

Item # 21

File # - 17-294



# **SOLANO COUNTY INDEX OF ECONOMIC AND COMMUNITY PROGRESS - 2016**

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Presented to Board of Supervisors  
on April 25, 2017  
County Administrator's Office



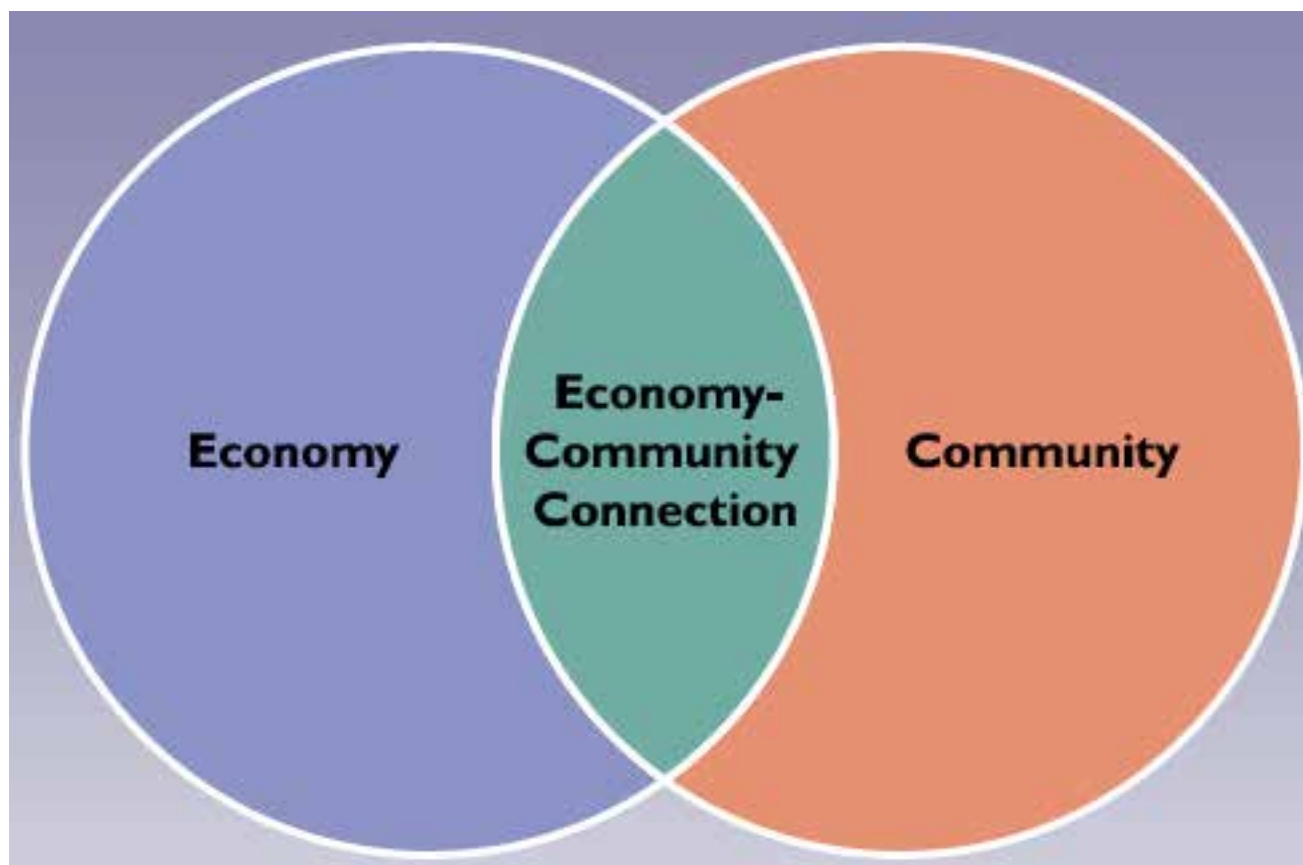
# Economic Progress: Considerations



- New Washington Administration & Leadership
  - Concepts to watch:
    - Healthcare, Defense investments, Tax restructure
- Interest rates to creep: slow and steady best
- Employment growth good
- Solano County's role as a corridor and labor-shed regionally
- Changes in consumer purchasing habits
- Commercial real estate and the "mall" concept



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# Overview



- Economic Progress based on three major markets moving together
  - Financial, Labor, Goods/Services
- Community progress based on specific changes in
  - Education
  - Housing
  - Population and Demography
  - Government Resources
- These are naturally linked to each other

# Quick Macro



- Forecasts suggest continued slow growth through 2020
  - Fiscal uncertainty, creeping interest rates
  - Jobs growth slowing but foundations of macroeconomy solid
- US Economy signs of continued growth at a slower rate
  - Equity markets continue to show confidence
  - Eighth year of recovery: longest in post-war period
  - Size of recovery the issue, but...
    - Slow and steady better than recession
- California the barometer for the US economy once again
  - Growing faster than national average

# How is Solano County doing as a community?



- The community is better off in 2016 than 2015
  - Jobs and incomes continue to rise
  - Home prices and wealth rising
  - Tax receipts rising
  - No recession through 2020 for state and national economies
- Challenges and opportunities
  - Education and workforce preparation
  - The commuting residents to places outside Solano County
  - Commercial real estate, agriculture and cannabis
  - Rental prices and housing concerns

# Economic Highlights

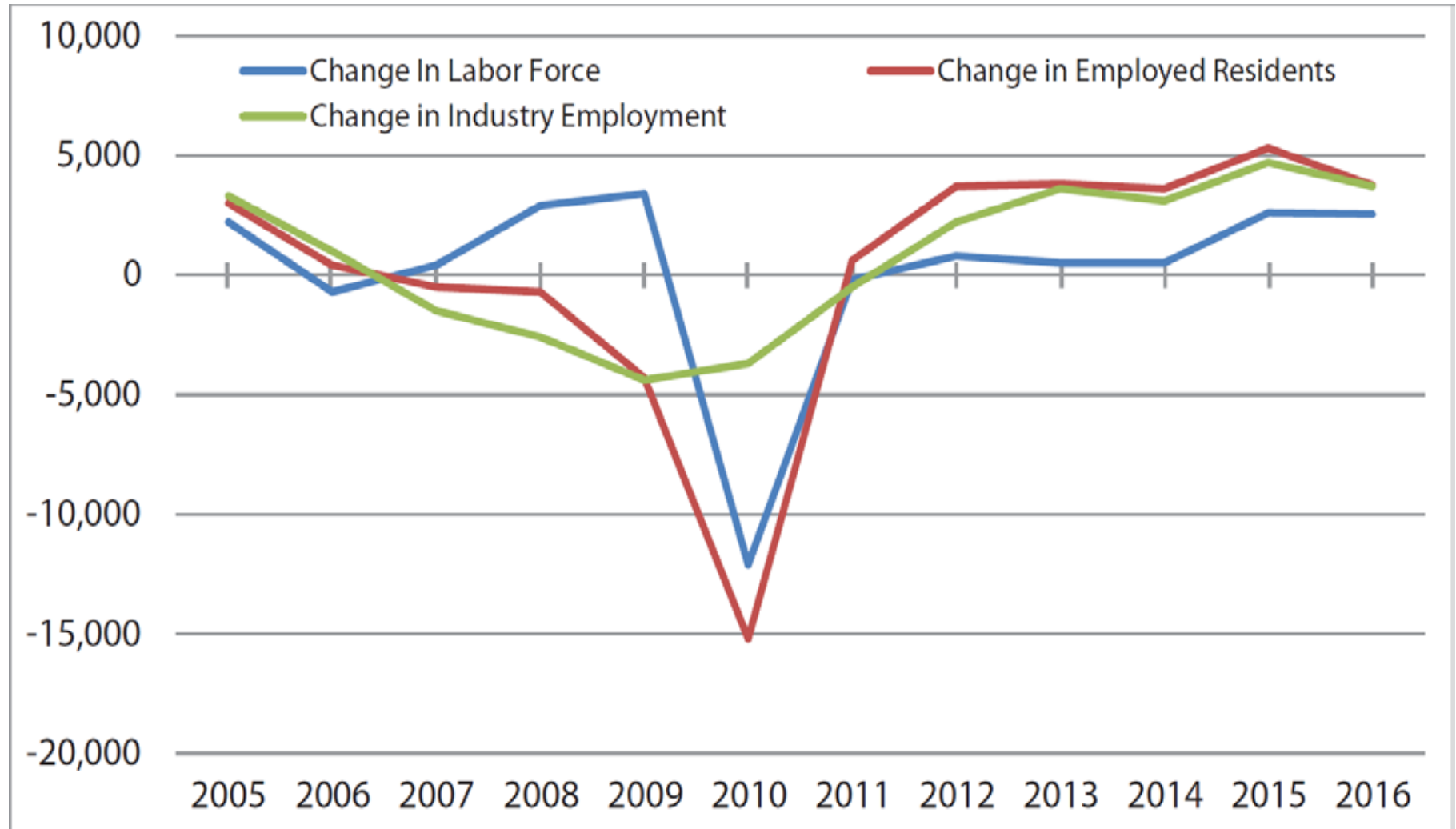


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- Solano County: 2017 looks like another good year
  - +3,700 jobs at Solano County Employers
    - 2,740 of these jobs were in “export-focused” industries
  - Housing market another good year: +15.3% median home price growth/Recovering from recession & Prop 8 adjustments
    - Low interest rates and continued demand good signs
    - Higher home prices/home values but still affordable compared to Bay Area
  - Standard of living indicators improving, but MHI slight slip
    - Reminder that inflation is creeping up
  - Estimates suggest 167,300 people working in Solano County by 2020, tied to housing units and commuting

