# Contra Costa County Economic Forecast

Forecast Summary

- It is estimated that an average of 25,000 to 30,000 jobs will be lost in Contra Costa County during 2020. Job losses will be heavy in the first half of the year.

- Employment losses will be largest in leisure services, professional business services, and retail trade.

- The unemployment rate averaged 3.1 percent in 2019. It will average somewhere between 8 percent and 10 percent for the entire year.

- The Contra Costa County population is expected to grow more quickly than the Bay Area average during the forecast period.

- Home values are not expected to change much in 2020 or 2021.

- Housing production is expected to decline in 2020 but rebound in 2021 and expand in 2022.

Job Growth

- Total employment in the County will decline between 7 and 8 percent in 2020. This is an annual average change from 2019.

- In 2021, the county is expected to re-gain many of the jobs lost during the Coronavirus Recession.

Non-farm Job Growth
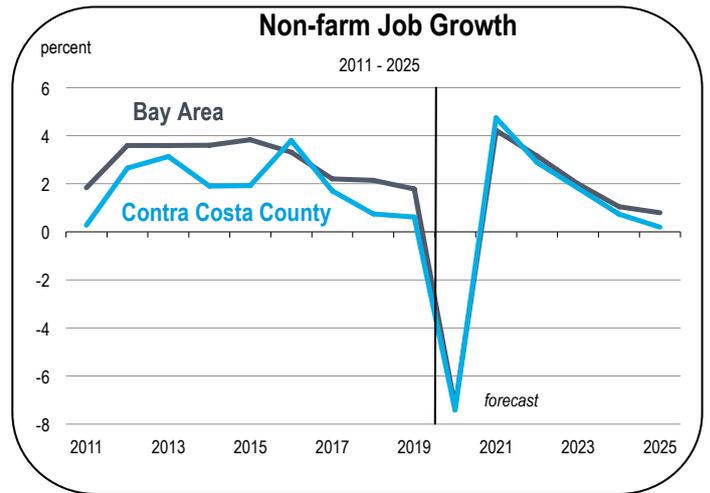
Construction Employment

- The construction sector is expected to lose more than 1,000 jobs in 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.

- Construction employment will expand in 2021 and may return to pre-recession levels relatively quickly.

Population Growth

Construction Employment
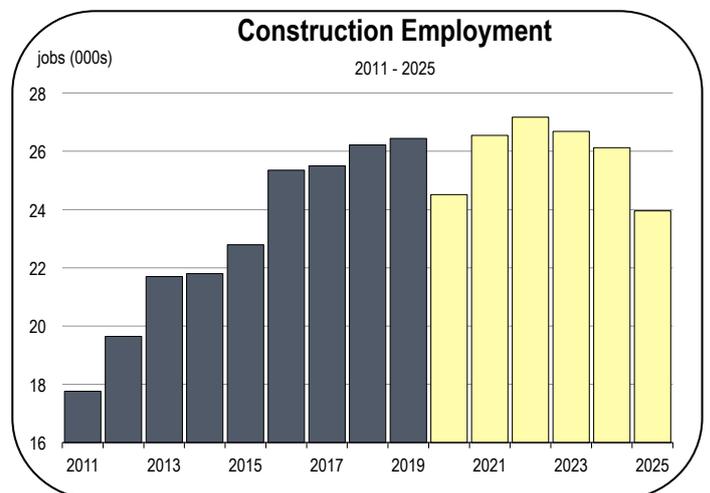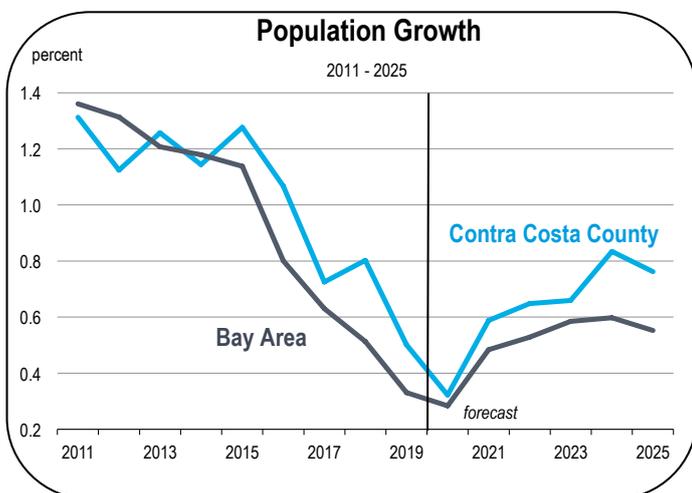
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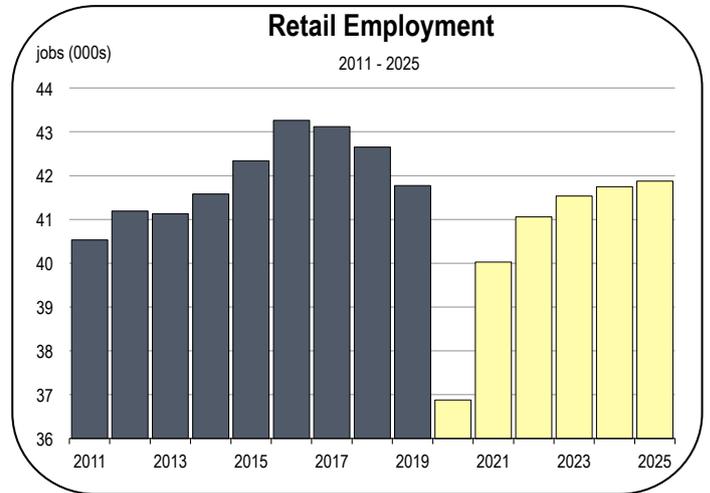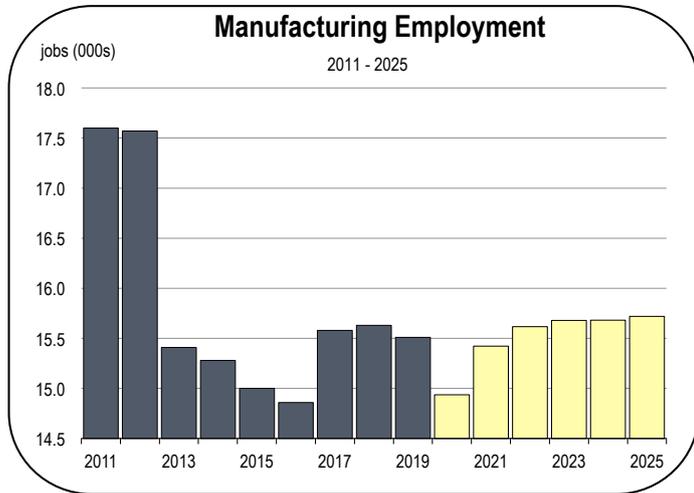
Manufacturing Employment

