

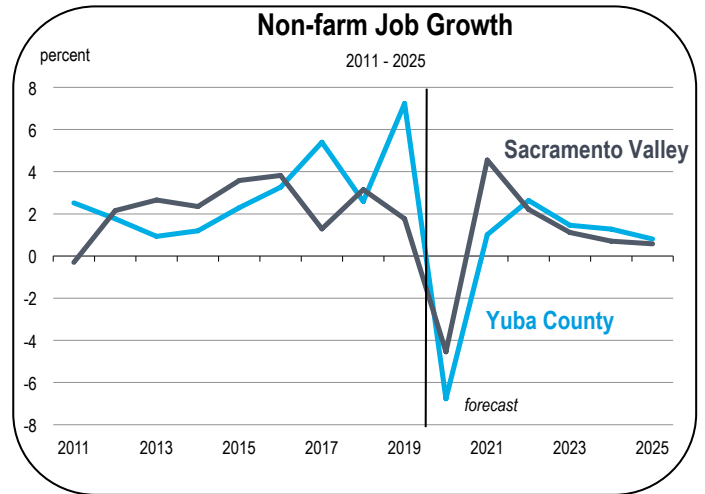
Yuba County Economic Forecast

Forecast Summary

- It is estimated that an average of 1,400 to 1,700 jobs will be lost in Yuba County during 2020 with heavy job losses in the first half of the year.
- Employment losses will be largest in agriculture, private education and healthcare, and government.
- The unemployment rate averaged 6.1 percent in 2019. It will average somewhere between 10 percent and 14 percent for the 2020 calendar year.
- The Yuba County population is expected to grow more slowly than the broader Sacramento Valley during most of the 2020-2025 forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production is expected to decrease moderately in 2020 but rebound convincingly in 2021.

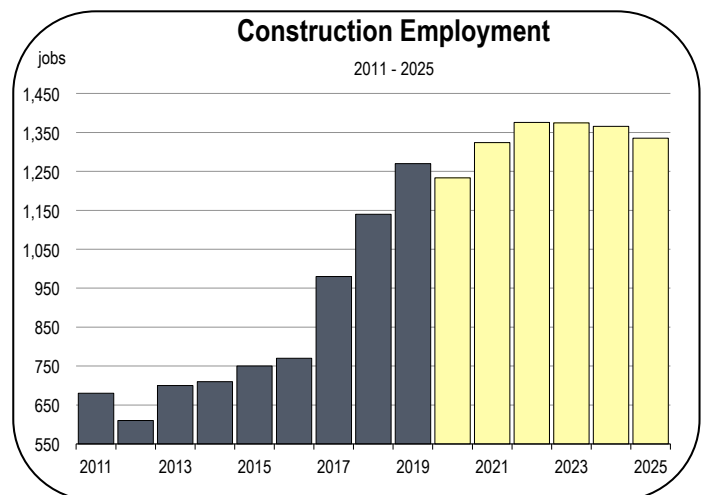
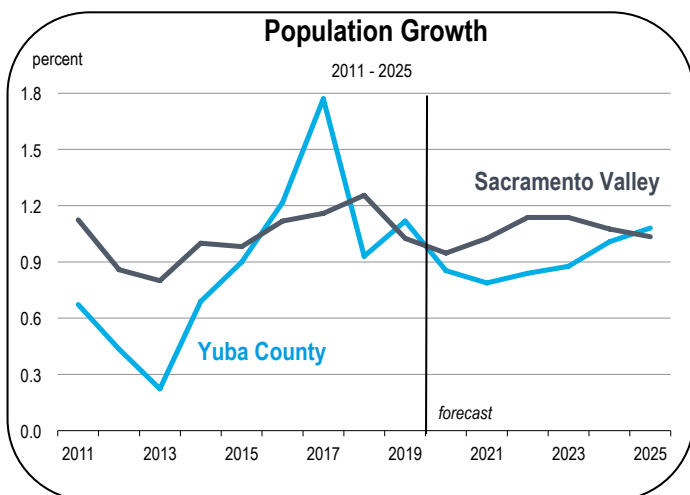
Job Growth

- Total employment in the County will decline between 7 and 9 percent in 2020. This is an annual average change from 2019.
- In 2021 and 2022, Yuba County is expected to re-gain approximately half of the jobs lost during the Coronavirus Recession.

