

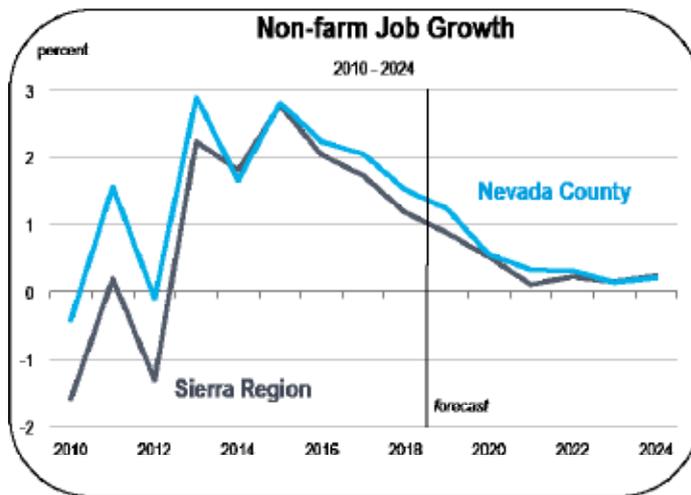
Nevada County Economic Forecast

Forecast Summary

- Approximately 400 jobs are expected to be created in Nevada in 2019. Through 2024, an average of 150 jobs are expected to be created each year.
- The largest gains are expected in education and healthcare, professional business services, leisure and hospitality, and government. Together, these sectors will account for virtually all net job creation in the county between 2018 and 2024.
- By 2024, employment contractions are likely in construction, transportation and warehousing, and manufacturing.
- The unemployment rate averaged 3.4 percent in 2018 and is near its lowest sustainable level. The unemployment rate may begin to rise in 2019 or 2020.
- The Nevada County population is expected to grow slowly during the 2018–2024 forecast period, but there are very plausible scenarios that could lead to population declines.
- Housing production has accelerated in recent years, and a substantial number of new homes will be built over the next few years.

Job Growth

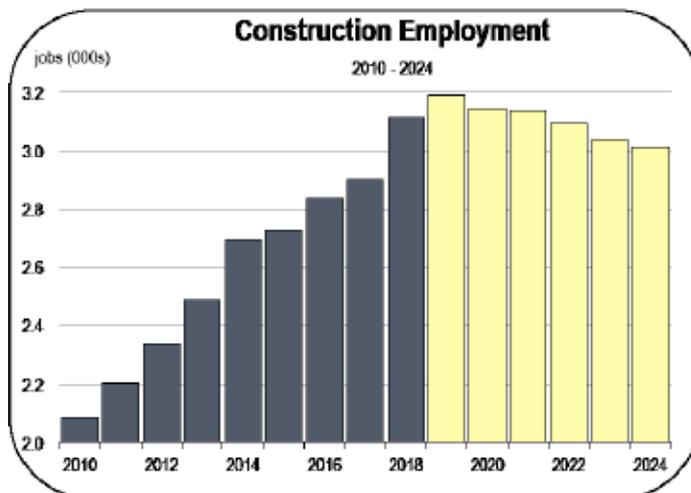
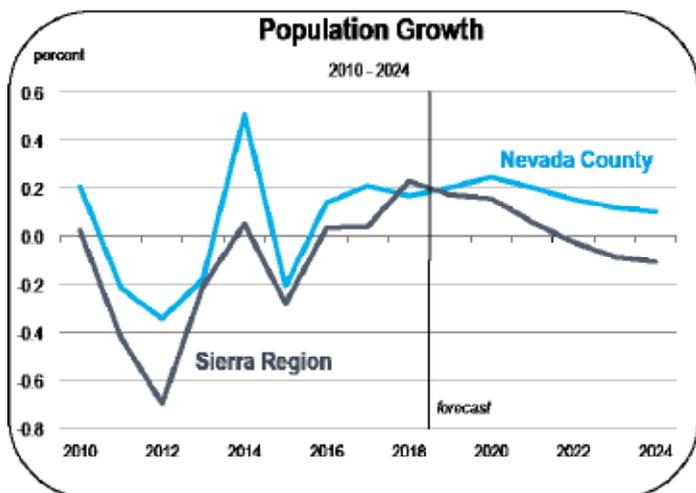
- Government is the largest employer in Nevada County, accounting for 20 percent of all wage-and-salary jobs. This includes jobs at public schools.
- The other major employment sectors are construction, retail trade, leisure services, and healthcare.



