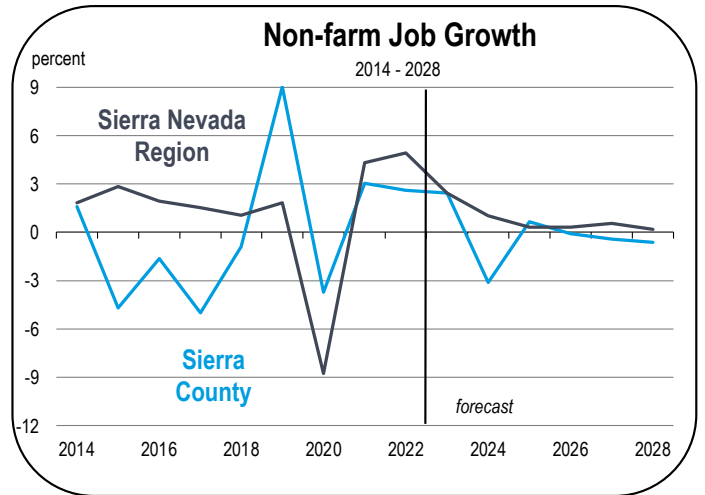


# Sierra County Economic Forecast

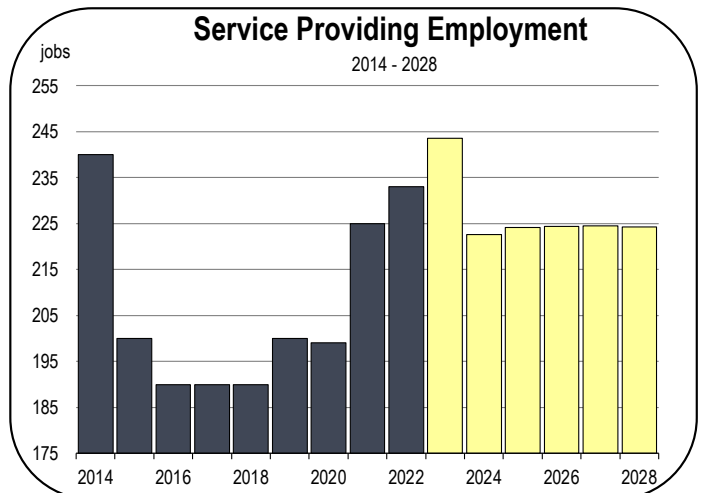
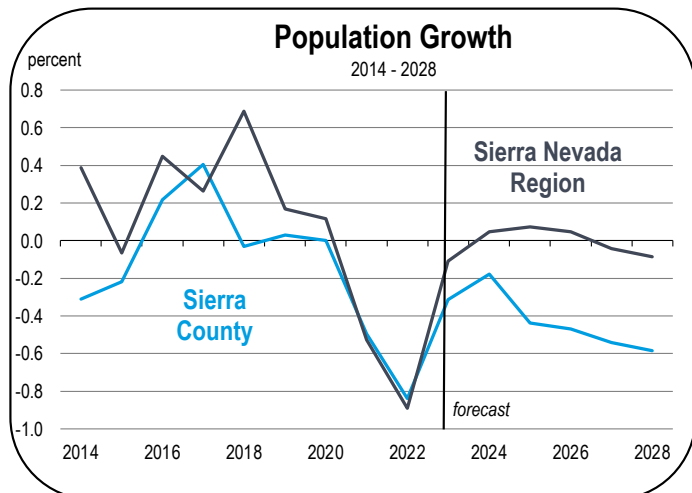
## Forecast Summary

- Sierra County is a small county north of Lake Tahoe with roots dating back to the Gold Rush. The county is known for its nature, cattle, and history. It is the second smallest county in California, after Alpine County.
- Similar to Alpine County, the population is in a steady decline. Also in a general decline is total employment at firms located within the county.
- The population in early 2023 was estimated at 3,193 residents. A total of 1,252 residents in the county are employed. However, there are just 644 jobs at companies located within the County. Consequently, many working residents either commute to jobs the adjacent counties of Plumas, Placer and Nevada, or are self-employed.
- Public sector employment accounts for 57 percent of all wage and salary jobs in the county.
- During 2022, the labor market created about 10 new jobs in the county. There will be similar new employment gains during 2023.
- The unemployment rate was 4.2 percent in 2022, and will average 4.8 percent in 2023.
- The decline in the Sierra County population is expected to persist over the forecast period. The trajectory of decline has the estimated population at 3,110 residents in 2028. This will be the lowest population in the county since 1981.
- The median home value declined 15 percent in 2022 to \$404,000. Home prices will remain relatively constant in 2024 and rise an average of 3.8 percent from 2024 to 2028.



