# Lake County Economic Forecast

Forecast Summary

- It is estimated that an average of 1,200 to 1,700 jobs will be lost in Lake County during 2020. Job losses will be heavy in the first half of the year.

- Employment losses will be largest in leisure services, retail, and government. In each of these sectors, losses will top 200 jobs on an annual average bases in 2020.

- The unemployment rate averaged 5.0 percent in 2019. It will average between 10 percent and 13 percent during the 2020 calendar year.

- The Lake County population is expected to decline during most of the 2020-2025 forecast period.

- Home values are expected to decline in 2020 and 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 7 percent in 2020. This is an annual average change from 2019.

- In 2021 and 2022, Lake County is expected to re-gain many of the jobs that were lost during the Coronavirus Recession.

Non-farm Job Growth

Non-farm Job Growth
percent
2011 - 2025
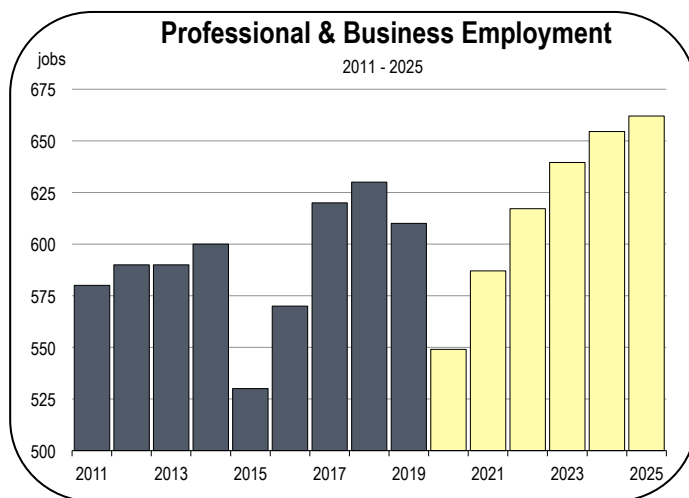Lake County
Northern California
forecast
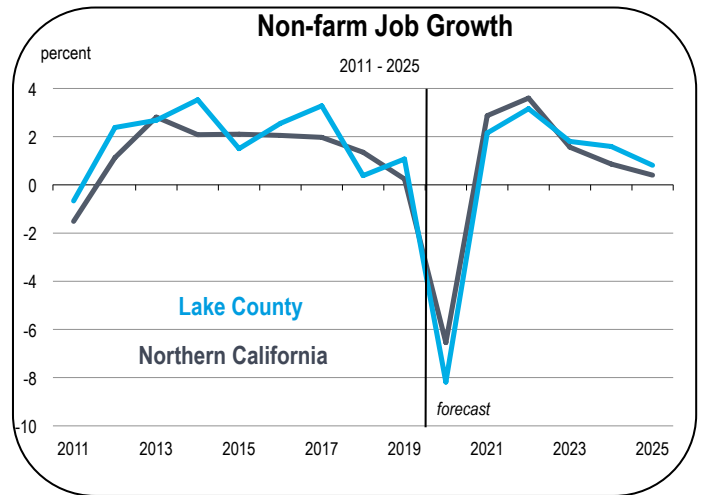
Construction Employment

- On an annual average basis, the construction sector is expected to lose several dozen 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, and construction firms are expected to expand throughout most of the forecast period.

