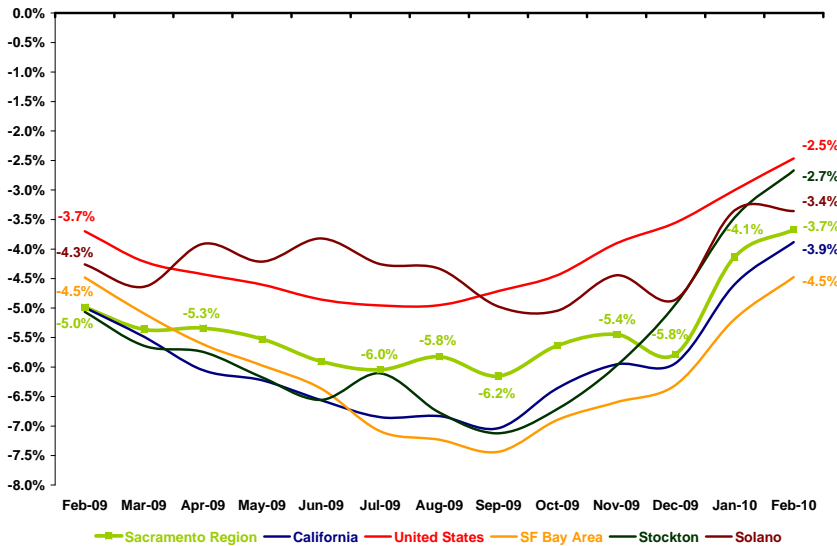


A monthly report examining the health and performance of the Sacramento Region's economy

THE SACRAMENTO REGION'S JOB GROWTH CONTINUES TO IMPROVE

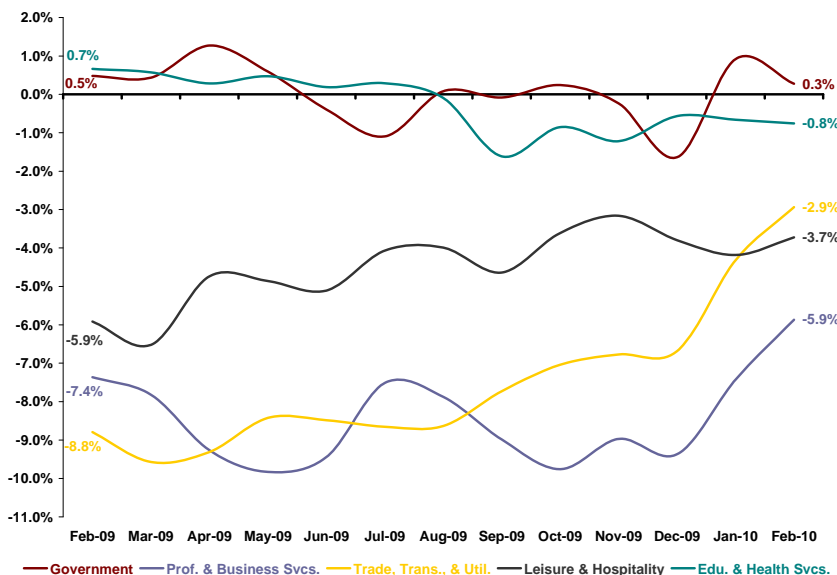
Annual Job Growth



Data Sources: CA Employment Development Department and U.S. Bureau of Labor Statistics

WEAK CONDITIONS ARE EASING IN SOME OF THE REGION'S LARGEST SECTORS

Sacramento Region Largest Sector Annual Job Growth



Data Source: CA Employment Development Department

Establishments in the six-county Sacramento Region continue to shed jobs on an annual basis, but rates of loss are slowing. Preliminary data for February 2010 indicate that the Region lost 32,400 jobs, equating to a 3.7 percent annual rate of loss. This was a significant improvement from the -6.2 percent job growth posted in September 2009. Sacramento remains between the state and the nation, which are also seeing diminishing rates of loss. Two of Sacramento's largest sectors have been showing considerable improvements in negative job growth, Professional & Business Services and Trade, Transportation, & Utilities, influencing recent overall economic performance. Job growth in two of the Region's other large sectors, Educational & Health Services and Leisure & Hospitality, has been essentially flat while the Government sector has shown notable variability with recent positive growth, adding to current regional performance.

The state and nation posted February 2010 job growth well above the recent low points in the third quarter of 2009. The nation lost 2.5 percent of all Nonfarm jobs between February 2009 and 2010 (3.2 million jobs) while the state dropped 3.9 percent of all jobs (554,000 jobs). Sacramento's neighboring regions have also seen improvements recently. The SF Bay Area's annual rate of loss has shrunk to 4.5 percent (126,000 jobs), but still sits well below the statewide and national averages. Stockton's job growth moved up to -2.7 percent (a loss of 5,200 jobs) while Solano has flattened out at -3.4 percent (a 4,000-job decrease)—both of these markets placed between the nation and state benchmarks and just above the Sacramento Region.

