

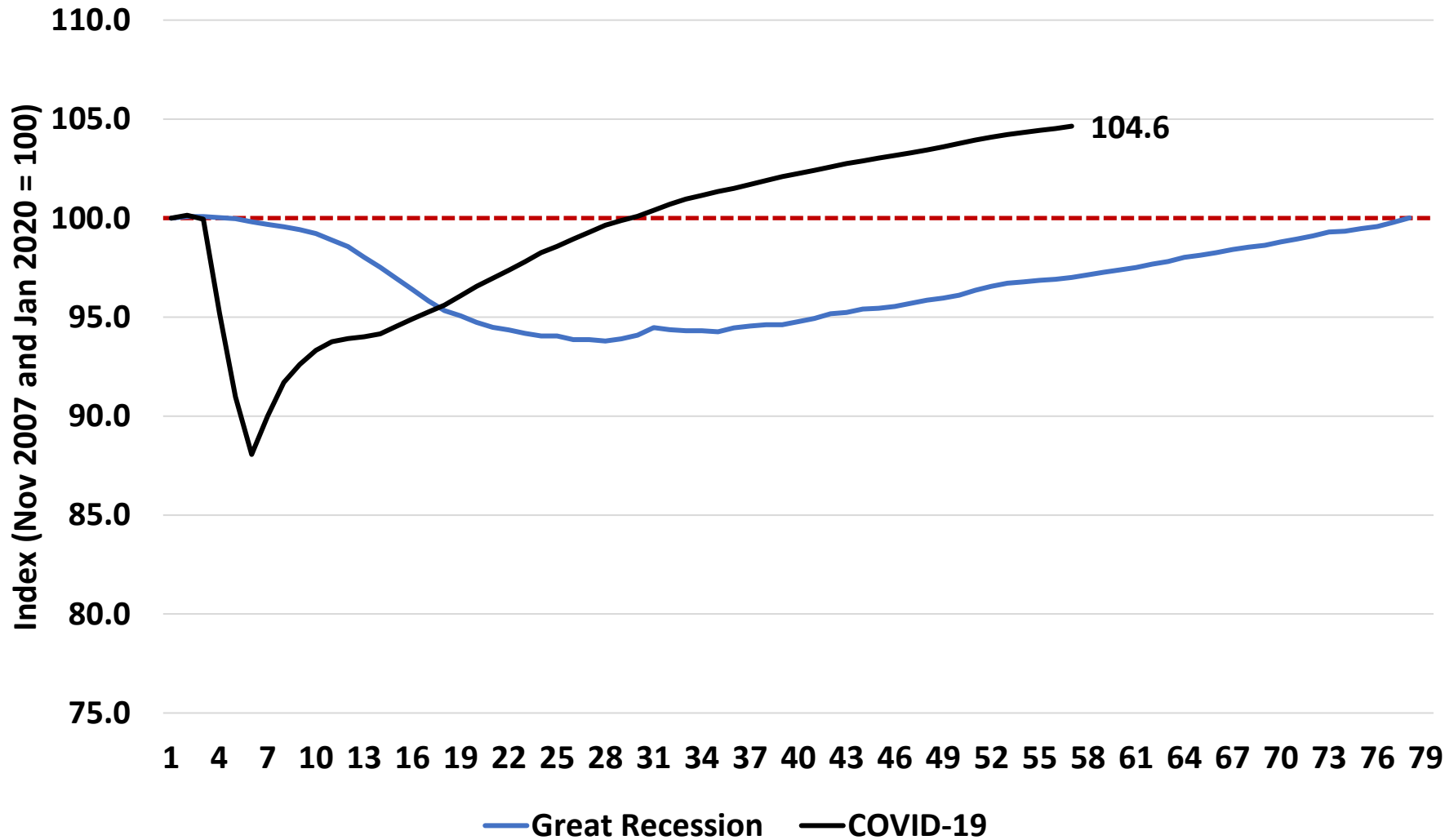


Marin Economic Briefing

MARIN ECONOMIC FORUM

OCTOBER 15, 2024

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



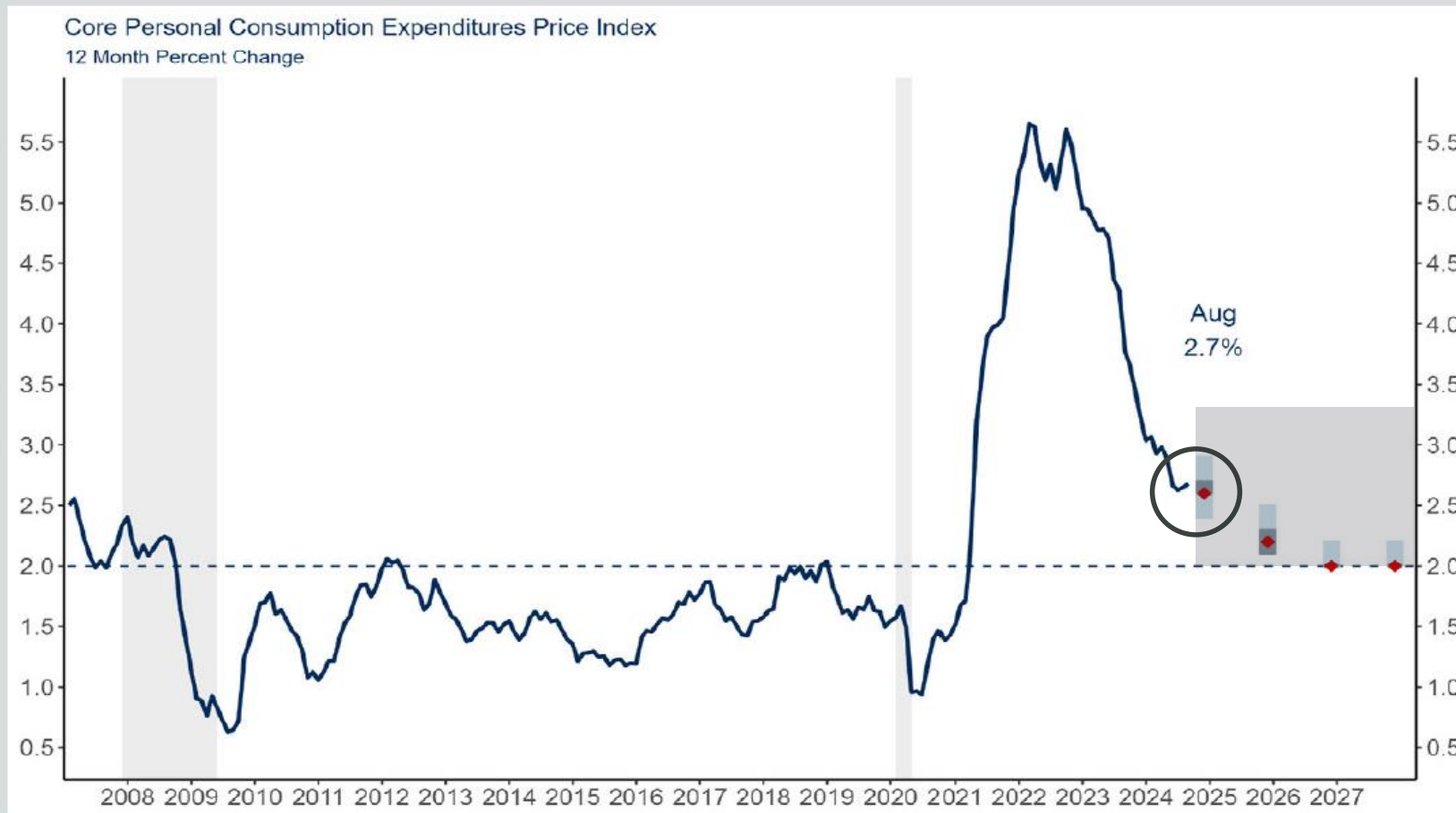
Other labor data:

1. Job openings down
2. Quits down: suggests workers are concerned about job market and are staying put
3. Hours worked annual change down, but stabilizing
4. Unemployment rising in trend: mainly “new” workers entering

The Fed's Favorite Price Index, 2007 to 2027 and beyond: Rates on the Move



Core Personal Consumption Expenditure Price Index



To consider:

Large rate cut in September: will that provide “relief”?

If data continue to beat year-end forecast, continued cuts coming, but will stall if inflation rises again in trend.

