

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 221,331 people and 75,258 wage and salary jobs. The per capita income in Butte County is \$31,358, and the average salary per worker is \$39,065.

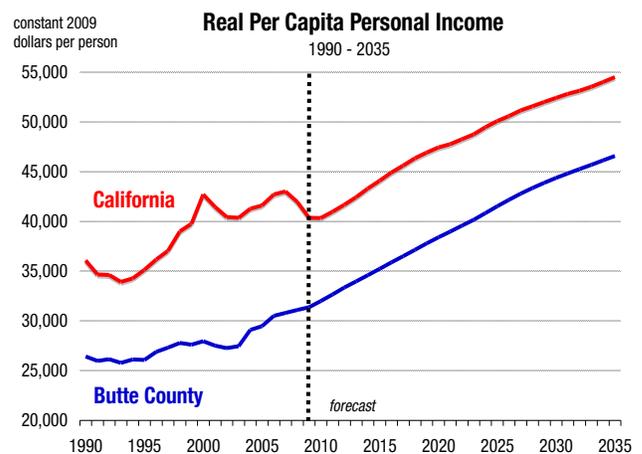
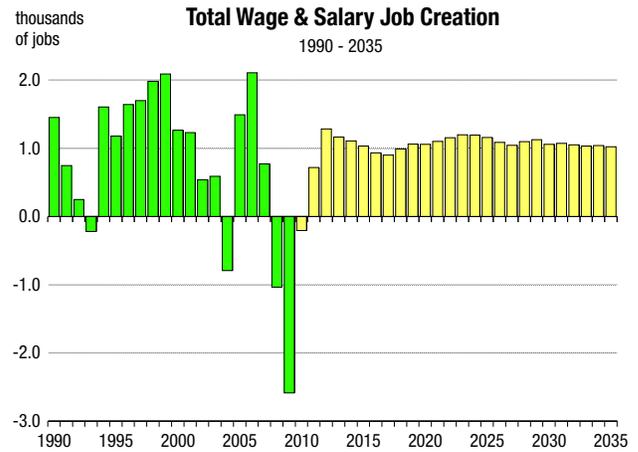
In 2009, 2,600 total wage and salary jobs were lost in Butte County, representing a decline in employment of 3.3 percent. The unemployment rate increased to 12.9 percent in 2009.

Education and healthcare was the only sector to create jobs during 2009, adding 80 workers or 0.6 percent. The public sector, which accounts for 24 percent of total employment in Butte County, shed 300 jobs, or 1.7 percent of total employment. Other sectors with significant employment losses included retail trade (-520 jobs), leisure (-440 jobs), construction (-390 jobs) and professional services (-380 jobs). Manufacturing employment fell to the lowest level on record.

The population in Butte County grew at a rate of 0.4 percent between 2008 and 2009. The largest city in the county is Chico (87,713 residents), which grew at a rate of 1.1 percent between 2008 and 2009. Net migration slowed but remained positive last year, with an estimated 662 migrants entering the county. That total is less than half of the average annual net migration over the past 10 years.

