

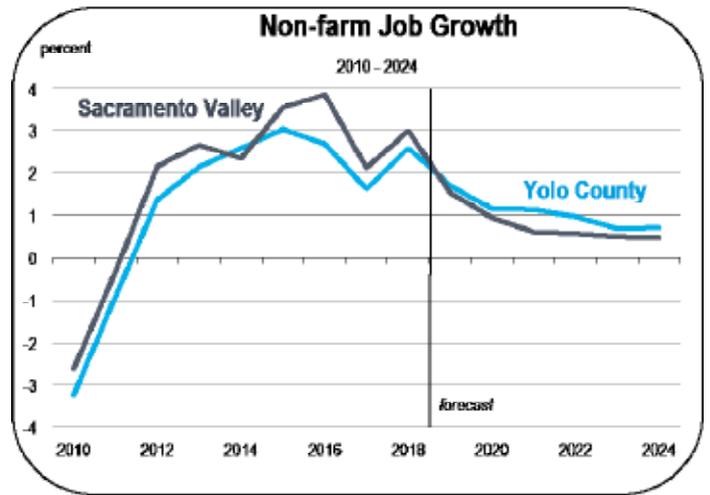
# Yolo County Economic Forecast

## Forecast Summary

- 1,800 non-farm jobs will be created in Yolo County during 2019. Over the following five years, an average of 1,000 new jobs are expected per year.
- Through 2024, employment growth will be led by the government sector, which will account for half of net job creation across the county.
- Meaningful job creation is also expected in transportation and warehousing, professional business services, education and healthcare, and leisure services. These sectors will account for 42 percent of net job creation.
- The unemployment rate fell to 4.2 percent in 2018, but a reversal in its direction is likely by 2020.
- The population is expanding at a similar rate as 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 homes will be single-family units.

## Job Growth

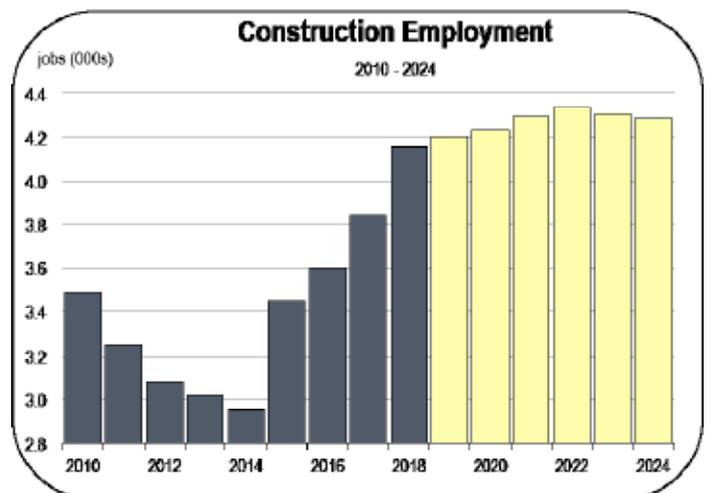
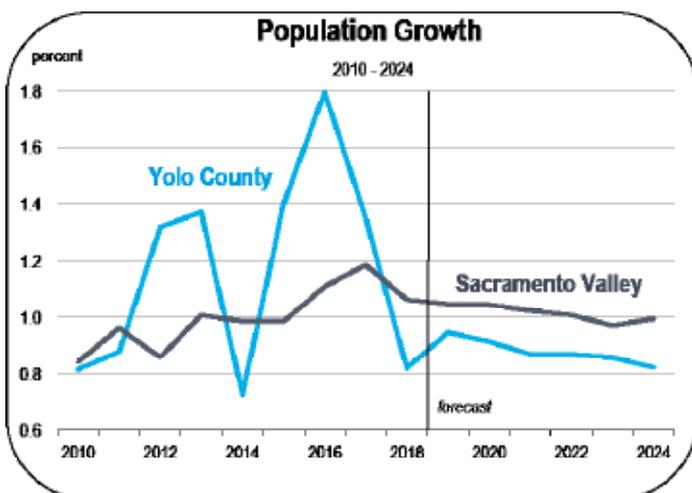
- Job creation was strong in 2018, but will decelerate in 2019 and 2020 as the state and national economies slow.
- The leading industries in 2018 were healthcare, construction, professional business services, and government.



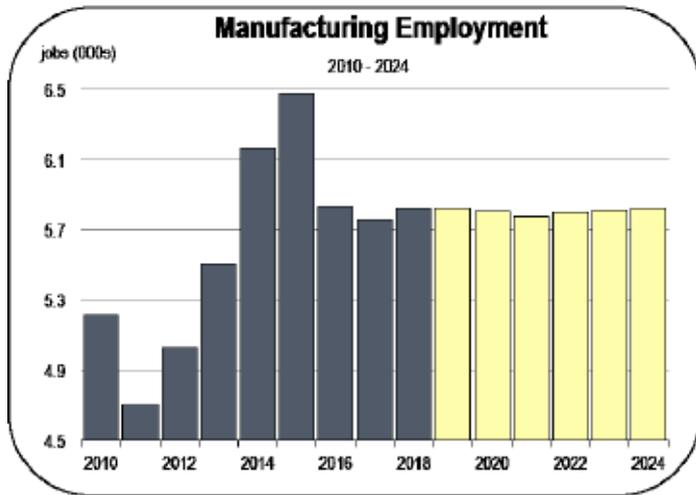
- Between 2012 and 2018, non-farm employment increased by 2.4 percent per year.
- Between 2018 and 2024, growth is forecast to average 1.1 percent.
- Approximately 1,800 non-farm jobs will be created during 2019.
- Through 2024, an average of 1,000 new non-farm wage and salary jobs are expected per year.

