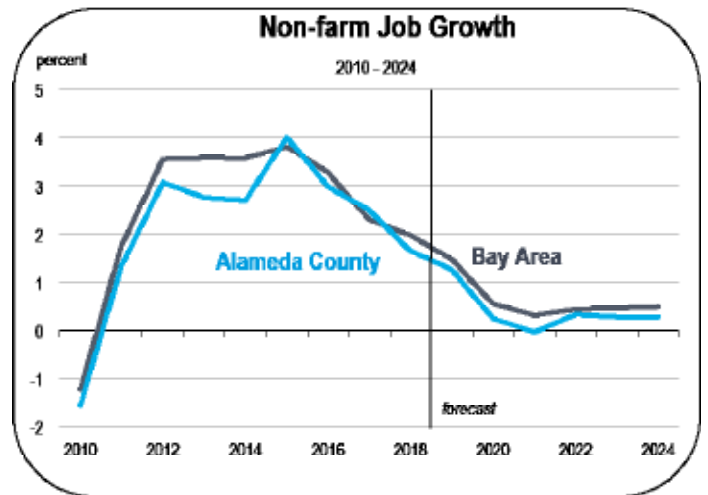
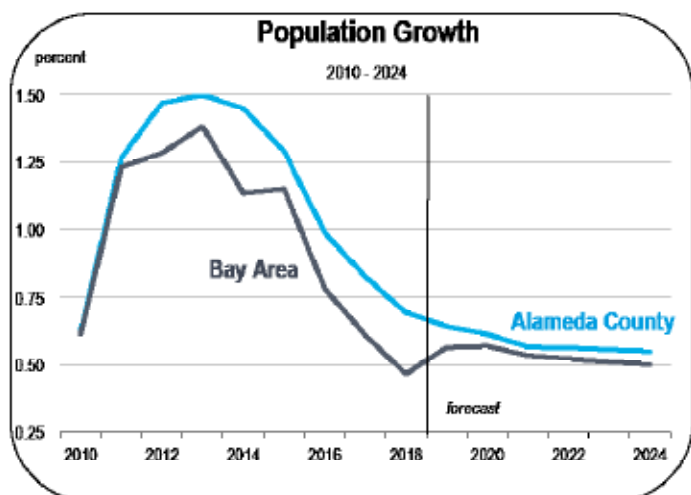


Alameda County Economic Forecast

Forecast Summary

- 10,200 non-farm jobs will be created in Alameda County during 2019. Over the following five years, an average of 1,900 new jobs are expected per year.
- Employment growth will be led by professional services, healthcare, and leisure services. These sectors will account for 90 percent of net job creation through 2024.
- Construction jobs are expected to decrease between 2018 and 2024.
- The unemployment rate, which averaged 3.0 percent in 2018, may deteriorate slightly over the next few years.
- The population is now expanding at the same rate as the broader state.
- The 2018 median home price was \$825,000, an increase of 10 percent from 2017. Home prices are rising faster than incomes, and housing affordability is becoming a significant social and economic issue.
- Housing production is barely keeping pace with population growth. Most new homes have been multifamily units rather than single-family houses.
- Several substantial projects are now in the pipeline, including Brooklyn Basin, which will add 3,100 homes to the Oakland Waterfront, and Alameda Point, which will transform the former Naval base into five million square feet of commercial space.



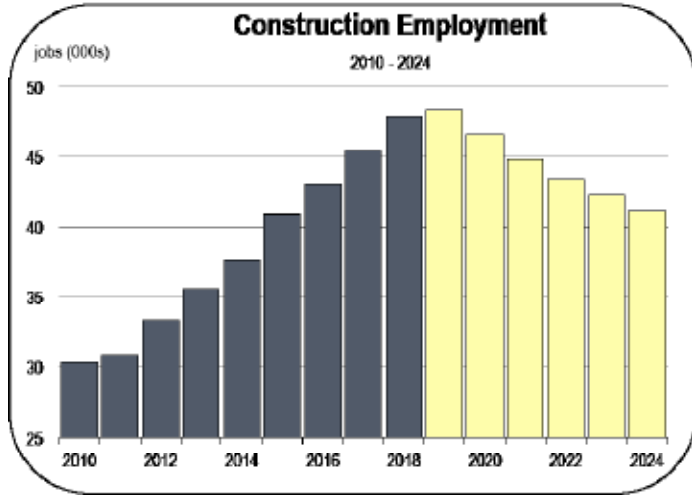
Job Growth

- Job growth is slowing down and could turn negative in 2020 or 2021.
- 2018 job growth was strongest in construction, manufacturing, professional business services, and healthcare.
- Between 2012 and 2018, non-farm job growth averaged 2.8 percent per year.
- Between 2018 and 2024, growth is forecast to average 0.4 percent.
- Approximately 10,200 non-farm jobs will be created during 2019.
- Through 2024, an average of 1,900 new non-farm wage and salary jobs are expected per year.

