

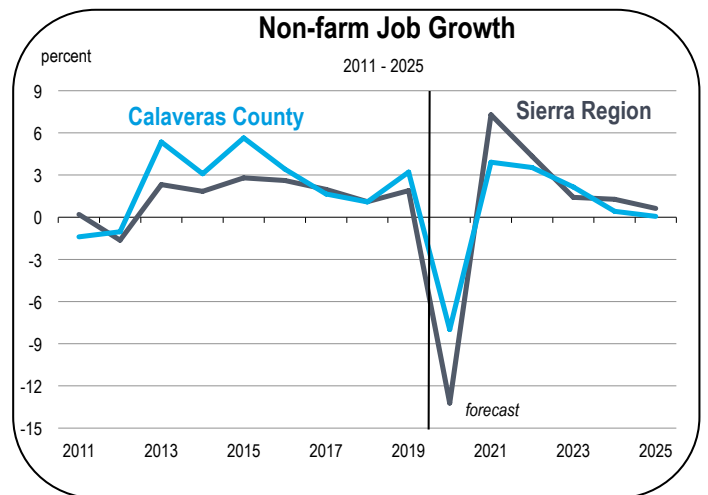
Calaveras County Economic Forecast

Forecast Summary

- It is estimated that an average of 700 to 900 jobs will be lost in Calaveras County during 2020. Job losses will be heavy in the first half of the year, rebounding in the second half.
- The unemployment rate averaged 3.8 percent in 2019. It will average somewhere between 8 percent and 11 percent for the 2020 calendar year.
- The Calaveras County population is expected to decline throughout the 2020-2025 forecast period.
- Home values are expected to increase slowly in 2020 and 2021.
- Housing production during the 2020-2025 forecast period is expected to be similar to the 2014-2019 period.

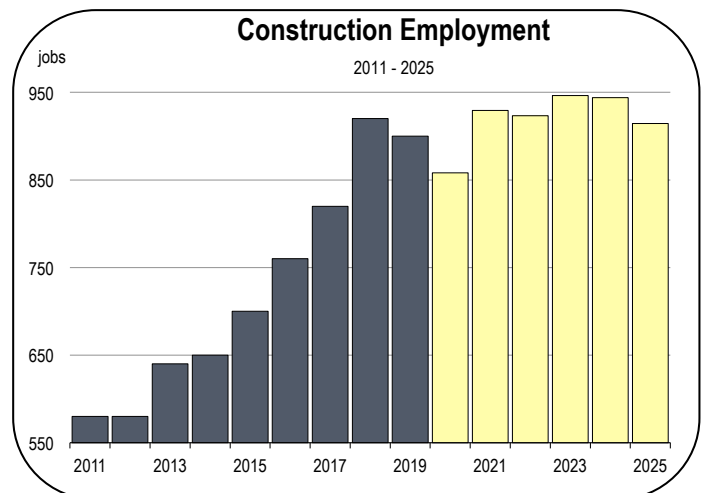
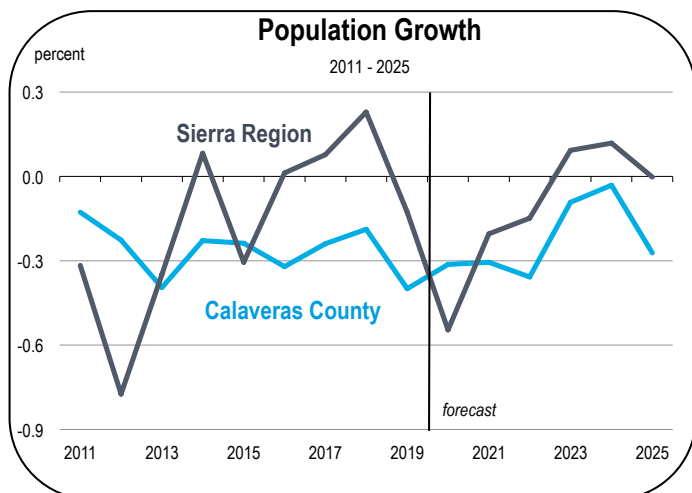
Job Growth

- Total employment in the County will decline between 7 and 9 percent in 2020. This is an annual average change from 2019.
- During 2021, Calaveras County will regain many of the jobs lost during the Coronavirus Recession.
- The Calaveras County economy could return to pre-recession levels of employment during the second half of the forecast period.

