

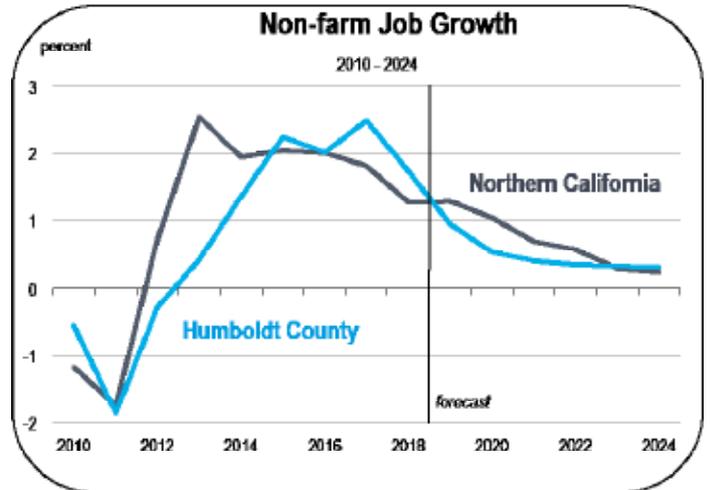
Humboldt County Economic Forecast

Forecast Summary

- Approximately 500 jobs are expected to be created in Humboldt County in 2019.
- Job creation will decelerate, and through 2024 an average of 300 jobs per year is expected.
- Job creation is expected to be relatively slow but will be spread across a number of sectors. Agriculture, manufacturing, retail trade, healthcare, professional business services, and government will each create at least 100 jobs between 2018 and 2024.
- Employment contractions are expected in construction and information. The risk of contraction is also high in wholesale trade and in transportation and warehousing.
- The unemployment rate averaged 3.6 percent in 2018, the lowest rate on record by a wide margin.
- The unemployment rate is near its lowest sustainable level and will begin to rise during the 2018–2024 forecast period.
- The Humboldt County population has declined for the last two years, and further declines are possible during the forecast period.
- Housing production has been low in Humboldt County, but has been sufficient to meet the needs of a slowly growing, and sometimes declining, population.

Job Growth

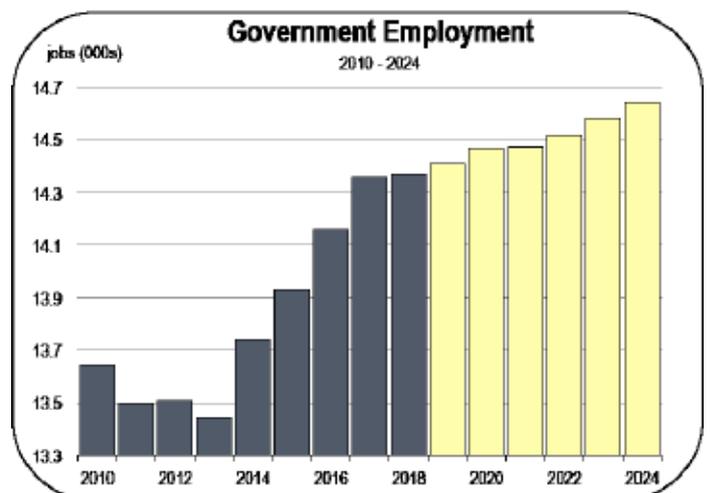
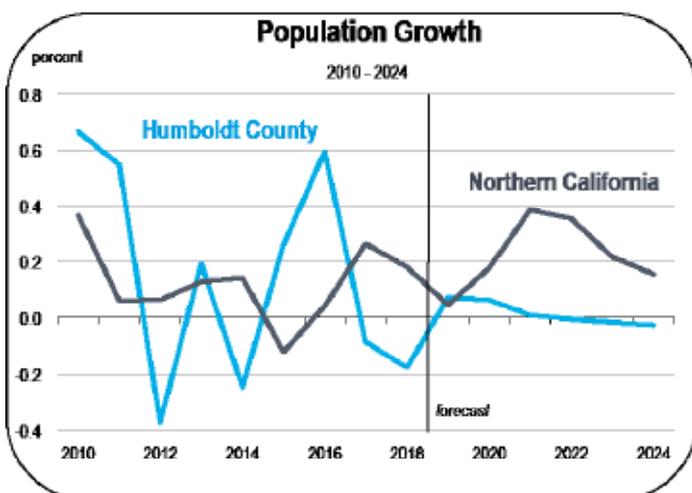
- Between 2012 and 2018, job creation averaged 1.7 percent per year. Between 2018 and 2024 it is expected to average 0.5 percent per year.



