

# 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. However, the region is expected to set a new employment record in 2015.

Sonoma County has a population of 495,700 people and approximately 198,200 wage and salary jobs. The per capita income is \$53,712 and the average salary per worker is \$55,016.

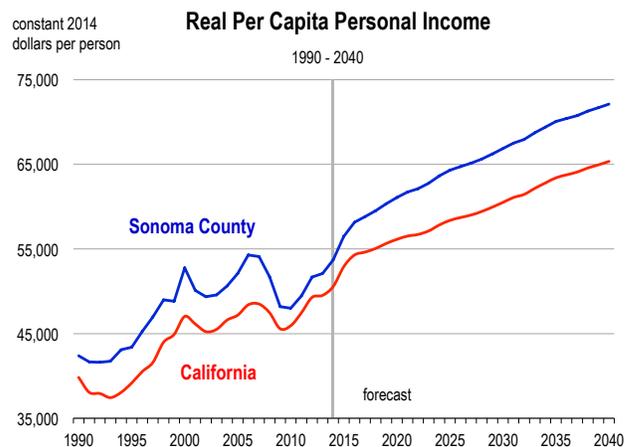
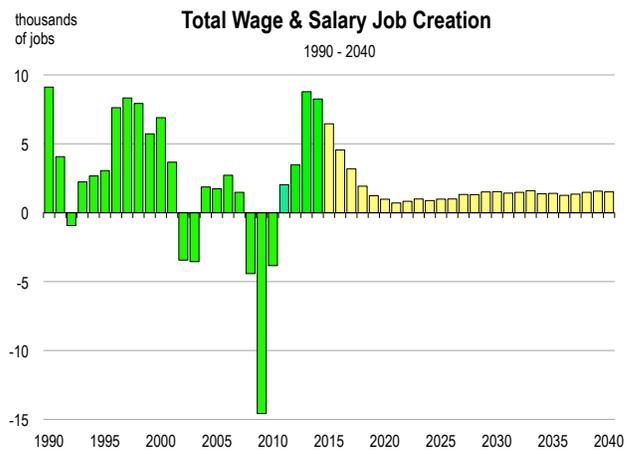
In 2014, employment in Northern California increased by 3.4 percent, whereas employment in the greater Bay Area grew by 4.0 percent. In Sonoma County 8,300 jobs were created, representing a growth rate of 4.4 percent. The unemployment rate improved dramatically, falling from 7.0 percent in 2013 to 5.6 percent in 2014.

During 2014, the largest employment gains occurred in government (+2,400 jobs), education and healthcare (+1,400 jobs), leisure and hospitality (+1,200 jobs), wholesale and retail trade (+1,000 jobs), and professional services (+1,000 jobs). Significant declines were not observed in any major sector.

Between 2009 and 2014, the population of Sonoma County increased at an average rate of 0.6 percent per year. Net migration accounted for approximately half of this growth, as the county gained an average of 1,700 net migrants per year.

