

BUTTE COUNTY ECONOMIC FORECAST

In California, there are 14 counties north of the Bay Area and the Sacramento Valley. Of these, Butte County is the largest in terms of population. It is home to Chico State, the second oldest college in the California State University system. Butte County has a population of 221,100 people and a total of 71,400 wage and salary jobs. The per capita income in Butte County is \$34,335 and the average salary per worker is \$43,483.

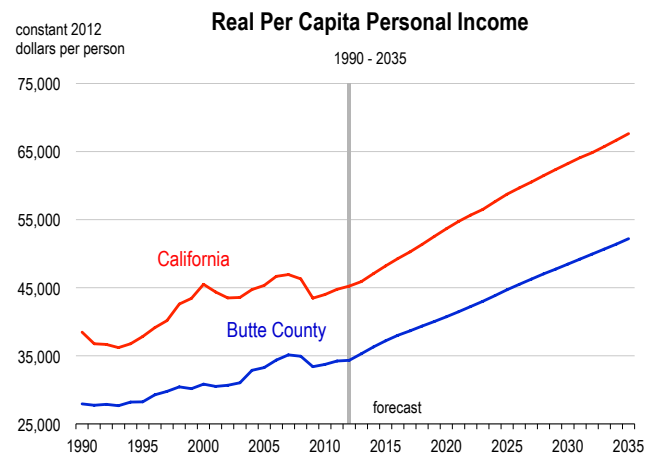
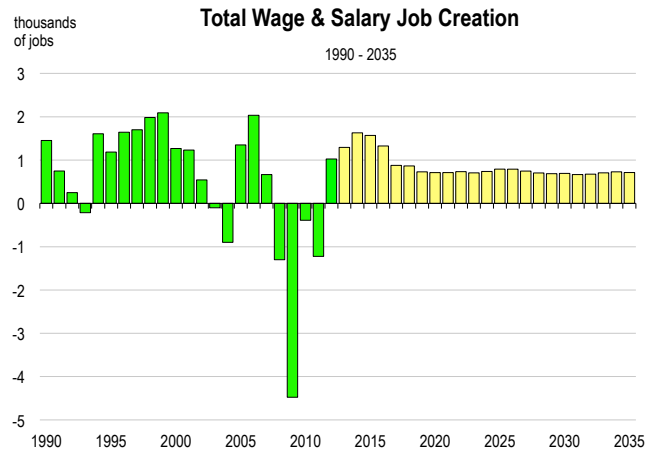
In 2012, a total of 1,030 wage and salary jobs were gained in Butte County, representing a growth rate of 1.5 percent. The unemployment rate improved substantially, dropping from 13.6 percent in 2011 to 12.3 percent in 2012.

During 2012, most industries were characterized by positive employment growth. The largest gains were observed in professional and business services (+410 jobs), wholesale and retail trade (+300 jobs), leisure and hospitality (+260 jobs), and education and healthcare (+130 jobs). The largest losses were observed in financial activities (-130 jobs), construction (-70 jobs), agriculture (-40 jobs), and transportation and utilities (-30 jobs).

The population of Butte County grew at an annual rate of 0.4 percent between 2007 and 2012. This growth was largely due to net migration. On average, the county gained 660 net residents each year through the migration process, accounting for 82 percent of total population growth. As the economy continues to heal over the next few years, net migration will accelerate, leading to faster rates of population growth.

