Kings County Economic Forecast

Forecast Summary

- On an annual average basis, 1,500 non-farm jobs will be restored in Kings County during 2021, representing more than half of the jobs that were lost in 2020.

- A full labor market recovery is expected by 2022.

- Employment gains in 2021 will be largest in leisure and hospitality, which will recover 500 jobs. Government agencies are expected to regain 400 jobs.

- Over the entire 2021-2026 forecast period, government will generate the most new jobs. Government is the largest employment sector in Kings County, representing almost a third of the labor market.

- The unemployment rate averaged 11.6 percent in 2020. It is forecast to average 9.3 percent in 2021.

- The Kings County population is expected to grow relatively quickly during the forecast period.

- The median home price increased by 5 percent in 2020. Prices are expected to increase by 7-9 percent in 2021.

Job Growth

- Total employment in Kings County will expand by 3.3 percent in 2021 on an annual average basis.

Non-farm Job Growth
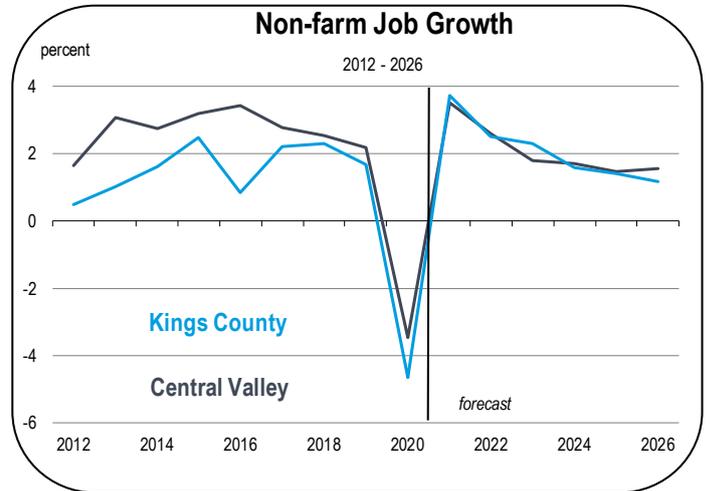
- Between 2022 and 2026, job growth will average 1.6 percent per year.

Construction Employment

- Construction employment declined by approximately 5 percent in 2020 alongside a 15 percent decrease in the number of homes under construction.

- The most substantial construction project in Kings County is the California High Speed Rail. Work on the project is underway and is expected to last through at least 2025.
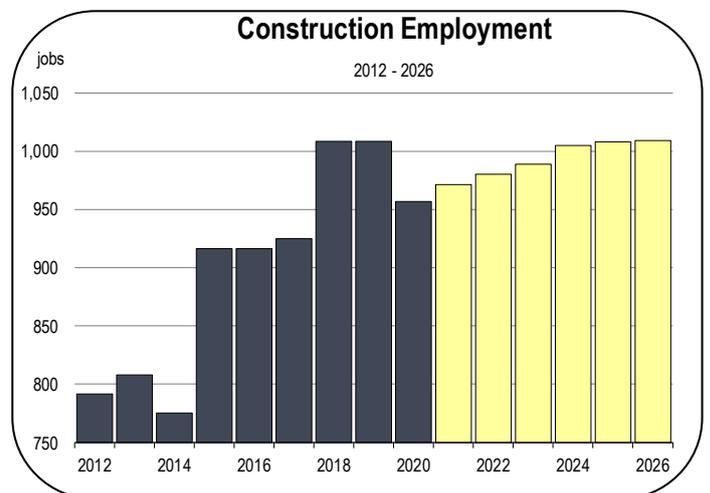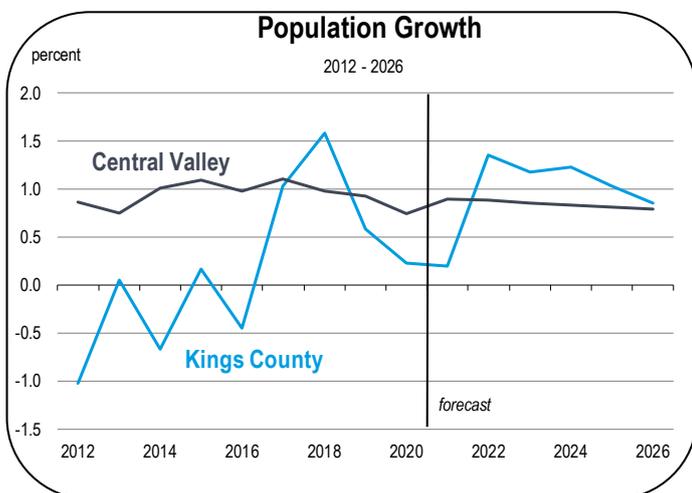
Kings County Economic Forecast

