

CITY OF SANTA ROSA: ECONOMIC DEVELOPMENT SUBCOMMITTEE PRESENTATION

SANTA ROSA, CA

DECEMBER 2025

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US Macro Forecast: Business Climate

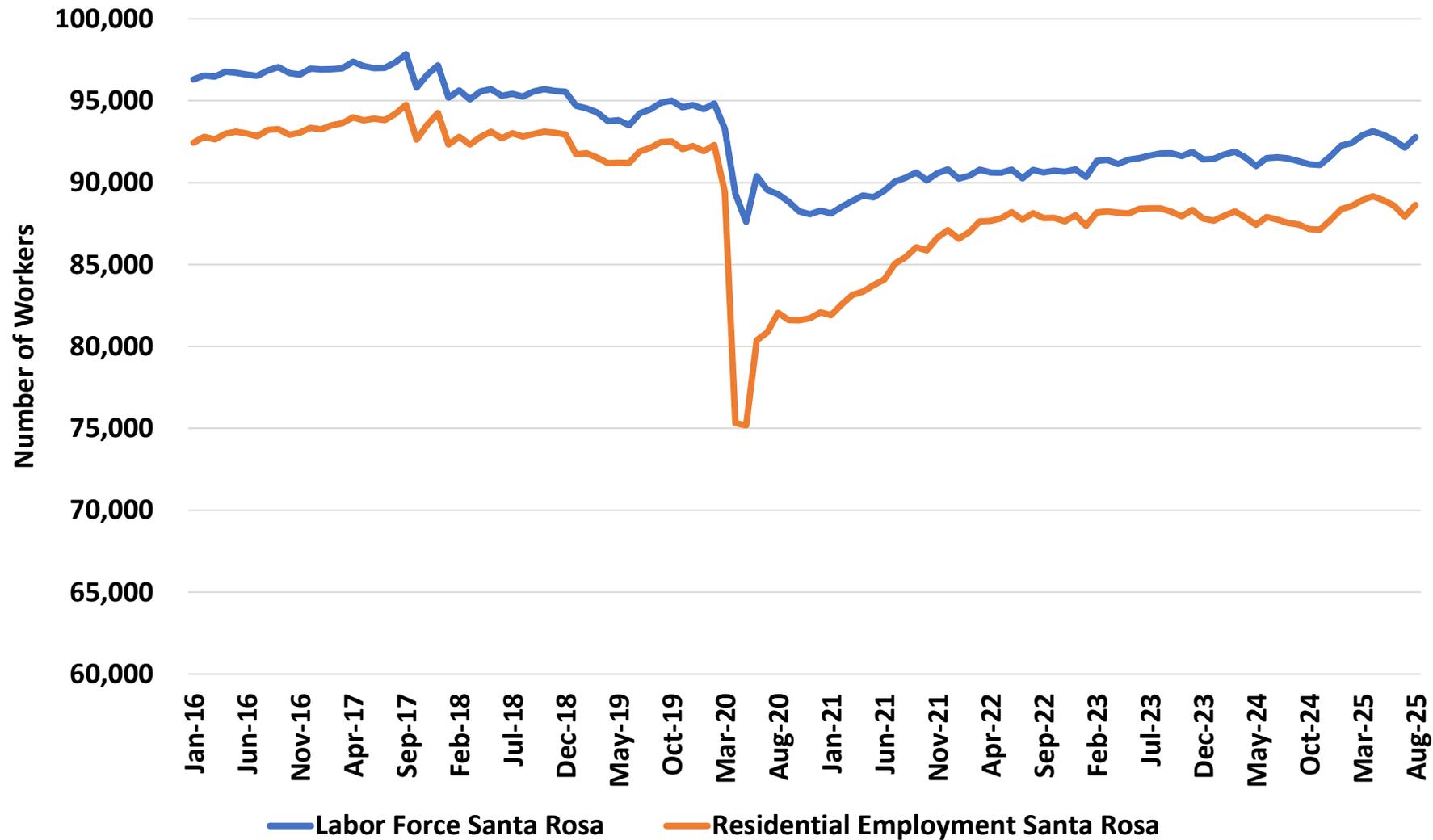
These data are from November 2025: Data from Q3 2025

