

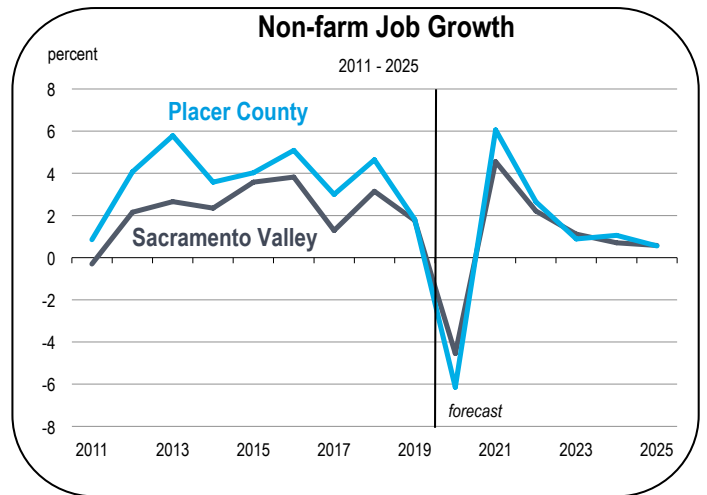
Placer County Economic Forecast

Forecast Summary

- It is estimated that an average of 10,000 to 12,000 jobs will be lost in Placer County during 2020. Job loss were heavy in the first half of the year.
- Employment losses will be largest in leisure services, professional business services, construction, and retail trade.
- The unemployment rate averaged 3.1 percent in 2019. It will average somewhere between 7 percent and 9 percent for the entire year.
- The Placer County population is expected to grow more quickly than the broader Sacramento Valley during the forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production is expected to decrease by a small amount in 2020 but rebound convincingly in 2021 and expand in 2022.

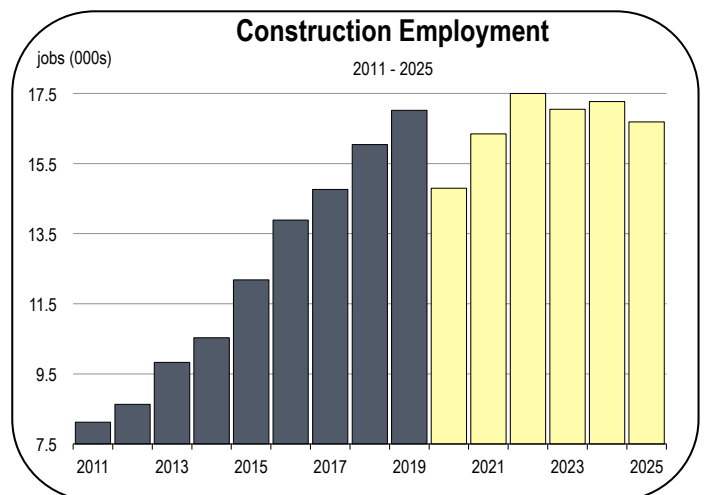
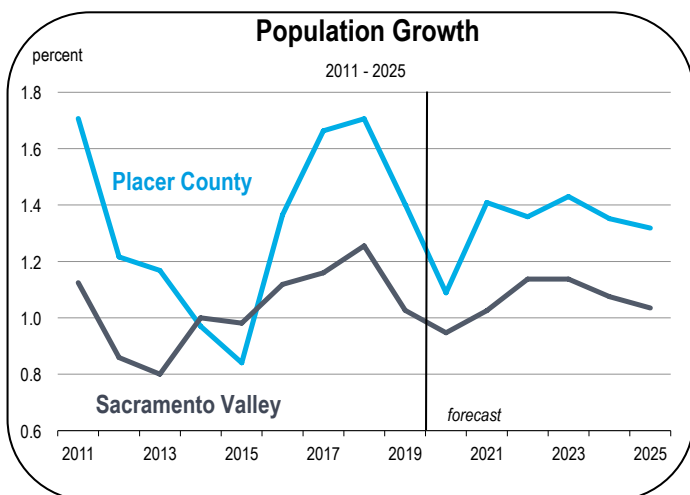
Job Growth

- Total employment in the County will decline between 5 and 7 percent in 2020. This is an annual average change from 2019.
- In 2021, Placer County is expected to re-gain many of the jobs lost during the Coronavirus recession.

