

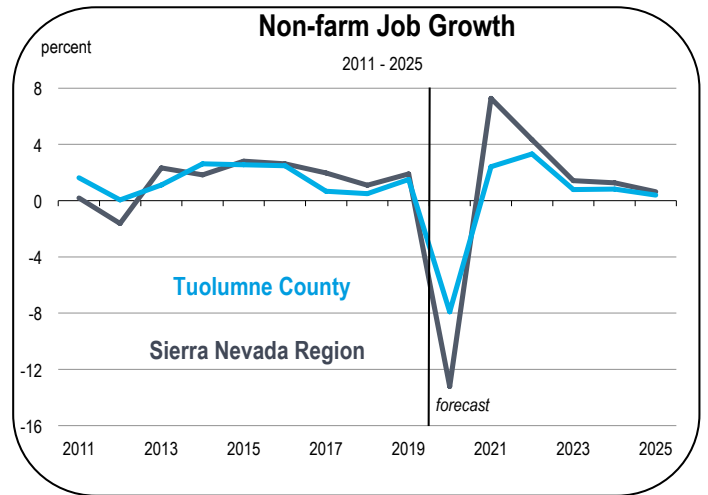
Tuolumne County Economic Forecast

Forecast Summary

- It is estimated that an average of 1,100 to 1,800 jobs will be lost in Tuolumne County during 2020. Job losses will be heavy in the first half of the year, rebounding in the second half.
- The unemployment rate averaged 4.5 percent in 2019. It will average somewhere between 11 percent and 14 percent for the 2020 calendar year.
- The Tuolumne County population is expected to decline during the 2020-2025 forecast period.
- Home values are not expected to change substantially in 2020 or 2021.
- Housing production during the 2020-2025 forecast period will be similar to the 2014-2019 period.

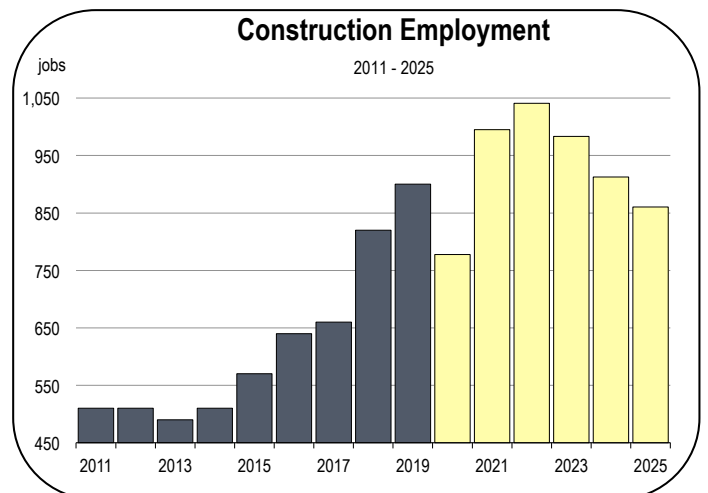
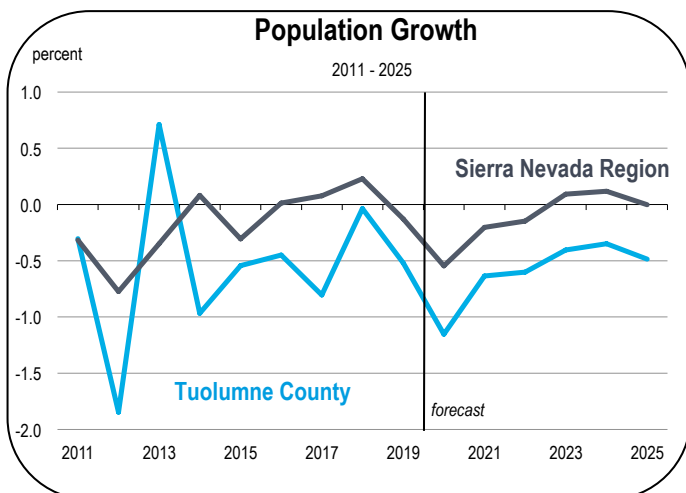
Job Growth

- Total employment in the County will decline between 6 and 10 percent in 2020. This is an annual average change from 2019.
- During 2021, Tuolumne County is expected to regain 25 percent to 50 percent of the jobs lost during the Coronavirus Recession.
- It is unclear if Tuolumne County will have regained all jobs lost during the Coronavirus Recession before the year 2025.

