

SUTTER COUNTY ECONOMIC FORECAST

Sutter County, the birthplace of the seedless grape, is located in the Sacramento Valley of California. The county is home to the Sutter Buttes, the "World's Smallest Mountain Range." Sutter County has a population of 97,000 people and a total of 27,000 wage and salary jobs. The per capita income in Sutter County is \$36,685 and the average salary per worker is \$45,666. The largest employers in the county are the public sector, the wholesale and retail trade industry, the agricultural sector, and the education and healthcare industry. Combined, they account for 63 percent of total wage and salary employment.

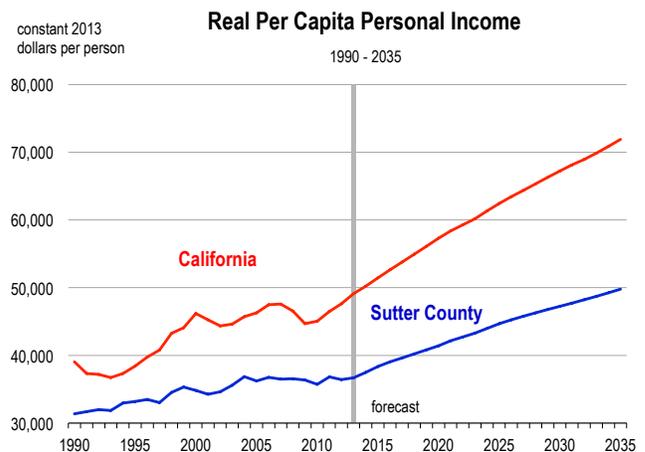
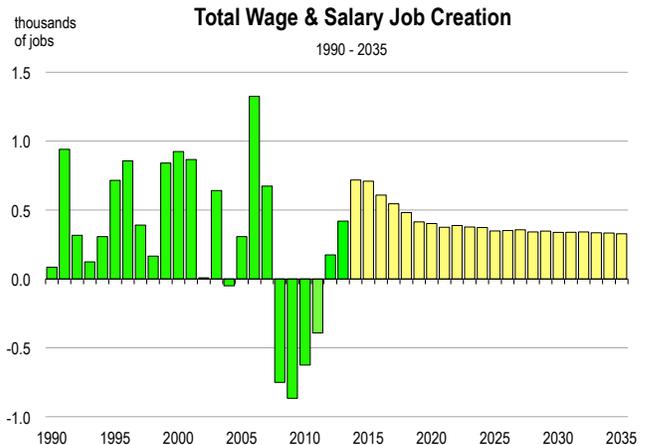
Employment across Northern California increased by 3.7 percent in 2013, whereas employment in the Sacramento Valley (consisting of Sacramento, Yolo, Placer, El Dorado, Yuba and Sutter counties) increased by 2.6 percent. In Sutter County, 420 wage and salary jobs were created, representing a growth rate of 1.6 percent. The non-farm sector gained 470 jobs, whereas the farm sector lost 50 jobs. The unemployment rate improved substantially, falling from 17.5 percent in 2012 to 15.3 percent in 2013.

In 2013, most sectors were characterized by positive job growth. The largest gains were observed in education and healthcare (+250 jobs), leisure and hospitality (+170 jobs), and professional and business services (+120 jobs). The construction sector also added 20 jobs, the first annual increase since 2006. The largest losses occurred in government (-80 jobs), agriculture (-50 jobs), and wholesale and retail trade (-40 jobs).

The population in Sutter County grew by an annual average rate of 0.8 percent between 2008 and 2013. This was largely the result of the natural increase (new births), as net migration was very low for much of this period.

FORECAST HIGHLIGHTS

- Job growth is expected to accelerate in 2014, as total employment increases by 2.7 percent. Over the 2014-2019 period, growth will average 1.9 percent per year. Non-farm growth is expected to average 2.2 percent.
- The average salary per worker is currently below the California state average, and is expected to remain so over the forecast period. In Sutter County, inflation-adjusted salaries are projected to increase by 1.2 percent per year from 2014 to 2019.
- Between 2014 and 2019, the principal employment growth will occur in wholesale and retail trade, education and healthcare, professional services, and government. Together, these sectors are expected to account for 75 percent of net job creation in the county.
- Population growth will accelerate, but will not return to the high rates that occurred over much of the past few decades. Annual