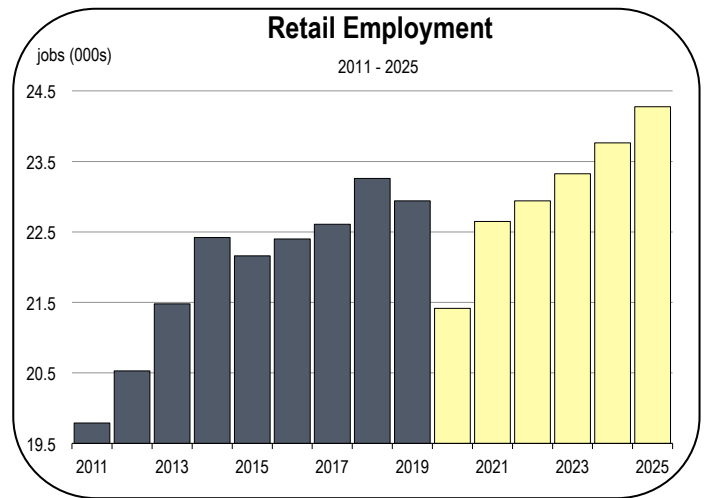
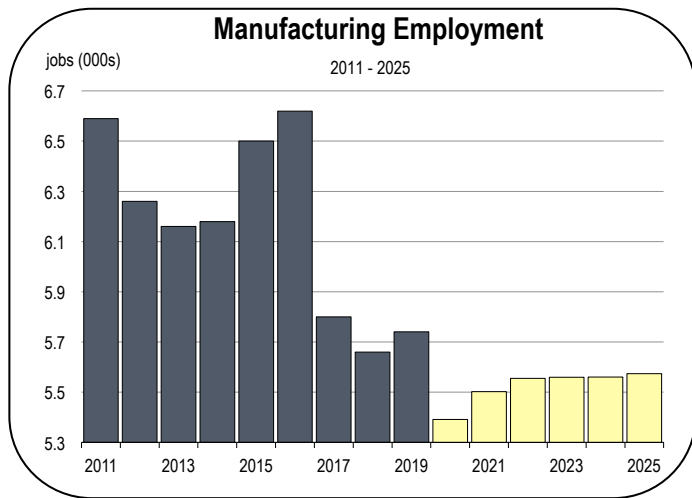


Construction Employment

- The construction sector is expected to lose more than 2,000 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.
- Restrictions on construction were lifted in late April, and overall construction activity could ramp back up in 2021 and 2022.



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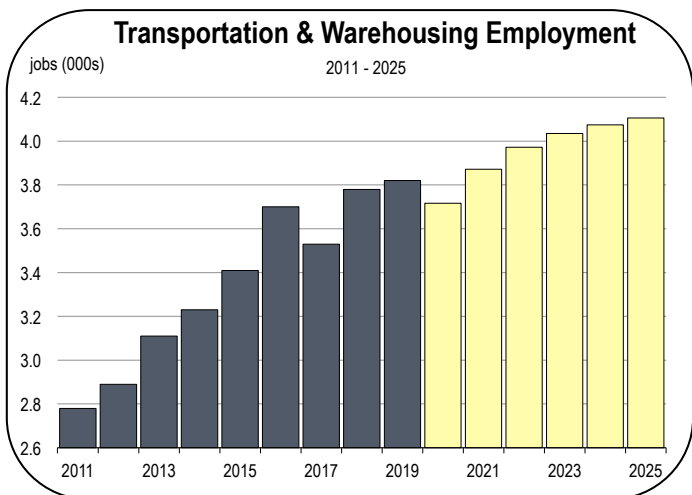


Manufacturing Employment

- Placer County has a heavy concentration in computer manufacturing, largely due to the Hewlett Packard plant in Roseville and the Oracle office in Rocklin.
- The computer manufacturing subsector lost more than 1,500 jobs between 2016 and 2019, even before the onset of the Coronavirus recession.
- Manufacturing employment declined by more than 1,000 jobs during the second quarter of 2020. It began to rebound slowly during the summer and fall, but it is unlikely to return to pre-recession levels.

Transportation and Warehousing Employment

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



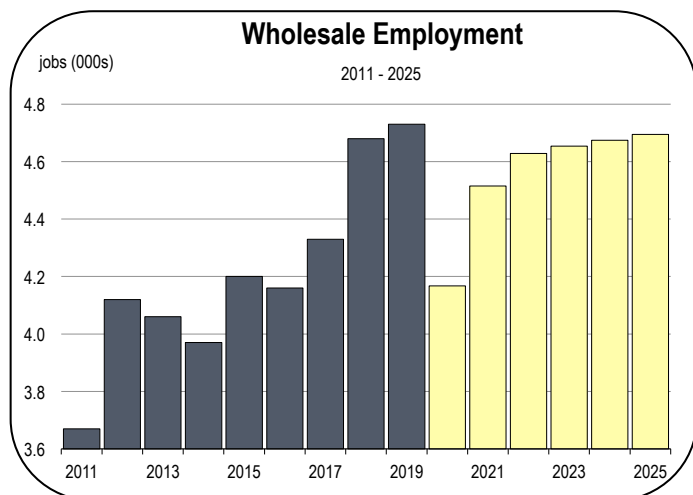
- A meaningful number of jobs are in delivery firms like UPS, FedEx, and Instacart.
- Total transportation and warehousing employment began to expand again during Phase 2 of California’s restart, and it could reach new highs in 2021 or 2022.

Retail Trade Employment

- The retail sector is expected to lose more than 1,500 jobs in 2020 on an annual average basis.
- Many large 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.