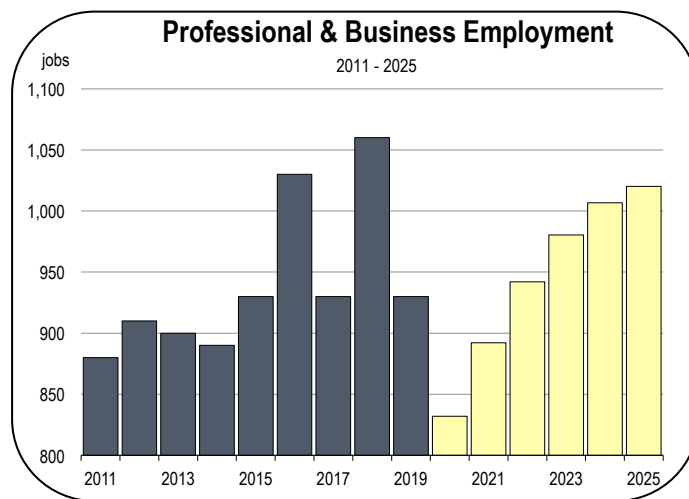
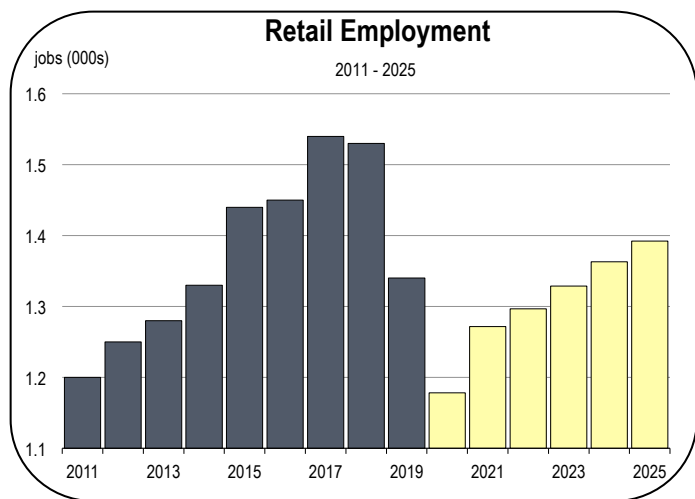


Construction Employment

- The construction sector is expected to lose a few dozen jobs during 2020.
- Most California construction activity was deemed non-essential for several weeks in March and April, leading to significant construction layoffs that average down total employment in 2020.
- Restrictions on construction were lifted in late April, and overall construction activity could ramp back up in 2021 and 2022.



Yuba County Economic Forecast



Retail Trade Employment

- The retail sector is expected to lose more than 100 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 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 250 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- The Yuba County retail market is dominated by department stores and grocery stores.
- The largest retail employers are primarily in Marysville, and include Walmart, FoodMaxx, Albertsons, and Hagen.

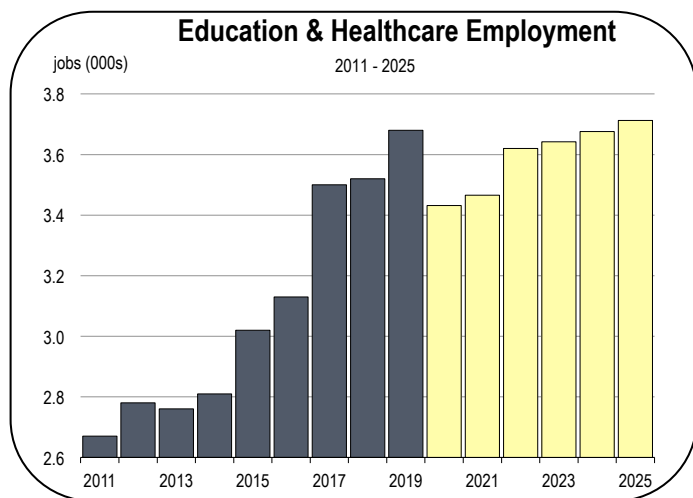
Professional and Business Services Employment

- 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.
- Meaningful losses were observed at building maintenance and security services, but these sectors are expected to rebound as people go back to their offices.
- Aside from security, maintenance, and staffing agencies, most subsectors of the professional business services industry were able to operate remotely and were relatively unaffected by the downturn.
- Overall employment in professional and business services is expected to increase through the 2020-2025 forecast period, in tandem with job gains across most of California.

