

SECTION I. ECONOMIC OVERVIEW & STRATEGIC FRAMEWORK

Section I. Economic Overview and Strategic Framework provides an overview of Stanislaus County's economic conditions, which is described in detail in Appendix B Economic Conditions. It summarizes key economic trends since 2019, including job growth, income shifts, sector performance, and regional challenges. This section also overviews research, plans, work efforts already in place shaping the strategic direction context to align, complement and leverage and build on those efforts already underway.

Summary Background

1. Stanislaus County a Key Central Valley Location

Stanislaus County is located in the heart of California's Central Valley—one of the most productive agricultural regions in the world. Its central position offers strategic access to major population centers, transportation networks, and emerging innovation corridors that are shaping the region's future economy.

- **Central Location:** Approximately 90 miles east of San Francisco and 60 miles south of Sacramento, the county offers proximity to major markets while maintaining a strong agricultural and community-based identity.
- **Population:** Home to more than 552,000 residents, the county includes a blend of urban centers, corridor cities, and small rural communities.
- **Cities and Communities:** The county includes nine incorporated cities—including the urban core of Modesto; corridor cities like Turlock, Ceres, and Patterson; and smaller communities such as Hughson, Oakdale, Riverbank, Waterford, and Newman. It also encompasses nine unincorporated communities such as Salida, Keyes, Denair, and Crows Landing.
- **Transportation Corridors:** The county is served by two major north-south transportation routes—Interstate 5 and State Route 99—as well as key east-west connectors like State Routes 132 and 120, supporting regional freight, commuting, and logistics.
- **Education and Health Infrastructure:** California State University, Stanislaus in Turlock contributes to regional talent and research capacity. The county also serves as a healthcare hub for the surrounding area, with a growing concentration of medical facilities and services.
- **Economic Role:** Stanislaus County anchors a major segment of the North San Joaquin Valley economy, with leading industries in agriculture, food processing, logistics, and advanced manufacturing. It is also emerging as a center of innovation in the bioeconomy, driven by partnerships through initiatives like BEAM and investments in circular economy technologies.

2. Stanislaus Economic Trends show Resilience

Stanislaus County has shown strong economic recovery and sector growth since the pandemic, with clear signs of resilience and opportunity—though structural challenges remain. See Appendix Economic Condition for Detailed Report.

Key Economic Trends (2019–2024):

- **Real Gross Regional Product (GRP):**
↑ +2.2% after inflation (2019–2022) – now above pre-pandemic levels.
- **Employment Recovery:**
Jobs lost during pandemic were fully recovered by 2022, with continued growth to 2024 in key sectors:
 - **Food Manufacturing:**
+3,100 jobs — This has been the strongest area of growth, contributing significantly to the region’s “traded” economy and strengthening economic resilience.
 - **Healthcare:**
Substantial job gains (nearly 4,000) as demand for health services increased both during and after the pandemic, particularly in elder care and support services.
 - **Warehousing & Logistics:**
Strong post-pandemic growth, +2,000 job, due to e-commerce and distribution expansion. This includes long-haul and last-mile delivery roles.
 - **Hospitality (Hotels & Restaurants):**
Recovery from pandemic lows brought job increases, +1,500, as travel and local dining resumed.

Sectors with job losses include:

- **Professional Services:**
Declines noted, likely reflecting remote work trends and slower recovery in office-based employment typical in suburban and rural California areas.
- **Wholesale Trade:**
Also saw some declines, mirroring statewide patterns related to supply chain adjustments and consolidation.
- **Labor Force Participation:**
Increasing steadily since 2021, an indication the return of previously discouraged workers.
- **Unemployment:**
Fell from pandemic highs (double digits) to ~7.3% (2023)—still above state/national averages but trending down.
- **Median Household Income:**
Increased by nearly 10% since 2019—but disparities persist by geography and race/ethnicity.
- **Wage & Equity Gaps:**
Despite income gains, disparities remain in wages, job access, and educational attainment.

Structural Conditions and Barriers:

- **Shovel-Ready Sites:**
Shortage of infrastructure-ready industrial and commercial sites is a barrier to business expansion and attraction.
- **Housing Affordability:**
Home prices have risen faster than incomes; rent burden remains high for low-income households.
- **Broadband & Transportation Access:**
Connectivity and mobility constraints in smaller cities limit access to jobs and services.
- **Sector Dependence:**
Agriculture remains a major economic engine but is highly exposed to drought, climate variability, and market volatility.

3. Regional Plans Highlight Forward-Thinking, Action Oriented

This strategy builds upon over 30 local, regional, and state-level plans reviewed throughout the CEDS process. Three recent documents provided guiding directions:

- *Stanislaus 2030 Investment Blueprint* – A countywide, community-engaged initiative defining broader strategies for equitable growth and address challenges and disparities.
- *THRIVE (North San Joaquin Valley Jobs First Plan)* – A multi-county framework of strategies, coordination, and development across Merced, Stanislaus, and San Joaquin counties.
- *The People's Plan for Economic Justice* – A community-led report highlighting priorities of historically underserved populations and communities reinforcing the importance of equity and inclusion in all planning efforts.

Other key documents inform the CEDS include local general plans, regional infrastructure assessments, transportation studies, and workforce development plans.

4. Engaging Stakeholder and Public Input

Stakeholder input was a critical component of the planning process. Outreach included:

- Structured interviews and calls with city staff, county departments, utility providers, workforce and economic development leaders, and regional organizations.
- One-on-one interviews with members of the Economic Development Advisory Committee (EDAC), a countywide committee representing all nine cities, County and key organizations.

The EDAC provided guidance during the preparation of the plan at public meetings, and it is posted for public access and comment to ensure it reflects regional needs and values.

5. Process has Informed the Strategic Direction

The insights from data analysis, regional plans, and community input directly shaped the strategy's vision, guiding principles, and five overarching goals. These focus on expanding investment-ready sites, growing sectors and businesses, aligning talent with industry, supporting entrepreneurship, and ensuring equitable, collaborative development.