FORECAST HIGHLIGHTS

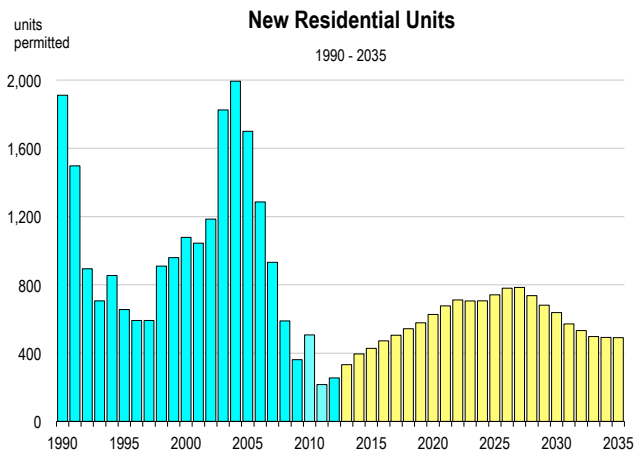
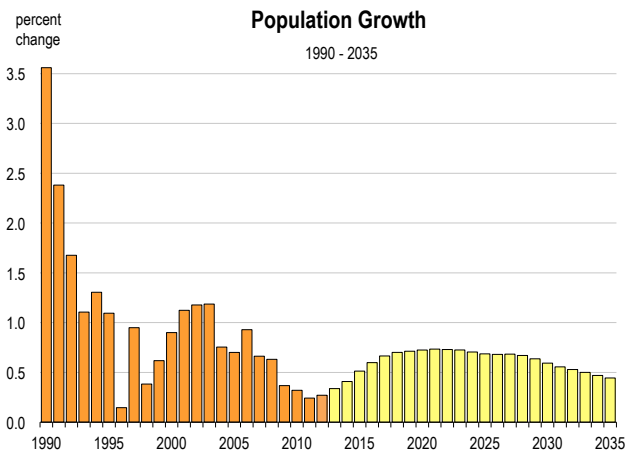
- Total wage and salary employment is expected to increase by 1.8 percent in 2013. Between 2013 and 2018, growth will average 1.7 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. Inflation-adjusted salaries are expected to rise by an average of 0.9 percent per year from 2013 to 2018.
- Between 2013 and 2018, the momentum for employment growth will be in leisure and hospitality, education and healthcare, professional and business services, and government. Together, these sectors are expected to account for 61 percent of net job creation in the county.
- The population of Butte County will continue to grow at a modest rate. Annual growth in the 2013-2018 period is expected to average 0.6 percent.
- Net migration is forecast to rise over the next five years. Between 2013 and 2018, net migration will average 1,090 individuals per year.
- Real per capita income is expected to increase by 2.8 percent in 2013. Over the 2013-2018 period, real per capita income growth is expected to average 2.2 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise by 2.1 percent per year between 2013 and 2018.
- Industrial production is forecast to increase by 4.7 percent in 2013. From 2013 to 2018, the growth rate of industrial production will average 3.7 percent per year.



