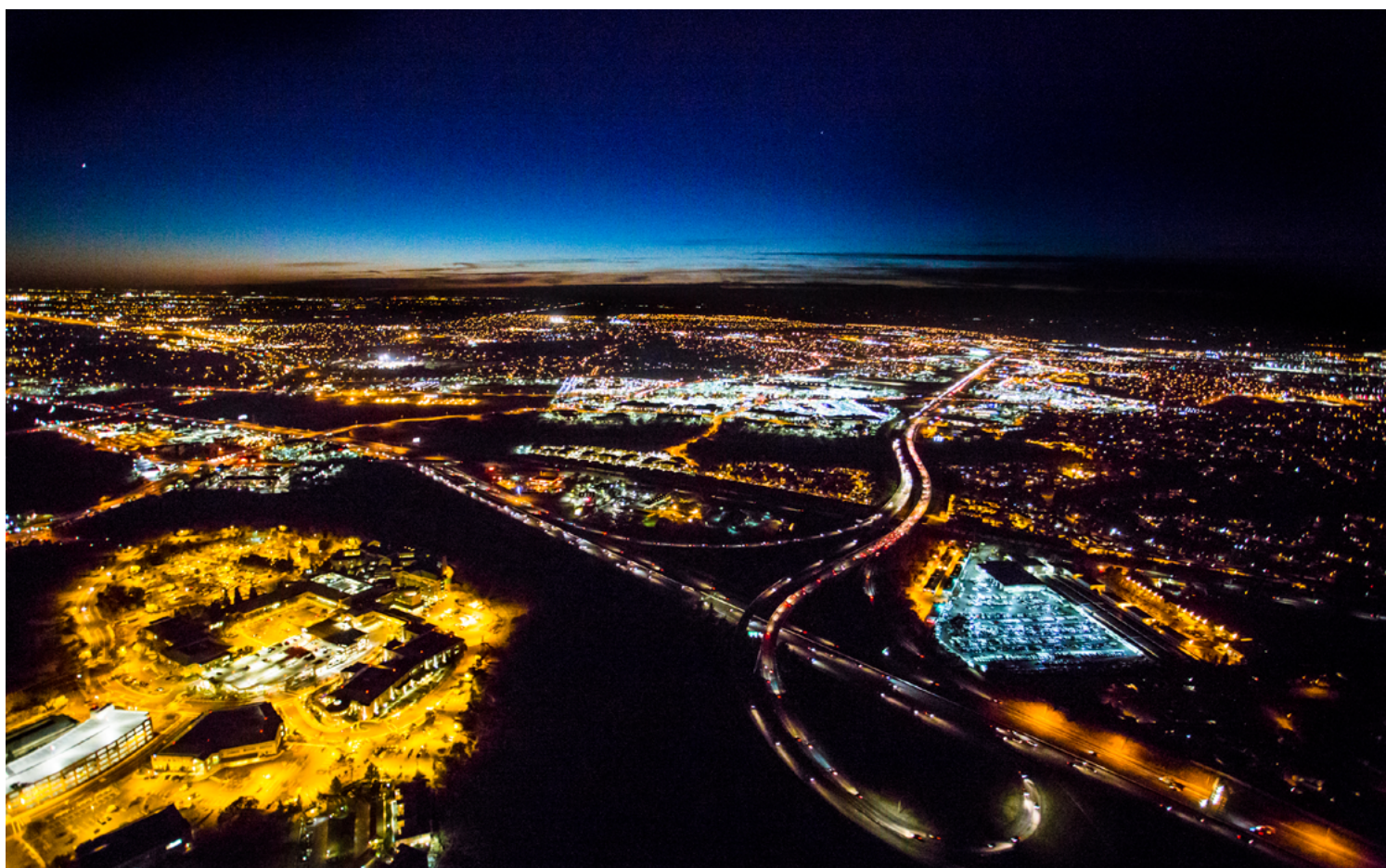


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# Placer County Employment Profile Report

January 2023



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# Introduction

This report examines employment trends since the start of the COVID-19 pandemic in Placer County and uses confidential employment data from the California Employment Development Department. This data provides a comprehensive tabulation of data on the number of establishments, employment and wages for workers covered by unemployment insurance for establishments in Placer County. There is roughly a one-year lag from the time period the most recent data covers and its release due to the comprehensive nature and complexity of the dataset. In addition, there are restrictions on the use of this data to ensure individual firm information cannot be revealed. Due to these restrictions, some industry level detail is unable to be reported on its own.

Placer County's labor market has been remarkably resilient since the start of the COVID-19 pandemic through the end of 2021. From first-quarter 2020 through fourth-quarter 2021, payrolls in Placer County have grown by 1,536, or 0.9%. This is in contrast to the 2.2% decline in payrolls in California over the same period. Regionally, West Placer (2,563 jobs or 1.9%) was the fastest growing region in Placer County since the start of the pandemic. In contrast, payrolls in the Foot-hills Region (-138 jobs or -0.5%) and Tahoe Region (-388 or -3.9%) have fallen over this period.

A glossary of terms can be found in the Appendix of this report.

Placer County's high-wage industries have been remarkably resilient during the pandemic. Employees have been able to work from home, which has not been possible in many sectors of the economy, and some industries have seen increased business due to the pandemic. Transportation, Warehousing and Utilities has been the fastest growing sector in the county since the start of the pandemic, fueled by growth in e-commerce. Other sectors increasing payrolls were Professional, Scientific and Technical Services and Management; Administrative Support; Manufacturing; and Natural Resources and Construction.

As employers compete for workers due to labor shortages, wages have grown rapidly in many industries. Average annual wages in Placer County reached \$69,533 in the fourth-quarter of 2021, a 13.9% increase from the first-quarter of 2020. Average annual wages grew more rapidly in California (15.1%) over the same period, and average annual wages in Placer County are 19.3% below California's. In addition, average annual wages were up across all industries in Placer County over this period.

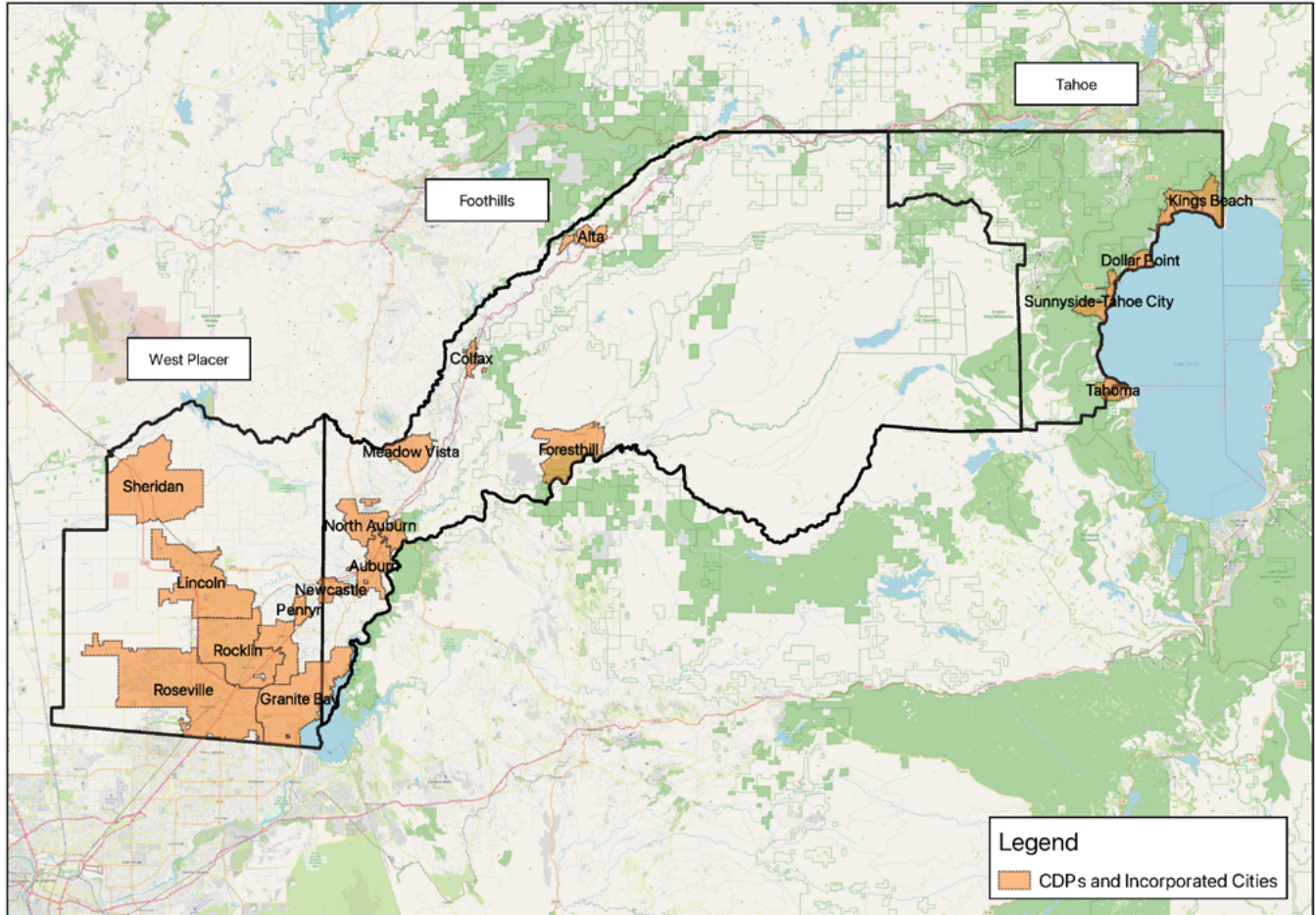
While average annual wages in Placer County are below California's, with many high income residents earning income outside of Placer County, median household income in Placer County remain well above median household income in California. However, these earnings aren't included in the average annual wages for local businesses. As a result, while median incomes for Placer County households are amongst the highest in the state, average annual wages for local businesses fall below statewide averages.

Regionally, average annual wages grew the strongest in the West Placer Region (14.5%) since the first-quarter of 2020, this was followed by growth in the Foothills Region (13.8%) and Tahoe Region (10.8%). Average annual wages are highest in the West Placer Region (\$72,172), followed by average annual wages in the Foothills Region (\$60,221) and the Tahoe Region (\$49,786).

The following sections highlight the employment trends since the start of the COVID-19 pandemic for Placer County, the West Placer Region, the Foothills Region, and the Tahoe Region. To examine these trends, we start in the first quarter of 2020 (the very beginning of pandemic) and end in the fourth quarter of 2021 (the latest data available). This analysis will highlight industry employment trends, changes in average annual wages, and the number of businesses open and closed over this period.



# Placer County

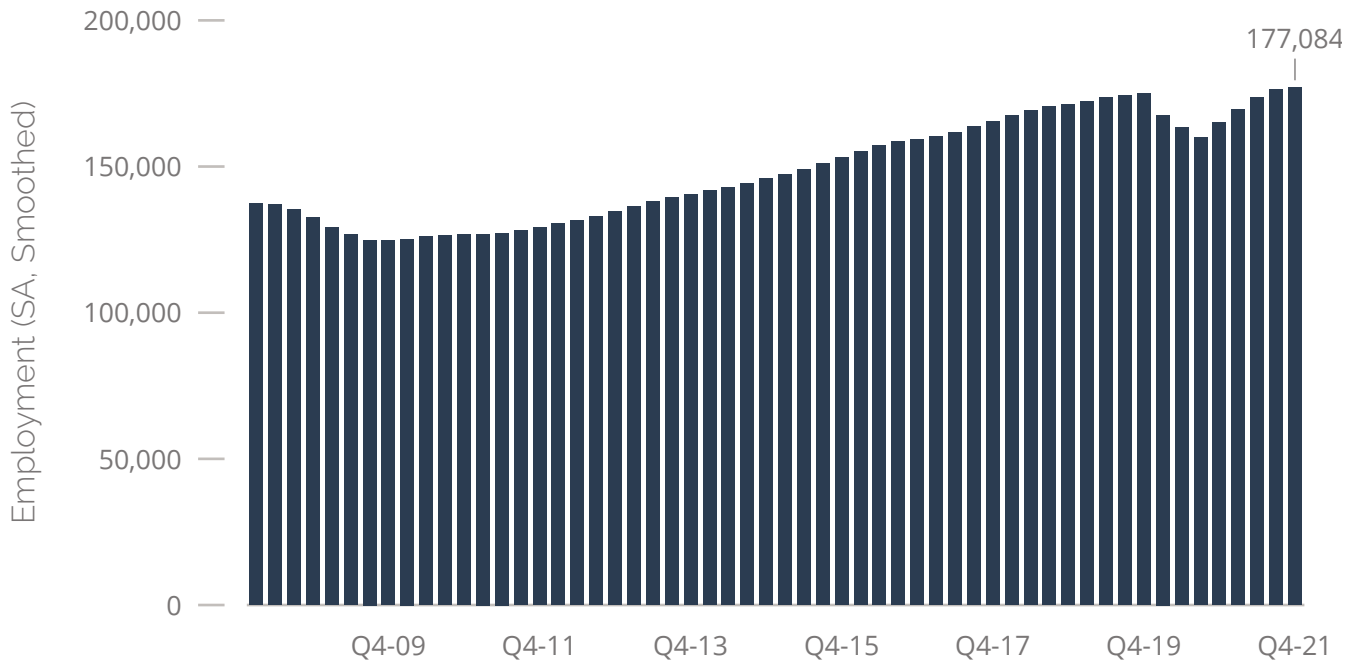


The following section highlights Placer County. The County's strengths include Financial Services and Real Estate; Natural Resources and Construction; Retail Trade; Other Services; and Health Care. The Financial Services and Real Estate industry is highly concentrated in the cities of Rocklin and Roseville, leveraging the relatively large number of highly educated residents in these cities.

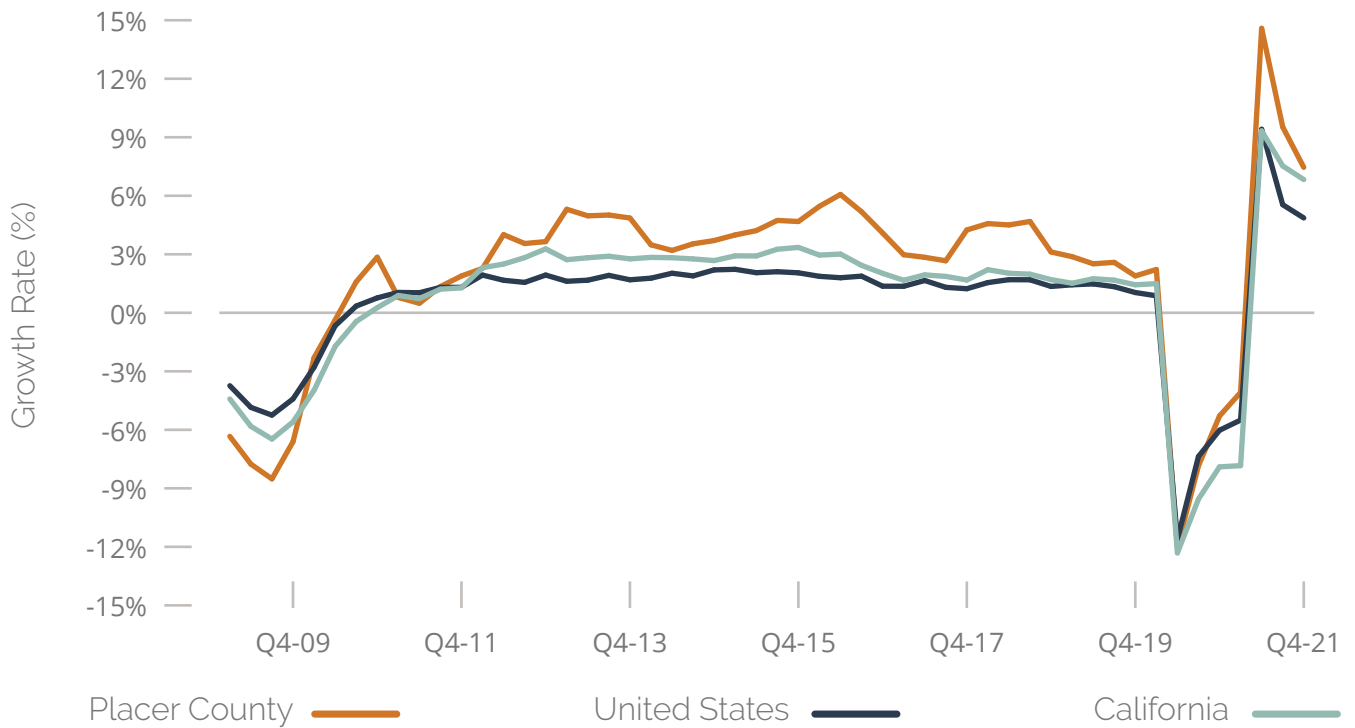
Placer County's labor market is continuing to recover from the COVID-19 pandemic, and at a faster pace relative to California. From first-quarter 2020 through fourth-quarter 2021, payrolls in Placer County grew by 1,536, or 0.9%. This is in contrast to the 2.2% decline in payrolls in California over the same period. Recent gains have been fueled by Transportation, Warehousing and Utilities, Professional, Scientific and Technical Services and Management, and Administrative Support and longer-term growth has been driven by Natural Resources and Construction, Health Care, and Administrative Support.



## Total Employment: Placer County



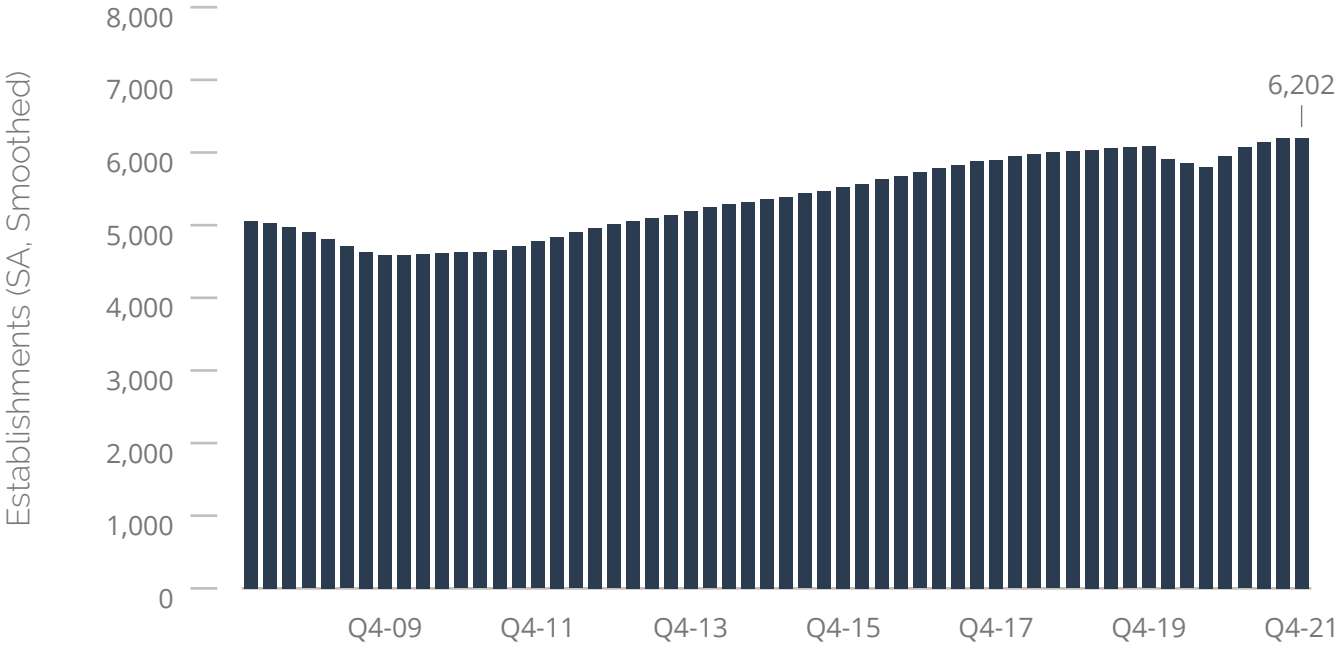
## Year-Over-Year Employment Growth: Placer County, CA, and U.S.



Top and Bottom Source: California Employment Development Department; Analysis by Beacon Economics

Despite declining employment levels, business establishments in Placer County have expanded since the start of the pandemic. The number of establishments in the county grew by 288 from first-quarter 2020 through fourth-quarter 2021, an increase of 4.9%. This bodes well for employment growth in 2022, as these new establishments will bring on additional workers to meet growing demand.

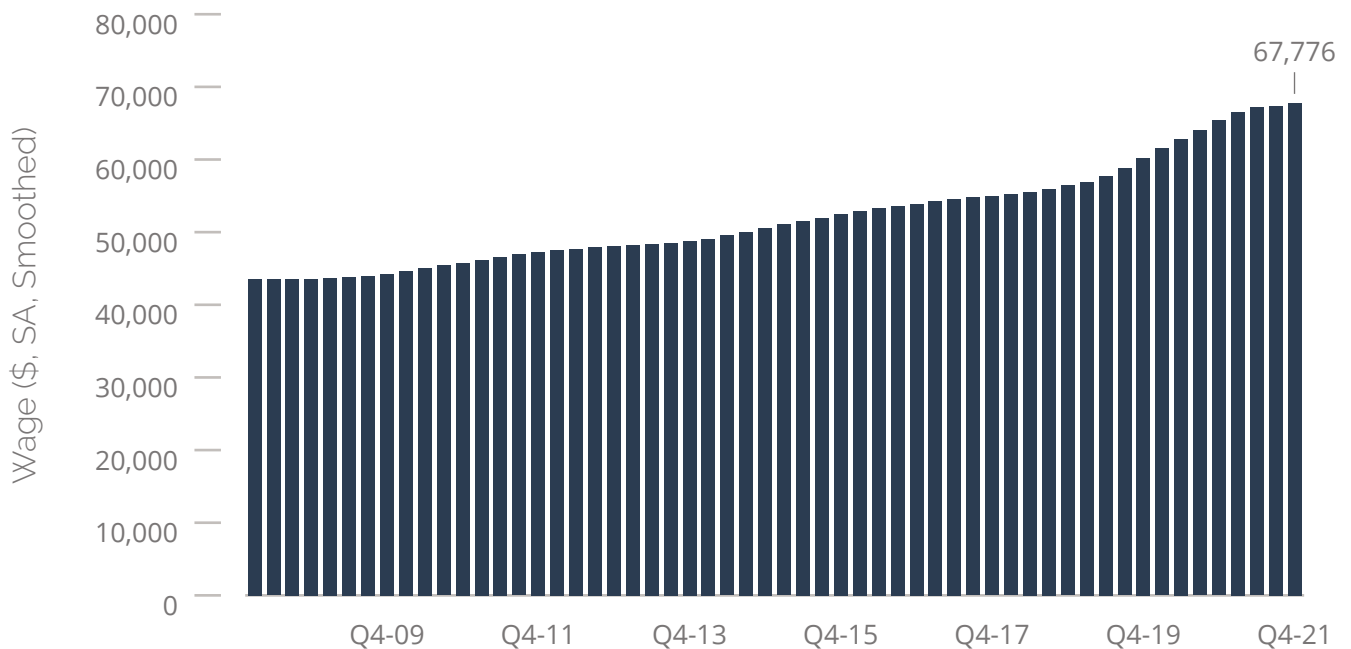
### Total Business Establishments: Placer County



Source: California Employment Development Department; Analysis by Beacon Economics.

Average annual wages in Placer County reached \$69,533 in the fourth-quarter of 2021, a 13.9% increase from the first-quarter of 2020. Average annual wages grew more rapidly in California (15.1%) over the same period, and average annual wages in Placer County are 19.3% below California's.

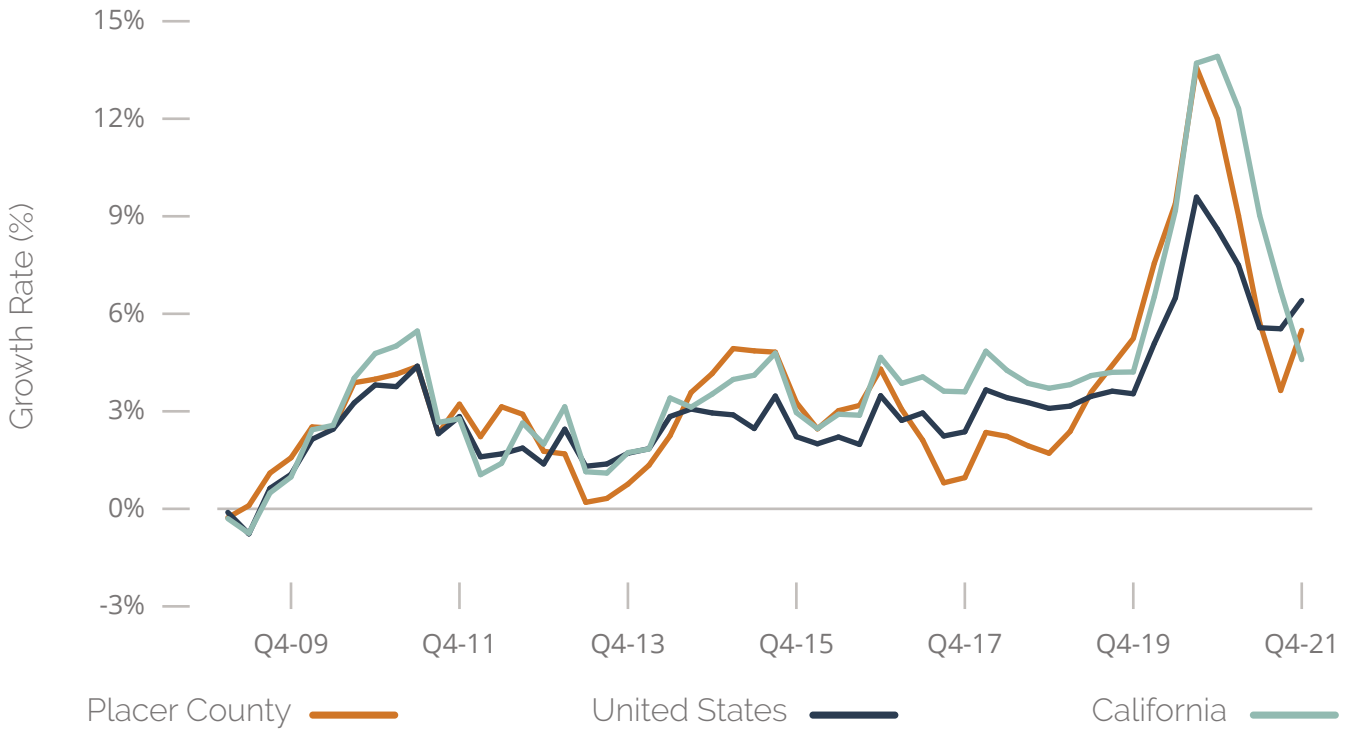
### Average Annual Wages: Placer County



Source: California Employment Development Department; Analysis by Beacon Economics.



