

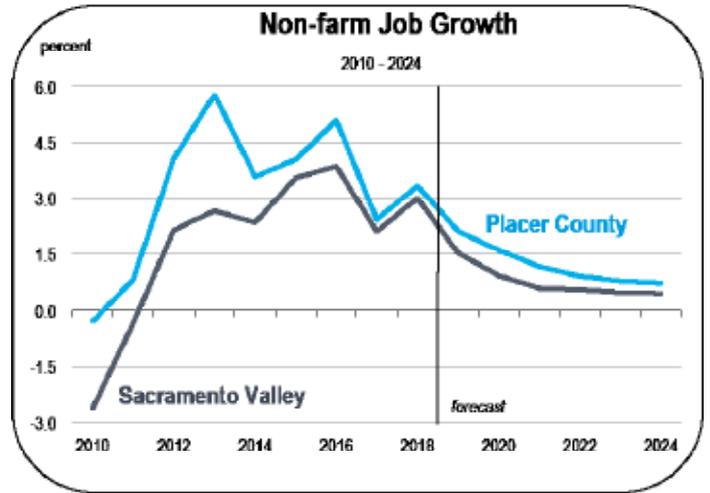
Placer County Economic Forecast

Forecast Summary

- 3,600 non-farm jobs will be created in Placer County during 2019. Over the following five years, an average of 1,800 new jobs are expected.
- Employment growth will be led by professional services, leisure services, education and healthcare, and government. These sectors will account for 80 percent of net job creation through 2024.
- The unemployment rate averaged 3.1 percent in 2018, but may begin to rise in 2019.
- The population is expanding much faster than the broader state, and will continue to do so.
- Housing production has increased in recent years, but is not keeping pace with population growth.
- Over the forecast period, most new units will be single-family homes.

Job Growth

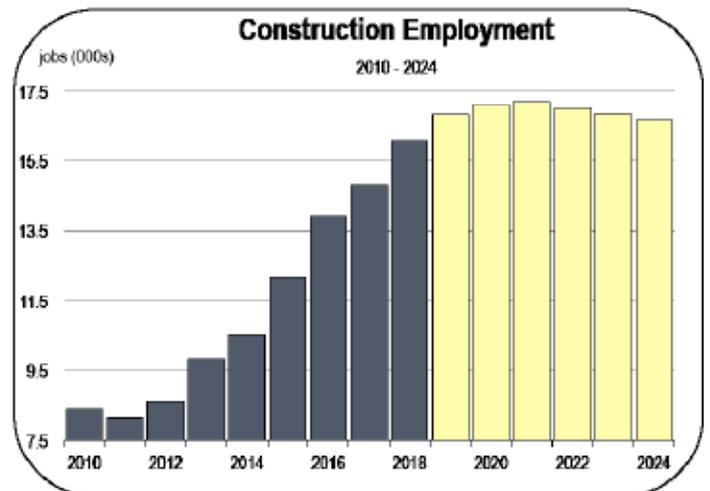
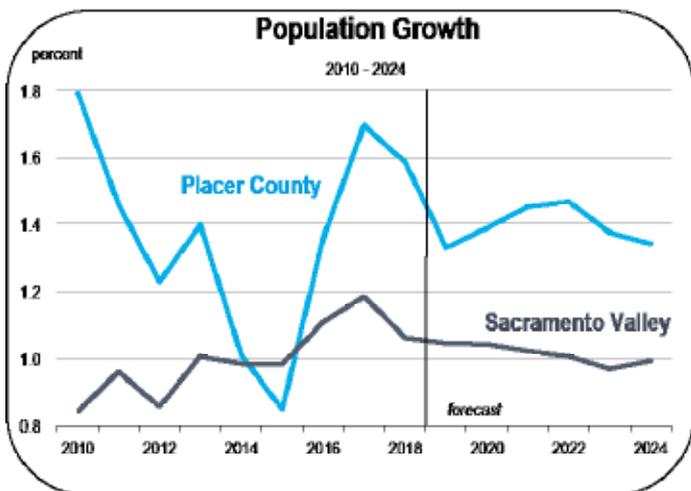
- Job creation was prolific in 2018, but will decelerate in 2019 and 2020.
- The leading industries in 2018 were construction, leisure services, healthcare, and professional business services.
- Between 2012 and 2018, non-farm employment increased by 4.0 percent per year, a pace exceeded only by the Bay Area in California.



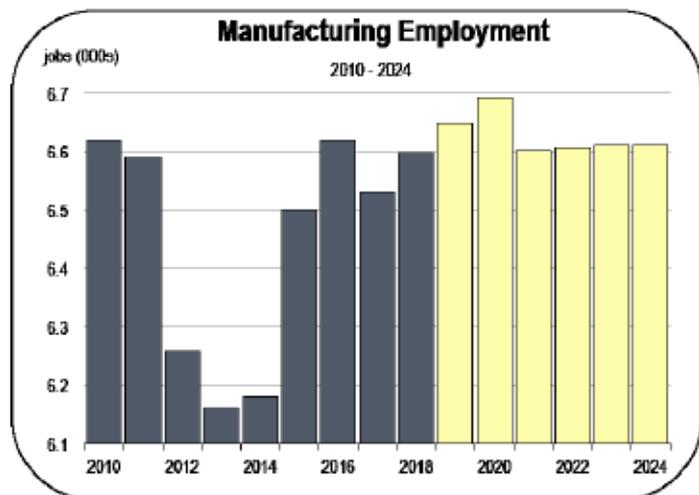
- Between 2018 and 2024, growth will average 1.2 percent – still one of the fastest rates statewide.
- Approximately 3,600 non-farm jobs will be created during 2019.
- Through 2024, an average of 1,800 new non-farm wage and salary jobs are expected each year.

