

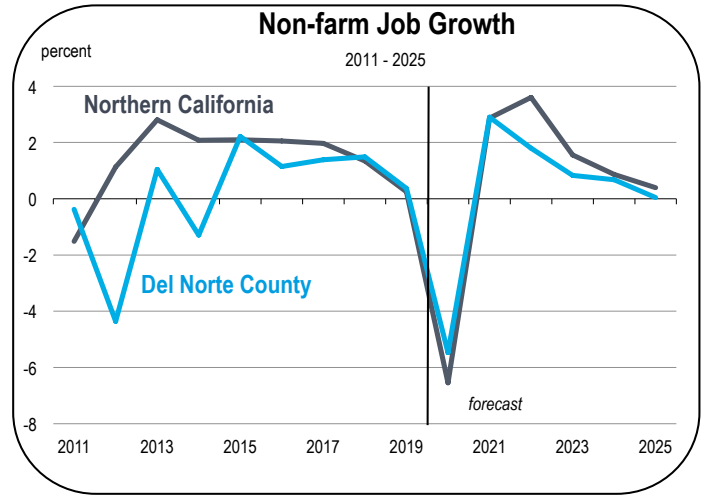
Del Norte County Economic Forecast

Forecast Summary

- It is estimated that an average of 300 to 600 jobs will be lost in Del Norte County during 2020. Job losses will be heavy in the first half of the year.
- Employment losses will be largest in leisure services, retail, and government.
- The unemployment rate averaged 5.7 percent in 2019. It will average between 8 percent and 11 percent during the 2020 calendar year.
- The Del Norte County population is expected to decline between 2020 and 2025.
- Home values are not expected to show much change in 2020 or 2021.
- Housing production during the 2020-2025 forecast period is expected to be similar to housing production during the 2014-2019 period.

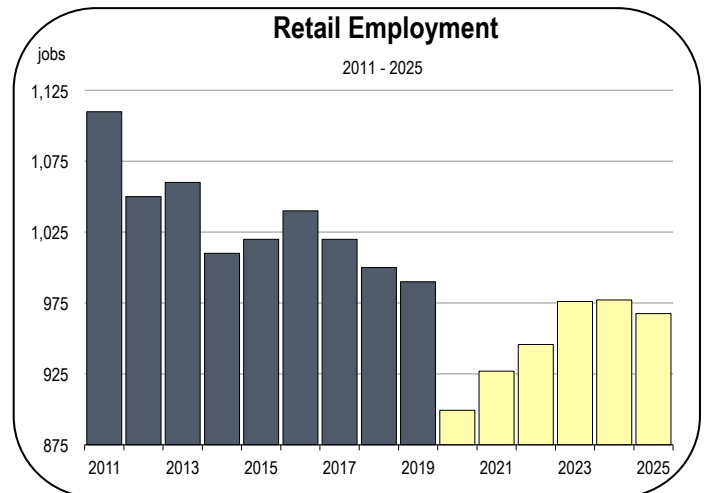
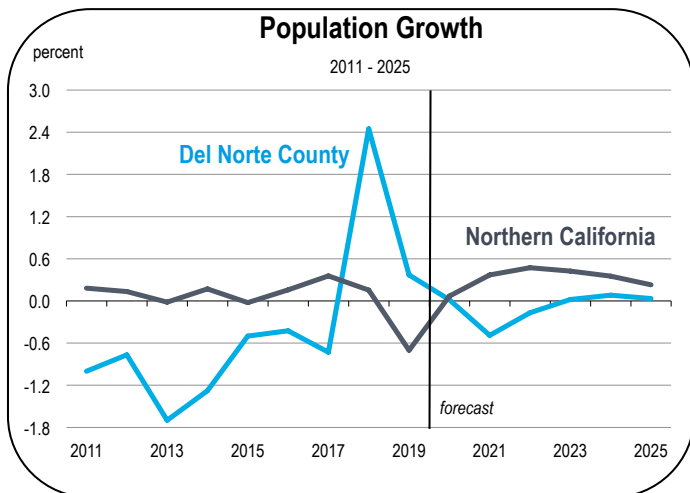
Job Growth

- Total employment in the County will decline by at least 4 percent in 2020. This is an annual average change from 2019.
- In 2021 and 2022, Del Norte County is expected to re-gain many of the jobs that were lost during the Coronavirus Recession.

