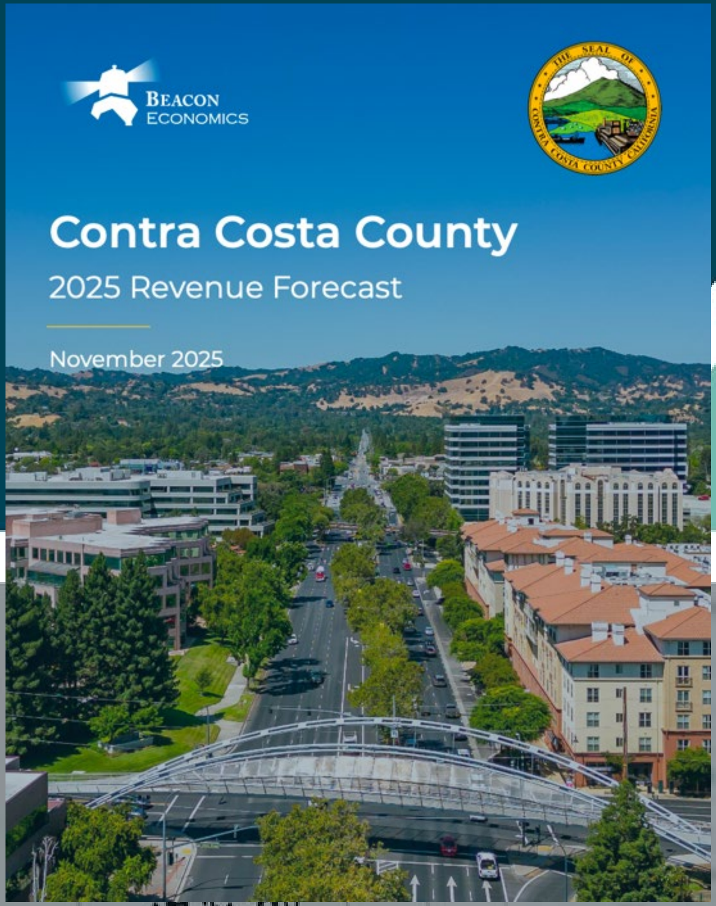
Beacon Economics

Social Narratives / Economic Realities

Federal Deficits, Tech Bubbles and the California Outlook

Focus on Contra Costa County



Christopher Thornberg, PhD

Founding Partner, Beacon Economics

January 2026

The 2025 Narratives

ECONOMY | THE OUTLOOK

Economists Shrug Off Trumponomics, Boost 2026 Growth Outlook Back Above 2%

Last year, economists slashed expectations amid tariffs and other Trump policies. The latest survey shows those concerns have largely receded.

By *Harriet Torry* Follow *and Anthony DeBarros* Follow

Jan. 18, 2026 5:30 am ET

That *Other* Economic Narrative

Beacon's Outlook 2026

Economic Trends: Growth steady despite jobs picture

- Consumer spending up, household finances solid
- Debt markets clean, interest rates are settling down, profits solid
- More fiscal and monetary stimulus being thrown at the economy

Beware the Imbalances

- Strong economy a function of public deficits and tech bubbles
- Risk is a deflating bubble setting off a fiscal crisis

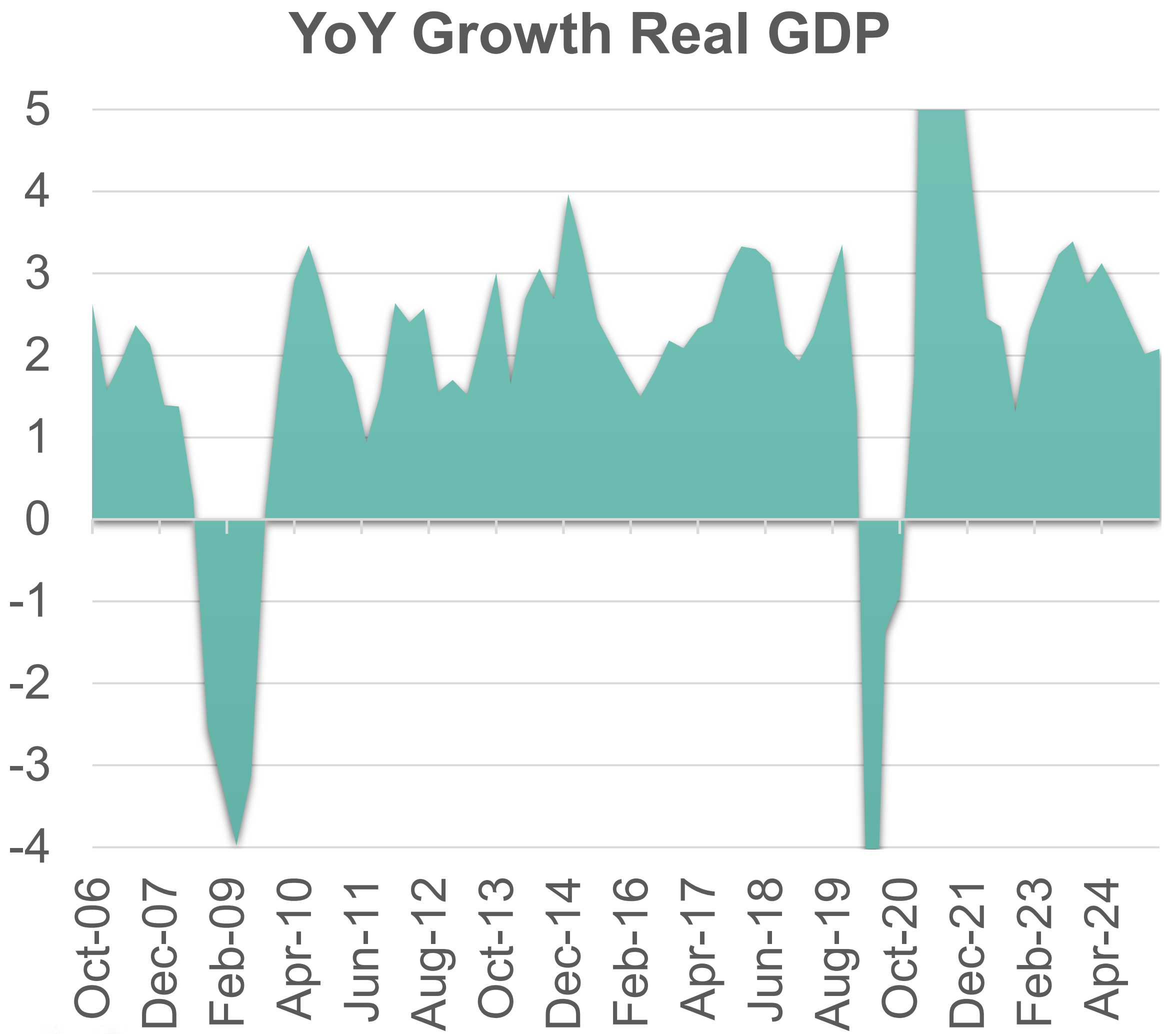
Contra Costa County

- Slow growth in jobs masks solid growth in incomes
- Largest issue for region is lack of housing / shrinking labor force / competition with West Bay for scarce resources
- Solution: compete differently, using local comparative advantages

False narratives in the way

- Internal resistance to growth holding county back from potential

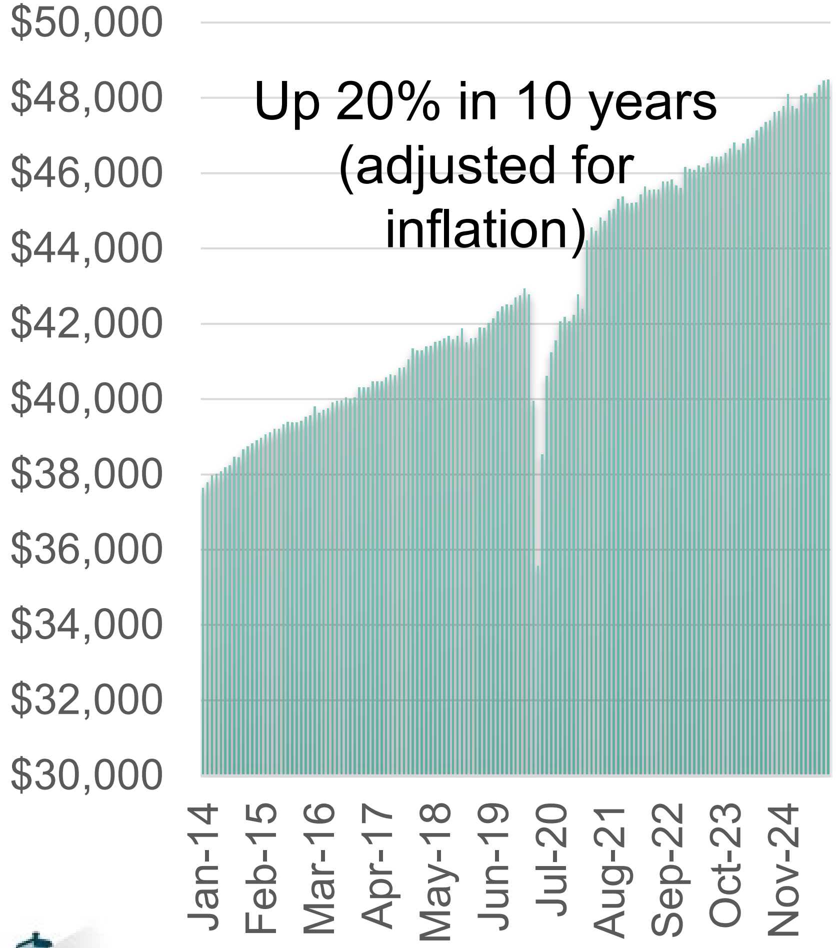
GDP Growth: Gaining Momentum



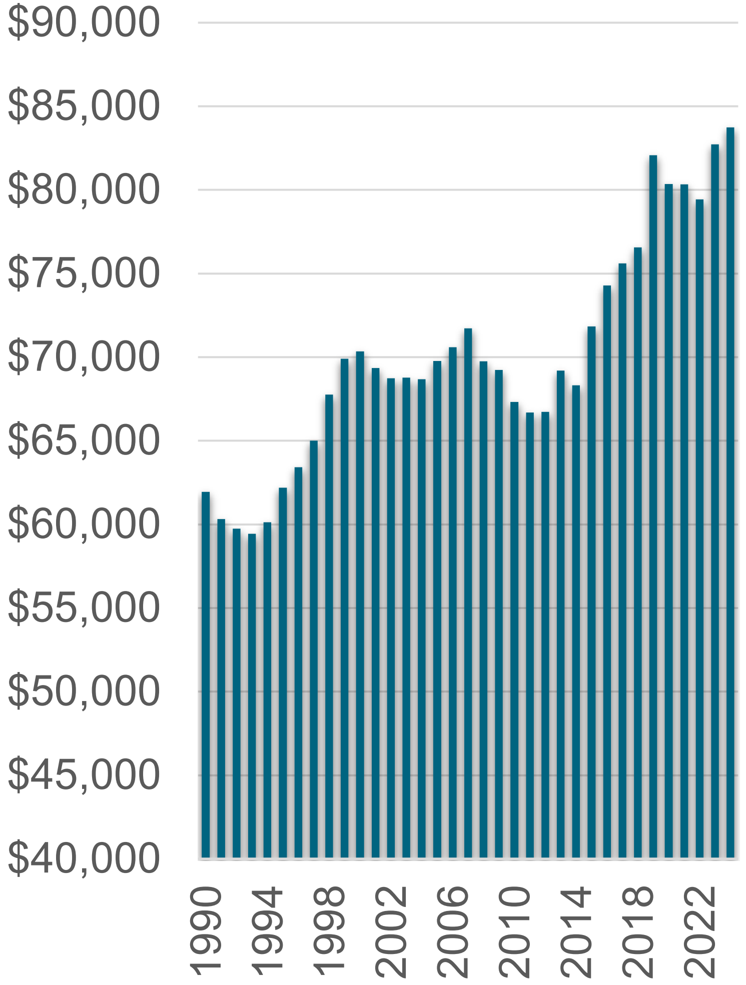
			2025		
	2023	2024	Q1	Q2	Q3
GDP	**3.38**	**2.40**	**-0.60**	**3.80**	**4.30**
Final Demand	**3.73**	**3.05**	**1.50**	**2.41**	**2.93**
Personal consumption	**2.03**	**2.26**	**0.42**	**1.68**	**2.39**
Goods	0.77	0.89	0.04	0.47	0.66
Services	1.27	1.37	0.37	1.21	1.74
Fixed investment	1.00	0.19	1.21	0.77	0.19
Structures	0.51	-0.16	-0.10	-0.23	-0.19
Equipment	0.16	0.17	1.00	0.44	0.29
Intellectual property	0.24	0.13	0.34	0.78	0.30
Residential	0.10	0.05	-0.04	-0.21	-0.21
Change inventories	-0.44	-0.17	2.58	-3.44	-0.22
Net exports	0.08	-0.48	-4.68	4.83	1.59
Exports	0.25	0.36	0.02	-0.20	0.92
Imports	-0.17	-0.84	-4.70	5.03	0.67
Government	0.73	0.61	-0.17	-0.01	0.39
Federal	0.22	0.29	-0.37	-0.35	0.19
State and local	0.50	0.33	0.20	0.33	0.20

Consumer Spending Trends

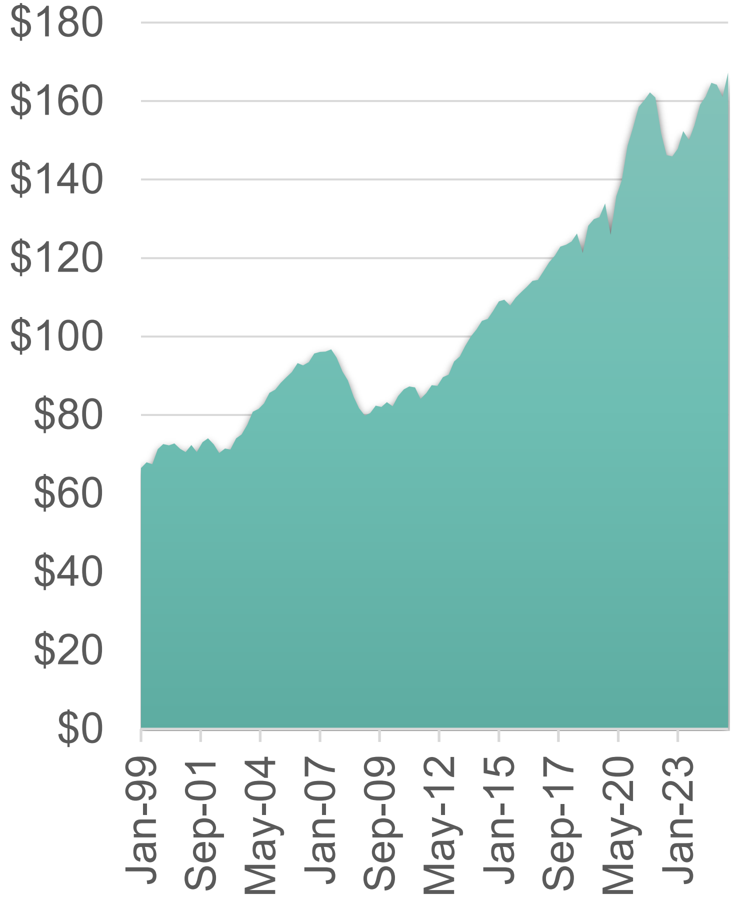
Inflation Adjusted Per Capita Consumption



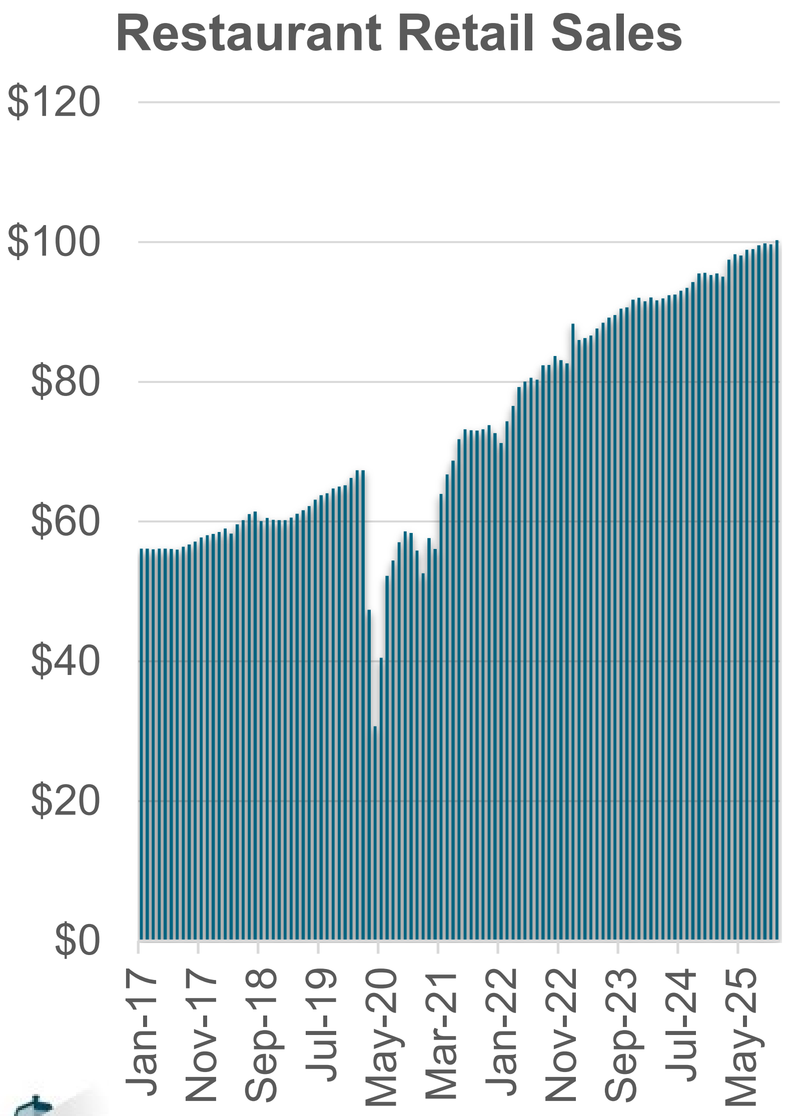
Real Median HH Income

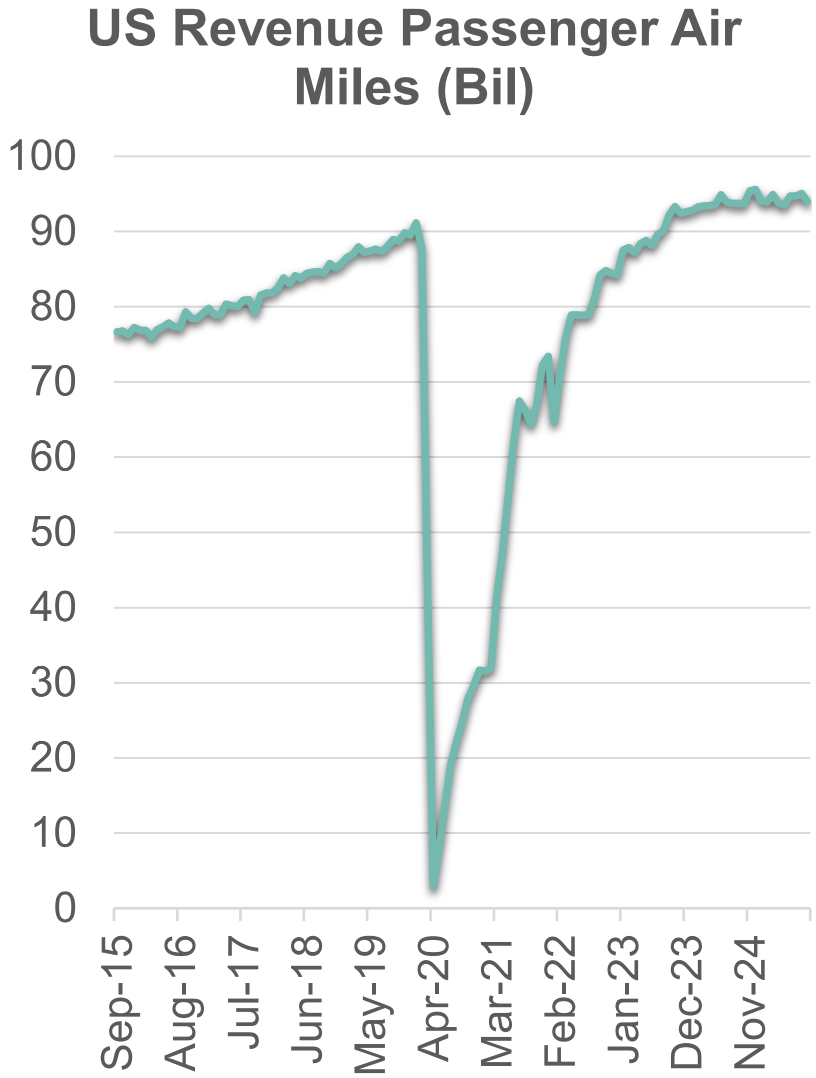


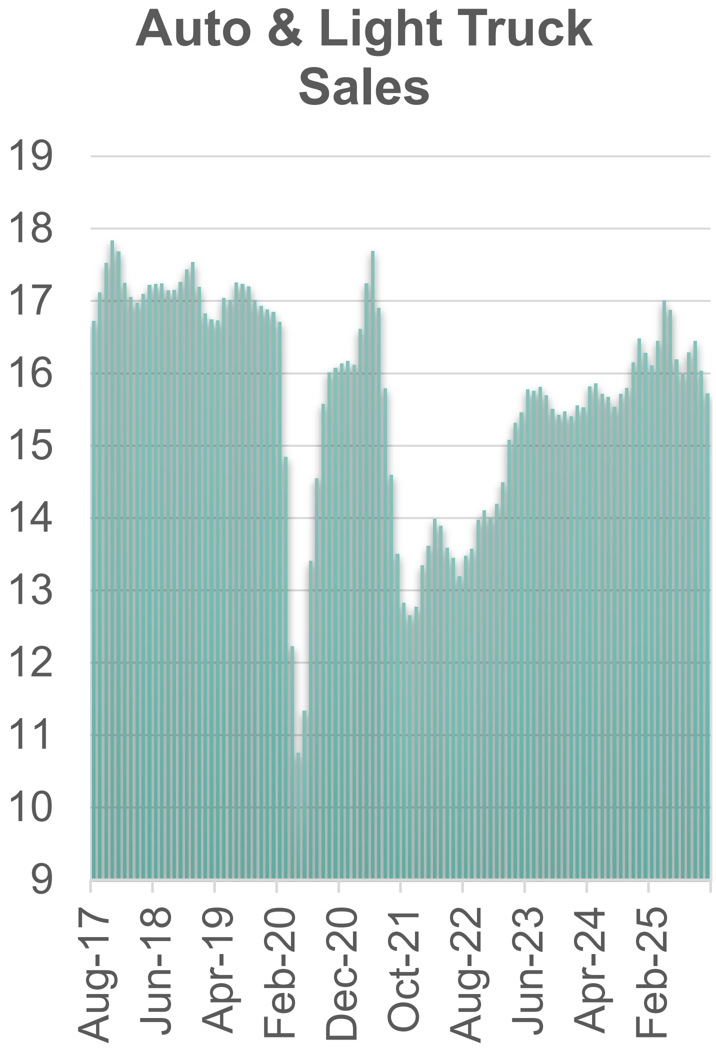
Real Household Net Worth ($Trillions)



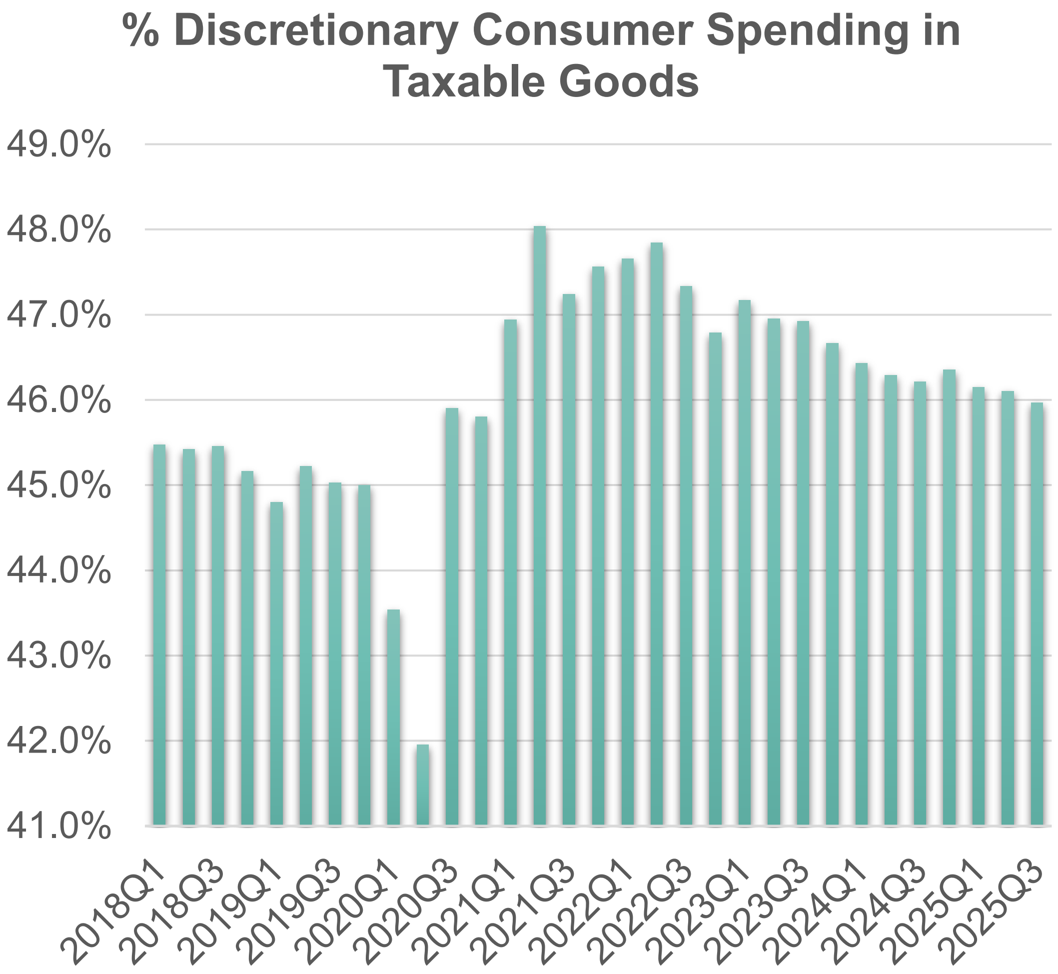
Consumers: Still Having Fun!





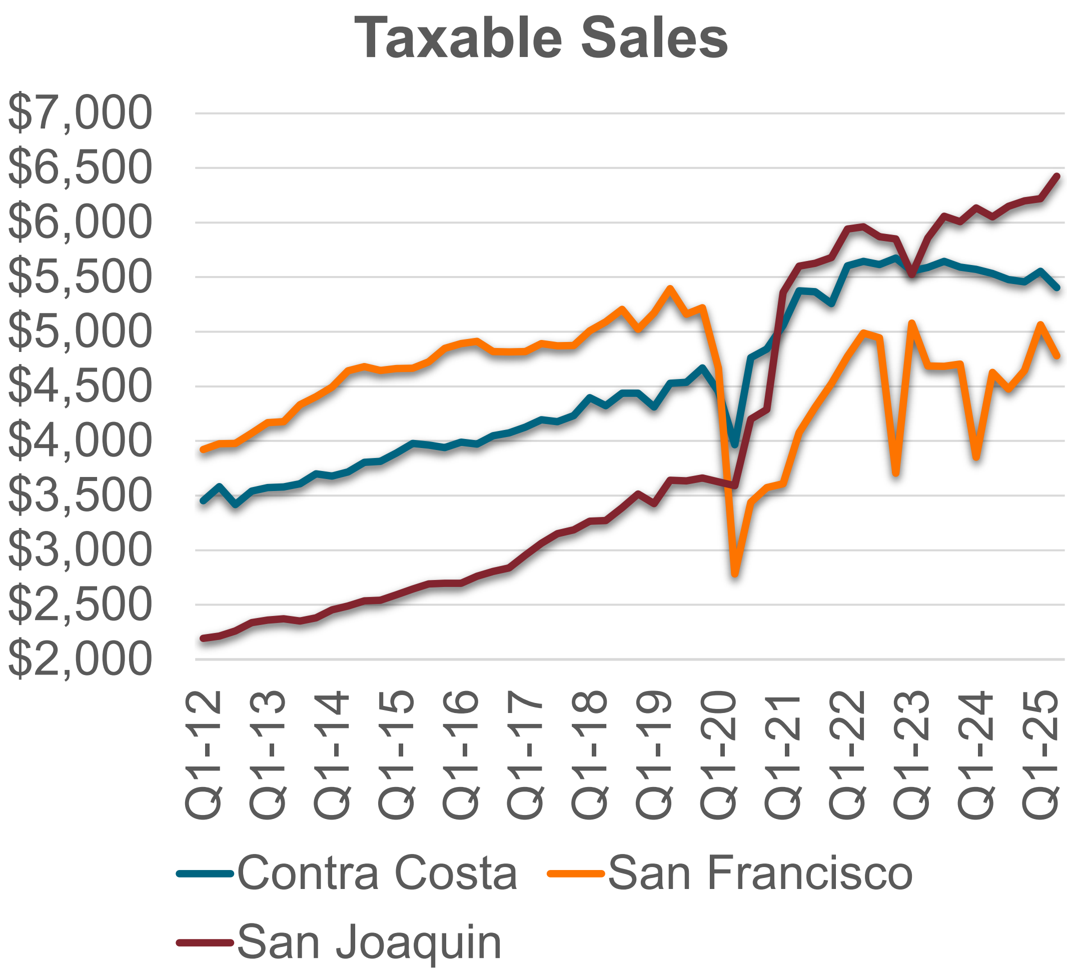


Shifts in spending



Category	Q3-25 ($, 000s)	1-Year Chg. (%)	Chg. Since Q4-19 (%)
Total	54,819	-0.6	14.8
Business and Industry	6,819	5.7	46.7
County & State Pool	11,699	2.7	23.2
General Consumer Goods	9,634	1.4	5.6
Fuel and Service Stations	4,948	0.2	6.8
Restaurants and Hotels	6,752	0.1	26.1
Food and Drugs	3,064	-3.3	8.3
Autos and Transportation	7,412	-7.1	-1.3
Building and Construction	4,415	-8.8	8.9

Local Sales Tax Receipts



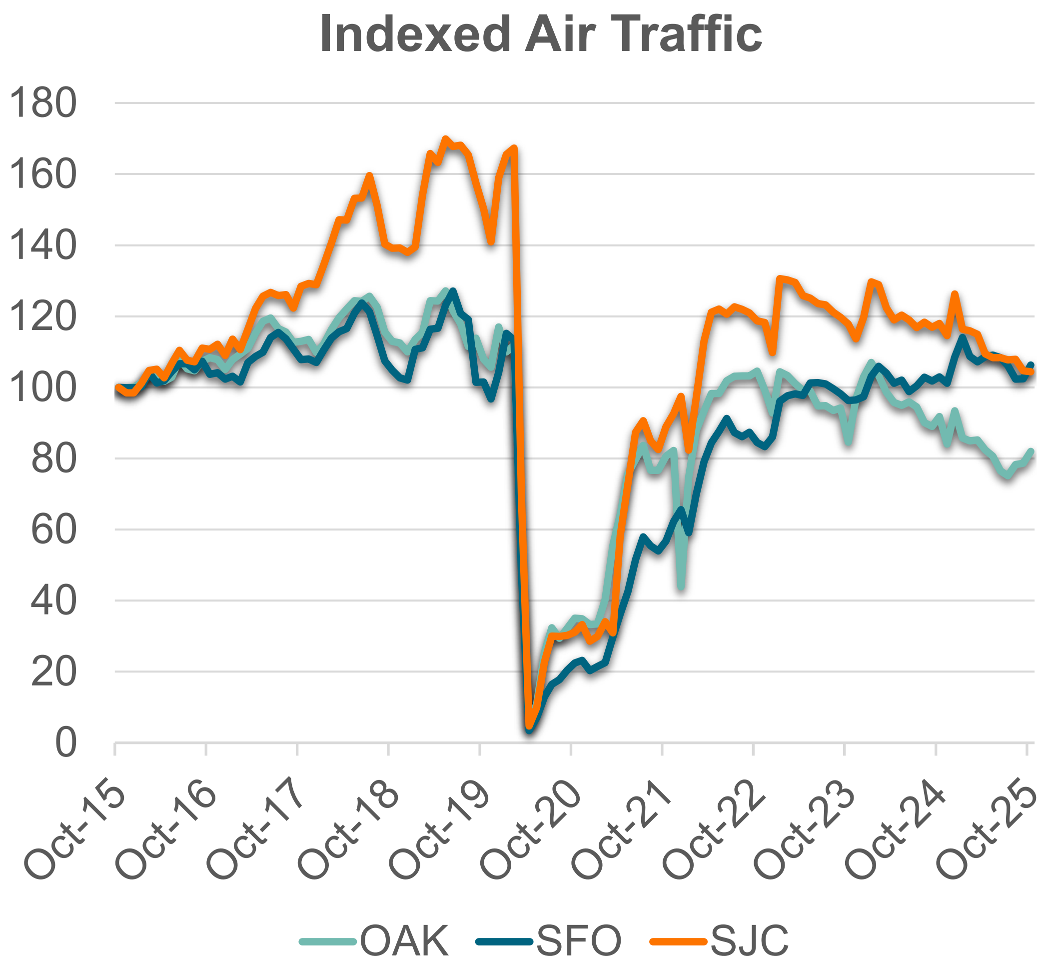
Taxable Sales	Q2-25 ($, Mil.)	1-Year Chg. (%)	6-Year Chg. (%)
Contra Costa County	5,405	-2.3	19.3
Richmond	503	3.5	35.1
Concord	810	0.1	3.8
Pleasant Hill	214	-0.4	9.0
Pinole	91	-0.6	13.0
Antioch	358	-1.3	-2.3
Brentwood	225	-2.7	18.2
Pittsburg	239	-3.0	21.4
Walnut Creek	598	-4.1	6.6
Danville	134	-5.3	9.3
Unin. CC County	333	-6.1	22.6
Martinez	103	-7.4	1.1
San Ramon	244	-25.3	0.5

State Travel

Spending on Foreign Travel (Real)

California Total Visitor Counts

Local Airports and Hotels



Location	Sep-25 RevPAR ($)	1-Year Chg. (%)	Chg. since Dec-19 (%)
United States	97.92	-2.3	13.6
San Francisco	143.83	5.9	-26.6
Sacramento	104.97	4.5	14.3
New York	276.29	2.6	35.6
Wine Country	183.43	-0.2	5.7
San Jose	114.73	-0.5	-15.8
Orange County	147.48	-1.1	11.6
Oakland	86.05	-2.1	-25.5
Miami	156.05	-5.9	6.1
Los Angeles	132.54	-6.4	-1.0
San Diego	145.92	-7.9	14.6
Las Vegas	143.31	-8.6	22.4

The Wine Industry?

The Story Behind the American Wine Crisis

abc 7NEWS 24/7 Live

CA wineries ripping out vineyards o less demand and changes in industr

By Suzanne Phan
Sunday, September 7, 2025

OPINION FUTURE VIEW Follow

Why Generation Z Doesn't Drink Much

Students discuss alcohol consumption dropping sharply compared with past generations.

Sept. 9, 2025 5:46 pm ET

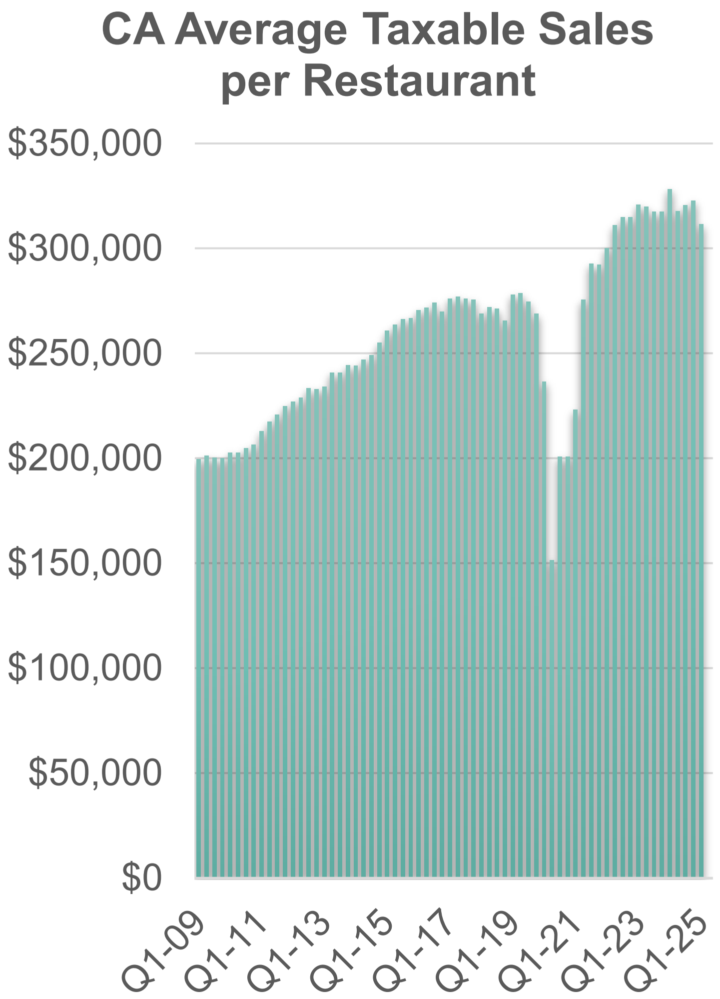
Wine sales drying up as Americans turn elsewhere

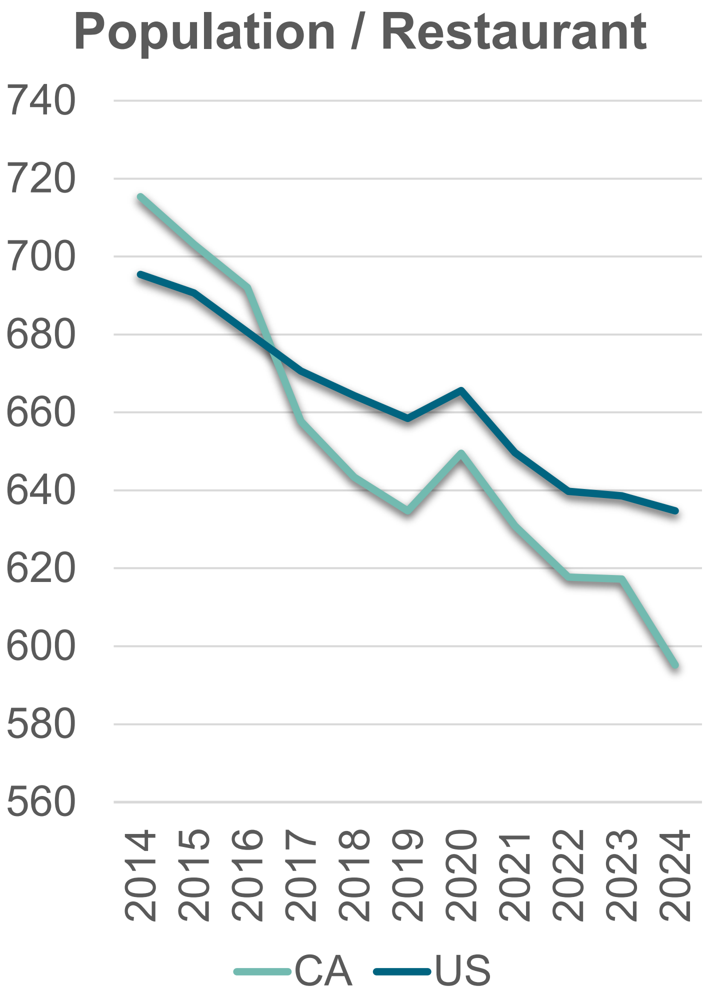
U.S. wine sales continued a multiyear decline in 2024, which experts attribute to shifting demographics, health concerns, new competition and economic forces.

