



# El Dorado County

## Recovery and Uncertainty to 2025

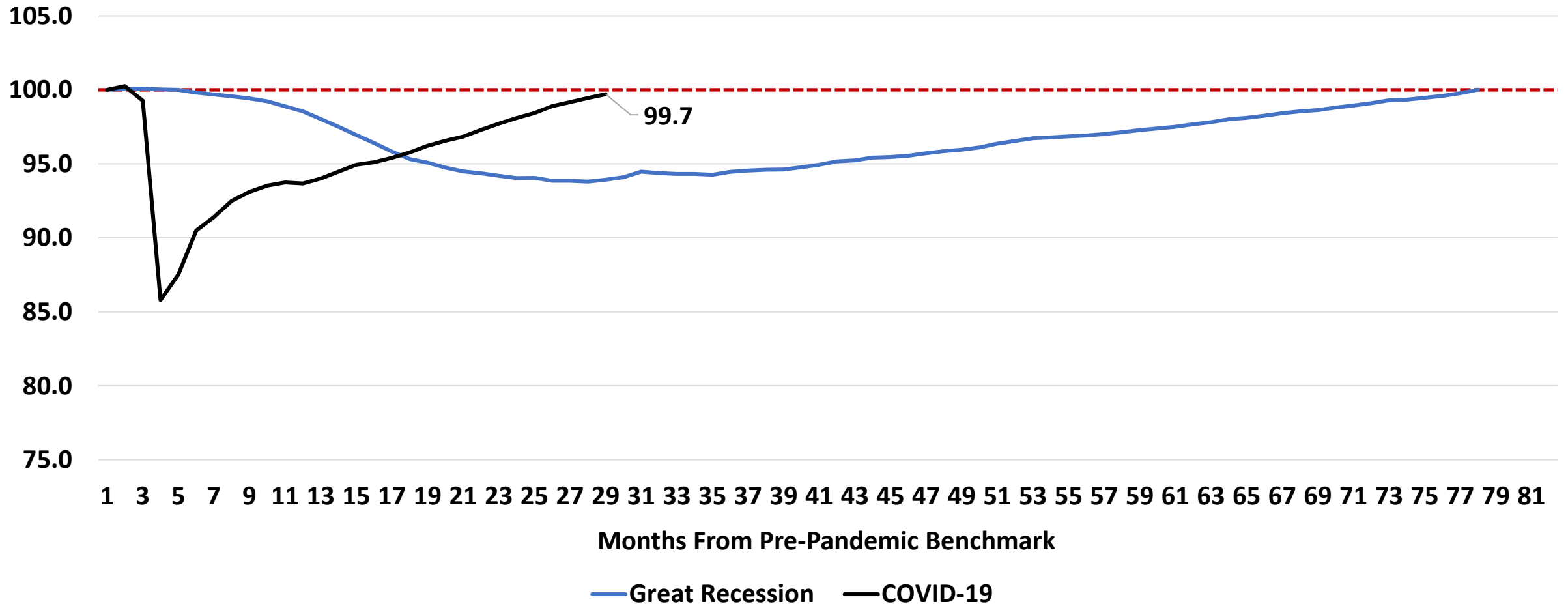
May 2022

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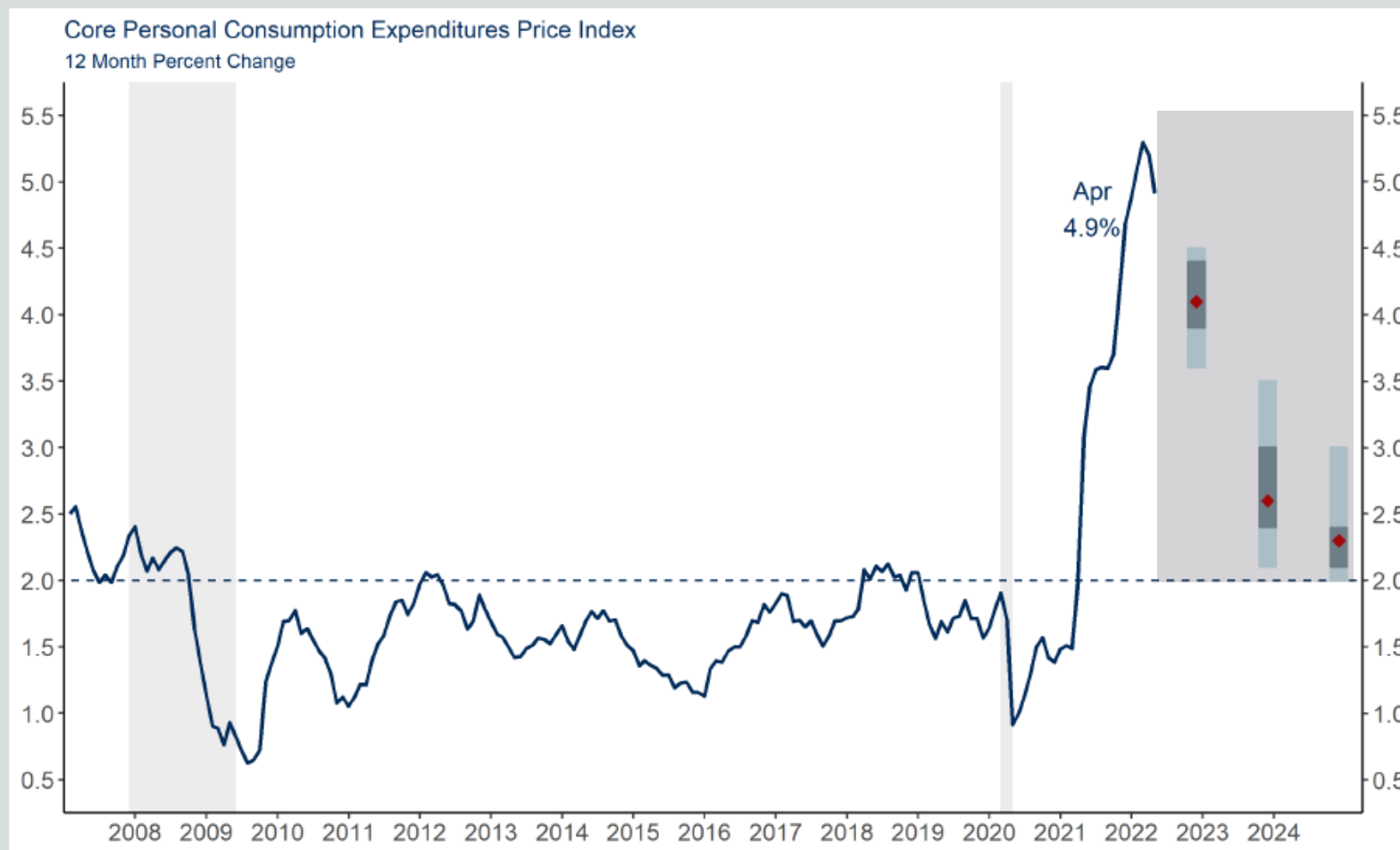
# Employment Recovery Comparison, United States, Great Recession and COVID-19 Recession, Months from Peak

## Employment, Index Nov 2007 and Jan 2020 = 100, to May 2022



# Inflation Watching: 2007 to 2025

## Core Personal Consumption Expenditure Price Index



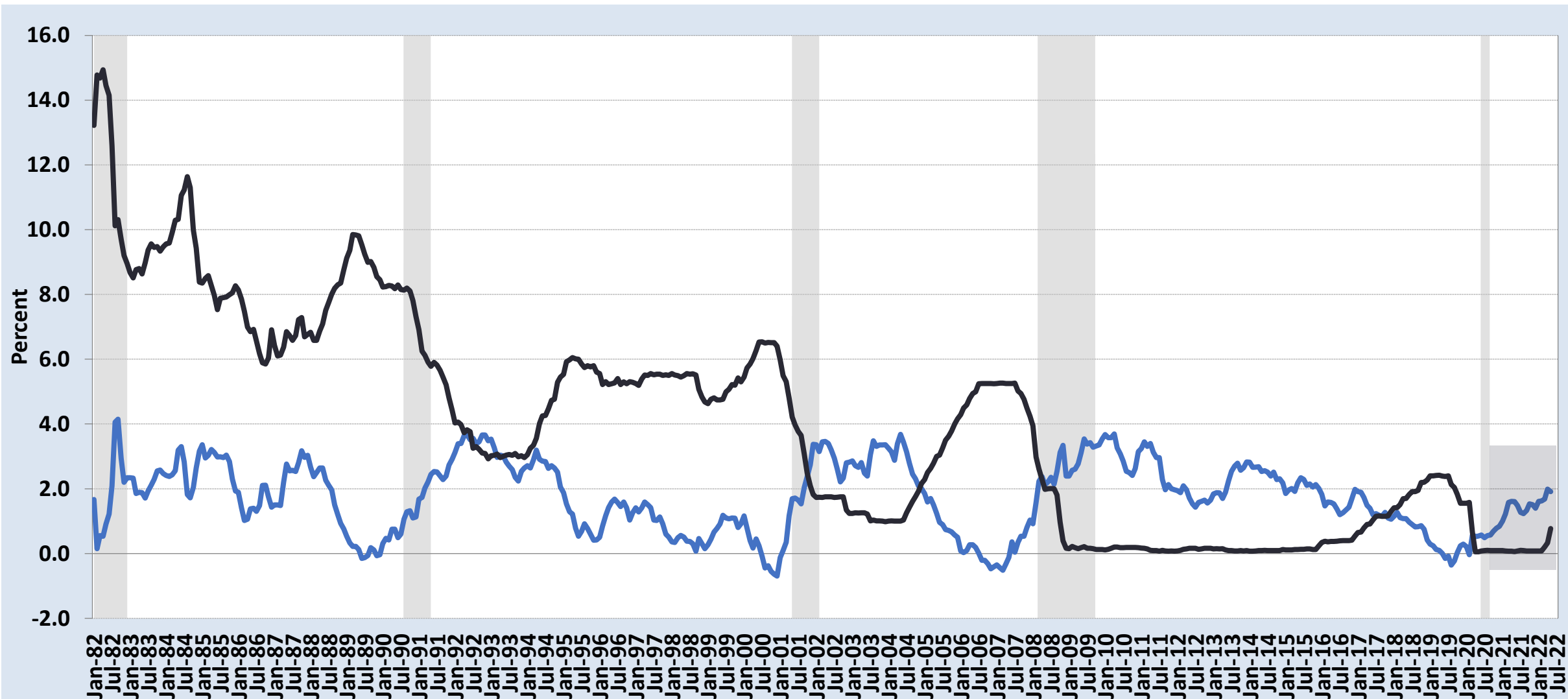
Notes: FOMC projection is the median, range, and central tendency for Q4/Q4 percent changes, from the March 2022 meeting. Red dots indicate median projections. Core PCE Price Index excludes expenditures on gasoline and food services.