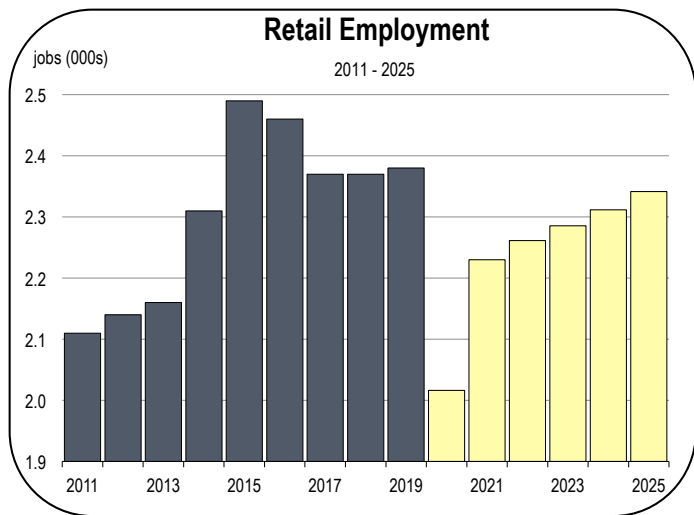


Construction Employment

- The construction sector is expected to lose more than 100 jobs in 2020.
- Employment totals may recover in 2021 and expand in 2022, but over the entire 2020-2025 forecast period, employment declines are expected to be relatively persistent.
- Because housing production will be low and fewer non-residential construction projects will break ground, construction firms will be able to meet demand without adding new workers.



Tuolumne County Economic Forecast

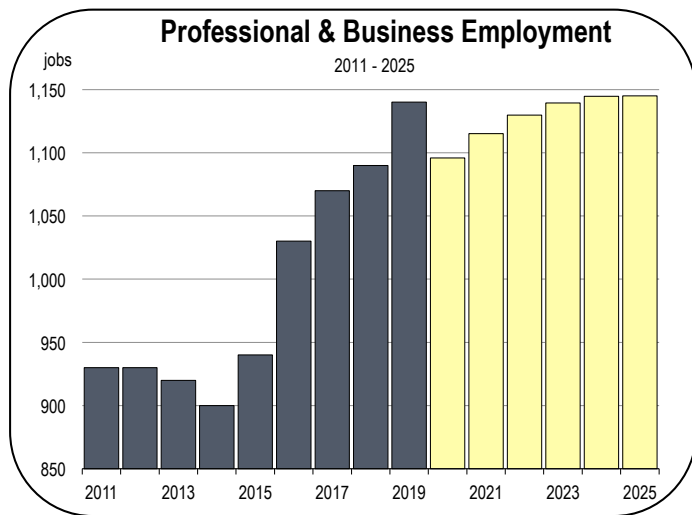


Retail Trade Employment

- The retail sector is expected to lose 300 to 400 jobs in 2020 on an annual average basis, a decrease of more than 10 percent.
- Some retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not 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 600 retail workers could be effectively not working and not earning an income on an annual average basis in 2020 in Tuolumne County.

Professional and Business Services Employment

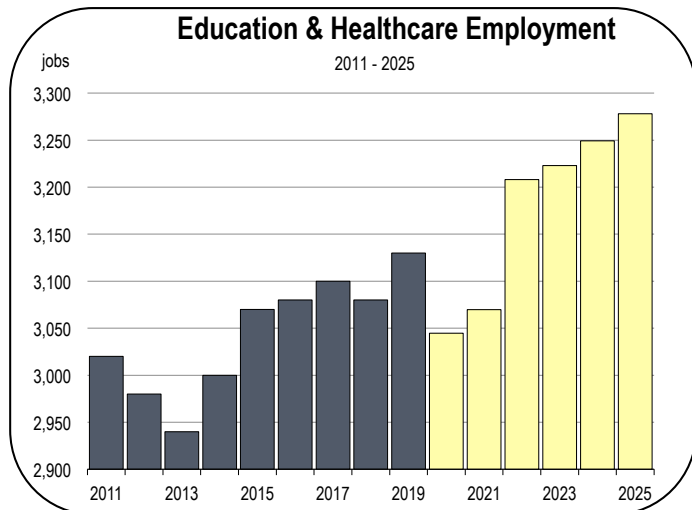
- The professional and business services industry has a diverse array of subsectors, including staffing agencies, accounting firms, building maintenance and waste management companies, and law firms.
- Jobs in building maintenance declined substantially during the shutdowns but began to rebound at office and industrial buildings with repopulating employment.
- Staffing agencies had very significant losses during the contraction, but may bounce back quickly as the economy expands again.



