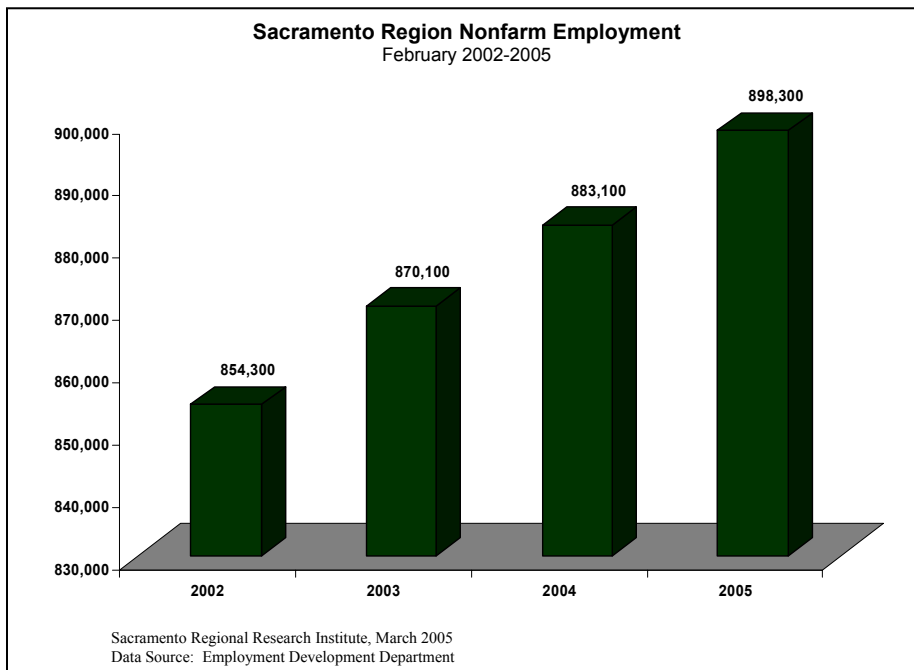
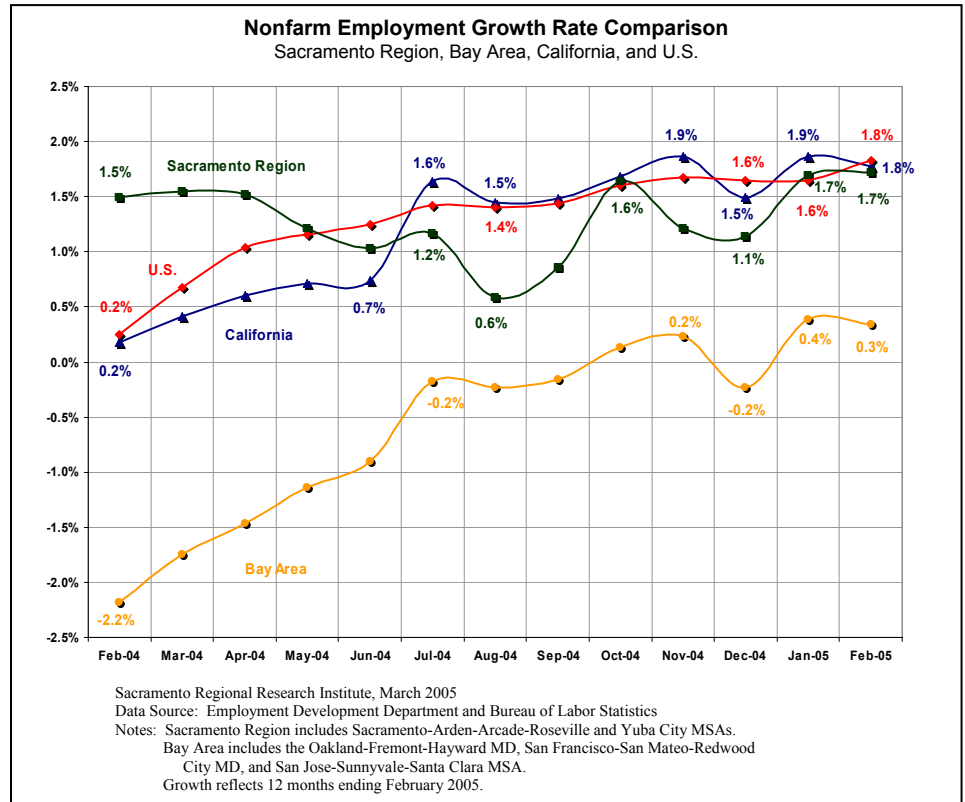


**EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES**

*Job growth in the Sacramento Region remained relatively strong in February 2005, reaching a level similar to the statewide and national averages.*

Between February 2004 and 2005, the six-county Sacramento Region gained over 15,000 Nonfarm jobs with a growth rate of 1.7 percent. Although this is the same rate seen in January 2005, it is one of the highest job growth levels the Region has experienced in the past year. In recent months, the Sacramento Region has posted year-over-year employment growth rates below the statewide and national averages. However, over the past two months, the Sacramento Region has attained growth rates around the same level as the statewide and national averages due to the Region's increasing rates and relatively stable growth in the nation and the state. While the state and the nation have experienced generally increasing employment growth rates over the past year, the Sacramento Region saw a dip in mid- to late-2004, but has recovered recently and never posted negative job growth.



