

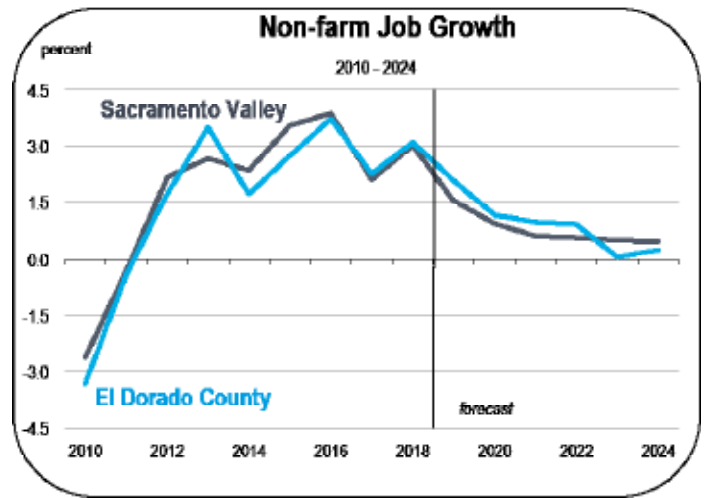
# El Dorado County Economic Forecast

## Forecast Summary

- 1,200 non-farm jobs will be created in El Dorado County during 2019. Over the following five years, an average of 400 new jobs are expected per year.
- Employment growth will be led by professional services, leisure services, healthcare, and government. These sectors will account for 81 percent of net job creation through 2024.
- The unemployment rate averaged 3.6 percent in 2018, but may begin to increase in 2019.
- The county population is expanding at a faster rate than the statewide average, and will continue to do so.
- Housing production has increased in recent years, but it is not keeping pace with population growth.
- Most new housing units over the forecast period will be single-family homes.

## Job Growth

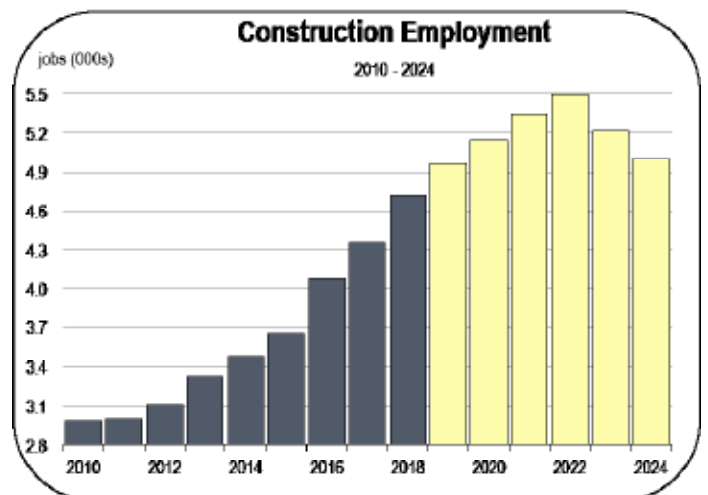
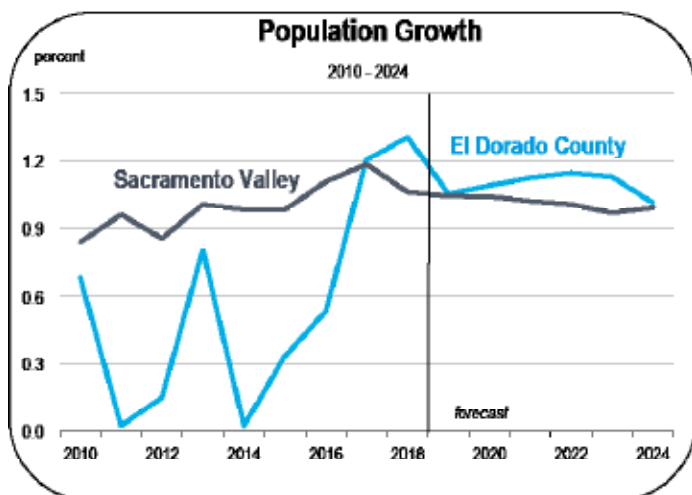
- Job growth was strong in 2018, but will decelerate in 2019 and 2020.
- The leading industries in 2018 were construction, healthcare, leisure and hospitality, and professional business services.
- Between 2012 and 2018, non-farm employment increased by 2.8 percent per year.
- Between 2018 and 2024, growth is forecast to average 0.9 percent.
- Approximately 1,200 non-farm jobs will be created during 2019.



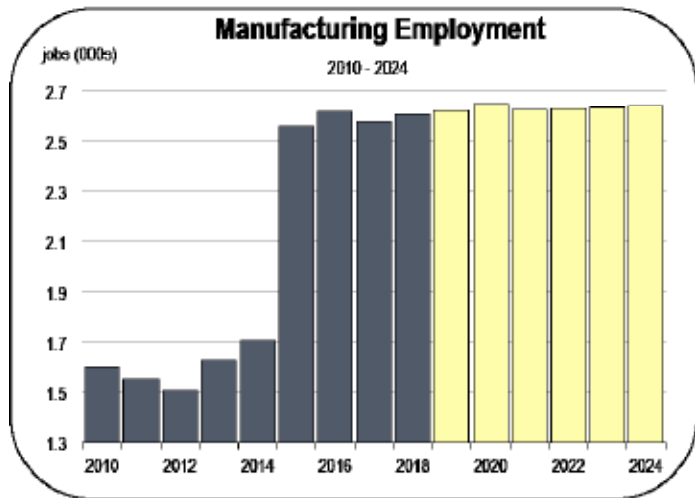
- Through 2024, an average of 400 new non-farm wage and salary jobs are expected per year.

