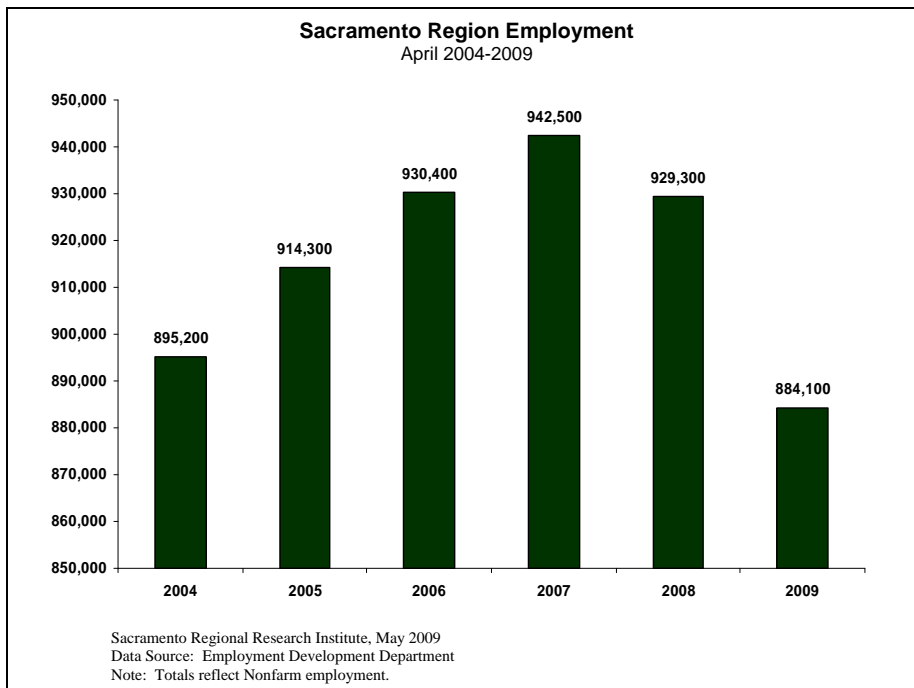
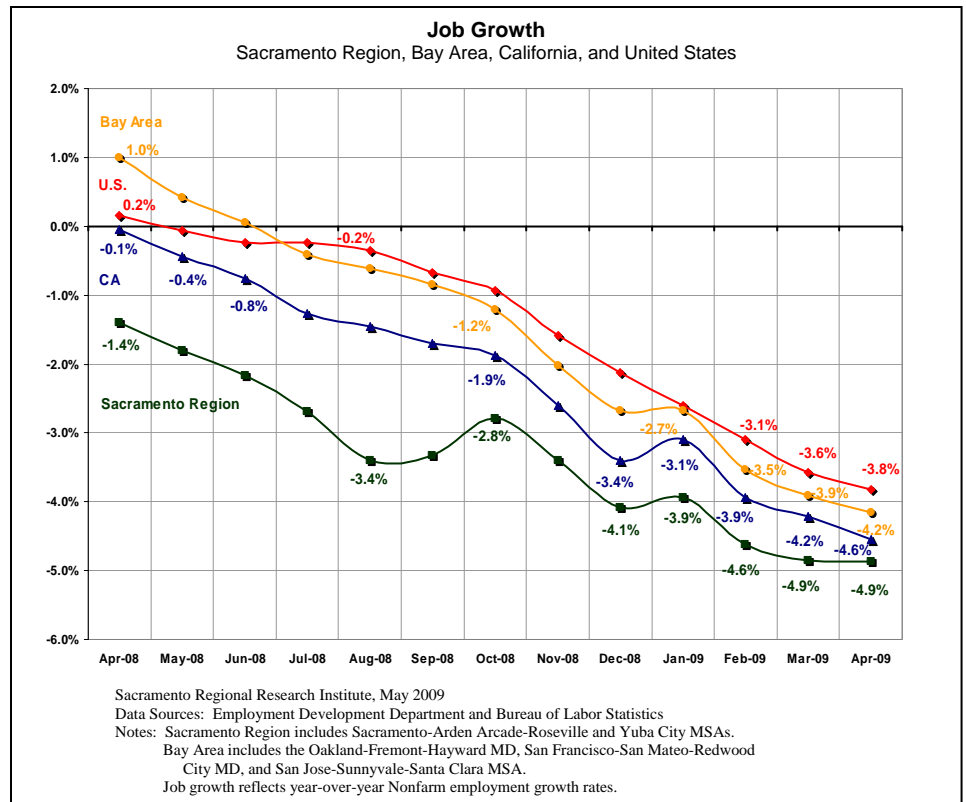


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

Job growth in the Sacramento Region flattened out, but remains at a very weak level below the statewide and national averages.

The six-county Sacramento Region's job growth held steady in April 2009. Preliminary data show that establishments in the Region shed 4.9 percent of all jobs on payrolls between April 2008 and 2009, equating to a reduction of 45,200 jobs. During the same period, Sacramento's unemployment rate jumped from 6.3 percent to 11.3 percent. While job growth in the Region flattened out, it is still tracking at a level not seen in two decades and notably below the statewide and national averages. All of Sacramento's major sectors have experienced considerable slowdowns over the past year, but recent estimates demonstrate that two large sectors have posted modest improvements—Leisure & Hospitality and Government (the former seeing easing rates of job losses and the latter showing minimal gains).

The rate of job losses in California continued to accelerate in April 2009. In the last 12 months, establishments in the state have lost 687,500 jobs, reflecting a -4.6 percent employment growth rate. This is due to the fact that conditions continue to weaken in all major sectors of California's economy. Job growth at the national level also continued to deteriorate in April 2009 with preliminary data showing a -3.8 percent year-over-year employment growth rate or a loss 5.2 million jobs.



