

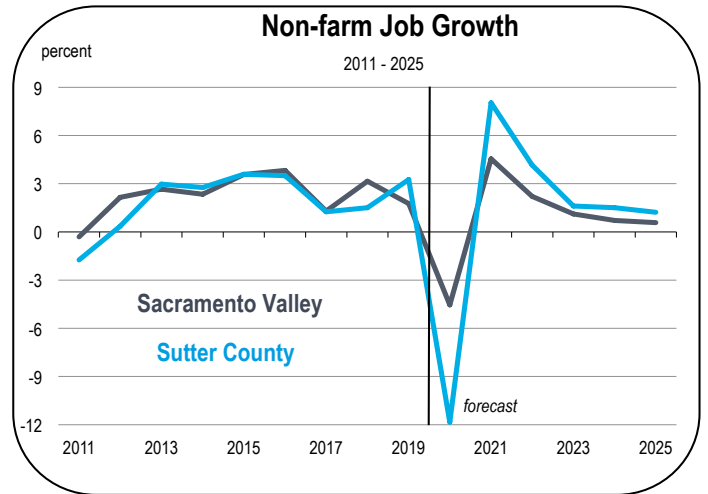
Sutter County Economic Forecast

Forecast Summary

- It is estimated that an average of 3,900 to 4,000 jobs will be lost in Sutter County during 2020 with heavy job losses in the first half of the year.
- Employment losses will be largest in leisure services, agriculture, private education and healthcare, and government.
- The unemployment rate averaged 7.3 percent in 2019. It will average somewhere between 12 percent and 16 percent for the 2020 calendar year.
- The Sutter County population is expected to grow at a similar rate as the broader Sacramento Valley during most of the 2020-2025 forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production is expected to decrease moderately in 2020 but rebound convincingly in 2021.

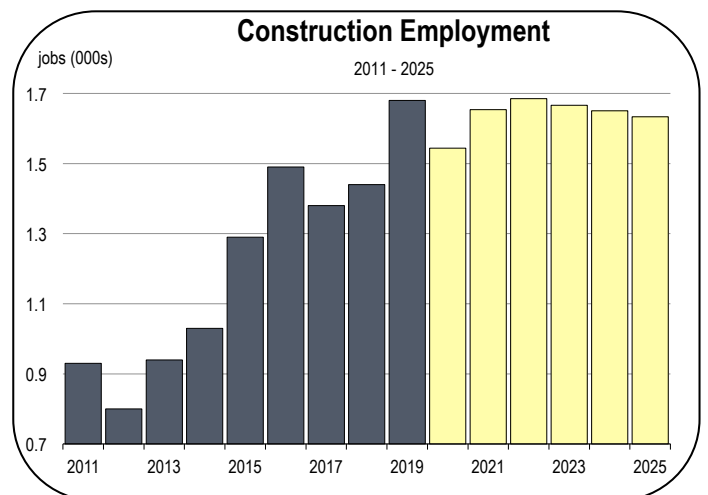
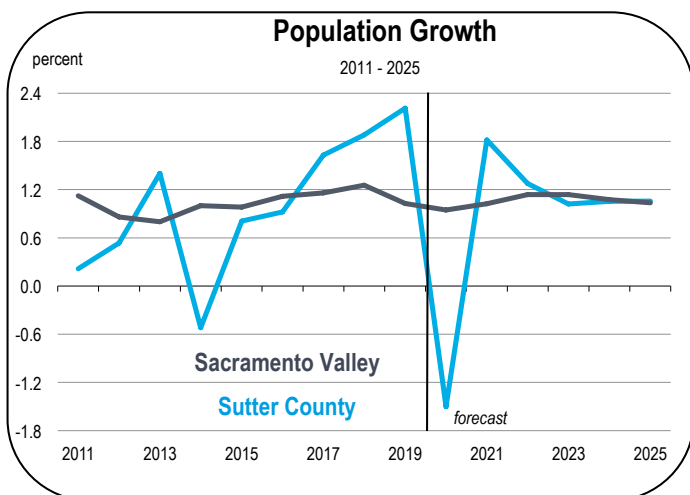
Job Growth

- Total employment in the County will decline between 12 and 14 percent in 2020, indicating that Sutter County will be among the leaders for job losses in California.
- In 2021, Sutter County is expected to re-gain many of the jobs lost during the Coronavirus Recession.