### What to Watch

- Are prices falling or stabilizing?
- Will the Federal Reserve raise rates quickly?
- Are wages going to continue to rise?
- How much higher will housing prices go?

The key: can we “decompose” supply from demand effects?

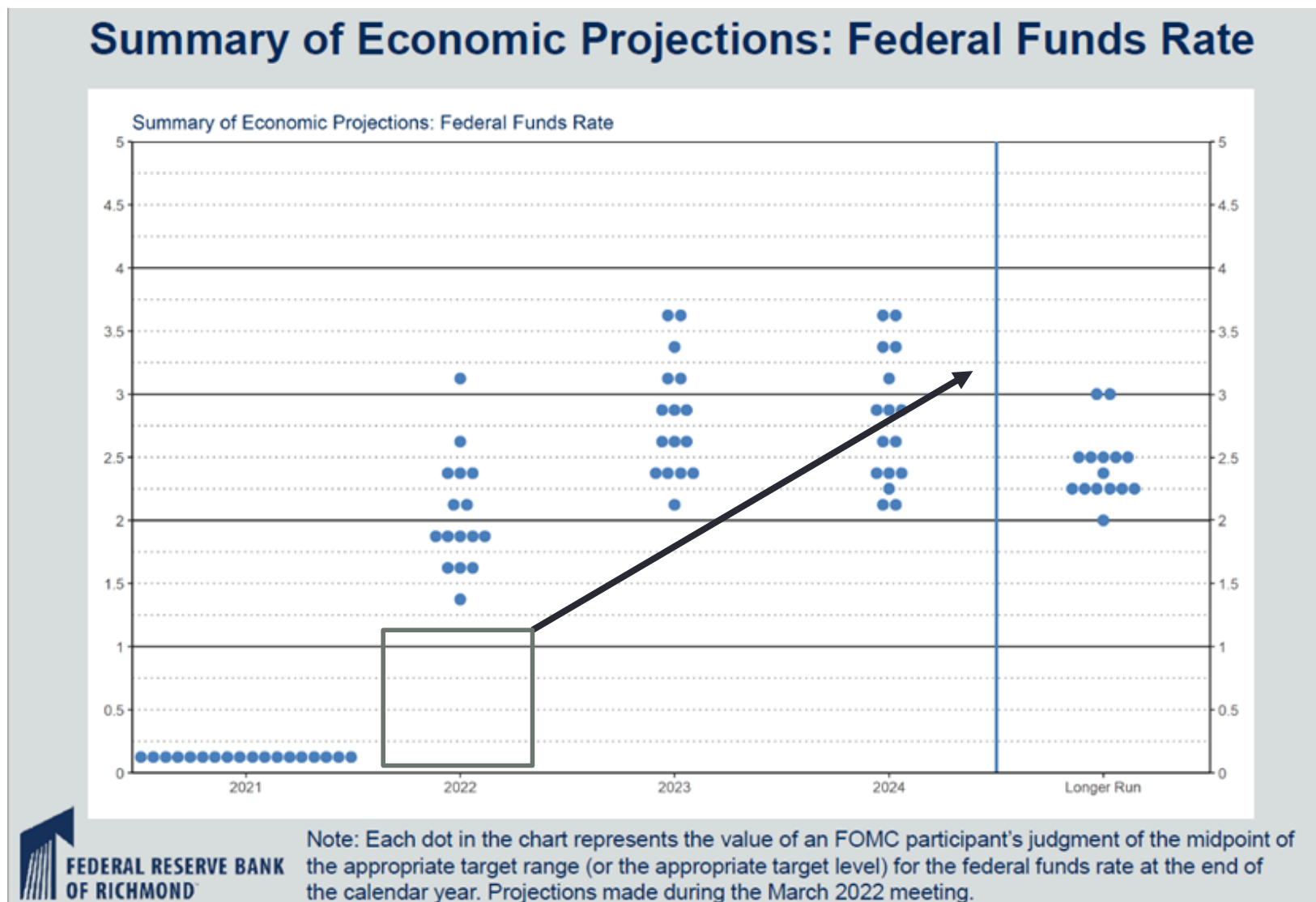
# 10-Year Treasuries Yield, Jan 1982 to June 2022



Source: Federal Reserve Bank of St. Louis/FRED

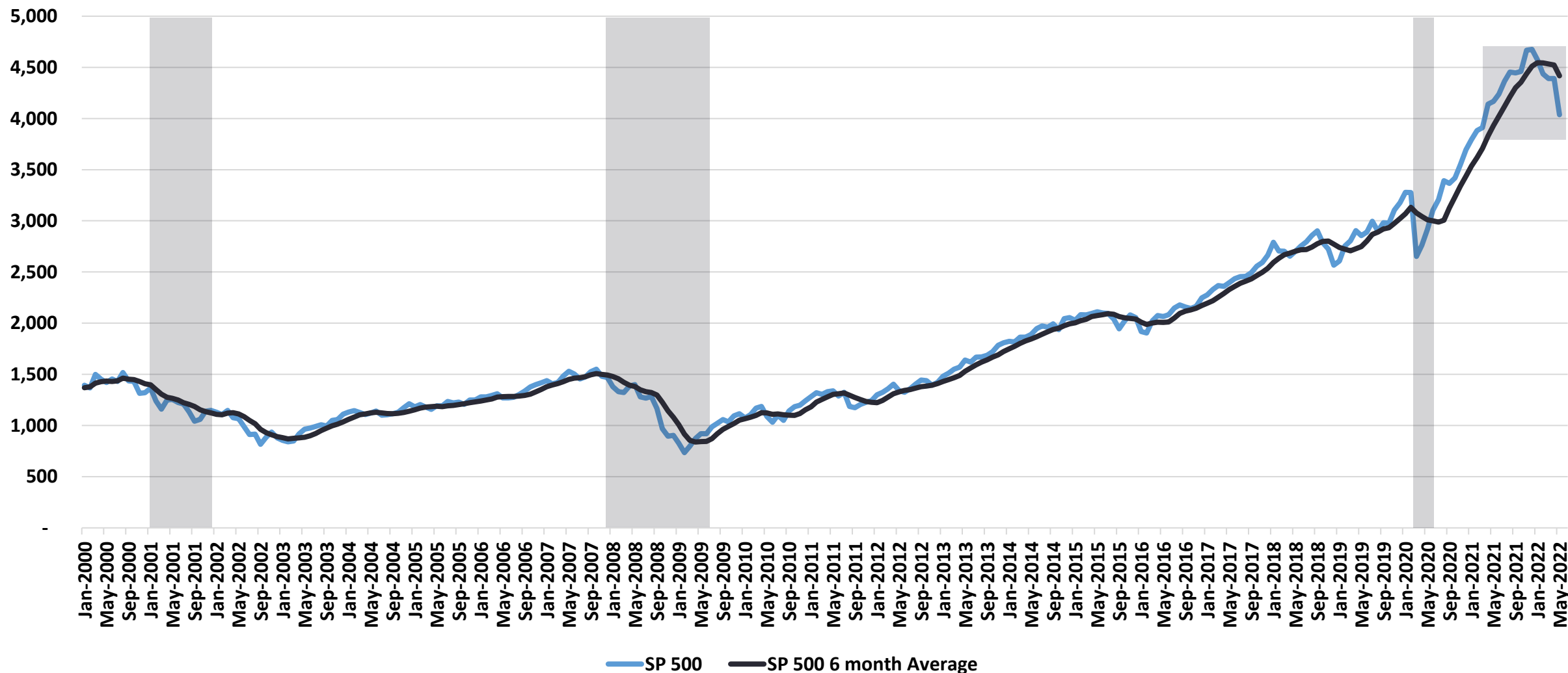
# The Federal Reserve and next steps: Why so aggressive?

## Outline and Arrow predicted path in Sept 2021



# Equity Markets: S&P 500 (Index), Monthly Close

Shaded Area = Recession, Jan 2000 to May 2022



# Federal Reserve Philadelphia

## Forecast, Survey of Professional Forecasters

These data are from May 2022

	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
	Previous	New	Previous	New	Previous	New
Quarterly						
2022:Q2	4.2	2.3	3.7	3.6	3.1	4.3
2022:Q3	3.0	2.5	3.6	3.5	2.5	3.8
2022:Q4	2.9	2.3	3.5	3.5	2.3	3.2
2023:Q1	2.8	2.1	3.4	3.5	2.3	2.8
2023:Q2	N/A	2.3	N/A	3.5	N/A	2.7
Annual data (projections based on annual-average levels):						
2022	3.7	2.5	4.1	3.6	3.1	4.1
2023	2.7	2.3	3.6	3.6	2.2	2.5
2024	2.3	2.0	3.7	3.8	2.2	2.2
2025	2.3	2.3	N/A	3.8	N/A	N.A.