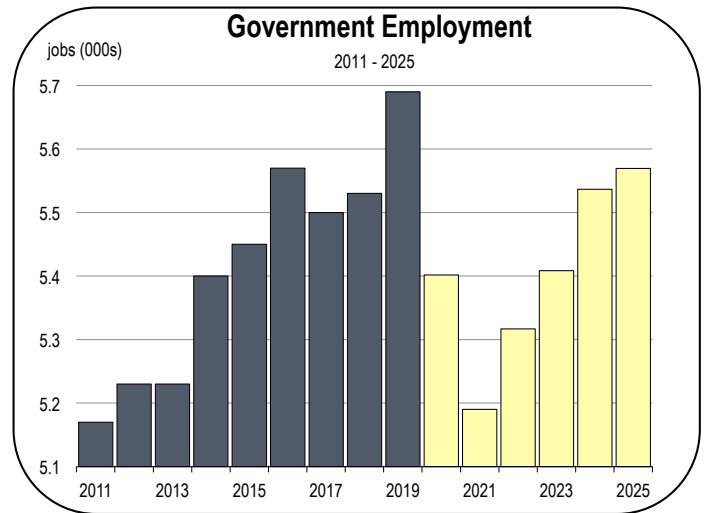
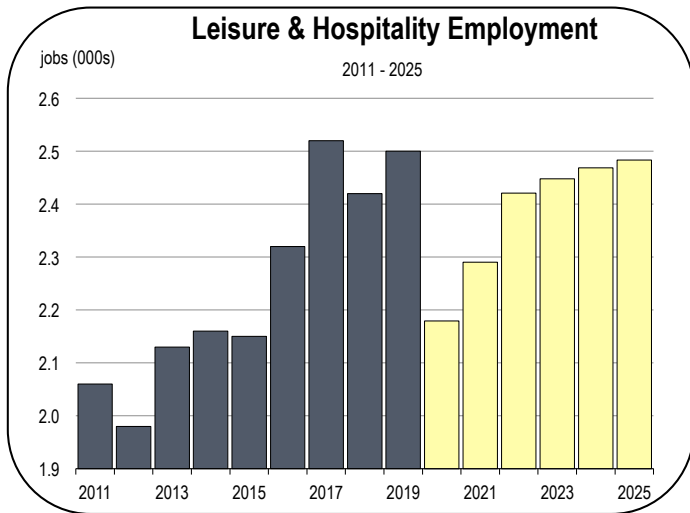
- Staffing agencies primarily employ temp workers. Temp workers are usually laid off first during a downturn but hired back first during a recovery.
- Aside from building maintenance and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were less affected by the recession.

Private Education and Healthcare Employment

- Healthcare jobs were recession proof during the 2008-2009 financial crisis, but have been subject to job losses during the Coronavirus Recession.



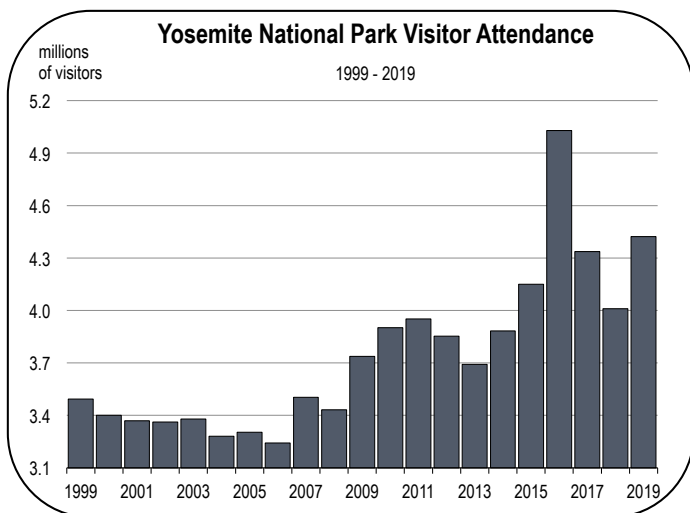
Tuolumne County Economic Forecast



- Some non-essential medical offices had to close in 2020, and hospitals reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.
- Jobs in social assistance and education were mostly classified as essential. Nevertheless, there were layoffs at institutions with revenue shortfalls.

