# Imperial County Economic Forecast

Forecast Summary

- It is estimated that an average of 4,500 to 6,000 jobs will be lost in Imperial County during 2020. Job losses will be heavy in the first half of the year.

- Employment losses will be largest in retail trade, leisure and hospitality, and agriculture.

- The unemployment rate averaged 18.2 percent in 2019. It will average between 26 and 30 percent for the 2020 calendar year.

- The population is expanding faster than broader Southern California, and this trend will continue.

- Housing production will decline in 2020, but should begin to rebound in 2021 and 2022.

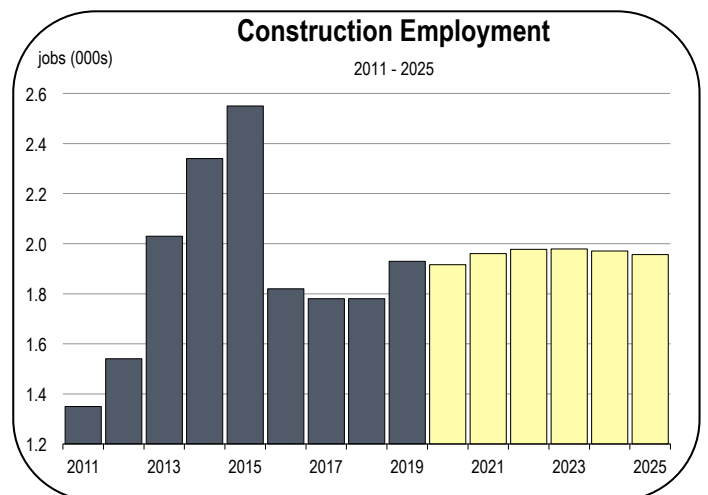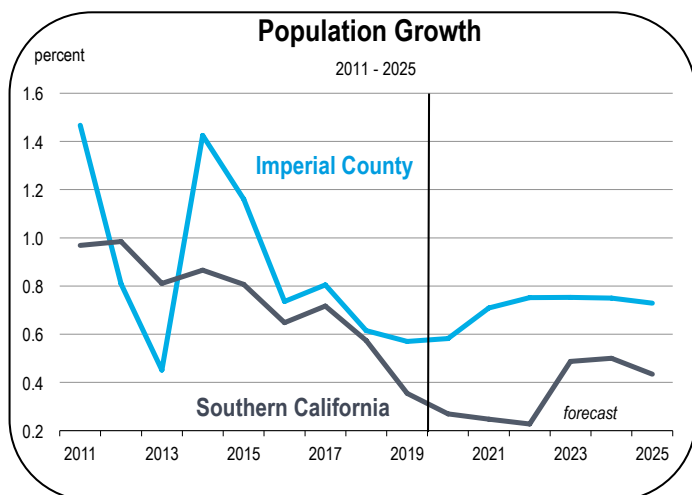- Home prices are not expected to change much during 2020 or 2021.

Job Growth

- Total employment in Imperial County will decline between 7 and 9 percent in 2020. This is an annual average change from 2019.

- In 2021, the county is expected to re-gain many of the jobs lost during the Coronavirus Recession.

Non-farm Job Growth
2011 - 2025
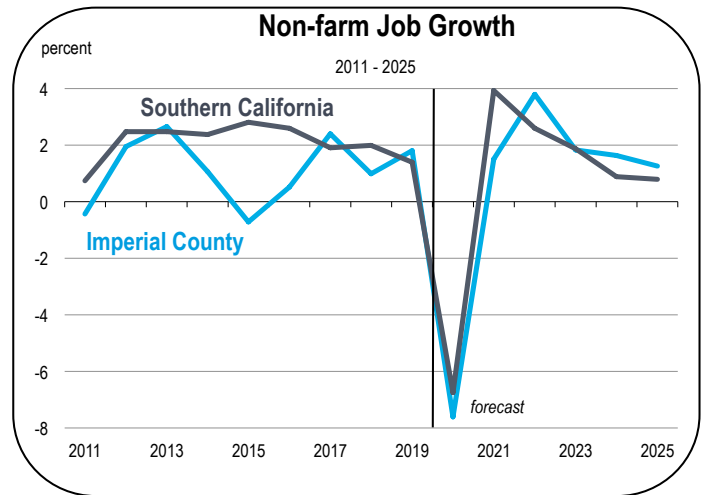
Construction Employment

- The construction sector is not expected to lose a substantial number of jobs in 2020.

- Most California construction activity was deemed non-essential for several weeks in March and April, but construction activity is expected to rebound sharply during the second half of the year.

- Employment levels are expected to remain relatively constant in 2021 and 2022.

