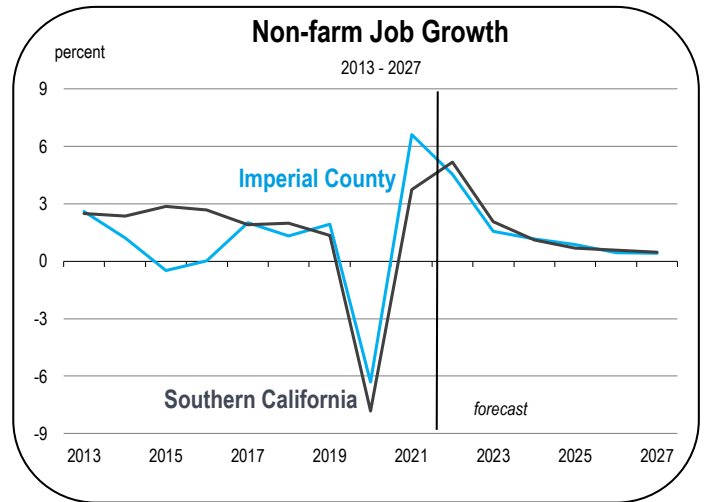


Imperial County Economic Forecast

Forecast Summary

- An estimated 1,400 total jobs will be created in Imperial County during 2022, following the 3,700 jobs that were restored in the County during 2021.
- A full labor market recovery has now been attained.
- Employment gains in 2022 will be largest in the public sector, leisure & hospitality, retail and healthcare.
- Those four industries will account for approximately 2,000 new jobs.
- Over the entire 2022-2027 forecast period, federal, state and local government will generate the most new jobs, followed by healthcare.
- The public sector is the largest labor market in Imperial County, representing almost a third of all workers employed.
- The unemployment rate averaged 17.4 percent in 2021. It is forecast to average 14.5 in 2022 and 13.9 percent in 2023.
- Population will grow relatively slowly over the next 6 years. In the 7 years preceding the pandemic, the population growth rate averaged 0.3 percent per year. For the 2022 to 2027 period, population is forecast to average 0.1 percent annually.
- The median home price increased by 8 percent in 2021. Appreciation during 2022 will average 14 percent.

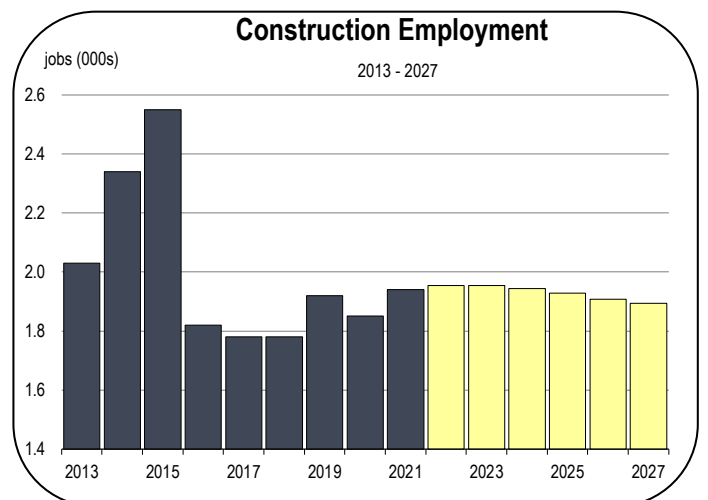
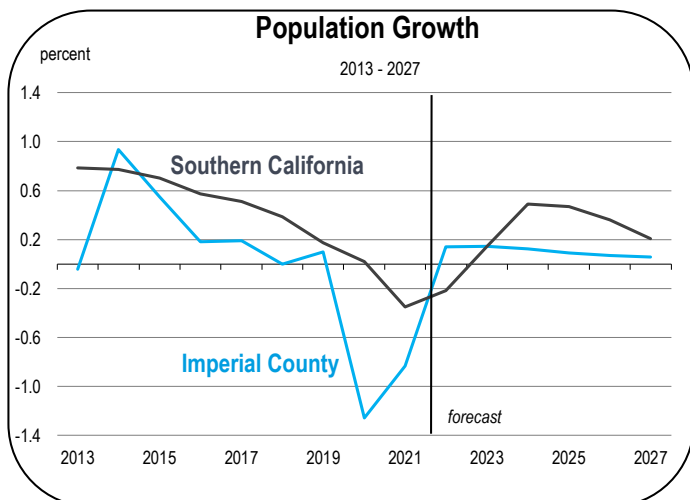


Job Growth

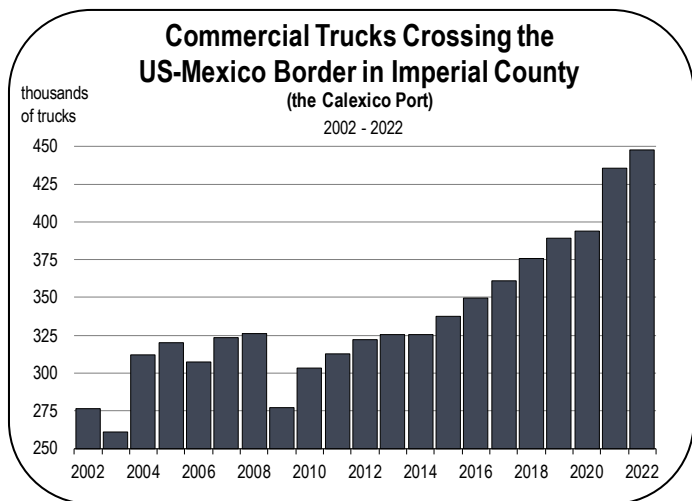
- Total employment in Imperial County will expand by 2.2 percent in 2022, and 1.5 percent in 2023
- Between 2022 and 2027, job growth will average 1.0 percent per year.

