

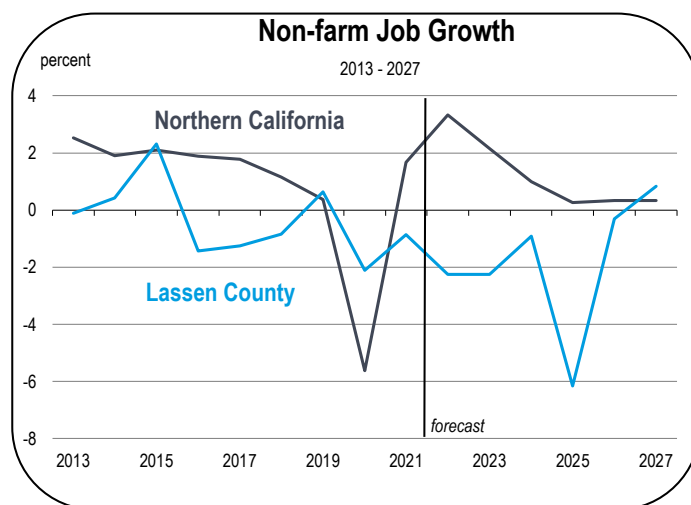
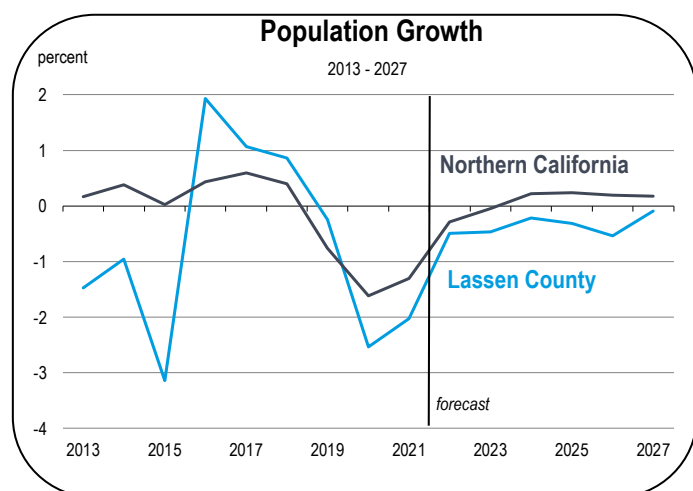
Lassen County Economic Forecast

Forecast Summary

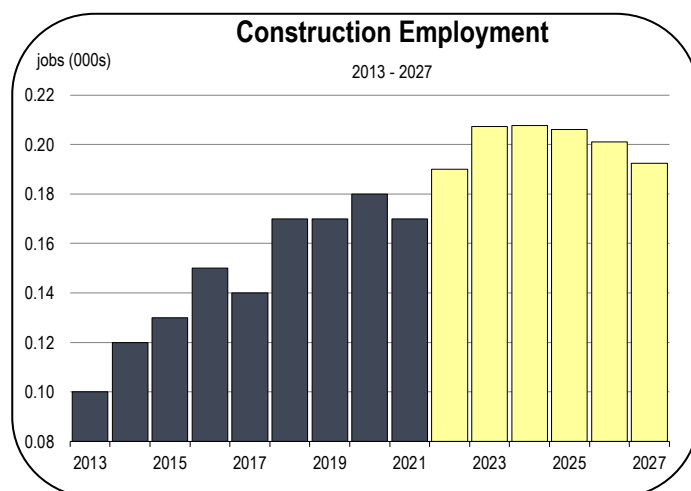
- The population and the total workforce in Lassen County have generally been in decline, since 2007 for population and since 2009 for employment.
- Total employment will contract another 1.0 percent in 2022 and 2.3 percent in 2023.
- The California Correctional Center, a large state prison in Susanville, will be deactivated by mid-2023.
- Because the California Correctional Center accounts for more than 10 percent of all jobs in Lassen County, its closure will have a major impact on the county's labor market and general economy.
- Over the short-term forecast, positive growth in job creation is absent.
- The unemployment rate averaged 5.9 percent in 2021. It is forecast to decline to 3.7 percent in 2022 and 3.2 percent in 2023 as people drop out of the labor force.
- The Lassen County population is expected to shrink during the forecast period and could continue to decline over the long term (through at least 2030).
- The median home value increased by 8 percent in 2021. Home prices are forecast to rise by 7 percent in 2022 and 3 percent in 2023. Homes selling prices are as high as \$271,000 in Susanville in the fall of 2022.