Retail Trade / Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Department Stores	500	34.5%
Food & Beverage Stores	250	18.9%
Gas Stations	150	11.7%
Car Dealers	150	10.1%
Health & Personal Care Stores	100	8.5%
Home Goods & Hardware Stores	50	3.7%
Electronics & Appliance Stores	25	1.4%
Other	150	11.2%

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	200	21.6%
Investigation and Security Services	150	16.2%
Custom IT Services	100	10.8%
Law	50	5.4%
Engineering & Architecture	50	5.4%
Accounting & Bookkeeping	25	2.7%
Business & Technical Consulting	25	2.7%
Veterinary Services	25	2.7%
Other	300	32.4%

Yuba County Economic Forecast

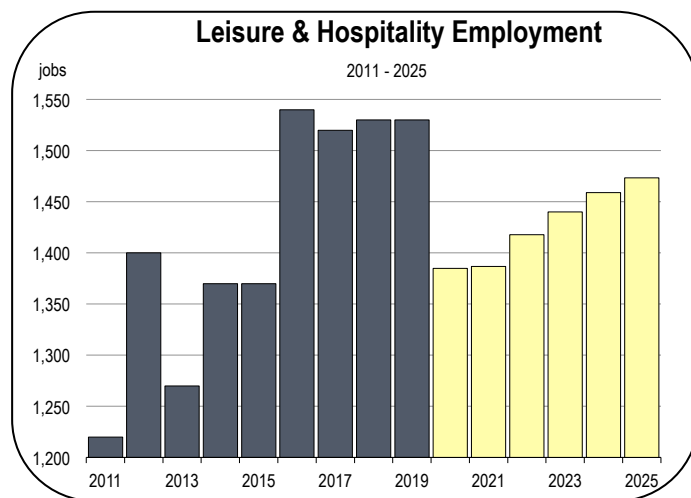


Private Education and Healthcare Employment

- There were 2,800 healthcare jobs in Yuba County in 2019. The largest employer is the Adventist Health system, which has more than 1,000 employees throughout the county.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and others reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.
- There were approximately 900 social assistance jobs in 2019, including industries like childcare and non-medical care for senior citizens and people with disabilities.
- In social assistance organizations, layoffs were heavy at institutions with revenue shortfalls. Some of these jobs may not be restored until social distancing regulations are relaxed, but others began to return in the summer of 2020.
- There are very few jobs in private educational organizations in Yuba County.

Leisure and Hospitality Employment

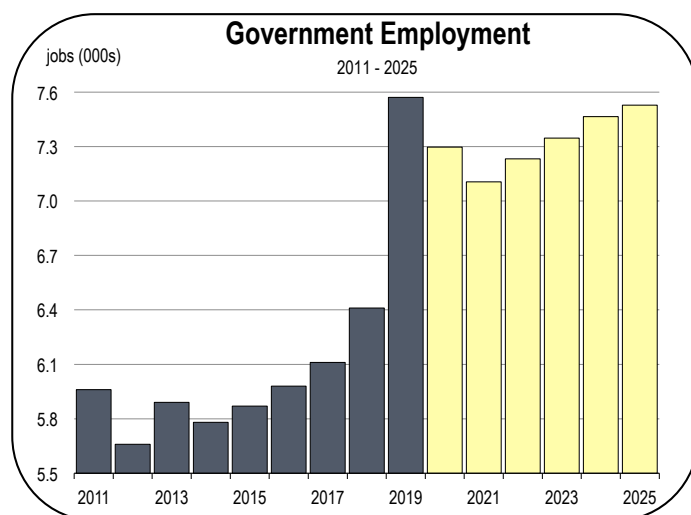
- In 2019, Yuba County had 1,300 jobs in restaurants, hotels, and bars. Almost 50 percent were laid off in March and April. Another 40 to 45 percent of workers had their hours cut or were furloughed without pay.
- Jobs at hotels and restaurants began to increase again in the summer of 2020, and should expand further in 2021 and 2022.
- Yuba County had 200 jobs in entertainment and recreation in 2019, including facilities like fitness centers, museums, and performing



