

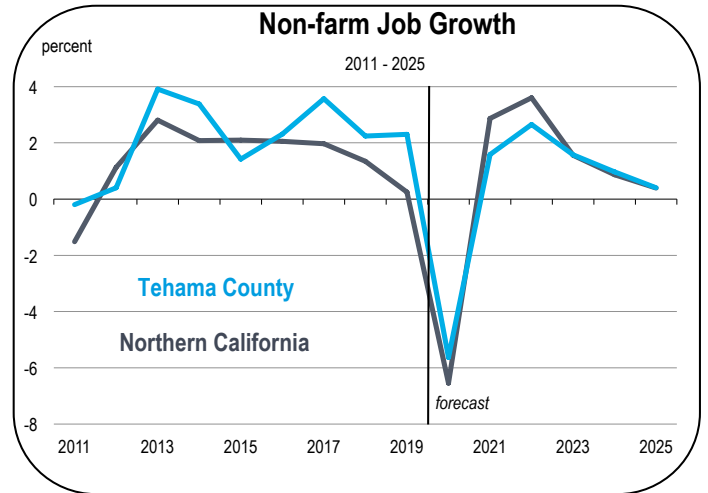
Tehama County Economic Forecast

Forecast Summary

- It is estimated that an average of 1,000 to 1,600 jobs will be lost in Tehama County during 2020. Job losses will be heavy in the first half of the year.
- Employment losses will be largest in leisure services, retail and agriculture.
- The unemployment rate averaged 5.6 percent in 2019. It will average between 10 percent and 12 percent during the 2020 calendar year.
- The Tehama County population is expected to grow more quickly than the Northern California average between 2020 and 2025.
- Home values are not expected to show much change in 2020 or 2021.
- More new homes are expected to be built during the 2020-2025 period than were built in the 2014-2019 period.

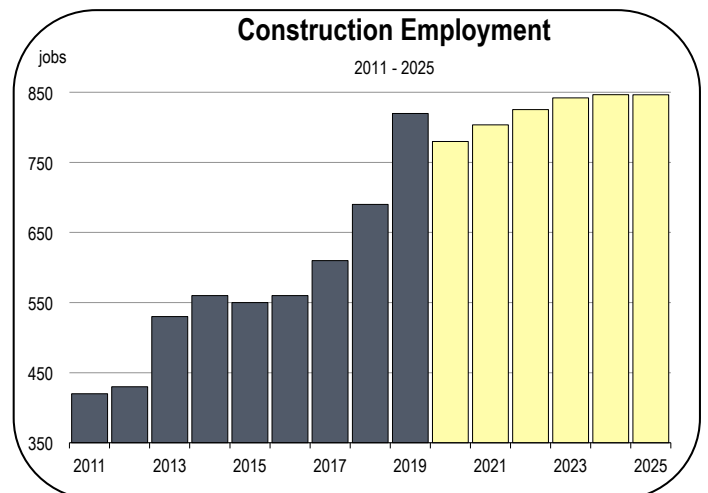
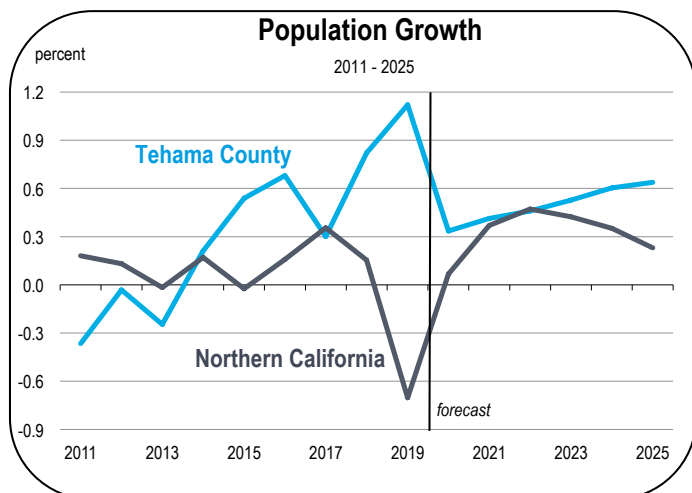
Job Growth

- Total employment in the County will decline by at least 5 percent in 2020. This is an annual average change from 2019.
- In 2021 and 2022, Tehama County is expected to re-gain many of the jobs that were lost during the Coronavirus Recession.
- Recreation is the principal activity in Tehama County, and this includes golfing, fishing, hiking and rafting. Consequently, jobs in recreation are expected to rebound, leading the leisure and hospitality sector to record levels by late 2022 or 2023.

