

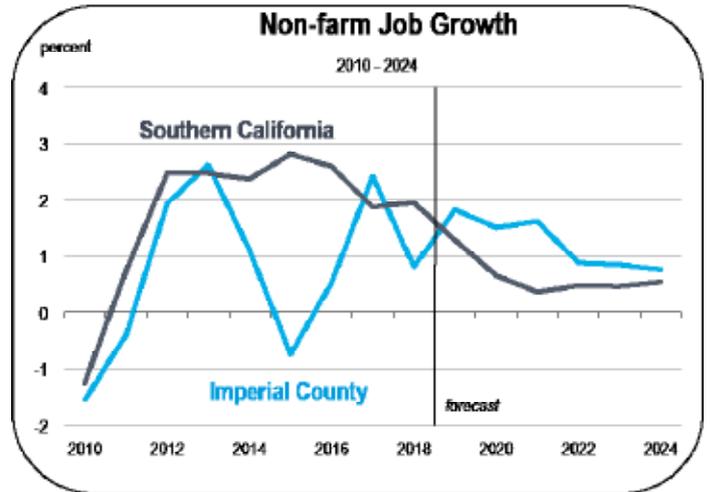
Imperial County Economic Forecast

Forecast Summary

- 900 non-farm jobs will be created in Imperial County during 2019. Over the following five years, an average of 700 new jobs per year are expected.
- Employment growth will be led by education and healthcare, which will expand by 1,900 jobs between 2018 and 2024. Growth will also be strong in government, which will add 1,400 jobs. Together, these sectors will account for 82 percent of net job creation in the county.
- Between 2018 and 2024, a number of sectors are at risk of employment contraction, including construction, information, and financial activities.
- The unemployment rate averaged 18.1 percent in 2018, and is expected to improve to 16.8 percent in 2019. But the unemployment rate is near its lowest sustainable level, and may not improve much after 2019.
- The population in Imperial County is expanding faster than broader Southern California, and will continue to do so.
- Housing production has been minimal, and is not expected to accelerate meaningfully during the 2018 – 2024 forecast period.

• Job Growth

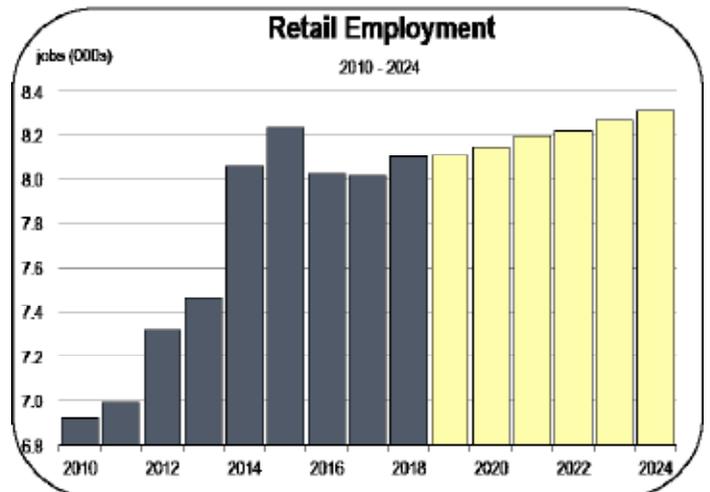
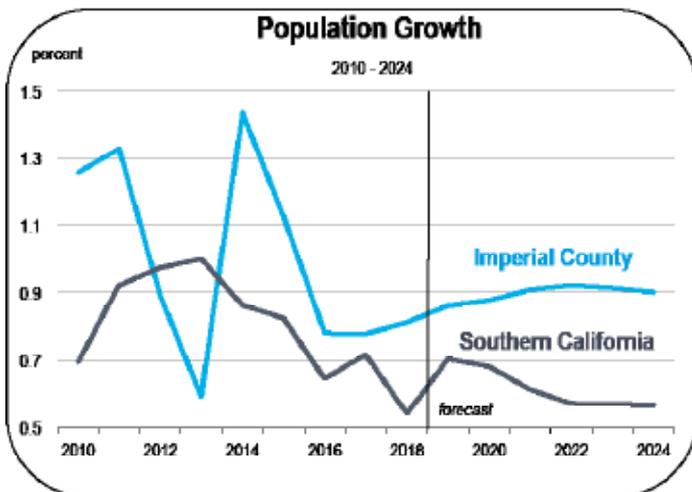
- Job growth was slow in 2018, as Imperial County added only 400 non-farm jobs.
- The largest gains were observed in government (+300 jobs), education and healthcare (+300 jobs), retail trade (+100 jobs), and wholesale trade (+100 jobs).