Retail Sub-Sectors 2019	Jobs in Subsector	Subsector’s Share of Overall Industry
General Merchandise Stores	4,000	17.3%
Grocery Stores	3,800	16.5%
Car Dealers	3,300	14.3%
Home Improvement / Garden Supply	1,800	7.8%
Clothing Stores	1,700	7.4%
Furniture & Furnishings Stores	1,300	5.6%
Electronics Stores	800	3.5%
Gas Stations	800	3.5%
Pharmacies & Drug Stores	600	2.6%
Online Retailers	400	1.7%
Other	4,600	19.9%

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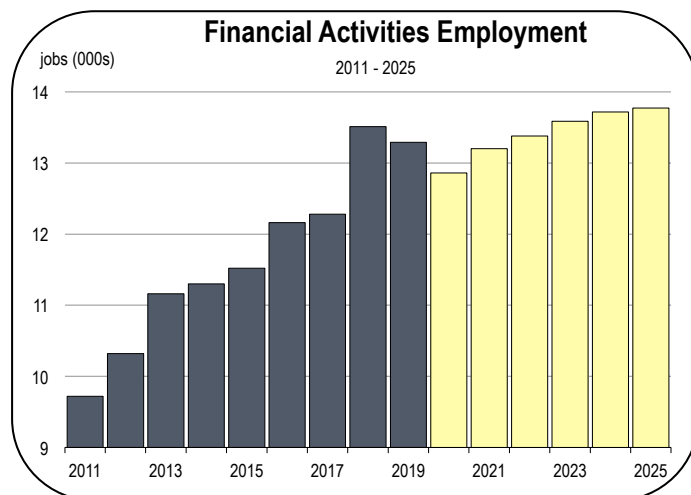
- Accounting for furloughed workers, more than 2,500 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- It is unknown when and if retail employment will eclipse pre-recession levels because of the strengthening demand trend towards online purchasing.

Wholesale Trade Employment

- Wholesale trade employment is expected to fall by at least 500 jobs on an annual average basis in 2020.
- Wholesale employment is likely to expand in tandem with employment in manufacturing and transportation/warehousing.

Financial Activities Employment

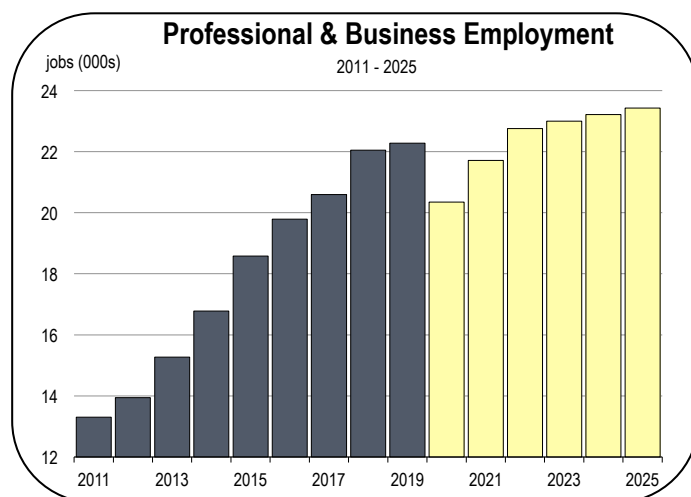
- Substantial job declines are expected in 2020 because many employers closed, committing their employees to shelter-in-place for health reasons.
- The most prominent losses are expected in real estate sales and lending.
- In 2020 there have been far fewer homes on the market than there were in 2019, 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 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, and will ultimately 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.
- Jobs in corporate security and building maintenance declined substantially during the recession but are expected to rebound at office and industrial buildings with repopulating employment.



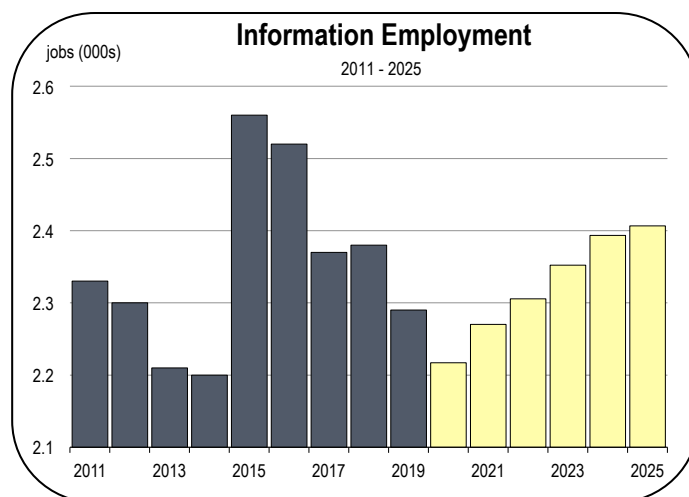
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Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	3,800	16.9%
Staffing Agencies	3,000	13.3%
Corporate Headquarters	1,900	8.4%
Engineering & Architecture	1,900	8.4%
Custom IT Services	1,600	7.1%
Law	1,200	5.3%
Call Centers & Collections Agencies	1,200	5.3%
Accounting & Bookkeeping	1,100	4.9%
Business Consulting	1,000	4.4%
Corporate Security	900	4.0%
Marketing and Advertising	400	1.8%
Other	4,500	20.0%

- Staffing agencies had significant losses during the contraction, but may bounce back quickly once the economy begins to expand 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 security, maintenance, and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were less affected by the recession than other parts of the labor market.