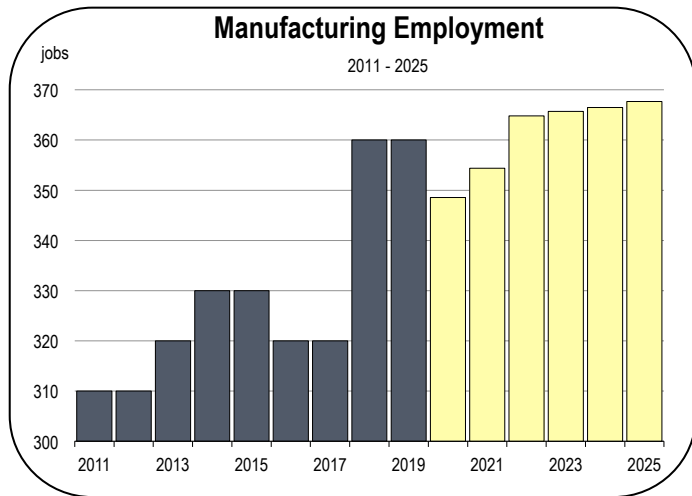


Construction Employment

- The construction sector is expected to lose a small number of 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.
- Construction employment will expand in 2021, but very little growth is expected over the entire 2020-2025 forecast period.



Calaveras County Economic Forecast



Manufacturing Employment

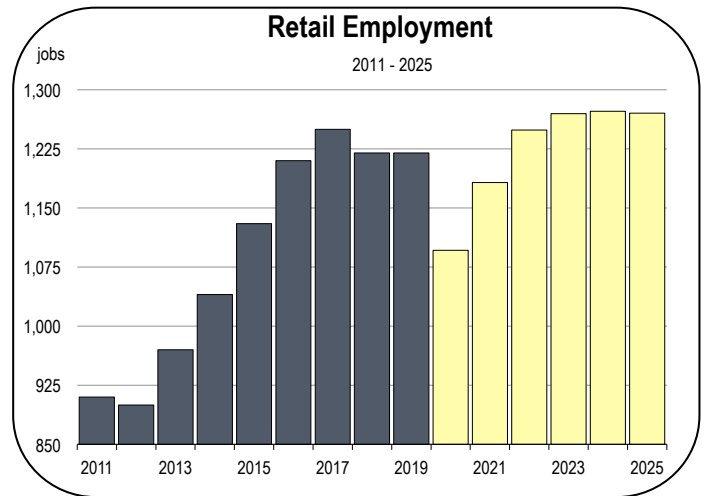
- Calaveras County has a heavy concentration in food and beverage manufacturing firms, which turn agricultural commodities into finished food products. This includes wineries, which have become more prominent in the area over the past decade.
- Manufacturing employment was stagnant in 2019, before the onset of the Coronavirus Recession.
- Manufacturing employment is expected to decrease by a small number of jobs in 2020 and recover slowly during the following few years.

Retail Trade Employment

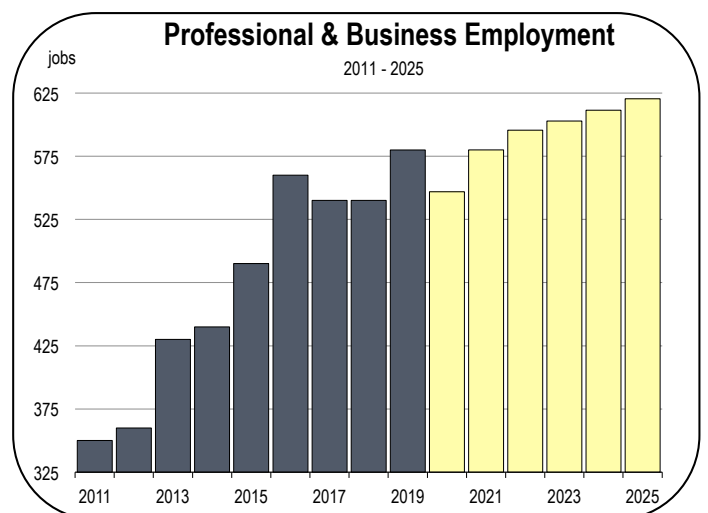
- The retail sector is expected to lose more than 100 jobs in 2020 on an annual average basis, a decrease of at least 8 percent.
- Some retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.
- Accounting for furloughed workers, more than 200 retail workers could be effectively not working, and not earning an income, on an annual average basis in 2020 in Calaveras County.

