

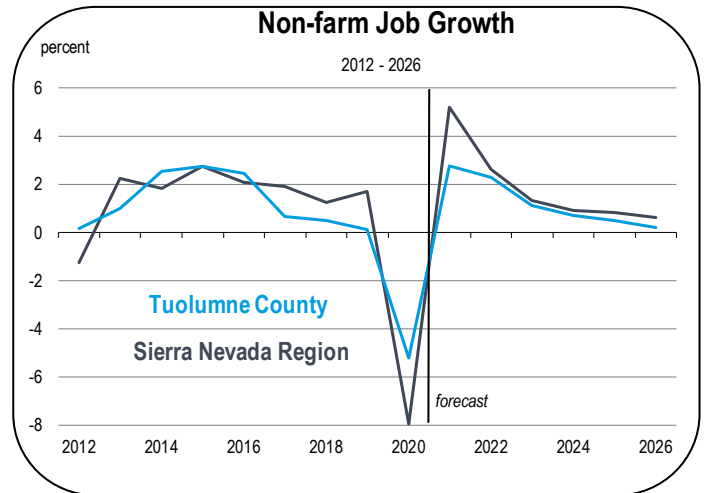
# Tuolumne County Economic Forecast

## Forecast Summary

- On an annual average basis, 500 non-farm jobs will be restored in Tuolumne County during 2021, representing approximately half of the jobs that were lost in 2020.
- A full labor market recovery is expected in 2022 or 2023.
- Over the 2021-2026 forecast period, total employment in Tuolumne County is expected to increase by 1,300 jobs. Government, leisure services, healthcare, and construction will be responsible for virtually all job growth.
- The unemployment rate averaged 12.1 percent in 2020. It is forecast to average 8.1 percent in 2021 and 5.5 percent in 2022.
- The Tuolumne County population is expected to decline sharply during the forecast period.
- The median home price increased by 6 percent in 2020. Home prices are expected to increase by 12 percent in 2021 and 5 percent in 2022.
- The Tuolumne County economy is heavily dependent on tourism. Each year thousands of visitors travel to the region to hike, camp, ski, snowboard, and visit local casinos.

## Job Growth

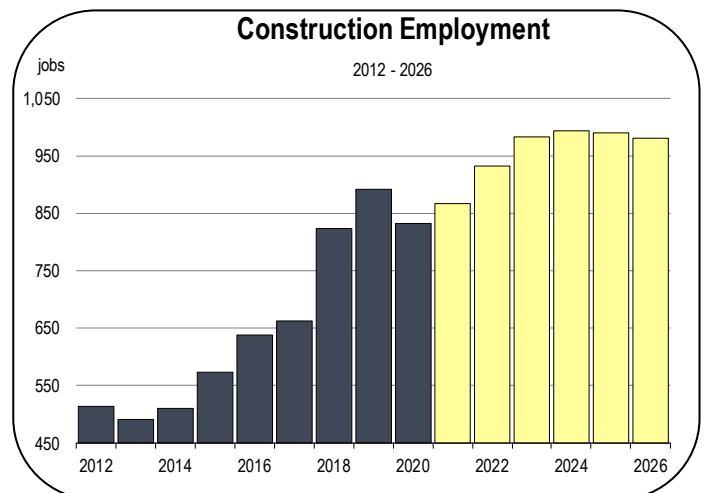
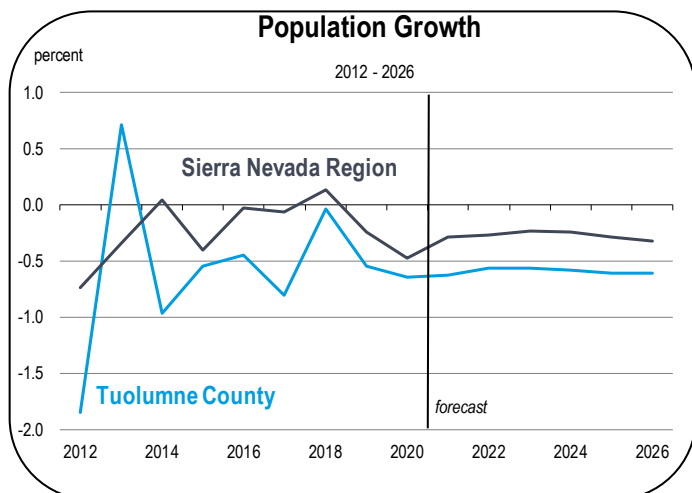
- Total employment in Tuolumne County will expand by 2.7 percent in 2021 on an annual average basis.



