

Item # 15

File # 20-335



# Solano County 2019 Index of Economic and Community Progress

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County Administrator's Office

Robert Eyler, Ph.D.

Presented to Board of Supervisors on May 5, 2020



# Solano County Standards of Living and Employment

\* 2018 is the latest data for these variables

- **Jobs Growth Income Growth Increased Again in 2019**
  - Solano County Non-Farm Employment +1,700 new jobs in 2019
  - Housing prices were up 0.3% in 2019
  - Personal Income/Capita, Median HH Income, GP/Capita all up in 2018\*
  - Property and Sales Tax Revenues rising in 2019
  - Population growth positive and slowing a bit again in 2019
  - Ag Values up in 2018\*, but farm jobs fell again in 2019
- **Challenges**
  - Gross product growth slower than state and nation
  - Population growth mainly from natural increase
  - Residents over 25 years old below state average for holding bachelor's degree
  - Commute times rising in 2018\*



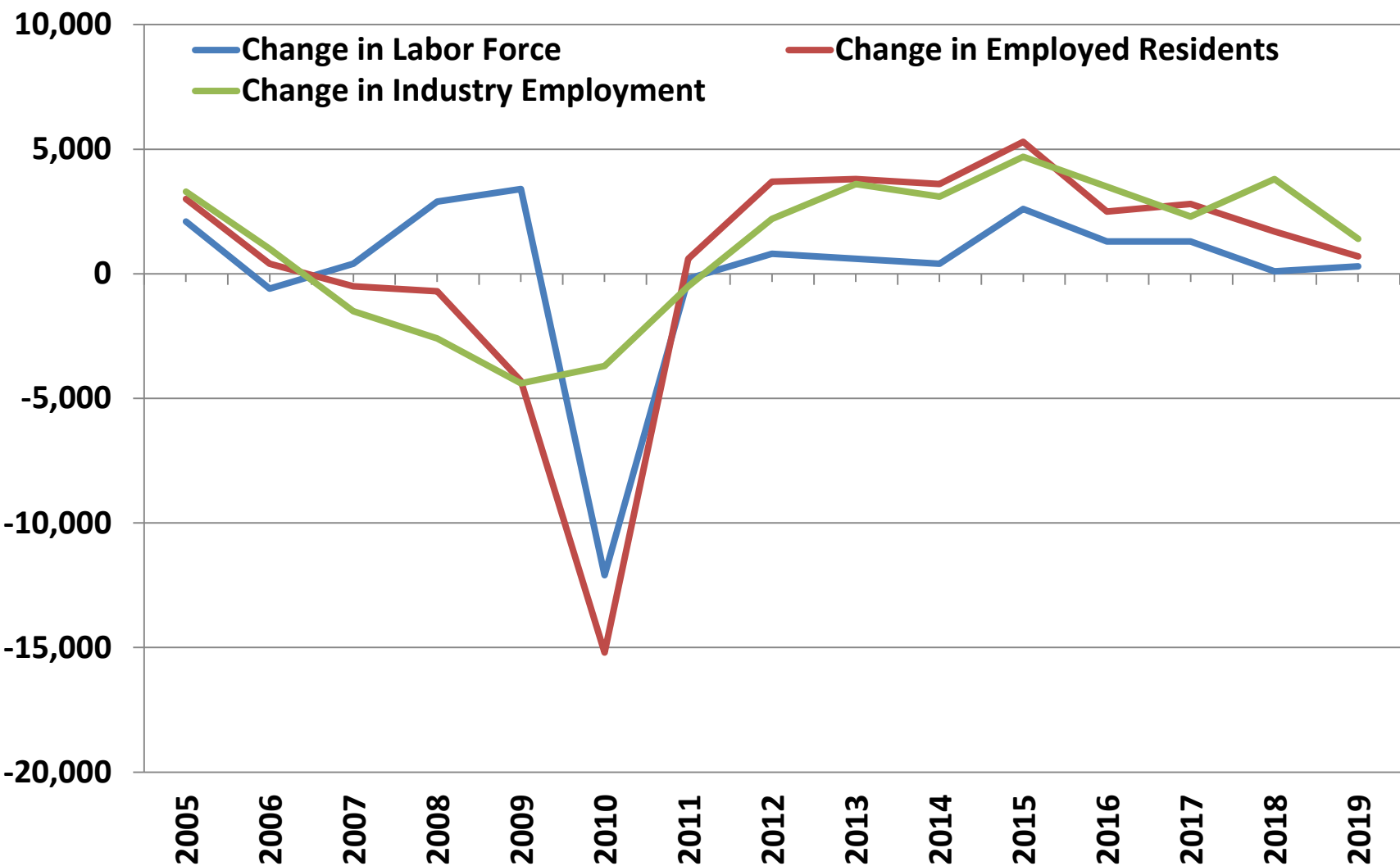
# Solano County Standards of Living and Employment

- **National/global:**
  - COVID-19: major, quick shock
  - Low interest rates: back to 2009 levels
  - Recession likely in 2020, continuing to 2021 maybe
  - Unemployment to spike in April and May, perhaps peak?
  - Elections coming...
- **California in 2020 a function of social policy**
  - Going to feel like 2009 and 2010 for at least two quarters
  - Watching job **and** business losses by industry in California



