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# 2025 Southern California Economic Update

**Imperial County Report**



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# Imperial County

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Imperial County is located in the Southeastern corner of California and borders San Diego County (west), Riverside County (north), Arizona (east) and the nation of Mexico (south). The region is served by two international border crossings (one consumer/pedestrian and the other commercial). In 2024 incoming vehicles totaled more than 5.3 million, while incoming pedestrians numbered over 2.8 million and incoming commercial traffic (trucks) totaled in excess of 460,000. The region has an economy based on agriculture production, transportation (both of agriculture products and imports from Mexico), border security, state prisons and local-serving businesses (food, food service, hospital, education, and local government). In recent years, the region has become a major producer of renewable energy, namely solar, geothermal, wind and battery storage.

Unemployment is increasing in Imperial County's economy. Unemployment as of August, 2025 is currently 21.47 percent. At about five times that of the national unemployment rate, Imperial County unemployment is currently equal to about the ten-year average for the county. Population stands at 186,499, an increase of 1.9 percent from 2024 and marking another significant year-over-year increase. The labor force has 76,400 participants and an increase of 700 from one year ago and the largest number seen since 2015. Median household income is \$62,400. The median home price is \$457,000, the highest on record.

Agriculture production reached \$2.49 billion in 2024, a decrease of 7.57 percent from 2023. The region is known for livestock (cattle), field crops (various hay varieties), row crops (examples include various types of lettuce as well as broccoli, carrots and onions) and apiary (honey).

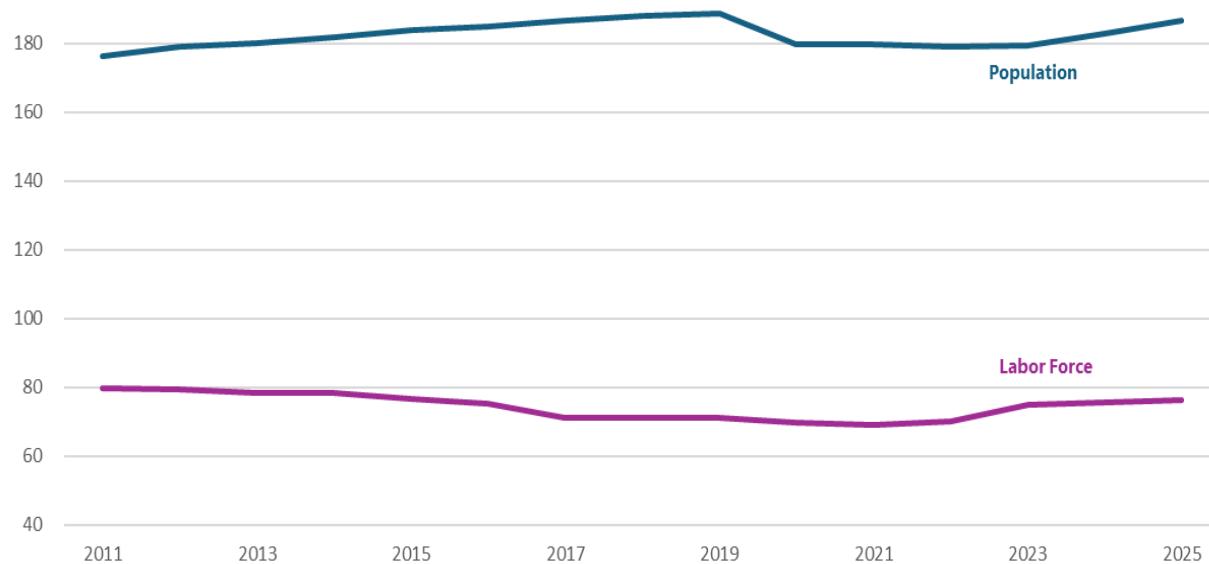
The county continues to see investment in commercial scale solar production and battery storage. Over 4,600 megawatts (MW) of electricity generation has been approved producing 9,395 gigawatt-hour in 2024. An additional 2,972 MW of solar and 3,612 MW of battery projects are currently being entitled in addition to a number of geothermal projects.

The recent closure of the Spreckles Sugar Plant will result in the loss of over 700 total jobs (direct and indirect) and cause approximately 25,000 acres of sugar beet production in search of new crops to farm.

Inflation has stabilized, but families are still adjusting to new (higher) costs of living as wages have not risen fast enough. While interest rates have retreated from recent highs, the median home price of \$457,000 makes homeownership unobtainable for most families. Finally, 2024 marked the first of a three-year Deferred Irrigation Program in which about 55,000 acres of farmland is left fallow in the county to contribute water savings of about 172,000-acre feet to coastal communities.