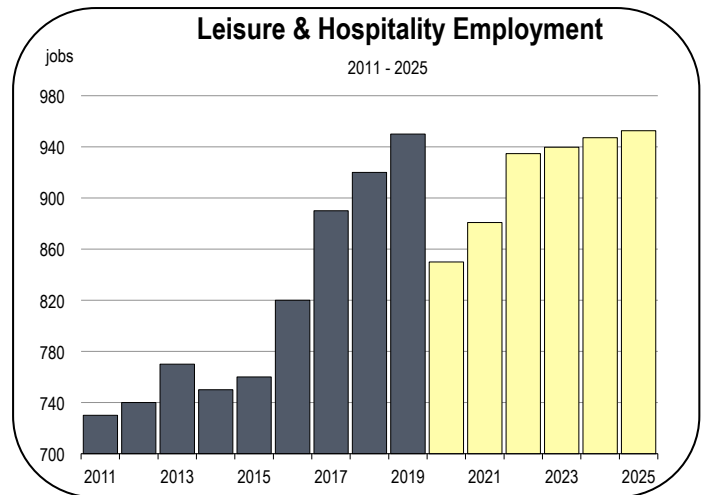
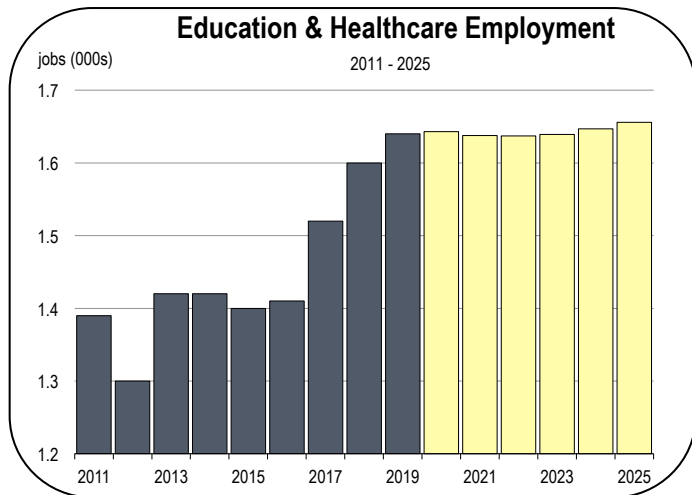


Retail Trade Employment

- The retail sector is expected to lose 50 to 150 jobs in 2020 on an annual average basis.
- The largest employers of retail workers in Del Norte County are all in Crescent City, and include:
 - Walmart (100 to 250 employees)
 - Safeway (50 to 100 employees)
 - Home Depot (50 to 100 employees)
- Retail trade jobs will return after in-store shopping is permitted in a sustained way, but it is unclear if employment in the retail sector will surpass pre-recession levels before the end of the 2020-2025 forecast period.



Del Norte County Economic Forecast



Private Education and Healthcare Employment

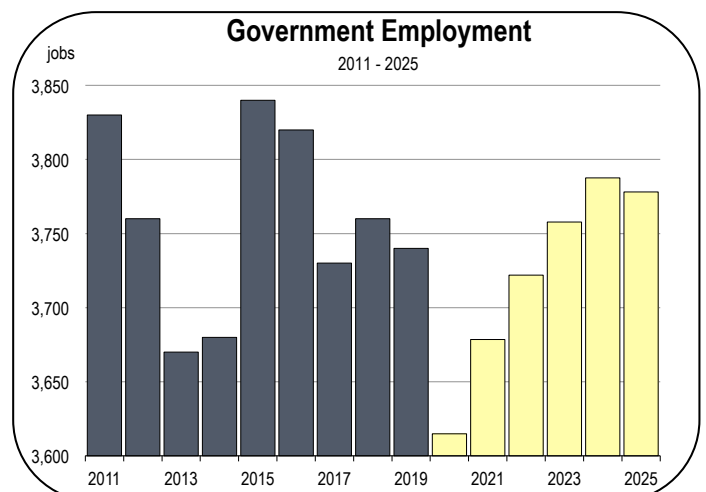
- There were approximately 1,600 healthcare and social assistance jobs in Del Norte County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis, and it appears that healthcare jobs in Del Norte County will not be negatively impacted in 2020.
- Jobs in social assistance, including industries like childcare, housing shelters, and non-medical care for senior citizens, were mostly classified as essential during the shutdowns and there were very few layoffs.
- There are very few jobs in private educational institutions in Del Norte County.

