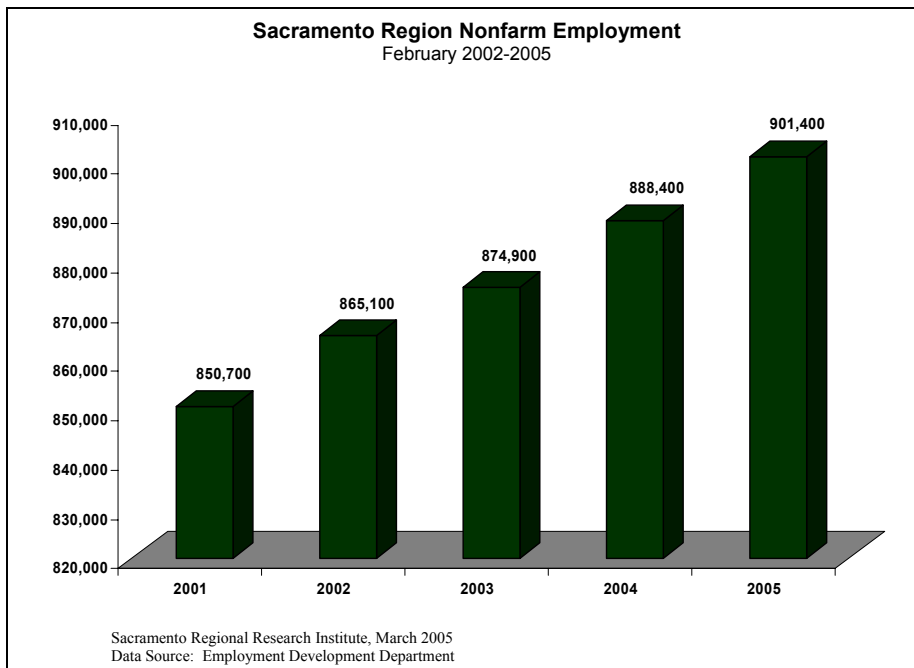
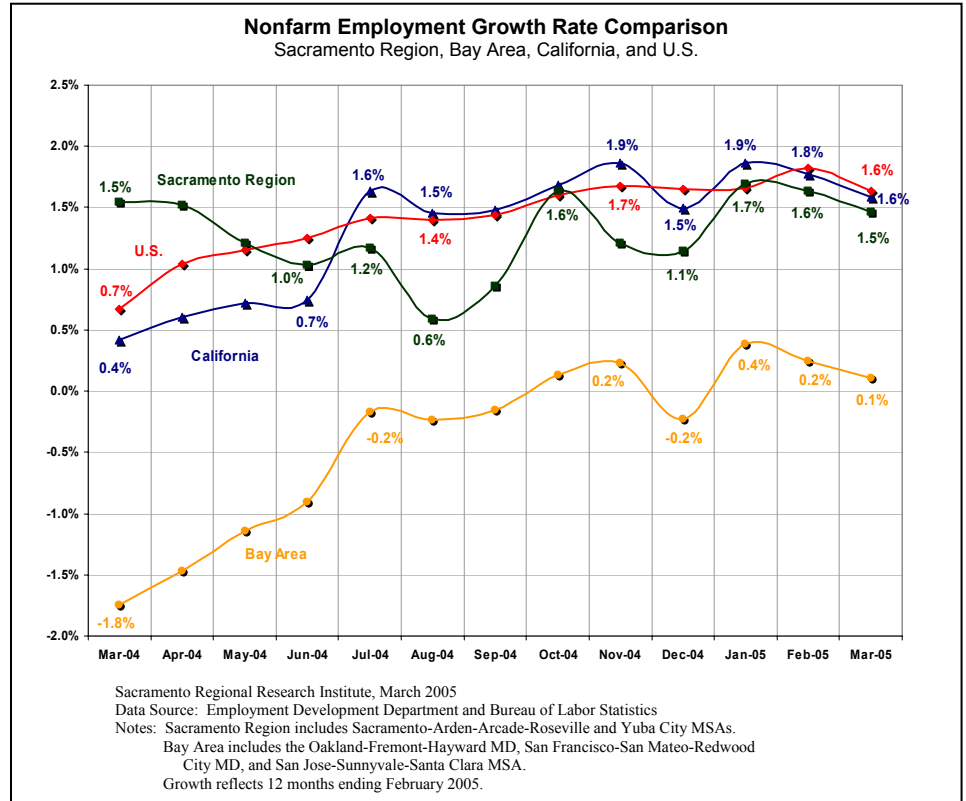


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

Job growth in the Sacramento Region, the Bay Area, and the state overall appears to be tailing-off.