- Employment contraction was observed in construction, transportation and warehousing, leisure and hospitality, and professional business services.
- Between 2012 and 2018, non-farm job growth averaged 1.1 percent per year.
- Between 2018 and 2024, growth is expected to average 1.2 percent per year, generating an average of 700 jobs each year.

Retail Trade Employment

- The Imperial County retail sector gained 100 jobs in 2018, but over the past five years, total employment levels have remained relatively stable.
- The retail industry is being divided into two groups: stores that face heavy online competition, and stores that don't.



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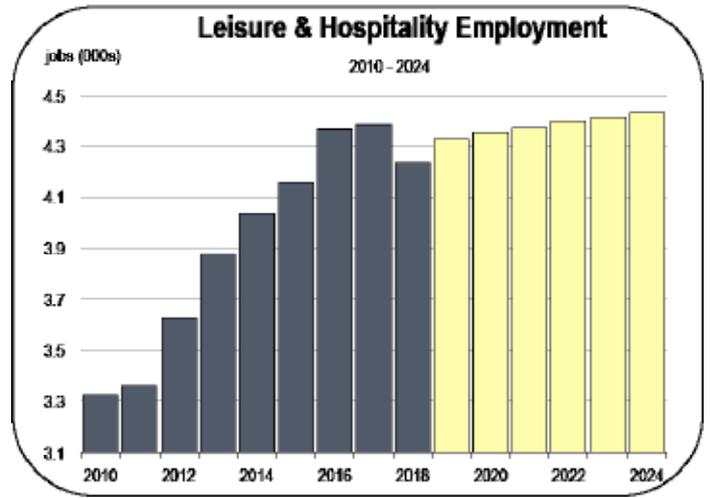
- In 2018, jobs were lost in sectors facing online competition:
 - Clothing stores
 - Sporting goods stores
 - Consumer electronics stores
 - Department stores
- Jobs were gained in sectors not facing heavy online competition:
 - Car dealerships
 - Drug stores and healthcare stores
 - Grocery stores
- Growth will continue to be slow, and could turn negative in 2020 or 2021 if the economy falls into recession.

Private Education and Healthcare Employment

- Healthcare gains have been widespread, with strength in doctors' offices, home health services, outpatient care centers, and facilities that serve the elderly and disabled.
- The private education industry is very small in Imperial County, and created almost no new jobs in 2018 (public schools are included in the government industry).
- The future of the U.S. health insurance landscape is unknown, and legislative changes could influence job growth in this sector.

Leisure and Hospitality Employment

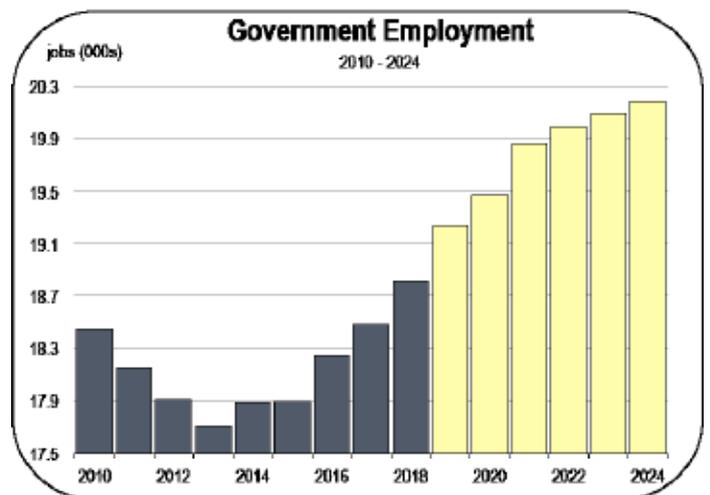
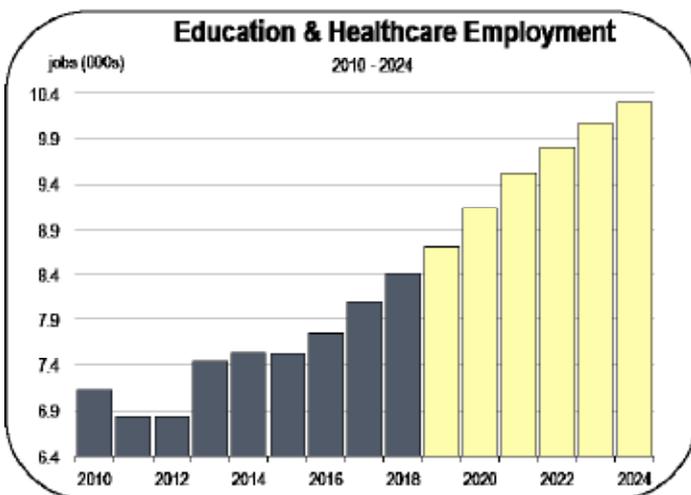
- After creating large numbers of jobs between 2011 and 2017, employment levels contracted in the leisure and hospitality industry in 2018.
- Small numbers of jobs were lost at fitness centers, hotels, bars, and restaurants.