### Year-Over-Year Wage Growth: Placer County, CA, and U.S.

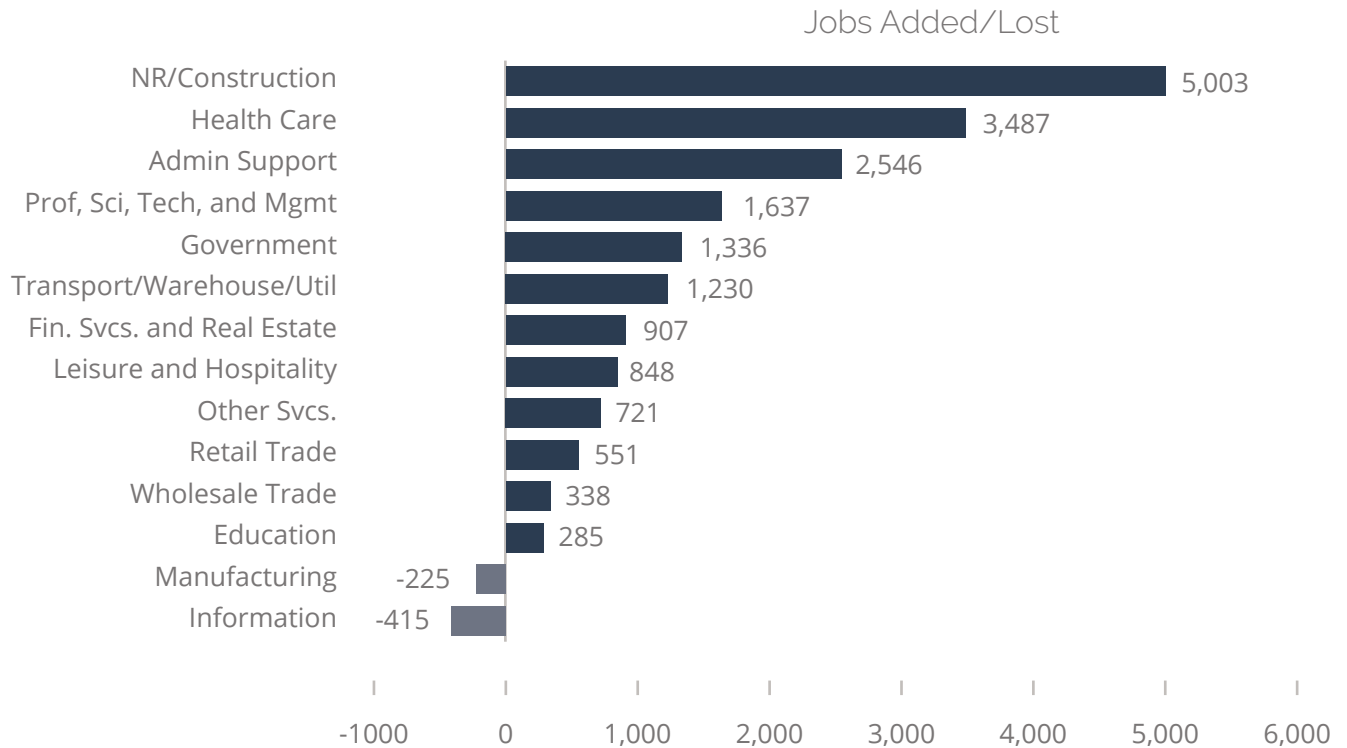


### Jobs Added/Lost by Industry: Placer County (Q1-20 to Q4-21)



Source top and bottom: California Employment Development Department; Analysis by Beacon Economics.

## Jobs Added/Lost by Industry: Placer County (Q4-16 to Q4-21)



Source: California Employment Development Department; Analysis by Beacon Economics.

While there have been declines in overall payrolls in Placer County, its high-wage industries have been remarkably resilient during the pandemic. Employees have been able to work from home, which has not been possible in many sectors of the economy, and some industries have seen increased business due to the pandemic. From first-quarter 2020 through fourth-quarter 2021, Transportation, Warehousing and Utilities increased payrolls by 693, a 17.7% rise. This growth was fueled by the growth in e-commerce during the pandemic. Other sectors increasing payrolls were Professional, Scientific and Technical Services and Management (611 jobs or 5.2%), Administrative Support (584 jobs or 5.2%), Manufacturing (473 or 8.3%), and Natural Resources and Construction (388 jobs or 2.0%).

Employment growth in Placer County has been weighted down from a handful of sectors. From first-quarter 2020 through fourth-quarter 2021, Leisure and Hospitality led payroll declines in Placer County, with payrolls falling by -1,000 (-4.1%). Other sectors posting sizeable declines over the same period were Information (-445 jobs or -18.9%), Retail Trade (-419 jobs or -1.8%), and Other Services (-118 jobs or -1.8%). This should not come as a surprise given these sectors were the most impacted by government restrictions and changes in consumer behavior due to the pandemic.

### Total Employment in Placer County by Industry, Q4-21

| Industry                   | Total Employment | Location Quotient* |
|----------------------------|------------------|--------------------|
| NR/Construction            | 19,435           | 1.4                |
| Transport/Warehouse/Util   | 4,599            | 0.5                |
| Manufacturing              | 6,147            | 0.5                |
| Wholesale Trade            | 4,635            | 0.7                |
| Retail Trade               | 22,822           | 1.4                |
| Information                | 1,915            | 0.3                |
| Fin. Svcs. and Real Estate | 13,107           | 1.5                |
| Prof, Sci, Tech, and Mgmt  | 12,314           | 0.7                |
| Admin Support              | 11,903           | 1.0                |
| Education                  | 1,802            | 0.6                |
| Health Care                | 27,892           | 1.1                |
| Leisure and Hospitality    | 23,585           | 1.3                |
| Other Svcs.                | 6,423            | 1.3                |
| Government                 | 20,713           | 0.8                |
| <b>Total</b>               | <b>177,290</b>   |                    |
| <b>Total Private</b>       | <b>156,577</b>   |                    |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the concentration of an industry in Placer County relative to the concentration of the industry in California.



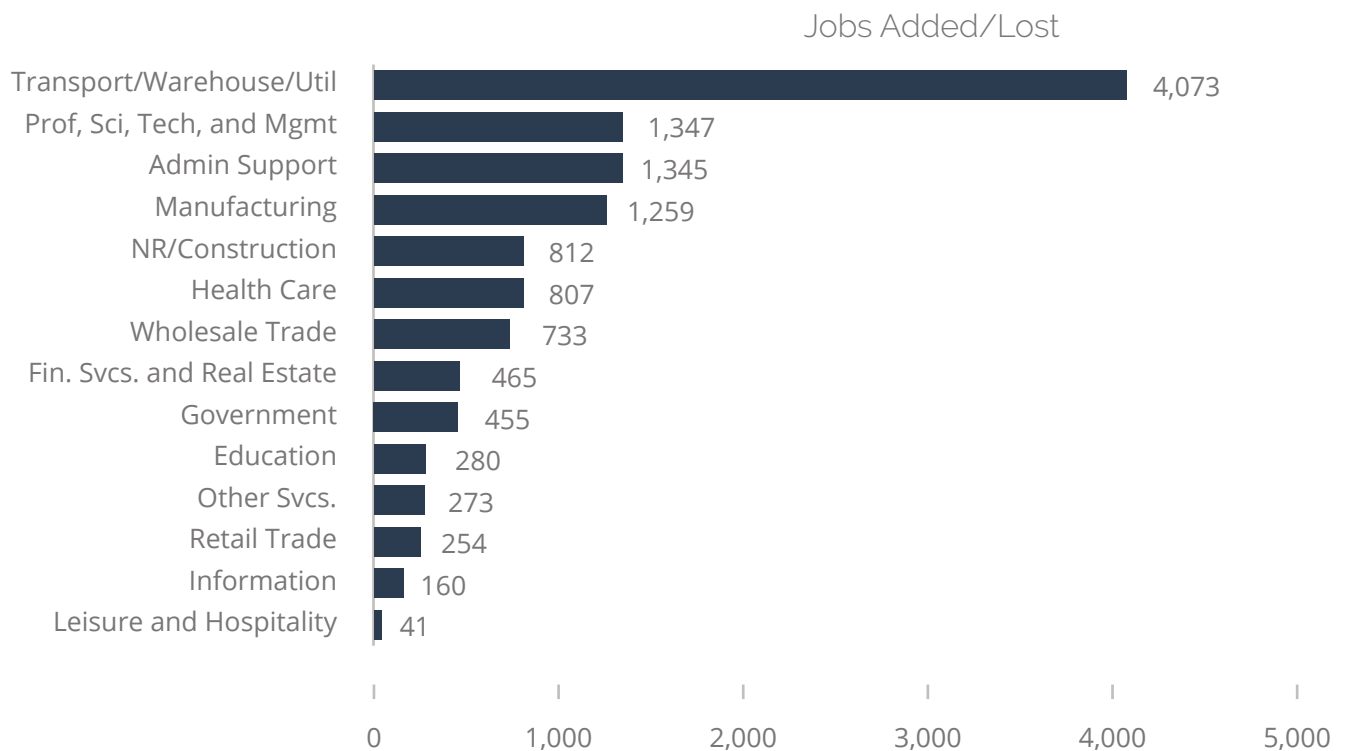
## Total Employment in Placer County by Industry, Q4-21 (Cont.)

| Industry                   | Growth since Q1-20 |                   |                |
|----------------------------|--------------------|-------------------|----------------|
|                            | Placer County      | Placer County (%) | California (%) |
| NR/Construction            | 388                | 2.0               | -1.6           |
| Transport/Warehouse/Util   | 693                | 17.7              | 13.1           |
| Manufacturing              | 473                | 8.3               | -2.0           |
| Wholesale Trade            | 320                | 7.4               | -4.8           |
| Retail Trade               | -419               | -1.8              | -3.0           |
| Information                | -445               | -18.9             | 2.6            |
| Fin. Svcs. and Real Estate | 257                | 2.0               | -0.9           |
| Prof, Sci, Tech, and Mgmt  | 611                | 5.2               | 1.9            |
| Admin Support              | 584                | 5.2               | 0.6            |
| Education                  | -100               | -5.3              | -3.5           |
| Health Care                | 321                | 1.2               | -0.1           |
| Leisure and Hospitality    | -1,000             | -4.1              | -11.2          |
| Other Svcs.                | -118               | -1.8              | -9.9           |
| Government                 | -29                | -0.1              | -4.2           |
| <b>Total</b>               | <b>1,536</b>       | <b>0.9</b>        | <b>-2.2</b>    |
| <b>Total Private</b>       | <b>1,565</b>       | <b>1.0</b>        | <b>-1.9</b>    |

Source: California Employment Development Department; Analysis by Beacon Economics.

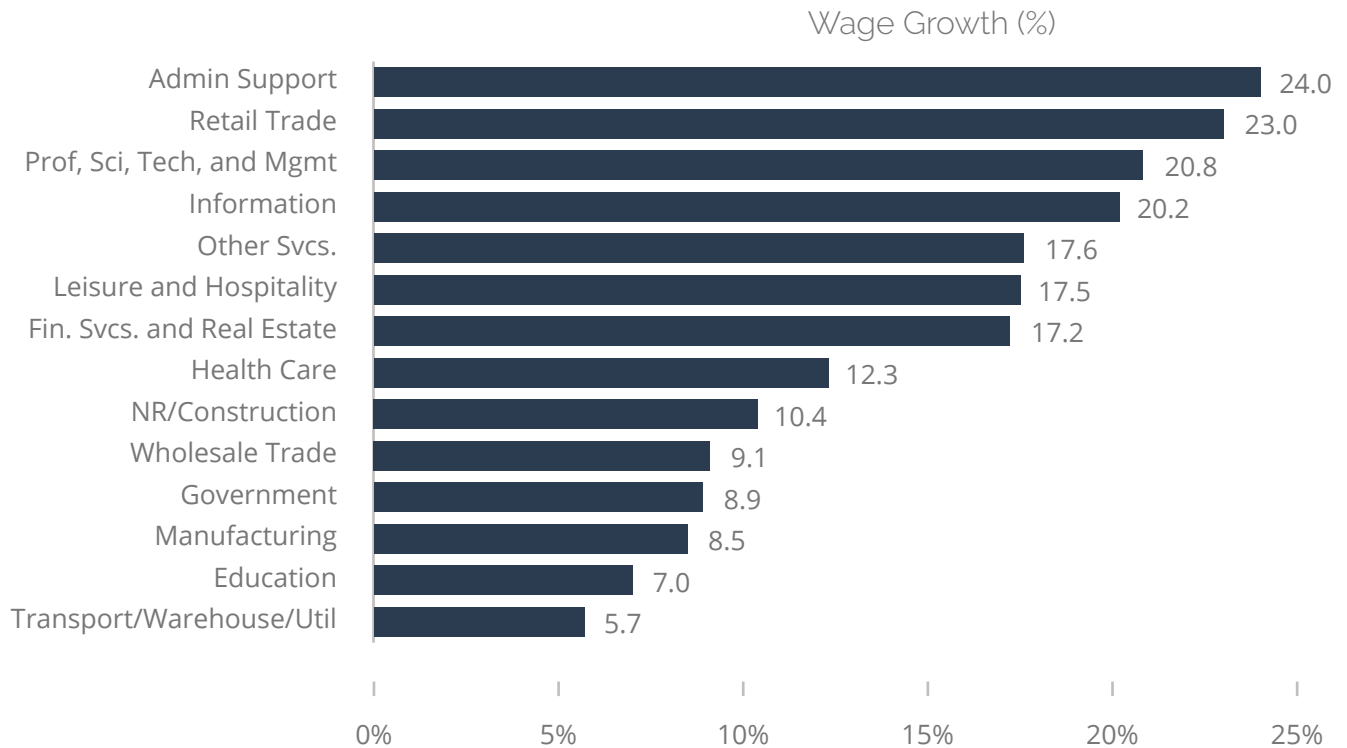
Average annual wages were up across all industries in Placer County since the first-quarter of 2020. As employers compete for workers due to labor shortages, wages have grown rapidly in many industries. Administrative Support (24.0%) experienced the largest increase in percentage terms since the first-quarter of 2020. This was followed by growth in Retail Trade (23.0%). Other sectors experiencing rapid wage growth were Professional, Scientific and Technical Services and Management (20.8%), Information (20.2%), Other Services (17.6%), Leisure and Hospitality (17.5%), and Financial Services and Real Estate (17.2%). Many of these industries have struggled to attract workers, and employers have had to raise wages to attract workers.

### Jobs Added/Lost by Industry: Placer County (Q4-20 to Q4-21)



Source: California Employment Development Department; Analysis by Beacon Economics.

## Wage Growth by Industry: Placer County (Q1-20 to Q4-21)



## Wage Growth by Industry: Placer County (Q4-16 to Q4-21)



Source top and bottom: California Employment Development Department; Analysis by Beacon Economics



## Avg. Annual Wages in Placer County by Industry, Q4-21

| Industry                   | Avg. Annual Wage (\$) | Growth since Q1-20 |                | Relative Wage (%)* |
|----------------------------|-----------------------|--------------------|----------------|--------------------|
|                            |                       | Placer County (%)  | California (%) |                    |
| NR/Construction            | 74,643                | 10.4               | 9.0            | 108.1              |
| Transport/Warehouse/Util   | 82,939                | 5.7                | 9.9            | 110.9              |
| Manufacturing              | 77,948                | 8.5                | 16.9           | 65.2               |
| Wholesale Trade            | 79,216                | 9.1                | 14.6           | 83.4               |
| Retail Trade               | 46,674                | 23.0               | 18.2           | 98.7               |
| Information                | 81,949                | 20.2               | 21.1           | 33.3               |
| Fin. Svcs. and Real Estate | 115,341               | 17.2               | 22.8           | 79.8               |
| Prof, Sci, Tech, and Mgmt  | 101,639               | 20.8               | 17.5           | 64.6               |
| Admin Support              | 62,844                | 24.0               | 19.7           | 104.8              |
| Education                  | 32,306                | 7.0                | 5.4            | 51.3               |
| Health Care                | 85,568                | 12.3               | 11.3           | 140.3              |
| Leisure and Hospitality    | 29,912                | 17.5               | 19.2           | 76.3               |
| Other Svcs.                | 47,711                | 17.6               | 11.9           | 94.7               |
| Government                 | 70,485                | 8.9                | 8.7            | 85.8               |
| <b>Total</b>               | <b>69,533</b>         | <b>13.9</b>        | <b>15.1</b>    | <b>80.7</b>        |
| <b>Total Private</b>       | <b>69,407</b>         | <b>14.6</b>        | <b>16.1</b>    | <b>79.9</b>        |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the wage of an industry in Placer County relative to the wage of the industry in California.

Over the last 5 years, employment growth has been strongest at establishments with less than 15 employees in Placer County, with employment levels growing by 5,804 jobs or 16.4%. Establishments with less than 15 employees accounted for 36.6% of the jobs added in the county over this period. This was followed by growth at establishments with more than 100 employees (4,832 or 10.1%), 25 to 49 employees (2,111 jobs or 10.7%), 15 to 24 employees (1,679 jobs or 11.6%), and 50 to 99 employees (1,448 jobs or 7.0%).

## Private Employment by Business Establishment Size in Placer County (2016-2021)

| Category                | Establishment Count | Employment (000s) | 5-Year Employment Change | 5-Year Employment Growth (%) |
|-------------------------|---------------------|-------------------|--------------------------|------------------------------|
| Less than 15 Employees  | 4,024               | 41.2              | 5,804                    | 16.4                         |
| 15 to 24 Employees      | 786                 | 16.1              | 1,679                    | 11.6                         |
| 25 to 49 Employees      | 592                 | 21.9              | 2,111                    | 10.7                         |
| 50 to 99 Employees      | 303                 | 22.1              | 1,448                    | 7.0                          |
| More than 100 Employees | 191                 | 52.9              | 4,832                    | 10.1                         |
| <b>Total</b>            | <b>5,894</b>        | <b>154.2</b>      | <b>15,874</b>            | <b>11.5</b>                  |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

Despite weak employment growth there has still been an influx of establishments into the county. Over the last 5 years, 928 more establishments have opened in Placer County than have gone out of business. In addition, the county saw net increases in 2020 and 2021 despite facing headwinds in industries like Leisure and Hospitality and Other Services due to the COVID-19 pandemic.

## Business Establishment Births/Deaths in Placer County (2014 – 2021)

| Year | Births | Deaths | Net |
|------|--------|--------|-----|
| 2014 | 557    | -279   | 278 |
| 2015 | 551    | -304   | 247 |
| 2016 | 681    | -250   | 431 |
| 2017 | 535    | -304   | 231 |
| 2018 | 520    | -355   | 165 |
| 2019 | 522    | -283   | 239 |
| 2020 | 469    | -265   | 204 |
| 2021 | 443    | -354   | 89  |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

While many businesses faced headwind due to the pandemic, it also created opportunities. Leisure and Hospitality had the largest increase in establishments over the last year, with 39 more establishments opening than have gone out of business. This was driven by new Food and Drinking Places establishments, and with the increase the number of Leisure and Hospitality establishments in Placer County are now surpassing pre-pandemic levels. Other sectors with more establishments opening than have gone out of business were Other Services (22 establishments), Natural Resources and Construction (14 establishments), Transportation, Warehousing and Utilities (14 establishments) and Administrative Support (12 establishments). Industries with more business closures than openings were Health Care (-16 establishments), Financial Services and Real Estate (-6 establishments), Wholesale Trade (-4 establishments), and Retail Trade (-2 establishments). The net decrease in Health Care establishments was driven by declines in Social Assistance establishments, which includes Individual and Family Services; Community Food and Housing, and Emergency and Other Relief Services; Vocational Rehabilitation Services; and Child Day Care Services.

### Business Establishment Births/Deaths by Industry in Placer County (2020-2021)

| Industry                   | Births | Deaths | Net |
|----------------------------|--------|--------|-----|
| Leisure and Hospitality    | 98     | -59    | 39  |
| Other Svcs.                | 50     | -28    | 22  |
| NR/Construction            | 38     | -24    | 14  |
| Transport/Warehouse/Util   | 18     | -4     | 14  |
| Admin Support              | 28     | -16    | 12  |
| Education                  | 10     | -5     | 5   |
| Manufacturing              | 12     | -8     | 4   |
| Information                | 8      | -5     | 3   |
| Prof, Sci, Tech, and Mgmt  | 31     | -29    | 2   |
| Government                 | 3      | -1     | 2   |
| Retail Trade               | 47     | -49    | -2  |
| Wholesale Trade            | 6      | -10    | -4  |
| Fin. Svcs. and Real Estate | 45     | -51    | -6  |
| Health Care                | 49     | -65    | -16 |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

Employment growth was mixed across cities in Placer County since the start of the COVID-19 pandemic. From first-quarter 2020 through fourth-quarter 2021, Roseville led payroll gains in Placer County, with payrolls expanding by 2,345 (2.8%). This was followed by growth in Lincoln (537 jobs or 4.6%) and Colfax (10 jobs or 1.0%). In contrast, Unincorporated Placer County led payrolls declines in Placer County, with payrolls falling by 829 (-3.9%). This was followed by declines in Rocklin (-817 jobs or -2.8%), Auburn (160 or -0.7%), and Loomis (-92 jobs or -2.8%).

### Placer County Employment by City, Q4-21

| City           | Employment Count | Change Since Q1-20 |      | 5-Year Change |      |
|----------------|------------------|--------------------|------|---------------|------|
|                |                  | (#)                | (%)  | (#)           | (%)  |
| Auburn         | 22,551           | -160               | -0.7 | 358           | 1.6  |
| Colfax         | 984              | 10                 | 1.0  | 36            | 3.8  |
| Lincoln        | 12,314           | 537                | 4.6  | 2,489         | 25.3 |
| Loomis         | 5,705            | -92                | -1.6 | 1,078         | 23.3 |
| Rocklin        | 28,792           | -817               | -2.8 | 3,750         | 15.0 |
| Roseville      | 86,124           | 2,345              | 2.8  | 9,940         | 13.0 |
| Unincorporated | 20,556           | -829               | -3.9 | 558           | 2.8  |

Source: California Employment Development Department; Analysis by Beacon Economics.

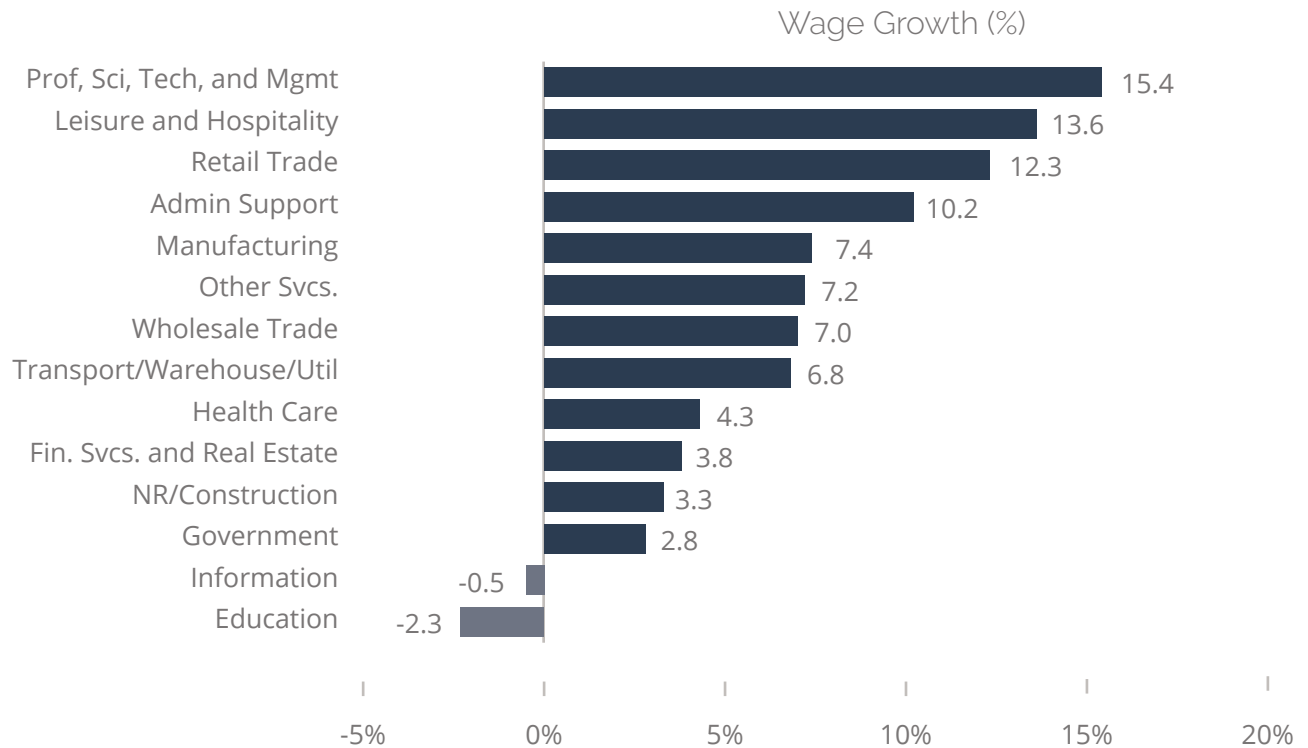
Wages have grown across all cities in Placer County since the first quarter of 2020. Average annual wages in Roseville reached \$80,166 in the fourth-quarter of 2021, a 12.7% increase from the first-quarter of 2020. This was followed by growth in Rocklin (12.0%), Auburn (11.7%), Colfax (10.5%), Lincoln (10%), Unincorporated Placer County (9.8%), and Loomis (9.0%). Average annual wages were highest in Roseville (\$80,166), followed by average annual wages in Rocklin (\$62,911), Auburn (\$61,005), Loomis (\$59,330), Unincorporated Placer County (\$58,340), Lincoln (\$52,617), and Colfax (\$41,579).

### Placer County Avg. Annual Wages by City, Q4-21

| City           | Avg. Annual Wage (\$) | Change Since Q1-20<br>(%) | 5-Year Change<br>(%) |
|----------------|-----------------------|---------------------------|----------------------|
| Auburn         | 61,005                | 11.7                      | 24.9                 |
| Colfax         | 41,579                | 10.5                      | 32.1                 |
| Lincoln        | 52,617                | 10.0                      | 15.7                 |
| Loomis         | 59,330                | 9.0                       | 25.1                 |
| Rocklin        | 62,911                | 12.0                      | 23.6                 |
| Roseville      | 80,166                | 12.7                      | 31.1                 |
| Unincorporated | 58,340                | 9.8                       | 24.6                 |

Source: California Employment Development Department; Analysis by Beacon Economics.

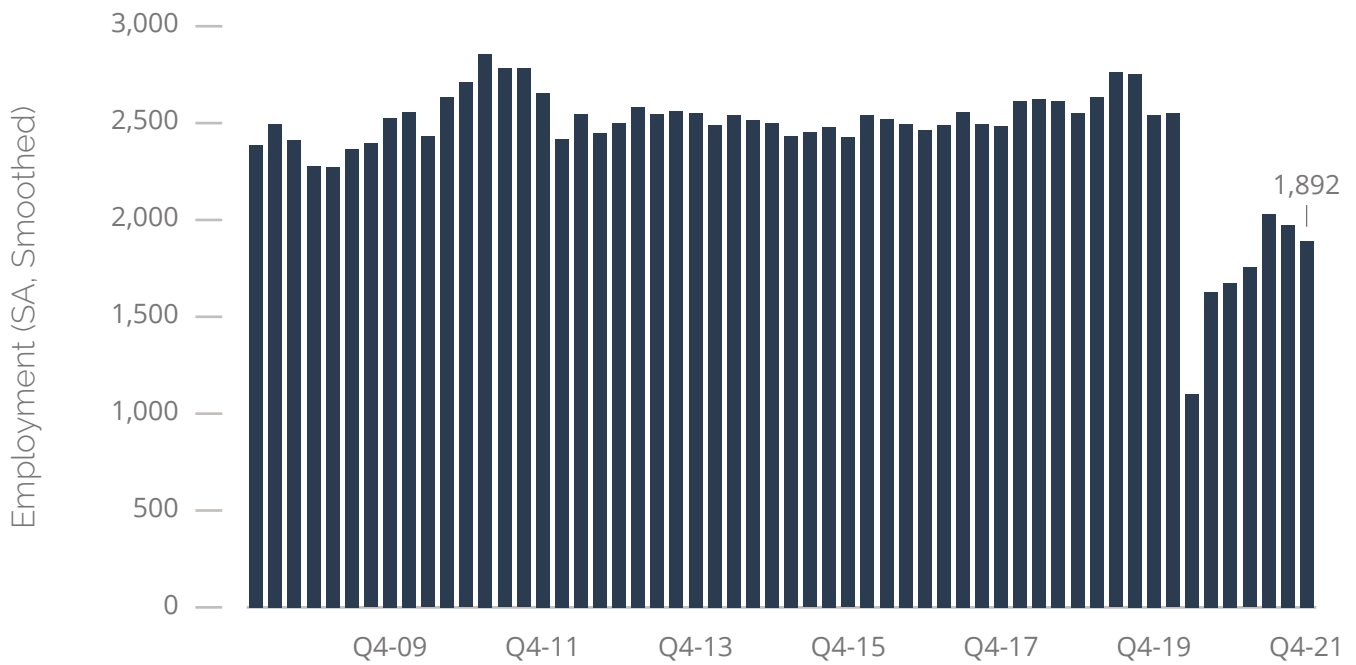
## Wage Growth by Industry: Placer County (Q4-20 to Q4-21)



Source: California Employment Development Department; Analysis by Beacon Economics.