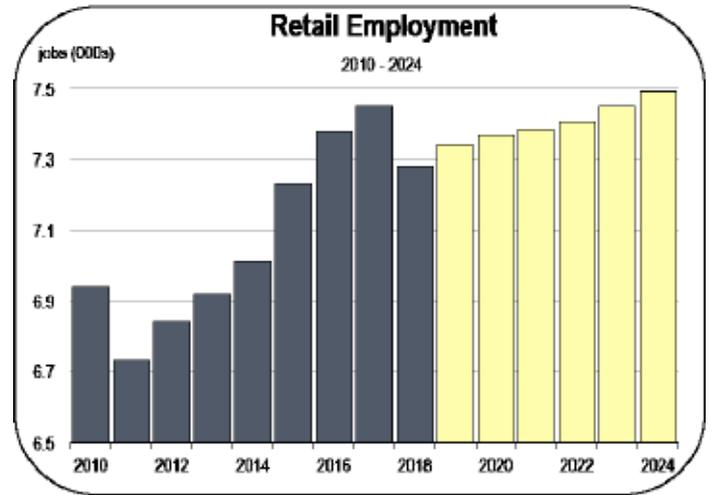
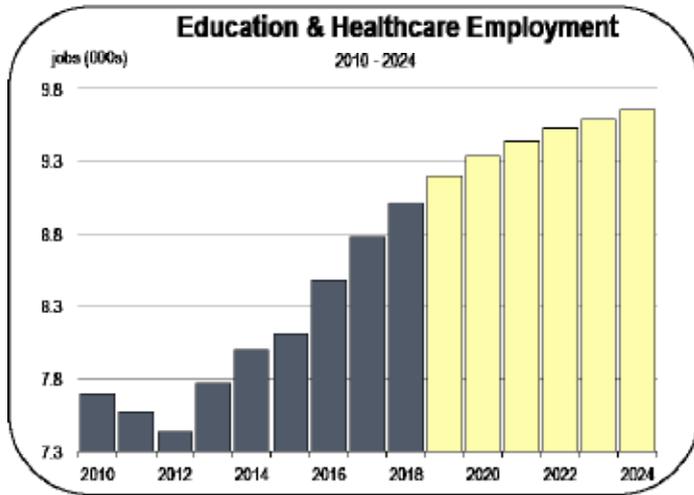
- In 2018 the largest gains were observed in professional business services (+300 jobs), private education and healthcare (+200 jobs), and construction (+100 jobs).
- Employment contractions in 2018 were observed in leisure services and retail trade.

Government Employment

- Government is the largest employment sector in the county, accounting for 27 percent of wage and salary jobs.
- Government agencies in Humboldt County gained approximately 1,000 jobs between 2013 and 2018.
- Most net job creation was in local municipal agencies and public schools. The federal government expanded its employee headcount in Humboldt County by a small number of workers, and California State agencies added 100 jobs.



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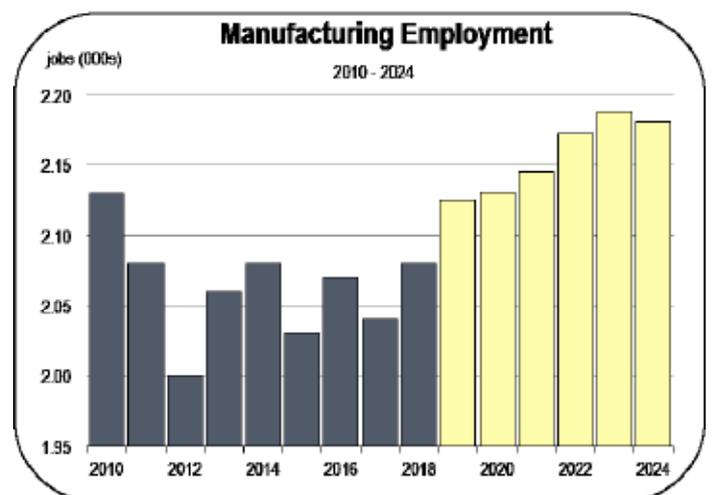
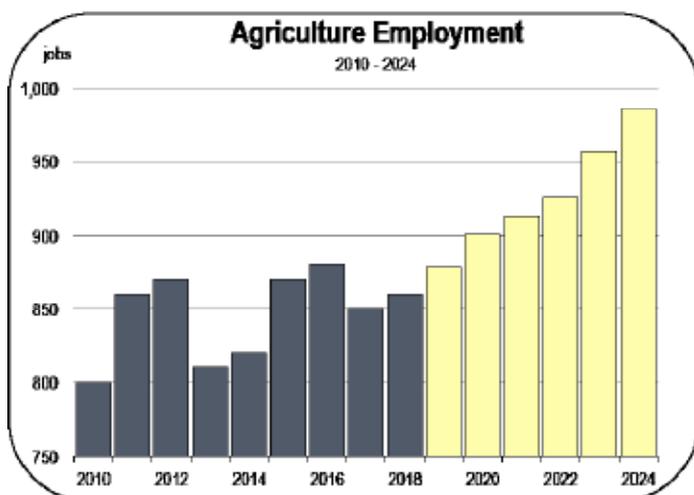
- Future employment levels will be determined by population growth and by the condition of federal, state, and local government budgets.

