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.

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.
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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.
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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 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.

Unemployment and Inflation Rates

- 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.

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

New Housing Production

- 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.
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- An additional 2,000 homes are projected to be built outside of the burn area.

**Income per Capita**

- Income per capita was $47,600 in 2018, which was higher than the Northern California average of $46,200.
- Over the last six years, real income per capita increased at a rate of 2.3 percent per year.
- Over the next six years, real income per capita is expected to increase by an average of 1.3 percent per year.

**Registered Vehicles**

- There were approximately 215,700 registered vehicles in Shasta County in 2018.
- By 2024, it is expected that the county will have 223,400 registered vehicles.

**Public School Enrollment**

- In Shasta County, approximately 26,700 students were enrolled in K-12 public schools in 2018.
- By 2024, the county is expected to have 27,300 public K-12 students.
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Socioeconomic Indicators

Violent Crime Rate

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Poverty Rate

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Median Household Income

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Median Home Selling Price

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Average Travel Time to Work

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

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