



Sacramento Metro Chamber's Fourth Annual
REGIONAL ECONOMIC FORUM



Industry Growth and Decline: A Framework for Business Retention and Expansion

Presented by
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President
Applied Development Economics



APPLIED
DEVELOPMENT
ECONOMICS



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Introduction

- Regional Trends
- County Highlights
- Focus on Clean Energy Technology



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Region has Outperformed Other Areas of the State

- Strong Success in Economic Diversification
- 7.4% growth in jobs from 2001 to 2005
- Projections indicate Sacramento will continue to lead the state through 2014 to 2015.
- Government provides 25% of total jobs and showed 3% growth from 2001-2005





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Region is Entering a Period of Change

- Construction and Real Estate have led the region but now can be expected to slow down for some time
- New industry clusters are developing in areas such as Clean Energy Technology and other environmental fields



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A Note About Approach

- This analysis looks at 3 time periods:
 - 1992-2006
 - 2001-2006
 - 2004-2006
- Focus on economic base industries
- Large, growing industries drive the regional economy
- Smaller, rapidly growing industries represent the economy of the future
- Large, but declining industries should be targets for business retention
- Smaller, declining industries can be difficult to save





Top 5 Employment Industries

1992

- Retail
- Health and Social Services
- Accommodations and Food Services
- Manufacturing
- Finance and Insurance

2006

- Retail
- Health and Social Services
- Accommodations and Food Services
- Construction (formerly 6th)
- Administrative Support and Waste Mgmt (formerly 8th)





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Top Growth Industries Between 1992-2006

- Construction
- Retail
- Health and Social Services
- Administrative Support and Waste Mgmt
- Accommodations and Food Services



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Major industries that improved their concentration between 1992 and 2006 include:

- Admin Support and Waste Mgmt
- Finance and Insurance
- Educational Services
- Transportation and Warehousing
- Real Estate
- Manufacturing
- Utilities



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Recent Trends 2001-2006 Large Growing Industries

- General Medical and Surgical Hospitals
- Limited-Service and Full-Service Restaurants
- Telecommunications Resellers (lost 1,700 jobs 2004-2006)
- Management, Scientific, and Technical Consulting Services
- Activities Related to Credit Intermediation
- Semiconductor and Other Electronic Component Manufacturing
- Building Finishing Contractors (lost 244 jobs 2004-2006)
- Services to Buildings and Dwellings



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2001-2006 Fastest Growth Percent Industries

- Alumina and Aluminum Production and Processing
- Scenic and Sightseeing Transportation, Other
- Cable and Other Subscription Programming
- Activities Related to Credit Intermediation
- Educational Support Services
- Medical and Diagnostic Laboratories
- Water, Sewage and Other Systems
- Promoters of Performing Arts, Sports, and Similar Events
- Office Administrative Services

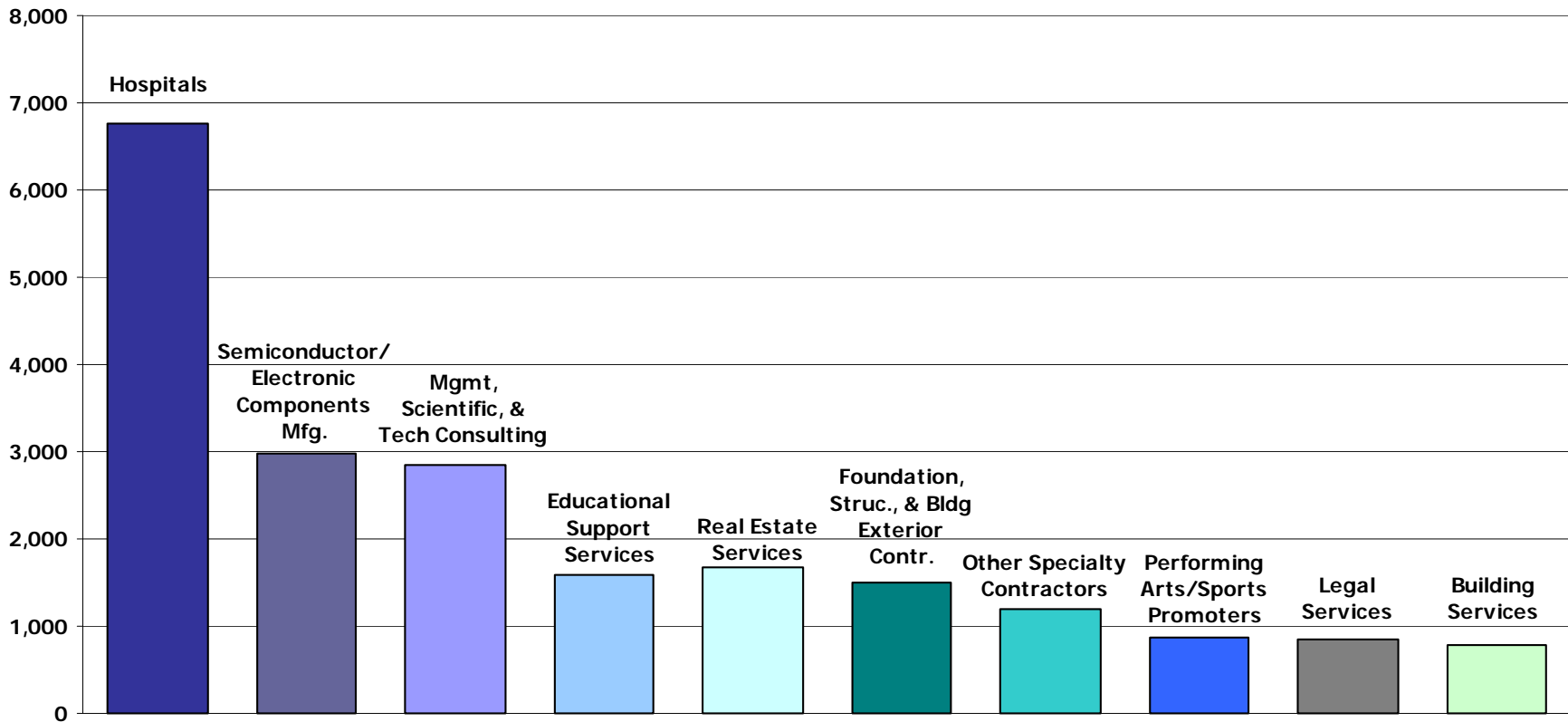




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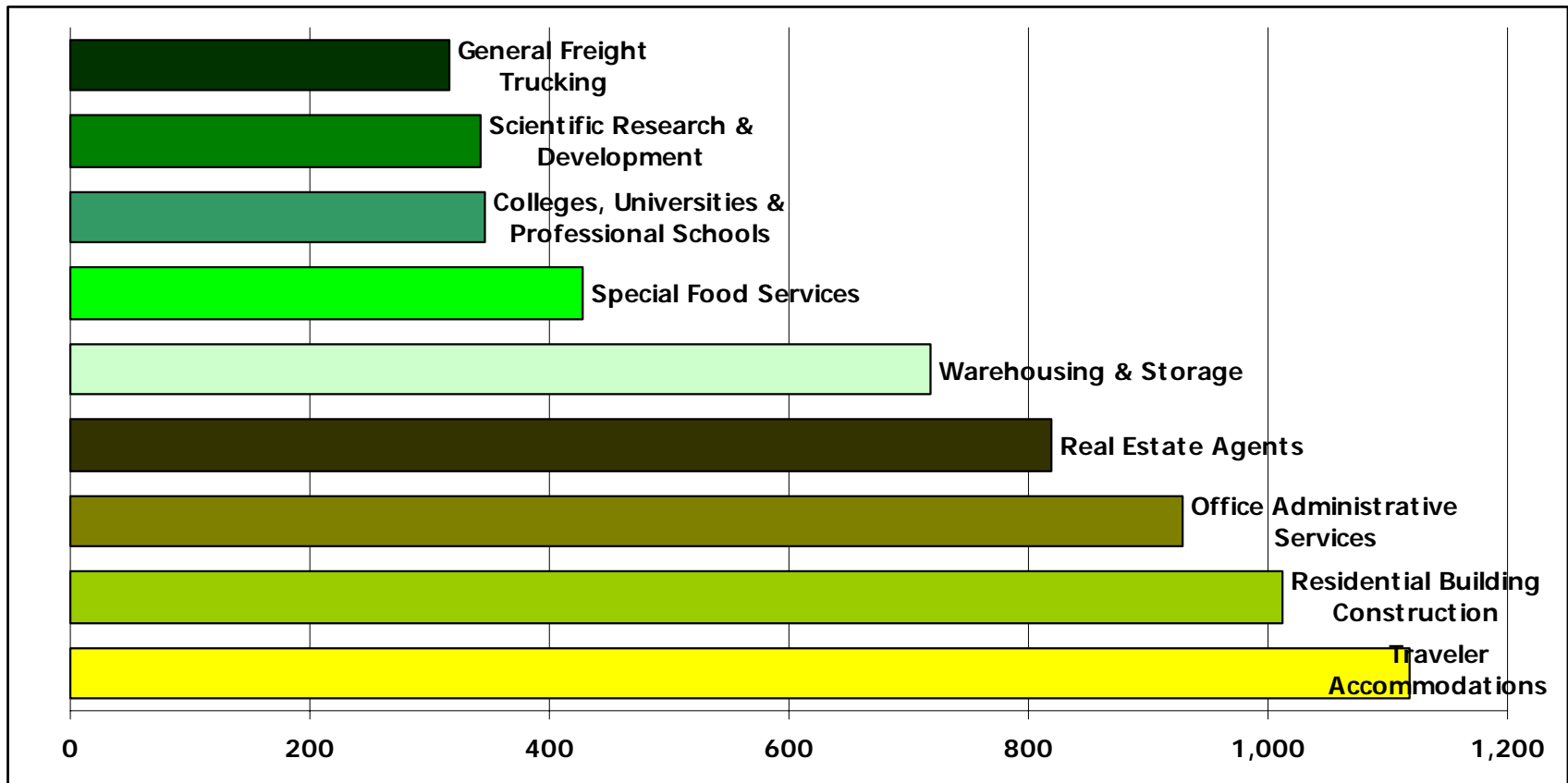
Top Growing Economic Base Industries in Sacramento County