## Construction Employment

- Due to an acceleration in housing production, construction employment is increasing at an incredibly rapid rate.
- This sector will outpace the broader El Dorado County labor market in 2019 and 2020 as more housing units are built.
- Residential projects will be the primary driver of job creation. Over the forecast period, residential projects will employ about 4 times as many construction workers as commercial and industrial projects.



# El Dorado County Economic Forecast

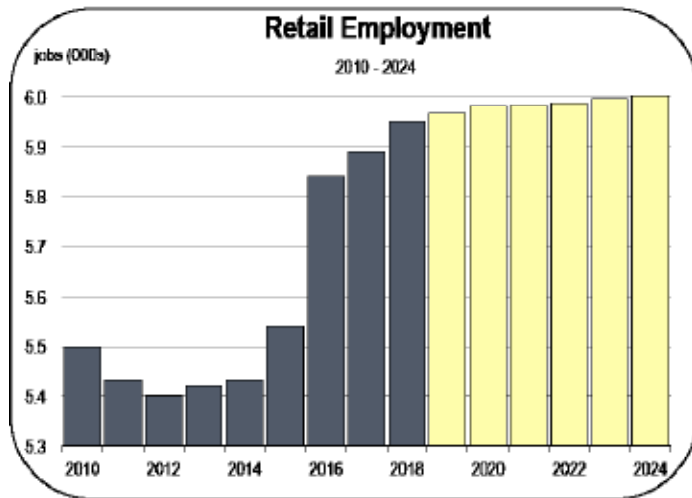
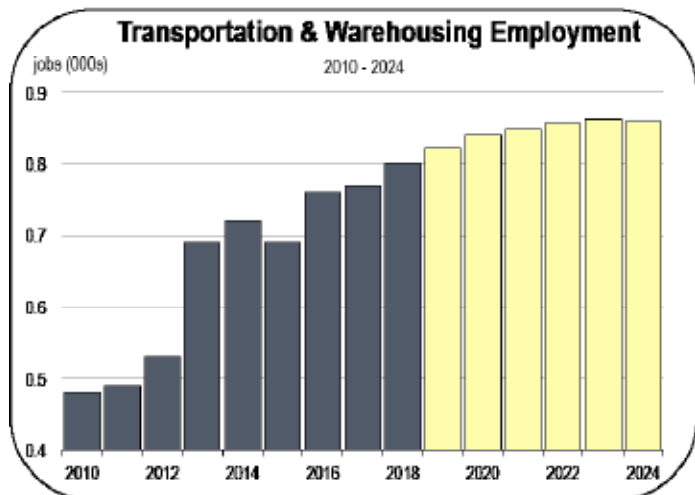


## Manufacturing Employment

- Manufacturing employment increased by almost 800 jobs in 2015, as three new facilities opened in the county. Virtually no jobs have been gained since, and little future growth is expected.
- The manufacturing industry is particularly sensitive to changes in the minimum wage. As the California minimum wage reaches \$15 per hour by 2022, job growth could be impacted.

## Transportation and Warehousing Employment

- This sector is very small in El Dorado County. Approximately 110 jobs have been created over the last 5 years. The county has 5 local delivery firms and 18 long-distance trucking companies. These organizations have generated virtually all job growth in recent years.
- Future gains will be driven by the transition to online shopping. As consumers buy a larger volume of goods online, orders will be shipped directly to their homes rather than to physical storefronts, leading to expansion at delivery firms like UPS and FedEx.