Information Employment

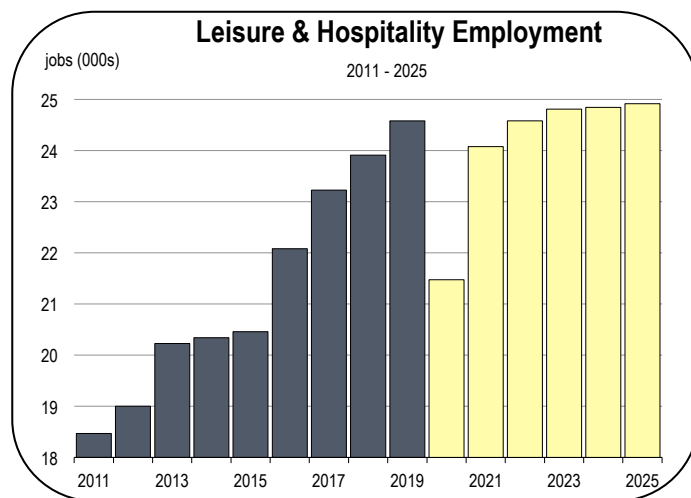
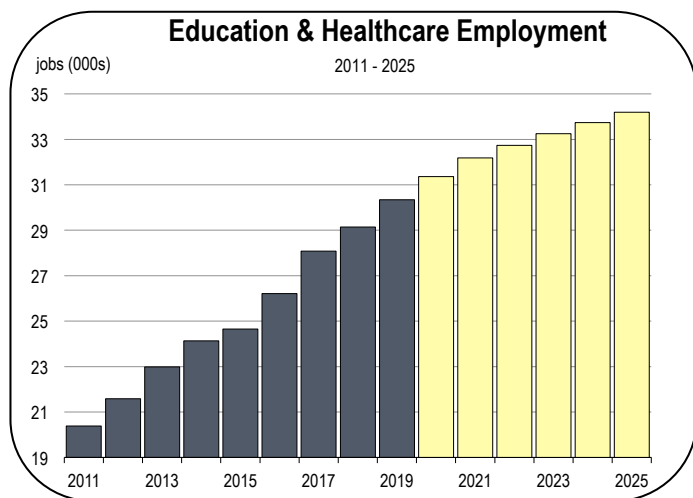
- In Placer County, the information sector is largely comprised of movie theaters, telecommunications companies like Comcast, radio and TV broadcasters, and software publishers.
- Telecommunications jobs were classified as essential and these workers remained employed during shelter-in-place. Consequently, 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.



- Many newspaper, magazine, and TV/radio 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 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.

Information Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Movie Theaters	600	26.1%
Telecommunications	500	21.7%
Radio & TV Broadcasting	500	21.7%
Software Publishers	400	17.4%
Data & Internet Services	100	4.3%
Newspaper / Magazine / Book Publishing	100	4.3%
Other	100	4.3%

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Private Education and Healthcare Employment

- There were 21,000 healthcare jobs in Placer 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 6,000 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.
- There were also 2,000 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.

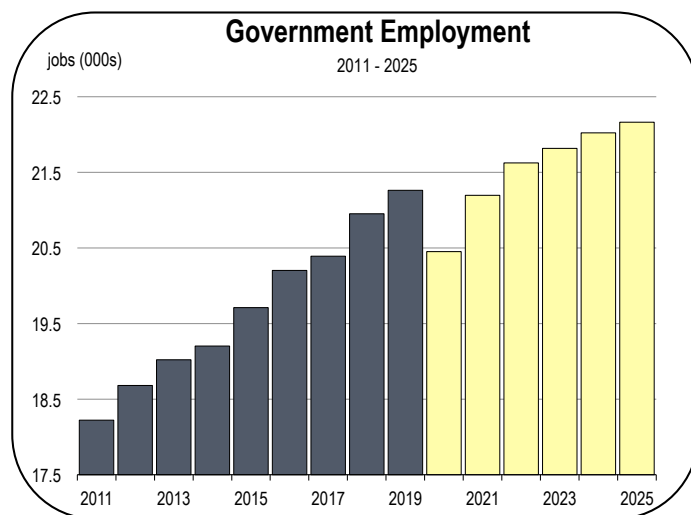
Leisure and Hospitality Employment

- The leisure and hospitality industry was devastated by the recession more than any other sector of the labor market.
- In 2019, Placer County had 19,000 jobs in restaurants, hotels, and bars. Our research indicates that most 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 until 2022 or later.
- Placer County also had 5,000 jobs in entertainment and recreation in 2019, including things like fitness centers and museums. Many

