

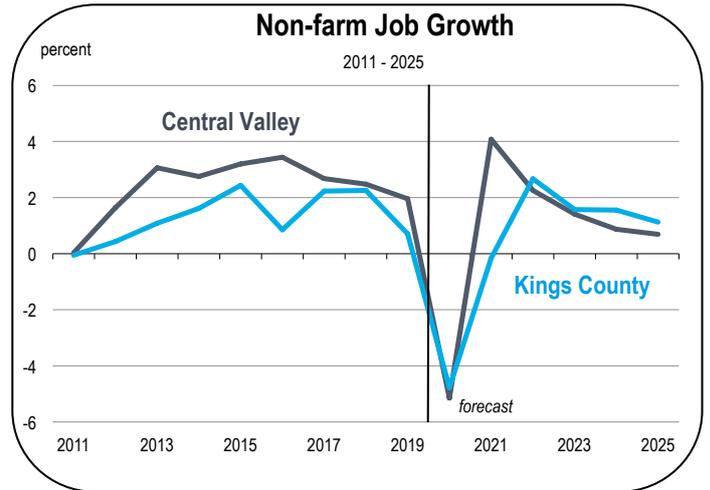
Kings County Economic Forecast

Forecast Summary

- It is estimated that an average of 1,500 to 2,500 jobs will be lost in Kings County during 2020. Job losses will be heavy in the first half of the year, rebounding in the second half.
- Employment losses will be largest in leisure services, private education and healthcare, and government.
- The unemployment rate averaged 7.9 percent in 2019. It will average somewhere between 13 percent and 16 percent for the 2020 calendar year.
- The Kings County population is expected to grow at a slower rate than the broader Central Valley during most of the forecast period.
- Home values are not expected to change much in 2020 or 2021.
- Housing production during the 2020-2025 forecast period is expected to be similar to the 2014-2019 period.

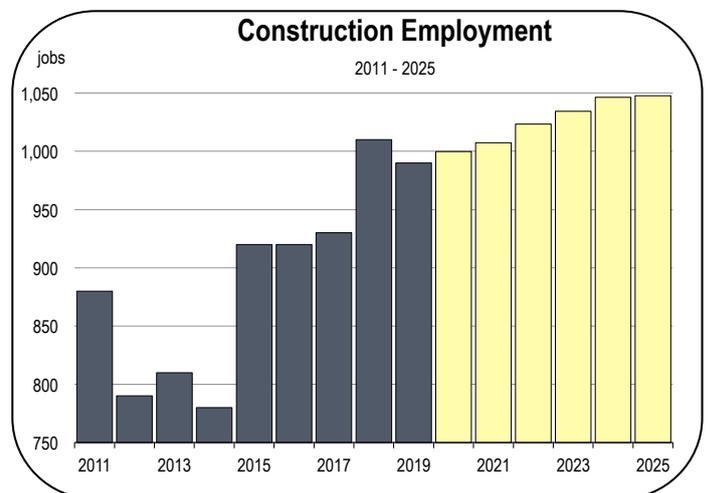
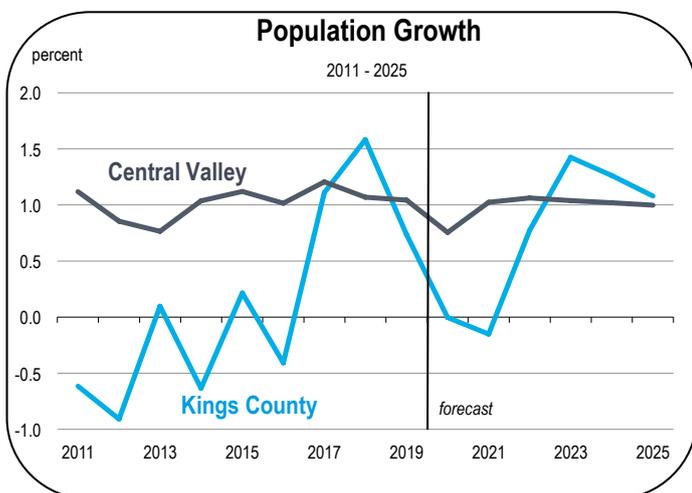
Job Growth

- Total employment in the County will decline between 3 and 5 percent in 2020. This is an annual average change from 2019.
- In 2021, job growth is expected to be minimal in Kings County. In 2022, a labor market rebound is expected to begin.

