Lake County Economic Forecast

Forecast Summary

- Approximately 400 jobs are expected to be created in Lake 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 rapid in Lake County and will be dominated by government and healthcare. Combined, these sectors will account for 81 percent of net job creation between 2018 and 2024.
- Employment contractions are expected in manufacturing and wholesale trade. The risk of contraction is also high in financial activities.
- The unemployment rate averaged 5.2 percent in 2018 and is near its lowest sustainable level. The unemployment rate may begin to rise during the 2018–2024 forecast period.
- The Lake County population is growing more quickly than the average for Northern California and will continue to do so in 2019 and 2020.
- Lake County has been impacted by several wildfires that have destroyed hundreds of homes and apartment units. Rebuilding activity will contribute to construction employment and lead to an increase in net migration.

Job Growth

- During the 2018 calendar year, job growth was minimal because most sectors were characterized by employment contractions.
- The largest contractions were in agriculture, which lost more than 100 jobs, as well as government and retail, which each lost 50 jobs.
- During the forecast period, Lake County will be among the fastest growing counties in California. Job growth is expected to average 1.7 percent per year.
- The two largest sectors are government and healthcare, and they will be among the primary job creators during the forecast period. Together, they will create 1,400 new jobs by 2024.

Private Education and Healthcare Employment

- Healthcare agencies have generated approximately 1,100 jobs since 2010.
- The most prominent employers are Adventist Health Clear Lake and Sutter Lakeside Hospital. These organizations each employ between 250 and 500 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, increasing by approximately 1,200.

**Government Employment**

- Government agencies in Lake County lost a small number of jobs in 2018, and these losses could extend into 2019. But over the entire 2018–2024 period, a substantial number of government jobs are expected to be gained.

- Virtually all Lake County government jobs are in public schools and local municipal agencies. Fewer than 10 percent are in federal or state-level agencies that have a presence in the county.

**Population Growth**

- The Lake County population is growing at a faster rate than the surrounding Northern California counties.

- All of the county’s population growth is coming from net migration. More people are moving into the county than moving out, and this scenario is expected to persist through 2024.

- Lake County has a high share of residents who are over the age of 75, which has given the county a low birthrate and a high mortality rate. Deaths have outnumbered births for the last three decades, placing a constraint on overall population growth.

**Unemployment and Inflation Rates**

- The unemployment rate in Lake County was 5.2 percent in 2018, which was very similar to the average for the Northern California region.
• The unemployment rate is near its lowest sustainable level and is expected to increase during the 2018–2024 forecast period.

• 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

• Lake County has been impacted by several wildfires in the last few years, including the Mendocino Complex Fire in 2018, the Sulphur Fire in 2017, and the Valley Fire in 2015.

• The Valley fire destroyed 1,322 homes and 27 apartment units. Almost half of these homes and apartments were unoccupied when they were destroyed.

• Rebuilding these homes led to an increase in construction activity in 2016, but most of the 1,322 homes and 27 apartments have yet to be rebuilt.

• The Sulphur and Mendocino Complex fires destroyed 160 homes, and the rebuilding effort is expected to last from 2019 to 2022. This will lead to a slight uptick in construction activity and will maintain demand for construction workers.

• Rebuilding of homes lost in the Sulphur and Mendocino complex fires will also allow residents to move back into the county, increasing the levels of net migration between 2019 and 2022.

• From 2013 to 2018, an average of 48 new units were built in Lake County each year. This was not sufficient to keep pace with population growth.

• Between 2019 and 2024, an average of 50 to 55 homes will be built each year, which would also not be enough to accommodate expected population gains.

Income per Capita

• Income per capita was $42,400 in 2018, which was below the Northern California average of $46,200.
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- Over the last six years, real income per capita increased at a rate of 2.2 percent per year.

- Over the next six years, real income per capita is expected to increase by an average of 1.5 percent per year.

Registered Vehicles

- There were approximately 89,100 registered vehicles in Lake County in 2018.

- By 2024, it is expected that the county will have 91,800 registered vehicles.

Public School Enrollment

- In Lake County, approximately 9,500 students were enrolled in K-12 public schools in 2018.

- By 2024, the county is expected to have almost 10,000 public K-12 students.
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Socioeconomic Indicators

**Violent Crime Rate**
- 2017:
  - Lake County: 519
  - Northern California: 449
  - California: 556

**Poverty Rate**
- 2018:
  - Lake County: 17.7%
  - Northern California: 12.0%
  - California: 11.1%

**Median Household Income**
- 2018:
  - Lake County: $46,000
  - Northern California: $53,500
  - California: $74,600

**Median Home Selling Price**
- 2018:
  - Lake County: $255,000
  - Northern California: $266,800
  - California: $574,200

**Average Travel Time to Work**
- 2018:
  - Lake County: 36 minutes
  - Northern California: 32 minutes
  - California: 30 minutes

**Percent of Population Age 25+ With at Least a 4-Year College Degree**
- 2018:
  - Lake County: 15.1%
  - Northern California: 23.0%
  - California: 30.6%