# Madera County Economic Forecast

Forecast Summary

- 700 non-farm jobs will be created in Madera County during 2019. Over the following five years, an average of 400 new jobs are expected per year.

- Employment growth will be led by professional services, healthcare, government, and leisure services. These sectors will account for 87 percent of net job creation through 2024.

- The unemployment rate averaged 7.0 percent in 2018, but will rise marginally in 2019.

- The population is expanding faster than the broader state, and will continue to do so.

- Housing production has increased in recent years, but has not kept pace with population growth.

- Housing production will accelerate over the next few years. Almost all new units will be single-family homes.

- Madera County has one of the largest development projects in California, which could produce 33,000 homes along Highway 41 near the Fresno County border.

Job Growth

- Madera County job growth has been inconsistent, but non-farm employment increased rapidly in 2018.

- The leading industries in 2018 were healthcare and government. These sectors accounted for 60 percent of net job creation.

- Between 2012 and 2018, non-farm employment growth averaged 1.8 percent per year.
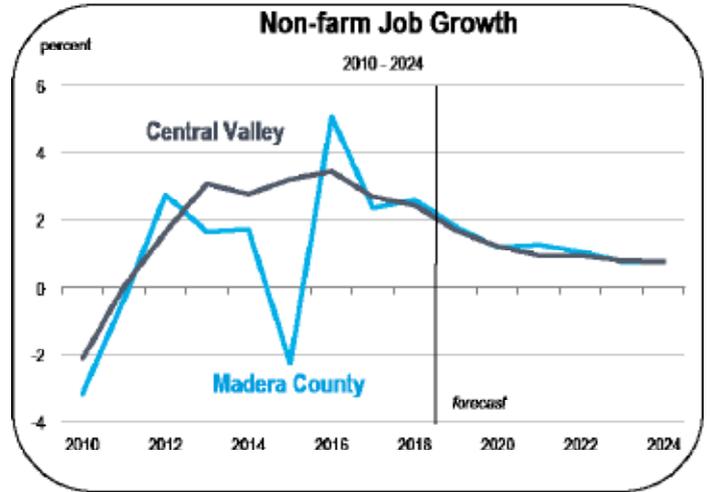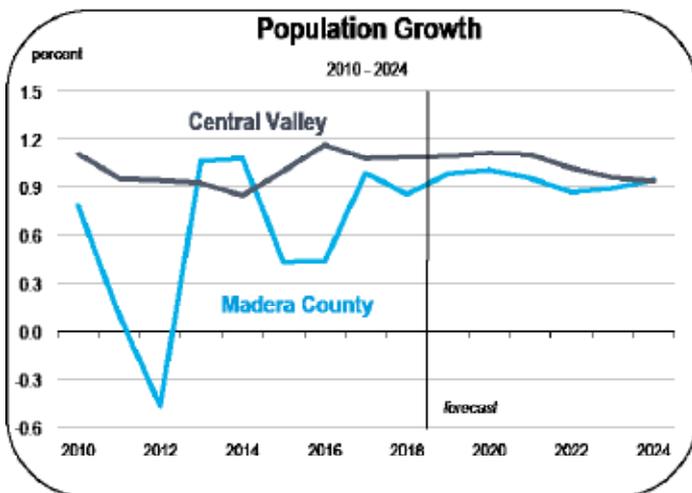

- Between 2018 and 2024, growth is forecast to average 1.1 percent per year.

- Approximately 700 non-farm jobs will be created during 2019.

- Through 2024, an average of 400 new non-farm wage and salary jobs are expected per year.

Construction Employment

- Demand for construction workers increased dramatically from 2011 to 2016, but grew more slowly in 2017 and 2018.

- In 2018, a large number of construction workers were deployed to the Rio Mesa project, which is underway near Highway 41 and the Fresno County border.

- Construction workers were also active on the California High Speed Rail Project. There are dozens of construction sites throughout California, including several in Madera County.
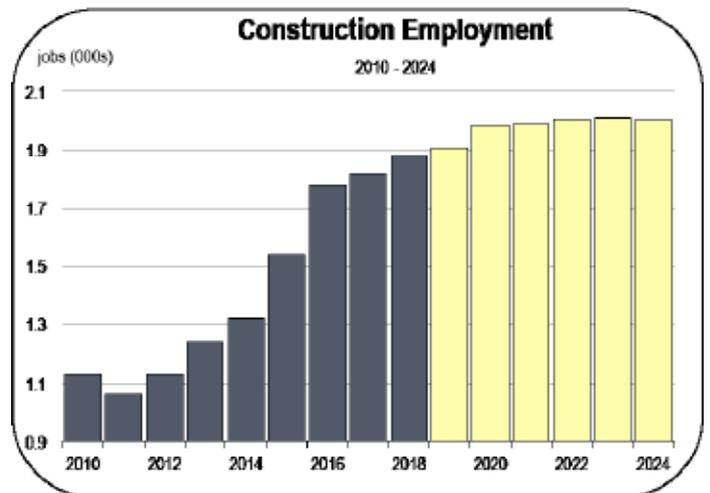
Madera County Economic Forecast

- 100 new jobs should be created by 2020, but job growth could slow down in 2021 or 2022.

Manufacturing Employment

- After losing jobs for several years, the manufacturing industry is now plateauing.

- Madera County has a heavy concentration in food product manufacturing, and this subsector was responsible for most of the losses between 2014 and 2017. Local farms are earning less than they did several years ago, meaning that fewer goods are being sent to the food processing industry.

- A single company also shed a large number of jobs. Brake Parts Inc., located in Chowchilla, has laid off more than 300 workers since 2015, transferring most of these jobs to a factory in Mexico.