## Construction Employment

- Due to an acceleration in housing production and non-residential building investment, construction employment is increasing at an incredibly rapid rate.
- In 2018, job creation was related to housing projects in Davis, Woodland, and West Sacramento. Jobs were also created for retail, logistics, office, hotel, and warehousing facilities across several parts of the county.



# Yolo County Economic Forecast



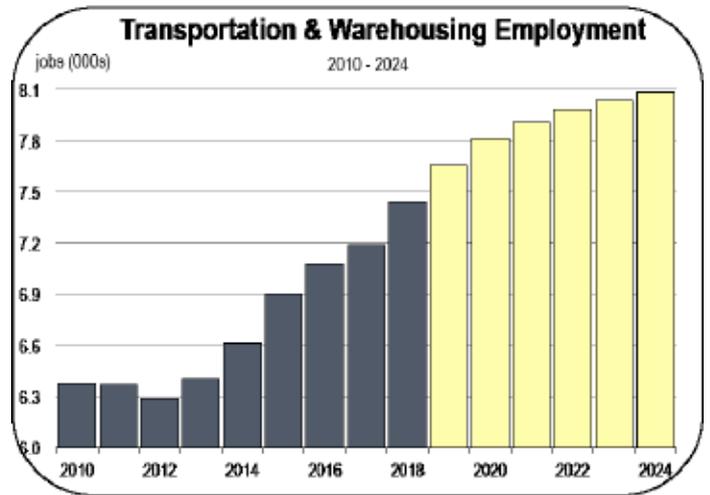
- Employment levels may plateau during the forecast period as fewer new projects break ground.

## Manufacturing Employment

- After several years of rapid growth, no new jobs have been generated since 2016.
- Several sectors are still growing, including the manufacturers of construction materials, agricultural machinery, and pharmaceuticals.
- Beverage manufacturing is also adding jobs, largely due to the success of Norcal Beverage Co., which bottles sodas, juices, and energy drinks. The company outgrew its West Sacramento facility, so it purchased a storage company to expand its logistics capabilities.
- But other food manufacturers are shrinking. Local farms are producing less rice, tomatoes, and other commodities, leading to layoffs at the plants that process these goods into finished food items.

## Transportation and Warehousing Employment

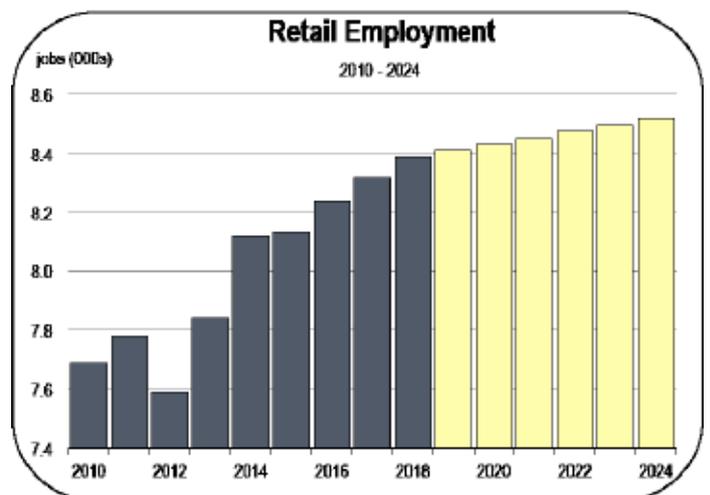
- The Yolo County transportation and warehousing sector is largely comprised of trucking companies and logistics centers.
- The county has prominent fulfillment centers for Target, Rite Aid, and Walgreens. These three locations employ 1,600 people, and the county has an additional 900 workers at other warehousing and logistics sites.



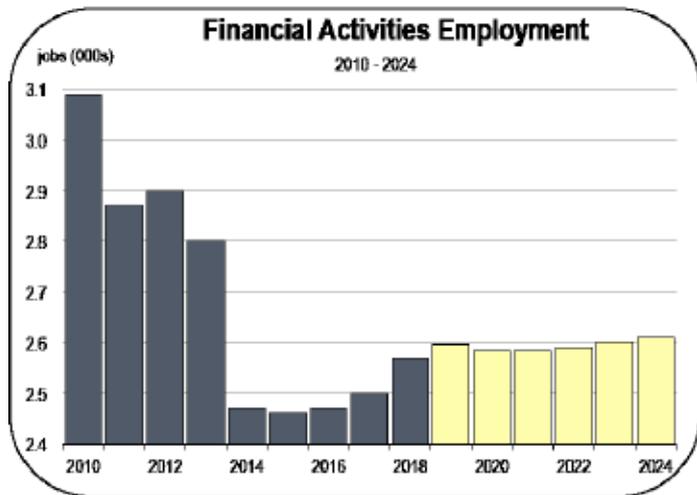
- The county also has 2,200 trucking jobs, with an emphasis on transporting agricultural commodities from the farm to the factory, and from the factory to the consumer.
- This industry will continue to expand as more logistics centers are established in the county.

