



# KERN COUNTY ECONOMIC OVERVIEW

Kern Economic Summit  
March 15, 2017

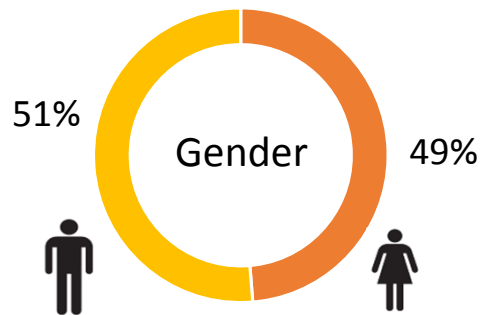
Nyakundi M. Michieka Ph.D.  
Assistant Professor of Economics  
California State University, Bakersfield

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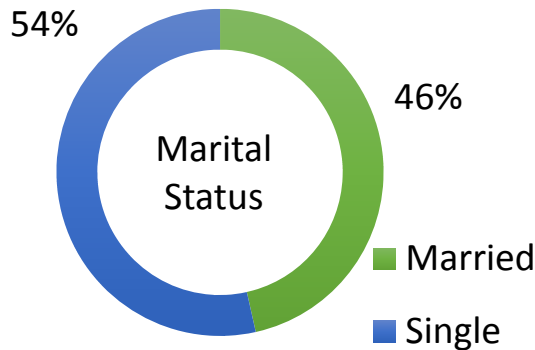
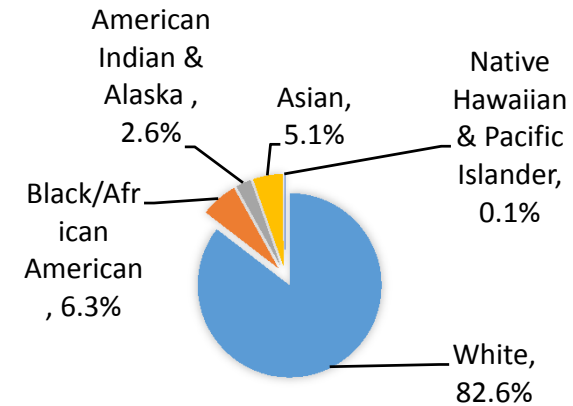
- Demographics
- Local Economic Indicators
- Living in Kern County vs. other parts of California
- Effects of Oil Prices on Kern County's Economy