Leisure and Hospitality Employment

- Tuolumne County is near Yosemite National Park, and visitor traffic to Yosemite supports leisure and hospitality employment in Tuolumne County.

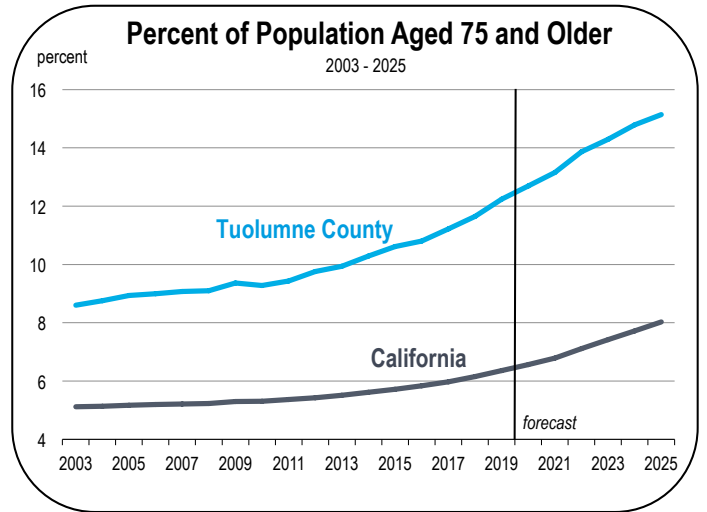
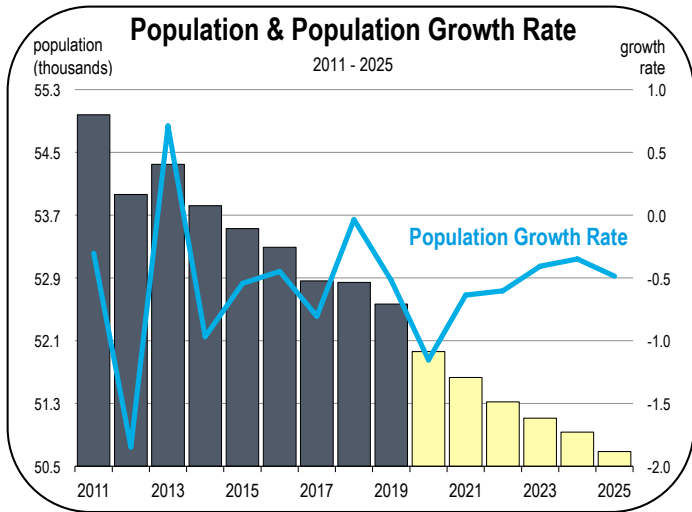


- Visitor traffic to many national parks, including Yosemite, has increased in recent years, supporting growth in leisure and hospitality employment.
- The coronavirus pandemic is expected to decrease visitor traffic to national parks in 2020, and the mandated shutdowns of restaurants and other leisure establishments will devastate leisure and hospitality employment in Tuolumne County.
- Jobs at restaurants, bars, hotels, and recreation facilities will rebound in 2021 but may not return to pre-recession levels for several years.

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.