The Sacramento Region along with the state and the Bay Area have all show a similar pattern of decreasing job growth over the past few months after rebounding from the slight dip seen in December 2004. While all three have seen positive year-over-year employment growth, the rates have been successively lower each month and the pattern warrants attention to see if it continues in future months (especially in the Bay Area, where job growth could turn negative again if rates continue to decrease).

The six-county Sacramento Region's job growth remained around the statewide and national averages, showing 1.5 percent growth between March 2004 and 2005, or a gain of 13,000 jobs. Looking over the past year, employment growth in the Region has trended relatively flat, averaging about 1.3 percent. This is different from the state, the nation, and the Bay Area that demonstrate overall increasing trends over the past year.



Both the state and the nation posted 1.6 percent job growth in March 2005, reflecting gains of 228,000 and 2.1 million Nonfarm jobs, respectively. The Bay Area experienced minimal employment growth over the past year with a gain of about 3,000 jobs (0.1 percent growth), but March 2005 marks the fifth month of positive year-over-year job growth in the past year.

Government sector year-over-year job losses in the Sacramento Region and the state ceased in March 2005.

The Sacramento Region’s Government sector posted its first year-over-year employment gain since early 2003. This is a positive sign for the Region, and future gains may show that the sector has bottomed out; however, its outlook is uncertain considering the continued state budget issues. Information and Leisure & Hospitality were the only two sectors that experienced job losses over the past year, while Trade, Transportation, & Utilities; Educational & Health Services; and Manufacturing provided 80 percent of the 12,500 private sector employment increases. There are two interesting things to note regarding the Region’s employment gains and losses—the Construction sector, which was regularly at the top of the year-over-year job gain list in the past, has fallen to the middle of the list over the past few months while the Manufacturing, a previous poor performer, has recently moved up the list.

Every major sector in the state either gained jobs or saw no growth over the past year, including the Government sector which has experienced negative job growth for many months. The Professional & Business Services and Construction sectors, the states largest growth sectors, provided an increase of over 105,000 jobs to the statewide economy over the past year.

For the past few months, the Bay Area has seen employment losses in only two sectors, but in March 2005, four sectors posted year-over-year job losses—Government (concentrated in local government activities); Professional & Business Services; Other Services; and Information. The Bay Area’s greatest job gains were in the Educational & Health Services and Financial Activities sectors with a combined increase of 10,500 jobs.

Employment Gains and Losses			
Major Sectors			
Sector	March 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	13,000	228,400	2,900
Private Sector	12,500	228,400	9,200
Public Sector	500	0	-6,300
Trade, Trans., & Util.	4,600	31,200	-2,600
Edu. & Health Svcs.	3,000	20,700	6,300
Manufacturing	2,300	3,800	400
Financial Activities	1,600	21,600	4,200
Construction	1,500	51,900	3,800
Prof. & Business Svcs.	1,000	53,300	-3,600
Other Services	700	6,500	-1,100
Government	500	0	-6,300
Nat. Res. & Mining	0	0	100
Information	-1,000	2,200	-200
Leisure & Hospitality	-1,200	37,200	1,900

Sacramento Regional Research Institute, March 2005
Data Source: Employment Development Department

Employment Gains and Losses		
Components of the Sacramento Region and Bay Area		
Area	March 2004-2005	
	Absolute	Rate
Sacramento Region	13,000	1.5%
Sacramento-Arden Arcade-Roseville MSA	11,800	1.4%
Yuba City MSA	1,200	3.1%
Bay Area	2,900	0.1%
San Francisco-San Mateo-Redwood City Div.	4,800	0.5%
Oakland-Fremont-Hayward Div.	3,900	0.4%
San Jose-Sunnyvale-Santa Clara MSA	-5,800	-0.7%

Sacramento Regional Research Institute, March 2005
Data Source: Employment Development Department

Both Metropolitan Statistical Areas (MSAs) in the Sacramento Region continued to post year-over-year job gains. The overall increase of 13,000 jobs in the Region was mainly driven by the Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties), which saw an employment increase of 11,800. The Yuba City MSA’s growth rate remained higher than the regional, statewide, and national average, demonstrating the positive contribution this area is providing to the Region’s overall economic health by supplementing job growth in the larger Sacramento-Arden Arcade-Roseville MSA.

While the Bay Area showed a positive job gain between March 2004 and 2005, its individual areas are providing a mixed view of the region’s overall economic conditions. The San Francisco-San Mateo-Redwood

City and Oakland-Hayward-Fremont Metropolitan Divisions posted positive gains, but neither were as robust as rates seen in the past few months. These two areas created a gain of 8,700 for the overall Bay Area, but continued losses in the San Jose-Sunnyvale-Santa Clara MSA pulled the net gain down to a minimal 2,900 jobs. The negative 0.7 percent employment growth in the San Jose-Sunnyvale-Santa Clara MSA was one of the lowest job growth figures seen since last summer.

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