Construction Employment

- Construction industry employment was fully restored in 2021. The industry is not expected to contribute new jobs toward the growth of employment over the forecast period.
- Many construction workers are imported into the county for energy projects which have dominated new development in the county for the last several years.



Imperial County Economic Forecast



Transportation and Warehousing Employment

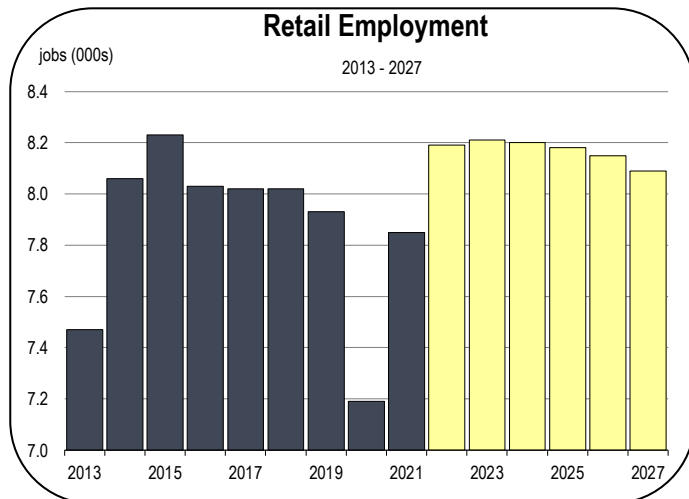
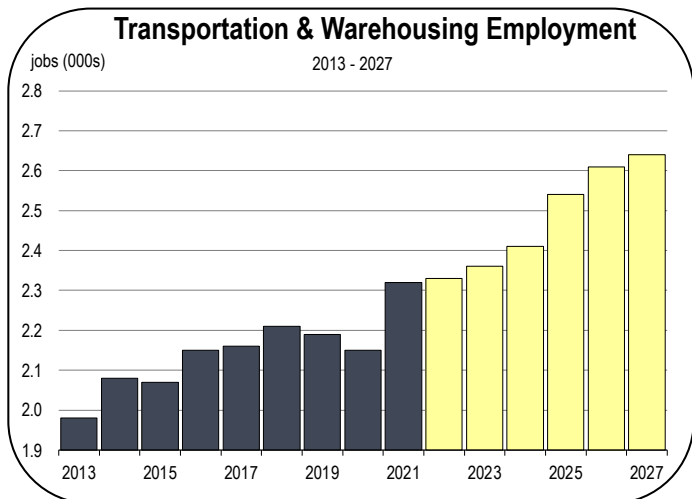
- Most transportation jobs in Imperial County are in trucking and warehousing firms, which transport and store physical goods.
- Cross-border trade with Mexico is a prominent contributor to transportation jobs in Imperial County, and in 2021 and 2022 there were more truck crossings than previous year on record.
- The transportation, warehousing, and utilities sector is forecast to generate over 300 jobs by 2027 as trucking, cross-border trade, and solar energy development expands.

Manufacturing Employment

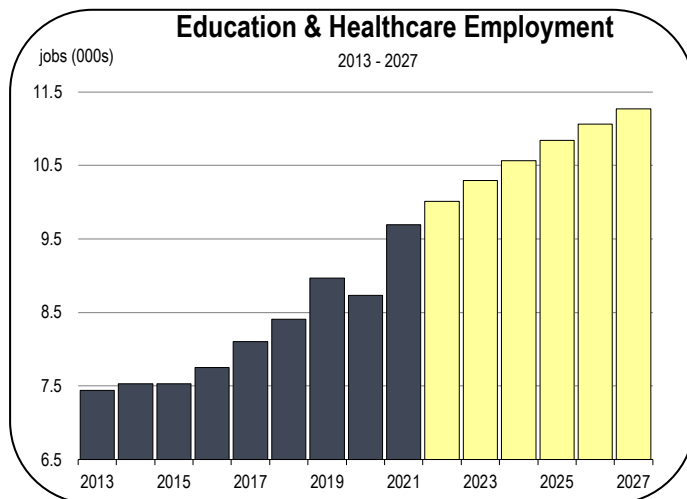
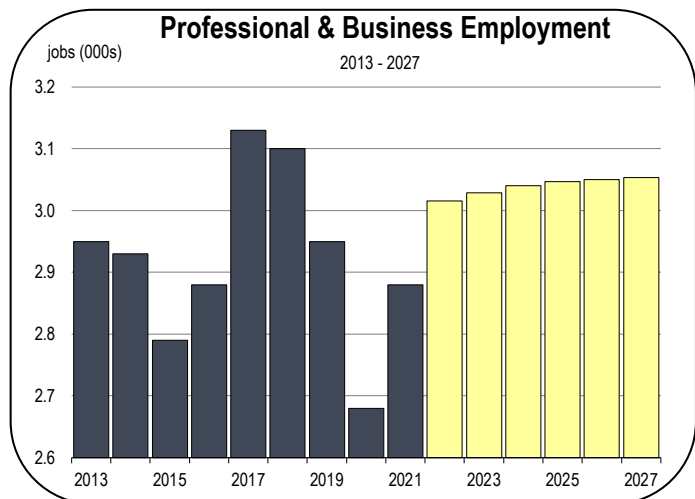
- Imperial County has a heavy concentration in food and beverage manufacturing, which turns agricultural commodities into finished foods and drinks.
- Because of its dependence on the County's agriculture industry, the manufacturing sector is not as vulnerable to offshoring as are manufacturing operations in other California counties.
- Manufacturing employment is heavily dependent on local agricultural output, and agricultural output is expected to increase slowly over the forecast period. However, employment in manufacturing is not expected to expand much after 2023. Automation in food processing will continue to limit the demand for labor resources in this sector over time.