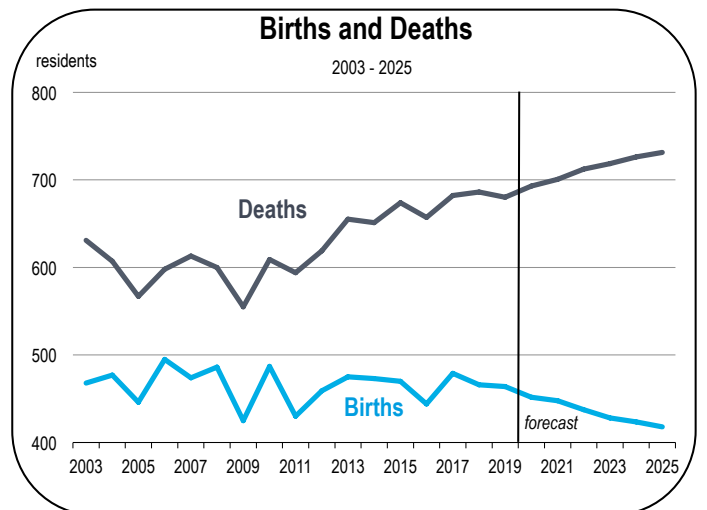
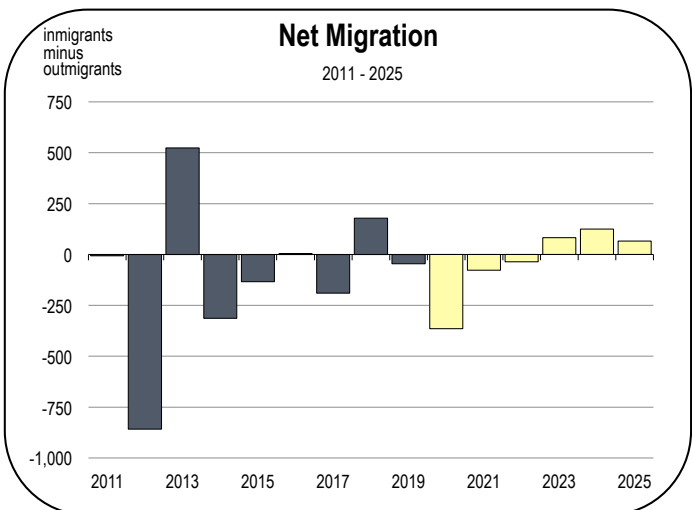
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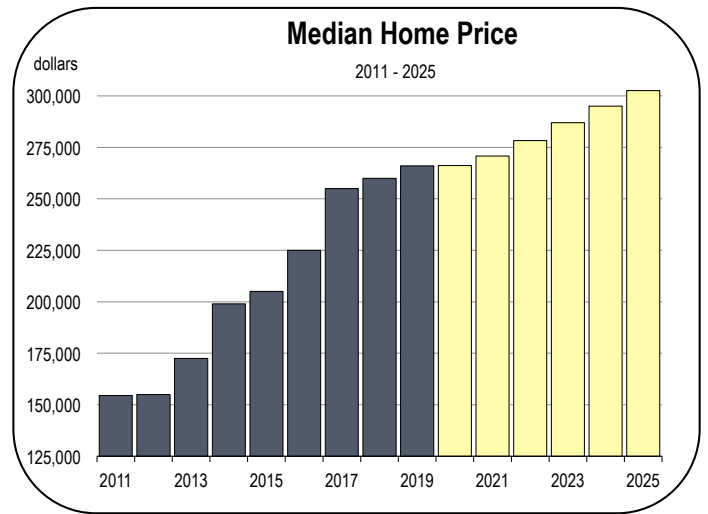
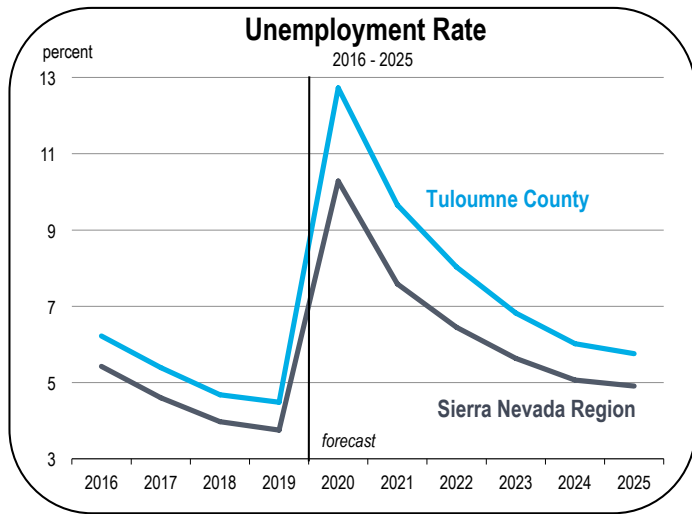
Population Growth

- The Tuolumne County population has declined steadily for more than a decade.
- Tuolumne County's population is much older than the statewide average. As of 2019, more than 12 percent of Tuolumne County's population was age 75 or older, compared to just 7 percent of California's population.
- Because Tuolumne County has a high share of residents aged 75 and older, the number of deaths has begun to exceed the number of births.

