



# CITY OF NAPA: INDICATORS

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**NAPA, CA**

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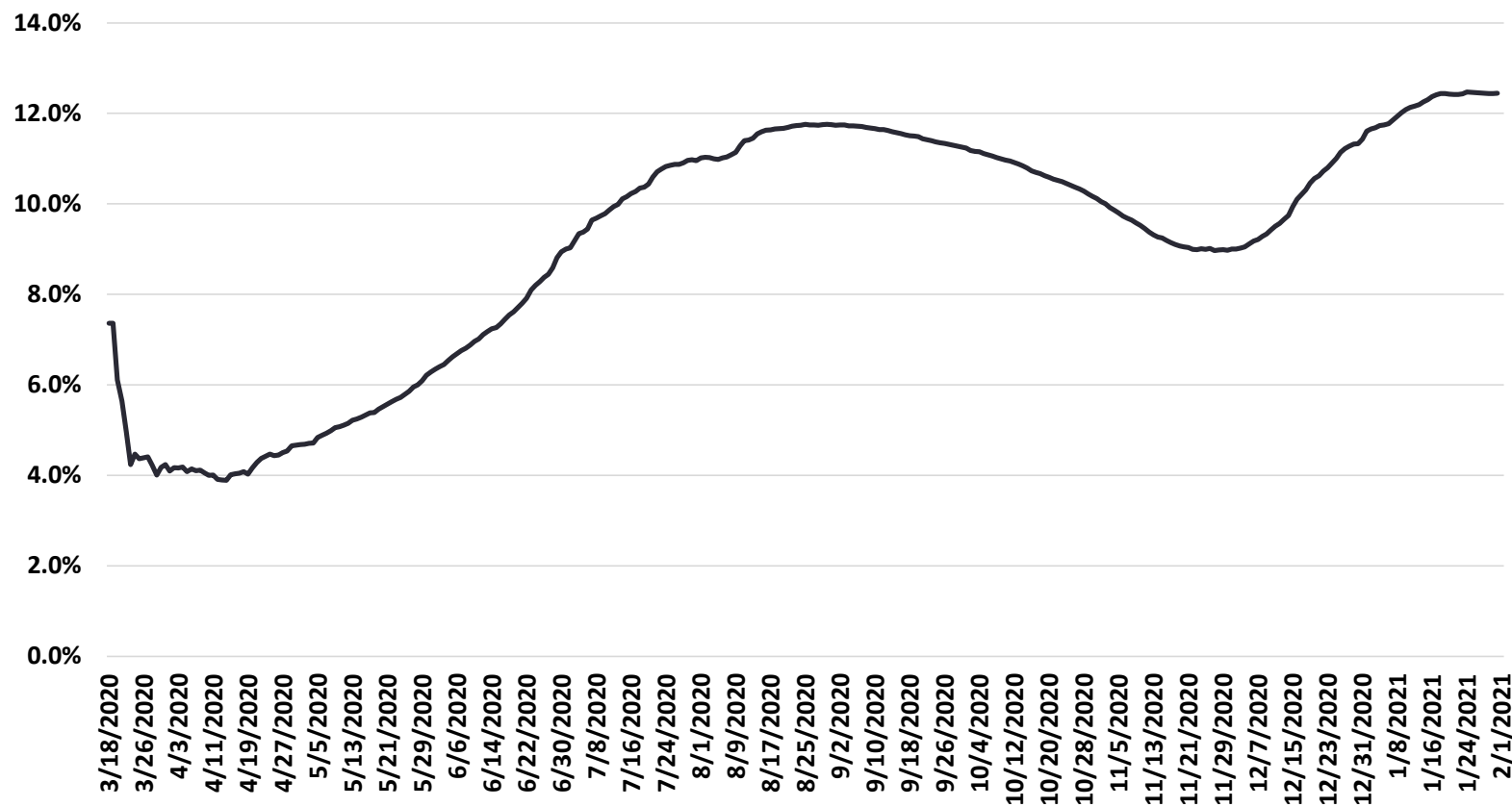
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# Quick Overview of Indicators

- COVID Cases CA to US: 12.44% of national total
  - US unemployment rate through Jan 2021 = 6.3%
- City of Napa, December 2020 Data
  - 8.0% unemployment; 7.6% Napa County
  - 5.3% **reduction** in labor force vs. December 2019
  - 4,600 city residents not working that had a job in December 2019, -10.9% change
  - Some of this is seasonal: visitor season slowdown also by social policy
- Countywide Residents jobs slowdown again
  - Initial Claims for unemployment insurance (UI) in Napa County up slightly in December 2020
  - Continuing Claims in Napa County down slightly (suggests net new payments smaller than previous month)
- Housing
  - Forecasts remain positive to December 2021 for City of Napa, Napa County and state overall (actually rising a bit)
  - Listing and sales prices still rising in trend for Napa County
- County employers December 2020: jobs slowdown with some bright spots
  - Napa retail resilience continues: when visitors come to Napa, they come for the day and spend
  - Rising incomes in Napa County overall likely helping
  - Travelers not expected to come back to 2019 levels until 2022 or 2023 (airport passengers still down 70% in SFO from Dec 2019)
- Macro indicators Dec 2020: generally good
  - GDP Q4 2020 +4.0 percent
    - Forecasts for 2021 range from +4% to +6% for US economy
    - Forecasts for California slightly better
  - Consumer Confidence up slightly in December 2020
  - Business Confidence (ISM) up in Dec 2020 from November 2020, forcing trend to continue to rise
  - Equity markets continues growth: good for Napa travel and housing stability

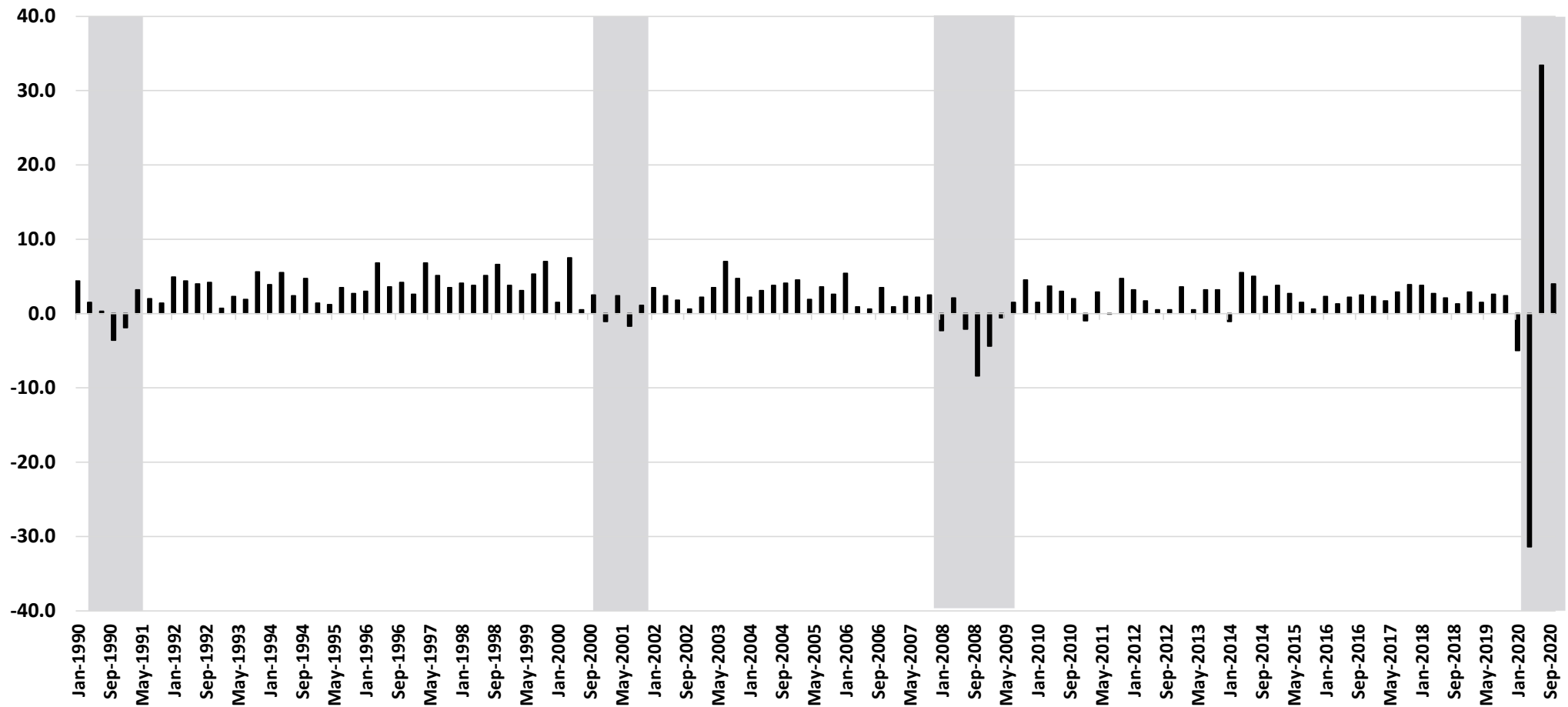
# COVID Cases in CA and US: Daily Ratio (%), February 1, 2021, 12.44%



These data show how California has seen some flattening of the curve in October, and continued decline proportional to national COVID-19 cases as of Feb 1, 2021. The decline comes with rising cases in California overall, suggesting how the other 49 states have seen cases rising more quickly.