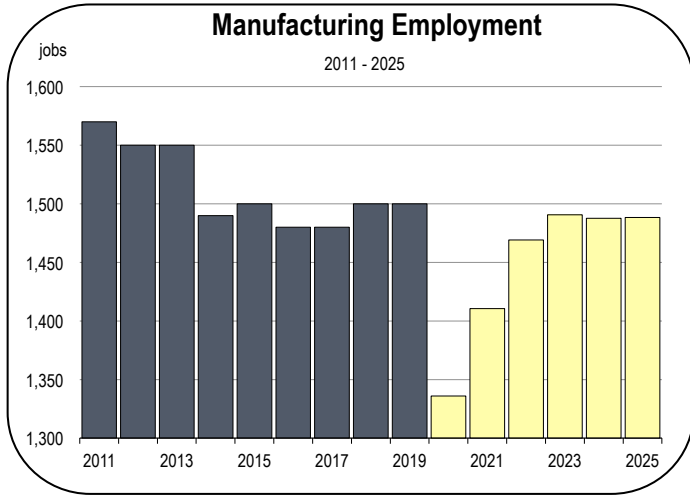


Construction Employment

- The construction sector is expected to lose more than 100 jobs in 2020.
- Most California construction activity was deemed non-essential for several weeks in March and April, leading to significant construction layoffs that average down total employment in 2020.
- Restrictions on construction were lifted in late April, and overall construction activity could ramp back up in 2021 and 2022.



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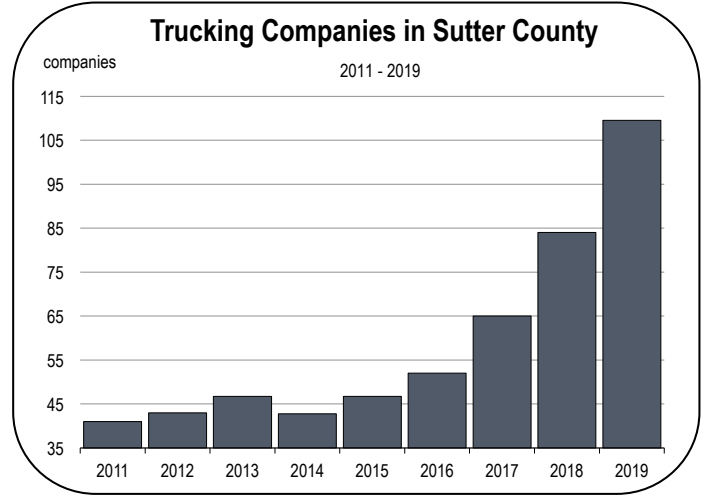
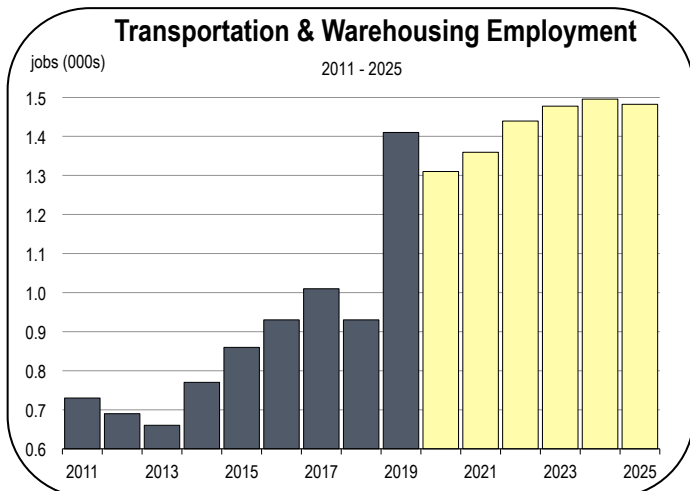


Manufacturing Employment

- Manufacturing employment declined by hundreds of jobs during the second quarter of 2020 but is expected to rebound through 2021 and into 2022.
- After the manufacturing sector recovers from the Coronavirus Recession, employment levels are expected to remain relatively unchanged over the longer term forecast horizon.

Transportation and Warehousing Employment

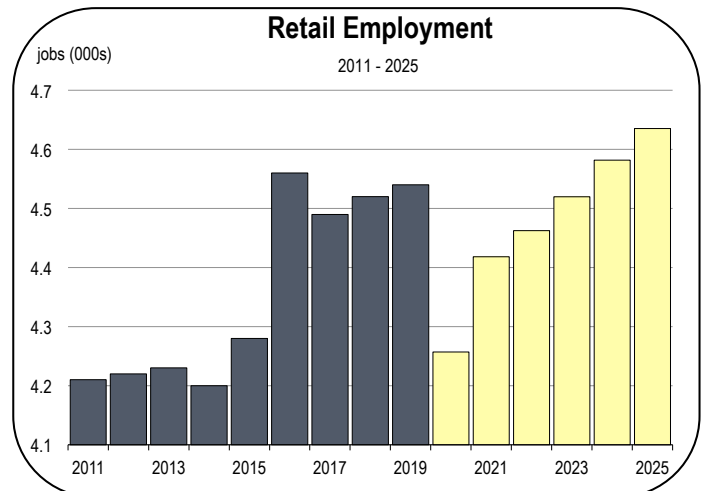
- Most transportation jobs in Sutter County are in freight trucking, where firms deliver goods to and from businesses within the Sacramento area and across the U.S.
- The broader Sacramento area is becoming a major hub for logistics and fulfillment centers, with firms like Amazon opening facilities across the region.



