

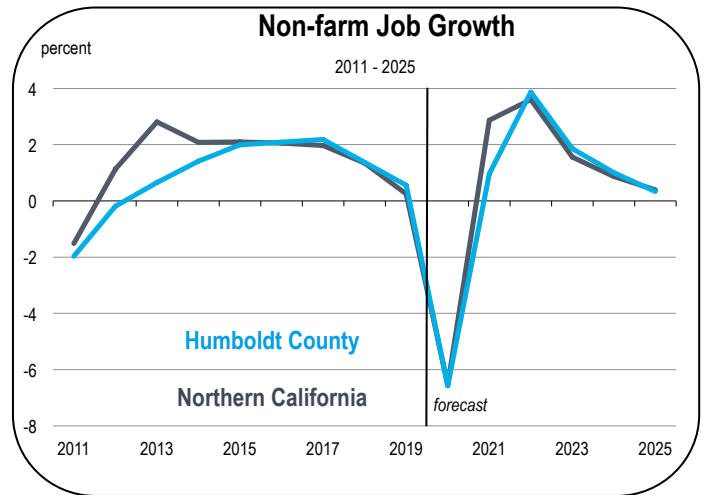
Humboldt County Economic Forecast

Forecast Summary

- It is estimated that an average of 2,600 to 4,100 jobs will be lost in Humboldt County during 2020. Job losses will be heavy in the first half of the year.
- Employment losses will be largest in leisure services, construction, retail, and government. In each of these sectors, losses will top 300 jobs on an annual average bases in 2020.
- The unemployment rate averaged 3.6 percent in 2019. It will average between 8 percent and 10 percent for the 2020 calendar year.
- The Humboldt County population is expected to decline during most of the 2020-2025 forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production during the 2020-2025 forecast period is expected to be similar to the 2014-2019 period.

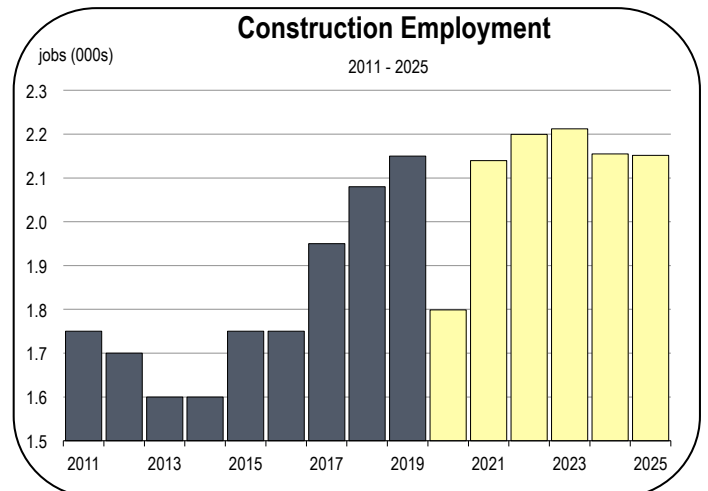
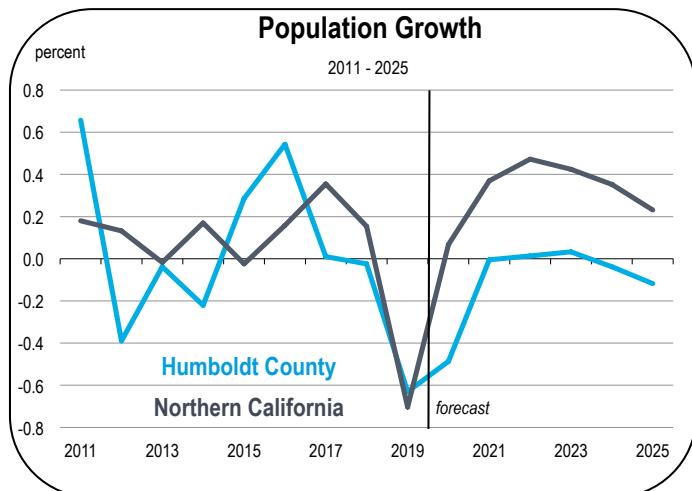
Job Growth

- Total employment in the County will decline by at least 5 percent in 2020. This is an annual average change from 2019.
- In 2021 and 2022, Humboldt County is expected to re-gain many of the jobs that were lost during the Coronavirus Recession.