Federal Reserve Philadelphia

Forecast, Survey of Professional Forecasters



These data are from August 2024

Bottom Line: No recession in forecast (20% chance in 2025 for now), “late cycle” economy (jobs lost or slower growth with slowing inflation)

Real GDP (%)

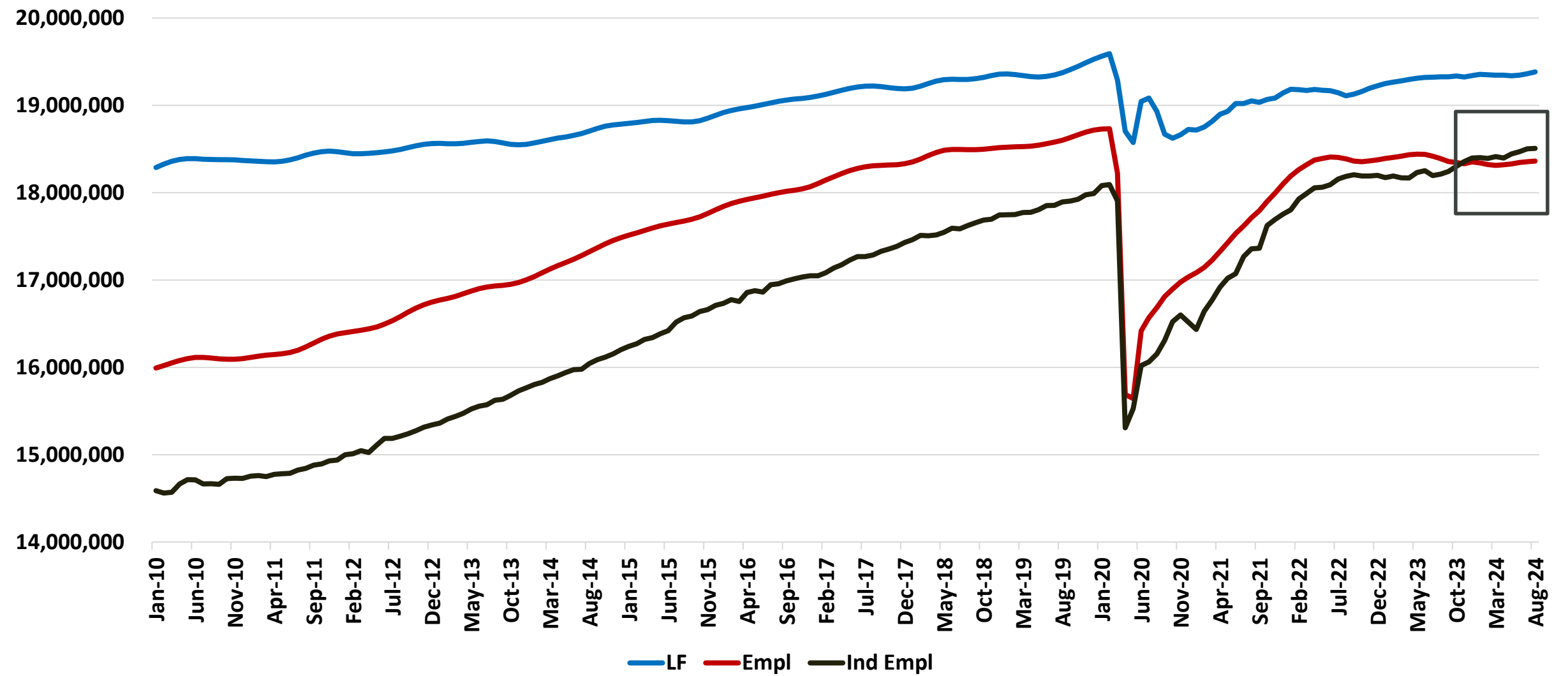
Unemployment Rate (%)

Core PCE Inflation (%)

Annual data (projections based on annual-average levels):

