

# 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 county economy, and total crop value consistently ranks in the top five of the most productive counties in the nation. Kern County has a population of nearly 800,000 people, together with 277,000 wage and salary jobs. The per capita income in Kern County is \$25,839, which is lower than the California state average. The average salary per worker in 2006 was \$44,471. The median family income in 2007 was estimated at \$47,800.

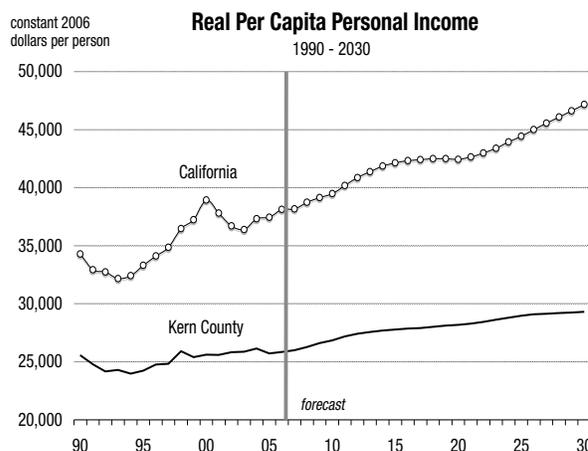
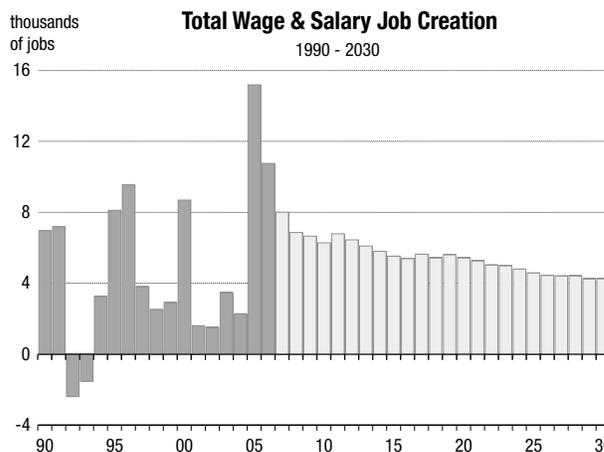
Economic growth in Southern California has been strong during the decade, but was even more impressive during 2006. Last year 10,800 total jobs were created in Kern County, implying a growth rate of 4.0 percent. The non-farm growth rate was 4.8 percent. The unemployment rate dropped to 7.6 percent in 2006, the lowest rate in over 20 years.

The principal sectors that are producing jobs in Kern County are construction, wholesale trade, retail stores (including restaurant and food services), professional and business services, and government. Employment in the farm sector was flat in 2006. Farm jobs are expected to remain unchanged over the forecast period, but decline as a percent of total wage and salary jobs. Historically, most of the job creation has been population-serving. Over time however, more professional and wholesale distribution jobs will be created in Kern County. As the share of non-farm jobs rises in the county, the unemployment rate will continue to drop and average salaries will rise.

Between January 2006 and 2007, the population grew at a rate of 2.8 percent in Kern County. Over 65 percent of the growth was in Bakersfield, which grew by 3.6 percent and Delano, which grew by 7.4 percent.

## FORECAST HIGHLIGHTS

- Non-farm job growth will cool in 2007 to 3.0 percent. Total wage and salary job growth is expected to average 2.4 percent between 2007 and 2011.
- Average salaries adjusted for inflation are currently well below the California state average, and will remain so over the forecast horizon. Real average salaries rise an average of 1.0 percent per year over the next 5 years.
- The professional and business services sector is expected to grow at twice the rate of any other sector, adding 10,000 jobs over the next five years. Wholesale and retail trade, and government will also add significant employment. Employment in the construction industry increases marginally.