- Over the forecast period, the number of people moving into the county will be approximately equal to the number of people moving out, but because deaths will exceed births, the overall population will decline.
- The population declined at an average rate of 0.6 percent annually over the last six years, and is also expected to decline by 0.6 percent annually over the next six years.



Tuolumne County Economic Forecast

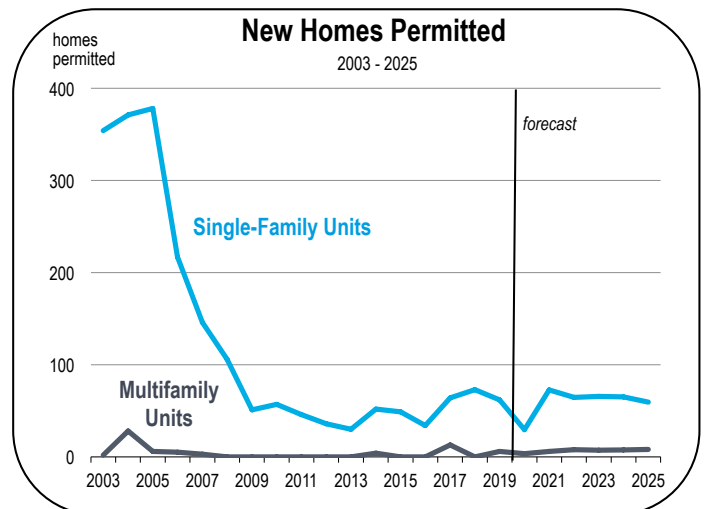
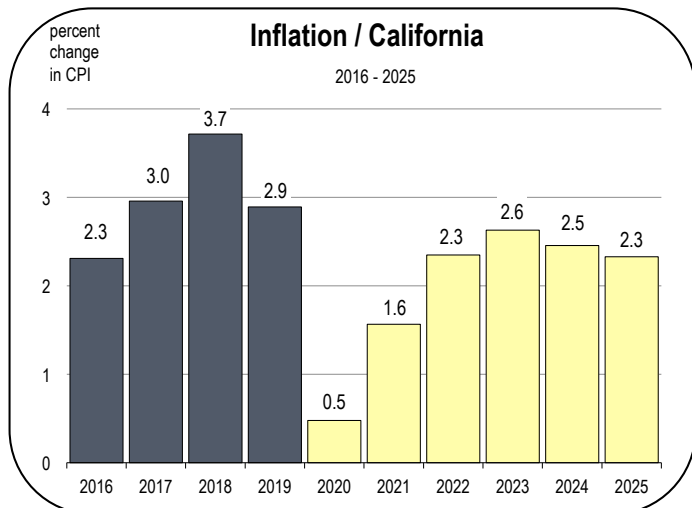


Unemployment and Inflation Rates

- The unemployment rate in Tuolumne County averaged 4.5 percent in 2019, which was above the composite rate for the Sierra Region.
- The unemployment rate is expected to average between 11 and 14 percent during the 2020 calendar year.
- 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. By 2022, inflation could return to a range of 2 percent to 3 percent.

Home Prices and New Housing Production

- In 2019 the median home price in Tuolumne County was \$266,000, placing it in the bottom half of all California counties in terms of home prices.
- The median price is not expected to change substantially in 2020 or 2021.
- From 2014 to 2019, an average of 355 new homes were started per year in Tuolumne County. Virtually all were single-family units.
- Housing production is expected to average approximately 400 homes per year from 2020 to 2025, consisting mostly of single-family homes.