The Accommodation subsector has been slow to recover from COVID-19 pandemic. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Accommodation subsector fell by 658 jobs, a 25.8% decline. The substantial declines since the start of the pandemic have also pushed down longer-term growth for the Accommodation subsector, with payrolls falling by 23.2% over the last five years. As more people begin to travel, the accommodations sectors should continue to grow steadily as more data becomes available.

## Placer County Employment: Accommodation

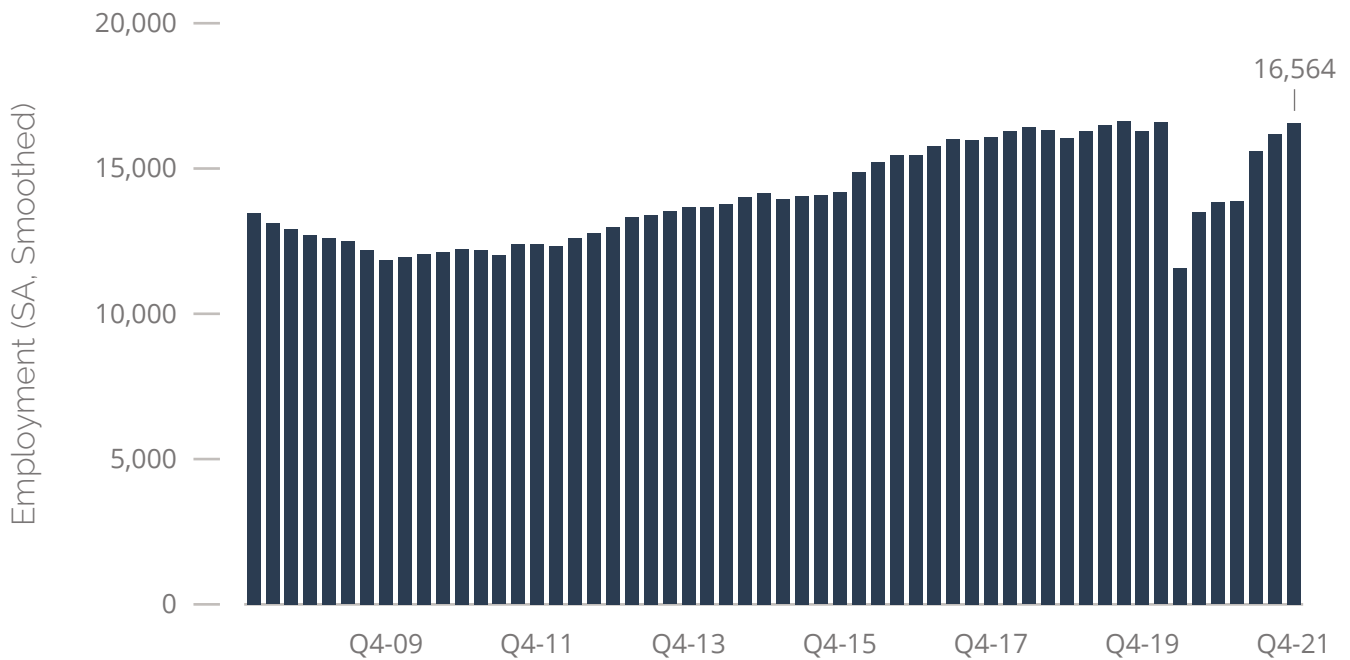


Source: California Employment Development Department; Analysis by Beacon Economics.

The Food Services and Drinking Places has been remarkably resilient. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Food Services and Drinking Places subsector fell by 24 jobs, a modest 0.1% decline. The Food Services and Drinking Places subsector has grown steadily from a longer-term perspective, with payrolls expanding by 7.1% over the last five year.



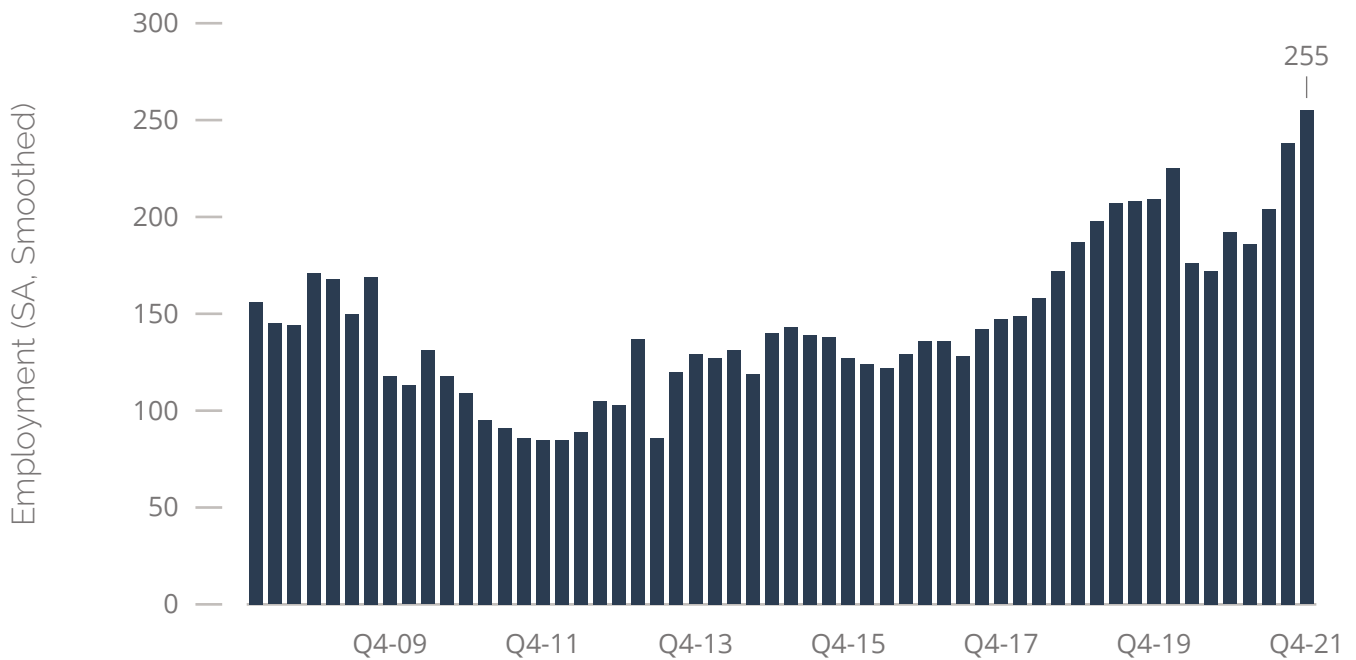
## Placer County Employment: Food Services and Drinking Places



Source: California Employment Development Department; Analysis by Beacon Economics.

This is the first year highlighting the Performing Arts and Spectator Sports subsector and the intent is to establish a baseline for the Board of Supervisor’s outcomes-based economic development critical success factor. Establishments in this subsector produce or organize and promote live presentations involving the performances of actors and actresses, singers, dancers, musical groups and artists, athletes, and other entertainers. The Performing Arts and Spectator Sports subsector has grown in recent years in Placer County. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Performing Arts and Spectator Sports subsector grew by 30 jobs, a 13.3% increase. The Performing Arts and Spectator Sports subsector has grown significantly from a longer-term perspective, with payrolls expanding by 87.5% over the last five years.

## Placer County Employment: Performing Arts and Spectator Sports

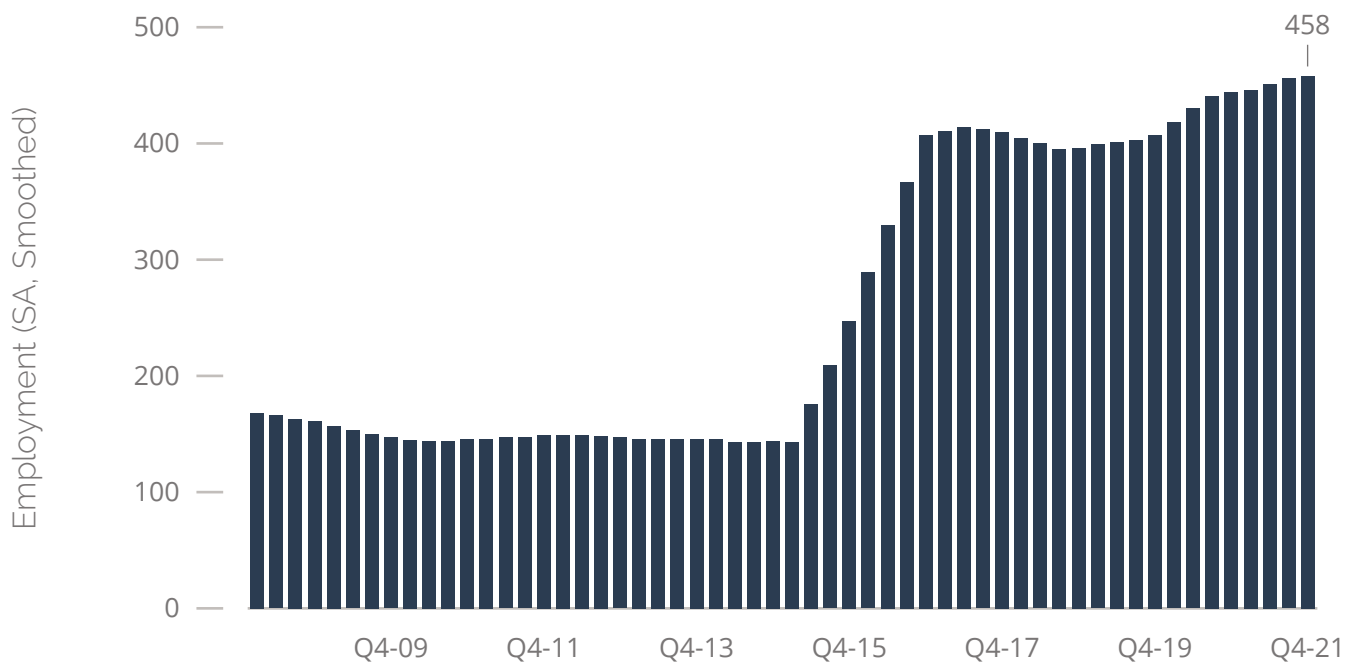


Source: California Employment Development Department; Analysis by Beacon Economics.

Growth in the Logistics industry has also led to significant growth in the Truck Transportation subsector in recent years. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Truck Transportation subsector fell by 13 jobs, a 1.1% decrease. The Truck Transportation subsector has grown significantly from a longer-term perspective, with payrolls expanding by 746 over the last five years.

This is the first year highlighting the Administration of Environmental Quality Programs subsector, which includes local, state, and federal government positions, and the intent is to establish a baseline as this becomes a greater focus area of the County and its partners. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Administration of Environmental Quality Programs subsector grew by 40 jobs, a 9.6% increase. The Administration of Environmental Quality Programs subsector has grown significantly from a longer-term perspective, with payrolls over three times as high as they were 10 years ago.

### Administration Of Environmental Quality Programs



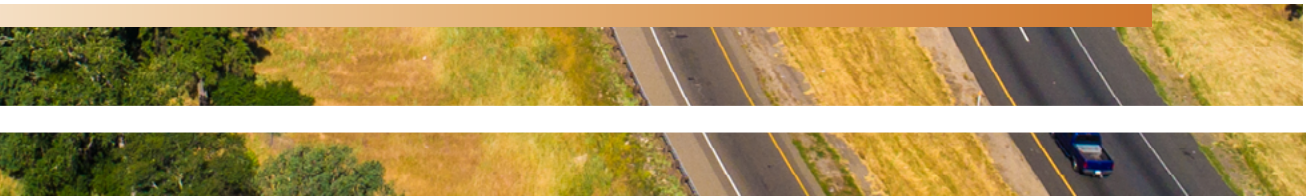
Source: California Employment Development Department (EDD); Analysis by Beacon Economics.





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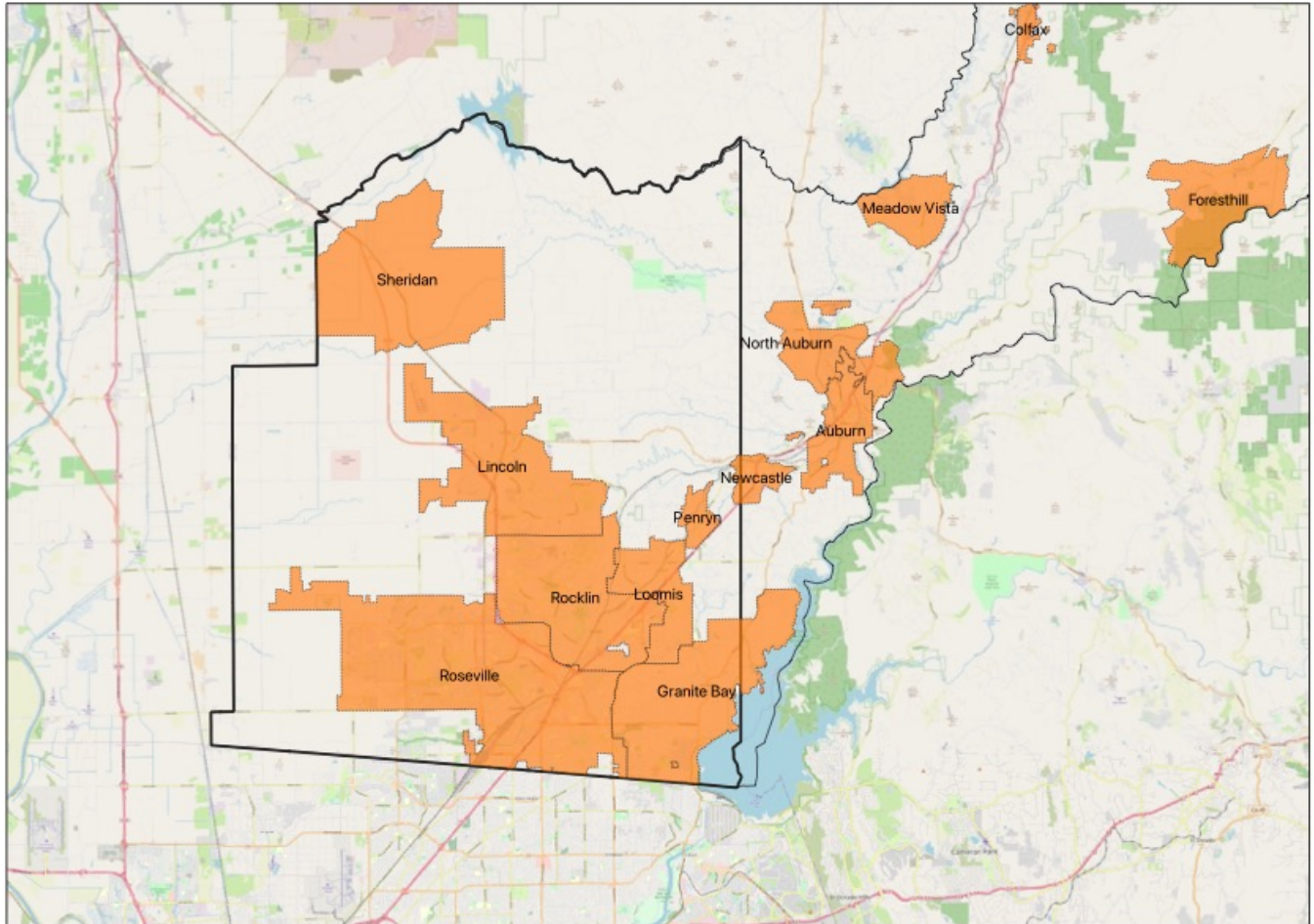
# West Placer Region





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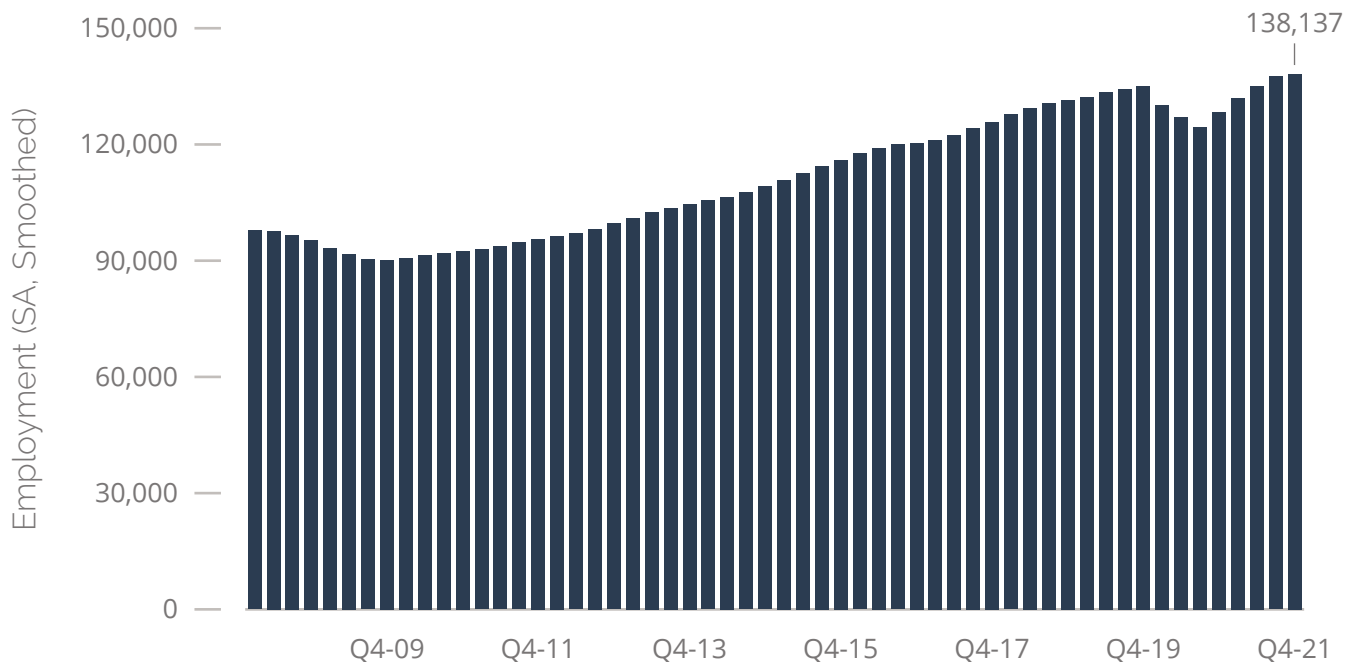
# West Placer Region



The following section highlights the West Placer Region of Placer County. The West Placer Region accounts for the vast majority of jobs in Placer County and contains the County's largest cities. The region's strengths include Financial Services and Real Estate; Natural Resources and Construction; Retail Trade; Other Services; Health Care; Administrative Support; and Leisure and Hospitality. The Financial Services and Real Estate industry is almost entirely concentrated in the cities of Rocklin and Roseville, leveraging the relatively large number of highly educated residents in these cities.

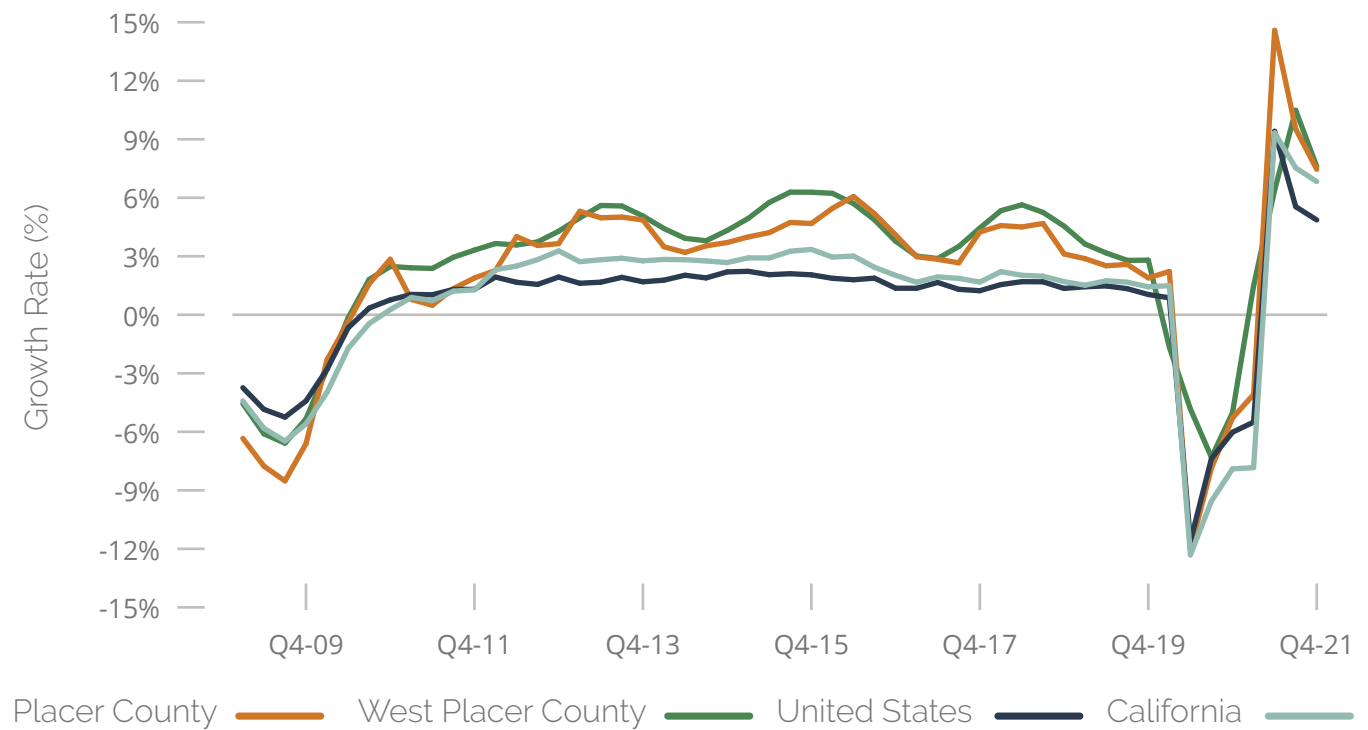
The West Placer Region’s labor market is continuing to recover from the COVID-19 pandemic, and at a significantly faster pace relative to California. From first-quarter 2020 through fourth-quarter 2021, payrolls in the West Placer Region grew by 2,563 positions, or 1.9%, with much of the growth occurring in Roseville. This is in stark contrast to the 2.2% decline in payrolls in California over the same period. With strong gains from its high-skilled sectors, the West Placer Region was the fastest growing region in Placer County over this period. In addition, recent gains have been fueled by Professional, Scientific and Technical Services and Management, Administrative Support, and Health Care and longer-term growth has been driven by Natural Resources and Construction, Health Care, and Administrative Support.

### Total Employment West Placer Region



Source: California Employment Development Department; Analysis by Beacon Economics.

## Year-Over-Year Employment Growth: Placer County, West Placer Region, CA and U.S.

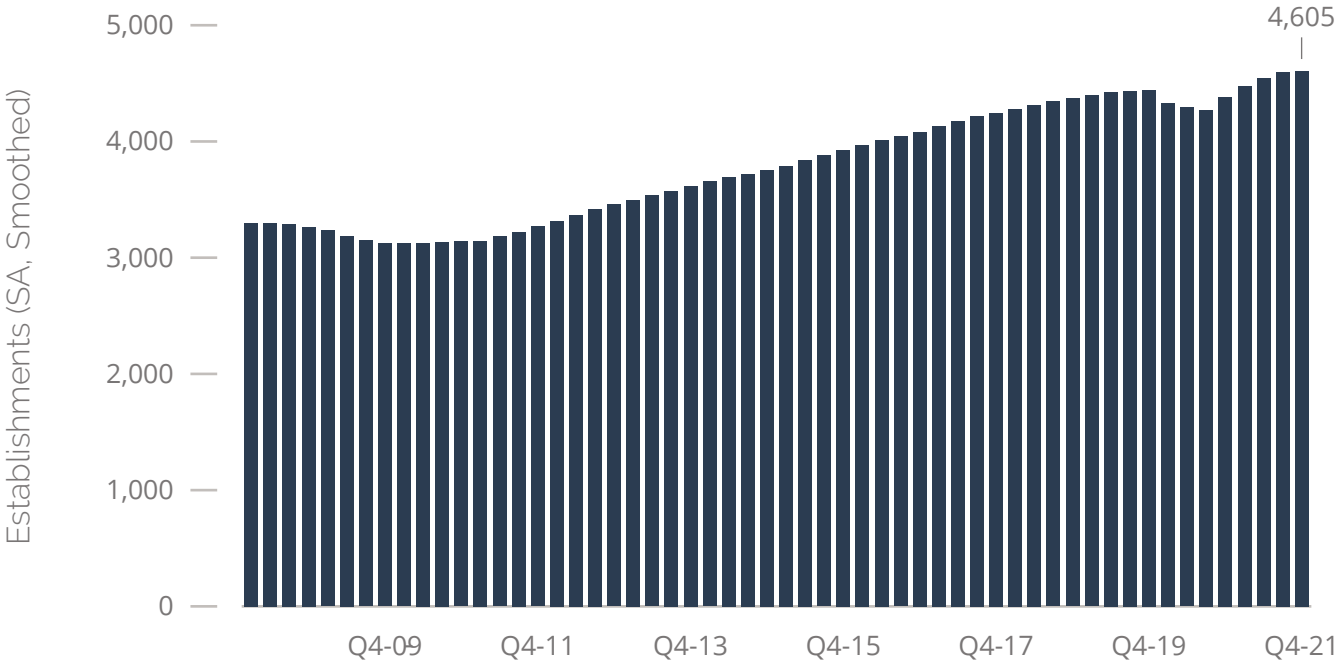


Source: California Employment Development Department; Analysis by Beacon Economics.



Along with increasing employment levels, business establishments in the West Placer Region have expanded since the start of the pandemic. The number of establishments in the region grew by 274 from first-quarter 2020 through fourth-quarter 2021, an increase of 6.3%. This bodes well for employment growth in 2022, as these new establishments will likely need to bring on additional workers to meet growing demand. In addition, this growth was largely driven by growth from sectors that were impacted by COVID-19 in 2020, such as Leisure and Hospitality and Other Services.