# Kern County Demographics

**886,994  
Population**

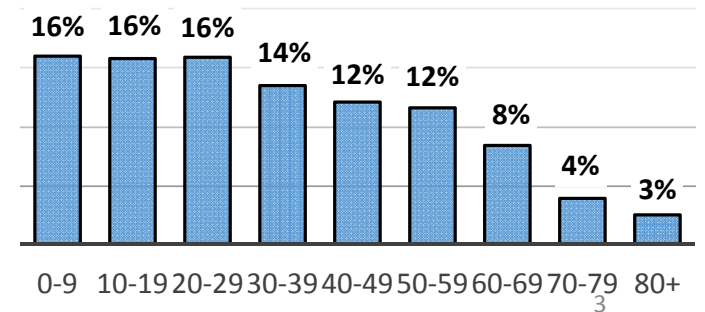


**31.4  
Median  
Age**



Population 15 years and over

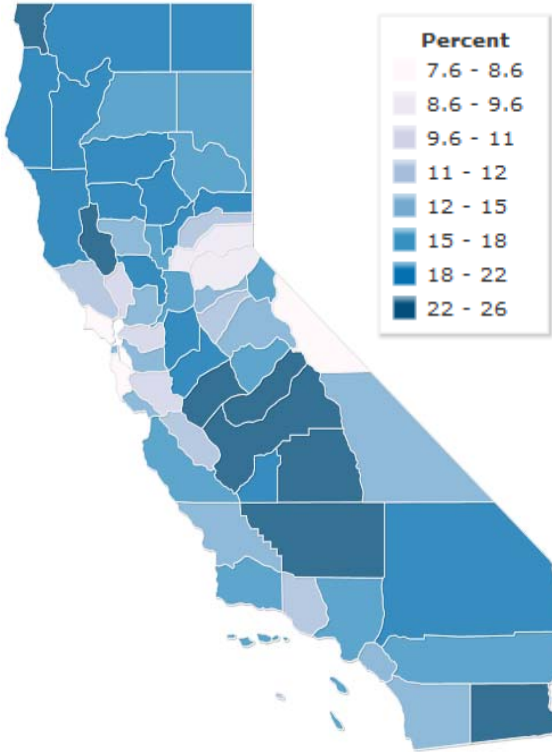
**Population by Range**



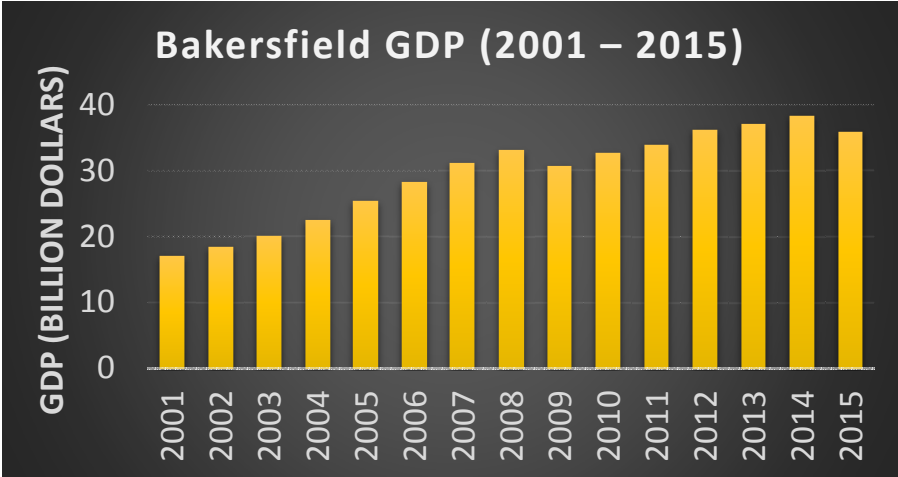
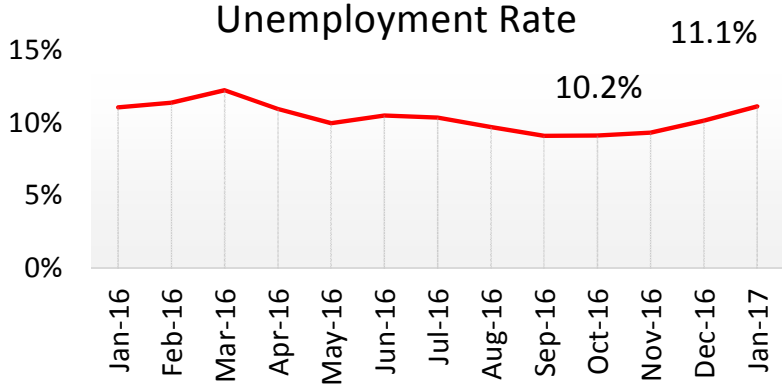
Top Employers  
Trade, Transport,  
Utilities  
Education & Health  
Government

# Kern County Economic Indicators

Persons Below Poverty Level (20.2%)



**16%**  
**Households**  
**Receiving SNAP**  
**Benefits**



**\$53,889**  
**Median**  
**Household**  
**Income**

# Comparing Kern County & California



Median Home Value (2017)



189,900 (Kern)

487,700 (CA)



Median Gross Rent (2017)



\$888 (Kern)

\$1,255 (CA)



Owner Occupied housing unit rate, 2010-2015



56.7% (Kern)

54.3% (CA)

Mean travel time to work, workers age 16 years+, 2010-2015



23.6 mins (Kern)

28 mins (CA)

