



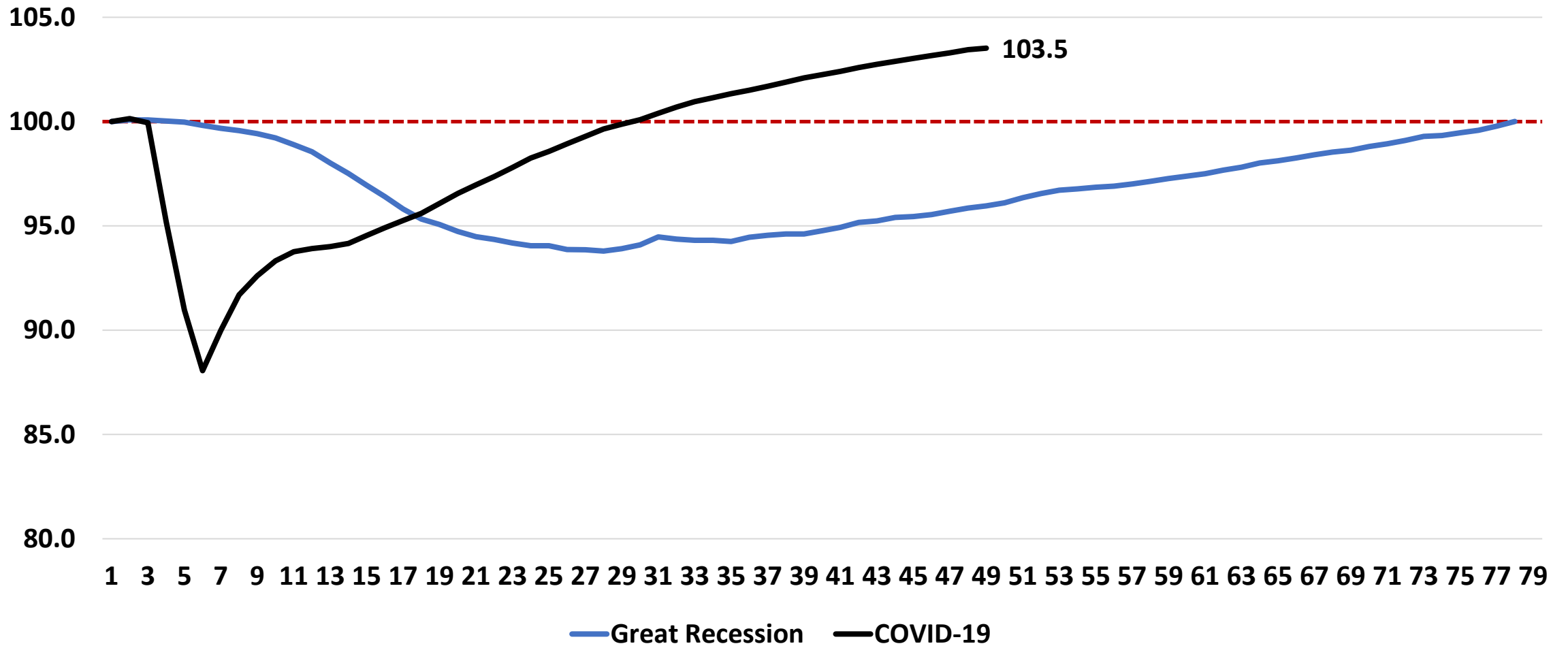
# Forecasting the Future

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MARIN ECONOMIC FORUM

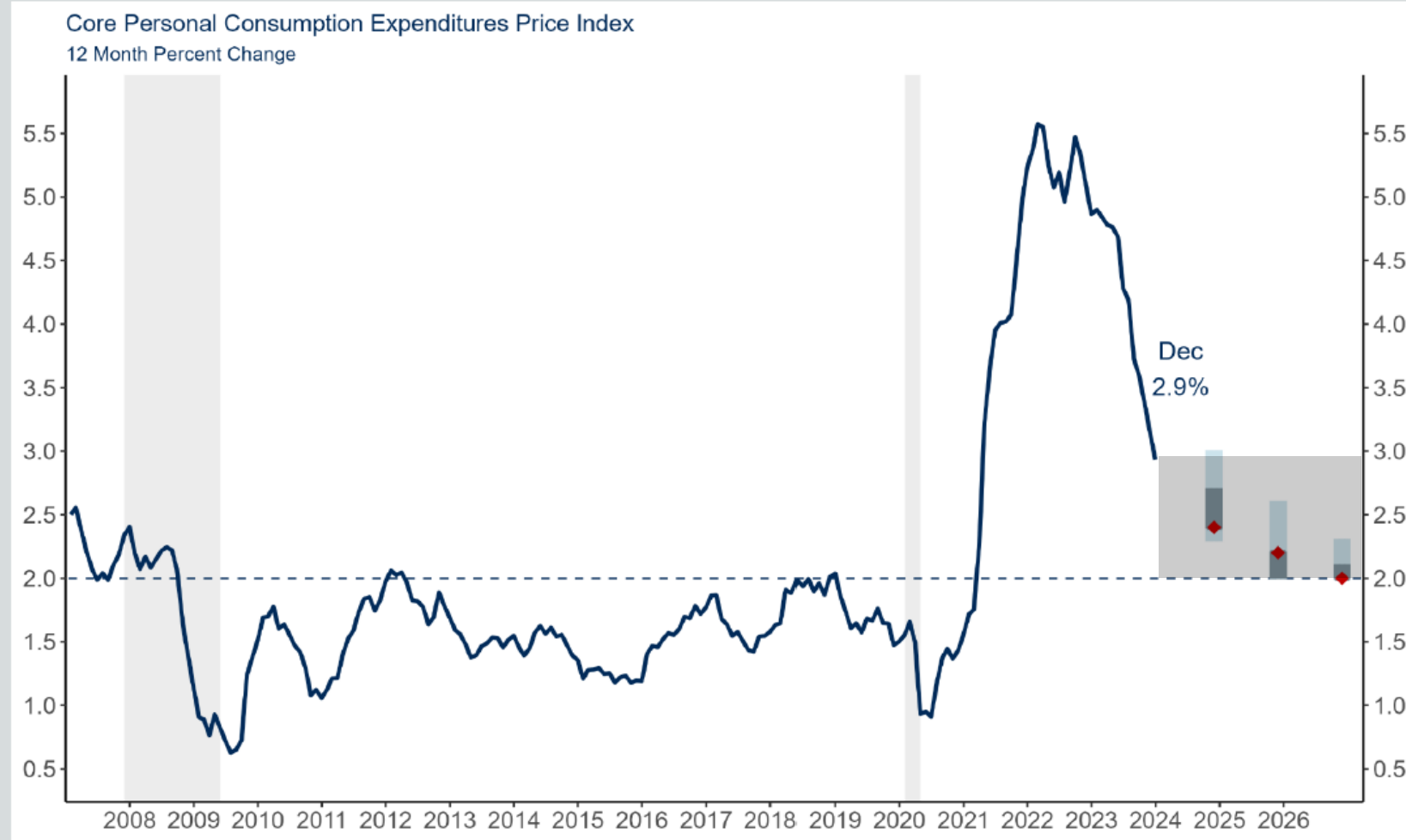
FEBRUARY 7, 2024

# Employment Recovery Comparison, United States, Great Recession and COVID-19 Recession, Months from Peak Employment, Index Nov 2007 and Jan 2020 = 100, to January 2024