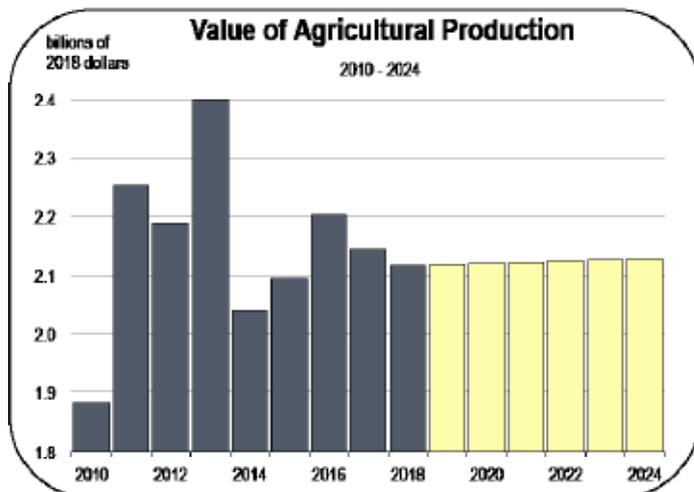
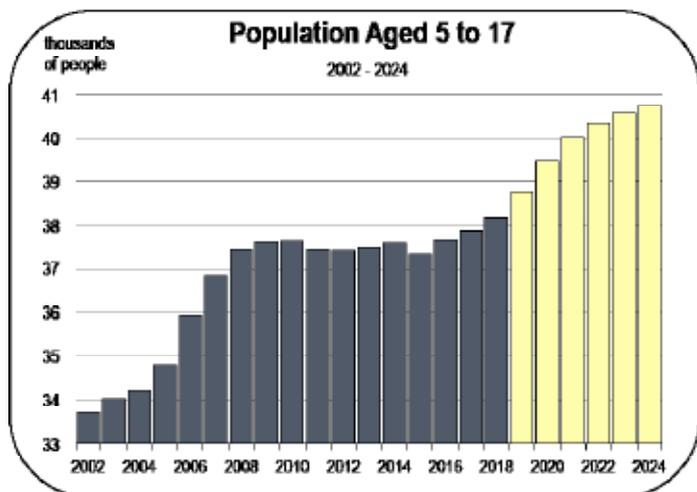
- This industry will begin to expand again, but growth is expected to be slow.
- The leisure industry is sensitive to changes in the minimum wage. As California's minimum wage rises to \$15 per hour by 2022, job growth could be impacted.
- The median wage in Imperial County is \$15.50 per hour, meaning 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

- Government agencies created 300 jobs in 2018. Approximately 200 of these jobs were in local municipal agencies.
- The remaining 100 jobs were created at local schools and Indian tribes, which are classified in the government sector.



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- Over the 2018 – 2024 forecast period, government employment is expected to grow quickly, expanding by 1.2 percent per year.
- Between 2018 and 2024, the number of school-aged children is expected to increase by seven percent, placing Imperial County among the regions with the fastest-growing child populations in California.
- A rapid expansion of the school-age population will require more teachers and other government workers, pushing government employment levels higher.

