

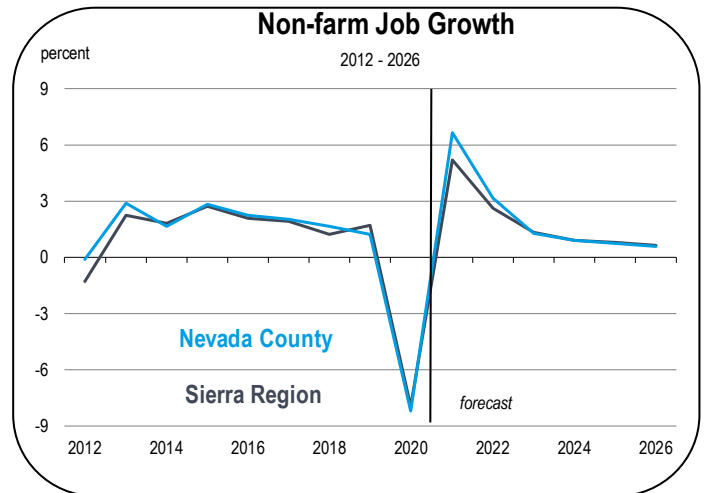
Nevada County Economic Forecast

Forecast Summary

- On an annual average basis, 2,000 non-farm jobs will be restored in Nevada County during 2021, representing most of the jobs that were lost in 2020.
- A full labor market recovery is expected in 2022.
- Over the 2021-2026 forecast period, net employment in Nevada County is expected to increase by 4,200 jobs. Government, leisure services, professional business services, and healthcare will be responsible for most of these new jobs.
- The unemployment rate averaged 8.1 percent in 2020. It is forecast to average 5.5 percent in 2021 and 4.2 percent in 2022.
- The Nevada County population is expected to decline during the forecast period.
- The median home price increased by 9 percent in 2020. Home prices are expected to increase by 11 percent in 2021 and 5 percent in 2022.

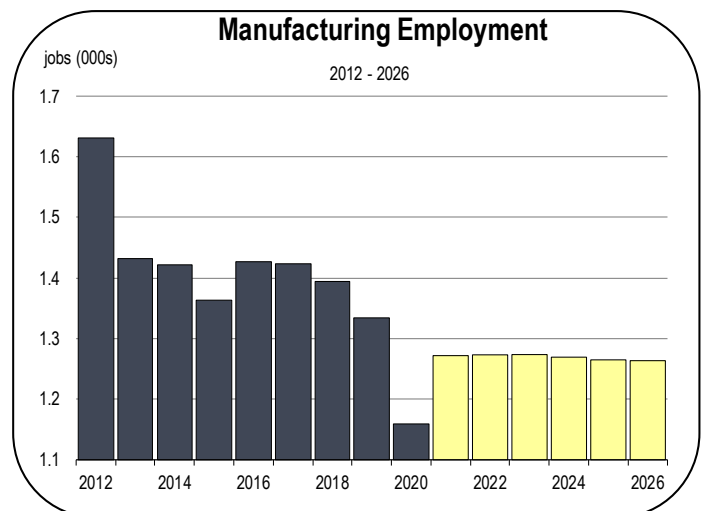
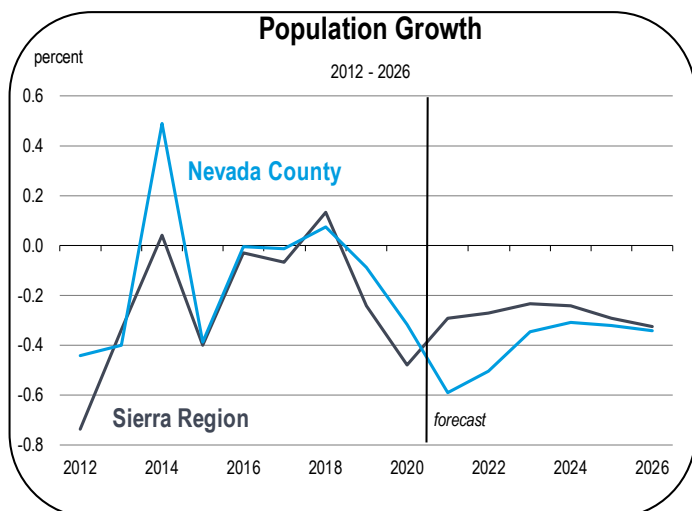
Job Growth

- Total employment in Nevada County will expand by 2.0 percent in 2021 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.3 percent per year.

