

# ECONOMIC OPPORTUNITY & WORKFORCE DEVELOPMENT IN NAPA COUNTY



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## EXECUTIVE SUMMARY

The Napa County economy revolves around and is highly dependent upon the wine industry. As an established and well-developed industry cluster, the wine industry – from vineyards to wineries – supports and in turn is supported by other industry sectors including retail and wholesale trade, manufacturing, transportation and warehousing, professional and business services, leisure and hospitality services, and construction. The Institute for Strategy and Competitiveness at Harvard Business School has profiled the Napa Valley wine cluster and its competitiveness as a leading example of a well-defined industry cluster. Clusters allow for the development of related and supporting industries and institutions, as well as an infrastructure of professional, legal, financial and other specialized services.

Much of the economic activity in Napa County is directly or indirectly associated with the wine industry. The Napa Valley draws an estimated five million-plus visitors a year who come to tour the wineries, but also hire limousine services for wine tasting tours, take balloon rides for aerial views of the vineyards, or enjoy the comforts of relaxing in a spa, staying in a bed & breakfast, and eating at the many fine restaurants in the valley. Factory outlet retail centers cater to the tourist trade. Specialized construction companies build barrel storage spaces, tasting rooms, and wine production facilities.

Overall employment in Napa County grew at a faster pace (17.6%) between 1999 and 2008 compared to statewide job growth of 6.8%. Several sectors experienced significant employment growth over the past decade including manufacturing (primarily wineries), hospitality, construction, and business support services. Only three sectors lost employment between 2000 and 2008: real estate, information, and agriculture. Much of the growth is driven by the national economy and the local mix of industries.

The largest employers in Napa County are in healthcare, hospitality, education, and the wine industry. Small businesses with fewer than 100 employees are a key component of local economy accounting for 97.8% of all businesses and 64% of the total number of jobs. Micro-enterprises account for the majority of businesses in Napa County, but provide only a small percentage of the total employment and typically pay lower wages. In 2008, micro-enterprises included more than 60% of all establishments, but only 6.1% of the jobs.

Napa County's competitive advantage is its globally recognized brand. Economic development efforts should focus on strengthening the Napa Brand and expanding and extending the brand to other sectors. Workforce training organizations can assist by identifying future growth sectors and developing training programs to meet the workforce needs of these new emerging industries.

As the national economy recovers, local employment growth will improve. However, employment projections show a slow recovery as Napa County and the national economy struggle to gain back the jobs that were lost during the recent recession. Over the next five years, the average annual job growth rate is expected to slow to around 1.2% per year down from 1.6% during the housing boom which occurred between 2001 and 2008.



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## INTRODUCTION

Napa Valley is world renowned for its wineries and vineyards. Locally grown and produced wines are sold in supermarkets throughout California and exported to countries around the globe. Tourists visit local wineries, enjoy the comforts of relaxing in a spa, staying in a bed & breakfast inn, and dining at the many fine restaurants in the Valley.

Although the county's vineyards form the foundation of the local economy, agriculture employment constitutes only about 7% of all jobs and is growing at less than one percent annually. However, many jobs in the hospitality sector, retail trade, and other industries exist in part because of agriculture related tourism.

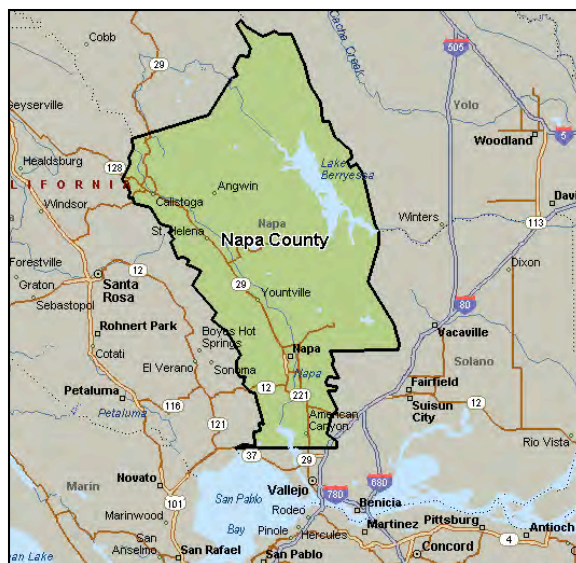
Non-farm, private sector jobs account for approximately 75% of total employment in Napa County and grew around 2% annually between 2000 and 2008. During this same time period overall employment growth averaged 1.6% annually.

As the national economy slowed during the recent recession Napa County employment declined by 6% between 2008 and June 2010. Over the next five years as the economy expands, the job market is expected to slowly improve, growing at an average annual rate of around 1.2% per year.

Physically, Napa County is one of the smaller counties in California with a land area of 754 square miles, most of which is not available for urban development. The Napa Valley is bordered by two mountain ranges – the Vaca on the east and the Mayacamas on the west, which converge just north of Calistoga. A large portion of the county is located in the Williamson Act, protected through conservation easements, or is in public ownership. County policies promote urban-centered growth with homes and businesses concentrated in incorporated cities to preserve farmland. Unlike some of its neighboring counties, Napa County has maintained a large portion of its land area as a rural agricultural environment with vineyards comprising about 43,000 acres (9%) out of 465,000 total acres.

Consistent with its rural character almost 80% of Napa County's population lives in five incorporated cities, American Canyon, Napa, Yountville, St. Helena, and Calistoga, located along Highway 29 running north-south through the county. The balance of the population lives in a number of small unincorporated communities, such as Oakville, Rutherford, Angwin, Pope Valley, and Dry Creek, which are scattered throughout the valley floor or on farms. The City of Napa is the largest incorporated community with a population of 78,800, followed by American Canyon with 16,836 and St. Helena with 6,010.

**Figure 1: Napa County**



## NAPA COUNTY LABOR MARKET

### POPULATION GROWTH Population Growth Trends & Projections

POPULATION GROWTH  
DRIVEN PRIMARILY BY  
NET IN-MIGRATION

As of January 1, 2010, Napa County was home to almost 139,000 people and 54,348 households, according to California Department of Finance estimates. Between 1990 and 2010, the county's population increased by 25% from 111,017 to 138,917 with an annual average growth rate of approximately 1.3%. By comparison, during that same time period, the statewide population grew at an average annual growth rate of 1.5%.

Over the next twenty years Department of Finance population projections indicate a higher average annual growth rate of 1.7% (see Figure 3). If Napa County continues to grow at that pace its population would double in approximately forty years.

Knowing the rate of population growth is important because it affects a community's ability to provide the necessary infrastructure and social services (including roads, schools, parks, and sewage treatment) within a given time period to support the increase in population. Although business expansion occurs due to increased demand, there also needs to be a corresponding growth in net new jobs and a trained workforce to fill those jobs.

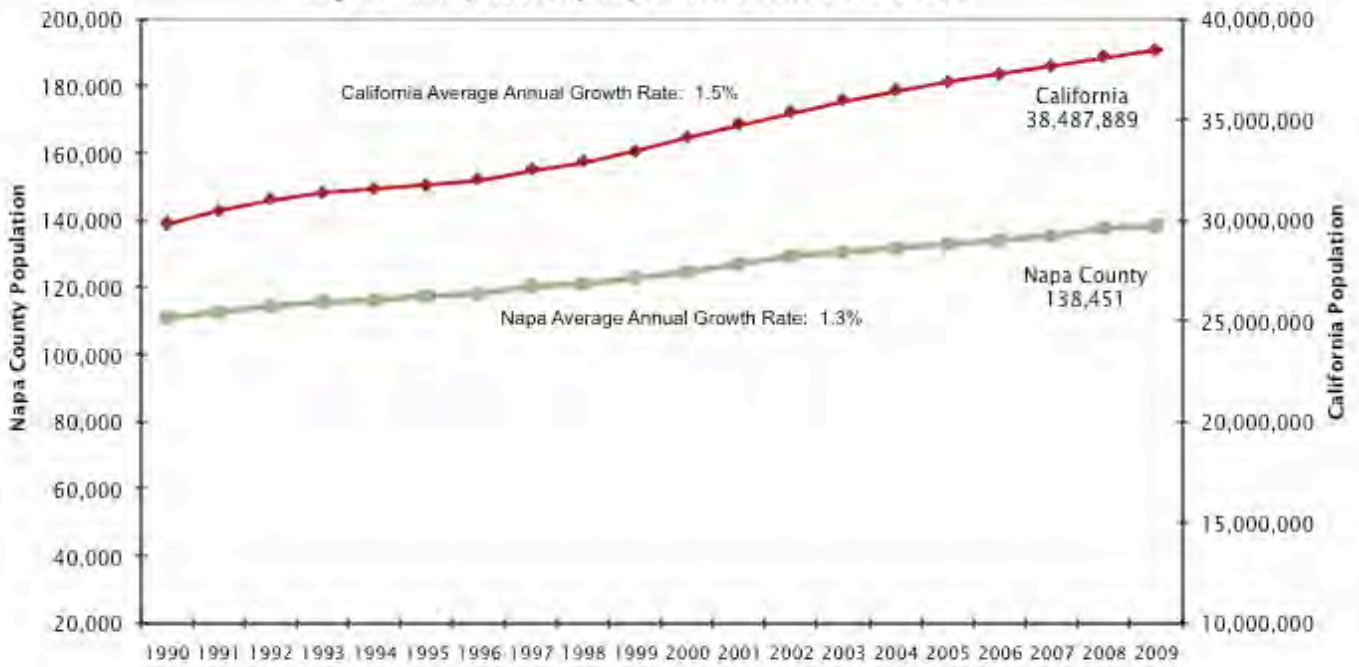
**Table 1: Population Growth 1990-2010**

Year	County	Annual Percent Change	Napa	American Canyon	St. Helena	Calistoga	Yountville
1990	111,017	2.7%	61,400	N/A	4,980	4,450	3,230
1991	112,467	1.3%	62,722	N/A	4,957	4,496	3,288
1992	114,447	1.8%	64,039	8,341	5,008	4,559	3,299
1993	115,713	1.1%	65,251	8,674	5,210	4,643	3,342
1994	116,365	0.6%	65,976	8,942	5,453	4,757	3,316
1995	117,269	0.8%	66,803	8,954	5,451	4,813	3,241
1996	118,209	0.8%	67,622	9,158	5,442	4,865	3,203
1997	120,051	1.6%	68,773	9,307	5,563	4,957	3,182
1998	121,037	0.8%	69,648	9,435	5,690	5,057	3,263
1999	122,788	1.4%	70,673	9,558	5,852	5,122	3,335
2000	124,279	1.2%	72,585	9,774	5,950	5,190	3,297
2001	126,878	2.1%	73,608	10,069	5,997	5,219	3,276
2002	128,976	1.7%	74,054	11,261	6,013	5,225	3,294
2003	130,672	1.3%	74,736	12,334	6,042	5,238	3,282
2004	131,849	0.9%	75,701	13,117	5,977	5,177	3,259
2005	132,793	0.7%	75,772	14,197	5,960	5,183	3,241
2006	134,121	1.0%	76,094	14,879	5,942	5,218	3,248
2007	135,413	1.0%	76,247	15,911	5,936	5,253	3,271
2008	137,359	1.4%	76,857	16,241	5,905	5,284	3,257
2009	138,451	0.8%	77,917	16,521	5,969	5,335	3,267
2010 *	138,917	0.3%	78,791	16,836	6,010	5,370	3,257

Source: California Department of Finance, Demographic Research Unit

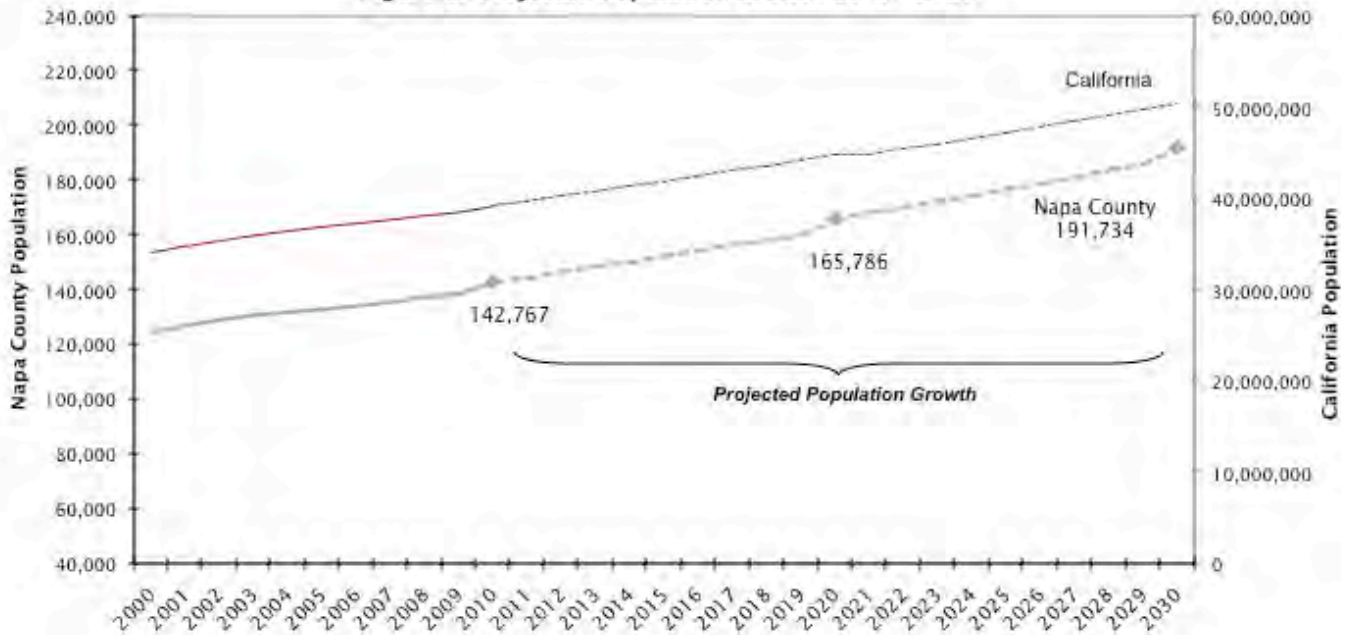
\* As of January 1, 2010

Figure 2: Napa County Population Growth: 1990-2009



Source: California Department of Finance

Figure 3: Projected Population Growth 2010 - 2030



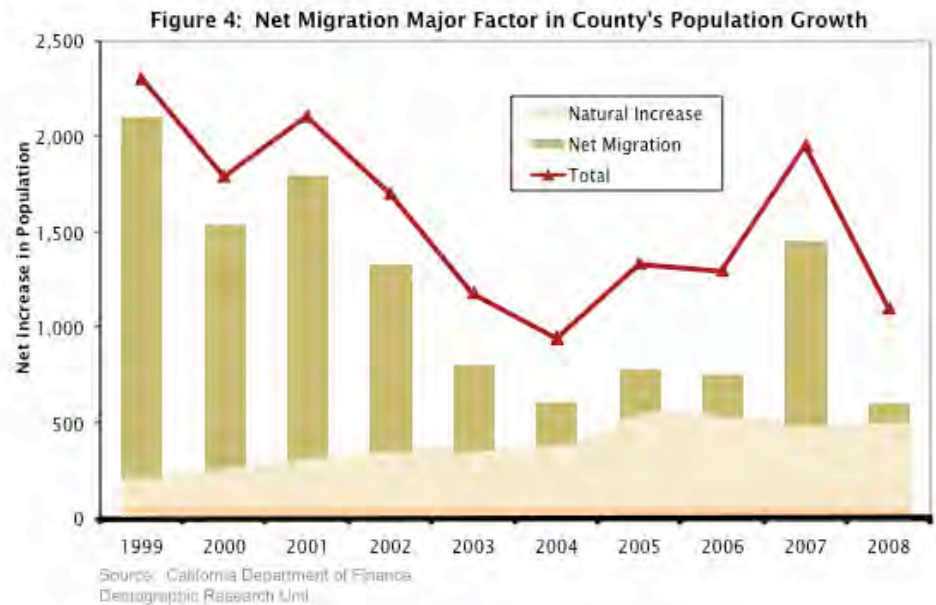
Source: California Department of Finance, Demographic Research Unit

**POPULATION GROWTH**

**Population Growth by Components of Change**

Population growth occurs as a result of natural increase (births minus deaths) and net migration (in-migration minus out-migration, both domestic and foreign). The primary factor in local population growth tends to be net migration with people moving from one location to another for a better life, new job, affordable housing, better schools, or lifestyle change.

Net in-migration has been a major factor in Napa County's population growth over the past ten years with net foreign immigration higher than domestic in-migration. Natural increase has been responsible for only 26.3% of Napa County's total population increase over the past decade, while net foreign immigration accounted for 39.3% of the county's total population growth and net domestic migration 34.3%. As Figure 4 shows, there has been a general decrease in the amount of net migration in recent years with the exception of 2007.



**CHANGING DEMOGRAPHIC PROFILE**

**Demographic Trends & Forecast by Age & Race**

**AGE COMPOSITION:** Napa County has an older population with a median age of 38.6 compared to California (34.7) and the nation (36.7). In 2008, 14.7% of the County's population was 65 or older compared to 10.9% for the state. During the period 2000-2008, those 65 and older increased by 2.9%, while those less than 20 years of age increased by just 0.9%.

The largest age group in 2008 was the 25-29 year-old cohort, with 9,958 people, closely followed by the 45-49 year-old group with 9,941 people. The third largest age group were the 50-54 year olds with 9,637 people representing the Baby Boom generation (those born between 1946-1964) followed by the 20-24 year old age cohort with 9,211 people, reflecting a portion of Generation Y (those born between 1978-2000).

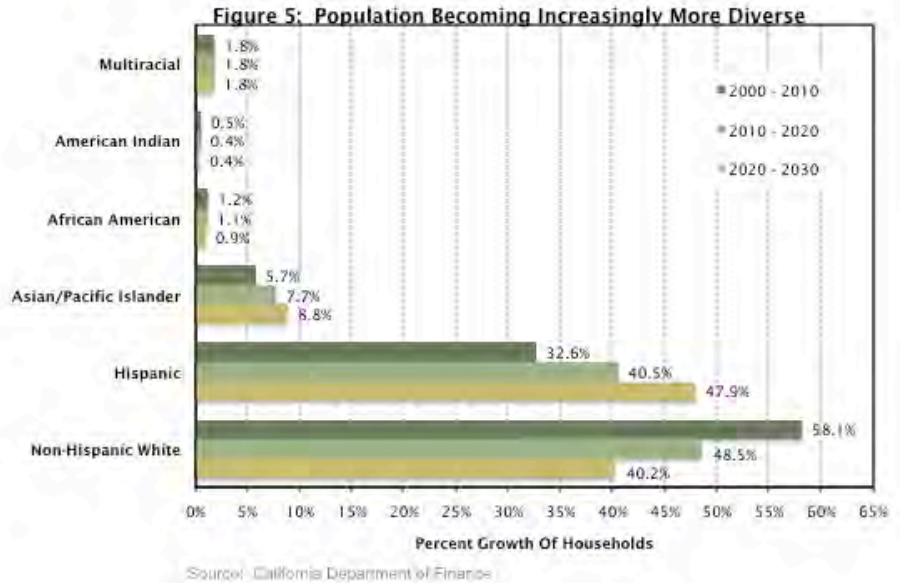
AGE	2000	2010	2020	2030
Total	125,146	142,767	165,786	191,734
0-4	7,559	9,874	13,145	15,731
5-9	8,564	10,220	12,772	15,712
10-14	8,723	9,883	12,190	15,108
15-19	8,678	10,003	11,634	13,978
20-24	7,290	9,839	11,016	13,141
25-29	7,251	9,735	11,092	12,513
30-34	8,247	7,956	10,471	11,529
35-39	9,246	7,819	10,287	11,568
40-44	9,732	8,772	8,529	10,960
45-49	9,695	9,515	8,133	10,556
50-54	8,964	9,841	8,956	8,725
55-59	6,913	9,607	9,492	8,166
60-64	5,113	8,596	9,480	8,685
65-69	4,536	6,396	8,891	8,854
70-74	4,205	4,553	7,547	8,436
75-79	4,337	3,725	5,246	7,354
80-84	3,136	2,881	3,250	5,480
85+	2,957	3,552	3,655	5,238

Source: California Department of Finance Projections

Over the next 10-20 years the percentage of seniors in the population will increase as the baby boom generation ages with the last of the baby boomers turning 65 in 2029. Unless there is an influx of younger workers, the age distribution of Napa County will begin to reflect an older and somewhat slower growing population that does not require significantly high rates of net new job growth to keep pace with its population growth. As the baby boom generation retires replacement jobs will open up opportunities for younger workers in addition to the new jobs that are created.

