

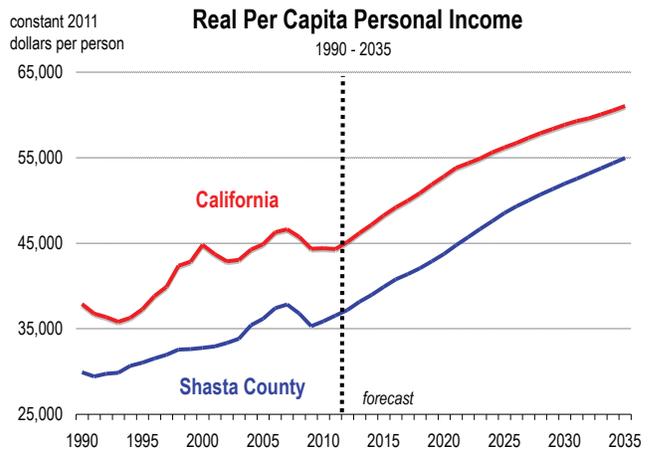
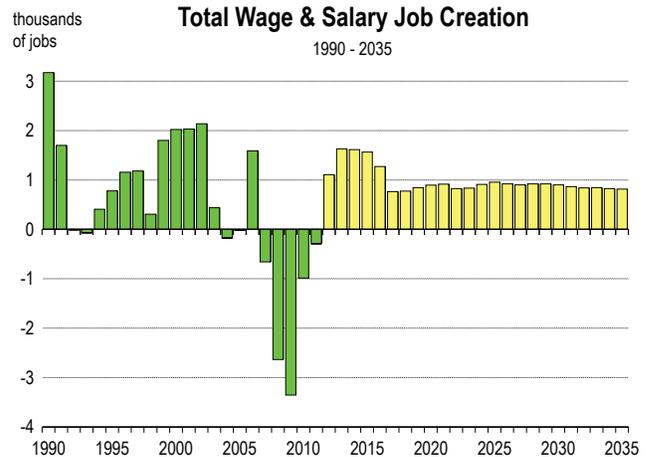
SHASTA COUNTY ECONOMIC FORECAST

Shasta County is one of the northernmost counties in California. The largest city, and the county seat, is Redding with 90,200 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 177,675 people and 58,317 wage and salary jobs. The per capita income in Shasta County is \$36,522, and the average salary per worker is \$45,098.

In 2011, 292 total wage and salary jobs were lost in Shasta County, representing a decline of 0.5 percent. The farm sector gained 75 jobs, whereas the non-farm sectors lost 367 jobs. Despite these job losses, the unemployment rate improved significantly, falling from 15.7 to 14.7 percent.

During 2011, the largest employment gains were observed in education and healthcare (+208 jobs), agriculture (+75 jobs), and “miscellaneous services” (+58 jobs). The largest employment losses were in government (-350 jobs), financial activities (-83 jobs), retail trade (-67 jobs), and leisure services (-58 jobs). Construction employment, which declined by 28 jobs in 2011, 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 2006 and 2011. This growth was largely due to net migration, as the county gained an average of 400 net migrants per year. Population growth should accelerate over the forecast period, as both net migration and the natural increase (new births) produce new residents. However, overall growth will remain well below the state average.



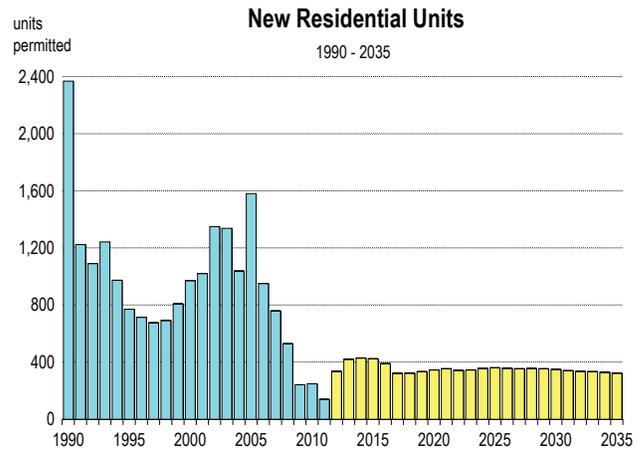
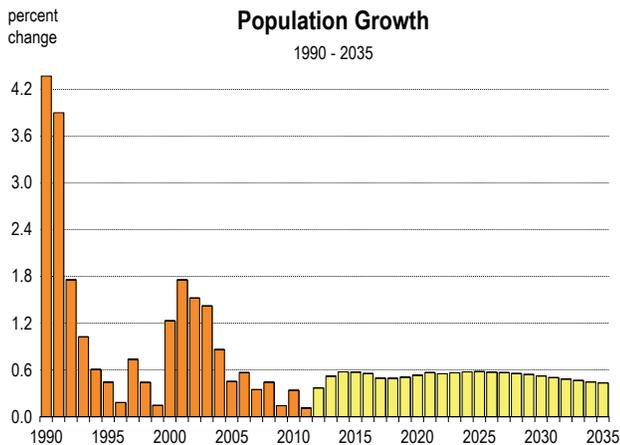
FORECAST HIGHLIGHTS