Construction Employment

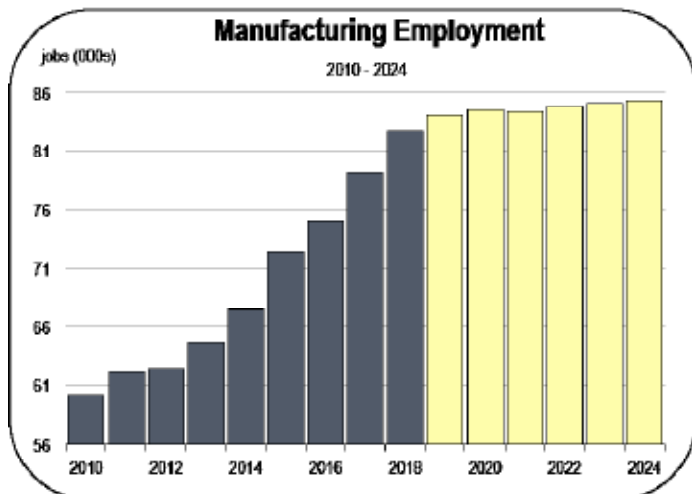
- 2,300 new construction jobs were created last year.
- Most construction workers are being deployed to housing projects in Oakland, Fremont, and Dublin, with smaller numbers working on office and retail projects throughout the county.
- Construction activity has largely peaked for the current economic cycle, although some additional job gains are expected in 2019.

Alameda County Economic Forecast



Manufacturing Employment

- The manufacturing sector is expanding rapidly in Alameda County.
- The local manufacturing base is heavily concentrated in computer/semiconductor manufacturing, and over the last few years has expanded into auto manufacturing.
- Job growth will become slower during the forecast period. Tesla laid off 883 workers in Fremont in March 2019, and changes to the global business cycle could impact the manufacturing industry.

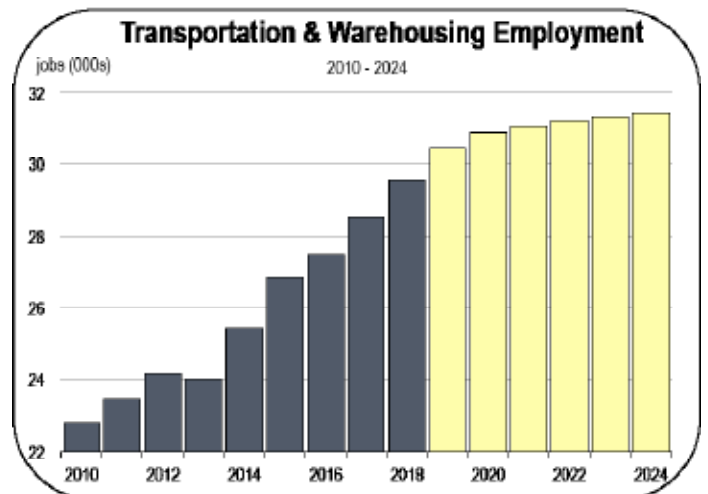


Transportation and Warehousing Employment

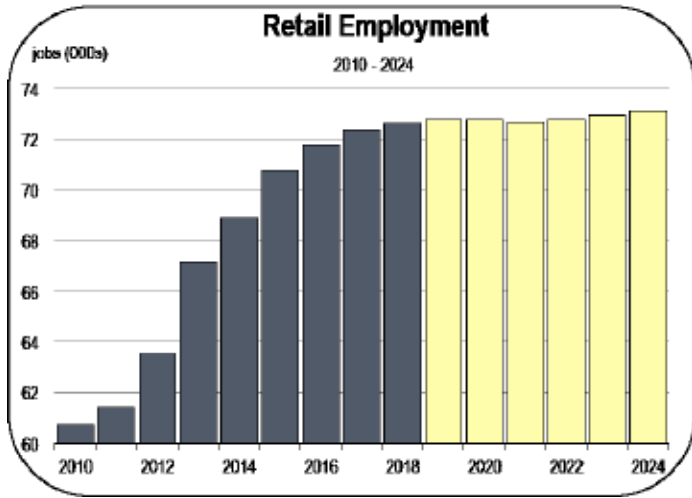
- In 2018, most growth in this industry was observed at warehousing and distribution centers.
- There are now 117 warehousing and distribution centers in Alameda County (up from 110 centers in 2017). These new facilities, along with expansion at existing companies, generated 1,000 new jobs.
- A small number of jobs were also created at Oakland International Airport, which served almost 14 million passengers in 2018.

Retail Trade Employment

- Growth in the retail sector is slowing.
- Job growth was minimal in sectors that face heavy competition from online retailers:
 - Clothing stores
 - Sporting goods stores
 - Consumer electronics stores
 - Furniture stores
 - Department stores (e.g. Macy's)
- Growth was faster in sectors not facing heavy online competition:
 - Car dealerships
 - Drug stores and healthcare stores
 - Grocery stores
- 100 jobs were created in e-commerce stores based within the county.



