

The ABAG Regional Forecast and Sonoma County

Cynthia Kroll, Chief Economist, ABAG
Santa Rosa, June 8, 2015

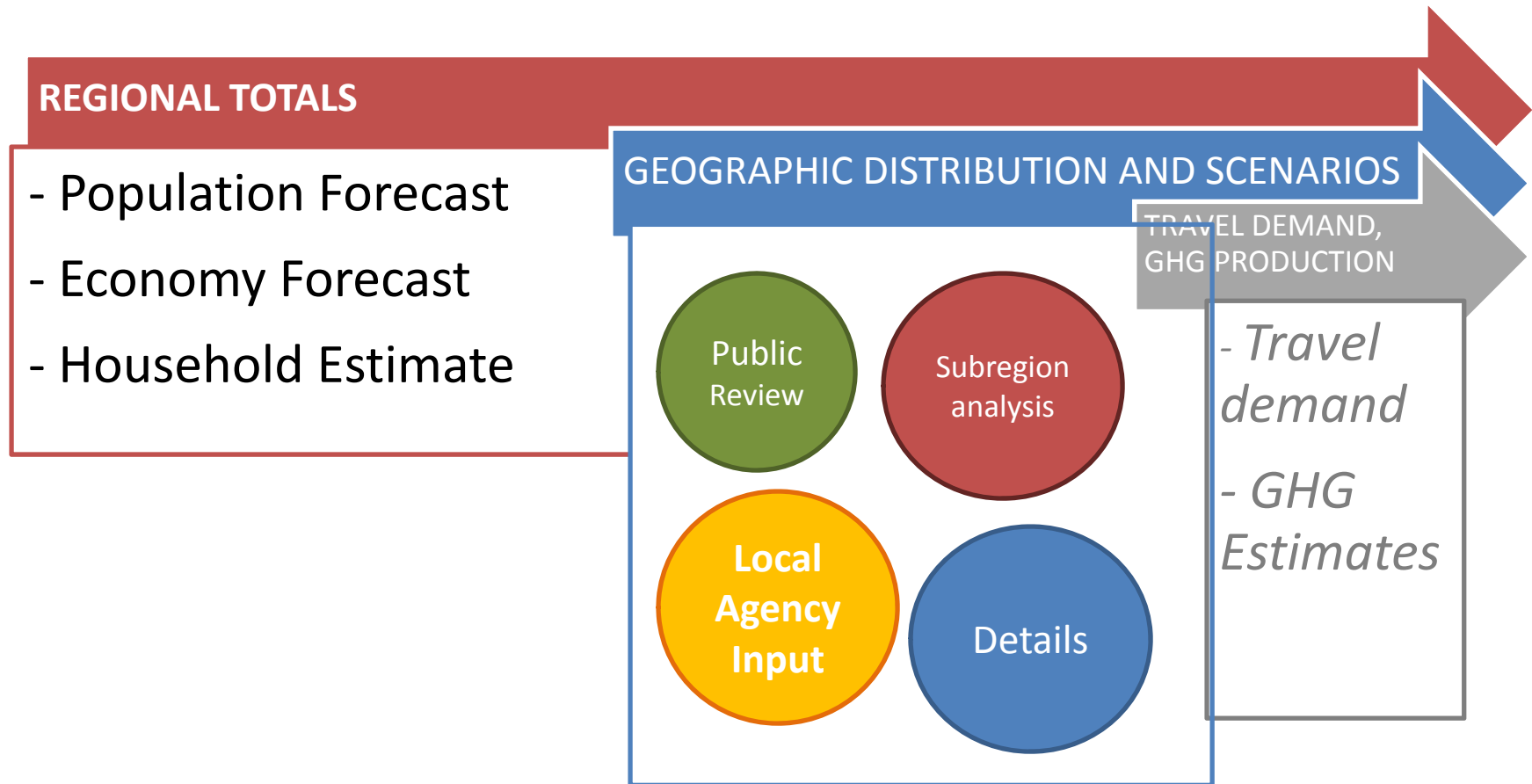
What is the Regional Forecast?

- A realistic 25-year regional outlook, based on expected national and international trends
- Estimates to 2040 of regional totals for population, jobs, households and income
- Geographic distribution of the forecast within the region based on local policy choices, market conditions, and baseline circumstances
- Frequently revised (current time frame—every four years)

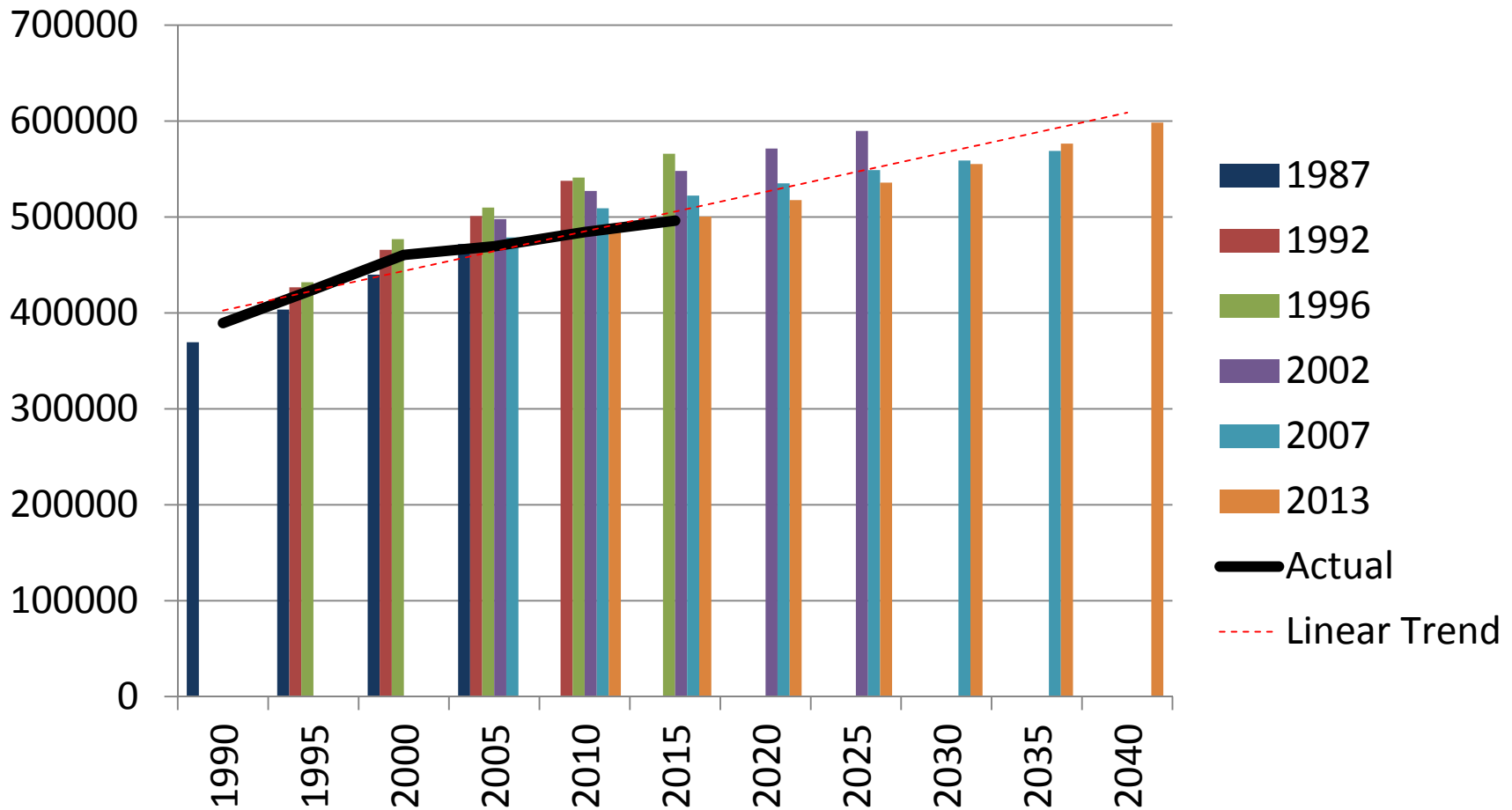
Why Have a Regional Forecast?

