

CITY OF NAPA: DASHBOARD CITY COUNCIL PRESENTATION

NAPA, CA

SEPT 2023

Robert Eyler, PhD

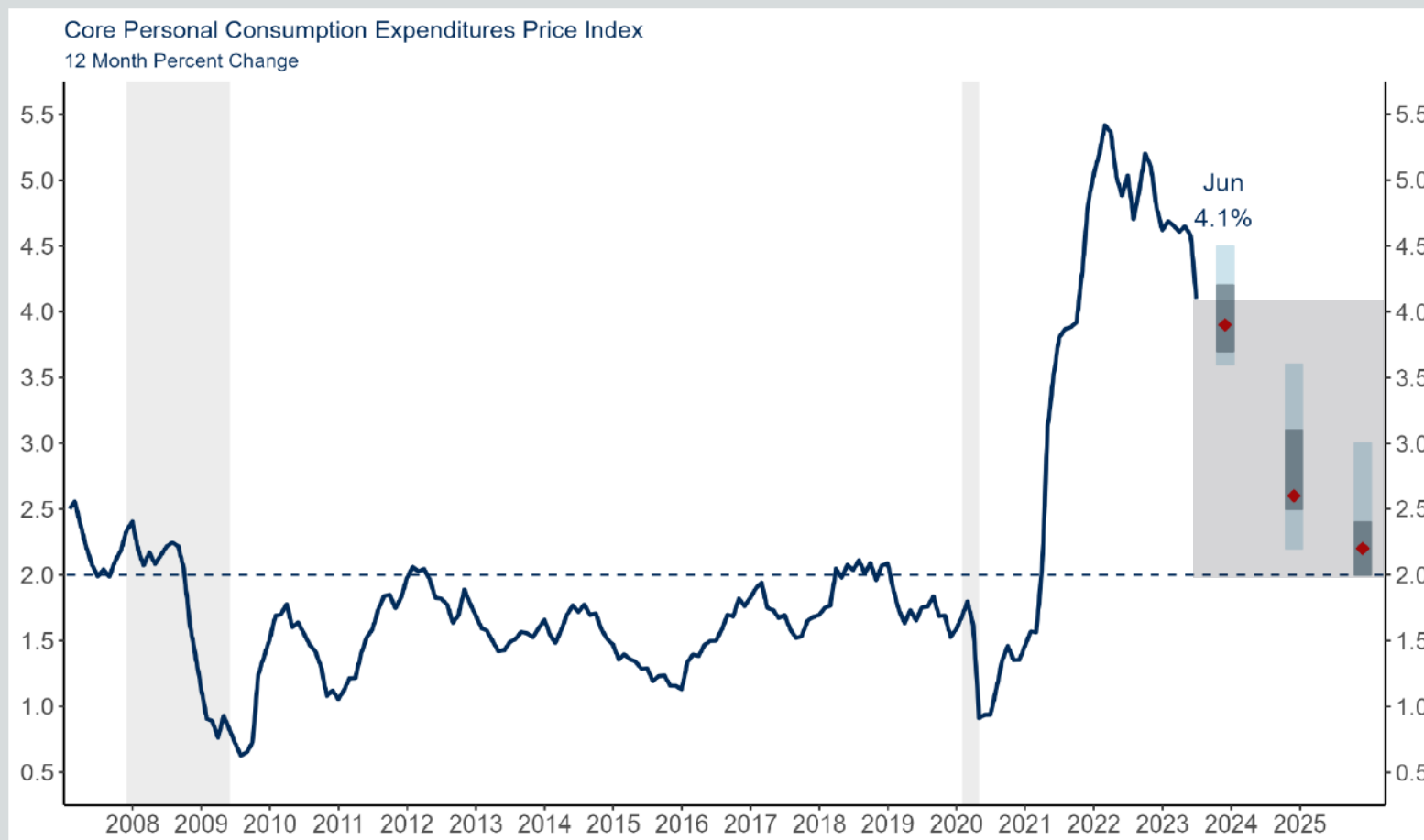
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Inflation's Fall to Where? PCE Core Prices, 2007 to 2025

Core Personal Consumption Expenditure Price Index



Notes: FOMC projection is the median, range, and central tendency for Q4/Q4 percent changes, from the June 2023 meeting. Red dots indicate median projections. Core PCE Price Index excludes expenditures on gasoline and food services.