# Is Another Recession Looming by 2023 or 2024?

- No

- Relatively-low interest rates continue
- Fiscal spending provide support for continued growth
- Eastern Europe crisis ends with softening of financial market pressures by end of 2022
- Global adjustments to COVID-19 reduce supply-chain concerns
- No new global disruptions

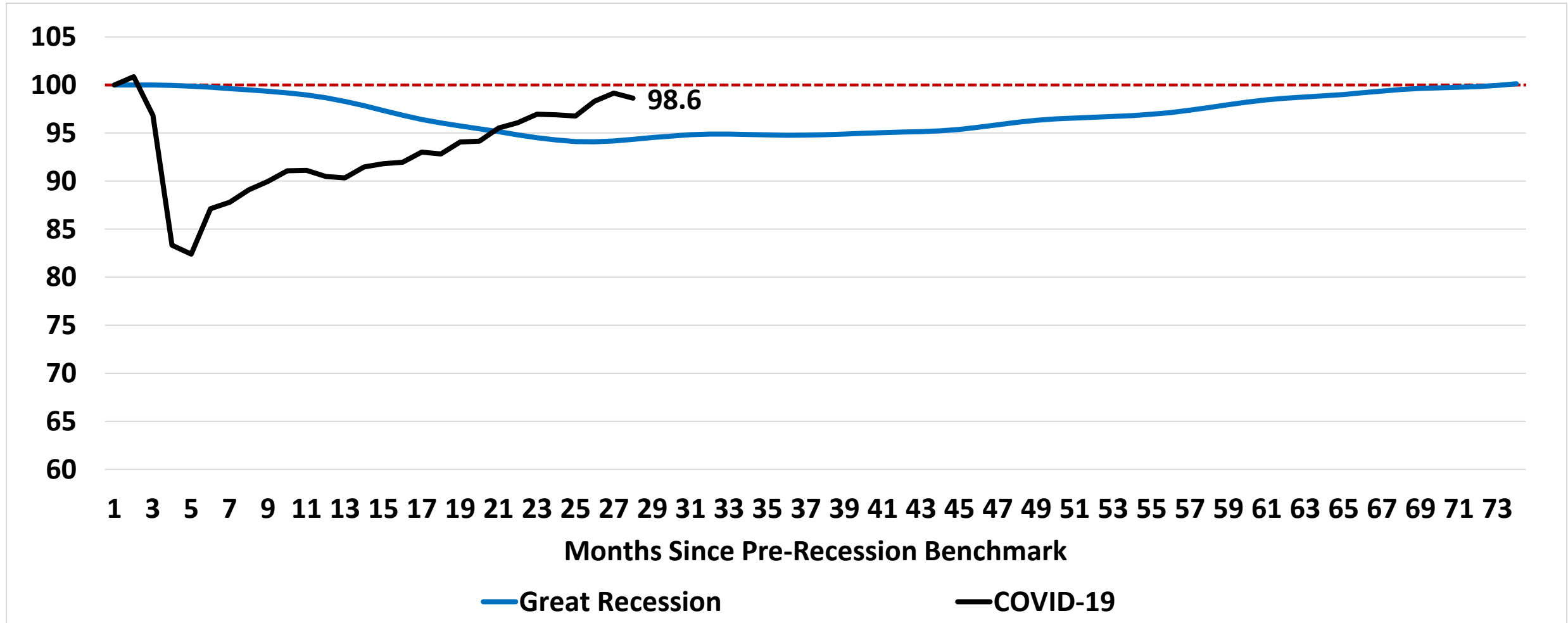
- Yes

- Interest rate increases reduce economic growth
- Fiscal packages move toward defense, or are affected by midterm elections
- Expected inflation remains relatively high
- Eastern European issues do not end easy, exacerbating global debt concerns
- More global disruption(s)



# **California and Nevada 2022: Overview for Credit Unions**

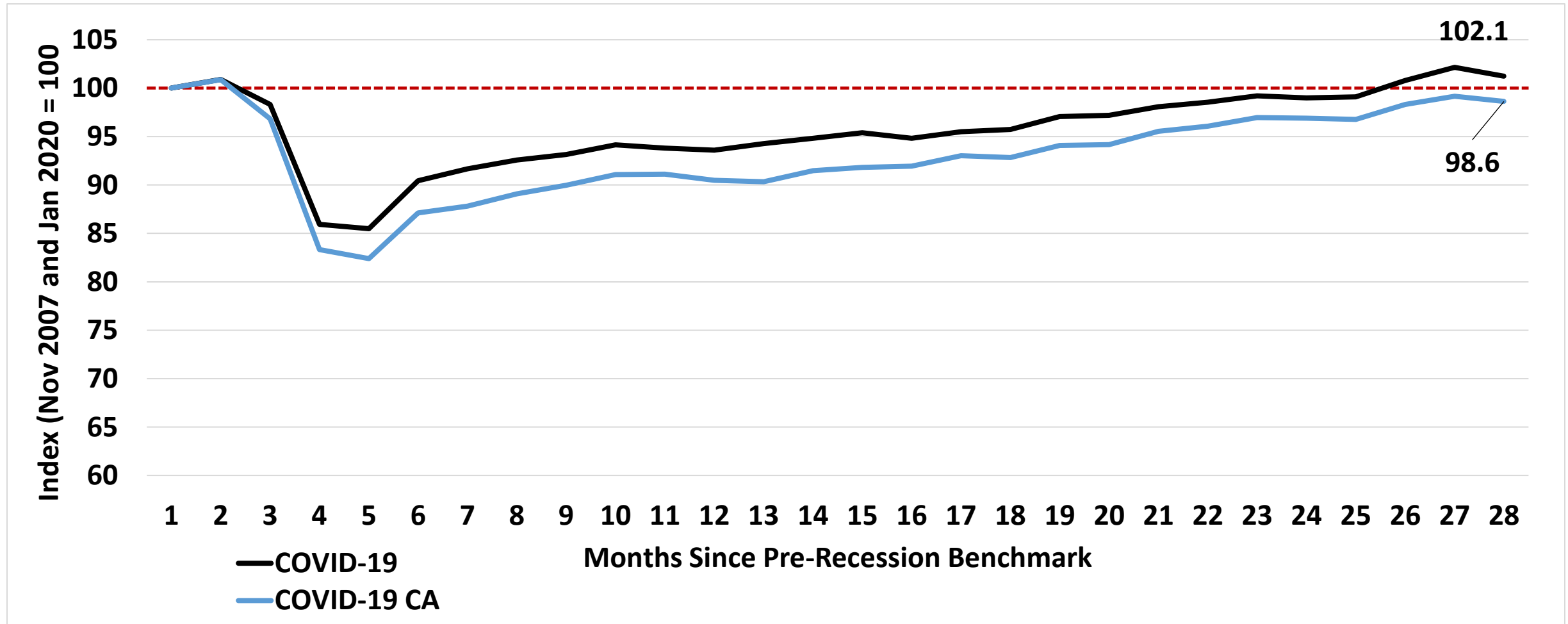
# Employment Recovery Comparison, California, Great Recession and COVID-19 Recession, Months from Peak, Index Nov 2007 and Jan 2020 = 100, as of April 2022



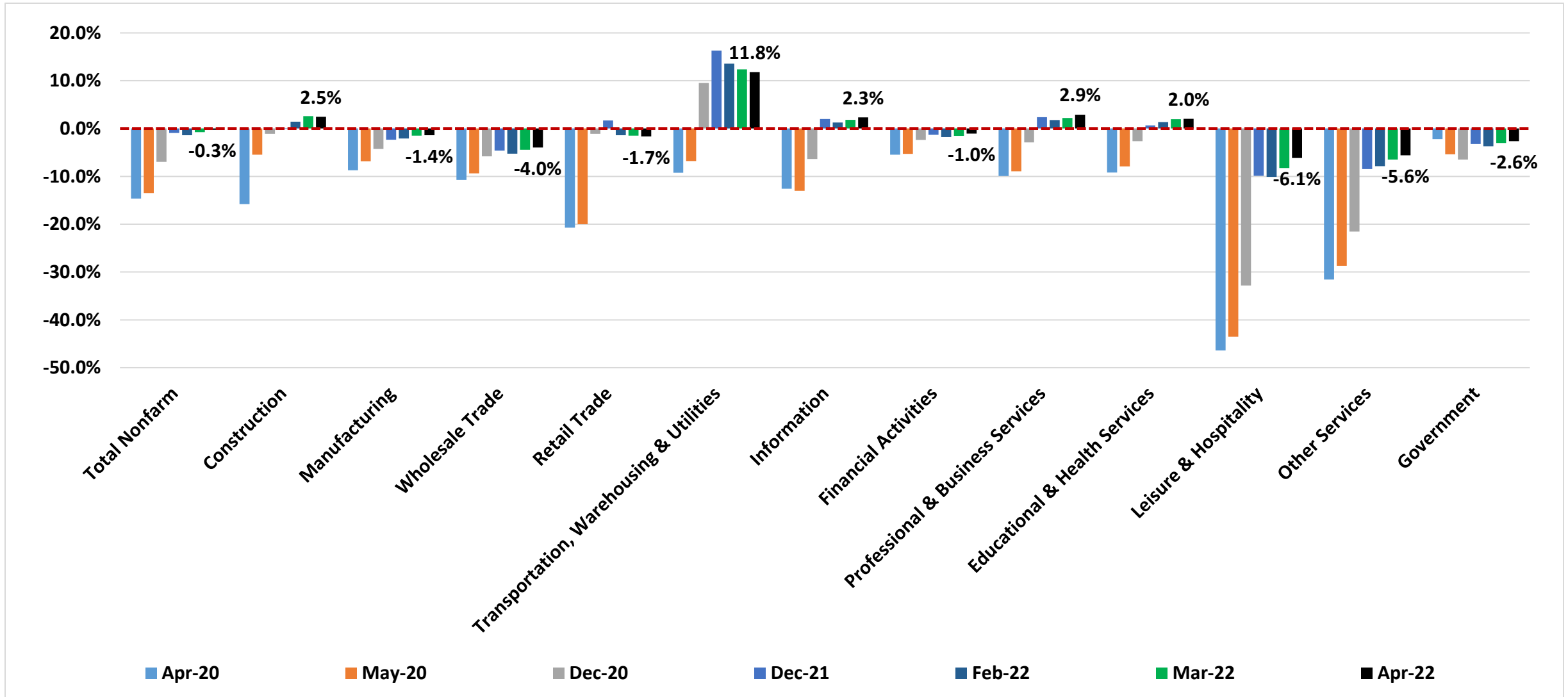
# Employment Recovery Comparison, El Dorado County and California

