



UNABRIDGED SONOMA COUNTY INDICATORS

ECONOMIC REPORT

2018



ECONOMIC DEVELOPMENT BOARD

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BY THE NUMBERS

ECONOMY

WAGE
GROWTH

5.6%

MEDIAN
INCOME

\$66,783

UNEMPLOYMENT
RATE

3.4%

TOTAL TAXABLE
SALES

\$9 billion

WORK- FORCE

FULL-TIME
WORKERS
53.7%WORKERS
254,000LABOR FORCE
PARTICIPATION
64.7%GROTH IN EM-
PLOYMENT
13%
since 2012

SOCIETY

POPULATION
506,366MEDIAN AGE
41BACHELOR'S DE-
GREE OR HIGHER
34.2%CRIME PER 1,000
RESIDENTS
19.2

HOUSING

MED. HOME
SALES PRICE
\$576,0002nd
MOST AFFORD-
ABLE COMPARA-
BLE COUNTYMEDIAN RENT
\$1,380RESIDENTS
SPENDING MAJ.
INCOME ON HOUS-
ING
27.3%

CREATIVE

JOBS IN CRE-
ATIVE ECONOMY
6,703AVG. HOUSE-
HOLD ARTS
SPENDING
\$458HOUSEHOLDS
DONATING TO
ARTS
32%ARTS ESTS. PER
1,000 RESIDENTS
65

TOURISM

EMPLOYMENT IN
HOSPITALITY
10.8%DIRECT VISITOR
SPENDING
\$2.1 bil.T.O.T.
REVENUE
\$47.3 mil.STS PASSENGER
GROWTH
17%

HEALTH

UNINSURED RES-
IDENTS
10.1%DEATHS PER
100,000
603.7IN VERY GOOD/
EXCELLENT
HEALTH
61%OVERWEIGHT/
OBESE ADULTS
52.9%

ENVIRON- MENT

DAYS W/ 'GOOD'
AIR QUALITY
85%ELECTRICITY
CONSUMPTION
3rd lowest
(among comparable
counties)RENEWABLE EN-
ERGY PROD.
5 million MWhGROWTH IN
PARK VISITS
45.6%

EXECUTIVE SUMMARY

August 2018

The Sonoma County Economic Development Board (EDB) is pleased to present the 2018 *Unabridged Sonoma County Indicators*.

This annual assessment of our region's progress is meant to help guide discussions by local business, government, community, and education leaders regarding strategies for shaping our region's economic future. The EDB is committed to working with our partners to take the actions necessary to build our strengths and to address our deficiencies in order to improve the economic opportunities and quality of life for all Sonoma County residents, especially after the wildfires in October 2017. This report can be used by businesses, civic organizations, government actors, and residents alike to assess Sonoma County's economic wellbeing.

These indicators are an extension of the 2018 *Abridged Sonoma County Indicators*. They include data that has been released since the end of 2017.

HIGHLIGHTS



All signs point towards a strong economic recovery. The **unemployment dropped below 3%, and has remained about stable for the last six months** and the county continues to add jobs and business establishments. Furthermore, the county maintains a high quality of place index and a low cost of doing business, although high housing prices stifle labor attraction and preclude many jobs from being filled.



Strong employment gains in multiple industry clusters and a continuing trend of low unemployment rate are a positive indication of a sustainable economic recovery taking hold in Sonoma County.



One of Sonoma County's greatest long-term challenges is its rapidly **aging population**. Live births are dropping off while the number of older residents increases at faster rates than ever. The White population of the County remains the most populous ethnicity, yet the Latino population is continually growing as the largest minority group.



Housing prices remain high in Sonoma County, making it difficult for low- and middle-income earners to move to our communities and take the many available jobs. Furthermore, the October wildfires destroyed over 5000 homes and businesses, accentuating the crisis and bringing a new sense of urgency to the community.



The creative economy has not seen as much growth as other sectors: **overall participation** has decreased (although not by a significant margin) in the last few years, and the arts have not seen great gains in employment. Fire recovery, however, has emphasized arts programs in its community building project.



Employment generated by destination spending and total direct spending both continue to grow, which highlight Sonoma County's **growing popularity as a tourist destination**. Further, Transient Occupancy Taxes are the highest they have ever been since the EDB started tracking these numbers, which indicates a thriving tourism industry—even in the face of the October wildfires.



The impact from the roll out of The Patient Protection and Affordable Care Act (ACA) dominates the changes in statistics related to health. **Health insurance rates increased** markedly and a significant increase in the percent with public health insurance occurred. Both trends are due to the implementation of the ACA.



Sonoma ranks highest in air quality compared to other North Bay counties, shows a declining trend in waste disposal per capita and total water use, and has reached a 15-year low in the emission of greenhouse gases. The county has yet to reach the emissions goal set in 1990, however



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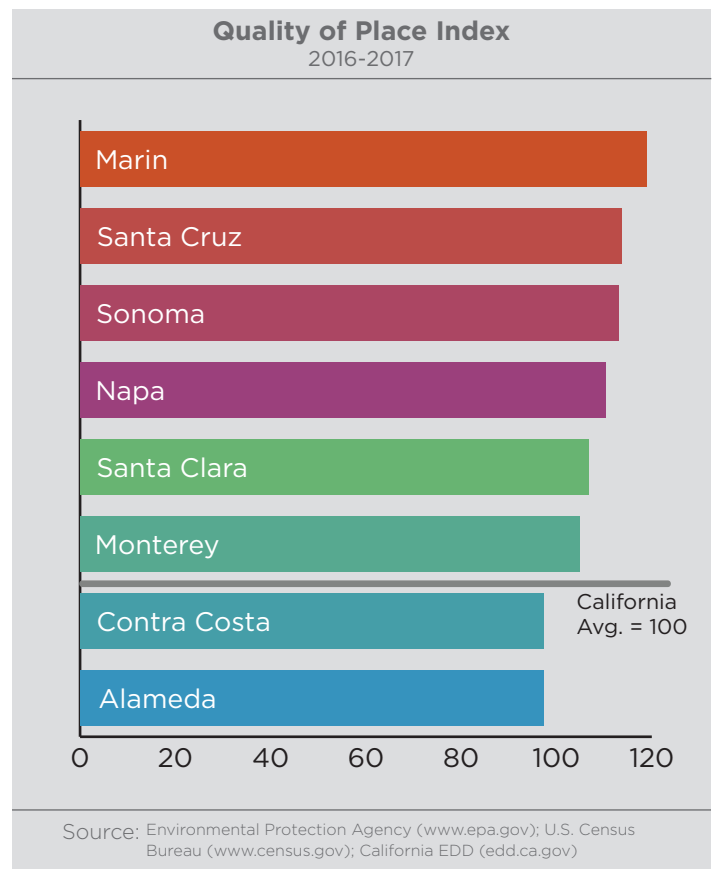


QUALITY OF PLACE INDEX

An area's quality of life is becoming more and more important in an increasingly competitive global economy as a way to attract and retain top talent. This stems from the fact that highly educated workers have more flexibility in where they choose to live, as their special knowledge and skills are in high demand. Furthermore, a high quality of place can act to attract businesses to the area. As such, an area's lifestyle attributes are crucial to its long-term economic success.

OVERVIEW

We examine five measures indicative of quality of place in order to establish how competitive Sonoma County is relative to comparable counties. Sonoma County's above-average ranking derives primarily from good air quality, a low average commute time, and high percentage of high school graduates. These individual measures are summarized on the next page.



QUALITY OF PLACE INDEX

QUALITY OF PLACE INDICATORS

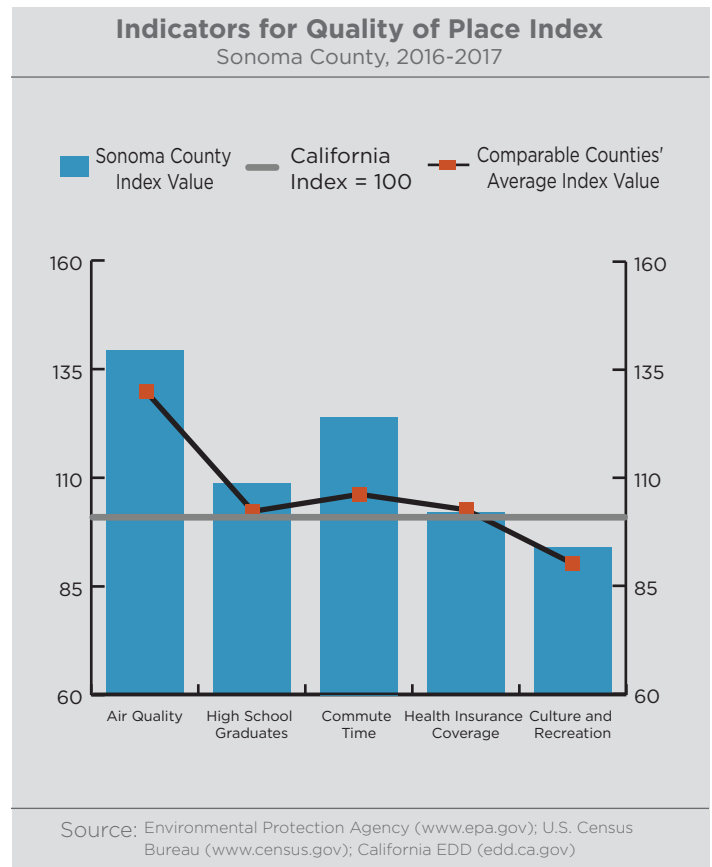
Air Quality: This is the percentage of days with air quality measured as 'good' by the Environmental Protection Agency. Sonoma County ranked about equal to Santa Cruz County, with 95% of days measured rated as 'good' in 2016 for both counties. Due to the October wildfires, 85.2% of days ranked "good" in 2017.

High School Graduates: This indicator represents the percentage of adult population (25+) with a high school diploma or higher. The better educated the regional workforce, the more quickly an economy can take advantage of new opportunities and recover from negative shocks. Sonoma County ranked fifth among comparable counties, with 88% of residents holding at least a high school diploma.

Commute Time: The commute time measures the average time spent traveling to work by county residents. Sonoma County exhibited the second-lowest commute time among comparable counties, at an average of 23.3 minutes. This places Sonoma County behind only Monterey County.

Health Insurance Coverage: The number of individuals with health insurance coverage has seen an increase in recent years. Sonoma County ranked seventh among comparable counties with 92.5% of residents having health insurance coverage. Sonoma County only had a higher percentage of citizens insured than Monterey County.

Culture and Recreation: Employment in the arts, entertainment and recreation sector (NAICS 71) per capita provides a measure of an area's cultural and recreational opportunities. This is measured by a Location Quotient, which for Sonoma County was below the California average but above comparable counties', at .94.



ECONOMY

The indicators in the Economy section affect the livelihood, prosperity, and financial security of Sonoma County and its residents. These indicators measure productivity, employment, and wage growth.

UNEMPLOYMENT

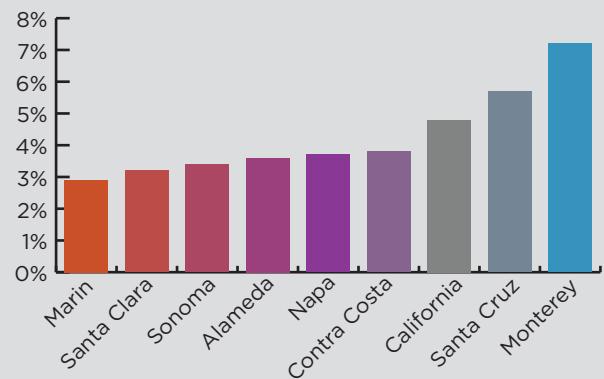
In 2017, Sonoma County's annual unemployment rate was measured at just 3.4%. Unemployment has continued to decline well into 2018, with the county experiencing a rate of 2.4% in May 2018 (though this lower rate can be partly attributed to seasonality). Among comparable counties, Sonoma's unemployment ranked third lowest. From 2012-2017, Sonoma County's unemployment rate dropped from 8.9% to 3.4%. This is the third most dramatic drop in unemployment over this period of time among comparable counties. California as a whole experience a 6.1 percentage point drop in unemployment from 2012-2017, from 10.4% to 4.8%. Since 2000, the county's long-term trend saw a modest rise in unemployment following the dot com crash, followed by a period of stability until the onset of the Great Recession in 2008. Unemployment crested in January 2011 at 11.1%, before steadily declining throughout the 2010s. Today, unemployment hovers around 2.5%, a historic low. The median unemployment rate from 2000-2018 is 5%—this can be considered the “historic unemployment rate.”

EMPLOYMENT

The number of employed workers in Sonoma County continues to see robust growth. Employment rose steadily through the 2000s until the recession. Sonoma County saw a severe drop in employment, followed by a very gradual return to pre-recession levels. Among comparable counties, Sonoma saw the third weakest growth in employment from 2007-2017, at 3.2%. Santa Clara county saw explosive growth in employment during this time at 25.5%, and second-place Alameda saw 15.1% growth. As a whole, the Bay Area fared much better than the rest of California. Santa Cruz experienced the weakest employment growth among comparable counties at -0.4%, while California experienced a decline of -7.9% during this time.

Unemployment Rate

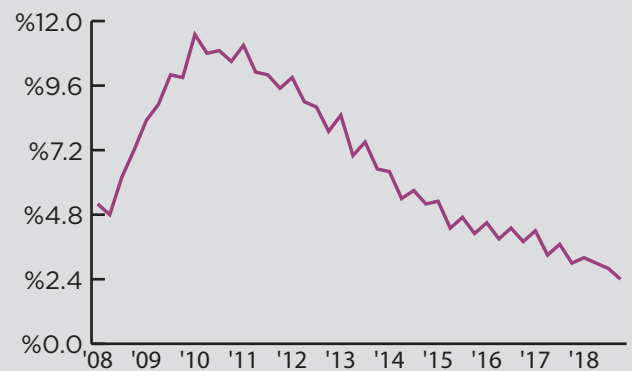
Seasonally Unadjusted, 2017



Source: California Economic Development Department (www.edd.ca.gov)

Unemployment Rate

2008-2018



Source: Bureau of Labor Statistics, 2018

ECONOMY

TOTAL WAGES

In 2017, total wages for workers in Sonoma County were \$10.7 billion—a 5.6% increase from 2016 and a 29.3% increase since 2007. Over the past ten years, total wages only declined in two years—2009, by 8.2%, and 2012, by 0.3%. Excluding these two negative-growth years, average annual wage growth over the past ten years was 3.9%. This puts 2017's growth above the historic average. Among comparable counties, Sonoma County's one-year wage growth ranks third of eight. Santa Clara County saw the highest single-year growth at 10%, and Marin saw the lowest at 2.7%. Over the past ten years, Sonoma County's wage growth ranks sixth of eight. Santa Clara once again saw the greatest gains at 82.8% while Santa Cruz ranked last at 25.3%.

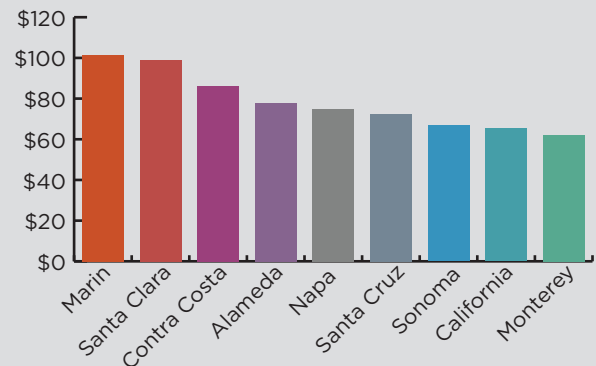
AVERAGE ANNUAL WAGE

Sonoma County's average annual wage in 2017 was \$52,176. This is up 21.8% since 2007. Over the past ten years, average annual pay growth was weaker than the growth in total wages because the growth in employees outpaced the growth in individual wages (the growth in total wages were divided among more workers). Sonoma County ranks fifth in average annual wage growth during this period of time, slightly behind the other North Bay counties of Marin and Napa.

MEDIAN HOUSEHOLD INCOME

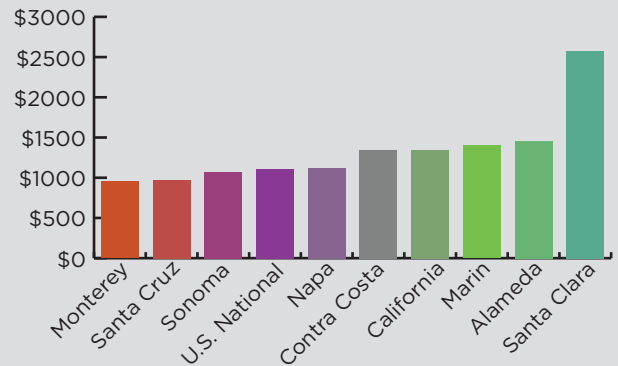
In 2017, Sonoma County's median household income was \$66,783. This compares higher than the California median of \$65,223. Looking at projections for the future, the county is expected to see household income increase by 13% to \$75,491 in 2022. Among comparable counties, Sonoma is projected to see the strongest growth in household income.