## FORECAST HIGHLIGHTS

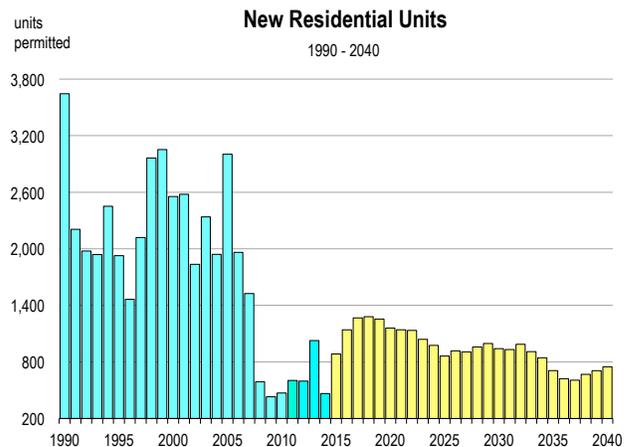
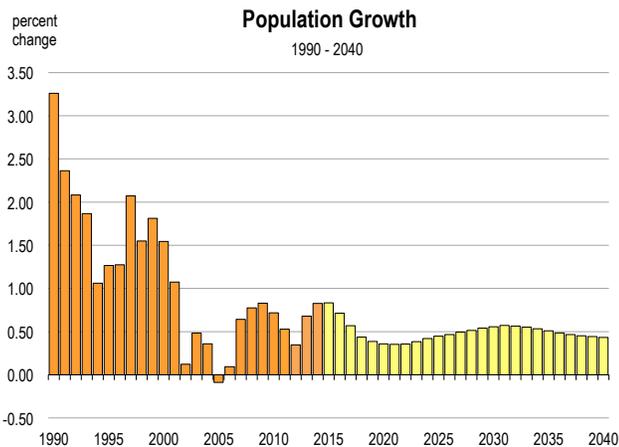
- Employment will expand by 3.3 percent in 2015. Between 2015 and 2020, the annual growth rate is expected to average 1.1 percent per year.
- Average salaries are currently below the California average, and are expected to remain so over the life of the forecast. In Sonoma County, inflation-adjusted salaries are expected to rise by an average of 0.7 percent per year between 2015 and 2020.
- The largest employment gains will be observed in leisure and hospitality (+3,500 jobs), professional and business services (+3,300 jobs), and education and healthcare (+1,000 jobs). Combined, these sectors will account for 65 percent of net job creation in the county between 2015 and 2020.
- The population will increase by 0.8 percent in 2015. Throughout the 2015 to 2020 period, growth will average 0.5 percent per year.
- From 2015 to 2020, net migration is expected to average 1,800 individuals per year.
- Real per capita income will increase by 5.2 percent in 2015. Between 2015 and 2020, real per capita income is expected to rise at a rate of 1.6 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 0.8 percent per year during the 2015-2020 period.
- Industrial production is forecasted to increase by 3.6 percent in 2015. Between 2015 and 2020, the growth rate of industrial production will average 2.6 percent per year.
- Farm production is expected to increase at an average rate of 0.8 percent per year between 2015 and 2020. The principal crop in the county is the wine grape.



