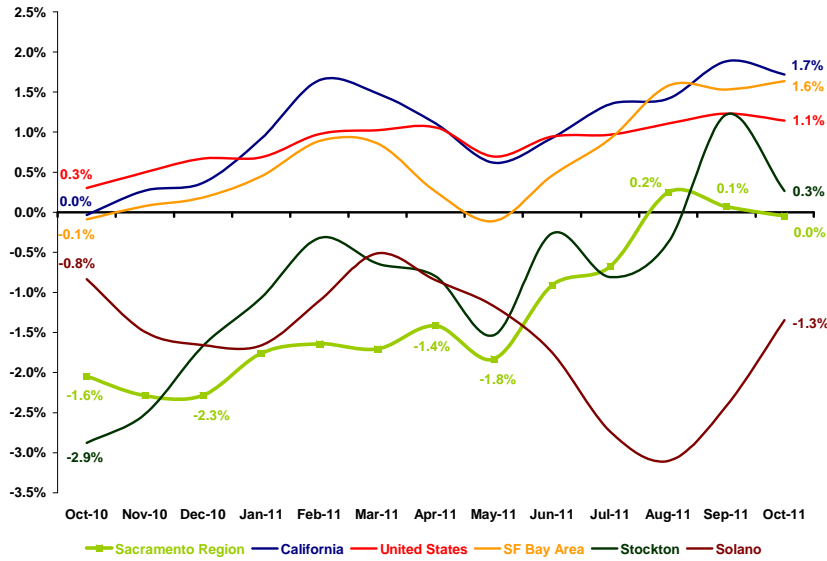


A monthly report examining the health and performance of the Sacramento Region's economy

THE NUMBER OF JOBS IN SACRAMENTO REMAINED STABLE IN THE PAST YEAR

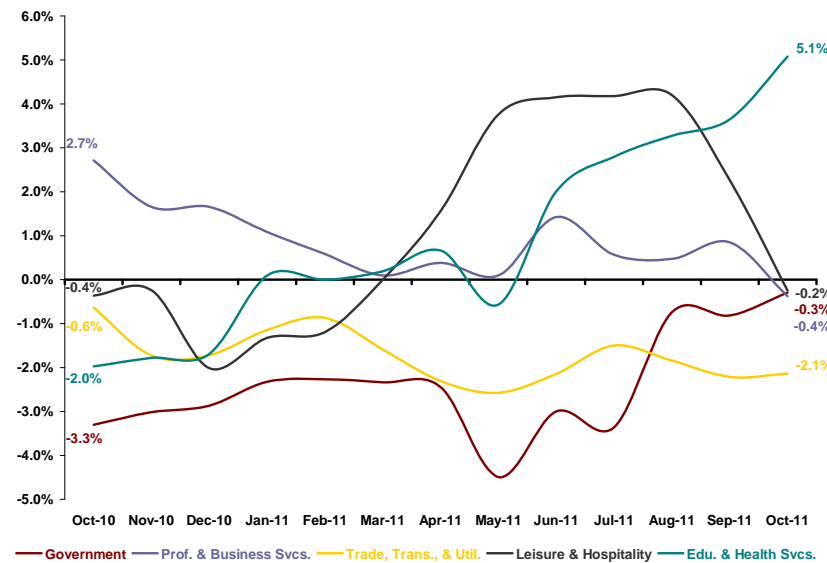
Annual Job Growth



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

MOST OF SACRAMENTO'S LARGEST SECTORS ARE SHEDDING JOBS ANNUALLY

Sacramento Region Largest Sector Annual Job Growth



Data Source: CA Employment Development Department

The number of jobs on payrolls in October 2011 in the six-county Sacramento Region remained at a similar level as the same point in the previous year. Preliminary data show that the Region lost 400 jobs in the past 12 months, placing job growth at basically zero. This is a marked improvement from the weak regional economic performance posted in late 2010 and early 2011 when Sacramento regularly posted notable rates of loss. Only one of the Sacramento Region's five largest sectors added jobs between October 2010 and 2011—Educational & Health Services with strong growth in the health care components of this sector. The four other large sectors saw annual job losses at growth rates between -0.2 percent and -2.1 percent. The Leisure & Hospitality sector was at the lower end of the spectrum with negative growth returning following a drop-off from healthy performance for six months with considerable losses in arts, entertainment, and recreation activities. At the upper end of the job loss spectrum, the Trade, Transportation, & Utilities sector (dominated by retail trade activities) continues to post severe job losses as a result of high regional unemployment and low consumer confidence.