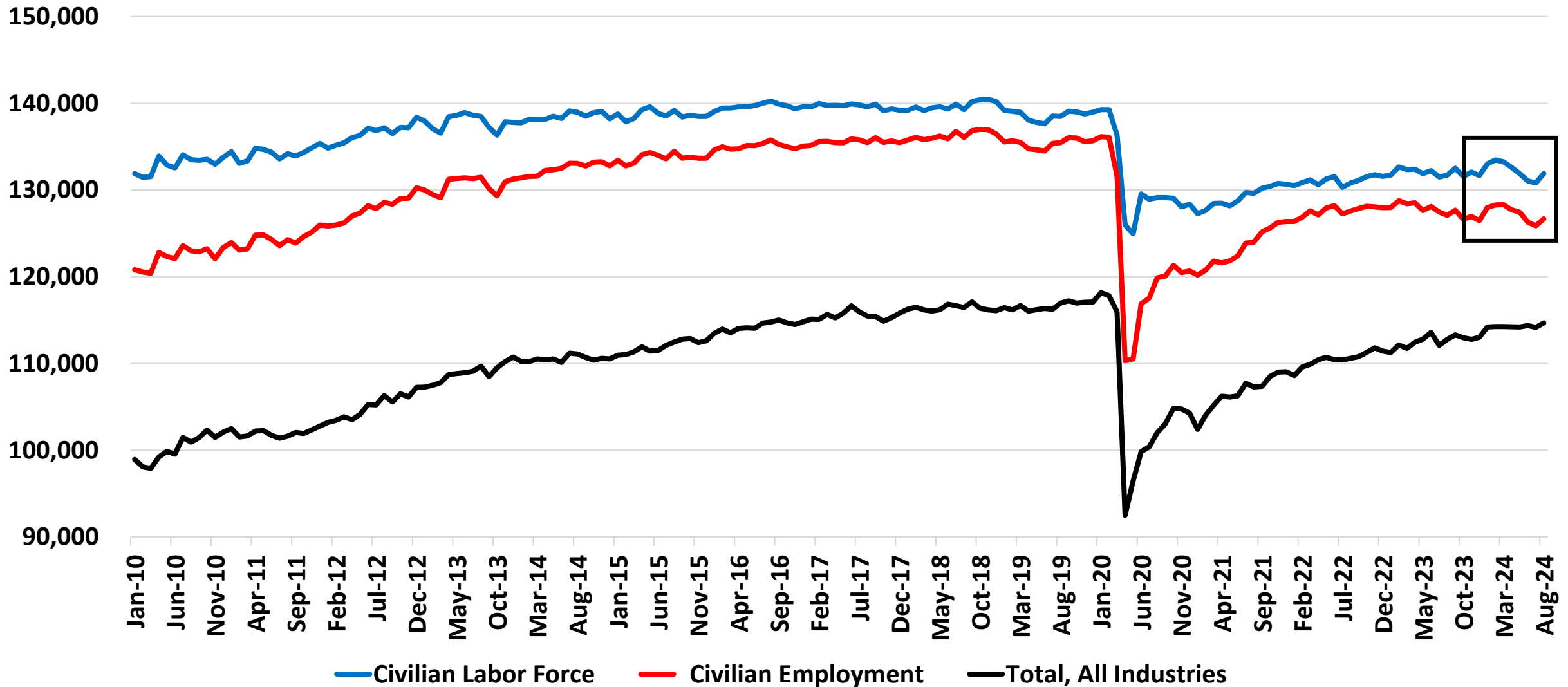
	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
	Previous	New	Previous	New	Previous	New
2024	2.5	2.6	3.9	4.1	2.9	2.8
2025	1.9	1.9	4.1	4.3	2.2	2.2
2026	1.9	2.3	4.1	4.2	2.1	2.0
2027	2.1	2.0	4.1	4.2	N/A	N/A

Labor Force and Employment, California Compared to Industry Jobs, January 2010 to August 2024



