

BUTTE COUNTY ECONOMIC FORECAST

Butte County is the largest California County in terms of population north of the Bay Area and the Sacramento Valley. The county is home to Chico State, the second oldest college in the California State University system. Butte County has a population of 216,961 people and 78,060 wage and salary jobs. The per capita income in Butte County is \$28,535, and the average salary per worker is \$36,085. The median family income in 2007 is \$52,000.

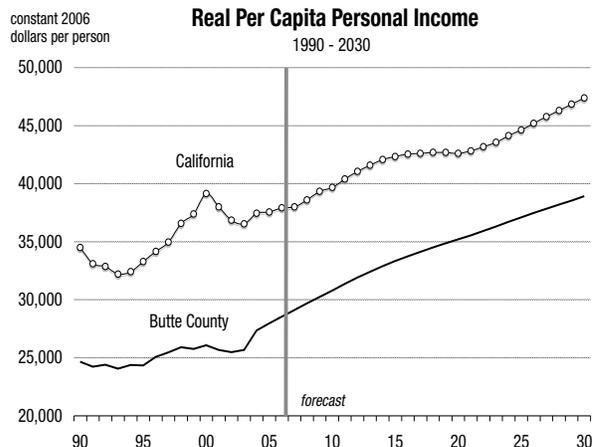
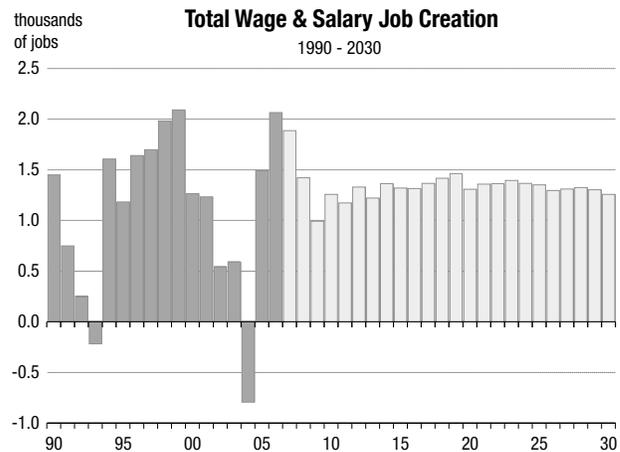
In 2006, 2,070 total wage and salary jobs were created in Butte County, representing an increase in employment of 2.7 percent. All of the growth was in the non-farm sectors, as farm employment was down slightly. The unemployment rate declined to 6.2 percent in 2006.

The principal sectors that are producing jobs in Butte County are government, leisure services, professional services, wholesale and retail trade, and education and healthcare. The public sector created the most new jobs in 2006, adding 950 employees. The other major growing sectors added between 190 and 325 jobs in 2006. The only sectors to have a significant drop in employment were information, which lost nearly 70 jobs and farm, which lost 50 jobs. Construction employment, which has grown by 1,300 jobs in the last five years, added 130 workers in 2006.

The population grew in Butte County at a rate of 1.0 percent in 2006. The largest city in the county is Chico, which approximately 5,700 residents between January 2006 and January 2007, a number of them annexed into the city from previously unincorporated areas. Net migration was positive last year, with an estimated total of 1,880 migrants entering the county.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to be 2.4 percent in 2007. From 2007 to 2011, total employment growth averages 1.7 percent per year.
- 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 1.4 percent per year over the next 5 years.
- Between 2007 and 2011, the momentum for employment growth is in professional services, education and healthcare services, trade, and government. These sectors account for 84 percent of all jobs created in the county over the next five years.
- The population in the county will continue to grow at a modest rate. Annual growth in the 2007 to 2011 period averages 1.0 percent per year.