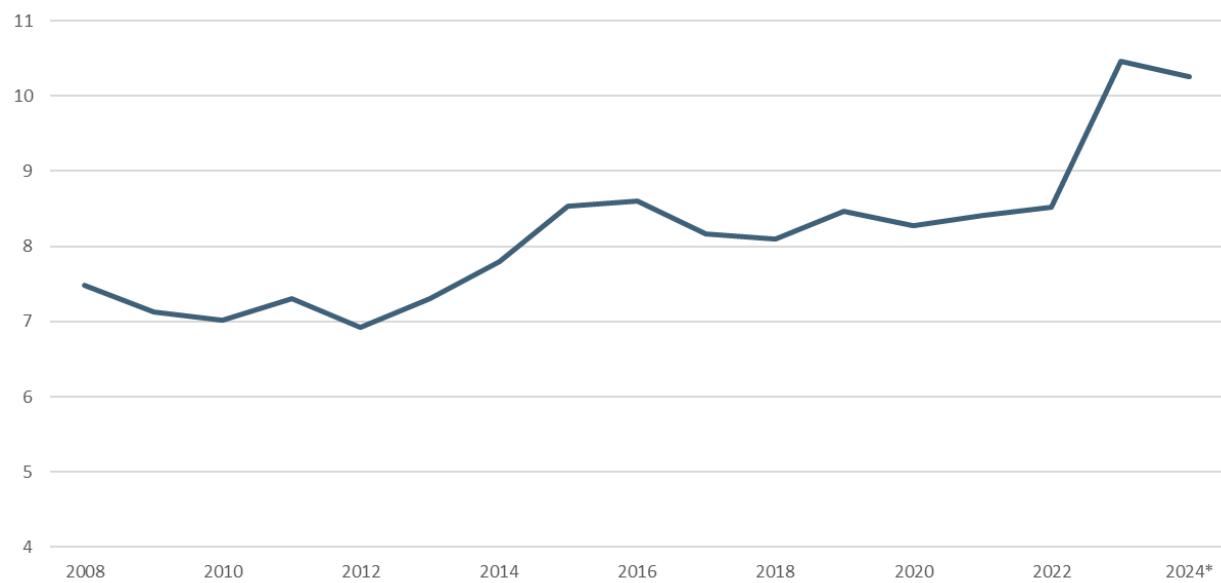
## POPULATION AND LABOR FORCE

Imperial County's population grew by 1.9 percent between 2024 and 2025 and is now at 186,499. The last few years have seen an upward trend in population, reversing declines seen during the pandemic. Today, the population is up by about 7,000 since 2021. The labor force has also increased in recent years. While still below the record number seen in 2011 (79,600), employment has grown to 76,400.

**Exhibit 1 Imperial County Population and Labor Force***Thousands of People**Source: CA DOF E-2 and E-5 Estimates*

## INDUSTRIES

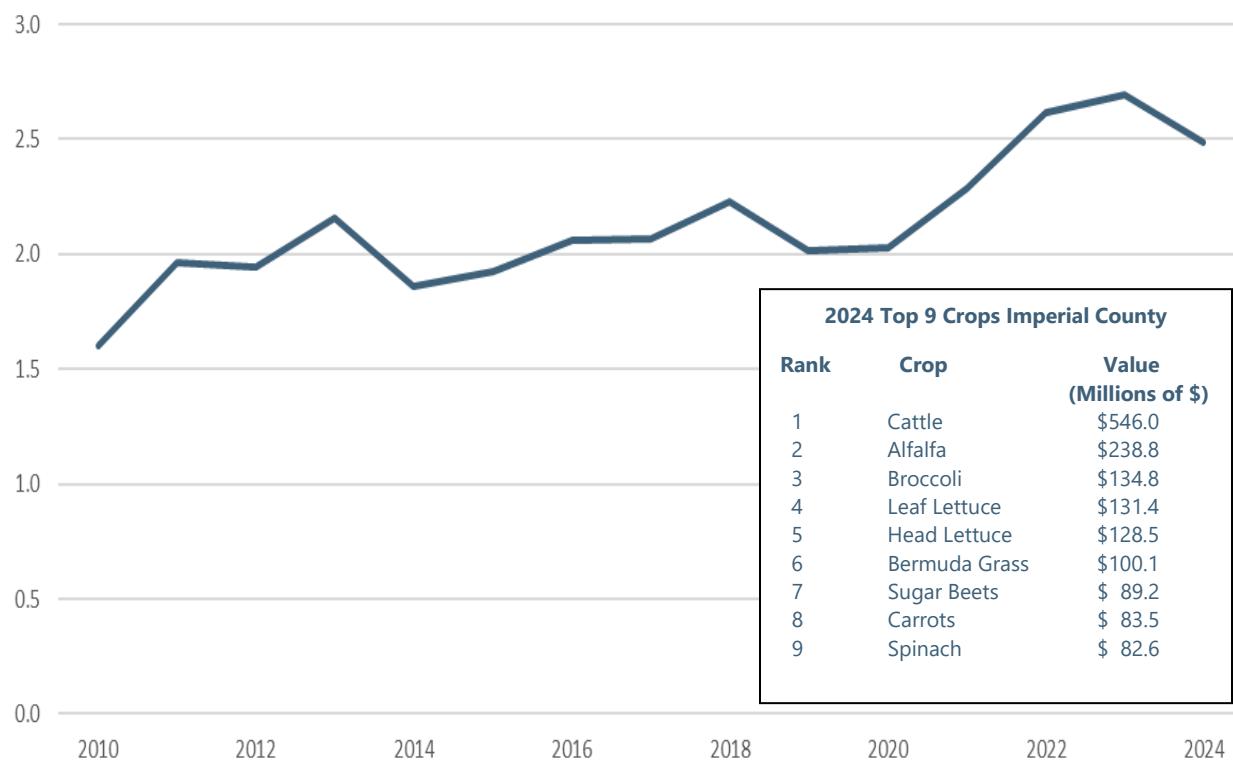
Gross domestic product (GDP) is defined as the monetary value of all finished goods and services made within a specific period within a set geography. Imperial County's GDP is largely a function of agriculture, government spending (border security and local/regional agencies), renewable energy, construction, mining (namely gold) and professional services. While a raw GDP number year-over-year is telling relative to growth, GDP expressed per capita and compared to other regions gives a better indicator of the strength of an economy. Imperial County's GDP is approximately \$10.47 billion, or about \$56,124 per capita. Imperial County's GDP ranks about 180th of 382 metropolitan statistical areas in the United States. GDP grew by an astonishing 22.9 percent between 2022 and 2023, fueled by increased investments in renewable energy production, namely battery storage. DMG, Inc. predicts that GDP for 2024 will be slightly less than in 2023, accounting for a reduction in crop value and agricultural production acres because of the Deferred Irrigation Program (DIP) (discussed in the pages that follow).

