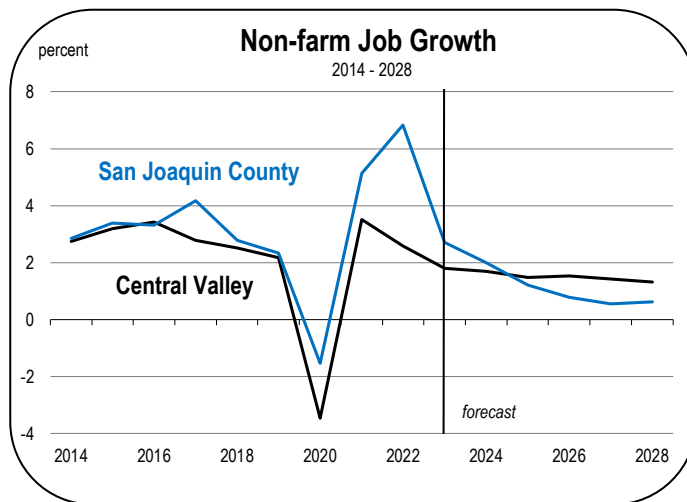


# San Joaquin County Economic Forecast

## Forecast Summary

- The unemployment rate was 5.3 percent in 2022 and will rise slightly in 2023 to 5.7 percent.
- Health and education, transportation, leisure and hospitality, and government all experienced significant gains in employment.
- The leisure and hospitality sector added 3,200 jobs in 2022 and is on pace to create another 1,500 jobs in 2023.
- The total workforce has entirely recovered from the pandemic recession of 2020. In spite of the slight uptick in the unemployment rate, momentum in 2023 has been strong, positioning the county for continued job creation during 2024, notwithstanding a higher interest rate environment.
- Employment growth was a remarkable 6.3 percent in 2022, dropping the unemployment rate to a record low of 5.3 percent. The creation of jobs in 2023 will be slowed by the lack of available workers to fill positions.
- The largest expanding benefit for the Central Valley economies is their geographical advantage for assembly and/or distribution centers in California. Due to this advantage, large industrial and warehousing firms are forecast to expand rapidly in San Joaquin County.
- Manufacturing will add 800 new jobs in 2023
- Transportation and warehousing will generate 1,900 new jobs in 2023.
- The county is among the fastest growing in California in terms of population (and employment). Population growth was negligible in 2022 but is forecast to be 1.2 percent in 2023 and 1.3 percent in 2024.

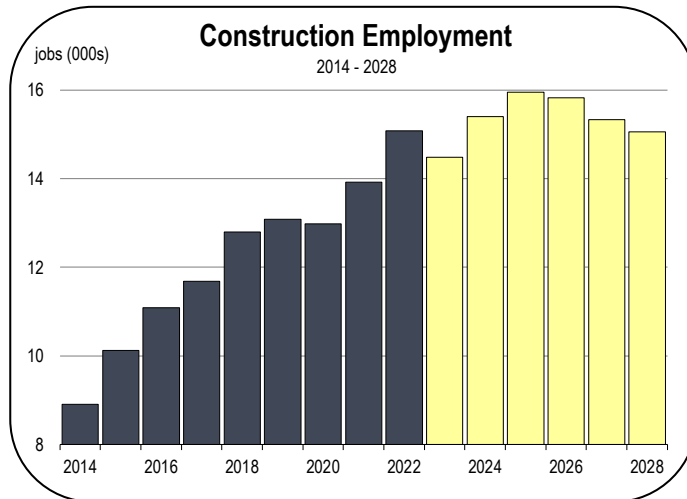
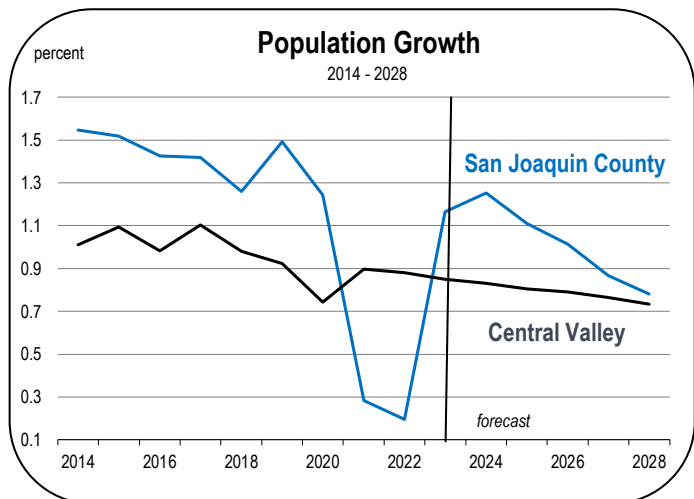