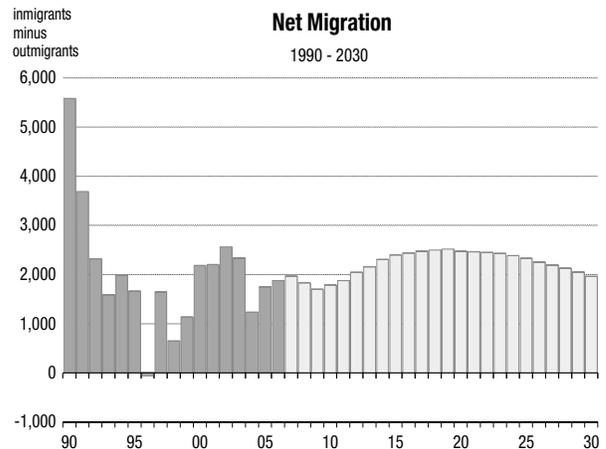
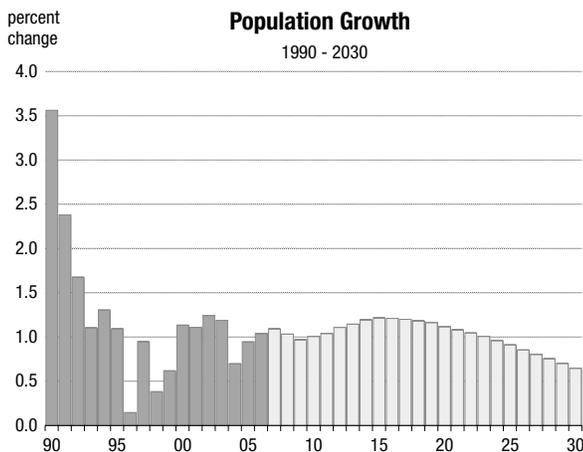


- Net migration will rise to nearly 2,000 people in 2007. Over the next five years net migration is expected average 1,830 net migrants entering the county per year. Net migration accounts for 80 percent of population growth.
- Real per capita income is forecast to increase 2.0 percent in 2007. Over the next five years real per capita incomes are expected to average of 1.9 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 2.0 percent in 2007. Over the next five years real taxable sales are forecast to increase 2.7 percent per year.
- Industrial production is forecast to increase 2.1 percent in 2007. Over the next five years the growth rate of industrial production will increase, with total production rising 4.3 percent per year. After two straight record harvests, total crop production, adjusted for inflation, is expected to decline an average of 1.5 percent per year between 2007 and 2011.