Tuolumne 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 (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	53,531	22.3	-134	49	76.9	\$2.3	\$495	\$651	\$396	\$48,975	7.0	31.4	1.4
2016	53,291	22.3	2	34	78.9	\$2.4	\$515	\$696	\$544	\$50,352	6.2	30.4	2.3
2017	52,862	22.3	-190	77	78.0	\$2.5	\$540	\$730	\$666	\$50,209	5.4	34.0	3.0
2018	52,843	22.4	179	73	79.0	\$2.6	\$550	\$729	\$443	\$50,822	4.7	42.1	3.7
2019	52,568	22.4	-45	68	80.5	\$2.7	\$570	\$773	\$445	\$52,195	4.5	47.0	2.9
2020	51,962	22.5	-365	33	80.6	\$2.7	\$398	\$563	\$471	\$51,683	12.7	47.1	0.5
2021	51,632	22.5	-77	79	81.0	\$2.8	\$503	\$659	\$459	\$52,466	9.7	47.2	1.6
2022	51,321	22.6	-36	72	81.0	\$2.9	\$531	\$707	\$451	\$53,387	8.0	47.2	2.3
2023	51,113	22.7	83	73	81.2	\$3.0	\$559	\$746	\$454	\$54,436	6.8	47.3	2.6
2024	50,935	22.7	125	73	81.1	\$3.1	\$588	\$786	\$457	\$55,523	6.0	47.4	2.5
2025	50,688	22.8	66	67	81.0	\$3.2	\$621	\$830	\$462	\$56,514	5.8	47.5	2.3
2026	50,448	22.8	89	79	81.2	\$3.3	\$639	\$857	\$463	\$57,668	5.4	47.5	2.3
2027	50,150	22.9	50	75	81.4	\$3.5	\$659	\$884	\$471	\$58,833	5.1	47.6	2.2
2028	49,811	23.0	27	74	81.2	\$3.6	\$680	\$913	\$475	\$60,082	5.0	47.7	2.2
2029	49,504	23.0	73	74	81.1	\$3.7	\$698	\$939	\$476	\$60,888	4.7	47.8	2.3
2030	49,229	23.1	114	75	80.8	\$3.8	\$721	\$969	\$478	\$61,683	4.6	47.8	2.2
2031	48,908	23.1	91	74	80.4	\$3.9	\$736	\$990	\$479	\$62,588	4.5	47.9	2.1
2032	48,538	23.2	61	68	80.0	\$4.0	\$755	\$1,015	\$480	\$63,409	4.3	48.0	2.3
2033	48,151	23.2	55	67	79.6	\$4.1	\$772	\$1,039	\$482	\$64,455	4.5	48.1	1.9
2034	47,757	23.3	60	67	79.3	\$4.3	\$790	\$1,062	\$484	\$65,480	4.6	48.2	2.1
2035	47,353	23.4	64	68	78.7	\$4.4	\$812	\$1,092	\$484	\$66,508	4.7	48.3	2.2
2036	46,952	23.4	75	66	78.4	\$4.5	\$839	\$1,129	\$484	\$67,375	4.8	48.4	2.6
2037	46,580	23.5	117	66	77.6	\$4.7	\$864	\$1,163	\$483	\$68,186	4.9	48.5	2.7
2038	46,200	23.5	109	59	76.9	\$4.8	\$889	\$1,197	\$484	\$69,098	4.8	48.6	2.5
2039	45,826	23.6	113	55	76.2	\$5.0	\$916	\$1,232	\$483	\$69,937	5.0	48.6	2.7
2040	45,462	23.6	122	52	75.5	\$5.1	\$939	\$1,265	\$483	\$70,803	5.0	48.7	2.6
2041	45,097	23.7	124	46	75.0	\$5.3	\$961	\$1,294	\$484	\$71,852	5.1	48.8	2.2
2042	44,735	23.7	129	45	74.6	\$5.4	\$983	\$1,323	\$485	\$72,964	5.2	49.0	2.1
2043	44,363	23.7	119	41	74.0	\$5.6	\$1,006	\$1,354	\$487	\$74,126	5.2	49.1	2.0
2044	44,009	23.8	136	45	73.8	\$5.7	\$1,024	\$1,379	\$489	\$75,387	5.1	49.2	1.8
2045	43,673	23.8	157	44	73.6	\$5.9	\$1,049	\$1,412	\$491	\$76,577	4.8	49.3	1.9
2046	43,354	23.8	170	42	73.2	\$6.0	\$1,073	\$1,444	\$492	\$77,675	5.0	49.4	2.0
2047	43,007	23.9	138	40	73.2	\$6.2	\$1,096	\$1,477	\$493	\$78,704	4.8	49.5	2.2