## Job Growth

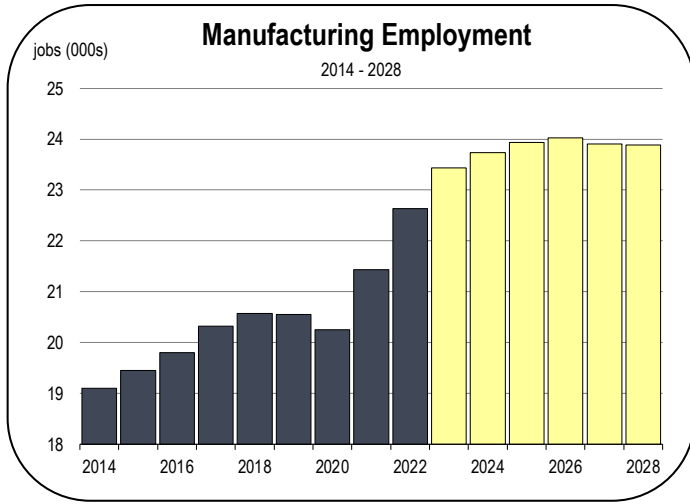
- Total employment in San Joaquin County will rise 2.6 percent in 2023, following a 6.3 percent surge in 2022.
- Between 2023 and 2028, job growth will average 1.3 percent.
- The demand in total employment is forecast at 15,000 jobs between 2023 and 2028.

## Construction Employment

- The construction workforce in the county nearly doubled in size since 2013.
- The pandemic momentarily interrupted this growth trend but as of early 2021 all construction jobs had been restored.



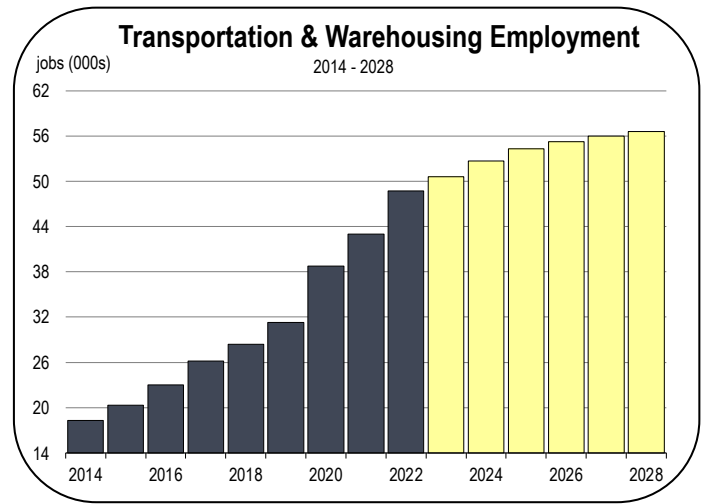
# San Joaquin County Economic Forecast



- The number of jobs in this industry will contract by 600 in 2023 due to high costs of construction labor combined with a pullback in housing construction caused by high mortgage rates that are at cycle highs in 2023.
- Over the next four years, several thousand new residential units will be started and completed in Stockton and across the County. Employment within the construction trades is forecast to expand in 2024 and 2025. After 2025, growth in the construction workforce is expected to moderate.

## Manufacturing Employment

- San Joaquin county has heavy concentrations in food manufacturing and construction material manufacturing.



- The largest firms include Sambado & Sons, processors of nuts, and Leprino Foods Company who make and package cheese. Both companies have in excess of 1,000 workers.
- Jobs in manufacturing rose by 1,200 in 2022 and will increase by another 800 in 2023.
- Milder growth in manufacturing is forecast over the 2024 to 2028 period, a moderate contraction after 2025 may be likely due to robotics and other advances in technology.

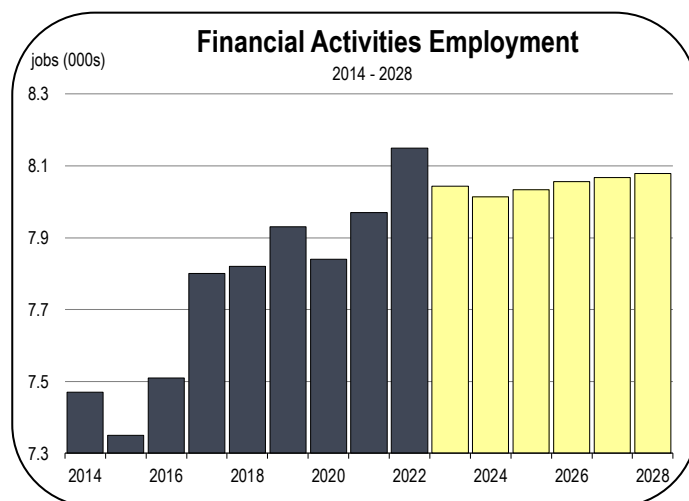
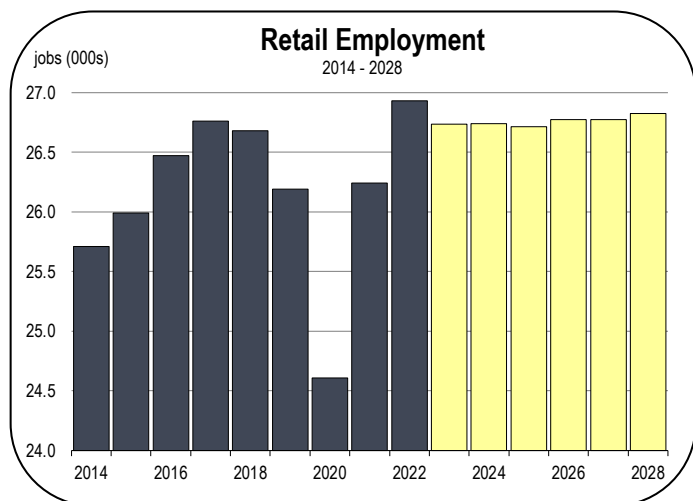
## Transportation and Warehousing Employment

