

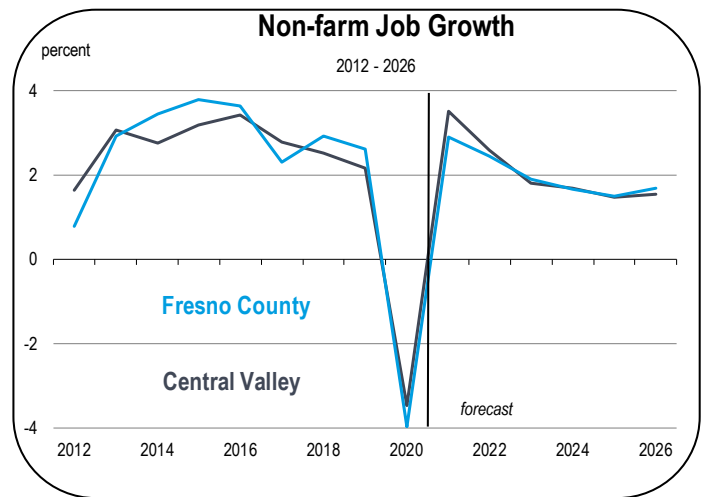
Fresno County Economic Forecast

Forecast Summary

- Fresno lost 18,000 jobs during 2020. The 2021 recovery will reinstate 10,000 of those jobs and the balance of the 2020 loss will be recovered in 2022, in addition to new net job creation.
- The recovery in leisure and hospitality employment has been slow in Fresno County and across the state of California. Reinstatement of lost jobs should hasten in the second half of 2021 as social distancing restrictions are lifted.
- The unemployment rate should return to pre-pandemic levels by 2023.
- With net in-migration forecast to remain positive, population grows over the forecast.
- New development also represents a principal growth driver in the County.
- Professional services employment which accounts for 8 ½ percent of total employment today rises to 9 ½ by 2025, and 13 percent by 2050.

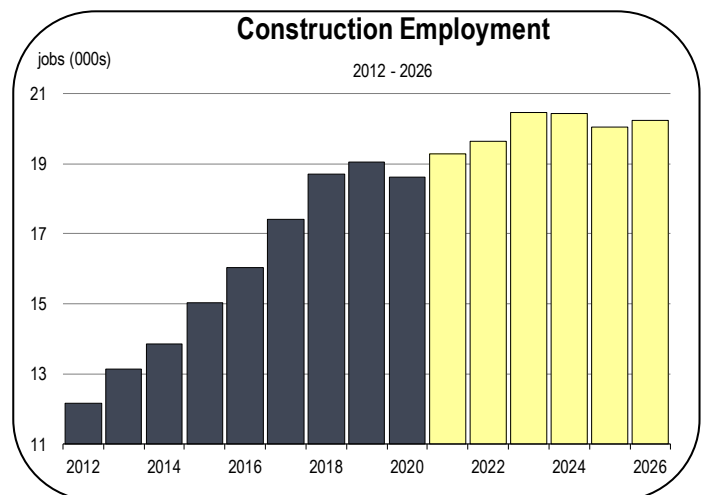
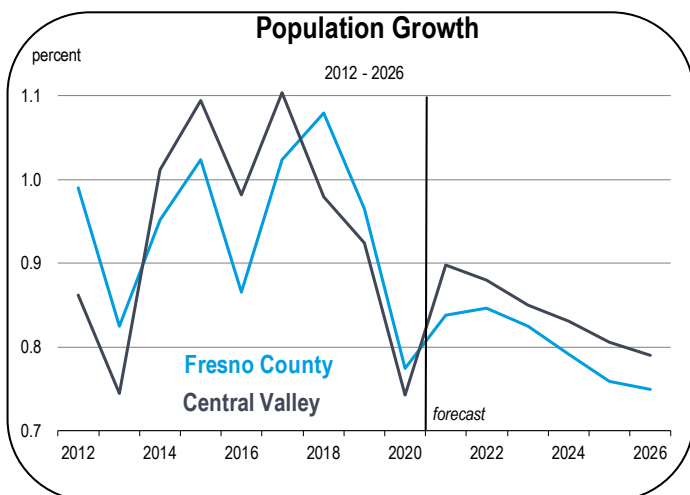
Job Growth

- Total employment in Fresno County will rebound by 3.0 percent in 2021 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.7 percent.

