



The Sacramento Region: Our Home

Background Economic and Demographic Information

*Provided for Partnership for Prosperity Participants
by the Sacramento Regional Research Institute (SRRRI)*





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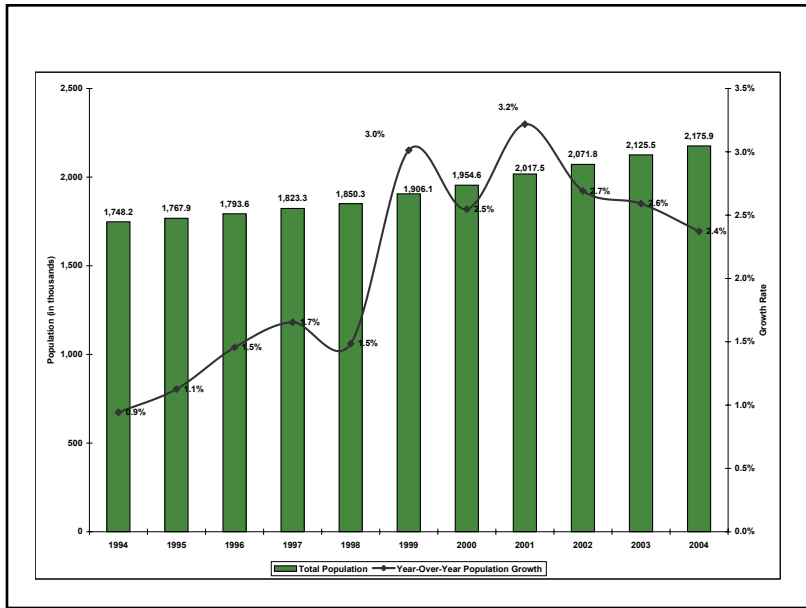
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This report was produced by the Sacramento Regional Research Institute in order to provide **Partnership for Prosperity** participants general background information on the six-county Sacramento Region and a foundation of where we are today when considering economic strategies for our future.

It includes a collection of information related to a wide range of economic and demographic features within the region, and while each topic in the report can be explored in-depth on an individual basis, the specific sets of information were chosen to provide broad insight.

Data for the report was primarily gathered using publicly-available sources, existing research, and resources from organizations throughout the region. All topics present current data for the six-county Sacramento Region and, in most cases, time series and comparisons to statewide and national averages are provided. For those interested in obtaining more information related to the Sacramento Region's economy, a listing of additional resources is provided at the end of the report.

Our Population

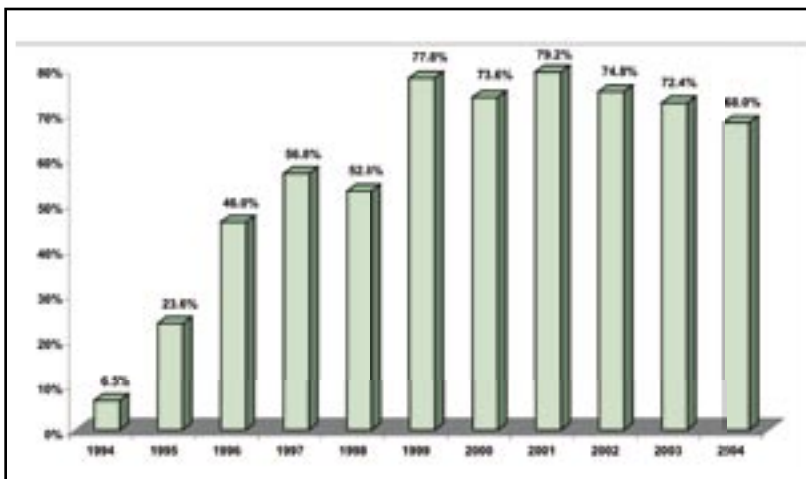


Population and Yearly Population Growth in the Sacramento Region Between 1994 and 2004

Sacramento Regional Research Institute, February 2005
 Data Source: Department of Finance

Highlights

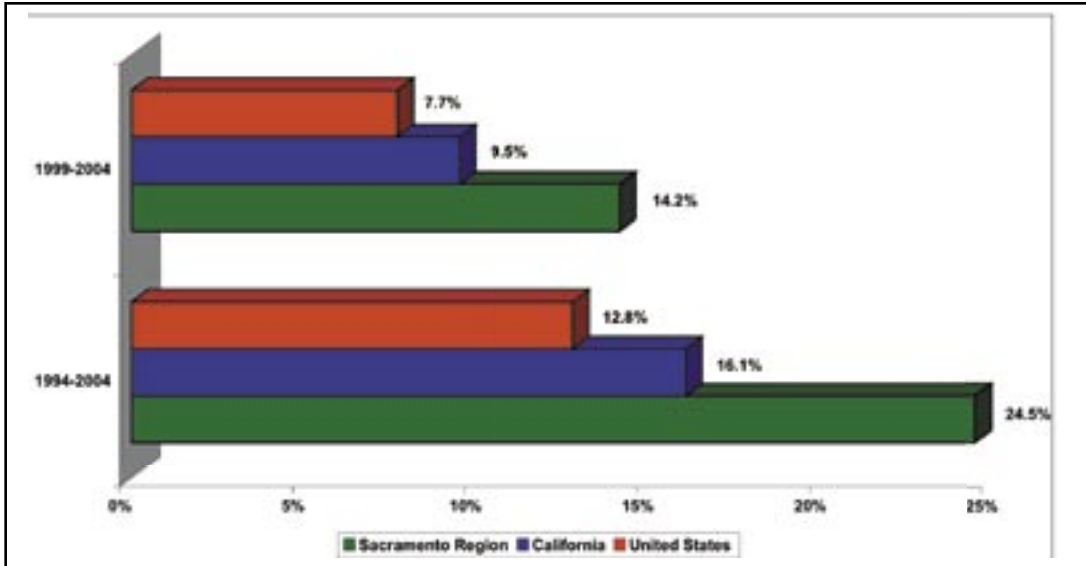
- The Sacramento Region has gained nearly half a million people over the last decade with a large portion of that growth occurring over the past five years.
- Yearly population growth rates between 1999 and 2004 in the Sacramento Region were significantly higher than rates seen in the mid-1990s. Growth rates have been declining slightly in the recent years from the high of 3.2 percent in 2001, but are still notably higher than the year growth rates of the mid-1990s.
- Over the past five years the majority (75 percent, on average) of the population growth in the Sacramento Region has been driven by people moving into the Region rather than increases due to natural causes. These levels are considerably higher than the mid-1990s and explain the relatively strong yearly population growth rates between 1999 and 2004.
- The trend in the Region's migration figures demonstrate the increasing importance of the state's inland areas that have experienced higher population growth compared to the coastal areas in recent years.



Percent of Sacramento Region's Population Growth Due to Migration Between 1994 and 2004

Sacramento Regional Research Institute, February 2005
 Data Source: Department of Finance

Our Population continued



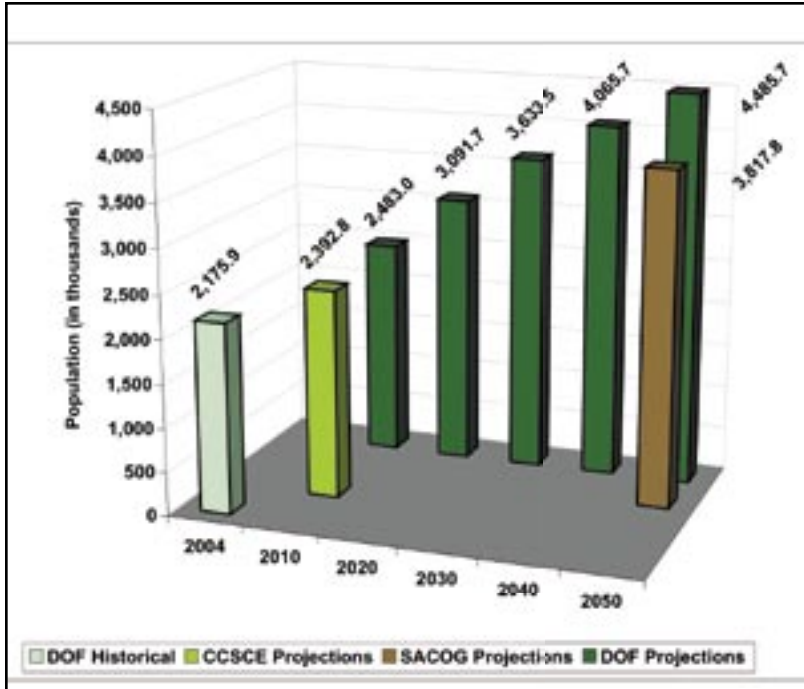
Population Growth in the Sacramento Region, California, and the United States Between 1999 and 2004 and 1994 and 2004

Sacramento Regional Research Institute, February 2005
Data Sources: Department of Finance and Census Bureau

Highlights

- Sacramento has experienced population growth rates above both the statewide and national averages.
- Also showing the shift in population growth in the state from coastal to inland areas, the Sacramento Region experienced significantly higher five- and ten-year population growth rates than the state.

Our Population continued

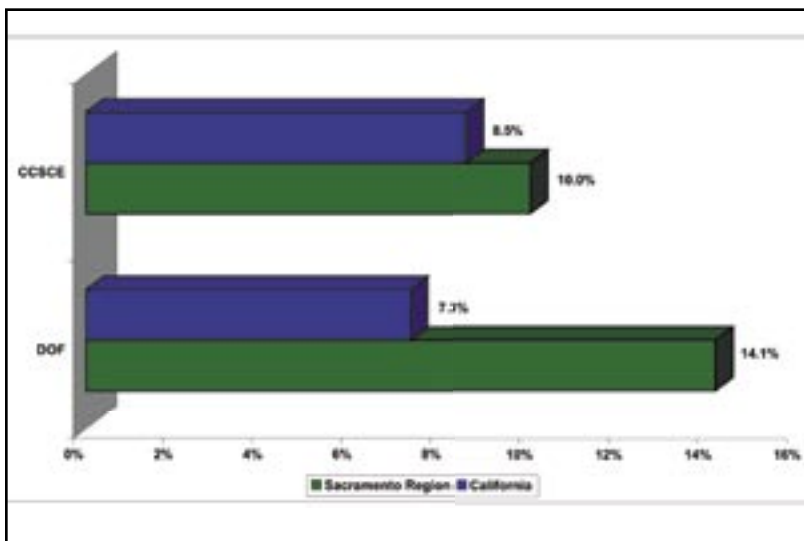


Population Projections for the Sacramento Region

Sacramento Regional Research Institute, February 2005

Data Sources: Department of Finance (DOF)

Sacramento Area Council of Governments (SACOG), Blueprint Preferred Alternative
Center for Continuing Study of the California Economy (CCSCE), California County
Projections, 2002 Edition



Highlights

- The Sacramento Region is projected to reach a population of between 2.4 and 2.5 million people by 2010 and between 3.8 and 4.5 million people by 2050.
- Department of Finance (DOF) projections, which are slightly more aggressive than Center for Continuing Study of the California Economy (CCSCE) and Sacramento Area Council of Governments (SACOG), show that the Region's population will see an increase of about one million residents by 2020 and will more than double its current level by 2050.
- Both the Department of Finance (DOF) and Center for Continuing Study of the California Economy (CCSCE) project that the Sacramento Region will experience more rapid population growth than the statewide average between 2004 and 2010—while the difference is only slightly higher in CCSCE's projections, the DOF projects that the Region will see a growth rate nearly double that of the state.

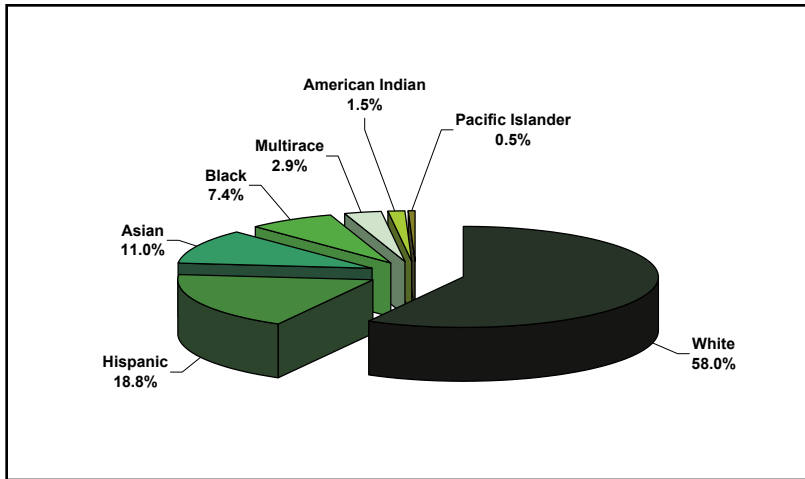
Projected Population Growth in the Sacramento Region and California Between 2004 and 2010

Sacramento Regional Research Institute, February 2005

Data Sources: Department of Finance (DOF)

Center for Continuing Study of the California Economy (CCSCE), California County Projections, 2002 Edition

Our Ethnicity

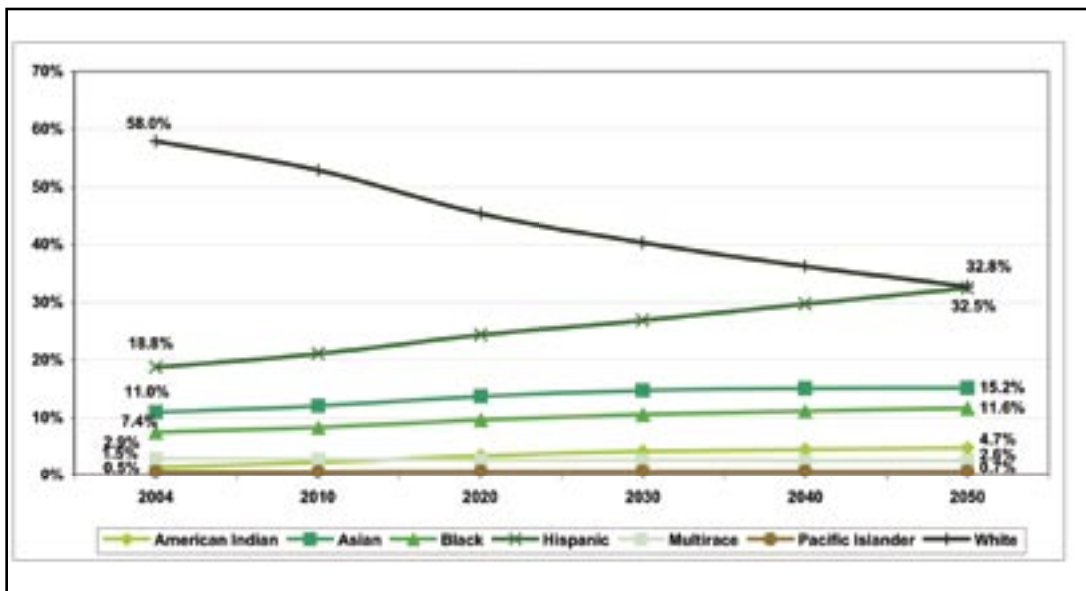


Ethnic Composition in the Sacramento Region in 2004

Sacramento Regional Research Institute, February 2005
Data Sources: Department of Finance

Ethnic Composition Projections for the Sacramento Region

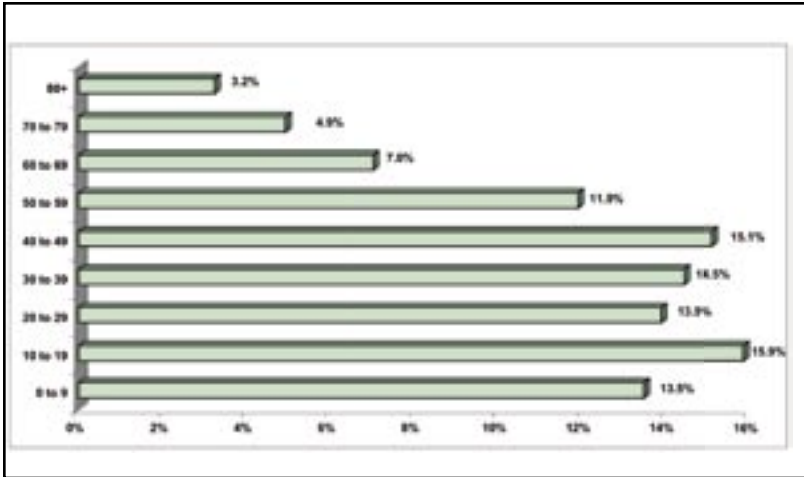
Sacramento Regional Research Institute, February 2005
Data Sources: Department of Finance



Highlights

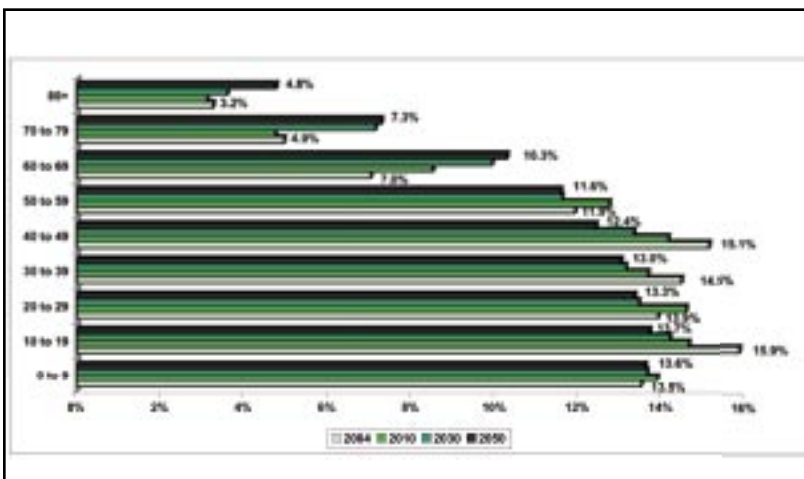
- Over three-quarters of the Sacramento Region's population is contained in the White and Hispanic ethnic categories with another 20 percent in the Asian and Black categories.
- Department of Finance (DOF) projections for the Sacramento Region show that the White ethnic category will make up a significantly smaller proportion of the Region's population in 2050, declining steadily from its current proportion of 58 percent to about 33 percent in 2050.
- While all other ethnic categories are projected to increase their proportion of the Region's population, the Hispanic ethnic category is projected to capture most of the ethnic composition shift, increasing steadily from its current share of 19 percent to just under 33 percent in 2050.

