El Dorado County Economic Forecast

**Forecast Summary**

- On an annual average basis, 3,100 non-farm jobs will be restored in El Dorado County during 2021.
- A full labor market recovery is expected by 2022.
- Employment gains in 2021 will be largest in leisure services, which will recover 900 jobs.
- More than 200 jobs will also be re-gained or created in professional business services, education and healthcare, financial activities, and retail trade.
- The unemployment rate averaged 8.3 percent in 2020. It is expected to average 5.7 percent in 2021.
- The El Dorado County population is expected to grow quickly during the forecast period.
- More homes will be built over the forecast period than were built during the previous five years.
- Home prices increased unexpectedly in 2020, rising by 8 percent. Home sales surged by 33 percent as professionals with work-from-home jobs relocated to El Dorado Hills and South Lake Tahoe.

**Job Growth**

- Total employment in El Dorado County will expand by 5.6 percent in 2021 on an annual average basis.

**Construction Employment**

- Between 2022 and 2026, job growth will average 2.7 percent, the fastest rate of growth for any county in California.
- New development projects have ramped up in recent years leading to a surge in construction jobs.
- Three housing communities in the Bass Lake Hills area plan are under construction. The communities will ultimately generate 281 single family homes.
- More developments will begin construction this year and next.
El Dorado County Economic Forecast

Manufacturing Employment

- Total employment in the manufacturing industry has remained relatively constant since 2015.

- No extraordinary growth in manufacturing is forecast over the next 5 years, though longer term, a contraction is likely due to robotics and other advances in technology.

Transportation and Warehousing Employment

- Most transportation jobs in El Dorado 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 and FedEx. Delivery firms hired large numbers of workers during 2020 in response to a surge in online shopping and direct-to-consumer shipping.

- Further increases in online retail expenditures will support growth in transportation and warehousing jobs.

Retail Trade Employment

- Approximately a third of all retail jobs are in grocery stores. Another third are in big-box department stores, home improvement stores, car dealers, and gas stations.

- Most losses in 2020 were at department stores and car dealers.

- Grocery stores expanded their headcounts in 2020 as households stopped going to restaurants and prepared more home cooked meals. Home improvement stores staffed up too.

- A full recovery of jobs in the retail sector is expected by 2022, largely because the pandemic’s impact on retail jobs was not as severe in El Dorado County as elsewhere in the state.

- However, growth in retail employment over time will be minimal.

- Automation and the transition to online shopping will lead to consolidations in total industry employment at local brick-and-mortar establishments between 2022 and 2026, principally in department stores, furniture stores, electronics stores, and clothing stores.
Financial Activities Employment

- The Blue Shield office in El Dorado Hills accounts for half of all jobs in the financial activities sector. Blue Shield is also El Dorado County’s largest private employer.
- Even before the onset of the Coronavirus Recession, financial activities employment was declining due to reductions at insurance firms.
- Over the forecast horizon, some insurance jobs will be restored and real estate firms will increase their staging levels to accommodate the new homes and commercial structures that will need to be bought, sold, leased, and managed.

Professional and Business Services, Private Education, and Healthcare Employment

- Employment growth in the professional business services and healthcare sectors will account for between 30 and 40 percent of all new jobs in El Dorado County between 2021 and 2026.
- Professional business services address the service demands of an expanding population, and healthcare addresses the demands of an aging population.
- Currently, 24 percent of the population is aged 65 or over. This age cohort will rise to 28 percent by 2030.
Information Employment

- In El Dorado County, the information sector is largely comprised of telecommunications companies like Comcast, software publishers, local newspapers, and data/Internet services.

- Software companies were able to operate remotely during 2020 and were largely unaffected by the recession, but a small number of jobs were eliminated.

- Newspaper employees were allowed to remain in their jobs, but advertising revenues declined with the rest of the economy, giving employers little choice but to issue layoff notices.

- Software publishing and data/Internet services are expected to generate new jobs over the forecast period, but declines are anticipated in most other subsectors.

Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company.

- On an annual average basis, 1,300 jobs were lost at restaurants and bars, a decline of 22 percent.

- More than 400 jobs were lost at hotels and motels (34 percent) and almost 500 jobs were lost at gyms, fitness centers, recreation facilities, and ski slopes (25 percent).

- The 2021 winter season was prolific and tourism activity began to rebound when the shelter in place order was rescinded in late January 2021. Hotel occupancy rates had fully recovered by summer 2021.

- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in travel, dining, drinking, and recreation throughout El Dorado County.

Government Employment

- State and local government agencies lost 300 jobs during 2020.

- Federal government agencies added a small number of jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years.