Government Employment

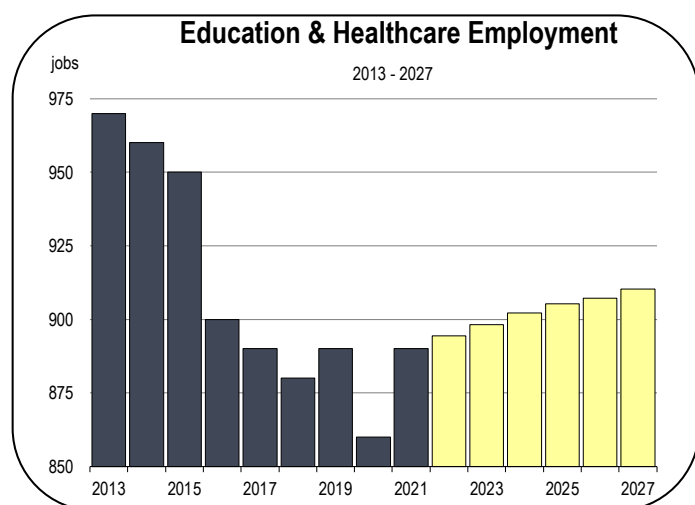
- Total government employment accounts for 70 percent of total wage and salary earnings in Lassen County.
- Lassen County has several prisons and correctional facilities, and they collectively account for a major share of jobs within the county.



- Following an appeal to the original April 2021 order to close the facility, it was decided in September 2022 that the California Correctional Center will be deactivated in 2023 and that all jobs at the facility will be eliminated or transferred to alternative prisons within the state system.
- In early 2022, the prison accommodated 2,300 inmates and employed 1,100 workers. Staff layoffs and transfers have been underway during 2022 and will be complete by June 30, 2023.
- After the facility is deactivated, Lassen County will continue to have a sizable number of government jobs at other correctional institutions, including High Desert State Prison, which is also located in Susanville and holds 3,300 inmates.
- Other than prisons, the most prominent government activity in Lassen County is related to the local school districts and the Sierra Army Depot.
- Sierra Army Depot will likely retain its 1,800 workers, but local school districts may lose jobs during the forecast period as the school-age population declines.

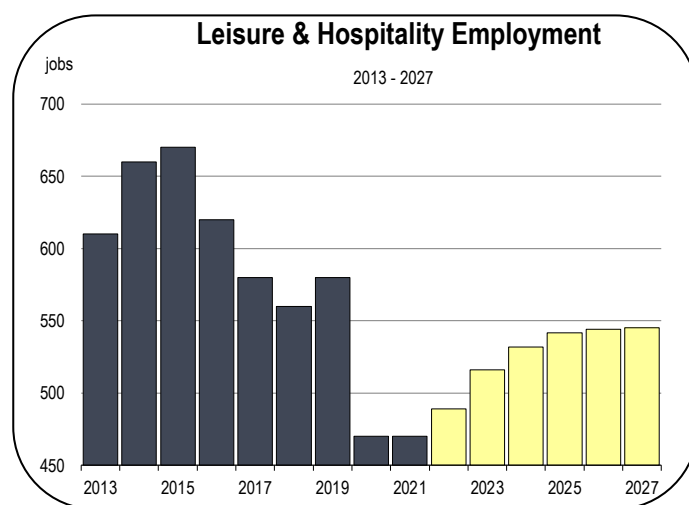


Lassen County Economic Forecast



Private Education and Healthcare Employment

- The private education and healthcare industries account for approximately 10 percent of all jobs in Lassen County. Ninety percent of all workers are in healthcare.
- Over the 2022-2027 forecast period, employment levels at hospitals, doctor's offices, and charter schools are expected to add staff, even though total population in the county will contract over time.
- Because the Lassen County population is declining, local charter schools will be able to serve local students without hiring new staff.
- Healthcare employment expands principally to accommodate an aging population.