Population Growth
percent
2011 - 2025
Lake County
Northern California
forecast

Construction Employment
jobs
2011 - 2025
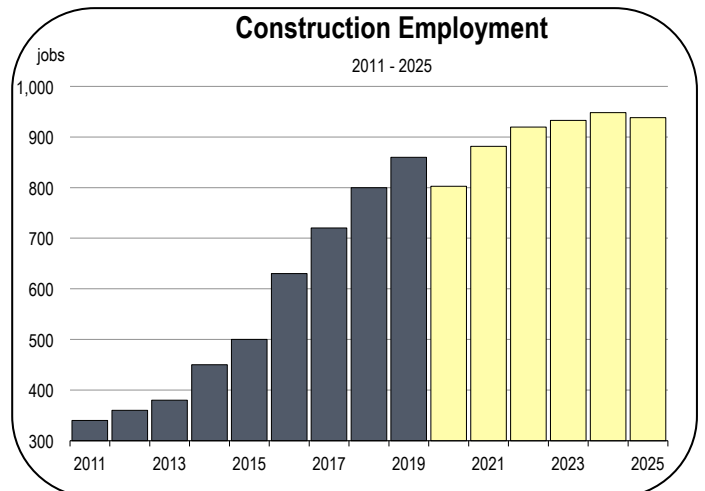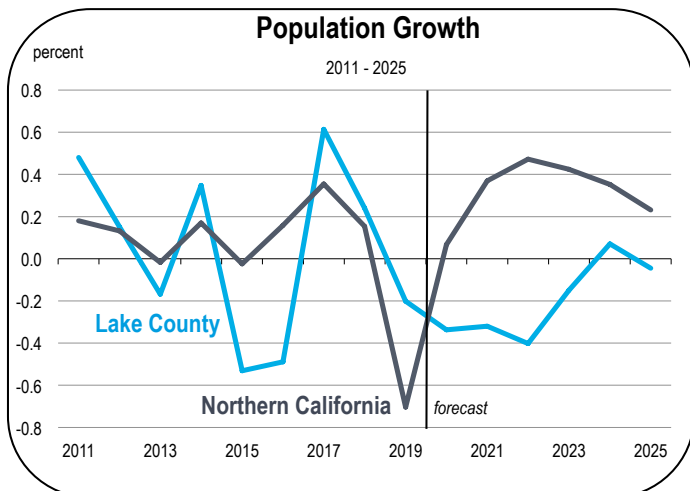
Lake County Economic Forecast

Retail Employment
2011 - 2025
jobs (000s)

Professional & Business Employment
2011 - 2025
jobs
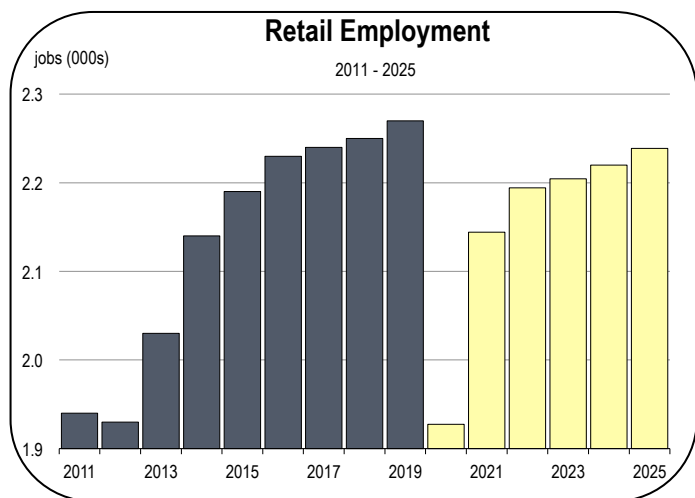
Retail Trade Employment

- The Lake County retail sector is dominated by grocery stores, department stores (including stores like Walmart), car dealers, and hardware and garden stores.

- The retail sector is expected to lose more than 300 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 600 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.

- Retail trade jobs will return after in-store shopping is permitted in a sustained way, but it is unclear if employment in the retail sector will surpass pre-recession levels.
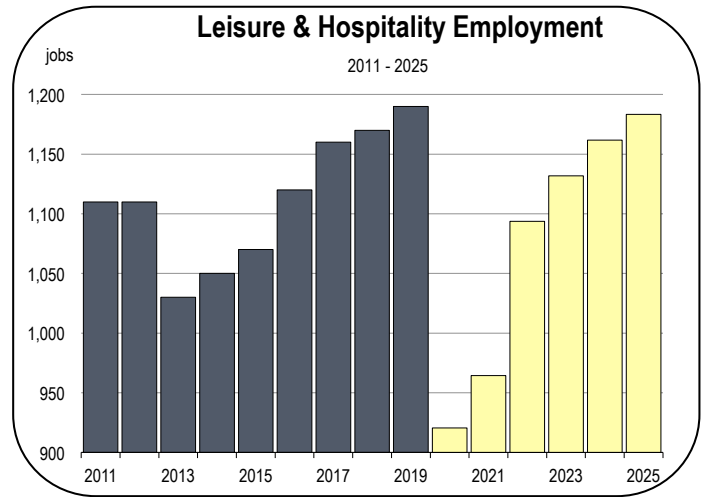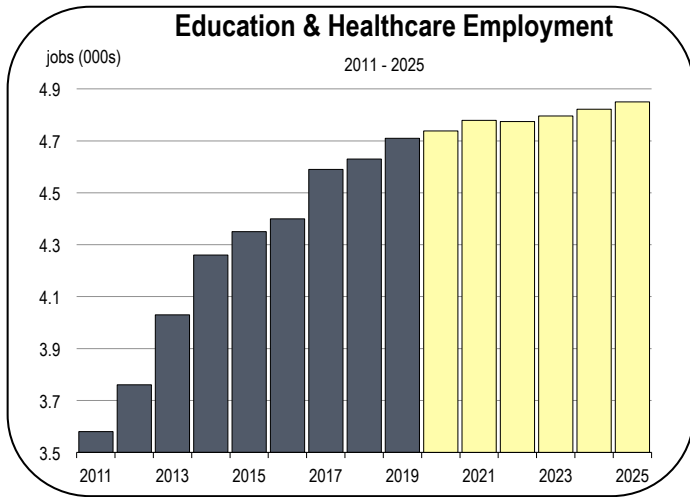
Professional and Business Services Employment