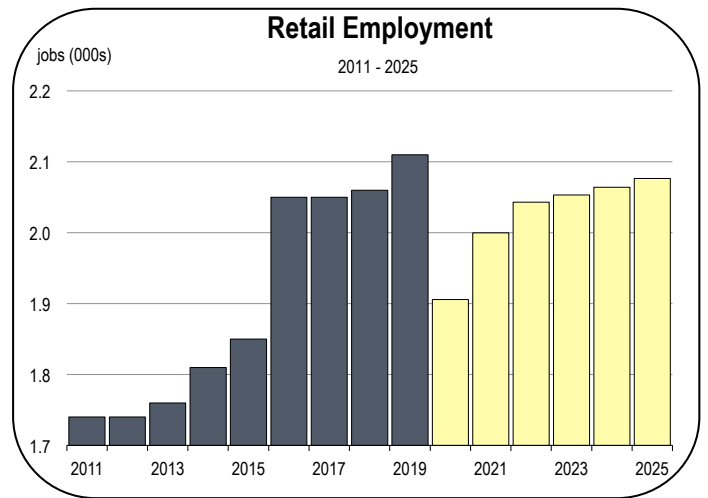
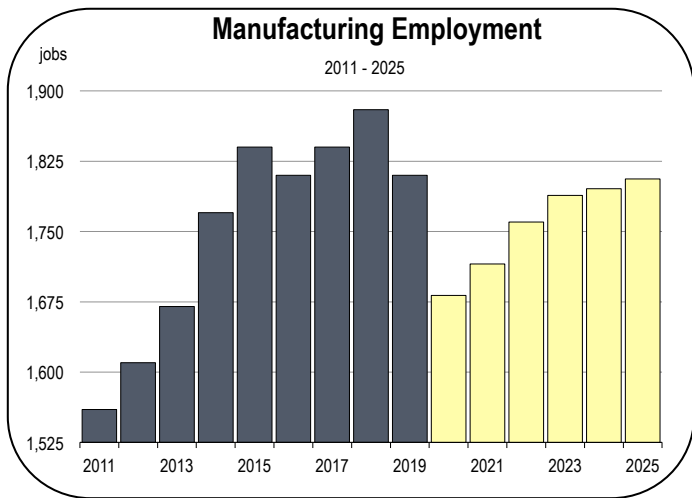


Construction Employment

- On an annual average basis, the construction sector is expected to lose up to 100 jobs in 2020.
- Most California construction activity was deemed non-essential for portions of March and April of 2020, leading to construction layoffs.
- Restrictions on construction were lifted in late April, and overall construction activity began to ramp back up during May and June.
- Construction projects will largely have resumed by 2021 and construction employment may surpass pre-recession levels before the end of the 2020-2025 forecast period.



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Manufacturing Employment

- In April and May of 2020, during the Coronavirus Recession, more than 10 percent of manufacturing workers were laid off in Tehama County, at least temporarily.
- The Coronavirus Recession could have a prolonged impact on the Tehama County manufacturing sector, and it is unclear if all jobs will be recovered by the end of the 2020-2025 forecast period.