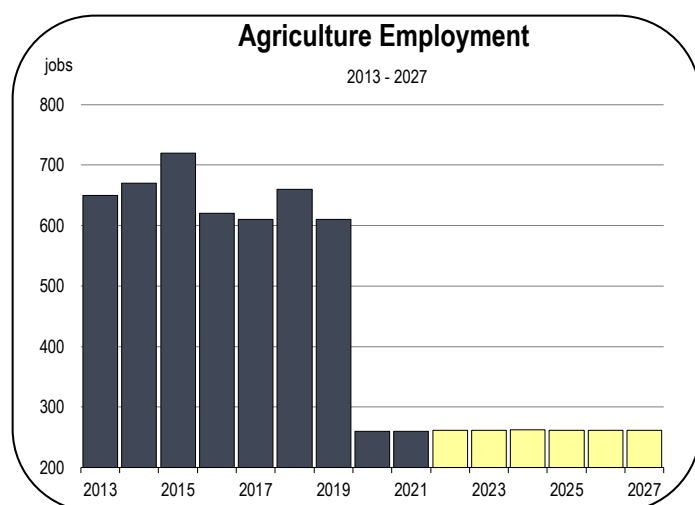
Leisure and Hospitality Employment

- Lassen Volcanic National Park is the largest tourism attraction in Lassen County.
- Each year, thousands of tourists visit the park for its lakes, mountains, and meadows.
- Travel activity was severely restricted in 2020 by first, the Coronavirus Pandemic and second, by the Dixie Fire that raged through Lassen Volcanic National Park in August and September of 2020.
- Tourism activity regained momentum in 2022, but employment levels in the recreation industry have not yet been restored from the pandemic recession. The forecast calls for a slow recovery with minimal job creation over the next 3 years.



Lassen Volcanic National Park

Lassen County Economic Forecast

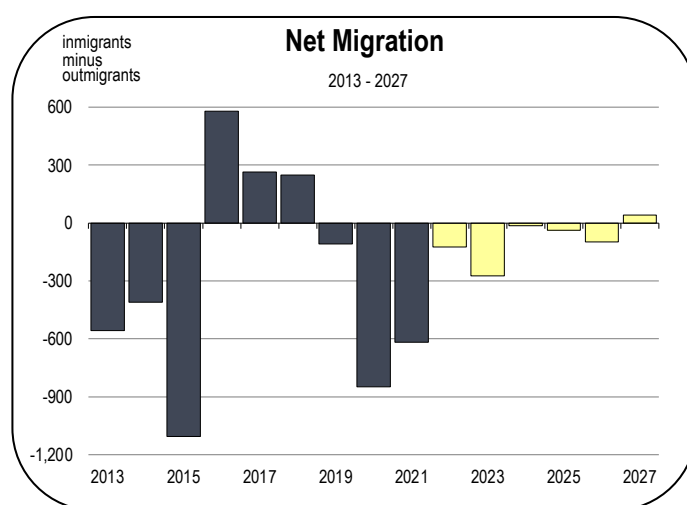
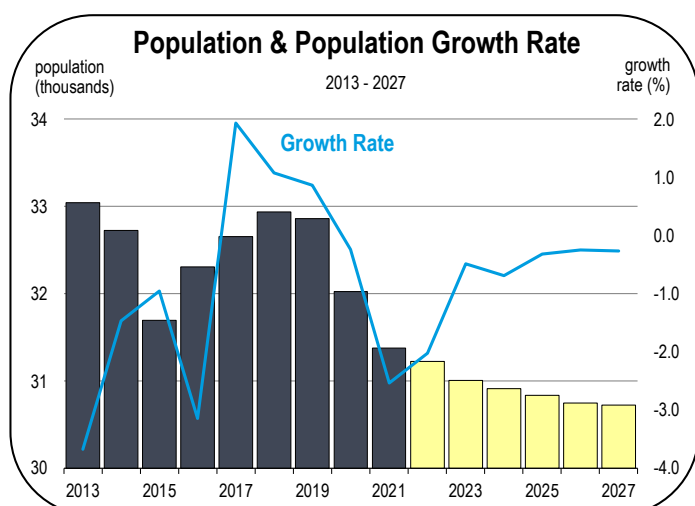


Agriculture Employment

- Agriculture employment was stable in 2021. The forecast calls for no change in the farm workforce over the next several years.
- The most prominent agricultural commodities in Lassen County are hay and livestock.
- The hay and livestock industries in Lassen County each generate more than \$30 million in sales annually.