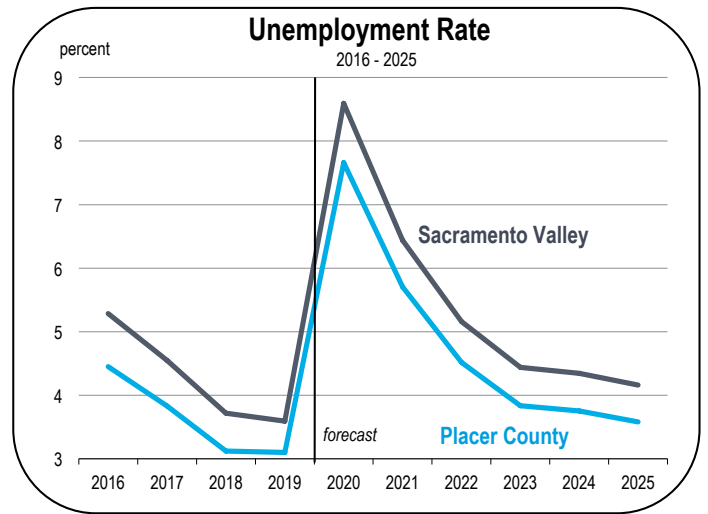
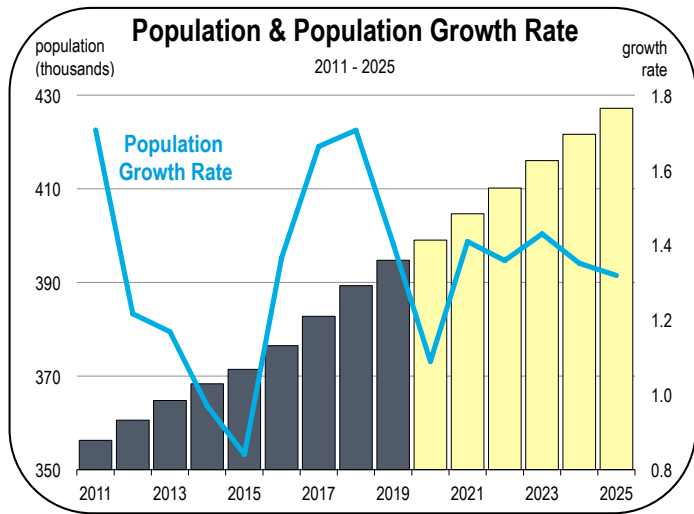
of these organizations will operate at reduced capacities through the end of 2020 and potentially into 2021.

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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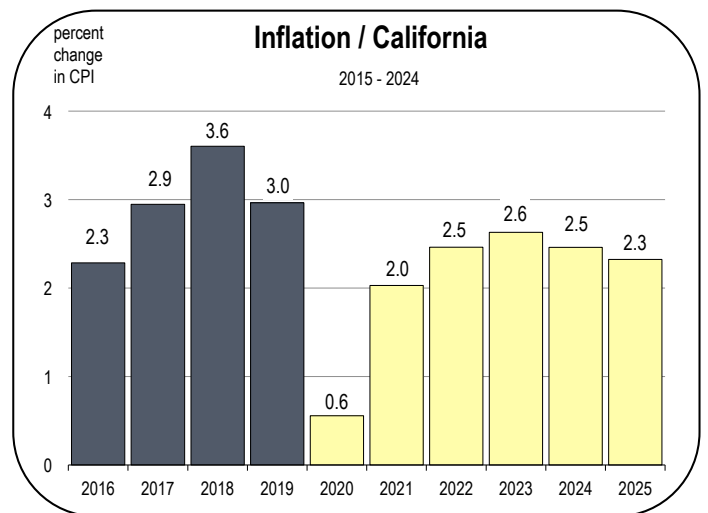
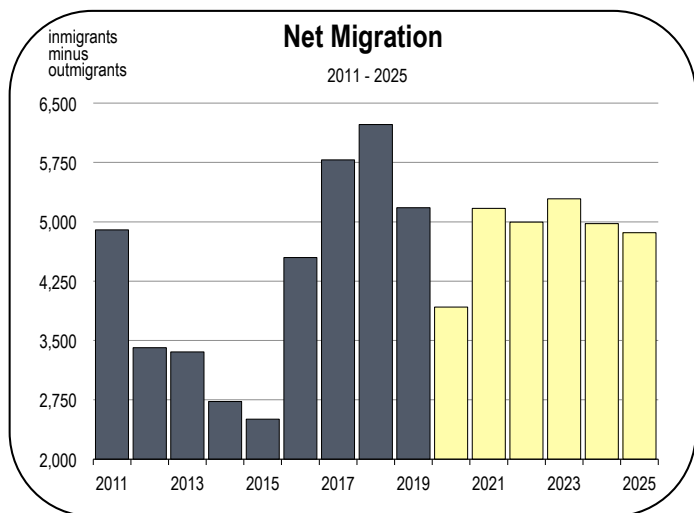


Population Growth

- The Placer County population is expected to expand more quickly than the Sacramento Valley average between 2020 and 2025.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from San Francisco and other areas for the affordable housing options in Placer County.
- An average of 4,900 net migrants are expected to move into Placer County each year between 2020 and 2025.
- The population will expand at an annual average rate of 1.3 percent per year from 2020 to 2025.
- By 2025 the Placer County population will surpass 425,000 residents.

