

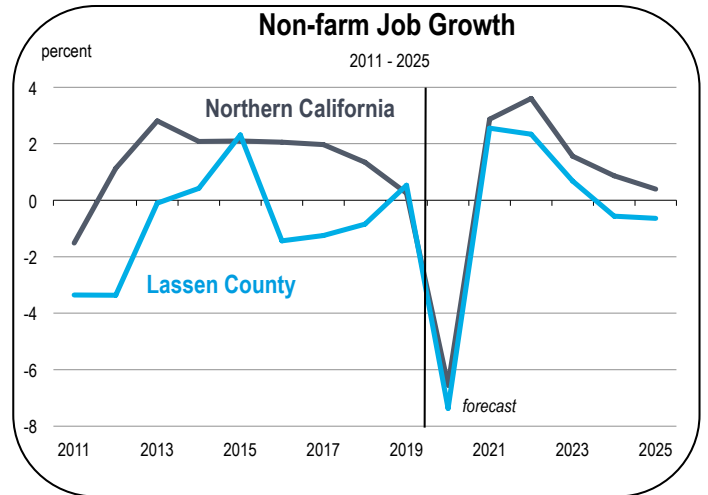
Lassen County Economic Forecast

Forecast Summary

- It is estimated that an average of 700 to 1,200 jobs will be lost in Lassen County during 2020, with heavy job losses in the first half of the year.
- Employment losses will be largest in agriculture, government, leisure services, and retail trade.
- The unemployment rate averaged 4.6 percent in 2019. It will average somewhere between 7 percent and 10 percent for the 2020 calendar year.
- The Lassen County population is expected to decline during the 2020-2025 forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production during the 2020-2025 forecast period is expected to be similar to the 2015-2019 period.

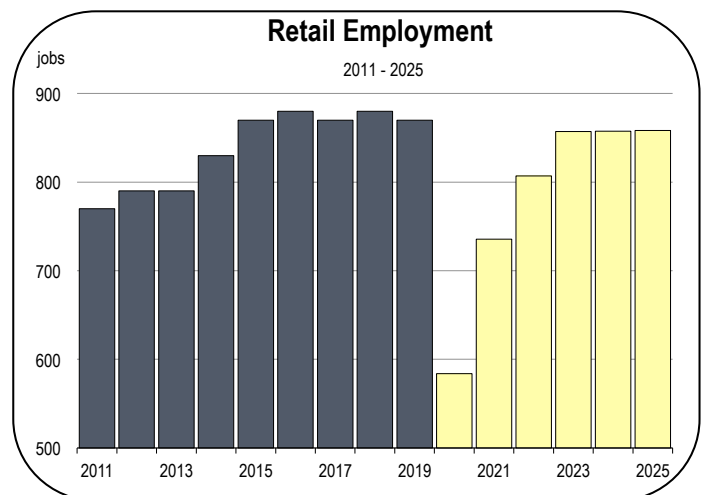
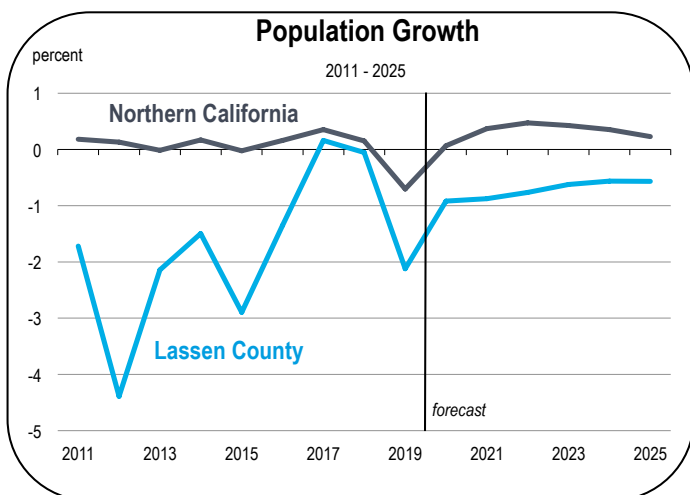
Job Growth

- Total employment in the county will decline between 7 and 12 percent in 2020. This is an annual average change from 2019.
- In 2021 and 2022, Lassen County is expected to re-gain many of the jobs lost during the Coronavirus Recession.