Population Growth

- The Lassen County population is expected to decline during the 2022-2027 forecast period.
- Population growth in Lassen County significantly trails growth rates for California, most counties within California, and the nation.
- Lassen County has an aging population. Over the last fifteen

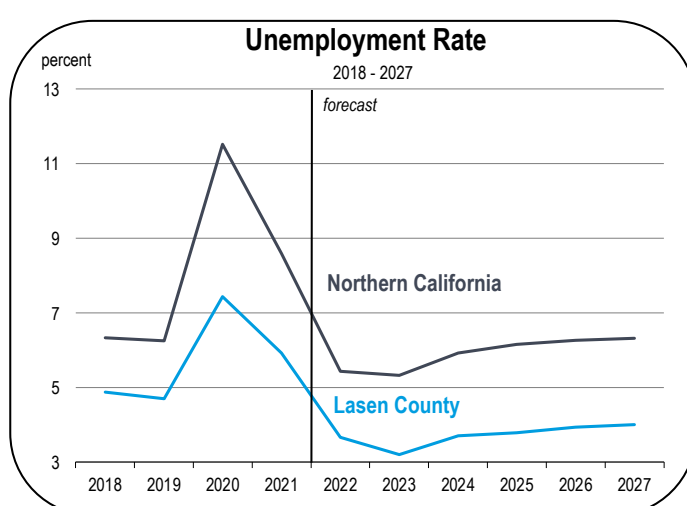


years, the 65+ age category was the only demographic age cohort that increased. This cohort will continue to rise over the next 5 years, peaking in 2028 when it accounts for 21 percent of the total population.

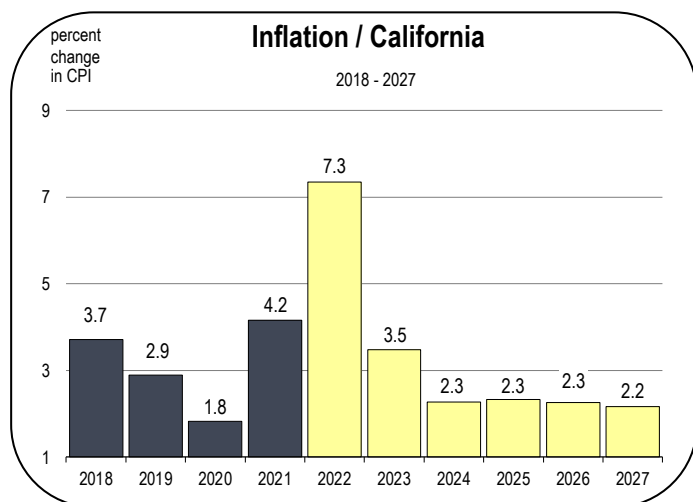
- During the forecast period, the number of people moving out of Lassen County will exceed the number of people moving into the county.
- The extent of the population decline forecast over the 2022 to 2027 period is gradual and reduces the number of residents in Lassen County from 31,377 to 30,721.