# Solano County Labor Force Indicators (EDD), Workers



Source: EDD (<http://www.labormarketinfo.edd.ca.gov/>), Labor Market Information



# Solano County Local Industry Employment

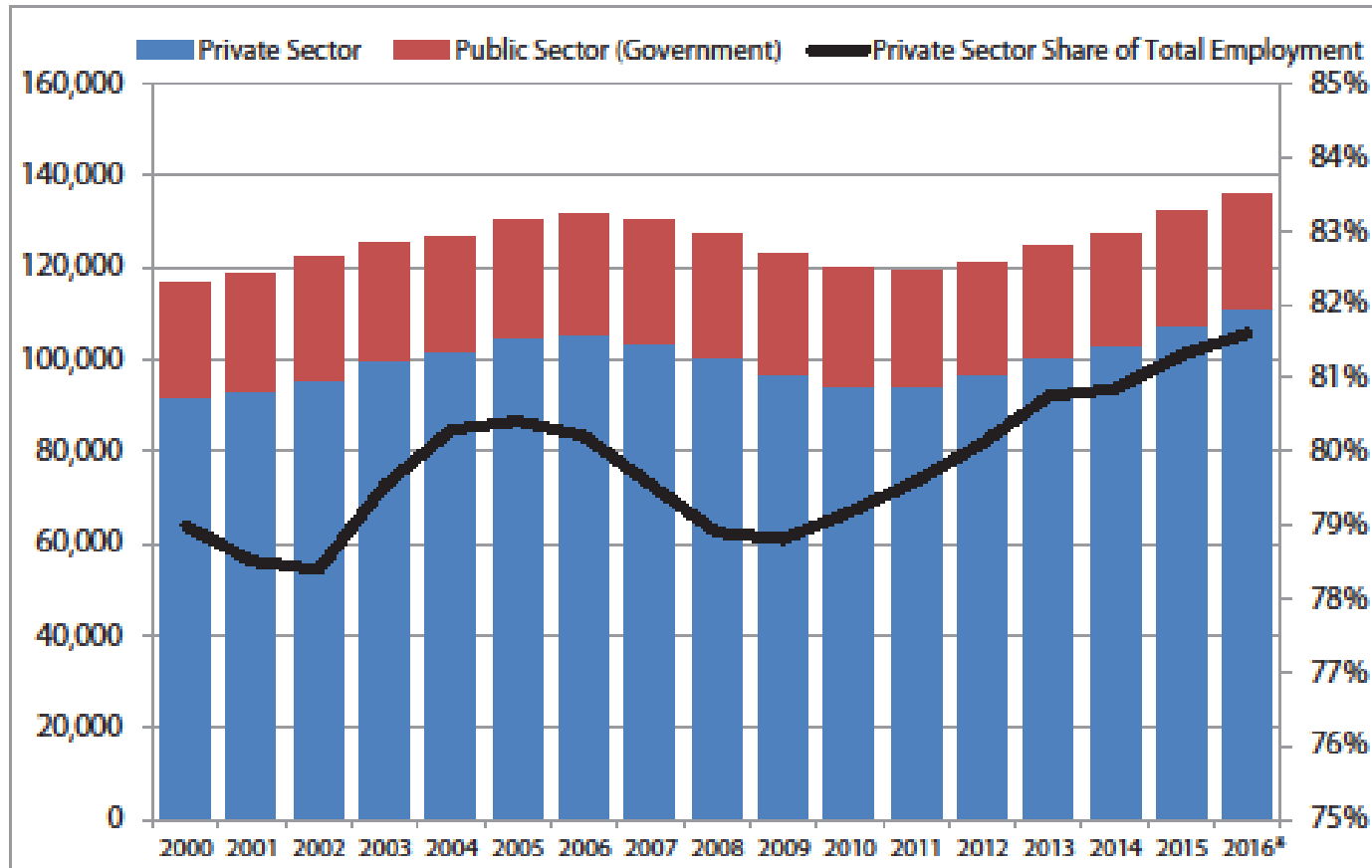


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EFA  
Economic Forensics & Analytics

**Solano County Private and Public Sector Employment Annual Averages, 2000–2016**

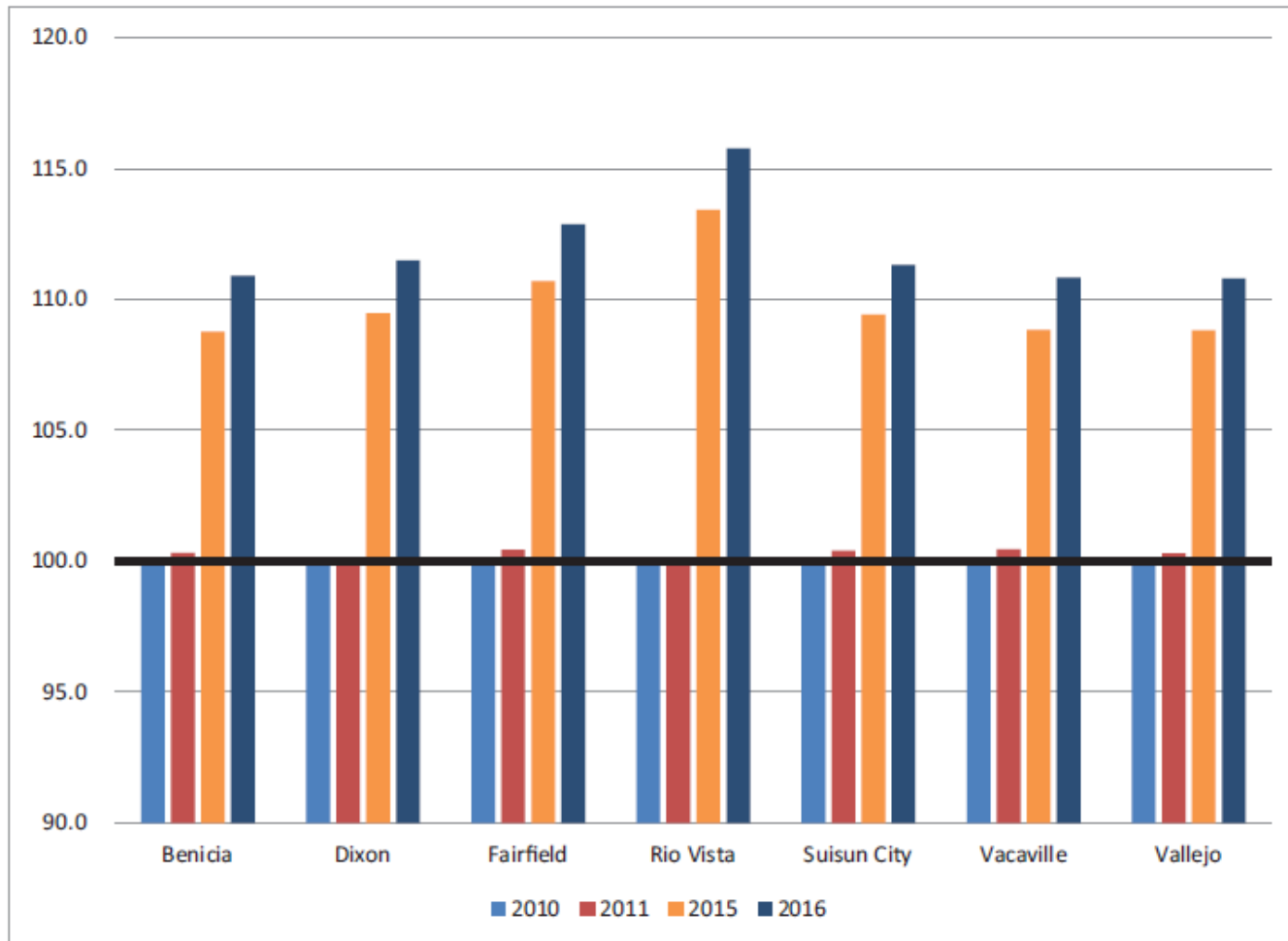


Source: California Employment Development Department ([www.edd.ca.gov](http://www.edd.ca.gov)); \*2016 is a 12-month average of data from January 2016 through December 2016. Private and Public Sector Employment Levels are indicated on the left-hand axis; Private Sector share of Total Employment is indicated on the right-hand axis.