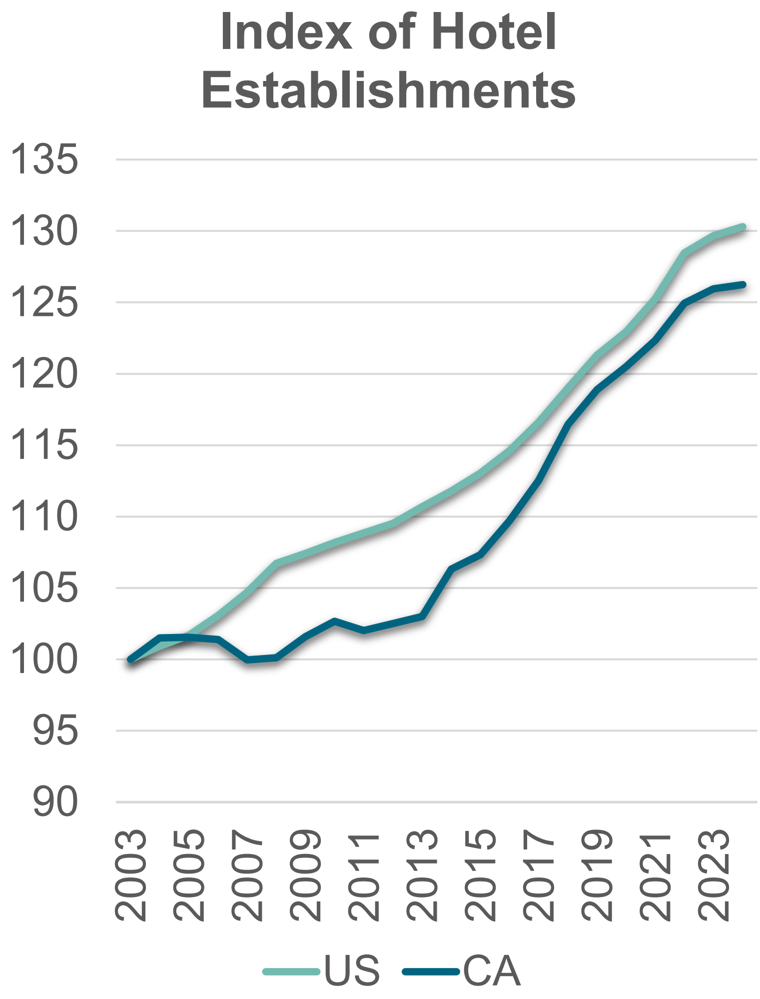
Bulk to Brand Shifts

County	2018 (Acres)	2024 (Acres)	6-Year Chg. (%)
San Joaquin	73,239	65,194	-11.0
Sonoma	59,193	58,175	-1.7
Napa	45,433	45,094	-0.7
Monterey	46,116	41,296	-10.5
San Luis Obispo	35,080	35,578	1.4
Fresno	37,624	32,183	-14.5
Madera	31,005	26,022	-16.1
Sacramento	24,183	23,848	-1.4
Mendocino	17,512	17,007	-2.9
Kern	17,513	15,484	-11.6
Yolo	14,354	15,056	4.9
Santa Barbara	15,563	14,995	-3.6

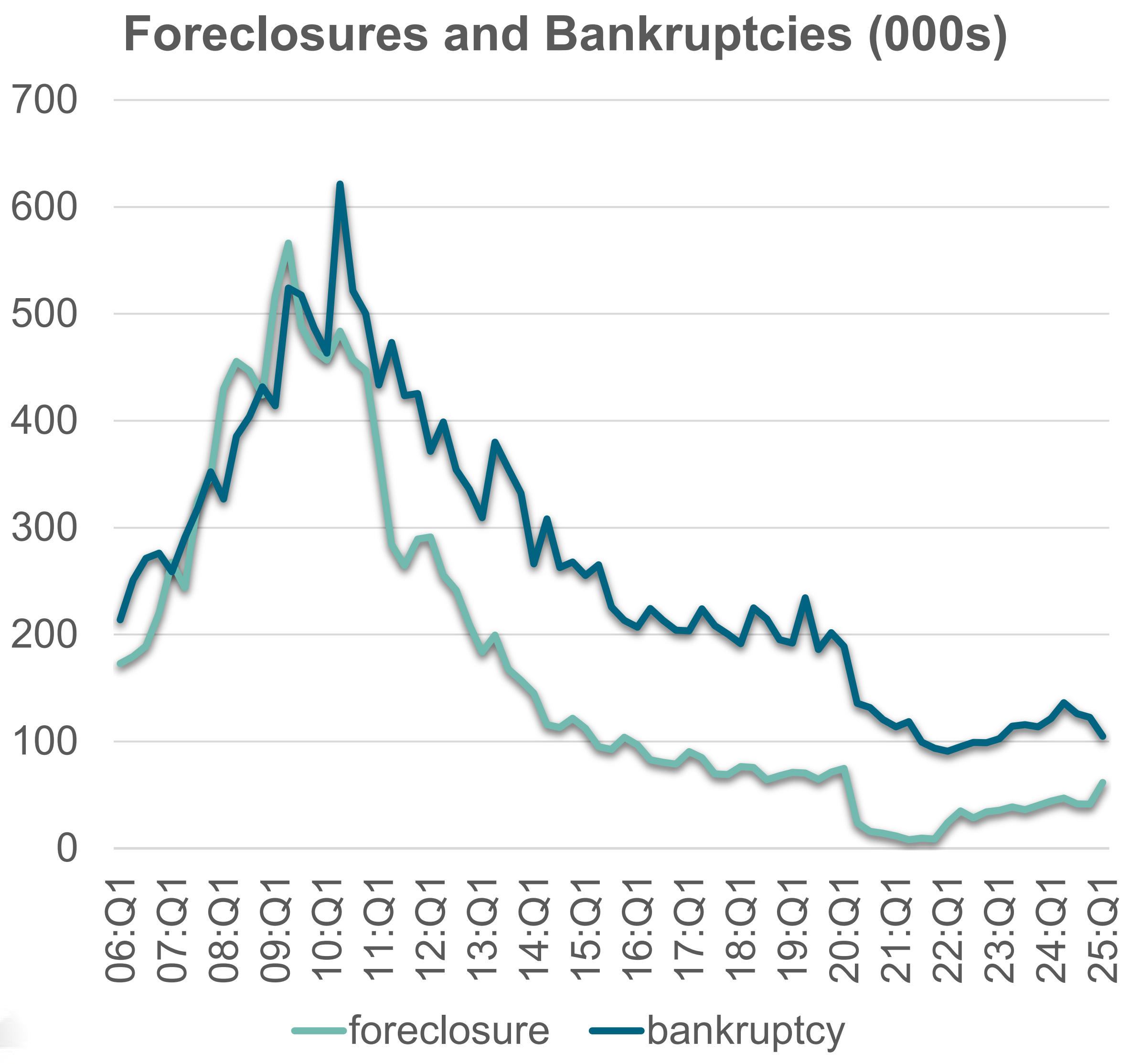
Tourism Over-Supply?

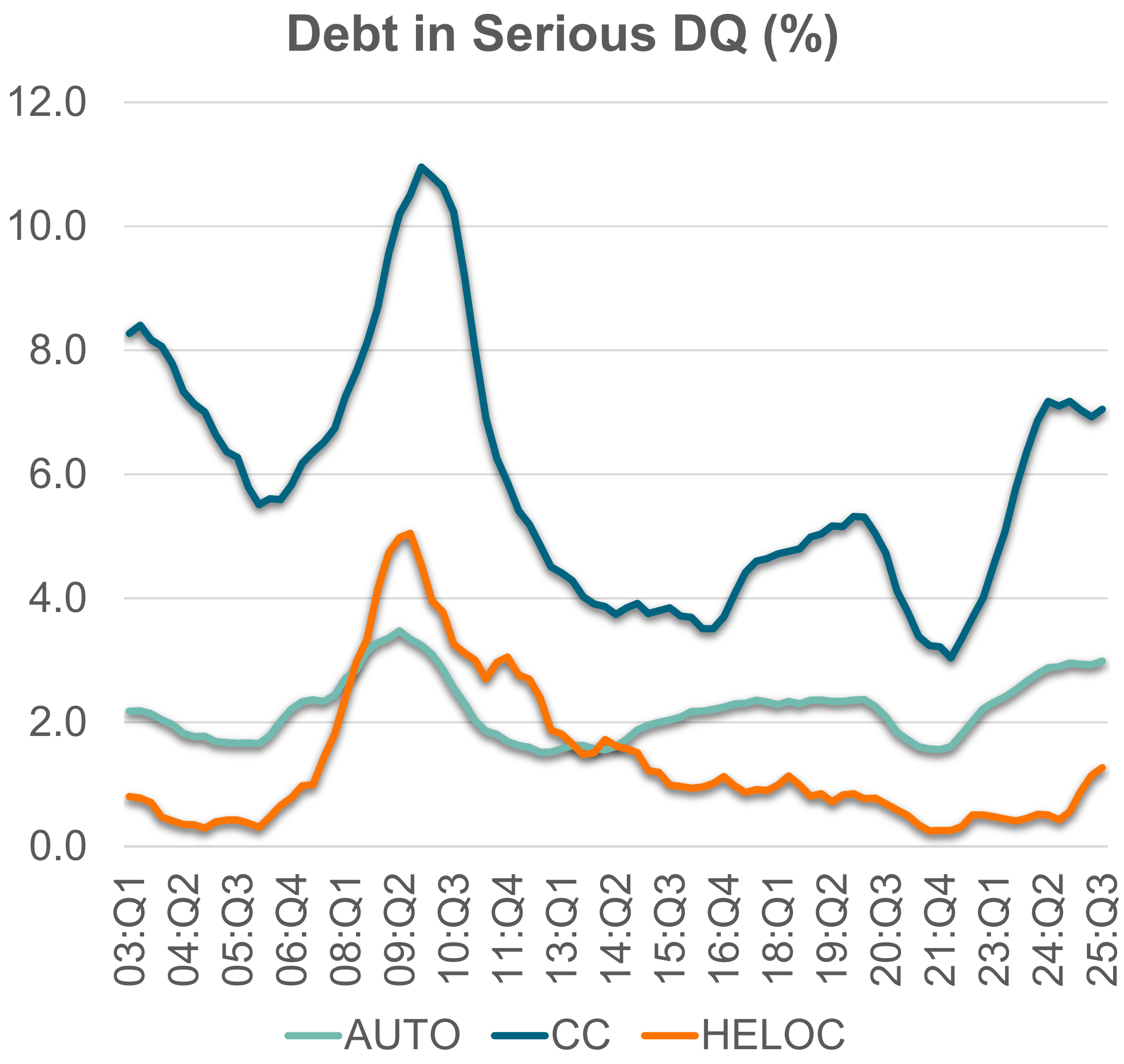




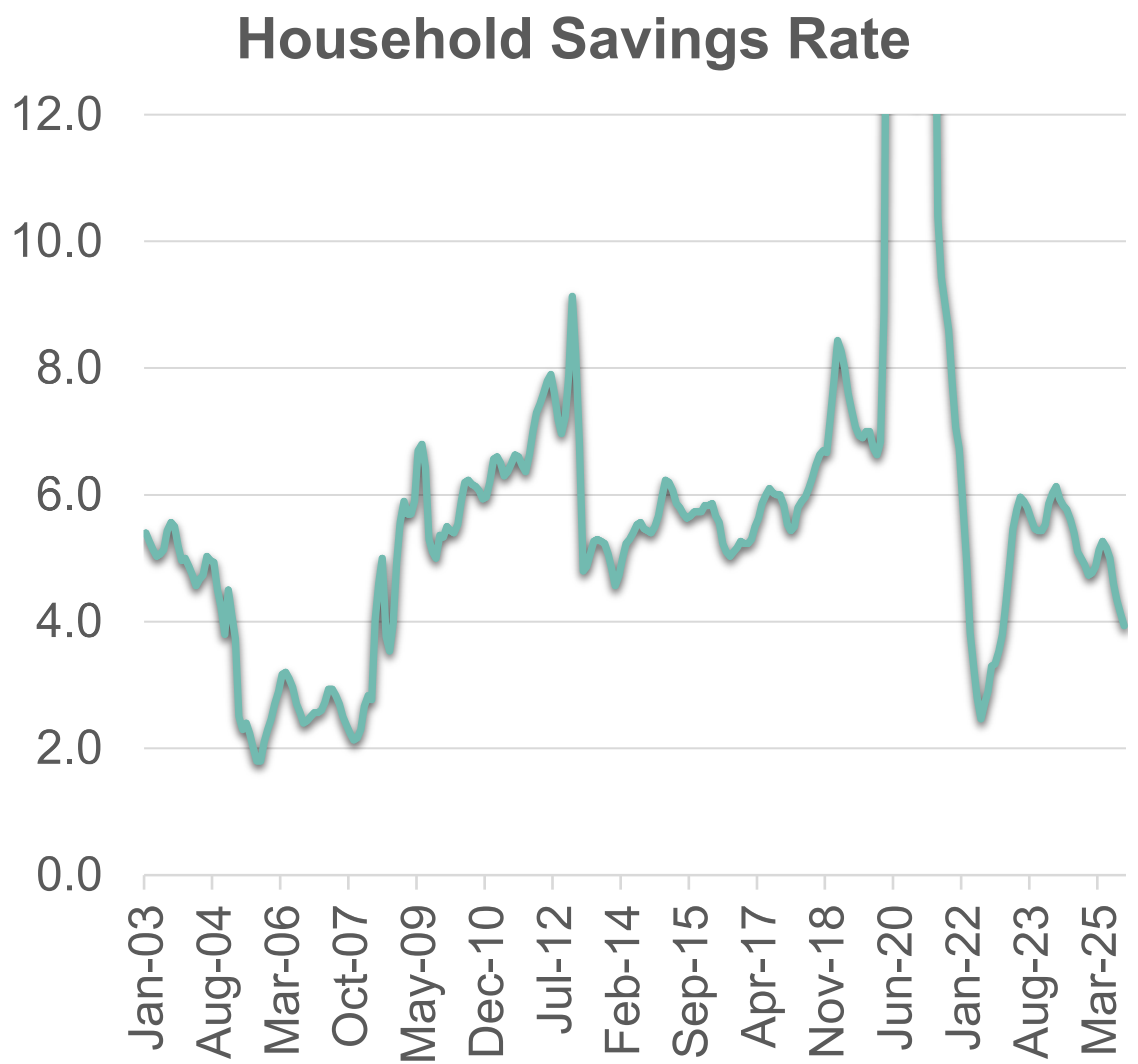


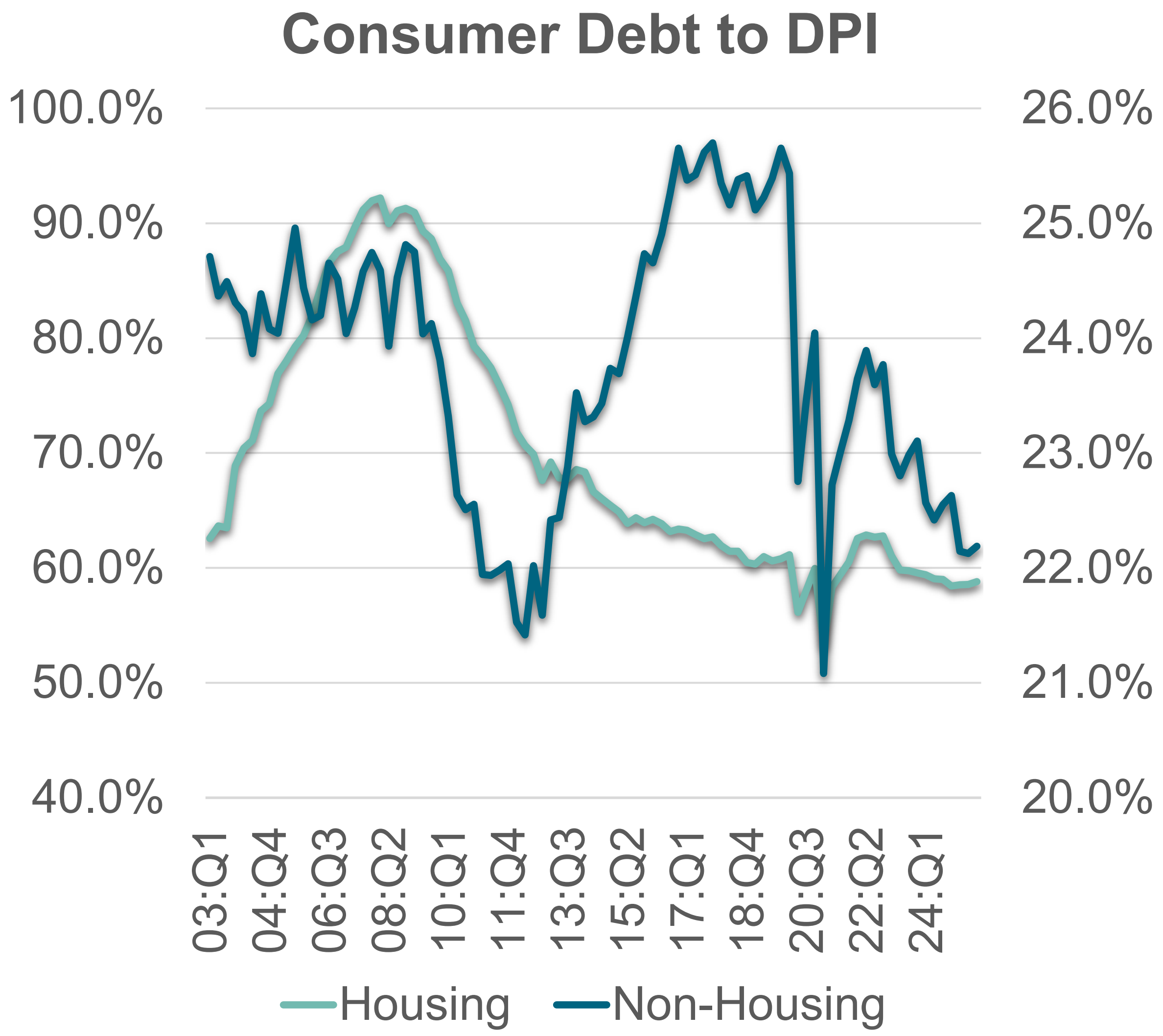
Overall Debt Situation: Steady





Signs of Excess?





Inflation?

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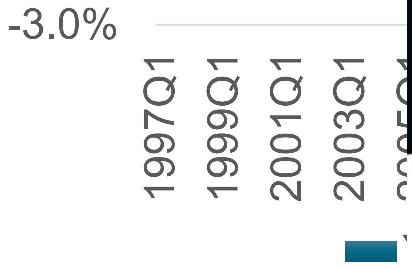
Today at 5:00 a.m. EST



ding	
	2.7%
	5.3%
	4.4%
	4.3%
	3.3%
	-5.9%

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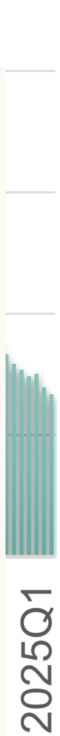
What about food prices?

Food Spending as Share of Total
...enditures



Grocery prices have jumped up, and there's no relief in sight

SEPTEMBER 19, 2025 · 5:30 AM ET

HEARD ON WEEKEND EDITION SATURDA

Scott Horsley

Food for off-premises	6.0%	1.1%
Meals at limited serv	6.4%	2.7%
Meals at Full serv	5.5%	2.5%

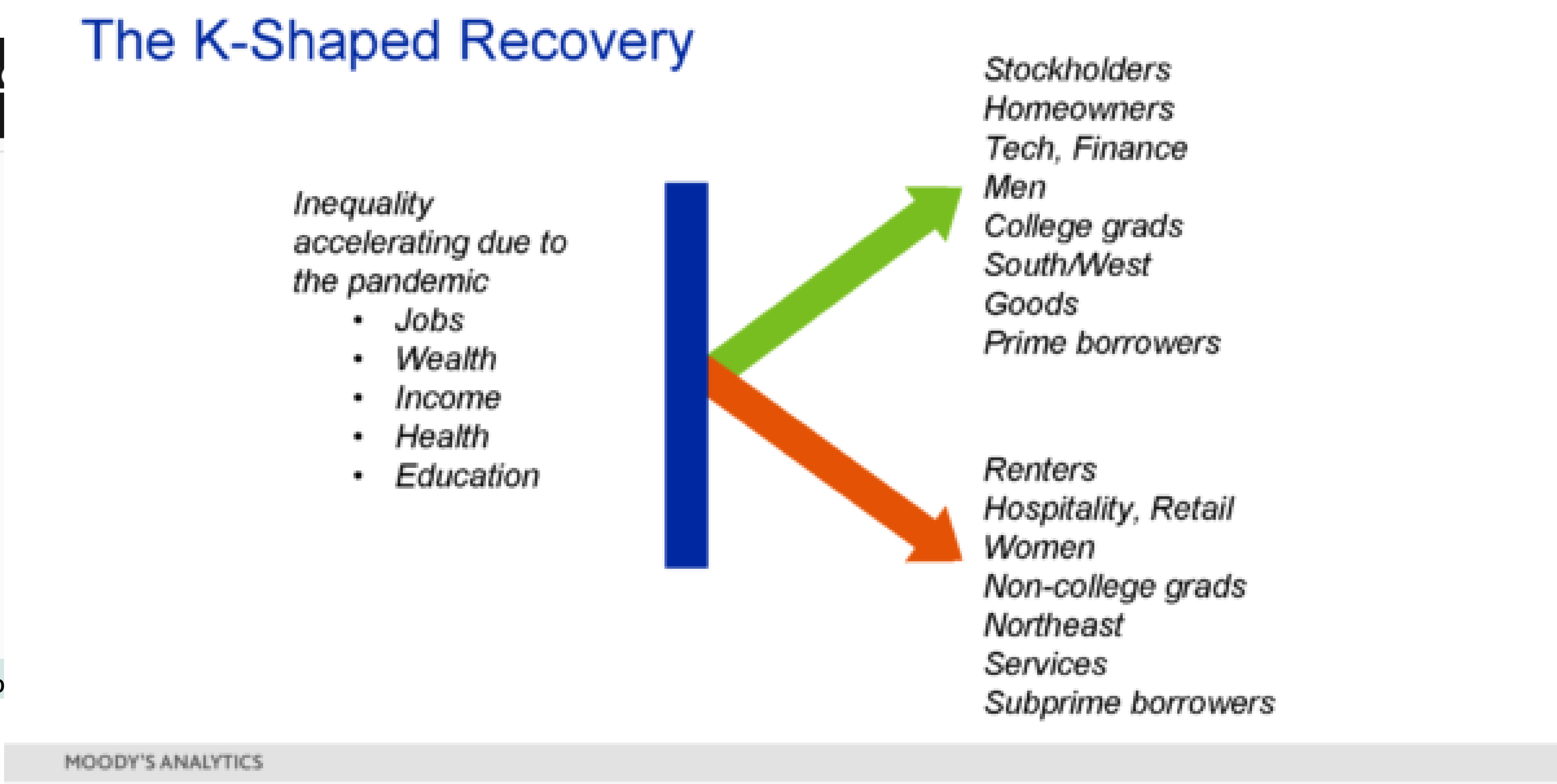
OCT 27, 2025 3:00 AM PT

America's Hunger Crisis Is Growing. We're Choosing to Look Away

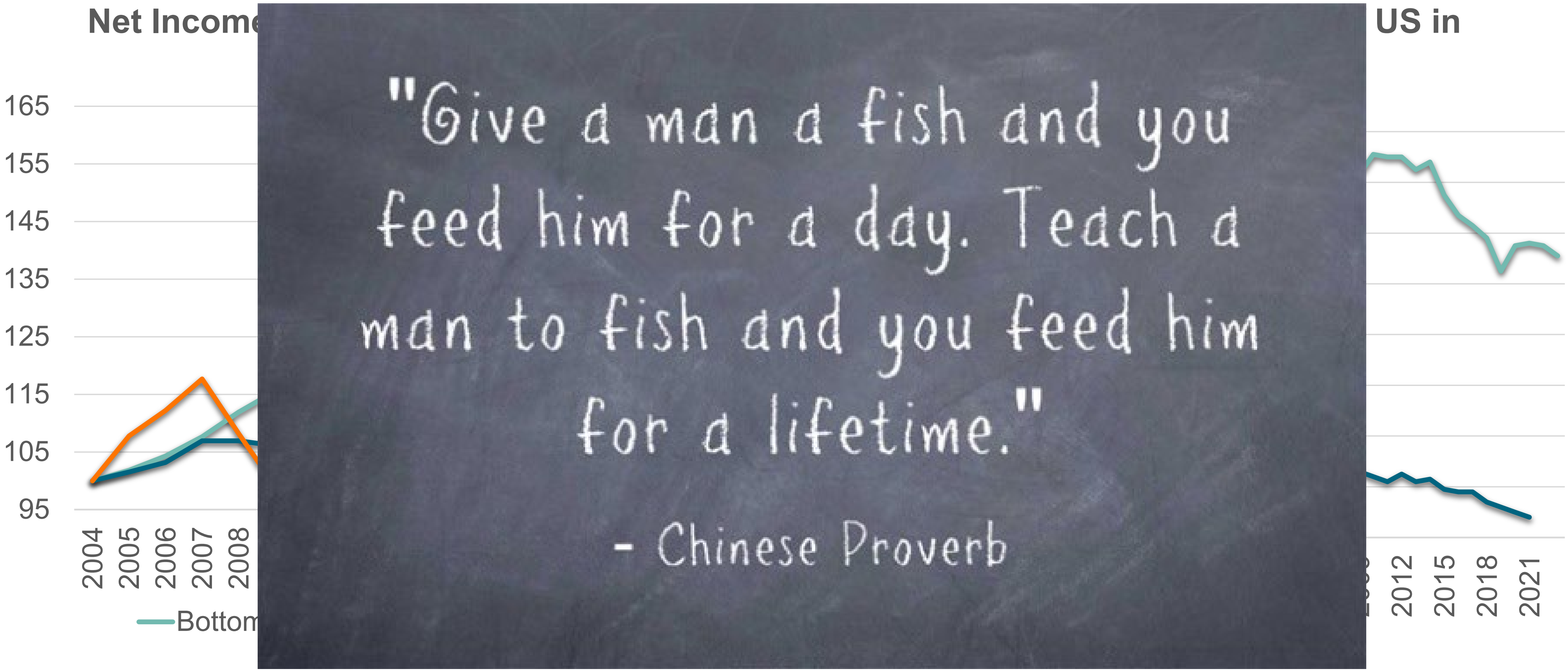
IDEAS POLITICS ADD TIME ON GOOGLE

by Beth Shapiro

Only gains for the top 10%?



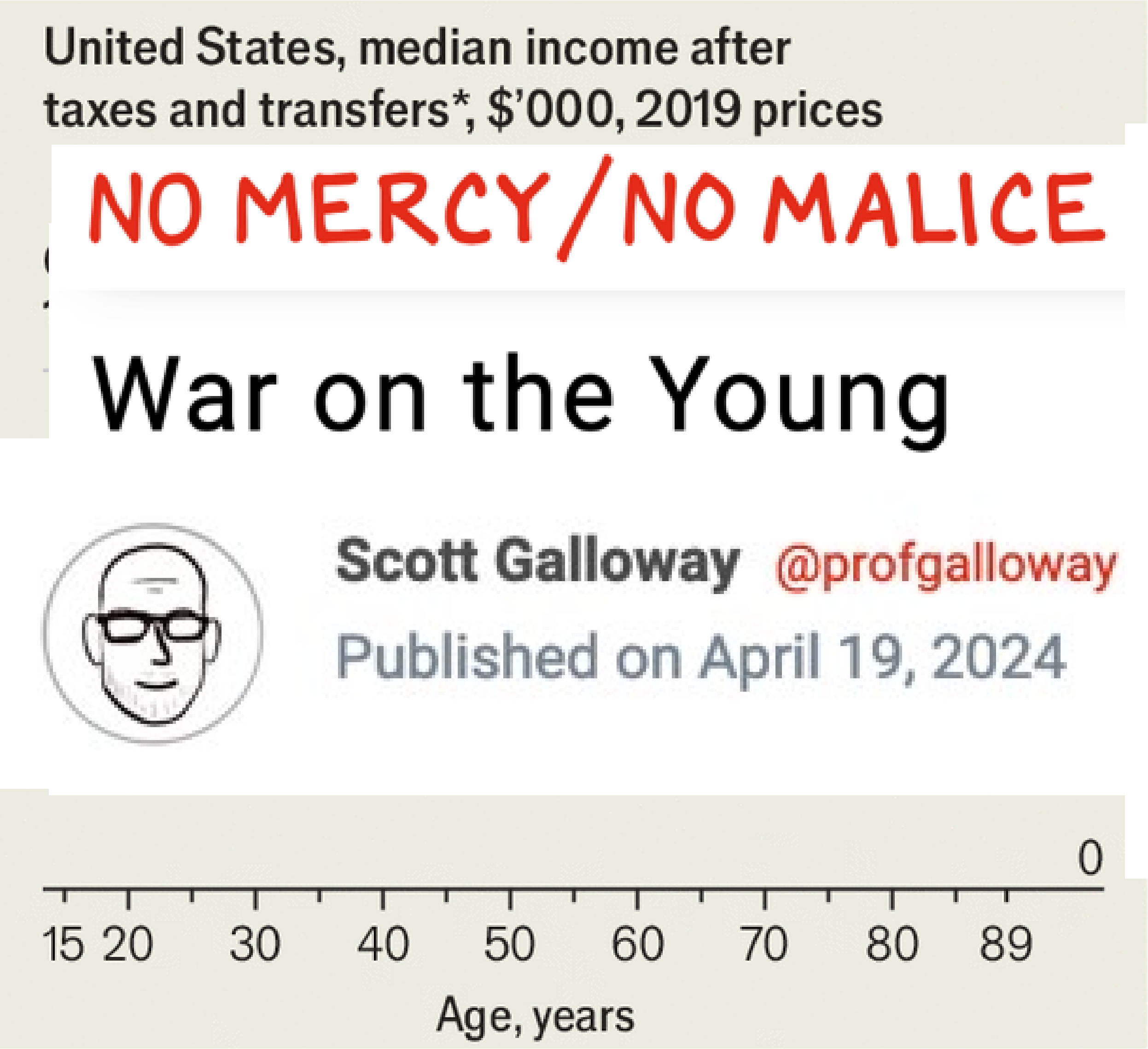
Transfers and Taxes



Correlates with Poverty

	2024	2018
Less than high school graduate	24.0%	24.4%
High school graduate	14.3%	13.5%
Some college, associate's degree	9.7%	9.5%
Bachelor's degree or higher	4.6%	4.4%
Worked full-time, year-round	2.3%	2.5%
Worked part-time or part-year	14.9%	15.8%
Did not work	21.3%	21.3%
	Married Couple	Single Parent
Families	4.5%	22.3%
1 or 2 children	4.3%	26.8%
3 or 4 children	9.1%	49.2%
5 or more children	22.0%	67.8%

What about Gen Z?



The national mood?

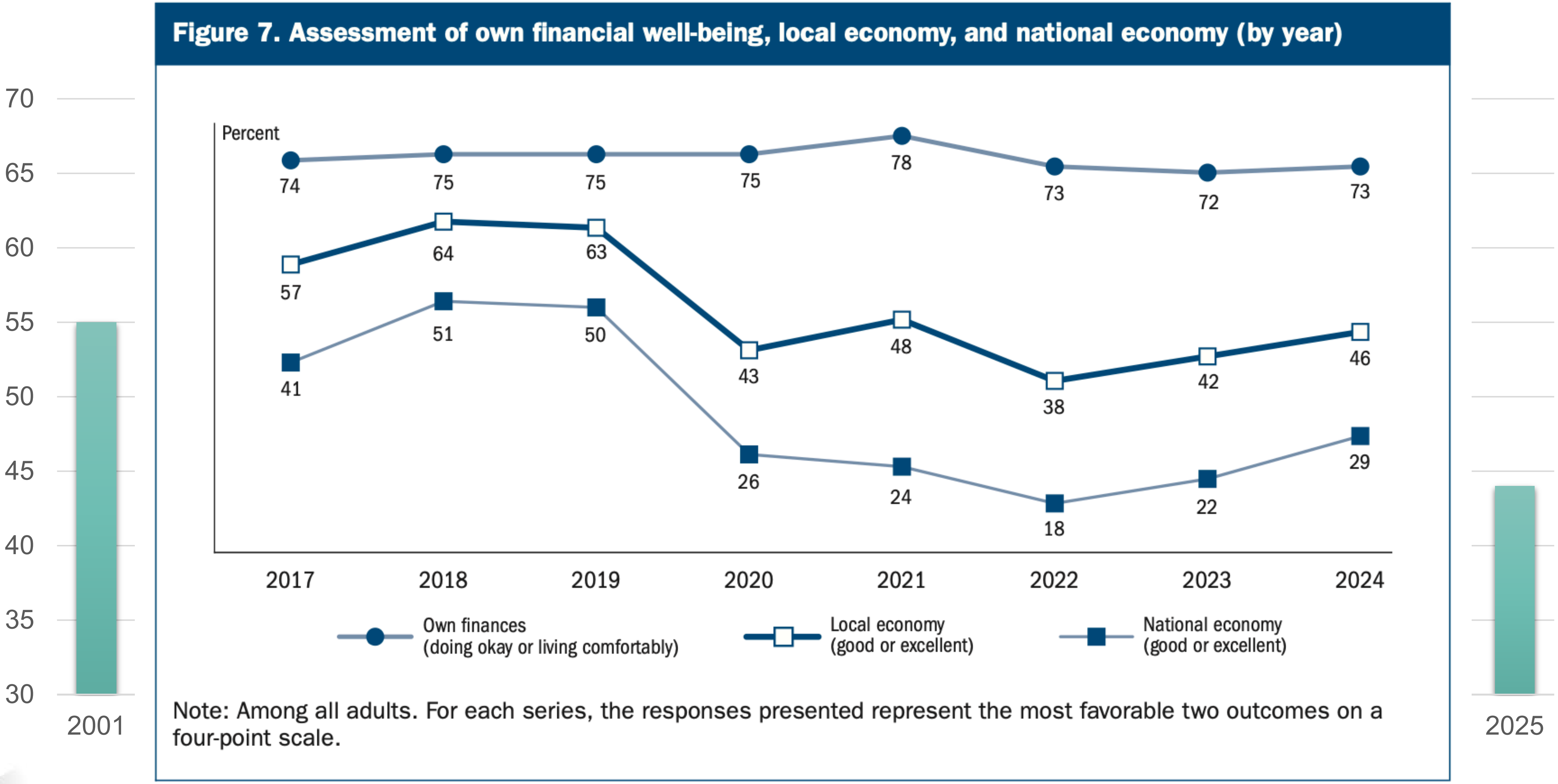
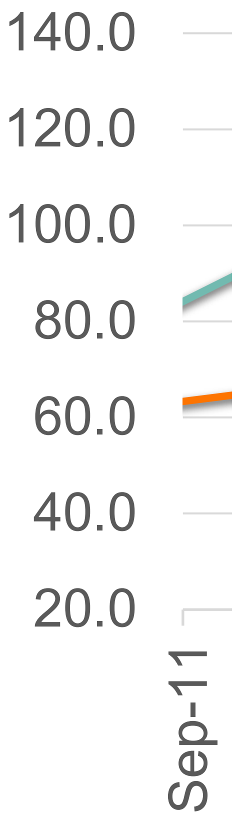


Figure 7. Assessment of own financial well-being, local economy, and national economy (by year)

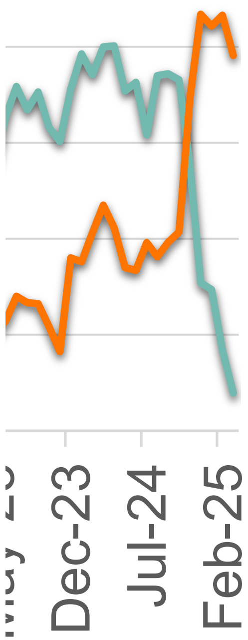
Note: Among all adults. For each series, the responses presented represent the most favorable two outcomes on a four-point scale.