Source: <https://ourworldindata.org/coronavirus-source-data>; <https://data.ca.gov/dataset/covid-19-cases>; and EFA

# GDP Growth, 1990 – Q4 2020, SAAR, % Change (Shaded Areas = Recession), +4.0% in Q4 2020



Source: Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)) and EFA

# Major LF Data Comparisons, Dec 2020 Compared to Dec 2019, City of Napa, Napa County Residents



Category	Change City of Napa	% Change	Change Napa County	% Change	Change California	% Change
Civilian Labor Force	-2,300	-5.3%	-4,400	-5.8%	-553,700	-2.8%
Civilian Employment	-4,600	-10.9%	-8,200	-11.1%	-1,512,100	-8.1%
Unemployment Rate		<b>8.0%</b>		<b>7.6%</b>		<b>8.8%</b>

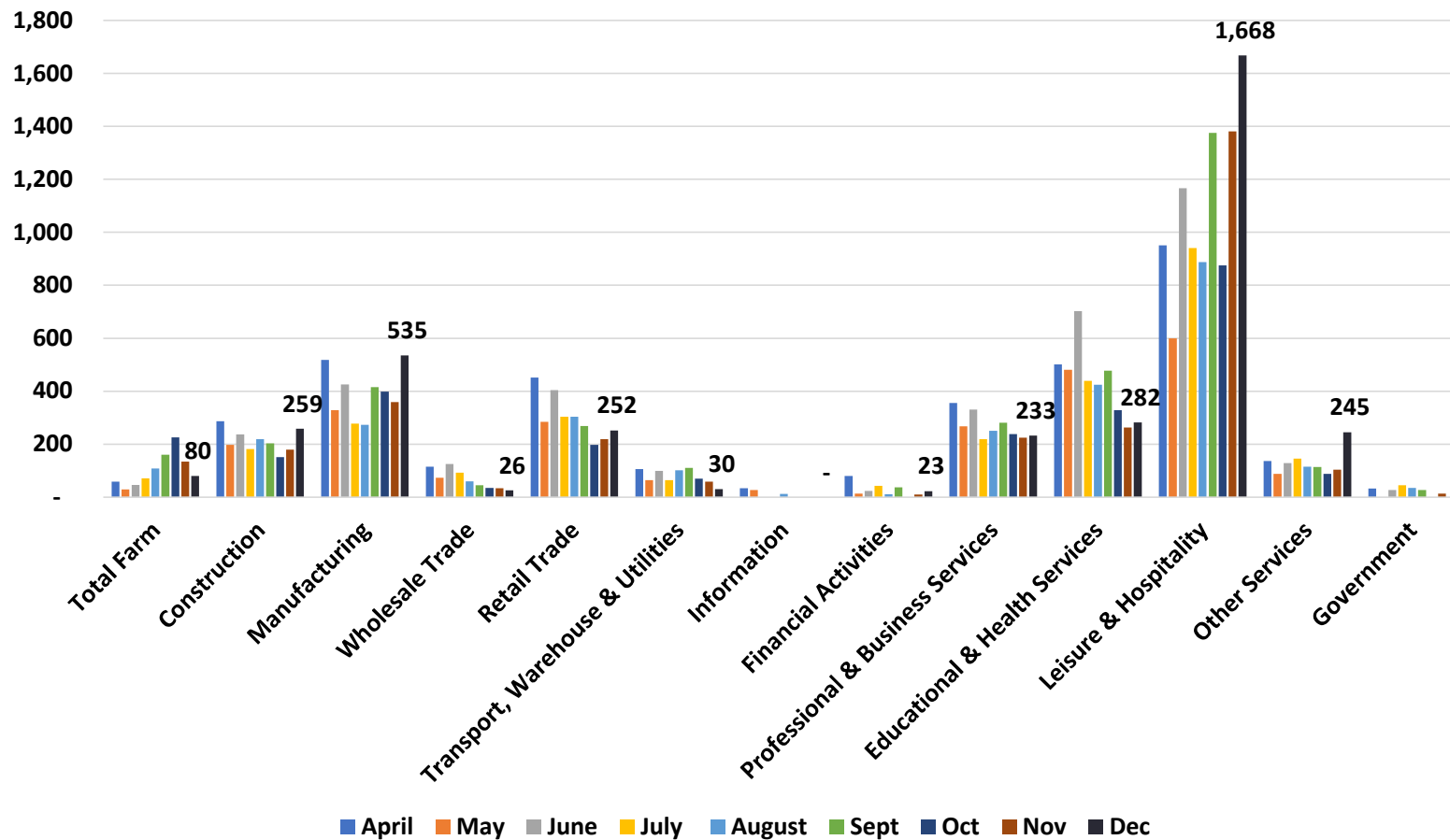
The City of Napa's labor market stopped improving in Dec 2020, but the momentum is still net positive (including Napa County).

The City of Napa should expect more jobs growth in the first half of 2021 based on rising expectations and less-restrictive rules on operating businesses such as restaurants and event centers.

Across most of California, Dec 2020 is estimated to have slowed employment due to stay at home orders and general concern over rising COVID-19 cases.

Source: California EDD and EFA

# New Initial Claims for Unemployment Insurance (UI) by Industry, Napa County, April 2020 to December 2020, Number of New Claims

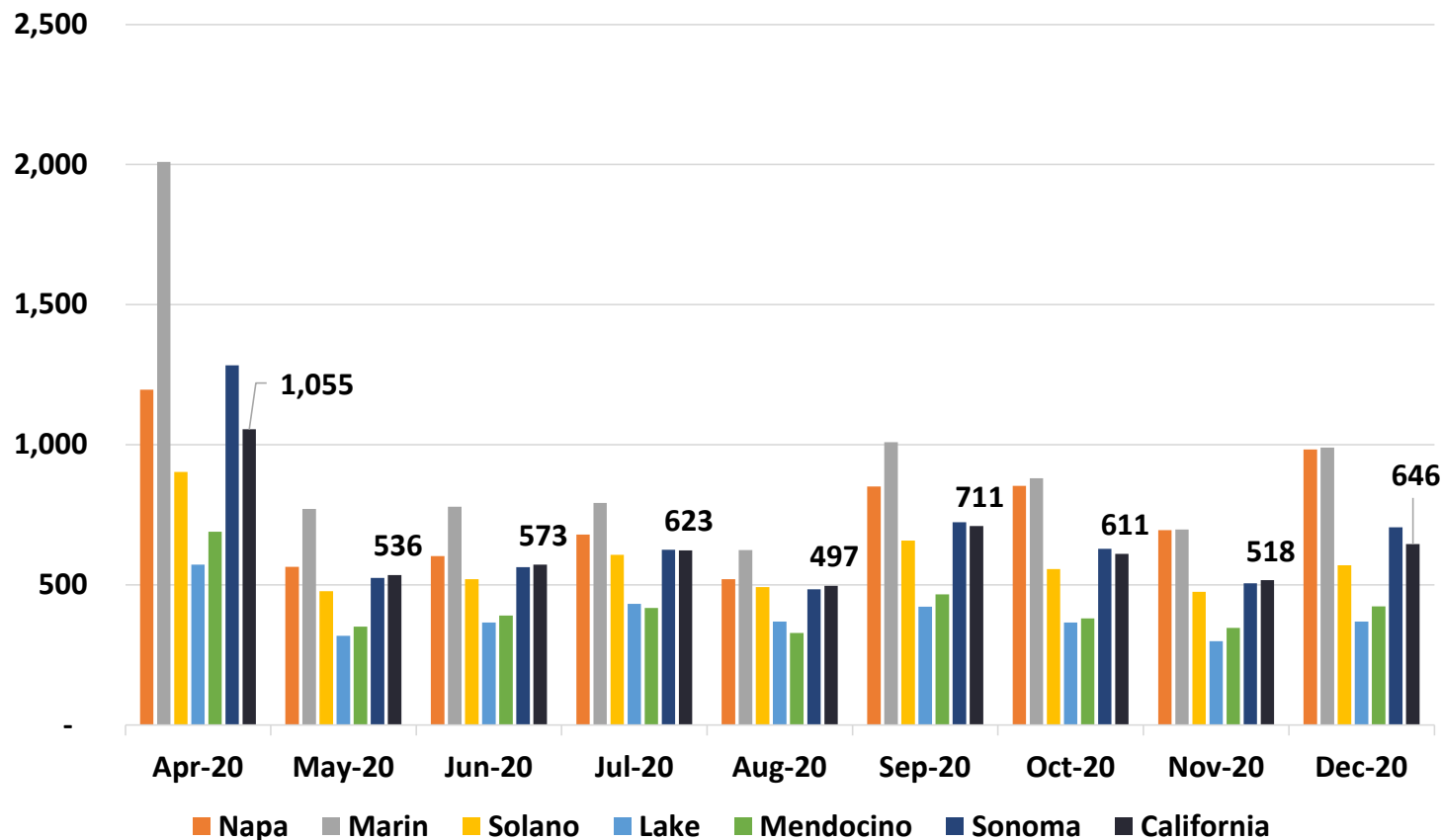


These data compare those that have claimed unemployment insurance (UI) in Napa County by specific industry groups. We want these numbers to continue to fall.

Notice that leisure and hospitality workers lost jobs initially, and then job losses (and the use of UI) generalized across all industries, but the rebound seen in other industries has been slow for leisure and hospitality. December 2020 increase may be more seasonal than structural, but the City of Napa should expect fewer claims as 2021 continues.