Source: BLS and EFA

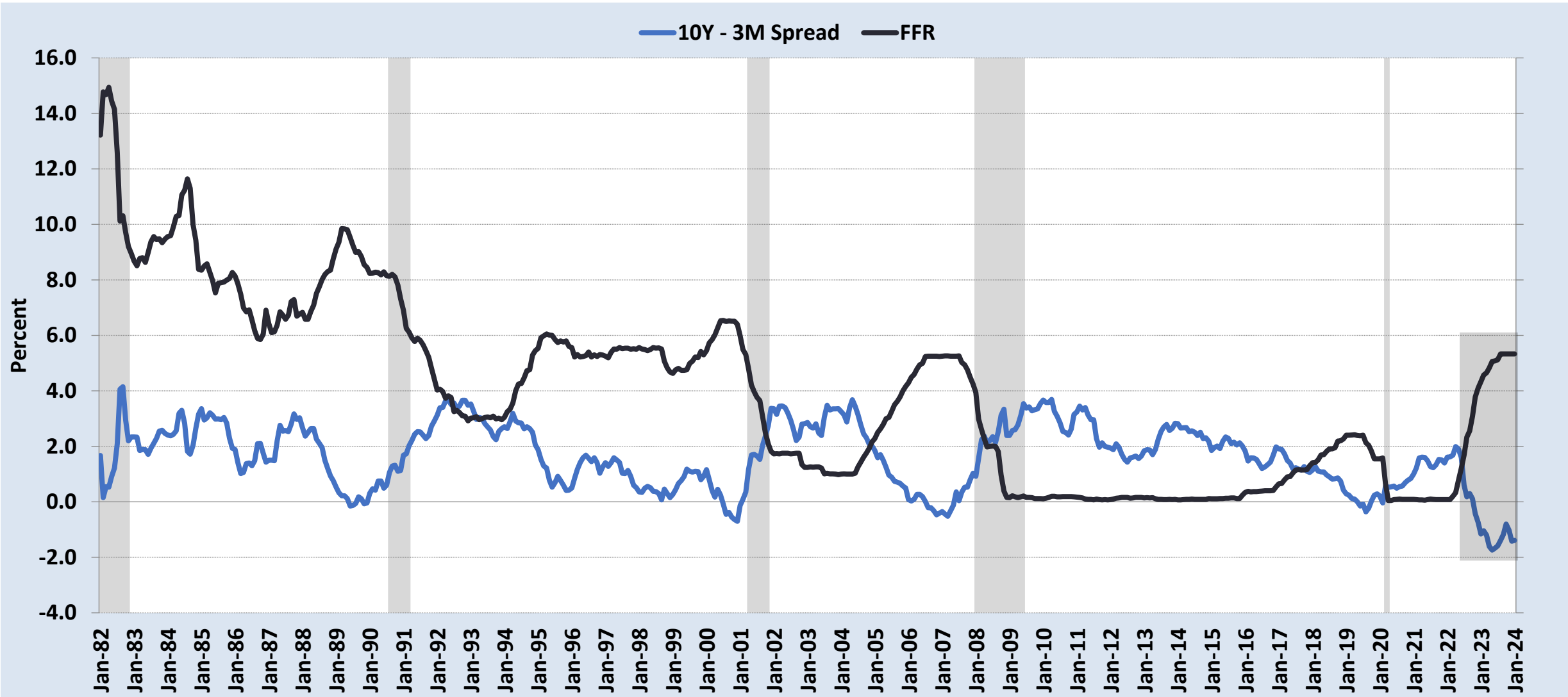
# Core PCE Prices, 2007 to 2026 and beyond: Rates to Start Falling?



## What to Watch

- Slow fall through forecasted inflation to 2026
- Signal for rates to fall in 2024: think rates to fall between 0.75% and 1.25% in 2024

# 10-Year 3-Month Treasuries Spread and Effective Federal Funds Rate, Jan 1982 to Jan 2024



Source: Federal Reserve Bank of St. Louis/FRED

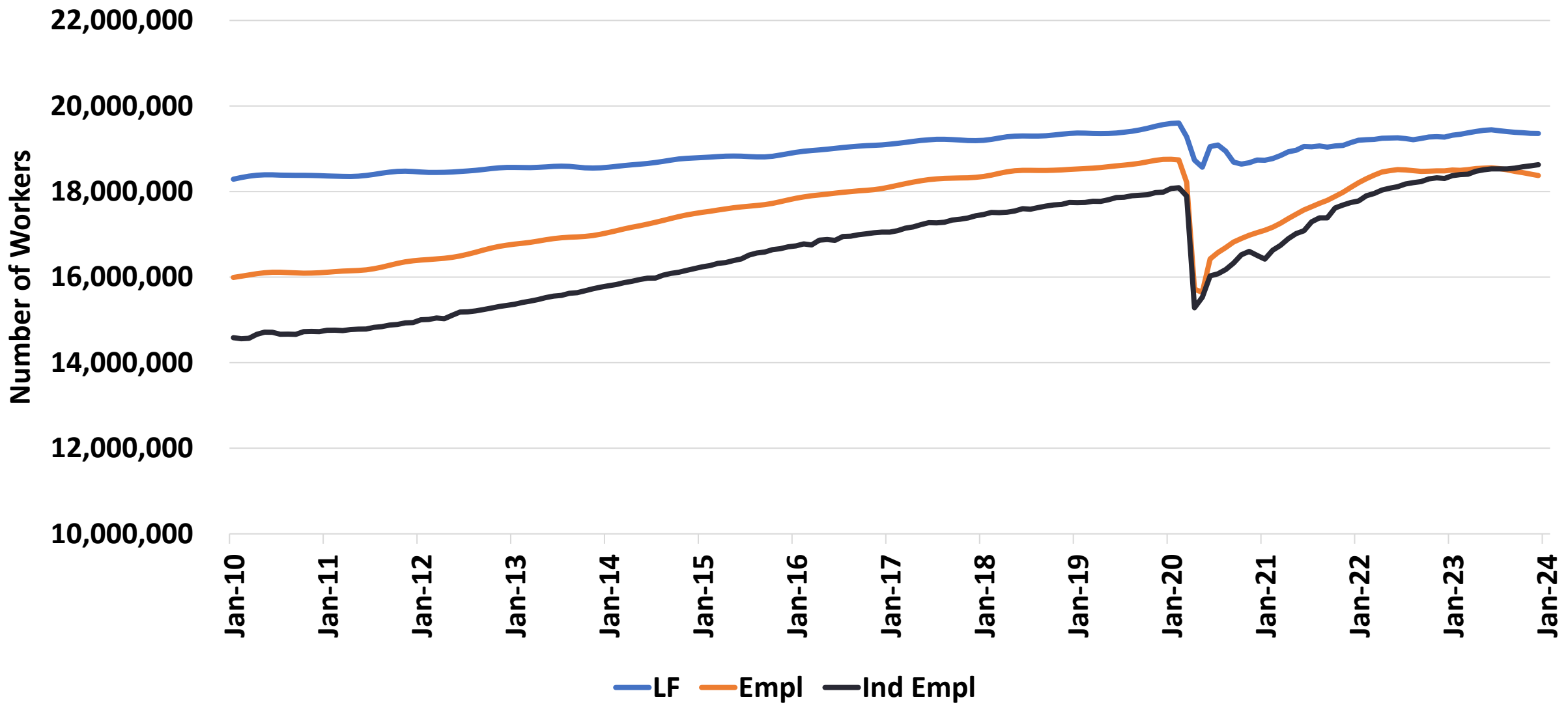
# Federal Reserve Philadelphia Forecast, Survey of Professional Forecasters

These data are from November 2023

**Bottom Line:** Economy more resilient than previous forecasts, inflation beginning its descent; relatively high interest rates will continue to pressure economy to 2025