# Kern: County to County Commuting Estimates

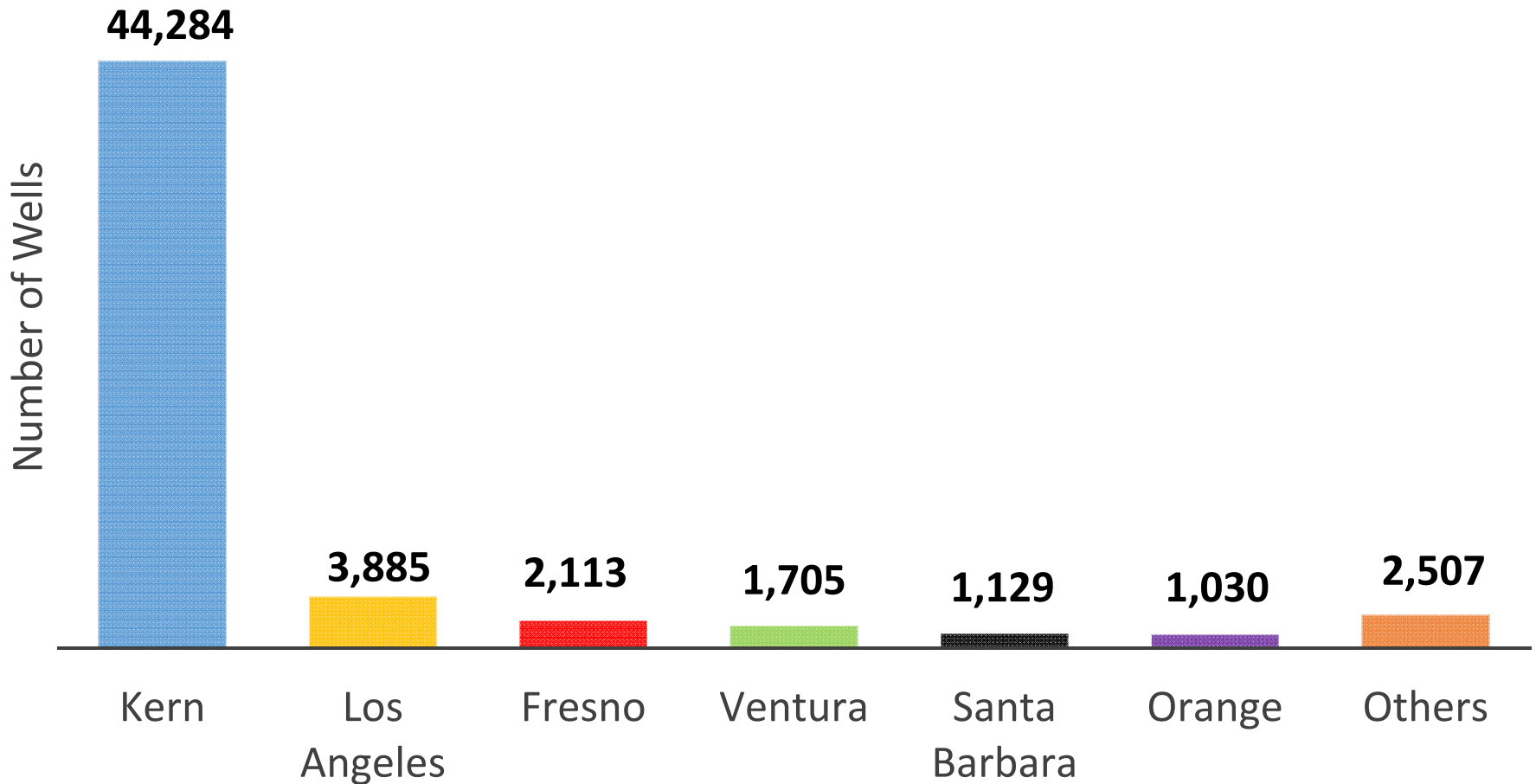


Total Workers that live and Work in Kern 282,301