Source: California Dept of Finance and EFA

# Initial Claims for UI, Napa, CA and Bay Area Counties, March 2020 to December 2020, Index Jan 2020 = 100



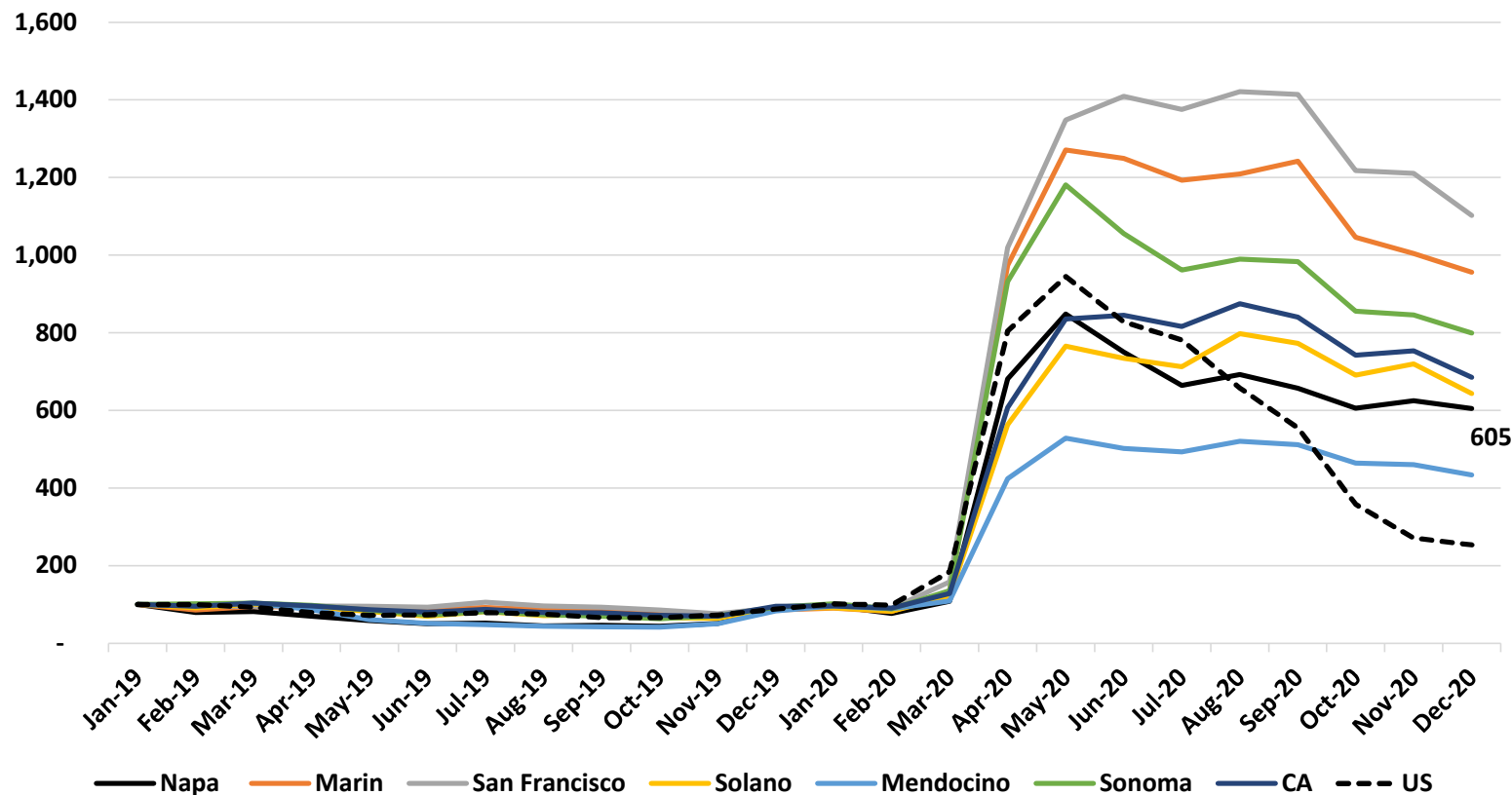
These data provide a geographic comparison concerning the monthly changes in new unemployment insurance (UI) claims.

These data are set as an index to Jan 2020 as a benchmark; Napa County, in December 2020, was 6.46x the number of new claims as in Jan 2020. Of these places, only Marin County was higher.

These are the month-by-month new entrants into receiving unemployment insurance, not the cumulative or continued claimants.

Source: California EDD, Report R513 and EFA

# Continued Claims for Unemployment Insurance (UI), Napa County and Selected Areas, Number of Weeks Claimed by Month, Jan 2019 to December 2020, Index Jan 2019 = 100



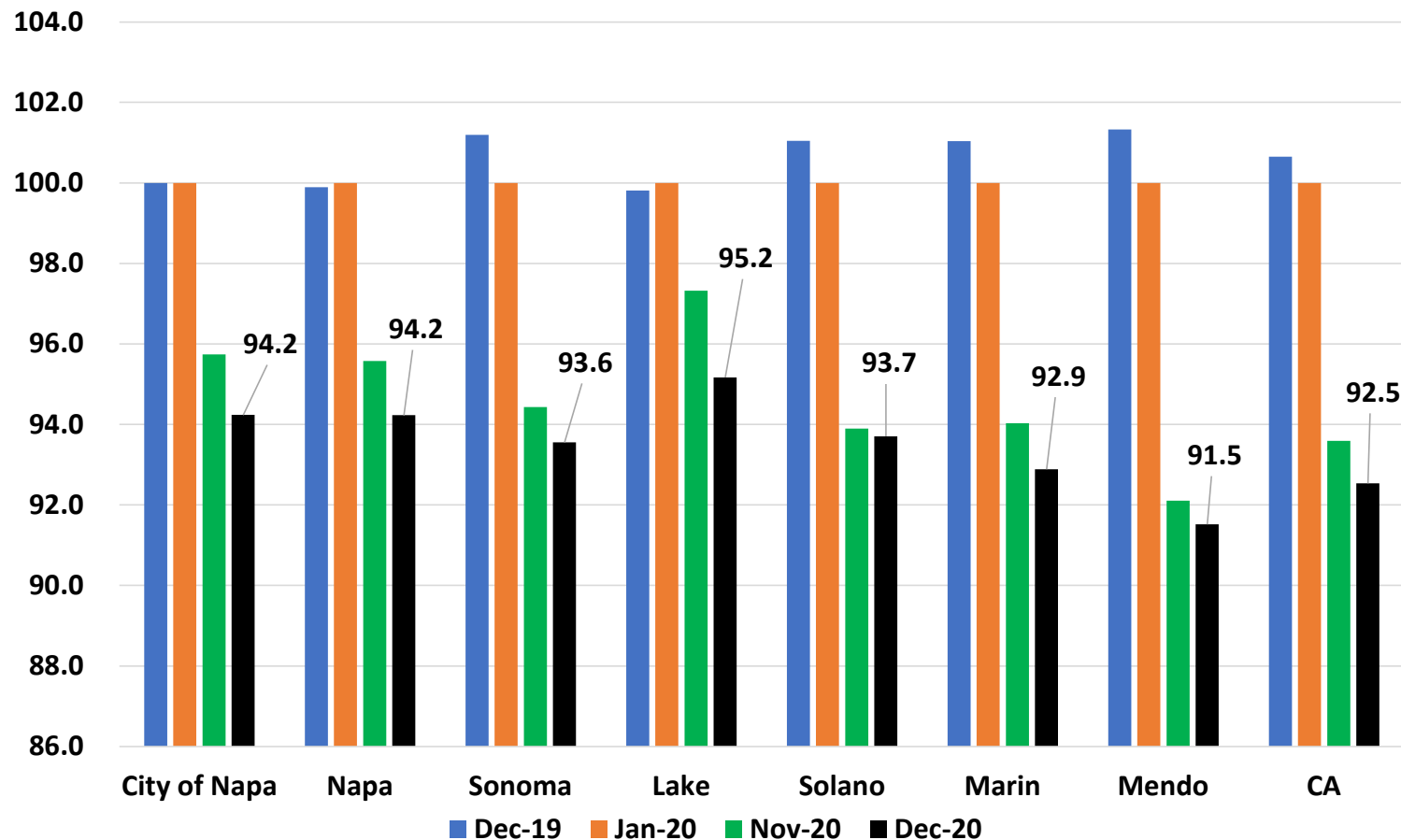
These data show the duration of UI payouts by selected place. The spike in April to June 2020 came from so many claimants for UI at one time. In December 2020, total claims moved up again to 6.05 times the level in January 2019.

The downward trend since the May 2020 peak continued in November 2020.