Private Education and Healthcare Employment

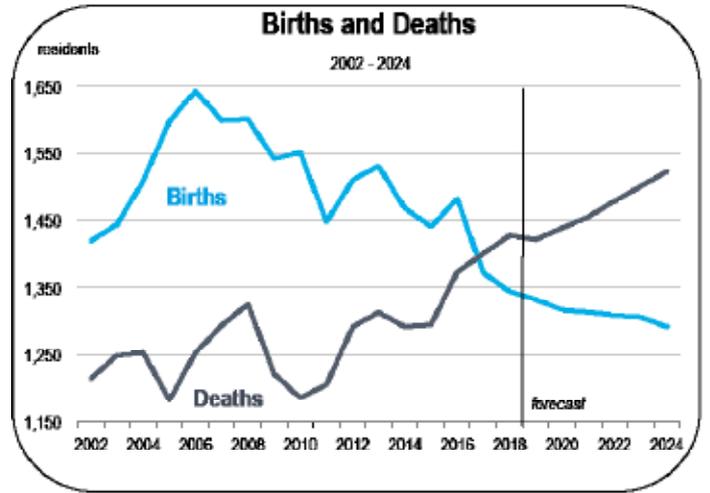
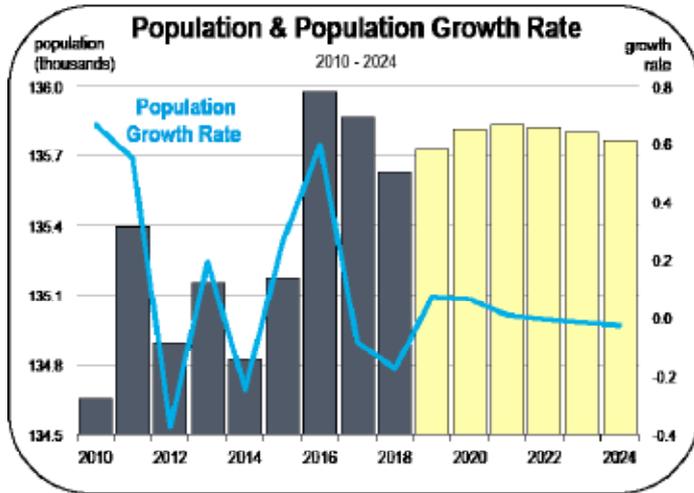
- Healthcare agencies have gained approximately 1,600 jobs since 2012.
- The most prominent employer is Saint Joseph Hospital Eureka, which employs between 1,000 and 5,000 workers.
- The private education industry is very small, and neither gains nor loses a substantial number of jobs each year.
- The number of healthcare jobs is expected to grow substantially during the 2018–2024 forecast period, generating approximately 600 new jobs.

Legal Cannabis

- Under California law, it is now legal to cultivate, manufacture, sell, and use cannabis and cannabis products.
- The state of California offers three broad types of cannabis permits: cultivation, manufacturing, and retail.
- As cannabis businesses across the state obtain permits and enter the legal market, they will impact employment data most prominently in agriculture, manufacturing, and retail. Cannabis workers are typically not counted in official employment data until their firms obtain permits.
- As of October 2019, Humboldt County had the largest number of cannabis cultivation permits in California, and by a fairly large margin.