Alameda County Economic Forecast



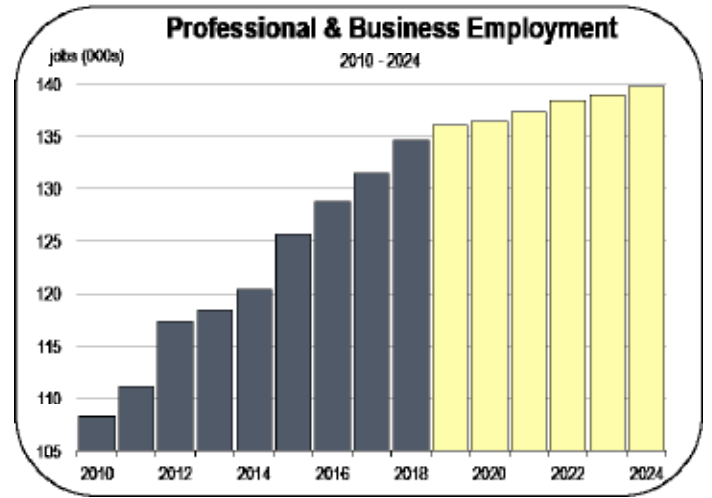
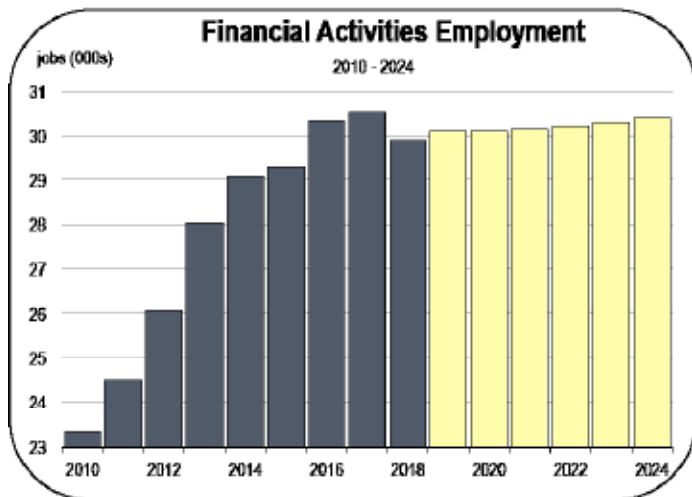
- The forecast calls for no growth of conventional retail employment over the next several years.

Financial Activities Employment

- This industry lost approximately 600 jobs last year.
- The real estate industry has expanded in response to high levels of homebuilding and population growth.
- Local banks, by contrast, have shed jobs as the banking industry has become more automated.
- Growth is expected to be slow over the forecast period as the building cycle peaks and weakness persists in the banking sector.

Professional and Business Services Employment

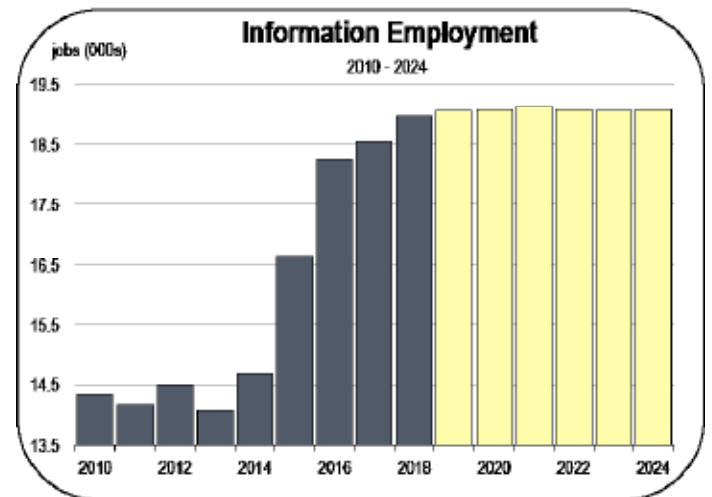
- A large share of countywide job creation has been in professional and business services positions. This industry is largely comprised of high-skill jobs in law, accounting, tech, consulting, and scientific research.



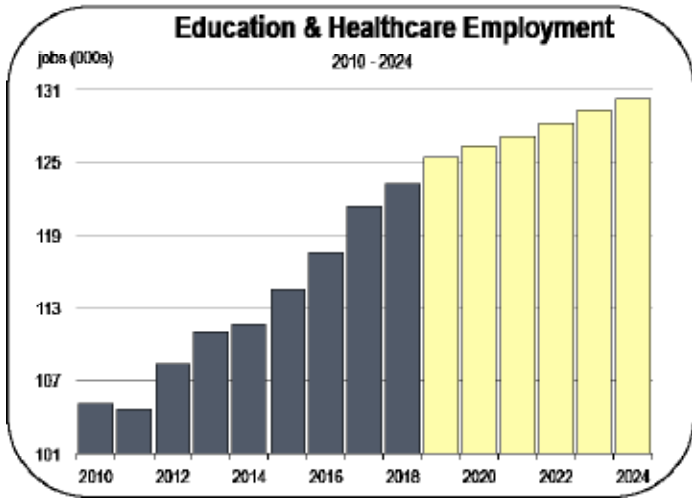
- 2018 was characterized by prominent growth in biotech RandD, architecture and engineering, business consulting, and law.
- Large layoffs occurred in custom software programming and IT systems design, despite very strong growth at similar firms in San Francisco, San Mateo, and Santa Clara counties.

Information Employment

- The Information sector expanded rapidly in 2015 and 2016, but is now growing much more slowly.
- This sector used to be dominated by newspapers and telecommunications companies, but half of all jobs are now at software publishers and web hosting firms.
- Job growth has begun to taper off at software and web hosting firms. There has been a precipitous decline in venture capital funding to East Bay tech firms, reducing the opportunity for job creation.

