

**PRESS RELEASE**

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**FOR MORE INFORMATION**

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**5<sup>th</sup> Annual Prosperity Index Released**

Report by Center for Strategic Economic Research ranks Region's economic prosperity and competitiveness

Sacramento, CA, October 16, 2009—The Center for Strategic Economic Research (CSER), an economic research and consulting group affiliated with the Sacramento Area Commerce and Trade Organization (SACTO), released the *2009 Prosperity Index* results analyzing critical economic indicators that affect the Sacramento Region's long-term prosperity and competitiveness around the categories of Business, People, and Place.

***The Sacramento Region placed eighth on the 2009 Prosperity Index, moving down one spot since last year.*** Similar to the previous year, Sacramento received respectable scores on the People and Place components, but a fairly weak score on the Business component, placing the Region toward the bottom of the list. Overall, the *2009 Prosperity Index* shows that, relative to its main competitors for business location and expansion projects, the Sacramento Region presents economic prosperity that is about average, giving it a decent competitive position.

The SF Bay Area topped the *2009 Prosperity Index* with strong performance on the Business and People components and an above average score on the Place component. The second and third spots went to the Salt Lake City and Austin regions, respectively. Stockton came in last as a result of somewhat poor performance across the board. Among the five measured competitor regions in California, Sacramento placed third, falling behind the SF Bay Area and the San Diego region, but ahead of the Stockton region and the Inland Empire (Riverside/San Bernardino).

The misalignment in performance across the three components continues to plague Sacramento, which has never pulled into the top quartile in all the years the *Prosperity Index* has been produced, including those during the Region's economic peak. "It is encouraging to see that the Region did not fall significantly given the severe economic downturn that was beginning to be reflected in the 2009 update. It will be interesting to examine how Sacramento fares against its main competitors as attention is drawn to the impacts of the recession and widespread recovery begins to appear," said CSER Director Ryan Sharp.

"SACTO recognizes that it must regularly evaluate the competition to better define competitive strengths and challenges. We continue to work toward building a first-tier economy and creating prosperity through attracting high-value and headquarter

companies to the Region. SACTO will continue to work with its partners to maintain the Region's competitive strengths and address challenges, creating the foundation necessary for us to surpass our main competitors," said Jeanne Reaves, SACTO's 2009/2010 Board Chair.

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### **About the *Prosperity Index***

CSER developed the *Prosperity Index* in 2005 to provide business and community leaders in the Sacramento Region a valuable tool to measure regional economic prosperity and track its performance against competitors in order to evaluate the competition, identify opportunities for improvement, and ultimately impact change in the Region. Along with the national average, ten competitor regions were chosen as benchmarks for this analysis based on feedback from economic development organizations regarding metropolitan areas that often compete with the Region for business location and expansion projects. The competitor regions 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.

Overall, regional economic prosperity includes three main components—Business, People, and Place—that span characteristics of the local business climate, workforce, and quality of life. The Business component relates to aspects that describe a region's economy and business climate. Elements that describe the people or workforce in a region are encompassed in the People component. Finally, features that describe a region's quality of life and environment are captured in the Place component. A balance of strong performance across all three components contributes to regional prosperity.

CSER updates the Prosperity Index and all related components annually. The Business component is updated quarterly through SACTO's *Quarterly Economic Report* in order to allow for more frequent evaluations of the local business climate. The *2009 Prosperity Index* is the fifth annual release of the *Prosperity Index* and the 17th quarterly measure of the Business component. Changes over time demonstrate how the Sacramento Region's economic prosperity has shifted relative to its main competitors. The *2009 Prosperity Index* is underwritten by the Los Rios Community College District ([www.losrios.edu](http://www.losrios.edu)), McClellan Park ([www.mcclellanpark.com](http://www.mcclellanpark.com)), and Wells Fargo and Company ([www.wellsfargo.com](http://www.wellsfargo.com)).