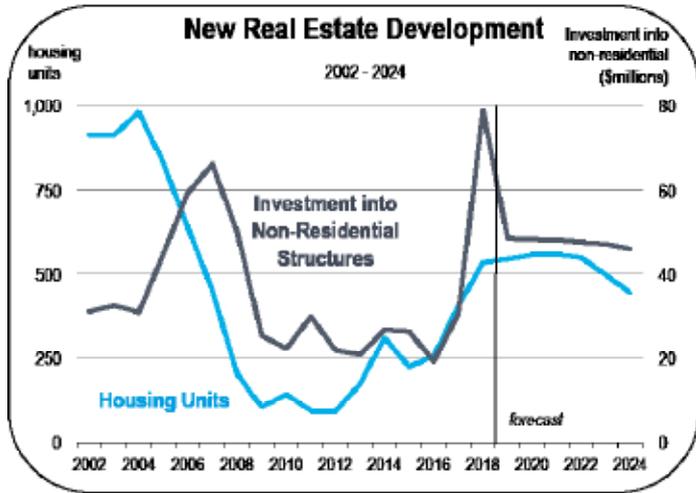
- In 2018, 500 jobs were created in Nevada County. The largest gains were observed in construction (200 jobs), leisure services (100 jobs), professional business services (100 jobs), and government (100 jobs).
- Between 2018 and 2024, job growth is expected to average 0.5 percent per year in Nevada County.

Construction Employment

- Construction employment boomed between 2010 and 2018.
- In 2018, more than 500 new homes were constructed in Nevada County, and almost \$80 million was spent building and renovating non-residential structures.
- Construction activity is expected to remain relatively high during the 2018–2024 forecast period, but we are near the peak of the building cycle and construction firms may begin to reduce their employee headcounts.



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Leisure and Hospitality Employment

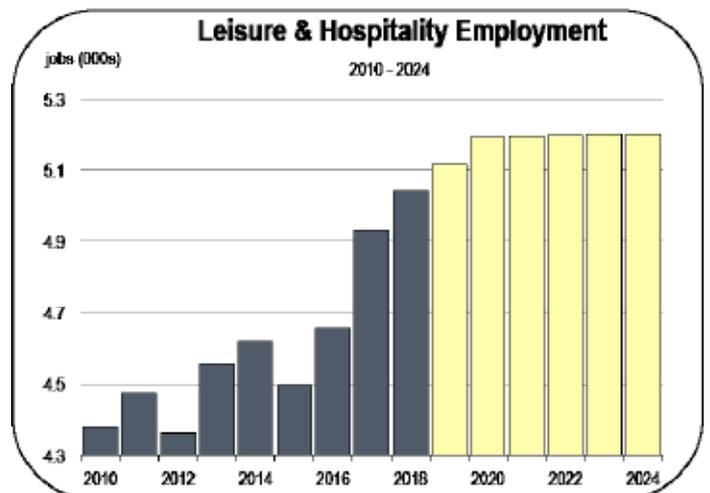
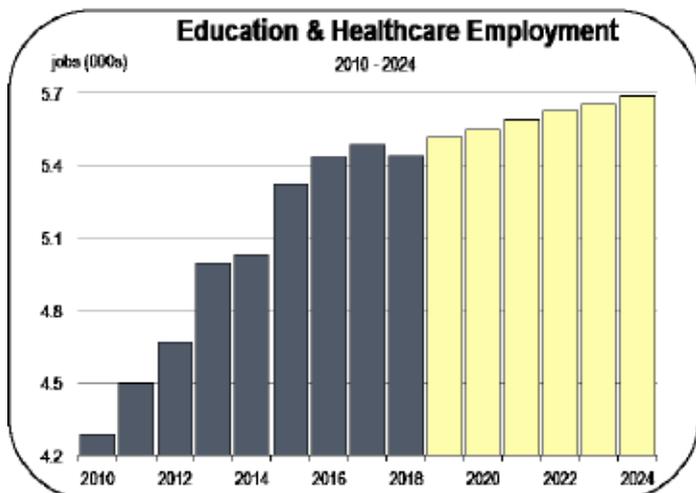
- Nevada County is near Lake Tahoe and has a vibrant tourism industry.
- The largest tourism draw is during the winter ski season, but a substantial number of visitors also come during the summer months for activities like hiking, fishing, and boating.
- Leisure and hospitality firms generated 200 jobs in 2017 and another 100 jobs in 2018.
- Additional job growth is likely during the 2018 – 2024 forecast period, but the leisure sector is highly exposed to the business cycle, and any economic downturn could impact local restaurants, hotels, and other leisure and hospitality businesses.
- The Nevada County leisure sector is also dependent upon winter snowfall totals. If snowfall totals are above average during the forecast period, more jobs may be created than expected. If snowfall totals are lower than average, fewer jobs may be created.
- The leisure industry is sensitive to changes in the minimum wage. As California’s minimum wage rises to \$15 per hour by 2022, job growth could be impacted.