Construction Employment

- Due to an acceleration in housing production and non-residential building investment, construction employment is increasing at an incredibly rapid rate. More than 1,000 new jobs were created last year.
- Many of these jobs were associated with projects in Roseville, where 806 single-family homes were built and where \$78 million was spent building and renovating commercial and industrial structures.



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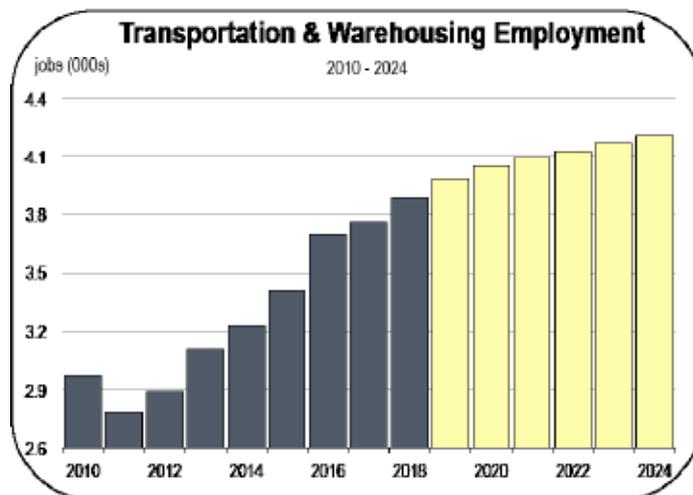
- More projects will break ground in 2019 and 2020, leading to continued job creation. However, the economic expansion is forecast to slow, directly affecting the building cycle and making construction employment vulnerable to declines later in the forecast.

Manufacturing Employment

- The manufacturing industry has employed 6,500 to 6,600 workers for the last four years. Manufacturing will remain in a similar range for most of the forecast period.
- Placer County has a heavy concentration in computer manufacturing, which includes the Hewlett Packard plant in Roseville.
- In 2018, a company called TSI Semiconductors America laid off 241 people at its Roseville manufacturing plant, but despite these losses, the computer manufacturing industry gained several dozen jobs last year.

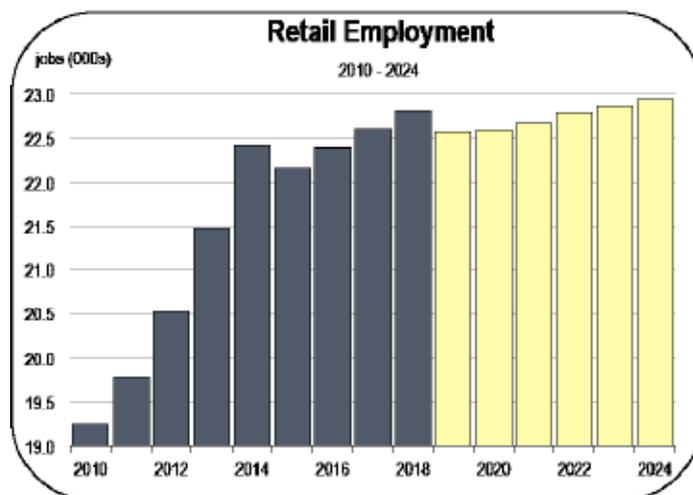
Transportation and Warehousing Employment

- This industry has benefitted from the transition to online shopping. Goods are now increasingly shipped directly to consumers, rather than to physical store locations, leading to larger headcounts at companies like UPS and FedEx.
- Placer county is also developing new logistics centers, as the Sacramento Valley tries to compete with Stockton and Fresno for warehousing jobs. McKesson just opened a fulfillment center in Roseville that created 150 jobs.
- Growth is expected to continue in 2019 and 2020 as direct-to-consumer delivery expands, and as firms establish fulfillment centers in the county.



Retail Trade Employment

- The retail industry is being divided into two groups: stores that face heavy online competition, and stores that don't.
- Growth has been minimal in sectors facing online competition:
 - Clothing stores and department stores (i.e. Macy's)
 - Sporting goods stores
 - Consumer electronics stores
- Several large stores have closed since 2016, including:
 - Office Max
 - Office Depot
 - Sports Authority
 - Sears



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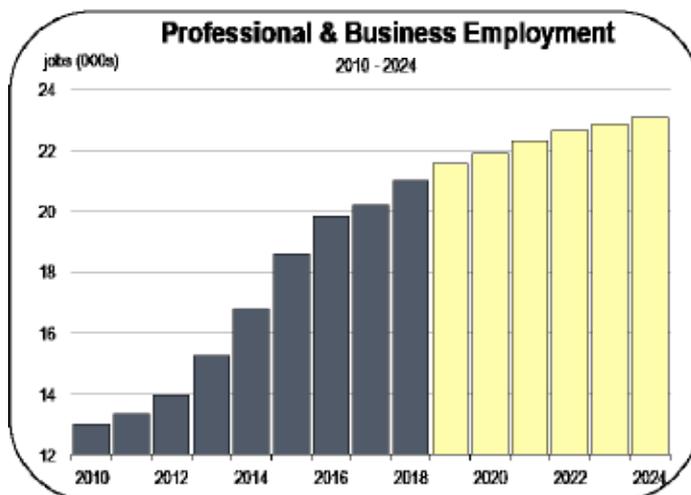
- Growth has been faster in sectors not facing heavy online competition:
 - Car dealerships
 - Drug stores and healthcare stores
 - Grocery stores
 - Gas stations
- The forecast calls for some job consolidation in 2019 because more layoffs are likely.

