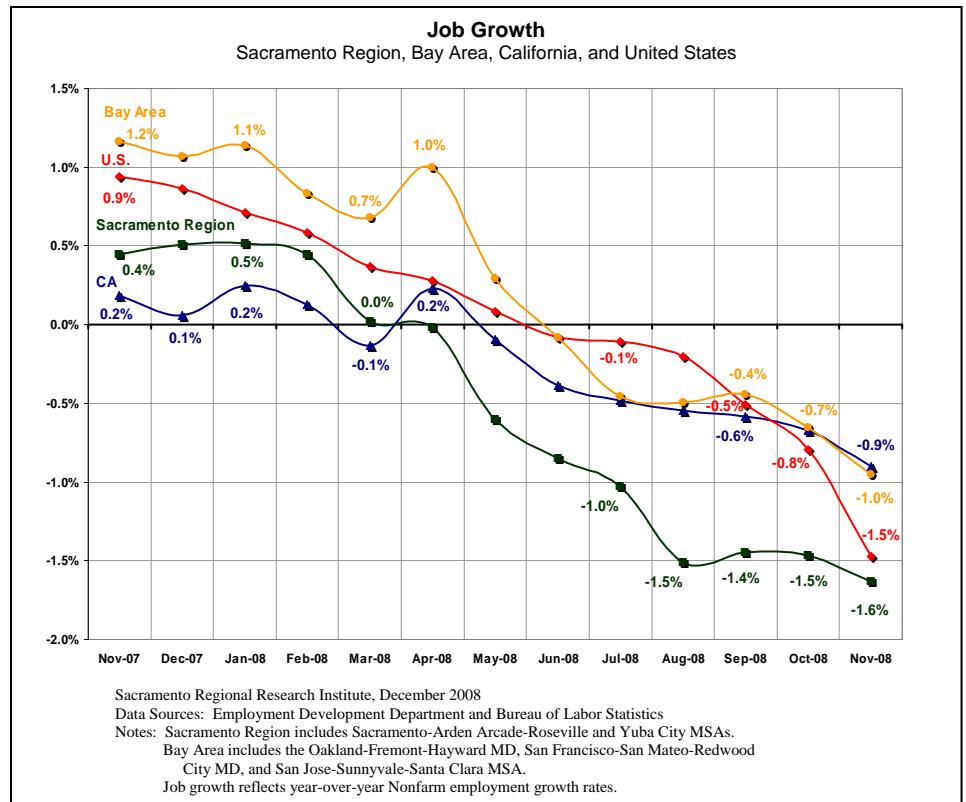


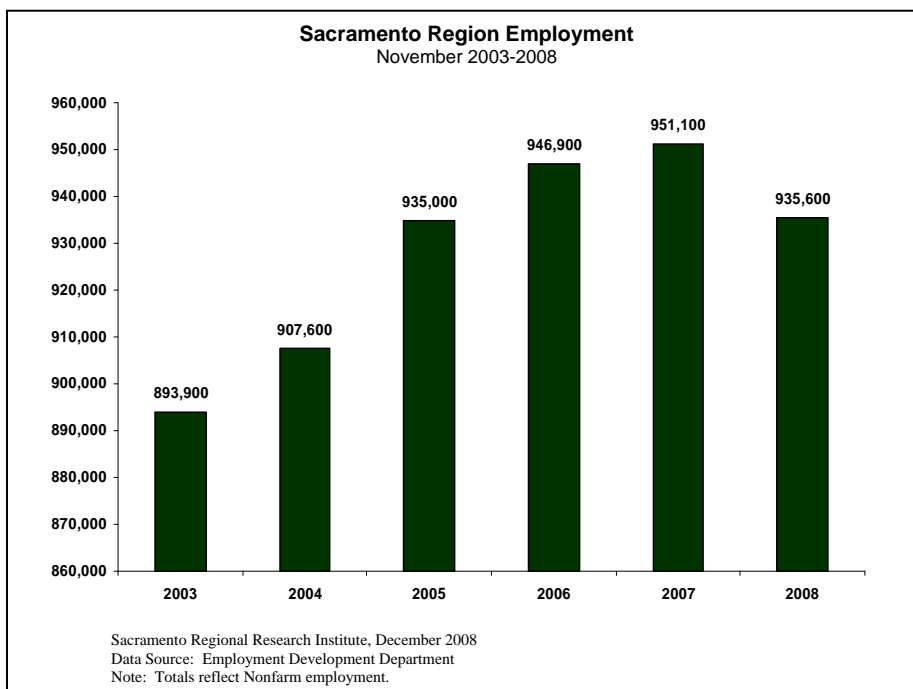
EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES

The Sacramento Region's job growth continued to deteriorate in November 2008 with slowing across the board.

The six-county Sacramento Region's job growth took another slight dip in November 2008. Preliminary data show that the Region fell to -1.6 percent job growth with a 12-month decrease of 15,500 jobs. While all of Sacramento's major sectors have seen slowing job growth since the beginning of the year, Leisure & Hospitality; Educational & Health Services; and Trade, Transportation, & Utilities have experienced the most severe slowdowns. The Construction; Manufacturing; Trade, Transportation, & Utilities; and Financial Activities sectors have all consistently posted worsening negative job growth during this time. The Region's job growth remains below both the statewide and national averages and continues to fall at levels not posted since early 1992 (the low period of the last downturn). It is interesting to note that total Nonfarm employment in the Sacramento Region is now just slightly above the 2005 level.



