

SHASTA COUNTY ECONOMIC FORECAST

Shasta County is one of the northernmost counties in California. The county seat of Shasta is Redding, which is the largest city in a 160 mile radius, with nearly 90,000 people. Shasta County has a population of 180,980 people and 64,530 wage and salary jobs. The per capita income in Shasta County is \$27,877, and the average salary per worker is \$37,410.

In 2005, 133 total wage and salary jobs were lost in Shasta County, representing a decline in employment of 0.2 percent. Non-farm employment lost 100 jobs. This represents a decline of 0.2 percent. However, the unemployment rate fell to 7.1 percent in 2005.

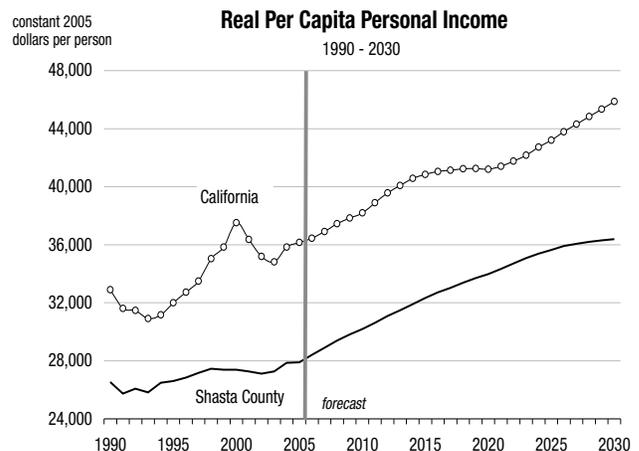
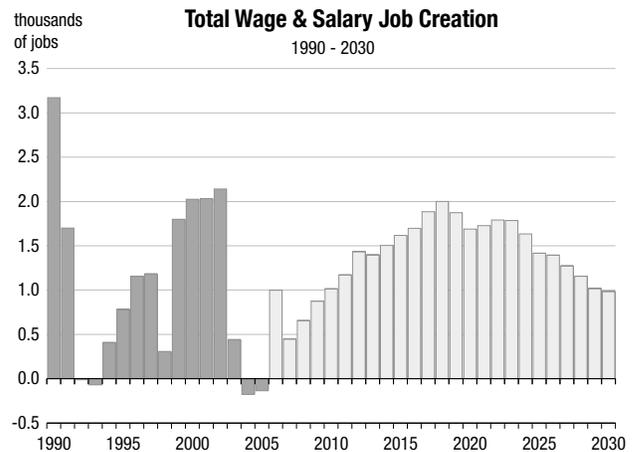
The largest employment sectors in the county are retail trade, education and healthcare services, leisure services, professional services, and government. The principal sectors producing jobs in Shasta County are government and construction, which added 240 and 100 jobs respectively. Education and healthcare services declined by the most number of jobs, losing 400 employees. The information services sector lost 130 jobs, a decline of 11 percent. Leisure services lost 67 jobs.

The population grew in Shasta County at a rate of 1.0 percent in 2005. The fastest growing cities in the county were Anderson and Redding, which grew 1.4 and 0.9 percent respectively between January 2005 and January 2006. Net migration in the county was positive last year, with an estimated 2,100 migrants entering the county.

Employment growth is expected to turn positive over the next several years. Population growth will be positive, but is expected to moderate from the level seen in the previous five years.