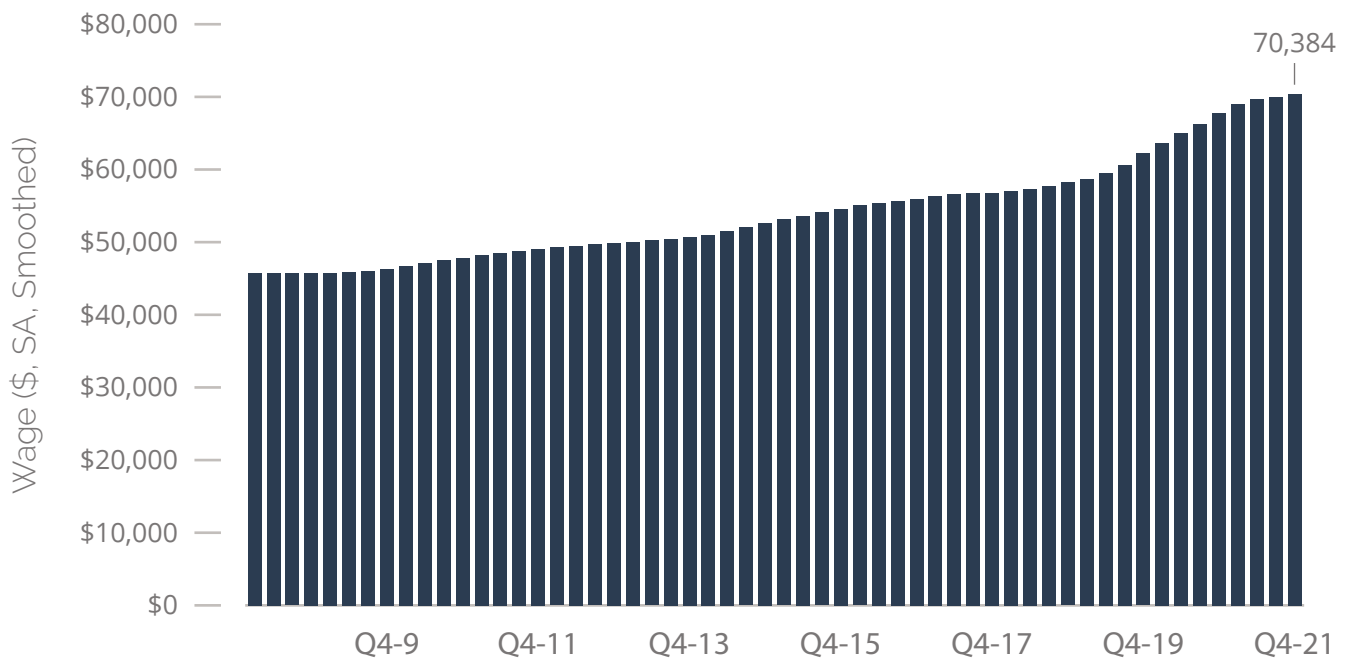
### Total Business Establishments: West Placer Region



Source: California Employment Development Department; Analysis by Beacon Economics.

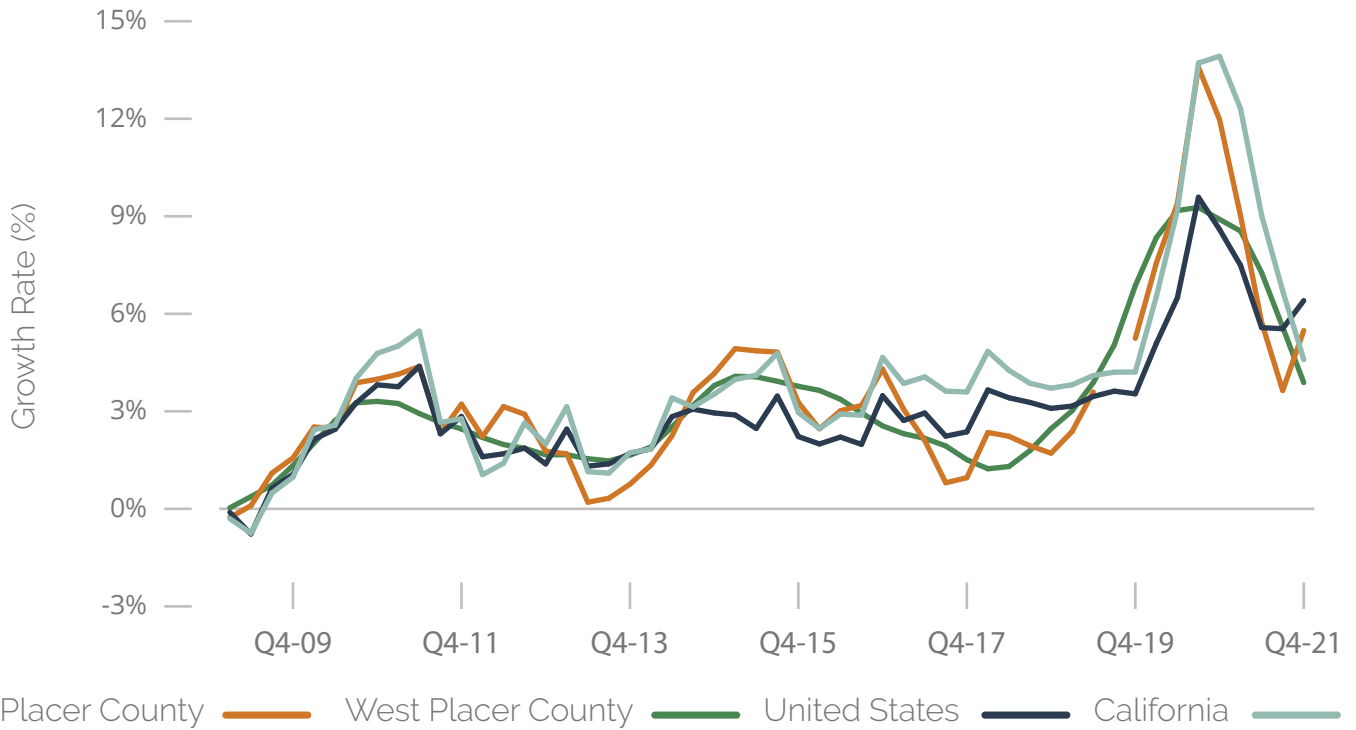
Average annual wages in the West Placer Region reached \$72,172 in the fourth-quarter of 2021, a 14.5% increase from the first-quarter of 2020. Average annual wages grew more rapidly in California (15.1%) over the same period, and average annual wages in the West Placer Region are 16.3% below California's. This strong growth in wages is due to labor shortages and businesses having to increase wages to attract workers.

### Average Annual Wages: West Placer Region

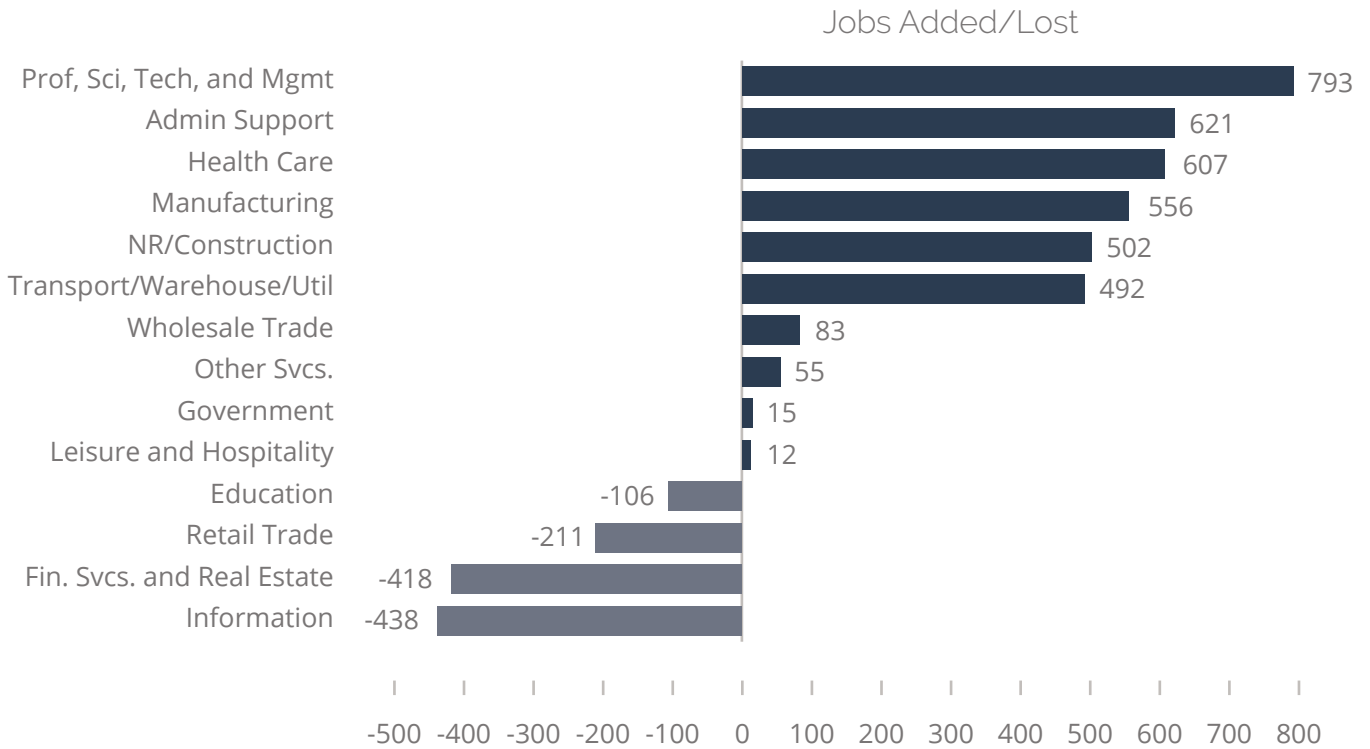


Source: California Employment Development Department; Analysis by Beacon Economics.

### Year-Over-Year Wage Growth: West Placer Region, Placer County, CA and U.S.

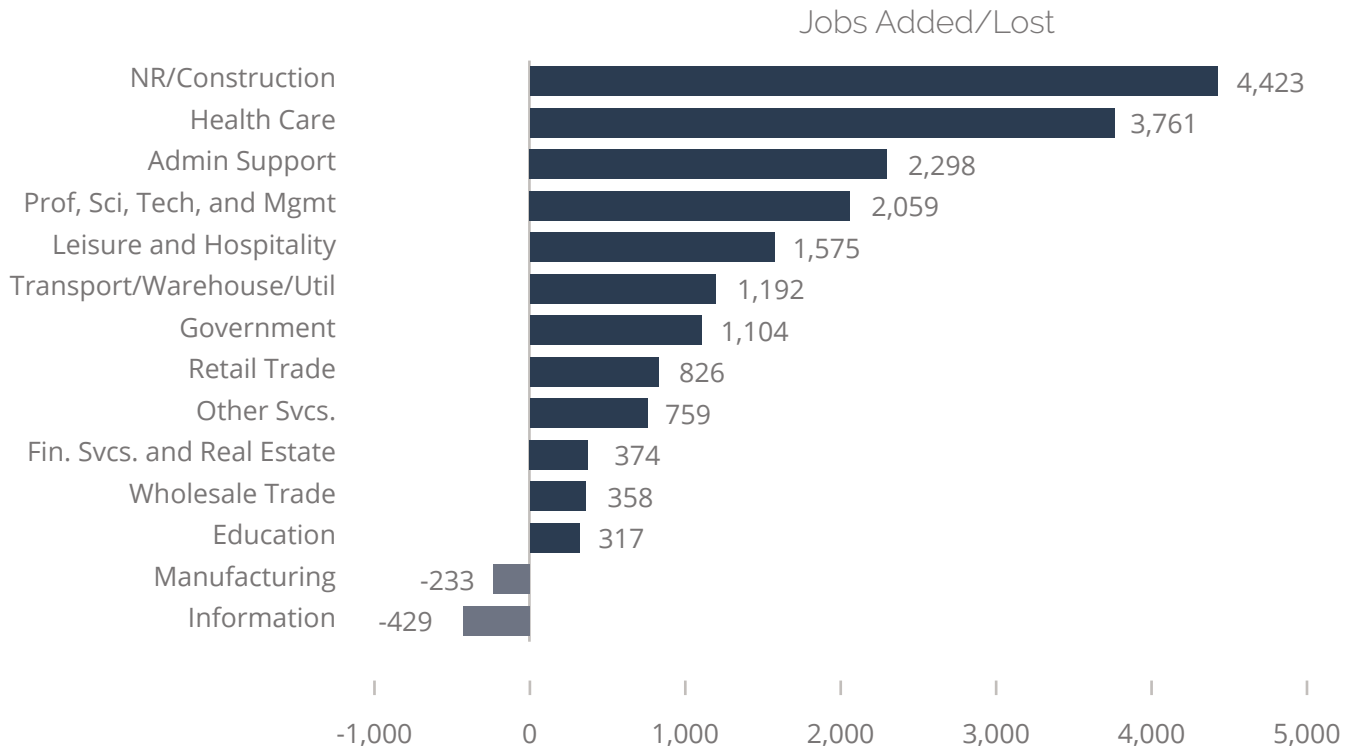


### Jobs Added/Lost by Industry: West Placer Region (Q1-20 to Q4-21)

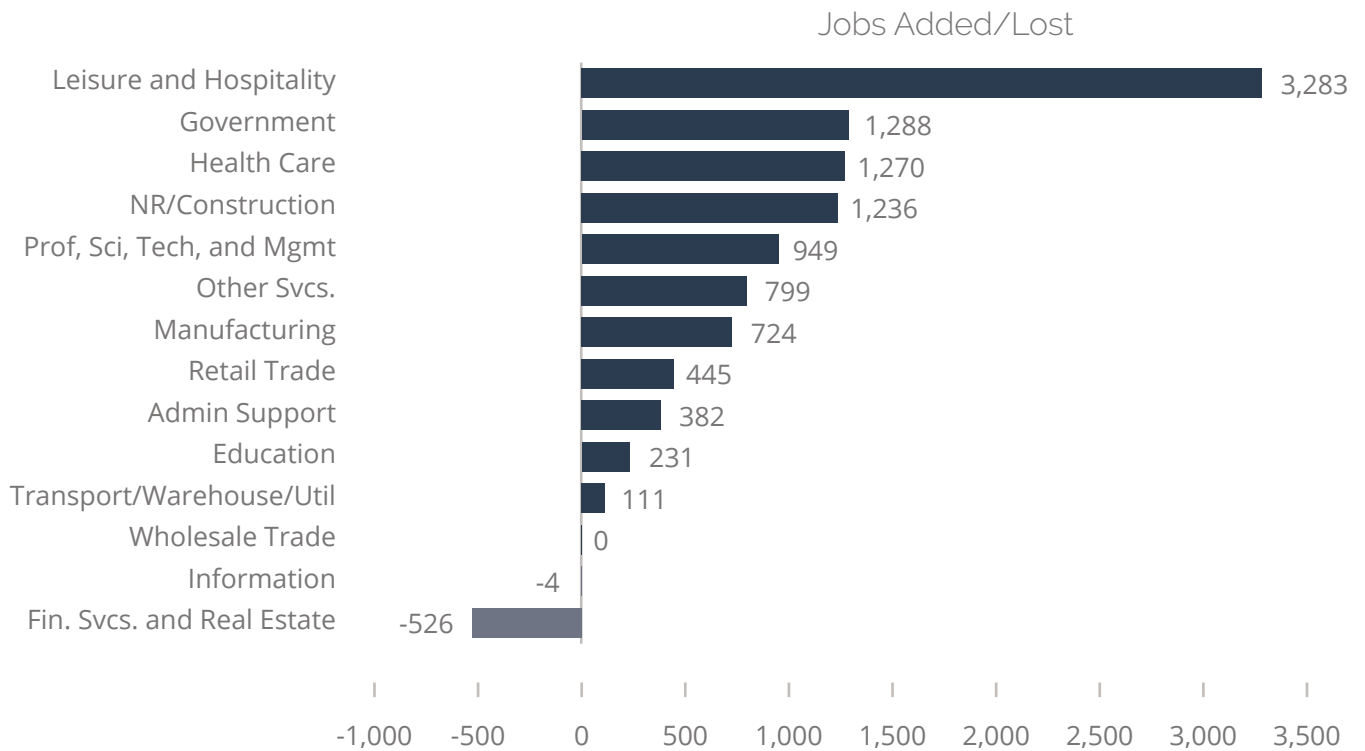


Source top and bottom: California Employment Development Department; Analysis by Beacon Economics

## Jobs Added/Lost by Industry: West Placer Region (Q4-16 to Q4-21)



## Jobs/Added Lost by Industry: West Placer Region (Q4-20 to Q4-21)



Source: California Employment Development Department; Analysis by Beacon Economics.

The West Placer Region’s high-wage industries have been remarkably resilient during the pandemic. Employees have been able to work from home, which has not been possible in many sectors of the economy, and some industries have seen increased business due to the pandemic. From first-quarter 2020 through fourth-quarter 2021, Professional, Scientific and Technical Services and Management increased payrolls by 793, an 8.0% rise. Other sectors increasing payrolls were Administrative Support (621 jobs or 6.7%), Health Care (607 jobs or 2.6%), Manufacturing (556 jobs or 12.2%), Natural Resources and Construction (502 jobs or 3.2%), and Transportation, Warehousing and Utilities (492 jobs or 18.2%).

### Total Employment in West Placer Region by Industry, Q4-21

| Industry                   | Total Employment | Location Quotient* |
|----------------------------|------------------|--------------------|
| NR/Construction            | 15,993           | 1.5                |
| Transport/Warehouse/Util   | 3,189            | 0.5                |
| Manufacturing              | 5,127            | 0.5                |
| Wholesale Trade            | 3,682            | 0.7                |
| Retail Trade               | 18,690           | 1.5                |
| Information                | 1,606            | 0.4                |
| Fin. Svcs. and Real Estate | 10,496           | 1.6                |
| Prof, Sci, Tech, and Mgmt  | 10,746           | 0.8                |
| Admin Support              | 9,853            | 1.1                |
| Education                  | 1,379            | 0.5                |
| Health Care                | 23,530           | 1.2                |
| Leisure and Hospitality    | 15,972           | 1.1                |
| Other Svcs.                | 5,213            | 1.3                |
| Government                 | 13,058           | 0.7                |
| <b>Total</b>               | <b>138,534</b>   |                    |
| <b>Total Private</b>       | <b>125,475</b>   |                    |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the concentration of an industry in West Placer Region relative to the concentration of the industry in California.

## Total Employment by Industry: West Placer Region (Q4-21) (Cont.)

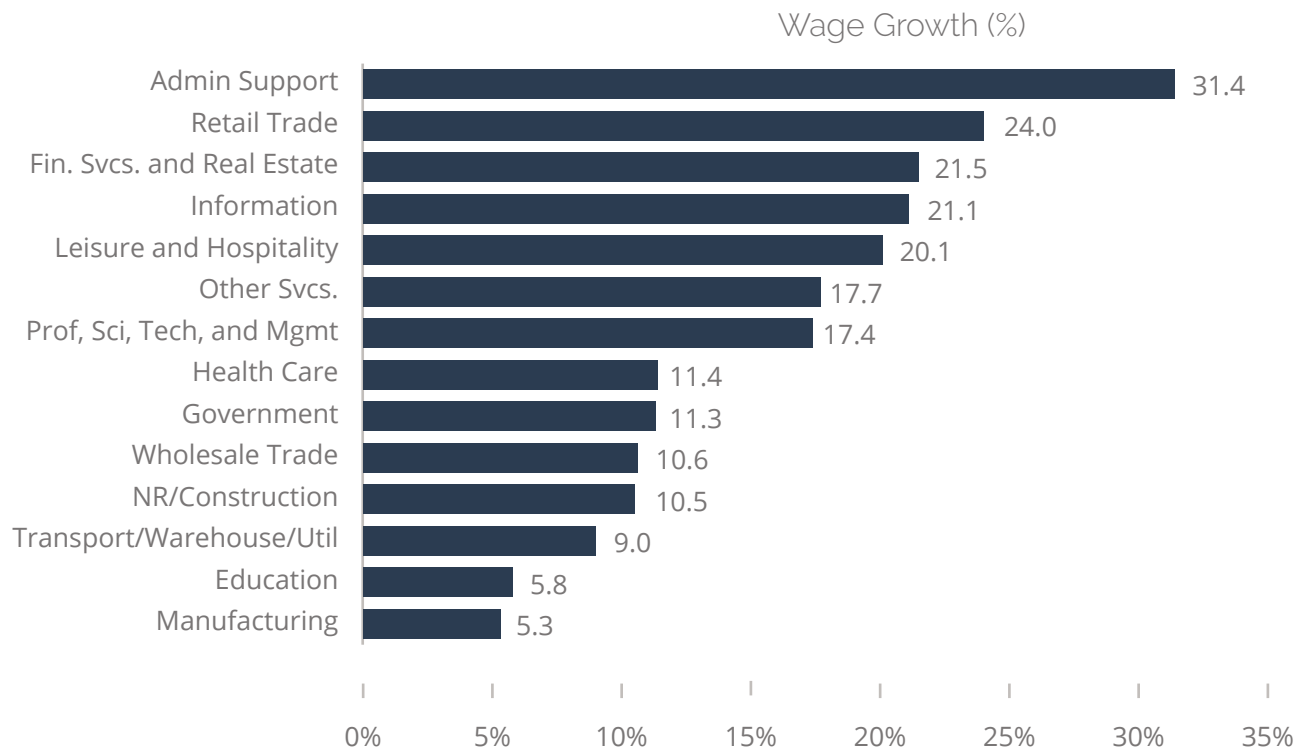
| Industry                   | Growth since Q1-20 |                        |                   |                |
|----------------------------|--------------------|------------------------|-------------------|----------------|
|                            | West Placer Region | West Placer Region (%) | Placer County (%) | California (%) |
| NR/Construction            | 502                | 3.2                    | 2.0               | -1.6           |
| Transport/Warehouse/Util   | 492                | 18.2                   | 17.7              | 13.1           |
| Manufacturing              | 556                | 12.2                   | 8.3               | -2.0           |
| Wholesale Trade            | 83                 | 2.3                    | 7.4               | -4.8           |
| Retail Trade               | -211               | -1.1                   | -1.8              | -3.0           |
| Information                | -438               | -21.4                  | -18.9             | 2.6            |
| Fin. Svcs. and Real Estate | -418               | -3.8                   | 2.0               | -0.9           |
| Prof, Sci, Tech, and Mgmt  | 793                | 8.0                    | 5.2               | 1.9            |
| Admin Support              | 621                | 6.7                    | 5.2               | 0.6            |
| Education                  | -106               | -7.2                   | -5.3              | -3.5           |
| Health Care                | 607                | 2.6                    | 1.2               | -0.1           |
| Leisure and Hospitality    | 12                 | 0.1                    | -4.1              | -11.2          |
| Other Svcs.                | 55                 | 1.1                    | -1.8              | -9.9           |
| Government                 | 15                 | 0.1                    | -0.1              | -4.2           |
| <b>Total</b>               | <b>2,563</b>       | <b>1.9</b>             | <b>0.9</b>        | <b>-2.2</b>    |
| <b>Total Private</b>       | <b>2,547</b>       | <b>2.1</b>             | <b>1.0</b>        | <b>-1.9</b>    |

Source: California Employment Development Department; Analysis by Beacon Economics.

Despite payrolls expanding since the start of the pandemic, employment growth in the West Placer Region has been weighted down from a handful of sectors. From first-quarter 2020 through fourth-quarter 2021, Information led payroll declines in the West Placer Region, with payrolls falling by -438 (-21.4%). Other sectors posting sizeable declines over the same period were Financial Services and Real Estate (-418 jobs or -3.8%), Retail Trade (-211 jobs or -1.1%), and Education (-106 jobs or -7.2%).

Average annual wages were up across all industries in the West Placer Region since the first-quarter of 2020. As employers compete for workers due to labor shortages, wages have grown rapidly in many industries. Administrative Support (31.4%) experienced the largest increase in percentage terms since the first-quarter of 2020. Other sectors experiencing rapid wage growth were Retail Trade (24.0%), Financial Services and Real Estate (21.5%), Information (21.1%), Leisure and Hospitality (20.1%), Other Services (17.7%), and Professional, Scientific and Technical Services and Management (17.4%). Wages for education workers fell, on average, in 2021, by 4.7%. This is due to the return of part-time and administrative workers who were largely furloughed during remote instruction. As these workers typically earn lower wages, their return to the sector lowered wages on average.

### Wage Growth by Industry: West Placer Region (Q1-20 to Q4-21)



Source: California Employment Development Department; Analysis by Beacon Economics.



## Wage Growth by Industry: West Placer Region (Q4-16 to Q4-21)



## Wage Growth by Industry: West Placer Region (Q4-20 to Q4-21)



Source top and bottom: California Employment Development Department; Analysis by Beacon Economics.

## Avg. Annual Wages in West Placer Region by Industry, Q4-21

| Industry                   | Avg. Annual Wage (\$) | Growth since Q1-20     |                   |                | Relative Wage (%)* |
|----------------------------|-----------------------|------------------------|-------------------|----------------|--------------------|
|                            |                       | West Placer Region (%) | Placer County (%) | California (%) |                    |
| NR/Construction            | 76,023                | 10.5                   | 10.4              | 9.0            | 110.1              |
| Transport/Warehouse/Util   | 56,685                | 9.0                    | 5.7               | 9.9            | 75.8               |
| Manufacturing              | 79,859                | 5.3                    | 8.5               | 16.9           | 66.8               |
| Wholesale Trade            | 81,696                | 10.6                   | 9.1               | 14.6           | 86.0               |
| Retail Trade               | 47,787                | 24.0                   | 23.0              | 18.2           | 101.1              |
| Information                | 83,586                | 21.1                   | 20.2              | 21.1           | 34.0               |
| Fin. Svcs. and Real Estate | 127,567               | 21.5                   | 17.2              | 22.8           | 88.2               |
| Prof, Sci, Tech, and Mgmt  | 100,533               | 17.4                   | 20.8              | 17.5           | 63.9               |
| Admin Support              | 66,661                | 31.4                   | 24.0              | 19.7           | 111.2              |
| Education                  | 30,591                | 5.8                    | 7.0               | 5.4            | 48.6               |
| Health Care                | 90,924                | 11.4                   | 12.3              | 11.3           | 149.1              |
| Leisure and Hospitality    | 27,836                | 20.1                   | 17.5              | 19.2           | 71.0               |
| Other Svcs.                | 48,751                | 17.7                   | 17.6              | 11.9           | 96.8               |
| Government                 | 68,856                | 11.3                   | 8.9               | 8.7            | 83.8               |
| <b>Total</b>               | <b>72,172</b>         | <b>14.5</b>            | <b>13.9</b>       | <b>15.1</b>    | <b>83.7</b>        |
| <b>Total Private</b>       | <b>72,516</b>         | <b>14.8</b>            | <b>14.6</b>       | <b>16.1</b>    | <b>83.5</b>        |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the wage of an industry in West Placer Region relative to the wage of the industry in California.

Over the last five years, employment growth has been strongest at establishments with less than 15 employees in the West Placer Region, with employment levels growing by 5,392 jobs or 21.8%. Establishments with less than 15 employees accounted for 33.6% of the jobs added in the region over the last five years. This was followed by growth at establishments with more than 100 employees (4,834 or 11.9%), 25 to 49 employees (2,215 jobs or 15.3%), 50 to 99 employees 1,983 jobs or 12.0%), and 15 to 24 employees (1,639 jobs or 15.0%). These gains have been fueled by payroll gains in Natural Resources and Construction, Health Care, and Administrative Support.