W

1. Capitalism Stumbles With Young Adults



New York City Mayor-elect Zohran Mamdani argued that the economy wasn't working for everyone.
Photo: Adam Gray / Bloomberg News



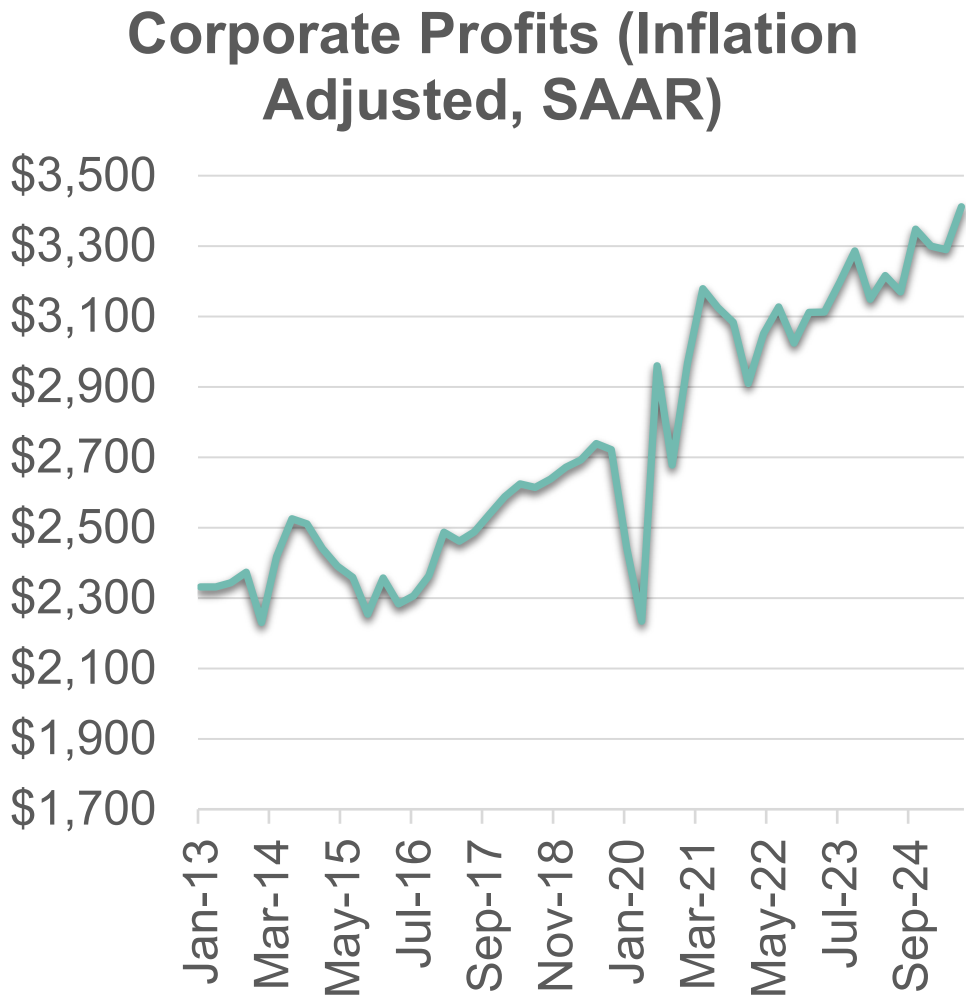
Discontent with the economy is again proving to be the primary force in U.S. politics. Across the board, the biggest contests on Tuesday were decided by voters who listed the economy or cost of living as the leading

GALLUP

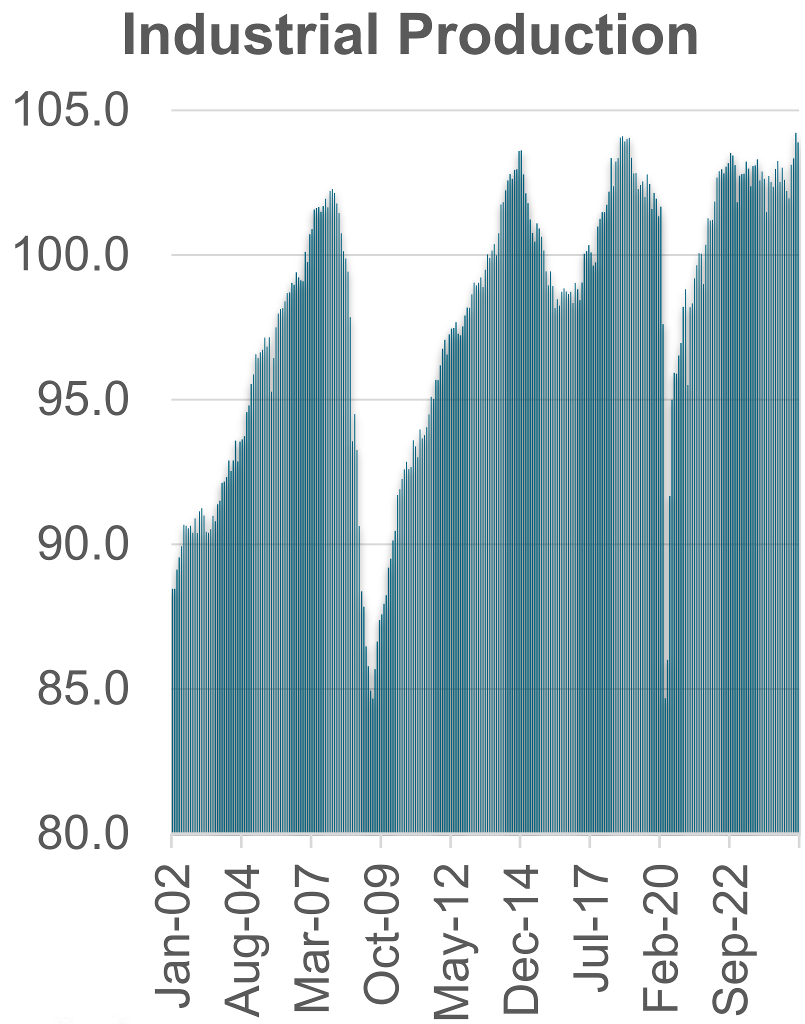
Business Investment Profits

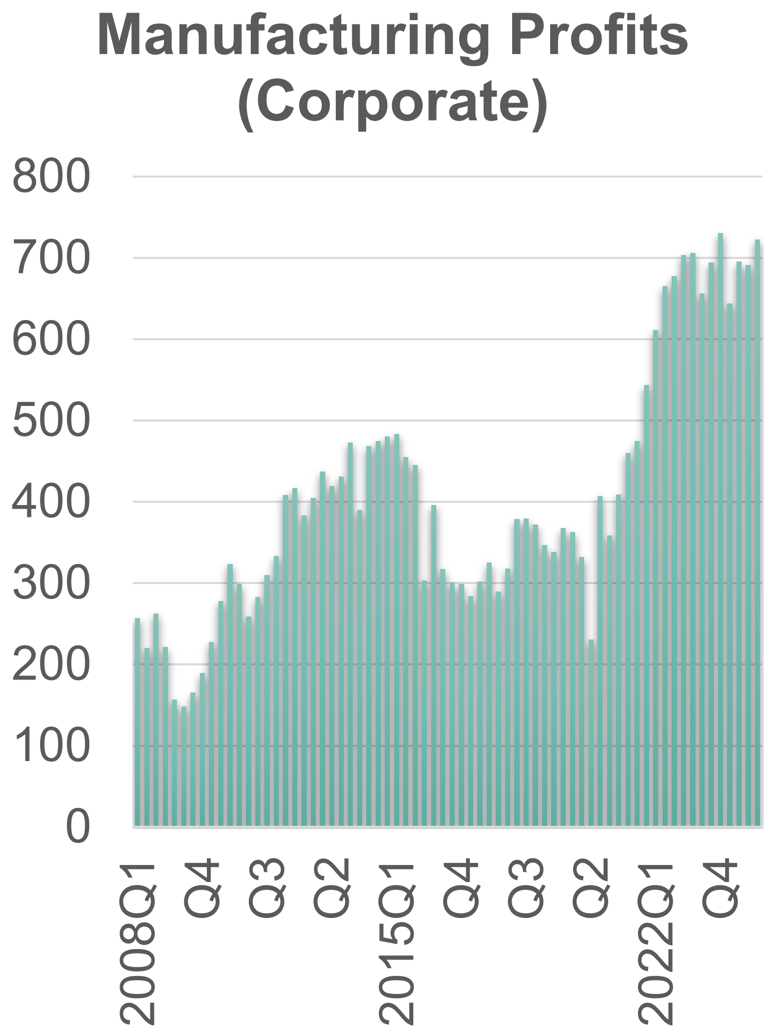
Real Investment and Growth Rates

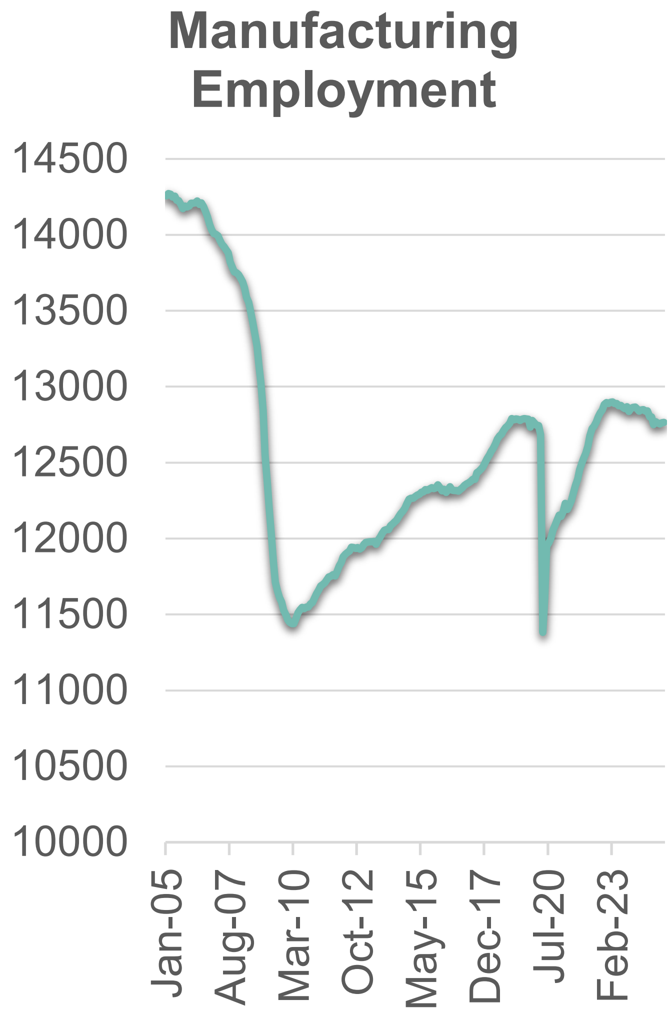
	Q3	23-24	24-25
Private fixed investment	$5,479	4.8%	4.4%
Commercial health str	$264	-8.3%	-3.8%
Manufacturing str	$218	16.5%	-8.8%
Power, communication	$167	-1.5%	2.3%
Mining	$82	3.8%	-16.2%
Information proc eq	$630	11.4%	22.6%
Industrial equipment	$347	4.9%	7.8%
Transportation eq	$363	8.4%	2.2%
Software	$766	8.9%	8.9%
R&D	$856	3.7%	6.8%
Entertainment, artistic	$116	3.2%	1.0%
Residential Total	$1,185	3.8%	0.6%
Residential Perm site	$524	-1.7%	-4.3%



How About Manufacturing?





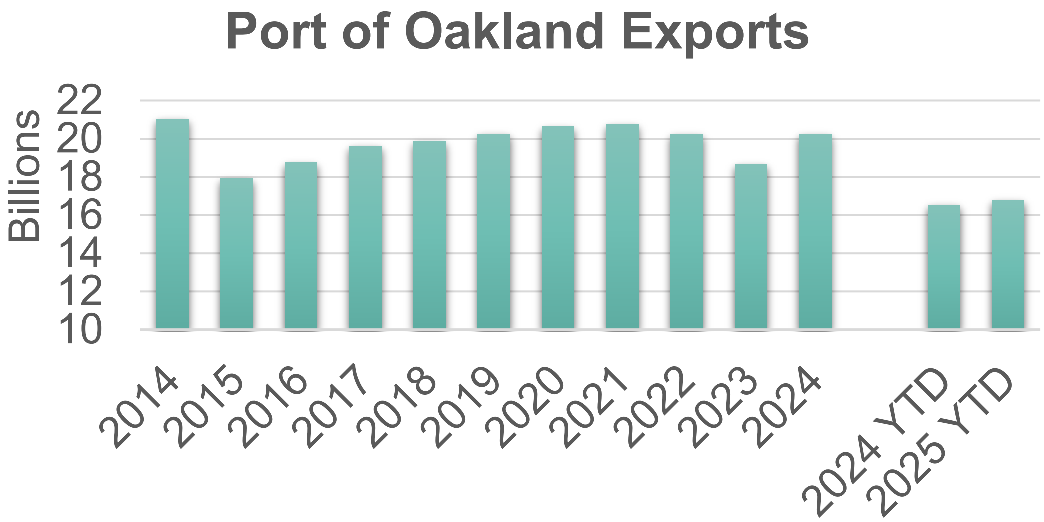


The Tariff Impact?

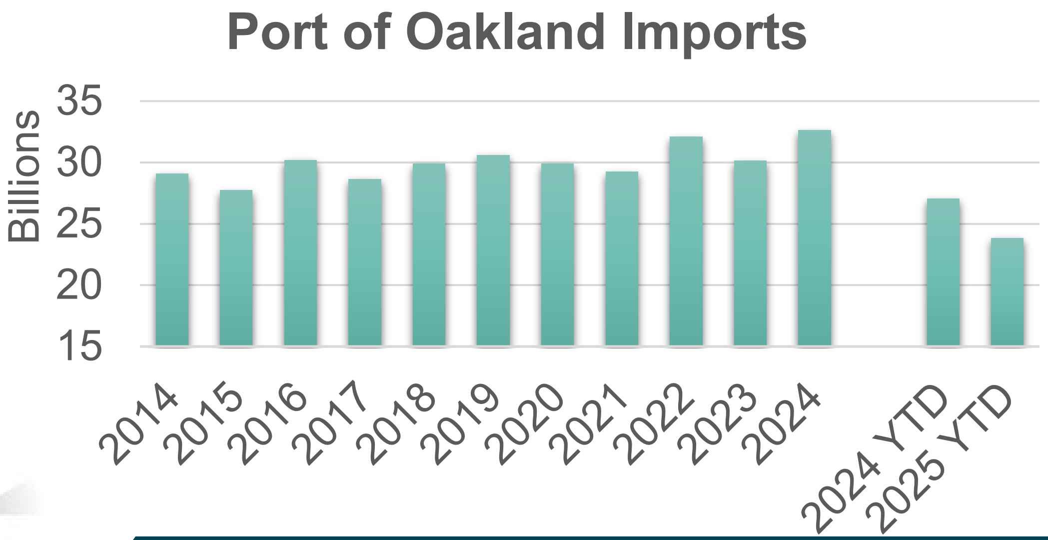
US supreme court sets date to hear arguments on Trump's tariffs

Hearing on 5 November sets up major test of the president's use of executive power to drive his economic agenda

Port of Oakland Exports

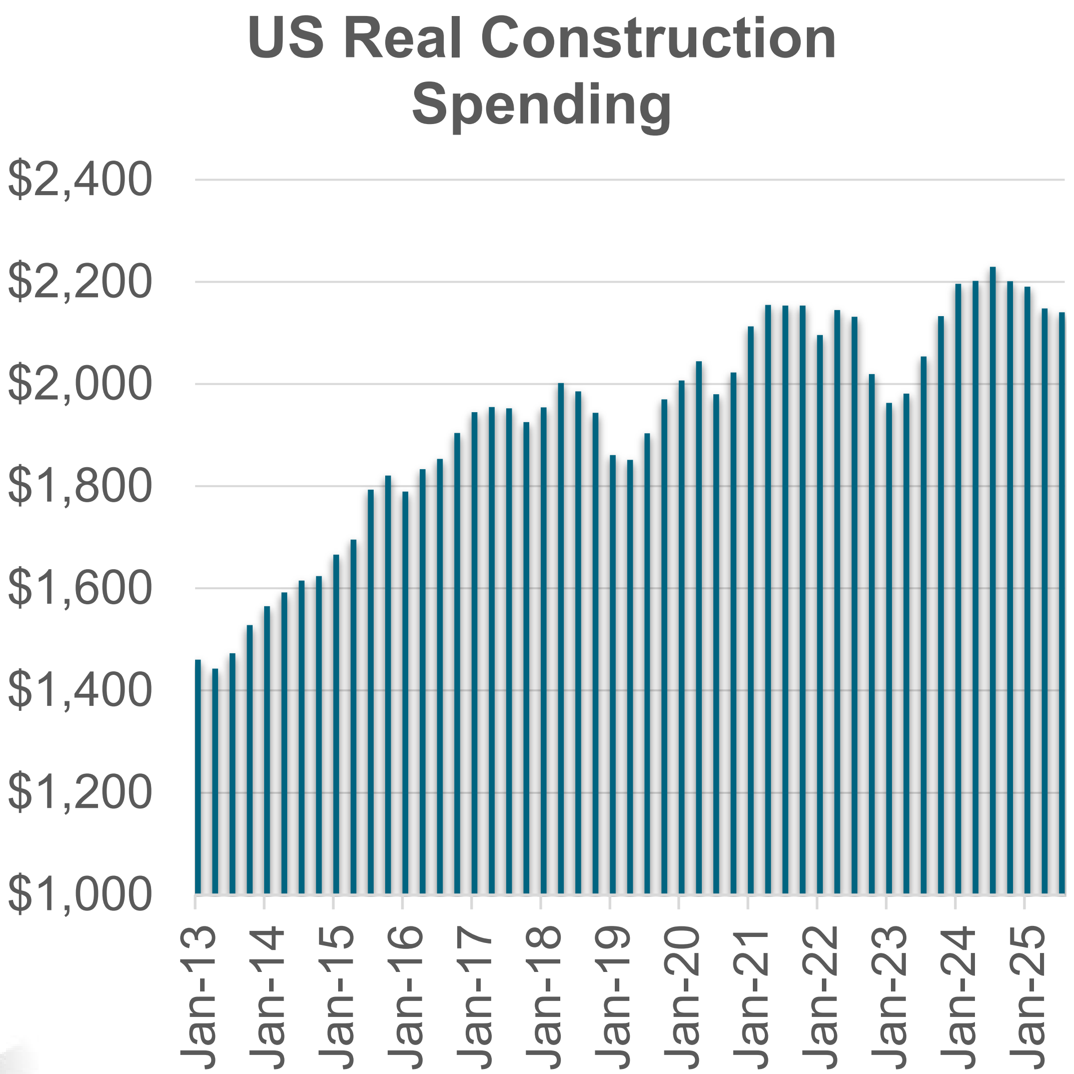


Country	Oct-24 YTD Exports ($ Mil.)	YTD Chg. (%)	2019 to 2024 Chg. (%)
Port of Oak Exports	16,787	1.5	-0.1
Japan	3,208	3.1	-13.6
Korea, Republic Of	2,234	6.4	28.8
India	1,164	25.4	36.7
China	1,156	-35.5	-0.6
Taiwan	924	8.1	-24.2



Country	Oct-24 YTD Imports ($ Mil.)	YTD Chg. (%)	2019 to 2024 Chg. (%)
Port of Oak Imports	23,842	-11.9	6.7
China	6,860	-32.0	9.5
Vietnam	2,621	28.8	75.7
Taiwan	1,706	-9.8	-30.0
Thailand	1,321	9.8	44.0
Japan	1,208	-39.9	-0.5

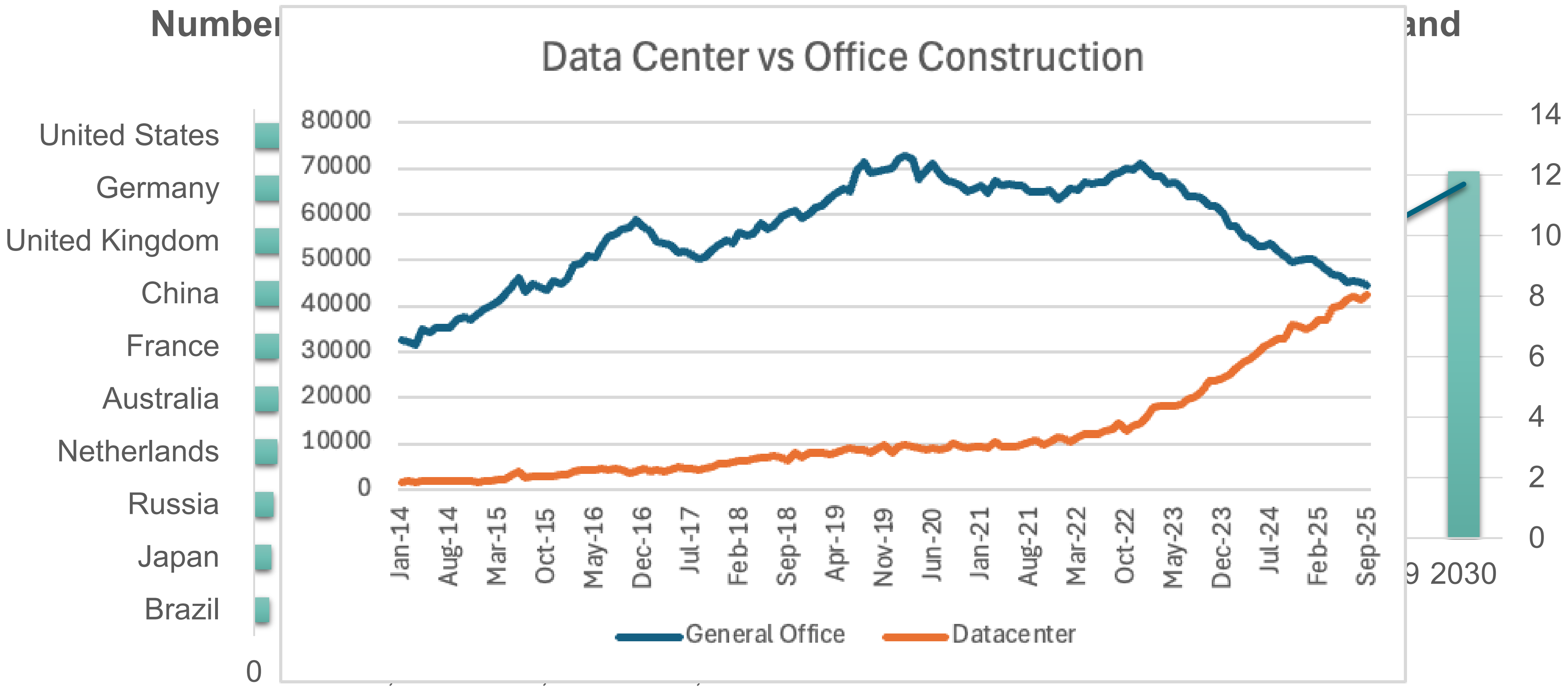
US Construction Activity



Real Construction Spending by Category

	2022	2023	2024
Nonresidential	588.2	686.4	694
Commercial and health care	180.5	190.1	178
Office	65.7	64.1	63.6
Data centers	**8.4**	**12.6**	**19.7**
General, financial	57.2	51.3	43.7
Health care	38.2	40.7	41.9
Warehouses	**47.3**	**50.6**	**39.6**
Manufacturing	84.4	128	149.2
Power and communication	112.9	131.4	136.5
Other structures	106.5	122.1	118.3
Residential	**814.1**	**748.5**	**771.9**
Permanent site	403.6	369.4	375.6
Single-family structures	311.6	266.5	283.2
Multifamily structures	92.1	106	93.7
Improvements	254.7	257.4	273.3

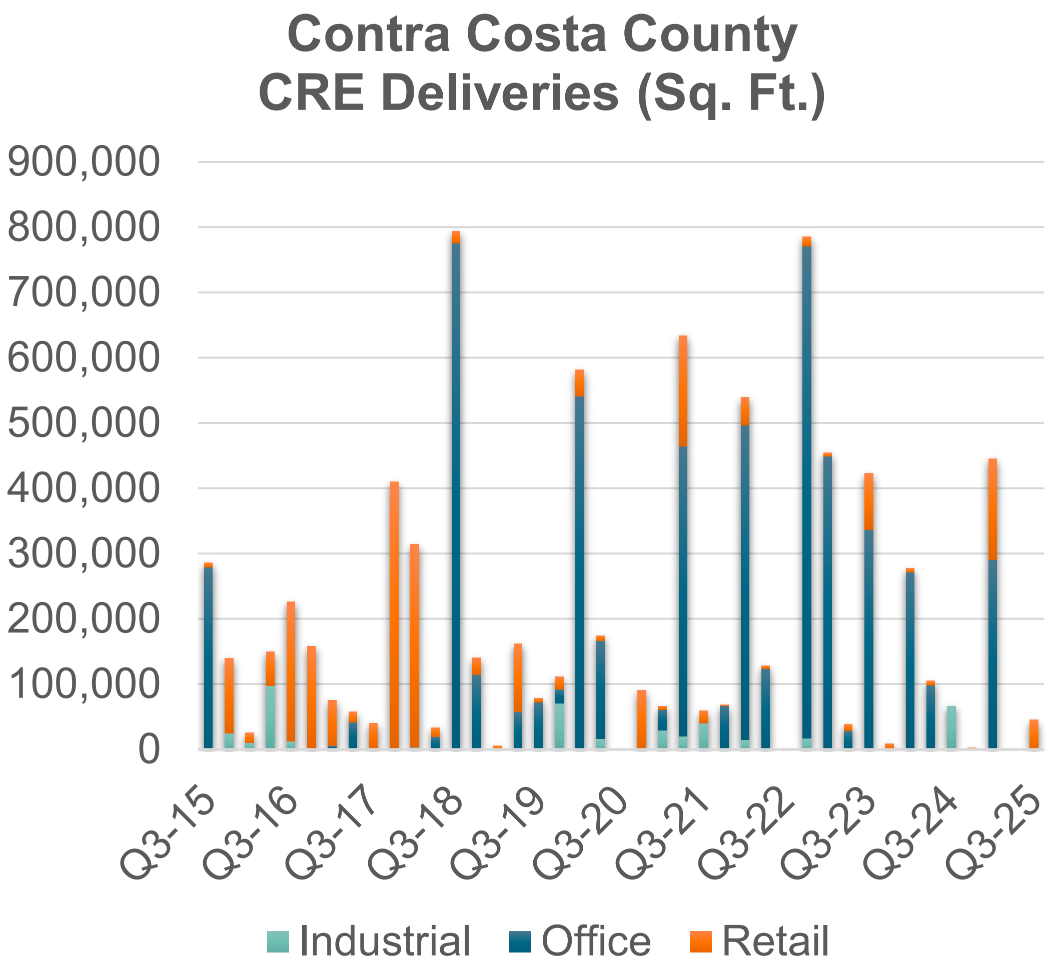
AI & Data Centers

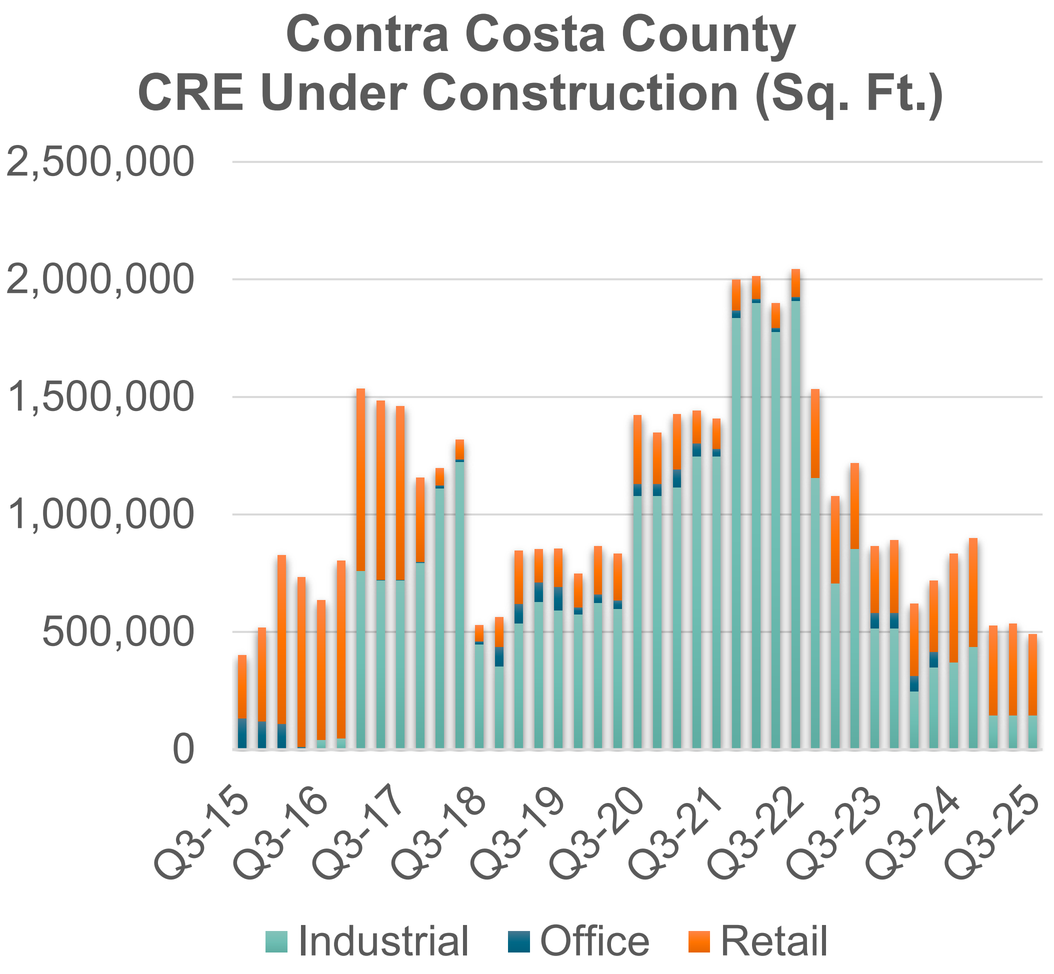


Source: Cloudscene

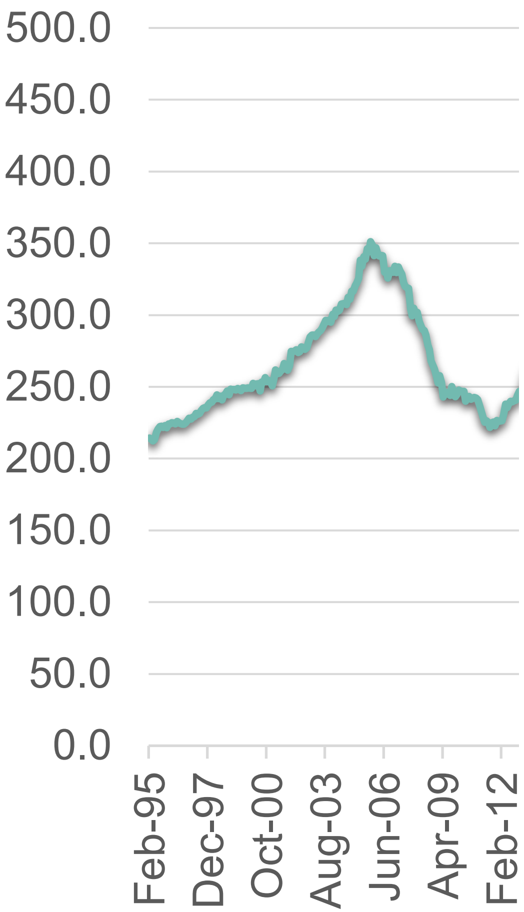
Source: McKinsey & Company, Global Energy Perspective

Construction



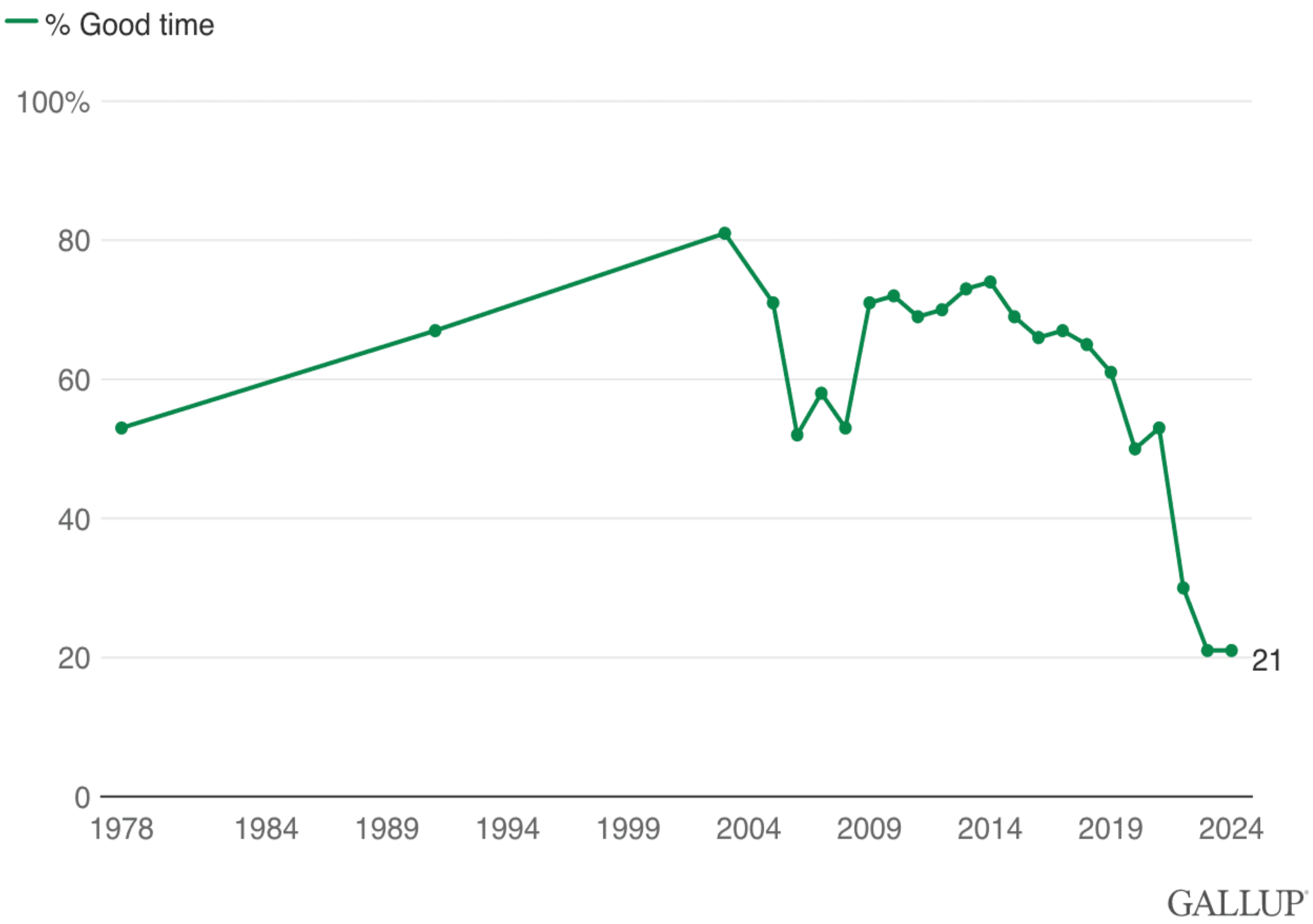


US Median Home (Inflation Adju

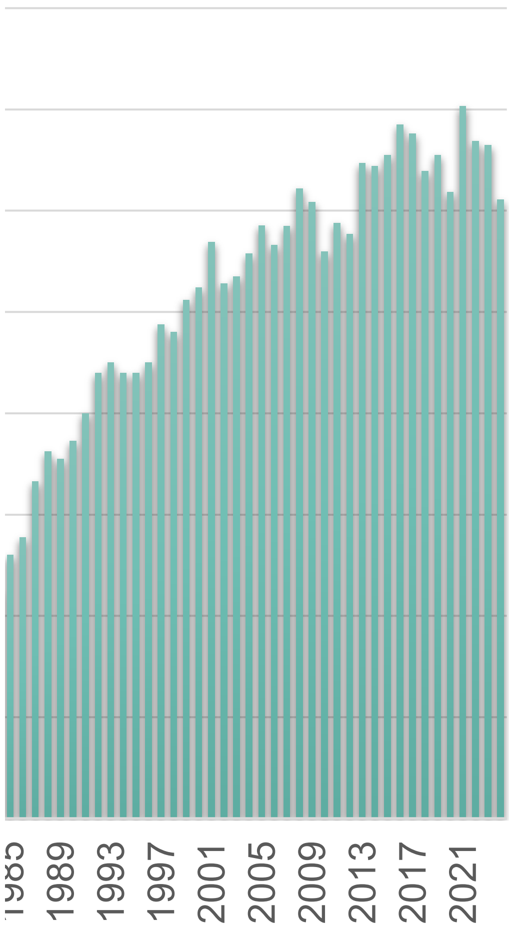


Americans' Positive View of U.S. Housing Market Remains at Record Low

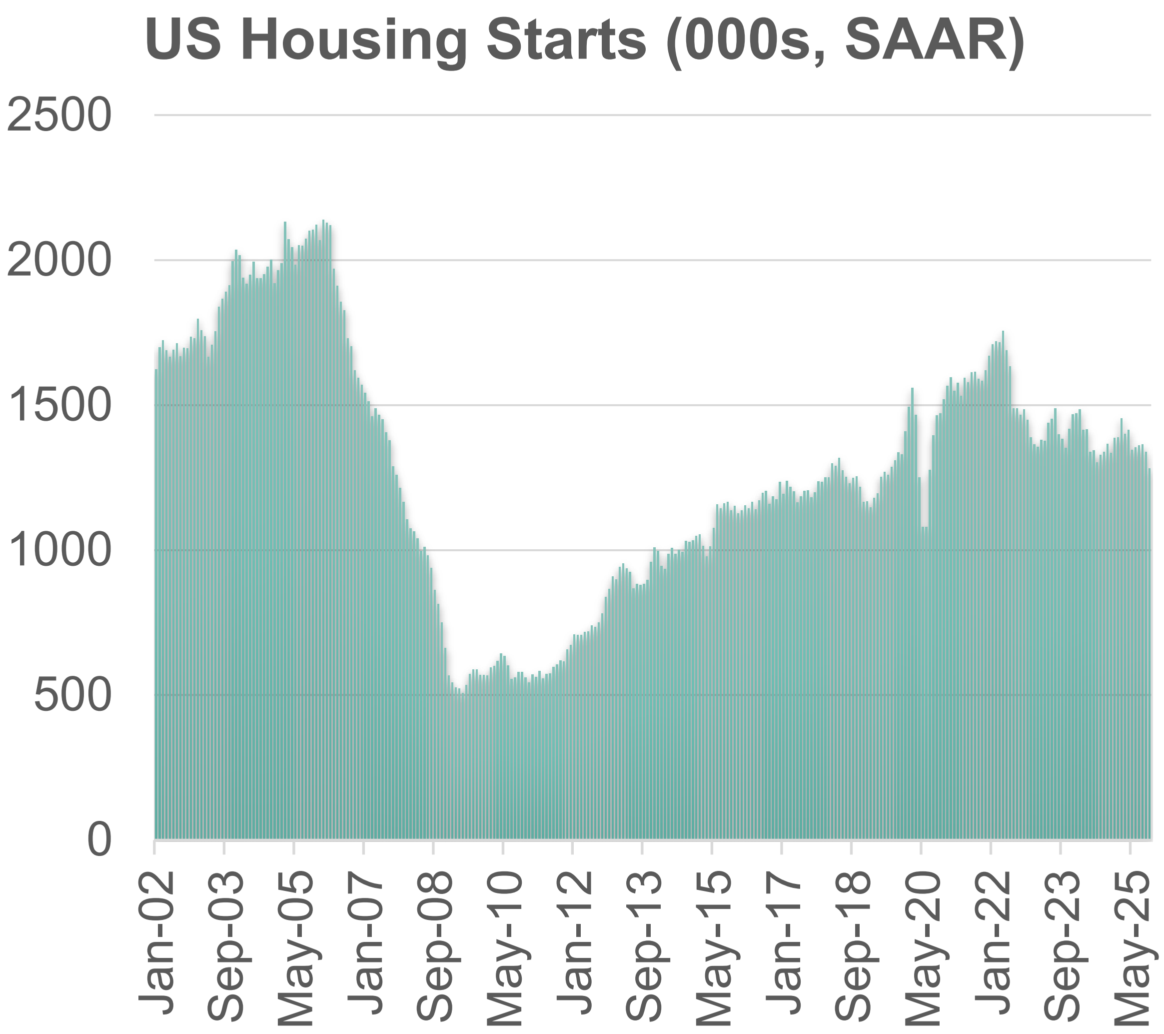
For people in general, do you think that now is a GOOD time or a BAD time to buy a house?