## Retail Trade Employment

- Retail growth remained healthy in 2018 as the industry generated 100 new jobs.
- The county is building new retail facilities, providing capacity for the industry to expand.
- But growth is expected to decelerate over the forecast period as online shopping reduces the need for physical storefronts. The retail sector is vulnerable to job contraction by 2020 or 2021.



# Yolo County Economic Forecast

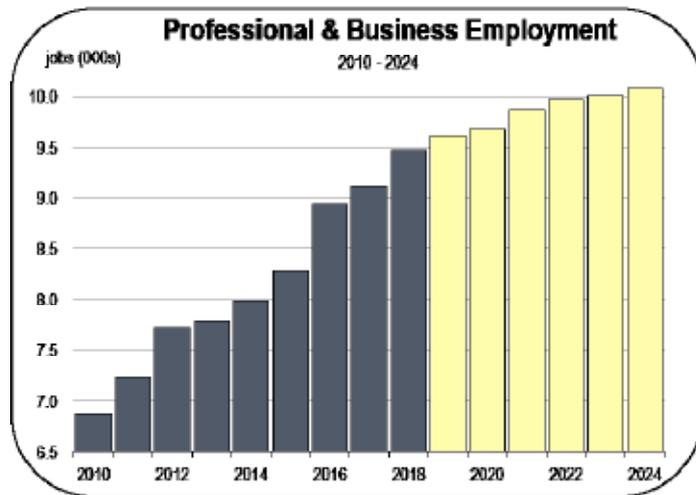


## Financial Activities Employment

- Financial activities companies generated 70 jobs last year.
- The local banking and insurance sectors continue to downsize their employee headcounts. As banks and insurance companies offer more online services, fewer customers are visiting their local branches.
- Growth was observed in the property management industry, primarily in response to higher enrollment at UC Davis.
- Growth will be relatively slow in 2019 as home sales flat line, as fewer houses and apartments are built, and as local banks and insurance firms continue to downsize.

## Professional and Business Services Employment

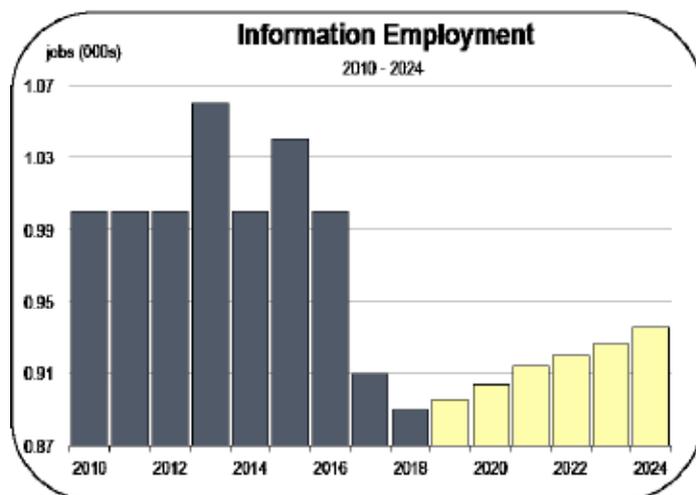
- This sector has grown quickly for most of the current economic expansion.
- This sector is partially comprised of high skill jobs in law, accounting, consulting, and related activities. It also has a substantial number of temporary staffing, business support, and building maintenance companies.
- Some high skill subsectors continued to experience layoffs in 2018, including accounting and law.
- Losses in these subsectors were offset by gains in the temporary help industry. Firms are increasingly relying on temp workers to keep their workforces nimble, and are often using temp positions as “tryouts” for permanent employment.