Median Household Income
(Thousands of Dollars), 2017



Source: ESRI (www.bao.arcgis.com)

Average Weekly Wage
Q4 2017

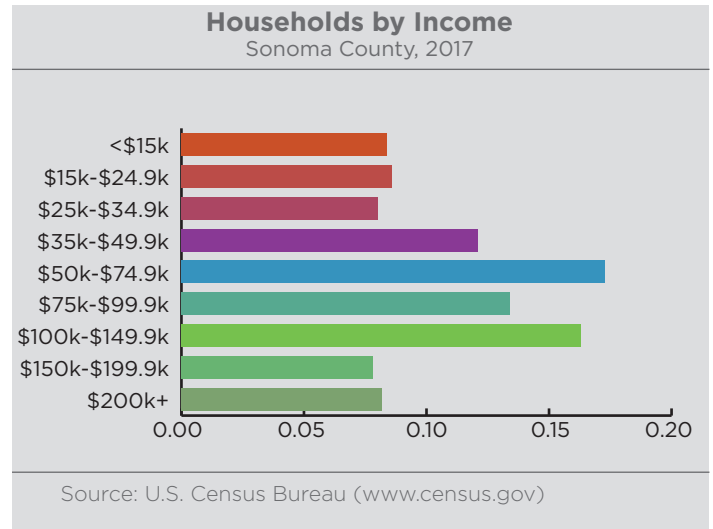


Source: U.S. Bureau of Labor Statistics (www.bls.gov)

ECONOMY

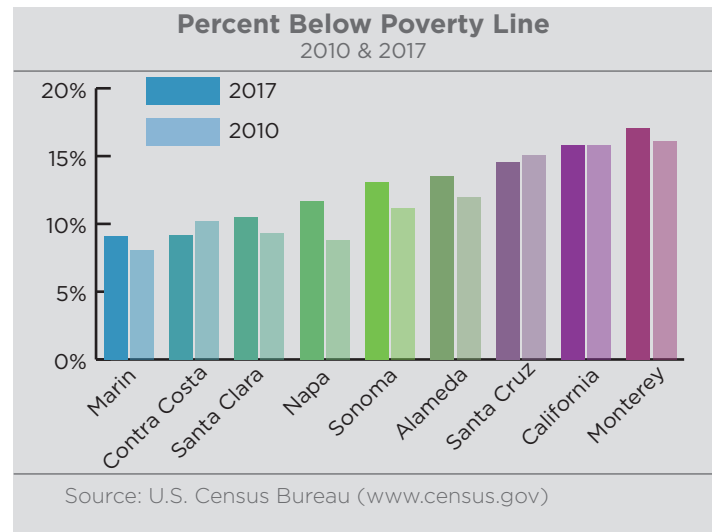
HOUSEHOLDS BY INCOME

Sonoma County's largest income bracket groups are \$50,000-\$75,000 (17.3%) and \$100,000-\$150,000 (16.3%). The county's bottom three income brackets, which make up \$0-\$35,000, account for 25% of households. 32.3% of households earn over \$100,000 in Sonoma County. This places the county seventh among eight for "high-value" households. Marin County has the most "high-value" households at 50.7%, and is also the only comparable county to have a slight majority of households earning over \$100,000.



RESIDENTS IN POVERTY

In 2016, 11.2% of residents lived below the poverty line in Sonoma County. The county ranks fifth of eight for poverty, with Marin having the fewest residents below the poverty line at 8.1% and Monterey having the most at 16.1%. The California statewide average is 15.8% and the nationwide average is 15.1%; seven of the eight comparable counties fare better than the state and national averages. Over the last five years, Sonoma County saw a 0.4 percentage point reduction in poverty—from 11.6% to 11.2%. Napa saw the most dramatic decline, by a full 2.3 percentage points to 8.8%.



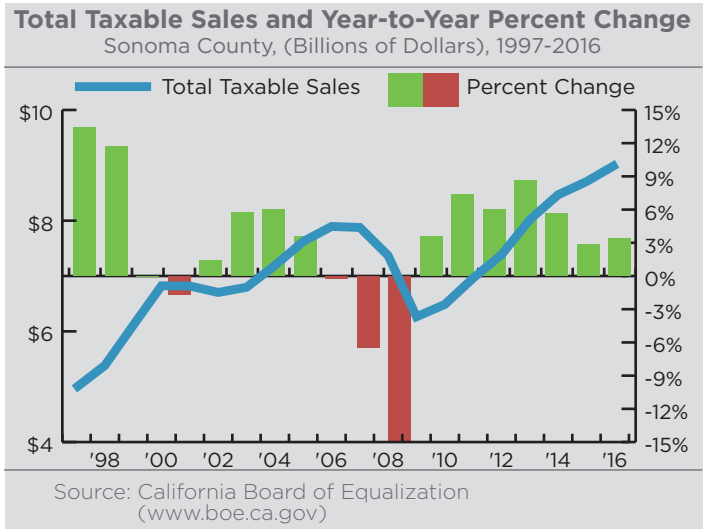
GINI INDEX

The Gini Index measures wealth inequality. A score of 0 indicates perfect wealth equality, where each resident has the same amount of wealth. A score of 1 indicates perfect inequality, where only one resident possesses all the wealth. Sonoma County has the second most equitable Gini Index score, at 0.459. Monterey county is the most equitable, at 0.458, and Marin County is the least equitable at 0.525. The statewide average is 0.488, with seven comparable counties scoring more equitably.

ECONOMY

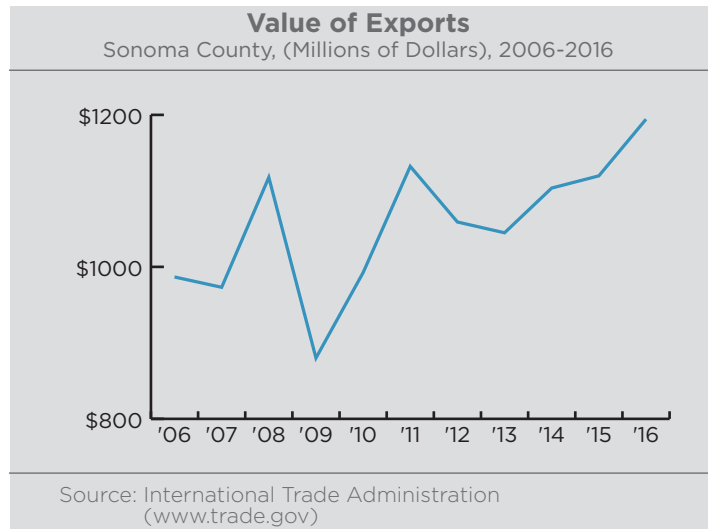
TOTAL TAXABLE SALES

Total taxable sales is a good measure of economic health and consumer confidence. Sonoma County saw two years of negative growth in the past ten years, during the recession. 2009 was notable for seeing a \$1.1 billion decline in total taxable sales. In recent years, total sales has grown by about a quarter billion dollars each year. 2016 was the first year that total taxable sales breached \$9 billion. From 2007-2016, sales have grown by a net \$1.1 billion. Among comparable counties, Sonoma saw the third largest increase in total taxable sales from 2011-2016 at 29.3%. Napa saw the greatest gain at 36.4%, and Contra Costa saw the weakest growth at 24.4%. The statewide average was 24.7% during this time; six of eight comparable counties saw higher than average gains.



VALUE OF EXPORTS

Sonoma County exported \$1.2 billion in goods in 2016, a historic high. Export values are more volatile, with three of the past ten years seeing negative growth. Sonoma County first broke \$1 billion in total export value in 2011, before seeing a two-year decline through to 2013. Sonoma County exports account for 0.7% of California's total exports by value. This figure has only slightly changed over the past ten years, not changing more than 0.1% year-over-year. In contrast, Sonoma County accounts for 1.4% of the state's total taxable sales.



EXPORTS BY INDUSTRY VALUE

In 2016, Sonoma County's top five industries by total export value were Computer & Electronic Product Manufacturing (\$422 million), Machinery Manufacturing (\$184 million), Chemical Manufacturing (\$147 million), Beverage Product Manufacturing (\$102 million), and Electrical Equipment, Appliance, & Component Manufacturing (\$69 million). Over the past ten years, the proportional share of total export value for these top industries has not changed dramatically. Machinery Manufacturing saw the largest change with an increase in export share by 2.6 percentage points from 12.8% in 2007 to 15.4% in 2016.

ECONOMY

EXPORTS BY SELECTED DESTINATION

The two largest export destinations for Sonoma County companies are trade partners along the Pacific Rim. Sonoma County exported \$759 million to countries in the Asia-Pacific Economic Cooperation and \$555 million to countries in the Trans-Pacific Partnership. The third largest export destination is Asia (Asian countries not in other trade agreements), which purchased \$477 million in goods in 2016. Sonoma County exported \$216 million to the European Union.

BUSINESSES

In 2016, Sonoma County had 19,840 business establishments. The county saw five years of negative or stagnant growth in businesses until 2014, when growth rose to an average of 1.7% annually. From 2007-2017, businesses grew by a total 11.7%. Among comparable counties, this growth ranks fifth of eight. Santa Clara saw the highest growth at 27.5% while Marin experienced the weakest growth at 8.2%.

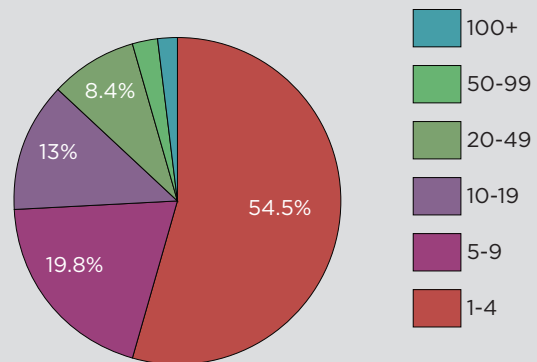
BUSINESSES BY SIZE

54.5% of businesses had just 1-4 employees in 2016, followed by 19.8% of businesses which employed between 5-9 workers. While definitions for small, medium, and large businesses range from industry to industry, 74.2% of business establishments in Sonoma County can be classified as “small” (having 1-9 employees), 21.4% are “medium” (11-49), and 4.4% are “large” (50+). This distribution has not dramatically changed in the recent past. From 2011-2016, there was a 2.8 percentage point decrease in businesses with 1-4 employees.

TOP PRIVATE EMPLOYERS

In 2017, the top private employers were dominated by healthcare, food & wine, and financial services. Kaiser Permanente, St. Joseph health, and Sutter Santa Rosa Regional Hospital employed 2,604, 1,578, and 936 workers respectively. Safeway Inc, Amy’s Kitchen, and Lagunita’s Brewing Company employed 1,200, 987, and 900 workers. Wells Fargo employed 916 workers.

Size of Businesses
Sonoma County, 2017



Source: County Business Partners

Sonoma County Top Private Employers
2017-2018

Rank	Employer	Industry	# Emp.
1	Kaiser Permanente	Healthcare	2,640
2	Graton Resort & Casino	Leisure and Hospitality	2,001
3	St. Joseph Health, Sonoma County	Healthcare	1,578
4	Keysight Technologies	Manufacturing	1,300
5	Safeway Inc.	Retail Trade	1,200
6	Medtronic	Manufacturing	1,000
7	Amy's Kitchen	Manufacturing	987
8	Sutter Santa Rosa Regional Hospital	Healthcare	936
9	Wells Fargo	Banking	916
10	Lagunitas Brewing Company	Manufacturing	900

Source: North Bay Business Journal Book of Lists, 2017

ECONOMY

NONEMPLOYER ESTABLISHMENTS

A nonemployer establishment is a business owner who, unlike traditional business establishments, has no employees and earns at least \$1,000 in annual revenue. This is essentially a count of self-employed individuals, and is a good proxy for measuring entrepreneurship. Sonoma County recorded 45,132 nonemployer establishments. From 2011-2016, the number of nonemployee establishments grew by 8.9%.

NONEMPLOYER ESTABL. BY INDUSTRY

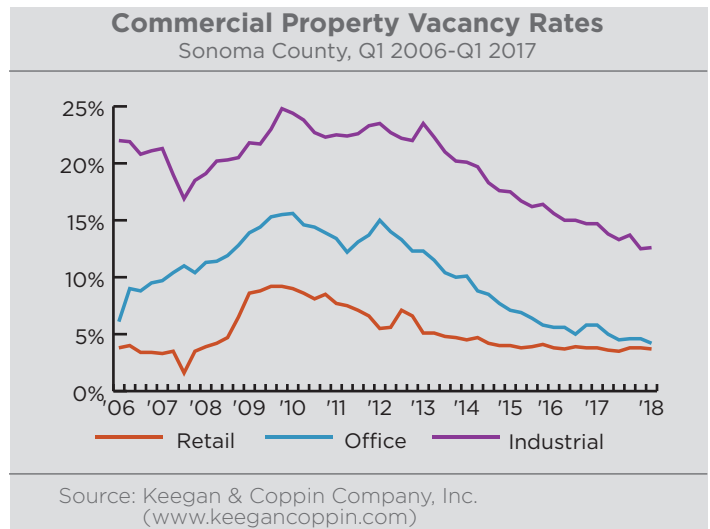
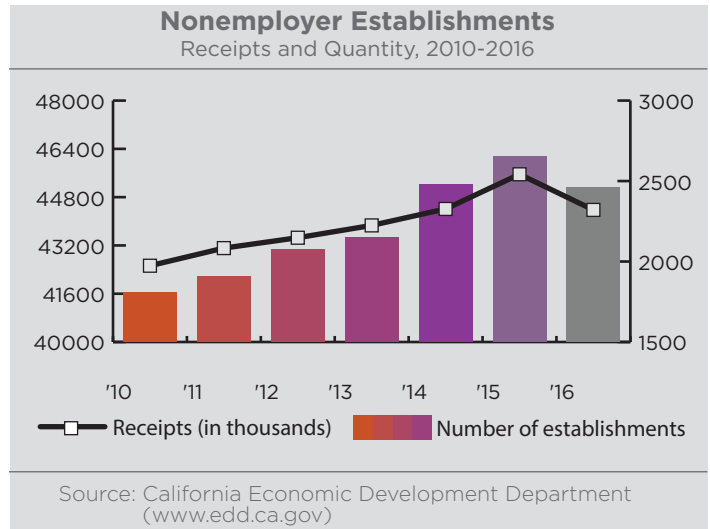
The most common industry for nonemployer establishments was Professional, Scientific, & Technical Services at 20.4% of the total count. This is followed by Real Estate, Rental, & Leasing at 9.4% and Construction at 8.5%. From 2011-2016, nonemployee establishments in Transportation & Warehousing and Construction increased by 2.2% and 1.8% respectively.

NONEMPLOYER ESTABL. BY REVENUE

Nonemployer establishments generated \$2.3 billion in revenue in 2016, up from \$2.1 billion in 2011. Among the industries which account for nonemployer establishments, some received higher shares of this total revenue than others. Real Estate, Rental, & Leasing account for just 9.4% of establishments but take in 21.6% of revenue. Arts, Entertainment, & Recreation accounts for 13.8% but only takes in 9.5% of revenue.

COMMERCIAL VACANCY RATES

Sonoma County's commercial vacancy rates reflect demand from entrepreneurs and companies to create or expand their businesses. The office vacancy rate hit a historic low in 2018 at 12.6%, down from a peak of 24.8% in 2009. The industrial vacancy rate has fallen to 4.2%, in part fueled by the increased demand for warehousing from the budding cannabis industry. The retail vacancy rate has seen a very gradual recovery since the recession, when vacancy peaked at 9.2%. The retail rate was 3.7% in 2018, which aligns with the pre-recession levels of 3.5%.



ECONOMY

GDP

GDP an essential measure of economic prosperity. It quantifies how productive a local economy is, by measuring the value of final goods and services produced in an area. Sonoma County's GDP in 2016 was \$27.3 billion, up 56.4% from 2001. During this same period of time, California's GDP increased by 90.4%.

REAL GDP PER CAPITA

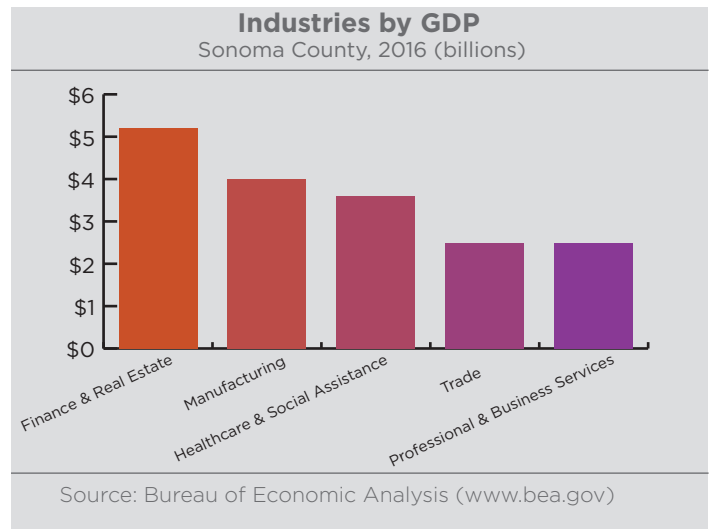
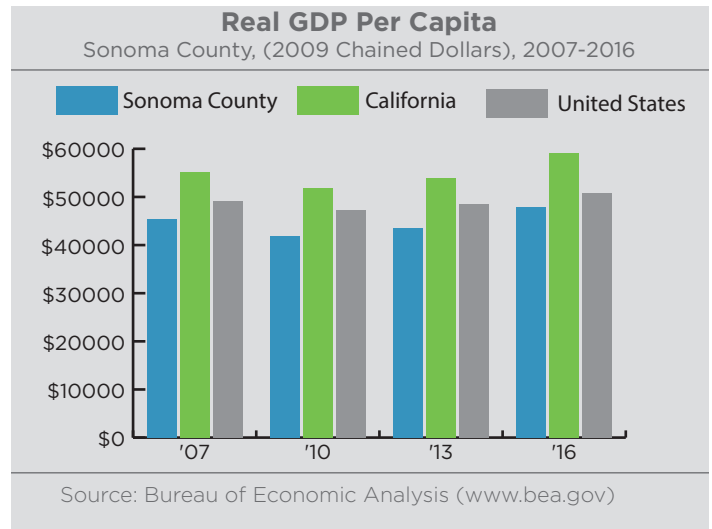
Sonoma County has seen per capita GDP increase in recent years at a modest pace. From 2001-2016, GDP per capita increased just 7% to \$47,946. During that same time, California's GDP per capita grew by 24.9%. Sonoma County and California had near-parity GDP per capita in 2001, at \$44,828 and \$47,216 respectively. But years of faster growth propelled California's GDP per capita to \$58,974 in 2016.