2048	42,652	23.9	132	38	73.0	\$6.3	\$1,126	\$1,516	\$493	\$79,703	5.0	49.6	2.3
2049	42,290	23.9	127	37	73.1	\$6.5	\$1,153	\$1,552	\$494	\$80,874	5.1	49.7	2.0
2050	41,911	24.0	113	30	72.8	\$6.7	\$1,181	\$1,591	\$496	\$81,960	5.2	49.9	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	17,360	60	570	800	240	2,670	510	940	210	3,070	2,150	5,450
2016	17,800	70	640	790	250	2,630	490	1,030	210	3,080	2,320	5,570
2017	17,930	80	660	800	210	2,540	490	1,070	190	3,100	2,520	5,500
2018	18,000	60	820	820	200	2,540	490	1,090	160	3,080	2,420	5,530
2019	18,290	80	900	830	200	2,540	500	1,140	130	3,130	2,500	5,690
2020	16,860	85	778	814	200	2,175	491	1,096	119	3,045	2,179	5,402
2021	17,260	85	995	808	200	2,388	486	1,115	122	3,070	2,290	5,190
2022	17,830	85	1,041	808	206	2,419	482	1,130	123	3,208	2,421	5,317
2023	17,970	85	983	810	208	2,442	478	1,139	120	3,223	2,448	5,408
2024	18,120	86	913	810	208	2,468	474	1,145	116	3,249	2,469	5,537
2025	18,190	86	860	810	209	2,497	469	1,145	113	3,278	2,483	5,569
2026	18,350	86	908	809	212	2,503	465	1,143	109	3,304	2,493	5,641
2027	18,370	86	850	808	216	2,512	462	1,141	105	3,329	2,502	5,677
2028	18,430	86	850	807	216	2,521	459	1,139	101	3,348	2,509	5,714
2029	18,500	86	852	806	218	2,524	458	1,137	98	3,369	2,518	5,749
2030	18,530	87	856	805	218	2,534	457	1,135	94	3,391	2,527	5,734
2031	18,570	87	859	803	218	2,534	457	1,134	91	3,412	2,537	5,749
2032	18,610	87	846	802	219	2,537	456	1,132	87	3,435	2,546	5,764
2033	18,650	87	848	800	219	2,540	455	1,129	83	3,457	2,556	5,776
2034	18,720	87	851	799	220	2,541	454	1,127	79	3,477	2,565	5,806
2035	18,780	87	855	798	219	2,547	454	1,125	76	3,501	2,575	5,835
2036	18,850	88	854	796	221	2,555	453	1,123	72	3,521	2,584	5,866
2037	18,910	88	854	795	220	2,557	453	1,122	69	3,546	2,594	5,893
2038	18,960	88	839	794	219	2,561	453	1,120	66	3,571	2,603	5,923
2039	19,020	88	832	793	218	2,563	453	1,119	63	3,596	2,613	5,950
2040	19,080	88	825	792	217	2,563	454	1,118	60	3,621	2,623	5,978
2041	19,140	88	811	791	218	2,565	455	1,117	58	3,645	2,632	6,013
2042	19,210	89	809	790	219	2,566	456	1,116	55	3,671	2,642	6,048
2043	19,270	89	800	789	219	2,570	457	1,115	53	3,697	2,652	6,078
2044	19,350	89	812	788	222	2,570	458	1,115	51	3,720	2,661	6,108
2045	19,420	89	811	787	224	2,575	460	1,114	49	3,743	2,671	6,138
2046	19,490	90	809	786	225	2,578	461	1,114	47	3,769	2,681	6,168
2047	19,560	90	804	786	228	2,578	463	1,113	45	3,796	2,691	6,193
2048	19,620	90	800	785	230	2,582	464	1,113	43	3,821	2,700	6,217
2049	19,690	90	797	784	233	2,586	466	1,113	41	3,847	2,710	6,242
2050	19,710	90	778	784	234	2,590	467	1,112	39	3,876	2,719	6,232

Tuolumne County Economic Forecast

Socioeconomic Indicators