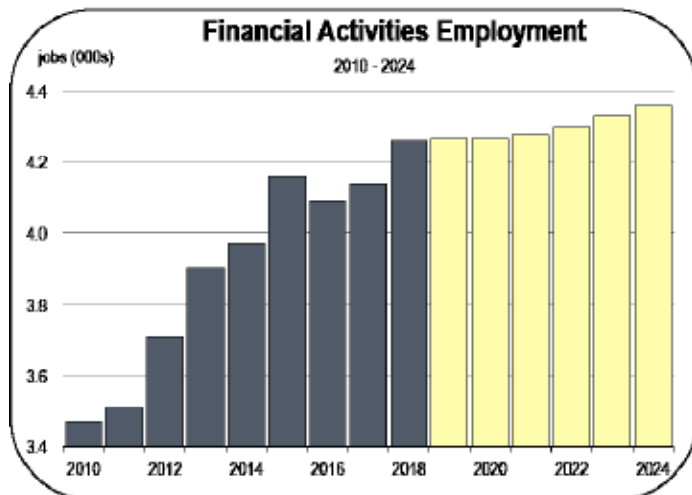


## Retail Trade Employment

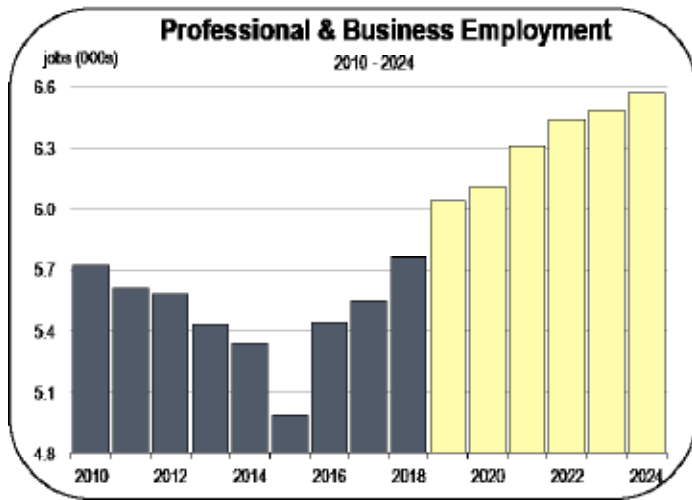
- The retail industry is expanding faster in El Dorado County than in most other parts of the state.
- Gains have been strongest in sectors that are not facing heavy online competition, like drug stores and auto dealers.
- But hiring has been minimal in sectors that are now competing with online retailers. This is particularly true of consumer electronics stores, sporting goods stores, clothing stores, and department stores.
- New jobs could be created if a Costco opens in El Dorado Hills. The company is exploring a new store near Silva Valley Parkway and Highway 50. A typical Costco has more than 100 employees.

## Financial Activities Employment

- This industry is expanding, but is only creating about 100 jobs per year.



# El Dorado County Economic Forecast



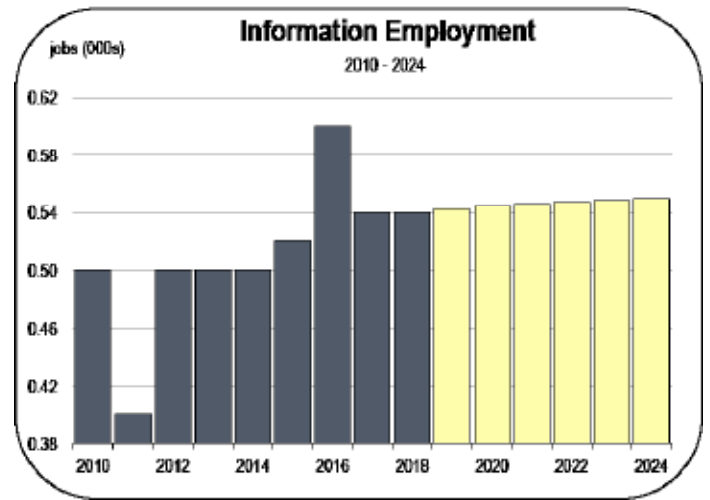
- The Blue Shield office in El Dorado Hills accounts for half of all jobs in this sector. Blue Shield is also El Dorado County’s largest private employer.
- Growth will be slow in the coming years. Fewer customers are visiting their local branches because banks are offering more online services, dampening demand for banking employees. But the real estate industry should expand as more homes are built.
- The future of the U.S. health insurance landscape is unknown, but legislative changes could have large effects on employment in this sector in El Dorado County.

## Professional and Business Services Employment

- This sector is now creating jobs at a brisk rate.
- This sector is partially comprised of high skill jobs in fields like law, accounting, tech, and consulting. It also has a large number of workers in temporary help positions and business support functions.
- Most recent job creation has been in business support firms, like maintenance services, corporate security services, and back-office management. Going forward, some jobs will also be created at local law, accounting, and engineering firms.

## Information Employment

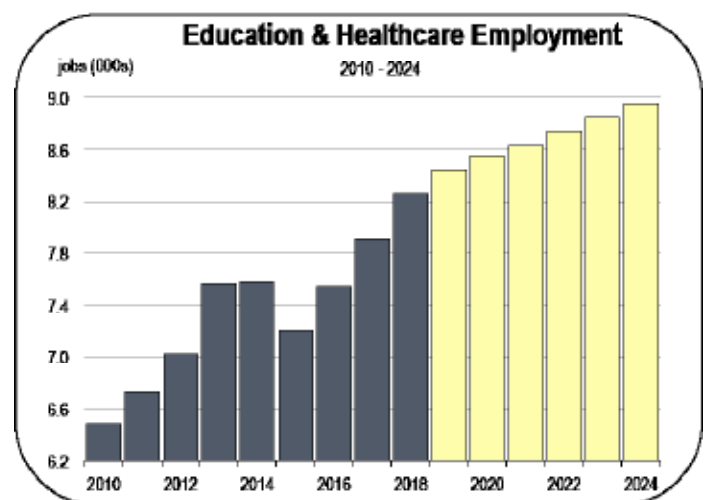
- The El Dorado County information sector now has:
  - 13 software firms with 220 total jobs
  - 9 movie theaters with 100 jobs
  - 9 telecommunications firms with 95 jobs
  - 3 newspapers with 50 jobs



