

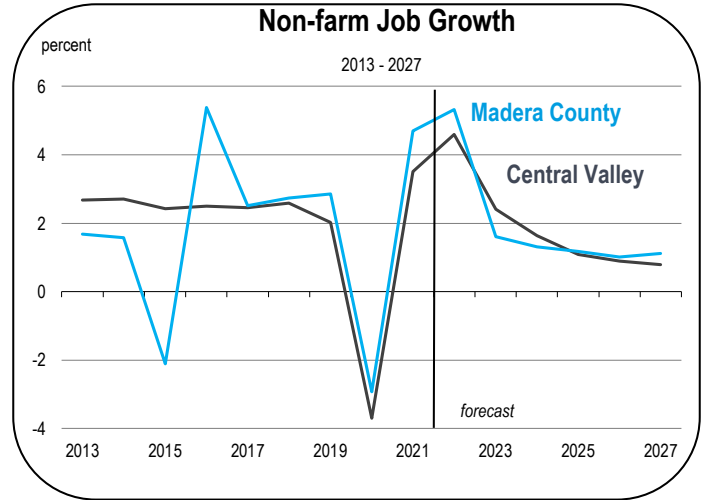
Madera County Economic Forecast

Forecast Summary

- The county’s labor market fully recovered from the pandemic recession in 2021. The leading sectors of job restoration were:
 - Construction
 - Wholesale Trade
 - Information
 - Transportation and warehousing
 - State and Federal Government
- The leisure and hospitality sector will recover in 2022 along with the retail sector, healthcare, and financial activities.
- The unemployment rate will also return to pre-pandemic levels during 2022.
- New development will be a principle driver of growth during 2022.
- The largest residential project in California is located in Madera County and it is called Rio Mesa. This massive development near Highway 41 and the Fresno County border includes 33,000 homes with potential to accommodate 120,000 residents.

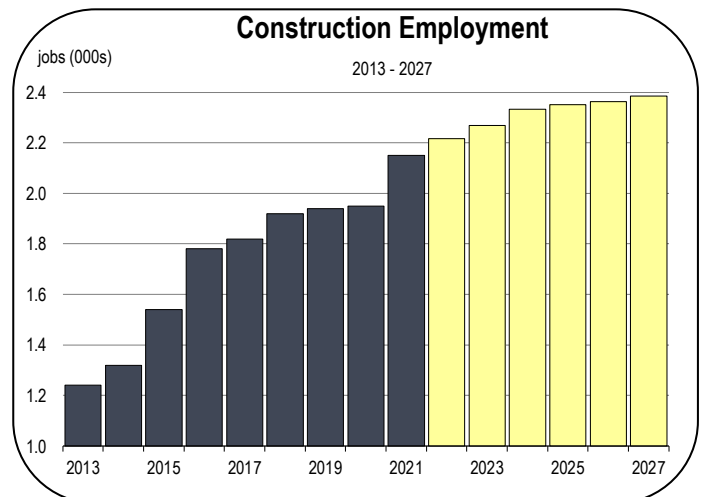
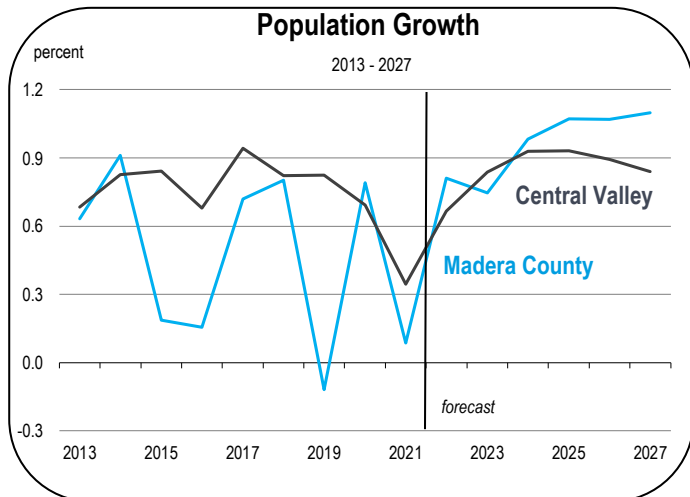
Job Growth

- Total employment in Madera County will expand by 4.4 percent in 2022, an increase of 2,300 jobs.
- Between 2016 and 2021, job growth averaged 2.5 percent. Between 2022 and 2025, job growth will also average 2.5 percent per year.

