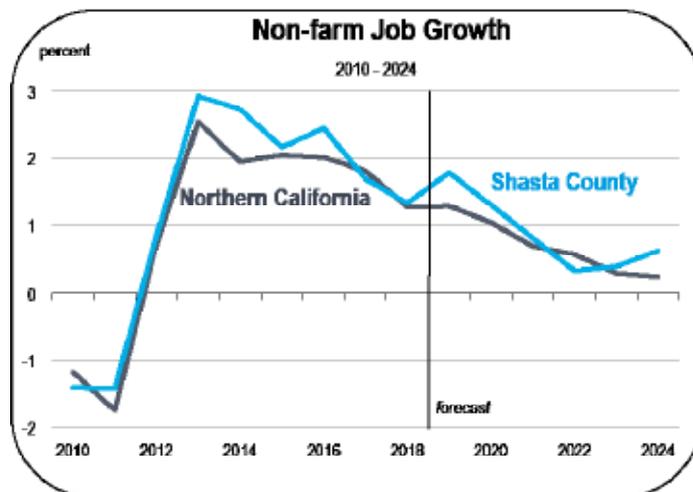
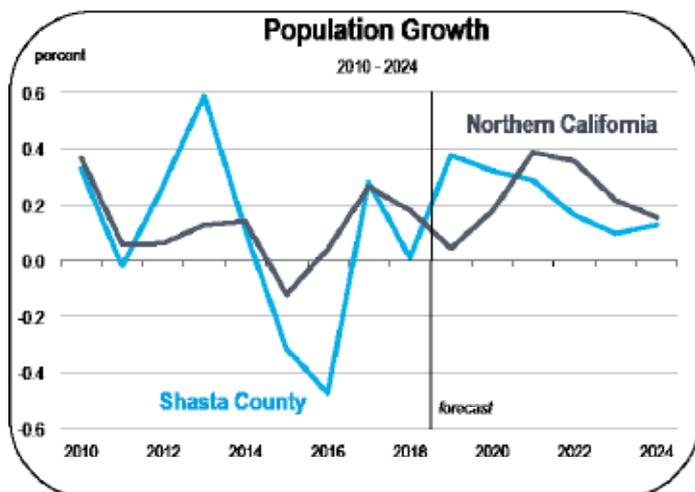


Shasta County Economic Forecast

Forecast Summary

- In July 2018, a wildfire destroyed more than 1,000 homes and buildings in Shasta County.
- The effects of the fire—officially named the Carr Fire—will have substantial implications for the Shasta County economy for several years.
- As the homes and buildings are rebuilt, hundreds of new construction workers will be hired, and millions of dollars will be spent on construction materials.
- It is expected that the rebuilding effort will last until 2021 or 2022.
- Across all industries, approximately 1,200 jobs are expected to be created in Shasta County in 2019. Job growth will then decelerate, and through 2024 an average of 600 jobs are expected to be created each year.
- The largest gains are projected in healthcare, professional business services, government, and construction. Together, these sectors will account for 92 percent of net job creation in the county between 2018 and 2024.
- By 2024, an employment contraction is likely in manufacturing, and there is a meaningful risk of contraction in retail trade.
- The unemployment rate averaged 4.9 percent in 2018 and is near its lowest sustainable level. The unemployment rate may begin to rise by the end of the 2018–2024 forecast period.



- The Shasta County population is expected to grow slowly during the 2018–2024 forecast period.

