



**Economic Impact Estimates, COVID-19 Effects**  
**Sonoma County Board of Supervisors**  
**September 8, 2020**

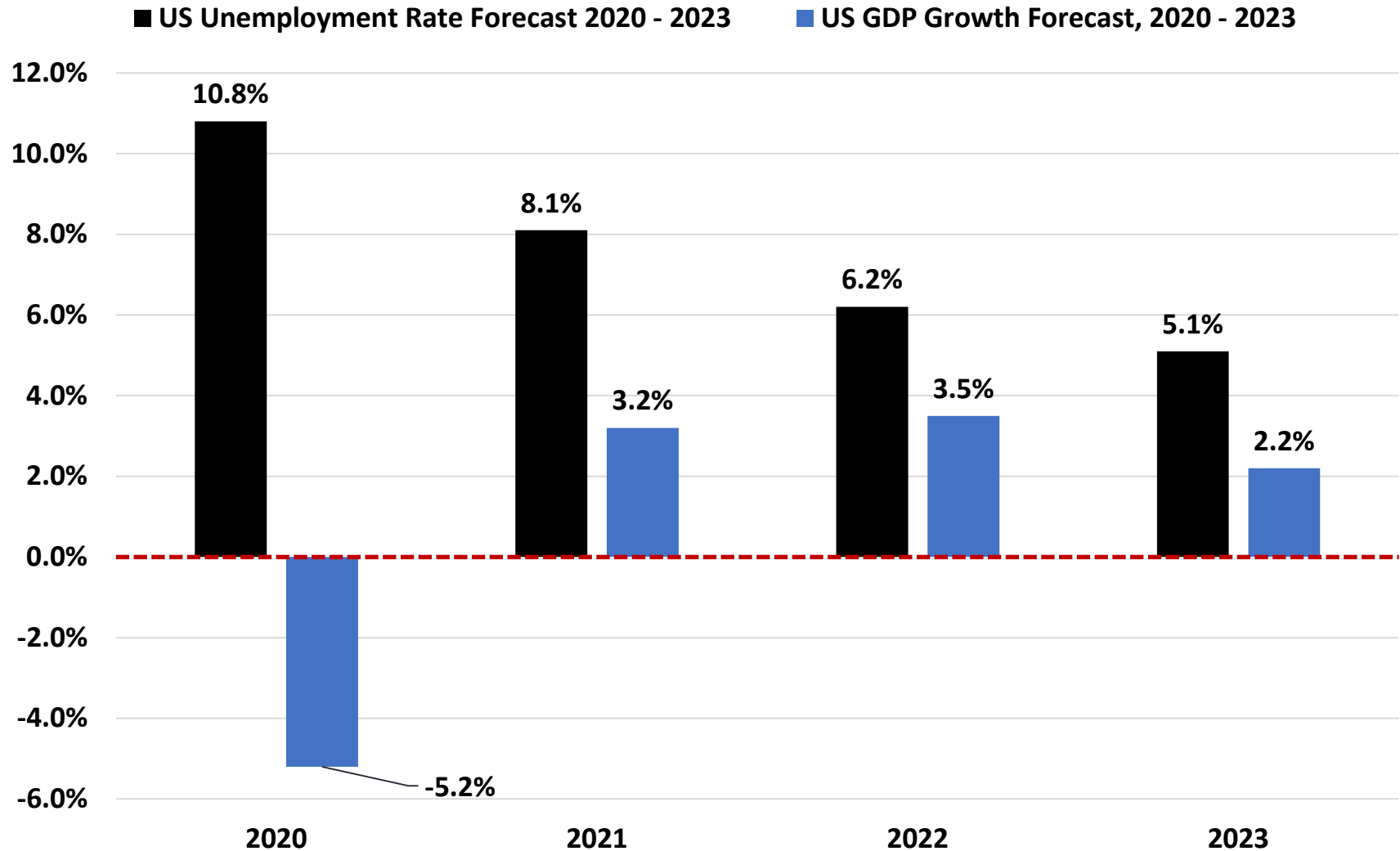
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# Key Findings