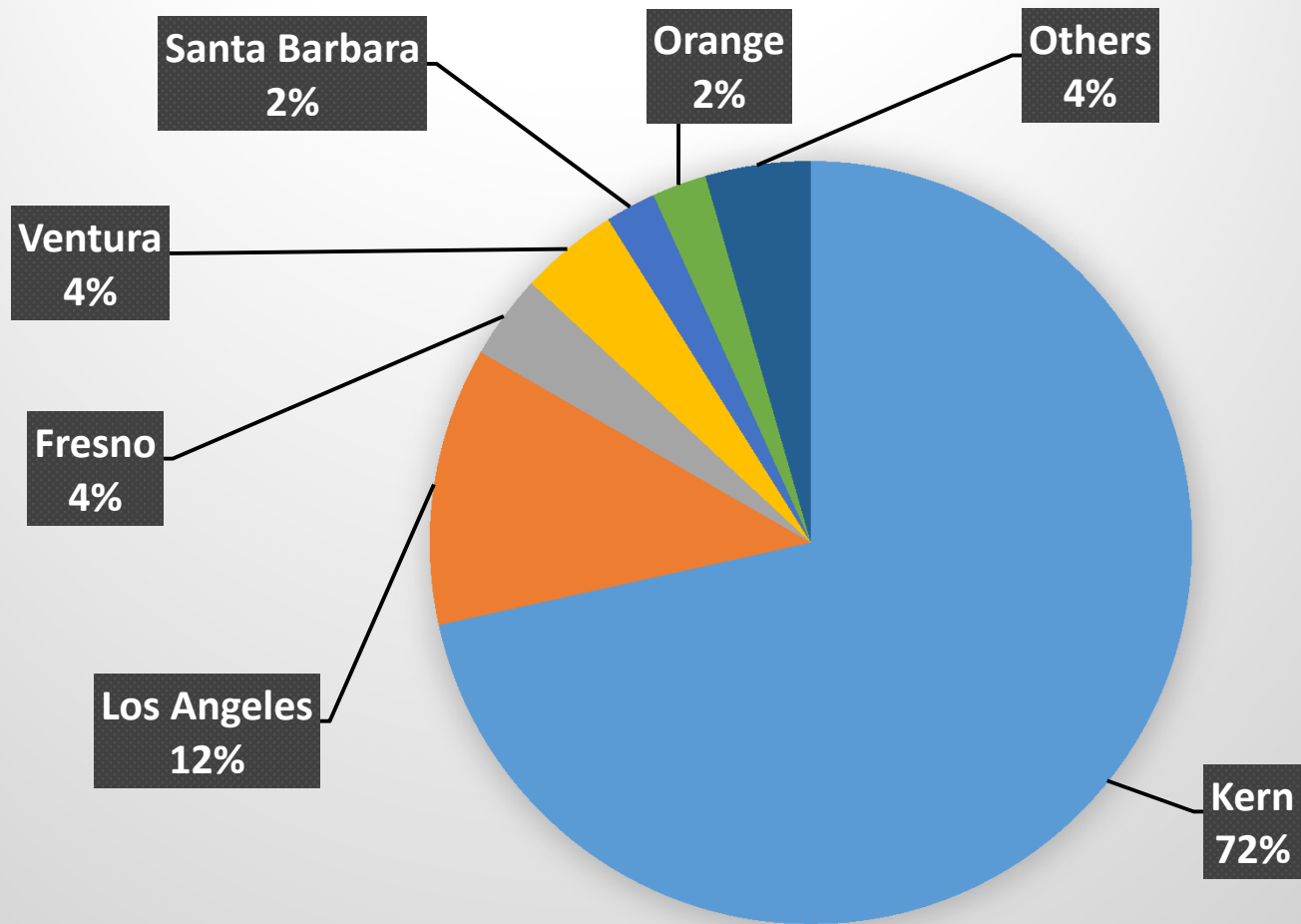
Source: Labor Market Information Division, California Employment Development Department (April 2015)

