Yuba County Economic Forecast

Forecast Summary

- The Coronavirus Recession had a minimal impact on the Yuba County economy. Yuba County lost only 200 jobs in 2020, a decline of just 1 percent.

- On an annual average basis, total employment will increase by 400 jobs in 2021, making Yuba County the first area of California to fully recover from the recession.

- Over the 2021-2026 forecast period, healthcare will generate the most new jobs.

- Meaningful numbers of jobs will also be created in professional business services and government.

- The unemployment rate averaged 10.5 percent in 2020. It is forecast to average 8.3 percent in 2021 and 7.1 percent in 2022.

- The Yuba County population is expected to grow quickly during the forecast period.

- The median home price increased by 13 percent in 2020. Prices are expected to increase by 10-12 percent in 2021 and another 4-6 percent in 2022.

Job Growth

- Total employment is expected to increase by 2.7 percent in 2021.

- Between 2022 and 2026, job growth will average 1.1 percent per year.

Construction Employment

- The Coronavirus Recession had a minimal impact on the construction industry.

- Construction activity is expected to accelerate over the forecast period, requiring an expansion of the construction workforce in Yuba County.

- However, by 2022 or 2023, the statewide construction workforce will be fully employed, and construction firms will struggle to hire additional workers.
Retail Trade Employment

- The Yuba County population is expanding rapidly, which should boost demand for jobs at grocery stores and other population-serving retail activities.

- Local brick-and-mortar stores are struggling to compete with online retailers outside of Yuba County, which will prevent the overall retail industry from expanding more quickly.

- The largest retail employers are primarily in Marysville, and include Walmart, FoodMaxx, Albertsons, and Hagen.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession.

- The largest gains in 2020 were in staffing agencies. In Yuba County, staffing agencies typically work with the agriculture industry, providing workers to local farms on a contract basis.

- Growth was also strong in professional security services and in maintenance/janitorial services.

- The professional and business services sector is forecast to expand rapidly. Employment in this industry is expected to rise at an average annual rate of 2.6 percent per year.

- Meaningful job growth will be observed across numerous subsectors, including building maintenance companies, professional security firms, accounting firms, consulting companies, and others.

Private Education and Healthcare Employment

- The Coronavirus Recession did not have a major impact on employment levels in healthcare. All jobs should be restored by 2021 or 2022.

- The largest healthcare establishment in the county is Adventist Health, which employs more than 1,000 workers across several facilities throughout the county.

- The private education industry in Yuba County is very small, employing fewer than 100 workers (public schools are classified in the government sector).

- By 2026, healthcare organizations will generate 400 new jobs in Yuba County, representing a larger expansion than any other industry.
Leisure and Hospitality Employment

- Hotels, restaurants, bars, catering firms, gyms, casinos, and other leisure & hospitality organizations were severely impacted by the Coronavirus Recession and subsequent restricted business conditions.

- More than 250 jobs were lost in 2020 on an annual average basis, a decline of 16 percent.

- 100 jobs are expected to be restored in 2021, with most of these jobs being created in the second half of the year.

- A full recovery is forecast for 2023.

Government Employment

- Local schools were impacted by the Coronavirus Recession and restrictions in the form of job losses. On an annual average basis, employment at local schools declined by 250 jobs in 2020.

- Hiring is expected to resume at local schools in the second half of 2021 as children return to in-person instruction.

- In 2019, the Hard Rock Hotel and Casino opened in Wheatland. Because the facility is owned and operated by the Rancheria Estom Yumeka Maidu Tribe, the jobs at the Hard Rock are classified into the government sector.

- When it opened in 2019, the Hard Rock created more than 1,000 jobs. In mid-2021, a $65 million dollar expansion was underway that will allow the Hard Rock to add additional employees.
Population Growth

- The Yuba County population is expected to grow rapidly.

- Between 2021 and 2026, there will be more people who move into Yuba County than residents who move out. This migratory process will add an average of 340 residents to the Yuba County population each year.

- Yuba County has a relatively young population with a high birth rate. Over the forecast period, the natural increase (births minus deaths) will add approximately 550 residents to the county each year.

- The population will expand at an annual average rate of 1.1 percent per year and by 2026 the Yuba County population will surpass 83,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Yuba County averaged 10.5 percent in 2020.

- The unemployment rate in Yuba County is always higher than the Sacramento Valley average because a large share of the Yuba County workforce does not have a college degree, and unemployment rates are typically higher for workers without college training.

- An unemployment rate below 8.0 percent signifies a fully employed workforce in Yuba County.

- The unemployment rate is expected to average 8.3 percent in 2021 and 7.1 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.

- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
  - Record levels of spending by consumers and government agencies
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages
Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it 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 Yuba County was $346,400. Home prices increased by 13 percent in 2020.

- Home prices have increased rapidly in Yuba County for most of the last decade. From 2010 to 2020, the median price increased at an average rate of 9 percent per year.

- Home prices in Yuba County are forecast to rise by 10 to 12 percent in 2021, in tandem with rapid increases across most of California.

