

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 223,900 people and a total of 79,200 wage and salary jobs. The per capita income is \$38,960 and the average salary per worker is \$45,482.

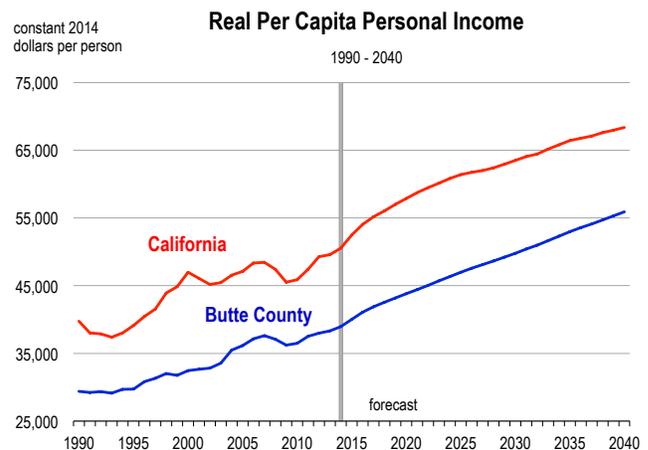
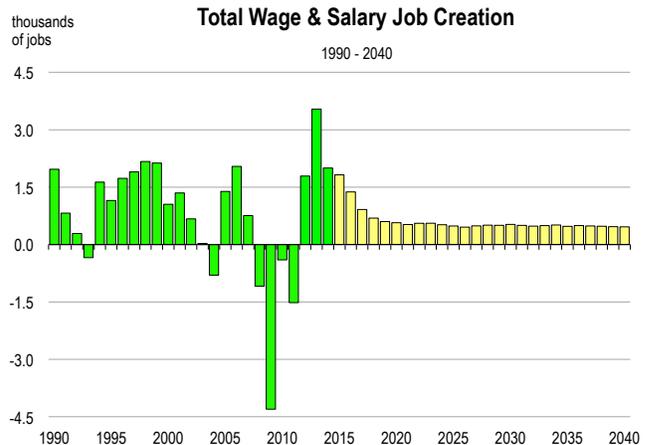
In 2014, a total of 2,000 wage and salary jobs were gained in Butte County, representing a growth rate of 2.6 percent. The unemployment rate improved substantially, dropping from 10.3 percent in 2013 to 8.7 percent in 2014.

During 2014, most industries were characterized by positive employment growth. The largest gains were observed in education and healthcare (+1,000 jobs), wholesale and retail trade (+400 jobs), construction (+250 jobs), and leisure and hospitality (+220 jobs). The largest losses were observed in professional and business services (-80 jobs) and manufacturing (-50 jobs).

The population of Butte County grew at an annual rate of 0.4 percent between 2009 and 2014. This growth was largely due to net migration. On average, the county gained 730 residents each year through the migration process, accounting for 79 percent of total population growth.

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 2.3 percent in 2015. Between 2015 and 2020, growth will average 1.0 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Butte County, inflation-adjusted salaries are expected to rise by an average of 1.3 percent per year from 2015 to 2020.
- Between 2015 and 2020, the momentum for employment growth will be in leisure and hospitality, education and healthcare, and professional and business services. Together, these sectors are expected to account for 77 percent of net job creation in the county.
- In Butte County, population growth will accelerate over the forecast period. Between 2015 and 2020, the population will increase at an average rate of 0.8 percent per year.

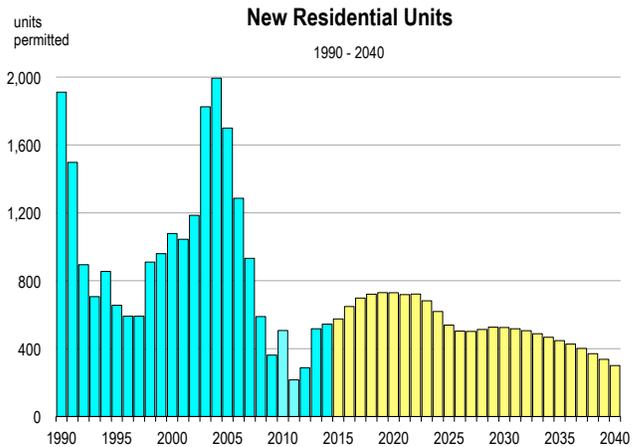
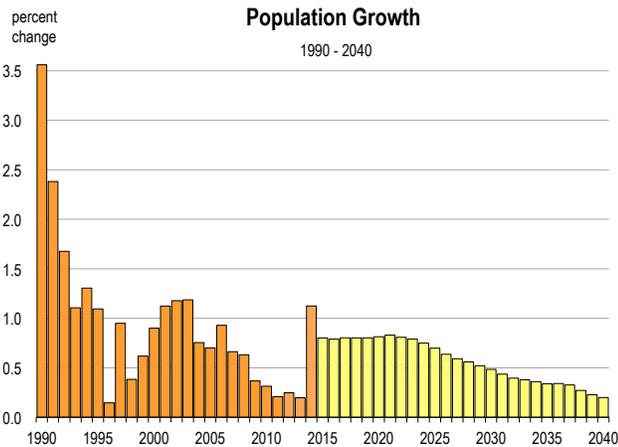