# Solano County Labor Force Indicators (EDD)

Workers 2005 – 2019 = modest employment growth and 3.7% unemployment

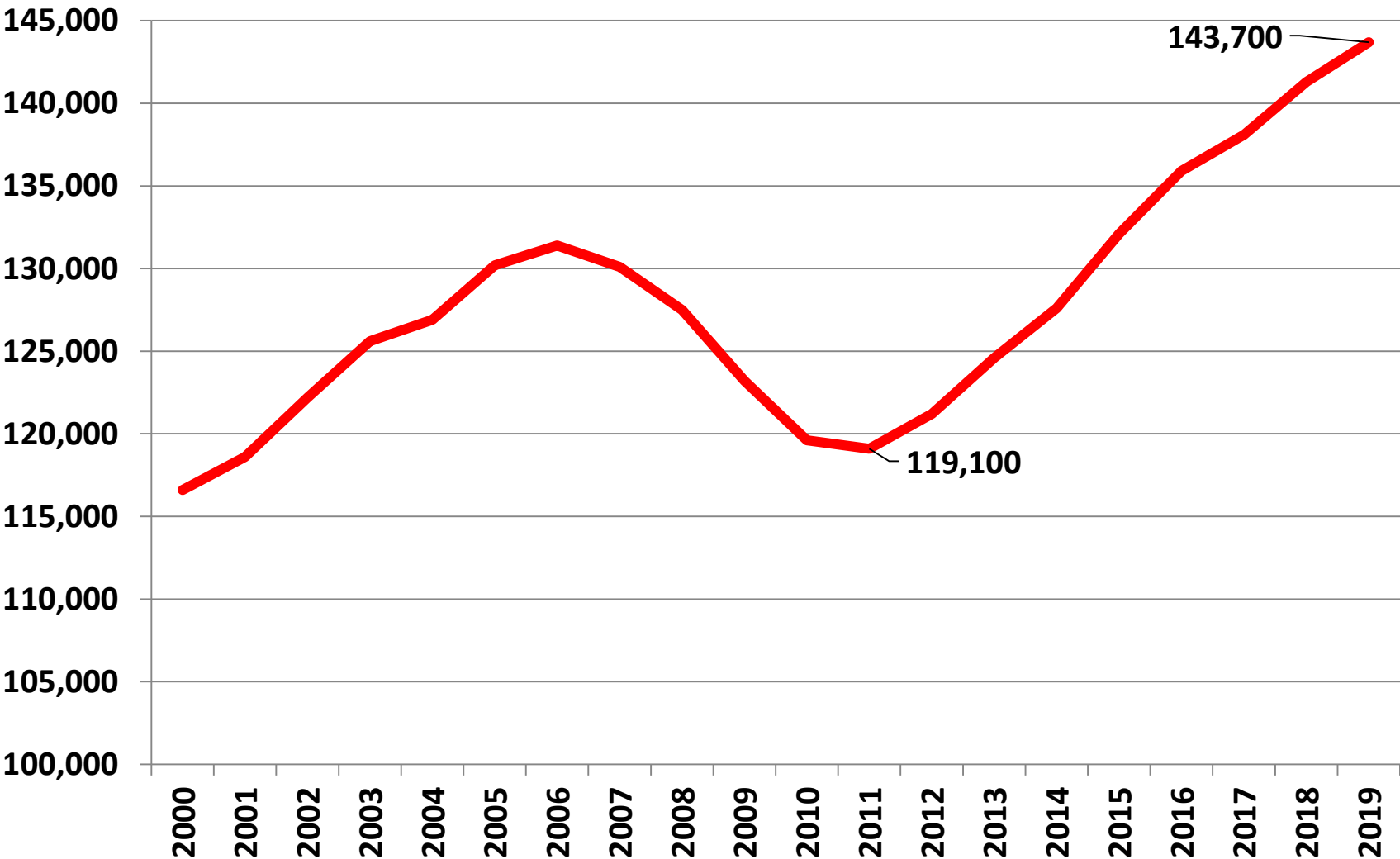


Source: EDD (<http://www.labormarketinfo.edd.ca.gov/>), Labor Market Information





# Solano County Non-Farm Employment (EDD) Number of Workers, 2000-19

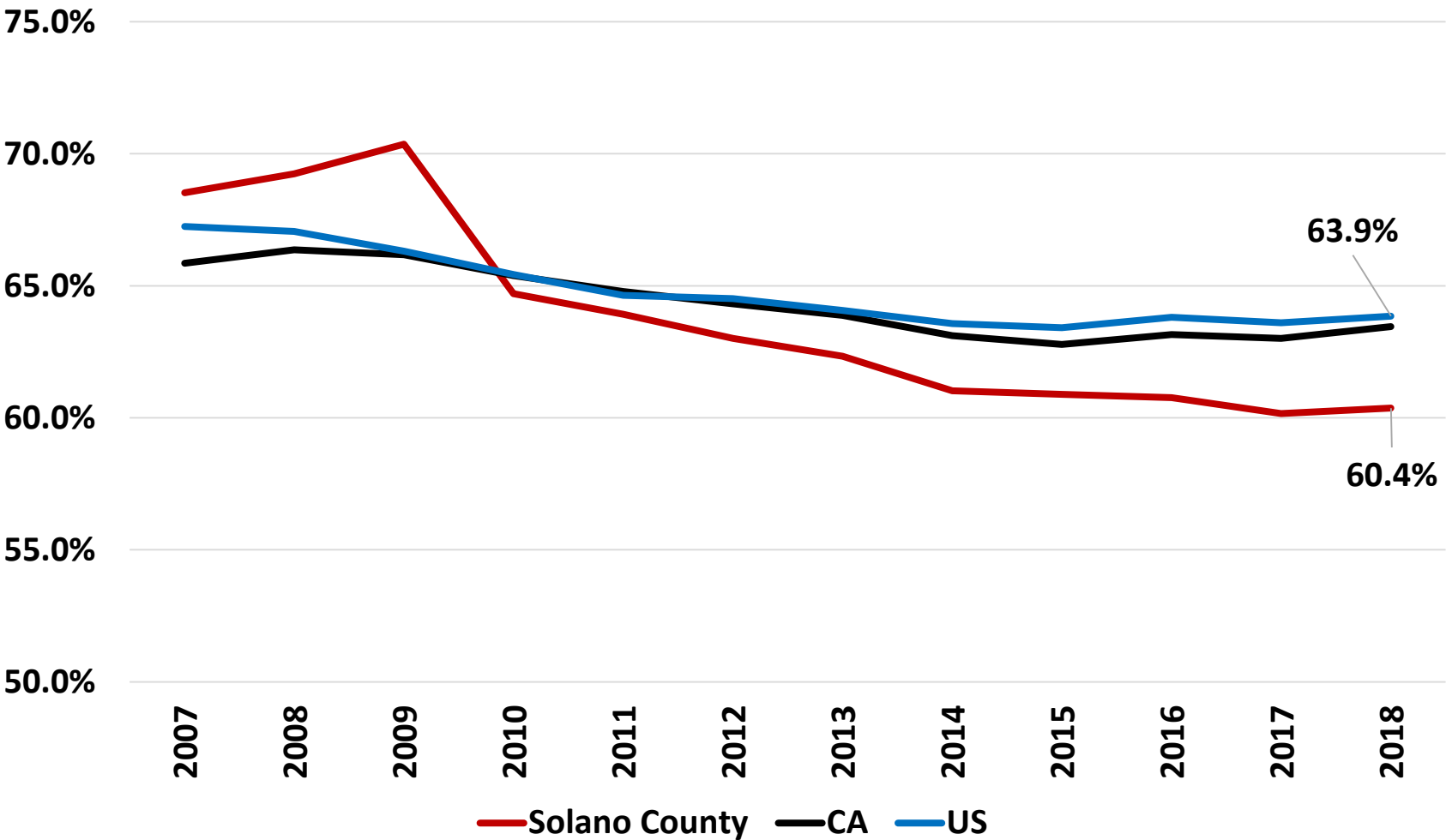


Source: EDD (<http://www.labormarketinfo.edd.ca.gov/>), Labor Market Information



# Solano County Labor Force (LF) Participation (% in LF) 2007-18, Ages 18-64

2018 is the  
latest data for  
these variables

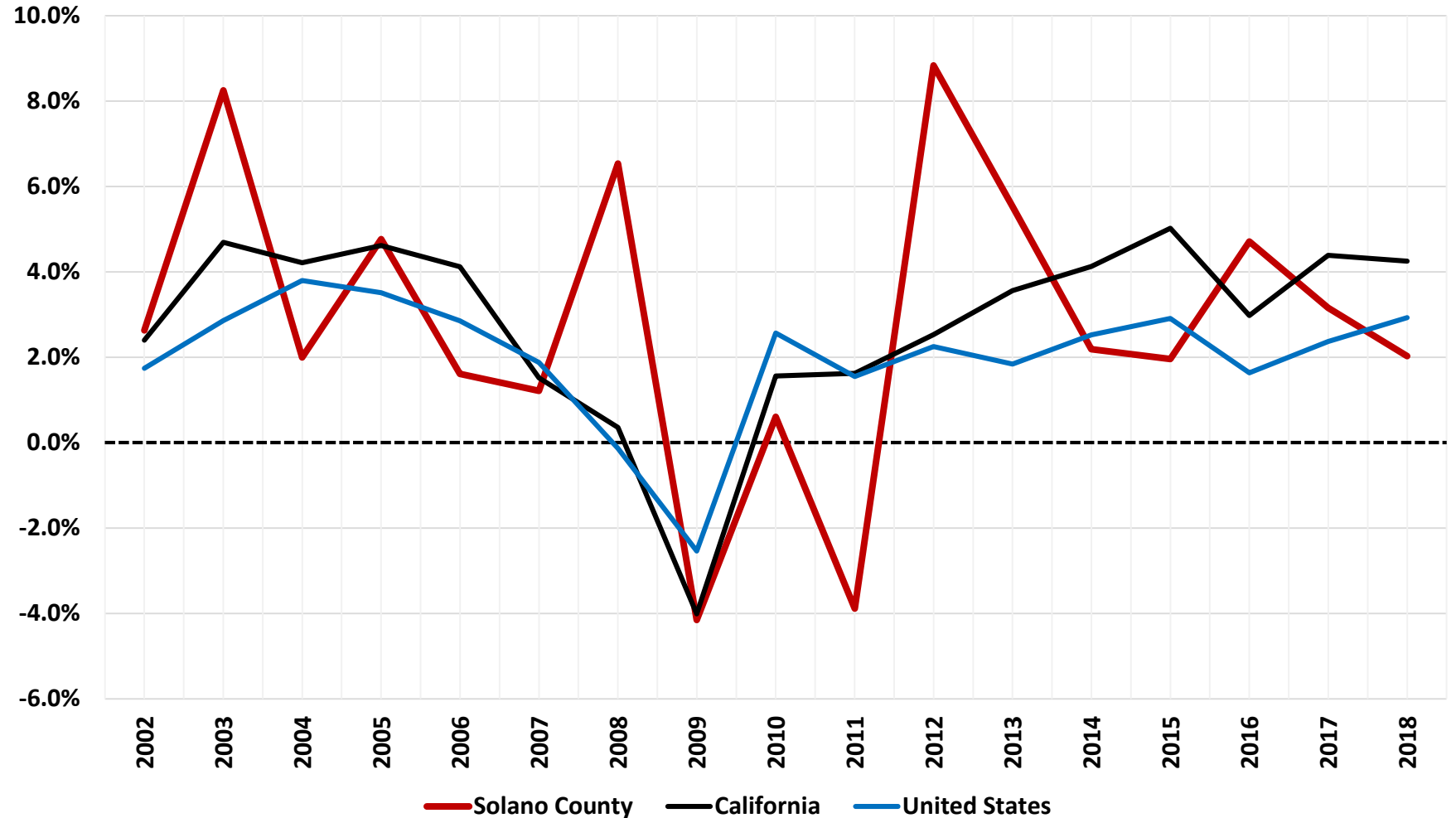


Source: Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)) and California EDD ([www.edd.ca.gov](http://www.edd.ca.gov))