### Private Employment by Business Establishment Size: West Placer Region

| Category                | Establishment | Employment   | 5-Year Employment |             |
|-------------------------|---------------|--------------|-------------------|-------------|
|                         | Count         | (000s)       | Change            | Growth (%)  |
| Less than 15 Employees  | 2,936         | 30.1         | 5,392             | 21.8        |
| 15 to 24 Employees      | 611           | 12.6         | 1,639             | 15.0        |
| 25 to 49 Employees      | 443           | 16.7         | 2,215             | 15.3        |
| 50 to 99 Employees      | 256           | 18.5         | 1,983             | 12.0        |
| More than 100 Employees | 161           | 45.5         | 4,834             | 11.9        |
| <b>Total</b>            | <b>4,407</b>  | <b>123.4</b> | <b>16,063</b>     | <b>15.0</b> |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

There has still been an influx of establishments into the West Placer Region. Over the last 5 years, 751 more establishments have opened in the West Placer Region than have gone out of business. In addition, the region saw net increases in 2020 and 2021 despite facing headwinds due to the COVID-19 pandemic.

## Business Establishment Births/Deaths: West Placer Region (2014 – 2021)

| Year | Births | Deaths | Net |
|------|--------|--------|-----|
| 2014 | 394    | -195   | 199 |
| 2015 | 406    | -233   | 173 |
| 2016 | 439    | -169   | 270 |
| 2017 | 400    | -203   | 197 |
| 2018 | 391    | -237   | 154 |
| 2019 | 389    | -212   | 177 |
| 2020 | 361    | -209   | 152 |
| 2021 | 346    | -275   | 71  |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

While many businesses faced headwind due to the pandemic, it also created opportunities. Leisure and Hospitality had the largest increase in establishments over the last year, with 32 more establishments opening than have gone out of business. This significant growth in net establishments is largely due a resurgence in Food and Drinking Places establishments, which posted significant net losses in 2020 due to government restrictions and changes in consumer preferences because of the pandemic.

Other sectors with more establishments opening than have gone out of business were Other Services (19), Transportation, Warehousing and Utilities (11 establishments), Administrative Support (11 establishments), Natural Resources and Construction (9 establishments), Manufacturing (5 establishments), and Education (5 establishments). Industries with more business closures than openings were Health Care (-14 establishments), Financial Services and Real Estate (-9 establishments), Wholesale Trade (-3 establishments), and Retail Trade (-1 establishment). The net decrease in Health Care establishments was driven by declines in Social Assistance establishments, which includes Individual and Family Services; Community Food and Housing, and Emergency and Other Relief Services; Vocational Rehabilitation Services; and Child Day Care Services.

### Business Establishment Births/Deaths by Industry: West Placer Region (2014 – 2021)

| Industry                   | Births | Deaths | Net |
|----------------------------|--------|--------|-----|
| Leisure and Hospitality    | 76     | -44    | 32  |
| Other Svcs.                | 44     | -25    | 19  |
| Transport/Warehouse/Util   | 15     | -4     | 11  |
| Admin Support              | 22     | -11    | 11  |
| NR/Construction            | 27     | -18    | 9   |
| Manufacturing              | 10     | -5     | 5   |
| Education                  | 10     | -5     | 5   |
| Information                | 6      | -4     | 2   |
| Prof, Sci, Tech, and Mgmt  | 28     | -26    | 2   |
| Government                 | 2      | 0      | 2   |
| Retail Trade               | 32     | -33    | -1  |
| Wholesale Trade            | 2      | -5     | -3  |
| Fin. Svcs. and Real Estate | 32     | -41    | -9  |
| Health Care                | 40     | -54    | -14 |

Source: California Employment Development Department; Analysis by Beacon Economics.

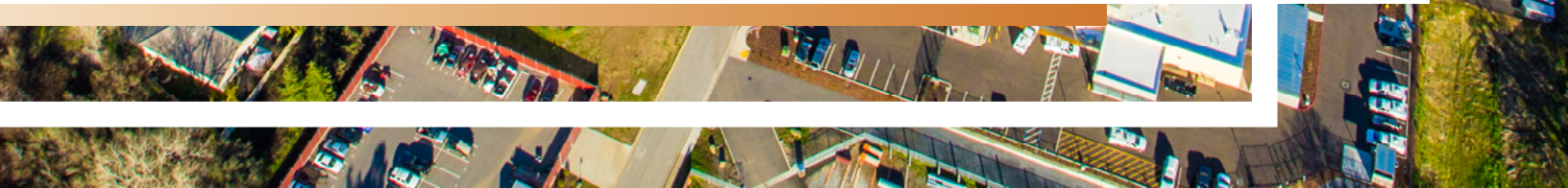
\*Measures establishments with 3 or more employees.



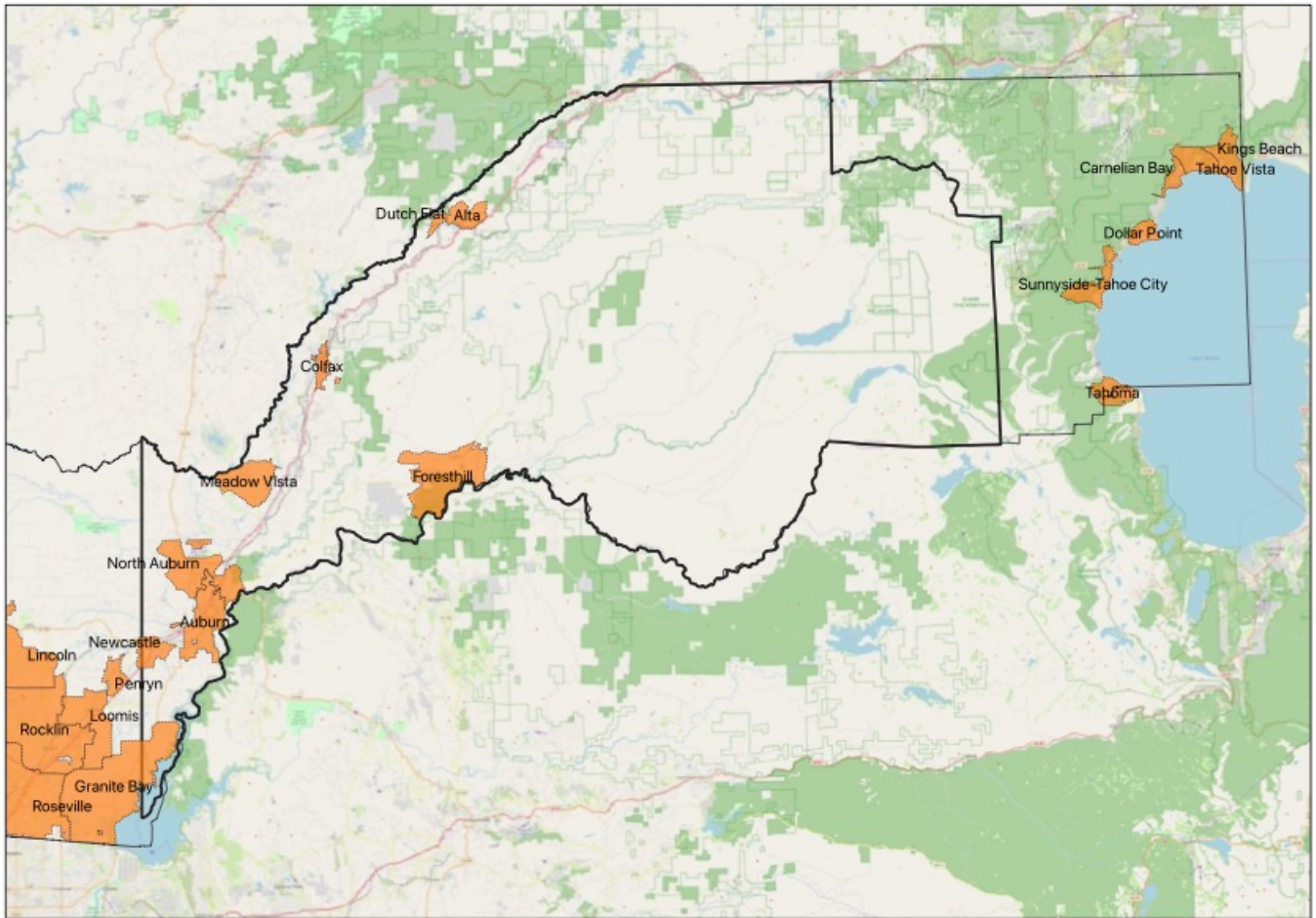


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# Foothills Region







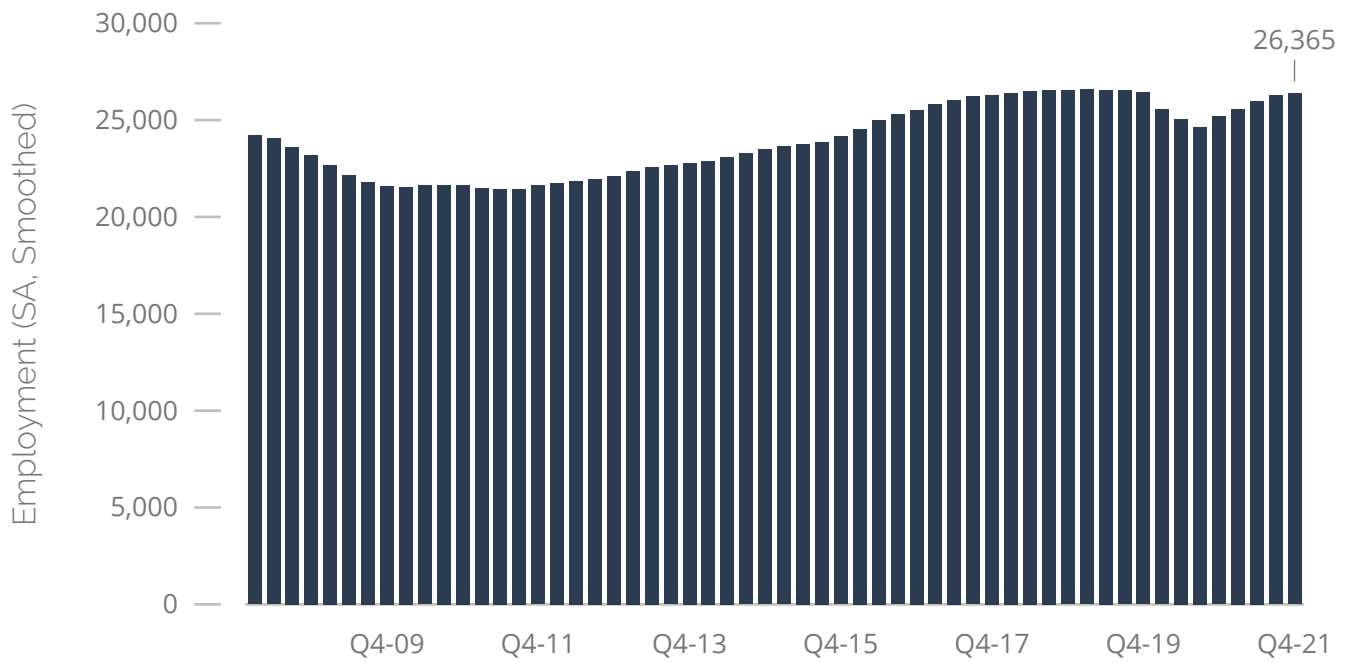
The following section highlights the Foothills Region of Placer County. The region’s strengths include Government, Retail Trade, Leisure and Hospitality, Health Care, and Natural Resources and Construction. The concentration of Government jobs is due to the Auburn Area, which is the county seat, and home to other federal, state, and local government agencies throughout unincorporated Placer County. Retail Trade, Leisure and Hospitality, and Health Care are typically characterized as internal or local population serving industries, but in an area such as the Foothills Region, a significant part of the activity in these industries can also be attributed to tourists and visitors.



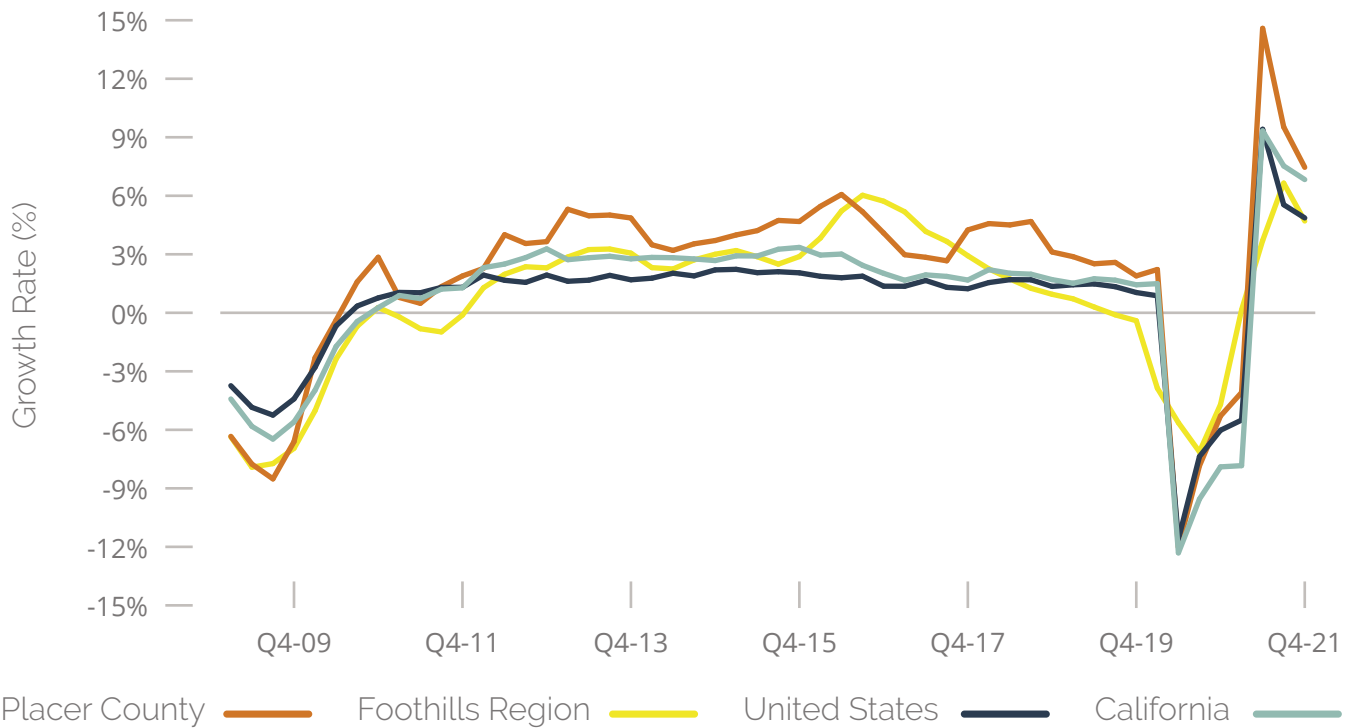
## Executive Summary

The Foothills Region's labor market is continuing to recover from the COVID-19 pandemic, but at a slower pace relative to Placer County. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Foothills Region fell by -1,138 or -0.5%. This is in contrast to the 2.2% decline in payrolls in California over the same period. Employment growth in the Foothills Region has been weighed down by sectors that were negatively impacted by restrictions and changes in consumer preferences due to the COVID-19 pandemic. However, its higher wage sectors are continuing to show strength. Indeed, recent gains have been fueled by Wholesale Trade, Natural Resources and Construction, and Professional, Scientific and Technical Services and Management and longer-term growth has been driven by Natural Resources and Construction, Manufacturing, and Government.

## Total Employment: Foothills Region



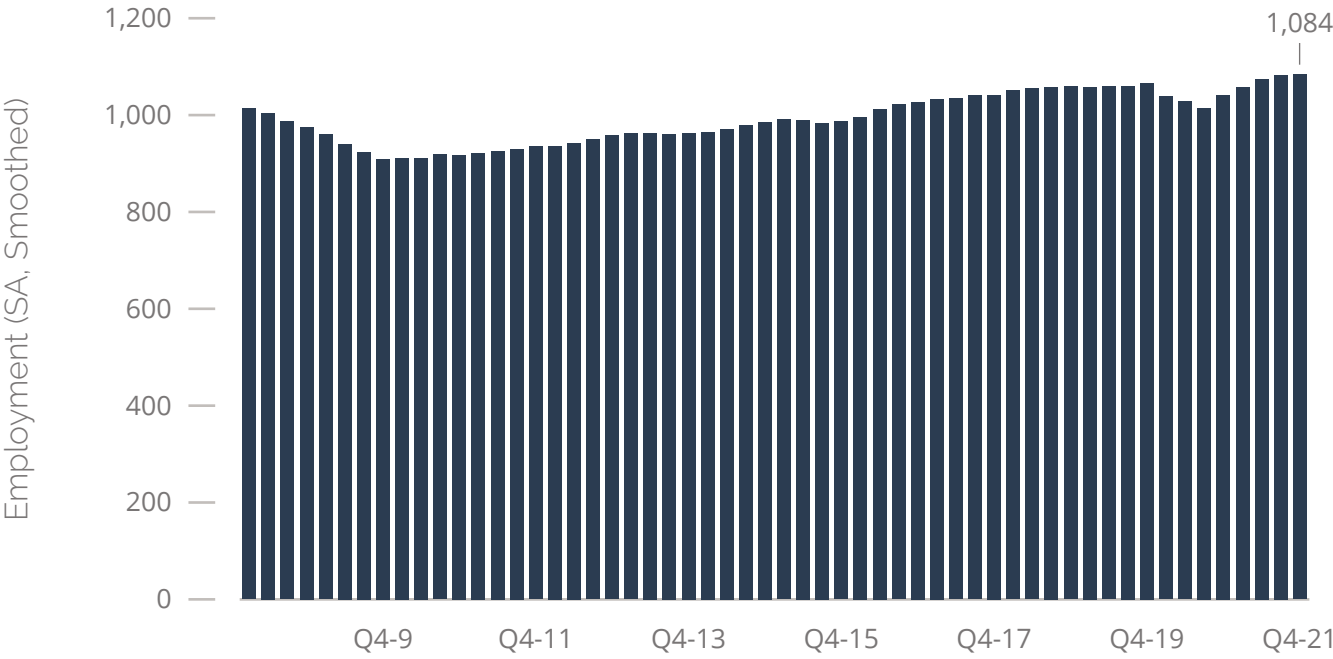
## Year-Over-Year Employment Growth: Foothills Region, Placer County, CA and U.S.



Source top and bottom: California Employment Development Department; Analysis by Beacon Economics

Despite declining employment levels, business establishments in the Foothills Region have expanded since the start of the pandemic. The number of establishments in the region grew by 45 from first-quarter 2020 through fourth-quarter 2021, an increase of 4.4%. This bodes well for employment growth in 2022, as these new establishments will likely need to bring on additional workers to meet growing demand.

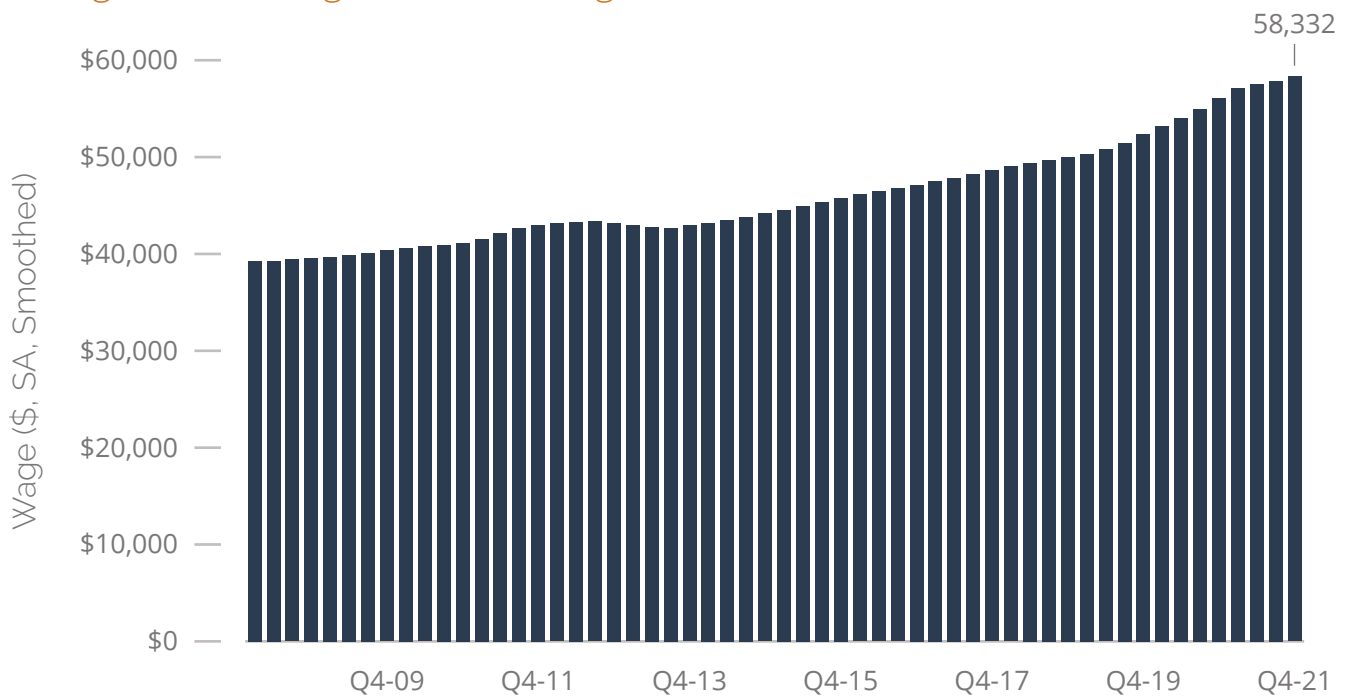
### Total Establishments: Foothills Region



Source: California Employment Development Department; Analysis by Beacon Economics.

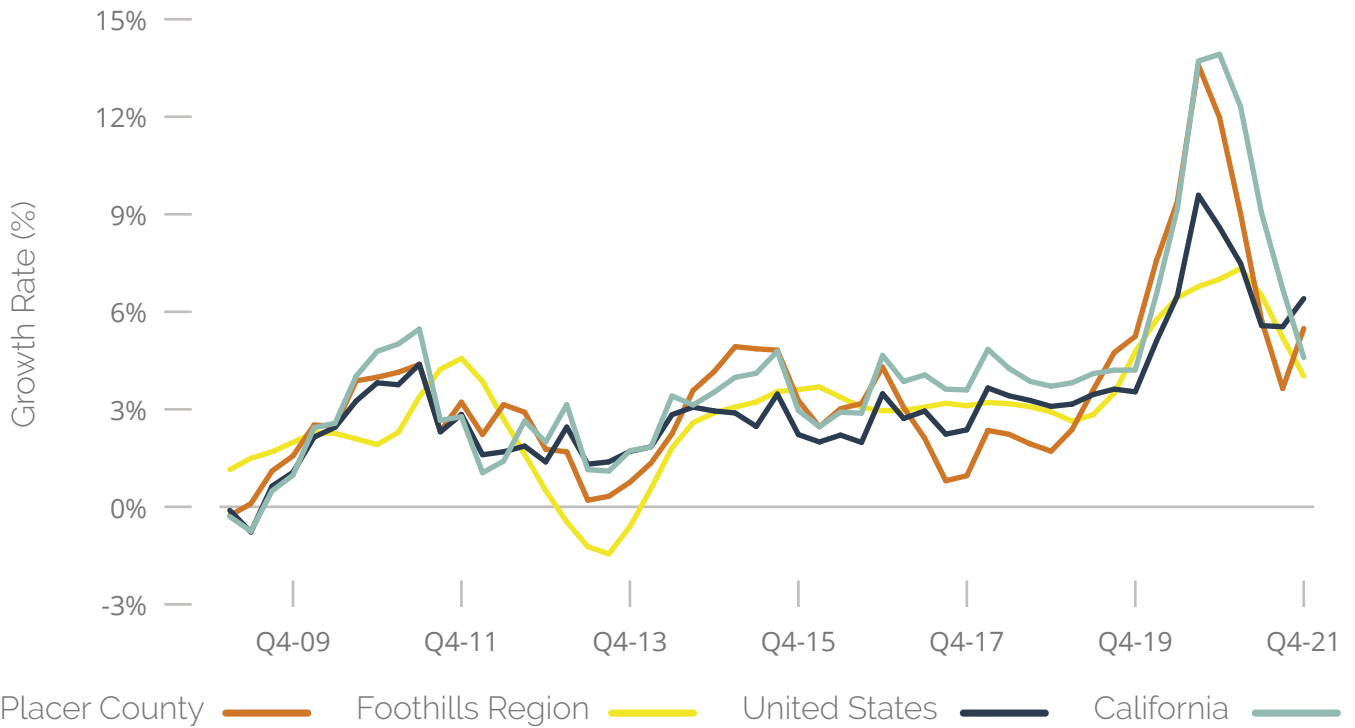
Average annual wages in the Foothills Region reached \$60,221 in the fourth-quarter of 2021, a 13.8% increase from the first-quarter of 2020. Average annual wages grew more rapidly in California (15.1%) over the same period and average annual wages in the Foothills Region are 29% below California's. This strong growth in wages is due to labor shortages and businesses having to increase wages to attract workers.

### Average Annual Wages: Foothills Region

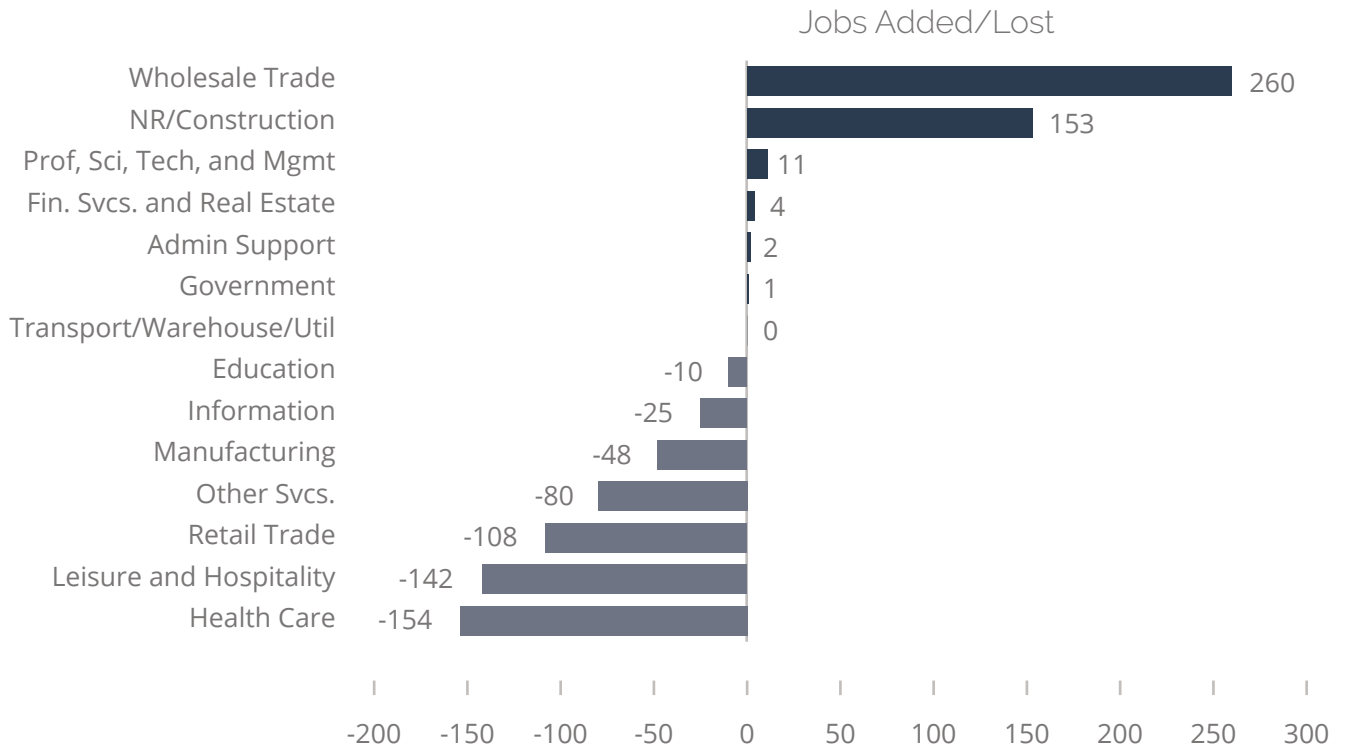


Source: California Employment Development Department; Analysis by Beacon Economics.