**Exhibit 2 Imperial County Gross Domestic Product*****Billions of Dollars***

Source: Based on data from FRED (2024) and DMG, Inc. estimates

Agriculture continues to be the most important private industry in the Imperial Valley. In 2024, the region produced over \$2.49 billion of agriculture products. Crop values fell by 7.6 percent year-over-year from 2023. This was largely a function of the DIP, which decreased total acres farmed by 8.9 percent from 578,059 in 2023 to 526,967 in 2024. Depressed vegetable prices seen predominately in head lettuce and leaf lettuce accounted for a \$193 million drop in vegetable crop value. Overall vegetable crop value fell 15.84 percent year over year. Fruit and nut production and seed/nursery fell by 12.11 percent and 26.71 percent respectively. Livestock and field crops (hay) were the two bright spots in the 2024 crop report with values increasing by 1.15 percent and 8.58 percent respectively.

## Exhibit 3: Imperial County Total Agriculture Product and Top Crops in 2024 by Value

**Billions of Dollars**

Source: Imperial County Agriculture Commissioner

Imperial County continues to play an important role in helping California meet its renewable energy goals. In 2018, California Senate Bill 100 called for 60 percent of California's energy coming from renewable sources by 2030 and 100 percent by 2045. Renewable energy is often associated with solar and wind but includes biomass, biogas, landfill gas, hydroelectric, and geothermal. Imperial County has an abundance of sunshine (estimated 300+ days a year of clear skies), natural terrain for wind production and underground hot water resources for geothermal power generation. Based on the most recent figures available (2024), Imperial County continues to rank third in California for renewable energy production generating some 9,395 gigawatt-hours (GWh), trailing only Kern and Riverside counties, which produce 20,199 GWh and 10,110 GWh respectively. Overall, Imperial County produces 12.1 percent of all renewable energy in California, though having a population less than one-half of one percent of California's population.

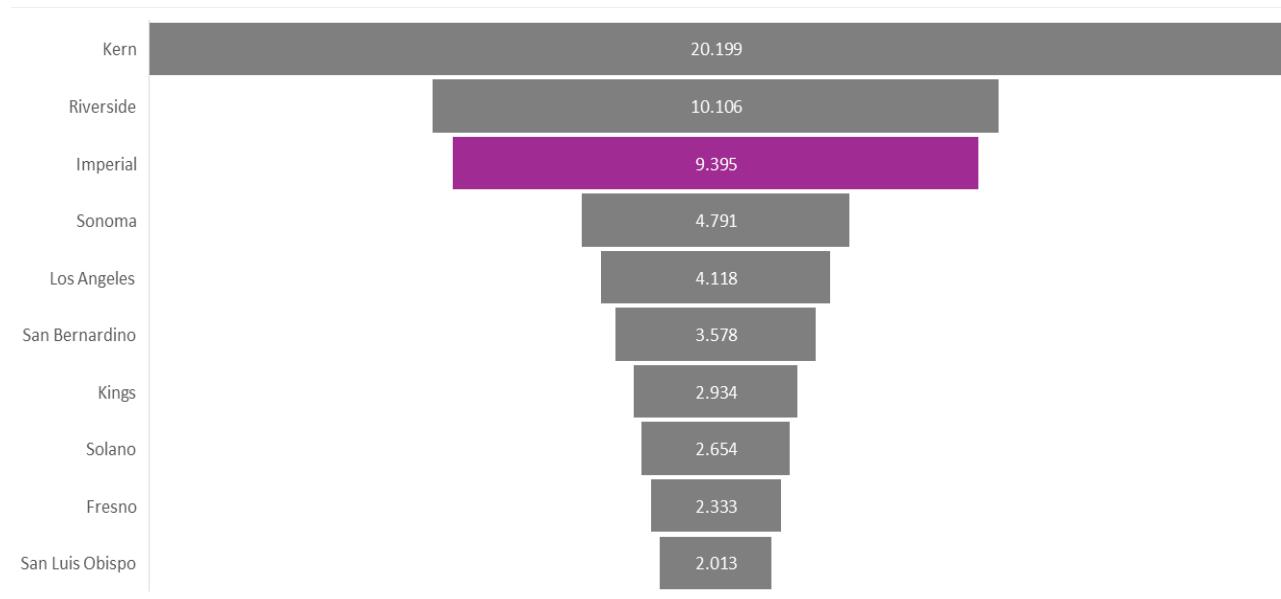
Solar power and energy battery storage is expected to see additional economic investment in the coming years with an additional 2,972 megawatts (MW) of solar production and 3,612 MW of battery storage currently being permitted. Ultimate development of proposed projects may see some delay as the recently passed One Big Beautiful Bill Act (OBBA) sunsets the Investment Tax Credit (ITC) used to finance renewable energy projects.