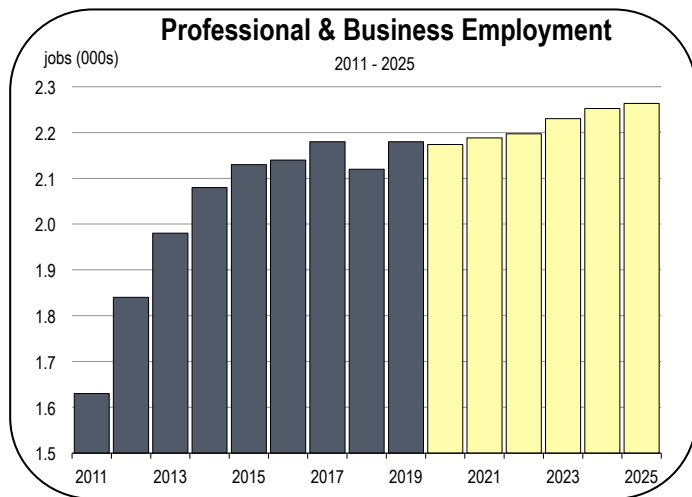
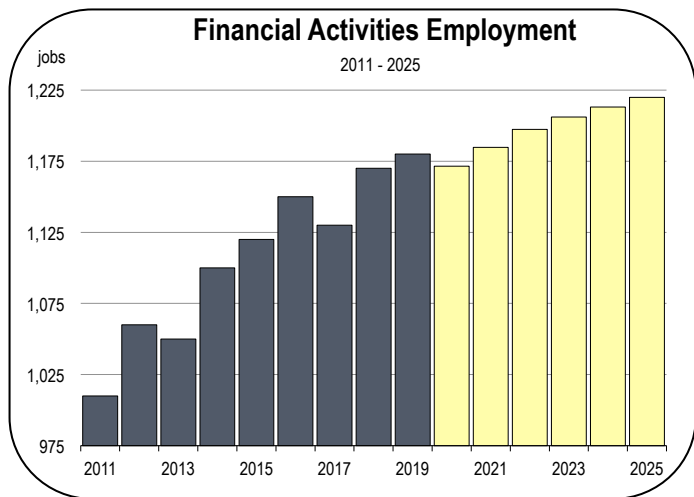
- In 2011, Sutter County had 41 trucking companies. By 2019 the number of trucking companies had expanded to 110, creating hundreds of jobs in the process.
- Overall transportation and warehousing employment is expected to decline in 2020 but expand in 2021 and 2022.

Retail Trade Employment

- The retail sector is expected to lose more than 200 jobs in 2020 on an annual average basis.
- Many retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.
- Accounting for furloughed workers, more than 400 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.



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Financial Activities Employment

- Employment levels in the financial activities industry are expected to remain largely unchanged in 2020, and could begin to expand in 2021 or 2022.
- In Sutter County, most financial activities jobs are in banks and real estate companies.
- During the first half of 2020, interest rates reached record lows, which helped the housing market rebound swiftly from the Coronavirus Recession, bringing back lots of real estate and banking jobs.
- The Sutter County financial activities sector is a population-serving industry, and the Sutter County population is expected to increase faster than many other parts of California, which should lead to the creation of financial activities jobs.

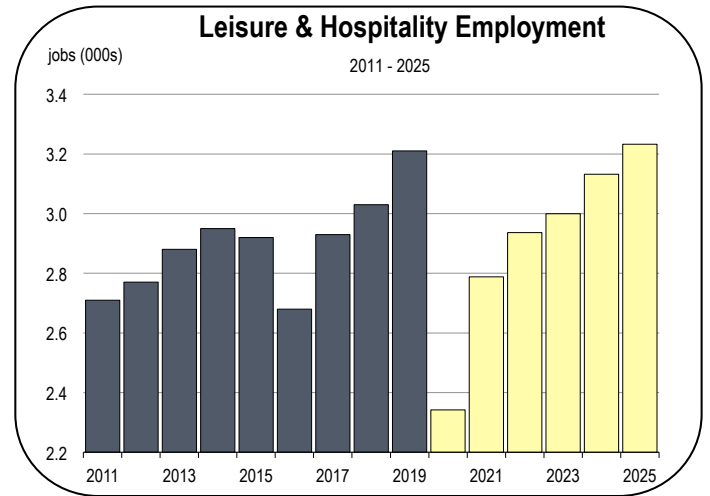
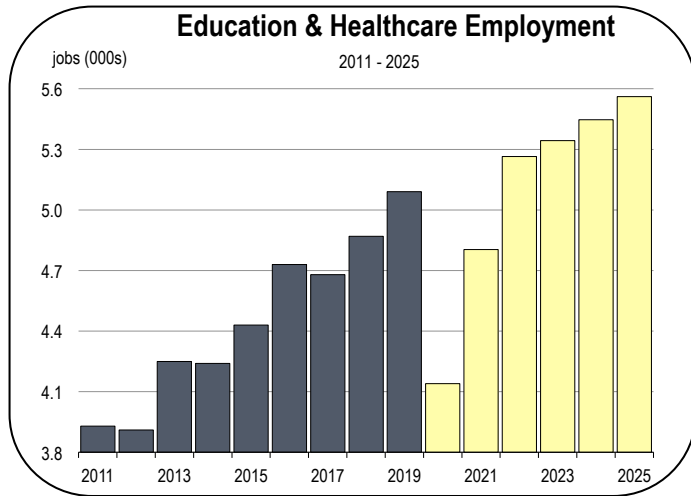
Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each will be impacted differently during the recession and recovery phases of 2020 and 2021.
- Staffing agencies provide contract workers to an array of business types, including transportation and warehousing. Due to the high demand for trucking and warehousing workers, employment levels at Sutter County staffing agencies increased in 2020, offsetting losses in other subsectors.