Leisure and Hospitality Employment

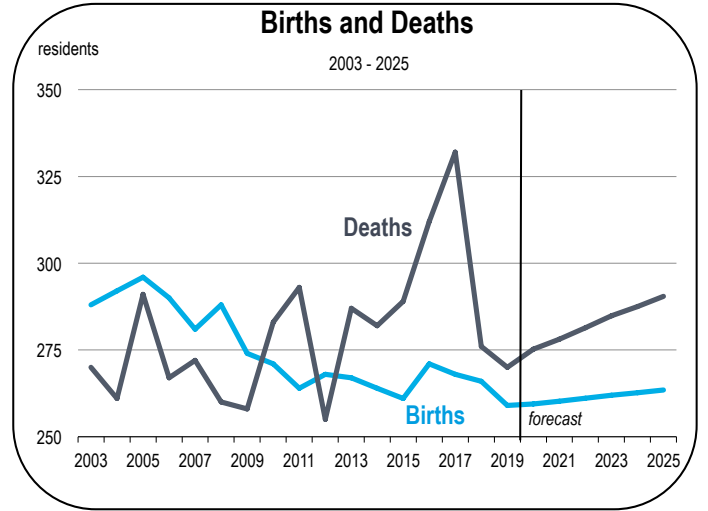
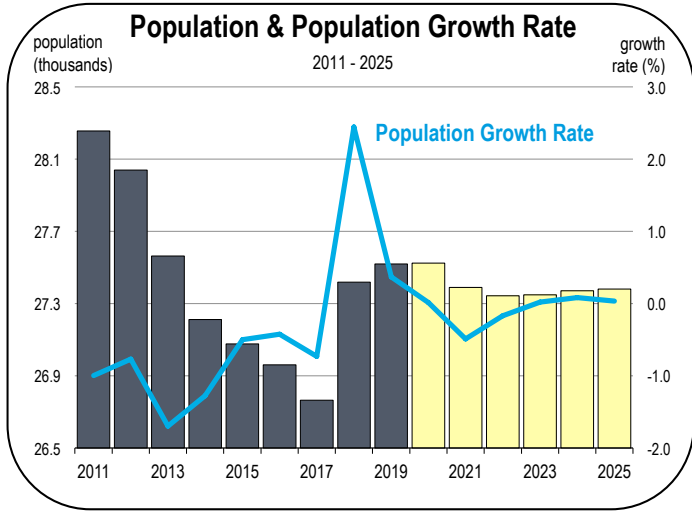
- In 2019, Del Norte County had more than 900 jobs in restaurants, hotels, and bars.
- Approximately 15 percent of workers at hotels, restaurants, and bars were laid off in March, April, and May of 2020. Another 20 to 30 percent had their hours cut or were furloughed without pay.
- Leisure and hospitality employment is expected to rebound slowly in 2021 and 2022.
- All jobs lost during the Coronavirus Recession may not be recovered before the end of the 2020-2025 forecast period.

Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.