Transportation and Warehousing Employment

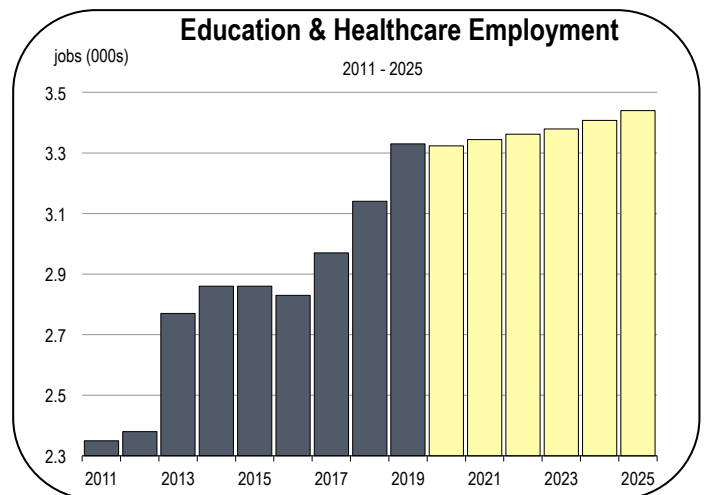
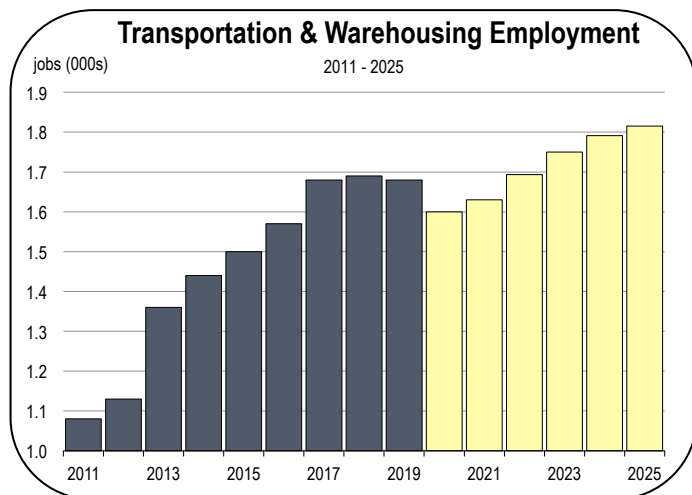
- The transportation and warehousing sector is expected to lose up to 150 jobs in 2020 on an annual average basis, but employment could surpass pre-pandemic levels within the next few years.
- The Tehama County transportation and warehousing sector is heavily connected to the lumber and forestry sector. A substantial number of local transportation jobs are involved in shipping, storing, and coordinating the movement of lumber and other wood products.

Retail Trade Employment

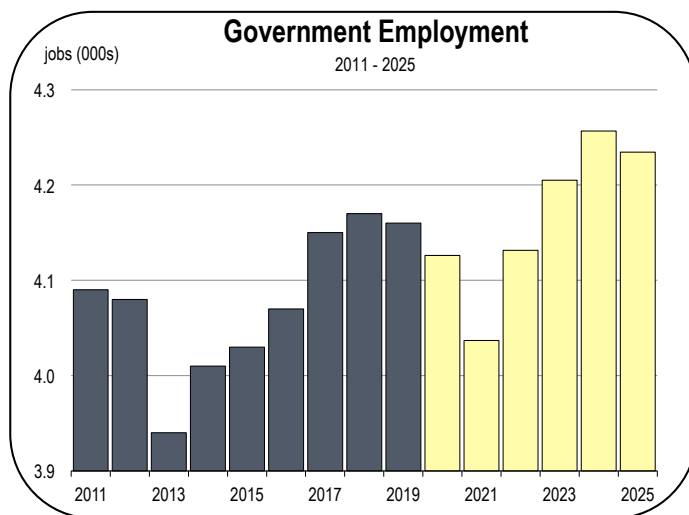
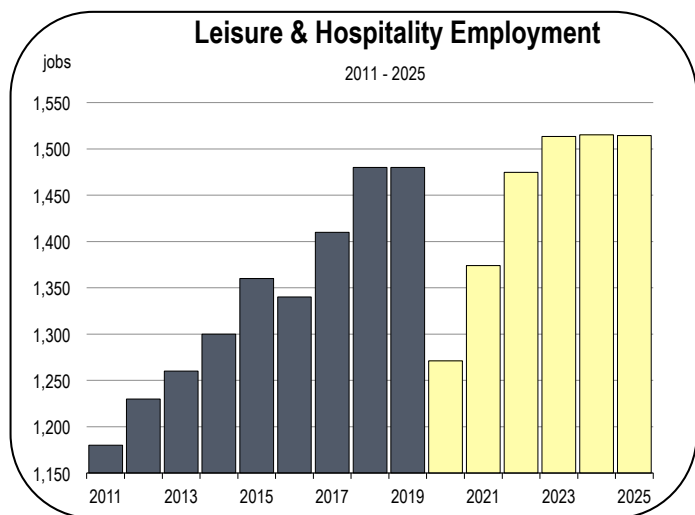
- The retail sector is expected to lose 150 to 250 jobs in 2020 on an annual average basis.
- A large share of Tehama County retail jobs are in grocery stores
- The largest retail employer in the county is the Walmart in Red Bluff.
- Retail trade jobs will return after in-store shopping is permitted in a sustained way, but it is unlikely that employment in the retail sector will surpass pre-recession levels.

