

SUTTER COUNTY ECONOMIC FORECAST

Sutter County, the birthplace of the seedless grape, is located north of Sacramento County and south of Butte County. Sutter County has a population of 93,142 people and 27,130 wage and salary jobs. The per capita income in Sutter County is \$28,071, and the average salary per worker is \$36,638.

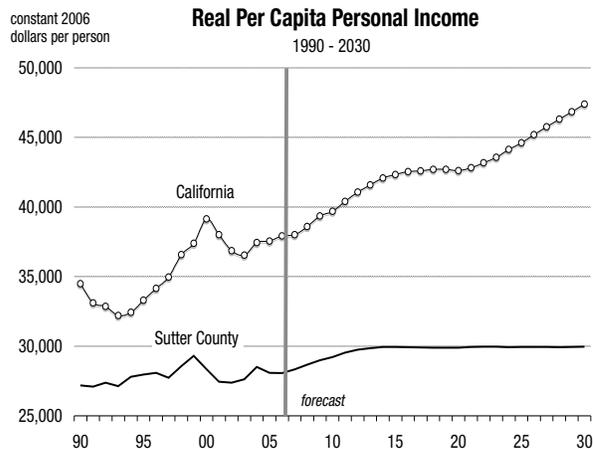
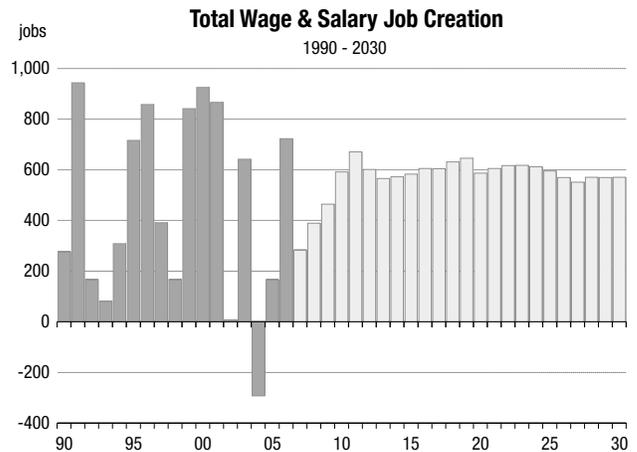
Employment growth in Northern California was strong in 2006, compared to the previous five years. Employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter Counties) grew at a robust pace of 2.2 percent. In 2006, nearly 725 total wage and salary jobs were created in Sutter County, implying a growth rate of 2.7 percent. Employment in the non-farm sector increased 4.2 percent. Employment in the farm sector declined 6.1 percent. The unemployment rate declined to 8.9 percent in 2006.

The principal industries that are producing jobs in Sutter County in 2006 are retail trade and government, which both created over 200 jobs last year. Other growing sectors include, leisure services, healthcare and education, professional services, and construction, which all added between 110 and 160 jobs in 2006. The manufacturing sector lost 120 jobs in 2006 and 830 jobs since 2001. The farm sector accounts for 13 percent of total employment in the county, while the public sector contributes 17 percent of all wage and salary jobs.

The population grew in Sutter County at a rate of 2.5 percent from January 2006 to January 2007. Approximately two thirds of the county population resides in Yuba City, which grew by 2.4 percent last year.

