

SHASTA COUNTY ECONOMIC FORECAST

Shasta County is one of the northernmost counties in California. The largest city is Redding, which has 90,700 residents. The recreation industry is the principal source of economic activity in the county, with Shasta Lake and Lassen Peak being the main visitor attractions. Shasta County has a population of 178,500 people and a total of 57,600 wage and salary jobs. The per capita income in Shasta County is \$36,141, and the average salary per worker is \$46,465.

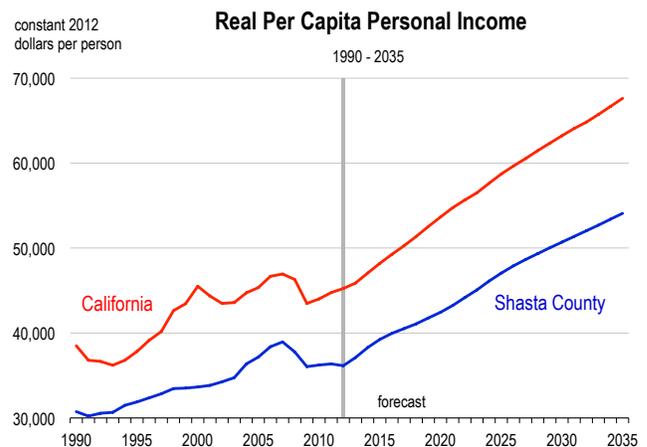
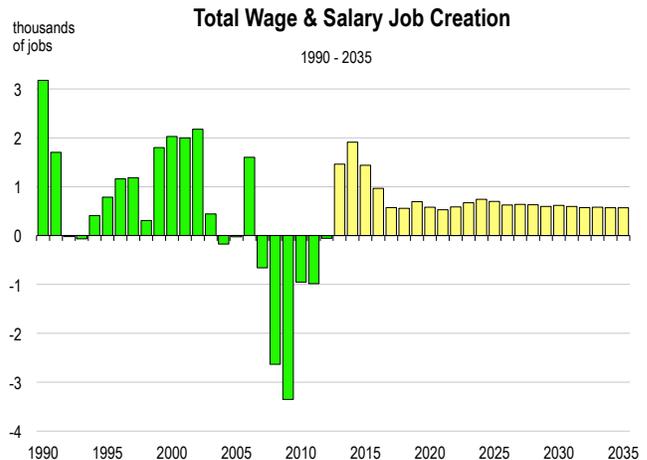
In 2012, a total of 56 wage and salary jobs were lost in Shasta County, representing a decline of 0.1 percent. The non-farm sector was responsible for all of these losses, as the agriculture industry was flat. Despite overall job losses, the unemployment rate dropped from 14.9 percent in 2011 to 13.4 percent in 2012.

During 2012, results were mixed across the major employment sectors. The largest gains were observed in leisure and hospitality (+408 jobs), education and healthcare (+167 jobs), and “miscellaneous services” (+150 jobs). The largest losses were in government (-717 jobs) and construction (-119 jobs). Employment in the construction industry is now less than half of what it was in 2006.

The population in Shasta County grew at an annual average rate of 0.3 percent between 2007 and 2012. This growth was largely due to net migration, as the county gained an average of 370 net migrants per year. As net migration increases, population growth should accelerate over the forecast period. However, due to an aging population, the county will begin to experience a natural decrease (deaths outnumbering births). As a result, population growth will remain subdued.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 2.5 percent in 2013. From 2013 to 2018, growth will average 1.7 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 slowly, increasing by an average of 0.3 percent per year from 2013 to 2018.
- Between 2013 and 2018, the largest employment gains will be observed in wholesale and retail trade, leisure and hospitality, education and healthcare, and professional services. These sectors will account for 73 percent of net job creation in the county.
- Annual population growth in the 2013-2018 period will average 0.4 percent per year.