Source: California EDD, Report R513 and EFA



## Employment Level Comparisons, Number of Employees, Index Jan 2020 = 100, City of Napa, Napa County and Selected Areas, to December 2020

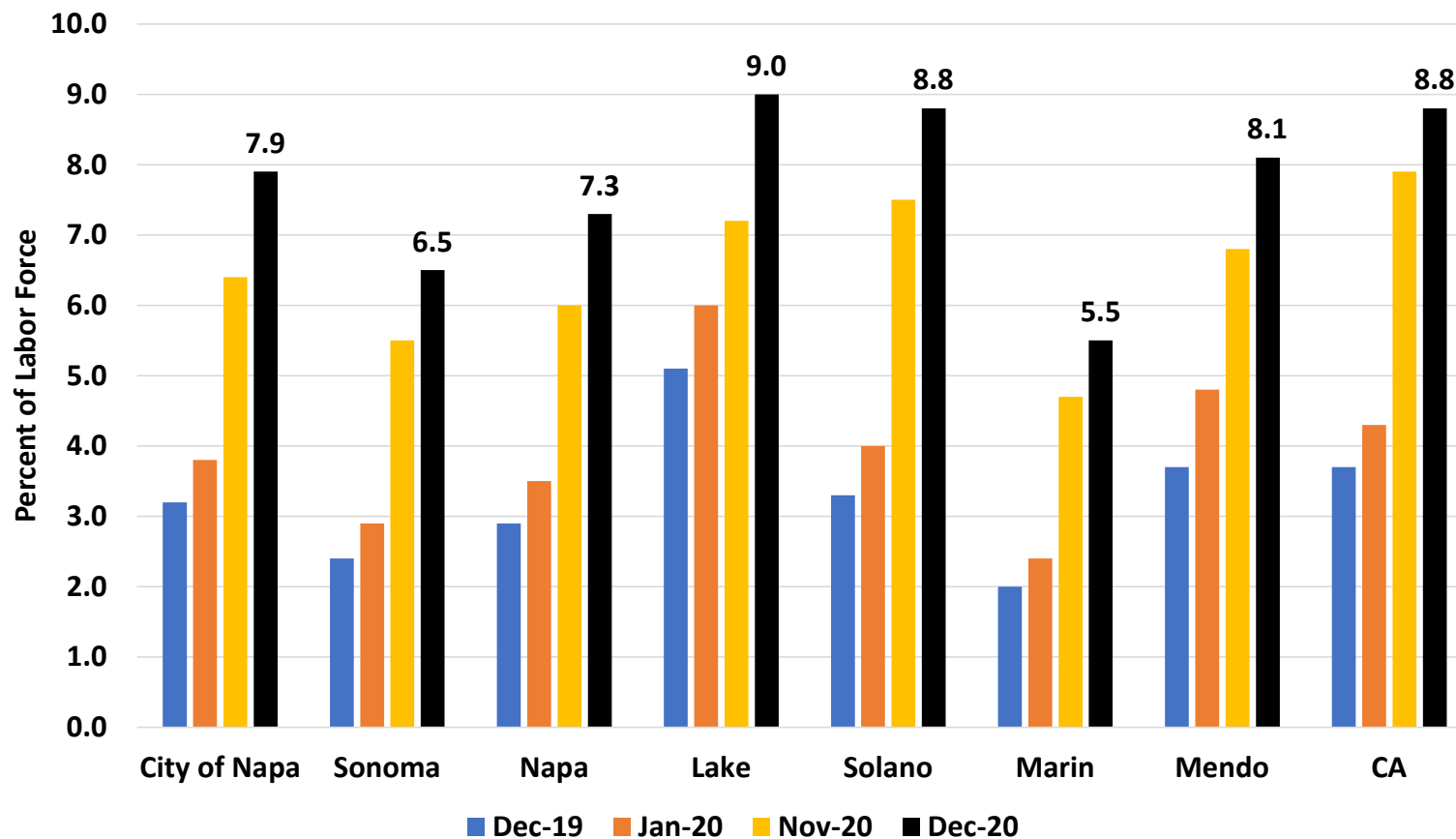


December 2020 showed a recovery slowdown for the City of Napa's residents and their jobs. The City of Napa residents lost jobs in December 2020, but that was true across California.

January 2020 acts as the baseline (equal to 100); we want these numbers to rise. Notice Solano County lost the least momentum in December 2020. Some of those losses may be seasonal; forecasts suggest gains are coming for City of Napa residents to get back to work.

Source: California EDD and EFA

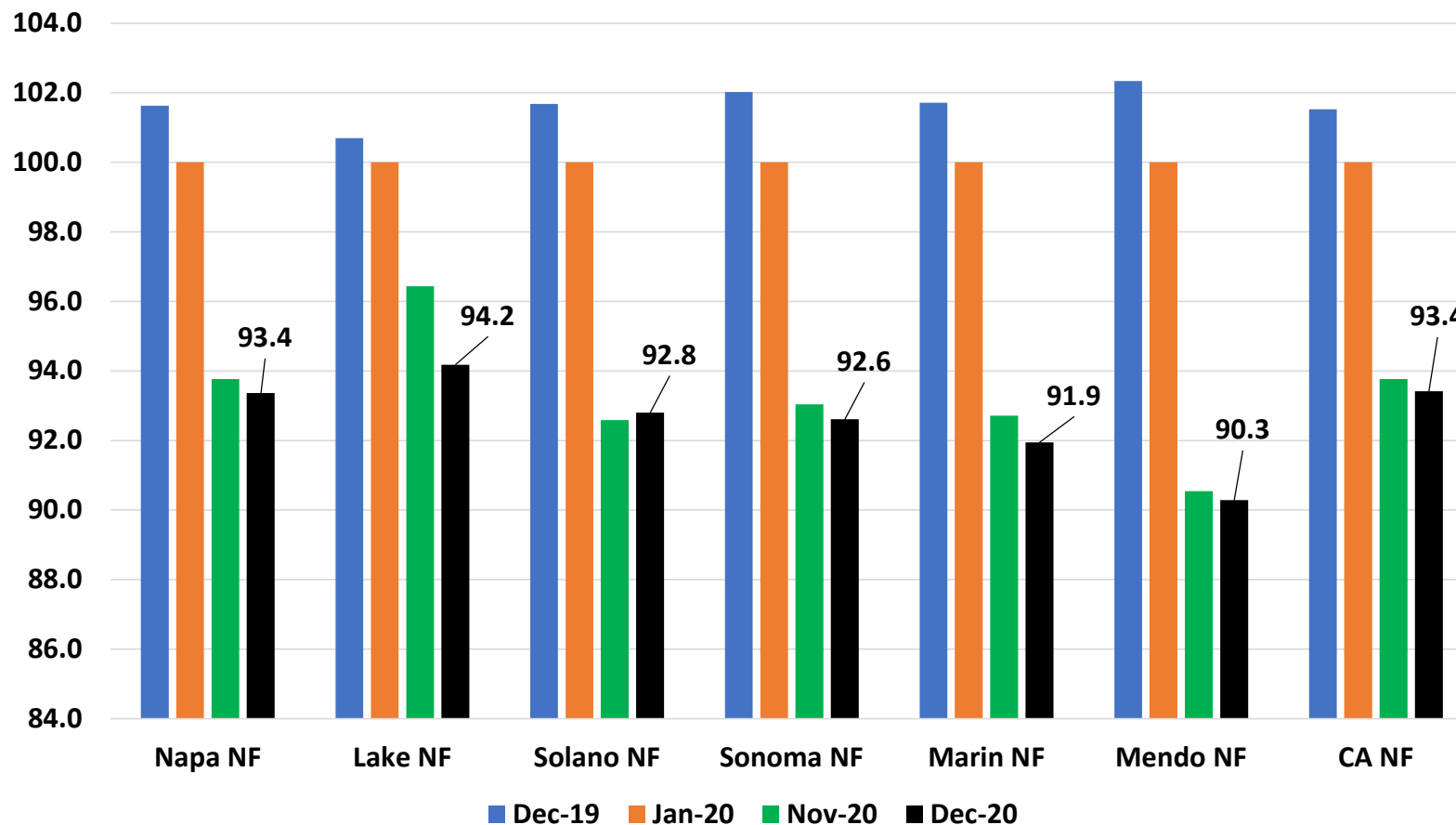
# Unemployment Rate Comparisons, % of Labor Force, December 2019 – December 2020



These data compare residential unemployment rates (those who live in the City of Napa) to other places in terms of the number of residents that do not have a job, but remain in the labor force (actively seeking work). We want these numbers to fall, and December 2020 shows increased unemployment for the City of Napa and Napa County overall. These increases were general across the region and state.