- Internally consistent estimates of jobs, population, households and income
- Context for local general planning efforts
- Needed for planning and financing long term transportation and housing investments
- California statutory framework

How do we do the Forecast?



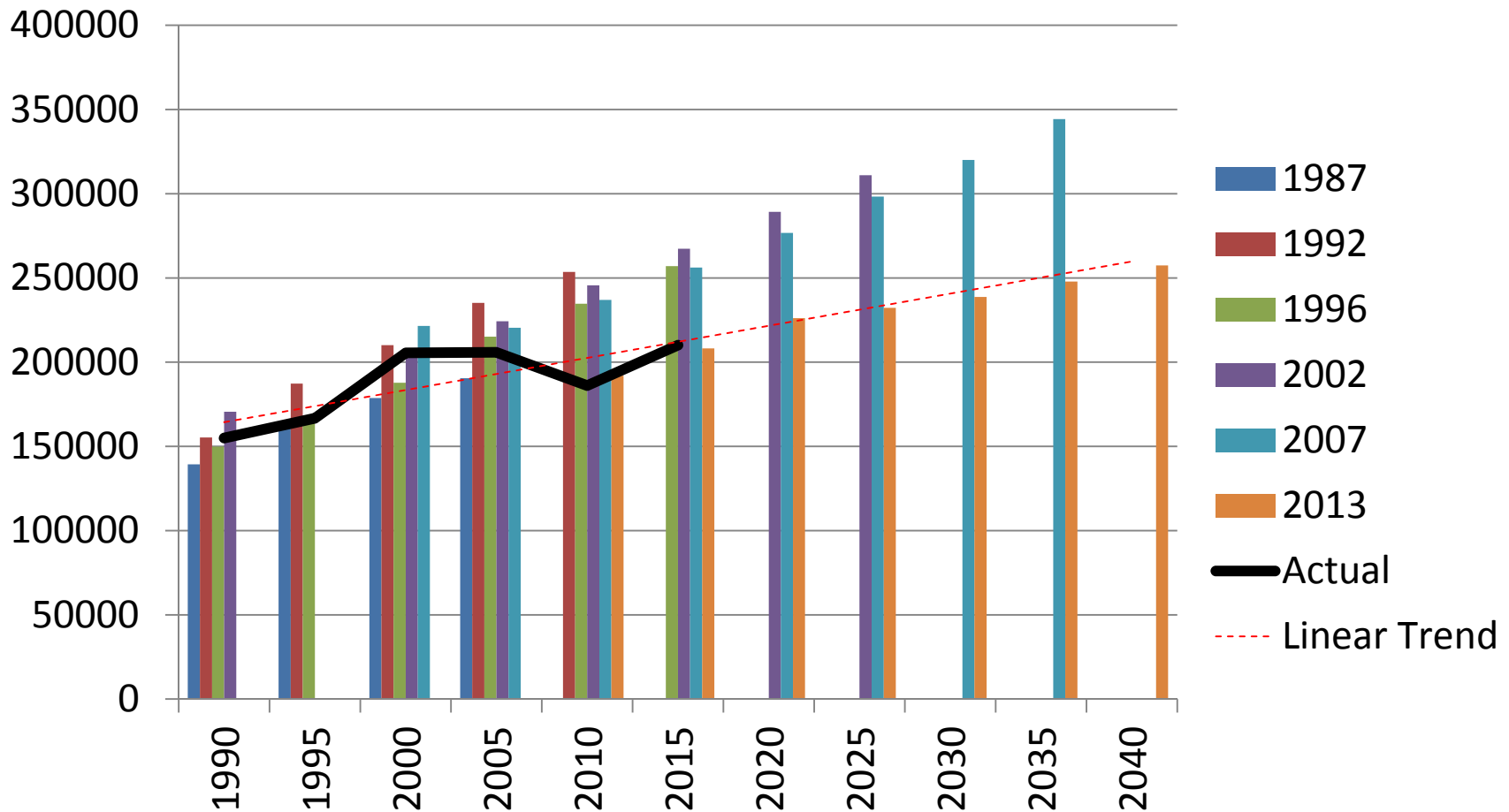
How Good Are the Forecasts? Sonoma County Population



Source: ABAG from earlier Projections series and California Department of Finance.

Note: 2015 Actual is January 2015.

How Good Are the Forecasts? Sonoma County Employment



Source: ABAG from earlier Projections series and California Employment Development Department. Note: "Actual" is Bureau of Labor Statistics plus 6%. 2015 Actual is 2014 annual average.

Why Are Employment Forecasts Less Accurate?

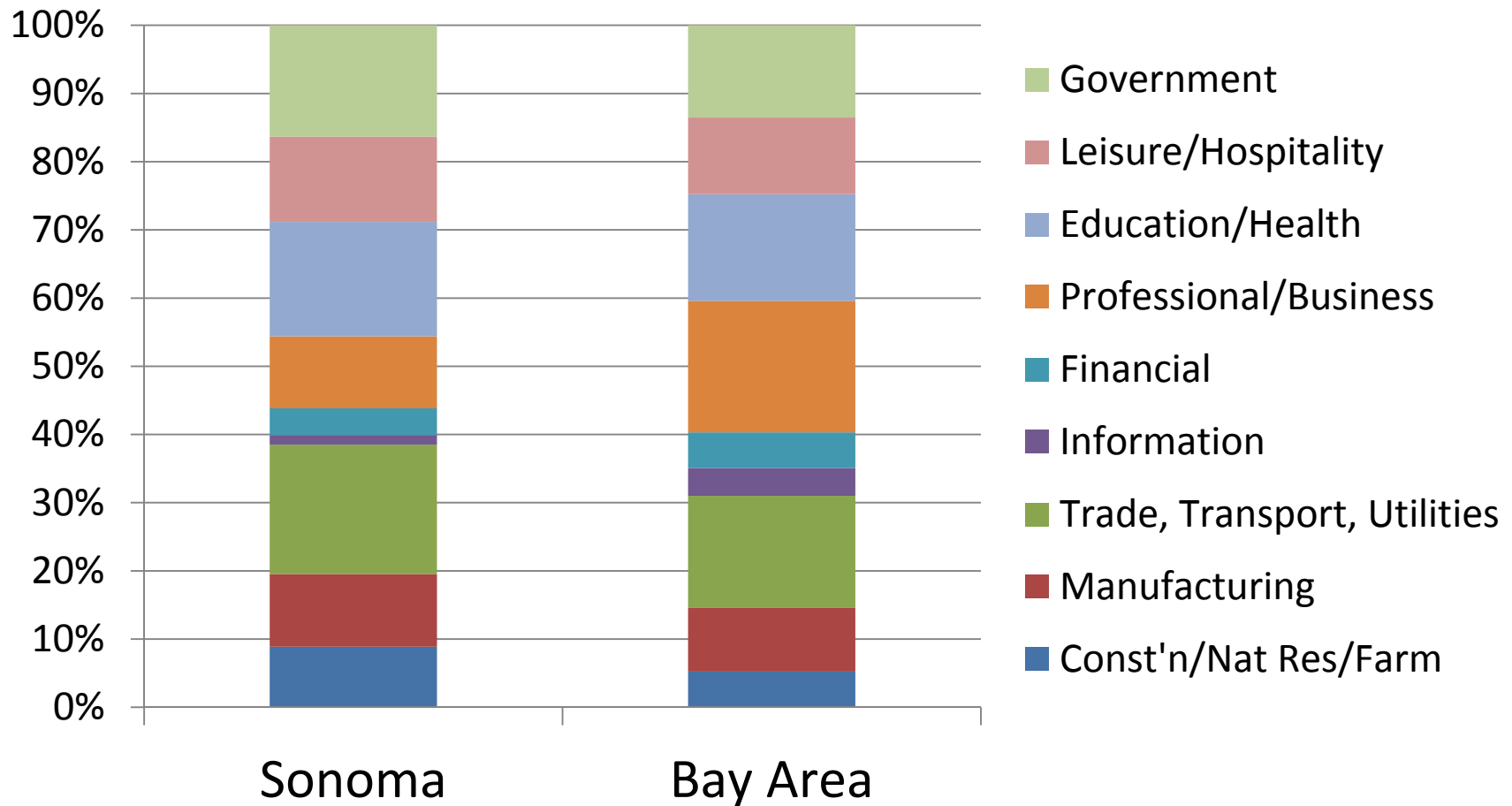
- Forecasts predict long term trends but employment has short term cycles.
 - Past “trends” depend on the starting point
 - Accuracy depends on point in cycle
- Measurement issues
 - Many different definitions of employment
 - ABAG adjusts to jobs per person (tied to travel database)
 - Data accuracy is weaker for smaller geographies
- Geographic uncertainty—what will be the hot spots?