## The Job Market

- The Sierra County labor market is very small. In October 2023, local companies employed approximately 700 workers. Most of these jobs were filled by Sierra County residents.
- There are also approximately 550 people who live in Sierra County and either commute to other counties for work, primarily to adjacent Plumas County, and to Washoe County (across the Nevada state line), or they are self-employed.
- The primary employment sectors in Sierra County are the service-providing industry and the government sector. Together, they account for 93 percent of all local jobs.
- The remaining 7 percent of all jobs are in farming or construction.



# Sierra County Economic Forecast

- Sierra County is a small business economy. Approximately half of all workers are employed in very small firms that have fewer than 10 employees.
- The largest private employer in the county is the Medical Clinic, called the Loyaltan Skilled Nursing Facility. Other larger employers are all public sector organizations, including (1) the six municipal fire departments which collectively, rival the hospital in total employment, (2) Sierra County Human Services, and (3) Loyaltan High School and Elementary School.
- The forecast shows no net increase in employment over the 2023 to 2028 period.

## Agriculture

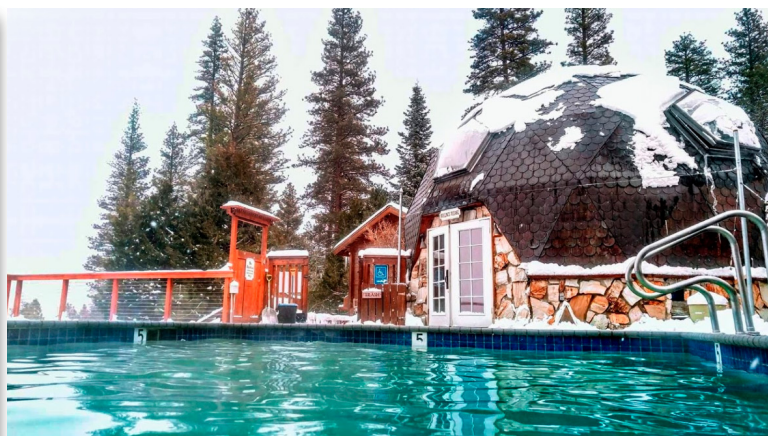
- The total value of agricultural products was \$11.4 million in the latest report prepared. Timber production accounted for an additional \$300,000.
- Sierra county's largest source of farming revenue is in cattle. The Agricultural Commissioner reported a total cattle livestock selling value of \$5.6 million in the latest report. There are more cattle in the county than human residents.
- Another principal farm product in Sierra County is Hay production. The county produces Alfalfa, Grain, and Grass Hay in equal amounts. Combined, the total value of field crops was \$2.7 million.



Kentucky Mine

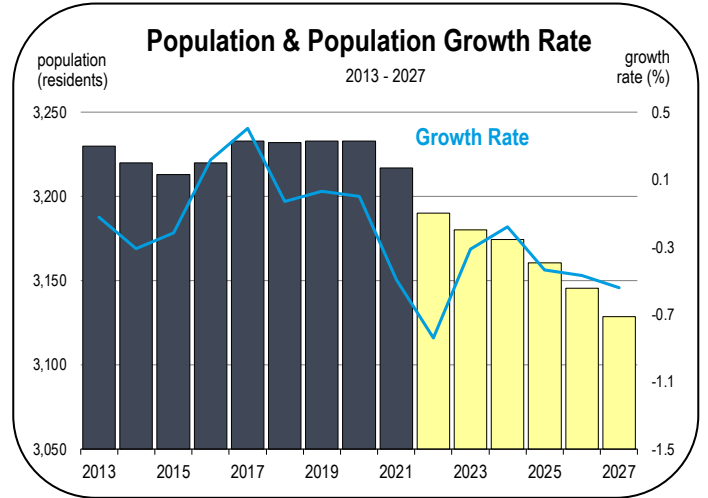
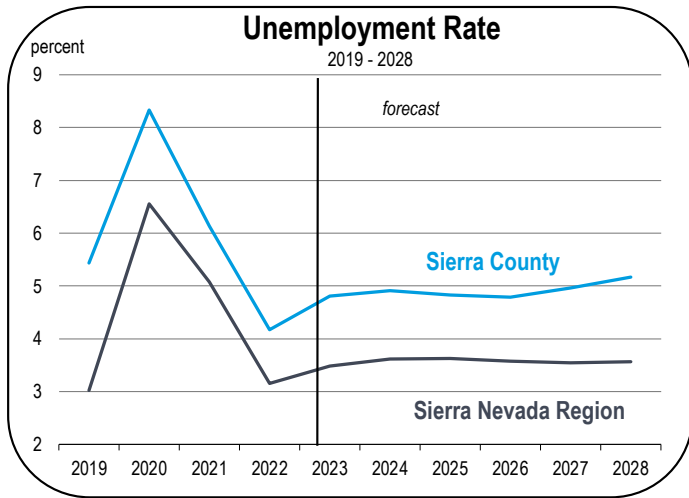
## Tourism