## Great Recession and COVID-19 Recession, Months from Peak

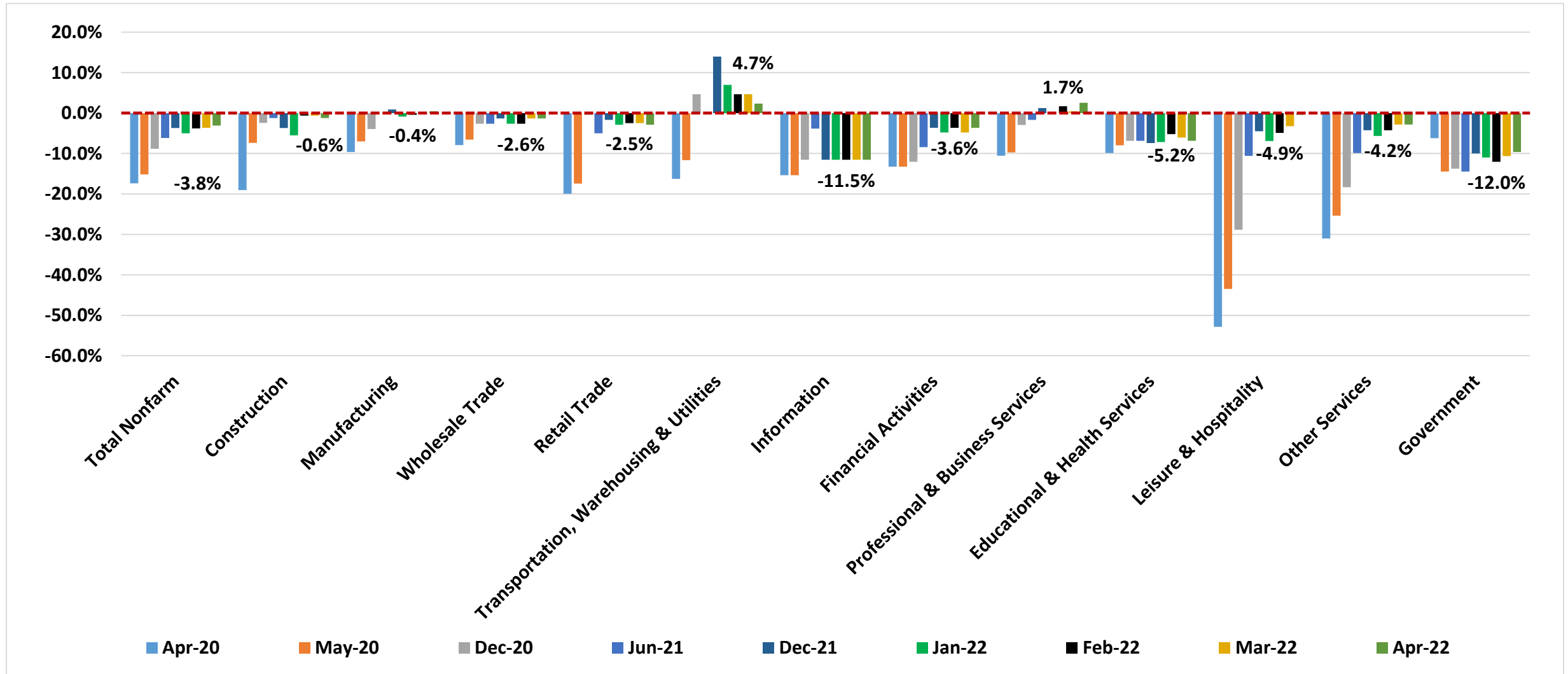
Index Jan 2020 = 100 to April 2022

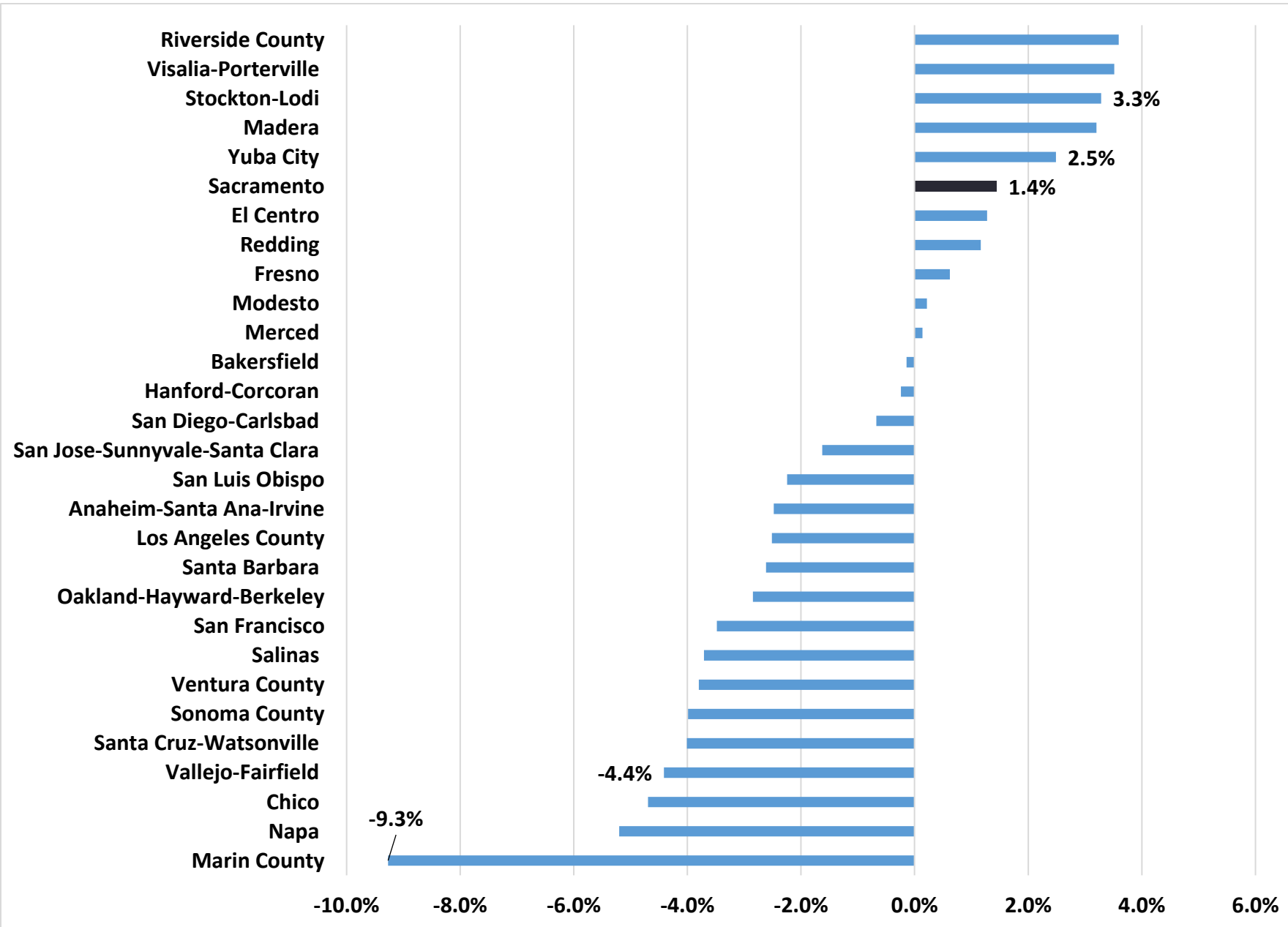


# Changes in Jobs (% Change from Jan 2020), Seasonally Adjusted, California, April 2020 to April 2022, by Major Industry Sector



# Changes in Jobs (% Change from Jan 2020), Seasonally Adjusted, Sacramento MSA, April 2020 to April 2022, by Major Industry Sector

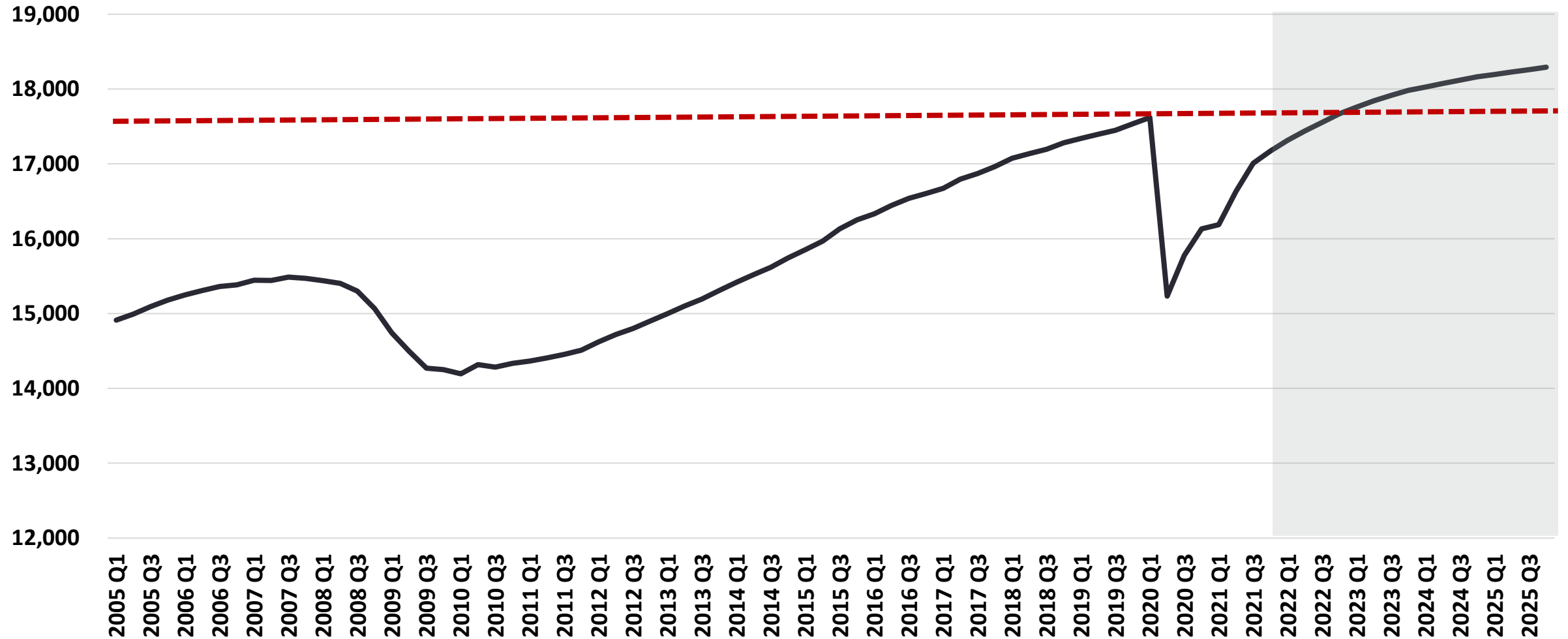




**Non-Farm Jobs, %  
Change, Jan 2020 to  
April 2022**  
**Major Metro Areas  
of California (state  
average is -1.2%)**