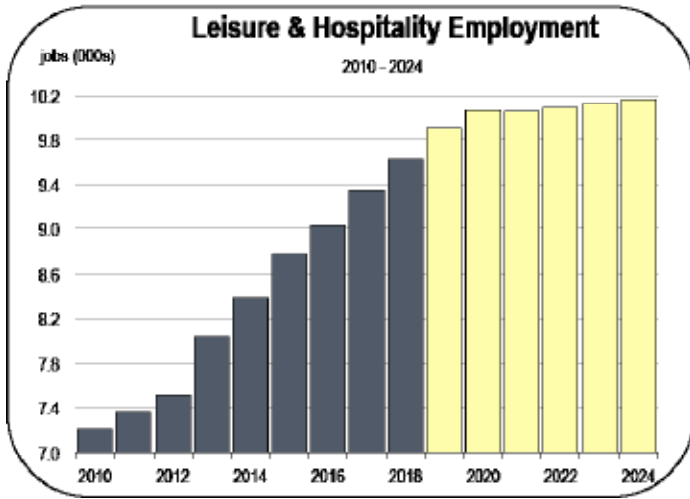
- During the current economic cycle, virtually all job creation has occurred in the software sector.
- Newspapers, movie theaters, and telecommunications firms have lost jobs.

## Private Education and Healthcare Employment

- Healthcare job growth has been concentrated in doctors’ offices, outpatient care centers, and organizations that provide services to the elderly and people with disabilities.
- Private schools have been shedding jobs, but SUM Bible College is establishing a campus in El Dorado Hills (public schools are included in the government sector).
- Growth will remain strong as an aging population generates higher levels of demand for healthcare. However, the future of the U.S. health insurance industry is unknown, and legislative changes could influence job growth in health services.



# El Dorado County Economic Forecast

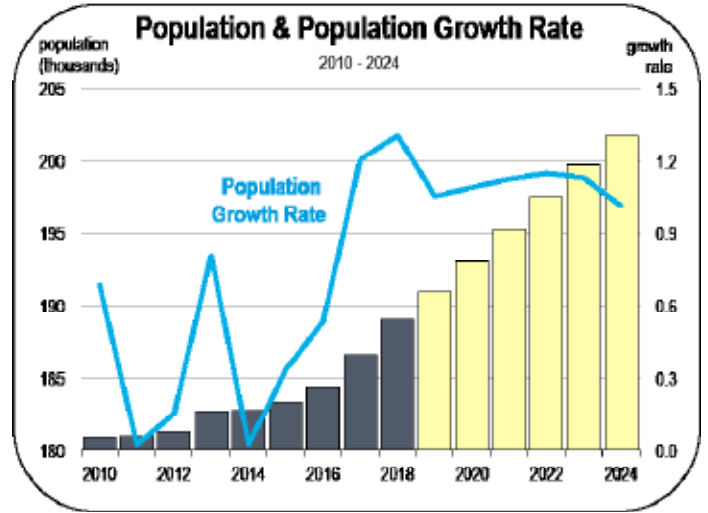
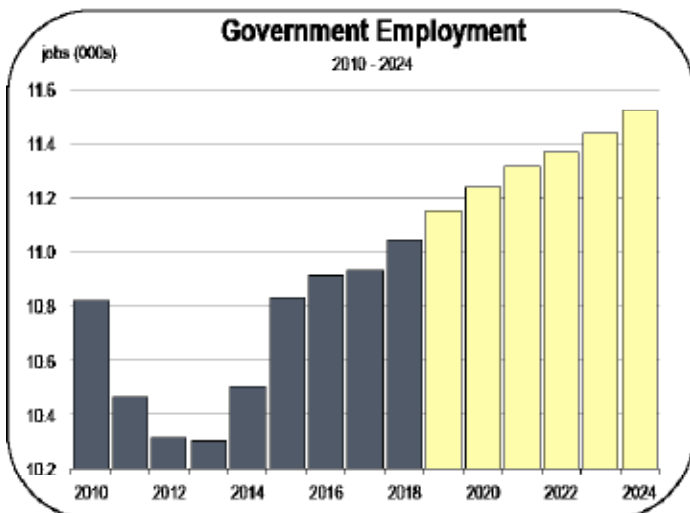


## Leisure and Hospitality Employment

- 400 restaurant jobs were created in 2018, accounting for virtually all grow in the leisure and hospitality sector. Several hundred jobs were lost at hotels and fitness centers.
- Across much of California, the takeout and fast casual market segment has been expanding rapidly, but El Dorado County consumers strongly prefer traditional sit-down establishments.
- Growth will be healthy in 2019 and 2020, but this sector is in danger of losing jobs in 2021 or 2022.