What Distinguishes Sonoma?

- Strong agriculture economy
- Somewhat older population than most other counties, except Marin; aging faster.
- Less ethnically diverse than the region as a whole
- Low median household Income
- Growing slowly
- A higher share of movers stay in Sonoma

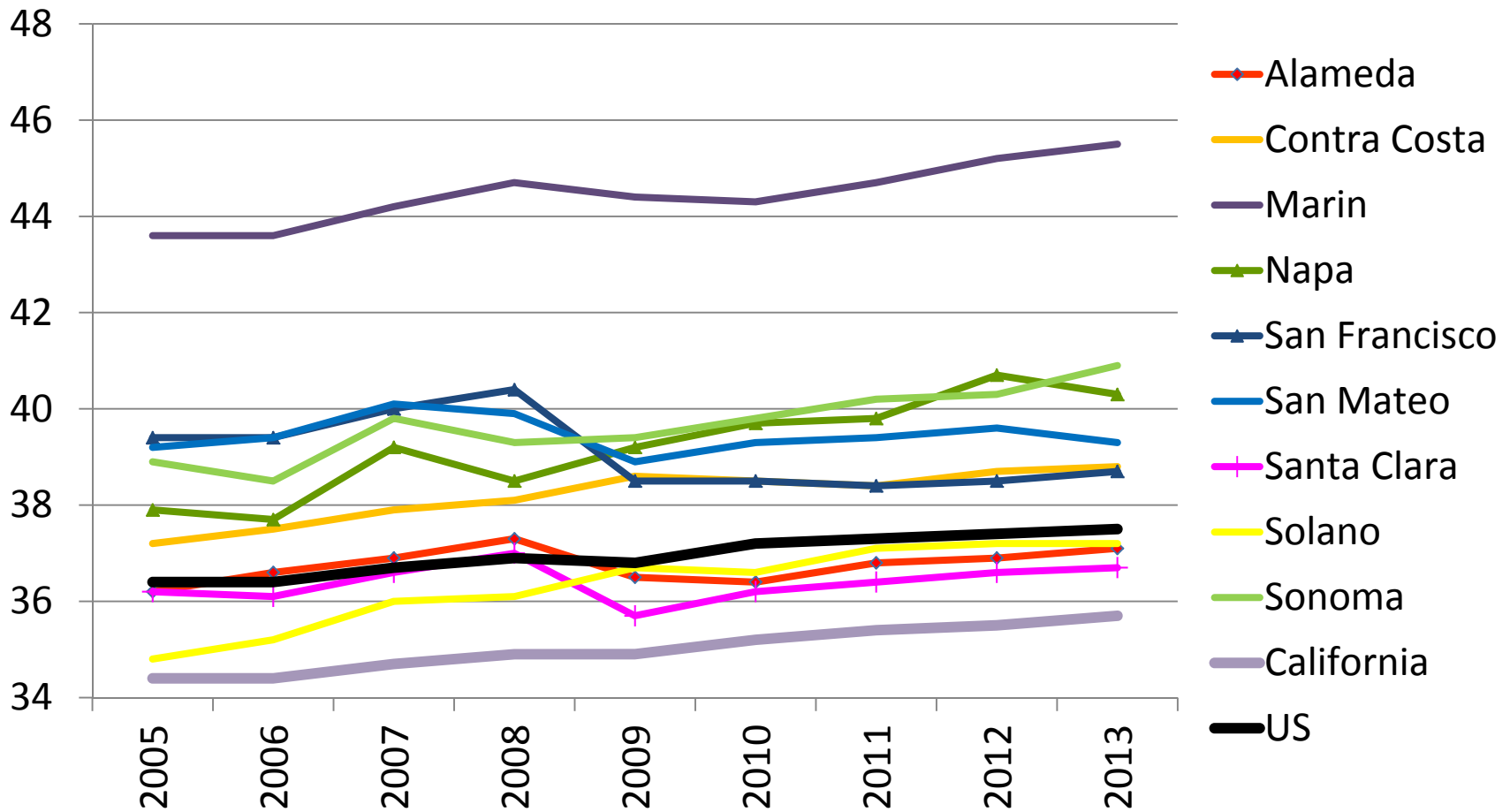
Distribution of Employment by Sector--

Higher share of construction, farm, manufacturing, trade, health, leisure and government jobs

