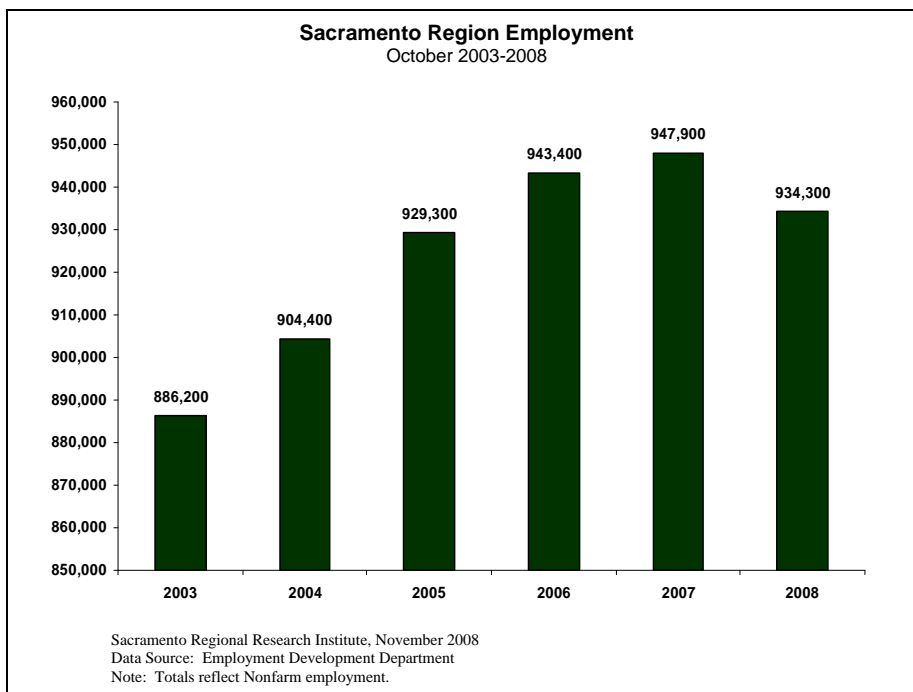
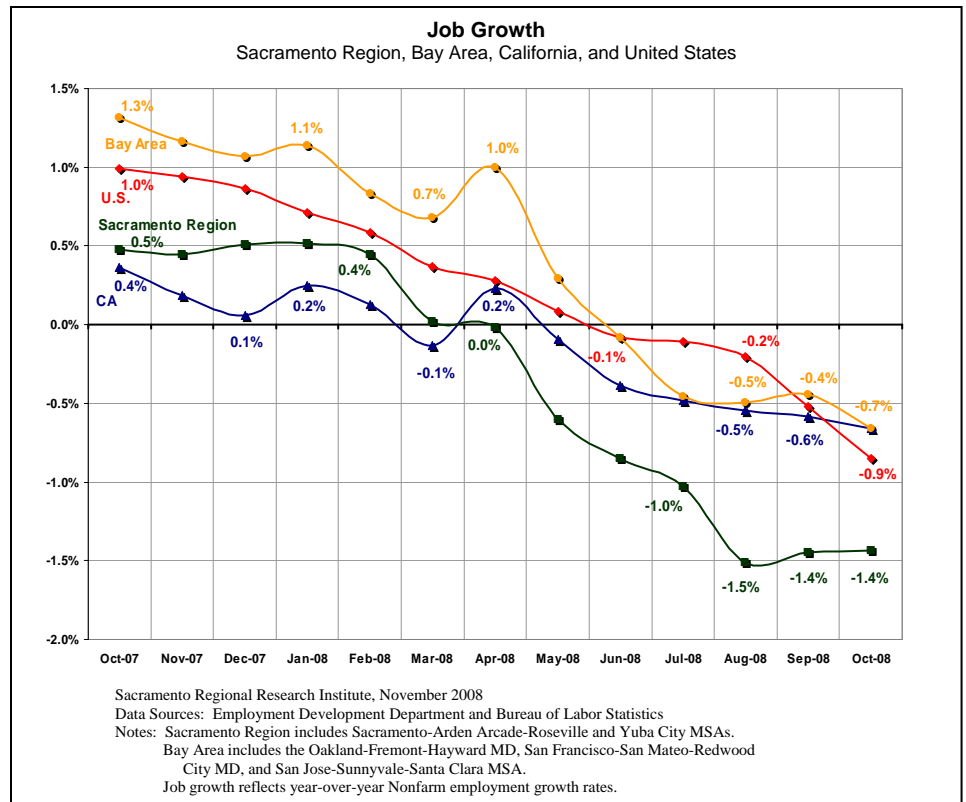


**EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES**

*Job growth in the Sacramento Region stayed stable at a notably weak level in October 2008.*

The six-county Sacramento Region's job growth remained flat in October 2008. Preliminary data show that the Region's employment was 1.4 percent lower than at the same time in 2007, reflecting an annual loss of 13,600 jobs. Two sectors helped keep job growth at the -1.4 percent level as most other major sectors continued to see slowing growth—Educational & Health Services saw its growth accelerate while Government jumped back up to an essentially no growth level mainly due to gains in state and local education activities. The Region's job growth still ranks well below the statewide and national averages and is tracking at levels not seen since the middle of the last downturn in 1992.

The state continued its pattern of slowly decreasing job growth, reaching -0.7 percent in October 2008 with a 100,900-job decrease in the last 12 months. California placed above the national average (for the first time since early 2007), where job growth has been declining at a more rapid pace recently. The nation's job growth dropped to -0.9 percent with a loss of 1.2 million jobs between October 2007 and 2008.



