

TEHAMA COUNTY ECONOMIC FORECAST

Tehama County is located in Northern California, halfway between Sacramento and the Oregon border. The largest city is Red Bluff, which has a population of 14,200. As a whole, Tehama County has a population of 63,600 people and a total of 15,600 wage and salary jobs. The per capita income in Tehama County is \$27,851 and the average salary per worker is \$42,682.

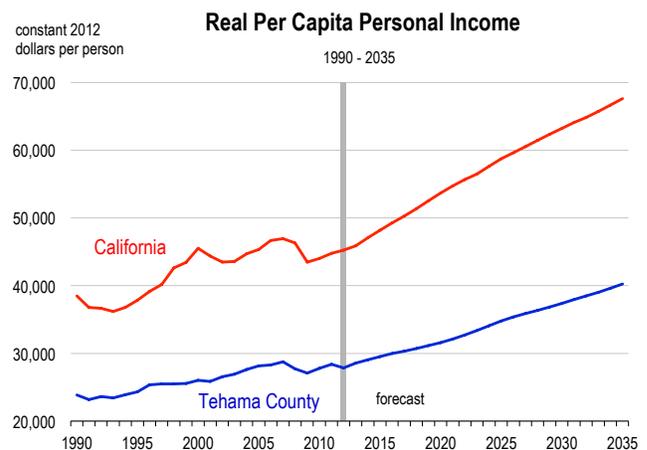
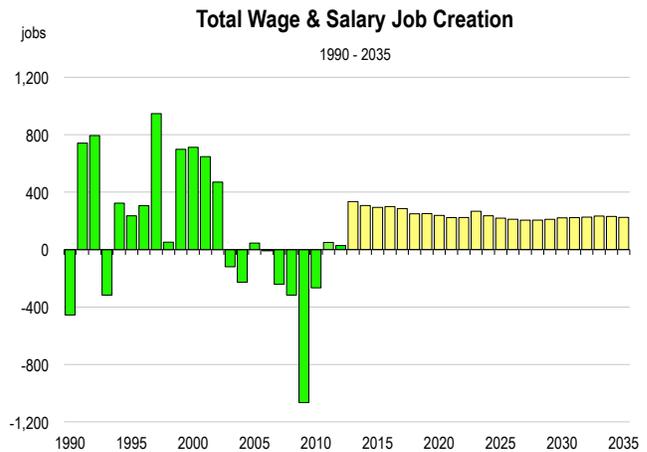
In 2012, a total of 28 wage and salary jobs were gained in Tehama County, representing a growth rate of 0.2 percent. Most of this growth was observed in the non-farm sector, as the agriculture industry was virtually flat. Over the course of the year, the unemployment rate improved substantially, falling from 15.1 percent in 2011 to 13.9 percent in 2012.

Across the major employment sectors, results were mixed in 2012. The largest gains occurred in leisure and hospitality (+61 jobs), manufacturing (+58 jobs), and financial activities (+22 jobs). The largest losses, on the other hand, were observed in professional and business services (-50 jobs), and wholesale and retail trade (-41 jobs). For the wholesale and retail industry, this was the fifth consecutive year of decline.

The population of Tehama County grew at an annual rate of 0.5 percent between 2007 and 2012. This was largely due to the natural increase (new births). The natural increase resulted in an average of 200 new residents per year, compared to only 120 from net migration. In 2011 and 2012, net migration was slightly negative – the first such occurrence on record. However, net migration should turn positive in 2013, and remain positive throughout the forecast period.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 2.2 percent in 2013. From 2013 to 2018, growth will average 1.7 percent per year. The non-farm sector will increase at a rate 1.8 percent per year, while the farm sector expands by an average of 1.2 percent.
- Average salaries are currently below the California state average, and will remain so over the forecast period. Inflation-adjusted salaries are expected to rise by an average of 0.8 percent per year from 2013 to 2018.
- Between 2013 and 2018, the principal employment growth will occur in manufacturing, transportation and utilities, wholesale and retail trade, and professional services. Together, these sectors will account for 66 percent of net job creation in the county.
- Annual population growth in the 2013-2018 period is expected to average 0.8 percent per year.

