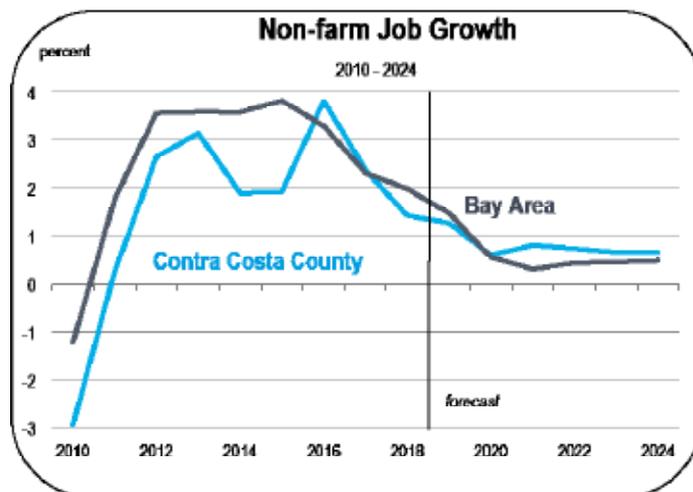
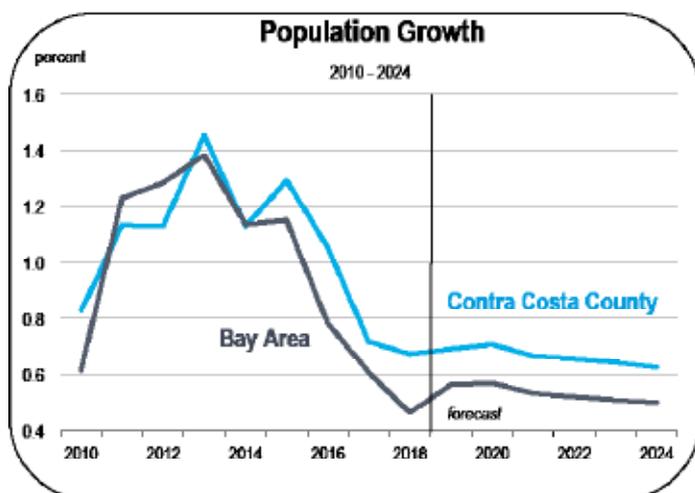


# Contra Costa County Economic Forecast

## Forecast Summary

- 4,800 non-farm jobs will be created in Contra Costa County during 2019. Over the following five years, an average of 2,700 new jobs are expected per year.
- Employment growth will be led by professional services, leisure services, and education and healthcare. These sectors will account for 81 percent of net job creation through 2024.
- The unemployment rate averaged 3.1 percent in 2018, but is expected to decrease slightly during the next two years.
- The population is now expanding at the same rate as broader California.
- Housing production accelerated in 2018, but is not keeping pace with population growth. More than half of all new units have been single-family homes.
- The largest proposed development project is the Concord Reuse Plan, which calls for more than 12,000 housing units and 6.1 million square feet of commercial space near the North Concord/Martinez BART station.



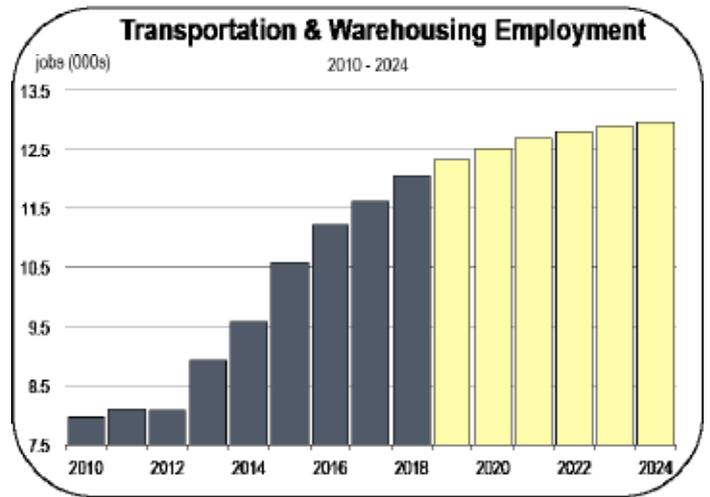
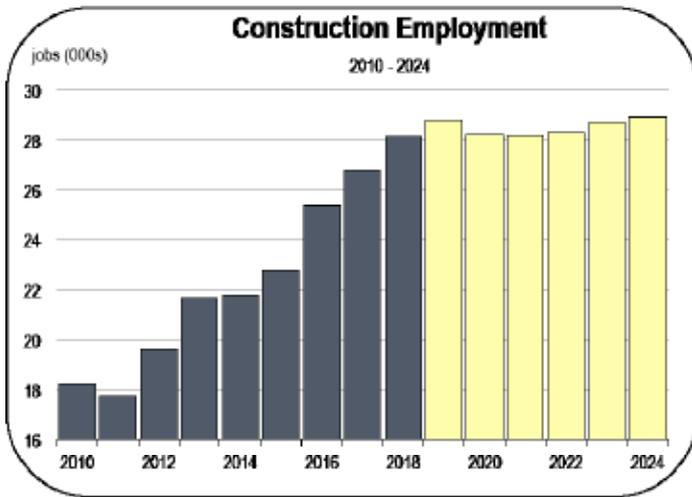
## Job Growth

- Job growth is decelerating, and will slow down further in 2019 and 2020.
- 2018 job gains were most prominent in education and healthcare, construction, and professional business services.
- Between 2012 and 2018, non-farm employment increased by an average of 2.4 percent per year.
- Between 2018 and 2024, growth is forecast to average 0.8 percent per year.
- Approximately 4,800 non-farm jobs will be created during 2019.
- Through 2024, an average of 2,700 new non-farm wage and salary jobs per year are expected.