Additionally, the county has long hosted geothermal energy production. Paired with additional investment for lithium and other rare mineral extraction, there are 13 proposed/permited geothermal and lithium projects in Imperial County. These projects could account for \$16.8 billion of new economic

investment to generate an additional 870 MW of power and over 350 million metric tons of lithium annually. A project by Energy Source for lithium extraction is fully entitled, while a second project by Control Thermal Resources is currently in environmental litigation.

#### Exhibit 4: Renewable Energy Generation by GWh (Top Counties in California)

##### **Gigawatt Hours (GWh)**



Source: California Energy Commission (2024)

## WORKFORCE AND OCCUPATIONS

The regional labor force is currently 76,400, an increase of 700 from 2024 and 6,800 in 2020. As stated previously, the current unemployment rate (as of August 2025) sits at 21.47 percent, an increase over the 18.36 percent seen at this point in 2024. This compares to the U.S. unemployment rate of 4.3 percent for the same period. Over the last 15 years, the unemployment rate within the region has often been over 20 percent (a high of 29.6 percent in 2011) and saw its lowest rate just last year at 14.7 percent. As with most agriculture economies, unemployment rates can vary widely based on the season, crop contracts, weather, and other factors. The summer and early fall months have the highest unemployment rates while the winter and spring months see a decline as demand for farm labor increases. That said, Imperial County is experiencing an increase in unemployment because of decreased acreage used for agriculture.

Imperial County's labor force participation of parents is currently 65.1 percent. This is an increase from a year ago (62.1 percent), but below the SCAG Region participation rate of 69.7 percent and California as a whole at 71.1 percent. Lack of employment opportunities coupled with limited childcare opportunities generally impact labor force participation in Imperial County.

### Exhibit 5: Unemployment Rate in Imperial County

#### ***Unemployment Rate (%)***



Source: California Employment Development Department (EDD)

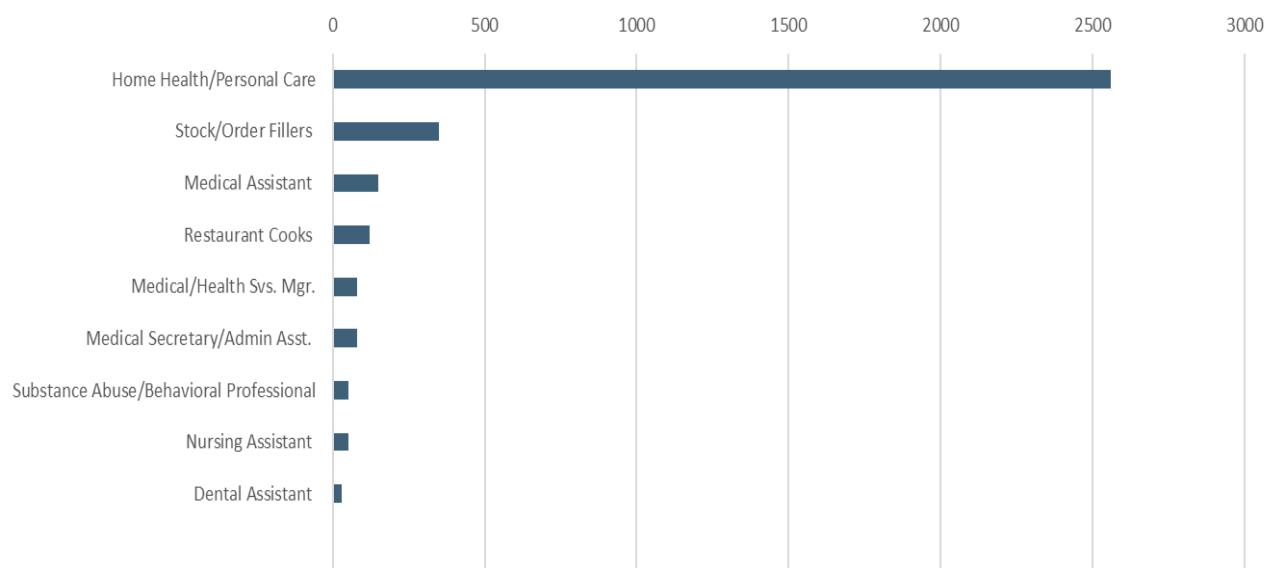
Over 75 percent of jobs in the region are within one of five industries, including

- Public Administration (NAICS 92) employs 20,400 workers, including a variety of jobs such as those connected to local, state, and federal government such as teachers, first responders, and administrators.
- Healthcare and Social Services (NAICS 62) employs 12,100 workers.
- Total farming (NAICS 11) employs 7,900 workers.
- Retail trade (NAICS 44) employs about 7,700 workers.
- Accommodation and Food Services (hotels, motels and restaurants - NAICS 72) employs 4,100 workers.