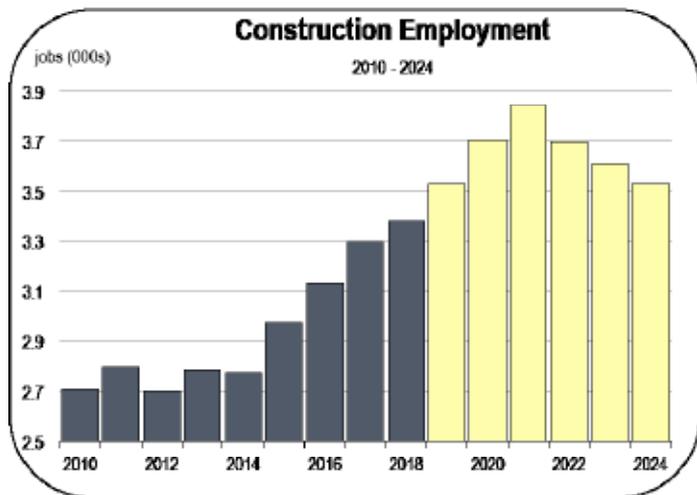
Job Growth

- Government is the largest employer in Shasta County, accounting for 20 percent of all wage and salary jobs. This includes jobs at public schools.
- The other major employment sectors are retail trade, leisure services, and healthcare.
- The healthcare industry will create more jobs than any other sector during the forecast period. Construction, professional business services, and government will also generate substantial numbers of jobs.
- Between 2012 and 2018, overall job growth averaged 2.2 percent per year in Shasta County. Between 2018 and 2024, job growth is expected to average 0.9 percent per year.

Construction Employment

- The construction industry expanded by 700 jobs from 2010 to 2018.
- Between 2010 and 2018 more than 2,200 homes were built in the county and more than \$340 million was spent building and renovating non-residential structures.

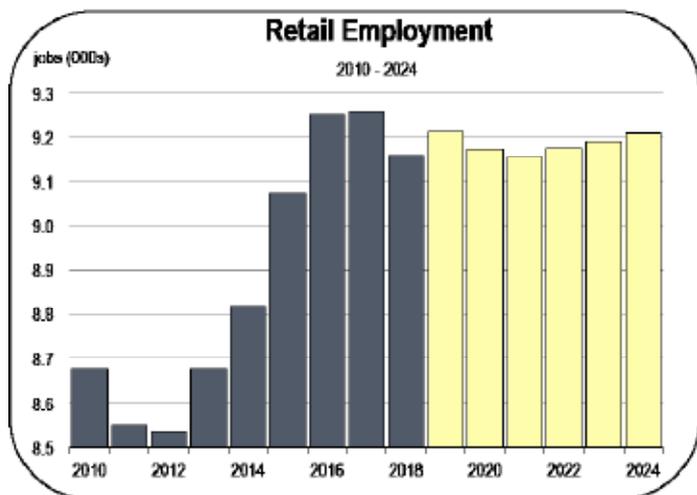
Shasta County Economic Forecast



- The construction sector is expected to add another 400 jobs by 2021 as some of the structures destroyed by the Carr Fire are rebuilt. Additional homes and buildings not associated with the fire are also expected to be built.
- The fire rebuilds are occurring at a slow pace. Through October 2019, only 15 homes had been rebuilt, and construction permits had been issued on only 200 additional homes. A total of 1,083 homes were destroyed by the fire.
- If the rebuilding process occurs more slowly than expected, or if fewer homes and structures are ultimately rebuilt than expected, the outlook for construction jobs could change substantially.

Retail Trade Employment

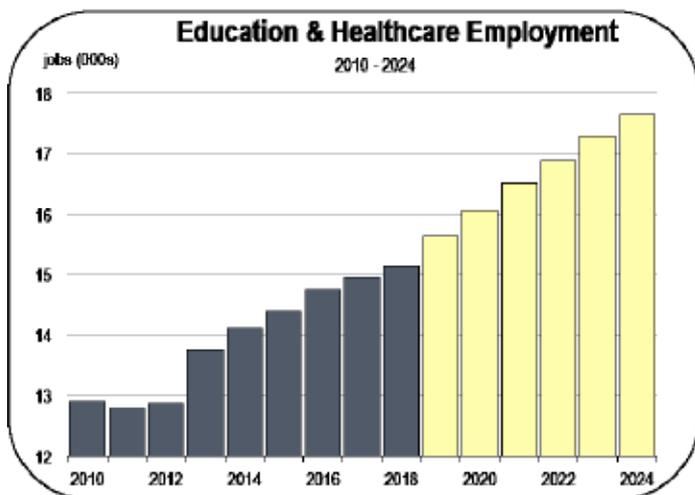
- The Shasta County retail sector gained 800 jobs between 2012 and 2017 before losing a small number of jobs in 2018.