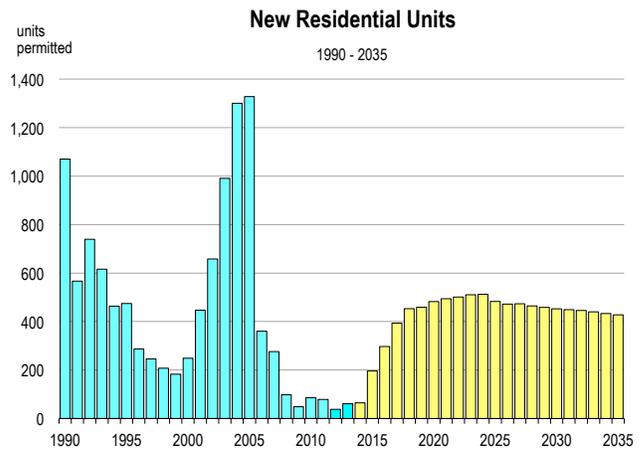
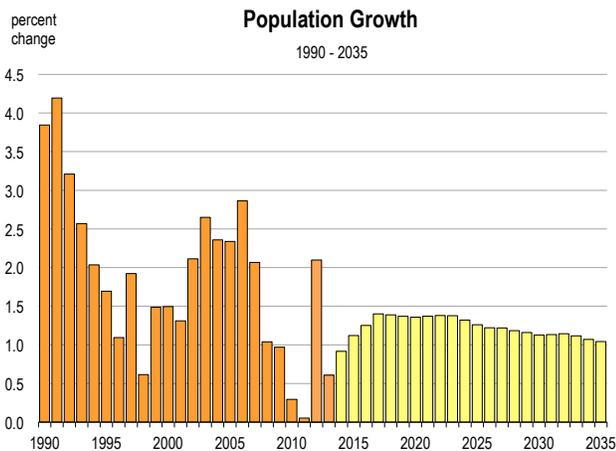
growth in the 2014-2019 period will average 1.3 percent per year.

- Net migration will be positive over the forecast period. Between 2014 and 2019, an average of 700 net migrants will enter the county each year, accounting for 53 percent of total population growth.
- From 2014 to 2019, real per capita income is projected to rise by 1.7 percent per year.
- Total taxable sales, adjusted for inflation, are expected to increase by 2.8 percent per year between 2014 and 2019.
- From 2014 to 2019, the growth rate of industrial production is expected to average 3.5 percent per year.
- Adjusted for inflation, farm production is forecasted to decline by an average of 0.4 percent per year between 2014 and 2019. The principal crop in the county is rice.

