

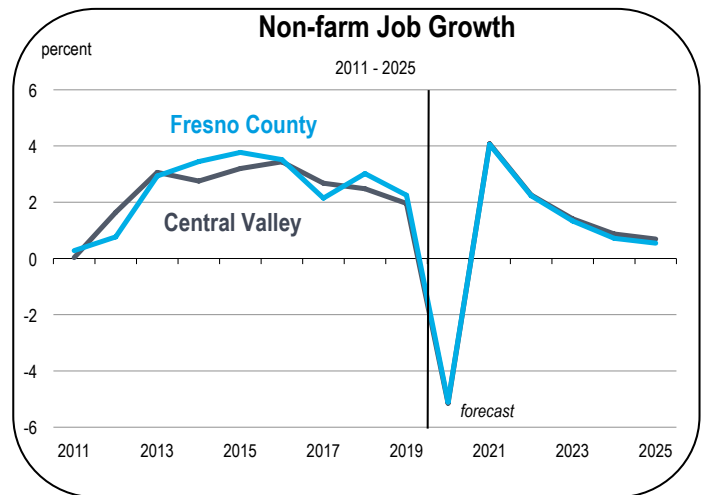
Fresno County Economic Forecast

Forecast Summary

- It is estimated that an average of 18,000 to 20,000 jobs will be lost in Fresno County during 2020. Job loss will be heavy in the first half of the year, rebounding in the second half.
- Employment losses will be largest in leisure services, professional business services, construction, and retail trade.
- The unemployment rate averaged 7.2 percent in 2019. It increased to more than 20 percent in April 2020 and will average somewhere between 14 percent and 16 percent for the entire year.
- The Fresno County population is expected to grow more quickly than the broader Central Valley during most of the forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production is expected to decrease in 2020 but rebound convincingly in 2021 and expand in 2022.

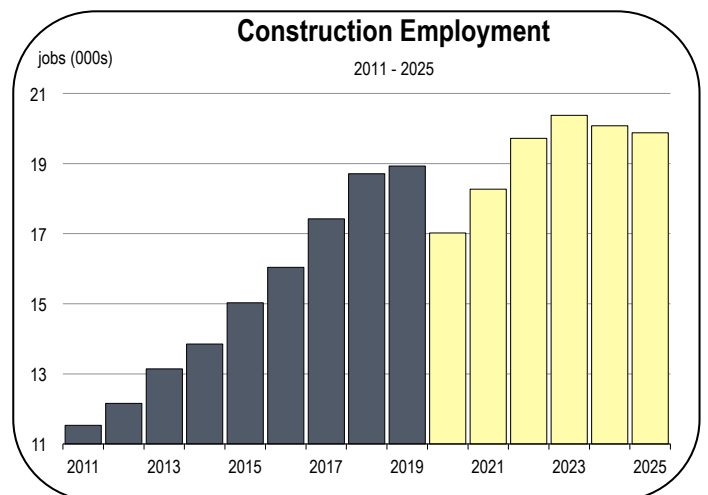
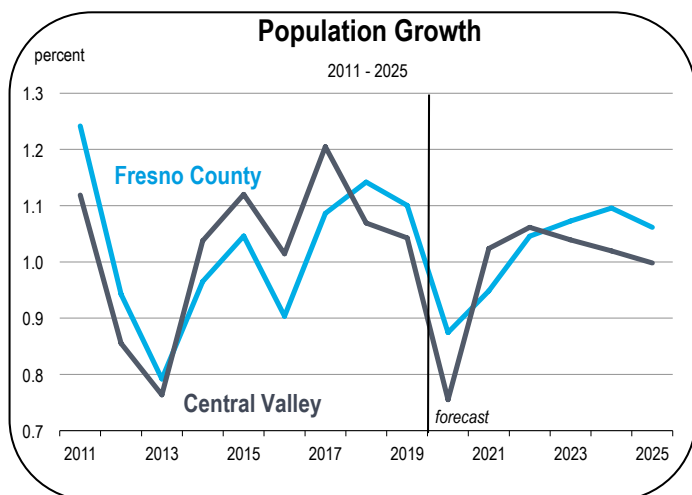
Job Growth

- Total employment in the County will decline between 4 and 5 percent in 2020. This is an annual average change from 2019.
- In 2021, Fresno County is expected to re-gain many of the jobs lost during the Coronavirus recession.

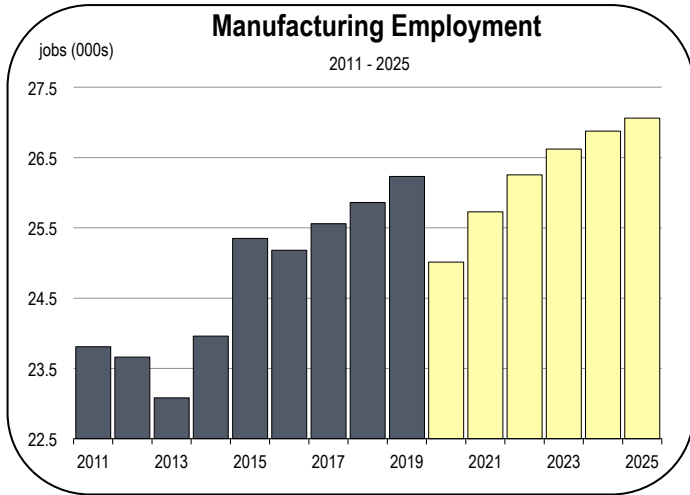


Construction Employment

- The construction sector is expected to lose more than 1,500 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 may not return to pre-recession levels for several years.



