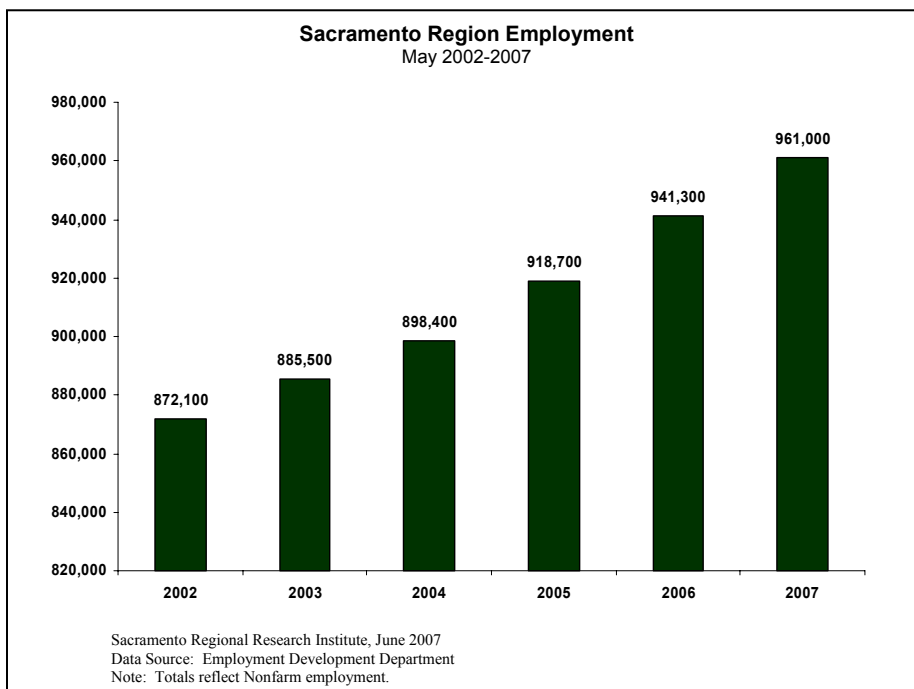
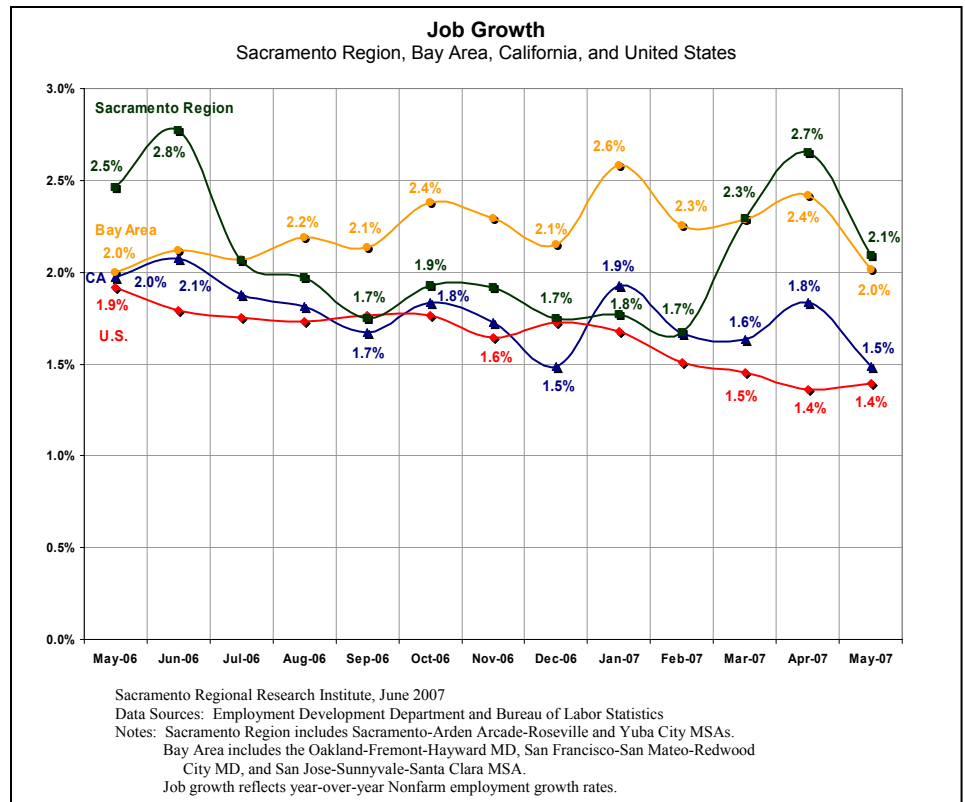


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

The Sacramento Region saw a slight drop in job growth in May 2007 with slowdowns in most major sectors, but remained above the Bay Area and statewide and national averages.

The six-county Sacramento Region experienced a dip in job growth in May 2007 due to slowing growth in most major sectors. After climbing to 2.7 percent job growth in April 2007 (due to improvements in Construction and Professional & Business Services), the Region dropped to 2.1 percent in May 2007 with a year-over-year gain of 19,700 jobs. Both the Bay Area and state overall saw a similar pattern in the past three months. Despite the notable decrease and a growth rate lower than the same point last year, the Region's recent job growth remained above 2.0 percent and surpassed the statewide and national averages as well as the Bay Area.