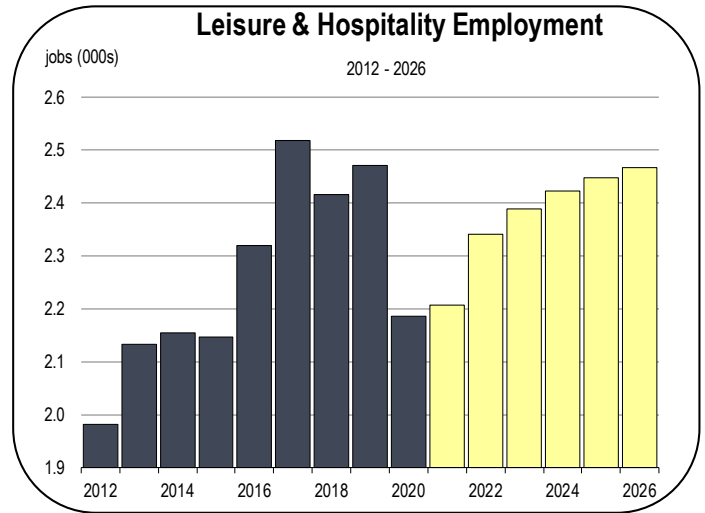
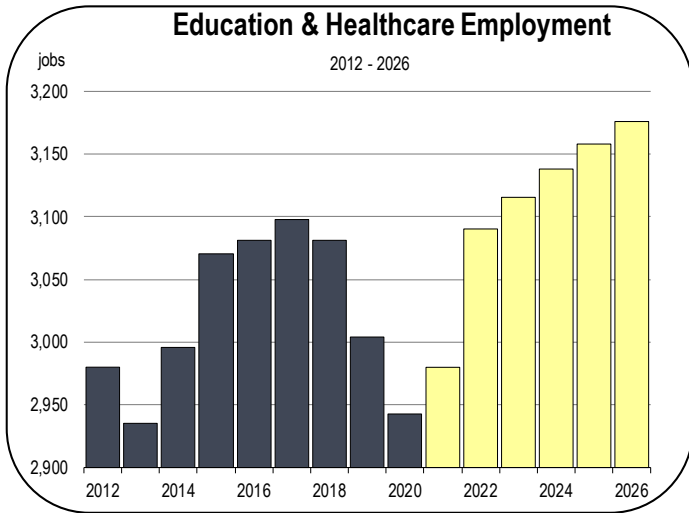
- Between 2022 and 2026, job growth will average 1.0 percent per year.

## Construction Employment

- Construction activity expected to accelerate in Tuolumne County.
- Over the 2021-2026 forecast period, almost twice as many homes will be built as compared to the 2015-2020 period.
- Non-residential construction activity will also rise, with more investment into office, retail, and warehousing structures.