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Source: Bureau of Economic Analysis & Board of Governors via Haver Analytics 4

What to Watch

- Continued downward momentum
- Jobs losses as opportunity cost for these changes
- Small to medium size business and future

FED will not lower rates until:

1. Job losses begin
2. This index moves more completely through these dots

Federal Reserve Philadelphia

Forecast, Survey of Professional Forecasters



These data are from August 2023

Bottom Line: Economy more resilient than previous forecasts, inflation beginning its descent; relatively high interest rates will continue 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	1.3	2.1	3.7	3.6	3.7	3.7
2024	1.0	1.3	4.3	4.0	2.3	2.4
2025	2.4	2.1	4.4	4.2	2.0	2.1
2026	2.3	1.7	4.3	4.1	N/A	N/A

Napa at a Glance: end of Q2 2023



The City's Economy at a Glance



\$503

Hotel Average Daily Rate
(June 2023)



63.2%

Hotel Occupancy Rate
(June 2023)



-11.9%

Hotel Occupancy Rate
past year difference
(June 2022-June 2023)



-10.4%

Hotel Occupancy Rate
past two year difference
(June 2021-June 2023)



\$6.67 Billion

Napa County's Gross Regional
Product Economic Output in 2021



+2.3%

City of Napa Taxable Sales
Percent Increase (2022 Q1 to
2023 Q1)



-0.4%

Napa County Taxable Sales
Percent Increase (2022 Q1 to
2023 Q1)



-2.0%

California Taxable Sales Percent
Increase (2022 Q1 to 2023 Q1)



\$894,061

Median home price within the City as
of June 2023 (Zillow Research)



-3.8%

City of Napa one year home price
growth rate (June 2022-June 2023)



+6.9%

City of Napa two year home price
growth rate (June 2021-June 2023)

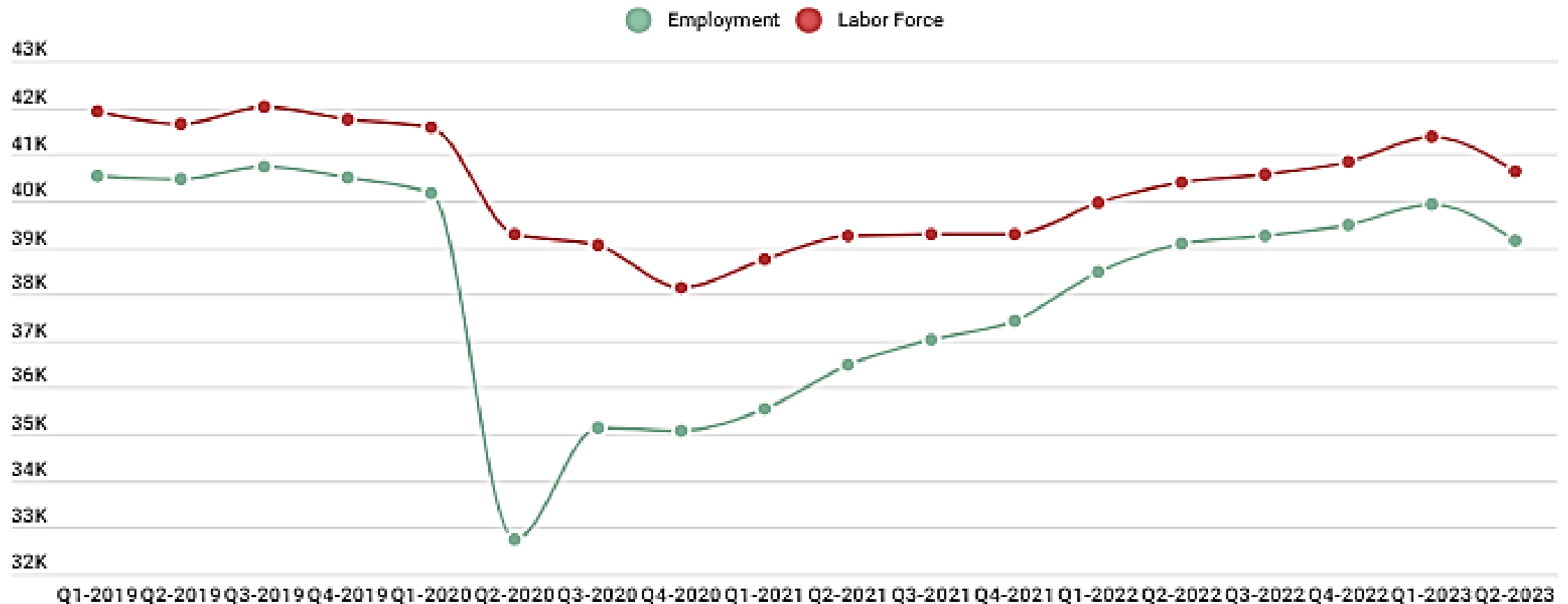


+2.5%

City of Napa Housing Market Forecast
(% change in median home price) to
June 2024