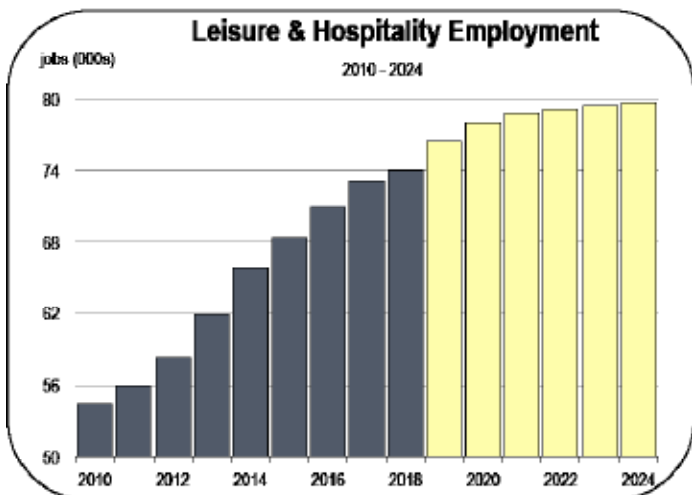


Alameda County Economic Forecast



Private Education and Healthcare Employment

- As with most of California, demand for healthcare workers is still growing rapidly in Alameda County.
- Gains have been concentrated in doctors’ offices, outpatient care centers, home health companies, and organizations that provide services to the elderly and people with disabilities.
- Growth began to slow in 2018, and should slow further by 2020 or 2021.
- The future of the U.S. health insurance landscape is unknown, and legislative changes could influence employment growth in health services.

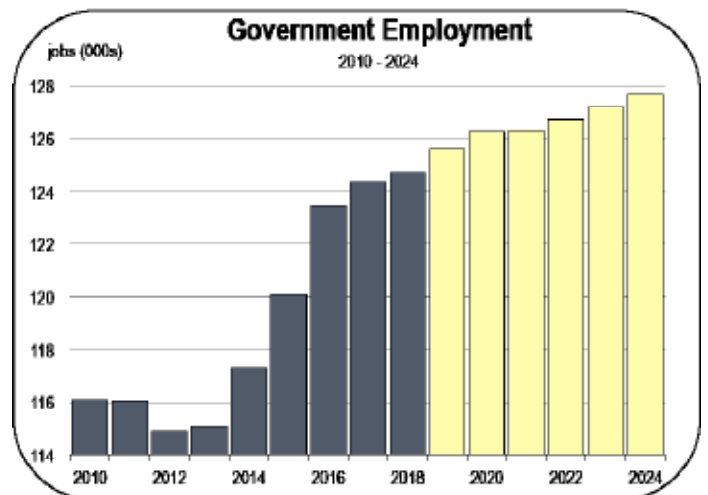


Leisure and Hospitality Employment

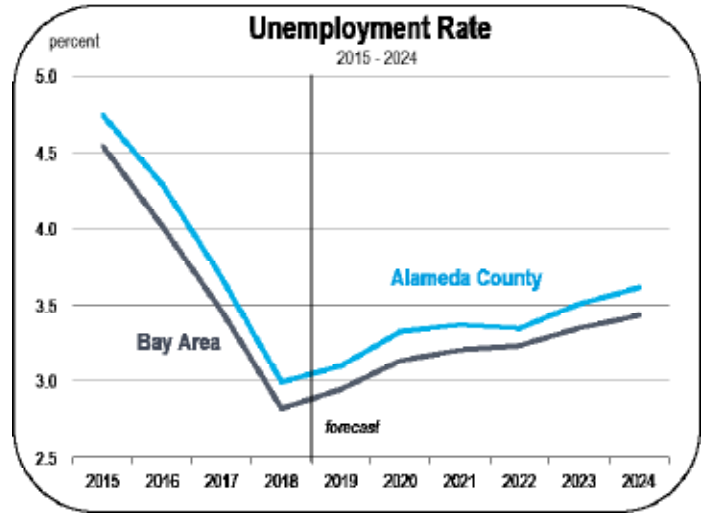
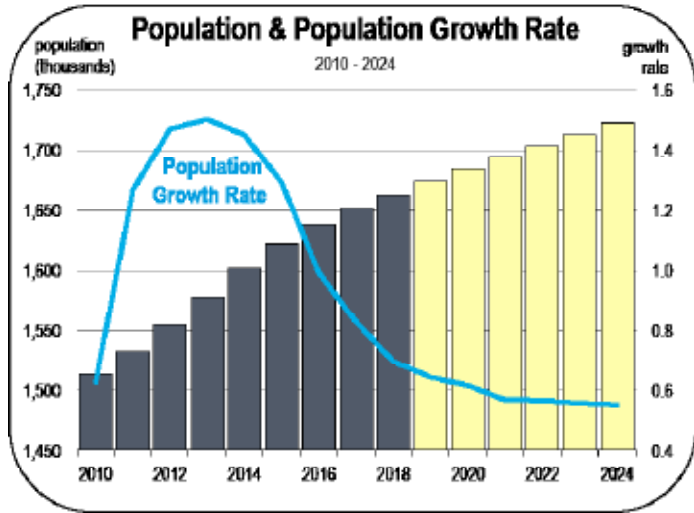
- Job growth has decelerated in this sector.
- Small numbers of jobs were created across a variety of industry segments:
 - Bars – 400 jobs created in 2018
 - Restaurants – 300 jobs
 - Hotels – 300 jobs
 - Catering services – 100 jobs
 - Gyms and fitness centers – 100 jobs
- Leisure and hospitality companies will gain several thousand additional jobs in 2019 and 2020, but are at risk of losing jobs later in the forecast period.
- The leisure industry is particularly sensitive to changes in the minimum wage.
- As the minimum wage increases to \$15/hour by 2022 (and reaches \$15 sooner in Oakland and Berkeley), job creation in leisure services could be affected.