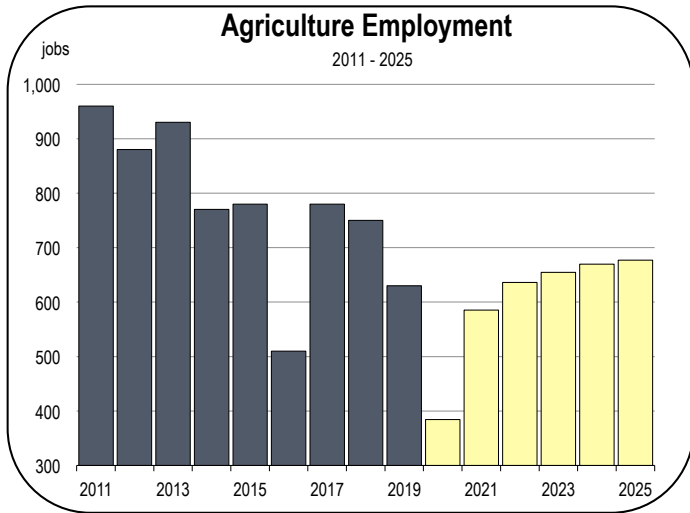
arts centers. Many of these organizations will operate at reduced capacities through the end of 2020 and potentially into 2021.

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.



Yuba County Economic Forecast

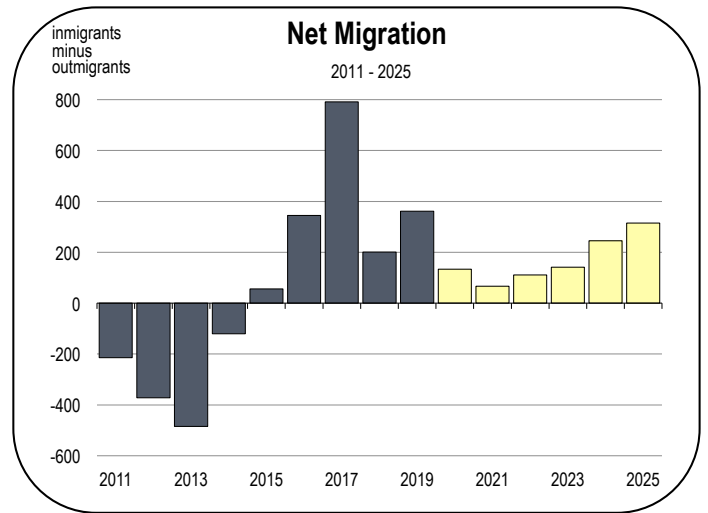
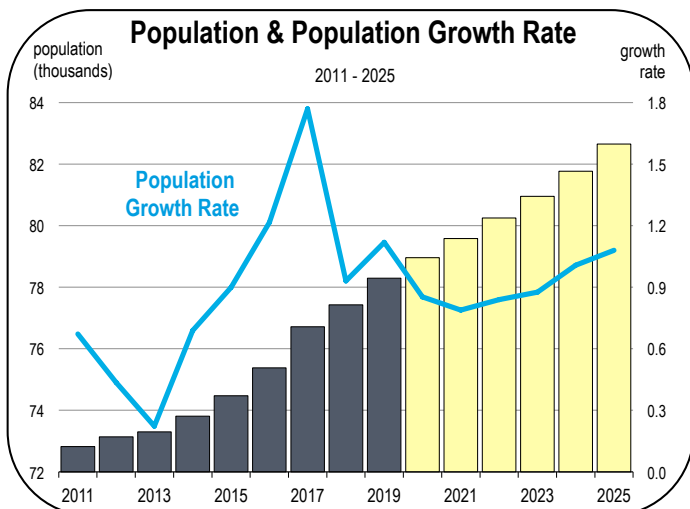


Agriculture Employment

- Agriculture employment is expected to decline dramatically during 2020 but rebound quickly in 2021.
- The most prominent agriculture commodities in Yuba County are rice and walnuts.