- Meaningful losses were observed at building maintenance and security services, but these sectors are expected to rebound as people go back to their offices.
- Aside from security, maintenance, and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were relatively unaffected by the downturn.

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Staffing Agencies	600	27.9%
Building Maintenance	400	18.6%
Accounting & Bookkeeping	200	9.3%
Investigation and Security Services	200	9.3%
Law	100	4.7%
Engineering & Architecture	100	4.7%
Business & Technical Consulting	100	4.7%
Corporate Headquarters	100	4.7%
Veterinary Services	100	4.7%
Custom IT Services	50	2.3%
Other	200	9.3%

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Private Education and Healthcare Employment

- There were 3,000 healthcare jobs in Sutter County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and others reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.
- There were approximately 2,000 social assistance jobs in 2019, including industries like childcare and non-medical care for senior citizens and people with disabilities.
- There were also 200 jobs in private schools, tutoring services, vocational schools, and other educational organizations.
- In social assistance and educational organizations, layoffs were heavy at institutions with revenue shortfalls.

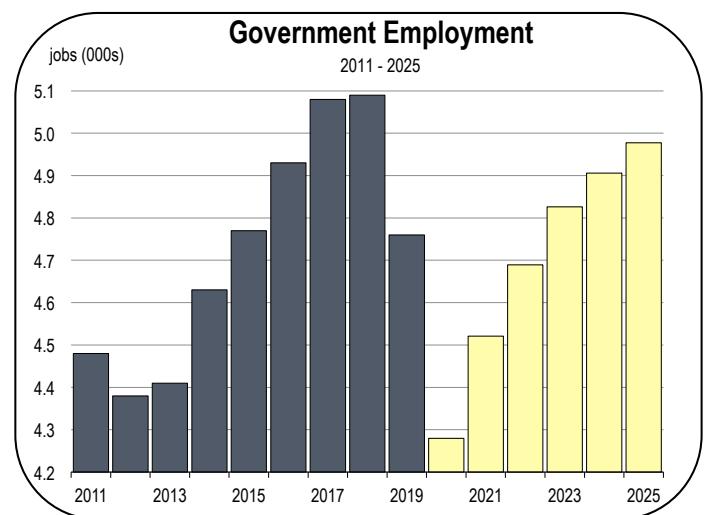
Leisure and Hospitality Employment

- The leisure and hospitality industry was devastated by the recession more than any other sector of the labor market.
- In 2019, Sutter County had 2,700 jobs in restaurants, hotels, and bars. Almost 50 percent were laid off in March and April. Another 40 to 45 percent of workers had their hours cut or were furloughed without pay.
- Jobs at hotels and restaurants began to increase again in the summer of 2020, and should expand further in 2021 and 2022.
- Sutter County had 400 jobs in entertainment and recreation in 2019, including facilities like fitness centers, museums, and

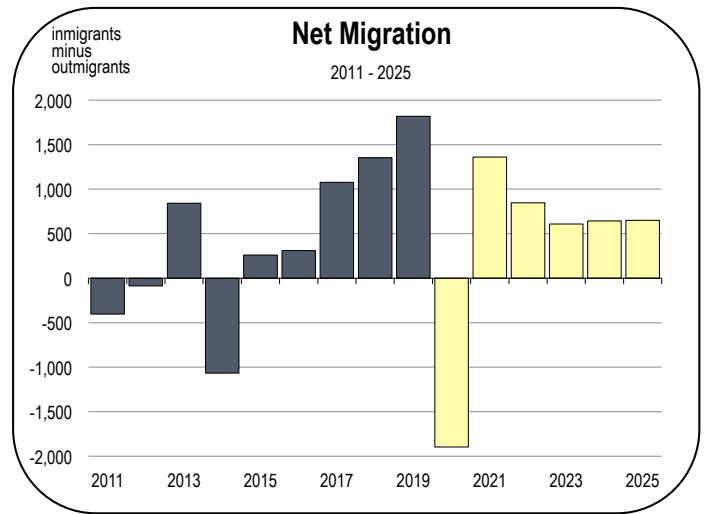
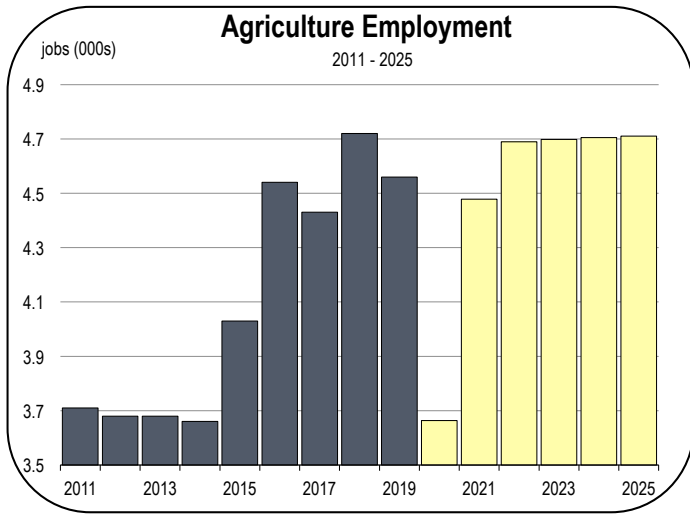
performing arts centers. Many of these organizations will operate at reduced capacities through the end of 2020 and potentially into 2021.