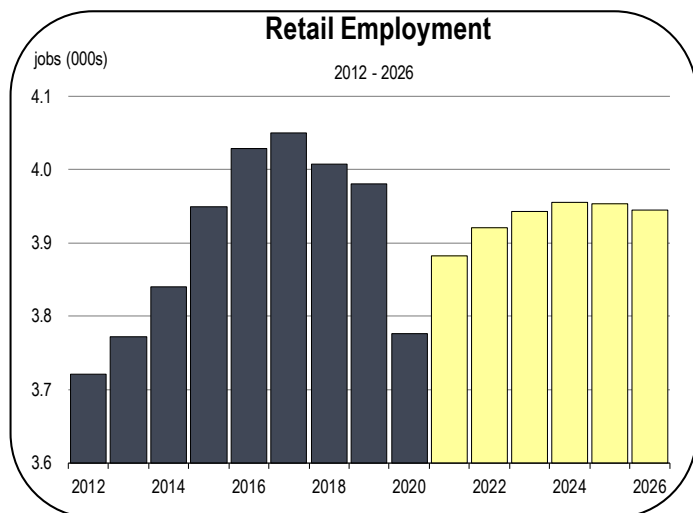


Manufacturing Employment

- Employment in the Nevada County manufacturing sector had been relatively unchanged for several years before the onset of the Coronavirus Recession.
- Nevada County manufacturing activity is concentrated in industry segments with challenging business outlooks, including timber production and telecommunications equipment manufacturing.
- Over the long term, job growth is expected to be minimal.



Nevada County Economic Forecast

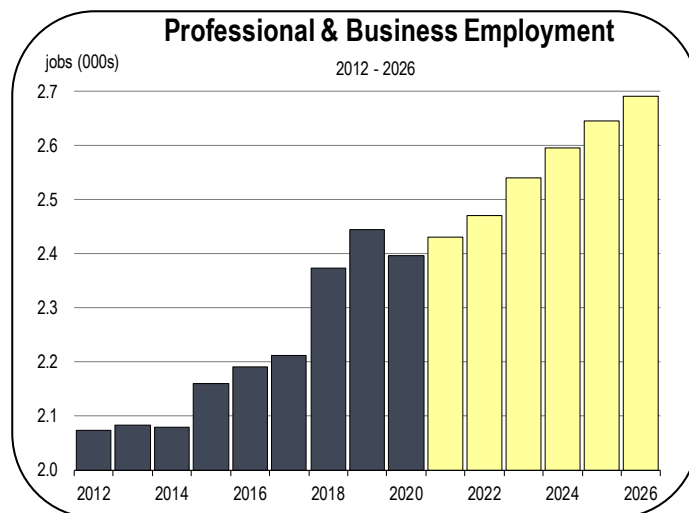


Retail Trade Employment

- The retail industry will begin to rebound in 2021 but will not recover all jobs that have been lost over the last few years.
- The Nevada County retail industry was already under pressure before the onset of the Coronavirus Recession.
- Competition from online stores has led to lower levels of employment at local brick-and-mortar shops, and the transition to online shopping will lead to further consolidation of local retail jobs over the long-term.
- More than a quarter of all retail jobs in Nevada County can be found in a handful of companies, including:
 - Briarpatch Community Market
 - Kmart
 - Raley's
 - Safeway

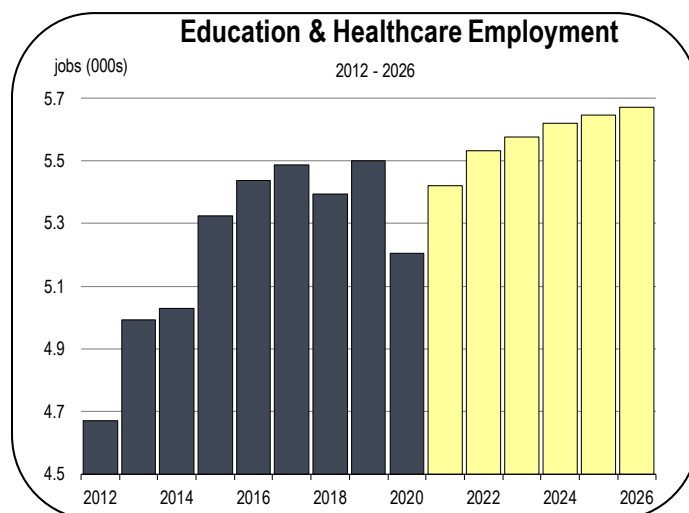
Professional and Business Services Employment

