# Nevada County Economic Forecast

Forecast Summary

- It is estimated that an average of 4,300 to 6,000 jobs will be lost in Nevada County during 2020. Job losses will be heavy in the first half of the year, rebounding in the second half.

- The unemployment rate averaged 3.3 percent in 2019. It will average somewhere between 8 percent and 11 percent for the 2020 calendar year.

- The Nevada County population is expected to decline during the 2020-2025 forecast period.

- Home values are expected to continue to increase slowly in 2020 and 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 13 and 18 percent on an annual average basis in 2020, which will be among the largest declines of any county in California.

- During 2021, Nevada County will regain many of the jobs lost during the Coronavirus Recession, but it is unclear if Nevada County will regain all jobs lost before the year 2025.

Non-farm Job Growth
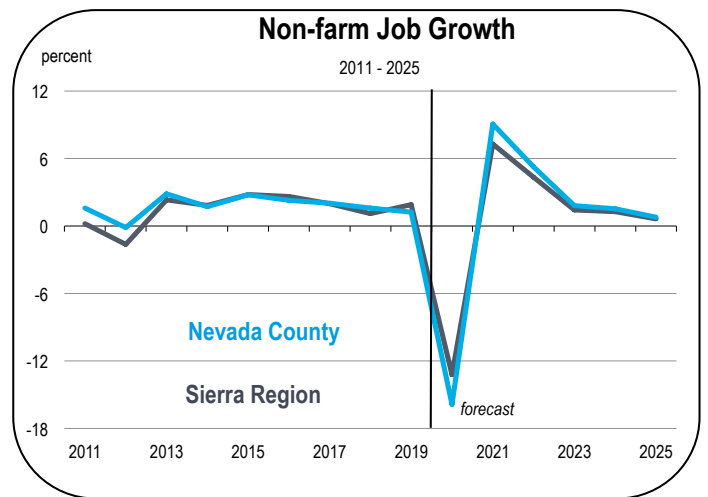
Construction Employment

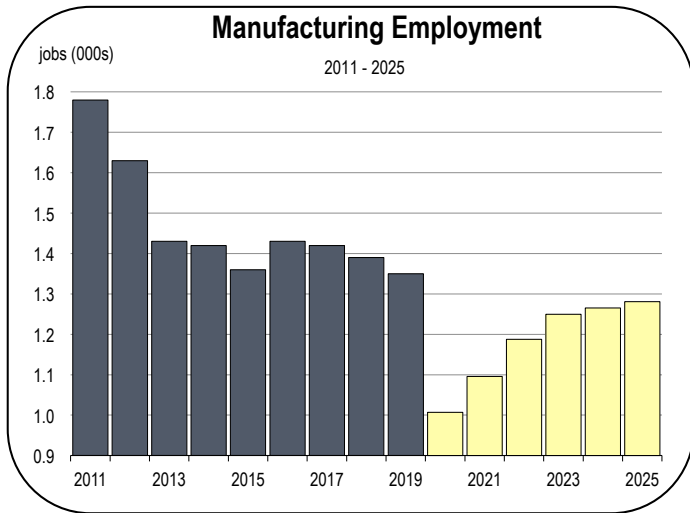- The construction sector is expected to lose up to 500 jobs on an annual average basis in 2020.

- Fewer new homes will be built in 2020, and activity on non-residential projects will slow down, but overall demand for construction workers should recover by 2021.

- Job losses may be observed during the second half of the 2020-2025 forecast period.

