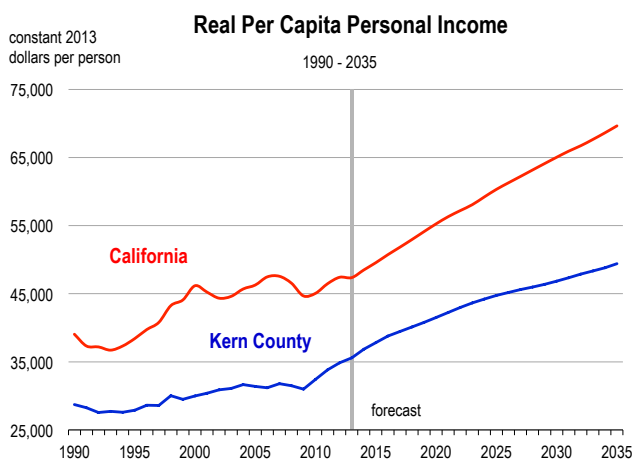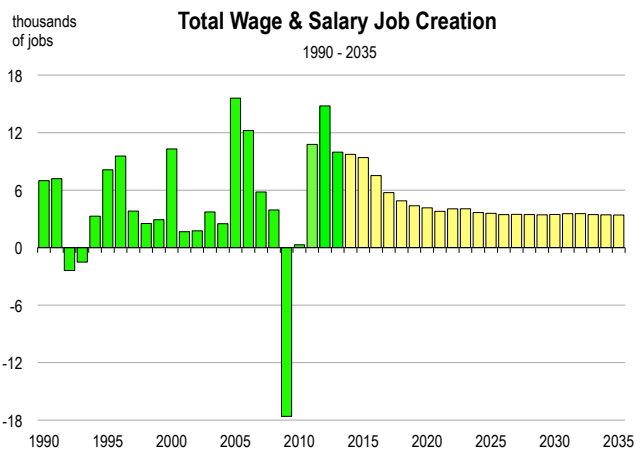# KERN COUNTY ECONOMIC FORECAST

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 almost 867,000 people and approximately 309,000 wage and salary jobs. In 2013, the per capita income in Kern County was $35,584, and the average salary per worker was $55,099.

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 2013, employment across Southern California increased by 2.7 percent. Kern County, however, gained 10,000 total wage and salary jobs, representing a growth rate of 3.3 percent. The unemployment rate, while still high, improved dramatically, falling from 13.3 percent in 2012 to 11.8 percent in 2013.

In 2013, the agricultural sector accounted for approximately half of total job growth (+5,200 jobs). Growth was also prominent in wholesale and retail trade (+1,800 jobs), leisure and hospitality (+1,200 jobs), and education and healthcare (+1,200 jobs). The largest losses were observed in government (-540 jobs), professional services (-180 jobs), and information (-120 jobs).

Between 2008 and 2013, the population of Kern County grew by 5.7 percent, representing an annual average increase of 1.1 percent. Virtually all of this growth was due to the natural increase (new births), as net migration was relatively low.

Total Wage & Salary Job Creation
1990 - 2035

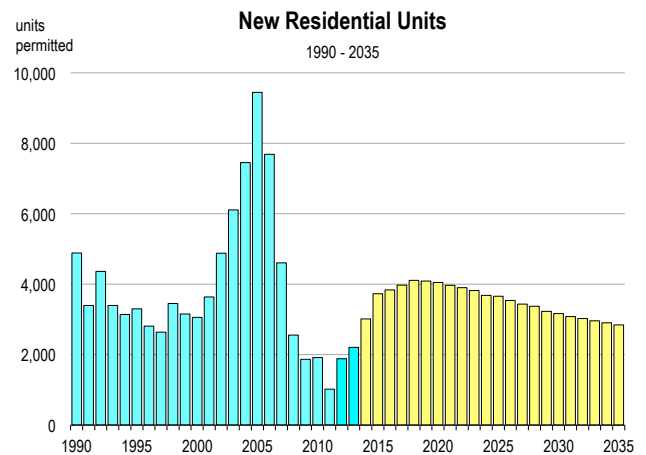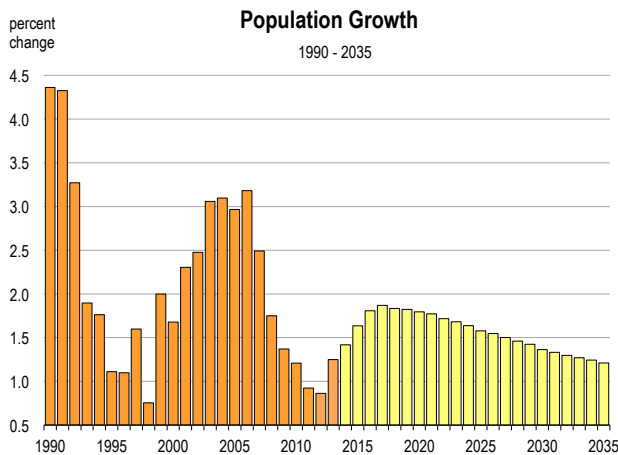**Real Per Capita Personal Income**
1990 - 2035

