

DEL NORTE COUNTY ECONOMIC FORECAST

Del Norte County is located in the northwestern corner of California. The county shares its northern border with the state of Oregon. The closest city with more than 100,000 residents is Eugene, Oregon, which lies 225 miles to the north. Del Norte County has a population of 28,000 people and a total of 8,000 wage and salary jobs. The per capita income is \$31,797 and the average salary per worker is \$49,531.

The public sector is the largest employer in the county, accounting for 45 percent of all wage and salary jobs. Pelican Bay State Penitentiary, located in Crescent City, is one of the largest entities, employing more than 1,400 people and housing approximately 2,800 inmates.

In 2013, a total of 120 total wage and salary jobs were gained in Del Norte County. This represents an increase of 1.5 percent, and is the first annual gain since 2008. In addition, the unemployment rate improved substantially, falling from 13.3 percent in 2012 to 11.5 percent in 2013.

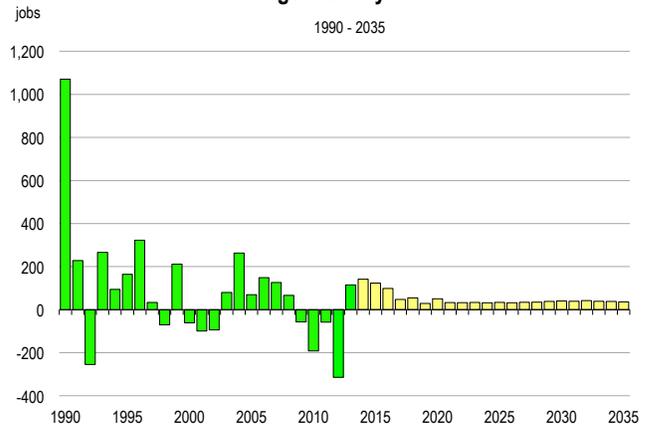
During 2013, most major sectors were characterized by positive job creation. The largest gains were observed in education and healthcare (+170 jobs), leisure and hospitality (+40 jobs), and agriculture (+20 jobs). The largest losses occurred in government (-150 jobs). A number of additional sectors were relatively flat.

The population of Del Norte County declined at an annual average rate of 0.4 percent between 2008 and 2013. However, much of this decrease occurred in 2013, when the population declined by 527 individuals – a drop of 1.9 percent. Over the 2008-2013 period, the county lost 180 individuals per year though net migration, but gained only 60 individuals per year through natural increase (new births).

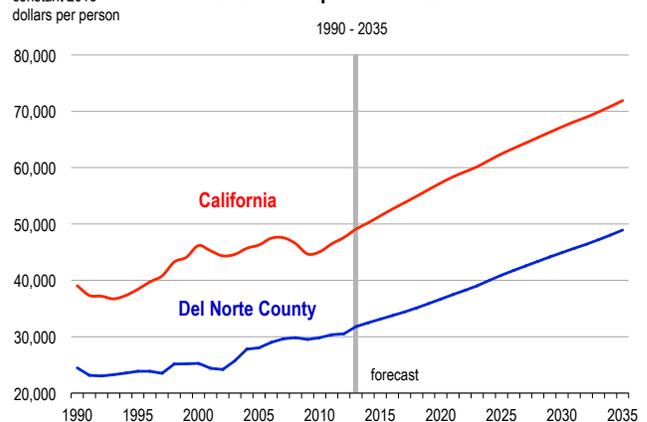
FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.8 percent in 2014. Over the entire 2014–2019 period, growth will average 0.9 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Del Norte County, inflation-adjusted salaries are expected to rise by an average of 1.2 percent per year over the 2014-2019 period.
- Between 2014 and 2019, the momentum for employment growth will be in the public sector and the healthcare and education industry. Together, these sectors will account for 78 percent of net job creation in the county.
- Population growth will be positive but slow. Annual growth in the 2014-2019 period is expected to average 0.4 percent per year.

