

TEHAMA COUNTY ECONOMIC FORECAST

Tehama County is located in Northern California halfway between the Oregon border and Sacramento. The largest city is Red Bluff. Tehama County has a population of 62,941 people and 16,725 wage and salary jobs. The per capita income in Tehama County is \$26,044, and the average salary per worker is \$37,955.

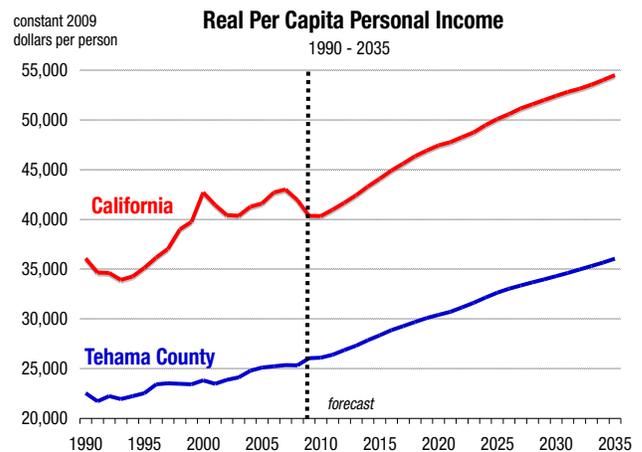
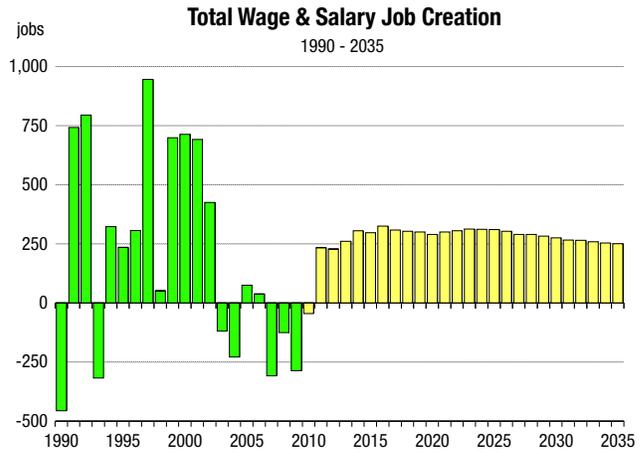
In 2009, 286 total wage and salary jobs were lost in Tehama County, representing a decline in employment of 1.7 percent. Non-farm employment created fell by 237 jobs, a 1.5 percent decrease. The unemployment rate rose to 14.1 percent in 2009.

During 2009 the construction, mining, information, and financial activities sectors all created jobs. Combined this only amounted to 25 total jobs created however. The largest employment loss came in the manufacturing sector, which shed 120 jobs. The farm and professional services sectors also had significant job loss. The government sector represents 27 percent of all employment in Tehama County, and had almost no job loss during 2009. Employment in the farm sector declined by 3.9 percent in 2009.

The population grew at a 0.6 percent rate in Tehama County in 2009. The fastest growing city in the county was Corning, where population increased 2.7 percent between January 2008 and January 2009. Net migration was positive last year, with an estimated total of 156 migrants entering the county.

FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to remain negative in 2010, at -0.3 percent. From 2010 to 2015, total employment growth increases to an average of 1.5 percent per year. Over that same period, non-farm growth averages 1.6 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 0.6 percent per year from 2010 to 2015.
- Between 2010 and 2015, the principle job creation occurs in government, transportation, retail trade, and professional services. These sectors account for 74 percent of all job creation in the county during this time period.
- Annual population growth in the 2010 to 2015 period averages 0.9 percent per year.
- Net migration is expected to stay positive in 2010, at approximately 170 in-migrants. Over the next five years net migration is forecast to average 380 net migrants entering the county per year. Net migration represents the primary reason for positive population growth over the next five years,



