

KINGS COUNTY ECONOMIC FORECAST

Kings County is located in the San Joaquin Valley, bordering Kern County to the south, Fresno County to the north and west, and Tulare County to the east. Kings County has a population of 150,000 people and 43,000 wage and salary jobs. The income per capita in Kings County is \$31,803 and the average salary per worker is \$57,400.

Kings County has a strong agricultural sector, producing more than \$2 billion in agricultural commodities per year. It is one of the largest milk producers in the state of California, and also produces a significant amount of cotton. The state penitentiaries in Avenal and Corcoran, as well as the substance abuse treatment facility in Corcoran, are among the largest employers in the county. Combined, these facilities house almost 14,000 inmates and employ more than 5,000 workers.

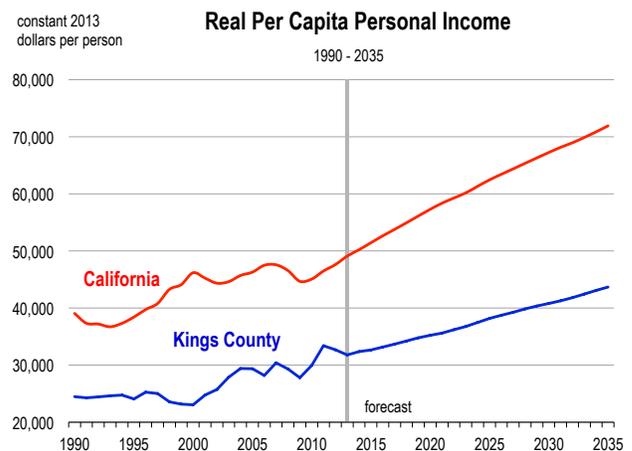
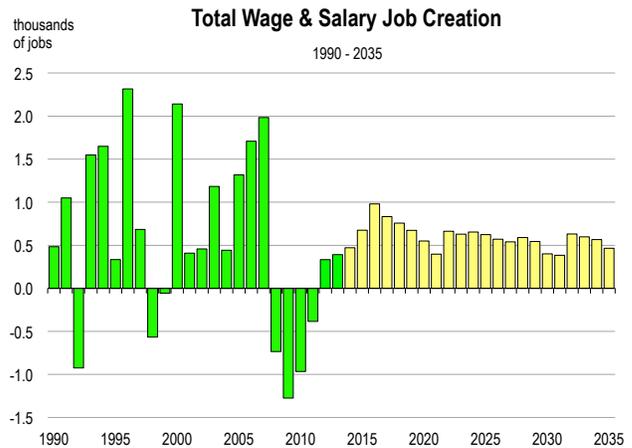
In 2013, employment across Northern California increased by 3.7 percent, whereas employment in the San Joaquin Valley (Fresno, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare counties) grew by 3.5 percent. In Kings County, 390 wage and salary jobs were gained, representing an increase of 0.9 percent. Farm employment, which accounts for 15 percent of total wage and salary jobs, increased by 1.3 percent, while the non-farm sector increased by 0.8 percent. Although still very high, the unemployment rate improved over the course of the year, falling from 15.1 percent in 2012 to 13.5 percent in 2013.

During 2013, the strongest job growth occurred in wholesale and retail trade (+160 jobs), leisure and hospitality (+150 jobs), education and healthcare (+120 jobs), and transportation and utilities (+110 jobs). The largest losses occurred in the public sector (-270 jobs) and financial activities (-100 jobs).

Between 2008 and 2013, the population of Kings County declined by an average of 0.2 percent per year. This decline was largely the result of out-migration, as the county lost an average of 2,000 net migrants per year.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.1 percent in 2014. From 2014 to 2019, total wage and salary employment growth will average 1.7 percent per year, while agricultural employment growth will average 1.1 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Kings County, inflation-adjusted salaries are expected to rise by an average of 1.2 percent per year between 2014 and 2019.
- Between 2014 and 2019, the largest employment gains will be in the public sector. With 1,600 new jobs, this industry will account for 40 percent of net job creation in the county. Another 35 percent of net job creation will be generated by education and healthcare (+700 jobs), agriculture (+300 jobs), and leisure and hospitality (+300 jobs).