Del Norte County Economic Forecast

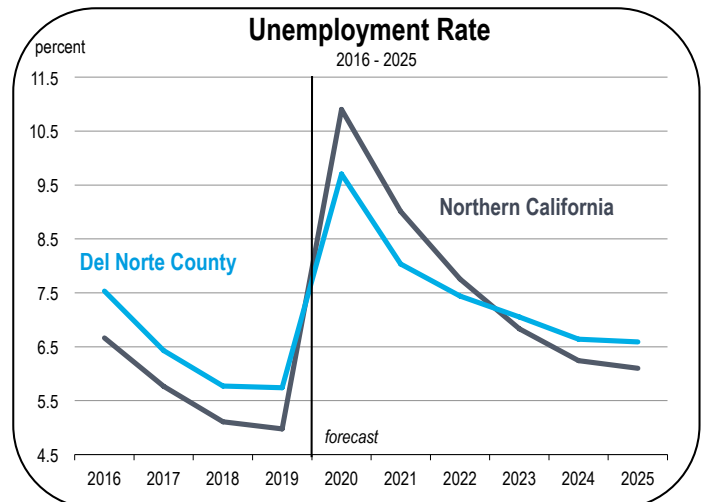
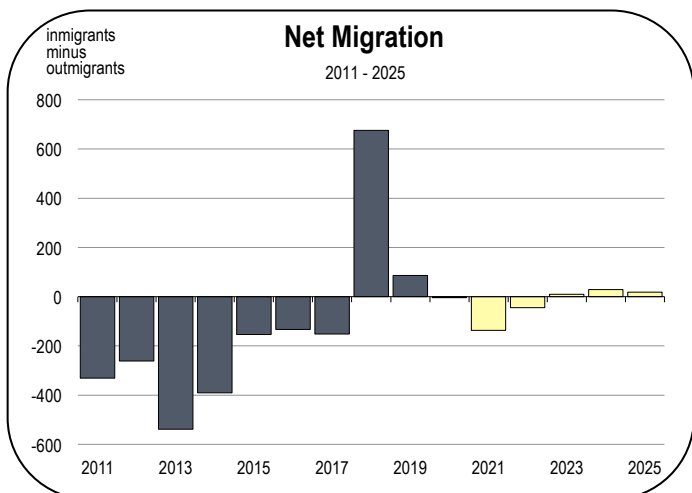


Population Growth

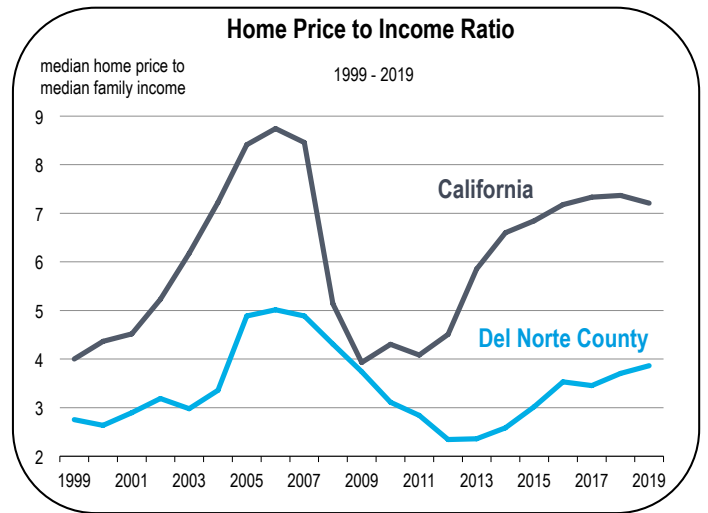
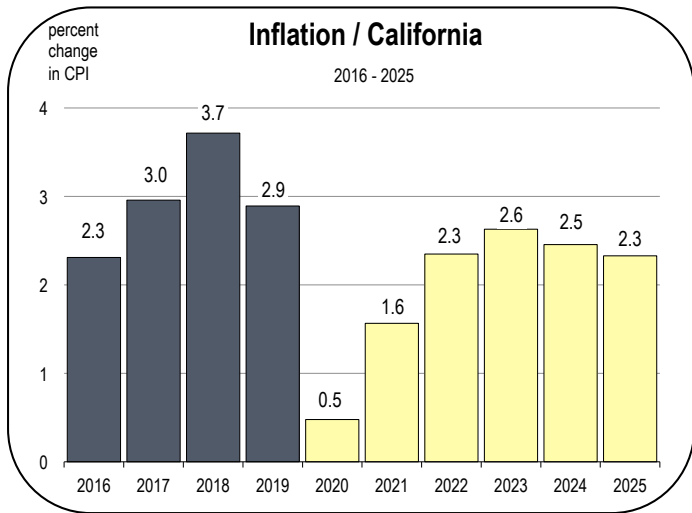
- The Del Norte County population is expected to decline between 2020 and 2025.
- The number of residents moving out of Del Norte County is expected to exceed the number of people moving into the county between 2020 and 2025, which will contribute to population loss.
- Del Norte County has an older population base with a low birth rate, and the number of deaths in the county has begun to surpass the number of births. This situation is expected to persist over the forecast period, leading to a further decline in the population.
- Between 2020 and 2025, the population is expected to decline at an annual average rate of 0.1 percent.