**Bottom Line: No recession in forecast...yet
(15% for 2026, less than previous quarter)**

	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
	Previous	New	Previous	New	Previous	New
2025	1.7	1.9	4.2	4.2	3.0	2.9
2026	1.6	1.8	4.5	4.5	2.5	2.7
2027	2.1	2.1	4.4	4.4	2.1	2.3
2028	1.8	1.8	4.3	4.3	N/A	N/A

Residential Labor Force and Employment Levels

January 2016 to August 2025

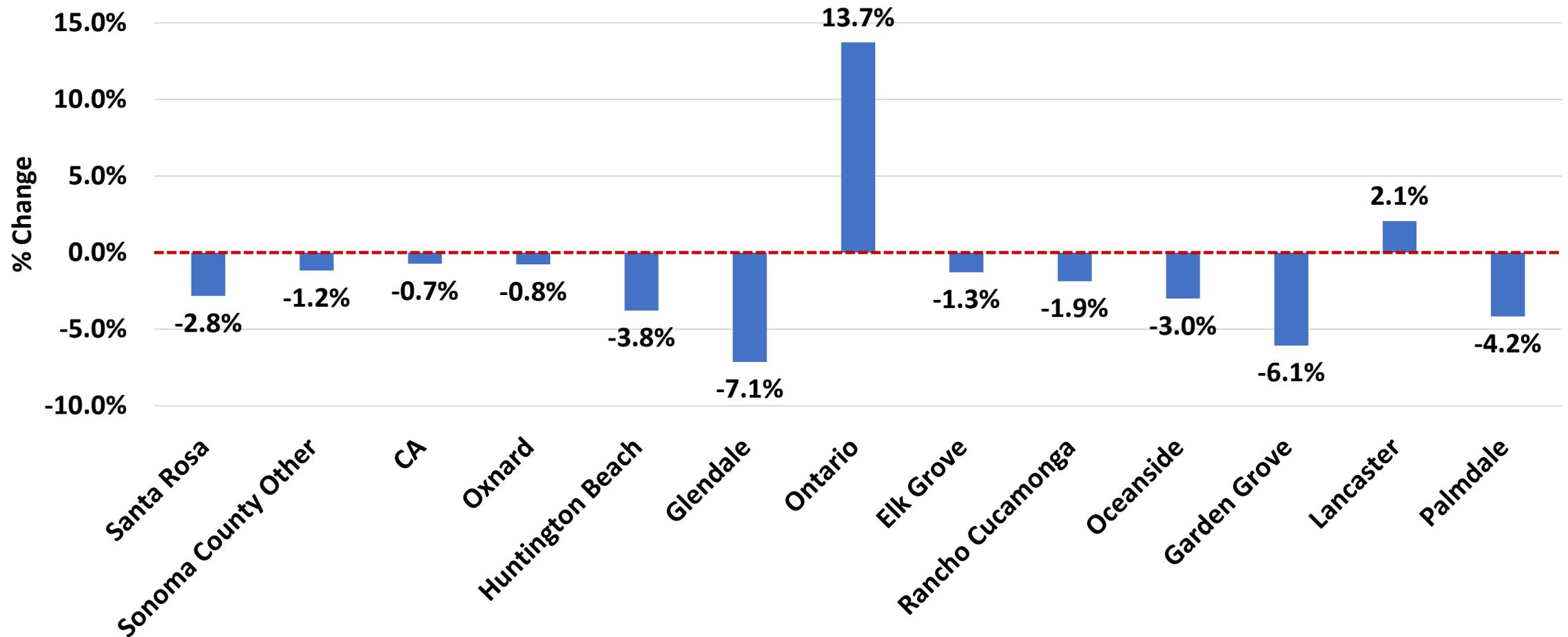


Santa Rosa unemployment
rate = 4.5%

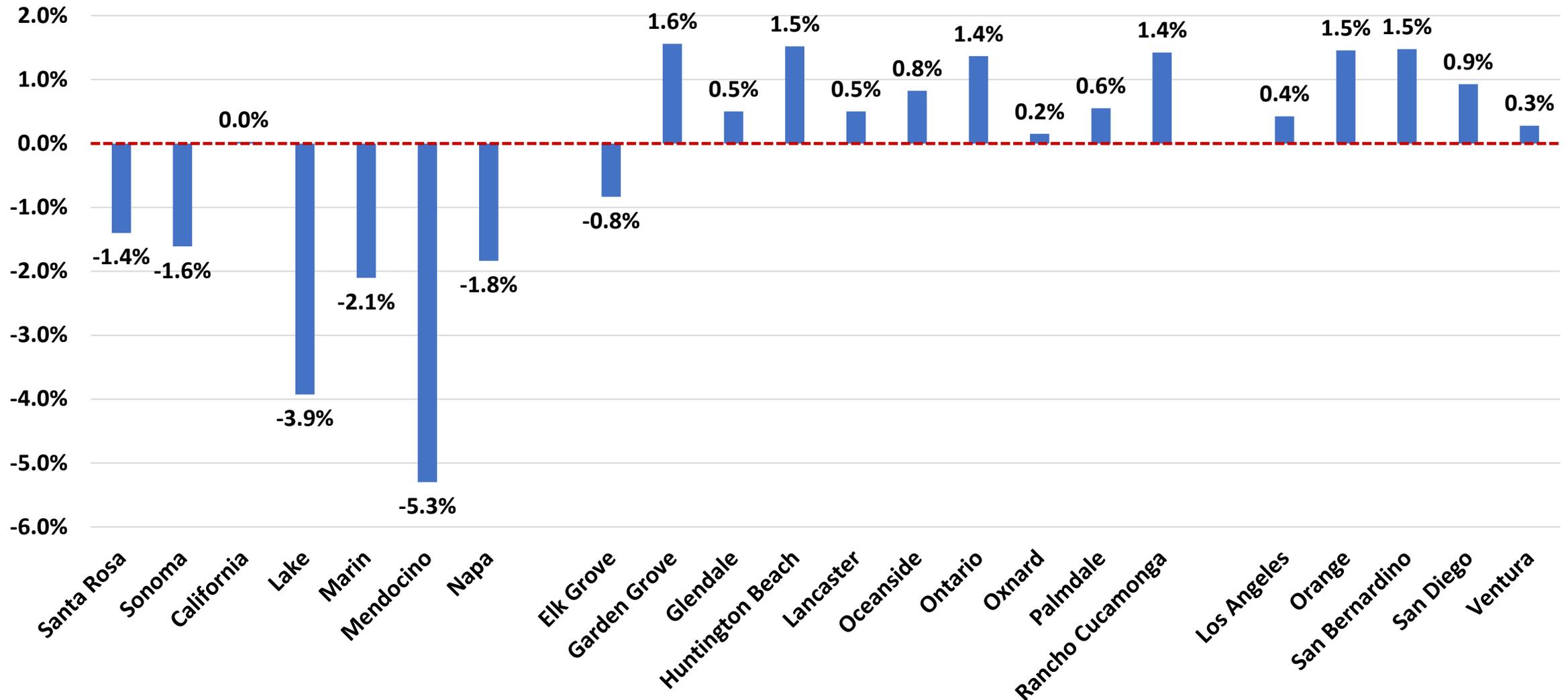