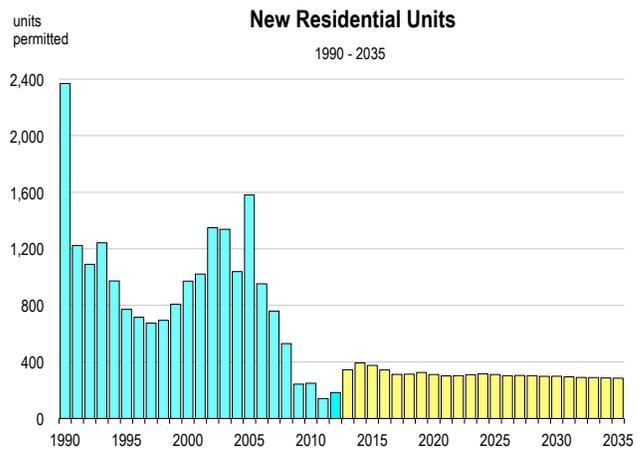
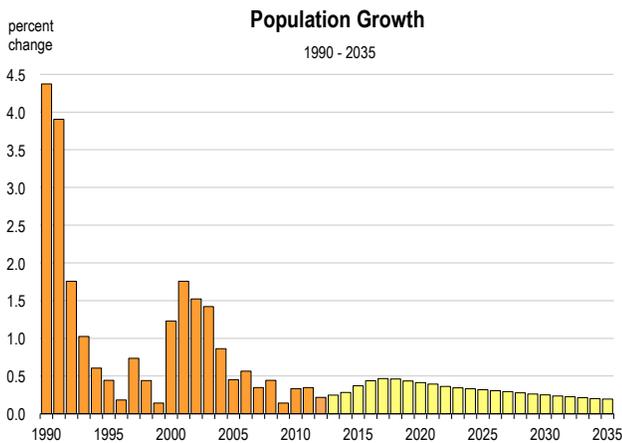


- Net migration will accelerate over the next five years. Between 2013 and 2018, an average of 880 net migrants will enter the county each year. This will account for all of the expected population growth, as the county will experience a natural decrease.
- Real per capita income is forecast to increase by 2.7 percent in 2013. Between 2013 and 2018, real per capita income is expected to rise by an average of 1.8 percent per year.
- Between 2013 and 2018, total taxable sales, adjusted for inflation, are expected to increase by an average of 1.9 percent per year.
- Industrial production is forecast to increase by 4.7 percent in 2013. Between 2013 and 2018, the growth rate will average 4.4 percent per year.