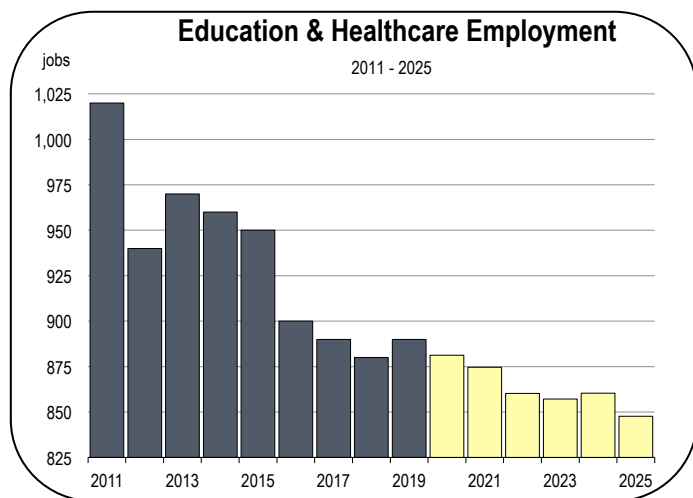


Retail Employment

- The retail sector is expected to lose at least 200 jobs in 2020 on an annual average basis.
- The largest retailers in the county include:
 - Safeway in Susanville (100 to 250 employees)
 - Cal-Ore Produce in Tulelake (50 to 100 employees)
 - Foods Etc. in Susanville (50 to 100 employees)
 - Susanville Supermarket (50 to 100 employees)



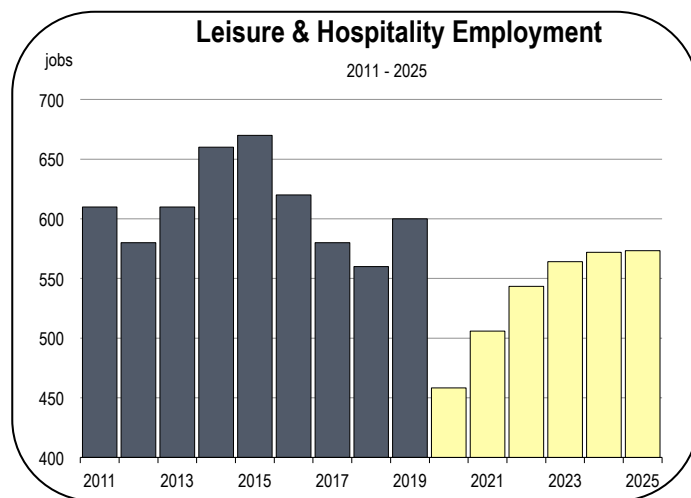
Lassen County Economic Forecast



- Some retail stores 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 350 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- Retail trade jobs will return after capacity limits for in-store shopping are increased in a sustained way, but it is unclear if employment in the retail sector will surpass pre-recession levels.

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 others reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.
- There are multiple healthcare facilities that employ at least 100 workers, including the Banner Lassen Medical Center and the Northeast Rural Health Clinic. These two facilities account for more than 25 percent of all healthcare jobs in the county.
- In social assistance organizations, including childcare centers and non-medical care for senior citizens and people with disabilities, layoffs were observed at institutions with revenue shortfalls.
- Some social assistance jobs may not be restored until social distancing regulations are relaxed, but others began to return in the summer of 2020.
- There are very few jobs in private educational organizations in Lassen County.