Population Growth

Construction Employment
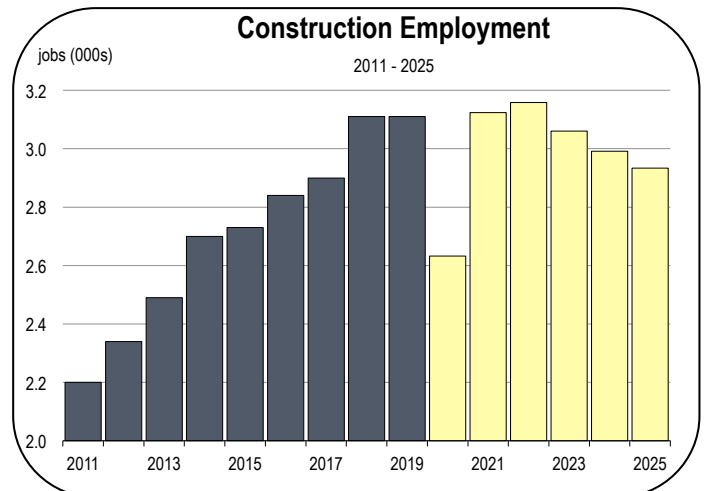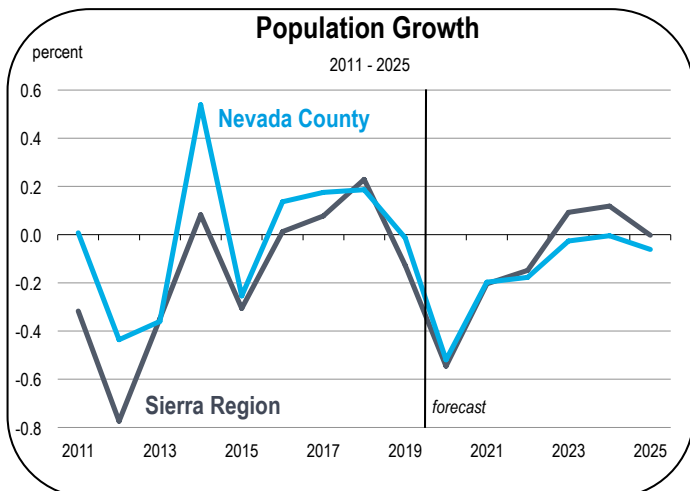
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Manufacturing Employment
2011 - 2025

Retail Employment
2011 - 2025
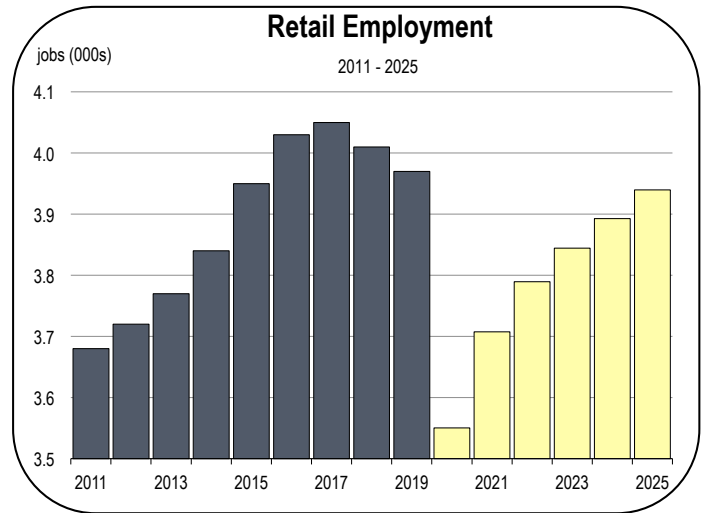

Manufacturing Employment

- Employment in the Nevada County manufacturing sector had been relatively unchanged for several years before the onset of the Coronavirus Recession.

- More than 300 jobs are expected to be lost in 2020 on an annual average basis, and the recovery is expected to be slow.

- It is unlikely that manufacturing employment will return to pre-pandemic levels during the 2020-2025 forecast period.
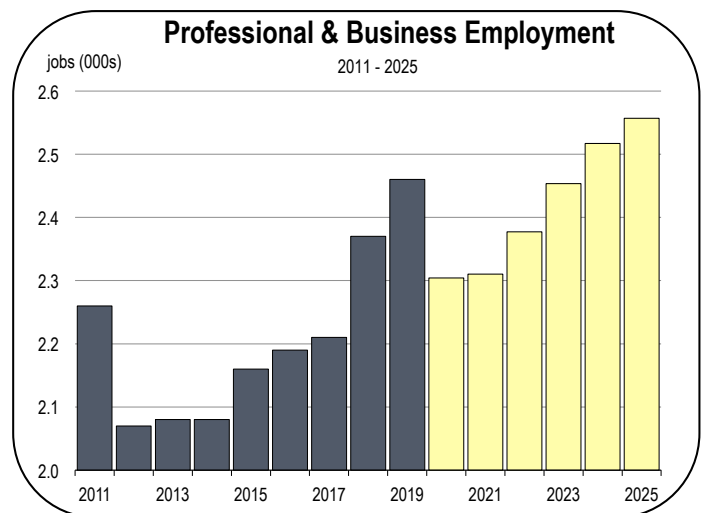
Retail Trade Employment

- The retail sector is expected to lose more than 350 jobs in 2020 on an annual average basis, a decrease of at least 9 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 Nevada 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.