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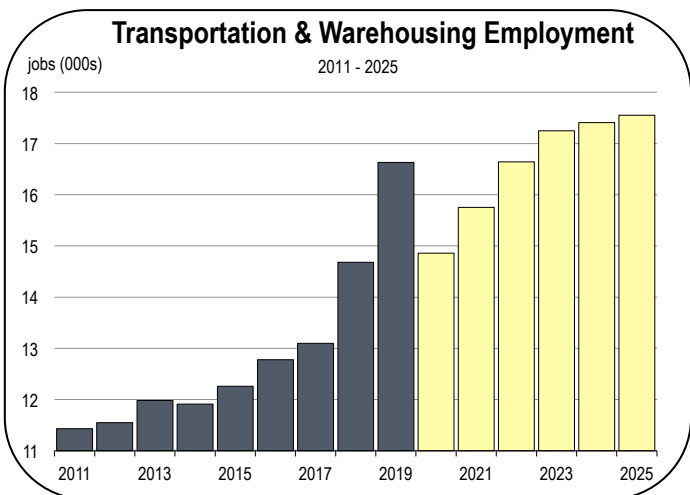


Manufacturing Employment

- Fresno County has a heavy concentration in food and beverage manufacturing firms, which turn agricultural commodities into finished food products.
- The food and beverage manufacturing subsectors gained a small number of jobs in 2019.
- Manufacturing employment declined by more than 2,000 jobs during the second quarter of 2020. It is expected to rebound in 2021 and 2022.

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.

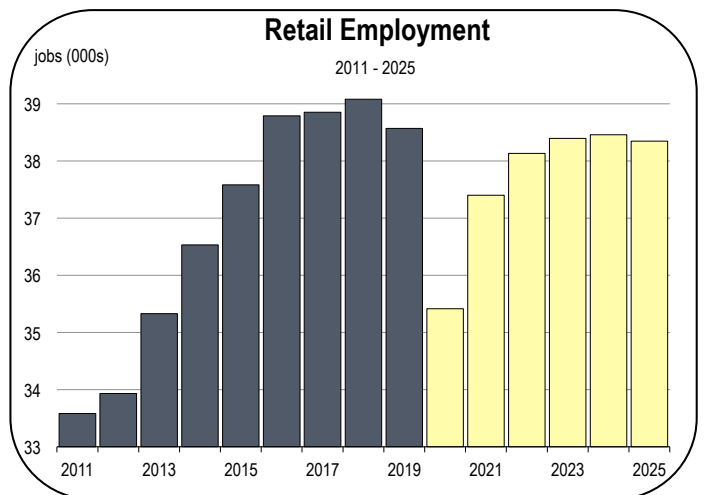


Transportation, Warehousing & Utilities / Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Warehousing / Storage	5,400	32.3%
Trucking	5,300	31.7%
Utilities	2,000	12.0%
Airports	1,700	10.2%
Local Delivery	1,500	9.0%
Ground Passenger Transportation	800	4.8%

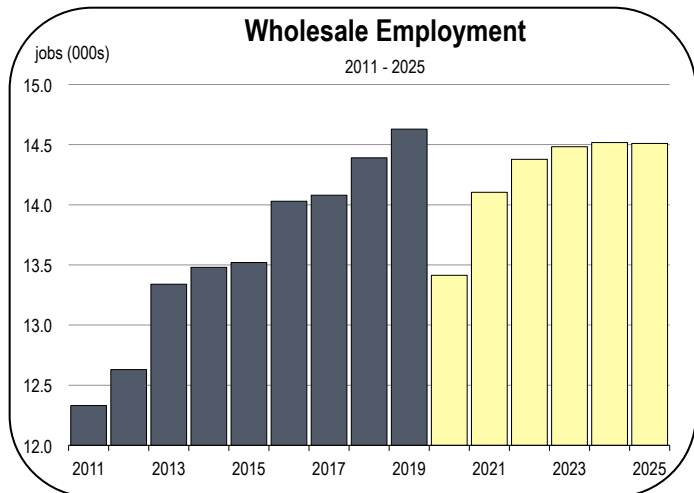
- Job growth in trucking and warehousing has been exponential, with overall employment levels more than doubling between 2015 and 2019.
- A meaningful number of jobs are in delivery firms like UPS, FedEx, and Instacart. Delivery firms hired large numbers of workers during the second quarter of 2020.
- Transportation employment declined in March and April but began to expand again in May during Phase 2 of California's restart.

Retail Trade Employment

- The retail sector is expected to lose more than 3,000 jobs in 2020 on an annual average basis.
- Many large retail chains have chosen 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.