# Sonoma County Economic Forecast

## 2006-2014 History, 2015-2040 Forecast

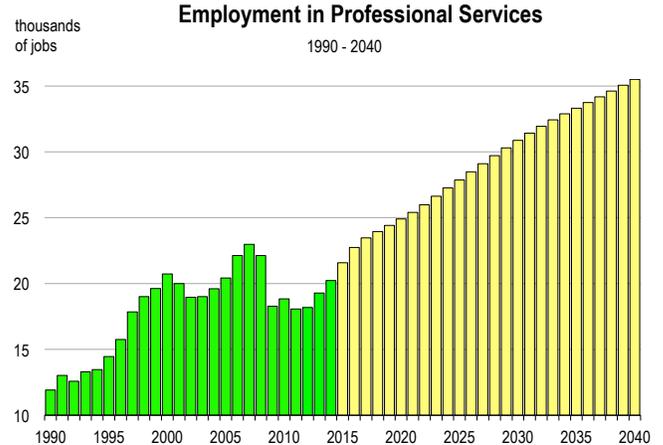
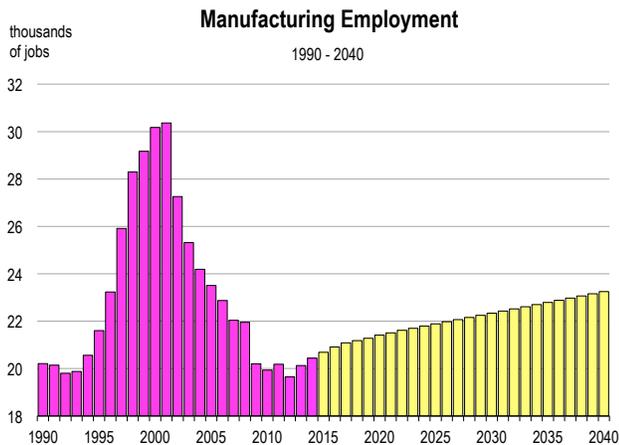
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	469,967	-1,575	488	181.0	1,962	\$7.9	\$21.2	\$54,278	3.2	716.1	4.9	4.0
2007	472,987	923	485	182.3	1,526	\$7.9	\$21.9	\$54,096	3.4	745.0	5.0	4.3
2008	476,650	1,685	487	184.3	591	\$7.4	\$21.8	\$51,696	2.9	660.6	5.3	5.7
2009	480,598	1,881	487	185.2	430	\$6.3	\$20.6	\$48,183	0.8	729.4	4.9	9.6
2010	484,053	1,440	486	185.8	470	\$6.5	\$21.0	\$47,994	1.3	655.3	4.9	10.7
2011	486,613	1,096	484	186.1	604	\$7.0	\$22.3	\$49,454	2.7	627.3	4.8	10.1
2012	488,300	466	484	186.5	597	\$7.4	\$24.0	\$51,686	2.7	863.8	4.9	8.8
2013	491,619	2,147	501	187.0	1,027	\$8.0	\$24.9	\$52,102	2.3	872.5	5.0	7.0
2014	495,684	3,177	511	187.6	465	\$8.4	\$26.6	\$53,712	2.8	873.8	5.2	5.6
2015	499,815	3,479	517	189.0	885	\$8.8	\$28.6	\$56,482	1.2	878.9	5.4	4.7
2016	503,382	2,910	519	190.1	1,141	\$9.3	\$30.6	\$58,166	3.2	883.6	5.5	4.2
2017	506,244	2,174	520	191.4	1,267	\$9.7	\$32.1	\$58,824	3.2	889.7	5.6	4.1
2018	508,457	1,497	524	192.5	1,280	\$10.0	\$33.6	\$59,508	3.0	894.9	5.8	4.1
2019	510,421	1,214	528	193.7	1,255	\$10.4	\$35.2	\$60,352	2.8	901.9	5.9	4.0
2020	512,249	1,046	531	194.8	1,160	\$10.6	\$36.8	\$61,080	2.9	913.3	6.1	3.9
2021	514,058	1,006	532	195.7	1,141	\$10.9	\$38.4	\$61,723	3.0	920.6	6.3	3.9
2022	515,893	1,005	535	196.7	1,135	\$11.2	\$40.0	\$62,115	3.1	929.9	6.5	3.8
2023	517,874	1,130	538	197.7	1,040	\$11.5	\$41.7	\$62,758	2.7	937.7	6.7	3.6
2024	520,049	1,314	542	198.6	976	\$11.7	\$43.5	\$63,650	2.6	946.0	6.9	3.5
2025	522,376	1,474	544	199.5	863	\$12.1	\$45.4	\$64,310	2.8	953.9	7.1	3.4
2026	524,812	1,587	547	200.3	918	\$12.4	\$47.2	\$64,728	2.8	961.9	7.4	3.3
2027	527,410	1,757	549	201.1	907	\$12.7	\$49.1	\$65,126	2.8	969.9	7.6	3.2
2028	530,121	1,889	552	202.0	959	\$13.1	\$51.0	\$65,617	2.7	977.9	7.9	3.1
2029	532,987	2,051	554	202.9	996	\$13.5	\$53.1	\$66,233	2.5	986.0	8.1	3.1
2030	535,953	2,170	558	203.8	941	\$14.0	\$55.2	\$66,873	2.4	994.2	8.4	3.0
2031	539,017	2,283	561	204.7	932	\$14.5	\$57.3	\$67,510	2.3	1002.5	8.7	2.9
2032	542,060	2,277	564	205.6	988	\$15.1	\$59.4	\$67,940	2.5	1010.9	9.0	2.9
2033	545,054	2,252	567	206.5	910	\$15.7	\$61.7	\$68,738	2.1	1019.3	9.3	2.9
2034	547,960	2,207	570	207.4	844	\$16.3	\$64.1	\$69,413	2.3	1027.9	9.7	2.9
2035	550,752	2,155	574	208.2	708	\$16.9	\$66.5	\$70,072	2.4	1036.5	10.0	2.9
2036	553,422	2,094	576	208.9	622	\$17.6	\$69.0	\$70,428	2.8	1045.2	10.4	2.9
2037	556,002	2,072	577	209.5	607	\$18.2	\$71.7	\$70,761	2.8	1054.0	10.7	2.9
2038	558,515	2,055	578	210.1	669	\$18.8	\$74.5	\$71,286	2.7	1062.9	11.1	2.9
2039	560,990	2,068	579	210.8	708	\$19.4	\$77.4	\$71,689	2.8	1071.9	11.4	2.9
2040	563,419	2,060	579	211.5	749	\$20.0	\$80.3	\$72,133	2.8	1081.0	11.8	2.9