Government Employment

- Government agencies created very few jobs last year.
- Local municipal agencies generated virtually all new jobs in 2018. UC Berkeley, CSU East Bay, and the local community colleges expanded slightly. Local public schools did not add to their employee headcounts.
- Future employment trends will be influenced by population growth, as well as state and local fiscal conditions.



Alameda County Economic Forecast



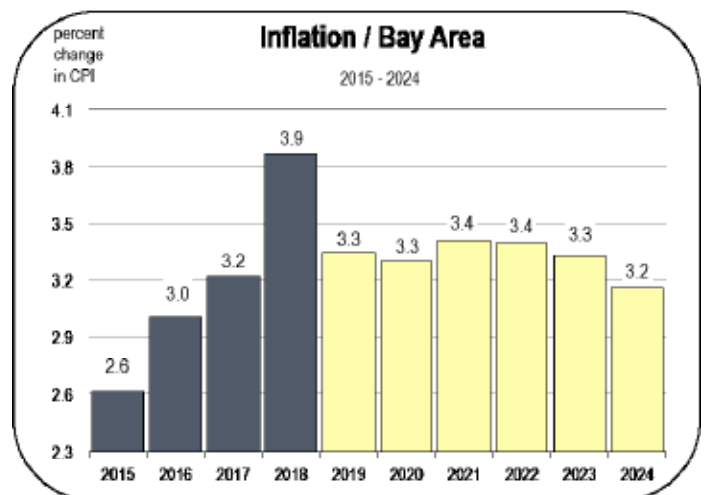
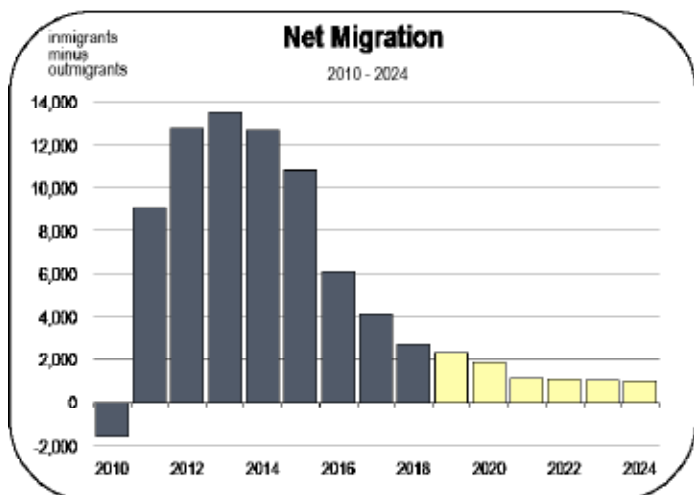
Population Growth

- Population growth is decelerating, and will decelerate further in 2019 and 2020.
- Fewer net migrants are entering the county. People are still moving to Alameda County for its high-paying jobs, and are leaving San Francisco for cheaper homes in the East Bay, but more Alameda County residents are now leaving for places like Sacramento.
- An average of 8,200 net migrants entered the county each year from 2013—2018. An average of 1,400 will enter from 2019—2024.
- Population growth will average 0.6 percent per year, and the county will surpass 1.72 million residents by 2024.

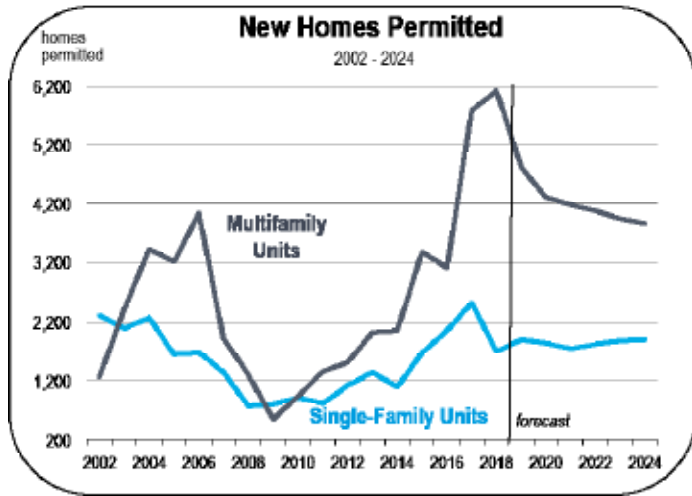
Unemployment and Inflation Rates

- The unemployment rate in Alameda County averaged 3.0 percent in 2018, which was slightly higher than the composite rate for the Bay Area.
- Beginning in 2019, the unemployment rate may deteriorate, but with an unemployment rate of just 3.1 percent, the job market will remain very tight.
- Inflation accelerated in 2018 as energy prices increased and housing costs rose rapidly. Inflation will remain elevated in 2019 and 2020, and will likely be above 3 percent.