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Top “Emerging” Industries in Sacramento County

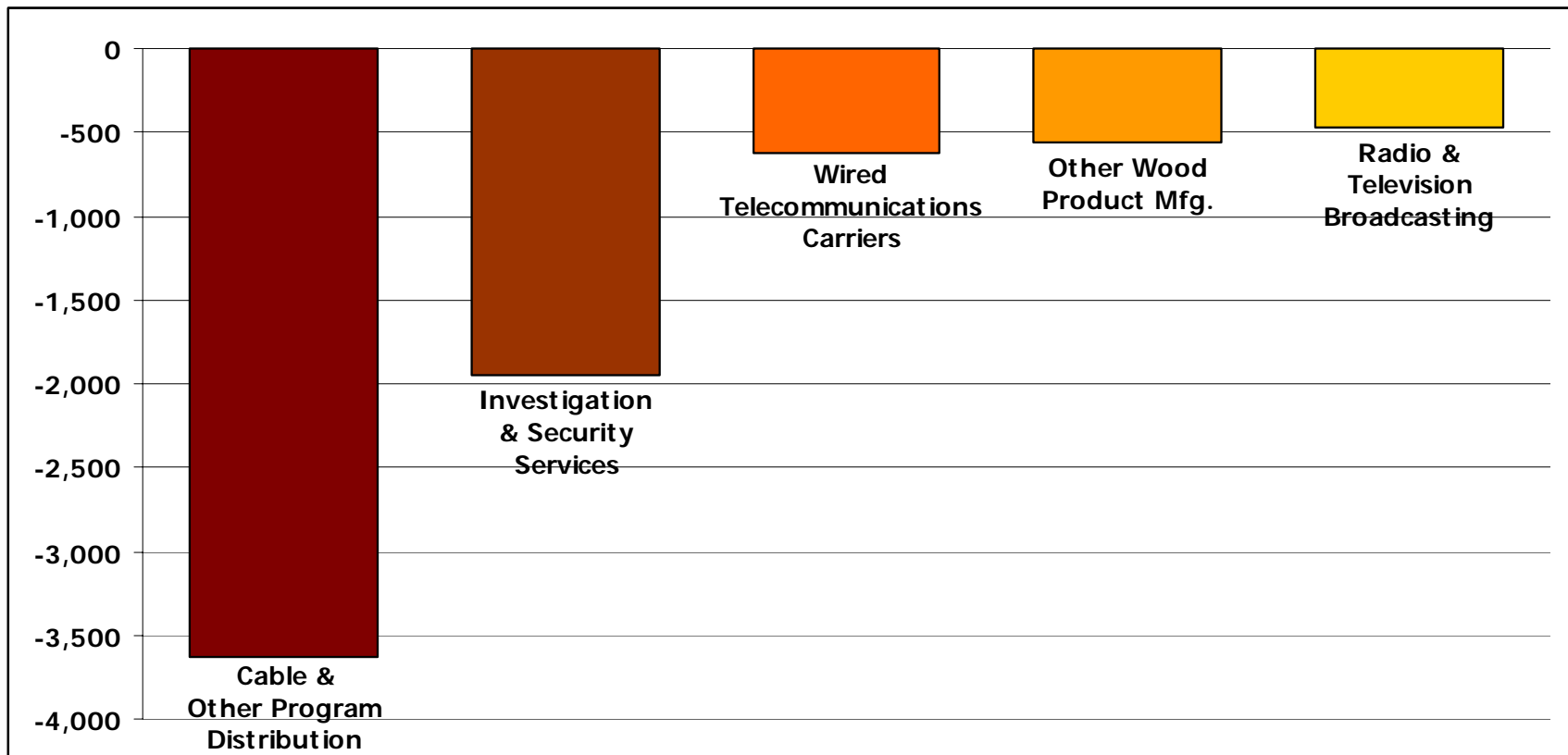




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Declining Industries in Sacramento County



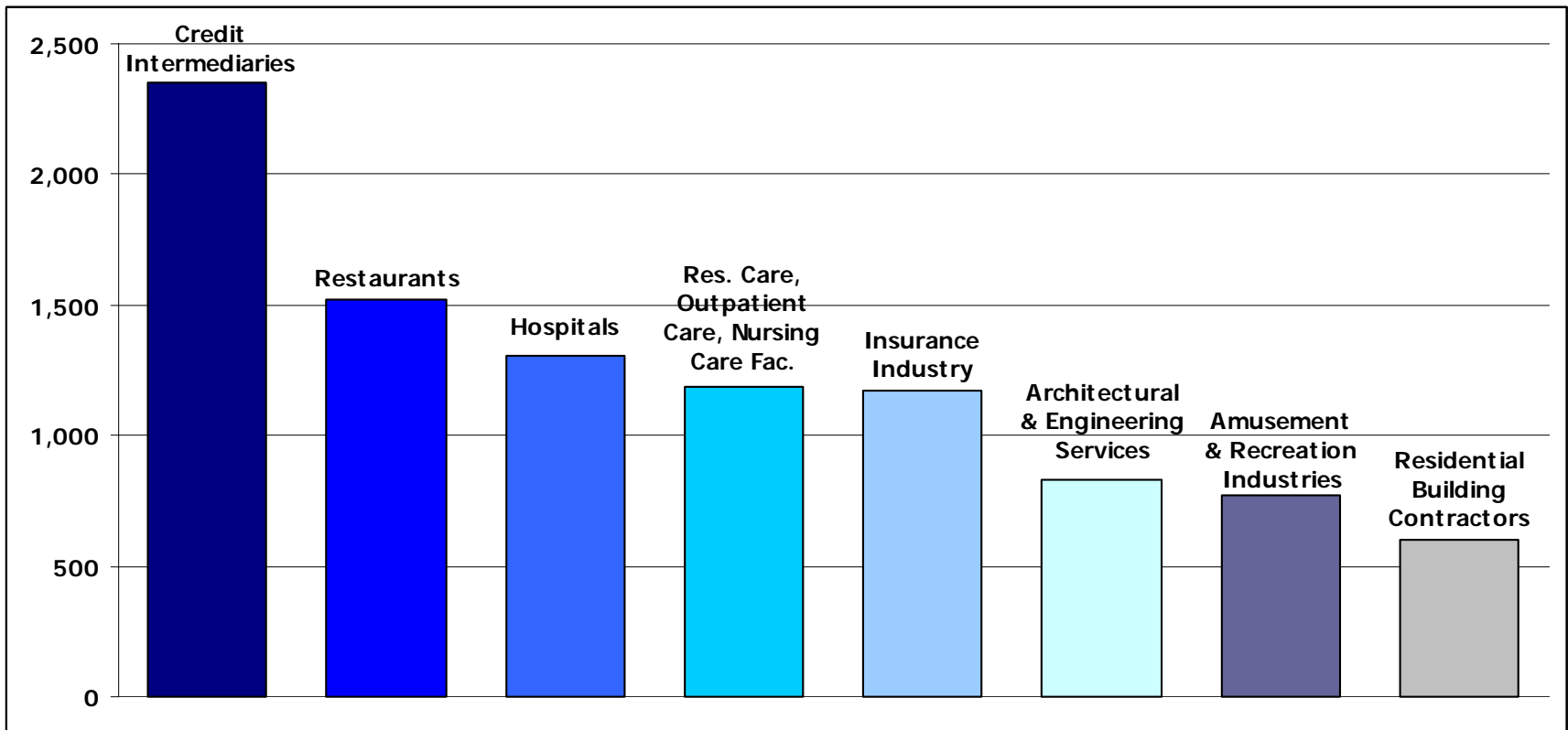
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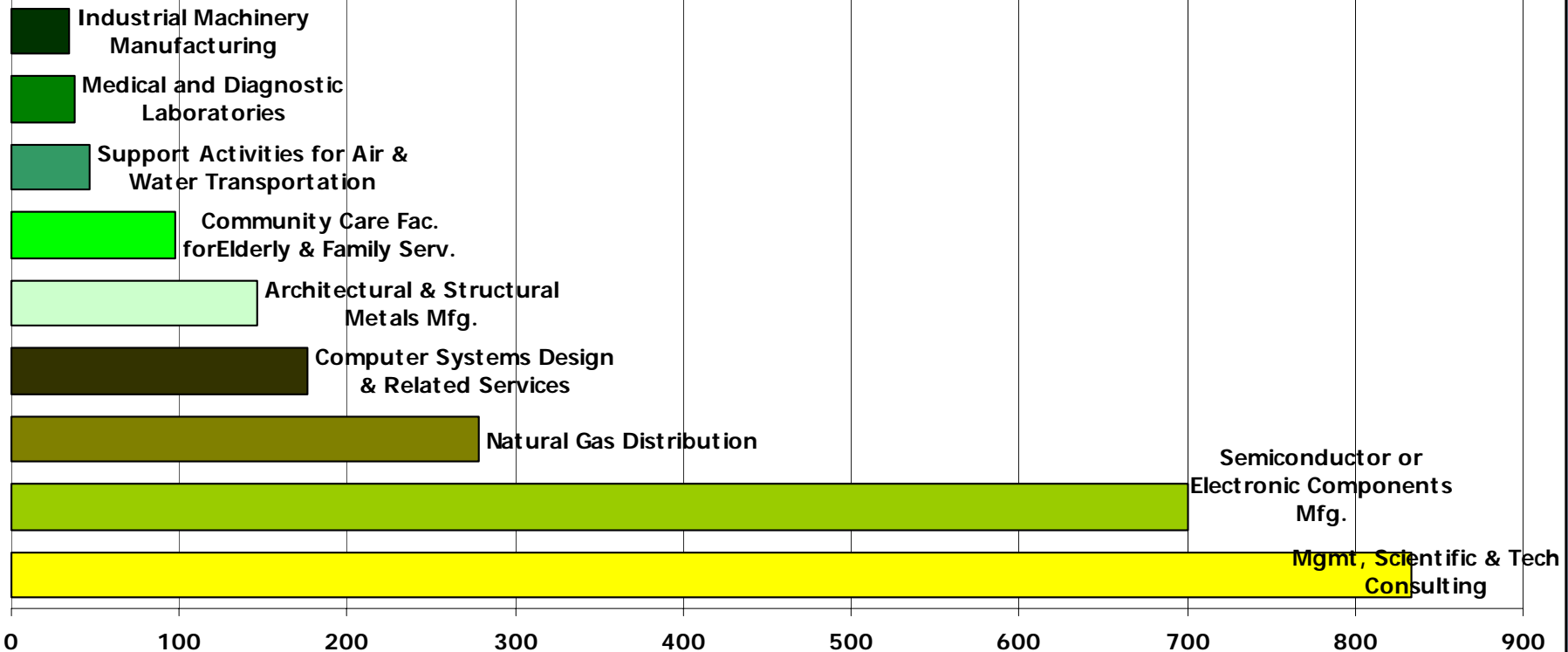
Top Growing Economic Base Industries in Placer County