Unemployment and Inflation Rates

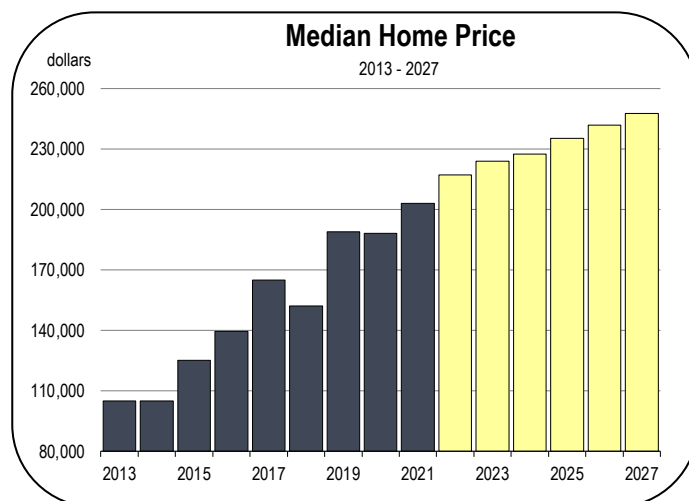
- The unemployment rate in Lassen County averaged 5.9 percent in 2021.
- In 2021, the median home price in Lassen County was \$203,300. Despite subpar economic growth in the county, the median price is still expected to increase by 6.8 percent in 2022 and 3.1 percent in 2023.



Lassen County Economic Forecast

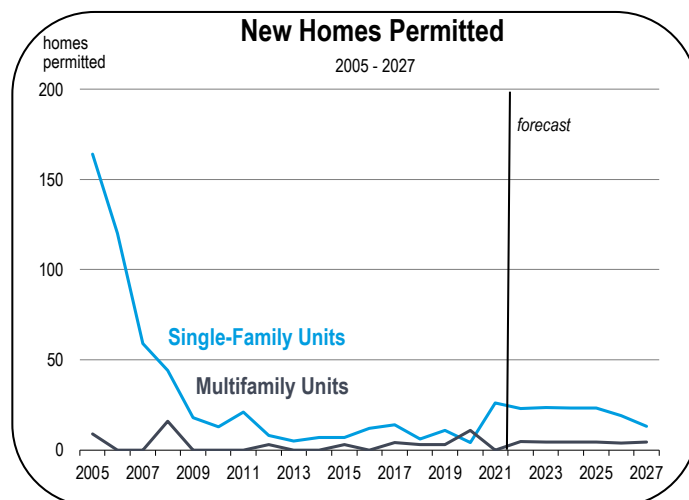


- Between October 2020 and October 2022, Zillow reported a 35 percent appreciation rate for the median priced home in Susanville.
- Between 2023 and 2027, housing price appreciation averages 2.7 percent per year.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the 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

- In 2021, the median home price in Lassen County was \$203,300. The median price is expected to increase by 11 percent in 2022 as prices rise sharply across virtually every California market.
- In 2022, home price appreciation should slow down, but the median selling value could approach \$250,000 by 2027.
- From 2017 to 2022, an average of 7 new homes were started per year in Lassen County. Approximately 70 percent were single-family homes.
- The production of new housing permits will average 25 to 30 units per year from 2022 to 2027, consisting primarily of single-family homes that are rebuilds from the Beckwourth Complex and Dixie Fires.



Lassen County Economic Forecast

- Lassen County's main economic driver is its prisons. There are 9 jails and prisons in Lassen County. Of the 9 jails and prisons, two are state prisons.
- Income levels in Lassen County are higher than most counties in the Northern California region, due principally to the average salaries at the prisons.
- The prisons are major employers in the remote Northern California region, and many of the jobs feature pay and benefits of \$90,000+ annually.
- The three prisons employ more than half of the total workforce in Lassen County.
- High Desert State Prison is a state prison and has an inmate population of 1,823 as of July 2022. The prison is located in Susanville, off of Rice Canyon Road.
- The other state prison in Lassen County is the California Correctional Center. This facility has an inmate population of 2,308. The prison is located adjacent to the High Desert State Prison.
- Gavin Newsom announced last year that the California Correctional Center would close in June 2022, but as of today, it is still open. The City of Susanville sued California last year, and a Lassen judge issued a temporary order restraining the planned closure. Susanville residents say the closure of the prison will cause the town to face economic devastation with the loss of over a thousand workers.
- The prisoners incarcerated in the California Correctional Center also want the facility to close due to extremely harsh conditions brought about by the age of the prison. Reports from the prison say when it rains, water pours through the ceilings of the Correction Center and some toilets don't flush. During the Dixie Fire last year, inmates were not evacuated and had to cover their faces with wet towels to breathe.
- On September 9, 2022, a federal judge ruled in favor of the state. Consequently, the California Correctional Center must close by June 20, 2023.