New Housing Production



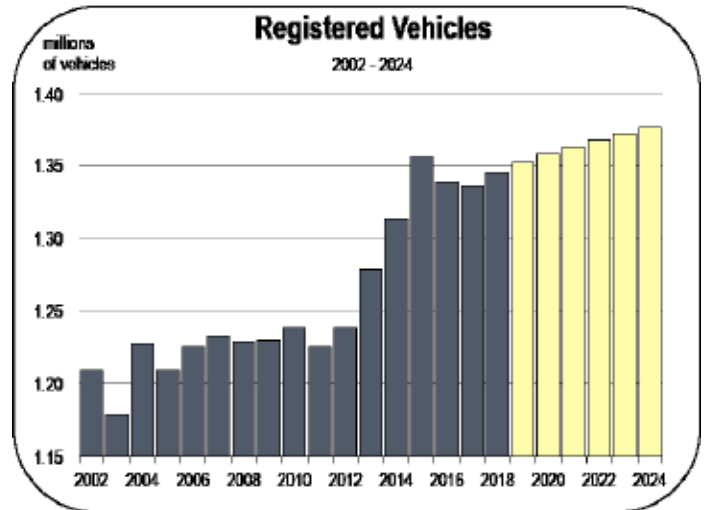
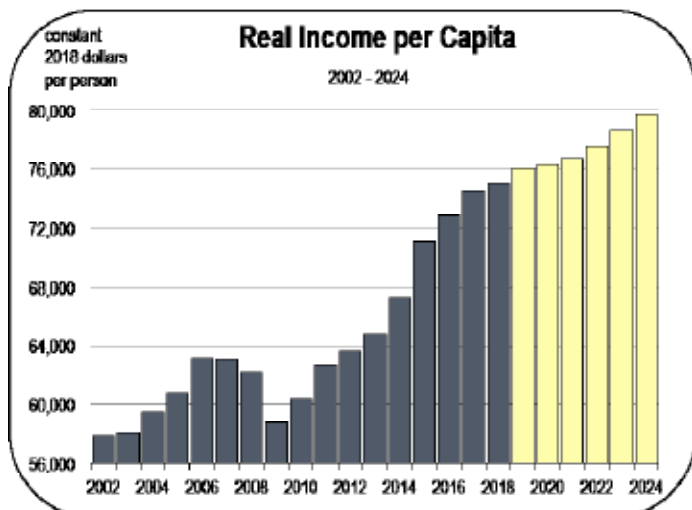
Alameda County Economic Forecast



- Housing production was prolific in 2018, with a surge of multifamily construction.
- From 2013 to 2018, an average of 5,500 homes were permitted per year.
- Housing production is forecast to average 6,000 homes per year from 2019 to 2024. Approximately 70 percent will be multifamily units, and many of them will be built in Oakland.
- The largest approved project is near Jack London Square, where 3,700 units will ultimately be built along the Waterfront. It is Oakland’s most prominent project in decades. The buildings will range from 5 to 24 stories, accommodating more than 5,000 residents. Construction is underway on the first structures.

Income per Capita

- Income per capita in 2018 was \$75,045, which is relatively high by statewide standards but lower than other parts of the Bay Area.



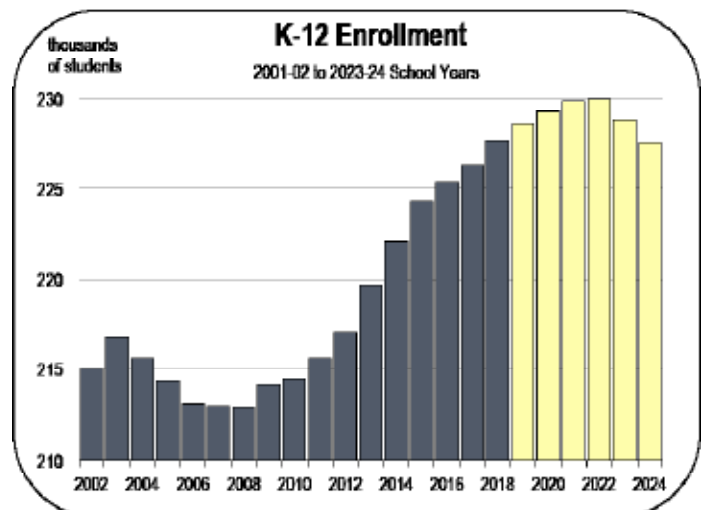
- Income per capita has risen exceptionally quickly, growing by an average of 2.8 percent per year over the last 6 years.
- Income per capita is expected to grow more slowly over the forecast period, increasing by 1.0 percent per year through 2024.

Registered Vehicles

- There were 1.34 million registered vehicles in Alameda County in 2018.
- By 2024, it is expected that Alameda County will have almost 1.38 million registered vehicles.

Public School Enrollment

- There were 227,700 K-12 students in the 2017—2018 school year.
- By 2024, there are expected to be 227,500 K-12 students in Alameda County. Enrollment will decrease slightly because the population aged 5 to 17 will decrease.