# Tuolumne County Economic Forecast



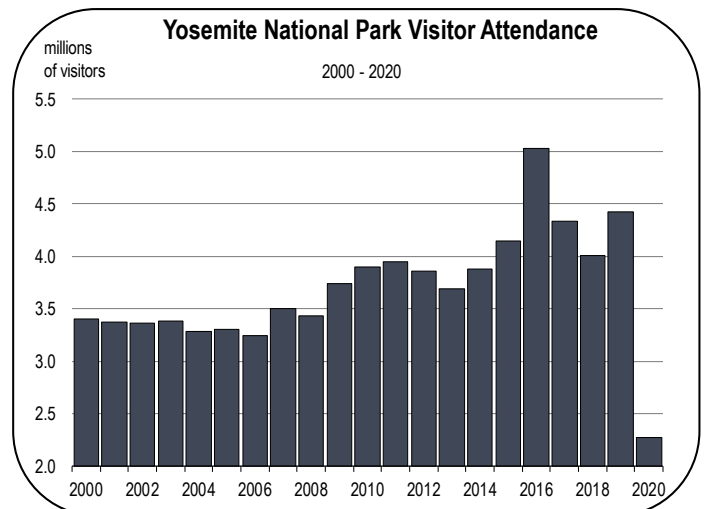
## Private Education and Healthcare Employment

- Employment levels in the Tuolumne County healthcare industry have contracted for 3 consecutive years, due largely to layoffs at Adventist Health and to the closure of 2 outpatient care facilities.
- Healthcare employment is expected to expand sharply in 2022 and continue to grow throughout the forecast period.
- Tuolumne County has a high share of residents who are older than 75, and the elderly population is only expected to increase, ultimately necessitating a larger healthcare workforce in the county.

## Leisure and Hospitality Employment

- Yosemite National Park is the primary tourism attraction in Tuolumne County.
- Visitor traffic to Yosemite directly supports jobs at hotels and restaurants, and visitor spending indirectly creates jobs in retail trade and other industries. In 2020, visitor attendance fell to multi-decade lows.
- Aside from Yosemite, visitors travel to Tuolumne County to ski and snowboard at Dodge Ridge Ski resort, which directly employs up to 1,000 workers during the peak winter months.
- Tuolumne County has 2 casinos - Black Oak Casino and Chicken Ranch Bingo and Casino - that draw tourists from the Central Valley.

- In 2020 the leisure and hospitality sector was subjected to an abysmal snow year, the Coronavirus Recession, and travel restrictions.
- There has been anecdotal evidence that visitors defied the travel restrictions to visit the Tuolumne County area during 2020, but most of these visitors did not stay in local hotels, eat at local restaurants, or shop at local stores, and therefore contributed very little to the vibrancy of the local economy.
- In 2021 and 2022, it is expected that tourism activity will begin to return to normal, and that local leisure and hospitality businesses will generate higher levels of revenue and re-hire staff. But developments in this sector are ultimately dependent on snowfall totals, the availability of campsites at Yosemite, and the comfort of consumers in returning to pre-pandemic travel patterns.



# Tuolumne County Economic Forecast

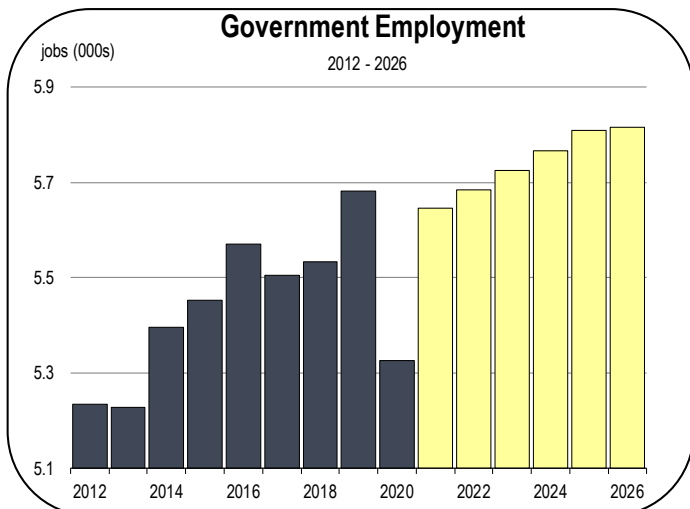


Hetch Hetchy Reservoir

## Government Employment

- The California State Government has several large departments that are located in Tuolumne County, including the Hetch Hetchy Project and the Sierra Conservation Center. Combined, these agencies employ more than 1,000 local workers.
- The Hetch Hetchy project oversees a dam and reservoir that send water to the San Francisco Bay Area.
- The dam was built in response to a San Francisco water crisis in the 1910s and was completed in 1923.