Private Education and Healthcare Employment

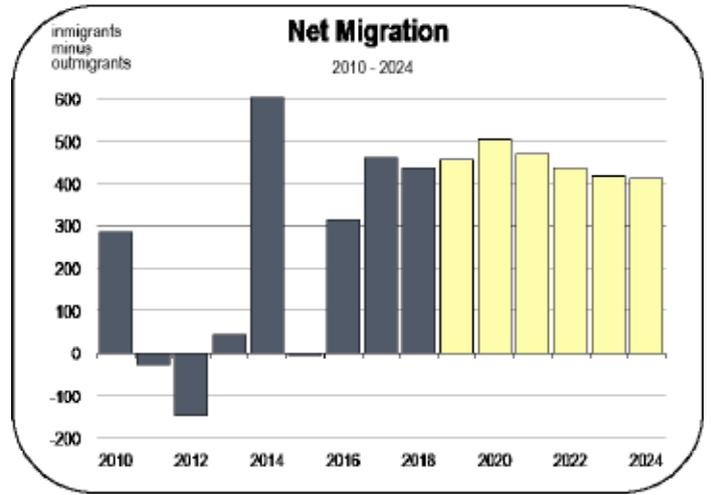
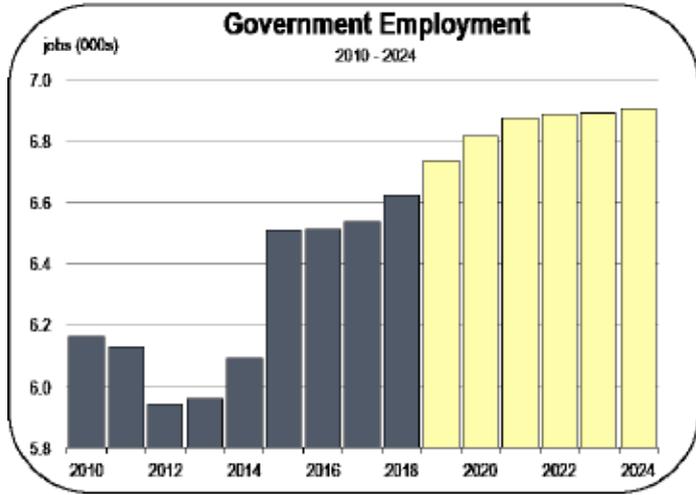
- The healthcare sector has generated more than 1,000 jobs since 2010.
- Nevada County has a large share of residents above the age of 65, and these individuals are expected to demand an increasing amount of healthcare services during the forecast period.
- Our baseline forecast assumes that approximately 300 new healthcare jobs will be created by 2024.
- The private education sector created a small number of jobs in 2018 (public schools are included in the government sector).
- The future of the U.S. health insurance landscape is unknown, and legislative changes could influence job growth in this sector.

Government Employment

- Government agencies in Nevada County gained a substantial number of jobs between 2012 and 2015, and then gained approximately 100 more jobs by 2018.
- The federal government employs approximately 400 workers in Nevada County, most of whom work for the National Park Service.



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- State and local government agencies employ approximately 6,300 workers, including staff and teachers at public schools.
- Future employment gains will be determined by population growth and by the condition of state and local government budgets.