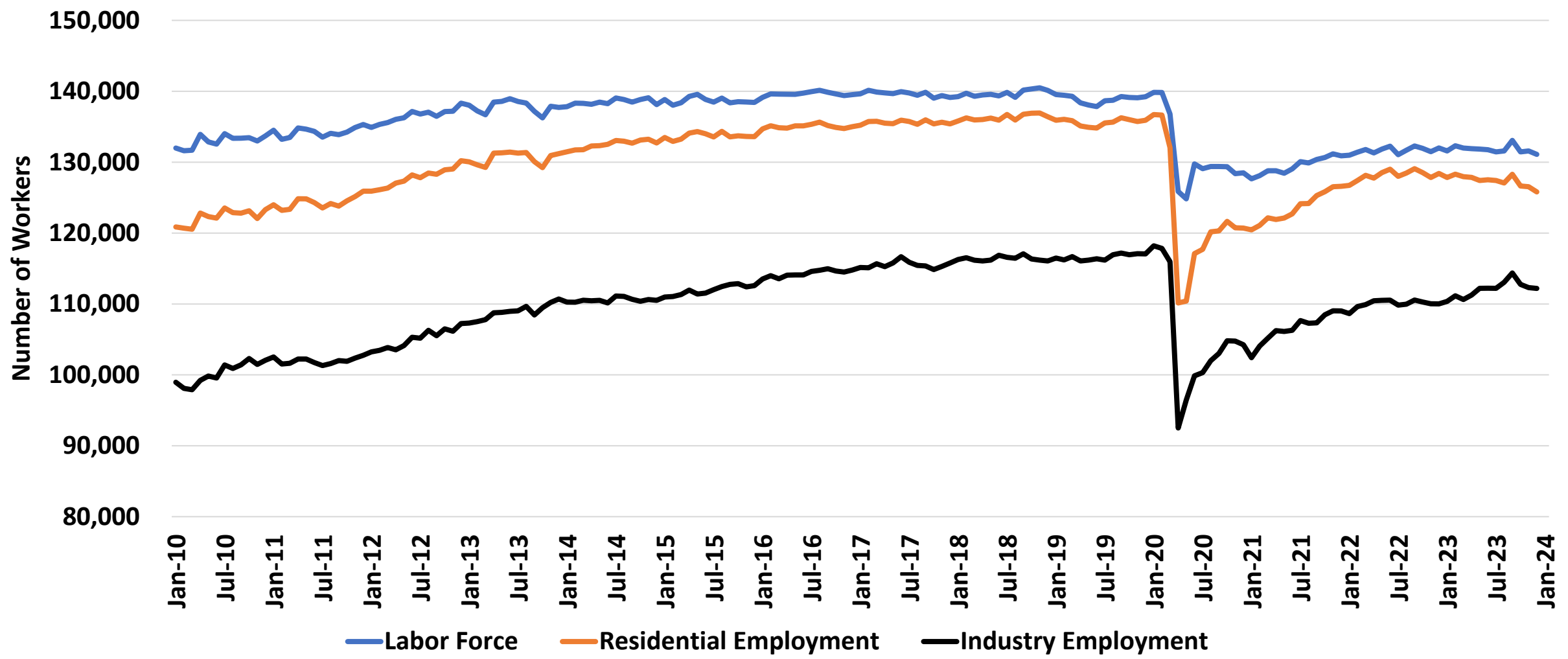
	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
Annual data (projections based on annual-average levels):	Previous	New	Previous	New	Previous	New
2023	2.1	2.4	3.6	3.7	3.7	3.5
2024	1.3	1.7	4.0	4.1	2.4	2.4
2025	2.1	1.8	4.2	4.2	2.1	2.1
2026	1.7	2.1	4.1	4.0	N/A	N/A

# Employment and Labor Force, California, Seasonally Adjusted January 2010 to December 2023, Number of Workers



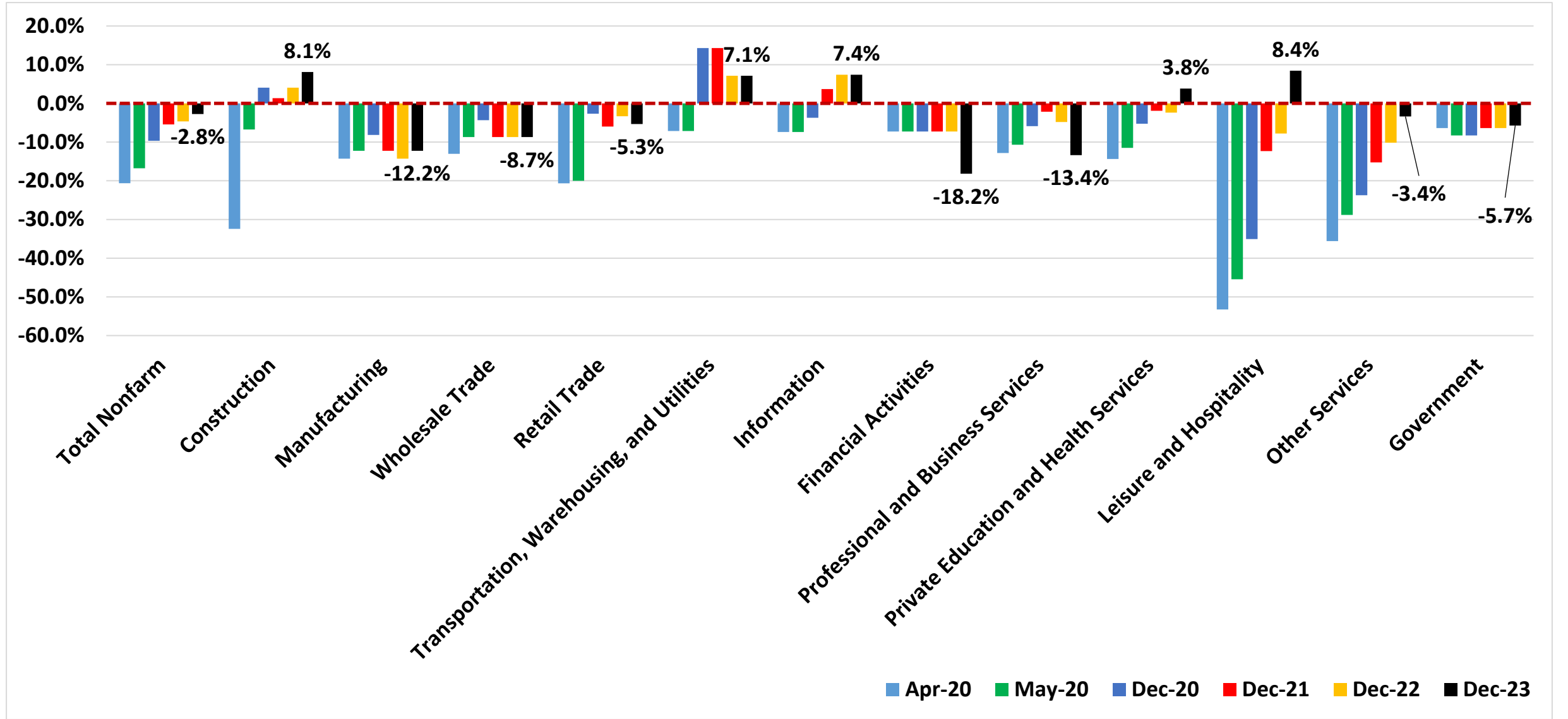
Sources: California EDD and MEF

# Employment and Labor Force, Marin County, Seasonally Adjusted, January 2010 to December 2023, Number of Workers



Sources: California EDD and MEF

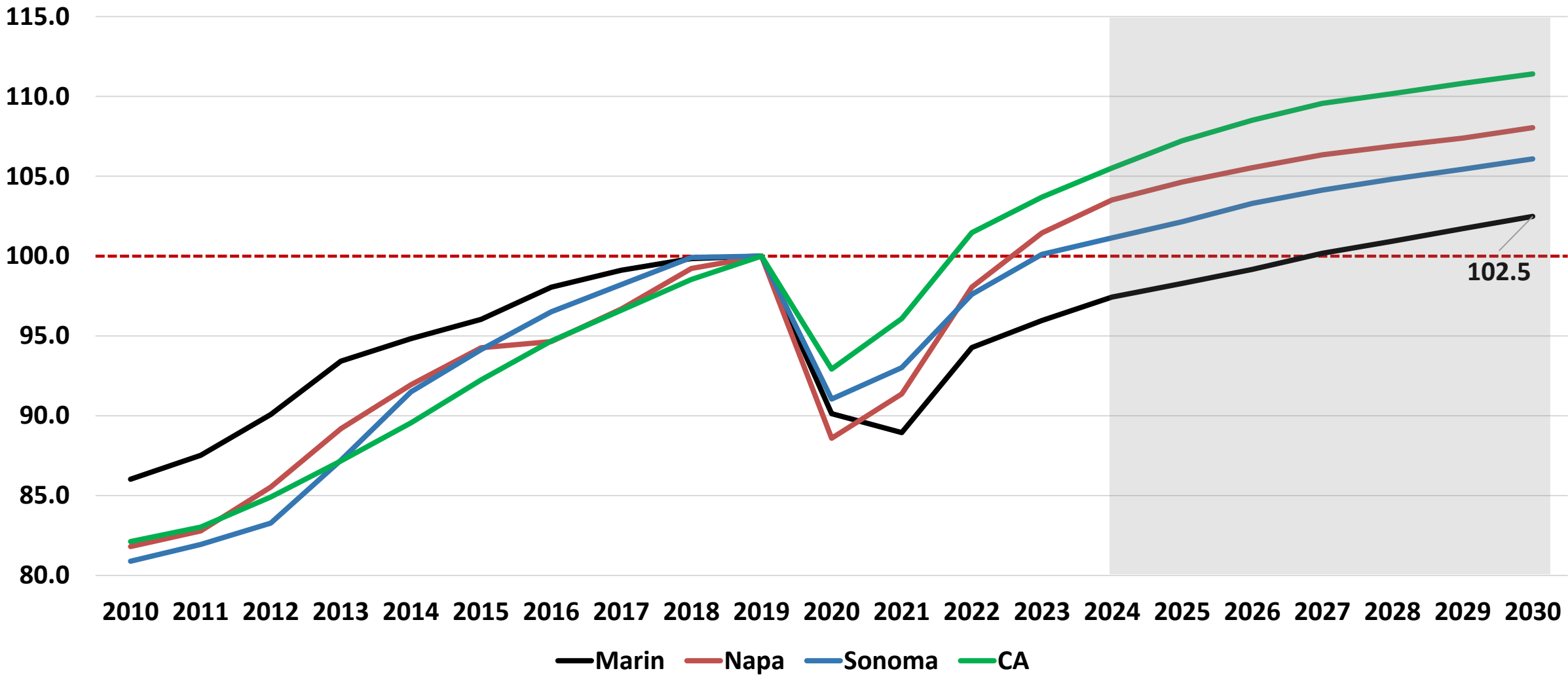
# Industry Changes, Marin County, Since January 2020 to December 2023, % Change in Workers