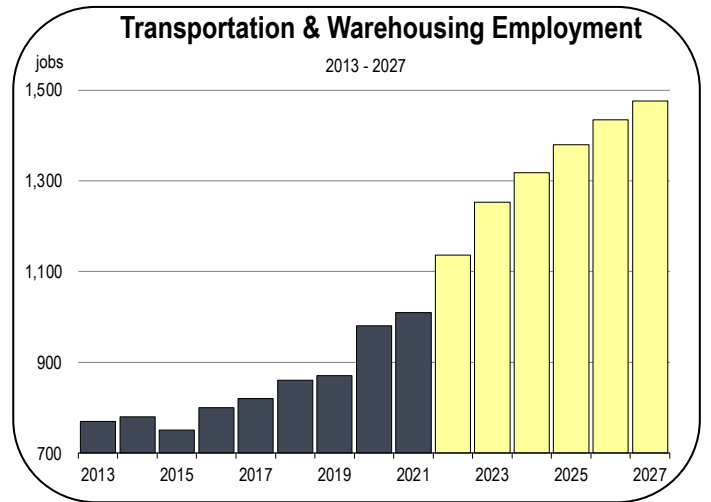
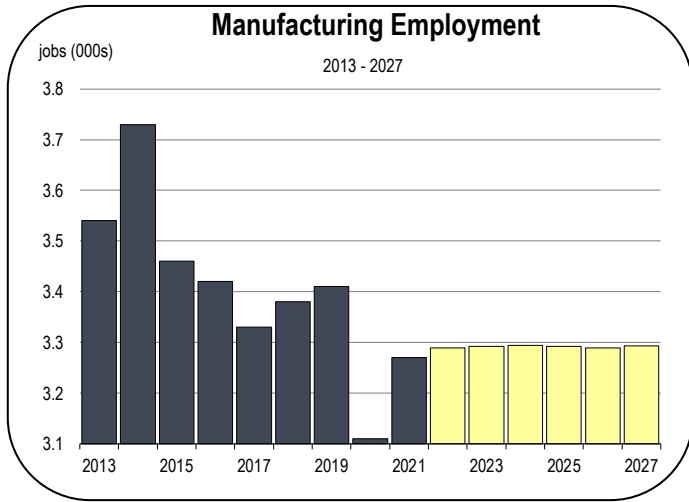


Construction Employment

- Because of the new development momentum in the county, employment in the construction trades has been steadily rising, and will eclipse 2,200 workers in 2022.
- For example, in the City of Madera, a new 48 unit Veteran’s and Family Housing project called Esperanza Village was completed in 2022 in the downtown area, along with a new fire station.
- Meanwhile, Rancho Calera, 140 single family homes in a master planned community of 2,042 homes is underway in the City of Chowchilla.
- Along Highway 41 heading towards eastern Madera County, construction continues at a rapid pace for the Tesoro Viejo and Riverstone communities.



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Manufacturing Employment

- Madera County has a heavy concentration in food and beverage manufacturing firms, which turn agricultural commodities into finished food products.
- Manufacturing is not expected to rebound to pre-pandemic levels because automation has been substituted for labor in the manufacturing industry.
- Large employers include Warnock Food Product, Lion Raisins, EVAPCO, and Baltimore Aircoil Company.

Transportation and Warehousing Employment

- Most transportation jobs in Madera County are in trucking, where firms deliver goods to and from businesses within the county and across California.
- The industry hired 100 new workers in 2021 in response to a surge in online shopping and a higher volume of spending. In 2022, they hired another 200 workers.

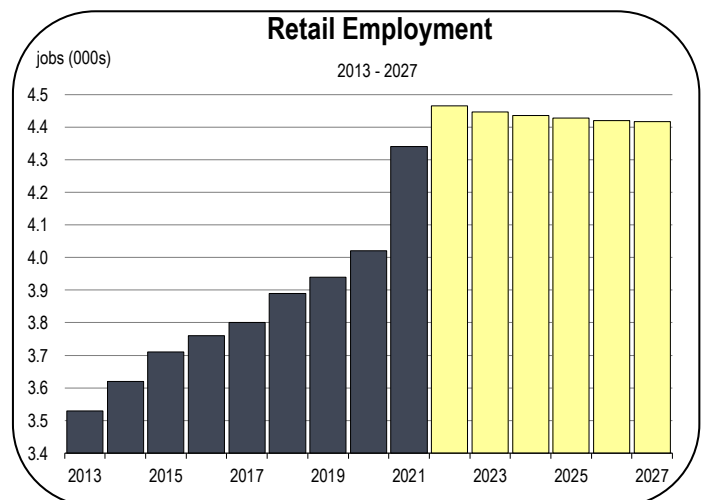
Retail Trade Employment

- Madera County retail employment was not impacted by the pandemic, and an estimated surge in retail employment was reported during 2021.
- Employment was increasing as more commercial structures were completed and opened in 2021.

