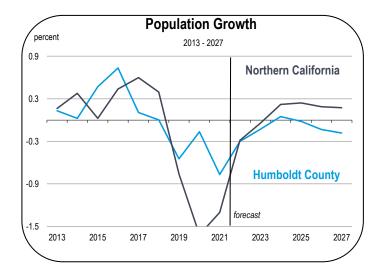
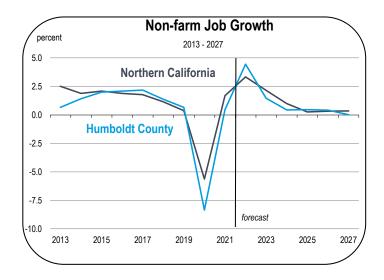
Forecast Summary

- Restoration of jobs in Humboldt County has proceeded rapidly during 2022. The county is on pace to add 2,100 jobs to the workforce, accounting for approximately 50 percent of the jobs lost in 2020.
- The remaining 2,100 jobs will be recovered in 2023 and 2024. Record levels of employment are expected by 2024.
- Over the 2022-2027 forecast period, total employment in Humboldt County is expected to increase by 3,700 jobs.
- Government, leisure services, healthcare, and retail will be responsible for the majority of all job creation during the forecast period.
- Agriculture employment has expanded sharply in recent years as the Humboldt County cannabis industry has entered the legal market. Further growth is expected, but recent developments in cannabis prices could put job creation at risk.
- The unemployment rate averaged 6.3 percent in 2021 and is on pace to average 3.6 percent in 2022. A further drop to 3.4 percent is forecast for 2023.
- Humboldt has experienced diminishing population as a result of significant net out-migration over the last 3 years, reduced enrollments at the CSU and Community Colleges during the same time, and declining enrollments of K-12 students for many years now. Employment however has rebounded impressively from the pandemic recession but is generally not forecast to add meaningfully to the workforce over time, principally because of diminishing population.
- The median home price increased by 16 percent in 2021.





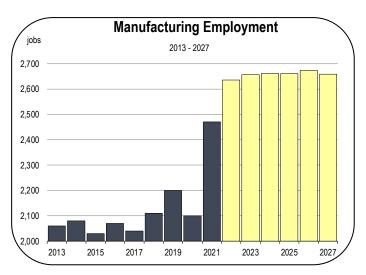
• Home prices are expected to increase by 10 percent in 2022 and 2 percent in 2023. A slowdown in selling value appreciation was observed starting in the summer of 2022.

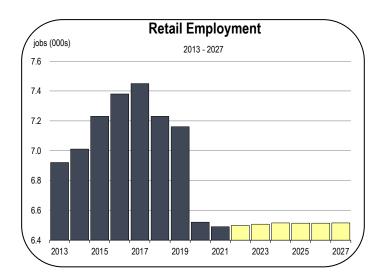
Job Growth

- Total employment in Humboldt County will expand by 4.4 percent in 2022 on an annual average basis. Agriculture, manufacturing, and the recreation industries have been principal contributors to the surge of employment.
- Between 2023 and 2027, job growth will average 0.7 percent.

Manufacturing Employment

• Manufacturing employment rebounded sharpy in 2021, adding 370 jobs. Total employment in manufacturing is now at all-time record levels in the county.

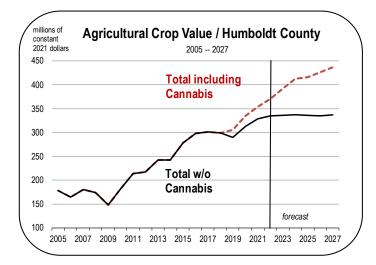


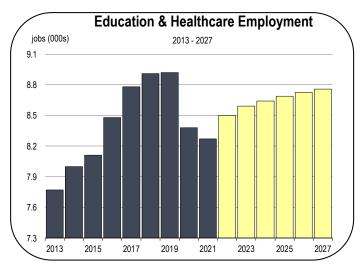


- During the 2022-2027 forecast period, legal cannabis will be a major contributor to the Humboldt County manufacturing sector.
- New jobs are expected to be created to turn cannabis into foods, drinks, and other products, and these jobs will be classified into the manufacturing sector.

Retail Trade Employment

- Humboldt County retail employment was in decline prior to the 2020 recession. Few jobs have been restored to date. The forecast does not call for a recovery in retail jobs. The loss of jobs in 2020-2021 expedited a downward trend that was already in place.
- Competition from online stores has led to lower levels of employment at local brick-and-mortar shops, and the transition to online shopping will lead to a slowdown in job growth between 2023 and 2027.