- The professional and business services sector has a wide array of companies, and most fared well during the ups and downs of 2020.
- Nevada County has a growing professional business services industry that will generate a meaningful number of jobs over the forecast period.
- Jobs in the professional business services sector tend to pay above average wages, and as it captures a rising share of the overall labor market, this industry will contribute to rising incomes in the county.



Private Education and Healthcare Employment

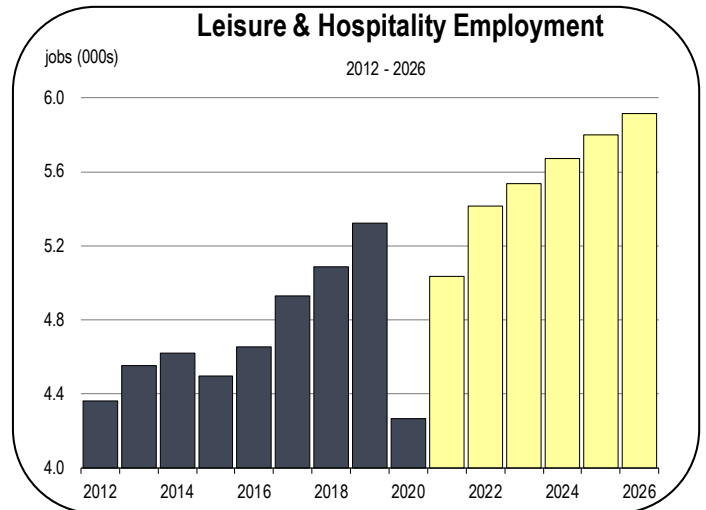
- Because a large share of the Nevada County population is in retirement age, the local economy has a meaningful number of jobs in nursing homes and senior centers.
- Across all corners of the healthcare industry, 500 jobs could be restored or created by 2026.
- The largest healthcare employers in the county are:
 - Sierra Nevada Memorial Hospital (500-1,000 employees)
 - Tahoe Forest Health System (500-1,000 employees)
 - Golden Empire Nurse & Rehab (100-250 employees)
 - Spring Hill Manor (100-250 employees)
- In Nevada County, there very few jobs in private educational institutions (public schools are classified in the government sector).



Nevada County Economic Forecast

Leisure and Hospitality Employment

- The Sierra Nevada Mountain Range is the largest tourism attraction in Nevada County, and the winter ski season is the peak for visitor traffic.
- Each year, thousands of skiers and snowboarders descend on Boreal Mountain Resort, which employs up to 1,000 workers during the winter months.
- Annual snowfall totals had been increasing in recent years, ultimately leading to a larger number of people traveling to Nevada County and generating higher levels of demand for leisure and hospitality workers.
- But in 2020 the leisure and hospitality sector was subjected to an abysmal snow year, the Coronavirus Recession, and travel restrictions.
- There has been anecdotal evidence that visitors defied the travel restrictions to visit the Nevada County area during 2020, but most of these visitors did not stay in local hotels, eat at local restaurants, or shop at local stores, and therefore contributed very little to the vibrancy of the Nevada County economy.