### Year-Over-Year Wage Growth: Foothills Region, Placer County, CA and U.S.

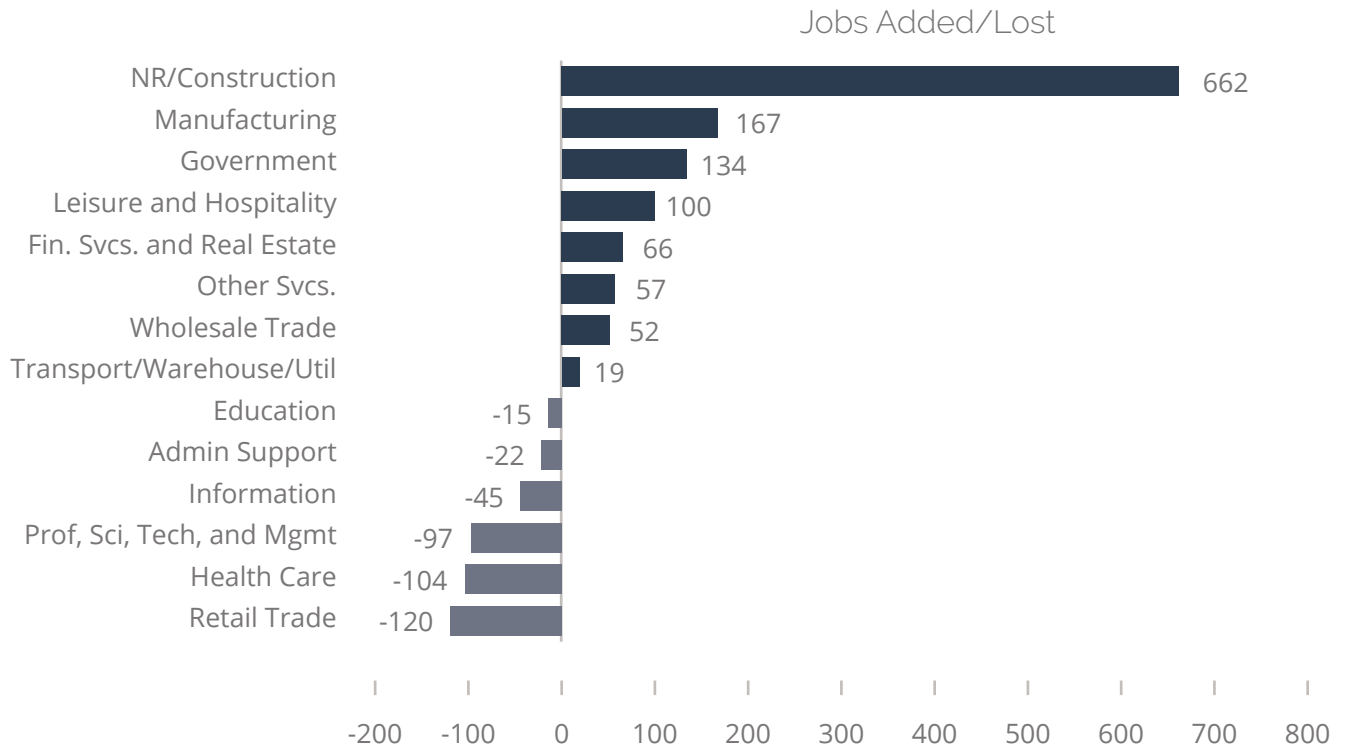


### Jobs Added/Lost by Industry: Foothills Region (Q1-20 to Q4-21)

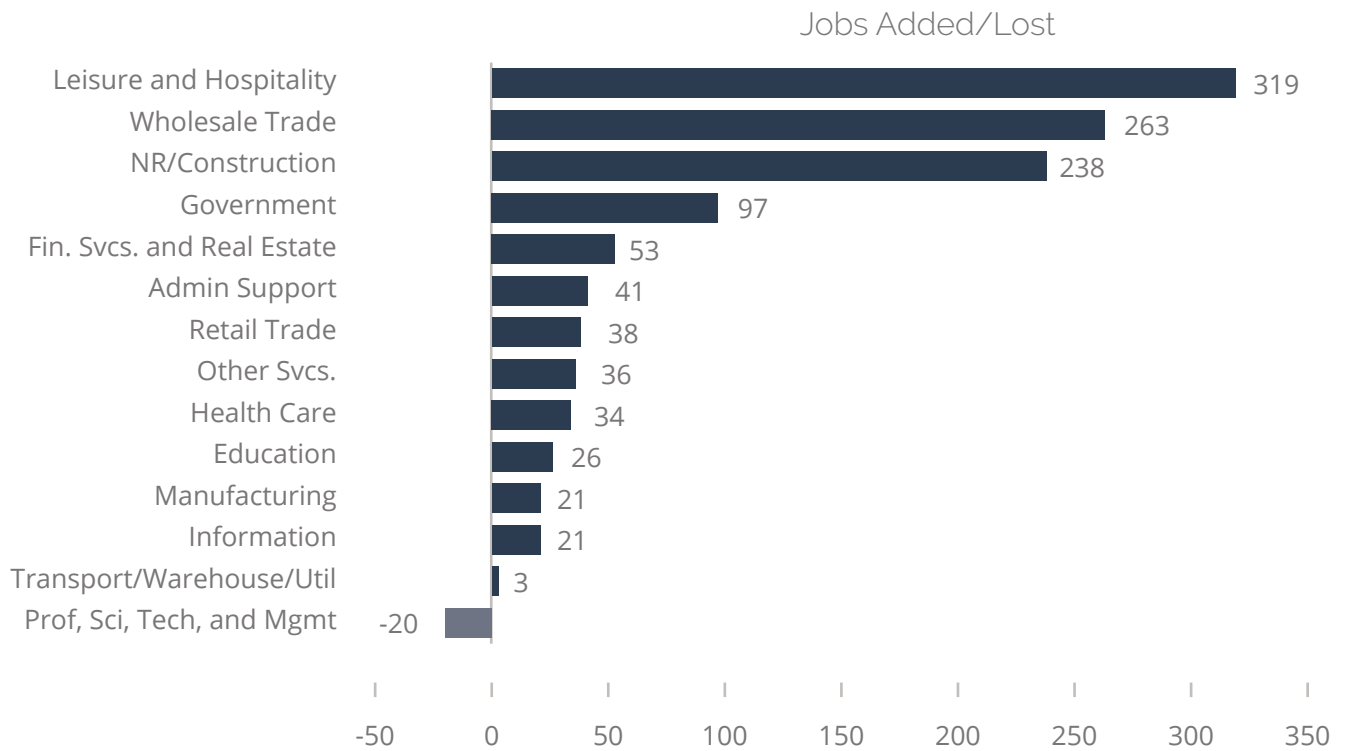


Source top and bottom: California Employment Development Department (EDD).

## Jobs Added/Lost by Industry: Foothills Region (Q4-16 to Q4-21)



## Jobs/Added Lost by Industry: Foothills Region (Q4-20 to Q4-21)



Source top and bottom: California Employment Development Department (EDD).

Employment growth in the Foothills Region has been weighted down by a handful of sectors. From first-quarter 2020 through fourth-quarter 2021, Health Care led payroll declines in the Foothills Region, with payrolls falling by -154 (-4.6%). Other sectors posting sizeable declines over the same period were Leisure and Hospitality (-142 jobs or -4.6%), Retail Trade (-108 jobs or -3.3%), Other Services (-80 jobs or -9.2%), and Manufacturing (-48 jobs or -4.7%). These sectors were some of the most negatively impacted by restrictions imposed at the beginning of the COVID-19 pandemic, and as restriction have been eased these sectors are beginning to grow.

### Total Employment in Foothills Region by Industry, Q4-21

| Industry                   | Total Employment | Location Quotient* |
|----------------------------|------------------|--------------------|
| NR/Construction            | 2,255            | 1.1                |
| Transport/Warehouse/Util   | 229              | 0.2                |
| Manufacturing              | 974              | 0.5                |
| Wholesale Trade            | 788              | 0.8                |
| Retail Trade               | 3,217            | 1.3                |
| Information                | 213              | 0.2                |
| Fin. Svcs. and Real Estate | 1,246            | 1.0                |
| Prof, Sci, Tech, and Mgmt  | 1,147            | 0.5                |
| Admin Support              | 1,146            | 0.7                |
| Education                  | 309              | 0.6                |
| Health Care                | 3,993            | 1.1                |
| Leisure and Hospitality    | 2,983            | 1.1                |
| Other Svcs.                | 789              | 1.0                |
| Government                 | 7,051            | 1.9                |
| <b>Total</b>               | <b>26,339</b>    |                    |
| <b>Total Private</b>       | <b>19,288</b>    |                    |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the concentration of an industry in Foothills Region relative to the concentration of the industry in California.

## Total Employment by Industry: Foothills Region (Q4-21)

| Industry                   | Growth since Q1-20 |                      |                   |                |
|----------------------------|--------------------|----------------------|-------------------|----------------|
|                            | Foothills Region   | Foothills Region (%) | Placer County (%) | California (%) |
| NR/Construction            | 153                | 7.3                  | 2.0               | -1.6           |
| Transport/Warehouse/Util   | 0                  | 0.1                  | 17.7              | 13.1           |
| Manufacturing              | -48                | -4.7                 | 8.3               | -2.0           |
| Wholesale Trade            | 260                | 49.2                 | 7.4               | -4.8           |
| Retail Trade               | -108               | -3.3                 | -1.8              | -3.0           |
| Information                | -25                | -10.6                | -18.9             | 2.6            |
| Fin. Svcs. and Real Estate | 4                  | 0.3                  | 2.0               | -0.9           |
| Prof, Sci, Tech, and Mgmt  | 11                 | 0.9                  | 5.2               | 1.9            |
| Admin Support              | 2                  | 0.1                  | 5.2               | 0.6            |
| Education                  | -10                | -3.2                 | -5.3              | -3.5           |
| Health Care                | -154               | -3.7                 | 1.2               | -0.1           |
| Leisure and Hospitality    | -142               | -4.6                 | -4.1              | -11.2          |
| Other Svcs.                | -80                | -9.2                 | -1.8              | -9.9           |
| Government                 | 1                  | 0.0                  | -0.1              | -4.2           |
| <b>Total</b>               | <b>-138</b>        | <b>-0.5</b>          | <b>0.9</b>        | <b>-2.2</b>    |
| <b>Total Private</b>       | <b>-139</b>        | <b>-0.7</b>          | <b>1.0</b>        | <b>-1.9</b>    |

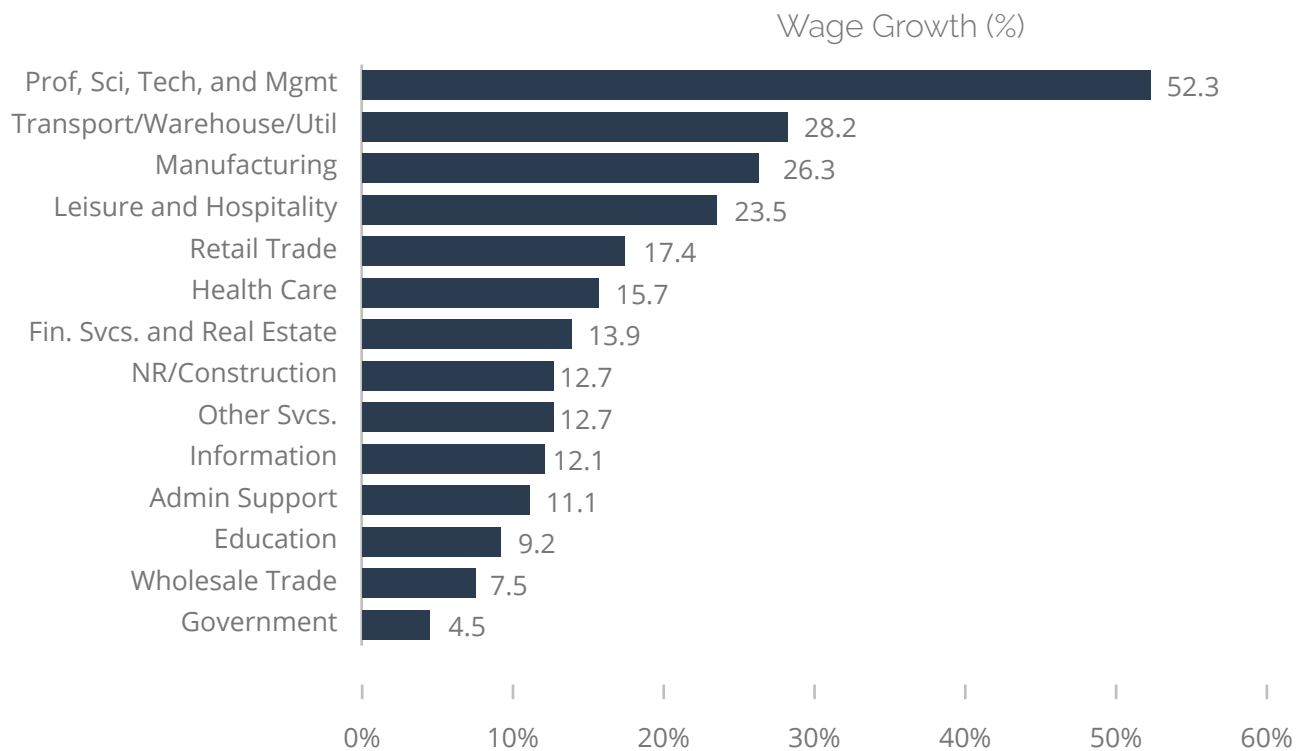
Source: California Employment Development Department; Analysis by Beacon Economics.



While there have been declines in overall payrolls in the Foothills Region, its high-wage industries have been remarkably resilient during the pandemic. Employees have been able to work from home, which has not been possible in many sectors of the economy, and some industries have seen increased business due to the pandemic. From first-quarter 2020 through fourth-quarter 2021, Wholesale Trade increased payrolls by 260, a 49.2% rise. Other sectors increasing payrolls were Natural Resources and Construction (153 jobs or 7.3%), Professional, Scientific and Technical Services and Management (11 jobs or 0.9%), Financial Services and Real Estate (4 jobs or 0.3%), and Administrative Support (2 jobs or 0.1%). These trends highlight the strength of the Foothills Region's high-wage sectors over this period.

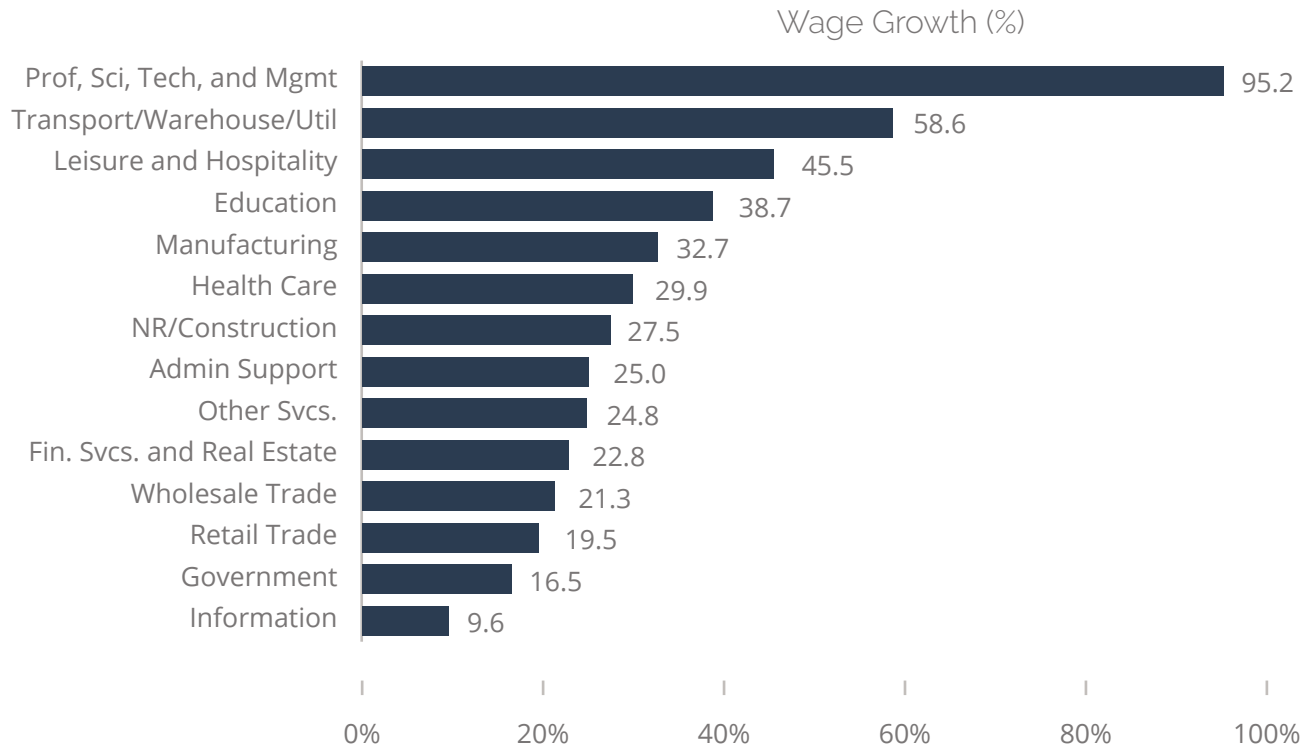
Average annual wages were up across all industries in the Foothills Region since the first-quarter of 2020. As employers compete for workers due to labor shortages, wages have grown rapidly in many industries. Professional, Scientific and Technical Services and Management (52.3%) experienced the largest increase in percentage terms since the first-quarter of 2020. Other sectors experiencing rapid wage growth were Transportation, Warehousing and Utilities (28.2%), Manufacturing (26.3%), Leisure and Hospitality (23.5%), Retail Trade (17.4%), and Health Care (15.7%). Many of these industries have struggled to attract workers, and employers have had to raise wages to bring in additional workers.

### Wage Growth by Industry: Foothills Region (Q4-20 to Q4-21)

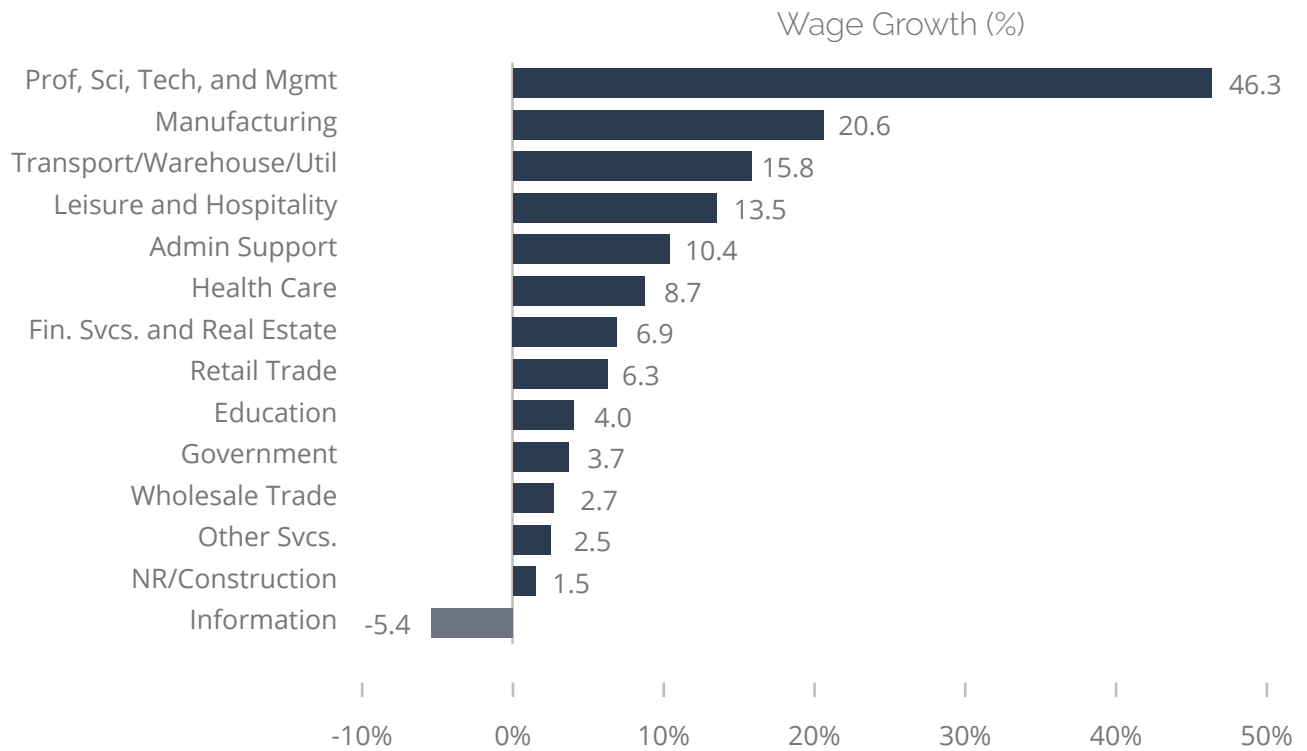


Source: California Employment Development Department; Analysis by Beacon Economics.

## Wage Growth by Industry: Foothills Region (Q4-16 to Q4-21)



## Wage Growth by Industry: Foothills Region (Q4-20 to Q4-21)



Source top and bottom: California Employment Development Department; Analysis by Beacon Economics.

## Avg. Annual Wages in Foothills Region by Industry, Q4-21

| Industry                   | Avg. Annual Wage (\$) | Growth since Q1-20   |                   |                | Relative Wage (%)* |
|----------------------------|-----------------------|----------------------|-------------------|----------------|--------------------|
|                            |                       | Foothills Region (%) | Placer County (%) | California (%) |                    |
| NR/Construction            | 71,603                | 12.7                 | 10.4              | 9.0            | 103.7              |
| Transport/Warehouse/Util   | 66,601                | 28.2                 | 5.7               | 9.9            | 89.0               |
| Manufacturing              | 68,332                | 26.3                 | 8.5               | 16.9           | 57.2               |
| Wholesale Trade            | 67,912                | 7.5                  | 9.1               | 14.6           | 71.5               |
| Retail Trade               | 41,145                | 17.4                 | 23.0              | 18.2           | 87.0               |
| Information                | 69,323                | 12.1                 | 20.2              | 21.1           | 28.2               |
| Fin. Svcs. and Real Estate | 68,630                | 13.9                 | 17.2              | 22.8           | 47.5               |
| Prof, Sci, Tech, and Mgmt  | 109,386               | 52.3                 | 20.8              | 17.5           | 69.6               |
| Admin Support              | 59,672                | 11.1                 | 24.0              | 19.7           | 99.5               |
| Education                  | 32,188                | 9.2                  | 7.0               | 5.4            | 51.1               |
| Health Care                | 57,992                | 15.7                 | 12.3              | 11.3           | 95.1               |
| Leisure and Hospitality    | 26,626                | 23.5                 | 17.5              | 19.2           | 67.9               |
| Other Svcs.                | 41,944                | 12.7                 | 17.6              | 11.9           | 83.3               |
| Government                 | 72,237                | 4.5                  | 8.9               | 8.7            | 87.9               |
| <b>Total</b>               | <b>60,221</b>         | <b>13.8</b>          | <b>13.9</b>       | <b>15.1</b>    | <b>69.9</b>        |
| <b>Total Private</b>       | <b>55,820</b>         | <b>19.2</b>          | <b>14.6</b>       | <b>16.1</b>    | <b>64.3</b>        |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the wage of an industry in Foothills Region relative to the wage of the industry in California.

Over the last five years, employment growth has been strongest at establishments with less than 15 employees in the Foothills Region, with employment levels growing by 806 jobs or 12.4%. Many of these new jobs are coming from establishments with less than 15 employees in the Natural Resources and Construction industry and growth in residential investment. This was followed by growth at establishments with 25 to 49 employees (377 jobs or 10.9%) and 15 to 24 employees (290 jobs or 12.7%). Establishments with 50 to 99 employees (-336 jobs or -12.8%) and more than 100 employees (-306 or -9.2%) saw payrolls decline over the last five years. The decline in employment levels at establishments with 50 to 99 employees and 100 or more employees is largely a result of the recent payroll declines at Leisure and Hospitality and Health Care establishments in the region from the COVID-19 pandemic.

### Private Employment by Establishment Size in Foothills Region (2014 – 2021)

| Category                | Establishment | Employment  | 5-Year Employment |             |
|-------------------------|---------------|-------------|-------------------|-------------|
|                         | Count         | (000s)      | Change            | Growth (%)  |
| Less than 15 Employees  | 704           | 7.3         | 806               | 12.4        |
| 15 to 24 Employees      | 127           | 2.6         | 290               | 12.7        |
| 25 to 49 Employees      | 110           | 3.8         | 377               | 10.9        |
| 50 to 99 Employees      | 30            | 2.3         | -336              | -12.8       |
| More than 100 Employees | 18            | 3.0         | -306              | -9.2        |
| <b>Total</b>            | <b>989</b>    | <b>19.0</b> | <b>831</b>        | <b>4.6%</b> |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

Despite weak employment growth there has still been an influx of establishments into the region. Over the last 5 years, 86 more establishments have opened in the Foothills Region than have gone out of business. In addition, the region saw net increases in 2020 and 2021 despite facing headwinds due to the COVID-19 pandemic.

### Business Establishment Births/Deaths: in Foothills Region

| Year | Births | Deaths | Net |
|------|--------|--------|-----|
| 2014 | 79     | -52    | 27  |
| 2015 | 65     | -54    | 11  |
| 2016 | 99     | -46    | 53  |
| 2017 | 63     | -50    | 13  |
| 2018 | 65     | -47    | 18  |
| 2019 | 73     | -47    | 26  |
| 2020 | 64     | -38    | 26  |
| 2021 | 54     | -51    | 3   |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

While many businesses faced headwind due to the pandemic, it also created opportunities. Natural Resources and Construction had the largest increase in establishments over the last year, with 4 more establishments opening than have gone out of business. Other sectors with more establishments opening than have gone out of business were Transportation, Warehousing and Utilities (3 establishments), Financial Services and Real Estate (3 establishments), and Other Services (2 establishments). Industries with more business closures than openings were Health Care (-7 establishments), Professional, Scientific and Technical Services and Management (-1 establishment), Retail Trade (-1 establishment), and Manufacturing (-1 establishment). The net decrease in Health Care establishments was driven by declines in Social Assistance establishments, which includes Individual and Family Services; Community Food and Housing, and Emergency and Other Relief Services; Vocational Rehabilitation Services; and Child Day Care Services.

### Establishment Births/Deaths by Industry in Foothills Region

| Industry                   | Births | Deaths | Net |
|----------------------------|--------|--------|-----|
| NR/Construction            | 7      | -3     | 4   |
| Transport/Warehouse/Util   | 3      | -0     | 3   |
| Fin. Svcs. and Real Estate | 8      | -5     | 3   |
| Other Svcs.                | 4      | -2     | 2   |
| Government                 | 1      | 0      | 1   |
| Wholesale Trade            | 2      | -2     | 0   |
| Information                | 1      | -1     | 0   |
| Admin Support              | 1      | -1     | 0   |
| Education                  | 0      | 0      | 0   |
| Leisure and Hospitality    | 12     | -12    | 0   |
| Manufacturing              | 2      | -3     | -1  |
| Retail Trade               | 9      | -10    | -1  |
| Prof, Sci, Tech, and Mgmt  | 1      | -2     | -1  |
| Health Care                | 3      | -10    | -7  |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.