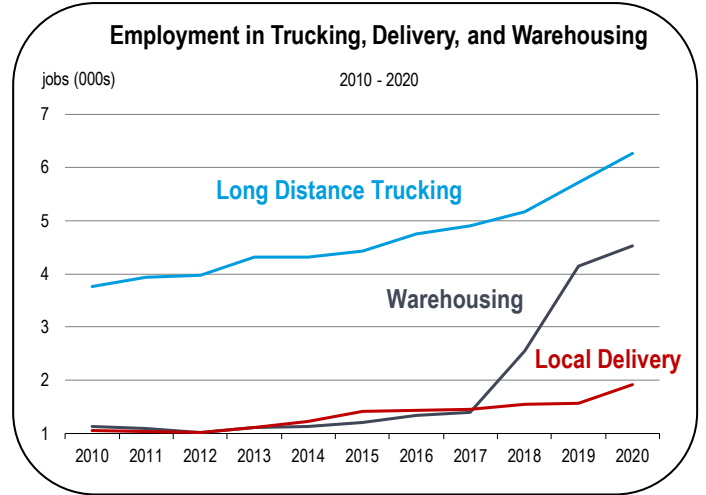
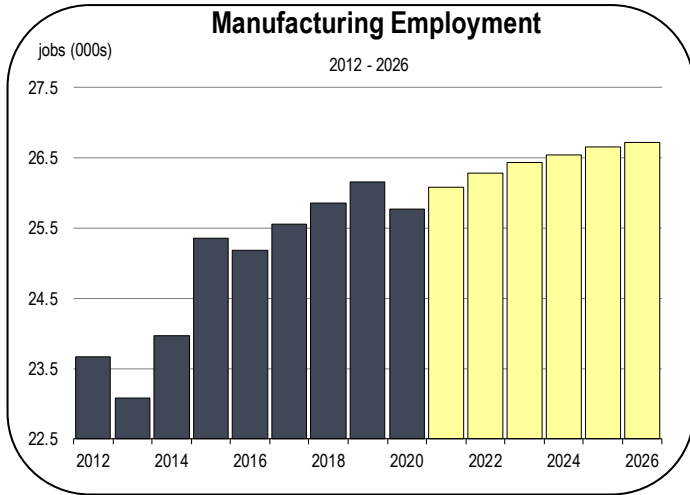


Construction Employment

- The construction workforce in the county nearly doubled in size since 2012.
- The pandemic momentarily interrupted this growth trend but as of early 2021 almost all construction jobs had been restored.
- Over the next 5 years, several thousands of new units will be started and completed in Fresno City and County. Employment within the construction trades is forecast to expand through 2023 or beyond.



Fresno County Economic Forecast



Manufacturing Employment

- 65 percent of total manufacturing employment is in non-durables, largely food processing.
- Major employers include Foster Farms, ConAgra, Cargil, Wawona Frozen Foods, Campbell’s Foods and Tofuji.
- Mild growth in manufacturing is forecast over the next 5 years, though longer term, a contraction is likely due to robotics and other advances in technology.

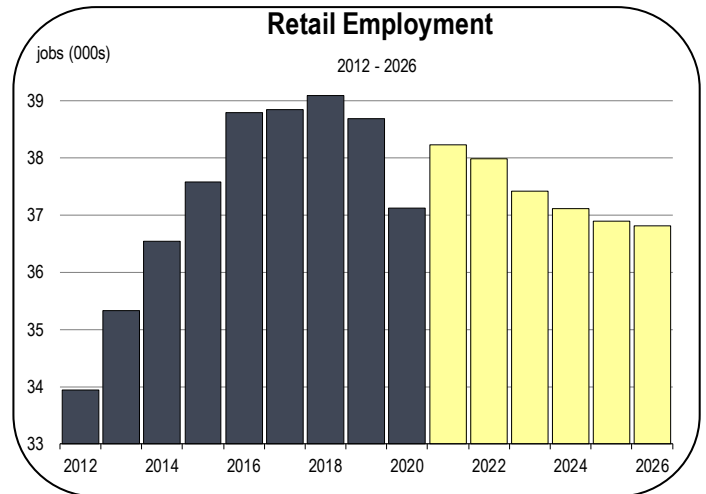
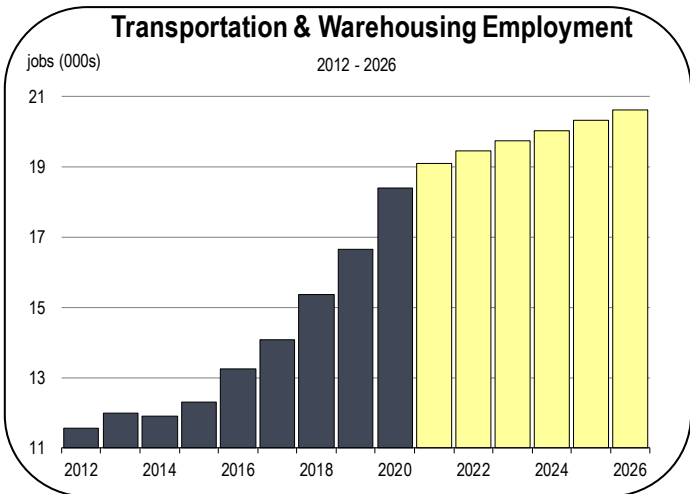
- Job growth in trucking and warehousing has been exceptionally rapid as national and international firms have built new logistics facilities in the county.
- A meaningful number of jobs are in delivery firms like UPS and FedEx. Delivery firms hired large numbers of workers during 2020 in response to a surge in online shopping and direct-to-consumer shipping.