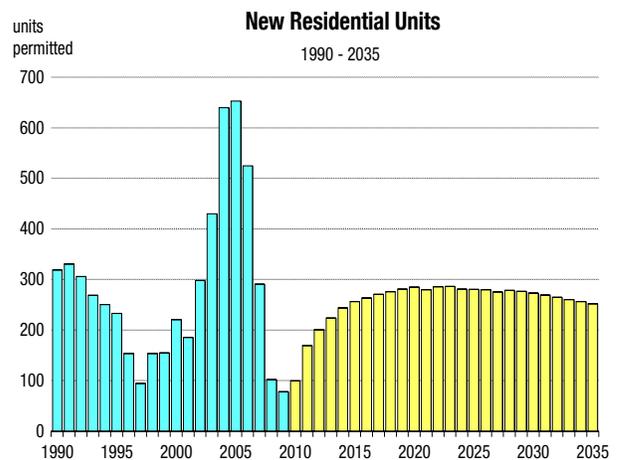
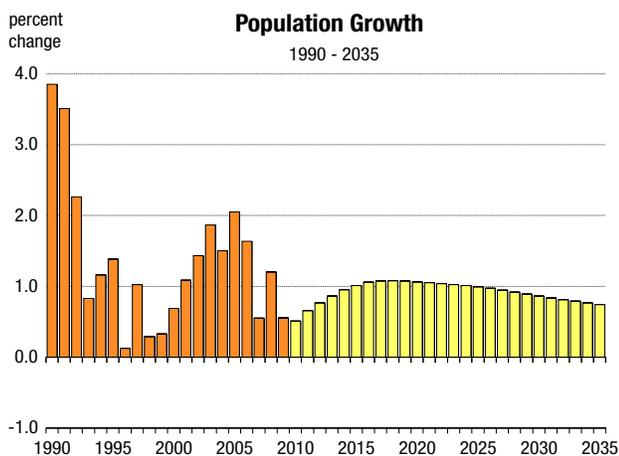
representing 69 percent of total population growth between 2010 and 2015.

- Real per capita income is forecast to increase 0.2 percent in 2010. Over the next five years real per capita incomes are expected to average 1.7 percent growth per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 1.0 percent in 2010. Over the next five years real taxable sales growth is expected to accelerate, averaging 3.5 percent per year.
- Industrial production is forecast to increase 1.5 percent in 2010. Over the next five years the growth rate of industrial production will average 3.0 percent per year. Total crop production, adjusted for inflation, is expected to increase 0.2 percent per year between 2010 and 2015. The principle crop in the county is walnuts.