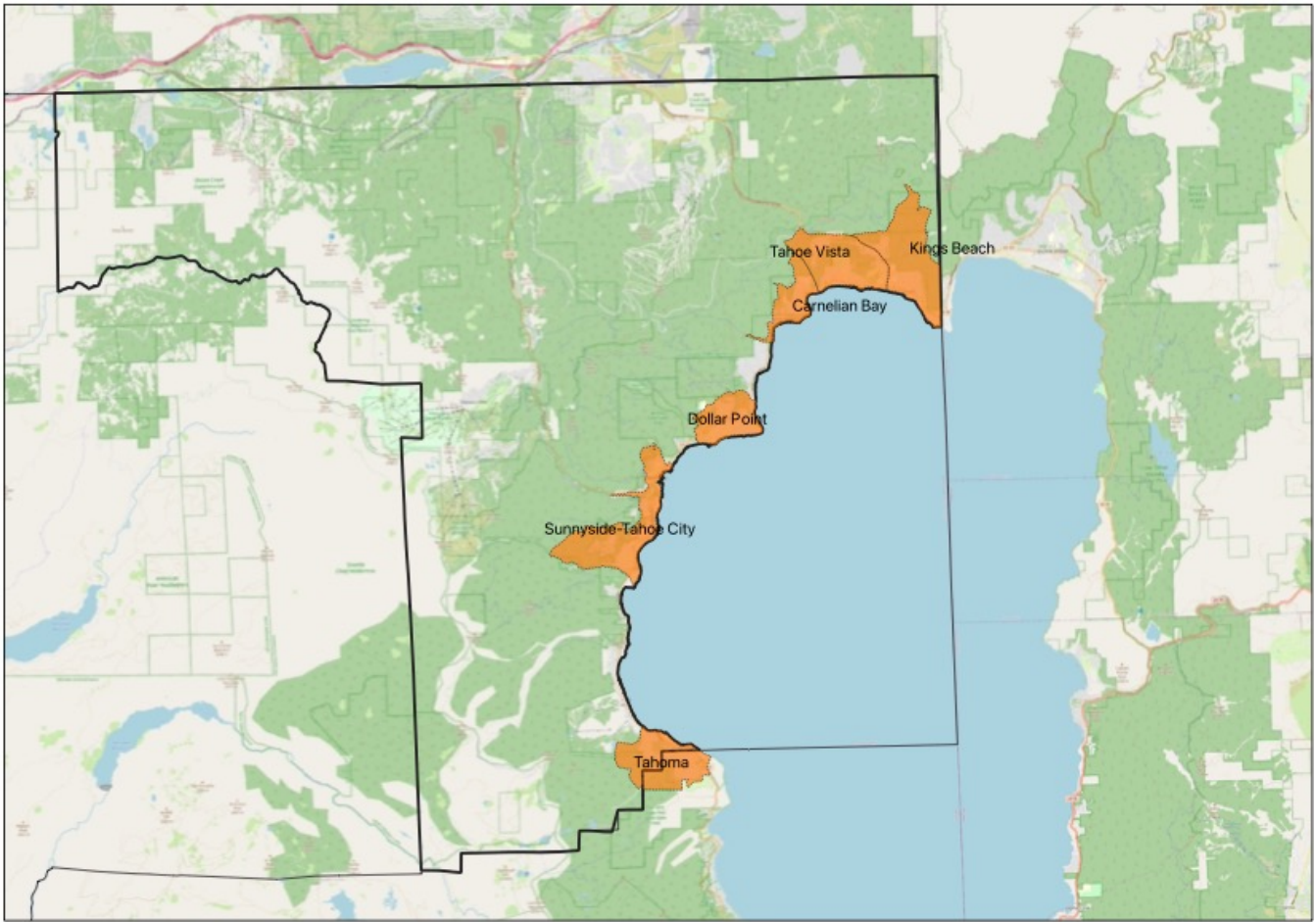


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# Tahoe Region



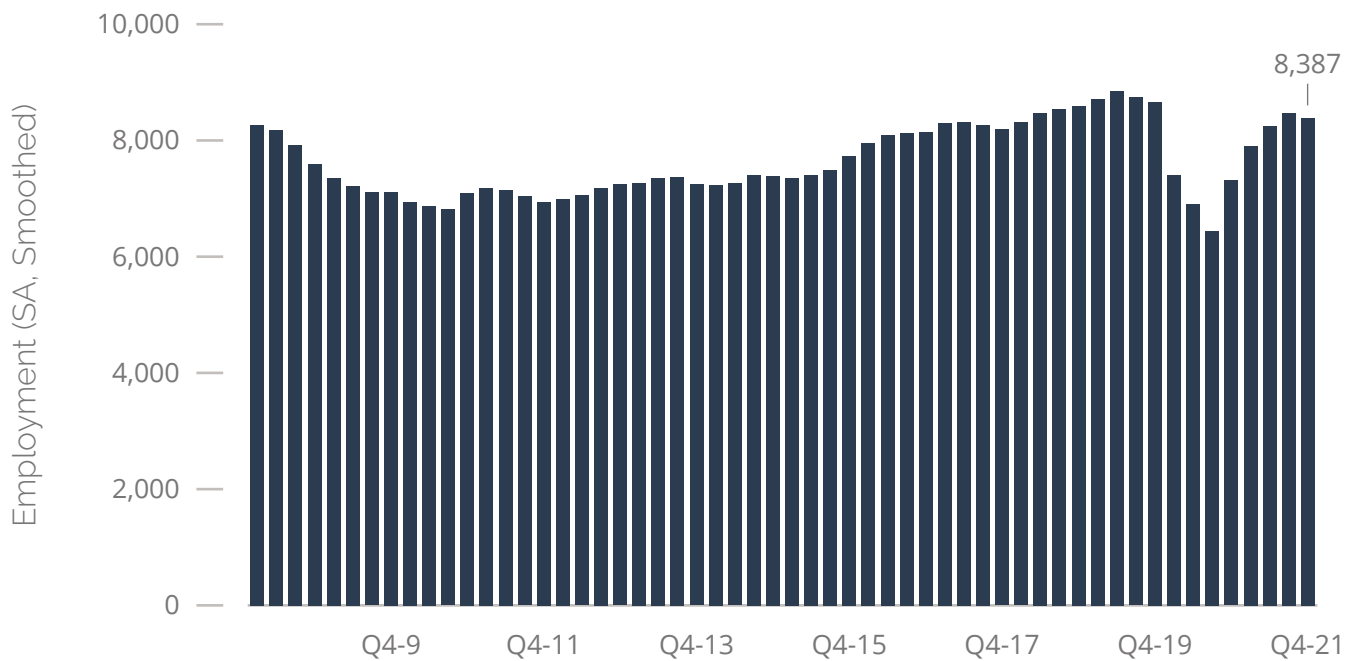




The following section highlights the Tahoe Region of Placer County. The region's strengths include Leisure and Hospitality; Financial Services and Real Estate; Natural Resources and Construction; and Other Services. The Leisure and Hospitality sector is a lynchpin of the Tahoe Region's economy, catering not only to the tourists that visit the region's scenery and outdoor activities, but also to the local population that calls Tahoe home. Accordingly, this industry supports a large number of jobs across the region and economic activity related to bars and restaurants, recreation, and parks alike. This sector was hit hard by the COVID-19 pandemic, and the Tahoe Region is lagging behind other parts of Placer County due to the declines in Leisure and Hospitality payrolls.

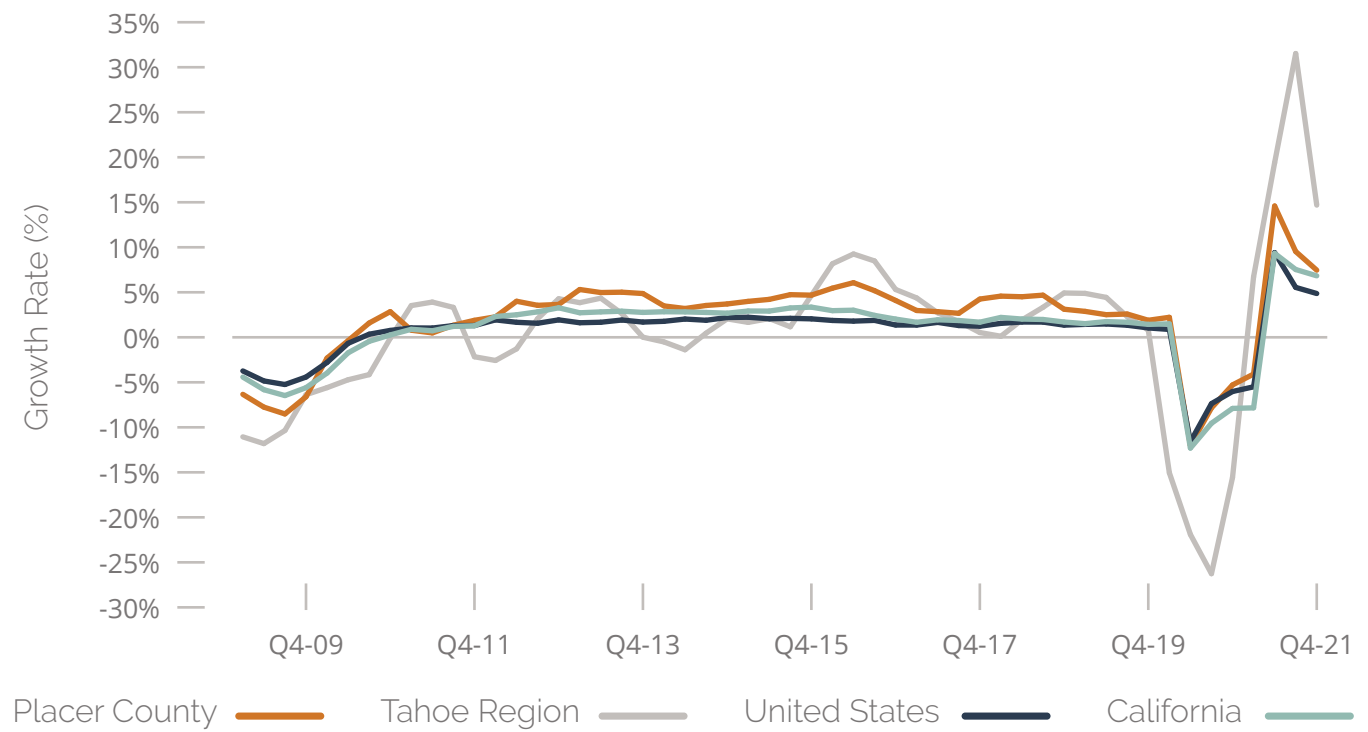
The Tahoe Region’s labor market is continuing to recover from the COVID-19 pandemic, but at a slower pace relative to California. From first-quarter 2020 through fourth-quarter 2021, payrolls in the Tahoe Region fell by -338 or -3.9%. This is in contrast to the 2.2% decline in payrolls in California over the same period. Due to its concentration of Leisure and Hospitality jobs, the Tahoe Region has been the slowest to recover from the COVID-19 pandemic. However, as tourists return to the region the area should grow quicker than other parts of Placer County.

### Total Employment: Tahoe Region



Source: California Employment Development Department; Analysis by Beacon Economics.

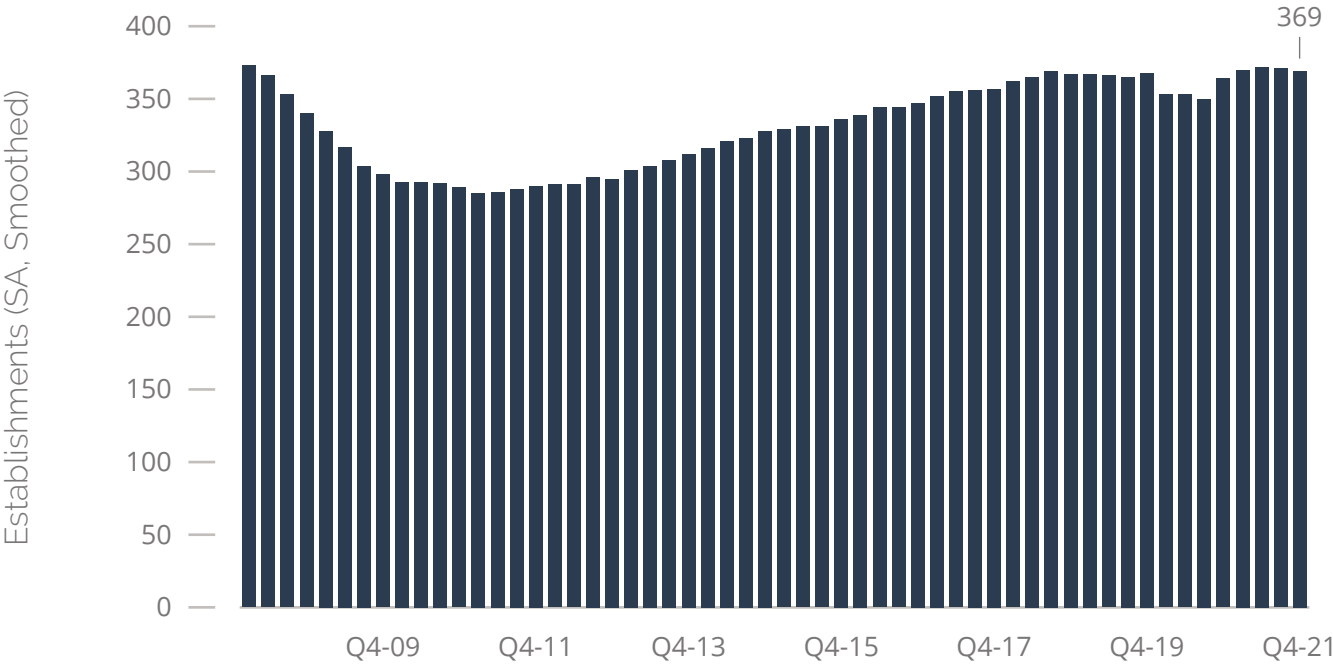
## Year-Over-Year Employment Growth: Placer County, Tahoe Region, CA and U.S.



Source: California Employment Development Department; Analysis by Beacon Economics.

Despite declining employment levels, business establishments in the Tahoe Region have expanded since the start of the pandemic. The number of establishments in the region grew by 16 from first-quarter 2020 through fourth-quarter 2021, an increase of 4.6%. This bodes well for employment growth in 2022, as these new establishments will likely need to bring on additional workers to meet growing demand.

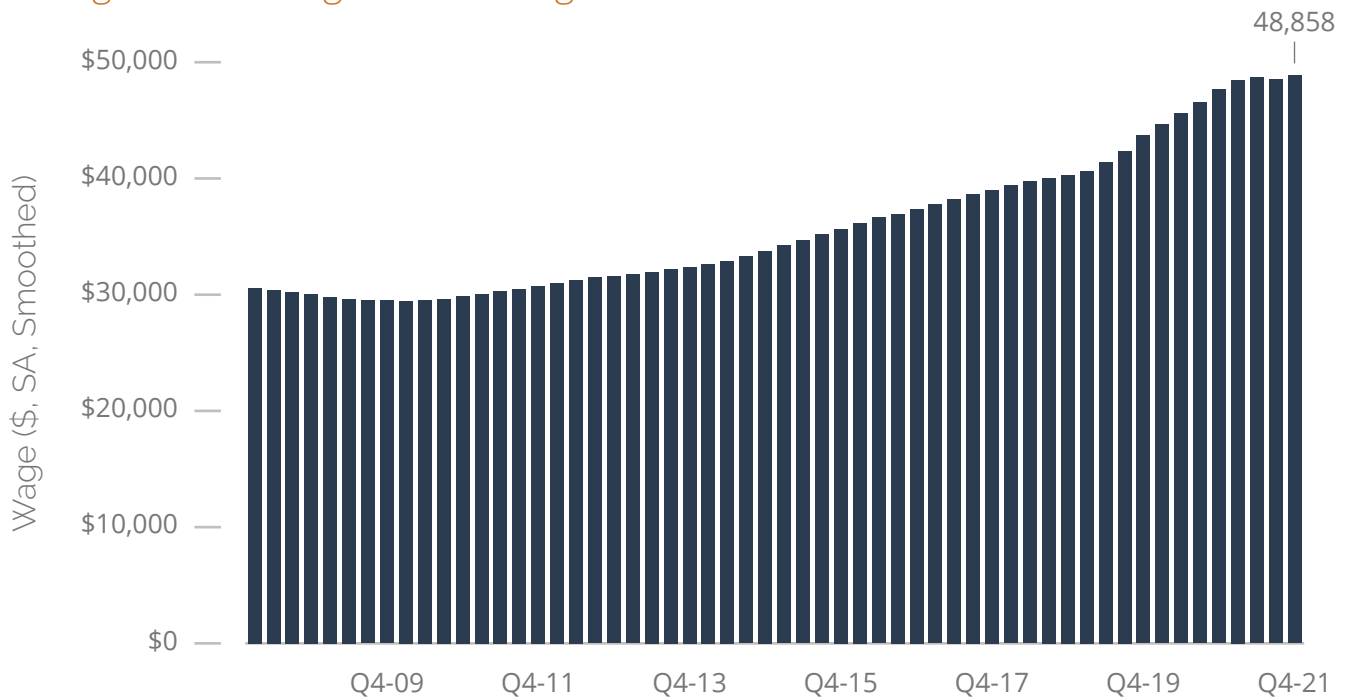
### Total Establishments: Tahoe Region



Source: California Employment Development Department; Analysis by Beacon Economics.

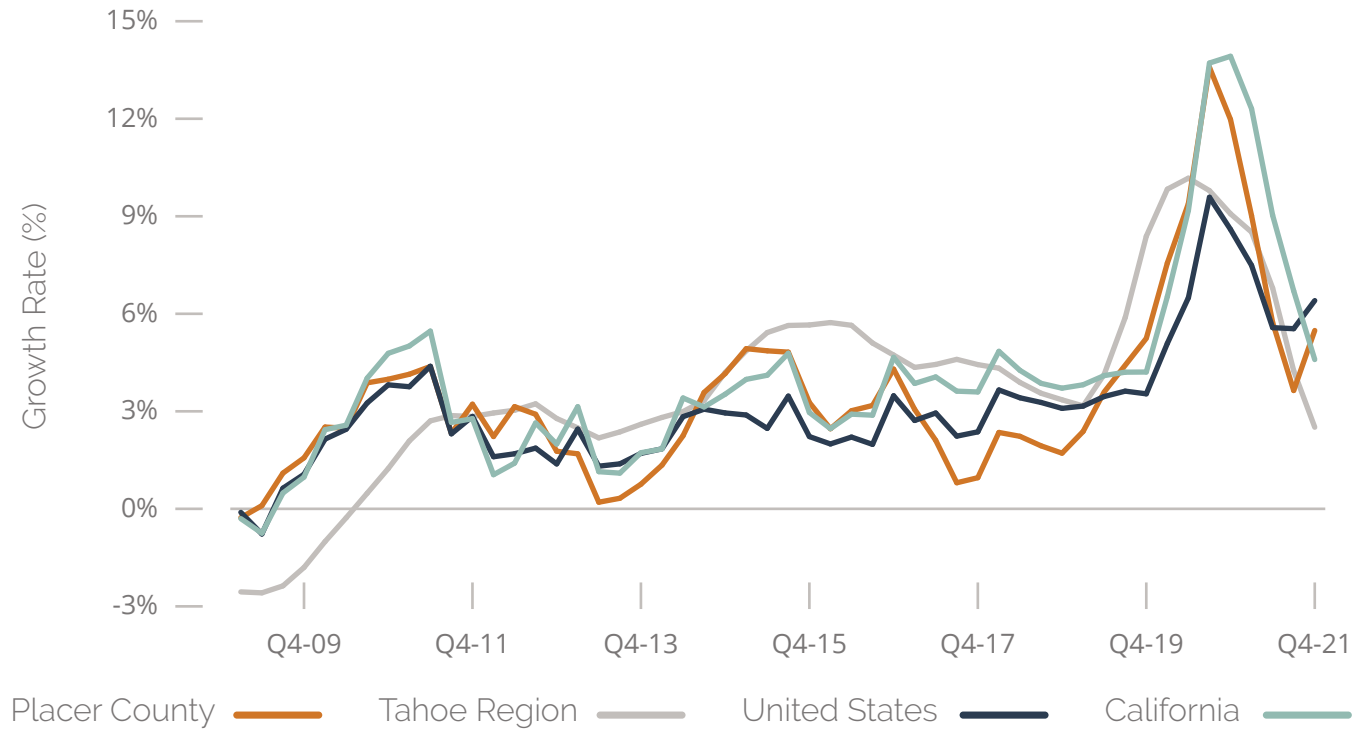
Average annual wages in the Tahoe Region reached \$49,786 in the fourth-quarter of 2021, a 10.8% increase from the first-quarter of 2020. Average annual wages grew more rapidly in California (15.1%) over the same period, and average annual wages in the Tahoe Region are 42% below California's. With many businesses struggling to find workers, especially in industries like Leisure and Hospitality, there will continue to be upward pressure and wages in the Tahoe Region.

### Average Annual Wages: Tahoe Region

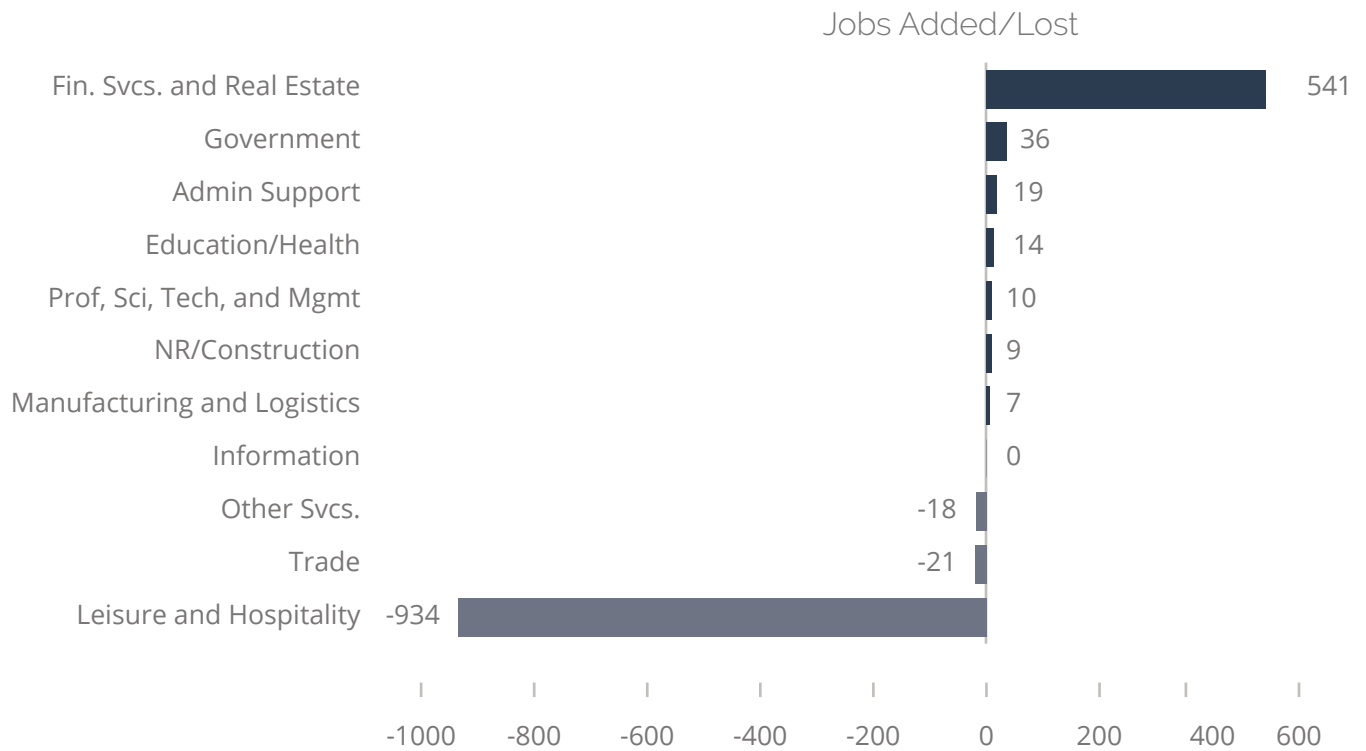


Source: California Employment Development Department; Analysis by Beacon Economics.