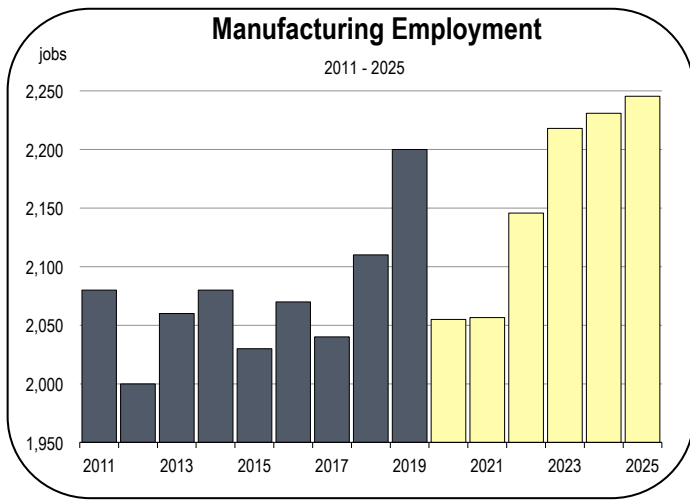


Construction Employment

- On an annual average basis, the construction sector is expected to lose more than 300 jobs in 2020.
- Most California construction activity was deemed non-essential for portions of March and April, leading to construction layoffs.
- Restrictions on construction were lifted in late April, and overall construction activity began to ramp back up during May and June.
- Construction projects will largely have resumed by 2021, but additional employment growth might be minimal through the end of the 2020-2025 forecast period.



Humboldt County Economic Forecast

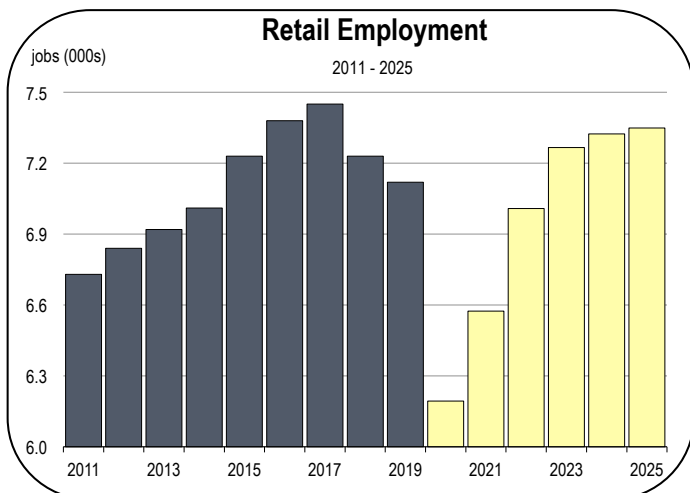


Manufacturing Employment

- Manufacturing employment is expected to decline sharply in 2020.
- The Coronavirus Recession could have a prolonged impact on the Humboldt County manufacturing sector, and a recovery may not fully begin until 2022.
- During the 2020-2025 forecast period, legal cannabis will be a major contributor to the Humboldt County manufacturing sector. New jobs are expected to be created to turn cannabis into foods, drinks, and other products, and these jobs will be classified into the manufacturing sector.

Retail Trade Employment

- The retail sector is expected to lose 800 to 1,200 jobs in 2020 on an annual average basis.
- Many retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not