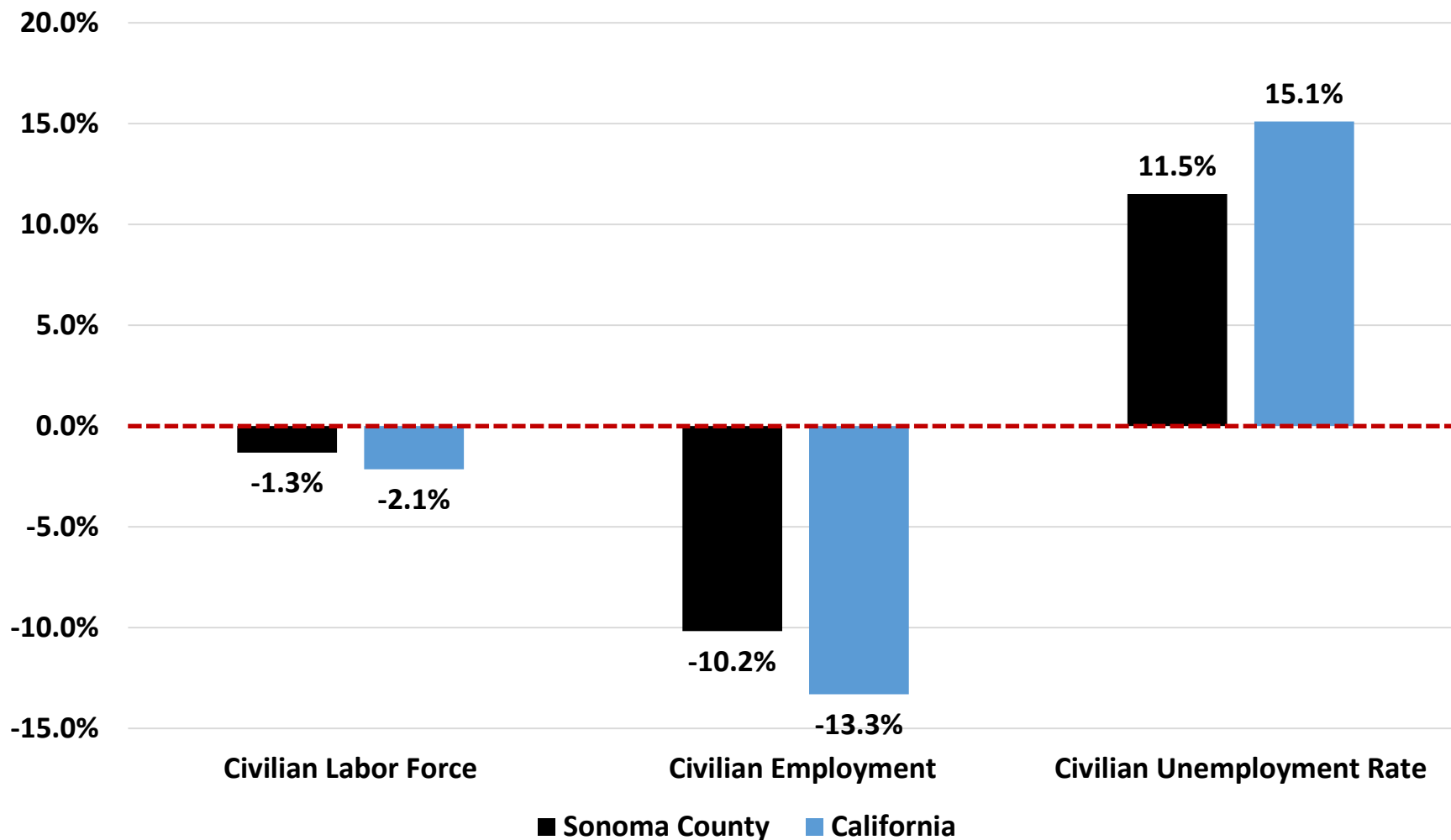
Scenario	Jobs Lost	Income Lost	S/L Tax Revenue Lost
Better	20,700	\$1,539,700,000	\$328,596,000
<b>Median</b>	<b>30,135</b>	<b>\$2,422,800,000</b>	<b>\$613,917,000</b>
Worse	48,451	\$4,134,600,000	\$811,518,000

- To 2023, cumulative impacts for median recovery scenario are:
  - Jobs Lost from Dec 2019 on annual average: **-19,880 jobs**;
  - Total Gross Regional Product (GRP) lost 2020-2023: **-\$6.157 Billion**;
  - Total State and Local Tax Revenues lost 2020-2023: **-\$1.685 Billion**; and
  - Estimated **loss of employers by 2023 as -6.9 percent** for the media scenario, with a **range between -1.5 and -15.6 percent**.
  - Includes self-employed businesses/workers and incomes

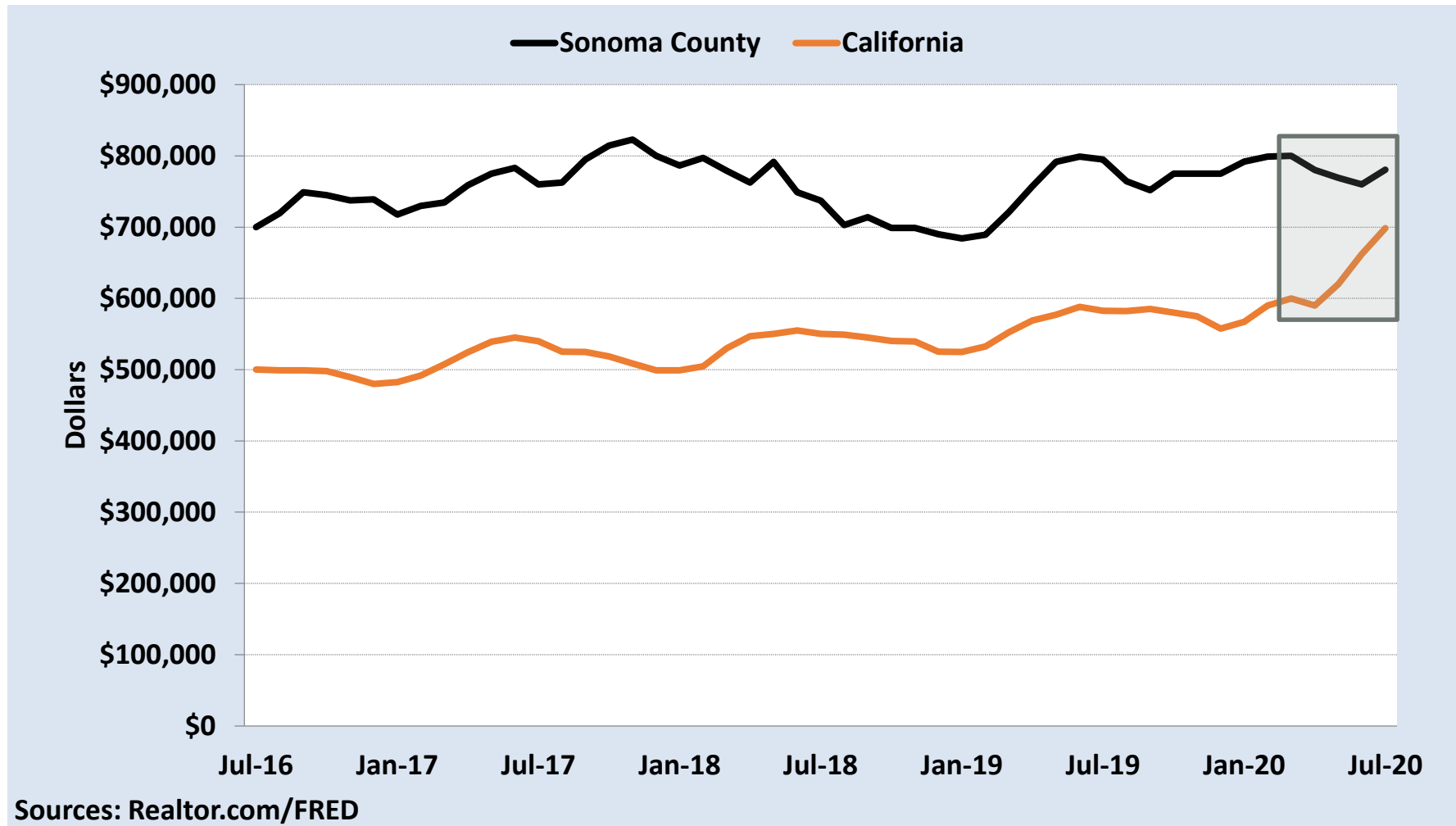
# National Forecasts, August 2020, % Change in GDP and Unemployment Rate, Year-End, 2020-2023



