192.1	718	\$10.7	\$32.6	\$56,685	2.3	944.9	6.0	3.5
2020	514,282	1,199	559	192.8	599	\$11.2	\$34.2	\$57,705	2.3	952.5	6.1	3.4
2021	516,818	1,249	566	193.5	591	\$11.6	\$35.7	\$58,718	2.3	952.1	6.3	3.4
2022	519,444	1,312	574	194.1	600	\$12.1	\$37.3	\$59,651	2.3	957.1	6.4	3.3
2023	522,223	1,443	581	194.8	615	\$12.5	\$39.0	\$60,530	2.3	958.8	6.5	3.1
2024	525,052	1,482	588	195.5	593	\$13.0	\$40.8	\$61,468	2.6	962.3	6.6	3.0
2025	527,863	1,472	594	196.1	505	\$13.5	\$42.7	\$62,253	2.8	964.8	6.8	2.9
2026	530,617	1,419	599	196.7	565	\$14.0	\$44.6	\$62,803	2.9	968.0	6.9	2.9
2027	533,277	1,333	604	197.3	557	\$14.5	\$46.5	\$63,353	2.9	970.9	7.0	2.8
2028	535,695	1,110	610	198.0	608	\$15.0	\$48.5	\$64,036	2.7	974.0	7.2	2.7
2029	537,898	902	614	198.7	653	\$15.6	\$50.5	\$64,862	2.5	976.9	7.4	2.6
2030	539,980	801	619	199.4	600	\$16.2	\$52.6	\$65,734	2.4	980.1	7.6	2.5
2031	542,008	759	625	200.0	582	\$16.8	\$54.7	\$66,590	2.3	983.1	7.7	2.5
2032	543,968	708	630	200.7	638	\$17.5	\$56.8	\$67,221	2.5	986.3	7.9	2.5
2033	545,873	676	635	201.4	555	\$18.2	\$59.1	\$68,254	2.1	989.5	8.1	2.5
2034	547,664	605	641	202.0	490	\$19.0	\$61.5	\$69,172	2.3	992.6	8.3	2.5
2035	549,343	555	646	202.5	360	\$19.8	\$64.0	\$70,096	2.4	996.0	8.5	2.5
2036	550,882	475	652	202.9	280	\$20.5	\$66.6	\$70,698	2.8	999.3	8.7	2.5
2037	552,264	385	656	203.3	288	\$21.3	\$69.2	\$71,282	2.9	1002.6	9.0	2.5
2038	553,489	279	660	203.6	366	\$22.1	\$72.0	\$72,073	2.7	1005.9	9.2	2.5
2039	554,554	171	663	204.0	411	\$22.9	\$75.0	\$72,771	2.9	1009.4	9.4	2.5
2040	555,574	162	665	204.5	451	\$23.7	\$78.0	\$73,521	2.8	1012.8	9.6	2.5
2041	556,506	113	677	205.0	484	\$24.5	\$81.1	\$74,401	2.6	1016.2	9.9	2.5
2042	557,339	45	686	205.5	476	\$25.3	\$84.3	\$75,356	2.5	1019.7	10.1	2.5
2043	558,142	49	695	206.0	515	\$26.2	\$87.6	\$76,364	2.4	1023.3	10.4	2.5
2044	558,921	49	703	206.6	520	\$27.1	\$91.0	\$77,533	2.2	1026.9	10.6	2.5
2045	559,673	53	711	207.1	531	\$28.0	\$94.6	\$78,544	2.4	1030.6	10.9	2.5
2046	560,407	58	717	207.7	511	\$29.0	\$98.1	\$79,533	2.3	1034.3	11.2	2.5
2047	561,119	66	724	208.2	522	\$30.0	\$102.0	\$80,524	2.6	1038.0	11.5	2.5
2048	561,798	59	730	208.8	519	\$31.1	\$106.2	\$81,591	2.6	1041.7	11.7	2.5
2049	562,420	36	737	209.3	523	\$32.2	\$110.7	\$82,709	2.7	1045.5	12.0	2.5
2050	563,027	48	743	209.9	545	\$33.5	\$115.6	\$83,895	2.9	1049.4	12.3	2.5