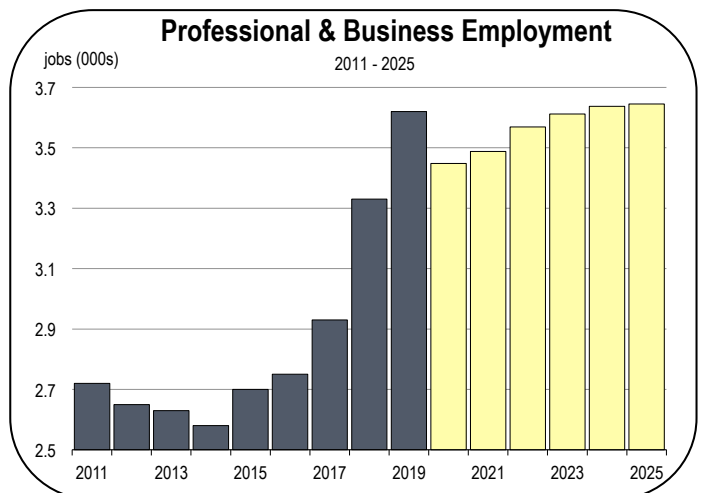
Retail Trade / Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Food & Beverage Stores	1,800	25.4%
Department Stores	1,000	14.1%
Hardware & Garden Stores	800	11.3%
Auto Dealers	800	11.3%
Sporting Goods & Hobby Stores	600	8.5%
Health & Personal Care Stores	400	5.6%
Gas Stations	400	5.6%
Clothing Stores	400	5.6%
Furniture & Home Goods Stores	200	2.8%
Electronics & Appliance Stores	100	1.4%
Other	600	8.5%

considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.

- Accounting for furloughed workers, more than 2,000 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each will be impacted differently during the recession and recovery phases of 2020 and 2021.
- Jobs in corporate security and building maintenance declined substantially during the shutdowns but are expected to rebound at office and industrial buildings with repopulating employment.



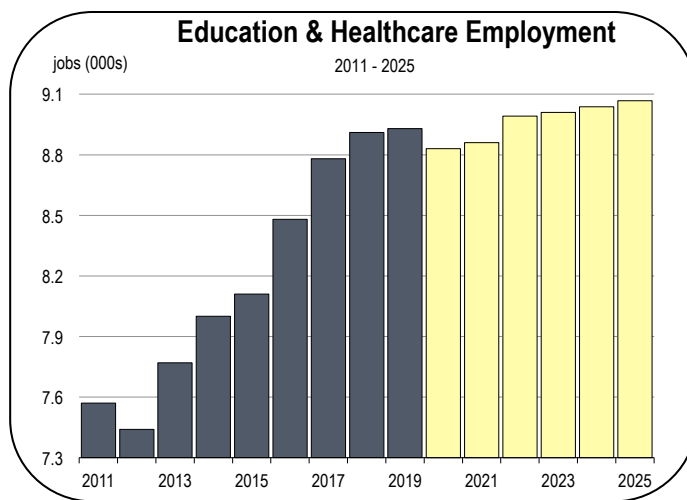
Humboldt County Economic Forecast

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Staffing Agencies	600	15.8%
Building Maintenance	600	15.8%
Engineering & Architecture	500	13.2%
Business & Technical Consulting	400	10.5%
Corporate Headquarters	300	7.9%
Accounting & Bookkeeping	200	5.3%
Law	200	5.3%
Investigation & Security Services	200	5.3%
Custom IT Services	100	2.6%
Other	700	18.4%

- Staffing agencies had significant losses during the contraction, but may bounce back quickly through 2021.
- Staffing agencies primarily employ temp workers, who are often laid off first in a downturn but hired back first during a recovery.
- Aside from security, maintenance, and staffing agencies, most subsectors of the professional business services industry operated remotely and were largely unaffected by the shutdowns, although some had layoffs due to the recessionary macroeconomic conditions that persisted throughout the U.S.

Private Education and Healthcare Employment

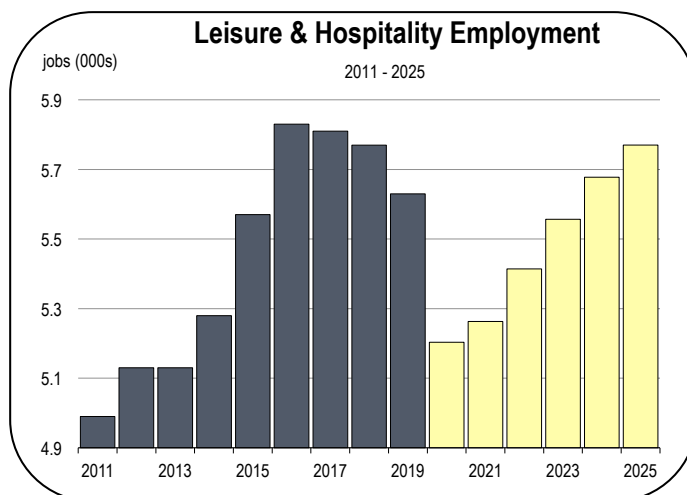
- There were 5,000 healthcare jobs in Humboldt County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and hospitals reduced employment levels because resources were not being utilized as envisioned to support Coronavirus patients.
- There were approximately 4,000 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.
- There were also 200 jobs in private schools and colleges, tutoring services, vocational schools, and other educational organizations.