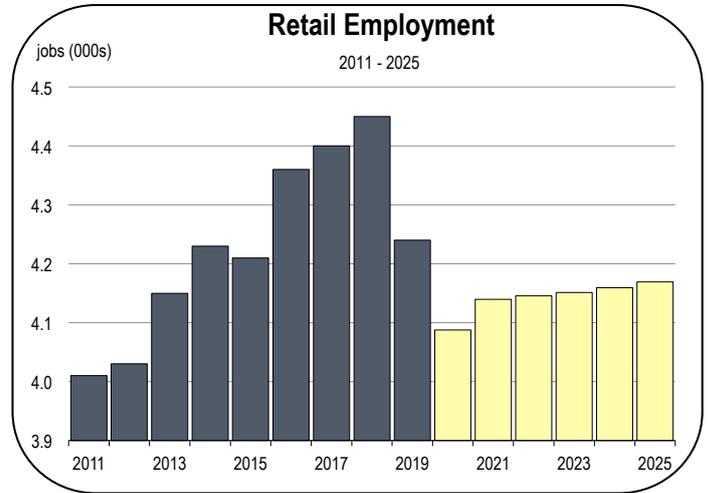
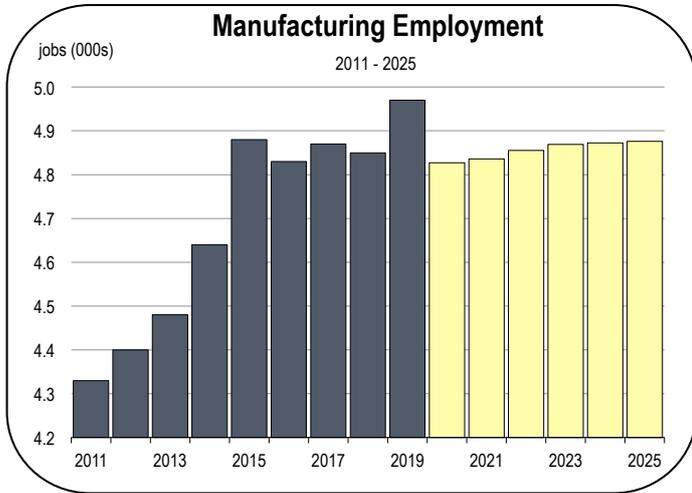


Construction Employment

- Most California construction activity was deemed non-essential for several weeks in March and April, leading to construction layoffs.
- Restrictions on construction were lifted in late April, and building activity began to rebound in the spring and summer.
- The construction sector is expected to expand slowly during the 2020-2025 forecast period.



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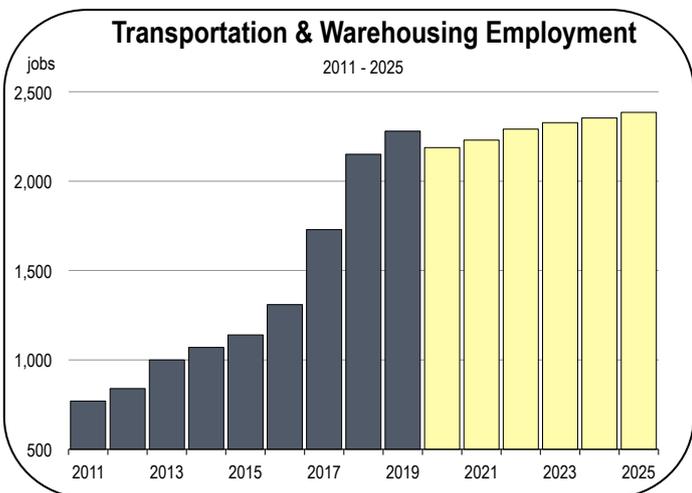


Manufacturing Employment

- Kings County has a heavy concentration in food and beverage manufacturing firms, which turn agricultural commodities into finished food products.
- Manufacturing employment declined by approximately 300 jobs during the second quarter of 2020. It is expected to rebound slowly during 2021 and 2022.

Transportation and Warehousing Employment

- Most transportation jobs in Kings County are in trucking, where firms deliver goods to and from businesses within the county and across California.
- Transportation employment declined in March and April but began to expand again in May during Phase 2 of California’s restart, and is expected to rebound further in 2021.

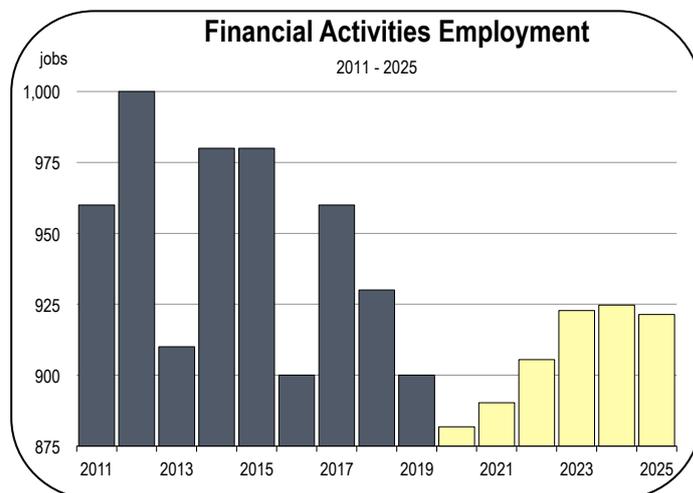
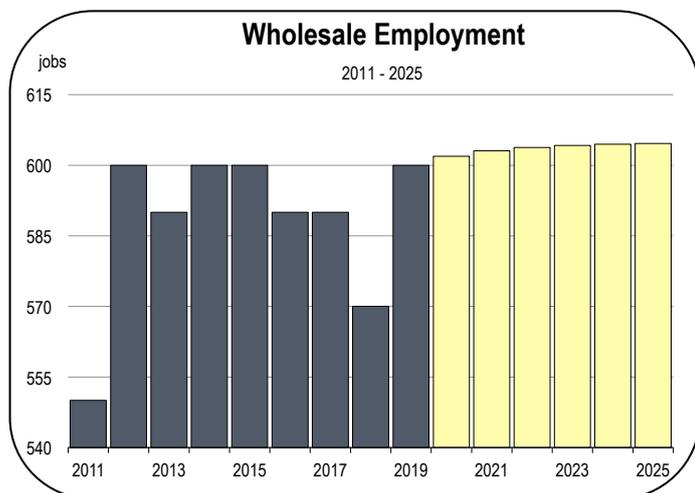