## Government Employment

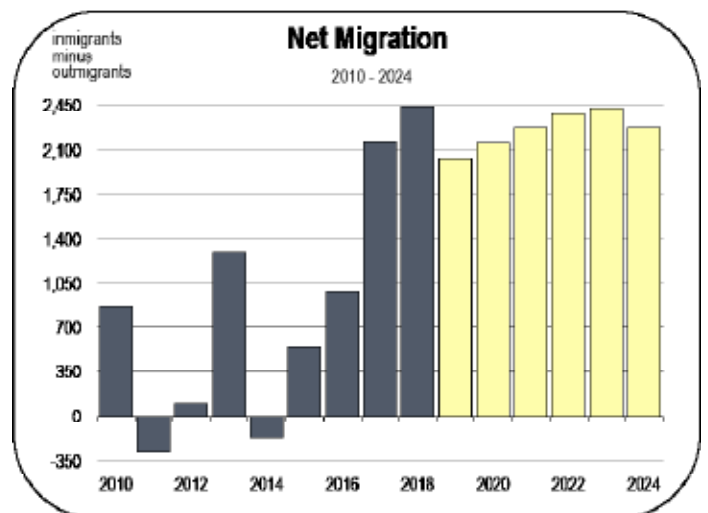
- Government employment has increased slowly over the past three years. Growth has been observed at local schools as well as local municipal agencies.



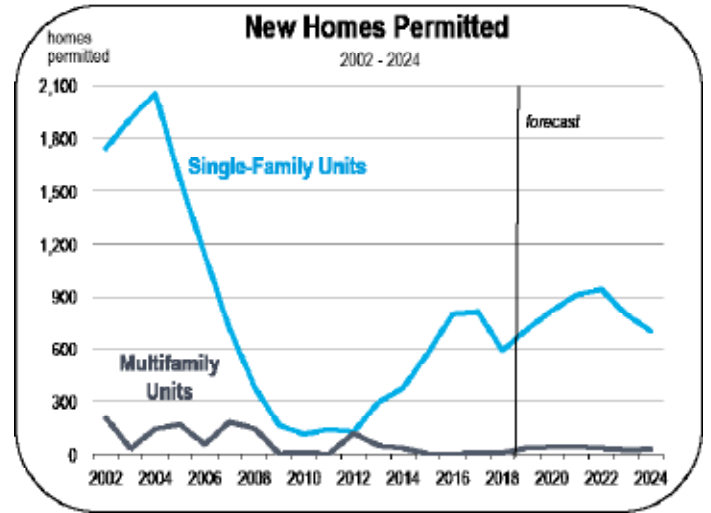
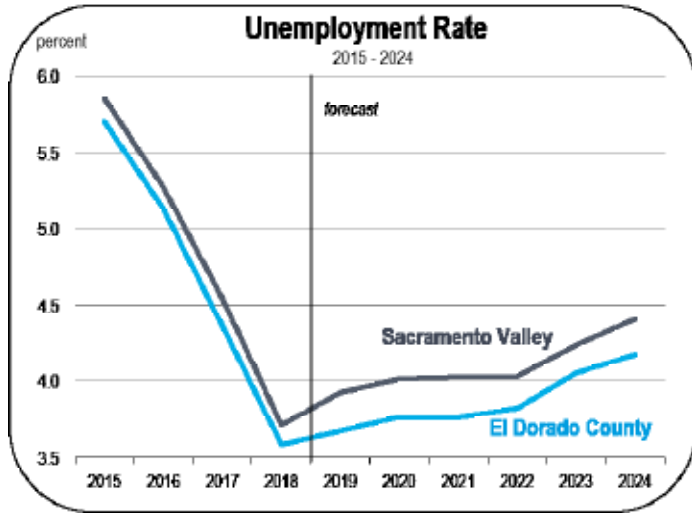
- Future gains will depend on population growth and the condition of government budgets.

## Population Growth

- Population growth has accelerated, and the El Dorado County population is now growing faster than the statewide average.
- Net migration has been very strong, and almost 2,500 net migrants entered the county last year.
- An average of 2,300 net migrants will enter the county each year from 2019 to 2024.
- Population growth will average 1.1 percent per year, and the county will surpass 200,000 residents by the end of the forecast period.