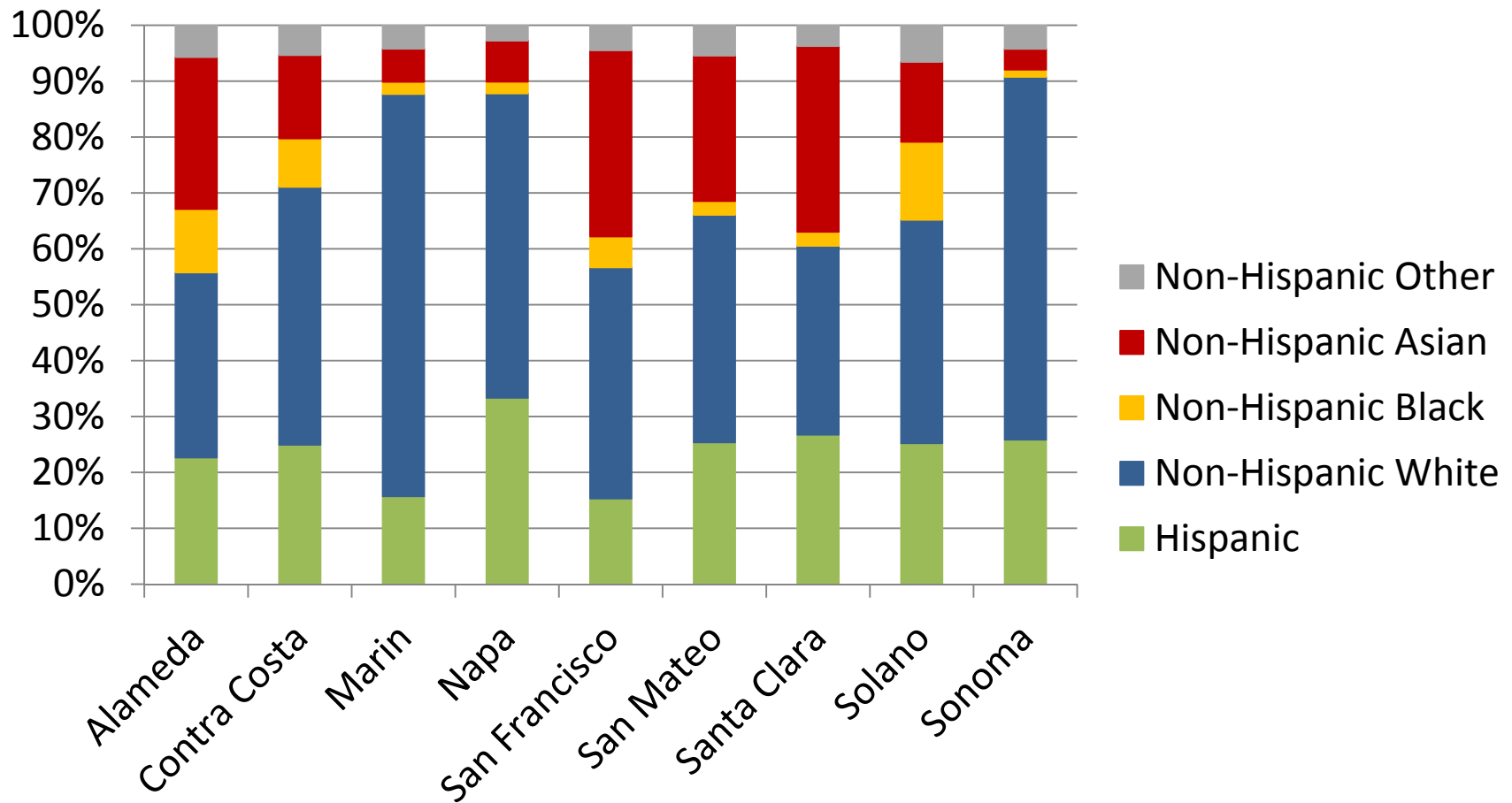


Source: ABAG from California Employment Development 2014 data.

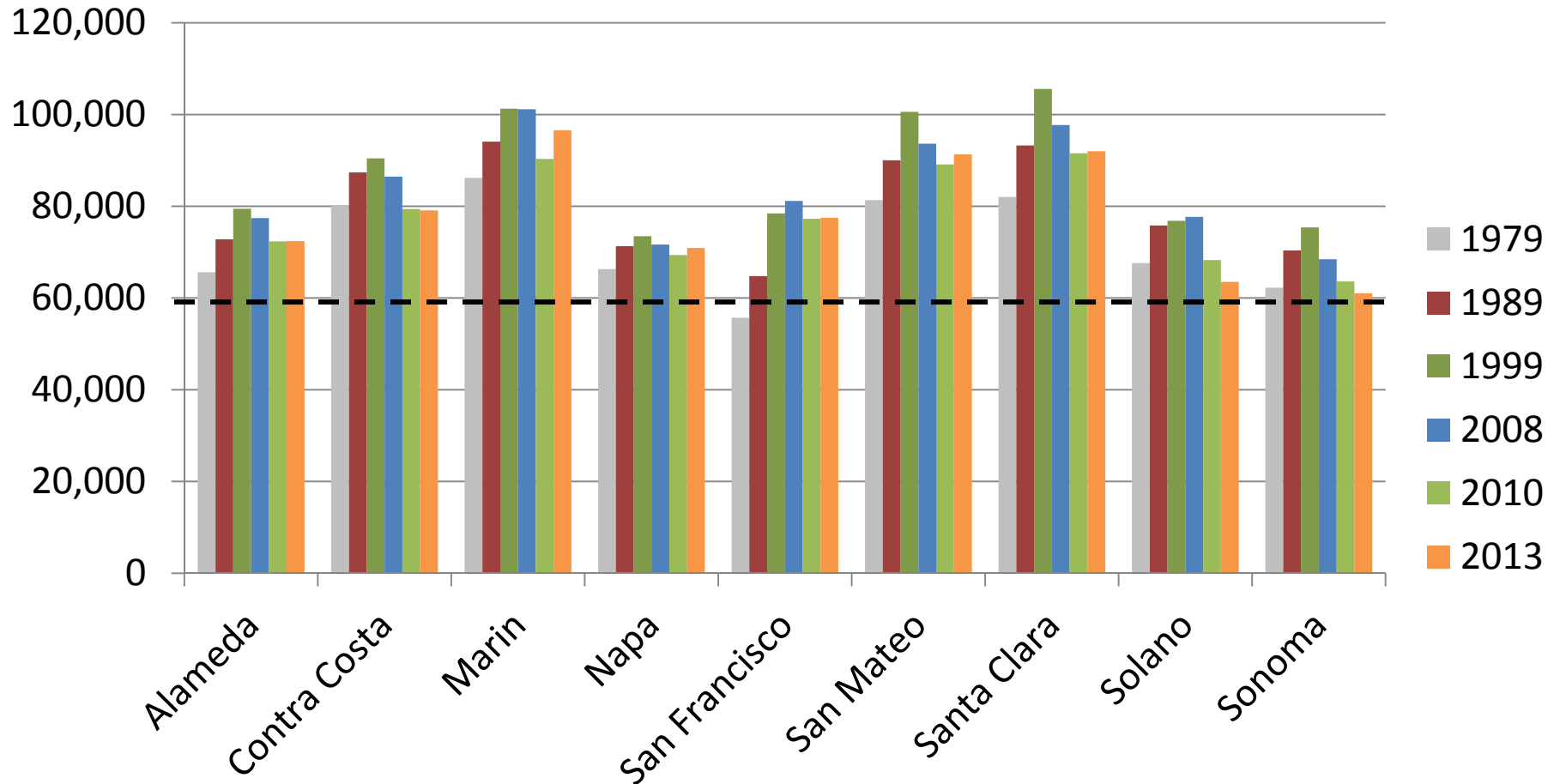
Sonoma Residents Are Younger than Marin, Older than Solano Residents