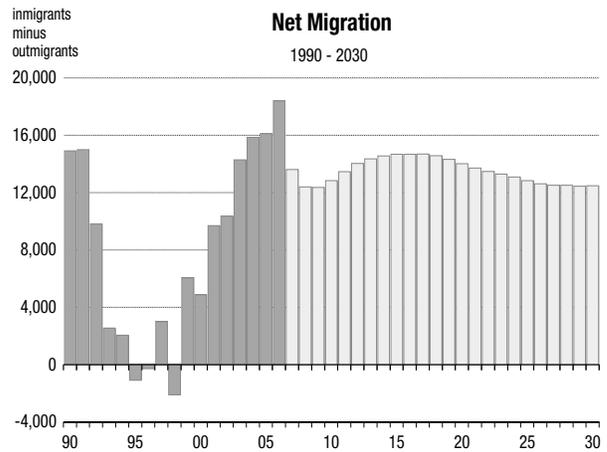
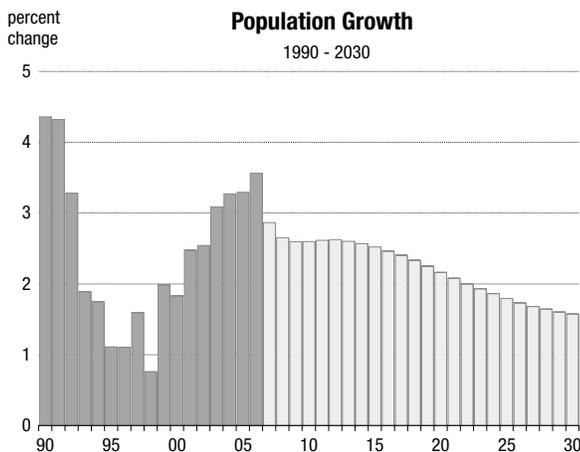


- The population will continue to grow at a rapid rate in the county. Annual growth in the 2007 to 2011 period averages 2.9 percent per year.
- Net migration declines from the record 2006 peak, but remains at historically elevated levels. An average of 13,000 net migrants are forecast per year over the next five years.
- Real per capita incomes increase at a rate of 0.5 percent in 2007. An annual compound rate of growth of 1.0 percent is forecast over the next five years.
- Total taxable sales are expected to increase by an average of 8.6 percent over the next five years.
- Industrial production will increase by 9.8 percent in 2007. From 2007 to 2011, the growth rate of industrial production will average 6.7 percent per year.