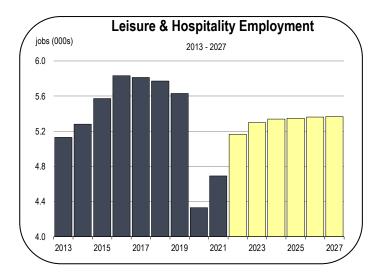




- The legal cannabis industry has expanded rapidly since its inception in 2018, and growth among legal cannabis retailers has helped to offset declines in other retail subsectors.
- The forecast assumption includes a rising production volume of cannabis cultivation in the county over time, based on anecdotal information on how cannabis sales value have contributed to the total agricultural crop value since 2019.
- The expanding contribution of cannabis—both regulated and unregulated—is manifesting in the growth of county retail sales, and other indirect spending by workers both reported and unreported, on many services across the local economy.

Private Education and Healthcare Employment

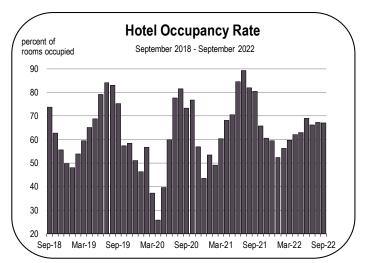
- A large share of the local economy is represented by hospitals and healthcare facilities. Healthcare is the second largest employment industry in the county, trailing only the public sector.
- The largest healthcare employer is Providence St. Joseph Hospital, which has 137 patient beds and employs over 1,000 workers.
- Challenges in recruitment limited job growth in 2021. Employment shrunk by 1.3 percent. During 2022 however, the industry is on pace to expand by 200 workers.
- Other medical facilities that employ 100 or more workers include:
 - Mad River Community Hospital in Arcata
 - Hospice of Humboldt in Eureka
 - Redwood Memorial Hospital in Fortuna



- Over the forecast period, healthcare employment will increase by 200 to 300 jobs, averaging growth of 1.1 percent per year.
- In Humboldt County, there are very few jobs in private educational institutions. Most teachers and education administrators work in the government sector.

Leisure and Hospitality Employment

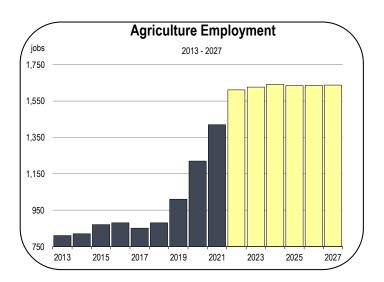
• Humboldt County is home to an expansive forest of redwoods. It has a National Park (Redwood National Park) and more than 10 California State Parks.



- Travelers visit Humboldt County every year to experience the redwoods, with overall tourism activity generating more than \$400 million annually at restaurants, hotels, bars, shops, and related businesses.
- The most popular sites are Avenue of the Giants, which winds through a dense forest, and Redwood Highway, which offers forest and ocean vistas.
- Humboldt County also has an expanding subsector for cannabis tourism where visitors tour cannabis farms and greenhouses.
- The number of visitors to the county declined sharply in early 2020, but by the summer of 2021, the tourism industry had rebounded, restoring hotel/motel occupancy rates to pre-pandemic levels.



Redwood National Park

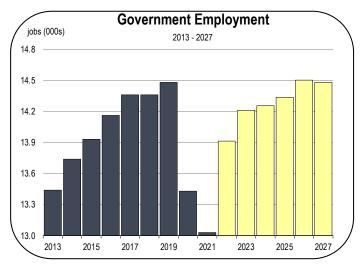


Agriculture Employment

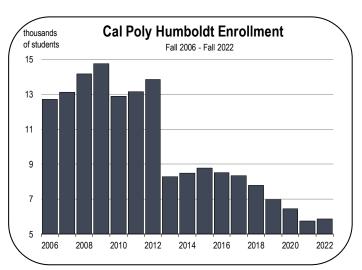
- The agriculture sector expanded sharply in 2021, adding 200 jobs.
- The industry will generate approximately 200 new jobs over the next several years through 2027, principally because job growth in this sector is highly uncertain. The uncertainty is due to the unpredictable direction of cannabis in the county.
- The local cannabis industry is dominated by small farms and greenhouses. During 2021, approximately 1,700 active cultivation permits were held by 900 growers, indicating that the average grower managed less than an acre of land or greenhouse space. Outside of the Emerald Triangle counties, the California cannabis industry is dominated by large operations.
- Because the supply of legal cannabis in California now exceeds demand, prices have dramatically declined during the period of legalization. Declining prices puts the myriad of small growers at risk.
- Anecdotal evidence suggests that small growers have struggled to adapt to lower prices, and the Humboldt County Board of Supervisors has created an emergency relief program to issue \$10,000 cash grants to local companies.
- The future cannabis production in Humboldt County may depend on the ability of small operations to adapt to market fluctuations, or the likelihood that small operations are able to merge into larger entities with better profit margins.