The California Employment Development typically looks at historic data and demographic shifts to predict categories for job growth. Exhibit 7 provides anticipated employment growth by sector for the current ten-year period (2022-2032). Overall, the jobs expected to be available are low pay (notably home health, retail, medical assistant and fast-food preparation). The expected median pay in the four largest employment growth sectors is estimated between \$17 and \$19 per hour.

### Exhibit 6: Imperial County Employment Distribution by Type 2025

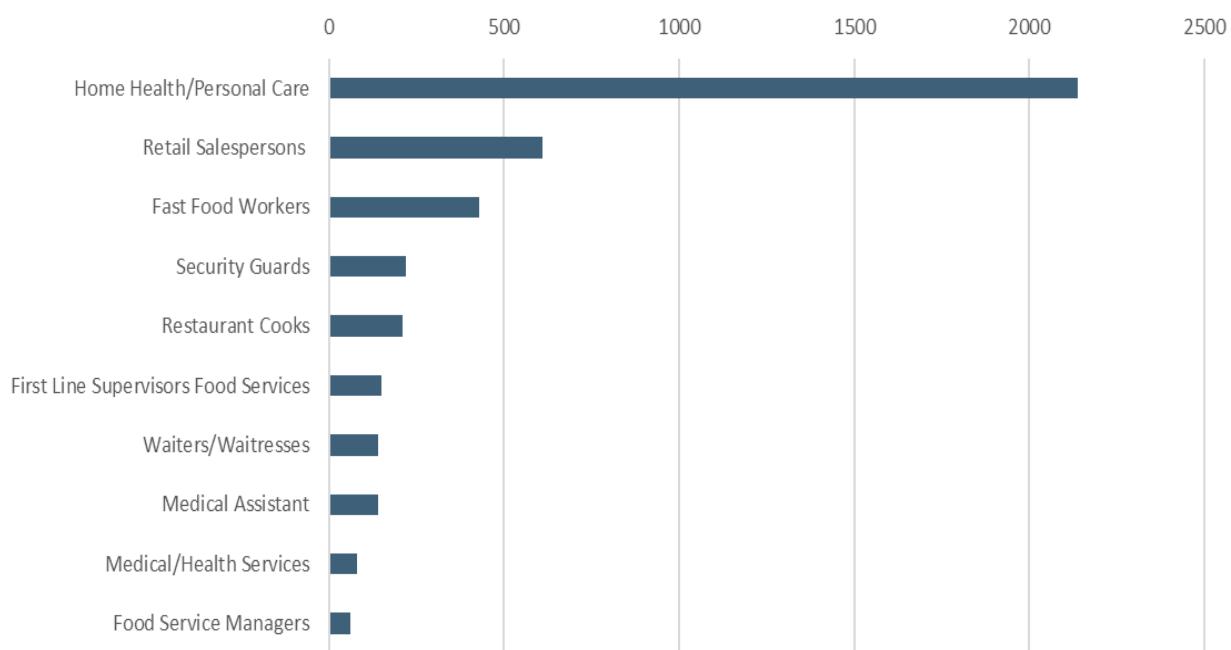
#### **Total Number of Jobs by Type (NAICS)**



Source: California Employment Development Department (EDD)

### Exhibit 7: Projected Employment Growth by Occupation in Imperial County 2022-2032

#### **Total Number of Jobs by Type (NAICS)**



Source: California Employment Development Department (EDD)