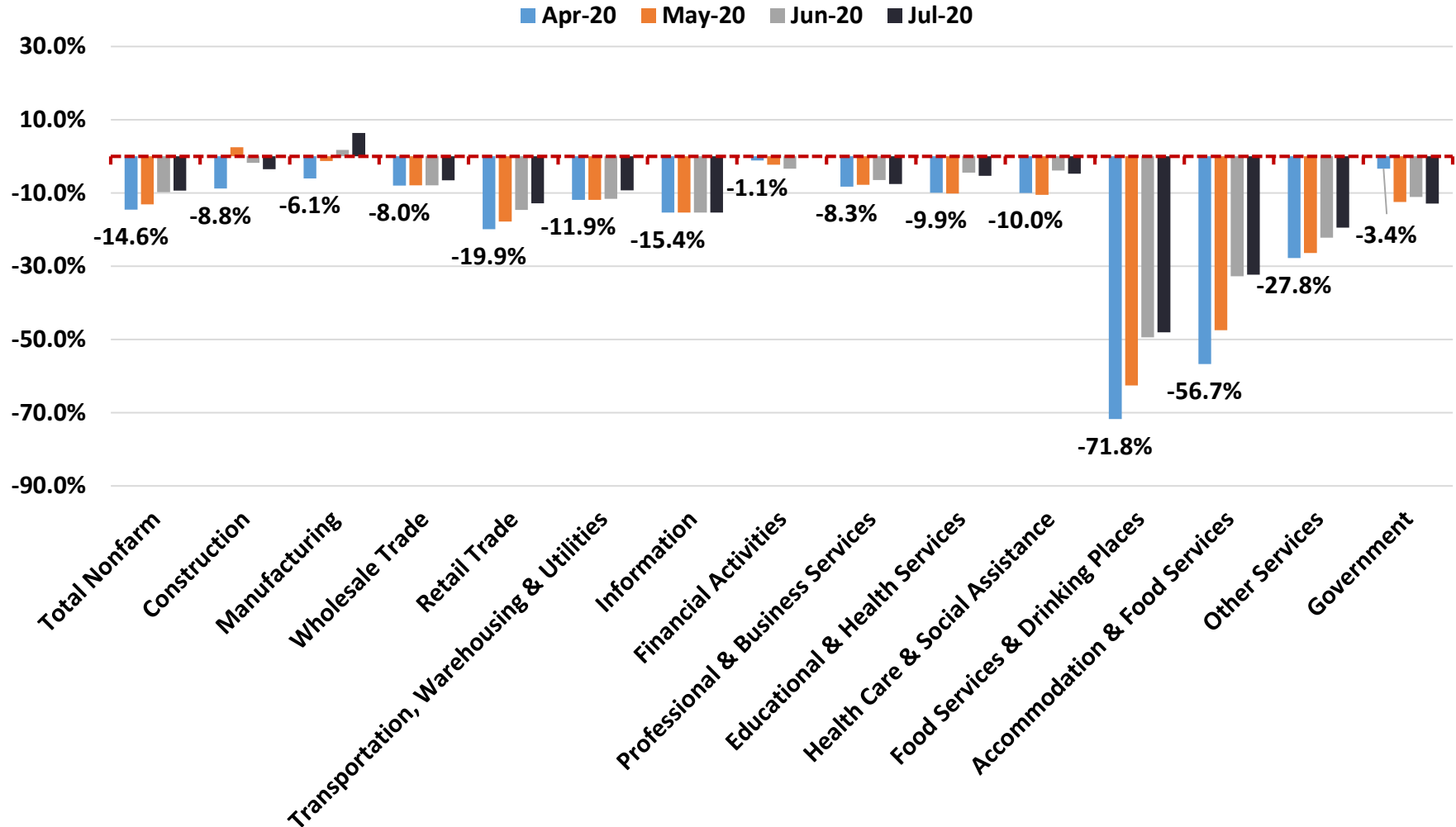
# Local and State to July 2020, Sonoma County, Labor Force Data