Transportation and Warehousing Employment

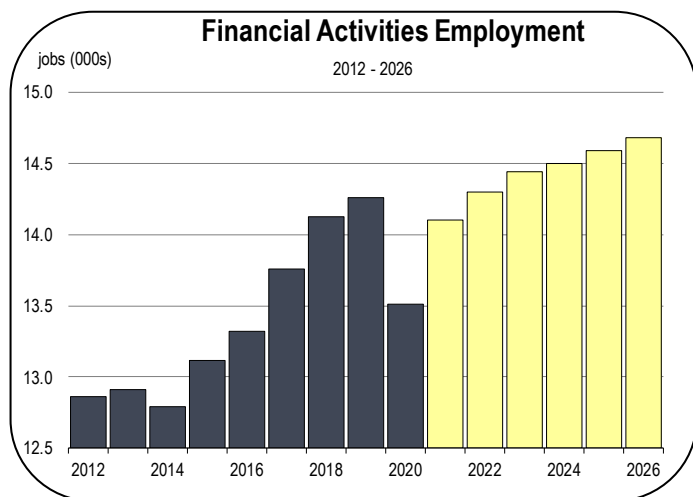
- Most transportation jobs in Fresno County are in trucking and warehousing, where firms deliver goods to and from businesses and store these goods in logistics facilities.

Retail Trade Employment

- Retail jobs that were lost with the economic shutdowns during 2020 are mostly recovered in 2021, but the substitution by consumers to purchase goods online over local retail stores is creating the disruption in the retail trade labor market.
- Employment at local brick-and-mortar stores is susceptible to consolidation over time.



Fresno County Economic Forecast

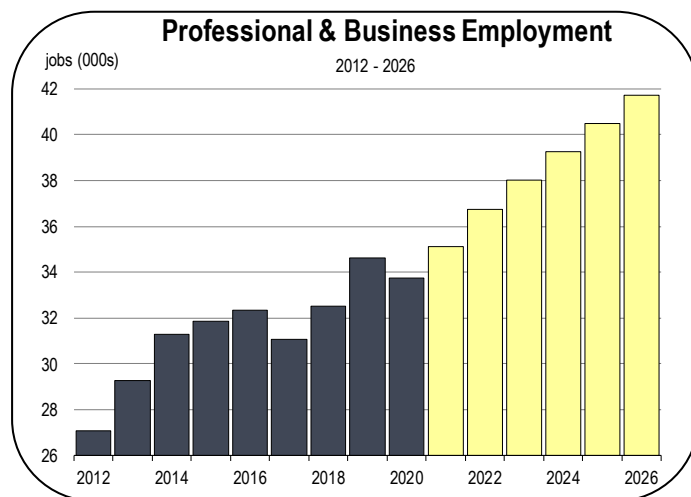


Financial Activities Employment

- Aetna is one of the largest employers in the County, with over 1,000 workers located in a single office building on Shaw Avenue in the City of Fresno. This is the only service operations center for Aetna in California.
- Banks and real estate firms each employ 3,000 to 4,000 workers in the County.
- Between 2021 and 2026, several thousand jobs will be generated by real estate firms. Few jobs, if any, will be created at banks.

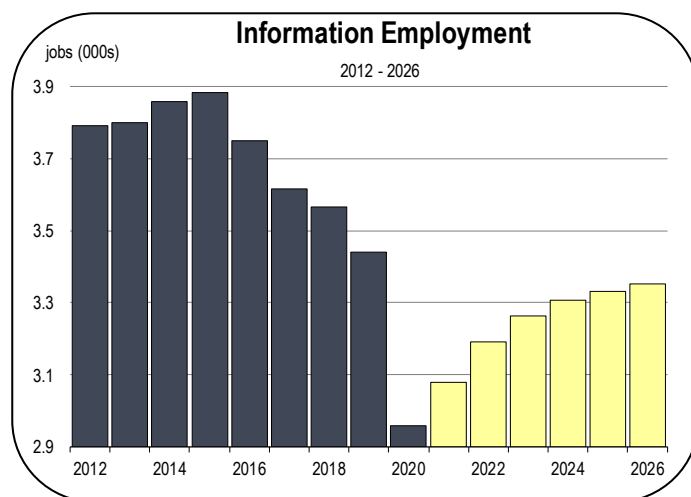
Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.
- The largest losses were staffing agencies, which typically employ temp workers.
- Temp workers are usually the first to be laid off during a recession and the first hired back during the recovery.
- The professional and business services sector is destined to create a major share of future jobs in Fresno County over the next several years.
- Professional services represent many of the technology services companies that provide design and consulting services to high tech product manufacturers both domestically and internationally.

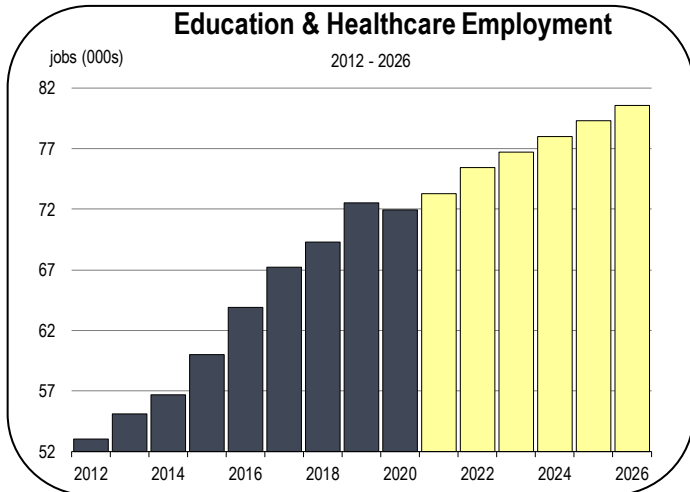


Information Employment

- In Fresno County, the information sector is largely comprised of radio and TV broadcasting, movie theaters, and telecommunications companies like Comcast.
- The decline in job opportunities in information is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, libraries, movie theaters, book, newspaper, and periodical publishing.
- This is no less true for the Fresno information market. Employment growth will remain in some radio, TV, and video production, with small numbers of jobs also created in software publishing and data/Internet services.