Private Education and Healthcare Employment

- There were 3,300 healthcare and social assistance jobs in Tehama County in 2019.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had



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to close in 2020, and others reduced employment levels because resources were not being utilized as envisioned to support Coronavirus patients.

- Jobs in social assistance, including industries like childcare, housing shelters, and non-medical care for senior citizens, were mostly classified as essential during the shutdowns. Nevertheless, there were layoffs at institutions with revenue shortfalls.
- There are very few jobs in private educational institutions in Tehama County.

Leisure and Hospitality Employment

- In 2019, Tehama County had almost 1,500 jobs in restaurants, hotels, bars, gyms, and recreational facilities.
- Approximately 30 percent of leisure and hospitality workers were laid off in March, April, and May of 2020. Another 20 to 30 percent had their hours cut or were furloughed without pay.
- Leisure and hospitality employment is expected to rebound swiftly in 2021 and 2022, but all jobs lost during the Coronavirus Recession may not be recovered for several years.

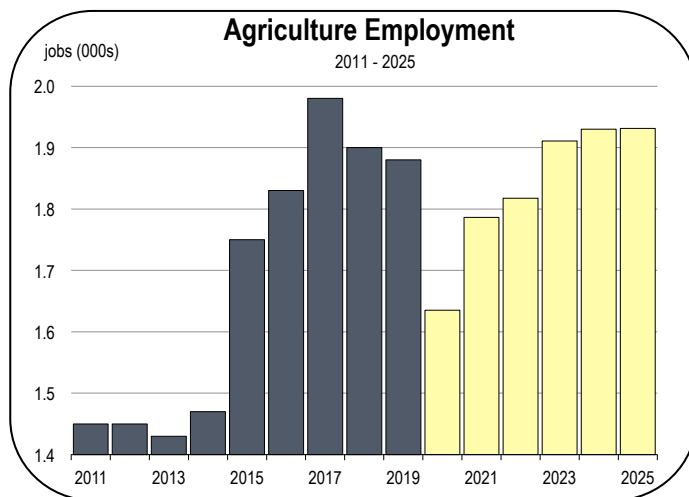
Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.