Tehama 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 | 57,351 | 721 | 61.2 | 21.4 | 298 | \$0.51 | \$1.18 | \$23,858 | 1.6 | 147.1 | 504.3 | 7.2 |
| 2003 | 58,422 | 971 | 61.1 | 21.7 | 430 | \$0.57 | \$1.23 | \$24,121 | 1.8 | 143.0 | 532.0 | 7.7 |
| 2004 | 59,300 | 750 | 65.6 | 22.0 | 640 | \$0.60 | \$1.30 | \$24,785 | 1.2 | 156.3 | 534.1 | 7.4 |
| 2005 | 60,518 | 1,024 | 66.7 | 22.4 | 653 | \$0.68 | \$1.37 | \$25,102 | 2.0 | 191.1 | 562.0 | 6.9 |
| 2006 | 61,508 | 750 | 68.5 | 23.1 | 525 | \$0.75 | \$1.45 | \$25,236 | 3.2 | 174.3 | 586.2 | 6.5 |
| 2007 | 61,848 | 185 | 68.5 | 23.8 | 291 | \$0.73 | \$1.51 | \$25,351 | 3.4 | 198.0 | 564.3 | 7.2 |
| 2008 | 62,593 | 553 | 68.4 | 24.3 | 102 | \$0.68 | \$1.57 | \$25,324 | 3.0 | 160.4 | 599.8 | 9.1 |
| 2009 | 62,941 | 156 | 67.8 | 24.6 | 78 | \$0.66 | \$1.64 | \$26,044 | 0.8 | 165.5 | 587.8 | 14.1 |
| 2010 | 63,262 | 173 | 68.5 | 24.8 | 100 | \$0.68 | \$1.68 | \$26,087 | 2.1 | 172.4 | 596.5 | 14.1 |
| 2011 | 63,680 | 263 | 69.2 | 24.9 | 170 | \$0.71 | \$1.76 | \$26,382 | 2.4 | 175.9 | 605.5 | 12.7 |
| 2012 | 64,171 | 327 | 70.1 | 25.0 | 201 | \$0.75 | \$1.84 | \$26,859 | 2.1 | 176.9 | 626.4 | 11.0 |
| 2013 | 64,727 | 385 | 70.9 | 25.2 | 224 | \$0.80 | \$1.93 | \$27,317 | 2.2 | 176.8 | 646.6 | 10.0 |
| 2014 | 65,346 | 440 | 71.8 | 25.4 | 244 | \$0.85 | \$2.03 | \$27,844 | 2.2 | 176.4 | 666.6 | 9.0 |
| 2015 | 66,008 | 476 | 72.9 | 25.7 | 257 | \$0.91 | \$2.13 | \$28,343 | 2.2 | 174.4 | 691.2 | 8.4 |
| 2016 | 66,707 | 506 | 73.9 | 25.9 | 263 | \$0.96 | \$2.24 | \$28,864 | 2.2 | 174.8 | 717.6 | 8.1 |
| 2017 | 67,425 | 519 | 74.9 | 26.2 | 271 | \$1.02 | \$2.35 | \$29,252 | 2.2 | 174.5 | 745.4 | 8.0 |
| 2018 | 68,154 | 524 | 75.8 | 26.4 | 276 | \$1.08 | \$2.46 | \$29,686 | 2.2 | 174.2 | 774.1 | 8.0 |