Sources: California EDD and MEF



# Actual and **Forecasted** Employment for Selected Counties and California, 2010-2030 Annual, Index (2019 = 100), Shaded Area = Forecast

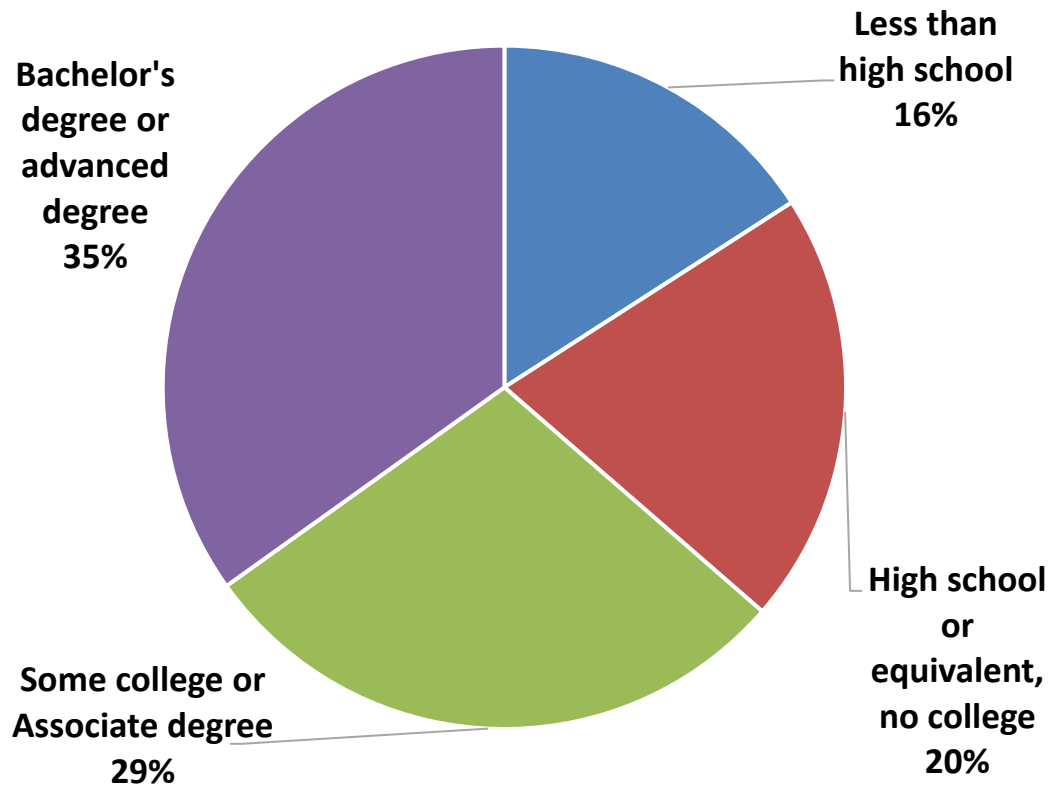


Sources: CalTrans and California Department of Finance

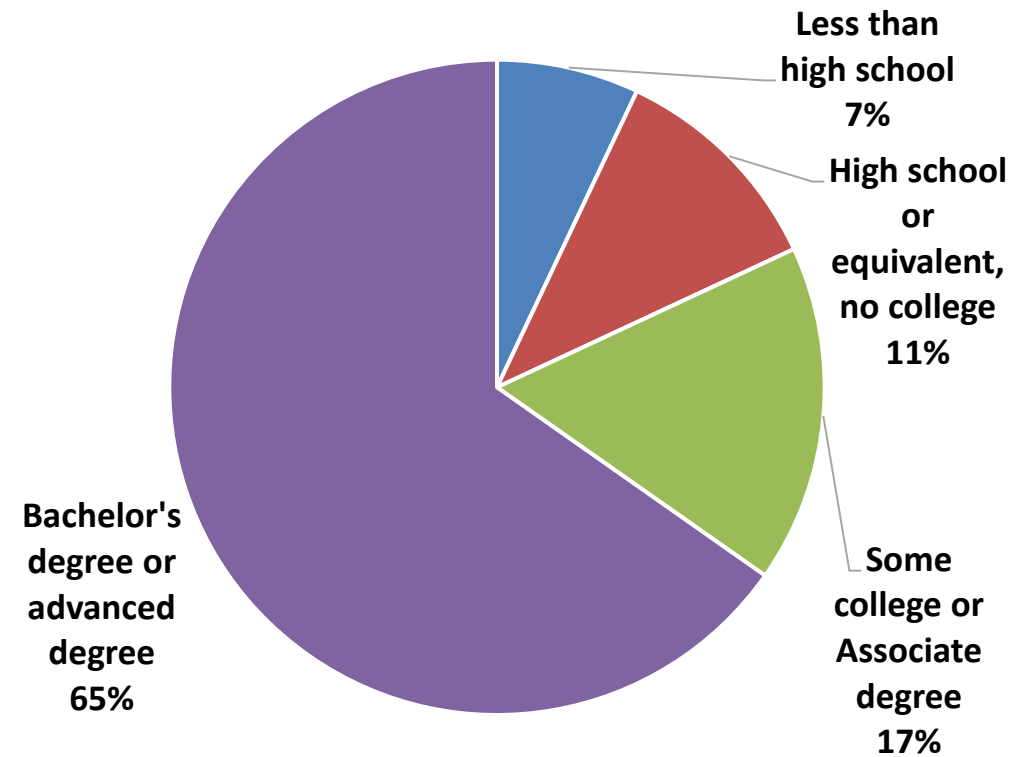
# Employment by Education versus Residents, 2022