# Non-Farm Jobs, Total Workers, 2005 Q1 to 2025 Q4

## Forecast from 2022 to 2025 for California, May 2022



# CA Travel Forecast: 2025, as of October 2021



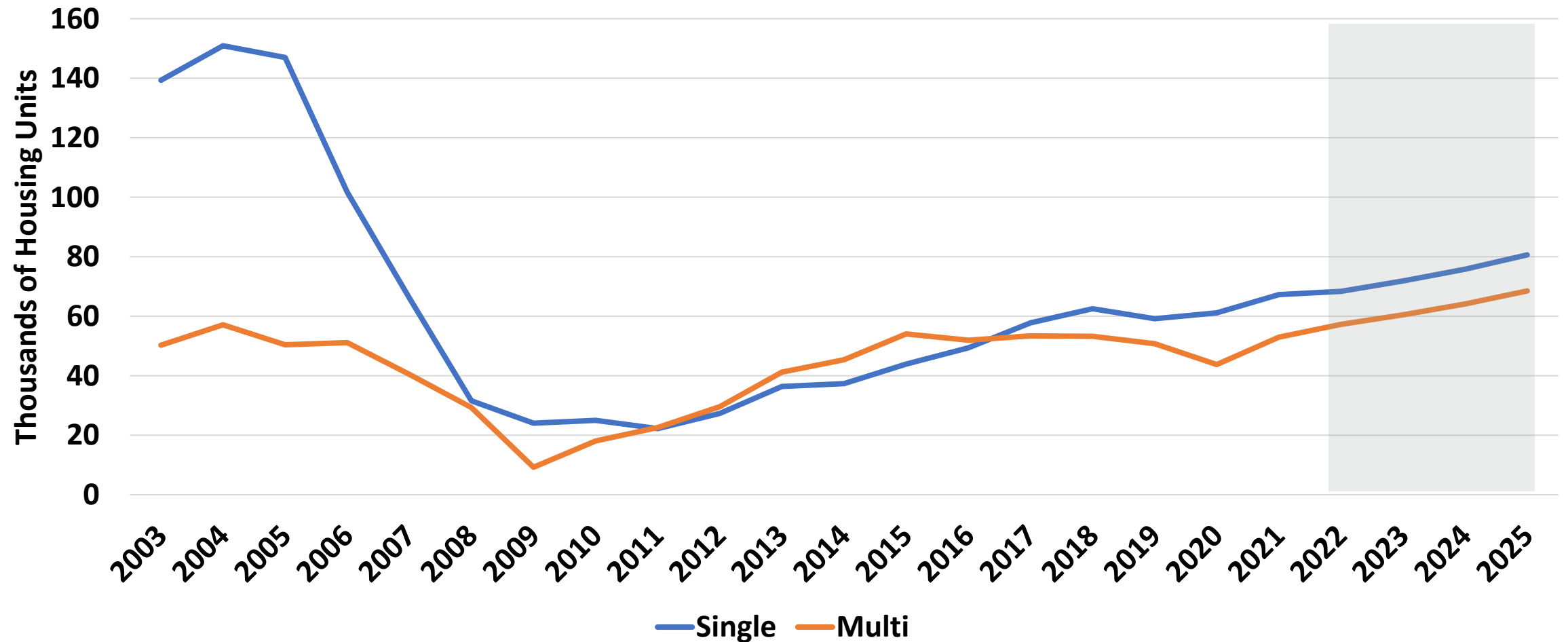
## California Tourism Summary

(Annual % change)

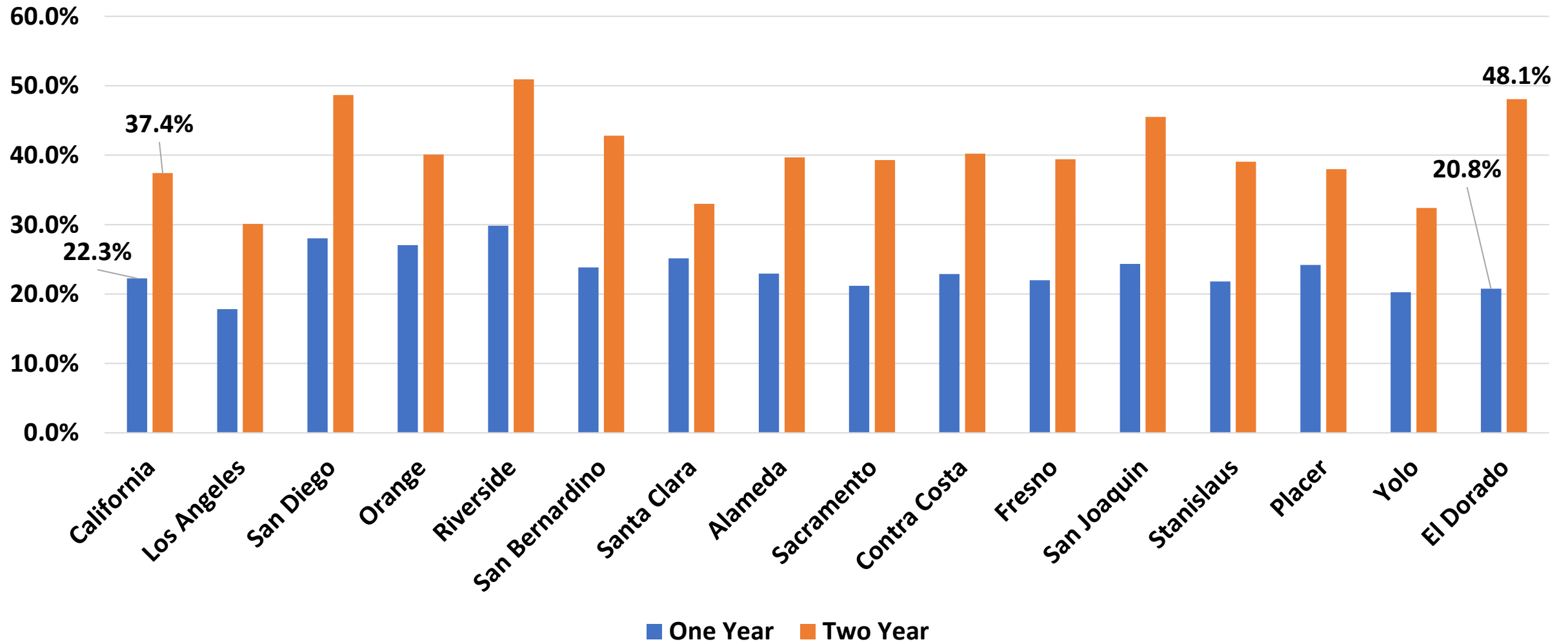
	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total Visits (% Growth)</b>	2.8%	1.6%	-50.8%	45.5%	25.5%	7.3%	5.6%	2.5%
<b>Domestic Growth</b>								
Total Visits	2.8%	1.8%	-48.9%	43.2%	24.5%	6.6%	5.2%	2.1%
Leisure Visits	2.5%	2.1%	-45.3%	45.5%	17.7%	7.0%	2.6%	1.8%
<b>International</b>								
<b>Total Growth from Previous Year</b>	3.0%	-1.2%	-79.2%	131.7%	46.9%	20.2%	12.8%	7.6%
Overseas	2.7%	0.1%	-84.1%	134.9%	60.0%	28.8%	16.4%	9.7%
Mexico	3.2%	-2.9%	-74.3%	132.6%	36.7%	12.6%	10.1%	5.7%
Canada	3.9%	0.6%	-76.9%	117.0%	54.0%	23.5%	10.7%	7.0%
<b>Total Travel Spending (\$ billions)</b>	<b>140.6</b>	<b>145.1</b>	<b>59.0</b>	<b>88.5</b>	<b>116.3</b>	<b>130.5</b>	<b>142.5</b>	<b>149.6</b>
% change	5.5%	3.2%	-59.3%	50.0%	31.5%	12.2%	9.2%	4.9%
<b>Domestic</b>	<b>112.0</b>	<b>116.8</b>	<b>53.2</b>	<b>76.3</b>	<b>97.9</b>	<b>107.5</b>	<b>116.3</b>	<b>121.4</b>
% change	5.5%	4.3%	-54.4%	43.4%	28.3%	9.8%	8.2%	4.4%
<b>International</b>	<b>28.3</b>	<b>28.1</b>	<b>5.8</b>	<b>12.1</b>	<b>18.4</b>	<b>23.0</b>	<b>26.2</b>	<b>28.2</b>
% change	4.4%	-0.7%	-79.5%	110.5%	51.7%	25.1%	13.9%	7.4%



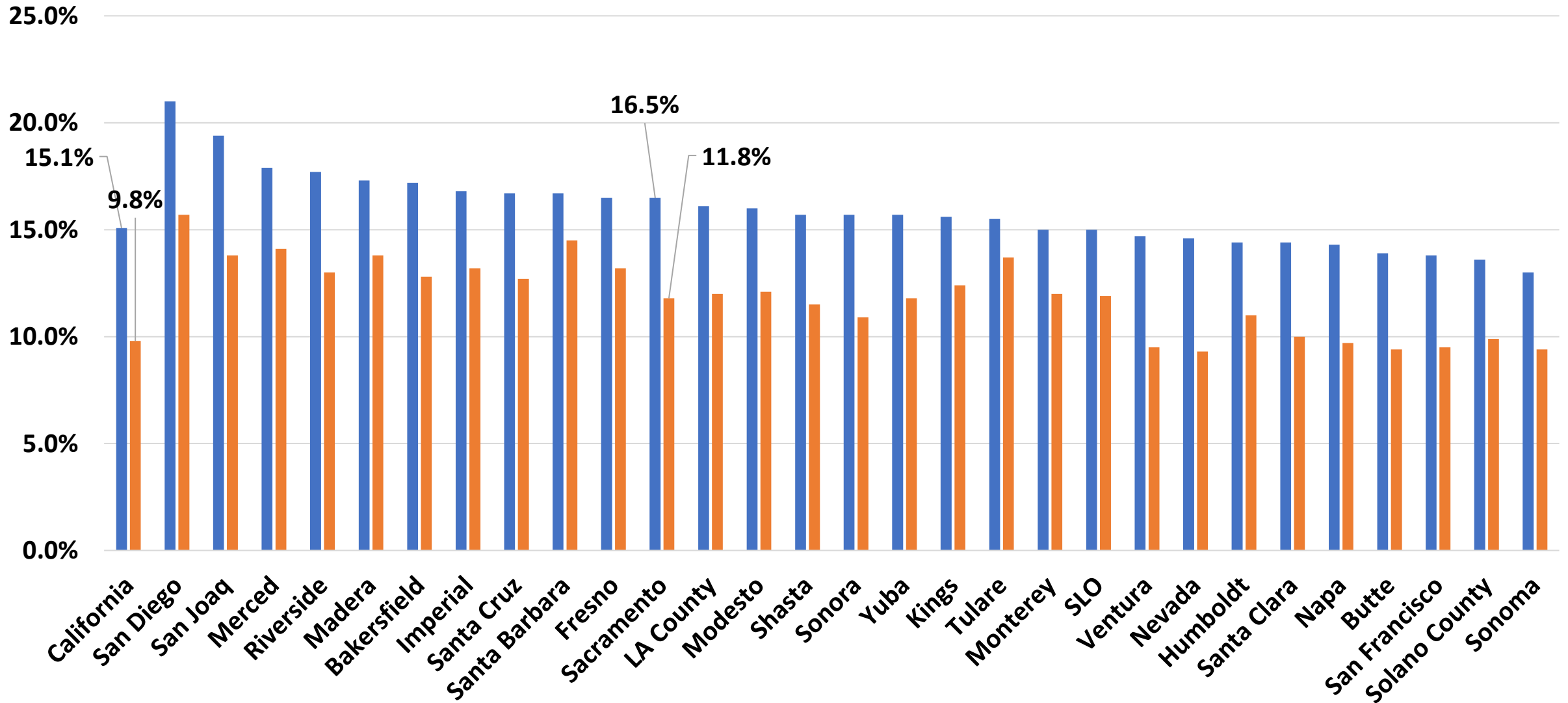
# Building Permits, CA and NV, 2003 – 2025, Thousands of Housing Units, Single-Family and Multi-Family, May 2022