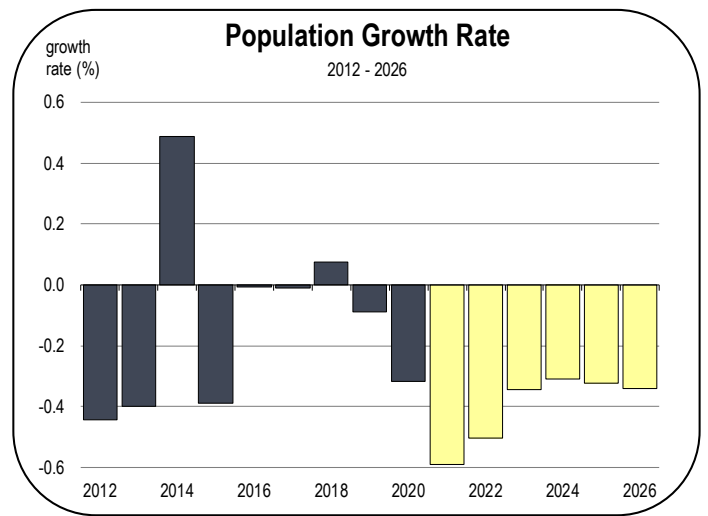
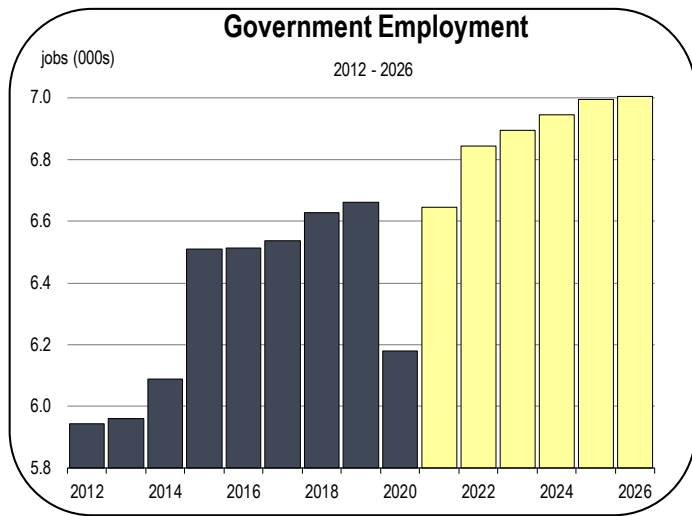


- On an annual average basis, total employment fell by 1,000 jobs, a devastating decline of 20 percent.
- In 2021 and 2022, it is expected that tourism activity will begin to return to normal, and that local leisure and hospitality businesses will generate higher levels of revenue and re-hire staff. But developments in this sector are ultimately dependent on snowfall totals and the comfort of consumers returning to pre-pandemic travel patterns.



Boreal Mountain Resort

Nevada County Economic Forecast



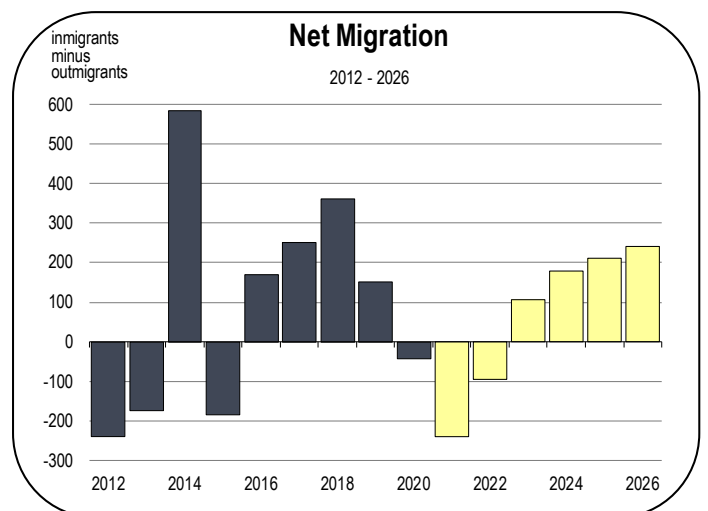
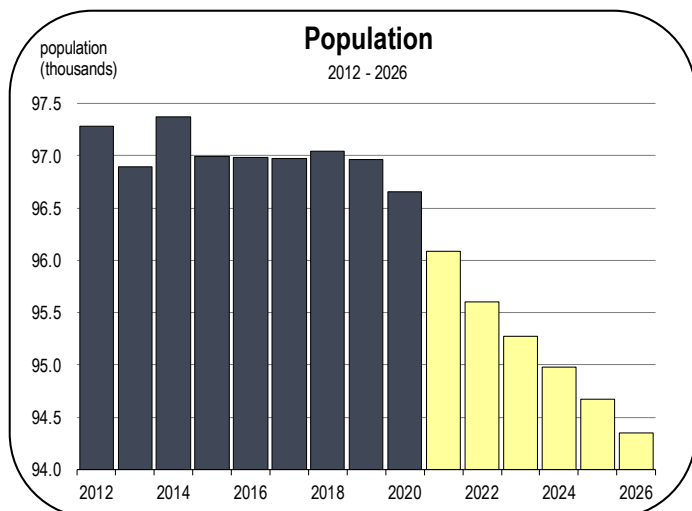
Government Employment