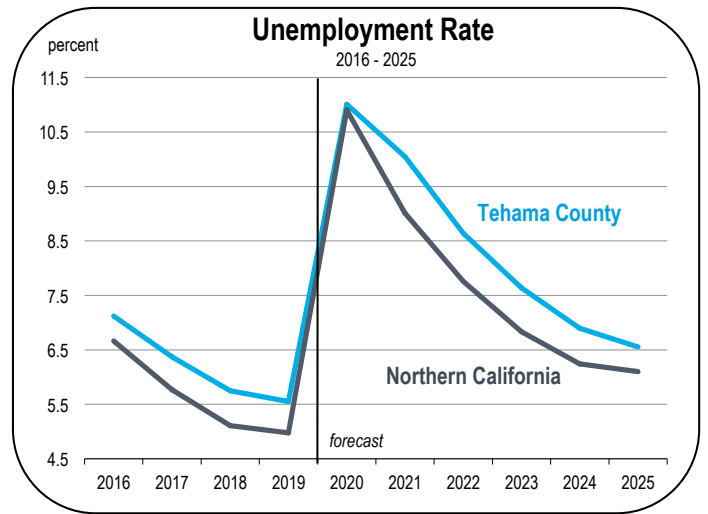
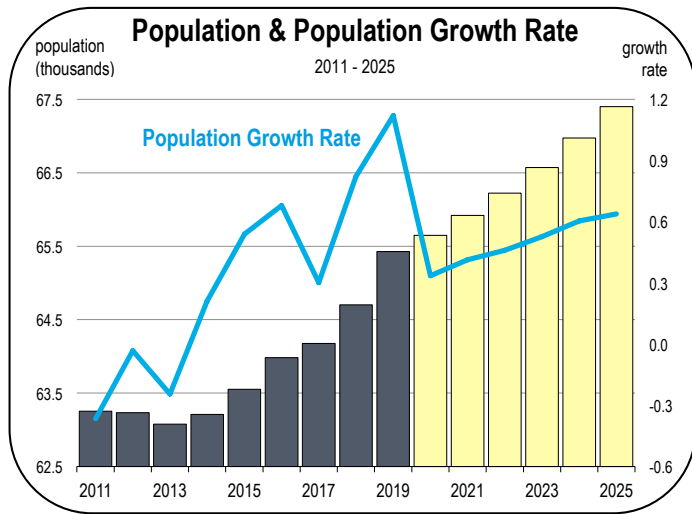
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.

Agriculture Employment

- Farms, ranches, orchards, and other agricultural businesses are expected to shed at least 200 jobs in 2020 on an annual average basis.
- The leading crops in Tehama County are walnuts, almonds, olives, and prunes.
- A large portion of all lost jobs should be restored in 2021 and 2022.



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Population Growth

- The Tehama County population is expected to grow more quickly than the Northern California average between 2020 and 2025.
- The number of people moving into Tehama County is expected to exceed the number of residents moving out between 2020 and 2025, which will contribute to population growth.
- Between 2020 and 2025, the population is expected to grow at an annual average rate of 0.5 percent.
- By 2025, the population is forecast to surpass 67,000 residents.

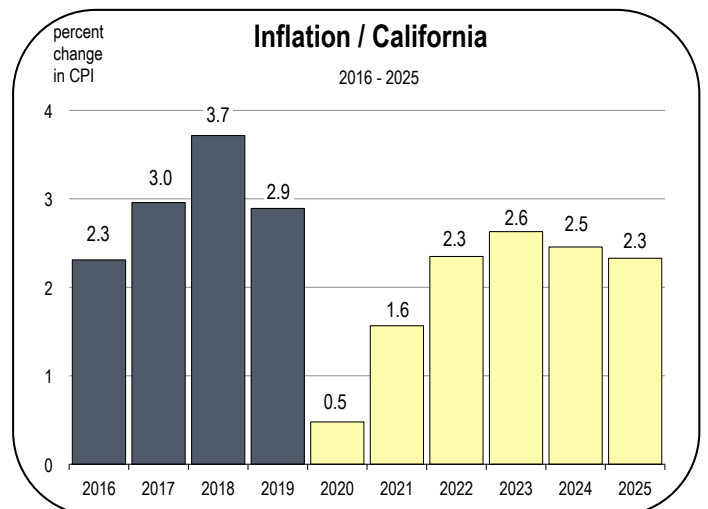
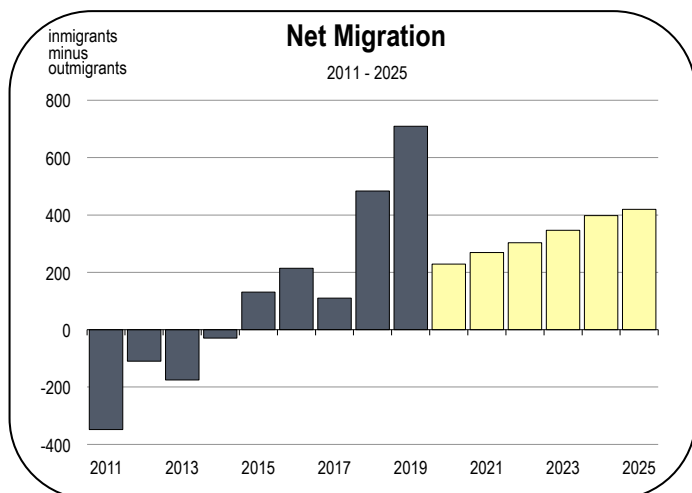
Unemployment and Inflation Rates

- The unemployment rate in Tehama County averaged 5.6 percent in 2019, which was above the composite rate for the Northern California region.