- Total wage and salary job growth is forecast to be 1.9 percent in 2012. From 2012 to 2017, total employment 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 0.4 percent per year from 2012 to 2017.
- Between 2012 and 2017, job growth will be relatively even across sectors. However, the largest job creators will be the professional services, education and healthcare, retail trade, and public sectors. These sectors will account for 53 percent of all jobs created in the county.
- Annual population growth in the 2012 to 2017 period will average 0.5 percent per year.
- Net migration will accelerate over the next few years. Between 2012 and 2017, net migration is expected to average 575 net migrants per year. This will account for most of the expected population growth between 2012 and 2017.
- Real per capita income is forecast to increase by 1.9 percent in 2012. Between 2012 and 2017, real per capita income is expected to rise by an average of 2.1 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to increase at a rate of 4.7 percent in 2012. From 2012 to 2017 real taxable sales are forecast to increase by an average of 4.2 percent per year.
- Industrial production is forecast to increase by 6.7 percent in 2012. Between 2012 and 2017, growth will average 4.8 percent per year.

Shasta County Economic Forecast

2006-2011 History, 2012-2040 Forecast

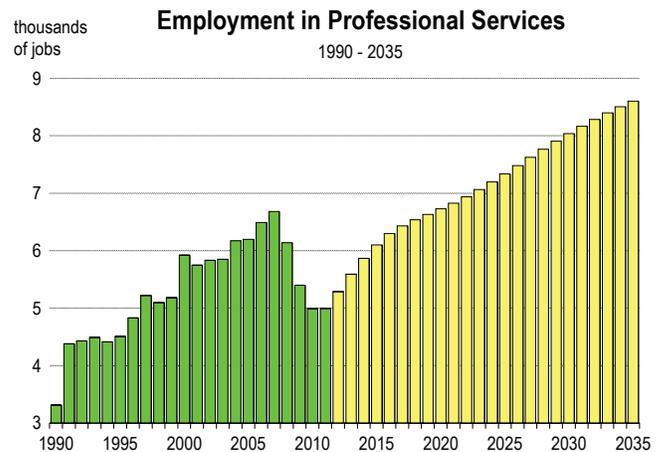
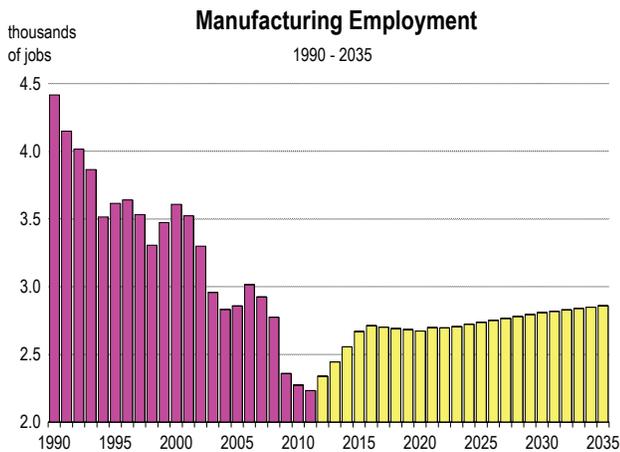
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	175,902	289	222.0	69.4	952	\$2.64	\$5.88	\$36,351	3.2	72.1	1109.9	6.6
2006	175,238	798	222.0	68.9	952	\$2.64	\$5.88	\$37,389	3.2	73.8	1136.9	6.6
2007	175,849	396	223.0	69.8	760	\$2.84	\$6.17	\$37,847	3.4	80.3	1075.4	7.5
2008	176,629	632	219.6	70.3	530	\$2.64	\$6.20	\$36,766	3.0	77.5	1021.5	10.0
2009	176,881	82	218.6	70.3	243	\$2.31	\$6.01	\$35,305	0.8	71.8	852.5	14.6
2010	177,480	456	216.7	70.3	249	\$2.49	\$6.21	\$35,878	1.3	72.5	967.9	15.7
2011	177,675	-15	213.2	70.5	141	\$2.59	\$6.49	\$36,522	2.5	76.3	963.2	14.7
2012	178,332	347	214.3	70.7	335	\$2.76	\$6.77	\$37,212	1.9	76.1	1028.1	14.1