- Government agencies lost fewer than 400 jobs during 2020.
- As schools return to in-person instruction in the Fall of 2021, some jobs at local schools will be restored.
- Other jobs will be recovered as federal funding is distributed to local government agencies throughout California, largely from the American Rescue Plan that was passed by Congress to aid the economic recovery.
- By 2026, government agencies are expected to surpass pre-pandemic employment levels by several hundred jobs.

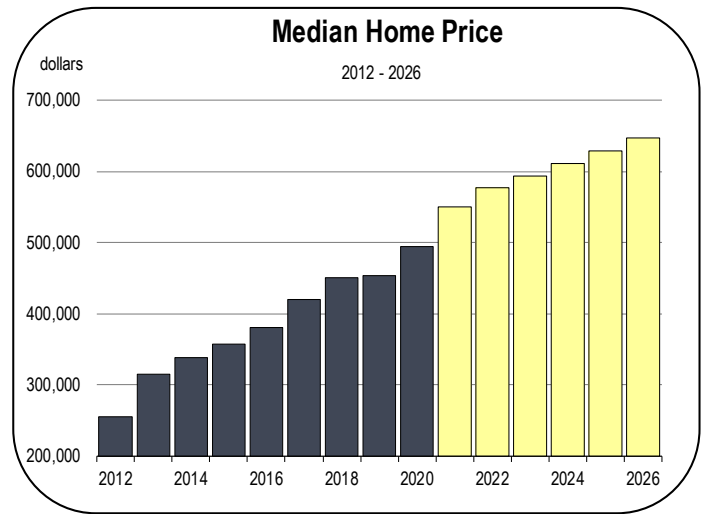
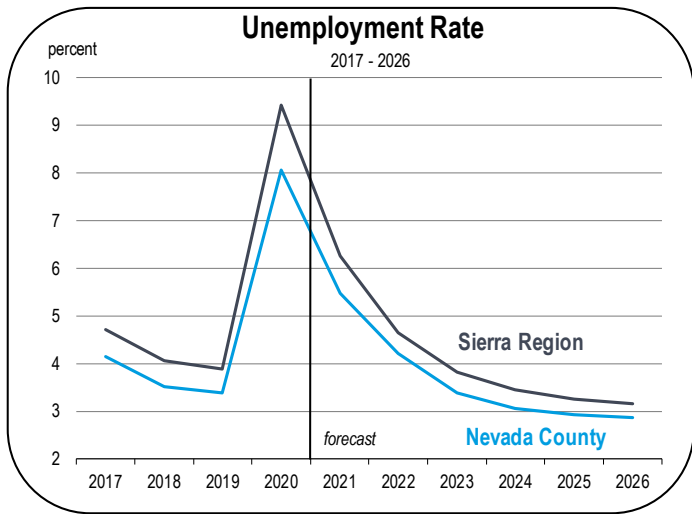
Population Growth

- The Nevada County population grew relatively steadily between 2013 and 2020, but it is expected to decline sharply over the forecast period.

- The county's population is much older than the statewide average. As of 2020, more than 13 percent of Nevada County's population was age 75 or older, compared to just 7 percent of California's population.
- Because Nevada County has a high share of residents aged 75 and older, the number of deaths has begun to exceed the number of births.
- Between 2015 and 2020, there were 1,400 more deaths than births. Between 2021 and 2026, there are expected to be 2,700 more deaths than births.
- More people will move into the county than people who move out, but because deaths will outnumber births, the population will decline.