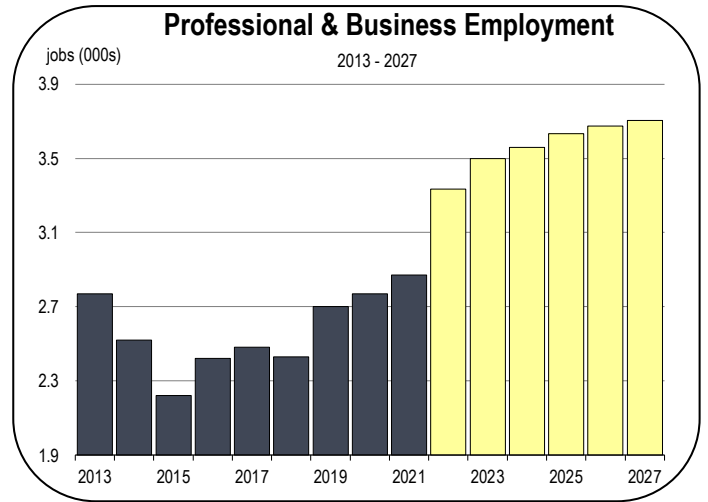
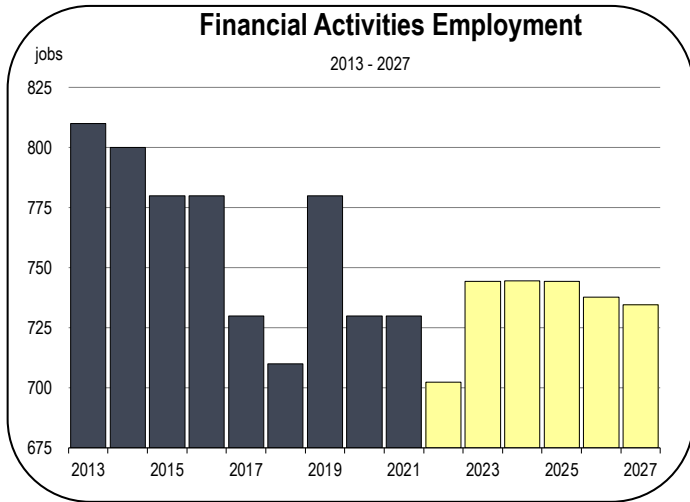
- Declining employment in retail trade due to more online retail buying will be partially offset with new store openings (and new retail jobs) that support all the residential development that has been and will continue to be underway in the County.

Financial Activities Employment

- The Madera County financial activities industry is mostly comprised of real estate companies and banks.
- The industry maintains existing workforce levels over the forecast. No meaningful growth was observed in any of the subsectors in this industry between 2013 and 2021 which represented an expansive economy with a growing population in the County.



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Professional and Business Services Employment

- The professional and business services sector marginally expanded employment in 2020 and 2021, but the industry is expected to add 500 jobs in 2022; a 16 percent increase.
- The professional and business services sector is largely serving the resident population which is rising today and will continue to expand over the forecast. Consequently, professional business services is poised to contribute a major share of future jobs in Madera County over the next several years.
- Professional services represent many of the technology companies that provide design and consulting services to high tech product manufacturers both domestically and internationally.

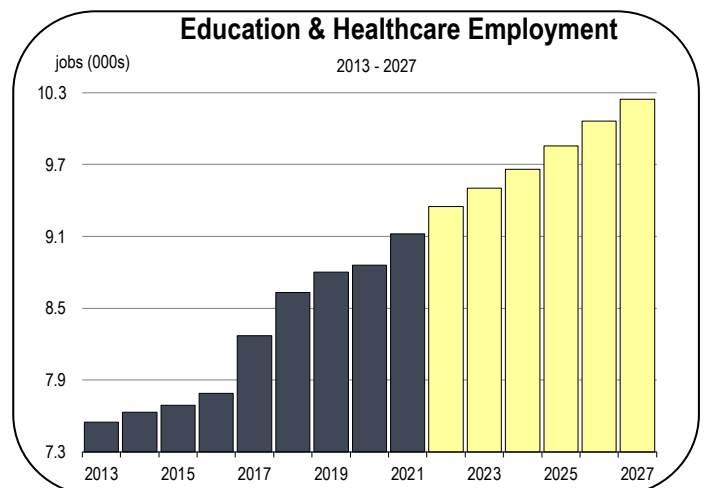
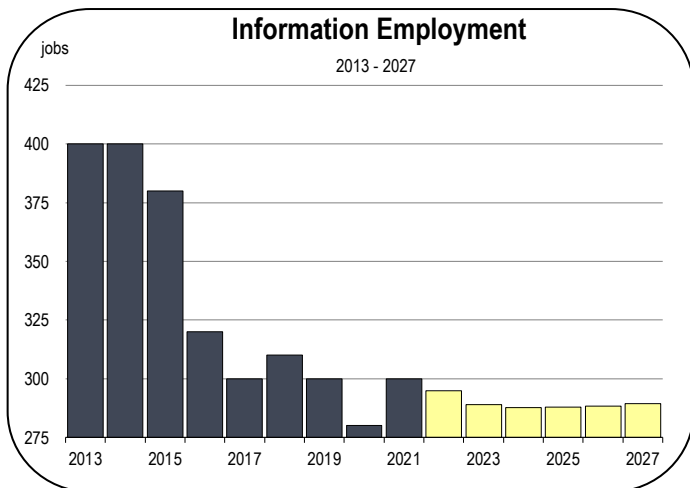
Information Employment

- In Madera County, the information sector is almost entirely comprised of telecommunications companies.