GDP BY INDUSTRY

The top five industries contributing to Sonoma County's GDP in 2016 were Finance & Real Estate (\$5.2 billion), Manufacturing (\$4 billion), Trade & Retail (\$3.6 billion), Healthcare & Social Assistance (\$2.5 billion), and Professional & Business Services (\$2.5 billion). Over the past 15 years, Healthcare & Social Assistance saw the strongest growth, at 127%. This is followed by Arts, Entertainment, Recreation, Accommodation, & Food Services at 83%. Natural Resources & Mining (23%) saw the most tepid growth.

LOANS TO SMALL BUSINESSES

Under the Community Reinvestment Act, data is collected on loans given to "small" businesses (defined in this case as those with less than \$1 million in annual revenue). The number of these loans peaked in the years leading up to the recession, as did the total amount of these loans. In 2007, 12,836 loans were made for \$280 million. Following a steep decline after the recession, the number and amount of loans has steadily regained ground and has increased to 6,643. This number is still half the pre-recession peak, but the average loan size has slightly increased from \$21,830 in 2007 to \$23,930 in 2017.



WORKFORCE

Workforce indicators provide information on demographic trends, employment concentration and growth in Sonoma County's industries. These indicators illustrate opportunities and challenges for the county's labor force.

INDUSTRY EMPLOYMENT

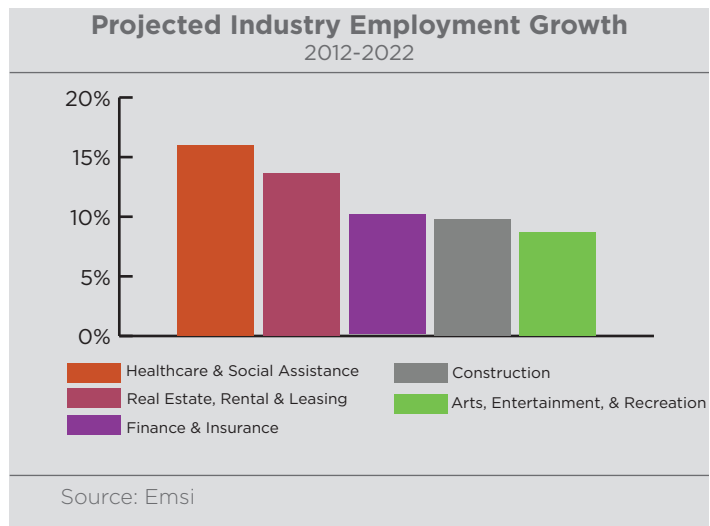
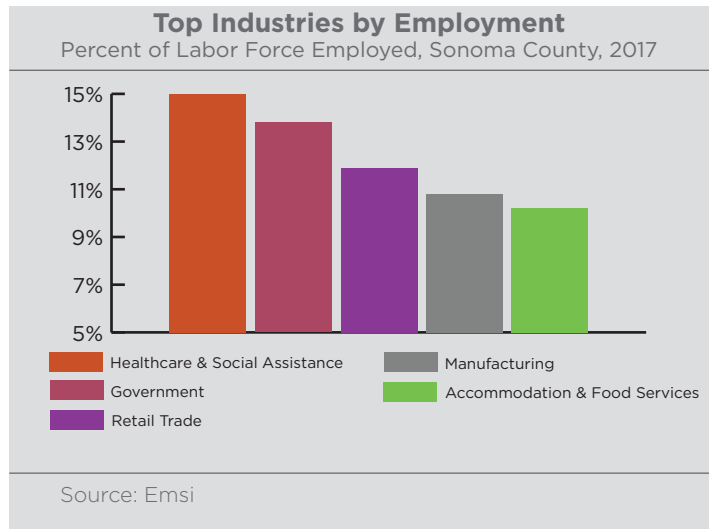
In 2017, Sonoma County's top five industries by employment were Healthcare & Social Assistance (15%), Government (13.8%), Retail (11.9%), Manufacturing (10.8%), and Accommodation & Food Services (10.2%). Healthcare experienced robust growth over the past ten years, increasing by 51.7%. This growth propelled its rise from fourth largest industry in 2007 to first in 2017. Arts, Entertainment, & Recreation saw the second-most ten-year growth at 30%. Mining, Quarrying, & Oil and Gas Extraction experienced the worst decline at -37.4%.

PROJECTED INDUSTRY EMPLOYMENT

Looking into the future, employment is projected to grow 7.2% by 2022. Healthcare & Social Assistance will continue to grow faster than other industries, with a projected 16% growth over the next five years. Real Estate, Rental, & Leasing will see a 13.6% growth. Finance & Insurance will see a 10% growth. Mining, Quarrying, and Oil & Gas Extraction is projected to shrink by 4.5%. Transportation & Warehousing will also shrink by 3.9%.

INDUSTRY LOCATION QUOTIENT

Location Quotient (LQ) measures how concentrated a particular industry is in a local economy. An LQ of 1.00 indicates that there are a proportionate number of industry jobs in a local economy as there are compared to the national average. An LQ of 2.00 indicates twice as much concentration. The top three industries by LQ in Sonoma County are Agriculture, Forestry, Fishing & Hunting (3.18), Construction (1.33), and Manufacturing (1.30). The bottom three industries are Mining, Quarrying, and Oil & Gas Extraction (0.15), Educational Services (0.45), and Transportation and Warehousing (0.46). The largest changes in LQ from 2012-2017 were in Health Care & Social Assistance (+0.19) and Professional, Scientific, & Technical Services (-0.48).



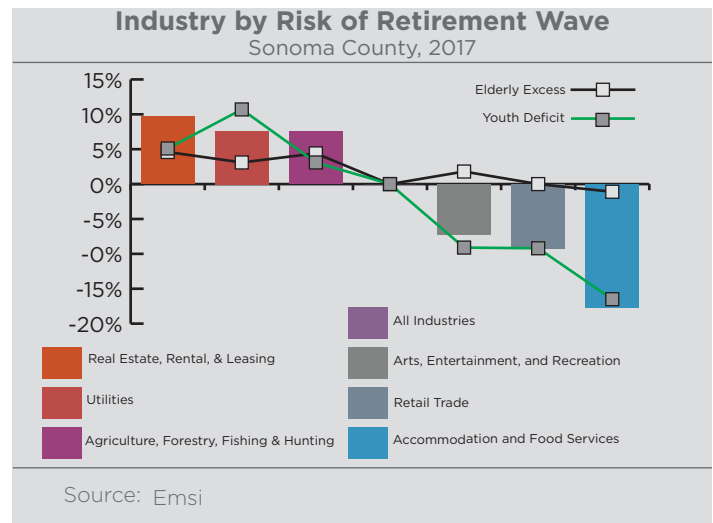
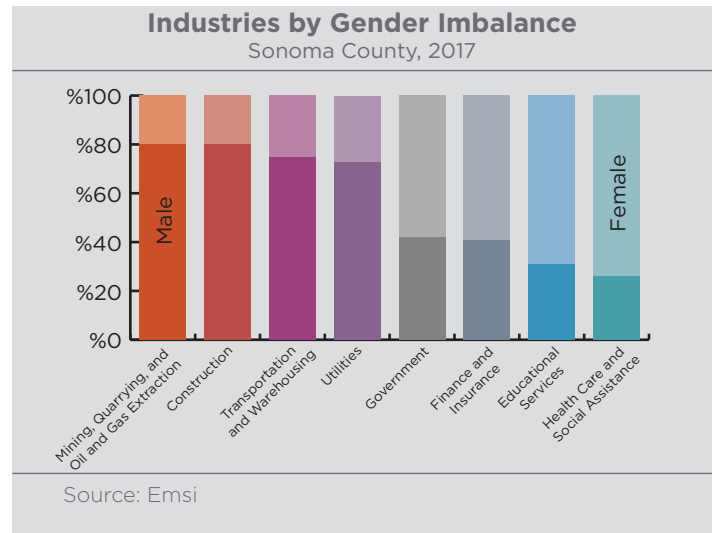
WORKFORCE

INDUSTRY BY GENDER

In Sonoma County, the most male-dominated industries are Mining, Quarrying, & Oil and Gas Extraction (80%), Construction (80%), Transportation & Warehousing (75%), Utilities (73%), and Wholesale Trade (66%). The most female-dominated industries are Health Care & Social Assistance (74%), Educational Services (69%), Finance & Insurance (59%), Government (58%), and Professional, Scientific, & Technical Services (53%).

RETIREMENT WAVES

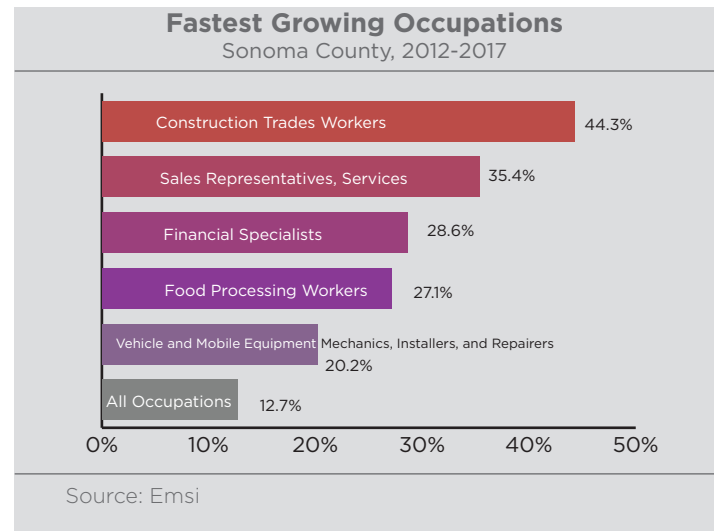
Some industries in Sonoma County have larger proportions of retirement-age workers. This is not inherently problematic because industries and economies financially benefit from older workers' institutional knowledge and lifetime of skill buildup. But an industry with a high ratio of aged 65+ workers and a low ratio of aged 15-24 year old workers runs the risk of a suffering a "retirement wave." This is when there are an insufficient number of younger workers to replace retiring ones, causing losses of productivity and institutional knowledge. Risk of a retirement wave is measured as an industry's below-average proportion of "youth workforce" (aged 15-24) added to the proportion of its above-average "elderly workforce" (aged 65+). Essentially, it adds the deficit of younger workers to the excess of elderly workers. Real Estate, Rental, & Leasing faces the most risk, at 9.7% (5.1% fewer youth employment than the county average and 4.6% more elderly employment than the county average). This is followed by Utilities (7.6%), and Agriculture, Forestry, Fishing, & Hunting (7.5%). The industry least threatened by a retirement wave is Accommodation & Food Services, at -17.7% (16.5% more youth employment than the county average and 1.1% less elderly employment than the county average). This is followed by Retail Trade (-9.2%) and Arts, Entertainment, & Recreation (-7.3%).



WORKFORCE

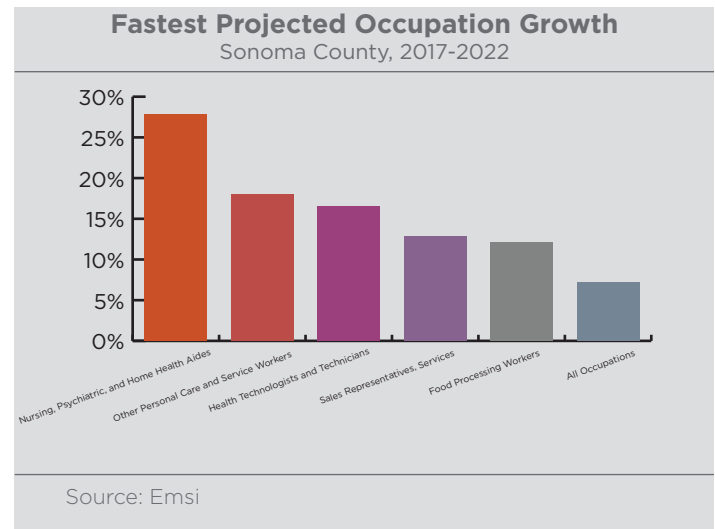
OCCUPATION EMPLOYMENT

An occupation is defined by skills and can span across industries. Looking at trends in occupations is important for present and future workforce readiness and training. In 2017, the largest five occupations in Sonoma County were Retail Sales Workers, Food & Beverage Serving Workers, Construction Trades Workers, Material Moving Workers, and Information & Record Clerks. From 2012-2017, the fastest growing occupations (with at least 1,000 workers) were Construction Trades Workers (44.3%); Sales Representatives, Services (35.4%); Financial Specialists (28.6%); Food Processing Workers (27.1%); and Vehicle and Mobile Equipment Mechanics, Installers, & Repairers (20.2%).



PROJECTED OCCUPAT. EMPLOYMENT

The fastest growing occupations projected over the next five years are Nursing, Psychiatric, & Home Health Aides (27.8%); Other Personal Care & Service Workers (18.0%); Health Technologists & Technicians (16.5%); Sales Representatives, Services (12.8%); and Food Processing Workers (12.1%). These projections show that, while hospitality is an important foundation for the present-day economy, healthcare will be a primary driver of the future economy.



OCCUPATION LOCATION QUOTIENT

Examining occupations using location quotient is an effective way to see which skills are uniquely demanded and utilized in Sonoma County's local workforce. Sonoma County's highest rated LQ occupations are associated with agriculture and hospitality. The top occupations in Sonoma County by LQ are Supervisors of Farming, Fishing, & Forestry Workers (5.59); Agricultural Workers (3.23); Tour & Travel Guides (2.59); Food Processing Workers (1.76); and Fishing & Hunting Workers (1.73). The five lowest ranked occupations of at least 1,000 workers are focused in manufacturing, which suffered severely during the recession but have since seen steady recovery. They are Nursing, Psychiatric, & Home Health Aides (0.46); Military occupations (0.52); Assemblers & Fabricators (0.53); Computer Occupations (0.53); and Metal Workers & Plastic Workers (0.53).

WORKFORCE

LABOR FORCE PARTICIPATION RATE

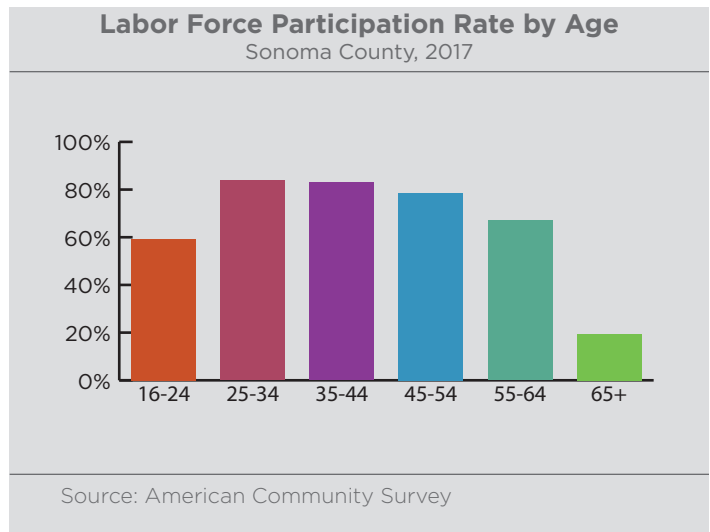
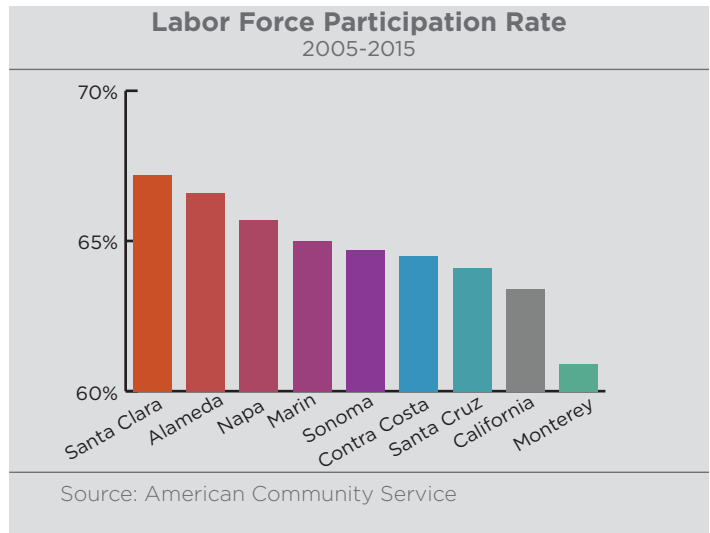
The labor force participation rate is a key indicator which speaks to the productivity and potential of a local economy. Among comparable counties, Sonoma ranks fifth of eight for participation at 64.7%. Santa Clara had the highest participation at 67.2% and Monterey had the lowest at 60.9%. Sonoma County's labor force participation rate has shrunk in recent years, falling from 66.3% in 2009. Looking at the participation rate for workers aged 20-64--the prime working cohort--Sonoma County's participation rate ranks third of eight at 77.7%.

YOUTH AND ELDERLY PARTICIPATION

While Sonoma County's workforce is broadly ageing at a faster rate than the state, it has the second-highest youth employment participation rate at 67.3%, defined as workers aged 16-29. Napa leads in this indicator at 68.7%, while Monterey places eighth at 58.1%. Sonoma has the third-highest participation rate among retirement-aged workers, defined as those aged 65+, at 19.4%. There is a significant drop-off between those aged 65-74 (31.8%) and 75+ (6.9%). All comparable counties have higher participation rates among retirement-age workers than the statewide average of 16.2%.

WORK STATUS

53.7% of workers in Sonoma County are considered "full-time," working at least 35 hours per week. This places Sonoma seventh of eight, with Santa Clara seeing the highest rate at 59.6%. Conversely, Sonoma County has the second-highest percentage of part-time workers at 24.1%. 56.9% of workers aged 16-64 work full-time year-round. This indicator is a good proxy for how much a local economy depends on seasonal industries, such as tourism or agriculture. The four counties where this rate is lowest—Santa Cruz, Monterey, Sonoma, and Napa Counties—rely heavily on hospitality.