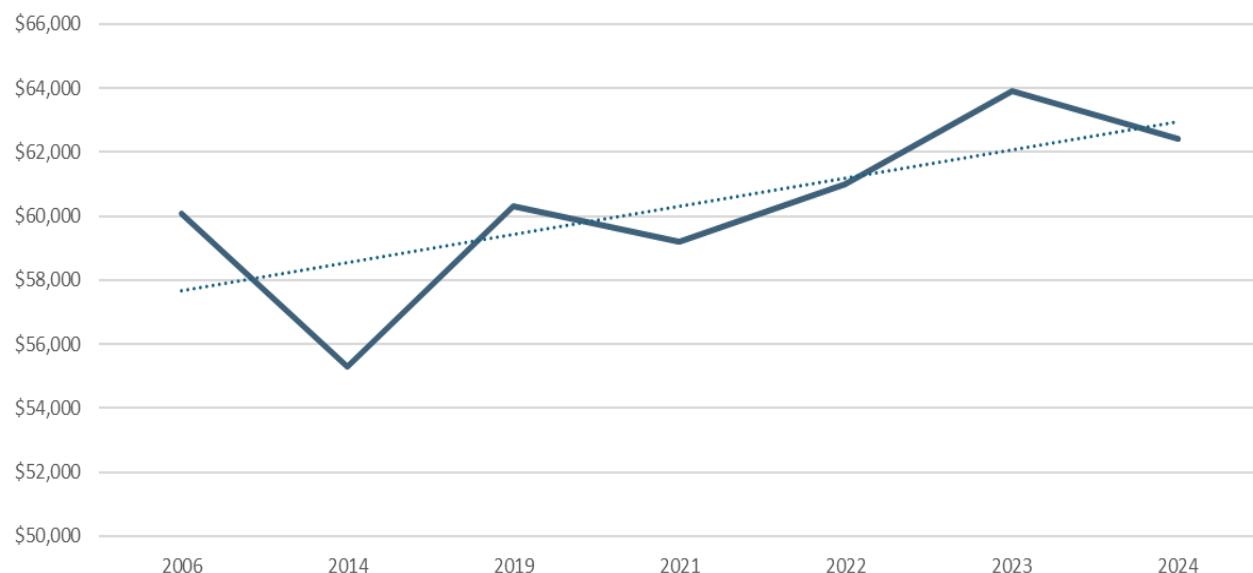
## INCOME AND POVERTY

Imperial County residents continue to experience income levels far below that of California or the United States. The current median household income in Imperial County is about \$62,400. Median household income for the SCAG region is \$98,800; California is \$102,900; and the United States is \$83,800. While the county has seen some growth in median income in recent years, it is generally attributed to mandated increases in minimum wage in California.

The Imperial County region continues to struggle with high rates of poverty. According to the 2024 American Community Survey, 19.6 percent of Imperial County residents are impoverished. Note that the federal guideline for poverty is an income of about \$30,000 for a family of four. While one in five Imperial County residents are considered below the poverty line, this does not account for the tens of thousands likely struggling on a continuous basis living moderately above the \$30,000 threshold.

### Exhibit 8: Imperial County Median Real Household Income and Trendline

*Thousands of 2024 Dollars*



Source: American Community Survey 1-Year Estimates

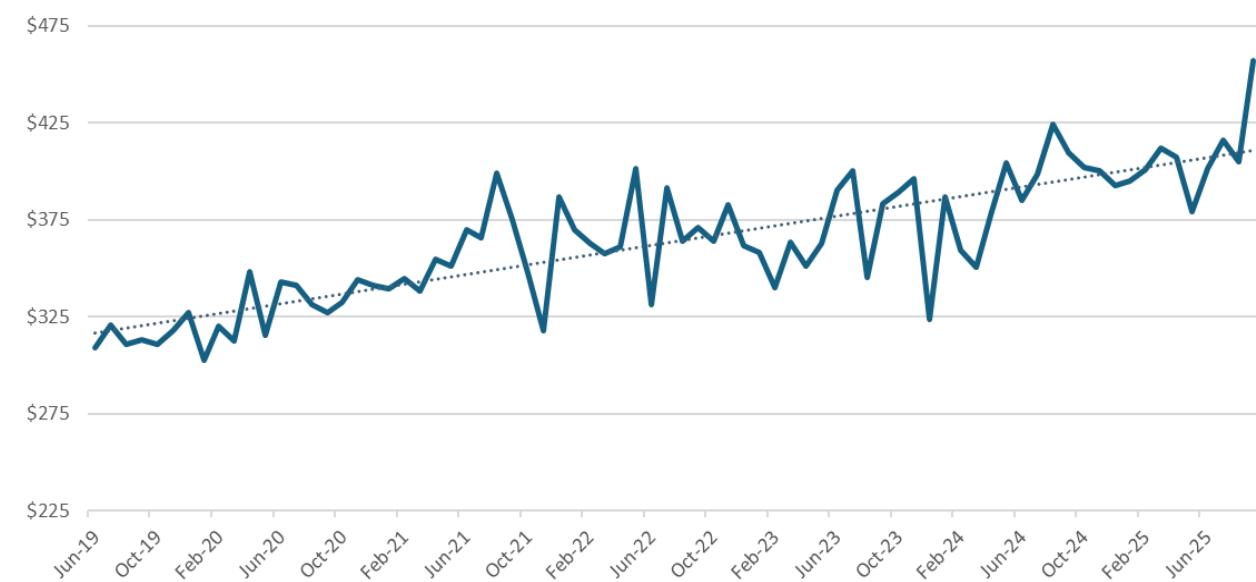
## HOUSING MARKET

While it seems a lifetime ago, in 2009 (the height of the "Great Recession") the median home price in Imperial County fell to \$125,000. Home prices generally stayed depressed until early 2019. Home prices have steadily increased since 2019. The latest figures available show the median home price in Imperial County to be about \$457,000. In fact, the median home price in Imperial County is beginning to approach that of San Bernardino County (\$500,000). New construction opportunities in Imperial County are generally limited to single-family homes with product available in the cities of Brawley and Imperial. Product ranges from about 1,350 to 2,200 square feet (on a 4,000-7,000 square foot lot) at a cost of \$445,000 to \$535,000.