Shasta County Economic Forecast

2006-2012 History, 2013-2040 Forecast

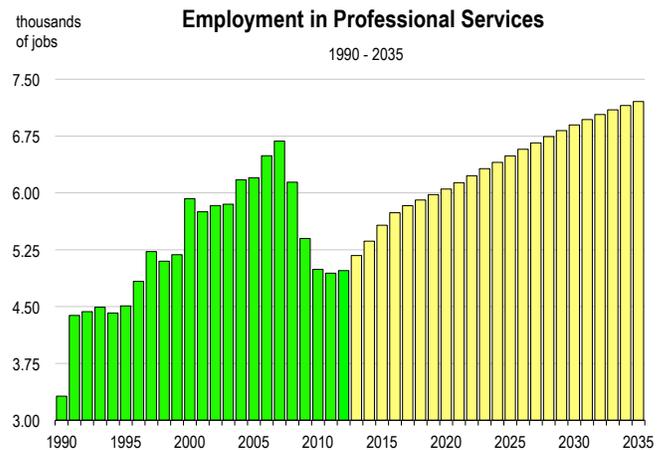
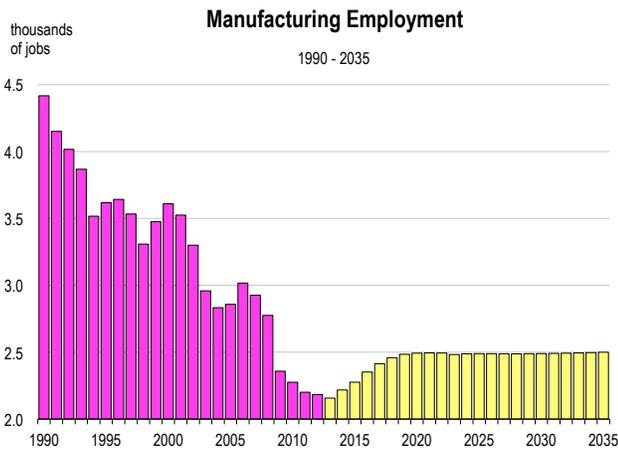
| | Population (people) | Net Migration (people) | Registered Vehicles (thousands) | Households (thousands) | New Homes Permitted (homes) | Total Taxable Sales (billions) | Personal Income (billions) | Real Per Capita Income (dollars) | Inflation Rate (% change in CPI) | Real Farm Crop Value (millions) | Real Industrial Production (millions) | Unemploy- ment Rate (percent) |
|------|------------------------|------------------------------|---------------------------------------|---------------------------|-----------------------------------|--------------------------------------|----------------------------------|--|--|---------------------------------------|---|-------------------------------------|
| 2006 | 175,238 | 798 | 222.0 | 68.5 | 952 | \$2.64 | \$5.88 | \$38,387 | 3.3 | 75.8 | 1159.1 | 6.6 |
| 2007 | 175,849 | 396 | 223.0 | 69.4 | 760 | \$2.84 | \$6.17 | \$38,954 | 3.2 | 82.7 | 1095.6 | 7.5 |
| 2008 | 176,629 | 632 | 219.6 | 70.0 | 530 | \$2.64 | \$6.20 | \$37,790 | 3.1 | 79.6 | 1034.5 | 10.0 |
| 2009 | 176,881 | 82 | 218.6 | 70.3 | 243 | \$2.31 | \$5.98 | \$36,053 | 0.9 | 73.8 | 827.0 | 14.7 |
| 2010 | 177,472 | 448 | 216.7 | 70.3 | 249 | \$2.49 | \$6.10 | \$36,242 | 1.2 | 74.6 | 906.3 | 15.8 |
| 2011 | 178,089 | 459 | 213.2 | 70.5 | 141 | \$2.54 | \$6.30 | \$36,364 | 2.6 | 78.4 | 957.8 | 14.9 |
| 2012 | 178,477 | 236 | 207.4 | 70.7 | 184 | \$2.65 | \$6.45 | \$36,141 | 2.7 | 77.2 | 961.4 | 13.4 |
| 2013 | 178,920 | 523 | 206.8 | 70.9 | 345 | \$2.76 | \$6.79 | \$37,117 | 2.3 | 77.0 | 1006.5 | 12.1 |
| 2014 | 179,426 | 615 | 206.9 | 71.2 | 394 | \$2.90 | \$7.21 | \$38,290 | 2.7 | 76.7 | 1063.7 | 10.9 |
| 2015 | 180,092 | 791 | 207.3 | 71.6 | 375 | \$3.03 | \$7.58 | \$39,231 | 2.1 | 76.2 | 1120.5 | 9.7 |
| 2016 | 180,881 | 938 | 207.9 | 72.0 | 344 | \$3.17 | \$7.94 | \$39,959 | 2.4 | 76.1 | 1179.9 | 8.8 |
| 2017 | 181,726 | 1,022 | 208.2 | 72.3 | 312 | \$3.29 | \$8.26 | \$40,531 | 2.1 | 75.9 | 1239.8 | 8.5 |
| 2018 | 182,565 | 1,047 | 208.4 | 72.6 | 314 | \$3.42 | \$8.59 | \$41,089 | 2.1 | 75.7 | 1295.9 | 8.4 |
