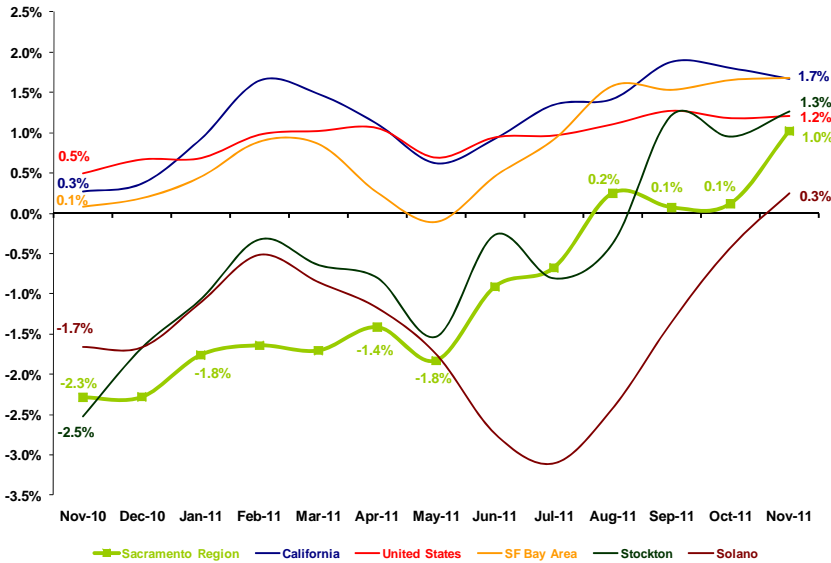


A monthly report examining the health and performance of the Sacramento Region's economy

THE SACRAMENTO REGION POSTED NOTABLE POSITIVE ANNUAL JOB GROWTH

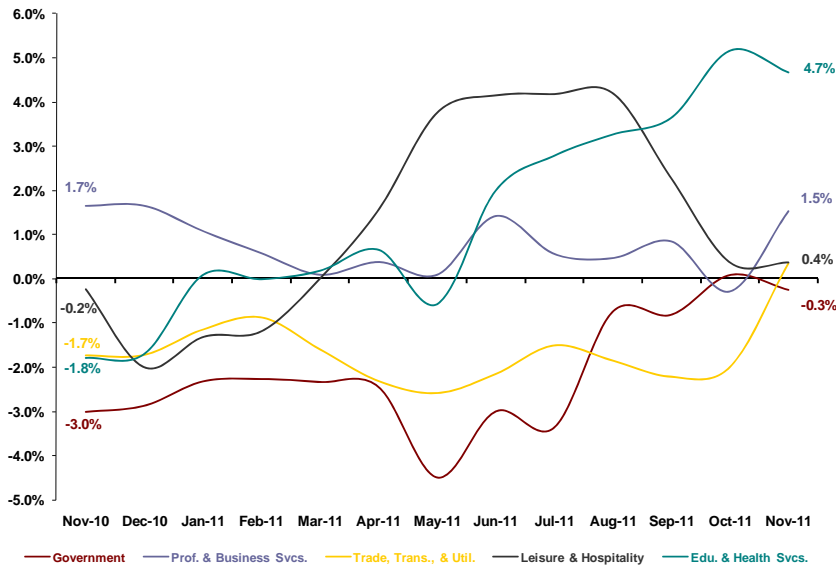
Annual Job Growth



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

MOST OF SACRAMENTO'S LARGEST SECTORS ADDED JOBS IN THE PAST YEAR

Sacramento Region Largest Sector Annual Job Growth



Data Source: CA Employment Development Department

The six-county Sacramento Region experienced a significant uptick in annual job growth in November 2011. Preliminary data reveal that the number of payroll jobs in the Region increased by 1.0 percent between November 2010 and 2011, equating to a gain of 8,600 jobs. This reflects a notable improvement over the minimal growth rates Sacramento has posted over the past few months as well as the poor job growth performance at the same point in the previous year. Four of the Region's five largest sectors posted positive annual job growth in November 2011 including Educational & Health Services; Professional & Business Services; Leisure & Hospitality; and Trade, Transportation, & Utilities. Educational & Health Services (encompassing all private sector activities) continued to lead the way in the regional economy with 4.7 percent annual job growth in November. The Trade, Transportation, & Utilities sector (dominated by retail trade activities) posted positive annual job growth for the first time in 53 months with 0.4 percent growth in November 2011. Government was the only large sector to see job losses over the past year in the Sacramento Region with losses across nearly all federal, state, and local categories.

The state and nation have seen annual job growth flatten out over the past few months with November 2011 rates of 1.7 percent and 1.2 percent, respectively. In the last 12 months, California's economy added nearly 235,000 jobs to payrolls while nationally jobs increased by around 1.6 million. The SF Bay Area saw annual job growth at the statewide average with a gain of over 46,000 jobs. Stockton's economy continued to pick up momentum surpassing the national average job growth in November 2011 with an annual increase of 2,400 jobs. The Solano market pulled out of its negative job growth trend moving into slightly positive territory with the addition of 300 jobs between November 2010 and 2011.