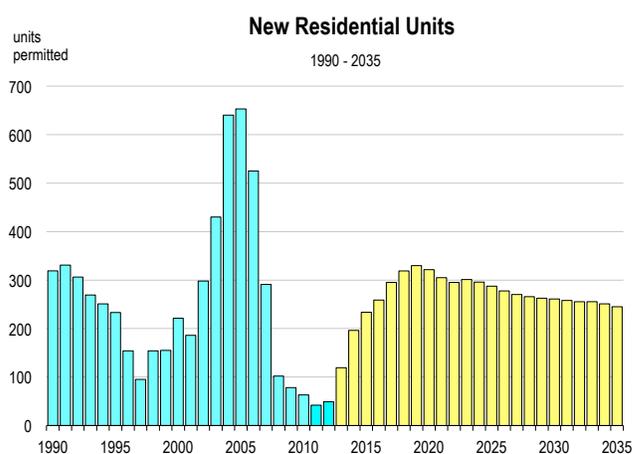
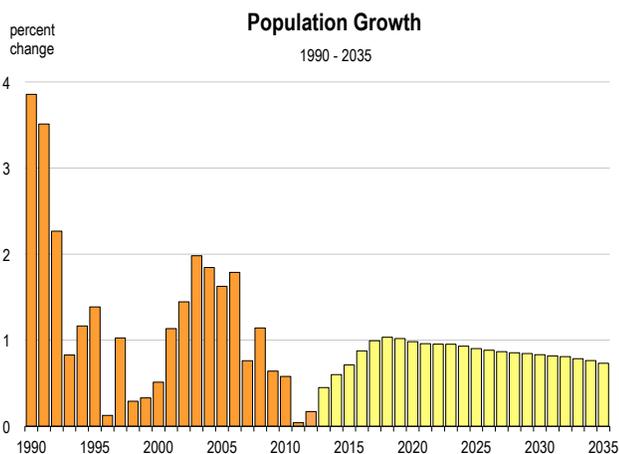


- Net migration is expected to turn positive in 2013, with approximately 70 net in-migrants. Between 2013 and 2018, the forecast calls for an average of 300 net in-migrants per year.
- Real per capita income is expected to increase by 2.5 percent in 2013. Over the following five years, real per capita income is projected to grow at a rate of 1.5 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 3.0 percent per year between 2013 and 2018.
- Industrial production is forecast increase by 4.3 percent in 2013. Over the next five years, the growth rate of industrial production will average 5.7 percent per year.
- Total crop production, adjusted for inflation, is expected to increase by 1.2 percent per year between 2013 and 2018. The principal crop in the county is the walnut.

