

# BUTTE COUNTY ECONOMIC FORECAST

In California, there are 14 counties north of the Bay Area and the Sacramento Valley. Of these, Butte County is the largest in terms of population. It is home to Chico State, the second oldest college in the California State University system. Butte County has a population of 220,570 people and 69,958 wage and salary jobs. The per capita income in Butte County is \$33,425, and the average salary per worker is \$40,500.

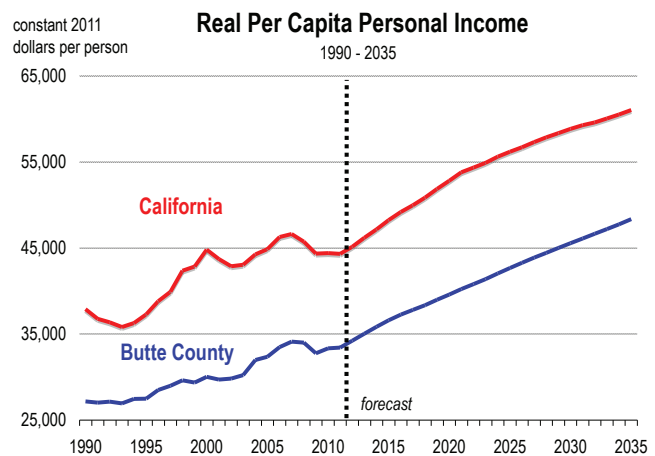
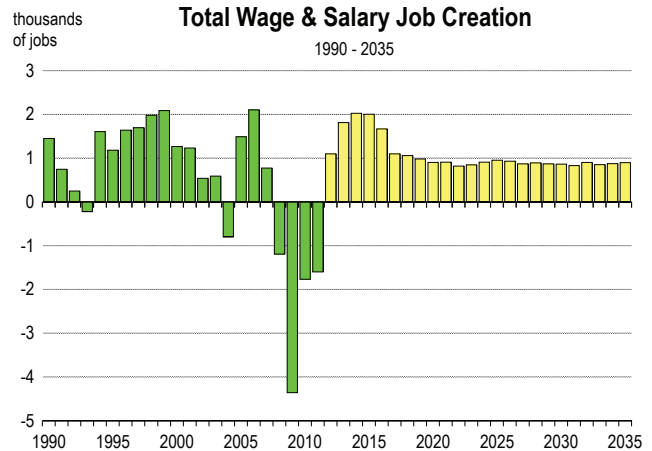
In 2011, 1,600 total wage and salary jobs were lost in Butte County, representing a decline of 2.2 percent. The unemployment rate, however, improved moderately, dropping from 14.4 to 13.8 percent.

During 2011, most industries were characterized by declining employment. The largest losses occurred in the public sector (-1,240 jobs), retail trade (-230 jobs), education and healthcare (-180 jobs), and agriculture (-180 jobs). The only industries to add new positions were professional services (+280 jobs), "miscellaneous services" (+150 jobs) manufacturing (+100 jobs), and wholesale trade (+10 jobs). Since 2007, the public sector has shed more than 2,800 positions, representing 32 percent of total jobs lost in the county over this period.

The population of Butte County grew at an annual rate of 0.5 percent between 2006 and 2011. This growth was largely due to net migration. On average, the county gained 900 net residents each year through the migration process, compared to only 250 residents through the natural increase (new births). Because of an aging population, the natural increase will slow, but as the economy continues to heal over the next few years, net migration will accelerate.

## FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to be 1.6 percent in 2012. Between 2012 and 2017, total growth will average 2.2 percent per year.
- 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 0.7 percent per year from 2012 to 2017.
- Between 2012 and 2017, the momentum for employment growth will be in professional services, retail trade, leisure and hospitality, and the public sector. Together, these sectors are expected to account for 53 percent of all jobs created in the county.