Professional and Business Services Employment

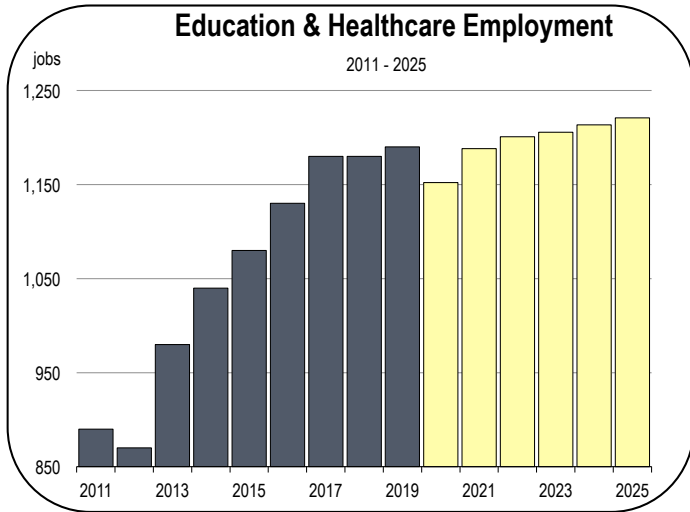
- The professional and business services industry has a diverse array of subsectors, including staffing agencies, accounting firms, building maintenance and waste management companies, and law firms.



- Jobs in building maintenance declined substantially during the shutdowns but began to rebound at office and industrial buildings with repopulating employment.
- Staffing agencies had very significant losses during the contraction, but may bounce back quickly as the economy expands again.
- Staffing agencies primarily employ temp workers. Temp workers are usually laid off first during a downturn but hired back first during a recovery.
- Aside from building maintenance and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were less affected by the recession.



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- Jobs in social assistance and education were mostly classified as essential. Nevertheless, there were layoffs at institutions with revenue shortfalls.

Leisure and Hospitality Employment

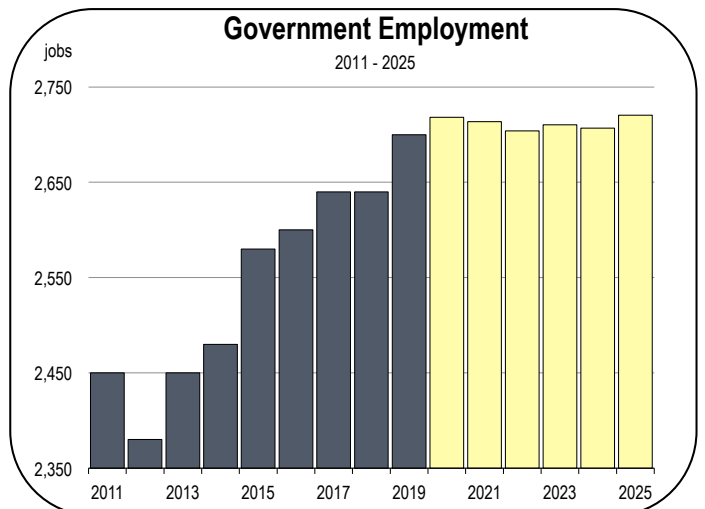
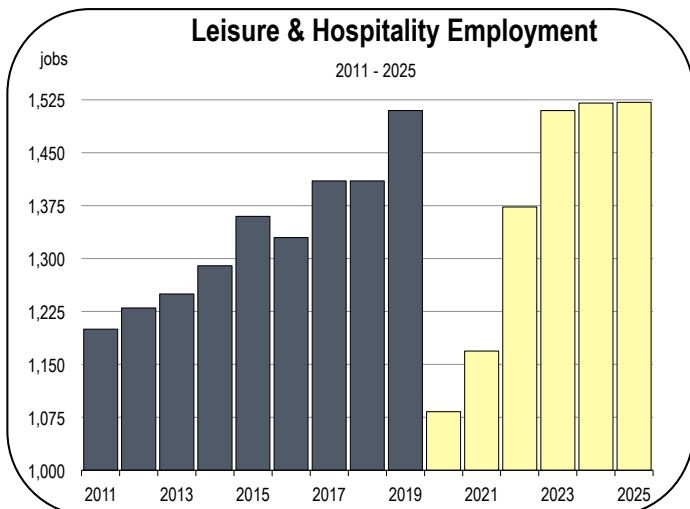
- The leisure and hospitality industry was devastated by the Coronavirus Recession more than any other sector of the California labor market.
- Our research indicates that most leisure workers were laid off, furloughed, or had their hours cut in the months of March and April.
- Jobs at restaurants, bars, and hotels will rebound in 2021 but may not return to pre-recession levels for several years.