- Net migration is forecasted to be relatively high over the next five years. Between 2015 and 2020, net migration will average 1,650 individuals per year, accounting for 90 percent of total population growth in the county.
- Real per capita income is expected to increase by 2.8 percent in 2015. Over the following five years, growth is expected to average 1.8 percent per year.
- Total taxable sales, adjusted for inflation, are forecasted to rise by 1.3 percent per year between 2015 and 2020.
- Industrial production is forecasted to increase by 4.5 percent in 2015. From 2015 to 2020, the growth rate of industrial production will average 2.5 percent per year.

Butte County Economic Forecast

2006-2014 History, 2015-2040 Forecast

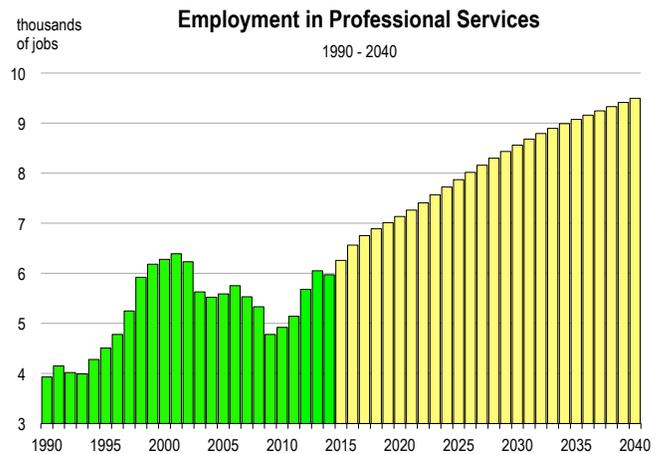
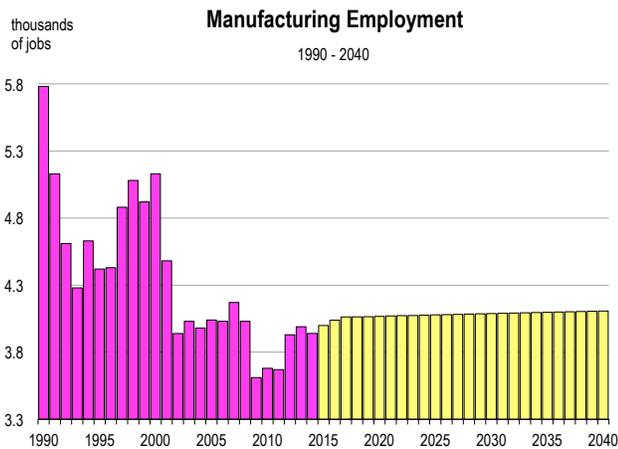
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	215,684	1,713	227.8	85.5	1,286	\$2.83	\$6.65	\$37,153	3.2	524	1,015	6.2
2007	217,115	1,153	223.9	86.5	932	\$2.78	\$7.00	\$37,605	3.4	572	1,058	6.7
2008	218,485	1,102	225.9	87.4	589	\$2.68	\$7.15	\$37,074	2.9	639	1,076	8.4
2009	219,287	552	225.5	87.5	362	\$2.35	\$7.07	\$36,205	0.8	595	1,019	12.5
2010	219,973	426	225.4	87.6	507	\$2.46	\$7.24	\$36,500	1.3	695	1,009	13.9
2011	220,434	175	223.4	87.9	216	\$2.59	\$7.66	\$37,528	2.7	686	981	13.7
2012	220,980	376	218.8	88.3	287	\$2.71	\$7.98	\$37,977	2.7	739	1,053	12.2
2013	221,416	397	225.2	88.6	517	\$2.88	\$8.25	\$38,324	2.3	886	1,054	10.3
2014	223,905	2,280	227.6	89.0	544	\$2.99	\$8.72	\$38,960	2.8	894	1,059	8.7
2015	225,699	1,593	230.0	89.7	575	\$3.08	\$9.14	\$40,033	1.2	894	1,105	7.7
2016	227,482	1,581	232.4	90.2	648	\$3.23	\$9.75	\$41,072	3.2	895	1,133	6.6
2017	229,309	1,626	234.7	90.9	698	\$3.38	\$10.35	\$41,877	3.2	898	1,155	6.3
