

TEHAMA COUNTY ECONOMIC FORECAST

Tehama County is located in Northern California, halfway between Sacramento and the Oregon border. The largest city is Red Bluff, which has a population of 14,032. As a whole, Tehama County has a population of 63,798 people and 15,373 wage and salary jobs. The per capita income in Tehama County is \$27,454, and the average salary per worker is \$42,157.

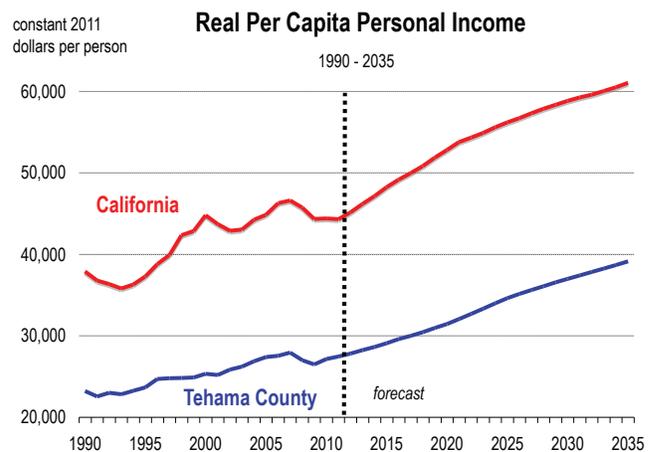
In 2011, 103 wage and salary jobs were lost in Tehama County, representing a decline of 0.7 percent. Non-farm employment fell by 74 jobs, whereas the farm sector declined by 29 jobs. Despite these losses, the unemployment rate improved moderately, falling from 15.6 to 15.0 percent.

Across the major employment sectors, results were mixed in 2011. The largest gains occurred in professional services (+70 jobs), leisure and hospitality (+35 jobs), and education and healthcare (+20 jobs). The largest losses, on the other hand, were observed in the public sector (-126 jobs), retail trade (-45 jobs), and agriculture (-29 jobs). The government sector, which represents 26 percent of all employment in Tehama County, is expected to continue to decline through 2012, but begin rising thereafter.

The population of Tehama County grew at an annual rate of 0.9 percent between 2006 and 2011. This was largely due to in-migration, as the county gained an average of 360 net migrants per year. In 2011, net migration was slightly negative – the first such occurrence on record. However, net migration should turn positive in 2012, and remain positive throughout the forecast period.

FORECAST HIGHLIGHTS

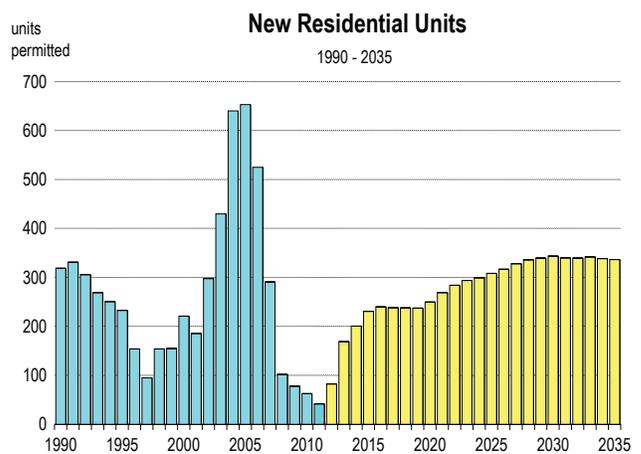
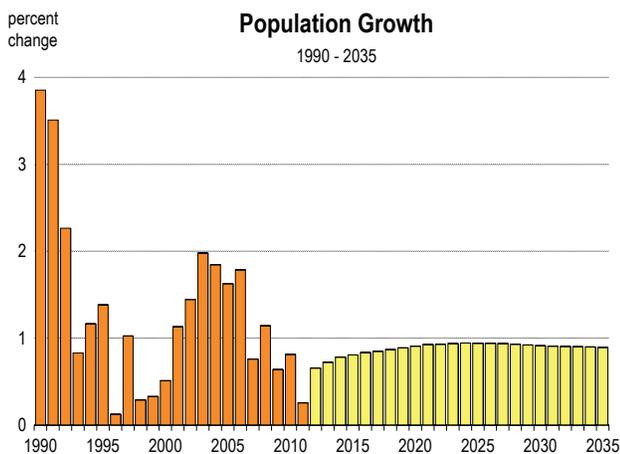
- Total wage and salary job growth is forecast to turn positive in 2012, as employment expands by 1.5 percent. From 2012 to 2017, total employment growth increases to an average of 2.0 percent per year. Over that same period, non-farm growth averages 2.1 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. Inflation-adjusted salaries are expected to rise by an average of 0.6 percent per year from 2012 to 2017.
- Between 2012 and 2017, the principal employment growth will occur in transportation and warehousing, retail trade, wholesale trade, professional services, healthcare and education, and government. Together, these sectors will account for 53 percent of all jobs created in the county.
- Annual population growth in the 2012 to 2017 period is expected to average 0.8 percent per year.
- Net migration is expected to turn positive in 2012, with approximately 300 net in-migrants. Between 2012 and 2017, the forecast calls for an average of 350 net in-migrants per year.
- Real per capita income is expected to increase by 1.4 percent in 2012. Over the next five years, real per capita income is projected to grow at a rate of 1.5 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 2.4 percent in 2012. Over the next five years, real taxable sales growth is expected to average 3.8 percent per year.
- Industrial production is forecast increase by 2.3 percent in 2012. Over the next five years, the growth rate of industrial production will average 3.7 percent per year.
- Total crop production, adjusted for inflation, is expected to increase by 0.5 percent per year between 2012 and 2017. The principle crop in the county is walnuts.