# Per Capita Personal Income Change % Change from Previous Year, 2005-18

2018 is the  
latest data for  
these variables



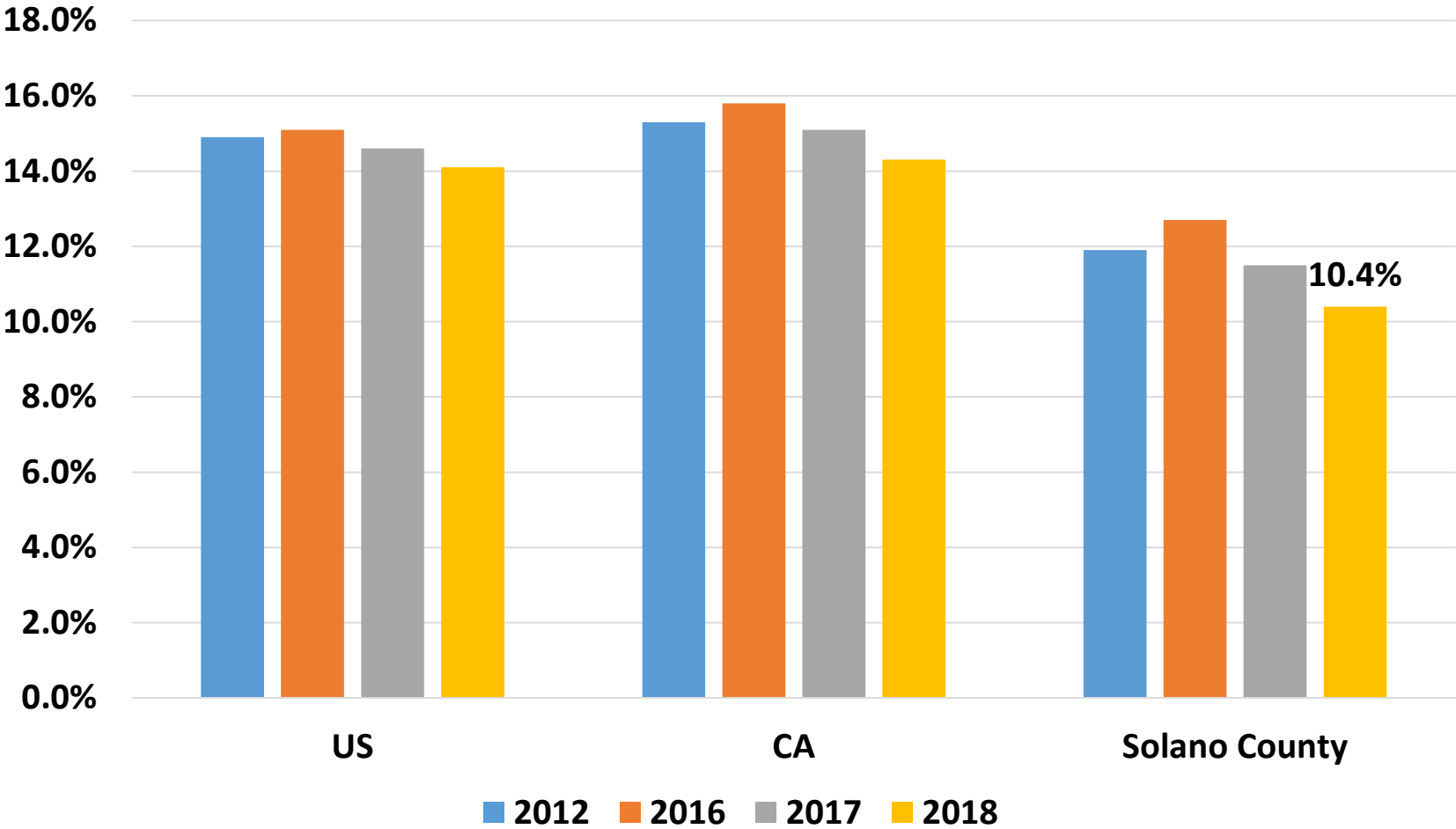
Source: Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov))



# Poverty Rates: 2010, 2016, 2017, and 2018

## Solano County, CA and US

2018 is the latest data for these variables

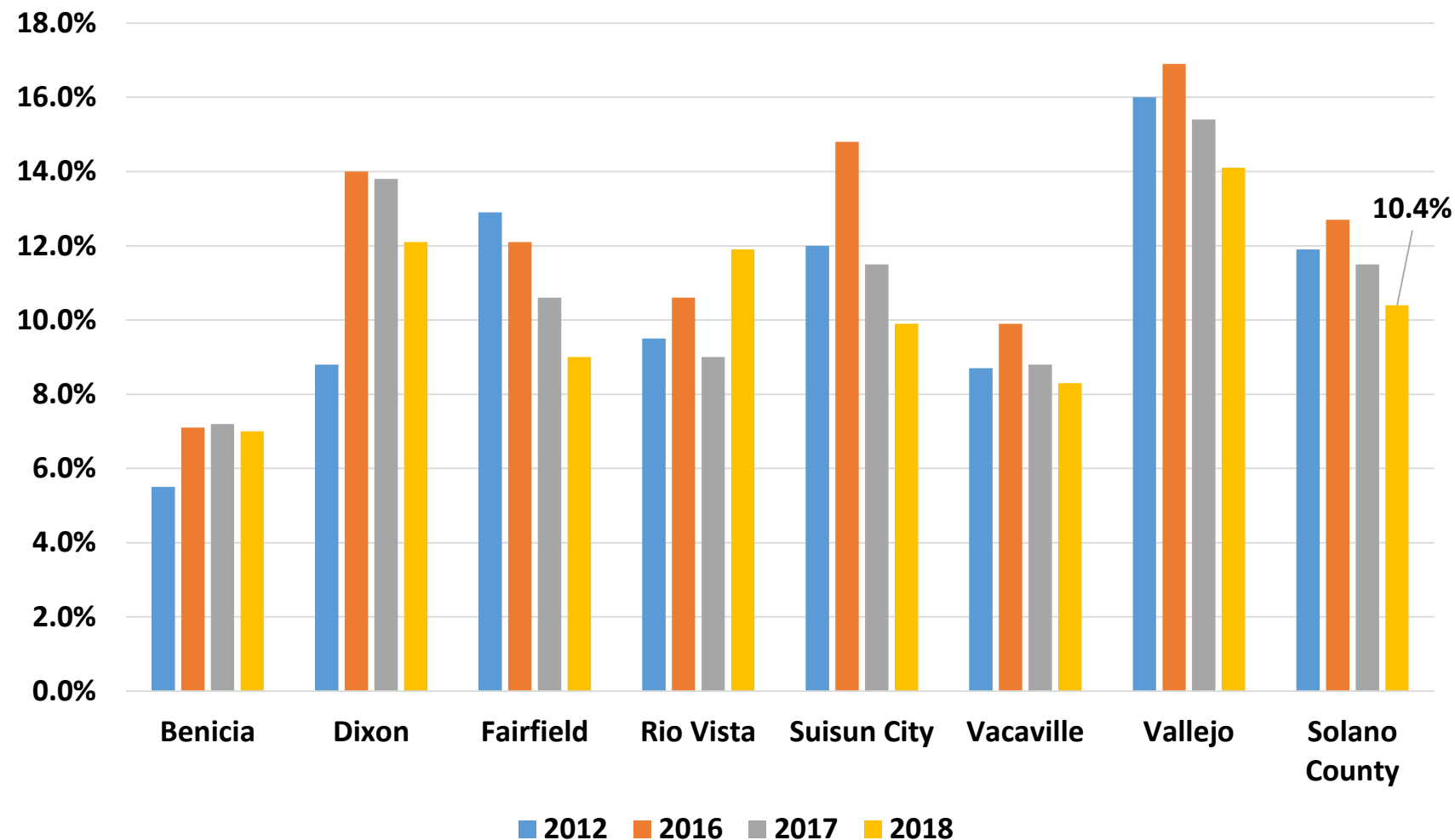


Source: Census Bureau, American Community Survey (factfinder.census.gov)