# Kern County Economic Forecast

## 1997-2006 History, 2007-2030 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)
1997	635,822	3,015	457.0	206.0	2,637	\$5.6	\$12.0	\$24,829	1.7	2.88	4.4	12.5
1998	640,659	-2,087	480.7	208.5	3,453	\$5.8	\$12.8	\$25,912	1.4	2.68	3.5	12.2
1999	653,400	6,080	492.2	211.8	3,157	\$6.3	\$13.1	\$25,389	2.3	2.70	4.0	11.5
2000	665,376	4,895	513.7	208.7	3,060	\$6.9	\$13.9	\$25,611	3.3	2.71	5.7	11.3
2001	681,880	9,710	535.2	210.9	3,637	\$7.6	\$14.7	\$25,594	3.4	2.64	5.4	8.6
2002	699,228	10,368	561.3	214.3	4,881	\$7.6	\$15.6	\$25,822	2.8	3.00	5.5	9.8
2003	720,825	14,294	571.1	218.4	6,112	\$8.0	\$16.6	\$25,856	2.6	2.79	6.2	10.3
2004	744,401	15,865	618.1	223.6	7,455	\$9.1	\$17.9	\$26,139	3.3	3.42	6.5	9.9
2005	768,928	16,125	640.2	229.7	9,450	\$10.7	\$19.0	\$25,708	4.5	3.70	6.9	8.3
2006	796,331	18,414	663.0	237.5	7,744	\$11.8	\$20.6	\$25,839	4.3	3.32	7.8	7.6
2007	819,157	13,621	691.5	244.8	6,771	\$13.2	\$22.0	\$25,977	3.6	3.46	8.6	7.2
2008	840,904	12,406	716.6	251.2	6,368	\$14.4	\$23.4	\$26,253	2.5	3.46	9.1	7.3
2009	862,743	12,373	740.8	257.2	6,631	\$15.5	\$25.0	\$26,593	2.5	3.44	9.7	7.6
2010	885,176	12,850	764.5	263.4	6,802	\$16.7	\$26.7	\$26,839	3.1	3.43	10.2	7.7
2011	908,352	13,464	788.5	269.7	7,005	\$17.9	\$28.5	\$27,183	2.9	3.43	10.9	7.7
2012	932,208	14,043	812.0	276.2	7,145	\$19.1	\$30.3	\$27,415	2.7	3.42	11.5	8.0
2013	956,475	14,370	834.8	282.8	7,208	\$20.3	\$32.1	\$27,555	2.8	3.41	12.3	8.1
2014	981,042	14,570	856.9	289.5	7,271	\$21.5	\$34.1	\$27,685	2.8	3.41	12.9	8.3
2015	1,005,806	14,681	878.0	296.2	7,275	\$22.7	\$36.1	\$27,773	3.1	3.40	13.2	8.3
2016	1,030,614	14,690	898.3	303.0	7,249	\$24.1	\$38.3	\$27,865	3.2	3.39	13.6	8.4
2017	1,055,426	14,698	917.7	309.8	7,276	\$25.4	\$40.5	\$27,908	3.2	3.40	14.1	8.4
2018	1,080,085	14,591	937.0	316.5	7,152	\$26.8	\$42.9	\$27,995	3.0	3.39	14.5	8.5
2019	1,104,411	14,331	956.0	323.2	7,078	\$28.2	\$45.4	\$28,110	3.0	3.38	15.1	8.4
2020	1,128,324	14,027	974.5	329.8	6,947	\$29.7	\$47.8	\$28,177	3.0	3.38	16.1	8.4
2021	1,151,796	13,718	992.9	336.3	6,837	\$31.1	\$50.5	\$28,273	3.0	3.38	16.5	8.3
2022	1,174,859	13,478	1,011.5	342.7	6,756	\$32.7	\$53.3	\$28,437	3.0	3.37	16.6	8.3
2023	1,197,587	13,306	1,030.2	349.0	6,693	\$34.2	\$56.3	\$28,616	3.0	3.38	16.9	8.3
2024	1,219,941	13,100	1,048.8	355.2	6,601	\$35.8	\$59.4	\$28,793	2.8	3.36	17.3	8.3
2025	1,241,859	12,840	1,067.1	361.4	6,516	\$37.4	\$62.5	\$28,950	2.9	3.36	17.8	8.3
2026	1,263,383	12,619	1,085.2	367.5	6,438	\$39.1	\$65.7	\$29,086	2.9	3.35	18.0	8.2
2027	1,284,658	12,530	1,103.0	373.5	6,433	\$40.8	\$69.0	\$29,139	3.0	3.35	18.2	8.2
2028	1,305,782	12,517	1,120.8	379.5	6,430	\$42.7	\$72.5	\$29,194	3.2	3.35	18.7	8.2
2029	1,326,733	12,457	1,138.4	385.5	6,417	\$44.7	\$76.1	\$29,245	3.2	3.34	19.1	8.2
2030	1,347,635	12,481	1,156.0	391.5	6,443	\$46.6	\$79.8	\$29,301	3.1	3.34	19.6	8.1