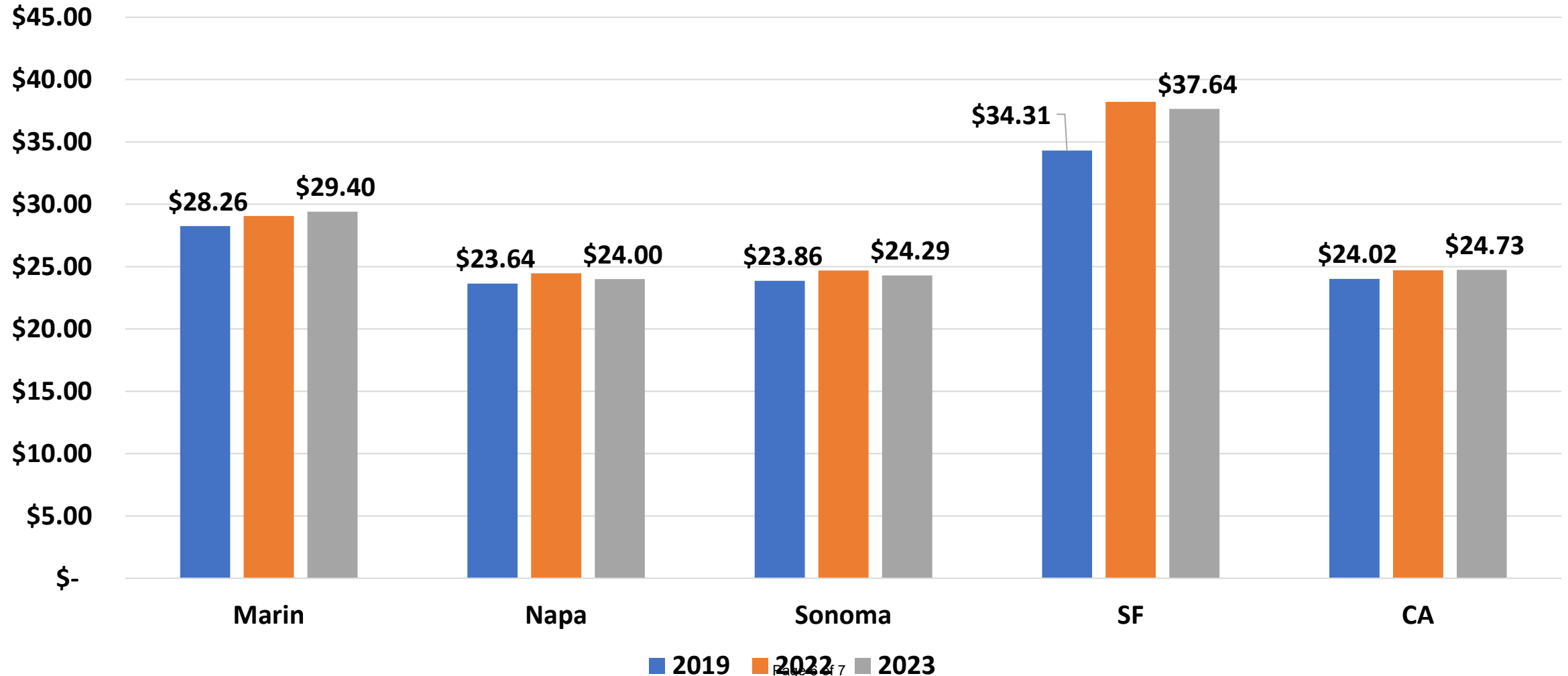
Labor Market: Napa Residents, Quarterly 2019 Q1 to 2023 Q2

Labor Force and Napa Residents Employed (2019-2023)



Source: California EDD and Bureau of Labor Statistics. Seasonally adjusted.

Wage Data: Marin County and Selected Areas 2019, 2022 and 2023, 2023 \$, Median Wages



City of Napa: Things to Watch

- Continued slow movement and end of summer surge
 - More optimistic forecasts may help travel
 - Some threats to wine industry recovery and growth
 - As inflation falls, will interest rates follow?
- Travel industry:
 - September and October to finalize tale of 2023
 - Slower than 2022, had to expect that, still regional leader here in Napa
- Workforce Development regionally
 - Napa as a place to work: industry mix reduced in diversity
 - Resources are available: WANB