

SUTTER COUNTY ECONOMIC FORECAST

Sutter County, the birthplace of the seedless grape, is located along the Sacramento River in the Central Valley of California. The county is home to the Sutter Buttes, the "World's Smallest Mountain Range." Sutter County has a population of 95,400 people and 26,700 wage and salary jobs. The per capita income in Sutter County is \$33,886 and the average salary per worker is \$40,680. The largest employers in the county are the public sector, the retail trade industry, the agricultural sector, and the education and healthcare industry. Combined, they account for 60 percent of total wage and salary employment.

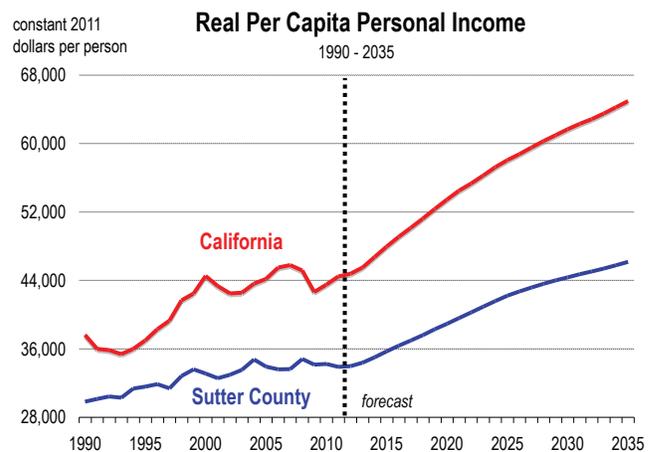
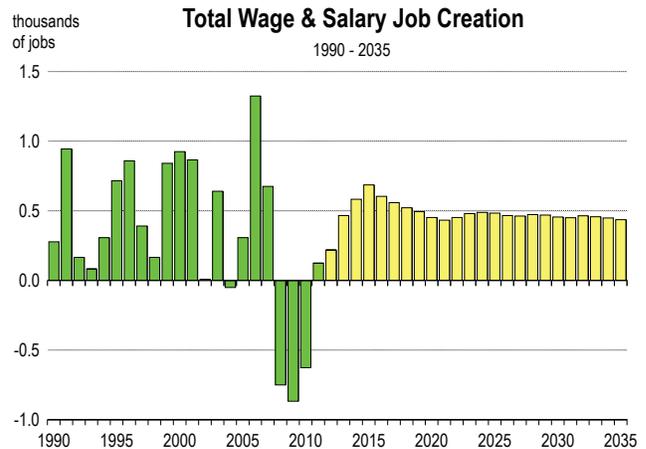
Employment across Northern California increased by 0.9 percent in 2011, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba, and Sutter Counties) declined by 0.8 percent. In Sutter County, however, 125 total wage and salary jobs were created, representing a growth rate of 0.5 percent. The non-farm sector lost 183 jobs, while the farm sector added 308 positions. The unemployment rate improved moderately, dropping from 19.4 percent to 18.8 percent.

Across the major employment industries, results were mixed in 2011. Roughly half of all sectors were characterized by increases, whereas the other half experienced declines. The largest gains were observed in agriculture (+308), leisure and hospitality (+175 jobs), wholesale trade (+117 jobs), and manufacturing (+108 jobs). The greatest losses occurred in professional services (-158 jobs), education and healthcare (-150 jobs), government (-125 jobs), and construction (-117 jobs).

The population in Sutter County grew by an annual average of 1.3 percent between 2006 and 2011. This was largely the result of the natural increase (new births), as only 420 net migrants entered the county each year during this period.

FORECAST HIGHLIGHTS

- Job growth is expected to accelerate in 2012, averaging 0.8 percent for the year. Over the 2012-2017 period, growth will average 1.9 percent per year. Non-farm growth is forecast to average 2.2 percent.
- The average salary per worker is currently below the California state average, and is expected to remain so over the forecast period. The average salary is forecast to grow slowly, increasing by an inflation-adjusted 0.4 percent per year from 2012 to 2017.
- Between 2012 and 2017, the principal employment growth will occur in education and healthcare services, retail trade, leisure and hospitality, and professional services. Together, these sectors are expected to account for 64 percent of job creation in the county.

