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Regional Prosperity Index Launched

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

Sacramento, Calif., February xx, 2006 ---The Sacramento Regional Research Institute (SRRI), a joint venture of SACTO and California State University, Sacramento, announced today the creation of a regional Prosperity Index and released its 2005 results analyzing critical prosperity indicators that affect the region's long-term prosperity and competitiveness around the categories of *Business, People and Place*.

The Prosperity Index was developed 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 will provide business and community leaders 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.

2005 Report: Sacramento Region Falls in the Middle of the Pack Overall, while Region's People Rank #1

The Sacramento Region ranked fifth overall out of ten competitor regions on the inaugural Prosperity Index, receiving a score of 8.4 out of a possible 10, presenting about average economic prosperity and a moderate competitive position compared to its main competitors. The Sacramento Region received the best score in the People category, but lower scores for Business and Place. Among the regions in California, Sacramento ranked second, behind the Bay Area (which received one of the best scores on the Index) and ahead of San Diego. Salt Lake City obtained the highest overall score while Los Angeles placed last.

Strong scores in the Sacramento Region's college enrollment, household income spread and graduation rate, along with middle-of-the-road performance in all other People indicators, gave it a first place ranking in this area.

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“The Index demonstrates that our strength is our people, and we should be very proud of that. But a region must achieve high marks in all three categories to sustain its competitiveness. The report demonstrates there is always room for improvement.” said SRRI Economist and Assistant Professor of Economics at California State University, Sacramento Dr. Suzanne O Keefe.

“While in the past organizations have benchmarked the region in areas like job growth, unemployment or income, this contemporary barometer of economic prosperity is the first effort of its kind for the region. Moving forward, the Prosperity Index will be a valuable tool to help guide and evaluate the region’s economic development efforts and competitiveness,” said Gary Orr, Senior Vice President of Wells Fargo & Company and SACTO’s Chair.

SRRI will update the Prosperity Index on an annual basis, with the Business component evaluated on a quarterly basis throughout the year in its “Quarterly Economic Report.” For future updates, please visit SRRI’s web site at www.srri.net. The Prosperity Index is sponsored by Downey Brand Attorneys LLP, GenCorp and Wells Fargo & Company.

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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: job growth, establishment growth, office vacancy rate, payroll growth, unemployment rate, venture capital investment); **People** (measured indicators: college enrollment, educational attainment, graduation rate, 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. Half of the regions are located in California and the other half are scattered throughout the western United States. They include **Austin, TX; San Francisco Bay Area, CA; Denver, CO; Inland Empire (Riverside/San Bernardino), CA; Los Angeles, CA; Phoenix, AZ; Portland, OR-WA; Reno, NV; Salt Lake City, UT; and San Diego, CA.**