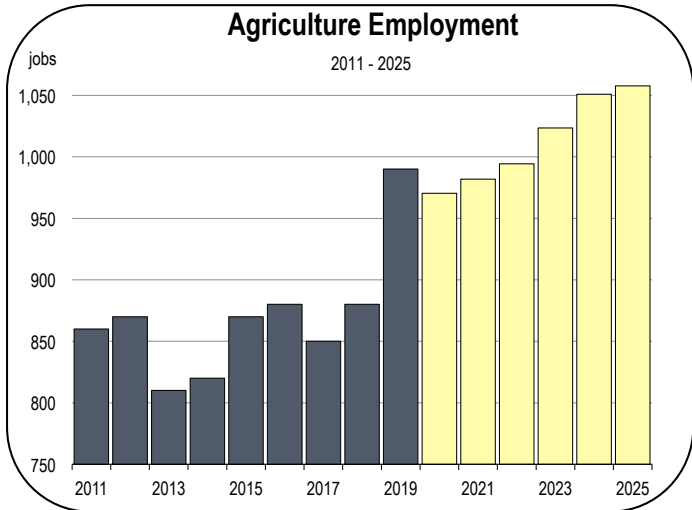
- Jobs in social assistance and education were mostly classified as essential. Nevertheless, there were layoffs at institutions with revenue shortfalls.

Leisure and Hospitality Employment

- In 2019, Humboldt County had 5,000 jobs in restaurants, hotels, and bars. Approximately 30 percent were laid off in March and April of 2020, and another 30 to 35 percent had their hours cut or were furloughed without pay.
- Humboldt County also had 600 jobs in entertainment and recreation in 2019, including things like fitness centers, museums, and recreation centers. Many of these organizations will operate at reduced capacities into 2021.



Humboldt County Economic Forecast

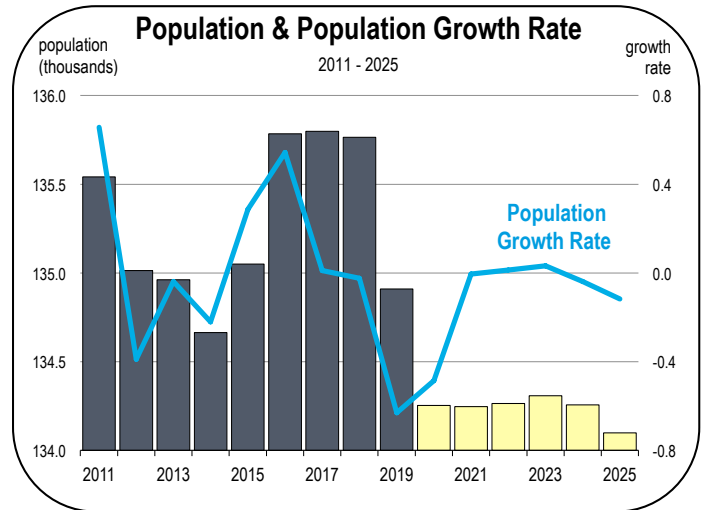
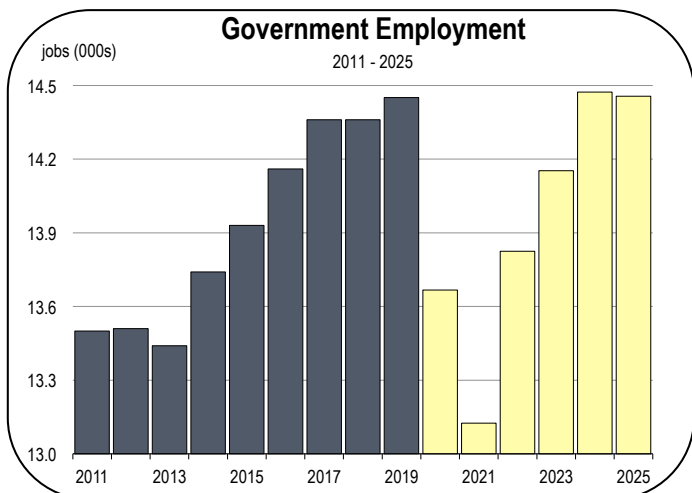


Agriculture Employment

- The farm sector is expected to show minimal consolidation in its workforce during 2020.
- The County is expected to regain all lost agriculture jobs by the end of the 2020-2025 forecast period.
- Cannabis cultivation will be a major generator of agriculture jobs during the 2020-2025 forecast period.

Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough

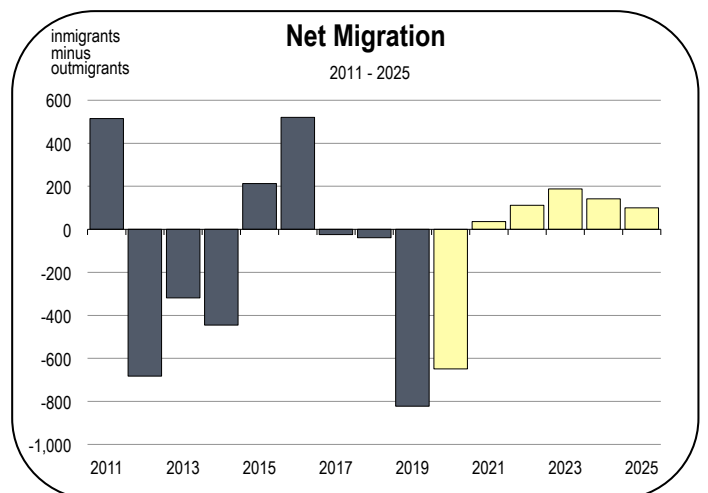


days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.

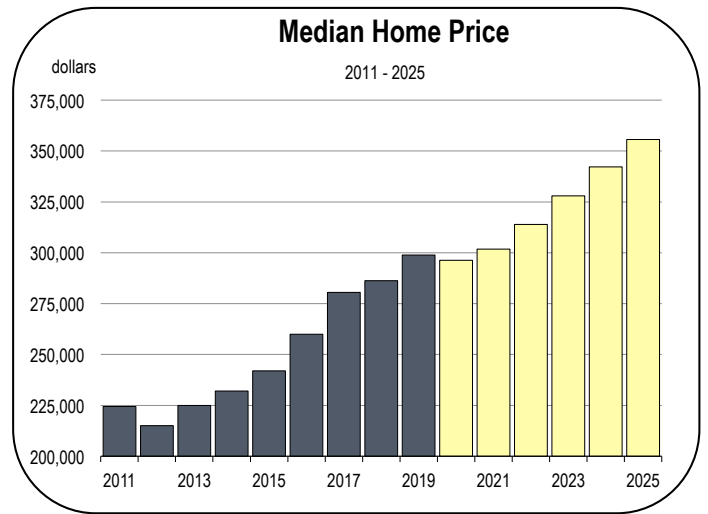
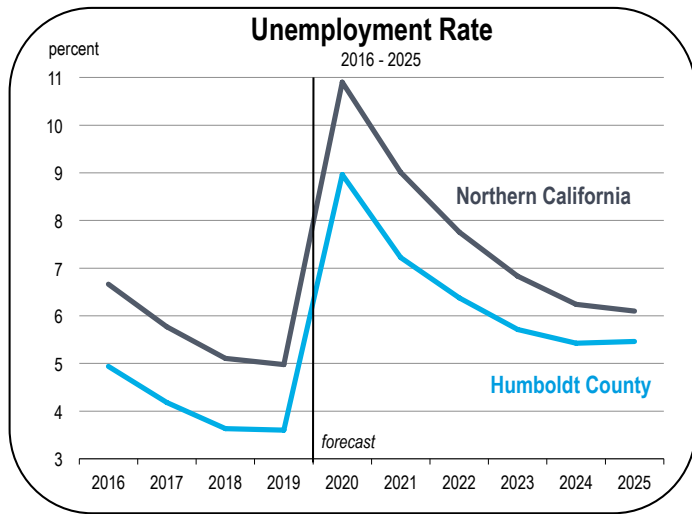
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.