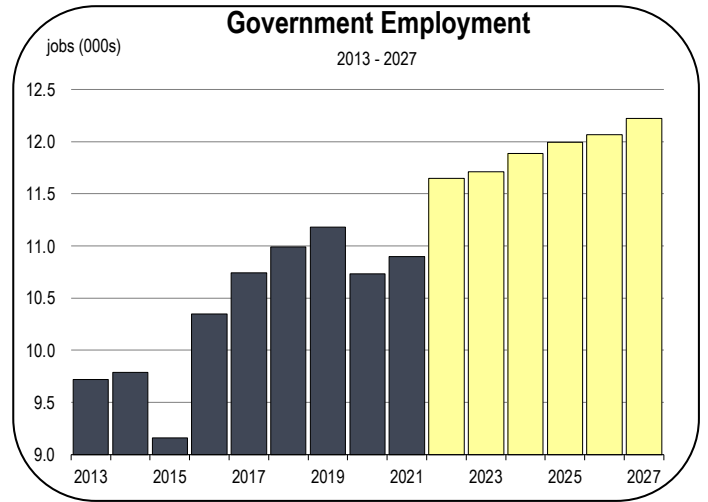
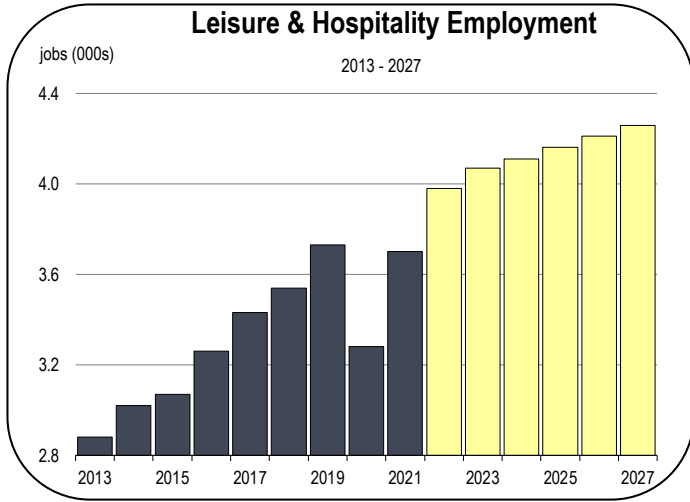
- The largest firm is Sierra Tel, which is headquartered in Oakhurst and accounts for approximately half of all Information jobs in the county.
- The entire telecommunications sector has been replacing jobs with technology, which should lead to consolidation of jobs over the forecast period.

Private Education and Healthcare Employment

- The healthcare sector of the Madera labor market did not experience a net reduction of employment in 2021.
- 270 jobs were added to the sector in 2021, and another 360 jobs will be created in 2022.
- Over the 2022 to 2027 period, an average of 200 jobs will be added per year in the sector.



Madera County Economic Forecast



Leisure and Hospitality Employment

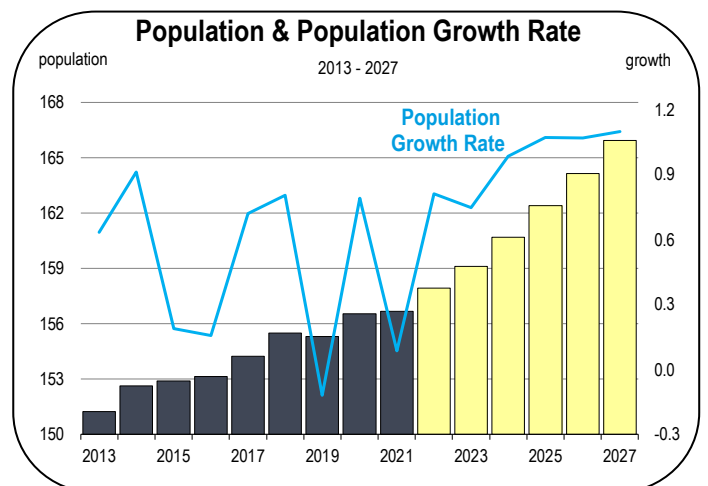
- Employment within the leisure/hospitality sector did not decline as severely as the coastal counties in California, where visitor demand drives much of the leisure sector. Furthermore, 420 jobs were restored quickly in 2021.
- Leisure and hospitality employment is rebounding sharply in 2021 and has entirely recovered in 2022. The surge in dining, drinking, and recreation throughout California has led to strong demand for food services and lodging workers. The impending recession (or slow down) in 2023 will soften the demand for recreation services but not interrupt the growth of jobs.