# Median Listing Prices, Homes for Sale in Sonoma County and CA, July 2016 to July 2020 (Current \$)



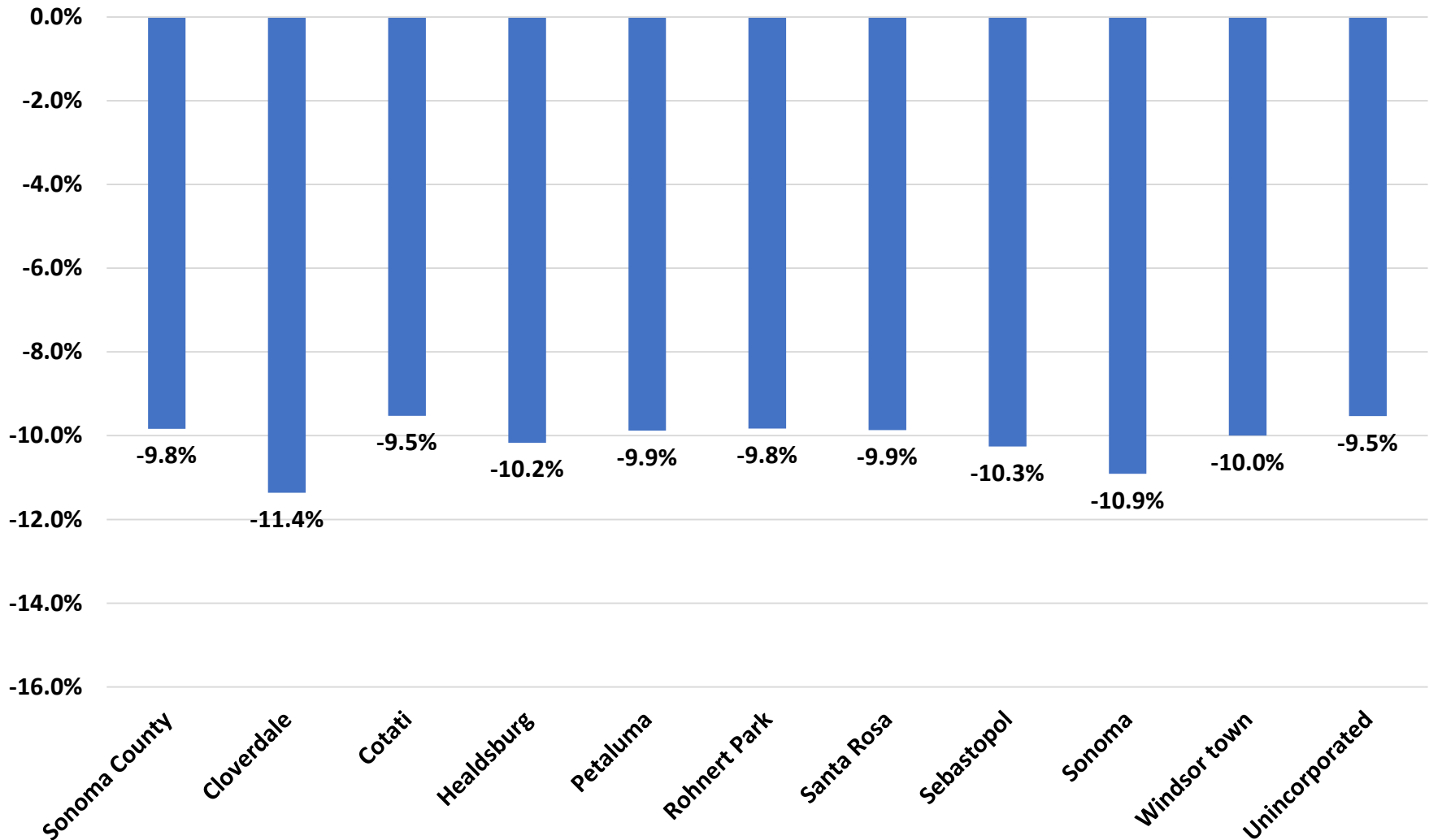
# Industry Level Jobs, % Change from 2019, April to July 2020, Sonoma County



