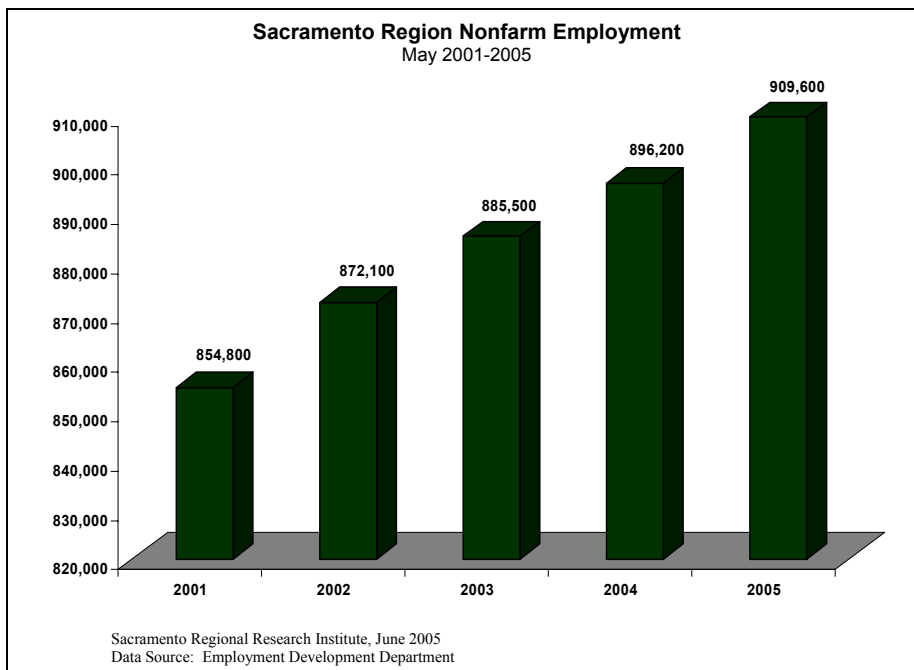
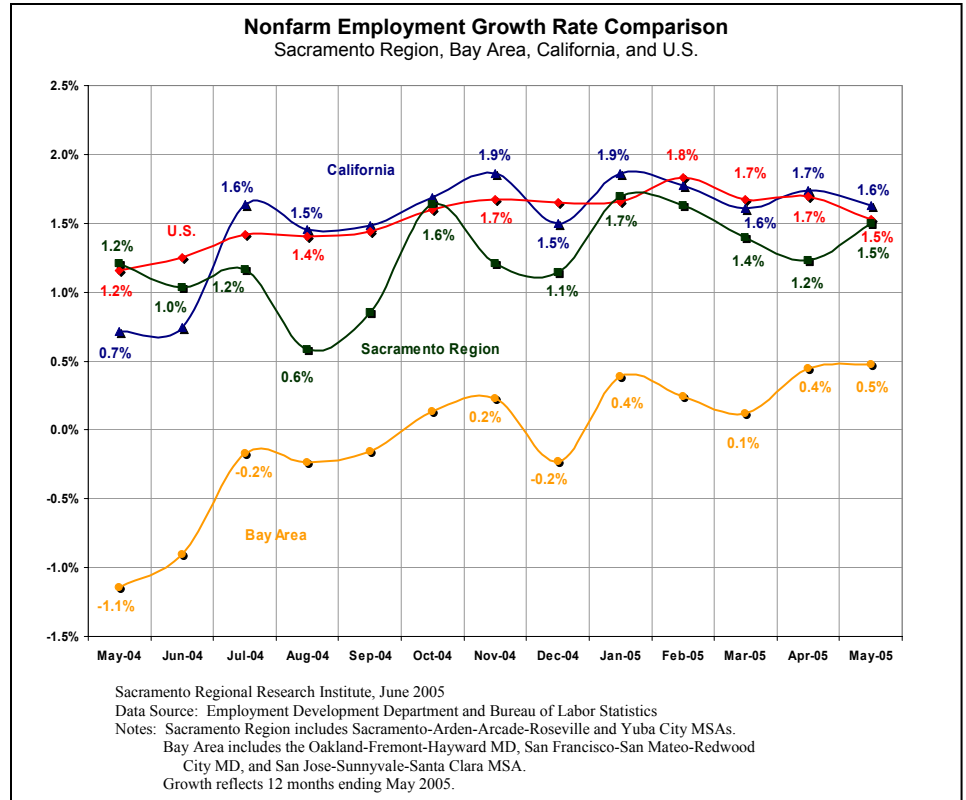


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

Job growth in the Sacramento Region caught up to statewide and national averages in May 2005.

Between May 2004 and 2005, the six-county Sacramento Region posted a 1.5 percent employment growth rate with a gain of 13,400 Nonfarm jobs. The May 2005 growth rate marks the end of a three-month pattern of declining job growth. As job growth in the Sacramento Region increased, the nation and the state experienced a slight decline in their year-over-year employment growth rates, pushing the Region closer to the statewide and national averages. The Region's job growth remained higher than the Bay Area's growth rate, and despite the two regions' vast difference in total employment, Sacramento gained about the same number of Nonfarm jobs as the Bay Area between May 2004 and 2005. In addition, the Sacramento Region's May 2005 employment growth rate shifted the general trend over the past year from relatively flat to slightly increasing job growth.