Unemployment and Inflation Rates

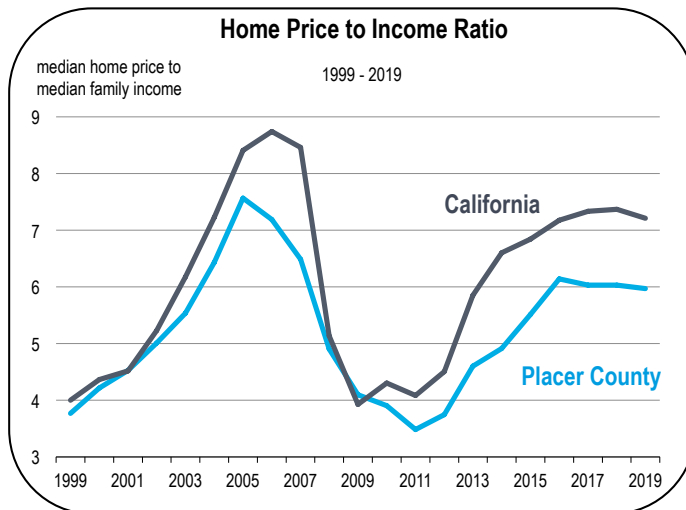
- The unemployment rate in Placer County averaged 3.1 percent in 2019, which was below the composite rate for the Sacramento Valley.
- The unemployment rate is expected to average between 7 and 9 percent during the 2020 calendar year.
- The unemployment rate is expected to remain elevated for several 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.



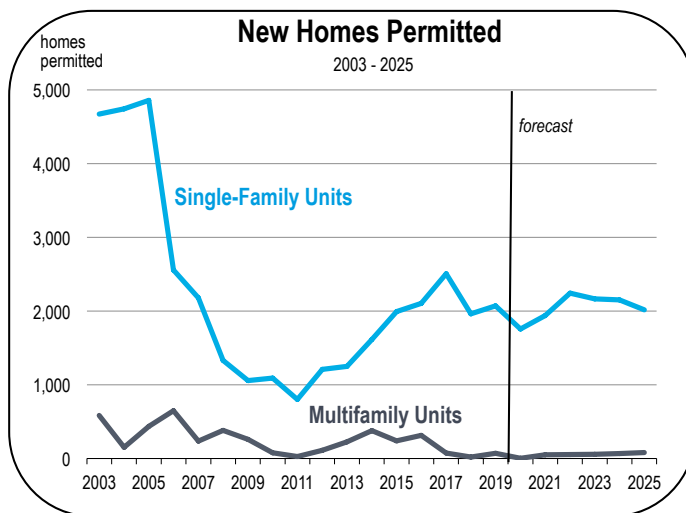
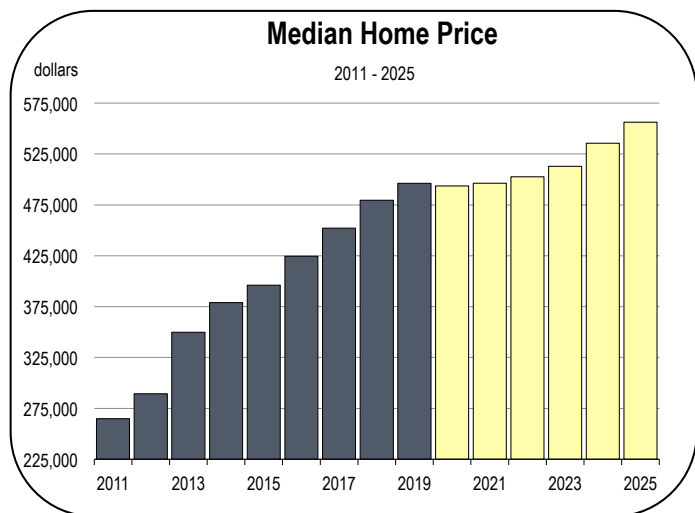
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Home Prices and New Housing Production

- In 2019 the median home price in Placer County was \$496,100. The median price is not expected to change much in 2020 or 2021.
- Homes in Placer County are more affordable than homes across California, especially Coastal California.
- In Placer County, the typical household spends less than 30 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 2,200 new homes were started per year in Placer County. Approximately 93 percent were single-family homes.
- Housing production is expected to average 2,100 homes per year from 2020 to 2025, consisting almost entirely of single-family homes.
- New homes will be built in many parts of the county, but activity will be heavily concentrated near Roseville.
- Two major projects have been approved in the Roseville area – Placer Vineyards and Amoruso Ranch.
- Placer Vineyards is a 5,200-acre project that includes 14,100 homes and 9 schools. The first phase consists of 5,000 residential units.



- The project will also contain 3.6 million square feet of commercial space. There are few business and retail centers in direct proximity to the project site, so these facilities will be developed early in the process.
- Amoruso Ranch will contain 2,800 homes and 450,000 square feet of commercial space.
- The project was approved in 2016, but needs additional permits because it includes wetland habitats.
- Other projects could generate thousands of additional homes across the county.



