

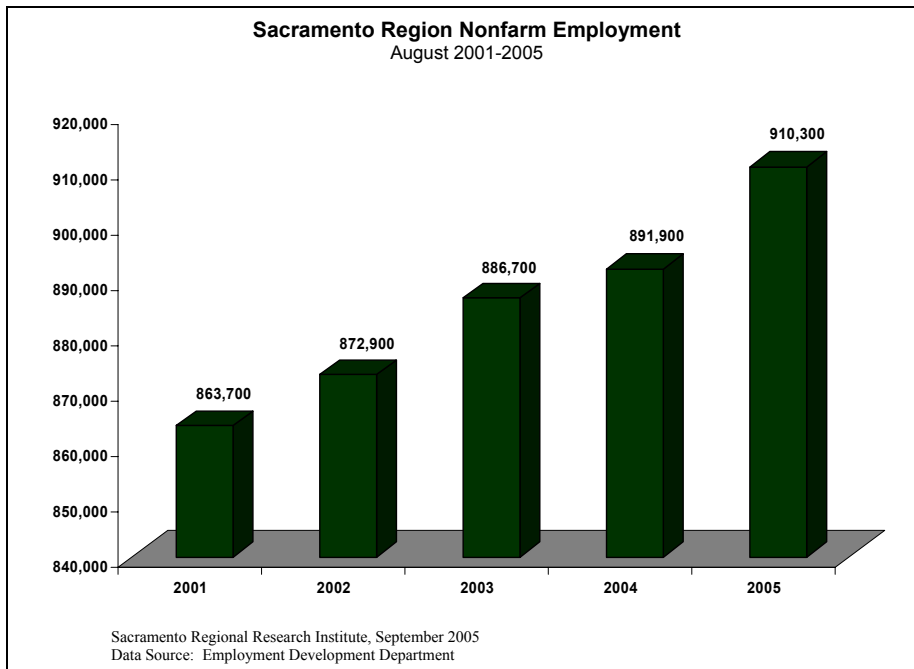
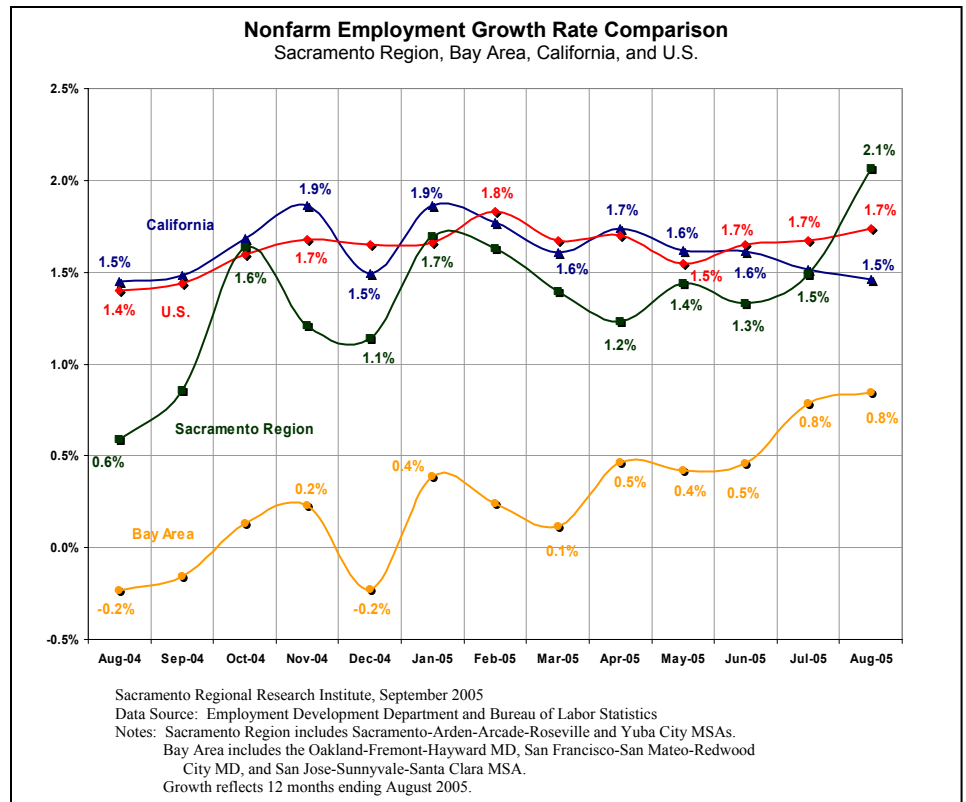
EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

Job growth in the Sacramento Region surpassed the statewide and national averages in August 2005.

The Sacramento Region experienced 2.1 percent job growth in August 2005, with a year-over-year increase of 18,400 Nonfarm jobs. Job growth in the Region rose above the statewide and national averages in August 2005 following several months of growth slightly below those benchmarks. In fact, the 2.1 percent year-over-year job growth rate is higher than any month for the Sacramento Region, the Bay Area, California, or the United States in the past year.

Job growth in the state has fluctuated between 1.5 and 1.9 percent year-over-year growth bottoming out in both August 2004 and August 2005. Over that twelve month period, the state gained 212,100 jobs with positive growth in nearly all sectors.