**RACIAL & ETHNIC COMPOSITION:** Non-Hispanic Whites and Hispanics make up the two largest ethnic/racial groups in Napa County. Asian/Pacific Islanders are a distant third, followed by multiracial and African Americans each of whom make up less than 2% of the county’s population. American Indians comprise the smallest ethnic group.

Between 1995 and 2010, the County’s Non-Hispanic white population as a percentage of the total population decreased by 22% and is expected to decrease further over the next twenty years due to an aging Non-Hispanic White population and an increase in the number of younger Hispanic families of child bearing age with higher fertility rates. The American Indian and African American populations experienced the smallest percentage change during the past 15 year period.



**LABOR SUPPLY**  
**Working Age Population**

The labor force is traditionally defined as the number of persons, 16 years and over, who are employed or seeking employment. It includes Napa County residents who are employed and unemployed regardless of their place of employment. From an economic and workforce development perspective we are concerned only about the civilian non-institutional population who are not members of the armed services, retired, students, or in institutions such as prisons, mental hospitals, or nursing homes. The remainder, those who have no job and are not looking for employment – are counted as “not in the labor force”. The size and composition of the labor force changes over time due to demographic, social, and seasonal fluctuations as well as macro-economic conditions.

As of May 2010, the size of Napa County’s labor force totalled 75,600 workers. Over the past ten years (with the exception of 2003 and 2009) Napa County’s labor force has steadily increased in size along with the growth in population and expansion of the economy.

**Table 3: Labor Supply**

2010	75,600
2009	75,600
2008	76,000
2007	75,600
2006	73,800
2005	72,600
2004	71,400
2003	71,200
2002	71,500
2001	70,400
2000	66,600

Source: EDD

Napa County enjoys the benefits of having a high percentage of its total population in the labor force (52%), compared to the state (48%) and nation (50%), due to its population structure, local job opportunities, and workforce participation rates. The portion of the population in their prime working years also has a higher workforce participation rate (66.5%) than both California (64.9%) and the nation (65.4%).

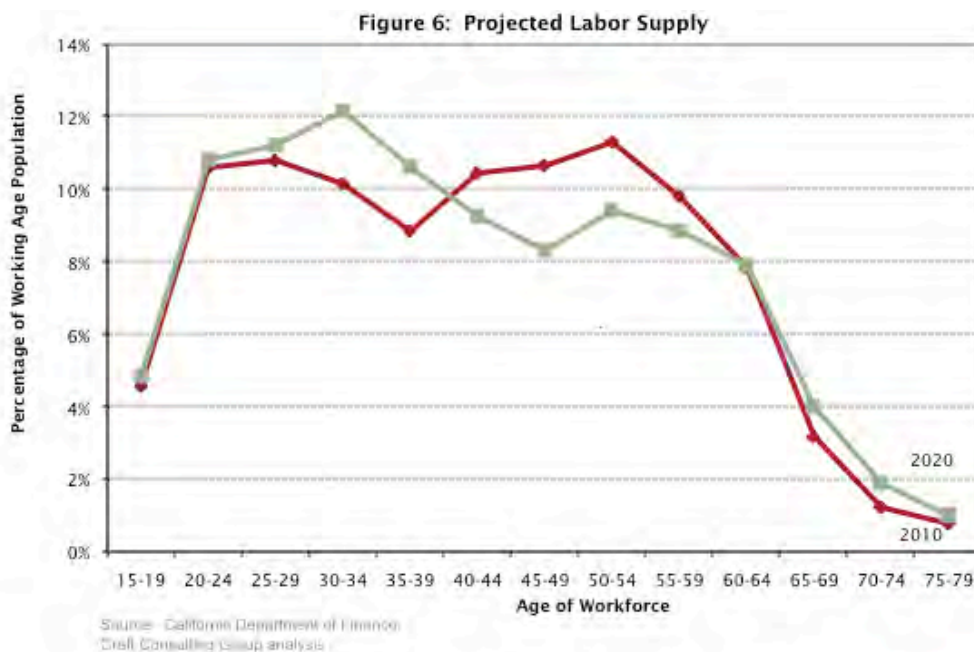
In evaluating the ability of the economy to create jobs to meet the needs of the working-age population, an employment-to-population ratio is used to measure the percentage of the workers 16+ that are employed. Unlike the national economy, local economies must also account for workers who commute to jobs outside Napa County. A high ratio is considered to be above 70% of the working-age population whereas a ratio below 50% is considered to be low.

From 2000 to 2008, the employment-to-population ratio for Napa County increased from 68.1% to 70.1%, indicating that the growth in local jobs was higher than the growth in the local working age population. During that time period employment growth was more than able to keep pace with the growth in the non-institutional population age 16+. Local jobs grew by 13.7% while the population 16+ only increased by 9.7%.

**LABOR SUPPLY**  
**Workforce Composition & Change**

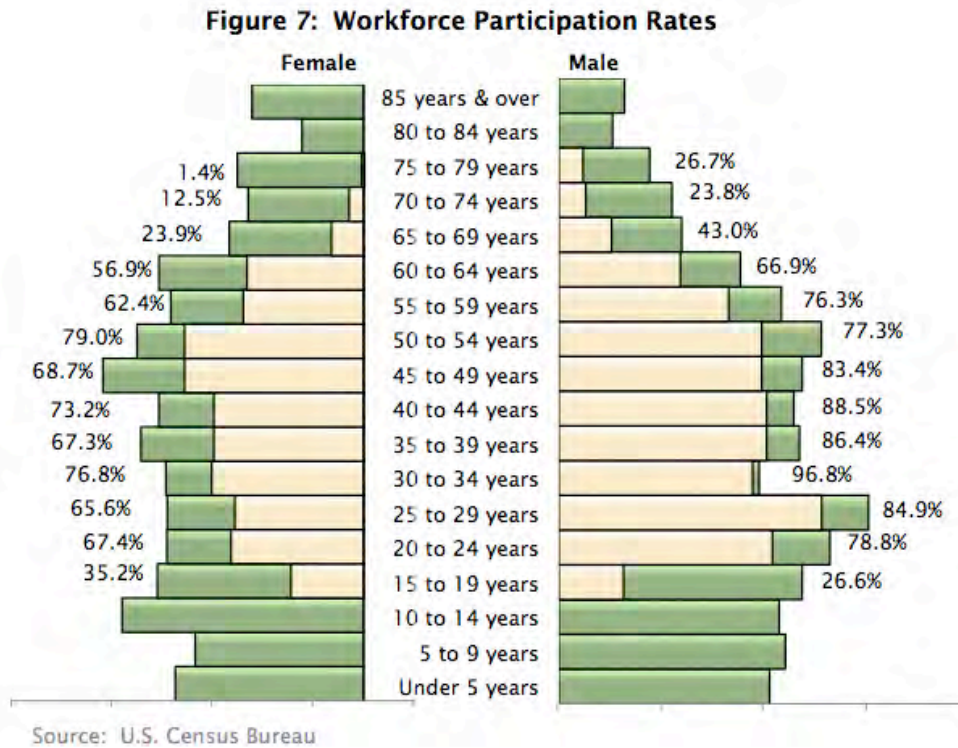
Like many other counties, Napa County’s workforce is aging. The average age of the County’s workforce is approximately 45 years old. Older workers age 55 and above make up approximately 25% of the county’s workforce. This presents a number of challenges since 1) an aging workforce places a constraint on labor force growth due to lower participation rates by older workers; 2) institutional knowledge and experienced leadership are lost as older workers retire; and 3) an older workforce generally is not able to perform certain physically-demanding agricultural and manufacturing jobs. Conversely, retiring baby boom generation workers create replacement job openings for younger workers. However, as noted above, these replacement job openings may be postponed since some Baby Boomers may choose to delay retirement beyond the traditional retirement age of 65 due to the recent recession and a reduction in the value of their financial assets.

FUTURE LABOR SUPPLY  
 WILL BE MORE DIVERSE



**LABOR SUPPLY**  
**Workforce Participation Rates**

The workforce participation rate is the percentage of people age 16+ that are in the workforce. Not everyone in the working age population chooses to work. Workforce participation rates reflect those who are in school, retired, or choose not to work for various reasons. Napa County's overall workforce participation rate is 66.5% of the working age population. Males traditionally have a higher participation rate than females, which peaks in their mid-30s at around 97%. Workforce participation rates begin to slow down as workers reach their 40's and 50's before dropping off dramatically after the age of 65.



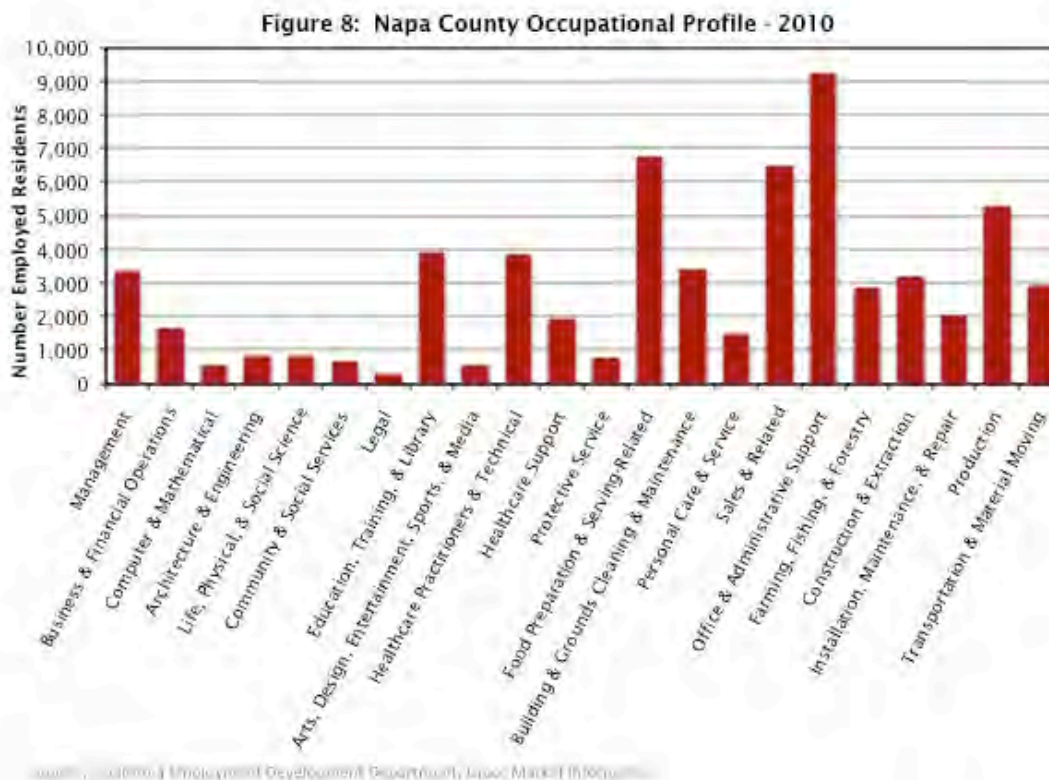
**WORKFORCE CHARACTERISTICS**  
**Occupational Profile**

The occupational make-up of the Napa County workforce reflects its economic base with leading occupational groups serving the hospitality, retail, and wine manufacturing sectors. The top ten occupational groups are clerical (13.1%), management (11.4%), sales (9.0%), transportation (6.5%), food preparation (6.3%), building maintenance (6.3%), construction (6.3%), transportation (4.7%), and farming (4.5%). According to the California Employment Development Department the fastest growing occupations in Napa County over the past decade have been mainly service sector occupations such as home health aides, personal and home care aides, counter and rental clerks, bakers, massage therapists, laundry and dry-cleaning workers, maids and housekeeping cleaners, and truck drivers.

**Table 4: Occupational Employment (May 2009)**

SOC Code	Occupational Title	May 2009 Employment
00-0000	<b>Total all occupations</b>	<b>62,100</b>
43-0000	Office & Administrative Support	9,210
35-0000	Food Preparation & Serving-Related	6,750
41-0000	Sales & Related	6,470
51-0000	Production	5,270
25-0000	Education, Training, & Library	3,850
29-0000	Healthcare Practitioners & Technical	3,800
37-0000	Building & Grounds Cleaning & Maintenance	3,390
11-0000	Management	3,300
47-0000	Construction & Extraction	3,180
53-0000	Transportation & Material Moving	2,900
45-0000	Farming, Fishing, & Forestry	2,820
49-0000	Installation, Maintenance, & Repair	2,030
31-0000	Healthcare Support	1,900
13-0000	Business & Financial Operations	1,600
39-0000	Personal Care & Service	1,440
17-0000	Architecture & Engineering	780
19-0000	Life, Physical, & Social Science	780
33-0000	Protective Service	740
21-0000	Community & Social Services	620
15-0000	Computer & Mathematical	530
27-0000	Arts, Design, Entertainment, Sports, & Media	500
23-0000	Legal	240

Source: California Employment Development Department Labor Market Information

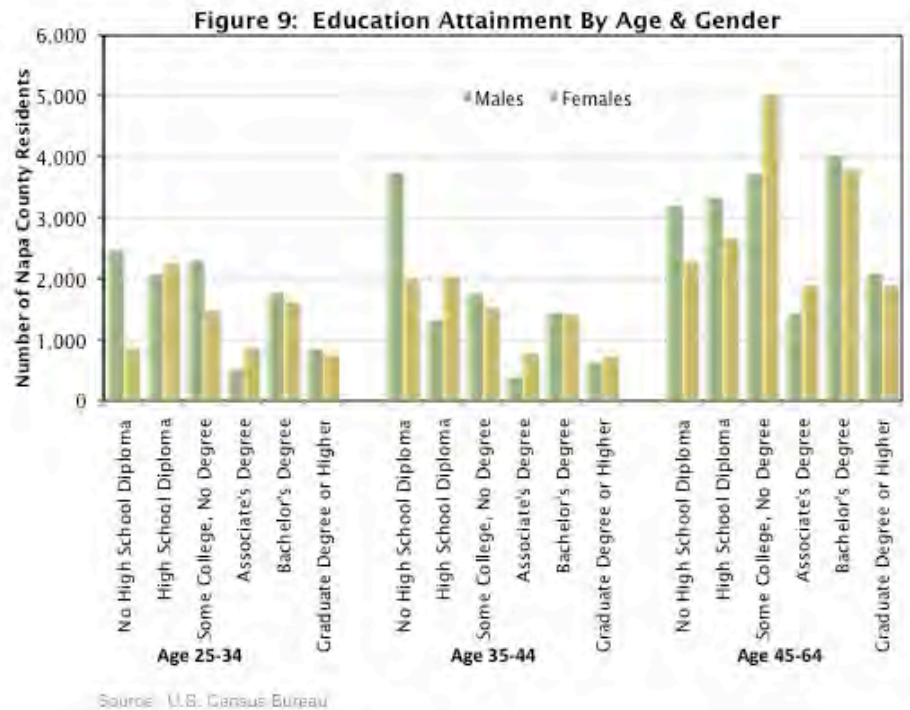


**WORKFORCE CHARACTERISTICS**  
**Workforce Quality**

**EDUCATIONAL ATTAINMENT:** In 2008, 79.5% of Napa County residents had graduated from high school. This is comparable with the rest of the state in which 80.2% had a high school diploma. More than 22% attended some college but earned no degree, making them the largest educational group in the county. However, there is wide variation among the age groups. Residents holding a bachelor's degree were the next most common educational group at 20%, followed by those with graduate degrees (10.6%) and Associate degrees (7%). In comparison, Napa County had a slightly higher percentage of residents holding a bachelor's degree or higher than the statewide averages, but had a lower rate of students completing high school. The City of St. Helena had the highest percentage of the population with a bachelor's degree in the county.

OLDER WORKERS ARE BETTER EDUCATED

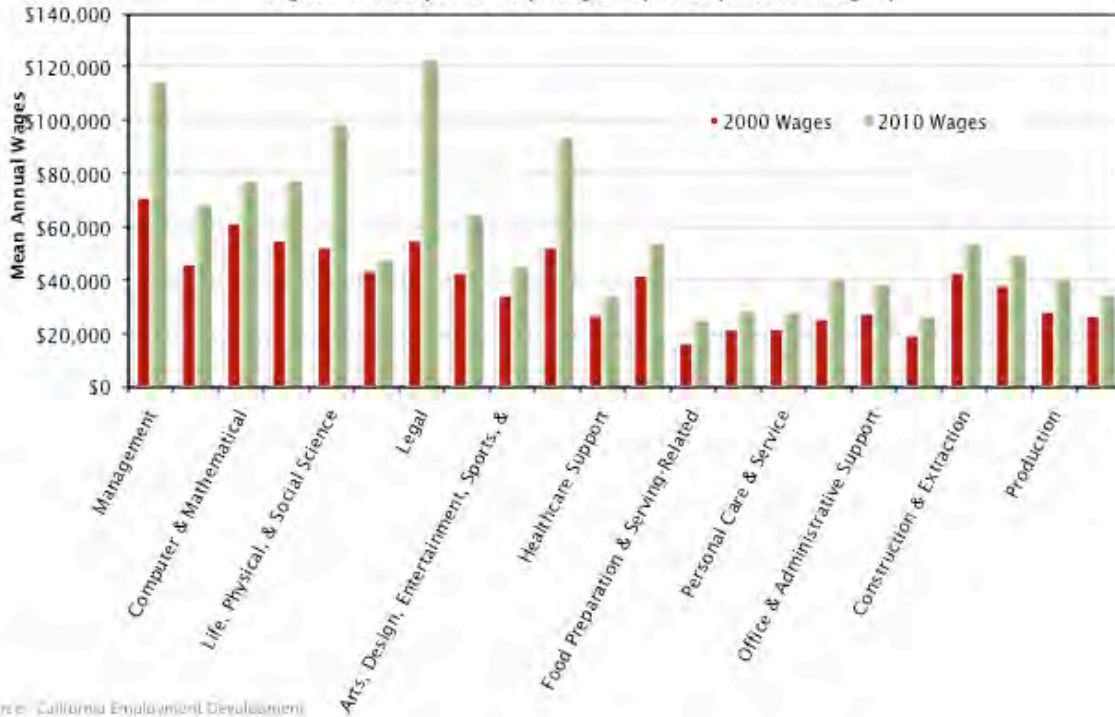
**SKILL LEVELS:** A skilled workforce is critical to maintaining a vibrant economy. Over the past several decades the number of jobs for unskilled workers has steadily declined while the demand for skilled workers has increased. Over the next ten years, there will be a growing demand for workers with a variety of skills. A high school diploma and post-secondary education and training will become more important than ever. While low skill entry-level occupations are still available, the basic skills required to enter these occupations has increased. In addition, a shift has occurred from large to small companies. Employees in small firms often need to do a variety of tasks requiring a range of skills.



**WAGE & SALARY LEVELS**  
**Wage Trends**

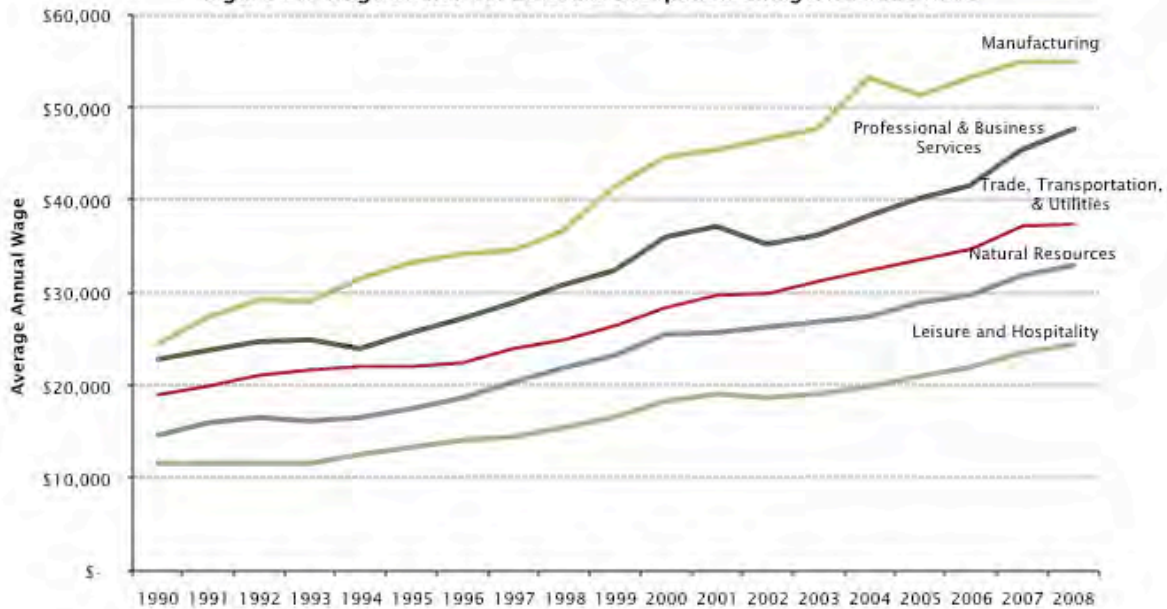
Along with expansion of the economy over the past decade wages have trended upward with selected occupations experiencing substantially higher rates of increase. Occupations with the highest wage increases include management, professional, legal, and healthcare occupational groups. Support functions, food service, retail sales, and agriculture had the smallest wage increases. Occupations that experience the greatest wage increases percentage wise include: legal, scientific, management, and healthcare practitioners. Table 24 in the Appendix includes a list of occupations with the most job openings and associated wage rates.