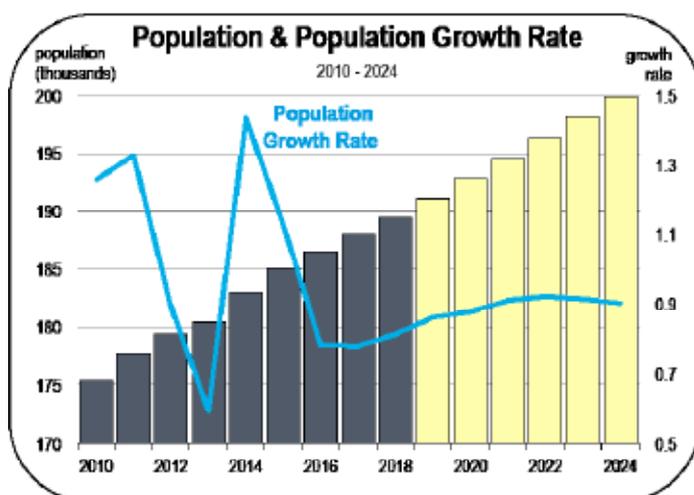
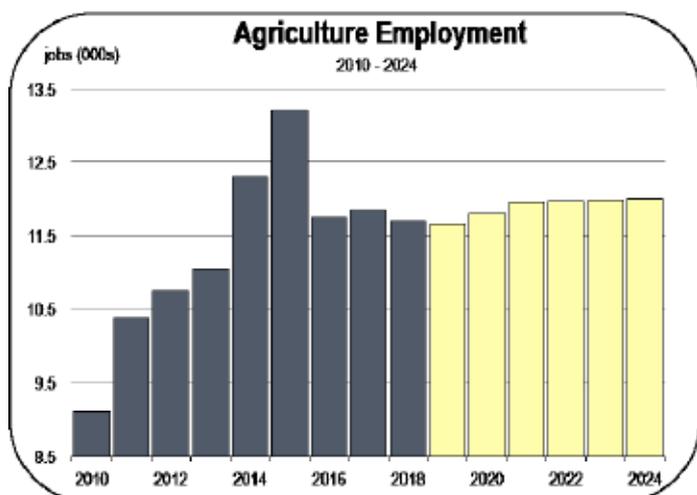
- Imperial County farms and ranches sell many of their goods within California, but also trade heavily with Texas, Louisiana, Florida, Hawaii, and Washington. The largest international trading partners are Japan and Mexico.
- Agriculture employment has also remained steady over the past few years. The agriculture sector employs more than 11,000 workers in Imperial County, accounting for almost 20 percent of the total job market.

Agriculture

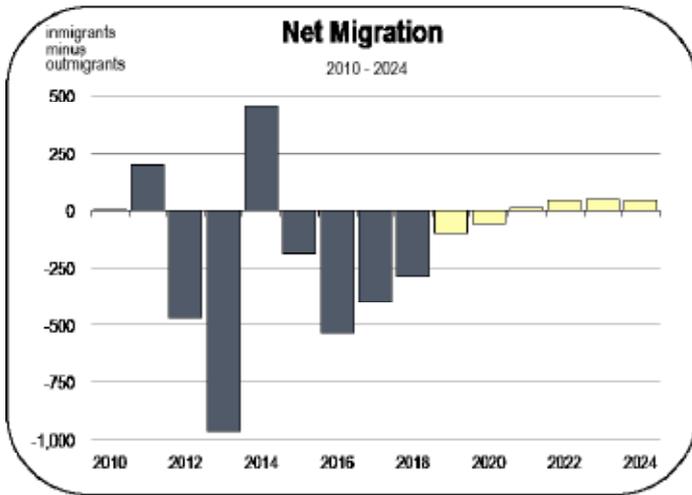
- The value of Imperial County agricultural output has been relatively stable for the last four years.
- The most valuable commodities in Imperial County are cattle, lettuce, and alfalfa. Combined, the county produces more than \$800 million of these commodities each year.