FORECAST HIGHLIGHTS

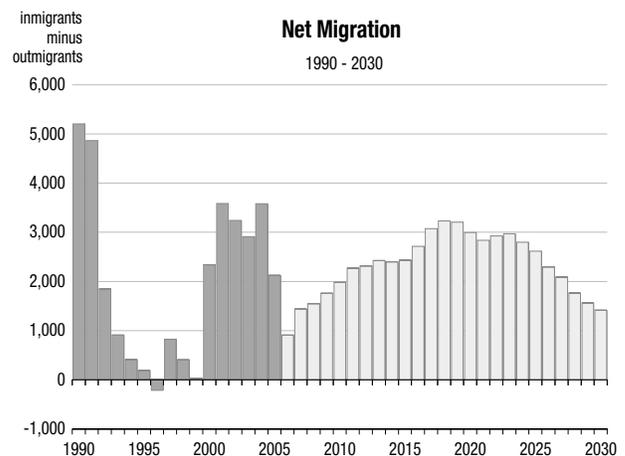
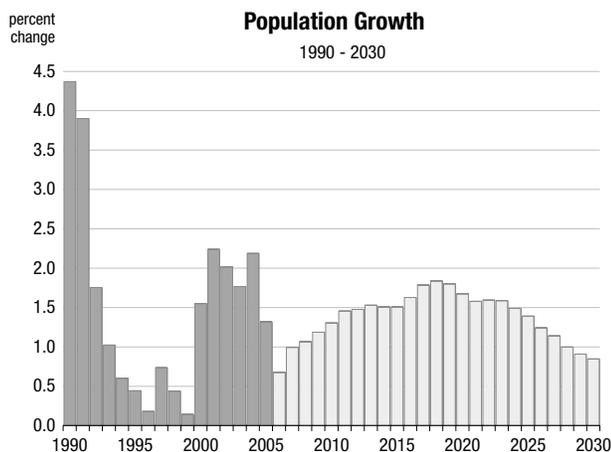
- Total wage and salary job growth is forecast to increase to 1.6 percent in 2006. From 2006 to 2010, total employment growth averages 1.2 percent per year. Over that same period, non-farm growth also averages 1.2 percent.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.7 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in government, wholesale and retail trade, and professional services. These sectors account for 60 percent of all jobs created in the county over the next five years.
- Annual population growth in the 2006 to 2010 period averages 1.1 percent per year. Annual population growth in the previous five years was 1.9 percent.
- Net migration is forecast to decline to 900 people in 2006. Over the next five years net migration is expected to average 1,500 net migrants per year.
- Real per capita income is forecast to increase 1.8 percent in 2006. Over the next five years real per capita incomes are expected to rise an average of 1.6 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 9.0 percent in 2006. Over the next five years real taxable sales are forecast to increase 6.1 percent per year.
- Industrial production is forecast to increase 4.8 percent in 2006. Over the next five years the growth rate of industrial production will moderate, with total production rising 2.1 percent per year. Total crop production, adjusted for inflation, is expected to increase an average of 0.8 percent per year between 2006 and 2010.