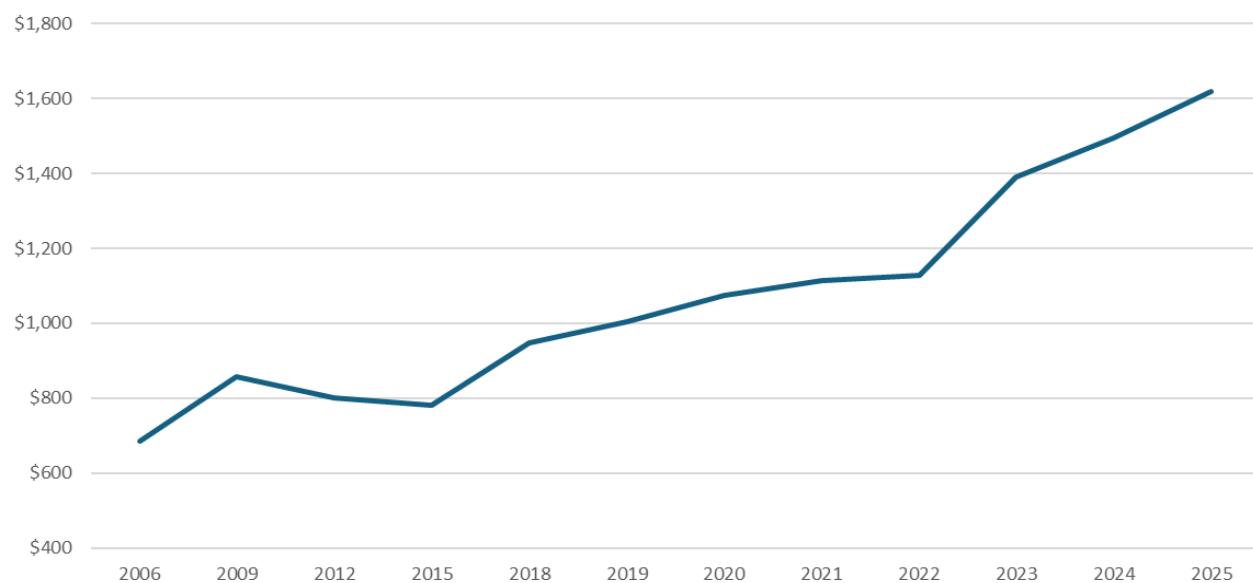
Rents continue to increase with limited availability of units. In 2019, the average two-bedroom unit rented for about \$1,000 per month. Today the same unit rents for over \$1,600, an increase of 60 percent over that time period. Property managers report that tenant turnover continues at a historic low, as is unit availability. Current rental inventory (based on Zillow) totals about 115 units across Imperial County (November 2025). Rental rates range from about \$800 for a small efficiency unit or accessory dwelling unit to about \$1,500 for a two-bedroom/two-bathroom unit. Single-family homes with three to four bedrooms generally start at about \$2,200 and range upward to \$3,000 per month to rent.

**Exhibit 9: Median Sale Price for Single Family Homes in Imperial County (with Trendline)**

***Thousands of Dollars***

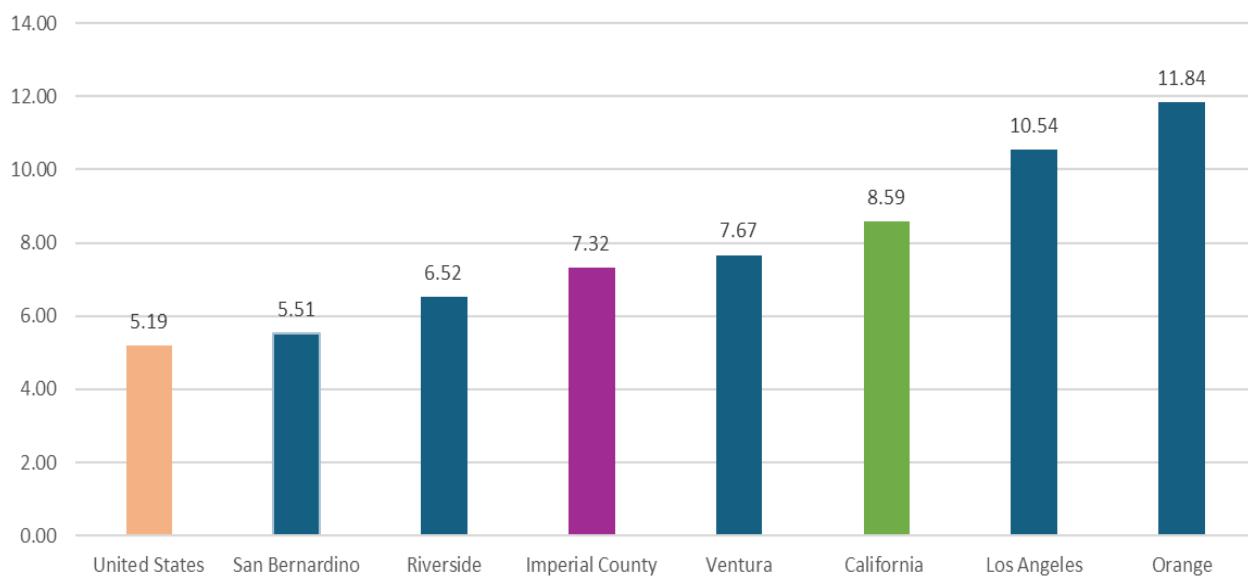


Source: California Association of Realtors

**Exhibit 10: Imperial County Two-Bedroom 50th Percentile Fair Market Rents*****Monthly Rent in Nominal Dollars***

Source: HUD (2006-2022) Zillow (2023-2025)