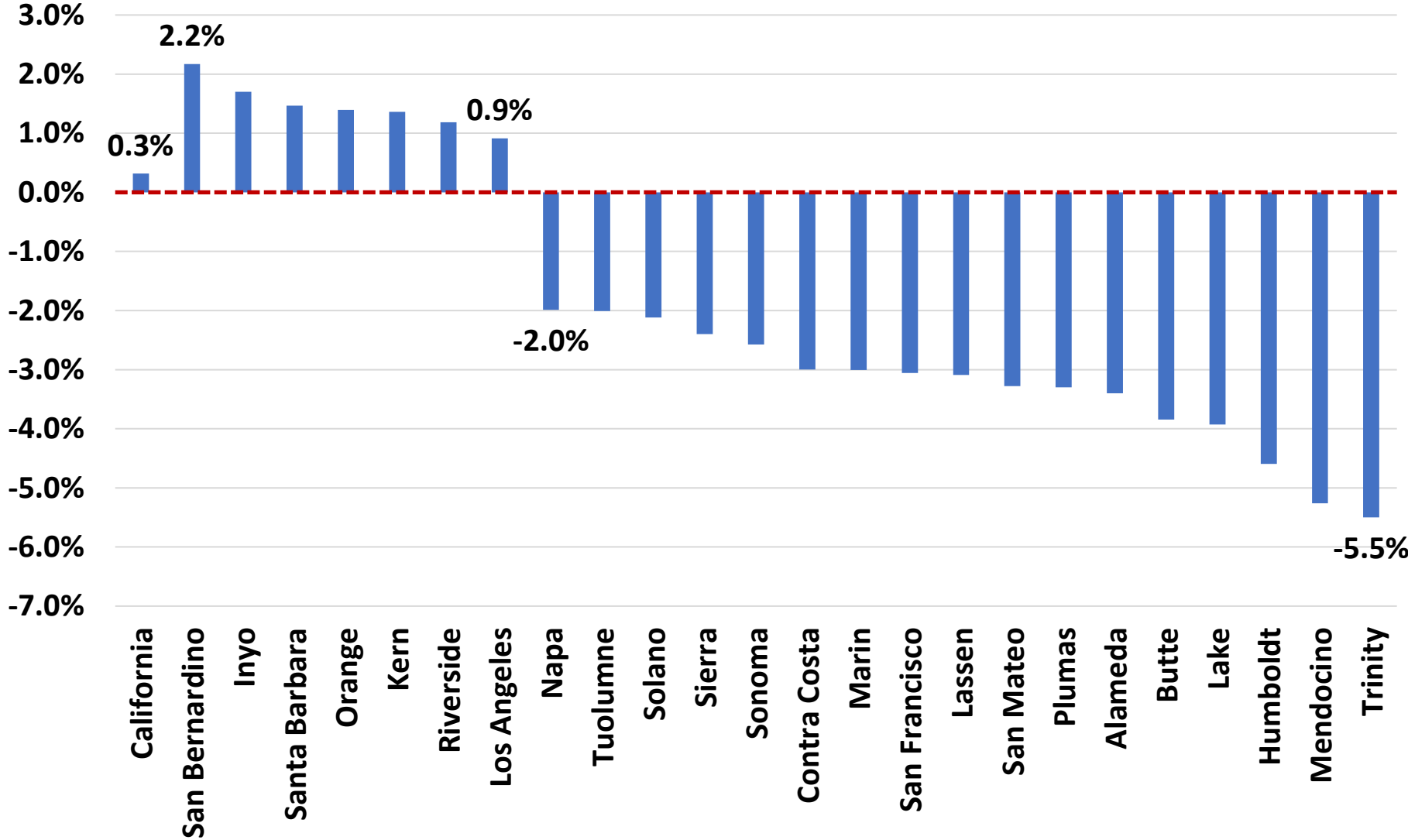
Sources: California EDD and MEF

Employment at Marin County and California Industries, Jan 2010 to August 2024, % Change in Hiring, Seas Adj



Sources: California EDD and MEF

Housing Forecast, Median Home Prices, August 2024 to August 2025, % Change, Selected Counties and CA, all other between LA and Napa