Government Employment

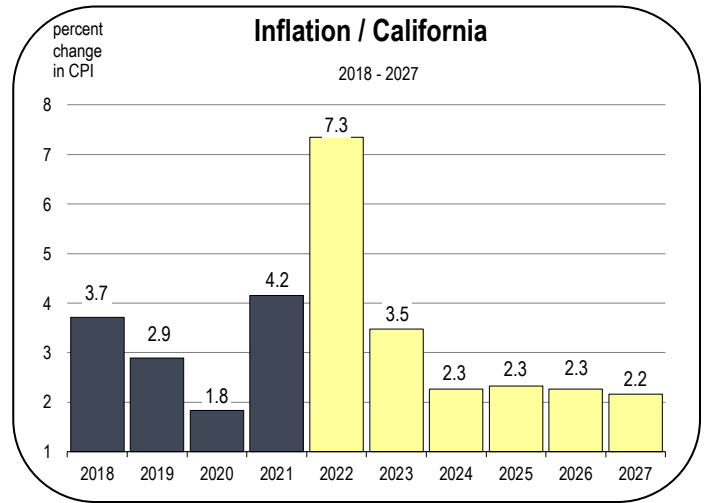
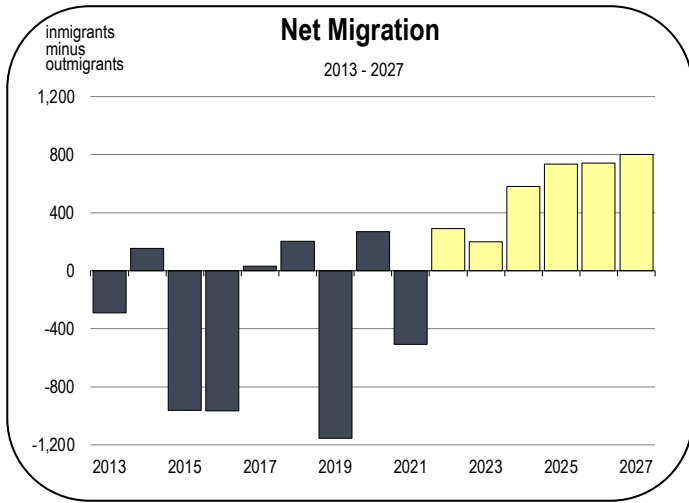
- State and local government agencies gained 170 jobs in 2021.
- 750 jobs are expected to be added in 2022, which would account for an employment increase of 6.9 percent across the sector.
- State and local public sector employment accounts for 98 percent of all public sector employment. Schools account for the major share of local government employment which has entirely recovered in 2022.
- K-12 student enrollment is forecast to peak in 2022 or 2023 and stabilize for the rest of the decade. Employment opportunities in the public sector will nevertheless grow as municipalities expand due to rising population over the forecast.

Population Growth

- The Madera County population is expected to expand more quickly than the California average between 2022 and 2027.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California or move to Madera from elsewhere for more affordable housing.
- An average of 450 to 500 net migrants are expected to move into Madera County each year between 2022 and 2027.
- Madera County has a young population with a high birth rate, and births will also contribute substantially to population growth.
- The population will expand at an annual average rate of 1 percent per year from 2022 to 2027. By 2026 the Madera County population will surpass 164,000 residents.



Madera County Economic Forecast



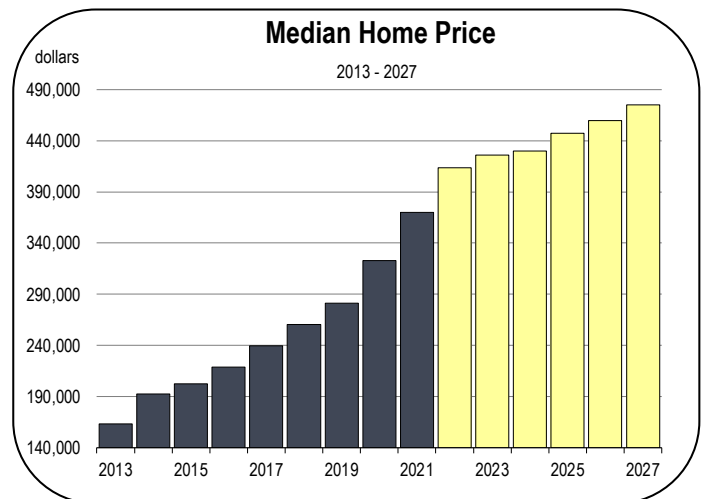
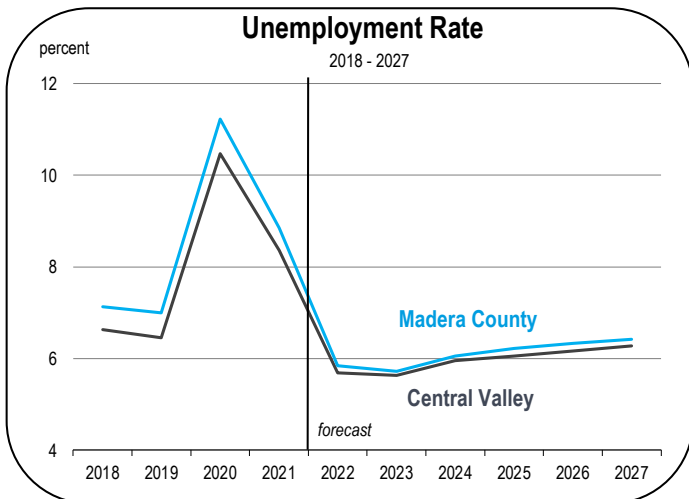
Unemployment and Inflation Rates

