

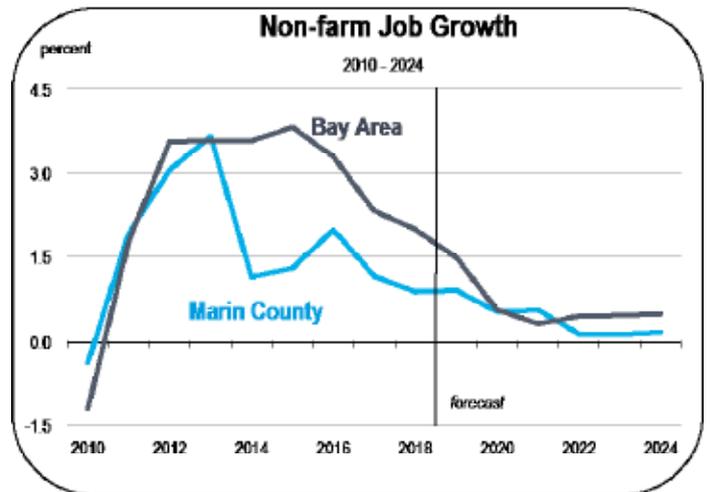
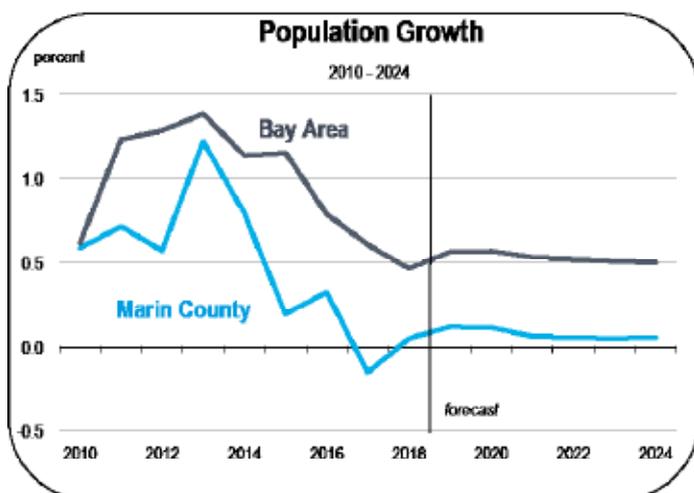
Marin County Economic Forecast

Forecast Summary

- 1,100 non-farm jobs will be created in Marin County during 2019. Over the following five years, an average of 400 new jobs are expected annually.
- Employment growth will be led by professional services, leisure services, and education and healthcare. These sectors will account for virtually all net job growth in the county through 2024.
- Job losses are expected in the financial activities industry.
- The unemployment rate averaged 2.4 percent in 2018, but may begin to deteriorate in 2019.
- The population is growing slower than the California average, and will continue to do so.
- Housing production is barely keeping pace with population growth. Over the forecast period, the county will add more single-family homes than multifamily units.

Job Growth

- Job growth is slowing and will slow further during the forecast period. Marin County is at risk of losing jobs by 2020 or 2021.
- In 2018, job creation was largest in construction, manufacturing, and retail.
- Losses were observed in 2018 in transportation and warehousing,



wholesale trade, leisure and hospitality, financial activities, and professional business services.

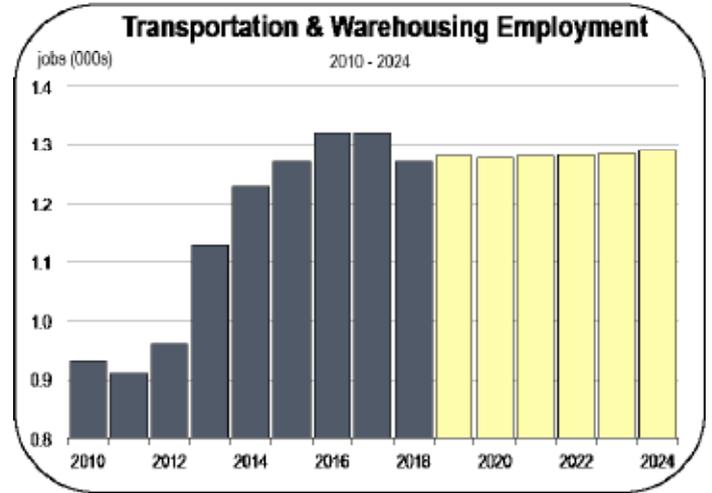
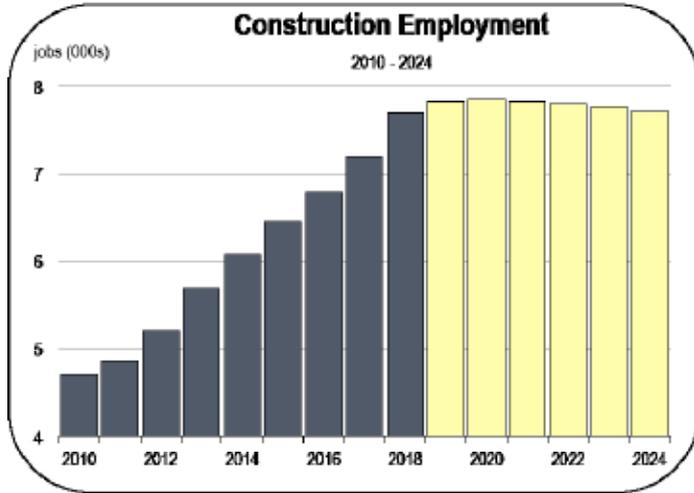
- Between 2013 and 2018, non-farm job growth averaged 1.7 percent per year.
- Between 2018 and 2024, growth is forecast to average 0.4 percent per year.
- Approximately 1,100 non-farm jobs will be created during 2019.
- Through 2024, an average of 350 new non-farm wage and salary jobs are expected per year.