## Marin County

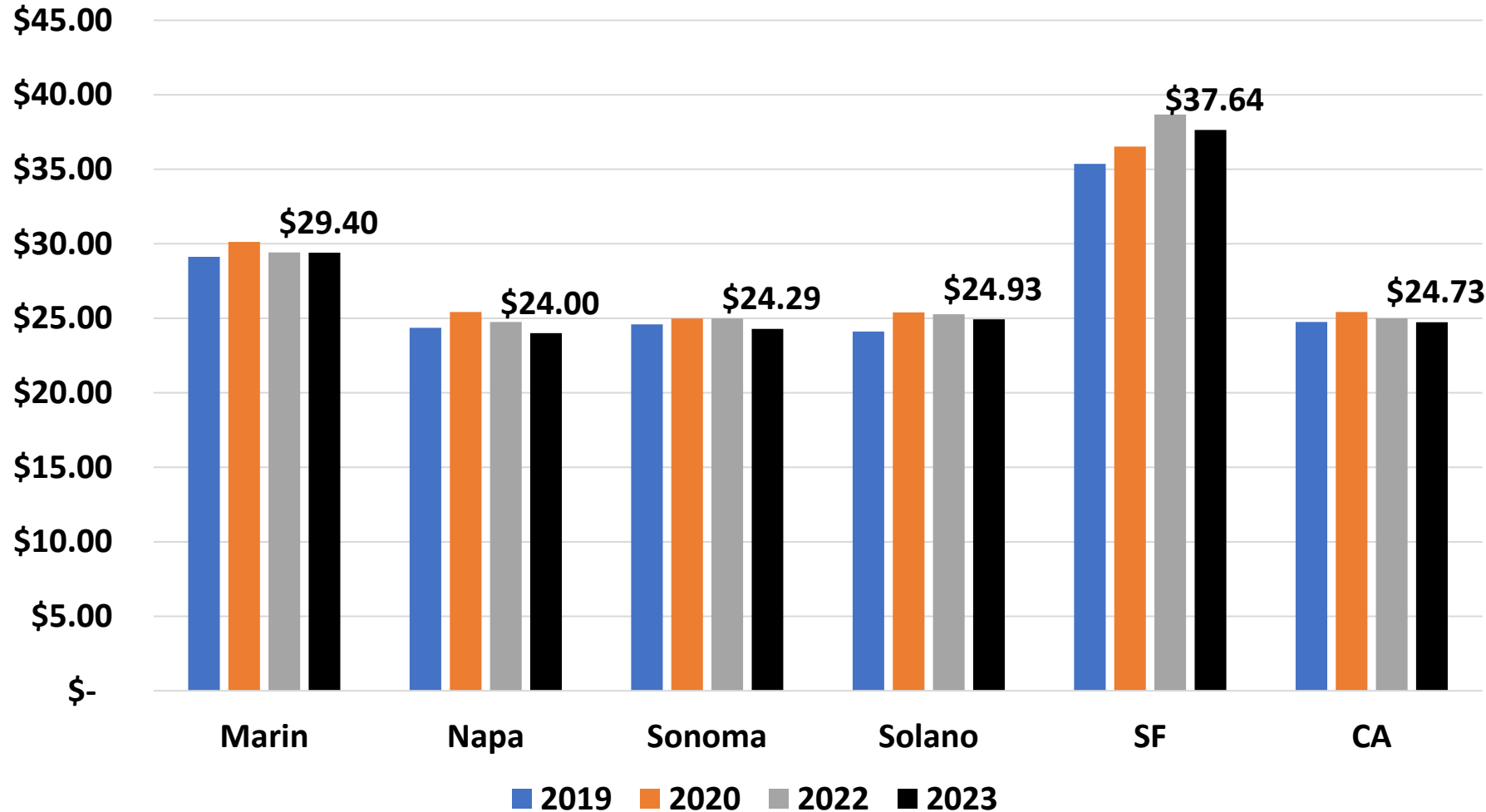
### Workers in Marin County, 2022



### Census 2022, Residents



# Median Wage Progression, Inflation-Adjusted \$ 2019-2023, Marin County and Selected Areas



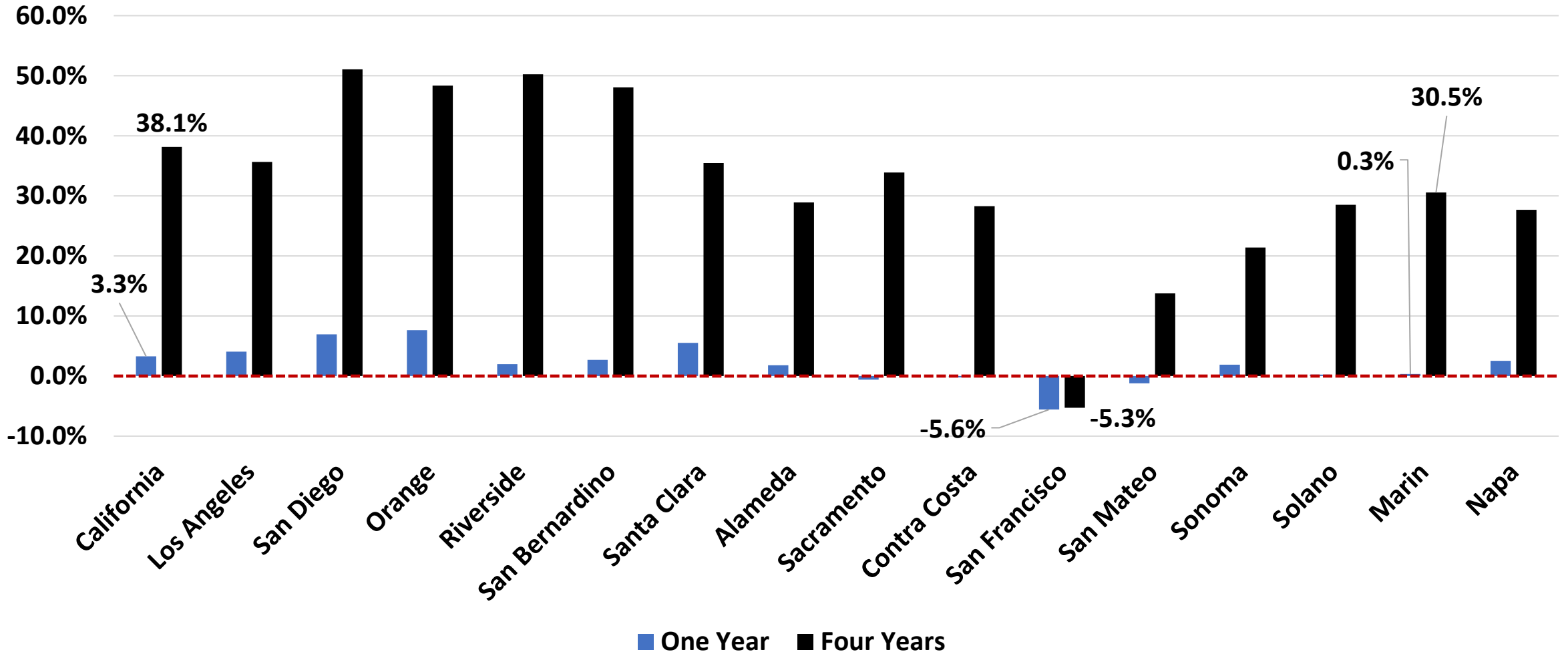
Wages have increased

Inflation has eroded gains as regressive tax

Small business and rising wages: a regressive tax?

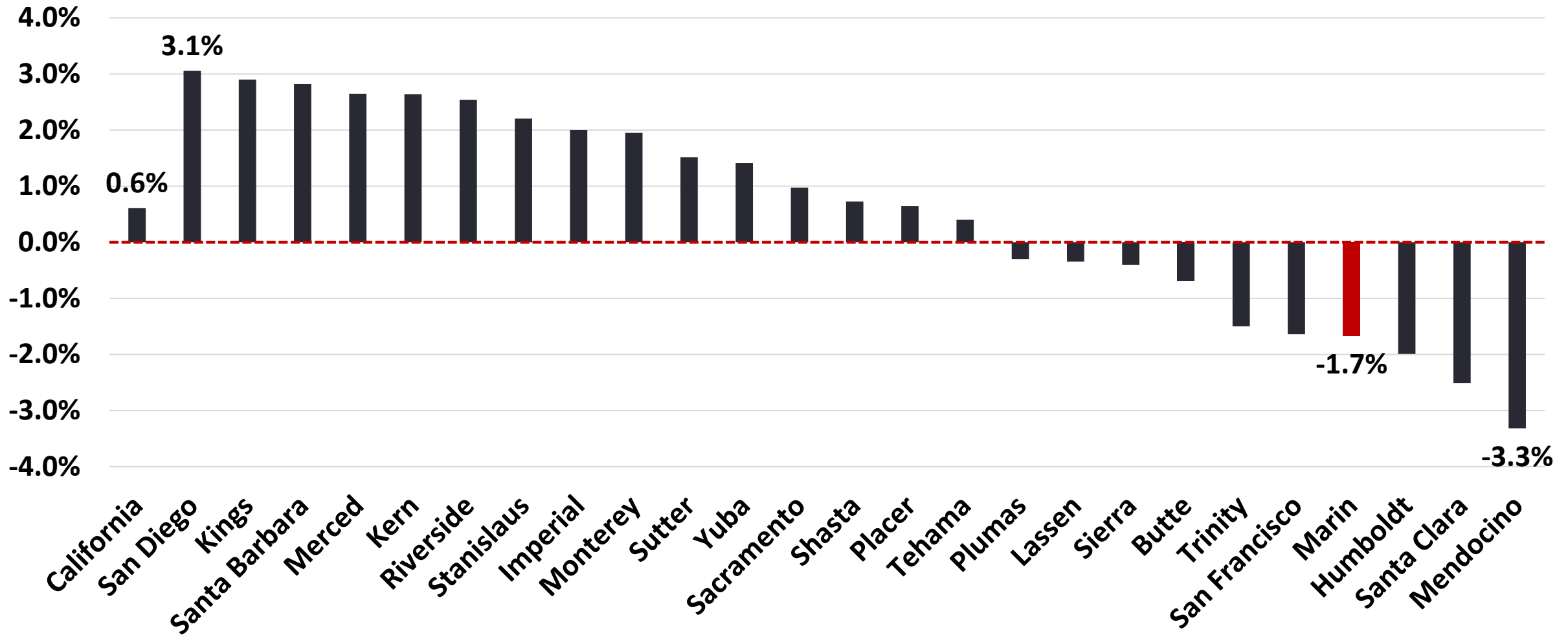
Marin County higher wages a combination of commute and living costs