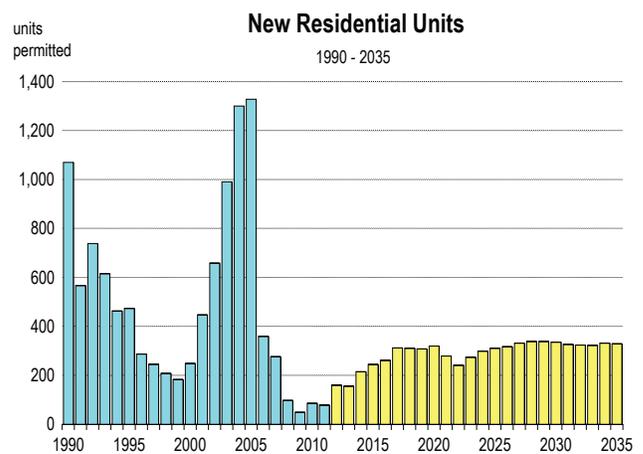
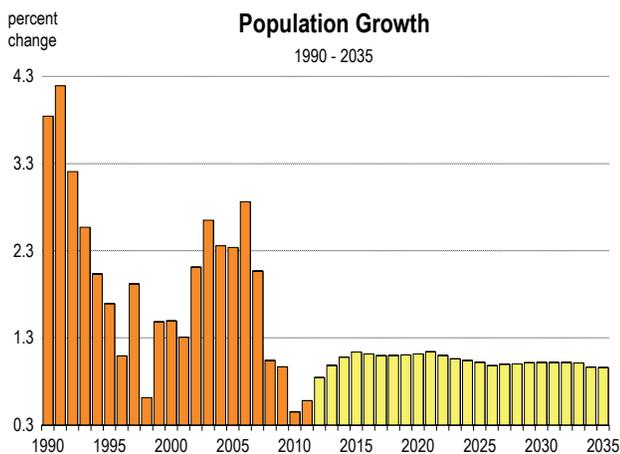


- The population will continue to grow, but will not return to the high growth levels that occurred over much of the past few decades. Annual growth in the 2012 to 2017 period will average 1.0 percent per year.
- Net migration will turn positive in 2012, resulting in 144 net in-migrants. Between 2012 and 2017, net migration will average 330 net migrants per year.
- From 2012 to 2017, real per capita incomes are forecast to rise by 1.5 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise by 3.0 percent per year between 2012 and 2017.
- From 2012 to 2017, the growth rate of industrial production is expected to average 2.9 percent per year.
- Farm production is forecast to decline by an average of 0.4 percent per year between 2012 and 2017. The principal crop in the county is rice.