# ENERGY

# Well Count by County (2015)







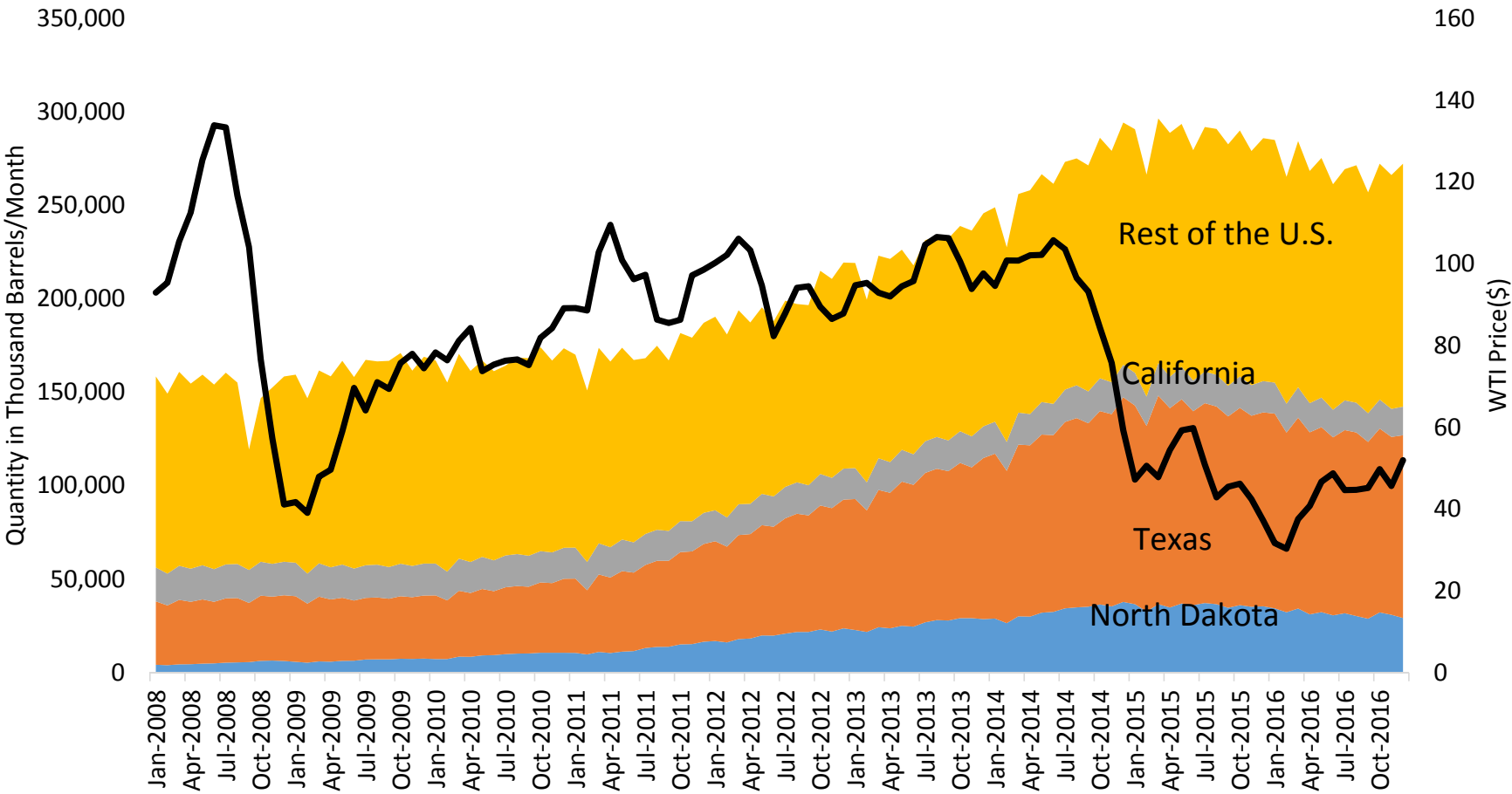
## Oil Production by County (2015)