Retail Trade Employment

- The retail sector is expected to lose more than 100 jobs in 2020 on an annual average basis.
- Many retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.
- Accounting for furloughed workers, more than 400 retail workers could be effectively not working and not earning an income on an annual average basis in 2020.
- It is unknown when and if retail employment will eclipse pre-recession levels because of the strengthening demand trend towards online purchasing.

Retail Trade / Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Department Stores & Retail Supercenters	1,100	26.2%
Food & Beverage Stores	900	21.4%
Car Dealers	500	11.9%
Hardware & Home Improvement Stores	300	7.1%
Clothing & Accessories Stores	300	7.1%
Personal Care & Drug Stores	300	7.1%
Gas Stations	200	4.8%
Electronics & Appliances Stores	200	4.8%
Other	400	9.5%

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Wholesale Trade Employment

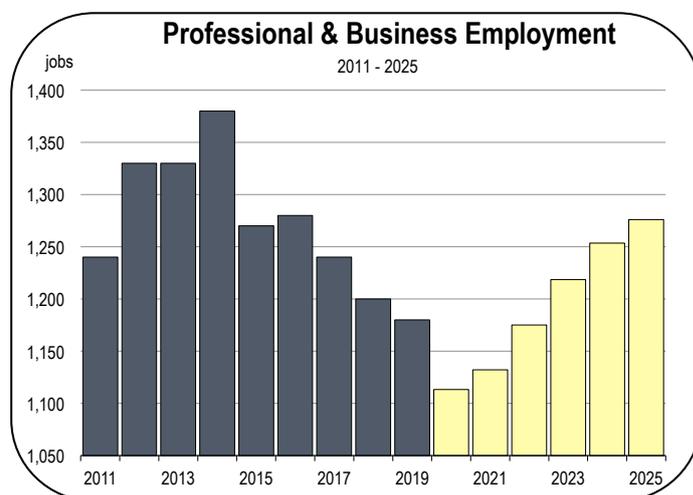
- Wholesale trade employment is not expected to decline in 2020.
- The wholesale sector did not lose any jobs during the peak of the Coronavirus Recession, which occurred in March and April of 2020.
- Wholesale employment is unlikely to increase substantially during the 2020-2025 forecast period.

Financial Activities Employment

- Job declines are expected in 2020 because some employers closed, committing their employees to shelter-in-place for health reasons.
- The most prominent losses were observed in real estate sales and lending.
- In 2020 there have been far fewer homes on the market than there were last year, which should translate into fewer home sales, reducing the need for real estate agents and mortgage brokers.
- Banks also reduced their head counts in 2020 due to a temporary reduction of in-person branch visits.
- Financial Activities companies are expected to re-gain a meaningful number of through 2021 and 2022.

Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each will be impacted differently during the shutdown and recovery phases of 2020 and 2021.
- Jobs in building maintenance declined substantially during the shutdowns but began to rebound at office and industrial buildings with repopulating employment.



