Shasta County Economic Forecast

Forecast Summary

- On an annual average basis, 1,300 jobs will be restored in Shasta County during 2021, representing approximately 70 percent of the jobs that were lost in 2020.

- A full labor market recovery is expected in 2022.

- Over the 2021-2026 forecast period, total employment in Shasta County is expected to increase by 4,700 jobs.

- Government, leisure services, professional business services, and healthcare will be responsible for virtually all job creation during the forecast period.

- The unemployment rate averaged 8.7 percent in 2020. It is forecast to average 7.5 percent in 2021 and 6.0 percent in 2022.

- The median home price increased by 8 percent in 2020. Home prices are expected to increase by another 8 percent in 2021 and by 5 percent in 2022.

- Shasta County was struck by several wildfires in 2020 and 2021 that burned hundreds of structures and interfered with the tourism industry. The rebuilding process will support construction jobs over the forecast period.

Job Growth

- Total employment in Shasta County will expand by 2.0 percent in 2021 on an annual average basis.

- Between 2022 and 2026, job growth will average 1.0 percent.

Construction Employment

- Construction employment in Shasta County increased rapidly between 2012 and 2020, expanding faster than any other sector.

- Since 2018, more than 2,000 structures have been destroyed by wildfires in Shasta County. More than 400 had already been rebuilt by the end of 2020, and the rebuilding process will extend into the 2021-2026 forecast period.

- As of 2020, the local construction workforce was fully employed. Total construction employment will remain at elevated levels throughout the forecast period, but construction firms will struggle to hire and grow.
Retail Trade Employment

- The retail industry will begin to rebound in 2021 but will not recover all jobs that have been lost over the last few years.

- The Shasta County retail industry was already under pressure before the onset of the Coronavirus Recession, as competition from online stores has led to lower levels of employment at local brick-and-mortar shops.

- The transition to online shopping will lead to further consolidation of local retail jobs over the long-term.

Professional and Business Services Employment

- The professional and business services sector has a wide array of organizations that include accounting firms, engineering companies, law offices, business and technical consulting firms, temporary staffing agencies, corporate security companies, landscaping businesses, and janitorial agencies.

- Shasta County has a growing professional business services industry that will expand faster than almost any other sector between 2021 and 2026.

- Jobs in the professional business services sector tend to pay higher than average wages, and as it captures a rising share of the overall labor market, this industry will contribute to rising incomes in the county.

Private Education and Healthcare Employment

- Healthcare is the largest employment sector in Shasta County, representing more than 20 percent of the local job market.

- The largest healthcare organization is Mercy Medical Center Redding, which employs 1,800 workers and has 267 patient beds.

- Local healthcare facilities have struggled to meet staffing needs during the COVID-19 pandemic.

- In September 2021, Mercy Medical Center Redding had to recruit medics from the National Guard to fill some of its staffing shortages. At the same time, Shasta Regional Medical Center imported approximately 30 nurses from places like Mississippi, Florida, and Alabama.

- Recruitment and retention issues are expected to be short lived. Over the forecast period, healthcare employment will increase by approximately 1,700 jobs, which is more than any other sector.

- In Shasta County, there are very few jobs in private educational institutions. Most teachers and education administrators work in the government sector or are affiliated with religious organizations.
Leisure and Hospitality Employment

- Shasta County is home to an expansive forest, a mountain range, a growing wine and beer industry, and Shasta Lake. Combined, these attractions draw millions of visitors each year and support thousands of jobs.

- Shasta County has an expanding wine and beer industry. As of 2021, the county had approximately 20 wineries and 10 breweries near the town of Redding.

- The number of visitors to the county declined sharply in early 2020, but by the summer of 2021, the tourism industry was setting new records.

- The leisure and hospitality industry is expected to regain all jobs lost in 2020 before the end of the 2021-2026 forecast period.
**Population Growth**

- The size of the Shasta County population is not expected to change substantially between 2021 and 2026.
- Net migration is expected to be positive during the forecast period, with the number of people moving into the county exceeding the number of residents moving out.
- Because Shasta County has an older population base, the number of deaths has begun to exceed the number of births, which will prevent the overall population from growing.

**Unemployment and Inflation Rates**

- The unemployment rate in Shasta County averaged 8.7 percent in 2020. It is expected to average 7.5 percent in 2021 and 6.0 percent in 2022.

- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged. It soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
  - Record levels of spending by consumers and government agencies
  - Fractures in the global supply chain that raise the cost of production for many businesses
  - Sharp increases in the cost of housing and energy
  - Labor market recruitment challenges that force companies to raise wages
Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.

However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

**Home Prices and New Housing Production**

- In 2020, the median home price in Shasta County was $292,400.

- The median price is expected to reach $325,000 by 2022 and $375,000 by 2026.

- Despite these price increases, homes in Shasta County are much more affordable than homes in many other parts of California. In Shasta County, the typical household spends less than 20 percent of its income on housing costs. In Coastal California, households often spend 35-50 percent on mortgage payment or rent.

- From 2015 to 2020, an average of 405 new homes were built in the county each year. Almost 90 percent were single-family homes.