ONLY FOUR MAJOR SECTORS SAW ANNUAL JOB LOSSES IN SACRAMENTO

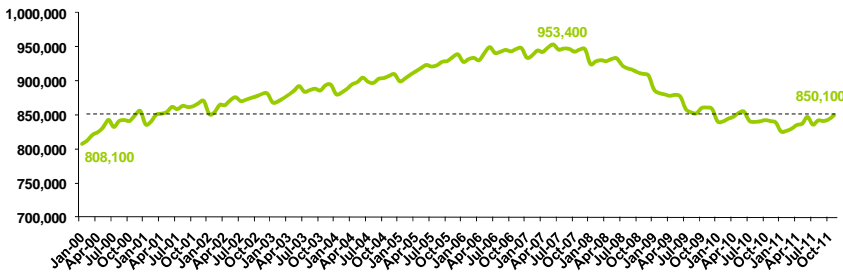
Major Sector Annual Job Gains and Losses

Sector	November 2010-2011				
	Sacramento Region	California	SF Bay Area	Stockton	Solano
Total Nonfarm	8,600	234,700	46,300	2,400	300
Private Sector	9,200	210,400	46,500	2,000	300
Public Sector	-600	24,300	-200	400	0
Edu. & Health Svcs.	4,900	49,000	12,400	-300	100
Construction	2,200	10,600	900	300	-100
Financial Activities	1,800	1,000	-2,800	0	-100
Prof. & Business Svcs.	1,600	54,100	16,400	200	0
Trade, Trans., & Util.	500	42,000	5,200	900	400
Leisure & Hospitality	300	33,800	4,900	300	200
Mining & Logging	0	1,000	-100	0	0
Information	-100	18,000	2,800	0	0
Other Services	-500	900	1,700	-200	-200
Government	-600	24,300	-200	400	0
Manufacturing	-1,500	0	5,100	800	0

Data Source: CA Employment Development Department

THE TOTAL NUMBER OF NONFARM JOBS IN SACRAMENTO IS MOVING UP

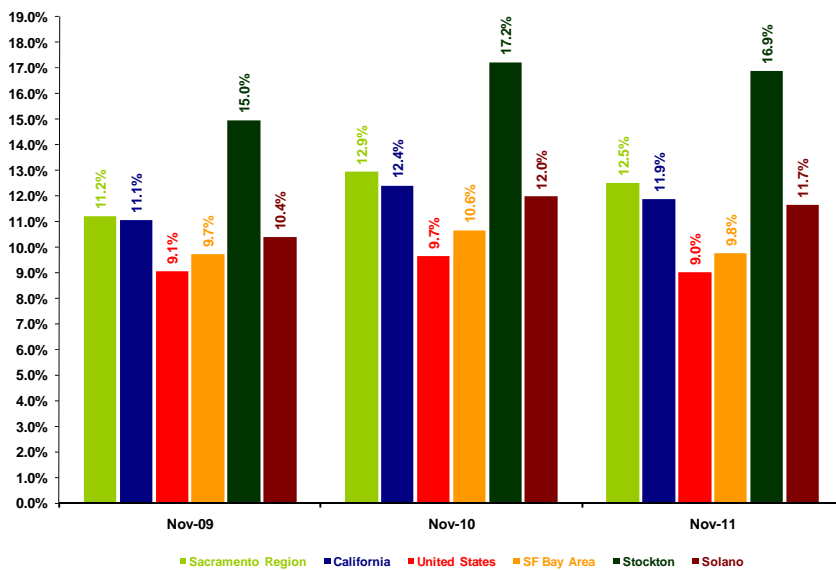
Sacramento Region Total Nonfarm Employment



Data Source: CA Employment Development Department

REGIONAL UNEMPLOYMENT IN SACRAMENTO CONTINUED TO DECLINE

Unemployment Rate (Seasonally Adjusted Annual Average)



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

Only four of the Sacramento Region’s major sectors experienced annual job losses in the 12 months ending November 2011, according to preliminary data. The Manufacturing sector shed the largest number of jobs with durable goods activities generating most of the losses. Educational & Health Services experienced the greatest gain, adding 4,900 jobs in the November 2010 to 2011 period primarily in health care activities. The Construction sector also saw a substantial annual job gain with growth in commercial building and heavy and civil engineering segments. The net gain of 8,600 jobs in the past 12 months moved total Nonfarm employment to 850,100 in November 2011, which is still around mid-2001 and early 2002 levels.

The statewide economy saw annual job growth in nearly all of its major sectors in November 2011. The only exception was Manufacturing, which posted no growth. Professional & Business Services was the leading sector in the state followed by Educational & Health Services. The SF Bay Area economy is still seeing losses in three of its major sectors with Financial Activities posting the largest losses. Like the state, the Professional & Business Services sector added the most jobs in the SF Bay Area in the past 12 months. The Stockton market appears to be behaving much differently than the state overall. Stockton’s regional economy saw annual job losses in only the Educational & Health Services and Other Services sectors and posted the largest gains in Trade, Transportation, & Utilities; Manufacturing; and Government (as a result of growth in local government education activities). Gains were confined to three major sectors in the Solano market including Trade, Transportation, & Utilities; Leisure & Hospitality; and Educational & Health Services—all other major sectors either posted no growth or small losses.

Sacramento’s regional unemployment rate measured 12.5 percent in November 2011 (on a seasonally adjusted annual average basis). This rate reflects a total of around 137,000 residents counted as officially unemployed. The Region’s unemployment rate continued to show a downward trend. The dynamics behind this trend have shifted slightly as the labor force is holding steady, the number of unemployed residents is decreasing, and the number of employed residents is increasing. All other measured areas also experienced unemployment rate decreases in the past 12 months. The SF Bay Area and Solano markets both saw unemployment rates between the statewide and national averages while Stockton continued to post a considerably high rate.

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



ABOUT SACTO

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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