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.



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Agriculture Employment

- Agriculture employment is expected to decline dramatically during 2020 but is expected to rebound quickly in 2021.
- The most prominent agriculture commodities in Sutter County are rice and walnuts.

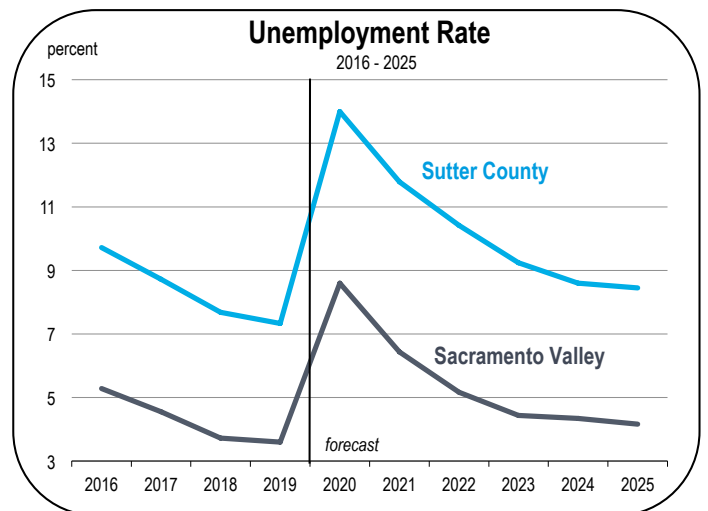
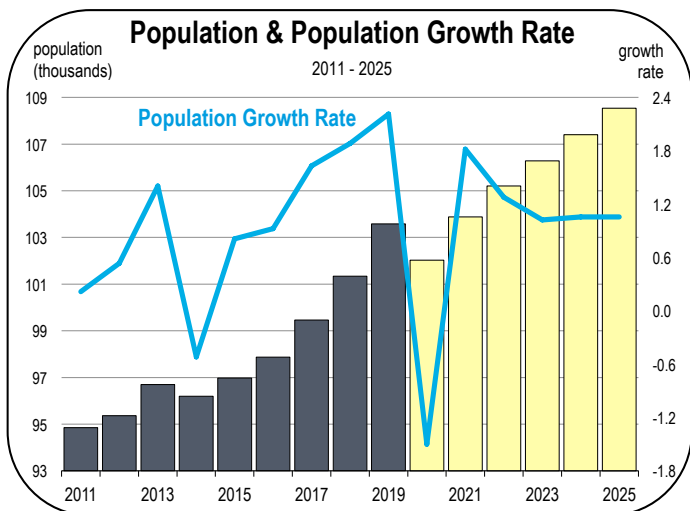
Population Growth

- Sutter County gained a large number of residents in 2019, many of whom were displaced by the Camp Fire in neighboring Butte County. A large share of these individuals are expected to move back to Butte County in 2020.
- The Sutter County population is expected to expand at a similar rate to the Sacramento Valley average for most of the 2020-2025 forecast period.