Construction Employment

- The construction sector created 500 jobs last year.
- Marin County has low levels of construction activity, but a relatively large number of construction workers. This situation has arisen because some construction firms are headquartered in Marin County, but operate across multiple Bay Area regions.
- Building activity has peaked in Marin County, suggesting that fewer construction workers will be needed for projects within the county. But if Marin-based construction crews are deployed to other areas, employment levels could continue to increase.

Manufacturing Employment

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- Manufacturing employment has increased very rapidly since the end of the last recession.
- Most of this growth has occurred in biotech manufacturing and at local wineries (which are part of the beverage manufacturing industry).
- The manufacturing industry is particularly sensitive to changes in the minimum wage. As the California minimum wage rises to \$15/hour by 2022, growth in this industry could be influenced.

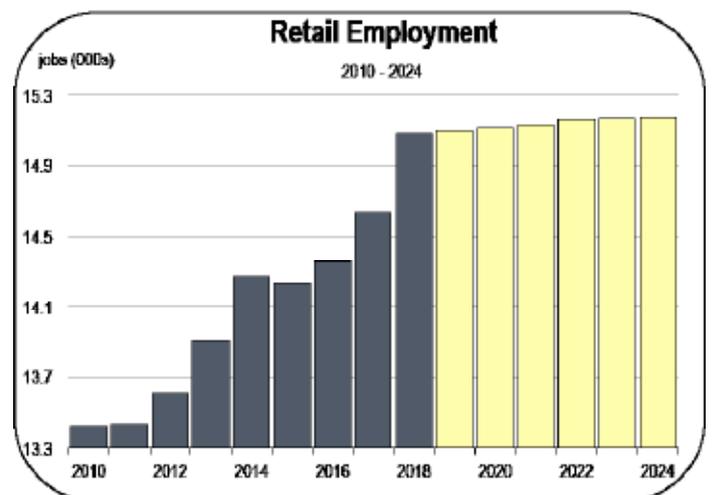
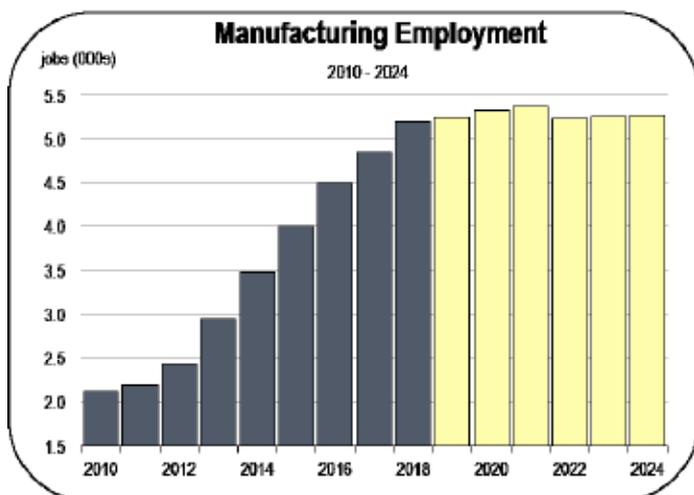
Transportation and Warehousing Employment

- The transportation and warehousing industry is very small in Marin County.
- Approximately 50 jobs were lost in 2018.

- Growth will be slow over the forecast period, and jobs could be lost if the economy falls into a recession.

Retail Trade Employment

- The Marin County retail industry is being divided into two segments: stores facing competition from online retailers, and stores not yet facing this competition.
- Job growth is slowing in sectors that face heavy competition from online retailers:
 - Clothing stores and department stores (e.g. Macy's)
 - Sporting goods stores and electronics stores
 - Furniture stores
- Growth is still strong in sectors not facing heavy online competition:
 - Car dealerships



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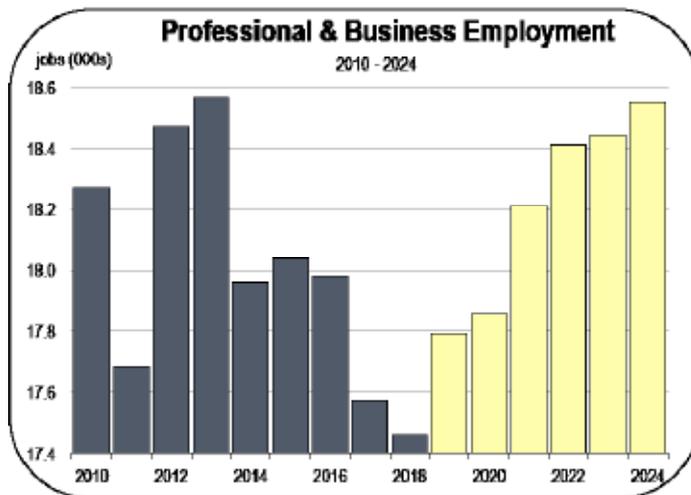
- Drug stores and healthcare stores
- Grocery stores
- This industry is at risk of losing jobs if the economy falls into a recession, or if the brick-and-mortar retail landscape becomes more challenging than expected.