Sutter County Economic Forecast

2006-2011 History, 2012-2040 Forecast

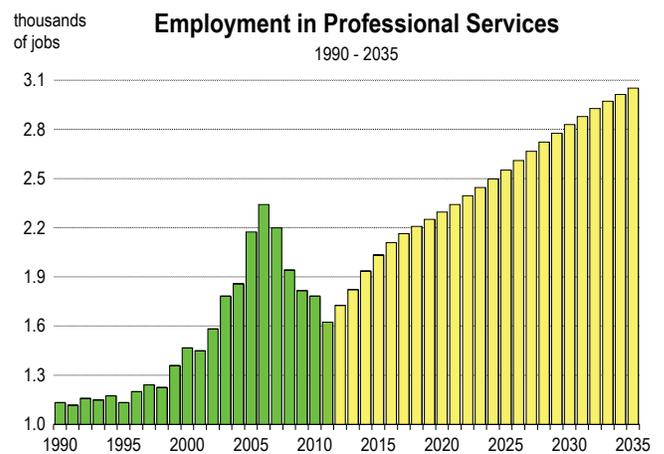
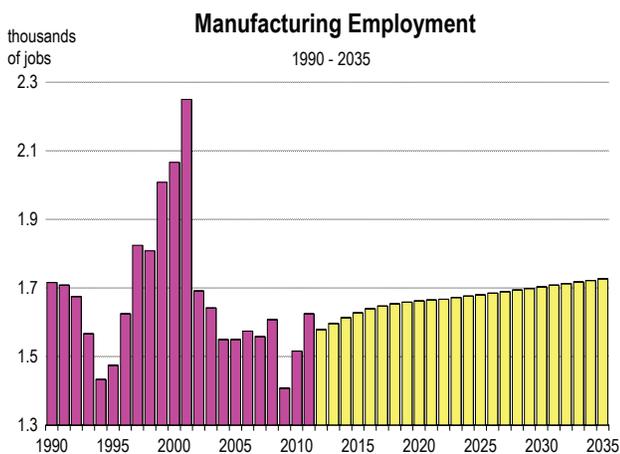
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	90,628	1,756	92.6	30.5	360	\$1.43	\$2.73	\$33,582	3.2	400	389	9.0
2007	92,502	960	93.3	31.0	276	\$1.41	\$2.89	\$33,631	3.4	407	418	9.7
2008	93,465	166	92.8	31.3	98	\$1.29	\$3.11	\$34,816	3.0	522	534	12.3
2009	94,372	134	93.4	31.4	49	\$1.18	\$3.10	\$34,144	0.8	494	430	16.8
2010	94,800	-308	93.9	31.4	86	\$1.21	\$3.17	\$34,232	1.3	534	447	19.4
2011	95,351	-177	92.4	31.5	79	\$1.27	\$3.23	\$33,886	2.5	531	525	18.8
2012	96,158	144	91.5	31.6	161	\$1.32	\$3.33	\$33,966	1.9	528	527	17.4
2013	97,106	263	92.9	31.7	156	\$1.38	\$3.47	\$34,372	2.1	526	538	15.8
2014	98,155	354	94.6	31.9	215	\$1.45	\$3.65	\$35,013	2.1	525	557	13.9
2015	99,273	415	96.1	32.1	245	\$1.52	\$3.83	\$35,695	1.8	517	575	12.1
2016	100,381	397	97.4	32.3	261	\$1.59	\$4.02	\$36,370	1.7	520	597	11.1
2017	101,483	385	98.5	32.6	312	\$1.65	\$4.20	\$36,963	1.7	520	621	10.5
2018	102,599	386	99.5	32.9	311	\$1.72	\$4.39	\$37,607	1.7	521	646	10.1
2019	103,735	392	100.5	33.2	308	\$1.79	\$4.59	\$38,293	1.5	524	669	9.8
2020	104,895	405	101.5	33.5	320	\$1.86	\$4.79	\$38,942	1.4	516	692	9.6
2021	106,094	435	102.4	33.8	279	\$1.93	\$4.99	\$39,607	1.3	505	712	9.6
2022	107,261	393	103.3	34.1	242	\$2.00	\$5.20	\$40,248	1.5	510	734	9.4
2023	108,398	359	104.2	34.3	274	\$2.08	\$5.43	\$40,906	1.5	512	758	9.2
2024	109,528	347	105.1	34.6	299	\$2.17	\$5.66	\$41,590	1.6	516	785	9.1
2025	110,648	335	105.9	34.9	311	\$2.27	\$5.90	\$42,222	1.7	517	812	9.0
2026	111,737	300	106.7	35.2	317	\$2.37	\$6.13	\$42,711	1.7	514	841	8.9
2027	112,853	325	107.6	35.5	332	\$2.47	\$6.37	\$43,176	1.7	509	871	8.7
2028	113,985	337	108.4	35.8	338	\$2.58	\$6.61	\$43,607	1.7	508	901	8.6
2029	115,145	363	109.3	36.2	339	\$2.69	\$6.85	\$43,998	1.7	504	932	8.5
2030	116,318	373	110.1	36.5	336	\$2.80	\$7.10	\$44,363	1.7	492	963	8.3
2031	117,504	385	111.0	36.8	327	\$2.91	\$7.35	\$44,723	1.7	480	996	8.2
2032	118,702	396	111.8	37.1	324	\$3.02	\$7.61	\$45,046	1.7	485	1029	8.1
2033	119,907	402	112.6	37.5	323	\$3.13	\$7.88	\$45,400	1.7	488	1063	8.0
2034	121,066	358	113.4	37.8	332	\$3.25	\$8.15	\$45,775	1.7	489	1099	7.9
2035	122,229	363	114.2	38.1	329	\$3.36	\$8.44	\$46,160	1.7	484	1135	7.8
2036	123,349	323	115.0	38.4	323	\$3.48	\$8.74	\$46,547	1.7	490	1172	7.7
2037	124,469	327	115.7	38.7	316	\$3.60	\$9.05	\$46,946	1.7	489	1211	7.7
2038	125,541	282	116.4	39.0	309	\$3.72	\$9.37	\$47,370	1.7	473	1251	7.6
2039	126,570	246	117.1	39.3	303	\$3.84	\$9.71	\$47,838	1.7	474	1291	7.5
2040	127,549	202	117.7	39.6	296	\$3.97	\$10.05	\$48,334	1.7	473	1338	7.4