Nevada County Economic Forecast

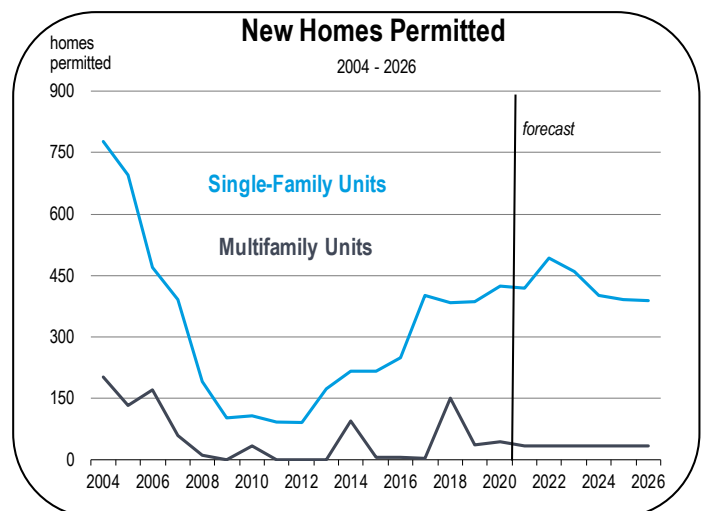
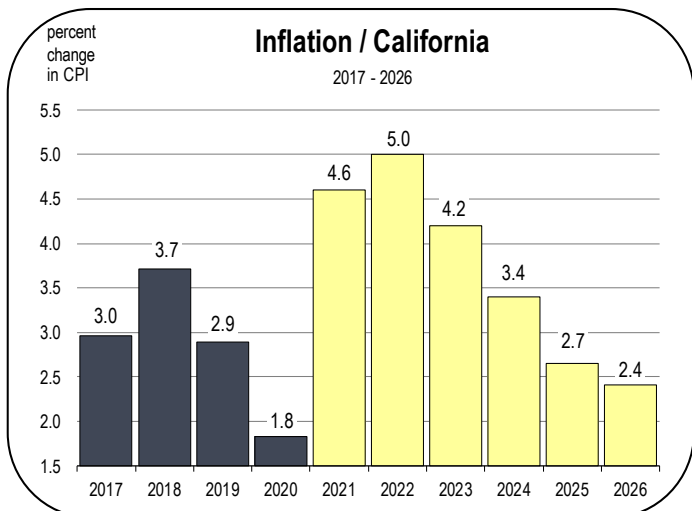


Unemployment and Inflation Rates

- The unemployment rate in Nevada County averaged 8.1 percent in 2020.
- An unemployment rate below 5.0 percent signifies a fully employed labor force in Nevada County. The unemployment rate is expected to average 5.5 percent in 2021 and 4.2 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. It 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 Nevada County was \$494,800.
- The median price is expected to increase very quickly in 2021 as the number of homes on the market plummets and the number of house hunters grows.
- In 2021, prices are forecast to expand rapidly in almost all California markets.
- Price appreciation should slow down in 2022, but the median price in Nevada County could exceed \$650,000 by 2026.
- From 2015 to 2020, an average of 385 new homes were started per year in Nevada County. Virtually all were single-family homes.
- Housing production is expected to average 450 to 475 homes per year from 2021 to 2026, consisting mostly of single-family homes.