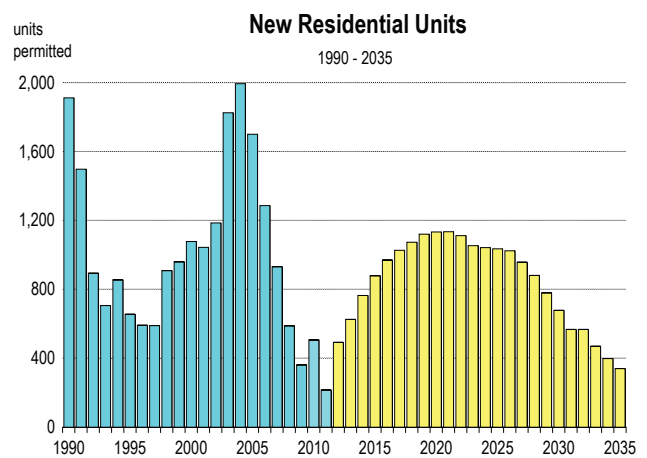
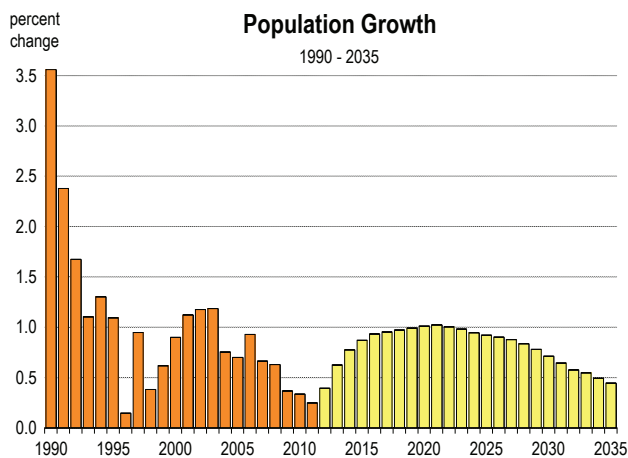


- The population of Butte County will continue to grow at a modest rate. Annual growth in the 2012 to 2017 period is expected to average 0.8 percent.
- Net migration is forecast to rise over the next five years. Between 2012 and 2017, net migration will average 1,500 individuals per year.
- Real per capita income is forecast to increase by 2.4 percent in 2012. Over the 2012 to 2017 period, real per capita income growth is expected to average 2.1 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise by 3.5 percent per year between 2012 and 2017.
- Industrial production is forecast to increase by 3.0 percent in 2012. From 2012 to 2017, the growth rate of industrial production will remain stable, averaging 3.1 percent per year.