Manufacturing Employment
2012 - 2026
jobs (000s)

```
5.1
5.0
4.9
4.8
4.7
4.6
4.5
4.4
4.3
   2012   2014   2016   2018   2020   2022   2024   2026
```

Retail Employment
2012 - 2026
jobs (000s)

```
4.5
4.4
4.3
4.2
4.1
4.0
   2012   2014   2016   2018   2020   2022   2024   2026
```
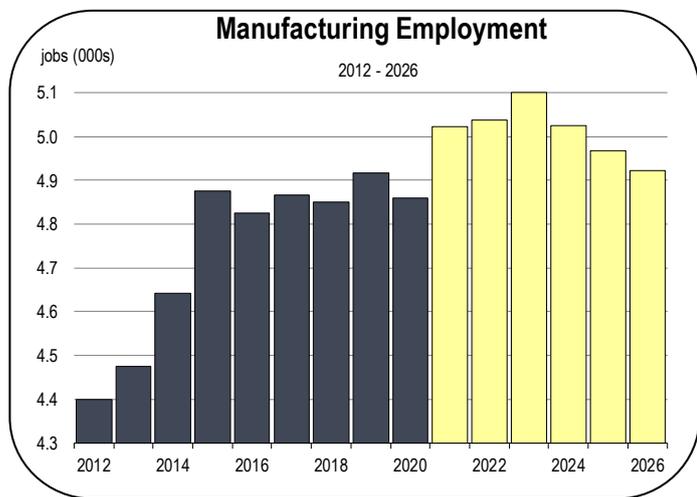
Manufacturing Employment

- Kings County has a heavy concentration in food and beverage manufacturing firms, which turn agricultural commodities into finished food products.

- The largest employers in this sector are:
  - J.G. Boswell Company (1,300 employees in Kings County)
  - Del Monte Foods (1,100)
  - Leprino Foods West (1,000)
  - Olam Tomato Processors (1,000)

Transportation, Warehousing, Utilities 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, Warehousing, and Utilities Employment
2012 - 2026
jobs

```
3,000
2,500
2,000
1,500
1,000
 500
   2012   2014   2016   2018   2020   2022   2024   2026
```
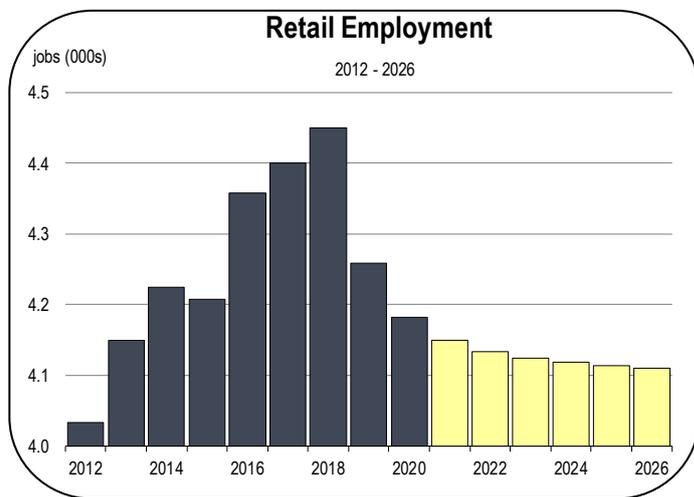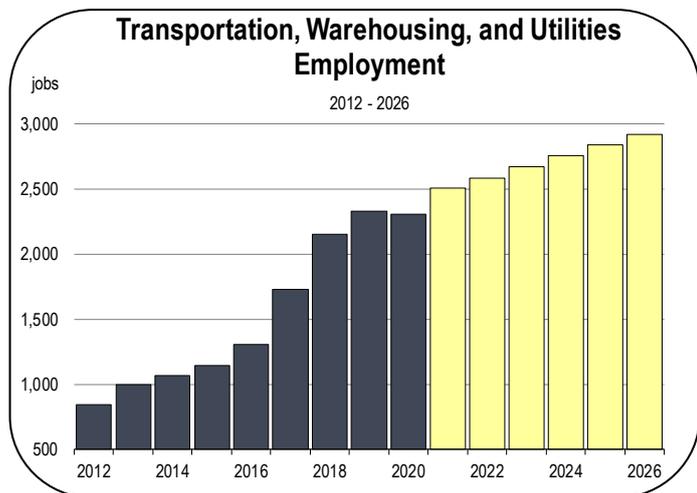
- Trucking activity is expected to expand as direct-to-consumer shipping becomes more common and as more warehousing facilities are built in neighboring counties, such as Kern and Fresno.