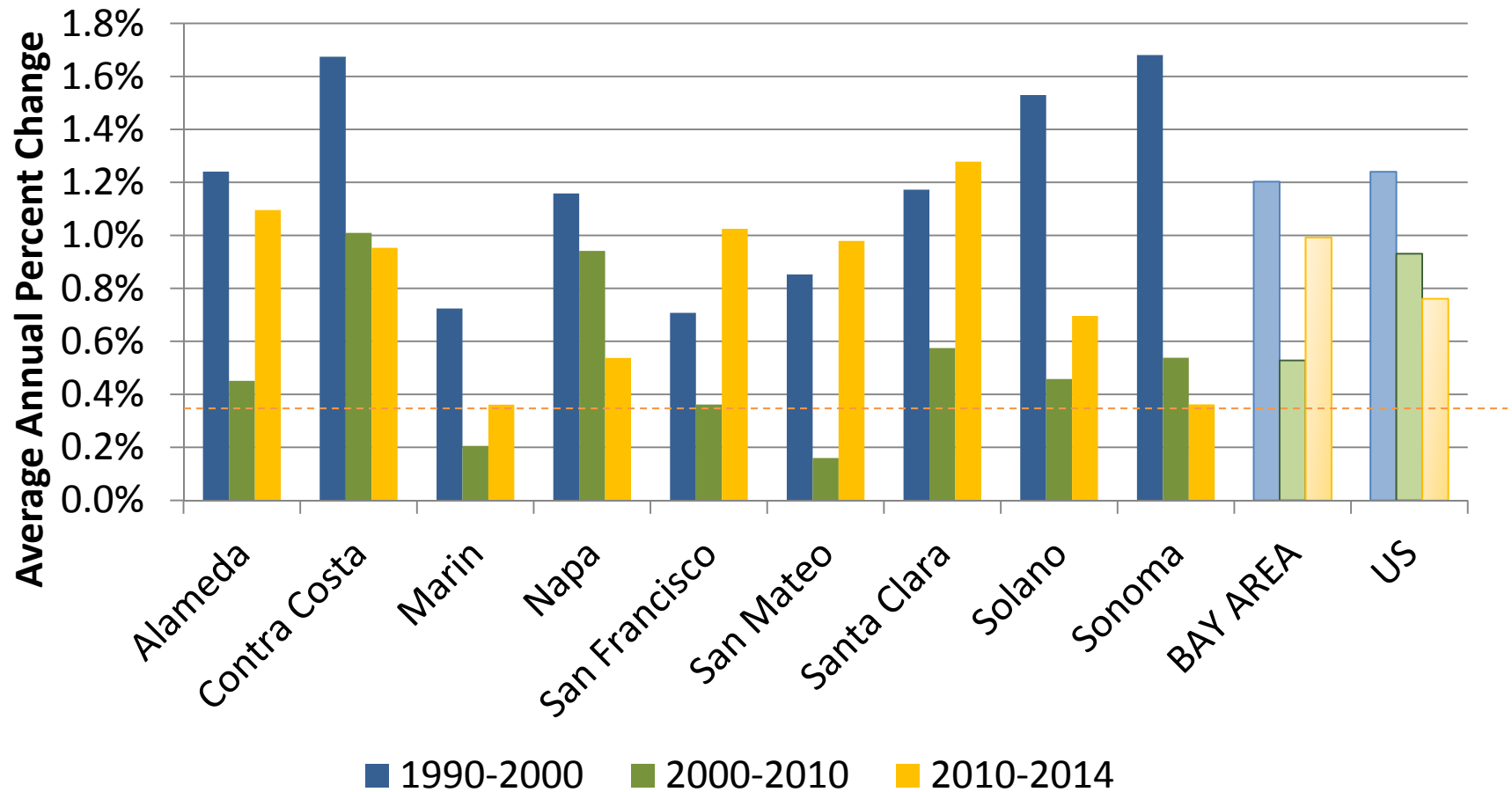
White Non-Hispanic Residents Were 65% of Sonoma Population in 2013



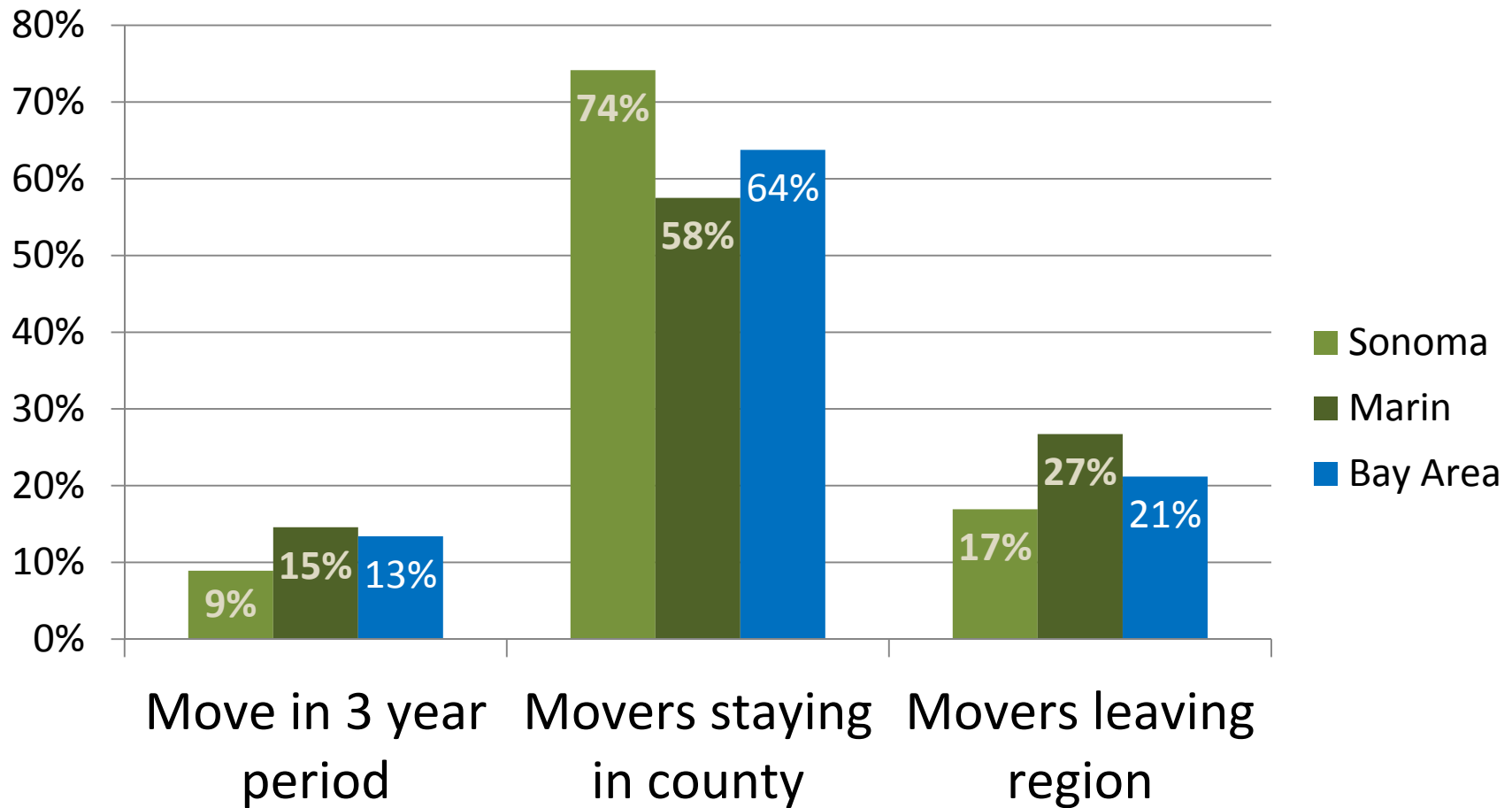
Sonoma Had the Lowest Median Household Income in 2013, below 1979