Nevada County Economic Forecast

Economic Indicators

2015-2020 History, 2021-2050 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	96,992	41.9	-184	223	130	\$5.5	\$0.9	\$1.3	\$312	\$64,842	5.5	\$23	1.4
2016	96,986	42.1	170	256	134	\$5.8	\$0.9	\$1.3	\$326	\$66,571	4.8	\$23	2.3
2017	96,975	42.2	250	406	131	\$5.9	\$1.0	\$1.4	\$324	\$65,834	4.1	\$26	3.0
2018	97,048	42.3	362	534	132	\$6.1	\$1.0	\$1.4	\$333	\$65,672	3.5	\$27	3.7
2019	96,963	42.5	150	423	135	\$6.3	\$1.0	\$1.5	\$322	\$66,571	3.4	\$24	2.9
2020	96,657	42.7	-43	466	133	\$6.6	\$1.2	\$1.7	\$321	\$68,540	8.1	\$25	1.8
2021	96,087	43.1	-240	453	134	\$7.0	\$1.1	\$1.7	\$335	\$70,997	5.5	\$26	4.6
2022	95,603	43.4	-95	527	133	\$7.2	\$1.2	\$1.7	\$326	\$71,508	4.2	\$28	5.0
2023	95,274	43.8	106	493	134	\$7.5	\$1.2	\$1.8	\$328	\$73,096	3.4	\$30	4.2
2024	94,979	44.2	179	436	134	\$7.8	\$1.3	\$1.8	\$328	\$74,258	3.1	\$33	3.4
2025	94,673	44.6	211	425	134	\$8.1	\$1.3	\$1.9	\$328	\$75,303	2.9	\$34	2.7
2026	94,350	44.9	241	422	135	\$8.4	\$1.3	\$1.9	\$331	\$76,535	2.9	\$34	2.4
2027	94,018	45.3	264	417	135	\$8.7	\$1.3	\$1.9	\$336	\$77,922	2.8	\$35	2.2
2028	93,660	45.6	278	409	134	\$9.0	\$1.3	\$1.9	\$338	\$79,163	2.8	\$35	2.3
2029	93,275	46.0	287	399	134	\$9.3	\$1.4	\$2.0	\$339	\$80,184	2.8	\$35	2.2
2030	92,843	46.3	271	380	135	\$9.6	\$1.4	\$2.1	\$340	\$81,189	2.8	\$36	2.2
2031	92,381	46.6	265	374	135	\$9.8	\$1.4	\$2.1	\$341	\$82,247	2.7	\$36	2.3
2032	91,895	46.9	266	366	135	\$10.1	\$1.5	\$2.2	\$340	\$83,175	2.7	\$36	2.2
2033	91,405	47.2	269	359	135	\$10.4	\$1.5	\$2.2	\$342	\$84,304	2.7	\$36	2.0
2034	90,906	47.5	274	362	135	\$10.7	\$1.5	\$2.3	\$342	\$85,340	2.6	\$37	2.1
2035	90,397	47.8	272	363	136	\$11.0	\$1.6	\$2.3	\$342	\$86,345	2.6	\$37	2.1
2036	89,890	48.1	278	362	136	\$11.3	\$1.6	\$2.4	\$341	\$87,094	2.6	\$37	2.2
2037	89,407	48.4	293	367	136	\$11.6	\$1.7	\$2.5	\$339	\$87,734	2.5	\$37	2.2
2038	88,909	48.7	279	356	136	\$12.0	\$1.7	\$2.5	\$338	\$88,489	2.5	\$37	2.2
2039	88,395	48.9	260	341	136	\$12.3	\$1.8	\$2.6	\$336	\$89,109	2.4	\$37	2.2
2040	87,887	49.2	254	336	136	\$12.6	\$1.8	\$2.7	\$334	\$89,745	2.4	\$38	2.1
2041	87,400	49.5	246	330	136	\$13.0	\$1.9	\$2.7	\$332	\$90,584	2.3	\$38	2.2
2042	86,934	49.8	241	326	136	\$13.3	\$1.9	\$2.8	\$331	\$91,457	2.3	\$38	2.1
2043	86,474	50.0	221	315	137	\$13.6	\$2.0	\$2.9	\$329	\$92,383	2.3	\$38	2.0
2044	86,015	50.3	190	301	137	\$14.0	\$2.0	\$2.9	\$329	\$93,440	2.2	\$38	2.2
2045	85,549	50.5	164	289	137	\$14.3	\$2.0	\$3.0	\$328	\$94,417	2.2	\$38	2.2
2046	85,095	50.8	144	279	137	\$14.6	\$2.1	\$3.0	\$327	\$95,293	2.2	\$38	2.2
2047	84,672	51.0	137	274	137	\$15.0	\$2.1	\$3.1	\$325	\$95,935	2.1	\$38	2.2
2048	84,284	51.2	132	264	137	\$15.3	\$2.2	\$3.2	\$323	\$96,453	2.1	\$38	2.3
2049	83,915	51.4	114	250	137	\$15.7	\$2.2	\$3.3	\$321	\$97,162	2.1	\$39	2.0
2050	83,575	51.6	104	240	137	\$16.1	\$2.3	\$3.3	\$320	\$97,765	2.0	\$39	2.1