- The transportation, warehousing, and utilities industry will create several hundred jobs in 2021 when the Slate Project is completed.

- The Slate Project is a solar utility project with the capacity to generate 300 megawatts of electricity and store 140 megawatts. Construction began in early 2021.

Retail Trade Employment

- Employment in the retail sector will continue to consolidate during the forecast period.

- Local brick-and-mortar stores will struggle to compete with online retailers that are located outside of Kings County.

- The largest local retailer is the Walmart Super Center in Hanford, which has 500 employees. It is not anticipated that any new, large stores will open between 2021 and 2026.

Professional and Business Services Employment

- In Kings County, the professional and business services industry is primarily comprised of corporate security firms, building maintenance companies, and staffing agencies. These subsectors had minimal layoffs in 2020.

- Over the forecast period, the professional and business services industry will expand quickly, growing at an annual rate of 2.1 percent, placing it among the fastest growing industries in the county.

Kings County Economic Forecast

Professional & Business Employment
2012 - 2026

Education & Healthcare Employment
2012 - 2026
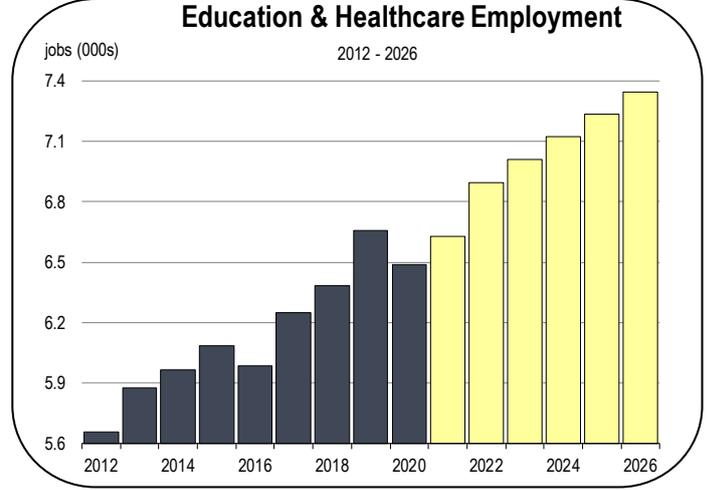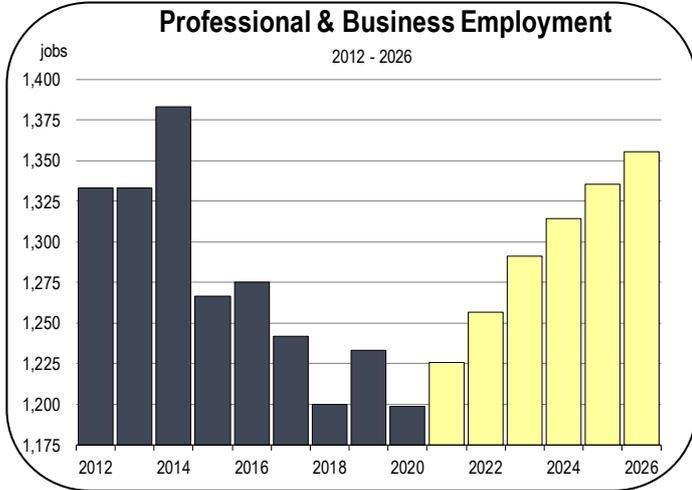
Private Education and Healthcare Employment

- Job losses in healthcare were minimal in 2020. Adventist Health laid off approximately 150 employees in Hanford, but in general it was more common for healthcare organizations to issue part-time furloughs than full-time layoffs.