Transportation and Warehousing Employment

- Madera County's transportation and warehousing sector is very small.

- Approximately 50 jobs were created in 2018.

- The Central Valley is a hub for logistics firms, but activity is concentrated in Fresno, Kern, and San Joaquin counties.

- This industry is expected to grow slowly in Madera County.

Retail Trade Employment

- The retail industry is being divided into two groups: stores that face heavy online competition, and stores that don't.
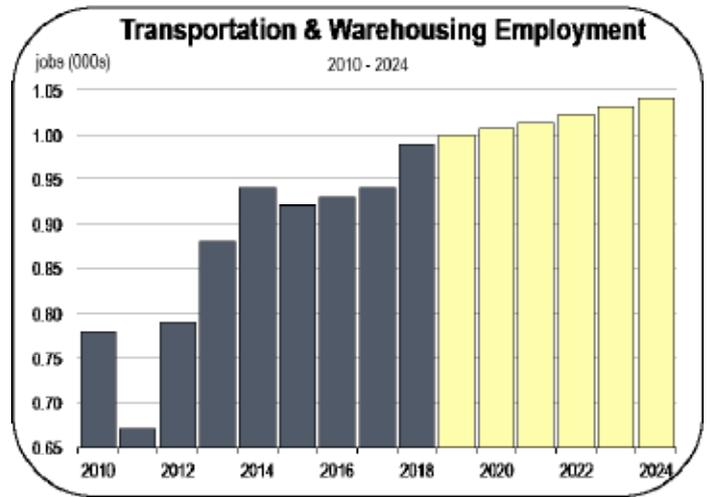
- Growth has been minimal in sectors facing online competition:
  - Clothing stores
  - Sporting goods stores
  - Furniture stores
  - Hardware Stores
  - Department stores (i.e. Macy's)

- But growth has been rapid in sectors not facing heavy online competition:
  - Car dealerships
  - Drug stores
  - Grocery stores
  - Gas Stations

- Minimal job growth is expected during the forecast period.

- This sector is is vulnerable to job contraction in 2020 or 2021, particularly if the economy falls into recession.
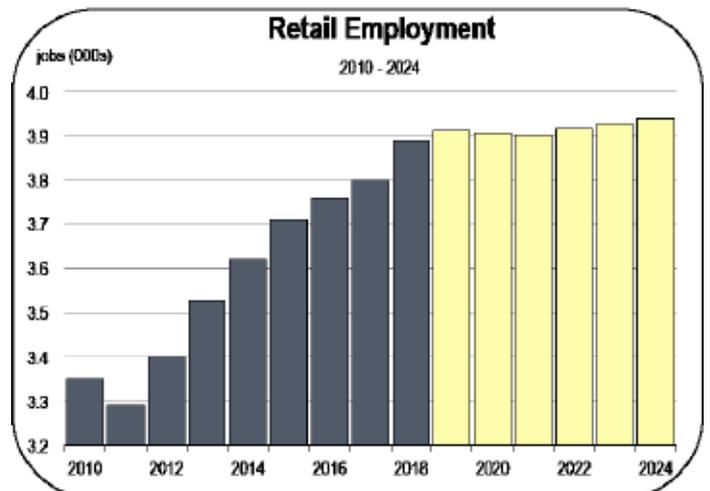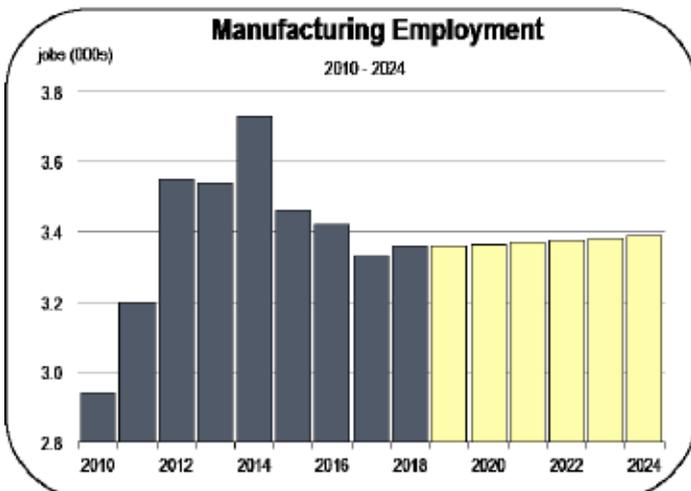
Madera County Economic Forecast

Financial Activities Employment

- The finance sector has lost 110 jobs since 2013.

- Because banks and insurance companies are transitioning to online services, fewer customers are visiting their local branches, meaning that fewer employees are needed at each location.

- Four banks and one insurance company have also closed since 2013.

## Professional and Business Services Employment

- Professional and business services experienced heavy losses in 2014 and 2015, and employment levels have been relatively stagnant since.

- In Madera County, this industry is largely comprised of business support companies, including administrative, janitorial, and security services. These companies shed jobs in 2018, but will begin to hire again in 2019.

- Growth will accelerate in 2019 as local businesses outsource more of their support functions.
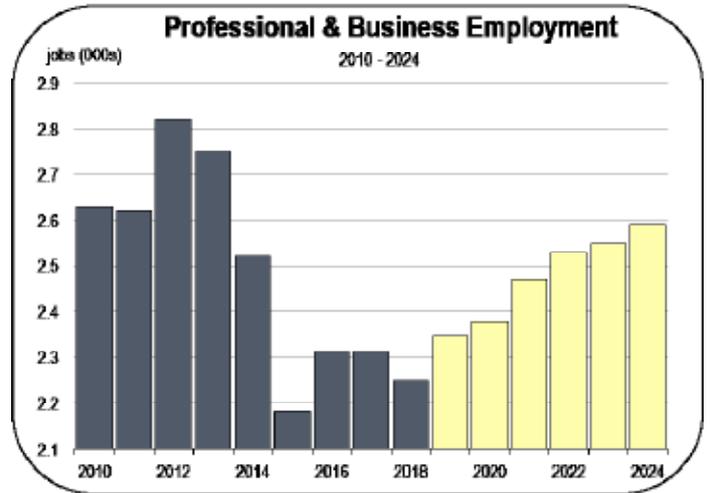
Information Employment

- This industry generated 20 jobs in 2018.