Financial Activities Employment

- The financial activities industry is still shedding jobs and will lose more jobs in 2019 and 2020.
- Nationwide, the banking industry is becoming more automated as banks provide their customers with more online services.
- Banks and lending institutions lost 150 jobs in 2018. Insurance carriers lost another 150 jobs, but the real estate sector gained a few dozen jobs.

Professional and Business Services Employment

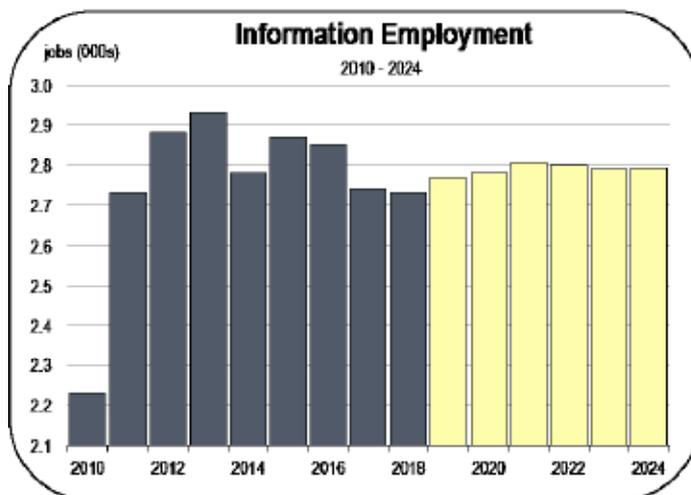
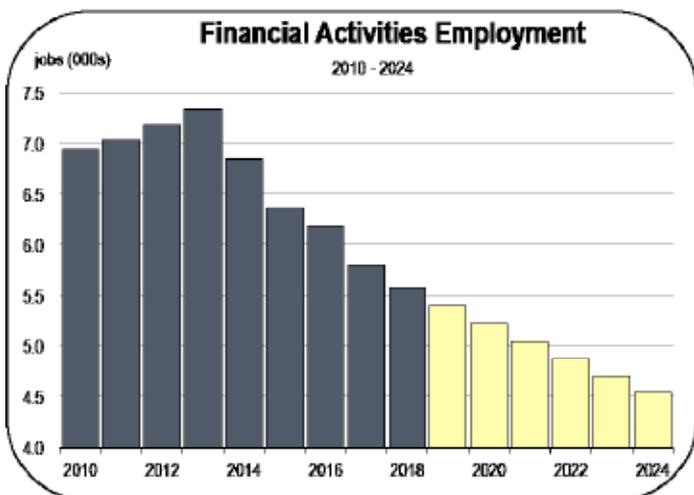
- The professional services sector lost 100 jobs last year.
- Sectors with declines included:
 - 100 jobs were lost at accounting firms
 - 60 jobs were lost at engineering firms
 - 50 jobs were lost at IT consulting firms
 - 50 jobs were lost at advertising agencies
 - 40 jobs were lost at building maintenance companies
- Some sectors did expand, including back office support firms (+50 jobs) and corporate security companies (+100 jobs).



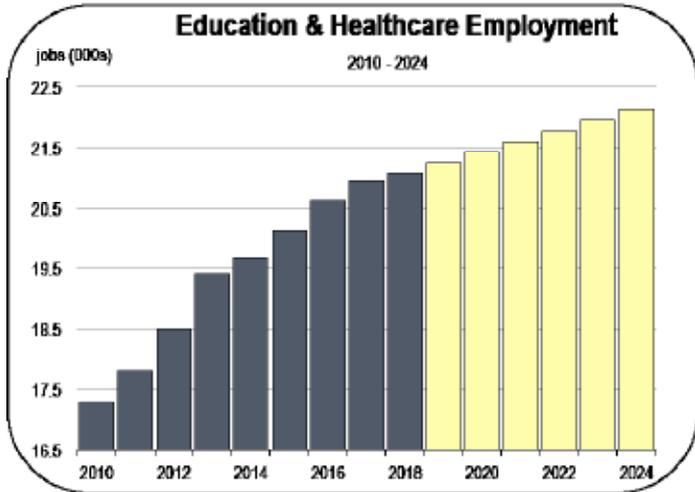
Information Employment

- The information sector lost a small number of jobs in 2018. It used to be dominated by newspapers and telecommunications companies, but is now populated by software firms and web hosting/data services companies.
- Job losses continued at telecommunications firms and newspaper publishers in 2018.
- Software and data firms gained a small number of jobs.
- Meaningful job creation is not expected during the forecast period.