Tehama County Economic Forecast

2006-2012 History, 2013-2040 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 (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	61,542	841	68.5	22.5	525	\$0.75	\$1.52	\$28,284	3.3	185.8	646.0	6.5
2007	62,011	314	68.5	23.2	291	\$0.73	\$1.61	\$28,757	3.2	211.6	655.1	7.2
2008	62,720	569	68.4	23.6	102	\$0.68	\$1.62	\$27,737	3.1	170.6	717.6	9.2
2009	63,122	184	68.4	23.8	78	\$0.54	\$1.60	\$27,083	0.9	194.6	536.4	13.9
2010	63,487	96	68.7	23.8	63	\$0.59	\$1.68	\$27,801	1.2	239.9	532.8	15.6
2011	63,514	-143	68.2	23.8	42	\$0.69	\$1.75	\$28,380	2.6	252.3	567.7	15.1
2012	63,623	-106	67.3	23.9	49	\$0.76	\$1.77	\$27,851	2.7	295.0	579.5	13.9
2013	63,909	74	67.6	23.9	119	\$0.82	\$1.87	\$28,540	2.3	298.6	604.7	12.3
2014	64,293	161	67.9	24.0	196	\$0.87	\$1.96	\$29,069	2.7	302.9	631.7	11.1
2015	64,752	222	68.2	24.2	234	\$0.92	\$2.05	\$29,513	2.1	307.4	665.9	10.0
2016	65,319	317	68.6	24.4	259	\$0.97	\$2.15	\$29,978	2.4	311.7	706.0	9.1
2017	65,969	390	69.1	24.7	295	\$1.02	\$2.24	\$30,336	2.1	314.5	751.1	8.7
2018	66,651	421	69.6	25.0	319	\$1.07	\$2.34	\$30,708	2.1	317.3	799.6	8.5
2019	67,330	419	70.1	25.3	330	\$1.12	\$2.45	\$31,156	2.1	320.3	851.8	8.3
2020	67,992	403	70.6	25.6	321	\$1.16	\$2.57	\$31,598	2.1	320.2	904.8	8.2
2021	68,645	395	71.1	25.9	305	\$1.22	\$2.69	\$32,109	2.2	319.1	955.2	7.9
2022	69,300	400	71.5	26.2	295	\$1.28	\$2.83	\$32,735	2.3	320.9	1006.1	7.4
2023	69,960	409	72.0	26.4	301	\$1.35	\$2.99	\$33,401	2.3	321.9	1053.2	7.1
2024	70,611	406	72.4	26.7	296	\$1.43	\$3.15	\$34,101	2.4	323.5	1108.1	6.9
2025	71,249	396	72.9	27.0	287	\$1.51	\$3.32	\$34,801	2.4	324.6	1163.8	6.9
2026	71,878	390	73.3	27.3	278	\$1.59	\$3.49	\$35,382	2.5	324.9	1219.7	6.8
2027	72,502	385	73.7	27.5	270	\$1.66	\$3.66	\$35,877	2.5	324.8	1276.5	6.7
2028	73,121	380	74.2	27.8	266	\$1.74	\$3.83	\$36,365	2.5	325.4	1334.5	6.6
2029	73,739	375	74.6	28.0	263	\$1.82	\$4.02	\$36,863	2.5	325.6	1394.1	6.6
2030	74,353	370	75.0	28.3	261	\$1.91	\$4.21	\$37,390	2.5	323.5	1455.1	6.4
2031	74,961	365	75.4	28.5	258	\$2.00	\$4.41	\$37,936	2.5	321.4	1517.7	6.3
2032	75,567	364	75.8	28.7	255	\$2.10	\$4.62	\$38,481	2.5	323.4	1581.5	6.2
2033	76,161	358	76.1	29.0	255	\$2.20	\$4.84	\$39,028	2.5	324.9	1647.7	6.1
2034	76,743	351	76.5	29.2	251	\$2.30	\$5.08	\$39,620	2.5	325.9	1716.2	6.1
2035	77,305	343	76.9	29.5	245	\$2.41	\$5.32	\$40,245	2.5	325.1	1786.3	6.0
2036	77,853	337	77.2	29.7	241	\$2.52	\$5.58	\$40,867	2.5	327.3	1857.9	5.9
2037	78,387	330	77.5	29.9	236	\$2.64	\$5.85	\$41,496	2.5	327.7	1931.4	5.8
2038	78,904	323	77.9	30.1	229	\$2.76	\$6.13	\$42,130	2.5	323.8	2006.8	5.7
2039	79,408	316	78.2	30.3	224	\$2.88	\$6.42	\$42,772	2.5	324.5	2083.9	5.7
2040	79,900	310	78.5	30.6	218	\$3.01	\$6.71	\$43,411	2.4	324.7	2176.9	5.6