Population Growth

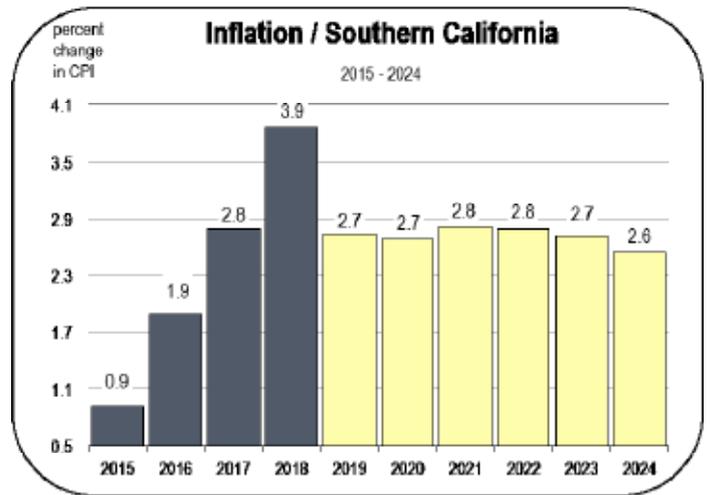
- The Imperial County population expanded by 0.8 percent in 2018, which is faster than the average for Southern California.
- Net migration was negative, meaning that all population growth was the result of new births. In 2018, more than 2,800 children were born in Imperial County.



Imperial County Economic Forecast



- Population growth is expected to average 0.9 percent per year between 2018 and 2024, and the county will approach 200,000 residents.



- In 2019 and 2020, inflation is expected to be within a range of 2.5 percent and 3 percent.

Unemployment and Inflation Rates

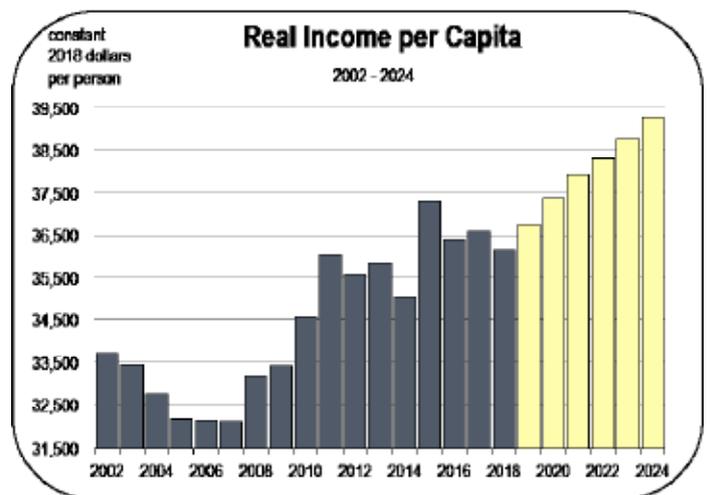
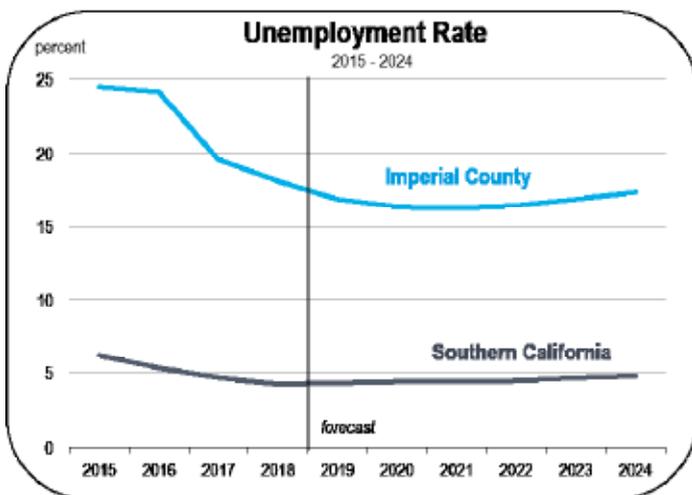
- The unemployment rate in Imperial County was 18.1 percent in 2018.
- Imperial County typically has the highest unemployment rate in California, in part because a large share of its workforce is employed in agriculture and government.
- A large share of agriculture workers is unemployed during the fall and winter months, when farming activity is less labor intensive. At the same time, many school employees are reported as unemployed during summer and winter vacations. Therefore, counties with high shares of agriculture and school workers typically have high annual unemployment rates.
- Inflation accelerated in 2018 as home prices and energy costs increased across Southern California.