## Year-Over-Year Wage Growth: Tahoe Region, Placer County, CA and U.S.



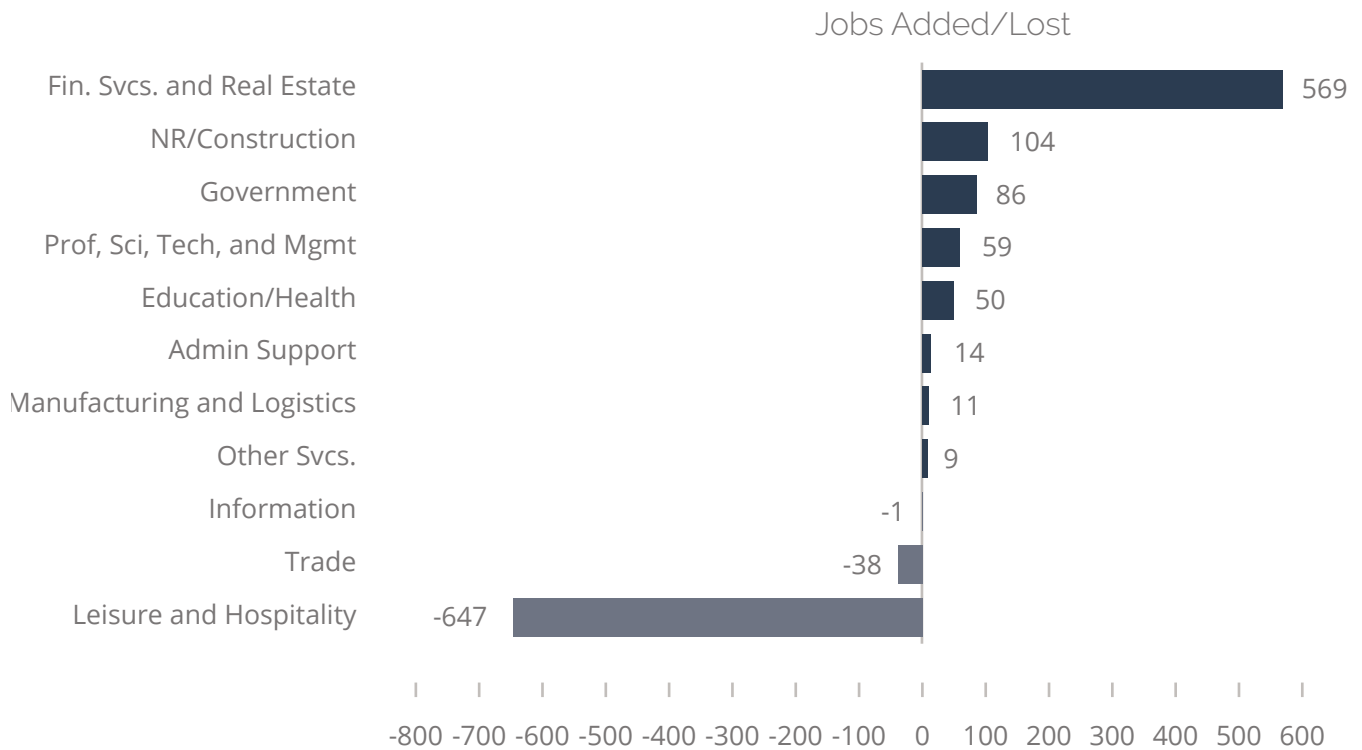
## Jobs Added/Lost by Industry: Tahoe Region (Q1-20 to Q4-21)



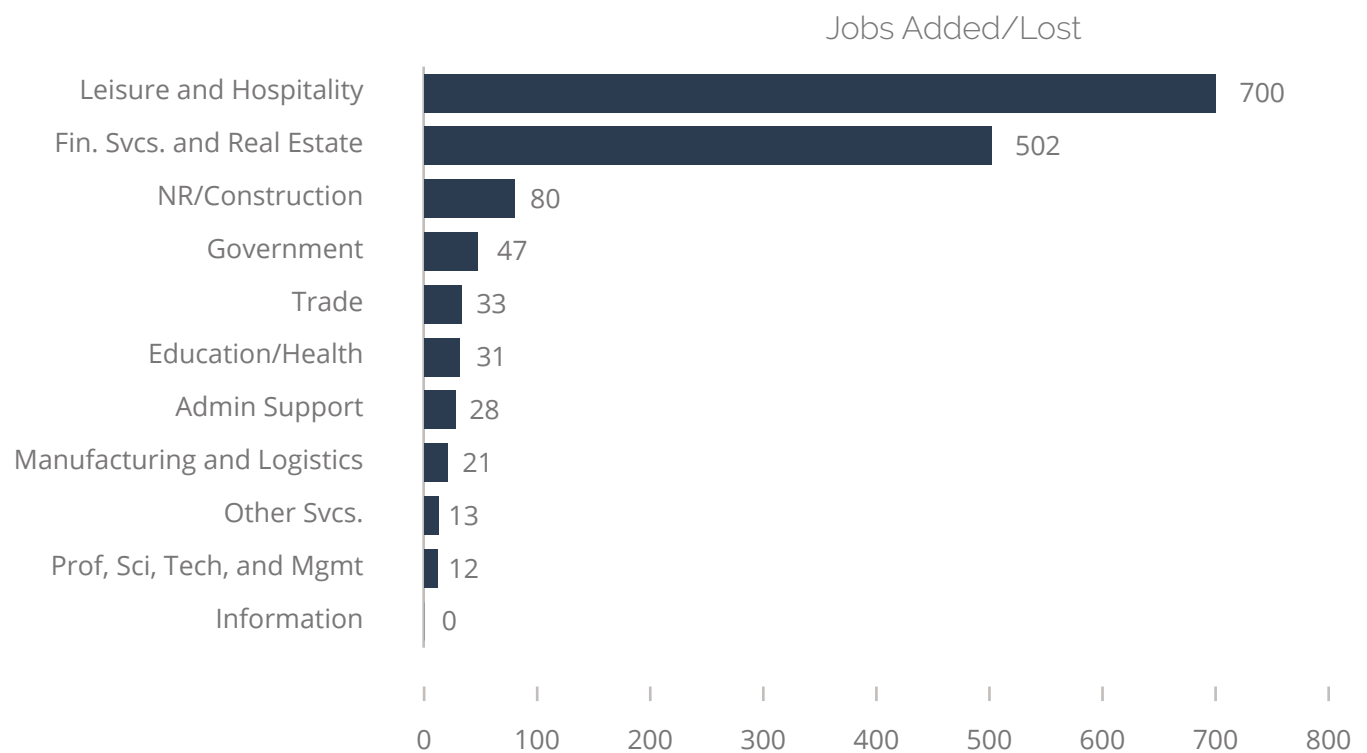
Source top and bottom: California Employment Development Department; Analysis by Beacon Economics.



## Jobs Added/Lost by Industry: Tahoe Region (Q4-16 to Q4-21)



## Jobs/Added Lost by Industry: Tahoe Region (Q4-20 to Q4-21)



Source: California Employment Development Department; Analysis by Beacon Economics.

Employment growth in the Tahoe Region has been weighted down from a handful of sectors. From first-quarter 2020 through fourth-quarter 2021, Leisure and Hospitality led payroll declines in the Tahoe Region, with payrolls falling by -934 (-18.5%). At the beginning of the pandemic, the Tahoe Region lost 3,163 jobs in Leisure and Hospitality. As of the fourth quarter of 2021, around two-thirds, or 2,091 of these positions, have been recovered. Other sectors posting sizeable declines over the same period were Trade (-21 jobs or -2.8%) and Other Services (-18 jobs or -6.0%). However, as visitors come back to the region, these sectors should see outsized growth compared to other parts of Placer County in 2022.

While there have been declines in overall payrolls in the Tahoe Region, its high-wage industries have been remarkably resilient during the pandemic. Employees have been able to work from home, which has not been possible in many sectors of the economy, and some industries have seen increased business due to the pandemic. From first-quarter 2020 through fourth-quarter 2021, Financial Services and Real Estate increased payrolls by 541, a 131% rise. Other sectors increasing payrolls were Government (36 jobs or 7.9%), Administrative Support (10 jobs or 5.2%), Education and Health Care (14 jobs or 6.5%), Professional, Scientific and Technical Services and Management (10 jobs or 4.8%), and Natural Resources and Construction (9 jobs or 1.0%). These trends highlight the strength of the Tahoe Region's higher skilled sector over this period. Indeed, without the significant declines in Leisure and Hospitality payrolls, employment growth would have been overwhelmingly positive for the Tahoe Region over this period.

## Total Employment in Tahoe Region by Industry, Q4-21

| Industry                    | Total Employment | Location Quotient* |
|-----------------------------|------------------|--------------------|
| NR/Construction             | 917              | 1.4                |
| Manufacturing and Logistics | 80               | 0.1                |
| Trade                       | 705              | 0.7                |
| Information                 | 16               | 0.1                |
| Fin. Svcs. And Real Estate  | 953              | 2.4                |
| Prof, Sci, Tech, and Mgmt   | 212              | 0.3                |
| Admin Support               | 392              | 0.7                |
| Education/Health            | 220              | 0.2                |
| Leisure and Hospitality     | 4,109            | 4.7                |
| Other Svcs.                 | 279              | 1.1                |
| Government                  | 487              | 0.4                |
| <b>Total</b>                | <b>8,369</b>     |                    |
| <b>Total Private</b>        | <b>7,882</b>     |                    |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the concentration of an industry in Tahoe Region relative to the concentration of the industry in California.

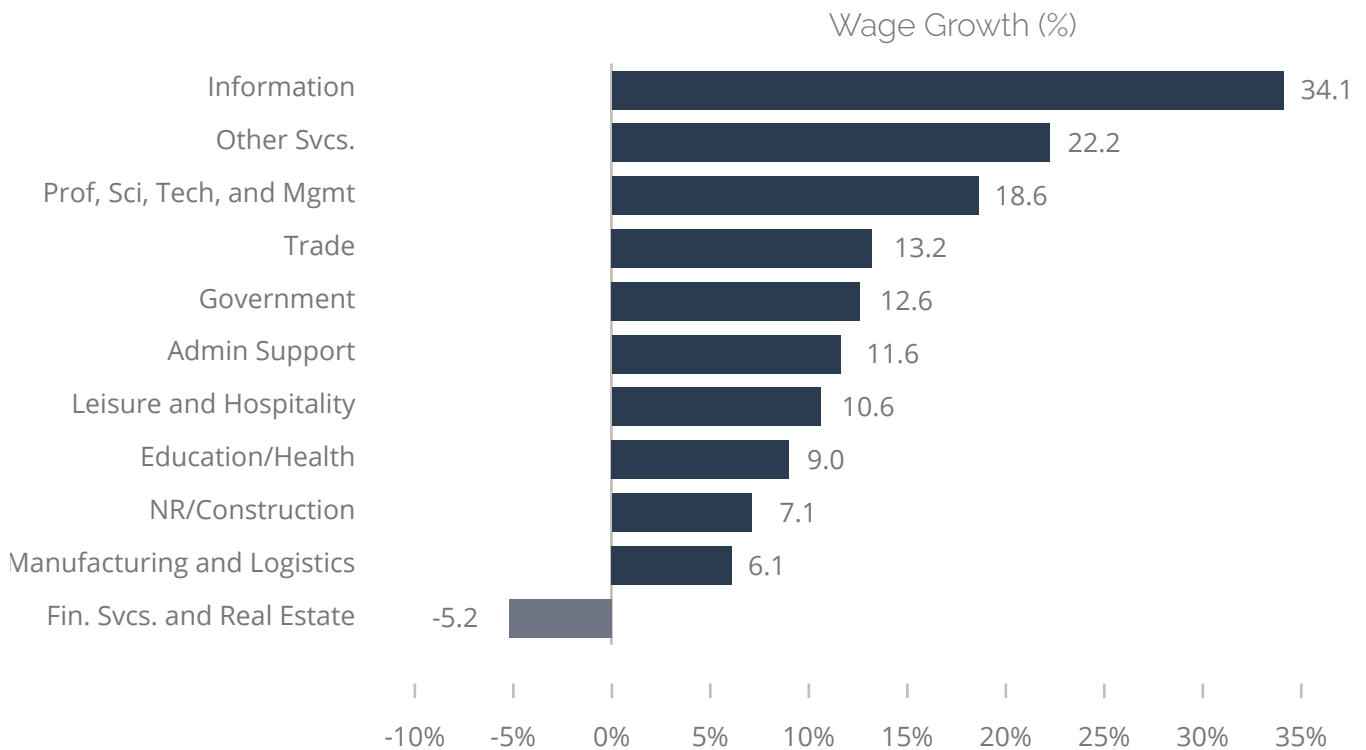
## Total Employment by Industry: Tahoe Region (Q4-21) (Cont.)

| Industry                    | Growth since Q1-20 |                  |                   |                |
|-----------------------------|--------------------|------------------|-------------------|----------------|
|                             | Tahoe Region       | Tahoe Region (%) | Placer County (%) | California (%) |
| NR/Construction             | 9                  | 1.0              | 2.0               | -1.6           |
| Manufacturing and Logistics | 7                  | 9.9              | 12.2              | 3.3            |
| Trade                       | -21                | -2.8             | -0.4              | -3.5           |
| Information                 | 0                  | 0.3              | -18.9             | 2.6            |
| Fin. Svcs. And Real Estate  | 541                | 131.2            | 2.0               | -0.9           |
| Prof, Sci, Tech, and Mgmt   | 10                 | 4.8              | 5.2               | 1.9            |
| Admin Support               | 19                 | 5.2              | 5.2               | 0.6            |
| Education/Health            | 14                 | 6.5              | 0.7               | -0.5           |
| Leisure and Hospitality     | -934               | -18.5            | -4.1              | -11.2          |
| Other Svcs.                 | -18                | -6.0             | -1.8              | -9.9           |
| Government                  | 36                 | 7.9              | -0.1              | -4.2           |
| <b>Total</b>                | <b>-338</b>        | <b>-3.9</b>      | <b>0.9</b>        | <b>-2.2</b>    |
| <b>Total Private</b>        | <b>-373</b>        | <b>-4.5</b>      | <b>1.0</b>        | <b>-1.9</b>    |

Source: California Employment Development Department; Analysis by Beacon Economics.

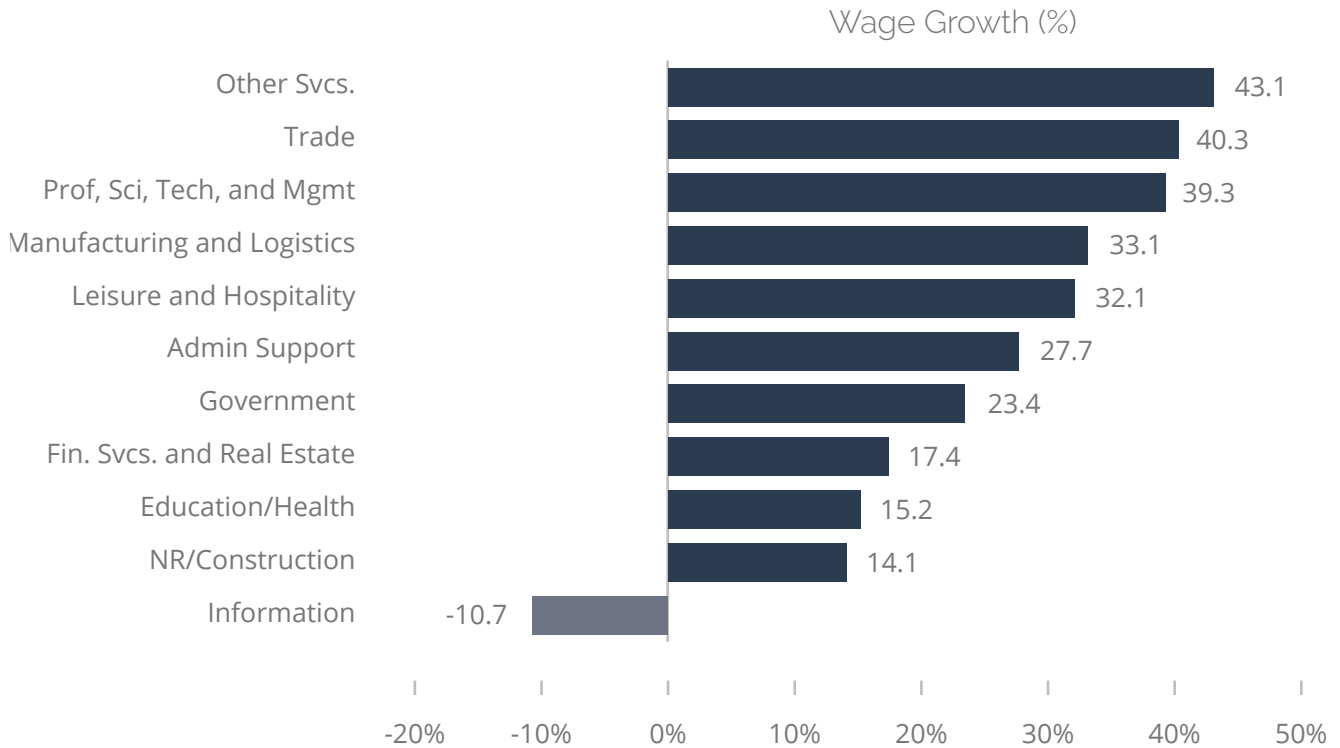
Average annual wages were up across almost all industries in the Tahoe Region since the first-quarter of 2020. As employers compete for workers due to labor shortages, wages have grown rapidly in many industries. Information (34.1%) experienced the largest increase in percentage terms since the first-quarter of 2020. Other sectors experiencing rapid wage growth were Other Services (22.2%), Professional, Scientific and Technical Services and Management (18.6%), Trade (13.2%), Government (12.6%), Administrative Support (12.6%), and Leisure and Hospitality (11.6%). Many of these industries have struggled to attract workers, and employers have had to raise wages to bring additional workers in. During 2021, average wages in Financial Services and Real Estate fell a little. During the year, the number of employees in the sector doubled in size, and this changed the mix of workers in the sector, bringing down average wages.

### Wage Growth by Industry: Tahoe Region (Q1-20 to Q4-21)

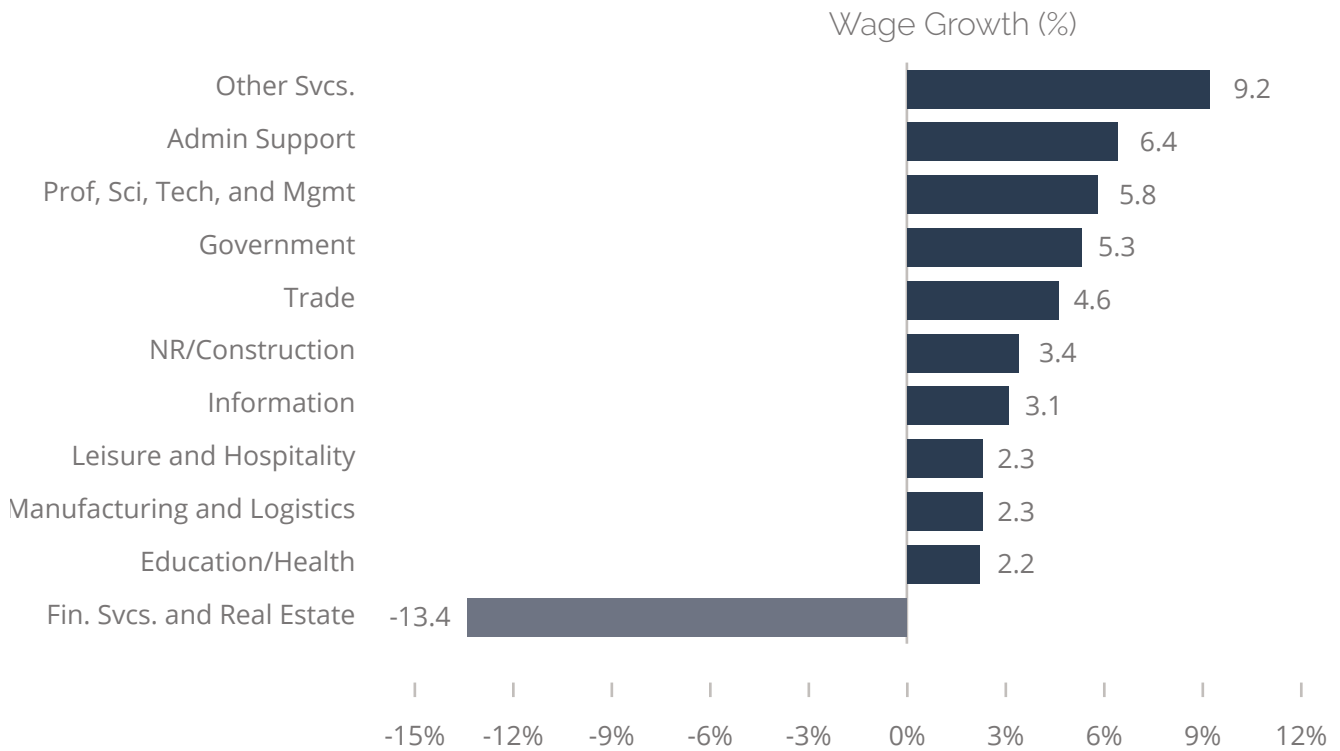


Source: California Employment Development Department; Analysis by Beacon Economics.

## Wage Growth by Industry: Tahoe Region (Q4-16 to Q4-21)



## Wage Growth by Industry: Tahoe Region (Q4-20 to Q4-21)



Source top and Bottom: California Employment Development Department; Analysis by Beacon Economics

## Avg. Annual Wages in Tahoe Region by Industry, Q4-21

| Industry                    | Avg. Annual Wage (\$) | Growth since Q1-20 |                   |                | Relative Wage (%)* |
|-----------------------------|-----------------------|--------------------|-------------------|----------------|--------------------|
|                             |                       | Tahoe Region (%)   | Placer County (%) | California (%) |                    |
| NR/Construction             | 63,185                | 7.1                | 10.4              | 9.0            | 91.5               |
| Manufacturing and Logistics | 55,593                | 6.1                | 7.4               | 13.4           | 54.3               |
| Trade                       | 45,486                | 13.2               | 20.3              | 16.1           | 74.4               |
| Information                 | 46,065                | 34.1               | 20.2              | 21.1           | 18.7               |
| Fin. Svcs. and Real Estate  | 53,797                | -5.2               | 17.2              | 22.8           | 37.2               |
| Prof, Sci, Tech, and Mgmt   | 88,361                | 18.6               | 20.8              | 17.5           | 56.2               |
| Admin Support               | 51,120                | 11.6               | 24.0              | 19.7           | 85.3               |
| Education/Health            | 46,721                | 9.0                | 12.4              | 10.6           | 76.3               |
| Leisure and Hospitality     | 40,094                | 10.6               | 17.5              | 19.2           | 102.3              |
| Other Svcs.                 | 46,328                | 22.2               | 17.6              | 11.9           | 92.0               |
| Government                  | 90,393                | 12.6               | 8.9               | 8.7            | 110.0              |
| <b>Total</b>                | <b>49,786</b>         | <b>10.8</b>        | <b>13.9</b>       | <b>15.1</b>    | <b>57.8</b>        |
| <b>Total Private</b>        | <b>47,367</b>         | <b>11.0</b>        | <b>14.6</b>       | <b>16.1</b>    | <b>54.5</b>        |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures the wage of an industry in Tahoe Region relative to the wage of the industry in California.



Over the last five years, employment growth has been strongest at establishments with less than 15 employees in the Tahoe Region, with employment levels growing by 216 jobs or 8.8%. In addition, without the gains from establishments with less than 15 employees overall employment growth in the region would have been negative for the region over the last five years. Establishments with 15 to 24 employees (82 jobs or 15.7%) and more than 100 employees (4 jobs or 0.1%) have also increased payrolls over the last five years. Establishments with 50 to 99 employees (-179 jobs or -22.0%) and 25 to 49 Employees (-17 or -1.9%) saw payrolls decline over the last five years. The declines in payrolls at establishments with 50 to 99 employees and 25 to 49 employees is largely a result of recent pandemic driven declines at Leisure and Hospitality establishments in the region.

### Private Employment by Establishment Size in Tahoe Region

| Category                | Establishment | Employment | 5-Year Employment |            |
|-------------------------|---------------|------------|-------------------|------------|
|                         | Count         | (000s)     | Change            | Growth (%) |
| Less than 15 Employees  | 281           | 2.7        | 216               | 8.8        |
| 15 to 24 Employees      | 30            | 0.6        | 82                | 15.7       |
| 25 to 49 Employees      | 27            | 0.9        | -17               | -1.9       |
| 50 to 99 Employees      | 11            | 0.6        | -179              | -22.0      |
| More than 100 Employees | 9             | 3.0        | 4                 | 0.1        |
| <b>Total</b>            | <b>357</b>    | <b>7.8</b> | <b>106</b>        | <b>1.4</b> |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

Despite weak employment growth there has still been an influx of establishments into the region. Over the last 5 years, 35 more establishments have opened in the Tahoe Region than have gone out of business. In addition, the region saw net increases in 2020 and 2021 despite facing headwinds due to the COVID-19 pandemic.

### Business Establishment Births/Deaths in Tahoe Region

| Year | Births | Deaths | Net |
|------|--------|--------|-----|
| 2014 | 24     | -12    | 12  |
| 2015 | 23     | -5     | 18  |
| 2016 | 25     | -14    | 11  |
| 2017 | 18     | -12    | 6   |
| 2018 | 22     | -9     | 13  |
| 2019 | 18     | -12    | 6   |
| 2020 | 23     | -14    | 9   |
| 2021 | 16     | -15    | 1   |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

While many businesses faced headwind due to the pandemic, it also created opportunities. Natural Resources and Construction had the largest increase in establishments over the last year, with 3 more establishments opening than have gone out of business. Other sectors with more establishments opening than have gone out of business were Leisure and Hospitality (2 establishments), Professional, Scientific and Technical Services and Management (1 establishment), and Education and Health Care (1 establishment). Industries with more business closures than openings were Trade (-5 establishments) and Financial Services and Real Estate (-1 establishment).

### Business Establishment Births/Deaths by Industry: Tahoe Region

| Industry                    | Births | Deaths | Net |
|-----------------------------|--------|--------|-----|
| NR/Construction             | 4      | -1     | 3   |
| Leisure and Hospitality     | 4      | -2     | 2   |
| Prof, Sci, Tech, and Mgmt   | 1      | 0      | 1   |
| Education/Health            | 1      | 0      | 1   |
| Manufacturing and Logistics | 0      | 0      | 0   |
| Information                 | 0      | 0      | 0   |
| Admin Support               | 3      | -3     | 0   |
| Other Svcs.                 | 0      | 0      | 0   |
| Government                  | 0      | 0      | 0   |
| Fin. Svcs. and Real Estate  | 2      | -3     | -1  |
| Trade                       | 1      | -6     | -5  |

Source: California Employment Development Department; Analysis by Beacon Economics.

\*Measures establishments with 3 or more employees.

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# Appendix

## About These Data

These data represent the count of employment and wages for workers covered by unemployment insurance programs in the time period indicated. The Employment Development Department compiles the data from reports filed by employers each quarter.

## Glossary of Terms

### Establishments

The number of establishments reported in the time period indicated. An establishment is an economic unit, such as a farm, mine, factory, or store, that produces goods or provides services. It is typically at a single physical location and is engaged in one, or predominantly one, type of business activity for which a single industrial classification has been assigned. A business with multiple locations will account for multiple establishments.

### Employment

The average of the monthly employment for the time period. Employment is the number of filled jobs for the pay period that includes the 12th day of each month as reported by the employer and it includes full and part-time workers. If a person holds two jobs, that person would be counted twice in these data.

### Payroll

The total compensation paid by an employer during the time period, regardless of when the services were performed. Wages include bonuses, stock options, the cash value of meals and lodging, tips and other gratuities. These data are displayed in thousands of dollars; however, the data contained in the downloadable file are in whole dollars.

## Employment Industry Definitions<sup>1</sup>

### Construction

The **Construction** sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector.

### Natural Resources

The **Natural Resources** sectors is the combination of the Agriculture, Forestry, Fishing and Hunting sector and the Mining sector. The Agriculture, Forestry, Fishing and Hunting sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats. The mining sector comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas.

### Manufacturing

The **Manufacturing** sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment.

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1 Industries at a Glance: NAICS Code Index [https://www.bls.gov/iag/tgs/iag\\_index\\_naics.htm](https://www.bls.gov/iag/tgs/iag_index_naics.htm)

## Retail Trade

The **Retail Trade** sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.

## Leisure and Hospitality

The **Leisure and Hospitality supersector** consists of these sectors:

- Arts, Entertainment, and Recreation.
- Accommodation and Food Services.

The **Arts, Entertainment, and Recreation sector** includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons.

The **Accommodation and Food Services sector** comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

## **Professional, Scientific, Technical Services, and Management**

The **Professional, Scientific, Technical Services and Management supersector** consists of these sectors:

- Management of Companies and Enterprises.
- Professional, Scientific, and Technical Services.

The **Professional, Scientific, and Technical Services sector** comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training.

The **Management sector** comprises:

- Establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions;
- Establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise, and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise.

## **Financial Services and Real Estate**

The **Financial Services sector** comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

The **Real Estate sector** comprises establishments primarily engaged in renting, leasing, brokerage or otherwise allowing the use of tangible or intangible assets, and establishments providing related services.

## **Administrative Support**

The **Administrative Support sector** comprises establishments performing routine support activities for the day-to-day operations of other organizations. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

## **Wholesale Trade**

The **Wholesale Trade sector** comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.

## **Transportation and Warehousing**

The **Transportation and Warehousing sector** includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation.

## **Utilities**

The **Utilities sector** comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal.

## **Information**

The **Information sector** comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.



## Education

The **Educational Services** sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated.

## Health Care

The **Health Care** sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities.

## Other Services

The **Other Services** sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

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# About Beacon Economics

Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis they need to understand the significance of on-the-ground realities and to make informed business and policy decisions.

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## Project Team

**Taner Osman**  
Manager, Regional and  
Sub-Regional Analysis

**Brian Vanderplas**  
Senior Research Associate

**Christopher Thornberg**  
PhD, Founding Partner  
(Project Advisor)

**For further information about this report or to learn more about  
Beacon Economics please contact:**

**Sherif Hanna**  
Managing Partner  
[sherif@beaconecon.com](mailto:sherif@beaconecon.com)

**Victoria Bond**  
Director of Marketing and Communications.  
[victoria@beaconecon.com](mailto:victoria@beaconecon.com)

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# Placer County Employment Profile Report

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