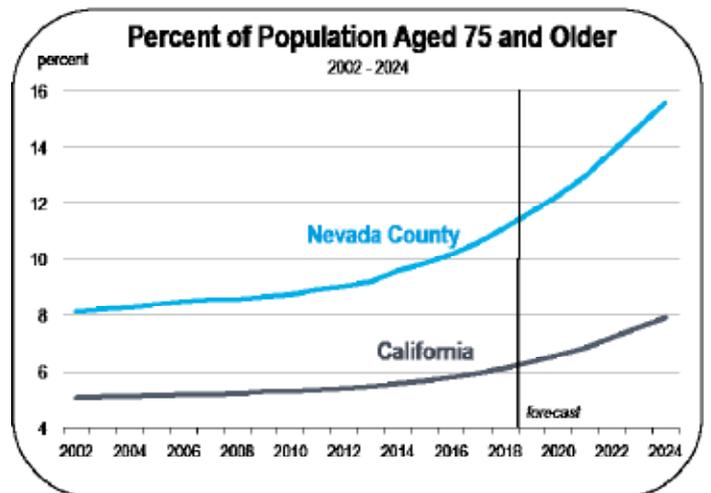
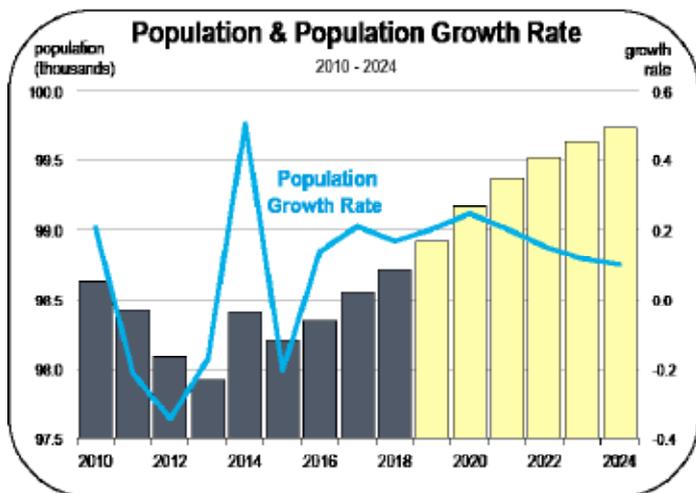
- Because Nevada County has a high share of residents aged 75 and older, the number of deaths has exceeded the number of births for more than two decades.
- Because deaths have exceeded births, new migrants have been the only source of population growth.
- Between 2012 and 2018, an average of 210 net migrants entered the county each year.
- Between 2018 and 2024, an average of 450 net migrants are expected to enter the county each year. But if this number falls below 300, Nevada County's population will begin to decline.

Population Growth

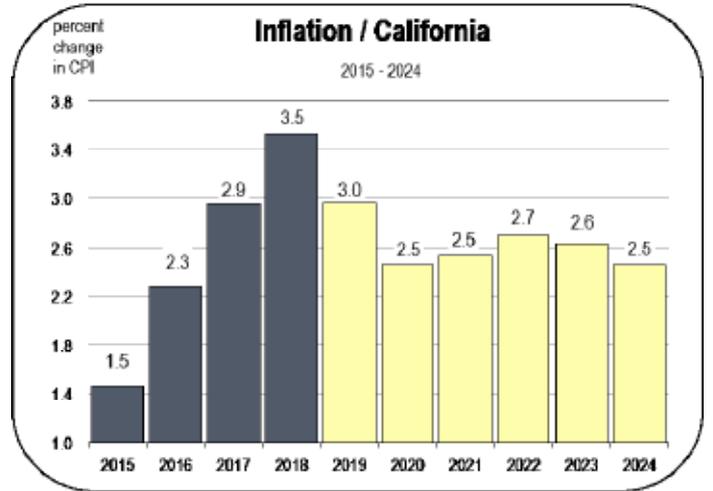
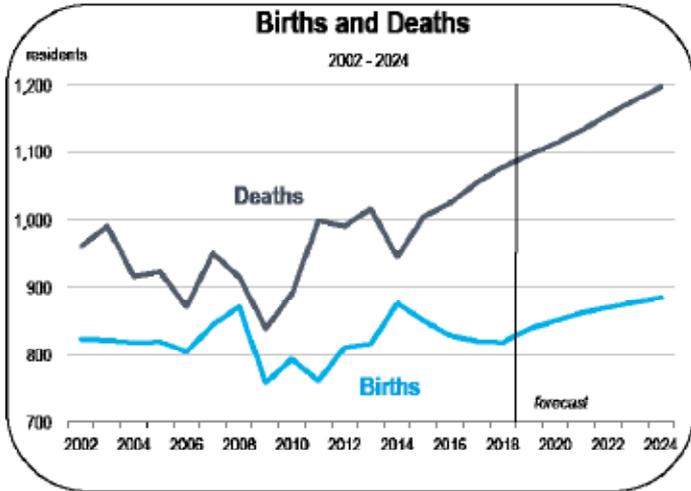
- The Nevada County population is now growing slowly. It is expected to continue to increase marginally during the next few years but has a meaningful risk of declining.
- Nevada County's population is much older than the statewide average. As of 2018, more than 11 percent of the county's population was aged 75 or older, compared to just six percent of the California population.