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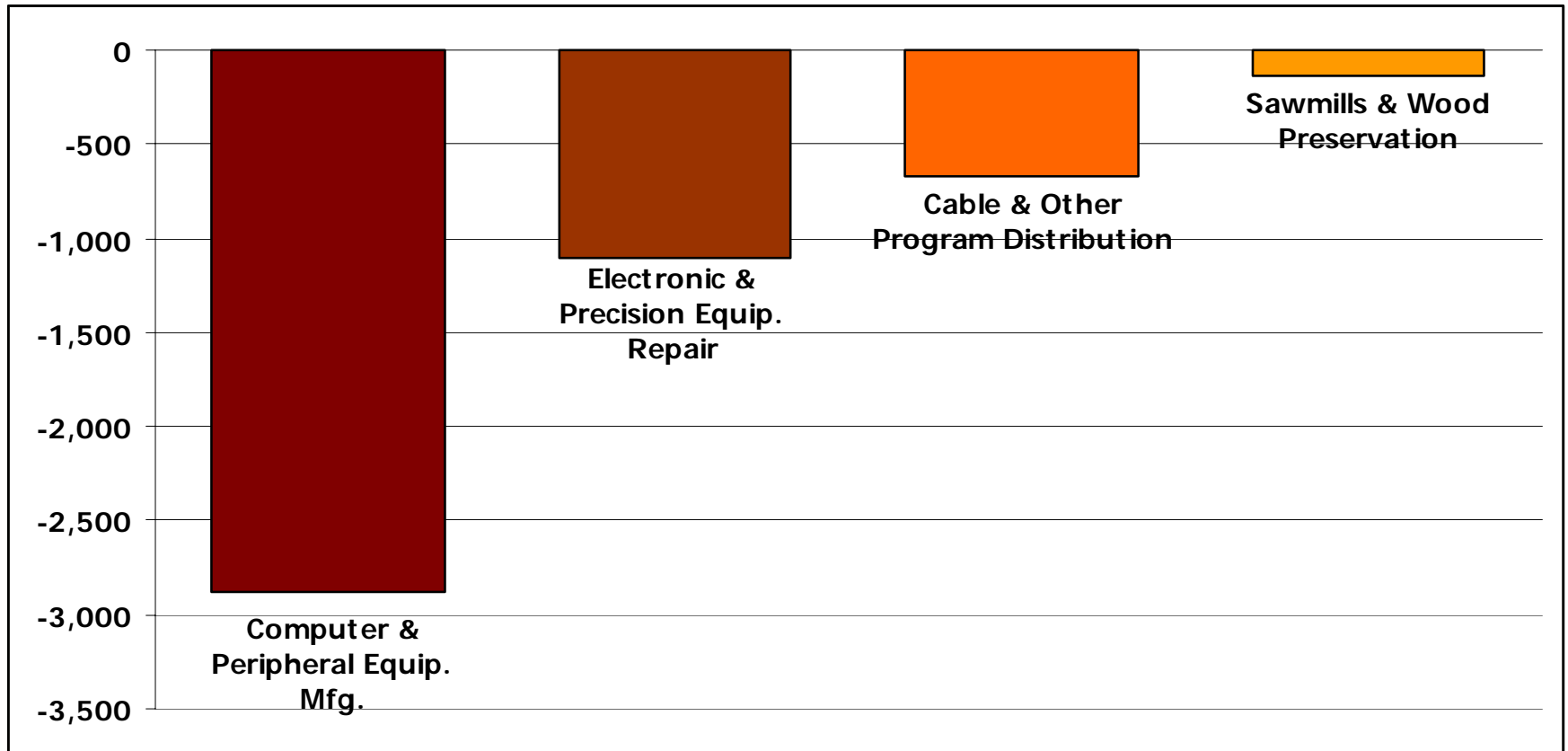