# Median Housing Price Growth, December 2023, Percent Change, Selected Areas, Since December 2019 and December 2022



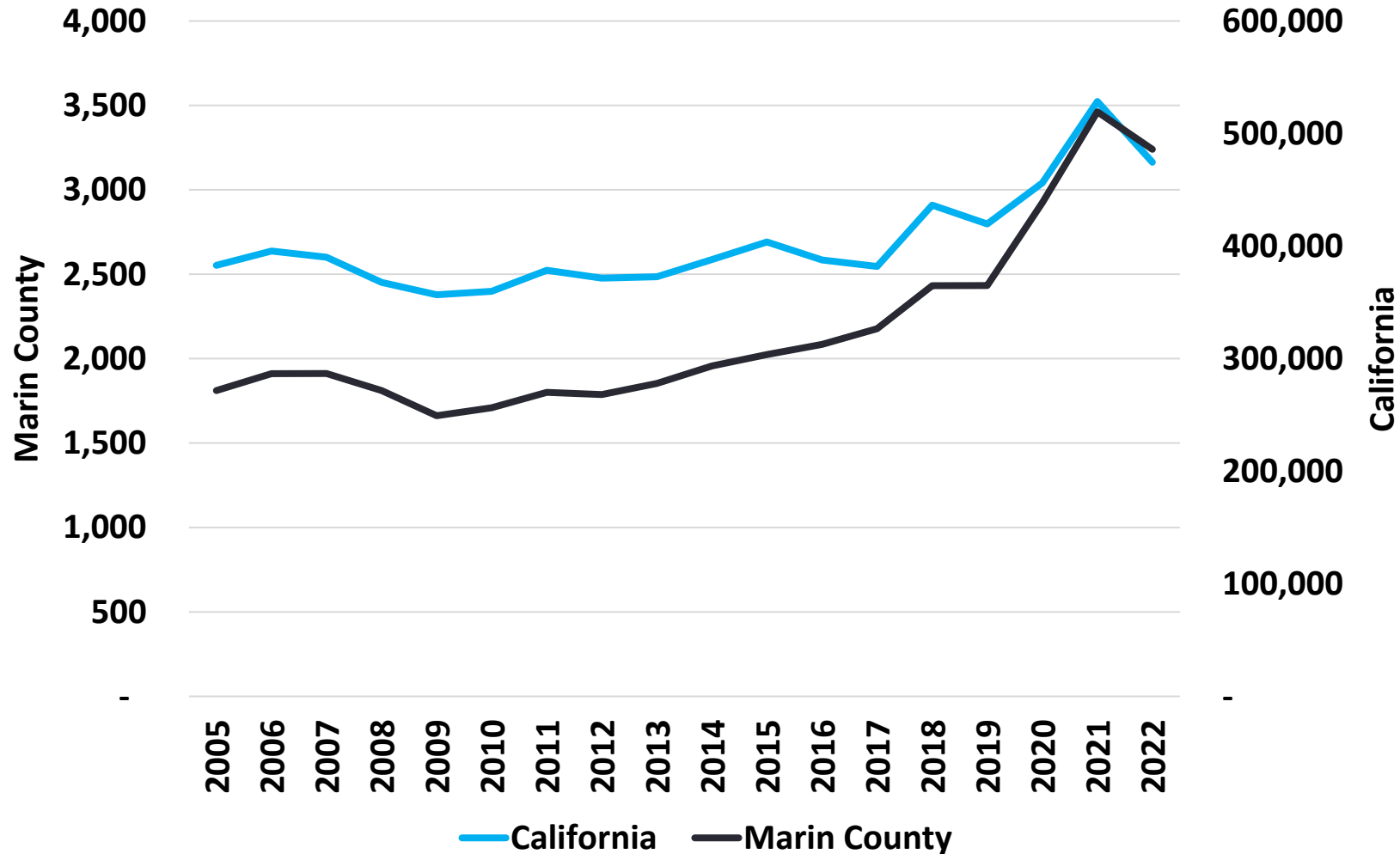
# Housing Forecast, % Change from Dec 2023 to Dec 2024

## Median Home Price Growth, Selected Areas





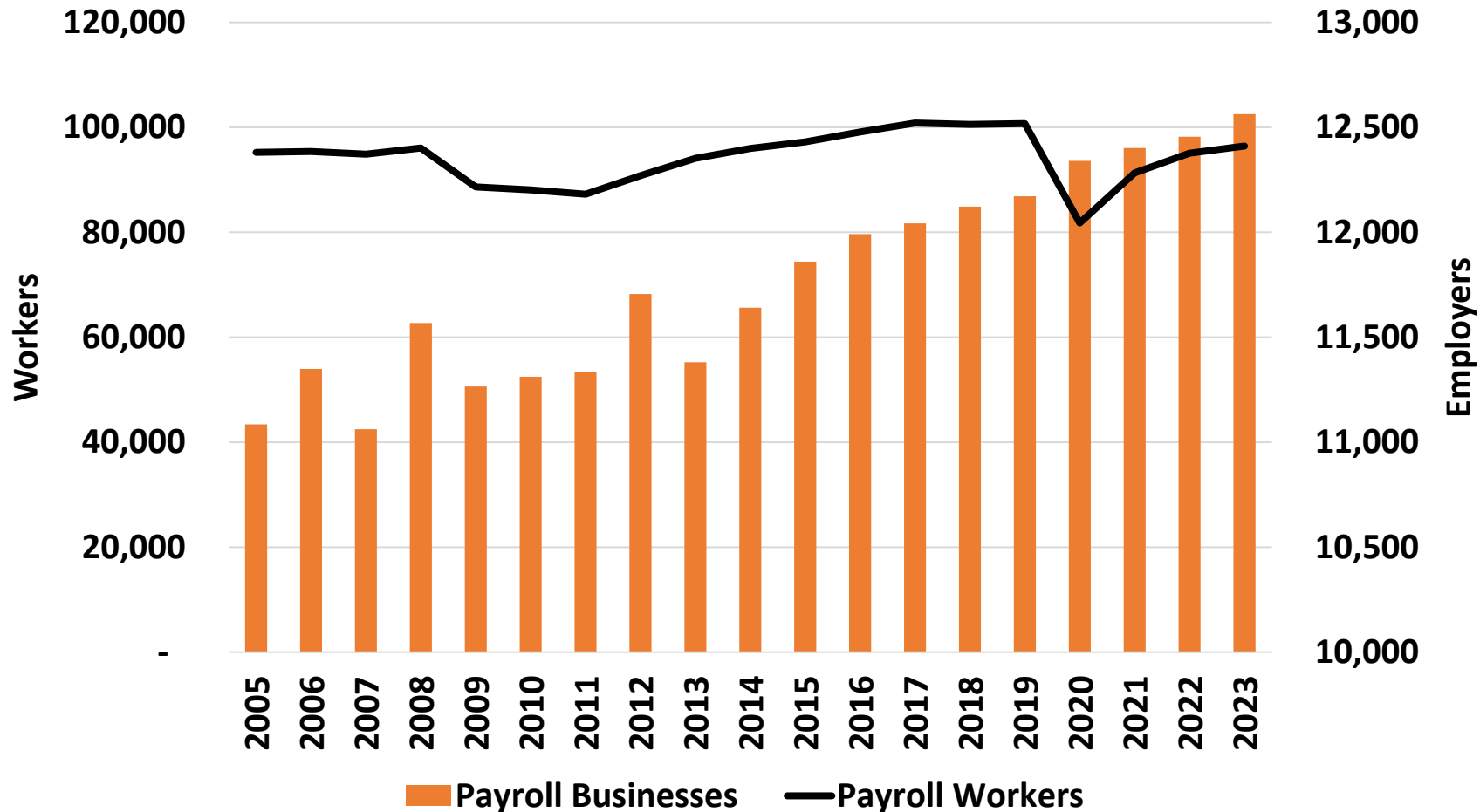
# Annual Business Applications in Marin County and California, 2005 to 2022, Number of Applications



## Business Attraction: key questions

- What types of businesses are starting and surviving?
- How are new businesses financing themselves?
- Does a workforce exist to prepare for specific types of businesses Marin County wants to attract and retain?