Butte County Economic Forecast

1997-2006 History, 2007-2030 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	199,630	1,649	175.1	80.1	591	\$1.66	\$3.89	\$25,464	3.4	399.2	0.66	8.7
1998	200,393	647	184.4	80.7	910	\$1.71	\$4.10	\$25,902	3.2	270.1	0.71	8.4
1999	201,632	1,135	189.8	81.6	960	\$1.90	\$4.28	\$25,756	4.2	318.0	0.72	6.8
2000	203,921	2,183	196.8	79.6	1,078	\$2.04	\$4.57	\$26,062	4.5	338.8	0.77	6.2
2001	206,184	2,206	205.9	80.3	1,044	\$2.15	\$4.80	\$25,677	5.4	281.0	0.64	6.6
2002	208,751	2,566	209.9	81.4	1,185	\$2.22	\$4.90	\$25,480	1.6	312.1	0.62	7.4
2003	211,237	2,339	210.0	82.5	1,825	\$2.33	\$5.09	\$25,667	1.8	354.1	0.68	7.6
2004	212,712	1,235	222.8	83.8	1,993	\$2.55	\$5.52	\$27,336	1.2	361.0	0.66	7.4
2005	214,722	1,750	222.9	85.5	1,700	\$2.73	\$5.81	\$27,953	2.0	446.2	0.67	6.8
2006	216,961	1,880	227.8	87.2	1,179	\$2.88	\$6.19	\$28,535	3.3	434.5	0.69	6.2
2007	219,333	1,967	231.5	88.4	1,040	\$3.07	\$6.57	\$29,118	2.9	422.8	0.71	6.3
2008	221,598	1,835	236.0	89.5	1,058	\$3.22	\$6.91	\$29,690	2.0	430.8	0.75	6.6
2009	223,749	1,702	240.4	90.5	1,134	\$3.37	\$7.24	\$30,226	2.0	410.6	0.78	6.4
2010	226,005	1,790	244.9	91.6	1,189	\$3.53	\$7.64	\$30,780	2.5	398.5	0.82	6.3
2011	228,362	1,877	249.2	92.8	1,228	\$3.69	\$8.05	\$31,353	2.4	402.6	0.85	6.3
2012	230,895	2,046	253.7	94.0	1,263	\$3.85	\$8.47	\$31,917	2.2	394.5	0.88	6.4
2013	233,540	2,158	258.1	95.3	1,291	\$4.02	\$8.90	\$32,408	2.3	382.4	0.92	6.4
2014	236,331	2,309	262.6	96.6	1,314	\$4.20	\$9.35	\$32,890	2.3	378.3	0.95	6.5
2015	239,205	2,404	267.2	97.9	1,343	\$4.39	\$9.84	\$33,325	2.6	370.3	0.98	6.4
2016	242,102	2,442	271.7	99.2	1,319	\$4.59	\$10.35	\$33,741	2.7	362.2	1.01	6.4
2017	245,010	2,475	276.3	100.5	1,320	\$4.81	\$10.88	\$34,121	2.7	370.3	1.04	6.3
2018	247,916	2,502	281.0	101.8	1,329	\$5.02	\$11.41	\$34,499	2.5	360.9	1.08	6.3
2019	250,807	2,522	285.7	103.1	1,341	\$5.25	\$11.96	\$34,872	2.5	354.1	1.11	6.2
2020	253,611	2,475	290.4	104.4	1,344	\$5.48	\$12.51	\$35,204	2.5	350.1	1.14	6.1
2021	256,360	2,465	295.1	105.8	1,338	\$5.72	\$13.08	\$35,549	2.4	358.2	1.17	6.0
2022	259,046	2,451	299.8	107.1	1,321	\$5.96	\$13.70	\$35,917	2.5	346.0	1.19	6.0
2023	261,661	2,432	304.6	108.4	1,285	\$6.21	\$14.33	\$36,306	2.5	354.1	1.21	5.9
2024	264,179	2,387	309.4	109.7	1,240	\$6.46	\$14.96	\$36,702	2.3	338.0	1.23	5.9
2025	266,589	2,333	314.3	110.9	1,190	\$6.73	\$15.62	\$37,092	2.4	333.9	1.25	5.8
2026	268,868	2,255	319.2	112.1	1,121	\$7.01	\$16.30	\$37,484	2.4	329.9	1.27	5.7
2027	271,031	2,193	324.1	113.2	1,058	\$7.31	\$17.00	\$37,836	2.5	325.9	1.28	5.7
2028	273,082	2,131	329.0	114.2	985	\$7.62	\$17.75	\$38,190	2.7	330.9	1.30	5.7
2029	275,008	2,054	333.9	115.2	908	\$7.95	\$18.51	\$38,545	2.7	317.8	1.33	5.6
2030	276,796	1,963	338.8	116.1	826	\$8.28	\$19.30	\$38,908	2.6	313.7	1.35	5.6