Retail Trade Employment

- The Imperial County retail sector has a high share of jobs in department stores and retail super centers, including Walmart and Target.
- As cross border traffic resumes, employment opportunities are expected to increase within the retail sector in Calexico, Imperial, and El Centro.
- The retail sector will add an estimated 330 jobs in 2022.
- As a result of (1) ongoing consumer substitution from physical stores to online e-commerce, and (2) automation, the sector will enter a long-term pattern of employment contraction that will persist throughout the forecast period.



Imperial County Economic Forecast



Professional and Business Services Employment

- In Imperial County, the professional and business services industry is primarily comprised of corporate security firms, building maintenance companies, and staffing agencies.
- Over the forecast period, employment growth of professional business workers in Imperial County will be slower than regions of California where this industry has a greater concentration of employment in IT and technical consulting (such as San Francisco, Los Angeles, Orange or Sacramento Counties).

Private Education and Healthcare Employment

- There were 960 jobs added in healthcare during 2021. A 300-job gain is forecast for 2022.

- In Imperial County, there are only 200 jobs in the private educational services industry (public schools are classified in the government industry).
- The healthcare sector has some of the largest employers in the county. The three largest organizations are:
 - El Centro Regional Medical Center with between 500 and 1,000 workers.
 - Pioneers Memorial Healthcare District with an estimated 750 workers.
 - The Imperial County Behavioral Health Department with between 250 and 500 workers.
- Job creation in healthcare is expected to be substantial over the forecast period, outnumbering all other private-sector industries.



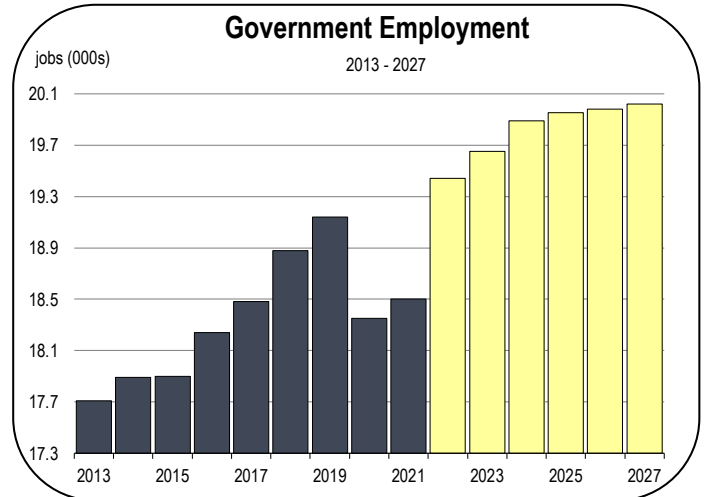
Pioneers Memorial Hospital is a 107-bed acute care facility located in Brawley. The company has a number of clinics and medical offices in Brawley and Calexico.

Imperial County Economic Forecast



Leisure and Hospitality Employment

- During 2022, hotels, restaurants, bars, catering firms, gyms, and other leisure/ hospitality organizations have recovered from the pandemic recession that devastated these high human contact sectors.
- Leisure and hospitality recovered 680 jobs in 2021, and another 500 jobs are forecast to be added in 2022.
- Outdoor recreation for visitors includes the Imperial Sand Dunes Recreation Area, a magnet for off-road enthusiasts, and the Sonny Bono Salton Sea National Wildlife Refuge, a renowned birding site.