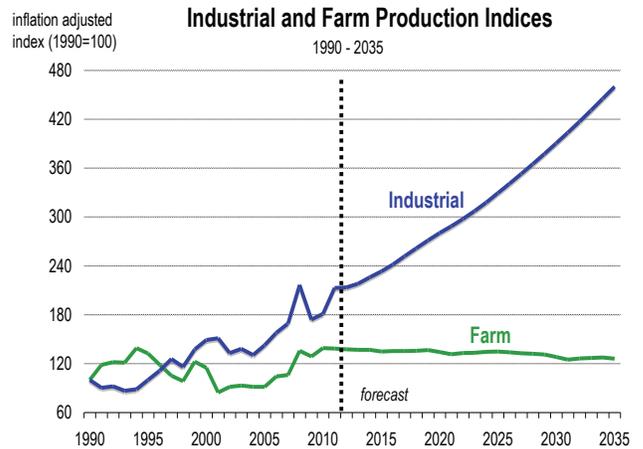
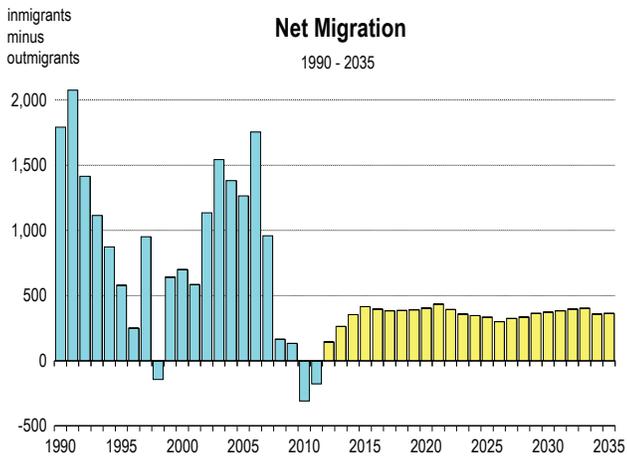
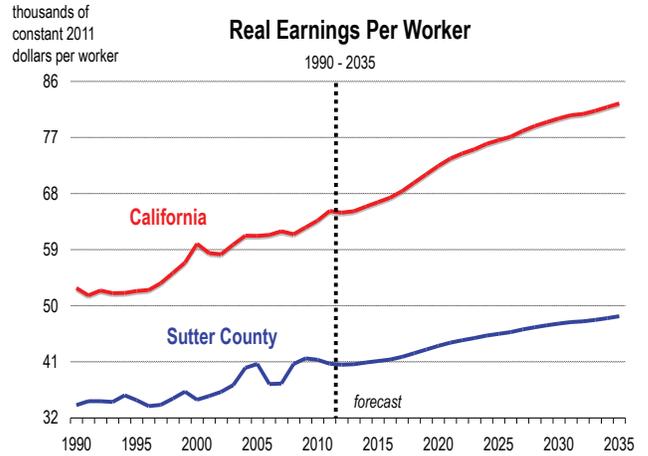
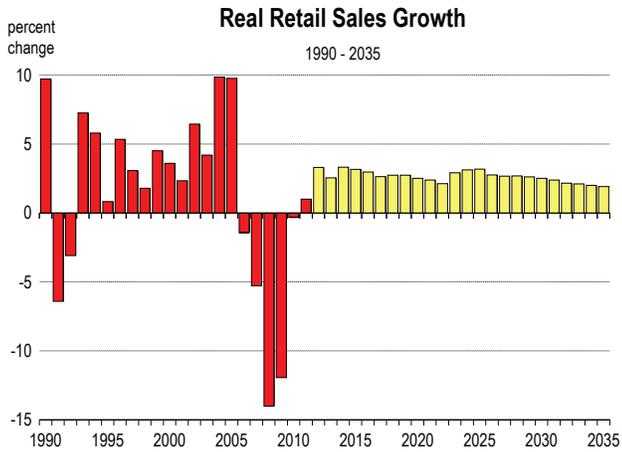