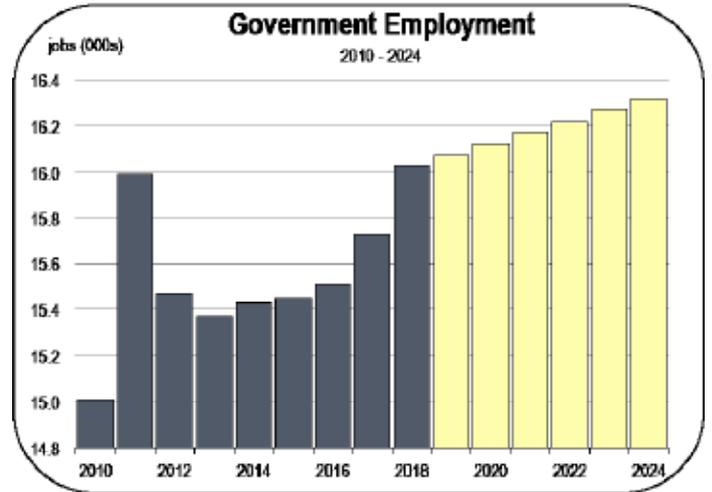
Private Education and Healthcare Employment



Marin County Economic Forecast



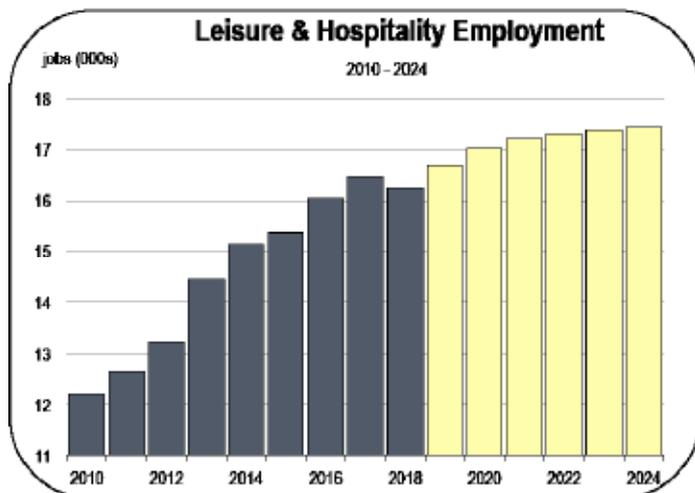
- The healthcare industry continues to add hundreds of new jobs each year.
- Gains have been concentrated in doctors’ offices, outpatient and residential care facilities, and organizations that serve the elderly and people with disabilities.
- No jobs were gained at private schools (public schools are included with government employment).
- Growth will continue as an aging population demands more



healthcare services. However, the future of the U.S. health insurance landscape is unknown, and legislative changes could influence job creation in health services.

Leisure and Hospitality Employment

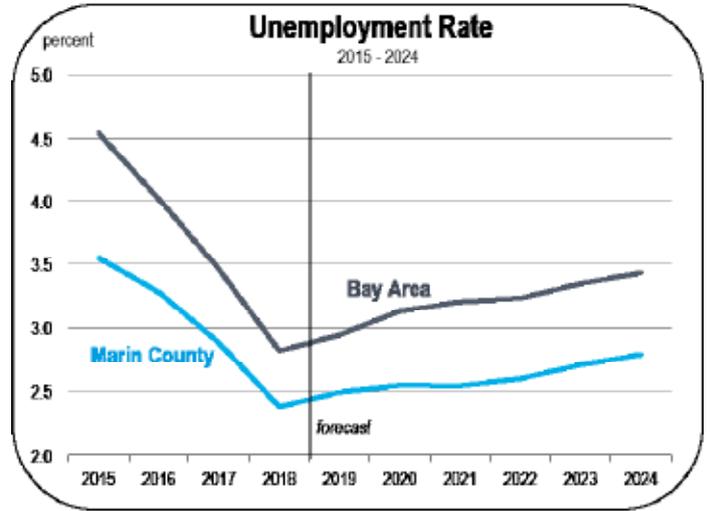
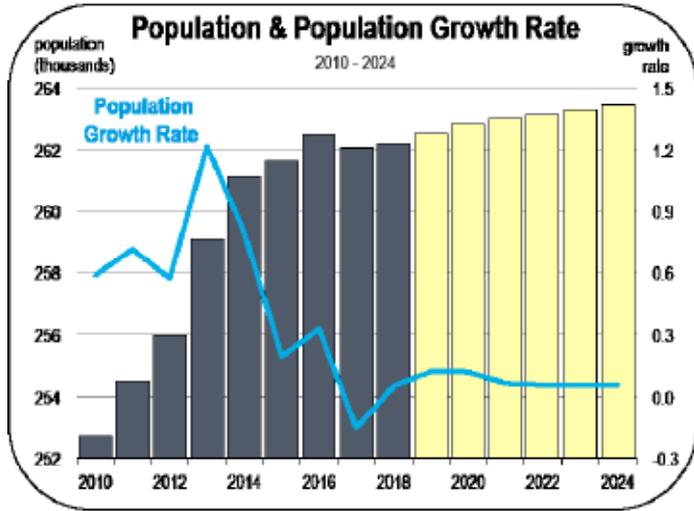
- After creating hundreds of jobs each year since 2009, the estimated employment record for 2018 suggested a small contraction, which will likely be revised upward next year.
- The industry will create new jobs in 2019 and beyond. Restaurants will hire new workers and more tourism activity will lead to higher headcounts at local hotels.
- The leisure industry is particularly sensitive to changes in the minimum wage. As the California minimum wage rises to \$15/hour by 2022, employment growth in this sector could be influenced.