- 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 building maintenance declined substantially during the shutdowns but are expected to rebound at office and industrial buildings with repopulating employment.

- Veterinary services have experienced a decline in customers, as unemployed residents have prioritized their newly limited budgets away from pet care.

- Aside from maintenance and veterinarians, most subsectors of the professional business services industry were able to operate remotely and were largely unaffected by the shutdowns, although some had layoffs due to the recessionary macroeconomic conditions that persisted through the U.S.

Retail Trade / Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Food & Beverage Stores	750	32.3%
Department Stores	400	17.2%
Auto Dealers	300	12.9%
Hardware & Garden Stores	300	12.9%
Gas Stations	200	8.6%
Health & Personal Care Stores	150	6.5%
Electronics & Appliance Stores	25	1.1%
Furniture & Home Goods Stores	25	1.1%
Sporting Goods & Hobby Stores	25	1.1%
Other	150	6.5%

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	200	30.8%
Corporate Headquarters	100	15.4%
Veterinary Services	100	15.4%
Accounting & Bookkeeping	50	7.7%
Law	25	3.8%
Engineering & Architecture	25	3.8%
Other	150	23.1%

Lake County Economic Forecast

Education & Healthcare Employment
2011 - 2025
jobs (000s)

Leisure & Hospitality Employment
2011 - 2025
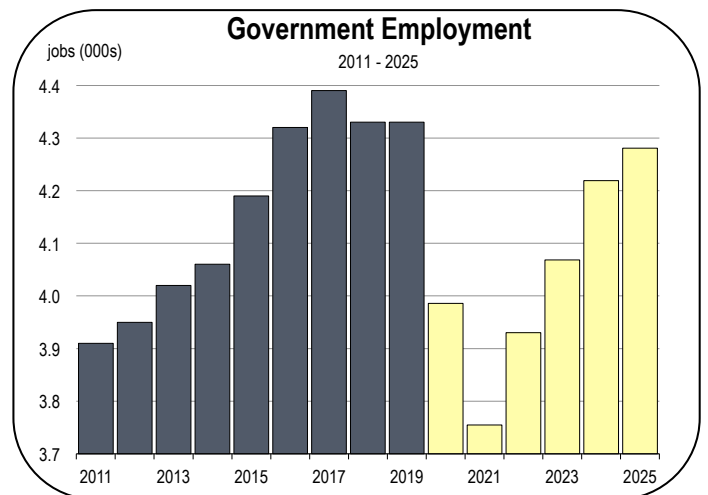jobs

Private Education and Healthcare Employment

- There were 2,000 healthcare jobs in Lake County in 2019.

- Healthcare jobs were recession proof during the 2008-2009 financial crisis. In many parts of California, non-essential medical offices had to close in 2020, but the healthcare sector in Lake County was largely unaffected by the Coronavirus Pandemic and Recession.

- There were approximately 2,700 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.

- There were also 50 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 and there were very few layoffs in Lake County.