# El Dorado County Economic Forecast



## Unemployment and Inflation Rates

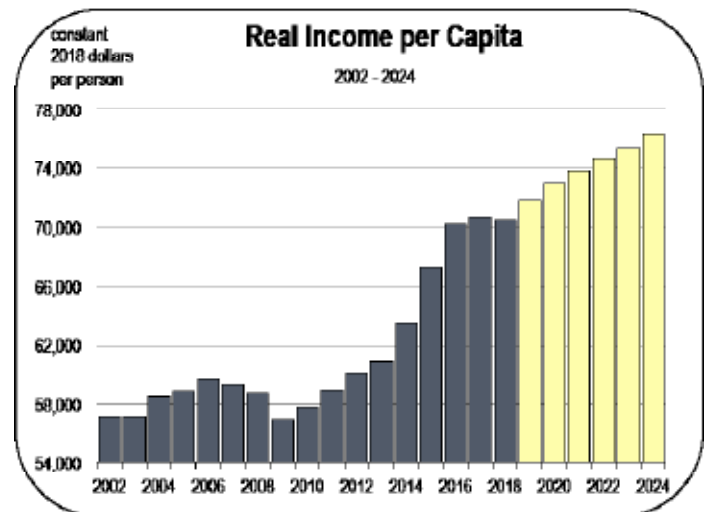
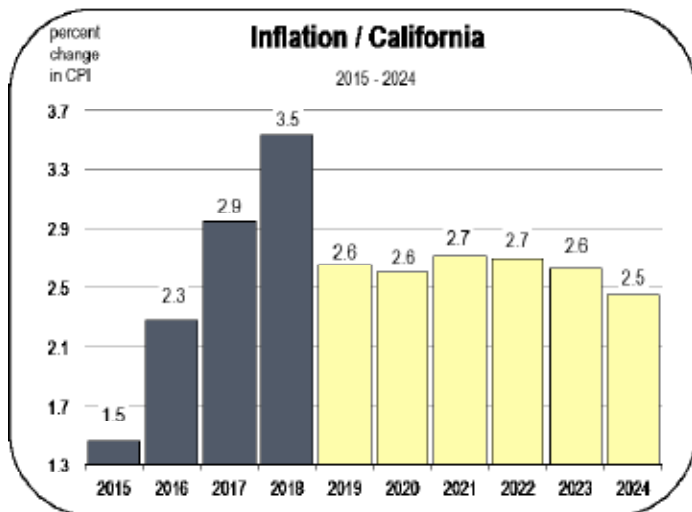
- The unemployment rate in El Dorado County averaged 3.6 percent in 2018, which was similar to the composite rate for Northern California.
- The unemployment rate will begin rising by 2020, but because it will remain near (or below) 4 percent, the labor market will still be exceptionally tight.
- Inflation 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

- From 2013 to 2018, an average of 590 new homes were started each year. From 2019 to 2024, the county will generate an average of 850 units per year.
- The largest development project will include 1,000 homes in El Dorado Hills. There will be a mix of single-family homes, condos, townhomes, and apartments. The project is undergoing an environmental review, and if it is approved, complete build out could take up to 20 years.

## Income per Capita

- Income per capita in 2018 was \$70,400, which is above the Sacramento Valley average of \$56,400.

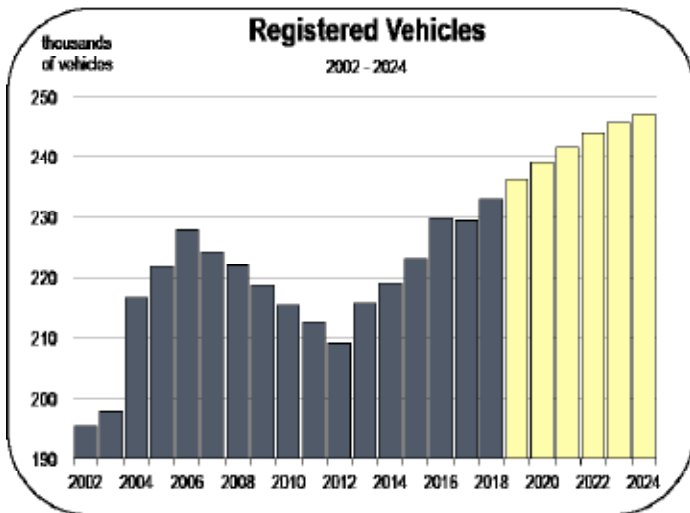


# El Dorado County Economic Forecast

- Over the last six years, real incomes have risen at an average rate of 2.7 percent per year, which is faster than the Sacramento Valley average of 1.7 percent per year.
- Over the next six years, real incomes are expected to rise by approximately 1.3 percent per year in El Dorado County.

## Registered Vehicles

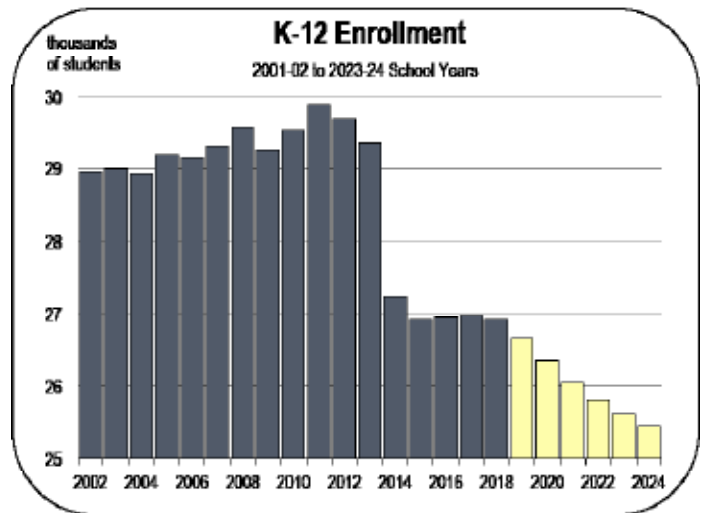
- There were 233,000 registered vehicles in El Dorado County in 2018.
- By 2024, it is expected that the county will have approximately 346,900 registered vehicles.



- The number of registered vehicles is expected to increase in tandem with the overall population. The forecast calls for 14,000 additional vehicles by 2024, as well as an additional 12,700 residents.

## Public School Enrollment

- In El Dorado County, approximately 29,900 students were enrolled in K-12 public schools during the 2017—2018 school year.
- By 2024, there are expected to be 25,400 K-12 students in the county.
- Enrollment is expected to decrease because the population age 5 to 17 will decrease.