Tehama County Economic Forecast

2006-2011 History, 2012-2040 Forecast

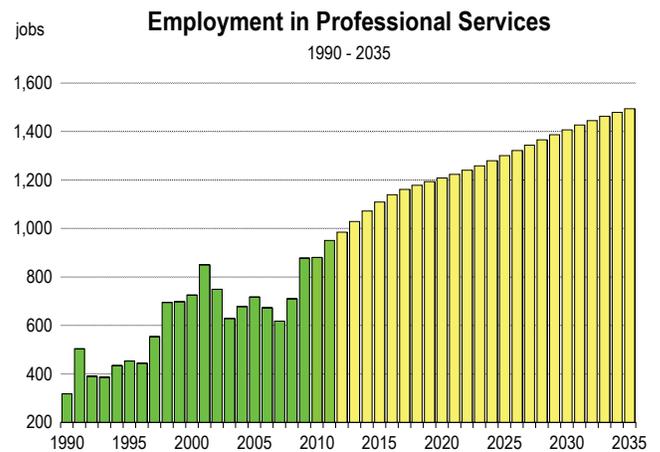
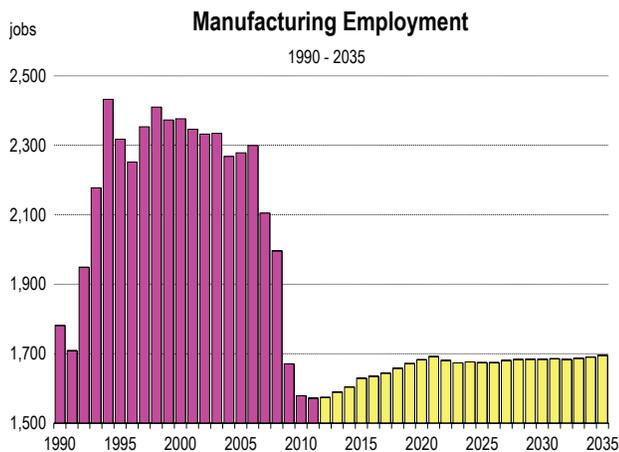
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	61,542	841	68.5	22.5	525	\$0.75	\$1.52	\$27,548	3.2	181.0	643.4	6.5
2007	62,011	314	68.5	23.2	291	\$0.73	\$1.61	\$27,940	3.4	205.6	633.3	7.2
2008	62,720	569	68.4	23.6	102	\$0.68	\$1.62	\$26,985	3.0	166.0	700.1	9.2
2009	63,122	184	68.4	23.7	78	\$0.54	\$1.61	\$26,477	0.8	189.4	549.2	13.9
2010	63,635	244	68.7	23.7	63	\$0.59	\$1.69	\$27,139	1.3	233.2	558.1	15.6
2011	63,798	-9	68.2	23.8	42	\$0.64	\$1.75	\$27,454	2.5	232.1	573.7	15.0
2012	64,218	302	68.5	23.9	82	\$0.70	\$1.82	\$27,827	1.9	238.1	587.1	13.9
2013	64,684	334	68.9	24.0	169	\$0.74	\$1.90	\$28,228	2.1	239.4	600.0	12.7
2014	65,191	355	69.3	24.1	201	\$0.79	\$1.98	\$28,631	2.1	239.2	625.3	11.3
2015	65,719	359	69.7	24.3	231	\$0.84	\$2.07	\$29,096	1.8	237.6	652.1	10.0
2016	66,269	366	70.1	24.5	240	\$0.89	\$2.16	\$29,594	1.7	238.8	679.1	9.0
2017	66,833	365	70.5	24.7	238	\$0.93	\$2.24	\$29,979	1.7	239.3	712.2	8.4
2018	67,414	366	70.9	25.0	238	\$0.98	\$2.34	\$30,457	1.7	239.9	745.2	7.9
2019	68,014	369	71.3	25.2	237	\$1.03	\$2.44	\$30,973	1.5	241.1	777.7	7.4
2020	68,632	377	71.8	25.4	250	\$1.08	\$2.53	\$31,457	1.4	239.5	808.9	7.0
2021	69,268	387	72.2	25.6	269	\$1.14	\$2.64	\$32,039	1.3	237.5	839.3	6.8