FORECAST HIGHLIGHTS

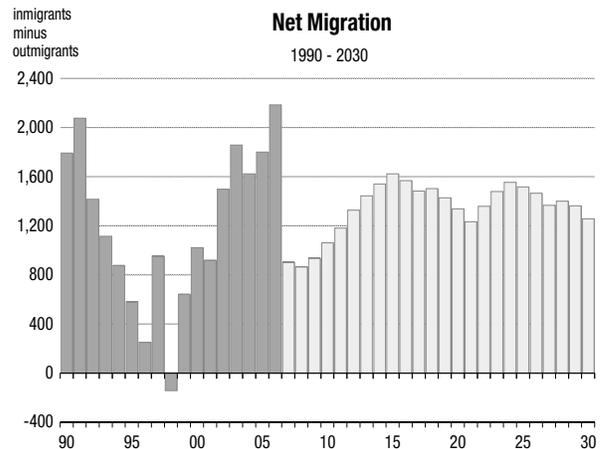
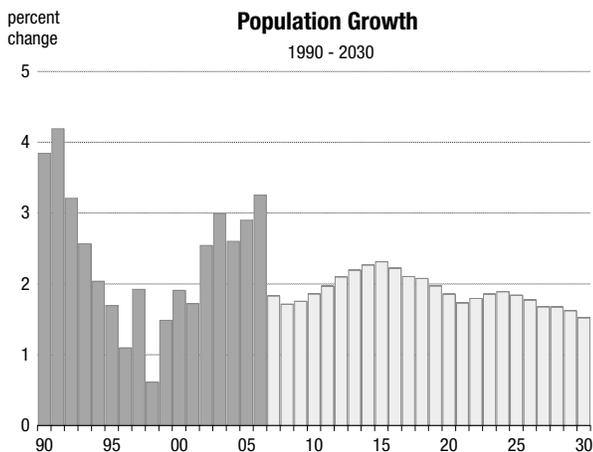
- Job growth is forecast to decline in 2007 to 1.0 percent. Job growth is expected to rebound over the rest of the forecast, averaging 1.7 percent per year over the next five years. Non-farm job growth averages 2.4 percent.
- Average salaries adjusted for inflation are currently below the California state average. Salaries are expected to remain below the state average over the forecast period. However, adjusted for inflation, average salaries are expected to rise an average of 1.8 percent per year over the next 5 years.
- The population will continue to grow, and at a faster rate than the state average. Annual growth in the 2007 to 2011 period averages 1.8 percent per year.
- Net migration will decline sharply to 900 people in 2007. Over the next five years average net migration will average 1,000 net migrants per year.
- Real per capita incomes are forecast to rise 0.9 percent in 2007. Over the next five years real per capita incomes are forecast to increase 1.0 percent per year.
- Between 2007 and 2011, the momentum for employment growth is in education and healthcare services, wholesale and retail trade, professional services, leisure services and government. These sectors account for virtually all net job creation in the county over the next five years.
- Total taxable sales, adjusted for inflation, are forecast to rise 6.5 percent in 2007. Over the next five years real taxable sales growth is forecast to average a healthy 4.2 percent per year.
- Industrial production is forecast to increase by 3.7 percent in 2007. From 2007 to 2011, the growth rate of industrial production is expected to average 5.6 percent per year.