Population Growth
2011 - 2025

Construction Employment
2011 - 2025

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Manufacturing Employment
2011 - 2025
jobs (000s)

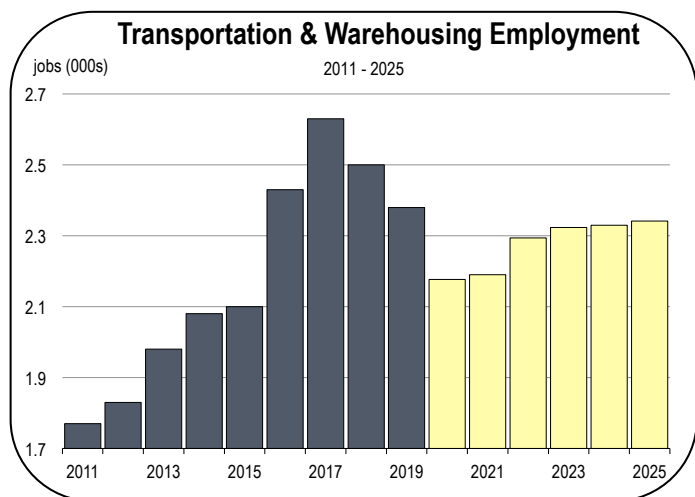| Retail Trade / Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Department Stores & Retail Supercenters	2,300	29.3%
Clothing Stores	1,100	14.4%
Auto Dealers	1,000	12.6%
Grocery Stores	1,000	12.5%
Gas Stations	600	7.3%
Home Improvement Stores	400	5.6%
Other	1,400	18.4%

Manufacturing Employment

- Imperial County has heavy concentrations in food and beverage manufacturing, turning agricultural commodities into finished foods and drinks.

- Manufacturing employment is expected to decline by a small number of jobs during 2020. Employment could begin to rebound in 2021, but very few manufacturing jobs are expected to be created during the 2020-2025 forecast period.

Transportation and Warehousing Employment

- Most transportation jobs in Imperial County are in trucking and warehousing firms, which transport and store physical goods.

- Transportation and warehousing employment is expected to decline by 100 to 300 jobs in 2020.

- It is unclear if the industry will re-gain all lost jobs by the end of the 2020-2025 forecast period.
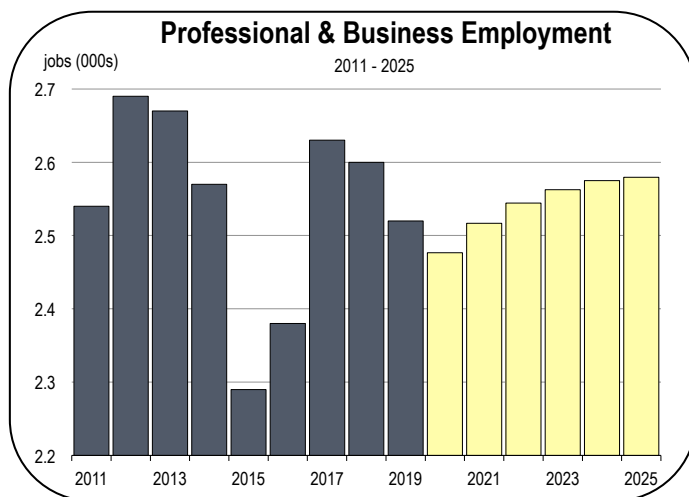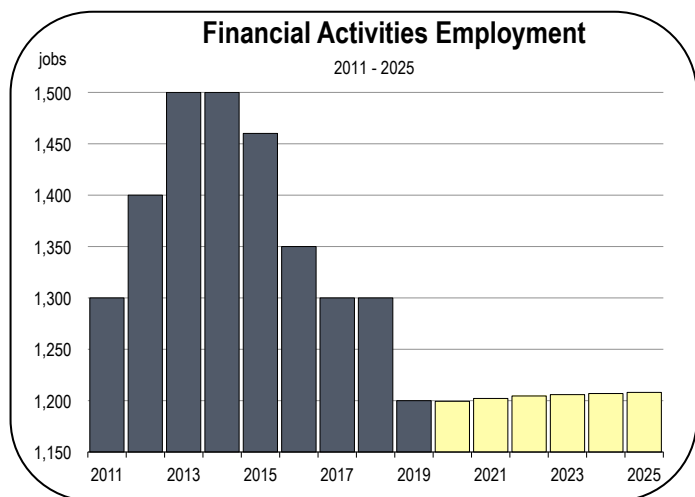
Retail Trade Employment

- The Imperial County retail sector has a high share of jobs in department stores and retail supercenters, including Walmart and Target.

- The retail sector is expected to lose more than 750 jobs in 2020 on an annual average basis.

- Many large retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.

- Accounting for furloughed workers more than 1,500 retail workers could be effectively not working, and not earning an income, on an annual average basis in 2020.

- It is unknown when and if retail employment will eclipse pre-recession levels because of the strengthening demand trend towards online purchasing.