Unemployment and Inflation Rates

- The unemployment rate in Del Norte County averaged 5.7 percent in 2019, which was above the composite rate for the Northern California region.
- The unemployment rate is expected to average between 8 and 11 percent in 2020.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.



Del Norte County Economic Forecast

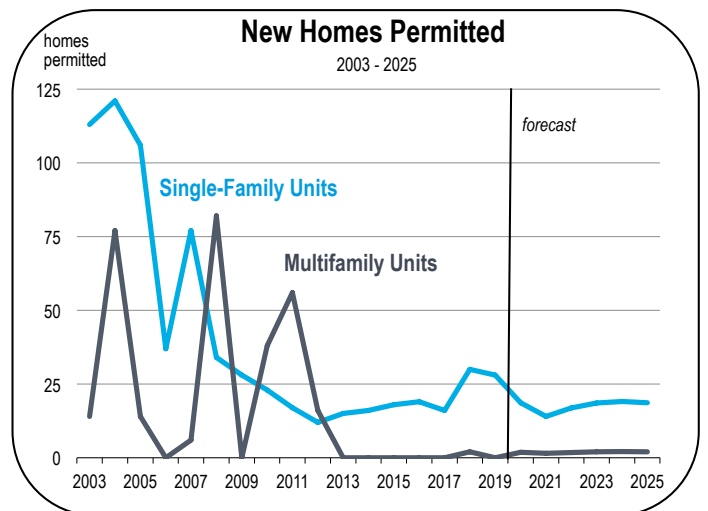
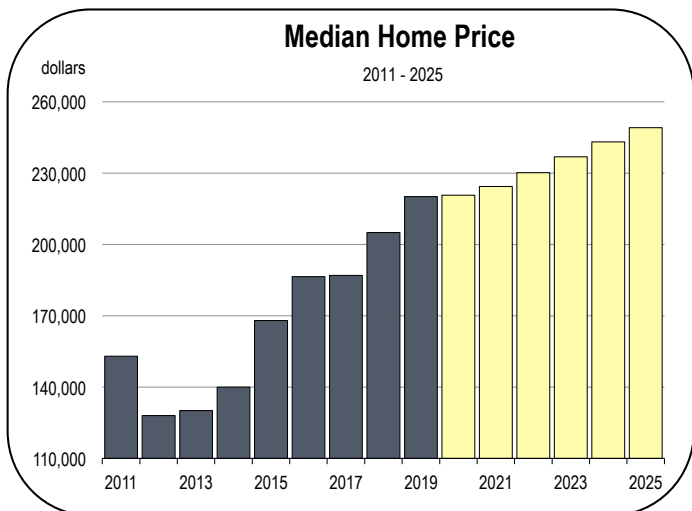


Home Prices and New Housing Production

- In 2019 the median home price in Del Norte County was \$220,200. The median price is not expected to change substantially in 2020 or 2021.
- In Del Norte County, the typical household spends less than 20 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California, the typical household spends more than 35 percent of income on housing costs, and in very expensive

markets like San Francisco, housing costs often account for more than 50 percent of income.

- From 2014 to 2019, an average of 20 new homes were started per year in Del Norte County. Almost all were single-family homes.
- Housing production is expected to average 15 to 25 units per year from 2020 to 2025, consisting primarily of single-family homes.