Sutter County Economic Forecast

1997-2006 History, 2007-2030 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)
1997	76,420	953	65.9	27.3	246	\$0.74	\$1.62	\$27,722	3.4	362.1	264.0	15.3
1998	76,891	-142	69.7	27.6	208	\$0.77	\$1.73	\$28,566	3.2	339.7	249.4	15.6
1999	78,034	642	72.0	27.8	183	\$0.85	\$1.88	\$29,302	4.2	422.3	307.3	13.1
2000	79,524	1,022	74.2	27.0	249	\$1.02	\$1.94	\$28,354	4.5	395.6	339.7	9.4
2001	80,895	918	77.5	27.2	447	\$1.01	\$2.01	\$27,437	5.4	291.8	334.9	9.8
2002	82,953	1,498	81.8	27.7	658	\$1.04	\$2.09	\$27,381	1.6	316.0	310.9	11.1
2003	85,438	1,857	82.2	28.2	991	\$1.12	\$2.21	\$27,629	1.8	321.2	314.0	11.2
2004	87,661	1,622	88.6	28.8	1,300	\$1.24	\$2.37	\$28,503	1.2	315.4	310.8	10.6
2005	90,206	1,800	90.5	29.8	1,328	\$1.40	\$2.45	\$28,074	2.0	308.3	283.3	9.7
2006	93,142	2,184	92.6	31.0	360	\$1.47	\$2.61	\$28,071	3.3	358.8	286.9	8.9
2007	94,849	903	94.7	31.4	364	\$1.61	\$2.77	\$28,325	2.9	381.6	297.6	8.9
2008	96,474	865	96.8	31.8	404	\$1.72	\$2.90	\$28,660	2.0	387.8	312.5	8.5
2009	98,166	938	98.9	32.2	455	\$1.82	\$3.05	\$28,991	2.0	391.8	330.9	8.2
2010	99,992	1,060	101.1	32.6	483	\$1.92	\$3.21	\$29,222	2.5	390.6	353.1	8.0
2011	101,963	1,182	103.3	33.1	541	\$2.03	\$3.39	\$29,528	2.4	384.7	376.8	7.7
2012	104,104	1,327	105.6	33.7	572	\$2.13	\$3.56	\$29,751	2.2	379.8	400.2	7.8
2013	106,393	1,444	107.9	34.2	594	\$2.23	\$3.74	\$29,857	2.3	375.6	421.8	7.8
2014	108,807	1,539	110.3	34.8	620	\$2.34	\$3.92	\$29,939	2.3	370.1	443.3	7.7
2015	111,325	1,623	112.7	35.5	644	\$2.46	\$4.11	\$29,938	2.6	364.1	463.0	7.5
2016	113,802	1,568	115.0	36.1	665	\$2.58	\$4.32	\$29,930	2.7	357.9	483.9	7.4
2017	116,197	1,483	117.4	36.8	692	\$2.70	\$4.52	\$29,901	2.7	348.4	504.6	7.2
2018	118,613	1,503	119.9	37.5	716	\$2.82	\$4.73	\$29,895	2.5	341.7	528.4	7.0
2019	120,954	1,427	122.3	38.2	737	\$2.94	\$4.95	\$29,895	2.5	335.5	551.4	6.8
2020	123,202	1,337	124.8	38.9	750	\$3.07	\$5.16	\$29,890	2.5	329.3	575.9	6.6
2021	125,338	1,233	127.2	39.7	760	\$3.20	\$5.39	\$29,943	2.4	320.8	594.5	6.4
2022	127,587	1,358	129.6	40.5	768	\$3.33	\$5.63	\$29,964	2.5	314.8	606.8	6.3
2023	129,959	1,478	132.1	41.2	773	\$3.47	\$5.87	\$29,962	2.5	306.7	622.7	6.2
2024	132,419	1,555	134.5	42.0	780	\$3.60	\$6.11	\$29,929	2.3	302.4	640.4	6.1
2025	134,855	1,515	136.9	42.8	789	\$3.75	\$6.38	\$29,946	2.4	297.4	656.5	6.0
2026	137,251	1,464	139.3	43.6	798	\$3.90	\$6.64	\$29,933	2.4	292.0	669.2	5.8
2027	139,556	1,365	141.7	44.4	807	\$4.05	\$6.93	\$29,948	2.5	286.4	679.5	5.8
2028	141,894	1,400	144.1	45.2	817	\$4.22	\$7.23	\$29,929	2.7	278.8	694.4	5.7
2029	144,198	1,363	146.4	46.0	827	\$4.40	\$7.54	\$29,937	2.7	273.6	711.0	5.5
2030	146,396	1,256	148.7	46.8	832	\$4.57	\$7.86	\$29,960	2.6	268.3	727.1	5.4