# Butte County Economic Forecast

## 2006-2011 History, 2012-2040 Forecast

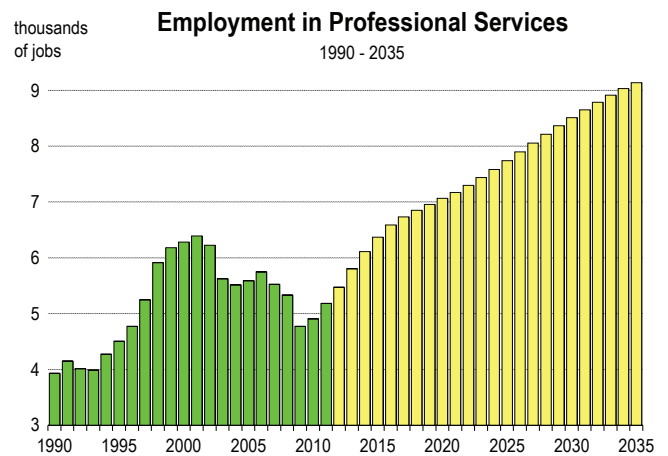
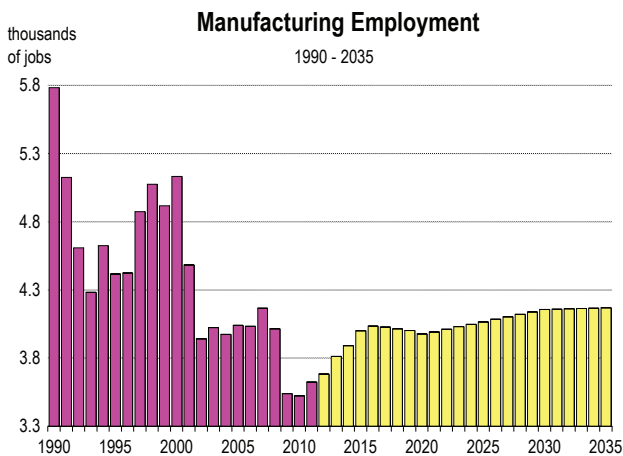
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	215,684	1,713	227.8	85.3	1,286	\$2.83	\$6.48	\$33,490	3.2	484	908	6.2
2007	217,115	1,153	223.9	86.4	932	\$2.78	\$6.87	\$34,126	3.4	529	941	6.8
2008	218,485	1,102	225.9	87.3	589	\$2.68	\$7.09	\$33,984	3.0	590	966	8.6
2009	219,287	542	225.5	87.4	362	\$2.35	\$6.92	\$32,754	0.8	560	892	13.0
2010	220,024	458	225.4	87.5	507	\$2.46	\$7.16	\$33,325	1.3	633	914	14.4
2011	220,570	546	223.4	87.9	216	\$2.57	\$7.37	\$33,425	2.5	630	944	13.8
2012	221,442	654	222.7	88.9	493	\$2.70	\$7.73	\$34,226	1.9	649	972	13.0
2013	222,826	1,174	223.0	89.3	625	\$2.86	\$8.12	\$35,028	2.1	657	1,005	11.8
2014	224,556	1,524	224.1	89.9	765	\$3.02	\$8.55	\$35,842	2.1	663	1,035	10.4
2015	226,511	1,753	225.8	90.7	880	\$3.19	\$8.97	\$36,600	1.8	660	1,071	9.2
2016	228,627	1,915	227.9	91.5	970	\$3.36	\$9.38	\$37,269	1.7	672	1,100	8.3
2017	230,807	1,981	230.1	92.5	1,028	\$3.53	\$9.77	\$37,798	1.7	680	1,131	7.7
2018	233,055	2,055	232.3	93.5	1,074	\$3.69	\$10.18	\$38,357	1.7	689	1,162	7.3
2019	235,365	2,127	234.5	94.5	1,121	\$3.85	\$10.60	\$38,973	1.5	700	1,193	6.9
2020	237,750	2,215	236.6	95.6	1,133	\$4.02	\$11.03	\$39,596	1.4	694	1,224	6.6
2021	240,184	2,284	238.7	96.7	1,134	\$4.18	\$11.48	\$40,234	1.3	686	1,254	6.6
2022	242,595	2,278	240.7	97.8	1,112	\$4.33	\$11.93	\$40,807	1.5	700	1,287	6.5
2023	244,979	2,267	242.7	98.9	1,053	\$4.50	\$12.40	\$41,383	1.5	711	1,322	6.5
2024	247,298	2,214	244.6	99.9	1,043	\$4.68	\$12.92	\$42,032	1.6	726	1,360	6.5
2025	249,580	2,190	246.6	100.9	1,035	\$4.88	\$13.47	\$42,686	1.7	737	1,399	6.5
2026	251,831	2,171	248.6	101.9	1,024	\$5.08	\$14.01	\$43,298	1.7	743	1,440	6.4
2027	254,045	2,146	250.5	102.9	957	\$5.29	\$14.57	\$43,881	1.7	746	1,482	6.4
2028	256,168	2,064	252.5	103.8	881	\$5.50	\$15.14	\$44,450	1.7	754	1,525	6.4
2029	258,171	1,950	254.4	104.6	780	\$5.73	\$15.71	\$45,004	1.7	760	1,570	6.3
2030	260,015	1,797	256.3	105.4	679	\$5.96	\$16.29	\$45,556	1.7	751	1,616	6.3
2031	261,690	1,633	258.2	106.1	568	\$6.20	\$16.87	\$46,104	1.7	743	1,659	6.3
2032	263,197	1,470	260.1	106.6	568	\$6.44	\$17.47	\$46,657	1.7	763	1,704	6.3
2033	264,641	1,411	261.9	107.2	469	\$6.69	\$18.07	\$47,199	1.7	780	1,750	6.2
2034	265,948	1,279	263.8	107.6	398	\$6.96	\$18.69	\$47,767	1.7	794	1,797	6.2
2035	267,132	1,161	265.7	108.0	341	\$7.23	\$19.34	\$48,374	1.7	797	1,846	6.2
2036	268,211	1,061	267.6	108.3	291	\$7.52	\$20.01	\$49,011	1.7	820	1,896	6.1
2037	269,196	971	269.5	108.6	250	\$7.82	\$20.72	\$49,676	1.7	831	1,947	6.1
2038	270,103	896	271.4	108.9	212	\$8.13	\$21.45	\$50,381	1.7	814	2,000	6.1
2039	270,933	825	273.4	109.1	175	\$8.46	\$22.20	\$51,123	1.7	828	2,055	6.1
2040	271,692	760	275.3	109.2	140	\$8.80	\$22.99	\$51,908	1.7	840	2,092	6.0