# Poverty Rates: 2010, 2016, 2017 and 2018 By City

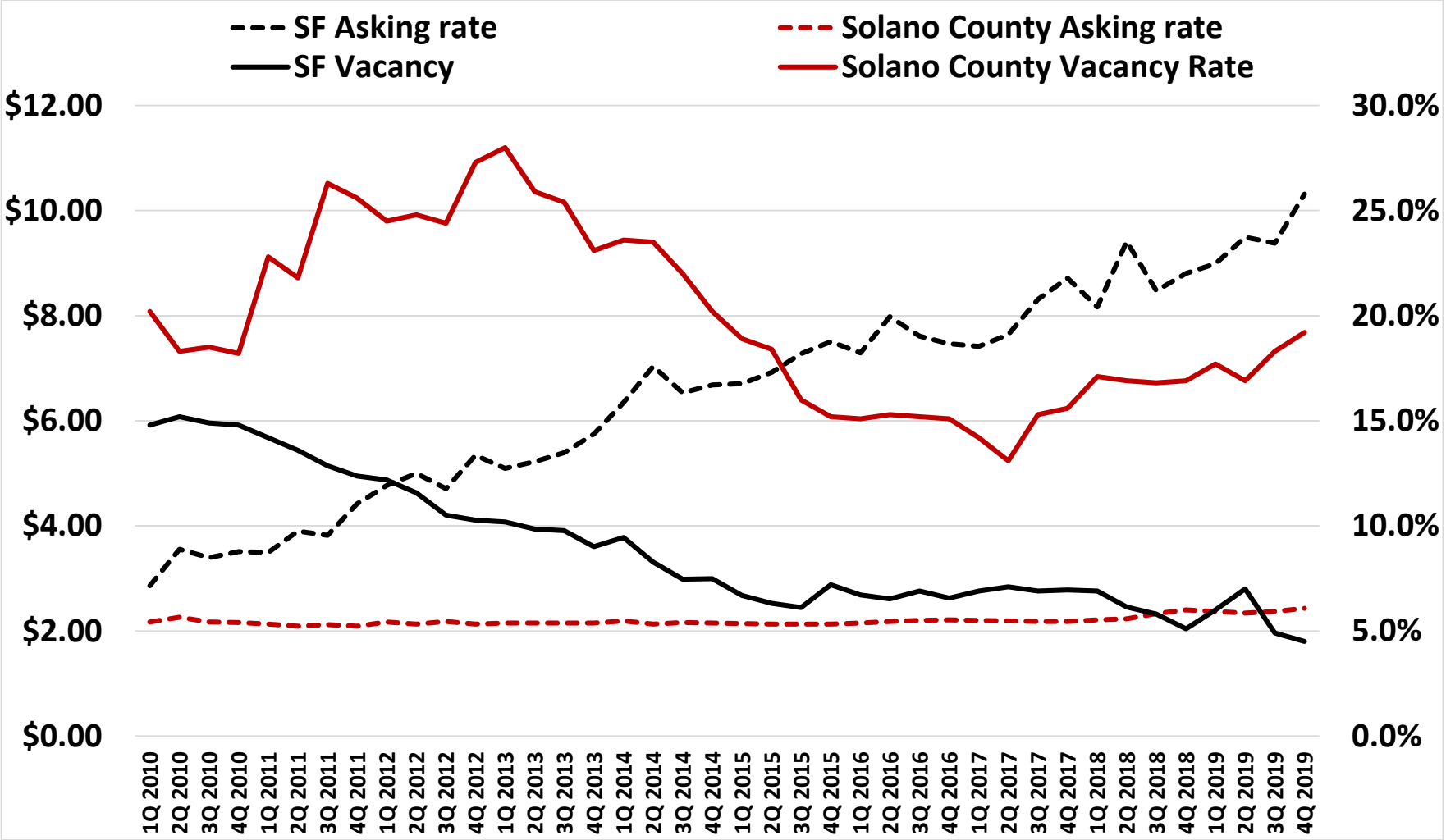
2018 is the latest data for these variables



Source: Census Bureau, American Community Survey ([factfinder.census.gov](https://factfinder.census.gov))



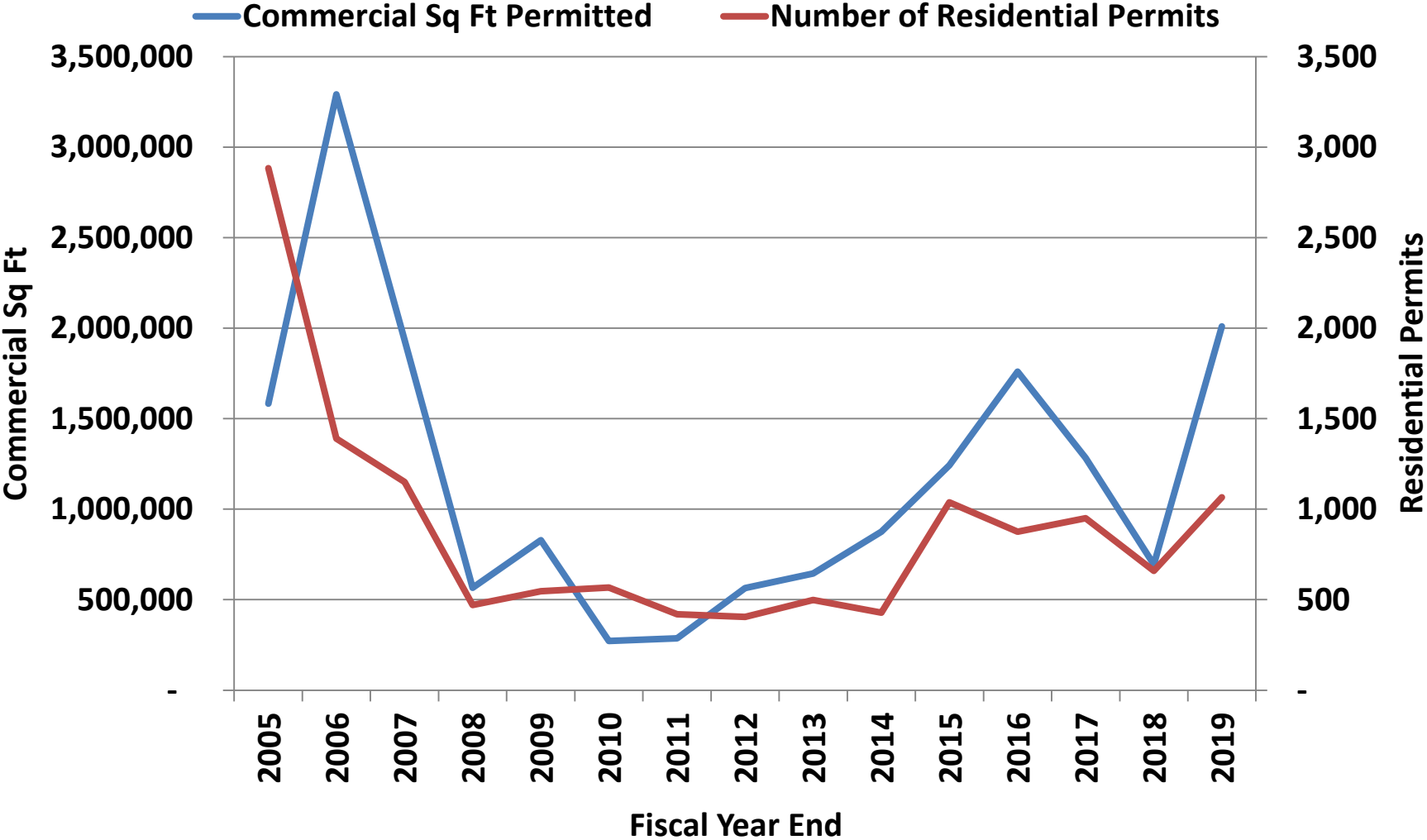
# Commercial Real Estate, Prices \$ and Vacancies (%), 2010-19, Quarterly Data, Office Space



Source: Colliers International (direct from Colliers Staff)