# El Dorado 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	183,358	72.1	\$157,360	574	223	\$11.3	\$1.4	\$18	\$2.1	\$67,272	26.9	1,594	1,585
2016	184,335	72.6	\$167,214	799	230	\$12.1	\$1.5	\$19	\$2.2	\$70,270	26.9	1,601	1,520
2017	186,556	73.1	\$173,771	819	229	\$12.7	\$1.6	\$20	\$2.2	\$70,677	27.0	1,570	1,585
2018	188,993	74.3	\$179,251	593	233	\$13.3	\$1.7	\$21	\$2.2	\$70,445	26.9	1,596	1,618
2019	190,984	74.7	\$188,702	747	236	\$14.1	\$1.7	\$21	\$2.3	\$71,835	26.7	1,604	1,638
2020	193,066	75.2	\$197,751	857	239	\$14.9	\$1.8	\$22	\$2.4	\$72,983	26.4	1,612	1,678
2021	195,235	75.7	\$206,437	952	242	\$15.6	\$1.8	\$23	\$2.4	\$73,820	26.0	1,621	1,720
2022	197,475	76.3	\$215,412	972	244	\$16.4	\$1.9	\$23	\$2.4	\$74,693	25.8	1,634	1,777
2023	199,704	77.0	\$223,780	820	246	\$17.2	\$1.9	\$24	\$2.5	\$75,357	25.6	1,639	1,833
2024	201,729	77.7	\$232,655	725	247	\$18.1	\$2.0	\$25	\$2.5	\$76,300	25.4	1,642	1,887
2025	203,535	78.4	\$240,725	705	248	\$18.9	\$2.0	\$25	\$2.6	\$77,048	25.3	1,645	1,942
2026	205,219	79.0	\$249,429	711	249	\$19.7	\$2.1	\$26	\$2.6	\$77,994	25.3	1,648	1,994
2027	206,848	79.7	\$258,650	737	250	\$20.6	\$2.1	\$27	\$2.7	\$79,097	25.3	1,651	2,047
2028	208,432	80.3	\$268,023	748	251	\$21.5	\$2.2	\$27	\$2.7	\$80,139	25.7	1,656	2,102
2029	209,975	80.9	\$276,170	734	252	\$22.4	\$2.2	\$28	\$2.7	\$80,682	26.0	1,661	2,157
2030	211,454	81.6	\$284,319	718	253	\$23.2	\$2.3	\$29	\$2.8	\$81,259	26.2	1,660	2,215
2031	212,855	82.2	\$292,722	707	254	\$24.1	\$2.3	\$29	\$2.8	\$81,945	26.5	1,657	2,271
2032	214,174	82.8	\$300,337	644	255	\$24.9	\$2.4	\$30	\$2.8	\$82,219	26.8	1,654	2,325
2033	215,360	83.4	\$308,715	625	256	\$25.8	\$2.4	\$31	\$2.9	\$82,994	27.1	1,653	2,377
2034	216,476	84.0	\$317,677	608	256	\$26.7	\$2.5	\$31	\$2.9	\$83,716	27.5	1,653	2,427
2035	217,512	84.6	\$327,575	657	257	\$27.7	\$2.6	\$32	\$2.9	\$84,546	27.9	1,646	2,480
2036	218,517	85.1	\$337,228	616	258	\$28.7	\$2.6	\$33	\$3.0	\$84,930	28.2	1,640	2,527
2037	219,416	85.7	\$347,695	620	258	\$29.8	\$2.7	\$34	\$3.0	\$85,390	28.4	1,628	2,570
2038	220,270	86.3	\$358,382	605	259	\$30.9	\$2.8	\$35	\$3.0	\$86,003	28.8	1,618	2,611
2039	221,035	86.8	\$369,539	592	260	\$32.1	\$2.9	\$36	\$3.0	\$86,512	29.0	1,606	2,650
2040	221,725	87.3	\$380,659	553	260	\$33.2	\$2.9	\$37	\$3.0	\$87,034	29.2	1,595	2,686
2041	222,329	87.8	\$391,887	508	261	\$34.4	\$3.0	\$38	\$3.1	\$87,697	29.4	1,587	2,714
2042	222,828	88.3	\$403,910	540	261	\$35.7	\$3.1	\$39	\$3.1	\$88,567	29.5	1,581	2,740
2043	223,332	88.8	\$416,142	573	262	\$37.0	\$3.2	\$40	\$3.1	\$89,484	29.7	1,580	2,767
2044	223,867	89.3	\$428,036	560	263	\$38.2	\$3.2	\$40	\$3.2	\$90,422	29.8	1,581	2,794
2045	224,350	89.8	\$440,172	544	263	\$39.5	\$3.3	\$41	\$3.2	\$91,190	29.9	1,578	2,825
2046	224,774	90.3	\$452,414	530	264	\$40.8	\$3.4	\$42	\$3.2	\$92,022	30.1	1,580	2,850
2047	225,143	90.7	\$464,760	513	265	\$42.2	\$3.5	\$43	\$3.2	\$92,828	30.1	1,581	2,870
2048	225,462	91.2	\$477,535	497	265	\$43.6	\$3.5	\$44	\$3.3	\$93,669	30.1	1,581	2,887
2049	225,734	91.7	\$490,743	481	266	\$45.0	\$3.6	\$45	\$3.3	\$94,540	30.1	1,581	2,903
2050	225,957	92.1	\$504,375	464	267	\$46.5	\$3.7	\$46	\$3.3	\$95,434	30.0	1,583	2,919