- Manufacturing employment is expected to fall by 3 or 4 percent during 2020, a decrease of several hundred jobs.

- Manufacturing activity is forecast to rebound in 2021 and may enter an expansion phase within the next few years.

Transportation and Warehousing Employment

- Most transportation jobs in Contra Costa County are in trucking and warehousing, where firms deliver goods to and from the Port of Oakland, and store these goods in logistics facilities.

- A high share of Contra Costa County transportation jobs are in delivery firms like UPS and FedEx and at ground transportation organizations like BART.
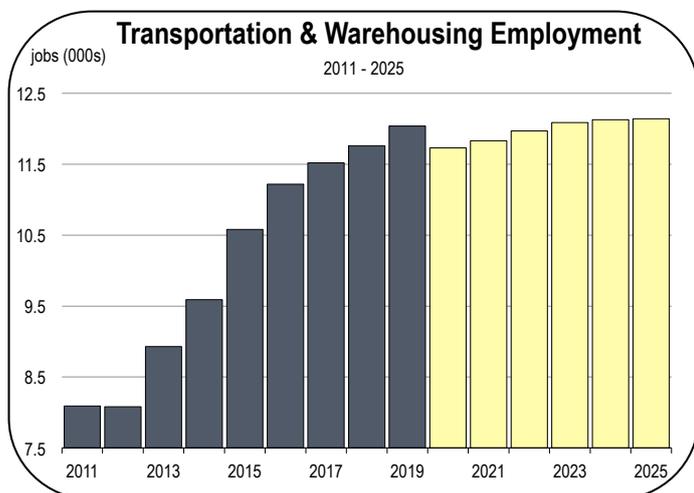

- BART and other ground transportation systems are at risk of substantial job loss because public transportation ridership fell by 90 percent in the Bay Area during the recession.

- Delivery firms hired large numbers of workers during the second quarter of 2020, and may be among the few corners of the labor market to expand during the 2020 calendar year.

Retail Trade Employment

- The retail sector is expected to lose more than 4,000 jobs in 2020 on an annual average basis.

- Many national 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 6,000 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.

- It is unclear of retail trade employment will return to pre-recession levels during the 2020-2025 forecast period.

Wholesale Trade Employment

- Wholesale trade employment is expected to fall by 200 to 500 jobs on an annual average basis in 2020.

- Wholesale employment is unlikely to add many new jobs during the recovery due to ongoing consolidation within the industry that was occurring prior to the recession.

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Wholesale Employment
jobs (000s)
2011 - 2025

Financial Activities Employment
jobs (000s)
2011 - 2025
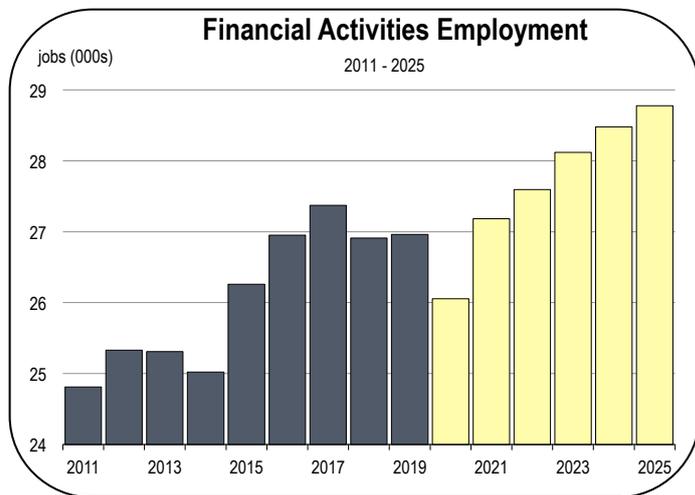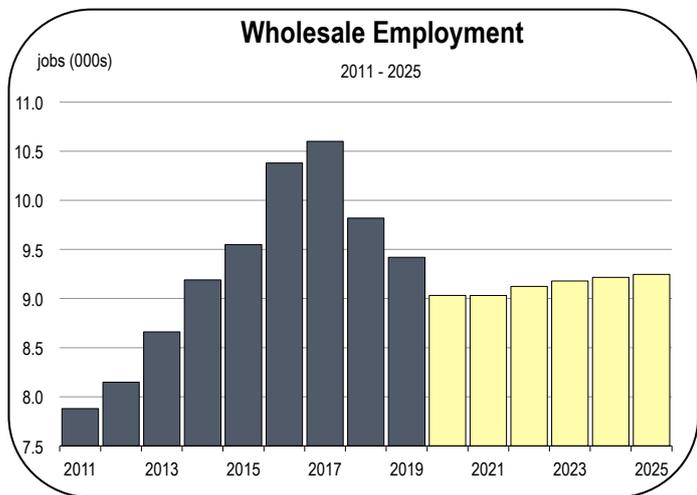
Financial Activities Employment