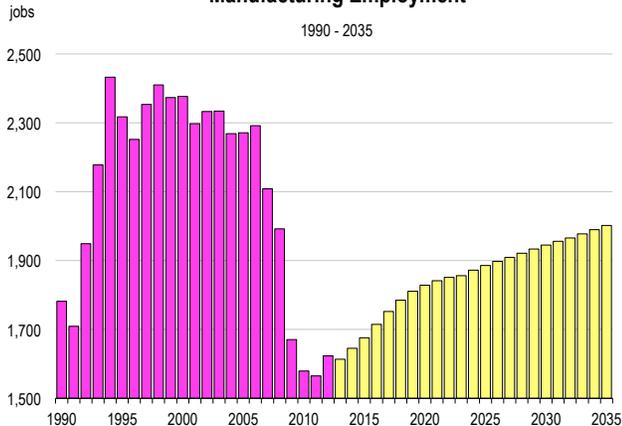


Tehama County Employment Forecast

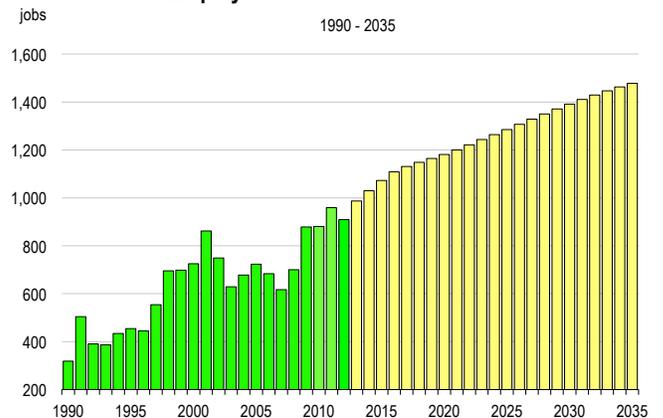
2006-2012 History, 2013-2040 Forecast

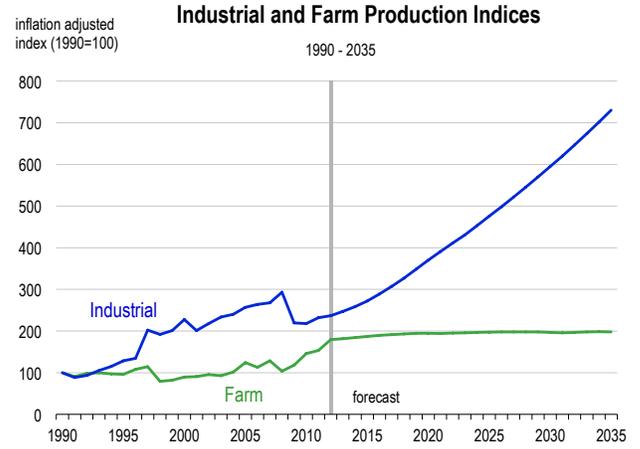
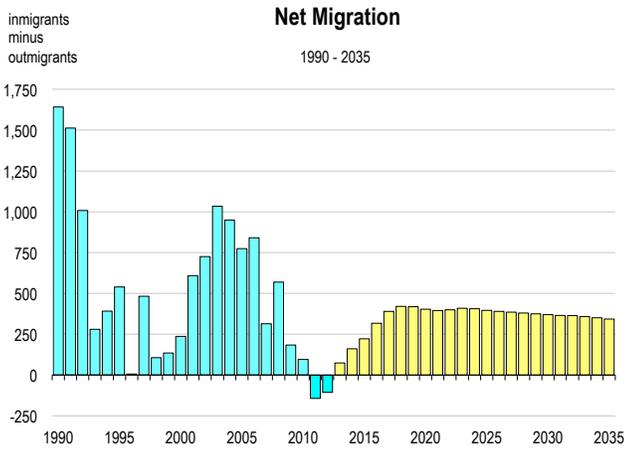
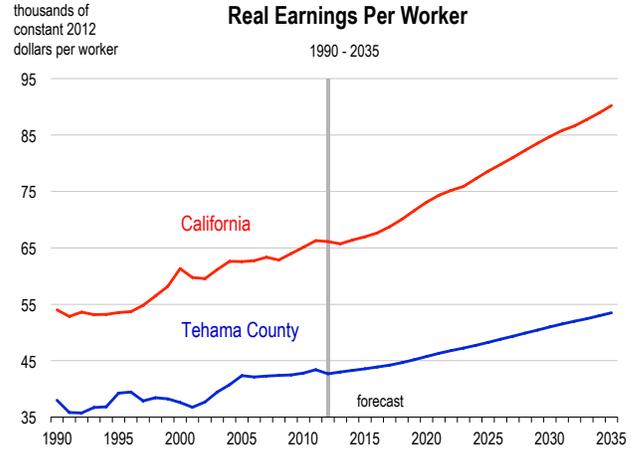
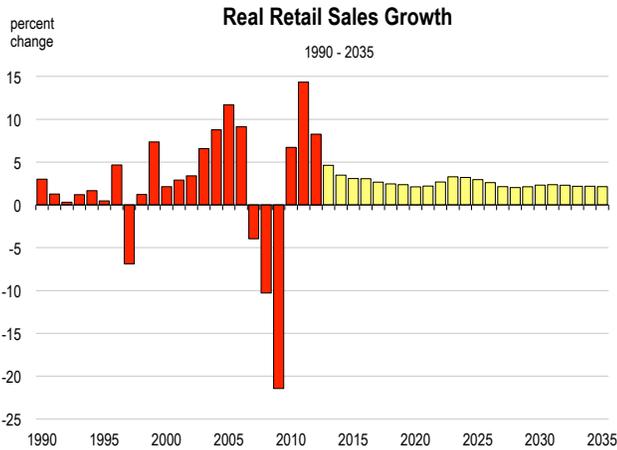
	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	17.37	1.17	0.74	2.29	1.60	2.48	0.43	0.68	0.10	1.86	1.26	4.16
2007	17.13	1.23	0.64	2.11	1.59	2.48	0.47	0.62	0.10	1.86	1.24	4.19
2008	16.81	1.27	0.53	1.99	1.36	2.32	0.40	0.70	0.10	1.88	1.28	4.34
2009	15.74	1.31	0.43	1.67	1.03	2.16	0.37	0.88	0.07	1.83	1.19	4.29
2010	15.48	1.44	0.42	1.58	1.10	2.09	0.36	0.88	0.07	1.79	1.12	4.15
2011	15.53	1.45	0.42	1.57	1.08	2.06	0.34	0.96	0.07	1.83	1.18	4.09
2012	15.56	1.45	0.43	1.62	1.03	2.02	0.37	0.91	0.08	1.83	1.24	4.10
2013	15.89	1.48	0.44	1.61	1.12	2.07	0.38	0.99	0.09	1.83	1.27	4.11
2014	16.20	1.50	0.46	1.65	1.17	2.11	0.39	1.03	0.09	1.84	1.30	4.15
2015	16.49	1.53	0.48	1.68	1.25	2.15	0.40	1.07	0.09	1.84	1.32	4.18
2016	16.79	1.54	0.49	1.71	1.34	2.18	0.40	1.11	0.10	1.84	1.35	4.22
2017	17.08	1.56	0.51	1.75	1.45	2.21	0.40	1.13	0.10	1.84	1.37	4.25
2018	17.33	1.57	0.52	1.78	1.57	2.24	0.40	1.15	0.10	1.84	1.37	4.26
2019	17.58	1.59	0.53	1.81	1.69	2.26	0.41	1.16	0.10	1.84	1.38	4.28
2020	17.82	1.60	0.53	1.83	1.82	2.28	0.42	1.18	0.10	1.85	1.38	4.32
2021	18.04	1.60	0.51	1.84	1.95	2.31	0.42	1.20	0.09	1.85	1.38	4.36
2022	18.26	1.61	0.50	1.85	2.07	2.33	0.42	1.22	0.09	1.85	1.39	4.41
2023	18.53	1.61	0.51	1.86	2.18	2.36	0.43	1.24	0.09	1.85	1.40	4.48
2024	18.76	1.61	0.52	1.87	2.29	2.39	0.43	1.26	0.09	1.84	1.40	4.52
2025	18.98	1.62	0.52	1.89	2.40	2.42	0.43	1.29	0.09	1.83	1.40	4.57
2026	19.20	1.62	0.52	1.90	2.51	2.44	0.43	1.31	0.09	1.82	1.41	4.62