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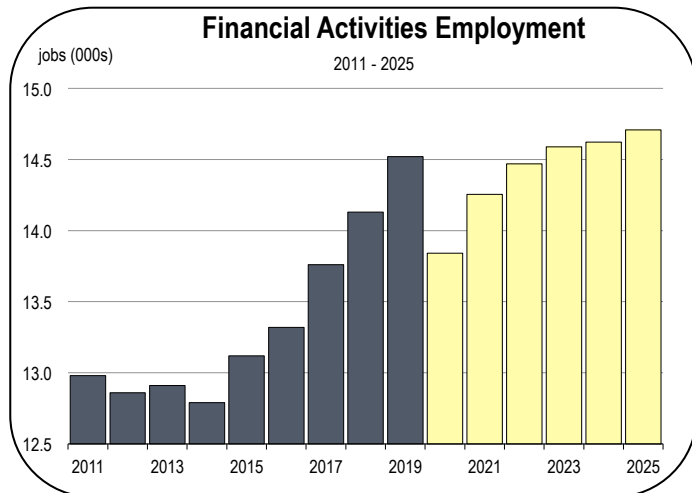
- Accounting for furloughed workers more than 4,000 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- It is unknown when and if retail employment will eclipse pre-recession levels because of the strengthening demand trend towards online purchasing.

Wholesale Trade Employment

- Wholesale trade employment is expected to fall by at least 1,000 jobs on an annual average basis in 2020.
- Wholesale employment is likely to expand in tandem with employment in manufacturing, retail, construction, and transportation/warehousing.

Financial Activities Employment

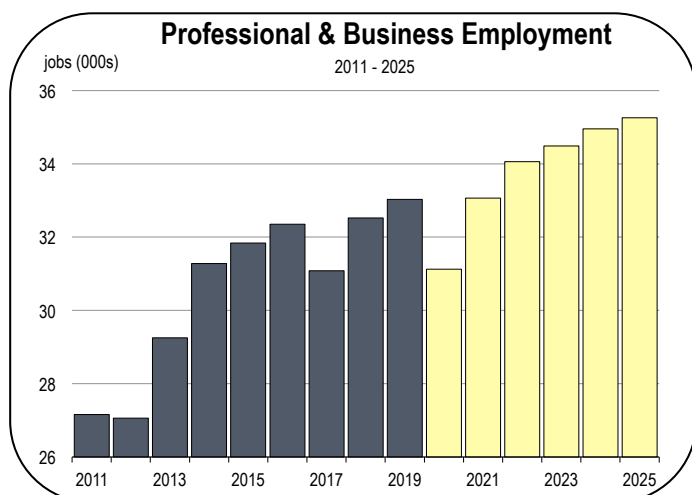
- Substantial job declines are expected this year because many financial activities employers closed, committing their employees to shelter-in-place for health reasons.
- The most prominent losses were observed in real estate sales and lending.
- In 2020 there have been far fewer homes on the market than there were in 2019, and there has been far less interest from potential buyers. This should translate into fewer home sales, reducing the need for real estate agents and mortgage brokers.



- Banks also reduced their head counts in the second quarter of 2020 due to a temporary reduction of in-person branch visits.
- Financial Activities companies are expected to re-gain a meaningful number of through 2021, but may not surpass the employment totals that were observed in 2019.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was impacted differently during the shutdown and recovery phases of 2020.



Fresno County Economic Forecast

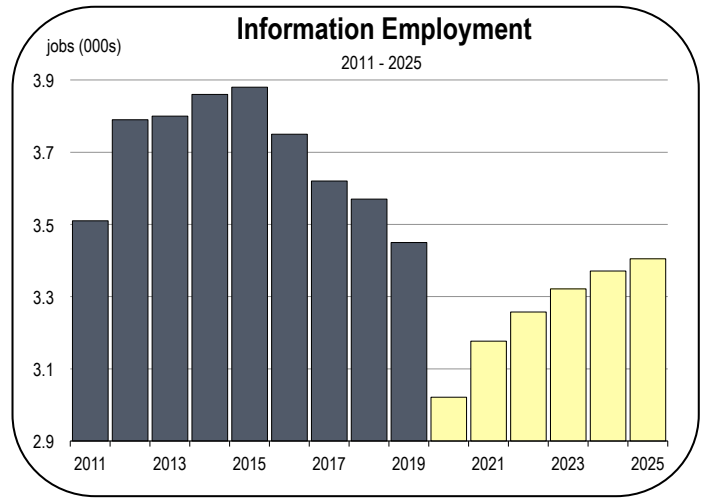
Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	6,400	19.4%
Staffing Agencies	5,200	15.8%
Law	2,700	8.2%
Engineering & Architecture	2,600	7.9%
Call Centers & Collections Agencies	2,500	7.6%
Corporate Headquarters	2,400	7.3%
Corporate Security	2,200	6.7%
Accounting & Bookkeeping	2,000	6.1%
Business Consulting	1,200	3.6%
Marketing and Advertising	1,200	3.6%
Custom IT Services	800	2.4%
Other	3,800	11.5%

- Jobs in corporate security and building maintenance declined substantially during the shutdowns but began to rebound at office and industrial buildings with repopulating employment.
- Staffing agencies had significant losses during the contraction, but may bounce back quickly in 2021.
- 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 security, maintenance, and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were less affected by the Coronavirus Recession.