SOCIETY

Society indicators include education levels and demographic trends. These indicators illustrate relative performance in quality of education as well as changes in populations.

POPULATION GROWTH

In 2017, Sonoma County was home to 506,366 residents. The county breached a half million residents in 2015. Over the past five years, Sonoma County grew by 15,858 residents and is projected to grow by 10,441 in the next five years. Over the past ten years, Sonoma County's annualized growth rate was just 0.83% per year. This rate is slightly lower than California's ten-year annualized growth rate of 0.92%.

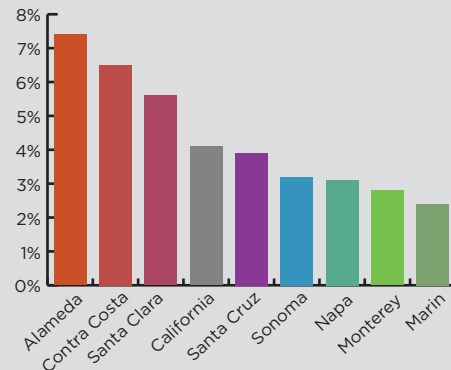
REGIONAL GROWTH

Among comparable counties, Sonoma's five-year growth from 2012-2017 was ranked fifth of eight at 3.2%. Alameda saw the greatest growth at 7.4%, while Marin experienced the weakest growth at 2.4%. Looking at the next five years, Sonoma is projected to experience the second-weakest growth at 2.1%. The North Bay together is projected to experience the weakest growth, with Napa, Sonoma, and Marin placing sixth, seventh, and eight respectively. The East Bay is projected to experience the highest growth, with Alameda and Contra Costa Counties placing first and second.

NET MIGRATION

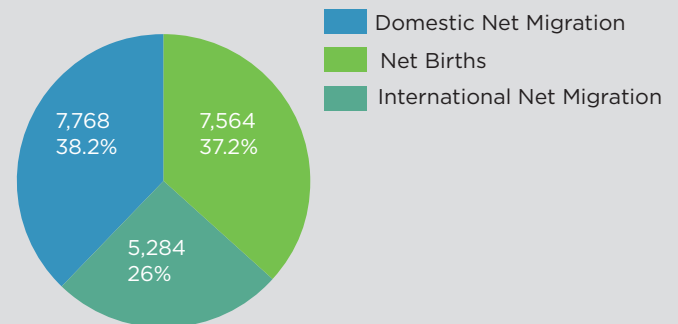
From 2016-2017, Sonoma County saw an increase in net migration by 13,052, with 60% stemming from domestic migration. Only one comparable county—Monterey—saw negative net migration, stemming from an exodus of domestic residents. California saw a positive net migration of 515,366 persons, from 556,710 domestic residents leaving and 1,072,076 non-domestic net migrants (which include international and non-Californians) arriving. Marin and Napa Counties experienced next migrations of 5,594 and 2,683 respectively. From 2010-2017, Sonoma County saw a net migration of 13,052, which accounted for 64.1% of total population change (net migration and net births).

Population Growth
2012-2017



Source: ESRI (www.bao.arcgis.com)

Components of Population Growth
Sonoma County, 2010-2017 (net total: 20,347)



Source: American Community Survey

SOCIETY

RACE

In 2017, 87% of Sonoma County residents self-identified as White, 4.4% as Asian, 4% as Multiracial, 2.2% as Native American, 2.0% as Black, and 0.4% as Pacific Islander. 15 years ago, 90.4% of residents self-identified as White, 3.6% as Asian, 2.7% as Multiracial, 1.6% as Black, 1.5% as Native American, and 0.3% as Pacific Islander.

ETHNICITY

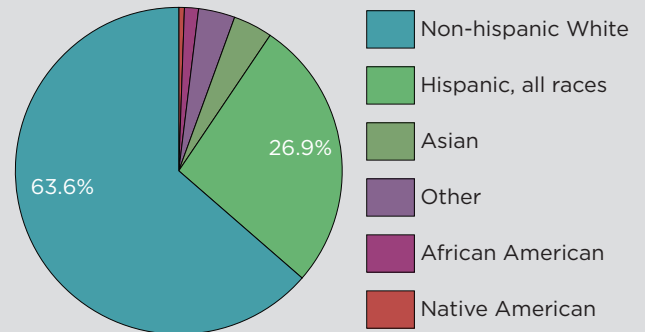
In 2017, 26.9% of residents in Sonoma County identified as Hispanic across all races. This compares to 18.9% in 2002, 15 years prior. In 2022, 28% of residents are projected to identify as Hispanic across all races. In 2017, 23.4% of White residents, 1.5% of Native American residents, 1.1% of Multiracial residents, 0.4% of Black residents, 0.3% of Asian residents, and 0.1% of Pacific Islander residents self-identified as Hispanic.

AGE COHORTS

Sonoma County is experiencing a gradual ageing of its population and workforce. In 2017, residents aged 0-14 (the “youth” cohort) comprised of 17% of the total population, residents aged 15-64 (the “working” cohort) comprised 65%, and residents aged 65+ (the “elderly” cohort) comprised 19%. 15 years ago, in 2002, the youth, working, and elderly cohorts comprised of 20%, 68%, and 12% respectively. Looking into the future, the youth, working, and elderly cohorts will comprise 16%, 61%, and 22% respectively in 2022. From 2002-2022, the elderly cohort is projected to expand 10 percentage points while the youth and working cohorts are projected to decline by -4 and -7 percentage points respectively.

Ethnic Distribution

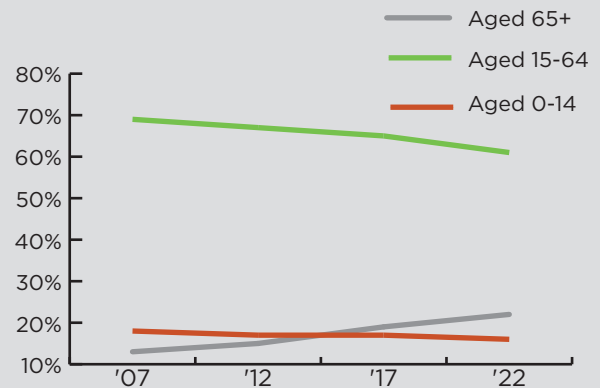
Sonoma County, 2017



Source: ESRI (www.bao.arcgis.com)

Population by Cohort

Sonoma County, 2007-2022



Source: Emsi

SOCIETY

MEDIAN AGE

In 2017, Sonoma County had a median age of 41. This ranks as second-oldest among comparable counties, with Marin County ranking oldest at 46.5 and Monterey as youngest at 33.9. Since 2010, the North Bay has seen the most dramatic ageing, with Marin, Sonoma, and Napa ageing the most at 2, 1.2, and 1.1 years. In 2022, Sonoma County is projected to have a median age of 41.7, with Napa rising claim the second place in oldest median age.

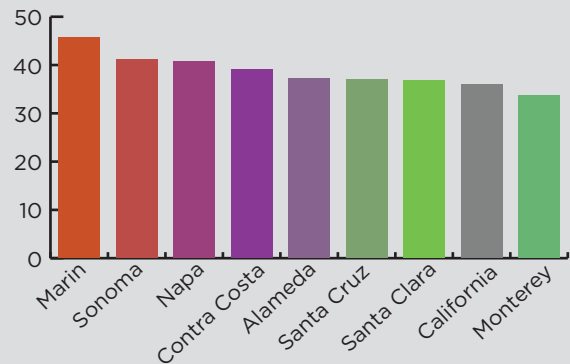
AGE LOCATION QUOTIENT

Location quotient, while traditionally used for jobs and industry, can be used to show which age groups are more or less proportionate in a local economy versus the national average. A location quotient of 1.00 for residents aged 0-5, for instance, means that there are an equally proportionate number of 0-5 year olds in Sonoma County compared to the nationwide average. In 2017, Sonoma County had a LQ of 0.88 for residents aged 0-14, 0.99 for residents aged 15-64, and 1.19 for residents aged 65+.

ELDERLY DEPENDENCY RATIO

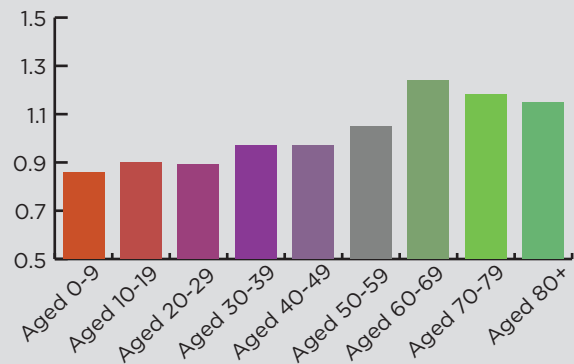
The elderly dependency ratio is a ratio of the number of prime working-age residents (15-64) for each retirement-age resident (65+). This is an important measure because working-age residents support retirement-age residents by contributing to GDP, paying taxes, stimulating local businesses through consumption, and generally propping up the economy. In 2010, the elderly dependency ratio was 4.9—4.9 prime working-age residents to support each retirement-age resident. In 2017, this ratio decreased to 3.7. In 2022, it is projected to further decline to 3.

Median Age by County
2016



Source: American Community Survey

Age Group by Location Quotient
Sonoma County, 2017

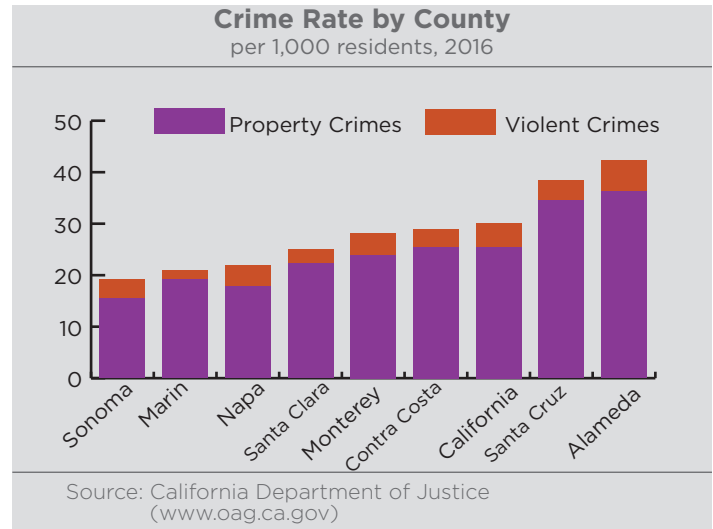


Source: Emsi

SOCIETY

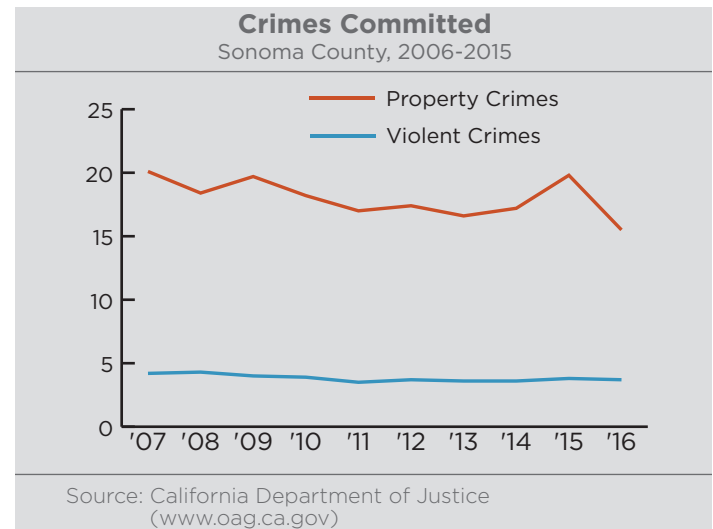
VIOLENT CRIME RATE

In 2016, Sonoma County had the fourth lowest violent crime rate (violent crimes per 1,000 residents), at 3.7. Marin County had the lowest, at 1.8, and Alameda had the highest among comparable counties, at 6.1. Seven of eight comparable counties have lower violent crime rates than the California average, 4.5. From 2007-2016, the violent crime rate in Sonoma County only increased in two years of ten, dropping from a high of 4.3 in 2008 to a low of 3.6 in 2013. Napa is the only county to see an increase in violent crime, from 3.5 in 2007 to 4.2 in 2016. Marin County saw the greatest ten-year drop, from 2.7 in 2006 to 1.8 in 2016.



PROPERTY CRIME RATE

Sonoma County had a property crime rate of 15.5 per 1,000 residents in 2016. This is the lowest property crime rate of all comparable counties, with Alameda experiencing the worst property crime rate at 36.3 and California averaging 25.5. Sonoma saw a 22.9% decrease in ten-year property crime from a 2007 peak of 20.1. Napa County saw the most dramatic drop in property crime, from 28.1 in 2007 to 17.8 in 2016.



OVERALL CRIME RATE

Combining violent and property crimes together, Sonoma County has the lowest general “crime rate” among comparable counties at 19.2 crimes per 1,000 in 2016. The North Bay generally experienced the least crime, with Sonoma, Marin, and Napa taking the first, second, and third place for lowest crime rate.

HIGH SCHOOL GRADUATION

Over the past several years, Sonoma County has seen a moderate increase in its high school graduation rate. In 2016, 84.4% of students graduated high school in four years. This compares favorably to the state average (83.8%) and the national average (84.1%). In 2010, Sonoma County’s high school graduation rate was 74.7%, showing that the county’s graduation rate increased by nearly 10 percentage points in five years.

SOCIETY

SMARTER BALANCED EXAM

California students take the SMARTER Balanced exam for grades 3-11 to assess their English Language and Mathematical skills. In Sonoma County, 48.6% of students across all grades met or exceeded SMARTER standards for English, the same rate as the statewide average. 11th graders performed the best, with 61% meeting or exceeding standards while 3rd graders performed weakest with only 43.3% meeting or exceeding standards. For Mathematics, 36.6% of Sonoma County students met or exceeded SMARTER standards, comparing lower against the state's 37.6% average. Conversely, Sonoma County's 3rd graders performed the best on the math sections while 11th graders performed worst with just 31.3% meeting or exceeding standards.

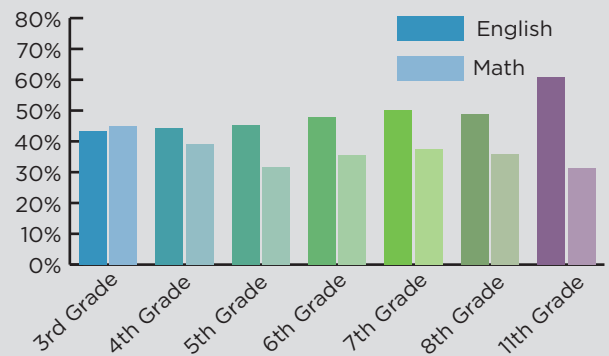
SAT SCORES

The SAT is comprised of three sections (reading, math, and writing) with a maximum total composite score of 2400. In 2016, Sonoma County students average a 1550 composite SAT score. This compares favorably to the California average of 1455. Looking at Sonoma County's three-year average (2014-2016), students scored 1571 while the state average remained 1472.

EDUCATIONAL ATTAINMENT

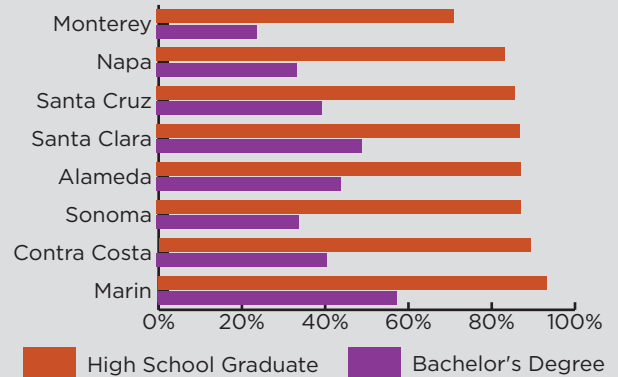
In 2017, 87.6% of residents aged 25+ possess at least a high school diploma. Among comparable counties, this places Sonoma County third of eight, with Marin having the highest rate at 93.2% and Monterey having the lowest at 71.4%. 34.2% of Sonoma County residents possess at least a bachelor's degree, falling to sixth place among eight with Marin at first with 57.2% and Monterey in last at 33.7%. 12.2% of residents in Sonoma County possess an advanced degree, again sixth of eight.

Meeting or Exceeding SMARTER Math and English Standards
2017



Source: California Department of Education

Educational Attainment by County
2017



Source: U.S. Census Bureau (www.census.gov)

SOCIETY

UNDERGRADUATE DEGREES

In Sonoma County, there were 108,445 residents who possessed bachelor's degrees. Among them, the five most popular degree programs were Business (14.4%), Social Sciences (12.3%), Science & Engineering Related Fields (8.4%), Liberal Arts & History (8.3%), and Biological, Agricultural, and Environmental Sciences (7.9%). Over the past five years, the total population of residents with Bachelor's degrees saw a 3% increase in Engineering degrees and a 2% decline in Psychology degrees.

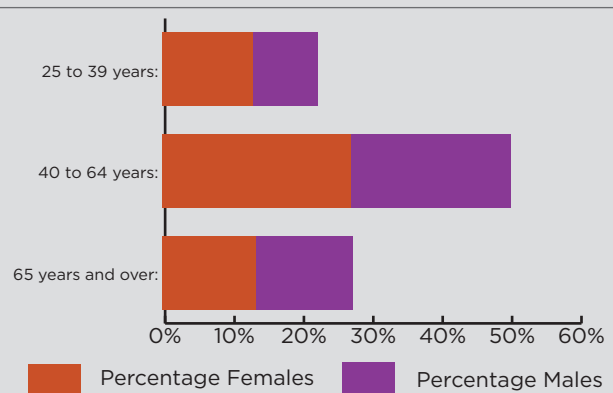
DEGREES BY GENDER AND AGE

In 2016, 53.6% residents with Bachelor's degrees were female. Men possessed 3.7% more degrees in Science & Engineering, and 1.6% more degrees in Business. Women possessed 3% more degrees in Science & Engineering Related Fields, and 4.1% more degrees in Education. A slight majority of students aged 65+ are men, at 50.8%. But women make up a clear majority of younger cohorts, representing 57.9% of students aged 25-39 and 54.1% of students aged 40-64.