| 2019 | 183,359 | 1,027 | 208.9 | 72.9 | 326 | \$3.55 | \$8.96 | \$41,764 | 2.1 | 75.5 | 1349.8 | 8.2 |
| 2020 | 184,118 | 1,007 | 210.3 | 73.2 | 311 | \$3.68 | \$9.33 | \$42,431 | 2.1 | 75.1 | 1396.3 | 8.2 |
| 2021 | 184,843 | 975 | 209.8 | 73.5 | 302 | \$3.82 | \$9.76 | \$43,250 | 2.2 | 74.5 | 1434.2 | 7.8 |
| 2022 | 185,514 | 938 | 209.6 | 73.8 | 303 | \$3.96 | \$10.24 | \$44,167 | 2.3 | 74.5 | 1472.7 | 7.3 |
| 2023 | 186,153 | 920 | 209.7 | 74.0 | 310 | \$4.11 | \$10.73 | \$45,081 | 2.3 | 74.5 | 1506.5 | 7.1 |
| 2024 | 186,771 | 910 | 210.0 | 74.3 | 316 | \$4.29 | \$11.27 | \$46,120 | 2.4 | 74.5 | 1552.0 | 7.1 |
| 2025 | 187,367 | 905 | 210.6 | 74.6 | 311 | \$4.48 | \$11.82 | \$47,065 | 2.4 | 74.5 | 1596.3 | 7.0 |
| 2026 | 187,940 | 902 | 210.9 | 74.9 | 303 | \$4.66 | \$12.37 | \$47,910 | 2.5 | 74.3 | 1640.6 | 7.0 |
| 2027 | 188,493 | 904 | 211.3 | 75.2 | 305 | \$4.85 | \$12.91 | \$48,658 | 2.5 | 74.1 | 1685.9 | 7.0 |
| 2028 | 189,018 | 900 | 212.2 | 75.5 | 303 | \$5.03 | \$13.45 | \$49,352 | 2.5 | 74.1 | 1732.9 | 6.9 |
| 2029 | 189,514 | 891 | 212.9 | 75.8 | 298 | \$5.22 | \$14.01 | \$50,037 | 2.5 | 73.9 | 1782.0 | 6.9 |
| 2030 | 189,989 | 878 | 214.3 | 76.1 | 299 | \$5.41 | \$14.59 | \$50,694 | 2.5 | 73.5 | 1832.0 | 6.9 |
| 2031 | 190,438 | 863 | 215.8 | 76.3 | 295 | \$5.62 | \$15.18 | \$51,366 | 2.5 | 73.1 | 1883.5 | 6.9 |
| 2032 | 190,869 | 848 | 217.6 | 76.6 | 290 | \$5.84 | \$15.80 | \$52,044 | 2.5 | 73.3 | 1936.6 | 6.8 |
| 2033 | 191,276 | 834 | 219.6 | 76.9 | 290 | \$6.07 | \$16.43 | \$52,712 | 2.5 | 73.5 | 1991.4 | 6.8 |
| 2034 | 191,662 | 821 | 221.6 | 77.2 | 287 | \$6.30 | \$17.09 | \$53,391 | 2.5 | 73.7 | 2048.0 | 6.8 |
| 2035 | 192,036 | 809 | 223.2 | 77.4 | 285 | \$6.53 | \$17.77 | \$54,085 | 2.5 | 73.5 | 2106.4 | 6.8 |
| 2036 | 192,392 | 795 | 225.2 | 77.7 | 282 | \$6.76 | \$18.49 | \$54,786 | 2.5 | 73.9 | 2166.6 | 6.8 |
| 2037 | 192,724 | 781 | 227.6 | 78.0 | 277 | \$7.00 | \$19.24 | \$55,521 | 2.5 | 74.0 | 2228.6 | 6.7 |
| 2038 | 193,043 | 771 | 230.1 | 78.2 | 275 | \$7.25 | \$20.02 | \$56,272 | 2.5 | 73.4 | 2292.7 | 6.7 |
| 2039 | 193,346 | 760 | 232.4 | 78.5 | 274 | \$7.50 | \$20.84 | \$57,046 | 2.5 | 73.6 | 2358.9 | 6.7 |
| 2040 | 193,640 | 752 | 234.4 | 78.7 | 276 | \$7.75 | \$21.69 | \$57,872 | 2.4 | 73.7 | 2428.5 | 6.7 |