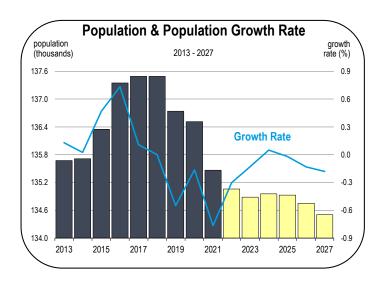
Government Employment

- The public sector contracted by 400 jobs in 2021. The recovery of jobs has been ongoing during 2022, a year in which total public sector employment is expected to rise by 880 jobs.
- By 2027, employment totals should reach pre-pandemic levels.



- There are two prominent public education institutions in Humboldt County: Cal Poly Humboldt and The College of the Redwoods.
- In January 2022, Cal State Humboldt became Cal Poly Humboldt.
- The change is based on addressing North Coast California shortages in STEM majors. New programs were added in 2022 and more will be launched in 2023.
- Cal Poly Humboldt enrollment was 5,858 students for the Fall 2022.
- Enrollment is 7 percent higher than in 2021, but it has not rebounded to average enrollment levels that prevailed ten years ago.
- Currently, it has the least enrollment of the 21 principal Cal State campuses.
- The College of the Redwoods located in Eureka is a public community college with a Fall 2022 enrollment of 4,665 students.
- The total number of faculty and administrative staff is 561.



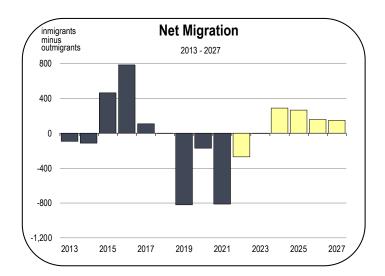


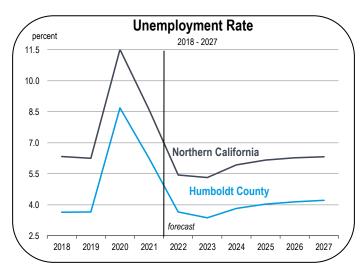
Population Growth

- The population is expected to remain on a path of contraction over the forecast, at least through 2030.
- Net migration is expected to be positive, with more residents moving into the county than moving out, but because the county has a large number of residents over the age of 75, deaths have begun to outnumber births, causing the overall population to shrink.
- By the end of the 2022-2027 forecast period, the county will have approximately 134,500 residents.

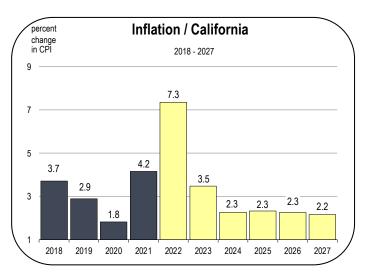
Unemployment and Inflation Rates

• The unemployment rate averaged 6.3 percent in 2021. An unemployment rate below 5.0 percent signifies a fully employed workforce in Humboldt County.





- The unemployment rate is expected to average 3.6 percent in 2022 and 3.4 percent in 2023.
- 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.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022
 - 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