California Correctional Center

Lassen 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 (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	31,697	9.8	-1,106	10	36.5	\$1.1	\$203	\$295	\$48.2	\$40,044	7.3	\$151	0.9
2016	32,309	9.6	578	12	37.1	\$1.1	\$204	\$334	\$47.7	\$39,590	7.0	\$141	1.9
2017	32,655	9.6	264	18	36.0	\$1.1	\$278	\$365	\$53.4	\$38,581	5.6	\$147	2.8
2018	32,936	9.5	248	9	36.0	\$1.1	\$205	\$277	\$47.1	\$37,546	4.9	\$146	3.8
2019	32,857	9.4	-110	14	36.6	\$1.2	\$212	\$276	\$50.0	\$37,694	4.7	\$149	3.1
2020	32,025	9.4	-848	15	36.8	\$1.2	\$233	\$305	\$48.1	\$39,528	7.4	\$152	1.6
2021	31,377	9.4	-618	26	37.3	\$1.2	\$294	\$381	\$50.1	\$38,747	5.9	\$150	3.8
2022	31,223	9.5	-125	28	37.5	\$1.3	\$318	\$430	\$51.7	\$38,628	3.7	\$152	7.2
2023	31,008	9.5	-275	28	37.7	\$1.3	\$327	\$441	\$51.0	\$38,407	3.2	\$152	3.4
2024	30,910	9.5	-15	28	37.7	\$1.4	\$333	\$450	\$50.9	\$38,432	3.7	\$152	2.2
2025	30,833	9.5	-37	28	37.7	\$1.4	\$337	\$453	\$50.5	\$37,921	3.8	\$152	2.2
2026	30,750	9.5	-99	23	37.6	\$1.4	\$345	\$465	\$50.3	\$38,340	3.9	\$152	2.2
2027	30,721	9.5	41	17	37.5	\$1.5	\$352	\$474	\$50.2	\$38,929	4.0	\$152	2.1
2028	30,685	9.6	40	13	37.5	\$1.5	\$359	\$483	\$50.4	\$39,426	4.1	\$152	2.1
2029	30,642	9.6	38	13	37.5	\$1.5	\$367	\$493	\$50.5	\$39,770	4.1	\$152	2.2
2030	30,595	9.6	38	15	37.5	\$1.6	\$375	\$505	\$50.5	\$40,177	4.1	\$153	2.1
2031	30,556	9.6	46	20	37.5	\$1.6	\$382	\$514	\$50.7	\$40,623	4.0	\$153	2.0
2032	30,511	9.6	51	18	37.6	\$1.7	\$391	\$526	\$50.7	\$40,997	4.0	\$153	2.2
2033	30,469	9.6	52	17	37.6	\$1.7	\$398	\$535	\$50.8	\$41,489	4.0	\$154	1.8
2034	30,425	9.6	54	19	37.7	\$1.8	\$406	\$546	\$50.8	\$42,006	4.0	\$154	2.0
2035	30,392	9.6	63	15	37.8	\$1.9	\$414	\$557	\$50.8	\$42,325	4.0	\$154	2.1
2036	30,327	9.6	41	15	37.9	\$1.9	\$424	\$570	\$50.8	\$42,496	4.0	\$154	2.5
2037	30,245	9.7	32	15	38.0	\$2.0	\$435	\$585	\$50.7	\$42,702	4.0	\$154	2.6
2038	30,165	9.7	38	15	38.1	\$2.0	\$445	\$598	\$50.6	\$42,946	4.0	\$155	2.4
2039	30,079	9.7	36	12	38.1	\$2.1	\$456	\$612	\$50.4	\$43,090	4.0	\$155	2.6
2040	29,990	9.7	30	18	38.2	\$2.1	\$467	\$627	\$50.3	\$43,301	4.0	\$155	2.5
2041	29,913	9.7	38	16	38.2	\$2.2	\$477	\$639	\$50.2	\$43,585	4.0	\$156	2.1
2042	29,842	9.7	39	14	38.2	\$2.2	\$486	\$651	\$50.0	\$43,882	4.0	\$155	2.0
2043	29,778	9.7	42	14	38.3	\$2.3	\$495	\$663	\$49.9	\$44,144	4.0	\$156	1.9
2044	29,707	9.7	38	19	38.3	\$2.3	\$503	\$673	\$49.8	\$44,446	4.0	\$156	1.7
2045	29,638	9.7	39	22	38.3	\$2.4	\$511	\$685	\$49.7	\$44,677	4.0	\$156	1.8
2046	29,565	9.8	36	20	38.3	\$2.4	\$521	\$697	\$49.4	\$44,839	4.0	\$156	1.9
2047	29,492	9.8	33	18	38.2	\$2.5	\$531	\$710	\$49.4	\$44,891	4.0	\$156	2.1
2048	29,421	9.8	28	21	38.2	\$2.6	\$543	\$726	\$49.2	\$44,934	4.0	\$156	2.2
2049	29,360	9.8	31	23	38.1	\$2.6	\$553	\$739	\$49.2	\$45,050	4.0	\$157	1.9
2050	29,309	9.8	33	21	38.1	\$2.7	\$564	\$753	\$49.1	\$45,080	4.1	\$157	2.0