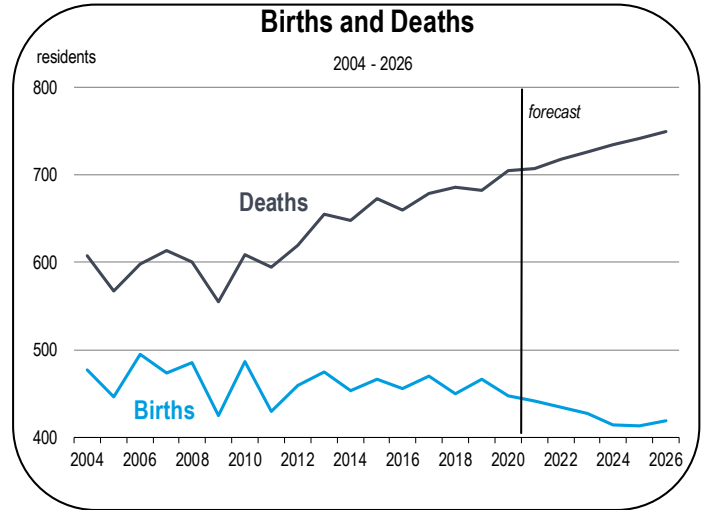
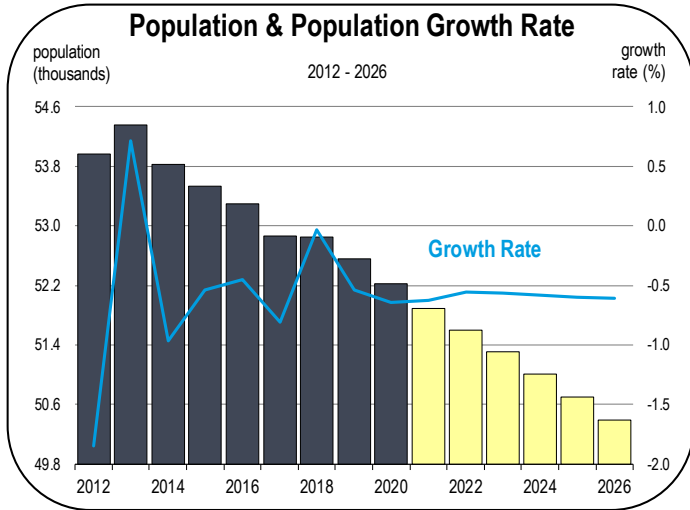
- Today, the Hetch Hetchy Project is responsible for the water service of 2.6 million people.
- The Sierra Conservation Center is a correctional facility in Jamestown that houses 3,300 inmates and employs more than 500 workers.
- Many local government workers will be re-hired in 2021 as schools re-open to in-person instruction.
- Other government jobs will be restored due to federal funding that will be allocated to local government agencies.
- Government agencies will generate approximately 500 jobs between 2021 and 2026, which is more than any other industry in Tuolumne County.



## Population Growth

- The Tuolumne County population has declined steadily for more than a decade.
- By 2020, the county had only 52,200 residents. At its peak in 2006, the county had 56,600 residents.
- Tuolumne County's population is much older than the statewide average.
- As of 2020, more than 12 percent of Tuolumne County's population was age 75 or older, compared to just 7 percent of California's population.