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



Leprino Foods Company

# San Joaquin County Economic Forecast



- Companies often choose San Joaquin County for their fulfillment centers due to its low-cost real estate and proximity to the Port of Oakland. This has largely contributed to the number of jobs in this sector more than doubling over the last seven years.
- Like most other regional economies in California, the transportation and warehousing sector was not impacted by the restrictions imposed on the economy during the ebb and flow cycles of the pandemic in 2020 and early 2021.
- The largest employer in this sector is Amazon, located in Stockton and in Tracy. The company's facilities include warehousing, two fulfillment center locations in Stockton and two in Tracy totaling 4 million square feet, a logistics center in Tracy and Stockton, and the Amazon Gateway at the Stockton Airport.
- The City of Tracy alone estimates the total Amazon workforce at 4,600 employees. The latest Tracey facility is 3.5 million square feet located on Grant Line Road. It is the most advanced fulfillment center that Amazon operates.
- The 2.2 million Safeway Distribution Center in Tracy employs an estimated 1,700 workers. Home Depot operates a 646,000 square foot distribution center also in Tracy. Smucker's distribution center is 480,000 square feet. Costco Distribution and Food Processing facilities are also located in Tracy and employ approximately 700 workers.
- Costco has also formally proposed the construction and operation of two additional distribution buildings totaling 1.8 million square feet. The warehouses would support the existing distribution and e-commerce facilities in Tracy.

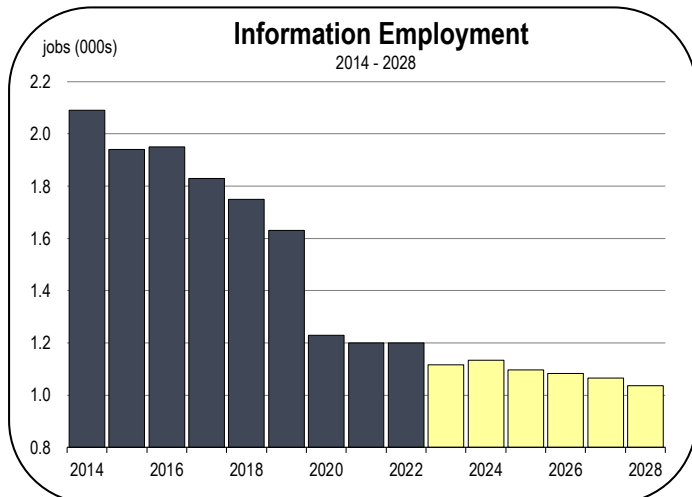
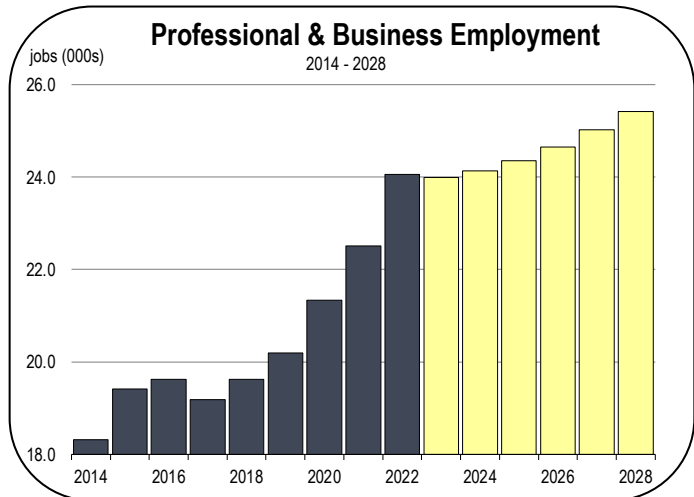
## Retail Trade Employment

- Retail jobs that were lost with the economic shutdowns during 2020 were entirely recovered by 2021.
- Consumers opting to purchase goods online instead of at physical stores within the County have created turbulence in the retail trade labor market. However due to all the new development of housing and the supportive retail that accompanies new housing, there will be moderate growth in retail employment over the forecast period.

## Financial Activities Employment

- The San Joaquin County financial activities industry is mostly comprised of real estate companies, banks, and insurance firms.
- Blue Shield employs about a quarter of the financial activities industry at its office in Lodi.
- The workforce levels of this industry stabilize at approximately 8,000 jobs over the forecast period in spite of a growing population.