Population Growth

- The Humboldt County population is expected to decline between 2020 and 2025.
- Net migration is expected to be sharply negative in 2020, with more residents moving out of the County than moving in.
- The population will decline at an annual average rate of 0.1 percent per year from 2020 to 2025.



Humboldt County Economic Forecast

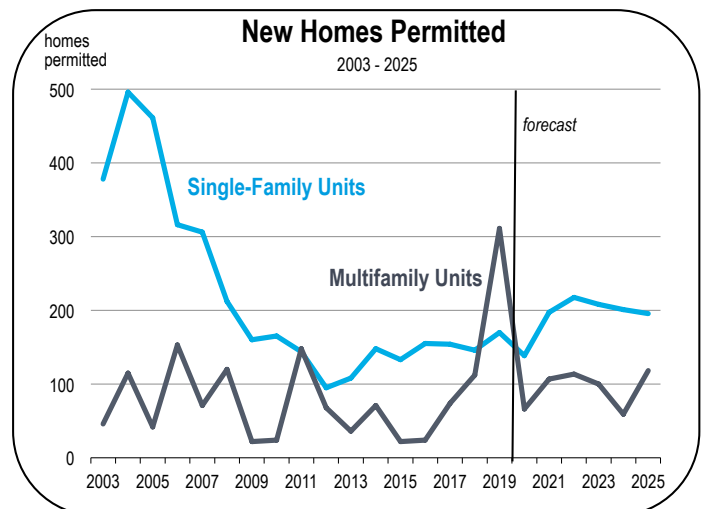
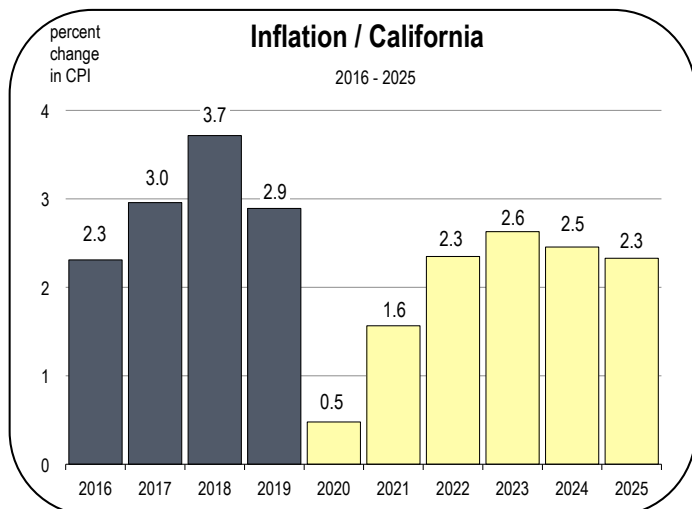


Unemployment and Inflation Rates

- The unemployment rate in Humboldt County averaged 3.6 percent in 2019, which was below the composite rate for the Northern California region.
- The unemployment rate is expected to average between 8 and 10 percent in 2020.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

Home Prices and New Housing Production

- In 2019 the median home price in Humboldt County was \$298,800.
- The median price is not expected to show much change in 2020 or 2021.
- In Humboldt County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California, the typical household spends more than 35 percent of pre-tax income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of household income.
- From 2014 to 2019, an average of 253 new homes were started per year in Humboldt County. Approximately 60 percent were single-family homes.
- Housing production is expected to average 290 units per year from 2020 to 2025, consisting primarily of single-family homes.