Source: California EDD and EFA

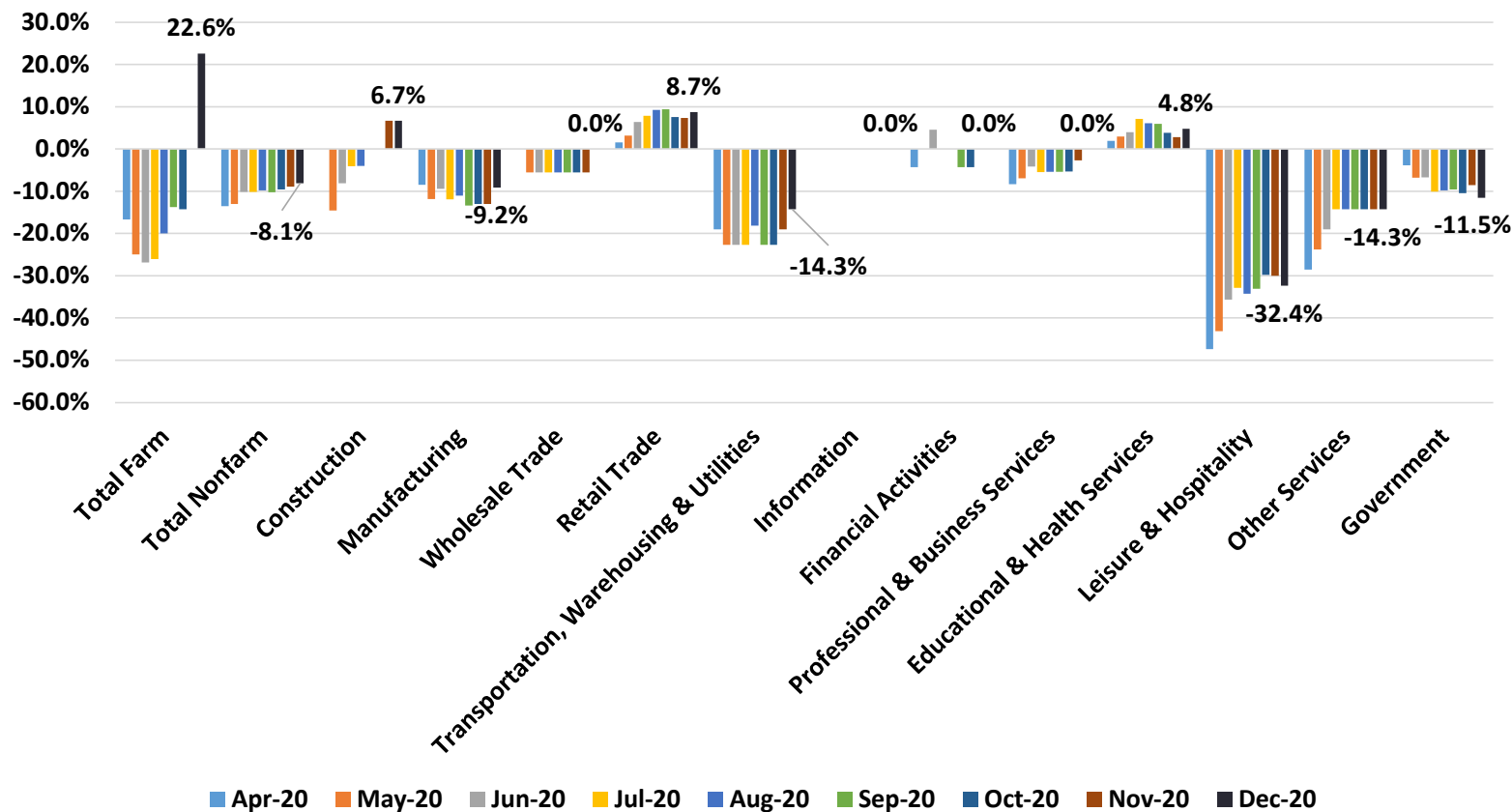
# Non-Farm (NF) Employment, as of December 2020, Napa County and California, and Selected Areas, Index Jan 2020 = 100



These data compare the number of employees that work in Napa County, regardless of where they live, compared to the level of workers in Jan 2020 (Jan 2020 = 100 here); we want these data to rise. For December 2020, jobs at Napa County employers decreased slightly from November 2020, but is now just 6.6 percent less than Jan 2020.

Source: California EDD and EFA

# Labor Market Recovery: Napa County, % Change in Jobs, Looking Back One Year, Same Month in 2019



## What these data say:

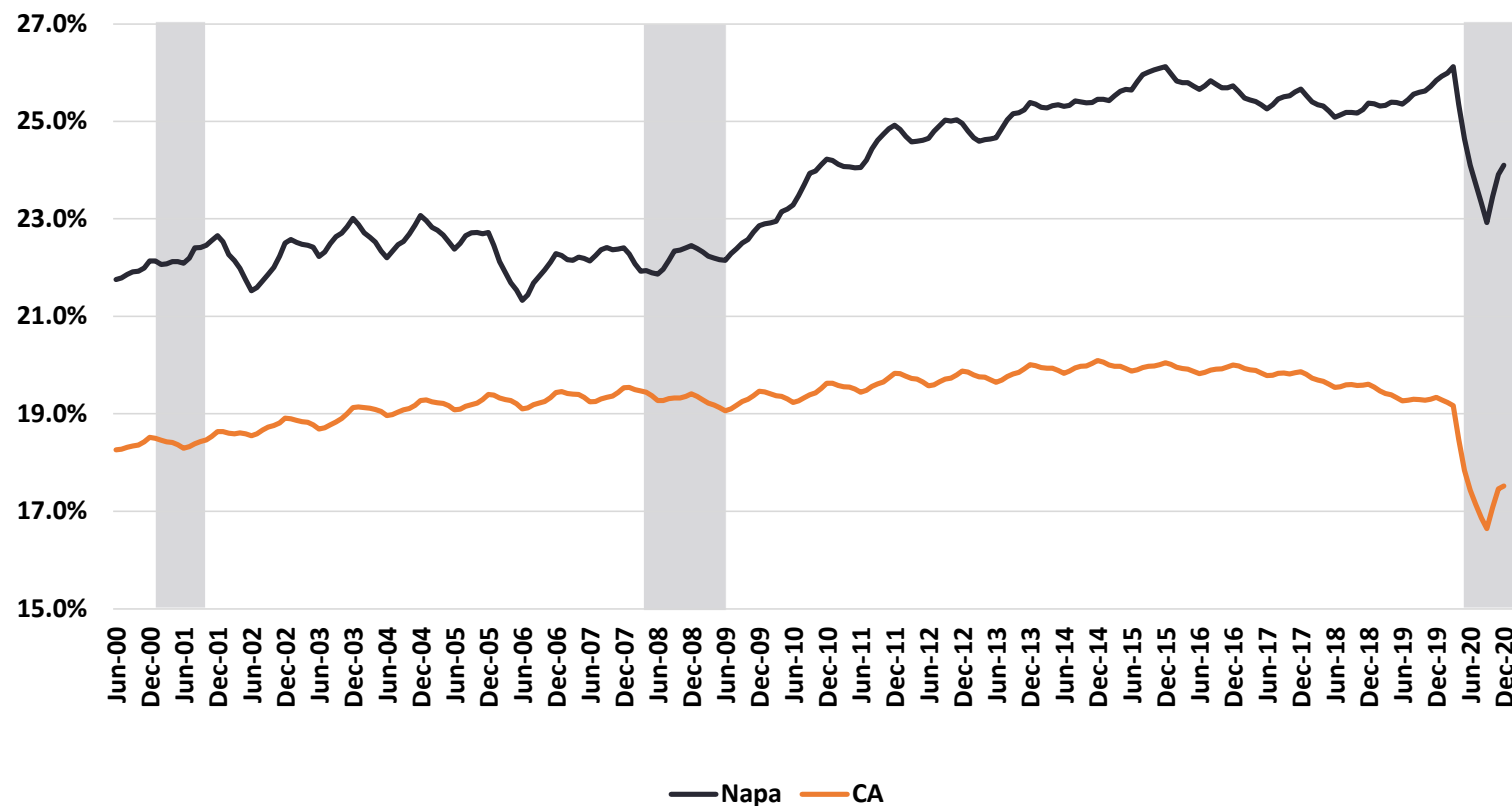
Each of the numbers is the percentage change in jobs for that industry in Napa County versus the same month in 2019. For example, -32.4 for leisure and hospitality means that 32 out of 100 workers that had a job in bars, restaurants, hotels, theaters, etc., in Dec 2019 are out of work as of Dec 2020.

Notice where most of the damage remains: tourism support (leisure and hospitality), other services (hair and nail salons, e.g.), and warehousing (wine sales down overall). Napa County continues to buck retail trends and has seen jobs growth since 2019.

These are countywide data: about 45% of county jobs are in the City of Napa **and** also 45% are leisure and hospitality jobs.