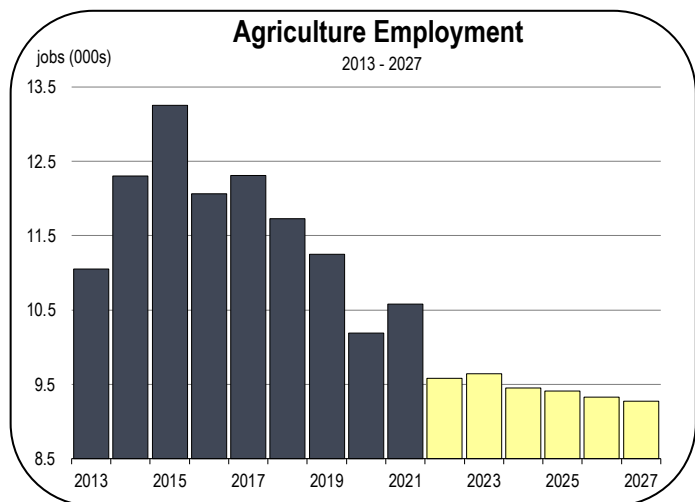
Government Employment

- Government agencies lost 800 jobs during 2020. Approximately 600 of these losses were at local schools. Only 150 positions were restored in 2021 but a full recovery is underway in 2022.
- The forecast for state and local government job creation is for an increase of 950 workers in 2022.
- The largest state-level agencies are Calipatria State Prison and Centinela State Prison. Combined, these two institutions contribute over 2,000 workers to total public sector employment in the county.
- The largest federal agencies are the El Centro Naval Air Facility and U.S. Customs and Border Protection. Each employs 500 to 1,000 workers.



El Centro Naval Air Facility is among the largest employers in Imperial County. It is a primary location for air combat training and houses the Blue Angels, the air force unit that performs at events across the U.S.

Imperial County Economic Forecast



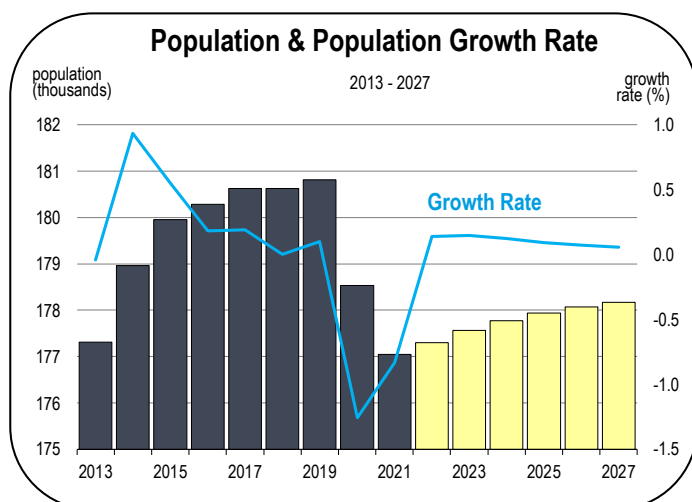
Agriculture Employment

- The agriculture industry is the second largest employer in Imperial County, behind only the public sector. Gross production from all crops for 2020 was valued at \$2.0 billion. The estimate for 2021 was slightly higher.
- Prices for lettuces, corn, spinach, melons, and watermelons all moved higher in both 2020 and 2021, contributing to the increase in gross farm valuation.
- The county generates a high volume of agricultural revenue from cattle ranching (\$427 million in 2020).
- Employment levels rebounded slightly in 2021, but consolidated in 2022. The agriculture industry is not expected to contribute to total employment over the forecast due to automation of planting and harvest activities.

Population Growth

- The Imperial County population declined in 2021, losing approximately 400 residents following a loss of 1,000 in 2020.

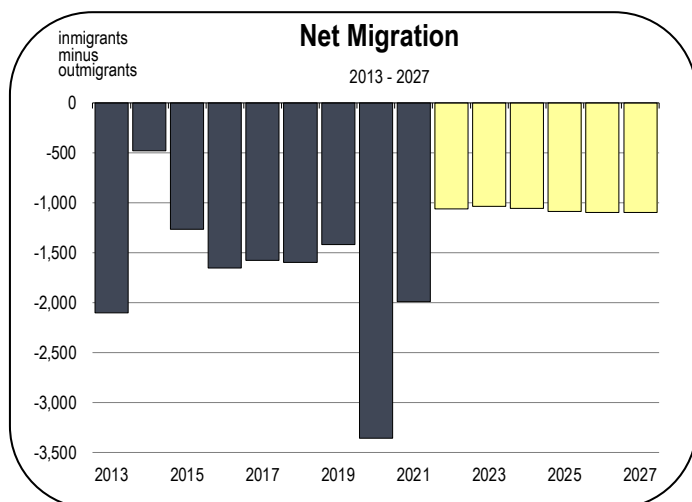
Principal Farm Summary Imperial County 2020	Value (\$ millions)
Vegetable Crops	826.2
Livestock	490.6
Field Crops	444.7
Seed and Nursery	95.3
Fruit and Nut Crops	94.6
Melons	69.8
Apiary Products	5.2