## Construction Employment

- Construction employment is expanding at a rapid rate, with 1,600 new jobs created last year.
- The peak of the building cycle is approaching, and further meaningful job growth is not expected over the forecast period.

# Contra Costa County Economic Forecast



- There is so much competition for construction jobs in California that construction firms may begin to have trouble hiring enough workers, making it unlikely that meaningful job growth in this sector will be observed in Contra Costa County.

- There are now 35 warehousing and distribution centers in Contra Costa County, 45 local delivery companies (e.g. FedEx and Grubhub), and 162 long-distance trucking firms.
- Combined, these subsectors employ 4,500 workers, accounting for a third of the transportation and warehousing industry.

## Manufacturing Employment

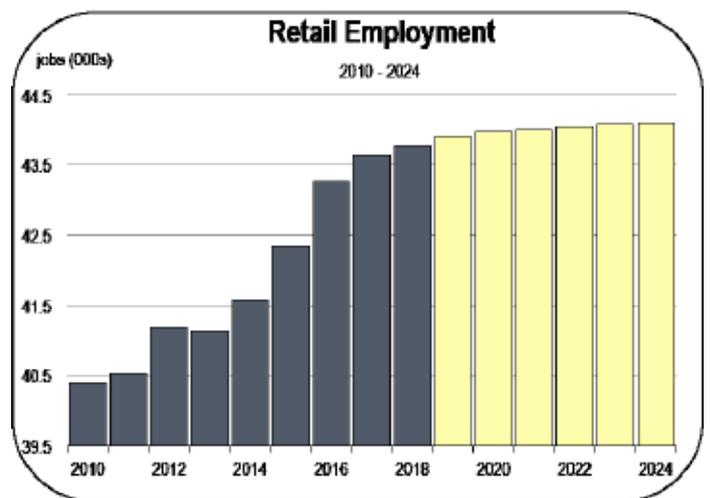
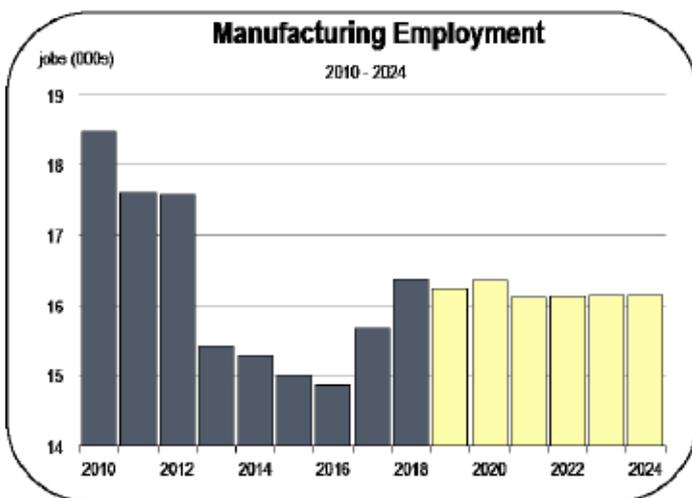
- After several years of stagnation, the manufacturing sector expanded sharply in 2017 and 2018.
- Most of these new jobs were at the oil refineries in Martinez and Richmond and in the county's pharmaceutical manufacturers.
- Contra Costa County manufacturers are not expected to create many jobs during the forecast period.

## Retail Trade Employment

- Growth in the retail sector is slowing.
- Job growth was minimal in sectors that face heavy competition from online retailers:
  - Clothing stores
  - Sporting goods stores
  - Consumer electronics stores
  - Furniture stores
  - Department stores (e.g. Macy's)

## Transportation and Warehousing Employment

- In 2018, most growth in this industry was observed at warehousing and distribution centers, long-distance trucking companies, and local delivery services.



# Contra Costa County Economic Forecast

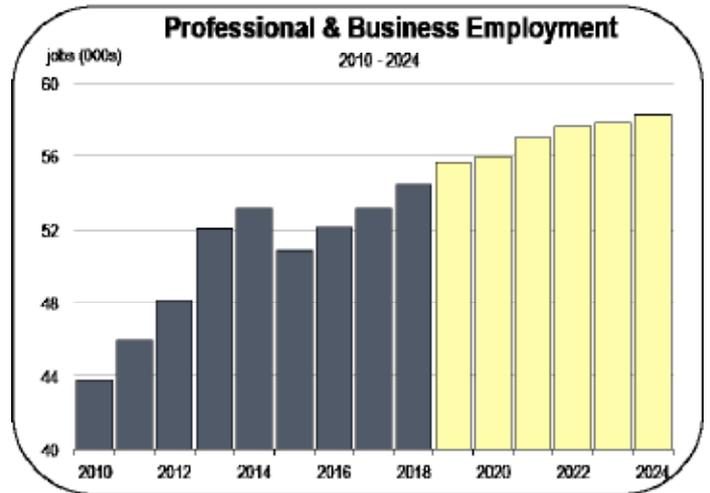
- Growth was faster in sectors not facing heavy online competition:
  - Car dealerships
  - Drug stores and healthcare stores
  - Grocery stores
- Several large stores closed in 2018, including two Kmart's in Antioch and Pinole and an Orchard Supply in Concord.