Top “Emerging” Industries in Placer County



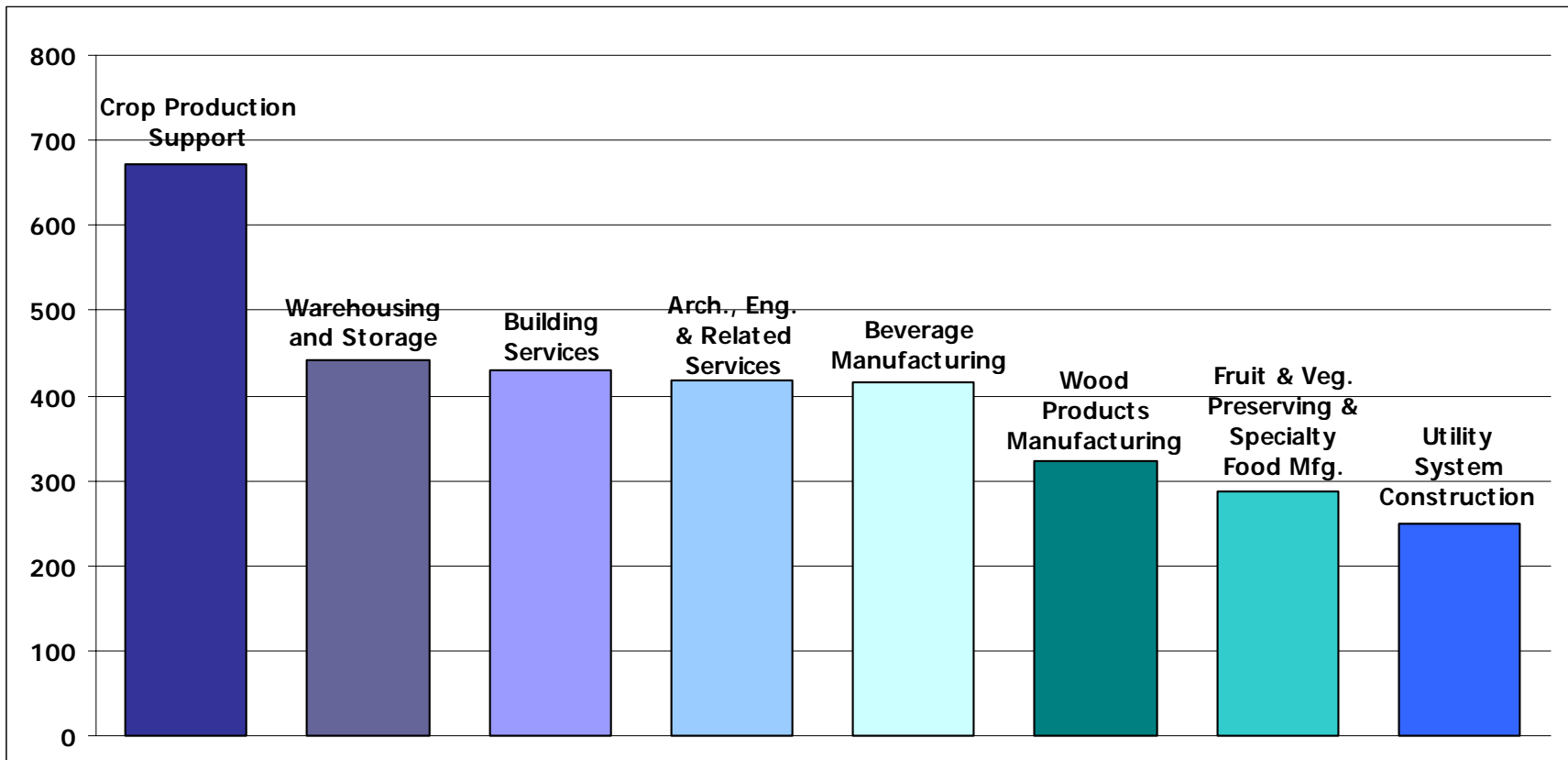


Declining Base Economic Industries in Placer County



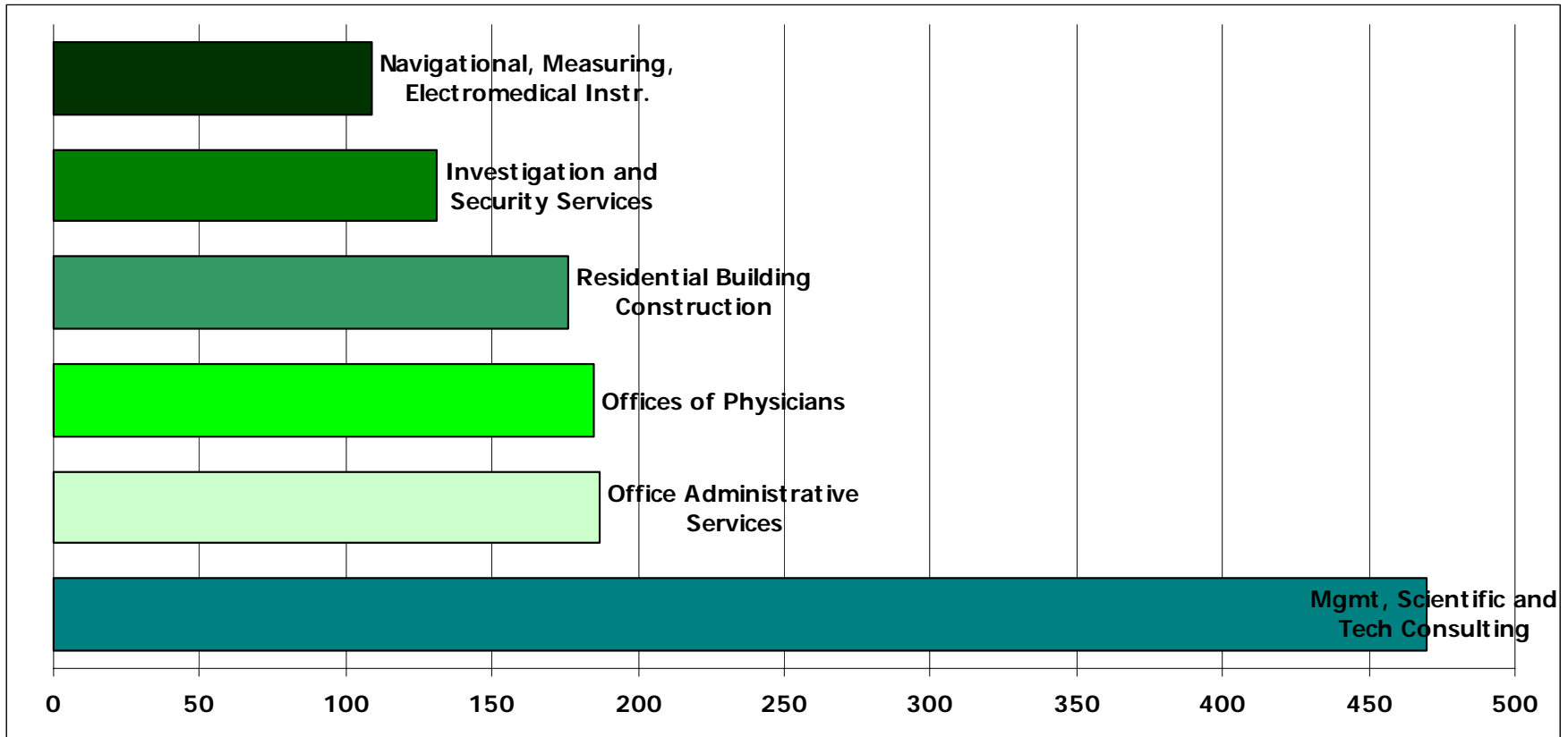


Top Growing Economic Base Industries in Yolo County





Top “Emerging” Industries in Yolo County

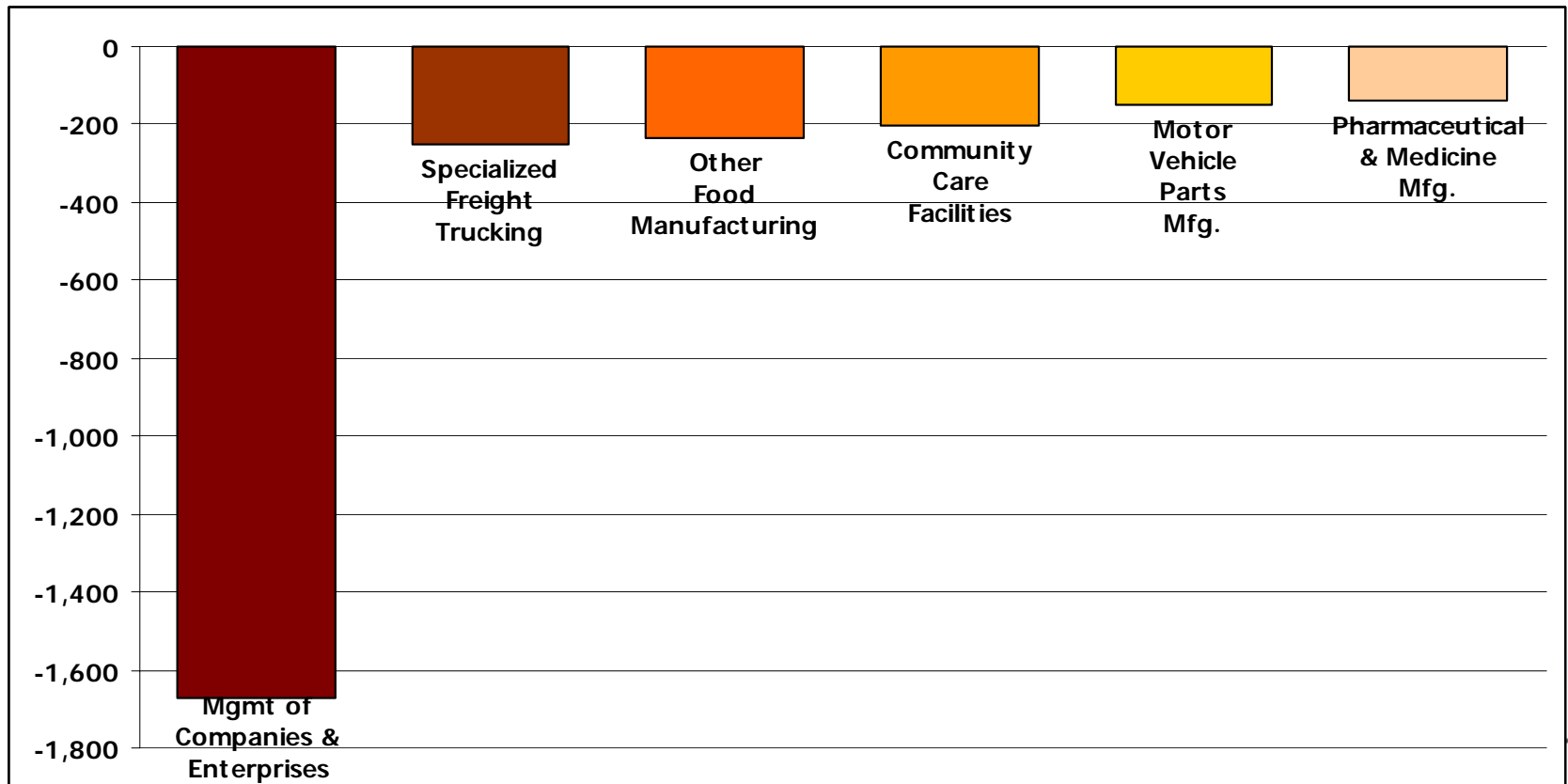




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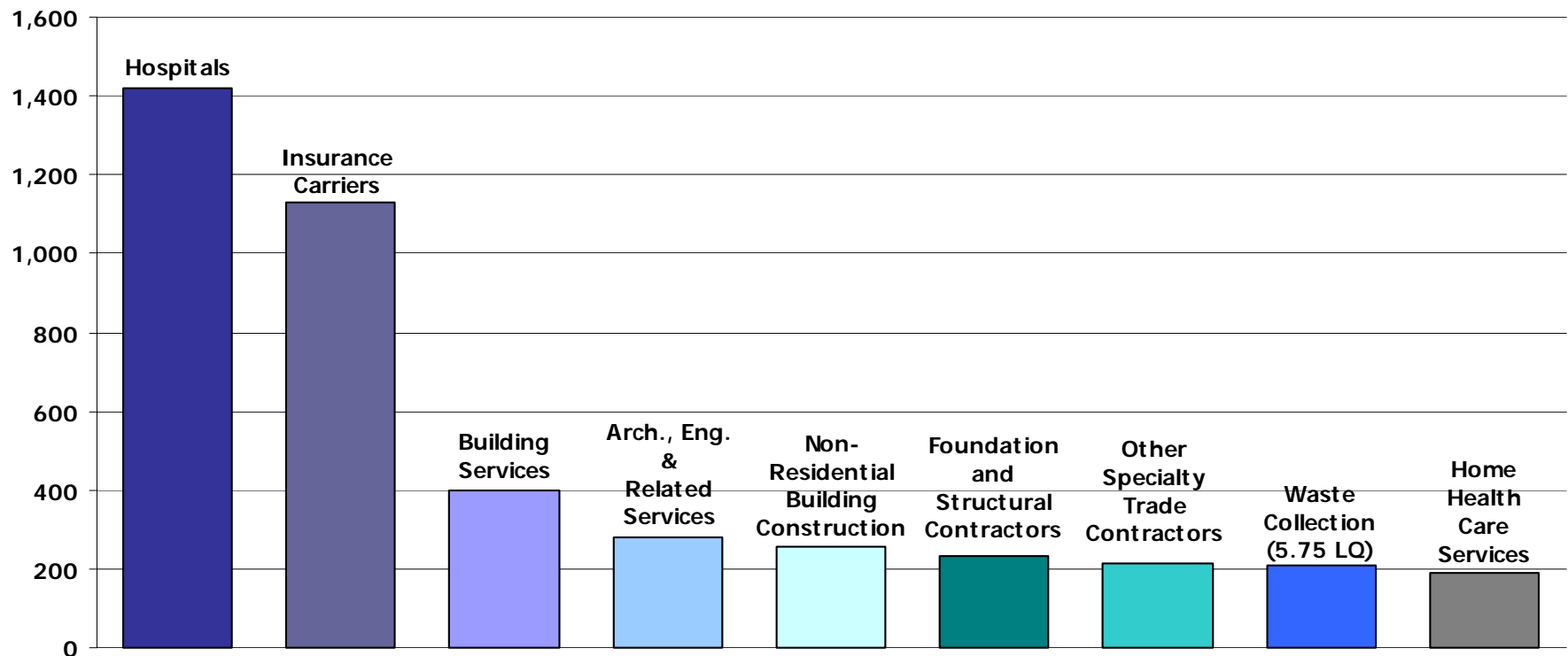
