

PRESS RELEASE

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4th Annual Prosperity Index Released

Report by Sacramento Regional Research Institute (SRRI) ranks region's economic prosperity and competitiveness

Sacramento, Calif., October 17, 2008—The Sacramento Regional Research Institute (SRRI), a joint venture of the Sacramento Area Commerce and Trade Organization (SACTO) and California State University, Sacramento (Sacramento State), released its *2008 Prosperity Index* results analyzing critical economic indicators that affect the region's long-term prosperity and competitiveness around the categories of *Business, People, and Place*.

The Prosperity Index was introduced in 2005 as part of SACTO's five-year business attraction and marketing plan entitled *Building a First-Tier Economy*, and as an outcome of Partnership for Prosperity's regional economic development strategic planning process. It provides business and community leaders with a valuable tool to measure regional economic prosperity and track the region's performance against competitor regions in order to evaluate the competition and identify opportunities for improvement. The Index reveals how well the Sacramento Region stacks up against its competitors—where it excels and where it falls short.

2008 Report: Sacramento Region Above Average Overall—Region's People Remain Main Strength

The Sacramento Region jumped two spots since last year, from ninth to seventh place with a substantial increase in the relative score (6.5 to 7.7) on the *2008 Prosperity Index*, presenting above average economic prosperity and a moderate competitive position. This improvement was primarily due to gains in the Business and Place components, which softened the effects of a slight decline in the People component. Similar to previous years, the Sacramento Region's primary strength was in the People category, where it placed fourth overall—ahead of three out of four California regions. The Sacramento Region continues to offer a notable competitive advantage in terms of its population and workforce.

"The Sacramento Region's overall competitive position improved on the *2008 Prosperity Index* despite losing some ground on what has historically been the most valuable feature of our economic prosperity—our People. Continued regional prosperity requires balanced rankings in all three measured components, and this year's results demonstrate progress in that direction," said SRRI Director, Ryan Sharp.

“The Prosperity Index continues to be a valuable tool in guiding SACTO’s efforts in building the region’s prosperity and creating a first-tier economy. SACTO initiatives, focused on attracting and growing high-value and headquarter jobs, have helped strengthen our competitive position and we are pleased to see these efforts reflected in this year’s results,” said Toosje Koll, SACTO’s 2008/2009 SACTO Board Chair.

SRRI updates the Prosperity Index on an annual basis. The Business component is evaluated on a quarterly basis throughout the year with results appearing in SACTO’s *Quarterly Economic Report*. For future updates, please visit SRRI’s web site at www.srri.net. The *2008 Prosperity Index* is underwritten by the Los Rios Community College District (www.losrios.edu), Pacific Gas and Electric Company (www.pge.com) and Wells Fargo and Company (www.wellsfargo.com).

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About the SRRI Prosperity Index:

Indicators or “characteristics” within three main categories are analyzed, measured and assigned a score from 0 to 10. They include **Business** (measured indicators: establishment growth, job growth, office vacancy rate, payroll growth, unemployment rate, venture capital investment); **People** (measured indicators: college enrollment, educational attainment, high school progress, median household income, household income spread, population growth); and **Place** (measured indicators: air quality, charitable contributions, commute time, crime rate, fair market rent growth, housing affordability). The three categories are aggregated to create the Prosperity Index. All indicators used in the project reflect a balance of historical, current and future performance and relate to aspects that regional organizations can be influenced or directly affected by the actions and/or efforts of the regional communities.

Criteria for indicators include the following: they must be a key characteristic in describing Business, People or Place overall; comparative data must be available nationally from sources that provide consistent methodology across regions and over time; and indicators must have a relation to aspects that regional communities can influence or directly affect.

About the Selection of Competitor Regions:

In addition to the national average, ten competitor regions were chosen as benchmarks. The competitor regions are those that the Sacramento Region most often competes with for corporate site locations. In this update, the competitor regions were changed to reflect shifts in the economic development landscape. Based on feedback from economic development professionals, Los Angeles and Reno were removed from the list of competitive regions and Seattle and Stockton were added for the 2008 release. Half of the regions are located in California and the other half are scattered throughout the Western United States. They include **Austin, TX; Denver, CO; Inland Empire (Riverside/San Bernardino), CA;**

Phoenix, AZ; Portland, OR-WA; Salt Lake City, UT; San Diego, CA; Seattle, WA; San Francisco Bay Area, CA; and Stockton, CA.