# Industry Changes and Risks, Jobs to July 2020 and Location Quotients

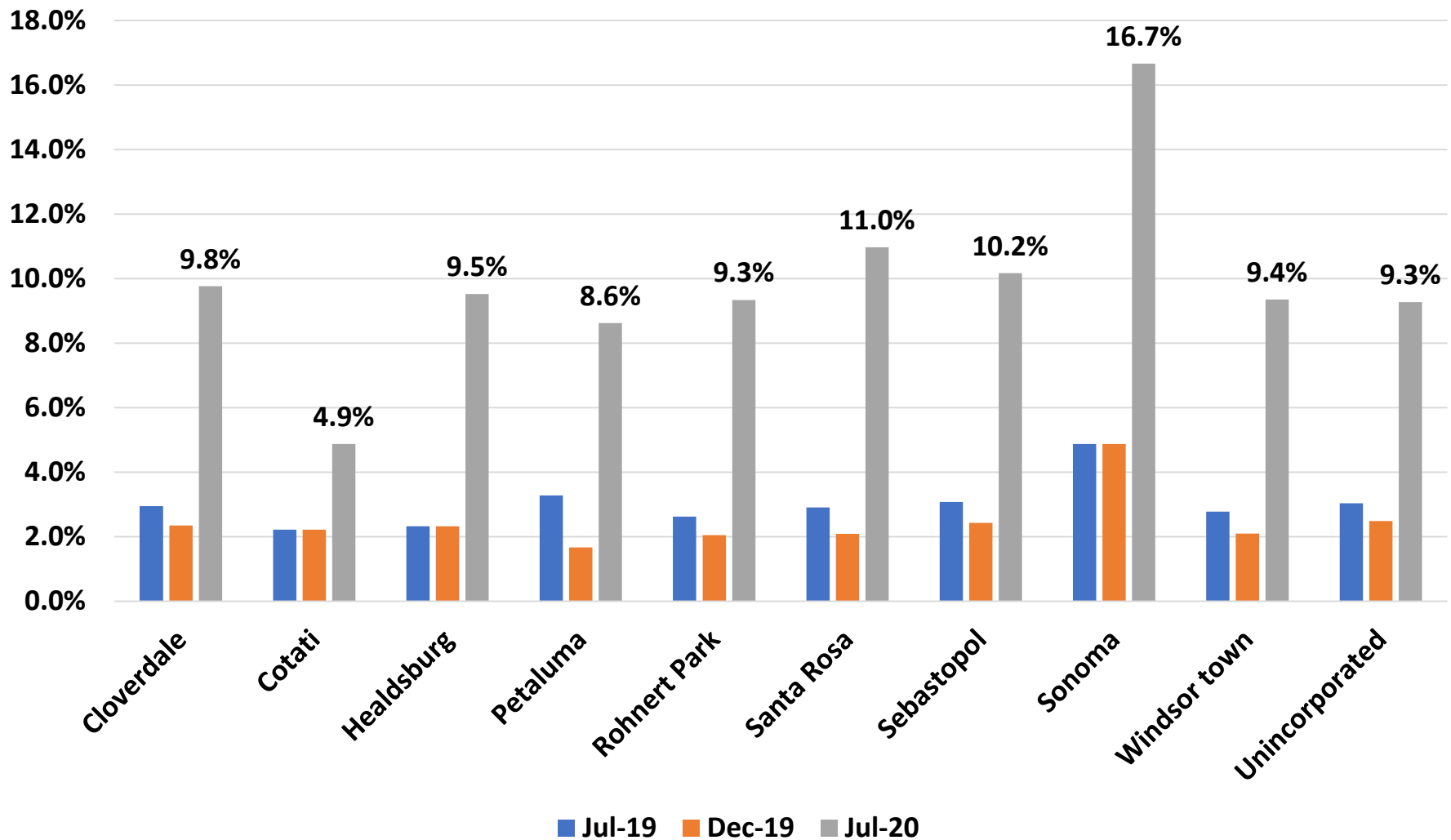
Industry	Jobs July 2020 Number of Workers	Jobs July 2019 Number of Workers	Change Jobs 2019-20 Number of Workers	% Change Since July 2019	LQ (as an inverse measure of local risk)
<b>Accommodation and Food Services</b>	<b>15,100</b>	<b>21,300</b>	<b>-6,200</b>	<b>-29%</b>	<b>1.06</b>
<b>Public Administration</b>	<b>23,700</b>	<b>29,900</b>	<b>-6,200</b>	<b>-21%</b>	<b>0.90</b>
<b>Health Care and Social Assistance</b>	<b>32,100</b>	<b>35,800</b>	<b>-3,700</b>	<b>-10%</b>	<b>1.14</b>
<b>Retail Trade</b>	<b>21,100</b>	<b>24,100</b>	<b>-3,000</b>	<b>-12%</b>	<b>1.21</b>
<b>Other Services</b>	<b>5,800</b>	<b>7,100</b>	<b>-1,300</b>	<b>-18%</b>	<b>1.05</b>
Professional, Scientific, Tech Services	22,000	22,900	-900	-4%	0.60
Administrative and Waste Management	10,300	11,200	-900	-8%	0.87
Wholesale Trade	7,100	7,600	-500	-7%	1.49
Information	2,200	2,600	-400	-15%	0.39
Educational Services	1,900	2,300	-400	-17%	0.59
Transport, Logistics and Warehousing	3,200	3,450	-250	-7%	0.45
Real Estate and Rental and Leasing	3,900	4,100	-200	-5%	1.10
Natural Resources	200	200	0	0%	0.61
Management of Companies	2,100	2,100	0	0%	0.71
Utilities	700	650	50	8%	1.10
Finance and Insurance	4,900	4,700	200	4%	0.73
Arts, Entertainment, and Recreation	4,000	3,800	200	5%	1.01
Construction	16,400	15,800	600	4%	1.59
Agriculture	7,300	6,400	900	14%	1.19
Manufacturing	25,000	22,900	2,100	9%	0.91