Figure 10: Napa County Wages by Occupation Category



Source: California Employment Development Department Labor Market Information

Figure 11: Wage Trends for Selected Occupation Categories 1990-2008



Source: California Employment Development Department

## EMPLOYMENT TRENDS

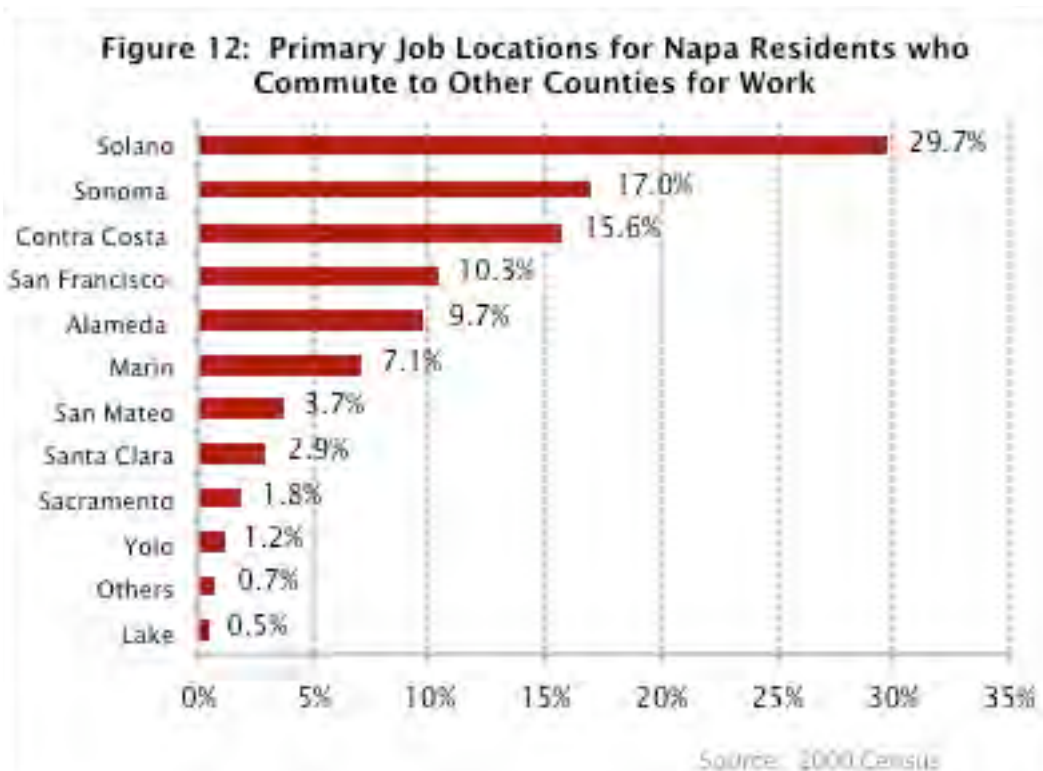
### Total Employment

Total civilian employment in Napa County as of June 2010 was 69,000. The number of employed residents, however, exceeds the approximately 65,600 jobs that are located in Napa County. The number of local jobs is 3,400 less than the number of employed residents, reflecting the fact that some residents need to commute to jobs outside the county due to a lack of local jobs.

While local jobs are generally the largest component of total employment, not everyone chooses to work in the same county in which they reside. Commute patterns from the 2008 American Community Survey conducted by the U.S. Census Bureau show that approximately 21.3% of the Napa County workforce commutes to jobs outside the county. Of these, 67.2% commute to jobs in adjacent or nearby counties with San Francisco, Contra Costa, Alameda County, and Silicon Valley also being important job locations.

Napa County is a specialized economy which in large measure is underlain by and revolves around the wine industry. It is not a major job center like San Francisco or Silicon Valley, nor does its geography or location afford it to be such. Because of its ambience, many residents choose to live in Napa County, but work at jobs in their profession elsewhere such as San Francisco's Financial District or high-tech centers in Silicon Valley. In recent years new home construction in American Canyon has attracted many professionals who commute to other Bay Area locations for work.

Local employment represents 332 jobs per 1,000 residents, which is 31% less than the national average and 22% less than the state average. While Napa County has historically generated a sufficient number of jobs to match its workforce growth local jobs may not match the occupational objectives of the resident population.



**EMPLOYMENT TRENDS**  
**Unemployment Trends**

As the national economy began contracting in late 2007 employers trimmed payrolls to cut costs. As a result unemployment rose through October 2009 to 10.1%, making the recent recession the longest on record since World War II. Nationwide, approximately 8 million jobs vanished and the unemployment rate surged nearly five percentage points - from 5% in December 2007 to 9.7% in May 2010. Acknowledging the end of the recession, Federal Reserve officials recently released a survey in June 2010 which showed that for the first time since the beginning of the recession, economic growth, albeit modest and fragile, occurred throughout the nation.

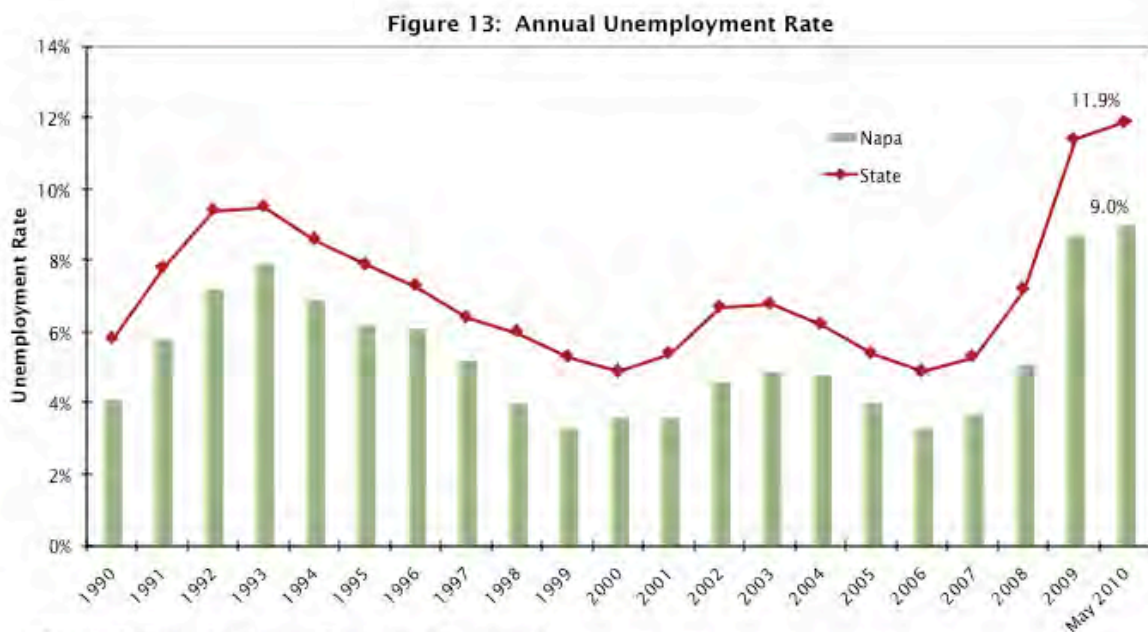
Napa County unemployment followed a similar path as the nation during the recent recession, but continued to rise through January 2010. In May 2010 the Napa County unemployment rate stood at 9% having come down from a high of 11.1% in January 2010. In comparison with the statewide average, which was 11.9% in May 2010, Napa County has fared better than the state overall with its lower unemployment rate.

Driven by national economic expansions and contractions, the unemployment rate in Napa County has historically fluctuated between 4%-6%. This is consistently lower than the statewide average, which typically has been in the 5%-8% range over the past two decades. As shown by Figure 13 the unemployment rate rises and falls with the fortunes of the state's economy. In recent years Napa County's unemployment rate has been rising since reaching a low of 3.3% in 2006 during the middle of the housing boom. The county's unemployment rate will continue to drop as the national and state economies improve.

**Table 5: Annual Unemployment Rate**

	Napa	State
1990	4.1%	5.8%
1991	5.8%	7.8%
1992	7.2%	9.4%
1993	7.9%	9.5%
1994	6.9%	8.6%
1995	6.2%	7.9%
1996	6.1%	7.3%
1997	5.2%	6.4%
1998	4.0%	6.0%
1999	3.3%	5.3%
2000	3.6%	4.9%
2001	3.6%	5.4%
2002	4.6%	6.7%
2003	4.9%	6.8%
2004	4.8%	6.2%
2005	4.0%	5.4%
2006	3.3%	4.9%
2007	3.7%	5.3%
2008	5.1%	7.2%
2009	8.7%	11.4%
May 2010	9.0%	11.9%

Source: California EDD



Source: California Employment Development Department

## WORKFORCE FORECAST SUMMARY

### Increasing Diversity in the Workplace

Changing workforce demographics will result in an increasingly more diverse workforce with multiple generations, cultures and ethnic groups working together. Demographic projections indicate that Napa County's population will increase over the next ten years by 19.4%, rising from 139,000 in 2010 to just over 166,000 in 2020. Growth in the Hispanic population will be the main driver behind the County's growth. Hispanics accounted for about 22% of the county's population in 2006 and are projected to be 40% of the population in 2020. Future population growth will depend in part on job opportunities, housing affordability, and the cost of living.

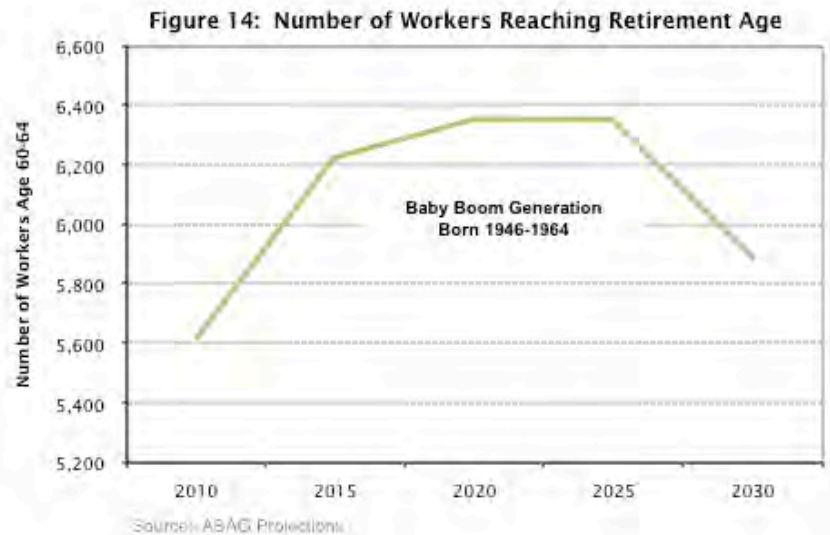
The makeup of Napa County's working age population over the next ten years will change as the Baby Boomers begin to retire and Generation Y enters their prime working age. Labor force projections indicate that the number of workers in the 40-59 age range will diminish, while workers age 65+ will grow the fastest followed by those 30-39 - assuming labor force participation rates remain the same. If workers in the Baby Boom generation continue working beyond the traditional retirement age of 65 the number of older workers in the labor force will increase.

The number of workers reaching retirement age will increase over the next 10-15 years then begin to decline as the baby-boom generation reaches the end of their working careers. This will require local workforce organizations to establish programs to train a skilled workforce to fill the replacement positions created by retiring workers.

Replacement jobs represent approximately 3% of the workforce annually over the next ten years.

### Lost Jobs May Not Be Replaced

As businesses reduced their workforce in response to the downturn in the economy during the past two years, 4,100 local jobs were lost, many of which may never be replaced as businesses adopt new processes and practices requiring less labor.



### New Jobs in the Future Will Require New Skills

The recent economic downturn has hit all groups quite hard, but especially those with the least education and fewest skills. As the labor market slowly recovers, we will be reminded of a basic fact of economic life: workers increasingly need meaningful postsecondary education or training to find jobs that pay enough to sustain a middle-class lifestyle.

### Replacement Jobs Will Exceed New Jobs for Most Occupations

EDD occupational projections indicate a 13.8% increase in demand over the next 5-7 years with approximately 2,727 total jobs, including 1,040 new jobs and 1,687 replacement jobs being created due to economic growth and retirement.

## Future In-demand Occupations

The top 50 occupations with the most job openings are forecasted to generate about 17,350 job openings, which is about 64% of Napa County's total job openings (27,270), including new jobs and replacement jobs. This is for the forecast period of 2006-2016 (see Appendix). The top five occupations with the most job openings are Farm Workers and Laborers, Retail Salespersons, Cashiers, Waiters/Waitresses, and Registered Nurses.

The 50 fastest growing occupations anticipate an annual growth rate of 1.6% or higher. The fastest growing occupations are concentrated in the retail, hospitality, agriculture, healthcare, and personal services sectors (see Appendix).

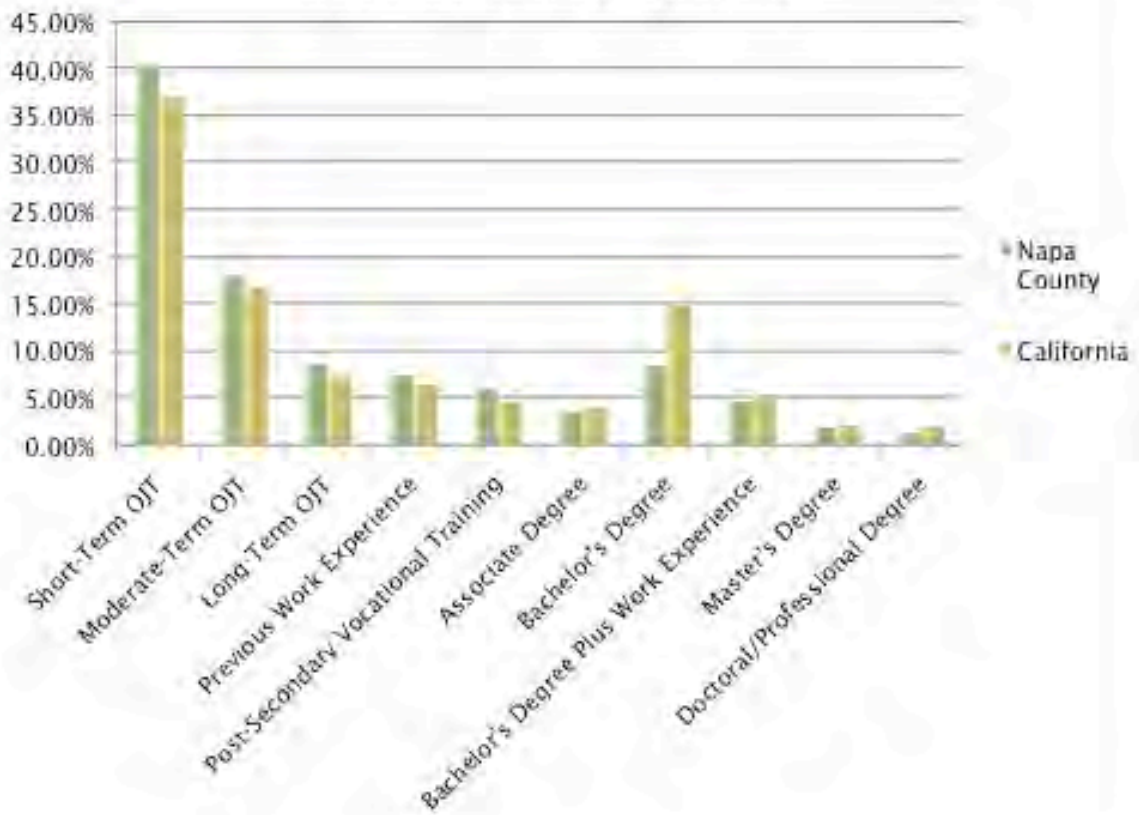
**Table 6: Occupational Employment Projections**

SOC* Code	Occupational Title	Average Annual Demand		
		New Jobs	Net Replacements	Total
00-0000	Total, All Occupations	1,040	1,687	2,727
11-0000	Management Occupations	64	106	170
13-0000	Business and Financial Operations Occupations	25	30	55
15-0000	Computer and Mathematical Occupations	15	13	28
17-0000	Architecture and Engineering Occupations	19	17	36
19-0000	Life, Physical, and Social Science Occupations	17	21	38
21-0000	Community and Social Services Occupations	17	11	28
23-0000	Legal Occupations	6	4	10
25-0000	Education, Training, and Library Occupations	70	91	161
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	9	18	27
29-0000	Healthcare Practitioners and Technical Occupations	63	90	153
31-0000	Healthcare Support Occupations	62	21	83
33-0000	Protective Service Occupations	13	26	39
35-0000	Food Preparation and Serving Related Occupations	111	228	339
37-0000	Building and Grounds Cleaning and Maintenance Occupations	80	57	137
39-0000	Personal Care and Service Occupations	62	43	105
41-0000	Sales and Related Occupations	134	232	366
43-0000	Office and Administrative Support Occupations	91	233	324
45-0000	Farming, Fishing, and Forestry Occupations	155	126	281
47-0000	Construction and Extraction Occupations	0	96	96
49-0000	Installation, Maintenance, and Repair Occupations	24	36	60
51-0000	Production Occupations	37	113	150
53-0000	Transportation and Material Moving Occupations	51	78	129

\* Standard Occupational Classification

Occupations requiring short to moderate on-the-job training make up 70% of the top 50 occupations. Higher-skilled occupations, requiring a bachelor's degree or higher, include General and Operations Managers, Elementary and Secondary School Teachers, Accountants and Auditors, and the Farm, Ranch, and Other Agricultural Managers.

**Figure 15: Education and Training Levels as a Percentage of Total Jobs in Napa County and California**



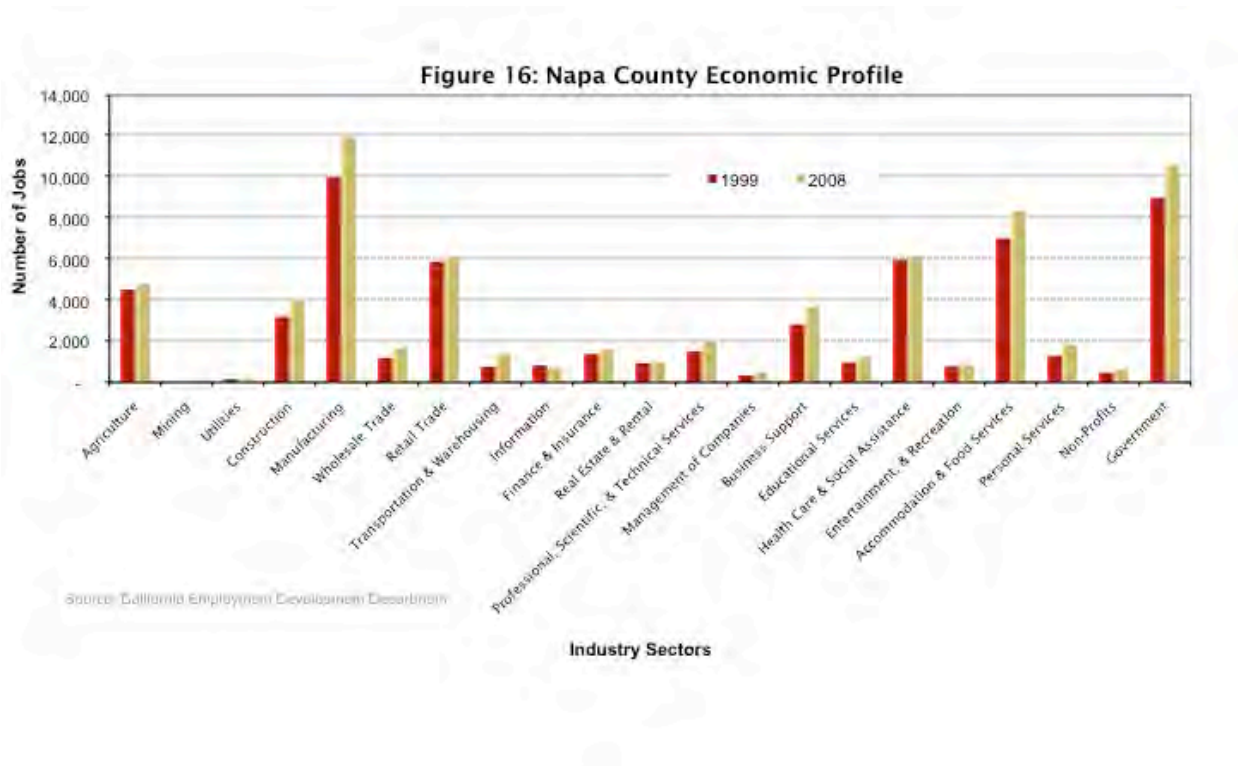
## NAPA COUNTY ECONOMY

### ECONOMIC BASE Introduction

Napa County’s economy is based primarily on growing grapes, wine production, tourism, and related activities. Major employment sectors include agriculture (primarily vineyards), manufacturing (primarily wineries), local government, hospitality, retail, and healthcare. Construction and business support are also large contributors to the local economy.