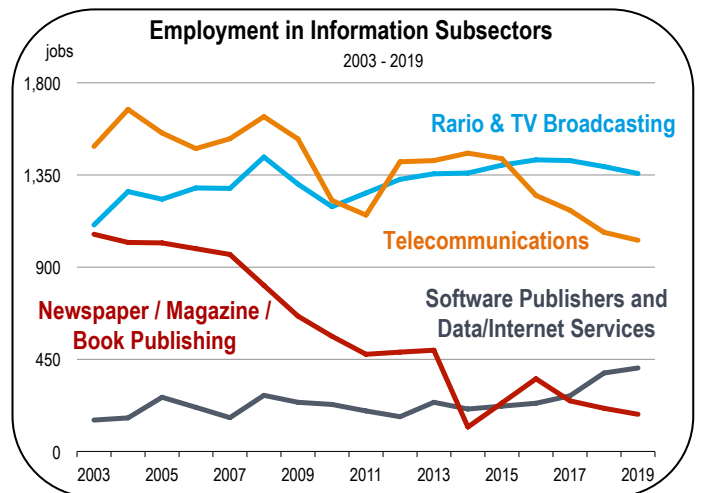
Information Employment

- In Fresno County, the information sector is largely comprised of radio and TV broadcasting, movie theaters, and telecommunications companies like Comcast.

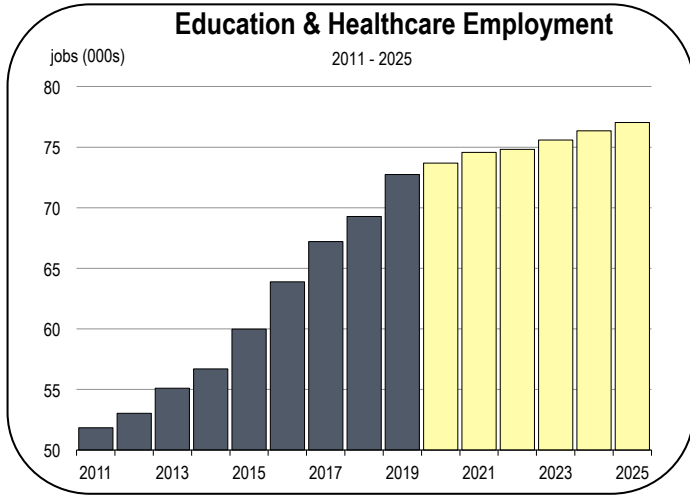
Information Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Radio & TV Broadcasting	1,400	40.0%
Telecommunications	1,100	31.4%
Movie Theaters	400	11.4%
Data & Internet Services	200	5.7%
Software Publishers	200	5.7%
Newspaper / Magazine / Book Publishing	200	5.7%



- Telecommunications jobs were classified as essential and these workers remained employed during shelter-in-place. Consequently, employment was not impacted as it was in other sectors.
- Movie theater employment may not return to pre-recession levels until 2021 or later as strict social distancing policies will likely reduce the number of customers that are allowed into theaters at the same time.
- Many TV, radio, and newspaper workers were allowed to remain in their jobs, but advertising revenues shrank with the rest of the economy, giving employers little choice but to issue layoff notices.
- Virtually all information subsectors are in long-term patterns of decline or stagnation except software publishing and data/Internet services.
- Software publishing and data/Internet services are expected to generate new jobs over the forecast period, but declines are anticipated in most other subsectors.



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Private Education and Healthcare Employment

- There were 42,000 healthcare jobs in Fresno County in 2019.
- 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.
- There were approximately 25,000 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.
- There were also 4,000 jobs in private schools and colleges, tutoring services, vocational schools, and other educational organizations.
- Jobs in social assistance and education were mostly classified as essential. Nevertheless there were layoffs at institutions with revenue shortfalls.

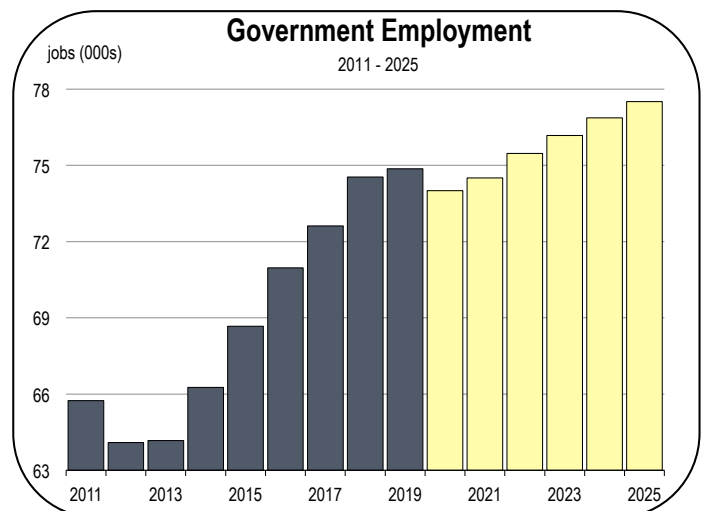
Leisure and Hospitality Employment

- The leisure and hospitality industry was devastated by the Coronavirus Recession more than any other sector of the California labor market.
- In 2019, Fresno County had 32,000 jobs in restaurants, hotels, and bars. Our research indicates that most were laid off, furloughed, or had reduced hours in the months of March and April and slowly went back to work during the summer.
- Fresno County also had 3,000 jobs in entertainment and recreation, including things like fitness centers, museums, and recreation centers. These types of organizations had heavy layoffs in 2020.