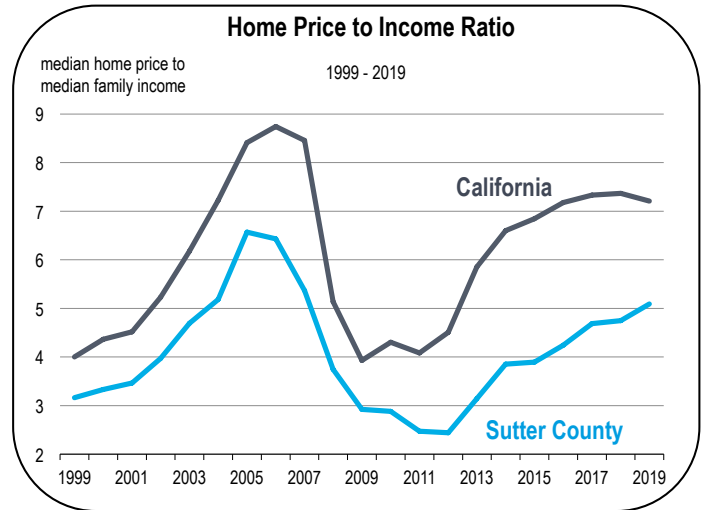
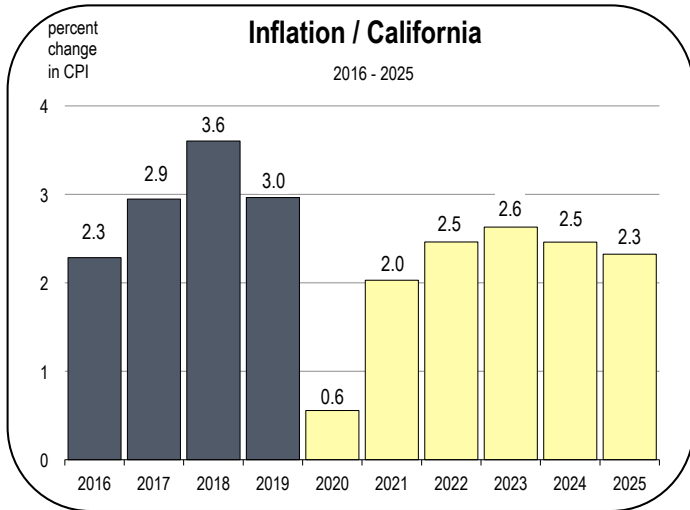
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California and parts of Sacramento County for the affordable housing options in Sutter County.
- Aside from the 2020 calendar year, there will be more people who move into Sutter County than residents who move out. Between 2021 and 2025, this migratory process will add an average of 820 residents to the Sutter County population each year.
- The population will expand at an annual average rate of 1.2 percent per year from 2021 to 2025. By 2025, the Sutter County population will surpass 108,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Sutter County averaged 7.3 percent in 2019, which was well above the composite rate for the broader Sacramento Valley.



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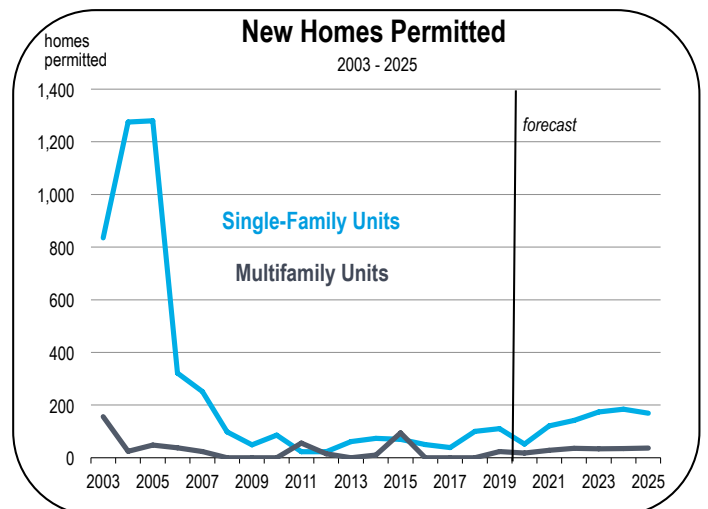
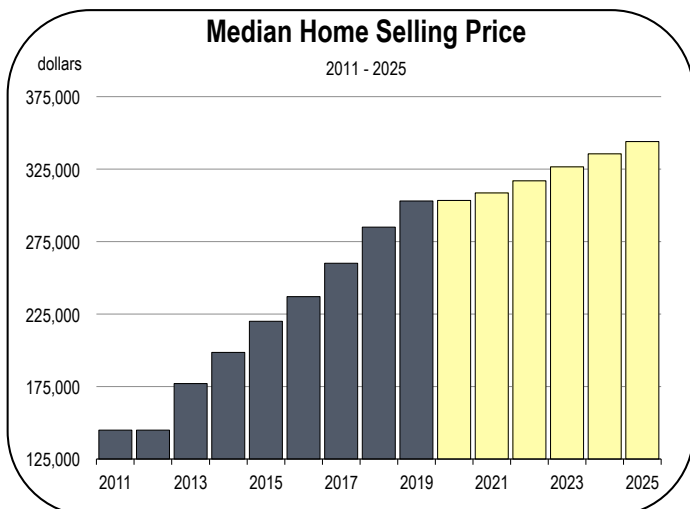


- The unemployment rate is expected to average between 12 and 16 percent during the 2020 calendar year.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices 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.

- Homes in Sutter County are more affordable than homes across California, especially Coastal California.
- In Sutter County, the typical household spends less than 25 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 household income.
- From 2014 to 2019, an average of 96 new homes were started per year in Sutter County. Approximately 75 percent were single-family homes.
- Housing production is expected to average 170 homes per year from 2020 to 2025, consisting primarily of single-family homes.