Professional & Business Employment
2011 - 2025

Nevada County Economic Forecast

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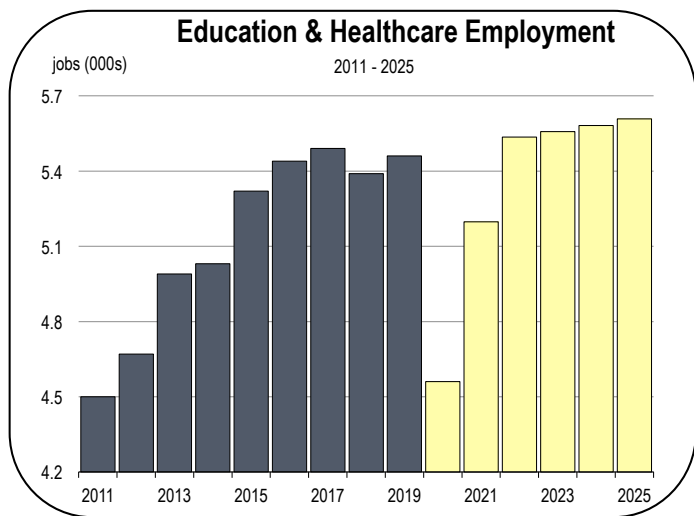
Private Education and Healthcare Employment

- 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 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

- Lake Tahoe is the largest tourism attraction in Nevada County, and the winter ski season is the peak for visitor traffic.

- Annual snowfall totals have increased in recent years, recovering from California's drought, which has expanded the number of
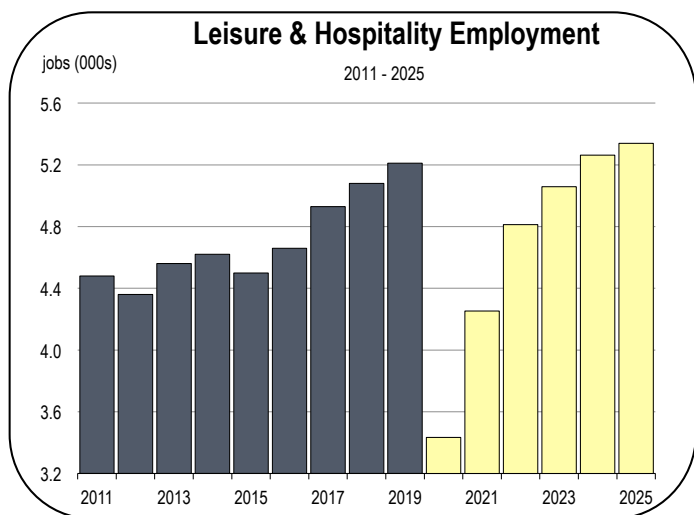
people traveling to Nevada County and the generated demand for leisure and hospitality workers.

- As of 2019, there were more leisure and hospitality jobs in Nevada County than any year on record.

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

- Our research indicates that most leisure workers were laid off, furloughed, or had their hours cut in the months of March and April.

- Jobs at restaurants, bars, and hotels will rebound in 2021, but may not return to pre-recession levels for several years.

- It is unclear how the winter ski season will be affected by social distancing guidelines, and changes to public health mandates could alter the outlook for leisure and hospitality employment.

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.

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

Government Employment
jobs (000s)   2011 - 2025
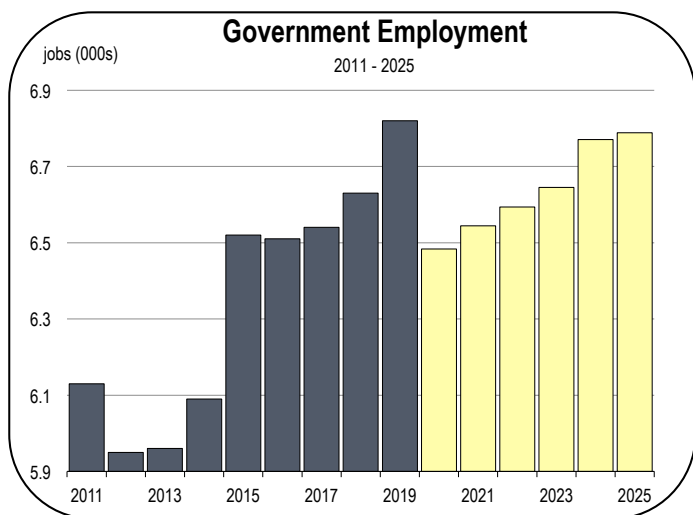
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Population & Population Growth Rate
2011 - 2025