- In Madera County, the information sector is almost entirely comprised of telecommunications companies. The largest firm is Sierra Tel, which is headquartered in Oakhurst and accounts for approximately half of all Information jobs in the county.

- Because the telecommunications sector is in a long term pattern of stagnation, no growth is expected over the forecast period.
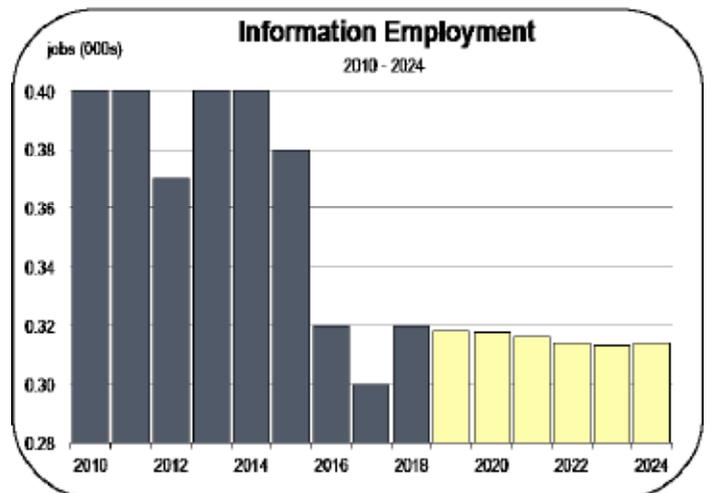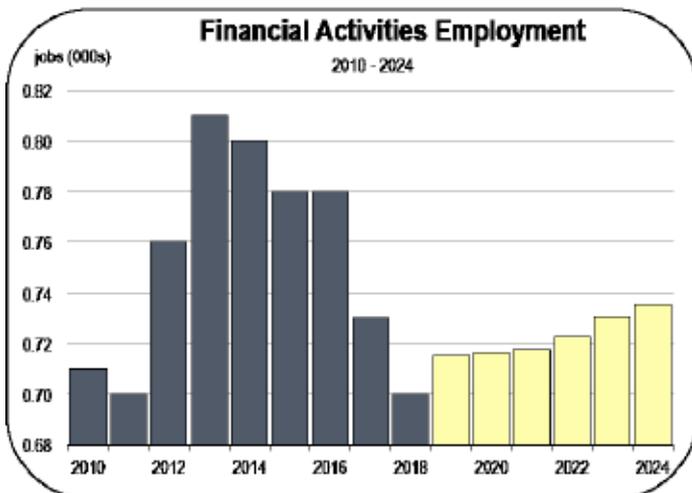
Madera County Economic Forecast
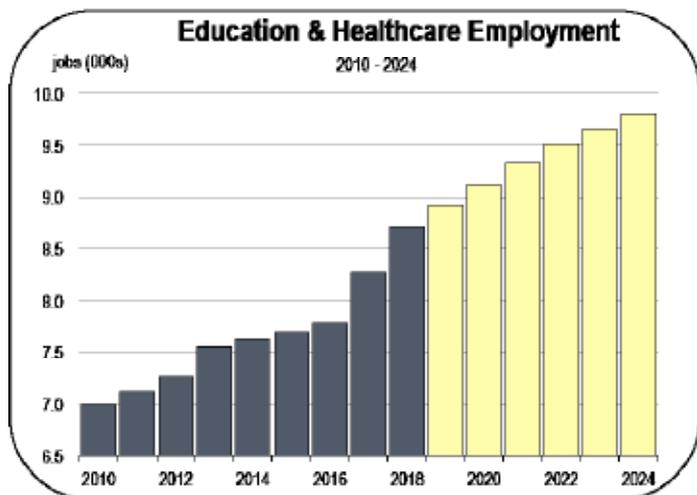
## Private Education and Healthcare Employment

- The Madera County healthcare sector expanded very quickly in 2018.

- The private school sector is very small in Madera County, and has only 75 workers (public schools are included in the government sector).

- Healthcare companies will continue to create jobs, as an aging population generates new demand for healthcare.

- Community Medical Centers has purchased 200 acres near Highway 41 and Avenue 12, with plans for a new medical facility. It is a long term project that may not break ground within our 2024 forecast horizon.

- If the project comes to fruition, it will serve the 30,000 new homes in the Rio Mesa community, and could create hundreds of healthcare jobs.

- The future of the U.S. health insurance landscape is unknown, and legislative changes could influence job growth in health services.

Leisure and Hospitality Employment

- After years of rapid expansion, Madera County lost 50 restaurant jobs last year.

- But 100 jobs were also created at hotels, and another 50 were generated at gyms and fitness centers.

- The restaurant sector will expand again in 2019 and 2020, but is not expected to return to the high levels of job creation of previous years.