FORECAST HIGHLIGHTS

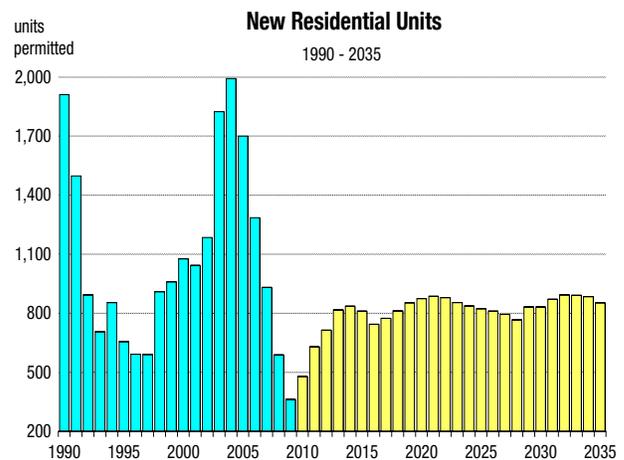
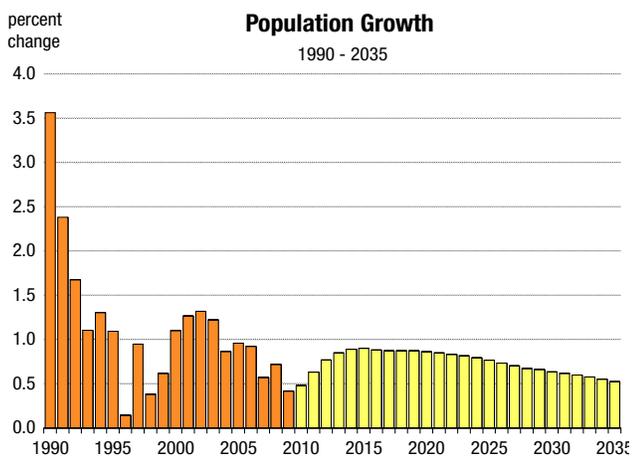
- Total wage and salary job growth is forecast to be near zero in 2010, with an estimated loss of 0.2 percent. Between 2010 and 2015, total employment growth averages 1.4 percent per year.
- Average salaries adjusted for inflation are currently below the California state average and will remain so over the forecast period. Inflation adjusted salaries are expected to rise by an average of 0.8 percent per year from 2010 to 2015.
- Between 2010 and 2015, principle job creation occurs in construction, professional services, education and healthcare services, retail trade, and government. These sectors account for 69 percent of all jobs created in the county during this time period.
- The population in the county will continue to grow at a modest rate. Annual growth in the 2010 to 2015 period averages 0.8 percent per year.
- Net migration is forecast to rise slightly in 2010 to nearly 800 people. Migration then accelerates, averaging over 1,500 people per year from 2010 to 2015.
- Real per capita income is forecast to increase 2.0 percent in 2010. Over the 2010 to 2015 period real per capita income growth is expected to average 1.9 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to fall by 2.0 percent in 2010. Between 2010 and 2015 real taxable sales are forecast to increase by an average of 3.0 percent per year.
- Industrial production is forecast to rise 2.1 percent in 2010. From 2010 to 2015 the growth rate of industrial production will remain stable, averaging 2.2 percent growth per year.