# Solano County Employed Residents



Solano County Employed Residents by City; 2010, 2011, 2015, and 2016; Index 2010 = 100

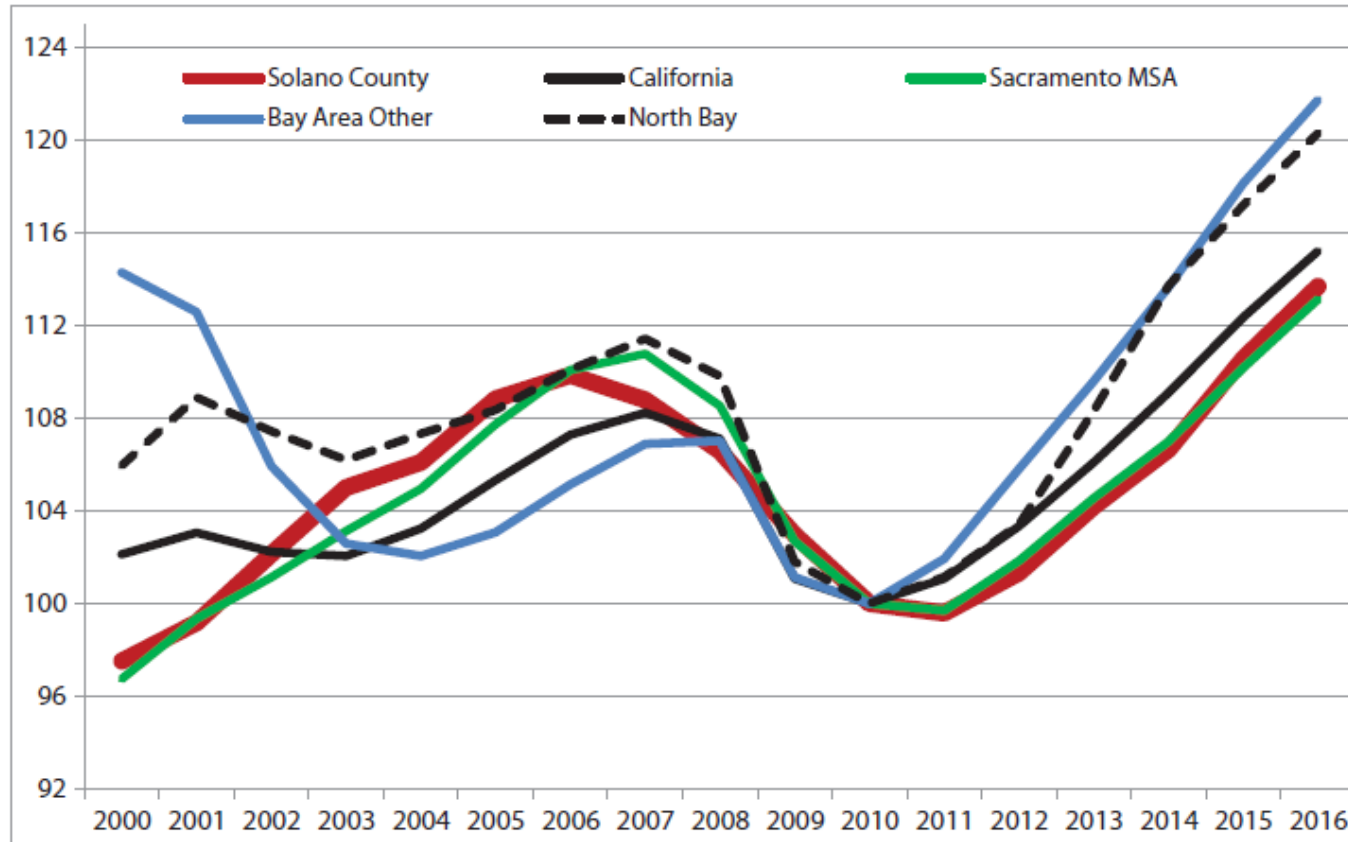


Source: California EDD ([www.edd.ca.gov](http://www.edd.ca.gov))  
Solid Line at 100 to show where the Index starts in 2010

# Solano County Industry Employment



**Gain or Loss in Industry Employment (Non-Farm), 2000–2016**  
**Comparisons Between Selected Areas, Index 2010 = 100**

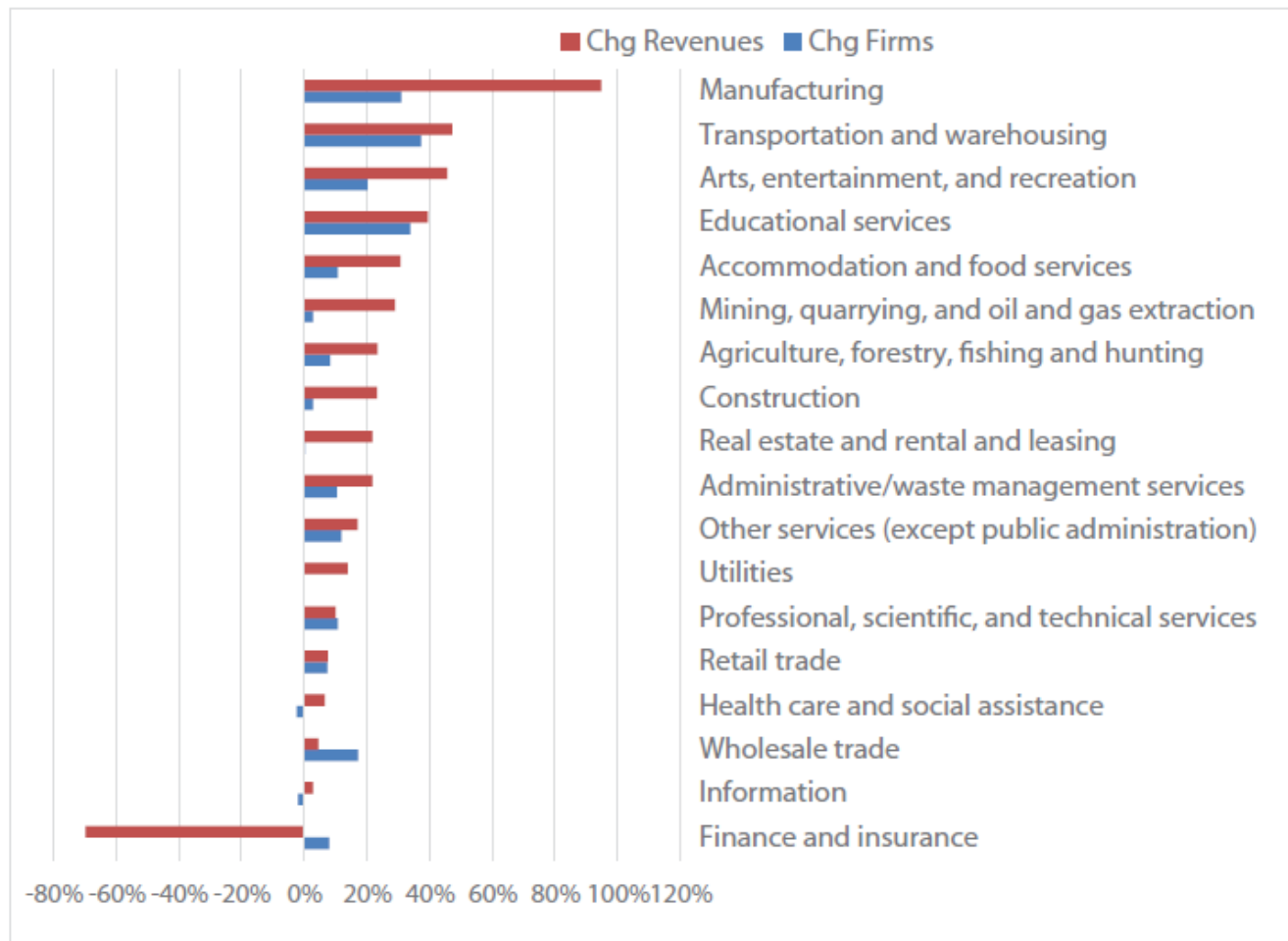


Source: California Employment Development Department ([www.edd.ca.gov](http://www.edd.ca.gov))