# San Joaquin County Economic Forecast



## Professional and Business Services Employment

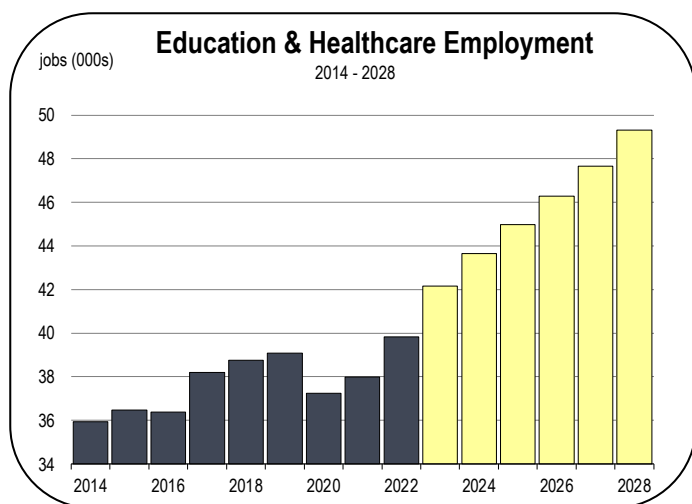
- The professional and business services sector expanded by 6.9 percent in 2022, adding 1,600 jobs.
- Employment in the sector will moderate over the forecast with an average growth rate of 1.0 percent between 2023 and 2028 resulting in the addition of 1,400 jobs.

## Information Employment

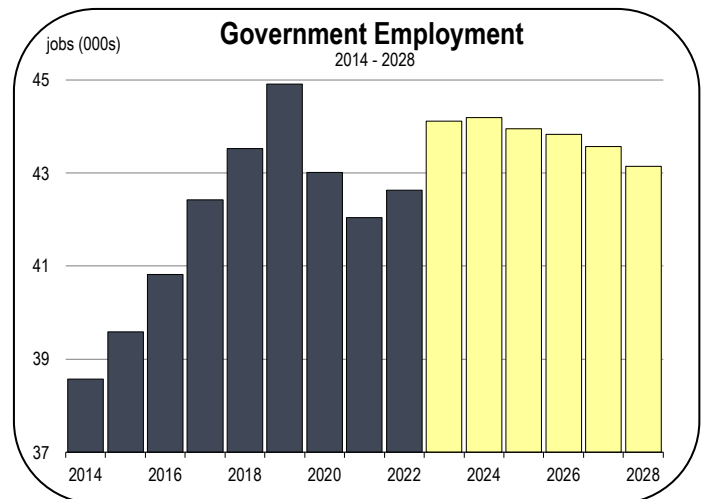
- In San Joaquin County, the information sector is largely comprised of radio and TV broadcasting, movie theaters, and telecommunications companies like Comcast. It also has newspapers, software, Internet, and data services firms.
- The decline in job opportunities in information is the consequence of 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 San Joaquin County 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.
- Overall, this sector will incur a seven percent reduction in the number of jobs.

## Private Education and Healthcare Employment

- Employment in healthcare rebounded sharply in 2022. In 2023, employment will grow 5.8 percent adding 2,300 jobs to an all-time high. This will be the fastest growing sector in the County in terms of job growth over the next 5 years and beyond.
- 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 7,100 jobs between 2023 and 2028.



# San Joaquin County Economic Forecast



- The largest healthcare providers in the County include six of the seven hospitals in the county:
  - Dameron Hospital
  - Lodi Home Health Agency
  - Lodi Memorial Hospital
  - San Joaquin General Hospital
  - St Joseph’s Medical Center
  - Kaiser Permanente
- Blue Shield of California which is technically in the insurance industry employs over 5,000 workers in Lodi.
- St Joseph’s employs 4,600 people and is the largest healthcare organization in the County. Kaiser has 1,200 on staff and the estimated headcount at Lodi Memorial is now at 1,100.

## Leisure and Hospitality Employment

- Jobs in this sector fell by 18.3 percent in 2020 with the loss of 4,100 jobs.
- The sector has more than recovered the loss of jobs with increases in the following two years of 15 percent each resulting in 6,000 more jobs. Job growth will continue to rise by 5.9 percent in 2023 with the creation of 1,500 jobs, and moderate thereafter in the forecast period.

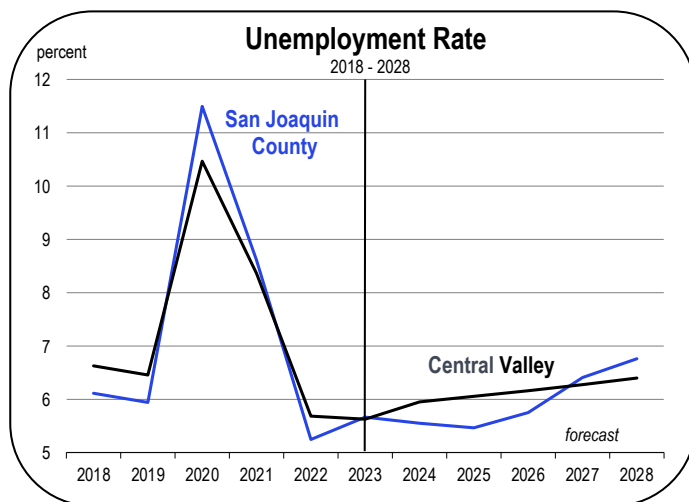
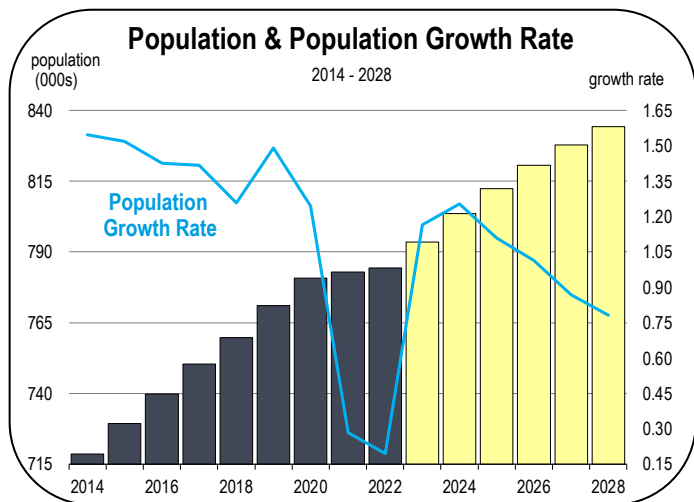
## Government Employment