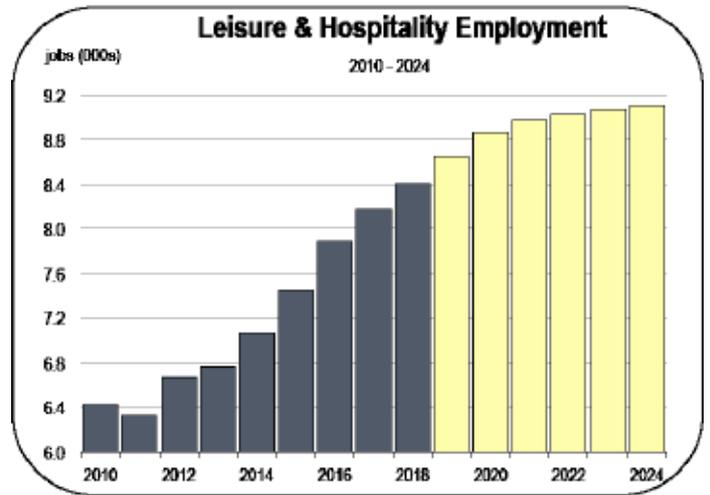
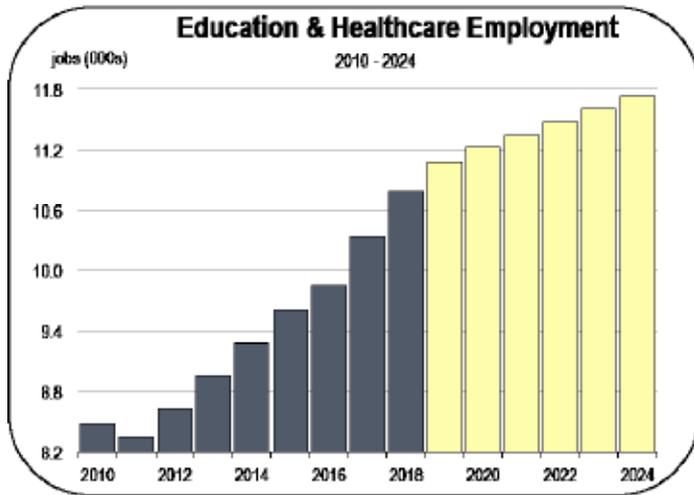
- Hiring will remain robust in 2019 as demand for skilled labor grows, and as the temporary help sector continues to expand.

## Information Employment

- The information sector lost 20 jobs in 2018.
- In Yolo County, the information sector is largely comprised of telecommunications companies, but has a small number of jobs at newspaper publishers. These industries are in long term patterns of stagnation.
- This sector also includes software publishers. The local software industry is very small but is expected to expand, particularly in Davis.



# Yolo County Economic Forecast



## Private Education and Healthcare Employment

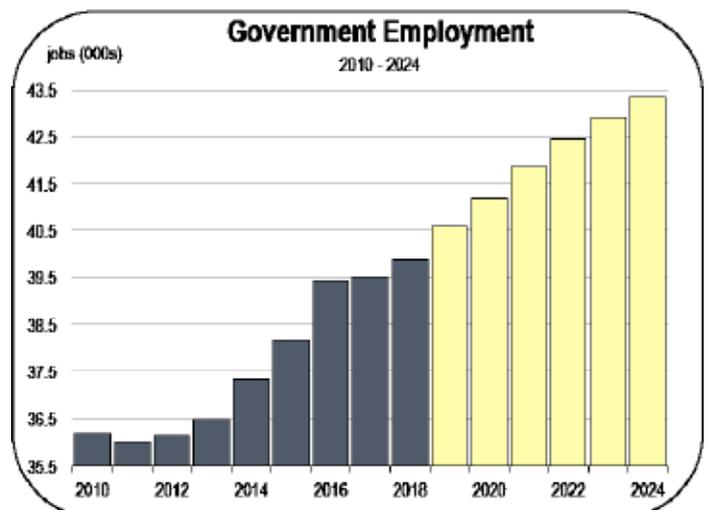
- The healthcare industry continues to expand in Yolo County. Gains have been concentrated in doctors’ offices, outpatient care centers, and organizations that provide services to the elderly and people with disabilities.
- Growth has been weak in private schools (public schools are included in the government sector).
- Future hiring will be driven by an aging population, which will lead to higher demand for healthcare. However, the outlook for the U.S. health insurance industry is unknown, and legislative changes could influence job growth in health services.

## Leisure and Hospitality Employment

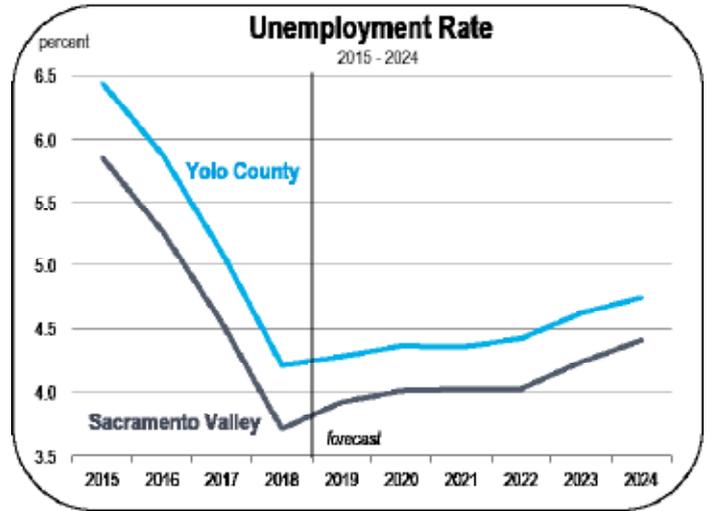
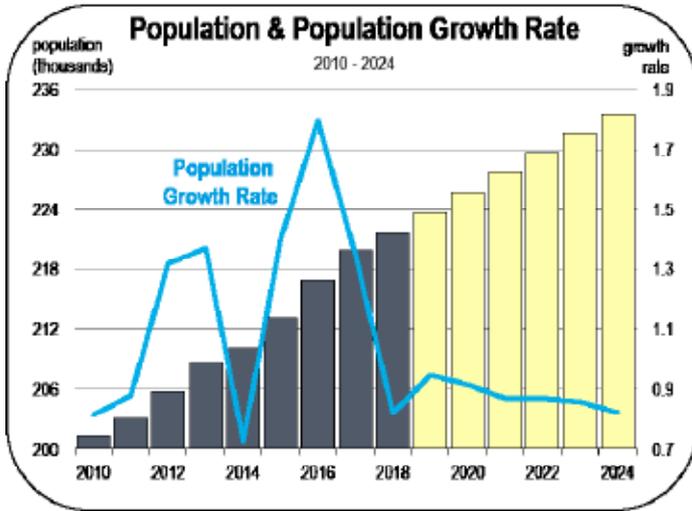
- Yolo County gained 250 restaurant jobs last year. Restaurants accounted for virtually all job creation in the leisure and hospitality sector.
- Many of these new jobs were in the takeout and fast casual market segments, but a substantial number were also created in traditional sit-down restaurants.
- Job growth will remain strong as busy professionals choose prepared food over home cooked meals.