New Housing Production

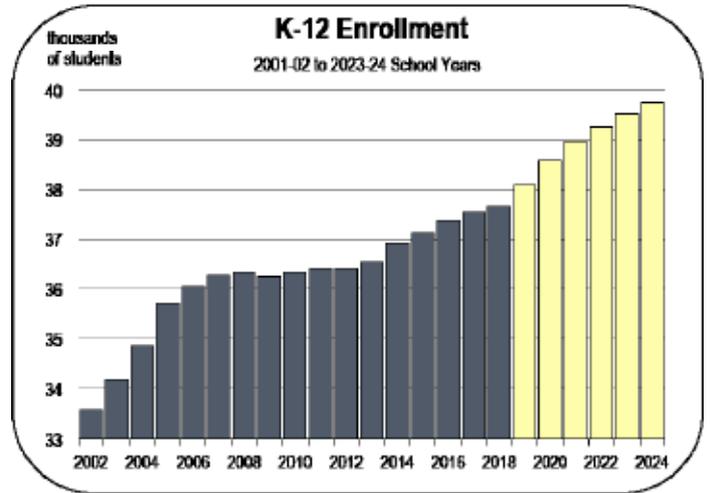
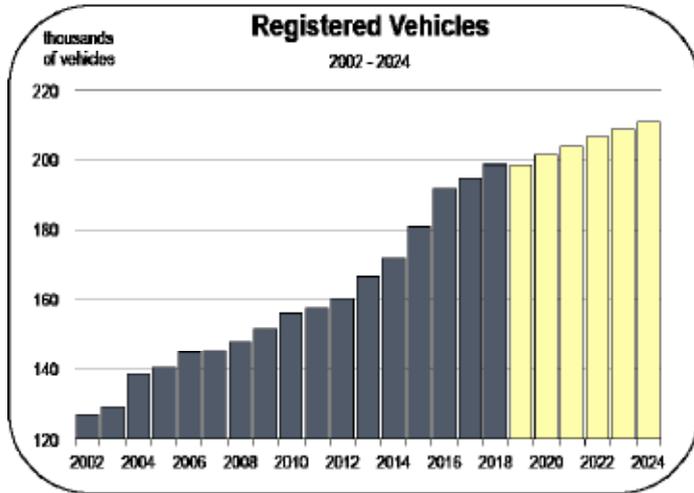
- From 2013 to 2018, an average of 275 new homes were started each year.
- Between 2019 and 2024, housing production is expected to average 365 units per year.
- Most new homes will be single-family units. The region has large amounts of buildable land, enabling more sub-division development than high-density building.

Income per Capita

- Income per capita was \$36,100 in 2018, which is well below the Southern California average of \$57,200.
- Over the last six years, real income per capita has risen at a rate of just 0.3 percent per year.



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- Over the next six years, real income per capita is expected to increase more quickly, growing by an average of 1.4 percent per year.

Registered Vehicles

- There were 198,600 registered vehicles in Imperial County in 2018. By 2024, it is expected that the county will have 210,800 registered vehicles.

Public School Enrollment

- In Imperial County, approximately 37,700 students were enrolled in K-12 public schools.
- By 2024, there are expected to be 39,700 enrolled students. The number of students will rise quickly because the population aged 5 to 17 will increase quickly.

