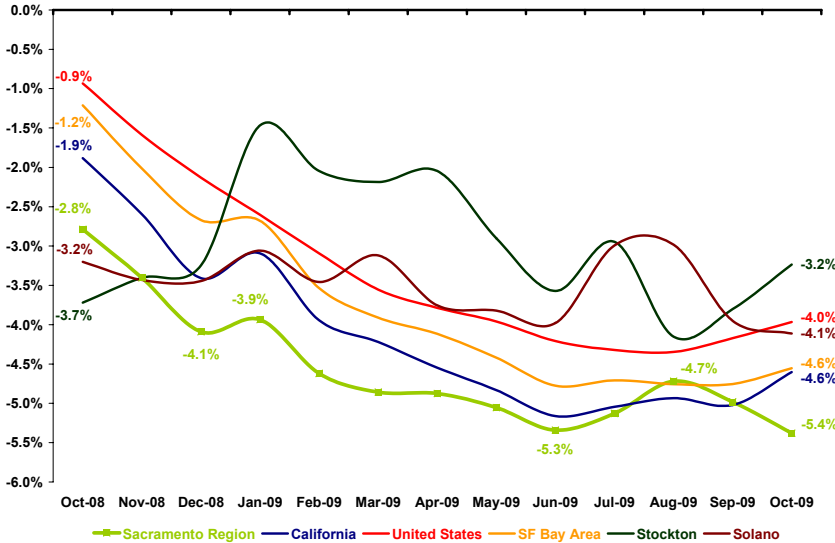


A monthly report examining the health and performance of the Sacramento Region's economy

ANNUAL JOB GROWTH TOOK ANOTHER DIP IN THE SACRAMENTO REGION

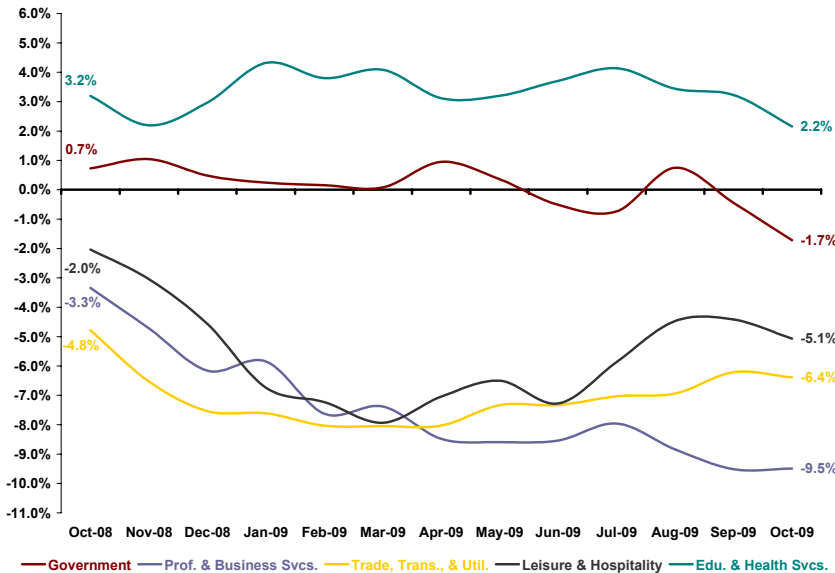
Annual Job Growth



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

MANY OF THE REGION'S LARGEST SECTORS ARE SLOWING AGAIN

Sacramento Region Largest Sector Annual Job Growth



Data Source: CA Employment Development Department

The annual rate of job loss in the six-county Sacramento Region accelerated again in October 2009, reaching a new low point for this recession at -5.4 percent. This job growth equates to a loss of more than 49,000 jobs in the regional economy over the past year, a decline about the same size as the entire Humboldt County economy. The Region's drop also put it back below both the statewide and national averages. According to preliminary data, job growth in many of Sacramento's largest sectors has been slowing, pulling down the overall economy. Educational & Health Services remains in positive territory, but is now seeing the lowest annual rate of increase in nearly 12 months. All of the other large sectors are shedding jobs on an annual basis with Government, Leisure & Hospitality, and Professional & Business Services all seeing job growth drop off in recent months. Trade, Transportation, & Utilities was the only large sector to basically hold steady with tremendously weak growth.

Two of the Sacramento Region's neighbors posted an uptick in job growth in October 2009 as a result of easing rates of loss in a few key sectors, Stockton and the SF Bay Area (moving up to -3.2 percent and -4.6 percent, respectively). As losses become more prevalent across the board, the Solano market experienced a slight drop, falling to -4.1 percent job growth during the 12 months ending October 2009. The SF Bay Area and Solano both sat between the statewide and national averages while the Stockton region outperformed both benchmarks.

Both the nation and the state saw some improvement in the annual rate of job loss in October 2009. The state pulled up to -4.6 percent with a 12-month loss of over 688,000 jobs. However, California still remains in the bottom quarter of all states based on job growth. The nation approached -4.0 percent with a close to 5.5 million job decrease between October 2008 and 2009.