Fresno County Economic Forecast



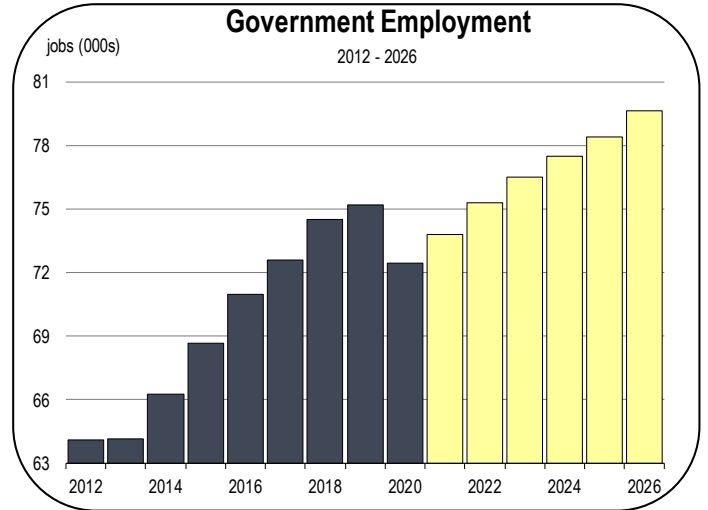
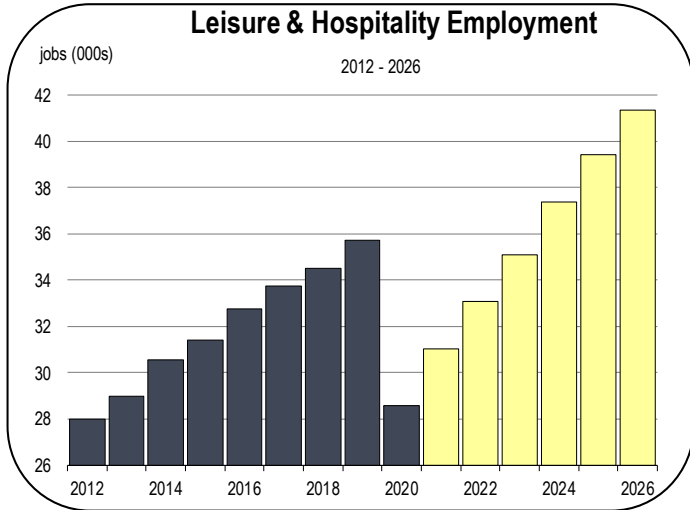
Private Education and Healthcare Employment

- Healthcare was barely impacted in 2020, and employment levels will be entirely restored this year.
- The largest healthcare providers in the County include:
 - Children’s Hospital Central California
 - Community Medical Center
 - St. Agnes Medical Center
 - Kaiser Permanente
- Because population growth is forecast to remain positive over the indefinite future, largely due to the natural increase but also as a result of net in-migration, healthcare services will remain in steady demand. The sector will create an estimated 8,500 jobs between 2020 and 2026.



St. Agnes Medical Center

Fresno County Economic Forecast



Leisure and Hospitality Employment

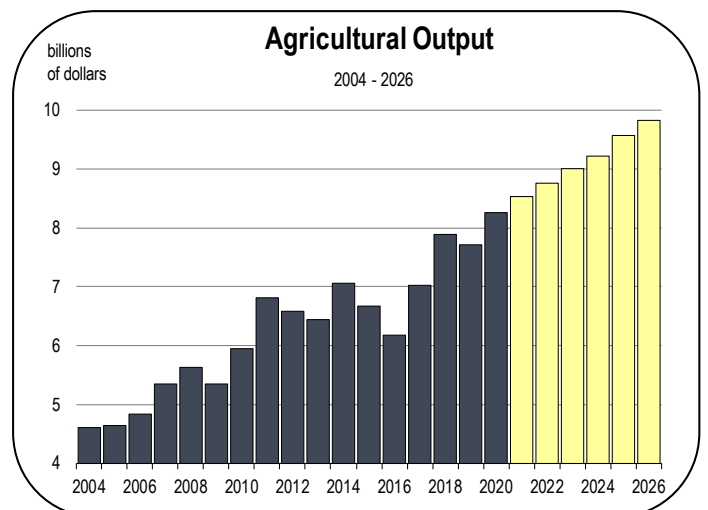
- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company, but compared to greater California, Fresno County employment declined less in this sector.
- On an annual average basis, 4,100 jobs were lost at restaurants and bars, a decline of 14 percent.
- More than 400 jobs were lost at hotels and motels (19 percent) and almost 1,000 jobs were lost at gyms, fitness centers, and performing arts centers (27 percent).
- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in travel, dining, drinking, and recreation throughout Fresno County.
- Jobs are recovered this year and next, but complete recovery is not forecast until 2024.