Placer 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)	Local Sales Tax (millions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Real Farm Production (millions)	Births (people)	Deaths (people)
2015	371,414	138.2	2,506	2,038	411	\$22.3	\$6.5	\$81	\$2.9	\$67,528	\$65.6	3,747	3,179
2016	376,486	140.3	4,549	2,418	421	\$23.5	\$6.7	\$84	\$3.1	\$68,417	\$66.9	3,732	3,207
2017	382,748	141.5	5,782	2,581	428	\$24.7	\$7.1	\$89	\$3.1	\$68,784	\$61.9	3,689	3,233
2018	389,278	143.4	6,230	1,981	438	\$26.2	\$7.6	\$94	\$2.8	\$69,361	\$69.9	3,663	3,350
2019	394,737	145.9	5,177	2,140	453	\$27.5	\$7.9	\$98	\$2.8	\$69,542	\$69.9	3,662	3,381
2020	399,036	148.2	3,923	1,759	459	\$26.6	\$7.1	\$89	\$2.7	\$66,203	\$69.9	3,804	3,427
2021	404,659	149.8	5,170	1,987	468	\$27.6	\$7.8	\$98	\$2.7	\$66,489	\$70.0	3,940	3,487
2022	410,156	151.6	4,996	2,297	474	\$29.5	\$8.1	\$102	\$2.8	\$68,408	\$70.0	4,091	3,590
2023	416,021	153.6	5,291	2,220	478	\$31.2	\$8.5	\$107	\$2.9	\$69,584	\$70.1	4,229	3,655
2024	421,642	155.6	4,977	2,220	481	\$33.1	\$8.9	\$112	\$3.0	\$70,982	\$70.1	4,358	3,714
2025	427,201	157.6	4,862	2,097	485	\$34.9	\$9.4	\$118	\$3.1	\$72,134	\$70.1	4,482	3,785
2026	432,529	159.5	4,589	1,985	487	\$36.5	\$9.9	\$123	\$3.1	\$73,026	\$70.1	4,586	3,847
2027	437,603	161.3	4,332	1,821	490	\$38.2	\$10.3	\$129	\$3.2	\$73,809	\$70.1	4,658	3,915
2028	442,366	162.9	4,002	1,658	492	\$39.9	\$10.8	\$135	\$3.2	\$74,613	\$70.1	4,738	3,978
2029	446,925	164.4	3,769	1,592	495	\$41.4	\$11.1	\$139	\$3.3	\$74,936	\$70.1	4,833	4,042
2030	451,334	165.9	3,565	1,533	498	\$42.9	\$11.4	\$143	\$3.3	\$75,270	\$70.2	4,932	4,088
2031	455,354	167.2	3,168	1,464	502	\$44.4	\$11.7	\$146	\$3.4	\$75,602	\$70.2	5,001	4,149
2032	459,068	168.6	2,859	1,367	506	\$45.9	\$11.9	\$149	\$3.4	\$75,763	\$70.2	5,086	4,231
2033	462,399	169.8	2,513	1,287	510	\$47.4	\$12.2	\$152	\$3.5	\$76,257	\$70.2	5,126	4,308
2034	465,377	170.9	2,190	1,188	513	\$49.0	\$12.5	\$156	\$3.5	\$76,715	\$70.2	5,172	4,384
2035	468,244	172.0	2,142	1,106	516	\$50.7	\$12.8	\$159	\$3.5	\$77,171	\$70.2	5,204	4,479
2036	470,730	173.0	1,819	1,101	520	\$52.5	\$13.1	\$164	\$3.6	\$77,481	\$70.2	5,241	4,574
2037	472,942	174.0	1,599	1,006	523	\$54.3	\$13.5	\$168	\$3.6	\$77,653	\$70.2	5,269	4,656
2038	475,128	174.9	1,661	948	527	\$56.1	\$13.8	\$173	\$3.6	\$77,992	\$70.2	5,260	4,736
2039	477,238	175.8	1,673	961	532	\$58.1	\$14.2	\$178	\$3.6	\$78,318	\$70.2	5,238	4,801
2040	479,274	176.6	1,679	951	536	\$60.2	\$14.6	\$183	\$3.7	\$78,647	\$70.2	5,205	4,849
2041	481,304	177.5	1,758	950	540	\$62.2	\$15.0	\$187	\$3.7	\$79,088	\$70.2	5,145	4,872
2042	483,258	178.3	1,747	967	545	\$64.3	\$15.3	\$192	\$3.7	\$79,605	\$70.2	5,095	4,887
2043	485,259	179.2	1,859	946	548	\$66.4	\$15.7	\$196	\$3.7	\$80,111	\$70.2	5,040	4,898
2044	487,254	180.0	1,922	975	556	\$68.6	\$16.0	\$200	\$3.8	\$80,790	\$70.2	4,984	4,911
2045	488,974	180.9	1,653	994	560	\$70.8	\$16.4	\$205	\$3.8	\$81,323	\$70.2	5,009	4,942
2046	490,584	181.8	1,569	914	563	\$72.9	\$16.8	\$209	\$3.8	\$81,758	\$70.2	4,989	4,948
2047	492,085	182.6	1,452	895	568	\$75.1	\$17.1	\$214	\$3.9	\$82,242	\$70.2	4,990	4,941
2048	493,469	183.4	1,319	869	572	\$77.4	\$17.5	\$219	\$3.9	\$82,717	\$70.2	4,988	4,922
2049	494,762	184.2	1,174	823	577	\$79.7	\$17.9	\$224	\$3.9	\$83,173	\$70.2	4,997	4,878
2050	495,913	185.0	1,005	789	582	\$82.0	\$18.3	\$229	\$3.9	\$83,661	\$70.2	5,002	4,855