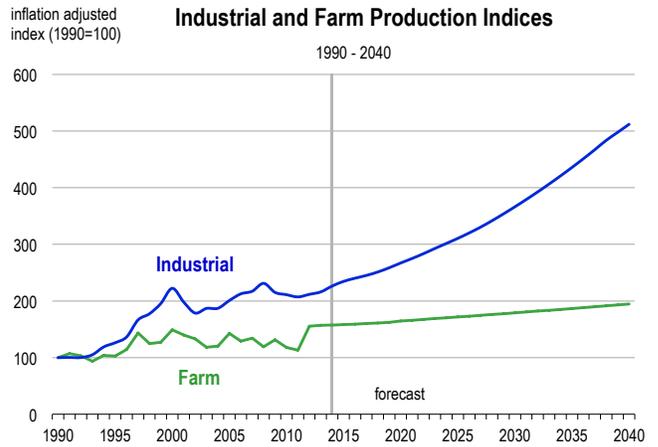
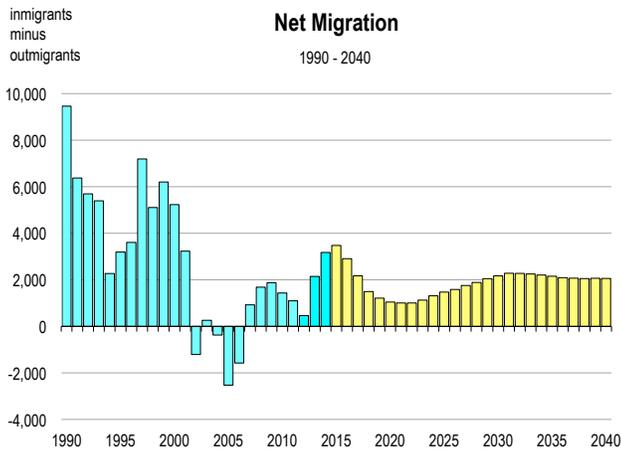
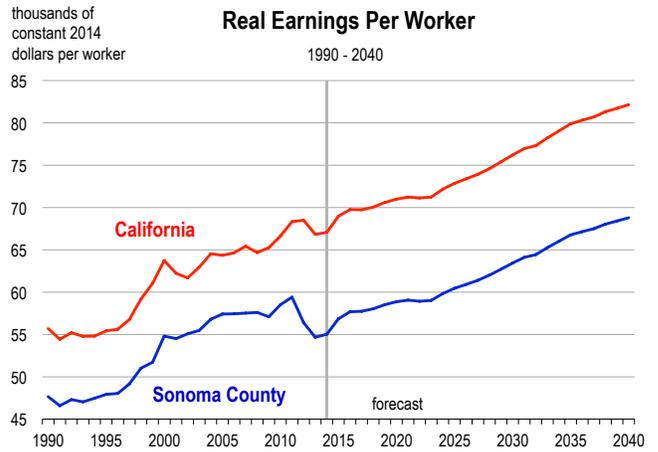
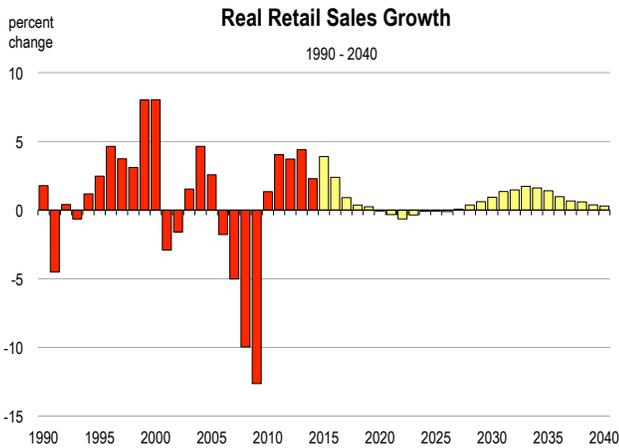


