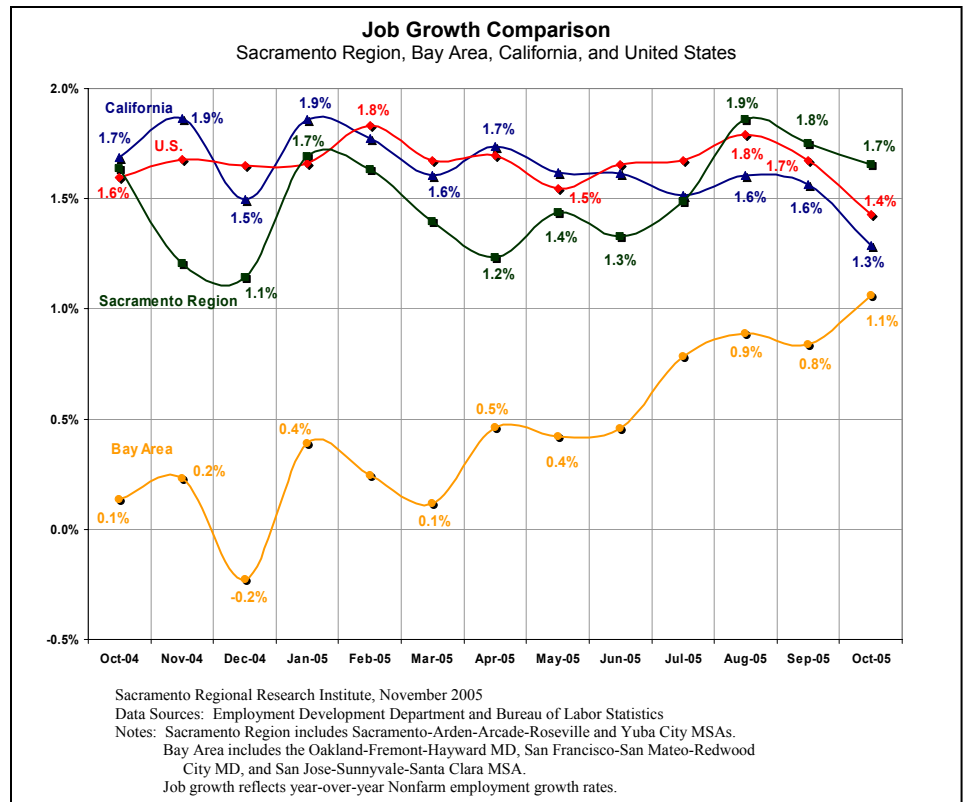


EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

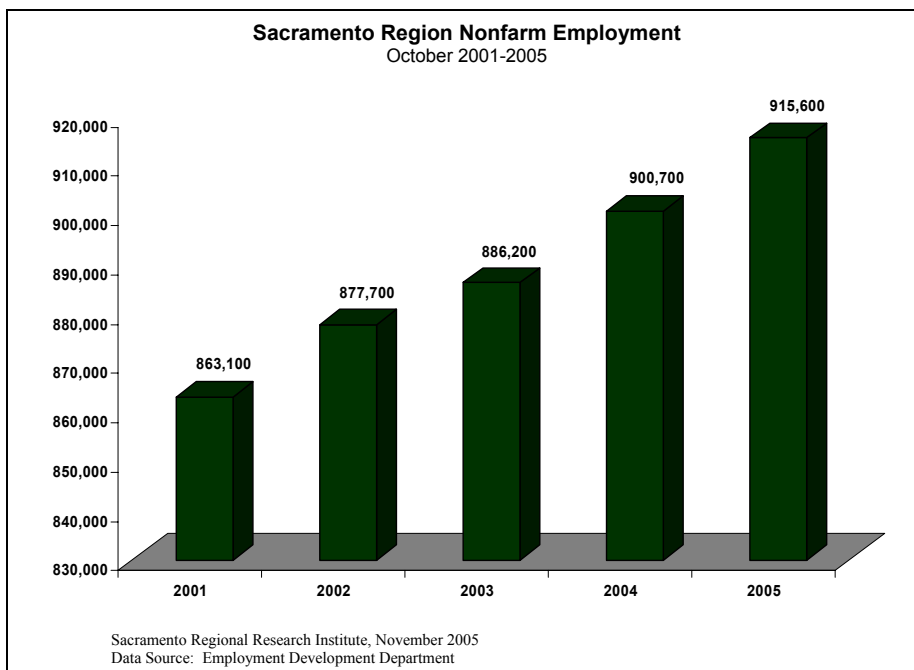
The Bay Area posted job growth over one percent in October 2005.

Remaining above the statewide and national averages, the Sacramento Region experienced a 1.7 percent year-over-year employment growth rate in October 2005. This rate reflects a gain of nearly 15,000 Nonfarm jobs. From the moderate 1.9 percent growth rate in August 2005, the Region has seen declining job growth over the past two months. However, job growth in October 2005 was still at one of the highest points experienced over the past year.

