Tehama County Economic Forecast

Forecast Summary

• Total employment in Tehama County declined by 210 jobs in 2020. In 2021, all of these jobs will be restored and an additional 330 jobs will be created, making Tehama County one of the first regions to recover from the Coronavirus Recession.

• Over the 2021-2026 forecast period, total employment in Tehama County is expected to increase by approximately 1,900 jobs.

• Government, healthcare, transportation and warehousing, and leisure services will be responsible for most job creation during the forecast period.

• The unemployment rate averaged 8.9 percent in 2020. It is forecast to average 6.9 percent in 2021 and 6.2 percent in 2022.

• The median home price increased by 8 percent in 2020. Home prices are expected to increase by 10 percent in 2021 and 5 percent in 2022.

Job Growth

• Total employment in Tehama County will expand by 2.7 percent in 2021 on an annual average basis.

• Between 2022 and 2026, job growth will average 1.3 percent.

Manufacturing Employment

• Tehama County manufacturing is concentrated in lumber production, and the largest employer is Sierra Pacific Industries.

- Sierra Pacific Industries is headquartered in Shasta County but has more than 750 employees in Tehama County and manages more than 2 million acres of forest area in California and Washington.

- Sierra Pacific Industries has two mills in Tehama County, located in Corning and Red Bluff. These facilities process several varieties of trees and produce door frames, window frames, and other lumber products.

- After a brief interruption of growth during 2019 and 2020, the manufacturing sector is expected to expand throughout the 2021-2026 forecast period, ultimately increasing by more than 100 jobs.
Private Education and Healthcare Employment

- Healthcare is among the largest employment sectors in Tehama County, behind only government.

- The largest healthcare organization is St. Elizabeth Community Hospital, which employs more than 400 workers and has approximately 50 patient beds.

- Local healthcare facilities have struggled to meet staffing needs during the COVID-19 pandemic, limiting job creation in the healthcare industry.

- Recruitment and retention issues are expected to be short lived. Over the forecast period, healthcare employment will increase by approximately 350 jobs, which is more than almost any other sector.

Leisure and Hospitality Employment

- One of the main visitor attractions in Tehama County is the Red Bluff Rodeo. It is the largest three-day rodeo in the US, with 600 contestants that vie for $250,000 in winnings.

- The town of Corning is the capital of California’s olive oil industry, and local vendors have established a hospitality and food-services subsector around olive oil tasting.

- The leisure and hospitality industry is expected to return to pre-pandemic staffing levels by 2023 or 2024.
Government Employment

- Government agencies lost more than 200 jobs during 2020. Some workers will be re-hired in 2021 as schools re-open to in-person instruction. Others will be restored due to federal funding that will be allocated to local government agencies.

- The largest government agencies in Tehama County are the local school districts and the Tehama County Health Services Agency.

- Government agencies will add approximately 600 jobs by 2026, which is more than any other industry in the county.

Agriculture Employment

- The leading crops in Tehama County are walnuts, almonds, olives, and prunes.

- The agriculture sector has thrived in recent years as global commodity prices have increased for almonds, walnuts, and prunes, leading to higher profits and spurring job creation.
Population Growth
• The Tehama County population is expected to grow slowly between 2021 and 2026.
• The number of people moving into Tehama County is expected to exceed the number of residents moving out, which will contribute to population growth.
• Between 2021 and 2026, the population is expected to grow at an annual average rate of 0.3 percent.
• By 2026, the population is forecast to approach 66,000 residents.

Unemployment and Inflation Rates
• The unemployment rate in Tehama County averaged 8.9 percent in 2020. It is expected to average 6.9 percent in 2021 and 6.2 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.
Tehama County Economic Forecast

- 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 Tehama County was $253,200.

- The median price is expected to reach $290,000 by 2022 and surpass $325,000 by 2026.

- From 2015 to 2020, an average of 75 new homes were built in the county each year. More than 95 percent were single-family homes.

- Housing production is expected to average 75 to 95 units from 2021 to 2026, consisting almost entirely of single-family homes.
## Economic Indicators

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Households (thousands)</th>
<th>Household Income</th>
<th>Net Migration</th>
<th>New Homes Permitted (homes)</th>
<th>Registered Vehicles (thousands)</th>
<th>Personal Income (billions)</th>
<th>Taxable Retail Sales (millions)</th>
<th>Total Taxable Sales (millions)</th>
<th>Real Industrial Production (millions)</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>62,840</td>
<td>24.2</td>
<td>135</td>
<td>54</td>
<td>74</td>
<td>$2.4</td>
<td>$597</td>
<td>$780</td>
<td>$359</td>
<td>$43,515</td>
<td>8.0</td>
<td>3.6</td>
<td>1.4</td>
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</tr>
<tr>
<td>2016</td>
<td>63,327</td>
<td>24.4</td>
<td>269</td>
<td>66</td>
<td>75</td>
<td>$2.5</td>
<td>$608</td>
<td>$793</td>
<td>$386</td>
<td>$43,287</td>
<td>7.2</td>
<td>3.7</td>
<td>2.3</td>
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<tr>
<td>2017</td>
<td>63,786</td>
<td>24.6</td>
<td>292</td>
<td>74</td>
<td>102</td>
<td>$2.6</td>
<td>$617</td>
<td>$836</td>
<td>$378</td>
<td>$44,129</td>
<td>5.8</td>
<td>2.7</td>
<td>3.8</td>
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</tr>
<tr>
<td>2018</td>
<td>63,878</td>
<td>24.7</td>
<td>429</td>
<td>112</td>
<td>75</td>
<td>$2.7</td>
<td>$681</td>
<td>$836</td>
<td>$378</td>
<td>$44,129</td>
<td>5.8</td>
<td>2.7</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>64,598</td>
<td>24.9</td>
<td>690</td>
<td>83</td>
<td>127</td>
<td>$2.8</td>
<td>$736</td>
<td>$954</td>
<td>$368</td>
<td>$45,088</td>
<td>5.7</td>
<td>3.0</td>
<td>2.9</td>
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<tr>
<td>2020</td>
<td>64,109</td>
<td>25.0</td>
<td>229</td>
<td>37</td>
<td>77</td>
<td>$3.0</td>
<td>$683</td>
<td>$901</td>
<td>$409</td>
<td>$47,507</td>
<td>5.4</td>
<td>3.0</td>
<td>3.7</td>
<td></td>
</tr>
</tbody>
</table>