# Kern County Employment Forecast

## 1997-2006 History, 2007-2030 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)-----												
1997	228.3	49.03	9.4	10.2	7.2	28.2	6.8	19.1	2.5	16.2	15.5	48.2
1998	230.8	46.52	10.0	10.5	7.8	28.1	7.6	20.9	2.5	17.1	15.9	48.8
1999	233.7	44.85	10.7	10.7	8.2	28.3	7.7	21.9	2.4	18.1	16.5	50.3
2000	242.4	48.28	11.6	10.8	8.4	28.9	7.6	22.2	2.5	19.2	16.5	51.6
2001	244.0	41.75	13.0	11.1	8.3	30.1	7.8	23.0	2.5	20.2	17.2	53.6
2002	245.5	40.42	13.3	11.6	8.3	30.7	8.0	22.4	2.5	20.7	17.6	55.2
2003	249.0	41.88	13.6	12.6	8.7	30.9	8.3	21.7	2.5	21.3	18.0	54.5
2004	251.3	39.52	15.4	12.7	8.8	32.3	8.6	21.7	2.5	21.6	19.0	54.0
2005	266.5	44.42	18.2	12.4	9.2	34.4	8.7	23.0	2.5	22.2	20.1	55.8
2006	277.2	44.61	20.0	12.9	9.3	36.7	9.0	25.0	2.6	22.9	20.7	57.3
2007	285.3	45.70	20.6	13.2	9.6	37.6	8.8	26.8	2.6	23.5	21.5	58.9
2008	292.1	46.58	20.7	13.3	9.8	38.6	8.8	28.7	2.6	24.0	22.2	60.4
2009	298.8	47.11	20.7	13.4	10.0	39.8	8.8	30.6	2.6	24.5	22.8	61.8
2010	305.1	47.43	20.7	13.4	10.3	41.0	8.8	32.5	2.6	25.1	23.5	63.1
2011	311.9	47.69	20.8	13.4	10.6	42.2	8.8	34.6	2.5	25.7	24.1	64.7
2012	318.3	47.84	20.8	13.4	10.9	43.4	8.9	36.7	2.5	26.2	24.7	66.1
2013	324.5	47.87	20.8	13.4	11.2	44.6	8.9	38.6	2.5	26.8	25.3	67.6
2014	330.3	47.86	20.7	13.4	11.4	45.7	9.0	40.4	2.5	27.4	25.9	69.1
2015	335.8	47.81	20.6	13.4	11.7	46.7	9.1	42.0	2.5	28.1	26.5	70.6
2016	341.2	47.71	20.6	13.4	12.0	47.7	9.2	43.3	2.5	28.9	27.1	72.2
2017	346.8	47.70	20.5	13.4	12.3	48.7	9.3	44.6	2.5	29.7	27.8	73.8
2018	352.3	47.62	20.4	13.4	12.6	49.6	9.4	45.7	2.5	30.6	28.3	75.4
2019	357.9	47.52	20.4	13.3	12.9	50.5	9.5	46.9	2.5	31.7	28.8	77.0
2020	363.4	47.42	20.3	13.3	13.2	51.4	9.5	48.0	2.5	32.8	29.3	78.6
2021	368.6	47.39	20.2	13.3	13.5	52.1	9.6	49.1	2.5	34.0	29.7	80.2
2022	373.7	47.30	20.1	13.3	13.8	52.7	9.6	50.2	2.5	35.0	30.0	81.7
2023	378.7	47.28	20.0	13.3	14.2	53.3	9.6	51.2	2.5	36.1	30.3	83.3
2024	383.5	47.15	19.9	13.3	14.5	53.8	9.7	52.2	2.5	37.2	30.6	84.8
2025	388.1	47.04	19.8	13.3	14.8	54.3	9.7	53.2	2.5	38.1	30.8	86.4
2026	392.5	46.92	19.6	13.3	15.1	54.8	9.7	54.2	2.5	39.0	31.1	87.9
2027	396.9	46.81	19.6	13.3	15.4	55.2	9.8	55.1	2.5	39.9	31.4	89.4
2028	401.4	46.76	19.5	13.4	15.6	55.6	9.8	56.0	2.5	40.7	31.8	91.0
2029	405.6	46.63	19.5	13.4	15.9	56.0	9.8	56.9	2.5	41.6	32.2	92.5
2030	409.9	46.51	19.5	13.4	16.1	56.3	9.9	57.7	2.5	42.3	32.6	94.1

