

# KERN COUNTY ECONOMIC FORECAST

Kern County is located at the southern end of California's Central Valley, just north of Los Angeles County. Agriculture is a vital component of the Kern County economy, and total crop values consistently rank within the top five counties in the nation. Kern County has a population of 884,400 people and approximately 317,500 wage and salary jobs. In 2015, the per capita income was \$36,980, and the average salary per worker was \$57,106.

Kern County is a large producer of oil and natural gas. In recent years, the county has accounted for more than 70 percent of California's total oil production, and approximately 65 percent of the state's natural gas production.

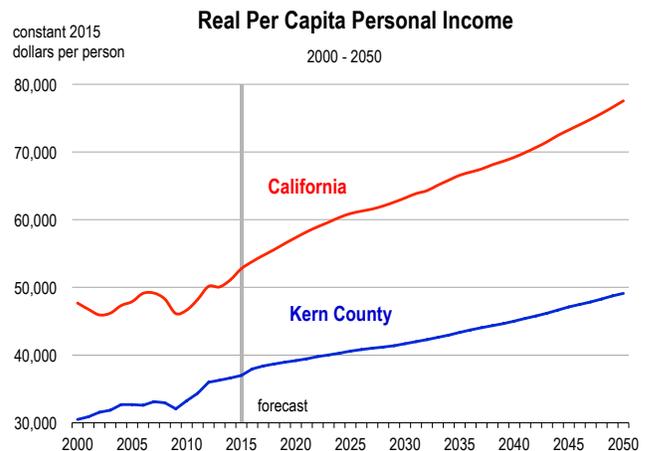
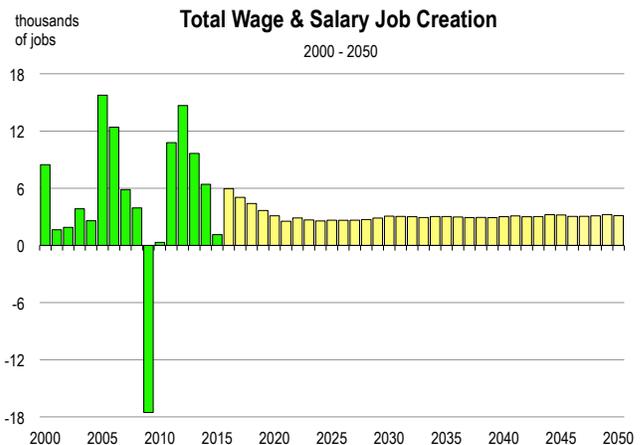
During 2015, employment across Southern California increased by 2.6 percent. Kern County gained 1,100 total wage and salary jobs, representing a growth rate of 0.4 percent. The unemployment rate, while still high, improved slightly, falling from 10.6 percent in 2014 to 10.2 percent in 2015.

In 2015, job gains were largest in government (+1,700 jobs), leisure and hospitality (+1,500 jobs), retail trade (+1,200 jobs), and education and healthcare (+900 jobs). The largest losses were observed in mining and natural resources (-1,500 jobs), construction (-1,200 jobs), agriculture (-1,000 jobs), manufacturing (-400 jobs), and professional and business services (-400 jobs).

Between 2010 and 2015, the population of Kern County grew by 5.0 percent, representing an annual average increase of 1.0 percent. All of this growth was due to the natural increase (new births), as net migration was negative.

## FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.9 percent in 2016, and by an annual average of 1.1 percent between 2016 and 2021.
- Between 2016 and 2021, job growth will be led by professional and business services, education and healthcare, leisure and hospitality, government, and agriculture. Together, these sectors are expected to account for 69 percent of net job creation in the county.
- Average salaries are currently well below the California state average, and will remain so over the forecast horizon. In Kern County, real average salaries will increase by 0.9 percent per year from 2016 to 2021.
- Population growth should accelerate over the next few years. Though it will not match the rapid pace that was observed from 2001-2007, it will remain higher than the statewide rate, averaging 1.3 percent per year from 2016 to 2021.
- Net migration will increase from current levels. Over the forecast period, an average of 2,800 net migrants are expected to enter the county each year.