Our Age



Age Composition in the Sacramento Region in 2004

Sacramento Regional Research Institute, February 2005
Data Source: Department of Finance



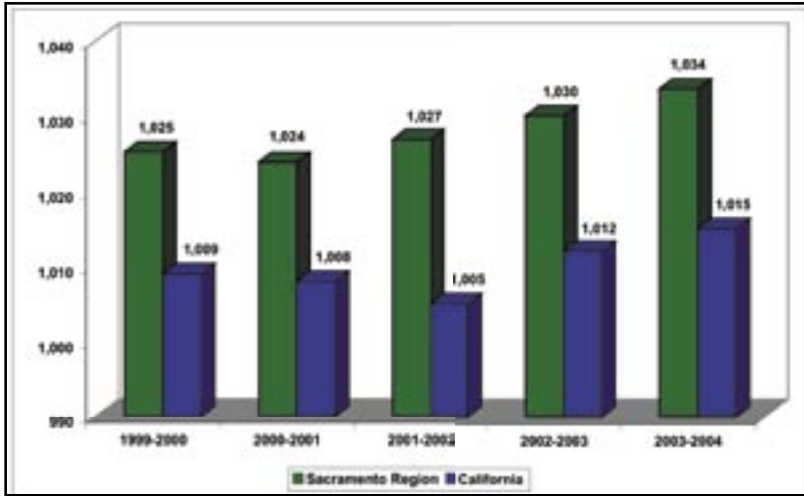
Age Composition Projections for the Sacramento Region

Sacramento Regional Research Institute, February 2005
Data Sources: Department of Finance

Highlights

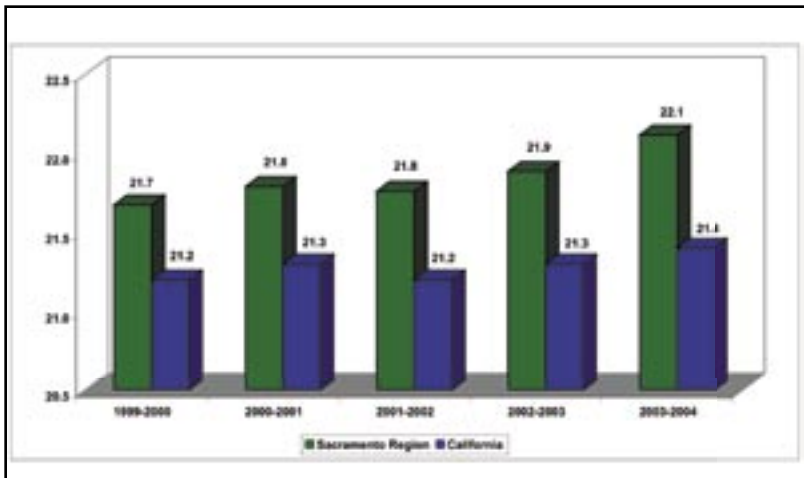
- The Sacramento Region is predominantly young with more than half the population below the age of 39. The greatest percentage of the population (16 percent) is between the ages of 10 and 19 years, followed by population groups aged between 40 and 49 and 30 and 39 years, comprising 15 and 14 percent of the Region's population, respectively.
- Around 55 percent of the Region's population is between the ages of 20 and 59—the ages most closely associated with the labor force.
- The general age trend illustrated in the Department of Finance (DOF) projections is an aging of the population over the next 50 years—a decrease in the proportion of the younger population with the older population making up a greater share of the Sacramento Region's population.
- The 10 to 19 years old age group will remain the largest group in 2050, but rather than making up close to 16 percent of the population, it will lower to around 14 percent by 2050. Other notable decreases are projected in the group between the ages of 40 and 49, while the 60 to 69 years old and 70 to 79 years old age groups will gain notable shares of the population.
- While more than half of the population will continue to be between the ages of 20 and 59—the ages most closely associated with the labor force—this range is projected to encompass five less percentage points of the population in 2050 compared to 2004.

Our Education



Average Total SAT Scores for the Sacramento Region and California from the 1999–2000 to 2003–2004 School Years

Sacramento Regional Research Institute, March 2005
Data Source: Department of Education



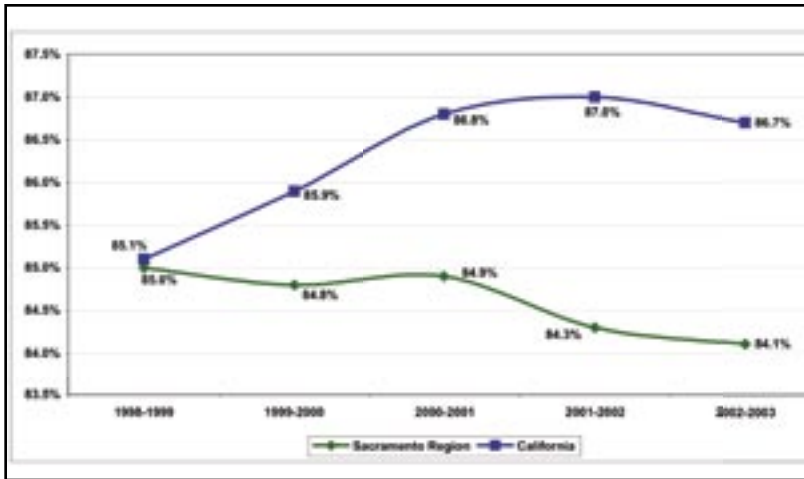
Average Total ACT Scores for the Sacramento Region and California from the 1999–2000 To 2003–2004 School Years

Sacramento Regional Research Institute, March 2005
Data Source: Department of Education

Highlights

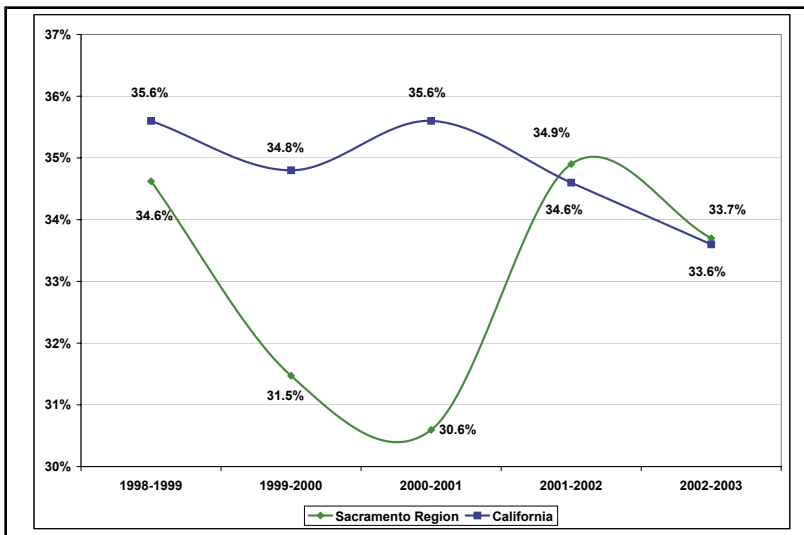
- Average total SAT scores (including both math and verbal scores) of students in the Sacramento Region have consistently ranked higher than the statewide average over the past few years. On average, scores have been 18 points higher in the Region compared to California overall.
- From the 1999–2000 to 2003–2004 school years, the Region’s average SAT score increased 0.82 percent, slightly above California’s score increase of 0.59 percent, demonstrating the increasing aptitude of the Region’s high school students.
- Like the SAT, students in the Sacramento Region have posted higher average composite ACT scores than the statewide average over the last few years.
- From the 1990-2000 to the 2003–2004 school years, the Region’s ACT scores growth (about 2 percent) is double the rate of the state (an increase of 0.9 percent).

Our Education continued



High School Graduation Rates for the Sacramento Region and California from the 1998–1999 to 2002–2003 School Years

Sacramento Regional Research Institute, March 2005
Data Source: Department of Education



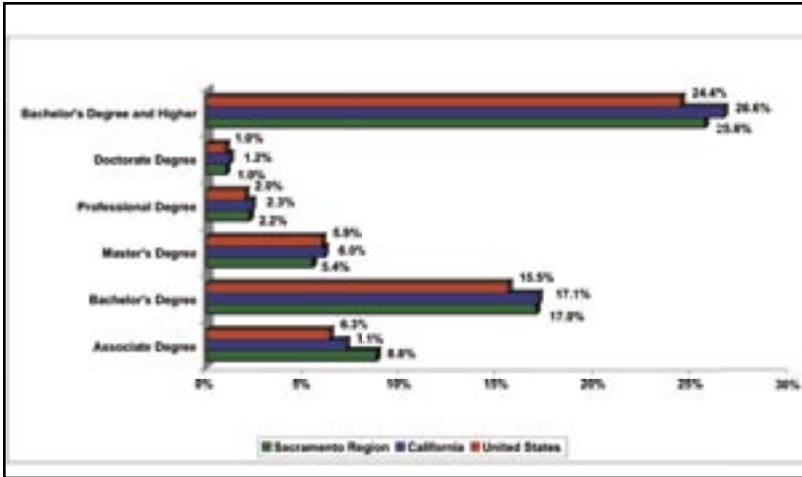
Proportion of Sacramento Region and California Graduates Meeting UC/CSU Requirements from the 1998–1999 to 2002–2003 School Years

Sacramento Regional Research Institute, March 2005
Data Source: Department of Education

Highlights

- High school graduation rates in the Sacramento Region have been slightly lower than the statewide average over the past few years with the gap generally increasing since the 1998-1999 school year. While the disparity is relatively small, the Region's youth may not be as prepared to enter the job market or postsecondary educational institutions as the state's students overall.
- Between the 1998-1999 and 2000-2001 school years, the Sacramento Region has generally had a slightly lower proportion of graduates meeting the course requirements to qualify for entrance into the UC and CSU systems than the statewide average. The Region has caught up to the California proportion in recent years, showing an increased ability of the Region's schools to prepare students for higher education success.

Our Education continued

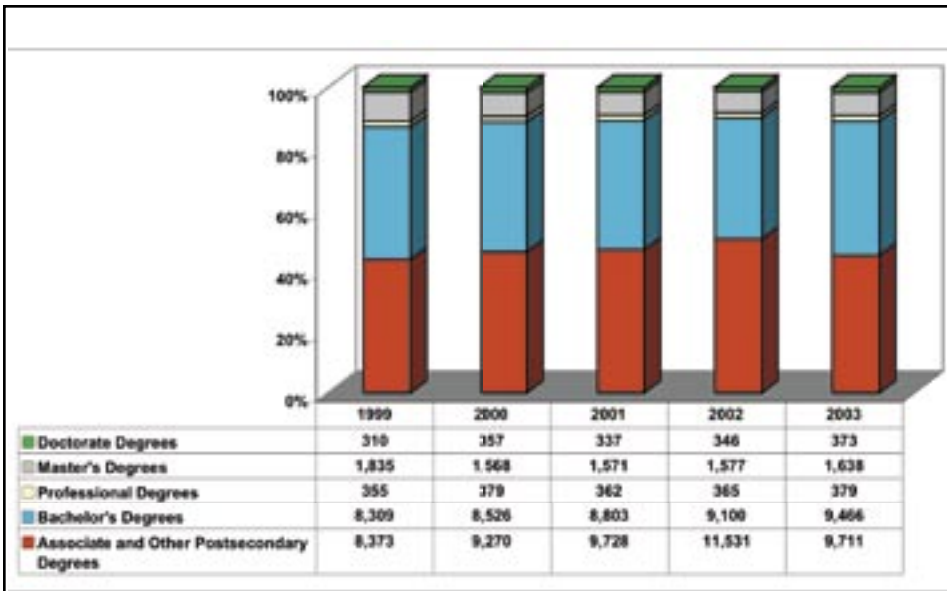


Educational Attainment in the Sacramento Region, California, and the United States in 2000

Sacramento Regional Research Institute, March 2005
Data Source: Census Bureau

Higher Education Degrees Granted in the Sacramento Region Between 1999 and 2003

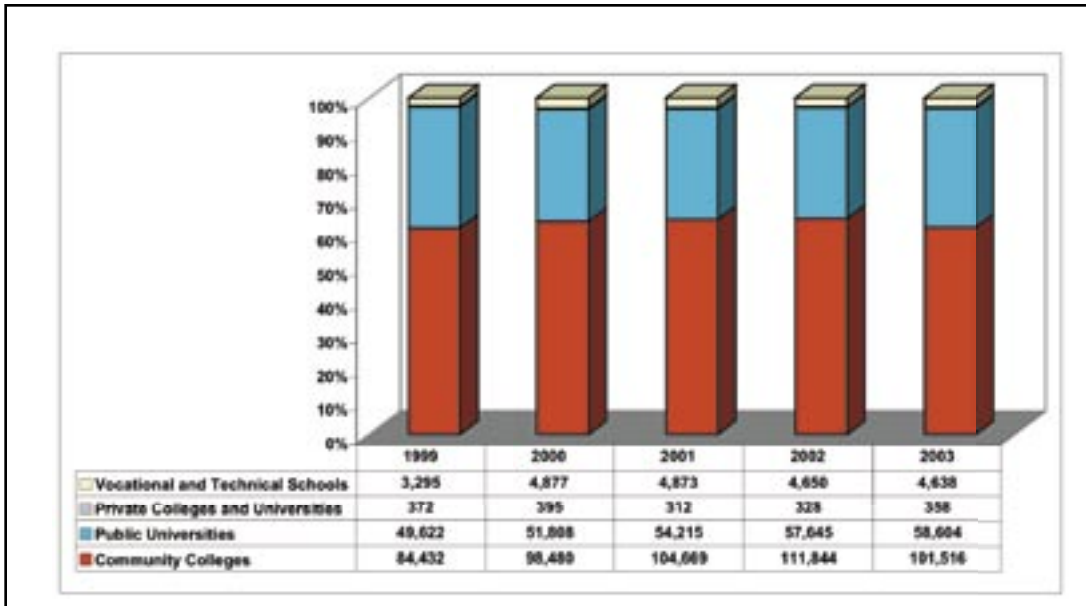
Sacramento Regional Research Institute, March 2005
Data Source: California Postsecondary Education Commission



Highlights

- In general the Sacramento Region is as highly educated as the national average—the Region normally ranks around the national average in percentage of the population with a higher education degree.
- In most cases, the Sacramento Region is below the statewide average (which reflects a generally highly-educated state), but excels in Associate Degree attainment where the Region ranks notably above the statewide and national averages.
- Contributing to the quality of the Region's workforce, over the past few years, on average, institutions in the Region have granted about 21,000 degrees per year with the majority falling in the Associate and Other Postsecondary and Bachelor's Degrees categories.
- The annual numbers of Doctorate and Associate and Other Postsecondary Degrees granted have seen relatively large increases over the past few year with five-year growth rates of 20 and 16 percent, respectively.