WELL-DEVELOPED WINE INDUSTRY CLUSTER PROVIDES STRONG FOUNDATION FOR NAPA COUNTY ECONOMY

Between 1999 and 2008 the number of business establishments in Napa County increased by 13.7% primarily in personal services, educational services, manufacturing, and wholesale trade. During the same time period overall employment in Napa County grew at a fast pace (17.6%), especially compared to California statewide job growth of 6.8%. Several sectors experienced a significant increase in the number of new jobs over the past decade including manufacturing, hospitality, local government, construction, and business support. The greatest job growth occurred in the manufacturing and hospitality sectors. The only sector to show a decline was the information sector which lost both employment and business establishments following the dot com bust in 2000-2001 and never fully recovered. Overall, local employment, with 323 jobs per 1,000 residents, is on par with the national average (318), and 8% higher than the statewide average (299).



Napa County's economy is driven largely by industries that sell their products and services to external markets, i.e., consumers and businesses located outside the county and tourists that visit the county. Industries which sell their goods or services to non-residents – regardless of whether the purchase is made in the County or outside of it – are referred to as basic or exporting industries. An industry that sells its products and services to non-resident businesses, consumers and tourists brings “outside money” into the local community. An industry that sells its products and services to local residents and businesses does not bring “outside money” into the community.

Industries which primarily serve the local market and resident population are referred to as non-basic or local-serving industries. Although the majority of sales are to local residents, a portion of the sales revenue generated by non-basic industries can be attributed to sales to visitors and tourists. Industries such as retail trade are traditionally classified as non-basic industries. However, Napa County attracts many visitors and tourists who make purchases at the factory outlet stores and other retailers. These sales are considered to be basic (or export) sales since they bring “outside money” into the local economy.

While economic growth involves complex interactions among numerous activities, the size of a local economy is due in part to the external demand for local products and services. Local-serving industries are highly dependent upon local population and income growth. In contrast, basic industries do not have the same constraints. Consequently, basic industries are able to grow larger than local-serving industries due to the significantly larger markets they serve. Economic growth therefore will depend in part on the mix of local industries and their market orientation.

A location quotient (LQ) which measures the employment concentration in a local industry compared to the same industry in the national or state economies, with the national comparison being the most common, can be used to identify basic and non-basic industries. Employment concentrations greater than the national average (location quotients greater than 1.00) are considered to be basic industries which produce more goods and services than can be consumed by the local economy. Industries with LQ's less than 1.00 are considered to be local serving.

## **ECONOMIC BASE** **Agricultural Sector**

In Napa County agriculture is largely a basic activity (since most of the end product is destined for external markets) that includes both farming and agriculture support activities. As a percentage of the total economy agriculture employment in Napa County is eight times the national average and almost three times the statewide average. Having grown by 36.5% between 1990 and 2001, the number of agriculture workers peaked at 3,575 in 2001. Since then agriculture employment has declined by 25.5% over the past eight years. This is not to suggest that agriculture has become less important to the Napa County economy, but rather that more efficient production methods have been introduced such as mechanical harvesting that reduce the need for agricultural workers.

Wine grapes require significant amounts of labor for pruning and harvesting. While mechanical harvesting is feasible on larger farms many growers believe that premium wine grapes should be hand picked. Hand picking is required on steep slopes where mechanical harvesters cannot operate. The need for hand labor also increases with higher density plantings. Four hand harvesters can pick about one acre of grapes a day; a mechanical harvester, which uses a crew of five to harvest around the clock, can harvest 10 to 20 acres a day.<sup>1</sup> In Napa County, about 75 percent of the grapes are hand picked.

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<sup>1</sup> PHILIP MARTIN, “NAPA: WINE, FARM WORKERS AND HOUSING”, OCTOBER 2000 VOLUME 6 NUMBER 4, FOUND AT [http://migration.ucdavis.edu/cf/more.php?id=59\\_0\\_2\\_0](http://migration.ucdavis.edu/cf/more.php?id=59_0_2_0)

In 2009, Napa County had 45,942 acres planted in vineyards with 43,031 acres of wine grapes in production and approximately 555 growers. A 2005 study<sup>2</sup> for the Napa Valley Vintners showed that the full economic value of the wine industry on the Napa County economy was \$9.5 billion annually. The wine industry cluster with vineyards, wineries, and wine-related tourism, directly and indirectly, providing nearly half of the County’s total employment, generating wages of nearly \$1.4 billion and more than \$800 million in taxes.

The value of all agricultural production in 2009 was \$502,236,581. Wine grapes are overwhelmingly the largest crop representing 98.6% of the gross value of all agricultural production in Napa County. Certified organic agricultural products with 132 organic farms and 2,827 acres in production accounted for 4.63% of total sales.

**Table 7: Napa County Agriculture Production**

<b>Year</b>	<b>Producing Acres</b>	<b>Total Tonnage</b>	<b>Value of Wine Grapes</b>	<b>Gross Value of all Crops and Animal Production</b>
2009	43,031	142,976	\$495,018,745	\$502,236,581
2008	42,870	115,865	\$399,913,100	\$409,266,040
2007	42,338	145,111	\$472,606,600	\$484,844,700
2006	42,188	152,776	\$469,072,900	\$477,942,800
2005	41,910	181,025	\$540,800,000	\$548,620,550
2004	40,439	119,874	\$349,500,000	\$357,241,700
2003	39,106	128,813	\$384,600,000	\$392,929,000
2002	37,072	130,098	\$379,930,000	\$387,863,000
2001	35,095	126,437	\$354,338,000	\$362,729,000
2000	32,365	136,962	\$337,469,000	\$343,948,000

Source: Napa County Agriculture Commissioner Annual Crop Reports

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<sup>2</sup> Napa Valley Vintners, “Economic Impact of Wine and Vineyards in Napa County”, June 2005

**Table 8: Value of Organic Products - 2009**

	<b>Gross Value</b>	<b>Organic Only</b>
Wine Grapes	\$495,018,745	\$ 22,799,300
Olives	\$297,059	\$ 28,000
Other Fruit & Nuts	\$242,640	\$ 61,500
Vegetables	\$200,471	Included
Floral & Nursery	\$2,272,755	\$ 365,300
Field Crops	\$365,610	N/A
Livestock	\$3,326,224	N/A
Poultry & Other Animal Products	\$513,077	N/A
Other	N/A	\$ 5,300
<b>Total</b>	<b>\$502,236,581</b>	<b>\$ 23,259,400</b>

Source: Napa County Agricultural Commissioners 2009 Annual Crop Report

Agriculture employment includes both 1) workers hired directly by farms and 2) workers brought to farms by labor contractors and farm management companies. Over time employment relationships have changed. The number of workers directly hired by farm operators has declined, while the number of workers hired by agricultural service firms has increased. In 1998, farm workers were largely hired by farm operators, only 29% of farm workers were hired through agricultural service firms. By 2008, 45% of farm workers were hired by agricultural service firms.

Although a significant economic activity, agriculture is neither the largest nor the fastest growing employment sector of Napa County's economy. Agriculture continues to underpin the County's economy as witnessed by the upward trend in the number of acres planted in grapes, tonnage harvested, and market value.

## **ECONOMIC BASE**

### **Non-Farm Private Sector Employment**

Non-farm private sector jobs comprise the largest employment sector in Napa County and account for more than 75% of all employment (49,500 jobs) as of June 2010. The top employment sectors include manufacturing, hospitality, healthcare, and retail followed by construction, and business support services. Each of these sectors had above average employment based on the percentage of employment in the sector relative to the nation and state (see Table 14). Per capita employment is also above the national and state averages in several other sectors including agriculture, educational services, and personal services (see Table 14 - location quotients). Although the real estate sector is not as concentrated as the national average, it does generate more employment per capita than the statewide average. In all, six sectors had above average employment.

Approximately one-third of the jobs in the private sector are related to the wine industry and wine-related tourism. Wineries provide the most employment with 8,066 jobs; followed by restaurants (5,160 jobs), hotels/motels (3,192 jobs) and retail outlets (822 jobs). Wholesale

Trade (with wine wholesalers accounting for the largest share of wholesale trade employment) saw above average job growth of 2.0% over the past decade.

Transportation and warehousing, while relatively small in size, was the fastest growing sector over the past ten years with an annual average increase of 4.3%. The transportation sector includes businesses that provide transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to transportation. The transportation sector's growth is due in part to agricultural related tourism and the wine industry.

## **ECONOMIC BASE**

### **Government Sector**

The public sector, which includes federal, state, and local governments, is the second largest employment sector in Napa County after manufacturing. Public sector employment at all levels totaled 10,800 employees in June 2010. Government employment accounts for 77 jobs per 1,000 residents which is 52% more than the national average (51 jobs per 1,000 residents) and 69% greater than the state average (46 jobs per 1,000 residents). Overall, public sector employment provides a relatively stable source of jobs within Napa County.

Local government is the primary source of public sector employment. General purpose governments, including Napa County and the cities of Napa, St. Helena, Calistoga, Yountville, and American Canyon, account for roughly 25% of public sector employment with local public schools accounting for 40% of the total. Federal and State governments make up the balance.

In general, federal and state government activities are considered basic industry sectors, while local governments are typically local serving with the number of local government jobs bearing some relationship to the size of the community. Local government includes: — counties, municipalities, public school districts, community colleges, and special districts such as fire, water, and sanitation districts. Some federal and state government activities also can be considered local serving. For example, a local state DMV office that just serves the local community would be considered non-basic. In contrast, if a county were home to a state or federal office serving the rest of the state, it would be categorized as exporting.

**Table 9: Employment by Industry Sector**

NAICS Code	Sector	Number of Establishments	2008 Employment	Relative to Nation		Relative to State	
				Location Quotient	Excess Employment	Location Quotient	Excess Employment
11	Agriculture, forestry, fishing and hunting	43	4,790	7.88	4,183	2.91	3,017
21	Mining, quarrying, and oil & gas extraction	1	63	0.17	(308)	0.32	(55)
22	Utilities	5	197	0.68	(92)	0.91	(68)
23	Construction	543	3,992	1.08	288	0.95	459
31-33	Manufacturing	425	11,942	1.72	4,981	0.92	5,588
42	Wholesale trade	179	1,672	0.54	(1,426)	1.03	(1,514)
44-45	Retail trade	540	6,138	0.77	(1,824)	0.93	(1,253)
48-49	Transportation & warehousing	87	1,411	0.63	(809)	0.87	(532)
51	Information	45	707	0.45	(848)	1.36	(1,407)
52	Finance and insurance	228	1,575	0.52	(1,799)	0.85	15
53	Real estate and rental & leasing	203	970	0.88	5,057	1.13	(202)
54	Professional and technical services	439	2,025	0.50	(2,494)	1.20	433
55	Management of companies & enterprises	14	467	0.47	(13)	0.94	(1,615)
56	Administrative and waste services	215	3,676	0.88	(2,133)	1.03	782
61	Educational services	61	1,246	1.01	(794)	1.00	(4,409)
62	Health care and social assistance	424	6,158	0.76	(4,433)	0.78	2,746
71	Arts, entertainment, & recreation	68	859	0.83	(172)	1.11	(3,411)
72	Accommodation & food services	365	8,352	1.41	2,410	0.99	2,445
81	Other services, except public administration	277	2,479	1.06	147	1.43	(854)
92	Public Administration	N/A	9,657	N/A	N/A	N/A	N/A
99	99 Unclassified	3	174	1.60	68	2.93	(144)
<b>TOTAL ECONOMY</b>		<b>4,165</b>	<b>68,550</b>		<b>21</b>		<b>(9)</b>

Source: Bureau of Labor Statistics, California Employment Development Department

**MAJOR INDUSTRY SECTORS (Private, Non-Farm)****Retail Sector**

Although Napa County has a modest sized population, it has a relatively robust retail sector with above average per capita sales which rank 19<sup>th</sup> out of 58 counties in the state. This is due to tourism, proximity to larger Bay Area communities, and above average household income in Napa County.

The retail trade sector includes both local and community shopping centers, as well as regional centers (such as the Napa Town Center) and factory outlets that draw shoppers from outside the county. Napa Premium Outlets has over 50 stores and attracts Bay Area residents and tourists. St. Helena has boutique shops and premier outlets that benefit from visitor spending, as do the small shops in Calistoga and the V Marketplace lifestyle shops in Yountville. The Napa Junction retail center in American Canyon includes a 175,000 square-foot Wal-Mart Super Center and numerous shops which draw shoppers from surrounding communities outside Napa County.

Retail employment is above the national and statewide averages for building materials, food & beverage, clothing, and non-store retailers. According to the California Retail Survey <sup>3</sup>, Napa County is average in terms of sales growth, but below the statewide average for relative strength which measures the long-term retail sales growth trend in a local market compared to the statewide trend and growth persistence which measures the ability of a local market to consistently out-perform the overall market each year.

**Table 10: Retail Trade Employment – 2008**

NAICS	Description	# Jobs	Nation	State
441	Motor vehicle and parts dealers	453	0.54	0.63
442	Furniture and home furnishings stores	94	0.41	0.44
443	Electronics and appliance stores	71	0.28	0.25
444	Building material and garden supply stores	618	1.04	1.24
445	Food and beverage stores	1,889	1.30	1.27
446	Health and personal care stores	224	0.44	0.47
447	Gasoline stations	162	0.38	0.72
448	Clothing and clothing accessories stores	894	1.28	1.22
451	Sporting goods, hobby, book and music stores	173	0.55	0.51
452	General merchandise stores	675	0.44	0.52
453	Miscellaneous store retailers	306	0.76	0.78
454	Non-store retailers	233	1.09	1.45

Source: Bureau of Labor Statistics

<sup>3</sup> The Eureka Group, "California Retail Survey", 2007 Edition

**MAJOR INDUSTRY SECTORS (Private, Non-Farm)****Manufacturing Sector**

Manufacturing is the largest employment sector in Napa County. The manufacturing sector consists of 21 subsectors and includes the production of durable (NAICS 33), non-durable (NAICS 31), and natural resource (NAICS 32) goods. **Durable goods** typically last for more than three years and include the manufacture of primary metal, fabricated metal, machinery, computer and electronic equipment, electrical equipment, appliances, transportation equipment, furniture, medical equipment and supplies, jewelry, toys, musical instruments, and other miscellaneous products. **Non-Durable goods** typically last less than a year and include the manufacture of food products, beverage, and tobacco products, textiles, apparel, and leather products. **Natural resource goods** include the manufacture of wood products, paper, printing and related support activities, petroleum and coal products, chemicals, plastic and rubber products, and nonmetallic mineral products.

Non-durable goods manufacturing is the largest manufacturing sub-sector with 8,476 jobs. Beverage manufacturing, which includes both wineries (8,066 jobs) and bottled water (158 jobs), is the largest industry group within the non-durable goods manufacturing subsector in terms of both the number of businesses and the number of jobs. Natural Resource Goods Manufacturing is the second largest manufacturing subsector with 1,187 jobs. Nonmetallic mineral product manufacturing is the largest industry group within this subsector and also the second largest industry group within the manufacturing sector. These two subsectors account for almost 90% of all manufacturing jobs in Napa County. The durable goods manufacturing sub-sector is relatively small and accounts for only 5.8% of all manufacturing jobs.

**Table 11: Non-Durable Goods Manufacturing (NAICS 31)**

	2001	2009	% Total	Net Change
<b>Total Non-Durable Goods Sub-Sector</b>	<b>7,199</b>	<b>8,476</b>		<b>17.7%</b>
311 Food manufacturing	323	692	6.7%	114.2%
312 Beverage and tobacco product manufacturing	6,582	7,761	75.7%	17.9%
313 Textile mills	NC	NC		
314 Textile product mills	144	15	0.1%	-89.6%
315 Apparel manufacturing	150	8	0.1%	-94.7%
316 Leather and allied product manufacturing	NC	NC		

**Table 12: Food & Beverage Manufacturing Sub-Sector**

<b>311 Food manufacturing</b>	<b>667</b>
3111 Animal food manufacturing	NC
3112 Grain and oilseed milling	ND
3113 Sugar and confectionery product manufacturing	64
3114 Fruit and vegetable preserving and specialty	418
3115 Dairy product manufacturing	ND
3116 Animal slaughtering and processing	ND
3117 Seafood product preparation and packaging	ND
3118 Bakeries and tortilla manufacturing	128
3119 Other food manufacturing	9
<b>312 Beverage and tobacco product manufacturing</b>	<b>8,224</b>
3121 Beverage manufacturing	8,224
3122 Tobacco manufacturing	NC

**Table 13: Natural Resource Goods Manufacturing (NAICS 32)**

	2001	2009	% Total	Net Change
<b>Total Natural Resource Goods Sub-Sector</b>	<b>1,395</b>	<b>1,187</b>		-14.9%
321 Wood product manufacturing	252	242	2.4%	-4.0%
322 Paper manufacturing	ND	ND		
323 Printing and related support activities	367	222	2.2%	-39.5%
324 Petroleum and coal products manufacturing	NC	NC		
325 Chemical manufacturing	ND	ND		
326 Plastics and rubber products manufacturing	81	ND		
327 Nonmetallic mineral product manufacturing	947	723	7.1%	-23.7%

**Table 14: Durable Goods Manufacturing (NAICS 33)**

	2001	2009	% Total	Net Change
<b>Total Durable Goods Sub-Sector</b>	<b>1,214</b>	<b>589</b>		-51.5%
331 Primary metal manufacturing	NC	ND		
332 Fabricated metal product manufacturing	432	127	1.2%	-70.6%
333 Machinery manufacturing	25	134	1.3%	436.0%
334 Computer and electronic product manufacturing	325	131	1.3%	-59.7%
335 Electrical equipment and appliance mfg.	245	ND		
336 Transportation equipment manufacturing	28	ND		
337 Furniture and related product manufacturing	19	34	0.3%	78.9%
339 Miscellaneous manufacturing	140	163	1.6%	16.4%

**MAJOR INDUSTRY SECTORS (Private, Non-Farm)****Hospitality Sector**

The hospitality sector is the second largest non-governmental employment sector in Napa County and includes establishments providing lodging and food service. The Napa Valley offers over 200 lodging facilities, from the quaint Queen Anne-style Victorian B&Bs to the luxury of full resorts and spas. The diversity, quality and number of restaurants in Napa County is more reflective of a large city than the agricultural region that it is. The strength of the hospitality sector is due in part to the attraction of the wineries and related ag-tourism.

**Table 15: Hospitality Sector Employment**

	Jobs	LQ
<b>72 Accommodation and food services</b>	<b>8,352</b>	<b>1.41</b>
<b>721 Accommodation</b>	<b>3,192</b>	<b>3.30</b>
7211 Hotels and motels	3,165	3.39
721191 Bed-and-breakfast inns	143	17.31
7212 RV parks and recreational camps	27	0.96
7213 Rooming and boarding houses	NC	NC
<b>722 Food services and drinking places</b>	<b>5,160</b>	<b>1.04</b>
7221 Full-service restaurants	3,374	1.42
7222 Limited-service eating places	1,470	0.69
722211 Limited-service restaurants	1,144	0.63
722212 Cafeterias, grill buffets, and buffets	39	0.58
722213 Snack and nonalcoholic beverage bars	288	1.10
7223 Special food services	287	1.02
7224 Drinking places, alcoholic beverages	29	0.16

Source: California Employment Development Department  
 \* LQ = Location Quotient (Compared to National Average)

**MAJOR INDUSTRY SECTORS (Private, Non-Farm)****Healthcare Sector**

The healthcare sector is the third largest non-Governmental employment sector in Napa County. It includes: hospitals; offices of doctors, dentists, psychologists, and other health care practitioners; nursing and residential care facilities; and social assistance. Even though the healthcare sector includes two large healthcare facilities operated by the State of California, the healthcare sector in Napa County lags behind the nation in the number of healthcare workers per 10,000 residents. The concentration of healthcare jobs in Napa County is below the national and state averages, indicating a potential growth sector given the higher consumption of healthcare services by seniors and the county's aging baby boom population.