Percent of Population Aged 75 and Older
2003 - 2025
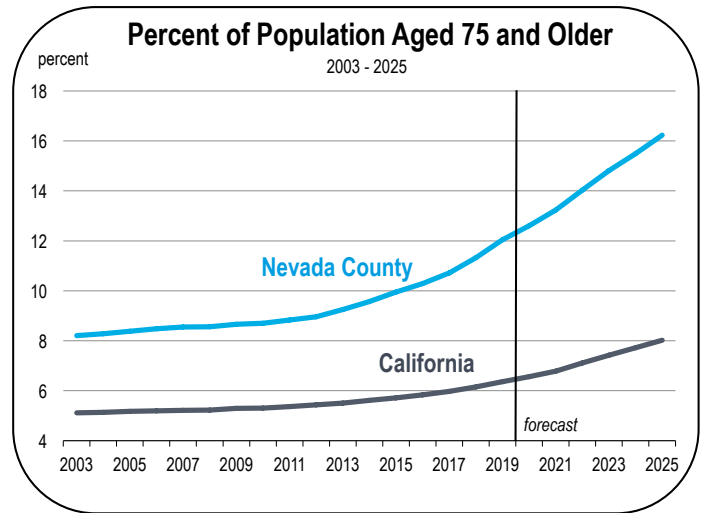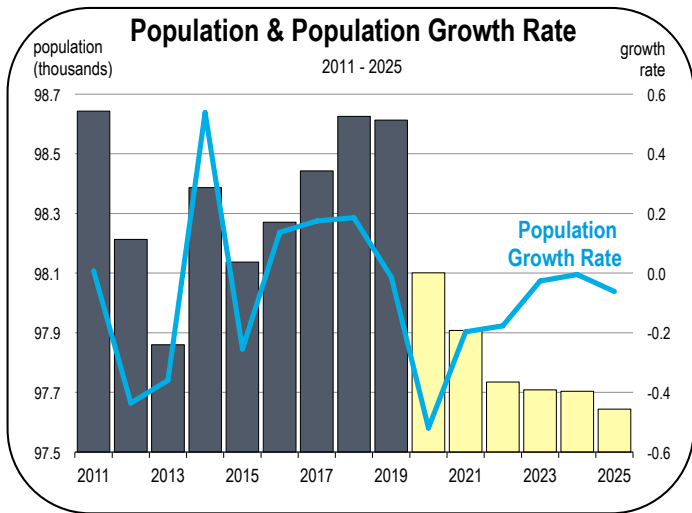
Population Growth

- The Nevada County population grew relatively steadily between 2013 and 2019, but it is expected to decline sharply over the forecast period.

- The county's population is much older than the statewide average. As of 2019, more than 12 percent of Nevada County's population was age 75 or older, compared to just 7 percent of California's population.

- Because Nevada County has a high share of residents aged 75 and older, the number of deaths has begun to exceed the number of births.

- Between 2014 and 2019, there were 1,316 more deaths than births. Between 2020 and 2025, there are expected to be 1,800 to 2,000 more deaths than births.

- More people will move into the county than people who move out, but because deaths will outnumber births, the population will decline.