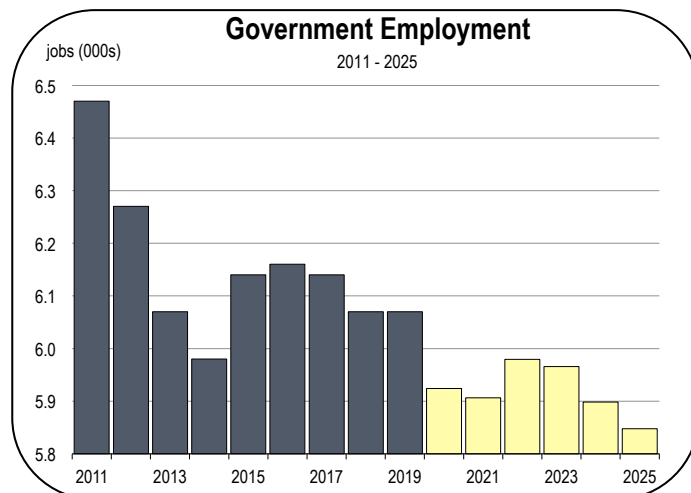


Leisure and Hospitality Employment

- In 2019, Lassen County had 600 jobs in restaurants, hotels, bars, and recreation facilities.
- Approximately 60 percent of leisure and hospitality workers were laid off in March, April, and May of 2020. Another 20 to 30 percent of workers had their hours cut or were furloughed without pay.
- Jobs at hotels and restaurants began to increase again in the summer of 2020, and should expand further in 2021 and 2022.
- It is unclear if the leisure and hospitality sector will completely recover by the end of the 2020-2025 forecast period.

Government Employment

- Federal, State, and Local government agencies account for 60 percent of all wage and salary jobs in the County. This is the highest concentration of public sector jobs among California Counties.

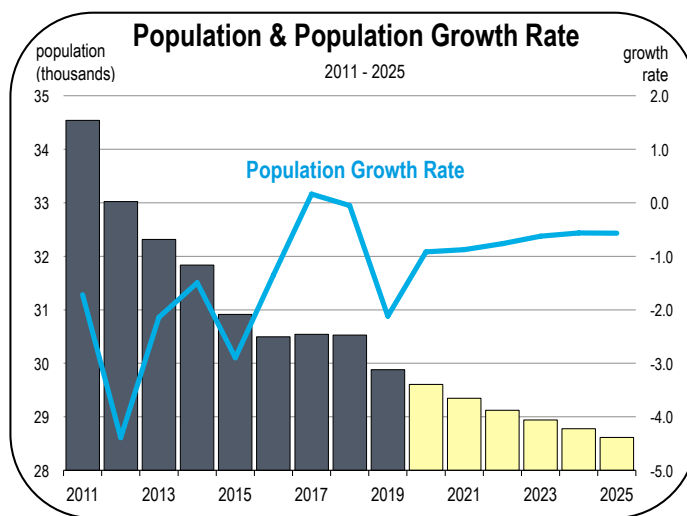
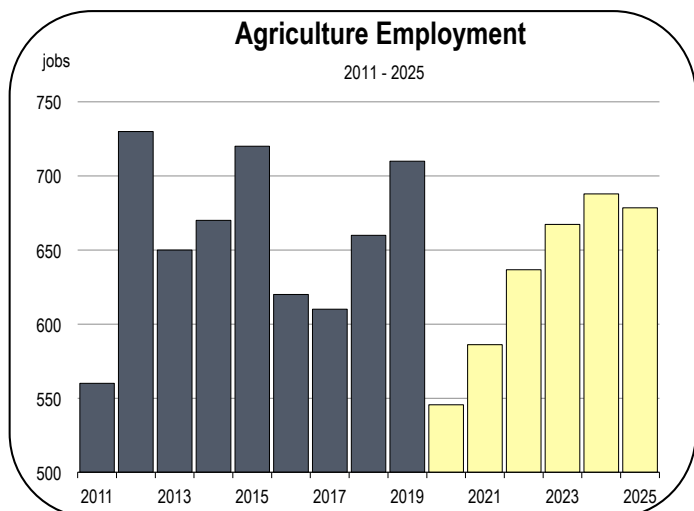


Lassen County Economic Forecast

- Prisons are among the principal employers in Lassen County.
- State government workers principally work within the two state incarceration facilities:
 - The High Desert State Prison currently has a population of 3,339 inmates, most of which are maximum security prisoners.
 - The California Correctional Center has a capacity for 3,883 inmates, the largest in California. It currently houses 2,877 inmates.
- 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.
- State-level public sector employment was not significantly impacted by the Pandemic since many government offices and the prison facilities were essential functions that maintained full operation. The government offices that were impacted were in local government.