Queen of the Valley Medical Center is the largest provider of healthcare services in Napa County. It is a full-service, community-based hospital with diagnostic and therapeutic services, including emergency care, acute inpatient care, home care and extensive outpatient services. Kaiser Permanente in Napa provides a full range of outpatient healthcare services to more than 40,000 Kaiser members. St. Helena Hospital is a 181-bed full-service community hospital offering state-of-the-art medical, surgical and diagnostic services. St. Helena Hospital also serves as a regional center for cardiovascular services, outpatient surgery, cancer care, joint replacement, behavioral health, and women's services. Community Health Clinic Ole' is the only not-for-profit community health center in Napa County and provides primary and preventive medical care to county residents who do not have health insurance or who are enrolled in MediCal.

**Table 16: Healthcare & Social Assistance**

NAICS	Industry Sub-Sector	Napa County	LQ Nation
<b>62</b>	<b>TOTAL Health care and social assistance</b>	<b>6,158</b>	<b>0.76</b>
<b>621</b>	<b>Ambulatory health care services</b>	<b>1,956</b>	
6211	Offices of physicians	773	1.08
6212	Offices of dentists	457	0.55
6213	Offices of other health practitioners	178	1.11
6214	Outpatient care centers	306	ND
6215	Medical and diagnostic laboratories	ND	0.36
6216	Home health care services	181	ND
6219	Other ambulatory health care services	ND	ND
<b>622</b>	<b>Hospitals</b>	<b>4,089</b>	
6221	General medical and surgical hospitals	ND	NC
6222	Psychiatric and substance abuse hospitals	NC	NC
6223	Other hospitals	NC	0.51
<b>623</b>	<b>Nursing and residential care facilities</b>	<b>1,134</b>	
6231	Nursing care facilities	425	0.83
6233	Community care facilities for the elderly	226	0.64
6239	Other residential care facilities	ND	ND
<b>624</b>	<b>Social assistance</b>	<b>999</b>	
6241	Individual and family services	449	0.78
6242	Emergency and other relief services	18	0.25
6243	Vocational rehabilitation services	308	1.86
6244	Child day care services	226	0.55

Source: California Employment Development Department, County Business Patterns

## MAJOR INDUSTRY SECTORS (Private, Non-Farm)

### Tourism

The county's vineyards and wineries form the base of Napa County's economy, but tourism gives it a big boost. The Valley's rural charm, natural beauty, and excellent climate have helped to foster the growth in agri-tourism. Many smaller wineries sell most of their wine from their tasting rooms. Tourists who visit continue to buy Napa Valley wine at home because of its quality, but also because of memories about their wonderful trips with wine tasting, sightseeing, and eating at the Valley's many fine restaurants. This boost from tourism for Napa County wines is even more critical today when so many regions in the U.S. and throughout the world are producing inexpensive good quality wines and promoting their local wine industry.

The leisure and hospitality sectors in Napa County are primarily basic industries because of the large number of visitors and tourists they serve and from whom they derive a significant percentage of their revenue. These industries include the arts, entertainment, recreation, marinas, accommodation and food services, hotels and motels, limited-service restaurants, food service contractors, and gasoline stations with convenience stores.

The Napa Valley draws an estimated five million visitors a year, and exemplifies what has been called Agri-Tourism, in which the production and marketing of farm products generates tourist activity throughout the year. Many of the local attractions include the vineyards in some way, such as limousine wine tasting tours or aerial views of the grapes from a balloon. Health and relaxation spas abound in the Napa Valley and add to the experience of visitors wishing to escape the bustle of larger California cities. Other local activities take full advantage of the year-round moderate climate and natural environment, including golfing at the local links and hiking around the Napa hills. The city of Napa is also home to the COPIA Cultural Center, operated by the American Center for Wine, Food and the Arts. The center acts as a venue for live entertainment, food and wine tasting, and more.

A visitor profile study <sup>4</sup> shows that the Napa County travel market is predominantly comprised of domestic visitors with about half coming from California and the rest from across the United States with a small percentage of international visitors representing more than 20 countries. The first destination for many tourists is usually the County's wineries, followed by other attractions such as restaurants, small town environments, museums and art galleries, and spas.

For many Bay Area residents a trip to the "wine country" is a must, especially when friends and family are visiting. This has tended to be synonymous with a trip to the Napa Valley, but other counties such as Sonoma and Lake are working hard to promote their region's wine attractions. Although most tourists still equate the "wine country" with Napa County, the County should not assume that this is a given, but should work to maintain and enhance the Napa Brand.

The average visitor to Napa County spends \$197 per day, or \$233 per day if staying overnight. On an annual basis, visitor spending impacts almost every segment of the county's economy in a significant way, with almost \$1 billion in direct spending and \$1.3 billion in total impact. Over 17,000 jobs are created, which provide nearly \$500 million in income to residents. Overnight visitors generated almost \$20 million annually in transient occupancy taxes (TOT). In 2005, Napa County visitors spent

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<sup>4</sup> <http://www.villageprofile.com/california/napa/03/topic.html>

- Nearly \$265 million in local restaurants and other food establishments
- \$184 million on wine purchases and another \$38 million on wine tasting
- Nearly \$63 million on retail shopping including antiques and artwork
- Over \$42 million on entertainment and sightseeing

The recent recession has had a profound impact on the travel industry in general. In the past several years, consumers have curtailed their discretionary spending including travel expenses. According to Smith Travel Research, travel activity in California dropped 6.8% from 2008-2009. Tourism-related employment at the state level dropped 5% from 2008 to 2009, and tax revenue from travel spending declined 9.8% during the same time period. Preliminary estimates for the entire Bay Area show spending was down 10.8%, earnings down 5.8%, and employment down 6.8% in 2009. In Napa County tax revenue from the transient occupancy tax was down 6.8% from 2008 to 2009. Although tourism and visitor spending is down it will bounce back as the national economy improves.

**Table 17: Napa County Travel & Tourism Trends**

	2002	2003	2004	2005	2006	2007	2008
Spending (\$Millions)	\$663.4	\$666.5	\$736.2	\$827.8	\$889.2	\$975.9	\$1,029.8
Employment	8,860	8,980	9,790	10,210	10,530	11,250	11,750
Transient Occupancy Tax	\$14,014	\$14,977	\$15,653	\$18,032	\$20,465	\$21,940	\$26,469

Source: Smith Travel Research

## MAJOR EMPLOYERS

The largest employers in Napa County are in healthcare, hospitality, education, building materials, and the wine industry. In 2007, there were nine companies with 500-plus employees. The five largest local employers are the Napa State Hospital, Veterans Home of California, Dey LP, St. Helena Hospital, and Cultured Stone Corporation. Another 14 companies employ between 250 and 500 workers. The following table shows the largest employers in Napa County with over two hundred fifty employees.

**Table 18: Major Employers in Napa County**

Employer	Industry Sub-Sector	Number of Employees
<b>Healthcare</b>		
Napa County Health & Human Services	NAICS 923 Public Health Program Administration	260
Veterans Home of California	NAICS 622 Hospitals	1,000
Napa State Hospital	NAICS 622 Hospitals	2,500
Queen of Valley Medical Center	NAICS 622 Hospitals	653
ST Helena Hospital	NAICS 622 Hospitals	750
DEY LP	NAICS 339 Medical Equipment & Supplies Mfg	940
Doctors Company Insurance Services	NAICS 524 Property & Casualty Insurance	300
<b>Leisure &amp; Hospitality</b>		
Marriot Napa Valley	NAICS 721 Hotels & Motels	250(e)
Meadowood Napa Valley	NAICS 713 Resorts	250(e)
Silverado Country Club & Resort	NAICS 713 Resorts	600
<b>Education</b>		
Napa Valley Community College District	NAICS 611 Community Colleges	600(e)
PACIFIC UNION COLLEGE	NAICS 611 Colleges & Universities	297
<b>Wine Industry</b>		
Domaine Chandon Winery	NAICS 312 Wineries	250(e)
Trinchero Family Estates	NAICS 312 Wineries	200
Fosters Wine Estates Americas (Beringer Vineyards)	NAICS 312 Wineries	300
Walsh Vineyards Management Inc	NAICS 115 Ag Support	250
Barrel Ten Quarter Circle, Inc	NAICS 422 Wine & Distilled Beverage Wholesalers	300

Construction & Building Materials		
Sheehan Construction Inc	NAICS 233 Building Construction	500
Cultured Stone Corporation	NAICS 327 Concrete Product Manufacturing	739
OWENS CORNING	NAICS 327 Cut Stone Product Manufacturing	250(e)
SYAR Industries, Inc	NAICS 421 Construction Material Wholesalers	250(e)
Miscellaneous		
Universal Protection Services	NAICS 561 Security Guard & Patrol Services	250(e)
County of NAPA	NAICS 921 Local Government	450
Sallie Mae Inc	NAICS 521 Financial Services	250
Wal-Mart Stores Inc	NAICS 452 Retail Superstores	250(e)

\* (e) = estimated

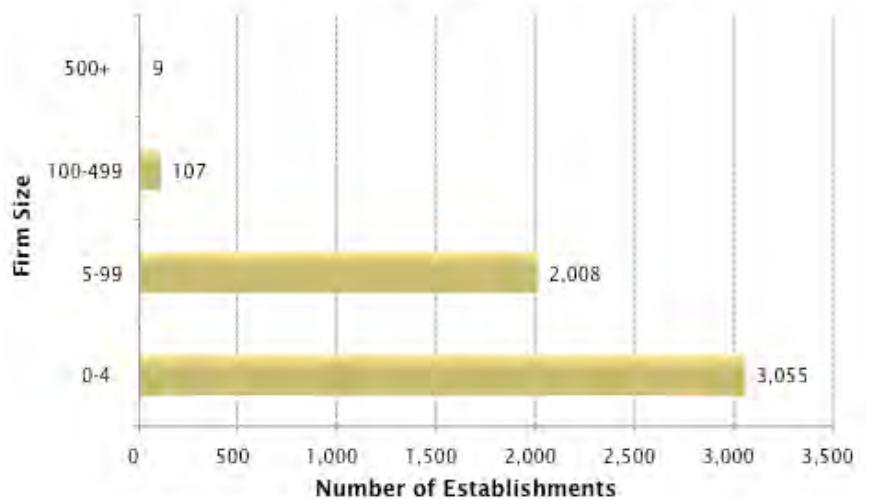
Source: California Employment Development Department and Dun & Bradstreet

**SMALL & MEDIUM SIZE ENTERPRISES**  
**Small Business Sector**

SMALL BUSINESS SECTOR DOMINATES THE NAPA ECONOMY

Small businesses with less than 100 employees are a key component of most local economies constituting the majority of all businesses and a major share of all jobs. Napa County is no exception with small businesses accounting for 98% of all firms and 64% of private sector employment. More than one-third of the county’s small businesses are construction firms, retail shops, professional service firms, and medical & dental offices. Within the small business sector, micro-enterprises with less than five employees make up more than 59% of all establishments, but provide only a small percentage of the total employment (6%) and typically pay lower wages. Micro-enterprises also tend to be relatively fragile with higher failure rates due to lack of resources and access to capital.

Figure 17: Small Business Sector



Source: California Employment Development Department

**SMALL & MEDIUM SIZE ENTERPRISES****Self-Employment Trends**

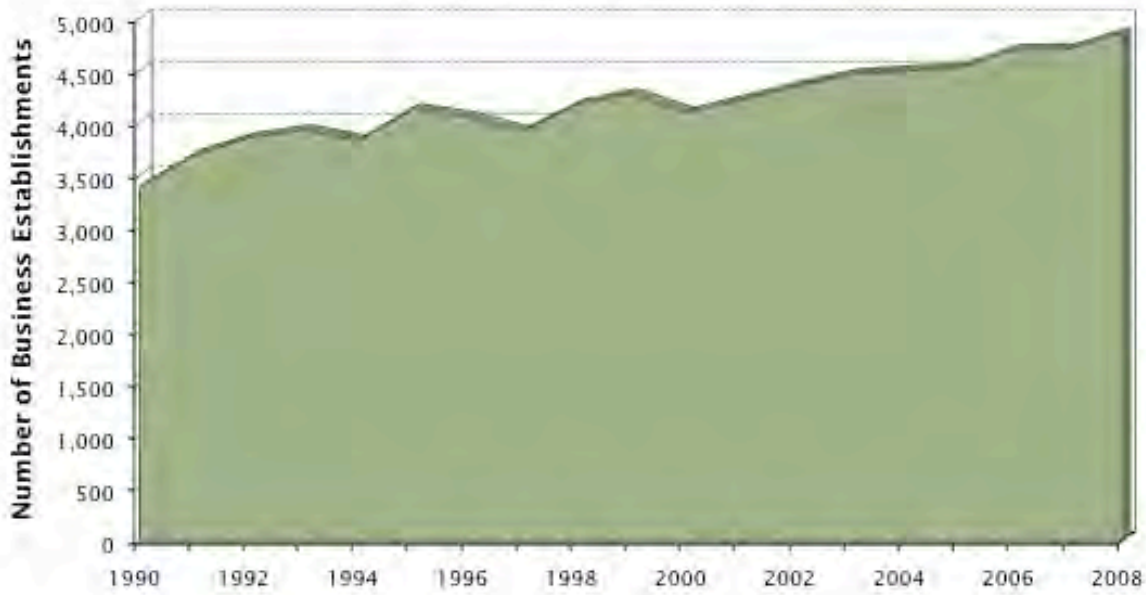
When the self-employed are included, the small business sector is even more significant. Over 10,000 individuals are self-employed in Napa County, making self-employment one of the three largest employment sectors. The self-employed are primarily in professional and technical services, real estate, personal services, business support, and healthcare. Since the late 1990's, the number of self-employed steadily increased from 8,025 in 1998 to 10,311 in 2007, before declining in 2008-9 as the recent recession took hold and the overall economy contracted. More than half of the self-employment (53%) is in four industry sectors: Professional Services (21%), Personal Services (14%), Business Support Services (9%), and Real Estate (9%).

**Table 19: Self-Employed Trends 2002-2008**

NAICS code	Industry Sectors	Non-Employers		Net Change
		2002	2008	
	<b>Total for all sectors</b>	<b>8,760</b>	<b>10,116</b>	<b>1,356</b>
11	Agriculture, forestry, fishing and hunting	147	174	27
21	Mining, quarrying, and oil and gas extraction		3	3
22	Utilities		7	7
23	Construction	788	888	100
31-33	Manufacturing	282	398	116
42	Wholesale trade	240	241	1
44-45	Retail trade	684	719	35
48-49	Transportation and warehousing	190	211	21
51	Information	96	134	38
52	Finance and insurance	260	273	13
53	Real estate and rental and leasing	914	934	20
54	Professional, scientific, & technical services	1,780	2,083	303
56	Administrative & support & waste management & remediation services	677	874	197
61	Educational services	176	263	87
62	Health care and social assistance	734	767	33
71	Arts, entertainment, and recreation	456	530	74
72	Accommodation and food services	171	224	53
81	Personal Services	1,157	1,393	236

Source: U.S. Census Bureau

**Figure 18: New Business Formations**



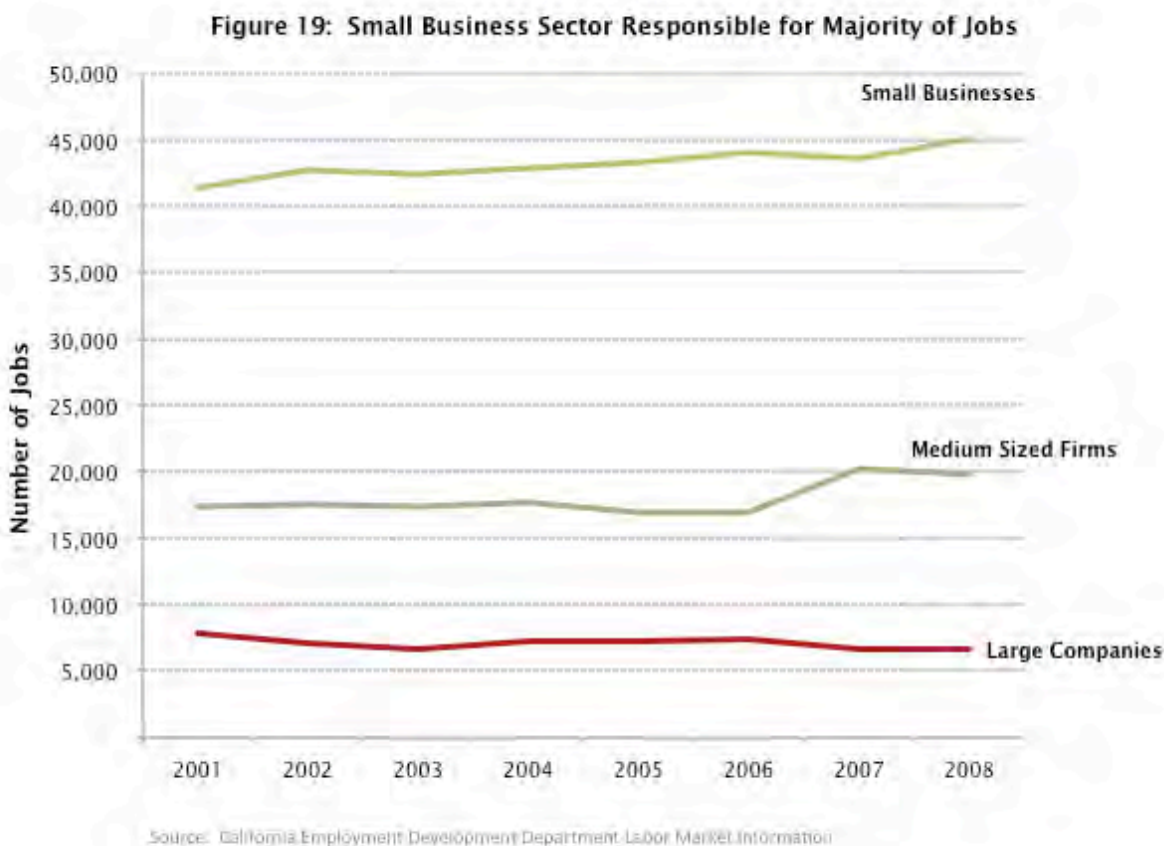
Source: California Employment Development Department

**SMALL & MEDIUM SIZE ENTERPRISES**  
**Entrepreneurship**

One of the building blocks of a local economy is entrepreneurship. Every community should include in their strategy for job generation the creation of a nurturing environment that supports small business and entrepreneurial development. Entrepreneurs are significant generators of jobs. In times of economic restructuring, entrepreneurs and small businesses become more important because they will be the source of most new jobs. By developing new products and business models entrepreneurs turn ideas into new businesses. Between 1990 and 2008 the number of new business formations in Napa County has steadily increased.

**JOB GROWTH BY FIRM SIZE**

During the period 2001-2008, Napa County’s small business sector grew at a faster pace than mid-sized and large companies. Employment in large corporations declined slightly over the past seven years, while the small business sector has added 8.9% more jobs



**REGIONAL EMPLOYMENT GROWTH**  
**Industry Growth/Decline**

Napa County’s economy has expanded at an average rate of around 1.6% annually over the past ten years. Not all segments of the economy, however, have grown at the same rate. Knowing which industries are growing or declining is important to the region’s economic health and is of concern to local economic and workforce development policymakers as well as job seekers.

Emerging growth industries are important to a community’s future while declining basic industries may identify weaknesses in the local economy that require some intervention on behalf of local economic and workforce development officials. Policies can be developed which prioritize industries according to their growth/decline and importance to the community. A taxonomy that can be used for prioritization is shown below.

**STABLE (OR MATURE) INDUSTRIES:** Those sectors which have shown minor or stable employment growth with concentrations close to the national average (LQ—Location Quotient—above 1.0). These industries contribute to a strong economic base as long as they are not experiencing declining employment.

**EMERGING GROWTH INDUSTRIES:** Sectors that have shown recent above average job growth, but still have a below-average employment concentration with LQ less than 1.0 may be potential growth industries. These industries represent future growth opportunities although they have not yet accumulated a high concentration of employment.

**GROWTH INDUSTRIES:** These industries have rising job growth and above-average employment concentration (LQ above 1.0). They contribute to the strength of the local economy and represent opportunities for future employment growth. They also represent opportunities to attract supplier industries.

- **Growing Basic Industries:** These industries have an external market focus with prospects for future job growth.
- **Growing Local Serving Industries:** These industries are constrained in size and growth potential by the local market and do not have the same growth prospects as basic industries with an external market focus.

**DECLINING INDUSTRIES:** Sectors with declining job growth and low employment concentration (LQ below 1.0 and falling) represent industries that have shown some recent vulnerability and should be investigated to determine whether they could be considered business retention targets, or need rapid response or layoff aversion assistance.

