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).

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.
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.
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.

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.

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.

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

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.

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.
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

Socioeconomic Indicators

Violent Crime Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Imperial County</th>
<th>Southern California</th>
<th>California</th>
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</thead>
<tbody>
<tr>
<td>2017</td>
<td>331</td>
<td>426</td>
<td>449</td>
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Poverty Rate

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<th>California</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>20.6</td>
<td>11.7</td>
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Median Household Income

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<th>Year</th>
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<th>California</th>
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<tbody>
<tr>
<td>2018</td>
<td>49,400</td>
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<td>74,600</td>
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Median Home Selling Price

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<tbody>
<tr>
<td>2018</td>
<td>219,000</td>
<td>534,300</td>
<td>571,200</td>
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Average Travel Time to Work

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<th>California</th>
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<tr>
<td>2018</td>
<td>23</td>
<td>32</td>
<td>32</td>
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Percent of Population Age 25+ With at Least a 4-Year College Degree

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<th>Year</th>
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<th>California</th>
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<tr>
<td>2016</td>
<td>14.1</td>
<td>31.2</td>
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