Government Employment

- Approximately 300 public sector jobs were generated in 2018.
- The strongest gains were observed at local public schools.
- Local municipal agencies downsized by a small number of jobs.
- Future gains will depend on population growth, as well as the condition of state and local budgets.

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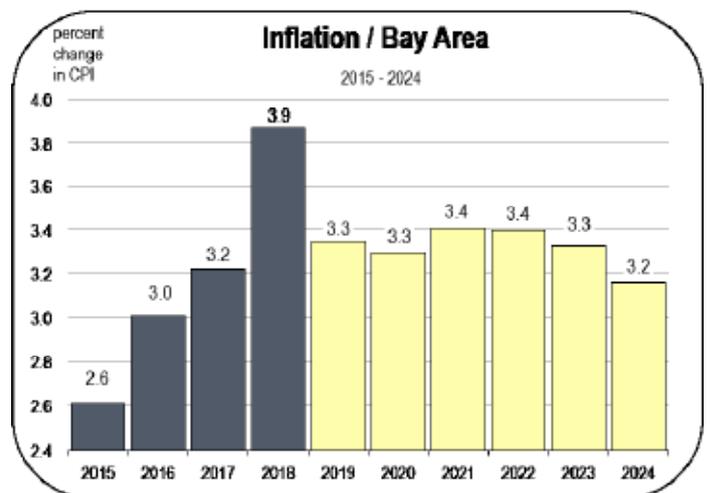
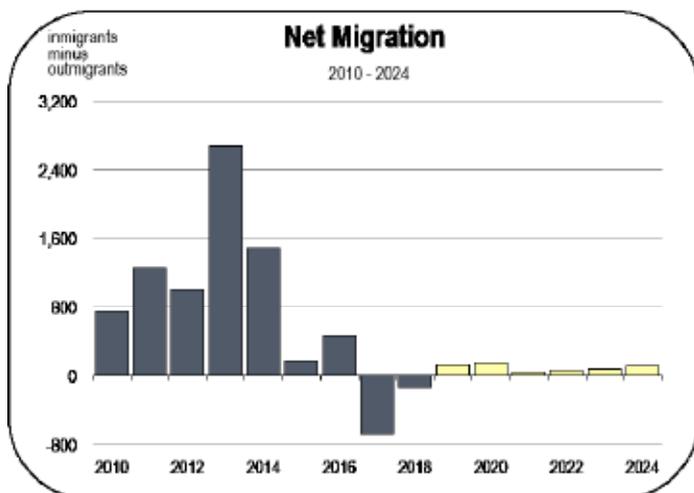


Population Growth

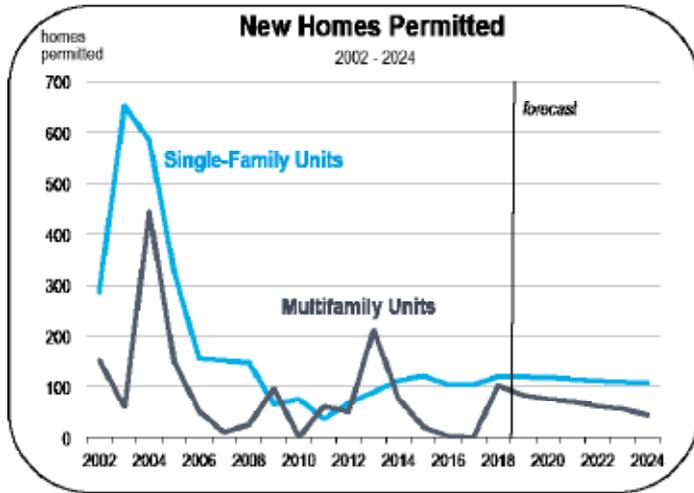
- The Marin County population increased slightly in 2018. The natural increase (new births) added 250 residents to the population while approximately 150 net migrants left the county.
- Net migration will be positive but low over the forecast period. On average, fewer than 100 net migrants will enter the county each year.
- Housing prices are extraordinarily high and rental vacancy rates are extraordinarily low, limiting the number of families or individuals that can relocate to Marin County.
- Overall population growth will be slow, averaging only 0.1 percent per year through 2024, and the population will expand by a total of only 1,200 residents over the entire 2018–2024 period.

Unemployment and Inflation Rates

- The unemployment rate in Marin County averaged 2.4 percent in 2018, which was lower than the composite rate for the Bay Area.
- Beginning in 2019, the unemployment rate may deteriorate, but with an unemployment rate of just 2.5 percent, the job market will still be incredibly tight and businesses may still have trouble finding qualified workers.
- 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.