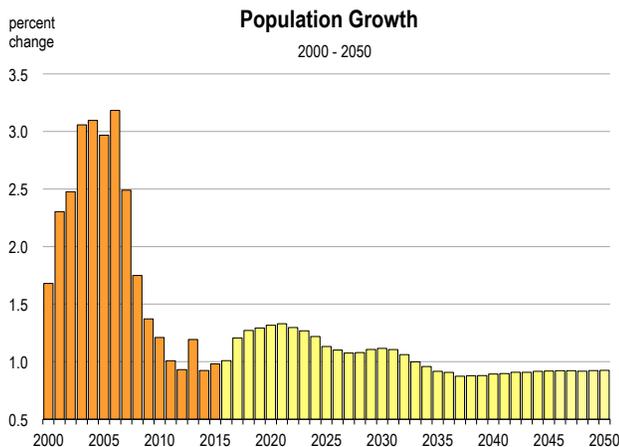


- Between 2016 and 2021, an average of 3,700 housing permits will be issued each year. More than 12,000 new homes could be built at the base of the Grapevine over the next decade, and the first phase of construction could begin in 2017.
- Real per capita income is expected to increase at a rate of 2.6 percent in 2016. Growth is expected to average 0.8 percent per year between 2016 and 2021.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 1.0 percent per year between 2016 and 2021.
- Industrial production is expected to increase by 5.4 percent in 2016. From 2016 to 2021, industrial production will grow by an average of 3.6 percent per year.
- Farm production is projected to increase by 1.2 percent per year between 2016 and 2021. The principal farm product in the county is the grape.