Our Education continued



Higher Education Enrollment in the Sacramento Region Between 1999 and 2003

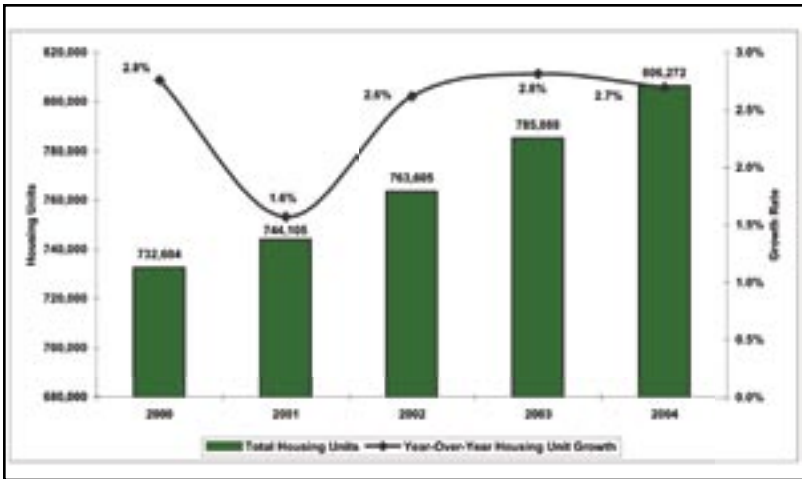
Sacramento Regional Research Institute, March 2005

Data Source: California Postsecondary Education Commission

Highlights

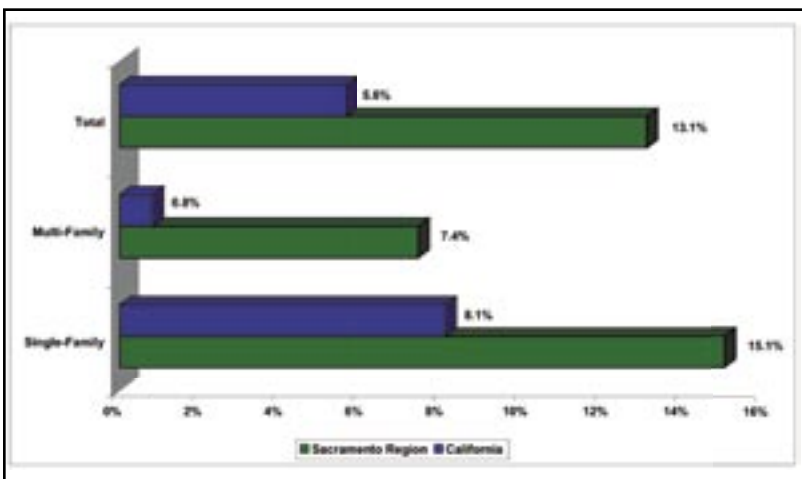
- On average, the Sacramento Region's higher education institutions have had about 159,000 students enrolled yearly over the past five years and have taken on about 20 percent more students compared to five years ago.
- The majority of enrolled students are in the community colleges and public universities, demonstrating the Region's strong public higher education systems.

Our Housing



Housing Units and Yearly Housing Unit Growth in the Sacramento Region Between 2000 and 2004

Sacramento Regional Research Institute, February 2005
 Data Source: Department of Finance
 Note: Mobile homes not included.



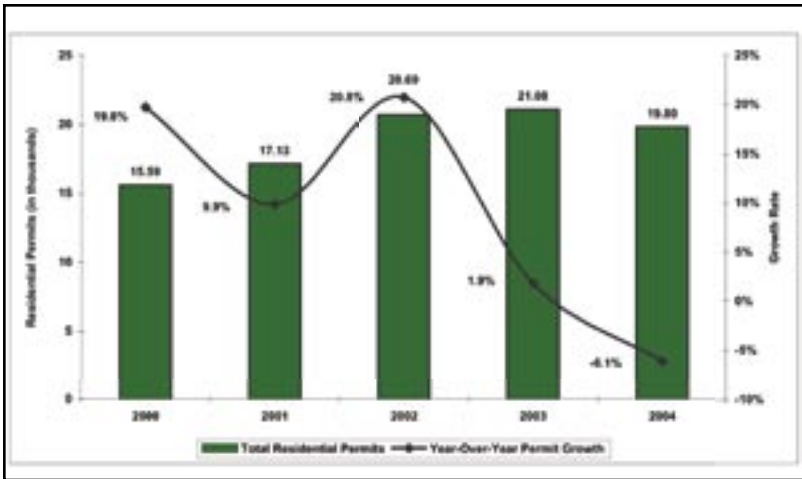
Housing Unit Growth in the Sacramento Region and California Between 1999 and 2004

Sacramento Regional Research Institute, February 2005
 Data Source: Department of Finance
 Note: Mobile homes not included.

Highlights

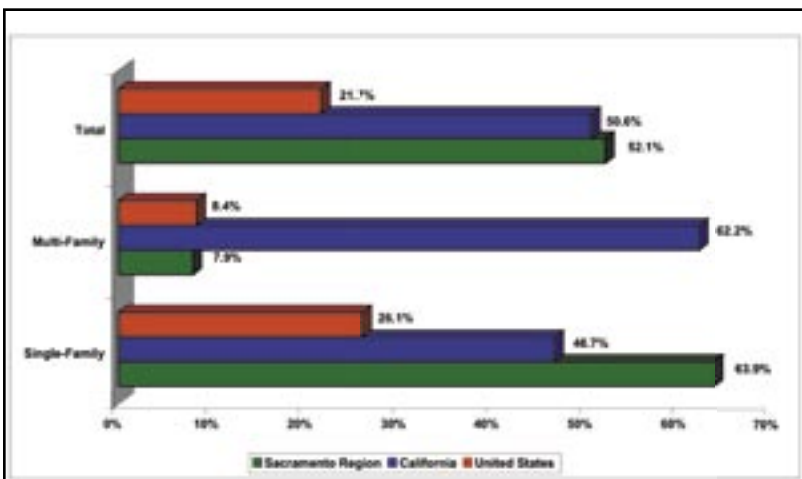
- With continued population growth in the Sacramento Region, housing units have increased steadily over the past five years.
- Reflecting the tremendous amount of single-family housing developments throughout the Region, Sacramento has maintained a slightly larger proportion of single-family homes than the statewide average. About 75 percent of the housing units in the Sacramento Region are single-family, while the remaining 25 percent are multi-family. In the state, 70 percent are single-family and 30 percent are multi-family.
- In 2004, there were about 2.7 persons per household in the Sacramento Region, while the state showed 2.9 persons per household.
- SACOG's most recent projections based on the Blueprint preferred alternative show that in 2050 the Sacramento Region will have nearly 1.6 million housing units with about 2.4 persons per household. This reflects an annual average growth of about 16,000 units per year between 2004 and 2050.
- Like many inland areas in the state, the Sacramento Region has seen housing unit growth rates well above the statewide average, showing the strong demand for housing to meet the needs of the growing population.
- The Sacramento Region has gained over 93,000 housing units over the past five years, reflecting over 13 percent growth between 1999 and 2004.
- The Region has seen housing growth rates of about 7 percentage points higher than the statewide average for both single-family and multi-family housing. While the greatest growth has been in single-family units, growth in multi-family units has been relatively strong as well.

Our Housing continued



Residential Permits and Yearly Residential Permit Growth in the Sacramento Region Between 2000 and 2004

Sacramento Regional Research Institute, February 2005
Data Source: National Association of Home Builders



Residential Permit Growth in the Sacramento Region, California, and the United States Between 1999 and 2004

Sacramento Regional Research Institute, February 2005
Data Source: National Association of Home Builders

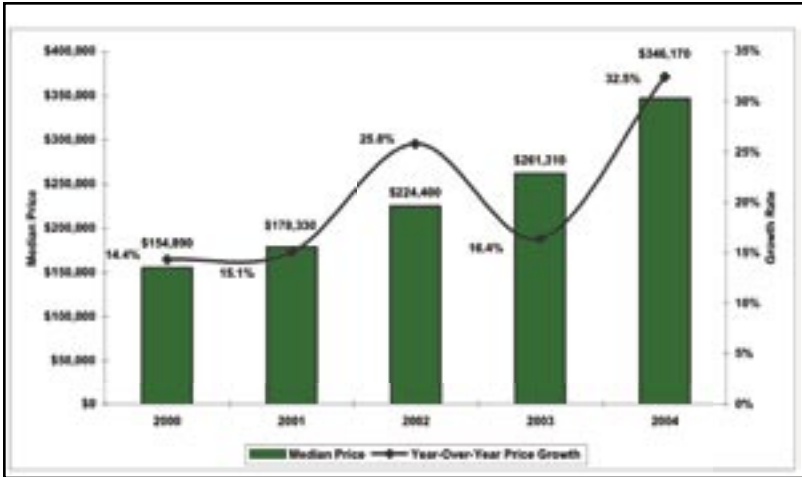
Highlights

- The level of residential permits points to the short-term future supply of housing units—the level of permits in the Sacramento Region illustrates the increased building and supply of housing units over the past five years.
- The proportion of single-family residential permits has been increasing over the past five years while the proportion of multi-family permits have steadily decreased, reflecting demand and interest rate trends—most recently 85 percent of the residential permits in the Sacramento Region were for single-family units and 15 percent were for multi-family housing. Both the state and the nation have averaged about a 75-25 percent split in single- and multi-family residential permits.
- While the permit growth rates have declined over the past couple years, the level of residential permits in 2003 and 2004 suggest that the Region will continue to see relatively strong growth in housing units in the short-term future, but not to the same level as seen over the past five years.
- Overall, between 1999 and 2004, the Sacramento Region experienced a residential permit growth rate similar to the statewide average and above the nation, reflecting the high levels of residential construction activities taking place in many regions throughout the state including Sacramento.

Our Housing continued

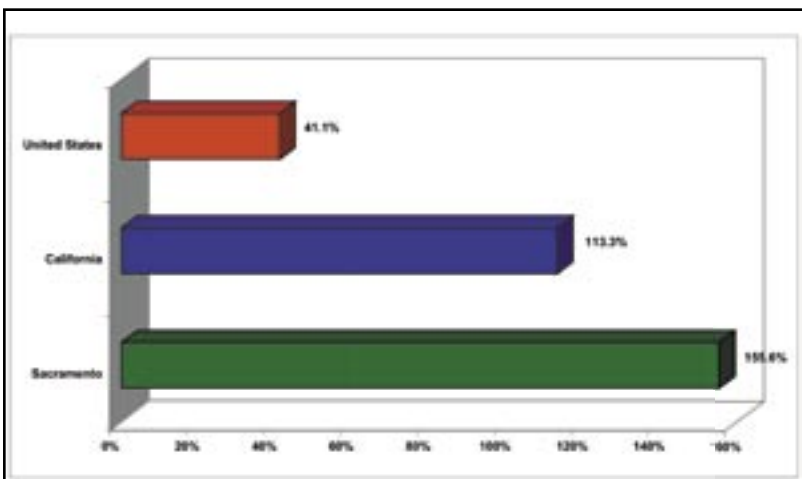
- Jurisdictions throughout the region granted nearly 7,000 more residential permits in 2004 compared to 1999 (52 percent growth) showing the large role that residential construction has played in the Region's economy over the past five years.
- Most of the residential permit growth in the Region has occurred in the single-family area with growth above both the nation and the state. Showing a trend vastly different than the state and more closely aligned with the nation, the Sacramento Region saw about an 8 percent increase in multi-family residential permits per year, while the state experienced an increase over 62 percent.

Our Housing continued



Median Home Sale Price and Yearly Median Home Sale Price Growth in the Sacramento Region Between 2000 and 2004

Sacramento Regional Research Institute, February 2005
 Data Source: California Association of Realtors, November 2004 data



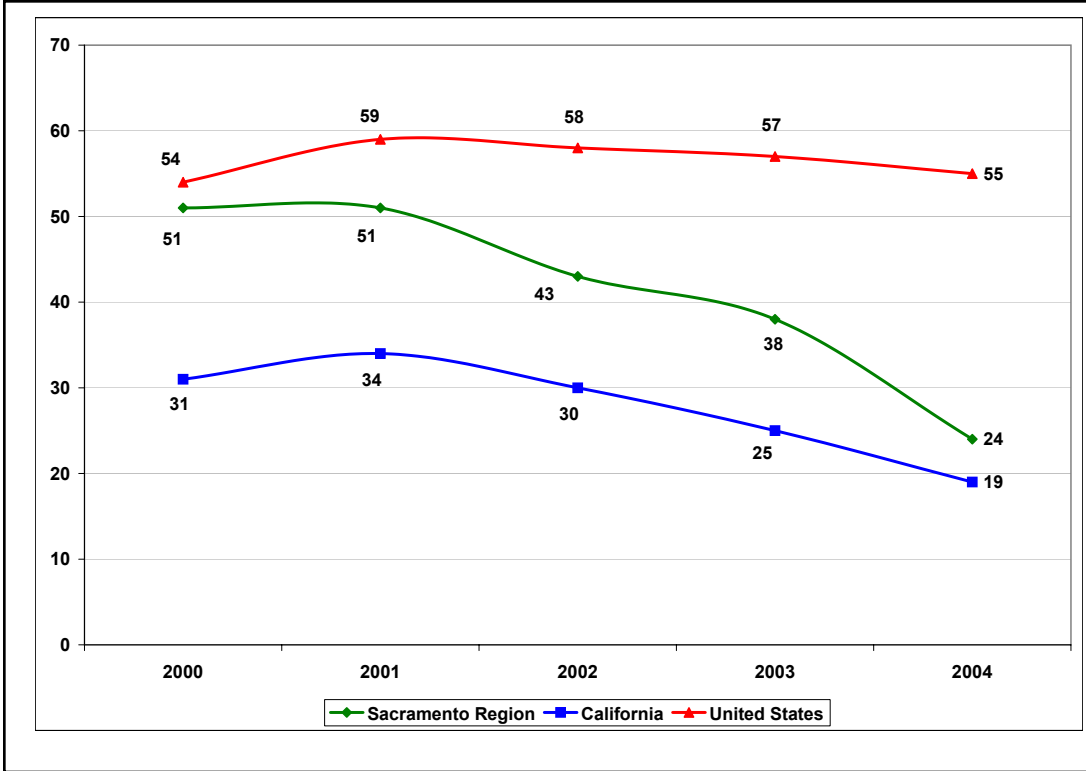
Median Home Sale Price Growth in the Sacramento Region, California, and the United States Between 1999 and 2004

Sacramento Regional Research Institute, February 2005
 Data Sources: California Association of Realtors, November 2004 data and National Association of Home Builders

Highlights

- Similar to most areas in California, median home sale prices in the Sacramento Region have steadily increased over the past five years. The close to 33 percent jump in price between 2003 and 2004 was the largest over this time period, but year-over-year growth for all years was over 14 percent.
- Compared to many of the large regions in the state, over the past few years, the Sacramento Region has ranked in the middle of the list with many areas seeing higher growth rates, but others experiencing lower rates.
- With a 2004 median home sale price over \$210,000 higher than in 1999, the Sacramento Region's nearly 156 percent median price growth rate outpaced both the statewide and national averages.

Our Housing continued



Housing Affordability Index for the Sacramento Region, California, and the United States Between 2000 and 2004

Sacramento Regional Research Institute, February 2005

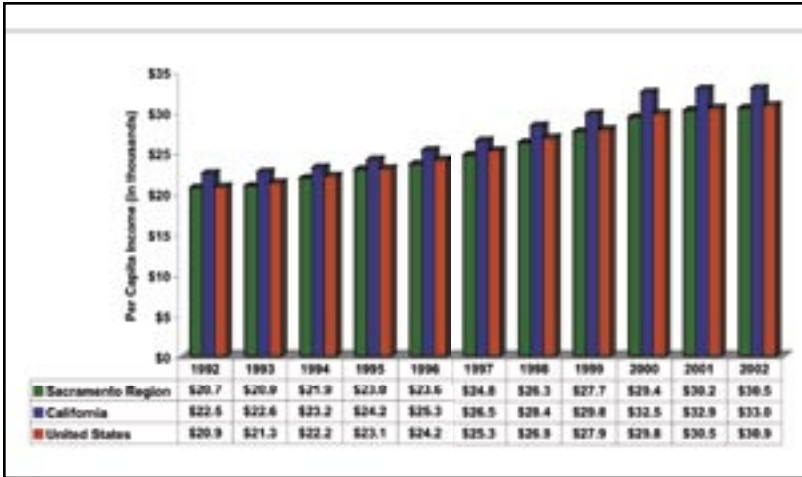
Data Source: California Association of Realtors, November 2004 data

Note: The Housing Affordability Index reflects the percentage of households that are able to afford a median priced home.