Unemployment and Inflation Rates

- The unemployment rate in Nevada County was 3.4 percent in 2018, which was below the average for the Sierra Region.



Nevada County Economic Forecast

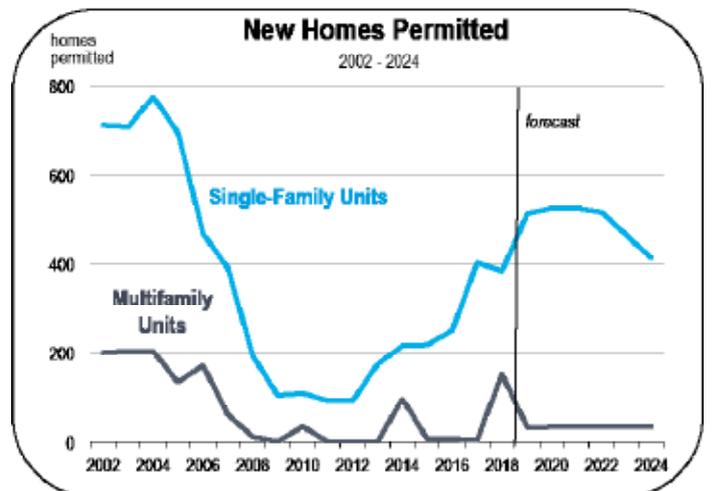
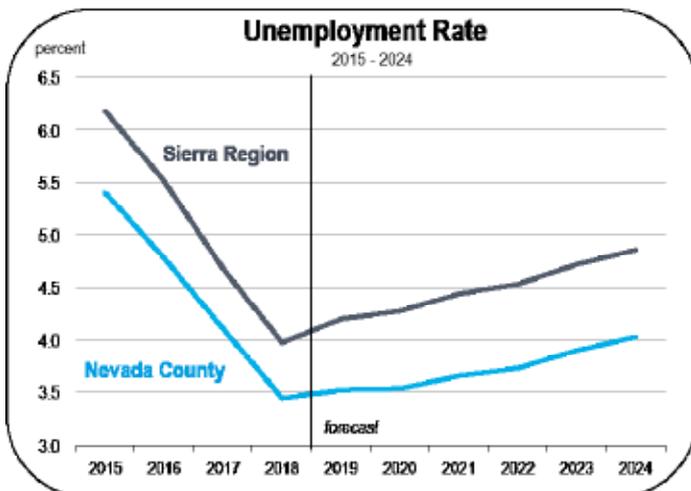


- The unemployment rate has reached its lowest sustainable level and may begin to rise in 2019 or 2020.
- Inflation accelerated in 2018 as home prices and energy costs increased across California.
- In 2019 and 2020, inflation is expected to be within a range of 2.0 percent and 3.5 percent.

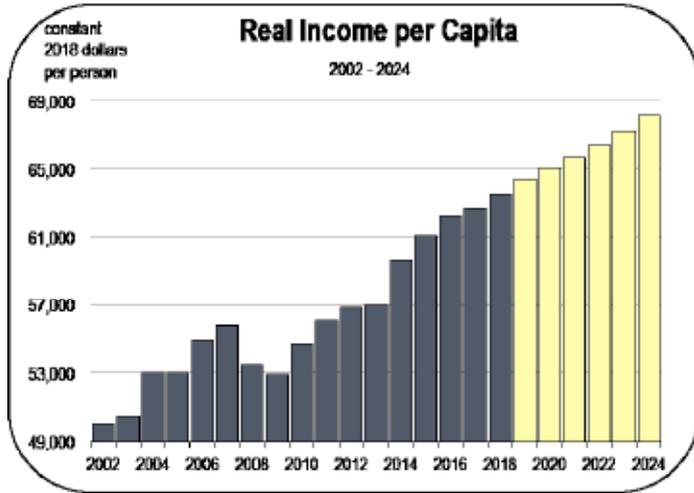
- Between 2019 and 2024, an average of 525 homes are expected to be built each year, the majority of which are expected to be single-family.
- Nevada County is one of the few areas of California where housing production is keeping pace with population growth.
- Across California, most areas are not building enough homes, which has caused the average household size to increase.
- In Nevada County, the average household size has shrunk by two percent since 2012, and is expected to shrink by an additional five percent by 2024.