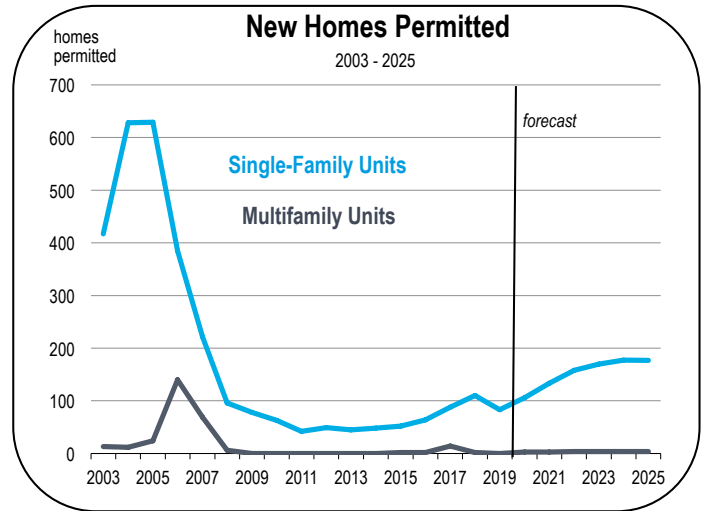
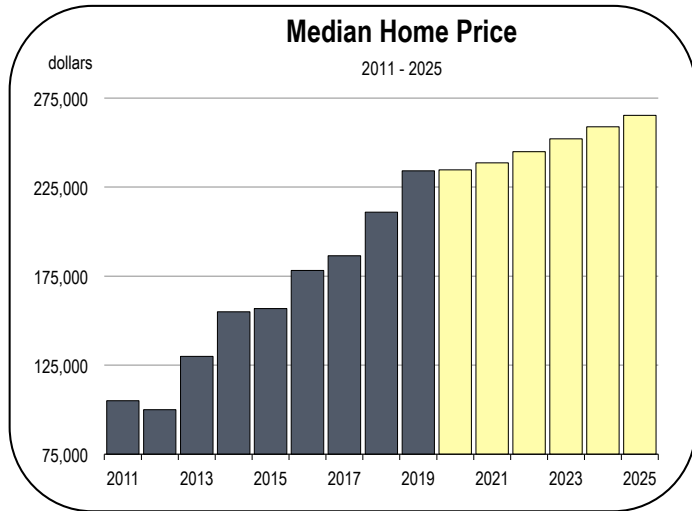
- The unemployment rate is expected to average between 10 and 12 percent in 2020.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

Home Prices and New Housing Production

- In 2019 the median home price in Tehama County was \$234,200. The median price is not expected to change substantially in 2020 or 2021.



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- In Tehama County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California, the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.

- From 2014 to 2019, an average of 78 new homes were started per year in Tehama County. Almost all were single-family homes.
- Housing production is expected to average 140 to 180 units per year from 2020 to 2025, consisting primarily of single-family homes.



