

MODOC COUNTY ECONOMIC FORECAST

Located in the northeastern corner of the state, Modoc County borders Oregon to the north and Nevada to the east. Approximately 90 percent of the land in the county consists of national forests and wilderness areas. Modoc County has a population of 9,910 people and 2,986 wage and salary jobs. The per capita income in Modoc County is \$26,672, and the average salary per worker is \$33,602. In 2007 the median household income in Modoc County is estimated at \$44,400.

In 2006, total wage and salary employment grew by 26 jobs in Modoc County, an increase of 0.8 percent. Non-farm employment, which accounts for 88 percent of total employment in the county, added 22 jobs last year. The unemployment rate declined to 7.8 percent in 2006.

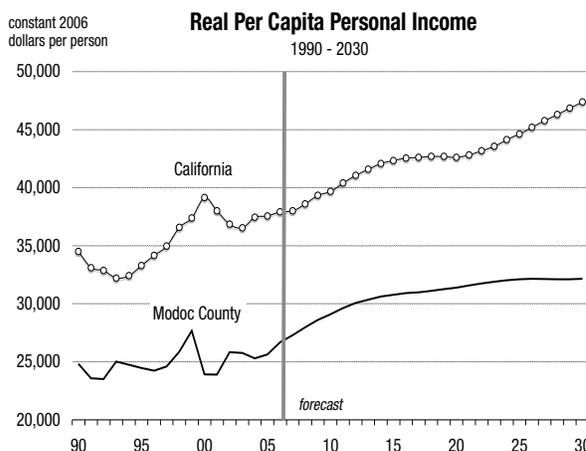
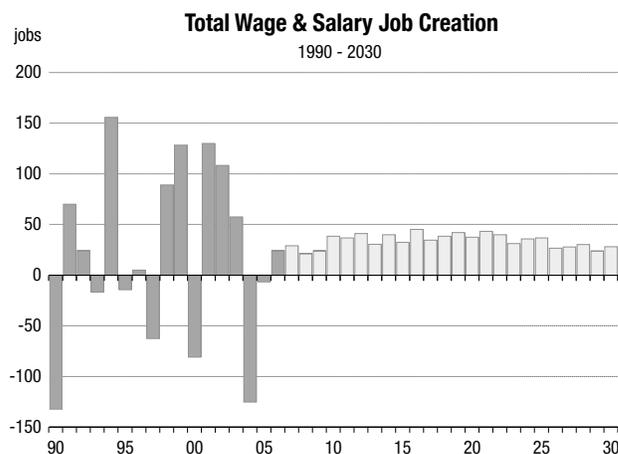
The goods producing sector added 21 jobs in 2006, the most of any sector in Modoc County. Retail and wholesale trade added 23 workers, while healthcare and education gained 6 workers. The leisure services sector lost 13 jobs in 2006. The largest employment sector in the county is government, which lost 18 jobs last year.

The population grew 0.1 percent in calendar 2006. The only incorporated city is Alturas, home to 29 percent of the county's population. The population of Alturas declined 0.1 percent between January 2006 and January 2007. Net migration was positive last year, with 49 net migrants entering the county.

Employment growth is expected to remain positive over the next several years, driven by non-farm employment growth. Population growth will remain positive, but modest.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to increase to 1.0 percent in 2007. From 2007 to 2011, job growth averages 1.0 percent per year.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to increase an average of 1.3 percent per year over the next 5 years.
- Between 2007 and 2011, the momentum for employment growth is in goods-production, and trade. These sectors account for 75 percent of the growth in the county over the next five years.
- Total taxable sales, adjusted for inflation, are forecast to increase 0.3 percent in 2007. Over the next five years real taxable sales are forecast to increase 0.9 percent per year.