Private Education and Healthcare Employment

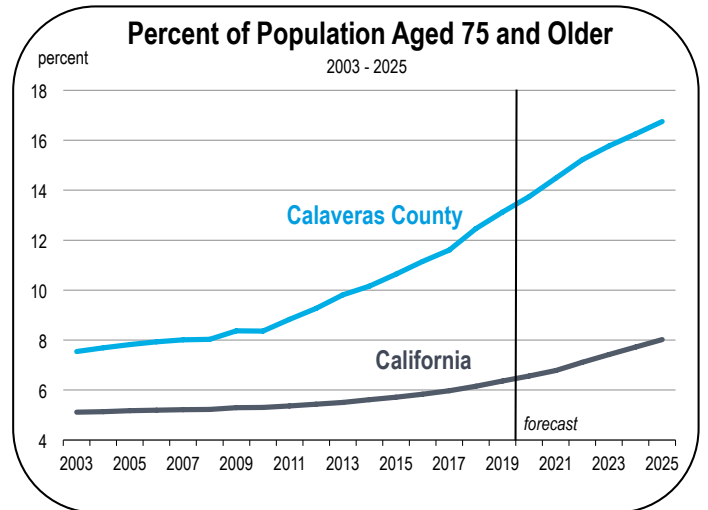
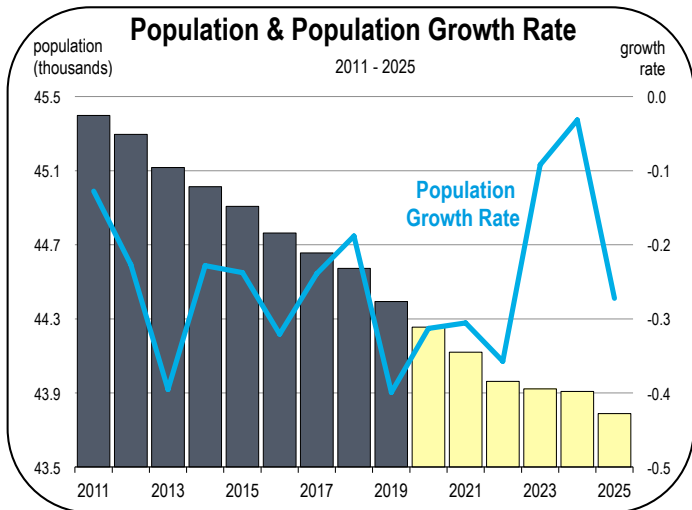
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and hospitals reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.

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.