Butte County Economic Forecast

2006-2012 History, 2013-2040 Forecast

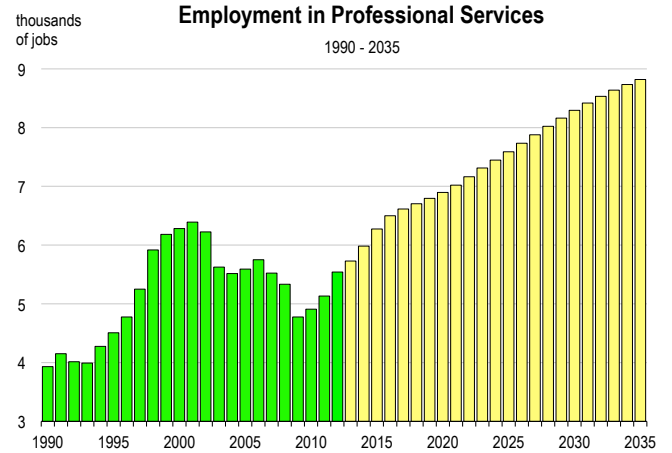
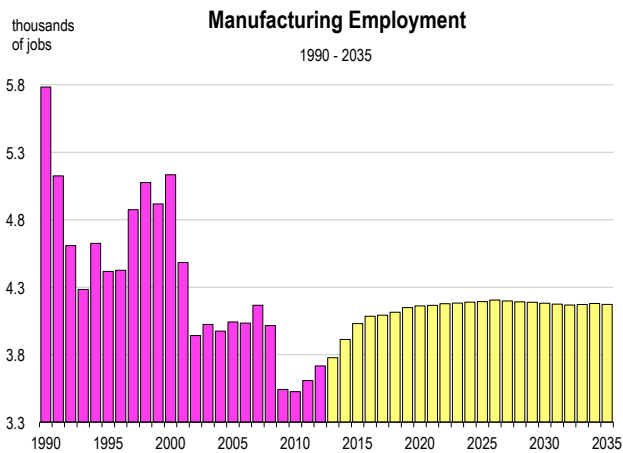
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	215,684	1,713	227.8	85.5	1,286	\$2.83	\$6.48	\$34,385	3.3	497	925	6.2
2007	217,115	1,153	223.9	86.5	932	\$2.78	\$6.87	\$35,125	3.2	544	960	6.7
2008	218,485	1,102	225.9	87.4	589	\$2.68	\$7.09	\$34,931	3.1	607	972	8.4
2009	219,287	542	225.5	87.5	362	\$2.35	\$6.87	\$33,419	0.9	575	899	12.5
2010	219,990	523	225.4	87.6	507	\$2.46	\$7.05	\$33,751	1.2	660	907	13.9
2011	220,521	531	223.4	87.9	216	\$2.59	\$7.35	\$34,222	2.6	662	947	13.6
2012	221,118	597	218.8	88.3	255	\$2.68	\$7.59	\$34,335	2.7	721	986	12.3
2013	221,864	607	218.3	88.6	333	\$2.85	\$8.01	\$35,303	2.3	732	1,032	10.8
2014	222,771	745	218.5	88.9	395	\$3.01	\$8.49	\$36,305	2.7	741	1,081	9.8
2015	223,914	962	219.3	89.3	428	\$3.14	\$8.94	\$37,210	2.1	748	1,130	8.7
2016	225,254	1,131	220.5	89.7	472	\$3.28	\$9.40	\$37,999	2.4	760	1,167	7.9
2017	226,753	1,261	221.8	90.2	505	\$3.41	\$9.84	\$38,674	2.1	769	1,200	7.6
2018	228,342	1,332	223.2	90.7	543	\$3.54	\$10.29	\$39,357	2.1	776	1,239	7.4
2019	229,970	1,349	224.6	91.2	578	\$3.68	\$10.77	\$40,043	2.1	783	1,285	7.3
2020	231,637	1,377	226.1	91.8	627	\$3.82	\$11.27	\$40,738	2.1	781	1,329	7.2
2021	233,338	1,405	227.5	92.4	677	\$3.95	\$11.82	\$41,473	2.2	778	1,368	6.9
2022	235,041	1,432	229.0	93.1	712	\$4.09	\$12.40	\$42,229	2.3	785	1,410	6.4
2023	236,746	1,456	230.5	93.8	706	\$4.23	\$13.01	\$42,990	2.3	791	1,446	6.2
2024	238,415	1,441	232.0	94.4	707	\$4.39	\$13.68	\$43,829	2.4	797	1,488	6.2
2025	240,052	1,436	233.6	95.1	742	\$4.57	\$14.38	\$44,691	2.4	802	1,530	6.2
2026	241,687	1,458	235.1	95.9	781	\$4.76	\$15.11	\$45,513	2.5	804	1,575	6.2
2027	243,339	1,500	236.7	96.6	785	\$4.96	\$15.85	\$46,282	2.5	806	1,616	6.1
2028	244,970	1,508	238.3	97.4	737	\$5.16	\$16.61	\$47,019	2.5	810	1,658	6.1
2029	246,530	1,459	239.8	98.1	681	\$5.36	\$17.39	\$47,746	2.5	811	1,703	6.1
2030	247,992	1,395	241.4	98.8	638	\$5.57	\$18.21	\$48,475	2.5	803	1,747	6.1
2031	249,371	1,318	242.9	99.4	571	\$5.79	\$19.04	\$49,202	2.5	796	1,793	6.0
2032	250,690	1,258	244.4	99.9	533	\$6.03	\$19.90	\$49,919	2.5	804	1,839	6.0
2033	251,944	1,199	245.9	100.5	497	\$6.28	\$20.79	\$50,653	2.5	811	1,891	6.0
2034	253,127	1,140	247.4	101.0	492	\$6.54	\$21.73	\$51,415	2.5	815	1,945	6.0
2035	254,252	1,110	249.0	101.4	491	\$6.80	\$22.71	\$52,196	2.5	815	1,995	5.9
2036	255,312	1,076	250.5	101.9	473	\$7.08	\$23.73	\$52,993	2.5	824	2,048	5.9
2037	256,321	1,040	252.0	102.4	469	\$7.35	\$24.80	\$53,814	2.5	828	2,100	5.9
2038	257,296	1,022	253.5	102.8	462	\$7.63	\$25.93	\$54,661	2.5	819	2,153	5.9
2039	258,243	1,007	255.1	103.3	440	\$7.91	\$27.09	\$55,537	2.5	825	2,210	5.9
2040	259,154	978	256.6	103.7	423	\$8.19	\$28.31	\$56,441	2.4	829	2,251	5.8