2018	231,148	1,649	236.9	91.5	721	\$3.52	\$10.92	\$42,545	3.0	899	1,182	6.1
2019	233,003	1,675	238.8	92.3	730	\$3.67	\$11.49	\$43,199	2.8	902	1,216	6.0
2020	234,899	1,730	240.6	93.0	730	\$3.82	\$12.10	\$43,820	2.9	909	1,252	5.9
2021	236,848	1,801	242.2	93.7	718	\$3.98	\$12.74	\$44,426	3.0	908	1,288	6.0
2022	238,761	1,804	243.8	94.4	722	\$4.15	\$13.44	\$45,055	3.1	912	1,325	5.9
2023	240,647	1,812	245.2	95.1	682	\$4.30	\$14.10	\$45,705	2.7	914	1,366	5.9
2024	242,450	1,762	246.6	95.7	619	\$4.45	\$14.78	\$46,354	2.6	916	1,404	5.9
2025	244,143	1,692	247.9	96.3	539	\$4.61	\$15.50	\$46,993	2.8	919	1,442	5.8
2026	245,697	1,591	249.1	96.9	504	\$4.77	\$16.24	\$47,577	2.8	921	1,483	5.8
2027	247,150	1,531	250.3	97.4	502	\$4.94	\$16.99	\$48,114	2.8	923	1,526	5.8
2028	248,533	1,507	251.4	97.9	513	\$5.11	\$17.74	\$48,650	2.7	926	1,574	5.8
2029	249,827	1,465	252.5	98.4	527	\$5.28	\$18.48	\$49,208	2.5	928	1,625	5.8
2030	251,036	1,432	253.7	98.9	525	\$5.46	\$19.24	\$49,792	2.4	931	1,677	5.8
2031	252,131	1,368	254.8	99.4	517	\$5.67	\$20.00	\$50,404	2.3	933	1,731	5.7
2032	253,128	1,309	255.9	99.9	506	\$5.90	\$20.82	\$50,990	2.5	936	1,786	5.7
2033	254,087	1,296	256.9	100.4	488	\$6.13	\$21.60	\$51,634	2.1	938	1,843	5.7
2034	255,002	1,275	258.0	100.9	467	\$6.38	\$22.46	\$52,299	2.3	941	1,902	5.7
2035	255,863	1,229	259.1	101.3	447	\$6.64	\$23.36	\$52,967	2.4	944	1,963	5.7
2036	256,736	1,256	260.1	101.7	427	\$6.92	\$24.36	\$53,568	2.8	946	2,025	5.7
2037	257,575	1,253	261.2	102.2	401	\$7.21	\$25.40	\$54,124	2.8	949	2,090	5.6
2038	258,273	1,167	262.2	102.6	370	\$7.47	\$26.43	\$54,719	2.7	952	2,157	5.6
2039	258,861	1,074	263.3	102.9	337	\$7.75	\$27.54	\$55,304	2.8	954	2,215	5.6
2040	259,377	1,015	264.3	103.2	300	\$8.02	\$28.66	\$55,898	2.8	957	2,288	5.6