- A substantial number of job declines are expected in 2020 because some employers closed, committing their employees to shelter-in-place for health reasons.

- The most prominent losses are expected in real estate sales and lending.

- There have been far fewer homes on the market in 2020 than there were in 2019, which should translate into fewer home sales, reducing the need for real estate agents and mortgage brokers.

- Banks also reduced their head counts in the second quarter of 2020 due to a temporary reduction of in-person branch visits.

- Financial Activities companies are expected to re-gain a meaningful number of through 2021, and will ultimately surpass the employment totals that were observed in 2019.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each will be affected 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 rebound at office and industrial buildings with repopulating employment.

- Staffing agencies had significant losses during the contraction, but may bounce back quickly once the economy begins to expand again.

Financial Activities Sub-Sectors 2019	Jobs in Subsector (000s)	Subsector's Share of Overall Industry
Banks	9.2	34.3%
Asset Management	2.7	9.9%
Insurance	7.5	28.0%
Real Estate	6.3	23.3%
Rental and Leasing Services	1.2	4.6%

Professional & Business Employment
jobs (000s)
2011 - 2025
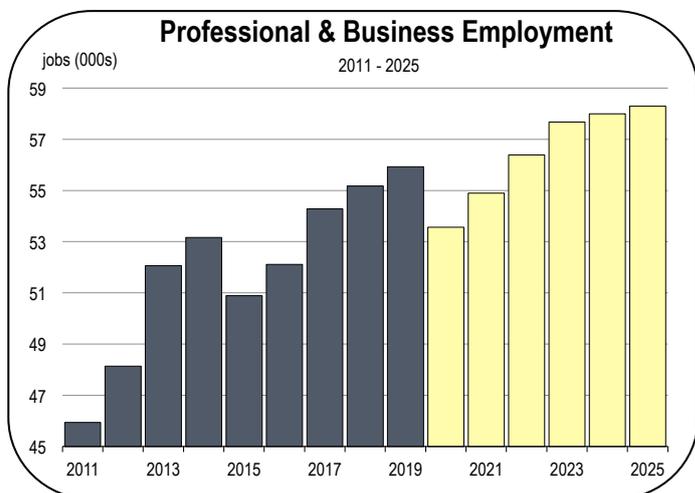
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Professional & Business Services Sub-Sectors 2019	Jobs in Subsector (000s)	Subsector's Share of Overall Industry
Building Maintenance	9.6	17.2%
Corporate Headquarters	8.8	15.8%
Staffing Agencies	8.0	14.4%
Engineering & Architecture	5.5	9.8%
Custom IT Services	4.6	8.2%
Law	2.5	4.5%
Accounting & Bookkeeping	2.3	4.1%
Business Consulting	2.2	3.9%
Corporate Security	2.1	3.7%
Scientific Research	1.6	2.9%
Marketing and Advertising	1.2	2.2%
Other	7.5	13.3%

- 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 security, maintenance, staffing agencies, and scientific research labs, most subsectors of the professional business services industry were able to operate remotely and were less affected by the recession.

Information Employment

- In Contra Costa County, the information sector is dominated by telecommunications companies like Comcast.

- Telecommunications jobs were classified as essential and these workers largely remained employed during the recession.

- Contra Costa County also has a meaningful number of jobs in software firms. But unlike other parts of the Bay Area that have large software companies with thousands of employees, Contra Costa software publishers tend to be small, with an average of just 15 employees per firm.

Information Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Telecommunications	3,700	46.5%
Software Publishers	1,400	17.3%
Movie Theaters	900	11.1%
Internet & Data Services	700	8.6%
Newspaper / Magazone / Book Publishing	600	7.3%
Other	700	9.2%

Information Employment
2011 - 2025
jobs (000s)
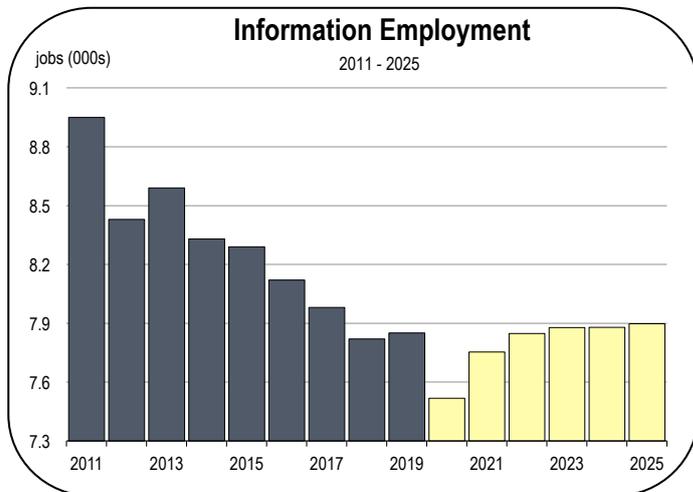
- Job growth in the software subsector will be slow in 2021 and 2022. Expect hiring to be cautious pending how business conditions evolve.