Home Prices and New Housing Production

- In 2019 the median home price in Sutter County was \$303,000. The median price is not expected to change much in 2020 or 2021.



Sutter 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 (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	96,976	31.9	261	165	100	\$3.9	\$1.1	\$1.6	\$600	\$45,465	10.7	\$612	1.4
2016	97,871	32.0	309	50	103	\$4.0	\$1.2	\$1.6	\$427	\$45,184	9.7	\$565	2.3
2017	99,465	32.1	1,077	39	104	\$4.1	\$1.2	\$1.7	\$443	\$44,243	8.7	\$623	3.0
2018	101,337	32.1	1,353	100	106	\$4.3	\$1.3	\$1.8	\$498	\$43,784	7.7	\$623	3.7
2019	103,580	32.2	1,818	135	109	\$4.5	\$1.3	\$1.8	\$597	\$43,852	7.3	\$630	2.9
2020	102,026	32.3	-1,896	70	108	\$4.4	\$1.1	\$1.5	\$601	\$42,870	14.0	\$645	0.5
2021	103,880	32.4	1,361	149	110	\$4.6	\$1.2	\$1.7	\$588	\$43,253	11.8	\$656	1.6
2022	105,206	32.5	846	177	111	\$4.8	\$1.3	\$1.8	\$607	\$43,779	10.4	\$665	2.3
2023	106,281	32.7	608	208	113	\$5.1	\$1.4	\$1.9	\$627	\$44,462	9.2	\$671	2.6
2024	107,402	32.9	643	219	114	\$5.3	\$1.5	\$2.0	\$638	\$45,135	8.6	\$676	2.5
2025	108,537	33.1	650	206	115	\$5.6	\$1.5	\$2.1	\$642	\$45,653	8.4	\$681	2.3
2026	109,663	33.3	635	213	116	\$5.8	\$1.6	\$2.2	\$647	\$46,145	8.1	\$684	2.3
2027	110,792	33.5	631	216	118	\$6.1	\$1.6	\$2.3	\$653	\$46,579	7.8	\$687	2.2
2028	111,897	33.7	612	193	119	\$6.3	\$1.7	\$2.3	\$660	\$46,922	7.8	\$689	2.2
2029	113,001	33.9	618	185	120	\$6.5	\$1.8	\$2.4	\$662	\$47,120	7.4	\$692	2.3
2030	114,105	34.1	624	175	121	\$6.8	\$1.8	\$2.5	\$666	\$47,344	7.3	\$694	2.2
2031	115,190	34.3	621	166	123	\$7.0	\$1.9	\$2.6	\$670	\$47,603	7.1	\$695	2.1
2032	116,261	34.4	622	163	124	\$7.3	\$1.9	\$2.6	\$673	\$47,763	6.9	\$697	2.3
2033	117,328	34.6	628	164	125	\$7.5	\$2.0	\$2.7	\$680	\$48,069	7.0	\$698	1.9
2034	118,367	34.8	614	163	126	\$7.8	\$2.0	\$2.8	\$682	\$48,313	7.1	\$700	2.1
2035	119,391	34.9	620	165	127	\$8.1	\$2.1	\$2.9	\$689	\$48,559	7.2	\$701	2.2
2036	120,396	35.1	618	160	129	\$8.4	\$2.2	\$3.0	\$697	\$48,675	7.2	\$703	2.6
2037	121,369	35.2	613	156	130	\$8.7	\$2.2	\$3.1	\$706	\$48,791	7.2	\$704	2.7
2038	122,341	35.4	611	152	131	\$9.0	\$2.3	\$3.2	\$715	\$49,013	7.1	\$705	2.5
2039	123,293	35.5	605	148	132	\$9.4	\$2.4	\$3.3	\$721	\$49,138	7.2	\$707	2.7
2040	124,216	35.7	603	144	133	\$9.7	\$2.5	\$3.4	\$728	\$49,329	7.2	\$708	2.6
2041	125,121	35.8	600	139	134	\$10.1	\$2.5	\$3.5	\$737	\$49,650	7.2	\$709	2.2
2042	126,010	36.0	597	135	135	\$10.4	\$2.6	\$3.6	\$746	\$50,023	7.3	\$711	2.1
2043	126,893	36.1	597	131	136	\$10.8	\$2.7	\$3.7	\$756	\$50,433	7.3	\$712	2.0