Imperial 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	185,048	49.7	\$127,794	258	181	\$6.3	\$1.6	\$28	\$2.0	\$37,305	37.1	3,168	1,063
2016	186,492	49.9	\$127,411	217	192	\$6.4	\$1.6	\$28	\$1.8	\$36,383	37.4	2,939	1,121
2017	187,943	50.0	\$132,360	193	195	\$6.6	\$1.7	\$29	\$1.8	\$36,579	37.5	2,894	1,122
2018	189,468	50.2	\$136,525	400	199	\$6.8	\$1.7	\$30	\$1.7	\$36,147	37.7	2,834	1,144
2019	191,099	50.5	\$142,856	320	199	\$7.2	\$1.8	\$31	\$1.7	\$36,751	38.1	2,868	1,141
2020	192,774	50.8	\$149,567	338	201	\$7.6	\$1.8	\$32	\$1.8	\$37,381	38.6	2,889	1,156
2021	194,526	51.2	\$156,370	373	204	\$8.0	\$1.9	\$34	\$1.8	\$37,916	39.0	2,912	1,172
2022	196,319	51.5	\$162,713	383	206	\$8.4	\$2.0	\$35	\$1.8	\$38,300	39.3	2,937	1,193
2023	198,112	51.9	\$169,513	393	209	\$8.8	\$2.1	\$36	\$1.9	\$38,770	39.5	2,957	1,215
2024	199,898	52.3	\$176,333	393	211	\$9.2	\$2.1	\$37	\$1.9	\$39,262	39.7	2,975	1,238
2025	201,657	52.7	\$183,496	386	213	\$9.7	\$2.2	\$39	\$2.0	\$39,830	39.9	2,991	1,261
2026	203,378	53.0	\$190,190	386	215	\$10.1	\$2.3	\$40	\$2.0	\$40,277	40.2	3,003	1,284
2027	205,072	53.4	\$196,744	390	217	\$10.5	\$2.3	\$41	\$2.1	\$40,691	40.4	3,017	1,308
2028	206,750	53.8	\$203,618	393	219	\$11.0	\$2.4	\$42	\$2.1	\$41,119	40.7	3,030	1,334
2029	208,410	54.2	\$209,706	389	220	\$11.4	\$2.5	\$44	\$2.1	\$41,319	40.7	3,050	1,360
2030	210,046	54.6	\$216,102	383	222	\$11.8	\$2.6	\$45	\$2.2	\$41,588	40.9	3,067	1,388
2031	211,659	54.9	\$222,721	377	223	\$12.2	\$2.6	\$46	\$2.2	\$41,907	41.1	3,079	1,417
2032	213,251	55.3	\$229,107	372	224	\$12.7	\$2.7	\$48	\$2.2	\$42,066	41.2	3,095	1,444
2033	214,817	55.7	\$235,104	366	226	\$13.1	\$2.8	\$49	\$2.3	\$42,286	41.2	3,109	1,471
2034	216,364	56.0	\$241,602	361	227	\$13.5	\$2.9	\$50	\$2.3	\$42,488	41.4	3,122	1,496
2035	217,890	56.4	\$249,022	356	228	\$14.0	\$3.0	\$52	\$2.3	\$42,778	41.6	3,132	1,524
2036	219,408	56.7	\$257,083	352	229	\$14.6	\$3.1	\$53	\$2.3	\$42,973	41.9	3,145	1,549
2037	220,922	57.1	\$265,556	348	230	\$15.2	\$3.2	\$55	\$2.4	\$43,151	42.3	3,157	1,572
2038	222,430	57.4	\$274,162	344	232	\$15.7	\$3.3	\$57	\$2.4	\$43,385	42.6	3,164	1,595
2039	223,936	57.8	\$283,069	340	233	\$16.4	\$3.4	\$59	\$2.4	\$43,541	42.9	3,177	1,616
2040	225,446	58.1	\$292,121	337	234	\$17.0	\$3.5	\$61	\$2.4	\$43,711	43.3	3,195	1,637
2041	226,958	58.4	\$300,888	333	236	\$17.6	\$3.6	\$63	\$2.5	\$43,881	43.5	3,209	1,653
2042	228,465	58.8	\$309,563	329	237	\$18.2	\$3.7	\$65	\$2.5	\$44,043	43.8	3,218	1,669
2043	229,967	59.1	\$318,519	325	238	\$18.8	\$3.8	\$66	\$2.5	\$44,251	44.1	3,226	1,684
2044	231,461	59.4	\$327,324	321	239	\$19.4	\$3.9	\$68	\$2.6	\$44,491	44.3	3,232	1,700
2045	232,945	59.7	\$336,617	317	241	\$20.1	\$4.0	\$70	\$2.6	\$44,677	44.5	3,237	1,718
2046	234,424	60.0	\$345,759	314	242	\$20.8	\$4.1	\$72	\$2.6	\$44,853	44.7	3,246	1,732
2047	235,902	60.3	\$355,592	310	243	\$21.5	\$4.2	\$74	\$2.6	\$45,083	45.0	3,253	1,744
2048	237,383	60.6	\$365,534	307	244	\$22.2	\$4.3	\$76	\$2.7	\$45,291	45.3	3,263	1,755
2049	238,861	60.9	\$374,976	303	245	\$22.9	\$4.5	\$78	\$2.7	\$45,404	45.4	3,270	1,765
2050	240,336	61.2	\$384,849	299	246	\$23.6	\$4.6	\$80	\$2.7	\$45,538	45.5	3,280	1,775