## Financial Activities Employment

- The finance industry expanded sharply in 2015 and 2016 as Bank of the West hired hundreds of workers to fulfill the Federal Reserve's new risk management requirements. Many of these workers are located at its San Ramon office.
- But Bank of the West laid off a number of workers in 2018, and the Title Insurance sector laid off several hundred workers amidst a slowdown in commercial real estate transactions.
- The sector will contract further in 2019 and 2020.

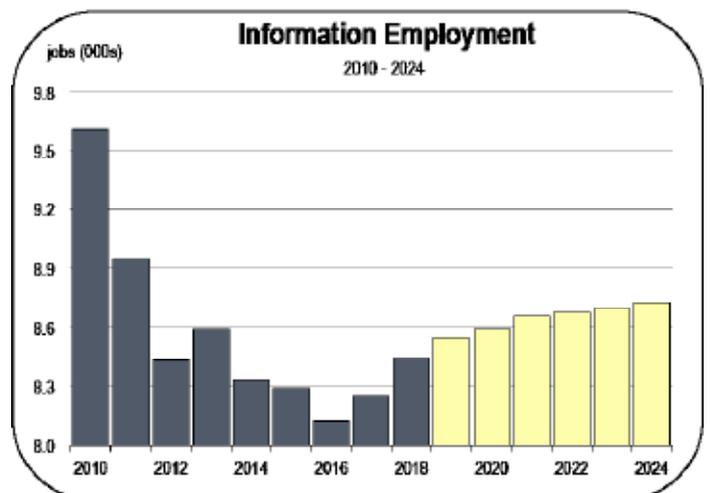
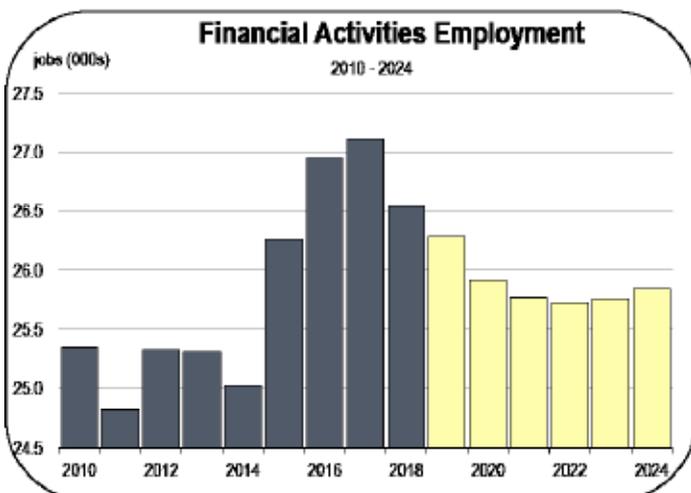
## Professional and Business Services Employment

- This sector has generated 3,600 jobs since 2015.
- This industry is largely comprised of high-skill jobs in law, accounting, tech, consulting, and scientific research. It is also home to back office support and temporary help services.
- Growth will outpace the broader Contra Costa County labor market over the forecast period, primarily the result of strong demand for high-value business services.

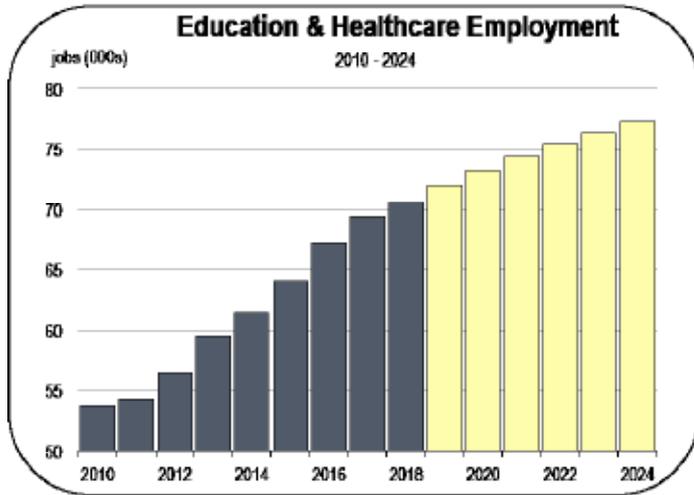


## Information Employment

- The Contra Costa County economy has struggled to create information jobs, but 300 new jobs have been generated in the last two years.
- Across most of the Bay Area, this sector contains software publishers and data hosting firms. But in Contra Costa County it is heavily comprised of telecommunications companies, including the AT&T office in San Ramon.
- This industry is expected to create a small number of jobs during the forecast period.



# Contra Costa County Economic Forecast



- Private elementary schools expanded by 100 jobs last year, while professional and vocational training institutions grew by 50 jobs (public schools are included with government employment).
- The future of the U.S. health insurance landscape is unknown, but legislative changes could influence employment growth in health services.