- Hotels and fitness centers will also expand further in 2019 and 2020.
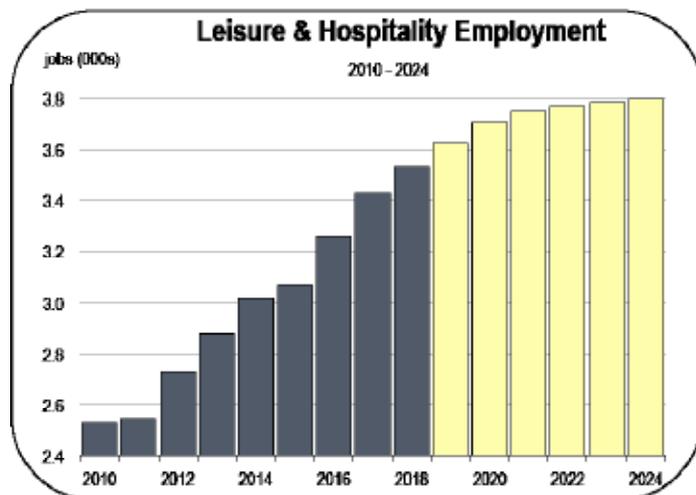
- But job creation may decelerate in 2021, and the industry is in danger of losing jobs if the economy falls into recession.

- The leisure industry is sensitive to changes in the minimum wage. As California's minimum wage rises to $15 per hour by 2022, job growth could be impacted.

- The median wage in Madera County is $15.90 per hour, meaning that half of all workers earn less than this amount. It may be difficult for local companies to support a minimum wage of $15.

Government Employment

- Employment in this sector fell sharply in 2015, but this was entirely due to the shutdown of the Chukchansi Gold Resort and Casino. Because the facility is on the territory of the Picayune Rancheria of Chukchansi Indians, its employees are classified in the government sector.

- The Resort and Casino was closed for 14 months, but reopened on New Year's Eve 2015, reinstating most of the jobs that had been lost.
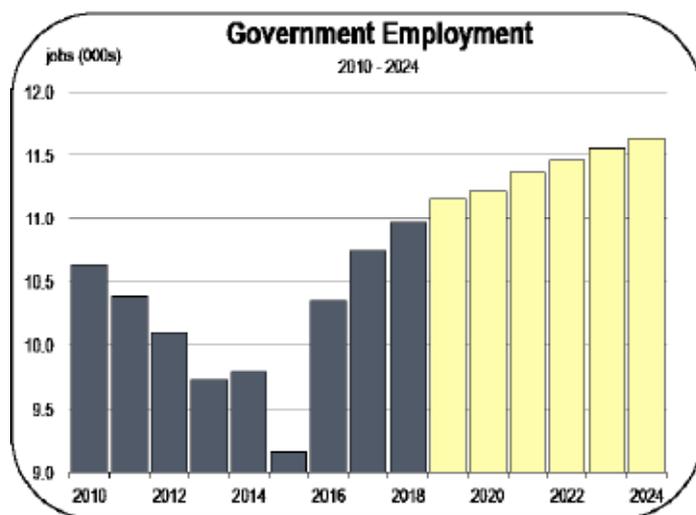
Madera County Economic Forecast
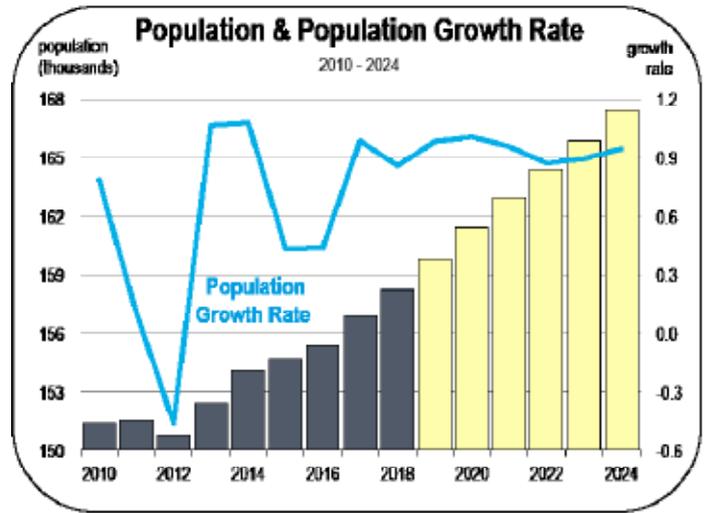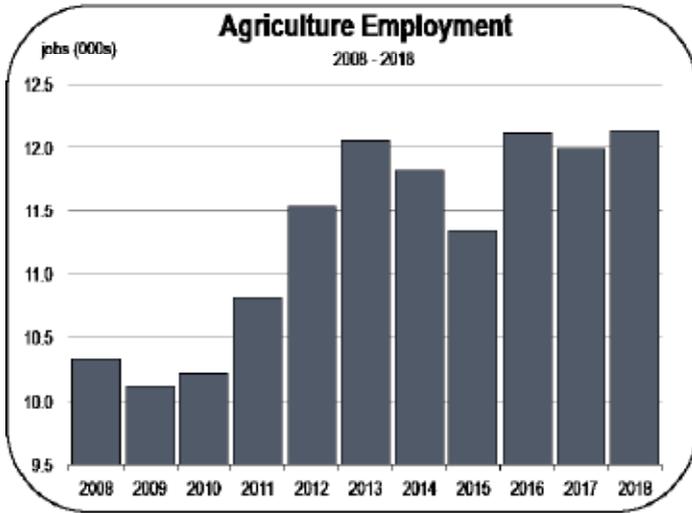
- About half of all 2018 job creation was in public schools, and the other half was in municipal agencies.

Agriculture

- The most valuable commodities in the county are:
  - Almonds: $500 - $800 million output per year
  - Milk: $200 - $350 million
  - Grapes: $200 - $300 million
  - Pistachios: $150 - $300 million

- Overall crop values have fallen by $450 million since 2014, due largely to the markets for almonds, pistachios, and milk.