- Sierra Hot Springs Resort and Retreat Center is a popular attraction in Sierra County. The resort is located in Sierraville and is only available through reservation. Sierra Hot Springs offers many activities which include the various pools, private tubs, hiking, water yoga, special events, tent and RV camping, and hotel rooms.
- Day access to the resort costs \$35 per person and \$5 for a hot springs membership. Hotel stays range from \$160 to \$236 per night. All rooms have 2-night minimums.
- There is also the Nakoma Resort, the Sardine Lake Resort, and the Sierra Pines Resort. The Sardine Lake Resort has 9 cabins that sleep between 4 and 7 people each. There is a 3-night minimum.
- Sierra County is also the home to many historic gold mines. Chief among them is the Kentucky Mine. Located just outside of the tiny hamlet known as Sierra City, the Kentucky Mine and Museum is operated by the Sierra County Historical Society and open to the public. It features a museum, stamp mill, portal entrance to the now defunct gold mine, an extensive picnic area and numerous mining artifacts dating back to the days when gold mining was rampant throughout this region of the Sierra Nevada. The park also boasts an amphitheater, carved into the mountainside that seats two hundred patrons, has a performance stage and dance floor. Tours for the mine and the museum occur twice a day. The museum is only open from Memorial Day to Labor Day.
- The 2023 admission to the mine is \$30 per adult and \$15 for kids aged 11 to 17. A guided tour is slightly more expensive.



Sierra Hot Springs Resort in Sierraville

# Sierra County Economic Forecast



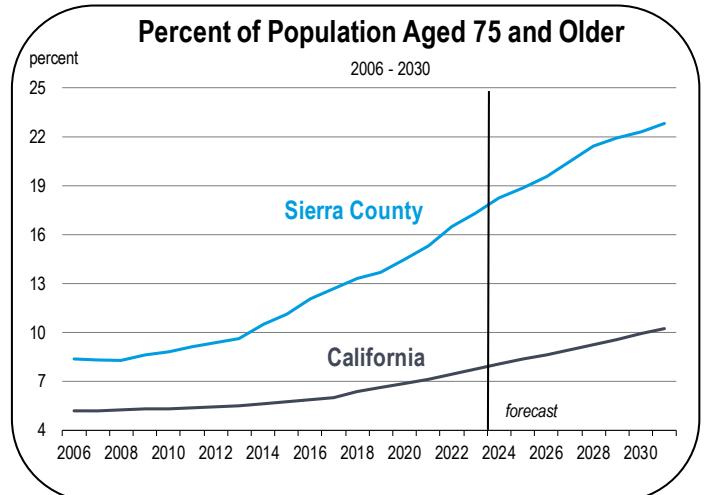
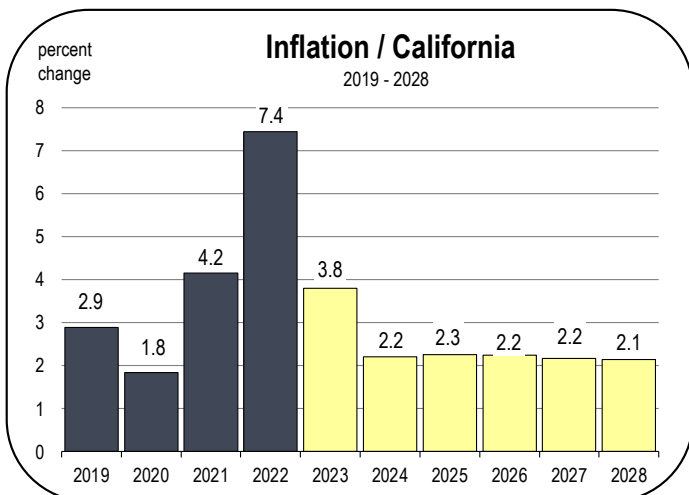
## Unemployment and Inflation Rates

