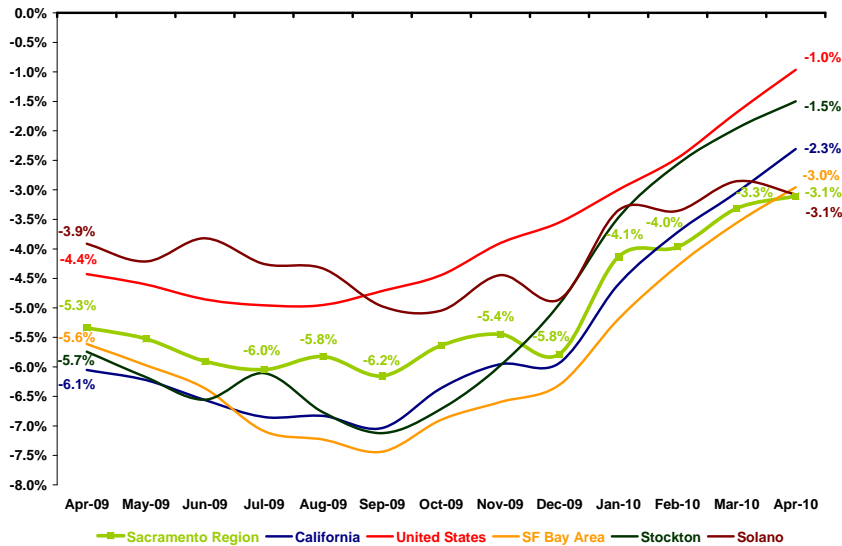


A monthly report examining the health and performance of the Sacramento Region's economy

THE SACRAMENTO REGION'S JOB GROWTH IS MUCH BETTER THAN A YEAR AGO

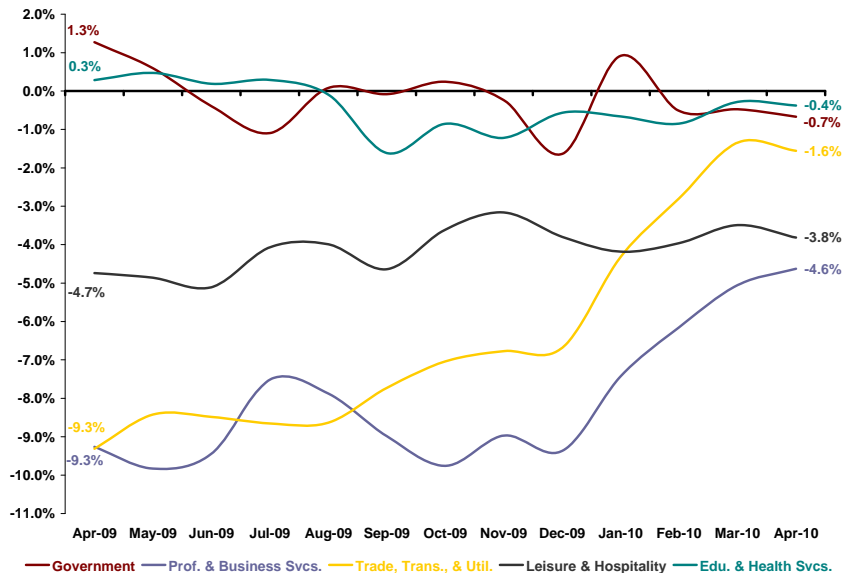
Annual Job Growth



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

THREE OF THE REGION'S LARGE SECTORS ARE SEEING IMPROVED CONDITIONS

Sacramento Region Largest Sector Annual Job Growth



Data Source: CA Employment Development Department

Job growth in the six-county Sacramento Region is still moving in an upward trajectory. According to preliminary data for April 2010, the Region lost 27,300 jobs in the past year, reflecting a rate of loss of 3.1 percent. This rate is much less severe than the September 2009 low point as well as the same point in the previous year. The Region's job growth continued to track well below the statewide and national averages, which are both rapidly improving in recent months. Three of Sacramento's largest sectors are showing notably improved job growth conditions compared to a year ago including Trade, Transportation, & Utilities (which includes retail trade); Leisure & Hospitality (containing restaurants and bars); and Professional & Business Services (made up of establishments providing a mix of professional, management, and administrative services). Two other large sectors, Educational & Health Services and Government, have shifted from positive to negative job growth through the past 12 months and have been flat in recent months. The mixed conditions in Sacramento's largest sectors are slowing improvements in the overall economy as nearly all other sectors are better off than they were one year ago.

The state and nation turned the corner about eight months ago and are posting much slower annual rates of loss. Between April 2009 and 2010, the state lost approximately 327,000 jobs, equating to a rate of -2.3 percent, which is much less worrisome than the -7.0 percent job growth in September 2009. The nation's job growth has moved up to -1.0 percent (reflecting a loss of about 1.3 million jobs), demonstrating conditions much better than the state. The SF Bay Area and Stockton are also on an upward trajectory with the former reaching -3.0 percent annual job growth (a decrease of over 82,000 jobs) and the latter posting -1.5 percent job growth (a 2,900-job decline) in April 2010. The Solano market has not been demonstrating the same signs of improvement as the other benchmark areas. The uptick seen at the end of 2009 has stalled leaving the April 2010 job growth (-3.1 percent with a loss of 3,700 jobs) only slightly above the same point in the previous year (-3.9 percent).