Shasta County Economic Forecast

1997-2005 History, 2006-2030 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 (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	161,212	826	159.7	64.3	676	\$1.61	\$3.46	\$27,163	3.4	67.0	0.71	9.3
1998	161,921	406	167.3	65.1	694	\$1.65	\$3.63	\$27,447	3.2	59.2	0.65	9.1
1999	162,154	28	172.5	65.8	809	\$1.85	\$3.78	\$27,380	4.2	58.9	0.77	7.1
2000	164,672	2,342	181.0	63.4	972	\$2.06	\$4.00	\$27,379	4.5	56.9	0.90	6.0
2001	168,364	3,590	192.6	64.0	1,021	\$2.19	\$4.30	\$27,257	5.4	55.2	0.79	6.3
2002	171,761	3,241	199.5	64.9	1,349	\$2.21	\$4.43	\$27,107	1.6	54.9	0.86	7.1
2003	174,799	2,914	200.4	66.1	1,338	\$2.38	\$4.62	\$27,270	1.8	56.0	0.90	7.5
2004	178,626	3,582	214.7	67.4	1,039	\$2.59	\$4.88	\$27,852	1.2	60.8	0.92	7.5
2005	180,984	2,125	216.8	68.2	1,581	\$2.73	\$5.05	\$27,887	2.0	64.2	0.97	7.1
2006	182,212	911	221.2	70.0	1,056	\$2.98	\$5.38	\$28,401	4.0	64.4	1.02	6.4
2007	184,025	1,441	223.8	71.0	1,139	\$3.16	\$5.66	\$28,886	2.4	64.7	1.03	6.3
2008	185,988	1,549	225.7	72.1	1,338	\$3.33	\$5.94	\$29,376	2.1	65.3	1.05	6.8
2009	188,196	1,764	227.7	73.4	1,368	\$3.50	\$6.22	\$29,817	2.1	66.0	1.06	7.2
2010	190,653	1,983	229.8	74.7	1,377	\$3.68	\$6.55	\$30,174	2.6	66.8	1.08	7.3
2011	193,432	2,274	232.1	76.1	1,463	\$3.87	\$6.90	\$30,616	2.4	67.7	1.12	7.4
2012	196,293	2,318	234.9	77.5	1,374	\$4.06	\$7.27	\$31,086	2.3	68.6	1.17	7.7
2013	199,298	2,427	237.8	78.8	1,327	\$4.26	\$7.65	\$31,475	2.4	69.6	1.22	8.0
2014	202,304	2,404	240.9	80.1	1,308	\$4.47	\$8.06	\$31,904	2.4	70.7	1.27	8.2
2015	205,356	2,435	244.2	81.3	1,288	\$4.70	\$8.50	\$32,321	2.6	71.8	1.31	8.4
2016	208,702	2,714	247.8	82.6	1,410	\$4.94	\$8.98	\$32,710	2.7	72.9	1.37	8.6
2017	212,430	3,077	251.6	83.9	1,554	\$5.18	\$9.48	\$33,025	2.7	74.1	1.42	8.7
2018	216,335	3,234	255.7	85.4	1,511	\$5.43	\$10.00	\$33,368	2.6	75.2	1.48	8.9
2019	220,233	3,211	259.8	86.9	1,421	\$5.68	\$10.54	\$33,690	2.6	76.4	1.53	9.0
2020	223,923	2,996	263.7	88.2	1,343	\$5.94	\$11.08	\$33,975	2.5	77.6	1.57	9.1
2021	227,460	2,839	267.6	89.5	1,358	\$6.20	\$11.66	\$34,328	2.5	78.8	1.61	9.1
2022	231,087	2,931	271.4	90.8	1,428	\$6.48	\$12.28	\$34,709	2.6	80.0	1.61	9.1
2023	234,757	2,975	275.3	92.2	1,413	\$6.77	\$12.92	\$35,072	2.5	81.1	1.61	9.2
2024	238,254	2,798	279.1	93.6	1,297	\$7.05	\$13.54	\$35,387	2.3	82.3	1.59	9.2
2025	241,570	2,616	282.4	94.8	1,278	\$7.35	\$14.15	\$35,629	2.4	83.3	1.55	9.0
2026	244,572	2,299	285.7	96.1	1,200	\$7.66	\$14.79	\$35,905	2.4	84.4	1.53	8.8
2027	247,366	2,093	288.6	97.2	1,137	\$7.97	\$15.40	\$36,057	2.5	85.5	1.52	8.6
2028	249,839	1,767	291.4	98.3	1,020	\$8.30	\$16.04	\$36,200	2.7	86.5	1.53	8.3
2029	252,114	1,564	293.9	99.3	999	\$8.64	\$16.67	\$36,304	2.7	87.5	1.54	8.0
2030	254,252	1,416	296.2	100.3	999	\$8.97	\$17.28	\$36,378	2.6	88.5	1.56	7.6