Del Norte County Economic Forecast

Economic Indicators

2015-2019 History, 2020-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	27,076	10.0	-154	18	27.2	\$947	\$176	\$240	\$21	\$39,331	8.6	\$53	1.4
2016	26,961	9.9	-133	19	28.0	\$984	\$178	\$246	\$21	\$40,102	7.5	\$52	2.3
2017	26,764	10.1	-152	16	27.1	\$993	\$180	\$247	\$22	\$39,578	6.4	\$51	3.0
2018	27,419	10.1	676	32	27.6	\$1,038	\$188	\$241	\$22	\$38,937	5.8	\$51	3.7
2019	27,520	10.1	86	28	28.3	\$1,117	\$193	\$250	\$25	\$40,600	5.7	\$51	2.9
2020	27,524	10.2	-3	21	28.3	\$1,117	\$170	\$224	\$23	\$40,391	9.7	\$51	0.5
2021	27,390	10.2	-137	16	28.3	\$1,137	\$180	\$238	\$25	\$40,688	8.0	\$51	1.6
2022	27,343	10.2	-45	19	28.2	\$1,184	\$188	\$249	\$24	\$41,456	7.4	\$51	2.3
2023	27,349	10.2	10	21	28.2	\$1,235	\$194	\$258	\$24	\$42,144	7.1	\$51	2.6
2024	27,371	10.2	29	21	28.2	\$1,294	\$201	\$267	\$25	\$43,058	6.6	\$51	2.5
2025	27,381	10.2	18	21	28.2	\$1,351	\$207	\$276	\$27	\$43,904	6.6	\$51	2.3
2026	27,387	10.3	18	21	28.2	\$1,408	\$212	\$282	\$29	\$44,728	6.3	\$52	2.3
2027	27,368	10.3	-3	20	28.2	\$1,463	\$217	\$289	\$30	\$45,539	6.2	\$52	2.2
2028	27,359	10.3	8	20	28.2	\$1,521	\$222	\$295	\$32	\$46,330	6.0	\$52	2.2
2029	27,346	10.3	7	20	28.2	\$1,575	\$226	\$301	\$33	\$46,911	5.7	\$52	2.3
2030	27,308	10.3	-14	19	28.2	\$1,631	\$231	\$308	\$33	\$47,601	5.5	\$52	2.2
2031	27,275	10.3	-5	19	28.2	\$1,686	\$235	\$313	\$34	\$48,261	5.4	\$52	2.1
2032	27,235	10.4	-8	19	28.2	\$1,742	\$240	\$319	\$35	\$48,811	5.3	\$52	2.3
2033	27,172	10.4	-28	18	28.1	\$1,801	\$244	\$324	\$36	\$49,639	5.4	\$52	1.9
2034	27,108	10.4	-26	18	28.1	\$1,863	\$248	\$330	\$36	\$50,421	5.5	\$53	2.1
2035	27,041	10.4	-25	18	28.0	\$1,929	\$253	\$337	\$37	\$51,197	5.6	\$53	2.2
2036	26,965	10.4	-32	18	28.0	\$1,997	\$260	\$345	\$38	\$51,803	5.7	\$53	2.6
2037	26,898	10.4	-20	18	27.9	\$2,069	\$266	\$353	\$39	\$52,400	5.7	\$53	2.7
2038	26,811	10.5	-39	17	27.9	\$2,144	\$272	\$361	\$39	\$53,147	5.6	\$53	2.5
2039	26,735	10.5	-27	18	27.8	\$2,223	\$279	\$370	\$40	\$53,803	5.7	\$53	2.7
2040	26,639	10.5	-44	17	27.8	\$2,305	\$285	\$377	\$41	\$54,558	5.7	\$53	2.6
2041	26,558	10.5	-28	17	27.7	\$2,386	\$290	\$384	\$42	\$55,437	5.8	\$54	2.2
2042	26,458	10.5	-46	17	27.6	\$2,469	\$295	\$391	\$41	\$56,391	5.8	\$54	2.1
2043	26,356	10.5	-49	17	27.6	\$2,554	\$300	\$397	\$42	\$57,419	5.8	\$54	2.0
2044	26,255	10.6	-47	17	27.5	\$2,642	\$304	\$403	\$42	\$58,564	5.7	\$54	1.8
2045	26,153	10.6	-47	17	27.4	\$2,732	\$309	\$409	\$43	\$59,671	5.5	\$54	1.9