Sonoma County = 4.5%

California 5.5%

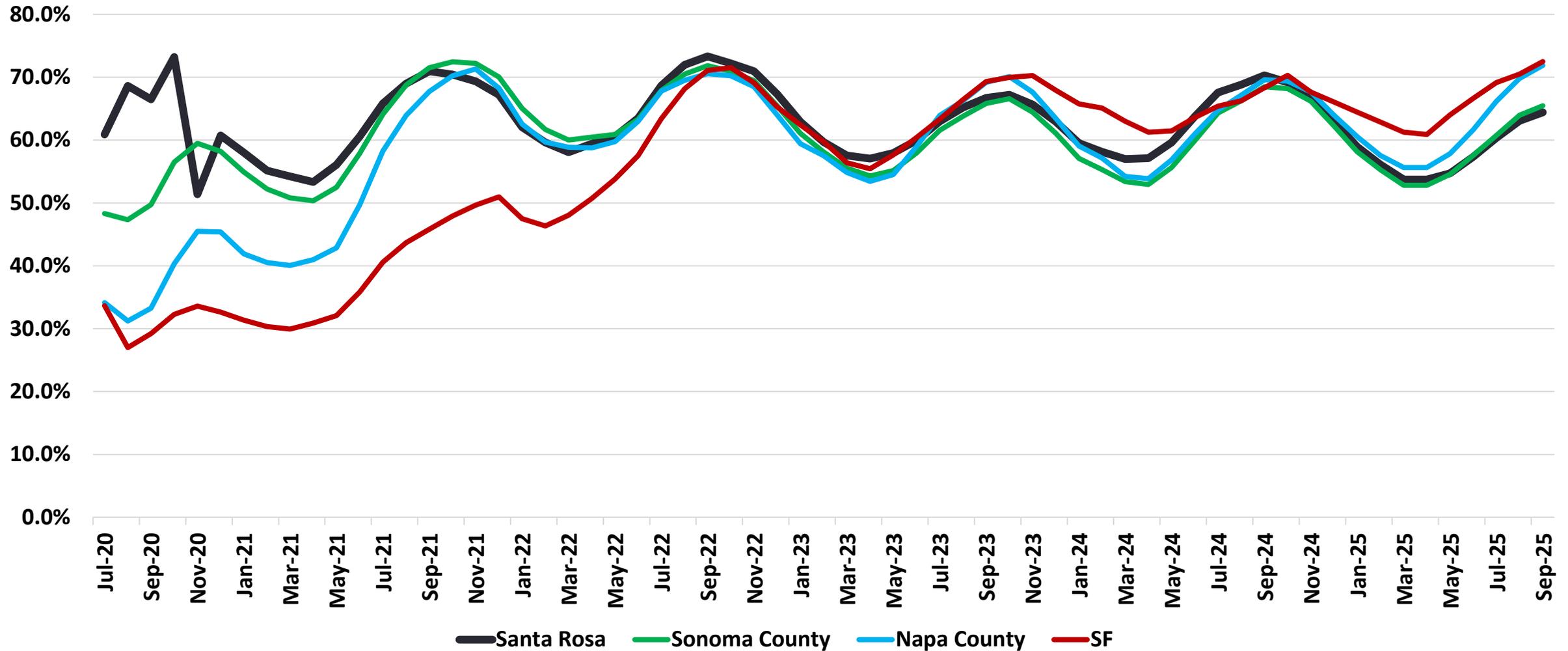
Taxable Sales, % Change from Q2 2024 to Q2 2025 (Annualized Totals) Current Dollars, Santa Rosa, Sonoma County otherwise, California, and Comparison Areas