EARNINGS BY EDUCATION

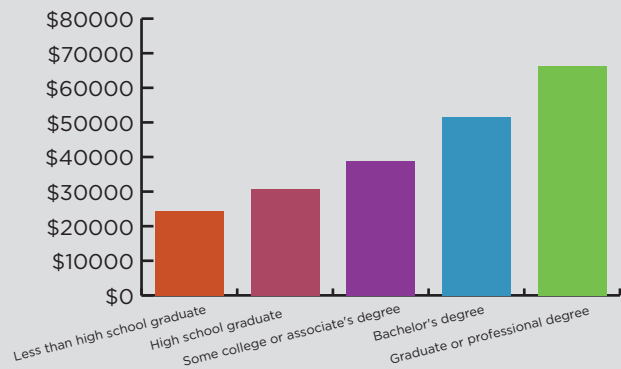
Median earnings for Sonoma County residents with less than a high school education were \$24,464 in 2016. Those who had graduated high school earned a median \$30,771. For residents with a Bachelor's degree, the median earnings were \$51,471 and residents who had obtained an advanced degree earned \$66,318. The difference between possessing a high school diploma and a Bachelor's degree was \$20,823. In the five years between 2011 and 2016, median earnings by education saw the largest growth for those with less than a high school diploma, at 9.9%. This likely comes from a tight labor market and a glut of jobs requiring less than a college degree. Those with an advanced degree saw the second highest growth, at 2%, while median earnings for those with a bachelor's degree saw a 0% change over 5 years.

Undergraduate Degrees by Age and Gender
Sonoma County, 2016



Source: U.S. Census Bureau (www.census.gov)

Earnings by Educational Attainment
Sonoma County, 2016



Source: American Community Survey

HOUSING

Housing indicators measure the affordability and quality of life for residents and workers, as well as the effects of housing on the economy.

HISTORIC MEDIAN HOME SALES PRICE

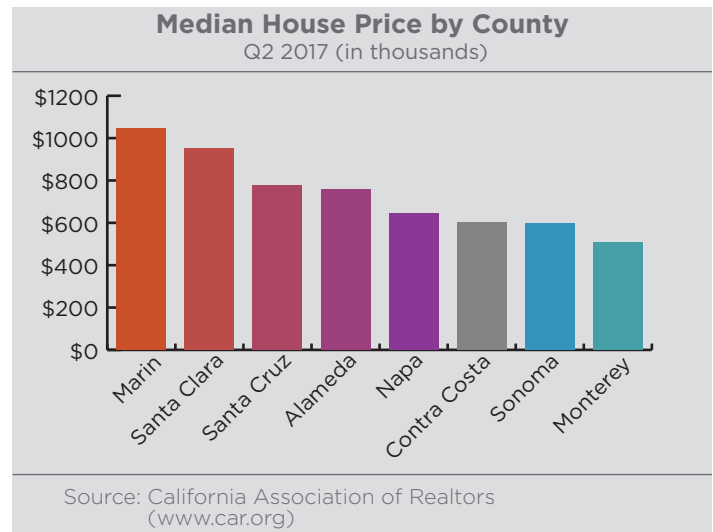
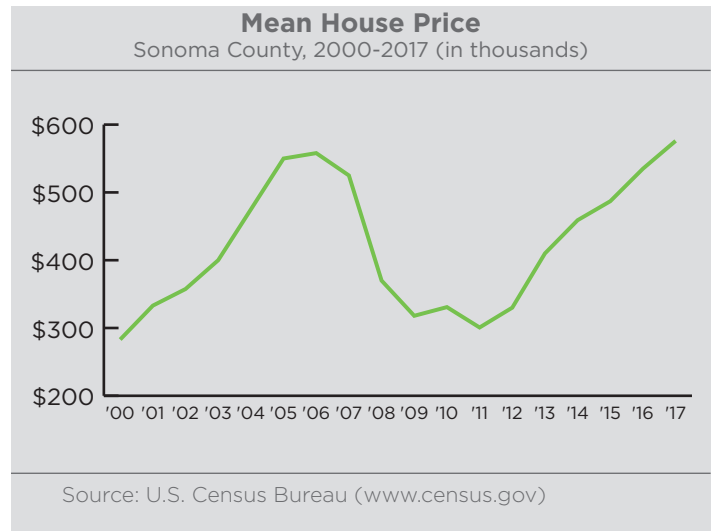
According to Bay Area Real Estate Information Services, the median home sales price for Sonoma County in 2017 was \$576,000. This is a 7.7% increase from the previous year. Annual housing data changes with high volatility, but looking at three-year moving averages shows that the median home sales price grew by about 13% annually from 2000-2007, then suffered four years of negative growth during the recession, followed by 8%-15% annual growth. The past three years have seen annual prices increase by 6.1%, 9.9%, and 7.7% respectively.

COMPARABLE HOME SALES PRICE

The National Association of Realtors collects median home sales price data for all counties across the country. While the data is exclusively for 2017 Q2 and does not reflect the true annualized median price, it is a useful tool to look at comparative price differences between comparable counties. In Q2 2017, Sonoma County's median home sales price was \$597,109. This ranks as second most affordable, behind Monterey at \$506,274. Marin had the highest median price, at \$1,047,280. It is important to note that this price was measured before the October 2017 wildfires, and so was not distorted by this event.

OCTOBER WILDFIRES HOUSING IMPACT

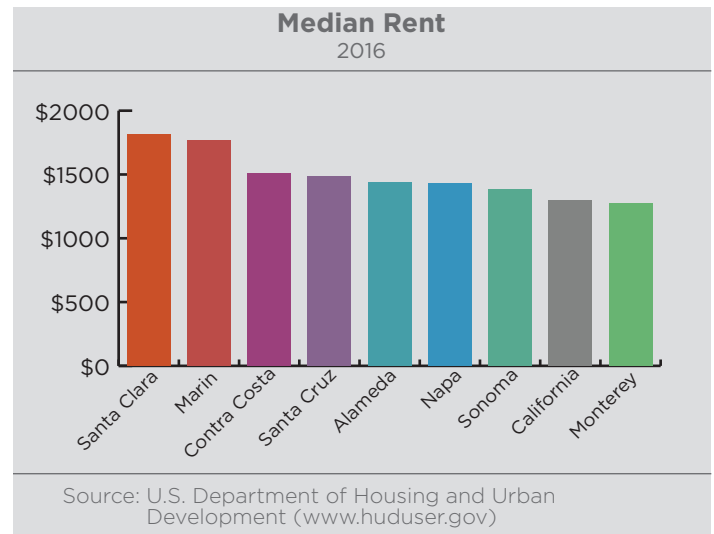
The effects of the October 2017 wildfires on the housing market are still being understood. But the economic, social, and communal impacts of 5,300 lost homes will reverberate through the county for years to come. Comparing monthly housing data from 2017-2018 (fire year) against 2016-2017 (pre-fire year) reveals some possible conclusions. Median home sales prices increased by 6.6% from September 2017 (the pre-fire baseline) to December 2017. This compares to just a 0.9% increase from September-December 2016. In the six months after the fire, prices increased by 10.4% (September 2017-March 2018). It increased by just 5.5% from September 2016-March 2017 the previous year. The fires likely increased 6-month housing prices by an estimated 5%.



HOUSING

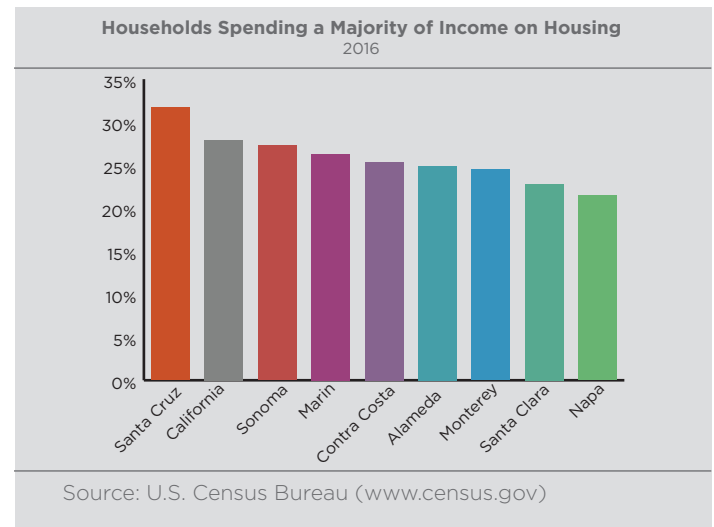
MEDIAN RENT

In 2016, median gross rent was \$1,380. This compares as second most affordable among comparable counties, with Monterey as most affordable at \$1,275 and Santa Clara as least at \$1,813. All comparable counties except Monterey have median rents above the California average (\$1,297). Sonoma County's median rent increased by 4.5% from 2015-2016. This rate is fifth fastest, with Santa Clara seeing the highest annual increase at 6.3% and Napa seeing the lowest at 2.6%.



MAJORITY INCOME ON HOUSING

An important indicator is the percentage of households which spend a majority of their income on housing. This is an ultimate function of two important economic factors—how burdensome or affordable housing costs are in a local economy, and how effective the local economy is at increasing incomes by promoting high-wage jobs. In Sonoma County, 27.3% of households spent at least half their income on housing in 2016. This is 1.2 percentage points higher than the proportion in 2007, at 26.1%. Compared to the state, Sonoma has 0.6 percentage points fewer households paying a majority of income on housing. California has also seen a greater increase over the past ten years—up 2.2 percentage points to 27.9% in 2016.



COMPARABLE MAJORITY INCOME

27.3% of Sonoma County households spend at least half their income on housing. This compares slightly lower than the statewide average of 27.9%, and is the second highest rate among comparable counties behind Santa Cruz at 31.7%. Napa county has the lowest proportion, at 21.5%.

HOUSING

GROWTH IN HOUSING STOCK

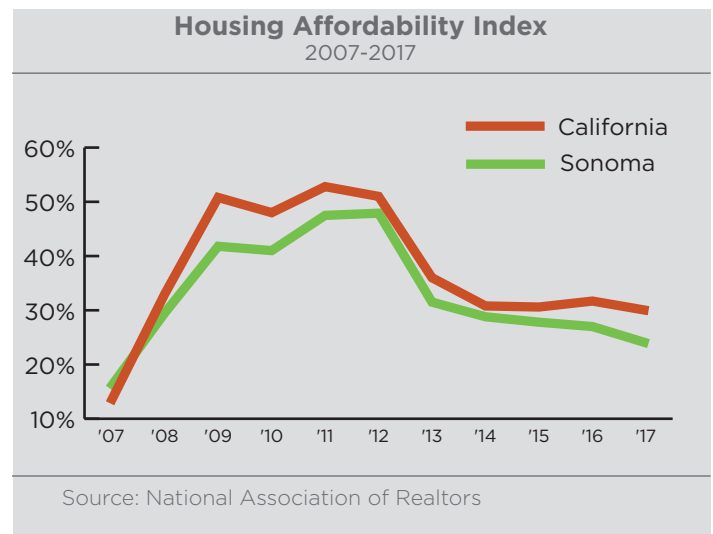
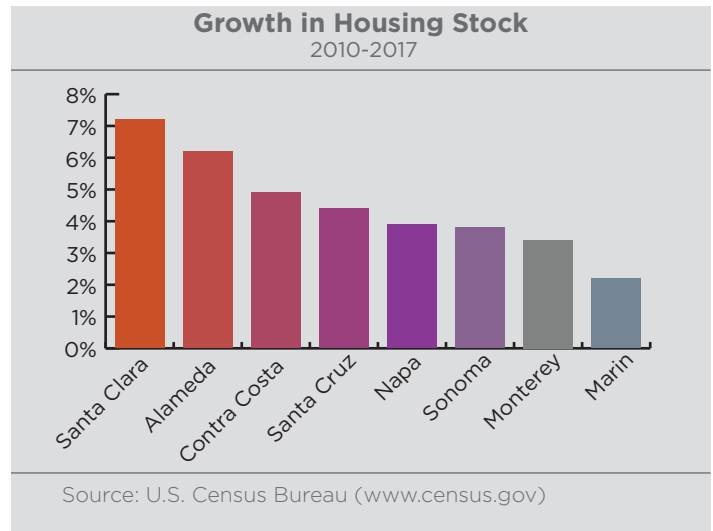
Sonoma County added 7,801 housing units from 2010-2017, or an average rate of 1,114 per year. In 2017, Sonoma County had 212,373 total housing units. Among comparable counties, Sonoma County saw a 3.8% growth in housing stock from 2010-2017, placing sixth of eight for growth. Santa Clara saw the most growth at 7.2%, adding 45,274 units. Marin saw the weakest growth at 2.2%, or 2,418 units.

HOUSING AFFORDABILITY INDEX

The Housing Affordability Index is an indicator which measures whether the median household income is high enough to qualify for a mortgage of the median priced home. A score of 100% indicates the median household income is exactly enough for the median priced home, and a score of 50 indicates the income is half of what is required to qualify. In 2017, Sonoma County's Housing Affordability Index was 24%. This compares as less affordable to California, at 30%. Sonoma County's affordability score rose from 16% in 2007 to a peak of 47.9% in 2012 following the housing crash. California's rate rose from 13.3% in 2007 to peak in 2011 at 52.8%. 2018 data is not yet fully available at the county level, but Q1 2018 saw Sonoma County's affordability drop from 23% to 21% while California's affordability rose from 30% to 31%.

ACCESS TO BROADBAND

Sonoma County's rural geography makes access to broadband internet a serious community challenge that impacts the education, business opportunities, and quality of life for many residents who currently lack broadband connection. In 2016, 87.2% of households had access to broadband. This is markedly higher than its rate in 2013, when only 81.8% of homes had broadband. This places Sonoma fifth for broadband access among comparable counties, but the county is still behind neighboring Marin, where 91.1% of households have access. Among low income households with incomes under \$20,000, only 62% of homes have broadband access.



HOUSING

MORTGAGES

69.3% of Sonoma County households have mortgages, greater than neighboring Napa at 68.2% but less than Marin at 72%. The statewide average is 72.2%. Contra Costa has the highest mortgage rate at 74.7%.

HOUSEHOLD SIZE

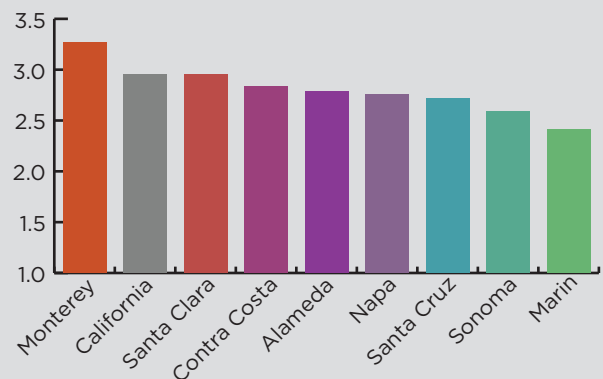
Average household size in Sonoma County was 2.59 in 2016, which places it second smallest among comparable counties. Marin ranks smallest at 2.41 and Monterey ranks largest at 3.27. The statewide average is 2.95. Between 2011-2016, Sonoma's average household size increased by 0.05, the lowest increase among all comparable counties.

VACATION HOMES

Sonoma County, as a region with a heavy emphasis on the hospitality industry, has a number of vacant homes used for seasonal/recreational purposes. In 2016, there were 8,603 such vacation homes, or 4.2% of all housing units in the county. This rate places Sonoma fourth among comparable counties, with Santa Cruz and Napa ranking first and second at 5.4% and 4.7%, and Santa Clara and Contra Costa ranking eighth and seventh at 0.5% and 0.6%. The statewide average is 2.7%.

Average Household Size

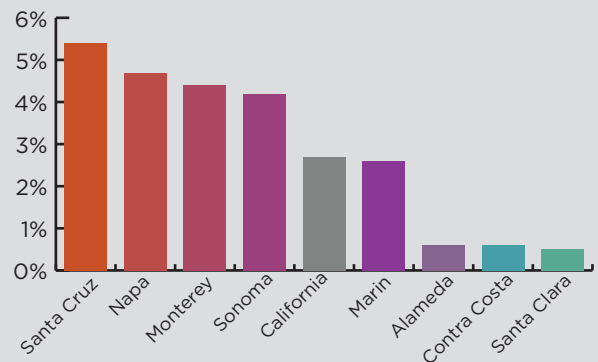
2016



Source: American Community Survey

Vacation Homes as a Percent of All Housing

2016

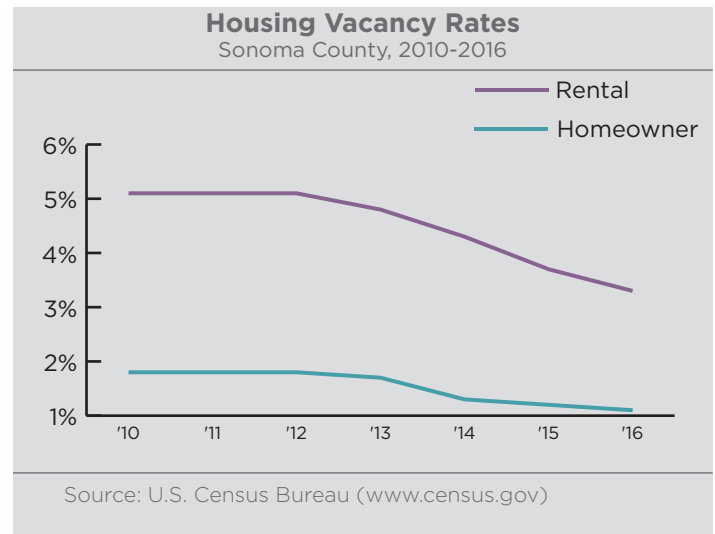


Source: U.S. Census Bureau (www.census.gov)

HOUSING

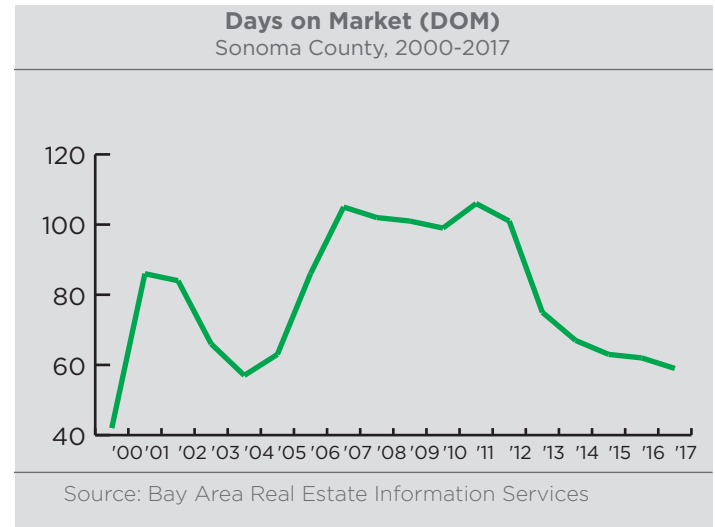
VACANCY RATES

The homeowner/rental vacancy rate measures how many units are on the market to buy/rent, but are still unoccupied. This is a broad measure of how hot a real estate market is, with low vacancy rates indicating the high demand for properties ensures they remain only briefly on the open market. In 2016, the homeowner vacancy rate in Sonoma County was just 1.1%. This compares lower than the state (1.3%) or national (1.8%) averages. Similarly, Sonoma County's rental vacancy rate was 3.3% in 2016, lower than the state (3.8%) and national (6.2%) rates again. In 2010, the homeowner vacancy rate was 1.8% and the rental vacancy rate was 5.1%. From 2010-2016, these rates have dropped 0.7 and 1.8 percentage points respectively.