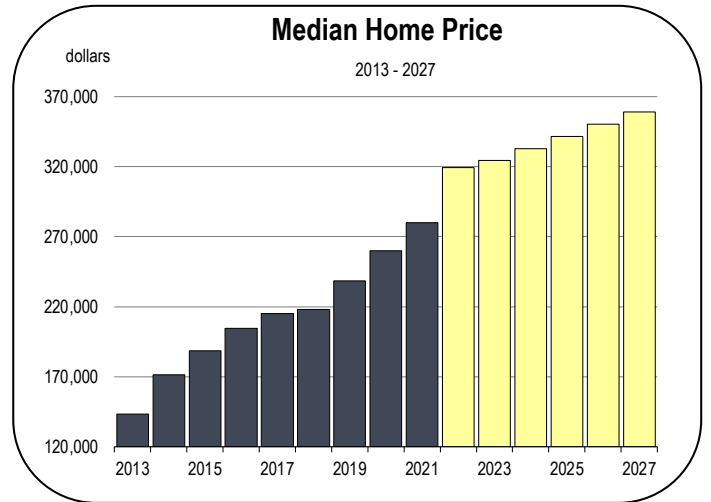
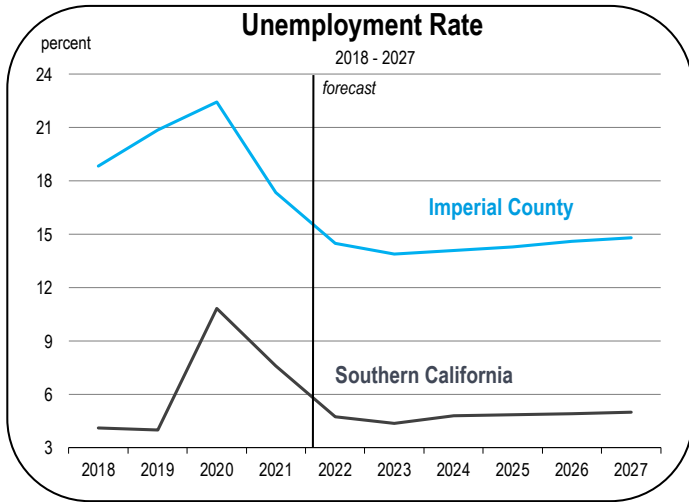
- The population has declined because net migration is negative, with residents moving out of the county or prevented from moving in from Mexico, recently due to pandemic restrictions. The birth rate also declined and the number of deaths was higher than normal.
- The natural increase (new births less deaths) will account for all population growth over the next 5 years.
- Only modest population growth is forecast over the next 5 years, averaging 0.1 percent annually.

Unemployment and Inflation Rates

- The unemployment rate in Imperial County averaged 17.3 percent in 2021.
- The unemployment rate in Imperial County is always higher than the Southern California average because Imperial County has (1) a larger share of seasonal agricultural workers, greater daily movement of California and Mexicali residents traversing the border, and (3) a lower share of workers with college degrees.



Imperial County Economic Forecast

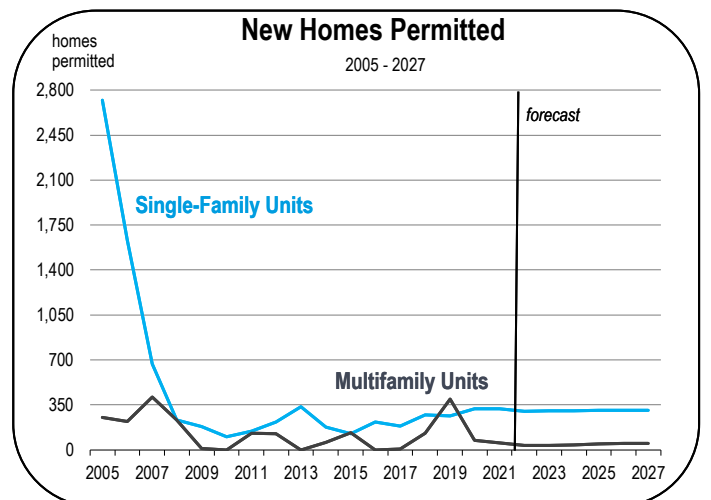
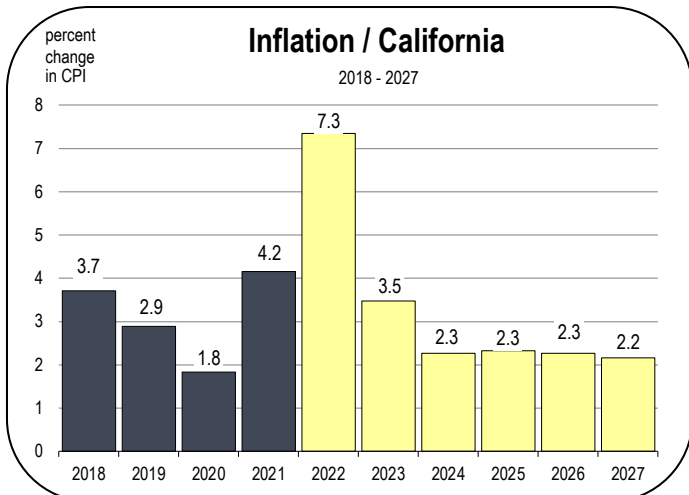


- The unemployment rate is expected to average 14.5 percent in 2022 and 13.9 percent in 2023.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher inflation. The most prominent will be:
 - Record spending by consumers and the federal government during 2021 and 2022
 - Fractures in the global supply chain that raise the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that force companies to raise wages
- Combined, these factors have pushed inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022.