- In Kings County, there are only 200 jobs in the private educational services industry (public schools are classified in the government industry).

- The largest healthcare employers in the county are:
  - Adventist Health (1,900 employees in Kings County)
  - Pioneers Memorial Healthcare District (700)
  - Naval Hospital Lemoore (500)

- Job creation in healthcare is expected to be substantial over the forecast period, outnumbering all other private-sector industries.

Adventist Health employs 1,900 workers across multiple facilities
in Kings County.

Kings County Economic Forecast

Leisure & Hospitality Employment
jobs (000s)
2012 - 2026

Government Employment
jobs (000s)
2012 - 2026
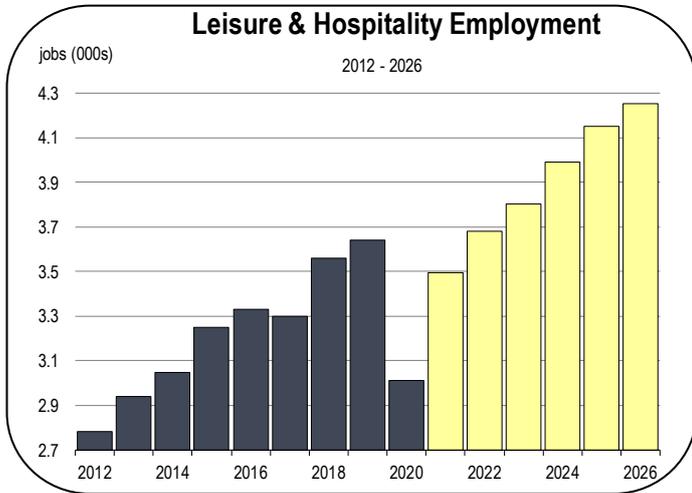

Leisure and Hospitality Employment

- Hotels, restaurants, bars, catering firms, gyms, and other leisure/ hospitality organizations were impacted by restricted business conditions more than any other type of company.

- More than 600 jobs were lost in 2020, a decline of 17 percent.

- 500 jobs are expected to be restored in 2021, with most of these jobs being created in the second half of the year.

- The largest leisure and hospitality entity is the Tachi Palace Hotel & Casino.

- Tachi Palace has a 255 room hotel, various gambling activities, and sporting events. It employs 1,300 staff members.
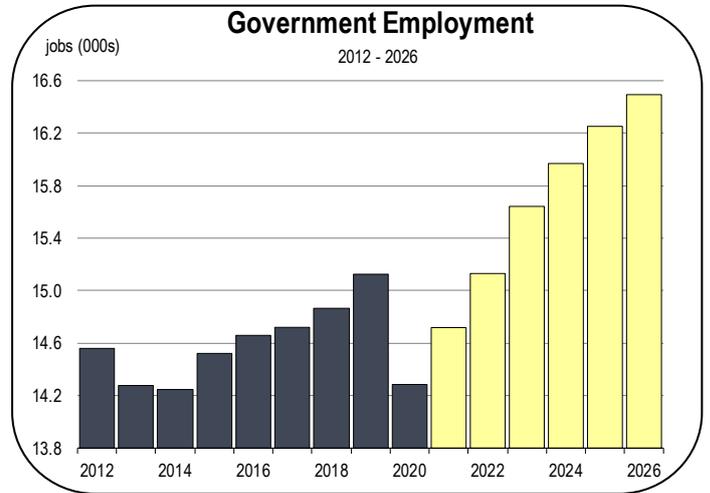
Government Employment

- Government agencies lost 800 jobs during 2020. Approximately 500 of these losses were at local schools.

- The largest state-level agencies are Avenal State Prison and California State Prison Corcoran. Each houses 3,300 inmates. Neither facility had major layoffs in 2020.

- The largest federal agency is Naval Air Station Lemoore. The facility has approximately 8,000 military employees and 1,000 civilian employees.