Government Employment

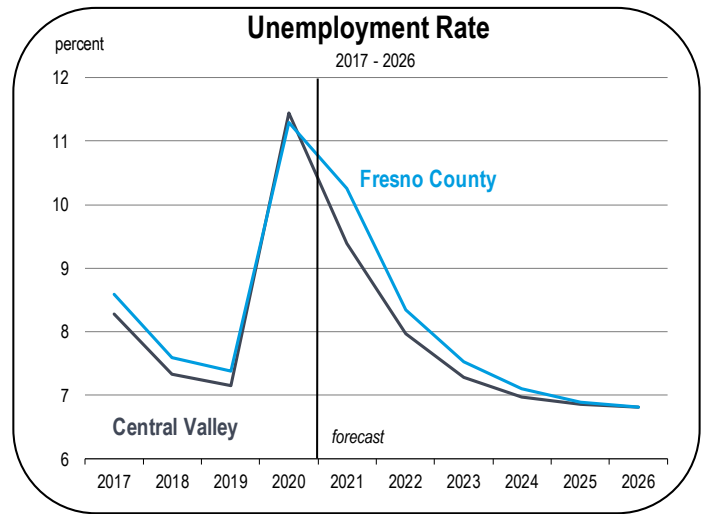
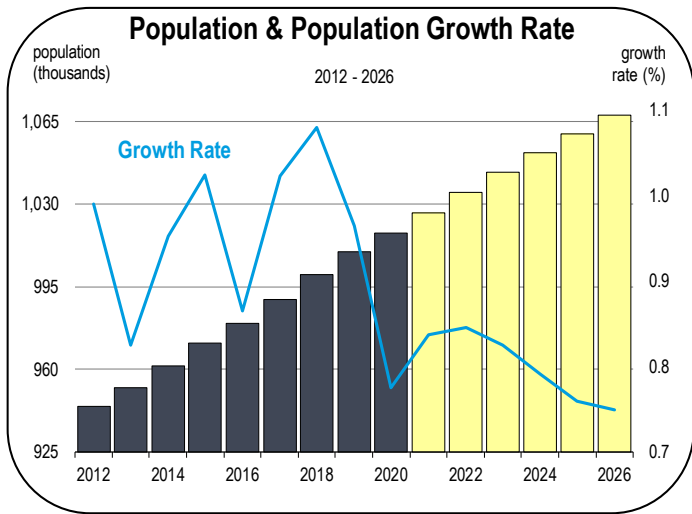
- Education represents a principal public sector job creator in Fresno County. Among the largest employers in the County are:
 - California State University, Fresno
 - Central Unified School District
 - Clovis Unified School District
 - Fresno County Office of Education
 - Fresno Unified School District
 - State Center Community College District

Agriculture

- The Farm sector has entirely recovered from the 2020 recession.
- Farming will continue to be a principal economic engine in the county. Total sales value of farm products is projected to eclipse \$9 billion in 2024.
- Almonds, pistachios, and grapes are the top crop values in Fresno County.
- Chickens and milk are also important farm products that generate significant sales for the farming community of Fresno County.



Fresno County Economic Forecast

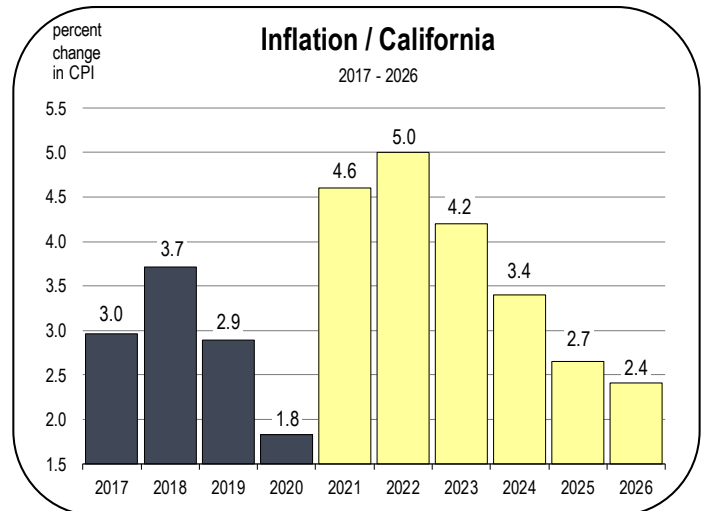
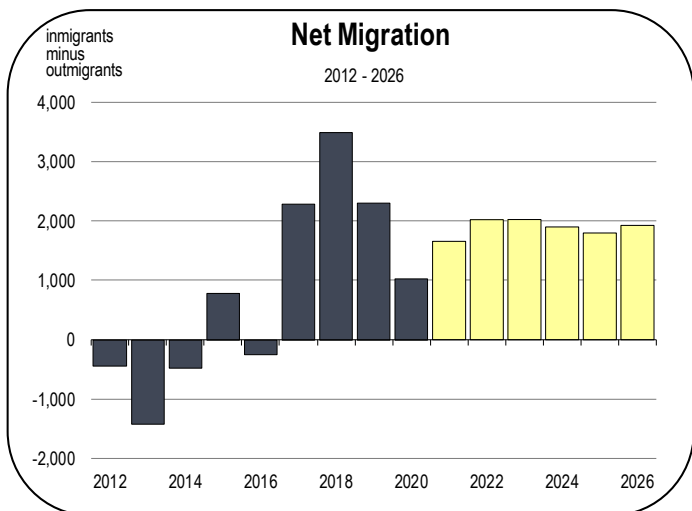