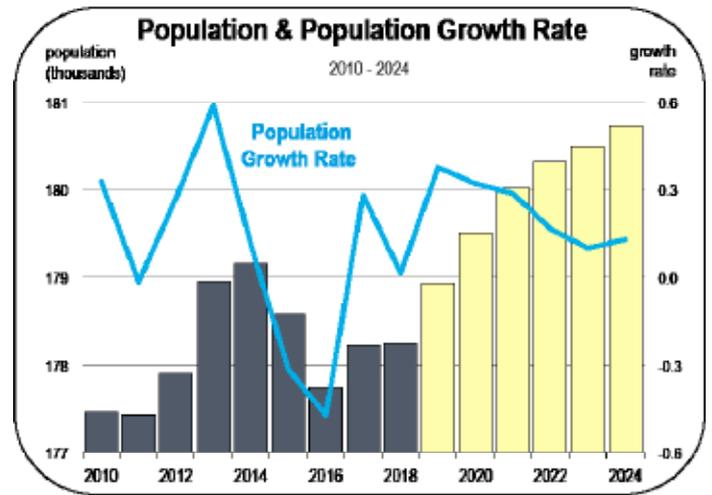
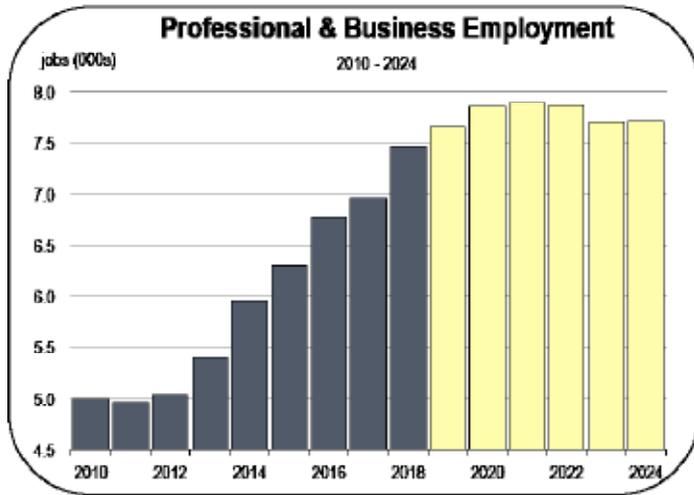
- The retail industry is being divided into two groups: stores that face heavy online competition, and stores that don't.
- Between 2019 and 2024, jobs are expected to be created in sectors not facing heavy online competition:
 - Car dealerships
 - Drug stores and healthcare stores
 - Grocery stores
- Jobs may be lost in sectors that face strong online competition:
 - Clothing stores
 - Sporting goods stores
 - Consumer electronics stores
 - Department stores
- Growth will continue to be slow and could turn negative in 2020 or 2021 if the economy falls into recession.

Private Education and Healthcare Employment

- The Healthcare sector has generated more than 2,000 jobs since 2011.
- Shasta County has a large share of residents above the age of 65, and these individuals will require an increasing amount of healthcare services during the forecast period.
- Our baseline forecast assumes that approximately 2,500 healthcare jobs will be created by 2024.
- The private education industry created a small number of jobs in 2018 (public schools are included in the government sector).
- The future of the U.S. health insurance landscape is unknown, and legislative changes could influence job growth in this sector.



Shasta County Economic Forecast

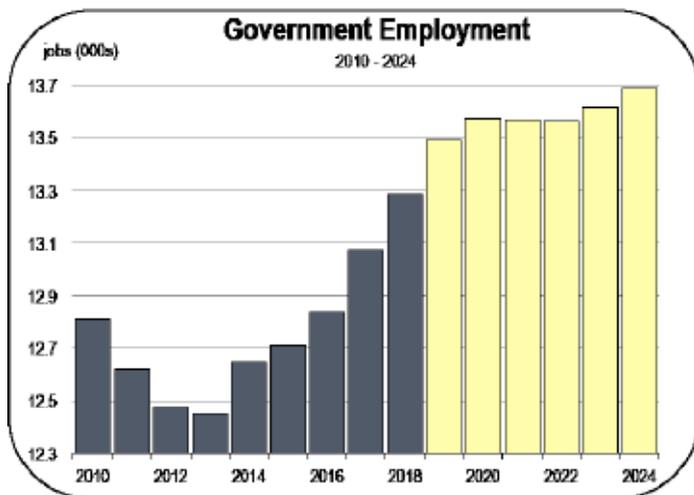


Professional and Business Services Employment

- Professional and business services firms have generated 2,500 jobs since 2011 and will create more jobs during the forecast period.
- In Shasta County, the professional and business services sector is primarily comprised of engineering firms, environmental consulting companies, temporary staffing agencies, and firms that specialize in landscaping and janitorial services.
- Over the 2018–2024 forecast period, this industry is projected to expand by approximately 200 jobs.