Sutter County Employment Forecast

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	28.1	3.34	1.63	1.58	0.53	5.85	1.10	2.34	0.20	3.73	2.38	4.56
2007	28.8	3.54	1.61	1.56	0.69	6.01	1.13	2.20	0.22	3.80	2.47	4.63
2008	28.0	3.38	1.29	1.61	0.71	5.59	1.07	1.94	0.22	3.85	2.54	4.87
2009	27.2	3.48	1.02	1.41	0.72	5.09	1.11	1.82	0.30	3.83	2.49	5.08
2010	26.6	3.68	0.97	1.52	0.66	5.09	1.09	1.78	0.20	3.49	2.55	4.73
2011	26.7	3.98	0.85	1.63	0.73	5.14	1.04	1.63	0.20	3.34	2.73	4.61
2012	26.9	3.98	0.90	1.58	0.78	5.23	1.05	1.73	0.21	3.40	2.77	4.43
2013	27.4	3.98	0.89	1.60	0.83	5.35	1.06	1.82	0.22	3.48	2.82	4.47
2014	27.9	3.98	0.90	1.61	0.89	5.48	1.08	1.94	0.23	3.60	2.87	4.50
2015	28.6	3.96	0.91	1.63	0.94	5.61	1.09	2.03	0.24	3.74	2.93	4.66
2016	29.2	3.97	0.93	1.64	1.00	5.72	1.10	2.11	0.24	3.88	2.99	4.74
2017	29.8	3.97	0.96	1.65	1.05	5.82	1.11	2.16	0.25	4.03	3.05	4.84
2018	30.3	3.97	0.98	1.65	1.10	5.91	1.12	2.21	0.25	4.17	3.11	4.93
2019	30.8	3.97	1.00	1.66	1.15	6.00	1.12	2.25	0.25	4.31	3.17	4.99
2020	31.3	3.96	1.02	1.66	1.19	6.08	1.13	2.30	0.26	4.46	3.23	5.04
2021	31.7	3.95	1.04	1.67	1.23	6.15	1.14	2.34	0.26	4.61	3.29	5.08
2022	32.1	3.95	1.05	1.67	1.27	6.22	1.15	2.40	0.26	4.76	3.35	5.11
2023	32.6	3.96	1.07	1.67	1.32	6.33	1.16	2.45	0.26	4.89	3.41	5.14
2024	33.1	3.96	1.10	1.68	1.37	6.44	1.17	2.50	0.26	5.02	3.47	5.17
2025	33.6	3.96	1.12	1.68	1.41	6.56	1.18	2.55	0.27	5.14	3.53	5.20
2026	34.1	3.96	1.14	1.68	1.46	6.68	1.18	2.61	0.27	5.26	3.59	5.23
2027	34.5	3.95	1.17	1.69	1.50	6.78	1.19	2.67	0.27	5.38	3.64	5.27
2028	35.0	3.95	1.20	1.69	1.54	6.89	1.20	2.72	0.27	5.50	3.70	5.30
2029	35.5	3.95	1.23	1.70	1.58	6.99	1.21	2.78	0.28	5.62	3.77	5.34
2030	35.9	3.93	1.26	1.70	1.61	7.09	1.22	2.83	0.28	5.74	3.83	5.37
2031	36.4	3.91	1.29	1.71	1.65	7.19	1.23	2.88	0.28	5.87	3.89	5.41
2032	36.8	3.92	1.32	1.71	1.69	7.28	1.24	2.93	0.28	5.99	3.95	5.45
2033	37.3	3.92	1.35	1.72	1.73	7.37	1.25	2.97	0.28	6.12	4.02	5.48
2034	37.8	3.93	1.38	1.72	1.76	7.46	1.26	3.01	0.29	6.25	4.08	5.52
2035	38.2	3.92	1.41	1.73	1.80	7.54	1.27	3.05	0.29	6.38	4.14	5.55
2036	38.6	3.93	1.44	1.73	1.84	7.62	1.28	3.09	0.29	6.50	4.20	5.59
2037	39.1	3.93	1.47	1.74	1.87	7.69	1.29	3.13	0.29	6.63	4.26	5.63
2038	39.5	3.90	1.50	1.74	1.91	7.77	1.30	3.17	0.29	6.76	4.31	5.66
2039	39.9	3.91	1.53	1.75	1.94	7.84	1.31	3.21	0.30	6.89	4.37	5.70
2040	40.3	3.90	1.56	1.75	1.98	7.91	1.31	3.25	0.30	7.02	4.42	5.74





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	19.4 %
Expected job growth:	11.7 %
Fastest growing jobs sector:	Transportation and Warehousing
Expected personal income growth:	16.1 %

Expected population growth:	6.4 %
Net migration to account for:	31.9 %
Expected growth in number of vehicles:	6.6 %

Demographics (2012)

Unemployment rate (March 2012)	20.8 %
County Rank* in California (58 counties):	56th
Working age (16-64) population:	62.6 %

Population with B.A. Degree or higher:	19.5 %
Median Home Selling Price (2011):	\$145,000
Median Household Income:	\$48,034

Quality of Life

Violent Crime rate (2010):	379 per 100,000 persons
County Rank* in California (58 counties):	28th
Average Commute Time to work (2012):	30.8 minutes

High School drop out rate (2010):	16.9 %
Households at/below poverty line (2012):	10.0 %

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