Population Growth

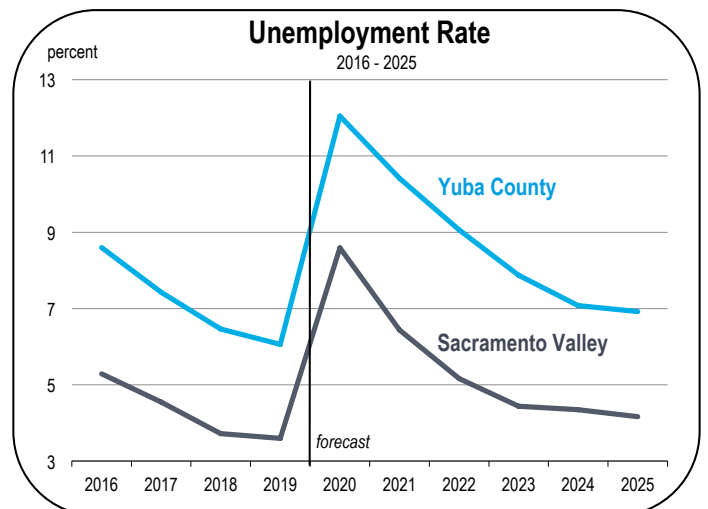
- The Yuba County population is expected to grow more slowly than the Sacramento Valley average for most of the 2020-2025 forecast period.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California and parts of Sacramento County for the affordable housing options in Yuba County.



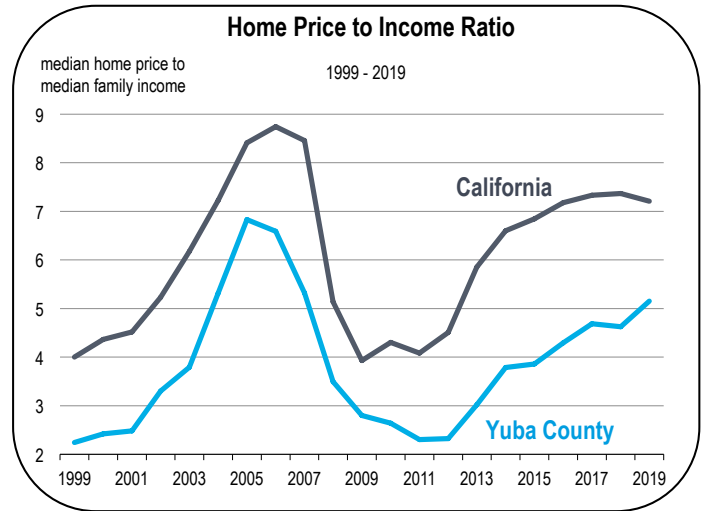
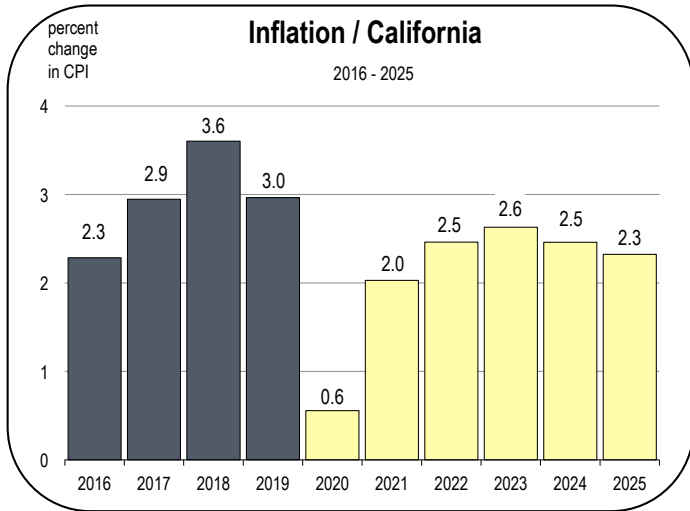
- Between 2020 and 2025, there will be more people who move into Yuba County than residents who move out. Between 2020 and 2025, this migratory process will add an average of 170 residents to the Yuba County population each year.
- The population will expand at an annual average rate of 0.9 percent per year from 2020 to 2025.
- By 2025 the Yuba County population will surpass 82,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Yuba County averaged 6.1 percent in 2019, which was well above the composite rate for the broader Sacramento Valley.
- The unemployment rate is expected to average between 10 and 14 percent during the 2020 calendar year.