Humboldt County Economic Forecast



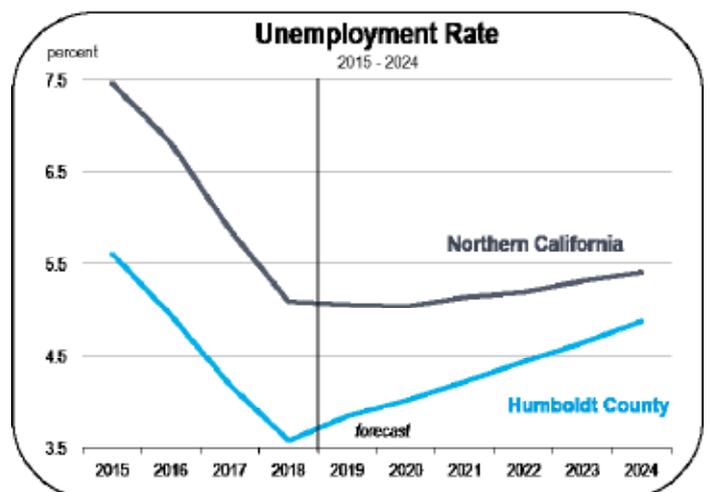
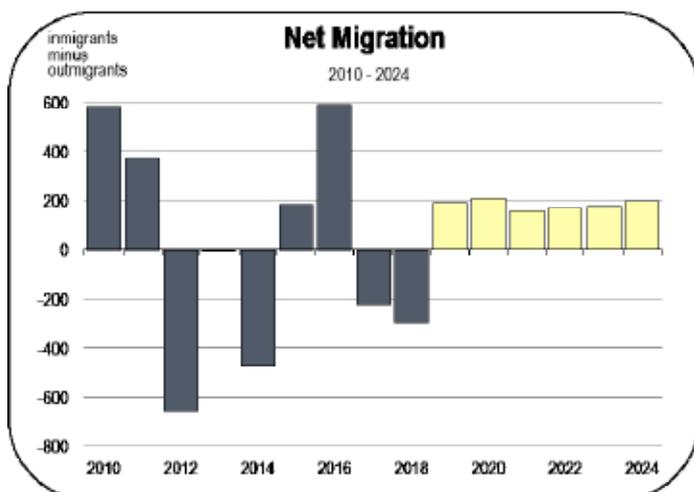
- Not all cannabis growers have entered the legal market, and many still grow cannabis without a license. If more obtain permits and enter the legal market, the number of legal cannabis farms in Humboldt County could increase substantially.
- Humboldt County also had 55 legal cannabis manufacturing businesses, which is a substantial number, but lags behind places like Los Angeles and Alameda Counties, which have more than 100 legal manufacturing businesses each.
- As of October 2018, Humboldt County only had 15 legal cannabis retailers, which is far fewer than counties like Los Angeles, San Diego, and San Francisco.
- In all three major sectors that will be impacted by cannabis, employment levels are expected to increase meaningfully in Humboldt County, in part because of increased activity in the legal cannabis market.

Population Growth

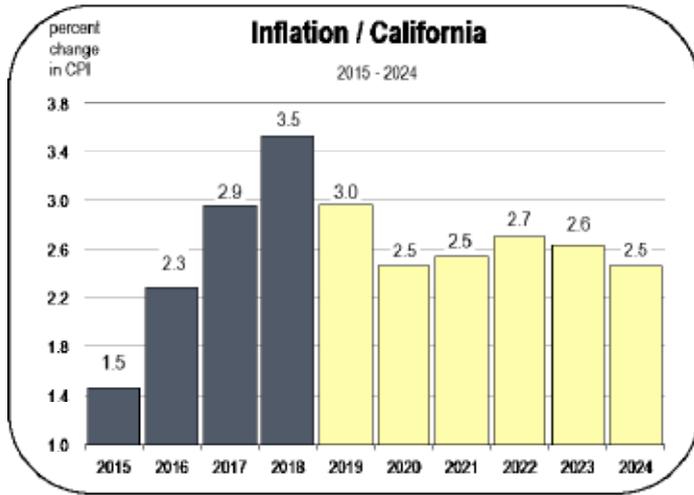
- The Humboldt County population is declining and may decline at additional points in the forecast period.
- Net migration is expected to be positive, with more people moving into the county than moving out. But because Humboldt County has a large share of residents above the age of 75, deaths have begun to exceed births, which will begin to outweigh population growth from new migrants.

Unemployment and Inflation Rates

- The unemployment rate in Humboldt County was 3.6 percent in 2018, which is well below the average for Northern California.
- The unemployment rate has reached its lowest sustainable level and is expected to increase during the 2018–2024 forecast period.