Major Declining Industries in Yolo County



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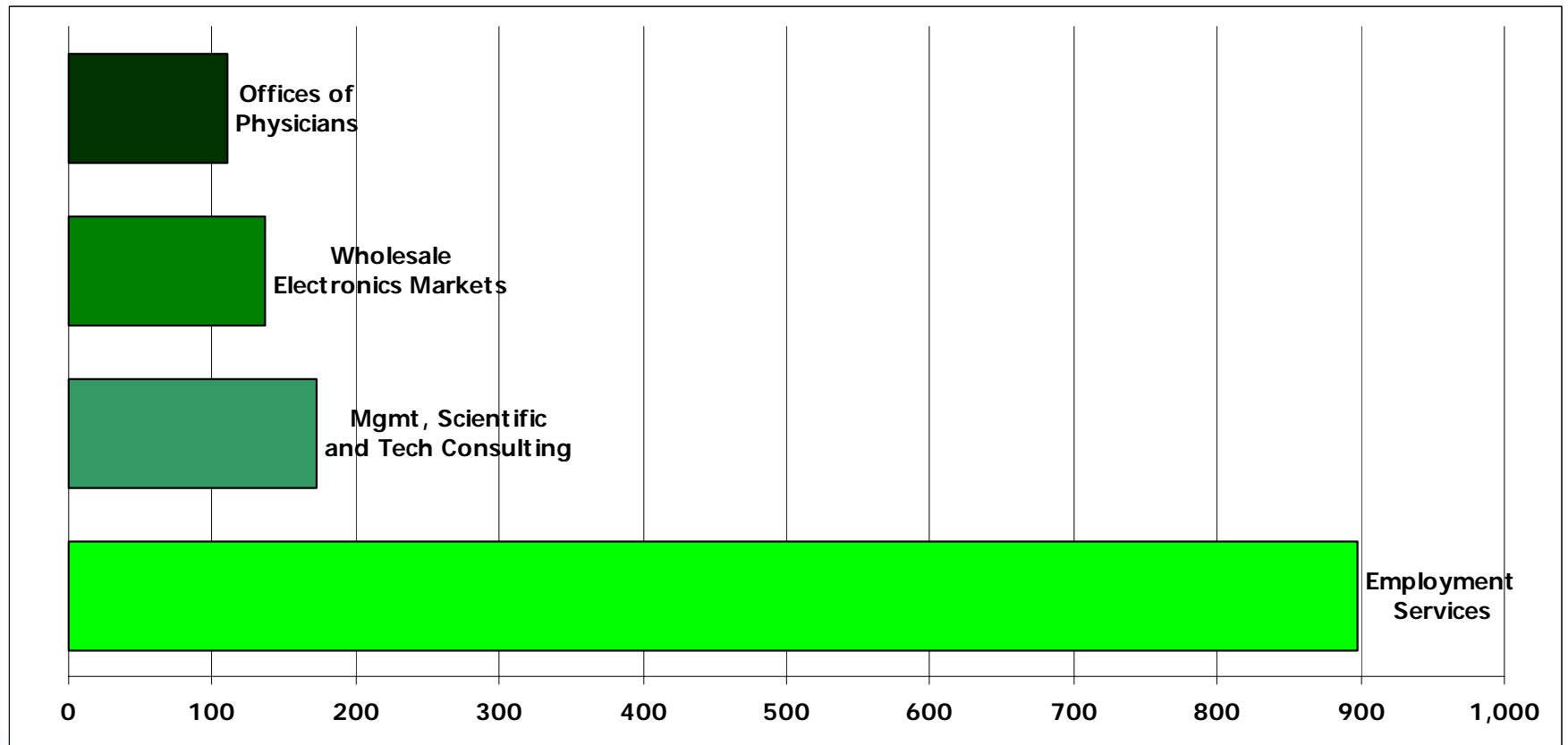


Top Growing Economic Base Industries in El Dorado County





Top “Emerging” Industries in El Dorado County

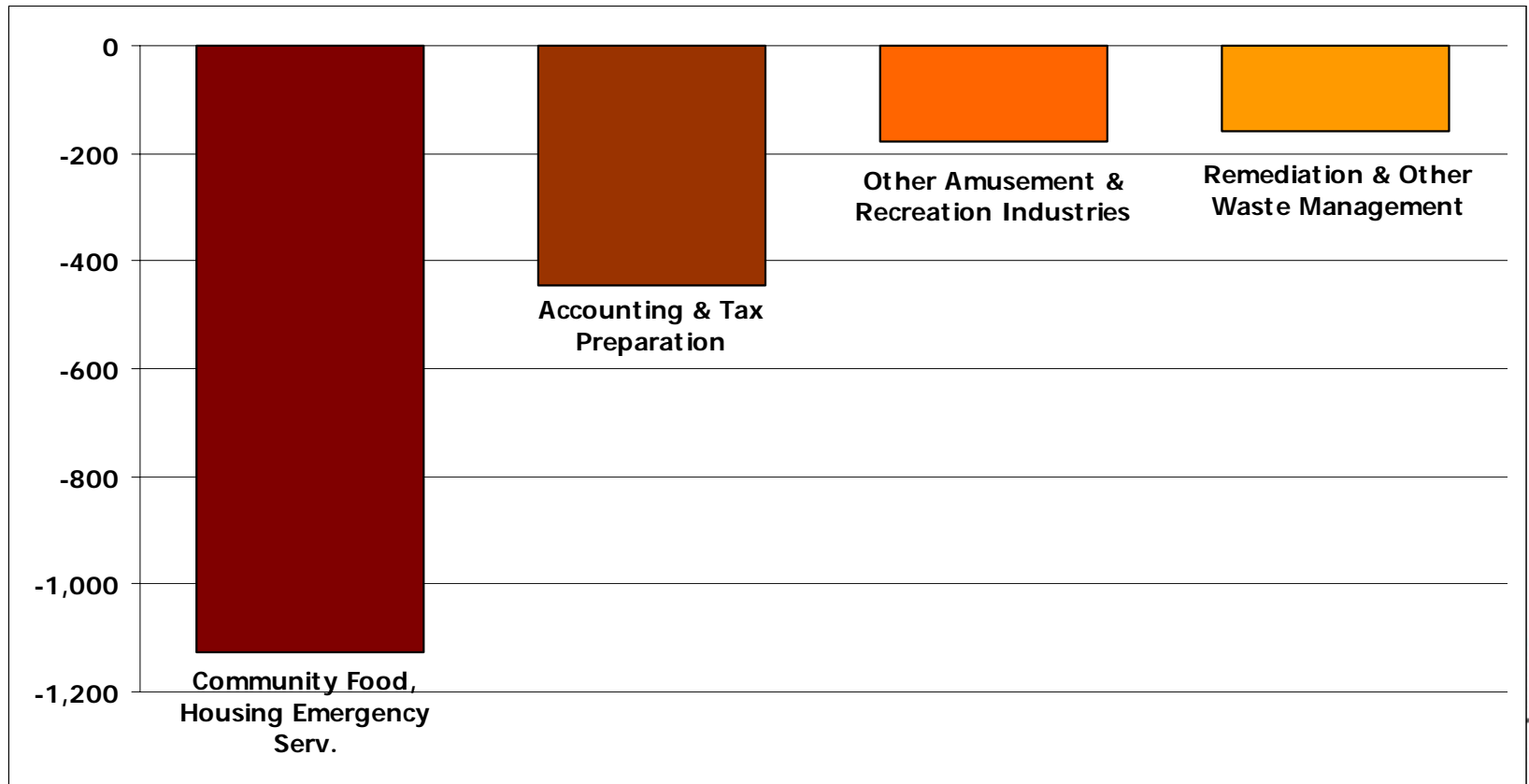




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Major Declining Industries in El Dorado County