2044	127,745	36.2	593	127	137	\$11.2	\$2.7	\$3.8	\$767	\$50,962	7.1	\$713	1.8
2045	128,577	36.4	593	123	138	\$11.6	\$2.8	\$3.9	\$778	\$51,474	6.7	\$715	1.9
2046	129,397	36.5	589	119	139	\$12.0	\$2.9	\$4.0	\$788	\$51,883	6.8	\$716	2.0
2047	130,216	36.6	591	115	140	\$12.4	\$3.0	\$4.1	\$796	\$52,251	6.6	\$717	2.2
2048	131,034	36.7	588	111	141	\$12.9	\$3.1	\$4.2	\$803	\$52,533	6.7	\$718	2.3
2049	131,855	36.8	587	107	142	\$13.3	\$3.1	\$4.3	\$812	\$52,945	6.8	\$720	2.0
2050	132,683	36.9	586	103	143	\$13.8	\$3.2	\$4.4	\$821	\$53,329	6.9	\$721	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	29.4	4.0	1.3	1.5	0.9	5.5	1.1	2.1	0.2	4.4	2.9	4.8
2016	30.8	4.5	1.5	1.5	0.9	5.8	1.2	2.1	0.2	4.7	2.7	4.9
2017	31.0	4.4	1.4	1.5	1.0	5.8	1.1	2.2	0.2	4.7	2.9	5.1
2018	31.7	4.7	1.4	1.5	0.9	5.9	1.2	2.1	0.2	4.9	3.0	5.1
2019	32.5	4.6	1.7	1.5	1.4	5.9	1.2	2.2	0.2	5.1	3.2	4.8
2020	28.3	3.7	1.5	1.3	1.3	5.5	1.2	2.2	0.2	4.1	2.3	4.3
2021	31.0	4.5	1.7	1.4	1.4	5.8	1.2	2.2	0.2	4.8	2.8	4.5
2022	32.4	4.7	1.7	1.5	1.4	5.9	1.2	2.2	0.2	5.3	2.9	4.7
2023	32.8	4.7	1.7	1.5	1.5	5.9	1.2	2.2	0.2	5.3	3.0	4.8
2024	33.2	4.7	1.7	1.5	1.5	6.0	1.2	2.3	0.2	5.4	3.1	4.9
2025	33.6	4.7	1.6	1.5	1.5	6.1	1.2	2.3	0.2	5.6	3.2	5.0
2026	33.9	4.7	1.6	1.5	1.5	6.1	1.2	2.3	0.2	5.7	3.3	5.0
2027	34.2	4.7	1.6	1.5	1.5	6.1	1.2	2.3	0.2	5.8	3.4	5.1
2028	34.4	4.7	1.6	1.5	1.5	6.2	1.2	2.3	0.2	5.9	3.4	5.2
2029	34.6	4.7	1.6	1.5	1.4	6.2	1.3	2.3	0.2	6.0	3.4	5.2
2030	34.8	4.7	1.6	1.5	1.4	6.2	1.3	2.3	0.2	6.1	3.5	5.3
2031	35.0	4.7	1.5	1.5	1.4	6.2	1.3	2.3	0.2	6.2	3.5	5.4
2032	35.3	4.7	1.5	1.5	1.4	6.2	1.3	2.3	0.2	6.3	3.5	5.4
2033	35.6	4.7	1.5	1.5	1.4	6.3	1.3	2.3	0.2	6.5	3.6	5.5
2034	35.8	4.7	1.5	1.5	1.4	6.3	1.3	2.3	0.2	6.6	3.6	5.6
2035	36.1	4.7	1.5	1.5	1.4	6.3	1.3	2.3	0.2	6.7	3.6	5.6
2036	36.4	4.7	1.5	1.5	1.4	6.3	1.3	2.3	0.2	6.8	3.6	5.7
2037	36.7	4.7	1.5	1.5	1.5	6.4	1.3	2.3	0.2	7.0	3.7	5.8
2038	36.9	4.7	1.5	1.5	1.5	6.4	1.3	2.3	0.2	7.1	3.7	5.8
2039	37.2	4.7	1.5	1.5	1.5	6.4	1.3	2.3	0.2	7.2	3.7	5.9
2040	37.5	4.7	1.5	1.5	1.5	6.4	1.3	2.3	0.2	7.4	3.8	6.0
2041	37.8	4.7	1.5	1.5	1.5	6.4	1.3	2.4	0.2	7.5	3.8	6.1
2042	38.1	4.7	1.5	1.5	1.6	6.5	1.3	2.4	0.2	7.7	3.8	6.2
2043	38.4	4.8	1.5	1.5	1.6	6.5	1.3	2.4	0.2	7.8	3.8	6.2
2044	38.7	4.8	1.5	1.5	1.6	6.5	1.3	2.4	0.2	7.9	3.9	6.3
2045	39.0	4.8	1.5	1.5	1.6	6.5	1.3	2.4	0.2	8.1	3.9	6.4
2046	39.4	4.8	1.5	1.5	1.6	6.6	1.3	2.4	0.2	8.2	3.9	6.5
2047	39.7	4.8	1.5	1.5	1.6	6.6	1.3	2.4	0.2	8.4	4.0	6.6
2048	40.0	4.8	1.5	1.5	1.7	6.6	1.3	2.4	0.2	8.6	4.0	6.7
2049	40.3	4.8	1.5	1.5	1.7	6.6	1.3	2.4	0.2	8.7	4.0	6.8
2050	40.7	4.8	1.5	1.5	1.7	6.7	1.3	2.4	0.2	8.9	4.0	6.9

Sutter County Economic Forecast

Socioeconomic Indicators