The state posted 1.7 percent job growth in October 2011 with an annual gain of 240,500 jobs. Over 1.5 million jobs were added to payrolls nationally between October 2010 and 2011, equating to 1.1 percent job growth. The SF Bay Area experienced job growth between these two benchmarks at 1.6 percent, reflecting a 45,000-job increase in the 12 months ending October 2011. All three of these areas have been posting consistent job growth for most of 2011. After jumping back to positive job growth close to the national average, Stockton saw performance drop off sharply to a modest growth level in October 2011 (0.3 percent, equating to an increase of 500 jobs). Despite seeing job growth improve significantly in the past two months, the Solano market posted a rate of loss of -1.3 percent in October 2011, shedding 700 jobs in the past year.

FOUR MAJOR SECTORS ADDED JOBS IN SACRAMENTO IN THE PAST 12 MONTHS

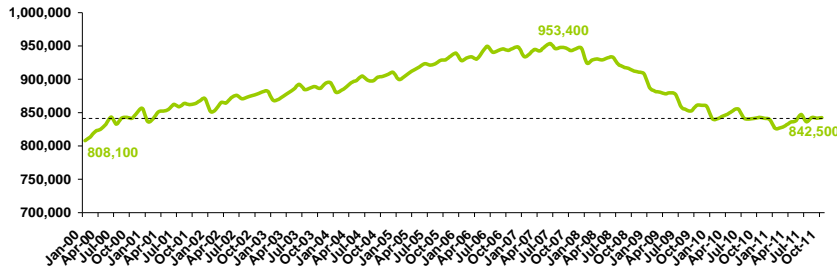
Major Sector Annual Job Gains and Losses

Sector	Sacramento Region	October 2010-2011			
		California	SF Bay Area	Stockton	Solano
Total Nonfarm	-400	240,500	45,000	500	-700
Private Sector	300	236,100	44,500	400	-700
Public Sector	-700	4,400	500	100	0
Edu. & Health Svcs.	5,300	46,800	14,100	-500	0
Construction	1,200	17,000	2,200	300	-200
Financial Activities	700	-2,200	-2,500	-100	-200
Information	100	25,400	3,600	0	-100
Mining & Logging	-100	400	-100	0	-100
Leisure & Hospitality	-200	38,000	4,600	200	100
Prof. & Business Svcs.	-400	83,500	16,800	100	0
Government	-700	4,400	500	100	0
Other Services	-1,000	-2,400	1,600	-200	0
Manufacturing	-2,300	8,200	4,500	700	-100
Trade, Trans., & Util.	-3,000	21,400	-300	-100	-100

Data Source: CA Employment Development Department

THE TOTAL NUMBER OF JOBS IN SACRAMENTO IS SIMILAR TO 2001 LEVELS

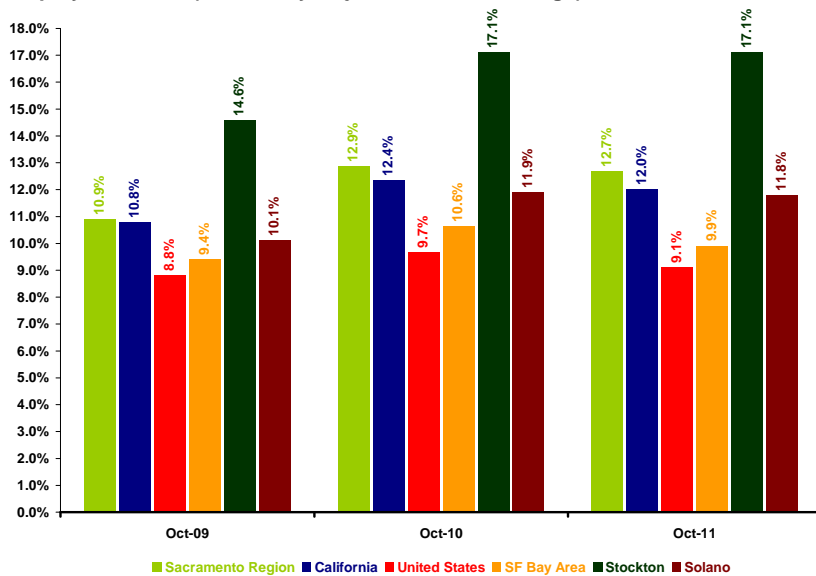
Sacramento Region Total Nonfarm Employment



