

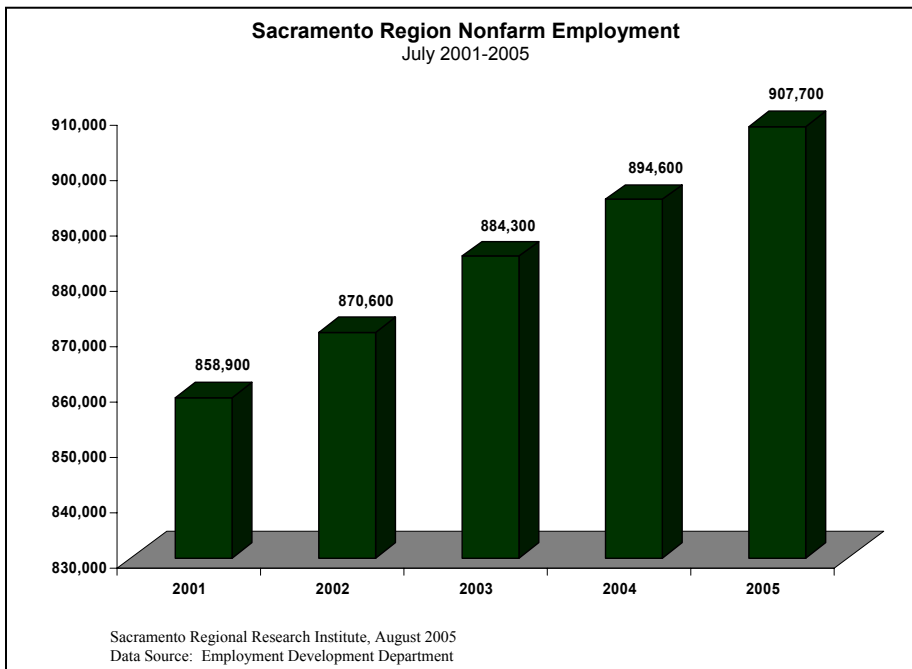
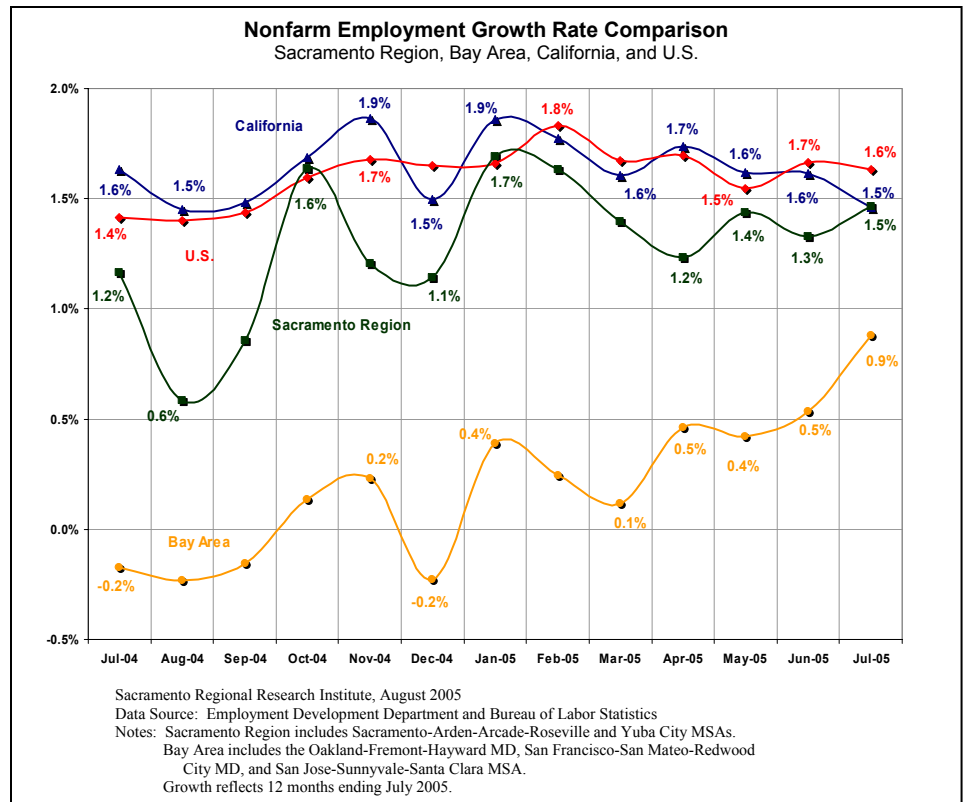
**EMPLOYMENT GROWTH IN THE SACRAMENTO REGION, THE BAY AREA, CALIFORNIA, AND THE UNITED STATES**

*The Bay Area is showing more clear signs of economic recovery.*

The Sacramento Region posted 1.5 percent job growth in July 2005, with a year-over-year increase of 13,100 Nonfarm jobs. Job growth in the Region has generally remained close to, but slightly below, the statewide and national averages over the past few months.