# Solano County Small Business Formation

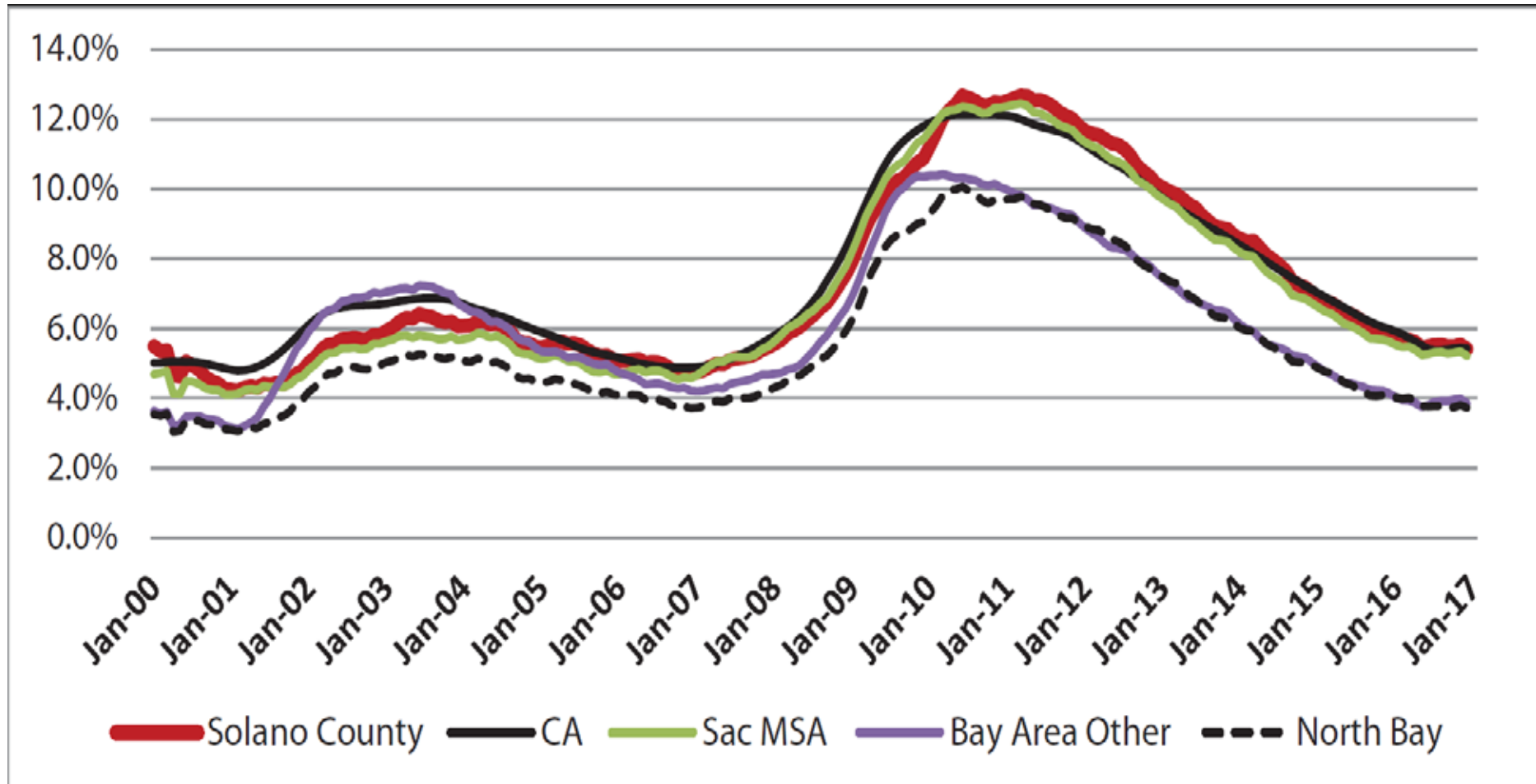


**Solano County Non-Employers,  
Percent Change in Number of Firms and Business Revenues, 2010 to 2014**



Source: Census Bureau: [www.census.gov](http://www.census.gov)

# Solano County Unemployment Rate (%)

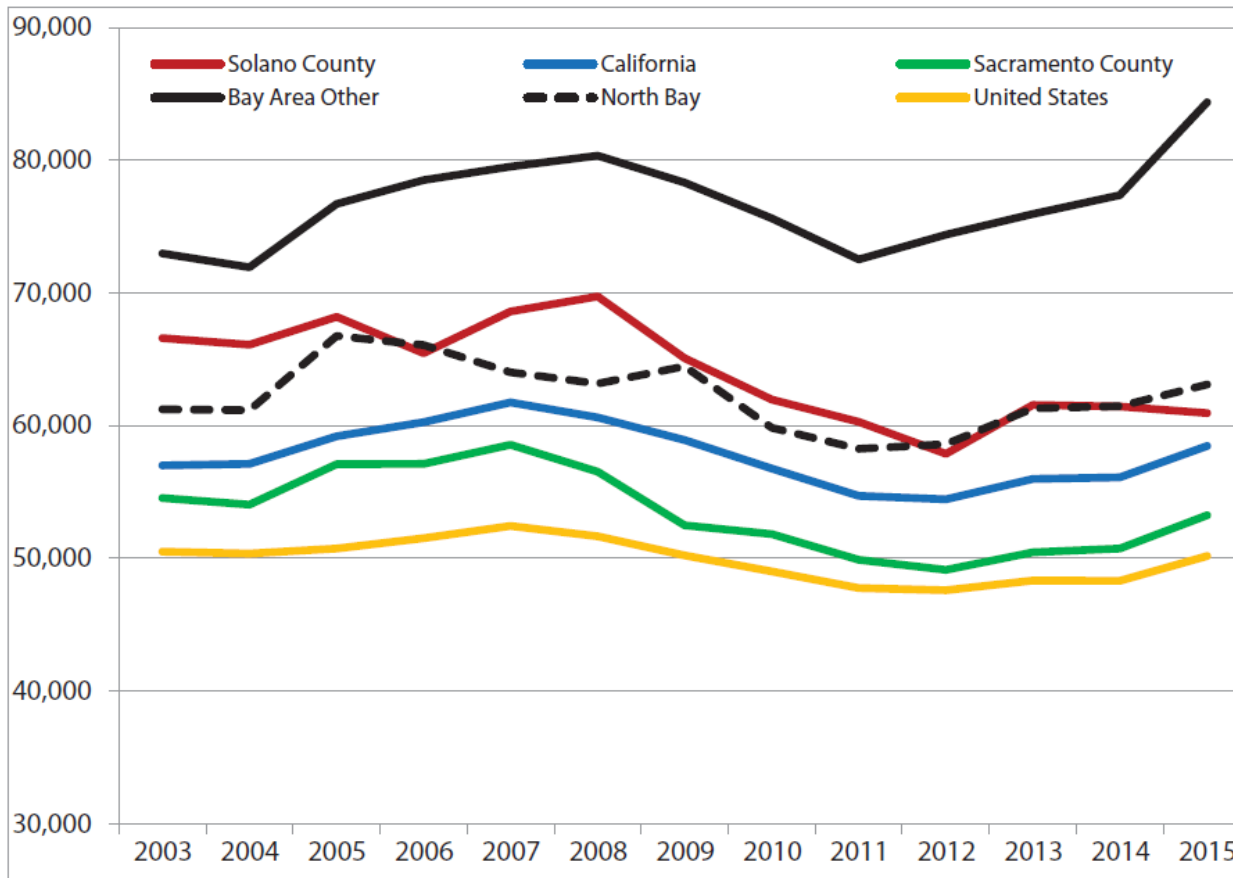


Source: EDD (<http://www.labormarketinfo.edd.ca.gov/>), Labor Market Information

# Median Household Income



Median Household 2003–2015, Comparisons Between Selected Areas, in 2009 Dollars



Sources: Census Bureau (Median Household Income), California Department of Finance (CPI data)

Standard of Living Measures at the County, State, and National Levels  
2010, 2014 and 2015 (latest available data), in 2009 Dollars