- The unemployment rate in Sierra County averaged 4.2 percent in 2022, the lowest rate of unemployment for the county on record.
- An unemployment rate below 5.0 percent signifies a fully employed labor force in Sierra County. The unemployment rate is expected to average 4.8 percent in 2023 and 4.9 percent in 2024.
- Inflation in California soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.

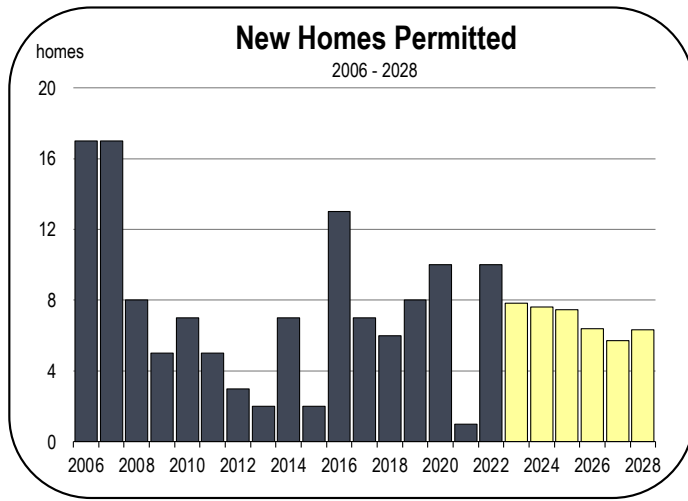
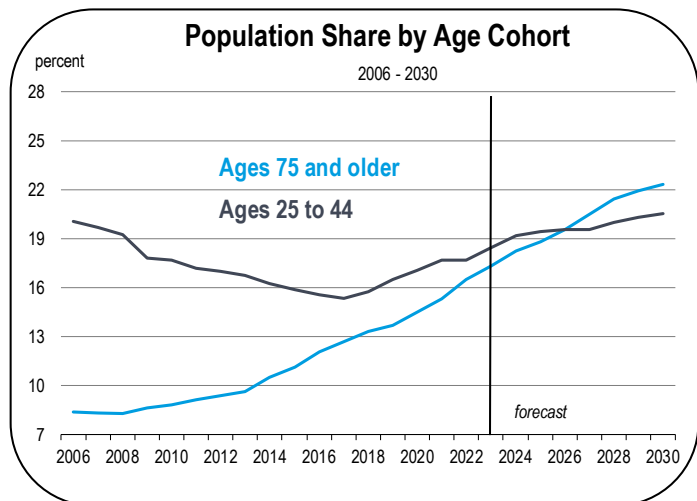
- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.
- Labor market recruitment challenges that force companies to raise wages in some sectors will still persist in 2024.
- Average general inflation rates eventually decline to 3 percent again by 2024.

## Population Growth

- The population has been in decline since 1998.
- The population has a much older share of residents than most other California counties. The share of the population aged 75 years and older is larger than the 25-to-44 year old cohort share.