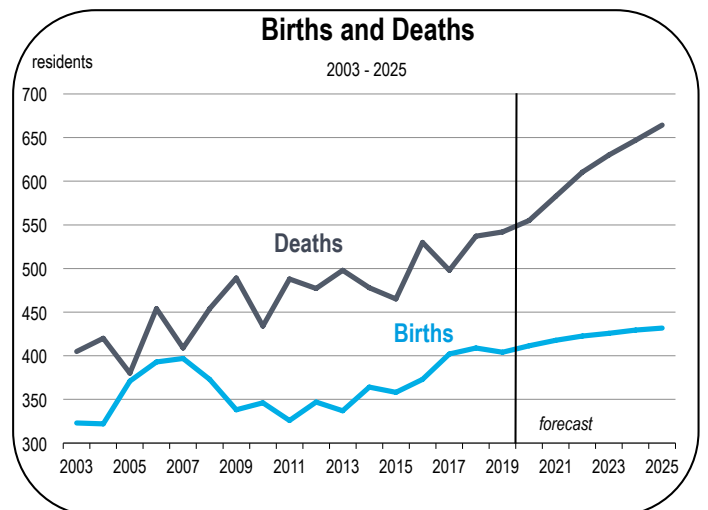
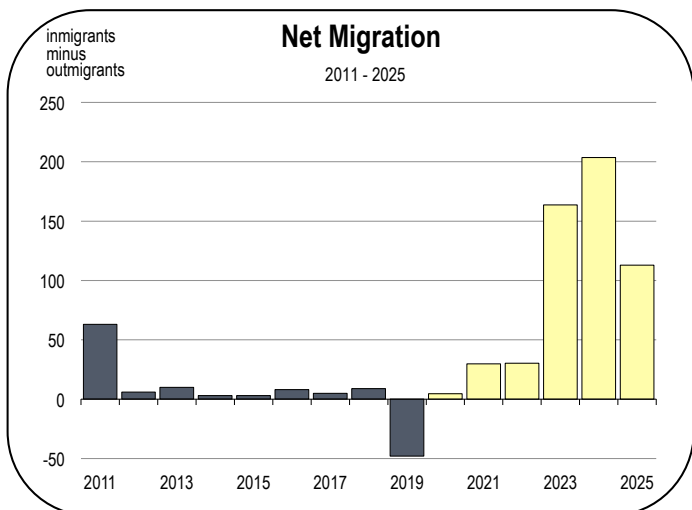
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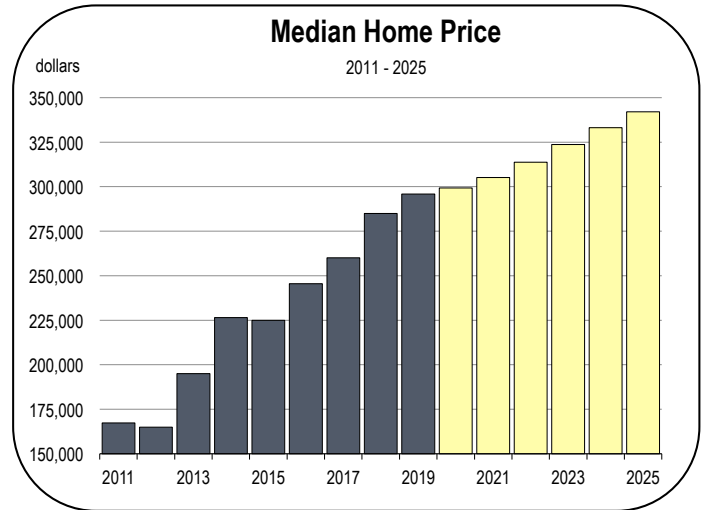
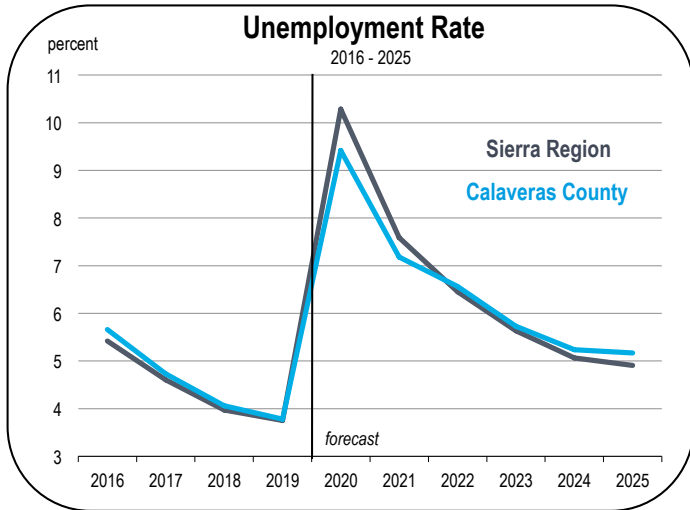
Population Growth