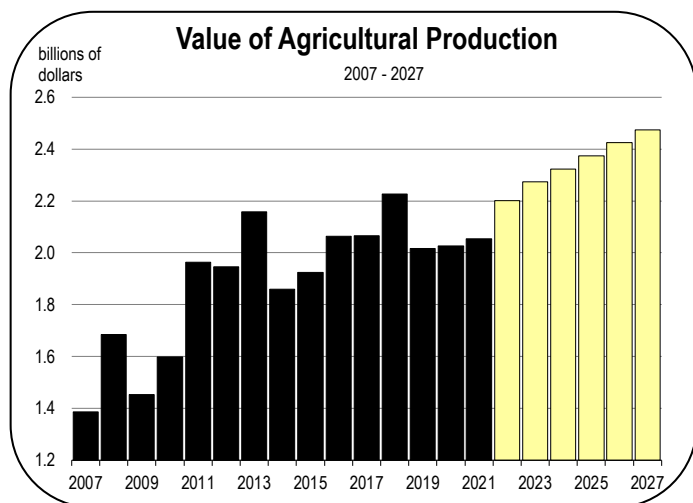
- However, inflation will gradually decelerate in 2023 as supply chains are restored, and the impending economic slowdown moderates the demand for labor and wage increases. Average inflation rates eventually decline to 3 percent again by 2024.

Home Prices & New Housing Production

- The median home price for all homes sold in the County was \$280,000 in 2021. This included all attached and detached homes.
- The median price was \$331,600 in 2022. Price appreciation is on pace to reach 14 percent from 2021 to 2022.
- From 2016 to 2021, an average of 373 new homes were approved per year. Most were single family units.
- An average of 348 homes are expected to be built each year from 2022 to 2027, consisting mostly of single-family homes.



Imperial County Economic Forecast



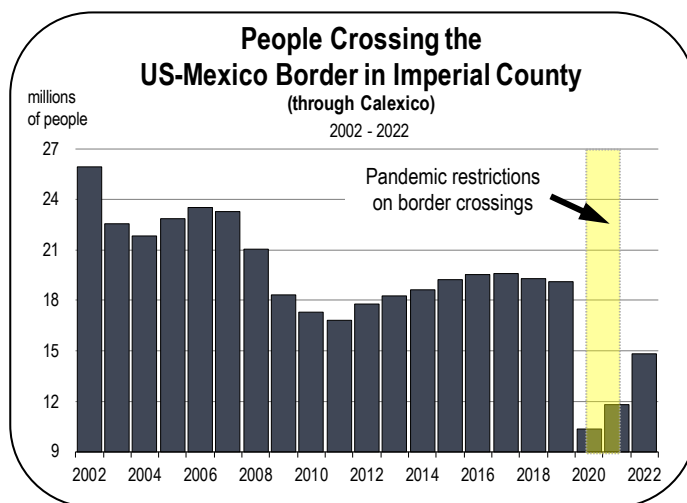
Imperial County Economic Engines

Agriculture

- The county's economy is principally driven by agriculture, and cross-border family and trade relationships with Mexico.
- The value of agricultural production has eclipsed \$2 billion each year since 2016. The principal crop category is vegetables and melons, comprising nearly half of the dollar value. Cattle ranks as the number one farm commodity with a gross value exceeding \$400 million.
- Employment in farming has declined over time, but still accounts for 17 percent of all jobs in the county. Farm employment is not expected to expand over either the near-or-longer-term forecast.

The Mexico-Calexico Border

- Federal government operations include U.S. immigration and Customs enforcement, and the Imperial Regional Detention Facility, both in Calexico. Two U.S. Customs and Border Protection facilities are located in Calexico from either the western or eastern side of Mexicali.
- With Mexicali's population of an estimated 1 million, Imperial Valley's daily population increases exponentially due to the close proximity to the two international ports of entry located in the Mexicali-Calexico border-city region. In 2019, there were nearly 19-million-person crossings between the two countries at these two ports of entry.
- Coronavirus restrictions were implemented in March of 2020, and persisted until November 2021. This substantially reduced the numbers of people crossing into California from Mexico as pedestrians or in vehicles, limited to only essential trips and trade.
- In 2022, crossings through the Calexico ports have not yet recovered.



Correctional Facilities

- There are two principal correctional facilities within the County. Centinela State Prison, located in Imperial currently houses 2,308 inmates, and employs 1,174 workers. It currently is 123.4 percent occupied.
- Calipatria State Prison, located in Calipatria is a male-only facility, having an inmate population of 2,531 in December 2022. The workforce as of December 2022 included 1,184 active employees.

Energy Projects

- Imperial County Solar Photovoltaic Park is currently in the planning and is due to (1) be permitted in 2022 and (2) be operational in 2023. Its capacity is 117MW.
- Construction on the Vikings Energy Farm is expected to begin in the fall of 2022, with commercial operations expected to begin in the summer of 2023. The project includes 100MW solar energy plant and as much as 150MW/600MWh of battery storage.
- Mount Signal Solar is a fully operational power station consisting of 3 units with a total capacity of 794MW. The plant features 460,000 solar modules.
- Two large solar projects are now operating in the Anza Borrego Desert: The ColGreen North Shore Project in 2018, and the Titan Solar 1 Energy Project which became operational in 2020.
- The Salton Sea is the largest lake totally within the State of California. It is mainly within Imperial County with a small segment in Riverside County. About 70% of the water that sustains the Lake comes from irrigation runoff from the New and Alamo rivers in Imperial County. Flows have been limited however in recent years. Plans now involve covering the exposed shoreline with alternative energy projects including solar arrays, algae farms, and solar gradient ponds.