**Real per Capita Income (dollars)**: 2015 - 2020: $43,515, 2021-2050: $45,088

**Unemployment Rate (percent)**: 2015 - 2020: 8.0, 2021-2050: 5.7

**Real Farm Production (millions)**: 2015 - 2020: $43,515, 2021-2050: $45,088

**Inflation Rate**: 2015 - 2020: 3.6, 2021-2050: 3.0

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## Employment Sectors

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Wages &amp; Salaries</th>
<th>Farm</th>
<th>Construction</th>
<th>Manufacturing</th>
<th>Transportation &amp; Utilities</th>
<th>Wholesale &amp; Retail Trade (vals)</th>
<th>Financial Activities</th>
<th>Professional Services</th>
<th>Information</th>
<th>Health &amp; Education</th>
<th>Leisure</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>18,170</td>
<td>1,751</td>
<td>549</td>
<td>1,836</td>
<td>1,497</td>
<td>2,173</td>
<td>331</td>
<td>702</td>
<td>58</td>
<td>2,859</td>
<td>1,358</td>
<td>4,028</td>
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<tr>
<td>2016</td>
<td>18,620</td>
<td>1,825</td>
<td>563</td>
<td>1,811</td>
<td>1,870</td>
<td>2,348</td>
<td>355</td>
<td>810</td>
<td>78</td>
<td>2,831</td>
<td>1,341</td>
<td>4,083</td>
</tr>
<tr>
<td>2017</td>
<td>19,380</td>
<td>1,983</td>
<td>609</td>
<td>1,841</td>
<td>1,678</td>
<td>2,338</td>
<td>353</td>
<td>878</td>
<td>108</td>
<td>2,967</td>
<td>1,411</td>
<td>4,154</td>
</tr>
<tr>
<td>2018</td>
<td>19,670</td>
<td>1,895</td>
<td>688</td>
<td>1,675</td>
<td>1,693</td>
<td>2,346</td>
<td>321</td>
<td>818</td>
<td>97</td>
<td>3,138</td>
<td>1,482</td>
<td>4,168</td>
</tr>
<tr>
<td>2019</td>
<td>19,280</td>
<td>1,959</td>
<td>835</td>
<td>1,902</td>
<td>2,055</td>
<td>2,487</td>
<td>334</td>
<td>856</td>
<td>109</td>
<td>3,268</td>
<td>1,551</td>
<td>4,209</td>
</tr>
<tr>
<td>2020</td>
<td>19,940</td>
<td>1,957</td>
<td>941</td>
<td>1,760</td>
<td>1,740</td>
<td>2,427</td>
<td>334</td>
<td>828</td>
<td>93</td>
<td>3,339</td>
<td>1,384</td>
<td>4,392</td>
</tr>
</tbody>
</table>

**Health & Education**: 2015 - 2020: 1,358, 2021-2050: 1,482


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## Tehama County Economic Forecast

**2021 COUNTY-LEVEL ECONOMIC FORECAST**

**2021 COUNTY-LEVEL ECONOMIC FORECAST**

**2020 COUNTY-LEVEL ECONOMIC FORECAST**

**2019 COUNTY-LEVEL ECONOMIC FORECAST**

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**2021 COUNTY-LEVEL ECONOMIC FORECAST**

**2020 COUNTY-LEVEL ECONOMIC FORECAST**

**2019 COUNTY-LEVEL ECONOMIC FORECAST**
Socioeconomic Indicators

**Violent Crime Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tehama County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>396</td>
<td>425</td>
<td>441</td>
</tr>
</tbody>
</table>

**Poverty Rate**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tehama County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>14.9</td>
<td>11.9</td>
<td>9.4</td>
</tr>
</tbody>
</table>

**Median Household Income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tehama County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>47,000</td>
<td>54,300</td>
<td>82,100</td>
</tr>
</tbody>
</table>

**Median Home Selling Price**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tehama County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>253,200</td>
<td>290,500</td>
<td>659,200</td>
</tr>
</tbody>
</table>

**Average Travel Time to Work**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tehama County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>25</td>
<td>23</td>
<td>33</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Tehama County</th>
<th>Northern California</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>15.5</td>
<td>22.7</td>
<td>33.9</td>
</tr>
</tbody>
</table>