Butte County Economic Forecast

2002-2009 History, 2010-2035 Forecast

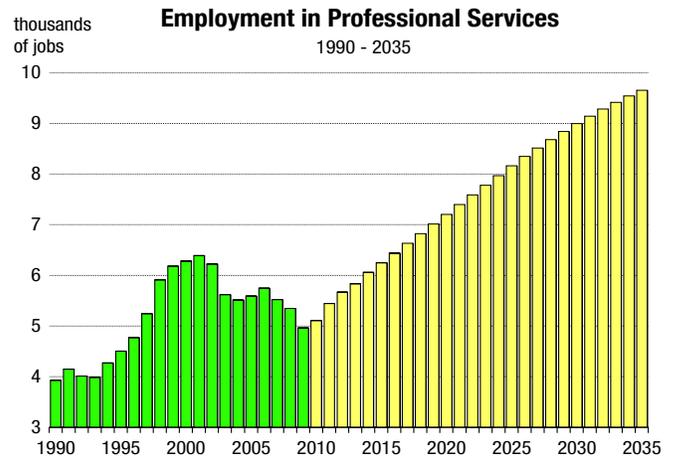
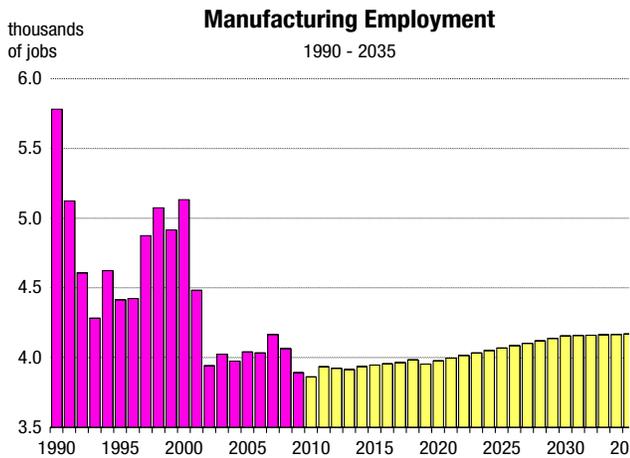
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2002	209,163	2,725	209.9	81.4	1,185	\$2.22	\$4.90	\$27,262	1.6	335	689	7.4
2003	211,719	2,409	210.0	82.5	1,825	\$2.33	\$5.09	\$27,453	1.8	380	737	7.6
2004	213,552	1,593	222.8	83.8	1,993	\$2.55	\$5.50	\$29,081	1.2	387	713	7.4
2005	215,599	1,880	222.9	85.5	1,700	\$2.73	\$5.73	\$29,466	2.0	479	756	6.8
2006	217,588	1,716	227.8	87.2	1,286	\$2.83	\$6.18	\$30,509	3.2	467	809	6.2
2007	218,836	970	223.9	88.5	932	\$2.78	\$6.49	\$30,809	3.4	509	833	6.7
2008	220,411	1,253	225.9	89.7	589	\$2.68	\$6.80	\$31,088	3.0	569	828	8.4
2009	221,331	662	225.4	90.0	363	\$2.59	\$6.94	\$31,358	0.8	586	823	12.9
2010	222,399	791	224.9	90.4	479	\$2.59	\$7.27	\$31,999	2.1	606	840	13.7
2011	223,808	1,110	224.7	90.9	630	\$2.68	\$7.64	\$32,657	2.4	620	858	12.5
2012	225,529	1,407	225.1	91.5	714	\$2.82	\$8.03	\$33,359	2.1	629	878	10.8
2013	227,446	1,597	226.0	92.2	818	\$2.98	\$8.43	\$33,981	2.2	635	896	9.9
2014	229,474	1,705	227.1	93.0	836	\$3.17	\$8.85	\$34,596	2.2	639	916	8.9
2015	231,544	1,748	228.5	93.8	811	\$3.36	\$9.29	\$35,224	2.2	642	938	8.3
2016	233,591	1,729	230.0	94.6	745	\$3.56	\$9.75	\$35,865	2.2	644	955	8.0
2017	235,634	1,734	231.5	95.4	775	\$3.76	\$10.23	\$36,491	2.2	645	976	7.9
2018	237,694	1,763	233.2	96.1	813	\$3.95	\$10.74	\$37,150	2.2	646	1,000	7.7
2019	239,769	1,795	235.0	96.9	854	\$4.15	\$11.26	\$37,791	2.2	647	1,020	7.5
2020	241,837	1,808	236.9	97.8	875	\$4.36	\$11.78	\$38,408	2.1	648	1,054	7.4
2021	243,895	1,824	238.9	98.7	887	\$4.58	\$12.36	\$38,975	2.5	648	1,084	7.3
2022	245,929	1,828	241.0	99.5	880	\$4.79	\$12.98	\$39,557	2.6	649	1,113	7.2
2023	247,935	1,829	243.2	100.4	855	\$5.00	\$13.63	\$40,165	2.5	650	1,141	7.1
2024	249,903	1,824	245.5	101.2	837	\$5.22	\$14.30	\$40,833	2.4	650	1,172	6.9
2025	251,818	1,805	247.8	102.1	824	\$5.47	\$15.01	\$41,517	2.5	651	1,204	6.8
2026	253,668	1,780	250.1	102.9	811	\$5.72	\$15.74	\$42,167	2.5	652	1,238	6.7
2027	255,453	1,755	252.4	103.7	795	\$5.97	\$16.50	\$42,781	2.6	653	1,275	6.7
2028	257,176	1,735	254.8	104.5	767	\$6.25	\$17.30	\$43,351	2.8	653	1,312	6.6
2029	258,881	1,758	257.1	105.2	832	\$6.53	\$18.10	\$43,878	2.7	654	1,351	6.5
2030	260,529	1,743	259.4	106.1	833	\$6.82	\$18.92	\$44,367	2.7	655	1,391	6.4
2031	262,143	1,747	261.8	106.9	872	\$7.12	\$19.75	\$44,831	2.7	656	1,432	6.3
2032	263,717	1,744	264.1	107.7	894	\$7.43	\$20.60	\$45,265	2.7	657	1,474	6.3
2033	265,239	1,728	266.4	108.6	891	\$7.75	\$21.47	\$45,693	2.7	658	1,517	6.3
2034	266,708	1,710	268.7	109.5	886	\$8.09	\$22.38	\$46,130	2.7	659	1,561	6.4
2035	268,109	1,674	270.9	110.4	854	\$8.45	\$23.32	\$46,579	2.7	660	1,607	6.4