| 2019 | 68,889 | 522 | 76.7 | 26.7 | 281 | \$1.13 | \$2.57 | \$30,071 | 2.2 | 174.2 | 803.7 | 8.0 |
| 2020 | 69,622 | 517 | 77.6 | 26.9 | 285 | \$1.19 | \$2.68 | \$30,406 | 2.1 | 171.8 | 838.8 | 8.1 |
| 2021 | 70,355 | 515 | 78.4 | 27.2 | 280 | \$1.25 | \$2.81 | \$30,696 | 2.5 | 168.3 | 872.9 | 8.1 |
| 2022 | 71,085 | 514 | 79.0 | 27.5 | 286 | \$1.32 | \$2.95 | \$31,141 | 2.6 | 167.4 | 906.7 | 8.1 |
| 2023 | 71,815 | 517 | 79.5 | 27.7 | 287 | \$1.38 | \$3.11 | \$31,615 | 2.5 | 166.2 | 942.3 | 8.1 |
| 2024 | 72,543 | 519 | 80.1 | 28.0 | 281 | \$1.45 | \$3.27 | \$32,126 | 2.4 | 165.5 | 981.6 | 8.1 |
| 2025 | 73,265 | 519 | 80.6 | 28.3 | 280 | \$1.52 | \$3.43 | \$32,633 | 2.5 | 164.2 | 1023.0 | 8.0 |
| 2026 | 73,980 | 516 | 81.1 | 28.5 | 280 | \$1.60 | \$3.60 | \$33,020 | 2.5 | 162.4 | 1067.1 | 7.9 |
| 2027 | 74,682 | 511 | 81.6 | 28.8 | 276 | \$1.68 | \$3.76 | \$33,359 | 2.6 | 159.8 | 1114.6 | 7.7 |
| 2028 | 75,369 | 507 | 82.0 | 29.0 | 279 | \$1.75 | \$3.94 | \$33,664 | 2.8 | 157.5 | 1162.8 | 7.4 |
| 2029 | 76,041 | 501 | 82.5 | 29.3 | 277 | \$1.84 | \$4.12 | \$33,981 | 2.7 | 154.9 | 1212.8 | 7.1 |
| 2030 | 76,698 | 492 | 82.9 | 29.6 | 273 | \$1.92 | \$4.31 | \$34,300 | 2.7 | 150.8 | 1264.7 | 6.7 |
| 2031 | 77,342 | 482 | 83.5 | 29.8 | 269 | \$2.01 | \$4.50 | \$34,621 | 2.7 | 146.8 | 1319.1 | 6.3 |
| 2032 | 77,972 | 472 | 84.0 | 30.1 | 265 | \$2.10 | \$4.70 | \$34,969 | 2.7 | 145.9 | 1375.2 | 5.9 |
| 2033 | 78,590 | 462 | 84.6 | 30.3 | 261 | \$2.20 | \$4.91 | \$35,301 | 2.7 | 144.5 | 1432.5 | 5.6 |
| 2034 | 79,194 | 452 | 85.1 | 30.6 | 256 | \$2.30 | \$5.14 | \$35,661 | 2.7 | 142.8 | 1491.3 | 5.3 |
| 2035 | 79,784 | 443 | 85.6 | 30.8 | 252 | \$2.40 | \$5.37 | \$36,058 | 2.7 | 140.0 | 1551.6 | 4.9 |