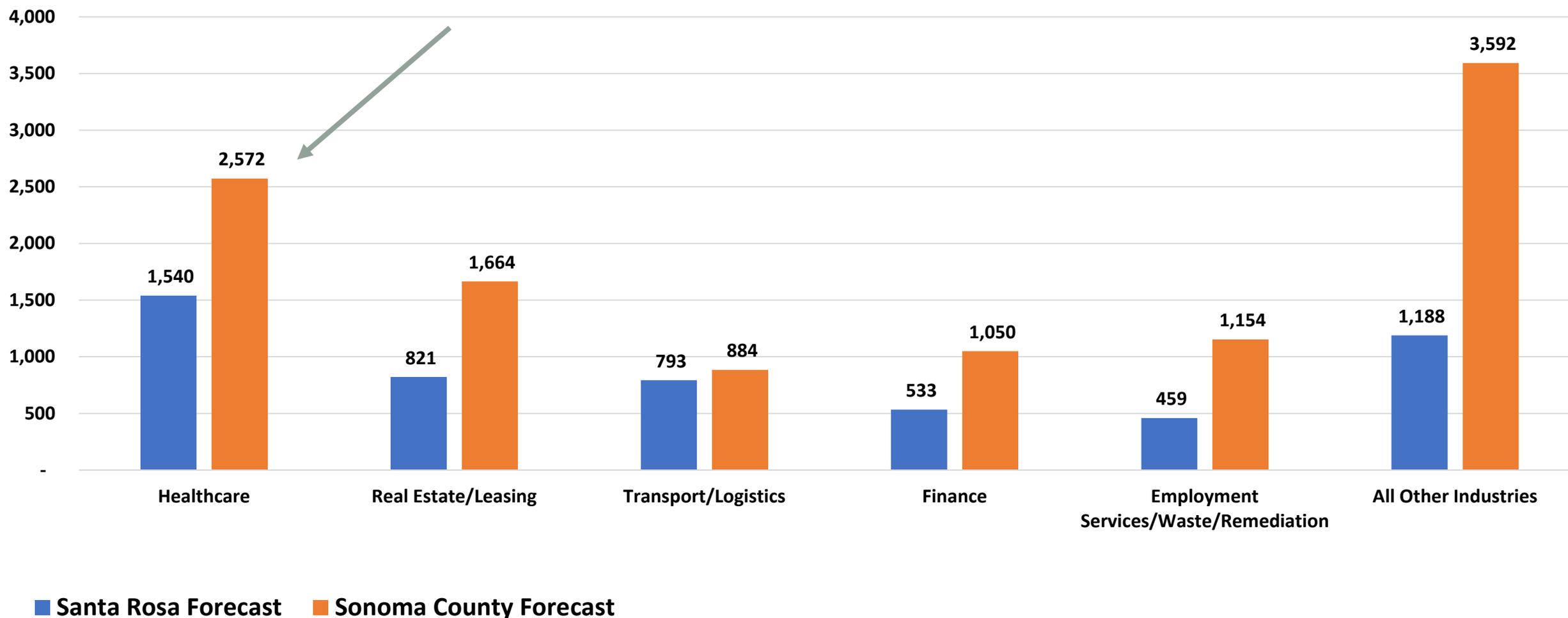
Housing Markets: Forecast to October 2026, % Change in Median Home Prices, Napa and Selected Comparison Areas, as of October 2025



Occupancy Rates and Average Daily Rates, Napa, July 2020 to Sept 2025, Monthly, Six-Month Moving Average



Jobs Forecast to 2030: Santa Rosa Compared to Sonoma County County, Number of Workers (+5,350 in Santa Rosa overall)



Santa Rosa: Things to Watch as 2026 Approaches

- Taxable sales across the city economy during holiday season: a sign of things to come?
- Business entry and exit: macroeconomic pressures on smaller businesses
- Healthcare's dominance to 2030: broader effects
- National- and state-level issues: watching for light stagflation symptoms

Four key items for Santa Rosa:

- Continued housing market pressure: rents still rising as housing prices flatten
- Retail pressures: tariffs flow through local retail as a regressive tax
- Can manufacturing rise and diversify in Santa Rosa as a hub?
- Wine industry concerns and Santa Rosa: differences between ag and visitors