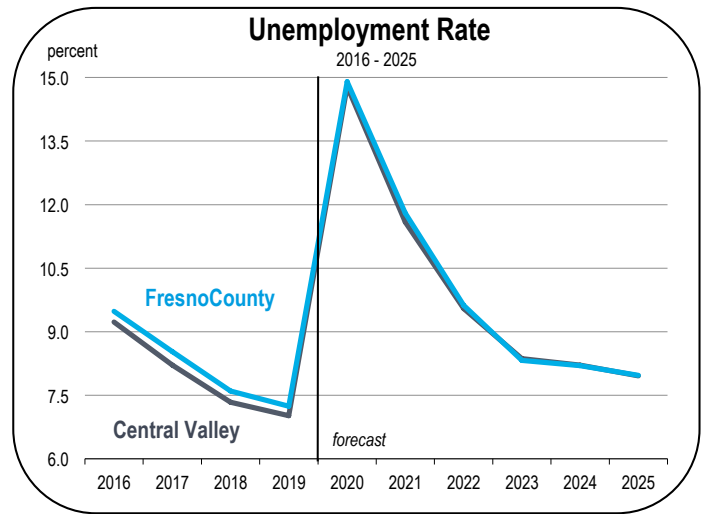
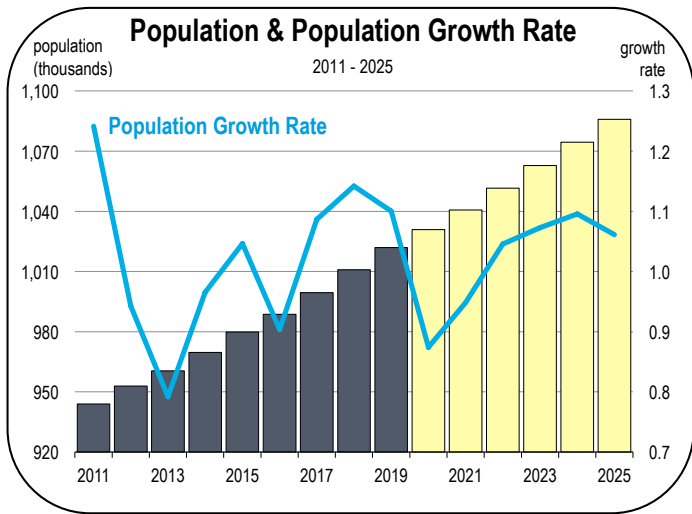


Government Employment

- A meaningful share of government jobs were deemed non-essential during the pandemic lockdowns.
- 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.



Fresno County Economic Forecast

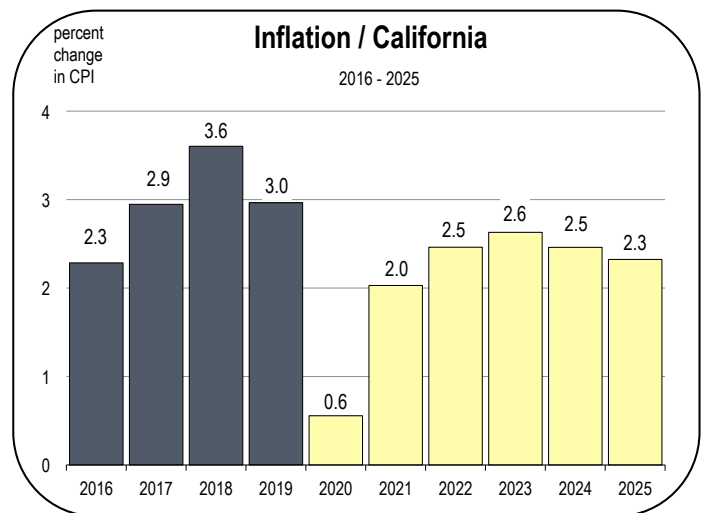
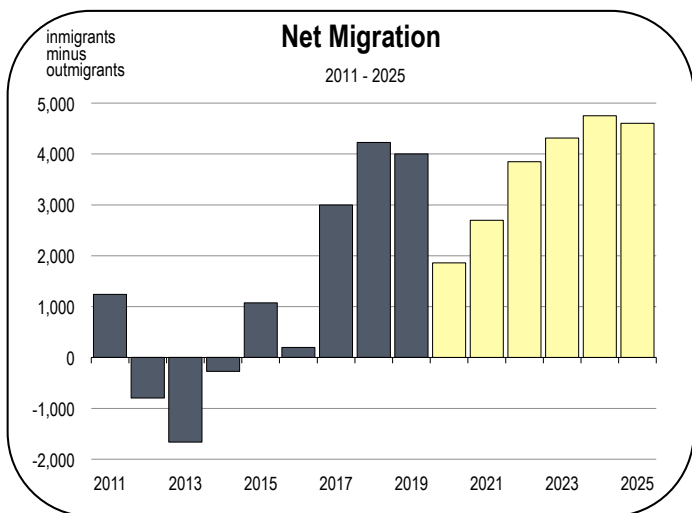


Population Growth

- The Fresno County population is expected to expand more quickly than the Central Valley average between 2020 and 2025.
- 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 3,700 net migrants are expected to move into Fresno County each year between 2020 and 2025.
- The population will expand at an annual average rate of 1.0 percent per year from 2020 to 2025.
- By 2025 the Fresno County population will surpass 1,080,000 residents.