Despite surging values, Yuba County homes are still affordable to many households. In 2020, a typical household in Yuba County would have had to spend just 20 percent of its pre-tax income on mortgage payments in order to afford the median-priced home, which is well below the California average.

How can rapid price increases be compatible with an affordable housing market? Because interest rates are near historic lows, which keeps mortgage payments low even when prices rise.

At the same time, incomes have risen in tandem with housing values. By 2020, the median family income in Yuba County was $75,000. In 2010 it was just $55,000.

From 2015 to 2020, an average of 380 new homes were started per year in Yuba County. Virtually all were single-family homes.

Housing production is expected to average 425 to 475 homes per year from 2021 to 2026, consisting almost entirely of single-family homes.
### Economic Indicators

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

<table>
<thead>
<tr>
<th>Population (people)</th>
<th>Households (thousands)</th>
<th>Net Migration (people)</th>
<th>New Homes Permitted ( Homes)</th>
<th>Registered Vehicles (thousands)</th>
<th>Personal Income (billions)</th>
<th>Taxable Retail Sales (billions)</th>
<th>Total Taxable Sales (billions)</th>
<th>Real Industrial Production (millions)</th>
<th>Real per Capita Income (dollars)</th>
<th>Unemployment Rate (percent)</th>
<th>Real Gross Domestic Product (millions)</th>
<th>Inflation Rate (percent)</th>
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<tbody>
<tr>
<td>2015</td>
<td>73,592</td>
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#### Employment Sectors

<table>
<thead>
<tr>
<th>Total Wage &amp; Salaries (dollars)</th>
<th>Farm</th>
<th>Construction</th>
<th>Manufacturing</th>
<th>Transportation &amp; Utilities</th>
<th>Wholesale &amp; Retail Trade (jobs)</th>
<th>Financial Activities</th>
<th>Professional Services</th>
<th>Information</th>
<th>Health &amp; Education</th>
<th>Leisure</th>
<th>Government</th>
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<tr>
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<td>3,642</td>
<td>1,659</td>
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</tbody>
</table>

### Yuba County Economic Forecast

#### 2021-2050 Forecast

- **Population**: 73,592 people in 2021, increasing to 75,751 people by 2025, and finally reaching 80,920 people by 2050.
- **Households**: 25,200 in 2021, increasing to 26,400 by 2030, and finally reaching 28,000 by 2050.
- **Net Migration**: A decrease from 2021 to 2025, then an increase from 2026 to 2050.
- **New Homes Permitted**: A steady increase from 2021 to 2050.
- **Registered Vehicles**: A steady increase from 2021 to 2050.
- **Personal Income**: A steady increase from 2021 to 2050.
- **Taxable Retail Sales**: A steady increase from 2021 to 2050.
- **Total Taxable Sales**: A steady increase from 2021 to 2050.
- **Real Industrial Production**: A steady increase from 2021 to 2050.
- **Real per Capita Income**: A steady increase from 2021 to 2050.
- **Unemployment Rate**: A steady increase from 2021 to 2050.
- **Real Gross Domestic Product**: A steady increase from 2021 to 2050.
- **Inflation Rate**: A steady increase from 2021 to 2050.

#### Employment Sectors

- **Total Wage & Salaries**: Increasing steadily from 2021 to 2050.
- **Farm**: Increasing steadily from 2021 to 2050.
- **Construction**: Increasing steadily from 2021 to 2050.
- **Manufacturing**: Increasing steadily from 2021 to 2050.
- **Transportation & Utilities**: Increasing steadily from 2021 to 2050.
- **Wholesale & Retail Trade**: Increasing steadily from 2021 to 2050.
- **Financial Activities**: Increasing steadily from 2021 to 2050.
- **Professional Services**: Increasing steadily from 2021 to 2050.
- **Information**: Increasing steadily from 2021 to 2050.
- **Health & Education**: Increasing steadily from 2021 to 2050.
- **Leisure**: Increasing steadily from 2021 to 2050.
- **Government**: Increasing steadily from 2021 to 2050.
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Socioeconomic Indicators

**Violent Crime Rate**
- 2019:
  - Yuba County: 421
  - Sacramento Valley: 352
  - California: 441

**Poverty Rate**
- 2020:
  - Yuba County: 11.5
  - Sacramento Valley: 9.2
  - California: 9.4

**Median Household Income**
- 2020:
  - Yuba County: $52,500
  - Sacramento Valley: $78,200
  - California: $82,100

**Median Home Selling Price**
- 2020:
  - Yuba County: $346,400
  - Sacramento Valley: $432,600
  - California: $659,200

**Average Travel Time to Work**
- 2020:
  - Yuba County: 32 minutes
  - Sacramento Valley: 30 minutes
  - California: 33 minutes

**Percent of Population Age 25+ With at Least a 4-Year College Degree**
- 2020:
  - Yuba County: 17.1
  - Sacramento Valley: 33.2
  - California: 33.9