2013	179,260	590	215.6	71.0	421	\$2.94	\$7.12	\$38,158	2.1	75.8	1081.9	12.8
2014	180,291	677	216.9	71.4	430	\$3.12	\$7.46	\$38,945	2.1	75.5	1147.2	11.3
2015	181,324	670	218.1	71.8	424	\$3.31	\$7.82	\$39,878	1.8	75.0	1203.6	10.0
2016	182,329	642	219.0	72.2	390	\$3.51	\$8.18	\$40,776	1.7	74.9	1243.8	9.1
2017	183,231	538	219.1	72.6	323	\$3.68	\$8.49	\$41,388	1.7	74.7	1275.4	8.6
2018	184,134	540	218.6	72.9	324	\$3.86	\$8.82	\$42,086	1.7	74.5	1311.4	8.2
2019	185,067	569	217.9	73.2	334	\$4.04	\$9.18	\$42,885	1.5	74.4	1350.6	7.8
2020	186,055	619	217.4	73.5	346	\$4.22	\$9.54	\$43,753	1.4	73.9	1392.5	7.5
2021	187,110	675	217.1	73.9	355	\$4.41	\$9.95	\$44,751	1.3	73.4	1437.5	7.5
2022	188,143	647	217.0	74.2	342	\$4.59	\$10.36	\$45,716	1.5	73.4	1474.7	7.4
2023	189,200	666	217.0	74.5	346	\$4.78	\$10.80	\$46,650	1.5	73.3	1515.6	7.4
2024	190,290	692	217.6	74.9	357	\$4.99	\$11.26	\$47,576	1.6	73.4	1563.9	7.4
2025	191,389	693	219.0	75.2	362	\$5.22	\$11.74	\$48,521	1.7	73.4	1611.9	7.3
2026	192,483	688	220.7	75.5	358	\$5.45	\$12.20	\$49,301	1.7	73.2	1661.2	7.3
2027	193,571	683	222.9	75.9	355	\$5.68	\$12.65	\$50,013	1.7	73.1	1712.1	7.3
2028	194,645	681	226.0	76.2	357	\$5.92	\$13.11	\$50,691	1.7	73.0	1764.9	7.2
2029	195,699	667	229.0	76.6	355	\$6.17	\$13.58	\$51,323	1.7	72.9	1819.3	7.2
2030	196,722	640	232.6	76.9	350	\$6.42	\$14.06	\$51,954	1.7	72.5	1875.2	7.2
2031	197,707	610	236.4	77.2	342	\$6.68	\$14.53	\$52,541	1.7	72.1	1931.9	7.1
2032	198,659	583	240.1	77.6	336	\$6.94	\$15.02	\$53,143	1.7	72.3	1990.3	7.1
2033	199,581	561	244.0	77.9	334	\$7.22	\$15.52	\$53,766	1.7	72.5	2050.4	7.1
2034	200,472	536	247.9	78.2	329	\$7.51	\$16.03	\$54,354	1.7	72.7	2112.3	7.1
2035	201,339	514	252.1	78.5	325	\$7.81	\$16.56	\$54,975	1.7	72.6	2176.1	7.0
2036	202,178	494	256.1	78.8	322	\$8.12	\$17.12	\$55,600	1.7	72.9	2241.8	7.0
2037	202,986	472	260.2	79.1	318	\$8.45	\$17.69	\$56,265	1.7	73.1	2309.5	7.0
2038	203,768	452	264.4	79.4	314	\$8.80	\$18.30	\$56,967	1.7	72.5	2379.2	7.0
2039	204,527	434	268.6	79.7	312	\$9.16	\$18.91	\$57,679	1.7	72.7	2451.0	6.9
2040	205,267	417	272.5	80.0	309	\$9.53	\$19.55	\$58,420	1.7	72.8	2503.5	6.9