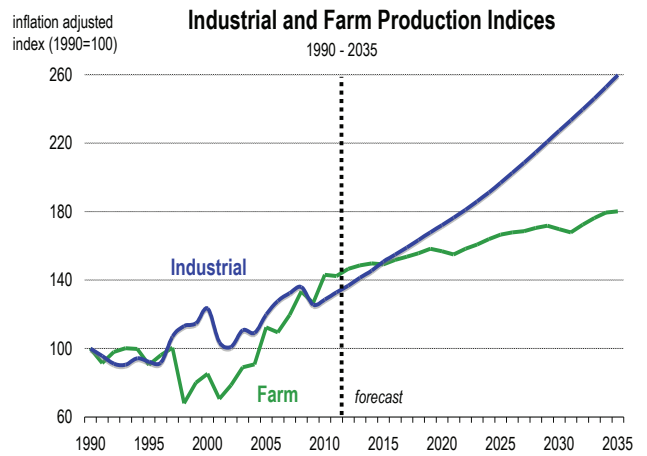
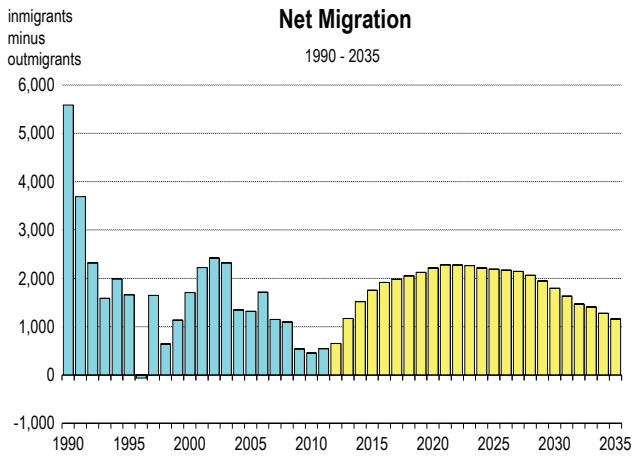
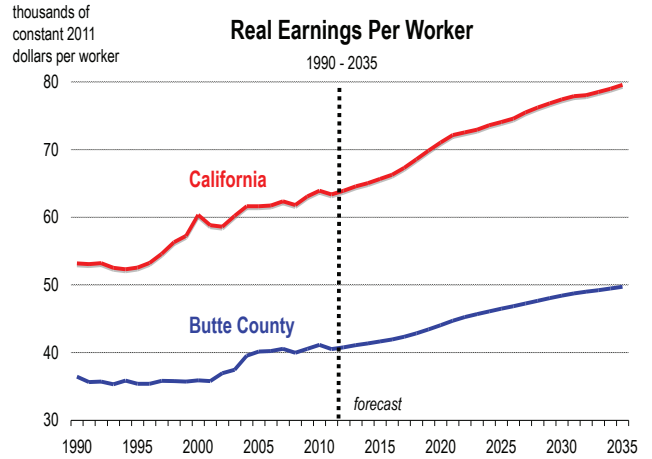
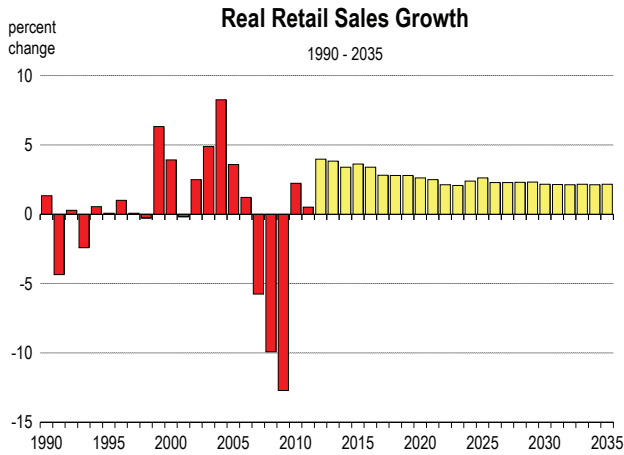