Total Wage & Salary Job Creation



Real Per Capita Personal Income

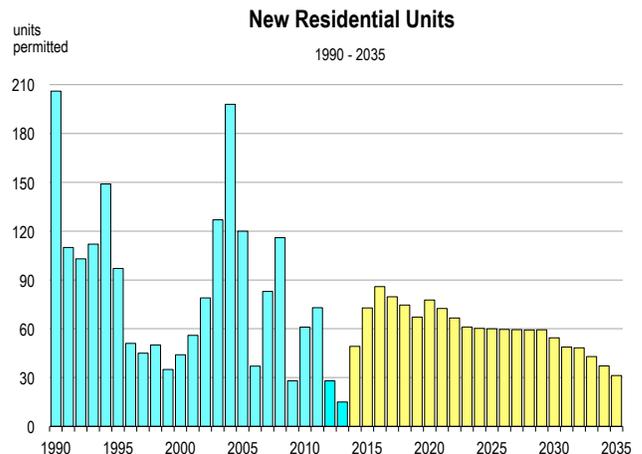
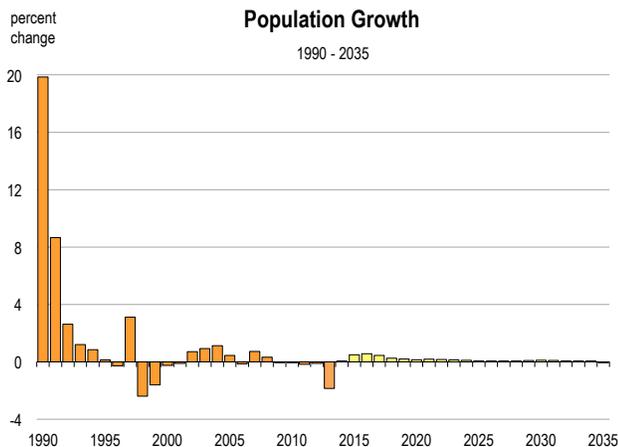


- Net migration is forecasted to be relatively flat in 2014, but turn positive thereafter. Over the entire 2014-2019 period, an average of 80 net migrants will enter the county each year, accounting for the vast majority of all population growth.
- Real per capita income is expected to rise by 2.2 percent in 2014. From 2014 to 2019, the growth rate of real per capita income will average 2.0 percent per year.
- Total taxable sales, adjusted for inflation, are forecasted to grow at an average annual rate of 1.9 percent between 2014 and 2019.
- Industrial production is expected to increase by 3.0 percent in 2014. Over the following five years, industrial production will increase by an average rate of 4.1 percent per year.
- Total crop production will increase by an average of 0.3 percent per year between 2014 and 2019. The principal agricultural commodity is cattle.