Yuba County Economic Forecast

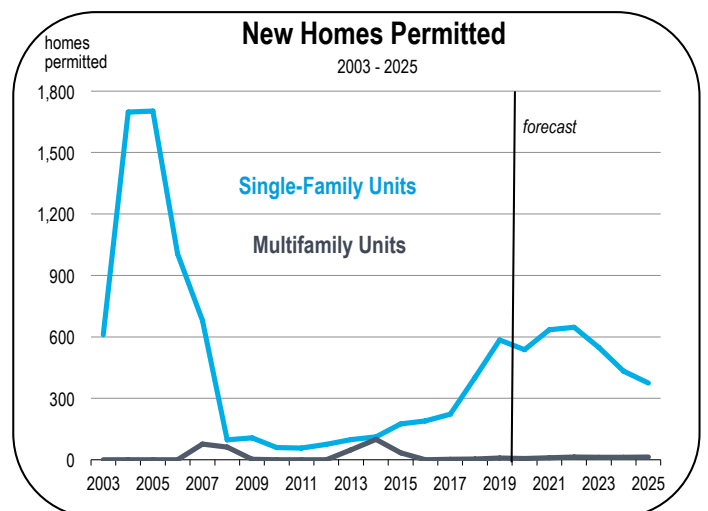
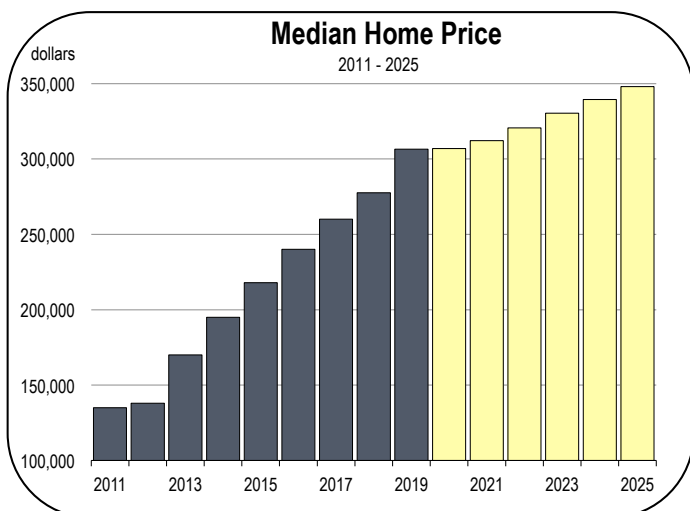


- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

- In Yuba 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 its 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 305 new homes were started per year in Yuba County. Approximately 90 percent were single-family homes.
- Housing production is expected to average 540 homes per year from 2020 to 2025, consisting primarily of single-family homes.

Home Prices and New Housing Production

- In 2019 the median home price in Yuba County was \$306,500. The median price is not expected to change much in 2020 or 2021.
- Homes in Yuba County are more affordable than homes across California, especially Coastal California.