Over the past few months, the Bay Area has seen significantly improved job growth compared to most of 2004—employment growth rates have been positive in all but one month since October 2004. The Bay Area posted a 0.3 percent employment growth rate in February 2005, reflecting a gain of nearly 10,000 jobs. Even though job growth in the Bay Area is considerably lower than the statewide and national averages, positive employment growth rates are an encouraging sign for the state's economy overall and particularly Northern California.

California's employment growth rates have been relatively steady, drifting between 1.5 and 1.9 percent since July 2004. Like the Sacramento Region, in the last two month, the state has seen some of its highest job growth levels in the past year. In February 2005, California experienced a 1.8 percent employment growth rate, showing an increase of close to 254,000 jobs.

Posting the same year-over-year growth rate as California, the nation also saw its highest job growth over the past year in February 2005. The nation gained almost 2.4 million jobs over the past year, showing a growth rate of 1.8 percent. This growth rate breaks the flat job growth seen over the past few months (averaging around 1.6 percent) and continues the longer trend of steadily increasing growth rates.

The Sacramento Region's private sector showed relatively strong job gains over the past year, while the public sector continued to lose jobs.

The greatest jobs gains in the Sacramento Region were in the Trade, Transportation, & Utilities and Educational & Health Services sectors, providing over 43 percent of the Region's net job gains between February 2004 and 2005. Government and Information were the only two sectors in the Region's economy that saw job losses over the past year, posting a combined decrease of 2,500 jobs. California's largest employment increases were in the Professional & Business Services and Construction sectors. Like the Sacramento Region, the state experienced job losses only in the Government and Information sectors. Differing from the state and the Sacramento Region, the Bay Area saw job losses in its Trade, Transportation & Utilities and Other Services sectors in addition to Government. The Bay Area experienced its greatest job gains in the Educational & Health Services, Financial Activities, and Construction sectors. While the Government sector posted the most job losses in all three areas, the concentration of job gains varied in each area illustrating the differing economic conditions.

Employment Gains and Losses Major Sectors			
Sector	February 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	15,200	253,800	9,600
Private Sector	16,800	259,800	17,100
Public Sector	-1,600	-6,000	-7,500
Trade, Trans., & Util.	3,400	40,000	-1,300
Edu. & Health Svcs.	3,200	24,500	5,400
Construction	2,900	52,000	4,700
Leisure & Hospitality	2,500	42,900	1,900
Manufacturing	1,900	7,600	1,800
Financial Activities	1,600	24,700	4,700
Prof. & Business Svcs.	1,600	66,300	400
Other Services	500	7,700	-900
Nat. Res. & Mining	100	100	100
Information	-900	-6,000	300
Government	-1,600	-6,000	-7,500

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

In addition to its recent data revision, this year the Employment Development Department also adjusted the definitions of the state's economic areas. The major change for the Sacramento Region created by the use of the new definitions is that instead of being classified as an independent Metropolitan Statistical Area (MSA), Yolo County is combined with El Dorado, Placer, and Sacramento Counties in the new Sacramento-Arden-Arcade-Roseville MSA. Yuba and Sutter Counties remain separate in the Yuba City MSA. Between January 2004 and 2005, both the Sacramento-Arden-Arcade-Roseville and Yuba City MSAs experienced positive employment growth with 14,000 and 1,200 job gains, respectively (creating a net gain for the combined six-county Sacramento Region of 15,200 jobs). Overall, the Region experienced 1.7 percent job growth—the Sacramento-Arden-Arcade-Roseville MSA saw a similar rate, but the Yuba City MSA experienced a much more robust employment growth rate of 3.2 percent.

Employment Gains and Losses Components of the Sacramento Region and Bay Area		
Area	February 2004-2005	
	Absolute	Rate
Sacramento Region	15,200	1.7%
Sacramento-Arden Arcade-Roseville MSA	14,000	1.7%
Yuba City MSA	1,200	3.2%
Bay Area	9,600	0.3%
Oakland-Fremont-Hayward Div.	7,300	0.7%
San Francisco-San Mateo-Redwood City Div.	5,000	0.5%
San Jose-Sunnyvale-Santa Clara MSA	-2,700	-0.3%

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

The aggregated Bay Area now includes the Oakland-Fremont-Hayward Metropolitan Division (MD) (Contra Costa and Alameda Counties), San Francisco-San Mateo-Redwood City MD (Marin, San Francisco, and San Mateo Counties), and San Jose-Sunnyvale-Santa Clara MSA (Santa Clara and San Benito Counties). With the changes in the economic area definitions, SRRI's aggregated Bay Area picked up an additional county, San Benito—even though the previous data did not include this county, the economic trends are relatively similar. The 9,600 job gains (0.3 percent growth) in the combined Bay Area over the past year were mainly driven by growth in the Oakland-Fremont-Hayward and San Francisco-San Mateo-Redwood City MDs (adding over 12,000 jobs), while losses (2,700 jobs) in the San Jose-Sunnyvale-Santa Clara MSA pulled the net gain down slightly.

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