Sutter County Economic Forecast

2006-2013 History, 2014-2040 Forecast

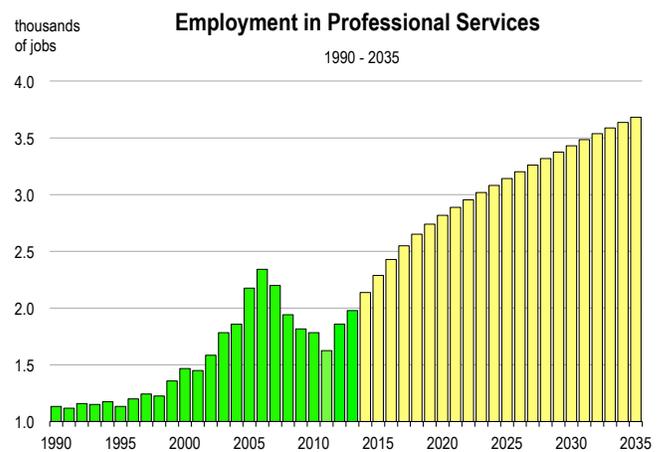
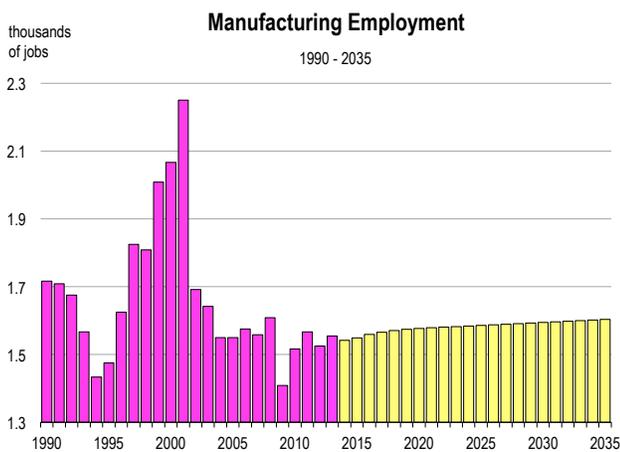
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	90,628	1,756	92.6	30.5	360	\$1.43	\$2.84	\$36,752	3.2	421	398	9.0
2007	92,502	960	93.3	31.0	276	\$1.41	\$2.98	\$36,477	3.4	428	430	9.7
2008	93,465	166	92.8	31.3	98	\$1.29	\$3.10	\$36,560	2.9	549	548	12.3
2009	94,372	134	93.4	31.4	49	\$1.18	\$3.14	\$36,353	0.8	519	441	16.8
2010	94,650	-458	93.9	31.4	86	\$1.21	\$3.14	\$35,739	1.3	561	424	19.4
2011	94,700	-557	92.4	31.5	79	\$1.31	\$3.32	\$36,831	2.7	574	471	19.0
2012	96,687	1,367	91.5	31.5	38	\$1.37	\$3.44	\$36,422	2.7	539	469	17.5
2013	97,275	-3	94.3	31.5	61	\$1.45	\$3.57	\$36,685	2.3	553	485	15.3
2014	98,167	337	96.0	31.6	65	\$1.53	\$3.78	\$37,495	2.8	555	507	13.6
2015	99,267	524	97.8	31.7	196	\$1.63	\$4.04	\$38,345	3.3	555	527	12.0
2016	100,510	646	99.6	31.9	297	\$1.74	\$4.30	\$39,069	3.2	554	544	10.8
2017	101,918	793	101.3	32.2	394	\$1.82	\$4.53	\$39,632	2.4	556	562	10.2
2018	103,333	777	102.9	32.5	453	\$1.91	\$4.76	\$40,218	2.3	553	582	9.9
2019	104,749	763	104.5	33.0	459	\$2.01	\$5.02	\$40,823	2.4	545	603	9.6
2020	106,172	757	106.1	33.4	482	\$2.10	\$5.28	\$41,412	2.3	537	625	9.4
2021	107,627	780	107.6	33.9	494	\$2.21	\$5.58	\$42,137	2.5	529	647	9.4
2022	109,112	801	109.2	34.4	501	\$2.31	\$5.88	\$42,707	2.6	527	669	9.2
2023	110,616	811	110.9	34.9	510	\$2.42	\$6.19	\$43,281	2.5	518	694	9.0
2024	112,077	762	112.4	35.4	513	\$2.54	\$6.53	\$43,974	2.5	517	717	8.9
2025	113,490	713	114.0	35.9	483	\$2.66	\$6.89	\$44,673	2.5	511	741	8.8
2026	114,876	683	115.5	36.4	472	\$2.78	\$7.24	\$45,267	2.5	508	766	8.7
2027	116,276	694	117.0	36.9	473	\$2.91	\$7.60	\$45,797	2.5	508	793	8.6
2028	117,653	665	118.4	37.3	464	\$3.05	\$7.96	\$46,282	2.5	503	822	8.5
2029	119,018	647	119.9	37.8	459	\$3.19	\$8.35	\$46,790	2.5	504	853	8.5
2030	120,360	619	121.3	38.2	452	\$3.34	\$8.74	\$47,266	2.5	498	885	8.4
2031	121,724	632	122.8	38.7	449	\$3.50	\$9.15	\$47,727	2.5	493	918	8.3
2032	123,117	648	124.3	39.1	446	\$3.67	\$9.58	\$48,229	2.5	489	952	8.2
2033	124,492	620	125.8	39.6	440	\$3.85	\$10.03	\$48,717	2.5	486	987	8.1
2034	125,825	570	127.2	40.0	433	\$4.03	\$10.50	\$49,242	2.5	484	1023	8.0
2035	127,137	547	128.6	40.4	428	\$4.22	\$10.99	\$49,790	2.5	480	1061	7.9
2036	128,442	537	130.0	40.9	423	\$4.42	\$11.51	\$50,367	2.5	476	1099	7.8
2037	129,739	529	131.4	41.3	418	\$4.62	\$12.05	\$50,908	2.5	472	1139	7.8
2038	130,975	471	132.7	41.7	411	\$4.82	\$12.61	\$51,491	2.5	470	1180	7.7
2039	132,147	413	133.9	42.1	394	\$5.03	\$13.19	\$52,106	2.5	469	1222	7.6
2040	133,304	404	135.2	42.5	379	\$5.25	\$13.81	\$52,741	2.5	465	1273	7.6

