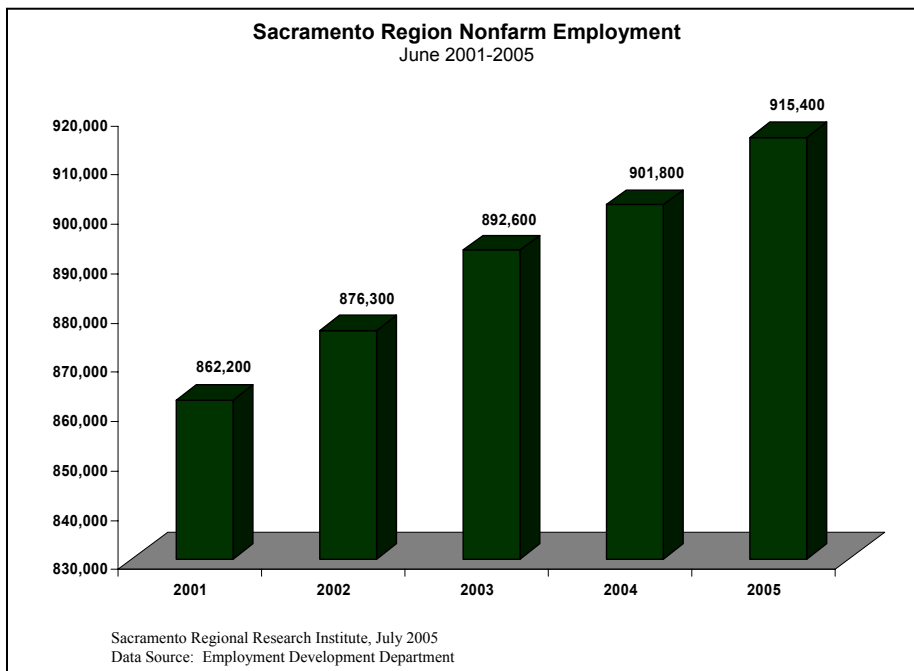
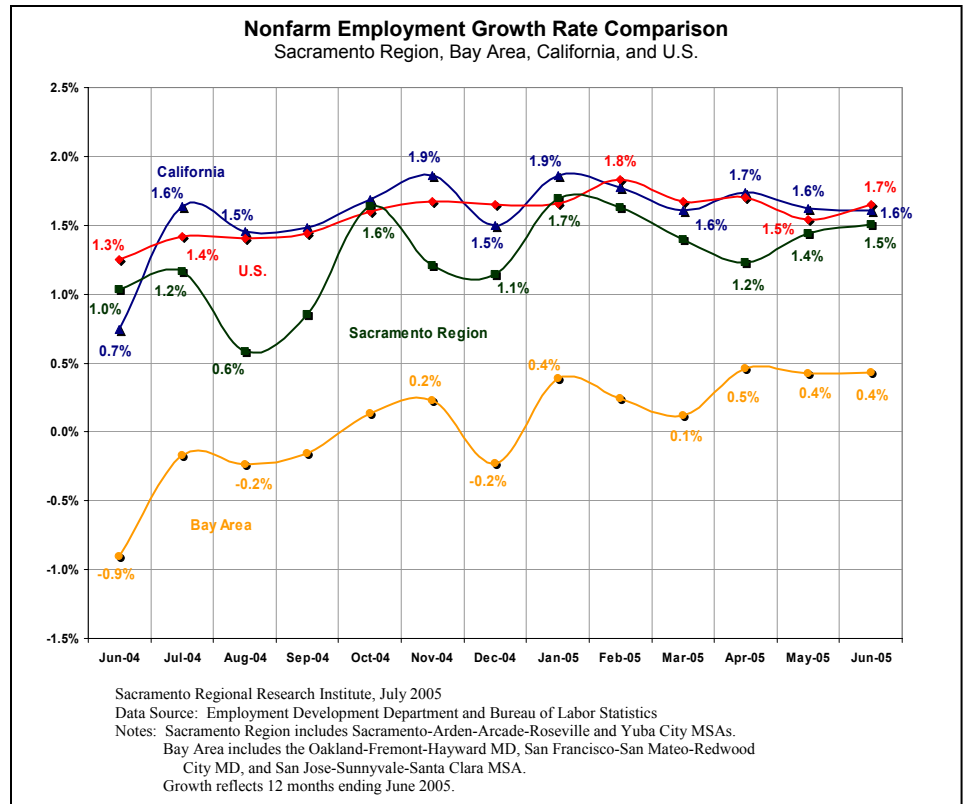


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

Over the past year, the Sacramento Region gained more jobs than the Bay Area, which boasts a considerably larger economy than Sacramento.