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 3.2 percent in 2014, and by an annual average of 1.9 percent between 2014 and 2019.

- Between 2014 and 2019, job growth will be lead by agriculture, professional and business services, education and healthcare, and leisure and hospitality. Together, these sectors are expected to account for 64 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 1.0 percent per year from 2014 to 2019.

- Population growth began to accelerate in 2013, and should continue to accelerate over the next few years. Though it will not match the rapid pace that was observed from 2001-2007, it will remain relatively high, averaging 1.8 percent per year from 2014 to 2019.

- From 2014 to 2019, net migration will rise. An average of 7,000 net migrants are expected to enter the county each year during this period.

- Real per capita income is expected to increase at a rate of 3.5 percent in 2014. Growth is expected to average 2.1 percent per year between 2014 and 2019.

- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.2 percent per year between 2014 and 2019.

- Industrial production is expected to increase by 4.3 percent in 2014. From 2014 to 2019, the growth rate of industrial production is expected to average 3.8 percent per year.

- Farm production is forecasted to increase by 1.9 percent per year between 2014 and 2019. The principal farm product in the county is the grape.

Kern County Economic Forecast
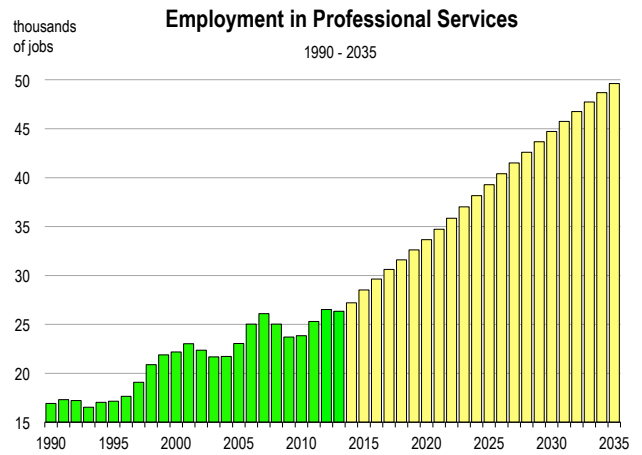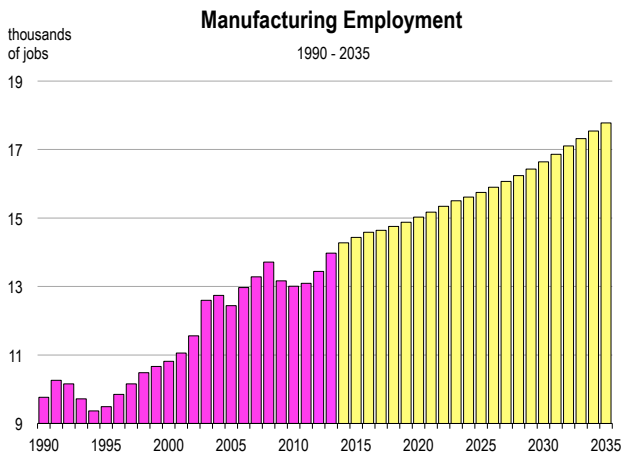## 2006-2013 History, 2014-2040 Forecast