# Changes in Residential Employment, % Change from Previous Year, July 2020

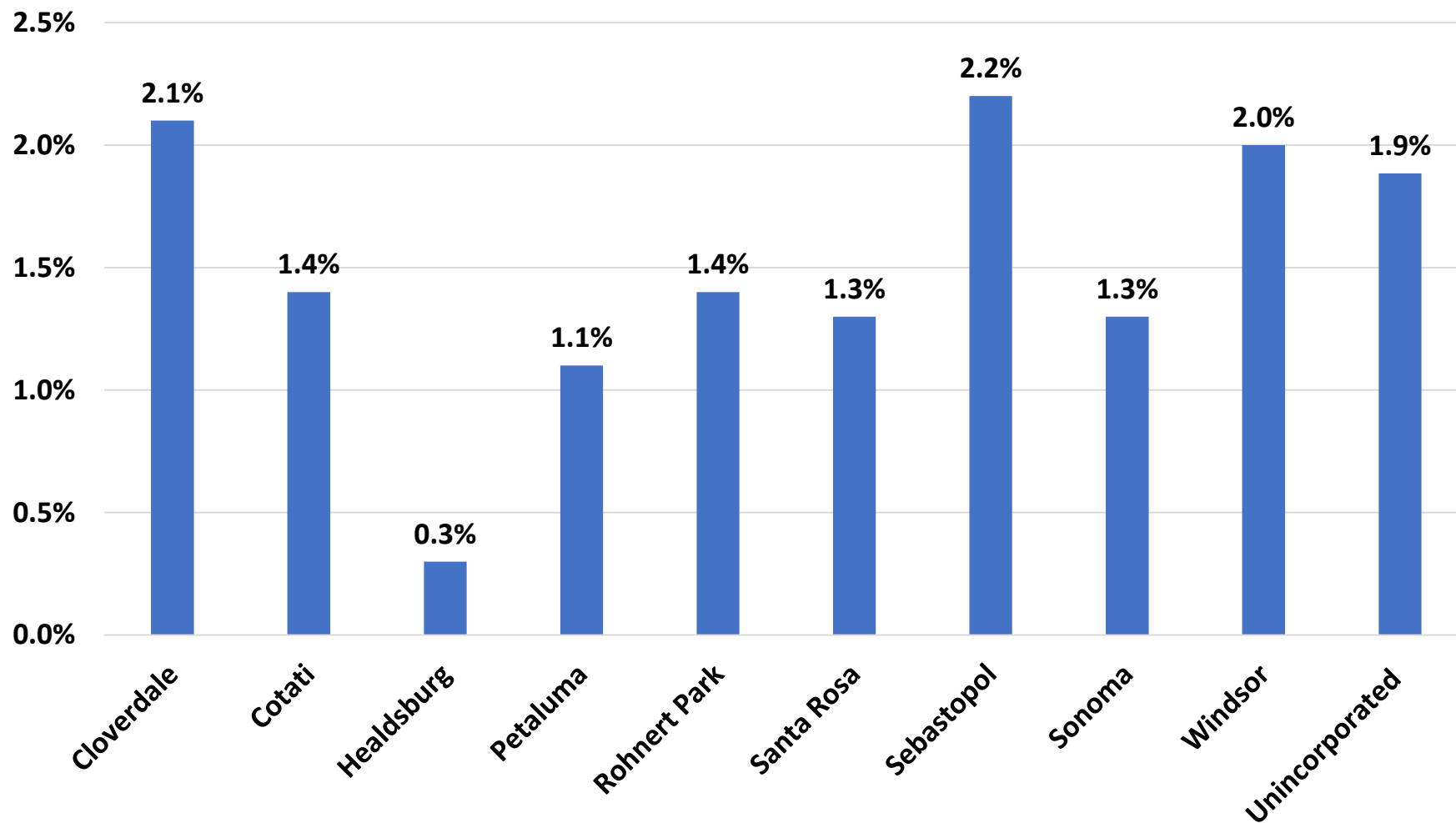




# Unemployment Rates, July 2019 to July 2020, Selected Areas and Months, % of Labor Force



# Home Prices, % Changes over one year, as of July 2020



# Survey Data

- May to June 2020
  - \$140,000,000 in this sample of PPP, EIDL, CARES Act used
  - Many of those sampled essential, may suggest some sample bias;
    - Larger cities and towns: more essential businesses.
  - Hours reduced across industries and municipalities:
    - Rohnert Park the sole exception on average, but not by much (probably due to essential retail remaining open);
    - Jobs cuts across areas and industries;
    - Transport and warehousing only exception, makes sense with increase in home delivery; and
    - Unincorporated Sonoma County hurt marginally more.
  - Revenues decreased across the board
    - Similar to job losses

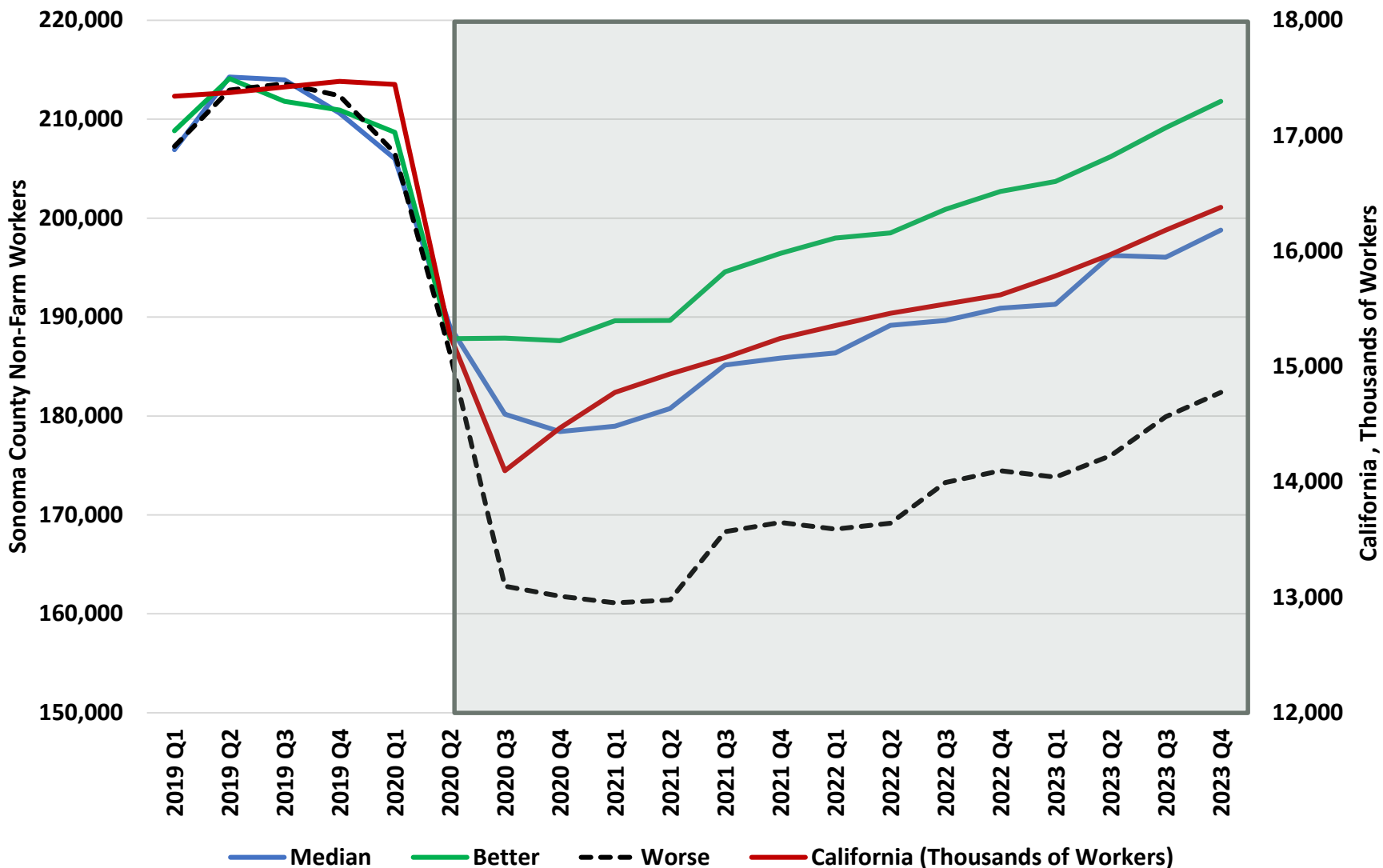
## Survey Data (cont.)