## Leisure and Hospitality Employment

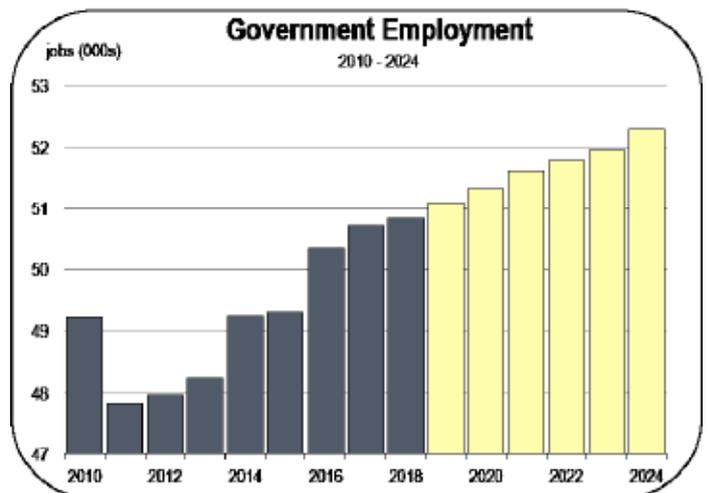
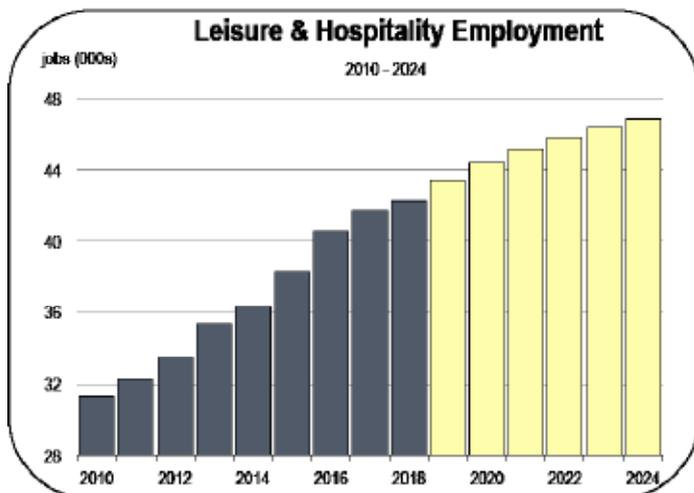
- Contra Costa County gained 600 restaurant jobs in 2018. Almost 20 new sit-down restaurants opened, and more than 40 take-out eateries were established.
- 100 jobs were also gained at catering services, 100 were created at hotels, and 200 new jobs were generated at gyms and fitness centers.
- This industry will expand by more than 1,000 new jobs in 2019, and another 1,000 jobs in 2020.

## Private Education and Healthcare Employment

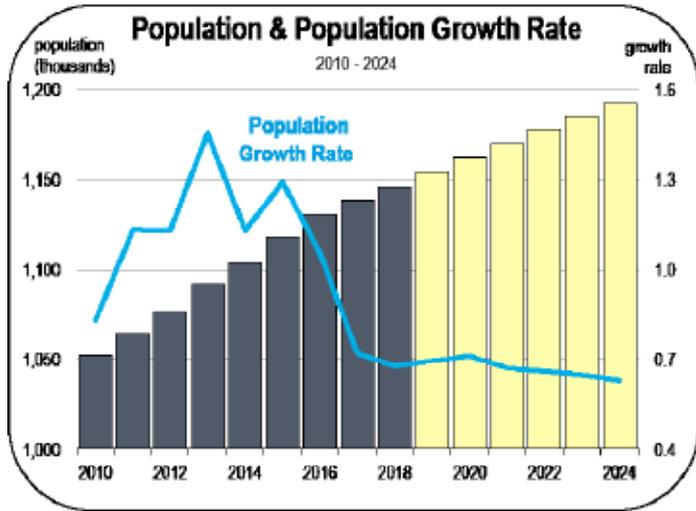
- This industry is now cooling after being red hot for more than half a decade.
- Gains in 2018 were most prevalent in doctors' offices, outpatient care facilities, home health services, and organizations that provide services to the elderly and people with disabilities.

## Government Employment

- Government agencies created few jobs last year.
- Local municipal agencies generated virtually all new jobs in 2018. Local public schools did not add to their employee headcounts.
- Future employment trends will be influenced by population growth, as well as the conditions of state and local government budgets.