Net Migration
2011 - 2025

Births and Deaths
2003 - 2025
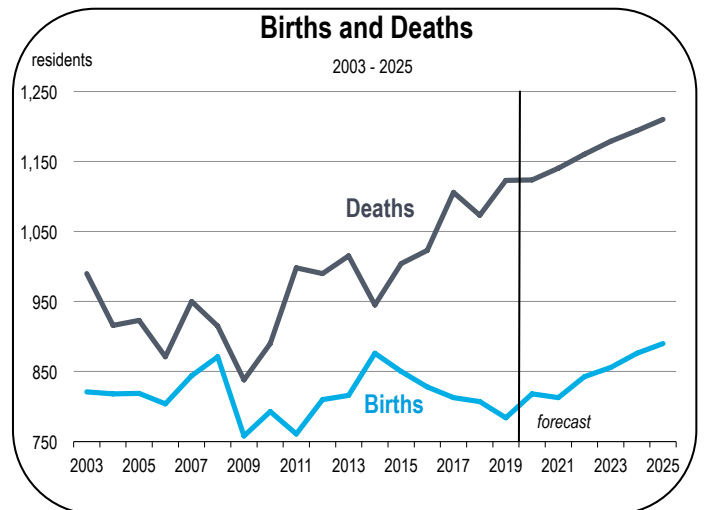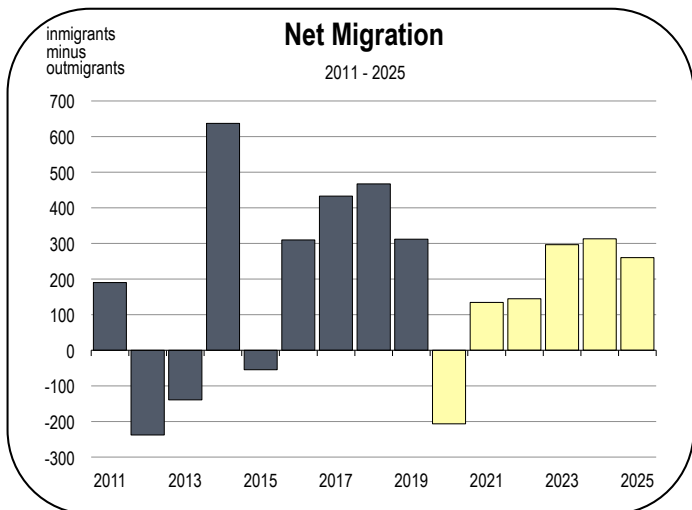
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Unemployment Rate
2016 - 2025

percent

Sierra Region

Nevada County

forecast

Median Home Price
2011 - 2025

dollars
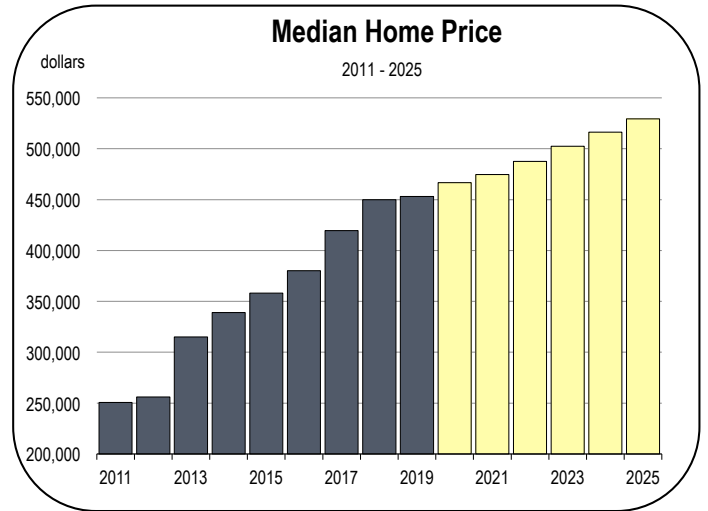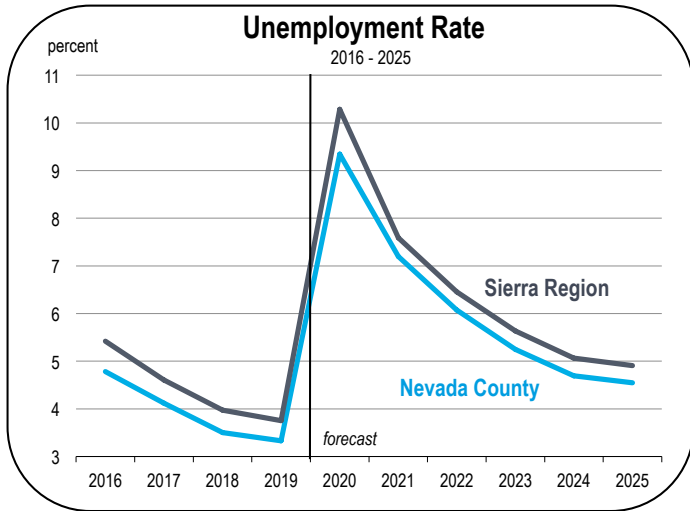
Unemployment and Inflation Rates

- The unemployment rate in Nevada County averaged 3.3 percent in 2019, which was below the composite rate for the Sierra Region.