Humboldt County Economic Forecast

Economic Indicators

2015-2019 History, 2020-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	135,050	56.8	213	155	153	\$5.9	\$1.5	\$2.0	\$460	\$49,189	5.6	\$262	1.4
2016	135,784	57.0	520	179	156	\$6.2	\$1.6	\$2.2	\$452	\$49,839	4.9	\$281	2.3
2017	135,798	57.1	-24	228	154	\$6.3	\$1.6	\$2.2	\$448	\$49,896	4.2	\$284	3.0
2018	135,765	57.5	-39	258	152	\$6.6	\$1.5	\$2.0	\$447	\$50,383	3.6	\$282	3.7
2019	134,909	57.8	-822	481	154	\$7.1	\$1.5	\$2.0	\$454	\$52,539	3.6	\$288	2.9
2020	134,253	58.1	-649	205	154	\$7.0	\$1.4	\$2.0	\$451	\$51,609	9.0	\$308	0.5
2021	134,246	58.3	36	304	154	\$7.0	\$1.6	\$2.1	\$444	\$50,855	7.2	\$316	1.6
2022	134,264	58.5	112	331	154	\$7.3	\$1.6	\$2.2	\$451	\$51,924	6.4	\$325	2.3
2023	134,308	58.8	188	308	154	\$7.6	\$1.7	\$2.3	\$461	\$52,957	5.7	\$346	2.6
2024	134,256	59.1	142	260	154	\$7.9	\$1.8	\$2.4	\$463	\$53,901	5.4	\$368	2.5
2025	134,098	59.4	100	314	154	\$8.2	\$1.9	\$2.5	\$469	\$54,724	5.5	\$373	2.3
2026	133,917	59.7	126	290	154	\$8.5	\$1.9	\$2.6	\$475	\$55,538	5.4	\$387	2.3
2027	133,659	59.9	108	305	154	\$8.8	\$2.0	\$2.6	\$481	\$56,349	5.4	\$398	2.2
2028	133,333	60.2	83	281	154	\$9.1	\$2.0	\$2.7	\$486	\$57,116	5.4	\$404	2.2
2029	132,999	60.5	110	293	154	\$9.4	\$2.1	\$2.8	\$489	\$57,722	5.3	\$411	2.3
2030	132,674	60.7	131	285	154	\$9.7	\$2.2	\$2.9	\$491	\$58,375	5.4	\$422	2.2
2031	132,356	61.0	125	276	154	\$10.0	\$2.2	\$3.0	\$495	\$59,046	5.4	\$429	2.1
2032	132,076	61.3	130	276	154	\$10.3	\$2.3	\$3.1	\$499	\$59,625	5.4	\$433	2.3
2033	131,818	61.5	131	275	153	\$10.6	\$2.3	\$3.1	\$505	\$60,387	5.5	\$440	1.9
2034	131,590	61.8	136	271	153	\$11.0	\$2.4	\$3.2	\$510	\$61,082	5.5	\$445	2.1
2035	131,382	62.0	149	271	153	\$11.3	\$2.5	\$3.3	\$516	\$61,757	5.6	\$449	2.2
2036	131,201	62.3	161	272	153	\$11.7	\$2.5	\$3.4	\$520	\$62,251	5.7	\$453	2.6
2037	131,034	62.5	171	274	153	\$12.1	\$2.6	\$3.5	\$524	\$62,739	5.7	\$456	2.7
2038	130,852	62.8	156	274	153	\$12.5	\$2.7	\$3.6	\$529	\$63,336	5.6	\$460	2.5
2039	130,682	63.0	149	274	153	\$12.9	\$2.8	\$3.7	\$533	\$63,861	5.6	\$464	2.7
2040	130,514	63.3	144	272	153	\$13.3	\$2.9	\$3.8	\$538	\$64,425	5.7	\$468	2.6
2041	130,361	63.5	152	272	153	\$13.8	\$2.9	\$3.9	\$544	\$65,164	5.7	\$472	2.2
2042	130,227	63.8	157	271	153	\$14.2	\$3.0	\$4.0	\$551	\$65,941	5.8	\$476	2.1
2043	130,093	64.0	151	271	152	\$14.7	\$3.1	\$4.1	\$557	\$66,772	5.9	\$480	2.0
2044	129,987	64.3	171	272	152	\$15.1	\$3.1	\$4.2	\$565	\$67,686	5.8	\$484	1.8
2045	129,923	64.5	199	273	152	\$15.6	\$3.2	\$4.3	\$573	\$68,544	5.8	\$488	1.9
2046	129,884	64.8	214	274	152	\$16.1	\$3.3	\$4.4	\$581	\$69,337	5.9	\$491	2.0