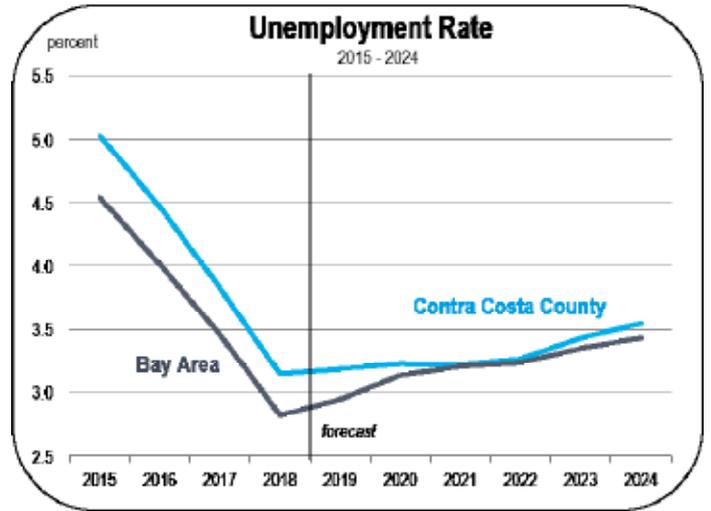
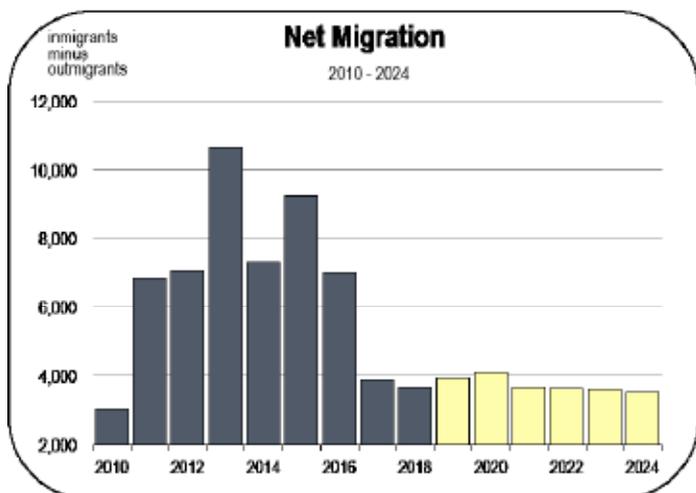


# Contra Costa County Economic Forecast



## Population Growth

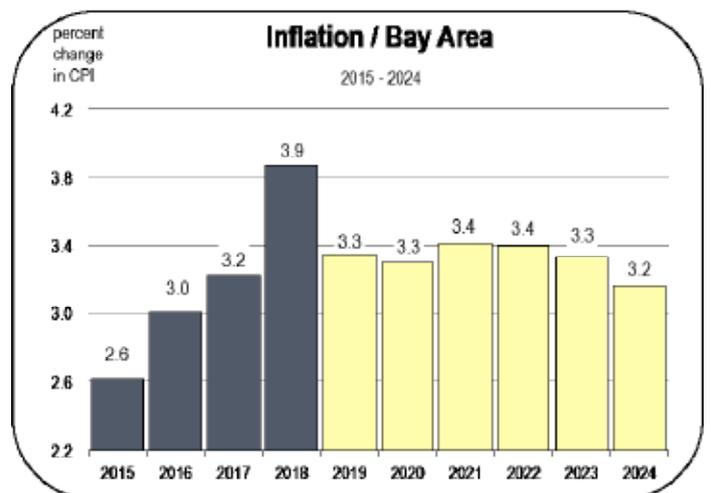
- Population growth has decelerated and is now equal to the statewide average.
- Net migration has diminished substantially as local housing prices have become prohibitive for many households. But net migration is still positive as people leave San Francisco, where home prices are significantly higher, and as others continue to move to Contra Costa County for access to the Bay Area’s high-paying jobs.
- An average of 6,900 net migrants entered the county each year from 2013—2018. Net migration will average 3,700 people annually through 2024.
- Population growth will average 0.7 percent per year, and the county will approach 1.2 million residents by 2024.



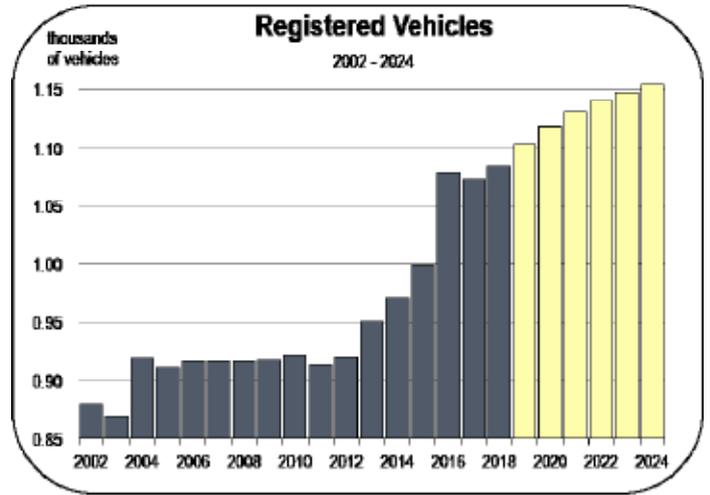
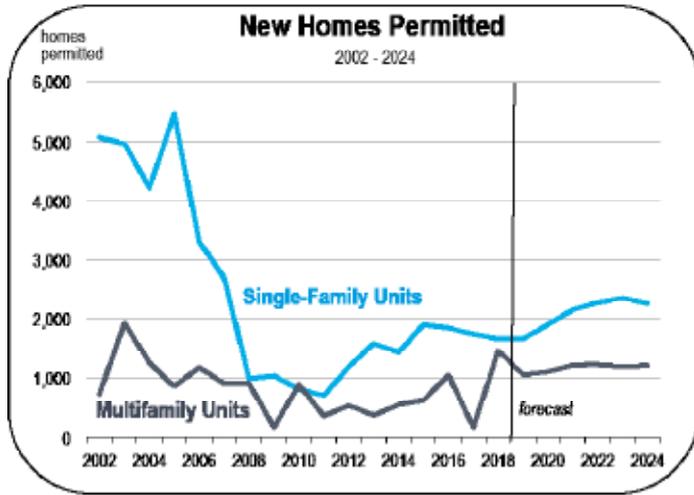
## Unemployment and Inflation Rates