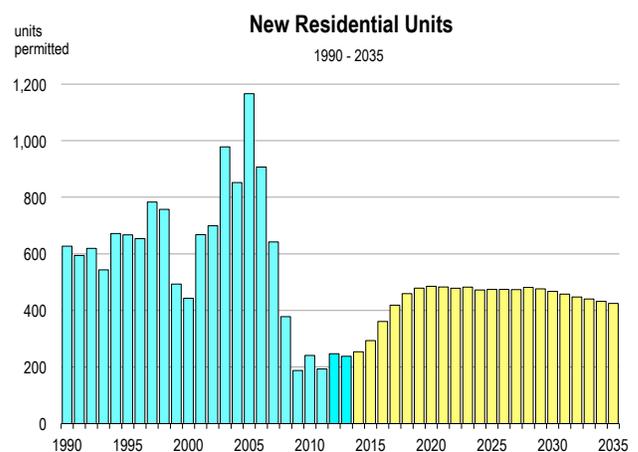
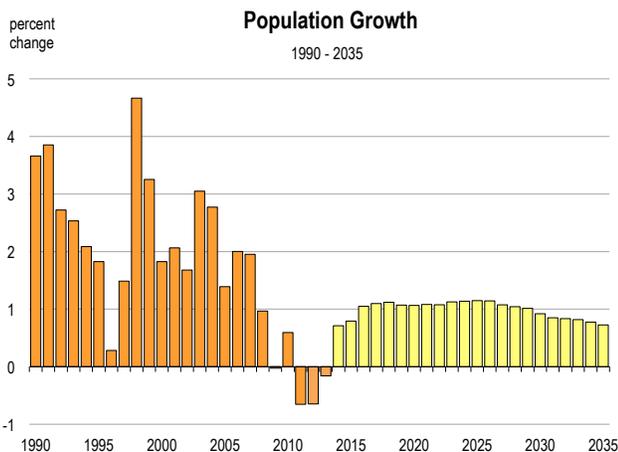


- Population growth in the county is expected to accelerate rapidly from its currently-depressed levels. During the 2014-2019 period, growth will average 1.0 percent per year.
- In 2014 and 2015, net migration will remain negative. However, net migration will be positive from 2016 to 2019. Over the entire 2014-2019 period, overall net migration will be flat.
- Real income per capita is expected to rise by 1.8 percent in 2014. From 2014 to 2019, real income per capita is expected to increase by 1.5 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.5 percent per year during the 2014-2019 period.
- Industrial production is forecasted to advance by 4.7 percent in 2014. Over the entire 2014-2019 period, growth will average 3.6 percent per year.
- Farm production is forecasted to increase by 1.4 percent per year between 2014 and 2019. The principal commodity in the county is milk.