## Government Employment

- Government agencies created 400 new jobs in 2018.
- In Yolo County, government employment is dominated by UC Davis, which has 24,200 workers.
- Future employment trends will be heavily influenced by UC Davis enrollment. Davis enrollment is expected to approach 38,000 students by 2024, a meaningful increase from the 33,000 enrolled today.
- Additional gains will occur in other parts of the government, driven by population growth and overall budgetary conditions.



# Yolo County Economic Forecast

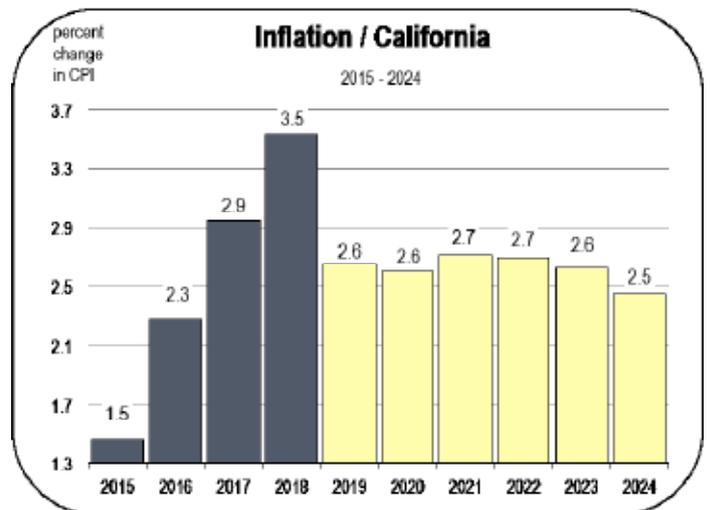
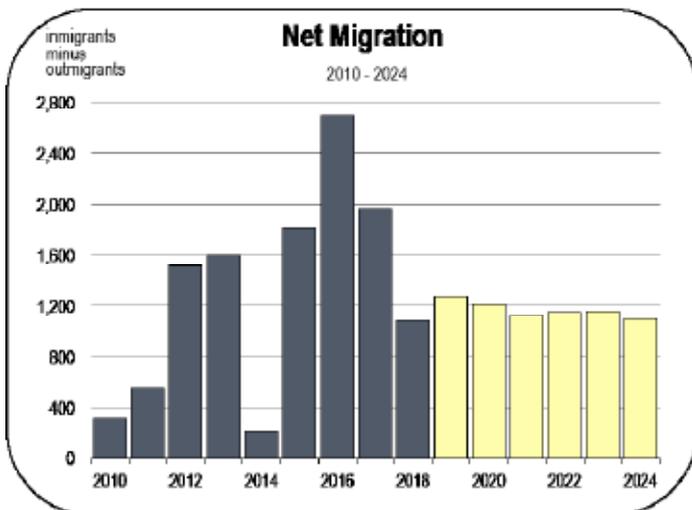