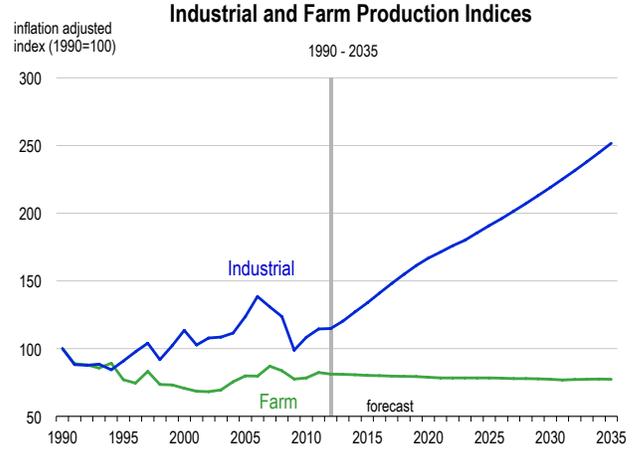
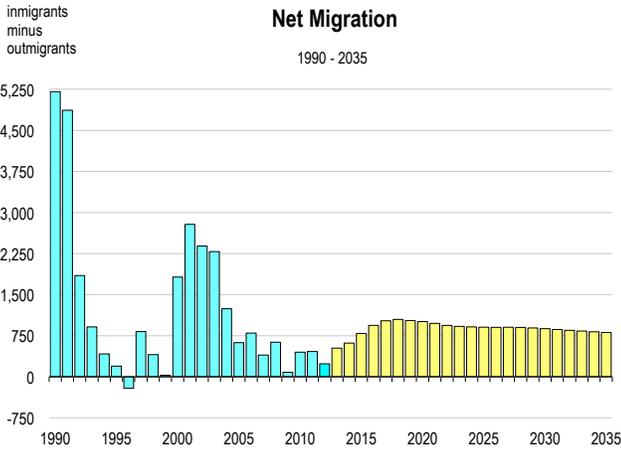
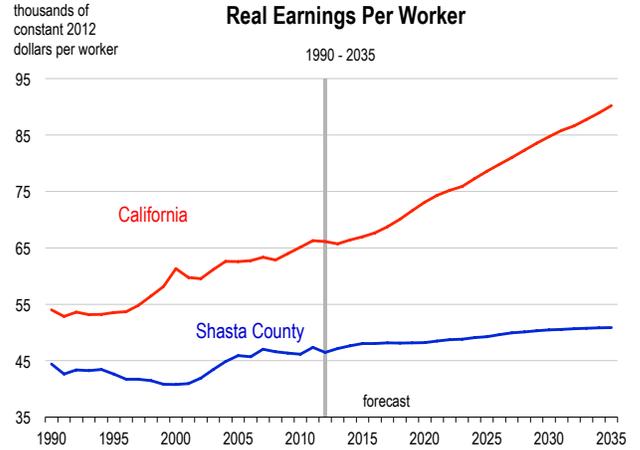
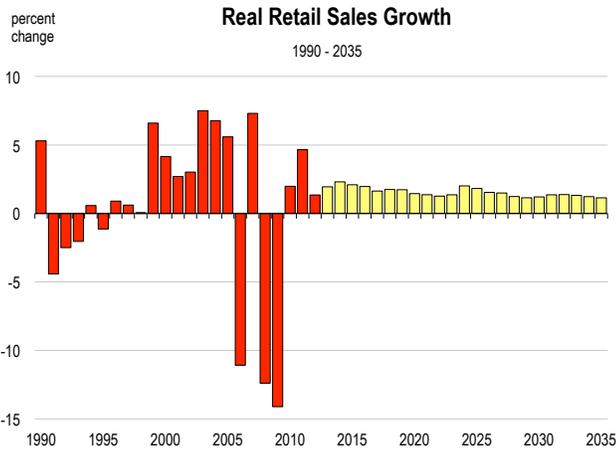