Transportation & Warehousing Employment
2011 - 2025
jobs (000s)

Retail Employment
2011 - 2025
jobs (000s)
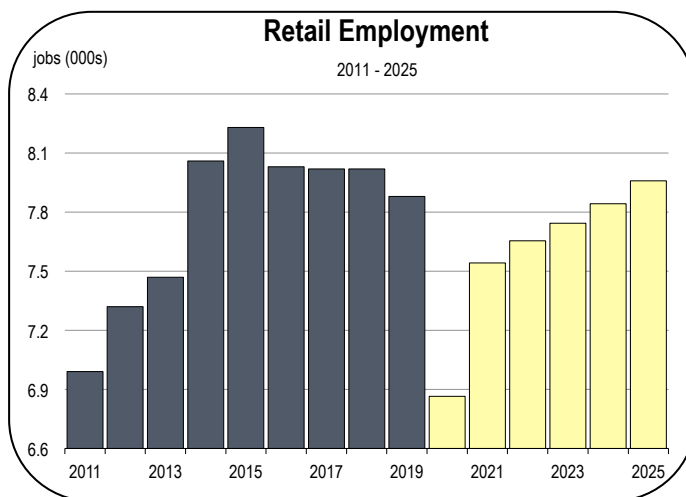
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Financial Activities Employment
2011 - 2025

Professional & Business Employment
2011 - 2025

Financial Activities Employment

- The financial activities sector is comprised primarily of banks, real estate firms, insurance companies, and firms that lease items other than real estate.

- Employment levels are not expected to change substantially during the 2020-2025 forecast period.

## Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during the recession and recovery phases of 2020.

- Jobs in the largest sectors - corporate security and building maintenance - declined substantially in the second quarter of 2020, but are expected to rebound in 2021 and 2022.

- Staffing agencies were characterized by significant losses during the contraction, but may bounce back quickly during the recovery.

- Staffing agencies primarily employ temp workers, assigning them to various other businesses on a contract basis. Temp workers are usually laid off first during a downturn, but hired back first during a recovery.

- Aside from maintenance, security, and staffing agencies, most jobs in the professional business services industry were able to be performed remotely, and were less affected by the recession.

Financial Activities Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Banks	600	50.0%
Real Estate	300	25.0%
Leasing other than Real Estate	200	16.7%
Insurance	100	8.3%

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Building Maintenance	600	23.1%
Corporate Security	500	19.2%
Accounting & Bookkeeping	200	7.7%
Staffing Agencies	200	7.7%
Corporate Headquarters	200	7.7%
Business Consulting	200	7.7%
Law	100	3.8%
Engineering & Architecture	100	3.8%
Custom IT Services	100	3.8%
Private Prisons	100	3.8%
Other	300	11.5%

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Information Employment
2011 - 2025

**Education & Healthcare Employment**
2011 - 2025
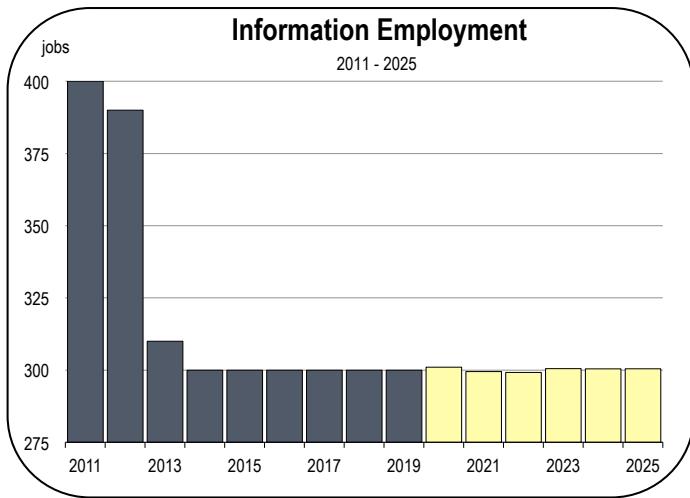
Information Employment

- In Imperial County, the information sector is primarily comprised of telecommunications companies, like Comcast and Verizon.

- The telecommunications industry is in a long-term pattern of stagnation, and is not expected to expand during the 2020-2025 forecast period.

Private Education and Healthcare Employment

- There were 2,700 healthcare jobs in Imperial County in 2019, representing 30 percent of all jobs in the broader private education and healthcare sector.

- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and hospitals reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.

- There were approximately 6,100 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.

- There were also 200 jobs in private schools and colleges, tutoring services, vocational schools, and other educational organizations.