New Housing Production

- From 2013 to 2018, an average of 315 new homes were built in Nevada County each year. Most were single-family homes.

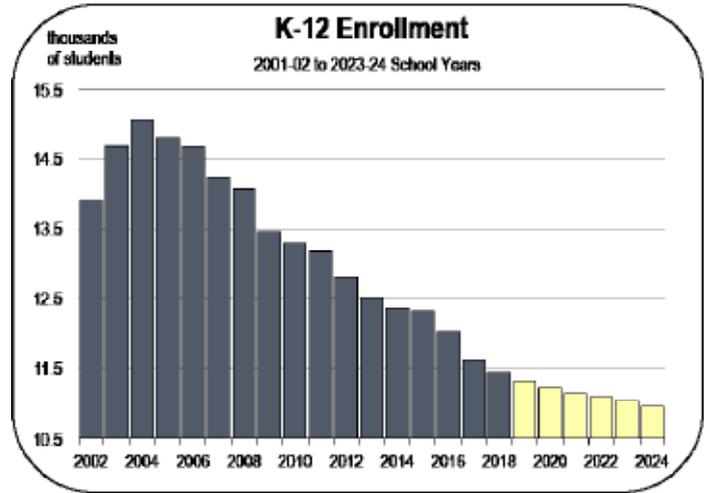


Nevada County Economic Forecast



Income per Capita

- Income per capita was \$63,500 in 2018, which was above the Sierra Region average of \$55,400.
- Salaries are relatively low in Nevada County, but residents of Nevada County commute to places like Lake Tahoe where wages are higher, and also collect a larger amount of transfer payments (Social Security, Medicaid, and income from other government programs) than the average for residents across California.
- Over the last six years, real income per capita increased at a rate of 1.9 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.

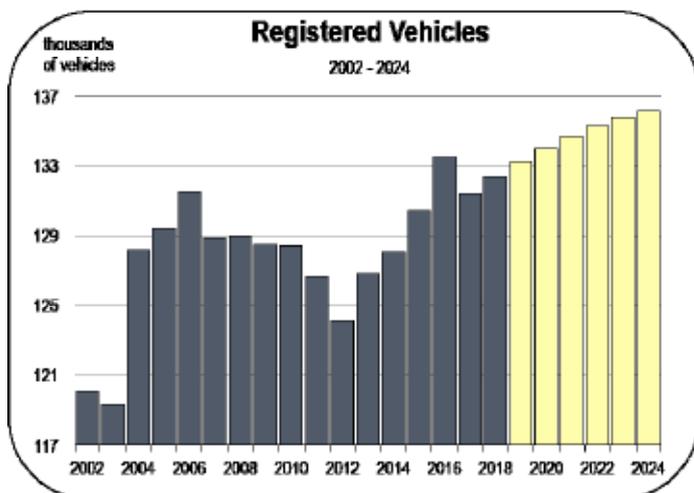


Registered Vehicles

- There were approximately 132,300 registered vehicles in Nevada County in 2018.
- By 2024, it is expected that the county will have 136,200 registered vehicles.

Public School Enrollment

- In Nevada County, approximately 11,400 students were enrolled in K-12 public schools in 2018.
- By 2024, the county is expected to have 11,000 public K-12 students. Enrollment will decline because the population aged 5 to 17 will decline.