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GOVERNMENT WAS THE ONLY MAJOR SECTOR TO ADD JOBS IN SACRAMENTO

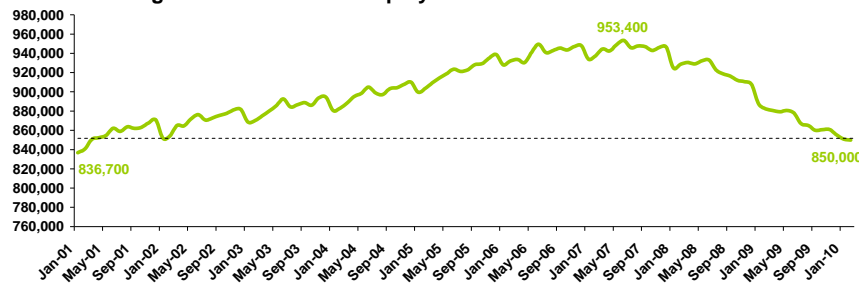
Major Sector Annual Job Gains and Losses

Sector	February 2009-2010				
	Sacramento Region	California	SF Bay Area	Stockton	Solano
Total Nonfarm	-32,400	-554,300	-125,900	-5,200	-4,000
Private Sector	-33,100	-507,800	-113,100	-4,700	-2,900
Public Sector	700	-46,500	-12,800	-500	-1,100
Government	700	-46,500	-12,800	-500	-1,100
Mining & Logging	0	-2,800	100	0	-100
Edu. & Health Svcs.	-800	21,200	-5,200	-500	-300
Information	-1,100	-15,300	-5,200	-100	300
Other Services	-1,700	-23,000	-4,900	300	0
Manufacturing	-2,200	-95,500	-15,900	-1,100	-500
Leisure & Hospitality	-3,200	-48,700	-4,000	-900	-800
Trade, Trans., & Util.	-4,200	-119,100	-19,600	-600	-400
Financial Activities	-4,400	-31,700	-9,200	-100	-100
Prof. & Business Svcs.	-6,200	-79,000	-29,400	-400	-400
Construction	-9,300	-113,900	-19,800	-1,300	-600

Data Source: CA Employment Development Department (totals may not match sum of sectors due to source rounding methodology)

SACRAMENTO'S TOTAL EMPLOYMENT FELL TO 2001 LEVELS

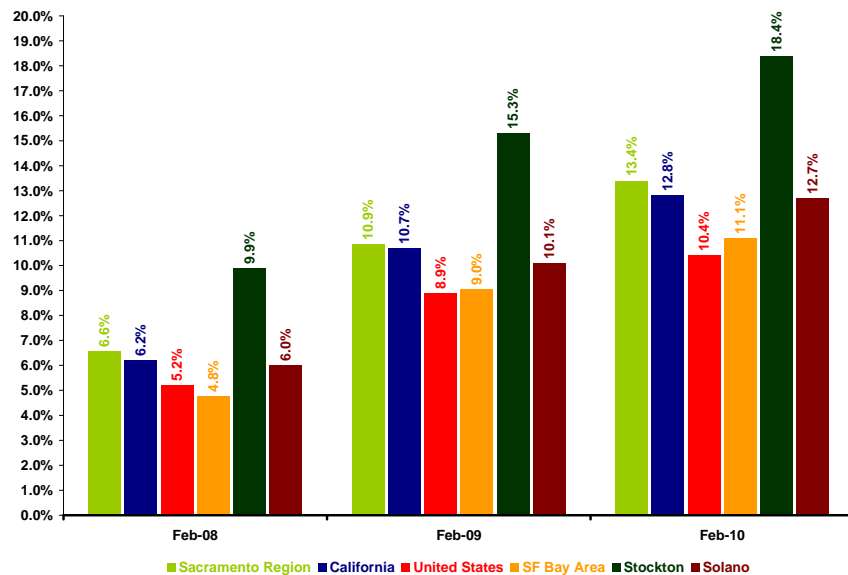
Sacramento Region Total Nonfarm Employment



Data Source: CA Employment Development Department

REGIONAL UNEMPLOYMENT IS STILL TRACKING ABOVE THE STATE AVERAGE

Unemployment Rate



Data Sources: CA Employment Development Department and U.S. Bureau of Labor Statistics

The Sacramento Region's Government sector was the only major sector to post job gains between February 2009 and 2010. Preliminary data show that annual net gains in this sector are the result of growth in the local government education segment—all other segments are showing job losses. All other major sectors saw either no growth or annual job losses with Construction; Professional & Business Services; and Financial Activities experiencing the greatest decreases. Sacramento's Educational & Health Services sector lost jobs in the 12 months ending February 2010, varying from the statewide pattern of continued growth in this sector. The Region's net loss of 32,400 jobs dropped total Nonfarm employment to 850,000, close to the same level seen in early-2001.

At the statewide level no other sector besides Educational & Health Services added jobs in the past year. The state's Trade, Transportation, & Utilities and Construction sectors posted the most severe declines with annual losses of over 110,000 jobs each. The SF Bay Area only saw minimal gain in the small Mining & Logging sector while Professional & Business Services shed the most jobs between February 2009 and 2010. Stockton's Other Services sector added jobs in the past year with Construction continuing to see the greatest losses. In Solano, the Information sector gained jobs in the last 12 months while its Government sector dropped the most jobs.

The Sacramento Region's unemployment rate came in at 13.4 percent in February 2010 with 151,500 unemployed. Even with a corresponding shrinking labor force, this rate is 2.5 percentage points higher than in February 2009 and 6.8 percentage points greater than in February 2008. Sacramento's unemployment rate remained above the statewide and national averages (12.8 and 10.4 percent, respectively) as well as the neighboring SF Bay Area and Solano region (respective rates of 11.1 and 12.7 percent). The Stockton market saw its unemployment rate jump 3.1 percentage points from an already considerably high rate in February 2009 (15.3 percent) to 18.4 percent in February 2010. Along with other areas in the Central Valley, Stockton's unemployment rate is among the highest of all regions in the nation.

The **Center for Strategic Economic Research (CSER)**, an economic research and consulting group affiliated with the Sacramento Area Commerce and Trade Organization (SACTO), provides a full range of objective economic and demographic research services to businesses, government entities, educational institutions, and non-profit organizations throughout the country.