- Government agencies will generate approximately 2,200 new jobs by 2026, which is more than any other industry in Kings County.

Tachi Palace & Hotel

Kings County Economic Forecast

Population & Population Growth Rate
2012 - 2026

Unemployment Rate
2017 - 2026
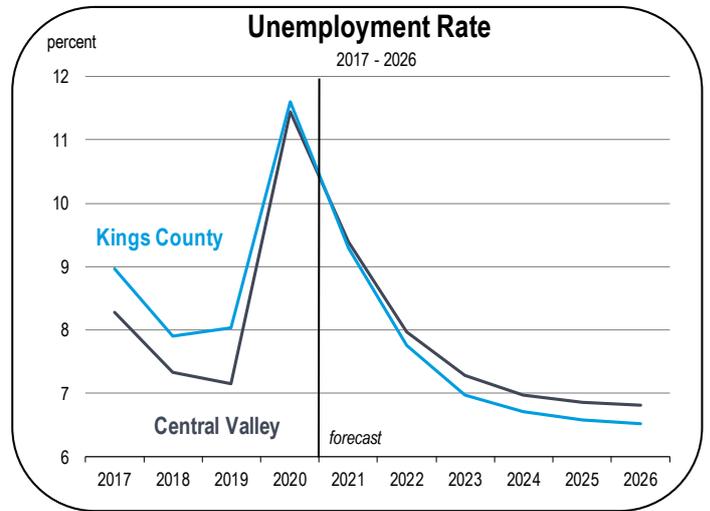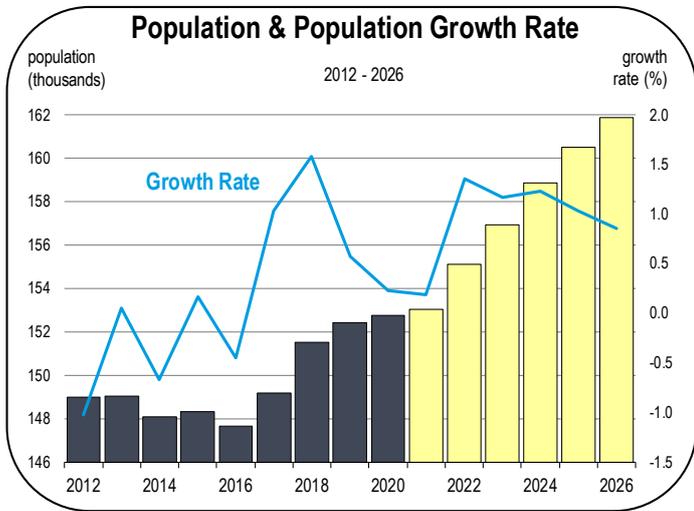
Population Growth

- The Kings County population is expected to expand more quickly than the Central Valley average between 2021 and 2026.

- Net migration is expected to be positive during most of the forecast period, with more residents moving into the county than moving out.

- Kings County has a young population with a high birth rate, and births will account for the majority of all population growth between 2021 and 2026.

- The population will expand at an annual average rate of 1.0 percent per year. By the end of the forecast period, the Kings County population will surpass 160,000 residents.

Unemployment and Inflation Rates

- The unemployment rate in Kings County averaged 11.6 percent in 2020.

- The unemployment rate is expected to average 9.3 percent in 2021 and 7.8 percent in 2022.

- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.

- Inflation soared in 2021 and is expected to remain elevated for several years.

- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:

  - Record levels of spending by consumers and government agencies

  - Fractures in the global supply chain that raise the cost of production for many businesses