Kings County Economic Forecast

2006-2013 History, 2014-2040 Forecast

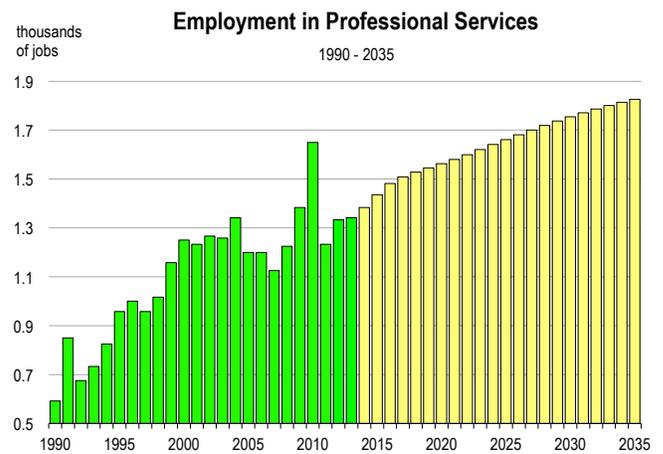
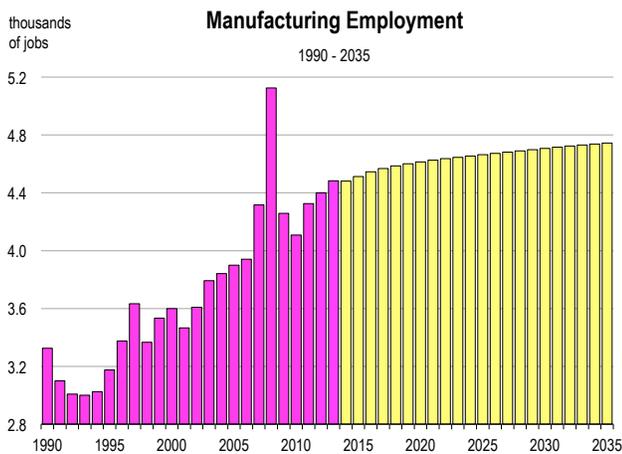
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	147,496	1,118	102.7	38.8	907	\$1.30	\$3.55	\$28,181	3.2	1.51	0.82	8.5
2007	150,378	949	103.7	39.7	642	\$1.33	\$4.03	\$30,407	3.4	2.00	0.91	8.7
2008	151,834	-537	104.1	40.4	378	\$1.39	\$4.04	\$29,330	2.9	1.91	1.20	10.5
2009	151,794	-1,865	104.1	40.8	188	\$1.17	\$3.86	\$27,792	0.8	1.42	0.99	14.6
2010	152,696	-875	104.2	41.2	241	\$1.19	\$4.25	\$29,960	1.3	1.85	0.91	16.5
2011	151,699	-2,821	103.4	41.4	193	\$1.32	\$4.83	\$33,403	2.7	2.33	0.92	16.2
2012	150,718	-2,589	103.3	41.5	247	\$1.39	\$4.82	\$32,693	2.7	2.26	1.00	15.1
2013	150,479	-1,808	106.2	41.7	238	\$1.47	\$4.79	\$31,803	2.3	2.33	1.07	13.5
2014	151,551	-484	106.7	42.0	254	\$1.53	\$5.02	\$32,360	2.8	2.31	1.12	12.8
2015	152,752	-366	107.3	42.2	293	\$1.62	\$5.23	\$32,663	3.3	2.29	1.16	12.0
2016	154,355	24	108.0	42.5	361	\$1.71	\$5.50	\$33,165	3.2	2.34	1.20	11.1
2017	156,049	104	108.8	42.9	419	\$1.78	\$5.74	\$33,666	2.4	2.38	1.24	10.8
2018	157,796	142	109.8	43.3	459	\$1.85	\$6.01	\$34,224	2.3	2.42	1.28	10.6
2019	159,484	71	110.9	43.7	479	\$1.92	\$6.28	\$34,790	2.4	2.47	1.33	10.5
2020	161,183	66	112.1	44.2	485	\$1.99	\$6.54	\$35,212	2.3	2.45	1.38	10.4
2021	162,926	96	113.3	44.7	483	\$2.06	\$6.81	\$35,609	2.5	2.41	1.43	10.5
2022	164,679	100	114.6	45.1	479	\$2.13	\$7.13	\$36,191	2.6	2.47	1.48	10.3
2023	166,533	199	115.9	45.6	482	\$2.20	\$7.46	\$36,745	2.5	2.52	1.53	10.3
2024	168,428	242	117.2	46.1	472	\$2.28	\$7.84	\$37,469	2.5	2.59	1.58	10.3
2025	170,361	290	118.5	46.5	474	\$2.36	\$8.24	\$38,190	2.5	2.64	1.64	10.2
2026	172,309	314	119.8	47.0	474	\$2.45	\$8.62	\$38,755	2.5	2.66	1.69	10.2
2027	174,162	236	121.1	47.4	474	\$2.53	\$8.99	\$39,271	2.5	2.68	1.75	10.2
2028	175,977	223	122.4	47.9	481	\$2.62	\$9.40	\$39,843	2.5	2.72	1.82	10.1
2029	177,762	219	123.6	48.4	476	\$2.71	\$9.80	\$40,369	2.5	2.74	1.89	10.0
2030	179,397	105	124.9	48.8	467	\$2.81	\$10.19	\$40,811	2.5	2.70	1.96	10.0
2031	180,923	29	126.2	49.3	458	\$2.90	\$10.58	\$41,251	2.5	2.66	2.04	10.0
2032	182,434	50	127.6	49.7	448	\$3.01	\$11.03	\$41,819	2.5	2.75	2.12	9.9
2033	183,927	69	128.9	50.1	441	\$3.12	\$11.50	\$42,441	2.5	2.83	2.20	9.9
2034	185,353	32	130.4	50.6	432	\$3.23	\$11.98	\$43,077	2.5	2.89	2.28	9.8
2035	186,699	-16	131.9	51.0	425	\$3.34	\$12.47	\$43,678	2.5	2.91	2.37	9.8
2036	187,997	-36	133.4	51.4	416	\$3.46	\$13.01	\$44,407	2.5	3.01	2.46	9.7
2037	189,304	-4	135.0	51.8	410	\$3.58	\$13.55	\$45,080	2.5	3.06	2.55	9.7
2038	190,485	-113	136.7	52.2	401	\$3.69	\$14.06	\$45,610	2.5	2.98	2.64	9.8
2039	191,588	-179	138.4	52.6	392	\$3.81	\$14.65	\$46,371	2.5	3.05	2.74	9.6
2040	192,773	-90	140.1	53.0	388	\$3.93	\$15.26	\$47,085	2.5	3.10	2.90	9.6

