

# 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 810,000 people, together with 284,000 wage and salary jobs. The per capita income in Kern County is \$27,458, which is lower than the California state average. The average salary per worker in 2007 was \$46,521.

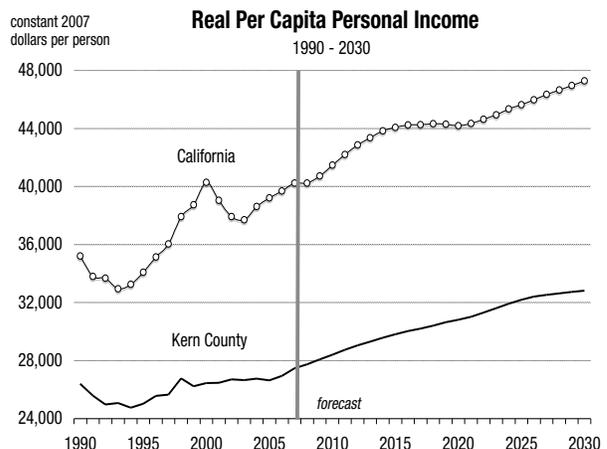
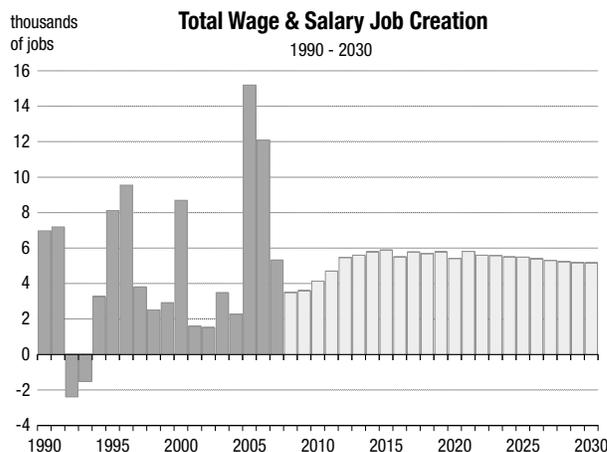
Economic growth in Southern California declined sharply in 2007 and job creation was at the lowest level since 2002. Last year 5,300 total jobs were created in Kern County, implying a growth rate of 1.9 percent. The non-farm growth rate was 2.3 percent, down from 5.1 percent in 2006. The unemployment rate dropped to 8.3 percent in 2007.

Employment in the construction sector fell by nearly 1,500 workers, a decline of 7.3 percent. The contraction was due primarily to a decline in new home production (down 51 percent from peak in 2006). Outside of the construction sector, employment growth was strong in most sectors in 2007. Employment in the population serving sectors, such as professional services, healthcare and education, and government increased between 2.9 and 6.1 percent in 2007. Manufacturing employment also continues to rise in the region. Employment in the farm sector was flat in 2007. Farm jobs are expected to remain unchanged over the forecast period, but decline as a percent of total wage and salary jobs.

Between January 2007 and 2008, the population grew at a rate of 2.1 percent in Kern County. The largest city in the county is Bakersfield, which accounts for 40 percent of the population and grew 1.8 percent from January 2007 to January 2008.

## FORECAST HIGHLIGHTS

- Non-farm job growth will cool in 2008 to 1.3 percent. Total wage and salary job growth is expected to average 1.5 percent between 2008 and 2012.
- 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 0.8 percent per year over the next 5 years.
- Over the next five years, employment increases more than 10 percent in most of the service sectors, lead by professional and business services, which is forecast to grow by 17 percent. The transportation and warehousing sector adds more than 1,200 jobs over the next five years.

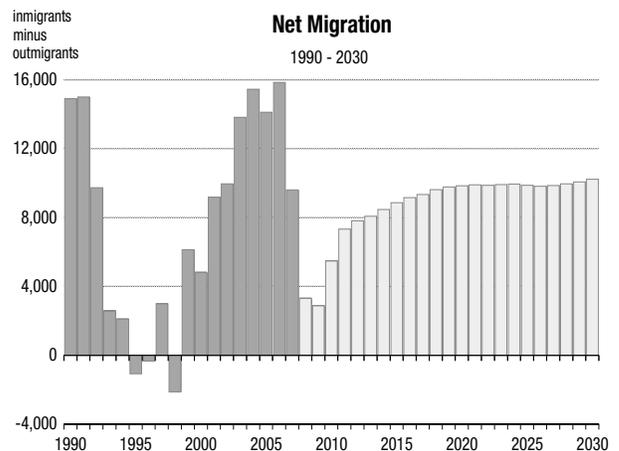
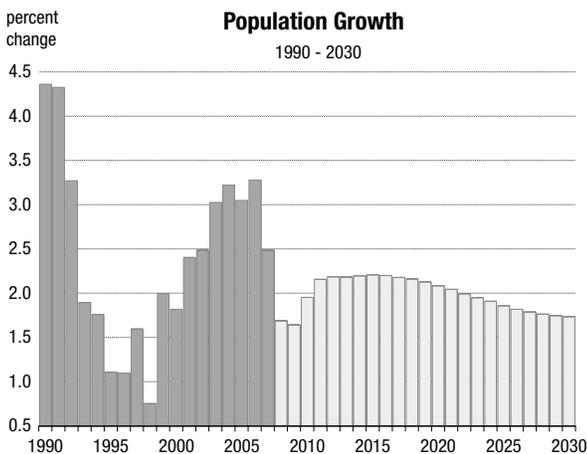