Alameda County Economic Forecast

Economic Indicators

2015-2018 History, 2019-2050 Forecast

	Population (people)	Households (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	1,621,715	565.0	\$187,711	5,041	1,356	\$106.1	\$18.6	\$605	\$28.9	\$71,137	224.3	19,434	9,804
2016	1,637,766	568.9	\$196,572	5,157	1,339	\$111.8	\$19.1	\$621	\$29.8	\$72,896	225.3	19,573	9,920
2017	1,651,319	572.2	\$207,217	8,290	1,336	\$118.6	\$20.2	\$656	\$30.7	\$74,570	226.3	18,888	10,056
2018	1,662,775	577.1	\$216,218	7,818	1,345	\$124.8	\$20.8	\$675	\$32.0	\$75,045	227.7	18,402	10,223
2019	1,673,444	583.7	\$223,879	6,715	1,352	\$130.7	\$21.5	\$698	\$32.9	\$76,009	228.6	18,543	10,197
2020	1,683,718	588.6	\$230,401	6,147	1,358	\$135.6	\$22.0	\$715	\$33.5	\$76,341	229.3	18,630	10,212
2021	1,693,260	592.6	\$237,788	5,921	1,363	\$140.9	\$22.7	\$736	\$33.8	\$76,718	229.8	18,701	10,261
2022	1,702,814	596.9	\$246,887	5,894	1,368	\$147.4	\$23.4	\$760	\$34.5	\$77,616	229.9	18,821	10,339
2023	1,712,285	601.3	\$256,570	5,821	1,372	\$154.3	\$24.1	\$782	\$35.2	\$78,661	228.8	18,910	10,428
2024	1,721,707	605.6	\$266,122	5,761	1,376	\$161.2	\$24.7	\$803	\$35.9	\$79,684	227.5	18,997	10,519
2025	1,731,102	609.7	\$275,554	5,711	1,380	\$168.0	\$25.4	\$824	\$36.6	\$80,670	225.8	19,021	10,615
2026	1,740,644	613.9	\$285,868	5,663	1,385	\$175.5	\$26.0	\$845	\$37.4	\$81,871	224.0	19,066	10,711
2027	1,750,206	618.1	\$296,351	5,651	1,390	\$183.2	\$26.7	\$867	\$38.2	\$83,104	223.1	19,121	10,808
2028	1,759,706	622.4	\$306,826	5,638	1,394	\$191.0	\$27.3	\$889	\$38.9	\$84,216	222.1	19,155	10,911
2029	1,769,204	626.6	\$316,967	5,560	1,399	\$198.6	\$28.1	\$912	\$39.4	\$85,077	220.9	19,263	11,017
2030	1,778,584	630.7	\$326,916	5,481	1,405	\$206.2	\$28.8	\$935	\$40.0	\$85,886	219.9	19,321	11,130
2031	1,787,850	634.8	\$336,741	5,453	1,411	\$213.8	\$29.5	\$957	\$40.5	\$86,671	218.5	19,390	11,244
2032	1,797,100	638.9	\$346,931	5,398	1,418	\$221.7	\$30.2	\$982	\$40.9	\$87,311	217.6	19,516	11,359
2033	1,806,310	643.0	\$356,464	5,331	1,425	\$229.2	\$30.9	\$1,004	\$41.4	\$88,052	216.7	19,619	11,474
2034	1,815,424	647.0	\$366,805	5,260	1,432	\$237.3	\$31.6	\$1,028	\$41.8	\$88,761	215.9	19,647	11,586
2035	1,824,234	650.9	\$377,700	5,179	1,437	\$245.9	\$32.4	\$1,054	\$42.3	\$89,453	215.1	19,663	11,704
2036	1,832,524	654.8	\$389,588	5,087	1,443	\$255.1	\$33.4	\$1,085	\$42.6	\$89,979	215.6	19,660	11,816
2037	1,840,467	658.7	\$401,908	4,996	1,449	\$264.7	\$34.4	\$1,117	\$42.9	\$90,436	216.2	19,714	11,923
2038	1,848,316	662.4	\$414,133	4,911	1,457	\$274.3	\$35.3	\$1,148	\$43.2	\$90,955	217.0	19,874	12,026
2039	1,856,191	666.0	\$427,239	4,834	1,464	\$284.5	\$36.4	\$1,182	\$43.5	\$91,396	217.9	20,019	12,125
2040	1,864,163	669.6	\$440,404	4,766	1,472	\$294.9	\$37.4	\$1,216	\$43.8	\$91,841	218.8	20,175	12,218
2041	1,872,260	673.2	\$453,437	4,701	1,480	\$305.3	\$38.4	\$1,249	\$44.2	\$92,346	219.8	20,360	12,298
2042	1,880,468	676.7	\$466,574	4,641	1,488	\$315.7	\$39.4	\$1,281	\$44.5	\$92,877	220.8	20,544	12,371
2043	1,888,942	680.3	\$479,897	4,584	1,496	\$326.5	\$40.4	\$1,313	\$44.9	\$93,444	222.1	20,772	12,441
2044	1,897,475	683.7	\$493,045	4,522	1,504	\$337.1	\$41.3	\$1,343	\$45.4	\$94,082	223.5	20,960	12,512
2045	1,906,082	687.2	\$507,074	4,462	1,510	\$348.5	\$42.4	\$1,377	\$45.7	\$94,634	224.4	21,144	12,591
2046	1,914,707	690.6	\$521,035	4,401	1,517	\$359.9	\$43.4	\$1,410	\$46.1	\$95,188	225.3	21,306	12,664
2047	1,923,467	694.0	\$535,215	4,347	1,523	\$371.5	\$44.4	\$1,444	\$46.5	\$95,705	226.3	21,492	12,725
2048	1,932,283	697.4	\$549,716	4,289	1,530	\$383.4	\$45.5	\$1,478	\$46.8	\$96,207	227.3	21,631	12,778
2049	1,941,163	700.8	\$564,519	4,235	1,536	\$395.6	\$46.6	\$1,514	\$47.2	\$96,688	228.1	21,713	12,825
2050	1,950,124	704.1	\$579,652	4,185	1,542	\$408.1	\$47.7	\$1,550	\$47.5	\$97,150	229.1	21,786	12,872