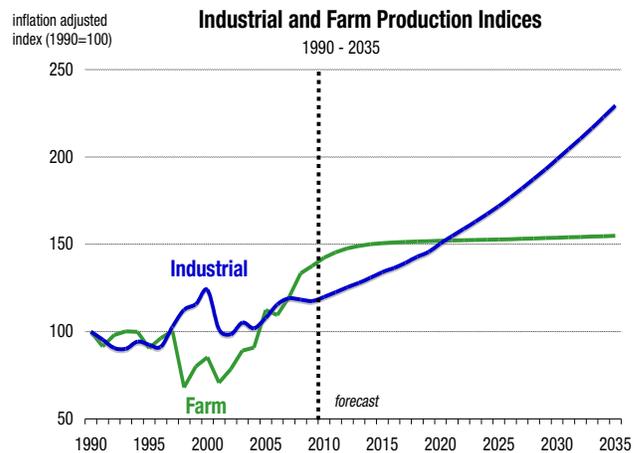
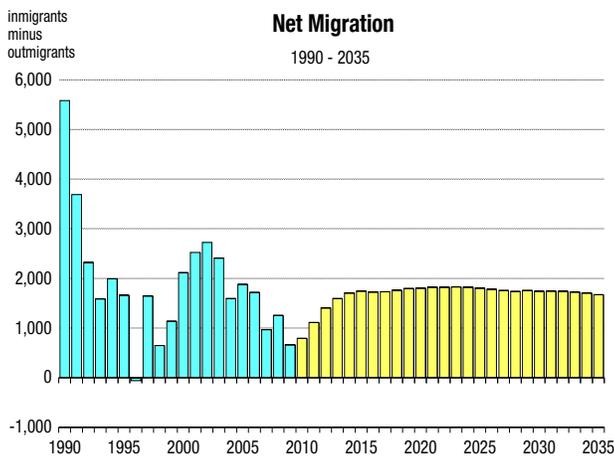
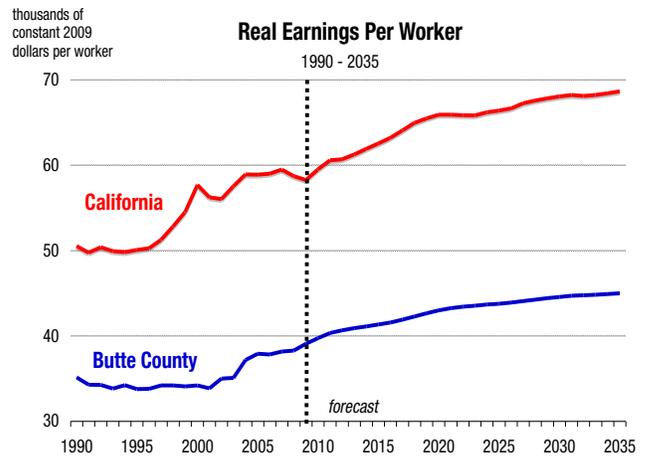
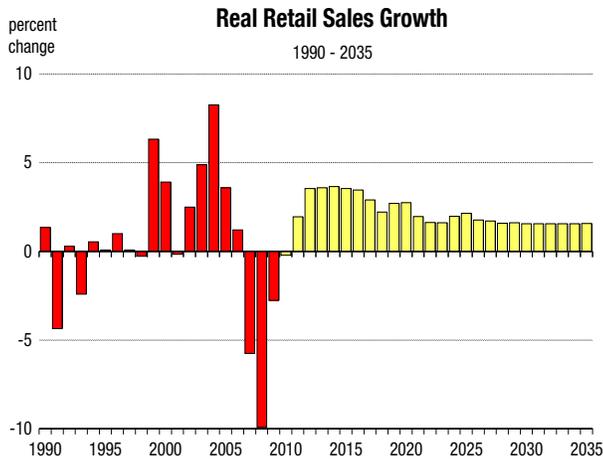