- Jobs in social assistance and education were mostly classified as essential during the recession, but there were still layoffs at institutions with revenue shortfalls.
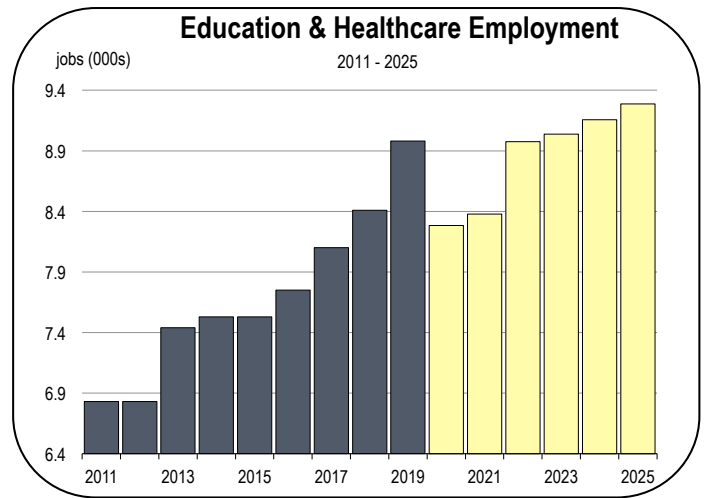
Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by the recession more than almost any other type of company.

- In 2019, Imperial County had almost 4,300 jobs in restaurants, hotels, and bars. Our research indicates that most were laid off, furloughed, or had their hours cut in the months of March and April.

- Jobs at hotels, restaurants, and bars will return slowly over the 2020-2025 forecast period.

Leisure & Hospitality Employment
2011 - 2025
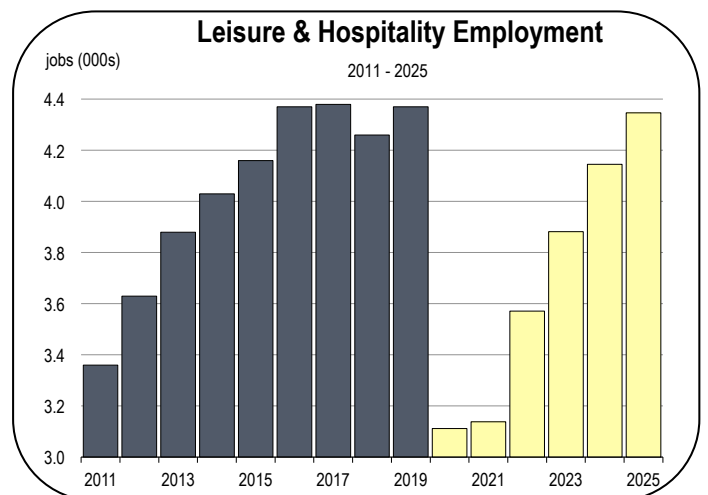
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Government Employment
2011 - 2025
jobs (000s)
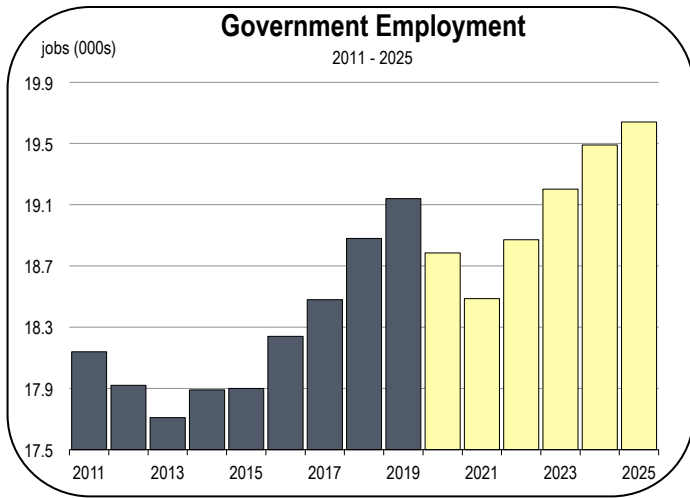
Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.

- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.

- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.

Agriculture Employment

- The agriculture sector is the second largest employer in Imperial County, behind only the government sector.