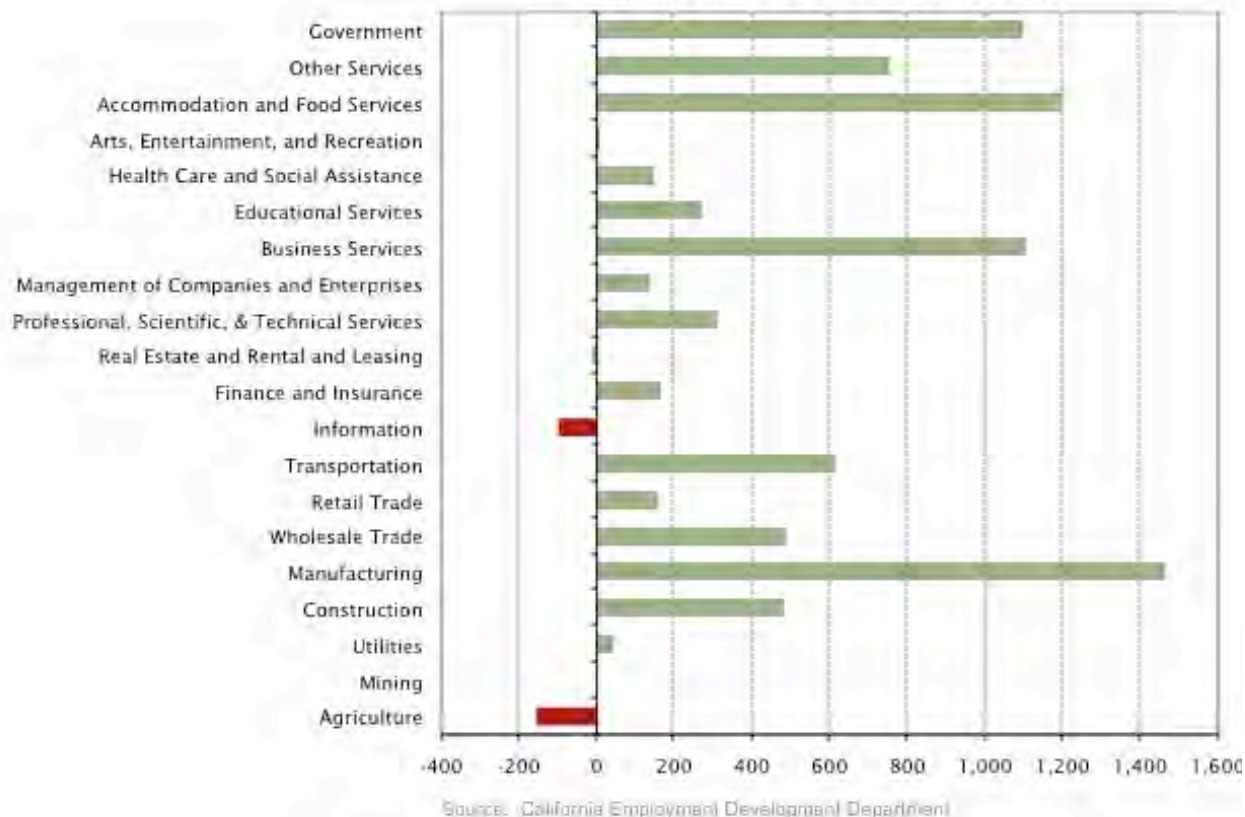
- **Declining Basic Industries:** These industries have an above-average concentration of employment, but have shown recent job losses. This may be part of a normal business cycle, but over a long term indicate weak industries.
- **Declining Local Serving Industries:** These industries have shown recent job losses and do not have an especially notable local presence with strong local market support.

The best opportunities for job creation are presented by those industries that are growing and are expected to grow over the next 10 years. Emerging growth sectors represent future sources of job growth and need to be supported. Support for declining industry sectors may temporarily save a number of jobs, but over the longer term will not generate the necessary job growth to meet the needs of the local labor market.

Most industry sectors in Napa County gained jobs between 2000 and 2008, except for the agriculture, information and real estate sectors, which lost jobs. Most industry sectors in Napa County gained jobs during this time period, except for agriculture, information, and real estate, which lost jobs. The leisure sector was stagnant with no employment growth or decline. Figure 22 in the Appendix identifies at a more granular level the growth/decline of individual industry subsectors.

Growing industry sectors include wineries and hospitality sectors. Emerging growth sectors include management of companies, business services, and educational services. Stable or mature industry sectors include healthcare, retail, construction, leisure, and real estate. Information is the only sector that shows a weakness since its decline following the dot-com bust in the second quarter of 2000.

**Figure 20: Net Change 2000-2008**



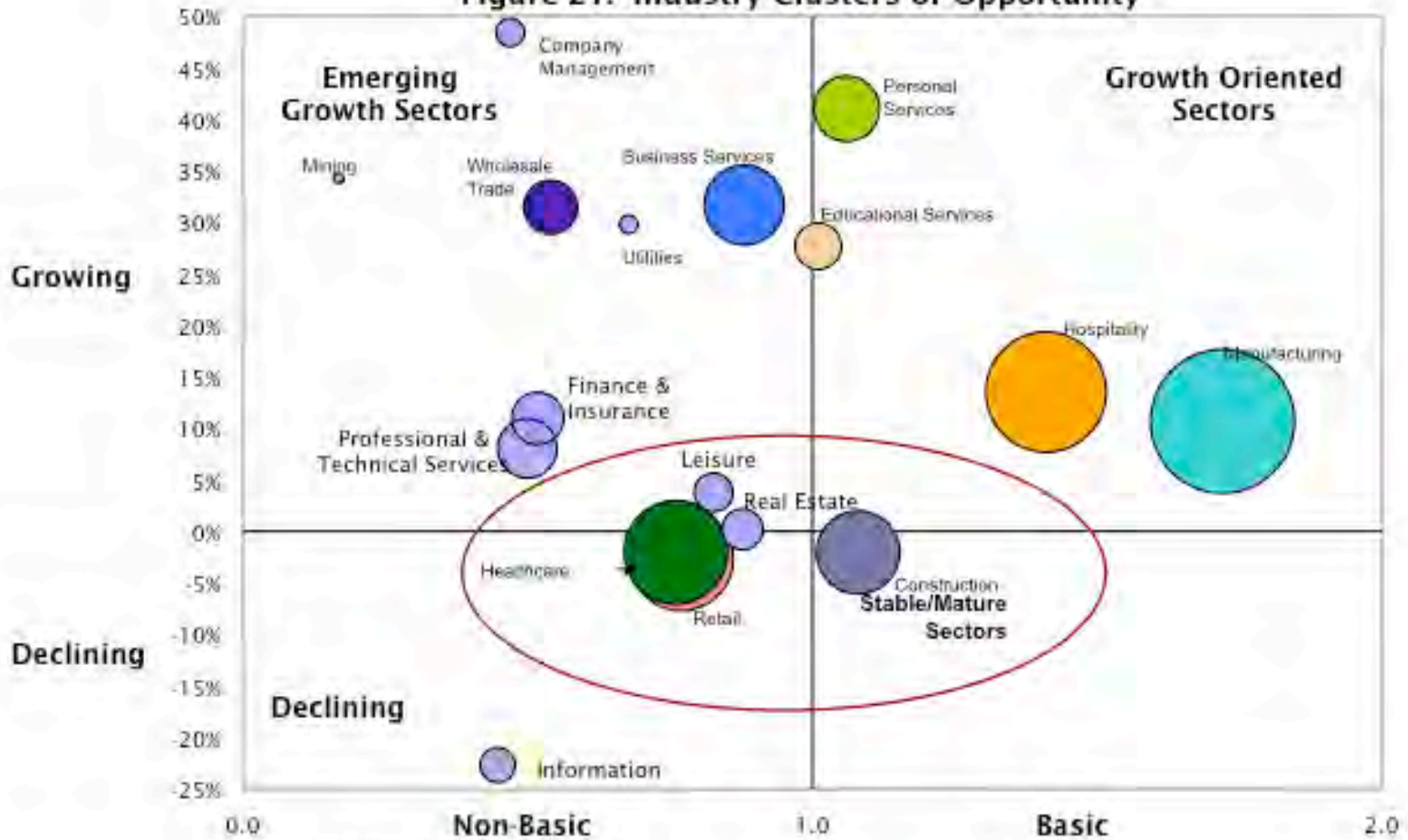
**REGIONAL SPECIALIZATION**  
**Employment Concentration & Competitiveness**

A region’s economic vitality is influenced by the number and variety of businesses that make up its economic base, which can be more concentrated or more diversified. A diversified economy is one that is based on several industry sectors such as manufacturing, agriculture, trade, or services, with employment equally spread across a number of industry sectors. Conversely, a concentrated economy is highly dependent upon a few sectors. Concentrated economies typically lead to structural unemployment over the long term as economies and markets change.

A diversified local economy tends to be less volatile since no one industry dominates the economy. In general, if a region’s economic base is distributed across several different industry sectors, the region is somewhat insulated from the decline of a single industry that may be experiencing a shift in market demand, increased competition, or product obsolescence. It is also less vulnerable to cyclical swings in business activities.

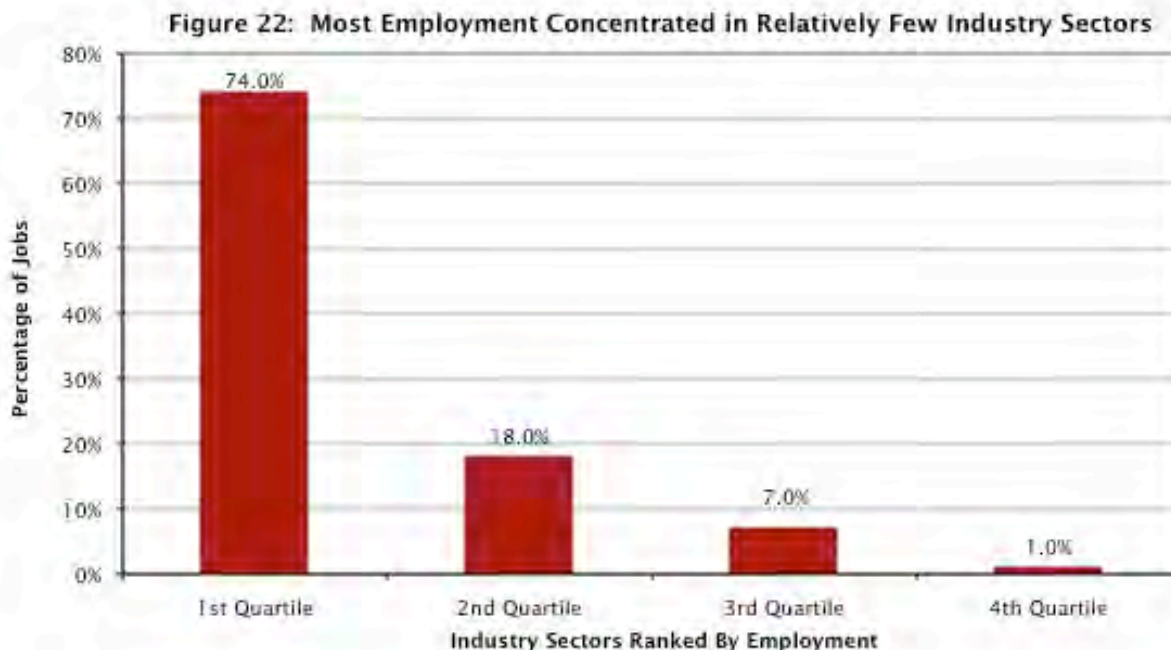
Whether a local economy is diversified or concentrated, having industries that sell their goods and services to external markets helps to reduce economic volatility. In some cases, a specialized or “niche” economy will fare well in rough economic times while the state or nation are experiencing greater difficulties. Well developed industry clusters with a strong focus on external markets can help to reduce economic volatility.

Figure 21: Industry Clusters of Opportunity



Source: Bureau of Labor Statistics

Most of Napa County’s jobs are concentrated in a relatively few industry sub-sectors. Almost three quarters of the County’s total private employment is concentrated in the top employment quartile. More than 12% of the sub-sectors in the top quartile and 31% in the second quartile were stable or declining during the past decade.



Source: California Employment Development Department

Napa County has developed a specialized economy with a well-established cluster centered on the wine industry and wine-related tourism. Although Napa County has a specialized economy, with a narrow economic base, it is supported by a strong, well-established industry cluster that is less subject to cyclical swings in the economy. Unlike many local economies that are highly dependent upon a few contracting industries, Napa County’s wine industry cluster is growing and expanding due to its focus on external markets. The key to continuing to grow the Napa County economy lies in enhancing and extending the Napa Brand, not in diversifying it.

## REGIONAL SPECIALIZATION

Share of Regional Job Growth Attributable to National Trends

Shift-share analysis is a technical tool used by economic development professionals to determine the extent to which a region is gaining or losing ground in various industry sectors. It compares employment changes in the local economy with the overall national economy and the mix of industries nationally. Shift-share analysis provides a framework for describing the key differences between the growth of local employment relative to the nation at large. It identifies which industry sectors are growing faster or slower and which industries contributed the most to the total net employment change overall.

A shift-share analysis shows that Napa County’s economy is strongly influenced by the national economy and Napa County’s specific mix of local industries. Based on the shift-share analysis Napa County’s employment growth over the 2001-2008 time period of 8.88% trailed the 9.82% growth of employment nationally by -0.94%. There are two main reasons for this underperformance. First, Napa County’s industry mix was weighted more heavily toward industries that experienced slower growth at the national level. Second, a number of local industries grew more slowly than their counterparts nationally. When employment in a local industry grows at a faster pace (or declines less) than its counterpart nationally a shift occurs in the proportion of employment captured by that industry which changes the region’s competitive position. The analysis shows that Napa County strengthened its position relative to the nation in manufacturing (i.e. wine making) and showed a decline in the healthcare sector. The analysis also shows a growing strength in business support services and transportation. Agricultural employment showed the biggest decline.

**Table 20: Shift-Share Components of Napa County Employment Growth, 2001 – 2008**

Industry	National Growth		Industry Mix		Regional Shift	
	Percent	Net	Percent	Net	Percent	Net
Farm	9.82	474	-23.48	-1,133	-19.17	-925
Utilities	9.82	17	-13.89	-25	29.36	52
Construction	9.82	584	3.77	224	-12.77	-760
Manufacturing	9.82	1,088	-26.5	-2,938	27.24	3,020
Wholesale Trade	9.82	167	-4.37	-74	27.73	472
Retail Trade	9.82	796	-6.5	-527	-4.19	-340
Trans. & Warehousing	9.82	126	0.07	1	42.02	539
Information	9.82	113	-22.61	-260	-6.56	-76
Finance & Insurance	9.82	244	5.79	144	-1.37	-34
Real Estate, Rent. & Leasing	9.82	326	41.06	1,366	-14.47	-481
Prof. & Tech. Services	9.82	471	10.38	498	-9.31	-446
Management of Comp. & E.	9.82	39	1.77	7	25.44	101
Admin. & Waste Services	9.82	439	4.71	211	14.85	664
Educational Services	9.82	149	18.59	282	-0.83	-13
Healthcare & Social Asst.	9.82	791	12.13	978	-22.96	-1,851
Arts, Ent., & Rec.	9.82	170	12.15	211	-13.03	-226
Accom. & Food Services	9.82	803	4.13	338	-1.17	-96
Other Services	9.82	433	4.01	177	2.48	109
Federal, Civilian	9.82	42	-6.59	-28	-15.32	-66
Federal Military	9.82	23	-9.43	-22	-8.47	-20
State Government	9.82	309	-5.28	-166	-1.1	-35
Local Government	9.82	578	-1.54	-91	1.02	60
Unreported	9.82	199	15.47	314	3.26	66
<b>TOTAL</b>	<b>9.82</b>	<b>8,383</b>	<b>-0.6</b>	<b>-517</b>	<b>-0.33</b>	<b>-284</b>

## LEADING INDUSTRY CLUSTERS & JOB WEALTH GENERATORS

### Wine Industry Cluster

Historically, the driver of Napa County's economy has been the wine industry, with its ecosystem of vineyards, wineries, agricultural tourism, bed & breakfast inns, gourmet restaurants, retail outlets, spas, and diversity of leisure activities.

Wine production employment increased by almost 24% from 6,509 to 8,066 jobs between 2001 and 2008. Local winery jobs in 2008 accounted for 13.7% of private sector employment having increased its share of local employment from 12% in 2001. Although the concentration of wine production employment in Napa County declined relative to the national average over the past seven years, indicating how competitive the wine industry has become nationally<sup>5</sup>, it is still 386 times larger than the industry average nationwide for the wine manufacturing sector.

This well-developed industry cluster also supports a variety of employment generating opportunities in a number of industry sectors. The hospitality sector, consisting of hotels and restaurants, is a part of the wine industry cluster, along with factory retail outlets, spas, balloon rides, limo services, wine wholesalers, trucking companies and warehouses, engineering and surveying firms, vintners, and agriculture support services.

Broadly defined, an *industry cluster* is a geographically bounded collection of similar and/or related firms that together create competitive advantages for member firms from increased productivity due to their mutual proximity, linkages, and interconnections. Well developed industry clusters offer numerous advantages to cluster companies and the local economy. These advantages include potential cost savings to firms in the cluster due to a greater availability of specialized vendors and business services; a larger pool of trained, specialized workers; financial markets familiar with the industry; ease of market entry for young new firms who can tap into an existing specialized labor force; and increased innovation, collaboration, and information transfers. Spatial concentration of similar businesses allows for the formation of an industry cluster.

In recent years, "cluster strategies" have become popular among economic and workforce development practitioners. Cluster-based strategies provide a natural linkage between economic development and workforce development because of the common goal of creating quality jobs.

Industry clusters support competitive businesses that introduce new wealth and generate high paying employment opportunities as a result of their external market orientation and high productivity. Outward oriented industry clusters are important for regions because they drive the vitality of support and local-serving industries — without competitive, outward-oriented industries, communities cannot enjoy sustained increases in their standard of living.<sup>6</sup>

Industry cluster identification and targeting involves identifying concentrations of companies in an industry that the region has experienced recent employment growth. Typically, the sectors targeted are those that offer the greatest potential for local economic development. Figure 21 shows the relative size, concentration, and employment growth of Napa County's major industry sectors. The largest growth oriented sectors include wineries (manufacturing sector) and the hospitality sector, both of which are part of the wine industry cluster.

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<sup>5</sup> The Wine Industry has become extremely competitive on a national level as well as globally as represented by the following websites:

Walla Walla Valley Wine Industry Cluster, <http://www.wvcc.edu/CMS/index.php?id=1759>

Oregon Wine Cluster, <http://www.oregonbusinessplan.org/Industry-Clusters.aspx>

Australian Wine Innovation Cluster, <http://www.wineinnovationcluster.com/cluster/>

<sup>6</sup> California Regional Economies Project, "Industry Clusters of Opportunity Users Guide", September 2008

Clusters of opportunity are sectors of the economy identified by growth in one or more areas: value, jobs, or wages. A cluster of opportunity elaborates on the concept of an economic cluster by linking it to the challenges of workforce development.<sup>7</sup> Potential clusters of opportunity in Napa County include emerging growth sectors such as business support services, educational services, and wholesale trade due to their employment size and growth rate.

Many areas of workforce shortage are not in the center of a region's economic base. They are in the many population-serving sectors like health care, construction and education. A cluster of opportunity also looks closely at population-serving activities in addition to the region's economic base.

## LEADING INDUSTRY CLUSTERS & JOB WEALTH GENERATORS

### Cluster Innovation

One of the benefits from an industry cluster is the exchange and sharing of information and knowledge among cluster members. The Napa Wine Industry Technology Symposium® (WITS) was created in 2005 by a group of wine industry and technology professionals for the purpose of addressing the unique information technology and services needs of the wine industry. WITS is dedicated to bringing the world's leading wineries, wholesalers and retailers together with some of the world's leading technology experts to foster learning and discussion.