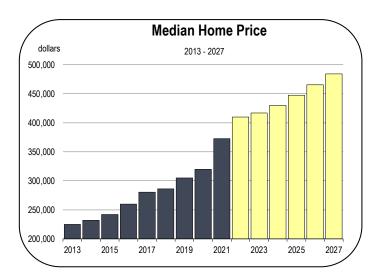


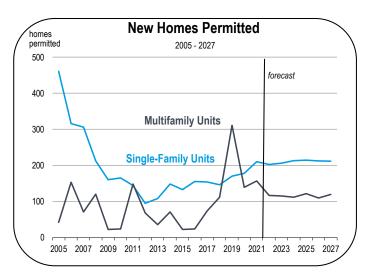
Humboldt County Coastline

- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

Home Prices and New Housing Production

- In 2021, the median home value was \$372,500. For single family detached homes, the median selling price was \$408,545. During 2022, sell values peaked in July at \$480,000.
- Price appreciation is now slowing throughout California with most counties reporting selling price contractions over the 2nd half of 2022. The median selling price for Humboldt County is forecast to rise only 1.6 percent in 2023.
- From 2016 to 2021, an average of 240 new homes were started per year in Humboldt County. Approximately 60 percent were single-family homes and the rest were multifamily units.
- Housing production is expected to average 350 to 400 units per year from 2022 to 2027, consisting primarily of single-family homes.





Cannabis

- As part of the famed Emerald Triangle, Humboldt County and its neighboring counties Mendocino and Trinity make up the most renown cannabis-producing region in the country.
- The cultivation of cannabis is a principal economic engine in Humboldt County. Humboldt leads the state in Cannabis cultivation licenses at 1,163. However, the county is estimated to include approximately 5,000 pot farms within its borders. Consequently, nearly 4,000 of these farms remain as part of the unregulated or illegal market.
- The regulated cannabis market does offer opportunity to those who can afford the permitting and taxation start-up costs. But prices have dropped sharply due to overproduction, and in Southern Humboldt, legalization has become an economic threat.
- It is estimated that the unregulated market generates up to \$1.25 billion per year. If validated, this would make cannabis the leading driver of economic growth in Humboldt County.
- According to the Humboldt Sheriff, legalization of cannabis did not decrease illegal cultivation operations. And many large busts do routinely occur. In June 2022, the Sheriff's Office discovered and eradicated 2,392 cannabis plants, totaling 527 pounds.

- The retail selling price for cannabis per pound was \$999 in the US on November 25, 2022. Prices have fluctuated between \$950 and \$1,050 since the summer of 2022 and are predicted to remain close to \$1,000 into March 2023.
- Taxable sales of Cannabis in Humboldt County totaled \$49.7 million in 2021. The pace of sales during calendar 2022 based on the first two quarters of the year will generate approximately \$40 million for the full year, or about 20 percent less.

New Development

- One of the biggest development projects going on in Humboldt County is the Nordic Aquafarms project. The Nordic Aquafarms Project is a proposed fish farm on the Samoa Peninsula.
- The development is predicted to produce 150 permanent jobs and will provide \$10,000,000 in environmental mitigation to clean up the heavily polluted old Pulp Mill site.
- Nordic Aquafarms is planned to have the capacity to raise 27,000 metric tons of Atlantic Salmon, but at the cost of discharging 12.5 million gallons of liquid waste daily.
- The EIR for Nordic Aquafarms was approved in August 2022, but this approval is currently being appealed by multiple environmental groups.