Sonoma and Marin Had the Slowest Population Growth Rates Since 2010



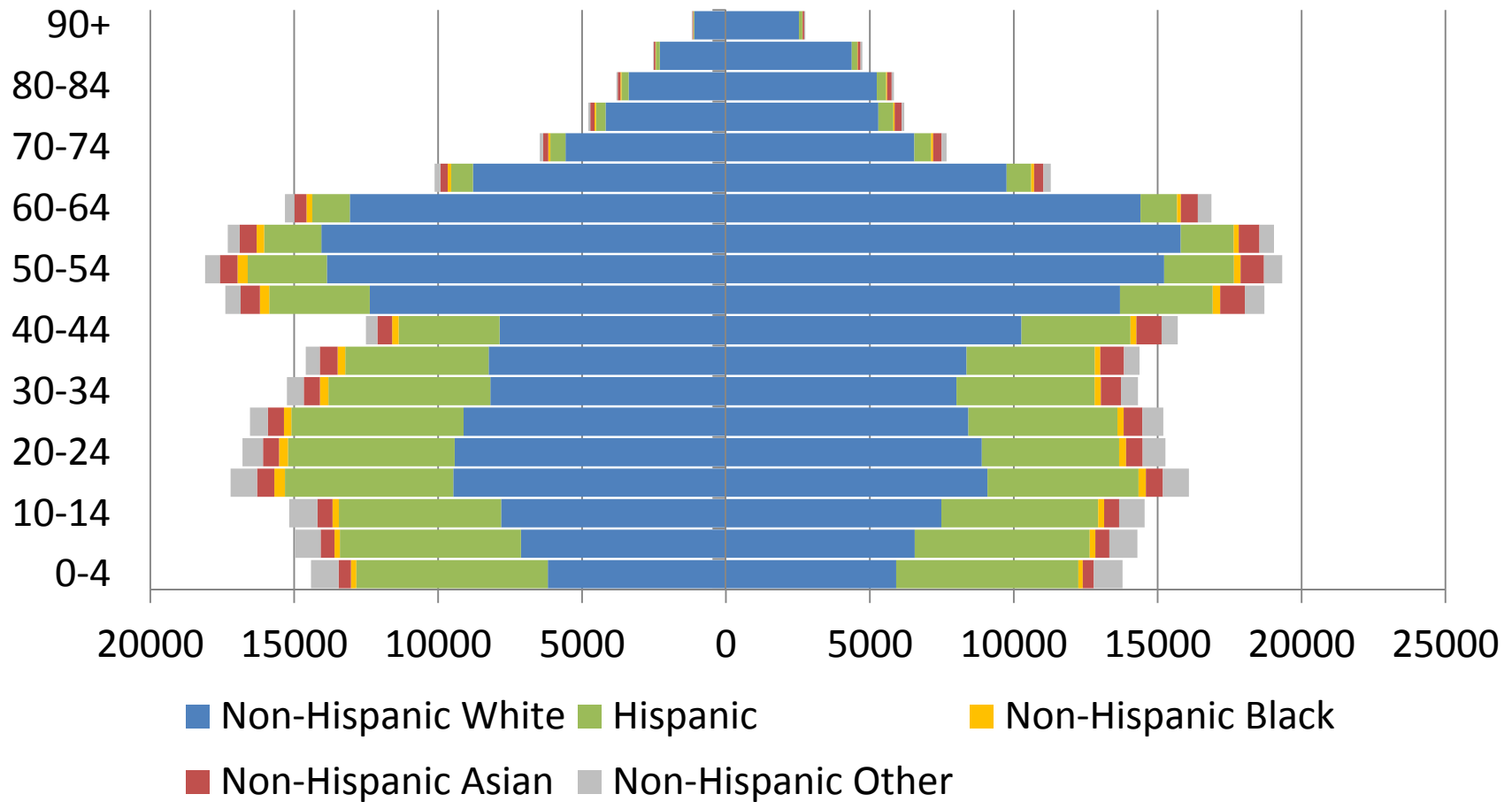
Sonoma Residents are Less Likely to Move, More Likely to Stay in the County



Source: ABAG from American Community Survey PUMS data.

Sonoma Population Distribution By Age

2010 Census



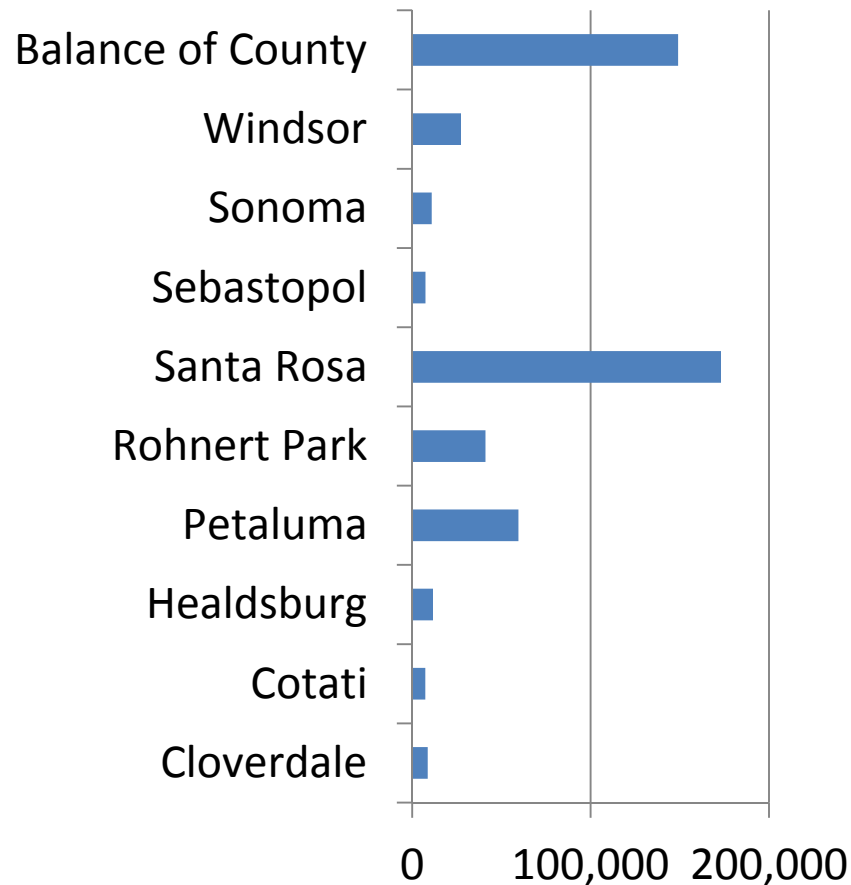
Source: ABAG from US Bureau of the Census 2010 Decennial Census.

How Do these Factors affect the Forecast?

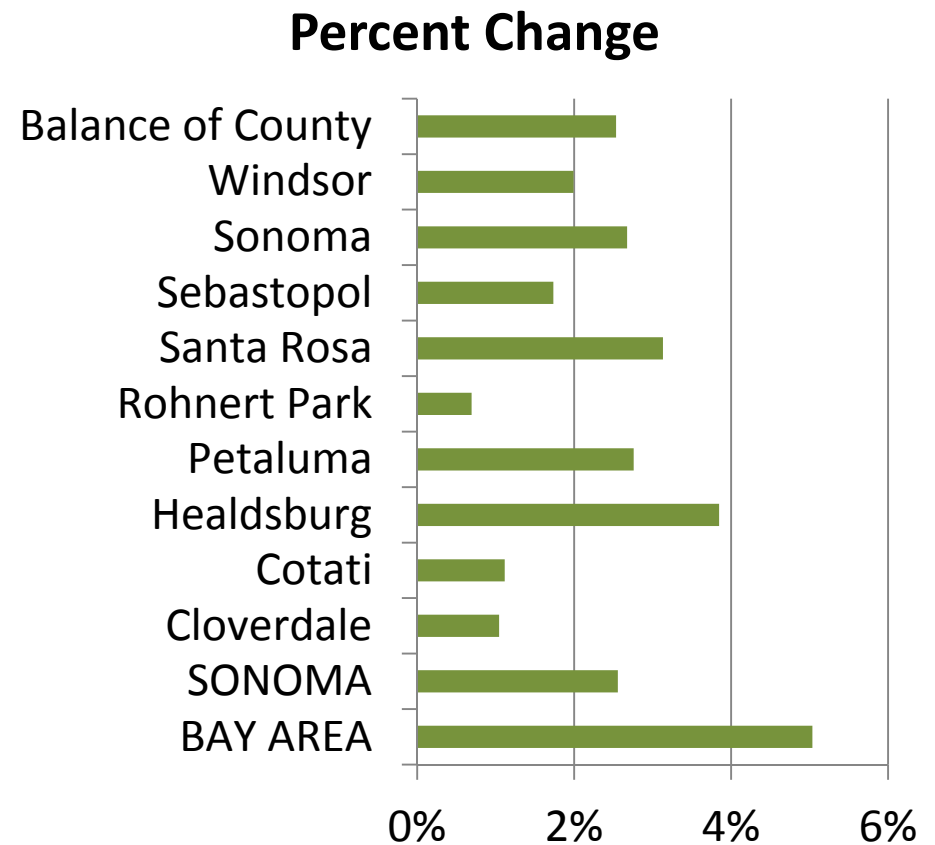
- Population Change
 - If migration pattern continues, then growth will be more dependent on natural increase
- Employment Change
 - Aging of workforce may affect labor force availability
 - Existing industry mix, labor force, population affect new businesses and expansions
- Household Change
 - Aging population may affect type of demand