Highlights

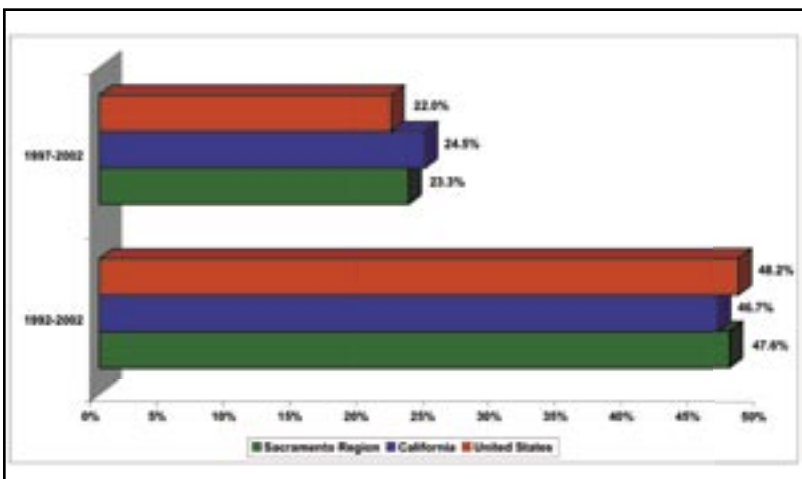
- As median home sale prices in the Sacramento Region have increased, housing affordability has drastically decreased over the past five years.
- While about 51 percent of households in the Region were able to afford a median priced home in 2000, only 24 percent of household could afford a median priced home in 2004—a drop of 27 percentage points.
- The Sacramento Region has continued to be more affordable than the statewide average, but has pulled further away from the national average as median home sale prices have increased.

Our Income



Per Capital Personal Income in the Sacramento Region, California, and the United States Between 1992 and 2002

Sacramento Regional Research Institute, February 2005
Data Source: Bureau of Economic Analysis



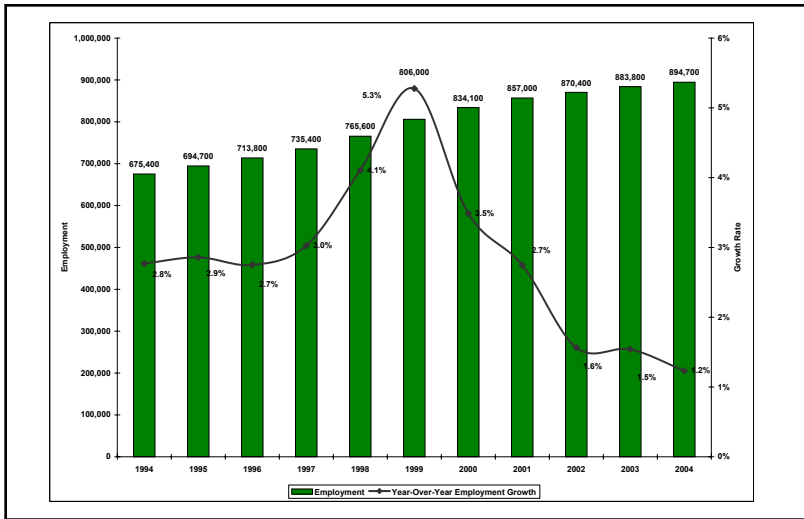
Per Capita Personal Income Growth in the Sacramento Region, California, and the United States Between 1997 and 2002 and 1992 and 2002

Sacramento Regional Research Institute, February 2005
Data Source: Bureau of Economic Analysis

Highlights

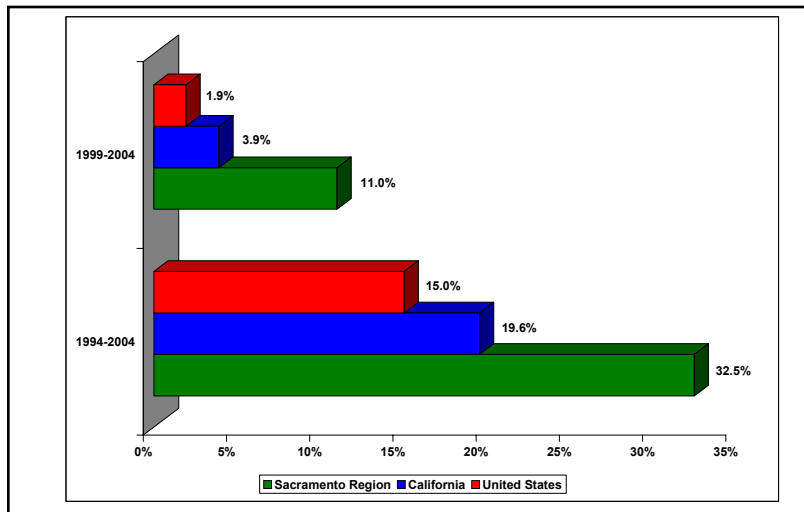
- Over the past ten years, the Sacramento Region's per capita personal income numbers have fallen below both the statewide and national averages. While the state is significantly higher than the Sacramento Region and the national average, the Region has typically been slightly below the national average.
- In 2002, per capita income figures for the Region were about \$350 below the national average and close to \$2,500 below the statewide average.
- Growth in per capita personal income over the past ten years demonstrates that the Sacramento Region and the national average have surpassed California's average, but over the past five years California has outpaced the Region and the nation.
- The more recent trends have created a larger gap between per capita personal income levels in the Sacramento Region and the statewide and national averages in 2002 compared to 1992.

Our Industries



Employment and Yearly Employment Growth in the Sacramento Region Between 1994 and 2004

Sacramento Regional Research Institute, March 2005
 Data Source: Employment Development Department
 Note: Employment numbers reflect Nonfarm totals.



Employment Growth in The Sacramento Region, California, and the United States Between 1999 and 2004 and 1994 and 2004

Sacramento Regional Research Institute, March 2005
 Data Sources: Employment Development Department and Bureau of Labor Statistics
 Note: Employment numbers reflect Nonfarm totals.

Highlights

- The Sacramento Region has seen an increase of over 219,000 jobs over the last ten years with a bulk of the growth occurring in the late 1990s.
- Yearly employment growth rates were relatively strong in the mid- to late-1990s, peaking in 1999, but have tailed off since.
- The 2004 data shows that the Region had a jobs-to-housing balance of 1.1-to-1, slightly lower than what is generally suggested as the “ideal” ratio of 1.5-to-1.
- SACOG’s most recent projections based on the Blueprint preferred alternative show that in 2050 the Sacramento Region will have almost 2.1 million jobs, reflecting annual average growth of about 25,000 jobs per year between 2004 and 2050 (slightly higher than the growth seen over the last decade). The projections also show that the Region will have a jobs-to-housing balance of 1.3-to-1 by 2050, closer to the suggested “ideal” ratio.
- Closely following the population and housing trends, employment growth in the Sacramento Region has been considerably higher than the statewide and national averages over the past five- and ten-year periods.

Our Industries continued

<i>Industry</i>	<i>Employment 2004</i>	<i>Percent of Total Employment 2004</i>	<i>1994-2004 Shift</i>	<i>1999-2004 Shift</i>
Government	231,900	25.9%	-3.4%	-0.9%
Trade, Transportation and Utilities	154,000	17.2%	-0.5%	-0.3%
Professional and Business Services	100,300	11.2%	0.8%	-1.4%
Educational and Health Services	89,500	10.0%	0.5%	1.2%
Leisure and Hospitality	82,800	9.3%	-0.1%	0.7%
Construction	72,800	8.1%	3.5%	2.0%
Financial Activities	61,600	6.9%	0.4%	0.1%
Manufacturing	50,000	5.6%	-0.9%	-1.3%
Other Services	29,700	3.3%	0.0%	0.0%
Information	21,300	2.4%	-0.3%	0.0%
Natural Resources and Mining	900	0.1%	-0.1%	0.0%

Sacramento Region Industry Structure in 2004

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

Highlights

- Over half of the Region's employment is in the Government; Trade, Transportation, & Utilities; and Professional & Business Services sectors.
- The Construction and Educational & Health Services sectors have been playing a more important role in the Sacramento Region's economy over the past few years, while the Government and Information sectors make up a smaller proportion of the Region's total employment.

Our Industries continued

Industry	Growth Rate 1999-2004		
	Sacramento	California	United States
Construction	46.2%	24.1%	6.4%
Educational and Health Services	26.4%	14.2%	14.6%
Leisure and Hospitality	19.5%	11.2%	8.1%
Financial Activities	13.0%	13.8%	5.3%
Information	12.1%	-6.7%	-8.2%
Other Services	9.6%	6.6%	6.8%
Trade, Transportation and Utilities	9.1%	4.1%	-1.0%
Government	7.2%	6.7%	6.5%
Professional and Business Services	-1.4%	-1.0%	2.9%
Manufacturing	-9.4%	-16.2%	-17.3%
Natural Resources and Mining	-18.2%	-12.9%	-1.2%

Industry Growth in the Sacramento Region, California, and the United States Between 1999 and 2004

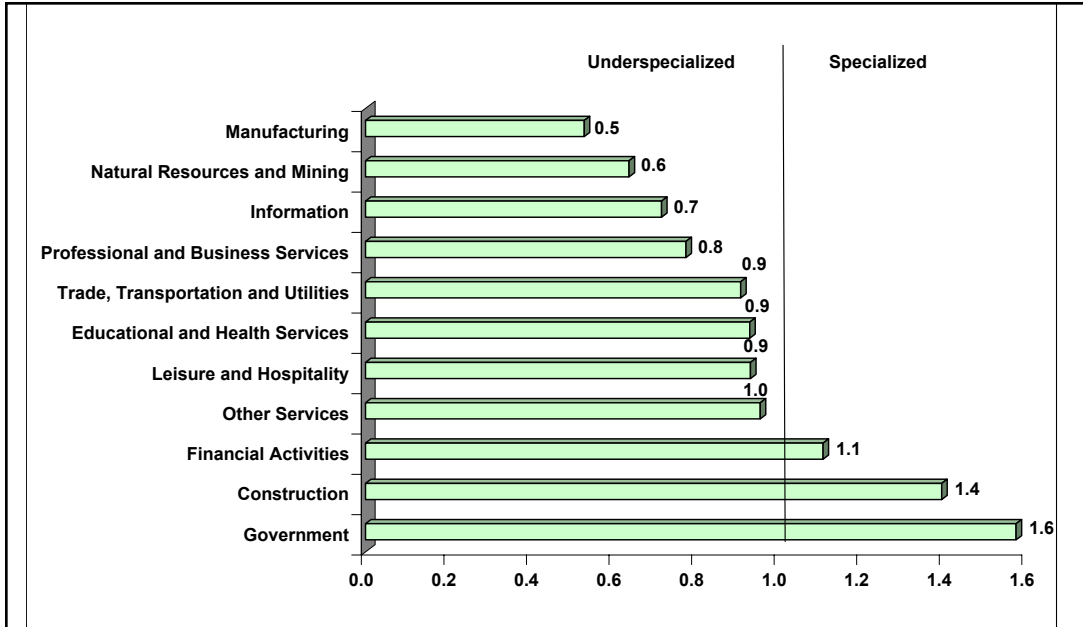
Sacramento Regional Research Institute, March 2005

Data Source: Employment Development Department and Bureau of Labor Statistics

Highlights

- The Region's two largest industry sectors (Government and Trade, Transportation, & Utilities) experienced positive employment growth over the past five years.
- Although demonstrating more robust growth in most cases, the Sacramento Region's economy has experienced similar growth trends compared to California with both areas posting the greatest employment growth rates in essentially the same group of sectors.
- The Construction, Educational & Health Services, and Leisure & Hospitality sectors posted the largest growth rates in the Sacramento Region between 1999 and 2004, while Manufacturing and Natural Resources & Mining saw relatively large negative job growth.

Our Industries continued



Sacramento Region Industry Specialization in 2004

Sacramento Regional Research Institute, March 2005

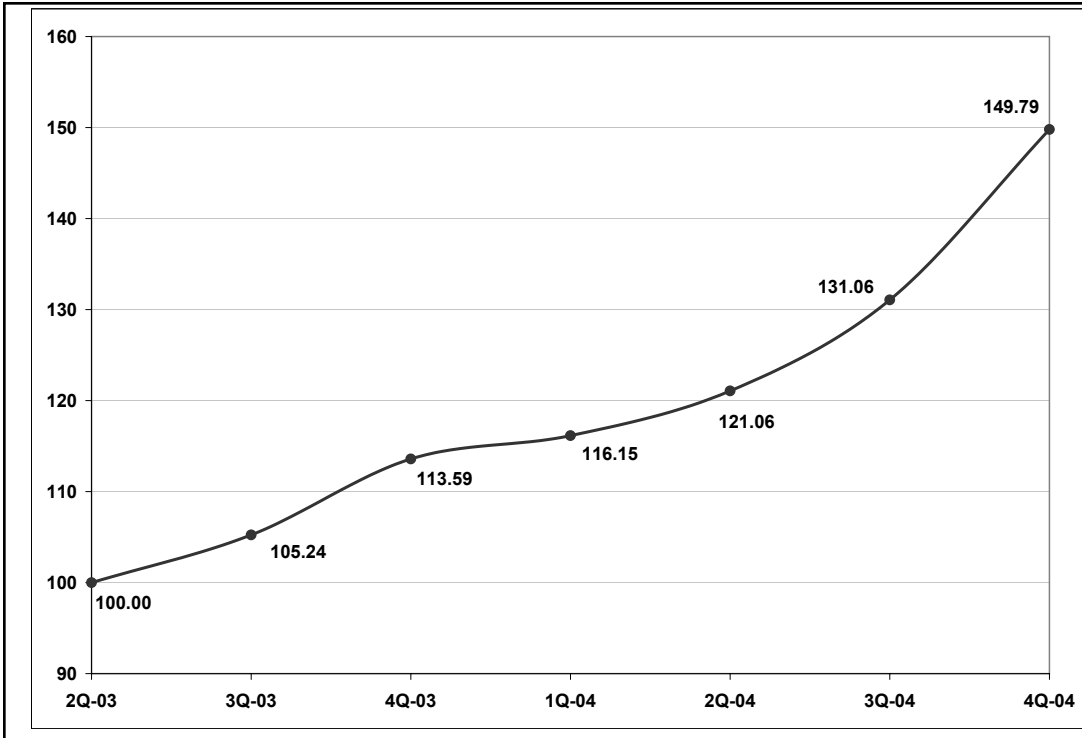
Data Sources: Employment Development Department

Note: Specialization reflects a comparison of the proportion of total employment in the Sacramento Region compared to the statewide average.

Highlights

- The Sacramento Region is specialized in the Government, Construction, and Financial Activities sectors, demonstrating the important role that these sectors have played in the Region's economy. Both Construction and Financial Activities have experienced positive growth and a greater level of influence in the economy over the past five years.
- The Manufacturing, Natural Resources & Mining, and Information sectors all reflect a level of underspecialization, each illustrating a concentration lower than the statewide average.

Our Industries continued



SARTA TECH Index

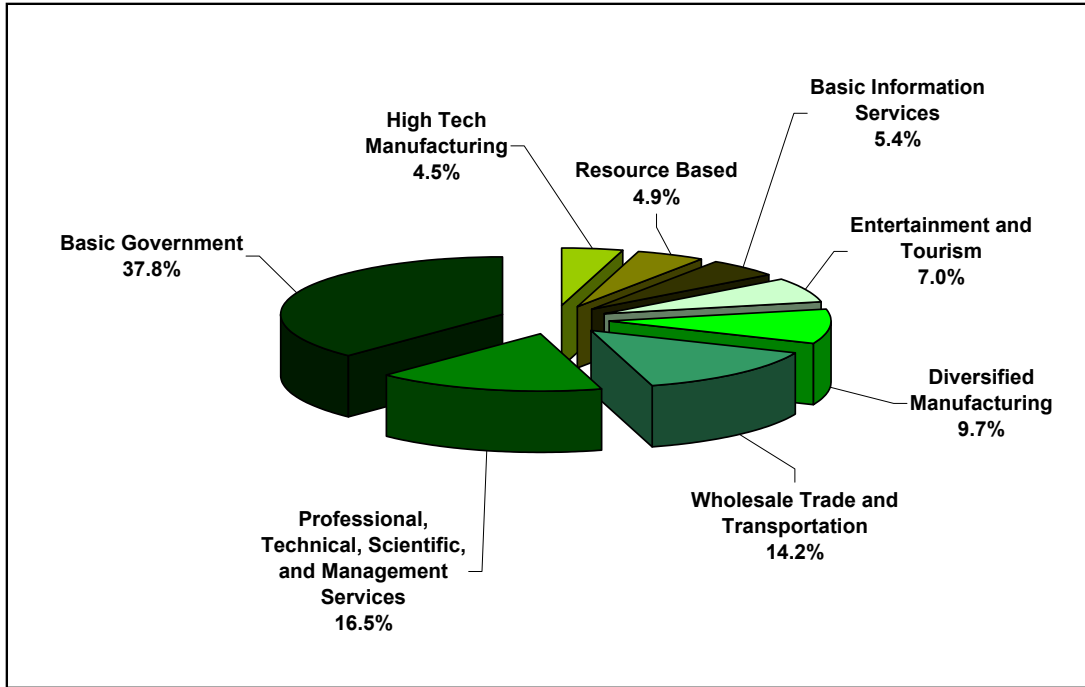
Sacramento Regional Research Institute, March 2005
Data Source: SARTA TECH Index

Highlights

- The SARTA TECH Index tracks the leading 50 high-tech and life science companies in the Sacramento Region to measure the health of the technology sector and the performance of the related companies. Since the second

quarter of 2003 benchmark, the Index has consistently increased to its current level of 149.79, signaling continuously stronger performances of high-tech and life science companies in the Region.