# Kern County Economic Forecast

## 2010-2015 History, 2016-2050 Forecast

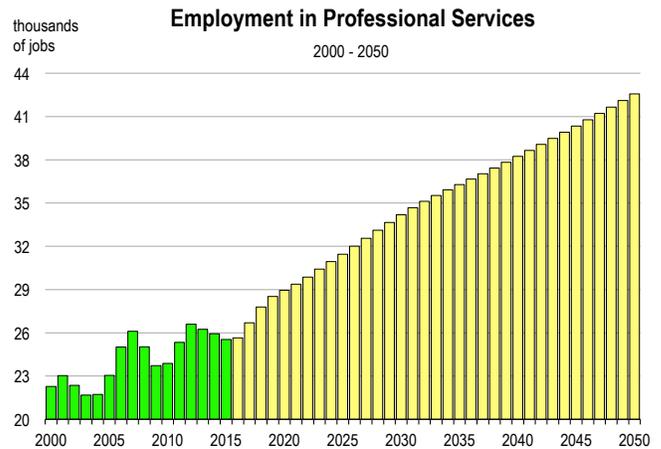
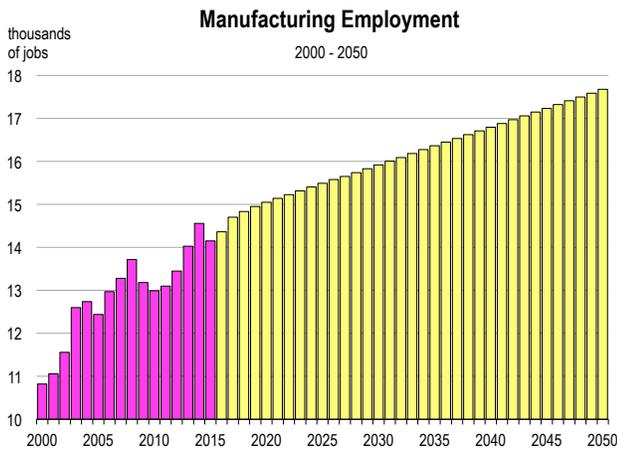
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	841,189	529	681	254.6	1,920	\$11.2	\$25.8	\$33,270	1.2	5.2	13.2	15.7
2011	849,678	-520	682	256.0	1,022	\$14.0	\$27.7	\$34,343	2.7	6.0	15.8	15.0
2012	857,599	-1,055	688	257.4	1,884	\$14.9	\$29.9	\$35,987	2.0	6.7	17.6	13.3
2013	867,825	1,452	708	258.9	2,472	\$15.4	\$30.8	\$36,281	1.1	7.0	16.1	11.8
2014	875,843	-463	724	260.9	2,382	\$15.3	\$31.8	\$36,631	1.3	7.7	14.2	10.6
2015	884,436	-33	738	263.0	2,441	\$14.5	\$32.7	\$36,980	0.9	7.9	16.2	10.2
2016	893,363	326	747	265.0	3,310	\$16.1	\$34.8	\$37,945	1.9	8.1	17.0	9.0
2017	904,141	2,045	759	268.0	3,672	\$16.8	\$36.9	\$38,395	3.0	8.2	17.5	8.6
2018	915,637	2,667	770	271.4	3,777	\$17.4	\$38.4	\$38,697	2.9	8.3	18.5	8.5
2019	927,478	2,877	781	274.9	3,798	\$17.9	\$40.0	\$38,964	1.6	8.4	19.0	8.4
2020	939,688	3,136	792	278.5	3,712	\$18.4	\$41.7	\$39,200	1.6	8.5	19.7	8.4
2021	952,186	3,360	803	281.9	3,603	\$19.0	\$43.4	\$39,446	1.6	8.6	20.3	8.5
2022	964,536	3,101	815	285.2	3,501	\$19.4	\$45.2	\$39,778	1.6	8.7	20.8	8.5
2023	976,770	2,897	826	288.5	3,309	\$19.9	\$47.0	\$40,009	1.6	8.8	21.3	8.5
2024	988,676	2,526	837	291.6	2,989	\$20.5	\$49.1	\$40,272	1.9	8.9	21.8	8.5
2025	999,870	1,778	848	294.3	2,887	\$21.0	\$51.3	\$40,592	2.1	8.9	22.4	8.5
2026	1,010,880	1,553	857	297.0	2,789	\$21.6	\$53.6	\$40,819	2.2	9.0	23.0	8.5
2027	1,021,749	1,364	866	299.6	2,852	\$22.2	\$55.9	\$41,023	2.2	9.1	23.7	8.5
2028	1,032,777	1,519	874	302.2	3,017	\$22.9	\$58.1	\$41,175	2.0	9.2	24.4	8.5
2029	1,044,203	1,854	883	305.0	3,151	\$23.7	\$60.4	\$41,382	1.8	9.2	25.2	8.4