Yuba 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	74,472	25.3	56	209	69.8	\$2.8	\$335	\$498	\$300	\$42,705	9.3	\$261	1.4
2016	75,378	25.4	345	190	71.6	\$2.9	\$360	\$525	\$322	\$42,788	8.6	\$236	2.3
2017	76,712	25.6	791	225	71.2	\$3.0	\$392	\$578	\$344	\$42,111	7.4	\$242	3.0
2018	77,426	25.4	201	405	72.4	\$3.2	\$419	\$623	\$348	\$42,468	6.5	\$248	3.7
2019	78,292	25.7	361	593	75.1	\$3.5	\$446	\$671	\$377	\$44,517	6.1	\$253	2.9
2020	78,960	26.3	133	544	75.8	\$3.5	\$400	\$625	\$365	\$43,942	12.1	\$260	0.5
2021	79,583	26.8	66	645	76.3	\$3.5	\$428	\$653	\$355	\$42,901	10.4	\$265	1.6
2022	80,250	27.4	111	659	76.9	\$3.7	\$448	\$676	\$364	\$43,705	9.1	\$268	2.3
2023	80,954	28.0	141	561	77.5	\$3.8	\$467	\$700	\$371	\$44,235	7.9	\$270	2.6
2024	81,770	28.5	245	445	78.5	\$4.0	\$485	\$723	\$378	\$44,928	7.1	\$272	2.5
2025	82,653	29.0	315	388	79.4	\$4.2	\$502	\$744	\$386	\$45,497	6.9	\$273	2.3
2026	83,605	29.3	380	354	80.1	\$4.4	\$515	\$763	\$393	\$45,844	6.6	\$274	2.3
2027	84,606	29.7	420	312	81.3	\$4.6	\$528	\$781	\$401	\$46,099	6.5	\$275	2.2
2028	85,614	30.0	435	287	82.3	\$4.8	\$542	\$800	\$408	\$46,364	6.4	\$275	2.2
2029	86,632	30.2	452	279	83.4	\$4.9	\$556	\$819	\$414	\$46,418	6.3	\$275	2.3
2030	87,638	30.5	444	261	84.6	\$5.1	\$570	\$839	\$420	\$46,539	6.2	\$276	2.2
2031	88,620	30.7	437	241	85.9	\$5.3	\$584	\$858	\$426	\$46,706	6.1	\$276	2.1
2032	89,603	31.0	445	238	87.4	\$5.5	\$599	\$879	\$430	\$46,737	6.0	\$276	2.3
2033	90,596	31.2	456	242	88.8	\$5.7	\$612	\$898	\$437	\$47,003	6.1	\$276	1.9
2034	91,604	31.4	460	258	90.1	\$5.9	\$627	\$918	\$444	\$47,206	6.2	\$276	2.1
2035	92,584	31.6	433	267	91.3	\$6.1	\$643	\$940	\$450	\$47,404	6.3	\$277	2.2
2036	93,568	31.9	443	270	92.6	\$6.3	\$662	\$967	\$454	\$47,425	6.5	\$277	2.6
2037	94,548	32.2	438	275	94.1	\$6.6	\$682	\$994	\$459	\$47,429	6.5	\$277	2.7
2038	95,515	32.4	420	278	95.5	\$6.8	\$701	\$1,021	\$464	\$47,528	6.5	\$277	2.5
2039	96,455	32.7	386	280	96.8	\$7.1	\$722	\$1,050	\$469	\$47,612	6.6	\$277	2.7
2040	97,366	32.9	357	278	98.0	\$7.4	\$743	\$1,079	\$474	\$47,688	6.6	\$277	2.6
2041	98,263	33.2	337	276	99.1	\$7.6	\$761	\$1,104	\$480	\$47,866	6.7	\$278	2.2
2042	99,154	33.5	317	274	100.2	\$7.9	\$779	\$1,129	\$486	\$48,072	6.8	\$278	2.1
2043	100,023	33.7	284	273	101.0	\$8.2	\$797	\$1,154	\$493	\$48,348	6.8	\$278	2.0
2044	100,860	34.0	245	271	102.3	\$8.4	\$813	\$1,176	\$500	\$48,692	6.7	\$278	1.8
2045	101,696	34.2	229	266	103.2	\$8.7	\$832	\$1,201	\$506	\$48,976	6.4	\$278	1.9
2046	102,546	34.5	220	264	104.5	\$9.0	\$851	\$1,227	\$513	\$49,257	6.5	\$279	2.0
2047	103,423	34.7	230	264	105.7	\$9.3	\$871	\$1,256	\$519	\$49,463	6.4	\$279	2.2
2048	104,296	35.0	213	266	106.9	\$9.7	\$894	\$1,287	\$525	\$49,719	6.5	\$279	2.3