Downtown Red Bluff

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Economic Indicators

2015-2019 History, 2020-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	63,551	24.1	131	54	74	\$2.4	\$597	\$780	\$345	\$42,504	7.9	\$357	1.4
2016	63,983	24.2	214	66	75	\$2.5	\$608	\$793	\$354	\$42,481	7.1	\$369	2.3
2017	64,176	24.2	110	102	74	\$2.6	\$647	\$816	\$362	\$43,302	6.4	\$407	3.0
2018	64,703	24.3	484	112	75	\$2.8	\$681	\$836	\$363	\$43,773	5.8	\$273	3.7
2019	65,428	24.4	709	83	78	\$3.0	\$736	\$951	\$381	\$45,774	5.6	\$292	2.9
2020	65,648	24.4	229	109	78	\$2.9	\$600	\$748	\$363	\$44,289	11.0	\$293	0.5
2021	65,919	24.5	269	136	78	\$3.0	\$682	\$855	\$360	\$43,983	10.0	\$294	1.6
2022	66,223	24.7	303	161	79	\$3.1	\$709	\$890	\$366	\$44,626	8.6	\$295	2.3
2023	66,571	24.8	347	173	79	\$3.2	\$736	\$925	\$375	\$45,421	7.6	\$296	2.6
2024	66,973	25.0	398	181	79	\$3.4	\$764	\$961	\$384	\$46,116	6.9	\$298	2.5
2025	67,400	25.2	420	180	80	\$3.5	\$794	\$999	\$393	\$46,733	6.6	\$299	2.3
2026	67,847	25.3	436	181	81	\$3.7	\$814	\$1,025	\$401	\$47,191	6.2	\$300	2.3
2027	68,316	25.5	453	183	81	\$3.8	\$836	\$1,052	\$408	\$47,636	5.9	\$301	2.2
2028	68,797	25.7	467	184	82	\$4.0	\$858	\$1,081	\$414	\$48,028	5.7	\$302	2.2
2029	69,290	25.8	473	184	82	\$4.1	\$879	\$1,108	\$419	\$48,316	5.4	\$303	2.3
2030	69,792	26.0	479	184	83	\$4.3	\$903	\$1,138	\$424	\$48,637	5.3	\$305	2.2
2031	70,294	26.2	475	184	83	\$4.4	\$922	\$1,162	\$430	\$48,950	5.1	\$306	2.1
2032	70,789	26.3	469	182	84	\$4.6	\$944	\$1,190	\$436	\$49,224	5.0	\$307	2.3
2033	71,278	26.5	462	181	85	\$4.7	\$964	\$1,215	\$442	\$49,624	5.0	\$309	1.9
2034	71,752	26.7	451	179	85	\$4.9	\$985	\$1,242	\$447	\$50,005	5.1	\$310	2.1
2035	72,212	26.9	439	178	86	\$5.1	\$1,010	\$1,273	\$453	\$50,403	5.2	\$311	2.2
2036	72,651	27.0	424	174	86	\$5.3	\$1,040	\$1,311	\$458	\$50,727	5.3	\$313	2.6
2037	73,062	27.2	406	170	87	\$5.5	\$1,069	\$1,348	\$462	\$51,037	5.4	\$314	2.7
2038	73,457	27.3	400	168	87	\$5.7	\$1,098	\$1,385	\$467	\$51,418	5.3	\$316	2.5
2039	73,828	27.5	385	165	88	\$5.9	\$1,129	\$1,424	\$472	\$51,777	5.4	\$317	2.7
2040	74,181	27.7	375	162	88	\$6.1	\$1,158	\$1,461	\$477	\$52,195	5.4	\$319	2.6
2041	74,505	27.8	349	157	89	\$6.4	\$1,185	\$1,494	\$484	\$52,736	5.5	\$320	2.2
2042	74,817	28.0	333	153	89	\$6.6	\$1,210	\$1,526	\$490	\$53,343	5.5	\$322	2.1
2043	75,120	28.1	329	152	89	\$6.8	\$1,237	\$1,560	\$497	\$54,006	5.6	\$323	2.0
2044	75,421	28.2	331	151	90	\$7.1	\$1,259	\$1,588	\$505	\$54,749	5.5	\$325	1.8
2045	75,725	28.4	338	151	90	\$7.4	\$1,286	\$1,622	\$513	\$55,481	5.3	\$327	1.9
2046	76,029	28.5	338	149	90	\$7.6	\$1,313	\$1,657	\$520	\$56,203	5.3	\$328	2.0
2047	76,336	28.7	335	148	91	\$7.9	\$1,342	\$1,693	\$528	\$56,873	5.2	\$330	2.2
2048	76,638	28.8	321	145	91	\$8.2	\$1,376	\$1,736	\$535	\$57,527	5.3	\$332	2.3
2049	76,933	28.9	306	141	92	\$8.5	\$1,406	\$1,774	\$544	\$58,319	5.4	\$334	2.0
2050	77,222	29.1	294	138	92	\$8.9	\$1,438	\$1,814	\$552	\$59,106	5.5	\$336	2.1