2030	1,055,855	2,066	892	308.0	3,153	\$24.4	\$62.8	\$41,673	1.7	9.3	26.0	8.4
2031	1,067,529	2,024	902	310.9	3,007	\$25.2	\$65.3	\$41,987	1.6	9.4	26.8	8.4
2032	1,078,861	1,652	911	313.7	2,734	\$26.0	\$68.1	\$42,299	1.8	9.5	27.7	8.3
2033	1,089,641	1,039	920	316.2	2,563	\$26.8	\$70.6	\$42,609	1.4	9.6	28.6	8.3
2034	1,100,085	679	929	318.6	2,398	\$27.6	\$73.3	\$42,961	1.6	9.7	29.5	8.2
2035	1,110,169	316	938	320.8	2,347	\$28.4	\$76.3	\$43,364	1.7	9.8	30.4	8.1
2036	1,120,243	292	947	323.0	2,144	\$29.2	\$79.6	\$43,704	2.1	10.0	31.4	8.0
2037	1,130,035	18	955	325.0	2,116	\$30.1	\$83.1	\$44,052	2.2	10.1	32.4	7.9
2038	1,139,961	142	964	326.9	2,081	\$30.9	\$86.6	\$44,358	2.0	10.2	33.4	7.7
2039	1,149,989	248	973	328.9	2,100	\$31.8	\$90.3	\$44,659	2.2	10.3	34.5	7.5
2040	1,160,259	469	982	330.8	2,109	\$32.7	\$94.2	\$45,016	2.1	10.4	35.6	7.3
2041	1,170,669	612	993	332.8	2,128	\$33.6	\$98.2	\$45,433	1.9	10.5	36.7	7.2
2042	1,181,304	801	1,003	334.7	2,105	\$34.5	\$102.2	\$45,784	1.8	10.6	37.9	7.0
2043	1,192,032	881	1,014	336.7	2,127	\$35.3	\$106.2	\$46,172	1.7	10.7	39.1	6.9
2044	1,202,959	1,034	1,026	338.7	2,144	\$36.2	\$110.5	\$46,652	1.5	10.9	40.4	6.8
2045	1,214,013	1,140	1,038	340.6	2,152	\$37.1	\$115.1	\$47,123	1.7	11.0	41.7	6.7
2046	1,225,207	1,233	1,049	342.6	2,155	\$38.0	\$119.6	\$47,486	1.6	11.1	43.1	6.6
2047	1,236,505	1,307	1,060	344.6	2,120	\$38.9	\$124.3	\$47,855	1.9	11.2	44.5	6.5
2048	1,247,852	1,294	1,073	346.6	2,148	\$39.8	\$129.3	\$48,274	1.9	11.4	45.9	6.4
2049	1,259,370	1,444	1,085	348.6	2,149	\$40.8	\$134.7	\$48,737	2.0	11.5	47.5	6.3
2050	1,271,021	1,525	1,097	350.6	2,138	\$41.8	\$140.0	\$49,121	2.2	11.6	49.1	6.2