Employment Sectors

2015-2018 History, 2019-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	749.5	0.5	40.9	72.5	26.9	108.8	29.3	125.7	16.6	114.5	68.4	120.1
2016	771.9	0.5	43.0	75.0	27.5	110.4	30.3	128.7	18.2	117.6	70.9	123.5
2017	791.3	0.5	45.5	79.1	28.5	111.5	30.5	131.4	18.5	121.3	73.1	124.4
2018	804.4	0.5	47.8	82.7	29.5	111.2	29.9	134.6	19.0	123.3	74.0	124.7
2019	814.7	0.5	48.3	84.1	30.5	111.3	30.1	136.0	19.0	125.4	76.4	125.7
2020	816.8	0.5	46.6	84.6	30.9	111.2	30.1	136.4	19.1	126.4	77.9	126.3
2021	816.6	0.5	44.8	84.4	31.1	111.1	30.1	137.3	19.1	127.1	78.7	126.3
2022	819.4	0.5	43.4	84.8	31.2	111.4	30.2	138.4	19.1	128.2	79.1	126.7
2023	821.8	0.5	42.4	85.1	31.3	111.7	30.3	139.0	19.1	129.3	79.4	127.2
2024	824.2	0.5	41.1	85.4	31.4	111.9	30.4	139.8	19.1	130.3	79.6	127.7
2025	827.0	0.5	40.0	85.7	31.5	112.2	30.4	140.5	19.1	131.4	80.0	128.4
2026	831.3	0.5	40.1	86.1	31.7	112.6	30.3	141.2	19.2	132.5	80.5	129.1
2027	835.3	0.5	40.1	86.4	31.9	112.9	30.4	141.9	19.2	133.6	81.0	129.7
2028	839.1	0.5	40.2	86.7	32.0	113.4	30.4	142.6	19.2	134.4	81.4	130.3
2029	842.8	0.5	40.2	86.9	32.1	113.8	30.4	143.2	19.2	135.4	81.9	130.8
2030	846.1	0.5	40.0	87.0	32.1	114.3	30.4	143.9	19.3	136.5	82.3	131.2
2031	849.1	0.5	39.8	87.0	32.2	114.6	30.4	144.5	19.3	137.5	82.7	131.6
2032	852.2	0.5	39.6	87.0	32.2	115.0	30.4	145.1	19.4	138.6	83.2	131.9
2033	855.1	0.5	39.4	87.0	32.3	115.3	30.4	145.7	19.5	139.5	83.6	132.3
2034	858.1	0.5	39.2	87.0	32.3	115.7	30.4	146.3	19.5	140.5	84.0	132.7
2035	861.2	0.5	39.1	87.0	32.4	116.0	30.4	146.9	19.6	141.4	84.5	133.0
2036	864.2	0.5	38.9	86.9	32.4	116.4	30.4	147.6	19.7	142.5	84.9	133.4
2037	867.4	0.5	38.7	86.9	32.5	116.7	30.4	148.2	19.8	143.5	85.3	133.8
2038	870.5	0.5	38.6	86.9	32.5	117.1	30.4	148.8	19.8	144.5	85.7	134.2
2039	873.8	0.5	38.5	87.0	32.6	117.4	30.4	149.4	19.9	145.6	86.2	134.6
2040	877.0	0.5	38.4	87.0	32.7	117.8	30.4	150.1	20.0	146.6	86.6	135.0
2041	880.3	0.5	38.3	87.0	32.7	118.1	30.4	150.7	20.1	147.6	87.0	135.4
2042	883.6	0.5	38.1	87.1	32.8	118.5	30.4	151.3	20.2	148.6	87.4	135.8
2043	887.0	0.5	38.1	87.1	32.8	118.8	30.4	152.0	20.3	149.7	87.8	136.3
2044	890.2	0.5	38.0	87.1	32.9	119.2	30.4	152.6	20.4	150.7	88.2	136.7
2045	893.6	0.5	37.9	87.1	33.0	119.6	30.4	153.3	20.5	151.8	88.6	137.1
2046	896.9	0.5	37.8	87.1	33.0	119.9	30.4	153.9	20.6	152.9	89.0	137.5
2047	900.2	0.5	37.6	87.1	33.1	120.3	30.4	154.5	20.7	154.0	89.4	137.9
2048	903.6	0.5	37.6	87.1	33.1	120.6	30.4	155.2	20.8	155.1	89.8	138.3
2049	907.1	0.5	37.6	87.2	33.2	121.0	30.4	155.8	20.9	156.2	90.2	138.7
2050	910.5	0.5	37.5	87.2	33.3	121.3	30.4	156.5	21.0	157.3	90.6	139.2

Alameda County Economic Forecast

Socioeconomic Indicators