Population & Population Growth Rate
2011 - 2025
population (thousands)
growth rate
Population Growth Rate
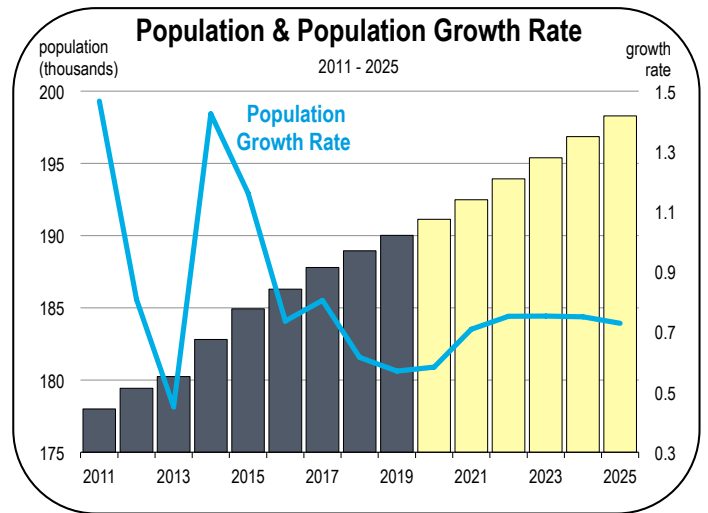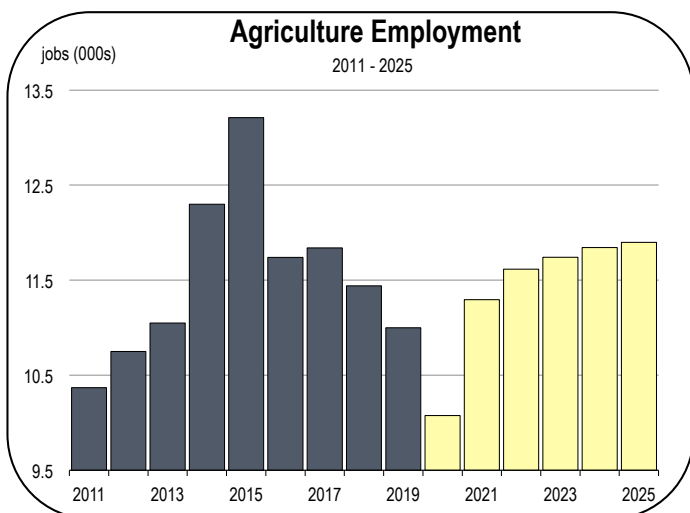
- Agriculture employment had been declining for several years before the onset of the Coronavirus Recession, but losses will intensify in 2020.

- Employment levels should rebound swiftly in 2021, and may return to pre-recession levels in 2021 or 2022.

Population Growth

- The Imperial County population is growing more quickly than most of Southern California.

- Net migration is expected to be negative for most of the 2020-2025 forecast period and the natural increase (new births) will account for all virtually population growth.

- The population will grow at an average rate of 0.7 percent per year, and the county will surpass 198,000 residents by 2025.

Agriculture Employment
2011 - 2025
jobs (000s)

Net Migration
2011 - 2025
inmigrants minus outmigrants
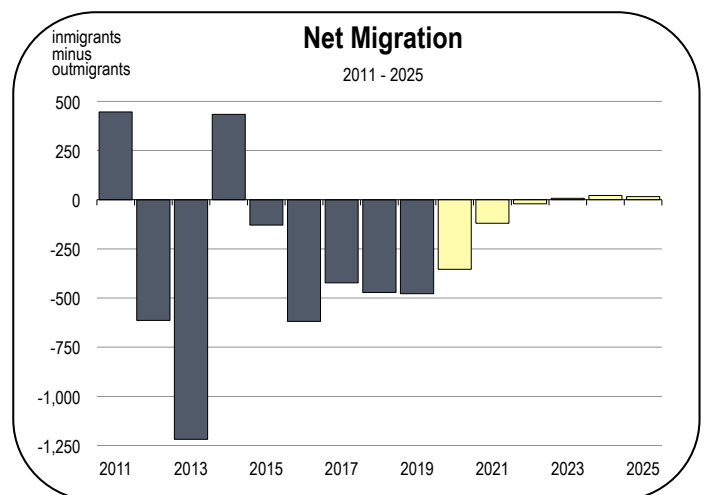
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Unemployment Rate
2016 - 2025

Median Home Price
2011 - 2025
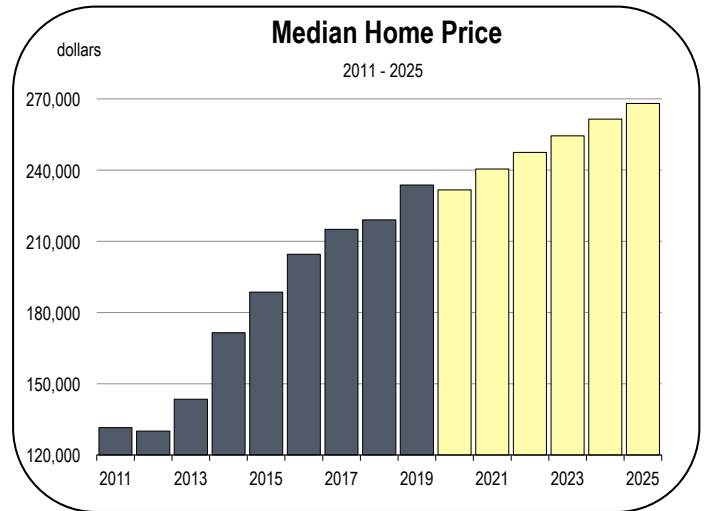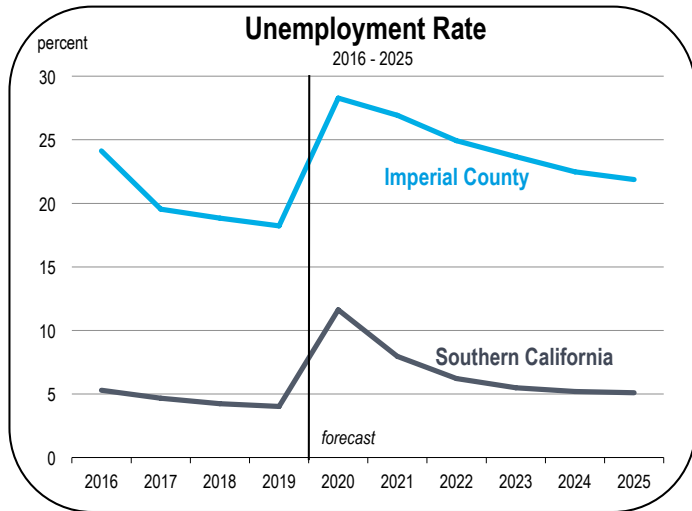
Unemployment and Inflation Rates