- Some state and local government positions will be restored in fiscal 2022 (beginning in July 2021) with the commencement of in-person schools in the Fall of 2021 and with federal grants to cities and counties from the American Rescue Plan that will help to offset fiscal 2021 deficits.
Population Growth

- The growth of population in the county is entirely attributable to relocating populations.
- Estimated net in-migration in 2020 was at the highest level since 2000, as more urban residents vacated the cities for inland destinations in California, including El Dorado Hills and South Lake Tahoe.
- Traditionally, most net migration into El Dorado County originates from Sacramento County. Placer County is second.
- Santa Clara, Alameda, and Contra Costa Counties are also a principal contributing source of local population growth.

Unemployment and Inflation Rates

- The unemployment rate in El Dorado County averaged 8.3 percent in 2020.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Sacramento County.
- The unemployment rate is expected to average 5.7 percent in 2021 and 4.1 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. Inflation soared in 2021 and is expected to remain elevated for several years.
Ultimately, inflation will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.

However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

Home Prices and New Housing Production

In 2020 the median home price in El Dorado County was $524,800.

Existing home sales were prolific in the county rising to the highest level since 2005.

Strong demand for homes in the county pushed median home price appreciation to 8 percent in 2020.

Home prices are expected to expand in a similar manner in 2021 as the exodus from cities, notably the Bay Area, continues this year.

Homes in El Dorado County are more affordable than homes across California, especially Coastal California.

In El Dorado 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 35 to 50 percent of income on housing costs.

Development of homes and commercial structures had been relatively austere in El Dorado County since the Great Recession but development pressures have been building since 2015.

Now three large unincorporated area plan projects are currently in planning that will ultimately deliver thousands of new homes in the county.

Creekside Village Specific Plan

The project site is located south of Highway 50 in the El Dorado Hills area.

The project applicant proposes to develop a new 926-unit residential community of single-family medium-density residential developments.

The project plan was submitted to El Dorado County planning and as of December 2020, the preparation of an EIR is underway.

Central El Dorado Hills Specific Plan

The proposed project consists of 1,028 residential units, 50,000 square feet of commercial space, and parks.

The project EIR is completed, but requires an approval of amendments to the existing El Dorado Hills Specific Plan, which means that a construction timeline is not yet available.
Carson Creek Village Specific Plan

- The proposed plan is principally a residential community of 600 to 800 dwelling units and approximately 110,000 square feet of new commercial floor area.

- The project is located within the central portion of the existing El Dorado Hills Business Park.

- The project is in the pre-application, conceptual review stage. Public hearings have recently been held in Placerville.

Montano De El Dorado

- Phase I of the project is built as an existing commercial center consisting of five buildings with a combined total of 39,645 square feet of floor area. Existing uses include retail stores, restaurants, and a bank.

- The Phase II expansion consists of nine additional commercial buildings with a combined total of approximately 80,000 square feet of retail, restaurant, commercial and office uses, a 55,136 square foot, 100-room hotel, a small community pavilion and on-site parking.

- The project awaits final approval by the Board of Supervisors.
### Economic Indicators

#### 2015-2020 History, 2021-2050 Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Households</th>
<th>Migration</th>
<th>New Homes</th>
<th>Registered Vehicles</th>
<th>Personal Income</th>
<th>Taxable Retail Sales</th>
<th>Total Taxable Sales</th>
<th>Real Industrial Production</th>
<th>Real per Capita Income</th>
<th>Unemployment Rate</th>
<th>Real Farm Production</th>
<th>Inflation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>181,009</td>
<td>71.9</td>
<td>368</td>
<td>574</td>
<td>223</td>
<td>$11.1</td>
<td>$1.4</td>
<td>$2.1</td>
<td>$502</td>
<td>$70.09</td>
<td>5.7</td>
<td>58.0</td>
<td>1.4</td>
</tr>
<tr>
<td>2016</td>
<td>181,855</td>
<td>72.2</td>
<td>845</td>
<td>799</td>
<td>230</td>
<td>$13.7</td>
<td>$1.7</td>
<td>$2.4</td>
<td>$702</td>
<td>$72.03</td>
<td>5.1</td>
<td>62.3</td>
<td>2.0</td>
</tr>
<tr>
<td>2017</td>
<td>183,733</td>
<td>72.9</td>
<td>1,907</td>
<td>819</td>
<td>220</td>
<td>$17.8</td>
<td>$2.0</td>
<td>$2.8</td>
<td>$743</td>
<td>$74.22</td>
<td>4.4</td>
<td>66.0</td>
<td>2.2</td>
</tr>
<tr>
<td>2018</td>
<td>186,292</td>
<td>74.2</td>
<td>2,428</td>
<td>933</td>
<td>233</td>
<td>$12.8</td>
<td>$1.8</td>
<td>$2.6</td>
<td>$703</td>
<td>$73.31</td>
<td>3.6</td>
<td>62.0</td>
<td>2.9</td>
</tr>
<tr>
<td>2019</td>
<td>187,190</td>
<td>74.9</td>
<td>842</td>
<td>665</td>
<td>238</td>
<td>$13.5</td>
<td>$1.8</td>
<td>$2.6</td>
<td>$744</td>
<td>$76.07</td>
<td>4.1</td>
<td>62.0</td>
<td>2.9</td>
</tr>
<tr>
<td>2020</td>
<td>190,400</td>
<td>75.4</td>
<td>3,360</td>
<td>954</td>
<td>237</td>
<td>$13.9</td>
<td>$2.0</td>
<td>$2.7</td>
<td>$734</td>
<td>$74.22</td>
<td>6.3</td>
<td>62.0</td>
<td>2.8</td>
</tr>
</tbody>
</table>