- The almond harvest has actually increased since 2014, but prices have declined by 35 percent, leading to less revenue for almond farms.

- Milk and pistachio production have declined slightly, and prices are down by approximately 25 percent.

- The county gained a small number of agriculture jobs in 2018, pushing total employment to record levels.

Population Growth

- The county population grew by 0.9 percent in 2018, which is slightly faster than the statewide average.

- Net migration turned positive in 2017 and 2018, and will stay positive with an average of 490 net migrants entering the county each year during the forecast period.

- Population growth will average 0.9 percent per year, and the county will surpass 165,000 residents by 2024.
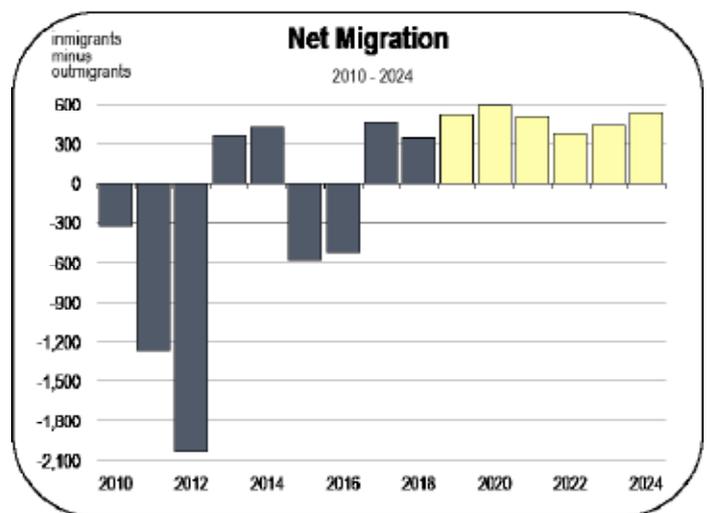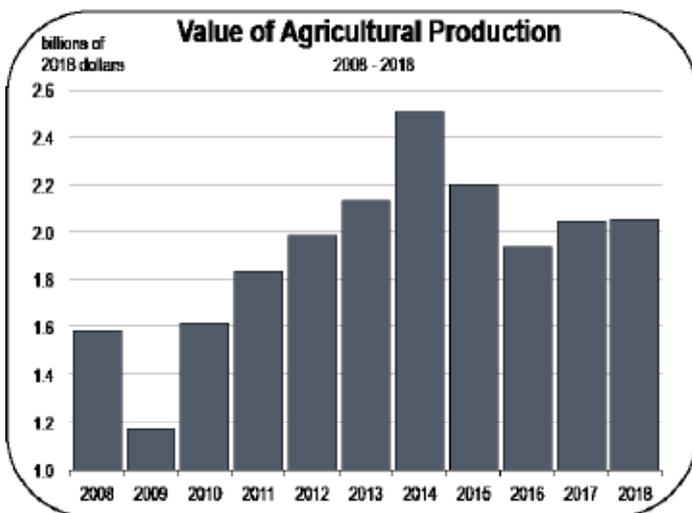
Madera County Economic Forecast
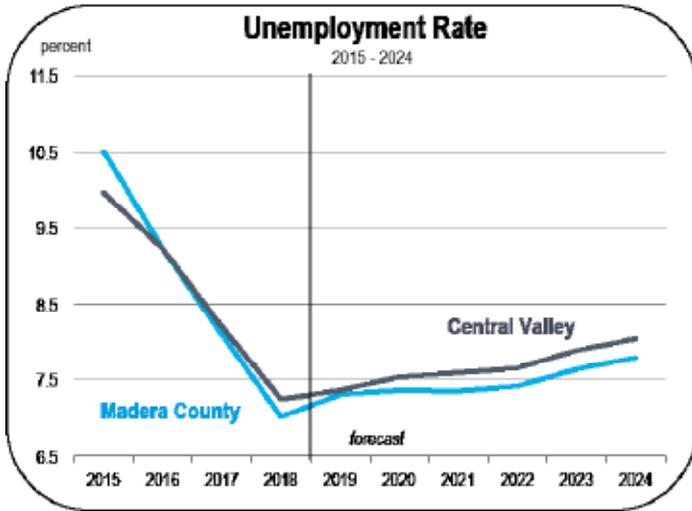
Unemployment and Inflation Rates

- The unemployment rate in Madera County averaged 7.0 percent in 2018, which was similar to the composite rate for the Central Valley.

- The unemployment rate may begin to rise in 2019, but with an unemployment rate of 7.3 percent, the labor market will still be in a "full employment scenario," meaning that most people that want a job will already have a job.

- Inflation accelerated in 2018 as energy prices increased and housing costs rose quickly. Across California, the inflation rate is expected to be within a range of 2 percent and 3 percent in 2019 and 2020.
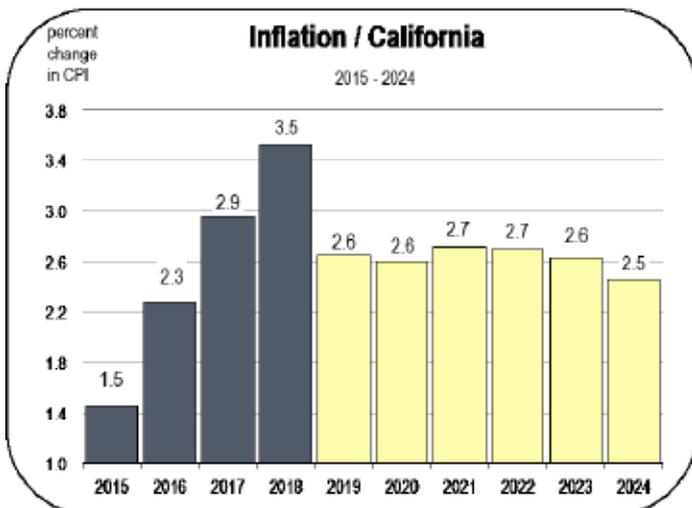
New Housing Production

- From 2013 to 2018, an average of 315 homes were permitted per year. Housing production is forecast to average 630 homes per year from 2019 to 2024.