- Many newspaper, magazine, and TV/radio workers were allowed to remain in their jobs, but advertising revenues shrank with the rest of the economy, giving employers little choice but to issue layoff notices.

- Aside from software publishers, most subsectors of the information industry are in long-term patterns of decline. Software firms will account for most of the job growth in the information industry during the 2020-2025 forecast period.

Private Education and Healthcare Employment

- There were 46,000 healthcare jobs in Contra Costa 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 utilized as envisioned to support Coronavirus patients.

Education & Healthcare Employment
2011 - 2025
jobs (000s)
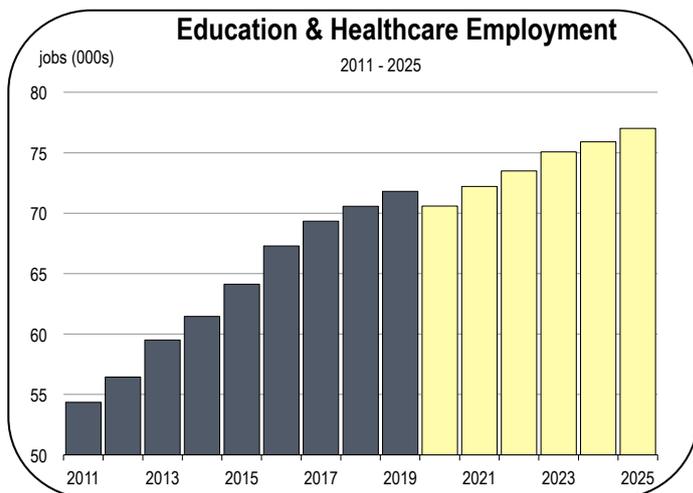
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- There were approximately 18,000 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.

- There were also 7,000 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

- The leisure and hospitality industry was devastated by the shutdown more than any other sector of the labor market.

- In 2019, Contra Costa County had 36,000 jobs in restaurants, hotels, and bars. Our research indicates that most were laid off in the months of March and April.

- Contra Costa also had 7,000 jobs in entertainment and recreation, including things like fitness centers, museums, and performing arts venues. Many of these organizations will remain closed 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.

Government Employment
2011 - 2025
jobs (000s)
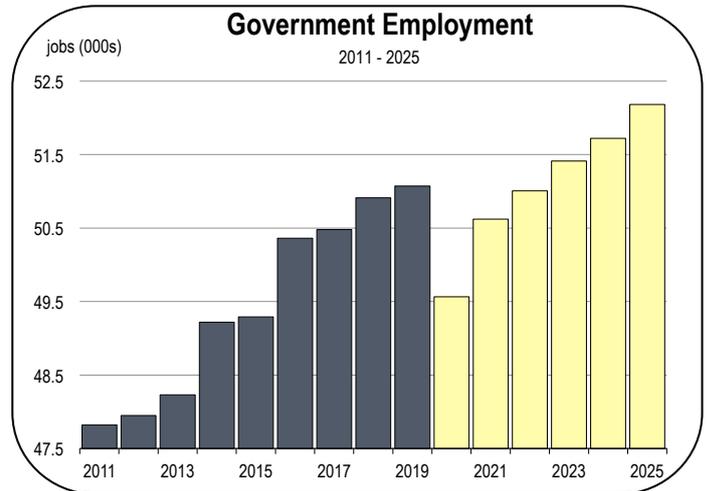
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.

- 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 Contra Costa County population is expected to expand more quickly than the Bay Area average between 2020 and 2025.

Leisure & Hospitality Employment
jobs (000s)
2011 - 2025

Population & Population Growth Rate
population (thousands)
2011 - 2025
growth rate
Population Growth Rate
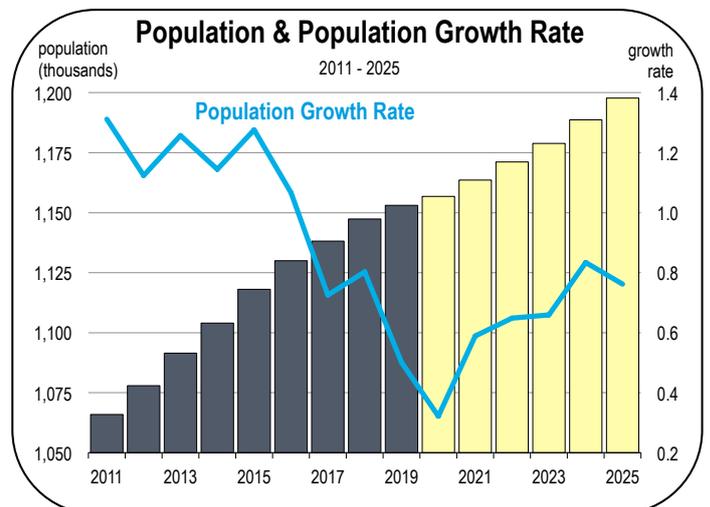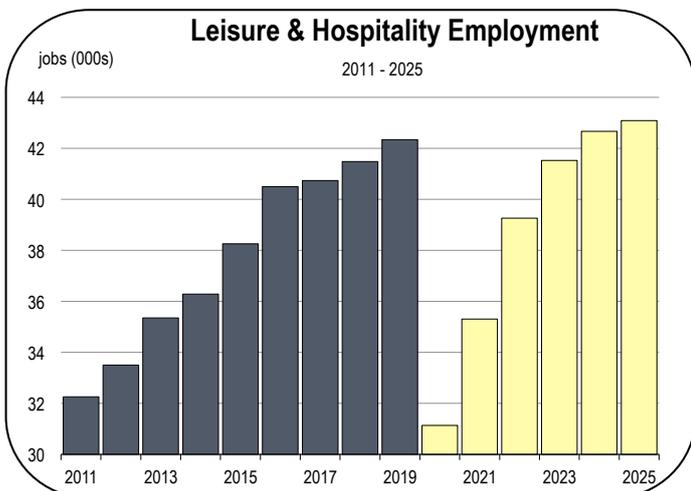
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Net Migration
2011 - 2025