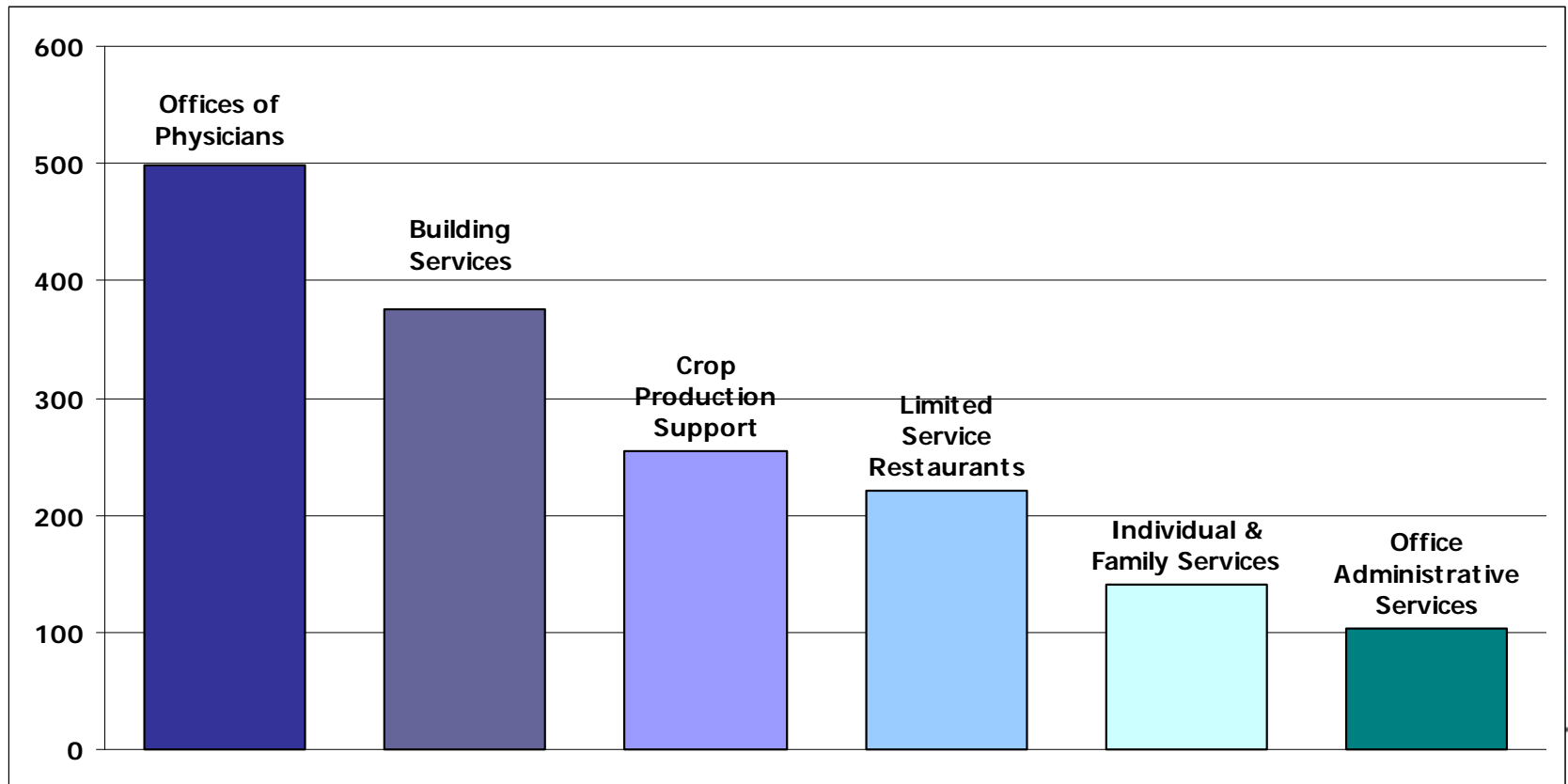
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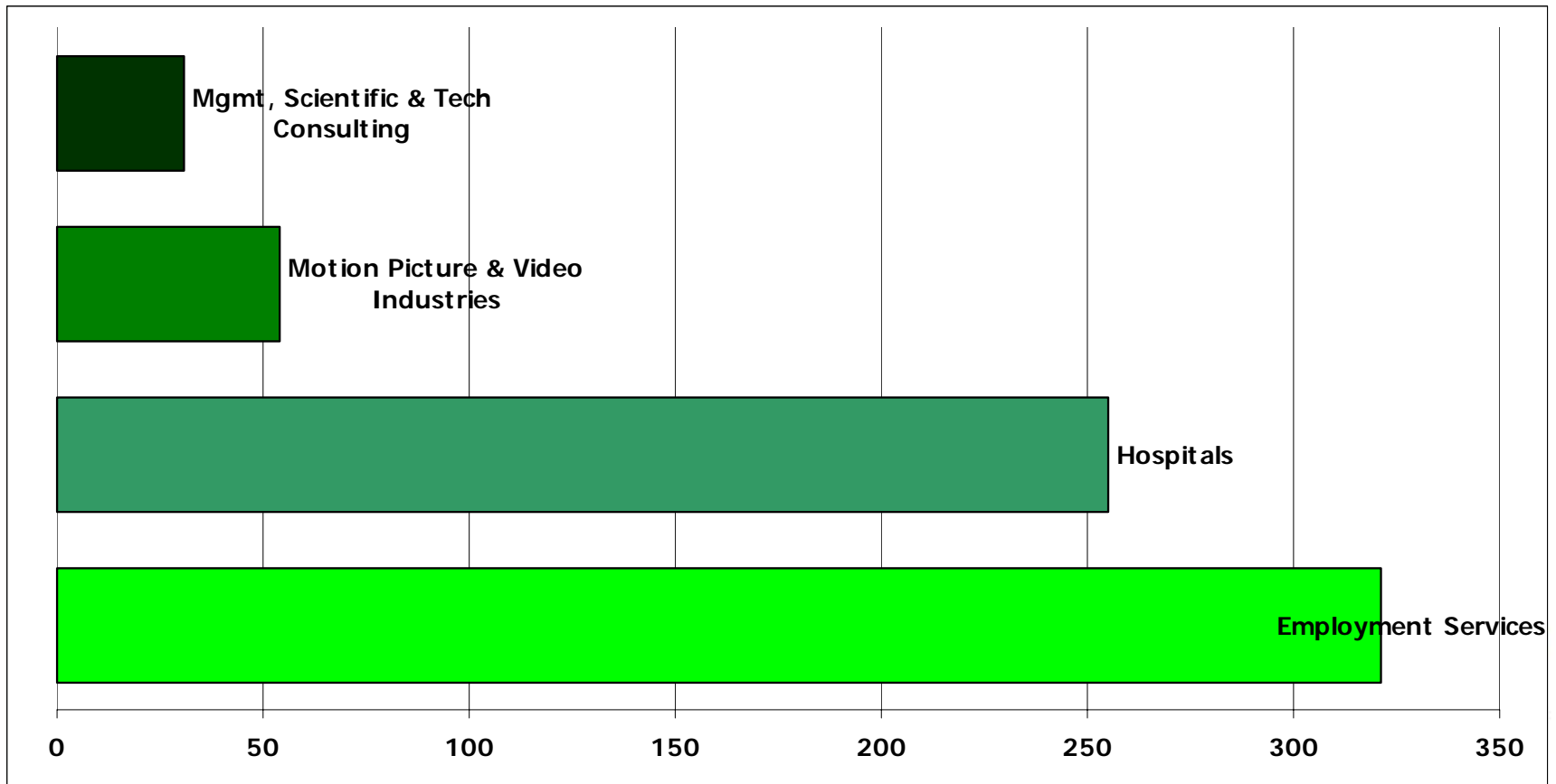
Top Growing Economic Base Industries in Sutter County



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Top “Emerging” Industries in Sutter County