Our Industries continued



Composition of the Sacramento Region's Economic Base in 2002

Sacramento Regional Research Institute, February 2005

Data Source: California Regional Economies Project, Greater Sacramento Economic Base Report

Highlights

- In 2002, approximately 34 percent of the Sacramento Region's jobs were in its economic base, producing goods and services that are sold to markets outside the region. The economic base is important because it creates net new wealth for the Region.
- About 66 percent of the Sacramento Region's jobs in 2002 were in non-base sectors that mainly serve the Region's population. These jobs are also important to maintaining a healthy economy, but do not create net new wealth for the Region like the base sectors.
- The Sacramento Region's economic base makes up 5.6 percent of the state's economic base—this is similar to the Region's proportion of the state's population and total employment in 2002 (5.9 and 5.2 percent, respectively).
- The Region had an above average share of jobs in Basic Government and Basic Information Services.
- The Professional, Technical, Scientific, & Management Services, Wholesale Trade & Transportation, and High Tech Manufacturing sectors of the Region's economic base saw the greatest job gains between 1990 and 2000.

Our Industries continued

<i>Cluster</i>	<i>Percent of Total Traded Cluster Employment</i>	<i>Percent of Total Employment</i>	<i>Specialization</i>
Business Services	22.0%	5.9%	1.04
Financial Services	15.1%	4.1%	1.54
Heavy Construction Services	8.0%	2.2%	1.38
Hospitality and Tourism	7.9%	2.1%	0.92
Entertainment	6.2%	1.7%	0.76
Distribution Services	6.0%	1.6%	0.64
Information Technology	4.2%	1.1%	0.66
Transportation and Logistics	3.9%	1.1%	0.68
Processed Food	3.2%	0.9%	0.85
Education and Knowledge Creation	3.0%	0.8%	0.38
Building Fixtures, Equipment and Services	2.6%	0.7%	1.04
Agricultural Products	2.1%	0.6%	1.05
Publishing and Printing	1.7%	0.4%	0.62
Production Technology	1.3%	0.4%	1.01
Medical Devices	1.2%	0.3%	0.63
Aerospace Vehicles and Defense	1.1%	0.3%	0.46
Forest Products	1.1%	0.3%	2.21
Metal Manufacturing	1.0%	0.3%	0.33
Heavy Machinery	1.0%	0.3%	1.93
Analytical Instruments	1.0%	0.3%	0.22
Other*	6.4%	1.7%	-

Composition and Specialization of the Sacramento Region's Traded Clusters in 2001

Sacramento Regional Research Institute, March 2005

Data Source: Harvard Business School, Institute for Strategy and Competitiveness, Cluster Mapping Project

Note: Specialization reflects a comparison of the proportion of total employment in the Sacramento Region compared to the statewide average. Clusters are made up of institutions, companies, and universities that are interrelated due to linkages across industries.

*Includes a group of clusters, each with less than 1 percent of total traded cluster employment.

Highlights

- Traded clusters (which sell products or services outside of the Sacramento Region and are located within the area because of the competitive advantages the Region offers them) comprised about 27 percent of the Region's total employment in 2001. Therefore, over a quarter of the employment is focused on generating new wealth for the Sacramento Region.
- Business Services, Financial Services, Heavy Construction Services, and Hospitality and Tourism comprised over half of Sacramento Region traded clusters' employment and 14 percent of the total regional employment in 2001.
- The top three traded clusters with the greatest proportion of 2001 employment in the Sacramento Region also showed specialization when compared to California's traded cluster composition: Business Services (1.04), Financial Services (1.54), and Heavy Construction Services (1.38). Other clusters, such as Forest Products and Heavy Machinery, showed a level of specialization (above 1.0), however they comprised only a small percent of total regional employment.

Our Industries continued

<i>Cluster</i>	<i>Percent of Total Local Cluster Employment</i>	<i>Percent of Total Employment</i>	<i>Specialization</i>
Real Estate, Construction, and Development	16.1%	11.8%	1.41
Health Services	15.1%	11.0%	1.13
Hospitality Establishments	13.0%	9.5%	1.22
Commercial Services	11.7%	8.6%	0.82
Motor Vehicle Products and Services	6.1%	4.5%	1.32
Food and Beverage Processing and Distribution	5.6%	4.1%	1.13
Retail Clothing and Accessories	4.8%	3.5%	1.16
Community and Civic Organizations	4.5%	3.3%	1.29
Financial Services	3.9%	2.8%	1.33
Entertainment and Media	3.5%	2.6%	1.26
Utilities	3.4%	2.5%	1.78
Logistical Services	3.1%	2.2%	1.21
Personal Services (Non-Medical)	3.0%	2.2%	1.23
Household Goods and Services	2.9%	2.1%	1.09
Industrial Products and Services	1.8%	1.4%	0.78
Education and Training	1.5%	1.1%	1.11

Composition and Specialization of the Sacramento Region's Local Clusters in 2001

Sacramento Regional Research Institute, March 2005

Data Source: Harvard Business School, Institute for Strategy and Competitiveness, Cluster Mapping Project

Note: Specialization reflects a comparison of the proportion of total employment in the Sacramento Region compared to the statewide ave

Highlights

- Local clusters that service local populations and are located in every metropolitan or economic area comprised about 73 percent of the Sacramento Region's total employment in 2001.
- Real Estate, Construction, and Development; Health Services; Hospitality Establishments; and Commercial Services accounted for over half of local cluster employment and about 40 percent of total regional employment in 2001.
- All but two of the Sacramento Region's local clusters show specialization when compared to the composition of California's corresponding local clusters. The top three local clusters, in terms of percent of total regional employment in 2001, show a relatively high level of specialization (above 1.0). Although Commercial Services is the fourth-largest local cluster, it is under-specialized.

Our Industries continued

<i>Industry</i>	<i>Establishments 2003</i>	<i>Percent of Total Establishments 2003</i>	<i>2001-2003 Shift</i>	<i>Average Employees per Establishment</i>
Total, All Industries	67,563	-	-	13
Other Services	19,652	29.1%	4.7%	2
Trade, Transportation, and Utilities	8,844	13.1%	-1.3%	17
Professional and Business Services	7,878	11.7%	-0.3%	12
Government	7,035	10.4%	-0.9%	30
Construction	5,489	8.1%	-0.3%	12
Financial Activities	5,102	7.6%	-0.3%	12
Educational and Health Services	5,018	7.4%	-0.4%	17
Leisure and Hospitality	4,301	6.4%	-0.4%	19
Manufacturing	1,758	2.6%	-0.3%	28
Natural Resources and Mining	1,558	2.3%	-0.5%	9
Information	743	1.1%	0.0%	29

Sacramento Region Business Establishment Composition in 2003

Sacramento Regional Research Institute, March 2005

Data Source: Bureau of Labor Statistics

Note: Total reflects Nonfarm establishments.

Highlights

- Over half of the business establishments in the Sacramento Region are classified in the Other Services (containing business providing engaged in activities such as maintenance and repair services, personal services, and administering social organizations); Trade, Transportation, & Utilities, and Professional & Business Services sectors.
- As the state capital, the Sacramento Region has a large governmental influence in business encompassing 10.4 percent of all business establishments.
- While the Region's largest employment sector is Government, the largest proportion of firms is in the Other Services sector, which, along with many firms the Trade, Transportation, & Utilities sector, respond to serve a growing population and are often contain a large number of small firms.
- The Other Services sector has also captured a much larger proportion of the Region's business establishments over the past few years, while every other sector either lost concentration or remained the same. This also illustrates this sector's role in providing services to the Region's expanding population.

Our Industries continued

Industry	Growth Rate 2001-2003		
	Sacramento	California	United States
Total, All Industries	12.1%	8.8%	3.1%
Other Services	33.6%	25.7%	8.8%
Information	9.1%	-6.3%	-4.5%
Professional and Business Services	9.0%	5.1%	4.6%
Construction	8.4%	4.7%	2.9%
Financial Activities	7.4%	6.2%	5.1%
Educational and Health Services	6.6%	6.8%	5.6%
Leisure and Hospitality	6.1%	6.7%	4.5%
Government	3.3%	0.0%	2.3%
Trade, Transportation, and Utilities	2.3%	1.6%	0.1%
Manufacturing	-0.9%	-4.4%	-4.9%
Natural Resources and Mining	-7.4%	-6.5%	-3.2%

Business Establishment Growth in the Sacramento Region, California, and the United States Between 2001 and 2003

Sacramento Regional Research Institute, March 2005

Source: Bureau of Labor Statistics

Note: Total reflects Nonfarm establishments.

Highlights

- Similar to employment trends, the Sacramento Region's economy has experienced similar establishment growth trends compared to California with both areas showing the largest employment growth rates in basically the same group of sectors. In most cases, however, the Region posted more robust growth rates.
- The Sacramento Region's fastest growing sectors in terms of business establishments have been Other Services, Information (which experienced negative growth in the state and the nation), and Professional & Business Services.
- Firms in the Other Services sector appear to be thriving in California as a whole, but particularly in the Sacramento Region—between 2001 and 2003, the number of Other Services business establishments grew almost 34 percent in the Region compared to a statewide average of 26 percent (and a national average of 9 percent).
- Showing a pattern similar to the state and the nation, the Region has experienced a decline in the number of Manufacturing and Natural Resources & Mining firms over the past few years.

Our Industries continued

<i>Industry</i>	<i>Sacramento</i>	<i>California</i>	<i>United States</i>	<i>Sacramento to California</i>	<i>Sacramento to United States</i>
Total, All Industries	\$36,396	\$41,864	\$37,508	-13.1%	-3.0%
Government	\$55,601	\$54,318	\$43,672	2.4%	27.3%
Manufacturing	\$51,901	\$53,712	\$45,916	-3.4%	13.0%
Information	\$51,251	\$73,737	\$58,002	-30.5%	-11.6%
Financial Activities	\$51,036	\$63,383	\$57,143	-19.5%	-10.7%
Professional and Business Services	\$40,984	\$49,628	\$45,052	-17.4%	-9.0%
Construction	\$40,837	\$42,518	\$39,509	-4.0%	3.4%
Education and Health Services	\$39,292	\$38,795	\$35,071	1.3%	12.0%
Trade, Transportation and Utilities	\$31,883	\$36,570	\$33,016	-12.8%	-3.4%
Other Services	\$25,992	\$23,207	\$24,348	12.0%	6.8%
Natural Resources and Mining	\$23,197	\$22,854	\$33,729	1.5%	-31.2%
Leisure and Hospitality	\$14,588	\$20,144	\$16,138	-27.6%	-9.6%

Annual Average Industry Payroll per Employee for the Sacramento Region, California, and the United States in 2003

Sacramento Regional Research Institute, February 2005

Data Source: Bureau of Labor Statistics

Note: Unless specified as Government, all wages are calculated for the private sector.

Highlights

- In general, the Sacramento Region's annual average industry payroll per employee is about 13 percent less than the statewide average and 3 percent lower than the national average, reflecting both the supply and demand relationships in the local labor market and cost of living differences.
- The largest annual average payroll per employee differential between the Sacramento Region and California is in the Information sector where the statewide average is nearly 31 percent higher than the Region. The greatest gap between the Region's payroll per employee and the national average is reflected in the Natural Resources and Mining sector, which pays approximately 31 percent more at the national level. These differences reflect the relatively lower importance of the sectors in the Region's economy.
- The Sacramento Region's highest paid sector is its largest in terms of employment, Government (about 35 percent higher than the average), while its lowest paid sector is Leisure and Hospitality (approximately 149 percent lower than the average)—while the Leisure and Hospitality sector is the lowest paid in the state and the nation, the Information sector is the highest paid at the statewide and national levels.
- Many of the sectors that have seen the strongest positive employment growth over the past few years are relatively lower-paid and the sectors that have seen negative growth are near the top of the list in terms of payroll per employee.

Our Industries continued

Industry	Growth Rate 2001-2003		
	Sacramento	California	United States
Total, All Industries	6.7%	2.3%	3.7%
Financial Activities	16.0%	3.7%	2.9%
Education and Health Services	13.3%	9.2%	7.2%
Government	8.9%	8.9%	8.7%
Leisure and Hospitality	7.2%	8.3%	4.6%
Other Services	6.5%	3.8%	4.9%
Natural Resources and Mining	6.2%	5.3%	3.5%
Professional and Business Services	6.1%	-0.4%	3.4%
Information	6.0%	2.5%	1.2%
Trade, Transportation and Utilities	5.3%	3.0%	4.2%
Construction	5.2%	1.5%	2.9%
Manufacturing	0.7%	4.9%	6.9%

Annual Average Industry Payroll per Employee Growth in the Sacramento Region, California, and the United States Between 2001 and 2003

Sacramento Regional Research Institute, February 2005

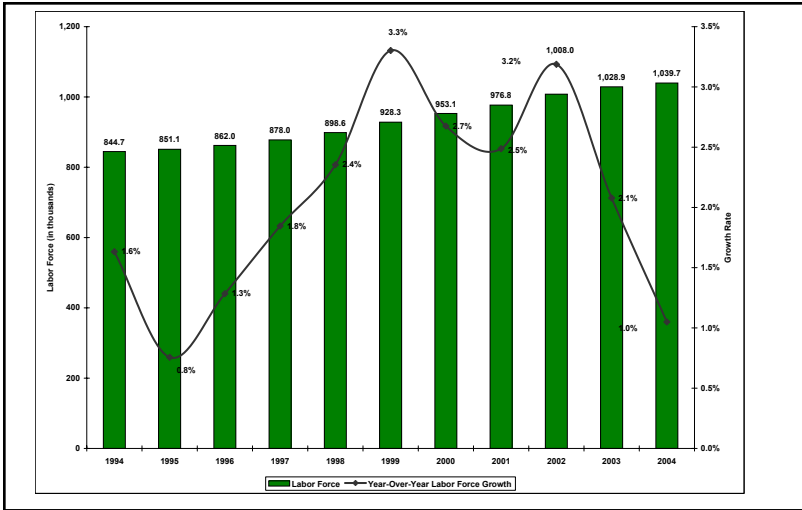
Data Source: Bureau of Labor Statistics

Note: Unless specified as Government, all wages are calculated for the private sector.

Highlights

- The Sacramento Region's annual average industry payroll per employee has grown faster than the statewide and national averages between 2001 and 2003, illustrating the Region's economic health and pointing to a closing gap between the Region and the statewide and national average payroll per employee.
- Industry payroll per employee has increased in every sector in the Sacramento Region over the past few years and most sectors have experienced greater growth than the statewide and national averages.
- The Region's fastest growing sectors in terms of annual average industry payroll per employee were Financial Activities and Educational and Health Services, which both saw significantly higher growth than California and the United States and have been two of the strongest sectors in the Region's economy.
- Although showing positive growth, payroll per employee in the Region's Manufacturing sector has grown slowly compared to the regional, statewide, and national averages, demonstrating the sector's waning economic performance in the Region.