The state continued its pattern of slowly declining job growth, reaching a year-over-year employment growth rate of -0.9 percent in November 2008 (reflecting a loss of 137,100 jobs in the last year). The downturn is spread across all major sectors and now every large market in the state is posting negative job growth. Job growth at the national level plunged significantly in November 2008 to -1.5 percent with total job losses exceeding 2 million for the first time since early 2002.



The Bay Area also saw job growth decline again in November 2008. Over the past 12 months, the Bay Area's employment has fallen by -1.0 percent or 28,300 jobs. Like many other areas, every major sector in the Bay Area has seen job growth slow since the beginning of 2008 with one interesting exception, Financial Activities (where negative job growth has not been as weak recently). Floating around a level not seen since early 2004, the Bay Area's most recent job growth places it below the statewide average, but above the national average.

Despite improvements in some sectors, six of the Sacramento Region's major sectors are posting job losses and overall job growth continues to decline.

Six of the Sacramento Region's major sectors lost jobs between November 2007 and 2008. Improvements in the Region's Government and Other Services sectors were negated by weakening in the Professional & Business Services sector. While the former two sector shifted from negative to positive job growth in November 2008, the latter dipped to no growth after a 10-month period of healthy gains. The three sectors adding jobs on a year-over-year basis only added 3,300 jobs while both the Construction and Trade, Transportation, & Utilities sectors each shed over 5,000 jobs in the last 12 months.

At the statewide level, seven major sectors posted 12-month jobs losses in November 2008. Like the Sacramento Region, Construction and Trade, Transportation, & Utilities experienced the most severe losses with a decrease of nearly 68,000 jobs each. Only the Educational & Health Services; Government; Information; and Natural Resources & Mining sectors added jobs in California over the last year with a combined gain of 78,300 jobs.

The Bay Area is also seeing annual job losses in seven of its major sectors with four sectors adding jobs. Statewide trends are evident in the Bay Area with the same two sectors posting the greatest losses. Educational & Health Services; Government; Natural Resources & Mining; and Professional & Business Services all added jobs during the 12 months ending November 2008 with the latter three seeing only minimal gains.

Sector	Major Sector Employment Gains and Losses Sacramento Region, California, and Bay Area		
	November 2007-2008		
	Sacramento Region	California	Bay Area
Total Nonfarm	-15,500	-137,100	-28,300
Private Sector	-16,300	-151,800	-28,400
Public Sector	800	14,700	100
Edu. & Health Svcs.	2,400	56,000	4,700
Government	800	14,700	100
Other Services	100	-3,200	-900
Nat. Res. & Mining	0	1,600	100
Prof. & Business Svcs.	0	-13,200	300
Information	-700	6,000	-600
Manufacturing	-1,500	-32,400	-4,100
Financial Activities	-2,400	-28,300	-5,000
Leisure & Hospitality	-3,500	-2,600	-1,200
Trade, Trans., & Util.	-5,200	-67,800	-12,900
Construction	-5,500	-67,900	-8,800

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

Employment Gains and Losses Components of Sacramento Region and Bay Area		
Area	November 2007-2008	
	Absolute	Rate
Sacramento Region	-15,500	-1.6%
Yuba City MSA	-1,800	-4.3%
Sacramento-Arden Arcade-Roseville MSA	-13,700	-1.5%
Bay Area	-28,300	-1.0%
San Francisco-San Mateo-Redwood City Div.	-1,500	-0.1%
San Jose-Sunnyvale-Santa Clara MSA	-4,300	-0.5%
Oakland-Fremont-Hayward Div.	-22,500	-2.1%

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

The two sub-markets in the Sacramento Region are both seeing negative job growth. The Yuba City Metropolitan Statistical Area (MSA—Sutter and Yuba Counties) lost 1,800 jobs in the past year with -4.3 percent job growth. Only the Educational & Health Services sector showed positive employment growth in November 2008 while Natural Resources & Mining lost the most jobs. The larger Sacramento-Arden Arcade-Roseville MSA (El Dorado, Placer, Sacramento, and Yolo Counties) posted -1.5 percent job growth between November 2007 and 2008 with a net loss of 13,700 jobs. In this MSA, Educational & Health Services added the greatest amount of jobs while Construction experienced the largest declines.

With the San Francisco-San Mateo-Redwood City Metropolitan Division (MD—Marin, San Francisco, and San Mateo Counties) and the San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) shifting to negative job growth in November 2008 all of the Bay Area's sub-markets are now demonstrating weak economic conditions. Combined, these two sub-markets shed 5,800 jobs in the past year with respective employment growth rates of -0.1 and -0.5 percent. The San Francisco-San Mateo-Redwood City MD's strongest sectors were Educational & Health Services and Professional & Business Services and the Trade, Transportation, & Utilities sector shed the most jobs. The Silicon Valley's Government sector posted the greatest gains while Trade, Transportation, & Utilities saw the largest drop in employment. As one of the weakest markets in the state, the Oakland-Fremont-Hayward MD (Alameda and Contra Costa Counties) is having the greatest negative effect on the Bay Area's economy. This MD lost 22,500 jobs in the past 12 months with -2.1 percent job growth. Only the East Bay's Educational & Health Services and Natural Resources & Mining sectors added jobs as Construction lost a considerable amount of jobs.

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