## Population Growth

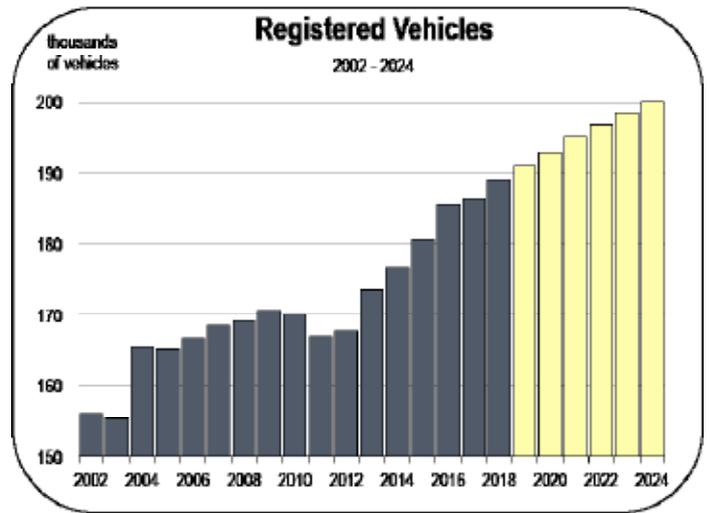
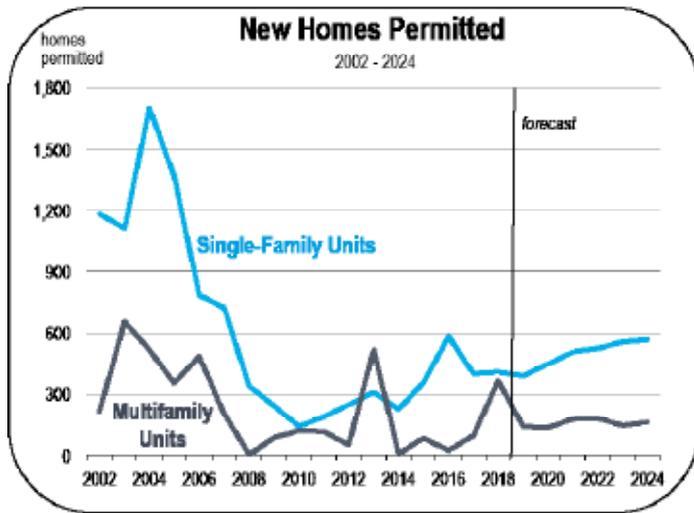
- Population growth decelerated in 2018. The Yolo County population is now expanding at a similar rate to the statewide average.
- More than 1,000 net migrants entered the county last year, largely in response to expanding job opportunities and affordable housing.
- Net migration is forecast to be the principal driver of new population growth with an annual number of 1,200 people each year.
- Population growth will average 0.9 percent per year, and the county will approach 235,000 residents by the end of the forecast period.

## Unemployment and Inflation Rates

- The unemployment rate in Yolo County averaged 4.2 percent in 2018, which was above the composite rate for the greater Sacramento Valley region.
- The unemployment rate is forecast to rise by 2020, but with a rate of just 4.4 percent, the labor market will still be very 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.



# Yolo County Economic Forecast



- From 2013 to 2018, an average of 560 homes were permitted per year. From 2019 to 2024, the county will generate an average of 650 units per year.
- The development pipeline is concentrated in Davis, where 2,600 units are in some stage of the planning process, and West Sacramento where 6,700 units have been proposed.
- New units in Davis will primarily be apartments, whereas new West Sacramento units will be single-family homes.

## Income per Capita

- Income per capita in 2018 was \$53,900 in Yolo County, which is below the Sacramento Valley average of \$56,400.
- Over the last six years, real incomes have risen at an average

rate of 1.1 percent per year in the county, which is also below the Sacramento Valley average of 1.7 percent per year.

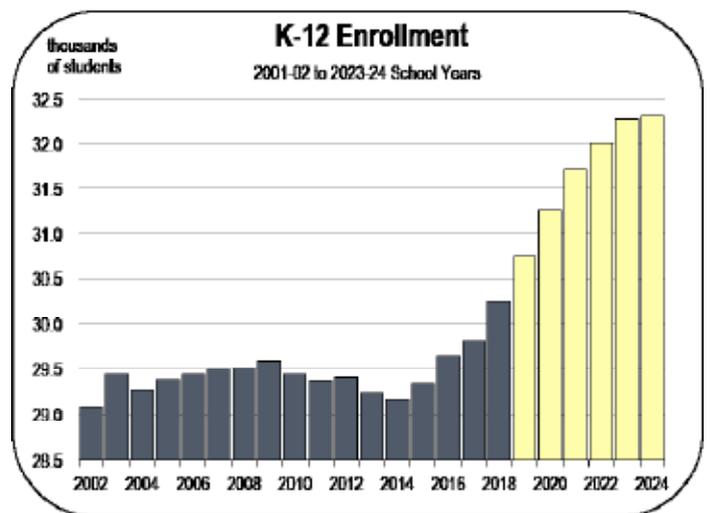
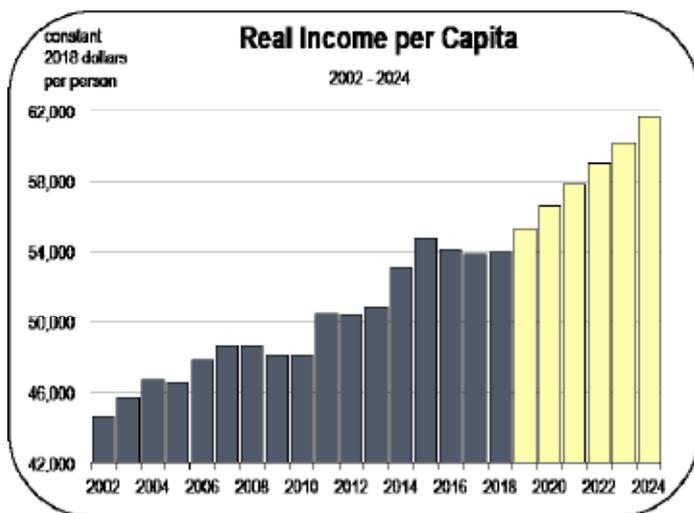
- Over the next six years, real incomes are expected to rise by approximately 2.3 percent per year in Yolo County.

## Registered Vehicles

- There were 189,000 registered vehicles in Yolo County in 2018. By 2024, it is expected that the county will have approximately 200,100 registered vehicles.