Leisure and Hospitality Employment

- In 2019, Lake County had 1,100 jobs in restaurants, hotels, and bars. Approximately 50 percent were laid off in March and April of 2020, and another 40 to 45 percent had their hours cut or were furloughed without pay.

- Clear Lake is the primary tourist attraction in Lake County, and the summer recreation season was interrupted by the Coronavirus Pandemic.

- Lake County also had 50 jobs in entertainment and recreation in 2019, including facilities like fitness centers. Some of these organizations will operate at reduced capacities 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.

Government Employment
2011 - 2025
jobs (000s)

Lake County Economic Forecast

Population & Population Growth Rate
2011 - 2025

population (thousands) / growth rate (%)

Population Growth Rate

Births and Deaths
2003 - 2025

residents

Deaths

Births

forecast

Population Growth

- The Lake County population is expected to decline between 2020 and 2025.

- Net migration is expected to be negative for most of the forecast period, with the number of residents moving out of the County exceeding the number of people moving in.

- Because Lake County has an older population base, the number of deaths has begun to exceed the number of births, which will contribute to overall population decline over the forecast period.

- The population will expand at an annual average rate of 0.2 percent per year from 2020 to 2025.

Unemployment and Inflation Rates

- The unemployment rate in Lake County averaged 5.0 percent in 2019, which was similar to the composite rate for the Northern California region.

- The unemployment rate is expected to average between 10 and 13 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.

Net Migration
2011 - 2025

inmigrants minus outmigrants

Unemployment Rate
2016 - 2025

percent

Lake County

Northern California

forecast

Lake County Economic Forecast

Inflation / California
2016 - 2025

percent change in CPI

Median Home Price
2011 - 2025

dollars
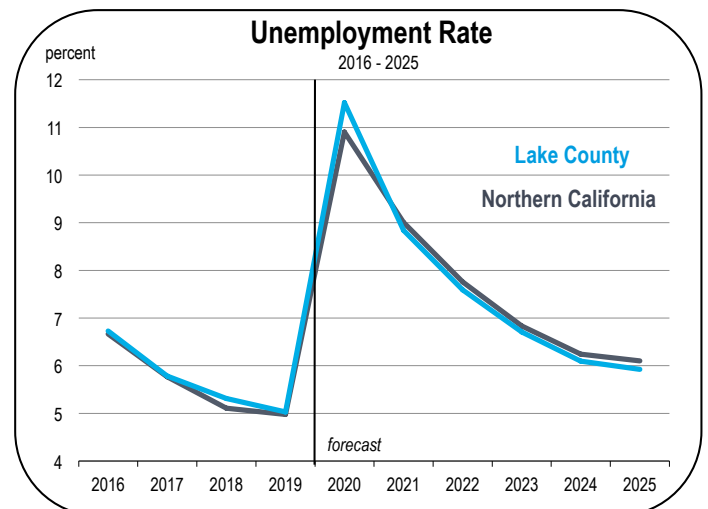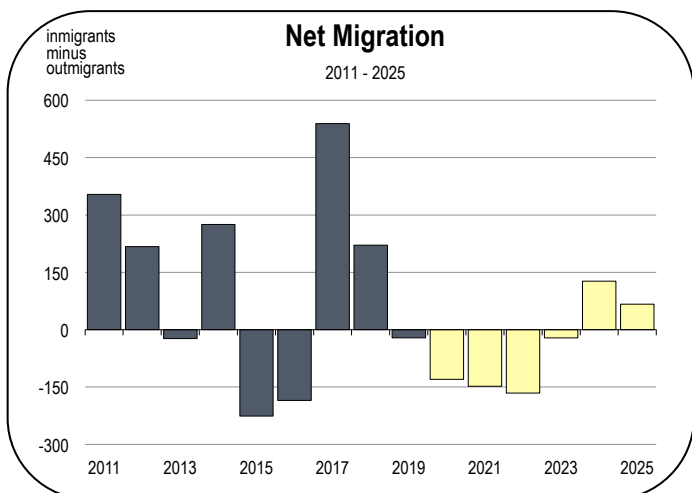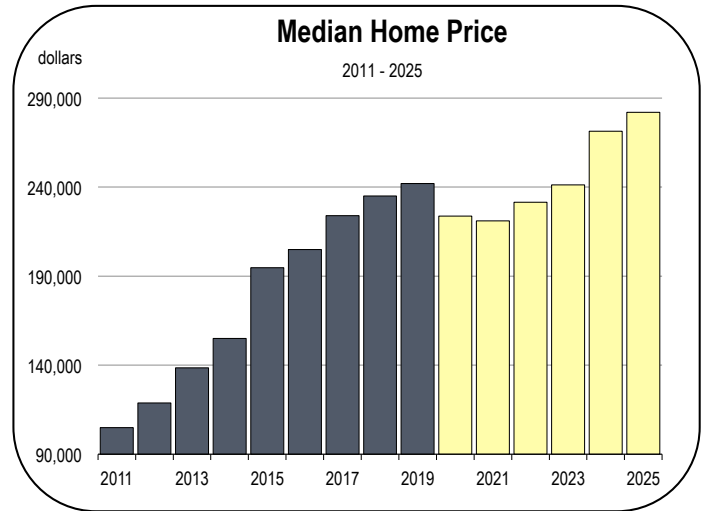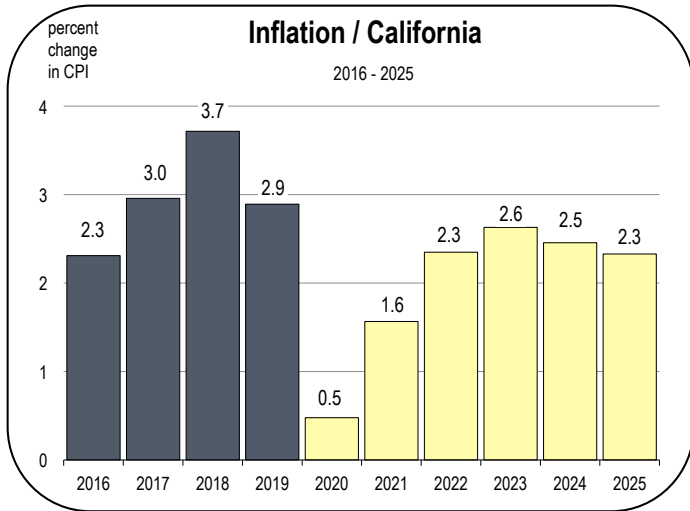
Home Prices and New Housing Production