**Table 21: Napa County Wine Industry Cluster – 2009**

NAICS	Industry Description	Vineyards	Wineries	Wine Tourism	2009 Total	2001 Total	% Change 2001-2009	Location Quotient
	Total, all industries				54,998	54,202	1.5%	
111332	Grape vineyards	2,667			2,667	3,381	-21.1%	159.03
115112	Soil preparation, planting, and cultivating	271			271	67	304.5%	23.46
115115	Farm labor contractors and crew leaders	283			283	143	97.9%	3.68
115116	Farm management services	1,559			1,559	1,326	17.6%	198.73
312130	Wineries		7,653		7,653	6,509	17.6%	371.51
423820	Farm & garden equip. merchant wholesalers	76			76	87	-12.6%	1.5
423830	Industrial machinery merchant wholesalers		93		93	105	-11.4%	0.63
424820	Wine and spirit merchant wholesalers		449		449	215	108.8%	12.93
4249	Farm Supply Merchants, etc		43		43	33	30.3%	0.25
448	Clothing and clothing accessories stores			894	894	681	31.3%	1.28
4529	Warehouse Clubs and Supercenters)			32	32	54	-40.7%	0.04
4853	Taxi and limousine service			98	98	20	390.0%	2.84
4931	Warehousing and storage		224		224	124	80.6%	0.69
49311	General warehousing and storage		113		113	19	494.7%	0.41
541330	Engineering services	213			213	229	-7.0%	0.47
54137	Other surveying and mapping services	27			27	33	-18.2%	1.15
71391	Golf courses and country clubs			243	243	174	39.7%	1.38
721	Accommodation			3,121	3,121	2,536	23.1%	3.48
722	Food services and drinking places			4,935	4,935	4,821	2.4%	1.03
	<b>Cluster Total</b>	5,096 9.3%	8,575 15.6%	9,323 17.0%	22,994 41.8%	20,557 37.9%	11.9%	255.5

<sup>7</sup> ibid

New emerging industry sectors with high growth potential often develop out of established clusters. Emerging new industries include organic wines, sustainable vineyards, solar technologies, and water conserving technologies that are first adopted by innovative entrepreneurs in the Napa Wine Industry.

Innovative winemakers in Napa County are combining old ideas with new technology to create efficient and eco-friendly new facilities. Gravity feed, subterranean construction and use of natural light produce superior wines using fewer resources, making the winery more efficient and competitive. The use of solar and co-generated power helps contribute to significant savings by lowering electrical utility bills.

Every new winery built seems to include a few innovations, but many are actually ideas from the past. More and more, vintners and winemakers realize that some of the old-time ideas were excellent, though most are updating them with new technology and twists. It's not just in California, either, but all over the country and the world that wineries are re-thinking how they operate, not only to improve their wines, but to save energy and operate efficiently with minimal staff. Interestingly, it seems owners and winemakers with technical backgrounds are especially likely to adopt these practices.<sup>8</sup>



*In Napa's Stags Leap District, Quixote winery conserves energy and reduces water run-off with a sod roof planted with trees and shrubs to blend into its surroundings.*

To remain competitive wine industry entrepreneurs are likely to adopt new business processes and practices that will require less labor and a higher skill set for both existing and emerging jobs.

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<sup>8</sup> Franson, Paul, Wines & Vines, "Innovations in Construction: Many New Twists Inspired by Old Ideas"; January 2008

## LEADING INDUSTRY CLUSTERS & JOB WEALTH GENERATORS

### Comparative Advantages

The Napa County economy's greatest asset is its globally recognized wine industry cluster. Napa's wine industry cluster refers to all industries involved in wine production and wine tourism—from vineyards and wineries to related and supporting industries that are dependent, in part, upon the wine industry, including hotels, fine restaurants, arts, recreational enterprises, specialty retail stores and factory outlets, equipment suppliers, machine shops, and wholesalers. This well developed industry cluster with its mix of small and large wineries, supplier networks, specialized vendors, related and supporting industries, workforce training organizations, research institutes, climate, proximity to large population centers, and external demand for Napa Valley produced wines is Napa County's competitive advantage.

## FUTURE ECONOMIC OUTLOOK

Federal Reserve officials released a survey in June 2010 which showed that for the first time since the beginning of the recession, economic growth, albeit “modest” and fragile, occurred throughout the nation. The Fed cautioned, however, that their predicted 3.5% pace of expansion of the economy in 2010 would not be strong enough to bring relief to the 15 million Americans who are unemployed. The unemployment rate, which was 9.7% in May 2010, would likely see only a “slow reduction,” Federal Reserve Chairman Ben Bernanke warned.

Work-related impacts of this recession extend far beyond the 9.7% who are unemployed or the 16.6% who (according to the U.S. Bureau of Labor Statistics) are either out of the workforce or underemployed. A Pew Research survey found that about a third (32%) of adults in the labor force have been unemployed for a period of time during the recession. Fifty-five percent (55%) of adults in the labor force say they have suffered a spell of unemployment, a cut in pay, a reduction in hours, or an involuntary spell in a part-time job.

One characteristic of this latest recession which makes it markedly different than other recessions is the extent of long-term unemployment. The number of long-term unemployed – people jobless for 27 weeks or more – is at 6.8 million. The proportion of people jobless for six months or more has accelerated in the past year and now makes up 45.5% of the 15 million Americans who are unemployed. That’s the highest percentage on record dating to 1948. By late summer or early fall, they are expected to make up half of all jobless Americans.

The employment situation is critical to the economic recovery because consumer spending, including health care and other major items, accounts for about 70% of U.S. economic activity. Those without jobs are clearly constrained in what they can spend, and those with jobs tend to spend less and save more if they are worried about losing their jobs. If consumers aren’t spending, businesses will be reluctant to hire more workers.

As in the national economy, there is considerable long-term unemployment in the state. Nearly 880,000 Californians have been unemployed for at least 27 weeks. The ranks of the state’s long-term unemployed more than doubled in the past year and now account for about 40% of all those out of work, according to the Employment Development Department.

A major cause of this recession was the housing bust, and California was one of the five states hit hardest by this event. The housing market will continue to struggle during the second half of 2010. There will still be downward pressure on home prices, and there will be an elevated level of defaults. According to the UCLA forecast there is an east-west divide to this economy, not the usual north-south divide. “The eastern, or inland, portions of California are more likely to suffer from a hangover due to a glut of houses and foreclosures. Housing is less likely to be overbuilt in regions such as San Francisco, Marin County, San Mateo County, Santa Cruz, Santa Clara County and the city of Los Angeles.”

## A SLOW ROAD TO RECOVERY

Millions of jobs lost in the recession could be gone forever. Three industries, in particular, where many jobs may not be coming back are retailing, manufacturing, and advertising. According to the U.S. Labor Department, more than half the 15.3 million people out of work in April 2010 said they regard their layoff as permanent. That's the highest proportion on record dating to 1967. In previous recessions, workers often endured only temporary layoffs as their employers would typically recall them once business picked up.

UC Berkeley Business School Dean Laura Tyson said in a recent interview that the "jobs gap" between the number of jobs the economy is producing and full employment is about 11 million. Even if job growth surged to 350,000 a month, it would take four years to get the unemployment rate to where it was before the recession began in December 2007 (5%). If job growth is at a more modest 200,000 a month, it would take 11 years, she said. (In May 2010, private employers hired just 41,000 workers.) "When you look at the forecasts, you've got to go to 2015 before unemployment falls back to the 5% to 6% range" where it was before the recession began, Tyson added.

## THE NEW FRUGALITY

A new Pew Research Center survey (July 1, 2010) indicates that an economic shift has occurred, making Americans more likely to save, cut spending and limit borrowing. The recession has directly hit more than half of the nation's working adults, pushing them into unemployment, pay cuts, reduced hours at work or part-time jobs, reports the survey.

The economic shock has jolted many Americans into a new, more austere reality, which is likely to have lasting consequences for an economy fueled mostly by consumer spending. More than six in 10 Americans (62%) say they have cut down on spending and borrowing since the recession began in December 2007. Asked to predict their spending patterns once the economy improves, nearly one-in-three (31%) say they plan to spend less than they did before the recession began. Nearly half of the survey's respondents say they are in worse financial shape as result of the downturn, which destroyed 20% of Americans' wealth.

## IMPLICATIONS FOR NAPA COUNTY

Consumer spending has been constrained by the unemployment situation and by a reduction in Americans' wealth. This will affect the two major industries in Napa County --- vineyards/wineries and tourism -- differently. The County's wines will be competing in stores and restaurants throughout the nation and world with many other fine wines made outside of Napa, and consumers with limited budgets are likely to be affected by price considerations in their purchases.

Local tourism is likely to be more resistant to the tough economic times. Residents of the Bay Area can take a day trip to enjoy a beautiful area complete with cultural attractions without having to drive too far. If Bay Area residents have visitors from outside the area, their visitor's vacation agenda will most likely include a trip to the "wine country."

Tourists who have a positive experience in the Napa Valley may be more inclined to buy wines from the Napa Valley when they return home even though similar wines from other regions may cost less.

While U.S. tourism-related spending slowed during the recession, tourism is expected to increase as the economy improves, led by retired baby boomers. Tourism related leisure and hospitality employment in Napa County declined by 8.4% between 2008 and 2010, but will pick up as the economy improves and consumers have more discretionary dollars to spend on wine and on visits to wineries, spas and resorts.

Overall, the Napa County economy is expected to perform better than most local economies given its proximity to the San Francisco Bay Area and external market orientation, including tourism.

Industry sector employment projections made by the California Employment Development Department show an average annual growth rate of 1.5% over the next 5 years. This represents a gain of about 5,000 jobs.

The largest amount of job growth is expected to occur in the Professional and Business Services sector followed closely by job gains in the Leisure and Hospitality, Government, and Manufacturing sectors. All the other major industry sectors are expected to have more modest gains, except for the Construction sector which is forecast to lose jobs during the outlook period over the next five years.

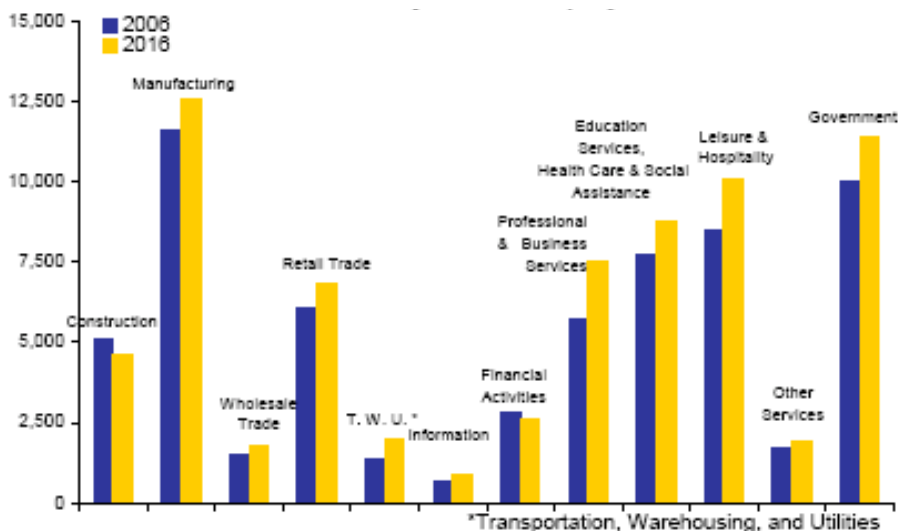


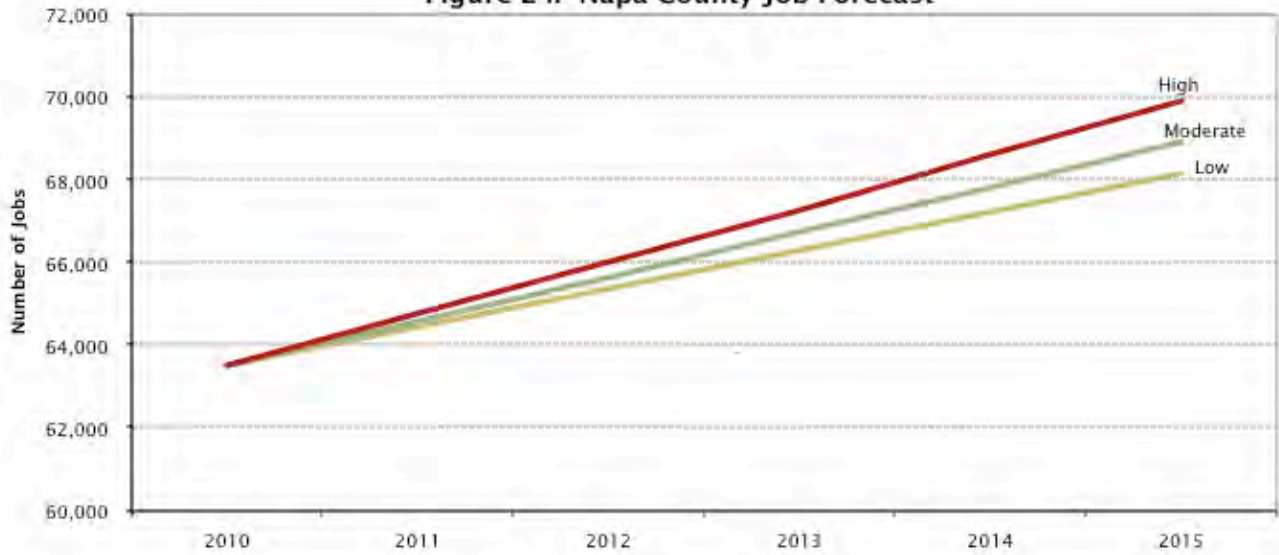
Figure 23: Industry Sector Employment Projections - 2016

Transportation, Warehousing and Utilities is expected to be the fastest growing sector with an annual average increase of 4.3%, but is starting from a low base. Significant annual growth rates in Professional and Business Services (3.2%), Information (2.9%), Wholesale Trade (2.0%), and Leisure and Hospitality (1.9%) will exceed the forecast average annual employment growth rate of 1.5% for the county.

### FIVE YEAR EMPLOYMENT FORECAST SHOWS SLOW RECOVERY

The Napa County economy has a number of strengths that will allow it to recover from the recession quicker than other regional economies including a global brand and reputation; a strong, well developed wine industry cluster; and a well-educated, highly productive workforce. The recovery of the national and State economies will drive demand for tourism, business expansion, winery expansions and improvements, and retail sales as consumers spend more on wine, restaurants, and leisure activities.

Employment projections using three scenarios (low, moderate, high growth rates) show a slow recovery as Napa County gains back jobs over the next five years that were lost during the recession.

**Figure 24: Napa County Job Forecast**

Source: Craft Consulting Group analysis.

## RECOMMENDATIONS

Based on Napa County's competitive advantages, local economic and workforce development policymakers may want to develop a strategy that 1) strengthens the existing wine industry cluster, increasing its productivity and competitiveness, and 2) concurrently encourages the growth and expansion of promising new and emerging growth companies in related and supporting industries.

Cluster strategies should build on the unique strengths of the local economy rather than try to emulate what other regions are doing.

Economic development efforts should focus on strengthening the Napa Brand, which is recognized globally, then expand and extend it to other sectors such as healthy, sustainable lifestyles; arts and crafts; locally produced furniture; locally grown fruits and vegetables; and organic wine. Economic development programs should expand into related sectors before extension of the brand to products and services not normally associated with the core brand.

Workforce training organizations will need to work closely with economic development to provide a skilled, trained workforce that meets the needs of the sectors generating most of the future job growth such as healthcare, hospitality, education, business support, retail, and other new, emerging industries. In preparing for the future the Napa County Workforce Investment Board should focus on training the local workforce for job opportunities that will become available over the next 5-10 years:

- Most in demand jobs and occupations
- Emerging growth jobs and occupations
- Replacement jobs and occupations experiencing large numbers of retiring baby boomers
- Workers transitioning to new jobs and careers as a result of changes in the economy
- Training required for green businesses and sustainability

**APPENDIX**

**Table 22: Employment Growth by Industry Sector**

NAICS Code	Industry Group	2001 Employment	2008 Employment	Employment Change	Percent Change
	Total, all industries	54,202	58,890	4,688	1.2%
<b>11</b>	<b>Agriculture, Forestry, Fishing, Hunting</b>				8.6%
111	Crop production	3,575	2,662	-916	-25.5%
112	Animal production	45	15	-30	-66.7%
113	Forestry and logging	ND	NC		
114	Fishing, hunting and trapping	NC	NC		
115	Agriculture and forestry support activities	1,582	2,112	530	33.5%
<b>21</b>	<b>Mining</b>				
211	Oil and gas extraction	ND	ND		
212	Mining, except oil and gas	ND	ND		
213	Support activities for mining	ND	ND		
<b>22</b>	<b>Utilities</b>				
221	Utilities	152	197	45	29.6%
<b>23</b>	<b>Construction</b>				
236	Construction of buildings	1,029	1,402	373	36.2%
237	Heavy and civil engineering construction	524	351	-173	-33.0%
238	Specialty trade contractors	2,523	2,239	-284	-11.3%
<b>31-33</b>	<b>Manufacturing</b>				
311	Food manufacturing	323	667	344	106.5%
312	Beverage and tobacco product manufacturing	6,582	8,224	1,642	24.9%
313	Textile mills	NC	ND		
314	Textile product mills	144	21	-123	-85.4%
315	Apparel manufacturing	150	ND		0.0%
316	Leather and allied product manufacturing	NC	NC		
321	Wood product manufacturing	252	254	2	0.8%
322	Paper manufacturing	ND	NC		
323	Printing and related support activities	367	211	-156	-42.5%
324	Petroleum and coal products manufacturing	NC	NC		
325	Chemical manufacturing	ND	ND		
326	Plastics and rubber products manufacturing	81	71	-10	-12.3%
327	Nonmetallic mineral product manufacturing	947	1,016	69	7.3%
331	Primary metal manufacturing	NC	ND		
332	Fabricated metal product manufacturing	432	157	-275	-63.7%
333	Machinery manufacturing	25	102	77	308.0%
334	Computer & electronic product mfg	325	138	-187	-57.5%
335	Electrical equipment and appliance mfg.	245	263	18	7.3%
336	Transportation equipment manufacturing	28	ND		0.0%
337	Furniture and related product manufacturing	19	46	27	142.1%
339	Miscellaneous manufacturing	140	185	45	32.1%
<b>42</b>	<b>Wholesale Trade</b>				
423	Merchant wholesalers, durable goods	647	712	65	10.0%
424	Merchant wholesalers, nondurable goods	569	776	207	36.4%
425	Electronic markets and agents and brokers	55	184	129	234.5%
<b>44-45</b>	<b>Retail Trade</b>				
441	Motor vehicle and parts dealers	686	485	-201	-29.3%
442	Furniture and home furnishings stores	167	94	-73	-43.7%
443	Electronics and appliance stores	96	82	-14	-14.6%
444	Building material and garden supply stores	579	674	95	16.4%
445	Food and beverage stores	1,916	1,999	83	4.3%
446	Health and personal care stores	284	231	-53	-18.7%
447	Gasoline stations	169	156	-13	-7.7%
448	Clothing and clothing accessories stores	681	966	285	41.9%
451	Sporting goods, hobby, book and music stores	229	188	-41	-17.9%
452	General merchandise stores	684	701	17	2.5%
453	Miscellaneous store retailers	522	348	-174	-33.3%
454	Nonstore retailers	297	216	-81	-27.3%
<b>48-49</b>	<b>Transportation &amp; Warehousing</b>				
481	Air transportation	ND	ND		
482	Rail transportation	ND	ND		
483	Water transportation	NC	NC		
484	Truck transportation	119	428	309	259.7%

Table 22: Employment Growth by Industry Sector

NAICS Code	Industry Group	2001 Employment	2008 Employment	Employment Change	Percent Change
485	Transit and ground passenger transportation	176	190	14	8.0%
486	Pipeline transportation	NC	NC		
487	Scenic and sightseeing transportation	ND	ND		
488	Support activities for transportation	111	169	58	52.3%
491	Postal service	NC	NC		0.0%
492	Couriers and messengers	ND	ND		0.0%
493	Warehousing and storage	124	231	107	86.3%
<b>51</b>	<b>Information</b>				
511	Publishing industries, except Internet	277	154	-123	-44.4%
512	Motion picture and sound recording industries	62	52	-10	-16.1%
515	Broadcasting, except Internet	32	ND		
516	Internet publishing and broadcasting	35	NC		
517	Telecommunications	485	298	-187	-38.6%
518	Data processing, hosting and related services	ND	ND		
519	Other information services	ND	ND		
<b>52</b>	<b>Finance &amp; Insurance</b>				
521	Monetary authorities - central bank	NC	ND		
522	Credit intermediation and related activities	546	614	68	12.5%
523	Securities, commodity contracts, investments	ND	258		
524	Insurance carriers and related activities	687	681	-6	-0.9%
525	Funds, trusts, and other financial vehicles	ND	ND		
<b>53</b>	<b>Real Estate &amp; Rental &amp; Leasing</b>				
531	Real estate	679	647	-32	-4.7%
532	Rental and leasing services	ND	ND		
533	Lessors of nonfinancial intangible assets	ND	ND		
<b>54</b>	<b>Professional, Scientific, &amp; Technical Services</b>				
541	Professional and Technical Services	1,879	2,025	146	7.8%
<b>55</b>	<b>Management of Companies &amp; Enterprises</b>				
551	Management of companies and enterprises	315	467	152	48.3%
<b>56</b>	<b>Administrative and Support &amp; Waste Management</b>				
561	Administrative and support services	2,581	3,410	829	32.1%
562	Waste management and remediation services	211	266	55	26.1%
<b>61</b>	<b>Educational Services</b>				
611	Educational services	976	1,246	270	27.7%
<b>62</b>	<b>Healthcare &amp; Social Assistance</b>				
621	Ambulatory health care services	1,593	1,956	363	22.8%
622	Hospitals	ND	ND		
623	Nursing and residential care facilities	1,526	ND		0.0%
624	Social assistance	ND	999		
<b>71</b>	<b>Arts, Entertainment, &amp; Recreation</b>				
711	Performing arts and spectator sports	104	70	-34	-32.7%
712	Museums, historical sites, zoos, and parks	22	21	-1	-4.5%
713	Amusements, gambling, and recreation	704	769	65	9.2%
<b>72</b>	<b>Accommodation &amp; Food Service</b>				
721	Accommodation	2,536	3,192	656	25.9%
722	Food services and drinking places	4,821	5,160	339	7.0%
<b>81</b>	<b>Other Services</b>				
811	Repair and maintenance	510	468	-42	-8.2%
812	Personal and laundry services	464	750	286	61.6%
813	Membership associations and organizations	476	647	171	35.9%
814	Private households	309	615	306	99.0%
<b>92</b>	<b>Public Administration</b>				
92	Public Administration				
999	Unclassified	5	174	169	3380.0%