Imperial County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 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	179,952	49.6	-1,266	258	181	\$6.7	\$1.6	\$2.7	\$1.7	\$44,064	24.6	\$2.3	0.9
2016	180,280	49.8	-1,652	217	192	\$6.6	\$1.6	\$2.5	\$1.7	\$42,324	24.2	\$2.4	1.9
2017	180,627	49.9	-1,576	193	195	\$6.7	\$1.7	\$2.6	\$1.8	\$42,075	19.6	\$2.3	2.8
2018	180,627	50.1	-1,599	400	199	\$6.8	\$1.8	\$2.8	\$1.8	\$41,080	18.8	\$2.4	3.8
2019	180,809	50.3	-1,418	660	206	\$7.3	\$1.8	\$2.8	\$1.8	\$42,775	20.9	\$2.1	3.1
2020	178,537	50.6	-3,357	394	214	\$8.0	\$1.8	\$2.7	\$1.9	\$46,652	22.4	\$2.1	1.6
2021	177,052	51.0	-1,992	373	224	\$8.3	\$2.1	\$3.2	\$2.0	\$46,617	17.4	\$2.1	3.8
2022	177,302	51.4	-1,062	335	228	\$9.3	\$2.4	\$3.6	\$2.1	\$48,655	14.5	\$2.1	7.2
2023	177,561	51.8	-1,035	338	230	\$9.6	\$2.5	\$3.8	\$2.2	\$48,904	13.9	\$2.1	3.4
2024	177,779	52.1	-1,056	344	231	\$9.9	\$2.5	\$3.8	\$2.2	\$49,103	14.1	\$2.1	2.2
2025	177,940	52.5	-1,087	353	232	\$10.2	\$2.5	\$3.8	\$2.2	\$49,650	14.3	\$2.1	2.2
2026	178,067	52.8	-1,100	357	234	\$10.6	\$2.6	\$3.9	\$2.2	\$50,162	14.6	\$2.0	2.2
2027	178,168	53.2	-1,096	361	235	\$10.9	\$2.6	\$3.9	\$2.2	\$50,757	14.8	\$2.0	2.1
2028	178,251	53.5	-1,090	364	237	\$11.3	\$2.6	\$4.0	\$2.3	\$51,433	15.0	\$2.1	2.1
2029	178,305	53.9	-1,093	363	239	\$11.7	\$2.7	\$4.0	\$2.4	\$52,018	14.8	\$2.1	2.2
2030	178,338	54.2	-1,081	363	240	\$12.1	\$2.7	\$4.2	\$2.4	\$52,676	14.9	\$2.1	2.1
2031	178,330	54.6	-1,082	363	242	\$12.5	\$2.8	\$4.3	\$2.5	\$53,287	14.8	\$2.1	2.0
2032	178,283	54.9	-1,085	362	244	\$12.9	\$2.9	\$4.4	\$2.6	\$53,845	14.7	\$2.1	2.2
2033	178,196	55.3	-1,092	361	245	\$13.3	\$3.0	\$4.5	\$2.8	\$54,436	14.7	\$2.1	1.8
2034	178,080	55.6	-1,090	360	246	\$13.7	\$3.0	\$4.6	\$2.8	\$55,015	14.7	\$2.1	2.0
2035	177,936	56.0	-1,086	360	248	\$14.1	\$3.1	\$4.7	\$2.9	\$55,673	14.6	\$2.1	2.1
2036	177,776	56.4	-1,081	360	250	\$14.6	\$3.2	\$4.9	\$2.9	\$56,192	14.6	\$2.1	2.5
2037	177,598	56.7	-1,079	359	251	\$15.1	\$3.3	\$5.0	\$2.9	\$56,671	14.6	\$2.1	2.6
2038	177,402	57.1	-1,075	359	253	\$15.6	\$3.4	\$5.2	\$2.9	\$57,303	14.5	\$2.1	2.4
2039	177,184	57.4	-1,075	359	254	\$16.1	\$3.5	\$5.3	\$2.9	\$57,809	14.5	\$2.1	2.6
2040	176,950	57.8	-1,078	358	255	\$16.6	\$3.6	\$5.5	\$2.9	\$58,299	14.4	\$2.1	2.5
2041	176,706	58.1	-1,082	357	257	\$17.1	\$3.7	\$5.6	\$3.0	\$58,909	14.4	\$2.1	2.1
2042	176,446	58.5	-1,085	356	258	\$17.6	\$3.8	\$5.8	\$3.0	\$59,525	14.3	\$2.1	2.0
2043	176,175	58.8	-1,085	356	260	\$18.2	\$3.9	\$5.9	\$3.0	\$60,246	14.3	\$2.1	1.9
2044	175,893	59.2	-1,087	355	262	\$18.7	\$4.0	\$6.0	\$2.8	\$60,982	14.2	\$2.1	1.7
2045	175,591	59.5	-1,085	355	264	\$19.2	\$4.1	\$6.2	\$2.9	\$61,768	14.2	\$2.1	1.8
2046	175,284	59.9	-1,086	354	265	\$19.8	\$4.2	\$6.3	\$2.9	\$62,515	14.1	\$2.1	1.9
2047	174,973	60.2	-1,088	354	267	\$20.4	\$4.3	\$6.5	\$2.9	\$63,159	14.1	\$2.1	2.1
2048	174,654	60.6	-1,086	353	268	\$21.0	\$4.4	\$6.6	\$2.9	\$63,798	14.0	\$2.1	2.2
2049	174,337	60.9	-1,088	353	270	\$21.6	\$4.5	\$6.8	\$2.9	\$64,432	14.0	\$2.1	1.9
2050	174,021	61.2	-1,089	352	271	\$22.2	\$4.7	\$7.0	\$2.9	\$65,111	14.0	\$2.1	2.0