After a fairly stable three-month period, the Bay Area's job growth fell in October 2008. Establishments in the Bay Area shed 19,500 jobs in the past year, reflecting an employment growth rate of -0.7 percent. The Bay Area's job growth remained right around the statewide average and overtook the nation benchmark. Nearly every major sector in the Bay Area continued the pattern of slowing job growth since early 2008, leading to a level of weak performance not seen since the region was pulling out of its latest downturn in 2004.

*The Sacramento Region's Government sector shifted out of negative job growth, leaving seven major sectors shedding jobs on an annual basis.*

With the Government sector moving back to minimal growth after two months in negative territory, seven of the Sacramento Region's major sectors are now shedding jobs on a year-over-year basis. Construction and

Trade, Transportation, & Utilities continued to post the most severe losses among the negative growth sectors, each declining by about 5,000 jobs in the last 12 months. Educational & Health Services and Professional & Business Services are the only sectors in the

Region providing any healthy activity, but, combined, only added 4,200 jobs between October 2007 and 2008. Job growth in the Professional & Business Services sector continued to slow while Educational & Health Services flattened out recently.

The state is also experiencing job losses within seven major sectors. Similar to the Sacramento Region, Construction and Trade, Transportation, & Utilities are the weakest sectors at the statewide level (posting a combined 105,100-job decrease). Additionally, the state’s Educational & Health Services sector added the greatest amount of jobs in the last 12 months. Unlike the Sacramento Region, at the statewide level, Professional & Business Services is shedding jobs on an annual basis, making Government the state’s second-strongest sector (primarily due to local government activities across the board).

The Bay Area displayed a pattern nearly identical to the Sacramento Region in October 2008. Construction and Trade, Transportation, & Utilities lost the most jobs (a total decline of 18,200 jobs) while Educational & Health Services and Professional & Business Services posted the greatest gains (with a 6,400-job increase). The most notable difference between the two areas is the Information sector, which is at a no growth level in the Bay Area versus year-over-year job losses in the Sacramento Region.

<b>Major Sector Employment Gains and Losses</b> Sacramento Region, California, and Bay Area			
October 2007-2008			
Sector	Sacramento		Bay
	Region	California	Area
Total Nonfarm	-13,600	-100,900	-19,500
Private Sector	-13,800	-116,900	-20,400
Public Sector	200	16,000	900
Edu. & Health Svcs.	3,200	52,900	4,900
Prof. & Business Svcs.	1,000	-5,800	1,500
Government	200	16,000	900
Nat. Res. & Mining	0	1,400	100
Other Services	-100	-3,600	-1,200
Information	-1,000	-1,300	0
Manufacturing	-1,400	-31,600	-900
Financial Activities	-2,300	-31,900	-5,400
Leisure & Hospitality	-3,100	8,100	-1,200
Trade, Trans., & Util.	-5,000	-39,000	-10,300
Construction	-5,100	-66,100	-7,900

Sacramento Regional Research Institute, November 2008  
Data Source: Employment Development Department

<b>Employment Gains and Losses</b> Components of Sacramento Region and Bay Area		
Area	October 2007-2008	
	Absolute	Rate
<b>Sacramento Region</b>	-13,600	-1.4%
Yuba City MSA	-2,200	-5.2%
Sacramento-Arden Arcade-Roseville MSA	-11,400	-1.3%
<b>Bay Area</b>	-19,500	-0.7%
San Francisco-San Mateo-Redwood City Div.	2,300	0.2%
San Jose-Sunnyvale-Santa Clara MSA	700	0.1%
Oakland-Fremont-Hayward Div.	-22,500	-2.1%

Sacramento Regional Research Institute, November 2008  
Data Source: Employment Development Department  
Note: Gains and losses reflect Nonfarm employment.

Both of the Sacramento Region’s sub-markets are experiencing negative job growth. The Yuba City Metropolitan Statistical Area (MSA—Sutter and Yuba Counties) lost 2,200 jobs in the past 12 months with a considerably weak employment growth rate of -5.2 percent. In this MSA, Educational & Health Services added a small amount of jobs while nearly every other major sector is seeing no or negative job growth (Trade, Transportation, & Utilities lost the most jobs). The more predominant Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) posted a less severe employment growth rate of -1.3 percent, reflecting a loss of 11,400 jobs between October 2007 and 2008. This MSA’s Construction sector saw the largest losses while the Educational & Health Services sector experienced the greatest gains.

Two of the Bay Area’s three sub-markets are posting positive job growth. The San Francisco-San Mateo-Redwood City Metropolitan Division (MD—Marin, San Francisco, and San Mateo Counties) boosted the Bay Area’s economy with a gain of 2,300 jobs in the past year and job growth at 0.2 percent. Only three sectors in this MD lost jobs in the last 12 months with Trade, Transportation, & Utilities at the bottom of the list—the Professional & Business Services sector was the strongest among the growth sectors. Although at a fairly minimal level, the San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) also saw employment increase in the last 12 months—the MSA added 700 jobs with an employment growth rate of 0.1 percent. The Silicon Valley’s Trade, Transportation, & Utilities posted the largest losses while the Government sector added the most jobs in the past year. The Oakland-Fremont-Hayward MD (Alameda and Contra Costa Counties) remained one of the weakest markets in the state with October 2008 job growth at -2.1 percent, equating to a loss of 22,500 jobs. The only sector in the East Bay with notable job gains was the Educational & Health Services sector—almost all remaining major sectors shed jobs between October 2007 and 2008 with Construction posting the most severe losses.

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