inmigrants minus outmigrants

Unemployment Rate
2016 - 2025

percent

Contra Costa County

Bay Area

forecast
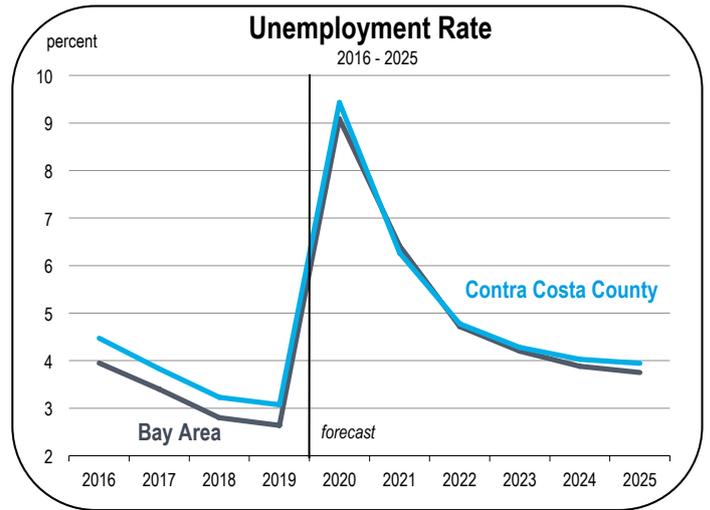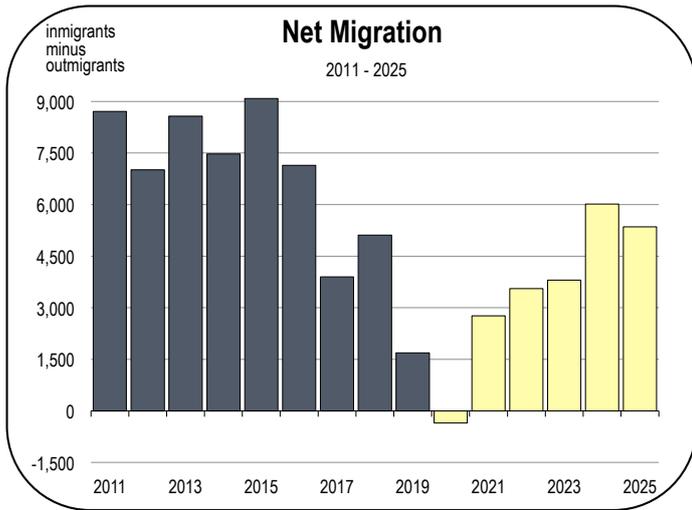
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from San Francisco and Silicon Valley for more affordable housing options in the East Bay, and as people move into Contra Costa County from outside of the Bay Area.

- A small number of net migrants are expected to leave the county in 2020, but an average of 4,300 will enter the county each year between 2021 and 2025.

- The population will expand at an annual average rate of 0.6 percent per year from 2020 to 2025.

- By 2025 the Contra Costa County population will approach 1.2 million residents.

Unemployment and Inflation Rates

- The unemployment rate in Contra Costa County averaged 3.1 percent in 2019, slightly above the composite rate for the Bay Area.

- 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.

Inflation / Bay Area
2016 - 2025

percent change in CPI

Year	Value
2016	3.0
2017	3.2
2018	4.2
2019	3.2
2020	1.3
2021	2.7
2022	3.1
2023	3.3
2024	3.1
2025	3.0
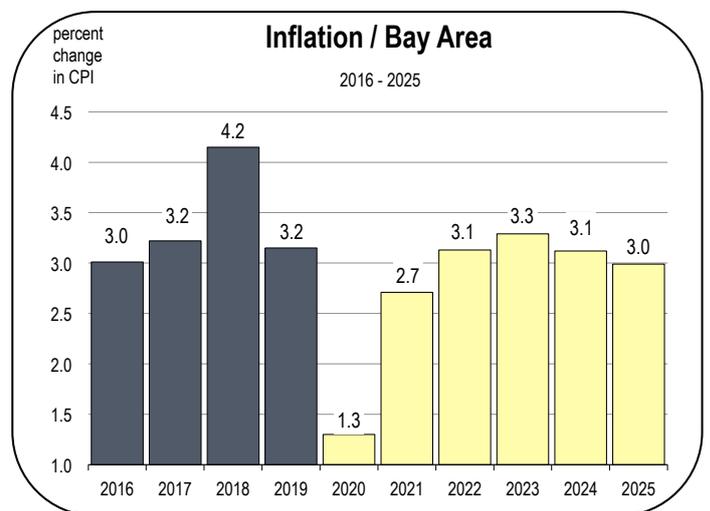
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Home Prices and New Housing Production

- In 2019 the median home price in Contra Costa County was $612,000.