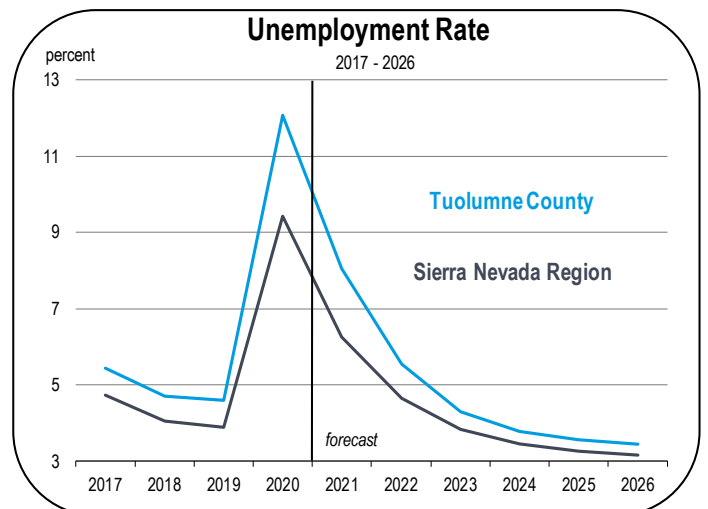
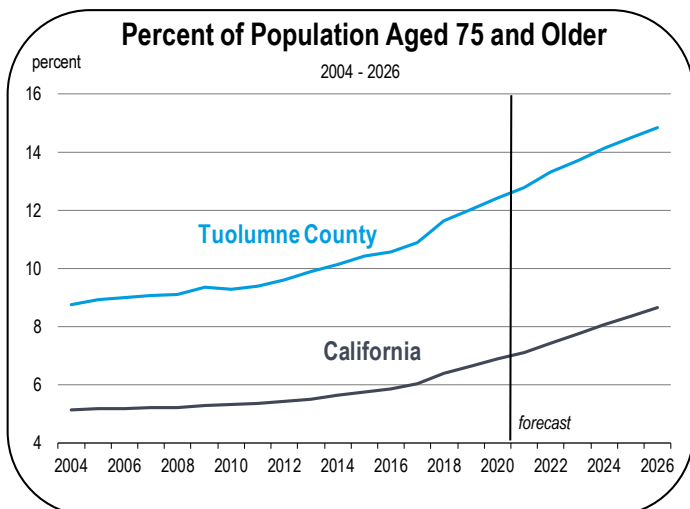
# Tuolumne County Economic Forecast



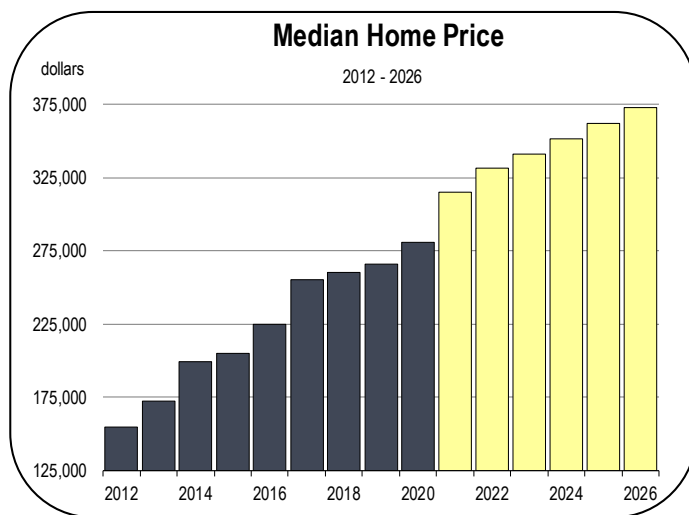
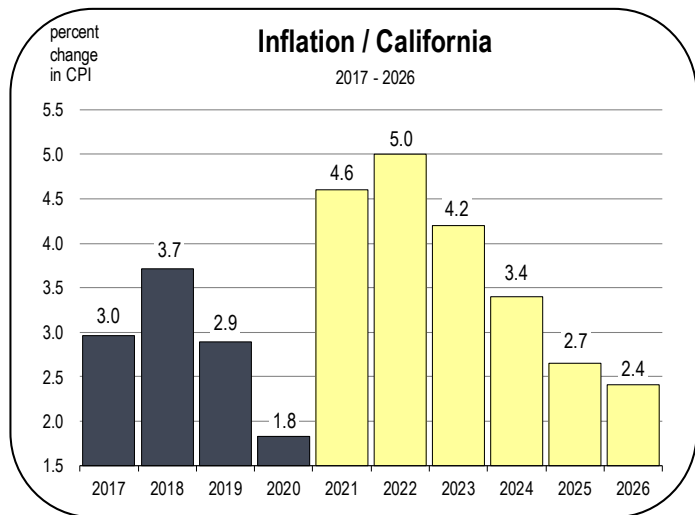
- Because Tuolumne County has a high share of residents aged 75 and older, the number of deaths exceeds the number of births.
- Over the forecast period, the number of people moving into the county will be approximately equal to the number of people moving out, but because deaths will exceed births, the overall population will decline.
- The population declined at an average rate of 0.5 percent annually over the last six years. It is expected to decline by 0.6 percent annually over the next six years.