- The public sector employs 44,000 workers in the County, representing 15 percent of all wage and salary jobs.
- The public sector will add jobs in the near term in tandem with the county’s growth in population. However, there will be a net loss of approximately 1000 jobs over the next five years.



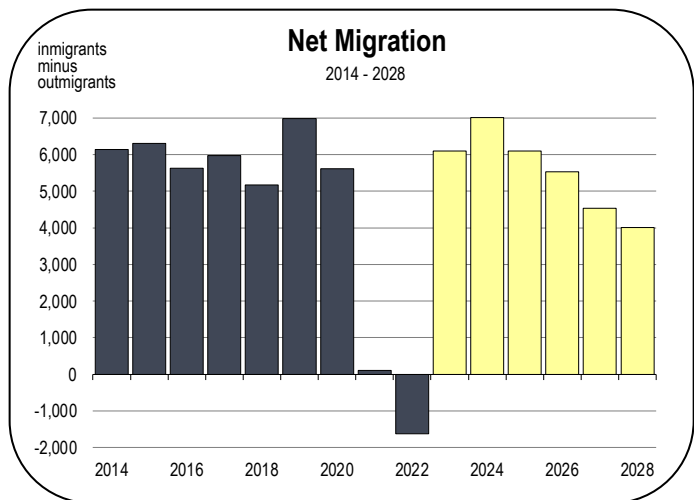
St. Joseph’s Medical Center

# San Joaquin County Economic Forecast



## Population Growth

- The growth of population in San Joaquin County will exceed the average for all of California between 2023 and 2028.
- Net migration has been a principal contributor to population growth in the past. It is expected to remain meaningful to population growth as residents relocate from the Bay Area for more affordable housing options in San Joaquin County.
- An average of 5,500 net migrants are expected to move into San Joaquin County each year between 2023 and 2028.
- The population will expand at an annual average rate of 1.03 percent per year from 2023 to 2028. By 2028, the San Joaquin County population will surpass 834,000 residents.



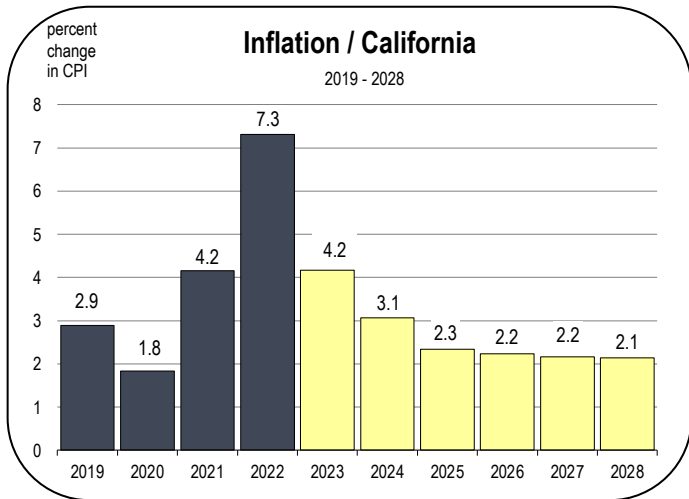
## Unemployment and Inflation Rates

- The unemployment rate averaged 5.3 percent in 2022. An unemployment rate below 7.0 percent signifies a fully employed workforce in San Joaquin County.
- The unemployment rate is expected to be 5.7 percent in 2023.
- Inflation soared to 7.3 percent in 2022, its highest rate in 40 years, but will decelerate in 2023 to 4.2 percent as energy costs level out.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- Disinflation will continue into 2024, and the inflation rate will eventually fall to below 3 percent by 2025 as supply chains and the labor force are restored.

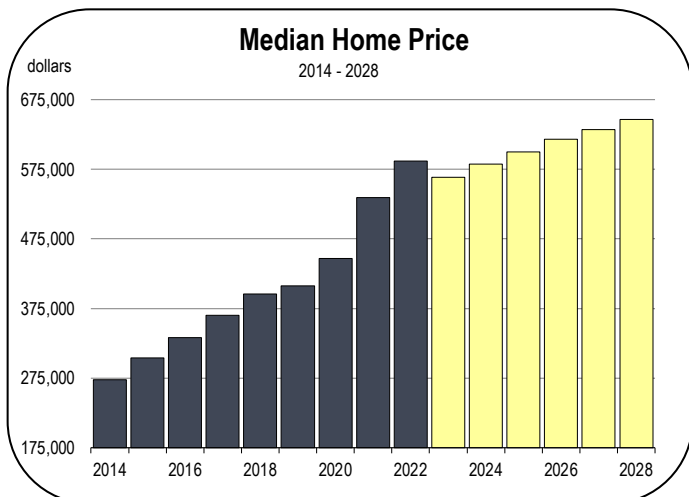
## Home Prices and New Housing Production

- In 2022 the median home value in San Joaquin County was \$587,000, an increase of 9.9 percent from the previous year. During 2023, values have retreated with the median price falling to 551,000 in June 2023, representing an 8 percent year over year decrease.
- Homes in San Joaquin County are more affordable than homes across California, especially Coastal California.
- In San Joaquin County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.