Job growth for the Sacramento Region, the Bay Area, California, and the United States remained steady in June 2005 with all four areas posting year-over-year employment growth rates similar to those for May 2005. With a 1.5 percent employment growth rate, reflecting an addition of 13,600 Nonfarm jobs between June 2004 and 2005, the Sacramento Region's job growth remained close to the statewide and national averages. The Region also continued to post higher job growth than the Bay Area. In fact, Sacramento gained a larger amount of Nonfarm jobs than the Bay Area over the past year, despite the Bay Area's recent recovery and larger total employment levels overall. Between June 2004 and 2005, the Bay Area experienced an increase of 12,200 jobs with an employment growth rate of 0.4 percent.



Since the beginning of 2005, the nation and the state have both been averaging about 1.7 percent employment growth. While California posted 1.6 percent job growth in June 2005, the national average was slightly higher at 1.7 percent employment growth. Over the past year, California gained 234,500 Nonfarm jobs and the nation experienced an increase of 2.2 million jobs. Although employment growth rates in the state and the nation have reached points higher than last summer, the levels and increases seen in 2005 are not as robust as some analysts anticipated.

The Sacramento Region's Government sector gained more jobs than its Construction sector between June 2004 and 2005, marking an entirely new pattern compared to the past few years.

Since the beginning of 2005, the Sacramento Region's public sector has experienced slightly declining job growth, but Nonfarm employment growth rates have remained steady due to year-over-year increases in the public sector. In fact, between June 2004 and 2005 the Government sector, one of the Region's weakest sectors since 2003, gained more jobs than the Construction sector, one of Sacramento's strongest sectors over the past few years (showing increases of 1,400 and 1,000 jobs, respectively). The rebound of the public sector is a positive sign for the Region's economy, especially considering the drag it had been over the past few years. Similar to the past few months, the Sacramento Region's Trade, Transportation, & Utilities; Educational & Health Services; and Manufacturing sectors posted the greatest year-over-year employment gains in June 2005. These three sectors make up about 81 percent of the Region's total private sector gains. Also like the past few months, Sacramento's Information and Leisure & Hospitality sectors experienced the largest year-over-year job losses with a combined decline of 1,100 jobs. Unlike the Sacramento Region, the state and the Bay Area both experienced job losses in the public sector. Government and Natural Resources & Mining were the only two sectors posting employment decreases at the statewide level. California's greatest job gains over the past year were in the Professional & Business Services; Construction; and Leisure & Hospitality sectors. It is interesting to note that the Sacramento Region is demonstrating a different pattern than the state in the sectors driving overall job growth. The Bay Area's greatest year-over-year job gains were in the Educational & Health Services; Financial Activities; and Construction sectors. In addition to the public sector, the Bay Area posted job losses in the Trade, Transportation, & Utilities and Information sectors.

Employment Gains and Losses			
Major Sectors			
Sector	June 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	13,600	234,500	12,200
Private Sector	12,200	237,400	17,000
Public Sector	1,400	-2,900	-4,800
Trade, Trans., & Util.	4,600	16,600	-2,200
Edu. & Health Svcs.	3,100	21,300	6,800
Manufacturing	2,200	1,700	500
Prof. & Business Svcs.	1,800	59,400	300
Government	1,400	-2,900	-4,800
Financial Activities	1,100	20,000	6,000
Construction	1,000	55,200	4,300
Other Services	600	6,800	0
Nat. Res. & Mining	0	-100	0
Leisure & Hospitality	-900	37,000	1,800
Information	-1,300	19,500	-500

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

Employment Gains and Losses		
Components of the Sacramento Region and Bay Area		
Area	June 2004-2005	
	Absolute	Rate
Sacramento Region	13,600	1.5%
Sacramento-Arden Arcade-Roseville MSA	11,900	1.4%
Yuba City MSA	1,700	4.4%
Bay Area	12,200	0.4%
Oakland-Fremont-Hayward Div.	7,800	0.8%
San Francisco-San Mateo-Redwood City Div.	6,300	0.7%
San Jose-Sunnyvale-Santa Clara MSA	-1,900	-0.2%

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

Both of the Sacramento Region's Metropolitan Statistical Areas (MSAs) maintained positive job growth in June 2005. Over the past few months, the Yuba City MSA (Yuba and Sutter Counties) has posted increasing year-over-year employment growth rates reaching a high of 4.4 percent for June 2005 (reflecting an increase of 1,700 Nonfarm jobs). Nearly every sector in the Yuba City MSA, with the exception of Manufacturing, showed job gains over the past year. Due to its size, the Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) continues to drive the Region's overall job growth. Between June 2004 and 2005, this MSA posted an increase of 11,900 jobs—nearly 88 percent of the Region's 13,600 jobs gain. In June 2005, the Bay Area's job growth continued to be supported by the Oakland-Fremont-Hayward (Alameda and Contra Costa Counties) and San Francisco-San

Mateo-Redwood City (Marin, San Mateo, and San Francisco Counties) Metropolitan Divisions with a combined increase of 14,100 Nonfarm jobs. The San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) continued to post job losses (1,900 in June 2005) and pull the Bay Area's overall job growth down. Since July 2004, this MSA has averaged relatively minimal year-over-year negative employment growth rates (about 0.4 percent) compared to the past few years where negative employment growth rates averaged close to 7 percent.

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