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ONLY ONE OF THE REGION'S MAJOR SECTORS ADDED JOBS IN THE PAST YEAR

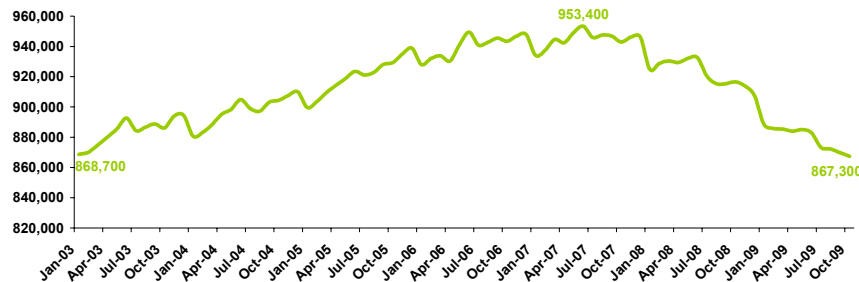
Major Sector Annual Job Gains and Losses

Sector	October 2008-2009				
	Sacramento Region	California	SF Bay Area	Stockton	Solano
Total Nonfarm	-49,300	-688,200	-133,600	-6,700	-5,100
Private Sector	-45,000	-644,700	-125,000	-6,500	-4,200
Public Sector	-4,300	-43,500	-8,600	-200	-900
Edu. & Health Svcs.	2,300	23,800	2,000	0	0
Mining & Logging	-100	-2,100	0	-100	0
Other Services	-500	-20,100	-3,900	-100	-200
Information	-1,700	-31,800	-5,400	-100	0
Manufacturing	-3,600	-124,400	-19,300	-1,500	-600
Financial Activities	-3,600	-35,100	-7,200	-400	-400
Government	-4,300	-43,500	-8,600	-200	-900
Leisure & Hospitality	-4,400	-49,800	-13,900	-500	-100
Trade, Trans., & Util.	-9,800	-161,500	-28,900	-1,600	-1,100
Prof. & Business Svcs.	-10,700	-107,400	-25,800	-300	-400
Construction	-12,900	-136,300	-22,600	-1,900	-1,400

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

SACRAMENTO'S EMPLOYMENT NOW BELOW 2003 LEVELS

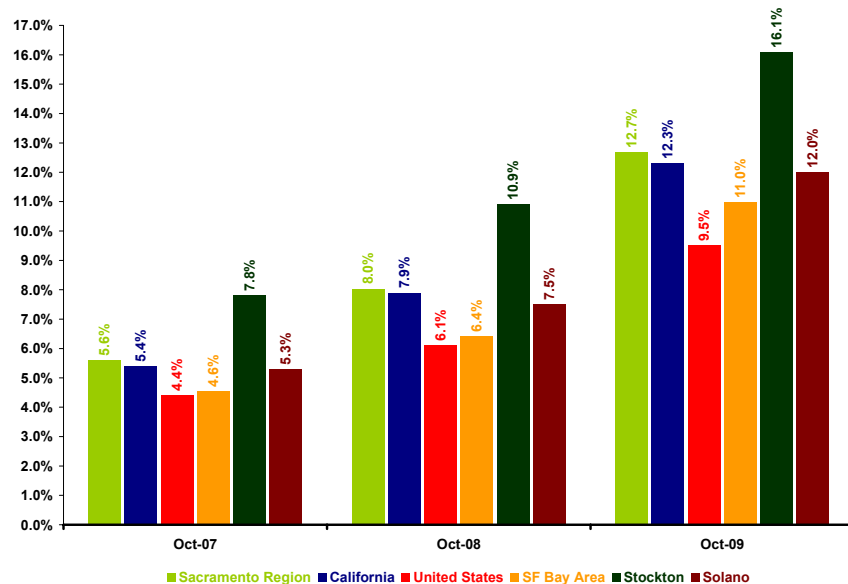
Sacramento Region Total Nonfarm Employment



Data Source: CA Employment Development Department

THE REGION'S UNEMPLOYMENT RATE SAW A LARGE JUMP IN THE LAST YEAR

Unemployment Rate



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

With the Government sector shifting to negative job growth (as federal and Indian Tribe gains were overwhelmed by losses in state and local government), only one sector in the Sacramento Region added jobs in the past year. Preliminary data show that the Educational & Health Services sector added 2,300 jobs in the 12 months ending October 2009, primarily within the health care-related components of the sector. Sacramento's Professional & Business Services and Construction sectors remained at the bottom of the list, posting annual losses greater than 10,000 jobs each. With a net loss of over 49,000 jobs, the Region's total employment dropped down past 2003 levels and over 86,000 off the June 2007 peak.

The state and SF Bay Area also posted job gains in only the Educational & Health Services sector between October 2008 and 2009. California's weakest sectors include Trade, Transportation & Utilities and Construction while the SF Bay Area experienced the greatest losses in the Trade, Transportation & Utilities and Professional & Business Services sectors. In the Stockton and Solano markets, no major sectors added jobs in the past year. Both regions are seeing the most severe losses in the Construction and Trade, Transportation, & Utilities sectors.

Close to 142,000 residents in the Sacramento Region were unemployed in October 2009, reflecting an unemployment rate of 12.7 percent. This rate is about 4.6 percentage points higher than the same time in the previous year and has inched notably above the statewide average of 12.3 percent. All neighboring regions posted unemployment rates well above the national average of 9.5 percent with Stockton topping 16 percent. Despite regularly posting relatively high unemployment rates, the Stockton region posted a tremendous jump in its unemployment rate between October 2008 and 2009, 5.2 percentage points. The state, SF Bay Area, and Solano all saw rates increase by about 4.5 percentage points in the same time period. Stockton and the Yuba City Metropolitan Statistical Area (the Sutter and Yuba County portion of the Sacramento Region) are near the bottom of the list of all regions in the country ranked by unemployment rates.

The **Center for Strategic Economic Research**, 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.