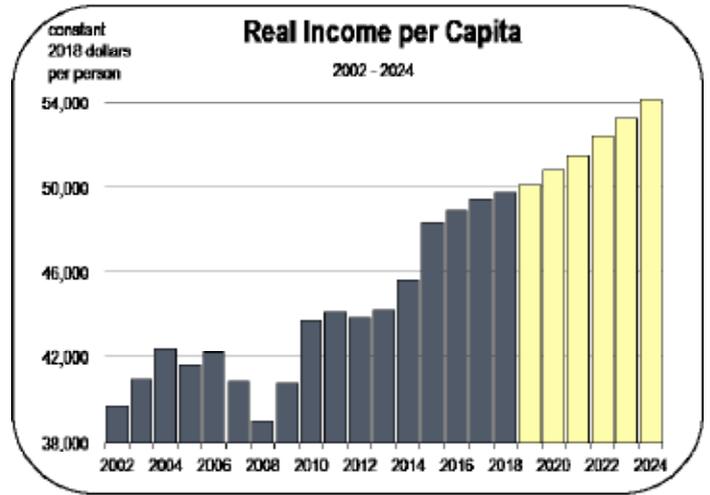
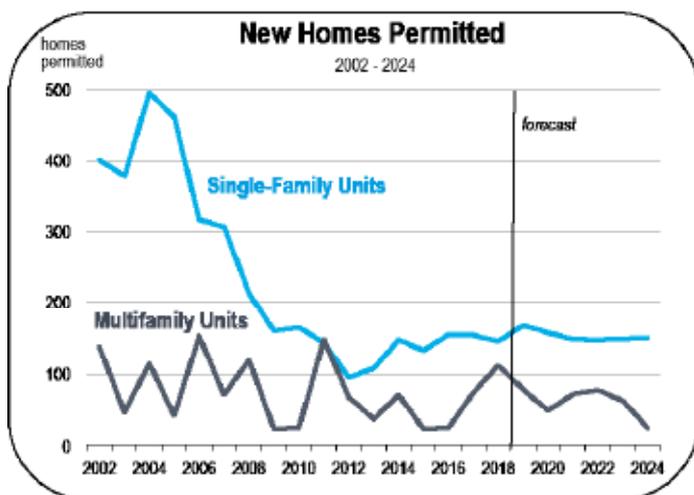
Humboldt County Economic Forecast



- Inflation accelerated in 2018 as home prices and energy costs increased across California.
- In 2019 and 2020, inflation is expected to be within a range of 2.0 percent and 3.5 percent.

New Housing Production

- From 2013 to 2018, an average of 195 new units were built in Humboldt County each year.
- Between 2019 and 2024, an average of 2105 homes will be built each year.
- Humboldt County is among the few areas of California where housing production has kept pace with population growth. If housing production meets expected levels of production, Humboldt County may continue to be among the few areas with adequate homebuilding.

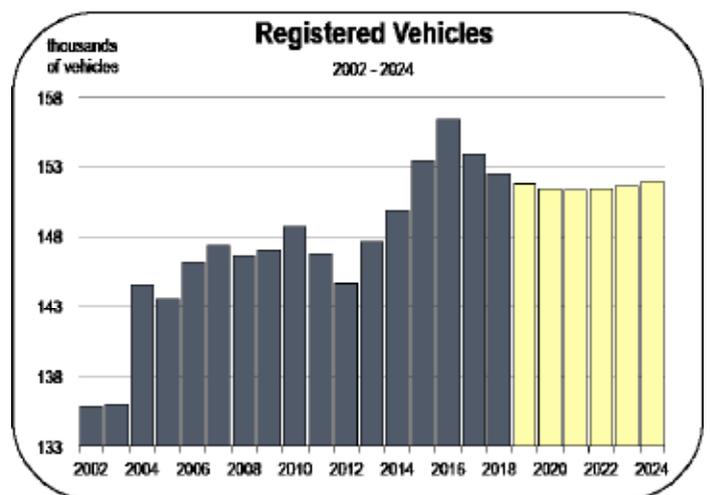


Income per Capita

- Income per capita was \$49,800 in 2018, which was above the Northern California average of \$46,200.
- Over the last six years, real income per capita increased at a rate of 2.1 percent per year.
- Over the next six years, real income per capita is expected to increase by an average of 1.4 percent per year.

Registered Vehicles

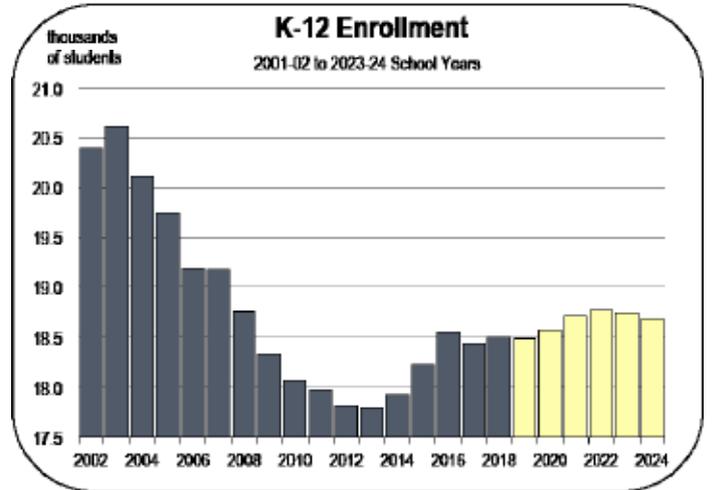
- There were approximately 152,500 registered vehicles in Humboldt County in 2018.
- By 2024, it is expected that the county will have 151,900 registered vehicles.