Unemployment and Inflation Rates

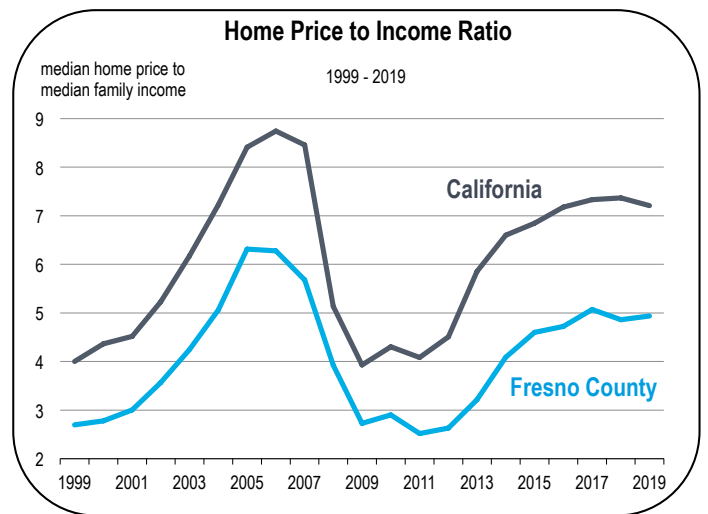
- The unemployment rate in Fresno County averaged 7.2 percent in 2019, which was similar to the composite rate for the Central Valley.
- The unemployment rate is expected to average between 14 and 16 percent in 2020.
- The unemployment rate is expected to remain elevated for several years, but is likely 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 but could accelerate in 2021 or 2022.



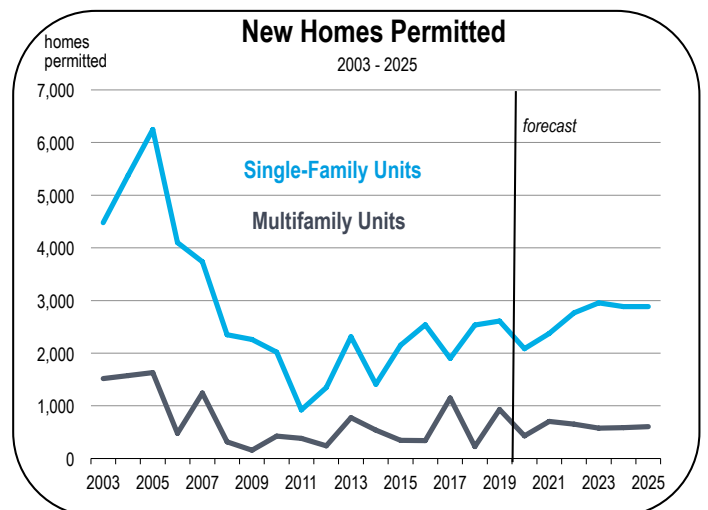
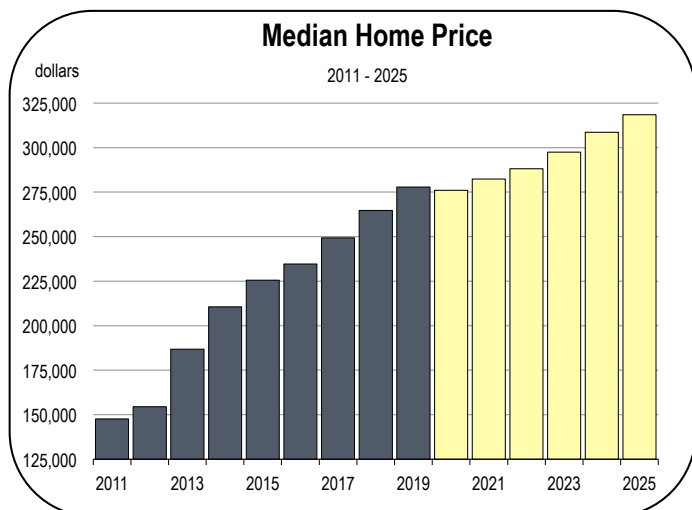
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Home Prices and New Housing Production

- In 2019 the median home price in Fresno County was \$277,900. The median price is not expected to change much in 2020 or 2021.
- 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 2014 to 2019, an average of 2,800 new homes were started per year in Fresno County. Approximately 80 percent were single-family homes.
- Housing production is expected to average 3,300 homes per year from 2020 to 2025, 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, and Loma Vista which could generate 10,000 homes in Clovis. Full buildout of these projects will extend beyond the 2020 forecast horizon.