Del Norte County Economic Forecast

2006-2013 History, 2014-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	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)
2006	28,276	-86	27.7	9.6	37	\$227.5	\$0.70	\$29,009	3.2	53.8	32.6	6.9
2007	28,480	115	27.9	9.7	83	\$239.3	\$0.74	\$29,621	3.4	51.4	28.5	7.5
2008	28,571	8	27.6	9.8	116	\$232.2	\$0.77	\$29,820	2.9	51.0	27.8	8.8
2009	28,559	-60	27.4	9.8	28	\$201.2	\$0.77	\$29,521	0.8	40.7	21.0	12.1
2010	28,542	-126	27.4	9.9	61	\$204.3	\$0.79	\$29,837	1.3	39.6	20.1	13.1
2011	28,492	-96	26.8	9.9	73	\$211.8	\$0.82	\$30,347	2.7	47.0	19.7	13.1
2012	28,462	-78	26.2	9.9	28	\$226.5	\$0.85	\$30,507	2.7	42.9	14.4	13.3
2013	27,935	-536	26.5	10.0	15	\$237.8	\$0.89	\$31,797	2.3	44.0	16.7	11.5
2014	27,945	-14	26.7	10.0	49	\$245.1	\$0.93	\$32,499	2.8	45.0	17.2	10.5
2015	28,083	105	26.9	10.0	73	\$258.1	\$0.99	\$33,132	3.3	44.9	17.7	9.5
2016	28,243	120	26.9	10.1	86	\$272.4	\$1.04	\$33,777	3.2	45.1	18.3	8.5
2017	28,370	91	27.0	10.2	80	\$283.8	\$1.09	\$34,385	2.4	45.3	19.1	8.0
2018	28,442	47	27.2	10.2	75	\$295.4	\$1.15	\$35,132	2.3	45.5	20.0	7.8
2019	28,499	35	27.2	10.3	67	\$307.7	\$1.20	\$35,900	2.4	45.7	21.0	7.6
2020	28,541	23	27.3	10.4	78	\$319.8	\$1.26	\$36,703	2.3	45.6	22.1	7.5
2021	28,595	40	27.3	10.4	72	\$331.9	\$1.32	\$37,488	2.5	45.4	23.2	7.5
2022	28,642	38	27.3	10.5	67	\$343.8	\$1.38	\$38,259	2.6	45.7	24.4	7.4
2023	28,682	37	27.3	10.6	61	\$356.4	\$1.45	\$39,045	2.5	45.9	25.7	7.3
2024	28,714	32	27.4	10.6	60	\$369.8	\$1.52	\$39,987	2.5	46.2	26.9	7.3
2025	28,734	30	27.4	10.7	60	\$383.8	\$1.60	\$40,943	2.5	46.5	28.2	7.2
2026	28,749	31	27.5	10.7	60	\$398.3	\$1.67	\$41,784	2.5	46.6	29.5	7.2
2027	28,761	31	27.5	10.8	59	\$414.1	\$1.75	\$42,587	2.5	46.6	30.9	7.1
2028	28,778	33	27.6	10.8	59	\$431.0	\$1.83	\$43,388	2.5	46.8	32.5	7.0
2029	28,806	35	27.6	10.9	59	\$448.5	\$1.91	\$44,172	2.5	46.9	34.1	7.0
2030	28,839	37	27.6	10.9	54	\$467.4	\$1.99	\$44,935	2.5	46.8	35.8	7.0
2031	28,867	39	27.7	11.0	49	\$487.9	\$2.08	\$45,688	2.5	46.6	37.6	7.0
2032	28,888	38	27.7	11.0	48	\$509.9	\$2.16	\$46,413	2.5	47.0	39.4	6.9
2033	28,908	39	27.7	11.1	43	\$532.7	\$2.26	\$47,199	2.5	47.3	41.4	6.9
2034	28,915	34	27.7	11.1	37	\$556.4	\$2.35	\$48,034	2.5	47.6	43.4	6.9
2035	28,906	30	27.7	11.1	31	\$580.2	\$2.46	\$48,916	2.5	47.7	45.5	6.9
2036	28,892	34	27.7	11.2	30	\$604.5	\$2.56	\$49,814	2.5	48.2	47.6	6.8
2037	28,883	41	27.8	11.2	28	\$629.1	\$2.67	\$50,733	2.5	48.4	49.9	6.8
2038	28,874	41	27.9	11.2	25	\$653.8	\$2.79	\$51,683	2.5	48.0	52.3	6.8
2039	28,859	37	28.0	11.2	22	\$679.0	\$2.91	\$52,656	2.5	48.3	54.7	6.8
2040	28,838	33	28.1	11.3	17	\$705.0	\$3.04	\$53,632	2.5	48.6	58.9	6.7