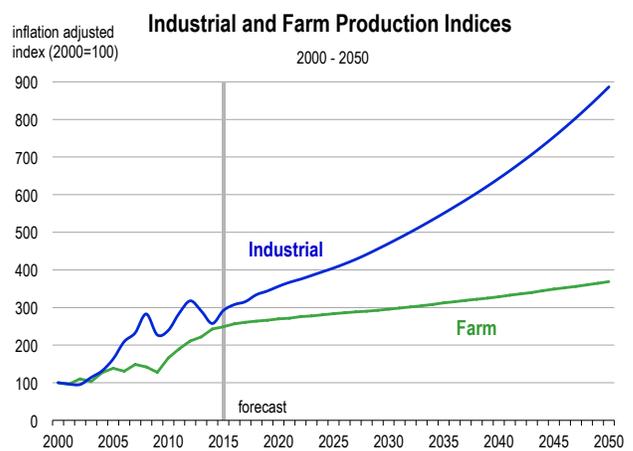
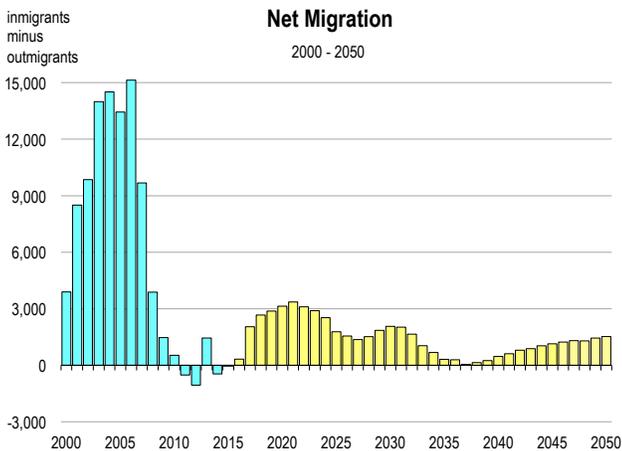
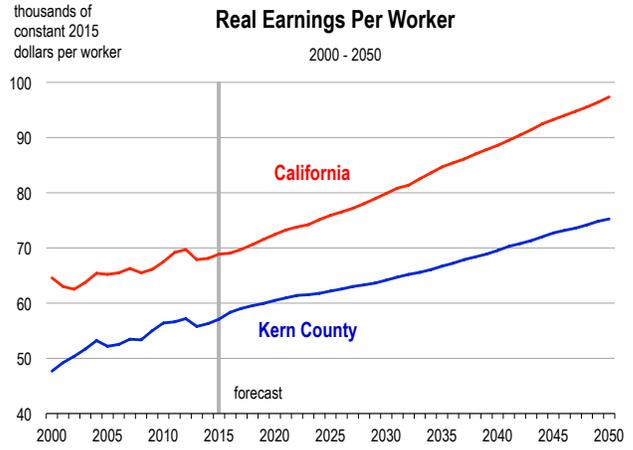
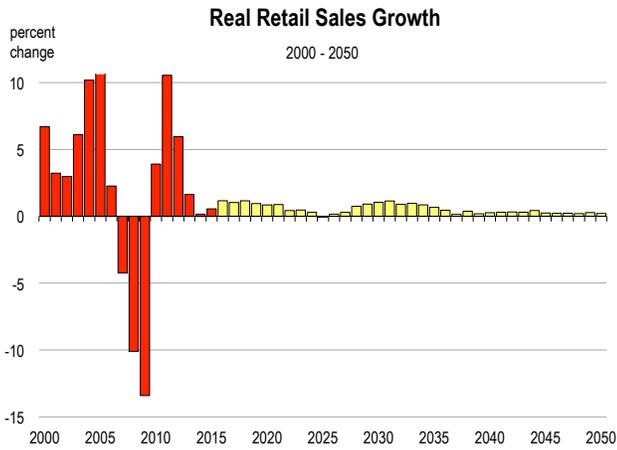