# Mean Growth in Per Capita Income of Kern County, California and the U.S.

Mean Growth in Per Capita Income of Kern County versus California and U.S.	Kern (%)	CA (%)	U.S. (%)	Oil Price Changes (%)
<b>1970 – 1980</b>	10.0%	8.9%	9.0%	21.8%
<b>1980 – 1990</b>	5.0%	6.5%	7.1%	9.1%
<b>1990 – 2000</b>	2.7%	4.4%	4.6%	8.7%
<b>2000 – 2010</b>	3.9%	3.3%	3.2%	19.4%
<b>2010 – 2015</b>	4.3%	4.1%	3.4%	0.5%

Source: Bureau of Economic analysis and the U.S. Energy Information Administration

# Oil Price vs. U.S. Production Since Jan 2008



# Mining and non-mining employment

10 energy extraction jobs during boom	→	3 construction, 2 retail and 4.5 service jobs	Marchand (2012)
1 mining job created during boom	→	1.4 non-mining jobs or 0.174 local sector jobs	Weber (2014) Black et al. (2005)
1 mining job lost during <b>bust</b>	→	0.349 local sector jobs	Black et al. (2005)

# Recent Oil Price Decline and the Economy



**EMPLOYMENT**



**INCOME**



**WELFARE**



# Employment Growth (Between June 14 & Dec 16)



Oil & Gas Extraction & Drilling (-4,000)



Construction (-1,000)



Manufacturing (-800)



Service (+17,900)



Educational & Health Services (+2,500)