Since the beginning of 2005, the state has faced a trend of declining job growth. With a 1.3 percent employment growth rate in October 2005, the state reached the lowest point seen in the past year. Between October 2004 and 2005, the state gained close to 190,000 jobs. While California's job growth tracked close to the national average for most of the past year, it dropped below the benchmark in June 2005 and has remained below it ever since.



For the first time in the past year, the nation has seen two consecutive months of declining job growth. This shifts the general pattern of flat job growth to a slightly decreasing trend. In October 2005, the nation posted 1.4 percent job growth with a year-over-year gain of about 1.9 million jobs.



The Bay Area broke the 1.0 percent job growth line in October 2005, posting 1.1 percent growth. In absolute terms, this growth reflects an increase of 30,000 jobs. Since the beginning of 2005, the Bay Area has seen consistently positive job growth. Considering that the Bay Area was posting about -4.6 percent job growth, on average, throughout 2002 and 2003, the recent increases are impressive and reveal a positive sign for the Northern California economy.

Among the Sacramento Region's major sectors, Government gained the most jobs between October 2004 and 2005.

Since August 2005, the Government sector has placed near the top of the list of major sectors job gains in the Sacramento Region. With an increase of about 4,000 jobs, this sector accounted for nearly 28 percent of the net job gains in the Sacramento Region between October 2004 and 2005. Trade, Transportation, & Utilities; Construction; and Professional & Business Services posted the greatest private sector gains with a combined increase of close to 9,000 jobs (almost 60 percent of the net gains). Only one sector in the Sacramento Region experienced job losses over the past twelve months, Information.

Educational & Health Services; Construction; and Financial Activities posted the greatest employment increases in the Bay Area over the past year. Combined these three sectors generated over 20,000 jobs over the last 12 months, accounting for about 67 percent of the net employment gains.

Major Sector Employment Gains and Losses Sacramento Region, Bay Area, and California			
Sector	October 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	14,900	189,500	30,000
Private Sector	10,800	172,400	27,600
Public Sector	4,100	17,100	2,400
Government	4,100	17,100	2,400
Trade, Trans., & Util.	3,900	15,800	2,200
Construction	3,100	63,300	6,000
Prof. & Business Svcs.	1,900	24,000	600
Manufacturing	1,100	3,300	1,600
Edu. & Health Svcs.	1,000	26,100	8,800
Leisure & Hospitality	700	32,500	3,700
Other Services	100	900	200
Nat. Res. & Mining	0	100	100
Financial Activities	0	11,400	5,400
Information	-1,000	-5,000	-1,000

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

The losses in the Sacramento Region's and Bay Area's Information sector reflect a statewide trend—like the other two regions, this was the only sector that experienced employment losses in the state between October 2004 and 2005. Construction posted the largest job gains in the state followed by Leisure & Hospitality and Educational & Health Services. The robust gains in Leisure & Hospitality demonstrate a pattern in the state overall that is not reflected in the two Northern California economies, while Construction continues to produce relatively strong gains statewide.

Employment Gains and Losses Components of Sacramento Region and Bay Area		
Area	October 2004-2005	
	Absolute	Rate
Sacramento Region	14,900	1.7%
Sacramento-Arden Arcade-Roseville MSA	12,600	1.5%
Yuba City MSA	2,300	5.9%
Bay Area	30,000	1.1%
Oakland-Fremont-Hayward Div.	19,700	1.9%
San Francisco-San Mateo-Redwood City Div.	11,000	1.2%
San Jose-Sunnyvale-Santa Clara MSA	-700	-0.1%

Sacramento Regional Research Institute, November 2005
Data Source: Employment Development Department
Note: Gains and losses reflect Nonfarm employment.

In terms of major sub-areas, the Sacramento Region's growth continues to be driven by the Sacramento-Arden Arcade-Roseville (El Dorado, Placer, Sacramento, and Yolo Counties) Metropolitan Statistical Area (MSA), which accounted for about 85 percent of the Region's job gains over the past 12 months. The Yuba City (Yuba and Sutter Counties) MSA posted a comparatively robust employment growth rate (5.9 percent) and contributed to 15 percent of the Region's absolute job gains.

The Oakland-Fremont-Hayward (Contra Costa and Alameda Counties) Metropolitan Division was the strongest economy in the Bay Area with about 66 percent of the net job gains between October 2004 and 2005. The San Francisco-San Mateo-Redwood City (Marin, San Mateo, and San Francisco Counties) also continued to see positive job growth, while the San Jose-Sunnyvale-Santa Clara (San Benito and Santa Clara

Counties) MSA's year-over-year job losses persisted. Since the summer of 2004, the San Jose-Sunnyvale-Santa Clara MSA has seen improved economic conditions, experiencing only minimal, rather than moderate, year-over-year losses.

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