Employment Sectors

2015-2018 History, 2019-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	63.3	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	1.0	2.4	9.9	1.4	2.4	0.3	7.8	4.4	18.2
2017	63.5	11.8	1.8	1.1	2.6	10.0	1.3	2.6	0.3	8.1	4.4	18.5
2018	63.7	11.7	1.7	1.1	2.5	10.2	1.3	2.6	0.3	8.4	4.2	18.8
2019	64.6	11.7	1.7	1.1	2.5	10.2	1.3	2.6	0.3	8.7	4.3	19.2
2020	65.6	11.8	1.8	1.1	2.5	10.2	1.3	2.7	0.3	9.1	4.4	19.5
2021	66.6	12.0	1.7	1.1	2.5	10.3	1.3	2.7	0.3	9.5	4.4	19.9
2022	67.1	12.0	1.6	1.1	2.5	10.3	1.3	2.7	0.3	9.8	4.4	20.0
2023	67.6	12.0	1.6	1.2	2.5	10.4	1.3	2.7	0.3	10.1	4.4	20.1
2024	68.0	12.0	1.6	1.2	2.5	10.4	1.3	2.7	0.3	10.3	4.4	20.2
2025	68.5	12.0	1.6	1.2	2.5	10.5	1.3	2.7	0.3	10.6	4.5	20.3
2026	69.0	12.0	1.6	1.2	2.6	10.5	1.3	2.7	0.3	10.8	4.5	20.4
2027	69.5	12.0	1.6	1.2	2.6	10.6	1.3	2.7	0.3	11.0	4.5	20.5
2028	70.0	12.0	1.6	1.3	2.6	10.6	1.3	2.7	0.3	11.3	4.5	20.7
2029	70.3	12.1	1.6	1.3	2.6	10.7	1.3	2.7	0.3	11.4	4.5	20.7
2030	70.7	12.1	1.6	1.3	2.6	10.7	1.3	2.7	0.3	11.6	4.6	20.8
2031	71.1	12.1	1.6	1.3	2.6	10.8	1.3	2.7	0.3	11.8	4.6	20.9
2032	71.3	12.1	1.7	1.3	2.6	10.8	1.3	2.7	0.3	11.9	4.6	20.9
2033	71.5	12.1	1.7	1.3	2.6	10.8	1.3	2.7	0.3	12.0	4.6	20.9
2034	71.8	12.1	1.7	1.3	2.6	10.9	1.3	2.7	0.3	12.1	4.7	21.0
2035	72.2	12.2	1.7	1.4	2.6	10.9	1.3	2.7	0.3	12.3	4.7	21.1
2036	72.7	12.2	1.7	1.4	2.6	10.9	1.3	2.7	0.3	12.5	4.7	21.3
2037	73.2	12.2	1.7	1.4	2.6	11.0	1.3	2.7	0.3	12.7	4.7	21.5
2038	73.8	12.2	1.7	1.4	2.7	11.0	1.3	2.7	0.3	12.9	4.8	21.7
2039	74.2	12.2	1.7	1.4	2.7	11.1	1.3	2.7	0.3	13.0	4.8	21.9
2040	74.6	12.2	1.6	1.4	2.7	11.1	1.3	2.7	0.3	13.2	4.8	22.1
2041	75.0	12.2	1.6	1.4	2.7	11.1	1.3	2.7	0.3	13.3	4.8	22.2
2042	75.4	12.3	1.6	1.4	2.7	11.2	1.3	2.7	0.3	13.4	4.9	22.4
2043	75.7	12.3	1.6	1.4	2.7	11.2	1.3	2.7	0.3	13.6	4.9	22.5
2044	76.1	12.3	1.6	1.4	2.7	11.2	1.3	2.8	0.3	13.7	4.9	22.7
2045	76.5	12.3	1.6	1.4	2.7	11.3	1.3	2.8	0.3	13.8	4.9	22.8
2046	76.8	12.3	1.6	1.5	2.7	11.3	1.3	2.8	0.3	13.9	4.9	23.0
2047	77.2	12.4	1.6	1.5	2.7	11.3	1.3	2.8	0.3	14.1	5.0	23.1
2048	77.6	12.4	1.6	1.5	2.7	11.4	1.3	2.8	0.3	14.2	5.0	23.3
2049	77.8	12.4	1.6	1.5	2.8	11.4	1.3	2.8	0.3	14.3	5.0	23.3
2050	78.1	12.4	1.6	1.5	2.8	11.4	1.3	2.8	0.3	14.3	5.0	23.4

Imperial County Economic Forecast

Socioeconomic Indicators