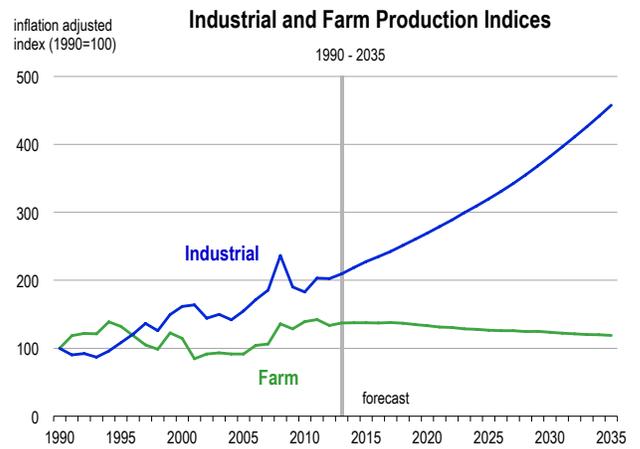
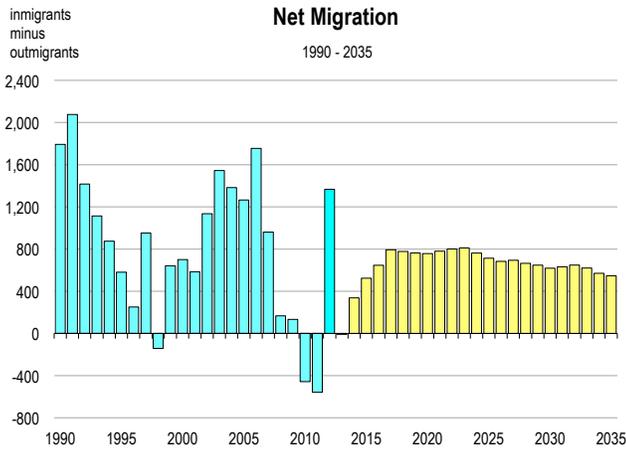
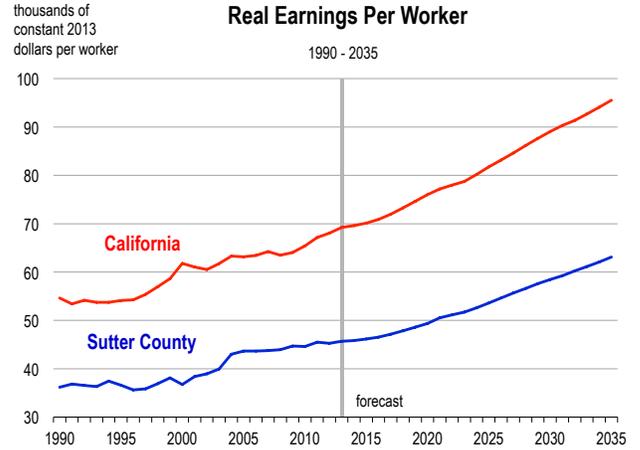
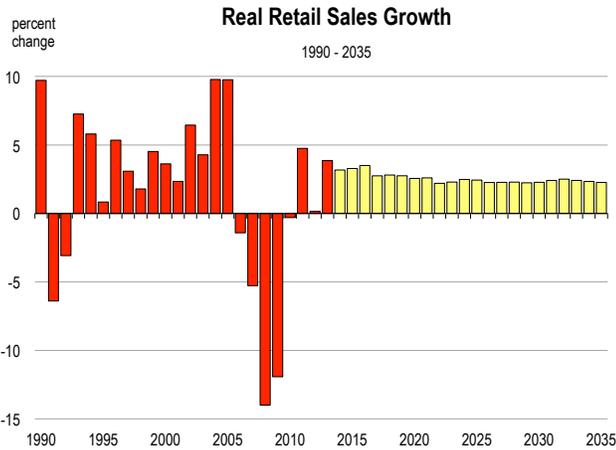