Our Workforce

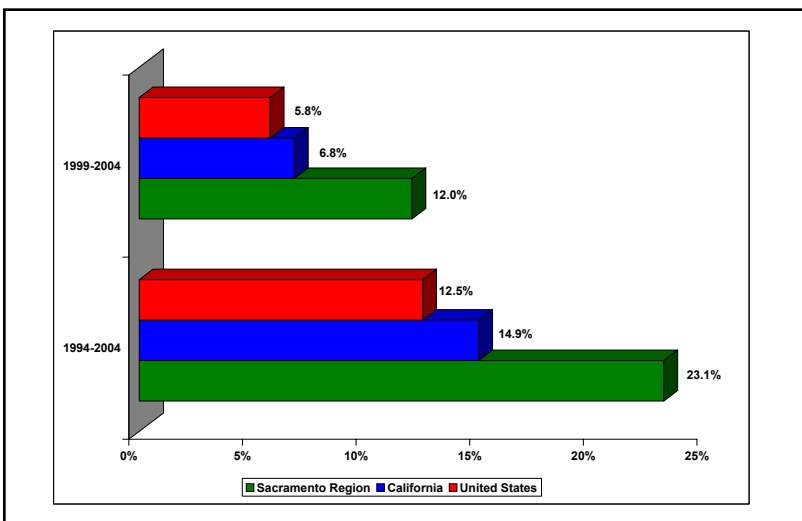


Labor Force and Yearly Labor Force Growth in the Sacramento Region Between 1994 and 2004

Sacramento Regional Research Institute, March 2005
 Data Source: Bureau of Labor Statistics

Highlights

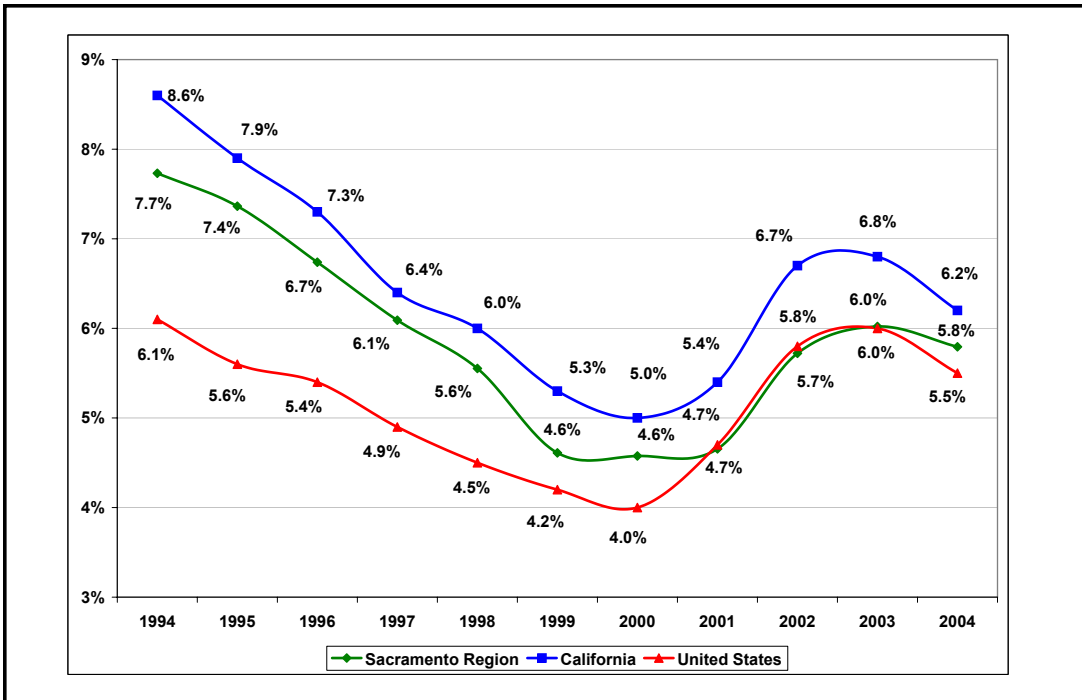
- The Sacramento Region's labor force (number of employable people, either employed or unemployed) grew by nearly 195,000 over the past decade with almost 60 percent of that growth occurring over the past five years.
- Yearly labor force growth rate follow a similar pattern as the overall population trends with steadily increasing rates throughout the late 1990s, relatively high levels between 1999 and 2002, and recently declining rates.
- Following the overall population trends, the Sacramento Region has seen labor force growth rates notably higher than the statewide and national averages.



Labor Force Growth in the Sacramento Region, California, and the United States Between 1999 and 2004 and 1994 and 2004

Sacramento Regional Research Institute, March 2005
 Data Source: Bureau of Labor Statistics

Our Workforce continued



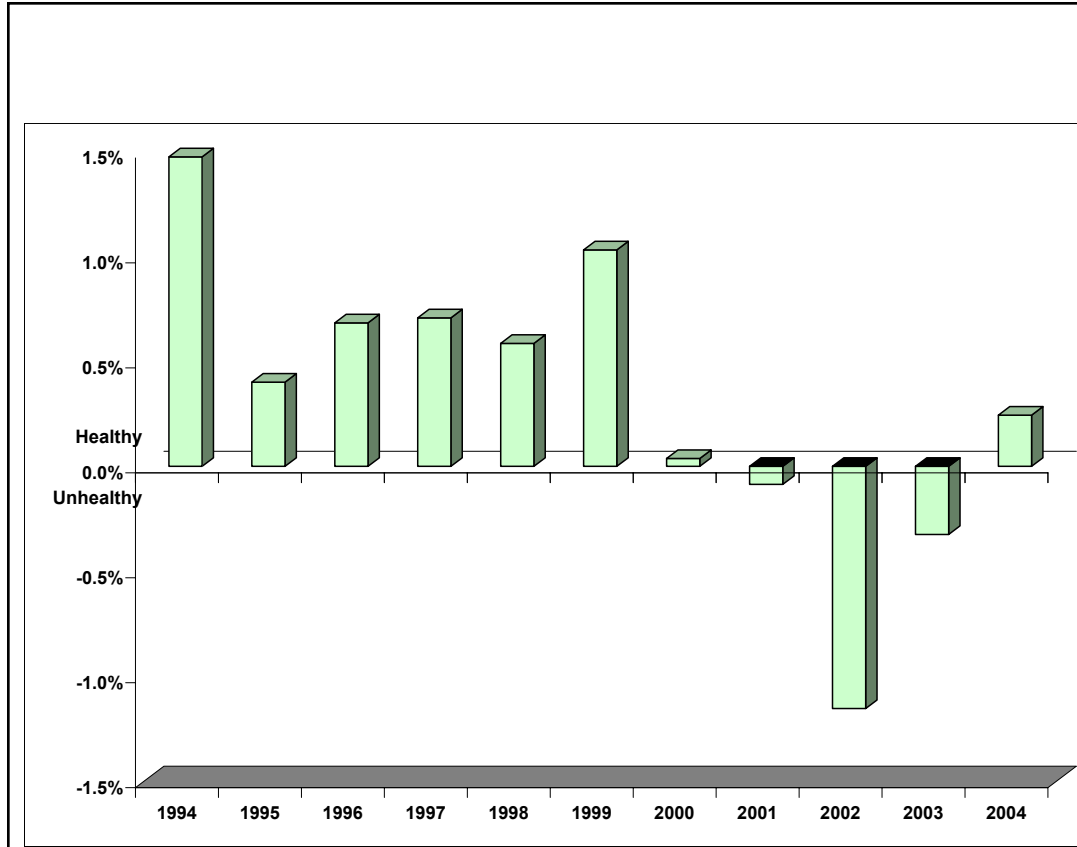
Unemployment Rate in the Sacramento Region, California, and the United States Between 1994 and 2004

Sacramento Regional Research Institute, March 2005
Data Source: Bureau of Labor Statistics

Highlights

- The Sacramento Region's unemployment rate (proportion of the labor force that is unemployed) declined throughout the 1990s, but has shown recent increases.
- The Region's unemployment rate trend generally shows a similar pattern as the statewide and national averages. In most cases, rates have been lower than California, but higher than the national average.

Our Workforce continued



Economic Health in the Sacramento Region Between 1994 and 2004

Sacramento Regional
Research Institute,
March 2005
Data Source:
Bureau of Labor Statistics

Highlights

- Economic theory suggests that as long as the year-over-year growth rate in the number of persons employed is larger than the growth rate in the civilian labor force, then the region is in good economic health. Between 1994 and 2000 the Sacramento Region was in relatively good economic health

where the number of employment opportunities available to the Region's residents grew faster than the number of employable people. Between 2001 and 2003 the Region was in somewhat poor economic health, but shifted back to healthy conditions in 2004.

Our Workforce continued

<i>Occupational Category</i>	<i>Employment 2003</i>	<i>Percent of Total Employment 2003</i>	<i>2000-2003 Shift</i>
Office and Administrative Support	178,530	20.8%	1.2%
Sales and Related	87,170	10.1%	-0.2%
Food Preparation and Serving Related	65,470	7.6%	-1.2%
Transportation and Material Moving	56,240	6.5%	0.5%
Construction and Extraction	55,860	6.5%	0.6%
Business and Financial Operations	53,830	6.3%	0.2%
Education, Training, and Library	45,740	5.3%	-0.3%
Management	43,520	5.1%	-0.4%
Production	37,010	4.3%	-0.7%
Healthcare Practitioners and Technical	35,510	4.1%	-0.1%
Installation, Maintenance, and Repair	31,260	3.6%	0.2%
Building and Grounds Cleaning and Maintenance	26,810	3.1%	0.1%
Computer and Mathematical	24,960	2.9%	0.3%
Protective Service	20,460	2.4%	-0.8%
Architecture and Engineering	18,320	2.1%	0.1%
Healthcare Support	16,850	2.0%	-0.1%
Community and Social Services	14,740	1.7%	0.5%
Personal Care and Service	14,520	1.7%	-0.2%
Life, Physical, and Social Science	9,320	1.1%	0.2%
Arts, Design, Entertainment, Sports, and Media	9,200	1.1%	0.0%
Legal	7,330	0.9%	-0.1%
Farming, Fishing, and Forestry	6,250	0.7%	0.3%

Sacramento Region Occupational Structure in 2003

Sacramento Regional Research Institute, February 2005
Data Source: Bureau of Labor Statistics

Highlights

- A little over one-third of the Sacramento Region's workforce is employed in Office & Administrative Support and Sales & Related occupations. Farming, Fishing, & Forestry and Legal occupations contain the smallest proportions of the Region's workforce.
- Over the past few years, half of the Region's major occupational categories have gained a greater proportion of total employment led by Office & Administrative Support and Construction & Extraction occupations. These trends demonstrate the increasing importance of these occupations in the Region's economy. The other occupational categories lost influence in the Region's economy with Food Preparation & Service Related and Protective Services occupations experiencing the largest decreases in the proportion of total employment.
- The Region's occupational composition points to an economy with a strong demand for business-related jobs that cut across many industry sectors as well as occupations that exist to serve household consumption needs.

Our Workforce continued

Occupational Category	Growth Rate 2000-2003		
	Sacramento	California	United States
Farming, Fishing, and Forestry	76.6%	-11.0%	0.2%
Community and Social Services	50.4%	18.8%	10.0%
Life, Physical, and Social Science	32.4%	8.8%	7.2%
Computer and Mathematical	20.6%	-9.9%	-3.6%
Construction and Extraction	18.0%	4.3%	-1.6%
Transportation and Material Moving	15.0%	-2.1%	-1.9%
Office and Administrative Support	13.3%	2.1%	-1.1%
Installation, Maintenance, and Repair	13.1%	-2.8%	-1.7%
Building and Grounds Cleaning and Maintenance	12.1%	-1.5%	-1.3%
Architecture and Engineering	10.7%	-6.7%	-7.7%
Business and Financial Operations	10.2%	11.9%	6.6%
Arts, Design, Entertainment, Sports, and Media	9.0%	-2.4%	1.6%
Sales and Related	4.7%	0.7%	0.2%
Healthcare Practitioners and Technical	3.7%	-3.6%	2.2%
Healthcare Support	2.4%	11.0%	5.6%
Education, Training, and Library	1.5%	10.3%	5.1%
Management	-0.6%	-9.8%	-14.5%
Personal Care and Service	-6.6%	11.4%	10.7%
Food Preparation and Serving Related	-7.8%	1.7%	2.6%
Legal	-8.6%	-4.7%	6.8%
Production	-8.7%	-18.0%	-15.4%
Protective Service	-20.3%	-3.8%	-0.3%

Occupational Growth in the Sacramento Region, California, and the United States Between 2000 and 2003

Sacramento Regional Research Institute, February 2005

Data Source: Bureau of Labor Statistics

Highlights

- Driven by the Sacramento Region's relatively strong economic performance over the past few years, many occupational categories that saw employment decreases in the nation and the state saw positive growth in the Region between 2000 and 2003 (for example, Computer & Mathematical and Transportation & Material Moving).
- The Region also saw stronger growth in some areas where both the state and the nation also experienced positive growth (for instance, Community & Social Services and Life, Physical, & Social Science).
- There were only two areas where the nation and the state saw employment growth, but the Sacramento Region did not—Personal Care & Service and Food Preparation & Serving Related.
- The Region's two largest occupational categories, Office & Administrative Support and Sales & Related both posted employment gains between 2000 and 2003.

Our Workforce continued

<i>Occupational Category</i>	<i>Specialization 2003</i>
Specialized	
Business and Financial Operations	1.4
Community and Social Services	1.4
Construction and Extraction	1.3
Legal	1.1
Office and Administrative Support	1.1
Life, Physical, and Social Science	1.1
Computer and Mathematical	1.1
Average	
Healthcare Practitioners and Technical	1.0
Installation, Maintenance, and Repair	1.0
Sales and Related	1.0
Food Preparation and Serving Related	1.0
Building and Grounds Cleaning and Maintenance	1.0
Architecture and Engineering	1.0
Protective Service	1.0
Underspecialized	
Management	0.9
Transportation and Material Moving	0.9
Healthcare Support	0.9
Education, Training, and Library	0.9
Personal Care and Service	0.8
Arts, Design, Entertainment, Sports, and Media	0.7
Farming, Fishing, and Forestry	0.6
Production	0.6

Sacramento Region Occupational Specialization in 2003

Sacramento Regional Research Institute, February 2005

Data Source: Bureau of Labor Statistics

Note: Specialization reflects a comparison of the proportion of total employment in the Sacramento Region compared to the statewide average.

Highlights

- The Sacramento Region is specialized in many occupational categories that typically make use of the higher-skilled elements of the workforce including Business & Financial Operations; Legal; Life, Physical, & Social Science; and Computer and Mathematical.
- Some of the occupational categories that are sometimes associated with economic activities in California's inland areas show underspecialization in the Sacramento Region such as Transportation & Material Moving; Farming, Fishing, & Forestry; and Production.
- All but two of the Region's specialized occupational categories experienced positive growth and a greater level of influence in the economy between 2000 and 2003.
- This demonstrates the Sacramento Region's potential strengths in the high-level business and technical aspects of the workforce. These aspects are different than what is generally seen as strengths of the state's inland regions and paint a unique picture of the Region's workforce.

Our Workforce continued

Occupational Category	Sacramento	California	United States	Sacramento to California	Sacramento to United States
Total, All Occupations	\$39,347	\$40,640	\$36,210	-3.2%	8.7%
Legal	\$85,695	\$94,580	\$78,910	-9.4%	8.6%
Management	\$85,569	\$96,710	\$82,790	-11.5%	3.4%
Computer and Mathematical	\$64,885	\$72,230	\$63,240	-10.2%	2.6%
Architecture and Engineering	\$61,594	\$68,070	\$59,230	-9.5%	4.0%
Healthcare Practitioners and Technical	\$60,790	\$62,890	\$55,380	-3.3%	9.8%
Life, Physical, and Social Science	\$53,686	\$57,330	\$53,210	-6.4%	0.9%
Business and Financial Operations	\$53,225	\$61,130	\$55,550	-12.9%	-4.2%
Education, Training, and Library	\$44,838	\$46,080	\$40,660	-2.7%	10.3%
Arts, Design, Entertainment, Sports, and Media	\$43,303	\$53,080	\$42,620	-18.4%	1.6%
Community and Social Services	\$41,195	\$40,600	\$35,420	1.5%	16.3%
Construction and Extraction	\$40,268	\$41,350	\$36,650	-2.6%	9.9%
Protective Service	\$40,037	\$41,140	\$34,090	-2.7%	17.4%
Installation, Maintenance, and Repair	\$37,818	\$38,880	\$36,210	-2.7%	4.4%
Sales and Related	\$31,990	\$35,330	\$31,250	-9.5%	2.4%
Office and Administrative Support	\$31,053	\$31,230	\$28,260	-0.6%	9.9%
Production	\$28,774	\$27,390	\$28,710	5.1%	0.2%
Transportation and Material Moving	\$28,213	\$27,680	\$27,600	1.9%	2.2%
Healthcare Support	\$25,842	\$25,730	\$22,750	0.4%	13.6%
Building and Grounds Cleaning and Maintenance	\$22,600	\$22,910	\$21,060	-1.4%	7.3%
Personal Care and Service	\$21,773	\$23,610	\$21,380	-7.8%	1.8%
Farming, Fishing, and Forestry	\$21,659	\$18,450	\$20,200	17.4%	7.2%
Food Preparation and Serving Related	\$18,440	\$18,750	\$17,290	-1.7%	6.7%

Annual Average Occupational Wages for the Sacramento Region, California, and the United States in 2003

Sacramento Regional Research Institute, February 2005

Data Source: Bureau of Labor Statistics

Highlights

- Occupational wage data shows that the annual average wage in the Sacramento Region is about 3 percent less than the statewide average and almost 9 percent higher than the national average. Similar to industry payroll information, these numbers reflect both the supply and demand relationships in the local labor market and cost of living differences.
- The largest wage disparity between the Sacramento Region and California is in the Arts, Design, Entertainment, Sports, and Media occupational category, which pays about 18 percent less in the Region—unlike other areas in the state, this occupational category is not as concentrated in the Region. The largest wage difference compared to the national average is in the Protective Services occupational category where workers in this category earn wages that are about 17 percent higher than the national average.
- Like California and the United States, the Legal and Management occupational categories garner the highest wages in the Sacramento Region and workers in the Farming, Fishing, and Forestry and Food Preparation and Serving Related occupational categories earn the lowest wages. The Region's two top-paying categories (Legal and Management) have experienced negative employment over the past few years.