	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	786,220	15,131	669	237.0	7,691	$12.0	$21.6	$31,176	4.3	4.0	10.0	7.6
2007	805,798	9,681	672	243.0	4,608	$11.9	$23.3	$31,778	3.3	4.5	10.8	8.2
2008	819,891	3,884	676	248.7	2,558	$12.1	$24.3	$31,484	3.5	4.3	12.8	9.8
2009	831,134	1,474	678	251.5	1,868	$9.9	$24.0	$30,985	-0.8	3.9	10.2	14.4
2010	841,189	529	681	254.6	1,920	$11.1	$25.7	$32,425	1.2	5.0	10.5	15.9
2011	848,958	-1,240	682	256.0	1,022	$13.7	$27.8	$33,838	2.7	5.8	12.0	14.9
2012	856,282	-1,812	688	257.4	1,884	$14.7	$29.5	$34,842	2.0	6.3	12.7	13.3
2013	866,977	1,489	696	258.7	2,207	$15.5	$30.9	$35,584	1.1	6.5	12.9	11.8
2014	879,268	3,042	707	260.7	3,015	$16.2	$32.9	$36,837	1.7	6.7	13.4	11.2
2015	893,646	4,997	717	263.5	3,730	$17.0	$35.1	$37,834	2.2	6.9	14.0	10.0
2016	909,798	6,738	726	266.9	3,839	$17.8	$37.4	$38,783	2.1	7.1	14.5	9.1
2017	926,803	7,577	734	270.5	3,975	$18.4	$39.3	$39,453	1.2	7.2	15.0	8.6
2018	943,801	7,590	742	274.2	4,111	$19.0	$41.1	$40,115	1.2	7.3	15.6	8.5
2019	961,008	7,887	751	278.0	4,091	$19.6	$43.1	$40,783	1.3	7.4	16.1	8.3
2020	978,259	7,944	760	281.8	4,050	$20.2	$45.2	$41,515	1.2	7.5	16.7	8.2
2021	995,594	7,992	769	285.6	3,969	$20.8	$47.5	$42,257	1.4	7.6	17.2	8.4
2022	1,012,690	7,706	778	289.2	3,902	$21.4	$49.9	$42,989	1.5	7.8	17.7	8.3
2023	1,029,719	7,554	786	292.8	3,821	$22.0	$52.2	$43,643	1.4	7.9	18.3	8.2
2024	1,046,576	7,376	794	296.4	3,684	$22.7	$54.4	$44,201	1.4	7.9	18.8	8.2
2025	1,063,088	7,041	802	299.8	3,659	$23.3	$56.8	$44,757	1.4	8.0	19.4	8.1
2026	1,079,536	6,994	809	303.2	3,539	$23.9	$59.0	$45,187	1.4	8.1	20.0	8.1
2027	1,095,743	6,769	816	306.5	3,436	$24.6	$61.3	$45,629	1.4	8.2	20.7	8.0
2028	1,111,744	6,579	822	309.7	3,375	$25.3	$63.6	$45,982	1.4	8.2	21.4	7.9
2029	1,127,580	6,445	829	312.8	3,230	$26.0	$65.9	$46,367	1.4	8.3	22.2	7.9
2030	1,142,949	6,014	835	315.8	3,167	$26.8	$68.4	$46,841	1.4	8.3	23.0	7.8
2031	1,158,175	5,905	842	318.7	3,082	$27.7	$71.0	$47,342	1.4	8.4	23.8	7.6
2032	1,173,198	5,738	848	321.6	3,026	$28.6	$73.8	$47,890	1.4	8.5	24.7	7.5
2033	1,188,101	5,657	854	324.4	2,961	$29.5	$76.5	$48,333	1.4	8.5	25.6	7.4
2034	1,202,875	5,578	860	327.1	2,904	$30.4	$79.3	$48,828	1.4	8.6	26.5	7.2
2035	1,217,435	5,426	866	329.8	2,845	$31.4	$82.3	$49,407	1.4	8.7	27.5	7.1
2036	1,231,930	5,431	872	332.5	2,779	$32.3	$85.5	$50,005	1.4	8.8	28.5	6.9
2037	1,246,397	5,487	879	335.0	2,727	$33.3	$88.8	$50,667	1.4	8.9	29.6	6.6
2038	1,260,781	5,494	885	337.6	2,677	$34.3	$92.2	$51,269	1.4	8.9	30.6	6.3
2039	1,275,118	5,538	892	340.0	2,623	$35.2	$95.7	$51,910	1.4	9.0	31.8	6.1
2040	1,289,366	5,542	899	342.5	2,572	$36.2	$99.4	$52,607	1.4	9.1	33.0	5.8