# Sonoma County Employment Forecast

## 2006-2014 History, 2015-2040 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	196.9	5.73	14.7	22.9	4.2	31.3	9.7	22.1	3.2	25.2	20.7	30.7
2007	198.4	5.77	14.4	22.0	4.5	31.9	9.3	23.0	3.0	25.8	21.0	31.1
2008	194.0	5.77	12.8	22.0	4.4	30.8	8.5	22.1	2.8	26.8	21.0	30.4
2009	179.4	5.80	9.8	20.2	4.0	28.3	7.8	18.3	2.6	27.1	20.1	29.2
2010	175.6	5.65	8.9	19.9	3.9	28.1	7.7	18.8	2.5	27.1	20.1	26.8
2011	177.6	5.79	8.6	20.2	3.8	28.6	7.6	18.1	2.5	27.3	20.5	28.4
2012	181.1	5.96	8.8	19.7	3.9	29.6	7.4	18.2	2.6	28.8	21.8	28.0
2013	189.9	6.26	9.9	20.1	4.1	31.0	7.4	19.3	2.6	30.7	22.8	28.9
2014	198.2	6.18	10.5	20.4	4.3	32.0	7.5	20.2	2.7	32.1	24.0	31.2
2015	204.6	6.25	11.0	20.7	4.3	32.4	7.6	21.6	2.8	32.9	25.6	32.0
2016	209.2	6.28	11.2	20.9	4.3	32.9	7.7	22.7	2.9	33.4	26.9	32.1
2017	212.4	6.31	11.4	21.1	4.3	33.1	7.8	23.5	3.0	33.7	27.9	32.3
2018	214.3	6.34	11.5	21.2	4.3	33.2	7.8	23.9	3.0	33.8	28.5	32.5
2019	215.5	6.37	11.5	21.3	4.3	33.2	7.8	24.4	3.1	33.9	28.9	32.6
2020	216.5	6.43	11.4	21.4	4.2	33.1	7.8	24.9	3.1	33.9	29.1	32.7
2021	217.2	6.47	11.4	21.5	4.2	33.1	7.8	25.4	3.2	33.9	29.2	32.8
2022	218.1	6.52	11.4	21.6	4.2	33.0	7.8	26.0	3.2	33.9	29.2	32.8
2023	219.1	6.56	11.4	21.7	4.2	32.9	7.8	26.6	3.3	33.9	29.2	32.8
2024	220.0	6.61	11.3	21.8	4.1	32.8	7.9	27.3	3.3	34.0	29.3	32.9
2025	221.0	6.65	11.3	21.9	4.1	32.8	7.9	27.9	3.3	34.0	29.3	33.0
2026	222.0	6.69	11.2	22.0	4.1	32.7	7.9	28.5	3.4	34.1	29.4	33.1
2027	223.3	6.73	11.3	22.1	4.1	32.7	7.9	29.1	3.4	34.2	29.5	33.1
2028	224.6	6.77	11.4	22.2	4.1	32.7	7.9	29.7	3.5	34.3	29.7	33.2
2029	226.1	6.82	11.5	22.2	4.1	32.8	8.0	30.3	3.5	34.4	30.0	33.3
2030	227.7	6.86	11.6	22.3	4.1	32.8	8.0	30.9	3.5	34.5	30.2	33.4
2031	229.1	6.90	11.5	22.4	4.1	32.9	8.0	31.4	3.6	34.7	30.5	33.5
2032	230.6	6.95	11.5	22.5	4.1	33.0	8.0	31.9	3.6	34.9	30.8	33.6
2033	232.2	6.99	11.6	22.6	4.1	33.1	8.0	32.4	3.6	35.1	31.1	33.8
2034	233.5	7.04	11.5	22.7	4.1	33.2	8.1	32.9	3.7	35.3	31.4	33.9
2035	235.0	7.08	11.4	22.8	4.1	33.2	8.1	33.3	3.7	35.6	31.7	34.0
2036	236.2	7.13	11.3	22.9	4.1	33.3	8.1	33.7	3.8	35.9	31.9	34.1
2037	237.6	7.18	11.2	23.0	4.1	33.4	8.0	34.2	3.8	36.2	32.2	34.1
2038	239.1	7.22	11.2	23.1	4.1	33.4	8.0	34.6	3.8	36.5	32.5	34.2
2039	240.6	7.27	11.4	23.2	4.1	33.5	8.0	35.1	3.9	36.8	32.8	34.3
2040	242.1	7.32	11.4	23.2	4.1	33.5	8.0	35.5	3.9	37.1	33.1	34.4





## County Economic and Demographic Indicators

### Projected Economic Growth (2015-2020)

Expected retail sales growth:	3.9%
Expected job growth:	5.8%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	10.8%

Expected population growth:	2.5%
Net migration to account for:	71.1%
Expected growth in number of vehicles:	2.8%

### Demographics (2015)

Unemployment rate (March 2015):	4.6%
County rank* in California (58 counties):	6th
Working age (16-64) population:	64.9%

Population with B.A. or higher:	31.9%
Median home selling price (2013):	\$440,000
Median household income:	\$63,995

### Quality of Life

Violent crime rate (2013):	350 per 100,000 persons
County rank* in California (58 counties):	27th
Average commute time to work (2015):	27.9 minutes

High school drop out rate (2014):	12.1%
Households at/below poverty line (2015):	8.2%

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