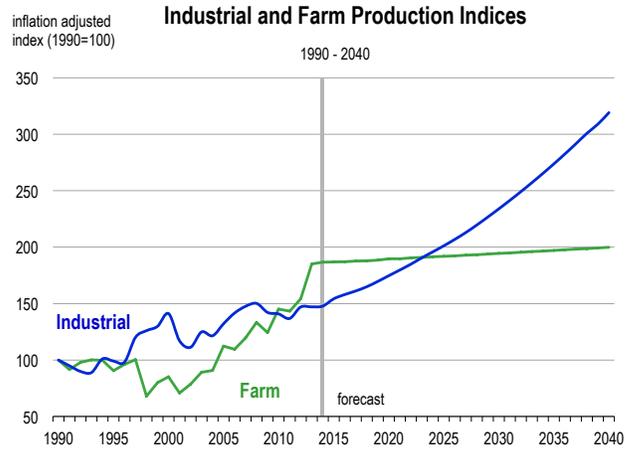
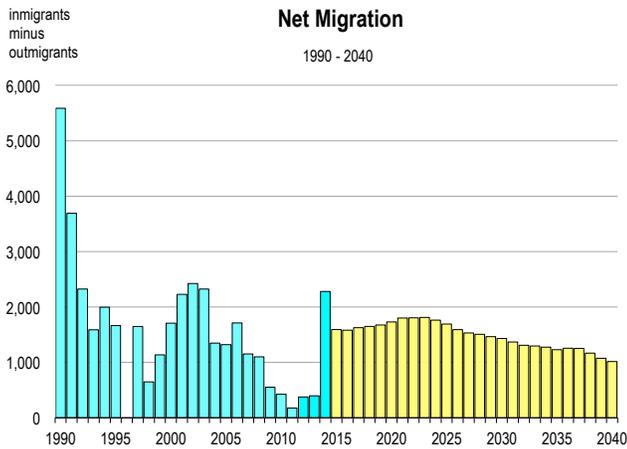
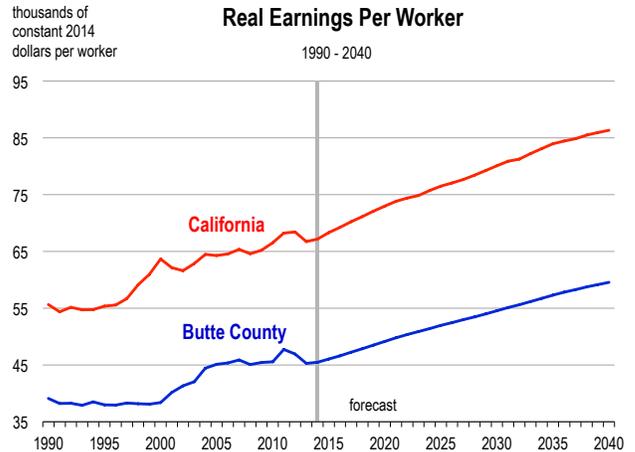
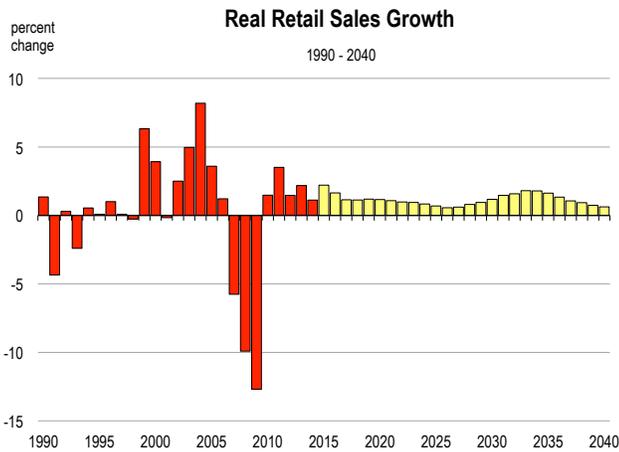