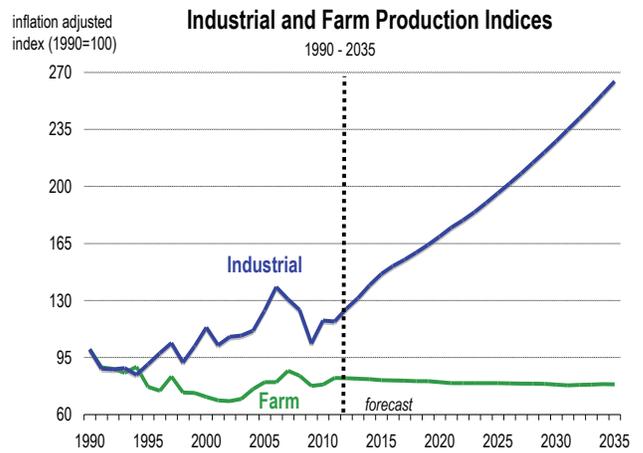
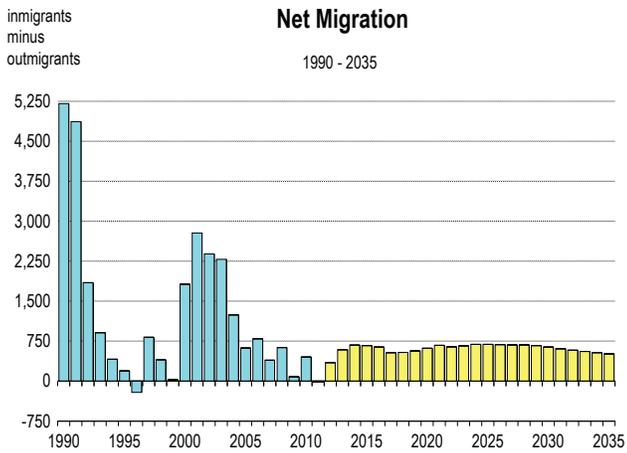
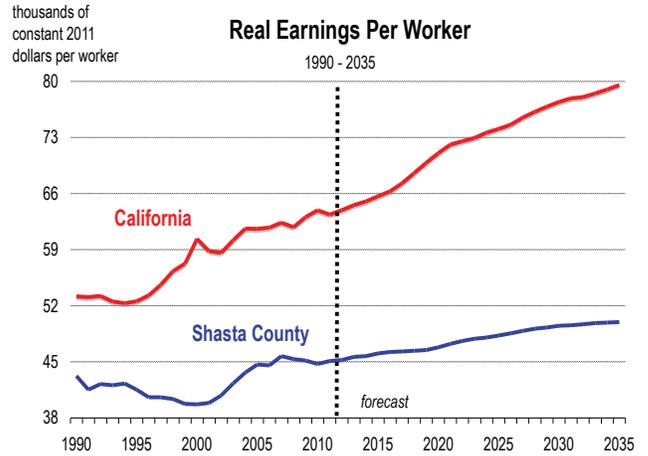
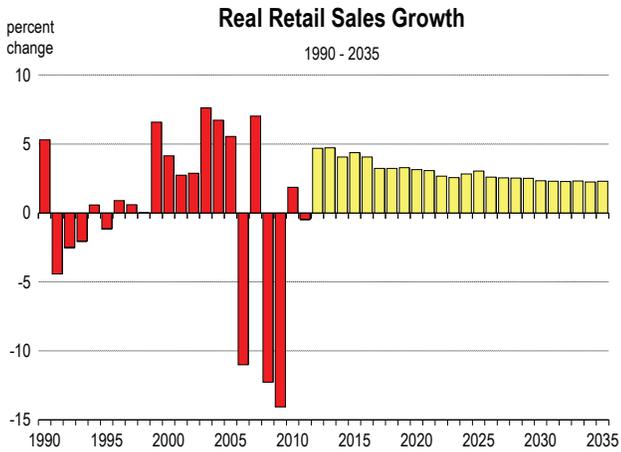