Nevada 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	98,211	40.3	\$136,840	223	130	\$5.5	\$0.9	\$13	\$660.7	\$61,024	12.3	850	1,004
2016	98,348	40.4	\$141,942	256	134	\$5.7	\$0.9	\$14	\$672.0	\$62,215	12.0	828	1,023
2017	98,554	40.5	\$146,775	406	131	\$5.9	\$1.0	\$15	\$676.7	\$62,618	11.6	820	1,054
2018	98,719	41.6	\$150,607	534	132	\$6.3	\$1.0	\$16	\$677.6	\$63,537	11.4	818	1,077
2019	98,918	42.1	\$155,498	545	133	\$6.5	\$1.1	\$16	\$673.6	\$64,384	11.3	838	1,095
2020	99,161	42.5	\$160,112	557	134	\$6.8	\$1.1	\$16	\$662.0	\$65,074	11.2	850	1,112
2021	99,362	43.0	\$164,671	558	135	\$7.1	\$1.1	\$17	\$640.4	\$65,655	11.1	862	1,131
2022	99,514	43.4	\$169,757	549	135	\$7.4	\$1.2	\$18	\$653.4	\$66,436	11.1	870	1,155
2023	99,632	43.9	\$174,925	498	136	\$7.7	\$1.2	\$18	\$665.3	\$67,248	11.0	877	1,176
2024	99,732	44.3	\$180,372	446	136	\$8.0	\$1.2	\$19	\$678.2	\$68,171	11.0	884	1,196
2025	99,845	44.6	\$185,370	448	136	\$8.3	\$1.3	\$19	\$691.2	\$68,877	10.9	892	1,214
2026	99,948	45.0	\$190,503	449	137	\$8.6	\$1.3	\$20	\$703.5	\$69,643	10.9	900	1,231
2027	100,036	45.4	\$195,988	449	137	\$8.9	\$1.3	\$20	\$716.1	\$70,561	11.0	906	1,245
2028	100,114	45.7	\$201,554	448	137	\$9.2	\$1.4	\$21	\$727.9	\$71,439	11.0	911	1,258
2029	100,180	46.1	\$206,367	453	137	\$9.5	\$1.4	\$21	\$735.7	\$71,949	11.1	916	1,271
2030	100,239	46.4	\$211,006	439	138	\$9.8	\$1.4	\$22	\$743.0	\$72,442	11.2	922	1,282
2031	100,275	46.8	\$215,554	419	138	\$10.1	\$1.5	\$22	\$750.1	\$72,938	11.4	927	1,291
2032	100,312	47.1	\$220,321	407	138	\$10.4	\$1.5	\$23	\$755.4	\$73,304	11.5	933	1,300
2033	100,349	47.5	\$224,954	384	138	\$10.7	\$1.5	\$23	\$762.3	\$73,856	11.7	939	1,307
2034	100,391	47.8	\$230,051	373	138	\$11.0	\$1.6	\$24	\$768.3	\$74,356	11.8	944	1,313
2035	100,439	48.1	\$235,476	373	138	\$11.3	\$1.6	\$24	\$774.0	\$74,833	12.0	948	1,319
2036	100,488	48.4	\$241,369	372	139	\$11.7	\$1.7	\$25	\$777.7	\$75,128	12.2	950	1,323
2037	100,555	48.7	\$247,516	367	139	\$12.1	\$1.7	\$26	\$781.1	\$75,366	12.4	948	1,326
2038	100,600	49.0	\$253,623	348	139	\$12.4	\$1.8	\$26	\$785.0	\$75,694	12.5	945	1,328
2039	100,634	49.3	\$260,182	337	139	\$12.8	\$1.8	\$27	\$787.9	\$75,952	12.7	943	1,329
2040	100,657	49.5	\$266,776	331	139	\$13.2	\$1.9	\$28	\$790.7	\$76,232	12.9	939	1,328
2041	100,651	49.8	\$273,263	316	139	\$13.6	\$1.9	\$29	\$793.6	\$76,598	13.0	937	1,325
2042	100,627	50.1	\$279,819	307	139	\$14.0	\$2.0	\$29	\$796.6	\$77,009	13.2	935	1,323
2043	100,592	50.3	\$286,467	298	139	\$14.4	\$2.0	\$30	\$799.7	\$77,475	13.3	934	1,319
2044	100,541	50.6	\$293,071	289	140	\$14.8	\$2.1	\$31	\$802.8	\$78,043	13.2	932	1,317
2045	100,485	50.8	\$300,104	284	140	\$15.2	\$2.1	\$32	\$805.2	\$78,525	13.2	930	1,315
2046	100,436	51.0	\$307,117	283	140	\$15.7	\$2.2	\$32	\$807.6	\$79,025	13.3	931	1,312
2047	100,392	51.2	\$314,220	280	140	\$16.1	\$2.2	\$33	\$809.8	\$79,502	13.3	931	1,306
2048	100,362	51.5	\$321,571	276	140	\$16.6	\$2.3	\$34	\$812.2	\$79,987	13.3	932	1,302
2049	100,295	51.7	\$329,010	251	140	\$17.0	\$2.3	\$35	\$814.5	\$80,476	13.3	934	1,296
2050	100,211	51.9	\$336,799	235	141	\$17.5	\$2.4	\$35	\$816.7	\$80,993	13.3	934	1,293