  - Sharp increases in the cost of housing and energy

  - Labor market recruitment challenges that force companies to raise wages

Net Migration
2012 - 2026

Inflation / California
2017 - 2026
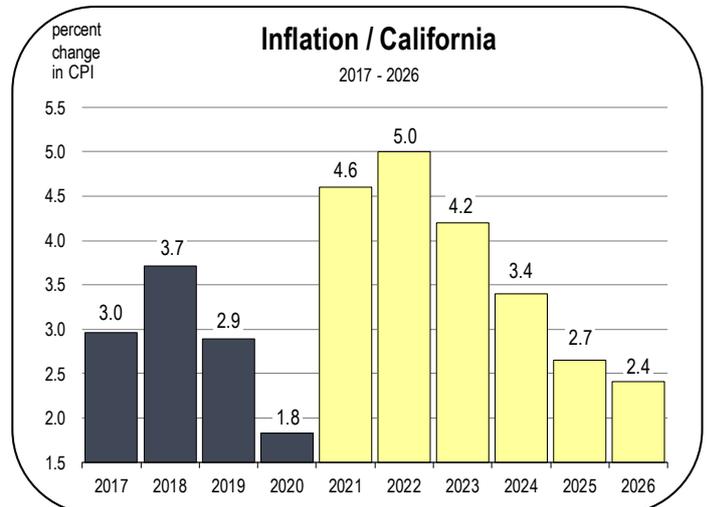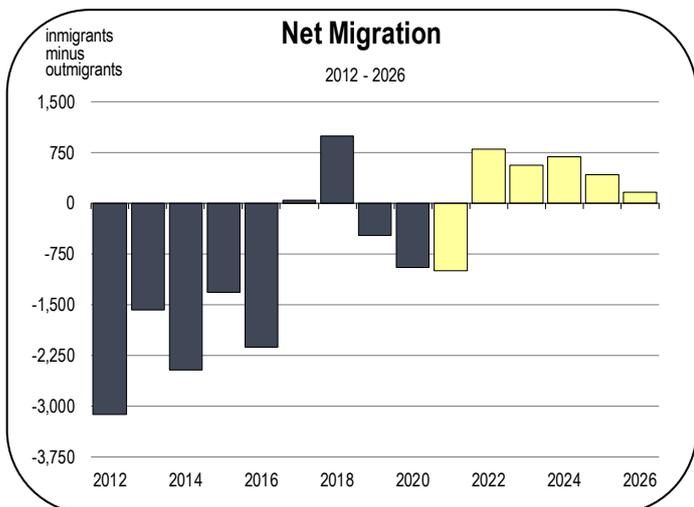
Kings County Economic Forecast

High Speed Rail Construction

- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.

- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

Home Prices and New Housing Production

- In 2020 the median home price in Kings County was $246,600, an increase of 5 percent from the previous year.

- The median price is expected to increase more quickly in 2021 and 2022, rising at rates of 7 percent to 9 percent.

- Homes in Kings County are more affordable than homes across California. In Kings County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent. Across Coastal California, households typically spend 35 percent to 50 percent of pre-tax income on housing costs.

- From 2015 to 2020, an average of 420 new homes were started per year in Kings County. Most were single-family homes.

- Housing production is expected to average 425 to 475 homes per year from 2021 to 2026, consisting mostly of single-family homes.