Government Employment

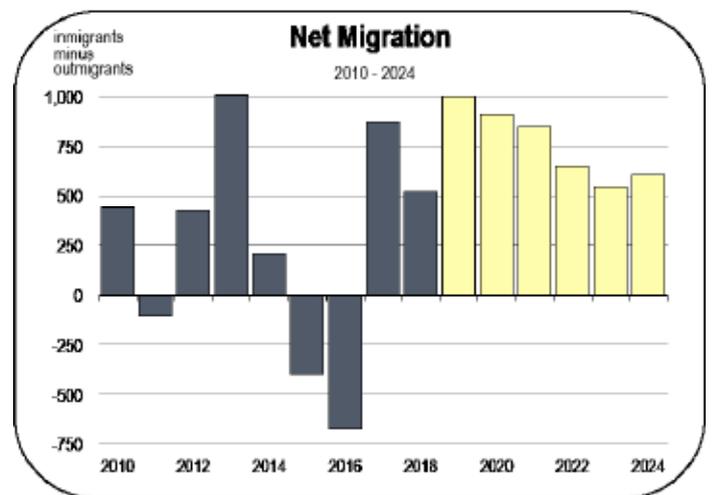
- Government agencies in Shasta County gained 800 jobs between 2013 and 2018. Most of these losses were in local schools.



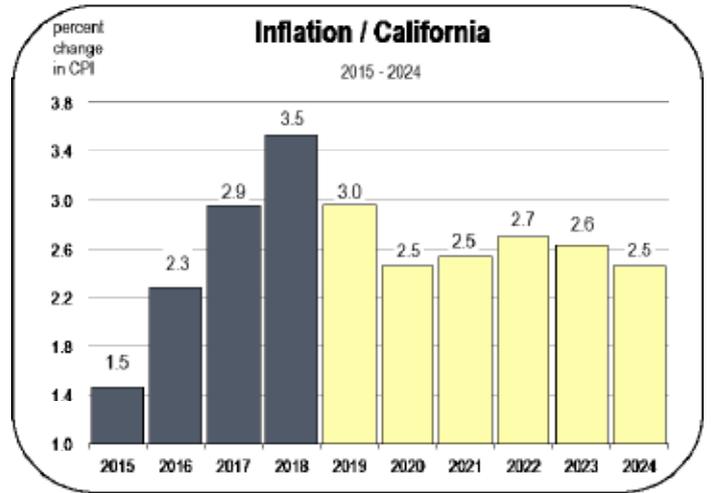
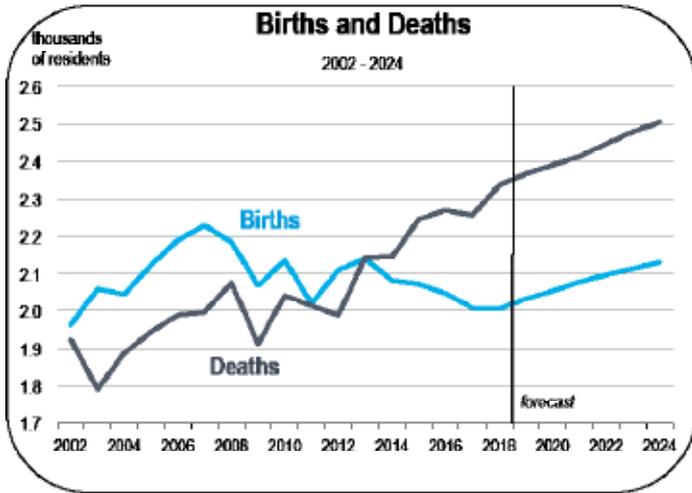
- The largest public entities are:
 - County of Shasta (1,900 employees)
 - City of Redding (1,000 employees)
 - Shasta College (700 employees)
 - Caltrans (250–500 employees)
 - Fall River School District (100–250 employees)
 - U.S. Forest Service (100–250 employees)
- Future employment gains will be determined by population growth and by the condition of government budgets.