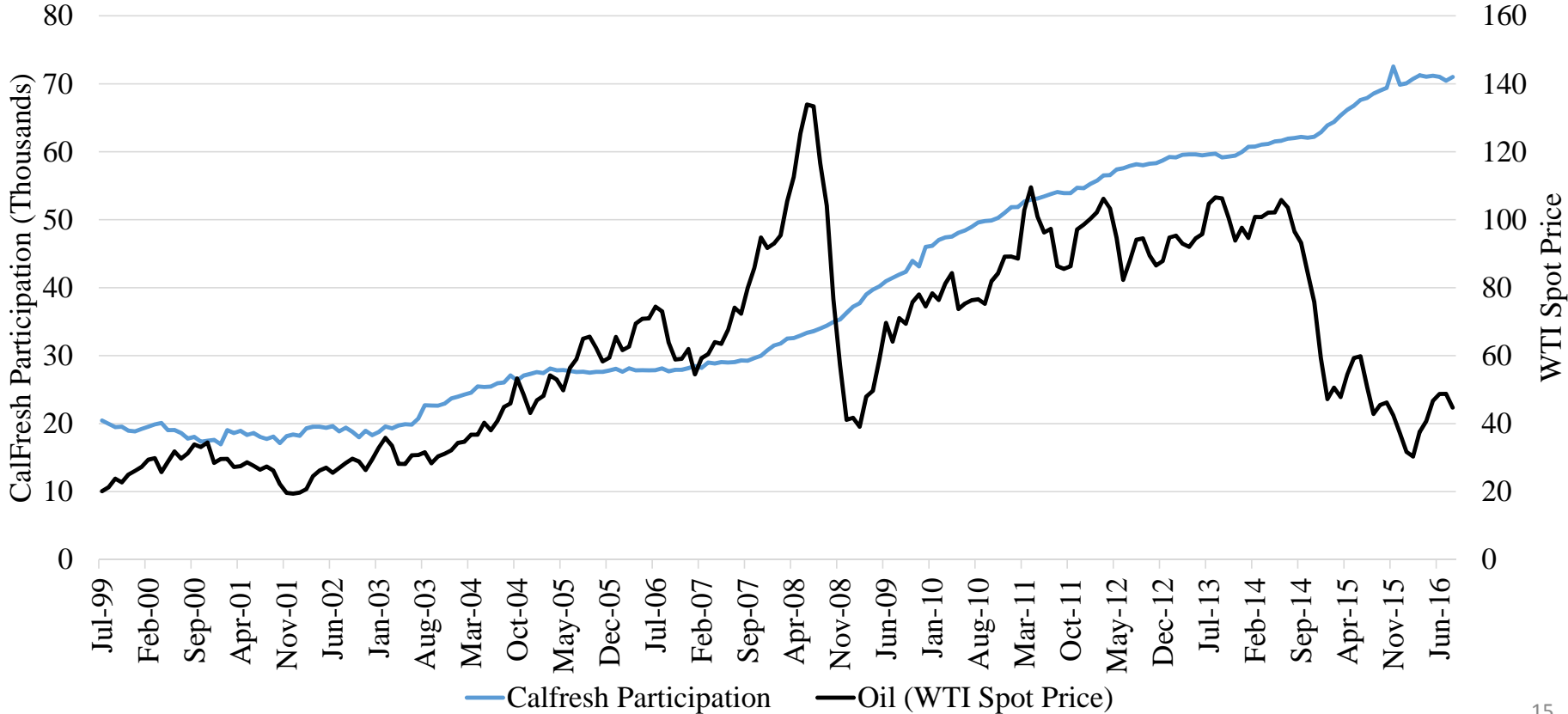


Leisure & Hospitality (+2,400)

Number in brackets denotes change in employment

Source: California Department of Finance (2017) and author's own calculations

# CalFresh Participation and Oil Prices in Kern County



# Welfare Programs

- Changes in oil prices **exacerbate** the rate at which participation is increasing or decreasing in welfare programs
- There is a **slow adjustment** (11%) in CalFresh caseloads due to changes in oil prices and unemployment
- **CalWORKs** not responsive to oil prices
- A 10% increase in unemployment will result in a 32% increase in the CalFresh participation