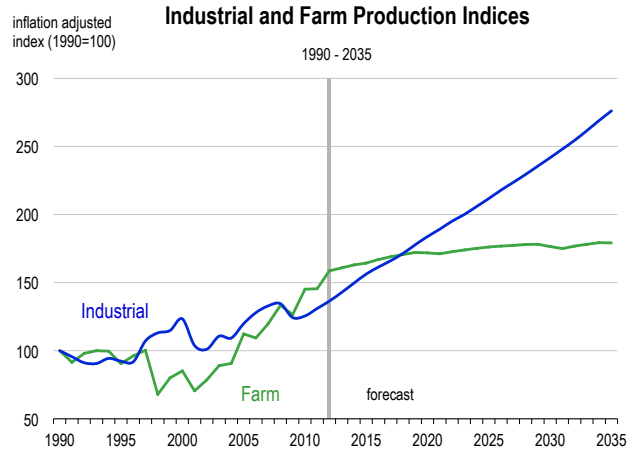
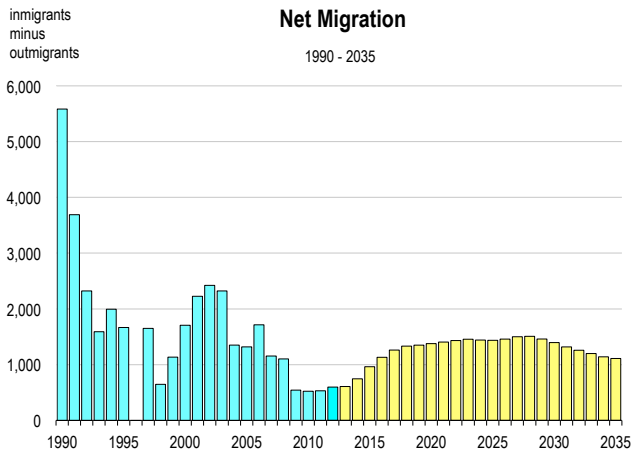
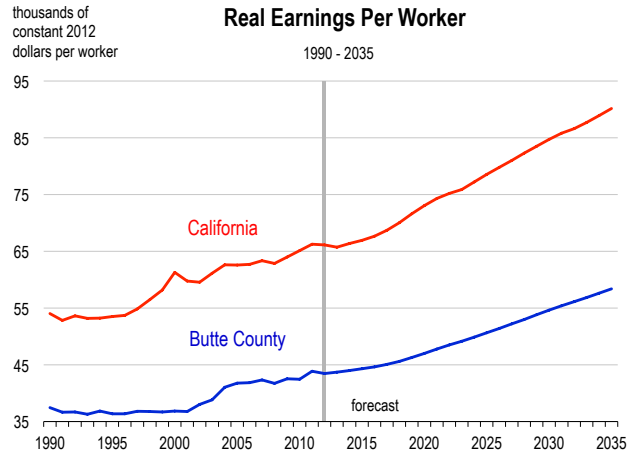
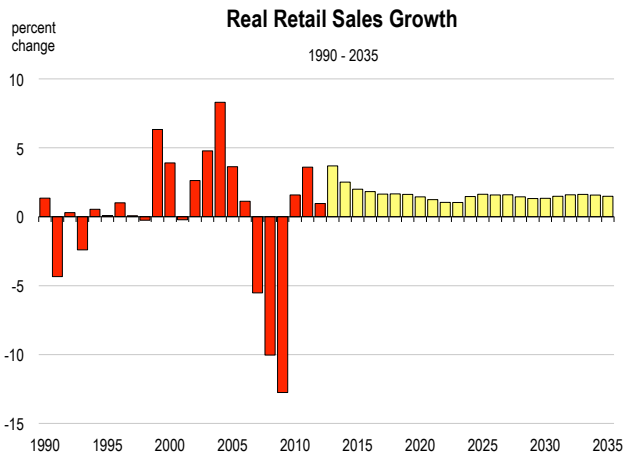