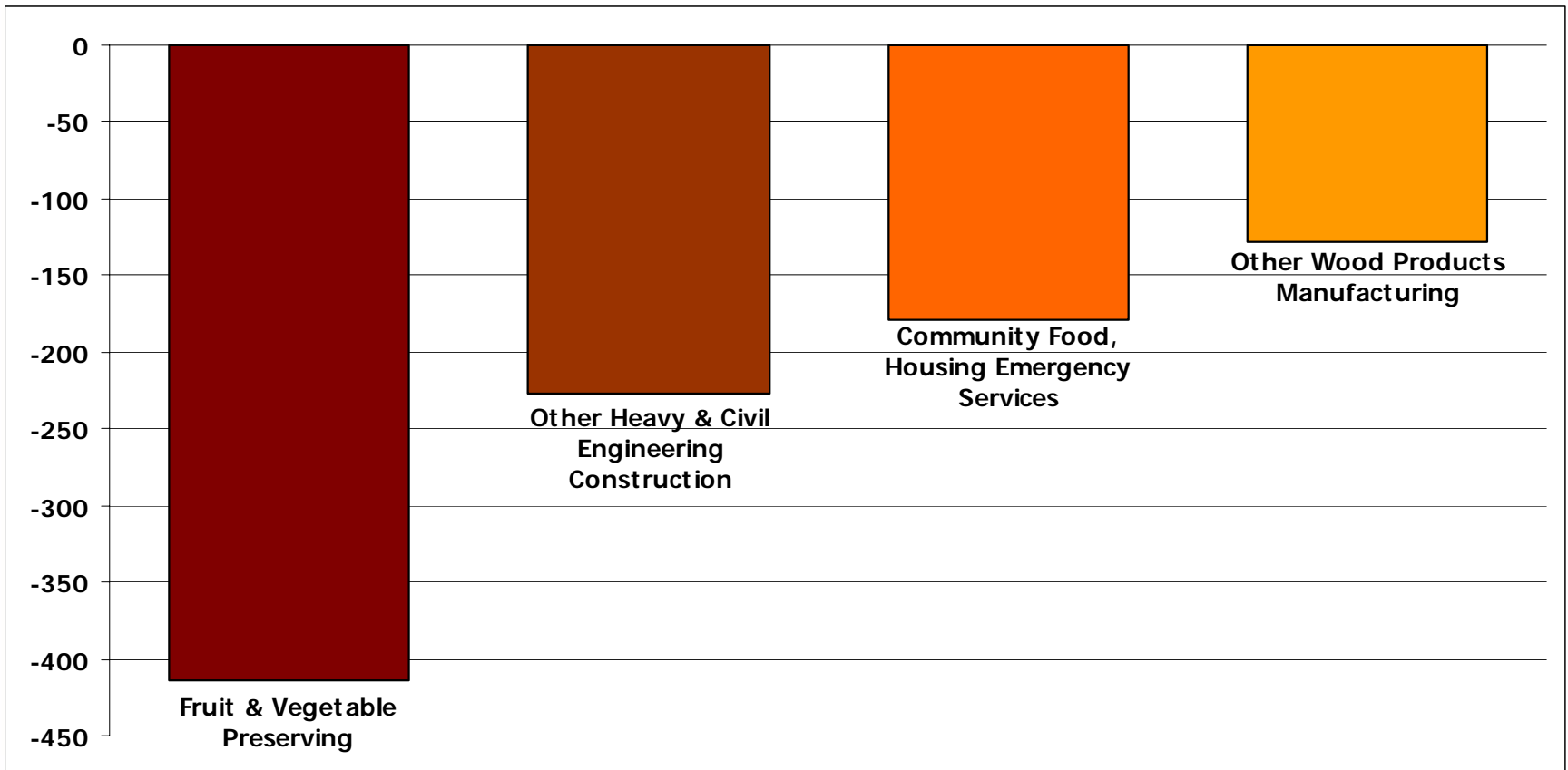




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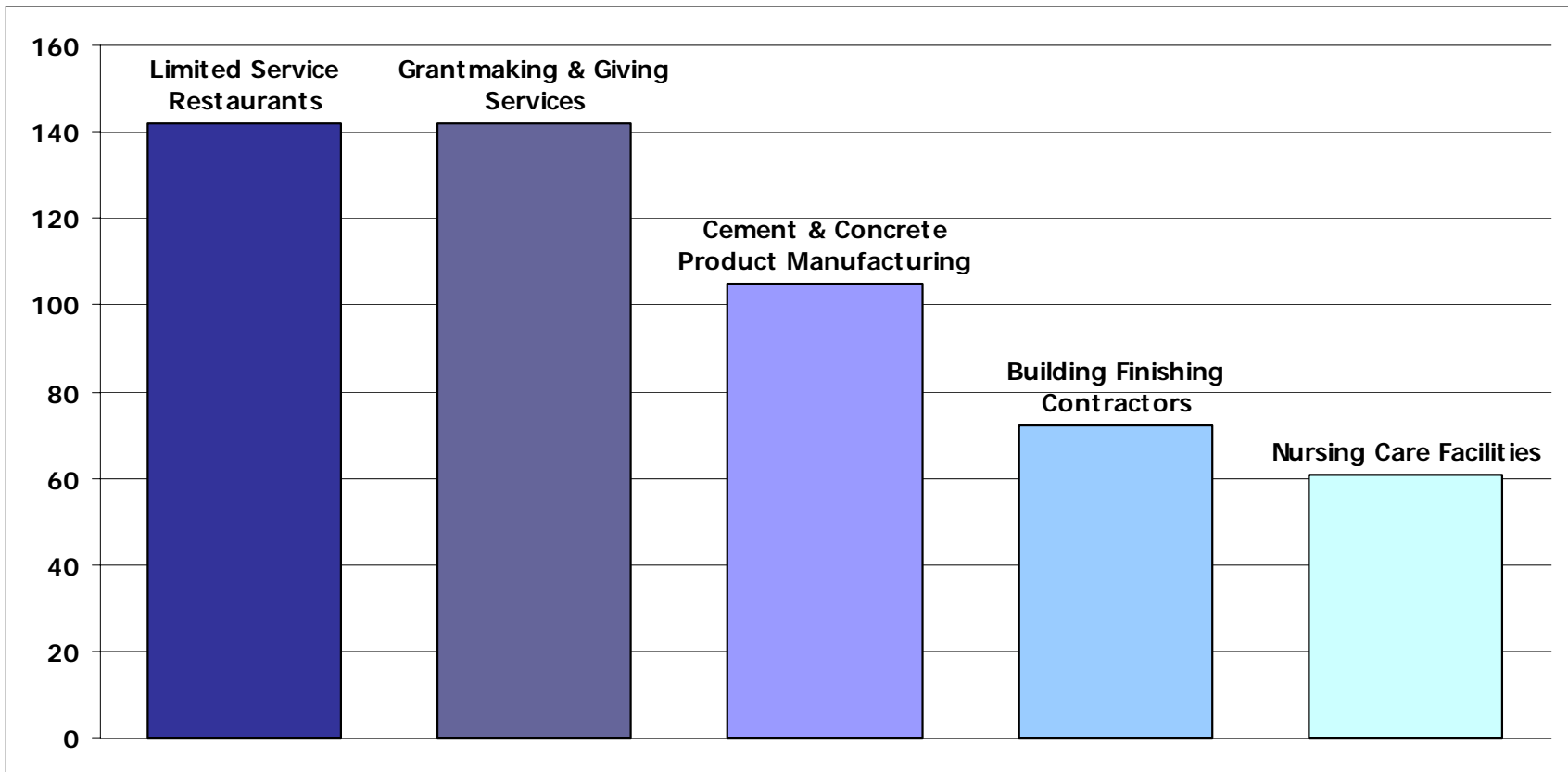
Major Declining Industries in Sutter County



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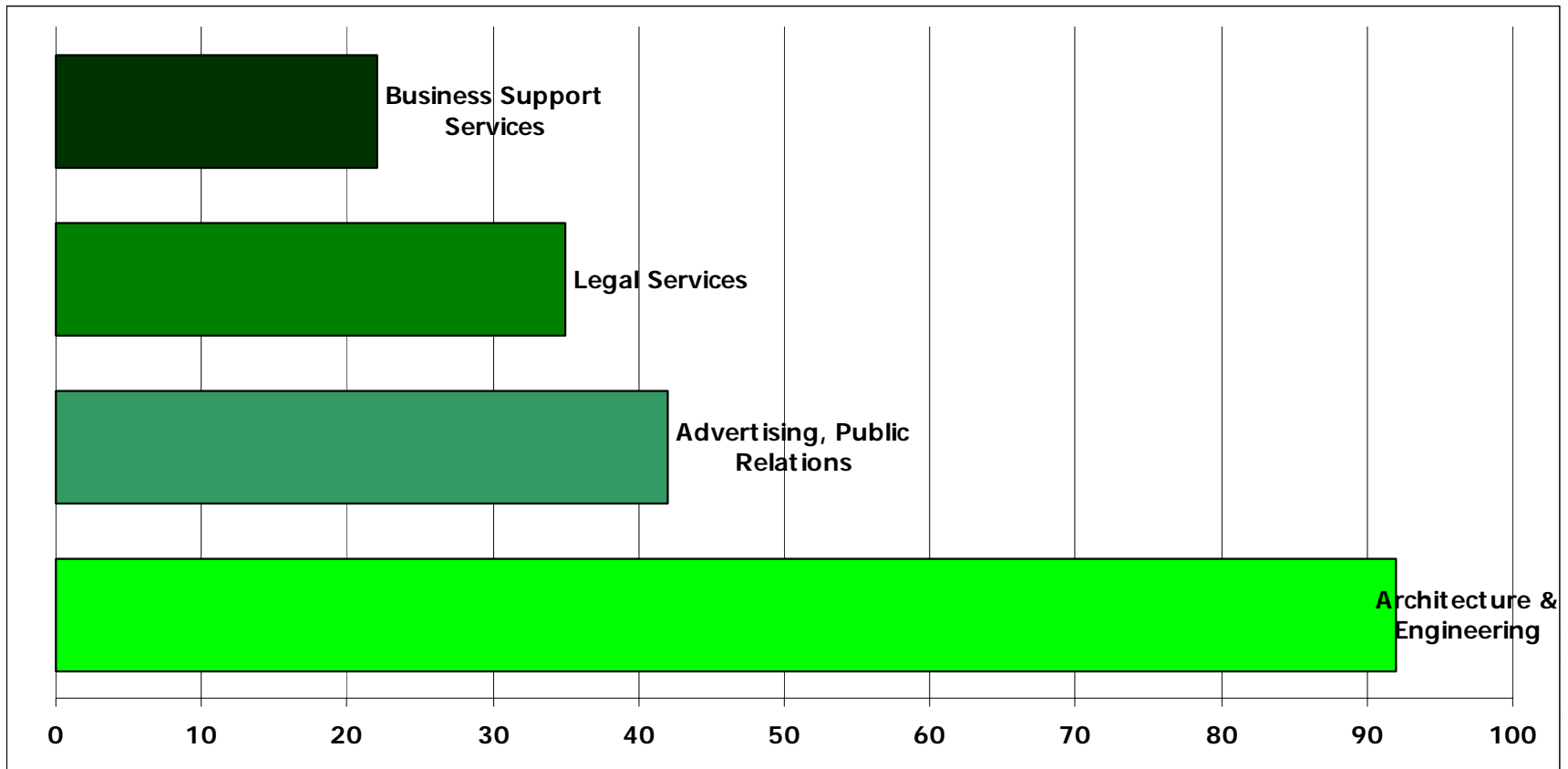