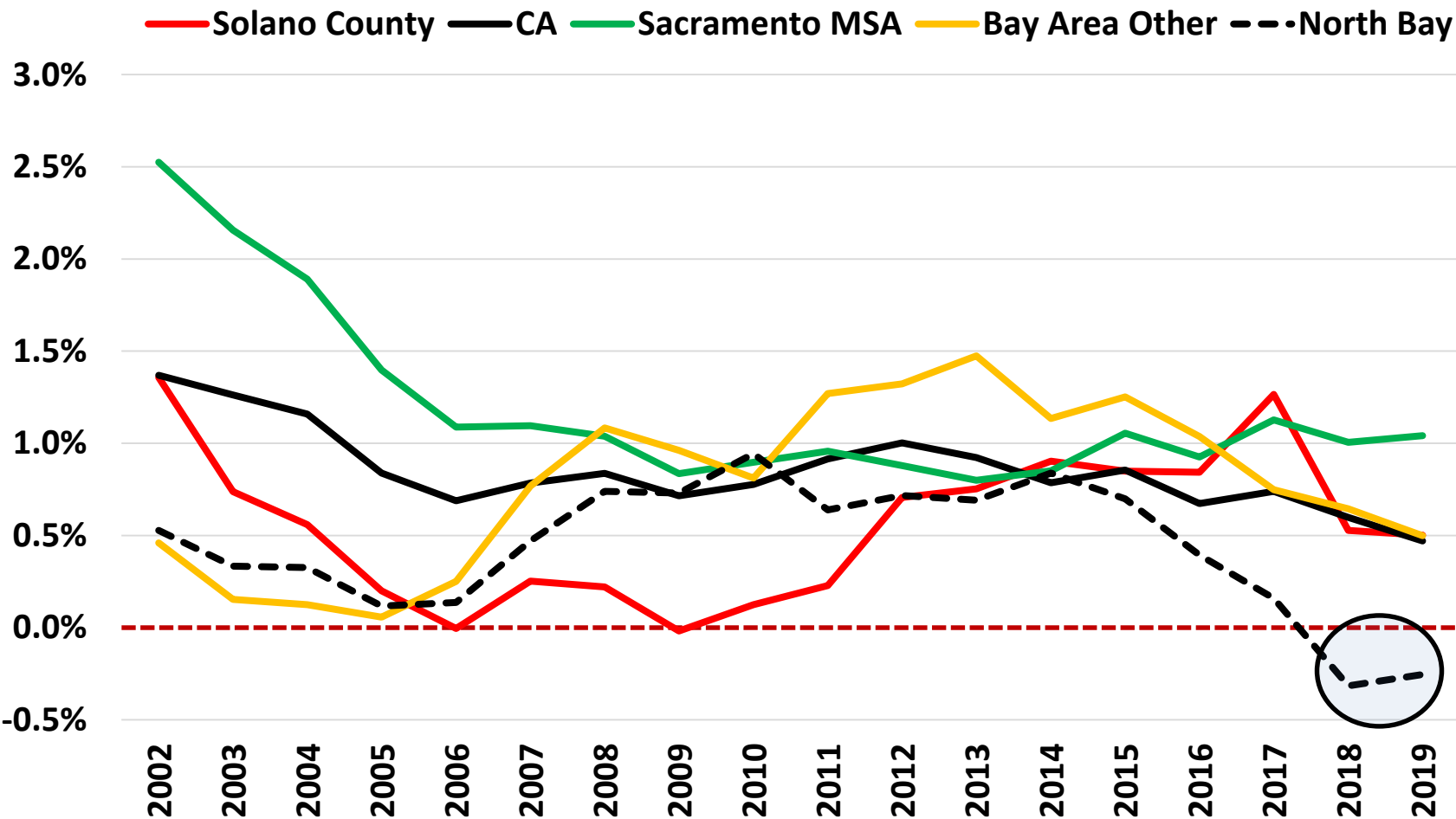


# Building Permits, Residential (units) and Commercial (Sq Ft), 2004-05 to 2018-19 FY





# Population Growth, % change, 2002-19



Source: California Department of Finance, Demographic Research Unit ([www.dof.ca.gov](http://www.dof.ca.gov))

2019 Index Presentation

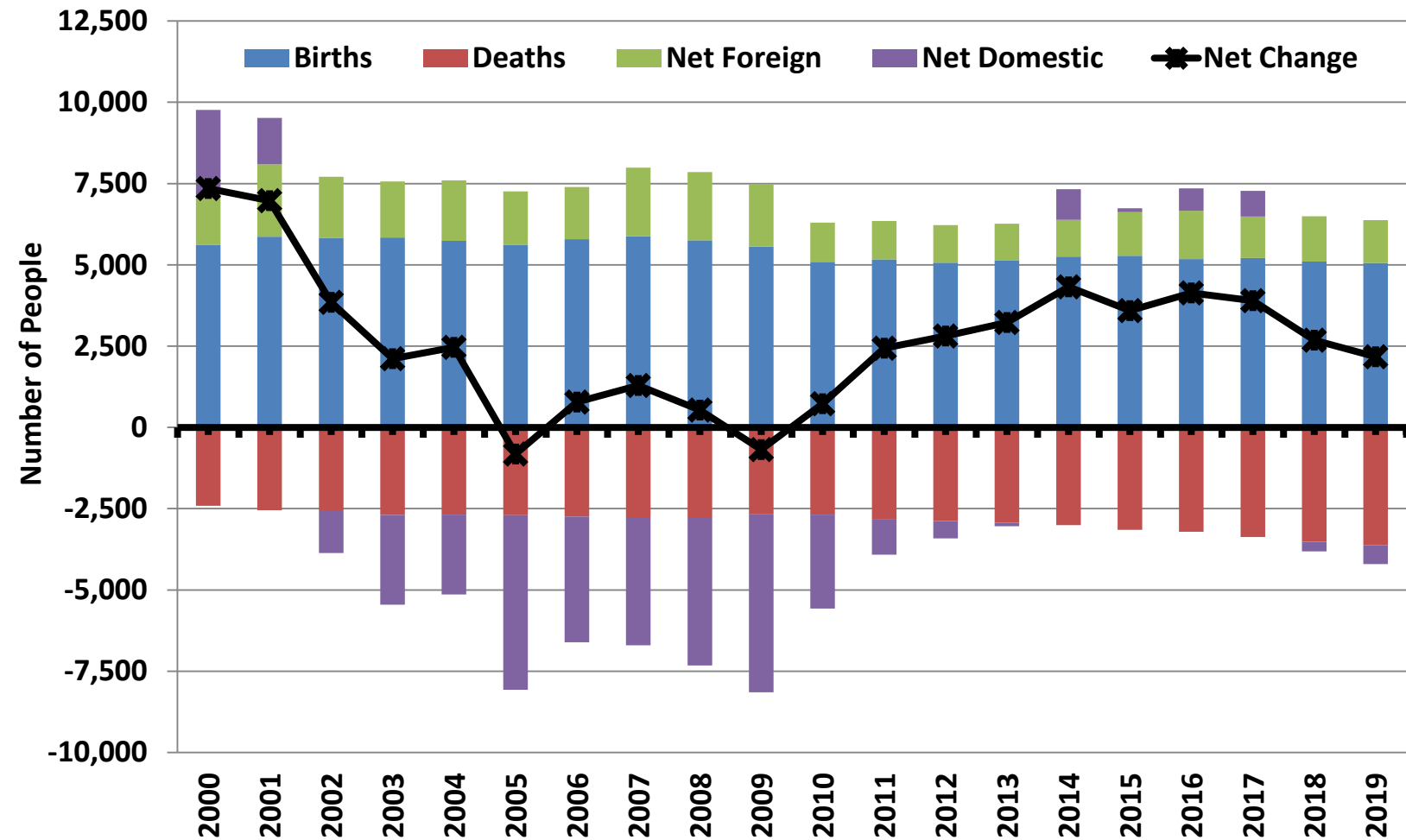
May 5, 2020







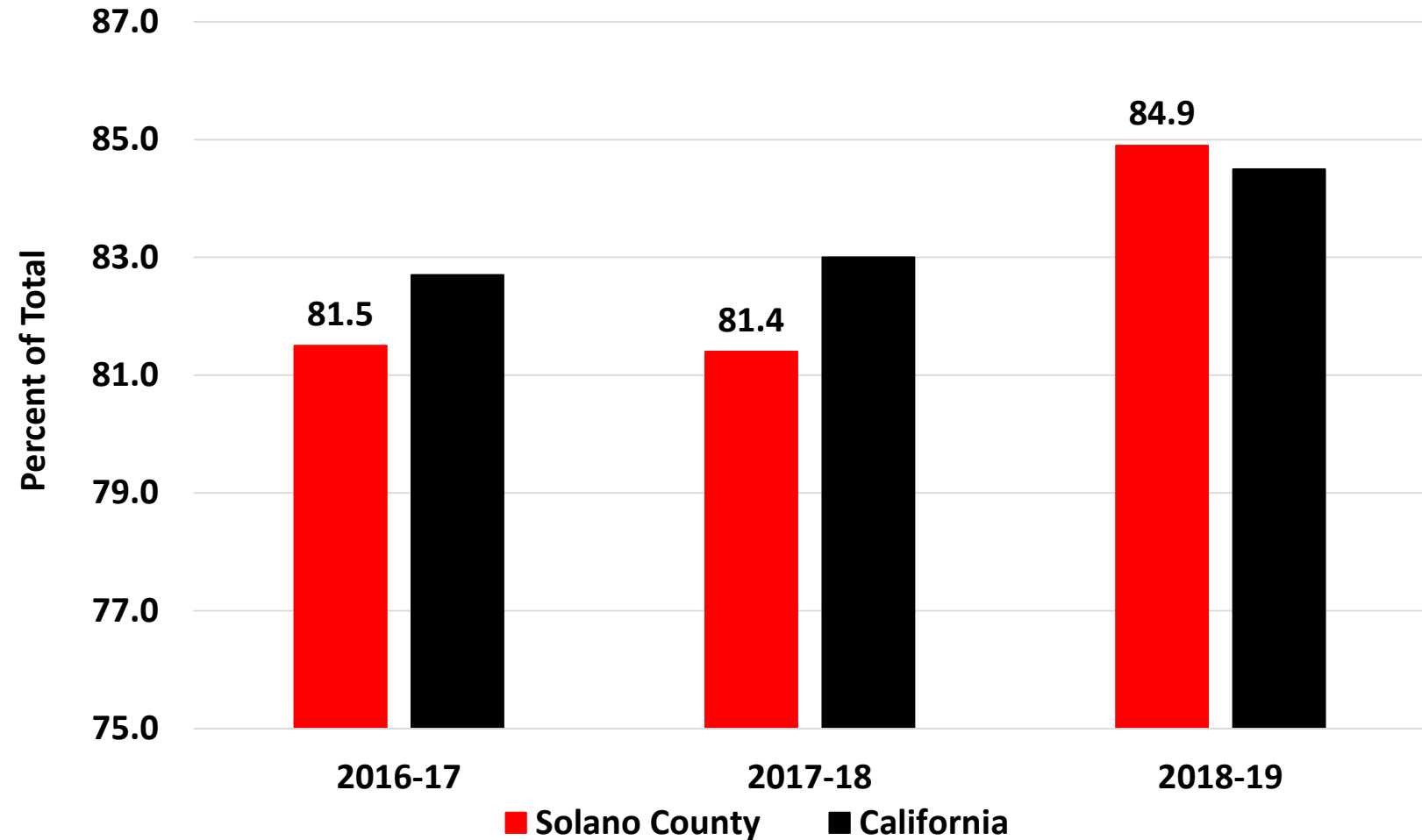
# Population Growth Components, People, 2000-19