Fresno 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 (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	979,827	297.6	1,074	2,496	780	\$38.6	\$9.2	\$14.2	\$5.3	\$44,193	10.2	\$7.5	1.5
2016	988,682	301.2	195	2,877	805	\$39.4	\$9.6	\$14.2	\$5.5	\$43,805	9.5	\$6.8	2.3
2017	999,423	300.8	3,000	3,050	812	\$40.6	\$9.9	\$14.8	\$6.1	\$43,317	8.5	\$7.5	2.9
2018	1,010,837	302.3	4,226	2,759	829	\$42.8	\$10.4	\$15.4	\$5.9	\$43,641	7.6	\$8.1	3.6
2019	1,021,960	304.4	3,999	3,544	861	\$45.3	\$10.9	\$16.2	\$6.3	\$44,346	7.2	\$8.7	3.0
2020	1,030,895	307.9	1,860	2,516	868	\$45.1	\$10.1	\$15.3	\$6.1	\$43,540	14.9	\$8.7	0.6
2021	1,040,672	310.9	2,696	3,078	875	\$45.9	\$10.9	\$16.0	\$6.1	\$42,973	11.8	\$8.8	2.0
2022	1,051,552	313.9	3,848	3,421	883	\$48.4	\$11.4	\$16.8	\$6.4	\$43,768	9.6	\$8.9	2.5
2023	1,062,832	317.0	4,313	3,534	890	\$51.1	\$12.0	\$17.6	\$6.6	\$44,598	8.3	\$8.9	2.6
2024	1,074,479	320.2	4,752	3,467	897	\$53.8	\$12.6	\$18.5	\$6.8	\$45,331	8.2	\$9.0	2.5
2025	1,085,884	323.3	4,603	3,491	903	\$56.5	\$13.2	\$19.4	\$7.0	\$45,974	8.0	\$9.0	2.3
2026	1,096,714	326.5	4,108	3,358	909	\$58.8	\$13.8	\$20.3	\$7.1	\$46,389	7.9	\$9.1	2.3
2027	1,107,366	329.6	4,000	3,159	914	\$61.1	\$14.5	\$21.2	\$7.3	\$46,718	7.9	\$9.1	2.2
2028	1,118,284	332.6	4,293	3,163	920	\$63.5	\$15.1	\$22.2	\$7.4	\$47,024	7.6	\$9.2	2.2
2029	1,128,871	335.6	3,913	3,189	927	\$65.8	\$15.6	\$22.9	\$7.5	\$47,141	7.7	\$9.3	2.3
2030	1,138,428	338.5	2,910	3,143	933	\$68.0	\$16.1	\$23.6	\$7.6	\$47,330	7.9	\$9.3	2.2
2031	1,147,471	341.4	2,544	3,020	940	\$70.4	\$16.5	\$24.2	\$7.7	\$47,574	7.8	\$9.4	2.1
2032	1,156,364	344.2	2,604	2,966	947	\$72.7	\$16.9	\$24.9	\$7.8	\$47,689	7.9	\$9.4	2.3
2033	1,164,775	347.0	2,228	2,950	953	\$75.1	\$17.3	\$25.5	\$7.9	\$48,002	8.0	\$9.5	1.9
2034	1,172,347	349.7	1,542	2,904	959	\$77.7	\$17.8	\$26.1	\$7.9	\$48,304	7.9	\$9.5	2.1
2035	1,179,170	352.4	971	2,818	963	\$80.4	\$18.3	\$26.8	\$8.0	\$48,607	7.8	\$9.6	2.2
2036	1,185,741	355.1	947	2,763	968	\$83.2	\$18.8	\$27.6	\$8.1	\$48,757	8.0	\$9.6	2.6
2037	1,192,204	357.6	1,000	2,742	974	\$86.1	\$19.4	\$28.5	\$8.2	\$48,885	7.9	\$9.7	2.7
2038	1,198,456	360.2	1,120	2,724	979	\$89.1	\$20.0	\$29.3	\$8.2	\$49,111	7.9	\$9.7	2.5
2039	1,204,651	362.7	1,394	2,705	985	\$92.3	\$20.6	\$30.2	\$8.3	\$49,259	7.9	\$9.8	2.7
2040	1,210,575	365.2	1,507	2,711	990	\$95.5	\$21.2	\$31.1	\$8.3	\$49,434	7.9	\$9.8	2.6
2041	1,216,244	367.7	1,607	2,732	996	\$98.7	\$21.8	\$32.0	\$8.4	\$49,668	7.9	\$9.9	2.4
2042	1,222,033	370.2	1,987	2,719	1,001	\$102.0	\$22.4	\$32.8	\$8.5	\$49,922	7.9	\$9.9	2.3
2043	1,228,107	372.7	2,446	2,730	1,007	\$105.3	\$23.0	\$33.7	\$8.5	\$50,188	7.9	\$9.9	2.2
2044	1,233,722	375.2	2,109	2,761	1,011	\$108.7	\$23.5	\$34.5	\$8.6	\$50,533	7.8	\$10.0	2.0
2045	1,238,725	377.7	1,708	2,730	1,015	\$112.1	\$24.2	\$35.4	\$8.7	\$50,806	7.8	\$10.0	2.2
2046	1,243,521	380.2	1,604	2,682	1,019	\$115.6	\$24.8	\$36.3	\$8.8	\$51,103	7.8	\$10.0	2.1
2047	1,248,276	382.7	1,662	2,670	1,022	\$119.1	\$25.4	\$37.3	\$8.8	\$51,381	7.8	\$10.1	2.1
2048	1,252,952	385.2	1,710	2,665	1,026	\$122.7	\$26.0	\$38.2	\$8.9	\$51,666	7.8	\$10.1	2.1
2049	1,257,500	387.6	1,733	2,667	1,031	\$126.5	\$26.7	\$39.1	\$9.0	\$51,957	7.8	\$10.1	2.1
2050	1,261,807	390.1	1,713	2,666	1,036	\$130.3	\$27.4	\$40.1	\$9.1	\$52,253	7.8	\$10.1	2.1