Source: California EDD and EFA

# Restaurant-Hotel-Retail as % of Non-Farm Employment, Napa County and California, Jan 2000 - December 2020, 6-month MA

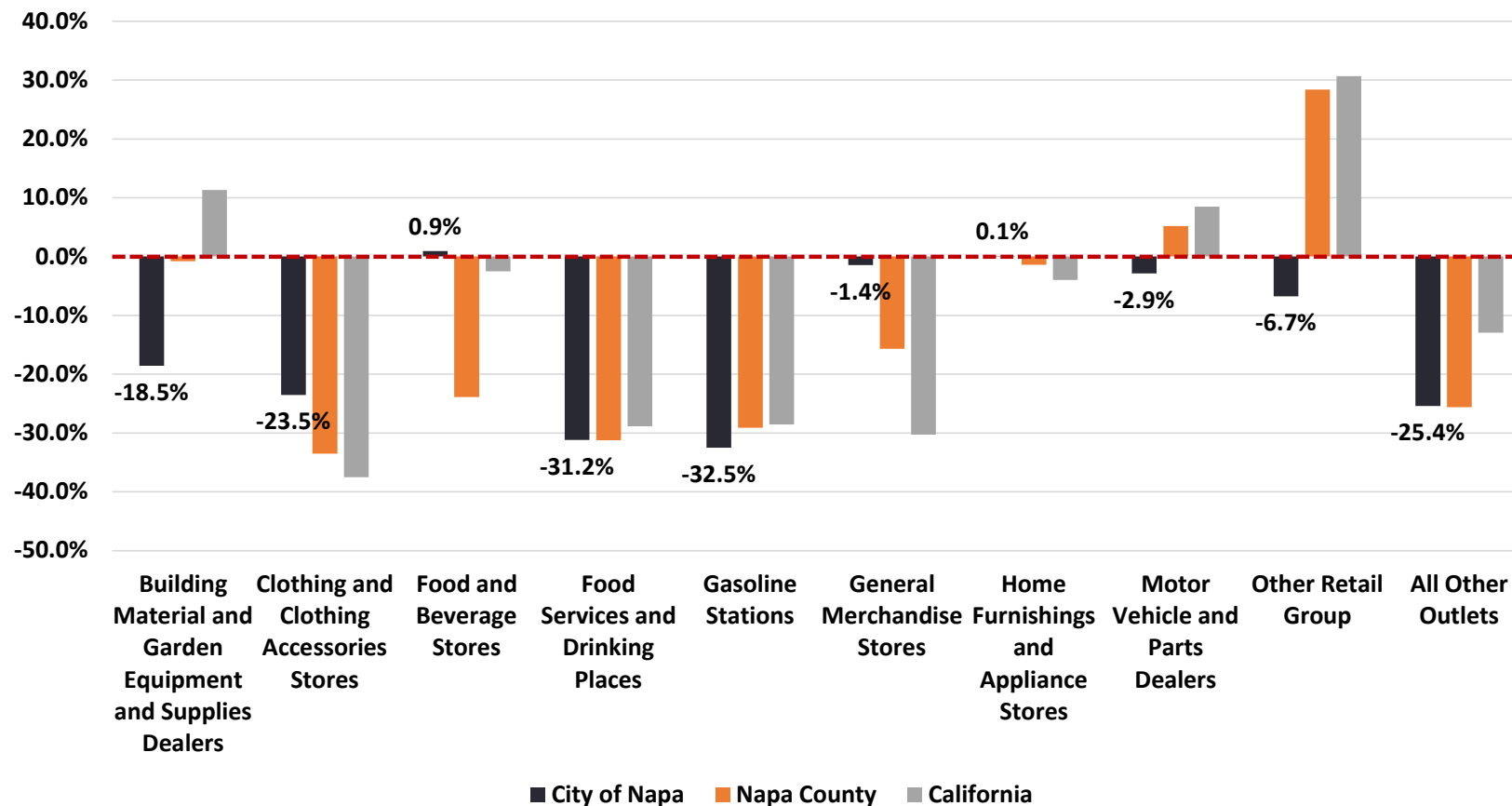


These data are at the county level, but the bulk of these jobs are in the City of Napa and in American Canyon. We want these data to rise, but notice that in Napa County and the state on average is moving the same way as Napa County. In December 2020, retail jobs grew again to help increase this ratio for Napa County; California saw a slight increase also.

These data suggest how core visitor services are bringing jobs back in anticipation (or not) of more visitors as each month evolves and also changing expectations by local employers that may hire in advance of coming visitors or demand.

Source: California EDD and EFA, Shaded Area = Recession

# Taxable Sales Comparisons, 2019 Q3 to 2020 Q3, Major Categories, City of Napa, Napa County and California, % Change



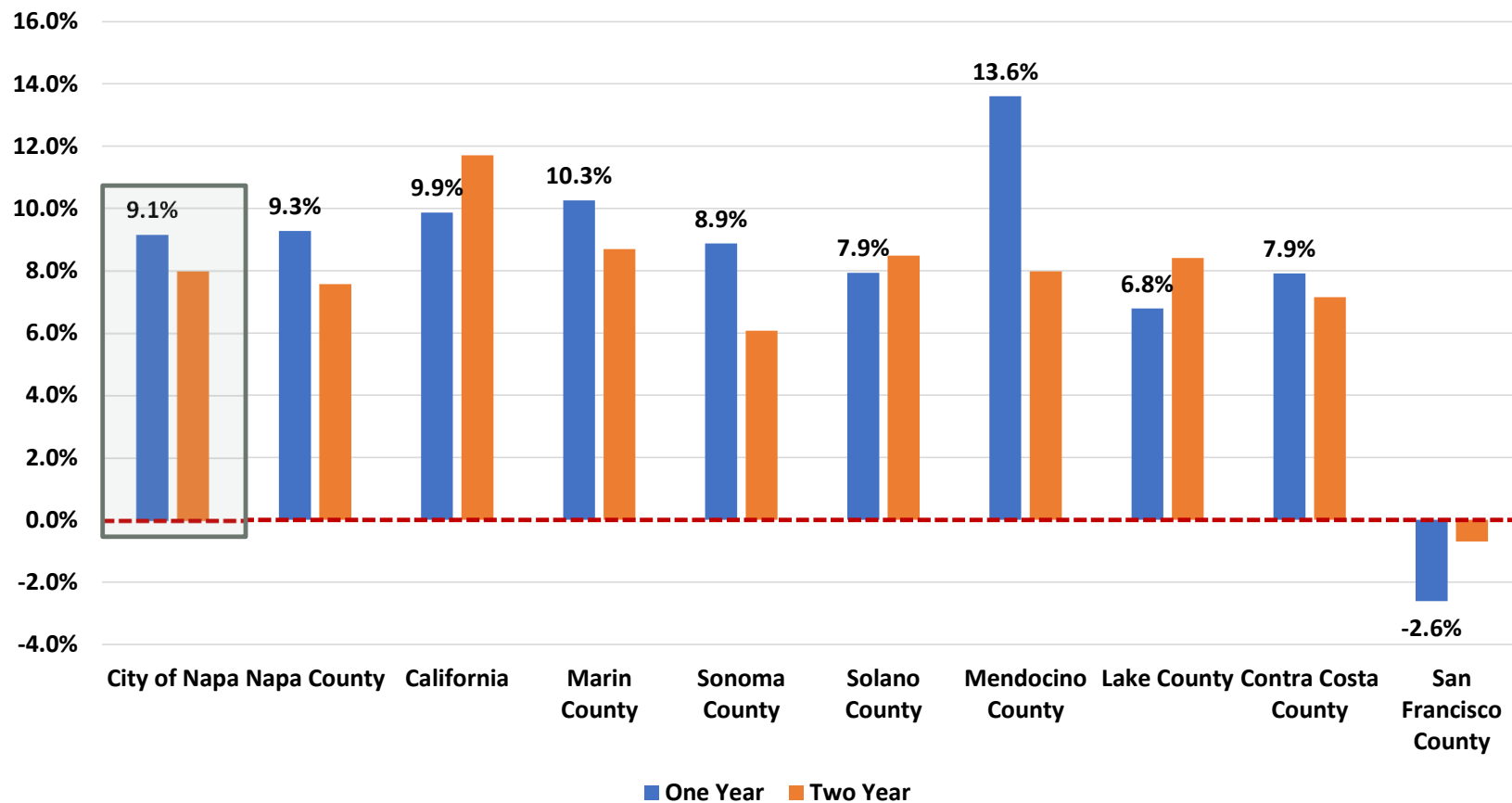
An update in taxable sales data show how the City of Napa and Napa County compare to the state of California in terms of taxable sales by major category.

By looking quarter on quarter, we reduce the effects of seasonality and we also compare pre-COVID to current data.

Notice most categories are down for City of Napa, where auto sales are down against modest gain for Napa County overall and the state.

These data became available in Jan 2021.

# Median Home Prices, Dec 2020, Compared to Dec 2019 and Dec 2018, City of Napa and Selected Areas



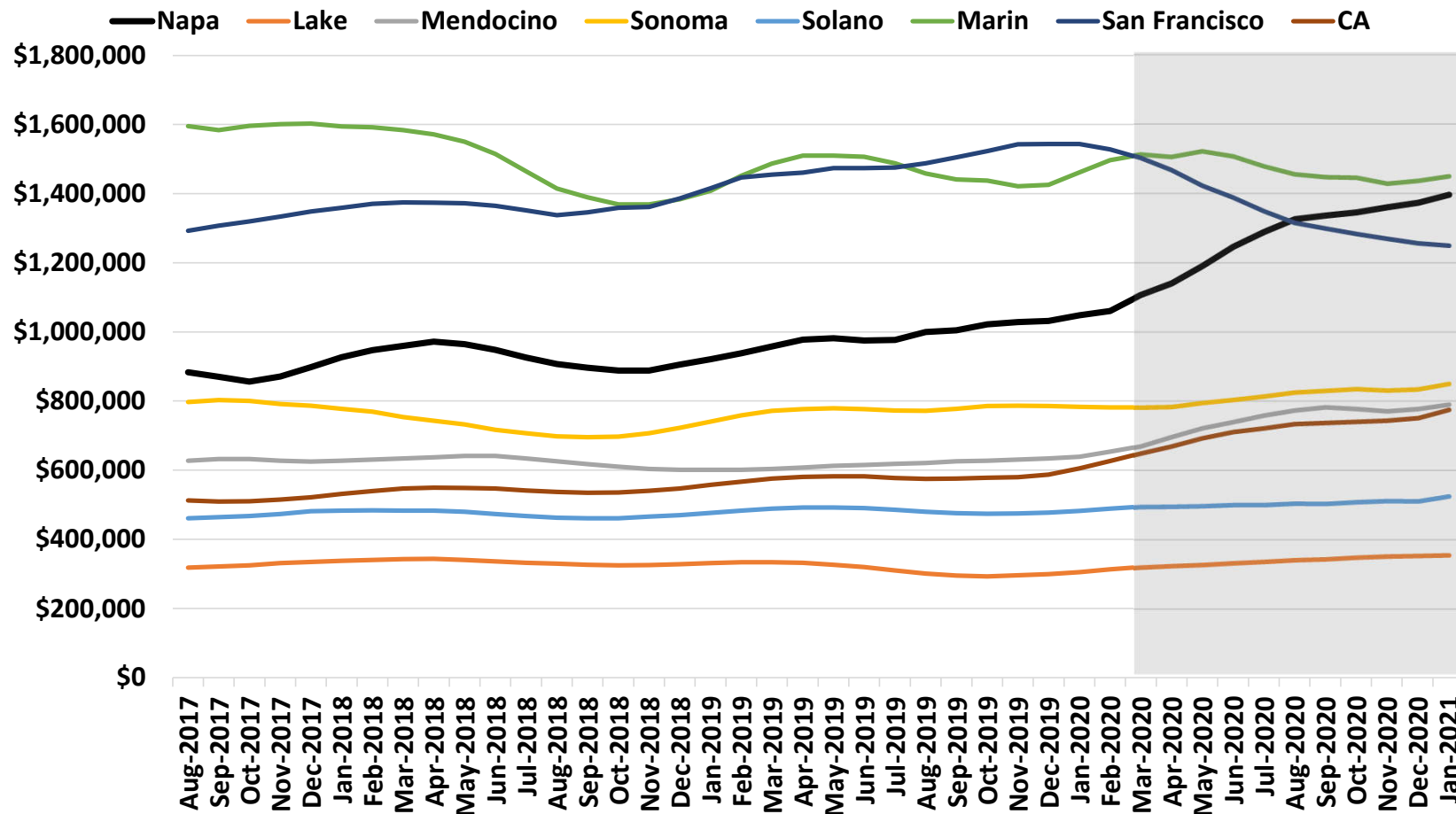
These data show that the housing market remains resilient across California as the regional and state economies continued to recover.