# Number of Employers and Employees at Marin County Businesses, 2005 to 2023, Q2 in Each Year

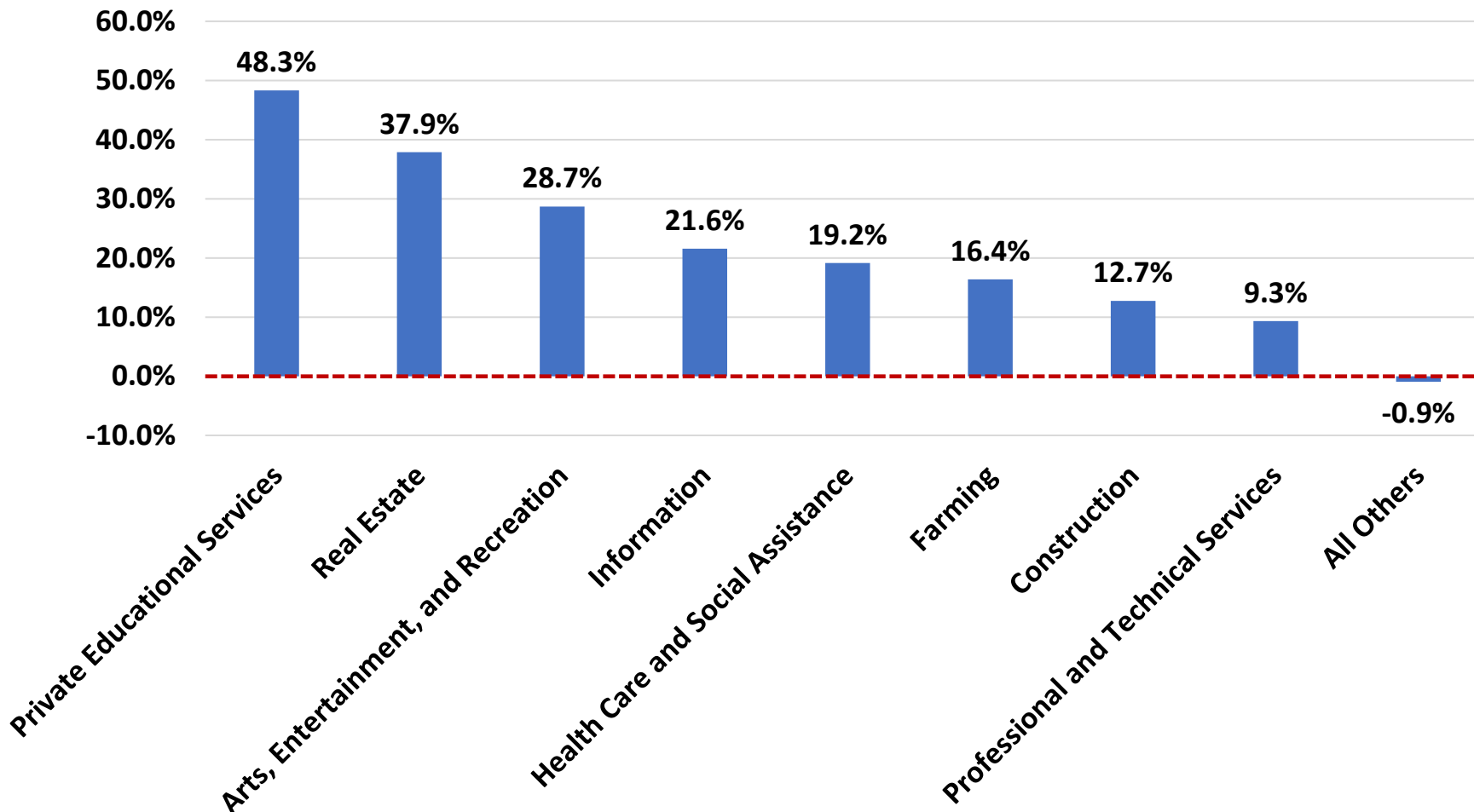


Tracking self-employment about 3 years behind in terms of statewide comparisons

Business growth with fewer payroll jobs suggests:

- Self-employed or 1099 style jobs
- Lower need for workers in many new businesses

# Growth of Businesses by Industry, 2015 Q2 to 2023 Q2, % Change, +703 net new businesses (+5.6%), Marin County

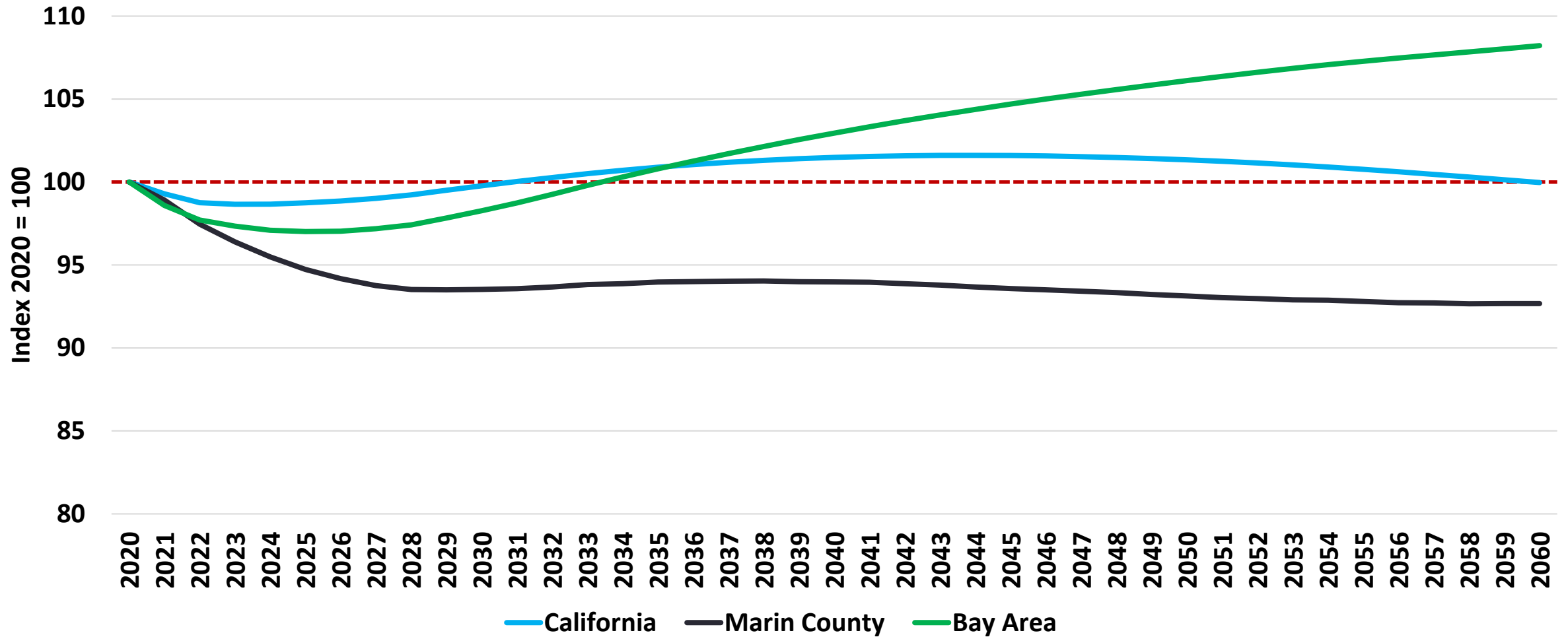


Where from here?