Population Growth
1990 - 2035

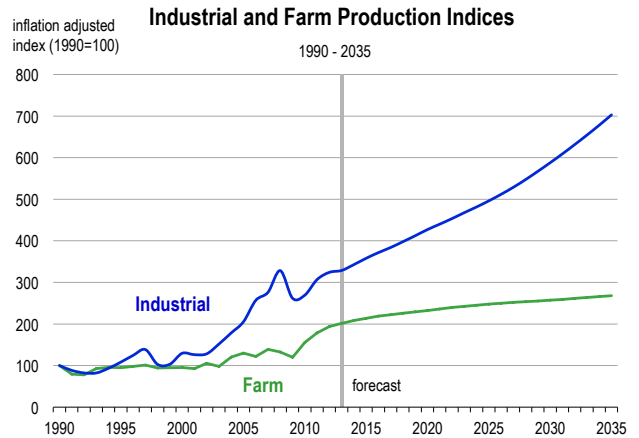percent change

New Residential Units
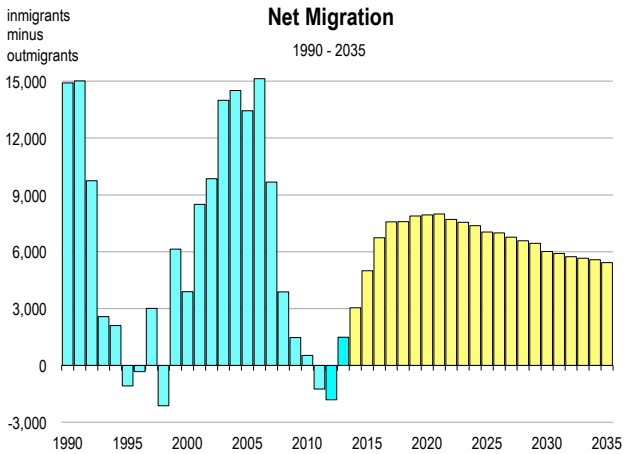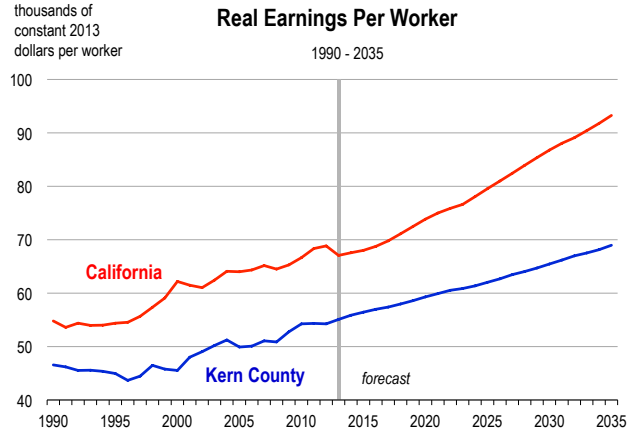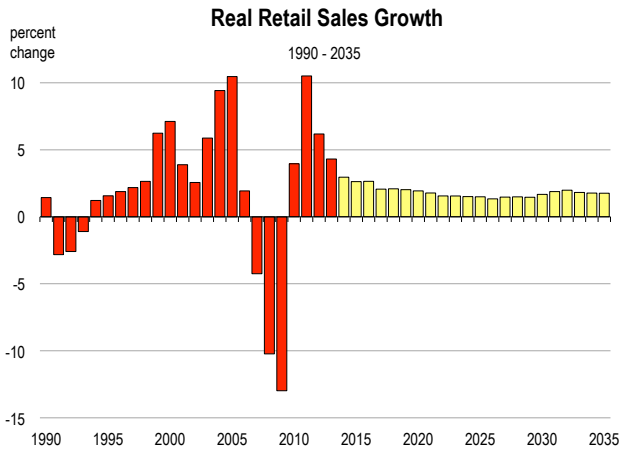1990 - 2035