- Housing production is expected to average 450 to 500 units from 2021 to 2026, consisting mostly of single-family homes.
Wildfires in Shasta County

The Carr Fire (2018)

The Carr fire started on July 23, 2018 in Whiskeytown National Recreational Area before spreading to Redding.

The fire was active for 37 days, destroying 1,614 structures, including 1,083 were homes. An additional 279 homes were damaged.

The fire obliterated the town of Keswick, much of Shasta, and neighborhoods in the City of Redding.

The total damage has been estimated at $1.66 billion. There were 8 deaths.

August Complex Fire and Zogg Fire (2020)

The August Complex Fire began in August 2020 in the Mendocino National Forrest.

It was ignited by a series of lightning strikes during August 16-17, and over the course of the next three months it became the largest fire in California history (it was ultimately surpassed in size by the Dixie fire in 2021).

In September 2020, the fire crossed into Shasta County and burned a portion of the Shasta-Trinity National Forrest.

As the August Complex fire was raging, the Zogg fire burned through the southwestern portion of Shasta County, destroying more than 200 buildings in the towns of Igo and Ono.

Dixie Fire, Salt Fire, Fawn Fire, and McFarland Fire (2021)

In 2021, the Dixie Fire surpassed the August Complex Fire to become the largest in California history.

The Dixie Fire’s largest impact was in Plumas County, where it devastated several towns, but it also destroyed more than 50 structures in Shasta County.
### Economic Indicators

#### 2015-2020 History, 2021-2050 Forecast

<table>
<thead>
<tr>
<th>Year</th>
<th>Population (people)</th>
<th>Households (thousands)</th>
<th>Net Migration (people)</th>
<th>New Homes Permitted (thousands)</th>
<th>Registered Vehicles (thousands)</th>
<th>Personal Income (billions)</th>
<th>Taxable Retail Sales (billions)</th>
<th>Total Taxable Sales (billions)</th>
<th>Real Industrial Production (billions)</th>
<th>Real per Capita Income (dollars)</th>
<th>Unemployment Rate (percent)</th>
<th>Real Farm Production (millions)</th>
<th>Inflation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>177,093 (people)</td>
<td>71.0 (thousands)</td>
<td>-450 (people)</td>
<td>368 (thousands)</td>
<td>215</td>
<td>$7.5</td>
<td>$2.0</td>
<td>$2.9</td>
<td>$1.3</td>
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<td>$93.1 (millions)</td>
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<td>$2.2</td>
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<td>$8.0</td>
<td>$2.2</td>
<td>$3.2</td>
<td>$1.8</td>
<td>$49,469.0</td>
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<td>$90.0 (millions)</td>
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<td>383 (thousands)</td>
<td>216</td>
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<td>$3.2</td>
<td>$1.6</td>
<td>$49,668.0</td>
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<td>$81.2 (millions)</td>
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<td>2020</td>
<td>176,709 (people)</td>
<td>70.6 (thousands)</td>
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<td>407 (thousands)</td>
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<td>$3.8</td>
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<td>$50,891.0</td>
<td>7.8</td>
<td>$81.8 (millions)</td>
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</tbody>
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#### 2021 COUNTY-LEVEL ECONOMIC FORECAST

Shasta County Economic Forecast

- **Economic Indicators**: The economic indicators for Shasta County from 2015 to 2020 are presented, followed by a forecast for 2021 to 2050. The indicators include population, household data, net migration, new homes permitted, registered vehicles, personal income, taxable retail sales, total taxable sales, real industrial production, real per capita income, unemployment rate, and real farm production.

- **Employment Sectors**: The employment sectors for Shasta County from 2015 to 2020 are also presented, followed by a forecast for 2021 to 2050. The sectors include total wage & salary, farm, construction, manufacturing, transportation & utilities, wholesale & retail trade, financial activities, professional services, information, health & education, leisure, and government.
Shasta County Economic Forecast

Socioeconomic Indicators

**Violent Crime Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Shasta County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>254</td>
<td>425</td>
<td>441</td>
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**Poverty Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Shasta County</th>
<th>Northern California</th>
<th>California</th>
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<tbody>
<tr>
<td>2020</td>
<td>10.1</td>
<td>11.9</td>
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**Median Household Income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Shasta County</th>
<th>Northern California</th>
<th>California</th>
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<tbody>
<tr>
<td>2020</td>
<td>59,900</td>
<td>54,300</td>
<td>659,200</td>
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**Median Home Selling Price**

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<tbody>
<tr>
<td>2020</td>
<td>292,400</td>
<td>290,500</td>
<td>659,200</td>
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**Average Travel Time to Work**

<table>
<thead>
<tr>
<th>Year</th>
<th>Shasta County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>22</td>
<td>23</td>
<td>33</td>
</tr>
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</table>

**Percent of Population Age 25+ With at Least a 4-Year College Degree**

<table>
<thead>
<tr>
<th>Year</th>
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<th>Northern California</th>
<th>California</th>
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</thead>
<tbody>
<tr>
<td>2020</td>
<td>22.3</td>
<td>22.7</td>
<td>33.9</td>
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