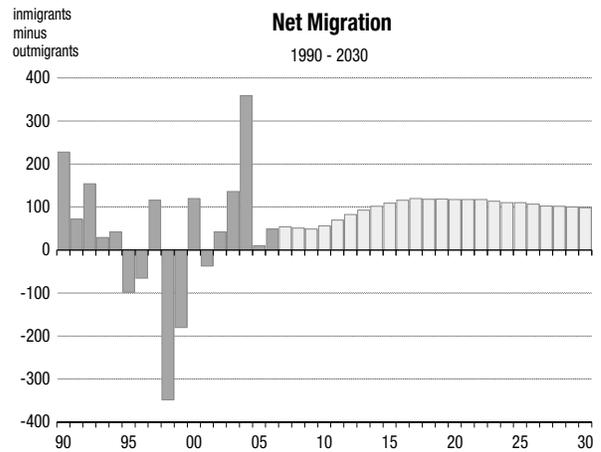
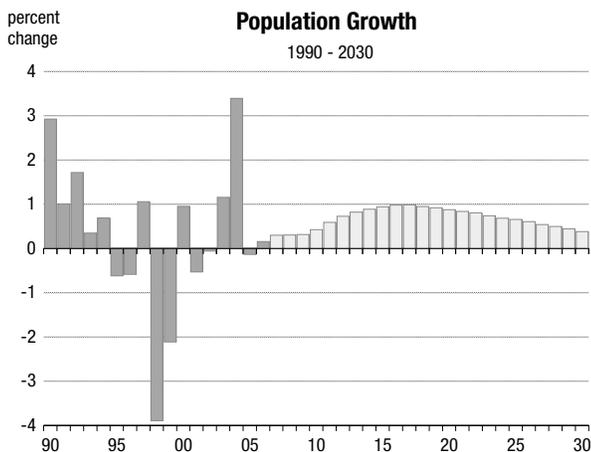


- Annual population growth in the 2007 to 2011 period averages 0.4 percent per year.
- Net migration is forecast at approximately 50 people in 2007. Over the next five years migration is expected to average 55 net migrants per year. Net migration is responsible for all of the population growth because the natural increase is negative.
- Real per capita income is forecast to increase 2.3 percent in 2007. Over the next five years real per capita incomes are expected to increase an average of 2.1 percent per year.
- Industrial production is forecast to rise sharply due to an increase in employment in the goods producing sector. Over the next five years the growth rate of industrial production averages 9.4 percent per year. Total crop production, adjusted for inflation, is expected to increase an average of 0.4 percent per year between 2007 and 2011.

Modoc County Economic Forecast

1997-2006 History, 2007-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (number)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
1997	10,030	116	10.7	4,043	7	\$61.4	\$188.7	\$24,578	3.4	74.7	6.4	11.8
1998	9,640	-348	10.9	4,063	10	\$62.2	\$196.8	\$25,851	3.2	71.5	7.6	11.3
1999	9,437	-180	11.0	4,094	14	\$61.9	\$214.9	\$27,655	4.2	77.5	11.2	8.6
2000	9,527	120	11.4	3,784	20	\$75.9	\$195.9	\$23,909	4.5	79.4	15.0	7.5
2001	9,477	-37	11.9	3,809	10	\$77.1	\$205.2	\$23,895	5.4	63.4	16.0	7.0
2002	9,472	42	12.1	3,813	27	\$72.9	\$225.3	\$25,821	1.6	80.1	16.9	7.9
2003	9,582	136	12.2	3,844	35	\$74.0	\$231.4	\$25,752	1.8	77.1	16.8	8.8
2004	9,907	359	13.1	3,938	14	\$83.3	\$237.6	\$25,279	1.2	74.3	15.8	8.8
2005	9,894	10	13.2	3,978	23	\$82.0	\$245.5	\$25,631	2.0	90.3	18.5	8.1
2006	9,910	49	13.3	4,010	22	\$89.4	\$264.3	\$26,672	3.3	93.1	21.3	7.8
2007	9,940	54	13.4	4,024	22	\$92.3	\$279.1	\$27,282	2.9	93.6	24.1	7.4
2008	9,970	51	13.5	4,038	22	\$95.3	\$292.7	\$27,969	2.0	94.1	26.4	7.5
2009	10,002	49	13.6	4,050	23	\$98.4	\$306.4	\$28,599	2.0	94.5	28.8	7.8
2010	10,045	56	13.8	4,063	24	\$101.9	\$321.0	\$29,090	2.5	94.8	31.1	7.8
2011	10,105	70	13.9	4,077	25	\$105.3	\$336.5	\$29,623	2.4	95.0	33.4	7.8
2012	10,179	83	14.0	4,091	26	\$108.5	\$351.7	\$30,068	2.2	95.2	35.6	8.0
2013	10,263	93	14.1	4,105	26	\$111.6	\$366.1	\$30,333	2.3	95.3	37.8	8.1
2014	10,354	102	14.3	4,120	26	\$114.8	\$381.4	\$30,610	2.3	95.5	40.1	8.2
2015	10,452	109	14.4	4,135	26	\$118.1	\$396.8	\$30,759	2.6	95.6	42.3	8.3
2016	10,555	116	14.6	4,150	27	\$121.5	\$413.5	\$30,921	2.7	95.6	44.4	8.3
2017	10,659	120	14.7	4,165	26	\$125.0	\$429.6	\$30,974	2.7	95.7	46.7	8.3
2018	10,760	118	14.9	4,180	27	\$128.4	\$446.5	\$31,107	2.5	95.8	49.4	8.3
2019	10,860	119	15.1	4,195	27	\$131.9	\$464.3	\$31,262	2.5	95.8	52.0	8.3
2020	10,955	118	15.2	4,211	27	\$135.5	\$481.8	\$31,381	2.5	95.8	54.4	8.2
2021	11,047	117	15.4	4,226	27	\$139.2	\$500.6	\$31,562	2.4	95.9	56.2	8.1
2022	11,137	118	15.6	4,241	27	\$143.1	\$520.3	\$31,740	2.5	95.9	57.4	8.1
2023	11,219	114	15.8	4,256	26	\$147.0	\$539.5	\$31,883	2.5	95.9	58.7	8.1
2024	11,296	110	16.0	4,271	26	\$150.7	\$558.1	\$32,023	2.3	95.9	60.0	8.1
2025	11,371	110	16.1	4,286	26	\$154.5	\$576.4	\$32,096	2.4	95.9	61.3	8.0
2026	11,440	107	16.3	4,301	25	\$158.3	\$594.8	\$32,144	2.4	95.9	62.7	8.0
2027	11,502	103	16.5	4,315	25	\$162.2	\$612.3	\$32,122	2.5	95.9	64.0	8.0
2028	11,559	102	16.7	4,330	25	\$166.5	\$631.6	\$32,112	2.7	95.9	65.8	8.0
2029	11,610	100	16.8	4,344	25	\$170.9	\$651.0	\$32,100	2.7	95.9	67.9	7.9
2030	11,655	98	17.0	4,358	25	\$175.4	\$671.2	\$32,141	2.6	95.9	70.1	7.9