Sutter County Employment Forecast

2006-2013 History, 2014-2040 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)-----											
2006	28.1	3.34	1.63	1.58	0.53	5.85	1.10	2.34	0.20	3.73	2.38	4.56
2007	28.8	3.54	1.61	1.56	0.69	6.01	1.13	2.20	0.22	3.80	2.47	4.63
2008	28.0	3.38	1.29	1.61	0.71	5.59	1.07	1.94	0.22	3.85	2.54	4.87
2009	27.2	3.48	1.02	1.41	0.72	5.09	1.11	1.82	0.30	3.83	2.49	5.08
2010	26.6	3.68	0.97	1.52	0.66	5.09	1.09	1.78	0.20	3.49	2.55	4.73
2011	26.2	3.71	0.81	1.57	0.73	5.21	1.01	1.63	0.20	3.33	2.71	4.48
2012	26.3	3.65	0.76	1.53	0.73	5.34	1.03	1.86	0.20	3.42	2.68	4.36
2013	26.8	3.60	0.78	1.55	0.72	5.30	1.04	1.98	0.20	3.67	2.85	4.28
2014	27.5	3.64	0.83	1.54	0.74	5.39	1.04	2.14	0.21	3.86	2.89	4.38
2015	28.2	3.64	0.86	1.55	0.77	5.47	1.05	2.29	0.21	4.04	2.94	4.53
2016	28.8	3.63	0.92	1.56	0.79	5.55	1.06	2.43	0.22	4.20	2.99	4.58
2017	29.3	3.64	0.96	1.57	0.81	5.63	1.07	2.55	0.22	4.35	3.05	4.63
2018	29.8	3.63	0.98	1.57	0.83	5.69	1.08	2.65	0.23	4.49	3.12	4.68
2019	30.2	3.62	0.98	1.57	0.85	5.75	1.09	2.74	0.23	4.62	3.18	4.72
2020	30.6	3.61	0.99	1.58	0.88	5.81	1.10	2.82	0.23	4.75	3.24	4.75
2021	31.0	3.60	1.00	1.58	0.90	5.86	1.11	2.89	0.23	4.89	3.30	4.77
2022	31.4	3.60	1.00	1.58	0.93	5.89	1.12	2.95	0.24	5.02	3.37	4.80
2023	31.8	3.58	1.01	1.58	0.95	5.93	1.13	3.02	0.24	5.16	3.44	4.83
2024	32.2	3.58	1.01	1.58	0.98	5.96	1.14	3.08	0.24	5.29	3.50	4.86
2025	32.5	3.57	1.00	1.59	1.00	5.99	1.16	3.14	0.24	5.42	3.56	4.89
2026	32.9	3.57	1.00	1.59	1.03	6.02	1.17	3.20	0.24	5.53	3.62	4.93
2027	33.2	3.57	1.00	1.59	1.05	6.05	1.18	3.26	0.25	5.65	3.68	4.98
2028	33.6	3.56	1.00	1.59	1.08	6.07	1.20	3.32	0.25	5.76	3.74	5.02
2029	33.9	3.56	1.00	1.59	1.10	6.09	1.21	3.37	0.25	5.87	3.80	5.06
2030	34.2	3.55	1.00	1.59	1.12	6.11	1.22	3.43	0.25	5.99	3.86	5.11
2031	34.6	3.55	1.00	1.60	1.15	6.13	1.24	3.48	0.25	6.10	3.92	5.16
2032	34.9	3.54	1.00	1.60	1.17	6.15	1.25	3.54	0.26	6.22	3.98	5.20
2033	35.3	3.54	1.00	1.60	1.19	6.17	1.26	3.59	0.26	6.33	4.04	5.24
2034	35.6	3.53	1.00	1.60	1.22	6.19	1.27	3.64	0.26	6.45	4.10	5.29
2035	35.9	3.53	1.00	1.60	1.24	6.21	1.29	3.68	0.26	6.56	4.16	5.34
2036	36.2	3.52	1.00	1.61	1.26	6.22	1.30	3.73	0.26	6.68	4.22	5.38
2037	36.6	3.52	1.00	1.61	1.29	6.23	1.31	3.77	0.26	6.79	4.28	5.43
2038	36.9	3.51	1.00	1.61	1.31	6.24	1.32	3.81	0.27	6.91	4.33	5.48
2039	37.2	3.51	1.00	1.61	1.33	6.25	1.34	3.85	0.27	7.03	4.38	5.53
2040	37.5	3.50	0.99	1.61	1.35	6.26	1.35	3.89	0.27	7.14	4.43	5.58





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	16.0%
Expected job growth:	10.1%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	16.2%

Expected population growth:	6.7%
Net migration to account for:	53.2%
Expected growth in number of vehicles:	8.9%

Demographics (2014)

Unemployment rate (April 2014):	15.4%
County rank* in California (58 counties):	56th
Working age (16-64) population:	62.6%

Population with B.A. degree or higher:	17.1%
Median home selling price (2013):	\$177,000
Median household income:	\$50,248

Quality of Life

Violent crime rate (2012):	329 per 100,000 persons
County rank* in California (58 counties):	23rd
Average commute time to work (2014):	30.1 minutes

High School drop out rate (2012):	11.1%
Households at/below poverty line (2014):	12.7%

* The county ranked 1st corresponds to the lowest rate in California