Marin County Economic Forecast

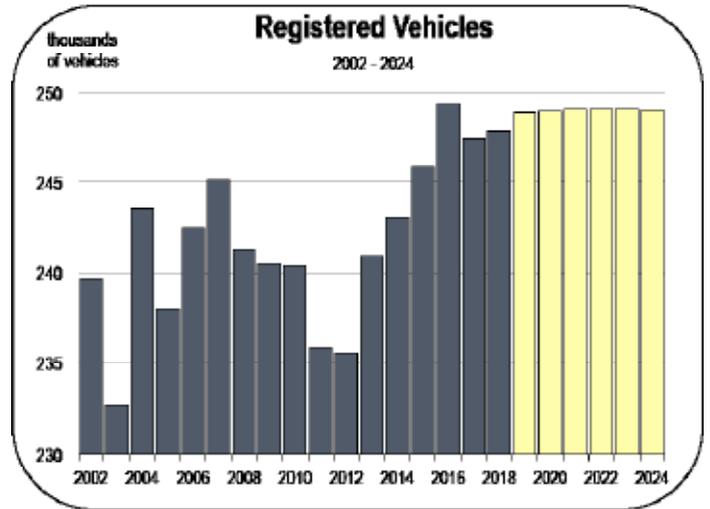
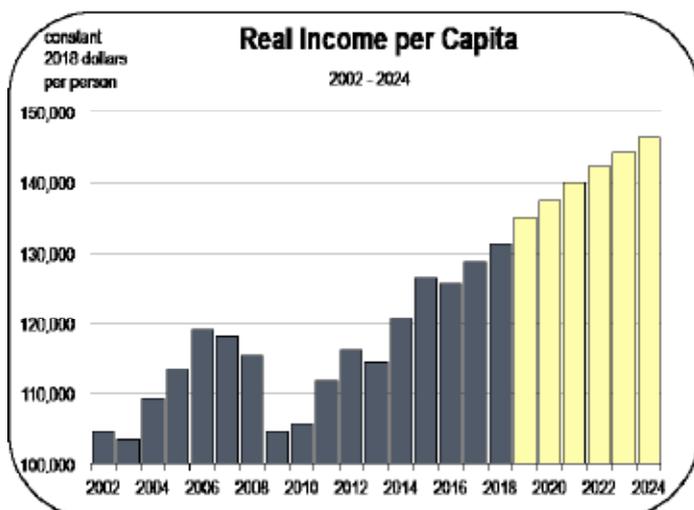


New Housing Production

- Housing affordability is becoming a problem. Families often spend 40 percent of their income on mortgage payments or rent, and some spend significantly more.
- Home prices will rise more slowly over the forecast period, but may continue to increase faster than incomes, in which case housing affordability would deteriorate further.
- From 2013 to 2018, an average of 175 homes were permitted per year. Housing production is also expected to average 175 homes per year from 2019 to 2024. More than half should be single-family units.

Income per Capita

- Income per capita in 2018 was \$131,400, placing Marin County as the wealthiest county in California.



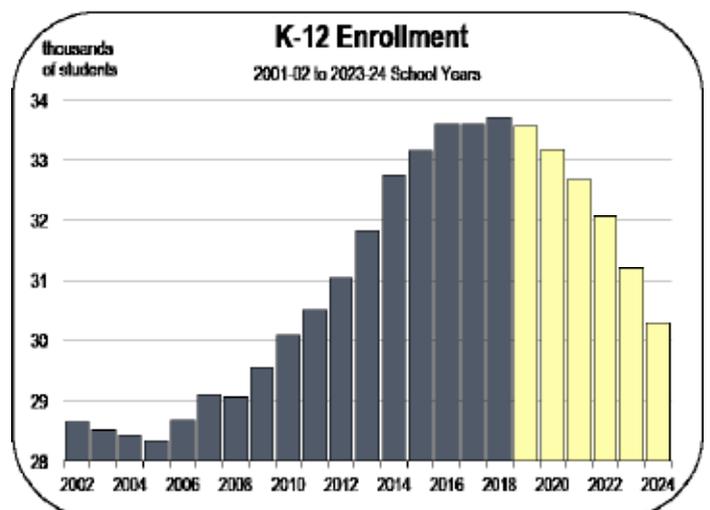
- Income per capita has increased rapidly in Marin County, growing by an average of 2.1 percent per year over the last 6 years, adjusted for inflation.
- Income per capita is expected to grow at similar rates over the forecast period, increasing by 1.8 percent per year through 2024.

Registered Vehicles

- There were 247,800 registered vehicles in Marin County in 2018.
- By 2024, it is expected that the county will have approximately 249,000 registered vehicles.

Public School Enrollment

- There were 33,700 K-12 students in the 2017—2018 school year.
- By 2024, there are expected to be 30,300 K-12 students in the county. Enrollment will decrease because the population aged 5 to 17 will decrease.