**Table 23: Napa County Visitor Spending, Tax Revenue, & Employment**

**Napa County  
Travel Impacts, 1992-2008**

	1992	2003	2004	2005	2006	2007	2008
<b>Total Direct Travel Spending (\$Million)</b>							
Visitor Spending at Destination	356.5	662.7	732.7	823.8	885.7	972.4	1,026.3
Other Travel*	4.5	3.8	3.5	3.9	3.5	3.5	3.5
Total Direct Spending	361.1	666.5	736.2	827.8	889.2	975.9	1,029.8
<b>Visitor Spending by Type of Traveler Accommodation (\$Million)</b>							
Hotel, Motel	201.9	418.2	468.3	536.2	585.2	653.2	691.5
Private Campground	15.6	20.0	22.5	22.6	22.5	22.3	24.4
Public Campground	1.4	1.7	1.8	1.8	1.8	1.8	1.9
Private Home	14.7	20.8	21.4	22.2	22.7	23.3	24.2
Vacation Home	13.2	18.0	18.6	19.4	19.9	20.6	21.2
Day Travel	109.8	183.9	200.2	221.8	233.6	251.3	263.1
Spending at Destination	356.5	662.7	732.7	823.8	885.7	972.4	1,026.3
<b>Visitor Spending by Commodity Purchased (\$Million)</b>							
Accommodations	73.4	147.2	167.9	191.7	216.3	246.3	263.6
Food & Beverage Services	90.4	169.2	188.3	214.6	229.3	254.2	271.6
Food Stores	11.7	20.8	23.2	25.0	25.9	28.4	31.2
Ground Tran. & Motor Fuel	15.5	25.5	30.3	36.3	40.6	43.4	47.5
Arts, Entertainment & Recreation	77.5	145.4	158.4	174.8	183.9	198.3	205.4
Retail Sales	88.1	154.4	164.5	181.3	189.7	201.8	207.0
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Spending at Destination	356.5	662.7	732.7	823.8	885.7	972.4	1,026.3
<b>Industry Earnings Generated by Travel Spending (\$Million)</b>							
Accommodations & Food Service	60.9	126.2	141.9	158.7	173.4	197.3	212.8
Arts, Entertainment & Recreation	32.2	60.4	65.8	73.4	79.5	88.3	94.2
Retail* *	13.5	23.9	25.6	28	29.7	32.3	32.7
Auto Rental & Ground Tran	a	1.0	1.0	1.1	1.1	1.1	1.2
Air Transportation (visitor only)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Travel*	3.1	3.0	2.8	2.6	2.4	2.4	2.4
Total Direct Earnings	110.2	214.5	237.2	263.7	286.1	321.5	343.3
<b>Industry Employment Generated by Travel Spending (Jobs)</b>							
Accommodations & Food Service	3,310	4,540	4,880	5,200	5,420	5,750	5,940
Arts, Entertainment & Recreation	1,890	3,510	3,950	4,000	4,050	4,380	4,700
Retail* *	740	860	890	940	990	1,060	1,050
Auto Rental & Ground Tran	b	30	30	40	40	30	40
Air Transportation (visitor only)	0	0	0	0	0	0	0
Other Travel*	80	50	40	40	30	30	30
Total Direct Earnings	6,040	8,980	9,790	10,210	10,530	11,250	11,750
<b>Tax Receipts Generated by Travel Spending (\$Million)</b>							
Local Tax Receipts	8.3	19.1	21.0	23.7	27.5	31.1	33.6
State Tax Receipts	13.1	23.7	26.3	29.8	31.7	34.5	36.2
Total Direct Tax Receipts	21.4	42.8	47.3	53.5	59.2	65.6	69.9

Details may not add to totals due to rounding

\* Other Travel includes resident air travel and travel agencies. \*\* Retail includes gasoline.

Source: Dean Runyan Associates, Inc.

"California Travel Impacts by County - 1992-2008"

**Table 24: Occupations with the Most Job Openings in Napa County, 2006-2016**

SOC Code	Occupational Title	Job Openings	Wages		Education & Training Levels
			Median Hourly	Median Annual	
45-2092	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	2,250	\$11.83	\$24,616	Short-Term On-the-Job Training
41-2031	Retail Salespersons	1,290	\$11.65	\$24,239	Short-Term On-the-Job Training
41-2011	Cashiers	980	\$9.69	\$20,149	Short-Term On-the-Job Training
35-3031	Waiters and Waitresses	880	\$8.26	\$17,184	Short-Term On-the-Job Training
29-1111	Registered Nurses	550	\$37.06	\$77,095	Associate Degree
37-2012	Maids and Housekeeping Cleaners	510	\$9.87	\$20,525	Short-Term On-the-Job Training
39-9021	Personal and Home Care Aides	410	\$11.14	\$23,158	Short-Term On-the-Job Training
51-9012	Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders	400	\$24.38	\$50,710	Moderate-Term On-the-Job Training
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	380	\$8.95	\$18,608	Short-Term On-the-Job Training
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	380	\$34.97	\$72,738	Moderate-Term On-the-Job Training
43-4051	Customer Service Representatives	380	\$17.36	\$36,111	Moderate-Term On-the-Job Training
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	360	\$18.35	\$38,161	Work Experience in a Related Occupation
11-1021	General and Operations Managers	350	\$58.10	\$120,846	Bachelor's Degree or Higher and Some Work Experience
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	350	\$12.09	\$25,156	Short-Term On-the-Job Training
43-3031	Bookkeeping, Accounting, and Auditing Clerks	340	\$19.18	\$39,892	Moderate-Term On-the-Job Training
43-9061	Office Clerks, General	340	\$14.60	\$30,379	Short-Term On-the-Job Training
29-2053	Psychiatric Technicians	330	N/A	N/A	Post-Secondary Vocational Education
35-2021	Food Preparation Workers	330	\$11.45	\$23,804	Short-Term On-the-Job Training
25-2021	Elementary School Teachers, Except Special Education	310		\$67,127	Bachelor's Degree
43-6011	Executive Secretaries and Administrative Assistants	310	N/A	N/A	Moderate-Term On-the-Job Training
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	310	\$13.32	\$27,704	Short-Term On-the-Job Training
31-9011	Massage Therapists	300	\$9.46	\$19,674	Post-Secondary Vocational Education

37-3011	Landscaping and Groundskeeping Workers	300	\$13.19	\$27,421	Short-Term On-the-Job Training
35-2014	Cooks, Restaurant	280	\$12.81	\$26,642	Long-Term On-the-Job Training
35-3022	Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	280	\$8.16	\$16,969	Short-Term On-the-Job Training
35-9011	Dining Room and Cafeteria Attendants and Bartender Helpers	280	\$8.46	\$17,594	Short-Term On-the-Job Training
25-2031	Secondary School Teachers, Except Special and Vocational Education	240		\$71,886	Bachelor's Degree
35-9031	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	220	\$9.13	\$18,988	Short-Term On-the-Job Training
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	210	\$26.63	\$55,393	Work Experience in a Related Occupation
47-2031	Carpenters	210	\$24.35	\$50,647	Long-Term On-the-Job Training
35-9021	Dishwashers	200	\$9.27	\$19,295	Short-Term On-the-Job Training
43-4081	Hotel, Motel, and Resort Desk Clerks	200	\$11.19	\$23,277	Short-Term On-the-Job Training
13-2011	Accountants and Auditors	190	\$34.11	\$70,950	Bachelor's Degree
43-4171	Receptionists and Information Clerks	190	\$14.37	\$29,878	Short-Term On-the-Job Training
43-3071	Tellers	180	\$12.39	\$25,770	Short-Term On-the-Job Training
45-2091	Agricultural Equipment Operators	180	\$13.50	\$28,074	Moderate-Term On-the-Job Training
53-3032	Truck Drivers, Heavy and Tractor-Trailer	180	\$20.28	\$42,181	Moderate-Term On-the-Job Training
31-1012	Nursing Aides, Orderlies, and Attendants	170	\$14.10	\$29,337	Short-Term On-the-Job Training
33-9032	Security Guards	170	\$14.59	\$30,341	Short-Term On-the-Job Training
45-1011	First-Line Supervisors/Managers of Farming, Fishing, and Forestry Workers	170	\$22.57	\$46,962	Work Experience in a Related Occupation
53-7051	Industrial Truck and Tractor Operators	170	\$16.09	\$33,464	Short-Term On-the-Job Training
11-9011	Farm, Ranch, and Other Agricultural Managers	160	\$43.13	\$89,698	Bachelor's Degree or Higher and Some Work Experience
35-3011	Bartenders	160	\$9.47	\$19,695	Short-Term On-the-Job Training
43-6013	Medical Secretaries	150	\$17.82	\$37,072	Post-Secondary Vocational Education
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	150	\$32.70	\$68,018	Work Experience in a Related Occupation
43-5071	Shipping, Receiving, and Traffic Clerks	140	\$15.72	\$32,688	Short-Term On-the-Job Training
43-5081	Stock Clerks and Order Fillers	140	\$11.62	\$24,156	Short-Term On-the-Job Training
35-2011	Cooks, Fast Food	130	\$8.57	\$17,819	Short-Term On-the-Job Training
39-9011	Child Care Workers	130	\$13.08	\$27,195	Short-Term On-the-Job Training
41-9011	Demonstrators and Product Promoters	130	\$13.76	\$28,623	Moderate-Term On-the-Job Training

**Table 25: Fastest Growing Occupations in Napa County: 2006-2016**

SOC Code	Occupational Title	Annual Average Employment		Percent Change	Median Hourly	Wages and Training	
		2006	2016			Median Annual	Education & Training Levels
31-1011	Home Health Aides	170	270	58.8%	\$11.12	\$23,127	Short-Term On-the-Job Training
39-9021	Personal and Home Care Aides	550	870	58.2%	\$11.14	\$23,158	Short-Term On-the-Job Training
41-2021	Counter and Rental Clerks	120	180	50.0%	\$13.63	\$28,350	Short-Term On-the-Job Training
51-3011	Bakers	120	180	50.0%	\$11.74	\$24,423	Long-Term On-the-Job Training
31-9011	Massage Therapists	510	750	47.1%	\$9.46	\$19,674	Post-Secondary Vocational Education
51-6011	Laundry and Dry-Cleaning Workers	120	170	41.7%	\$11.08	\$23,057	Moderate-Term On-the-Job Training
37-2012	Maids and Housekeeping Cleaners	980	1310	33.7%	\$9.87	\$20,525	Short-Term On-the-Job Training
53-3032	Truck Drivers, Heavy and Tractor-Trailer	360	480	33.3%	\$20.28	\$42,181	Moderate-Term On-the-Job Training
45-1011	First-Line Supervisors/Managers of Farming, Fishing, and Forestry Workers	330	440	33.3%	\$22.57	\$46,962	Work Experience in a Related Occupation
43-4081	Hotel, Motel, and Resort Desk Clerks	270	360	33.3%	\$11.19	\$23,277	Short-Term On-the-Job Training
51-2092	Team Assemblers	240	320	33.3%	\$14.39	\$29,937	Moderate-Term On-the-Job Training
45-2091	Agricultural Equipment Operators	310	410	32.3%	\$13.50	\$28,074	Moderate-Term On-the-Job Training
45-2092	Farmworkers and Laborers, Crop, Nursery, and Greenhouse	4060	5290	30.3%	\$11.83	\$24,616	Short-Term On-the-Job Training
31-1012	Nursing Aides, Orderlies, and Attendants	430	560	30.2%	\$14.10	\$29,337	Short-Term On-the-Job Training
45-2093	Farmworkers, Farm and Ranch Animals	200	260	30.0%	\$11.02	\$22,934	Short-Term On-the-Job Training
51-8031	Water and Liquid Waste Treatment Plant and System Operators	140	180	28.6%	\$30.61	\$63,666	Long-Term On-the-Job Training
43-4051	Customer Service Representatives	700	890	27.1%	\$17.36	\$36,111	Moderate-Term On-the-Job Training
25-3021	Self-Enrichment Education Teachers	190	240	26.3%	\$26.93	\$56,011	Work Experience in a Related Occupation
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	850	1070	25.9%	\$8.95	\$18,608	Short-Term On-the-Job Training
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	800	1000	25.0%	\$34.97	\$72,738	Moderate-Term On-the-Job Training
35-2021	Food Preparation Workers	560	700	25.0%	\$11.45	\$23,804	Short-Term On-the-Job Training
37-1011	First-Line Supervisors/Managers of Housekeeping and Janitorial Workers	240	300	25.0%	\$16.94	\$35,219	Work Experience in a Related Occupation
41-9011	Demonstrators and Product Promoters	240	300	25.0%	\$13.76	\$28,623	Moderate-Term On-the-Job Training
11-9011	Farm, Ranch, and Other Agricultural Managers	490	610	24.5%	\$43.13	\$89,698	Bachelor's Degree or Higher and Some Work Experience
25-1194	Vocational Education Teachers, Postsecondary	250	310	24.0%	\$16.58	\$34,487	Post-Secondary Vocational Education
31-9092	Medical Assistants	250	310	24.0%	\$14.92	\$31,028	Moderate-Term On-the-Job Training

13-2011	Accountants and Auditors	460	570	23.9%	\$34.11	\$70,950	Bachelor's Degree
29-1111	Registered Nurses	1370	1690	23.4%	\$37.06	\$77,095	Associate Degree
15-1041	Computer Support Specialists	130	160	23.1%	\$17.87	\$37,173	Associate Degree
51-9012	Separating, Filtering, Clarifying, Precipitating, and Still Machine Setters, Operators, and Tenders	870	1070	23.0%	\$4.38	\$50,710	Moderate-Term On-the-Job Training
35-3022	Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	310	380	22.6%	\$8.16	\$16,969	Short-Term On-the-Job Training
53-3033	Truck Drivers, Light or Delivery Services	310	380	22.6%	\$11.67	\$24,287	Short-Term On-the-Job Training
41-2011	Cashiers	1440	1730	20.1%	\$9.69	\$20,149	Short-Term On-the-Job Training
31-9091	Dental Assistants	200	240	20.0%	\$17.23	\$35,813	Moderate-Term On-the-Job Training
29-1123	Physical Therapists	150	180	20.0%	\$22.40	\$46,587	Master's Degree
37-1012	First-Line Supervisors/Managers of Landscaping, Lawn Service, and Groundskeeping Workers	150	180	20.0%	\$22.49	\$46,787	Work Experience in a Related Occupation
41-4011	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	150	180	20.0%	\$35.18	\$73,173	Moderate-Term On-the-Job Training
37-3011	Landscaping and Groundskeeping Workers	920	1100	19.6%	\$13.19	\$27,421	Short-Term On-the-Job Training
11-9111	Medical and Health Services Managers	160	190	18.8%	\$35.82	\$74,509	Bachelor's Degree or Higher and Some Work Experience
37-3013	Tree Trimmers and Pruners	160	190	18.8%	N/A	N/A	Short-Term On-the-Job Training
35-1012	First-Line Supervisors/Managers of Food Preparation and Serving Workers	380	450	18.4%	\$15.66	\$32,575	Work Experience in a Related Occupation
11-3031	Financial Managers	280	330	17.9%	\$52.58	\$109,379	Bachelor's Degree or Higher and Some Work Experience
39-3091	Amusement and Recreation Attendants	170	200	17.7%	\$10.06	\$20,924	Short-Term On-the-Job Training
11-3051	Industrial Production Managers	180	210	16.7%	\$46.95	\$97,667	Bachelor's Degree
19-2031	Chemists	120	140	16.7%	\$31.80	\$66,133	Bachelor's Degree
29-2021	Dental Hygienists	120	140	16.7%	\$51.48	\$107,080	Associate Degree
43-5061	Production, Planning, and Expediting Clerks	120	140	16.7%	\$21.06	\$43,805	Short-Term On-the-Job Training
41-2031	Retail Salespersons	2710	3160	16.6%	\$11.65	\$24,239	Short-Term On-the-Job Training
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	970	1130	16.5%	\$18.35	\$38,161	Work Experience in a Related Occupation
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	980	1140	16.3%	\$12.09	\$25,156	Short-Term On-the-Job Training

**Table 26: Industry Sector Employment Trends, 1995-2009**

Industry Sector	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total, All Industries	47,700	50,900	53,500	56,900	59,900	62,000	66,300	66,100	65,300	65,600	66,200	67,500	69,000	69,800	65,700
Agriculture	3,600	3,800	4,200	4,400	4,400	4,900	5,300	5,300	4,900	4,700	4,600	4,700	4,900	4,900	5,000
Mining and Logging	100	100	100	100	100	100	100	100	0	0	0	100	100	100	100
Construction	1,900	2,100	2,500	2,900	3,100	3,500	4,000	4,200	4,300	4,600	4,500	5,100	4,500	4,000	2,900
Manufacturing	7,400	8,300	8,600	9,400	10,000	10,300	11,000	10,900	10,500	10,800	11,400	11,600	11,700	12,000	10,900
Wholesale Trade	1,000	1,100	1,100	1,100	1,100	1,300	1,300	1,200	1,300	1,400	1,400	1,500	1,700	1,600	1,500
Retail Trade	4,400	4,900	5,100	5,400	5,600	5,800	6,300	6,100	6,200	6,200	6,200	6,100	6,100	6,100	5,800
Transportation, Warehousing & Utilities	800	900	900	1,000	1,000	1,100	1,300	1,300	1,500	1,400	1,300	1,400	1,600	1,700	1,600
Information	700	700	700	700	800	800	900	800	800	700	700	700	700	700	600
Finance & Insurance	1,100	1,100	1,100	1,300	1,400	1,300	1,400	1,600	1,600	1,500	1,700	1,800	1,700	1,600	1,600
Real Estate & Rental & Leasing	1,200	1,200	1,200	1,300	1,300	1,300	1,400	1,400	1,100	1,000	1,100	1,000	900	1,000	900
Administrative & Support & Waste Services	1,900	2,000	2,300	2,500	2,800	2,400	2,800	3,400	3,300	3,500	3,400	3,600	3,600	3,700	3,400
Professional and Business Services	2,300	2,400	2,400	2,500	3,200	3,500	3,100	2,100	2,000	2,000	2,000	2,100	2,500	2,500	2,200
Educational Services	1,000	1,200	1,300	1,400	1,400	1,300	1,600	1,900	1,800	1,900	1,800	1,900	1,900	2,000	2,000
Health Care	4,700	4,600	4,700	5,000	5,100	5,200	5,300	5,100	5,000	5,000	4,900	4,900	5,100	5,100	4,900
Social Assistance	600	700	700	900	900	800	1,000	1,100	1,000	1,000	1,100	900	1,000	1,000	1,000
Arts, Entertainment & Recreation	700	600	700	800	800	800	900	800	900	900	800	800	800	900	800
Accommodation & Food Services	5,300	5,800	6,300	6,400	6,800	6,800	7,400	7,200	7,500	7,600	7,700	7,700	8,300	8,400	7,900
Other Services	1,100	1,200	1,200	1,300	1,300	1,400	1,600	1,700	1,800	1,800	1,800	1,700	1,800	2,100	1,900
Federal Government	300	300	300	400	500	500	400	400	400	400	400	400	400	400	400
State Government	3,100	3,200	3,000	3,000	3,200	3,400	3,500	3,500	3,400	3,400	3,400	3,500	3,500	3,500	3,700
Local Government	4,800	5,000	5,200	5,200	5,400	5,600	5,800	6,000	5,900	6,000	6,200	6,100	6,300	6,700	6,700

Source: California Employment Development Department Labor Market Information

Research and analysis for this report were conducted by Craft Consulting Group in association with Jim Cassio. Craft Consulting Group is an economic and business consultancy focused on assisting private and public sector clients understand and develop strategies to succeed in the increasingly complex economic environment in which they compete.

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