DAYS ON MARKET

The days on market (DOM) rate is another good indicator of activity in the housing market. Sonoma County houses were on the market an average of just 59 days in 2017. This is the lowest DOM rate since 2004, and is the seventh year in a row to experience a decline. Sonoma County's DOM rate can be split into three periods. Between 2000-2005, the DOM rate remained between 40-65 days as the economy prospered. From 2007-2012, the DOM rate remained above 100 days as the worst of the housing crisis played out. In recent years, the DOM has returned to mid-2000s levels, with the past four years averaging a 62 DOM rate.



UNITS SOLD

In 2017, 5,514 homes were sold in Sonoma County. This marks a slight uptick from the 5,500 units sold in 2016, but is still a distance from the county's historic high of 8,344 units sold in 2005. The meteoric increase in the median home sold price in Sonoma County can be partly attributed to a slow-down in the supply of homes sold on the market (further reinforced by recent near-historically low DOM rates).

CREATIVE

Creative Sonoma, a division of the Economic Development Board, participated in a national research project from Americans for the Arts, called “The Arts and Economic Prosperity.” Of the 99 nonprofit arts and culture establishments eligible for the survey in Sonoma County, 43% responded. In addition, over 1,000 audience members at arts and culture events were surveyed. Although some data is current to 2017, many of these indicators still stem from the 2015 Americans for the Arts research project, the most recently available. This 2015 data is still valuable and relevant to the Creative Economy.

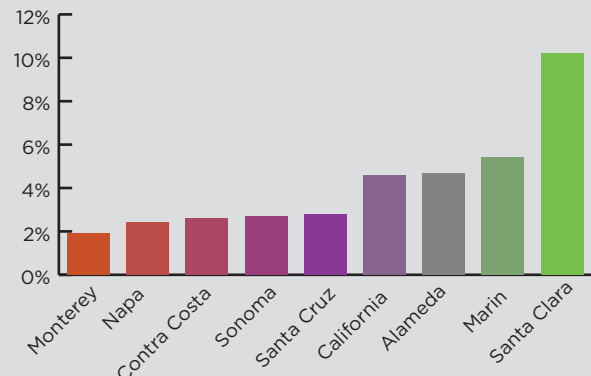
CREATIVE ECONOMY JOBS

The “Creative Economy” is defined as those occupations which utilize common creative skills as the basis of their work and livelihood. Creative Economy occupations range from graphic designers and architects to fine photographers and actors. A full list of occupations in the “Creative Economy” can be found in the Otis Report on the Creative Economy. Creative Economy jobs increased to 6,703 in 2017, which represent 2.7% of the total workforce. In the wake of the recession, Creative Economy jobs dropped to a low of 6,224 in 2010, but have made gradual progress in regaining jobs. In California, Creative Economy jobs account for 4.7% of the total workforce, due in large part to the state’s major creative industries such as film and television production and nonprofits arts patronage.

CREATIVE ECON. LOCATION QUOTIENT

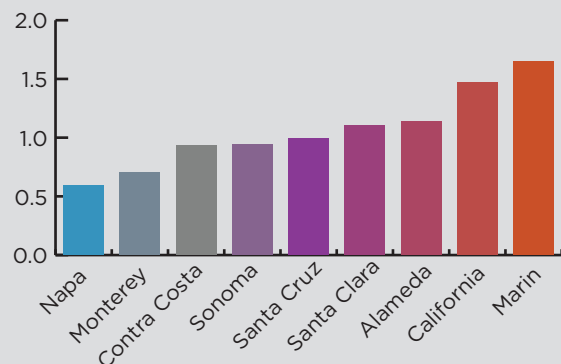
Sonoma County’s Creative Economy Jobs are about the same concentration as is expected for the national average. These jobs measure 0.94 as a Location Quotient score, slightly down from 0.97 in 2007. California has a LQ score of 1.47 for Creative Economy jobs, further indicating the state’s potential and strength as a creative industry powerhouse.

Creative Economy Percent of Total Employment
2017



Source: Emsi (www.economicmodeling.com)

Creative Economy Location Quotient
2017



Source: Emsi (www.economicmodeling.com)

CREATIVE

PARTICIPATION IN ARTS & CULTURE

Examining overall participation in arts and culture activities from 2009-2011 and from 2012-2014 shows that participation rates increased across all comparable counties, with the exception of Sonoma and Contra Costa. In Sonoma specifically, overall participation in the arts declined by 0.6% between these periods. Marin had the highest overall participation over both time periods, whereas Sonoma ranked fourth highest in 2009-2011 and fifth highest in 2012-2014.

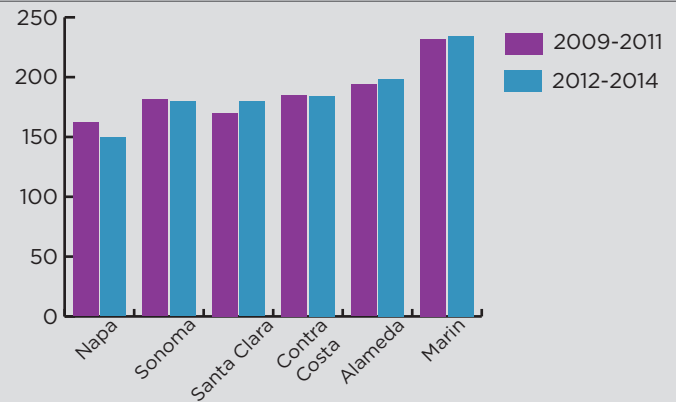
ATTENDANCE OF LIVE PERFORMANCES

Sonoma was the only county which saw an increase in the share of adults attending live performing arts exhibits between 2009-2011 and 2012-2014. As a result, Sonoma County had the second-highest share of adult attendance among comparable counties in 2012-2014. Specifically, attendance rose by 4 percentage points, from 32% in 2009-2011 to 36% in 2012-2014.

ADULTS VISITING ART MUSEUMS

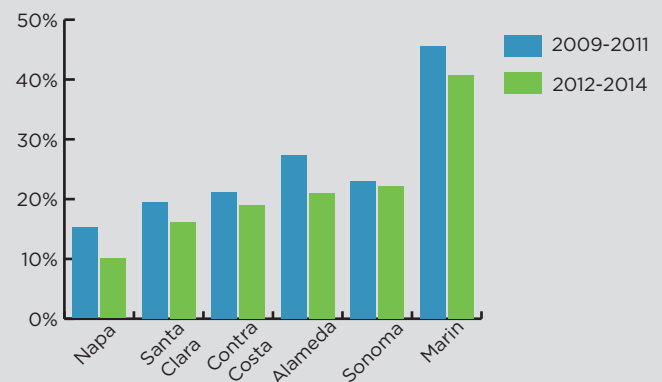
From 2012-2014, Sonoma had the second-highest proportion of adults visiting art museums among comparable counties, at 22.2%. This represents a decline of one percentage point of adults visiting art museums since the initial 2009-2011 period. Neighboring Marin has a considerably higher proportion of adults visiting art museums, at over 40% for both time periods examined.

Overall Participation in Arts and Culture Activities
100=1 activity/year/person, 2009-2011 & 2012-2014



Source: Americans for the Arts
(www.americansforthearts.org)

Adult Share Visiting Art Museums
2009-2011 & 2012-2014



Source: Americans for the Arts
(www.americansforthearts.org)

CREATIVE

CONSUMER EXPENDITURES

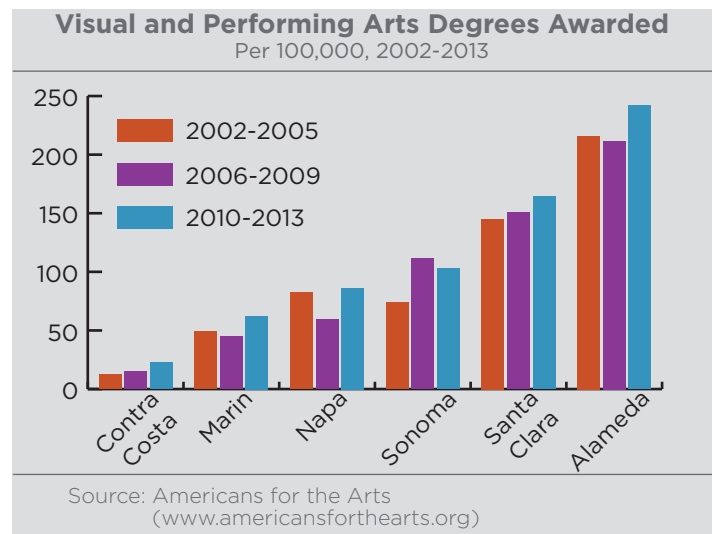
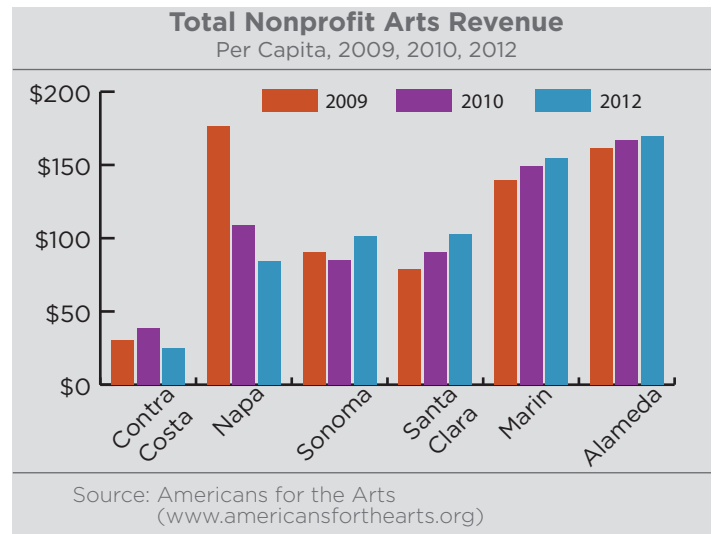
Consumer expenditures on the arts displays the breakdown of spending across five different areas by county in 2015. Marin has the highest total spending per capita among comparable counties at \$615.44, with particularly high spending on reading material. Sonoma has the third-highest expenditure at \$457.99 per capita, after Santa Clara and Marin. Among all counties, expenditure per capita is highest on Reading Material. In Sonoma County, Reading Materials make up 60% of total consumer expenditure per capita.

NONPROFIT ARTS REVENUE

Total nonprofit arts revenue is an important measure of community arts patronage. Sonoma County ranks fourth among comparable counties for nonprofit arts revenue per capita, at \$101.10. This represents a 12% increase since 2009, the last studied period. Yet Sonoma County's revenue per capita remains almost \$70 less than Alameda's revenue per capita in 2012, indicating ample room for growth.

ARTS DEGREES AWARDED

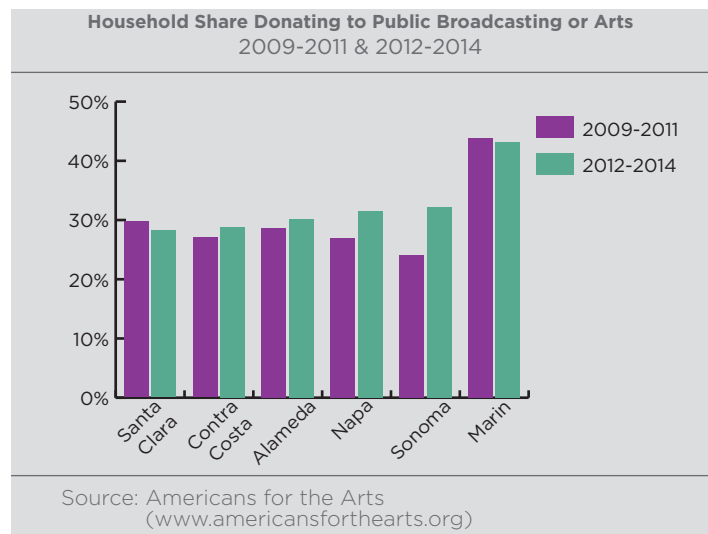
Between 2010-2013, Sonoma ranked third among comparable counties in visual and performing arts degrees awarded to college graduates. This translates as 1.3 arts degrees per 1,000 residents. This is a slight increase from the comparable figure between 2006-2009, when 1.1 arts degrees were awarded per 1,000 residents. Alameda ranks first among comparable counties, with 134% more arts degrees awarded during this time than Sonoma County.



CREATIVE

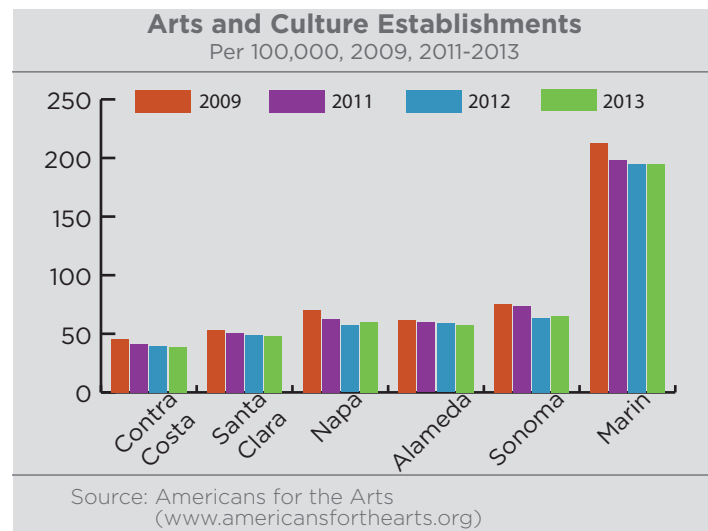
DONATIONS TO THE ARTS

Arts donations is defined as the share of households donating to public broadcasting or the arts. Over the two time periods analyzed, over 40% of neighboring Marin County residents donated to the arts, which is a significantly higher figure than any of the other counties compared in this indicator. The data for Sonoma County shows the largest change among counties between the two time periods; arts donations increased in the county by 8 percentage points from 24% between 2009-2011 to 32% between 2012-2014. This is an overall percent increase of over a third. This significant increase in arts donations shifted Sonoma County's position from having the lowest share of households donating to the arts to having the second-highest share between 2012-2014.



SOLO ARTISTS

The number of solo artists per 100,000 is a good indicator of whether an environment can foster the creative economy. Whatever their artistic medium or discipline, solo artists are often the driving force behind the local arts scene and often creative occupations and industries. Marin has the highest ratio of solo artists per 100,000 among comparable counties, with approximately double of that of the second highest-ranked county, Alameda. In comparison, Sonoma ranked third in 2013, and has demonstrated an increasing proportion of solo artists throughout the years.



ARTS & CULTURE ESTABLISHMENTS

Marin County has significantly more arts & culture establishments per 100,000 residents than other comparable counties, with almost 200 establishments in 2013. Sonoma County had 65 establishments per 100,000 residents, which signifies a 13% decline since 2009.

TOURISM

Because Sonoma County's economy is heavily based in hospitality, tourism indicators are especially relevant to the local economy and the prosperity of residents. As an industry, tourism is unique in that it brings in new visitor dollars to the local economy, and taxes stemming from tourism (such as the transient occupant tax) benefit local residents without coming from local's spending.

TOURISM TAX REVENUE

In 2017, visitors to Sonoma County generated \$87.6 million in local tax revenue, and \$82.2 million in state tax revenue, for a total of \$169.8 million. This is an increase from \$166.2 million in 2016. For each household in Sonoma County, visitor spending generated \$393 in local tax revenue for the county.