Data Source: CA Employment Development Department

SACRAMENTO'S UNEMPLOYMENT RATE CONTINUED TO DROP

Unemployment Rate (Seasonally Adjusted Annual Average)



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

The Sacramento Region experienced employment increases in four of its 11 major sectors in the 12 months ending October 2011. Educational & Health Services topped the list with an annual gain of 5,300 jobs. This sector was followed by the Construction sector, which added 1,200 jobs primarily as a result of growth in the commercial building and heavy and civil engineering activities. Sacramento's Trade, Transportation, & Utilities sector posted the most severe losses with Other Services and Manufacturing also shedding a worrisome level of jobs. Overall, the private sector posted an annual gain of 300 jobs, offset by the loss of 700 jobs in the public sector. The net loss of 400 jobs placed total Nonfarm employment in the Sacramento Region at 842,500, which remains close to the same levels seen in early 2001.

Statewide, only two sectors lost jobs between October 2010 and 2011 including Financial Activities and Other Services. California's Professional & Business Services sector added the most jobs in the past year (a sector which posted annual losses in the Sacramento Region). Three sectors remained in negative territory in the SF Bay Area—Financial Activities; Trade, Transportation, & Utilities and Mining & Logging. Like the state, this region experienced the most pronounced gains in the Professional & Business Services sector. The Stockton market posted losses in four of its major sectors with Educational & Health Services losing the most jobs among the group. Manufacturing added the most jobs in the past year in the Stockton market. Only one sector added jobs in the 12 months ending October 2011 in the Solano market—Leisure & Hospitality. Construction and Financial Activities experienced the greatest job losses in this market.

Close to 139,000 residents were considered officially unemployed in the Sacramento Region based on seasonally adjusted annual data for October 2011. This puts the regional unemployment rate at 12.7 percent, which is slightly lower than it was at the same point in 2010. Unemployment rates in the state and the nation also declined in the past 12 months with the most recent respective rates coming in at 12.0 percent and 9.1 percent. The SF Bay Area's unemployment rate was notably lower in October 2011 than in October 2010—9.9 percent compared to 10.6 percent—bringing it well below the statewide average and close to the national rate. The unemployment rate in the Stockton market remained steady over the past 12 months at 17.1 percent, one of the highest rates in the nation. The Solano market saw a slight annual drop in its unemployment rate with the October 2011 level just under the statewide average at 11.8 percent.

ACKNOWLEDGEMENTS

The Center for Strategic Economic Research (CSER) is grateful for the support of the Underwriters of this project:

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The region's only academic health center is home to a nationally ranked 645-bed acute-care hospital, one of the country's best medical schools, the new Betty Irene Moore School of Nursing, an 800-member physicians group and renowned specialty centers such as a National Cancer Institute-designated cancer center. Together, they offer area workers and their families highly advanced care and promising new therapies for the most complex and acute health conditions.

With a workforce of roughly 10,000, UC Davis Health System is among Sacramento's largest employers. For every employee or dollar of output directly supported by health system operations, the north state's economy gains an additional 1.1 jobs or \$1.1 of output, according to a Center for Strategic Economic Research analysis. The health system's combined economic impact throughout Northern California is more than \$3.4 billion and more than 20,000 jobs.

UC Davis works actively through collaboration to expand the area's promising life sciences business sector. Examples include two National Science Foundation-supported UC Davis programs that help multidisciplinary teams bring research discoveries and technologies to the market. Since 2004, 34 startup companies have spun off from UC Davis in various sectors.

To learn more about how UC Davis Health System is improving lives and transforming health care, visit healthsystem.ucdavis.edu.

Economy Watch



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SACTO is the Sacramento Region's leading facilitator of economic development bringing together the organizations, information, and resources in the pursuit of jobs, talent, and investment needed to ensure regional prosperity and global competitiveness.

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