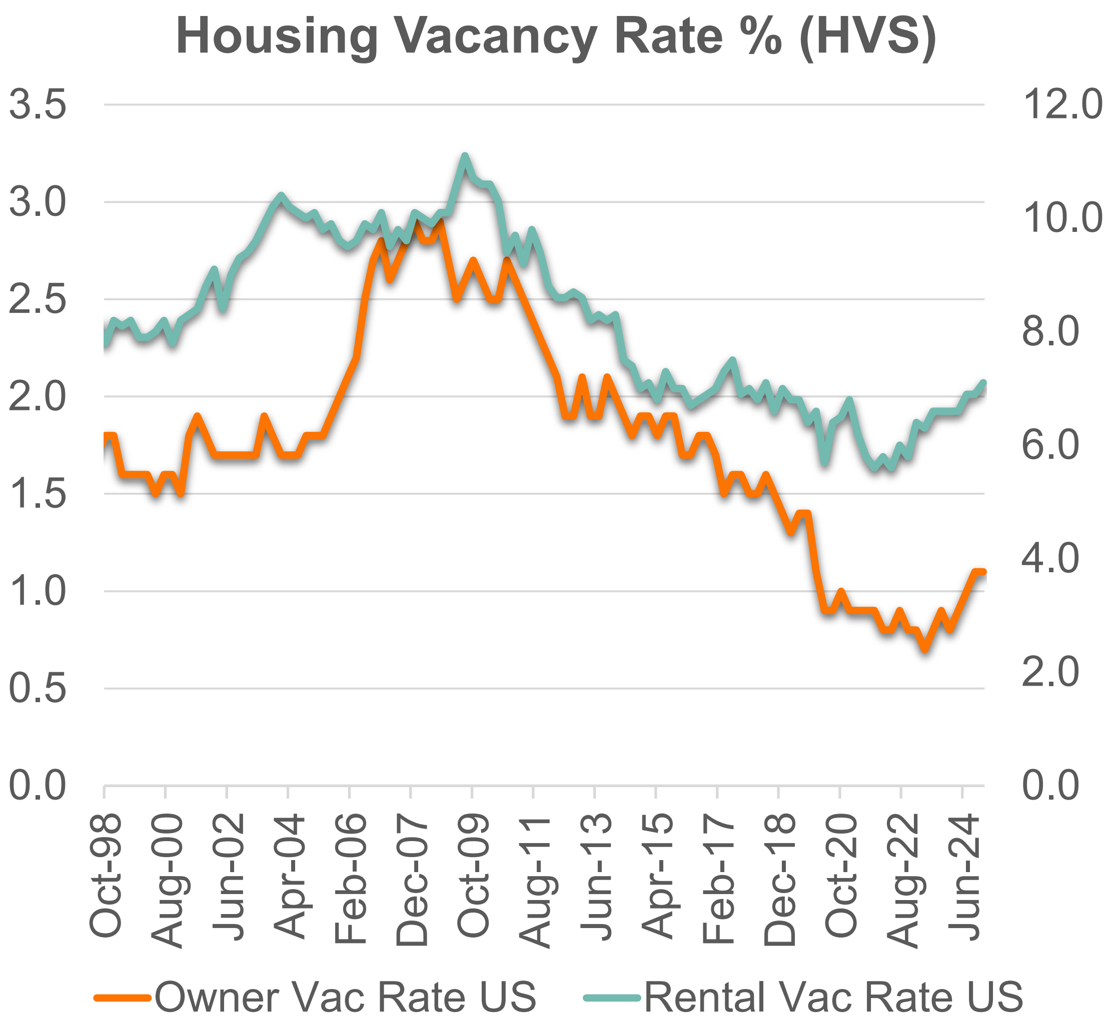


SF of a New Home



A Short Run Supply Problem

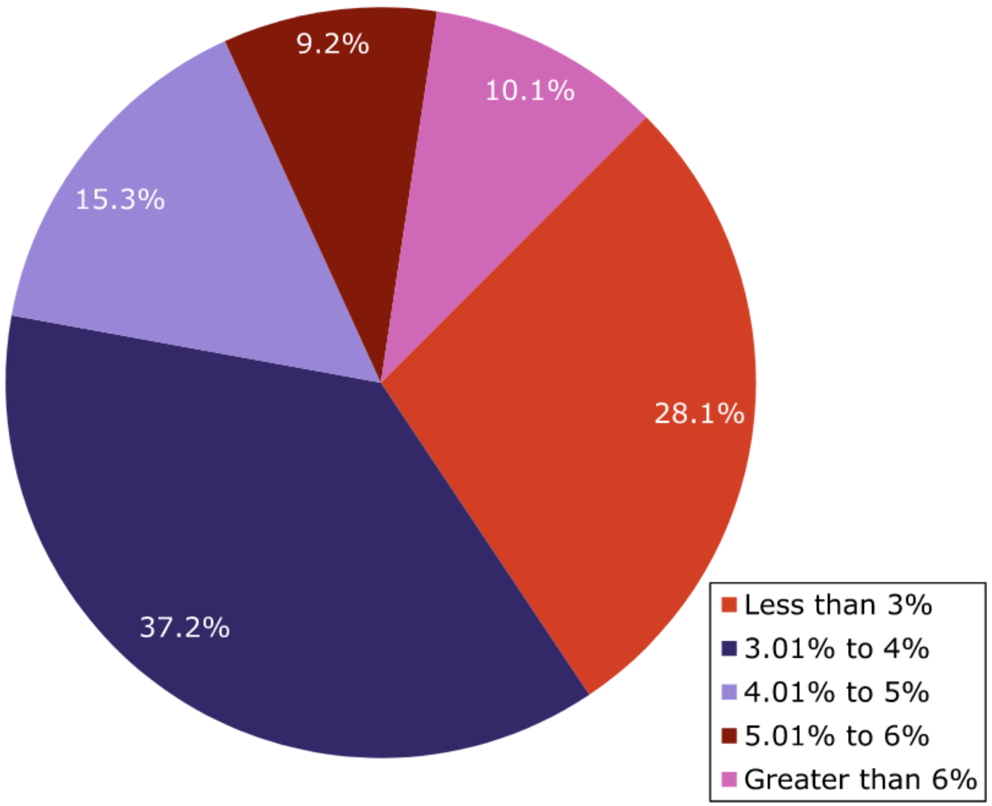




The Yin and Yang of New Home Markets

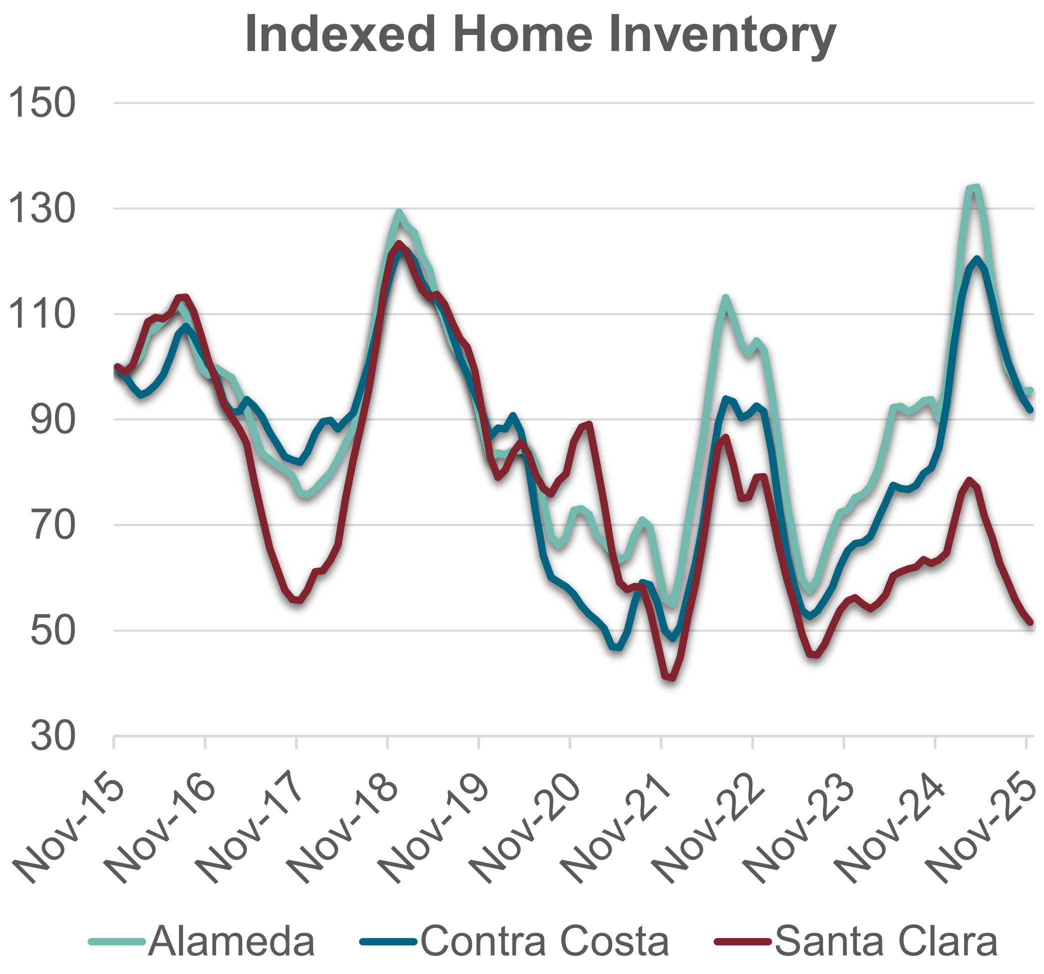
Most Outstanding Mortgages Have a Rate <5%

Share of Outstanding Mortgages by Interest Rate, Q3-2023

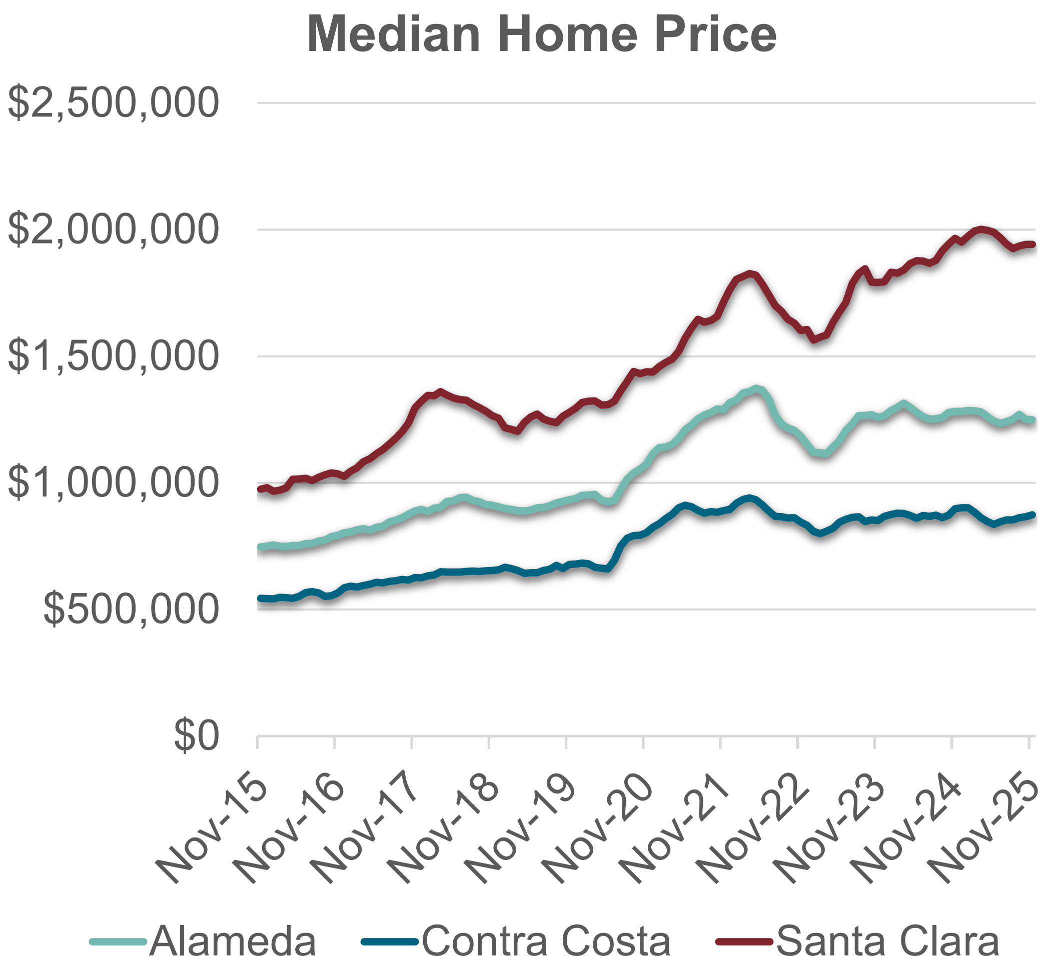


Source: FHFA and Wells Fargo Economics

Regional Home Sales

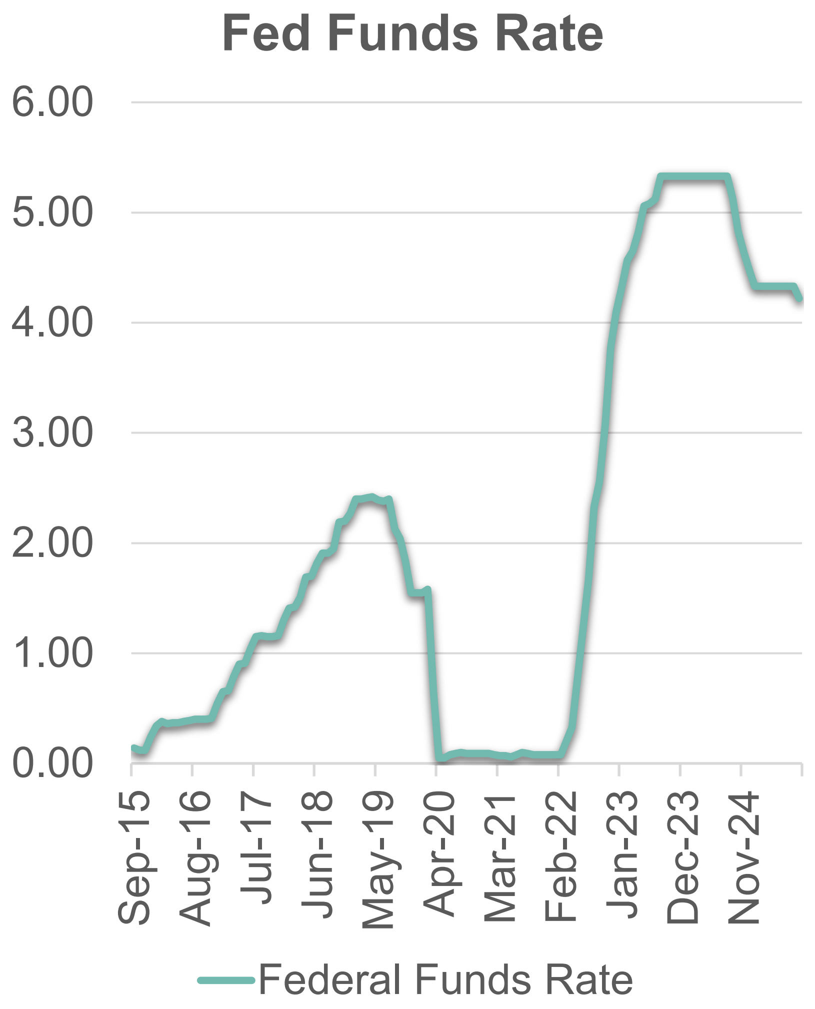


Regional Home Prices

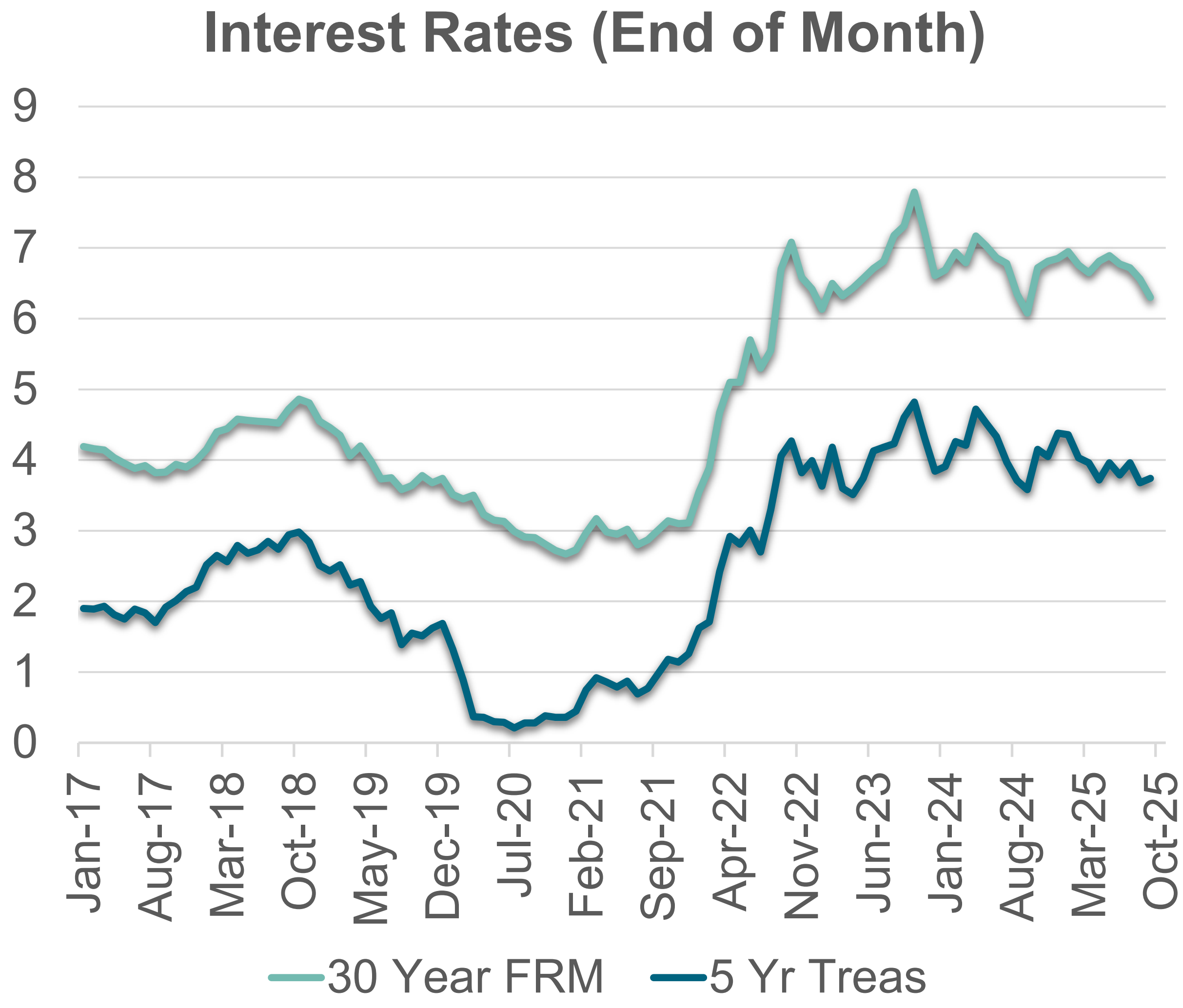


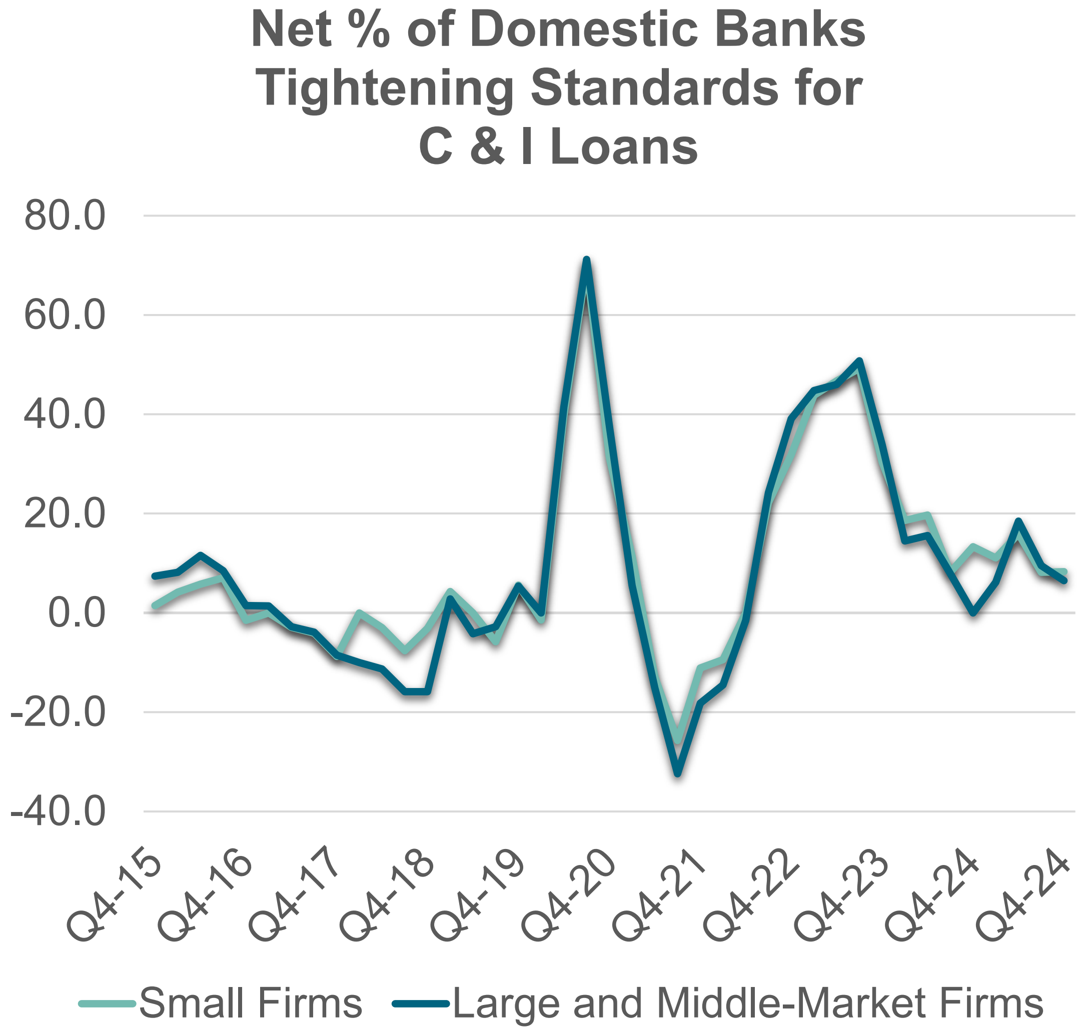
MSA	Nov-25 Median Home Price ($000s)	1-Year Chg. (%)	Chg. since Feb-20 (%)
San Francisco County	1,697.8	4.3	7.6
Orange County	1,415.9	2.0	63.6
Las Vegas MSA	491.2	0.4	54.2
Los Angeles County	994.9	0.1	43.4
Austin MSA	451.9	-0.3	36.2
Denver MSA	645.8	-0.5	37.9
San Diego County	1,035.2	-0.6	51.6
San Mateo County	1,945.5	-0.8	20.6
Sacramento MSA	601.7	-0.8	37.6
Santa Clara County	1,941.5	-1.2	46.8
Inland Empire	597.9	-1.2	50.7
Alameda County	1,250.6	-2.5	31.3
Contra Costa County	872.9	-2.7	28.1

The Fed’s Directional Shift

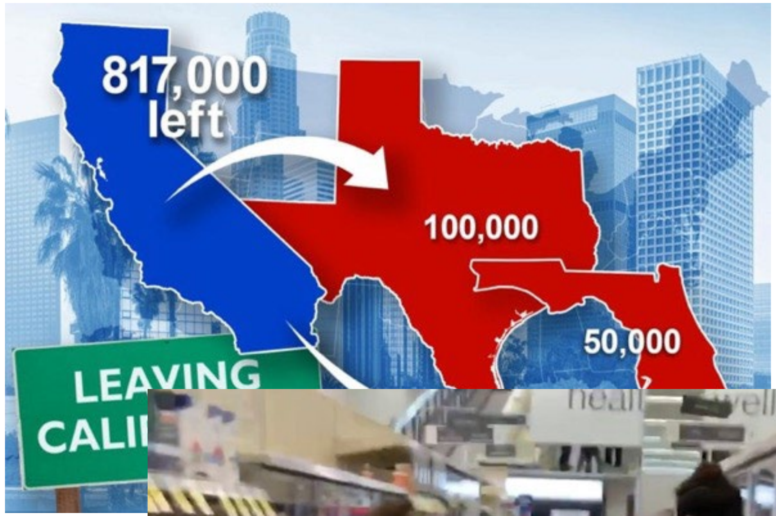


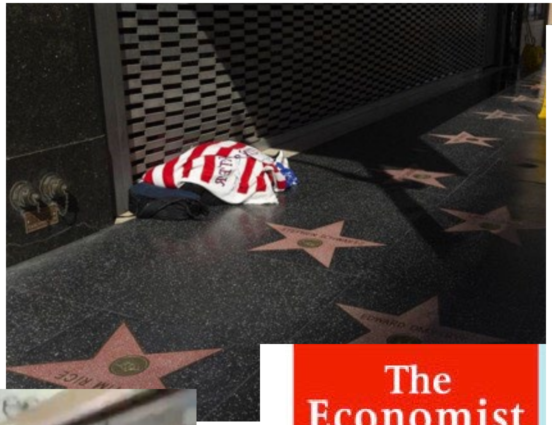
Rates Dropped / Credit Easing





And How About California?





TECH

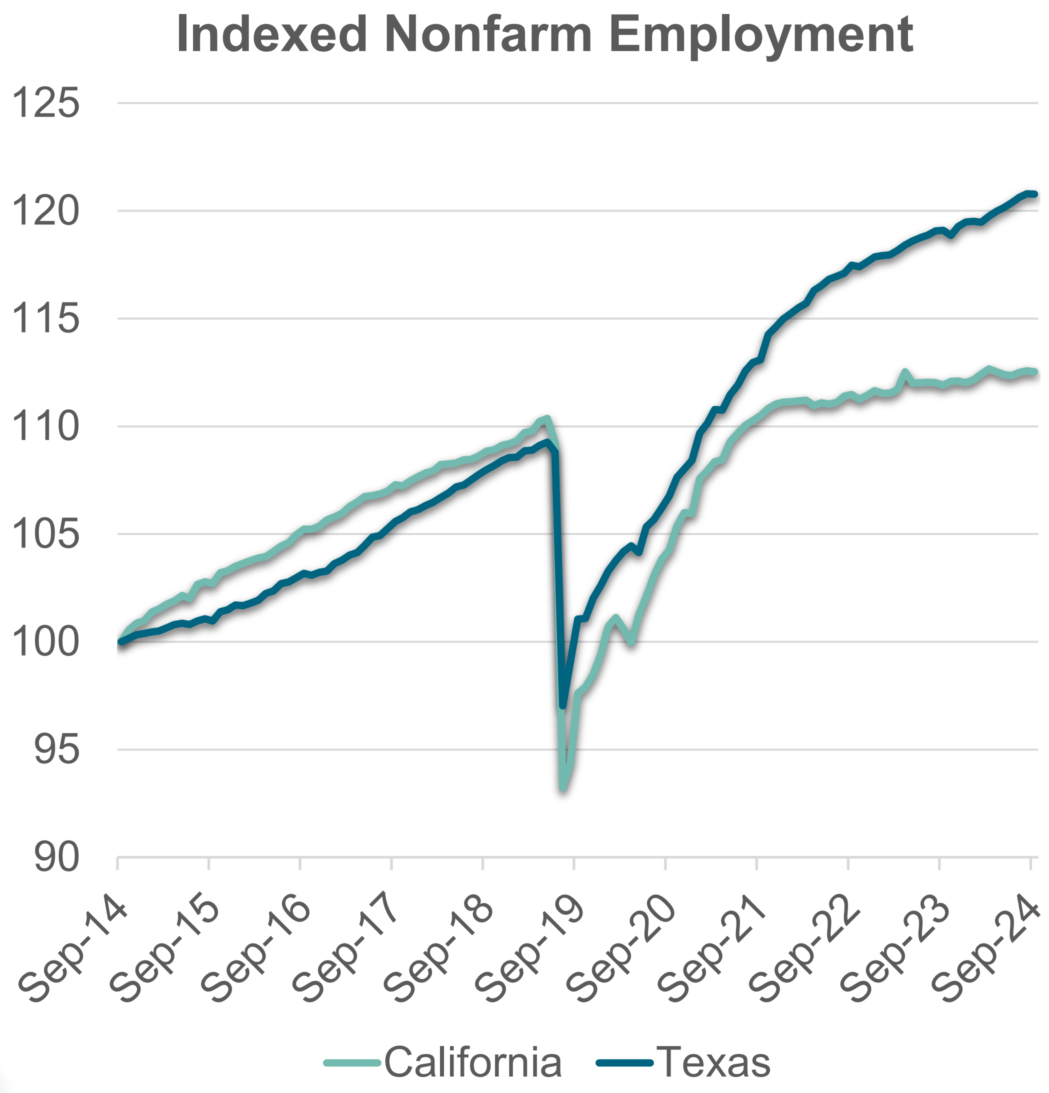
Elon Musk called downtown San Francisco — where Twitter is headquartered — a 'derelict zombie apocalypse' amid its huge homelessness and drug issues

By Sawdah Bhaimiya

California has highest poverty rate in the nation, tied with Louisiana

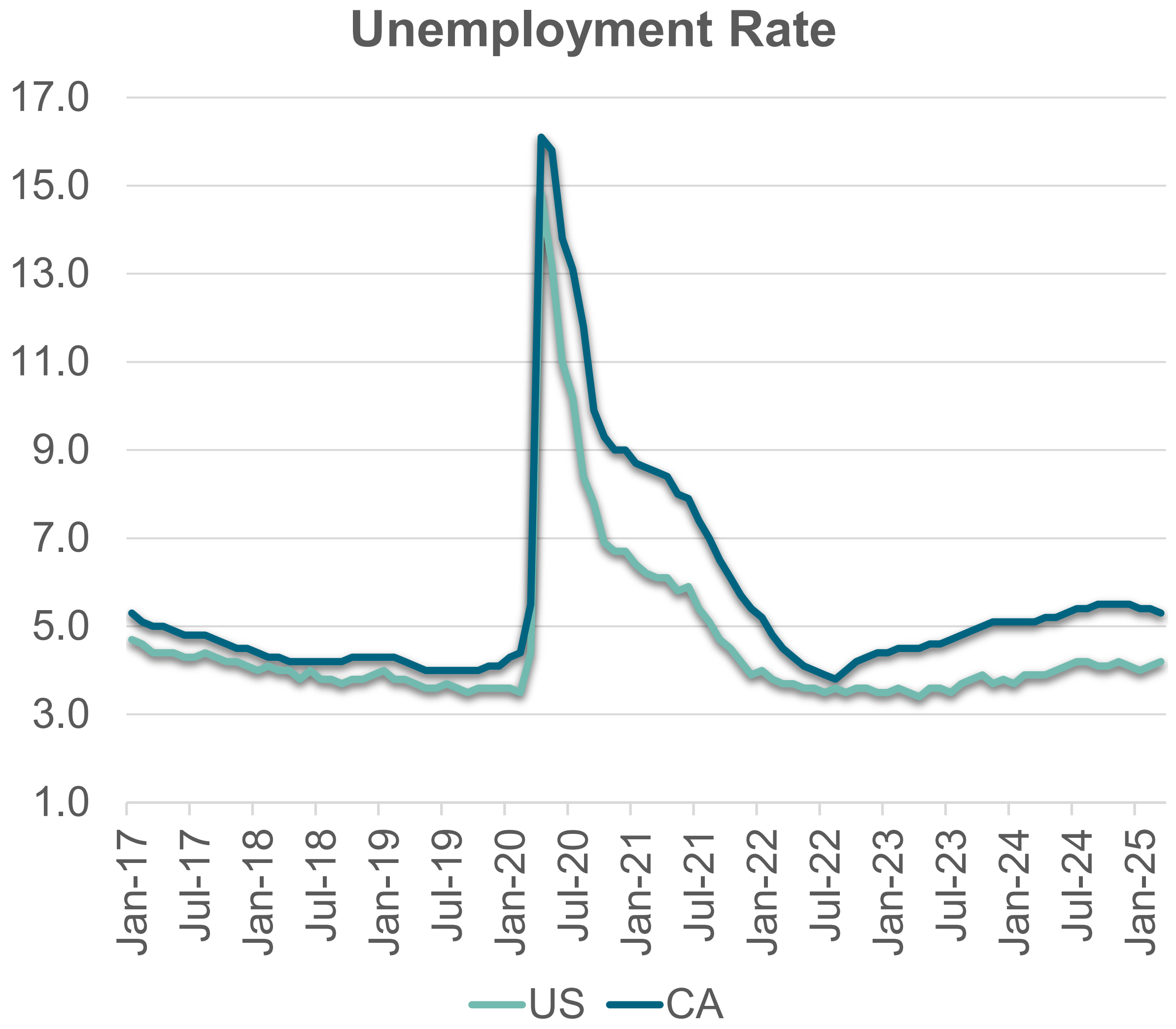
By Sharon Song | Published September 30, 2025 1:52pm PDT | California | KTVU FOX 2 |

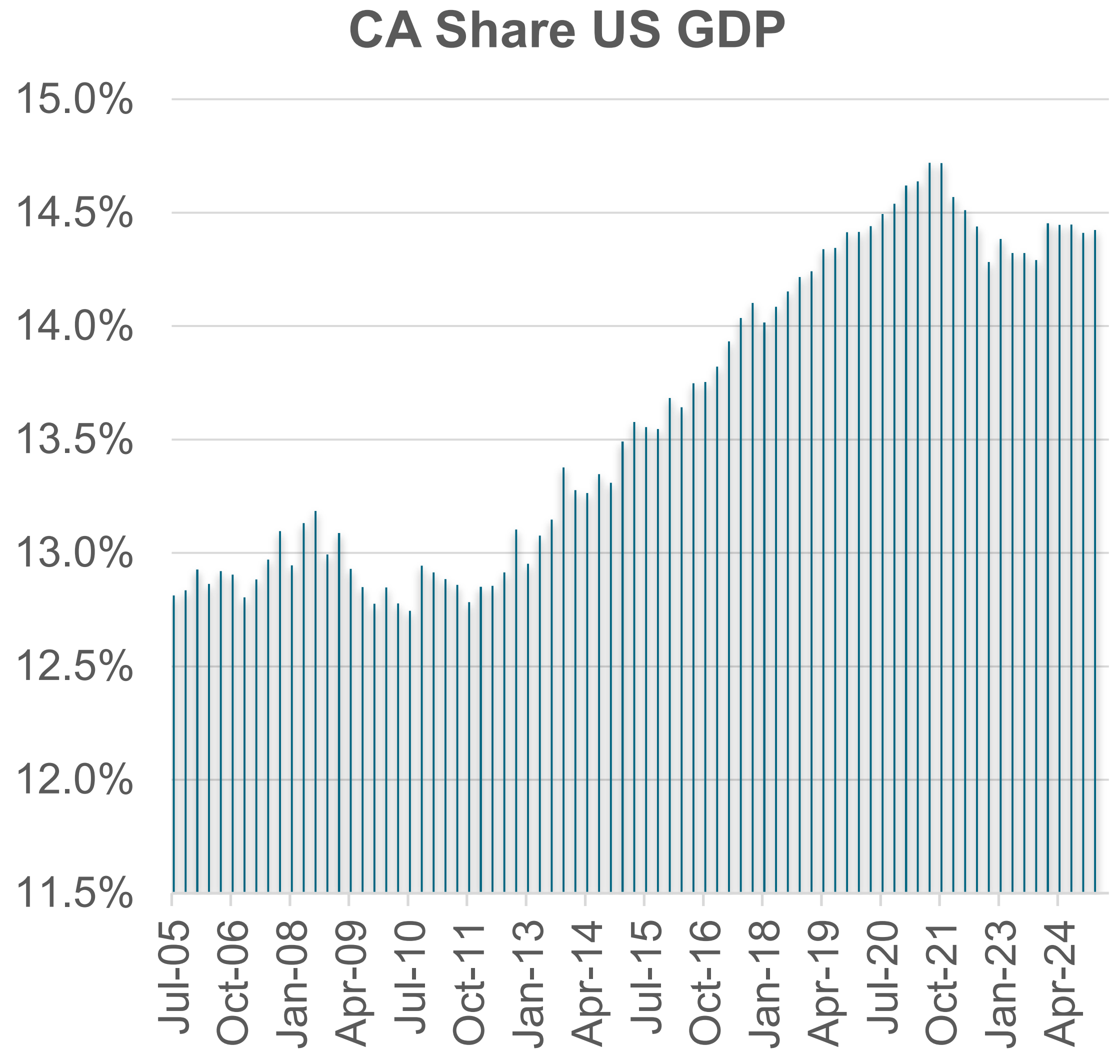
California Nonfarm Employment



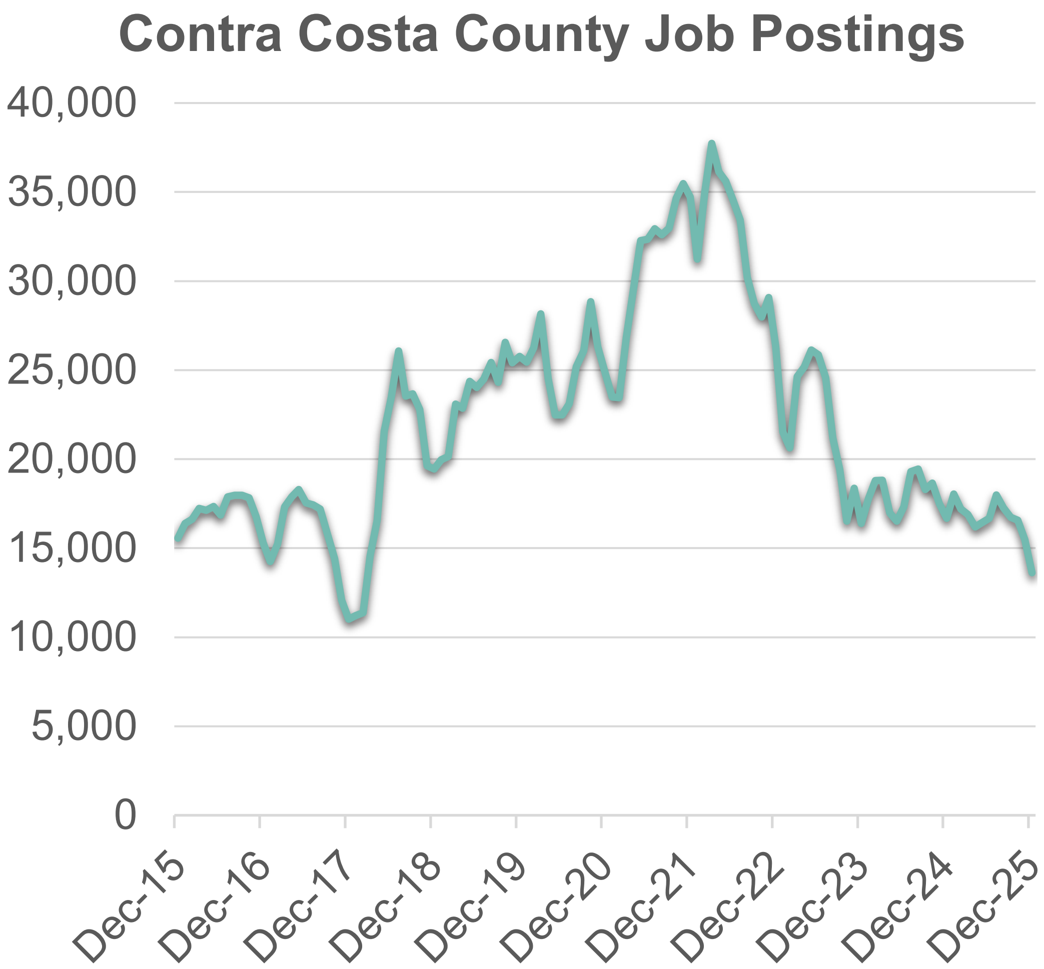
	Annual Growth Rates			
	Nov-25	23-25	19-23	15-19
Total, All Industries	**18605.3**	**0.5%**	**0.4%**	**2.0%**
Manufacturing	1204.8	-2.5%	-0.4%	0.2%
Wholesale Trade	650.9	-1.0%	-1.0%	-0.2%
Retail Trade	1621.1	-0.8%	-0.9%	-0.3%
Logistics	873.6	0.5%	3.5%	6.6%
Information	524.9	-1.8%	-1.7%	3.4%
Financial Activities	788.4	-1.3%	-1.2%	1.1%
Professional	1364.2	-1.9%	1.1%	2.9%
Administrative	1088	-1.4%	-1.2%	1.3%
Educational Serv	438.3	2.5%	1.0%	2.4%
Health Care	3088.1	5.5%	3.0%	3.5%
Leisure and Hospitality	2021.3	0.1%	-0.3%	2.6%
Other Services	600.3	0.6%	0.5%	1.4%
Government	2740.9	1.4%	0.2%	1.2%
Buildings	**201.7**	**-2.3%**	**0.4%**	**5.0%**
Heavy Construction	**97.7**	**-1.0%**	**1.1%**	**3.0%**
Specialty Trade	**592.2**	**-1.7%**	**0.4%**	**4.3%**

The California Slowdown





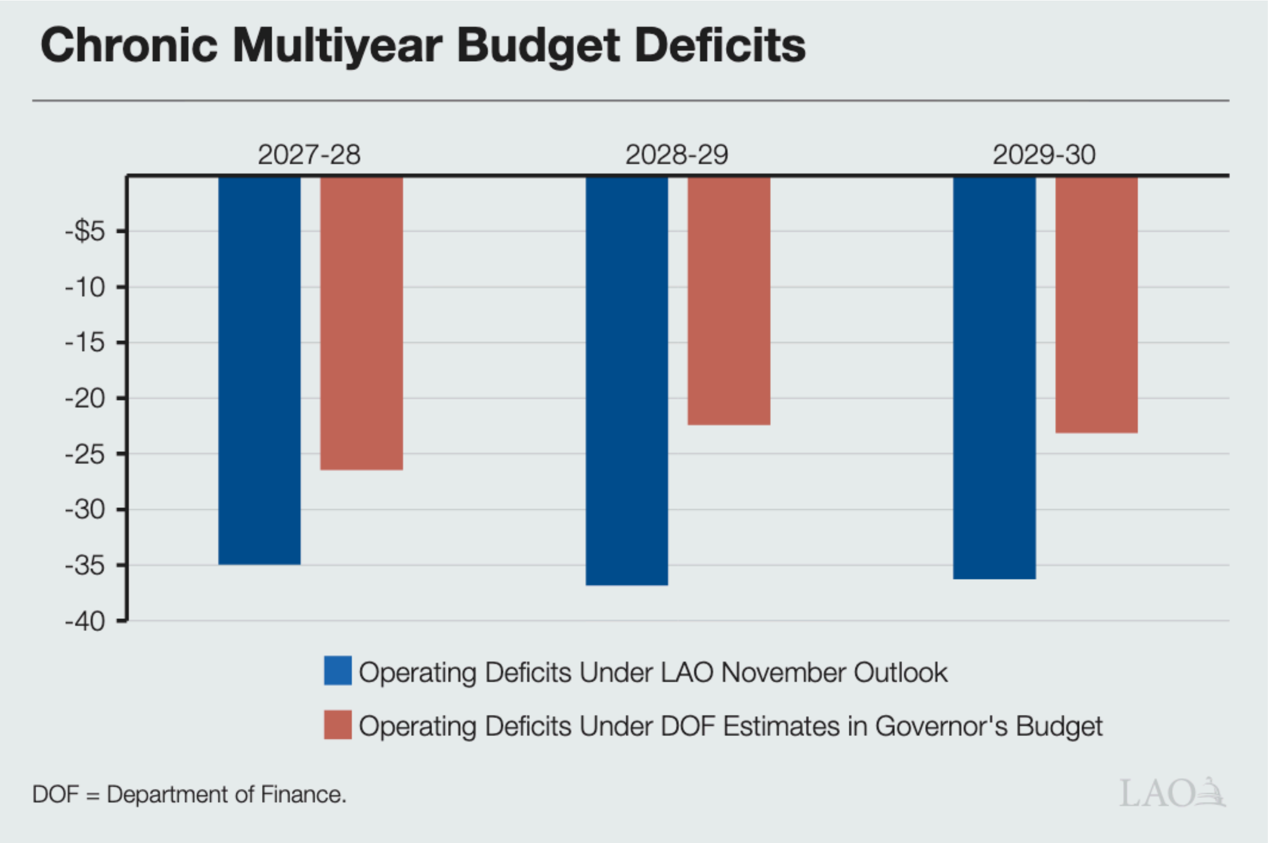
Job Postings



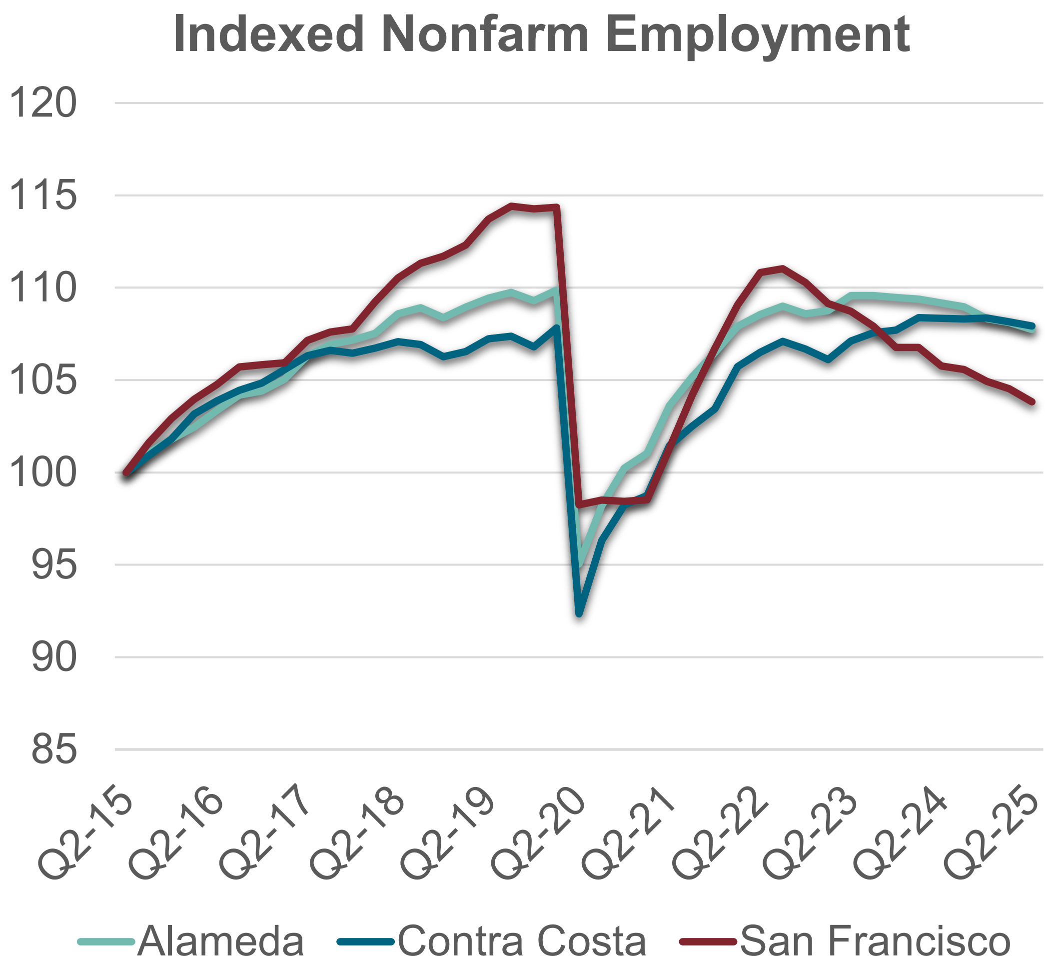
WARN Notices since July 2024	No. Of Employees	Address
Chevron	668	San Ramon
Moxion Power, Inc.	244	Richmond
SunPower Corporation	182	Richmond
Bio-Rad Laboratories, Inc.	113	Hercules
Rodan & Fields, LLC	78	San Ramon
Safeway	69	Pinole
Web To Door Corporation	67	Richmond
Shell Catalyst & Technologies	59	Pittsburg
Verizon	54	Walnut Creek
TVI, Inc. dba Savers	52	Antioch
MoreFlavor, Inc.	51	Pittsburg
Southwest Key Programs, Inc.	47	Pleasant Hill
Silgan Containers	44	Antioch
Corteva Agriscience	21	Pittsburg
Henkel Corporation	13	Concord