## Unemployment and Inflation Rates

- The unemployment rate in Tuolumne County averaged 12.1 percent in 2020.
- An unemployment rate below 6.0 percent signifies a fully employed workforce in Tuolumne County.
- The unemployment rate is expected to average 8.1 percent in 2021 and 5.5 percent in 2022.



# Tuolumne County Economic Forecast

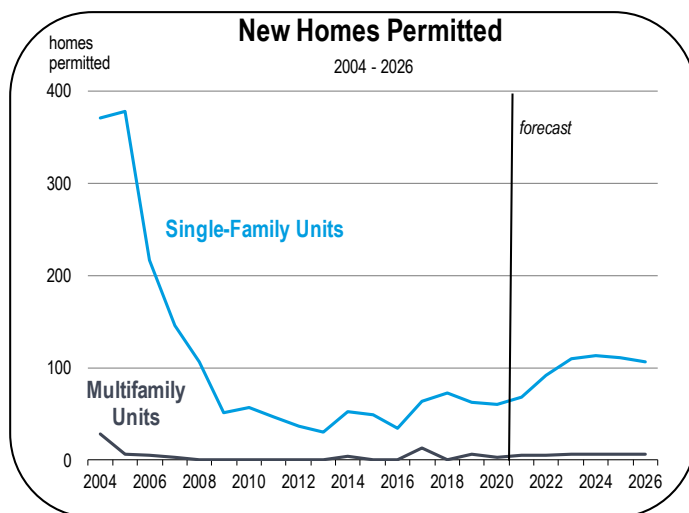


- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
  - Record levels of spending by consumers and government agencies
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it 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.

- In 2021, prices are forecast to expand rapidly in almost all California markets.
- Price appreciation should slow down in 2022, but the median price could approach \$375,000 by 2026.
- From 2015 to 2020, an average of 60 new homes were started per year in Tuolumne County. Virtually all were single-family homes.
- Housing production is expected to average 90 to 120 homes per year from 2021 to 2026, consisting mostly of single-family homes.
- A number of capital improvement projects are also expected to break ground, including several bridge replacements and road reconstructions.

## Home Prices and New Housing Production

- In 2020 the median home price in Tuolumne County was \$280,900.
- The median price is expected to increase very quickly in 2021 as the number of homes on the market plummets and the number of house hunters grows.