Population Growth

- Shasta County’s population increased very slowly between 2012 and 2018, growing by only 355 total residents.
- Net migration was positive in some years, with more people moving into Shasta County than moving out. But it was negative in other years.



Shasta County Economic Forecast



- Shasta County has a high share of residents over the age of 75 and the number of deaths has begun to exceed the number of births, reducing potential population growth.
- Between 2018 and 2024, the Shasta County population is expected to expand by 2,500 residents. Deaths will continue to outnumber births, but positive net migration will lead to overall population growth.

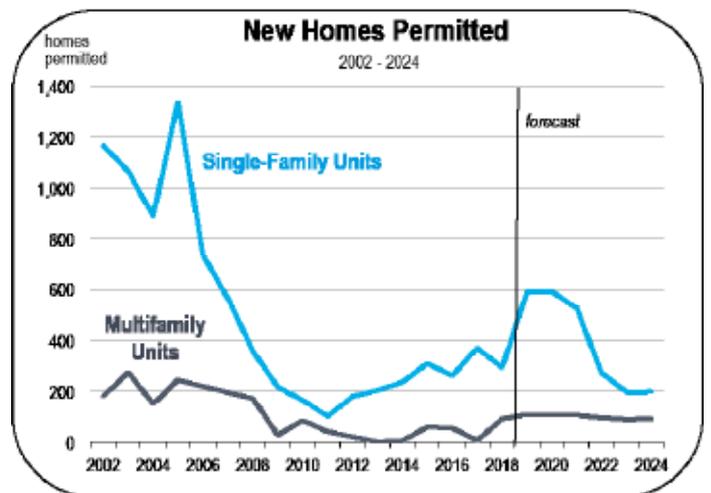
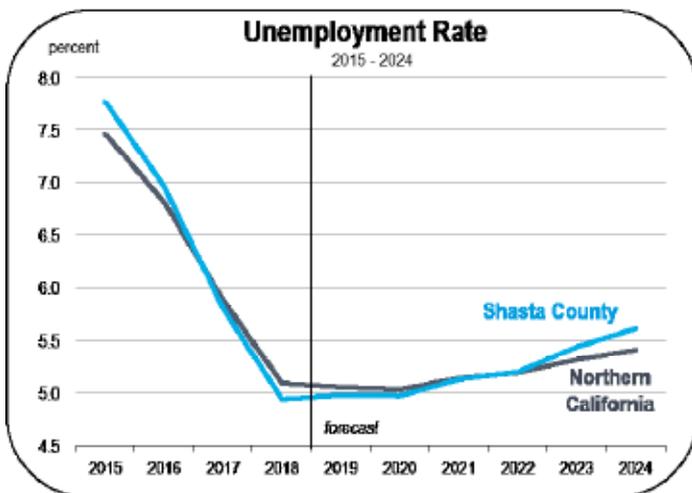
- In 2019 and 2020, inflation is expected to be within a range of 2.0 percent and 3.5 percent.