- The unemployment rate is expected to average between 8 and 11 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 Nevada County was $453,200.

- The median price is expected to increase slowly in 2020 and 2021.

- From 2014 to 2019, an average of 360 new homes were started per year in Nevada County. Most 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.

Inflation / California
2016 - 2025

percent change in CPI

2.3, 3.0, 3.7, 2.9, 0.5, 1.6, 2.3, 2.6, 2.5, 2.3

New Homes Permitted
2003 - 2025

homes permitted

forecast

Single-Family Units

Multifamily Units
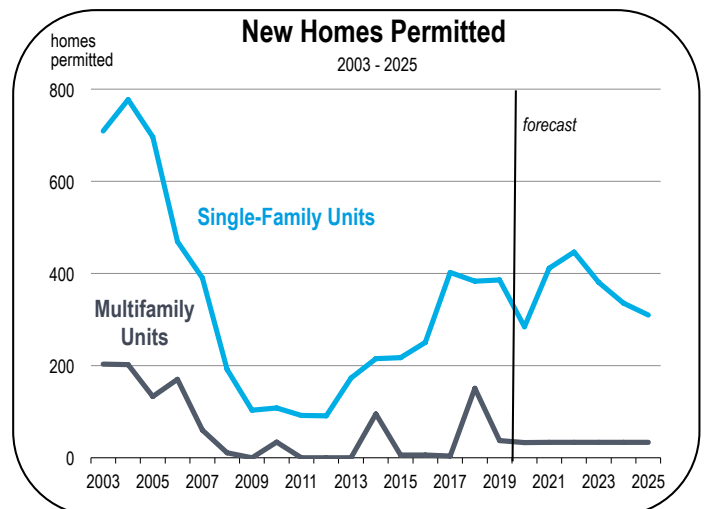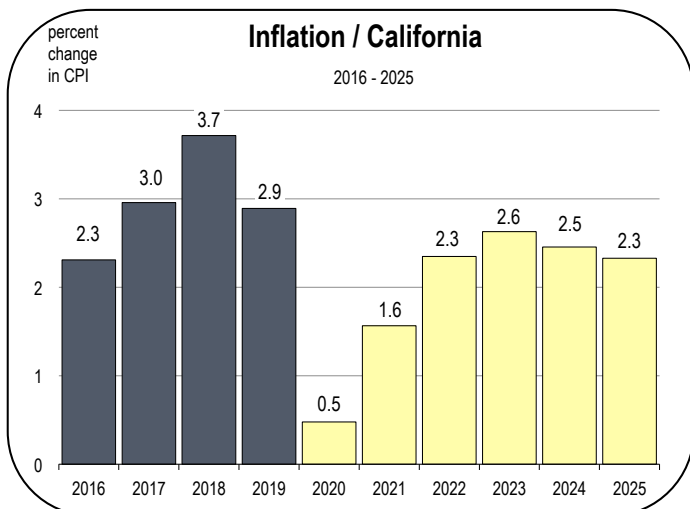
Nevada County Economic Forecast