Financial Activities Employment

- The financial activities sector is creating jobs at a healthy rate.
- Real estate firms are expanding to accommodate higher levels of housing construction. But local banks and insurance firms are shedding jobs.
- Banks and insurance companies are downsizing across most parts of California. As these firms offer more online services, fewer customers are visiting their local branches.

Professional and Business Services Employment

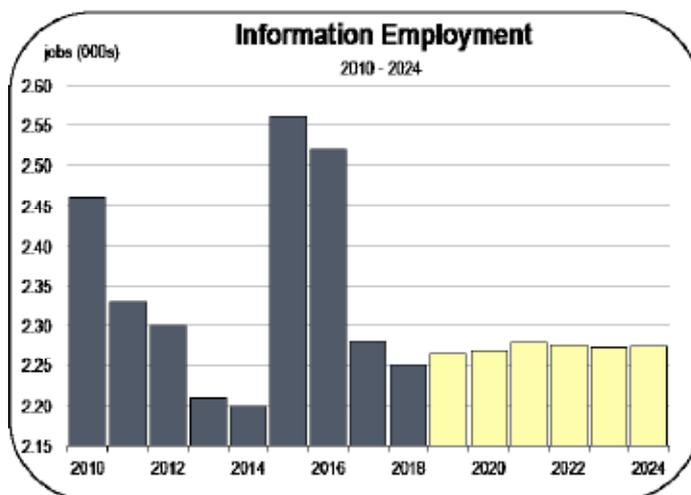
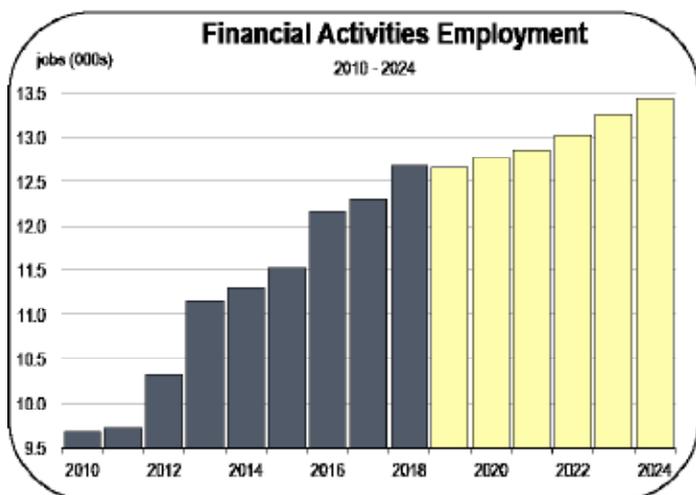
- Growth in this sector has been rapid.
- This sector is largely comprised of high skill jobs in law, accounting, tech, consulting, and scientific research.
- It also has a large number of workers performing business support functions, including administrative tasks and manual labor.



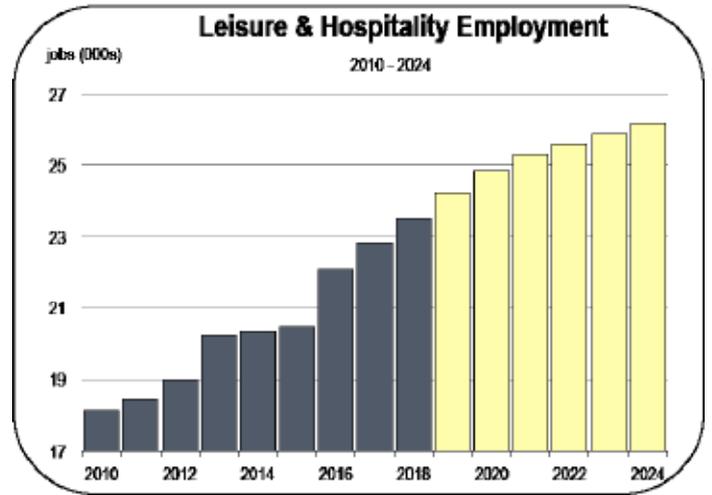
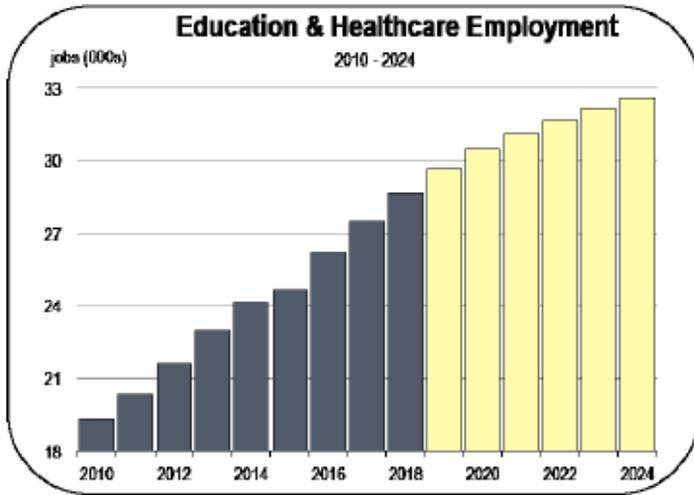
- In 2018, job growth continued at law, accounting, engineering, maintenance, corporate security, and temporary staffing agencies. A small number of jobs were lost in IT consulting firms.