# San Joaquin County Economic Forecast



- 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.
- There is significant construction occurring in San Joaquin County, both residential and non-residential.
- Residential and non-residential development represent key engines of growth for San Joaquin County in the short term.
- From 2017 to 2022, an average of 3,150 new residential units were started per year in San Joaquin County. Approximately 88 percent were single-family homes.
- Housing production is expected to average 3,260 units per year from 2023 to 2028.



## San Joaquin County Development

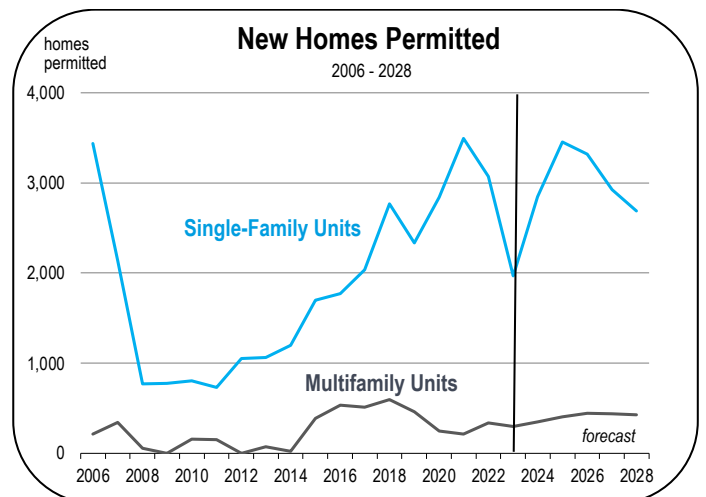
- Many new large developments are underway in San Joaquin County. Lathrop, Manteca, and Tracy all have thousands of units in their pipelines. Below are the principal projects occurring across the county:

### Stockton

- Grand View Village (75 affordable residential units)
  - 75 affordable residential units
  - The project is now completed
- Central Industrial Center
  - 1.1 million square feet
  - The project is under construction
- Stockton Affordable Housing Project
  - 94 affordable residential units
  - The project is now approved

### Tracy

- Tracy Village
  - 590 single family units
- Glenbriar Apartments
  - 264 units
  - The project is completed and rents for one-bedroom apartments start at \$1,700 per month



# San Joaquin County Economic Forecast

## Lodi

- Vineyard Valley Project
  - 743 residential units
  - The project is 95 percent single family detached homes
  - The project is pending annexation of the project area into the city.
  - The city Council favors the project
- Lakehouse Boutique Project
  - 150 apartment units
  - 92-room hotel
  - 240 seat banquet room
  - Large restaurant
  - 18,500 square feet of retail space

## Manteca

- Griffin Park
  - 1,301 residential units
  - Atherton Homes and Raymus Homes are building the first phases of Griffin Park
  - Dolcinea at Griffin Park has 57 homes under construction this year starting at \$585,000
  - Passport at Griffin Park will have 100 homes for sale this year starting at \$611,000.



Tracy Hills Community

## River Islands

- River Islands is a near 5,000-acre property located in Lathrop, approximately 55 miles from Sacramento and 60 from San Jose. It is a large master planned community on the Delta. River Islands is planned for a total build-out of 15,000 homes, ten schools, a downtown retail center, and 5+ million square feet of office space.
- Phase 1 (4,284 homes) is under construction. Hundreds of houses have already been built in many different neighborhoods. Three K-8 schools have also been completed. The 15,000 homes are planned to be built over the next 20 years.

## Tracy Hills

- Tracy Hills is a 5,411-acre resort style master planned community that will deliver 5,980 new single family detached homes. Tracy Hills is located in the foothills of southwest Tracy, 45 minutes from the San Francisco Bay Area. It is also approximately 50 miles from Silicon Valley.
- The Tracy Hills Development is organized into 10 villages and is being developed by Lennar, Meritage, and Shea Homes. Two Villages are completely sold out with a third village on its way.
- Of the 10 villages, 4 have yet to be developed along with a planned elementary school.
- Phase 1 includes 2,216 homes, with the number of new home permits issued as follows:
  - 2021: 615
  - 2022: 388
- In 2023, construction of new homes has been slower, due to the extremely high mortgage rate environment.
- Phase 2 will generate 1,470 new homes and development of infrastructure is now underway.
- Home prices range from \$640,000 to over \$1 million.