# Median Housing Price Growth, Dec 2021 as compared to Dec 2019 to April 2022, % Change, CA and NV and Selected Counties

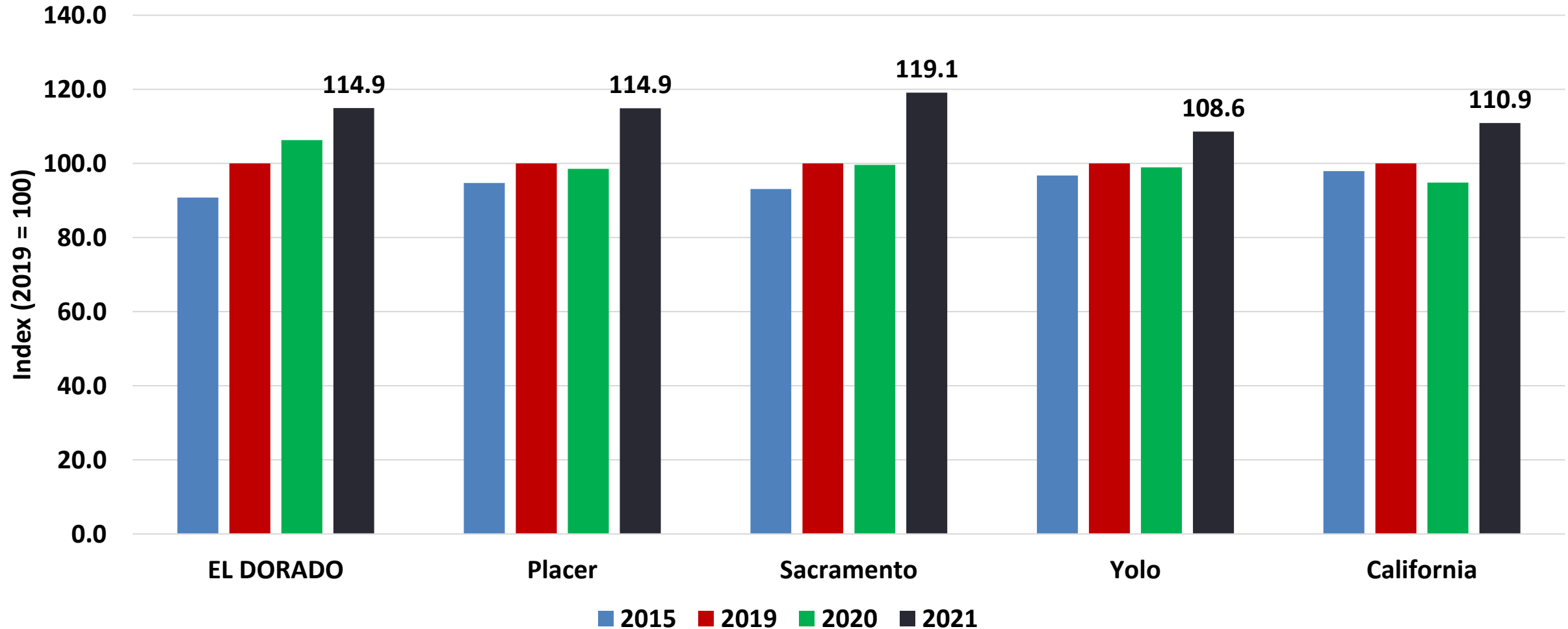


# Housing Forecast, Median Home Prices, March and April 2022 to March and April 2023, % Change, CA and Selected MSAs

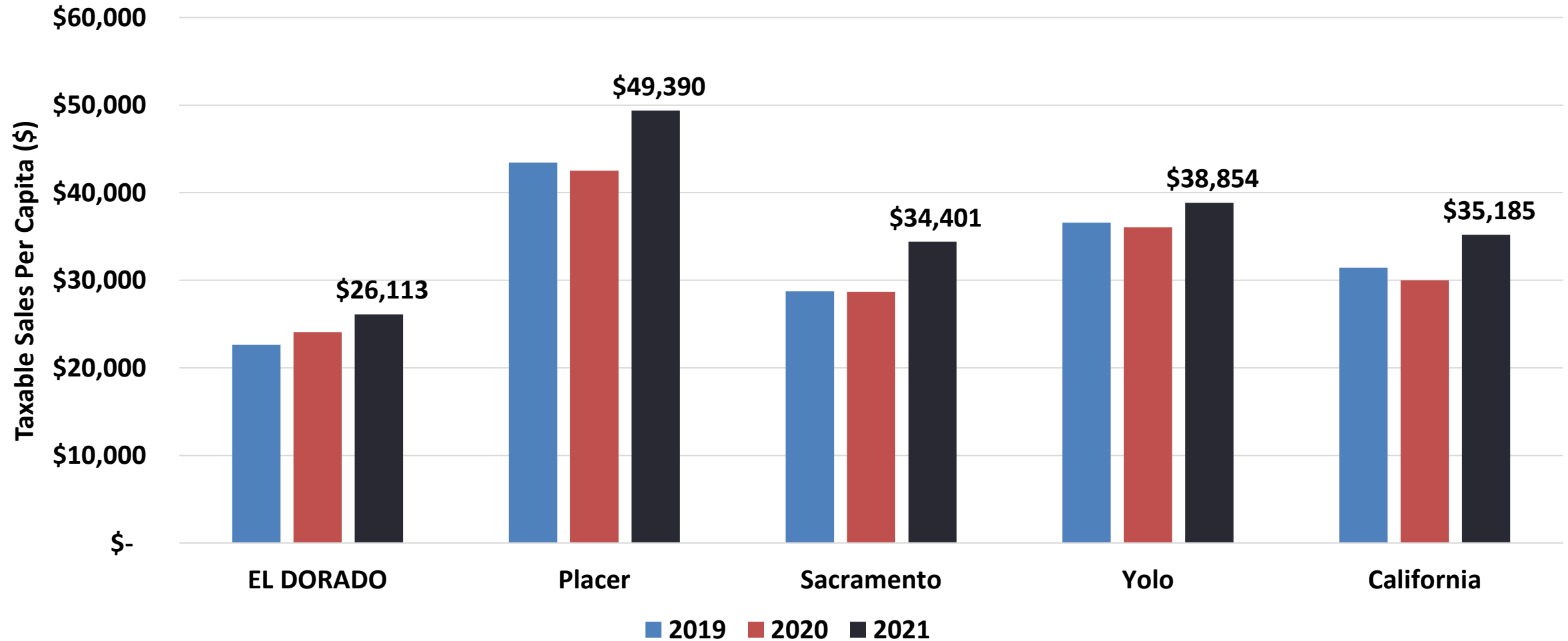