Shasta County Employment Forecast

2006-2012 History, 2013-2040 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 | 66.23 | 0.74 | 5.06 | 3.02 | 2.43 | 11.77 | 3.24 | 6.49 | 1.02 | 9.79 | 6.71 | 12.95 |
| 2007 | 65.58 | 0.78 | 4.48 | 2.93 | 2.31 | 11.71 | 2.93 | 6.68 | 0.92 | 10.04 | 6.92 | 12.88 |
| 2008 | 62.94 | 0.73 | 3.50 | 2.78 | 1.92 | 11.05 | 2.66 | 6.14 | 0.75 | 10.31 | 6.88 | 13.40 |
| 2009 | 59.59 | 0.73 | 2.59 | 2.36 | 1.70 | 10.39 | 2.59 | 5.40 | 0.67 | 10.48 | 6.32 | 13.68 |
| 2010 | 58.64 | 0.69 | 2.28 | 2.28 | 1.73 | 10.18 | 2.48 | 4.99 | 0.64 | 10.90 | 6.12 | 13.64 |
| 2011 | 57.66 | 0.78 | 2.35 | 2.20 | 1.73 | 10.02 | 2.42 | 4.94 | 0.62 | 10.96 | 5.83 | 13.04 |
| 2012 | 57.60 | 0.78 | 2.23 | 2.18 | 1.77 | 10.05 | 2.42 | 4.98 | 0.61 | 11.13 | 6.24 | 12.33 |
| 2013 | 59.06 | 0.77 | 2.42 | 2.16 | 1.84 | 10.20 | 2.46 | 5.17 | 0.61 | 11.42 | 6.49 | 12.56 |
| 2014 | 60.97 | 0.77 | 2.79 | 2.22 | 1.93 | 10.32 | 2.47 | 5.36 | 0.62 | 11.90 | 6.63 | 12.92 |
| 2015 | 62.41 | 0.77 | 2.87 | 2.28 | 2.02 | 10.43 | 2.45 | 5.57 | 0.62 | 12.39 | 6.75 | 13.15 |
| 2016 | 63.37 | 0.77 | 2.82 | 2.35 | 2.10 | 10.54 | 2.41 | 5.74 | 0.63 | 12.72 | 6.84 | 13.26 |
| 2017 | 63.94 | 0.77 | 2.75 | 2.41 | 2.17 | 10.63 | 2.39 | 5.83 | 0.63 | 12.92 | 6.93 | 13.24 |
| 2018 | 64.50 | 0.77 | 2.68 | 2.46 | 2.23 | 10.73 | 2.37 | 5.91 | 0.64 | 13.12 | 7.00 | 13.29 |
| 2019 | 65.19 | 0.77 | 2.73 | 2.48 | 2.28 | 10.83 | 2.43 | 5.98 | 0.64 | 13.35 | 7.05 | 13.31 |
| 2020 | 65.77 | 0.76 | 2.76 | 2.49 | 2.30 | 10.90 | 2.44 | 6.05 | 0.64 | 13.61 | 7.11 | 13.34 |
| 2021 | 66.30 | 0.76 | 2.74 | 2.49 | 2.32 | 10.96 | 2.46 | 6.13 | 0.65 | 13.86 | 7.16 | 13.37 |
| 2022 | 66.89 | 0.76 | 2.76 | 2.49 | 2.33 | 11.01 | 2.49 | 6.23 | 0.65 | 14.12 | 7.21 | 13.39 |
| 2023 | 67.56 | 0.76 | 2.82 | 2.48 | 2.34 | 11.06 | 2.53 | 6.32 | 0.65 | 14.41 | 7.27 | 13.41 |
| 2024 | 68.30 | 0.76 | 2.87 | 2.49 | 2.36 | 11.16 | 2.58 | 6.40 | 0.66 | 14.69 | 7.32 | 13.47 |
| 2025 | 69.00 | 0.76 | 2.90 | 2.49 | 2.38 | 11.25 | 2.61 | 6.49 | 0.66 | 14.95 | 7.37 | 13.55 |
| 2026 | 69.62 | 0.76 | 2.90 | 2.49 | 2.40 | 11.33 | 2.65 | 6.58 | 0.66 | 15.19 | 7.42 | 13.63 |
| 2027 | 70.26 | 0.76 | 2.90 | 2.49 | 2.41 | 11.41 | 2.69 | 6.66 | 0.66 | 15.43 | 7.47 | 13.70 |
| 2028 | 70.89 | 0.76 | 2.91 | 2.49 | 2.43 | 11.48 | 2.72 | 6.74 | 0.67 | 15.67 | 7.53 | 13.78 |
| 2029 | 71.49 | 0.76 | 2.91 | 2.49 | 2.45 | 11.54 | 2.75 | 6.82 | 0.67 | 15.91 | 7.58 | 13.86 |
| 2030 | 72.10 | 0.76 | 2.91 | 2.49 | 2.46 | 11.61 | 2.78 | 6.90 | 0.67 | 16.15 | 7.63 | 13.95 |
| 2031 | 72.70 | 0.76 | 2.92 | 2.49 | 2.48 | 11.69 | 2.81 | 6.97 | 0.68 | 16.37 | 7.68 | 14.02 |
| 2032 | 73.27 | 0.76 | 2.92 | 2.49 | 2.50 | 11.78 | 2.84 | 7.03 | 0.68 | 16.58 | 7.74 | 14.09 |
| 2033 | 73.85 | 0.76 | 2.92 | 2.49 | 2.51 | 11.86 | 2.86 | 7.10 | 0.68 | 16.79 | 7.79 | 14.17 |
| 2034 | 74.42 | 0.76 | 2.92 | 2.50 | 2.53 | 11.94 | 2.89 | 7.15 | 0.68 | 17.00 | 7.84 | 14.25 |
| 2035 | 74.99 | 0.76 | 2.92 | 2.50 | 2.55 | 12.01 | 2.91 | 7.21 | 0.69 | 17.22 | 7.89 | 14.33 |
| 2036 | 75.53 | 0.76 | 2.92 | 2.50 | 2.56 | 12.07 | 2.94 | 7.26 | 0.69 | 17.43 | 7.95 | 14.41 |
| 2037 | 76.05 | 0.76 | 2.91 | 2.51 | 2.58 | 12.13 | 2.96 | 7.31 | 0.69 | 17.63 | 8.00 | 14.49 |
| 2038 | 76.57 | 0.76 | 2.90 | 2.51 | 2.60 | 12.19 | 2.98 | 7.36 | 0.69 | 17.83 | 8.05 | 14.57 |
| 2039 | 77.09 | 0.76 | 2.90 | 2.52 | 2.61 | 12.24 | 3.00 | 7.42 | 0.70 | 18.02 | 8.10 | 14.65 |
| 2040 | 77.64 | 0.76 | 2.91 | 2.52 | 2.63 | 12.29 | 3.04 | 7.47 | 0.70 | 18.22 | 8.15 | 14.74 |