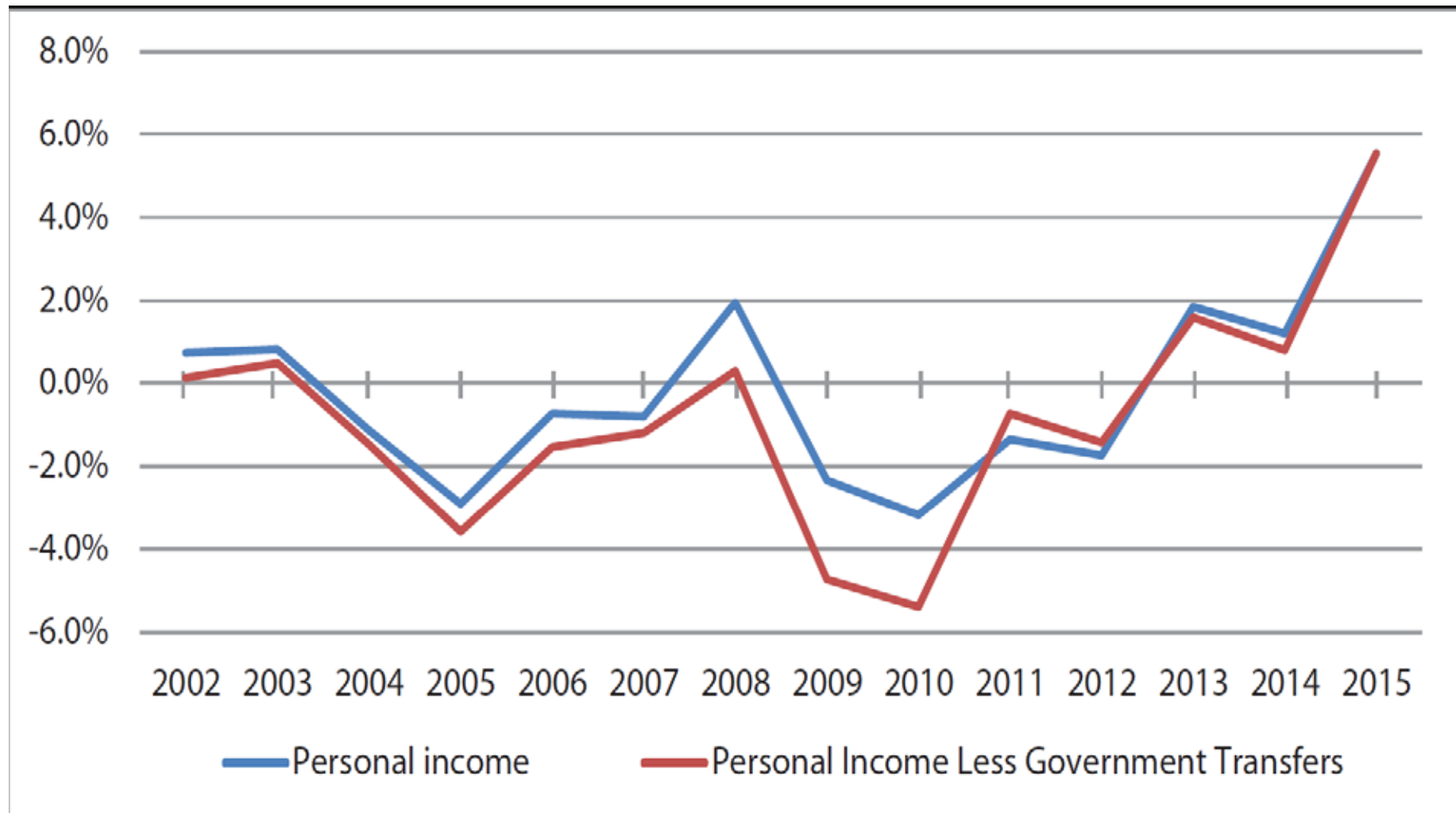
Place	Gross Product per Capita			Personal Income per Person			Median Household Income		
	2010	2014	2015	2010	2014	2015	2010	2014	2015
United States	\$47,287	\$49,203	\$50,054	\$39,649	\$42,152	\$43,195	\$50,046	\$53,482	\$55,775
California	\$51,869	\$55,247	\$56,851	\$42,667	\$46,484	\$48,198	\$57,664	\$61,489	\$64,483
Solano County	\$35,389	\$37,907	\$38,692	\$36,253	\$36,217	\$38,222	\$62,948	\$67,341	\$67,202

Sources: Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)) and Census Bureau ([factfinder2.census.gov](http://factfinder2.census.gov))

# Solano County Per Capital PI Change (BEA), %



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Source: Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov))

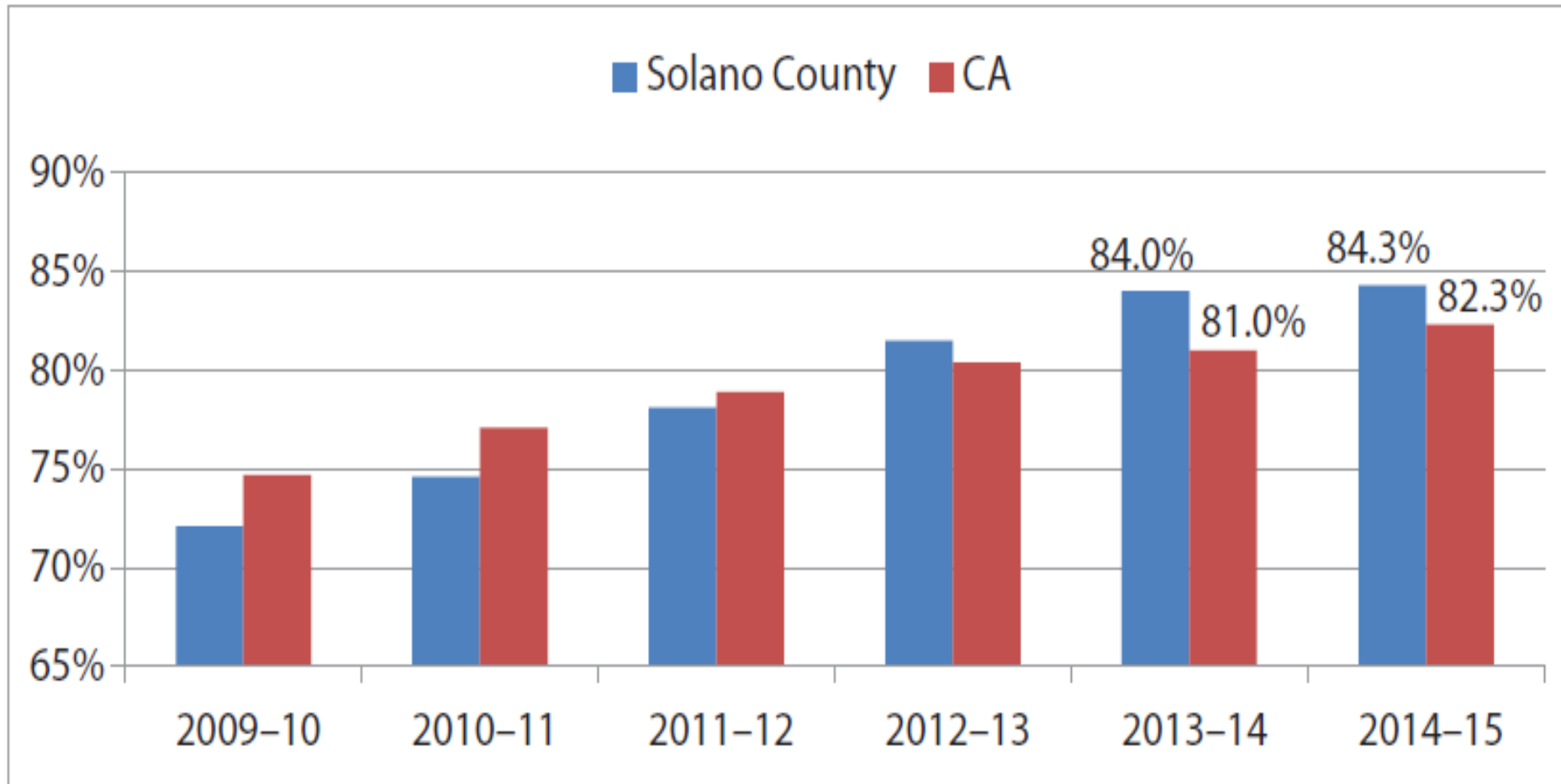
# Community Highlights



- Education Data: good results
  - Increase in graduation rates: remain better than CA avg, but trailing Bay Area
  - Dropout rates increased slightly – factor of increased population
  - College-ready down slightly, still at historic highs – need to prepare next workforce with education and technical training



# Solano County Graduation Rates, %



Source: California Department of Education ([cde.ca.gov](http://cde.ca.gov))

# Education & Income



## Income, Household Size, and Education, 2010, 2014, and 2015, Five-Year Averages

Place	Median Household Income (2009 Dollars)			Average Household Size			Percent of Residents with HS Diploma or Better			Percent of Residents with Bachelor's Degree or Better		
	2010	2014	2015	2010	2014	2015	2010	2014	2015	2010	2014	2015
Solano County	\$68,409	\$67,341	\$66,828	2.83	2.87	2.89	85.8%	87.5%	87.5%	24.0%	24.3%	24.9%
United States	\$51,914	\$53,482	\$53,889	2.61	2.63	2.64	85.0%	86.3%	86.7%	27.9%	29.3%	29.8%
California	\$60,883	\$61,489	\$61,818	2.93	2.95	2.96	80.7%	81.5%	81.8%	30.1%	31.0%	31.4%
Benicia	\$87,018	\$89,094	\$88,394	2.53	2.54	2.55	94.7%	95.5%	95.7%	41.2%	41.1%	43.3%
Dixon	\$69,742	\$66,818	\$72,188	3.00	3.09	3.22	82.1%	82.0%	78.1%	19.6%	20.9%	21.8%
Fairfield	\$68,009	\$66,190	\$67,364	3.00	3.03	3.10	84.8%	85.6%	85.6%	22.2%	23.2%	24.1%
Rio Vista	\$54,568	\$62,616	\$62,079	2.04	2.21	2.11	93.1%	91.8%	92.1%	25.3%	24.2%	26.9%
Suisun City	\$71,795	\$71,306	\$66,452	3.23	3.28	3.28	86.1%	88.6%	87.5%	19.3%	19.8%	18.8%
Vacaville	\$70,838	\$74,207	\$74,001	2.71	2.75	2.76	85.4%	88.1%	88.4%	21.0%	22.5%	22.2%
Vallejo	\$61,481	\$58,472	\$57,028	2.85	2.85	2.85	84.7%	87.0%	87.4%	24.7%	23.5%	24.5%