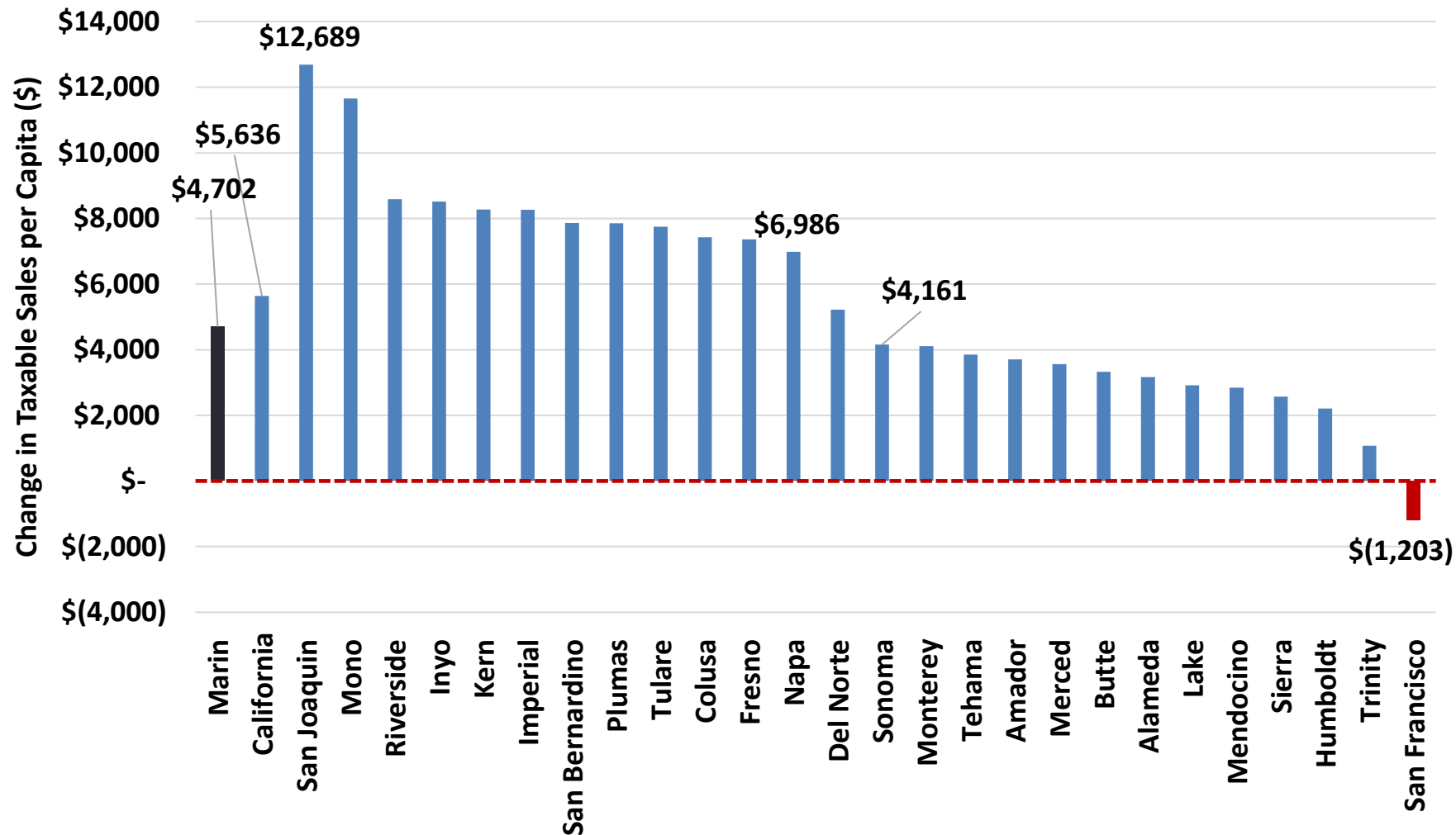
Price pressures remain, now with lower rates (lower mortgage rates helped late in 2023 and beyond)

Will a new presidential administration mean more incentives for home ownership

Rents have slowed in growth, is this a headwind and how will Prop 33 affect all markets if passed?

Source: Zillow™ Research

Taxable Sales: Change in Taxable Sales per Person, 2019-20 to 2023-24 Fiscal Years, Marin County and Selected Areas, All Others between Napa and Del Norte



Napa = #1 per capita in 2019-20, #2 now

Marin = #13 now, was #11

Should we think about taxable sales change in “real” terms instead?

Tells a story of shifting demographics

2025 and Beyond

- Continued global uncertainty
 - Conflicts: stasis is bad, expansion is terrible, an end is unlikely
 - China economy watch: will government stimulus and liquidity help?
 - Interest rates falling, need it to be policy driven and not due to slower activity
- Prop 5 and Prop 33: Housing and parcel tax shock coming?
- San Francisco: will 2025 be the year to turn the corner?
- Marin County: Two things to watch
 - Life sciences: merger/acquisition or expansion and growth?
 - Tourism has expanded since 2020, need to remain competitive