Sonoma Cities Have Grown Slowly

Population Size 2015



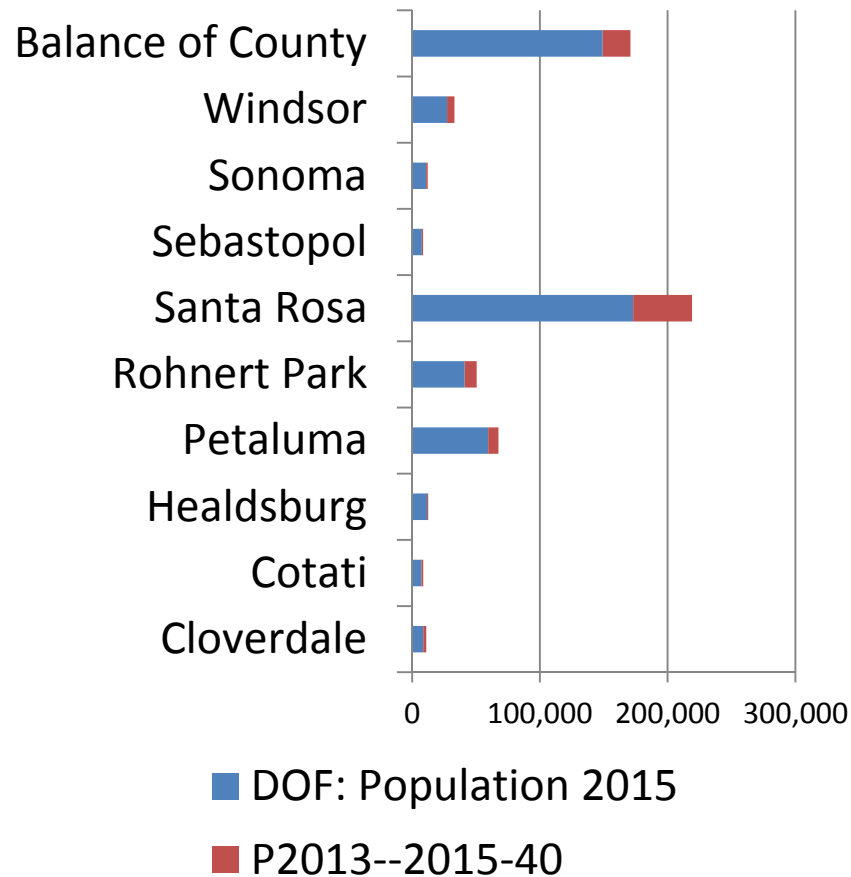
Population Growth 2010-15



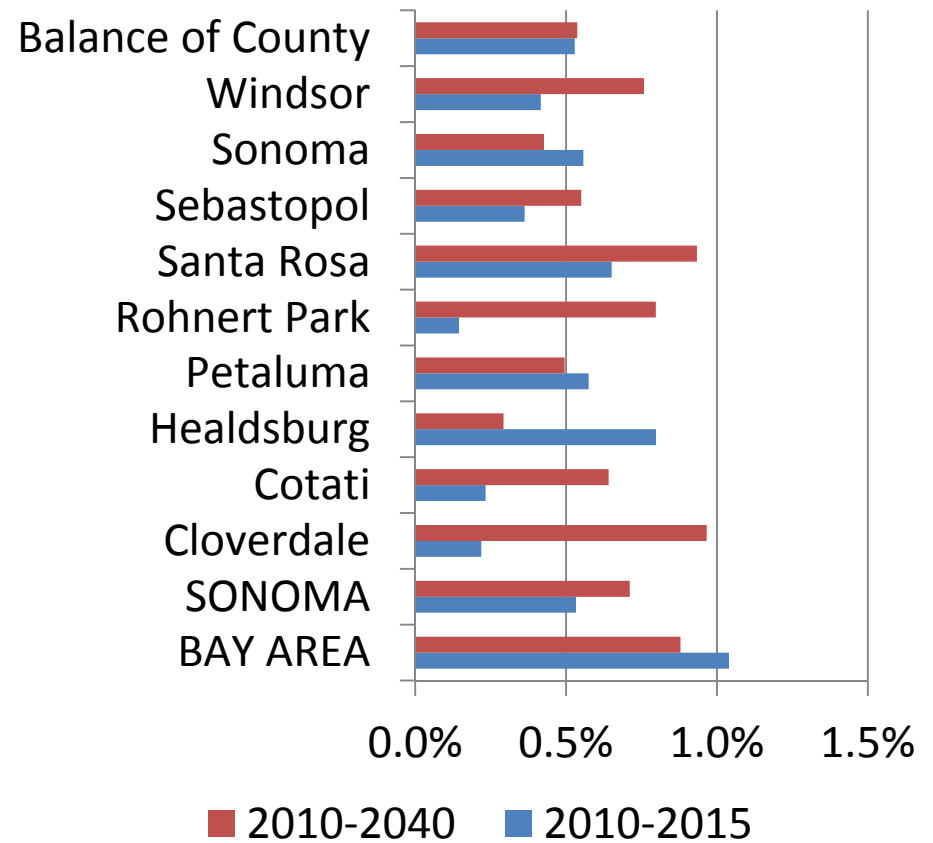
Source: ABAG from California Department of Finance data.