Information Employment

- Job counts in this industry have been volatile but appear to have stabilized.
- In Placer County, the Information sector is home to a small number of software firms, web hosting/data services firms, newspapers, and telecommunications companies.
- The newspaper and telecommunications industries are in long term patterns of decline, but losses in these subsectors will be offset by gains in software and data services.



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Private Education and Healthcare Employment

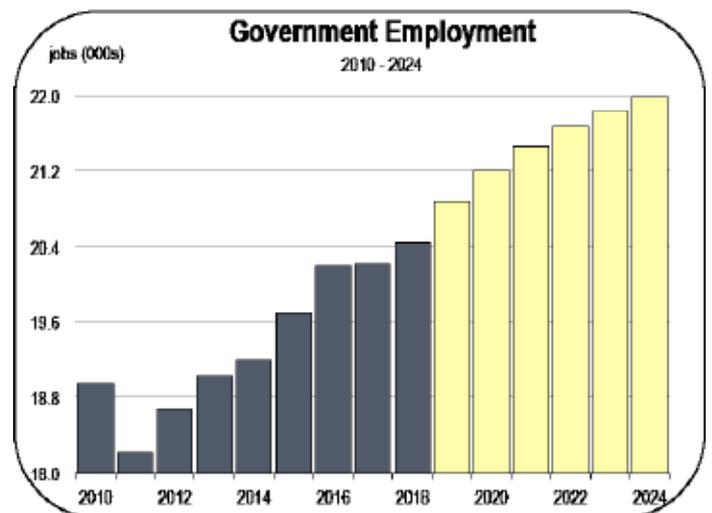
- Healthcare gains have been concentrated in doctors’ offices, home health services, outpatient and residential care centers, and organizations that provide services for the elderly and people with disabilities.
- Private schools gained a small number of jobs in 2018 (public schools are included in the government sector).
- Future growth will be driven by an aging population, which will generate more demand for healthcare.
- However, the future of the U.S. health insurance landscape is unknown, and legislative changes could influence employment growth in health services.

Leisure and Hospitality Employment

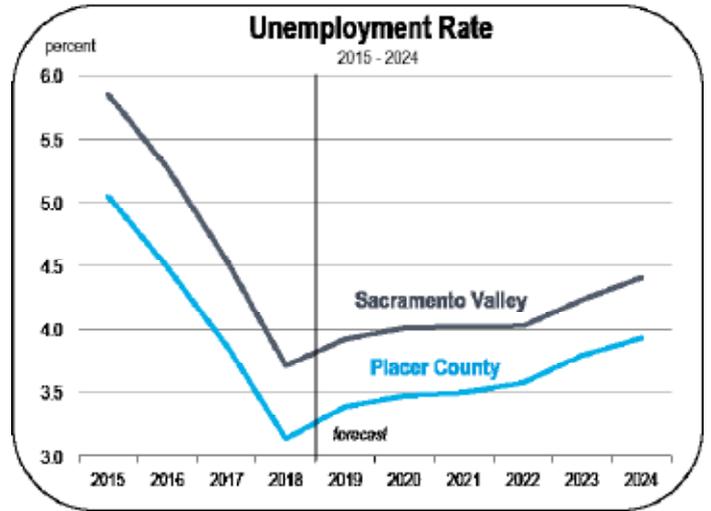
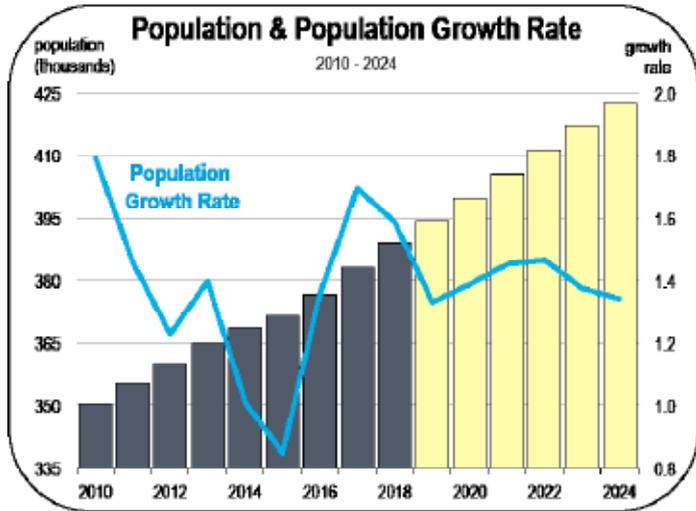
- After years of rapid expansion, the growth in restaurant employment slowed down in 2018.
- Hotels, catering companies, and fitness centers also added 200 jobs.
- Gains will continue to be strong as busy professionals choose prepared food over home cooked meals, and as leisure businesses hire workers to accommodate a growing population.