TRANSIENT OCCUPANCY TAX REVENUE

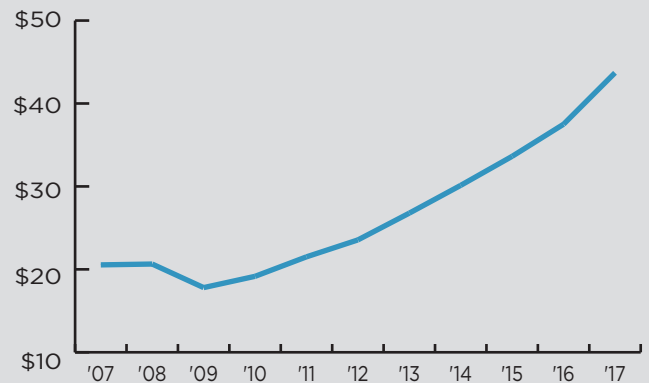
The transient occupancy tax, which comes from hotels and similar accommodations, brings the county tax revenue generated exclusively from outside visitors coming to the county. TOT revenue in 2017 was \$43.7 million, a significant increase to 2016's revenue of \$37.5 million. This sizable increase may have been affected by the numbers of first responders staying in county hotels during the October 2017 wildfires. Over the past ten years, TOT has more than doubled—from \$20.5 million in 2007 to \$43.7 million today.

OCCUPANCY RATE

Sonoma County's 2017 annual occupancy rate was 77.2%, slightly lower than 2016's rate of 77.6%. Occupancy rate has remained high over the years, and it saw growth especially from 2011 onwards. In 2007, occupancy rate was 63.6%; this rate fell to a low of 54.9% in the midst of the recession, before climbing back to pre-recession levels in 2011.

Transient Occupancy Tax Revenue

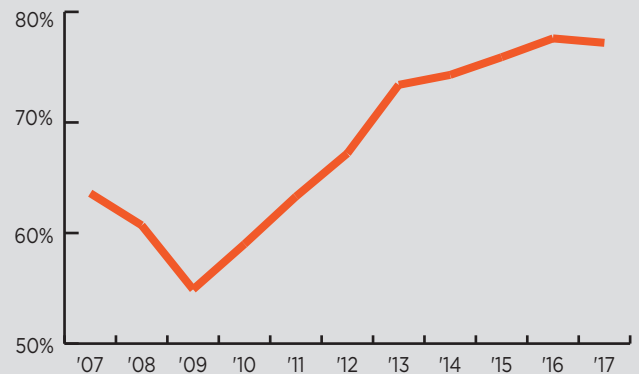
Sonoma County, 2007-2017 (in millions)



Source: Sonoma County Tourism

Occupancy Rate

Sonoma County, 2007-2017



Source: Sonoma County Tourism

TOURISM

HOSPITALITY ESTABLISHMENTS

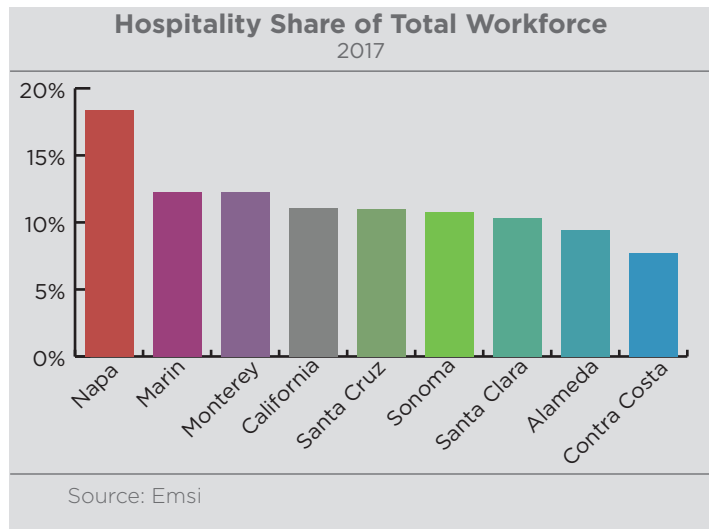
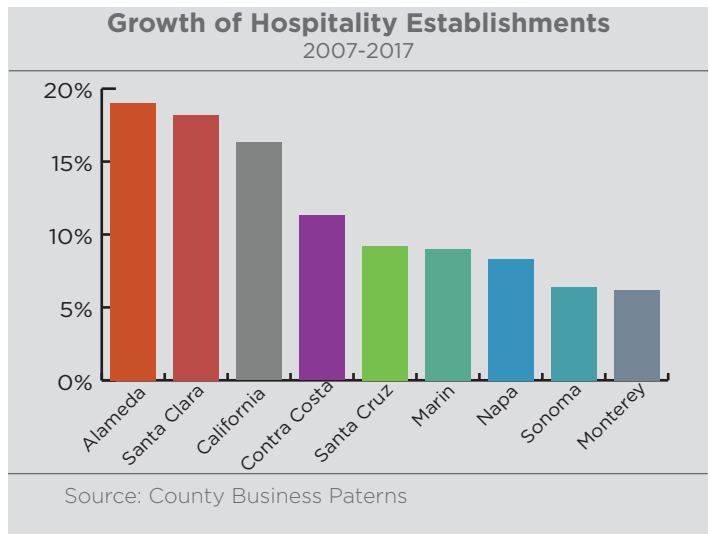
Sonoma County saw an increase of hospitality establishments—defined as NAICS 71-72—by 6.4% between 2007-2016. This growth ranks second lowest among comparable counties, with Alameda ranking first with 19% growth and Monterey ranking last at 6.2%.

HOSPITALITY WAGES

Despite hospitality establishments growing just 6.4% between 2007-2016 in Sonoma County, total hospitality employment grew by 24.9% during this time, placing it fifth of eight among comparable counties and slightly above the state average of 21.2% during this time.

HOSPITALITY EMPLOYMENT

In 2016, 10.8% of Sonoma County's workforce was employed in the hospitality industry—defined as NAICS 71-72. This places it fifth of eight, with Napa and Marin Counties ranking first and second at 18.4% and 12.3% respectively. Contra Costa County ranks last at 7.7% of its workforce employed in the hospitality industry.



TOURISM

HISTORIC VISITOR SPENDING

In 2017, total visitor spending broke \$2 billion for the first time. Visitor spending in 2017 was \$2.1 billion, up from \$1.93 billion in 2016. This new figure is an increase of 8.8% over the previous year; this is the highest single-year increase in the past decade. While visitor spending never declined from year to year, spending virtually stagnated from 2006-2010, before experiencing booming growth through to 2013 followed by unpredictable spurts and stops of growth to 2017.

VISITOR SPENDING BY ACTIVITY

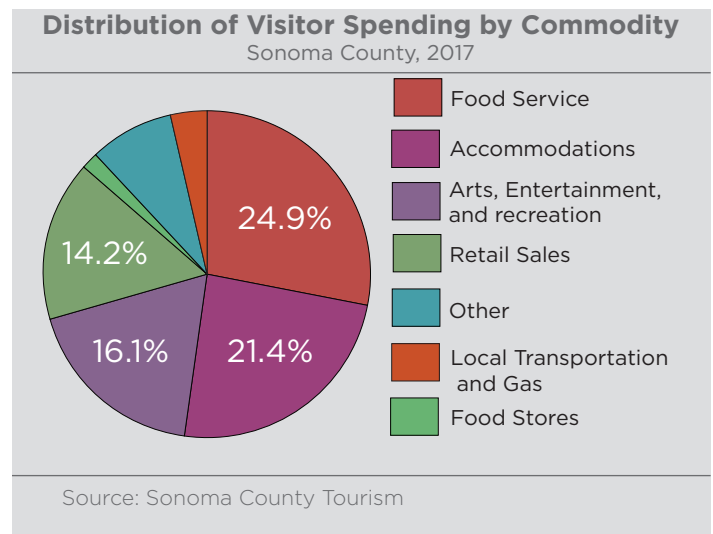
In 2017, visitors spent \$523.1 million on Food Service; \$448.5 million on Accommodations; \$337.4 million on Arts, Entertainment, and recreation; \$297.8 million on Retail Sales; \$156 million on Local Transportation and Gas; and \$64.9 million on Food Stores. Over the past five years, the greatest increase in spending has been on Accommodations (61.3%), followed far behind by second-place Food Service at 37.1%.

VISITOR SPENDING EARNINGS

In Sonoma County, earnings stemming from visitor spending increased for several industries. In 2017, workers in Accommodations & Food Services earned \$399.4 million in earnings which stemmed from visitor spending. Workers in Arts, Entertainment, & Recreation earned \$198.8 million from visitor spending. Retail workers earned \$54 million, Other Travel earned \$38.9 million, and Ground Transportation workers earned \$22.9 million from visitor spending.

VISITOR SPENDING EMPLOYMENT

In 2017, 21,570 jobs were supported by visitor spending. The biggest subcategories include Accommodations & Food Service (10,890 jobs) and Arts, Entertainment, & Recreation (8,050 jobs). From 2010-2017, employment supported by visitor spending increased by 29.6%. During this time, Ground Transportation saw the largest growth at 33.3% while Retail saw the lowest growth at 9.8%.



TOURISM

AVERAGE DAILY RATE

The average daily rate refers to the amount of money a tourist spends on lodgings each night. In 2017, the average daily rate increased from \$158.97 in 2016 to \$168.50. This rate is a historic high, surpassing even pre-recession levels.

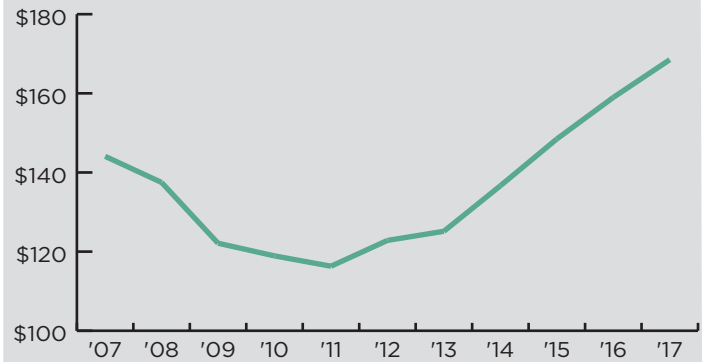
SANTA ROSA AIRPORT

2017 saw the second highest growth year on record for passengers traveling through Santa Rosa Airport. 397,787 flyers came in and out of Sonoma County, a 17% increase from the previous year. Since 2008, passenger volume has averaged a 10.4% increase each year, totaling 94.3%.

RESTAURANT WEEK

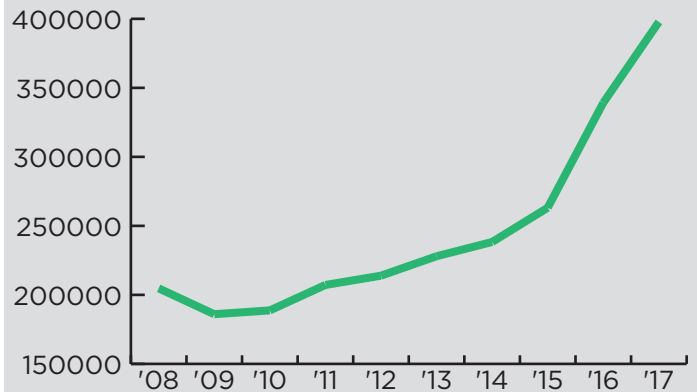
Sonoma County's 9th annual Restaurant Week was the first to be an extended 10 days long. Total economic impact of the event was \$5.05 million, and \$400,000 in local and state taxes was generated. A record 147 restaurants participated and over 21,000 meals were ordered.

Annual Average Daily Rate
Sonoma County, 2007-2017



Source: Smith Travel Research

Annual Airport Passengers
Sonoma County, 2008-2017



Source: Sonoma County Airport

HEALTH

Health indicators measure the vitality and wellbeing of Sonoma County's residents, and include such measures as obesity and health status. Healthy residents are as important to the economy as they are to society and the community.

AGE-ADJUSTED DEATH RATE

The age adjusted death rate measures how many people die per 100,000, taking differences in median age into account. Longevity, healthier lifestyles, and adequate healthcare for residents can result in a lowered age-adjusted death rate. Sonoma County's 2014-2016 age-adjusted death rate was 603.7, down from its 2011-2013 rate of 629.9. Sonoma County's death rate places it seventh of eight among comparable counties, slightly lower than the state average of 608.5. Interestingly, the North Bay diverges with this indicator: Marin had the lowest age adjusted death rate at 474.9 while Napa had the highest at 640.2.

CAUSE OF DEATH

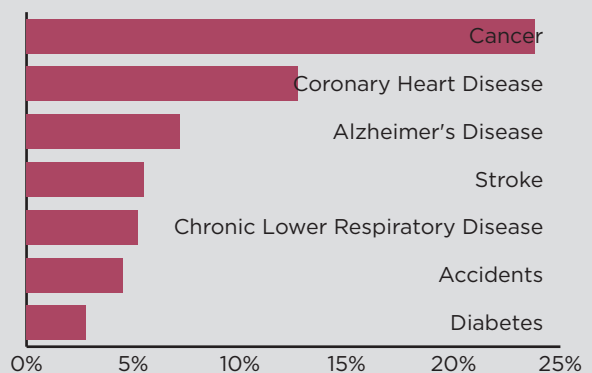
The lead causes of death in Sonoma County are cancer (23.8% of deaths), followed by coronary heart disease (12.7%), and Alzheimer's disease (7.2%). Sonoma County deaths are 1.9% more likely to be caused by Alzheimer's disease and 0.5% more likely to be caused by cancer than the statewide average. Sonoma County deaths are 2.5% less likely to be caused by coronary heart disease and 0.9% less likely to be caused by pneumonia than the state average.

HEALTH STATUS

61% of Sonoma County residents report being in "very good or excellent" health, with 25.9% reporting very good and 35.1% reporting excellent health. This rate is moderately higher than the state reporting rate of 51.3%, where only 25.9% report very good and 25.4% report excellent. Over the past ten years, 8% fewer Sonoma County residents have reported "very good" health, but 5.6% more reported "excellent" health. Since 2007, 2.4% fewer Sonoma residents report very good or excellent health, while 7.6% fewer California residents report the same.

Leading Causes of Death

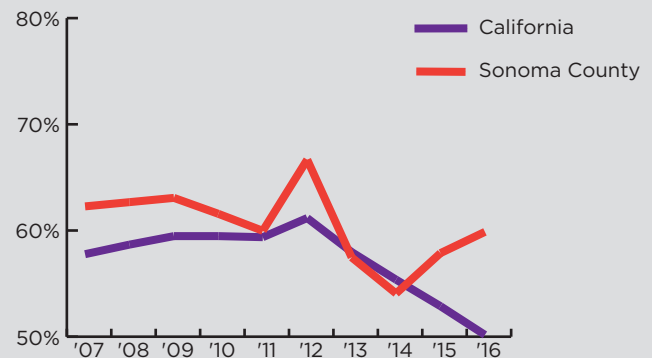
Sonoma County, 2016



Source: California Department of Public Health
(www.cdph.ca.gov)

Health Status Reported Very Good or Excellent

Self-Reported Health Status, 2007-2016



Source: California Health Interview Survey
(www.healthpolicy.ucla.edu/chis)

HEALTH

INFANT BIRTH MORTALITY

Sonoma County's 2013-2015 infant birth mortality rate was 2.9 per 1,000 births from 2013-2015. However, this data was gathered from too few data points and is possibly unreliable. The county's previous mortality rate was 4.7. California's mortality rate was 4.6 from 2013-2015.

BIRTHS TO TEENAGE MOTHERS

Sonoma County's age-specific birth rate among 15-19 year olds has fallen from 16 to 10.7 for the 2014-2016 cohort. This compares lower than the state average rate during this time, at 17.6.

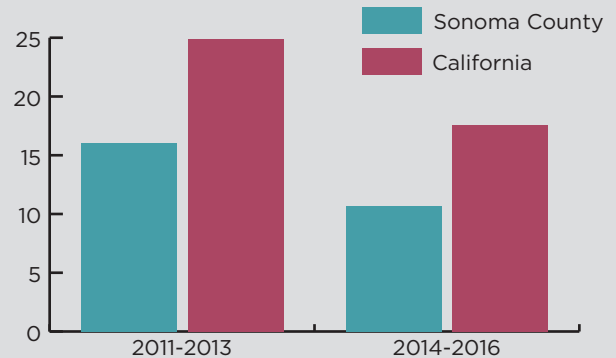
LOW BIRTH WEIGHT

In Sonoma County between 2014-2016, only 5.8% of babies were born with a low birth weight. This is slightly higher than the previous cohort, at 5.6%. However, the rate is still better than the state average of 6.8%. The national goal for babies with low birth weights is 7.8%. Sonoma County and California have surpassed that goal.

ADEQUATE PRENATAL CARE

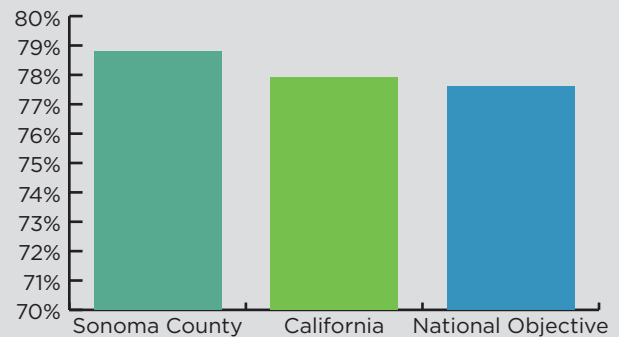
78.8% of babies received adequate or adequate-plus pre-natal care from 2014-2016. This rate is higher than the state average of 77.9%, and is also higher than the county's previous cohort (76.5%). The national goal for pre-natal care is 77.6%, which both the state and county surpass.

Percentage of Births to Teenage Mothers
Per 1,000 births



Source: California Department of Public Health

Adequate and Prenatal Care
2014-2016



Source: California Department of Health

HEALTH

ADULT OBESITY

In 2016, 31.9% of adults in Sonoma County were overweight and 21% were obese. Together, a little over half of Sonoma County residents are either overweight or obese (52.9%). This figure compares better against the statewide average. In California, 62.7% of residents are overweight or obese. Trends show progress in Sonoma County. Since 2007, 7.6% fewer adults are reported overweight or obese, while California saw a 6.2% increase during the same time.