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	98,137	41.9	-55	223	130	$5.5	$0.9	$1.3	$317.4	$62,938	5.4	$22	1.4
2016	98,271	42.0	310	256	134	$5.8	$0.9	$1.3	$331.2	$64,346	4.8	$23	2.3
2017	98,443	42.2	433	406	131	$5.8	$1.0	$1.4	$330.3	$63,402	4.1	$25	3.0
2018	98,626	42.3	467	534	132	$6.2	$1.0	$1.4	$334.7	$64,275	3.5	$26	3.7
2019	98,613	42.5	312	423	135	$6.5	$1.0	$1.5	$335.6	$65,591	3.3	$27	2.9
2020	98,101	42.8	-207	317	136	$5.8	$0.7	$1.0	$273.8	$58,427	9.3	$28	0.5
2021	97,908	43.1	134	444	136	$6.3	$0.9	$1.3	$295.1	$63,543	7.2	$30	1.6
2022	97,735	43.5	145	480	136	$6.7	$1.0	$1.4	$311.3	$65,892	6.1	$32	2.3
2023	97,709	43.9	296	414	137	$7.0	$1.0	$1.5	$323.5	$66,816	5.2	$34	2.6
2024	97,704	44.2	313	369	138	$7.3	$1.1	$1.5	$329.1	$67,985	4.7	$35	2.5
2025	97,644	44.5	260	343	138	$7.6	$1.1	$1.6	$334.1	$68,953	4.5	$36	2.3
2026	97,548	44.8	230	328	138	$7.8	$1.2	$1.7	$340.8	$69,962	4.3	$36	2.3
2027	97,410	45.0	196	314	138	$8.2	$1.2	$1.7	$348.0	$71,302	4.1	$37	2.2
2028	97,208	45.3	137	289	138	$8.5	$1.2	$1.8	$355.1	$72,533	4.1	$37	2.2
2029	96,997	45.5	134	296	138	$8.8	$1.3	$1.8	$360.1	$73,500	3.9	$38	2.3
2030	96,750	45.8	102	273	139	$9.0	$1.3	$1.9	$365.2	$74,430	3.8	$38	2.2
2031	96,473	46.0	75	252	139	$9.3	$1.3	$1.9	$370.3	$75,323	3.7	$38	2.1
2032	96,173	46.2	60	234	139	$9.6	$1.4	$2.0	$374.2	$76,267	3.6	$39	2.3
2033	95,841	46.4	33	203	139	$9.9	$1.4	$2.0	$379.3	$77,366	3.7	$39	1.9
2034	95,482	46.5	16	186	139	$10.2	$1.4	$2.1	$383.9	$78,430	3.8	$40	2.1
2035	95,093	46.7	4	181	139	$10.5	$1.5	$2.1	$388.2	$79,500	3.9	$40	2.2
2036	94,691	46.8	4	178	140	$10.9	$1.5	$2.2	$391.2	$80,375	4.0	$41	2.6
2037	94,346	47.0	75	193	140	$11.2	$1.6	$2.3	$393.8	$81,171	4.0	$41	2.7
2038	94,016	47.1	92	188	140	$11.6	$1.6	$2.3	$396.8	$82,053	4.0	$41	2.5
2039	93,671	47.3	83	177	140	$12.0	$1.6	$2.4	$399.3	$82,853	4.1	$42	2.7
2040	93,327	47.4	94	179	141	$12.4	$1.7	$2.5	$401.7	$83,734	4.1	$42	2.6
2041	93,002	47.6	114	185	141	$12.8	$1.7	$2.5	$404.9	$84,855	4.1	$43	2.2
2042	92,667	47.7	109	181	142	$13.2	$1.8	$2.6	$408.5	$86,040	4.2	$43	2.1
2043	92,338	47.9	117	183	142	$13.6	$1.8	$2.6	$412.1	$87,363	4.2	$43	2.0
2044	92,042	48.0	148	193	143	$14.0	$1.8	$2.7	$415.9	$88,842	4.1	$43	1.8
2045	91,760	48.2	164	197	143	$14.5	$1.9	$2.8	$419.5	$90,245	3.9	$44	1.9
2046	91,489	48.3	170	198	144	$15.0	$1.9	$2.8	$423.0	$91,529	4.0	$44	2.0
2047	91,197	48.5	136	183	144	$15.4	$2.0	$2.9	$426.0	$92,620	3.9	$44	2.2
2048	90,946	48.6	168	189	144	$15.9	$2.0	$3.0	$428.9	$93,626	3.9	$44	2.3
2049	90,711	48.8	168	182	145	$16.4	$2.1	$3.0	$432.4	$94,890	4.0	$44	2.0
2050	90,479	48.9	156	172	145	$16.9	$2.1	$3.1	$435.9	$96,064	4.1	$44	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
						(thousands of jobs)						
2015	30.8	0.1	2.7	1.4	0.5	4.3	1.3	2.2	0.3	5.3	4.5	6.5