Median Home Price
2012 - 2026

New Homes Permitted
2004 - 2026

Kings County Economic Forecast

Economic Indicators   2015-2020 History, 2021-2050 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	148,315	42.5	-1,316	515	110	$5.1	$1.0	$1.7	$0.9	$39,649	10.6	$2.3	1.4
2016	147,654	42.9	-2,125	519	113	$5.3	$1.1	$1.7	$0.9	$39,876	10.0	$2.2	2.3
2017	149,174	43.5	44	329	114	$5.5	$1.2	$1.7	$0.9	$39,786	9.0	$2.2	3.0
2018	151,531	43.9	997	347	115	$5.6	$1.2	$1.7	$1.0	$38,688	7.9	$2.5	3.7
2019	152,406	44.3	-468	430	119	$6.0	$1.3	$1.8	$1.0	$40,295	8.0	$2.2	2.9
2020	152,748	44.4	-957	365	121	$6.4	$1.3	$1.9	$1.1	$41,577	11.6	$2.2	1.8
2021	153,042	44.7	-998	404	123	$6.6	$1.4	$2.0	$1.1	$41,776	9.3	$2.3	4.6
2022	155,115	45.1	799	421	124	$6.7	$1.5	$2.1	$1.1	$41,095	7.8	$2.3	5.0
2023	156,932	45.5	562	438	125	$7.1	$1.5	$2.1	$1.1	$41,762	7.0	$2.4	4.2
2024	158,861	46.0	687	469	127	$7.5	$1.5	$2.2	$1.1	$42,268	6.7	$2.4	3.4
2025	160,502	46.4	422	473	128	$7.8	$1.6	$2.2	$1.1	$42,793	6.6	$2.4	2.7
2026	161,868	46.9	163	474	129	$8.1	$1.6	$2.3	$1.2	$43,171	6.5	$2.4	2.4
2027	163,274	47.3	225	470	131	$8.4	$1.6	$2.3	$1.2	$43,531	6.5	$2.5	2.2
2028	164,741	47.8	308	462	132	$8.8	$1.7	$2.4	$1.2	$43,827	6.5	$2.5	2.3
2029	166,230	48.3	347	460	133	$9.1	$1.7	$2.4	$1.2	$44,007	6.5	$2.5	2.2
2030	167,584	48.7	230	458	135	$9.4	$1.8	$2.5	$1.2	$44,208	6.5	$2.5	2.2
2031	168,860	49.2	191	457	136	$9.7	$1.8	$2.5	$1.2	$44,328	6.5	$2.6	2.3
2032	169,986	49.6	69	453	137	$10.0	$1.8	$2.6	$1.2	$44,447	6.5	$2.6	2.2
2033	171,070	50.1	59	449	138	$10.3	$1.9	$2.7	$1.3	$44,759	6.5	$2.6	2.0
2034	172,214	50.5	149	445	139	$10.7	$1.9	$2.7	$1.3	$44,993	6.5	$2.6	2.1
2035	173,426	50.9	242	442	140	$11.0	$2.0	$2.8	$1.3	$45,190	6.5	$2.6	2.1
2036	174,612	51.4	237	442	141	$11.4	$2.0	$2.9	$1.3	$45,236	6.5	$2.7	2.2
2037	175,770	51.8	227	443	142	$11.8	$2.1	$3.0	$1.3	$45,263	6.5	$2.7	2.2
2038	176,897	52.2	216	442	143	$12.2	$2.2	$3.1	$1.3	$45,372	6.5	$2.7	2.2
2039	177,998	52.7	205	442	144	$12.6	$2.2	$3.2	$1.3	$45,414	6.5	$2.7	2.2
2040	179,060	53.1	195	441	145	$13.0	$2.3	$3.2	$1.3	$45,478	6.5	$2.8	2.1
2041	180,085	53.5	184	440	146	$13.5	$2.3	$3.3	$1.3	$45,672	6.5	$2.8	2.2
2042	180,981	54.0	75	438	147	$13.9	$2.4	$3.4	$1.4	$45,910	6.5	$2.8	2.1
2043	181,847	54.4	62	437	148	$14.3	$2.5	$3.5	$1.4	$46,172	6.5	$2.8	2.0
2044	182,786	54.8	157	433	149	$14.7	$2.5	$3.6	$1.4	$46,468	6.5	$2.8	2.2
2045	183,701	55.2	152	432	150	$15.2	$2.6	$3.6	$1.4	$46,713	6.5	$2.9	2.2
2046	184,594	55.7	145	432	151	$15.6	$2.6	$3.7	$1.4	$46,903	6.5	$2.9	2.2
2047	185,465	56.1	140	432	151	$16.1	$2.7	$3.8	$1.4	$47,001	6.5	$2.9	2.2
2048	186,315	56.5	135	432	152	$16.5	$2.8	$3.9	$1.4	$47,063	6.5	$2.9	2.3
2049	187,140	56.9	129	431	153	$17.0	$2.8	$4.0	$1.4	$47,238	6.5	$3.0	2.0
2050	187,929	57.4	124	430	154	$17.5	$2.9	$4.1	$1.4	$47,381	6.5	$3.0	2.1