Butte County Employment Forecast

2006-2014 History, 2015-2040 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	78.39	2.50	4.18	4.03	1.93	12.54	3.18	5.75	1.26	14.20	7.71	17.52
2007	79.15	2.58	3.84	4.17	1.96	12.25	3.12	5.53	1.20	14.44	7.98	18.51
2008	78.06	2.81	3.31	4.03	1.85	11.75	3.15	5.33	1.19	14.98	7.88	18.17
2009	73.76	2.70	2.56	3.61	1.76	11.14	3.08	4.78	1.08	14.98	7.27	17.29
2010	73.36	2.77	2.38	3.68	1.60	11.09	3.13	4.92	1.00	15.14	7.12	16.97
2011	71.84	2.72	2.33	3.67	1.58	10.97	2.96	5.14	1.08	14.83	7.17	15.71
2012	73.63	2.80	2.39	3.93	1.56	11.28	2.84	5.68	1.08	15.17	7.43	15.79
2013	77.17	2.90	2.88	3.99	1.50	11.51	2.83	6.05	1.00	16.98	7.81	15.98
2014	79.17	2.94	3.13	3.94	1.48	11.91	2.93	5.97	1.03	17.98	8.03	16.12
2015	80.99	2.97	3.22	4.00	1.54	12.02	2.92	6.26	1.06	18.76	8.31	16.20
2016	82.37	3.00	3.24	4.04	1.57	12.14	2.95	6.56	1.07	19.32	8.51	16.23
2017	83.28	3.02	3.25	4.06	1.58	12.24	2.97	6.75	1.07	19.69	8.67	16.23
2018	83.97	3.04	3.26	4.06	1.60	12.31	2.98	6.89	1.08	19.99	8.78	16.22
2019	84.57	3.06	3.28	4.06	1.61	12.36	3.00	7.01	1.08	20.27	8.85	16.23
2020	85.15	3.07	3.29	4.07	1.63	12.40	3.01	7.13	1.09	20.52	8.88	16.29
2021	85.67	3.08	3.29	4.07	1.65	12.43	3.03	7.26	1.09	20.77	8.91	16.33
2022	86.23	3.09	3.30	4.07	1.66	12.47	3.04	7.41	1.10	21.01	8.91	16.38
2023	86.78	3.09	3.28	4.07	1.68	12.50	3.06	7.57	1.10	21.26	8.92	16.45
2024	87.30	3.10	3.23	4.08	1.70	12.54	3.08	7.72	1.10	21.49	8.93	16.54
2025	87.79	3.10	3.15	4.08	1.71	12.57	3.10	7.87	1.11	21.71	8.94	16.63
2026	88.24	3.11	3.11	4.08	1.72	12.61	3.11	8.02	1.11	21.92	8.97	16.68
2027	88.73	3.11	3.10	4.08	1.73	12.64	3.13	8.16	1.11	22.12	8.99	16.72
2028	89.24	3.11	3.11	4.08	1.74	12.68	3.15	8.30	1.12	22.32	9.03	16.76
2029	89.74	3.12	3.13	4.09	1.75	12.71	3.16	8.43	1.12	22.52	9.08	16.78
2030	90.27	3.12	3.14	4.09	1.76	12.75	3.17	8.56	1.13	22.72	9.14	16.84
2031	90.77	3.12	3.13	4.09	1.77	12.79	3.19	8.68	1.13	22.92	9.21	16.89
2032	91.25	3.12	3.11	4.09	1.78	12.82	3.20	8.79	1.14	23.12	9.27	16.93
2033	91.74	3.12	3.09	4.09	1.79	12.86	3.21	8.89	1.14	23.32	9.34	16.99
2034	92.25	3.12	3.07	4.10	1.80	12.90	3.22	8.99	1.14	23.53	9.41	17.08
2035	92.73	3.12	3.06	4.10	1.82	12.94	3.23	9.07	1.15	23.73	9.47	17.14
2036	93.23	3.13	3.05	4.10	1.83	12.98	3.25	9.16	1.15	23.93	9.54	17.21
2037	93.71	3.13	3.04	4.10	1.84	13.02	3.26	9.24	1.16	24.14	9.61	17.28
2038	94.19	3.13	3.02	4.10	1.85	13.05	3.27	9.33	1.16	24.34	9.68	17.34
2039	94.66	3.13	3.00	4.11	1.86	13.09	3.28	9.41	1.17	24.55	9.75	17.40
2040	95.12	3.13	2.97	4.11	1.87	13.12	3.29	9.49	1.17	24.75	9.82	17.46





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	6.4%
Expected job growth:	5.1%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	13.9%

Expected population growth:	4.1%
Net migration to account for:	89.8%
Expected growth in number of vehicles:	4.6%

Demographics (2015)

Unemployment rate (March 2015):	7.5%
County rank* in California (58 counties):	30th
Working age (16-64) population:	64.8%

Population with B.A. or higher:	23.9%
Median home selling price (2014):	\$220,000
Median household income:	\$43,605

Quality of Life

Violent crime rate (2013):	284 per 100,000 persons
County rank* in California (58 counties):	19th
Average commute time to work (2015):	21.2 minutes

High School drop out rate (2014):	9.0%
Households at/below poverty line (2015):	13.4%

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