- The vast majority of all new units will be single-family homes.

Rio Mesa Development

- Rio Mesa is a massive development project near Highway 41 and the Fresno County border.

- The project consists of 33,000 homes of which 18,000 have been approved to date.

- It could accommodate up to 100,000 residents, virtually doubling the county's population.

- The first two neighborhoods are under construction, but complete buildout is not expected for 30 years.

- The first neighborhood (Riverstone) broke ground in 2016. It will have 6,600 homes priced between $300,000 and $400,000.

- The second (Tesoro Viejo) broke ground in 2017. It will have 5,200 homes near Highway 41 and Avenue 15.

- The third neighborhood (North Shore at Millerton Lake) could break ground in 2019.

- In addition to 30,000 homes, Rio Mesa will produce new schools, parks, and millions of square feet of commercial space.
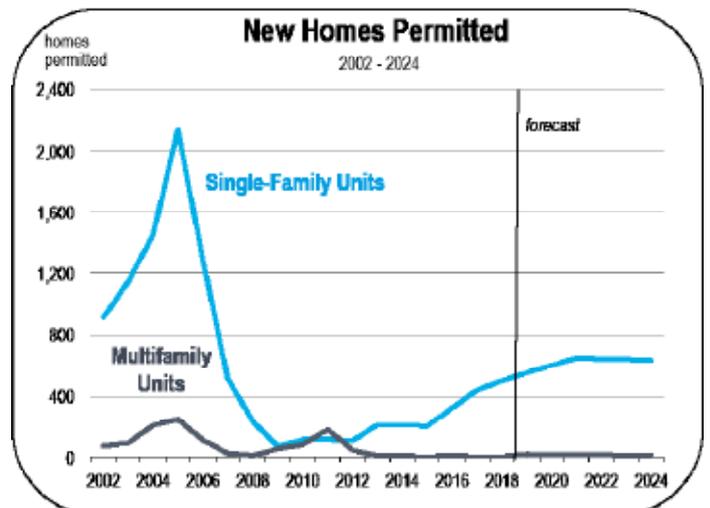
Madera County Economic Forecast
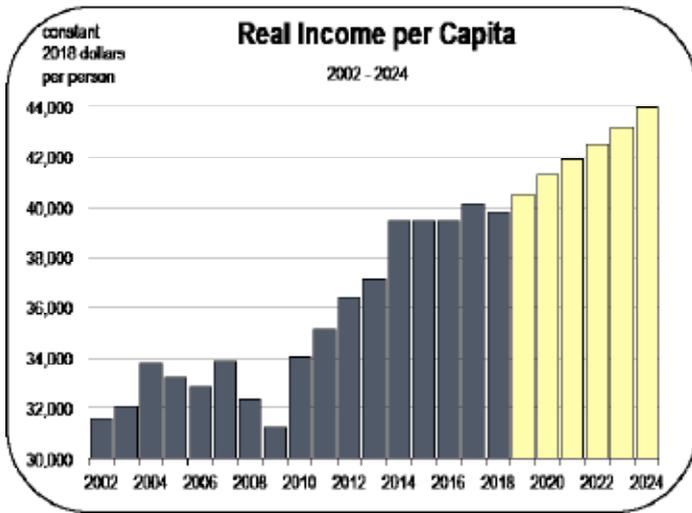
Income per Capita

- Income per capita in 2018 was $39,800, which is below the Central Valley average of $42,100.

- Over the last six years, real incomes have risen at an average rate of 1.5 percent per year, which is simlar to the Central Valley average of 1.7 percent per year.

- Over the next six years, real incomes are expected to rise by approximately 1.7 percent per year in Fresno County.
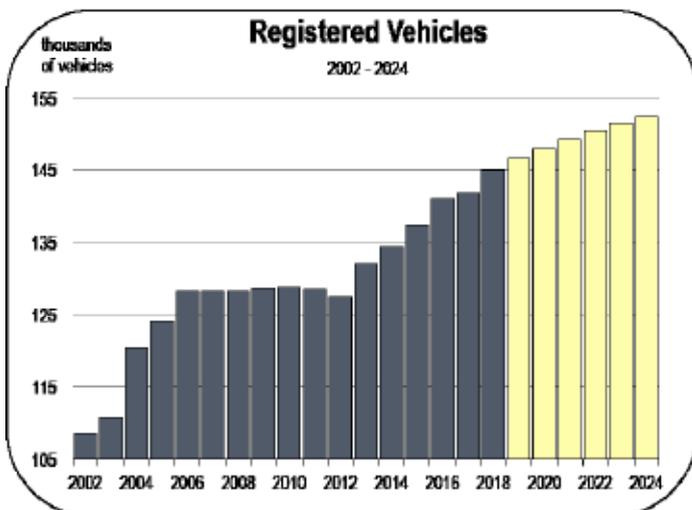
Registered Vehicles

- There were 145,000 registered vehicles in Madera County in 2018.

- By 2024, it is expected that the county will have approximately 152,300 registered vehicles.

Public School Enrollment

- In Madera County, approximately 31,700 students were enrolled in K-12 public schools during the 2017—2018 school year.