Source: California Department of Finance, Demographic Research Unit ([www.dof.ca.gov](http://www.dof.ca.gov))



# Solano County High School Graduation Rates, % Recent Academic Years to 2018-19



Source: California Department of Education ([cde.ca.gov](http://cde.ca.gov)), There was a methodology change that does not allow historic comparisons before 2016-17

May 5, 2020

2019 Index Presentation

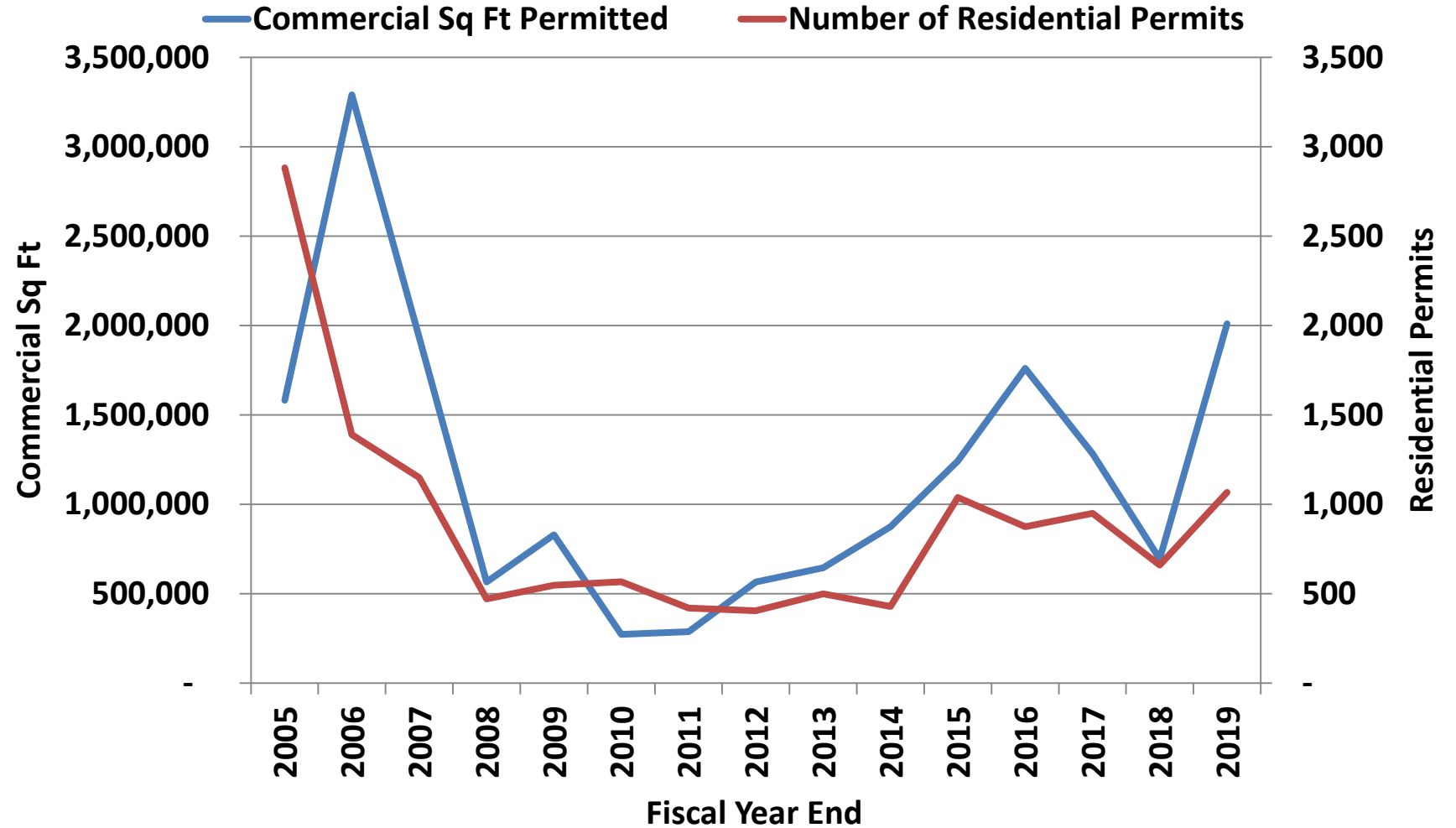


14





# Building Permits, 2005-2019, Commercial Sq Ft and Residential New Units Permitted, Fiscal Years



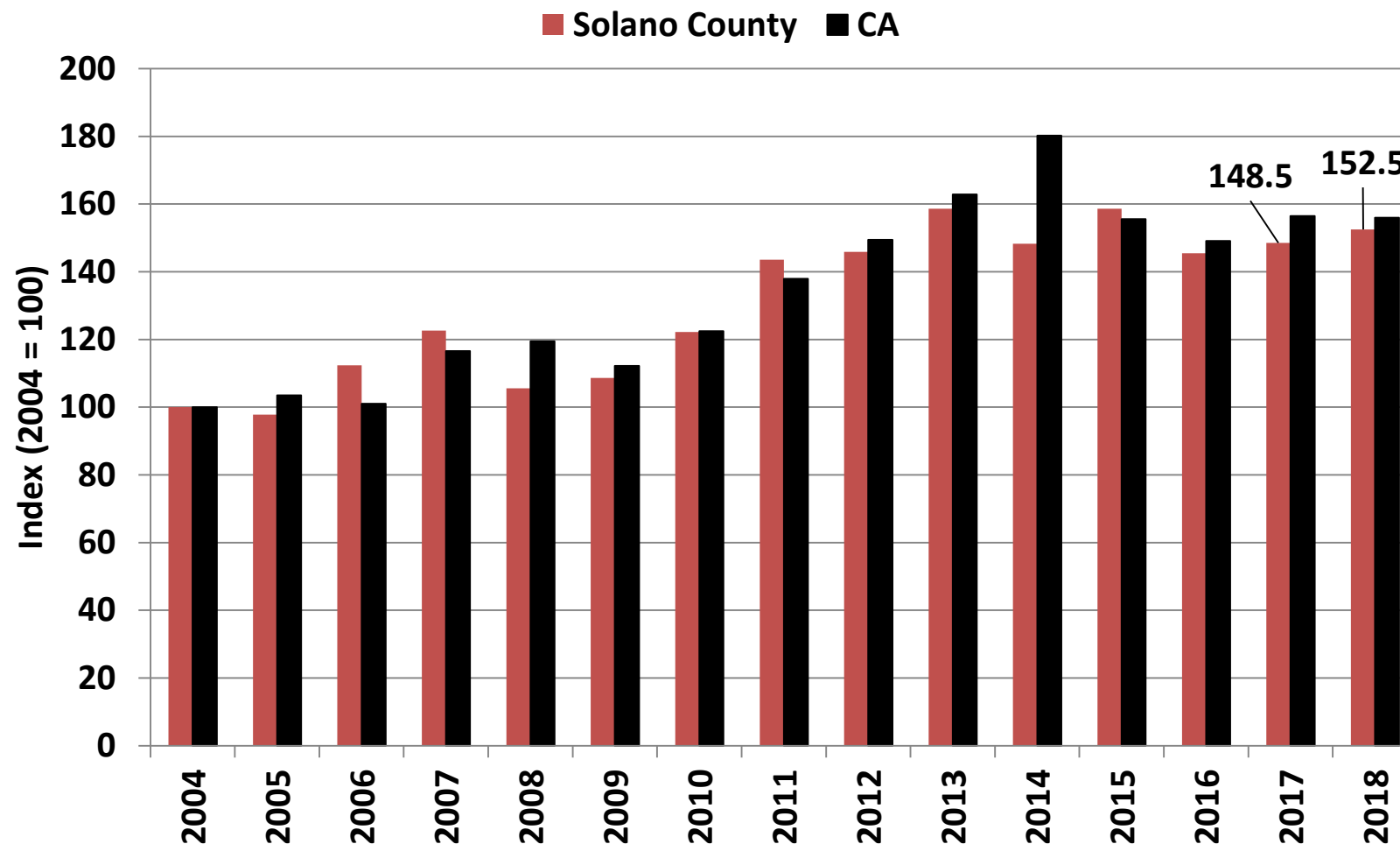
Source: County of Solano



# Agricultural Values, Gross Product in Ag, 2004-18

## Solano County and California, Index 2004 = 100

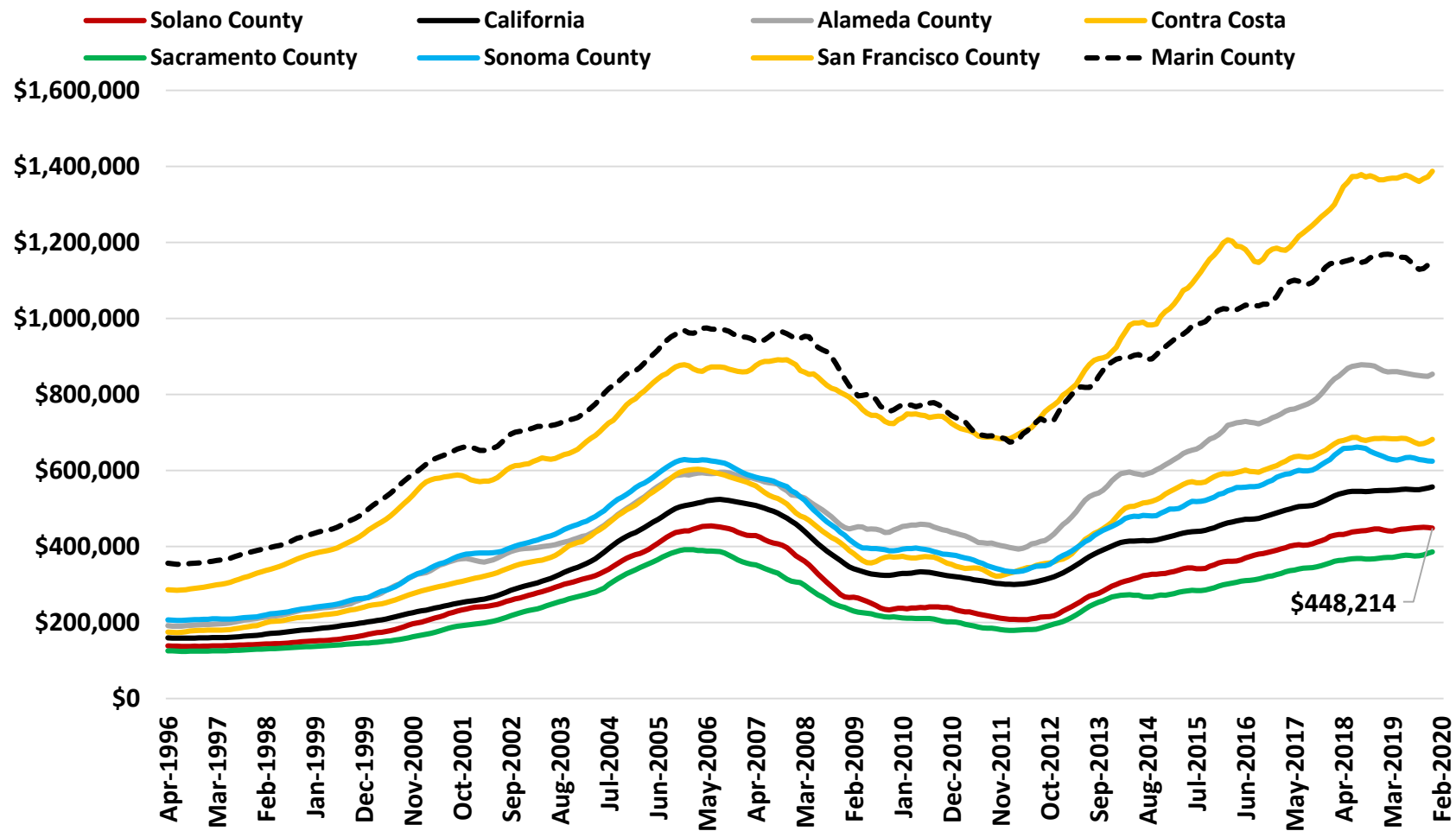
2018 is the latest data for these variables



Source: Solano County Agricultural Commissioner and Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov))



# Median Home Prices 1996 – 2019 (2009 Dollars)



Source: Zillow™ Research



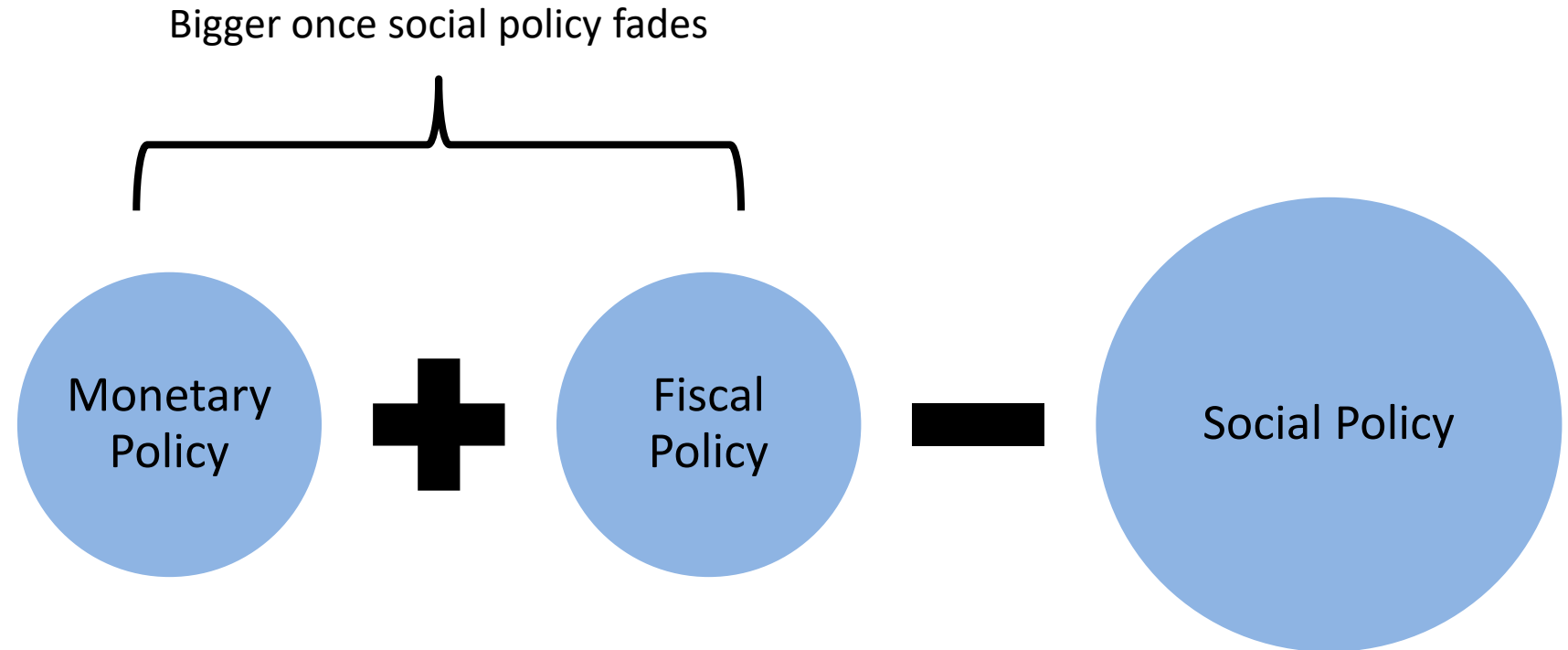