The nation and state have both been hovering around 1.7 percent job growth since the beginning of 2005 and this pattern continued in May 2005. The state posted a 1.6 percent year-over-year employment growth rate, reflecting a gain of 237,200 Nonfarm jobs and falling slightly above the national average. Between May 2004 and 2005, the nation gained about 2 million jobs with a 1.5 percent growth rate. While not significantly different than the general trend over the past year, the nation's May 2005 growth rate marks one of the lowest levels of job growth in the past few months and reflected rates seen around the late spring and early summer of 2004. The Bay Area has also experienced a fairly flat pattern of positive job growth since the beginning of 2005, averaging about 0.3 percent. In May 2005, the Bay Area posted a 0.5 percent year-over-year employment growth rate with an increase of 13,500 Nonfarm jobs.

For the past three months, the Sacramento Region’s public sector has seen year-over-year employment increases.

The Sacramento Region’s Government sector shifted from a year-long pattern of year-over-year job losses in March 2005, and the public sector increases have been making-up for slightly declining job growth in the private sector since that point. Like the past two months, the Region posted a notable year-over-year job gain in the Government sector with 1,100 jobs in May 2005. (It is interesting to note that the May 2005 year-over-year growth rate in the Region’s public sector was equal to the total Nonfarm job growth in the Bay Area.) Also similar to the last two months, the Trade, Transportation, & Utilities; Manufacturing; and Educational & Health Services sectors saw the largest employment gains over the past year, contributing nearly 80 percent of the Sacramento Region’s net 12,300 private sector job gain (reflecting a combined increase of 9,600 jobs). In addition, the Construction and Professional & Business Services sectors saw notable employment gains with an increase of 1,600 jobs each. Information and Leisure & Hospitality were the only sectors in the Region that lost jobs between May 2004 and 2005 with declines of 1,000 and 1,200 jobs, respectively.

Employment Gains and Losses			
Major Sectors			
Sector	May 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	13,400	237,200	13,500
Private Sector	12,300	233,700	18,700
Public Sector	1,100	3,500	-5,200
Trade, Trans., & Util.	4,700	24,800	-2,100
Manufacturing	2,500	2,700	400
Edu. & Health Svcs.	2,400	27,100	8,600
Construction	1,600	50,200	3,200
Prof. & Business Svcs.	1,600	58,000	300
Financial Activities	1,200	19,500	5,900
Government	1,100	3,500	-5,200
Other Services	500	7,400	-300
Nat. Res. & Mining	0	-300	100
Information	-1,000	6,700	200
Leisure & Hospitality	-1,200	37,600	2,400

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

The state’s leading growth sectors were Professional & Business Services; Construction; and Leisure & Hospitality. The Sacramento Region experienced relatively strong job gains in its Professional & Business Services and Construction sectors, but lost jobs in Leisure & Hospitality. Also, while Manufacturing saw relatively small gains in the state overall, it was one of the most notable growth sectors in the Region, illustrating a unique pattern in Sacramento. California lost jobs in only one sector—Natural Resources & Mining. The number of sectors posting year-over-year job losses decreased in the Bay Area in May 2005 (only three sectors lost jobs compared to five in April 2005 and four in March 2005). The Bay Area saw employment losses in the Government; Trade, Transportation, & Utilities; and Other Services sectors, all of which experienced positive growth in Sacramento and the state overall. Despite the losses, the Bay Area continues to add jobs overall. The Educational & Health Services; Financial Activities; and Construction sectors posted the greatest job gains in the Bay Area between May 2004 and 2005 and contributed nearly 95 percent of the net private sector gains.

Employment Gains and Losses		
Components of the Sacramento Region and Bay Area		
Area	May 2004-2005	
	Absolute	Rate
Sacramento Region	13,400	1.5%
Sacramento-Arden Arcade-Roseville MSA	12,200	1.4%
Yuba City MSA	1,200	3.1%
Bay Area	13,500	0.5%
Oakland-Fremont-Hayward Div.	7,900	0.8%
San Francisco-San Mateo-Redwood City Div.	7,100	0.8%
San Jose-Sunnyvale-Santa Clara MSA	-1,500	-0.2%

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

Both of the Sacramento Region’s Metropolitan Statistical Areas (MSAs) sustained year-over-year job gains in May 2005. The Region’s overall increase of 13,400 jobs was primarily driven by the Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) with an increase of 12,200 jobs and enhanced by the Yuba City MSA’s (Yuba and Sutter Counties) increase of 1,200 jobs. The Bay Area’s job growth is being 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 (showing a combined gain of 15,000 jobs), while the San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) continues to see job losses (1,500 in April 2005) and pull the overall job growth down.

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