# Sierra County Economic Forecast



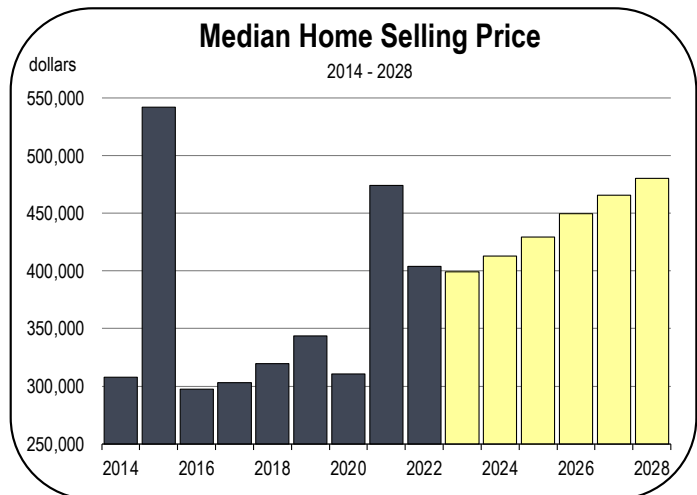
- As a result, the number of deaths exceeds the number of births.
- Between 2017 and 2022, there were 92 more deaths than births, which contributed to overall population decline.
- Between 2023 and 2029, the gap between deaths and births will only continue to widen.
- The population was stagnant between 2014 and 2020, turning decisively lower in 2021. It is expected to decline at a rate of 0.5 percent over the next five years.

- Over the forecast however, home prices will increase modestly, due principally to the lack of supply and out-of-county buyers because many home purchases today are for second homes.
- The vacancy rate for all housing in the county is 31.5 percent, not due to excess housing but due to absentee owners.
- From 2018 to 2022, an average of 7 new homes were started per year in Sierra County. All were single-family homes.
- Between 2023 and 2028, approximately 41 homes are expected to be built, an average of 6 to 7 per year. All will be single-family units. The low rate of production is in line with history and the diminishing population forecast.

## Home Prices and New Housing Production

- In 2022 the median home value in Sierra County was \$404,000. There were only 51 home sales recorded in the county. In 2023, home prices are selling at around \$400,000. There will be 40 to 50 sales in the county.

- Housing units are in high demand across California, including the Sierra Nevada region. To expedite the permitting process and reduce building costs, Nevada County, the Town of Truckee, the City of Grass Valley, the City of Nevada City, Placer County, and Sierra County are offering new affordable Housing Master Plans for single-family homes or granny units (also known as an ADUs, granny flats, or backyard cottages).