# Housing Affordability, % of Households that can afford median price home

<i>Quarter</i>	<i>Solano</i>	<i>Sacra- mento</i>	<i>California</i>	<i>Sonoma</i>	<i>Napa</i>	<i>Santa Clara</i>	<i>Alameda</i>	<i>Contra Costa</i>	<i>Marin</i>	<i>San Francisco</i>
2010.Q3	<b>71%</b>	68%	46%	40%	41%	30%	31%	21%	23%	22%
2011.Q3	<b>75%</b>	72%	52%	46%	48%	34%	36%	27%	25%	26%
2012.Q3	<b>77%</b>	73%	49%	46%	45%	32%	34%	28%	27%	25%
2013.Q3	<b>56%</b>	50%	32%	31%	28%	22%	21%	22%	18%	16%
2014.Q3	<b>49%</b>	48%	29%	29%	21%	21%	21%	20%	15%	12%
2015.Q3	<b>45%</b>	47%	29%	26%	23%	19%	20%	34%	19%	11%
2016.Q3	<b>43%</b>	43%	30%	26%	24%	21%	23%	36%	18%	13%
2017.Q3	<b>43%</b>	43%	28%	25%	26%	17%	20%	33%	18%	13%
2018.Q3	<b>38%</b>	42%	27%	22%	24%	17%	18%	32%	19%	15%
2019.Q3	<b>47%</b>	45%	31%	28%	29%	22%	26%	39%	22%	18%

Source: California Association of REALTORS



# Reactions: A Tale of Three Policies





# Potential Forecasts on Jobs

## ■ Tricky Scenario

- CA economy employs similar measures to China, shorter timeframe and impacts
- On the border of recession, some workers are furloughed or laid off