- The unemployment rate averaged 8.9 percent in 2021. An unemployment rate below 7.0 percent signifies a fully employed workforce in Madera County.
- The unemployment rate is expected to average 5.8 percent in 2022 and 5.7 percent in 2023.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022
 - Fractures in the global supply chain that raise the cost of production for many businesses

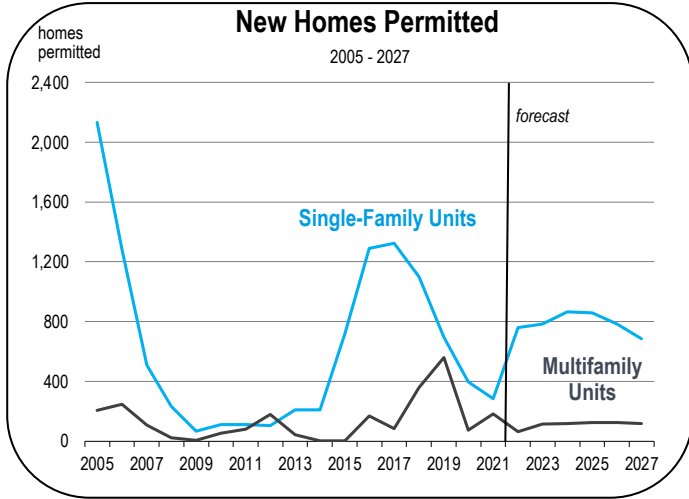
- Sharp increases in the cost of housing and energy
- Labor market recruitment challenges that force companies to raise wages
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate after 2022 as supply chains and the labor force are restored, eventually falling to below 3 percent again by 2024.

Home Prices and New Housing Production

- Home prices have soared in Madera County over the last 5 years. In 2020 and 2021, appreciation exceeded 14 percent per year. The single family home selling price in Madera County was \$369,000 in 2021, rising to \$413,000 in November of 2022.



Madera County Economic Forecast



- From 2016 to 2021, an average of 1,068 new homes were started per year in Madera County. 80 percent of new homes started were single family detached units.
- Housing production is expected to average just over 900 homes per year from 2022 to 2027.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.

- From 2016 to 2021, an average of 350 new homes were started per year in Madera County. Virtually all were single-family homes.
- Housing production is expected to average 840 homes per year from 2022 to 2027.
- The largest project in Madera County is Rio Mesa, a massive development near Highway 41 and the Fresno County border.
- The Project contains 33,000 homes, having the potential to accommodate 120,000 residents. The two biggest projects now underway within El Rio are Tesoro Viejo and Riverstone. Full buildout is not expected for approximately 30 years.

Tesoro Viejo

- Tesoro Village is a 1,600-acre area with access to San Joaquin Village in Madera County.
- The inaugural village at Tesoro Viejo is Hillside Village, an 800 home development including parks and schools.
- The entire master planned community has 9 residential villages totaling 5,200 homes and 3 million square footage of office, retail, commercial, and light industrial space. A new Madera County Fire Station has also been built in the community.
- There are 4 developers working on Tesoro Village: De Young Properties, KB Home, McCaffrey Homes, and Terrace Estates.



Tesoro Viejo, the largest project to date in Rio Mesa

Madera County Economic Forecast

Riverstone

- Riverstone is a 2,000 acre, 8 district, community set to contain 6,578 residences at build out. Riverstone is located in the City of Madera. 2.6 million square feet of commercial office and retail space are also planned for the community.
- Of the 8 districts, 1 is sold out, 1 is leasing for commercial and retail, and 2 are selling houses. The other districts are still in planning.
- The first district is The Lodge, which will contain 860 single family units, an elementary school, Riverstone Farms and Market, and future retail and commercial space. The Lodge District has sold out of homes.