Employment Sectors   2015-2020 History, 2021-2050 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	49.0	7.5	1.0	4.9	2.3	4.9	0.9	1.2	0.1	6.7	3.6	15.1
2020	46.8	7.3	1.0	4.9	2.3	4.8	0.9	1.2	0.1	6.5	3.0	14.3
2021	48.3	7.4	1.0	5.0	2.5	4.8	0.9	1.2	0.1	6.6	3.5	14.7
2022	49.4	7.4	1.0	5.0	2.6	4.8	0.9	1.3	0.1	6.9	3.7	15.1
2023	50.4	7.5	1.0	5.1	2.7	4.7	0.9	1.3	0.1	7.0	3.8	15.6
2024	51.2	7.5	1.0	5.0	2.8	4.7	0.9	1.3	0.1	7.1	4.0	16.0
2025	51.8	7.5	1.0	5.0	2.8	4.7	0.9	1.3	0.1	7.2	4.2	16.3
2026	52.4	7.6	1.0	4.9	2.9	4.7	0.9	1.4	0.1	7.3	4.3	16.5
2027	53.0	7.6	1.0	4.9	3.0	4.7	0.9	1.4	0.1	7.5	4.3	16.8
2028	53.6	7.6	1.0	4.9	3.1	4.7	0.9	1.4	0.1	7.6	4.4	17.1
2029	54.2	7.7	1.0	4.9	3.1	4.7	0.9	1.4	0.1	7.7	4.4	17.4
2030	54.7	7.7	1.0	4.9	3.2	4.7	0.9	1.4	0.1	7.8	4.5	17.7
2031	55.2	7.7	1.0	4.9	3.3	4.7	0.9	1.4	0.1	7.9	4.5	17.9
2032	55.6	7.8	1.0	4.9	3.3	4.7	0.9	1.5	0.1	8.0	4.5	18.1
2033	56.1	7.8	1.0	4.8	3.4	4.7	0.9	1.5	0.1	8.1	4.6	18.3
2034	56.5	7.8	1.0	4.8	3.5	4.7	0.9	1.5	0.1	8.2	4.6	18.5
2035	57.0	7.8	1.0	4.8	3.5	4.7	0.9	1.5	0.1	8.3	4.6	18.7
2036	57.4	7.9	1.0	4.8	3.6	4.7	0.9	1.5	0.1	8.3	4.7	18.9
2037	57.8	7.9	1.0	4.8	3.6	4.7	0.9	1.5	0.1	8.4	4.7	19.1
2038	58.2	7.9	1.0	4.8	3.7	4.7	0.9	1.5	0.1	8.5	4.8	19.2
2039	58.6	8.0	1.0	4.9	3.7	4.7	0.9	1.5	0.1	8.6	4.8	19.4
2040	58.9	8.0	1.0	4.9	3.8	4.7	0.9	1.5	0.1	8.7	4.9	19.5
2041	59.3	8.0	1.0	4.9	3.8	4.7	1.0	1.5	0.1	8.8	4.9	19.6
2042	59.6	8.0	1.0	4.9	3.9	4.7	1.0	1.6	0.1	8.9	4.9	19.7
2043	59.9	8.1	1.0	4.9	3.9	4.7	1.0	1.6	0.1	8.9	5.0	19.9
2044	60.2	8.1	1.0	4.9	4.0	4.7	1.0	1.6	0.1	9.0	5.0	20.0
2045	60.5	8.1	1.0	4.9	4.0	4.8	1.0	1.6	0.1	9.1	5.1	20.1
2046	60.8	8.1	1.0	4.9	4.0	4.8	1.0	1.6	0.1	9.2	5.1	20.2
2047	61.1	8.2	1.0	4.9	4.1	4.8	1.0	1.6	0.1	9.2	5.1	20.2
2048	61.4	8.2	1.0	4.9	4.1	4.8	1.0	1.6	0.1	9.3	5.2	20.3
2049	61.6	8.2	1.0	4.9	4.1	4.8	1.0	1.6	0.1	9.4	5.2	20.4
2050	61.9	8.2	1.0	4.9	4.2	4.8	1.0	1.6	0.1	9.4	5.3	20.5

Kings County Economic Forecast

Socioeconomic Indicators

Violent Crime Rate

2019

crimes per 100,000 residents

Kings County	456
Central Valley	461
California	441

Poverty Rate

2020

percent of households below poverty line

Kings County	14.8
Central Valley	15.6
California	9.4

Median Household Income

2020

dollars per household

Kings County	65,600
Central Valley	59,400
California	82,100

Median Home Selling Price

2020

dollars

Kings County	246,600
Central Valley	300,600
California	659,200

Average Travel Time to Work

2020

minutes each way

Kings County	25
Central Valley	29
California	33

Percent of Population Age 25+ With at Least a 4-Year College Degree

2020

percent

Kings County	14.1
Central Valley	17.4
California	33.9