units permitted

Kern County Employment Forecast
2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	--employment (thousands of jobs)--											
2006	281.5	45.25	20.0	13.0	9.4	37.1	9.0	25.0	2.7	25.7	20.7	57.7
2007	287.3	45.60	18.4	13.3	9.6	37.2	9.1	26.1	2.8	27.2	21.5	60.0
2008	291.2	49.56	16.5	13.7	9.6	35.8	8.9	25.0	3.0	28.4	21.5	61.5
2009	273.6	42.26	13.1	13.2	8.9	34.0	8.5	23.7	2.8	28.9	20.9	60.8
2010	273.9	44.58	12.7	13.0	8.4	33.9	8.2	23.8	2.7	28.6	20.5	60.6
2011	284.7	48.80	13.9	13.1	8.7	35.1	8.3	25.3	2.6	29.3	20.7	60.2
2012	299.5	54.38	16.7	13.4	9.1	36.2	8.7	26.5	2.7	30.8	21.6	58.8
2013	309.4	59.55	17.2	14.0	9.5	38.0	8.8	26.3	2.6	31.9	22.8	58.2
2014	319.2	63.10	17.7	14.3	10.1	38.7	9.0	27.2	2.6	33.8	23.4	58.6
2015	328.6	65.30	18.6	14.4	10.5	39.3	9.2	28.5	2.6	35.7	24.1	59.2
2016	336.1	66.60	19.4	14.6	10.9	39.9	9.3	29.6	2.6	37.0	24.9	59.7
2017	341.8	67.34	19.7	14.6	11.2	40.3	9.5	30.6	2.6	38.4	25.6	60.1
2018	346.7	67.77	19.8	14.8	11.5	40.7	9.7	31.6	2.6	39.7	26.0	60.5
2019	351.1	68.01	19.9	14.9	11.8	41.1	9.9	32.6	2.6	41.1	26.3	60.7
2020	355.2	68.13	20.0	15.0	12.1	41.5	10.0	33.7	2.6	42.4	26.4	61.2
2021	359.0	68.19	19.9	15.2	12.3	41.8	10.1	34.7	2.6	43.8	26.5	61.3
2022	363.1	68.20	19.9	15.3	12.6	42.2	10.3	35.9	2.7	45.2	26.5	61.4
2023	367.1	68.18	19.9	15.5	12.8	42.5	10.4	37.0	2.7	46.6	26.6	61.7
2024	370.8	68.13	19.9	15.6	13.1	42.8	10.5	38.2	2.7	47.8	26.7	61.9
2025	374.4	68.07	19.8	15.7	13.3	43.1	10.6	39.3	2.7	49.0	26.7	62.1
2026	377.8	68.00	19.8	15.9	13.6	43.4	10.7	40.4	2.8	49.9	26.8	62.4
2027	381.3	67.92	19.8	16.1	13.8	43.7	10.8	41.5	2.8	50.9	26.8	62.7
2028	384.8	67.84	19.8	16.2	14.1	44.0	10.8	42.6	2.8	51.9	26.9	63.0
2029	388.2	67.75	19.8	16.4	14.4	44.3	10.9	43.7	2.9	52.9	27.0	63.2
2030	391.6	67.67	19.8	16.6	14.6	44.6	11.0	44.7	2.9	53.9	27.0	63.5
2031	395.2	67.57	19.9	16.9	14.9	44.9	11.1	45.7	2.9	54.9	27.1	63.8
2032	398.7	67.46	19.9	17.1	15.1	45.3	11.2	46.8	3.0	56.0	27.1	64.1
2033	402.2	67.33	19.9	17.3	15.4	45.6	11.2	47.7	3.0	57.0	27.2	64.4
2034	405.6	67.20	20.0	17.5	15.6	45.9	11.3	48.7	3.0	58.0	27.2	64.6
2035	409.0	67.05	20.0	17.8	15.9	46.3	11.4	49.6	3.1	59.0	27.3	64.9
2036	412.4	66.87	20.1	18.0	16.1	46.6	11.5	50.5	3.1	60.0	27.3	65.2
2037	415.9	66.68	20.2	18.3	16.4	47.0	11.5	51.5	3.2	61.0	27.4	65.5
2038	419.3	66.45	20.3	18.5	16.6	47.4	11.6	52.4	3.2	62.0	27.4	65.8
2039	422.7	66.22	20.4	18.8	16.9	47.7	11.7	53.3	3.3	62.9	27.4	66.1
2040	426.1	65.96	20.5	19.1	17.1	48.1	11.8	54.2	3.3	63.8	27.5	66.4

Manufacturing Employment

thousands of jobs

1990 - 2035

Employment in Professional Services

thousands of jobs

1990 - 2035

Real Retail Sales Growth

1990 - 2035

percent change

Real Earnings Per Worker

1990 - 2035

thousands of constant 2013 dollars per worker

California

Kern County

forecast

Net Migration

1990 - 2035

inmigrants minus outmigrants

Industrial and Farm Production Indices

1990 - 2035

inflation adjusted index (1990=100)

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	12.0%
Expected job growth:	10.0%
Fastest growing jobs sector:	Education and Health
Expected personal income growth:	21.0%

Expected population growth:	9.3%
Net migration to account for:	42.6%
Expected growth in number of vehicles:	6.1%

Demographics (2014)

Unemployment rate (April 2014):	11.4%
County rank* in California (58 counties):	43rd
Working age (16-64) population:	64.3%

Population with B.A. degree or higher:	14.7%
Median home selling price (2013):	$135,000
Median Household income:	$46,650

Quality of Life

Violent crime rate (2012):	580 per 100,000 persons
County rank* in California (58 counties):	49th
Average commute time to work (2014):	25.7 minutes

High School drop out rate (2012):	20.5%
Households at/below poverty line (2014):	19.4%

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