2016	31.5	0.1	2.8	1.4	0.5	4.4	1.3	2.2	0.3	5.4	4.7	6.5
2017	32.2	0.1	2.9	1.4	0.5	4.5	1.3	2.2	0.3	5.5	4.9	6.5
2018	32.7	0.1	3.1	1.4	0.5	4.4	1.4	2.4	0.3	5.4	5.1	6.6
2019	33.1	0.1	3.1	1.4	0.5	4.4	1.3	2.5	0.3	5.5	5.2	6.8
2020	27.8	0.1	2.6	1.0	0.4	3.9	1.3	2.3	0.3	4.6	3.4	6.5
2021	30.4	0.1	3.1	1.1	0.5	4.1	1.3	2.3	0.3	5.2	4.3	6.5
2022	32.0	0.1	3.2	1.2	0.5	4.2	1.3	2.4	0.3	5.5	4.8	6.6
2023	32.5	0.1	3.1	1.2	0.5	4.3	1.3	2.5	0.3	5.6	5.1	6.6
2024	33.0	0.1	3.0	1.3	0.5	4.3	1.3	2.5	0.3	5.6	5.3	6.8
2025	33.3	0.1	2.9	1.3	0.5	4.4	1.3	2.6	0.3	5.6	5.3	6.8
2026	33.4	0.1	2.9	1.3	0.5	4.4	1.3	2.6	0.3	5.6	5.4	6.8
2027	33.5	0.1	2.9	1.3	0.5	4.4	1.3	2.6	0.3	5.6	5.4	6.8
2028	33.6	0.1	2.8	1.3	0.5	4.4	1.3	2.6	0.3	5.6	5.5	6.8
2029	33.8	0.1	2.9	1.3	0.5	4.4	1.3	2.6	0.3	5.6	5.5	6.9
2030	33.8	0.1	2.8	1.3	0.5	4.4	1.3	2.6	0.3	5.6	5.6	6.9
2031	33.9	0.1	2.8	1.4	0.5	4.4	1.3	2.6	0.3	5.6	5.6	6.9
2032	34.0	0.1	2.8	1.4	0.5	4.4	1.3	2.6	0.3	5.6	5.7	7.0
2033	34.1	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	5.7	7.0
2034	34.1	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	5.8	7.0
2035	34.2	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	5.8	7.0
2036	34.3	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	5.9	7.1
2037	34.4	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	5.9	7.1
2038	34.5	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	6.0	7.1
2039	34.5	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	6.0	7.1
2040	34.7	0.1	2.7	1.4	0.5	4.5	1.3	2.6	0.3	5.5	6.1	7.1
2041	34.8	0.1	2.7	1.4	0.6	4.5	1.3	2.6	0.3	5.5	6.1	7.2
2042	34.9	0.1	2.7	1.4	0.6	4.5	1.3	2.6	0.3	5.6	6.2	7.2
2043	35.1	0.1	2.7	1.4	0.6	4.5	1.3	2.6	0.3	5.6	6.2	7.2
2044	35.1	0.1	2.7	1.4	0.6	4.5	1.3	2.6	0.3	5.6	6.3	7.3
2045	35.5	0.1	2.7	1.4	0.6	4.5	1.3	2.7	0.3	5.7	6.3	7.3
2046	35.7	0.1	2.7	1.4	0.6	4.5	1.3	2.7	0.3	5.7	6.4	7.4
2047	35.8	0.1	2.7	1.4	0.6	4.5	1.3	2.7	0.3	5.8	6.4	7.3
2048	35.9	0.1	2.7	1.4	0.6	4.5	1.3	2.7	0.3	5.8	6.5	7.3
2049	36.0	0.1	2.7	1.4	0.6	4.5	1.3	2.7	0.3	5.9	6.5	7.3
2050	36.2	0.1	2.7	1.4	0.6	4.5	1.3	2.7	0.3	5.9	6.6	7.3

Nevada County Economic Forecast

Socioeconomic Indicators

Violent Crime Rate

crimes per 100,000 residents

2018

Nevada County	Sierra Region	California
253	349	447

Poverty Rate

percent of households below poverty line

2019

Nevada County	Sierra Region	California
6.9	7.5	10.0

Median Household Income

dollars per household

2019

Nevada County	Sierra Region	California
71,400	65,800	79,000

Median Home Selling Price

dollars

2019

Nevada County	Sierra Region	California
453,200	367,000	592,400

Average Travel Time to Work

minutes each way

2019

Nevada County	Sierra Region	California
26	28	32

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

percent

2019

Nevada County	Sierra Region	California
36.4	27.0	33.3