- The median price is not expected to show much change in 2020 or 2021.

- Homes in Contra Costa County are more affordable than homes across California and other parts of the Bay Area, which has driven a substantial number of residents to relocate to the East Bay.

- In Contra Costa County, the typical household spends less than 30 percent of its income on mortgage payments or rent. In San Francisco the typical household spends more than 50 percent of its income on housing costs.

- From 2014 to 2019, an average of 2,500 new homes were started per year in Contra Costa County. Approximately two thirds were single-family homes.

- Housing production is expected to average 2,600 homes per year from 2020 to 2025, consisting primarily of single-family homes.

- There are 23,000 housing units in the Contra Costa County development pipeline.

- The most prominent development initiative is the Concord Reuse Project, which could ultimately produce 12,272 homes and 6.1 million square feet of commercial space near the North Concord/Martinez BART station. The project is in its very early stages and is expected be built over a 20-year time horizon.

Home Price to Income Ratio

median home price to median family income

1999 - 2019
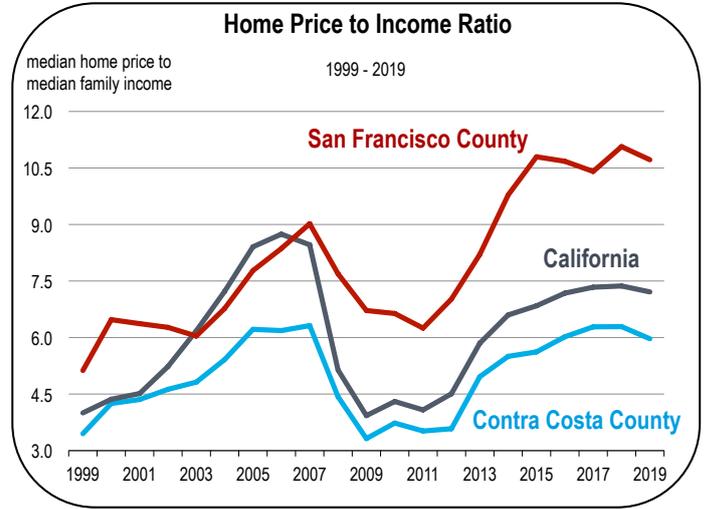
Contra Costa County Residential Development Pipeline

Area	Units
Concord	13,240
Brentwood	3,050
Antioch	1,936
Walnut Creek	1,127
El Cerrito	943
Pittsburg	356
Lafayette	315
Richmond	255
Pleasant Hill	220
Oakley	200
Martinez	176

Median Home Price

dollars

2011 - 2025

New Homes Permitted

homes permitted

2003 - 2025
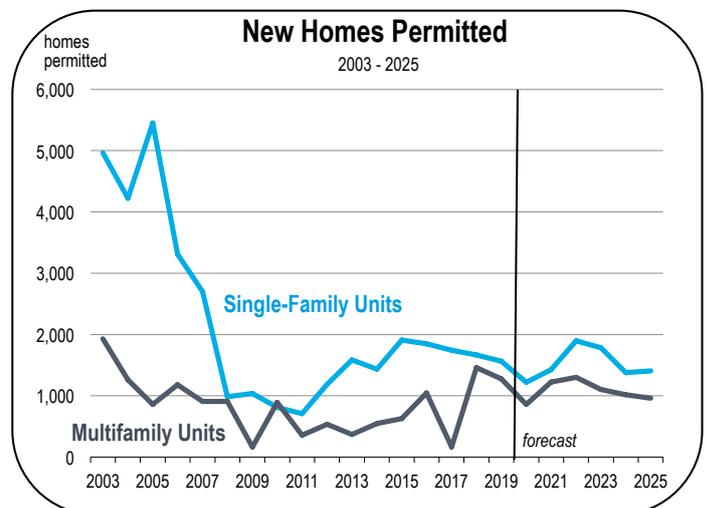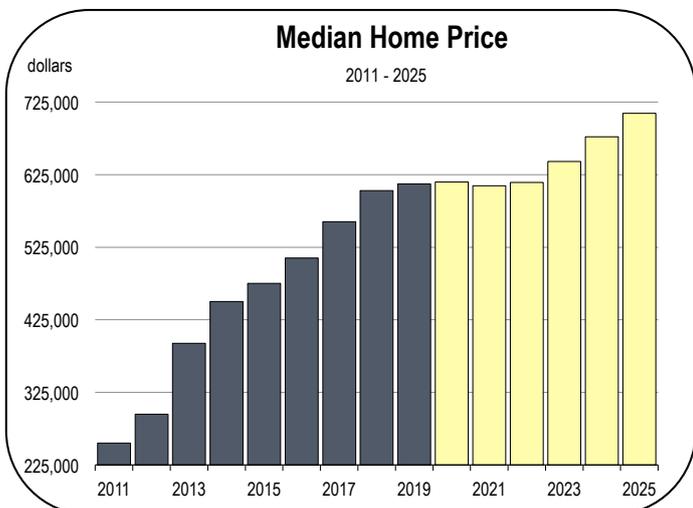
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Economic Indicators — 2015-2019 History, 2020-2050 Forecast