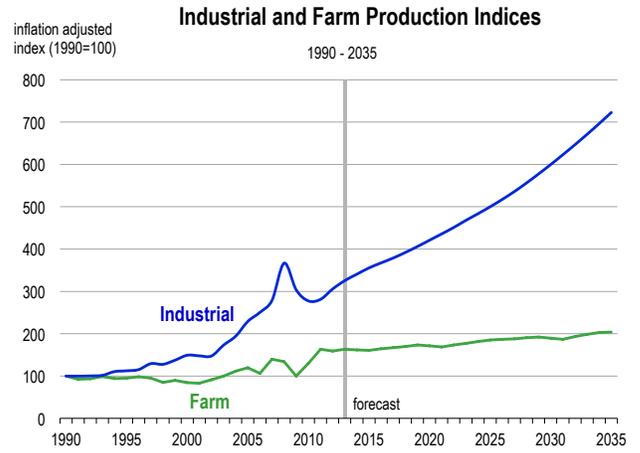
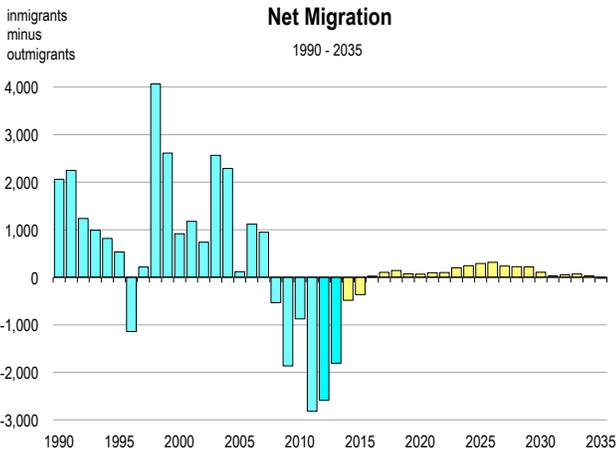
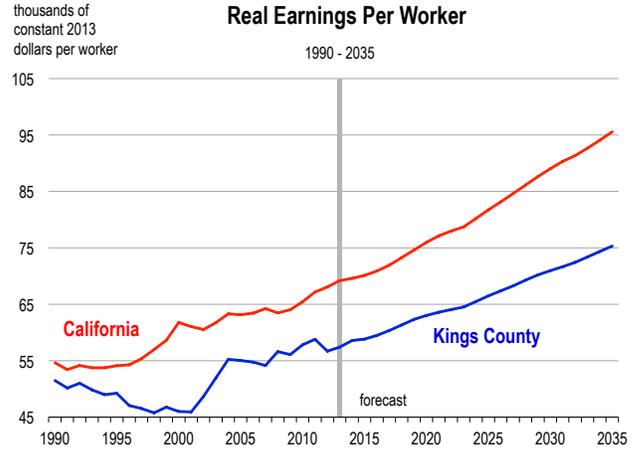
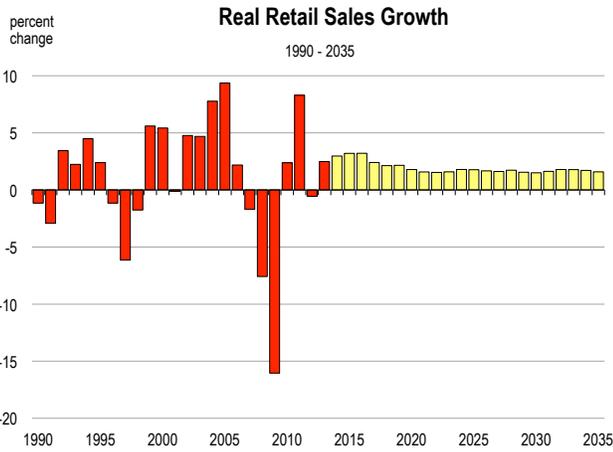