Humboldt County Economic Forecast

Public School Enrollment

- In Humboldt County, approximately 18,500 students were enrolled in K-12 public schools in 2018.
- By 2024, the county is expected to have 18,700 public K-12 students.



Humboldt 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 (millions) | Real per Capita Income (dollars) | School Enrollment (thousands) | Births (people) | Deaths (people) |
|------|------------------------|--------------------------------|---|-----------------------------------|---------------------------------------|----------------------------------|--|-------------------------------------|--|---|-------------------------------------|--------------------|--------------------|
| 2015 | 135,175 | 56.0 | \$107,306 | 155 | 153 | \$6.0 | \$1.5 | \$25 | \$720.2 | \$48,326 | 18.2 | 1,441 | 1,295 |
| 2016 | 135,978 | 56.2 | \$110,833 | 179 | 156 | \$6.2 | \$1.6 | \$27 | \$730.1 | \$48,890 | 18.6 | 1,482 | 1,373 |
| 2017 | 135,865 | 56.8 | \$113,869 | 228 | 154 | \$6.5 | \$1.6 | \$27 | \$736.5 | \$49,435 | 18.4 | 1,372 | 1,400 |
| 2018 | 135,627 | 56.9 | \$118,620 | 258 | 152 | \$6.8 | \$1.6 | \$28 | \$755.3 | \$49,788 | 18.5 | 1,345 | 1,428 |
| 2019 | 135,727 | 57.0 | \$122,595 | 246 | 152 | \$7.0 | \$1.7 | \$30 | \$759.4 | \$50,114 | 18.5 | 1,332 | 1,422 |
| 2020 | 135,815 | 57.2 | \$127,207 | 206 | 151 | \$7.3 | \$1.8 | \$31 | \$771.7 | \$50,805 | 18.6 | 1,317 | 1,439 |
| 2021 | 135,828 | 57.4 | \$132,129 | 221 | 151 | \$7.6 | \$1.8 | \$32 | \$786.7 | \$51,494 | 18.7 | 1,313 | 1,455 |
| 2022 | 135,823 | 57.6 | \$137,740 | 225 | 151 | \$7.9 | \$1.9 | \$33 | \$802.7 | \$52,411 | 18.8 | 1,309 | 1,479 |
| 2023 | 135,801 | 57.8 | \$143,283 | 212 | 152 | \$8.3 | \$2.0 | \$34 | \$815.7 | \$53,276 | 18.7 | 1,306 | 1,501 |
| 2024 | 135,766 | 58.0 | \$148,857 | 174 | 152 | \$8.6 | \$2.0 | \$36 | \$827.3 | \$54,168 | 18.7 | 1,292 | 1,523 |
| 2025 | 135,700 | 58.2 | \$154,377 | 236 | 152 | \$9.0 | \$2.1 | \$37 | \$840.0 | \$55,022 | 18.6 | 1,257 | 1,544 |
| 2026 | 135,537 | 58.4 | \$159,668 | 203 | 153 | \$9.3 | \$2.2 | \$38 | \$851.6 | \$55,871 | 18.5 | 1,236 | 1,563 |
| 2027 | 135,293 | 58.6 | \$165,263 | 216 | 153 | \$9.7 | \$2.2 | \$39 | \$864.9 | \$56,829 | 18.4 | 1,214 | 1,583 |
| 2028 | 135,006 | 58.8 | \$170,660 | 191 | 153 | \$10.0 | \$2.3 | \$40 | \$877.0 | \$57,677 | 18.3 | 1,200 | 1,600 |
| 2029 | 134,675 | 59.0 | \$175,584 | 200 | 154 | \$10.4 | \$2.4 | \$42 | \$884.3 | \$58,266 | 18.2 | 1,184 | 1,616 |