- The unemployment rate in Imperial County averaged 18.2 percent in 2019, which was much higher than the composite rate for Southern California.

- The unemployment rate is expected to average between 26 and 30 percent in 2020.

- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.

- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.

- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

Home Prices & New Housing Production

- The median home price was $233,700 in 2019. Prices will not change much in 2020 or 2021.

- From 2014 to 2019, an average of 325 new homes were approved per year.

- An average of 440 homes are expected to be built each year from 2020 to 2025. More than half will likely be single-family homes.

Inflation / Southern California
2016 - 2025

New Homes Permitted
2003 - 2025
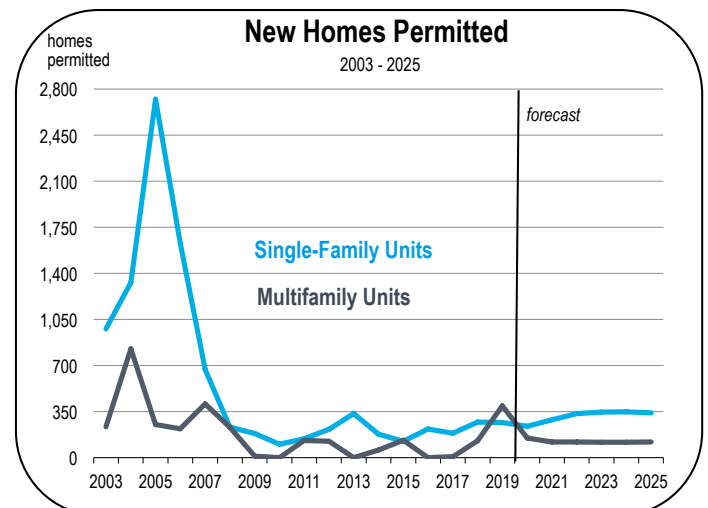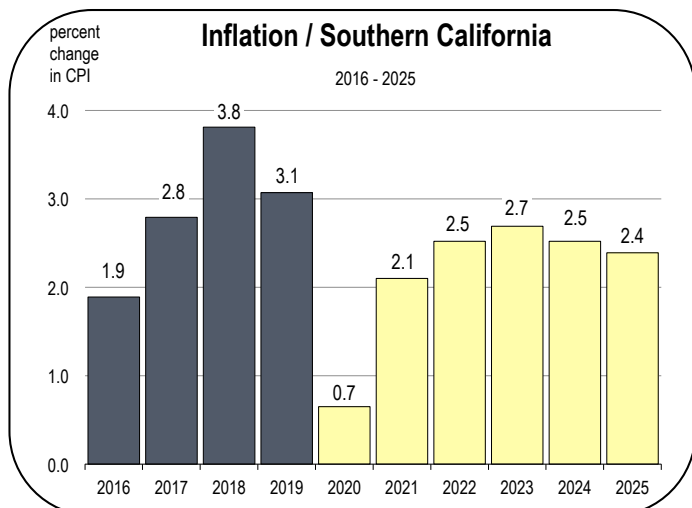
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Economic Indicators — 2015-2019 History, 2020-2050 Forecast