PBA 2013 Projected Sonoma's Slow Growth Will Continue

Population Size 2015 and 2040



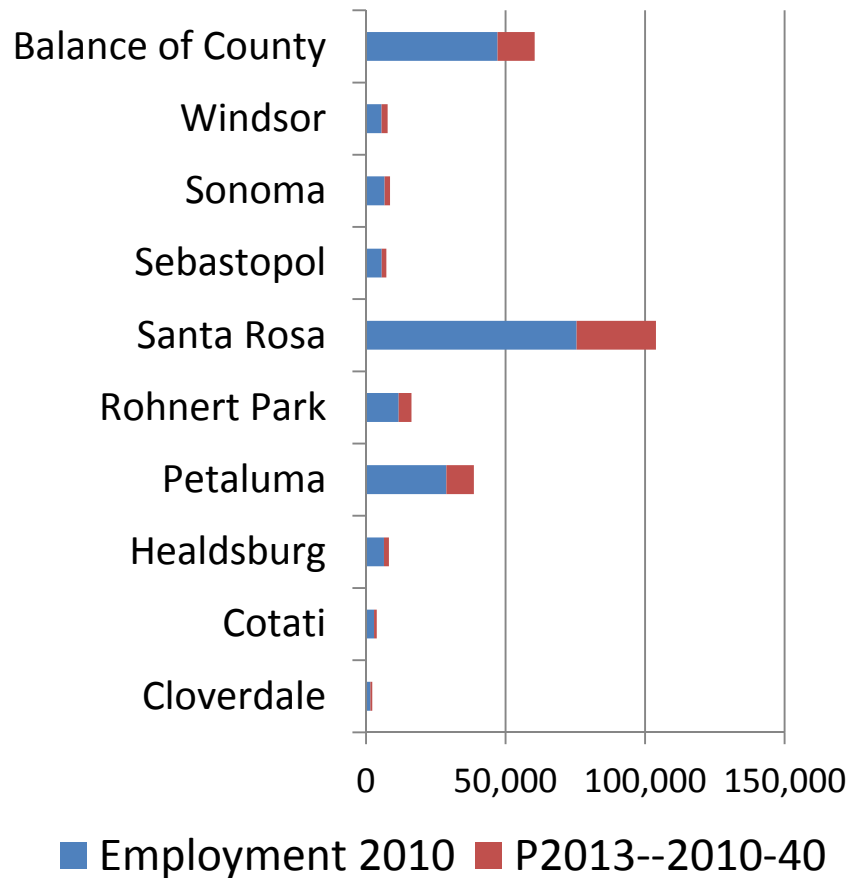
Annual Population Growth Rates



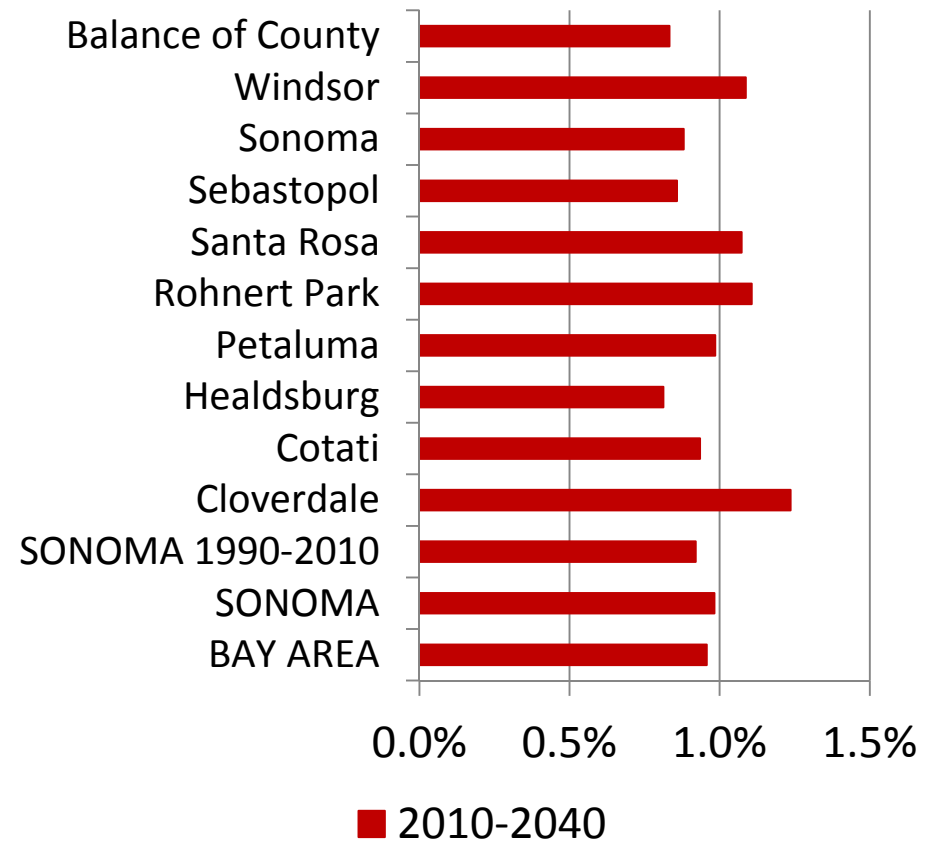
Source: ABAG from California Department of Finance data and Projections 2013

PBA 2013 Projected Employment

PBA 2013 Employment 2010 and 2040

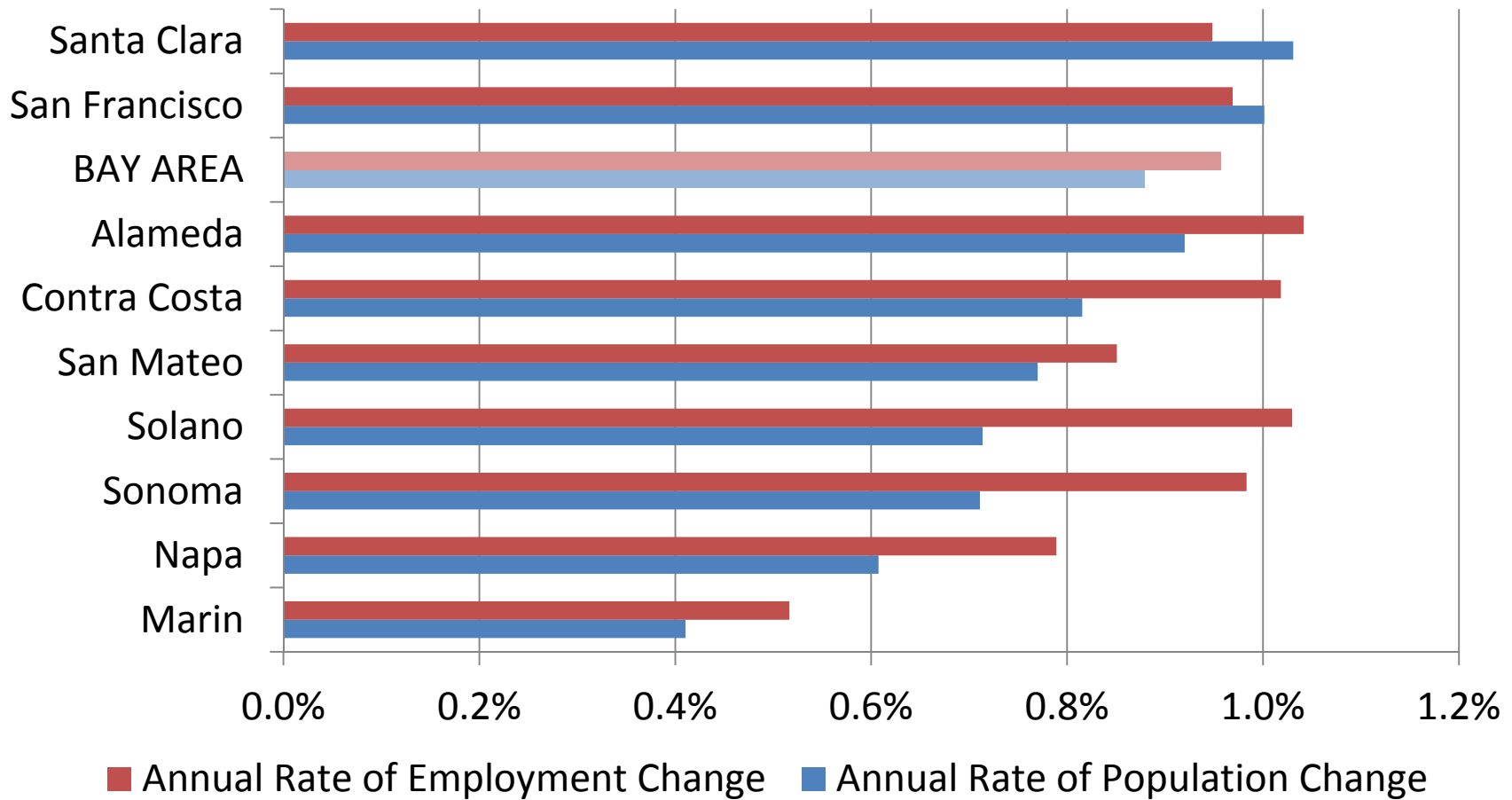


Annual PBA 2013 Growth Rates 2010-2040



Source: ABAG from Projections 2013

PBA 2013 9-County Population and Employment Change



Source: ABAG from Projections 2013

The Process Going Forward— Role for Local Jurisdictions

Forecast Timing	Phase	Local Role
Spring and Summer 2015	Data and Plan Verification	Review zoning, pipeline, PDA and general plan info
Fall 2015	Scenario Concepts and Drafts	Review and response
Winter and early Spring 2016	Final regional forecast and final scenarios	Review and Response

Thank You

<http://abag.ca.gov>

<http://reports.abag.ca.gov/sotr/2015/>

cynthiak@abag.ca.gov