Agriculture Employment

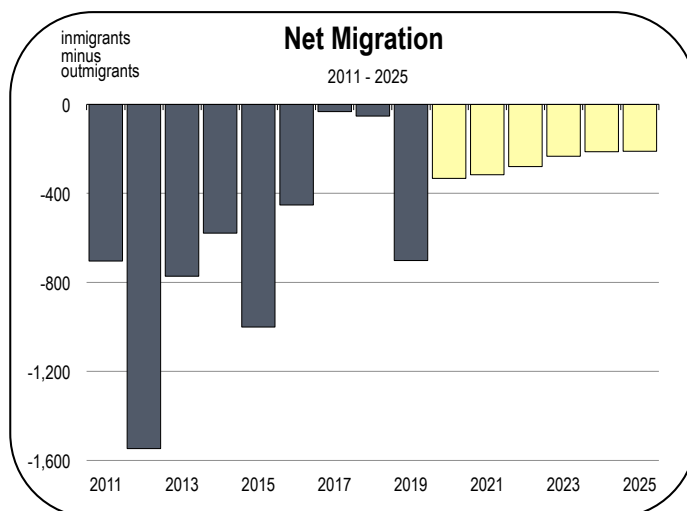
- Agriculture employment is expected to decline by more than 100 jobs during 2020 and rebound slowly in 2021 and 2022.
- The most prominent agriculture commodities in Lassen County are hay and livestock.



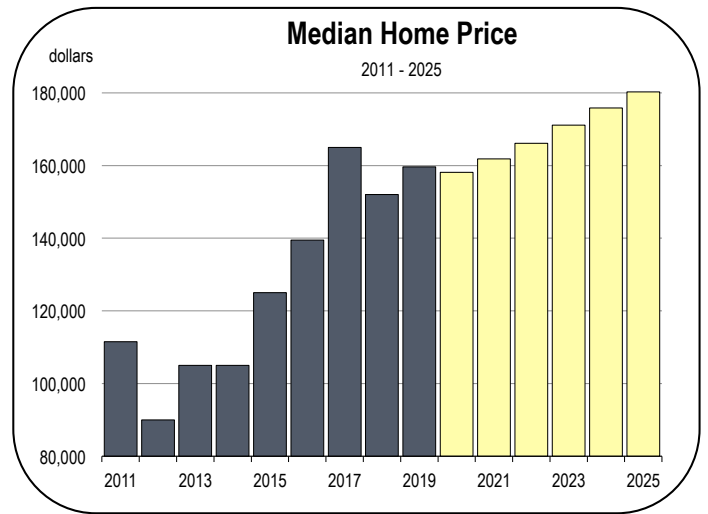
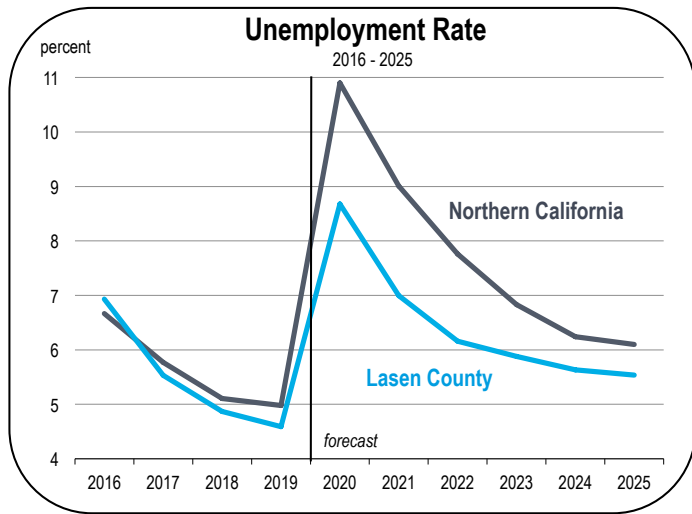
- The hay and livestock industries in Lassen County each produce more than \$30 million in output each year.