Government Employment

- Government agencies created only 200 jobs last year.
- Future gains will be determined by local population growth, as well as the condition of state and local government budgets.



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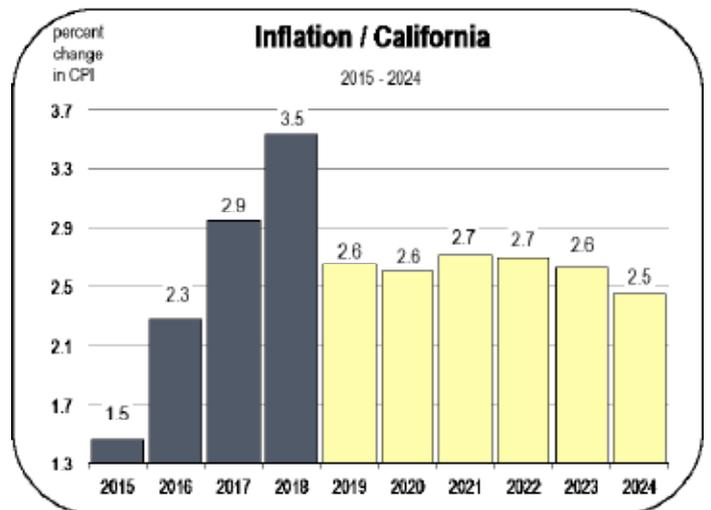
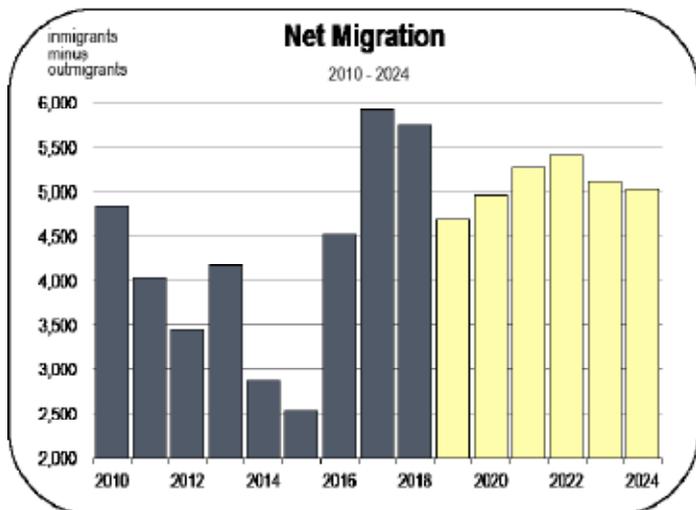
Population Growth

- Placer County population growth is well above the statewide average.
- Net in-migration has been the main driver of growth. Homes are more affordable in Placer County than Coastal California, and the Sacramento region offers good jobs, attracting new residents.
- The forecast calls for an average of 5,100 net migrants to enter the county each year through 2024.
- Population growth will average 1.4 percent per year, making Placer County one of the fastest growing regions of California

Unemployment and Inflation Rates

- The unemployment rate in Placer County averaged 3.1 percent in 2018, which was below the composite rate for Northern California.
- The unemployment rate may begin to rise in 2019, but with an unemployment rate of just 3.4 percent, the labor market will still be exceptionally tight.
- Inflation accelerated in 2018 as energy prices increased and housing costs rose quickly. Across California, the inflation rate is expected to be within a range of 2 percent and 3 percent in 2019 and 2020.

New Housing Production



Placer County Economic Forecast

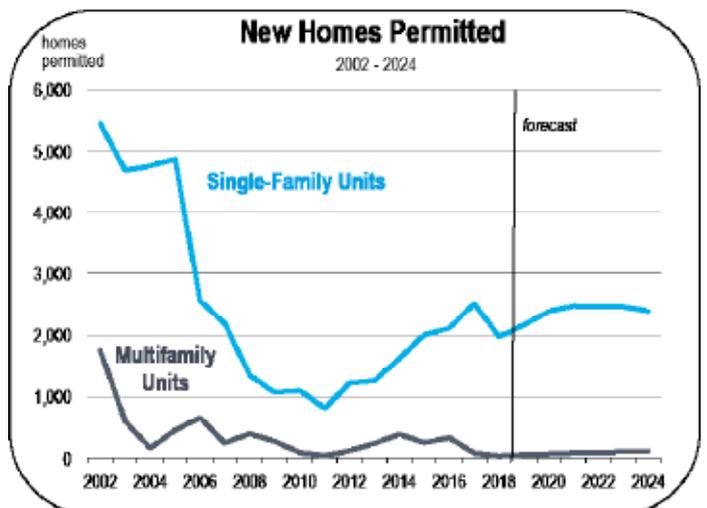


- From 2013 to 2018, an average of 2,100 homes were permitted per year.
- From 2019 to 2024, the county will generate an average of 2,500 units per year.
- Housing affordability is a problem in Coastal California, but homes across Inland California are much more affordable.
- Households in Coastal California typically spend 35 to 50 percent of their income on mortgage and rental payments.
- In Placer County, the typical household spends less than 25 percent of its income on housing.
- New homes will be built in many parts of the county, but activity will be heavily concentrated near Roseville.
- Two major projects have been approved in the Roseville area – Placer Vineyards and Amoruso Ranch.
- Placer Vineyards is a 5,200-acre project that includes 14,100 homes and 9 schools.
- The first phase consists of 5,000 residential units.
- The project will also contain 3.6 million square feet of commercial space.
- There are few business and retail centers in direct proximity to the project site, so these facilities will be developed early in the