### Employment Sectors

#### 2015-2020 History, 2021-2050 Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Wage &amp; Salary</th>
<th>Farm</th>
<th>Construction</th>
<th>Manufacturing</th>
<th>Transportation &amp; Utilities</th>
<th>Wholesale &amp; Retail Trade</th>
<th>Financial Activities</th>
<th>Professional Services</th>
<th>Health &amp; Services</th>
<th>Leisure</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>52.5</td>
<td>0.5</td>
<td>3.7</td>
<td>2.6</td>
<td>0.7</td>
<td>6.4</td>
<td>4.2</td>
<td>5.0</td>
<td>0.5</td>
<td>7.8</td>
<td>8.8</td>
</tr>
<tr>
<td>2016</td>
<td>53.5</td>
<td>0.3</td>
<td>4.5</td>
<td>2.6</td>
<td>0.7</td>
<td>6.9</td>
<td>4.4</td>
<td>5.1</td>
<td>0.6</td>
<td>8.7</td>
<td>9.8</td>
</tr>
<tr>
<td>2017</td>
<td>56.7</td>
<td>0.3</td>
<td>4.8</td>
<td>2.6</td>
<td>0.7</td>
<td>6.9</td>
<td>4.3</td>
<td>5.1</td>
<td>0.6</td>
<td>8.0</td>
<td>9.7</td>
</tr>
<tr>
<td>2018</td>
<td>58.7</td>
<td>0.3</td>
<td>6.0</td>
<td>2.5</td>
<td>0.7</td>
<td>7.1</td>
<td>4.2</td>
<td>6.2</td>
<td>0.6</td>
<td>8.5</td>
<td>9.5</td>
</tr>
<tr>
<td>2019</td>
<td>59.0</td>
<td>0.3</td>
<td>6.2</td>
<td>2.6</td>
<td>0.8</td>
<td>7.0</td>
<td>3.5</td>
<td>6.6</td>
<td>0.6</td>
<td>8.6</td>
<td>9.6</td>
</tr>
<tr>
<td>2020</td>
<td>60.2</td>
<td>0.3</td>
<td>6.3</td>
<td>2.5</td>
<td>0.8</td>
<td>6.8</td>
<td>3.5</td>
<td>6.7</td>
<td>0.7</td>
<td>8.8</td>
<td>9.7</td>
</tr>
</tbody>
</table>

---

**Note:** The above data represents a summary of economic indicators and employment sectors for El Dorado County. The data includes population, household, migration, new homes, registered vehicles, personal income, taxable retail sales, total taxable sales, real industrial production, real per capita income, unemployment rate, real farm production, and inflation rate. The employment sectors data includes total wage & salary, farm, construction, manufacturing, transportation & utilities, wholesale & retail trade, financial activities, professional services, health & services, leisure, and government. The data is presented for the years 2015-2020 with a forecast for 2021-2050.
El Dorado County Economic Forecast

Socioeconomic Indicators

**Violent Crime Rate**
- El Dorado County: 173
- Sacramento Valley: 352
- California: 441

**Poverty Rate**
- El Dorado County: 5.4
- Sacramento Valley: 9.2
- California: 9.4

**Median Household Income**
- El Dorado County: 90,100
- Sacramento Valley: 78,200
- California: 82,100

**Median Home Selling Price**
- El Dorado County: 524,800
- Sacramento Valley: 432,600
- California: 659,200

**Average Travel Time to Work**
- El Dorado County: 31
- Sacramento Valley: 30
- California: 33

**Percent of Population Age 25+ With at Least a 4-Year College Degree**
- El Dorado County: 35.4
- Sacramento Valley: 33.2
- California: 33.9