Shasta County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	56.1	0.82	3.4	3.5	2.3	10.6	2.3	5.2	0.9	8.4	5.8	10.6
1998	56.4	0.85	3.0	3.3	2.4	10.4	2.3	5.1	0.9	9.1	5.9	10.7
1999	58.2	0.88	3.3	3.5	2.5	10.5	2.3	5.2	1.0	9.5	6.0	11.1
2000	60.2	0.85	3.5	3.6	2.4	10.5	2.3	5.9	1.0	9.3	6.2	12.1
2001	62.3	0.98	3.9	3.5	2.6	10.3	2.8	5.8	1.1	9.8	6.1	12.4
2002	64.4	0.98	4.2	3.3	2.7	10.6	2.9	5.8	1.1	10.3	6.4	13.0
2003	64.8	0.85	4.5	3.0	2.4	11.1	3.2	5.9	1.2	10.5	6.6	12.6
2004	64.7	0.89	4.5	2.8	2.4	11.2	3.3	6.2	1.2	10.0	6.4	12.8
2005	64.5	0.86	4.6	2.9	2.5	11.2	3.3	6.2	1.0	9.6	6.4	13.0
2006	65.5	0.87	4.9	2.9	2.5	11.4	3.3	6.3	1.0	9.7	6.4	13.3
2007	66.0	0.87	4.5	2.9	2.5	11.5	3.4	6.4	1.0	9.8	6.5	13.6
2008	66.6	0.87	4.5	2.9	2.5	11.6	3.4	6.5	1.0	9.8	6.6	13.8
2009	67.5	0.88	4.7	2.9	2.5	11.7	3.4	6.6	1.1	9.9	6.6	14.0
2010	68.5	0.88	4.7	2.9	2.6	11.9	3.5	6.8	1.1	10.0	6.7	14.2
2011	69.7	0.88	4.8	2.9	2.7	12.0	3.6	7.0	1.1	10.3	6.8	14.5
2012	71.1	0.89	4.9	2.9	2.8	12.1	3.6	7.2	1.1	10.6	6.8	14.9
2013	72.5	0.89	4.8	2.9	2.9	12.2	3.7	7.4	1.1	11.0	6.9	15.3
2014	74.0	0.90	4.8	2.9	3.1	12.3	3.8	7.5	1.1	11.5	6.9	15.8
2015	75.7	0.90	4.8	2.9	3.2	12.4	3.9	7.7	1.1	12.0	7.0	16.3
2016	77.4	0.90	4.8	2.9	3.3	12.6	4.0	7.8	1.2	12.6	7.0	16.8
2017	79.2	0.91	5.0	2.9	3.4	12.7	4.1	7.9	1.2	13.3	7.1	17.3
2018	81.2	0.91	5.1	2.9	3.5	12.8	4.2	7.9	1.2	13.9	7.2	17.9
2019	83.1	0.92	5.1	2.9	3.6	12.9	4.3	8.0	1.2	14.6	7.2	18.5
2020	84.8	0.92	5.1	2.9	3.7	13.1	4.4	8.1	1.2	15.3	7.3	19.0
2021	86.5	0.93	5.0	2.9	3.9	13.2	4.5	8.2	1.2	16.0	7.3	19.6
2022	88.3	0.93	5.0	2.9	4.0	13.3	4.6	8.3	1.2	16.6	7.3	20.2
2023	90.1	0.94	5.0	2.9	4.1	13.4	4.7	8.4	1.3	17.2	7.3	20.8
2024	91.8	0.94	5.1	2.9	4.3	13.5	4.8	8.4	1.3	17.8	7.4	21.3
2025	93.2	0.95	5.0	2.9	4.4	13.6	5.0	8.5	1.3	18.2	7.4	21.8
2026	94.6	0.95	4.9	2.9	4.5	13.8	5.1	8.6	1.3	18.7	7.4	22.2
2027	95.8	0.96	4.9	2.9	4.6	13.9	5.2	8.7	1.3	19.1	7.4	22.6
2028	97.0	0.96	4.9	2.9	4.7	14.0	5.3	8.8	1.3	19.4	7.5	23.0
2029	98.0	0.97	4.9	2.9	4.8	14.0	5.4	8.8	1.3	19.7	7.5	23.3
2030	99.0	0.97	4.9	2.9	4.9	14.1	5.5	8.9	1.3	20.0	7.5	23.5