| 2030 | 134,293 | 59.1 | \$180,458 | 185 | 154 | \$10.7 | \$2.5 | \$43 | \$891.3 | \$58,888 | 18.0 | 1,188 | 1,630 |
| 2031 | 133,923 | 59.3 | \$185,499 | 176 | 154 | \$11.0 | \$2.5 | \$44 | \$899.5 | \$59,564 | 17.9 | 1,206 | 1,641 |
| 2032 | 133,571 | 59.5 | \$190,586 | 178 | 155 | \$11.3 | \$2.6 | \$45 | \$905.5 | \$60,085 | 17.8 | 1,222 | 1,653 |
| 2033 | 133,230 | 59.6 | \$195,702 | 177 | 155 | \$11.7 | \$2.7 | \$46 | \$914.5 | \$60,804 | 17.7 | 1,233 | 1,661 |
| 2034 | 132,908 | 59.8 | \$201,059 | 173 | 155 | \$12.0 | \$2.7 | \$48 | \$922.5 | \$61,440 | 17.5 | 1,260 | 1,671 |
| 2035 | 132,624 | 60.0 | \$206,717 | 173 | 156 | \$12.4 | \$2.8 | \$49 | \$930.2 | \$62,046 | 17.4 | 1,297 | 1,679 |
| 2036 | 132,348 | 60.1 | \$212,767 | 174 | 156 | \$12.8 | \$2.9 | \$50 | \$935.3 | \$62,483 | 17.3 | 1,306 | 1,684 |
| 2037 | 132,094 | 60.3 | \$219,121 | 176 | 156 | \$13.2 | \$3.0 | \$52 | \$940.2 | \$62,891 | 17.2 | 1,327 | 1,687 |
| 2038 | 131,858 | 60.4 | \$225,527 | 177 | 157 | \$13.6 | \$3.1 | \$53 | \$946.3 | \$63,372 | 17.1 | 1,346 | 1,691 |
| 2039 | 131,640 | 60.6 | \$232,242 | 177 | 157 | \$14.1 | \$3.1 | \$55 | \$951.1 | \$63,764 | 17.1 | 1,364 | 1,691 |
| 2040 | 131,442 | 60.8 | \$239,080 | 177 | 157 | \$14.5 | \$3.2 | \$57 | \$956.6 | \$64,185 | 17.0 | 1,380 | 1,692 |
| 2041 | 131,263 | 60.9 | \$245,870 | 176 | 158 | \$15.0 | \$3.3 | \$58 | \$963.0 | \$64,657 | 17.0 | 1,394 | 1,689 |
| 2042 | 131,099 | 61.1 | \$252,742 | 175 | 158 | \$15.4 | \$3.4 | \$60 | \$970.0 | \$65,161 | 17.1 | 1,401 | 1,686 |
| 2043 | 130,942 | 61.3 | \$259,687 | 176 | 158 | \$15.9 | \$3.5 | \$61 | \$977.4 | \$65,698 | 17.1 | 1,401 | 1,680 |
| 2044 | 130,795 | 61.4 | \$266,635 | 176 | 158 | \$16.4 | \$3.6 | \$63 | \$986.2 | \$66,317 | 17.1 | 1,403 | 1,676 |
| 2045 | 130,659 | 61.6 | \$273,897 | 176 | 159 | \$16.9 | \$3.7 | \$65 | \$993.6 | \$66,838 | 17.1 | 1,409 | 1,675 |
| 2046 | 130,526 | 61.7 | \$281,197 | 177 | 159 | \$17.4 | \$3.8 | \$66 | \$1,001.5 | \$67,387 | 17.2 | 1,408 | 1,672 |
| 2047 | 130,400 | 61.9 | \$288,692 | 177 | 159 | \$17.9 | \$3.9 | \$68 | \$1,009.4 | \$67,939 | 17.2 | 1,409 | 1,670 |
| 2048 | 130,283 | 62.1 | \$296,352 | 178 | 160 | \$18.4 | \$4.0 | \$69 | \$1,017.3 | \$68,481 | 17.2 | 1,413 | 1,668 |
| 2049 | 130,166 | 62.2 | \$304,165 | 178 | 160 | \$18.9 | \$4.1 | \$71 | \$1,025.0 | \$69,017 | 17.2 | 1,409 | 1,667 |
| 2050 | 130,042 | 62.4 | \$312,254 | 178 | 160 | \$19.5 | \$4.2 | \$73 | \$1,033.0 | \$69,576 | 17.3 | 1,399 | 1,668 |