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

| | |
|---|----------------------------|
| <u>Expected retail sales growth:</u> | 11.9% |
| <u>Expected job growth:</u> | 10.9% |
| <u>Fastest growing jobs sector:</u> | Transportation & Utilities |
| <u>Expected personal income growth:</u> | 13.7% |

| | |
|---|-------|
| <u>Expected population growth:</u> | 2.0% |
| <u>Net migration to account for:</u> | 100% |
| <u>Expected growth in number of vehicles:</u> | -2.4% |

Demographics (2013)

| | |
|--|-------|
| <u>Unemployment rate (April 2013)</u> | 11.1% |
| <u>County Rank* in California (58 counties):</u> | 36th |
| <u>Working age (16-64) population:</u> | 62.7% |

| | |
|---|-----------|
| <u>Population with B.A. Degree or higher:</u> | 19.6% |
| <u>Median Home Selling Price (2012):</u> | \$155,000 |
| <u>Median Household Income:</u> | \$40,327 |

Quality of Life

| | |
|--|-------------------------|
| <u>Violent Crime rate (2010):</u> | 787 per 100,000 persons |
| <u>County Rank* in California (58 counties):</u> | 56th |
| <u>Average Commute Time to work (2013):</u> | 21.0 minutes |

| | |
|---|-------|
| <u>High School drop out rate (2011):</u> | 10.5% |
| <u>Households at/below poverty line (2013):</u> | 13.9% |

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