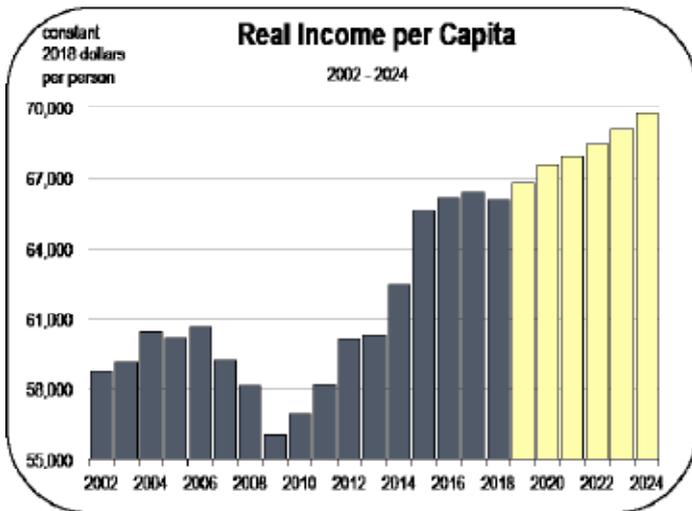
process.

- Upon completion, the project will support 33,000 residents and 8,000 permanent jobs.
- The second largest project – Amoruso Ranch – contains 2,800 homes and 450,000 square feet of commercial space.
- The project was approved in 2016, but needs additional permits because it includes wetland habitats.
- Other nearby projects could generate thousands of additional homes.

Income per Capita



Placer County Economic Forecast



- Income per capita in 2018 was \$66,500, which is above the Sacramento Valley average of \$56,400.
- Over the last six years, real incomes have risen at an average rate of 1.6 percent per year, which is similar to the Sacramento Valley average of 1.7 percent per year.
- Over the next six years, real incomes are expected to rise by

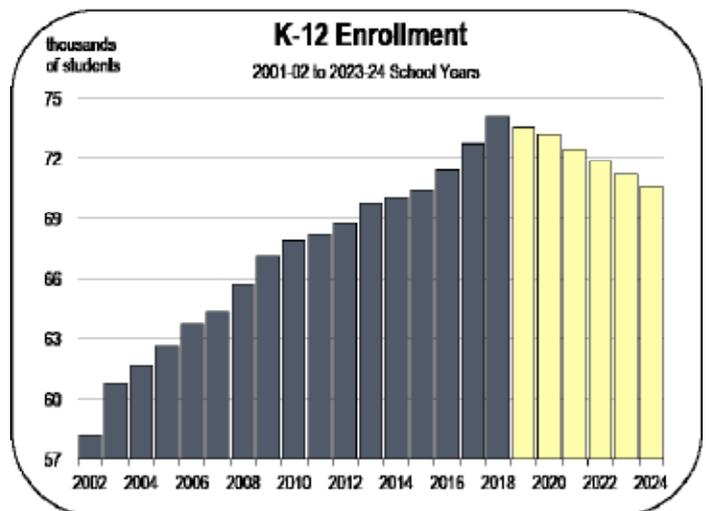
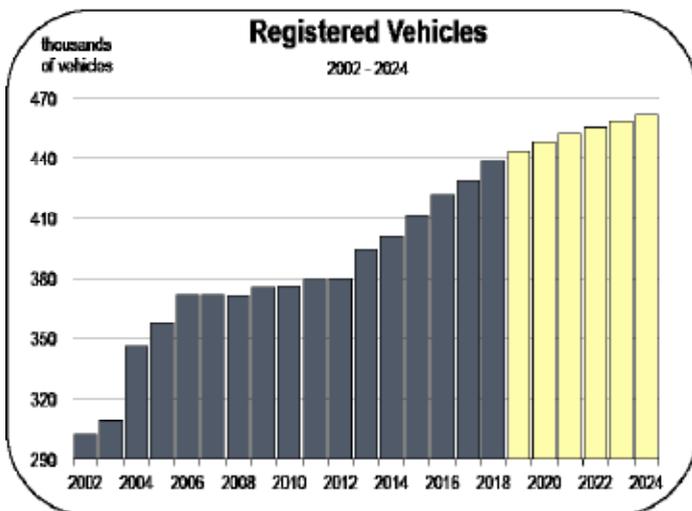
approximately 0.9 percent per year in Placer County.

Registered Vehicles

- There were 438,400 registered vehicles in Placer County in 2018.
- By 2024, it is expected that the county will have approximately 461,300 registered vehicles.