2046	26,043	10.6	-55	16	27.4	\$2,823	\$314	\$416	\$45	\$60,710	5.6	\$54	2.0
2047	25,924	10.6	-63	16	27.3	\$2,917	\$320	\$423	\$46	\$61,646	5.5	\$54	2.2
2048	25,801	10.6	-69	16	27.2	\$3,013	\$327	\$431	\$46	\$62,539	5.5	\$55	2.3
2049	25,673	10.6	-73	16	27.1	\$3,112	\$332	\$439	\$47	\$63,646	5.6	\$55	2.0
2050	25,544	10.6	-75	16	27.0	\$3,216	\$338	\$447	\$49	\$64,748	5.7	\$55	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	8,140	310	150	80	0	1,020	190	210	80	1,400	760	3,840
2016	8,230	310	160	100	0	1,040	180	220	80	1,410	820	3,820
2017	8,360	330	170	120	0	1,020	180	210	80	1,520	890	3,730
2018	8,480	330	190	140	0	1,000	170	190	70	1,600	920	3,760
2019	8,510	330	200	150	0	990	170	170	70	1,640	950	3,740
2020	8,030	299	198	131	0	899	142	128	53	1,643	850	3,615
2021	8,270	314	199	148	0	927	171	170	60	1,638	881	3,678
2022	8,430	326	201	144	0	946	168	181	63	1,637	935	3,722
2023	8,500	330	202	141	0	976	168	180	62	1,639	940	3,758
2024	8,560	333	202	147	0	977	167	183	62	1,647	947	3,788
2025	8,560	334	202	154	0	968	167	185	61	1,656	953	3,778
2026	8,600	334	202	161	0	966	166	188	60	1,664	956	3,798
2027	8,630	334	201	166	0	963	166	189	59	1,670	958	3,822
2028	8,640	331	201	172	0	961	165	191	59	1,675	958	3,818
2029	8,660	327	201	176	0	958	165	192	58	1,682	959	3,831
2030	8,700	326	200	178	0	953	164	193	58	1,686	961	3,869
2031	8,710	326	200	180	0	949	164	195	57	1,692	962	3,877
2032	8,740	327	200	182	0	944	164	195	56	1,699	964	3,901
2033	8,760	327	199	185	0	938	163	195	56	1,704	965	3,924
2034	8,790	327	199	187	0	931	163	195	55	1,710	967	3,947
2035	8,820	327	199	189	0	925	162	195	55	1,716	968	3,970
2036	8,840	327	199	191	0	918	162	195	54	1,721	970	3,994
2037	8,870	327	199	194	0	912	161	196	54	1,728	971	4,017
2038	8,890	328	199	196	0	904	161	196	54	1,735	973	4,040
2039	8,920	328	199	198	0	897	161	196	53	1,742	974	4,064
2040	8,960	328	198	200	0	889	160	196	53	1,749	976	4,099
2041	8,980	328	199	203	0	882	160	196	53	1,757	977	4,110
2042	8,990	328	198	198	0	873	160	196	53	1,765	979	4,133
2043	9,020	328	198	198	0	865	159	196	54	1,773	980	4,157
2044	9,040	328	198	198	0	856	159	196	54	1,781	982	4,180
2045	9,070	329	198	201	0	848	159	196	54	1,788	983	4,203
2046	9,100	329	198	207	0	839	158	197	54	1,795	985	4,227
2047	9,120	329	197	207	0	829	158	197	54	1,803	986	4,250
2048	9,150	329	197	208	0	819	158	197	54	1,811	988	4,273
2049	9,170	329	197	210	0	809	158	197	54	1,819	989	4,296
2050	9,200	329	197	216	0	799	157	198	54	1,828	991	4,320

Del Norte County Economic Forecast

Socioeconomic Indicators