Source: Census Bureau ([factfinder2.census.gov](http://factfinder2.census.gov))

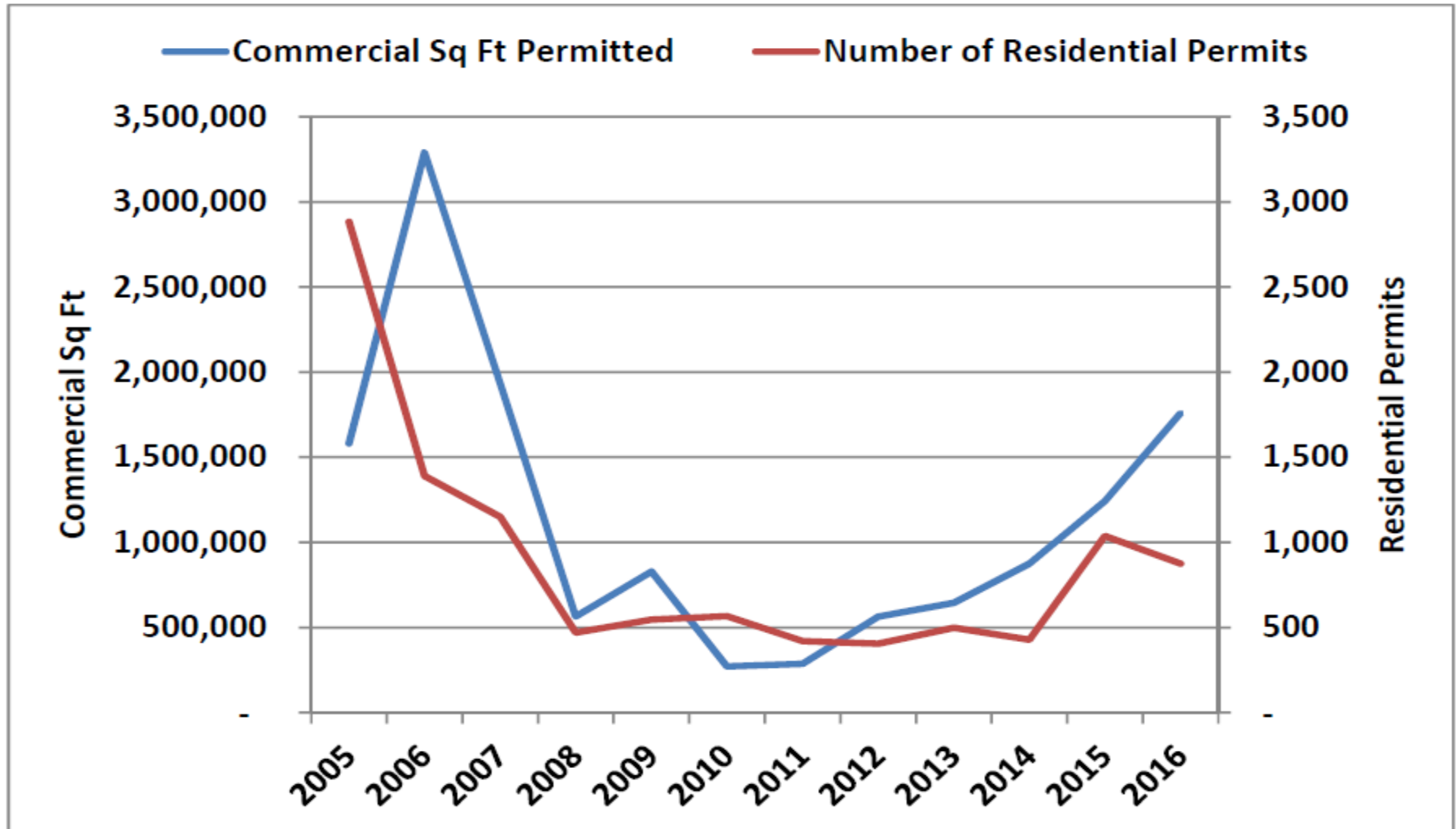
Source: California Department of Education ([cde.ca.gov](http://cde.ca.gov))

# Community Highlights



- Housing
  - Residential permits trailing, slower than 2014-15
  - Less new builds – more renovations
  - Housing & rental prices rising
    - Slow-moving, upward trajectory
    - Low overall inventory and rising demand
    - Still affordable compared to Bay Area
  - Construction returning slowly
- Cities: suburban performing better than rural, classic

# Building Permits, Commercial ft<sup>2</sup> and Residential Units Permitted

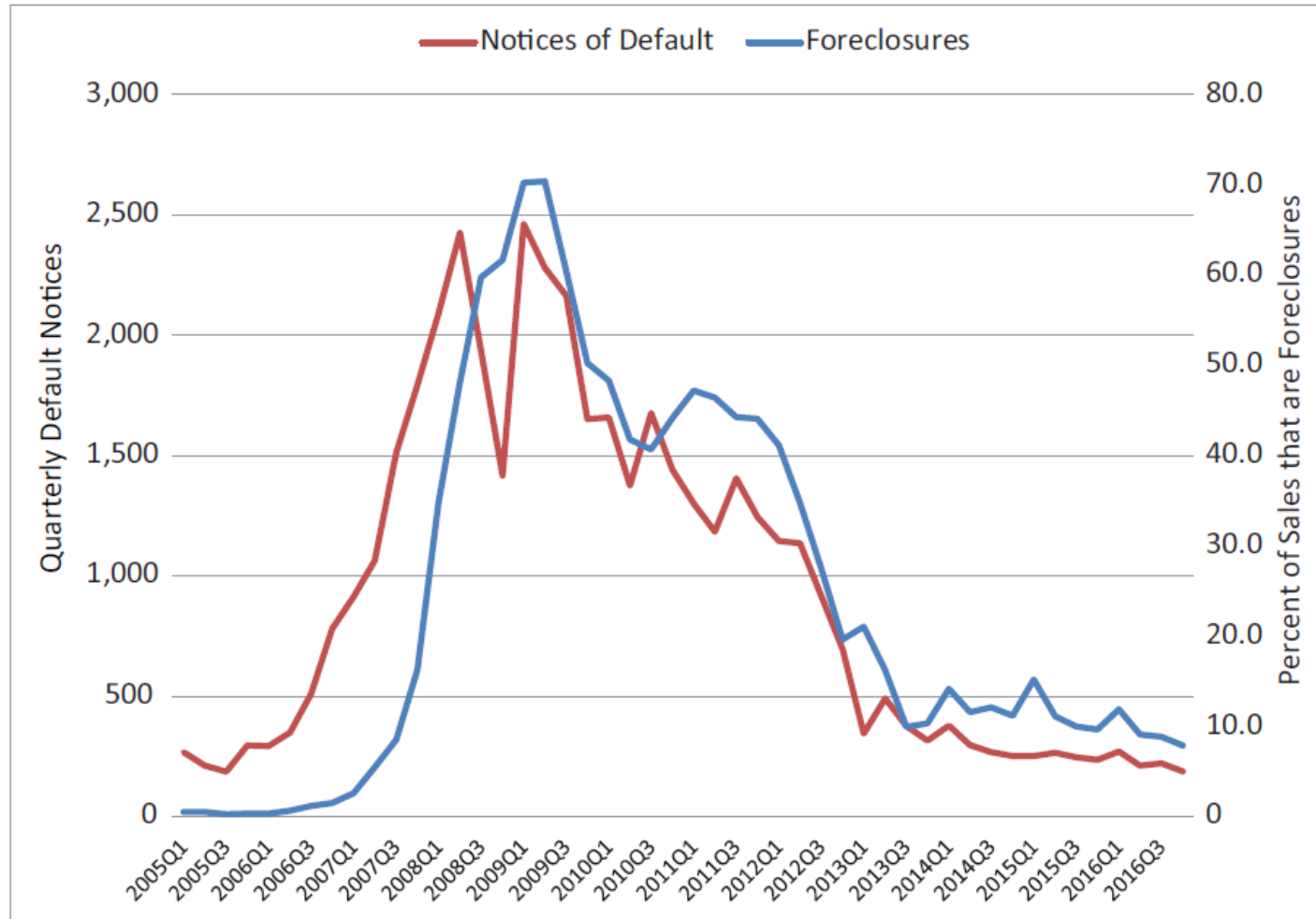


Sources: Census Bureau ([www.census.gov/const](http://www.census.gov/const)) and County of Solano