	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 (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	1,118,070	383.4	9,082	2,538	1,000	$77.9	$11.3	$15.8	$22.2	$79,566	5.0	$146.8	2.6
2016	1,129,996	387.2	7,139	2,895	1,078	$82.4	$11.7	$16.1	$14.7	$80,895	4.5	$142.1	3.0
2017	1,138,191	386.9	3,898	1,910	1,073	$88.0	$12.3	$16.8	$19.3	$83,090	3.8	$129.4	3.2
2018	1,147,327	387.6	5,111	3,127	1,084	$94.9	$12.9	$17.6	$23.4	$85,322	3.2	$125.5	4.2
2019	1,153,077	389.6	1,685	2,844	1,116	$98.6	$13.0	$17.8	$23.6	$85,472	3.1	$124.1	3.2
2020	1,156,787	393.1	-351	2,079	1,124	$95.9	$12.0	$16.4	$23.9	$81,856	9.4	$123.9	1.3
2021	1,163,597	390.9	2,765	2,651	1,129	$101.2	$13.2	$18.1	$24.1	$83,552	6.3	$124.7	2.7
2022	1,171,140	394.8	3,557	3,200	1,134	$108.3	$13.9	$19.0	$24.7	$86,161	4.8	$125.6	3.1
2023	1,178,859	399.4	3,804	2,884	1,138	$115.3	$14.6	$20.0	$25.4	$88,217	4.3	$127.7	3.3
2024	1,188,689	402.0	6,016	2,393	1,141	$121.1	$15.4	$21.1	$25.9	$89,124	4.0	$128.9	3.1
2025	1,197,748	403.8	5,353	2,367	1,144	$126.9	$16.2	$22.3	$26.5	$89,998	3.9	$130.0	3.0
2026	1,206,646	406.1	5,294	2,138	1,146	$132.6	$17.1	$23.5	$27.0	$90,689	3.8	$130.9	2.9
2027	1,214,899	408.3	4,726	1,982	1,148	$138.3	$18.0	$24.8	$27.5	$91,366	3.6	$131.9	2.8
2028	1,221,917	410.3	3,598	1,801	1,151	$144.4	$19.0	$26.1	$28.0	$92,207	3.6	$132.8	2.9
2029	1,229,097	412.0	3,805	1,759	1,153	$150.2	$19.7	$27.1	$28.4	$92,591	3.6	$133.6	3.0
2030	1,236,289	413.6	3,938	1,705	1,156	$156.2	$20.3	$27.9	$28.8	$93,031	3.6	$134.4	2.9
2031	1,243,400	415.2	4,024	1,659	1,159	$162.3	$20.9	$28.8	$29.2	$93,510	3.5	$135.2	2.8
2032	1,249,766	416.9	3,503	1,651	1,163	$168.6	$21.5	$29.6	$29.6	$93,840	3.6	$136.1	3.0
2033	1,256,566	418.4	4,141	1,679	1,168	$174.9	$22.1	$30.5	$30.0	$94,375	3.6	$137.0	2.6
2034	1,263,834	420.0	4,862	1,760	1,172	$181.6	$22.7	$31.3	$30.4	$94,815	3.6	$137.9	2.8
2035	1,270,974	421.7	4,973	1,692	1,175	$188.6	$23.4	$32.3	$30.8	$95,196	3.6	$138.8	2.9
2036	1,277,317	423.3	4,497	1,694	1,179	$196.0	$24.2	$33.4	$31.1	$95,332	3.6	$139.6	3.3
2037	1,283,499	424.9	4,608	1,653	1,183	$203.8	$25.0	$34.5	$31.4	$95,411	3.6	$140.5	3.4
2038	1,289,242	426.4	4,460	1,687	1,188	$211.7	$25.9	$35.6	$31.7	$95,662	3.6	$141.4	3.2
2039	1,294,260	428.0	4,104	1,622	1,194	$220.1	$26.7	$36.9	$32.0	$95,848	3.6	$142.2	3.4
2040	1,299,180	429.5	4,406	1,620	1,198	$228.6	$27.6	$38.1	$32.3	$96,055	3.6	$143.1	3.3
2041	1,303,461	430.9	4,150	1,536	1,203	$237.2	$28.5	$39.3	$32.6	$96,389	3.6	$143.9	3.1
2042	1,306,900	432.3	3,590	1,502	1,208	$246.0	$29.4	$40.6	$33.0	$96,817	3.6	$144.7	3.0
2043	1,309,679	433.6	3,165	1,450	1,212	$255.0	$30.3	$41.8	$33.4	$97,354	3.6	$145.5	2.9
2044	1,313,282	434.8	4,178	1,431	1,217	$264.2	$31.1	$42.9	$33.8	$97,947	3.6	$146.3	2.7
2045	1,316,926	436.0	4,418	1,417	1,221	$273.7	$32.1	$44.2	$34.1	$98,368	3.6	$147.1	2.9
2046	1,320,106	437.2	4,126	1,405	1,225	$283.4	$33.0	$45.5	$34.5	$98,869	3.6	$147.9	2.8
2047	1,322,875	438.5	3,900	1,355	1,229	$293.4	$33.9	$46.8	$34.8	$99,360	3.6	$148.6	2.8
2048	1,325,362	439.6	3,798	1,333	1,233	$303.6	$34.9	$48.2	$35.2	$99,866	3.6	$149.4	2.8
2049	1,327,718	440.7	3,831	1,311	1,238	$314.2	$35.9	$49.6	$35.6	$100,382	3.6	$150.2	2.8
2050	1,330,012	441.8	3,922	1,308	1,243	$325.2	$37.0	$51.0	$35.9	$100,884	3.6	$151.0	2.8