- Population growth declines to less than 2 percent per year from 2008 to 2010, but the county will still remain one of the faster growing areas of the state. Annual growth in the 2008 to 2012 period is expected to average 1.9 percent per year.
- Over the next five years net migration will be sharply lower than levels observed since 2001. An average of 5,400 net migrants enter the county per year from 2008 to 2012.
- Real per capita incomes increase at a rate of 1.0 percent in 2008. An annual compound rate of growth of 1.1 percent is forecast over the next five years.
- Total taxable sales are expected to increase by an average of 3.5 percent over the next five years.
- Industrial production will increase by 3.4 percent in 2008. From 2008 to 2012, the growth rate of industrial production will average 3.2 percent per year.

# Kern County Economic Forecast

## 1997-2007 History, 2008-2030 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	635,800	3,011	457.0	206.0	2,637	\$5.6	\$12.0	\$25,643	1.7	2.98	4.8	12.5
1998	640,600	-2,124	480.7	208.5	3,453	\$5.8	\$12.8	\$26,763	1.4	2.77	3.5	12.2
1999	653,400	6,139	492.2	211.8	3,157	\$6.3	\$13.1	\$26,221	2.3	2.79	3.8	11.5
2000	665,294	4,813	513.7	208.7	3,060	\$6.9	\$13.9	\$26,453	3.3	2.80	5.0	8.3
2001	681,286	9,198	535.2	211.4	3,637	\$7.6	\$14.7	\$26,455	3.4	2.72	4.5	8.6
2002	698,226	9,960	561.3	214.7	4,881	\$7.6	\$15.6	\$26,706	2.8	3.10	4.4	9.8
2003	719,357	13,828	571.1	219.0	6,112	\$8.0	\$16.5	\$26,656	2.6	2.88	5.2	10.4
2004	742,529	15,461	618.1	224.2	7,455	\$9.1	\$17.7	\$26,755	3.3	3.54	5.8	9.9
2005	765,161	14,133	640.2	230.3	9,450	\$10.7	\$18.9	\$26,632	4.5	3.82	7.0	8.4
2006	790,246	15,866	669.2	237.5	7,691	\$12.0	\$20.6	\$26,943	4.3	3.59	7.8	7.6
2007	809,903	9,617	681.5	243.6	4,609	\$12.2	\$22.2	\$27,458	3.3	3.72	8.2	8.3
2008	823,602	3,310	700.7	249.0	3,745	\$12.1	\$23.4	\$27,740	2.3	3.66	8.5	9.1
2009	837,131	2,893	716.3	252.7	4,888	\$12.4	\$24.6	\$28,076	2.1	3.63	8.7	9.1
2010	853,486	5,498	732.0	257.2	5,942	\$12.9	\$25.9	\$28,393	2.3	3.62	8.9	8.5
2011	871,898	7,338	748.0	262.5	6,157	\$13.6	\$27.5	\$28,741	2.7	3.63	9.3	8.3
2012	890,958	7,819	763.9	268.2	6,176	\$14.4	\$29.1	\$29,047	2.6	3.62	9.6	8.2
2013	910,419	8,080	779.6	274.0	6,248	\$15.3	\$30.9	\$29,298	2.7	3.60	10.1	8.2
2014	930,437	8,479	795.3	279.8	6,410	\$16.2	\$32.7	\$29,565	2.7	3.60	10.5	8.2
2015	950,991	8,869	810.6	285.7	6,529	\$17.2	\$34.7	\$29,803	2.9	3.59	10.9	8.2
2016	971,927	9,159	825.6	291.8	6,564	\$18.2	\$36.8	\$30,028	3.0	3.58	11.3	8.3
2017	993,105	9,349	840.3	297.9	6,660	\$19.4	\$38.9	\$30,198	3.1	3.59	11.7	8.3
2018	1,014,577	9,633	854.9	304.0	6,729	\$20.5	\$41.2	\$30,408	2.9	3.58	12.2	8.4
2019	1,036,190	9,786	869.9	310.3	6,725	\$21.8	\$43.6	\$30,639	2.9	3.57	12.6	8.4
2020	1,057,804	9,853	884.5	316.6	6,751	\$23.1	\$46.1	\$30,803	2.8	3.57	13.1	8.4
2021	1,079,441	9,915	898.9	322.8	6,711	\$24.4	\$48.7	\$31,016	2.8	3.58	13.4	8.4
2022	1,100,965	9,882	913.8	329.1	6,711	\$25.7	\$51.5	\$31,307	2.9	3.56	13.7	8.5
2023	1,122,449	9,925	928.9	335.3	6,761	\$27.1	\$54.6	\$31,616	2.8	3.57	14.0	8.6
2024	1,143,884	9,955	944.8	341.6	6,751	\$28.5	\$57.6	\$31,915	2.7	3.55	14.3	8.7
2025	1,165,153	9,880	960.8	347.9	6,726	\$30.1	\$60.8	\$32,184	2.7	3.55	14.6	8.8
2026	1,186,339	9,832	976.8	354.1	6,742	\$31.7	\$64.1	\$32,404	2.8	3.54	14.9	8.8
2027	1,207,556	9,875	992.3	360.4	6,781	\$33.3	\$67.4	\$32,534	2.8	3.54	15.2	8.7
2028	1,228,874	9,960	1,007.7	366.7	6,840	\$35.0	\$70.8	\$32,635	3.0	3.55	15.6	8.7
2029	1,250,353	10,081	1,023.1	373.1	6,921	\$36.8	\$74.5	\$32,725	3.0	3.53	16.0	8.6
2030	1,272,081	10,239	1,038.7	379.5	7,015	\$38.6	\$78.2	\$32,810	3.0	3.53	16.3	8.6