2022	69,913	383	72.7	25.9	284	\$1.19	\$2.75	\$32,682	1.5	238.6	868.6	6.6
2023	70,570	386	73.1	26.2	294	\$1.25	\$2.88	\$33,328	1.5	238.9	901.2	6.5
2024	71,236	388	73.6	26.4	299	\$1.32	\$3.01	\$33,976	1.6	239.5	939.8	6.3
2025	71,907	386	74.1	26.7	308	\$1.38	\$3.15	\$34,619	1.7	239.5	979.5	6.2
2026	72,584	385	74.5	27.0	317	\$1.45	\$3.28	\$35,138	1.7	238.6	1022.3	6.1
2027	73,266	384	75.0	27.3	328	\$1.51	\$3.41	\$35,616	1.7	236.9	1069.8	6.0
2028	73,948	382	75.4	27.6	336	\$1.58	\$3.55	\$36,085	1.7	236.1	1117.5	5.9
2029	74,630	378	75.9	27.9	339	\$1.65	\$3.69	\$36,550	1.7	234.7	1166.7	5.8
2030	75,313	373	76.3	28.2	344	\$1.72	\$3.83	\$36,986	1.7	231.2	1217.2	5.6
2031	75,998	368	76.8	28.5	340	\$1.79	\$3.98	\$37,408	1.7	227.7	1269.7	5.5
2032	76,687	362	77.2	28.9	339	\$1.86	\$4.13	\$37,835	1.7	228.3	1322.5	5.4
2033	77,380	358	77.6	29.2	342	\$1.93	\$4.28	\$38,249	1.7	228.5	1377.9	5.3
2034	78,077	353	78.1	29.5	339	\$2.01	\$4.44	\$38,669	1.7	228.2	1435.0	5.2
2035	78,776	349	78.5	29.8	337	\$2.09	\$4.61	\$39,123	1.7	226.1	1493.6	5.2
2036	79,477	345	79.0	30.1	335	\$2.18	\$4.79	\$39,573	1.7	226.7	1553.3	5.1
2037	80,181	341	79.4	30.4	334	\$2.27	\$4.97	\$40,018	1.7	225.7	1614.6	5.0
2038	80,887	337	79.8	30.7	335	\$2.36	\$5.16	\$40,461	1.7	220.8	1677.6	4.9
2039	81,597	333	80.2	31.1	335	\$2.45	\$5.35	\$40,905	1.7	220.1	1742.3	4.8
2040	82,313	330	80.7	31.4	336	\$2.55	\$5.55	\$41,351	1.7	219.1	1811.9	4.7