Empty Offices / Government Deficits

Office Vacancy Rate	Q3-25 (%)	1-Yr Change (pp)	Change since Q4-19 (pp)
United States	14.1	0.2	4.7
Inland Empire	4.9	-0.6	-1.6
Fresno	8.0	0.5	1.7
Sacramento	11.2	0.3	2.8
Orange County	12.3	-0.2	2.7
San Diego	13.1	1.7	4.3
Alameda	15.0	1.2	7.5
Los Angeles	15.9	0.1	5.9
San Jose	16.4	0.5	7.5
Contra Costa	**18.5**	**0.6**	**9.2**
San Francisco	22.9	-0.3	16.8



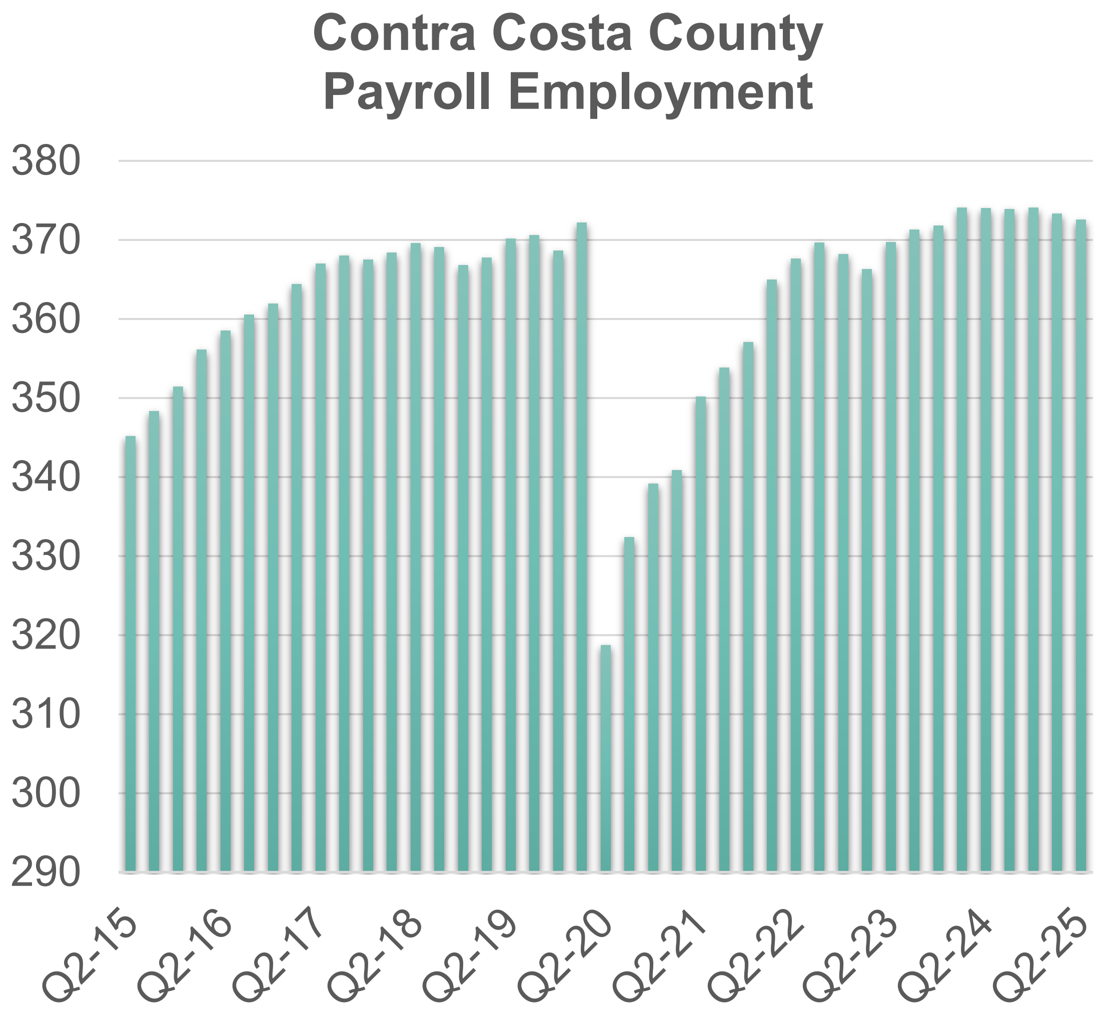
Local Employment



County	Q2-25 Emplt (000s)	1-Year Chg. (%)	6-Year Chg. (%)
California	18,266.2	0.4	3.6
Riverside	853.0	1.5	12.4
Sacramento	734.4	1.3	8.3
San Bernardino	847.4	1.0	10.3
Orange	1,666.3	0.5	0.8
Santa Clara	1,116.0	0.4	0.0
Los Angeles	4,520.7	0.3	0.6
Fresno	432.4	0.2	7.2
San Diego	1,534.6	-0.2	3.2
Contra Costa	**374.5**	**-0.4**	**1.0**
Alameda	**783.1**	**-1.3**	**-1.3**
San Francisco	692.8	-1.8	-8.6
San Mateo	408.7	-3.1	-1.2

Industry Employment

Contra Costa Employment	Q2-25 Emp. (000s)	CC 1-Year Chg. (%)	LQ
Total	374.5	-1.3	1.0
Education/Health	87.7	4.1	1.3
Government	51.6	0.5	0.9
Other Services	13.3	0.2	1.1
Administrative	22.6	0.1	1.0
Finance	15.4	-0.1	1.5
Management	5.5	-0.2	0.9
Transp./Ware	9.6	-0.4	0.6
Leisure	41.3	-0.4	1.0
Retail Trade	39.7	-0.5	1.2
Real Estate	6.7	-0.5	1.1
Prof. & Tech.	24.4	-0.8	0.9
Manu/Info/Wholle	29.7	-1.4	0.6
NR/Construction	26.9	-1.8	1.0



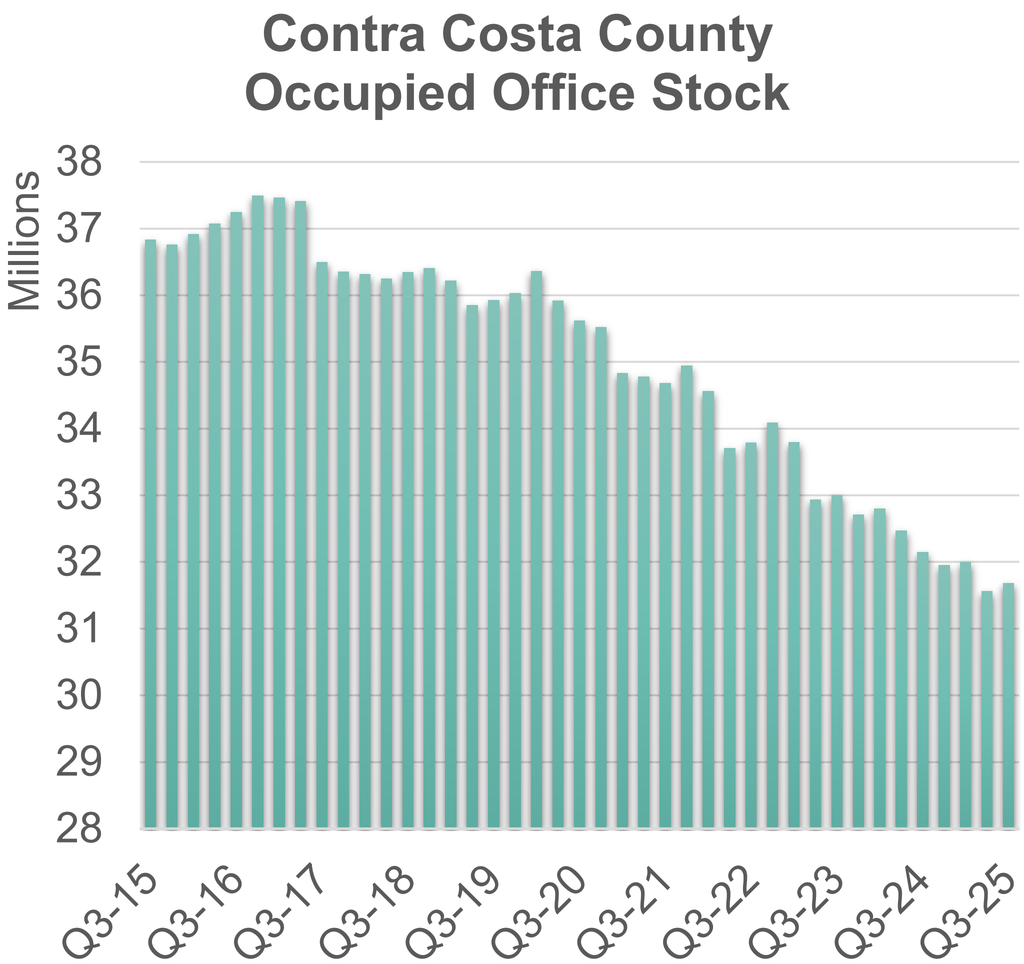
Industry Employment Deep Dive

Industry	Q2-25 Emp.	1-Year Chg. (%)
NAICS 8133 Social advocacy org	658	24.7
NAICS 5182 Computing infrastructure	627	18.2
NAICS 5132 Software publishers	1,575	17.9
NAICS 6232 Residential health	1,004	15.3
NAICS 6241 Individual family services	22,992	13.8
NAICS 4841 General freight trucking	1,029	13.4
NAICS 5221 Depository credit	4,696	12.3
NAICS 6219 Other ambulatory health	1,849	12.2
NAICS 6213 Offices of health	3,997	10.0

Industry	Q2-25 Emp.	1-Year Chg. (%)
NAICS 5417 Scientific research development	1,539	-9.0
NAICS 3241 Petroleum manufacturing	2,955	-9.8
NAICS 2362 Nonresidential building	2,306	-11.2
NAICS 4244 Grocery merchant wholesalers	1,123	-11.4
NAICS 2382 Building equipment contractors	6,761	-13.8
NAICS 4599 Other miscellaneous retailers	1,168	-14.1
NAICS 5629 Remediation serv	603	-18.3
NAICS 3345 Navigational and control	784	-25.6
NAICS 5171 Wired & wireless communications	1,585	-28.1

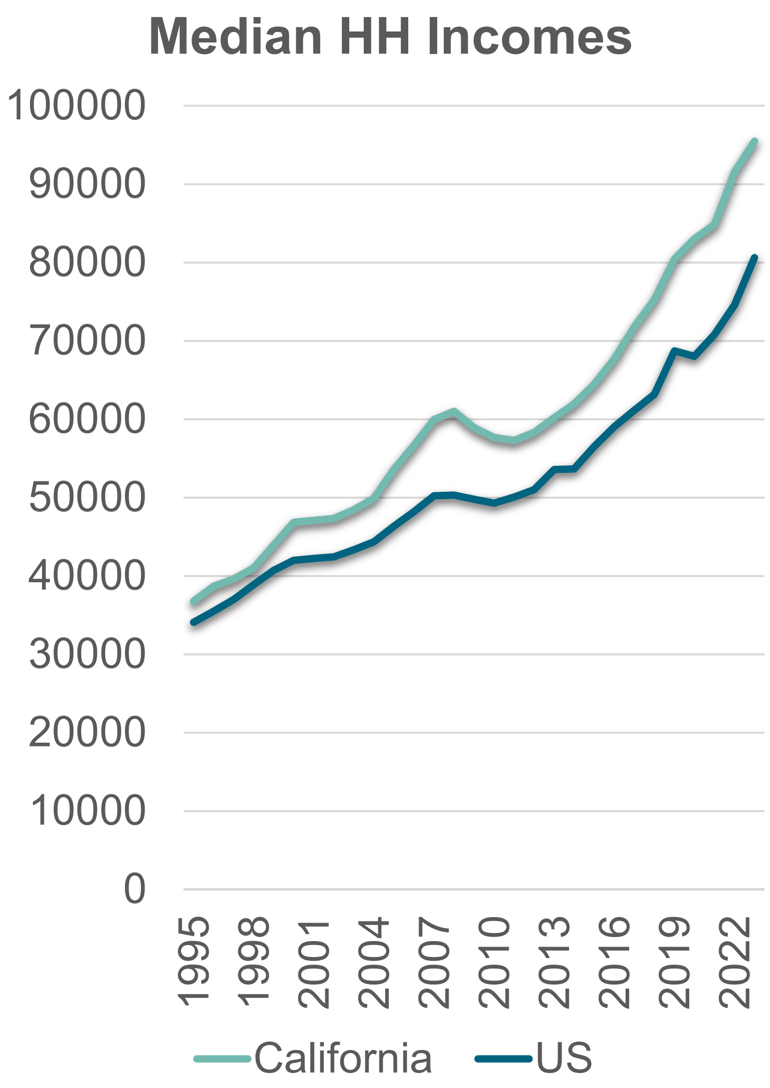
Long Run View	2024	Change since 2016
Civilian Labor Force	582,300	2,900
Total, All Industries	382,800	12,500
Health	79,000	17,200
Transportation	15,500	4,000
Other Services	16,600	3,600
Construction	27,600	2,100
Professional	25,100	2,100
Private Education	8,200	700
Government	50,800	300
Leisure	40,900	200
Administrative	22,700	-200
Manufacturing	13,200	-2,400
Retail Trade	40,600	-2,500
Information	5,400	-2,600
Wholesale Trade	7,900	-2,700
Management	5,600	-2,800
Financial Activities	22,900	-4,500

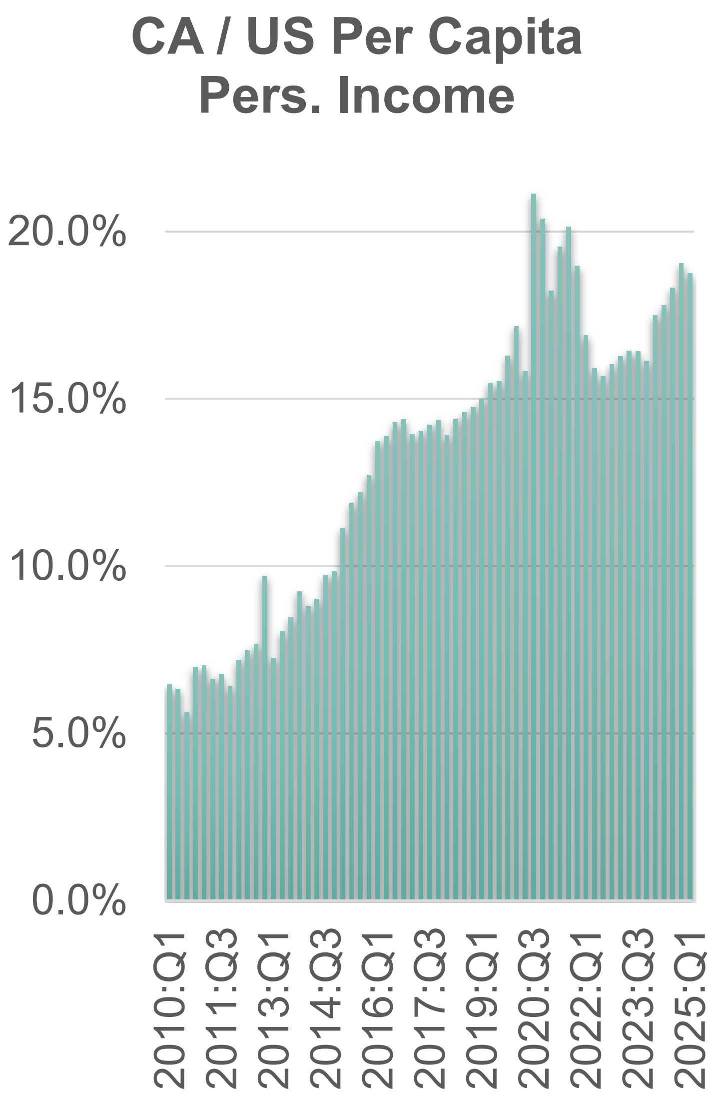
Office Submarkets



Submarket	Q3-25 Occupied Office (Sq. Ft.)	1-Year Chg. (%)	6-Year Chg. (%)
East Bay Total	97,967,816	-1.4	-8.1
Contra Costa County	31,682,534	-1.4	-11.8
Walnut Creek-BART/DT	6,566,342	-1.3	-12.9
Concord/Pleasant Hill	5,943,406	-1.2	-15.0
Antioch/Pittsburg	2,623,418	-0.6	0.9
Richmond/San Pablo	2,615,934	-3.0	-5.5
Walnut Creek-Shadelands	2,051,584	-1.7	-2.5
Martinez/Pacheco/Hercules	1,954,115	-0.5	2.5
Lamorinda	1,551,076	-5.4	-8.9
Danville/Alamo	1,412,943	1.5	-2.4

CA Growth on the Intensive Margin

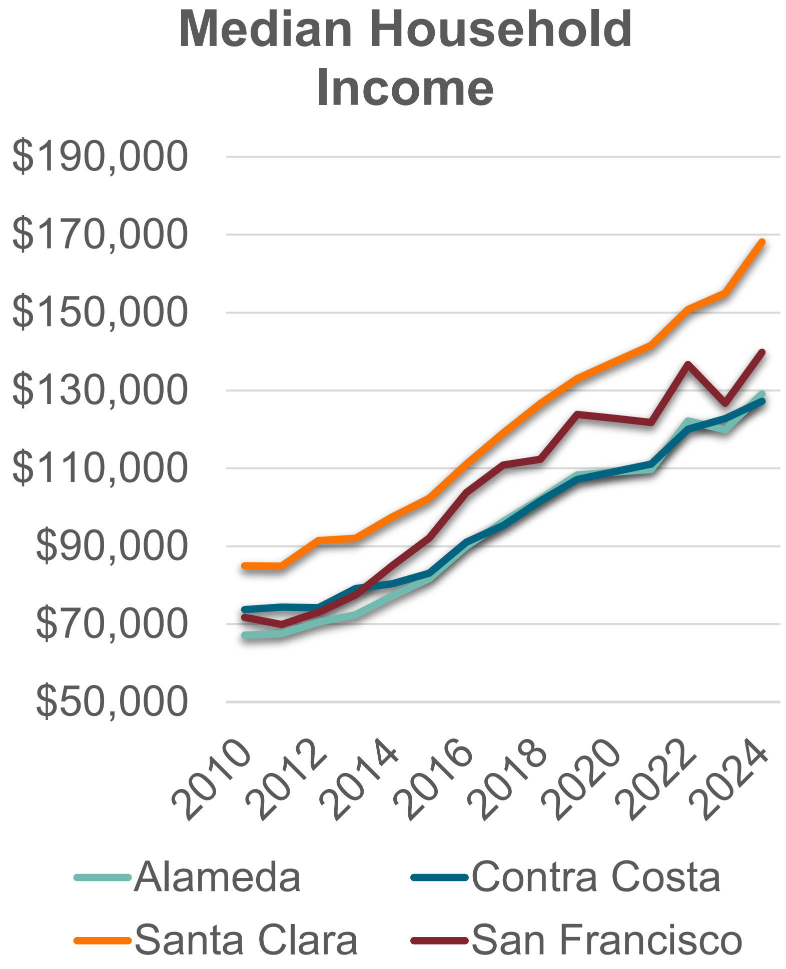


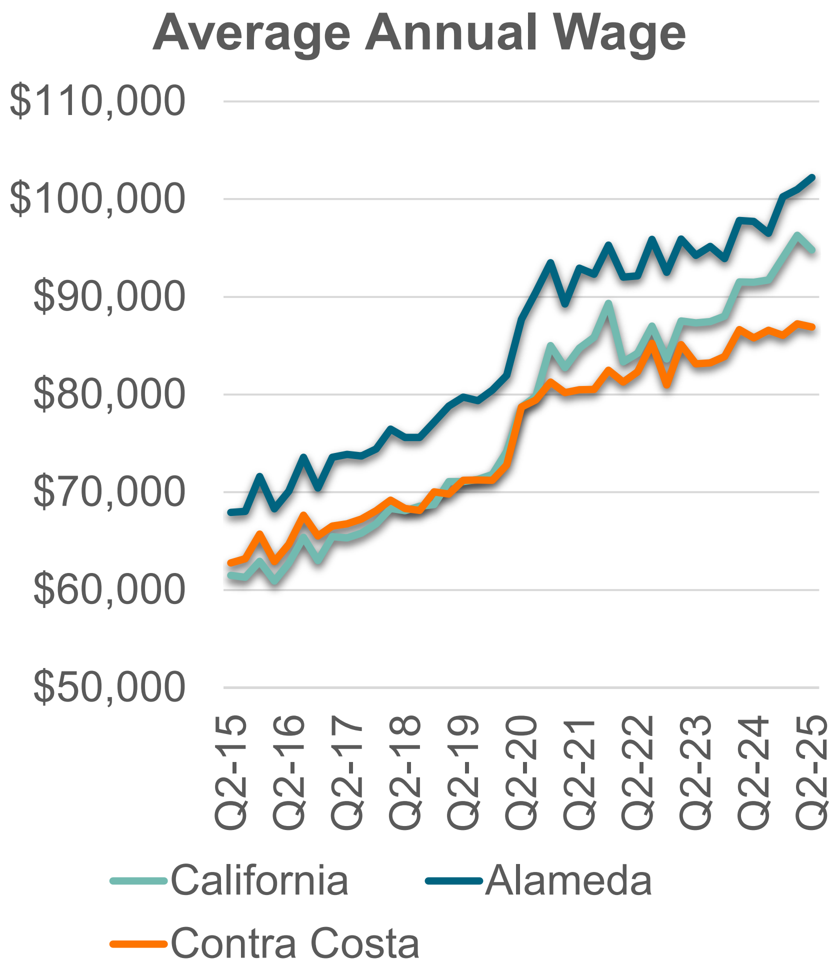


Ranked Median Household Income by County

Rank out of 3,200		2023 Med HH Inc
2	Santa Clara	$154,954
3	San Mateo	$151,485
10	Marin	$139,644
18	San Francisco	$126,730
25	Contra Costa	$122,794
30	Alameda	$119,931
52	Orange	$110,042
54	Placer	$109,713
56	El Dorado	$108,594
59	Ventura	$107,667
61	San Benito	$107,324
70	Santa Cruz	$105,631
77	Napa	$104,686
82	**San Diego**	**$103,674**

Household Income and Earnings





Change in Distribution of HH Income CC County 2019-2024

	2024	2019
< 50K	18.9%	21.8%
50-100K	20.9%	24.7%
100-200K	30.4%	31.1%
> 200K	29.7%	22.4%

State Inequality and Poverty

COMMENTARY

California's sky-high living costs afford it the nation's highest poverty label — again

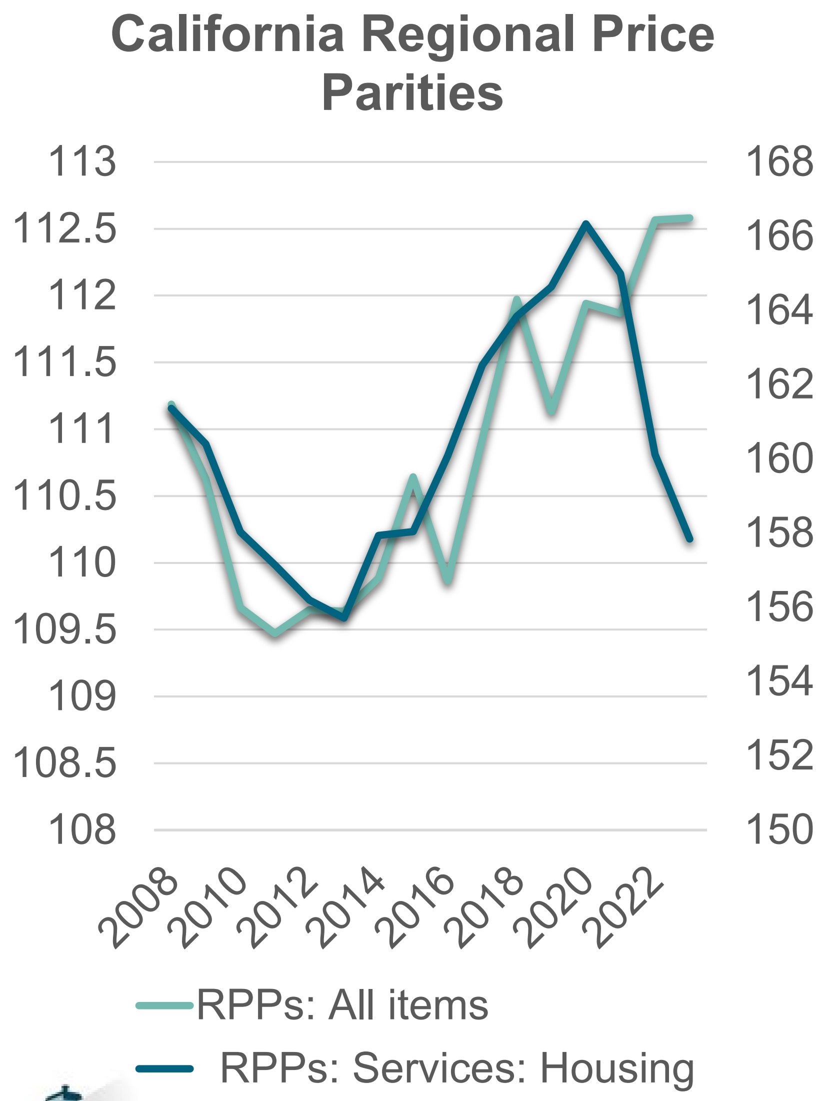
Republish

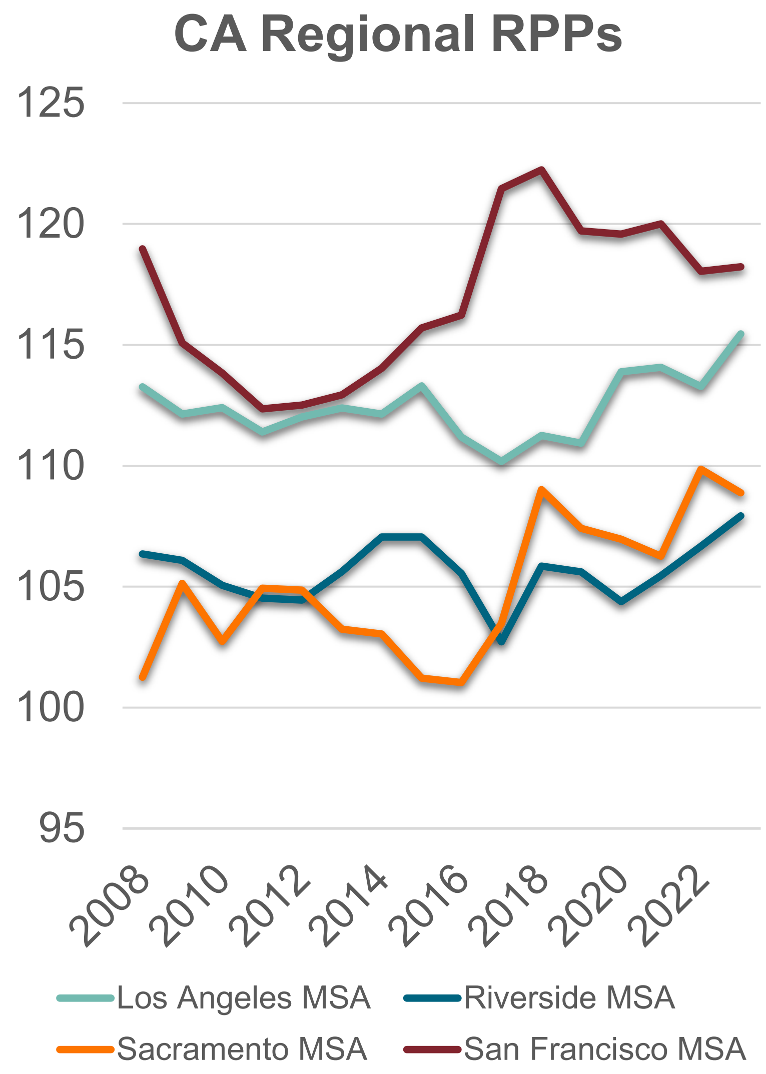
BY DAN WALTERS
SEPTEMBER 16, 2025

California Incomes by Race / Age 2019-24

15 to 24 years	393	8.0%	$53,512	21.0%
25 to 44 years	4,725	6.3%	$110,732	28.5%
45 to 64 years	4,967	-1.3%	$115,871	22.8%
65 years +	3,713	11.9%	$71,673	22.8%

Affordability?

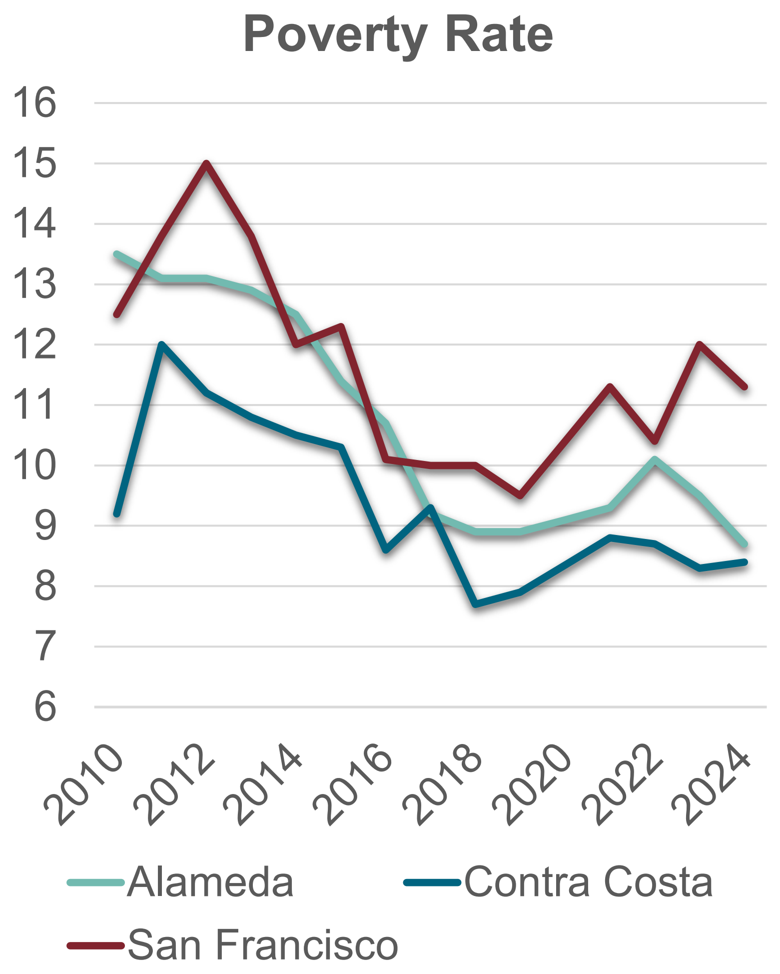


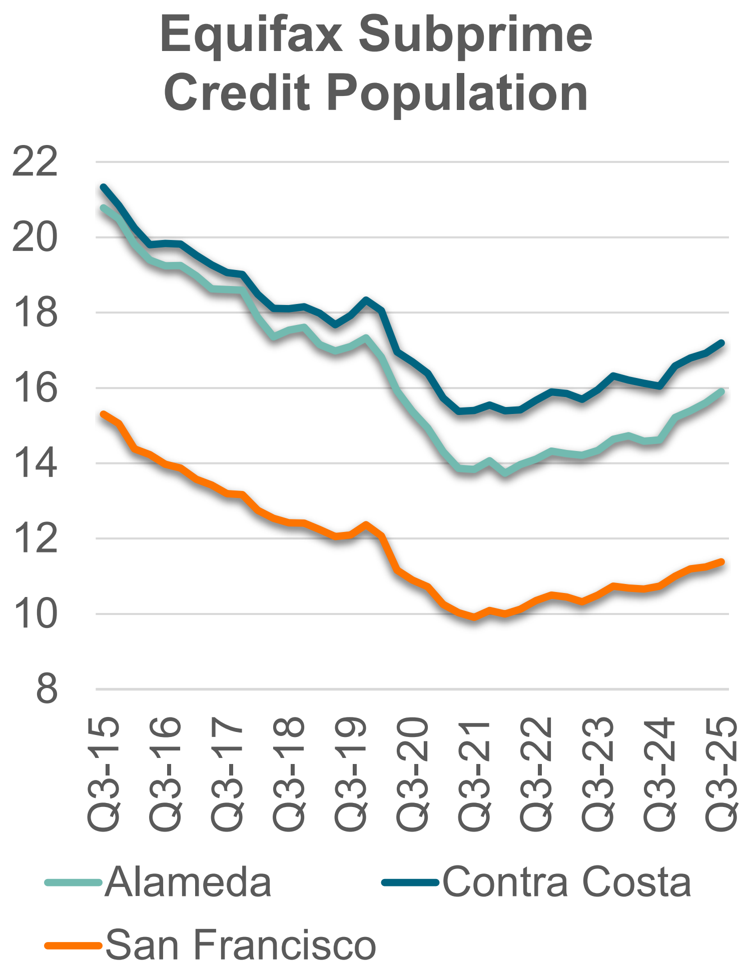


CA Median Income Gap with RPP Control

	2018	2024
Santa Clara	66.5%	82.6%
San Francisco	49.4%	44.9%
Alameda	35.7%	33.8%
Contra Costa	35.1%	31.9%
San Diego	13.8%	20.0%
Sacramento	8.9%	5.9%
Riverside	5.3%	5.8%
Los Angeles	-0.2%	-3.6%
Fresno	-13.5%	-10.9%
Kern	-15.4%	-14.2%

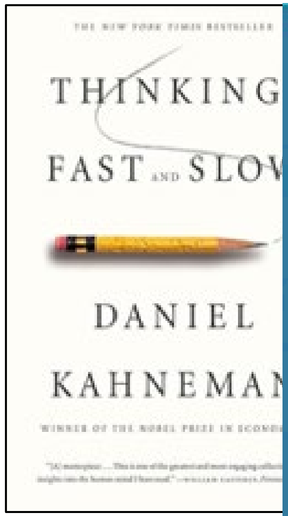
Regional Poverty and Credit

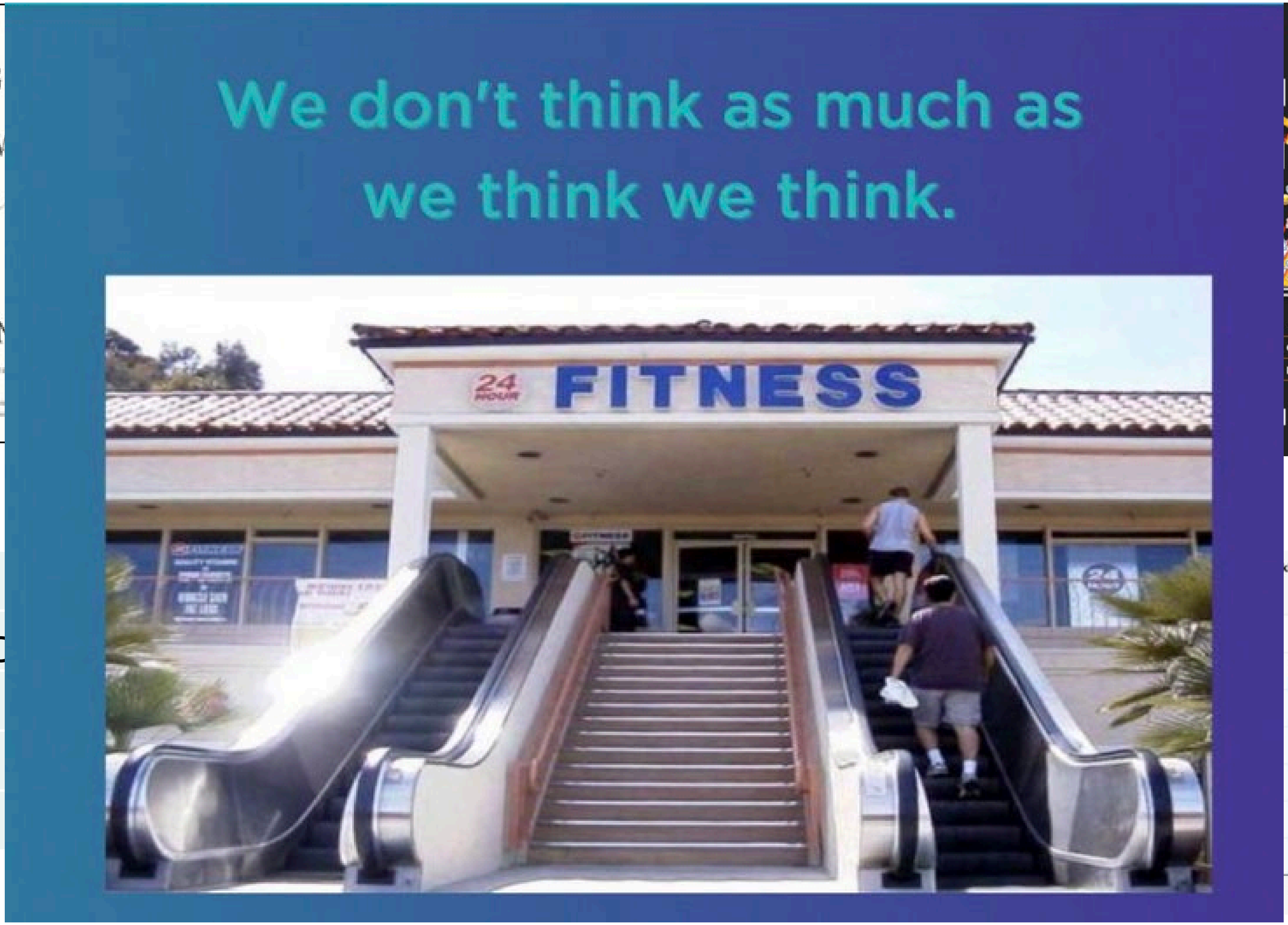


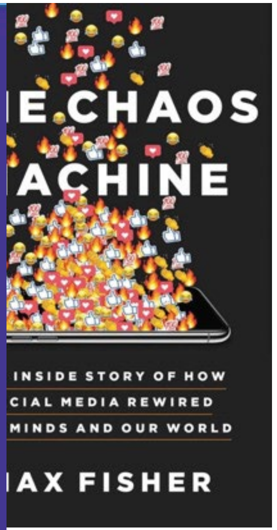


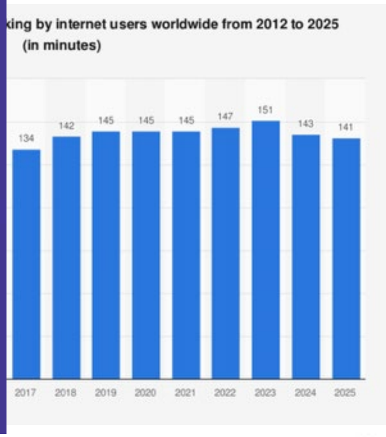
Contra Costa Education	2024 Earnings ($)	Chg. Since 2019 (%)
Population > 25	71,615	23.6
Less than High School	35,712	19.2
High School Diploma	46,702	12.0
Some College	59,932	19.4
Bachelor's Degree	100,257	27.8
Grad/Prof Degree	125,868	24.2

How do narratives go astray?