2049	105,184	35.2	194	266	108.3	\$10.0	\$915	\$1,315	\$532	\$50,043	6.7	\$279	2.0
2050	106,063	35.5	173	266	109.7	\$10.4	\$937	\$1,345	\$540	\$50,418	6.8	\$279	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	16,390	780	750	710	610	1,640	230	930	100	3,020	1,370	5,870
2016	16,630	510	770	700	590	1,650	230	1,030	100	3,130	1,540	5,980
2017	17,770	780	980	710	610	1,820	280	930	100	3,500	1,520	6,110
2018	18,180	750	1,140	700	580	1,730	280	1,060	100	3,520	1,530	6,410
2019	19,320	630	1,270	780	610	1,580	240	930	100	3,680	1,530	7,570
2020	17,810	384	1,233	653	593	1,392	214	832	95	3,432	1,385	7,297
2021	18,190	585	1,324	664	596	1,486	217	892	96	3,466	1,387	7,105
2022	18,700	636	1,376	689	602	1,513	199	942	93	3,620	1,418	7,232
2023	18,980	655	1,375	706	605	1,547	187	980	91	3,642	1,440	7,346
2024	19,230	670	1,366	711	607	1,582	179	1,007	89	3,676	1,459	7,465
2025	19,390	677	1,335	715	610	1,612	174	1,020	89	3,713	1,473	7,528
2026	19,500	680	1,299	719	612	1,627	171	1,027	88	3,746	1,482	7,591
2027	19,580	681	1,272	723	615	1,640	169	1,034	88	3,778	1,489	7,624
2028	19,640	682	1,248	727	619	1,650	167	1,041	87	3,804	1,492	7,656
2029	19,720	683	1,233	730	622	1,656	167	1,048	87	3,834	1,495	7,688
2030	19,810	683	1,228	732	626	1,669	166	1,055	87	3,862	1,498	7,720
2031	19,900	684	1,223	733	629	1,679	165	1,062	87	3,890	1,502	7,752
2032	19,990	685	1,217	735	632	1,689	165	1,069	87	3,920	1,505	7,785
2033	20,080	686	1,215	737	636	1,700	165	1,076	86	3,950	1,508	7,817
2034	20,180	687	1,213	739	640	1,709	164	1,083	86	3,979	1,511	7,849
2035	20,270	688	1,210	740	643	1,721	164	1,090	86	4,009	1,515	7,882
2036	20,360	689	1,206	742	647	1,732	164	1,097	86	4,038	1,518	7,915
2037	20,450	690	1,202	743	650	1,741	163	1,104	85	4,068	1,521	7,947
2038	20,550	691	1,198	745	654	1,750	163	1,112	85	4,099	1,525	7,980
2039	20,640	692	1,192	746	658	1,758	162	1,119	85	4,130	1,528	8,014
2040	20,730	693	1,185	747	662	1,765	162	1,126	84	4,162	1,531	8,047
2041	20,820	693	1,180	749	665	1,774	161	1,134	84	4,193	1,535	8,081
2042	20,900	694	1,170	750	669	1,782	161	1,141	83	4,224	1,538	8,114
2043	21,000	695	1,170	751	673	1,792	160	1,149	83	4,256	1,541	8,148
2044	21,100	696	1,170	752	677	1,802	160	1,156	83	4,287	1,545	8,182
2045	21,200	697	1,169	753	681	1,813	159	1,164	82	4,317	1,548	8,217
2046	21,300	698	1,169	755	685	1,823	158	1,171	82	4,349	1,552	8,251
2047	21,400	699	1,169	756	689	1,831	158	1,179	81	4,383	1,555	8,285
2048	21,500	700	1,170	757	693	1,839	157	1,186	81	4,416	1,559	8,320
2049	21,610	701	1,171	758	697	1,849	156	1,194	80	4,450	1,562	8,355
2050	21,710	702	1,171	759	701	1,859	156	1,202	80	4,483	1,566	8,390

Yuba County Economic Forecast

Socioeconomic Indicators