- In 2019 the median home price in Lake County was $242,100.

- The median price is expected to decline by 5 to 10 percent in 2020, and may not begin to increase again until 2022 or later.

- In Lake 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 112 new homes were started per year in Lake County. Approximately 98 percent were single-family homes.

- Housing production is expected to average 70 to 80 units per year from 2020 to 2025, consisting primarily of single-family homes.

- Some of the homes built over the 2020-2025 forecast period will include houses that were destroyed by the Sulphur Fire in 2017. Most of the rebuilding process had already been completed before the beginning of the 2020 calendar year, but some rebuilding will last into 2022.

New Homes Permitted
2003 - 2025

homes permitted

forecast

Single-Family Units

Multifamily Units
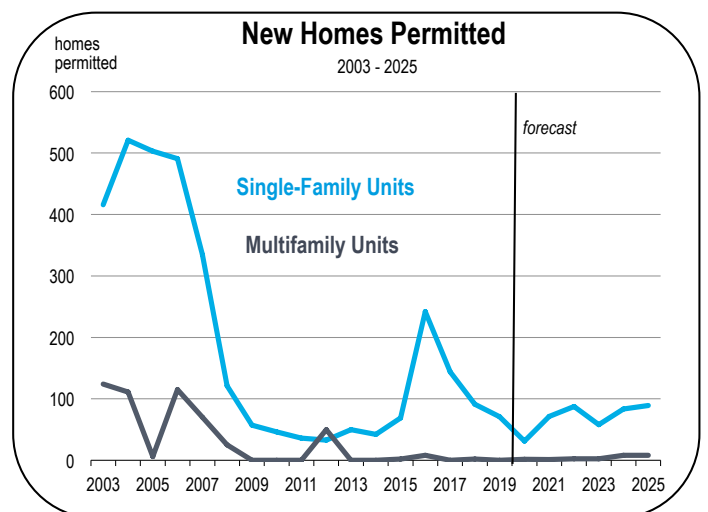
Lake County Economic Forecast