Continue durations of job loss can undermine good housing markets otherwise.

Most of the City of Napa's median price change over the last two years has been in the last 12 months, as buyers have looked at lower interest rates and an ability to both live and work in Napa as incentives to buy.

Source: Zillow™ Research and EFA

# Median Listing Prices, Napa County and Selected Areas, Aug 2017 to January 2021, Current Dollars



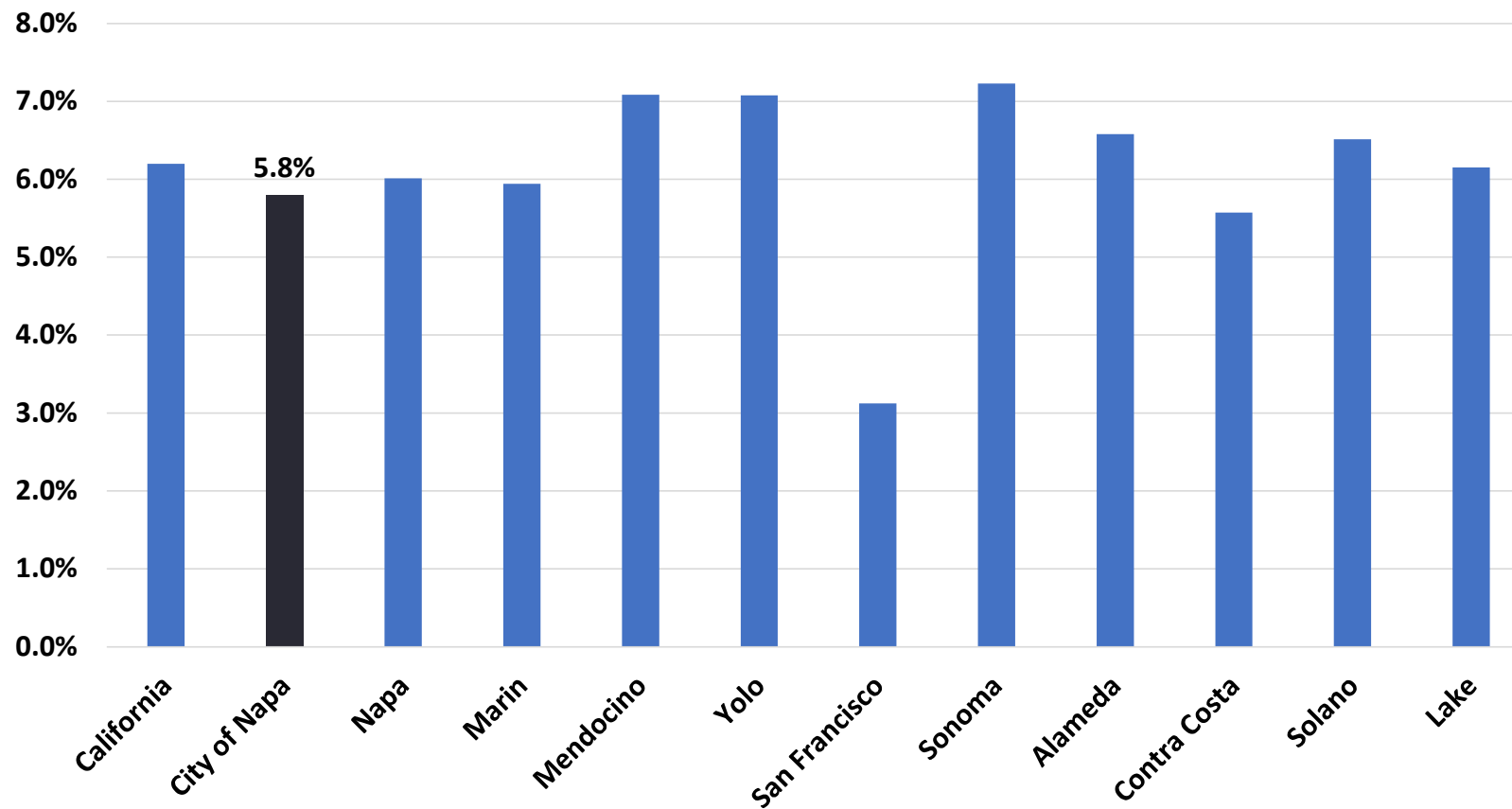
Median listing prices provide a way to see how the supply side of the housing market is looking at the demand side by how homeowners are listing their homes for sale against recent market trends.

Napa County's median asking prices for homes increased in Jan 2021 to remain at a level larger than San Francisco.

Source: Federal Reserve and Realtor.com and EFA: Shaded Area = Recession



## Housing Price Forecast, December 2020 to December 2021, % Change, City of Napa, Selected Counties and California

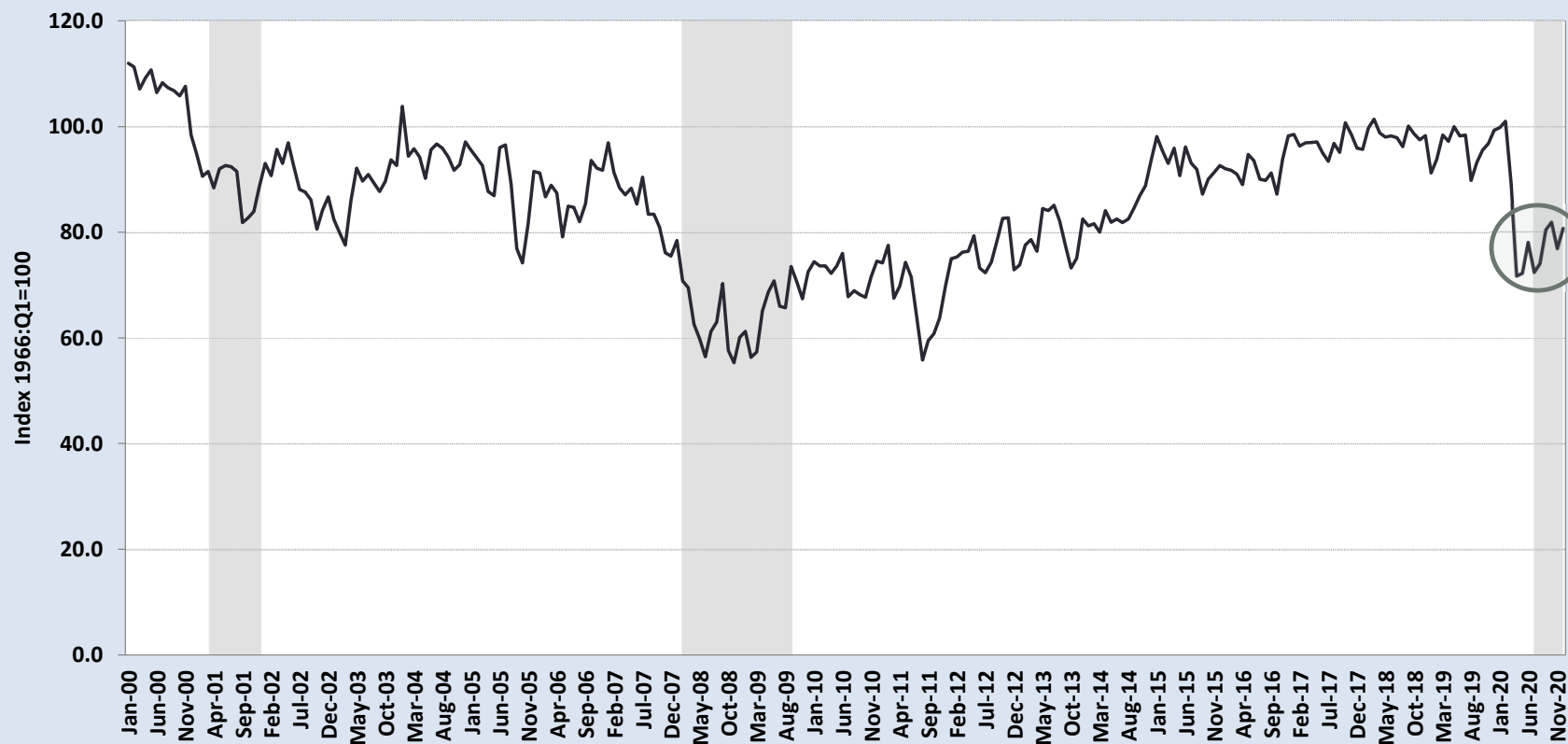


The City of Napa's housing market drives Napa County; the forecast in December 2020 to December 2021 remains strong. Lower interest rates, relatively higher rental prices and portable jobs allowing for migration are all likely driving demand in the City of Napa.

The median home price in the City of Napa in December 2020 was \$759,763.