	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	184,931	49.8	-129	258	181	$6.4	$1.6	$2.7	$1.6	$38,534	24.5	2.2	0.9
2016	186,292	49.7	-619	217	192	$6.4	$1.6	$2.5	$1.6	$37,678	24.1	2.3	1.9
2017	187,792	50.5	-423	193	195	$6.6	$1.7	$2.6	$1.6	$37,795	19.5	2.2	2.8
2018	188,948	51.0	-472	400	199	$6.7	$1.8	$2.8	$1.5	$36,671	18.8	2.3	3.8
2019	190,025	51.3	-478	660	206	$7.1	$1.8	$2.8	$1.6	$37,600	18.2	2.3	3.1
2020	191,132	51.8	-354	388	203	$6.9	$1.4	$2.2	$1.6	$35,695	28.3	2.3	0.7
2021	192,487	52.3	-120	407	206	$7.2	$1.7	$2.6	$1.6	$36,551	26.9	2.3	2.1
2022	193,934	52.7	-21	453	209	$7.6	$1.7	$2.7	$1.6	$37,388	24.9	2.3	2.5
2023	195,394	53.1	7	464	211	$8.0	$1.8	$2.8	$1.6	$37,754	23.7	2.3	2.7
2024	196,859	53.6	21	465	213	$8.3	$1.9	$3.0	$1.7	$38,183	22.5	2.3	2.5
2025	198,294	54.0	16	459	214	$8.7	$2.0	$3.1	$1.7	$38,548	21.9	2.3	2.4
2026	199,678	54.5	-6	454	216	$9.0	$2.1	$3.2	$1.7	$38,795	21.5	2.3	2.3
2027	201,030	54.9	-18	452	217	$9.3	$2.1	$3.3	$1.7	$38,972	21.3	2.3	2.2
2028	202,357	55.4	-24	451	219	$9.6	$2.2	$3.4	$1.7	$39,162	21.1	2.3	2.3
2029	203,659	55.8	-30	449	220	$10.0	$2.3	$3.5	$1.8	$39,330	21.0	2.3	2.4
2030	204,933	56.3	-31	447	221	$10.3	$2.3	$3.6	$1.8	$39,591	20.8	2.3	2.3
2031	206,171	56.7	-32	446	223	$10.7	$2.4	$3.7	$1.8	$39,860	20.6	2.3	2.4
2032	207,385	57.1	-32	442	224	$11.1	$2.5	$3.8	$1.9	$40,097	20.4	2.3	2.4
2033	208,560	57.6	-37	440	226	$11.4	$2.5	$3.8	$1.9	$40,414	20.5	2.3	2.0
2034	209,713	58.0	-38	439	227	$11.8	$2.6	$3.9	$1.9	$40,743	20.6	2.3	2.2
2035	210,843	58.4	-36	438	229	$12.3	$2.6	$4.0	$1.9	$41,067	20.8	2.3	2.3
2036	211,955	58.9	-32	435	230	$12.7	$2.7	$4.2	$2.0	$41,267	21.0	2.3	2.7
2037	213,043	59.3	-33	431	231	$13.2	$2.8	$4.3	$2.0	$41,446	21.1	2.3	2.8
2038	214,106	59.7	-38	427	232	$13.7	$2.9	$4.4	$2.0	$41,672	21.1	2.4	2.6
2039	215,148	60.1	-41	423	233	$14.2	$3.0	$4.5	$2.0	$41,846	21.2	2.4	2.8
2040	216,166	60.5	-48	419	234	$14.7	$3.1	$4.7	$2.1	$42,002	21.4	2.4	2.7
2041	217,160	61.0	-53	415	235	$15.2	$3.1	$4.8	$2.1	$42,257	21.6	2.4	2.5
2042	218,137	61.4	-58	411	236	$15.7	$3.2	$4.9	$2.1	$42,459	21.8	2.4	2.4
2043	219,086	61.8	-61	407	238	$16.3	$3.3	$5.0	$2.2	$42,800	22.0	2.4	2.3
2044	220,004	62.2	-68	403	239	$16.8	$3.4	$5.1	$2.2	$43,052	22.1	2.4	2.1
2045	220,891	62.6	-69	400	240	$17.4	$3.5	$5.3	$2.2	$43,506	21.9	2.4	2.3
2046	221,772	63.0	-72	396	242	$18.0	$3.5	$5.4	$2.3	$43,914	21.9	2.4	2.2
2047	222,649	63.3	-76	393	243	$18.6	$3.6	$5.5	$2.3	$44,231	21.9	2.4	2.2
2048	223,516	63.7	-77	389	244	$19.2	$3.7	$5.6	$2.3	$44,546	21.9	2.4	2.2
2049	224,381	64.1	-79	386	245	$19.9	$3.8	$5.8	$2.4	$44,894	21.9	2.4	2.2
2050	225,242	64.5	-84	383	247	$20.5	$3.9	$5.9	$2.4	$45,215	22.1	2.4	2.2