Employment Sectors

2015-2020 History, 2021-2050 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	30.8	0.1	2.7	1.4	0.5	4.3	1.3	2.2	0.3	5.3	4.5	6.5
2016	31.5	0.1	2.8	1.4	0.5	4.4	1.3	2.2	0.3	5.4	4.7	6.5
2017	32.2	0.1	2.9	1.4	0.5	4.4	1.3	2.2	0.3	5.5	4.9	6.5
2018	32.7	0.1	3.1	1.4	0.5	4.4	1.3	2.4	0.3	5.4	5.1	6.6
2019	33.1	0.1	3.1	1.3	0.5	4.4	1.3	2.4	0.3	5.5	5.3	6.7
2020	30.4	0.1	3.1	1.2	0.5	4.2	1.3	2.4	0.2	5.2	4.3	6.2
2021	32.4	0.1	3.1	1.3	0.5	4.3	1.3	2.4	0.2	5.4	5.0	6.6
2022	33.5	0.1	3.2	1.3	0.5	4.3	1.3	2.5	0.2	5.5	5.4	6.8
2023	33.9	0.1	3.2	1.3	0.5	4.4	1.3	2.5	0.2	5.6	5.5	6.9
2024	34.2	0.1	3.2	1.3	0.5	4.4	1.3	2.6	0.2	5.6	5.7	6.9
2025	34.5	0.1	3.1	1.3	0.5	4.4	1.3	2.6	0.2	5.6	5.8	7.0
2026	34.7	0.1	3.0	1.3	0.5	4.4	1.3	2.7	0.2	5.7	5.9	7.0
2027	34.8	0.1	3.0	1.3	0.5	4.4	1.3	2.7	0.2	5.7	5.9	7.0
2028	34.9	0.1	2.9	1.3	0.5	4.4	1.3	2.8	0.2	5.7	6.0	7.0
2029	35.0	0.1	2.8	1.3	0.5	4.4	1.3	2.8	0.2	5.7	6.0	7.1
2030	35.1	0.1	2.7	1.3	0.5	4.4	1.3	2.8	0.2	5.7	6.1	7.1
2031	35.2	0.1	2.7	1.2	0.5	4.4	1.3	2.9	0.2	5.7	6.1	7.2
2032	35.3	0.1	2.6	1.2	0.5	4.4	1.3	2.9	0.2	5.7	6.1	7.2
2033	35.4	0.1	2.6	1.2	0.5	4.4	1.3	2.9	0.2	5.7	6.2	7.3
2034	35.5	0.1	2.5	1.2	0.5	4.4	1.3	2.9	0.2	5.7	6.2	7.3
2035	35.6	0.1	2.5	1.2	0.5	4.4	1.3	2.9	0.2	5.7	6.3	7.3
2036	35.7	0.1	2.5	1.2	0.5	4.4	1.3	2.9	0.2	5.6	6.3	7.4
2037	35.7	0.1	2.5	1.2	0.6	4.4	1.3	2.9	0.2	5.6	6.4	7.4
2038	35.8	0.1	2.5	1.2	0.6	4.4	1.3	2.9	0.2	5.6	6.4	7.4
2039	35.8	0.1	2.4	1.2	0.6	4.4	1.3	2.9	0.2	5.6	6.5	7.4
2040	35.9	0.1	2.4	1.2	0.6	4.4	1.3	2.9	0.2	5.6	6.5	7.4
2041	35.9	0.1	2.4	1.1	0.6	4.4	1.3	2.9	0.2	5.6	6.6	7.4
2042	36.0	0.1	2.3	1.1	0.6	4.4	1.3	2.9	0.2	5.6	6.6	7.5
2043	36.0	0.1	2.3	1.1	0.6	4.4	1.3	2.9	0.2	5.6	6.6	7.5
2044	36.1	0.1	2.3	1.1	0.6	4.4	1.3	2.9	0.2	5.6	6.7	7.5
2045	36.1	0.1	2.2	1.1	0.6	4.4	1.3	2.9	0.2	5.6	6.7	7.6
2046	36.2	0.1	2.1	1.1	0.6	4.4	1.3	2.9	0.2	5.7	6.8	7.6
2047	36.2	0.1	2.1	1.1	0.6	4.4	1.3	2.9	0.2	5.7	6.8	7.6
2048	36.2	0.1	2.0	1.1	0.6	4.4	1.3	2.9	0.2	5.7	6.9	7.6
2049	36.2	0.1	2.0	1.0	0.6	4.5	1.3	2.9	0.2	5.7	6.9	7.6
2050	36.2	0.1	1.9	1.0	0.6	4.5	1.3	2.9	0.2	5.8	6.9	7.6

Nevada County Economic Forecast

Socioeconomic Indicators