The Bay Area also moved into even weaker economic conditions in April 2009. In the past year, the number of payroll jobs at Bay Area establishments declined by 4.2 percent, reflecting a total loss of 122,800 jobs. In April 2008, the Bay Area was still seeing positive job growth, but in the last 12 months, the region's job growth decreased by 5.2 percentage points and is now significantly below the national average. During this time, all major sectors in the Bay Area economy have experienced slowing growth and now basically every sector is posting negative job growth for the first time in many years.

Most of the Sacramento Region’s major sectors shed jobs in the past year with a handful posting significant losses.

The majority of the Sacramento Region’s major sectors lost jobs between April 2008 and 2009 and have all seen the rate of job losses accelerate in the past year. The Region’s Construction and Trade, Transportation, & Utilities sectors shed over 10,000 jobs each in the last 12 months, producing a total loss of 23,800 jobs. After a short period of stable job growth, the Construction sector saw the rate of job losses accelerate again in recent months while the Trade, Transportation, & Utilities sector seems to have hit a short-term plateau. Three other sectors also posted significant annual job declines including Professional & Business Services; Leisure & Hospitality; and Financial Activities. The Region’s Educational & Health Services sector continued to add jobs with a notable increase of 3,600 jobs in the last year. The Government sector also added jobs in Sacramento in the past 12 months, posting a 1,600-job increase mainly through state government education and Indian casinos.

At the statewide level, 10 of the 11 major sectors lost jobs in the past year. Four sectors experienced job losses greater than 110,000 including Trade, Transportation, & Utilities; Construction; Professional & Business Services; and Manufacturing. Only the Educational & Health Services sector added jobs in California between April 2008 and 2009, posting a 21,900-job gain.

Weakening conditions in the Bay Area have led to a situation where no major sector added jobs on an annual basis in April 2009. Similar to the state and Sacramento Region, the Trade, Transportation, & Utilities; Construction; and Professional & Business Services sectors posted the largest job losses (each with a job decline over 22,000). Even the Educational & Health Services sector, which has remained relatively healthy in the state and other regions, shed 1,500 jobs in the Bay Area over the last 12 months.

Major Sector Employment Gains and Losses Sacramento Region, California, and Bay Area			
Sector	April 2008-2009		
	Sacramento Region	California	Bay Area
Total Nonfarm	-45,200	-687,500	-122,800
Private Sector	-46,800	-686,700	-122,300
Public Sector	1,600	-800	-500
Edu. & Health Svcs.	3,600	21,900	-1,500
Government	1,600	-800	-500
Mining & Logging	-100	-800	0
Other Services	-1,200	-14,200	-3,100
Information	-1,900	-22,100	-4,600
Manufacturing	-2,600	-111,300	-15,900
Financial Activities	-5,600	-50,000	-12,600
Leisure & Hospitality	-6,000	-61,000	-9,700
Prof. & Business Svcs.	-9,200	-116,500	-23,400
Construction	-11,300	-150,400	-22,900
Trade, Trans., & Util.	-12,500	-182,300	-28,600

Sacramento Regional Research Institute, May 2009
Data Source: Employment Development Department

Employment Gains and Losses Components of Sacramento Region and Bay Area		
Area	April 2008-2009	
	Absolute	Rate
Sacramento Region	-45,200	-4.9%
Yuba City MSA	-1,600	-3.9%
Sacramento-Arden Arcade-Roseville MSA	-43,600	-4.9%
Bay Area	-122,800	-4.2%
San Francisco-San Mateo-Redwood City Div.	-39,700	-4.0%
San Jose-Sunnyvale-Santa Clara MSA	-40,000	-4.4%
Oakland-Fremont-Hayward Div.	-43,100	-4.2%

Sacramento Regional Research Institute, May 2009
Data Source: Employment Development Department
Note: Gains and losses reflect Nonfarm employment.

The Sacramento Region’s main sub-market, the Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (MSA—El Dorado, Placer, Sacramento, and Yolo Counties), lost 43,600 of its payroll jobs between April 2008 and 2009 with an employment growth rate of -4.9 percent. Within this MSA, the Trade, Transportation, & Utilities sectors shed the most jobs in the past year while the Educational & Health Services sector saw a modest job gain. The other, smaller sub-market, the Yuba City MSA (Sutter and Yuba Counties) posted a 1,600-job decline in the 12 months ending April 2009 with -3.9 percent job growth. None of the major sectors in this MSA added jobs in this period—Trade, Transportation, & Utilities saw the most severe decline.

Metropolitan Division (MD—Alameda and Contra Costa Counties) experienced a 43,100-job decline in the last year with a -4.2 percent employment growth rate. All of the East Bay’s major sectors lost jobs on an annual basis with Construction posting the greatest losses. The San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) posted -4.4 percent job growth in April 2009, equating to an annual loss of 40,000 jobs. The Silicon Valley’s Manufacturing sector is in the weakest position among all the major sectors while the Government sector saw a minimal gain in the past year. The San Francisco-San Mateo-Redwood City MD (Marin, San Francisco, and San Mateo Counties) lost 39,700 jobs in the 12 months ending April 2009 with job growth falling to -4.0 percent. The Educational & Health Services sector continued to add jobs in this MD while Trade, Transportation, & Utilities posted the most significant job losses in the last year.

All of the Bay Area’s sub-markets saw job growth at or below -4.0 percent between April 2008 and 2009. The Oakland-Fremont-Hayward

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