Employment Sectors — 2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
						(thousands of jobs)						
2015	63.4	13.2	2.6	1.0	2.1	10.0	1.5	2.3	0.3	7.5	4.2	17.9
2016	62.1	11.7	1.8	1.1	2.4	9.8	1.4	2.4	0.3	7.8	4.4	18.2
2017	63.5	11.8	1.8	1.3	2.6	9.8	1.3	2.6	0.3	8.1	4.4	18.5
2018	63.6	11.4	1.8	1.4	2.5	9.8	1.3	2.6	0.3	8.4	4.3	18.9
2019	64.1	11.0	1.9	1.6	2.4	9.7	1.2	2.5	0.3	9.0	4.4	19.1
2020	59.1	10.1	1.9	1.6	2.2	8.6	1.2	2.5	0.3	8.3	3.1	18.8
2021	61.1	11.3	2.0	1.6	2.2	9.3	1.2	2.5	0.3	8.4	3.1	18.5
2022	63.3	11.6	2.0	1.6	2.3	9.4	1.2	2.5	0.3	9.0	3.6	18.9
2023	64.3	11.7	2.0	1.6	2.3	9.5	1.2	2.6	0.3	9.0	3.9	19.2
2024	65.3	11.8	2.0	1.7	2.3	9.7	1.2	2.6	0.3	9.2	4.1	19.5
2025	66.0	11.9	2.0	1.7	2.3	9.8	1.2	2.6	0.3	9.3	4.3	19.6
2026	66.5	11.9	1.9	1.7	2.4	9.8	1.2	2.6	0.3	9.4	4.5	19.7
2027	66.8	11.9	1.9	1.7	2.4	9.9	1.2	2.6	0.3	9.5	4.6	19.8
2028	67.1	12.0	1.9	1.7	2.4	9.9	1.2	2.6	0.3	9.6	4.6	19.9
2029	67.3	12.0	1.9	1.7	2.4	9.9	1.2	2.6	0.3	9.7	4.6	19.9
2030	67.6	12.0	2.0	1.7	2.4	10.0	1.2	2.6	0.3	9.8	4.7	19.9
2031	68.0	12.0	2.0	1.7	2.5	10.0	1.2	2.6	0.3	9.9	4.7	20.0
2032	68.2	12.0	2.0	1.7	2.5	10.0	1.2	2.6	0.3	10.1	4.8	20.1
2033	68.5	12.0	2.0	1.7	2.5	10.0	1.2	2.6	0.3	10.2	4.8	20.0
2034	68.7	12.0	2.0	1.7	2.5	10.0	1.2	2.6	0.3	10.3	4.9	20.0
2035	69.0	12.1	2.0	1.7	2.6	10.1	1.2	2.6	0.3	10.4	4.9	20.0
2036	69.3	12.1	2.1	1.7	2.6	10.1	1.2	2.6	0.3	10.5	5.0	20.1
2037	69.7	12.1	2.1	1.7	2.6	10.1	1.2	2.6	0.3	10.6	5.0	20.3
2038	70.1	12.1	2.1	1.7	2.7	10.1	1.2	2.6	0.3	10.7	5.1	20.4
2039	70.5	12.1	2.1	1.7	2.7	10.2	1.2	2.6	0.3	10.9	5.1	20.5
2040	70.8	12.1	2.1	1.7	2.7	10.2	1.2	2.6	0.3	11.0	5.2	20.5
2041	71.1	12.1	2.2	1.7	2.7	10.2	1.2	2.6	0.3	11.1	5.2	20.6
2042	71.3	12.2	2.2	1.7	2.8	10.2	1.2	2.6	0.3	11.2	5.2	20.6
2043	71.6	12.2	2.2	1.7	2.8	10.2	1.2	2.6	0.3	11.4	5.3	20.6
2044	71.8	12.2	2.2	1.7	2.8	10.2	1.2	2.6	0.3	11.5	5.3	20.5
2045	72.1	12.2	2.2	1.7	2.8	10.2	1.2	2.6	0.3	11.6	5.4	20.6
2046	72.4	12.2	2.3	1.7	2.9	10.3	1.2	2.6	0.3	11.8	5.4	20.6
2047	72.7	12.2	2.3	1.7	2.9	10.3	1.2	2.6	0.3	11.9	5.5	20.6
2048	73.1	12.3	2.3	1.7	2.9	10.3	1.2	2.6	0.3	12.0	5.5	20.7
2049	73.5	12.3	2.3	1.7	3.0	10.3	1.2	2.6	0.3	12.2	5.6	20.8
2050	73.8	12.3	2.3	1.7	3.0	10.3	1.2	2.6	0.3	12.3	5.6	20.9

Imperial County Economic Forecast

Socioeconomic Indicators

Violent Crime Rate

crimes per 100,000 residents

2018

- Imperial County: 341
- Southern California: 424
- California: 447

Poverty Rate

percent of households below poverty line

2019

- Imperial County: 20.2
- Southern California: 10.5
- California: 10.0

Median Household Income

dollars per household

2019

- Imperial County: 51,600
- Southern California: 75,900
- California: 79,000

Median Home Selling Price

dollars

2019

- Imperial County: 233,700
- Southern California: 555,700
- California: 592,400

Average Travel Time to Work

minutes each way

2019

- Imperial County: 23
- Southern California: 33
- California: 32

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

percent

2019

- Imperial County: 14.8
- Southern California: 31.9
- California: 33.3