Riverstone Map

Madera County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 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 (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	152,897	44.4	-961	890	137	\$5.7	\$1.0	\$18	\$794	\$42,678	10.6	2,225	1,084
2016	153,136	44.9	-966	1,374	141	\$6.0	\$1.1	\$19	\$883	\$43,621	9.3	2,355	1,091
2017	154,238	45.1	30	1,684	142	\$6.1	\$1.1	\$20	\$940	\$43,310	8.2	2,121	1,118
2018	155,476	45.7	202	1,659	145	\$6.4	\$1.2	\$21	\$821	\$43,052	7.1	2,074	1,081
2019	155,291	45.8	-1,155	767	150	\$6.8	\$1.3	\$22	\$857	\$44,343	7.0	2,066	1,120
2020	156,519	46.1	270	578	153	\$7.3	\$1.4	\$25	\$900	\$46,751	11.2	2,106	1,327
2021	156,654	46.5	-506	348	158	\$7.4	\$1.7	\$30	\$893	\$45,649	8.9	2,072	1,311
2022	157,925	46.9	289	875	164	\$8.1	\$1.7	\$30	\$892	\$45,675	5.8	2,168	1,187
2023	159,104	47.8	198	900	166	\$8.4	\$1.8	\$31	\$914	\$45,800	5.7	2,189	1,207
2024	160,668	48.7	582	989	168	\$8.7	\$1.8	\$31	\$927	\$45,822	6.1	2,210	1,228
2025	162,389	49.8	735	983	169	\$9.1	\$1.8	\$32	\$952	\$46,386	6.2	2,236	1,250
2026	164,124	50.8	740	900	171	\$9.5	\$1.8	\$32	\$973	\$46,754	6.3	2,265	1,270
2027	165,927	51.7	800	792	172	\$9.9	\$1.9	\$33	\$992	\$47,141	6.4	2,295	1,291
2028	167,664	52.5	728	674	173	\$10.3	\$1.9	\$33	\$1,011	\$47,647	6.5	2,322	1,313
2029	169,368	53.2	667	618	174	\$10.7	\$1.9	\$34	\$1,027	\$47,844	6.5	2,374	1,337
2030	171,353	53.8	914	605	175	\$11.2	\$2.0	\$35	\$1,043	\$48,148	6.5	2,432	1,361
2031	173,282	54.4	896	585	176	\$11.6	\$2.1	\$36	\$1,057	\$48,384	6.5	2,432	1,399
2032	175,508	55.0	1,228	606	178	\$12.0	\$2.1	\$37	\$1,068	\$48,449	6.6	2,435	1,437
2033	177,704	55.6	1,213	606	179	\$12.5	\$2.2	\$38	\$1,084	\$48,774	6.6	2,458	1,475
2034	179,859	56.3	1,208	587	180	\$12.9	\$2.2	\$39	\$1,098	\$49,018	6.6	2,458	1,512
2035	181,992	56.8	1,204	580	182	\$13.5	\$2.3	\$40	\$1,110	\$49,271	6.6	2,474	1,545
2036	183,775	57.4	888	534	183	\$14.0	\$2.3	\$41	\$1,118	\$49,333	6.6	2,467	1,572
2037	185,542	57.9	883	517	184	\$14.5	\$2.4	\$42	\$1,125	\$49,384	6.6	2,481	1,598
2038	187,170	58.5	774	501	185	\$15.0	\$2.5	\$44	\$1,135	\$49,580	6.6	2,479	1,624
2039	188,808	59.0	794	497	186	\$15.6	\$2.6	\$45	\$1,142	\$49,709	6.6	2,488	1,645
2040	190,299	59.5	681	480	187	\$16.2	\$2.6	\$46	\$1,150	\$49,851	6.6	2,487	1,676
2041	191,640	59.9	564	460	188	\$16.8	\$2.7	\$47	\$1,162	\$50,193	6.7	2,481	1,704
2042	192,841	60.4	443	438	188	\$17.4	\$2.8	\$48	\$1,175	\$50,567	6.7	2,482	1,724
2043	193,962	60.8	358	417	189	\$18.0	\$2.8	\$50	\$1,188	\$51,018	6.7	2,508	1,745
2044	194,985	61.2	261	395	190	\$18.6	\$2.9	\$51	\$1,204	\$51,557	6.7	2,528	1,766
2045	195,889	61.6	154	372	191	\$19.2	\$3.0	\$52	\$1,217	\$52,047	6.7	2,537	1,787
2046	196,907	62.0	261	371	191	\$19.9	\$3.0	\$53	\$1,229	\$52,432	6.7	2,561	1,804
2047	197,918	62.4	258	362	192	\$20.5	\$3.1	\$55	\$1,237	\$52,635	6.7	2,574	1,821
2048	198,936	62.8	268	354	193	\$21.1	\$3.2	\$56	\$1,244	\$52,805	6.7	2,587	1,837
2049	199,922	63.1	256	345	193	\$21.8	\$3.3	\$57	\$1,255	\$53,129	6.7	2,585	1,854
2050	200,888	63.5	252	337	194	\$22.5	\$3.4	\$59	\$1,265	\$53,392	6.7	2,588	1,875