Public School Enrollment

- In Placer County, approximately 74,000 students were enrolled in K-12 public schools during the 2017–2018 school year.
- By 2024, there are expected to be 70,600 K-12 students in the county.
- Enrollment is expected to decline because the population aged 5 to 17 is forecast to decline.



Placer 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	371,548	138.3	\$161,969	2,038	411	\$22.4	\$6.5	\$81	\$4.2	\$65,574	70.4	3,747	3,179
2016	376,589	140.2	\$166,478	2,418	421	\$23.3	\$6.7	\$83	\$4.2	\$66,173	71.4	3,732	3,207
2017	382,977	141.9	\$172,514	2,581	428	\$24.5	\$7.0	\$88	\$4.3	\$66,394	72.7	3,689	3,233
2018	389,047	144.1	\$178,367	1,981	438	\$25.7	\$7.3	\$91	\$4.3	\$66,052	74.0	3,706	3,267
2019	394,220	145.6	\$185,694	2,200	443	\$27.0	\$7.4	\$92	\$4.4	\$66,766	73.5	3,775	3,282
2020	399,690	147.6	\$192,954	2,437	448	\$28.5	\$7.6	\$95	\$4.5	\$67,540	73.1	3,847	3,331
2021	405,489	149.8	\$199,405	2,549	452	\$29.9	\$7.9	\$98	\$4.5	\$67,917	72.4	3,919	3,380
2022	411,432	152.1	\$206,397	2,545	455	\$31.4	\$8.2	\$102	\$4.6	\$68,434	71.8	3,993	3,460
2023	417,085	154.4	\$213,656	2,548	458	\$33.0	\$8.5	\$106	\$4.7	\$69,054	71.2	4,067	3,520
2024	422,676	156.7	\$220,914	2,484	461	\$34.6	\$8.7	\$109	\$4.8	\$69,723	70.6	4,136	3,566
2025	428,110	158.9	\$227,306	2,434	464	\$36.1	\$9.0	\$113	\$4.9	\$70,141	69.9	4,208	3,608
2026	433,485	161.1	\$234,676	2,358	467	\$37.8	\$9.3	\$116	\$5.0	\$70,833	69.3	4,277	3,650
2027	438,765	163.3	\$242,521	2,268	470	\$39.6	\$9.5	\$119	\$5.1	\$71,650	68.9	4,344	3,687
2028	443,937	165.3	\$250,289	2,173	473	\$41.4	\$9.8	\$123	\$5.2	\$72,328	68.4	4,412	3,726
2029	449,003	167.3	\$257,720	2,186	477	\$43.1	\$10.1	\$127	\$5.3	\$72,762	68.2	4,483	3,767
2030	454,025	169.2	\$265,045	2,183	480	\$44.9	\$10.4	\$130	\$5.3	\$73,190	68.1	4,558	3,802
2031	458,776	171.2	\$272,327	2,165	485	\$46.6	\$10.7	\$134	\$5.4	\$73,664	68.2	4,638	3,845
2032	463,331	173.2	\$279,422	2,162	489	\$48.4	\$11.0	\$138	\$5.5	\$73,920	68.6	4,723	3,898
2033	467,714	175.1	\$286,313	2,159	493	\$50.1	\$11.3	\$142	\$5.6	\$74,386	68.9	4,809	3,947
2034	471,922	177.0	\$293,714	2,141	497	\$52.0	\$11.6	\$146	\$5.6	\$74,822	69.5	4,894	4,001
2035	476,221	179.0	\$301,530	2,138	500	\$54.0	\$12.0	\$150	\$5.7	\$75,217	70.1	4,972	4,061
2036	480,320	180.9	\$309,861	2,134	505	\$56.1	\$12.4	\$155	\$5.7	\$75,430	70.6	5,041	4,124
2037	484,217	182.8	\$318,406	2,116	510	\$58.2	\$12.8	\$160	\$5.8	\$75,592	71.3	5,100	4,179
2038	488,271	184.7	\$327,021	2,113	516	\$60.4	\$13.2	\$165	\$5.8	\$75,828	72.0	5,136	4,231
2039	492,388	186.6	\$336,131	2,110	522	\$62.7	\$13.6	\$170	\$5.9	\$75,964	72.8	5,152	4,281
2040	496,469	188.5	\$345,260	2,092	528	\$65.1	\$14.1	\$176	\$5.9	\$76,122	73.6	5,165	4,324
2041	500,598	190.4	\$354,418	2,089	534	\$67.5	\$14.5	\$181	\$6.0	\$76,366	74.5	5,174	4,356
2042	504,704	192.3	\$363,682	2,086	540	\$69.9	\$14.9	\$187	\$6.0	\$76,654	75.3	5,186	4,384
2043	508,888	194.2	\$373,025	2,067	546	\$72.4	\$15.4	\$192	\$6.1	\$76,968	75.9	5,197	4,408
2044	513,128	196.1	\$382,395	2,064	553	\$75.0	\$15.8	\$197	\$6.2	\$77,372	76.4	5,215	4,444
2045	517,041	197.9	\$392,194	2,061	559	\$77.6	\$16.2	\$203	\$6.2	\$77,713	77.0	5,231	4,482
2046	520,836	199.8	\$401,900	2,043	565	\$80.3	\$16.6	\$208	\$6.3	\$78,079	77.4	5,248	4,512
2047	524,611	201.6	\$411,734	2,040	571	\$83.0	\$17.1	\$214	\$6.3	\$78,419	77.8	5,268	4,524
2048	528,295	203.5	\$421,748	2,037	577	\$85.8	\$17.6	\$220	\$6.4	\$78,760	78.1	5,295	4,532
2049	531,899	205.3	\$431,970	2,018	584	\$88.7	\$18.0	\$225	\$6.5	\$79,103	78.2	5,324	4,533
2050	535,405	207.1	\$442,483	2,015	590	\$91.6	\$18.5	\$232	\$6.5	\$79,459	78.5	5,358	4,536