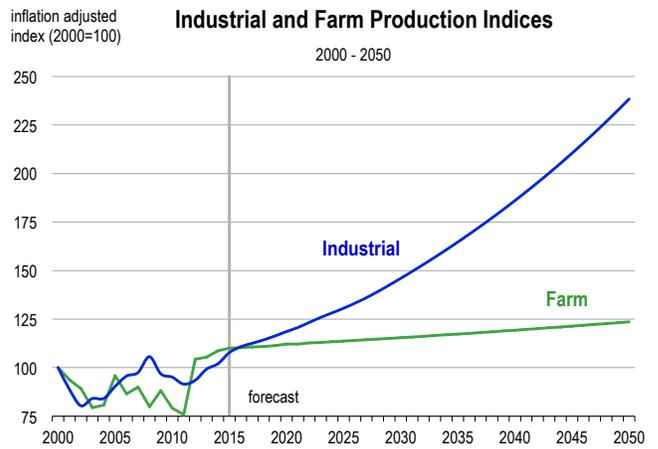
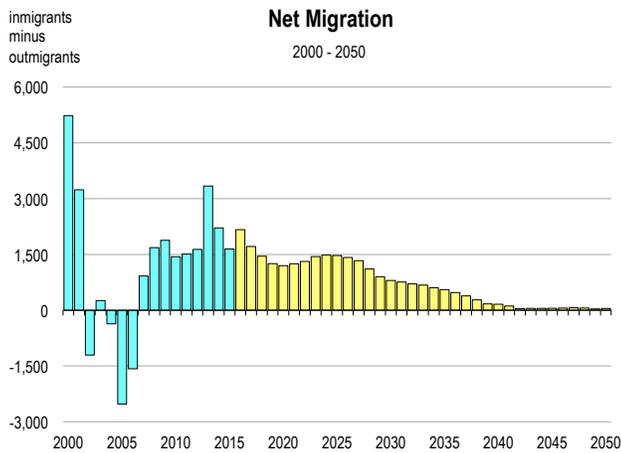
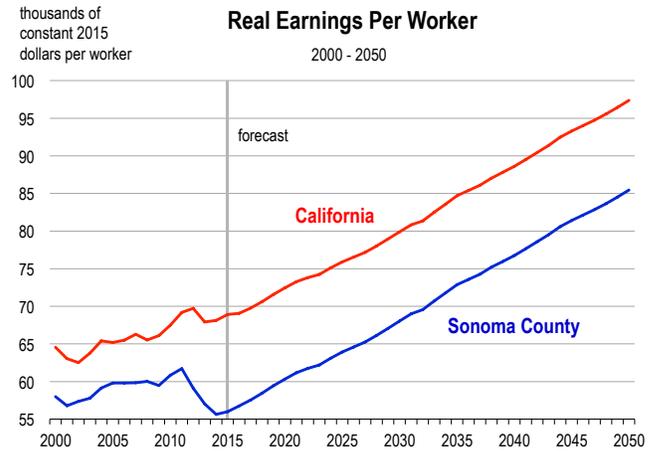
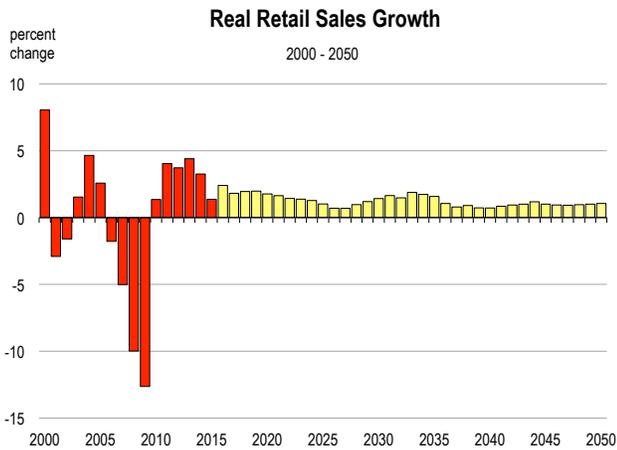