# Kern County Employment Forecast

## 2010-2015 History, 2016-2050 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)-----												
2010	274.9	44.58	12.7	13.0	8.4	33.9	8.2	23.9	2.7	29.6	20.5	60.6
2011	285.7	48.80	13.9	13.1	8.7	35.2	8.3	25.3	2.6	30.1	20.7	60.2
2012	300.4	54.38	16.7	13.5	9.1	36.3	8.7	26.6	2.7	31.5	21.6	58.8
2013	310.0	59.58	17.2	14.0	9.5	38.0	8.8	26.2	2.5	32.3	22.8	58.4
2014	316.4	60.08	18.2	14.6	9.8	39.7	8.7	25.9	2.4	32.6	23.7	59.7
2015	317.5	59.13	17.0	14.2	10.1	40.9	8.5	25.5	2.7	33.5	25.2	61.4
2016	323.5	60.41	18.8	14.4	10.3	41.4	8.5	25.6	2.7	34.3	25.7	61.7
2017	328.5	61.12	19.3	14.7	10.5	41.8	8.6	26.7	2.8	34.9	26.3	62.0
2018	332.9	61.55	19.4	14.8	10.7	42.1	8.6	27.8	2.8	35.6	26.7	62.5
2019	336.6	62.04	19.5	15.0	10.9	42.4	8.7	28.5	2.8	36.3	27.0	62.8
2020	339.7	62.64	19.6	15.1	11.0	42.7	8.8	28.9	2.8	37.0	27.1	63.2
2021	342.2	62.93	19.5	15.1	11.2	42.9	8.8	29.4	2.8	37.7	27.2	63.4
2022	345.1	63.55	19.4	15.2	11.4	43.1	8.9	29.9	2.8	38.5	27.3	63.6
2023	347.8	63.92	19.4	15.3	11.7	43.3	8.9	30.4	2.8	39.2	27.4	63.9
2024	350.4	64.38	19.2	15.4	11.9	43.5	8.9	30.9	2.8	39.9	27.4	64.0
2025	353.0	64.89	19.2	15.5	12.1	43.6	9.0	31.5	2.8	40.6	27.5	64.3
2026	355.6	65.30	19.1	15.6	12.3	43.8	9.0	32.0	2.8	41.2	27.6	64.5
2027	358.3	65.68	19.1	15.7	12.5	43.9	9.0	32.6	2.8	41.9	27.8	64.8
2028	361.0	65.99	19.1	15.7	12.7	44.1	9.0	33.1	2.8	42.5	27.9	65.0
2029	363.9	66.37	19.1	15.8	13.0	44.3	9.0	33.7	2.8	43.1	28.2	65.3
2030	366.9	66.86	19.1	15.9	13.2	44.6	9.0	34.2	2.8	43.8	28.4	65.5
2031	370.0	67.38	19.1	16.0	13.4	44.9	9.0	34.7	2.8	44.4	28.7	65.8
2032	373.0	67.90	19.0	16.1	13.6	45.2	9.0	35.1	2.8	45.1	29.0	66.1
2033	375.9	68.42	18.9	16.2	13.9	45.4	9.0	35.5	2.8	45.8	29.2	66.3
2034	379.0	68.99	18.9	16.3	14.1	45.7	9.0	35.9	2.8	46.4	29.5	66.5
2035	382.0	69.64	18.9	16.4	14.3	46.0	9.0	36.3	2.8	47.1	29.8	66.8
2036	385.0	70.20	18.9	16.5	14.6	46.2	9.0	36.7	2.8	47.8	30.0	67.1
2037	387.9	70.77	19.0	16.5	14.8	46.3	9.0	37.0	2.8	48.4	30.3	67.3
2038	390.8	71.29	19.1	16.6	15.1	46.5	9.0	37.4	2.8	49.1	30.6	67.6
2039	393.7	71.81	19.2	16.7	15.3	46.6	8.9	37.8	2.9	49.7	30.8	67.8
2040	396.8	72.40	19.2	16.8	15.6	46.8	8.9	38.2	2.9	50.3	31.1	68.1
2041	399.9	73.06	19.3	16.9	15.8	47.0	8.9	38.7	2.9	51.0	31.4	68.4
2042	402.9	73.64	19.4	17.0	16.0	47.1	8.9	39.1	2.9	51.6	31.6	68.6
2043	405.9	74.28	19.4	17.1	16.3	47.3	8.9	39.5	2.9	52.2	31.9	68.9
2044	409.1	75.03	19.5	17.2	16.5	47.4	8.9	39.9	2.9	52.7	32.2	69.2
2045	412.3	75.77	19.6	17.2	16.8	47.6	8.8	40.3	2.9	53.3	32.4	69.5
2046	415.4	76.38	19.6	17.3	17.0	47.7	8.8	40.8	2.9	53.9	32.7	69.8
2047	418.4	76.99	19.6	17.4	17.3	47.9	8.8	41.2	2.9	54.5	33.0	70.1
2048	421.5	77.67	19.7	17.5	17.5	48.0	8.8	41.7	2.9	55.0	33.3	70.4
2049	424.7	78.41	19.7	17.6	17.8	48.2	8.8	42.1	2.9	55.6	33.5	70.7
2050	427.9	79.05	19.8	17.7	18.0	48.3	8.8	42.6	2.9	56.1	33.8	71.0





## County Economic and Demographic Indicators

### Projected Economic Growth (2016-2021)

Expected retail sales growth:	5.0%
Expected job growth:	5.8%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	10.8%

Expected population growth:	6.6%
Net migration to account for:	23.9%
Expected growth in number of vehicles:	8.2%

### Demographics (2016)

Unemployment rate (April 2016):	10.6%
County rank* in California (58 counties):	53rd
Working age (16-64) population:	63.5%

Population with B.A. or higher:	14.6%
Median home selling price (2015):	\$200,000
Median household income:	\$49,502

### Quality of Life

Violent crime rate (2014):	496 per 100,000 persons
County rank* in California (58 counties):	46th
Average commute time to work (2016):	26.0 minutes

High school drop out rate (2015):	13.8%
Households at/below poverty line (2016):	19.6%

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