Employment Sectors

2015-2018 History, 2019-2050 Forecast

| | Total Wage & Salary | Farm | Construction | Manufac- turing | Transportation & Utilities | Wholesale & Retail Trade (thousands of jobs) | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|------|------------------------|------|--------------|--------------------|-------------------------------|--|-------------------------|--------------------------|-------------|-----------------------|---------|------------|
| 2015 | 50.4 | 0.9 | 1.8 | 2.0 | 1.2 | 8.2 | 1.6 | 2.7 | 0.5 | 8.1 | 5.6 | 13.9 |
| 2016 | 51.4 | 0.9 | 1.8 | 2.1 | 1.2 | 8.4 | 1.7 | 2.8 | 0.4 | 8.5 | 5.8 | 14.2 |
| 2017 | 52.7 | 0.9 | 2.0 | 2.0 | 1.2 | 8.4 | 1.7 | 2.9 | 0.4 | 8.8 | 5.8 | 14.4 |
| 2018 | 53.6 | 0.9 | 2.1 | 2.1 | 1.2 | 8.3 | 1.8 | 3.3 | 0.4 | 9.0 | 5.8 | 14.4 |
| 2019 | 54.1 | 0.9 | 2.2 | 2.1 | 1.2 | 8.3 | 1.8 | 3.3 | 0.4 | 9.2 | 5.8 | 14.4 |
| 2020 | 54.4 | 0.9 | 2.1 | 2.1 | 1.2 | 8.4 | 1.8 | 3.3 | 0.4 | 9.3 | 5.8 | 14.5 |
| 2021 | 54.6 | 0.9 | 2.1 | 2.1 | 1.2 | 8.4 | 1.8 | 3.4 | 0.4 | 9.4 | 5.8 | 14.5 |
| 2022 | 54.8 | 0.9 | 2.1 | 2.2 | 1.2 | 8.4 | 1.8 | 3.4 | 0.4 | 9.5 | 5.8 | 14.5 |
| 2023 | 55.0 | 1.0 | 2.1 | 2.2 | 1.2 | 8.5 | 1.8 | 3.4 | 0.3 | 9.6 | 5.9 | 14.6 |
| 2024 | 55.2 | 1.0 | 2.0 | 2.2 | 1.2 | 8.5 | 1.8 | 3.4 | 0.3 | 9.6 | 5.9 | 14.6 |
| 2025 | 55.4 | 1.0 | 2.1 | 2.2 | 1.2 | 8.5 | 1.8 | 3.4 | 0.3 | 9.7 | 5.9 | 14.7 |
| 2026 | 55.6 | 1.0 | 2.1 | 2.2 | 1.2 | 8.5 | 1.8 | 3.5 | 0.3 | 9.7 | 5.9 | 14.8 |
| 2027 | 55.7 | 1.0 | 2.1 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.3 | 9.8 | 5.9 | 14.8 |
| 2028 | 55.9 | 1.0 | 2.0 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.3 | 9.8 | 5.9 | 14.9 |
| 2029 | 56.0 | 1.0 | 2.0 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.3 | 9.8 | 5.9 | 15.0 |
| 2030 | 56.2 | 1.1 | 2.0 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.3 | 9.9 | 6.0 | 15.0 |
| 2031 | 56.3 | 1.1 | 2.0 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.3 | 9.9 | 6.0 | 15.1 |
| 2032 | 56.4 | 1.1 | 2.0 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.2 | 9.9 | 6.0 | 15.1 |
| 2033 | 56.6 | 1.1 | 2.0 | 2.2 | 1.2 | 8.6 | 1.8 | 3.5 | 0.2 | 9.9 | 6.0 | 15.2 |
| 2034 | 56.7 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.5 | 0.2 | 10.0 | 6.0 | 15.3 |
| 2035 | 56.8 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.5 | 0.2 | 10.0 | 6.0 | 15.3 |
| 2036 | 56.9 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.0 | 6.0 | 15.4 |
| 2037 | 57.0 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.0 | 6.0 | 15.5 |
| 2038 | 57.1 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.0 | 6.0 | 15.5 |
| 2039 | 57.2 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.1 | 6.0 | 15.6 |
| 2040 | 57.4 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.1 | 6.0 | 15.6 |
| 2041 | 57.5 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.1 | 6.0 | 15.7 |
| 2042 | 57.6 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.2 | 10.1 | 6.0 | 15.8 |
| 2043 | 57.7 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.1 | 10.2 | 6.0 | 15.8 |
| 2044 | 57.8 | 1.1 | 2.0 | 2.3 | 1.2 | 8.7 | 1.8 | 3.6 | 0.1 | 10.2 | 6.0 | 15.9 |
| 2045 | 57.9 | 1.1 | 2.0 | 2.3 | 1.2 | 8.8 | 1.8 | 3.7 | 0.1 | 10.2 | 6.1 | 16.0 |
| 2046 | 58.0 | 1.1 | 2.0 | 2.3 | 1.2 | 8.8 | 1.8 | 3.7 | 0.1 | 10.2 | 6.1 | 16.0 |
| 2047 | 58.2 | 1.1 | 2.0 | 2.3 | 1.2 | 8.8 | 1.8 | 3.7 | 0.1 | 10.2 | 6.1 | 16.1 |
| 2048 | 58.3 | 1.1 | 2.0 | 2.3 | 1.2 | 8.8 | 1.8 | 3.7 | 0.1 | 10.3 | 6.1 | 16.1 |
| 2049 | 58.4 | 1.1 | 2.0 | 2.3 | 1.2 | 8.8 | 1.8 | 3.7 | 0.1 | 10.3 | 6.1 | 16.2 |
| 2050 | 58.5 | 1.1 | 2.0 | 2.3 | 1.2 | 8.8 | 1.8 | 3.7 | 0.1 | 10.3 | 6.1 | 16.3 |

Humboldt County Economic Forecast

Socioeconomic Indicators