Our Workforce continued

Occupational Category	Growth Rate 2000-2003		
	Sacramento	California	United States
Total, All Occupations	11.1%	11.9%	10.1%
Management	18.4%	21.9%	21.4%
Healthcare Practitioners and Technical	17.1%	17.9%	15.4%
Community and Social Services	15.9%	8.6%	7.6%
Protective Service	14.5%	17.4%	10.8%
Installation, Maintenance, and Repair	14.2%	8.9%	7.3%
Production	12.1%	8.9%	8.5%
Business and Financial Operations	11.9%	18.5%	14.6%
Transportation and Material Moving	11.5%	9.5%	7.7%
Sales and Related	11.2%	13.8%	11.6%
Construction and Extraction	10.9%	6.9%	6.4%
Computer and Mathematical	9.4%	10.2%	8.9%
Education, Training, and Library	9.2%	7.7%	7.3%
Office and Administrative Support	8.4%	7.5%	7.5%
Building and Grounds Cleaning and Maintenance	7.7%	10.1%	7.6%
Healthcare Support	6.9%	6.5%	8.1%
Food Preparation and Serving Related	5.2%	10.0%	7.6%
Architecture and Engineering	3.7%	12.0%	9.6%
Life, Physical, and Social Science	2.6%	8.5%	11.3%
Legal	0.2%	21.4%	14.5%
Arts, Design, Entertainment, Sports, and Media	-1.4%	15.4%	10.3%
Personal Care and Service	-7.5%	1.9%	4.2%
Farming, Fishing, and Forestry	-24.3%	12.3%	7.1%

Annual Average Occupational Wage Growth in the Sacramento Region, California, and the United States Between 2000 and 2003

Sacramento Regional Research Institute, February 2005
Data Source: Bureau of Labor Statistics

Highlights

- According to occupational wage data, the 2000 to 2003 growth rate in annual average wages in the Sacramento Region was slightly lower than the statewide average and higher than the national average. This was also the case for most of the individual occupational categories; however, while the state and the nation experienced positive growth in all categories, three categories in the Sacramento Region saw negative wage growth.
- The Sacramento Region experienced the most wage growth in the Management and Healthcare Practitioners and Technical occupational sectors, demonstrating the maturity of the Region. These two occupational categories were also some of the fastest growing in California and the United States.

Our Workforce continued

<i>Occupation</i>	<i>Sacramento</i>	<i>California</i>	<i>United States</i>	<i>Sacramento to California</i>	<i>Sacramento to United States</i>
General and Operations Managers	\$96,039	\$108,120	\$88,700	-11.2%	8.3%
Pharmacists	\$91,450	\$91,170	\$78,620	0.3%	16.3%
Computer Support Specialists	\$42,161	\$46,890	\$42,640	-10.1%	-1.1%
Electrical Engineers	\$85,748	\$80,870	\$72,090	6.0%	18.9%
Advertising and Promotions Managers	\$90,218	\$87,330	\$73,170	3.3%	23.3%
Real Estate Brokers	\$82,600	\$103,120	\$69,920	-19.9%	18.1%
Civil Engineers	\$68,173	\$70,850	\$64,620	-3.8%	5.5%
Industrial Engineers	\$66,540	\$72,720	\$64,290	-8.5%	3.5%
Computer Programmers	\$65,660	\$73,960	\$64,510	-11.2%	1.8%
Computer Systems Analysts	\$63,009	\$69,310	\$66,180	-9.1%	-4.8%
Operations Research Analysts	\$57,700	\$64,120	\$61,700	-10.0%	-6.5%
Database Administrators	\$57,470	\$66,170	\$61,440	-13.1%	-6.5%
Financial Analysts	\$57,825	\$73,560	\$70,040	-21.4%	-17.4%
Registered Nurses	\$56,243	\$62,270	\$51,230	-9.7%	9.8%
Police and Sheriff's Patrol Officers	\$51,096	\$60,990	\$44,960	-16.2%	13.6%
Legal Secretaries	\$39,806	\$42,240	\$37,170	-5.8%	7.1%
Child, Family, and School Social Workers	\$38,710	\$42,390	\$36,700	-8.7%	5.5%
Construction Laborers	\$33,636	\$33,470	\$28,380	0.5%	18.5%
Emergency Medical Technicians and Paramedics	\$28,730	\$30,150	\$26,930	-4.7%	6.7%
Data Entry Keyers	\$26,872	\$25,990	\$23,590	3.4%	13.9%
Retail Sales Persons	\$23,926	\$24,480	\$22,260	-2.3%	7.5%
Packers and Packagers	\$20,915	\$18,200	\$18,410	14.9%	13.6%

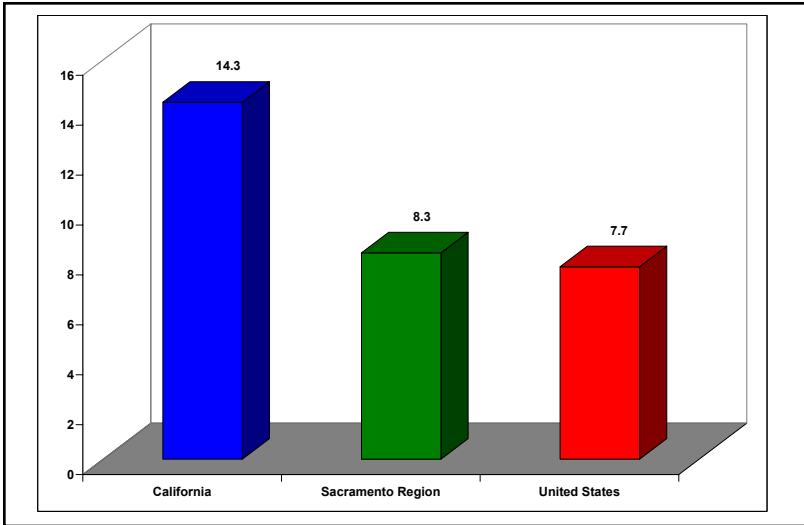
Annual Average Wages for Selected Occupations for the Sacramento Region, California, and the United States in 2003

Sacramento Regional Research Institute, February 2005
 Data Source: Bureau of Labor Statistics

Highlights

- Based on a group of selected occupations, in about three-quarters of the cases, the Sacramento Region is characterized by wages that are lower than the statewide average and higher than the national average—this is primarily explained by cost of living and local labor force variations.

Our Innovation and Investment



Patents Generated per 10,000 Employees in 2001

Sacramento Regional Research Institute, March 2005
 Data Source: Harvard Business School, Institute for Strategy and Competitiveness, Cluster Mapping Project

Highlights

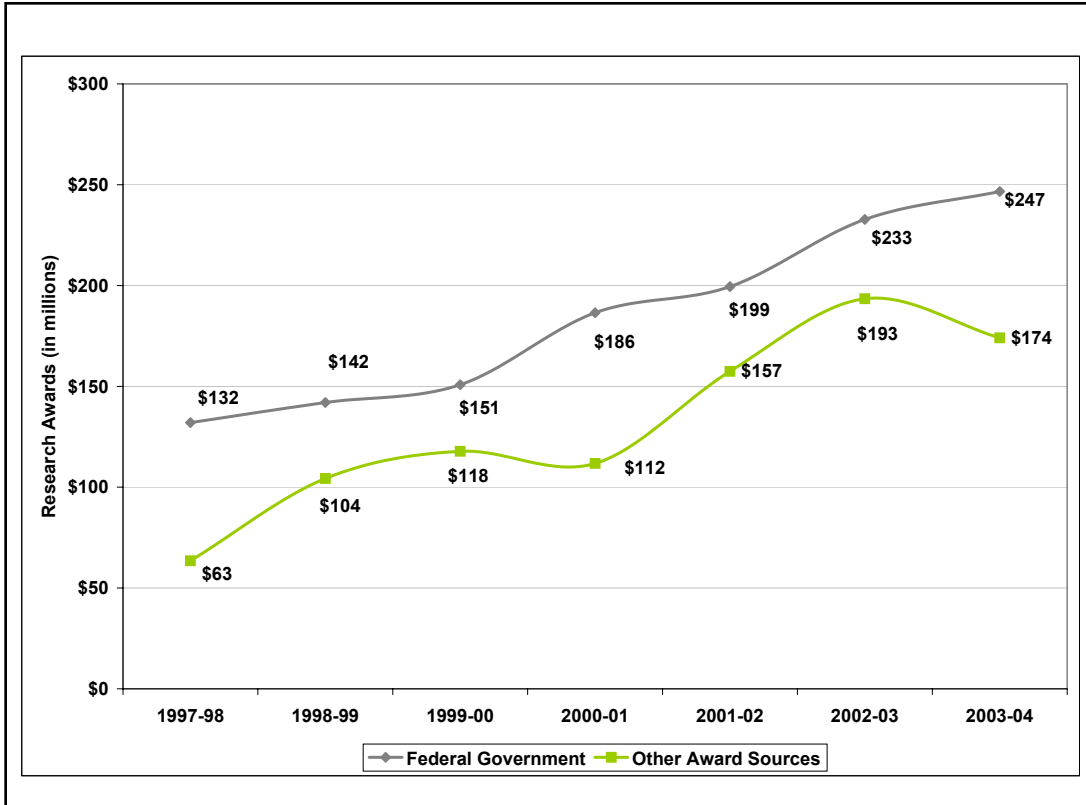
- Patent generation information provides insight into the amount of new innovation and development that is taking place within a region. The Sacramento Region's average number of patents per 10,000 employees was 8.3 in 2001, slightly above the national average and significantly lower than the statewide average (one of the highest levels in the nation).
- From 1990 to 2001, the Sacramento Region's average growth in patent generation was 13.2 percent, which is considerably higher than both the statewide and national averages (9.6 and 5.9 percent, respectively), demonstrating the Region's increasing level of innovation capacity.
- Adding to its research capacity, the University of California, Davis received almost \$124 million in funding from the National Institutes of Health in 2003—this placed UC Davis 43rd in funding from NIH out of 534 national higher education institutes. Ranking 348th, California State University, Sacramento received about \$416,000.

Institution	Number of Grants	Total Grant Amount	NIH Ranking
University of California, Davis	343	\$123,935,109	43
California State University, Sacramento	3	\$416,009	348

Sacramento Region Higher Education Research Funding from National Institutes of Health in 2003

Sacramento Regional Research Institute, March 2005
 Data Source: National Institutes of Health, Office of Extramural Research

Our Innovation and Investment continued



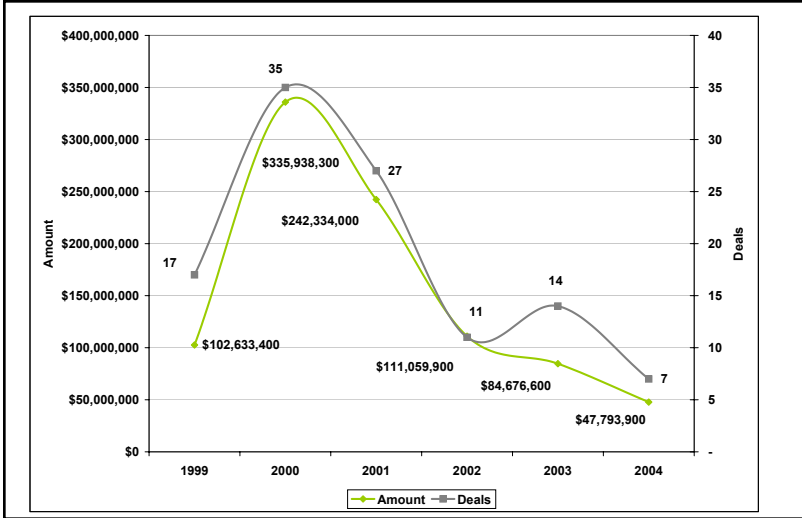
University of California, Davis Total Research Awards from the 1997-1998 to 2003-2004 School Years

Sacramento Regional Research Institute, March 2005
Data Source: University of California, Davis Office of Research

Highlights

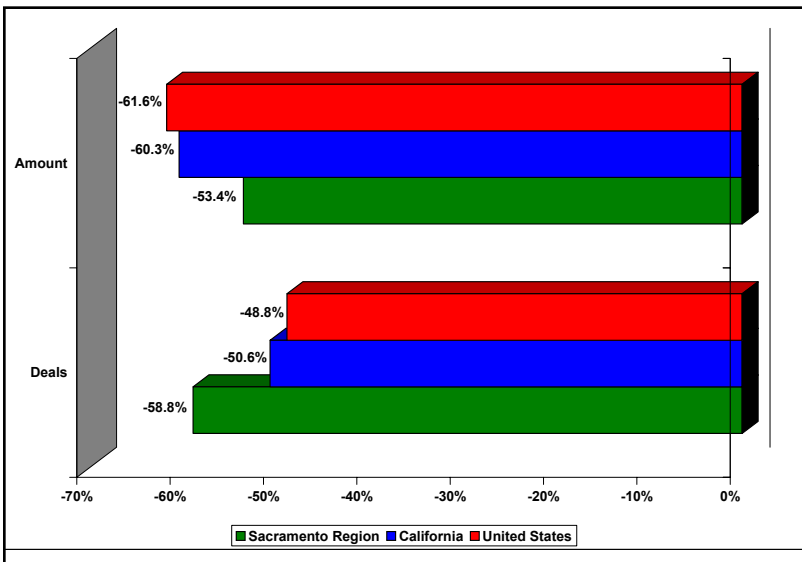
- The University of California, Davis' total research awards have more than doubled in the past few years, reaching \$421 million in 2003-2004.
- The majority of UC Davis' funding comes from the Federal Government, with other award sources (made up of State Government, University of California system, and private funding) making up the remaining portion.

Our Innovation and Investment continued



Venture Capital Investment Amounts and Deals in the Sacramento Region Between 1999 and 2004

Sacramento Regional Research Institute, March 2005
 Data Source: PricewaterhouseCoopers, Moneytree Survey



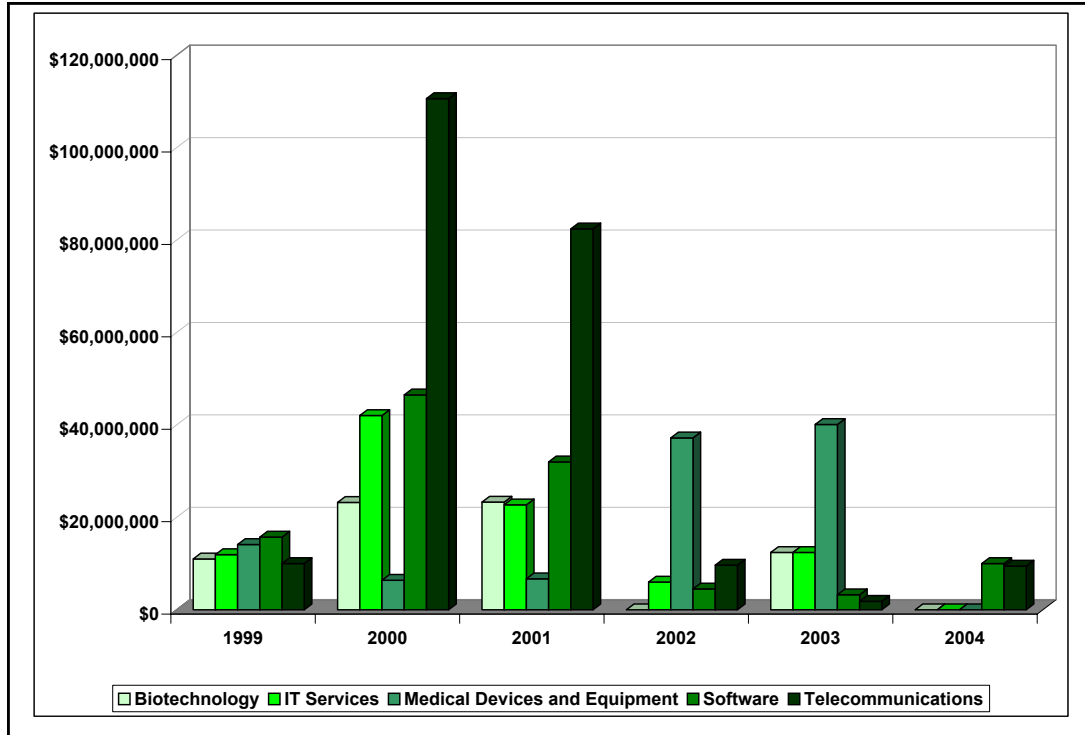
Venture Capital Growth in the Sacramento Region, California, and the United States Between 1999 and 2004

Sacramento Regional Research Institute, March 2005
 Data Source: PricewaterhouseCoopers, Moneytree Survey

Highlights

- The amount of venture capital and number of deals in the Sacramento Region both demonstrated a rapid increase in 2000 and an overall downward trend since then reflecting the overall climate in the venture capital arena as well as view of risk and investment opportunities in the Region.
- With nearly \$336 million invested and 35 deals, 2000 was the Region's strongest year for venture capital. Investment amounts and deals have been significantly lower in more recent years with 2004 posting 28 fewer deals and about \$288 million less investment than the 2000 peak.
- The Sacramento Region is not unique in the overall decline in venture capital that has accompanied the recent national recession—the Region, state, and nation have all experienced significant declines in investment amounts and deals over the past five years.
- While not as severe as the statewide and national decline in investment amount declines between 1999 and 2004, the Sacramento Region experienced a greater rate of loss in deals compared to the statewide and national averages.