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	152.3	0.3	12.2	6.5	3.4	26.4	11.5	18.6	2.6	24.7	20.5	19.7
2016	160.0	0.3	13.9	6.6	3.7	26.6	12.2	19.8	2.5	26.2	22.1	20.2
2017	164.8	0.3	14.8	5.8	3.5	26.9	12.3	20.6	2.4	28.1	23.2	20.4
2018	172.5	0.4	16.0	5.7	3.8	27.9	13.5	22.1	2.4	29.1	23.9	21.0
2019	175.6	0.4	17.0	5.7	3.8	27.7	13.3	22.3	2.3	30.3	24.6	21.3
2020	164.8	0.4	14.8	5.4	3.7	25.6	12.9	20.3	2.2	31.4	21.5	20.5
2021	174.8	0.4	16.3	5.5	3.9	27.2	13.2	21.7	2.3	32.2	24.1	21.2
2022	179.4	0.4	17.5	5.6	4.0	27.6	13.4	22.8	2.3	32.7	24.6	21.6
2023	181.0	0.4	17.1	5.6	4.0	28.0	13.6	23.0	2.4	33.3	24.8	21.8
2024	182.9	0.4	17.3	5.6	4.1	28.4	13.7	23.2	2.4	33.7	24.8	22.0
2025	183.9	0.4	16.7	5.6	4.1	29.0	13.8	23.4	2.4	34.2	24.9	22.2
2026	185.4	0.4	16.5	5.6	4.1	29.5	13.9	23.6	2.4	34.6	25.1	22.3
2027	186.4	0.4	15.8	5.6	4.2	30.0	14.0	23.8	2.4	35.0	25.2	22.4
2028	187.4	0.4	15.2	5.6	4.2	30.6	14.1	24.1	2.5	35.4	25.4	22.5
2029	188.2	0.4	14.8	5.6	4.2	30.8	14.2	24.3	2.5	35.7	25.5	22.6
2030	189.0	0.4	14.6	5.6	4.2	30.9	14.2	24.5	2.5	36.0	25.6	22.7
2031	189.4	0.4	14.0	5.6	4.3	31.0	14.3	24.6	2.5	36.4	25.8	22.7
2032	189.9	0.4	13.6	5.6	4.3	31.0	14.3	24.8	2.5	36.7	25.9	22.8
2033	190.4	0.4	13.1	5.6	4.3	31.1	14.3	25.0	2.5	37.1	26.1	22.9
2034	190.7	0.4	12.6	5.6	4.3	31.2	14.4	25.2	2.5	37.4	26.2	22.9
2035	191.2	0.4	12.1	5.7	4.3	31.2	14.4	25.4	2.5	37.7	26.3	23.0
2036	192.0	0.4	12.0	5.7	4.3	31.3	14.4	25.5	2.5	38.1	26.5	23.1
2037	192.3	0.4	11.5	5.7	4.4	31.3	14.4	25.7	2.5	38.4	26.6	23.1
2038	192.8	0.4	11.1	5.7	4.4	31.4	14.5	25.9	2.5	38.8	26.7	23.2
2039	193.9	0.4	11.2	5.7	4.4	31.5	14.5	26.1	2.5	39.1	26.8	23.3
2040	194.7	0.4	11.1	5.7	4.4	31.5	14.5	26.2	2.5	39.5	26.9	23.4
2041	195.6	0.4	11.1	5.7	4.4	31.6	14.6	26.4	2.6	39.8	27.0	23.5
2042	196.7	0.4	11.2	5.7	4.4	31.6	14.6	26.6	2.6	40.2	27.1	23.6
2043	197.5	0.4	11.1	5.7	4.4	31.7	14.7	26.7	2.6	40.5	27.2	23.7
2044	198.7	0.4	11.3	5.7	4.4	31.8	14.7	26.9	2.6	40.9	27.3	23.8
2045	199.8	0.4	11.4	5.7	4.5	31.8	14.7	27.1	2.6	41.3	27.4	23.9
2046	200.2	0.4	11.0	5.7	4.5	31.9	14.7	27.2	2.7	41.6	27.5	23.9
2047	201.1	0.4	10.9	5.7	4.5	31.9	14.7	27.4	2.7	42.0	27.6	24.0
2048	201.9	0.4	10.8	5.7	4.5	32.0	14.8	27.6	2.7	42.4	27.7	24.1
2049	202.5	0.4	10.5	5.7	4.5	32.1	14.8	27.7	2.7	42.8	27.8	24.2
2050	203.2	0.4	10.3	5.7	4.5	32.1	14.8	27.9	2.7	43.2	27.9	24.3

Placer County Economic Forecast

Socioeconomic Indicators