- Climate/green sciences and products
- Life sciences
- Healthcare
- Tourism
- IT/media

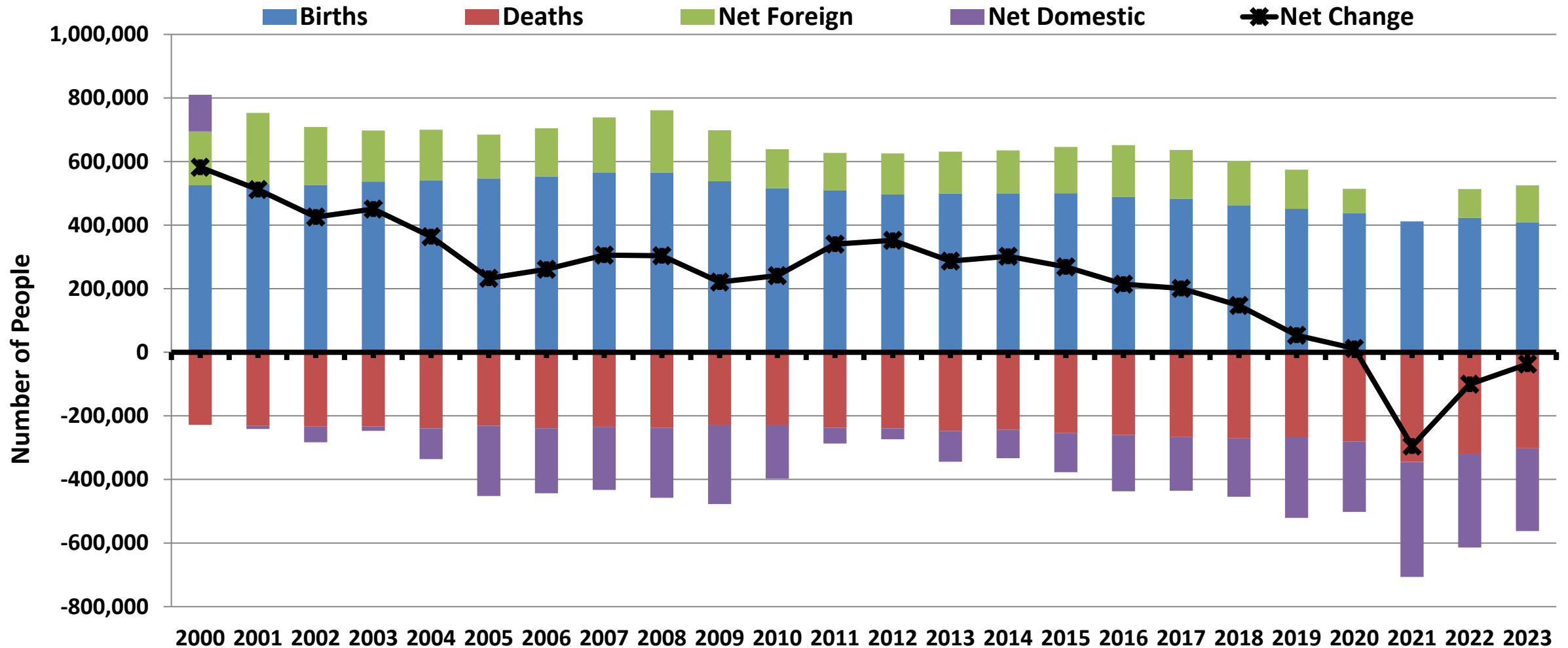


# Population Change, 2020 – 2060, Index 2020 = 100, 2023 Version, Marin County, Bay Area, and CA



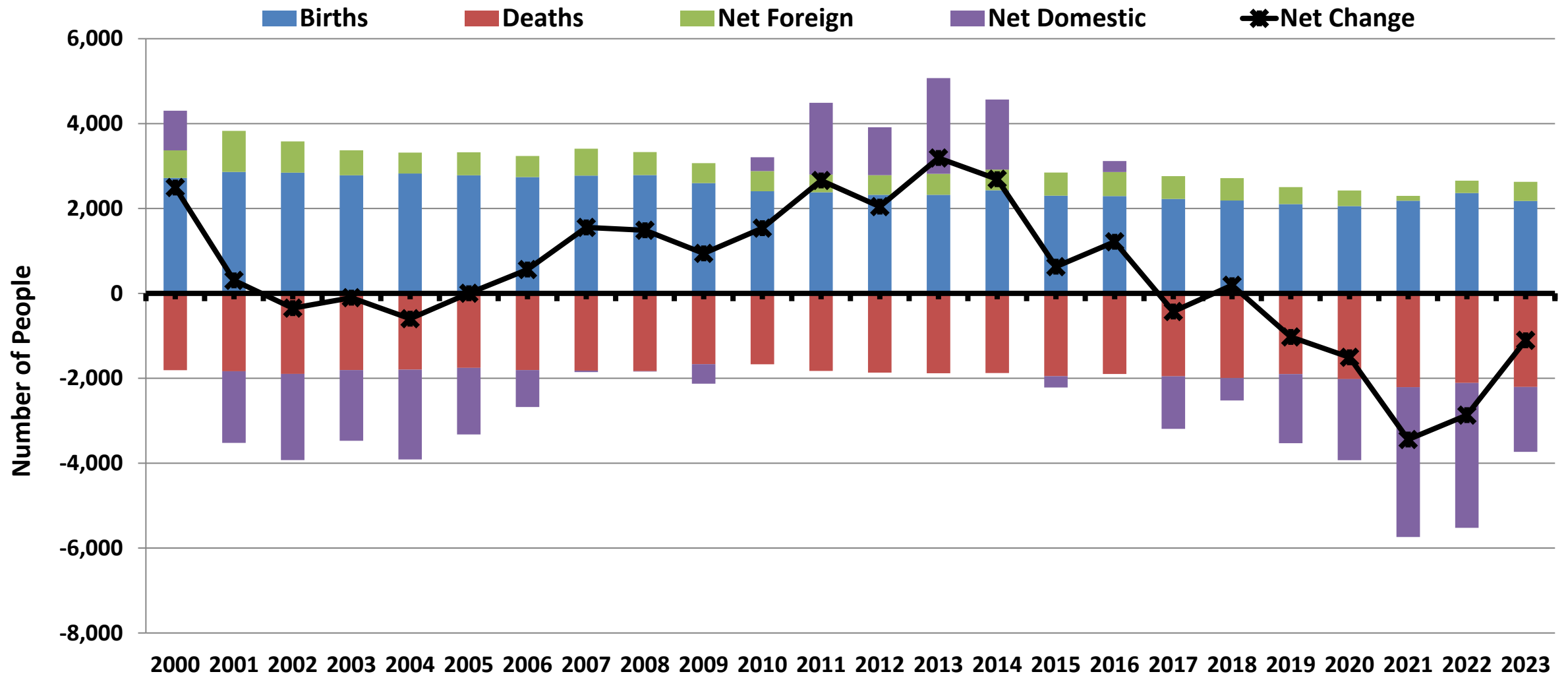
# Population Change, Main Components

## FY 1999-2000 to 2022-23, California, Number of People



# Population Change, Main Components

## FY 1999-2000 to 2022-23, Marin County, Number of People



# A Wild 2024 Ahead

- National labor market providing support for US economy
- Interest rate relief coming, assume it will be slow
- Housing market likely another flat year, but lower interest rates may change that
- Things to watch:
  - Elections and uncertainty: county, state, national
  - Geopolitical issues: what do the endgames look like?
  - Continued struggle for lower-income households and smaller businesses
  - Commercial real estate, lending and deposits chase

# Partner Program

## Partner Program



**CHAMPIONS FOR  
SUSTAINABLE GROWTH  
AND SOCIAL EQUITY**

The Marin Economic Forum provides direct value to the people of Marin by ensuring economic vitality, enabling people and businesses to thrive, increasing the quality of life and leveraging our assets and value. MEF leads a cross-county public-private dialogue through four themes:



Thanks!

[www.marineconomicforum.org](http://www.marineconomicforum.org)