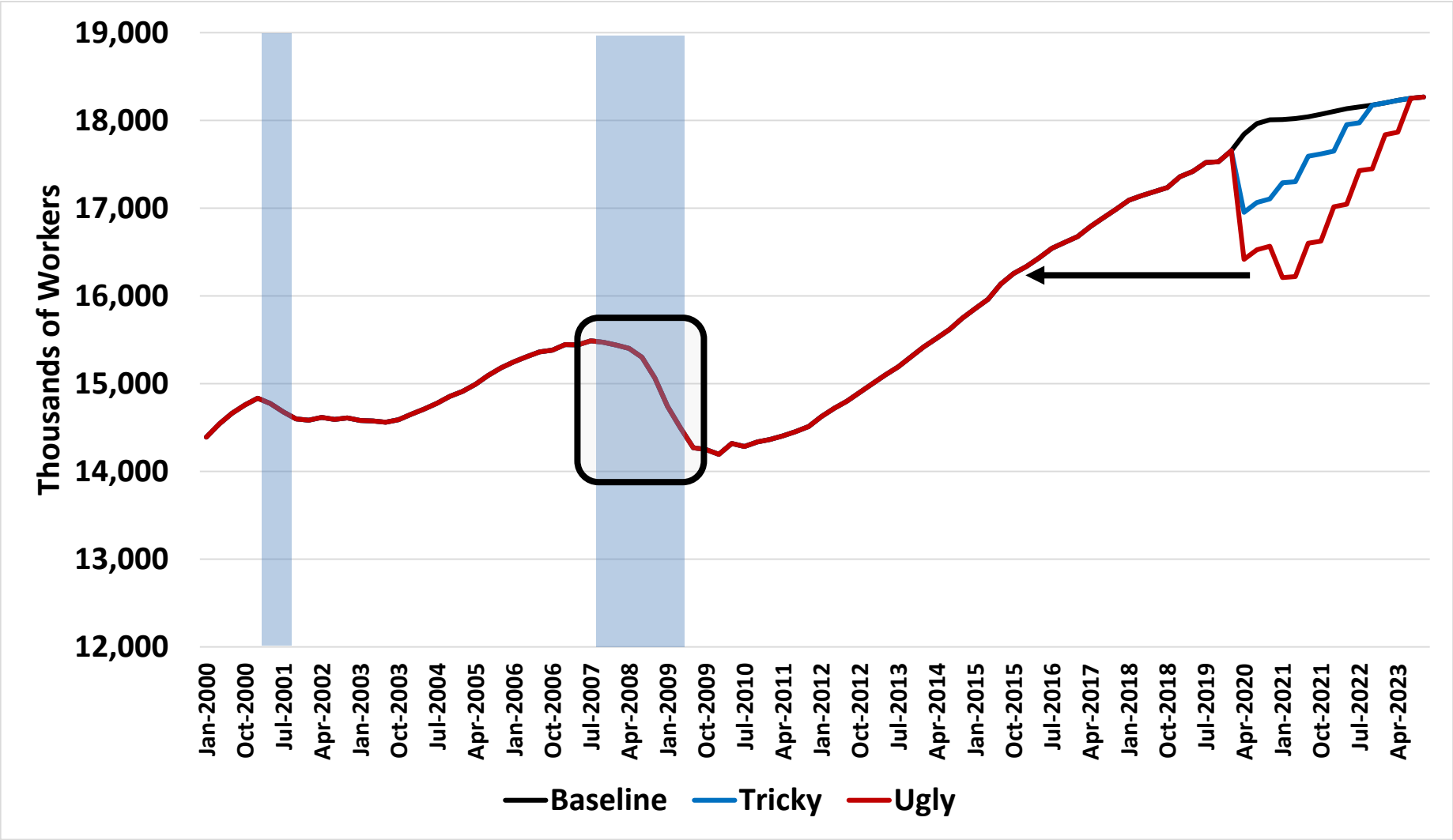
## ■ Ugly Scenario

- Situation is general: jobs losses rise and move from seasonal to structural
- Restart slow, especially in tourism/casinos/air travel
- Wealth effects become jobs losses
- Businesses concerned about revenues and profits into 2021 and a second episode





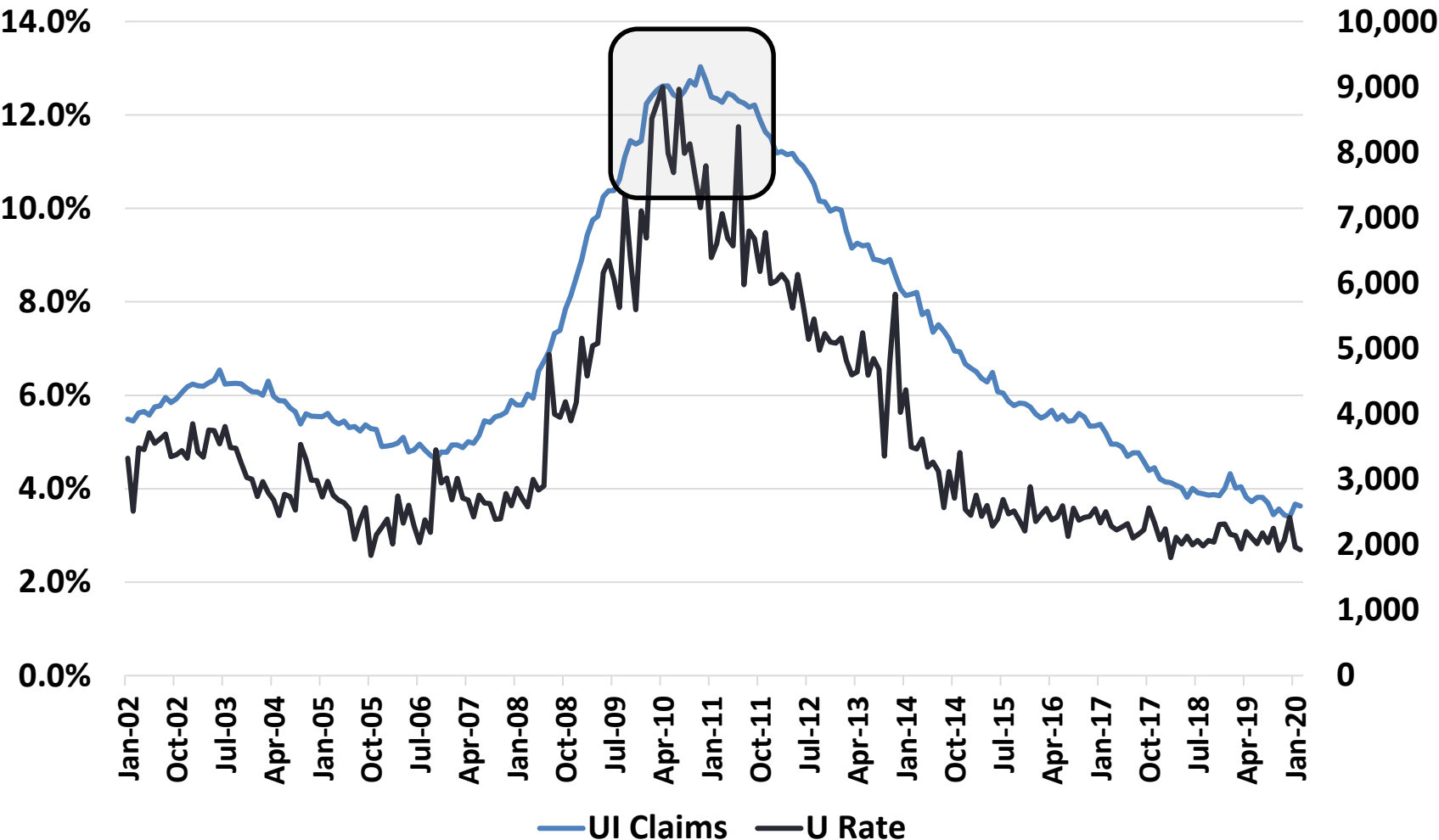
# Scenarios: Jobs in CA, 2000-23 Thousands of Workers, Seas Adj



Source: CA Dept of Finance and EFA



# Solano County UI Claims and U Rate, Jan 2002- Feb 2020



Source: EDD (<http://www.labormarketinfo.edd.ca.gov/>), Labor Market Information



# How is Solano County doing as a Community?

- **Solano County's communities better off in 2019**
  - Jobs and Incomes Continue to Rise, including wages
  - Construction Jobs growing
  - Home Values and Wealth Rising
  - Tax Receipts Rising
  - Poverty rates falling, standards of living up after inflation
- **Challenges: COVID-19 recovery in 2020 and beyond**
  - **Challenge** – Duration and depth of unemployment
  - **Challenge** – Business losses and affected sectors
  - **Challenge** – Pressures on municipal budgets with rising services demand
  - **Challenge?** – Residential and commercial real estate values falling



# Opportunities after COVID-19

- **Economic and workforce development**
  - Manufacturing: health care supply chain and pharmaceuticals
  - Upskilling a lower-wage workforce
- **Visitors and Regional Movements**
  - Airlines may face rising costs and lower demand
  - Summer 2020 plans may be regional versus national/international
- **Bay Area connections**
  - Movement of workers from Bay Area based on telecommuting
  - Will there be shifts by employers to different work schedules?



# Questions?

**Robert Eyler, Ph.D.**

**President, Economic Forensics and Analytics**

**[eyler@econforensics.com](mailto:eyler@econforensics.com)**