# Kern County Employment Forecast

## 1997-2007 History, 2008-2030 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	278.6	45.25	20.0	13.0	9.4	36.9	9.0	25.0	2.7	23.0	20.7	57.7
2007	283.9	45.15	18.6	13.3	9.5	37.1	9.1	26.3	2.8	24.4	21.3	60.0
2008	287.4	45.44	17.1	14.2	9.8	36.9	9.0	26.8	2.8	24.7	21.9	62.2
2009	291.0	45.52	17.7	14.5	10.0	37.0	9.0	27.2	2.9	25.0	22.4	63.0
2010	295.2	45.50	18.9	14.3	10.2	37.3	9.0	27.9	3.0	25.4	22.9	64.1
2011	299.9	45.51	19.5	14.2	10.5	37.7	9.0	29.2	3.0	26.1	23.5	65.1
2012	305.3	45.46	19.8	14.2	10.7	38.3	9.1	30.9	3.1	26.8	24.1	66.6
2013	311.0	45.34	20.0	14.2	11.0	38.9	9.2	32.5	3.1	27.6	24.7	68.3
2014	316.7	45.23	20.2	14.1	11.3	39.5	9.3	34.0	3.2	28.4	25.2	70.2
2015	322.6	45.09	20.4	14.1	11.5	40.1	9.4	35.4	3.2	29.3	25.8	72.2
2016	328.1	44.93	20.4	13.9	11.8	40.7	9.5	36.5	3.2	30.2	26.4	74.2
2017	333.9	44.86	20.5	13.9	12.1	41.4	9.7	37.6	3.2	31.3	27.0	76.1
2018	339.6	44.75	20.5	13.8	12.4	42.1	9.8	38.6	3.3	32.4	27.6	78.0
2019	345.4	44.62	20.6	13.7	12.7	42.8	9.9	39.7	3.3	33.6	28.2	79.7
2020	350.8	44.49	20.5	13.6	13.0	43.6	10.0	40.7	3.3	34.9	28.7	81.4
2021	356.7	44.45	20.6	13.5	13.3	44.3	10.1	41.8	3.3	36.3	29.2	83.1
2022	362.3	44.34	20.5	13.4	13.7	44.9	10.2	42.8	3.3	37.7	29.7	84.7
2023	367.9	44.31	20.5	13.4	14.0	45.5	10.3	43.8	3.3	39.0	30.1	86.3
2024	373.4	44.18	20.5	13.4	14.3	46.2	10.5	44.9	3.3	40.4	30.5	87.9
2025	378.9	44.05	20.4	13.3	14.6	46.9	10.6	45.9	3.3	41.7	30.9	89.5
2026	384.3	43.93	20.4	13.3	14.9	47.6	10.7	46.9	3.3	43.0	31.3	91.0
2027	389.6	43.81	20.4	13.3	15.2	48.3	10.8	47.9	3.3	44.2	31.7	92.6
2028	394.8	43.76	20.5	13.3	15.4	48.9	10.9	48.9	3.3	45.3	32.1	94.1
2029	400.0	43.63	20.6	13.3	15.7	49.4	11.0	49.9	3.3	46.4	32.6	95.7
2030	405.2	43.50	20.7	13.3	15.9	50.0	11.1	50.9	3.3	47.3	33.1	97.3