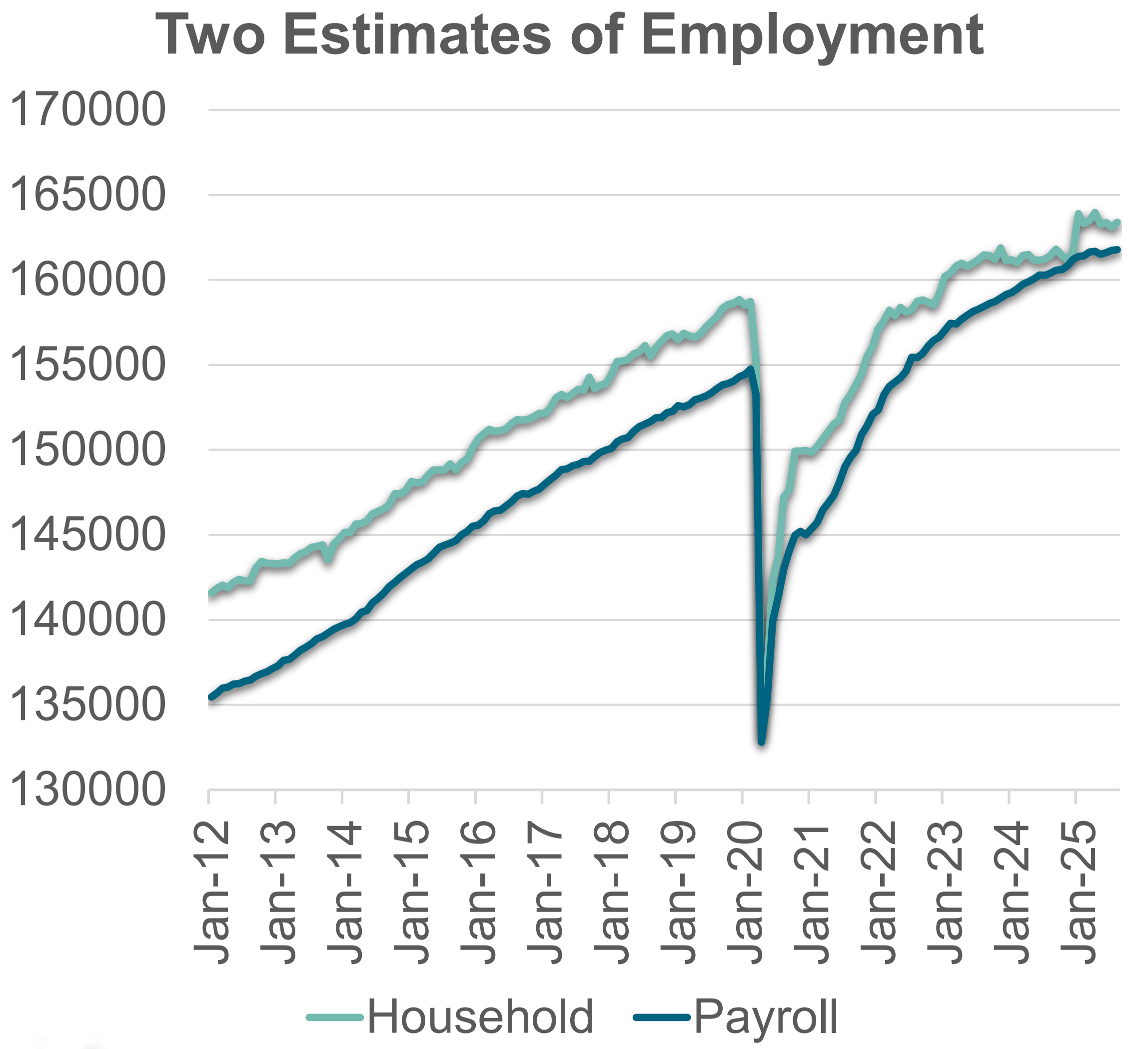


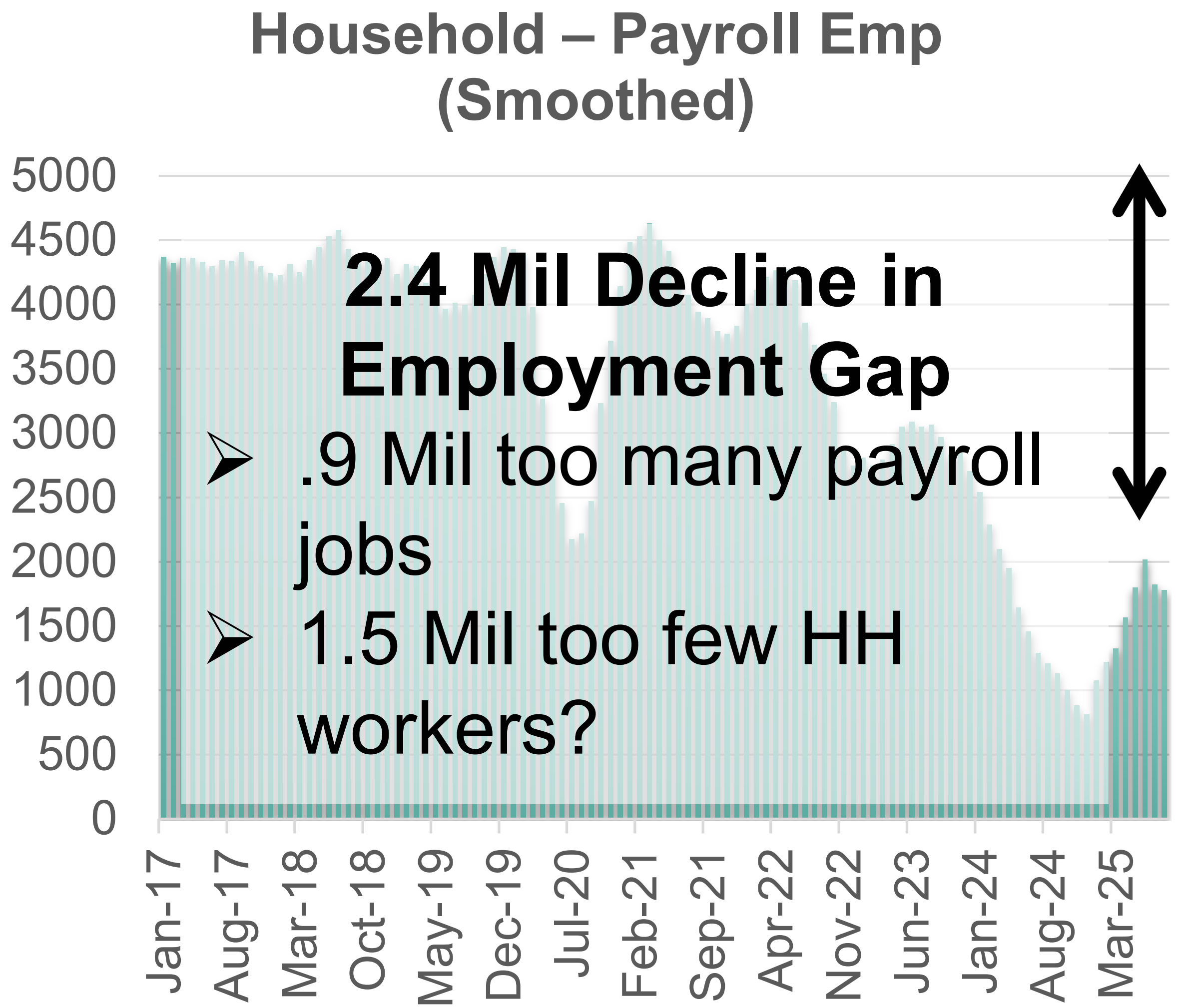




Type	1	2
Style	Emotional	D
Rules	Heuristics	
Speed	Fast	
Energy	Low	

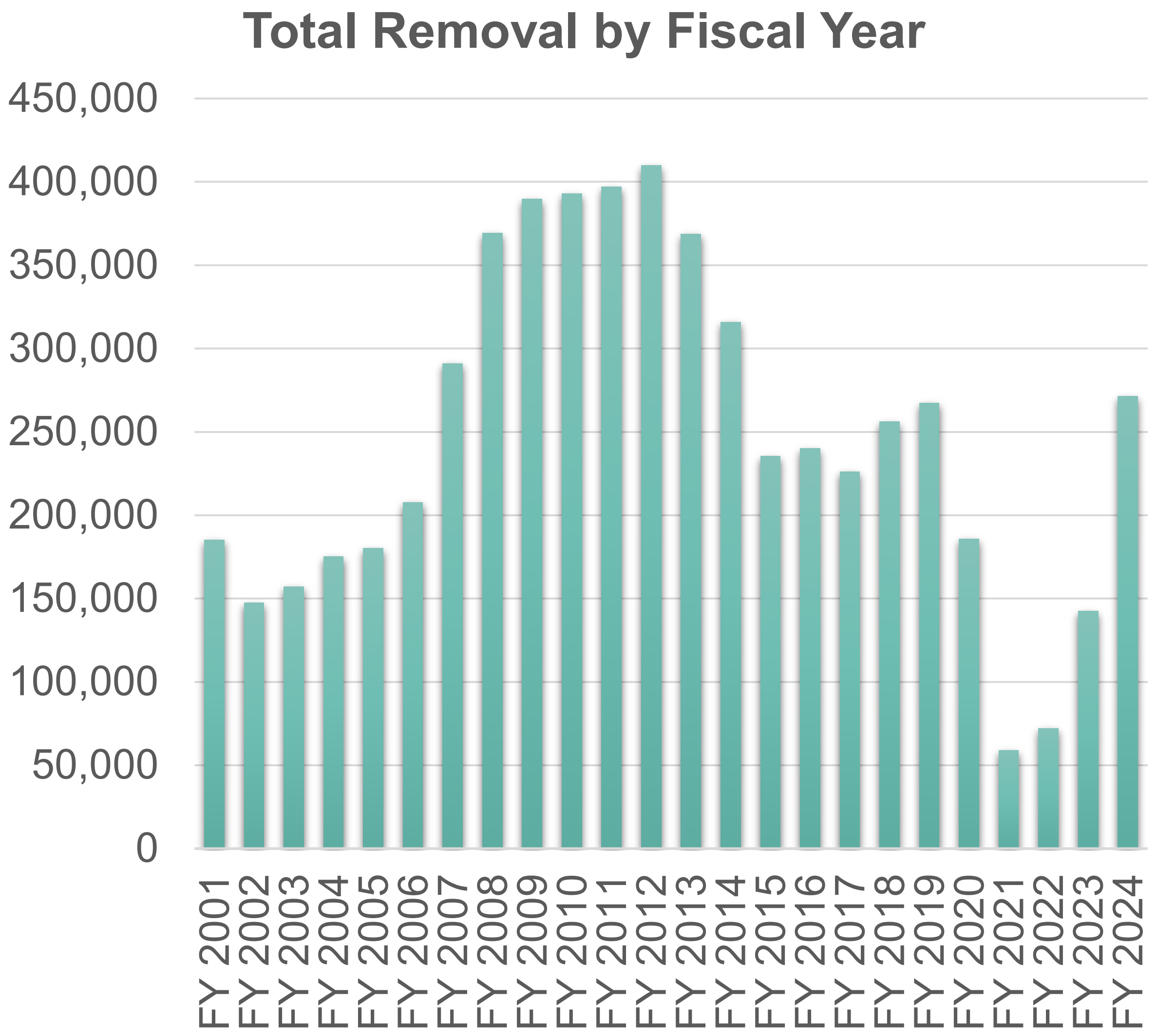
What about the job revisions?

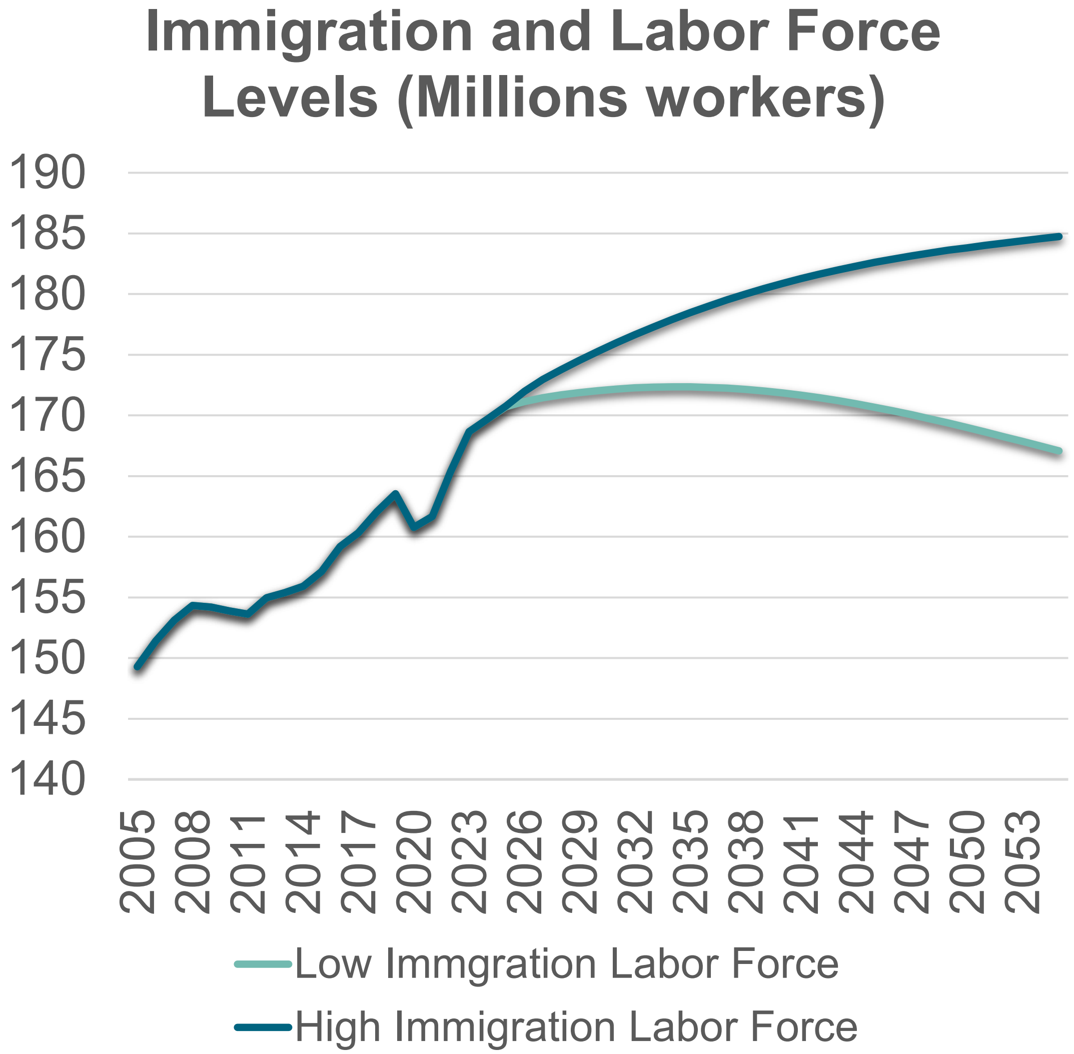




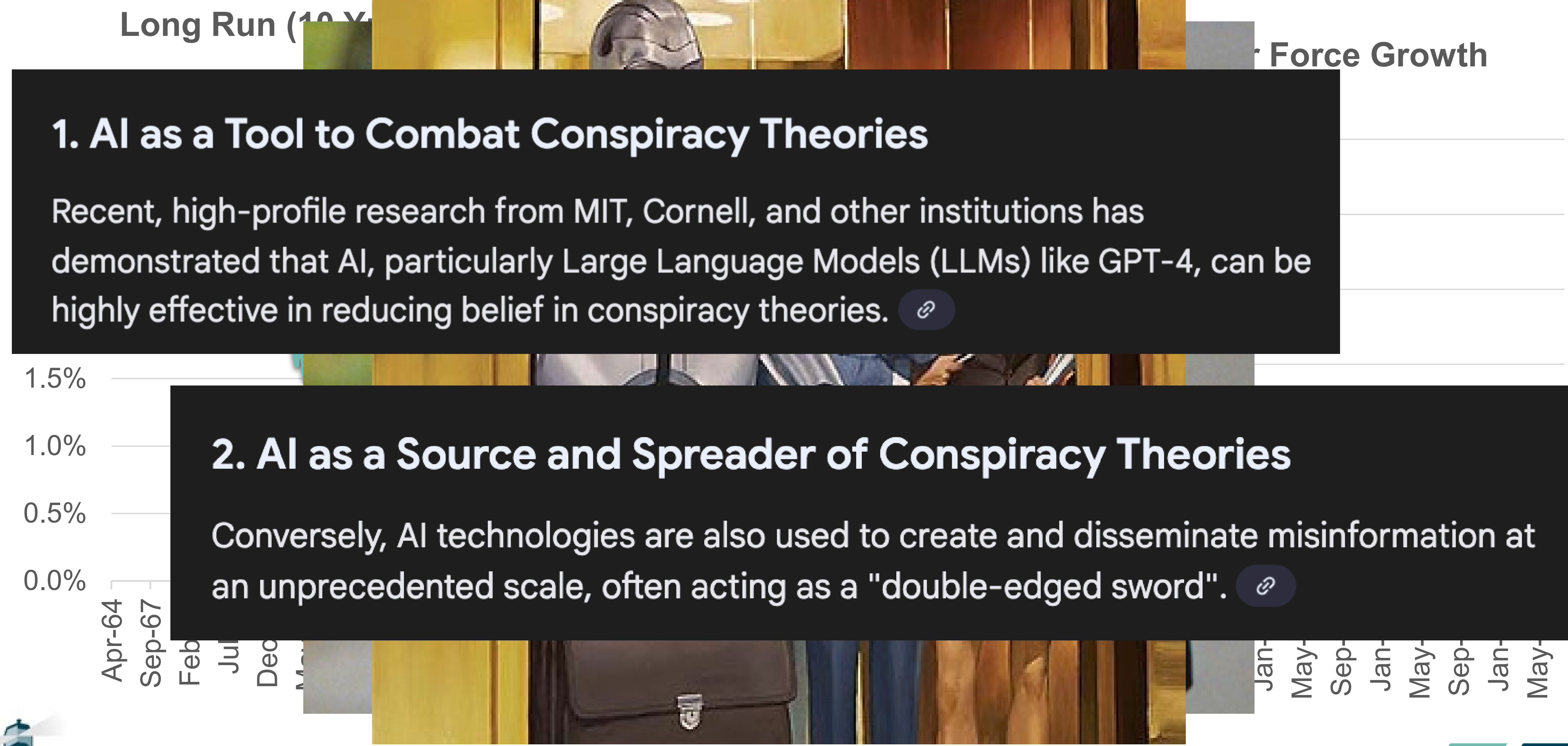
The Immigration Effect

Which is the bigger issue?





What about AI?



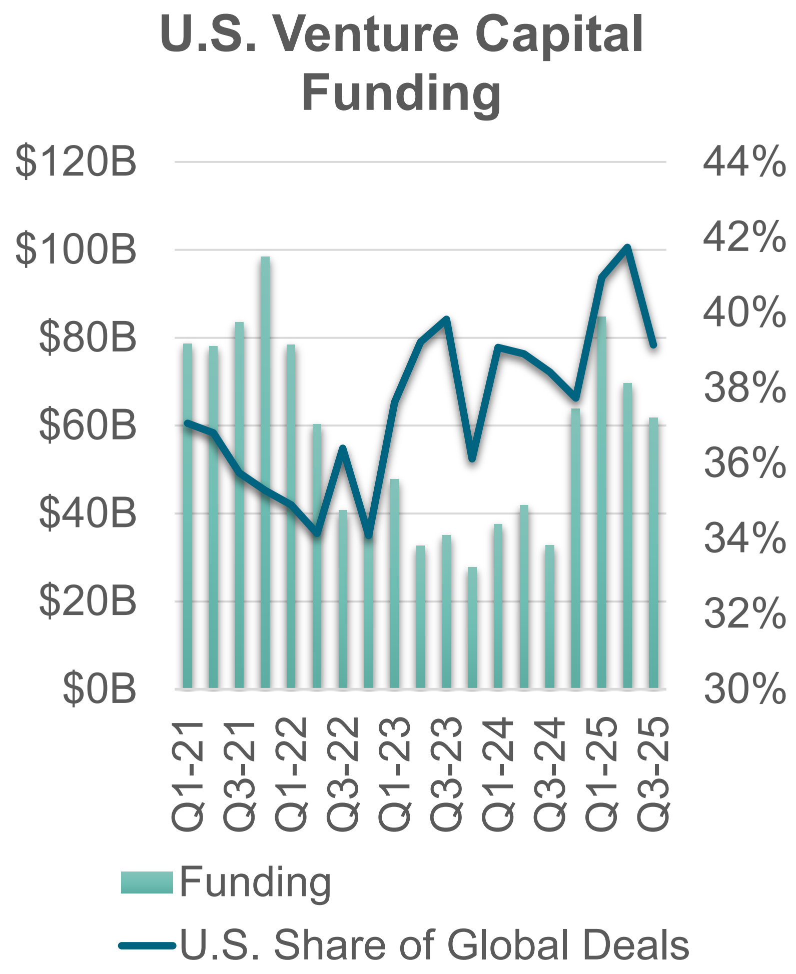
1. AI as a Tool to Combat Conspiracy Theories

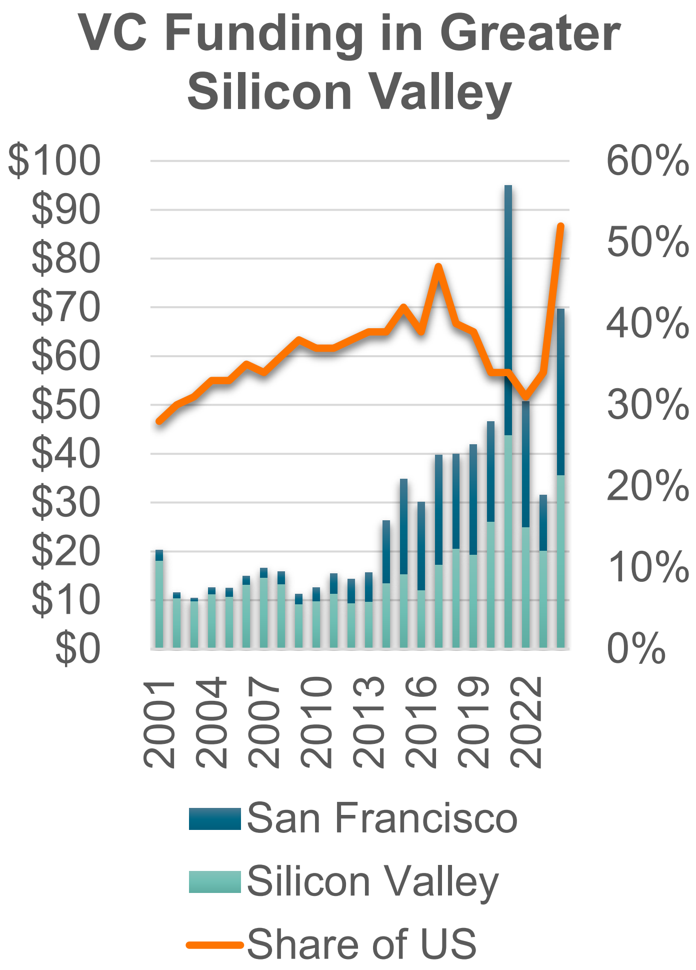
Recent, high-profile research from MIT, Cornell, and other institutions has demonstrated that AI, particularly Large Language Models (LLMs) like GPT-4, can be highly effective in reducing belief in conspiracy theories.

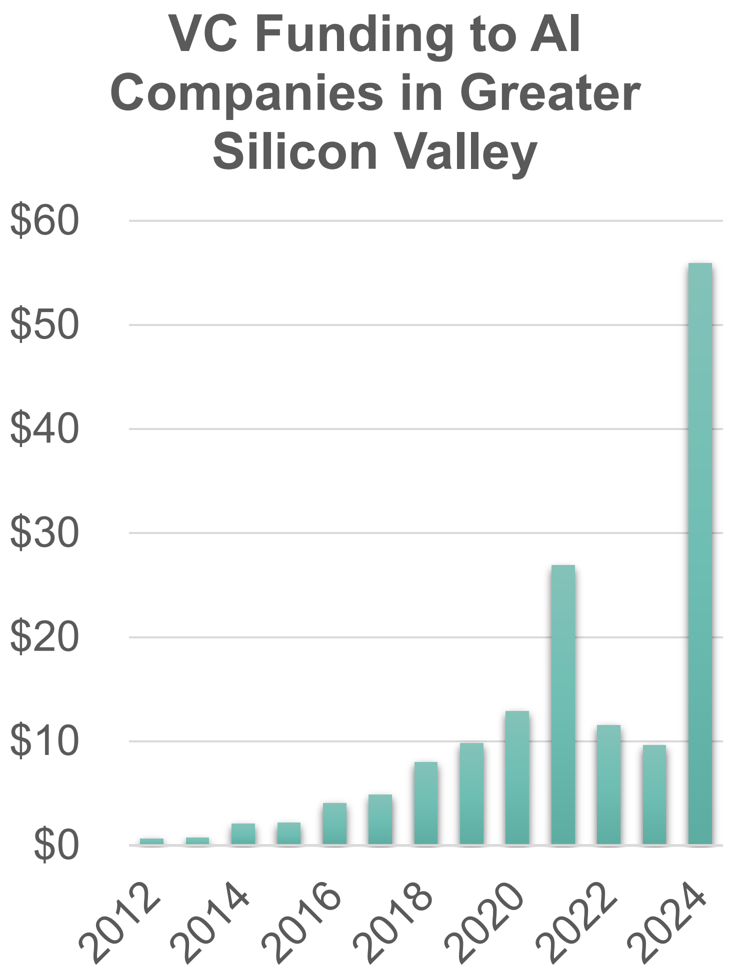
2. AI as a Source and Spreader of Conspiracy Theories

Conversely, AI technologies are also used to create and disseminate misinformation at an unprecedented scale, often acting as a "double-edged sword".

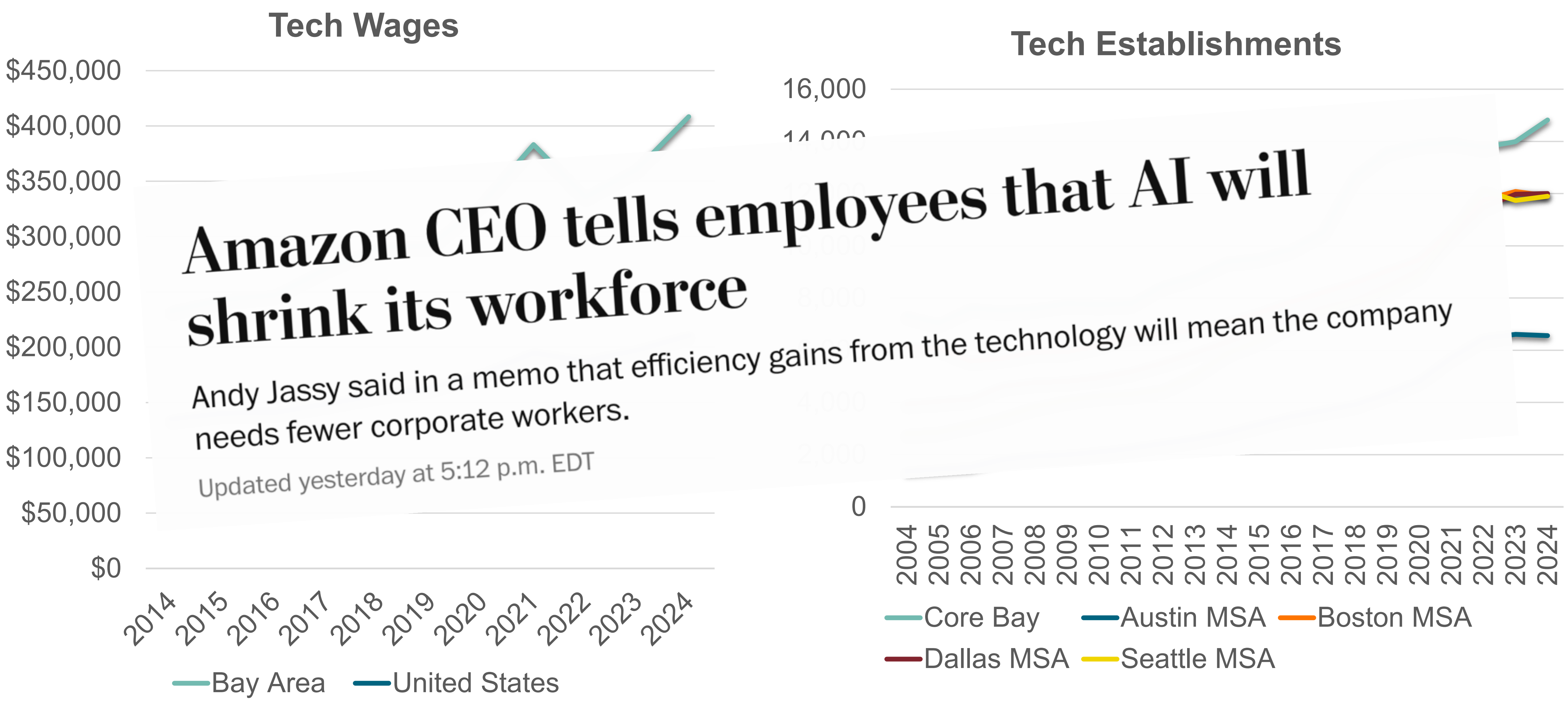
Venture Capital



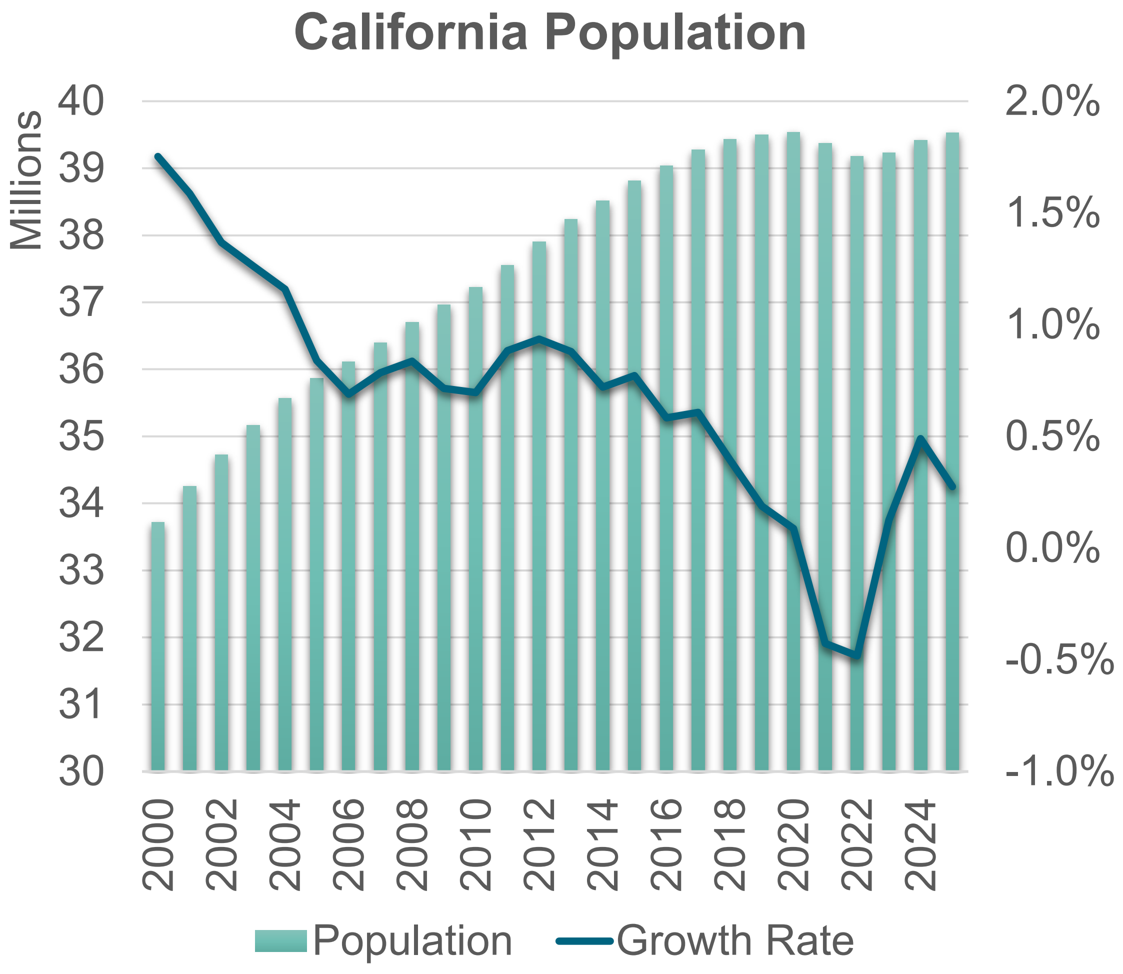




The Tech Bust?

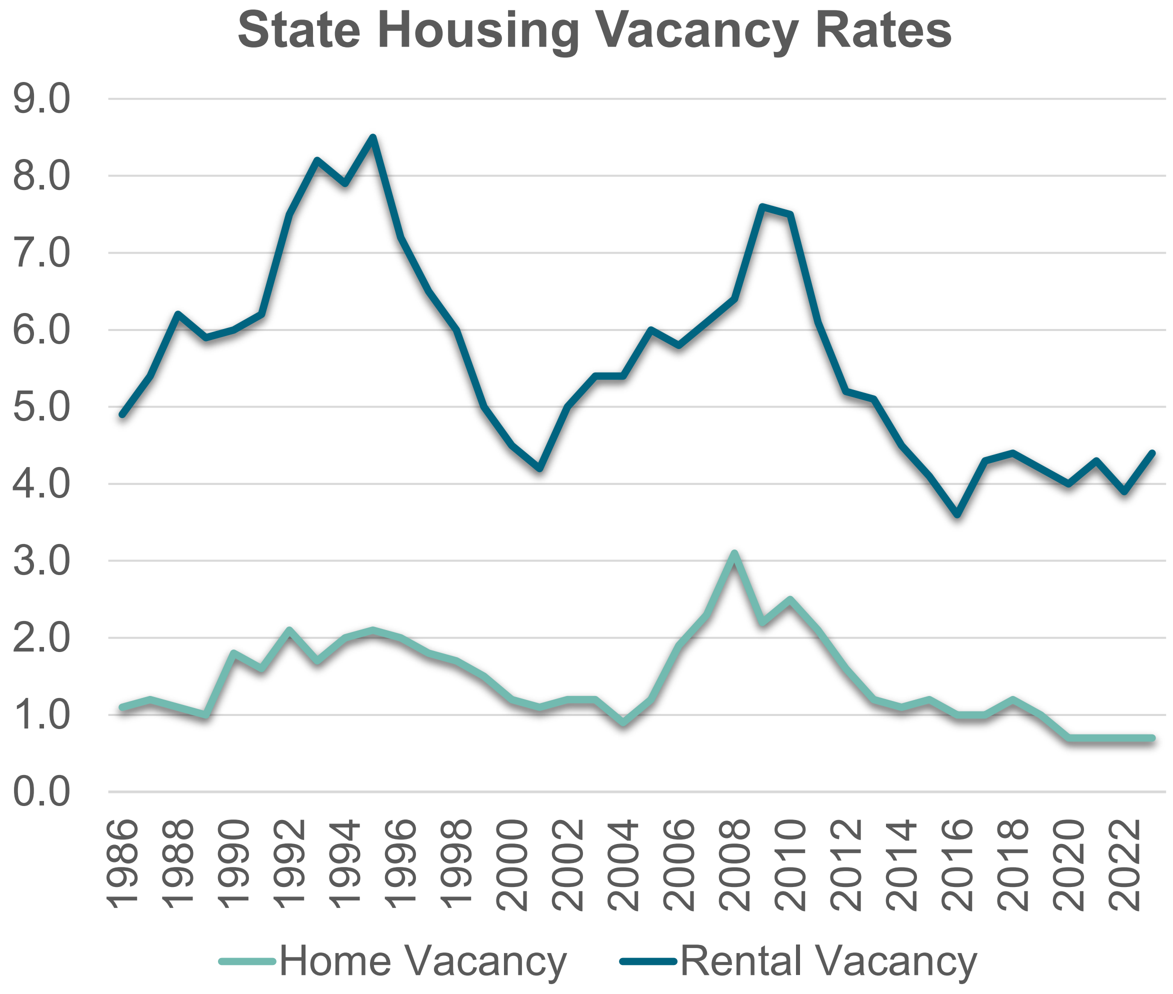


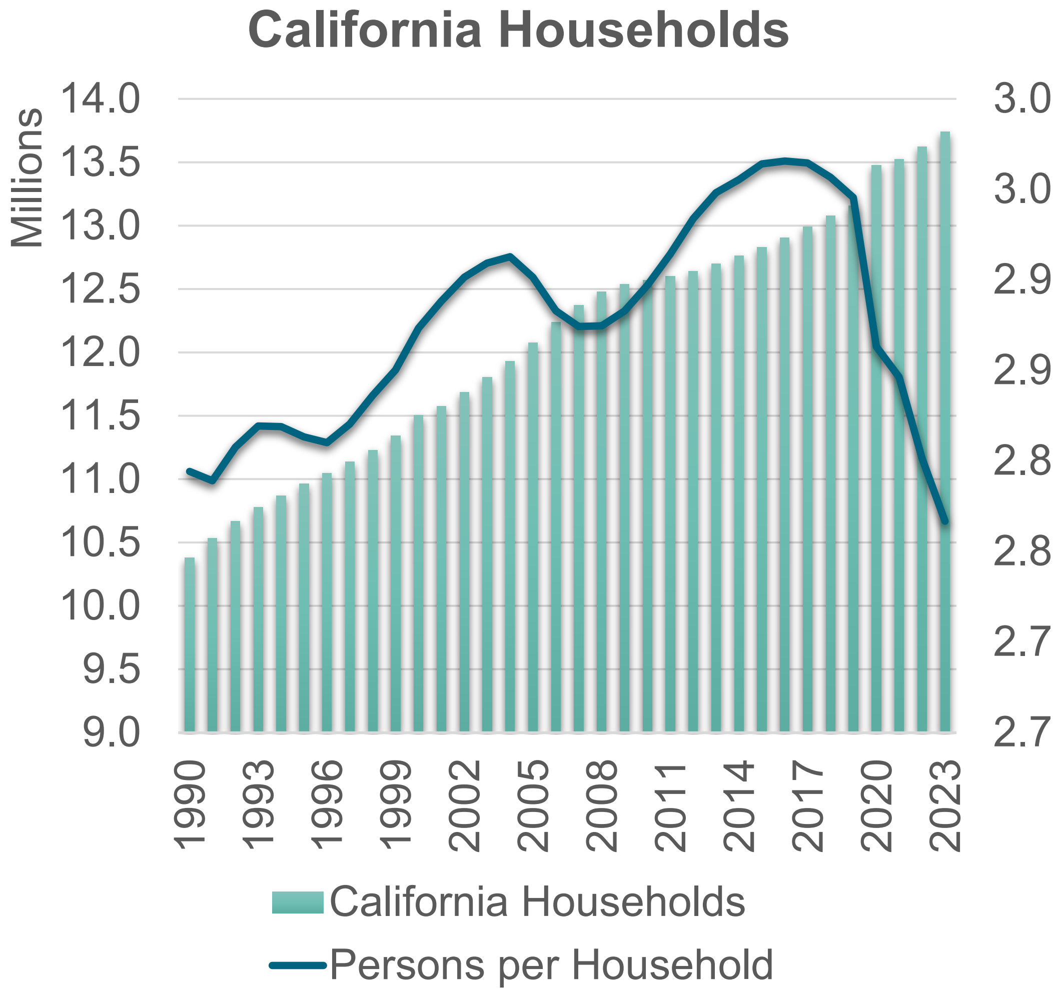
California's Labor Force Problem



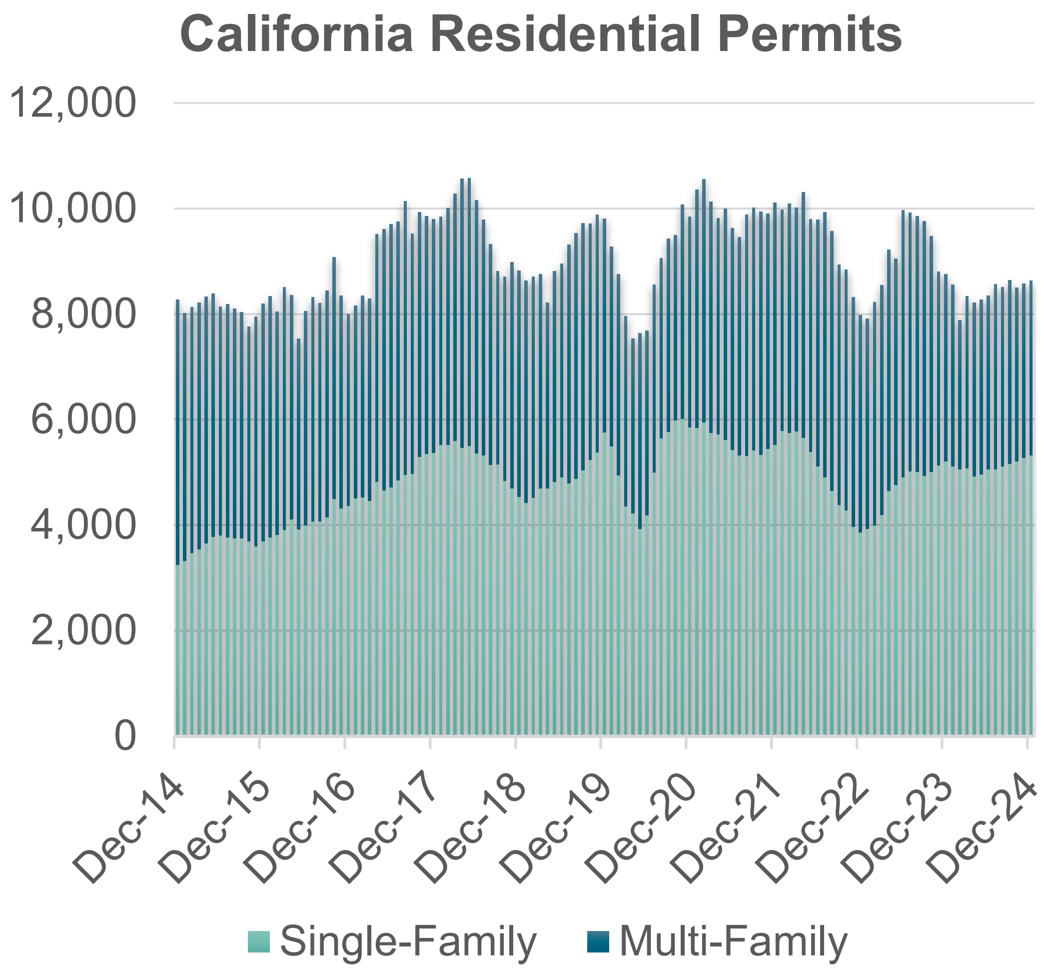
Location	Jun-25 LF (000s)	1-Year Chg. (%)	Chg. since Feb-20 (%)	Nbr. since Feb-20 (%)
US	170,380	1.4	3.5	5,963
Texas	**15,850**	**1.5**	**11.5**	**1,823**
Utah	1,846	0.6	11.4	210
Arizona	3,794	1.4	8.4	319
Nevada	1,682	2.0	7.0	118
Oregon	2,212	0.7	5.7	126
Colorado	3,283	0.4	4.7	154
Washington	4,034	-0.8	1.4	56
California	**19,841**	**0.9**	**1.1**	**218**

California's "Fleeing" Population?