Source: Zillow™ Research and EFA

# Consumer Sentiment, U of Michigan, Index Q1 1996 = 100, Jan 2000 – December 2020

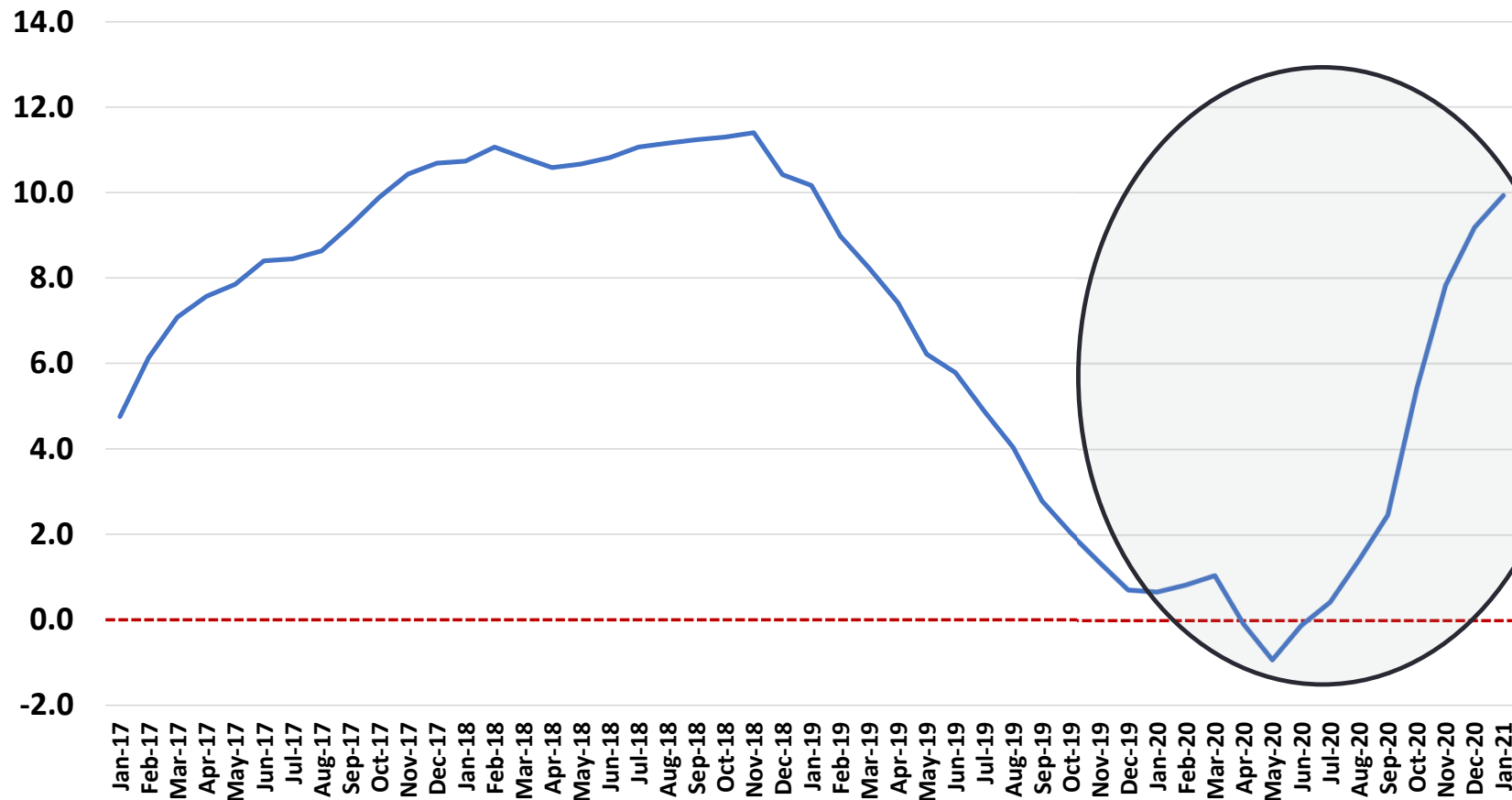


Source: University of Michigan/FRED

This index suggests how consumers consider travel, auto and furniture and appliance purchases; the tick up in December 2020 may reflect vaccines coming out and the election hangover fading.

Consumer confidence is not surging by any means; travel and taxable sales demand are tied to consumer confidence and jobs growth.

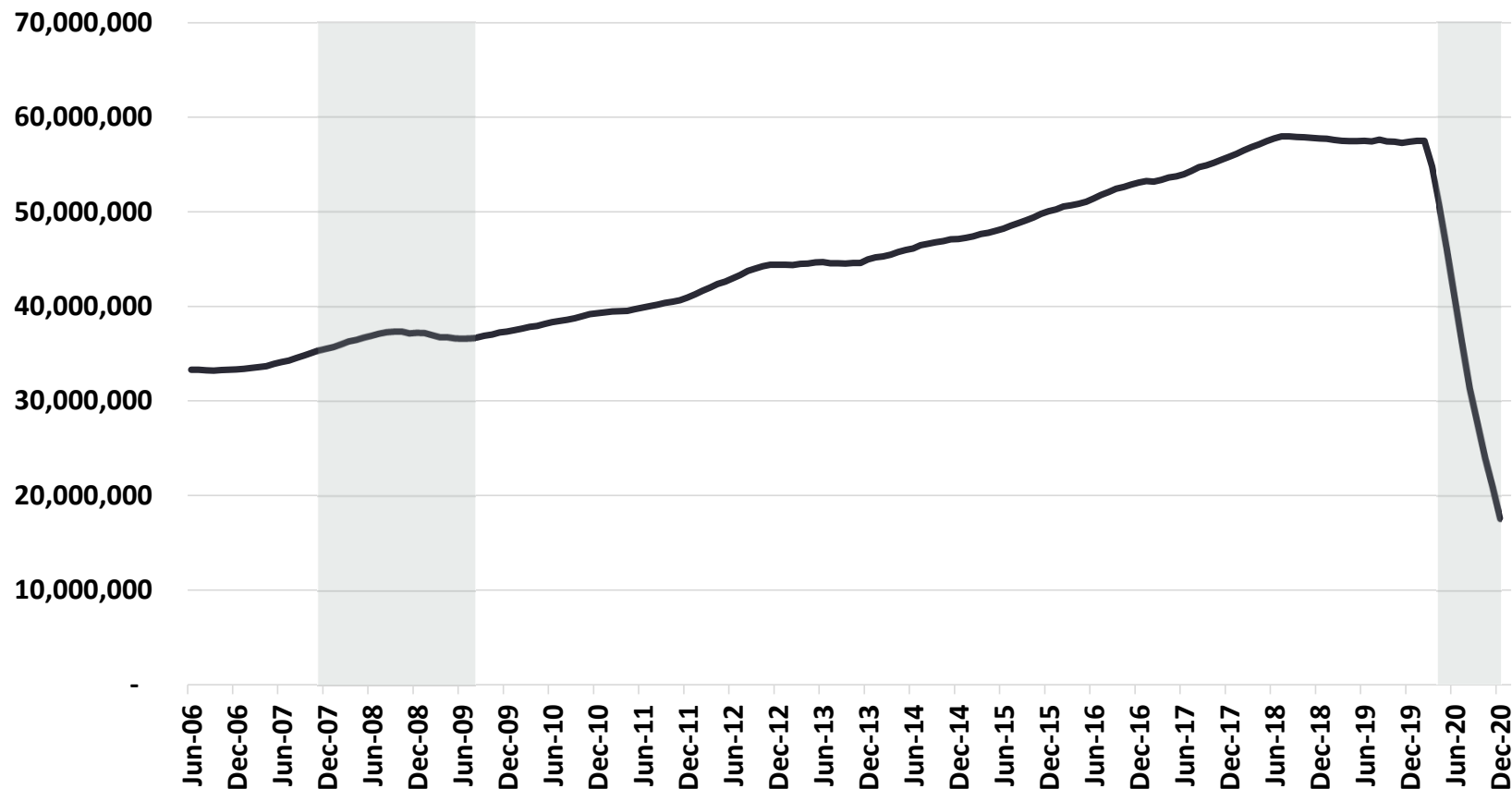
# ISM Purchasing Manager's Index, Jan 2017 to November 2020, % change from Previous Year



This index going below 0% change from the previous year generally forecasts national recession; the slower change in December, while above 2019, suggests manufacturers remain concerned about rising COVID-19 cases and presidential transition as Winter 2021 unfolds.

Source: Federal Reserve and EFA

## Passenger Data, SFO, Rolling 12-Month Sum, Passengers, Number of People, June 2006 to December 2020



As of December 31, 2020, the increase in passengers during the 2020 holidays were not recovered enough to tick this 12-month rolling sum back up; Napa County's hotel occupancy is historically affected by flights into the Bay Area from global origin points.

Source: flysfo.com, Transportation Security Administration and EFA (Shaded Area = Recession)

## City of Napa: things to watch



- City of Napa for 2021
  - COVID-19 and vaccines: will state government impose new restrictions in 2021?
  - Will visitors travel generally in 2021 or will 2022 be the break out year?
  - Business resilience: can businesses and local workers afford another week summer
- Jobs in City of Napa and Napa County
  - Slower jobs in December should not continue through all of Q1 2021
  - Travel restrictions and travel concerns matter for jobs recovery, which is more important?
    - Can market around concerns not restrictions
  - Multi-family housing watch continues: pressure not going away here yet



**Thanks!**  
**Questions?**  
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