- The Calaveras County population has declined steadily for more than a decade.
- Calaveras County's population is much older than the statewide average. As of 2019, more than 13 percent of Calaveras County's population was age 75 or older, compared to just 7 percent of California's population.
- Because Calaveras County has a high share of residents aged 75 and older, the number of deaths has begun to exceed the number of births.

- Between 2014 and 2019, there were 740 more deaths than births. Between 2020 and 2025, there are expected to be approximately 1,200 more deaths than births.
- Over the forecast period, there will be more people who move into the county than people who move out, but because deaths will exceed births, the overall population will shrink.
- The population declined at an average rate of 0.3 percent annually over the last six years, and is expected to decline by 0.2 percent annually over the next six years.



Calaveras County Economic Forecast



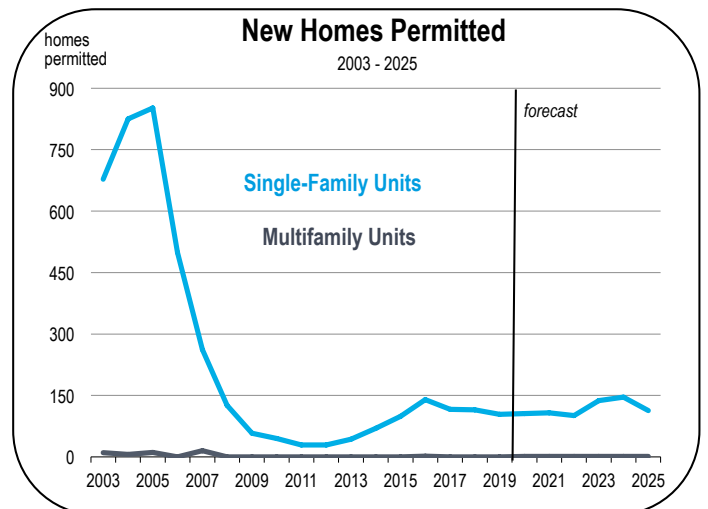
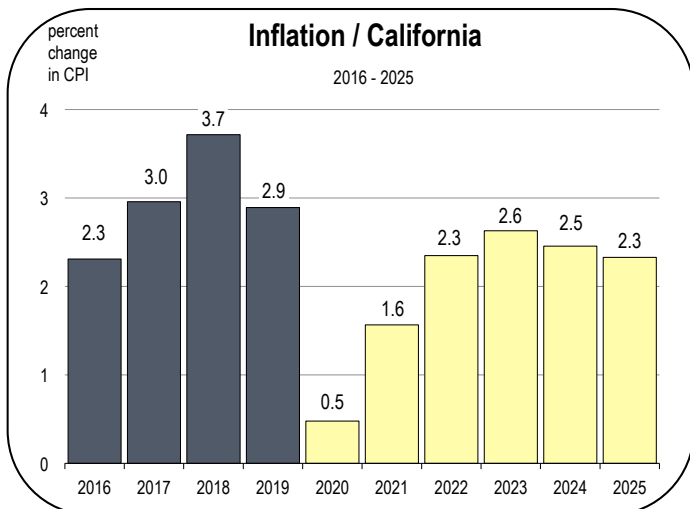
Unemployment and Inflation Rates

- The unemployment rate in Calaveras County averaged 3.8 percent in 2019, which was similar to the composite rate for the Sierra Region.
- The unemployment rate is expected to average between 8 and 11 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. By 2022, inflation could return to a range of 2 percent to 3 percent.

Home Prices and New Housing Production

- In 2019 the median home price in Calaveras County was \$295,800.
- The median price is expected to increase at annual rates of 2 percent to 4 percent in 2020 and 2021.
- From 2014 to 2019, an average of 110 new homes were started per year in Calaveras County. All were single-family homes.
- Housing production is expected to average 110 homes per year from 2020 to 2025, consisting mostly of single-family homes.