# Butte County Employment Forecast

## 2006-2011 History, 2012-2040 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	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	77.7	2.81	3.3	4.0	1.9	11.8	4.4	5.3	1.2	13.4	7.9	18.2
2009	73.3	2.70	2.6	3.5	1.8	11.1	4.4	4.8	1.1	13.3	7.3	17.3
2010	71.6	2.77	2.4	3.5	1.6	11.1	3.1	4.9	1.0	13.6	7.1	16.9
2011	70.0	2.59	2.4	3.6	1.6	10.9	3.0	5.2	1.0	13.4	7.0	15.7
2012	71.1	2.63	2.5	3.7	1.6	11.1	3.2	5.5	1.0	13.4	7.1	15.5
2013	72.9	2.66	2.6	3.8	1.6	11.5	3.3	5.8	1.0	13.4	7.3	15.7
2014	74.9	2.69	2.7	3.9	1.7	11.8	3.5	6.1	1.1	13.6	7.4	16.0
2015	76.9	2.71	2.8	4.0	1.7	12.2	3.6	6.4	1.1	13.8	7.7	16.4
2016	78.6	2.73	2.9	4.0	1.8	12.5	3.6	6.6	1.1	14.0	7.8	16.7
2017	79.7	2.75	3.0	4.0	1.8	12.7	3.7	6.7	1.1	14.2	8.0	16.7
2018	80.7	2.76	3.0	4.0	1.8	12.8	3.8	6.9	1.1	14.3	8.2	16.8
2019	81.7	2.77	3.1	4.0	1.8	13.0	3.8	7.0	1.1	14.5	8.3	16.9
2020	82.6	2.78	3.2	4.0	1.9	13.2	3.9	7.1	1.1	14.7	8.4	17.0
2021	83.5	2.79	3.2	4.0	1.9	13.3	3.9	7.2	1.1	14.9	8.5	17.1
2022	84.4	2.79	3.2	4.0	1.9	13.5	3.9	7.3	1.1	15.1	8.6	17.1
2023	85.2	2.80	3.2	4.0	2.0	13.7	3.9	7.4	1.1	15.3	8.7	17.2
2024	86.1	2.80	3.2	4.0	2.0	13.9	3.9	7.6	1.1	15.5	8.8	17.3
2025	87.1	2.81	3.2	4.1	2.0	14.1	3.9	7.7	1.1	15.7	8.9	17.4
2026	88.0	2.81	3.2	4.1	2.0	14.2	4.0	7.9	1.1	15.9	8.9	17.5
2027	88.9	2.81	3.2	4.1	2.1	14.4	4.0	8.1	1.1	16.1	9.0	17.6
2028	89.8	2.81	3.2	4.1	2.1	14.5	4.0	8.2	1.1	16.3	9.1	17.7
2029	90.6	2.81	3.1	4.1	2.1	14.7	4.1	8.4	1.1	16.6	9.2	17.8
2030	91.5	2.81	3.0	4.2	2.1	14.8	4.1	8.5	1.1	16.8	9.3	17.9
2031	92.3	2.82	3.0	4.2	2.1	15.0	4.1	8.7	1.1	17.0	9.3	18.0
2032	93.2	2.82	3.0	4.2	2.2	15.2	4.1	8.8	1.1	17.3	9.4	18.0
2033	94.1	2.82	2.9	4.2	2.2	15.3	4.1	8.9	1.2	17.5	9.5	18.1
2034	95.0	2.82	2.9	4.2	2.2	15.5	4.2	9.0	1.2	17.8	9.6	18.2
2035	95.9	2.82	2.9	4.2	2.2	15.6	4.2	9.1	1.2	18.1	9.7	18.3
2036	96.8	2.82	2.8	4.2	2.2	15.8	4.3	9.3	1.2	18.3	9.8	18.4
2037	97.7	2.82	2.8	4.2	2.2	16.0	4.3	9.4	1.2	18.6	9.9	18.5
2038	98.7	2.82	2.8	4.2	2.3	16.1	4.3	9.5	1.2	18.9	10.0	18.6
2039	99.6	2.82	2.8	4.2	2.3	16.3	4.4	9.6	1.2	19.1	10.0	18.7
2040	100.6	2.82	2.8	4.2	2.3	16.5	4.4	9.7	1.2	19.4	10.1	18.9





## County Economic and Demographic Indicators

### Projected Economic Growth (2012-2017)

Expected retail sales growth:	23.0 %
Expected job growth:	13.9 %
Fastest growing jobs sector:	Professional Business Services
Expected personal income growth:	18.3 %

Expected population growth:	4.6 %
Net migration to account for:	87.9 %
Expected growth in number of vehicles:	3.0 %

### Demographics (2012)

Unemployment rate (March 212)	13.8 %
County Rank* in California (58 counties):	30th
Working age (16-64) population:	66.2 %

Population with B.A. Degree or higher:	23.7 %
Median Home Selling Price (2011):	\$162,500
Median Household Income:	\$39,739

### Quality of Life

Violent Crime rate (2010):	342 per 100,000 persons
County Rank* in California (58 counties):	24th
Average Commute Time to work (2012):	21.9 minutes

High School drop out rate (2010):	15.4 %
Households at/below poverty line (2012):	11.9 %

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