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ALL MAJOR SECTORS SHED JOBS IN THE LAST 12 MONTHS IN SACRAMENTO

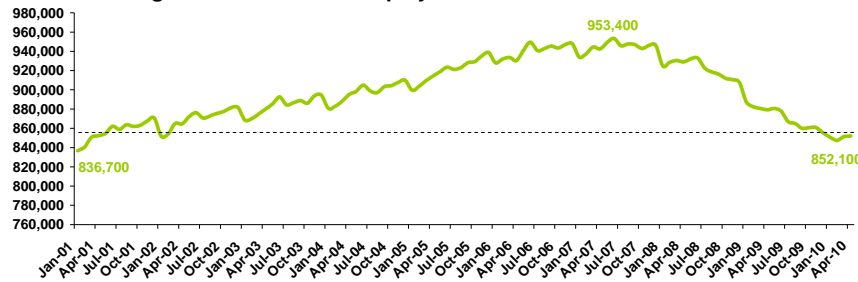
Major Sector Annual Job Gains and Losses

Sector	April 2009-2010				
	Sacramento Region	California	SF Bay Area	Stockton	Solano
Total Nonfarm	-27,300	-327,200	-82,300	-2,900	-3,700
Private Sector	-25,500	-286,700	-71,200	-2,200	-2,600
Public Sector	-1,700	-40,500	-11,100	-700	-1,100
Mining & Logging	0	-1,700	200	0	-100
Edu. & Health Svcs.	-400	33,500	-2,600	-500	-500
Information	-700	5,200	-2,400	0	300
Manufacturing	-1,200	-61,900	-12,900	-100	-300
Other Services	-1,300	-14,500	-4,200	0	-100
Government	-1,700	-40,500	-11,100	-700	-1,100
Trade, Trans., & Util.	-2,200	-78,200	-10,400	-200	-200
Leisure & Hospitality	-3,300	-24,100	-2,100	-300	-400
Financial Activities	-3,500	-25,200	-7,400	-200	-100
Prof. & Business Svcs.	-4,800	-28,800	-13,800	200	-200
Construction	-8,100	-91,000	-15,600	-1,100	-1,000

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

SACRAMENTO'S TOTAL EMPLOYMENT IS AROUND 2001 LEVELS

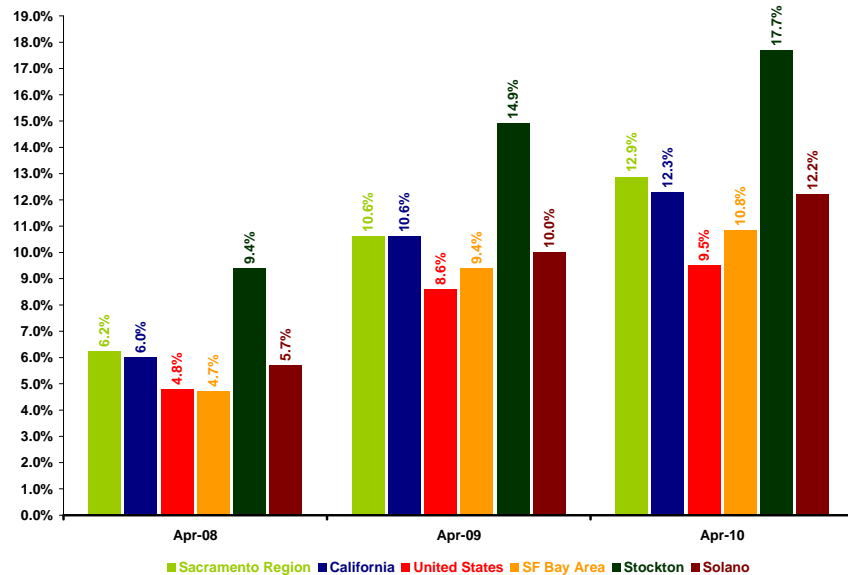
Sacramento Region Total Nonfarm Employment



Data Source: CA Employment Development Department

SACRAMENTO'S UNEMPLOYMENT RATE IS STILL ABOVE THE STATE AVERAGE

Unemployment Rate



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

None of the Sacramento Region's major sectors added jobs between April 2009 and 2010. The greatest losses were posted in the Construction and Professional & Business Services sectors. Combined, these two sectors lost 12,900 in the past year, which is almost half of the total employment decrease in the Region. Financial Activities; Leisure & Hospitality; and Trade, Transportation, & Utilities are also seeing substantial annual job losses on an absolute basis. Sacramento's total Nonfarm employment stood at 852,100 in April 2010, a level seen briefly back in 2002, but on a regular basis in 2001.

California overall added jobs in two sectors during the 12 months ending April 2010 including Educational & Health Services and Information. The largest losses at the statewide level were seen in the Construction and Trade, Transportation, & Utilities sectors. The SF Bay Area, Stockton, and Solano all experienced annual job gains in one sector each—the small Mining & Logging sector in the Bay Area, Professional & Business Services in Stockton, and Information in Solano. Like in the Sacramento Region, Construction and Professional & Business Services shed the most jobs in the SF Bay Area. The sectors with the largest annual losses in the Stockton and Solano markets include Construction and Government.

The Sacramento Region posted 12.9 percent unemployment in April 2010 with 145,200 residents considered unemployed. While this rate is 2.3 percentage points higher than the previous year, the annual increases have been slowing since June 2009 (when the unemployment rate was 4.7 percentage points higher than the same point the year before). There is still a notable gap between the Region and state with the state posting an unemployment rate of 12.3 percent in April 2010 (which remains significantly higher than the nation at 9.5 percent). The rate of unemployment in the SF Bay Area and Solano remained below the statewide average (10.8 percent and 12.2 percent respectively). Stockton's unemployment rate rose another 2.8 percentage points in the last 12 months reaching 17.7 percent in April 2010, ranking with other Central Valley locations among the highest 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.