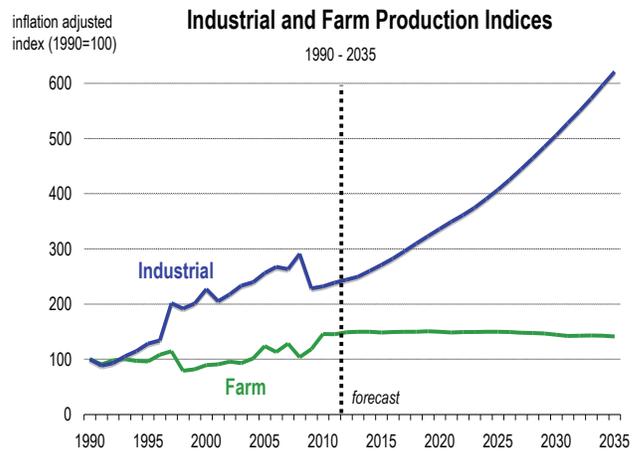
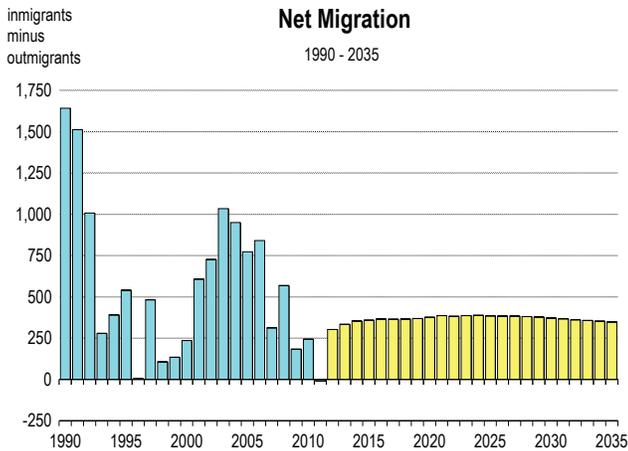
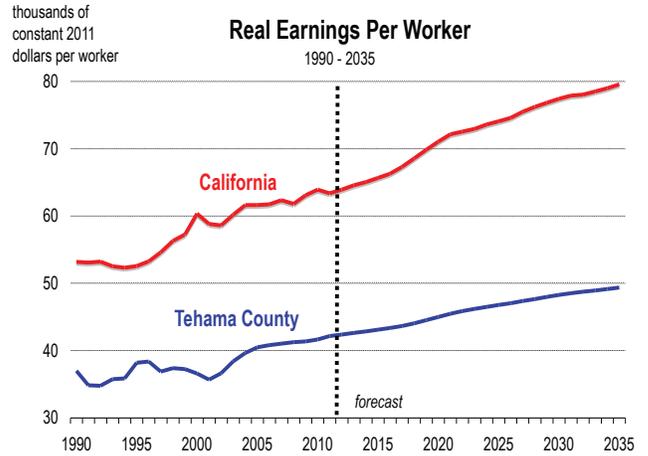
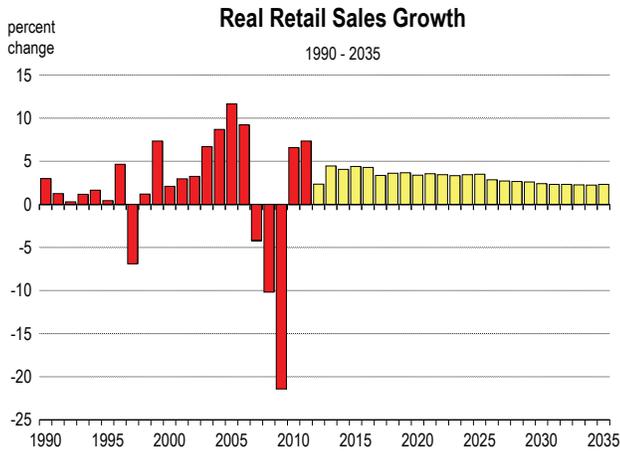