# San Joaquin County Economic Forecast

## Economic Indicators

## 2015-2022 History, 2023-2050 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 (billions)	Inflation Rate (percent)
2015	729,411	221.4	6,310	2,085	632	\$30.3	\$7.6	\$11.4	\$6.3	\$49,517	8.9	\$3.5	1.4
2016	739,814	224.0	5,634	2,305	659	\$31.8	\$8.0	\$11.9	\$6.1	\$50,120	8.1	\$2.9	2.3
2017	750,306	226.0	5,972	2,545	667	\$33.2	\$8.7	\$13.3	\$6.4	\$50,055	7.0	\$3.1	3.0
2018	759,753	228.9	5,178	3,362	683	\$34.8	\$9.4	\$14.4	\$6.7	\$50,029	6.1	\$3.0	3.7
2019	771,083	232.4	6,981	2,797	708	\$37.8	\$9.6	\$15.4	\$7.1	\$51,943	5.9	\$3.0	2.9
2020	780,676	241.1	5,610	3,088	720	\$43.4	\$10.8	\$18.2	\$7.7	\$57,852	11.5	\$3.4	1.8
2021	782,894	243.3	100	3,708	741	\$49.1	\$16.0	\$23.9	\$8.9	\$62,775	8.6	\$3.4	4.2
2022	784,420	247.5	-1,620	3,410	758	\$50.0	\$16.2	\$25.1	\$8.8	\$59,450	5.3	\$3.5	7.3
2023	793,557	249.8	6,104	2,265	789	\$53.3	\$15.2	\$24.3	\$8.9	\$60,060	5.7	\$3.4	4.2
2024	803,507	252.1	7,012	3,193	802	\$56.3	\$16.0	\$25.2	\$9.1	\$60,846	5.6	\$3.5	3.1
2025	812,424	255.3	6,092	3,859	811	\$59.0	\$16.7	\$26.1	\$9.2	\$61,553	5.5	\$3.6	2.3
2026	820,666	259.1	5,537	3,764	818	\$61.3	\$17.4	\$27.2	\$9.3	\$61,936	5.8	\$3.6	2.2
2027	827,784	262.9	4,532	3,365	823	\$63.6	\$18.0	\$28.2	\$9.4	\$62,383	6.4	\$3.7	2.2
2028	834,257	266.3	4,006	3,118	829	\$66.0	\$19.0	\$29.6	\$9.4	\$62,891	6.8	\$3.6	2.1
2029	840,383	269.4	3,803	2,898	834	\$68.2	\$19.7	\$30.8	\$9.5	\$63,158	6.9	\$3.7	2.1
2030	846,177	272.3	3,698	2,746	839	\$70.4	\$20.6	\$32.0	\$9.5	\$63,344	6.9	\$3.7	2.2
2031	851,675	275.0	3,588	2,623	845	\$72.6	\$21.3	\$33.2	\$9.6	\$63,597	6.9	\$3.8	2.1
2032	856,887	277.7	3,491	2,578	851	\$74.7	\$22.1	\$34.4	\$9.7	\$63,606	6.7	\$3.8	2.3
2033	861,682	280.3	3,371	2,486	857	\$77.1	\$22.9	\$35.6	\$9.7	\$64,024	6.8	\$3.8	1.9
2034	866,055	282.7	3,262	2,388	863	\$79.5	\$23.6	\$36.7	\$9.8	\$64,380	7.0	\$3.8	2.1
2035	870,002	285.1	3,159	2,290	868	\$82.1	\$24.3	\$37.8	\$9.9	\$64,727	7.1	\$3.8	2.2
2036	873,579	287.4	3,078	2,216	874	\$84.7	\$24.9	\$38.8	\$9.9	\$64,818	7.2	\$3.8	2.6
2037	876,779	289.6	3,002	2,117	879	\$87.4	\$25.6	\$39.8	\$10.0	\$64,896	7.4	\$3.8	2.7
2038	879,499	291.8	2,821	2,016	884	\$90.2	\$26.2	\$40.8	\$10.0	\$65,162	7.5	\$3.8	2.5
2039	881,753	293.8	2,645	1,929	889	\$93.1	\$26.9	\$41.9	\$10.1	\$65,325	7.5	\$3.8	2.7
2040	883,505	295.7	2,468	1,967	893	\$96.1	\$27.6	\$42.9	\$10.1	\$65,570	7.7	\$3.8	2.6
2041	884,773	297.7	2,278	2,051	898	\$99.1	\$28.1	\$43.8	\$10.2	\$66,057	7.8	\$3.8	2.2
2042	885,579	299.7	2,088	2,022	902	\$102.1	\$28.9	\$45.0	\$10.2	\$66,595	7.6	\$3.8	2.1
2043	885,929	301.8	1,896	1,979	906	\$105.1	\$29.7	\$46.2	\$10.2	\$67,194	7.6	\$3.8	2.0
2044	885,826	303.7	1,700	1,928	910	\$108.1	\$30.7	\$47.6	\$10.3	\$67,922	7.7	\$3.8	1.8
2045	885,282	305.7	1,509	1,671	914	\$111.2	\$31.6	\$49.0	\$10.3	\$68,563	7.8	\$3.8	1.9
2046	884,345	307.3	1,324	1,661	917	\$114.2	\$32.5	\$50.4	\$10.4	\$69,139	7.8	\$3.8	2.0
2047	883,057	309.0	1,148	1,611	920	\$117.3	\$33.4	\$51.9	\$10.4	\$69,562	7.8	\$3.8	2.2
2048	881,581	310.6	1,173	1,658	924	\$120.4	\$34.4	\$53.4	\$10.4	\$69,928	7.9	\$3.8	2.3
2049	879,933	312.3	1,187	1,718	927	\$123.6	\$35.5	\$55.0	\$10.5	\$70,520	7.9	\$3.8	2.0
2050	878,093	314.0	1,203	1,721	930	\$126.9	\$36.6	\$56.7	\$10.5	\$71,065	7.9	\$3.8	2.1