Butte County Employment Forecast

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	77.08	2.50	4.18	4.03	1.93	12.53	3.18	5.75	1.26	12.90	7.71	17.53
2007	77.75	2.58	3.84	4.17	1.96	12.25	3.12	5.53	1.20	13.04	7.98	18.52
2008	76.45	2.81	3.31	4.02	1.85	11.75	3.15	5.33	1.19	13.39	7.88	18.17
2009	71.98	2.70	2.56	3.54	1.76	11.14	3.08	4.78	1.08	13.28	7.27	17.28
2010	71.58	2.77	2.38	3.53	1.60	11.08	3.13	4.91	1.00	13.57	7.12	16.97
2011	70.36	2.72	2.32	3.61	1.58	10.97	2.96	5.13	1.08	13.48	7.16	15.71
2012	71.38	2.68	2.25	3.72	1.54	11.27	2.83	5.54	1.08	13.60	7.42	15.78
2013	72.68	2.70	2.30	3.78	1.60	11.38	2.96	5.73	1.08	13.74	7.60	16.09
2014	74.31	2.73	2.35	3.91	1.63	11.53	3.00	5.98	1.09	13.97	7.74	16.55
2015	75.87	2.74	2.38	4.03	1.66	11.65	3.07	6.27	1.10	14.24	7.90	16.84
2016	77.20	2.76	2.41	4.08	1.68	11.78	3.16	6.50	1.11	14.50	8.07	16.98
2017	78.08	2.77	2.43	4.09	1.70	11.89	3.21	6.61	1.12	14.72	8.23	16.96
2018	78.94	2.78	2.45	4.11	1.72	11.97	3.28	6.70	1.13	14.91	8.36	17.02
2019	79.67	2.79	2.50	4.15	1.74	12.04	3.28	6.80	1.13	15.10	8.48	17.05
2020	80.38	2.80	2.56	4.16	1.75	12.09	3.32	6.90	1.14	15.28	8.59	17.08
2021	81.09	2.81	2.61	4.17	1.75	12.14	3.35	7.02	1.14	15.47	8.70	17.12
2022	81.82	2.81	2.66	4.18	1.76	12.18	3.36	7.16	1.15	15.65	8.82	17.16
2023	82.53	2.81	2.68	4.18	1.76	12.23	3.37	7.31	1.15	15.85	8.94	17.19
2024	83.27	2.82	2.70	4.19	1.77	12.28	3.37	7.45	1.16	16.05	9.06	17.26
2025	84.06	2.82	2.73	4.19	1.77	12.34	3.38	7.59	1.16	16.25	9.18	17.36
2026	84.85	2.82	2.77	4.20	1.78	12.39	3.37	7.73	1.17	16.44	9.31	17.46
2027	85.59	2.82	2.79	4.20	1.78	12.45	3.36	7.88	1.17	16.63	9.44	17.56
2028	86.30	2.83	2.76	4.19	1.79	12.51	3.35	8.02	1.18	16.82	9.57	17.66
2029	86.98	2.83	2.71	4.19	1.80	12.56	3.35	8.16	1.18	17.01	9.70	17.76
2030	87.67	2.83	2.67	4.18	1.80	12.61	3.35	8.29	1.19	17.20	9.83	17.87
2031	88.34	2.83	2.61	4.17	1.81	12.67	3.35	8.42	1.19	17.39	9.97	17.96
2032	89.01	2.83	2.57	4.17	1.81	12.73	3.36	8.53	1.20	17.59	10.10	18.05
2033	89.72	2.83	2.53	4.17	1.82	12.79	3.37	8.64	1.20	17.78	10.24	18.15
2034	90.45	2.83	2.51	4.18	1.82	12.84	3.39	8.73	1.21	17.98	10.39	18.26
2035	91.16	2.83	2.51	4.17	1.83	12.90	3.40	8.82	1.22	18.17	10.53	18.36
2036	91.87	2.83	2.49	4.17	1.83	12.96	3.41	8.90	1.22	18.37	10.68	18.46
2037	92.58	2.83	2.48	4.16	1.84	13.01	3.43	8.99	1.23	18.56	10.82	18.56
2038	93.29	2.83	2.48	4.14	1.84	13.06	3.45	9.08	1.23	18.76	10.98	18.66
2039	94.00	2.83	2.46	4.14	1.85	13.11	3.47	9.16	1.24	18.96	11.13	18.77
2040	94.70	2.83	2.44	4.12	1.86	13.16	3.48	9.25	1.25	19.16	11.28	18.88





County Economic and Demographic Indicators

Projected Economic Growth (2013-2018)

Expected retail sales growth:	10.0 %
Expected job growth:	8.6 %
Fastest growing jobs sector:	Miscellaneous Services
Expected personal income growth:	14.7 %

Expected population growth:	2.9 %
Net migration to account for:	83.9 %
Expected growth in number of vehicles:	2.2 %

Demographics (2013)

Unemployment rate (April 2013)	10.0 %
County Rank* in California (58 counties):	32nd
Working age (16-64) population:	65.3 %

Population with B.A. Degree or higher:	23.0 %
Median Home Selling Price (2012):	\$168,000
Median Household Income:	\$42,916

Quality of Life

Violent Crime rate (2010):	342 per 100,000 persons
County Rank* in California (58 counties):	24th
Average Commute Time to work (2013):	21.8 minutes

High School drop out rate (2011):	13.0 %
Households at/below poverty line (2013):	11.7 %

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