- June to July 2020
  - Industries affected continue to follow job loss data
  - Unincorporated Sonoma County more loss relative to cities and towns for jobs and revenue (more tourism risk exposure over a wider area)
  - Many of those sampled essential, may suggest some sample bias
  - Larger cities and towns: more essential businesses
  - Hours reduced across industries and municipalities as first survey round
  - Windsor is an exception on average, perhaps due to construction and grocery/essential retail and office opening more quickly there.

# Economic Impact Estimates

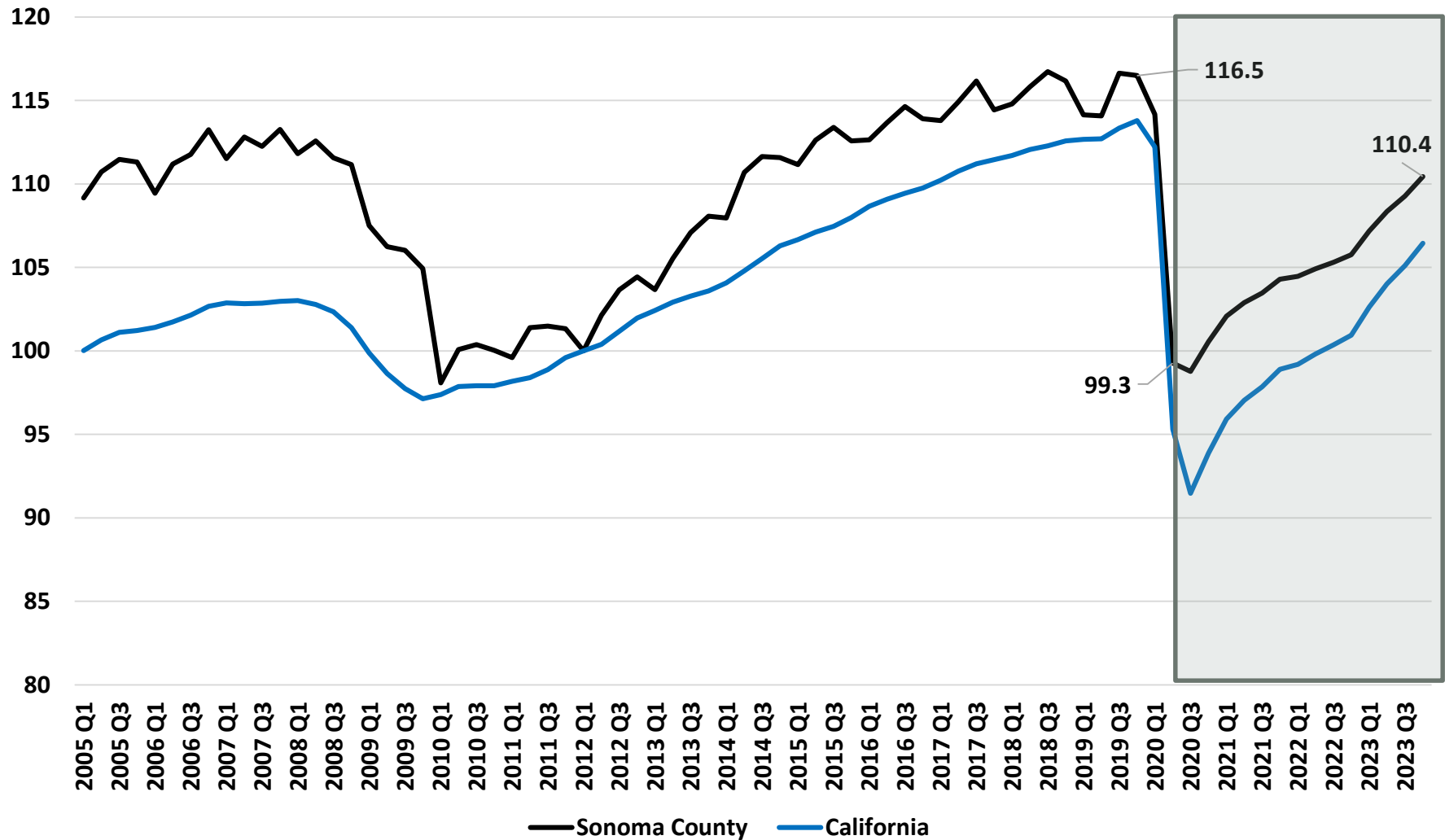
- Methodology:
  - **Estimated Jobs losses for local employers follow state and national estimates available;**
  - **Jobs reductions imply a certain amount of gross regional product (GRP) lost, the dollar level of economic impacts; then**
  - **The GRP lost imply reduced municipal revenues at the state and local level in specific categories, which are included in the GRP impacts.**
- Benchmark for “recovery”: 2019 year-end employment levels
  - 2020 to 2023 estimated for jobs, GRP and state/local tax revenue lost
  - Recovery by 2023 earliest, 2024 most likely
- Algorithm to be provided
  - Use actual employment data and estimate economic impacts as time moves on.