# Tuolumne 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 (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	53,531	22.2	-134	49	76.9	\$2.3	\$495	\$651	\$411	\$49,583	7.1	\$31.9	1.4
2016	53,291	22.1	2	34	78.9	\$2.4	\$515	\$696	\$563	\$51,048	6.2	\$31.0	2.3
2017	52,862	22.2	-190	77	78.0	\$2.5	\$540	\$730	\$723	\$50,874	5.4	\$34.7	3.0
2018	52,843	22.3	179	73	79.0	\$2.6	\$550	\$729	\$501	\$50,784	4.7	\$42.9	3.7
2019	52,557	22.4	-51	68	80.5	\$2.7	\$573	\$777	\$625	\$51,555	4.6	\$41.8	2.9
2020	52,217	22.4	-82	63	80.1	\$2.8	\$607	\$813	\$658	\$54,492	12.1	\$43.1	1.8
2021	51,890	22.5	-63	73	80.6	\$2.9	\$634	\$851	\$644	\$54,742	8.1	\$43.2	4.6
2022	51,599	22.5	-8	97	81.3	\$3.0	\$649	\$874	\$638	\$54,602	5.5	\$43.2	5.0
2023	51,309	22.6	8	116	81.8	\$3.1	\$667	\$898	\$652	\$55,882	4.3	\$43.3	4.2
2024	51,010	22.7	21	119	82.2	\$3.2	\$685	\$923	\$660	\$56,963	3.8	\$43.4	3.4
2025	50,702	22.8	21	117	82.3	\$3.3	\$694	\$936	\$666	\$57,843	3.6	\$43.4	2.7
2026	50,393	22.9	21	113	82.9	\$3.4	\$702	\$947	\$673	\$58,665	3.4	\$43.5	2.4
2027	50,080	23.0	22	108	83.2	\$3.5	\$710	\$957	\$680	\$59,577	3.4	\$43.6	2.2
2028	49,754	23.1	23	105	83.3	\$3.6	\$718	\$968	\$687	\$60,433	3.4	\$43.7	2.3
2029	49,411	23.2	23	103	83.2	\$3.7	\$737	\$991	\$688	\$61,063	3.4	\$43.7	2.2
2030	49,057	23.2	22	101	83.3	\$3.8	\$760	\$1,022	\$691	\$61,661	3.3	\$43.8	2.2
2031	48,683	23.3	22	98	83.0	\$3.9	\$776	\$1,044	\$691	\$62,365	3.3	\$43.9	2.3
2032	48,294	23.4	22	91	83.0	\$4.0	\$796	\$1,071	\$691	\$62,910	3.3	\$44.0	2.2
2033	47,891	23.5	22	89	82.9	\$4.1	\$814	\$1,095	\$692	\$63,681	3.3	\$44.1	2.0
2034	47,485	23.6	22	86	82.9	\$4.2	\$832	\$1,120	\$694	\$64,378	3.3	\$44.1	2.1
2035	47,072	23.6	21	84	82.8	\$4.3	\$855	\$1,150	\$694	\$65,076	3.3	\$44.2	2.1
2036	46,657	23.7	21	82	82.4	\$4.4	\$883	\$1,188	\$690	\$65,545	3.3	\$44.3	2.2
2037	46,232	23.8	21	80	81.7	\$4.5	\$909	\$1,224	\$687	\$65,961	3.3	\$44.4	2.2
2038	45,798	23.8	20	72	80.7	\$4.6	\$935	\$1,259	\$685	\$66,501	3.3	\$44.5	2.2
2039	45,356	23.9	20	68	79.7	\$4.7	\$963	\$1,296	\$681	\$66,950	3.3	\$44.6	2.2
2040	44,907	23.9	20	64	78.9	\$4.9	\$988	\$1,330	\$678	\$67,441	3.3	\$44.7	2.1
2041	44,453	24.0	19	58	78.1	\$5.0	\$1,010	\$1,361	\$676	\$68,153	3.3	\$44.8	2.2
2042	43,996	24.0	19	56	77.6	\$5.1	\$1,033	\$1,391	\$675	\$68,905	3.3	\$44.9	2.1
2043	43,534	24.1	18	52	77.0	\$5.2	\$1,057	\$1,424	\$674	\$69,704	3.3	\$45.0	2.0
2044	43,074	24.1	18	54	76.4	\$5.3	\$1,076	\$1,450	\$674	\$70,635	3.3	\$45.1	2.2
2045	42,609	24.2	17	52	76.2	\$5.4	\$1,102	\$1,484	\$674	\$71,475	3.3	\$45.2	2.2
2046	42,147	24.2	17	50	76.0	\$5.5	\$1,126	\$1,517	\$673	\$72,238	3.3	\$45.3	2.2
2047	41,687	24.3	16	48	76.1	\$5.6	\$1,151	\$1,551	\$672	\$72,810	3.3	\$45.4	2.2
2048	41,233	24.3	16	46	76.0	\$5.7	\$1,182	\$1,592	\$671	\$73,316	3.3	\$45.5	2.3
2049	40,781	24.3	16	44	76.1	\$5.8	\$1,209	\$1,629	\$671	\$74,030	3.3	\$45.7	2.0
2050	40,325	24.4	15	37	76.1	\$5.9	\$1,239	\$1,669	\$671	\$74,604	3.3	\$45.8	2.1