## Employment Sectors

## 2015-2022 History, 2023-2050 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	234.9	16.7	10.1	19.5	20.3	36.7	7.4	19.4	1.9	36.5	19.6	39.6
2016	242.1	16.7	11.1	19.8	23.0	37.3	7.5	19.6	2.0	36.4	20.4	40.8
2017	251.2	16.4	11.7	20.3	26.2	38.0	7.8	19.2	1.8	38.2	21.5	42.4
2018	257.0	15.6	12.8	20.6	28.4	38.4	7.8	19.6	1.8	38.8	22.0	43.5
2019	262.5	15.4	13.1	20.6	31.3	37.9	7.9	20.2	1.6	39.1	22.6	44.9
2020	257.8	14.6	13.0	20.3	38.8	35.2	7.8	21.3	1.2	37.3	18.5	43.0
2021	269.9	14.2	13.9	21.4	43.0	37.0	8.0	22.5	1.2	38.0	21.3	42.0
2022	286.9	13.7	15.1	22.6	48.8	38.3	8.2	24.1	1.2	39.8	24.5	42.6
2023	294.2	13.6	14.5	23.4	50.6	38.4	8.0	24.0	1.1	42.2	26.0	44.1
2024	299.7	13.5	15.4	23.7	52.7	38.3	8.0	24.1	1.1	43.7	26.9	44.2
2025	303.2	13.6	16.0	23.9	54.3	38.2	8.0	24.4	1.1	45.0	26.8	43.9
2026	305.6	13.7	15.8	24.0	55.2	38.3	8.1	24.6	1.1	46.3	26.6	43.8
2027	307.4	13.9	15.3	23.9	56.0	38.4	8.1	25.0	1.1	47.7	26.5	43.6
2028	309.5	14.1	15.1	23.9	56.6	38.5	8.1	25.4	1.0	49.3	26.4	43.1
2029	311.4	14.0	14.9	23.8	57.4	38.6	8.1	25.8	1.0	50.9	26.3	42.6
2030	313.3	14.0	14.8	23.7	57.9	38.6	8.1	26.1	1.0	52.6	26.3	42.3
2031	315.7	14.0	14.7	23.5	58.9	38.6	8.1	26.5	1.0	54.3	26.2	42.1
2032	318.1	14.0	14.6	23.4	59.9	38.6	8.0	26.8	0.9	55.9	26.1	41.9
2033	320.5	14.0	14.6	23.3	60.8	38.6	8.0	27.0	0.9	57.5	26.0	41.7
2034	322.9	14.0	14.5	23.3	61.7	38.6	8.0	27.3	0.9	59.2	26.0	41.5
2035	325.3	14.0	14.4	23.2	62.5	38.6	8.1	27.5	0.9	60.8	25.9	41.4
2036	327.6	14.0	14.4	23.2	63.3	38.6	8.1	27.7	0.9	62.5	25.8	41.2
2037	329.8	14.0	14.3	23.2	64.1	38.6	8.1	27.9	0.8	64.1	25.7	41.0
2038	332.0	14.0	14.2	23.2	64.9	38.5	8.1	28.0	0.8	65.7	25.7	41.0
2039	334.2	14.0	14.1	23.2	65.6	38.4	8.1	28.1	0.8	67.3	25.6	41.0
2040	336.5	14.0	14.2	23.2	66.3	38.4	8.1	28.2	0.8	68.8	25.5	40.9
2041	338.7	14.0	14.4	23.2	66.9	38.4	8.1	28.3	0.8	70.3	25.4	40.9
2042	340.8	14.0	14.4	23.2	67.6	38.3	8.1	28.4	0.7	71.8	25.3	40.9
2043	342.8	14.0	14.3	23.2	68.2	38.4	8.1	28.5	0.7	73.3	25.2	40.8
2044	344.9	14.0	14.3	23.3	68.7	38.4	8.1	28.6	0.7	74.8	25.1	40.8
2045	346.7	14.0	14.1	23.3	69.3	38.5	8.1	28.7	0.7	76.3	25.0	40.8
2046	348.6	14.0	14.1	23.3	69.8	38.5	8.1	28.7	0.7	77.7	24.9	40.8
2047	350.5	14.1	14.0	23.3	70.3	38.6	8.1	28.8	0.7	79.1	24.8	40.7
2048	352.4	14.1	14.1	23.3	70.8	38.6	8.1	28.9	0.6	80.5	24.7	40.7
2049	354.3	14.1	14.2	23.3	71.2	38.7	8.1	28.9	0.6	81.9	24.7	40.7
2050	356.2	14.1	14.3	23.3	71.7	38.7	8.1	29.0	0.6	83.2	24.6	40.7

# San Joaquin County Economic Forecast

## Socioeconomic Indicators