Calaveras 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 (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	44,907	19.4	3	99	75.1	\$2.0	236	348	\$90	\$49,813	6.4	\$27	1.4
2016	44,763	18.8	8	142	77.7	\$2.1	260	380	\$142	\$50,843	5.7	\$22	2.3
2017	44,656	18.9	5	116	77.0	\$2.1	286	411	\$212	\$51,491	4.7	\$23	3.0
2018	44,572	19.0	9	115	77.7	\$2.3	280	390	\$123	\$52,440	4.1	\$22	3.7
2019	44,394	19.1	-48	104	79.2	\$2.4	303	430	\$128	\$54,558	3.8	\$22	2.9
2020	44,255	19.2	5	107	78.8	\$2.3	254	362	\$128	\$52,451	9.4	\$22	0.5
2021	44,120	19.3	30	109	78.8	\$2.4	261	358	\$127	\$52,707	7.2	\$21	1.6
2022	43,962	19.3	30	102	79.1	\$2.5	272	372	\$127	\$53,978	6.6	\$21	2.3
2023	43,922	19.4	164	139	79.5	\$2.6	286	391	\$128	\$55,198	5.7	\$21	2.6
2024	43,908	19.5	204	147	79.9	\$2.8	299	412	\$131	\$56,780	5.2	\$22	2.5
2025	43,788	19.6	113	114	80.1	\$2.9	314	434	\$134	\$57,865	5.2	\$22	2.3
2026	43,601	19.7	61	94	80.3	\$3.0	326	453	\$136	\$58,853	5.0	\$21	2.3
2027	43,353	19.7	15	75	80.5	\$3.1	337	469	\$138	\$59,771	4.8	\$21	2.2
2028	43,048	19.8	-20	58	80.6	\$3.2	348	486	\$139	\$60,729	4.7	\$20	2.2
2029	42,711	19.8	-42	48	80.7	\$3.3	358	501	\$140	\$61,599	4.5	\$20	2.3
2030	42,365	19.9	-36	45	80.8	\$3.4	369	517	\$141	\$62,468	4.4	\$19	2.2
2031	42,013	19.9	-24	43	80.8	\$3.5	378	531	\$142	\$63,448	4.4	\$19	2.1
2032	41,653	19.9	-27	41	80.9	\$3.6	388	545	\$142	\$64,233	4.3	\$19	2.3
2033	41,276	20.0	-42	36	81.0	\$3.7	397	558	\$143	\$65,191	4.5	\$19	1.9
2034	40,884	20.0	-58	31	81.0	\$3.7	406	571	\$144	\$66,112	4.6	\$18	2.1
2035	40,477	20.0	-72	26	81.1	\$3.8	417	586	\$144	\$67,032	4.8	\$18	2.2
2036	40,062	20.0	-79	24	81.1	\$4.0	430	605	\$144	\$67,845	4.9	\$18	2.6
2037	39,648	20.0	-87	24	81.2	\$4.1	443	625	\$144	\$68,665	5.0	\$18	2.7
2038	39,268	20.1	-57	35	81.3	\$4.2	456	643	\$144	\$69,551	4.9	\$18	2.5
2039	38,906	20.1	-50	50	81.4	\$4.3	470	663	\$144	\$70,352	5.1	\$18	2.7
2040	38,557	20.1	-43	56	81.5	\$4.4	483	682	\$144	\$71,187	5.1	\$18	2.6
2041	38,240	20.2	-26	66	81.6	\$4.6	494	698	\$145	\$72,162	5.3	\$19	2.2
2042	37,943	20.2	-9	75	81.7	\$4.7	505	714	\$146	\$73,122	5.3	\$19	2.1
2043	37,670	20.3	1	97	81.9	\$4.8	517	731	\$147	\$74,145	5.4	\$19	2.0
2044	37,433	20.3	19	104	82.0	\$5.0	527	745	\$148	\$75,380	5.3	\$19	1.8
2045	37,213	20.4	18	118	82.2	\$5.2	539	762	\$149	\$76,566	5.1	\$20	1.9
2046	37,004	20.5	7	130	82.3	\$5.3	551	780	\$150	\$77,627	5.2	\$20	2.0
2047	36,784	20.6	-25	127	82.5	\$5.5	564	798	\$151	\$78,754	5.1	\$20	2.2
2048	36,553	20.7	-57	124	82.6	\$5.6	579	819	\$152	\$79,732	5.3	\$20	2.3