## Employment Sectors

## 2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	17,360	63	574	803	235	2,670	512	938	208	3,071	2,147	5,453
2016	17,790	70	638	787	252	2,638	491	1,028	208	3,081	2,319	5,571
2017	17,920	75	663	797	213	2,535	485	1,073	193	3,098	2,518	5,504
2018	17,990	63	824	819	200	2,536	494	1,088	155	3,081	2,415	5,534
2019	18,040	86	891	840	201	2,539	496	1,108	133	3,004	2,470	5,682
2020	17,110	92	832	827	176	2,533	472	1,073	119	2,943	2,186	5,325
2021	17,580	92	867	821	190	2,551	480	1,089	117	2,980	2,207	5,646
2022	17,970	92	932	820	199	2,545	479	1,114	114	3,090	2,341	5,684
2023	18,170	92	983	820	208	2,549	475	1,127	113	3,116	2,389	5,725
2024	18,300	92	993	821	216	2,550	471	1,139	112	3,138	2,423	5,766
2025	18,390	92	990	821	221	2,540	466	1,150	110	3,158	2,448	5,809
2026	18,430	92	981	821	228	2,529	462	1,161	109	3,176	2,467	5,815
2027	18,470	93	968	821	234	2,518	459	1,172	106	3,192	2,486	5,831
2028	18,470	93	964	821	237	2,507	455	1,182	103	3,205	2,506	5,802
2029	18,550	93	959	820	240	2,510	450	1,191	99	3,214	2,515	5,857
2030	18,560	93	954	819	245	2,518	446	1,200	95	3,221	2,524	5,838
2031	18,610	93	950	819	246	2,518	442	1,208	91	3,224	2,533	5,882
2032	18,650	93	931	817	250	2,519	438	1,216	87	3,224	2,542	5,927
2033	18,670	94	926	816	253	2,522	434	1,223	83	3,221	2,551	5,944
2034	18,690	94	921	815	256	2,522	429	1,229	78	3,216	2,559	5,958
2035	18,710	94	917	813	259	2,527	425	1,235	73	3,209	2,568	5,984
2036	18,720	94	912	812	260	2,533	420	1,241	68	3,200	2,577	5,993
2037	18,690	94	907	810	259	2,535	416	1,246	63	3,188	2,586	5,982
2038	18,670	94	887	808	257	2,537	411	1,251	58	3,174	2,594	5,990
2039	18,650	95	876	806	255	2,539	406	1,255	53	3,157	2,603	5,990
2040	18,630	95	865	804	255	2,538	402	1,259	48	3,139	2,612	5,997
2041	18,620	95	848	802	254	2,538	397	1,263	42	3,118	2,620	6,034
2042	18,620	95	843	800	255	2,539	392	1,266	37	3,096	2,629	6,055
2043	18,610	95	831	798	255	2,541	387	1,269	31	3,072	2,638	6,080
2044	18,630	96	841	796	255	2,541	383	1,271	26	3,047	2,647	6,118
2045	18,620	96	835	794	258	2,544	378	1,273	20	3,019	2,656	6,138
2046	18,610	96	830	792	260	2,546	373	1,275	14	2,991	2,664	6,160
2047	18,550	96	825	789	262	2,545	369	1,276	9	2,962	2,673	6,139
2048	18,490	97	819	787	264	2,548	364	1,278	3	2,933	2,682	6,108
2049	18,460	97	814	785	267	2,550	359	1,279	-2	2,902	2,691	6,106
2050	18,350	97	793	783	268	2,553	355	1,279	-8	2,870	2,700	6,049

# Tuolumne County Economic Forecast

## Socioeconomic Indicators