STUDENT FITNESS

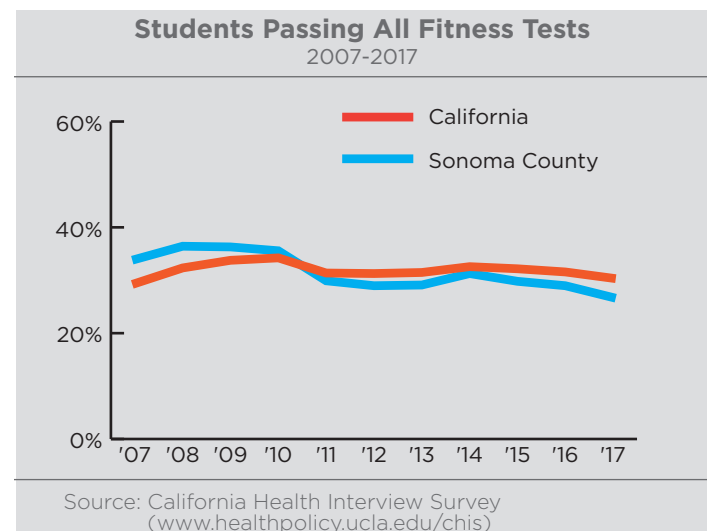
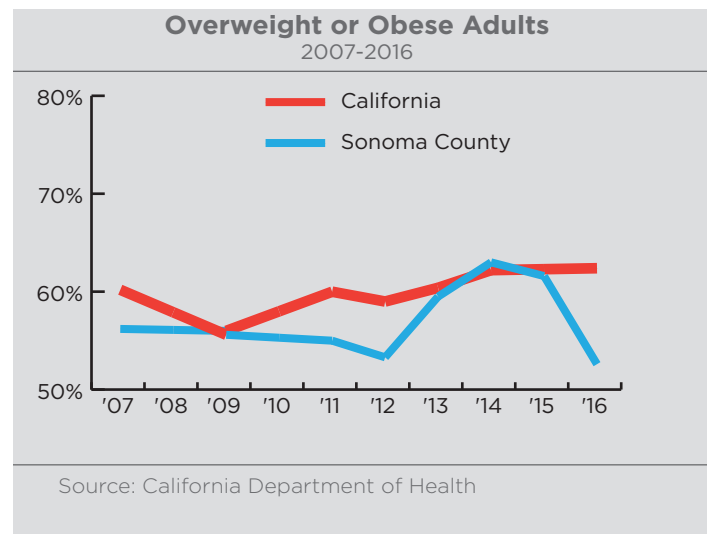
In 2017, 26.7% of Sonoma County 5th, 7th, and 9th graders passes all six fitness tests. This rate has been rapidly declining; from 2007-2017, 9.7% fewer students passes six of six fitness tests. During this same time, California only saw a 2% decline in pass rates. In 2017, the statewide average was 30.4% for passing all six fitness tests.

HEALTH INSURANCE COVERAGE

10.1% of Sonoma County residents had no health insurance coverage in 2016. This places the county third of eight among comparable counties for most uninsured residents. All comparable counties but Monterey (16.1%) are below the state and national noninsurance averages of 12.6% and 11.7% respectively. Marin has the lowest level of noninsurance, at 6.4%. From 2013-2016, Sonoma County saw a 4 percentage point drop in the noninsurance rate. This decline places the county fifth for most dramatic decline. Monterey saw the highest decline, from 21.6% to 16.1%. Marin saw the lowest decline, from 8.9% to 6.4%.

PHYSICIANS PER 10,000 RESIDENTS

In 2017, Sonoma County had 29.7 physicians per 10,000 residents. This level is slightly above the California average, at 28.6 per 10,000. Marin County has the most physicians, at 58.3 per 10,000, while Monterey has the fewest, at 21.3 per 10,000.



ENVIRONMENT

Environmental indicators measure the health of Sonoma County's climate and air, as well as the resource efficiency of its residents. Environment indicators impact quality of life and sustainability.

AIR QUALITY INDEX

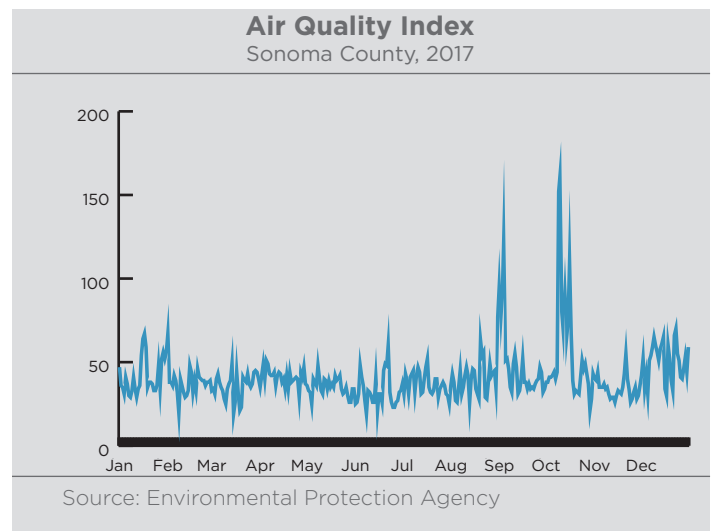
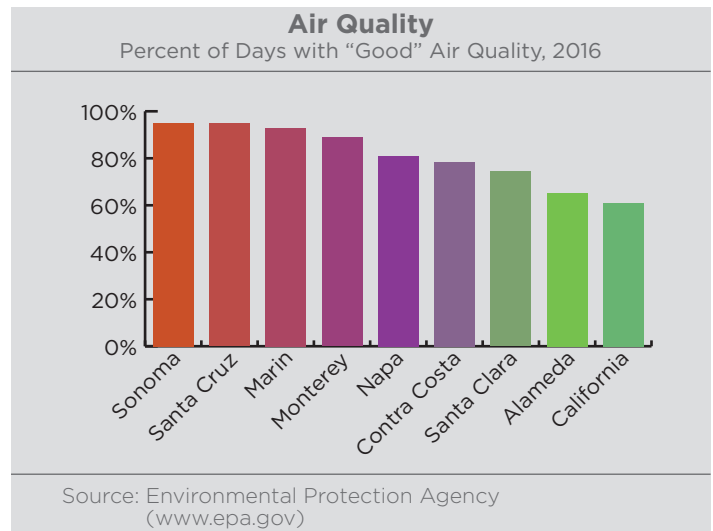
The Air Quality Index measures how much pollution and particulate matter is in the air. A value from 0-50 is considered good air quality. In 2017, Sonoma County's AQI was 38.1. This is markedly higher than 2016, which had an AQI of 33.8. This was due to the fact that 2016 was an unusually good year for air quality, likely because of the record rainfall clearing the air of pollutants. It is also due to the October wildfires severely exacerbating air pollution in the final quarter of 2017. Sonoma County's air quality index has historically remained between 30-40. In 2017, Sonoma County had 311 days with good air quality. That is again lower than the 2016 historic high of 348 days with good air quality, but aligns with the historic average of 300-320 good days. 2017 is notable in that the fires produced the worst air quality days on record, with October 10 scoring a shocking 165 ("unhealthy").

COMPARABLE AIR QUALITY

Due to the October 2017 wildfires, it would be an irregular evaluation to compare air quality among comparable counties. Looking at 2016 data, where there were no county-specific anomalies, is a viable way to compare air quality among counties. In 2016, 95.1% of all days were considered to have "good" air quality (with an air quality index score between 0-50). This places Sonoma County as first among comparable counties for days with good air quality. Alameda places last with only 65.3% of good air quality days. However, all eight Bay Area comparable counties score better than the statewide average of 61.1%.

AIR POLLUTION

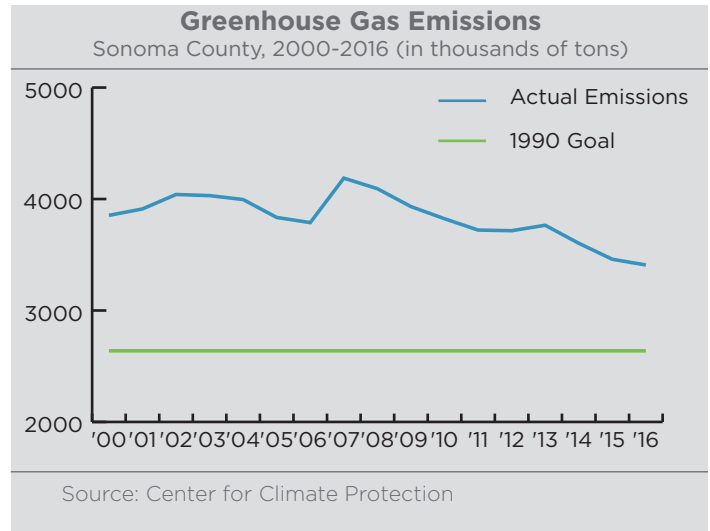
The two most hazardous pollutants are ozone and PM10 (10 millimeter particulate matter). While no amount of pollution is healthy, a value between 0-50 is considered "good air quality". In 2017, Sonoma County had an ozone score of 34.2 and a PM10 score



ENVIRONMENT

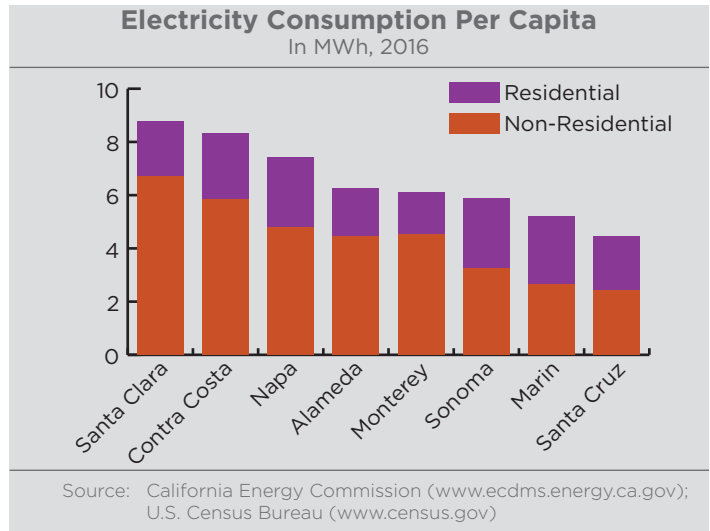
GREENHOUSE GAS EMISSIONS

In 2016, Sonoma County emitted 3.41 million pounds of greenhouse gas emissions. The vast majority of these emissions came from Transportation at 70.1%, followed by Natural Gas at 18.2%, Electricity at 8.7%, and Solid Waste at 3%. Since 2000, greenhouse gas emissions have increased from 3.85 million pounds to a peak of 4.04 million in 2002, before falling to its current multi-year low. Since 2010, the proportion of emissions has also changed: in 2000, Transportation accounted for 59.5% of emissions, Natural Gas accounted for 19%, Electricity accounted for 18.2%, and Solid Waste accounted for 3.4%. The county has the ultimate goal of bringing annual emissions down to 75% of 1990 levels, which would be 2.64 million pounds. While Sonoma County has not reached that goal, it has made serious progress: in 2002, the county produced 53.2% more emissions over the target level, but in 2017, the county was just 29.2% over this level. Decreasing emissions is a challenging task but decreasing emissions each year while also growing the population and the economy is an even more difficult challenge.



ELECTRICITY CONSUMPTION

In 2016, the latest available data, Sonoma County residents and businesses consumed 2,965,185 MWh (megawatt hours) of electricity. This translates as 5.9 MWh per capita. This rate places Sonoma County third lowest in electricity consumption per capita. Santa Cruz and Marin have the lowest consumption at 4.5 and 5.2 MWh per capita respectively, while Santa Clara and Contra Costa consume the most at 8.7 and 8.5 MWh per capita.



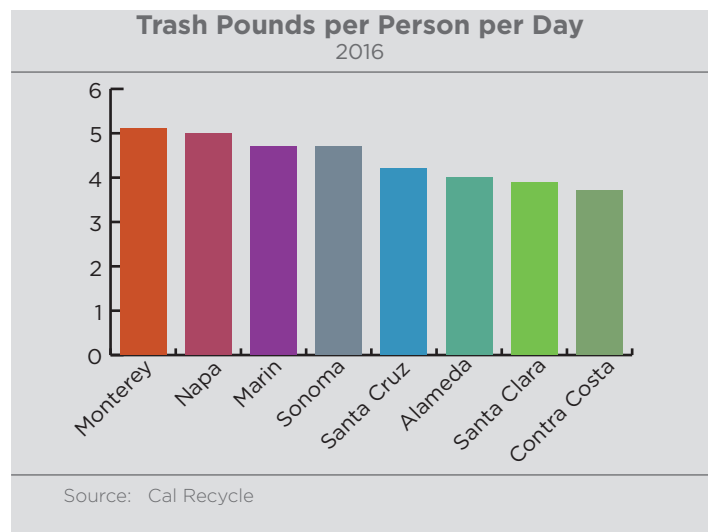
HISTORIC ELECTRICITY CONSUMPTION

Over the past ten years, Sonoma County residents have dropped their per capita electricity consumption from 6.3 MWh in 2007 to 5.9 MWh in 2016. Electricity consumption saw three years of decline, followed by three years of slight growth, and then followed by three years of decline again. During this time, California saw electricity consumption drop from a statewide average of 7.9 MWh per capita in 2007 to 7.3 MWh in 2016. Sonoma County saw a drop of 5.8% in power consumption during this time while California saw a drop of 8.1%.

ENVIRONMENT

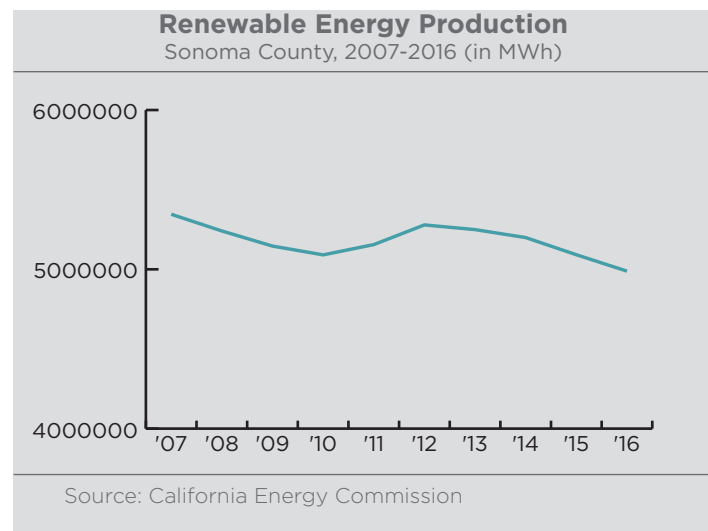
TRASH GENERATED

Sonoma County generated 1,897,554,000 pounds of trash in 2017, or 10.3 pounds per person per day. However, this rate was astronomically higher than the 2016 rate due to the volume of debris removal required by the fire cleanup. Looking at 2016 data, the county generates just 4.7 pounds of trash per person per day. This 2016 rate places Sonoma fifth of eight for trash generation, with Contra Costa producing the least at 3.7 pounds per person per day and Monterey producing the most at 5.1 pounds per person per day.



RENEWABLE ENERGY PRODUCTION

Sonoma County produced 4,988,594 MWh of renewable energy—defined as geothermal, hydro, solar, or wind—in 2016. This is a lower rate than 2015 (5,091,545 MWh), and actually represents the lowest production levels of renewable energy in ten years. This trend is also reflected in a decline in the renewable energy production per capita rate, from 11.44 MWh in 2007 to 9.92 in 2016.



PARK ACREAGE

There are 54 regional parks and several state parks in Sonoma County. The largest parks by acreage are Sonoma Coast State Park (9,038 acres), Austin Creek State Recreation Area (5,927 acres), Annadel State Park (5,093), Salt Point State Park (4,744 acres), and Sugarloaf Ridge State Park (4,277 acres).

PARK ATTENDANCE

The most visited park in 2016 was Doran Beach with an annual attendance of 961,823. This is followed by Spring Lake at 943,797, Ragle Ranch at 665,704, the Joe Rodota Trail at 506,955, and Riverfront at 183,088. From 2010-2016, attendance at parks increased by 45.6%. The most popular parks in term of five-year growth were Spring Lake (141.5%), Tolay Lake (68.6%), Doran Beach (63.6%), Bird Walk (58.4%), and Cloverdale River Park (50.7%). The five weakest growths occurred for Healdsburg Beach (0.7%), Sea Ranch Trail (1.1%), Crane Creek (4.7%), Pinnacle Gulch (5.1%), and Spud Point (6.4%). Just one park saw negative growth, Wohler Park at -35.7%.

SOURCES

The 2018 *Unabridged Sonoma County Indicators* provide a comparative study on various economic, demographic, environmental, and social aspects of Sonoma County. The Sonoma County Economic Development Board's (EDB) research originates from information available from outside resources and previously published material. The 2018 *Unabridged Sonoma County Indicators* offer partial or composite representations of raw data and cite respective source data sets. For more information, please see the listed sources.

The Indicators do not provide complete in-depth analyses of all facets of Sonoma County. The EDB believes all data contained within this report to be accurate and, when possible, the most currently available, but does not guarantee its accuracy or completeness. Use of data from an outside source does not represent an endorsement of any product or service by the EDB, its members, or affiliates.

Interested readers are encouraged to contact data source agencies or organizations for further research or visit our website at www.sonomaedb.org. Readers are also invited to suggest indicators for future reports by calling (707) 565-7170 or emailing edb@sonoma-county.org.

DATA SOURCES

CalRecycle

California Association of Realtors

California Assessment of Student Performance and Progress

California Board of Equalization

California Department of Public Health

California Employment Development Department

Center for Climate Protection

Cushman and Wakefield

Dean Runyan & Associates

Environmental Protection Agency

ESRI Business Analyst

LoopNet

North Bay Business Journal

Sonoma County Water Agency

United States Bureau of Labor Statistics

United States Census Bureau

United States Department of Agriculture

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