Marin 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	261,641	104.2	\$291,805	141	246	\$30.4	\$3.8	\$85.4	\$8.3	\$126,434	33.2	2,288	1,974
2016	262,495	104.3	\$296,078	106	249	\$30.9	\$3.8	\$84.9	\$8.2	\$125,568	33.6	2,252	1,905
2017	262,092	104.3	\$311,638	104	247	\$32.5	\$3.8	\$85.6	\$8.4	\$128,807	33.6	2,237	1,956
2018	262,224	104.6	\$329,436	222	248	\$34.5	\$3.9	\$86.7	\$9.0	\$131,388	33.7	2,238	1,985
2019	262,539	104.7	\$347,838	202	249	\$36.4	\$4.0	\$89.2	\$9.2	\$135,059	33.6	2,210	2,007
2020	262,844	104.9	\$363,705	194	249	\$38.1	\$4.1	\$91.9	\$9.5	\$137,562	33.2	2,194	2,029
2021	263,009	105.0	\$380,274	185	249	\$39.9	\$4.2	\$94.7	\$9.7	\$140,013	32.7	2,183	2,054
2022	263,155	105.2	\$396,707	172	249	\$41.7	\$4.3	\$97.7	\$9.6	\$142,209	32.1	2,183	2,089
2023	263,291	105.3	\$412,870	165	249	\$43.5	\$4.5	\$100.4	\$9.8	\$144,187	31.2	2,190	2,121
2024	263,441	105.4	\$429,544	151	249	\$45.3	\$4.6	\$103.1	\$10.0	\$146,369	30.3	2,198	2,148
2025	263,615	105.6	\$445,339	146	249	\$47.0	\$4.7	\$105.7	\$10.1	\$148,223	29.4	2,206	2,176
2026	263,819	105.7	\$462,077	156	249	\$48.8	\$4.8	\$108.2	\$10.3	\$150,294	28.6	2,219	2,202
2027	263,998	105.8	\$479,116	159	249	\$50.7	\$4.9	\$110.6	\$10.5	\$152,454	28.1	2,232	2,227
2028	264,172	105.9	\$496,791	160	249	\$52.6	\$5.0	\$113.2	\$10.6	\$154,586	27.7	2,244	2,253
2029	264,369	106.0	\$513,672	163	249	\$54.5	\$5.2	\$116.0	\$10.8	\$156,160	27.3	2,262	2,275
2030	264,577	106.2	\$531,026	163	249	\$56.4	\$5.3	\$118.7	\$10.9	\$157,867	26.9	2,285	2,295
2031	264,789	106.3	\$547,848	166	250	\$58.2	\$5.4	\$121.4	\$11.0	\$159,418	26.7	2,310	2,312
2032	265,017	106.4	\$565,217	167	250	\$60.2	\$5.5	\$124.4	\$11.1	\$160,674	26.4	2,332	2,326
2033	265,267	106.6	\$582,608	169	250	\$62.1	\$5.6	\$127.0	\$11.2	\$162,404	26.3	2,359	2,341
2034	265,536	106.7	\$600,810	171	250	\$64.1	\$5.8	\$129.9	\$11.3	\$163,907	26.2	2,392	2,354
2035	265,830	106.8	\$619,763	172	250	\$66.2	\$5.9	\$132.9	\$11.4	\$165,294	26.3	2,424	2,368
2036	266,152	107.0	\$640,290	172	250	\$68.5	\$6.1	\$136.6	\$11.5	\$166,297	26.6	2,450	2,378
2037	266,490	107.1	\$662,425	173	250	\$70.9	\$6.2	\$140.6	\$11.6	\$167,365	27.1	2,468	2,384
2038	266,814	107.2	\$683,463	172	250	\$73.3	\$6.4	\$144.3	\$11.7	\$168,318	27.6	2,478	2,390
2039	267,146	107.4	\$705,784	171	250	\$75.8	\$6.6	\$148.5	\$11.7	\$169,092	28.1	2,483	2,393
2040	267,474	107.5	\$728,080	164	251	\$78.3	\$6.8	\$152.6	\$11.8	\$169,855	28.6	2,483	2,398
2041	267,804	107.6	\$751,121	151	251	\$80.8	\$7.0	\$156.5	\$11.9	\$170,953	29.1	2,481	2,400
2042	268,118	107.7	\$773,593	149	251	\$83.3	\$7.1	\$160.4	\$11.9	\$171,929	29.6	2,477	2,398
2043	268,436	107.8	\$796,275	147	251	\$85.9	\$7.3	\$164.2	\$12.0	\$172,969	30.1	2,475	2,395
2044	268,747	108.0	\$818,639	145	251	\$88.4	\$7.5	\$167.8	\$12.1	\$174,145	30.6	2,468	2,395
2045	269,048	108.1	\$841,764	143	252	\$91.0	\$7.6	\$171.8	\$12.2	\$175,022	31.0	2,460	2,399
2046	269,350	108.2	\$865,771	142	252	\$93.7	\$7.8	\$175.7	\$12.3	\$176,116	31.4	2,445	2,397
2047	269,639	108.3	\$890,203	141	252	\$96.4	\$8.0	\$179.7	\$12.4	\$177,175	31.7	2,430	2,388
2048	269,910	108.4	\$915,174	139	252	\$99.2	\$8.2	\$183.8	\$12.5	\$178,222	31.9	2,411	2,378
2049	270,171	108.5	\$940,765	137	252	\$102.1	\$8.4	\$188.0	\$12.6	\$179,262	32.0	2,395	2,367
2050	270,423	108.6	\$966,992	135	252	\$105.0	\$8.5	\$192.3	\$12.7	\$180,294	32.0	2,382	2,354