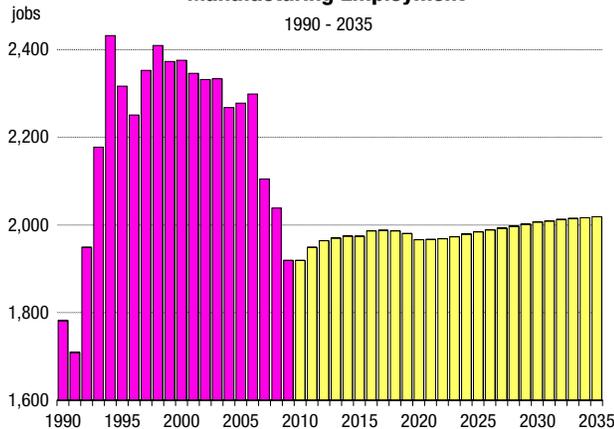


Tehama County Employment Forecast

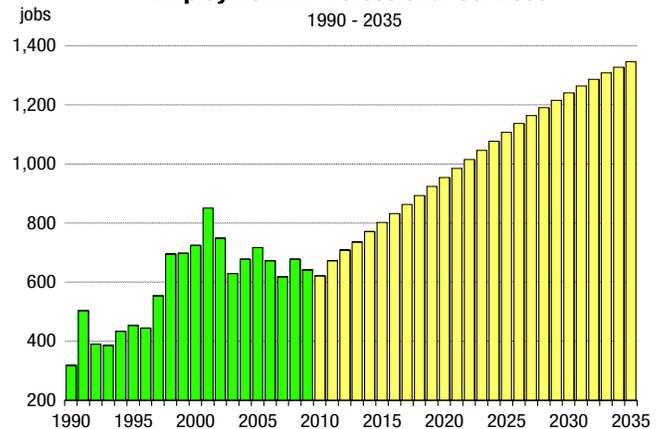
2002-2009 History, 2010-2035 Forecast

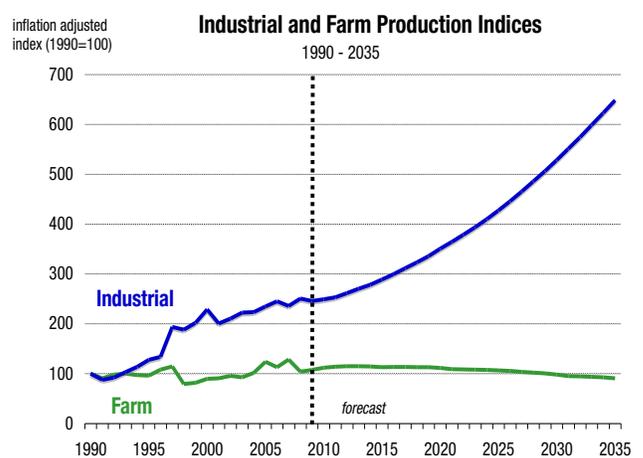
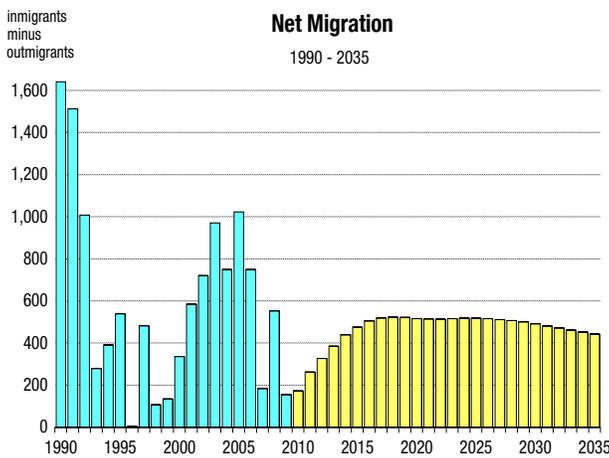
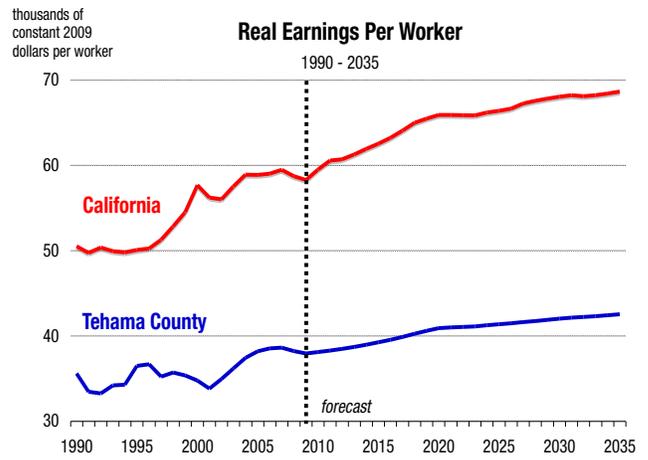
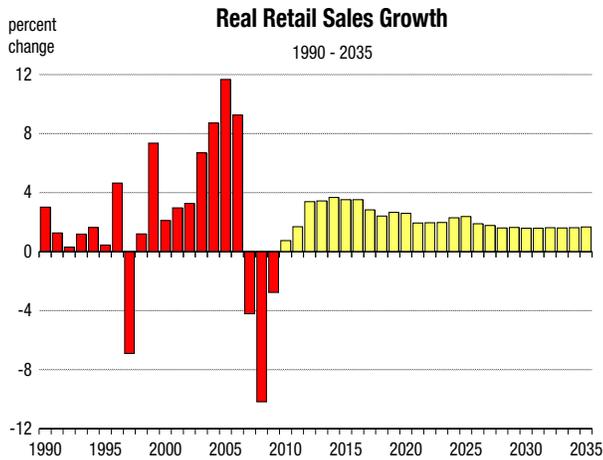
| | Total Wage & Salary | Farm | Construction | Manufacturing | Transportation & Utilities | Wholesale & Retail Trade | Financial Activities | Professional Services | Information | Health & Education | Leisure | Government |
|--|---------------------|------|--------------|---------------|----------------------------|--------------------------|----------------------|-----------------------|-------------|--------------------|---------|------------|
| -----employment (thousands of jobs)----- | | | | | | | | | | | | |
| 2002 | 17.7 | 1.30 | 0.58 | 2.33 | 1.73 | 2.21 | 0.66 | 0.75 | 0.10 | 1.94 | 1.24 | 4.27 |
| 2003 | 17.6 | 1.21 | 0.58 | 2.33 | 1.76 | 2.29 | 0.64 | 0.63 | 0.10 | 1.86 | 1.18 | 4.42 |
| 2004 | 17.3 | 1.29 | 0.65 | 2.27 | 1.64 | 2.36 | 0.46 | 0.68 | 0.12 | 1.80 | 1.19 | 4.30 |
| 2005 | 17.4 | 1.18 | 0.68 | 2.28 | 1.63 | 2.48 | 0.48 | 0.72 | 0.12 | 1.79 | 1.19 | 4.24 |
| 2006 | 17.4 | 1.17 | 0.73 | 2.30 | 1.60 | 2.47 | 0.45 | 0.67 | 0.11 | 1.85 | 1.25 | 4.25 |
| 2007 | 17.1 | 1.22 | 0.65 | 2.11 | 1.57 | 2.48 | 0.45 | 0.62 | 0.08 | 1.85 | 1.25 | 4.29 |
| 2008 | 17.0 | 1.27 | 0.53 | 2.04 | 1.41 | 2.32 | 0.43 | 0.68 | 0.08 | 1.88 | 1.31 | 4.45 |
| 2009 | 16.7 | 1.22 | 0.55 | 1.92 | 1.41 | 2.29 | 0.43 | 0.64 | 0.08 | 1.86 | 1.29 | 4.44 |
| 2010 | 16.7 | 1.23 | 0.56 | 1.92 | 1.43 | 2.30 | 0.42 | 0.62 | 0.08 | 1.85 | 1.32 | 4.35 |
| 2011 | 16.9 | 1.25 | 0.59 | 1.95 | 1.45 | 2.31 | 0.42 | 0.67 | 0.08 | 1.85 | 1.34 | 4.40 |