Nordic Aquafarms

Economic Indicators

2015-2021 History, 2022-2050 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)	Unemployme Rate (percent)	Real nt Farm I Production (millions)(j	
2015	136,348	56.4	465	155	153	\$5.8	\$1.5	\$2.0	\$479	\$50,760	5.6	\$278	1.4
2016 2017	137,346 137,492	56.4 56.5	784 108	179 228	156 154	\$6.1 \$6.3	\$1.6 \$1.6	\$2.2 \$2.2	\$468 \$468	\$51,367 \$51,500	5.0 4.3	\$298 \$301	2.3 3.0
2017	137,492	56.5 56.6	-3	220	154	\$0.3 \$6.5	\$1.0 \$1.5	\$2.2 \$2.0	\$400 \$458	\$51,500 \$51,268	4.5 3.6	\$301 \$299	3.0 3.7
2018	136,740	56.8	-822	481	152	\$6.7	\$1.5 \$1.5	\$2.0 \$2.1	\$477	\$52,225	3.7	\$305	2.9
2020	136,514	56.9	-171	317	154	\$6.8	\$1.7	\$2.2	\$487	\$51,693	8.7	\$335	1.8
2021	135,467	57.3	-813	367	156	\$7.0	\$1.9	\$2.6	\$492	\$51,907	6.3	\$354	4.2
2022	135,058	57.7	-269	359	156	\$7.5	\$2.0	\$2.7	\$510	\$51,873	3.6	\$370	7.3
2023	134,885	58.1	0	359	157	\$7.9	\$2.1	\$2.8	\$518	\$52,598	3.4	\$391	3.5
2024	134,953	58.4	289	360	157	\$8.2	\$2.2	\$2.9	\$523	\$53,275	3.8	\$412	2.3
2025	134,928	58.7	266	356	157	\$8.5	\$2.2	\$2.9	\$529	\$54,126	4.0	\$415	2.3
2026	134,749	59.1	159	332	158	\$8.8	\$2.3	\$3.0	\$532	\$55,038	4.1	\$426	2.3
2027	134,504	59.4	151	321	158	\$9.1	\$2.3	\$3.1	\$532	\$55,974	4.2	\$437	2.2
2028 2029	134,138 133,758	59.7 59.9	89 113	298 289	158 158	\$9.5 \$9.8	\$2.4 \$2.4	\$3.2 \$3.2	\$533 \$534	\$56,864 \$57,503	4.3 4.3	\$443 \$448	2.2 2.3
2029	133,350	60.2	115	209	150	\$9.0 \$10.1	\$2.4 \$2.5	\$3.2 \$3.3	\$535	\$58,191	4.3	\$440 \$460	2.3
2030	132,905	60.5	116	264	159	\$10.4	\$2.6	\$3.4	\$536	\$58,897	4.3	\$465	2.2
2032	132,416	60.7	117	252	159	\$10.7	\$2.6	\$3.5	\$537	\$59,480	4.1	\$469	2.3
2033	131,885	60.9	119	242	159	\$11.0	\$2.7	\$3.6	\$537	\$60,292	4.1	\$477	1.9
2034	131,313	61.1	120	234	160	\$11.3	\$2.7	\$3.7	\$538	\$61,016	4.0	\$481	2.1
2035	130,699	61.4	122	224	160	\$11.6	\$2.8	\$3.7	\$537	\$61,700	3.8	\$483	2.2
2036	130,082	61.6	125	221	160	\$12.0	\$2.9	\$3.9	\$537	\$62,172	3.7	\$486	2.6
2037	129,469	61.8	129	217	160	\$12.3	\$3.0	\$4.0	\$536	\$62,596	3.6	\$488	2.7
2038	128,880	62.0	134	223	160	\$12.7	\$3.0	\$4.1	\$536	\$63,126	3.5	\$492	2.5
2039	128,323	62.2	137	223	160	\$13.0	\$3.1	\$4.2	\$536	\$63,532	3.5	\$495	2.7
2040	127,785	62.4 62.6	141	222 222	160	\$13.4	\$3.2	\$4.3	\$536 \$535	\$63,954	3.5	\$499	2.6 2.2
2041 2042	127,292 126,842	62.6	145 148	222	160 160	\$13.8 \$14.1	\$3.3 \$3.4	\$4.4 \$4.5	\$535 \$535	\$64,543 \$65,157	3.5 3.5	\$502 \$503	2.2 2.1
2042	126,642	63.0	140	221	160	\$14.1	\$3.4 \$3.4	\$4.5 \$4.6	\$535	\$65,800	3.5	\$505	2.1
2043	126,011	63.2	146	206	160	\$14.9	\$3.5	\$4.7	\$534	\$66,527	3.4	\$509	1.8
2044	125,640	63.4	149	200	160	\$15.3	\$3.6	\$4.8	\$534	\$67,173	3.4	\$512	1.0
2046	125,289	63.6	152	196	160	\$15.7	\$3.6	\$4.9	\$534	\$67,735	3.3	\$514	2.0
2047	124,953	63.7	144	196	160	\$16.1	\$3.7	\$5.0	\$534	\$68,159	3.3	\$517	2.2
2048	124,632	63.9	147	196	160	\$16.5	\$3.8	\$5.1	\$534	\$68,513	3.3	\$521	2.3
2049	124,311	64.1	140	195	160	\$16.9	\$3.9	\$5.3	\$535	\$69,028	3.3	\$523	2.0
2050	123,967	64.3	143	195	160	\$17.3	\$4.0	\$5.4	\$535	\$69,485	3.3	\$526	2.1