Sonoma County Employment Forecast

2010-2015 History, 2016-2050 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)-----											
2010	173.2	5.65	8.9	19.9	3.9	28.1	7.7	18.8	2.5	24.8	20.1	26.8
2011	175.4	5.79	8.6	20.2	3.8	28.6	7.6	18.1	2.5	25.0	20.5	28.4
2012	178.5	5.96	8.8	19.7	3.9	29.6	7.4	18.2	2.6	26.2	21.8	28.0
2013	187.2	6.26	9.9	20.1	4.1	31.0	7.4	19.3	2.6	27.9	22.8	28.9
2014	197.1	6.09	10.5	20.7	4.3	31.8	7.7	20.1	2.7	31.2	23.8	31.2
2015	202.9	5.98	11.5	21.8	4.3	32.1	8.0	20.7	2.7	32.2	24.6	31.8
2016	207.7	5.99	11.9	21.9	4.4	32.6	8.0	22.0	2.8	33.1	25.6	31.9
2017	210.9	6.00	11.9	22.1	4.4	32.8	8.2	22.9	2.9	34.0	26.2	32.0
2018	213.5	6.01	12.1	22.1	4.4	33.0	8.3	23.4	3.0	34.9	26.6	32.2
2019	215.7	6.03	12.1	22.2	4.4	33.1	8.3	23.9	3.0	35.8	26.8	32.3
2020	217.7	6.07	12.0	22.3	4.5	33.1	8.4	24.4	3.1	36.7	26.9	32.4
2021	219.2	6.07	11.7	22.3	4.5	33.1	8.4	24.9	3.1	37.6	27.0	32.5
2022	221.1	6.09	11.6	22.4	4.5	33.2	8.4	25.5	3.2	38.5	27.0	32.6
2023	223.0	6.10	11.6	22.5	4.6	33.2	8.5	26.2	3.2	39.4	27.0	32.7
2024	225.0	6.12	11.6	22.5	4.6	33.2	8.6	26.8	3.2	40.3	27.1	32.8
2025	226.9	6.13	11.6	22.6	4.6	33.2	8.6	27.4	3.2	41.2	27.1	32.8
2026	228.8	6.15	11.5	22.6	4.7	33.2	8.6	28.0	3.3	42.1	27.2	32.9
2027	230.9	6.16	11.6	22.7	4.7	33.2	8.6	28.7	3.3	42.9	27.3	33.0
2028	233.0	6.18	11.7	22.7	4.7	33.2	8.6	29.3	3.3	43.8	27.5	33.1
2029	235.2	6.20	11.8	22.8	4.8	33.2	8.7	29.9	3.4	44.7	27.7	33.2
2030	237.3	6.21	11.9	22.8	4.8	33.3	8.7	30.5	3.4	45.5	28.0	33.3
2031	239.2	6.23	11.8	22.9	4.8	33.3	8.7	31.0	3.4	46.2	28.3	33.4
2032	241.0	6.24	11.8	22.9	4.9	33.3	8.7	31.6	3.5	46.8	28.5	33.5
2033	242.9	6.26	11.9	23.0	4.9	33.4	8.8	32.1	3.5	47.4	28.8	33.6
2034	244.5	6.28	11.8	23.1	5.0	33.4	8.8	32.5	3.6	47.9	29.1	33.7
2035	246.2	6.29	11.7	23.1	5.0	33.4	8.8	33.0	3.6	48.5	29.3	33.8
2036	247.4	6.31	11.5	23.2	5.0	33.5	8.8	33.4	3.6	49.0	29.6	33.9
2037	248.7	6.33	11.4	23.2	5.1	33.5	8.7	33.8	3.7	49.3	29.9	34.0
2038	250.0	6.34	11.5	23.3	5.1	33.5	8.7	34.3	3.7	49.5	30.1	34.1
2039	251.4	6.36	11.6	23.3	5.1	33.5	8.7	34.7	3.7	49.7	30.4	34.2
2040	252.8	6.38	11.7	23.4	5.2	33.5	8.7	35.2	3.8	49.9	30.7	34.2
2041	254.1	6.40	11.8	23.5	5.2	33.5	8.7	35.7	3.8	50.0	30.9	34.3
2042	255.5	6.42	11.9	23.5	5.3	33.5	8.7	36.1	3.9	50.2	31.2	34.4
2043	256.8	6.43	11.9	23.6	5.3	33.5	8.7	36.6	3.9	50.3	31.5	34.5
2044	258.3	6.45	12.0	23.6	5.4	33.5	8.7	37.1	3.9	50.5	31.8	34.7
2045	259.8	6.47	12.0	23.7	5.4	33.5	8.7	37.6	4.0	50.7	32.1	34.8
2046	261.3	6.49	12.1	23.8	5.5	33.5	8.7	38.0	4.0	51.0	32.4	34.9
2047	262.7	6.51	12.0	23.8	5.5	33.6	8.8	38.5	4.1	51.2	32.8	35.0
2048	264.3	6.53	12.1	23.9	5.5	33.6	8.8	39.0	4.1	51.5	33.1	35.1
2049	265.8	6.55	12.1	24.0	5.6	33.6	8.8	39.5	4.2	51.7	33.4	35.2
2050	267.4	6.57	12.1	24.0	5.6	33.6	8.8	40.0	4.2	52.1	33.7	35.3





County Economic and Demographic Indicators

Projected Economic Growth (2016-2021)

Expected retail sales growth:	9.5%
Expected job growth:	5.6%
Fastest growing jobs sector:	Health and Education
Expected personal income growth:	12.4%

Expected population growth:	2.6%
Net migration to account for:	52.7%
Expected growth in number of vehicles:	6.8%

Demographics (2016)

Unemployment rate (April 2016):	3.6%
County rank* in California (58 counties):	5th
Working age (16-64) population:	64.6%

Population with B.A. or higher:	31.8%
Median home selling price (2015):	\$475,000
Median household income:	\$66,638

Quality of Life

Violent crime rate (2014):	354 per 100,000 persons
County rank* in California (58 counties):	29th
Average commute time to work (2016):	27.0 minutes

High school drop out rate (2015):	10.5%
Households at/below poverty line (2016):	7.9%

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