2047	129,824	65.0	186	273	152	\$16.6	\$3.4	\$4.6	\$587	\$70,094	5.9	\$495	2.2
2048	129,745	65.3	169	271	152	\$17.1	\$3.5	\$4.7	\$594	\$70,784	6.0	\$499	2.3
2049	129,656	65.5	165	271	152	\$17.7	\$3.5	\$4.8	\$602	\$71,642	6.1	\$503	2.0
2050	129,559	65.8	162	271	152	\$18.3	\$3.6	\$4.9	\$610	\$72,484	6.0	\$507	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	48.7	0.9	1.8	2.0	1.2	8.2	1.6	2.7	0.5	8.1	5.6	13.9
2016	49.7	0.9	1.8	2.1	1.2	8.4	1.7	2.8	0.4	8.5	5.8	14.2
2017	50.7	0.9	2.0	2.0	1.2	8.4	1.7	2.9	0.4	8.8	5.8	14.4
2018	51.4	0.9	2.1	2.1	1.1	8.3	1.8	3.3	0.4	8.9	5.8	14.4
2019	51.8	1.0	2.2	2.2	1.0	8.2	1.8	3.6	0.4	8.9	5.6	14.5
2020	48.5	1.0	1.8	2.1	1.0	7.2	1.8	3.4	0.3	8.8	5.2	13.7
2021	48.9	1.0	2.1	2.1	1.0	7.6	1.8	3.5	0.3	8.9	5.3	13.1
2022	50.8	1.0	2.2	2.1	1.0	8.1	1.8	3.6	0.4	9.0	5.4	13.8
2023	51.7	1.0	2.2	2.2	1.0	8.3	1.9	3.6	0.3	9.0	5.6	14.2
2024	52.3	1.1	2.2	2.2	1.0	8.4	1.9	3.6	0.3	9.0	5.7	14.5
2025	52.5	1.1	2.2	2.2	1.0	8.4	1.9	3.6	0.3	9.1	5.8	14.5
2026	52.7	1.1	2.1	2.3	1.0	8.5	1.9	3.6	0.3	9.1	5.8	14.5
2027	52.8	1.1	2.1	2.3	1.0	8.5	1.9	3.6	0.3	9.1	5.9	14.6
2028	52.8	1.1	2.1	2.3	1.0	8.5	1.9	3.6	0.3	9.1	5.9	14.6
2029	52.9	1.1	2.1	2.3	1.0	8.5	1.8	3.7	0.3	9.2	5.9	14.6
2030	53.0	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.3	9.2	5.9	14.6
2031	53.1	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.2	6.0	14.6
2032	53.2	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.2	6.0	14.7
2033	53.3	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.3	6.0	14.7
2034	53.4	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.3	6.0	14.7
2035	53.5	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.3	6.0	14.8
2036	53.6	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.3	6.1	14.8
2037	53.7	1.1	2.1	2.3	1.0	8.6	1.8	3.7	0.2	9.3	6.1	14.8
2038	53.8	1.2	2.1	2.3	1.0	8.7	1.8	3.7	0.2	9.4	6.1	14.8
2039	53.9	1.2	2.1	2.3	1.0	8.7	1.8	3.7	0.2	9.4	6.1	14.9
2040	54.0	1.2	2.1	2.3	1.0	8.7	1.8	3.7	0.1	9.4	6.1	14.9
2041	54.2	1.2	2.1	2.3	1.0	8.7	1.8	3.8	0.1	9.4	6.2	15.0
2042	54.3	1.2	2.1	2.3	1.1	8.7	1.8	3.8	0.1	9.5	6.2	15.0
2043	54.4	1.2	2.1	2.4	1.1	8.7	1.8	3.8	0.1	9.5	6.2	15.1
2044	54.6	1.2	2.1	2.4	1.1	8.7	1.8	3.8	0.1	9.5	6.2	15.2
2045	54.7	1.2	2.1	2.4	1.1	8.7	1.8	3.8	0.1	9.5	6.2	15.2
2046	54.8	1.2	2.1	2.4	1.1	8.7	1.8	3.8	0.1	9.5	6.3	15.2
2047	54.9	1.2	2.1	2.4	1.1	8.7	1.8	3.8	0.1	9.6	6.3	15.3
2048	55.0	1.2	2.1	2.4	1.1	8.8	1.8	3.8	0.1	9.6	6.3	15.3
2049	55.0	1.2	2.1	2.4	1.1	8.8	1.8	3.8	0.1	9.6	6.3	15.3
2050	55.1	1.2	2.1	2.4	1.1	8.8	1.8	3.8	0.0	9.6	6.4	15.3

Humboldt County Economic Forecast

Socioeconomic Indicators