Employment Sectors

2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	18,180	1,750	550	1,840	1,500	2,170	330	700	60	2,860	1,360	4,030
2016	18,640	1,830	560	1,810	1,570	2,350	360	810	80	2,830	1,340	4,070
2017	19,390	1,980	610	1,840	1,680	2,340	350	880	110	2,970	1,410	4,150
2018	19,700	1,900	690	1,880	1,690	2,350	320	820	100	3,140	1,480	4,170
2019	20,090	1,880	820	1,810	1,680	2,400	310	870	90	3,330	1,480	4,160
2020	18,820	1,635	780	1,682	1,600	2,172	254	809	87	3,323	1,271	4,126
2021	19,240	1,786	804	1,715	1,630	2,282	266	821	84	3,344	1,374	4,037
2022	19,740	1,818	825	1,760	1,693	2,335	283	848	89	3,362	1,475	4,131
2023	20,110	1,911	842	1,789	1,750	2,349	294	873	82	3,379	1,513	4,205
2024	20,310	1,930	847	1,796	1,791	2,363	301	892	83	3,407	1,515	4,257
2025	20,380	1,931	847	1,806	1,815	2,379	304	903	84	3,440	1,514	4,234
2026	20,390	1,923	837	1,807	1,828	2,383	307	909	84	3,469	1,509	4,211
2027	20,460	1,914	829	1,817	1,838	2,388	311	913	84	3,499	1,503	4,241
2028	20,510	1,905	820	1,823	1,847	2,394	313	917	84	3,521	1,495	4,270
2029	20,590	1,907	810	1,827	1,856	2,397	314	922	85	3,550	1,497	4,298
2030	20,670	1,908	801	1,830	1,865	2,403	315	926	85	3,578	1,500	4,339
2031	20,720	1,899	790	1,834	1,874	2,404	317	930	85	3,605	1,502	4,354
2032	20,790	1,901	780	1,839	1,882	2,407	318	934	85	3,634	1,505	4,381
2033	20,850	1,902	769	1,837	1,891	2,410	317	938	85	3,663	1,506	4,408
2034	20,910	1,904	758	1,834	1,899	2,412	316	942	84	3,691	1,508	4,435
2035	20,980	1,905	757	1,832	1,908	2,417	314	946	84	3,719	1,510	4,462
2036	21,060	1,907	755	1,834	1,916	2,421	312	950	84	3,749	1,513	4,489
2037	21,130	1,909	752	1,835	1,925	2,424	311	954	83	3,780	1,515	4,515
2038	21,200	1,910	751	1,833	1,933	2,427	311	958	83	3,810	1,517	4,542
2039	21,270	1,912	749	1,831	1,941	2,430	309	963	83	3,840	1,519	4,568
2040	21,360	1,914	748	1,832	1,950	2,432	309	967	83	3,869	1,521	4,606
2041	21,410	1,915	745	1,827	1,958	2,434	308	971	82	3,898	1,523	4,621
2042	21,470	1,917	743	1,825	1,966	2,436	307	975	82	3,925	1,525	4,648
2043	21,540	1,919	742	1,822	1,974	2,439	306	979	81	3,954	1,527	4,674
2044	21,610	1,921	742	1,820	1,982	2,441	307	983	81	3,982	1,529	4,701
2045	21,680	1,923	742	1,815	1,991	2,445	308	987	81	4,009	1,530	4,727
2046	21,750	1,925	741	1,813	1,999	2,447	308	991	81	4,037	1,532	4,754
2047	21,830	1,927	740	1,814	2,007	2,449	309	995	81	4,068	1,535	4,780
2048	21,900	1,929	738	1,812	2,015	2,452	307	999	82	4,096	1,537	4,806
2049	21,970	1,931	736	1,813	2,023	2,455	306	1,003	81	4,125	1,539	4,833
2050	22,040	1,933	735	1,811	2,031	2,458	305	1,007	81	4,154	1,541	4,859

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Socioeconomic Indicators