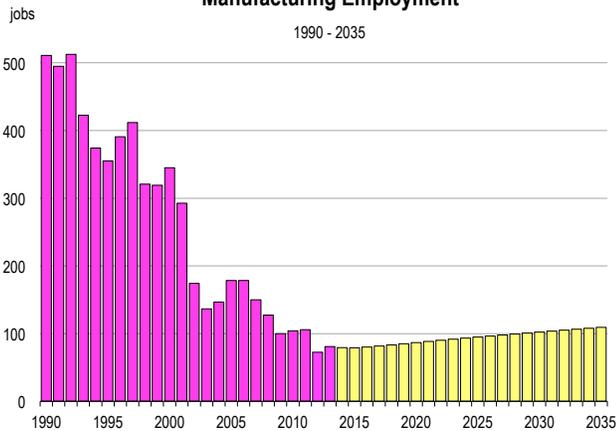


Del Norte County Employment Forecast

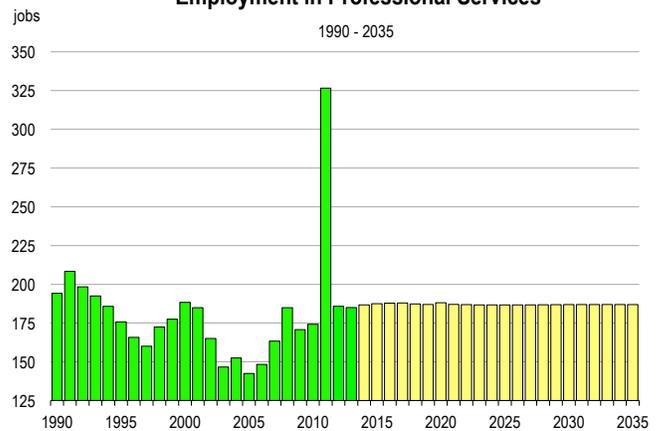
2006-2013 History, 2014-2040 Forecast

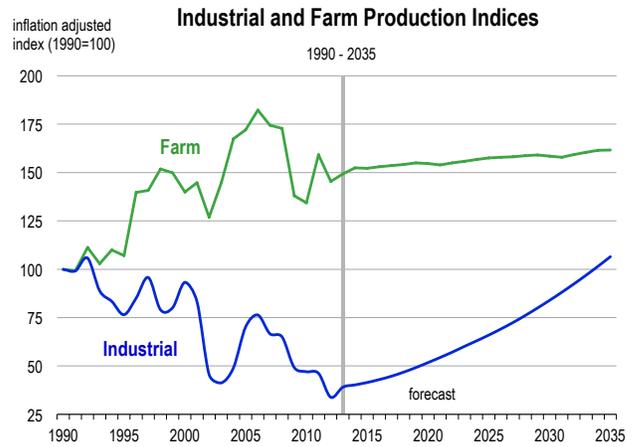
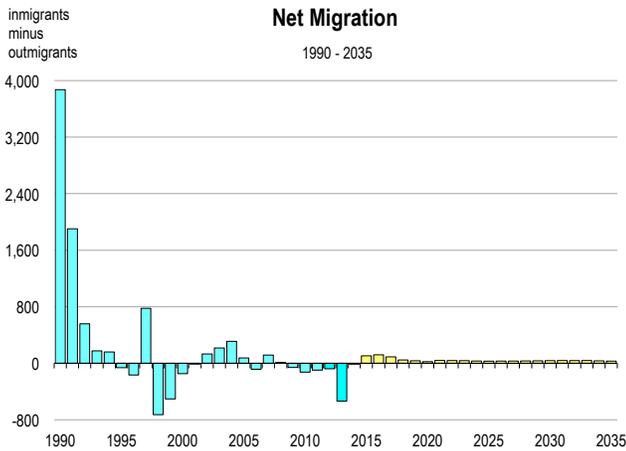
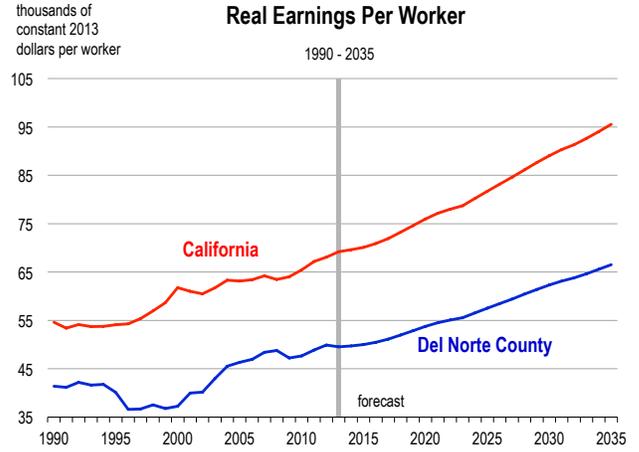
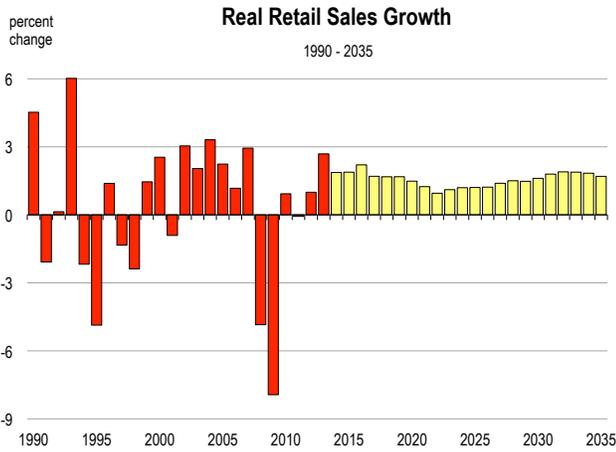
	Total Wage & Salary	Farm	Mining, Logging, & Construction	Manufacturing	Trade, Transportation, & Utilities	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----										
2006	8.31	0.42	0.27	0.18	1.23	0.22	0.15	0.11	1.12	0.88	3.66
2007	8.43	0.39	0.25	0.15	1.26	0.22	0.16	0.11	1.19	0.87	3.76
2008	8.50	0.40	0.28	0.13	1.16	0.20	0.19	0.11	1.22	0.86	3.87
2009	8.44	0.35	0.22	0.10	1.10	0.20	0.17	0.10	1.39	0.79	3.92
2010	8.25	0.32	0.17	0.10	1.08	0.18	0.17	0.09	1.36	0.76	3.90
2011	8.19	0.28	0.15	0.11	1.11	0.18	0.33	0.09	1.28	0.73	3.83
2012	7.88	0.30	0.16	0.07	1.05	0.19	0.19	0.09	1.22	0.74	3.76
2013	7.99	0.32	0.17	0.08	1.06	0.19	0.19	0.08	1.39	0.78	3.61
2014	8.13	0.33	0.18	0.08	1.06	0.19	0.19	0.08	1.42	0.78	3.68
2015	8.26	0.34	0.21	0.08	1.07	0.19	0.19	0.09	1.47	0.79	3.72
2016	8.36	0.34	0.22	0.08	1.08	0.19	0.19	0.09	1.50	0.79	3.75
2017	8.40	0.34	0.21	0.08	1.08	0.19	0.19	0.09	1.52	0.79	3.77
2018	8.46	0.34	0.21	0.08	1.09	0.19	0.19	0.09	1.54	0.79	3.80
2019	8.49	0.33	0.20	0.08	1.09	0.19	0.19	0.09	1.57	0.79	3.81
2020	8.54	0.33	0.21	0.09	1.09	0.19	0.19	0.09	1.59	0.79	3.82
2021	8.57	0.33	0.21	0.09	1.09	0.19	0.19	0.09	1.61	0.79	3.84
2022	8.60	0.33	0.20	0.09	1.09	0.19	0.19	0.09	1.63	0.79	3.86
2023	8.64	0.33	0.20	0.09	1.09	0.19	0.19	0.09	1.65	0.79	3.87
2024	8.67	0.33	0.20	0.09	1.09	0.19	0.19	0.09	1.67	0.79	3.89
2025	8.70	0.33	0.20	0.09	1.09	0.19	0.19	0.09	1.68	0.79	3.91
2026	8.73	0.32	0.19	0.10	1.10	0.19	0.19	0.09	1.69	0.79	3.93