Employment Sectors

2015-2021 History, 2022-2050 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	46.2	11.5	1.5	3.5	0.8	4.7	0.8	2.2	0.4	7.7	3.1	9.2
2016	48.9	12.2	1.8	3.4	0.8	4.7	0.8	2.4	0.3	7.8	3.3	10.4
2017	49.7	12.1	1.8	3.3	0.8	4.7	0.7	2.5	0.3	8.3	3.4	10.7
2018	50.9	12.3	1.9	3.4	0.9	4.9	0.7	2.4	0.3	8.6	3.5	11.0
2019	52.2	12.6	1.9	3.4	0.9	4.9	0.8	2.7	0.3	8.8	3.7	11.2
2020	50.5	11.9	2.0	3.1	1.0	4.9	0.7	2.8	0.3	8.9	3.3	10.7
2021	52.0	11.7	2.2	3.3	1.0	5.2	0.7	2.9	0.3	9.1	3.7	10.9
2022	54.3	11.8	2.2	3.3	1.1	5.4	0.7	3.3	0.3	9.3	4.0	11.6
2023	55.0	11.9	2.3	3.3	1.3	5.4	0.7	3.5	0.3	9.5	4.1	11.7
2024	55.6	11.9	2.3	3.3	1.3	5.4	0.7	3.6	0.3	9.7	4.1	11.9
2025	56.1	11.9	2.4	3.3	1.4	5.4	0.7	3.6	0.3	9.9	4.2	12.0
2026	56.5	11.8	2.4	3.3	1.4	5.4	0.7	3.7	0.3	10.1	4.2	12.1
2027	57.1	11.9	2.4	3.3	1.5	5.4	0.7	3.7	0.3	10.2	4.3	12.2
2028	57.5	11.9	2.4	3.3	1.5	5.4	0.7	3.7	0.3	10.5	4.3	12.3
2029	57.7	11.9	2.3	3.3	1.5	5.4	0.7	3.8	0.3	10.5	4.3	12.4
2030	58.2	12.0	2.3	3.3	1.5	5.4	0.7	3.8	0.3	10.7	4.3	12.6
2031	58.5	12.0	2.2	3.3	1.6	5.5	0.7	3.8	0.3	10.8	4.4	12.7
2032	59.1	12.0	2.2	3.3	1.6	5.5	0.7	3.9	0.3	11.0	4.4	12.8
2033	59.5	12.1	2.2	3.3	1.6	5.5	0.7	3.9	0.3	11.1	4.4	13.0
2034	60.0	12.1	2.3	3.3	1.6	5.6	0.7	3.9	0.3	11.3	4.4	13.1
2035	60.4	12.1	2.3	3.3	1.6	5.6	0.7	3.9	0.3	11.5	4.5	13.3
2036	60.8	12.1	2.2	3.3	1.6	5.6	0.7	3.9	0.3	11.7	4.5	13.4
2037	61.2	12.1	2.2	3.3	1.6	5.6	0.7	4.0	0.3	11.9	4.5	13.5
2038	61.6	12.2	2.2	3.3	1.6	5.7	0.7	4.0	0.3	12.1	4.5	13.6
2039	62.0	12.2	2.2	3.3	1.7	5.7	0.7	4.0	0.3	12.3	4.6	13.7
2040	62.4	12.2	2.2	3.3	1.7	5.7	0.7	4.0	0.3	12.5	4.6	13.8
2041	62.7	12.2	2.2	3.3	1.7	5.7	0.7	4.0	0.3	12.7	4.6	13.9
2042	62.9	12.2	2.1	3.3	1.7	5.7	0.7	4.0	0.3	12.8	4.6	14.0
2043	63.2	12.2	2.1	3.3	1.7	5.7	0.7	4.1	0.3	12.9	4.6	14.0
2044	63.5	12.2	2.1	3.3	1.7	5.8	0.7	4.1	0.3	13.1	4.6	14.1
2045	63.7	12.3	2.1	3.3	1.7	5.8	0.7	4.1	0.3	13.3	4.7	14.2
2046	64.0	12.3	2.1	3.3	1.7	5.8	0.7	4.1	0.3	13.4	4.7	14.2
2047	64.2	12.3	2.0	3.3	1.7	5.8	0.7	4.1	0.3	13.5	4.7	14.3
2048	64.5	12.3	2.0	3.3	1.7	5.8	0.7	4.1	0.3	13.7	4.7	14.3
2049	64.7	12.3	2.0	3.3	1.7	5.8	0.7	4.1	0.3	13.8	4.7	14.4
2050	64.8	12.3	2.0	3.3	1.7	5.8	0.7	4.2	0.3	13.9	4.8	14.4

Madera County Economic Forecast

Socioeconomic Indicators