Unemployment and Inflation Rates

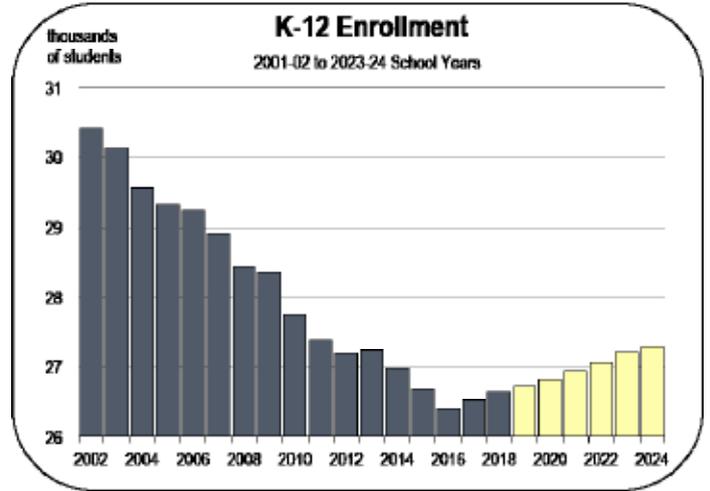
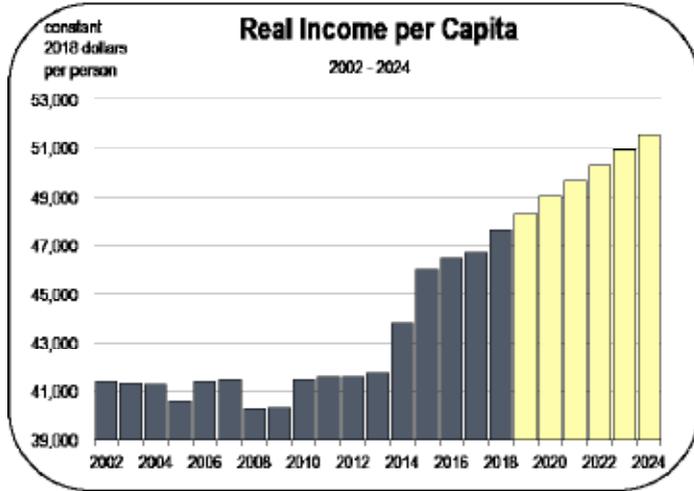
New Housing Production

- The unemployment rate in Shasta County was 4.9 percent in 2018, which was below the average for Northern California.
- The unemployment rate has reached its lowest sustainable level, and may begin to rise during the 2018–2024 forecast period.
- Inflation accelerated in 2018 as home prices and energy costs increased across California.

- From 2010 to 2018, more than 2,200 homes were built in Shasta County. Most were single-family homes.
- Housing production between 2019 and 2024 will depend on the pace of fire rebuilds. Through mid-October 2019, only 15 homes had been rebuilt and construction permits had been issued on only 200 additional homes.
- A total of 1,083 homes were destroyed by the fire, and many are expected to be rebuilt by 2022. But not all will be rebuilt because a substantial portion did not have sufficient insurance to cover the cost of construction.