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	112.3	0.3	6.5	4.0	1.3	16.8	6.4	18.0	2.9	20.1	15.4	15.5
2016	114.5	0.3	6.8	4.5	1.3	16.9	6.2	18.0	2.9	20.6	16.1	15.5
2017	115.8	0.3	7.2	4.9	1.3	17.2	5.8	17.6	2.7	21.0	16.5	15.7
2018	116.9	0.3	7.7	5.2	1.3	17.5	5.6	17.5	2.7	21.1	16.3	16.0
2019	117.9	0.3	7.8	5.2	1.3	17.6	5.4	17.8	2.8	21.2	16.7	16.1
2020	118.6	0.3	7.9	5.3	1.3	17.6	5.2	17.9	2.8	21.4	17.0	16.1
2021	119.2	0.3	7.8	5.4	1.3	17.7	5.0	18.2	2.8	21.6	17.2	16.2
2022	119.4	0.3	7.8	5.2	1.3	17.7	4.9	18.4	2.8	21.8	17.3	16.2
2023	119.6	0.3	7.8	5.2	1.3	17.7	4.7	18.4	2.8	22.0	17.4	16.3
2024	119.8	0.3	7.7	5.3	1.3	17.7	4.5	18.6	2.8	22.1	17.4	16.3
2025	120.1	0.3	7.7	5.3	1.3	17.7	4.4	18.6	2.8	22.3	17.5	16.4
2026	120.6	0.3	7.8	5.3	1.3	17.7	4.3	18.8	2.8	22.5	17.6	16.4
2027	120.9	0.3	7.8	5.3	1.3	17.7	4.2	18.9	2.8	22.6	17.7	16.5
2028	121.3	0.3	7.7	5.4	1.3	17.7	4.1	19.0	2.8	22.8	17.8	16.5
2029	121.7	0.3	7.7	5.4	1.3	17.7	4.0	19.1	2.9	23.0	17.9	16.5
2030	122.2	0.3	7.7	5.4	1.3	17.8	3.9	19.2	2.9	23.2	18.0	16.6
2031	122.7	0.3	7.7	5.4	1.3	17.8	3.8	19.4	2.9	23.3	18.1	16.6
2032	123.1	0.3	7.6	5.4	1.3	17.8	3.8	19.5	2.9	23.5	18.2	16.7
2033	123.6	0.3	7.6	5.4	1.3	17.8	3.7	19.6	3.0	23.7	18.3	16.7
2034	124.1	0.3	7.7	5.4	1.3	17.8	3.7	19.8	3.0	24.0	18.4	16.8
2035	124.6	0.3	7.6	5.5	1.3	17.8	3.6	19.9	3.0	24.2	18.5	16.8
2036	125.1	0.3	7.5	5.5	1.3	17.8	3.6	20.0	3.0	24.4	18.6	16.8
2037	125.6	0.3	7.4	5.5	1.3	17.8	3.6	20.2	3.1	24.6	18.7	16.9
2038	126.0	0.3	7.4	5.5	1.4	17.8	3.5	20.3	3.1	24.9	18.8	16.9
2039	126.5	0.3	7.3	5.5	1.4	17.8	3.5	20.5	3.2	25.1	18.9	17.0
2040	126.9	0.3	7.2	5.5	1.4	17.9	3.5	20.6	3.2	25.2	19.0	17.0
2041	127.3	0.3	7.1	5.5	1.4	17.9	3.4	20.8	3.2	25.4	19.0	17.0
2042	127.7	0.3	7.1	5.5	1.4	17.9	3.4	20.9	3.3	25.5	19.1	17.1
2043	128.1	0.3	7.1	5.5	1.4	17.9	3.4	21.0	3.3	25.6	19.2	17.1
2044	128.5	0.3	7.1	5.5	1.4	17.9	3.3	21.2	3.3	25.6	19.3	17.2
2045	128.8	0.3	7.1	5.6	1.4	17.9	3.3	21.3	3.3	25.7	19.4	17.2
2046	129.2	0.3	7.1	5.6	1.4	17.9	3.3	21.5	3.4	25.7	19.5	17.3
2047	129.4	0.3	7.0	5.6	1.4	17.9	3.3	21.6	3.4	25.7	19.6	17.3
2048	129.7	0.3	7.0	5.6	1.4	17.9	3.2	21.8	3.4	25.6	19.6	17.3
2049	130.0	0.3	7.0	5.6	1.4	17.9	3.2	21.9	3.5	25.5	19.7	17.4
2050	130.2	0.4	7.0	5.6	1.4	17.9	3.2	22.1	3.5	25.4	19.8	17.4

Marin County Economic Forecast

Socioeconomic Indicators