2049	36,351	20.8	-53	133	82.8	\$5.8	592	838	\$152	\$80,808	5.4	\$20	2.0
2050	36,164	20.8	-57	133	82.9	\$6.0	607	859	\$153	\$81,905	5.5	\$20	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	8,890	90	700	330	270	1,290	210	490	110	1,080	1,360	2,580
2016	9,180	80	760	320	290	1,410	220	560	110	1,130	1,330	2,600
2017	9,500	250	820	320	270	1,390	220	540	100	1,180	1,410	2,640
2018	9,640	290	920	360	270	1,350	210	540	100	1,180	1,410	2,640
2019	9,940	290	900	360	290	1,410	220	580	90	1,190	1,510	2,700
2020	9,170	293	858	349	276	1,241	220	547	91	1,152	1,083	2,718
2021	9,520	297	929	354	281	1,333	220	580	91	1,188	1,169	2,714
2022	9,850	300	923	365	283	1,403	220	596	92	1,201	1,373	2,704
2023	10,060	303	946	366	284	1,425	220	603	92	1,206	1,510	2,710
2024	10,100	306	944	366	285	1,430	220	611	93	1,214	1,520	2,707
2025	10,110	310	914	368	286	1,428	221	620	93	1,221	1,522	2,720
2026	10,100	313	896	369	284	1,426	221	615	93	1,227	1,515	2,734
2027	10,090	316	879	371	283	1,426	221	614	93	1,232	1,511	2,741
2028	10,090	320	863	372	282	1,427	221	613	93	1,235	1,521	2,737
2029	10,100	323	854	372	282	1,428	221	617	93	1,239	1,531	2,734
2030	10,130	326	852	373	282	1,421	222	621	93	1,242	1,540	2,744
2031	10,120	330	850	374	282	1,417	222	625	92	1,245	1,550	2,728
2032	10,140	333	848	374	282	1,416	223	629	92	1,248	1,560	2,724
2033	10,150	336	843	375	282	1,417	223	633	92	1,251	1,570	2,721
2034	10,160	339	839	375	282	1,407	224	637	92	1,254	1,580	2,728
2035	10,190	343	835	376	282	1,406	224	641	92	1,257	1,590	2,734
2036	10,220	346	833	377	282	1,407	225	645	92	1,260	1,601	2,741
2037	10,250	349	833	377	282	1,408	225	649	91	1,263	1,611	2,748
2038	10,290	353	842	378	282	1,410	226	653	91	1,266	1,623	2,754
2039	10,330	356	856	378	282	1,401	227	658	91	1,270	1,635	2,761
2040	10,370	359	862	379	282	1,397	227	662	91	1,274	1,648	2,779
2041	10,400	362	870	380	282	1,395	228	667	91	1,278	1,661	2,774
2042	10,450	366	879	380	282	1,395	228	671	91	1,282	1,676	2,781
2043	10,500	369	899	381	282	1,397	229	676	91	1,287	1,690	2,788
2044	10,550	372	905	382	282	1,398	229	681	90	1,292	1,706	2,794
2045	10,600	376	917	382	282	1,400	230	686	90	1,297	1,722	2,801
2046	10,650	379	929	383	282	1,402	231	691	90	1,302	1,738	2,808
2047	10,690	382	926	383	282	1,403	231	696	90	1,308	1,754	2,814
2048	10,730	385	923	384	282	1,405	232	701	90	1,314	1,771	2,821
2049	10,780	389	931	385	282	1,407	232	706	90	1,319	1,788	2,828
2050	10,830	392	931	385	282	1,409	233	711	90	1,325	1,806	2,841

Calaveras County Economic Forecast

Socioeconomic Indicators