# Taxable Sales, El Dorado County, Index 2019 = 100

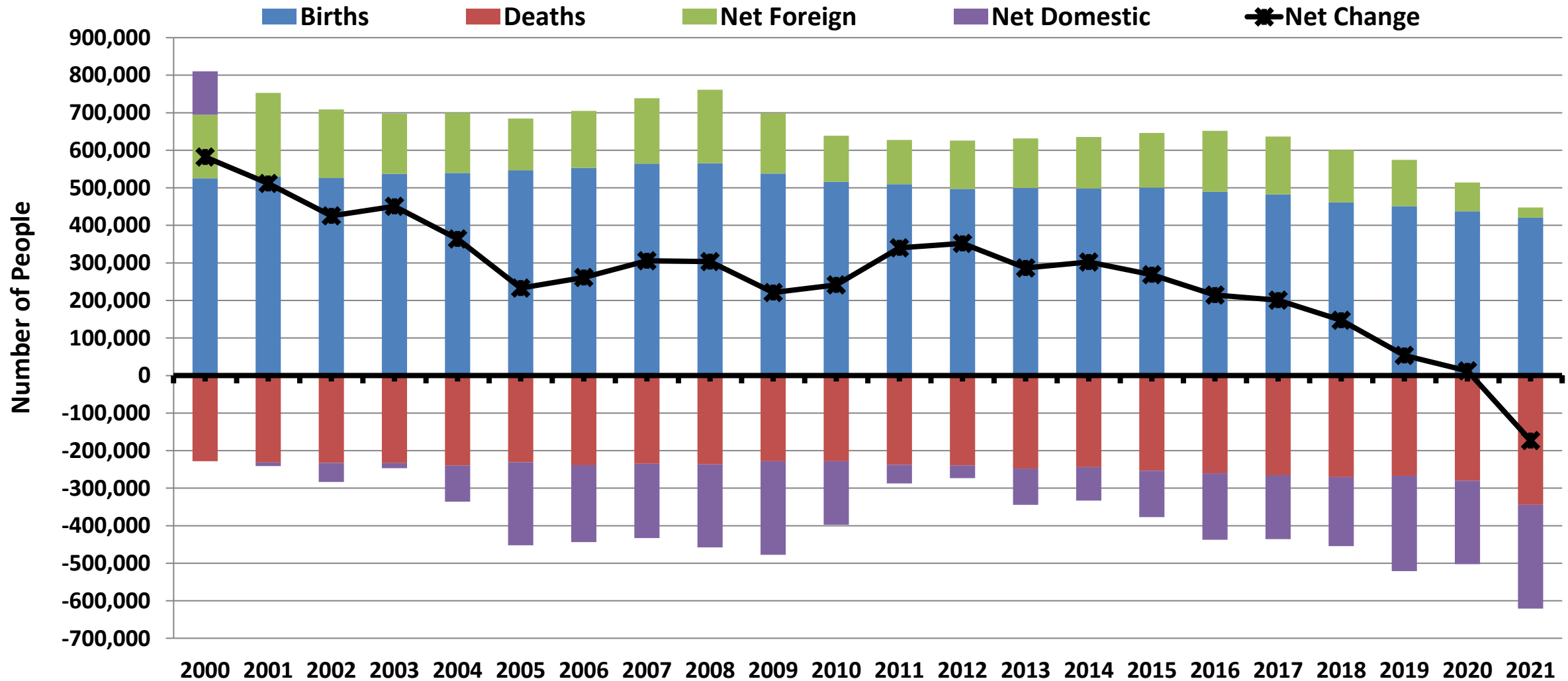
## 2012 Dollars



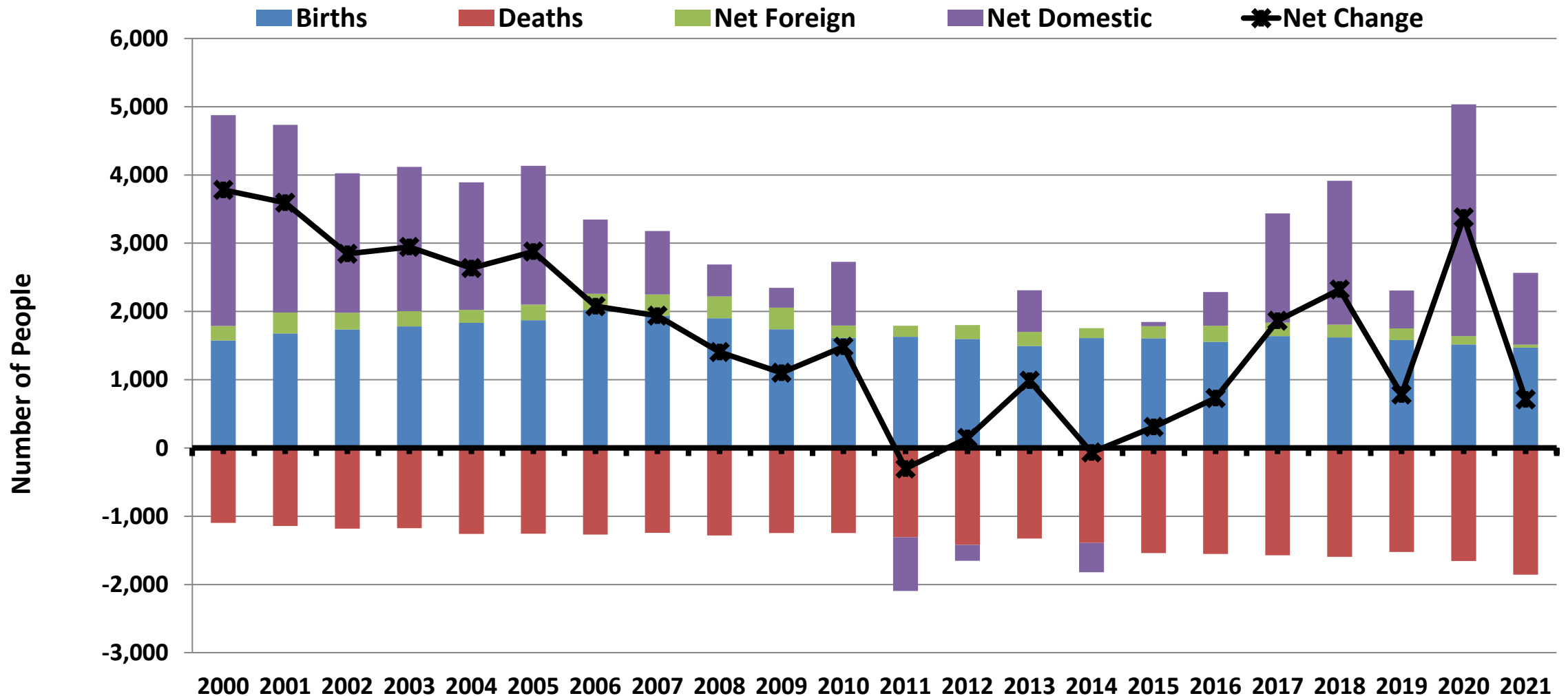
# Taxable Sales Per Capita (\$), 2019 – 2021, 2012 Dollars, Sacramento MSA Counties and California



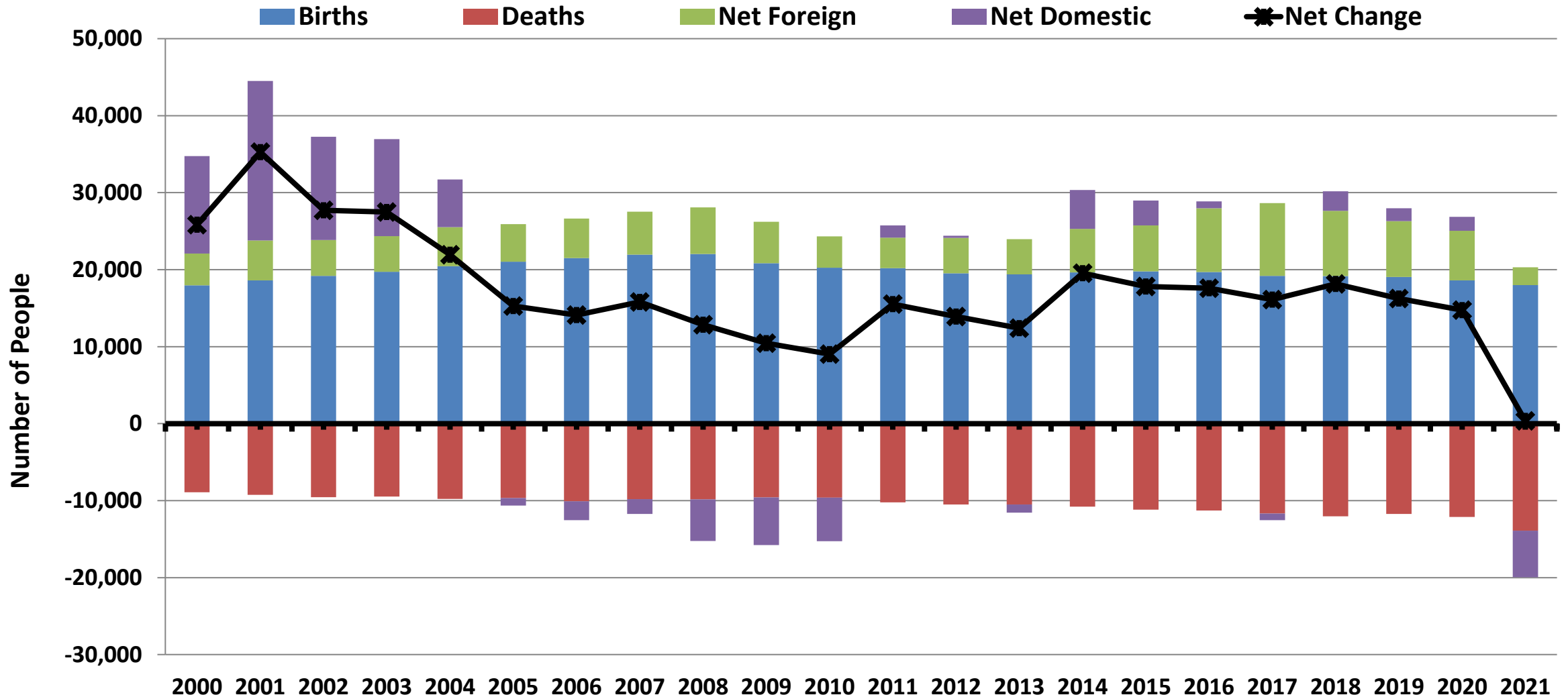
# Components of Change, 2000-2021 (Fiscal Year End), California, Number of People