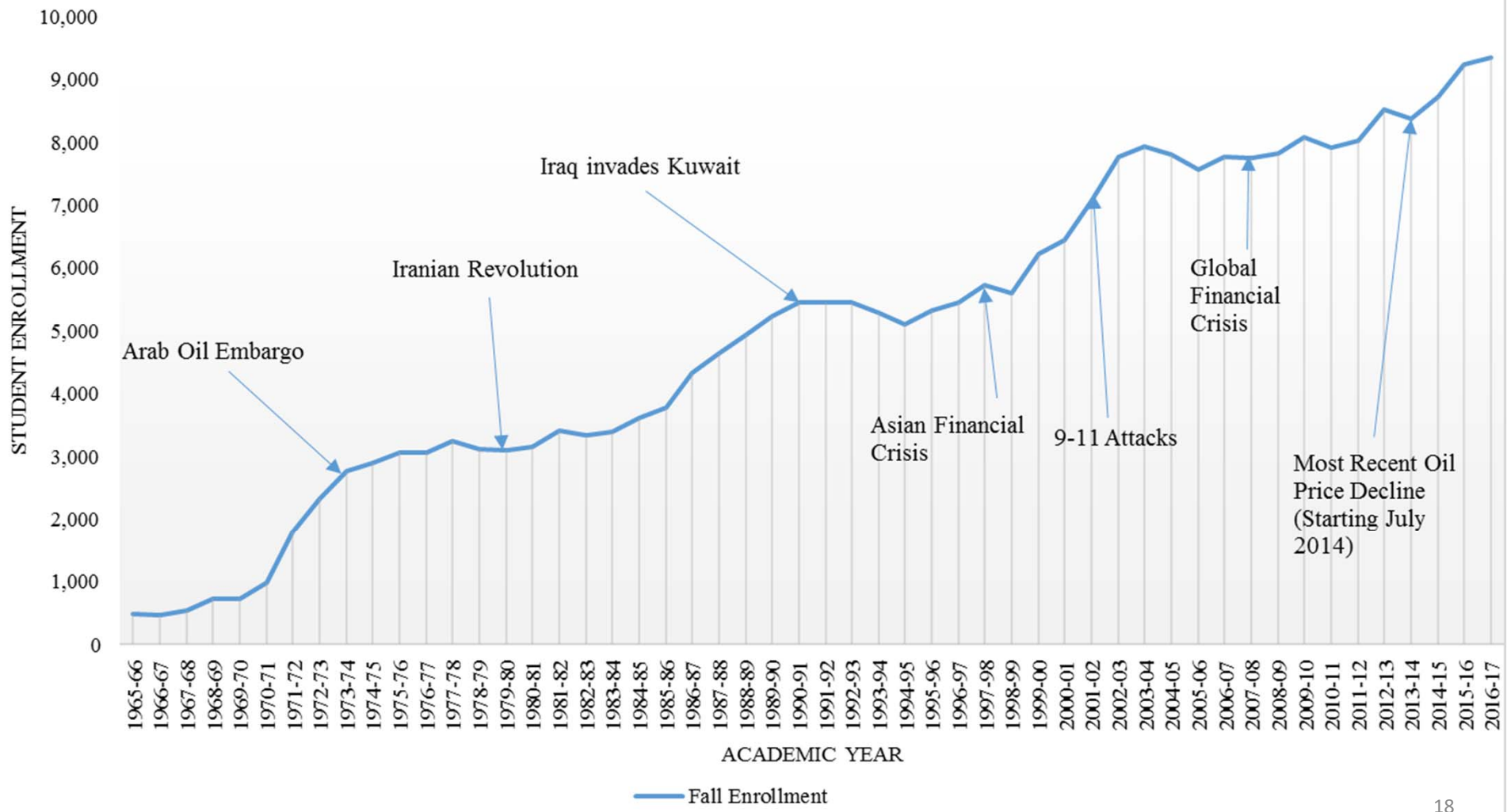


# Education



- The Recession of 2008–2009 touched families around the globe
- Non-essential discretionary spending was the first to go
- Home meals (grocery spending) did not see an increase in spending
- According to UNESCO - enrollment in colleges & universities **rose**
  - 33% in China
  - 67% in Saudi Arabia
  - nearly doubled in Pakistan
  - tripled in Uganda
  - Surged by three million in the U.S.

## CSUB ENROLLMENT FOLLOWING MAJOR OIL EVENTS (1965 - 2016)






# Low Oil Prices & CSUB Enrollment

Between 1965 and 2004: No change in enrollment

Between 2004 and 2016

- Enrollment grew at an average of 5% in periods following low oil prices (average of 419 students)
- Male student population grew at an average 8% while female student enrollment grew 3%

# Oil Prices and College Enrollment

		<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
CSUB		4.2%	5.8%	1.2%
BC		5.2%	8.8%	12.7%
Taft		-3.7%	-14.5%	17.1%
Community Colleges		-0.3%	0.6%	-3.3%
All CSUs		3.1%	3.1%	0.9%
All UCs		3.6%	2.1%	1.2%

Source: CSU Analytic Studies Reports, California Community Colleges Chancellor's Office and the UC System Institutional Research

# Oil Prices and College Enrollment (2014 – 2017)

- College enrollment increased in Kern County
- At CSUB male student enrollment increases following oil price declines
- Enrollment in other Colleges in California Colleges – CC's, CSU's and UC's – did not change much

# References

- Black, D. A, McKinnish, T. G, Sanders, SG. (2005). “Tight Labor Markets and the Demand for Education: Evidence from the Coal Boom and Bust.” *Industrial and Labor Relations Review*. 59:1, 3-16.
- Marchand, J. (2012). “Local Labor Market Impacts of Energy Boom-Bust-Boom in Western Canada.” *Journal of Urban Economics*. 71(1): 165-174.
- Weber, J. G. (2014). “A decade of natural gas development: The makings of a resource curse?” *Resource and Energy Economics* 37: 168-183.

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