# Notices of Default and Foreclosures



Solano County Notices of Default and Percent of Sales in Foreclosure, 2005–2016

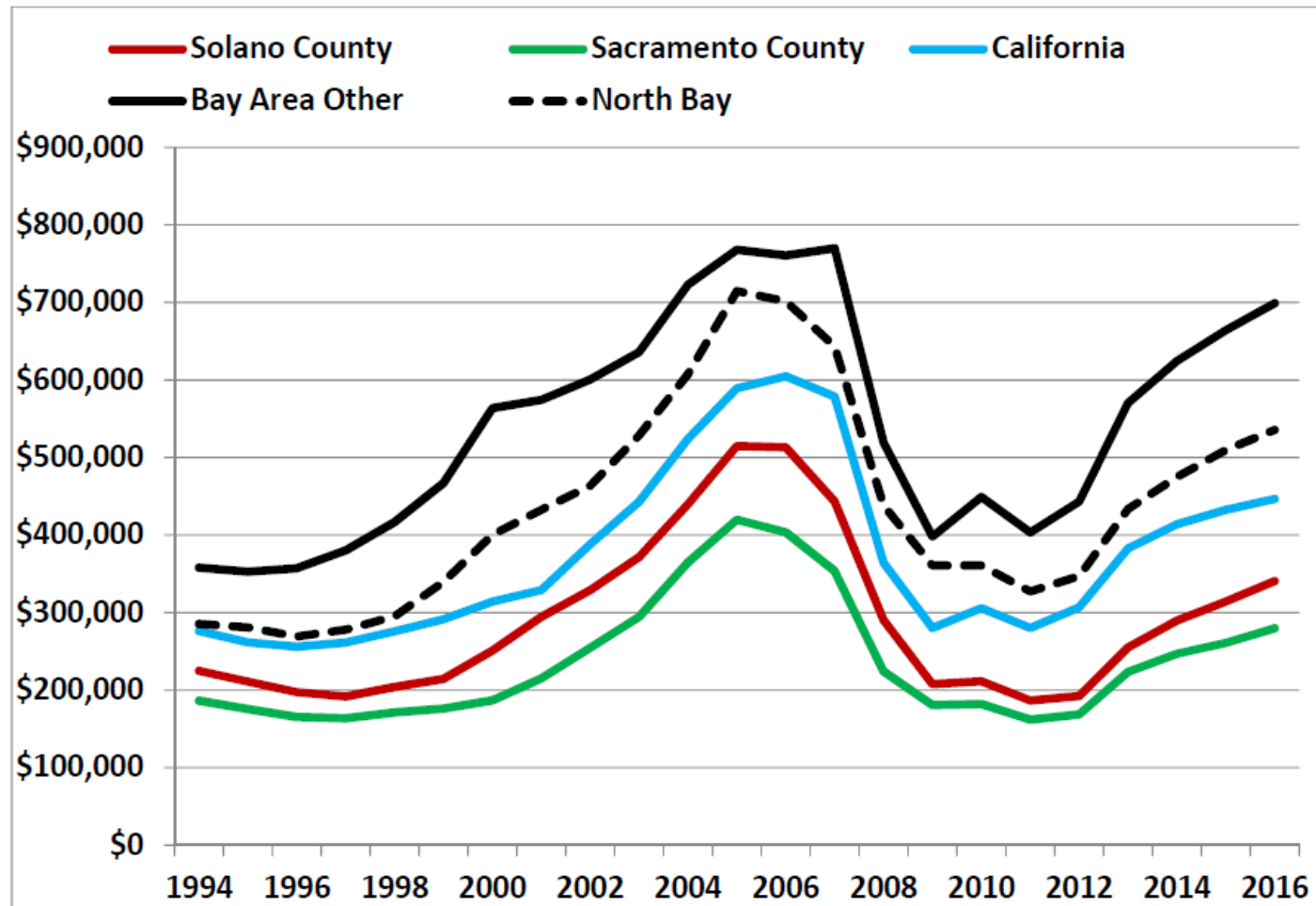


Source: Solano County Recorder's Office (gathered by author)

# Median Home Price



Median Home Price, 1994–2016, Comparisons Between Selected Areas, in 2009 Dollars



Sources: California Association of Realtors

*Note: Sacramento County is shown alone (rather than the Sacramento MSA) because there is not similar data over time for Placer, Yolo, and El Dorado counties.*

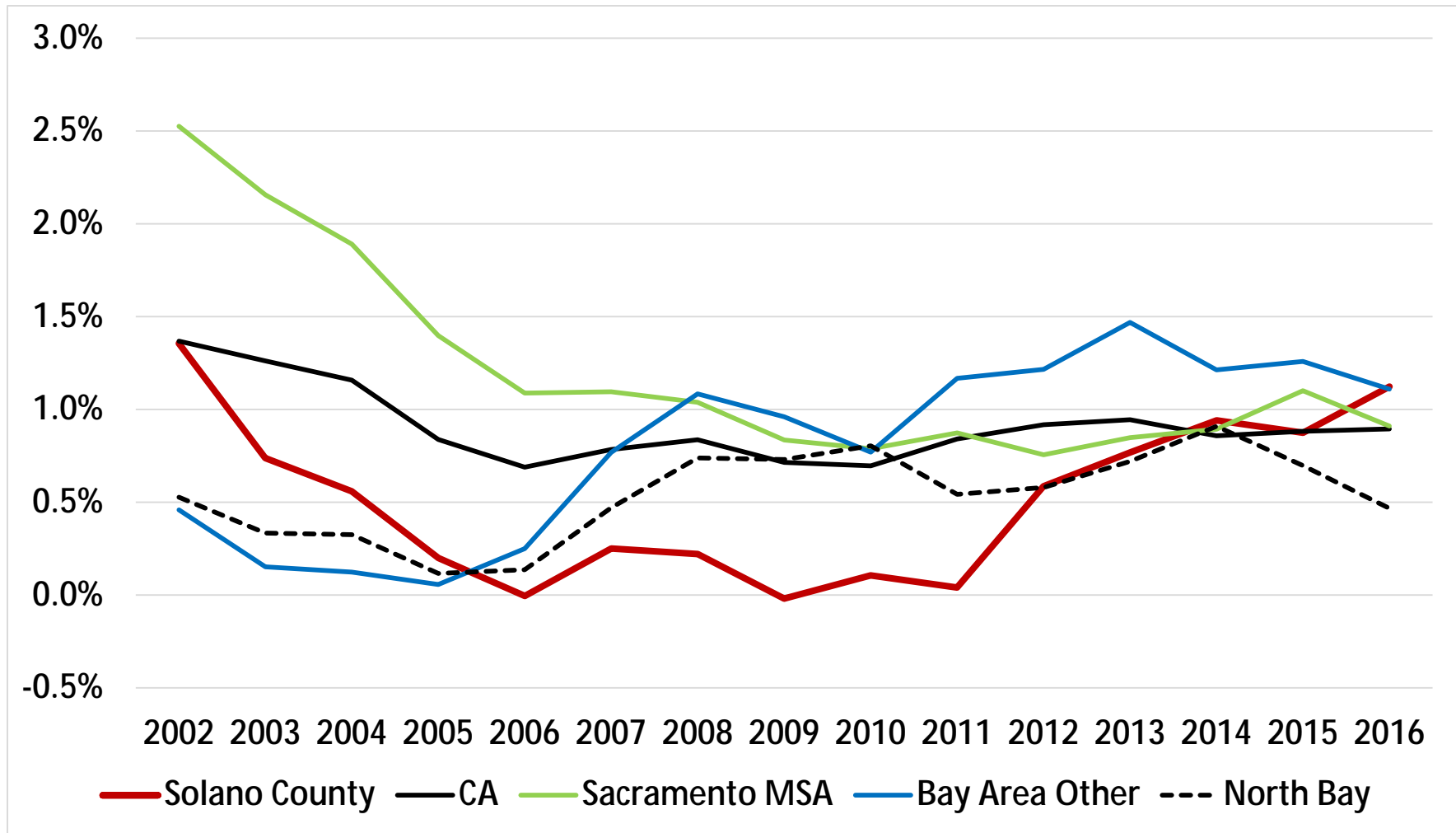
# Community Highlights



- Population

- Almost 4,800 more residents
- Solano County aging, slower than North Bay, faster than Bay Area
- Rises in dependency categories (under 18 years old, 65 and older)
  - More young and old residents, less working-age residents
  - Impacts to transportation, healthcare and public assistance (more users, more need)
  - Indicator for increased healthcare hiring