## Public School Enrollment

- In Yolo County, approximately 30,300 students were enrolled in K-12 public schools during the 2017–2018 school year. By 2024, there are expected to be 32,300 K-12 students in the county.



# Yolo 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	213,016	72.0	\$148,745	436	181	\$10.7	\$2.2	\$27	\$2.0	\$54,705	29.3	2,402	1,320
2016	216,834	72.8	\$151,049	602	186	\$11.0	\$2.2	\$28	\$2.0	\$54,111	29.6	2,423	1,290
2017	219,758	73.1	\$155,640	492	186	\$11.4	\$2.4	\$30	\$2.0	\$53,803	29.8	2,272	1,363
2018	221,557	73.6	\$162,197	771	189	\$11.9	\$2.5	\$31	\$2.0	\$53,912	30.3	2,215	1,407
2019	223,651	74.5	\$170,404	523	191	\$12.7	\$2.6	\$32	\$2.1	\$55,227	30.8	2,245	1,419
2020	225,691	75.0	\$179,685	579	193	\$13.5	\$2.7	\$33	\$2.2	\$56,576	31.3	2,273	1,441
2021	227,651	75.5	\$189,007	681	195	\$14.3	\$2.7	\$34	\$2.2	\$57,815	31.7	2,301	1,465
2022	229,625	76.2	\$198,225	702	197	\$15.1	\$2.8	\$36	\$2.3	\$58,989	32.0	2,325	1,499
2023	231,591	76.9	\$207,724	698	198	\$16.0	\$2.9	\$37	\$2.4	\$60,197	32.3	2,347	1,532
2024	233,491	77.5	\$217,936	728	200	\$16.9	\$3.0	\$38	\$2.4	\$61,619	32.3	2,369	1,563
2025	235,372	78.2	\$227,255	729	202	\$17.8	\$3.1	\$39	\$2.5	\$62,794	32.2	2,383	1,596
2026	237,232	79.0	\$236,213	716	203	\$18.6	\$3.2	\$40	\$2.6	\$63,833	32.2	2,396	1,628
2027	238,965	79.6	\$245,539	688	205	\$19.6	\$3.3	\$41	\$2.6	\$64,977	32.3	2,406	1,660
2028	240,641	80.3	\$255,320	708	206	\$20.5	\$3.4	\$43	\$2.7	\$66,126	32.5	2,416	1,694
2029	242,292	81.0	\$264,074	706	208	\$21.4	\$3.5	\$44	\$2.7	\$66,901	32.5	2,427	1,729
2030	243,917	81.7	\$272,365	684	210	\$22.2	\$3.6	\$45	\$2.8	\$67,563	32.7	2,437	1,765
2031	245,510	82.3	\$280,686	677	211	\$23.1	\$3.7	\$46	\$2.8	\$68,232	32.7	2,448	1,799
2032	247,082	83.0	\$288,434	625	213	\$23.9	\$3.8	\$47	\$2.8	\$68,576	32.8	2,468	1,833
2033	248,617	83.6	\$296,861	610	215	\$24.8	\$3.9	\$49	\$2.9	\$69,265	33.0	2,486	1,867
2034	250,123	84.2	\$305,830	596	217	\$25.7	\$4.0	\$50	\$2.9	\$69,890	33.2	2,500	1,899
2035	251,594	84.8	\$315,409	611	218	\$26.7	\$4.1	\$51	\$3.0	\$70,523	33.5	2,510	1,933
2036	253,052	85.3	\$325,202	623	220	\$27.8	\$4.2	\$53	\$3.0	\$70,888	33.8	2,526	1,965
2037	254,500	85.9	\$335,378	626	222	\$28.8	\$4.3	\$54	\$3.0	\$71,213	34.2	2,541	1,993
2038	255,926	86.6	\$345,860	617	224	\$29.9	\$4.5	\$56	\$3.0	\$71,683	34.6	2,546	2,021
2039	257,322	87.1	\$356,830	615	225	\$31.1	\$4.6	\$58	\$3.1	\$72,049	35.1	2,548	2,047
2040	258,702	87.7	\$367,781	595	226	\$32.3	\$4.7	\$59	\$3.1	\$72,415	35.5	2,560	2,071
2041	260,067	88.3	\$378,791	574	228	\$33.5	\$4.9	\$61	\$3.1	\$72,858	36.0	2,575	2,091
2042	261,419	88.9	\$389,996	543	230	\$34.7	\$5.0	\$63	\$3.1	\$73,334	36.5	2,591	2,109
2043	262,755	89.4	\$401,414	526	231	\$35.9	\$5.1	\$64	\$3.2	\$73,841	37.0	2,610	2,127
2044	264,076	89.9	\$412,930	508	233	\$37.1	\$5.3	\$66	\$3.2	\$74,442	37.5	2,625	2,146
2045	265,379	90.4	\$424,806	499	235	\$38.4	\$5.4	\$67	\$3.2	\$74,900	37.9	2,639	2,168
2046	266,672	90.9	\$436,686	474	236	\$39.7	\$5.5	\$69	\$3.3	\$75,369	38.4	2,654	2,185
2047	267,953	91.3	\$448,724	474	238	\$41.0	\$5.7	\$71	\$3.3	\$75,796	38.9	2,669	2,199
2048	269,228	91.8	\$461,151	450	239	\$42.3	\$5.8	\$73	\$3.3	\$76,236	39.3	2,679	2,211
2049	270,486	92.2	\$474,076	433	241	\$43.7	\$6.0	\$74	\$3.3	\$76,689	39.8	2,684	2,222
2050	271,720	92.6	\$487,694	413	242	\$45.2	\$6.1	\$76	\$3.4	\$77,188	40.2	2,685	2,235