# Non-Farm Employment, Number of Workers, Sonoma County and 000s of workers, CA, 2019 Q1 to 2023 Q4 (Forecasted Area Shaded)

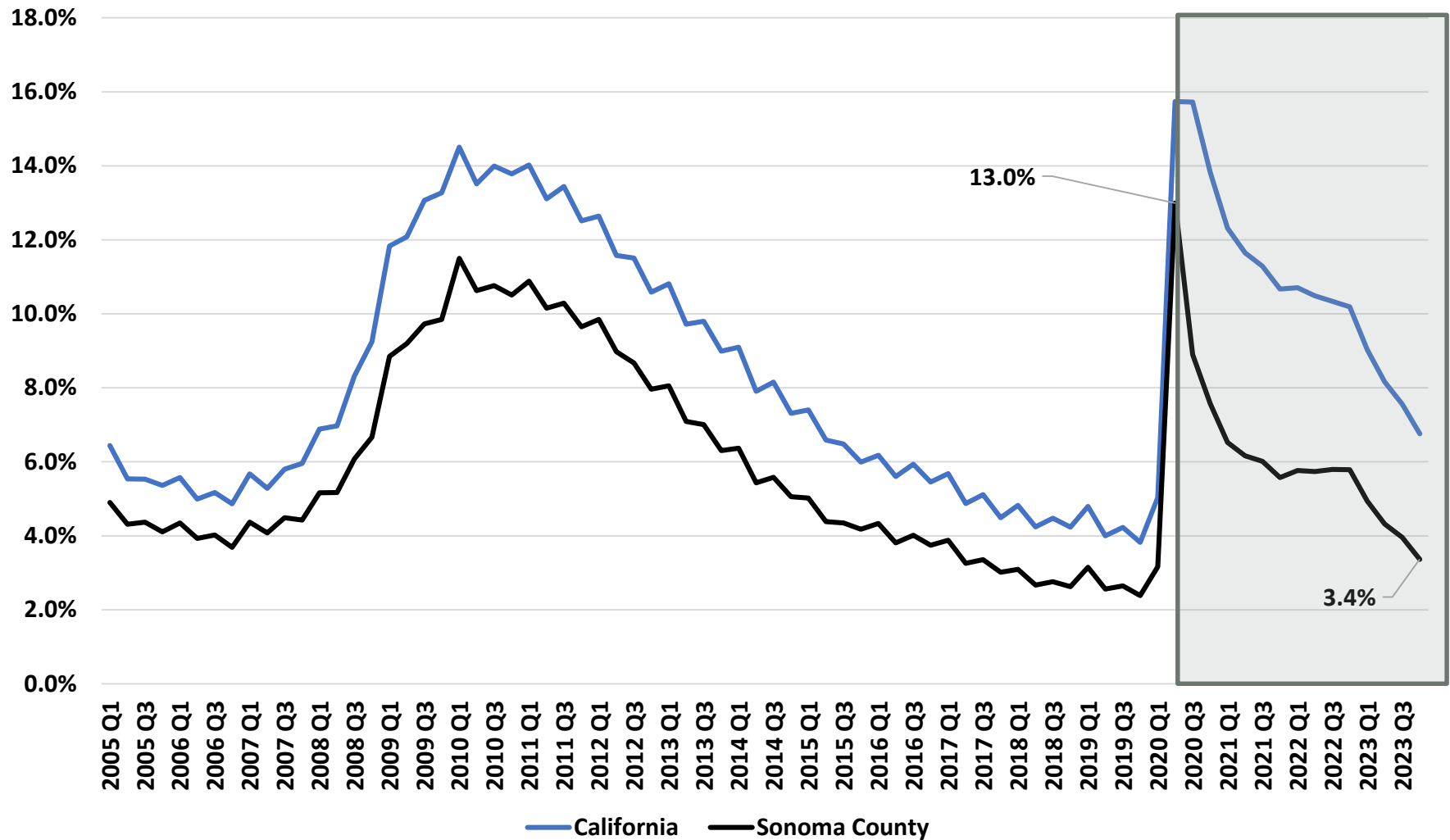


Sources: California EDD, California Department of Finance, and EFA

## Employment Levels, Sonoma County and California, Index 2012 Q2 = 100, 2005 Q1 to 2023 Q4 (Forecast Shaded Area)



# Unemployment Rate Comparison, Sonoma County and California, 2005 to 2023 (Forecasted, Shaded Area), % of Labor Force





# Looking Forward for EDB

<b>Challenges</b>	<b>Opportunities</b>
<ul style="list-style-type: none"> <li>● Retail, restaurant demand for workers;</li> <li>● Housing affordability for low-wage workers if fewer jobs in their industry remain after 2020;</li> <li>● Tourism employment opportunities, especially hotels, after 2020;</li> <li>● Breadth of businesses in retail, restaurant and personal services based on estimated business closures;</li> <li>● Goods resilience (food, beverage, medical supplies, etc.) if there are natural disasters during an increase caseload.</li> </ul>	<ul style="list-style-type: none"> <li>● Goods resilience;               <ul style="list-style-type: none"> <li>○ More local manufacturing and farming to provide goods and food production breadth;</li> <li>○ More storage and processing;</li> <li>○ Regional distribution channels to complement supra-regional channels;</li> </ul> </li> <li>● Workforce development for permanently-displaced workers               <ul style="list-style-type: none"> <li>○ Manufacturing, especially in life sciences given regional cluster in place;</li> <li>○ Construction;</li> <li>○ STEM-Related fields; and</li> <li>○ Healthcare.</li> </ul> </li> </ul>

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