Population Growth

- The Fresno County population is expected to expand more rapidly than the California average between 2021 and 2026.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California and elsewhere to buy affordable housing in Fresno County.
- An average of 1,900 net migrants are expected to move into Fresno County each year between 2021 and 2026.
- The population will expand at an annual average rate of 0.8 percent per year.
- By 2026, the Fresno County population will surpass 1,060,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Fresno County averaged 11.3 percent in 2020. An unemployment rate below 8.0 percent signifies a fully employed workforce in Fresno County.
- The unemployment rate is expected to average 10.3 percent in 2021 and 8.3 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. Inflation soared in 2021 and is expected to remain elevated for several years.
- Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.



Fresno County Economic Forecast

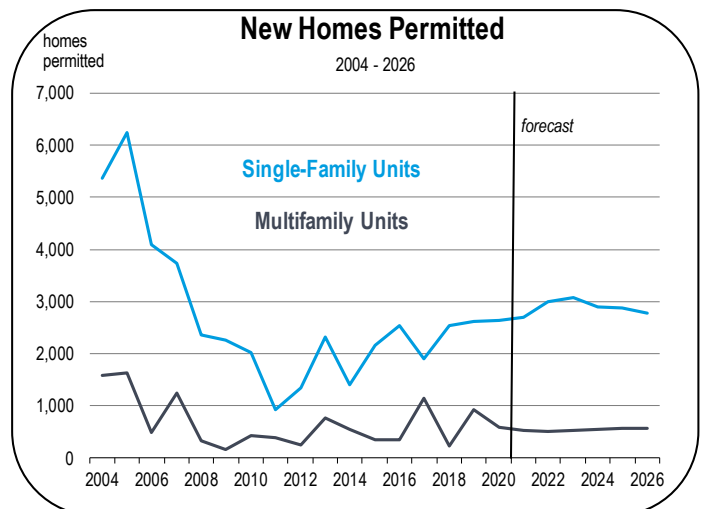
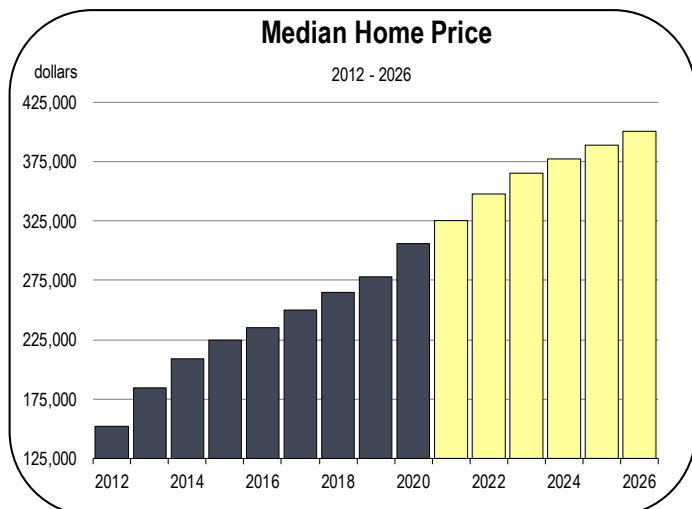


Loma Vista

Home Prices and New Housing Production

- In 2020 the median home price in Fresno County was \$306,300, an increase of 10 percent from the previous year.
- Homes in Fresno County are more affordable than homes across California, especially Coastal California. In Fresno 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 income.

- From 2015 to 2020, an average of 3,000 new homes were started per year in Fresno County. Approximately 80 percent were single-family homes. Housing production is expected to average 3,400 homes per year from 2021 to 2026, consisting mostly of single-family homes.
- New homes will be built in many parts of the county, but activity will be heavily concentrated in the City of Fresno and in Clovis.
- Several large projects are underway, including the Downtown Development Plan that could produce 17,000 homes in the City of Fresno. The new Loma Vista community in Clovis will develop at least 10,000 homes.
- Construction begins in 2022 and full buildout will extend beyond 2030.