Sutter County Employment Forecast

1997-2006 History, 2007-2030 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)-----												
1997	23.1	4.30	1.06	1.83	0.58	4.18	0.83	1.24	0.20	2.21	1.83	3.77
1998	23.3	4.23	0.97	1.81	0.59	4.38	0.84	1.23	0.20	2.39	1.80	3.78
1999	24.1	4.08	1.03	2.01	0.66	4.54	0.93	1.36	0.20	2.48	1.92	3.83
2000	25.0	4.01	1.18	2.07	0.63	4.62	0.96	1.47	0.20	2.63	1.97	4.17
2001	25.9	3.84	1.44	2.25	0.63	4.81	1.00	1.45	0.20	2.87	2.16	4.07
2002	25.9	3.51	1.40	1.69	0.66	5.23	1.03	1.58	0.20	3.22	2.36	3.93
2003	26.5	3.83	1.43	1.64	0.61	5.25	1.02	1.78	0.20	3.22	2.30	4.23
2004	26.2	3.70	1.50	1.56	0.52	5.26	1.01	1.86	0.20	3.25	2.18	4.35
2005	26.4	3.82	1.60	1.54	0.50	4.91	1.00	2.08	0.20	3.38	2.18	4.45
2006	27.1	3.58	1.72	1.42	0.51	5.22	0.98	2.21	0.20	3.53	2.34	4.69
2007	27.4	3.42	1.74	1.42	0.50	5.32	0.98	2.23	0.20	3.64	2.42	4.80
2008	27.8	3.30	1.74	1.42	0.51	5.44	0.98	2.29	0.20	3.75	2.50	4.89
2009	28.3	3.21	1.75	1.43	0.54	5.57	0.99	2.36	0.20	3.88	2.58	4.99
2010	28.9	3.14	1.75	1.43	0.59	5.69	1.00	2.44	0.21	4.05	2.66	5.10
2011	29.5	3.09	1.78	1.44	0.65	5.80	1.01	2.52	0.22	4.24	2.73	5.24
2012	30.1	3.05	1.80	1.44	0.70	5.91	1.02	2.60	0.23	4.40	2.81	5.34
2013	30.7	3.02	1.82	1.44	0.75	6.01	1.03	2.68	0.23	4.56	2.88	5.44
2014	31.3	2.99	1.83	1.43	0.79	6.10	1.04	2.76	0.24	4.71	2.96	5.55
2015	31.9	2.97	1.84	1.43	0.84	6.19	1.05	2.84	0.24	4.87	3.04	5.66
2016	32.5	2.95	1.86	1.43	0.88	6.27	1.06	2.91	0.24	5.03	3.13	5.78
2017	33.1	2.94	1.88	1.43	0.92	6.36	1.08	2.98	0.25	5.19	3.20	5.91
2018	33.7	2.92	1.89	1.43	0.97	6.44	1.09	3.06	0.25	5.38	3.26	6.04
2019	34.3	2.91	1.91	1.43	1.02	6.51	1.10	3.13	0.26	5.60	3.31	6.17
2020	34.9	2.89	1.92	1.42	1.07	6.58	1.11	3.20	0.26	5.80	3.35	6.30
2021	35.5	2.88	1.93	1.42	1.11	6.66	1.12	3.27	0.26	6.02	3.40	6.42
2022	36.2	2.87	1.93	1.41	1.16	6.73	1.13	3.34	0.27	6.25	3.44	6.54
2023	36.8	2.86	1.95	1.41	1.21	6.80	1.14	3.41	0.27	6.48	3.49	6.65
2024	37.4	2.85	1.96	1.40	1.25	6.86	1.15	3.48	0.27	6.70	3.54	6.77
2025	38.0	2.84	1.97	1.40	1.29	6.93	1.17	3.55	0.28	6.91	3.61	6.89
2026	38.5	2.83	1.99	1.40	1.32	6.99	1.18	3.62	0.28	7.09	3.67	7.01
2027	39.1	2.82	1.99	1.40	1.35	7.05	1.19	3.69	0.28	7.27	3.73	7.12
2028	39.7	2.81	2.00	1.40	1.38	7.12	1.20	3.75	0.29	7.44	3.83	7.24
2029	40.2	2.80	2.00	1.40	1.41	7.18	1.22	3.81	0.29	7.62	3.92	7.35
2030	40.8	2.79	2.00	1.40	1.44	7.24	1.23	3.88	0.29	7.79	4.01	7.47

