

PRESS RELEASE

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

3rd Annual Prosperity Index Released

Report by Sacramento Regional Research Institute (SRRI) ranks region's economic prosperity and competitiveness

Sacramento, Calif., October 19, 2007 ---The Sacramento Regional Research Institute (SRRI), a joint venture of the Sacramento Area Commerce and Trade Organization (SACTO) and California State University, Sacramento (Sacramento State), released its *2007 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.

2007 Report: Sacramento Region Below Average Overall, While Region's People Rank #2

The Sacramento Region ranked ninth overall (same ranking as 2006) out of ten competitor regions on the 2007 Prosperity Index, receiving a score of 6.5 out of a possible 10, presenting below average economic prosperity and a moderate competitive position compared to its main competitors. Similar to previous years, the Sacramento Region's strength was in the People category, where it placed second overall—ahead of all other California regions. Strong scores in the Sacramento Region's college enrollment, graduation rate and household income spread, along with a moderate score in educational attainment, gave it a second place ranking in this area.

"The Sacramento Region maintained its competitive position on the *2007 Prosperity Index* mainly due to our strong presence on the people component—the most valuable feature of our economic prosperity. Building the Region's prosperity demands progress in our two weakest components—Business and People," said SRRI Economist and Associate Professor of Economics at California State University, Sacramento, Dr. Suzanne O'Keefe.

“We have learned a great deal about our region and our competitors through the Prosperity Index. It has reaffirmed our strengths and helped us recognize areas where improvements need to be made in order to remain competitive and create a first-tier economy,” said Jeff Koewler, SACTO’s 2006/2008 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 2007 Prosperity Index is sponsored by Los Rios Community College District (www.losrios.edu), McDonough Holland & Allen PC (www.mhalaw.com), Pacific Gas and Electric Company (www.pge.com) and Wells Fargo and Company (www.wellsfargo.com).

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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.**