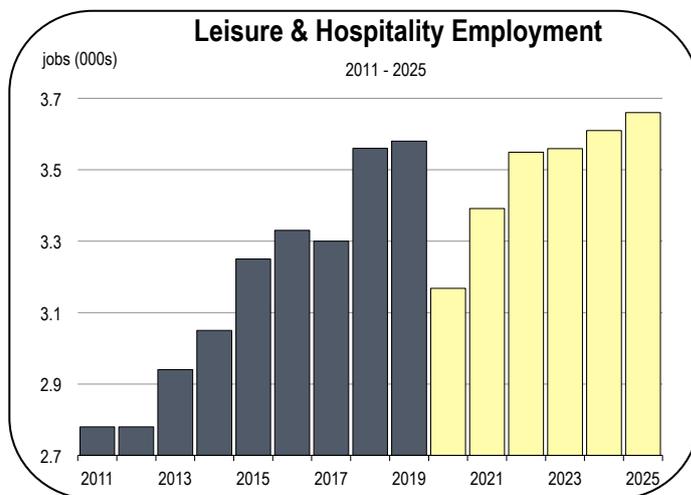
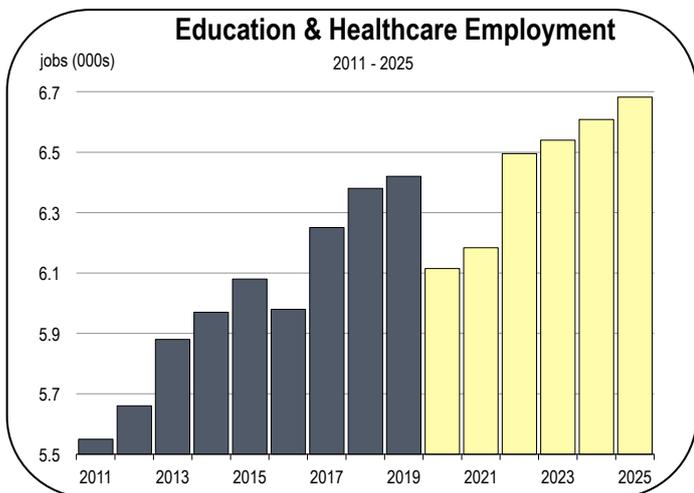
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Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	200	16.7%
Law	100	8.3%
Accounting & Bookkeeping	100	8.3%
Custom IT Services	100	8.3%
Corporate Headquarters	100	8.3%
Engineering & Architecture	50	4.2%
Business & Technical Consulting	50	4.2%
Staffing Agencies	50	4.2%
Veterinary Services	50	4.2%
Other	400	33.3%

- Losses were observed in staffing agencies in 2020. Staffing agencies work with temporary employees. Temps are typically the first to be laid off during a recession and the first to be re-hired during a recovery.
- Aside from building maintenance and staffing services, most subsectors of the professional business services industry were able to operate remotely and were less affected by the Coronavirus Recession.

Private Education and Healthcare Employment

- There were 4,000 healthcare jobs in Kings County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and hospitals reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.



- There were approximately 2,300 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.
- There were only 100 jobs in private schools, tutoring services, and other private educational organizations.
- Jobs in social assistance and education were mostly classified as essential. Nevertheless, there were layoffs at institutions with revenue shortfalls.

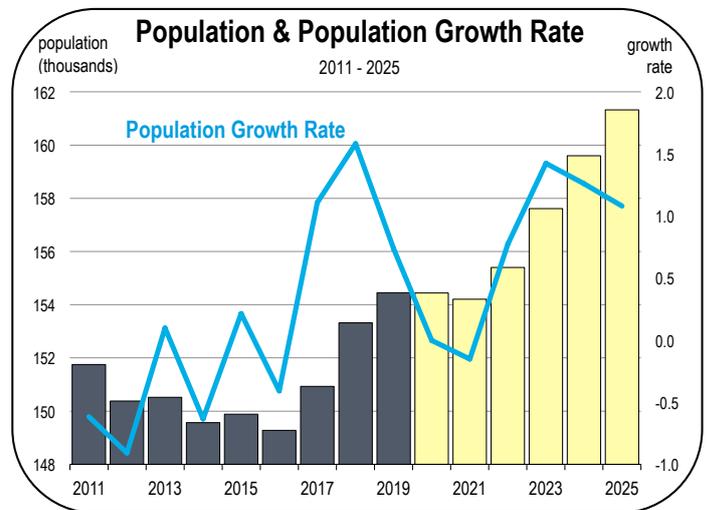
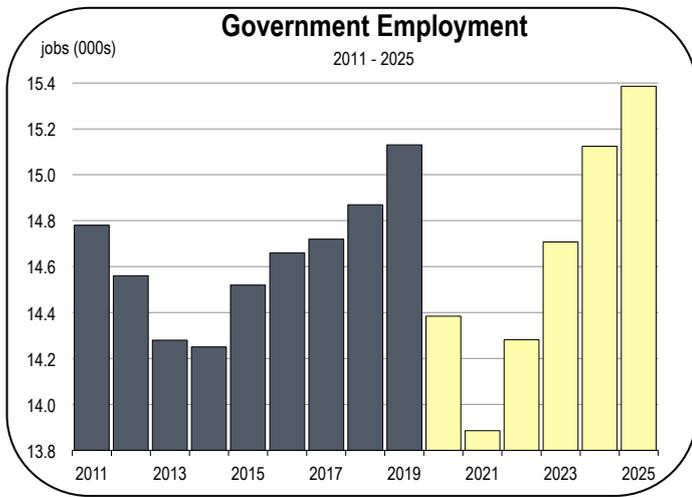
Leisure and Hospitality Employment

- The leisure and hospitality industry was devastated by the Coronavirus Recession more than any other sector of the labor market.
- In 2019, Kings County had 3,300 jobs in restaurants, hotels, and bars. Our research indicates that 95 percent were laid off, furloughed, or had their hours cut in the months of March and April.
- Jobs in restaurants began to slowly return in the summer and fall months of 2020, but may not return to pre-pandemic levels for several years.
- Kings County also had 300 jobs in entertainment and recreation in 2019, including things like fitness centers and golf courses. Many of these organizations will operate at reduced capacities through the end of 2020 and potentially into 2021.

Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough

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days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.

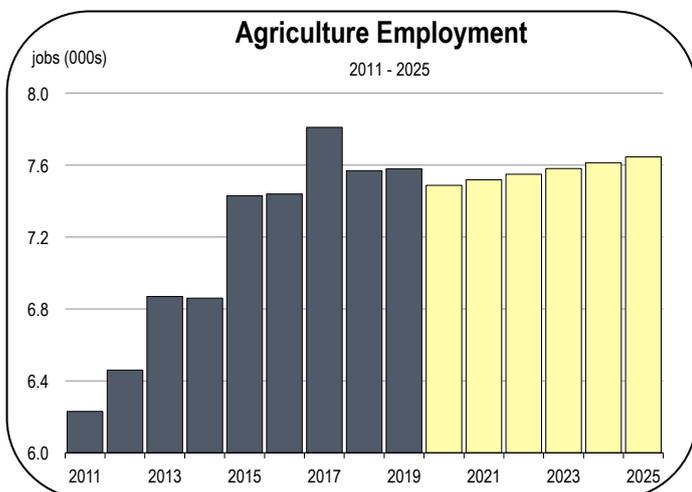
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.

Agriculture Employment

- The agriculture industry lost 600 jobs in March and April of 2020, but employment began to rebound in May and June.
- The agriculture sector is expected to grow slowly during the 2020-2025 forecast period.

Population Growth

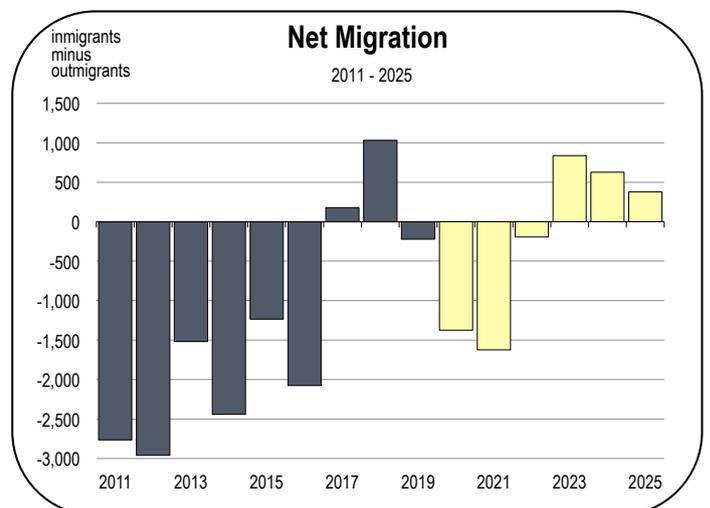
- The Kings County population is expected to expand more slowly than the Central Valley average between 2020 and 2025.



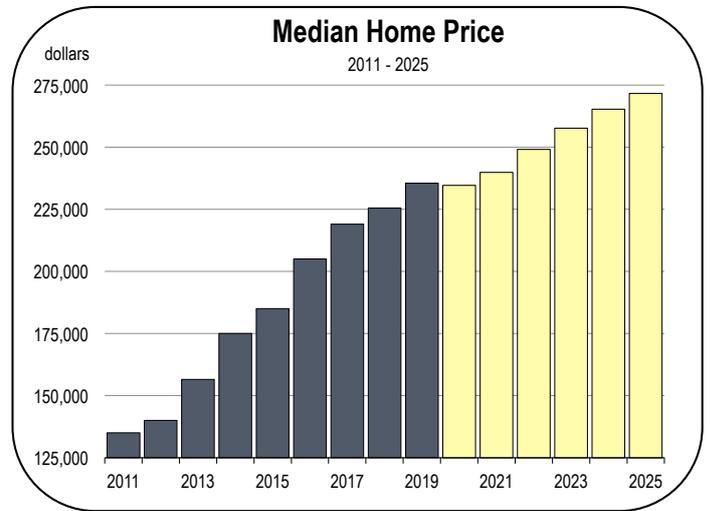
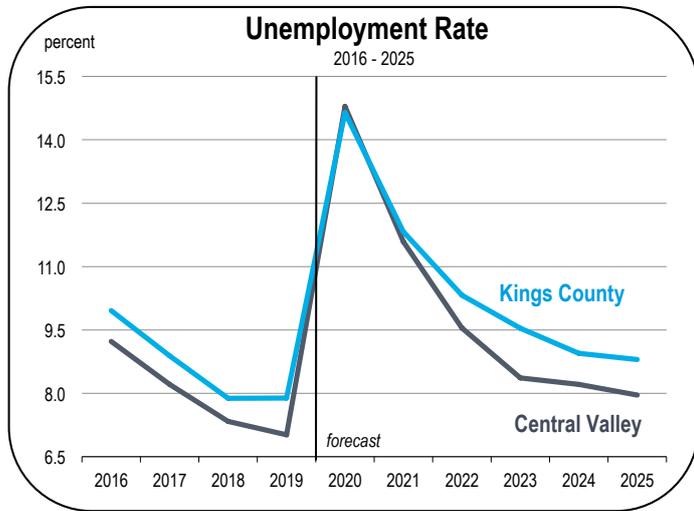
- Net migration is expected to be negative during the first half of the forecast period, with more residents moving out of the county than moving in.
- Kings County has a young population with a high birth rate, and births will account for the majority of all population growth between 2020 and 2025.
- The population will expand at an annual average rate of 0.7 percent per year from 2020 to 2025. By 2025 the Kings County population will surpass 160,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Kings County averaged 6.9 percent in 2019, which was similar to the composite rate for the Central Valley.
- The unemployment rate is expected to average between 13 and 16 percent in 2020.