- By 2024, there are expected to be 31,200 K-12 students in the county.

- Enrollment is expected to decline because the population age 5 to 17 will decline.
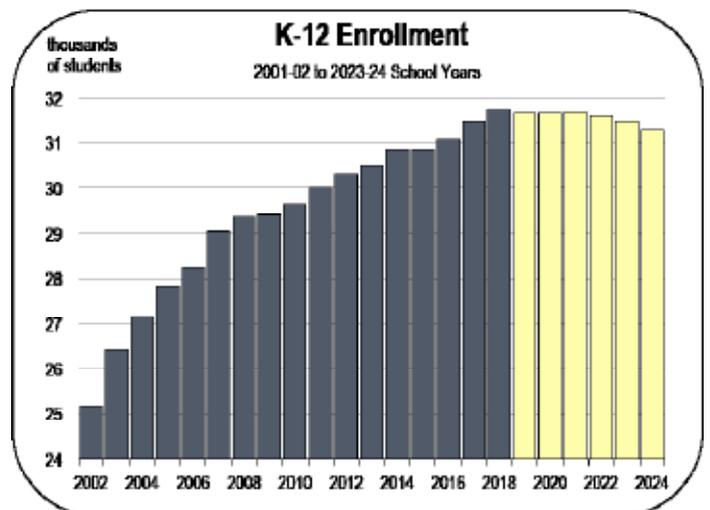
Madera County Economic Forecast

Economic Indicators — 2015-2018 History, 2019-2050 Forecast

	Population (people)	House-holds (thousands)	Average Household Income (dollars)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Local Sales Tax (millions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	School Enrollment (thousands)	Births (people)	Deaths (people)
2015	154,704	45.0	$124,846	203	137	$5.6	$1.0	$18	$2.4	$39,473	30.9	2,225	1,096
2016	155,384	45.4	$126,624	329	141	$5.7	$1.0	$18	$2.5	$39,462	31.1	2,355	1,105
2017	156,915	45.3	$134,072	438	142	$6.1	$1.1	$19	$2.3	$40,166	31.5	2,120	1,131
2018	158,259	45.2	$139,334	498	145	$6.3	$1.1	$20	$2.3	$39,812	31.7	2,130	1,146
2019	159,814	45.9	$144,905	567	147	$6.7	$1.2	$20	$2.4	$40,518	31.7	2,180	1,143
2020	161,422	46.5	$151,223	612	148	$7.0	$1.2	$21	$2.4	$41,280	31.7	2,172	1,159
2021	162,964	47.1	$157,141	663	149	$7.4	$1.2	$22	$2.5	$41,878	31.7	2,216	1,177
2022	164,380	47.8	$163,054	654	150	$7.8	$1.3	$22	$2.5	$42,501	31.6	2,243	1,202
2023	165,849	48.4	$169,356	645	151	$8.2	$1.3	$23	$2.6	$43,188	31.5	2,261	1,226
2024	167,415	49.1	$176,057	636	152	$8.6	$1.4	$24	$2.6	$43,962	31.3	2,287	1,251
2025	169,100	49.8	$181,949	617	153	$9.1	$1.4	$24	$2.7	$44,499	31.0	2,333	1,277
2026	170,890	50.4	$188,223	623	154	$9.5	$1.4	$25	$2.7	$45,067	30.9	2,350	1,301
2027	172,707	51.0	$194,649	641	155	$9.9	$1.5	$26	$2.8	$45,662	30.8	2,393	1,327
2028	174,523	51.7	$201,224	641	156	$10.4	$1.5	$27	$2.9	$46,242	30.8	2,401	1,355
2029	176,334	52.3	$206,890	631	157	$10.8	$1.6	$27	$2.9	$46,531	30.6	2,448	1,383
2030	178,050	53.0	$212,629	621	158	$11.3	$1.6	$28	$2.9	$46,856	30.6	2,481	1,414
2031	179,758	53.6	$218,606	600	159	$11.7	$1.6	$29	$3.0	$47,243	30.7	2,504	1,444
2032	181,473	54.2	$224,175	588	160	$12.2	$1.7	$29	$3.0	$47,397	30.8	2,538	1,474
2033	183,186	54.8	$230,189	576	161	$12.6	$1.7	$30	$3.1	$47,786	31.0	2,563	1,504
2034	184,782	55.4	$236,569	566	163	$13.1	$1.8	$31	$3.1	$48,140	31.2	2,576	1,533
2035	186,378	56.0	$243,344	544	164	$13.6	$1.8	$32	$3.1	$48,487	31.5	2,606	1,564
2036	187,957	56.5	$250,441	533	165	$14.2	$1.9	$33	$3.2	$48,660	32.0	2,625	1,593
2037	189,524	57.0	$257,896	516	166	$14.7	$1.9	$34	$3.2	$48,805	32.3	2,649	1,621
2038	191,093	57.6	$265,666	505	167	$15.3	$2.0	$35	$3.2	$49,048	32.7	2,680	1,647
2039	192,552	58.1	$273,778	494	168	$15.9	$2.0	$36	$3.2	$49,229	33.0	2,698	1,672
2040	194,006	58.6	$282,042	473	168	$16.5	$2.1	$37	$3.3	$49,437	33.4	2,724	1,696
2041	195,467	59.1	$290,492	462	169	$17.2	$2.2	$38	$3.3	$49,712	33.7	2,754	1,715
2042	197,044	59.5	$299,193	454	170	$17.8	$2.2	$39	$3.4	$50,001	34.1	2,780	1,733
2043	198,623	60.0	$308,013	458	171	$18.5	$2.3	$40	$3.4	$50,304	34.5	2,804	1,751
2044	200,196	60.5	$316,960	453	172	$19.2	$2.3	$41	$3.4	$50,690	34.8	2,809	1,769
2045	201,764	60.9	$326,096	447	173	$19.9	$2.4	$42	$3.5	$50,966	35.1	2,832	1,791
2046	203,328	61.4	$335,281	440	174	$20.6	$2.4	$43	$3.5	$51,257	35.4	2,857	1,809
2047	204,787	61.8	$344,603	433	175	$21.3	$2.5	$44	$3.5	$51,547	35.5	2,866	1,824
2048	206,158	62.2	$354,229	417	176	$22.0	$2.6	$45	$3.6	$51,863	35.6	2,896	1,836
2049	207,534	62.7	$364,268	398	177	$22.8	$2.6	$46	$3.6	$52,190	35.6	2,920	1,848
2050	208,915	63.1	$374,719	391	177	$23.6	$2.7	$47	$3.7	$52,519	35.7	2,940	1,860