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	350.8	0.7	22.8	15.0	10.6	51.9	26.3	50.9	8.3	64.1	38.3	49.3
2016	364.2	0.8	25.4	14.9	11.2	53.6	27.0	52.1	8.1	67.3	40.5	50.4
2017	370.3	0.8	25.5	15.6	11.5	53.7	27.4	54.3	8.0	69.3	40.7	50.5
2018	373.0	0.7	26.2	15.6	11.8	52.5	26.9	55.2	7.8	70.6	41.5	50.9
2019	375.3	0.8	26.4	15.5	12.0	51.2	27.0	55.9	7.9	71.8	42.3	51.1
2020	347.5	0.7	24.5	14.9	11.7	45.9	26.1	53.6	7.5	70.6	31.1	49.6
2021	364.0	0.7	26.5	15.4	11.8	49.1	27.2	54.9	7.8	72.2	35.3	50.6
2022	374.4	0.7	27.2	15.6	12.0	50.2	27.6	56.4	7.8	73.5	39.3	51.0
2023	381.2	0.7	26.7	15.7	12.1	50.7	28.1	57.7	7.9	75.1	41.5	51.4
2024	384.0	0.7	26.1	15.7	12.1	51.0	28.5	58.0	7.9	75.9	42.7	51.7
2025	384.8	0.8	24.0	15.7	12.1	51.1	28.8	58.3	7.9	77.0	43.1	52.2
2026	386.7	0.8	23.8	15.8	12.2	51.3	29.1	58.6	7.9	77.6	43.5	52.3
2027	388.0	0.8	22.9	15.8	12.2	51.5	29.5	58.9	7.9	78.1	43.7	52.5
2028	389.4	0.8	22.4	15.8	12.2	51.8	29.9	59.3	8.0	78.6	43.9	52.7
2029	390.9	0.8	21.9	15.9	12.2	52.0	30.2	59.6	8.0	79.1	44.0	52.8
2030	392.5	0.8	21.8	15.9	12.2	52.1	30.6	59.9	8.0	79.6	44.2	53.0
2031	394.1	0.8	21.4	15.9	12.2	52.3	30.9	60.2	8.0	80.2	44.4	53.2
2032	395.6	0.8	21.2	15.9	12.2	52.5	31.2	60.6	8.0	80.7	44.5	53.4
2033	397.0	0.8	20.8	15.9	12.2	52.6	31.4	60.9	8.0	81.2	44.6	53.5
2034	399.0	0.8	21.0	15.9	12.2	52.8	31.7	61.2	8.0	81.8	44.8	53.7
2035	400.9	0.8	21.0	15.9	12.2	52.9	32.0	61.6	8.0	82.3	45.0	53.9
2036	402.6	0.8	20.9	16.0	12.3	53.1	32.2	61.9	8.0	82.8	45.2	54.1
2037	404.2	0.8	20.7	16.0	12.3	53.2	32.4	62.2	8.0	83.4	45.4	54.3
2038	405.9	0.8	20.5	16.0	12.3	53.4	32.6	62.5	8.0	83.9	45.6	54.5
2039	407.9	0.8	20.6	16.0	12.3	53.5	32.9	62.9	8.0	84.5	45.8	54.7
2040	409.7	0.9	20.5	16.0	12.3	53.7	33.1	63.2	8.0	85.0	45.9	54.9
2041	411.3	0.9	20.4	16.0	12.3	53.8	33.3	63.6	8.0	85.6	46.1	55.1
2042	412.8	0.9	20.1	16.0	12.3	54.0	33.5	63.9	8.1	86.2	46.2	55.2
2043	414.5	0.9	19.9	16.0	12.4	54.2	33.7	64.2	8.1	86.8	46.4	55.4
2044	416.5	0.9	20.0	16.1	12.4	54.4	33.9	64.6	8.1	87.3	46.6	55.6
2045	418.3	0.9	20.0	16.1	12.4	54.5	34.1	64.9	8.1	87.9	46.8	55.8
2046	420.2	0.9	20.0	16.1	12.4	54.7	34.3	65.3	8.1	88.5	46.9	56.0
2047	422.0	0.9	20.0	16.1	12.4	54.9	34.4	65.6	8.1	89.1	47.1	56.2
2048	423.8	0.9	19.9	16.1	12.4	55.1	34.6	66.0	8.1	89.7	47.2	56.4
2049	425.7	0.9	19.9	16.1	12.5	55.3	34.8	66.3	8.1	90.3	47.4	56.5
2050	427.5	0.9	19.9	16.1	12.5	55.5	34.9	66.7	8.1	90.9	47.6	56.7

Contra Costa County Economic Forecast

Socioeconomic Indicators

Violent Crime Rate

crimes per 100,000 residents

2018

Contra Costa County	Bay Area	California
333	415	447

Poverty Rate

percent of households below poverty line

2019

Contra Costa County	Bay Area	California
6.6	5.6	10.0

Median Household Income

dollars per household

2019

Contra Costa County	Bay Area	California
105,100	112,400	79,000

Median Home Selling Price

dollars

2019

Contra Costa County	Bay Area	California
612,300	847,700	592,400

Average Travel Time to Work

minutes each way

2019

Contra Costa County	Bay Area	California
42	35	32

Percent of Population Age 25+ With at Least a 4-Year College Dregree

percent

2019

Contra Costa County	Bay Area	California
41.8	47.1	33.3