

PRESS RELEASE
November 3, 2006

FOR MORE INFORMATION
Ryan Sharp
Sacramento Regional Research Institute
400 Capitol Mall, Suite 2500
Sacramento, CA 95814
(916) 491-0444

2nd Annual Regional Prosperity Index Released
*Report by Sacramento Regional Research Institute (SRRI) ranks region's
economic prosperity and competitiveness*

Sacramento, Calif., November 3, 2006 ---The Sacramento Regional Research Institute (SRRI), a joint venture of SACTO and California State University, Sacramento, released its 2006 Prosperity Index results analyzing critical economic indicators that affect the region's long-term prosperity and competitiveness around the categories of *Business, People and Place*.

The Prosperity Index was introduced in 2005 as part of SACTO's five-year business attraction and marketing plan entitled *Building a First-Tier Economy*, and as an outcome of Partnership for Prosperity's regional economic development strategic planning process. It provides business and community leaders with a valuable tool to measure regional economic prosperity and track the region's performance against competitor regions in order to evaluate the competition and identify opportunities for improvement. The Index reveals how well the Sacramento Region stacks up against its competitors—where it excels and where it falls short.

2006 Report: Sacramento Region Just Below Average Overall, while Region's People Rank #2

The Sacramento Region ranked eighth overall (down from fifth place in 2005) out of ten competitor regions on the 2006 Prosperity Index, receiving a score of 7.1 out of a possible 10, presenting just below average economic prosperity and a moderate competitive position compared to its main competitors. The Sacramento Region's strength was in the People category, where it placed second overall. Strong scores in the Sacramento Region's graduation rate and household income spread, along with moderate scores in all other People indicators, gave it a second place ranking in this area.

"Although the Sacramento Region experienced a slight decline in the People component from last year's Index, the 2006 Index continues to demonstrate the strength of the Sacramento Region's people—a critical building block to the overall prosperity of a region. Further strengthening the region's competitive position requires that we sustain a strong People component and make improvements in the areas of Business and Place," said SRRI Economist and Assistant Professor of Economics at California State University, Sacramento Dr. Suzanne O'Keefe.

“Even in the short time since it was introduced, the Prosperity Index has proven to be a valuable tool in evaluating and guiding the region’s economic development strategies. Economic development partners and policy developers are better able to benchmark the Sacramento Region against the competition, set measurement targets and measure progress,” said Jeff Koewler, SACTO’s 2006/2007 Chair.

SRRI updates the Prosperity Index on an annual basis. The Business component is evaluated on a quarterly basis throughout the year with results appearing in SACTO’s Quarterly Economic Report. For future updates, please visit SRRI’s web site at www.srri.net. The 2006 Prosperity Index is sponsored by Los Rios Community College District (www.losrios.edu), McDonough Holland & Allen PC (www.mhalaw.com), Sacramento Works (www.sacramentoworks.org/employers.htm) and Wells Fargo & Company (www.wellsfargo.com).

###

About the SRRI Prosperity Index:

Indicators or “characteristics” within three main categories are analyzed, measured and assigned a score from 0 to 10. They include **Business** (measured indicators: establishment growth, job growth, office vacancy rate, payroll growth, unemployment rate, venture capital investment); **People** (measured indicators: college enrollment, educational attainment, graduation rate, median household income, household income spread, population growth); and **Place** (measured indicators: air quality, charitable contributions, commute time, crime rate, fair market rent growth, housing affordability). The three categories are aggregated to create the Prosperity Index. All indicators used in the project reflect a balance of historical, current and future performance and relate to aspects that regional organizations can be influenced or directly affected by the actions and/or efforts of the regional communities.

Criteria for indicators include the following: they must be a key characteristic in describing Business, People or Place overall; comparative data must be available nationally from sources that provide consistent methodology across regions and over time; and indicators must have a relation to aspects that regional communities can influence or directly affect.

About the Selection of Competitor Regions:

In addition to the national average, ten competitor regions were chosen as benchmarks. The competitor regions are those that the Sacramento Region most often competes with for corporate site locations. Half of the regions are located in California and the other half are scattered throughout the western United States. They include **Austin, TX; San Francisco Bay Area, CA; Denver, CO; Inland Empire (Riverside/San Bernardino), CA; Los Angeles, CA; Phoenix, AZ; Portland, OR-WA; Reno, NV; Salt Lake City, UT; and San Diego, CA.**