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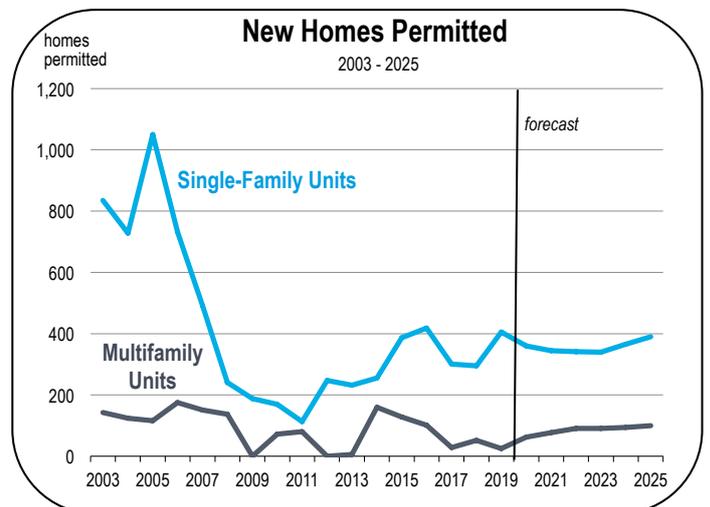
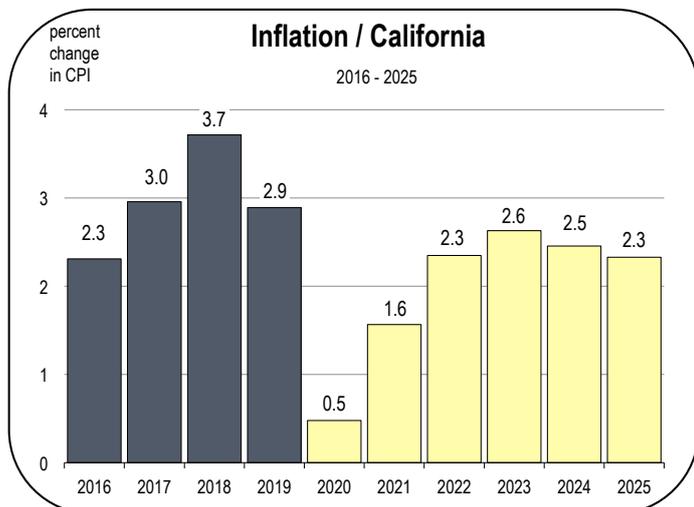
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year. Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

markets like San Francisco, housing costs often account for more than 50 percent of household income.

- From 2014 to 2019, an average of 425 new homes were started per year in Kings County. Most were single-family homes.
- Housing production is expected to average 445 homes per year from 2020 to 2025, consisting mostly of single-family homes.
- The largest project in Kings County is Rio Mesa, a massive development near Highway 41 and the Fresno County border. The project contains 33,000 homes (18,000 have been approved).
- It could accommodate up to 120,000 residents, virtually doubling the county's population.
- Several neighborhoods in the project area are under construction, but complete buildout is not expected for approximately 30 years.
- In addition to 30,000 homes, Rio Mesa will produce new schools, parks, and millions of square feet of commercial space.