Butte County Employment Forecast

2002-2009 History, 2010-2035 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)-----												
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	2.50	4.2	4.0	1.9	12.5	4.2	5.8	1.3	12.9	7.7	17.5
2007	78.9	2.58	3.8	4.2	2.0	12.3	4.2	5.5	1.2	13.0	8.0	18.5
2008	77.8	2.79	3.3	4.1	1.9	11.8	4.4	5.4	1.2	13.4	7.9	18.2
2009	75.3	2.77	2.9	3.9	1.8	11.2	4.3	5.0	1.1	13.5	7.5	17.9
2010	75.1	2.82	2.9	3.9	1.8	11.3	4.2	5.1	1.1	13.6	7.5	17.4
2011	75.8	2.84	3.0	3.9	1.8	11.4	4.3	5.4	1.1	13.7	7.5	17.0
2012	77.1	2.86	3.2	3.9	1.9	11.6	4.4	5.7	1.1	13.9	7.6	17.3
2013	78.2	2.87	3.3	3.9	1.9	11.8	4.4	5.8	1.1	14.1	7.7	17.5
2014	79.3	2.87	3.3	3.9	1.9	12.0	4.4	6.1	1.1	14.3	7.8	17.7
2015	80.4	2.88	3.3	3.9	1.9	12.2	4.5	6.3	1.1	14.5	7.9	17.8
2016	81.3	2.88	3.3	4.0	1.9	12.4	4.5	6.4	1.1	14.7	8.0	17.9
2017	82.2	2.88	3.4	4.0	1.9	12.6	4.6	6.6	1.1	14.8	8.1	18.0
2018	83.2	2.88	3.4	4.0	1.9	12.7	4.6	6.8	1.1	15.0	8.1	18.2
2019	84.3	2.88	3.4	4.0	2.0	12.8	4.6	7.0	1.1	15.2	8.2	18.5
2020	85.3	2.89	3.5	4.0	2.0	13.0	4.6	7.2	1.1	15.5	8.3	18.8
2021	86.4	2.89	3.5	4.0	2.0	13.1	4.6	7.4	1.1	15.7	8.4	19.0
2022	87.6	2.89	3.5	4.0	2.0	13.3	4.6	7.6	1.1	16.0	8.5	19.2
2023	88.8	2.89	3.5	4.0	2.0	13.4	4.6	7.8	1.1	16.3	8.5	19.4
2024	90.0	2.89	3.5	4.1	2.0	13.6	4.6	8.0	1.2	16.7	8.6	19.6
2025	91.1	2.89	3.6	4.1	2.0	13.8	4.7	8.2	1.2	17.0	8.7	19.8
2026	92.2	2.89	3.6	4.1	2.1	13.9	4.7	8.4	1.2	17.3	8.7	20.0
2027	93.3	2.89	3.6	4.1	2.1	14.1	4.8	8.5	1.2	17.5	8.8	20.2
2028	94.4	2.89	3.6	4.1	2.1	14.2	4.9	8.7	1.2	17.8	8.9	20.3
2029	95.5	2.90	3.7	4.1	2.1	14.3	4.9	8.8	1.2	18.1	9.0	20.5
2030	96.6	2.90	3.7	4.2	2.1	14.5	5.0	9.0	1.2	18.3	9.0	20.7
2031	97.6	2.90	3.8	4.2	2.1	14.6	5.0	9.1	1.2	18.6	9.1	20.9
2032	98.7	2.90	3.8	4.2	2.1	14.7	5.1	9.3	1.2	18.8	9.2	21.0
2033	99.7	2.90	3.9	4.2	2.1	14.9	5.1	9.4	1.2	19.1	9.2	21.2
2034	100.8	2.90	3.9	4.2	2.1	15.0	5.2	9.5	1.2	19.4	9.3	21.4
2035	101.8	2.90	3.9	4.2	2.1	15.2	5.2	9.7	1.2	19.6	9.4	21.6





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

Expected retail sales growth:	17.4%
Expected job growth:	7.1%
Fastest growing jobs sector:	Professional Business Services
Expected personal income growth:	14.6%

Expected population growth:	4.1%
Net migration to account for:	91.4%
Expected growth in number of vehicles:	1.6%

Demographics (2009)

Unemployment rate (December)	13.4%
County Rank* in California (58 counties):	27th
Working age (16-64) population:	67.0%

Population with B.A. Degree or higher:	22.3%
Median Home Selling Price:	\$209,598
Median Household Income:	\$41,022

Quality of Life

Violent Crime rate (2008):	381 per 100,000 persons
County Rank* in California (58 counties):	24th
Average Commute Time to work (2009):	22.0 minutes

High School drop out rate (2008):	15.0%
Households at/below poverty line:	12.5%

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