- The unemployment rate in Contra Costa County averaged 3.1 percent in 2018, which was slightly higher than the composite rate for the Bay Area.
- Beginning in 2019, the unemployment rate may deteriorate, but with an unemployment rate of just 3.1 percent, the job market will still be very tight.
- Inflation accelerated in 2018 as energy prices increased and housing costs rose rapidly. Inflation will remain elevated in 2019 and 2020, and will likely be above 3 percent.

## New Housing Production



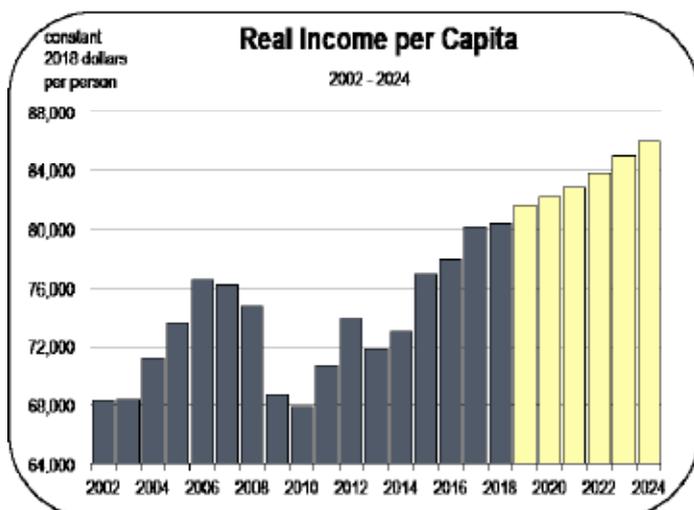
# Contra Costa County Economic Forecast



- From 2013 to 2018, an average of 2,400 homes were authorized per year. Housing production is forecast to average 3,300 homes per year from 2019 to 2024. Most new units will be single-family homes in the Concord and Richmond areas.
- A large development project has been proposed near the North Concord/Martinez BART station, which could include more than 12,000 homes. Final build out of this project is not expected until the year 2035—well beyond our forecast period.

## Income per Capita

- Income per capita in 2018 was \$80,397.
- Income per capita has risen at a moderate rate in Contra Costa County, growing by an average of 1.4 percent per year over the last 6 years, adjusted for inflation.
- Income per capita is expected to grow at similar rates over the



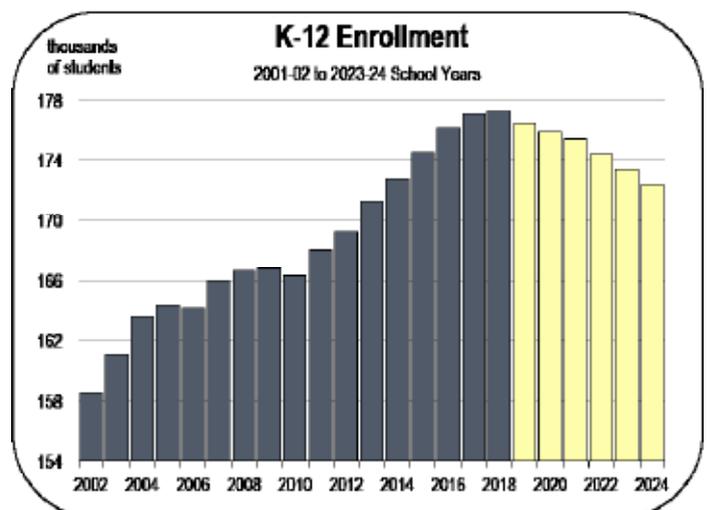
forecast period, increasing by 1.1 percent per year through 2024.

## Registered Vehicles

- There were 1.08 million registered vehicles in Contra Costa County in 2018.
- By 2024, it is expected that the county will have approximately 1.15 million registered vehicles.

## Public School Enrollment

- There were 177,200 K-12 students in the 2017—2018 school year.
- By 2024, there are expected to be 172,300 K-12 students in Contra Costa County. Enrollment will decrease because the population aged 5 to 17 is now in decline.