Population Growth

- The Lassen County population is expected to decline during the 2020-2025 forecast period.
- During the 2020-2025 forecast period, the number of people moving out of Lassen County will exceed the number of people moving into the county.
- The population will decline at an annual average rate of 0.7 percent per year from 2020 to 2025.
- By 2025 the Lassen County population will have fallen below 29,000 residents.



Lassen County Economic Forecast

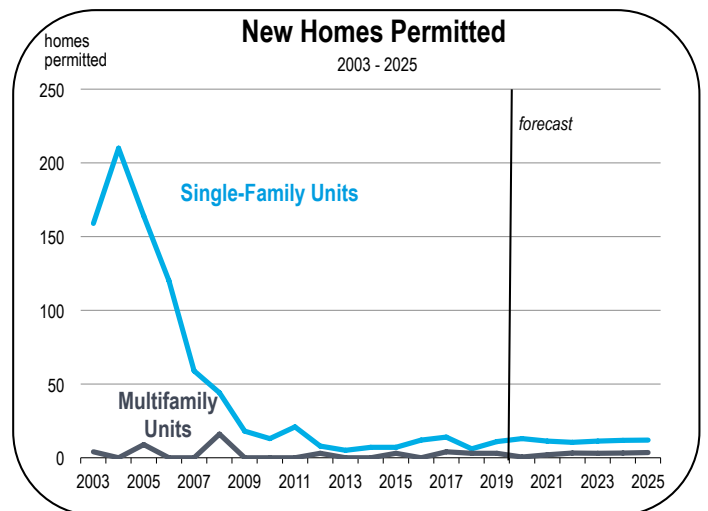
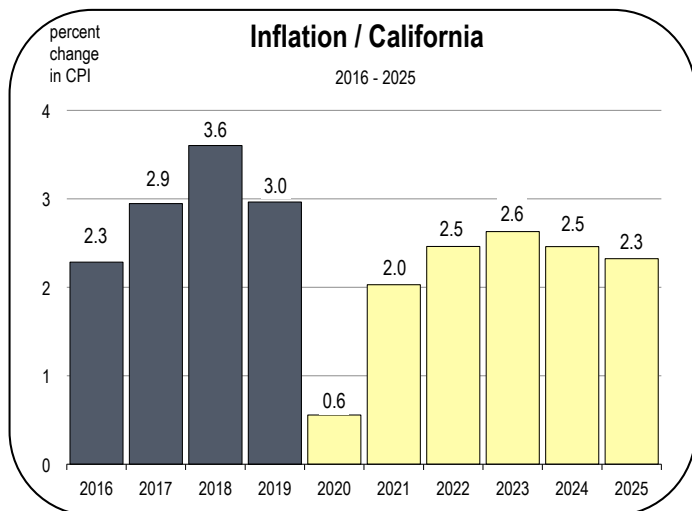


Unemployment and Inflation Rates

- The unemployment rate in Lassen County averaged 4.6 percent in 2019, which was below the composite rate for the broader Northern California region.
- The unemployment rate is expected to average between 7 and 10 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 but could accelerate in 2021 or 2022.

Home Prices and New Housing Production

- In 2019, the median home price in Lassen County was \$159,600. The median price is not expected to change much in 2020 or 2021.
- Homes in Lassen County are more affordable than homes across California, especially Coastal California.
- In Lassen 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 12 new homes were started per year in Lassen County. Most were single-family homes.
- Housing production is expected to average 10 to 20 units per year from 2020 to 2025, consisting primarily of single-family homes.