The state has shown a relatively flat job growth trend over the past year—despite some notable peaks in November 2004 and January 2005, it has seen approximately 1.6 percent job growth, on average. Between July 2004 and 2005, the state gained 212,000 jobs, reflecting a 1.5 percent employment growth rate. California's posted a similar year-over-year employment growth rate in July 2005 as the same month of the previous year.

The job growth trend at the national level has also been fairly flat over the past year, with average growth also around 1.6 percent. With a 1.6 percent employment growth rate in July 2005, the nation gained over 2.1 million jobs in the past year.



Employment declines in the Bay Area have clearly bottomed out and the economy has presented an important rebound over the past few months. The Bay Area has seen continuous positive year-over-year employment growth rates since the beginning of 2005, reaching a high of 0.9 percent in July 2005 (an increase of 24,800 jobs). This is the highest level of job growth that the Bay Area has posted in a number of years. The pattern of increasing job growth further demonstrates the recovery occurring in the Bay Area's overall economy.

The Sacramento Region's Government sector gained the second-largest amount of jobs among its major sectors between July 2004 and 2005.

The public sector accounted for close to one-quarter of the 13,100 Nonfarm jobs that the Sacramento Region gained in the past year. Government posted the second-highest job gains between July 2004 and 2005, following Trade, Transportation, & Utilities and ahead of Professional & Business Services. The Government sector has not ranked this high among the Region's major sectors since the summer of 2003 when it absorbed private sector losses. Similar to the past few months, the Region posted year-over-year employment losses in only two sectors—Leisure & Hospitality and Information.

Unlike the Sacramento Region, the Bay Area lost jobs over the past year in its Government sector and gained Leisure & Hospitality jobs. Educational & Health Services; Financial Activities; and Construction posted the largest job gains in the Bay Area, while, in addition to the Government sector, Information and Other Services saw employment declines.

Employment Gains and Losses			
Major Sectors			
Sector	July 2004-2005		
	Sacramento	California	Bay Area
Total Nonfarm	13,100	212,000	24,800
Private Sector	10,100	209,700	25,700
Public Sector	3,000	2,300	-900
Trade, Trans., & Util.	4,900	20,900	1,000
Government	3,000	2,300	-900
Prof. & Business Svcs.	2,300	47,500	3,900
Construction	2,000	57,200	4,000
Manufacturing	1,300	-3,600	900
Edu. & Health Svcs.	1,200	20,800	8,800
Financial Activities	500	15,300	5,200
Other Services	100	5,800	-100
Nat. Res. & Mining	0	-300	100
Leisure & Hospitality	-1,200	33,000	2,800
Information	-1,200	13,100	-900

Sacramento Regional Research Institute, August 2005  
Data Source: Employment Development Department

The state gained jobs in both of the Sacramento Region's loss sectors (Leisure & Hospitality and Information), but lost jobs in Manufacturing where the Region experienced positive employment growth. In addition to Leisure & Hospitality, California saw the largest employment gains between July 2004 and 2005 in the Construction and Professional & Business Services sectors. Similar to Sacramento, the state also saw an overall increase in the public sector.

Employment Gains and Losses		
Components of the Sacramento Region and Bay Area		
Area	July 2004-2005	
	Absolute	Rate
Sacramento Region	13,100	1.5%
Sacramento-Arden Arcade-Roseville MSA	10,900	1.3%
Yuba City MSA	2,200	5.8%
Bay Area	24,800	0.9%
Oakland-Fremont-Hayward Div.	15,900	1.6%
San Francisco-San Mateo-Redwood City Div.	8,200	0.9%
San Jose-Sunnyvale-Santa Clara MSA	700	0.1%

Sacramento Regional Research Institute, August 2005  
Data Source: Employment Development Department

The Sacramento-Arden Arcade-Roseville (El Dorado, Placer, Sacramento, and Yolo Counties) and Yuba City (Sutter and Yuba Counties) Metropolitan Statistical Areas (MSAs), the components of the combined Sacramento Region, both maintained positive job growth in July 2005. The Sacramento-Arden Arcade-Roseville MSA represented over 83 percent of the Sacramento Region's total year-over-year employment increase of 13,100 jobs, while the Yuba City MSA contained the remaining 17 percent.

For the first time in a number of years, the San Jose-Sunnyvale-Santa Clara MSA (San Benito and Santa Clara Counties) experienced positive year-over-year job growth with an increase of 700 jobs between July 2004 and 2005. While this is positive news for the overall Bay Area

economy, this MSA only accounted for close to 3 percent of the Bay Area's total 24,800 employment increase. In July 2005, most of the Bay Area's job growth was supported by the Oakland-Fremont-Hayward Metropolitan Division (Alameda and Contra Costa Counties), with over 64 percent of the total employment gain. Job growth in the San Francisco-San Mateo-Redwood City Metropolitan Division (Marin, San Mateo, and San Francisco Counties) made up the remaining 33 percent of the Bay Area's total growth.

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