Modoc County Employment Forecast

1997-2006 History, 2007-2030 Forecast

	Total Wage & Salary	Farm	Goods Producing	Wholesale & Retail Trade	Health & Education	Leisure	Government
	-----employment (jobs)-----						
1997	2,661	347	80	397	163	158	1,297
1998	2,750	408	91	427	148	152	1,265
1999	2,878	381	132	464	151	153	1,278
2000	2,798	338	164	428	144	158	1,265
2001	2,928	293	175	461	138	158	1,342
2002	3,036	312	182	528	148	152	1,380
2003	3,093	375	168	519	148	167	1,394
2004	2,968	375	150	470	133	166	1,400
2005	2,962	351	173	465	148	154	1,400
2006	2,986	353	194	470	154	141	1,382
2007	3,015	357	210	477	149	141	1,380
2008	3,036	361	220	486	142	142	1,381
2009	3,060	361	229	497	140	144	1,383
2010	3,099	364	237	510	140	146	1,389
2011	3,135	363	245	524	140	148	1,398
2012	3,176	366	252	537	139	151	1,408
2013	3,207	363	258	549	136	154	1,420
2014	3,247	369	263	561	134	157	1,431
2015	3,279	365	267	573	136	160	1,443
2016	3,325	373	272	584	138	162	1,456
2017	3,359	370	277	596	139	163	1,469
2018	3,398	369	282	608	141	165	1,483
2019	3,440	368	286	620	147	167	1,498
2020	3,477	366	288	631	151	169	1,512
2021	3,521	371	289	643	155	170	1,527
2022	3,560	373	290	654	160	172	1,542
2023	3,592	370	290	665	163	173	1,556
2024	3,628	372	291	675	165	174	1,570
2025	3,664	377	292	685	167	175	1,584
2026	3,691	375	293	694	169	176	1,597
2027	3,719	376	296	701	170	175	1,609
2028	3,749	380	299	709	171	174	1,621
2029	3,773	377	303	717	172	171	1,633
2030	3,801	378	307	725	173	169	1,645