Residential Permits



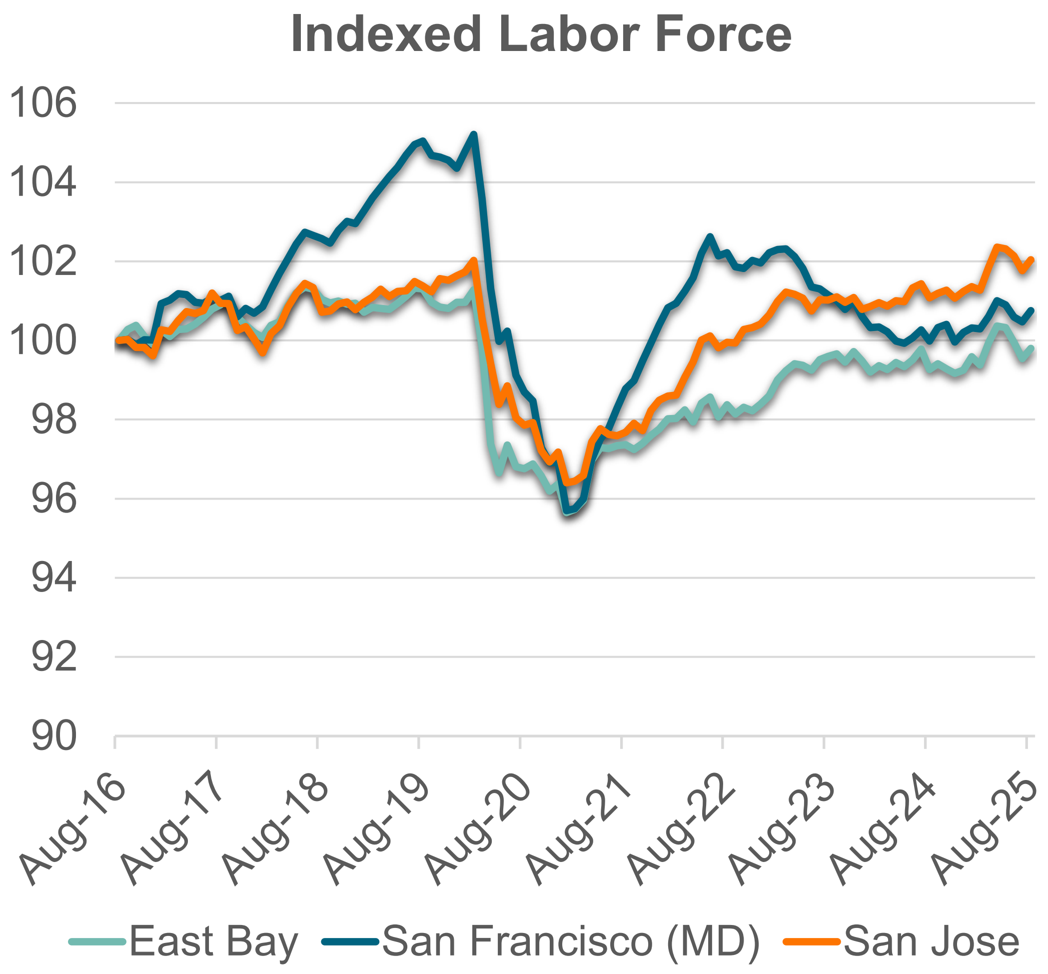
State	Jun-25 YTD SF Permits (Units)	1-Year Chg. (%)	6-Year Chg. (%)
United States	483,693	-5.5	16.3
Texas	78,271	-6.4	27.6
California	29,450	-7.0	1.3
Arizona	19,284	-13.0	20.8
Colorado	9,674	-10.4	-25.8
Washington	9,349	-5.9	-16.1
Utah	8,464	-8.1	2.8
Nevada	6,882	-13.3	18.3
Oregon	4,947	-3.5	-1.0

Employment and Labor Force

Changes 2019-2025

	Non-Farm Payrolls					Labor Force			
	Jul-25	Gr	Ch	State Sh		Jul-25	Gr	Ch	State Sh
California	18022.7	3.2%	559			19851.7	2.3%	438	
Southern California	9955	2.9%	283	51%		11134.8	1.6%	177	40%
Central Valley	1487	10.3%	139	25%		2011.5	8.0%	149	34%
Bay Area	4001.5	-1.9%	-79	-14%		4113.2	-1.8%	-75	-17%
Inland Empire	1713.7	9.9%	154	28%		2250.6	9.7%	199	45%
Sacramento	1092.8	6.5%	67	12%		1196.7	6.2%	70	16%
San Diego	1567	4.1%	61	11%		1669.9	3.5%	56	13%
Fresno	446.1	10.5%	42	8%		552.8	8.6%	44	10%
Orange County (MD)	1695	0.9%	16	3%		1641	0.6%	10	2%
San Jose	1150.8	0.0%	0	0%		1064.2	0.4%	4	1%
Oakland (MD)	1173.9	-1.6%	-19	-3%		1451.4	-1.7%	-26	-6%
San Francisco (MD)	1138.5	-4.6%	-55	-10%		929.8	-4.4%	-43	-10%

Local Labor Force



Location	Aug-25 LF (000s)	1-Year Chg. (%)	Chg. since Feb-20 (%)
United States	170,778.0	1.4	3.7
California	19,857.9	0.8	1.2
Inland Empire	2,259.1	2.0	8.2
Stockton	376.1	1.9	8.1
Bakersfield	415.7	1.7	5.4
San Diego	1,677.0	1.7	3.6
Orange County (MD)	1,648.0	1.4	0.9
Fresno	549.2	1.4	6.3
Sacramento	1,199.4	1.3	5.7
San Jose	1,067.3	0.9	0.0
San Francisco (MD)	933.2	0.8	-4.5
East Bay	1,455.0	0.5	-1.5
Los Angeles (MD)	5,122.9	0.1	-2.6

California Unemployment?

Los Angeles Times

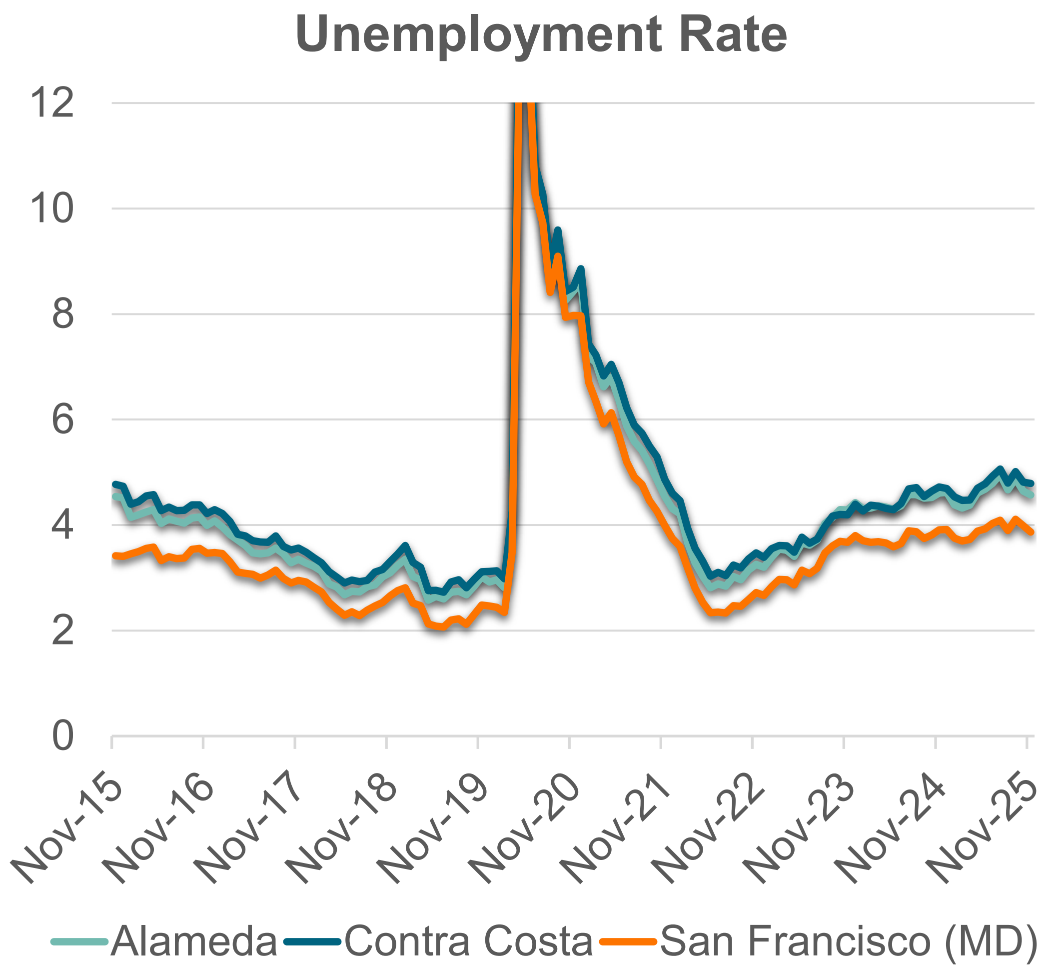
L.A. passed a $30 minimum wage for tourism workers. Then came the warring ballot measure

LOCAL NEWS

City Council approves minimum wage increase for some hospitality workers to $25 an hour

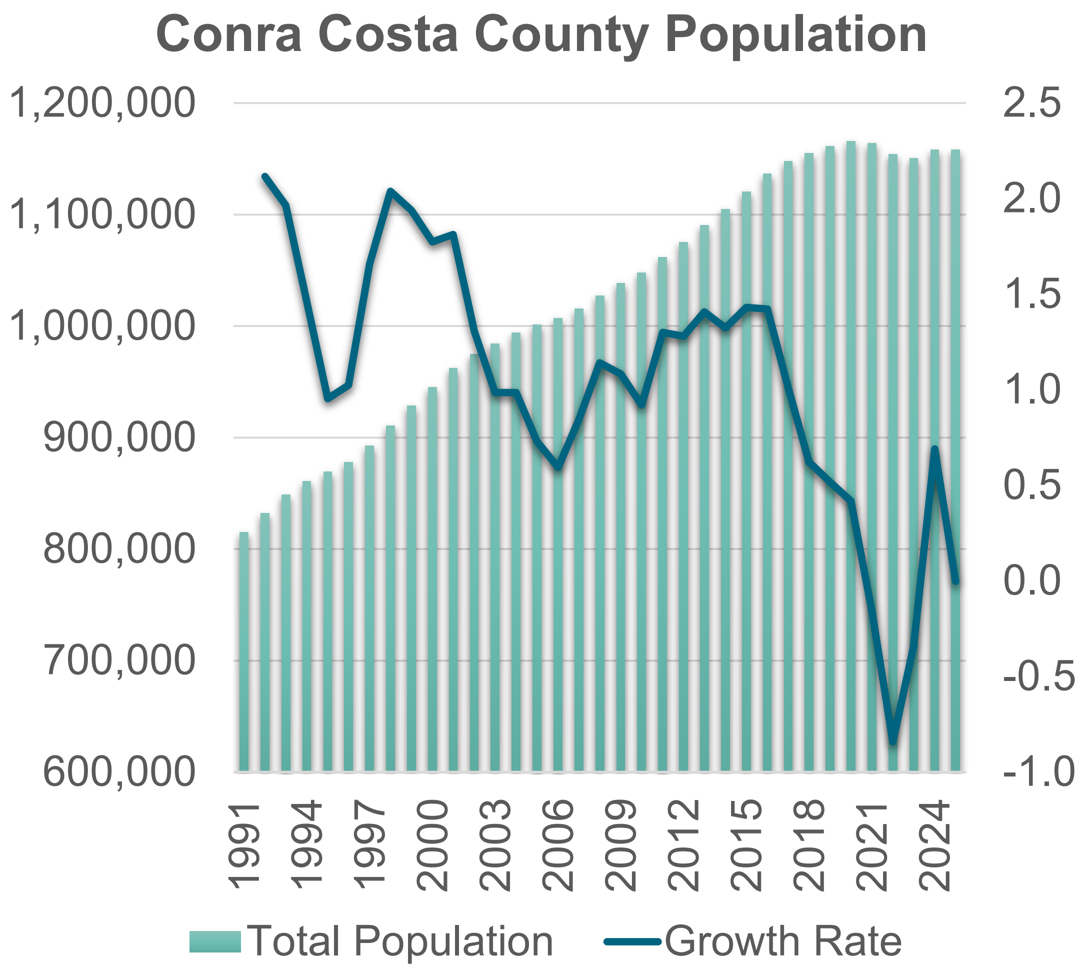
On Tuesday, the San Diego City Council approved raising the minimum wage for hospitality workers to $25 an hour by 2030.

Local Unemployment



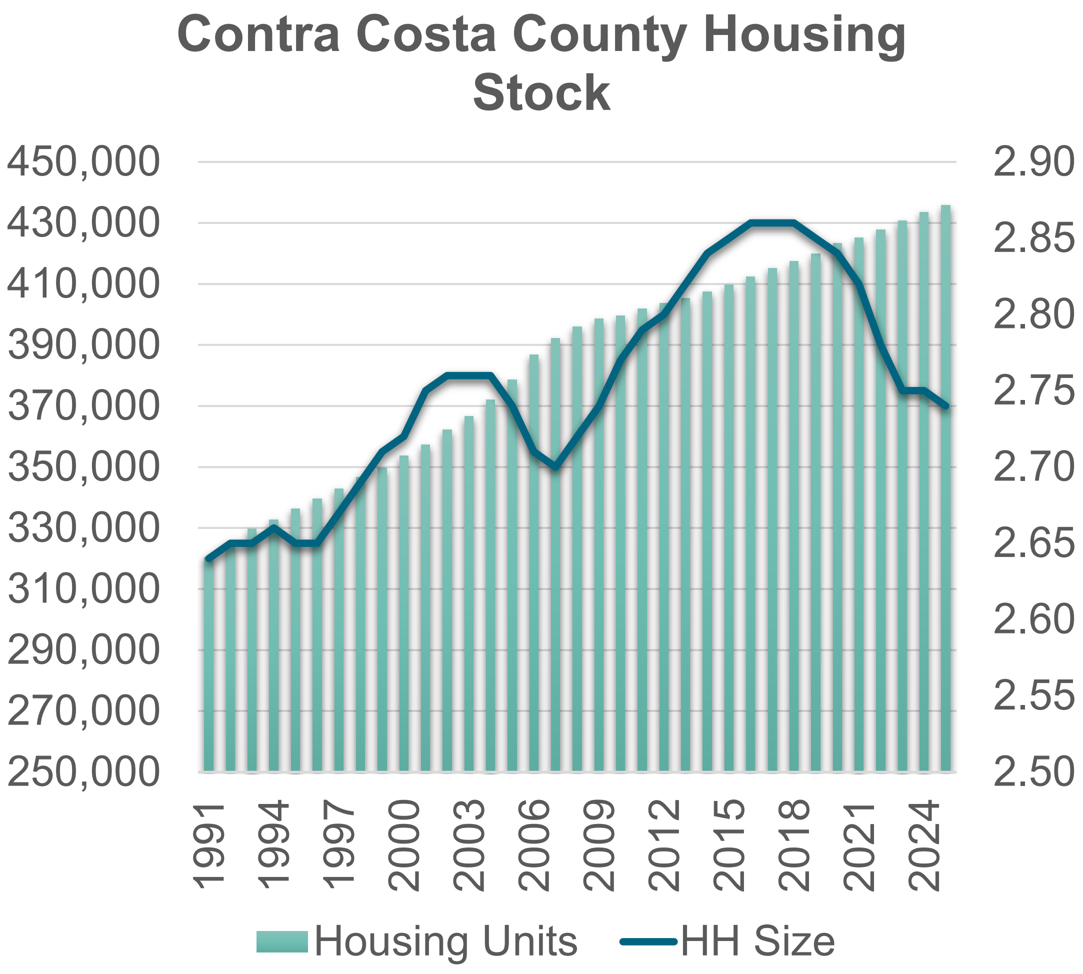
	Labor Force Participation Rate		Unemployment rate	
	2024	Ch 19-24	2024	Ch 19-24
16 to 19 years	29.4%	-5.5%	31.2%	18.8%
20 to 24 years	74.6%	-1.8%	15.1%	6.4%
25 to 29 years	84.2%	-2.1%	9.8%	4.9%
30 to 64 years	78.5%	0.6%	6.0%	2.1%
65 to 74 years	27.9%	-4.1%	2.8%	-0.6%
With any disability	53.8%	2.2%	13.0%	4.2%
Less than high school	70.9%	-3.7%	8.2%	2.3%
High school	77.1%	0.1%	10.0%	5.3%
Some college	81.1%	2.2%	6.3%	0.9%
Bachelor's or higher	85.1%	0.5%	4.9%	2.3%

Contra Costa Population



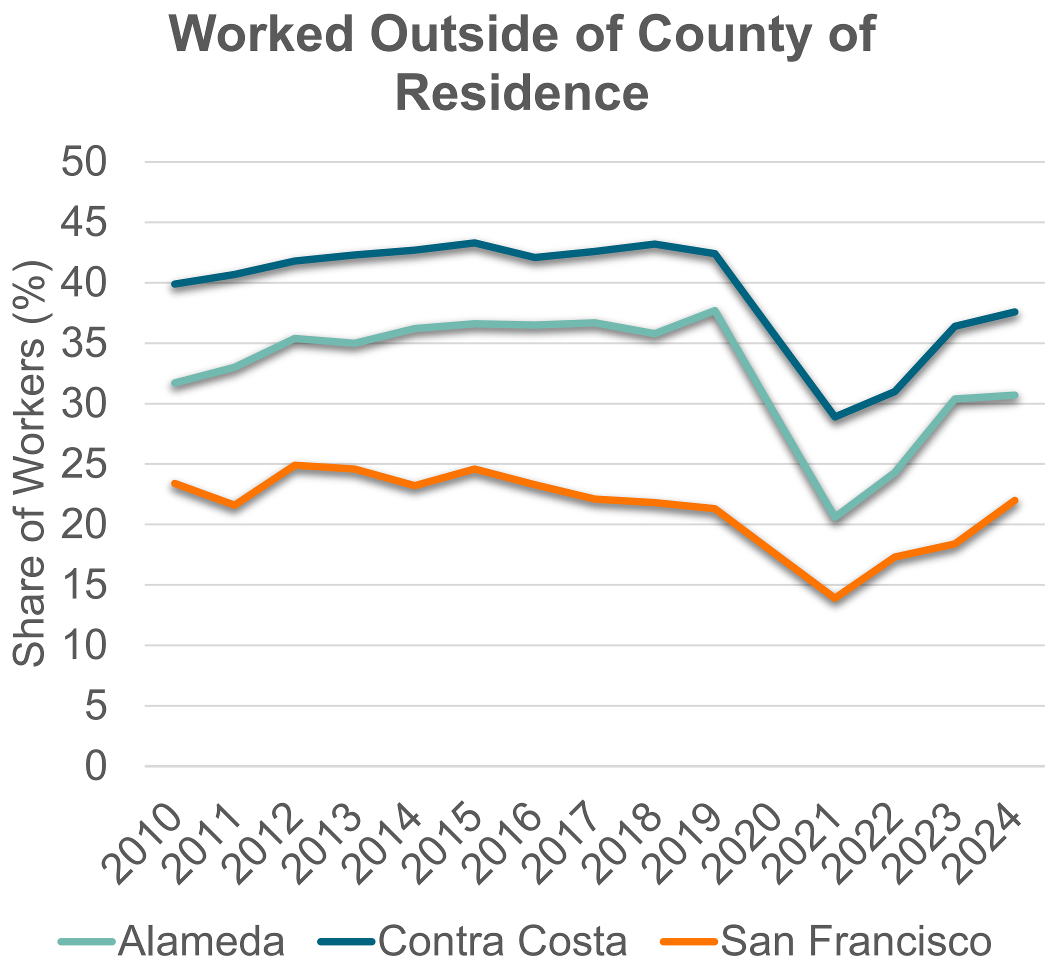
County	2025 Population	1-Year Chg. (%)	10-Year Chg. (%)
California	39,529,101	0.3	1.9
San Joaquin	805,856	0.4	11.3
Riverside	2,495,640	0.2	8.4
Sacramento	1,604,745	0.5	7.3
Fresno	1,037,053	0.9	7.1
Kern	923,961	0.6	5.8
San Bernardino	2,207,424	0.3	4.4
Contra Costa	**1,158,225**	**0.0**	**3.4**
San Diego	3,330,139	0.4	2.5
Alameda	1,662,482	0.3	2.5
Orange	3,175,427	0.2	0.9
Santa Clara	1,922,259	0.0	0.8
San Francisco	842,027	-0.4	-1.6
Los Angeles	9,876,811	0.3	-1.9
Ventura	829,005	0.1	-2.5

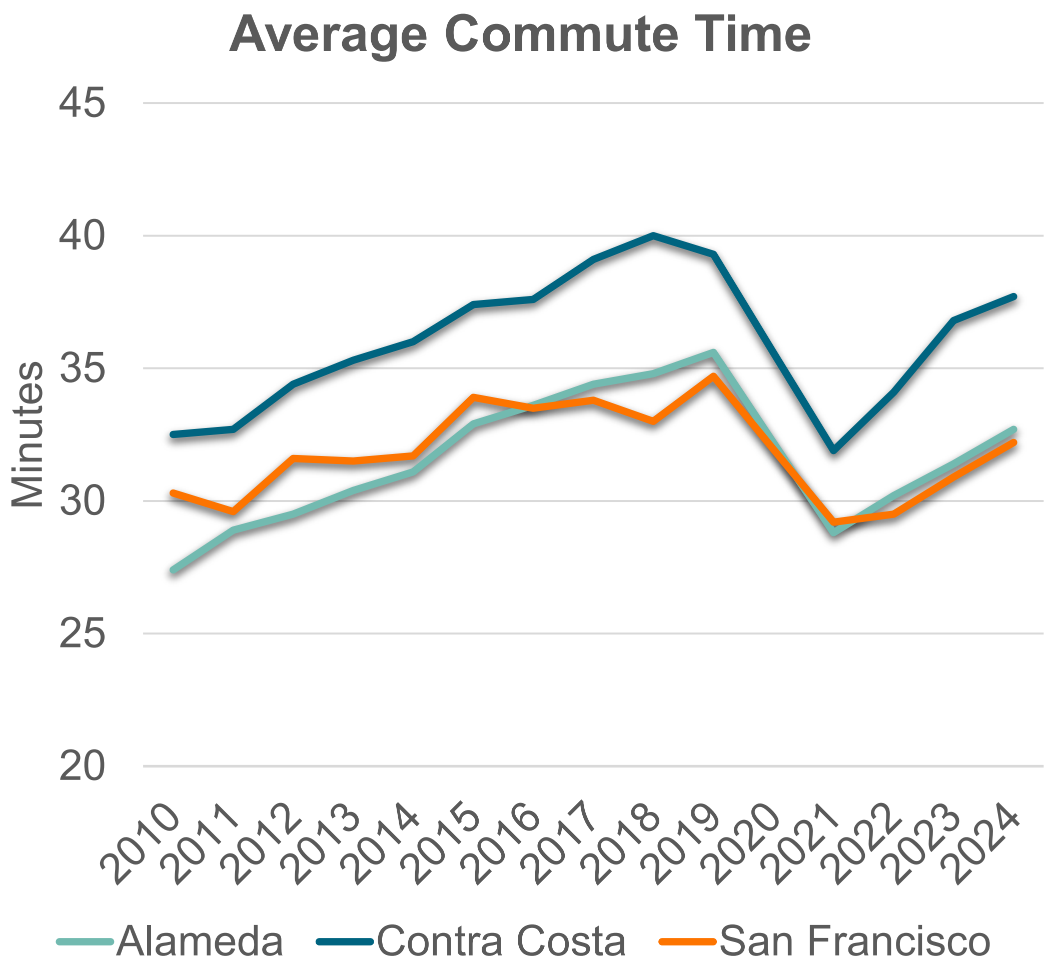
Housing Stock



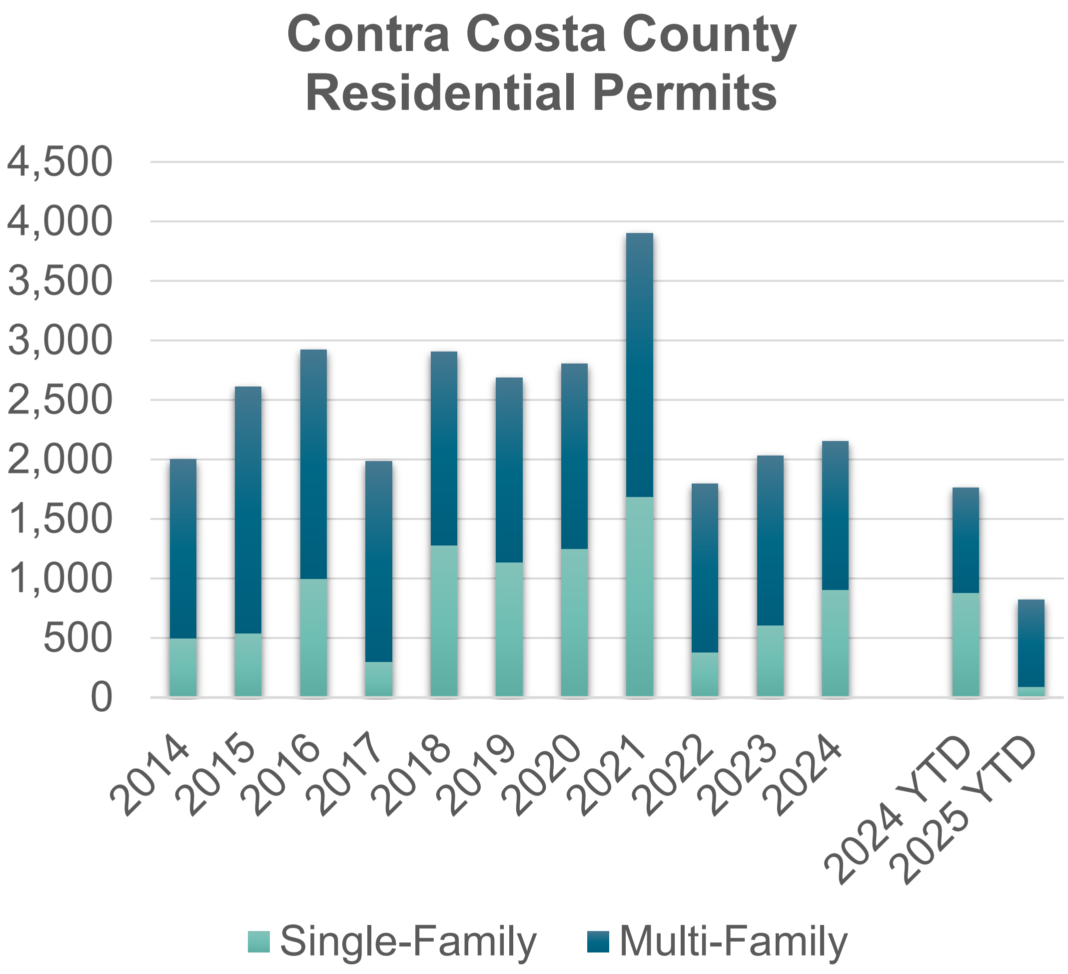
County	2025 Housing Units	1-Year Chg. (%)	10-Year Chg. (%)
California	14,949,001	0.8	7.3
San Joaquin	269,626	1.5	13.0
Alameda	652,678	0.7	9.6
San Francisco	422,007	0.4	9.4
Riverside	893,304	1.2	9.2
Fresno	352,020	0.8	8.2
Sacramento	612,589	1.1	8.1
Orange	1,163,983	0.6	8.0
Santa Clara	709,914	0.6	7.9
San Diego	1,280,893	1.1	7.8
Kern	313,255	0.8	7.3
Los Angeles	3,726,527	0.8	6.9
San Bernardino	758,120	0.9	6.5
Contra Costa	**435,790**	**0.5**	**6.3**
Ventura	300,727	0.9	4.9

Commuting


Worked Outside of County of Residence
Share of Workers (%)
50
45
40
35
30
25
20
15
10
5
0
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Alameda
Contra Costa
San Francisco

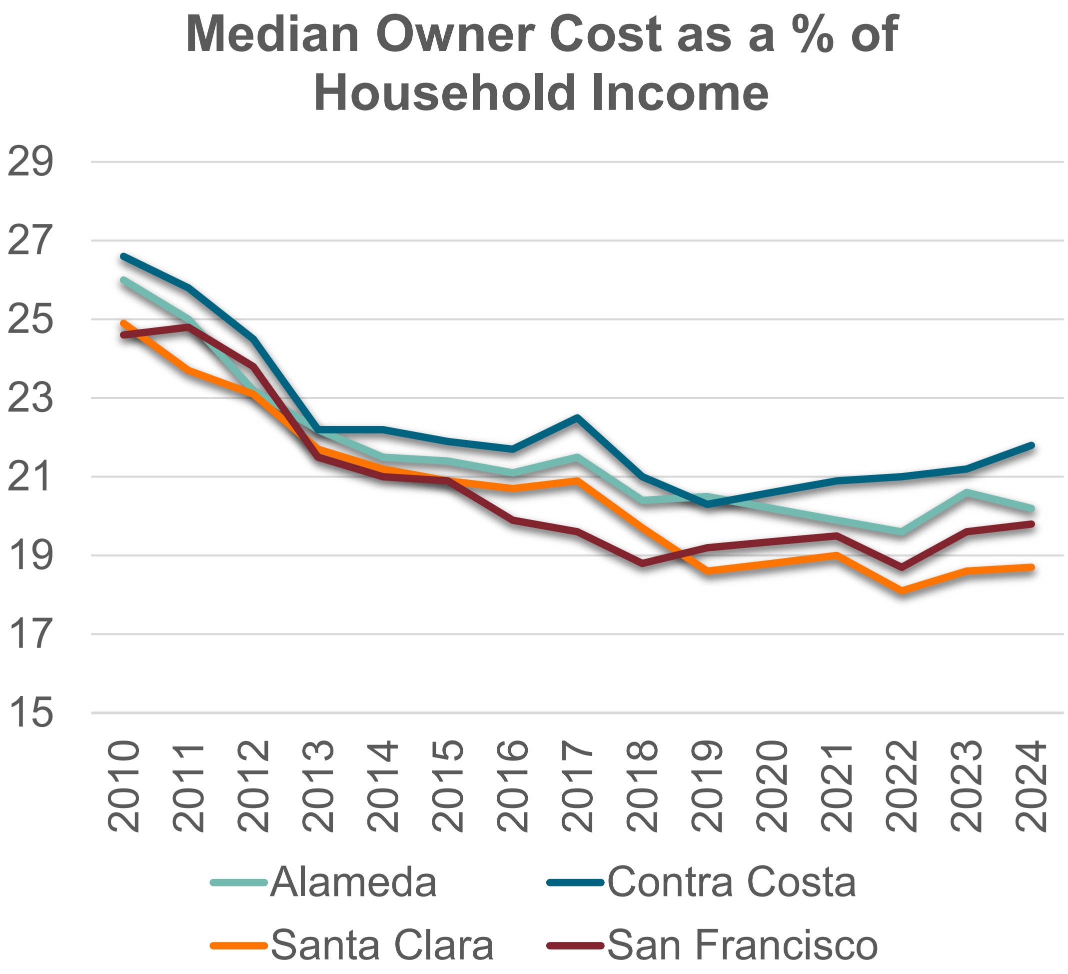

Average Commute Time
Minutes
45
40
35
30
25
20
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Alameda
Contra Costa
San Francisco

Residential Permits



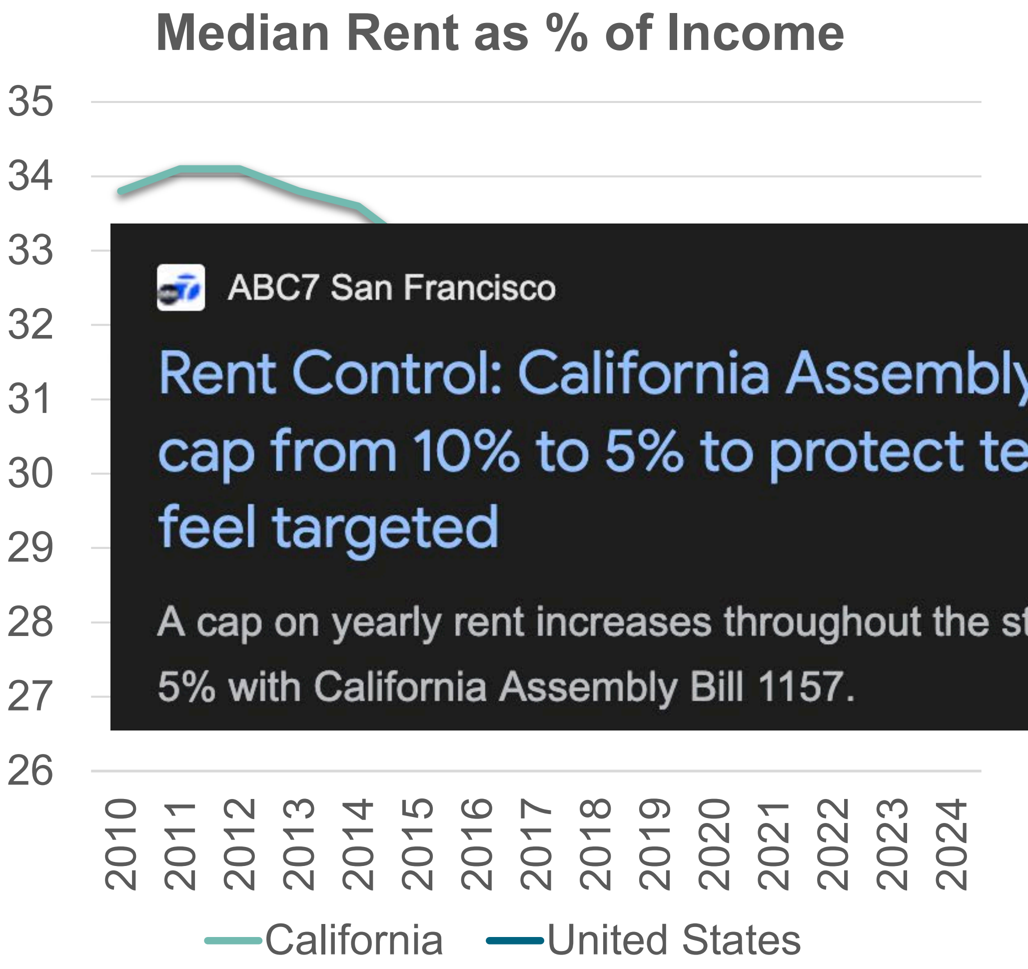
Location	Res Permits 2025 YTD	YTD Chg. (#)	2019 to 2024 Chg. (#)
California	67,174	-215	-8,652
Contra Costa County	821	-942	-532
Uninc. CC County	238	34	-544
Danville	101	11	-68
Antioch	86	-184	-11
San Ramon	84	-20	29
Brentwood	84	54	-283
Concord	51	-8	51
Oakley	46	-13	-169
Pittsburg	46	-15	-25
Richmond	40	-39	113
Walnut Creek	14	-7	-355

CA's Supply of Housing Crisis



Median Cost to Income New Buyers	2013 (%)	2018 (%)	2023 (%)
United States	25.2	25.5	28.0
California	29.0	30.2	33.4
East Bay	27.4	28.7	29.8
Fresno	29.4	31.0	31.6
Inland Empire	**30.7**	**32.0**	**35.6**
Los Angeles	31.0	32.3	36.1
Monterey	31.2	31.8	31.8
Orange	29.2	31.1	37.7
Sacramento MSA	28.5	28.3	31.4
San Diego	30.9	31.0	34.5
San Francisco (MD)	23.4	31.1	29.2
San Luis Obispo	24.1	26.1	35.0
Santa Clara	26.2	26.5	27.5
Ventura	26.4	31.5	33.3

Rental Affordability?



Source: American Community Survey

ABC7 San Francisco

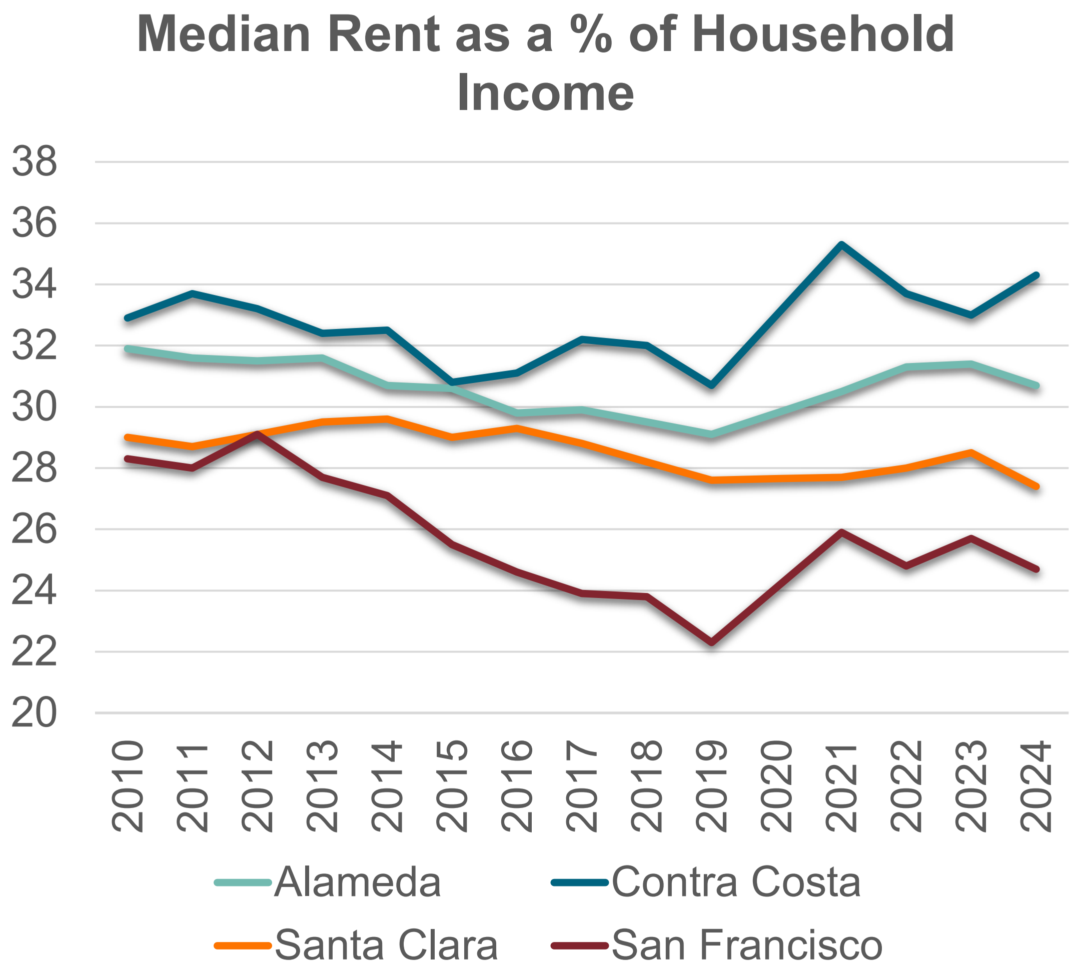
Rent Control: California Assembly Bill 1157 would lower rent cap from 10% to 5% to protect tenants; property owners feel targeted

A cap on yearly rent increases throughout the state could soon be lowered from 10% to 5% with California Assembly Bill 1157.