## 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	52.3	0.5	3.7	2.6	0.7	6.4	4.2	5.0	0.5	7.2	8.8	10.8
2016	54.0	0.3	4.1	2.6	0.8	6.7	4.1	5.4	0.6	7.5	9.0	10.9
2017	55.2	0.3	4.4	2.6	0.8	6.8	4.1	5.6	0.5	7.9	9.4	10.9
2018	56.9	0.2	4.7	2.6	0.8	6.9	4.3	5.8	0.5	8.3	9.6	11.0
2019	58.0	0.3	5.0	2.6	0.8	6.9	4.3	6.0	0.5	8.4	9.9	11.2
2020	58.7	0.3	5.1	2.7	0.8	6.9	4.3	6.1	0.5	8.6	10.1	11.2
2021	59.3	0.3	5.3	2.6	0.8	6.9	4.3	6.3	0.5	8.6	10.1	11.3
2022	59.8	0.3	5.5	2.6	0.9	7.0	4.3	6.4	0.5	8.7	10.1	11.4
2023	59.9	0.3	5.2	2.6	0.9	7.0	4.3	6.5	0.5	8.8	10.1	11.4
2024	60.0	0.3	5.0	2.6	0.9	7.0	4.4	6.6	0.5	9.0	10.2	11.5
2025	60.3	0.3	4.9	2.6	0.9	7.0	4.4	6.6	0.6	9.1	10.2	11.6
2026	60.7	0.3	5.0	2.7	0.9	7.0	4.4	6.7	0.6	9.2	10.3	11.7
2027	61.0	0.3	5.0	2.7	0.9	7.0	4.4	6.8	0.6	9.3	10.3	11.8
2028	61.4	0.3	5.1	2.7	0.9	7.0	4.4	6.9	0.6	9.3	10.4	11.8
2029	61.7	0.3	5.0	2.7	0.9	7.0	4.4	6.9	0.6	9.4	10.4	11.9
2030	61.9	0.3	5.0	2.7	0.9	7.1	4.4	7.0	0.6	9.5	10.5	11.9
2031	62.2	0.3	5.0	2.7	0.9	7.1	4.4	7.1	0.6	9.6	10.5	12.0
2032	62.3	0.3	4.8	2.7	0.9	7.1	4.4	7.2	0.6	9.7	10.6	12.1
2033	62.6	0.3	4.8	2.7	0.9	7.1	4.4	7.2	0.6	9.8	10.6	12.1
2034	62.8	0.3	4.7	2.7	0.9	7.1	4.4	7.3	0.6	9.9	10.7	12.2
2035	63.3	0.3	4.8	2.7	0.9	7.1	4.4	7.4	0.6	10.0	10.7	12.2
2036	63.5	0.3	4.7	2.7	0.9	7.1	4.4	7.4	0.6	10.1	10.8	12.3
2037	63.8	0.3	4.7	2.7	0.9	7.1	4.4	7.5	0.6	10.1	10.8	12.4
2038	64.0	0.3	4.7	2.7	0.9	7.1	4.4	7.6	0.6	10.2	10.9	12.4
2039	64.3	0.3	4.7	2.7	0.9	7.2	4.4	7.7	0.6	10.3	10.9	12.5
2040	64.5	0.3	4.6	2.7	0.9	7.2	4.4	7.7	0.6	10.4	11.0	12.6
2041	64.7	0.3	4.5	2.7	0.9	7.2	4.4	7.8	0.6	10.5	11.0	12.6
2042	65.1	0.3	4.5	2.7	0.9	7.2	4.4	7.9	0.6	10.6	11.1	12.7
2043	65.5	0.3	4.6	2.7	0.9	7.2	4.4	8.0	0.6	10.7	11.1	12.7
2044	65.8	0.3	4.6	2.7	0.9	7.2	4.4	8.0	0.6	10.8	11.1	12.8
2045	66.0	0.3	4.6	2.7	0.9	7.2	4.4	8.1	0.6	10.9	11.2	12.9
2046	66.3	0.3	4.5	2.7	0.9	7.2	4.4	8.2	0.6	11.0	11.2	12.9
2047	66.6	0.3	4.5	2.7	0.9	7.2	4.4	8.2	0.6	11.1	11.3	13.0
2048	66.9	0.3	4.4	2.7	0.9	7.2	4.4	8.3	0.6	11.2	11.3	13.1
2049	67.1	0.3	4.4	2.7	0.9	7.3	4.4	8.4	0.6	11.3	11.4	13.1
2050	67.4	0.3	4.4	2.7	0.9	7.3	4.4	8.5	0.6	11.4	11.4	13.2

# El Dorado County Economic Forecast

## Socioeconomic Indicators