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	64,785	26.8	-226	71	88	$2.5	$401	$575	$269	$43,121	7.6	$114	1.4
2016	64,468	25.9	-185	250	90	$2.6	$445	$593	$251	$43,838	6.7	$119	2.3
2017	64,864	26.1	539	144	89	$2.7	$465	$618	$261	$43,787	5.8	$129	3.0
2018	65,020	26.0	221	93	89	$2.8	$486	$614	$277	$44,013	5.3	$115	3.7
2019	64,889	25.8	-21	71	91	$2.9	$516	$653	$294	$45,010	5.0	$117	2.9
2020	64,671	25.9	-130	33	91	$2.8	$378	$512	$262	$43,297	11.5	$116	0.5
2021	64,464	25.9	-148	72	91	$2.9	$456	$572	$288	$43,683	8.8	$117	1.6
2022	64,205	26.0	-166	90	91	$3.0	$482	$613	$293	$44,620	7.6	$117	2.3
2023	64,109	26.1	-21	60	91	$3.1	$503	$644	$300	$45,521	6.7	$117	2.6
2024	64,153	26.1	127	92	91	$3.3	$527	$677	$300	$46,441	6.1	$118	2.5
2025	64,125	26.2	67	98	91	$3.4	$555	$714	$303	$47,240	5.9	$118	2.3
2026	64,056	26.2	11	87	91	$3.5	$570	$737	$305	$47,948	5.6	$119	2.3
2027	63,895	26.3	-72	59	90	$3.6	$583	$756	$309	$48,597	5.5	$119	2.2
2028	63,683	26.4	-124	51	90	$3.8	$599	$776	$313	$49,277	5.4	$120	2.2
2029	63,537	26.4	-66	45	90	$3.9	$613	$795	$316	$49,804	5.2	$120	2.3
2030	63,420	26.4	-33	45	89	$4.0	$632	$819	$318	$50,386	5.1	$121	2.2
2031	63,278	26.5	-62	24	89	$4.1	$643	$835	$321	$50,949	5.1	$121	2.1
2032	63,094	26.5	-98	23	89	$4.3	$658	$854	$324	$51,487	5.0	$122	2.3
2033	62,932	26.5	-70	23	88	$4.4	$672	$872	$326	$52,123	5.1	$122	1.9
2034	62,833	26.5	-5	27	88	$4.5	$688	$892	$329	$52,693	5.2	$123	2.1
2035	62,645	26.6	-88	33	87	$4.7	$707	$918	$331	$53,326	5.3	$123	2.2
2036	62,479	26.6	-66	28	87	$4.8	$730	$948	$333	$53,854	5.4	$124	2.6
2037	62,221	26.6	-159	30	86	$5.0	$751	$976	$334	$54,449	5.5	$124	2.7
2038	62,063	26.6	-57	24	86	$5.1	$772	$1,003	$336	$55,061	5.4	$125	2.5
2039	61,907	26.7	-59	30	86	$5.3	$795	$1,033	$338	$55,608	5.5	$125	2.7
2040	61,806	26.7	-7	30	85	$5.5	$816	$1,061	$339	$56,192	5.5	$126	2.6
2041	61,744	26.7	30	33	85	$5.7	$835	$1,087	$341	$56,819	5.6	$126	2.2
2042	61,656	26.7	-2	35	84	$5.9	$854	$1,111	$343	$57,511	5.7	$127	2.1
2043	61,622	26.8	47	32	84	$6.0	$874	$1,137	$346	$58,159	5.7	$128	2.0
2044	61,522	26.8	-24	34	84	$6.2	$890	$1,158	$349	$58,927	5.6	$128	1.8
2045	61,490	26.8	30	29	83	$6.4	$910	$1,184	$351	$59,641	5.4	$129	1.9
2046	61,578	26.8	138	32	83	$6.6	$930	$1,211	$354	$60,181	5.5	$130	2.0
2047	61,688	26.9	146	37	83	$6.8	$952	$1,240	$356	$60,698	5.4	$130	2.2
2048	61,772	26.9	103	37	83	$7.1	$978	$1,273	$358	$61,141	5.5	$131	2.3
2049	61,832	26.9	72	34	83	$7.3	$1,000	$1,302	$360	$61,717	5.6	$132	2.0
2050	61,906	26.9	71	31	83	$7.5	$1,023	$1,333	$362	$62,280	5.7	$132	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
2015	15,940	1,060	500	330	530	2,340	380	530	130	4,350	1,070	4,190
2016	16,340	1,080	630	340	510	2,350	380	570	120	4,400	1,120	4,320
2017	16,800	1,040	720	330	550	2,340	390	620	120	4,590	1,160	4,390
2018	16,800	980	800	360	540	2,340	370	630	100	4,630	1,170	4,330