Location	2024 Median Rent ($)	'19 to '24 Chg. (%)
United States	1,487	35.6
[illegible]	[illegible]	[illegible]0.4
[illegible]	[illegible]	[illegible]6.6
[illegible]	[illegible]	[illegible]0.1
[illegible]	[illegible]	[illegible]7.3
[illegible]	[illegible]	[illegible]5.8
[illegible]	[illegible]	[illegible]7.0
[illegible]	[illegible]	[illegible]8.7
[illegible]	[illegible]	[illegible]7.1
[illegible]	[illegible]	[illegible]7.2
San Bernardino	1,957	45.8
San Diego	2,336	32.9
San Francisco	2,448	25.0
San Joaquin	1,788	41.9
Santa Clara	2,841	18.8

Affordability

Apartment Asking Rent	Q3-25 ($)	1-Yr Growth (%)	Change since Q4-19 (%)
United States	1,766	0.6	19.2
San Francisco	3,322	6.2	7.4
San Jose	3,219	3.8	12.9
Fresno	1,472	1.8	32.6
Alameda	2,346	1.6	5.2
Orange County	2,776	1.6	29.1
Contra Costa	2,223	1.0	12.6
Inland Empire	2,112	0.6	30.3
Los Angeles	2,336	0.5	10.6
San Diego	2,535	0.3	24.1
Sacramento	1,862	-0.1	22.6



Our Own Worst Enemy

BAY AREA // REAL ESTATE

Thousands o… n built —
if not for $1.2…

By Christian Leonard, Sta…

Jan 22, 2026

RAND / Pres…

Co… g
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April 2…

AB 130:
Develop…

- Strea…
- Limit…
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Growth Needs Homes and Workplaces

NEWS | BAY AREA & STATE

New Bay Area city of 400,000 could be built 'non-stop' for 40 years

By Katie Dowd, *Managing editor*
Jan 21, 2

California FOREVER

Home Foundry Shipyard Living About Join the call to break

Building in Solano County, the heart of Northern California.

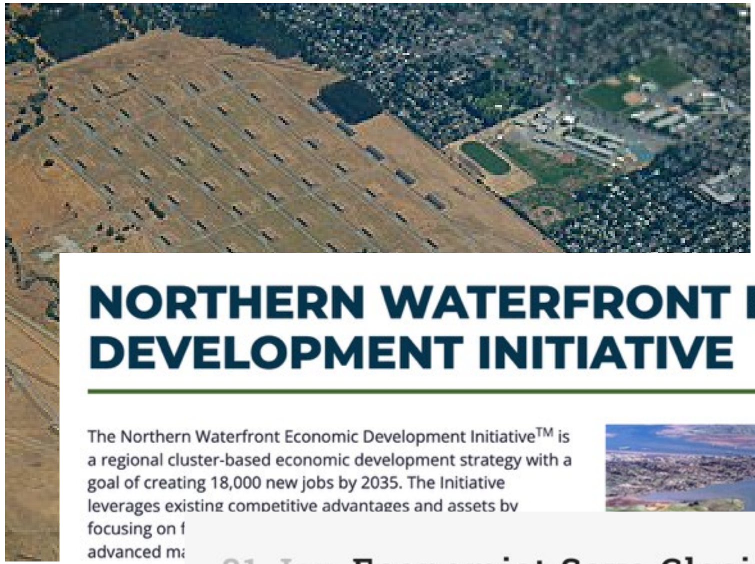
ACCESS TO AIR, SEA, AND RAIL
40 MILES NORTH OF SAN FRANCISCO
NON-PRIME GRAZING LAND
30 MILES SOUTH OF SACRAMENTO

California FOREVER

SOLANO FOUNDRY

A new home for frontier tech

The largest advanced manufacturing park in America



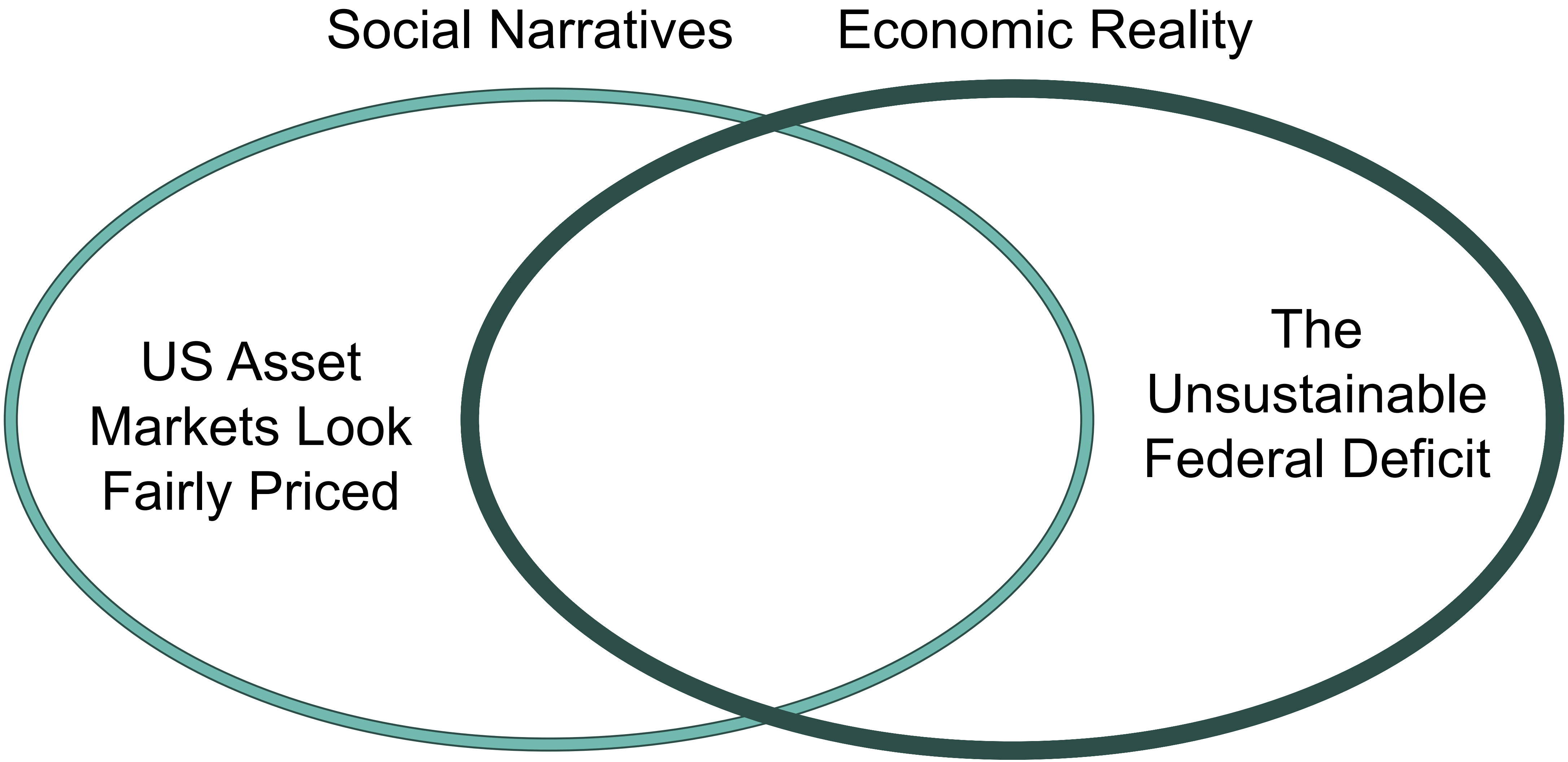
NORTHERN WATERFRONT ECONOMIC DEVELOPMENT INITIATIVE

The Northern Waterfront Economic Development Initiative™ is a regional cluster-based economic development strategy with a goal of creating 18,000 new jobs by 2035. The Initiative leverages existing competitive advantages and assets by focusing on f advanced ma processing, a change healt Costa County communities development among the C economic vit

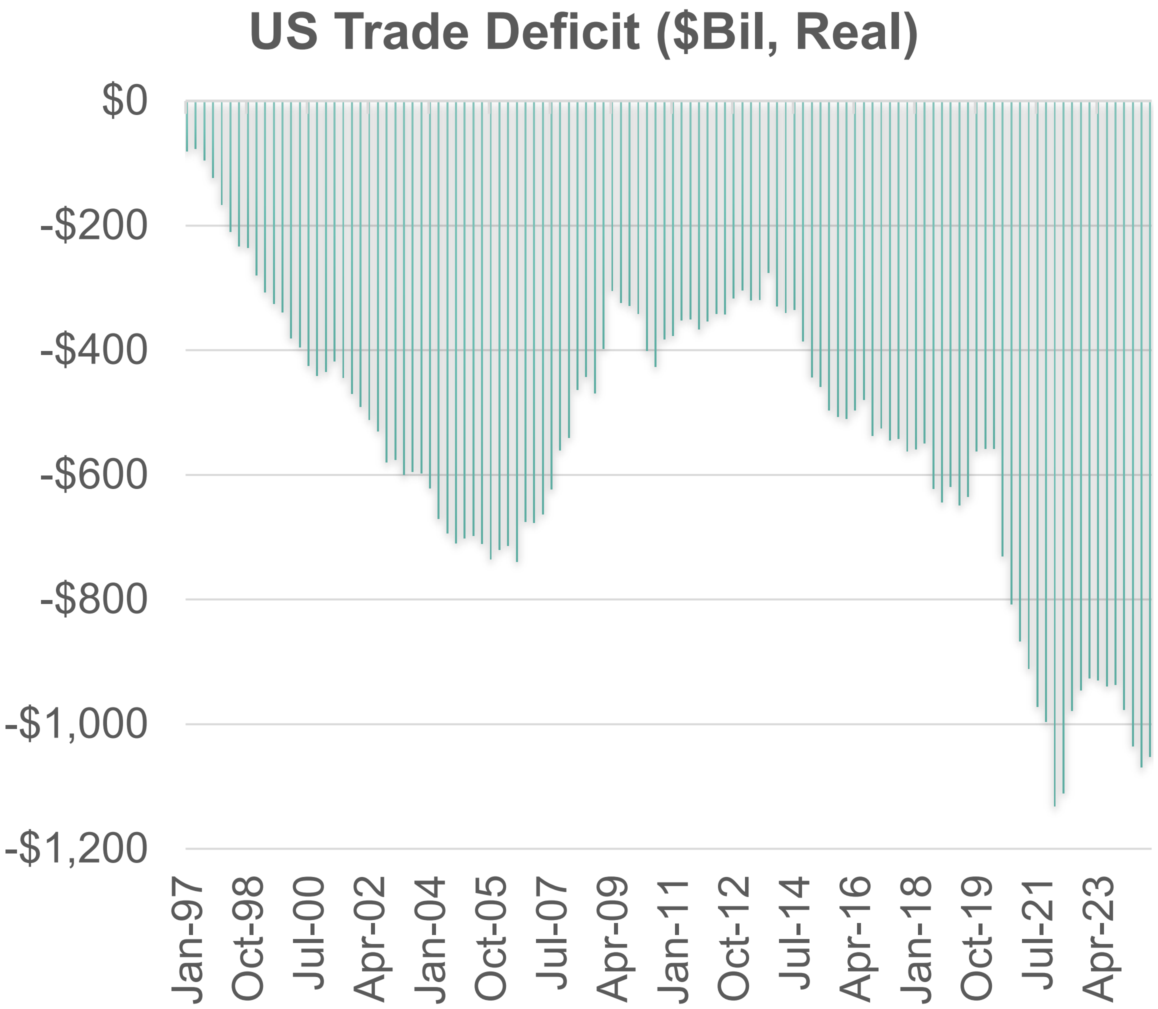
31 Jan **Economist Says Closing County Refineries Would Be Opportunity to Rebuild**

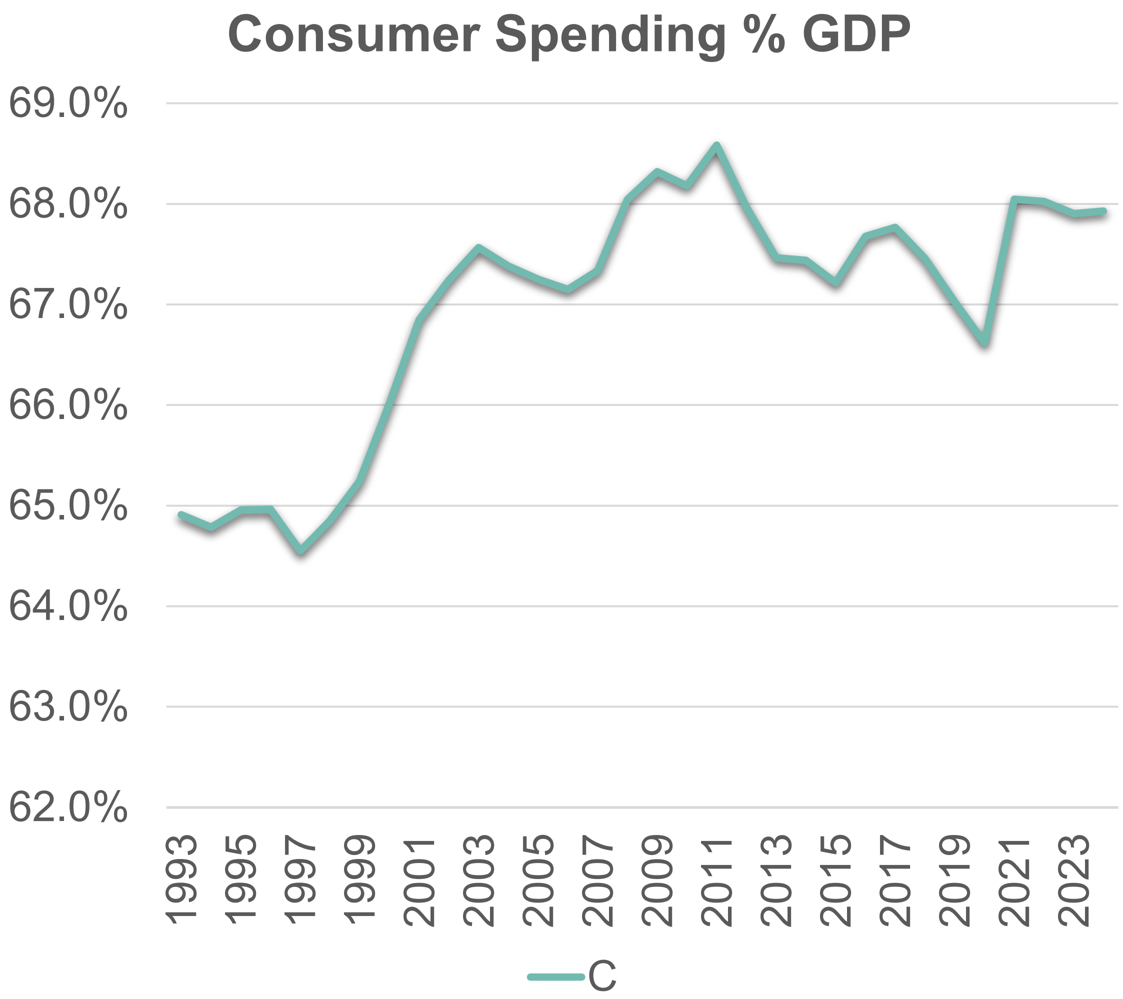
Posted at 17:55h in Contra Costa County, News, Politics by Danielle Parenteau-Decker · 0 Comments

Beware the Narrative

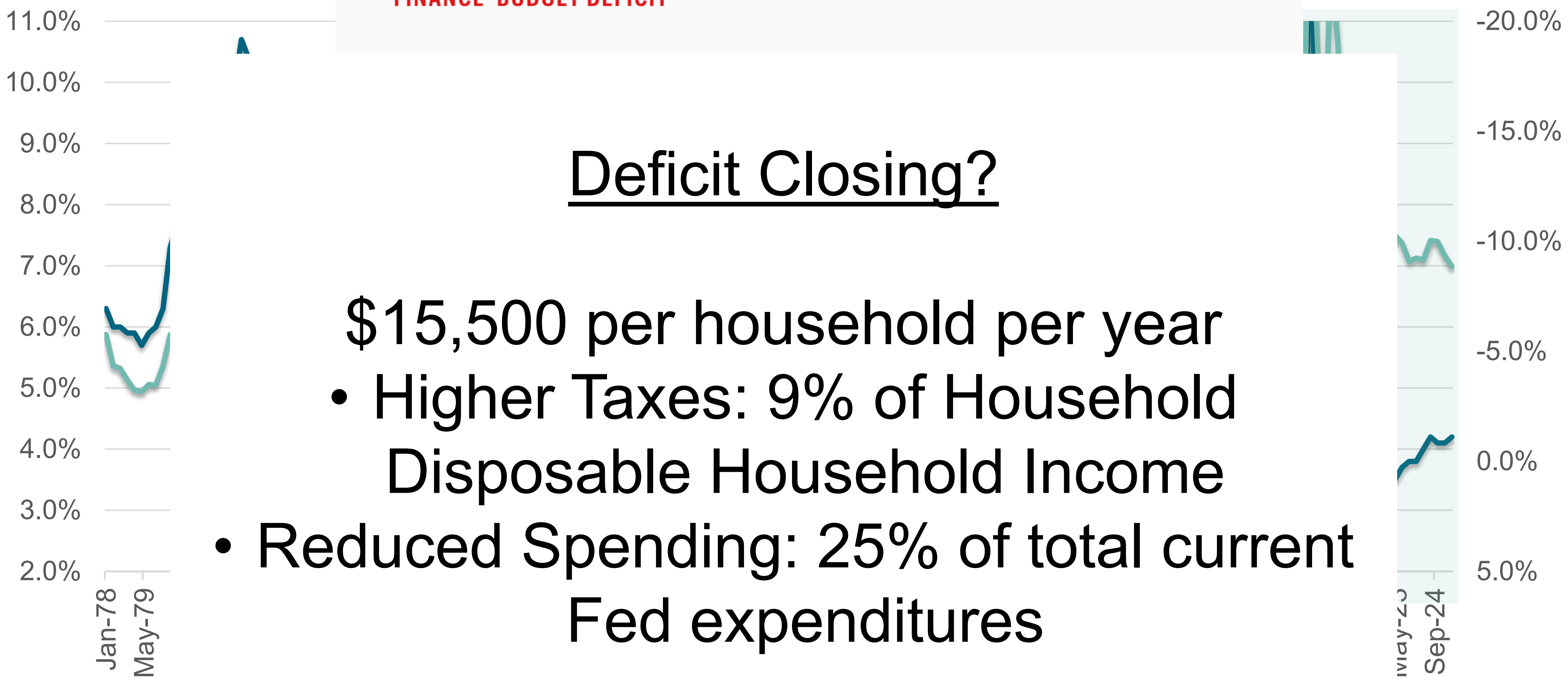


An Over-Consumption Problem…





Keynesianism Breaks Down…



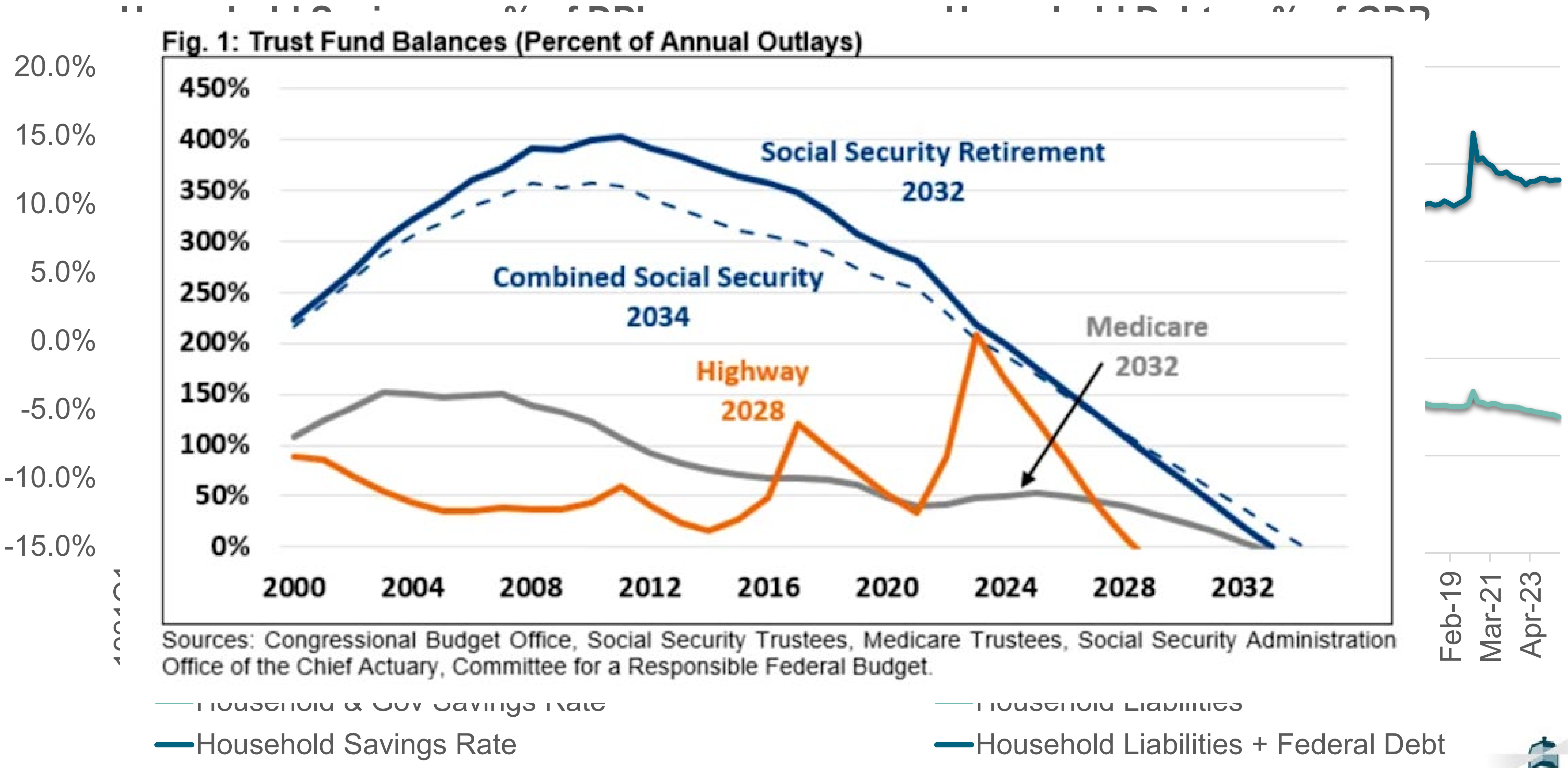
FINANCE · BUDGET DEFICIT

Deficit Closing?

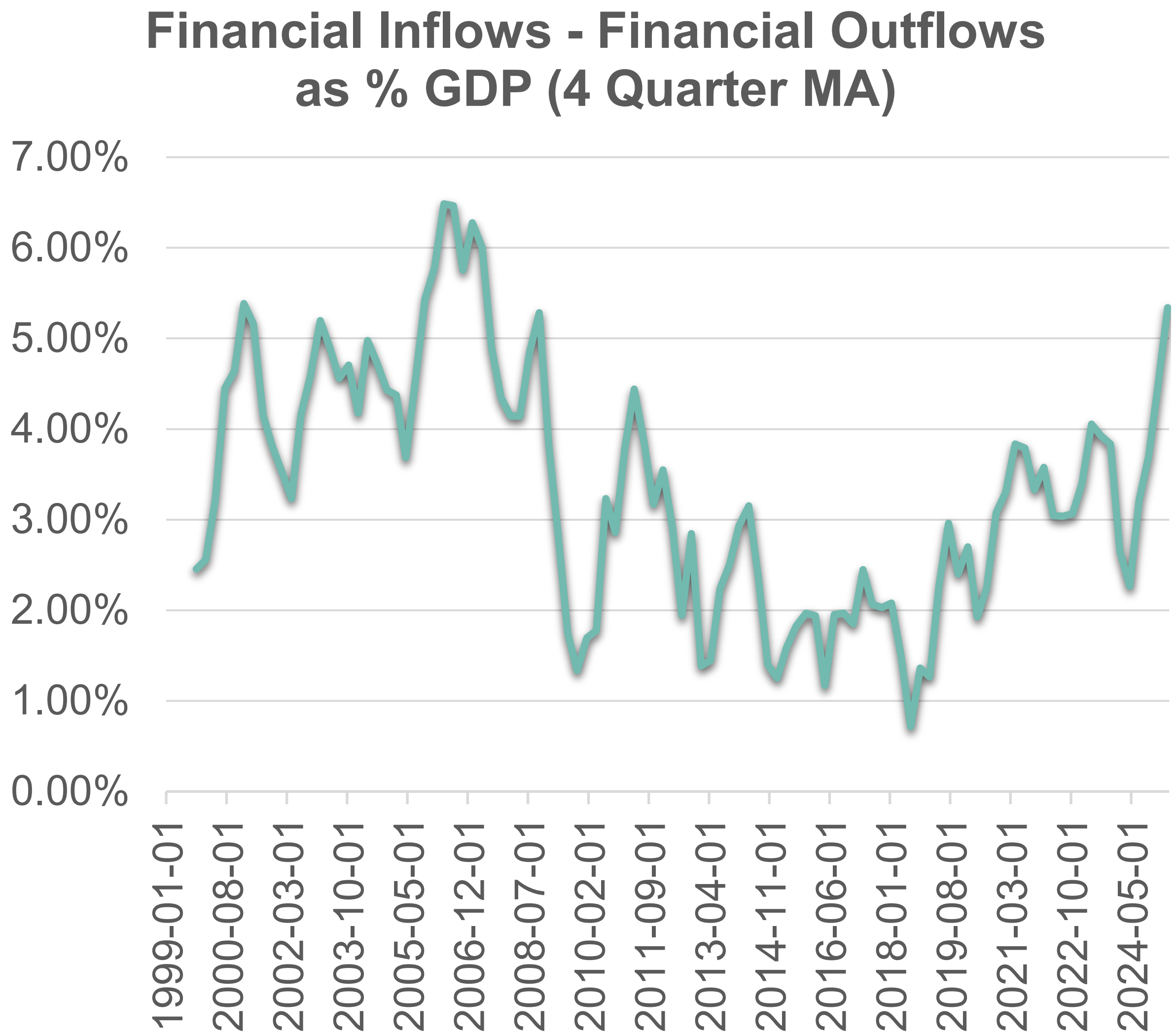
$15,500 per household per year

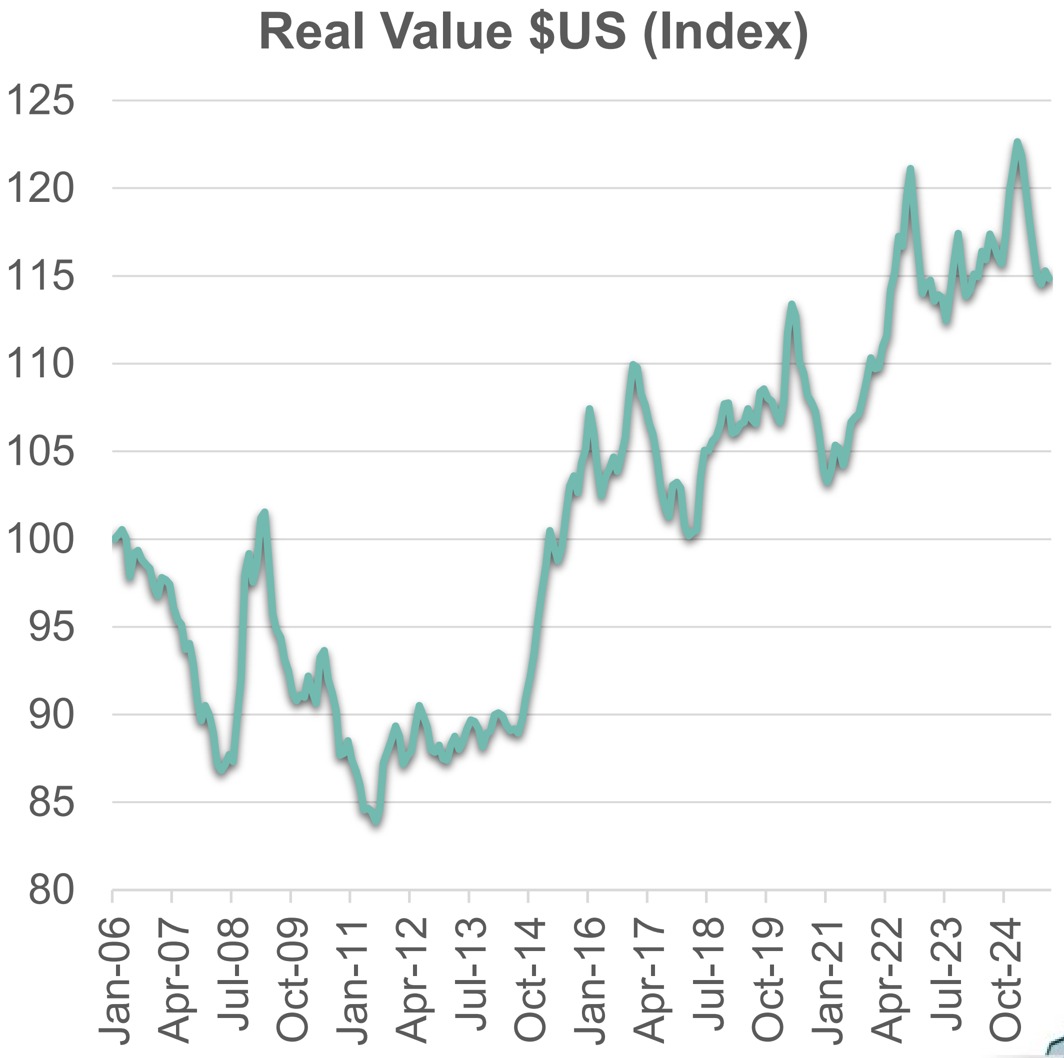
- Higher Taxes: 9% of Household Disposable Household Income
- Reduced Spending: 25% of total current Fed expenditures

The Wealth / Income Mirage



Who is Paying the Bills?





The Recent Reactions to Turbulence

CNBC MARKETS BUSINESS INVESTING TECH POLITICS VIDEO INVESTING CLUB

MARKETS

‘This is sell America’ — U.S. dollar, Treasury prices tumble and gold spikes as globe flees U.S. assets

PUBLISHED TUE, JAN 20 2026•8:49 AM EST | UPDATED 21 MIN AGO

Alex Harring
@ALEX_HARRING

SHARE

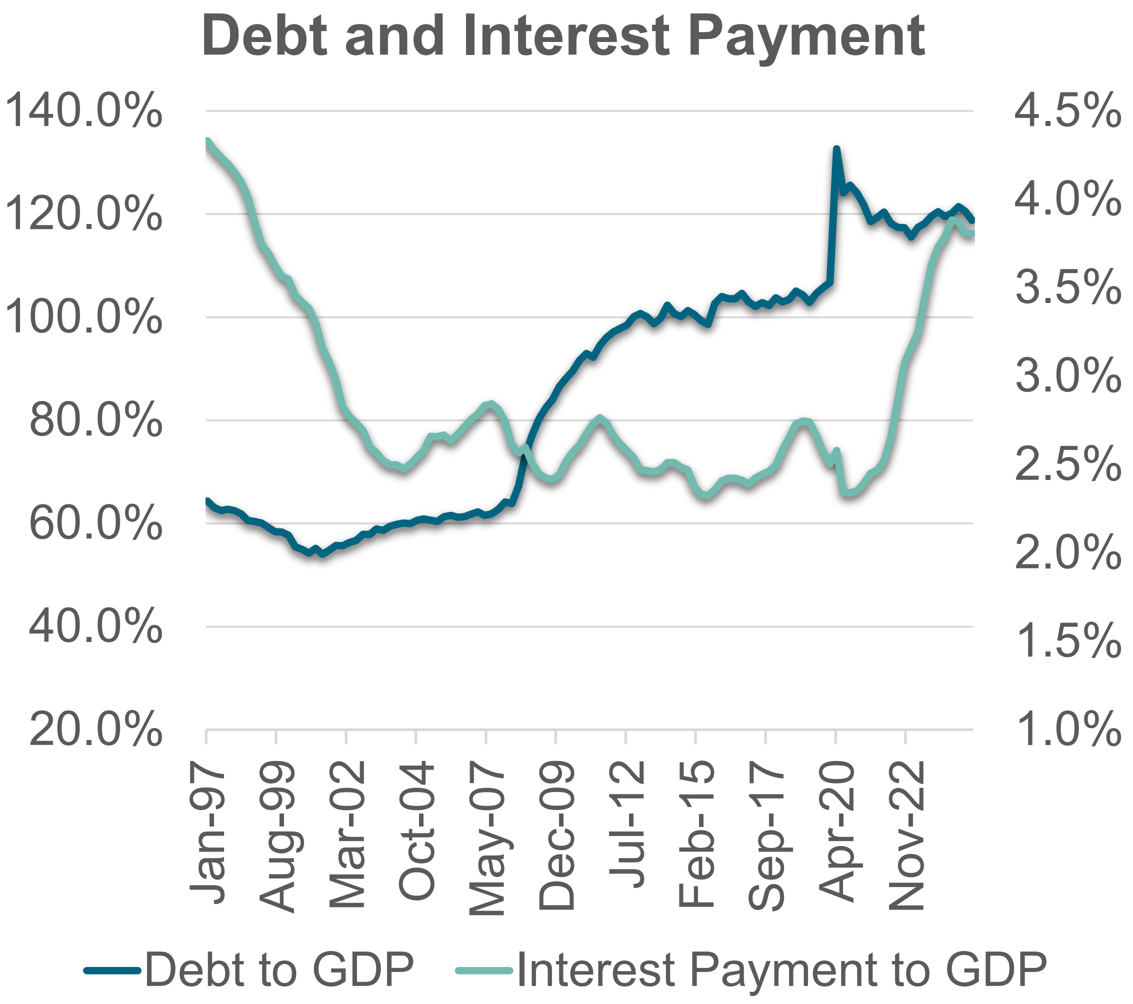
How does it break?

Rates Rise

- Decline in equity markets spurs retraction of foreign capital
- Resultant impact causes deficit to increase just through interest payments—the public debt death spiral
- Fed impact: negligible

What then?

- Increase taxes / Cut spending popping household financial strength
- Cascades through state and local governments
- Federal Reserve rides to the “rescue” with more QE and inflation?



Revenue Forecast

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Assessed Value ($ Mil)	278,835.7	290,661.0	302,263.8	314,565.0	328,442.5
Growth (%)	4.6	4.2	4.0	4.1	4.4
Property Tax ($ Mil)	542.3	562.5	585.5	608.9	633.5
Growth (%)	3.6	3.7	4.1	4.0	4.0
Taxable Sales ($ Thous)	21,896,876.0	21,732,397.0	21,992,818.0	22,349,436.0	22,574,098.0
Growth (%)	-2.0	-0.8	1.2	1.6	1.0
Sales and Use Tax	19,818,633.6	20,056,457.2	20,490,075.5	21,072,023.5	21,568,826.2
Growth (%)	-14.9	1.2	2.2	2.8	2.4
Measure X	120,233,056.0	120,257,102.6	122,857,047.5	126,346,366.3	129,325,160.2
Growth (%)	-0.9	0.0	2.2	2.8	2.4

Growing Risks

Economic Trends: Picking Up

- Drags: reduced labor supply, political and economic uncertainty
- S
- M

Cal

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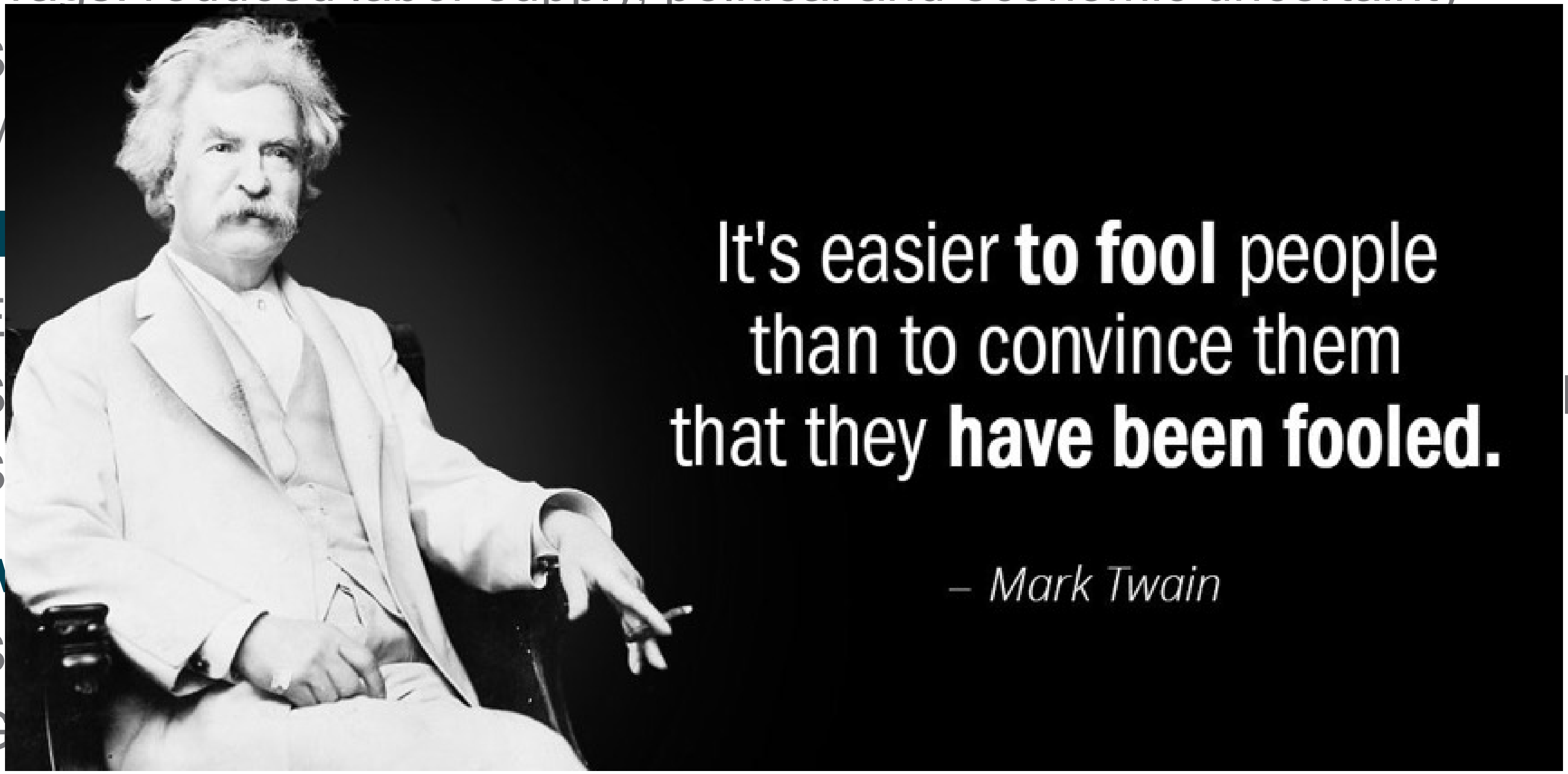

The AI revolution?

- Transformative technologies and financial bubbles go hand-in-hand
- Big question—will AI have a bigger impact on the economy or the narrative?

For a copy of slides, please use the QR Code

Or contact:
Kristen@beaconecon.com

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