Fresno County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 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 (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production Rate (billions)	Inflation Rate (percent)
2015	971,194	300.6	772	2,496	780	\$38.9	\$9.2	\$14.2	\$5.5	\$45,895	10.2	\$7.6	1.4
2016	979,597	303.9	-257	2,877	805	\$40.2	\$9.6	\$14.2	\$5.7	\$45,867	9.5	\$6.9	2.3
2017	989,617	306.3	2,279	3,050	812	\$41.3	\$9.9	\$14.8	\$6.4	\$45,324	8.6	\$7.6	3.0
2018	1,000,297	309.2	3,497	2,759	829	\$43.1	\$10.4	\$15.4	\$6.3	\$45,122	7.6	\$8.3	3.7
2019	1,009,942	311.7	2,308	3,544	861	\$45.4	\$10.9	\$16.2	\$6.5	\$45,812	7.4	\$7.9	2.9
2020	1,017,767	314.4	1,022	3,223	874	\$47.6	\$11.3	\$17.0	\$7.2	\$46,751	11.3	\$8.3	1.8
2021	1,026,291	316.4	1,658	3,223	884	\$49.4	\$11.6	\$17.3	\$7.3	\$47,120	10.3	\$8.4	4.6
2022	1,034,972	319.3	2,023	3,515	888	\$51.6	\$11.9	\$17.7	\$7.4	\$47,692	8.3	\$8.4	5.0
2023	1,043,510	322.5	2,026	3,608	895	\$54.2	\$12.1	\$18.0	\$7.5	\$48,518	7.5	\$8.4	4.2
2024	1,051,768	325.9	1,901	3,451	899	\$56.7	\$12.2	\$18.2	\$7.6	\$49,130	7.1	\$8.4	3.4
2025	1,059,749	329.2	1,799	3,441	903	\$59.2	\$12.3	\$18.4	\$7.7	\$49,713	6.9	\$8.5	2.7
2026	1,067,689	332.5	1,927	3,328	909	\$61.7	\$12.4	\$18.5	\$7.8	\$50,357	6.8	\$8.6	2.4
2027	1,075,464	335.8	1,982	3,124	913	\$64.3	\$12.5	\$18.6	\$7.9	\$50,964	6.8	\$8.6	2.2
2028	1,083,147	338.9	2,042	3,120	917	\$66.8	\$12.6	\$18.8	\$8.0	\$51,407	6.7	\$8.6	2.3
2029	1,090,616	341.9	1,913	3,114	924	\$69.2	\$12.8	\$19.1	\$8.0	\$51,717	6.6	\$8.7	2.2
2030	1,097,805	344.9	1,763	3,098	931	\$71.6	\$13.1	\$19.6	\$8.1	\$52,029	6.6	\$8.7	2.2
2031	1,104,566	347.9	1,675	3,078	937	\$74.0	\$13.4	\$20.0	\$8.2	\$52,350	6.5	\$8.7	2.3
2032	1,110,894	350.8	1,540	3,060	944	\$76.5	\$13.7	\$20.5	\$8.2	\$52,581	6.5	\$8.8	2.2
2033	1,117,037	353.6	1,572	3,040	951	\$78.9	\$14.0	\$20.9	\$8.3	\$52,954	6.5	\$8.8	2.0
2034	1,122,821	356.4	1,516	3,031	958	\$81.6	\$14.4	\$21.4	\$8.4	\$53,315	6.5	\$8.9	2.1
2035	1,128,288	359.2	1,438	2,918	964	\$84.3	\$14.7	\$22.0	\$8.5	\$53,670	6.4	\$8.9	2.1
2036	1,133,401	362.0	1,357	2,800	969	\$87.3	\$15.2	\$22.6	\$8.5	\$53,892	6.4	\$9.0	2.2
2037	1,138,264	364.6	1,315	2,683	975	\$90.3	\$15.7	\$23.3	\$8.5	\$54,061	6.4	\$9.1	2.2
2038	1,142,852	367.1	1,310	2,669	980	\$93.3	\$16.1	\$24.0	\$8.6	\$54,310	6.4	\$9.2	2.2
2039	1,147,275	369.6	1,323	2,559	985	\$96.6	\$16.6	\$24.7	\$8.6	\$54,502	6.3	\$9.2	2.2
2040	1,151,453	372.0	1,340	2,550	989	\$99.8	\$17.0	\$25.4	\$8.7	\$54,717	6.3	\$9.3	2.1
2041	1,155,362	374.3	1,363	2,540	993	\$103.1	\$17.4	\$26.0	\$8.8	\$55,081	6.3	\$9.3	2.2
2042	1,159,094	376.7	1,386	2,632	998	\$106.3	\$17.8	\$26.6	\$8.8	\$55,490	6.3	\$9.4	2.1
2043	1,162,735	379.1	1,415	2,523	1,002	\$109.7	\$18.2	\$27.1	\$8.9	\$55,938	6.3	\$9.5	2.0
2044	1,166,288	381.4	1,435	2,496	1,005	\$113.0	\$18.6	\$27.7	\$9.0	\$56,442	6.3	\$9.6	2.2
2045	1,169,700	383.7	1,459	2,457	1,009	\$116.5	\$19.0	\$28.3	\$9.1	\$56,910	6.2	\$9.6	2.2
2046	1,173,052	386.0	1,484	2,424	1,011	\$120.0	\$19.4	\$28.9	\$9.2	\$57,317	6.2	\$9.7	2.2
2047	1,176,343	388.2	1,508	2,391	1,014	\$123.6	\$19.9	\$29.6	\$9.2	\$57,618	6.2	\$9.8	2.2
2048	1,179,541	390.4	1,529	2,359	1,016	\$127.3	\$20.4	\$30.3	\$9.3	\$57,851	6.2	\$9.8	2.3
2049	1,182,579	392.5	1,546	2,325	1,019	\$130.9	\$20.8	\$31.0	\$9.3	\$58,185	6.2	\$9.9	2.0
2050	1,185,464	394.7	1,571	2,267	1,022	\$134.7	\$21.3	\$31.7	\$9.4	\$58,497	6.2	\$10.0	2.1