# Sierra County Economic Forecast

## Economic Indicators

## 2015-2022 History, 2023-2050 Forecast

	Population (people)	Households (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (millions)	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	3,213	1.5	5	2	5.5	\$113	\$10	\$19	\$3.8	\$45,010	8.8	\$12.6	1.4
2016	3,220	1.5	11	13	5.6	\$116	\$12	\$21	\$7.5	\$45,133	7.6	\$12.3	2.3
2017	3,233	1.5	11	7	5.6	\$123	\$12	\$21	\$8.5	\$46,240	6.6	\$12.3	3.0
2018	3,232	1.5	11	6	5.5	\$125	\$13	\$18	\$12.9	\$45,242	6.1	\$11.4	3.7
2019	3,233	1.5	10	8	5.7	\$130	\$23	\$27	\$11.4	\$45,827	5.4	\$13.2	2.9
2020	3,233	1.5	10	10	5.7	\$140	\$16	\$23	\$5.6	\$48,546	8.3	\$12.6	1.8
2021	3,217	1.5	3	1	6.0	\$153	\$17	\$30	\$5.4	\$50,982	6.1	\$12.1	4.2
2022	3,190	1.5	-2	10	6.0	\$161	\$22	\$34	\$5.2	\$50,585	4.2	\$11.2	7.4
2023	3,180	1.5	9	8	6.1	\$164	\$21	\$31	\$6.1	\$49,332	4.8	\$11.2	3.8
2024	3,174	1.5	6	8	6.1	\$170	\$21	\$32	\$5.4	\$49,823	4.9	\$11.3	2.2
2025	3,160	1.5	9	7	6.1	\$176	\$21	\$32	\$5.6	\$50,667	4.8	\$11.4	2.3
2026	3,146	1.5	9	6	6.1	\$181	\$22	\$33	\$5.7	\$51,193	4.8	\$11.6	2.2
2027	3,129	1.5	8	6	6.1	\$186	\$23	\$34	\$5.7	\$51,767	5.0	\$11.6	2.2
2028	3,110	1.5	8	6	6.1	\$191	\$24	\$35	\$6.0	\$52,283	5.2	\$11.6	2.1
2029	3,091	1.5	8	6	6.1	\$195	\$25	\$36	\$5.8	\$52,669	5.3	\$11.6	2.2
2030	3,072	1.5	8	5	6.1	\$199	\$26	\$37	\$5.8	\$52,919	5.4	\$11.5	2.2
2031	3,053	1.5	9	5	6.1	\$203	\$27	\$39	\$5.8	\$53,257	5.5	\$11.5	2.3
2032	3,031	1.5	7	4	6.1	\$206	\$28	\$40	\$5.5	\$53,239	5.3	\$11.5	2.3
2033	3,010	1.5	8	3	6.1	\$210	\$29	\$41	\$5.4	\$53,473	5.4	\$11.5	2.4
2034	2,988	1.5	8	4	6.1	\$214	\$30	\$42	\$5.5	\$53,888	5.5	\$11.5	2.4
2035	2,967	1.5	8	4	6.1	\$218	\$31	\$43	\$5.6	\$54,170	5.6	\$11.5	2.5
2036	2,948	1.5	10	3	6.1	\$223	\$32	\$44	\$5.3	\$54,185	5.6	\$11.5	2.5
2037	2,930	1.5	12	3	6.0	\$227	\$33	\$45	\$5.2	\$54,194	5.7	\$11.5	2.6
2038	2,915	1.5	15	5	6.0	\$233	\$33	\$46	\$5.5	\$54,396	5.8	\$11.5	2.6
2039	2,893	1.5	7	6	6.0	\$237	\$34	\$47	\$5.6	\$54,342	5.8	\$11.5	2.7
2040	2,872	1.5	7	6	6.0	\$242	\$35	\$49	\$5.6	\$54,563	5.9	\$11.5	2.7
2041	2,856	1.5	10	6	6.0	\$248	\$35	\$49	\$5.5	\$54,858	6.0	\$11.5	2.8
2042	2,840	1.5	10	4	6.0	\$253	\$36	\$50	\$5.2	\$55,172	5.8	\$11.5	2.8
2043	2,825	1.5	9	3	6.0	\$258	\$37	\$51	\$5.1	\$55,535	5.9	\$11.5	2.9
2044	2,811	1.5	9	3	6.0	\$263	\$37	\$52	\$5.0	\$55,944	5.9	\$11.5	2.9
2045	2,797	1.5	8	3	6.0	\$269	\$38	\$54	\$4.9	\$56,303	6.0	\$11.5	3.0
2046	2,784	1.5	7	3	6.0	\$274	\$40	\$55	\$4.9	\$56,610	6.0	\$11.5	3.1
2047	2,771	1.5	6	3	6.0	\$280	\$41	\$56	\$4.9	\$56,835	6.0	\$11.5	3.1
2048	2,758	1.5	6	3	6.0	\$286	\$42	\$58	\$4.8	\$57,021	6.0	\$11.5	3.2
2049	2,747	1.5	5	3	6.0	\$292	\$43	\$59	\$4.8	\$57,306	6.0	\$11.5	3.2
2050	2,737	1.5	5	3	6.0	\$299	\$45	\$61	\$4.8	\$57,571	6.0	\$11.5	3.3

## Employment Sectors

## 2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Goods Producing (jobs)	Service Providing	Government
2015	630	20	40	200	370
2016	620	20	50	190	360
2017	590	20	30	190	350
2018	585	20	30	190	345
2019	636	20	33	200	383
2020	613	20	24	199	370
2021	631	20	30	225	356
2022	647	20	33	233	361
2023	662	20	33	244	366
2024	642	20	35	223	365
2025	646	20	36	224	366
2026	646	20	36	224	365
2027	643	20	37	225	361
2028	639	20	39	224	356
2029	635	20	38	223	353
2030	630	20	39	222	349
2031	623	20	39	221	343
2032	617	20	38	218	341
2033	613	20	37	216	340
2034	612	20	39	215	338
2035	611	20	40	214	338
2036	606	20	39	211	336
2037	603	20	38	209	335
2038	605	20	41	208	335
2039	603	20	43	205	334
2040	601	20	44	203	333
2041	599	20	43	203	333
2042	596	20	42	202	332
2043	594	20	40	201	332
2044	592	20	39	201	331
2045	590	20	39	201	330
2046	588	20	39	201	328
2047	586	20	39	200	327
2048	583	20	39	199	326
2049	582	20	39	199	324
2050	583	20	39	198	325

# Sierra County Economic Forecast

## Socioeconomic Indicators