## 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	104.7	5.8	3.5	6.5	6.9	12.7	2.5	8.3	1.0	9.6	7.5	38.2
2016	107.9	6.4	3.6	5.8	7.1	13.0	2.5	8.9	1.0	9.9	7.9	39.4
2017	109.6	6.4	3.8	5.8	7.2	13.3	2.5	9.1	0.9	10.3	8.2	39.5
2018	111.8	6.0	4.2	5.8	7.4	13.8	2.6	9.5	0.9	10.8	8.4	39.9
2019	113.7	6.1	4.2	5.8	7.7	13.8	2.6	9.6	0.9	11.1	8.7	40.6
2020	115.0	6.1	4.2	5.8	7.8	13.8	2.6	9.7	0.9	11.2	8.9	41.2
2021	116.2	6.1	4.3	5.8	7.9	13.9	2.6	9.9	0.9	11.3	9.0	41.9
2022	117.3	6.1	4.3	5.8	8.0	13.9	2.6	10.0	0.9	11.5	9.0	42.4
2023	118.1	6.1	4.3	5.8	8.0	13.9	2.6	10.0	0.9	11.6	9.1	42.9
2024	118.9	6.2	4.3	5.8	8.1	14.0	2.6	10.1	0.9	11.7	9.1	43.3
2025	119.7	6.2	4.2	5.9	8.1	14.0	2.6	10.1	0.9	11.9	9.2	43.8
2026	120.5	6.2	4.2	5.9	8.2	14.0	2.6	10.2	1.0	12.0	9.2	44.3
2027	121.3	6.2	4.1	5.9	8.2	14.1	2.6	10.3	1.0	12.1	9.3	44.7
2028	122.0	6.2	4.1	5.9	8.2	14.2	2.6	10.3	1.0	12.2	9.3	45.1
2029	122.8	6.2	4.1	6.0	8.2	14.2	2.6	10.4	1.0	12.3	9.4	45.5
2030	123.4	6.3	4.0	6.0	8.3	14.2	2.6	10.5	1.0	12.4	9.5	45.8
2031	124.0	6.3	4.0	6.0	8.3	14.3	2.6	10.5	1.0	12.5	9.5	46.0
2032	124.6	6.3	4.0	6.0	8.3	14.3	2.6	10.6	1.0	12.6	9.6	46.3
2033	125.1	6.3	4.0	6.0	8.3	14.3	2.6	10.7	1.0	12.7	9.7	46.5
2034	125.7	6.3	4.0	6.0	8.3	14.4	2.6	10.8	1.0	12.8	9.7	46.7
2035	126.3	6.3	4.0	6.0	8.3	14.4	2.6	10.8	1.0	12.9	9.8	47.0
2036	127.0	6.4	4.0	6.0	8.4	14.4	2.6	10.9	1.0	13.1	9.8	47.3
2037	127.6	6.4	4.0	6.1	8.4	14.5	2.6	11.0	1.0	13.2	9.9	47.5
2038	128.3	6.4	4.0	6.1	8.4	14.5	2.6	11.0	1.0	13.3	9.9	47.9
2039	128.9	6.4	4.0	6.1	8.4	14.5	2.6	11.1	1.0	13.4	10.0	48.2
2040	129.6	6.4	4.0	6.1	8.4	14.6	2.6	11.2	1.0	13.5	10.1	48.4
2041	130.2	6.4	4.0	6.1	8.4	14.6	2.6	11.3	1.0	13.6	10.1	48.7
2042	130.8	6.5	3.9	6.1	8.4	14.6	2.6	11.3	1.0	13.7	10.2	49.0
2043	131.5	6.5	3.9	6.1	8.5	14.7	2.6	11.4	1.0	13.9	10.2	49.3
2044	132.1	6.5	3.9	6.1	8.5	14.7	2.6	11.5	1.0	14.0	10.3	49.6
2045	132.7	6.5	3.9	6.1	8.5	14.7	2.6	11.6	1.0	14.1	10.3	49.9
2046	133.4	6.5	3.9	6.1	8.5	14.8	2.6	11.6	1.0	14.2	10.4	50.2
2047	134.0	6.5	3.9	6.1	8.5	14.8	2.6	11.7	1.1	14.3	10.5	50.5
2048	134.7	6.5	3.9	6.1	8.5	14.8	2.6	11.8	1.1	14.4	10.5	50.8
2049	135.3	6.6	3.8	6.1	8.5	14.9	2.6	11.9	1.1	14.6	10.6	51.1
2050	136.1	6.6	3.8	6.2	8.6	14.9	2.6	11.9	1.1	14.7	10.6	51.5

# Yolo County Economic Forecast

## Socioeconomic Indicators