| 2012 | 17.1 | 1.25 | 0.60 | 1.96 | 1.49 | 2.35 | 0.44 | 0.71 | 0.08 | 1.85 | 1.35 | 4.45 |
| 2013 | 17.4 | 1.26 | 0.62 | 1.97 | 1.53 | 2.40 | 0.44 | 0.74 | 0.08 | 1.86 | 1.36 | 4.54 |
| 2014 | 17.7 | 1.26 | 0.62 | 1.98 | 1.59 | 2.44 | 0.45 | 0.77 | 0.08 | 1.87 | 1.37 | 4.66 |
| 2015 | 18.0 | 1.27 | 0.63 | 1.97 | 1.66 | 2.49 | 0.45 | 0.80 | 0.08 | 1.90 | 1.37 | 4.76 |
| 2016 | 18.3 | 1.27 | 0.63 | 1.99 | 1.74 | 2.54 | 0.46 | 0.83 | 0.07 | 1.94 | 1.38 | 4.87 |
| 2017 | 18.6 | 1.27 | 0.63 | 1.99 | 1.82 | 2.58 | 0.46 | 0.86 | 0.07 | 1.98 | 1.38 | 4.98 |
| 2018 | 18.9 | 1.27 | 0.63 | 1.99 | 1.91 | 2.61 | 0.46 | 0.89 | 0.07 | 2.03 | 1.38 | 5.08 |
| 2019 | 19.2 | 1.27 | 0.63 | 1.98 | 2.00 | 2.65 | 0.46 | 0.92 | 0.07 | 2.09 | 1.38 | 5.17 |
| 2020 | 19.5 | 1.26 | 0.63 | 1.97 | 2.10 | 2.68 | 0.46 | 0.95 | 0.07 | 2.16 | 1.38 | 5.25 |
| 2021 | 19.8 | 1.26 | 0.62 | 1.97 | 2.20 | 2.72 | 0.47 | 0.99 | 0.07 | 2.23 | 1.38 | 5.32 |
| 2022 | 20.1 | 1.26 | 0.62 | 1.97 | 2.31 | 2.75 | 0.47 | 1.02 | 0.07 | 2.30 | 1.38 | 5.40 |
| 2023 | 20.5 | 1.25 | 0.62 | 1.97 | 2.41 | 2.79 | 0.47 | 1.05 | 0.07 | 2.37 | 1.38 | 5.47 |
| 2024 | 20.8 | 1.25 | 0.61 | 1.98 | 2.52 | 2.83 | 0.47 | 1.08 | 0.07 | 2.44 | 1.38 | 5.53 |
| 2025 | 21.1 | 1.25 | 0.61 | 1.98 | 2.62 | 2.87 | 0.48 | 1.11 | 0.07 | 2.51 | 1.38 | 5.60 |
| 2026 | 21.4 | 1.24 | 0.61 | 1.99 | 2.73 | 2.90 | 0.48 | 1.14 | 0.07 | 2.57 | 1.38 | 5.67 |
| 2027 | 21.7 | 1.24 | 0.61 | 1.99 | 2.84 | 2.94 | 0.48 | 1.16 | 0.07 | 2.62 | 1.38 | 5.74 |
| 2028 | 22.0 | 1.23 | 0.62 | 2.00 | 2.94 | 2.97 | 0.48 | 1.19 | 0.07 | 2.67 | 1.37 | 5.80 |
| 2029 | 22.2 | 1.23 | 0.63 | 2.00 | 3.05 | 3.00 | 0.48 | 1.22 | 0.07 | 2.72 | 1.37 | 5.87 |
| 2030 | 22.5 | 1.22 | 0.64 | 2.01 | 3.15 | 3.03 | 0.49 | 1.24 | 0.07 | 2.76 | 1.37 | 5.94 |