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	10,440	720	130	20	70	950	150	170	90	950	670	6,140
2016	10,200	620	150	10	90	960	150	160	110	900	620	6,160
2017	10,070	610	140	10	100	950	150	180	100	890	580	6,140
2018	10,040	660	170	10	80	970	140	190	90	880	560	6,070
2019	10,050	610	170	10	80	960	130	210	100	890	580	6,090
2020	9,500	260	180	20	80	940	130	240	60	860	470	6,040
2021	9,420	260	170	50	80	990	120	240	50	890	470	5,870
2022	9,190	261	190	55	90	991	121	256	57	894	489	5,569
2023	9,010	262	207	57	82	990	117	248	62	898	516	5,350
2024	8,930	262	208	58	80	989	118	246	66	902	532	5,247
2025	8,400	262	206	58	77	987	118	244	70	905	542	4,706
2026	8,370	261	201	59	73	987	118	241	69	907	544	4,688
2027	8,440	262	192	58	74	987	118	239	68	910	545	4,766
2028	8,490	262	185	58	75	986	118	236	67	913	546	4,820
2029	8,540	262	185	59	76	986	117	235	67	915	547	4,864
2030	8,610	263	189	59	76	986	117	235	67	917	547	4,928
2031	8,690	263	196	59	78	986	117	235	67	918	548	5,004
2032	8,780	264	193	59	78	986	117	235	67	920	548	5,095
2033	8,870	265	192	59	79	985	117	235	66	921	548	5,184
2034	8,990	265	195	58	79	985	117	235	66	922	549	5,302
2035	9,020	265	188	58	80	984	117	234	66	922	549	5,337
2036	9,010	265	186	58	79	984	117	234	65	923	549	5,332
2037	9,020	266	187	57	79	983	117	234	65	923	549	5,339
2038	9,020	266	187	57	78	983	117	234	65	923	549	5,337
2039	8,980	267	183	57	77	982	117	234	65	923	549	5,312
2040	8,980	267	192	56	76	982	117	234	66	922	549	5,301
2041	8,970	267	190	56	75	981	117	234	66	922	549	5,300
2042	8,970	267	187	56	74	981	117	234	66	922	549	5,307
2043	8,960	267	186	56	74	980	117	234	66	922	549	5,291
2044	8,940	267	194	55	72	979	117	233	66	921	549	5,268
2045	8,900	268	200	55	72	979	116	233	65	921	548	5,231
2046	8,860	268	197	55	70	978	116	233	65	921	548	5,192
2047	8,790	268	194	55	69	977	116	233	64	920	548	5,130
2048	8,730	269	200	55	68	977	116	233	63	920	548	5,072
2049	8,680	269	203	54	67	976	116	233	61	919	548	5,019
2050	8,610	269	199	54	67	976	116	233	61	919	548	4,952

Lassen County Economic Forecast

Socioeconomic Indicators