Employment Sectors

2015-2020 History, 2021-2050 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	371.8	47.3	15.0	25.4	12.3	51.1	13.1	31.8	3.9	60.0	31.4	68.7
2016	383.3	46.9	16.0	25.2	13.2	52.8	13.3	32.4	3.8	63.9	32.8	71.0
2017	390.2	46.1	17.4	25.6	14.1	52.9	13.8	31.1	3.6	67.2	33.8	72.6
2018	398.3	44.2	18.7	25.9	15.4	53.5	14.1	32.5	3.6	69.3	34.5	74.5
2019	407.5	44.1	19.0	26.2	16.6	53.4	14.3	34.6	3.4	72.5	35.7	75.2
2020	390.0	41.1	18.6	25.8	18.4	51.6	13.5	33.8	3.0	72.0	28.6	72.5
2021	401.5	42.5	19.3	26.1	19.1	52.8	14.1	35.1	3.1	73.3	31.0	73.8
2022	410.9	43.1	19.6	26.3	19.4	52.5	14.3	36.7	3.2	75.4	33.1	75.3
2023	418.4	43.6	20.5	26.4	19.7	51.8	14.4	38.0	3.3	76.7	35.1	76.5
2024	423.9	42.8	20.4	26.5	20.0	51.5	14.5	39.3	3.3	78.0	37.4	77.5
2025	429.1	42.3	20.0	26.7	20.3	51.2	14.6	40.5	3.3	79.3	39.4	78.4
2026	436.3	43.0	20.2	26.7	20.6	51.1	14.7	41.7	3.4	80.6	41.3	79.6
2027	443.1	43.7	20.3	26.8	20.9	51.0	14.8	43.0	3.4	81.8	43.2	80.7
2028	447.9	43.1	19.9	26.8	21.2	51.0	14.9	44.2	3.4	82.9	44.9	81.8
2029	452.9	42.6	19.7	26.8	21.4	51.0	15.0	45.5	3.4	84.1	46.5	82.7
2030	457.9	42.2	19.7	26.9	21.7	51.1	15.0	46.7	3.4	85.2	48.0	83.6
2031	462.1	41.8	19.6	26.9	21.9	51.1	15.1	47.9	3.4	86.2	49.2	84.4
2032	466.2	41.6	19.4	26.9	22.2	51.0	15.2	49.2	3.4	87.3	50.1	85.1
2033	469.9	41.4	19.2	26.9	22.4	51.0	15.3	50.4	3.4	88.2	50.9	85.7
2034	473.6	41.2	19.1	26.9	22.6	51.1	15.3	51.6	3.4	89.2	51.6	86.3
2035	477.1	41.0	19.0	26.9	22.8	51.1	15.4	52.8	3.4	90.2	52.1	86.8
2036	480.5	40.9	18.9	26.9	23.0	51.1	15.4	54.0	3.4	91.1	52.6	87.2
2037	483.6	40.7	18.6	27.0	23.3	51.2	15.5	55.2	3.4	92.0	53.1	87.6
2038	486.7	40.6	18.4	27.0	23.5	51.4	15.6	56.4	3.4	92.9	53.6	88.0
2039	489.7	40.5	18.3	27.0	23.7	51.4	15.6	57.5	3.4	93.7	54.1	88.3
2040	492.7	40.4	18.1	27.0	23.9	51.5	15.7	58.7	3.4	94.5	54.6	88.6
2041	495.6	40.4	18.1	26.9	24.1	51.4	15.7	59.8	3.5	95.4	55.1	88.8
2042	498.5	40.2	18.1	27.0	24.3	51.4	15.8	61.0	3.5	96.2	55.6	89.0
2043	501.4	40.1	18.3	27.0	24.4	51.2	15.8	62.1	3.5	97.0	56.1	89.3
2044	504.1	40.0	18.1	27.0	24.6	51.2	15.9	63.2	3.5	97.8	56.6	89.4
2045	506.8	39.9	18.0	27.0	24.8	51.2	15.9	64.3	3.5	98.6	57.2	89.6
2046	509.5	39.8	17.9	27.0	25.0	51.1	15.9	65.4	3.5	99.5	57.6	89.8
2047	512.1	39.7	17.9	27.0	25.2	51.0	16.0	66.5	3.5	100.3	58.1	89.9
2048	514.6	39.5	17.8	27.0	25.3	51.0	16.0	67.6	3.5	101.1	58.5	90.0
2049	516.9	39.4	17.7	27.0	25.5	50.8	16.0	68.6	3.5	101.9	59.0	90.2
2050	519.4	39.3	17.6	27.0	25.7	50.8	16.1	69.6	3.5	102.8	59.4	90.3

Fresno County Economic Forecast

Socioeconomic Indicators