Shasta County Economic Forecast



Shasta County Economic Forecast

Economic Indicators

2015-2018 History, 2019-2050 Forecast

	Population (people)	House- holds (thousands)	Average Household Income (dollars)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Local Sales Tax (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	School Enrollment (thousands)	Births (people)	Deaths (people)
2015	178,584	70.3	\$107,439	368	215	\$7.6	\$2.0	\$25	\$906	\$46,023	26.7	2,073	2,246
2016	177,742	70.3	\$110,009	315	219	\$7.7	\$2.1	\$26	\$907	\$46,444	26.4	2,048	2,270
2017	178,240	70.4	\$113,797	377	215	\$8.0	\$2.2	\$27	\$913	\$46,705	26.5	2,008	2,256
2018	178,262	70.8	\$120,039	383	216	\$8.5	\$2.2	\$28	\$948	\$47,642	26.7	2,006	2,338
2019	178,930	70.1	\$126,731	697	219	\$8.9	\$2.3	\$29	\$941	\$48,310	26.7	2,033	2,367
2020	179,502	70.7	\$131,356	698	220	\$9.3	\$2.5	\$31	\$940	\$49,061	26.8	2,055	2,389
2021	180,016	71.4	\$135,838	628	222	\$9.7	\$2.5	\$32	\$932	\$49,665	26.9	2,079	2,412
2022	180,312	72.0	\$140,471	365	222	\$10.1	\$2.6	\$33	\$939	\$50,296	27.1	2,097	2,447
2023	180,490	72.3	\$145,426	285	222	\$10.5	\$2.6	\$33	\$948	\$50,883	27.2	2,114	2,479
2024	180,723	72.6	\$150,606	289	223	\$10.9	\$2.7	\$33	\$958	\$51,509	27.3	2,131	2,503
2025	180,830	72.9	\$155,565	279	224	\$11.3	\$2.7	\$34	\$965	\$52,107	27.4	2,143	2,529
2026	181,021	73.1	\$160,741	289	225	\$11.8	\$2.8	\$35	\$975	\$52,732	27.6	2,155	2,548
2027	181,243	73.4	\$166,060	294	226	\$12.2	\$2.9	\$36	\$985	\$53,401	27.7	2,166	2,574
2028	181,397	73.7	\$171,265	286	227	\$12.6	\$2.9	\$37	\$994	\$53,988	27.8	2,174	2,598
2029	181,392	73.9	\$175,920	254	228	\$13.0	\$3.0	\$38	\$996	\$54,355	27.8	2,181	2,621
2030	181,366	74.2	\$180,458	251	228	\$13.4	\$3.1	\$38	\$999	\$54,687	27.8	2,187	2,640
2031	181,442	74.4	\$185,175	263	229	\$13.8	\$3.1	\$39	\$1,005	\$55,061	27.8	2,199	2,661
2032	181,467	74.7	\$190,005	242	229	\$14.2	\$3.2	\$40	\$1,009	\$55,348	27.8	2,209	2,676
2033	181,604	74.9	\$194,441	255	229	\$14.6	\$3.3	\$41	\$1,016	\$55,652	27.7	2,219	2,691
2034	181,540	75.1	\$199,237	233	229	\$15.0	\$3.4	\$42	\$1,019	\$55,996	27.7	2,225	2,703
2035	181,342	75.4	\$204,452	220	230	\$15.4	\$3.4	\$43	\$1,021	\$56,395	27.7	2,227	2,716
2036	181,119	75.6	\$210,231	217	230	\$15.9	\$3.5	\$44	\$1,022	\$56,695	27.6	2,228	2,728
2037	180,898	75.8	\$216,141	216	230	\$16.4	\$3.6	\$45	\$1,023	\$56,929	27.7	2,230	2,738
2038	180,648	76.0	\$221,891	211	230	\$16.9	\$3.7	\$46	\$1,023	\$57,194	27.6	2,231	2,742
2039	180,488	76.2	\$228,132	219	230	\$17.4	\$3.8	\$48	\$1,026	\$57,407	27.5	2,236	2,746
2040	180,239	76.4	\$234,543	211	230	\$17.9	\$3.9	\$49	\$1,027	\$57,705	27.5	2,240	2,747
2041	179,838	76.6	\$240,360	178	230	\$18.4	\$4.0	\$50	\$1,026	\$57,972	27.5	2,240	2,740
2042	179,591	76.7	\$246,528	191	230	\$18.9	\$4.1	\$51	\$1,027	\$58,273	27.5	2,245	2,734
2043	179,394	76.9	\$252,834	185	230	\$19.4	\$4.2	\$53	\$1,028	\$58,622	27.5	2,251	2,727
2044	179,114	77.1	\$258,792	164	230	\$20.0	\$4.3	\$54	\$1,028	\$58,994	27.5	2,255	2,719
2045	178,861	77.2	\$265,262	158	230	\$20.5	\$4.4	\$55	\$1,028	\$59,311	27.5	2,260	2,714
2046	178,524	77.4	\$271,935	151	231	\$21.0	\$4.5	\$56	\$1,026	\$59,722	27.6	2,263	2,713
2047	178,219	77.5	\$278,637	154	231	\$21.6	\$4.6	\$58	\$1,025	\$60,089	27.7	2,266	2,707
2048	178,016	77.7	\$285,634	154	232	\$22.2	\$4.7	\$59	\$1,024	\$60,453	27.7	2,272	2,698
2049	177,786	77.8	\$292,818	152	232	\$22.8	\$4.8	\$60	\$1,022	\$60,831	27.8	2,276	2,690
2050	177,495	78.0	\$299,983	141	233	\$23.4	\$4.9	\$62	\$1,020	\$61,190	27.8	2,279	2,682