2019	17,010	1,020	860	380	570	2,360	350	610	100	4,710	1,190	4,330
2020	15,580	898	803	306	503	2,000	339	549	77	4,738	921	3,986
2021	15,990	998	881	346	560	2,215	331	587	79	4,779	964	3,755
2022	16,500	1,024	920	368	566	2,269	327	617	81	4,774	1,094	3,930
2023	16,780	1,035	933	387	570	2,286	325	640	83	4,796	1,132	4,068
2024	17,040	1,044	948	379	573	2,304	325	655	84	4,822	1,162	4,219
2025	17,180	1,049	938	376	576	2,324	325	662	85	4,850	1,183	4,281
2026	17,300	1,052	920	373	580	2,326	325	666	86	4,902	1,196	4,343
2027	17,380	1,054	903	375	584	2,328	326	670	86	4,947	1,205	4,374
2028	17,450	1,055	881	376	588	2,332	327	673	87	4,988	1,210	4,406
2029	17,540	1,057	868	378	591	2,334	327	677	87	5,038	1,214	4,438
2030	17,650	1,059	861	379	595	2,340	328	681	87	5,086	1,218	4,481
2031	17,720	1,060	851	380	598	2,338	329	685	87	5,133	1,223	4,502
2032	17,810	1,062	835	381	601	2,339	330	689	88	5,187	1,227	4,534
2033	17,900	1,064	817	382	604	2,342	331	692	88	5,247	1,231	4,566
2034	17,980	1,065	798	383	607	2,344	332	696	88	5,304	1,236	4,599
2035	18,090	1,067	780	384	610	2,349	332	700	89	5,373	1,240	4,631
2036	18,190	1,069	768	385	613	2,354	333	704	89	5,435	1,244	4,664
2037	18,300	1,071	752	386	615	2,356	333	708	89	5,508	1,248	4,697
2038	18,410	1,072	742	386	618	2,358	334	711	89	5,579	1,252	4,730
2039	18,520	1,074	729	387	620	2,361	335	715	89	5,659	1,257	4,764
2040	18,650	1,076	721	387	622	2,362	336	719	90	5,744	1,261	4,805
2041	18,770	1,078	718	388	624	2,363	337	723	90	5,824	1,265	4,831
2042	18,890	1,079	717	388	626	2,365	337	727	90	5,894	1,269	4,865
2043	19,000	1,081	706	389	628	2,367	339	730	90	5,965	1,273	4,899
2044	19,110	1,083	701	389	629	2,368	340	734	90	6,028	1,277	4,933
2045	19,210	1,084	686	389	631	2,370	341	738	90	6,098	1,281	4,967
2046	19,310	1,086	669	390	633	2,372	342	742	90	6,165	1,285	5,002
2047	19,420	1,088	662	390	634	2,373	344	746	91	6,236	1,289	5,036
2048	19,530	1,089	648	390	635	2,376	345	749	91	6,305	1,293	5,071
2049	19,640	1,091	640	390	637	2,378	346	753	91	6,373	1,297	5,106
2050	19,750	1,093	634	391	638	2,380	347	757	91	6,439	1,301	5,141

Lake County Economic Forecast

Socioeconomic Indicators

Violent Crime Rate
2018

crimes per 100,000 residents

Lake County	518
Northern California	509
California	447

Poverty Rate
2019

percent of households below poverty line

Lake County	17.7
Northern California	12.0
California	10.0

Median Household Income
2019

dollars per household

Lake County	52,900
Northern California	53,500
California	79,000

Median Home Selling Price
2019

dollars

Lake County	242,100
Northern California	265,500
California	592,400

Average Travel Time to Work
2019

minutes each way

Lake County	35
Northern California	22
California	32

Percent of Population Age 25+ With at Least a 4-Year College Degree
2019

percent

Lake County	13.9
Northern California	23.0
California	33.3