Top Growing Economic Base Industries in Yuba County



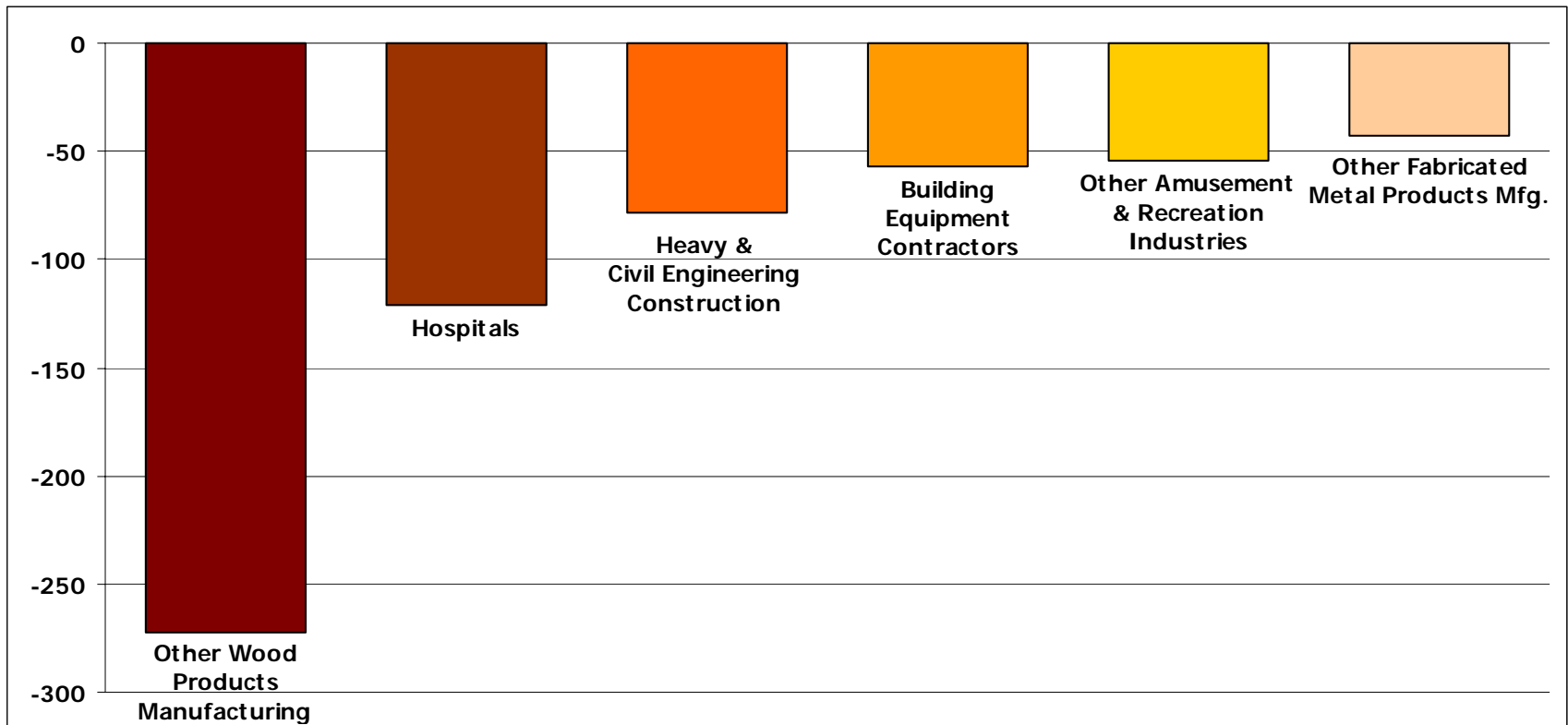


Top “Emerging” Industries in Yuba County





Major Declining Industries in Yuba County





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Future Industry Targets: Higher Quality Jobs

- Mfg. Value Chain – almost 10% of Regional Jobs
- Cluster includes Design, Production and Logistics
- Focus on Design – grown from 20-25% of the cluster



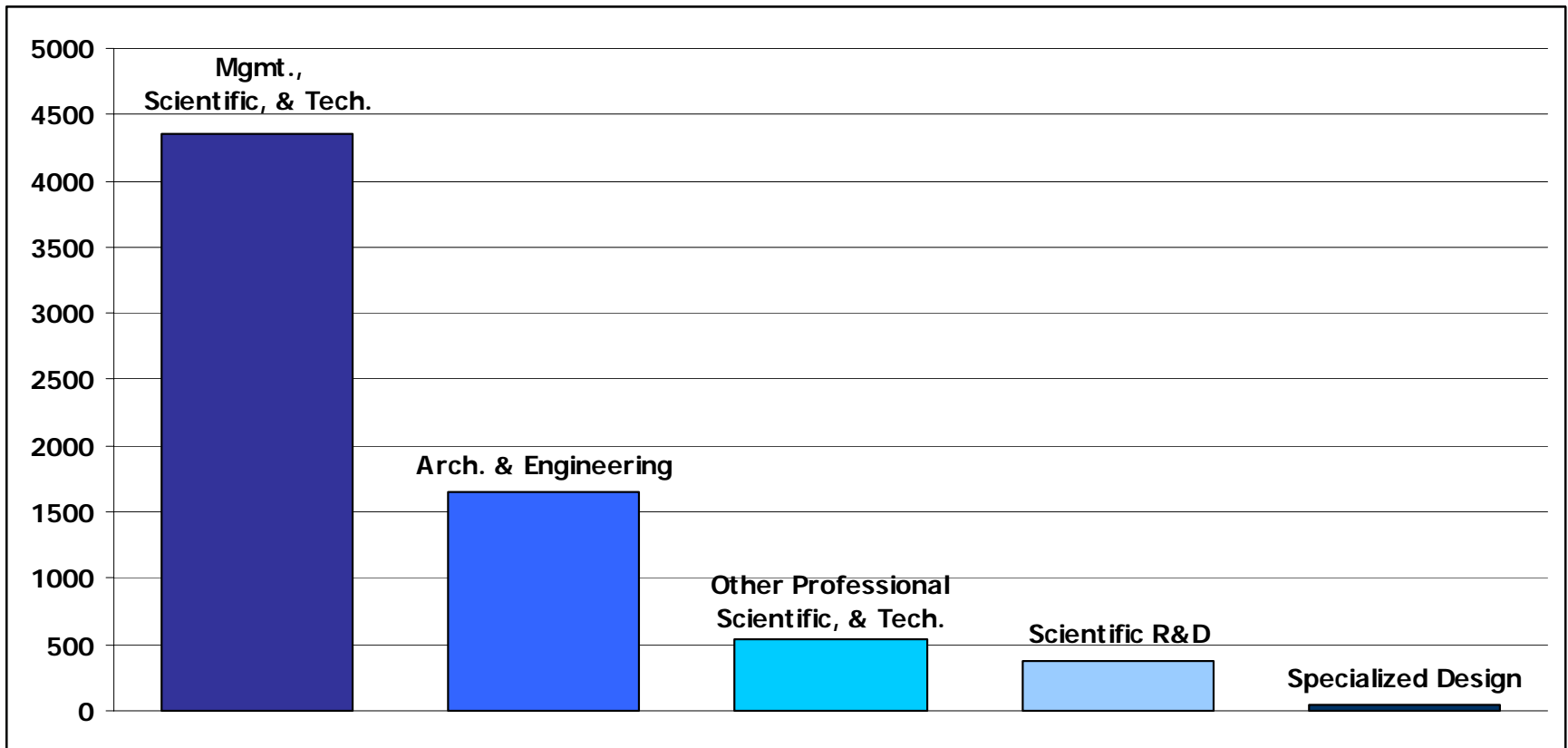
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Design Sectors in Sacramento Region (2001-2006)



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Clean Energy Technology

- SARTA Clean Start Program
 - 90 Companies
 - 1,300 jobs +
 - ✓ Goal to increase to
 - 300 companies
 - 10,000 jobs - direct
 - 10,000 jobs – indirect (multipliers)
 - 20,000 jobs – TOTAL direct and indirect
- Both the senate and assembly announced legislative packages yesterday, including \$3 billion in bonds.





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THEIR ECONOMIC AND BUSINESS POTENTIAL



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