Lassen 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	30,912	10.2	-1,000	10	36.5	\$1.1	203	295	\$45.2	\$39,852	7.2	\$142	0.9
2016	30,494	10.0	-452	12	37.1	\$1.1	204	334	\$44.6	\$40,391	6.9	\$129	1.9
2017	30,543	10.3	-33	18	36.0	\$1.1	218	365	\$45.7	\$39,572	5.5	\$138	2.8
2018	30,527	10.4	-53	9	36.0	\$1.2	161	277	\$42.9	\$39,289	4.9	\$137	3.8
2019	29,880	10.5	-702	14	36.6	\$1.2	166	276	\$40.5	\$40,722	4.6	\$140	3.1
2020	29,605	10.5	-333	13	36.4	\$1.2	126	213	\$42.7	\$39,290	8.7	\$139	0.7
2021	29,347	10.5	-316	13	36.3	\$1.2	156	262	\$40.7	\$40,041	7.0	\$140	2.1
2022	29,122	10.5	-280	14	36.3	\$1.2	162	273	\$41.8	\$40,914	6.2	\$140	2.5
2023	28,941	10.5	-233	14	36.3	\$1.3	167	281	\$41.1	\$41,759	5.9	\$140	2.7
2024	28,777	10.5	-213	15	36.3	\$1.3	172	290	\$40.8	\$42,380	5.6	\$141	2.5
2025	28,614	10.5	-211	15	36.2	\$1.4	179	301	\$40.5	\$42,850	5.5	\$141	2.4
2026	28,458	10.5	-202	16	36.2	\$1.4	183	309	\$40.1	\$43,349	5.3	\$141	2.3
2027	28,303	10.5	-199	16	36.2	\$1.5	188	316	\$39.8	\$43,822	5.2	\$142	2.2
2028	28,141	10.5	-203	16	36.1	\$1.5	193	325	\$39.9	\$44,426	5.2	\$142	2.3
2029	27,988	10.6	-194	16	36.0	\$1.5	197	333	\$40.0	\$44,914	5.0	\$142	2.4
2030	27,839	10.6	-188	16	36.0	\$1.6	203	341	\$40.6	\$45,389	4.9	\$143	2.3
2031	27,693	10.6	-184	17	35.9	\$1.6	207	348	\$40.1	\$45,804	4.8	\$143	2.2
2032	27,551	10.6	-181	17	35.8	\$1.7	211	356	\$39.5	\$46,160	4.7	\$144	2.4
2033	27,402	10.6	-187	17	35.8	\$1.7	215	363	\$38.8	\$46,683	4.8	\$144	2.0
2034	27,248	10.6	-192	17	35.7	\$1.8	220	371	\$38.1	\$47,145	4.9	\$144	2.2
2035	27,091	10.6	-197	17	35.6	\$1.8	225	379	\$37.4	\$47,602	5.0	\$145	2.3
2036	26,927	10.6	-200	16	35.5	\$1.8	232	390	\$37.5	\$47,952	5.1	\$145	2.7
2037	26,761	10.6	-203	16	35.4	\$1.9	238	401	\$37.6	\$48,340	5.2	\$146	2.8
2038	26,593	10.7	-204	16	35.3	\$2.0	244	411	\$38.0	\$48,819	5.1	\$146	2.6
2039	26,421	10.7	-210	16	35.2	\$2.0	251	422	\$38.3	\$49,260	5.2	\$147	2.8
2040	26,246	10.7	-211	16	35.1	\$2.1	257	433	\$38.6	\$49,688	5.2	\$147	2.7
2041	26,070	10.7	-216	16	35.1	\$2.1	262	442	\$39.0	\$50,214	5.4	\$148	2.5
2042	25,890	10.7	-218	16	35.0	\$2.2	267	451	\$39.3	\$50,759	5.4	\$148	2.4
2043	25,708	10.7	-223	16	34.9	\$2.2	273	460	\$38.9	\$51,298	5.5	\$149	2.3
2044	25,535	10.7	-216	16	34.8	\$2.3	277	467	\$39.3	\$51,912	5.4	\$149	2.1
2045	25,377	10.7	-204	16	34.7	\$2.3	283	477	\$39.8	\$52,475	5.1	\$150	2.3
2046	25,216	10.7	-207	16	34.7	\$2.4	289	486	\$40.1	\$53,010	5.3	\$150	2.2
2047	25,058	10.7	-206	16	34.6	\$2.4	294	496	\$40.2	\$53,431	5.2	\$151	2.2
2048	24,897	10.8	-213	16	34.5	\$2.5	301	508	\$39.8	\$53,884	5.3	\$152	2.2
2049	24,732	10.8	-218	16	34.5	\$2.6	308	518	\$39.9	\$54,392	5.4	\$152	2.2
2050	24,565	10.8	-223	16	34.4	\$2.6	314	529	\$38.6	\$54,850	5.5	\$153	2.2