Shasta County Employment Forecast

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	66.2	0.74	5.1	3.0	2.4	11.8	3.2	6.5	1.0	9.8	6.7	13.0
2007	65.6	0.78	4.5	2.9	2.3	11.7	2.9	6.7	0.9	10.0	6.9	12.9
2008	62.9	0.73	3.5	2.8	1.9	11.1	2.7	6.1	0.8	10.3	6.9	13.4
2009	59.6	0.73	2.6	2.4	1.7	10.4	2.6	5.4	0.7	10.5	6.3	13.7
2010	58.6	0.69	2.3	2.3	1.7	10.2	2.5	5.0	0.6	10.9	6.1	13.6
2011	58.3	0.77	2.3	2.2	1.8	10.1	2.4	5.0	0.6	11.1	6.1	13.3
2012	59.4	0.77	2.2	2.3	1.9	10.3	2.5	5.3	0.6	11.3	6.2	13.2
2013	61.1	0.76	2.4	2.4	1.9	10.5	2.6	5.6	0.6	11.5	6.3	13.4
2014	62.7	0.76	2.6	2.6	2.1	10.8	2.7	5.9	0.6	11.6	6.4	13.6
2015	64.2	0.76	2.6	2.7	2.2	11.0	2.8	6.1	0.6	11.8	6.5	13.9
2016	65.5	0.76	2.7	2.7	2.2	11.3	2.9	6.3	0.6	11.9	6.6	14.1
2017	66.3	0.76	2.7	2.7	2.3	11.4	3.0	6.4	0.6	12.1	6.7	14.1
2018	67.1	0.76	2.7	2.7	2.4	11.5	3.0	6.5	0.7	12.3	6.8	14.2
2019	67.9	0.76	2.8	2.7	2.5	11.6	3.1	6.6	0.7	12.5	6.9	14.3
2020	68.8	0.76	2.8	2.7	2.6	11.7	3.2	6.7	0.7	12.8	7.0	14.4
2021	69.7	0.75	2.9	2.7	2.7	11.9	3.2	6.8	0.7	13.0	7.1	14.5
2022	70.6	0.75	3.0	2.7	2.8	12.0	3.2	6.9	0.7	13.3	7.1	14.5
2023	71.4	0.75	3.0	2.7	2.9	12.1	3.2	7.1	0.7	13.6	7.2	14.5
2024	72.3	0.75	3.1	2.7	2.9	12.3	3.3	7.2	0.7	13.8	7.2	14.6
2025	73.3	0.75	3.2	2.7	3.0	12.4	3.3	7.3	0.7	14.1	7.3	14.7
2026	74.2	0.75	3.2	2.8	3.1	12.6	3.4	7.5	0.7	14.4	7.3	14.7
2027	75.1	0.75	3.3	2.8	3.1	12.7	3.4	7.6	0.7	14.7	7.4	14.8
2028	76.0	0.75	3.3	2.8	3.2	12.8	3.5	7.8	0.7	15.0	7.4	14.9
2029	76.9	0.75	3.3	2.8	3.2	13.0	3.6	7.9	0.7	15.3	7.5	15.0
2030	77.8	0.75	3.4	2.8	3.3	13.1	3.6	8.0	0.7	15.6	7.5	15.1
2031	78.7	0.75	3.4	2.8	3.3	13.3	3.7	8.2	0.7	15.8	7.6	15.1
2032	79.5	0.75	3.4	2.8	3.4	13.4	3.8	8.3	0.7	16.1	7.7	15.2
2033	80.4	0.75	3.5	2.8	3.4	13.6	3.9	8.4	0.7	16.3	7.7	15.3
2034	81.2	0.75	3.5	2.8	3.5	13.7	3.9	8.5	0.7	16.5	7.8	15.3
2035	82.0	0.75	3.5	2.9	3.5	13.9	4.0	8.6	0.7	16.7	7.8	15.4
2036	82.9	0.75	3.6	2.9	3.6	14.0	4.1	8.7	0.7	16.9	7.9	15.5
2037	83.7	0.75	3.6	2.9	3.6	14.2	4.2	8.8	0.7	17.1	7.9	15.6
2038	84.4	0.75	3.6	2.9	3.7	14.3	4.3	8.9	0.7	17.3	8.0	15.6
2039	85.2	0.75	3.6	2.9	3.7	14.5	4.4	9.0	0.7	17.4	8.1	15.7
2040	86.0	0.75	3.7	2.9	3.8	14.7	4.5	9.1	0.7	17.5	8.1	15.8





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	28.0%
Expected job growth:	13.7%
Fastest growing jobs sector:	Transportation & Warehousing
Expected personal income growth:	16.9%

Expected population growth:	3.1%
Net migration to account for:	62.4%
Expected growth in number of vehicles:	2.8%

Demographics (2012)

Unemployment rate (March 2012)	14.9%
County Rank* in California (58 counties):	36th
Working age (16-64) population:	64.1%

Population with B.A. Degree or higher:	20.1%
Median Home Selling Price (2011):	\$150,000
Median Household Income:	\$41,462

Quality of Life

Violent Crime rate (2010):	787 per 100,000 persons
County Rank* in California (58 counties):	56th
Average Commute Time to work (2012):	20.8 minutes

High School drop out rate (2010):	12.6%
Households at/below poverty line (2012):	11.2%

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