Kings County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	43.8	8.68	1.37	3.94	0.82	4.63	1.10	1.20	0.30	4.36	2.82	14.02
2007	45.8	9.30	1.26	4.32	0.82	4.71	1.10	1.13	0.33	4.68	2.83	14.74
2008	45.1	6.69	1.14	5.13	0.87	4.63	1.08	1.23	0.30	5.16	2.74	15.47
2009	43.8	6.51	0.91	4.26	0.78	4.46	0.99	1.38	0.28	5.37	2.74	15.62
2010	42.8	6.55	0.86	4.11	0.80	4.38	0.94	1.65	0.20	5.19	2.71	14.94
2011	42.5	6.23	0.88	4.33	0.77	4.51	0.95	1.23	0.20	5.25	2.78	14.78
2012	42.8	6.33	0.79	4.40	0.82	4.61	1.00	1.33	0.20	5.41	2.78	14.56
2013	43.2	6.41	0.83	4.48	0.93	4.77	0.90	1.34	0.20	5.53	2.93	14.29
2014	43.6	6.39	0.87	4.48	0.96	4.86	0.91	1.38	0.20	5.61	3.01	14.38
2015	44.3	6.36	0.90	4.51	1.00	4.91	0.92	1.44	0.20	5.71	3.10	14.66
2016	45.3	6.47	0.93	4.55	1.03	4.96	0.93	1.48	0.21	5.83	3.19	15.09
2017	46.1	6.55	0.96	4.57	1.07	5.00	0.95	1.51	0.22	5.97	3.27	15.44
2018	46.9	6.63	0.98	4.59	1.10	5.03	0.97	1.53	0.22	6.13	3.33	15.74
2019	47.6	6.73	1.00	4.60	1.13	5.06	1.00	1.55	0.22	6.30	3.36	15.96
2020	48.1	6.68	1.01	4.61	1.17	5.08	1.02	1.56	0.22	6.51	3.37	16.22
2021	48.5	6.60	1.02	4.63	1.20	5.10	1.04	1.58	0.23	6.72	3.38	16.36
2022	49.2	6.73	1.02	4.64	1.23	5.13	1.06	1.60	0.23	6.93	3.39	16.54
2023	49.8	6.84	1.03	4.65	1.27	5.15	1.08	1.62	0.23	7.14	3.39	16.73
2024	50.5	6.97	1.04	4.65	1.30	5.17	1.10	1.64	0.23	7.34	3.40	16.92
2025	51.1	7.07	1.05	4.66	1.34	5.20	1.12	1.66	0.23	7.53	3.40	17.12
2026	51.7	7.13	1.05	4.67	1.37	5.23	1.15	1.68	0.24	7.70	3.41	17.33
2027	52.2	7.15	1.06	4.68	1.40	5.25	1.17	1.70	0.24	7.87	3.41	17.55
2028	52.8	7.23	1.07	4.69	1.44	5.28	1.19	1.72	0.24	8.03	3.42	17.76
2029	53.3	7.29	1.08	4.70	1.47	5.30	1.21	1.74	0.24	8.18	3.42	17.97
2030	53.7	7.21	1.09	4.71	1.51	5.33	1.23	1.75	0.24	8.32	3.43	18.19
2031	54.1	7.13	1.10	4.72	1.54	5.35	1.24	1.77	0.25	8.45	3.43	18.40
2032	54.7	7.31	1.11	4.72	1.58	5.38	1.26	1.79	0.25	8.57	3.44	18.60
2033	55.3	7.47	1.12	4.73	1.62	5.41	1.27	1.80	0.25	8.67	3.44	18.81
2034	55.9	7.60	1.13	4.74	1.65	5.44	1.29	1.81	0.25	8.77	3.45	19.02
2035	56.4	7.63	1.13	4.74	1.69	5.47	1.31	1.83	0.25	8.88	3.45	19.23
2036	57.0	7.84	1.14	4.75	1.73	5.50	1.32	1.84	0.25	8.99	3.46	19.44
2037	57.6	7.95	1.15	4.76	1.77	5.52	1.34	1.85	0.26	9.09	3.46	19.64
2038	57.8	7.79	1.16	4.76	1.81	5.55	1.36	1.86	0.26	9.18	3.47	19.85
2039	58.4	7.92	1.16	4.77	1.85	5.57	1.37	1.87	0.26	9.27	3.47	20.06
2040	58.9	8.02	1.17	4.78	1.89	5.60	1.39	1.89	0.26	9.37	3.48	20.27





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	13.8%
Expected job growth:	9.0%
Fastest growing jobs sector:	Transportation & Utilities
Expected personal income growth:	13.1%

Expected population growth:	5.2%
Net migration to account for:	0%
Expected growth in number of vehicles:	4.0%

Demographics (2014)

Unemployment rate (April 2014):	13.1%
County rank* in California (58 counties):	52nd
Working age (16-64) population:	67.3%

Population with B.A. degree or higher:	14.2%
Median home selling price (2013):	\$156,500
Median household income:	\$51,209

Quality of Life

Violent crime rate (2012):	508 per 100,000 persons
County rank* in California (58 counties):	41st
Average commute time to work (2014):	23.0 minutes

High School drop out rate (2012):	22.8%
Households at/below poverty line (2014):	16.6%

* The county ranked 1st corresponds to the lowest rate in California