Employment Sectors

2015-2018 History, 2019-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	64.5	0.9	3.0	2.4	1.8	10.9	2.6	6.3	0.7	14.4	6.7	12.7
2016	66.0	0.9	3.1	2.5	1.8	11.1	2.6	6.8	0.7	14.8	6.7	12.8
2017	67.1	0.9	3.3	2.6	1.8	11.1	2.7	7.0	0.7	15.0	6.8	13.1
2018	68.1	1.0	3.4	2.7	1.8	11.0	2.7	7.5	0.6	15.1	6.7	13.3
2019	69.3	1.0	3.5	2.6	1.9	11.0	2.7	7.7	0.6	15.6	6.7	13.5
2020	70.2	1.0	3.7	2.6	1.9	11.0	2.7	7.9	0.6	16.1	6.8	13.6
2021	70.7	1.0	3.8	2.5	1.9	11.0	2.7	7.9	0.6	16.5	6.8	13.6
2022	71.0	1.0	3.7	2.5	1.9	11.0	2.7	7.9	0.6	16.9	6.8	13.6
2023	71.2	1.0	3.6	2.5	1.9	11.1	2.8	7.7	0.6	17.3	6.8	13.6
2024	71.7	1.0	3.5	2.4	1.9	11.1	2.8	7.7	0.6	17.6	6.8	13.7
2025	72.2	1.0	3.5	2.4	1.9	11.1	2.8	7.7	0.6	18.0	6.8	13.8
2026	72.7	1.0	3.5	2.4	1.9	11.1	2.8	7.7	0.6	18.3	6.8	13.8
2027	73.2	1.0	3.5	2.4	1.9	11.1	2.8	7.8	0.6	18.6	6.8	13.9
2028	73.6	1.0	3.5	2.4	1.9	11.2	2.8	7.8	0.6	18.9	6.9	14.0
2029	73.9	1.0	3.5	2.4	2.0	11.2	2.8	7.8	0.6	19.1	6.9	14.0
2030	74.2	1.0	3.5	2.4	2.0	11.2	2.8	7.8	0.6	19.2	6.9	14.1
2031	74.4	1.0	3.5	2.4	2.0	11.3	2.8	7.8	0.6	19.3	6.9	14.2
2032	74.5	1.0	3.5	2.4	2.0	11.3	2.8	7.9	0.6	19.3	6.9	14.2
2033	74.6	1.0	3.4	2.4	2.0	11.3	2.8	7.9	0.6	19.3	6.9	14.3
2034	74.7	1.0	3.4	2.4	2.0	11.4	2.8	7.9	0.6	19.3	7.0	14.3
2035	74.9	1.0	3.4	2.3	2.0	11.4	2.8	7.9	0.6	19.3	7.0	14.4
2036	75.0	1.0	3.4	2.3	2.0	11.4	2.8	7.9	0.6	19.3	7.0	14.5
2037	75.1	1.0	3.4	2.3	2.0	11.5	2.8	8.0	0.6	19.3	7.0	14.5
2038	75.1	1.0	3.5	2.3	2.0	11.5	2.8	8.0	0.6	19.2	7.0	14.6
2039	75.1	1.0	3.5	2.3	2.1	11.5	2.8	8.0	0.6	19.0	7.1	14.7
2040	75.1	1.0	3.5	2.2	2.1	11.5	2.7	8.0	0.6	18.9	7.1	14.7
2041	75.0	1.0	3.5	2.2	2.1	11.6	2.7	8.1	0.6	18.7	7.1	14.8
2042	75.1	1.0	3.5	2.2	2.1	11.6	2.7	8.1	0.6	18.7	7.1	14.9
2043	75.2	1.0	3.5	2.2	2.1	11.6	2.7	8.1	0.6	18.6	7.1	14.9
2044	75.3	1.0	3.5	2.2	2.1	11.7	2.7	8.1	0.6	18.6	7.1	15.0
2045	75.4	1.0	3.5	2.1	2.1	11.7	2.7	8.1	0.6	18.6	7.1	15.1
2046	75.6	1.0	3.5	2.1	2.1	11.7	2.7	8.2	0.6	18.7	7.2	15.1
2047	75.8	1.0	3.5	2.1	2.1	11.8	2.7	8.2	0.6	18.8	7.2	15.2
2048	76.0	1.0	3.5	2.1	2.1	11.8	2.7	8.2	0.6	18.8	7.2	15.3
2049	76.3	1.0	3.6	2.0	2.1	11.8	2.7	8.2	0.6	19.0	7.2	15.3
2050	76.5	1.0	3.6	2.0	2.1	11.8	2.7	8.3	0.6	19.1	7.2	15.4

Shasta County Economic Forecast

Socioeconomic Indicators