Job growth in the Bay Area also fell in May 2007, dropping to 2.0 percent with a 12-month increase of 58,300 jobs. Similar to the Sacramento Region, many of the Bay Area sectors experienced slowdowns compared to the previous month. The May 2007 employment growth rate remained above the statewide and national averages and close to the same level as May 2006.



The state posted a 1.5 percent year-over-year employment growth rate in May 2007 (reflecting a gain of 224,400 jobs), which, like the Sacramento Region and Bay Area, was lower than the April 2007 rate. The state's job growth continued to exceed the national average, but the gap closed substantially as the state posted one of the lowest rates it has seen in the past year (and somewhat below its short-term average of 1.8 percent).

The nation continued its slowly declining job growth trend with a 1.4 percent employment growth rate in May 2007 (an increase of 1.9 million jobs). This marks some of the lowest growth in the nation since late-2004.

Government led all major sectors with the greatest job gains in the Sacramento Region while Construction shifted back to negative growth following two months of employment increases.

The Government; Educational & Health Services; and Professional & Business Services sectors posted the greatest year-over-year job gains among the Sacramento Region’s major sectors for the third month in a row. Together, these three sectors added 15,300 jobs, accounting for nearly 78 percent of the Region’s net employment increase. Unlike the previous two months where the Construction sector was showing positive growth (mainly due to the non-residential components), this sector dropped back to negative growth in May 2007, joining Manufacturing as the only two sectors with job losses.

The same three sectors also contributed the largest employment increases in the Bay Area over the past 12 months. Professional & Business Services; Government; and Educational & Health Services added a combined total of 36,600 jobs, making up about 63 percent of the Bay Area’s net year-over-year job gain. The Bay Area has seen a full 12 months of positive job growth in every major sector.

Professional & Business Services; Educational & Health Services; and Government were also the leading sectors at the statewide levels, adding a combined 153,500 jobs between May 2006 and 2007 (approximately 68 percent of the state’s net employment increase). Like the Sacramento Region, the state also experienced job losses in Manufacturing and Construction (shifting back to negative growth after a couple months of job gains), but saw additional losses in Financial Activities.

Sector	Major Sector Employment Gains and Losses Sacramento Region, California, and Bay Area		
	May 2006-2007		
	Sacramento Region	California	Bay Area
Total Nonfarm	19,700	224,400	58,300
Private Sector	10,800	174,800	50,500
Public Sector	8,900	49,600	7,800
Government	8,900	49,600	7,800
Edu. & Health Svcs.	3,300	48,400	10,800
Prof. & Business Svcs.	3,100	55,500	18,000
Leisure & Hospitality	1,800	38,100	7,100
Trade, Trans., & Util.	1,700	35,800	6,500
Financial Activities	500	-4,100	1,600
Other Services	500	7,900	1,400
Information	400	4,300	1,300
Nat. Res. & Mining	100	300	200
Manufacturing	-200	-4,700	2,600
Construction	-400	-6,700	1,000

Sacramento Regional Research Institute, June 2007
Data Source: Employment Development Department

Area	Employment Gains and Losses Components of Sacramento Region and Bay Area	
	May 2006-2007	
	Absolute	Rate
Sacramento Region	19,700	2.1%
Sacramento-Arden Arcade-Roseville MSA	19,600	2.2%
Yuba City MSA	100	0.2%
Bay Area	58,300	2.0%
San Francisco-San Mateo-Redwood City Div.	23,100	2.4%
San Jose-Sunnyvale-Santa Clara MSA	22,100	2.5%
Oakland-Fremont-Hayward Div.	13,100	1.3%

Sacramento Regional Research Institute, June 2007
Data Source: Employment Development Department
Note: Gains and losses reflect Nonfarm employment.

Job growth in the Yuba City Metropolitan Statistical Area (MSA—Yuba and Sutter Counties) slowed dramatically in May 2007 falling to 0.2 percent with a minimal 12-month gain of 100 jobs. Educational & Health Services and Natural Resources & Mining led the gains in this MSA. The Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) posted 2.2 percent job growth with a 19,600 year-over-year employment increase. This growth was slightly lower than the previous month, but continued to be driven by Government and Professional & Business Services sectors.

In the Bay Area, the San Francisco-San Mateo-Redwood City Metropolitan Division (MD—Marin, San Francisco, and San Mateo Counties) and the San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) swapped places again with the former contributing the most jobs to the Bay Area’s overall May 2007 increase. This MD posted 2.4 percent job growth with a gain of 23,100 jobs in the past year, led by the Professional & Business Services sector. The Silicon Valley also saw strong growth in the Professional & Business Services sector and showed an overall increase of 22,100 jobs with a 2.5 percent growth rate. The Oakland-Fremont-Hayward MD (Alameda and Contra Costa Counties) remained at the bottom of the list within the Bay Area, experiencing a May 2007 year-over-year employment growth rate of 1.3 percent, adding 13,100 jobs. Both the Government and Professional & Business Services sectors posted relatively strong employment gains in the East Bay.

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