Home Prices and New Housing Production

- In 2019 the median home price in Kings County was \$235,500. The median price is not expected to change much in 2020 or 2021.
- Homes in Kings County are more affordable than homes across California, especially Coastal California. In Kings County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California, the typical household spends more than 35 percent of its income on housing costs, and in very expensive



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Economic Indicators

2015-2019 History, 2020-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	149,887	42.4	-1,235	515	110	\$4.9	\$1.0	\$1.7	\$0.9	\$36,726	10.5	\$2.3	1.4
2016	149,274	42.7	-2,077	519	113	\$5.0	\$1.1	\$1.7	\$0.9	\$36,821	10.0	\$2.2	2.3
2017	150,929	43.1	179	329	114	\$5.1	\$1.2	\$1.7	\$0.9	\$36,336	8.9	\$2.2	3.0
2018	153,318	43.3	1,031	347	115	\$5.3	\$1.2	\$1.7	\$0.9	\$35,864	7.9	\$2.4	3.7
2019	154,446	43.6	-221	430	119	\$5.8	\$1.3	\$1.8	\$1.0	\$37,328	7.9	\$2.3	2.9
2020	154,441	44.1	-1,375	423	120	\$5.7	\$1.1	\$1.6	\$1.0	\$36,801	14.6	\$2.3	0.5
2021	154,207	44.5	-1,624	422	121	\$5.7	\$1.2	\$1.7	\$1.0	\$36,042	11.8	\$2.3	1.6
2022	155,400	44.9	-193	432	122	\$6.0	\$1.3	\$1.8	\$1.0	\$36,867	10.3	\$2.3	2.3
2023	157,613	45.4	837	430	123	\$6.3	\$1.3	\$1.9	\$1.0	\$37,133	9.5	\$2.4	2.6
2024	159,600	45.8	627	460	124	\$6.6	\$1.4	\$2.0	\$1.0	\$37,619	8.9	\$2.4	2.5
2025	161,324	46.2	378	489	126	\$6.9	\$1.4	\$2.0	\$1.1	\$38,090	8.8	\$2.4	2.3
2026	162,701	46.7	46	492	127	\$7.2	\$1.5	\$2.1	\$1.1	\$38,547	8.5	\$2.4	2.3
2027	164,078	47.2	52	490	128	\$7.5	\$1.5	\$2.1	\$1.1	\$38,999	8.4	\$2.4	2.2
2028	165,367	47.6	-12	485	130	\$7.8	\$1.5	\$2.2	\$1.1	\$39,458	8.3	\$2.5	2.2
2029	166,664	48.1	30	481	131	\$8.1	\$1.6	\$2.2	\$1.1	\$39,707	8.1	\$2.5	2.3
2030	167,858	48.6	-48	477	133	\$8.4	\$1.6	\$2.3	\$1.1	\$40,010	8.0	\$2.5	2.2
2031	168,989	49.0	-76	476	134	\$8.7	\$1.7	\$2.4	\$1.2	\$40,344	7.9	\$2.5	2.1
2032	169,957	49.5	-216	472	135	\$9.0	\$1.7	\$2.4	\$1.2	\$40,592	7.8	\$2.5	2.3
2033	170,861	50.0	-245	470	137	\$9.4	\$1.7	\$2.5	\$1.2	\$41,044	7.9	\$2.6	1.9
2034	171,821	50.4	-144	465	138	\$9.7	\$1.8	\$2.6	\$1.2	\$41,432	8.0	\$2.6	2.1
2035	172,858	50.9	-33	463	140	\$10.1	\$1.8	\$2.6	\$1.2	\$41,789	8.1	\$2.6	2.2
2036	173,884	51.3	-3	463	141	\$10.4	\$1.9	\$2.7	\$1.2	\$42,007	8.2	\$2.6	2.6
2037	174,880	51.7	-3	463	143	\$10.8	\$2.0	\$2.8	\$1.3	\$42,217	8.2	\$2.7	2.7
2038	175,794	52.2	-52	463	144	\$11.3	\$2.0	\$2.9	\$1.3	\$42,524	8.2	\$2.7	2.5
2039	176,660	52.6	-76	462	145	\$11.7	\$2.1	\$3.0	\$1.3	\$42,775	8.3	\$2.7	2.7
2040	177,464	53.1	-102	459	146	\$12.1	\$2.1	\$3.1	\$1.3	\$43,060	8.3	\$2.7	2.6
2041	178,248	53.5	-103	457	148	\$12.6	\$2.2	\$3.1	\$1.3	\$43,485	8.4	\$2.8	2.2