2027	8.77	0.32	0.19	0.10	1.10	0.19	0.19	0.09	1.70	0.79	3.95
2028	8.80	0.32	0.19	0.10	1.10	0.19	0.19	0.09	1.71	0.79	3.97
2029	8.84	0.31	0.19	0.10	1.10	0.19	0.19	0.09	1.72	0.79	4.00
2030	8.88	0.32	0.19	0.10	1.11	0.19	0.19	0.09	1.74	0.79	4.02
2031	8.92	0.32	0.18	0.10	1.11	0.20	0.19	0.09	1.75	0.79	4.04
2032	8.96	0.32	0.18	0.11	1.12	0.20	0.19	0.09	1.76	0.79	4.06
2033	9.00	0.32	0.18	0.11	1.13	0.20	0.19	0.09	1.78	0.79	4.08
2034	9.04	0.32	0.17	0.11	1.13	0.20	0.19	0.09	1.79	0.79	4.11
2035	9.08	0.32	0.17	0.11	1.14	0.20	0.19	0.09	1.80	0.79	4.13
2036	9.12	0.32	0.17	0.11	1.14	0.20	0.19	0.09	1.81	0.79	4.15
2037	9.16	0.32	0.16	0.11	1.15	0.20	0.19	0.09	1.83	0.80	4.17
2038	9.20	0.32	0.16	0.11	1.15	0.20	0.19	0.09	1.84	0.80	4.19
2039	9.23	0.32	0.16	0.11	1.16	0.20	0.19	0.09	1.85	0.80	4.22
2040	9.27	0.32	0.15	0.12	1.16	0.20	0.19	0.09	1.86	0.80	4.24

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	9.5%
Expected job growth:	4.3%
Fastest growing jobs sector:	Education and Healthcare
Expected personal income growth:	12.7%

Expected population growth:	2.0%
Net migration to account for:	71.9%
Expected growth in number of vehicles:	2.0%

Demographics (2014)

Unemployment rate (April 2014):	10.0%
County rank* in California (58 counties):	35th
Working age (16-64) population:	66.3%

Population with B.A. degree or higher:	14.0%
Median home selling price (2013):	\$130,100
Median household income:	\$39,596

Quality of Life

Violent crime rate (2012):	545 per 100,000 persons
County rank* in California (58 counties):	43rd
Average commute time to work (2014):	15.6 minutes

High School drop out rate (2012):	16.3%
Households at/below poverty line (2014):	17.0%

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