Employment Sectors

2015-2019 History, 2020-2050 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	382.8	46.9	16.0	25.2	12.8	52.8	13.3	32.4	3.8	63.9	32.8	71.0
2017	389.2	46.1	17.4	25.6	13.1	52.9	13.8	31.1	3.6	67.2	33.8	72.6
2018	397.7	44.2	18.7	25.9	14.7	53.5	14.1	32.5	3.6	69.3	34.5	74.5
2019	405.4	44.0	18.9	26.2	16.6	53.2	14.5	33.0	3.5	72.8	35.6	74.9
2020	386.5	43.6	17.0	25.0	14.9	48.8	13.8	31.1	3.0	73.7	30.6	74.0
2021	400.1	43.3	18.3	25.7	15.8	51.5	14.3	33.1	3.2	74.6	34.2	74.5
2022	407.9	43.1	19.7	26.3	16.6	52.5	14.5	34.1	3.3	74.8	35.4	75.5
2023	412.7	43.0	20.4	26.6	17.2	52.9	14.6	34.5	3.3	75.6	36.0	76.2
2024	415.4	43.1	20.1	26.9	17.4	53.0	14.6	35.0	3.4	76.3	36.3	76.9
2025	417.5	43.1	19.9	27.1	17.6	52.9	14.7	35.3	3.4	77.0	36.4	77.5
2026	419.5	43.2	19.8	27.2	17.7	52.9	14.8	35.6	3.4	77.7	36.7	77.7
2027	421.2	43.3	19.4	27.3	17.8	52.9	14.9	35.7	3.5	78.2	37.0	78.1
2028	422.7	43.3	19.2	27.4	18.0	53.0	15.0	35.8	3.5	78.7	37.3	78.4
2029	424.6	43.3	19.2	27.4	18.1	53.1	15.1	36.0	3.5	79.3	37.6	78.7
2030	426.5	43.3	19.2	27.5	18.3	53.2	15.2	36.3	3.5	79.8	37.8	79.0
2031	428.4	43.4	19.2	27.5	18.4	53.3	15.3	36.4	3.5	80.4	38.1	79.4
2032	429.9	43.5	19.0	27.5	18.5	53.4	15.4	36.3	3.5	81.0	38.4	79.7
2033	431.7	43.5	18.9	27.6	18.7	53.5	15.4	36.5	3.5	81.6	38.6	80.1
2034	433.8	43.6	18.9	27.6	18.8	53.6	15.5	36.7	3.5	82.1	38.9	80.5
2035	435.8	43.8	18.9	27.6	19.0	53.7	15.6	36.8	3.5	82.7	39.2	80.9
2036	437.6	43.9	18.7	27.6	19.1	53.8	15.6	36.8	3.5	83.3	39.5	81.4
2037	439.4	44.0	18.7	27.6	19.3	53.9	15.7	36.9	3.5	83.8	39.7	81.8
2038	441.6	44.1	18.7	27.6	19.4	54.0	15.8	37.1	3.5	84.5	39.9	82.3
2039	443.8	44.3	18.7	27.6	19.5	54.1	15.8	37.3	3.5	85.1	40.2	82.7
2040	445.9	44.3	18.7	27.6	19.7	54.3	15.9	37.6	3.6	85.7	40.4	83.2
2041	447.9	44.4	18.7	27.6	19.8	54.3	15.9	37.9	3.6	86.3	40.6	83.6
2042	450.0	44.5	18.7	27.6	20.0	54.4	16.0	38.1	3.6	86.9	40.8	84.0
2043	452.1	44.5	18.7	27.6	20.1	54.5	16.1	38.3	3.6	87.5	41.1	84.4
2044	454.3	44.6	18.8	27.7	20.3	54.7	16.1	38.6	3.6	88.1	41.3	84.8
2045	456.4	44.6	18.8	27.7	20.4	54.8	16.2	39.0	3.6	88.8	41.5	85.2
2046	458.4	44.7	18.8	27.7	20.6	54.9	16.2	39.1	3.6	89.4	41.8	85.6
2047	460.3	44.7	18.7	27.7	20.7	55.1	16.3	39.2	3.6	90.0	42.0	86.0
2048	462.3	44.8	18.7	27.7	20.9	55.2	16.3	39.4	3.6	90.7	42.2	86.4
2049	464.4	44.8	18.7	27.7	21.0	55.4	16.4	39.7	3.6	91.3	42.4	86.7
2050	466.4	44.9	18.8	27.7	21.1	55.5	16.4	39.9	3.6	92.0	42.6	87.1

Fresno County Economic Forecast

Socioeconomic Indicators