Tehama County Employment Forecast

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	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	16.8	1.27	0.54	2.00	1.35	2.32	0.42	0.71	0.08	1.87	1.28	4.37
2009	15.7	1.31	0.43	1.67	1.03	2.16	0.37	0.88	0.07	1.83	1.19	4.29
2010	15.5	1.44	0.42	1.58	1.10	2.09	0.36	0.88	0.07	1.79	1.12	4.15
2011	15.4	1.42	0.42	1.57	1.08	2.05	0.34	0.95	0.07	1.81	1.16	4.03
2012	15.6	1.45	0.44	1.57	1.13	2.08	0.36	0.99	0.07	1.83	1.19	4.00
2013	15.9	1.47	0.47	1.59	1.17	2.15	0.37	1.03	0.07	1.85	1.21	4.02
2014	16.3	1.49	0.48	1.60	1.24	2.22	0.38	1.07	0.08	1.88	1.24	4.07
2015	16.6	1.50	0.49	1.63	1.32	2.29	0.39	1.11	0.08	1.92	1.25	4.14
2016	17.0	1.51	0.49	1.64	1.42	2.36	0.40	1.14	0.08	1.96	1.26	4.22
2017	17.3	1.51	0.50	1.64	1.51	2.41	0.41	1.16	0.09	2.02	1.27	4.28
2018	17.7	1.52	0.50	1.66	1.61	2.45	0.42	1.18	0.09	2.08	1.28	4.35
2019	18.0	1.52	0.50	1.67	1.70	2.49	0.42	1.19	0.09	2.14	1.29	4.41
2020	18.3	1.52	0.51	1.68	1.80	2.53	0.43	1.21	0.10	2.22	1.29	4.47
2021	18.6	1.52	0.53	1.69	1.90	2.57	0.43	1.22	0.10	2.29	1.30	4.52
2022	18.9	1.52	0.54	1.68	2.00	2.61	0.43	1.24	0.10	2.37	1.31	4.58
2023	19.2	1.52	0.56	1.67	2.11	2.64	0.43	1.26	0.10	2.44	1.31	4.63
2024	19.6	1.52	0.56	1.68	2.22	2.68	0.43	1.28	0.11	2.52	1.32	4.68
2025	19.9	1.52	0.57	1.67	2.33	2.72	0.43	1.30	0.11	2.59	1.33	4.74
2026	20.2	1.52	0.58	1.67	2.45	2.76	0.43	1.32	0.11	2.65	1.33	4.79
2027	20.5	1.52	0.60	1.68	2.57	2.79	0.43	1.34	0.12	2.71	1.34	4.85
2028	20.8	1.52	0.60	1.68	2.68	2.82	0.43	1.37	0.12	2.76	1.34	4.90
2029	21.1	1.51	0.61	1.68	2.81	2.85	0.43	1.39	0.12	2.81	1.35	4.96
2030	21.4	1.51	0.62	1.68	2.93	2.88	0.44	1.41	0.12	2.85	1.35	5.02
2031	21.6	1.50	0.62	1.69	3.05	2.91	0.44	1.43	0.13	2.89	1.36	5.08
2032	21.9	1.50	0.63	1.68	3.17	2.94	0.44	1.45	0.13	2.92	1.37	5.13
2033	22.2	1.50	0.63	1.69	3.28	2.97	0.44	1.46	0.13	2.96	1.37	5.19
2034	22.4	1.49	0.63	1.69	3.40	2.99	0.44	1.48	0.14	2.99	1.38	5.25
2035	22.7	1.49	0.64	1.70	3.51	3.02	0.44	1.50	0.14	3.01	1.39	5.30
2036	23.0	1.49	0.64	1.70	3.63	3.05	0.44	1.51	0.14	3.04	1.40	5.36
2037	23.2	1.49	0.64	1.70	3.74	3.08	0.44	1.53	0.14	3.07	1.41	5.42
2038	23.5	1.48	0.65	1.71	3.85	3.11	0.45	1.54	0.15	3.10	1.42	5.48
2039	23.7	1.48	0.65	1.71	3.96	3.13	0.45	1.56	0.15	3.13	1.43	5.53
2040	24.0	1.47	0.66	1.72	4.06	3.16	0.45	1.57	0.15	3.16	1.44	5.59





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	25.3 %
Expected job growth:	12.8 %
Fastest growing jobs sector:	Wholesale Trade
Expected personal income growth:	14.4 %

Expected population growth:	4.8 %
Net migration to account for:	68.6 %
Expected growth in number of vehicles:	3.3 %

Demographics (2012)

Unemployment rate (March 2012)	16.1 %
County Rank* in California (58 counties):	40th
Working age (16-64) population:	62.9 %

Population with B.A. Degree or higher:	12.7 %
Median Home Selling Price (2011):	\$95,000
Median Household Income:	\$37,115

Quality of Life

Violent Crime rate (2010):	580 per 100,000 persons
County Rank* in California (58 counties):	51st
Average Commute Time to work (2012):	24.2 minutes

High School drop out rate (2010):	19.3 %
Households at/below poverty line (2012):	15.4 %

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