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	152.3	0.3	12.2	6.5	3.4	26.4	11.5	18.6	2.6	24.7	20.5	19.7
2016	160.0	0.3	13.9	6.6	3.7	26.6	12.2	19.8	2.5	26.2	22.1	20.2
2017	163.9	0.3	14.8	6.5	3.8	26.9	12.3	20.2	2.3	27.5	22.9	20.2
2018	169.3	0.3	16.1	6.6	3.9	27.5	12.7	21.0	2.3	28.7	23.5	20.4
2019	172.9	0.3	16.8	6.6	4.0	27.2	12.6	21.5	2.3	29.7	24.2	20.9
2020	175.6	0.3	17.1	6.7	4.1	27.3	12.8	21.9	2.3	30.5	24.8	21.2
2021	177.7	0.2	17.2	6.6	4.1	27.4	12.9	22.3	2.3	31.1	25.3	21.5
2022	179.3	0.2	17.0	6.6	4.1	27.5	13.0	22.6	2.3	31.6	25.6	21.7
2023	180.7	0.2	16.9	6.6	4.2	27.6	13.2	22.9	2.3	32.1	25.9	21.8
2024	182.1	0.2	16.7	6.6	4.2	27.7	13.4	23.1	2.3	32.6	26.1	22.0
2025	183.2	0.2	16.4	6.6	4.2	27.8	13.5	23.3	2.3	33.0	26.4	22.1
2026	184.3	0.2	16.2	6.6	4.3	27.9	13.6	23.5	2.3	33.5	26.8	22.2
2027	185.3	0.2	15.9	6.7	4.3	28.0	13.7	23.7	2.3	33.9	27.1	22.4
2028	186.3	0.2	15.6	6.7	4.3	28.1	13.8	23.8	2.3	34.2	27.4	22.5
2029	187.6	0.2	15.6	6.7	4.4	28.3	14.0	24.0	2.3	34.5	27.7	22.6
2030	188.9	0.2	15.6	6.7	4.4	28.4	14.0	24.2	2.3	34.9	28.0	22.7
2031	189.9	0.2	15.5	6.7	4.4	28.5	14.1	24.4	2.3	35.2	28.3	22.8
2032	191.1	0.2	15.5	6.7	4.5	28.6	14.2	24.5	2.3	35.5	28.6	22.9
2033	192.2	0.2	15.5	6.7	4.5	28.7	14.3	24.7	2.3	35.8	28.9	23.0
2034	193.4	0.2	15.5	6.7	4.5	28.8	14.3	24.9	2.3	36.2	29.2	23.1
2035	194.6	0.2	15.5	6.7	4.5	28.9	14.4	25.0	2.4	36.5	29.5	23.2
2036	195.7	0.2	15.5	6.7	4.6	29.0	14.5	25.2	2.4	36.8	29.8	23.3
2037	196.8	0.2	15.5	6.7	4.6	29.1	14.5	25.4	2.4	37.1	30.1	23.4
2038	198.0	0.2	15.5	6.7	4.6	29.2	14.6	25.5	2.4	37.5	30.4	23.5
2039	199.2	0.2	15.6	6.7	4.6	29.3	14.7	25.7	2.4	37.8	30.7	23.6
2040	200.3	0.2	15.6	6.7	4.6	29.4	14.8	25.9	2.4	38.1	31.0	23.7
2041	201.5	0.2	15.6	6.7	4.7	29.5	14.8	26.0	2.4	38.5	31.3	23.8
2042	202.6	0.2	15.6	6.7	4.7	29.6	14.9	26.2	2.4	38.8	31.6	23.9
2043	203.8	0.2	15.6	6.7	4.7	29.7	14.9	26.4	2.5	39.1	31.9	24.0
2044	205.0	0.2	15.6	6.7	4.7	29.7	15.0	26.6	2.5	39.5	32.2	24.1
2045	206.1	0.2	15.7	6.7	4.8	29.8	15.1	26.7	2.5	39.8	32.5	24.2
2046	207.3	0.2	15.7	6.8	4.8	29.9	15.1	26.9	2.5	40.2	32.8	24.3
2047	208.4	0.2	15.7	6.8	4.8	30.0	15.1	27.1	2.5	40.5	33.1	24.4
2048	209.6	0.2	15.7	6.8	4.8	30.1	15.2	27.3	2.5	40.9	33.4	24.5
2049	210.7	0.2	15.7	6.8	4.8	30.2	15.2	27.4	2.5	41.2	33.7	24.6
2050	211.8	0.2	15.7	6.8	4.9	30.3	15.2	27.6	2.5	41.6	34.0	24.7

Placer County Economic Forecast

Socioeconomic Indicators