Our Innovation and Investment continued



Venture Capital Investment Amounts for Selected Sectors in the Sacramento Region Between 1999 and 2004

Sacramento Regional Research Institute, March 2005

Data Source: PricewaterhouseCoopers, Moneytree Survey

Note: Unreported quarterly data aggregated into yearly total as zero investment.

Highlights

- Venture capital investment activity has shown an overall variation in key sectors and investment amounts with a general surge in 2000 and 2001, dropping off in latter years.
- The Software and Telecommunications sectors have by and large been two of the most heavily invested sectors in the Sacramento Region, showing relatively large investments in 2000 and 2001 while maintaining investment interest as other sectors have declined.

Our Quality of Life

Sacramentans benefit from an exceptional quality of life. The region's scenery ranges from waterways (such as the San Joaquin Delta, the American and Sacramento Rivers), to farmlands and views of the Sierra Nevada Mountains. The Sacramento region offers a wide variety of local entertainment and leisure activities, but also is located a relatively short distance to the tourist destinations of South Lake Tahoe and San Francisco. Sacramento also has direct access to other major markets via its interstate freeways/highways (5, 99, 50, and 80), transcontinental railways, cargo port, and international airport. Sacramento Regional Transit provides the local population public transportation with its 240 buses and 65 light rail vehicles.

Regional Airports

- Sacramento International Airport (commercial passenger and air cargo)
- Mather Airport (air cargo and general aviation)
- Sacramento Executive (general aviation)

Regional Universities

- California State University, Sacramento
- University of California, Davis
- Los Rios Community College District
- Sierra Joint Community College District
- Yuba Community College District
- Chapman University
- Golden Gate University
- Lincoln Law School
- McGeorge School of Law
- National University
- University of Phoenix
- University of San Francisco
- USC-Sacramento Center
- William Jessup University

Major Health Care Facilities

- UC Davis Medical Center
- Sutter Health
- Kaiser Permanente
- Adventist Health
- Catholic Healthcare West

Our Quality of Life continued

<i>Type</i>	<i>PG&E</i>	<i>SMUD</i>	<i>RE</i>	<i>LADWP</i>	<i>SDG&E</i>	<i>SCE</i>	<i>BGP</i>
Residential	12.87	10.20	8.90	10.44	14.00	13.46	12.73
Small Commercial	19.48	10.28	n/a	10.84	17.09	18.69	13.34
Large Commercial	14.45	9.40	7.20	9.55	13.19	15.78	12.35
Industrial	12.40	7.54	6.00	7.41	12.47	12.19	9.07
Agricultural	19.75	9.54	n/a	n/a	15.79	13.54	n/a

Average Retail Electricity Rates by Major Utility (CENTS/KWH) in 2003

Electricity

- Electricity is provided to the Sacramento Region through Sacramento Municipal Utility District (SMUD), Pacific Gas & Electric (PG&E) (electricity and natural gas), and Roseville Electric—the two municipal utilities, SMUD and Roseville Electric, provide competitive utility rates compared to other California electricity for both residential and commercial use.

Our Quality of Life continued

Entertainment Venues and Attractions

Theaters

Crest Theater
Memorial Auditorium
Sacramento Convention Center
Sacramento Community Theatre
B Street Theater
Music Circus
Sleep Train Amphitheatre
Mondavi Center for the Performing Arts

Performance Groups

Sacramento Opera Company
Sacramento Philharmonic Orchestra
Sacramento Ballet
Camellia Symphony
Sacramento Choral Society
Sacramento Light Opera Association

Museums

Crocker Art Museum
Discovery Museum
Towe Auto Museum
Golden State Museum
Governor's Mansion

California Military Museum
California State Railroad Museum
McClellan Aviation Museum

Nature and Wildlife Attractions

UC Davis Arboretum
Effie Yeaw Nature Center
Sacramento Zoo

Historical Attractions

Old Sacramento
Sutter's Fort
Historic Sutter Street, Folsom
Historic Old Auburn

Sport Teams

Sacramento Kings (NBA)
Sacramento Monarchs (WNBA)
River Cats (minor league baseball)

Major Annual Events

Sacramento Jazz Jubilee
California State Fair
Gold Rush Days

Other Recreation

American River Parkway
Lake Natoma
Folsom Lake

Our Quality of Life continued

Commutes

The average commute time for the Sacramento Region is just under 26 minutes, about 2 minutes less than the State average.

Area	Average Commute Time 2000 (in minutes)
Sacramento Region	25.8
California	27.7

Average Commute Times in the Sacramento Region and California in 2000

Sacramento Regional Research Institute, March 2005
Data Source: Census Bureau

Weather

Sacramento weather ranges from 59 degrees to 93 degrees with very minimal precipitation in the summer. From November to April, precipitation averages about 2.9 inches and temperatures range from 40 to 74 degrees.

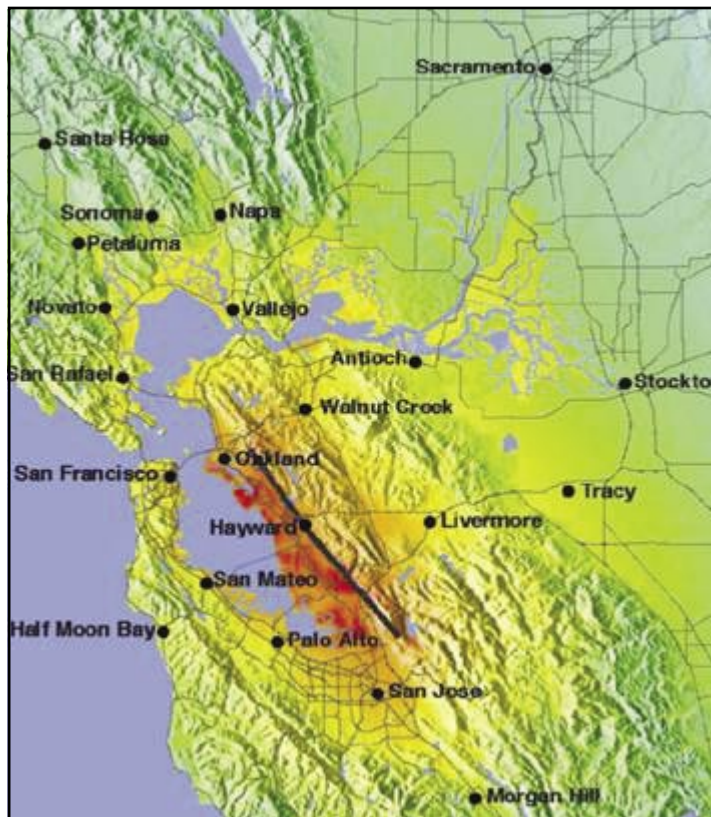
Month	Average High (°F)	Average Low (°F)	Average Precipitation (inches)
January	55°	41°	4.18
February	62°	45°	3.77
March	67°	47°	3.15
April	74°	50°	1.17
May	82°	54°	0.60
June	89°	58°	0.18
July	94°	61°	0.05
August	93°	61°	0.05
September	89°	59°	0.37
October	79°	54°	1.00
November	64°	46°	2.59
December	55°	40°	2.76

Sacramento Region Weather

Sacramento Regional Research Institute, March 2005
Data Source: www.weather.com

Seismic Stability

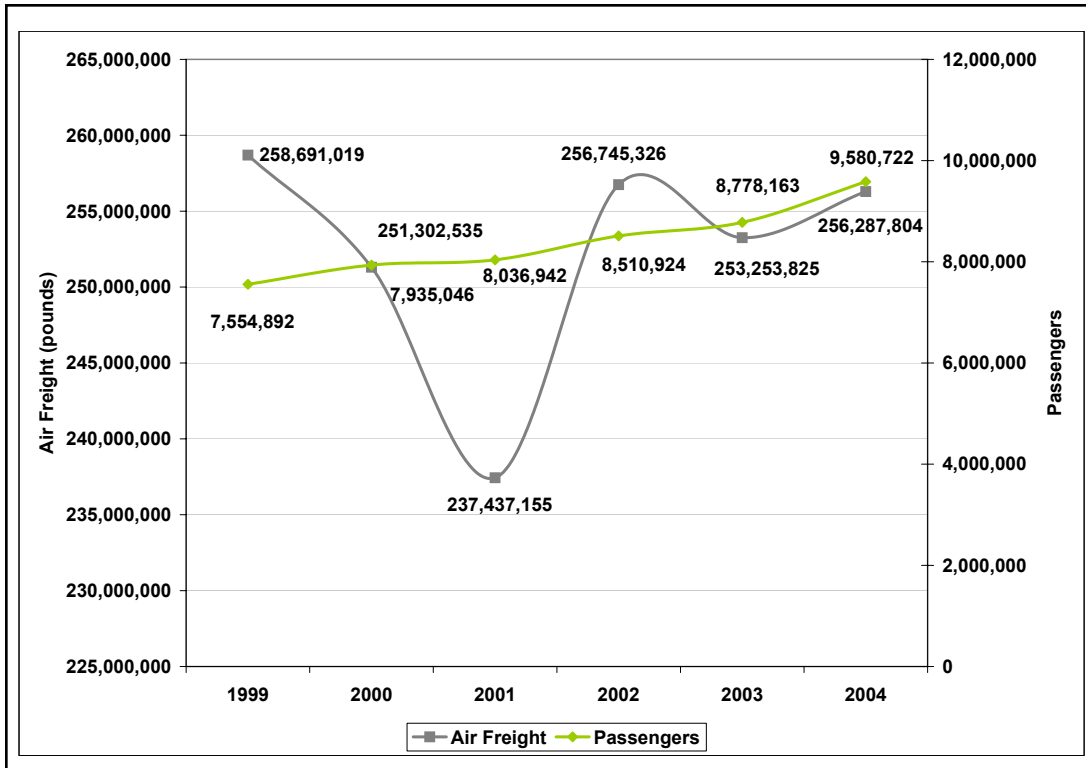
Businesses and residents value the geological stability of the Sacramento Region. The probability of major earthquakes occurring in the area is one of the lowest in California, a state known for its seismic activity. The image below, from the U.S. Geological Survey, shows Sacramento's earthquake intensity and damage in comparison with the Bay Area.



Sacramento Regional
Research Institute, March 2005
Data Source: U.S. Geological Survey

PERCEIVED SHAKING	Not felt	Weak	Light	Moderate	Strong	Very strong	Severe	Violent	Extreme
POTENTIAL DAMAGE	none	none	none	Very light	Light	Moderate	Moderate/Heavy	Heavy	Very Heavy
PEAK ACC.(%g)	<.17	.17-1.4	1.4-3.9	3.9-9.2	9.2-18	18-34	34-65	65-124	>124
PEAK VEL.(cm/s)	<0.1	0.1-1.1	1.1-3.4	3.4-8.1	8.1-16	16-31	31-60	60-116	>116
INSTRUMENTAL INTENSITY	I	II-III	IV	V	VI	VII	VIII	IX	X

Additional Points of Interest



Passengers and Air Freight for the Sacramento County Airport System Between 1999 and 2004

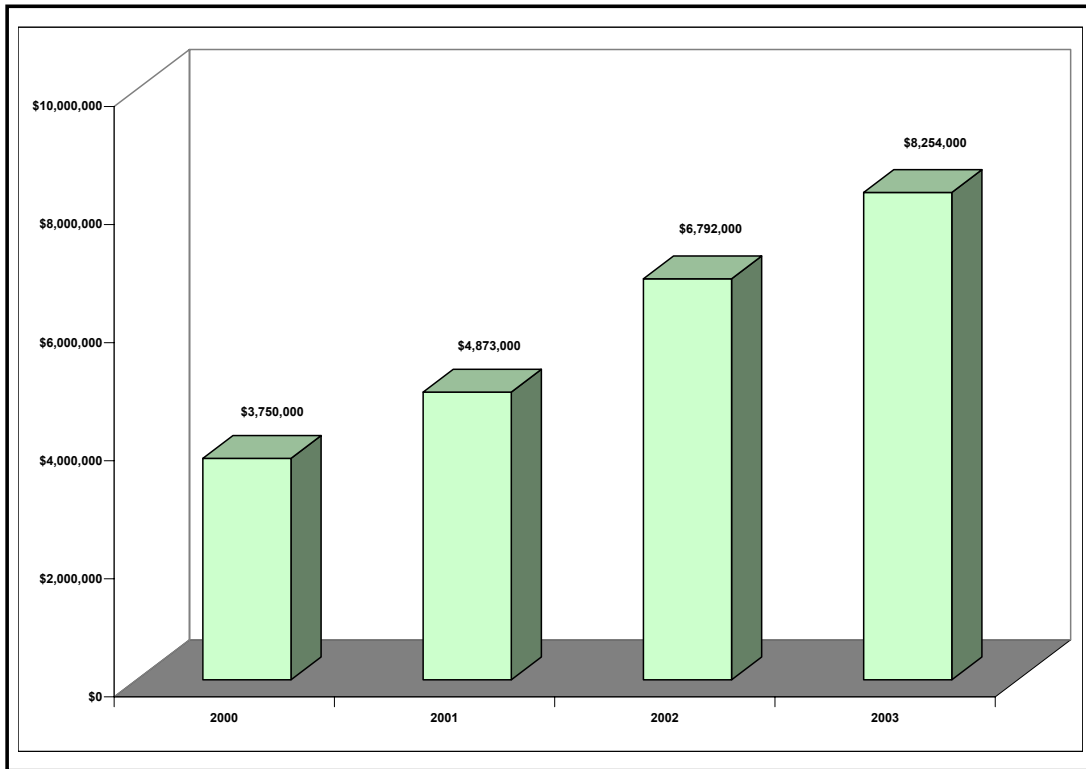
Sacramento Regional Research Institute, March 2005
 Data Source: Sacramento County Airport System, Operations Report

Air Transportation

Highlights

- The level of passengers at Sacramento International Airport has steadily grown over the past few years—on average, the airport saw over 400,000 more passengers each year over the past five years. The five-year growth rate in passengers is nearly 27 percent. While many airports in the nation experienced a general decline, Sacramento has continued its trend of increasing passengers and has also expanded services.
- Air freight traveling through the Sacramento County Airport System experienced a decrease in 2001, but, has been fairly steady over the last few years, reflecting a shift in shipping lighter weight commodities, from water and ground transportation to air transportation.

Additional Points of Interest continued



**Export Values for
NCWTC Members
in the Sacramento
Region Between
2000 and 2003**

Sacramento Regional
Research Institute,
March 2005
Data Source:
Northern California
World Trade Center

Exports

Highlights

- Between 2000 and 2003, total exports (international trade) for members of the Northern California World Trade Center (NCWTC) grew 120 percent, indicating that the Sacramento Region has more than doubled its export-related output and continues to create net new wealth. The level of NCWTC membership from 2000 to 2003 has only increased about 17 percent, further demonstrating the significant growth of exports in this representative group.

Resource Guide

For More Information on the Sacramento Region's Economy

California County Projections—Center for Continuing Study of the California Economy

California Economic Growth—Center for Continuing Study of the California Economy

California Regional Economies Project—California Labor and Workforce Development Agency

Cluster Mapping Project—Institute for Strategy and Competitiveness, Harvard Business School

Economy Watch—Sacramento Regional Research Institute

2005 Sacramento Region Databook—Sacramento Area Commerce and Trade Organization

Greater Sacramento Area Economic Profile—Sacramento Area Commerce and Trade Organization

Sacramento Area Employment Forecast—California Institute for County Government

Sacramento Area Housing Forecast—California Institute for County Government

Sacramento Business and Community Guide—Sacramento Metropolitan Chamber of Commerce

Sacramento Forecast Project—College of Business Administration, California State University, Sacramento

Sacramento Region Blueprint Transportation Land Use Study—Sacramento Area Council of Governments

Sacramento Region Occupational Outlook and Training Directory—Sacramento Works, Inc.

Sacramento Region Quality of Life Report—Valley Vision

TECH Index—Sacramento Area Regional Technology Alliance

Top 25 Book of Lists—Sacramento Business Journal