| 2031 | 22.8 | 1.21 | 0.65 | 2.01 | 3.25 | 3.07 | 0.49 | 1.26 | 0.07 | 2.79 | 1.37 | 6.01 |
| 2032 | 23.1 | 1.21 | 0.66 | 2.01 | 3.35 | 3.10 | 0.49 | 1.29 | 0.07 | 2.83 | 1.37 | 6.07 |
| 2033 | 23.3 | 1.20 | 0.67 | 2.01 | 3.45 | 3.13 | 0.50 | 1.31 | 0.07 | 2.86 | 1.36 | 6.14 |
| 2034 | 23.6 | 1.20 | 0.68 | 2.02 | 3.55 | 3.17 | 0.50 | 1.33 | 0.07 | 2.89 | 1.36 | 6.21 |
| 2035 | 23.8 | 1.19 | 0.69 | 2.02 | 3.64 | 3.20 | 0.50 | 1.35 | 0.07 | 2.91 | 1.36 | 6.28 |

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2010-2015)

| | |
|----------------------------------|--------------------------------|
| Expected retail sales growth: | 16.8% |
| Expected job growth: | 8.0% |
| Fastest growing jobs sector: | Professional Business Services |
| Expected personal income growth: | 13.4% |

| | |
|--|-------|
| Expected population growth: | 4.3% |
| Net migration to account for: | 68.9% |
| Expected growth in number of vehicles: | 6.4% |

Demographics (2009)

| | |
|---|-------|
| Unemployment rate (December) | 15.1% |
| County Rank* in California (58 counties): | 36th |
| Working age (16-64) population: | 64.2% |

| | |
|--|-----------|
| Population with B.A. Degree or higher: | 11.5% |
| Median Home Selling Price: | \$147,854 |
| Median Household Income: | \$41,696 |

Quality of Life

| | |
|---|-------------------------|
| Violent Crime rate (2008): | 632 per 100,000 persons |
| County Rank* in California (58 counties): | 50th |
| Average Commute Time to work (2009): | 24.2 minutes |

| | |
|-----------------------------------|-------|
| High School drop out rate (2008): | 21.0% |
| Households at/below poverty line: | 13.6% |

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