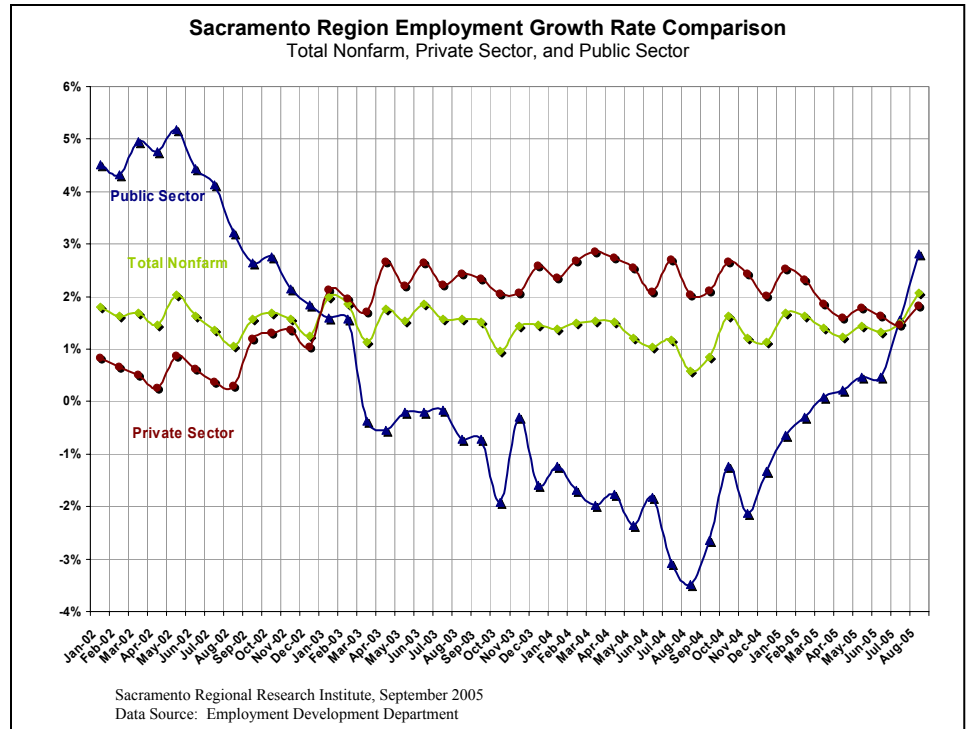
Similarly, the year-over-year job growth has fluctuated between 1.4 and 1.7 percent at the national level. However, the last four months have shown increases in the job growth at the national level as opposed to decreases in the growth rate at the state level.



Job growth in the Bay Area appears to be gaining momentum with two consecutive months of year-over-year increases of 0.8 percent in July and August 2005 following continuous positive year-over-year employment growth rates since the beginning of 2005. The Bay Area lost jobs over the past year in its Government and Information sectors. However, it gained jobs in all other sectors with Educational & Health Services; Financial Activities; and Construction posting the largest job gains.

The Sacramento Region's public sector posted stronger job growth than the private sector and total Nonfarm employment overall.

For the first time in years, the public sector posted the highest job gains of any sector in the Sacramento Region, accounting for approximately one-third of the 18,400 Nonfarm jobs that the Region gained in the past year. Public sector job growth reached 2.8 percent in August 2005, which was above the Region's Nonfarm (2.1 percent) and Private sector (1.8 percent) growth. This marks a shift in job growth patterns—the private sector has seen stronger growth than public sector since late 2002, but August 2005 marks a reverse in that trend similar to growth seen in early 2002. Of the private sector growth, the lion's share came from the Trade, Transportation, & Utilities; Educational & Health Services; and Professional & Business Services. As in the past few months, the Region posted year-over-year employment losses in only two sectors—Leisure & Hospitality and Information.



Employment Gains and Losses			
Major Sectors			
Sector	August 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	18,400	212,100	23,800
Private Sector	12,100	206,800	26,100
Public Sector	6,300	5,300	-2,300
Government	6,300	5,300	-2,300
Trade, Trans., & Util.	5,400	21,900	2,100
Edu. & Health Svcs.	2,900	23,700	8,500
Prof. & Business Svcs.	2,200	37,800	1,000
Construction	1,900	62,700	4,600
Manufacturing	1,000	700	800
Financial Activities	200	12,900	5,400
Other Services	200	5,700	400
Nat. Res. & Mining	0	0	0
Leisure & Hospitality	-500	35,800	4,000
Information	-1,200	5,600	-700

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

Employment Gains and Losses		
Components of the Sacramento Region and Bay Area		
Area	August 2004-2005	
	Absolute	Rate
Sacramento Region	18,400	2.1%
Sacramento-Arden Arcade-Roseville MSA	16,200	1.9%
Yuba City MSA	2,200	5.7%
Bay Area	23,800	0.8%
Oakland-Fremont-Hayward Div.	15,200	1.5%
San Francisco-San Mateo-Redwood City Div.	11,000	1.2%
San Jose-Sunnyvale-Santa Clara MSA	-2,400	-0.3%

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

In terms of sub-areas, the Sacramento Region's growth continues to be influenced by the Sacramento-Arden Arcade-Roseville Metropolitan Statistical Area (El Dorado, Placer, Sacramento, and Yolo Counties) contributing about 88 percent of the Region's overall job gains. The Oakland-Fremont-Hayward Metropolitan Division (Contra Costa and Alameda Counties) was the strongest economy in the Bay Area with about 64 percent of the net job gains, while the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (San Benito and Santa Clara Counties) continued to see job losses.

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