2042	178,906	54.0	-204	454	149	\$13.0	\$2.2	\$3.2	\$1.3	\$43,963	8.4	\$2.8	2.1
2043	179,531	54.4	-233	453	151	\$13.5	\$2.3	\$3.3	\$1.4	\$44,473	8.5	\$2.8	2.0
2044	180,285	54.8	-94	449	152	\$13.9	\$2.3	\$3.4	\$1.4	\$45,022	8.4	\$2.9	1.8
2045	181,087	55.3	-33	447	154	\$14.4	\$2.4	\$3.4	\$1.4	\$45,517	8.2	\$2.9	1.9
2046	181,924	55.7	4	448	155	\$14.9	\$2.5	\$3.5	\$1.4	\$45,953	8.3	\$2.9	2.0
2047	182,654	56.1	-88	450	156	\$15.4	\$2.5	\$3.6	\$1.4	\$46,318	8.2	\$2.9	2.2
2048	183,320	56.6	-116	451	158	\$16.0	\$2.6	\$3.7	\$1.5	\$46,662	8.3	\$3.0	2.3
2049	183,939	57.0	-137	449	159	\$16.5	\$2.7	\$3.8	\$1.5	\$47,141	8.4	\$3.0	2.0
2050	184,493	57.4	-157	447	161	\$17.1	\$2.7	\$3.9	\$1.5	\$47,602	8.5	\$3.0	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	46.1	7.4	0.9	4.9	1.1	4.8	1.0	1.3	0.2	6.1	3.3	14.5
2016	46.4	7.4	0.9	4.8	1.3	5.0	0.9	1.3	0.2	6.0	3.3	14.7
2017	47.7	7.8	0.9	4.9	1.7	5.0	1.0	1.2	0.2	6.3	3.3	14.7
2018	48.3	7.6	1.0	4.9	2.2	5.0	0.9	1.2	0.2	6.4	3.6	14.9
2019	48.6	7.6	1.0	5.0	2.3	4.8	0.9	1.2	0.1	6.4	3.6	15.1
2020	46.6	7.5	1.0	4.8	2.2	4.7	0.9	1.1	0.1	6.1	3.2	14.4
2021	46.6	7.5	1.0	4.8	2.2	4.7	0.9	1.1	0.1	6.2	3.4	13.9
2022	47.6	7.5	1.0	4.9	2.3	4.7	0.9	1.2	0.1	6.5	3.5	14.3
2023	48.3	7.6	1.0	4.9	2.3	4.8	0.9	1.2	0.1	6.5	3.6	14.7
2024	49.0	7.6	1.0	4.9	2.4	4.8	0.9	1.3	0.1	6.6	3.6	15.1
2025	49.5	7.6	1.0	4.9	2.4	4.8	0.9	1.3	0.1	6.7	3.7	15.4
2026	49.9	7.7	1.0	4.9	2.4	4.8	0.9	1.3	0.1	6.7	3.7	15.6
2027	50.2	7.7	1.0	4.9	2.5	4.8	0.9	1.3	0.1	6.8	3.7	15.8
2028	50.6	7.7	1.0	4.9	2.5	4.8	0.9	1.3	0.1	6.9	3.7	16.0
2029	50.9	7.8	1.0	4.9	2.5	4.8	0.9	1.3	0.1	6.9	3.8	16.1
2030	51.2	7.8	1.0	4.9	2.6	4.8	0.9	1.3	0.1	7.0	3.8	16.3
2031	51.6	7.9	1.0	4.9	2.6	4.8	0.9	1.3	0.1	7.0	3.8	16.4
2032	51.9	7.9	1.0	4.9	2.7	4.8	0.9	1.3	0.1	7.1	3.9	16.6
2033	52.2	7.9	1.0	4.9	2.7	4.8	0.9	1.3	0.1	7.2	3.9	16.7
2034	52.5	8.0	1.0	4.9	2.7	4.8	0.9	1.4	0.1	7.2	3.9	16.8
2035	52.8	8.0	1.0	4.9	2.8	4.8	0.9	1.4	0.1	7.3	3.9	17.0
2036	53.2	8.1	1.0	4.9	2.8	4.8	0.9	1.4	0.1	7.3	4.0	17.1
2037	53.5	8.1	1.0	4.9	2.9	4.8	0.9	1.4	0.1	7.4	4.0	17.3
2038	53.8	8.1	1.0	4.9	2.9	4.8	0.9	1.4	0.1	7.5	4.0	17.4
2039	54.1	8.2	1.0	4.9	2.9	4.8	0.9	1.4	0.1	7.5	4.0	17.6
2040	54.5	8.2	1.0	4.9	3.0	4.8	0.9	1.4	0.1	7.6	4.1	17.7
2041	54.8	8.3	1.0	4.9	3.0	4.8	0.9	1.4	0.1	7.7	4.1	17.8
2042	55.1	8.3	1.0	4.9	3.1	4.8	0.9	1.4	0.1	7.7	4.1	17.9
2043	55.4	8.4	1.0	4.9	3.1	4.8	0.9	1.4	0.1	7.8	4.1	18.1
2044	55.7	8.4	1.0	4.9	3.2	4.8	0.9	1.4	0.1	7.8	4.2	18.2
2045	56.1	8.5	1.0	4.9	3.2	4.9	0.9	1.4	0.1	7.9	4.2	18.3
2046	56.4	8.5	1.0	4.9	3.3	4.9	0.9	1.5	0.1	8.0	4.2	18.5
2047	56.7	8.6	1.0	4.9	3.3	4.9	0.9	1.5	0.1	8.0	4.2	18.6
2048	57.1	8.6	1.0	4.9	3.4	4.9	0.9	1.5	0.1	8.1	4.3	18.7
2049	57.4	8.7	1.0	4.9	3.4	4.9	0.9	1.5	0.1	8.2	4.3	18.8
2050	57.7	8.7	1.0	4.9	3.5	4.9	0.9	1.5	0.1	8.2	4.3	19.0

Kings County Economic Forecast

Socioeconomic Indicators