# Components of Change, 2000-2021 (Fiscal Year End), El Dorado County, Number of People

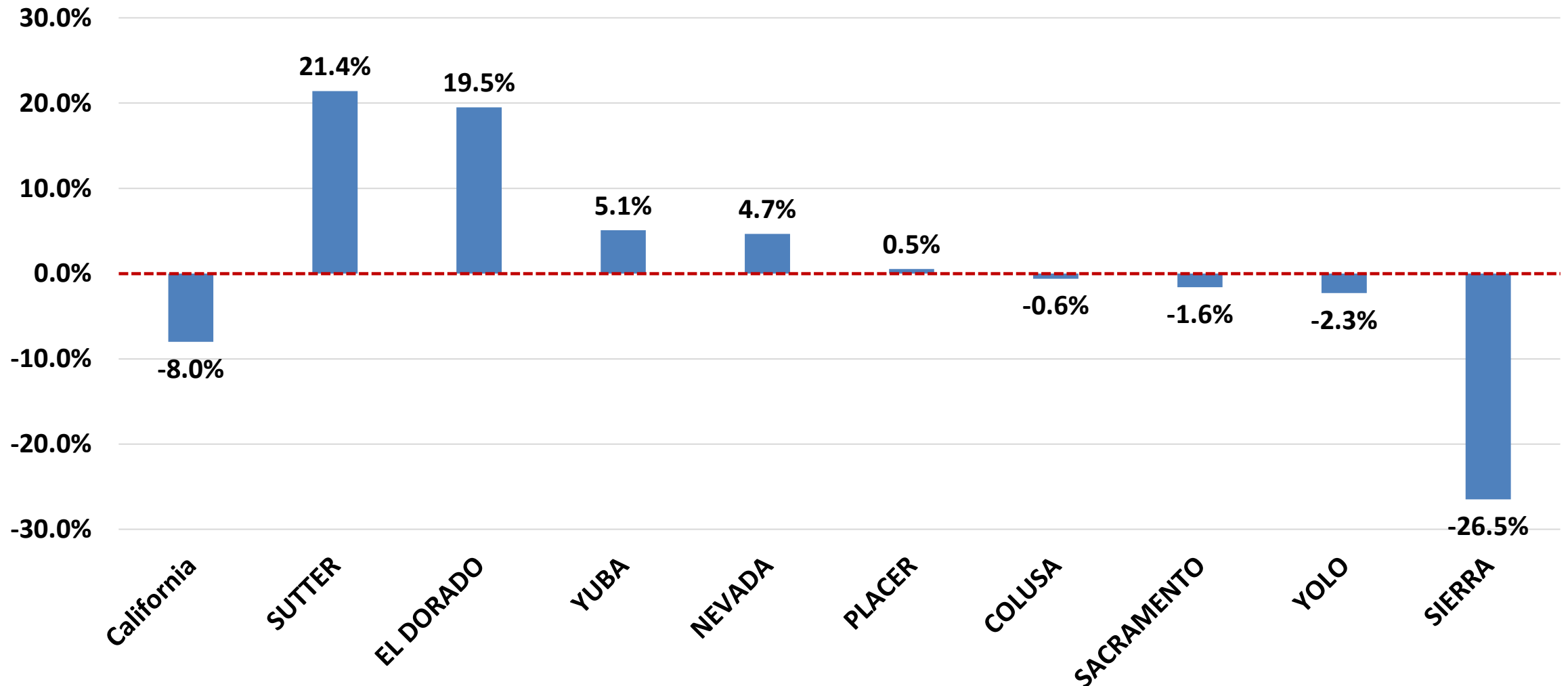


# Components of Change, 2000-2021 (Fiscal Year End), Sacramento County, Number of People





# HS School Graduates: Forecast 2019-20 to 2030-31



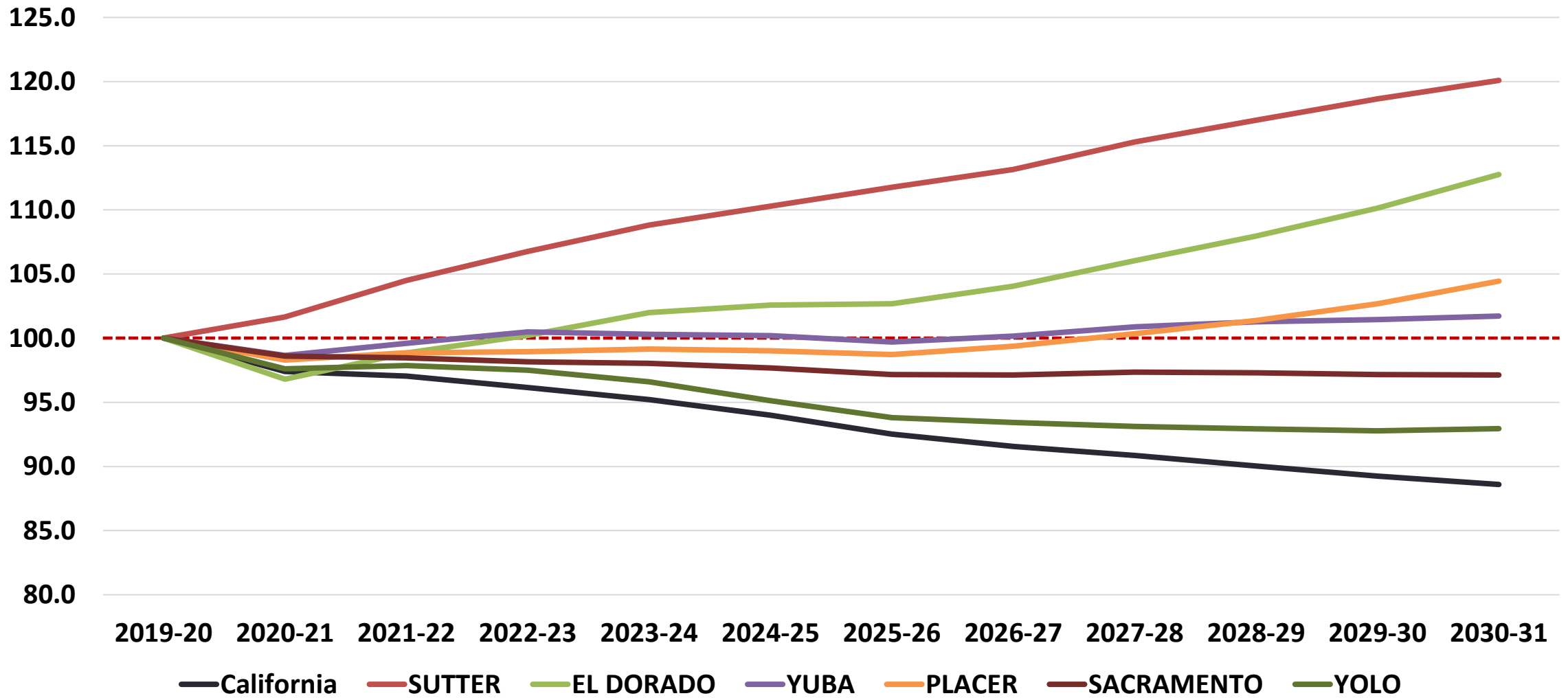
# Age Progression of Regional Residents, NFN North Counties, 2010-2030 (Forecasted)



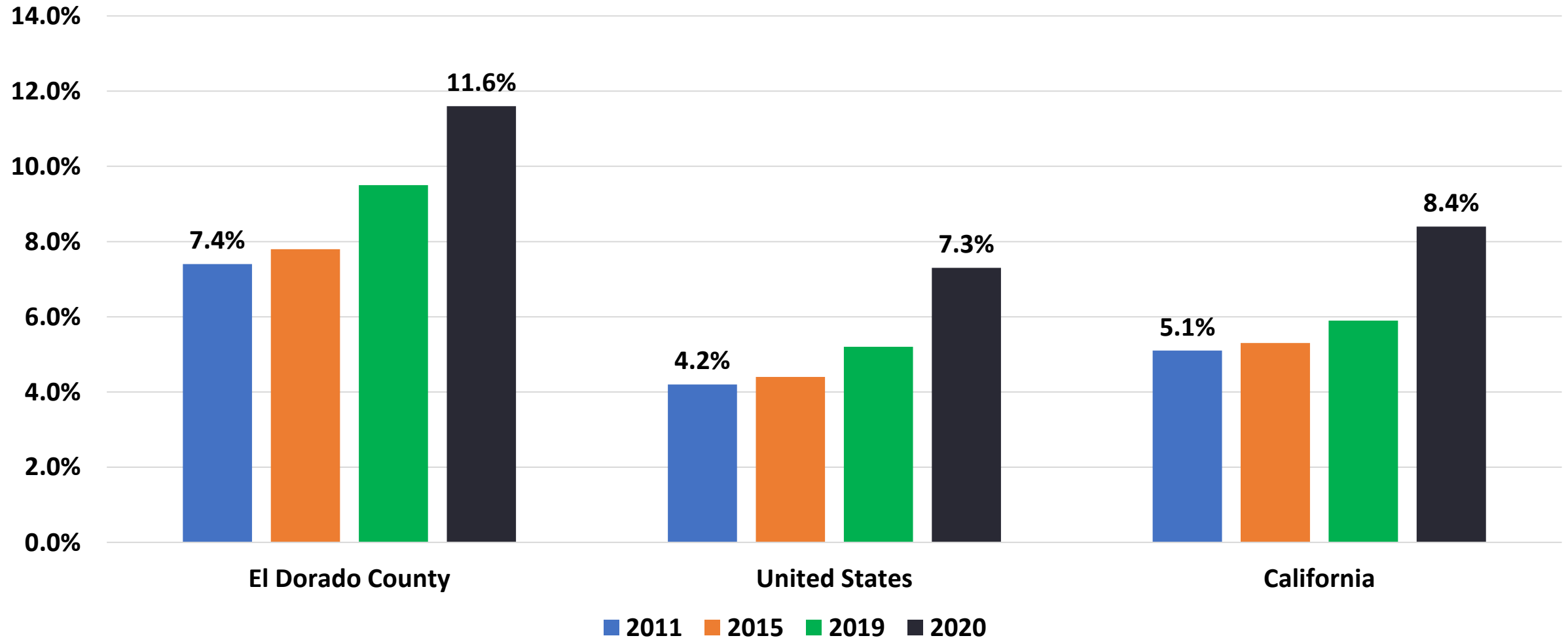
Age	EL DORADO	YOLO	SACRAMENTO	PLACER	YUBA	SUTTER	CA
0-17	-16.0%	-0.5%	0.2%	-5.1%	0.0%	-9.1%	-7.2%
18-34	<b>33.5%</b>	<b>-8.3%</b>	<b>7.4%</b>	<b>48.7%</b>	<b>19.2%</b>	<b>15.0%</b>	<b>-0.1%</b>
35-54	-19.1%	51.5%	12.9%	3.3%	16.1%	7.2%	3.1%
55-70	1.3%	29.4%	38.1%	31.2%	-1.2%	18.1%	34.4%
71-older	<b>157.8%</b>	<b>142.0%</b>	<b>107.1%</b>	<b>106.0%</b>	<b>87.3%</b>	<b>66.2%</b>	<b>111.9%</b>

# K-12 Attendance: Forecast 2019-20 to 2030-31

## California and Selected Counties



# Work from Home, 5-year Averages, 2007-2011 to 2016-2020, % of working residents



# Thinking Forward for El Dorado County

- Macro context good but slipping, geopolitics not good
- A competitive, volatile labor market to continue, especially for lower-wage workers
- Housing markets and slow return of urban areas: workforce retention
- How dependent is El Dorado County on Sacramento?
- Three considerations:
  - El Dorado County as a place for tech from home
  - Need to consider economic diversity, especially for South Lake Tahoe
  - Housing as both a distraction and driver of the economy

**Thanks!**  
**Questions?**  
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