Exhibit 11 provides an understanding of overall housing affordability in Imperial County in relation to other counties in the SCAG region as well as California (as a whole) and the United States. Imperial County has historically been significantly more affordable than most other counties and regions. In the last few years, the median home price has risen dramatically, while corresponding median household income has basically been stagnant. The result is that Imperial County is now less affordable than the United States as well as Riverside and San Bernardino counties. The median home price in Imperial County is now 7.32 times the median household income. The housing affordability index shows San Bernardino County and Riverside County at 5.51 and 6.52, respectively. Housing affordability in Los Angeles and Orange counties continue to trend higher, and it takes over 10 times the median household income in both counties to afford the median home.

**Exhibit 11: Housing Affordability by Region (2025)****Median Home Price/Median Household Income**

Sources: California Association of Realtors, ACS, DMG, Inc.

## REGIONAL ECONOMIC OUTLOOK FOR 2026

Imperial County is beginning to experience stress in economic conditions not seen since the Great Recession. Unemployment rates are increasing as the agriculture industry reels from planted acreage reductions and the closure of the Spreckles Sugar Company processing facility. At the same time, the overall cost of living continues to increase as seen with record high median home prices and rental rates.

While Gross Domestic Product has hit record levels, the record was achieved by growth in an industry that generally does not produce many permanent jobs (renewable energy). The positions associated with solar, wind, and battery energy storage systems (BESS) are not replacing those lost by agriculture. To reverse this trend, the SCAG region, including Imperial County, incorporated cities, private industry, and community groups, must focus on creating a viable path for industry growth utilizing the region's natural resources (namely geothermal and rare-earth minerals).

### **Geothermal/Lithium Production**

Imperial County continues to be on the verge of developing the largest economic engine in its history. Lithium and other rare-earth metal extraction from geothermal brine is being developed. Test facilities have proven successful in extracting rare earths from geothermal brine. Multiple companies are proceeding through the entitlement and permitting process. Overall, Imperial County holds an estimated 15 million metric tons of lithium, enough lithium for over 650 million electric cars. At the current market value of \$11,700 per metric ton, the value of the lithium asset is \$175.5 billion. The market price of lithium continues to fluctuate greatly and has been as much as \$17,000 and as low as \$8,000 per metric ton in the last 24 months.

The County of Imperial County will soon release the Lithium Valley Specific Plan and Programmatic Environmental Impact Report, covering approximately 51,000 acres (80 square miles) of land to potentially develop ancillary and downstream uses for lithium extraction (including refining, manufacturing, assembly and logistics/distribution). Imperial County released the Draft Lithium Valley Specific Plan and Draft Program Environmental Impact Report for public review in December 2025.

In total, there are 13 potential geothermal and lithium extraction projects in Imperial County. Currently there are three major companies actively working to entitle or permit geothermal and lithium extraction facilities. These include Berkshire Hathaway Energy, Control Thermal Resources, and Energy Source. A project from Energy Source is fully entitled aconstruction. The first of seven projects from Control Thermal Resources was approved by Imperial County, but is currently facing a legal challenge to the project's environmental impact report. Nine additional projects (three from Berkshire Hathaway Energy and six from Control Thermal Resources) are currently under active application with state and county agencies. There are two other projects known to the County that are being considered for future development. The economic investment from these known projects exceeds \$16.8 billion. Further, the construction of the geothermal and lithium facilities is expected to produce over 7,000 one-year, full-time equivalent construction jobs and over 1,000 permanent operational jobs.

### ***Solar Energy Production / Battery Storage***

There is an additional 2,975 megawatts (MW) of solar and 3,612 MW of BESS currently under entitlement in the County of Imperial. This is in addition to baseload geothermal production that will come about as a result of lithium/rare-mineral extraction. As California marches toward renewable portfolio standard objectives, gaps remain in power availability during the peak hours of 4 p.m. and 9 p.m. (especially in the late summer and early fall months). Battery storage will help stabilize the grid by providing on-demand power during times when solar production is not available (i.e., after the sun sets).

### ***Agriculture***

For 2025, crop production will continue to be affected by implementation of the Deferred Irrigation Program responsible for about 55,000 acres of lost agriculture production in 2024. This, coupled with the loss of the Spreckels Sugar Company processing plant that relied on about 25,000 acres of sugar beet farming, means that overall crop values are expected to decrease in 2025 versus 2024. DMG, Inc. estimates that in same-year dollars, the region will see a decline of crop values between \$200 million and \$300 million between 2024 and 2025. Agriculture will continue to experience pressures from water supplies. Protection of the agriculture industry must be a priority not only for Imperial County but for the nation. Imperial County's \$2.5 billion of annual agricultural production contributes to a domestically produced stable food supply.



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### **ORANGE COUNTY**

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