Employment Sectors — 2015-2018 History, 2019-2050 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	46.2	11.3	1.5	3.5	0.9	4.7	0.8	2.2	0.4	7.7	3.1	9.2
2016	48.8	12.1	1.8	3.4	0.9	4.7	0.8	2.3	0.3	7.8	3.3	10.4
2017	49.5	12.0	1.8	3.3	0.9	4.7	0.7	2.3	0.3	8.3	3.4	10.7
2018	50.6	12.1	1.9	3.4	1.0	4.9	0.7	2.3	0.3	8.7	3.5	11.0
2019	51.3	12.2	1.9	3.4	1.0	4.9	0.7	2.3	0.3	8.9	3.6	11.1
2020	51.9	12.2	2.0	3.4	1.0	4.9	0.7	2.4	0.3	9.1	3.7	11.2
2021	52.4	12.3	2.0	3.4	1.0	4.9	0.7	2.5	0.3	9.3	3.8	11.4
2022	52.9	12.3	2.0	3.4	1.0	4.9	0.7	2.5	0.3	9.5	3.8	11.5
2023	53.3	12.4	2.0	3.4	1.0	4.9	0.7	2.6	0.3	9.7	3.8	11.6
2024	53.6	12.4	2.0	3.4	1.0	5.0	0.7	2.6	0.3	9.8	3.8	11.6
2025	54.0	12.5	2.0	3.4	1.0	5.0	0.7	2.6	0.3	10.0	3.8	11.7
2026	54.4	12.5	2.0	3.4	1.1	5.0	0.7	2.7	0.3	10.1	3.9	11.8
2027	54.8	12.6	2.0	3.4	1.1	5.0	0.7	2.7	0.3	10.3	3.9	11.9
2028	55.3	12.6	2.0	3.4	1.1	5.0	0.7	2.7	0.3	10.5	3.9	12.0
2029	55.7	12.6	2.0	3.4	1.1	5.0	0.7	2.8	0.3	10.6	3.9	12.1
2030	56.1	12.7	2.0	3.4	1.1	5.0	0.7	2.8	0.3	10.8	4.0	12.3
2031	56.5	12.7	2.0	3.4	1.1	5.1	0.7	2.8	0.3	11.0	4.0	12.4
2032	56.9	12.8	2.0	3.4	1.1	5.1	0.7	2.9	0.3	11.1	4.0	12.5
2033	57.3	12.8	1.9	3.5	1.1	5.1	0.7	2.9	0.3	11.3	4.0	12.7
2034	57.8	12.9	1.9	3.5	1.1	5.1	0.7	2.9	0.3	11.4	4.1	12.8
2035	58.2	12.9	1.9	3.5	1.1	5.1	0.7	3.0	0.3	11.6	4.1	13.0
2036	58.6	13.0	1.9	3.5	1.1	5.1	0.7	3.0	0.3	11.7	4.1	13.1
2037	59.0	13.0	1.9	3.5	1.1	5.1	0.7	3.1	0.3	11.9	4.1	13.3
2038	59.4	13.1	1.9	3.5	1.1	5.1	0.7	3.1	0.3	12.0	4.2	13.4
2039	59.8	13.1	1.9	3.5	1.1	5.1	0.7	3.1	0.3	12.2	4.2	13.5
2040	60.1	13.2	1.8	3.5	1.2	5.1	0.7	3.2	0.3	12.3	4.2	13.6
2041	60.5	13.2	1.8	3.5	1.2	5.2	0.7	3.2	0.3	12.4	4.2	13.8
2042	60.9	13.3	1.8	3.5	1.2	5.2	0.7	3.2	0.3	12.5	4.3	13.9
2043	61.3	13.3	1.8	3.5	1.2	5.2	0.7	3.3	0.3	12.7	4.3	14.0
2044	61.7	13.3	1.8	3.5	1.2	5.2	0.7	3.3	0.3	12.8	4.3	14.1
2045	62.0	13.4	1.8	3.5	1.2	5.2	0.7	3.4	0.3	13.0	4.3	14.2
2046	62.4	13.4	1.8	3.6	1.2	5.2	0.7	3.4	0.3	13.1	4.4	14.3
2047	62.8	13.5	1.8	3.6	1.2	5.2	0.7	3.4	0.3	13.2	4.4	14.4
2048	63.1	13.5	1.8	3.6	1.2	5.2	0.7	3.5	0.3	13.3	4.4	14.6
2049	63.4	13.6	1.7	3.6	1.2	5.2	0.7	3.5	0.3	13.4	4.4	14.7
2050	63.7	13.6	1.7	3.6	1.2	5.2	0.7	3.6	0.3	13.5	4.5	14.8

Madera County Economic Forecast

Socioeconomic Indicators