# Contra Costa County Economic Forecast

## Economic Indicators

## 2015-2018 History, 2019-2050 Forecast

	Population (people)	House- holds (thousands)	Average Household Income (dollars)	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)	School Enrollment (thousands)	Births (people)	Deaths (people)
2015	1,118,276	387.1	\$204,343	2,538	1,000	\$79.1	\$11.4	\$255.9	\$21.6	\$76,944	174.5	12,596	7,855
2016	1,130,074	390.4	\$211,443	2,895	1,078	\$82.6	\$11.6	\$260.4	\$22.0	\$77,989	176.1	12,340	7,713
2017	1,138,201	391.4	\$224,385	1,910	1,073	\$87.8	\$12.1	\$271.6	\$22.7	\$80,131	177.1	12,180	7,985
2018	1,145,876	392.2	\$234,874	3,127	1,084	\$92.1	\$12.4	\$278.4	\$23.6	\$80,397	177.2	12,028	8,168
2019	1,153,812	395.8	\$244,531	2,718	1,103	\$96.8	\$12.8	\$286.9	\$24.0	\$81,651	176.4	12,170	8,151
2020	1,162,002	398.7	\$252,902	3,017	1,118	\$100.8	\$13.0	\$293.5	\$24.5	\$82,236	175.9	12,354	8,260
2021	1,169,765	401.1	\$262,152	3,374	1,130	\$105.1	\$13.4	\$302.2	\$24.6	\$82,860	175.4	12,509	8,405
2022	1,177,452	404.0	\$272,468	3,502	1,140	\$110.1	\$13.8	\$311.5	\$25.0	\$83,847	174.4	12,665	8,605
2023	1,185,044	407.1	\$283,474	3,547	1,147	\$115.4	\$14.2	\$320.3	\$25.5	\$85,027	173.3	12,824	8,827
2024	1,192,467	410.1	\$293,802	3,472	1,154	\$120.5	\$14.6	\$328.8	\$25.8	\$86,013	172.3	12,965	9,057
2025	1,199,650	412.9	\$303,349	3,322	1,159	\$125.3	\$15.0	\$336.8	\$26.2	\$86,784	171.1	13,108	9,298
2026	1,206,610	415.7	\$314,583	3,223	1,164	\$130.8	\$15.3	\$345.2	\$26.7	\$87,996	170.2	13,257	9,539
2027	1,213,465	418.3	\$325,963	3,190	1,168	\$136.4	\$15.7	\$353.3	\$27.3	\$89,221	170.0	13,408	9,786
2028	1,220,173	421.0	\$336,954	3,132	1,172	\$141.9	\$16.1	\$362.0	\$27.7	\$90,226	170.1	13,550	10,044
2029	1,226,756	423.6	\$347,577	3,065	1,176	\$147.3	\$16.5	\$371.0	\$28.0	\$90,972	170.4	13,735	10,312
2030	1,233,211	426.2	\$358,196	2,983	1,181	\$152.7	\$16.9	\$380.0	\$28.4	\$91,717	171.0	13,900	10,596
2031	1,239,575	428.7	\$368,745	2,914	1,186	\$158.1	\$17.3	\$388.7	\$28.7	\$92,450	171.5	14,079	10,881
2032	1,245,843	431.2	\$379,729	2,846	1,192	\$163.7	\$17.7	\$398.4	\$29.0	\$93,037	172.2	14,254	11,166
2033	1,251,979	433.6	\$390,113	2,868	1,199	\$169.2	\$18.1	\$406.8	\$29.3	\$93,763	172.6	14,410	11,452
2034	1,257,943	436.1	\$401,414	2,891	1,205	\$175.0	\$18.5	\$416.5	\$29.6	\$94,483	173.1	14,529	11,733
2035	1,263,660	438.5	\$413,172	2,804	1,210	\$181.2	\$19.0	\$426.5	\$29.9	\$95,167	174.0	14,600	12,023
2036	1,269,119	440.9	\$425,866	2,718	1,216	\$187.8	\$19.5	\$438.4	\$30.1	\$95,621	175.1	14,644	12,302
2037	1,274,289	443.2	\$439,079	2,632	1,221	\$194.6	\$20.1	\$451.2	\$30.3	\$96,011	176.2	14,641	12,564
2038	1,279,145	445.4	\$452,402	2,643	1,228	\$201.5	\$20.6	\$463.5	\$30.5	\$96,533	177.3	14,612	12,816
2039	1,283,698	447.6	\$466,695	2,555	1,234	\$208.9	\$21.2	\$477.1	\$30.7	\$97,012	178.6	14,586	13,057
2040	1,287,992	449.7	\$481,101	2,475	1,242	\$216.3	\$21.8	\$490.4	\$30.8	\$97,517	179.6	14,568	13,285
2041	1,292,081	451.7	\$495,486	2,343	1,249	\$223.8	\$22.4	\$503.2	\$31.0	\$98,118	180.6	14,575	13,480
2042	1,296,013	453.6	\$510,037	2,275	1,257	\$231.4	\$22.9	\$515.7	\$31.2	\$98,750	181.5	14,585	13,656
2043	1,299,768	455.5	\$524,963	2,192	1,266	\$239.1	\$23.5	\$528.3	\$31.5	\$99,474	182.3	14,601	13,823
2044	1,303,357	457.3	\$539,984	2,111	1,275	\$246.9	\$24.0	\$540.1	\$31.7	\$100,330	183.0	14,626	13,994
2045	1,306,771	459.0	\$555,860	2,033	1,283	\$255.2	\$24.6	\$553.1	\$31.9	\$101,073	183.6	14,649	14,181
2046	1,310,032	460.7	\$571,886	1,954	1,292	\$263.5	\$25.2	\$565.9	\$32.1	\$101,861	184.2	14,680	14,354
2047	1,313,195	462.3	\$588,243	1,835	1,301	\$271.9	\$25.7	\$578.9	\$32.4	\$102,625	184.7	14,722	14,500
2048	1,316,269	463.8	\$605,066	1,745	1,311	\$280.6	\$26.3	\$592.3	\$32.6	\$103,378	185.0	14,778	14,623
2049	1,319,285	465.2	\$622,412	1,663	1,321	\$289.6	\$26.9	\$606.1	\$32.8	\$104,132	185.3	14,843	14,730
2050	1,322,270	466.6	\$640,227	1,589	1,331	\$298.7	\$27.6	\$620.1	\$33.0	\$104,873	185.4	14,921	14,840