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	10,440	720	130	20	70	950	150	170	90	950	670	6,140
2016	10,200	620	150	10	90	960	150	160	110	900	620	6,160
2017	10,070	610	140	10	100	950	150	180	100	890	580	6,140
2018	10,040	660	170	10	80	970	140	190	90	880	560	6,070
2019	10,140	710	170	10	80	960	140	210	90	890	600	6,070
2020	9,280	546	146	10	75	670	130	172	75	881	458	5,924
2021	9,540	586	149	10	70	823	135	200	86	875	506	5,906
2022	9,800	637	155	10	76	895	140	210	91	860	543	5,979
2023	9,900	667	159	10	72	945	140	210	95	857	564	5,966
2024	9,860	688	162	10	69	945	140	210	98	860	572	5,898
2025	9,800	679	163	10	66	946	140	210	100	848	573	5,848
2026	9,750	679	166	10	63	945	140	209	99	844	571	5,808
2027	9,690	670	167	10	60	945	140	209	97	836	570	5,769
2028	9,650	680	168	10	58	945	140	209	95	832	570	5,729
2029	9,610	686	169	10	57	945	139	209	95	828	571	5,691
2030	9,570	692	171	10	58	945	139	209	95	820	571	5,653
2031	9,530	692	172	10	55	944	139	208	95	812	571	5,616
2032	9,480	693	173	10	51	944	139	208	95	806	571	5,579
2033	9,440	694	173	10	48	944	139	207	96	802	572	5,541
2034	9,400	695	172	10	44	944	139	207	97	804	572	5,502
2035	9,350	695	171	10	40	944	138	207	99	801	573	5,462
2036	9,310	696	170	10	40	944	138	207	99	795	573	5,421
2037	9,270	697	169	10	39	944	138	206	100	786	573	5,389
2038	9,240	698	169	10	40	944	138	206	100	793	574	5,357
2039	9,220	699	169	10	40	943	138	206	100	801	574	5,323
2040	9,190	699	168	10	40	943	138	205	101	808	575	5,289
2041	9,170	700	168	10	40	943	138	205	101	818	575	5,255
2042	9,140	701	167	10	40	943	137	205	101	826	576	5,220
2043	9,120	702	167	10	38	943	137	205	101	846	576	5,184
2044	9,100	703	167	10	39	943	137	205	101	856	577	5,151
2045	9,080	704	169	10	39	943	137	204	101	862	578	5,121
2046	9,070	705	169	10	40	943	137	204	101	876	578	5,091
2047	9,040	706	170	10	39	943	137	204	101	877	579	5,061
2048	9,030	707	169	10	37	943	137	204	101	892	580	5,031
2049	9,010	708	169	10	37	943	137	203	100	902	580	5,000
2050	8,970	709	168	10	32	943	137	203	100	904	581	4,968

Lassen County Economic Forecast

Socioeconomic Indicators