2027	19.40	1.62	0.52	1.91	2.61	2.46	0.44	1.33	0.09	1.81	1.41	4.67
2028	19.61	1.63	0.52	1.92	2.70	2.48	0.44	1.35	0.09	1.80	1.41	4.72
2029	19.82	1.63	0.52	1.93	2.80	2.50	0.44	1.37	0.09	1.81	1.42	4.77
2030	20.04	1.63	0.52	1.94	2.89	2.53	0.44	1.39	0.09	1.82	1.43	4.82
2031	20.26	1.62	0.53	1.96	2.98	2.55	0.44	1.41	0.09	1.84	1.43	4.87
2032	20.49	1.62	0.53	1.97	3.07	2.57	0.44	1.43	0.09	1.86	1.44	4.92
2033	20.72	1.63	0.54	1.98	3.16	2.59	0.44	1.45	0.09	1.89	1.44	4.97
2034	20.95	1.63	0.54	1.99	3.25	2.61	0.45	1.46	0.09	1.92	1.45	5.02
2035	21.18	1.63	0.54	2.00	3.34	2.63	0.45	1.48	0.09	1.96	1.45	5.07
2036	21.41	1.63	0.54	2.01	3.42	2.65	0.45	1.49	0.09	1.99	1.46	5.12
2037	21.64	1.63	0.54	2.03	3.50	2.67	0.45	1.51	0.09	2.03	1.47	5.17
2038	21.85	1.63	0.54	2.04	3.58	2.69	0.45	1.52	0.09	2.07	1.48	5.22
2039	22.07	1.63	0.55	2.05	3.65	2.71	0.45	1.54	0.09	2.11	1.48	5.27
2040	22.29	1.63	0.55	2.06	3.73	2.73	0.45	1.56	0.08	2.14	1.49	5.32

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	15.6 %
Expected job growth:	9.0 %
Fastest growing jobs sector:	Transportation and Utilities
Expected personal income growth:	15.6 %

Expected population growth:	4.3 %
Net migration to account for:	55.1 %
Expected growth in number of vehicles:	3.0 %

Demographics (2013)

Unemployment rate (April 2013)	11.8 %
County Rank* in California (58 counties):	38th
Working age (16-64) population:	60.9 %

Population with B.A. Degree or higher:	12.7 %
Median Home Selling Price (2012):	\$100,000
Median Household Income:	\$38,610

Quality of Life

Violent Crime rate (2010):	580 per 100,000 persons
County Rank* in California (58 counties):	51st
Average Commute Time to work (2013):	24.1 minutes

High School drop out rate (2011):	15.1 %
Households at/below poverty line (2013):	14.3 %

* The county ranked 1st corresponds to the lowest rate in California