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thous	Financial Activities sands of jobs	Professional Services s)	Information	Health & Education	Leisure	Government
2015	48.7	0.9	1.8	2.0	1.2	8.2	1.6	2.7	0.5	8.1	5.6	13.9
2016	49.7	0.9	1.8	2.1	1.2	8.4	1.7	2.8	0.4	8.5	5.8	14.2
2017	50.7	0.9	2.0	2.0	1.2	8.4	1.7	2.9	0.4	8.8	5.8	14.4
2018	51.4	0.9	2.1	2.1	1.1	8.3	1.8	3.3	0.4	8.9	5.8	14.4
2019	51.9	1.0	2.2	2.2	1.0	8.3	1.8	3.6	0.4	8.9	5.6	14.5
2020	47.9	1.2	2.2	2.1	1.0	7.6	1.7	3.3	0.3	8.4	4.3	13.4
2021	48.3	1.4	2.3	2.5	1.1	7.6	1.7	3.2	0.3	8.3	4.7	13.0
2022	50.5	1.6	2.3	2.6	1.1	7.6	1.7	3.3	0.3	8.5	5.2	13.9
2023	51.3	1.6	2.3	2.7	1.1	7.6	1.7	3.4	0.3	8.6	5.3	14.2
2024	51.5	1.6	2.3	2.7	1.1	7.6	1.7	3.5	0.3	8.6	5.3	14.3
2025	51.7	1.6	2.3	2.7	1.1	7.6	1.7	3.5	0.3	8.7	5.3	14.3
2026	51.9	1.6	2.2	2.7	1.1	7.6	1.8	3.5	0.3	8.7	5.4	14.5
2027	51.9	1.6	2.2	2.7	1.2	7.6	1.8	3.6	0.3	8.8	5.4	14.5
2028	51.9	1.6	2.2	2.7	1.2	7.6	1.8	3.6	0.3	8.8	5.4	14.5
2029	52.0	1.6	2.2	2.7	1.2	7.6	1.8	3.6	0.3	8.8	5.4	14.4
2030	52.0	1.6	2.1	2.7	1.2	7.6	1.8	3.6	0.3	8.9	5.4	14.4
2031	52.0	1.6	2.1	2.7	1.2	7.6	1.8	3.6	0.3	8.9	5.4	14.4
2032	52.0	1.6	2.1	2.7	1.2	7.6	1.8	3.6	0.3	8.9	5.4	14.4
2033	52.0	1.6	2.1	2.7	1.2	7.6	1.8	3.6	0.3	8.9	5.5	14.4
2034 2035	52.0 52.0	1.6 1.6	2.1 2.1	2.7 2.7	1.2 1.2	7.6 7.6	1.8 1.8	3.6 3.6	0.3	9.0 9.0	5.5 5.5	14.3 14.3
2035	52.0 52.0	1.6	2.1	2.7	1.2	7.6	1.8	3.6 3.6	0.3 0.3	9.0 9.0	5.5 5.5	14.3
2030	52.0	1.6	2.1	2.7	1.2	7.6	1.0	3.6	0.3	9.0 9.1	5.5	14.3
2037	52.0 52.0	1.6	2.1	2.7	1.2	7.6	1.7	3.6 3.6	0.3	9.1 9.1	5.5 5.5	14.2
2038	52.0	1.6	2.1	2.7	1.2	7.6	1.7	3.6	0.3	9.1 9.1	5.5	14.2
2039	52.0	1.6	2.1	2.6	1.2	7.6	1.7	3.6	0.3	9.1	5.6	14.1
2040	52.0	1.6	2.1	2.6	1.2	7.6	1.7	3.6	0.3	9.1	5.6	14.0
2041	52.0	1.6	2.1	2.6	1.2	7.6	1.7	3.7	0.3	9.2	5.6	14.0
2042	52.0	1.6	2.1	2.6	1.2	7.6	1.7	3.7	0.3	9.2	5.6	14.0
2043	52.0	1.6	2.0	2.6	1.2	7.6	1.7	3.7	0.3	9.2	5.6	13.9
2044	52.0	1.6	2.0	2.6	1.2	7.6	1.7	3.7	0.3	9.2	5.6	13.9
2046	52.0	1.6	2.0	2.6	1.2	7.6	1.7	3.7	0.3	9.2	5.7	13.9
2040	52.0	1.6	2.0	2.6	1.2	7.6	1.7	3.7	0.3	9.3	5.7	13.8
2047	52.0	1.6	2.0	2.6	1.2	7.6	1.7	3.7	0.3	9.3	5.7	13.8
2040	52.0	1.6	2.0	2.6	1.2	7.7	1.7	3.7	0.3	9.3	5.7	13.8
2050	52.0	1.6	2.0	2.6	1.2	7.7	1.7	3.7	0.3	9.3	5.7	13.7
2000	02.0	1.0	2.0	2.0	1.2			0.1	0.0	0.0	0.1	

Socioeconomic Indicators