## Employment Sectors

## 2015-2018 History, 2019-2050 Forecast

	Total Wage and Salary	Farm	Construction	Manufac- turing	Transportation and Utilities	Wholesale and Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health and Education	Leisure	Government
2015	350.8	0.7	22.8	15.0	10.6	51.9	26.3	50.9	8.3	64.1	38.3	49.3
2016	364.2	0.8	25.4	14.9	11.2	53.6	27.0	52.1	8.1	67.3	40.5	50.4
2017	372.9	0.9	26.8	15.7	11.6	54.2	27.1	53.2	8.3	69.4	41.7	50.7
2018	378.2	0.8	28.2	16.4	12.1	54.1	26.5	54.5	8.4	70.6	42.3	50.8
2019	383.0	0.8	28.8	16.2	12.3	54.2	26.3	55.6	8.6	72.0	43.4	51.1
2020	385.3	0.8	28.3	16.4	12.5	54.3	25.9	55.9	8.6	73.2	44.4	51.3
2021	388.5	0.8	28.2	16.1	12.7	54.3	25.8	57.0	8.7	74.4	45.2	51.6
2022	391.5	0.8	28.3	16.1	12.8	54.3	25.7	57.6	8.7	75.4	45.8	51.8
2023	394.1	0.8	28.7	16.1	12.9	54.4	25.8	57.8	8.7	76.4	46.4	52.0
2024	396.7	0.8	28.9	16.1	13.0	54.5	25.8	58.3	8.7	77.3	46.8	52.3
2025	398.2	0.8	28.3	16.2	13.0	54.5	25.9	58.7	8.8	78.1	47.2	52.5
2026	399.7	0.8	27.9	16.2	13.1	54.6	25.9	59.1	8.8	78.9	47.6	52.6
2027	401.0	0.8	27.4	16.2	13.1	54.6	25.9	59.4	8.8	79.6	47.9	52.8
2028	402.6	0.8	27.2	16.3	13.1	54.7	25.9	59.8	8.9	80.2	48.2	53.0
2029	404.1	0.8	27.0	16.3	13.1	54.8	25.9	60.2	8.9	80.9	48.4	53.2
2030	405.5	0.9	26.9	16.3	13.1	54.9	25.8	60.6	8.9	81.5	48.7	53.4
2031	406.7	0.9	26.6	16.3	13.2	55.0	25.7	61.0	9.0	82.1	48.9	53.6
2032	407.8	0.9	26.2	16.3	13.2	55.1	25.6	61.4	9.0	82.7	49.1	53.8
2033	408.9	0.9	25.8	16.4	13.2	55.2	25.6	61.8	9.1	83.3	49.3	54.0
2034	410.6	0.9	25.8	16.4	13.2	55.2	25.5	62.2	9.1	84.0	49.5	54.2
2035	412.3	0.9	25.9	16.4	13.2	55.3	25.5	62.6	9.2	84.8	49.6	54.4
2036	413.8	0.9	25.6	16.4	13.2	55.4	25.4	63.0	9.2	85.6	49.8	54.6
2037	415.3	0.9	25.3	16.4	13.2	55.4	25.4	63.4	9.3	86.5	50.0	54.8
2038	416.9	0.9	25.0	16.4	13.2	55.5	25.3	63.8	9.4	87.5	50.1	54.9
2039	419.0	0.9	25.1	16.4	13.2	55.6	25.3	64.2	9.4	88.5	50.3	55.1
2040	420.9	0.9	25.0	16.4	13.2	55.7	25.3	64.7	9.5	89.6	50.4	55.3
2041	422.8	0.9	24.8	16.5	13.2	55.7	25.2	65.1	9.6	90.7	50.6	55.5
2042	424.5	0.9	24.4	16.5	13.2	55.8	25.1	65.5	9.6	91.9	50.7	55.7
2043	426.4	0.9	24.3	16.5	13.2	55.9	25.1	65.9	9.7	93.1	50.8	55.9
2044	428.6	0.9	24.3	16.5	13.2	55.9	25.0	66.3	9.7	94.3	51.0	56.1
2045	430.6	0.9	24.2	16.5	13.2	56.0	24.9	66.8	9.8	95.6	51.1	56.3
2046	432.6	0.9	24.0	16.5	13.2	56.1	24.9	67.2	9.9	96.8	51.2	56.5
2047	434.6	0.9	23.9	16.5	13.2	56.2	24.8	67.6	9.9	98.0	51.4	56.7
2048	436.5	0.9	23.6	16.6	13.2	56.2	24.7	68.1	10.0	99.3	51.5	56.9
2049	438.5	0.9	23.5	16.6	13.2	56.3	24.6	68.5	10.1	100.5	51.6	57.1
2050	440.4	0.9	23.3	16.6	13.2	56.4	24.5	68.9	10.1	101.7	51.7	57.3

# Contra Costa County Economic Forecast

## Socioeconomic Indicators