# Population Growth, % change, 2002-16

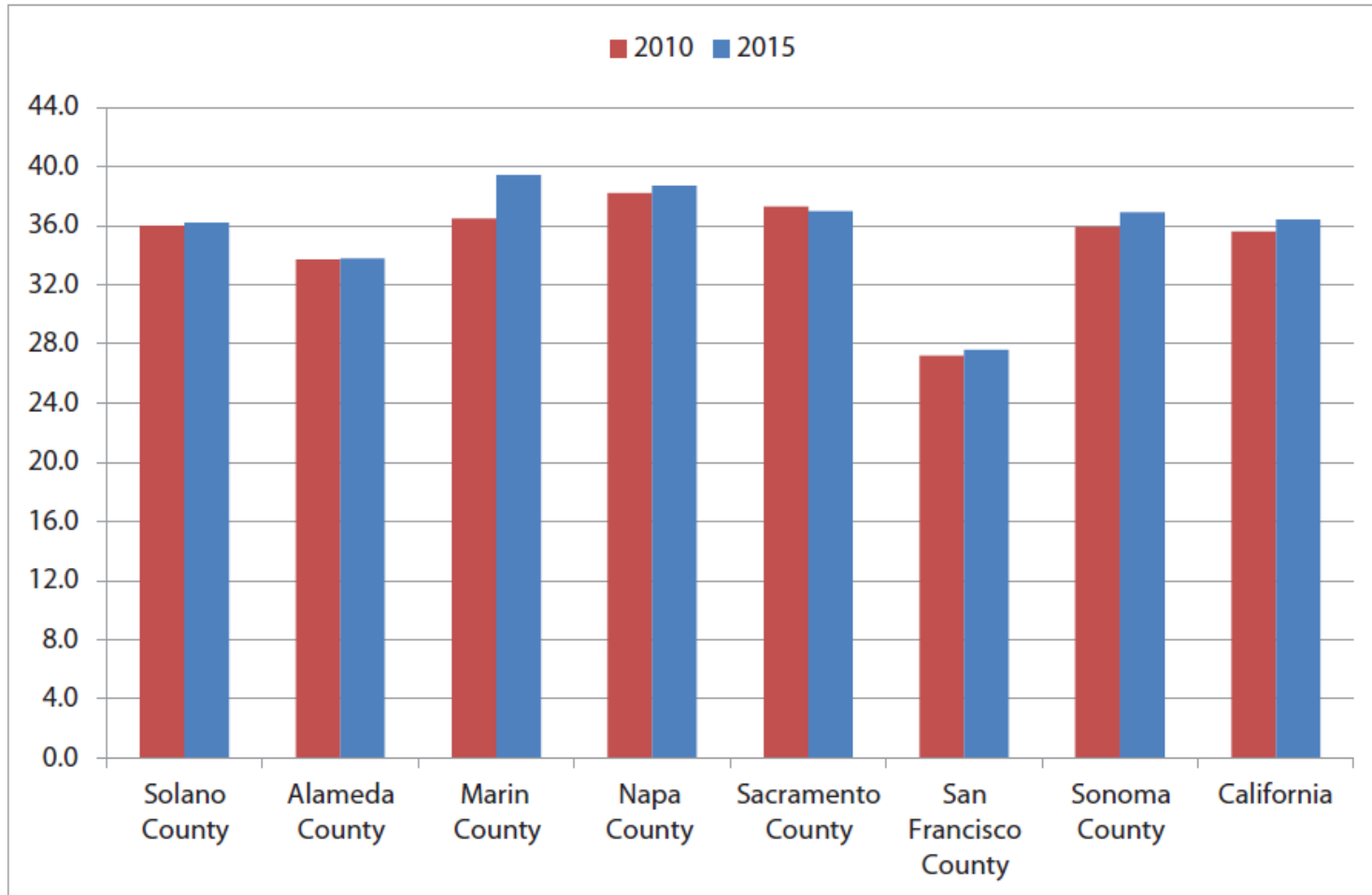




# Dependency Ratio



**Total Dependency Ratio, Comparison Between Selected Areas, 2010 and 2015**  
**Sum of Percentages of the Population Under 18 and 65 and Older**

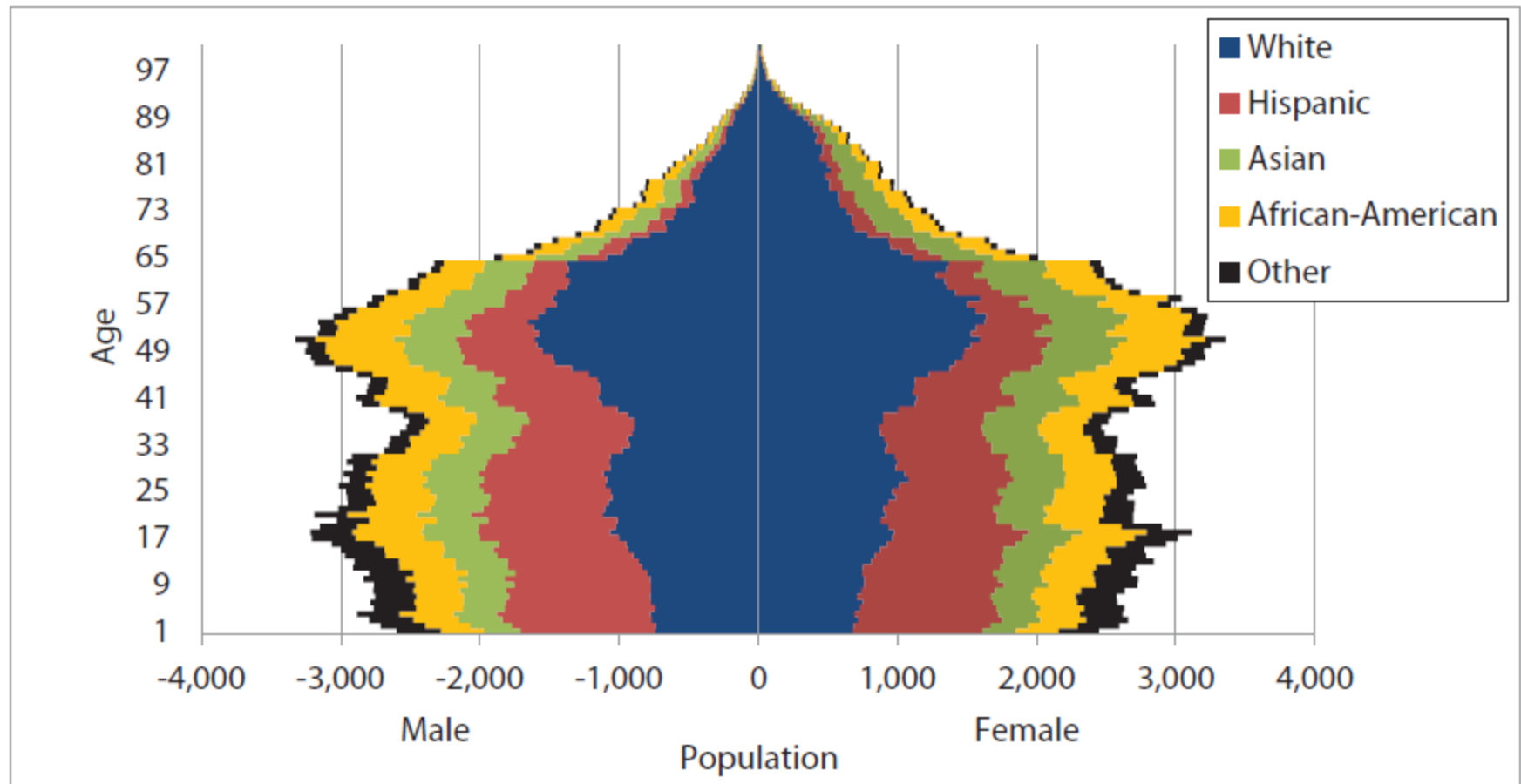


Source: Census Bureau ([www.census.gov](http://www.census.gov)) at [factfinder2.census.gov](http://factfinder2.census.gov)

# Population Pyramid



2010 Solano County Population Pyramid



Source: California Department of Finance, Demographic Research Unit ([www.dof.ca.gov](http://www.dof.ca.gov))

# Looking Forward



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- Economic and workforce development blending
  - Good for growth throughout Solano County
- Interest rates rising a good thing to shape financial and housing markets
- Fiscal packages from Washington may involve Travis AFB
  - More support suggests long-term community support and stability
- Watching the Bay Area and California
  - Connected globally and affect Solano County
  - As California goes, so goes the US for now



# SOLANO COUNTY



## Questions?

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