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities (thousands of jobs)	Professional Services	Information	Health & Education	Leisure	Government
2015	63.9	13.3	2.6	1.0	2.1	10.0	1.5	2.8	0.3	7.5	4.2	17.9
2016	62.7	12.1	1.8	1.1	2.2	9.8	1.4	2.9	0.3	7.8	4.4	18.2
2017	64.0	12.3	1.8	1.3	2.2	9.8	1.3	3.1	0.3	8.1	4.4	18.5
2018	64.1	11.7	1.8	1.4	2.2	9.8	1.3	3.1	0.3	8.4	4.3	18.9
2019	64.6	11.3	1.9	1.6	2.2	9.7	1.2	3.0	0.3	9.0	4.4	19.1
2020	60.2	10.2	1.9	1.8	2.2	8.9	1.1	2.7	0.2	8.7	3.3	18.4
2021	63.9	10.6	1.9	2.1	2.3	9.6	1.1	2.9	0.2	9.7	4.0	18.5
2022	65.3	9.6	2.0	2.3	2.3	9.9	1.1	3.0	0.2	10.0	4.5	19.4
2023	66.2	9.6	2.0	2.4	2.4	9.9	1.2	3.0	0.2	10.3	4.7	19.7
2024	66.7	9.5	1.9	2.4	2.4	9.9	1.2	3.0	0.2	10.6	4.8	19.9
2025	67.2	9.4	1.9	2.3	2.5	9.9	1.2	3.0	0.2	10.8	4.8	20.0
2026	67.3	9.3	1.9	2.3	2.6	9.8	1.2	3.1	0.2	11.1	4.8	20.0
2027	67.5	9.3	1.9	2.3	2.6	9.8	1.2	3.1	0.2	11.3	4.8	20.0
2028	67.7	9.2	1.9	2.3	2.7	9.8	1.2	3.1	0.3	11.5	4.9	20.1
2029	67.8	9.1	1.9	2.3	2.7	9.7	1.2	3.1	0.3	11.7	4.9	20.1
2030	67.9	9.0	1.9	2.3	2.7	9.6	1.2	3.1	0.3	11.9	4.9	20.1
2031	68.1	9.0	1.9	2.3	2.8	9.6	1.2	3.1	0.3	12.1	4.9	20.0
2032	68.1	8.9	1.9	2.2	2.8	9.5	1.2	3.1	0.3	12.3	4.9	20.0
2033	68.0	8.9	1.9	2.2	2.8	9.4	1.2	3.1	0.3	12.5	5.0	19.8
2034	68.0	8.8	1.9	2.2	2.8	9.3	1.2	3.1	0.3	12.7	5.0	19.8
2035	68.2	8.8	1.9	2.2	2.8	9.3	1.2	3.1	0.3	12.9	5.0	19.8
2036	68.4	8.8	1.9	2.2	2.8	9.3	1.2	3.1	0.3	13.0	5.0	19.8
2037	68.6	8.8	1.9	2.2	2.9	9.2	1.2	3.1	0.3	13.2	5.0	19.9
2038	68.8	8.7	1.9	2.2	2.9	9.2	1.2	3.1	0.3	13.3	5.0	20.0
2039	69.0	8.7	1.9	2.2	2.9	9.2	1.2	3.1	0.3	13.4	5.1	20.2
2040	69.2	8.7	1.9	2.2	2.9	9.2	1.2	3.1	0.3	13.6	5.1	20.3
2041	69.3	8.6	1.9	2.2	2.9	9.1	1.2	3.1	0.3	13.7	5.1	20.3
2042	69.3	8.5	1.9	2.2	2.9	9.0	1.2	3.1	0.3	13.8	5.1	20.4
2043	69.4	8.4	1.9	2.2	2.8	9.0	1.2	3.1	0.3	13.9	5.1	20.5
2044	73.9	8.4	1.9	2.2	2.8	9.0	1.2	3.1	0.3	14.1	5.1	20.6
2045	74.1	8.4	1.9	2.2	2.8	8.9	1.2	3.1	0.3	14.2	5.2	20.7
2046	74.4	8.3	1.9	2.2	2.8	8.9	1.2	3.1	0.3	14.3	5.2	20.8
2047	74.7	8.3	1.9	2.2	2.8	8.9	1.2	3.1	0.3	14.4	5.2	20.8
2048	75.0	8.3	1.9	2.2	2.8	8.9	1.2	3.1	0.3	14.5	5.2	20.9
2049	75.2	8.3	1.9	2.2	2.8	8.8	1.2	3.1	0.3	14.6	5.2	21.0
2050	75.5	8.2	1.9	2.2	2.8	8.8	1.2	3.1	0.3	14.7	5.2	21.1

Imperial County Economic Forecast

Socioeconomic Indicators