Butte County Employment Forecast

1997-2006 History, 2007-2030 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	67.6	3.10	2.3	4.9	2.1	11.2	3.0	5.3	1.3	10.7	6.6	14.0
1998	69.6	3.03	2.5	5.1	2.2	11.0	3.1	5.9	1.3	10.7	6.5	14.6
1999	71.7	3.10	2.8	4.9	2.2	11.3	3.4	6.2	1.4	10.8	6.8	15.1
2000	72.9	3.04	2.7	5.1	2.0	11.2	3.6	6.3	1.4	10.9	7.2	16.3
2001	74.2	2.72	2.9	4.5	2.1	11.5	3.9	6.4	1.4	11.3	7.3	16.6
2002	74.7	2.50	3.1	3.9	2.2	11.9	4.2	6.2	1.3	11.7	7.1	16.9
2003	75.3	2.61	3.4	4.0	2.2	12.0	4.3	5.6	1.4	12.2	6.9	17.0
2004	74.5	2.68	3.8	4.0	1.8	12.0	4.1	5.5	1.4	12.4	6.9	16.1
2005	76.0	2.61	4.1	4.0	1.8	12.3	4.1	5.6	1.3	12.7	7.3	16.6
2006	78.1	2.56	4.3	4.1	1.9	12.5	4.2	5.8	1.2	12.9	7.7	17.5
2007	79.9	2.58	4.4	4.0	1.9	12.8	4.0	6.0	1.2	13.2	7.8	18.9
2008	81.4	2.60	4.4	4.0	1.9	13.0	4.1	6.2	1.2	13.4	7.9	19.5
2009	82.4	2.59	4.3	4.1	2.0	13.2	4.2	6.4	1.2	13.6	8.0	19.5
2010	83.6	2.56	4.3	4.2	2.0	13.4	4.3	6.7	1.2	13.9	8.1	19.7
2011	84.8	2.55	4.3	4.2	2.0	13.6	4.4	7.0	1.2	14.2	8.2	19.7
2012	86.1	2.52	4.3	4.2	2.0	13.8	4.5	7.4	1.2	14.4	8.2	19.8
2013	87.4	2.48	4.3	4.2	2.1	13.9	4.5	7.7	1.3	14.7	8.3	20.0
2014	88.7	2.45	4.3	4.2	2.1	14.1	4.6	8.0	1.3	15.0	8.4	20.3
2015	90.0	2.42	4.3	4.2	2.1	14.3	4.7	8.2	1.3	15.2	8.5	20.6
2016	91.4	2.38	4.4	4.2	2.1	14.5	4.8	8.4	1.3	15.5	8.6	21.0
2017	92.7	2.36	4.4	4.2	2.2	14.7	4.9	8.5	1.3	15.8	8.7	21.3
2018	94.1	2.34	4.5	4.2	2.2	14.8	5.0	8.6	1.3	16.1	8.8	21.7
2019	95.6	2.31	4.5	4.2	2.2	15.0	5.1	8.8	1.3	16.4	8.9	22.1
2020	96.9	2.28	4.6	4.2	2.2	15.2	5.1	8.9	1.3	16.7	8.9	22.5
2021	98.3	2.27	4.6	4.2	2.3	15.4	5.2	9.1	1.3	17.1	9.0	22.9
2022	99.6	2.25	4.6	4.1	2.3	15.6	5.3	9.2	1.3	17.5	9.0	23.2
2023	101.0	2.25	4.6	4.1	2.3	15.7	5.4	9.4	1.3	17.8	9.1	23.6
2024	102.4	2.22	4.7	4.1	2.4	15.9	5.4	9.5	1.3	18.2	9.1	24.0
2025	103.7	2.19	4.7	4.1	2.4	16.1	5.5	9.6	1.3	18.6	9.1	24.4
2026	105.0	2.16	4.8	4.1	2.4	16.3	5.6	9.8	1.4	18.9	9.2	24.7
2027	106.4	2.14	4.9	4.1	2.4	16.5	5.7	9.9	1.4	19.2	9.2	25.1
2028	107.7	2.13	4.9	4.1	2.5	16.6	5.8	10.1	1.4	19.5	9.2	25.4
2029	109.0	2.10	5.0	4.1	2.5	16.8	5.9	10.2	1.4	19.8	9.3	25.8
2030	110.2	2.07	5.0	4.1	2.5	17.0	5.9	10.3	1.4	20.1	9.3	26.2