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	30.8	0.1	2.7	1.4	0.5	4.3	1.3	2.2	0.3	5.3	4.5	6.5
2016	31.5	0.1	2.8	1.4	0.5	4.4	1.3	2.2	0.3	5.4	4.7	6.5
2017	32.2	0.1	2.9	1.4	0.5	4.4	1.3	2.2	0.3	5.5	4.9	6.5
2018	32.7	0.1	3.1	1.4	0.5	4.4	1.4	2.3	0.3	5.4	5.0	6.6
2019	33.1	0.1	3.2	1.4	0.5	4.4	1.4	2.4	0.3	5.5	5.1	6.7
2020	33.2	0.1	3.1	1.3	0.5	4.4	1.4	2.4	0.3	5.5	5.2	6.8
2021	33.4	0.1	3.1	1.3	0.5	4.4	1.4	2.5	0.3	5.6	5.2	6.9
2022	33.5	0.1	3.1	1.3	0.5	4.4	1.4	2.5	0.3	5.6	5.2	6.9
2023	33.5	0.1	3.0	1.3	0.5	4.4	1.4	2.5	0.3	5.7	5.2	6.9
2024	33.6	0.1	3.0	1.3	0.5	4.4	1.4	2.6	0.3	5.7	5.2	6.9
2025	33.6	0.1	2.9	1.3	0.5	4.4	1.4	2.6	0.3	5.7	5.2	6.9
2026	33.6	0.1	2.9	1.3	0.5	4.4	1.4	2.6	0.3	5.7	5.2	6.9
2027	33.7	0.1	2.9	1.3	0.5	4.4	1.4	2.6	0.3	5.7	5.2	6.9
2028	33.8	0.1	2.9	1.3	0.5	4.4	1.4	2.6	0.3	5.7	5.2	7.0
2029	33.9	0.1	2.9	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.2	7.0
2030	33.9	0.1	2.9	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.2	7.0
2031	34.0	0.1	2.9	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.3	7.0
2032	34.1	0.1	2.9	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.3	7.0
2033	34.1	0.1	2.9	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.3	7.1
2034	34.2	0.1	2.8	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.3	7.1
2035	34.3	0.1	2.9	1.4	0.5	4.4	1.4	2.6	0.3	5.7	5.3	7.1
2036	34.3	0.1	2.9	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.1
2037	34.4	0.1	2.9	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.1
2038	34.4	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.2
2039	34.5	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.2
2040	34.5	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.2
2041	34.6	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.2
2042	34.6	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.2
2043	34.7	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.7	5.3	7.2
2044	34.8	0.1	2.8	1.4	0.5	4.5	1.4	2.6	0.3	5.8	5.4	7.3
2045	34.9	0.1	2.8	1.4	0.4	4.5	1.4	2.6	0.3	5.8	5.4	7.3
2046	35.0	0.1	2.8	1.4	0.4	4.5	1.4	2.6	0.3	5.8	5.4	7.3
2047	35.1	0.1	2.8	1.4	0.4	4.5	1.4	2.6	0.3	5.8	5.4	7.3
2048	35.2	0.1	2.8	1.4	0.4	4.5	1.4	2.6	0.3	5.9	5.4	7.4
2049	35.3	0.1	2.8	1.4	0.4	4.5	1.4	2.6	0.3	5.9	5.4	7.4
2050	35.4	0.1	2.8	1.4	0.4	4.5	1.4	2.6	0.3	5.9	5.4	7.4

Nevada County Economic Forecast

Socioeconomic Indicators

