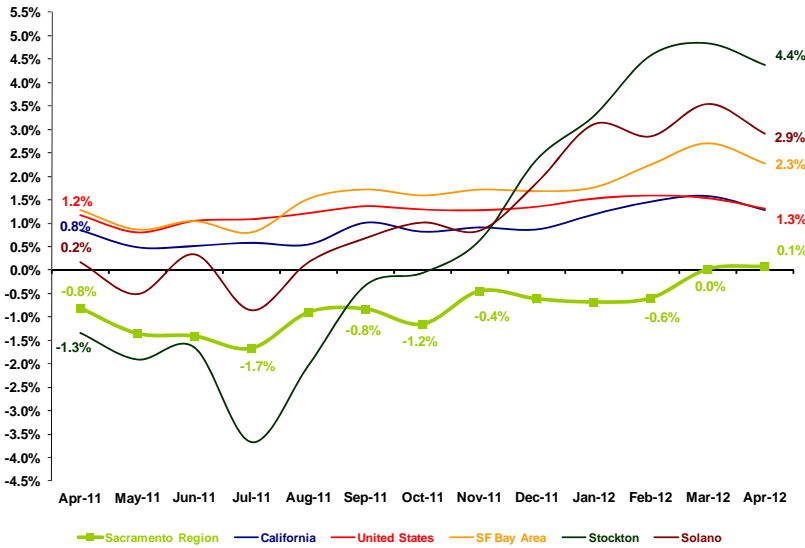


A monthly report examining the health and performance of the Sacramento Region's economy

THE SACRAMENTO REGION SAW A MODEST ANNUAL INCREASE IN JOBS

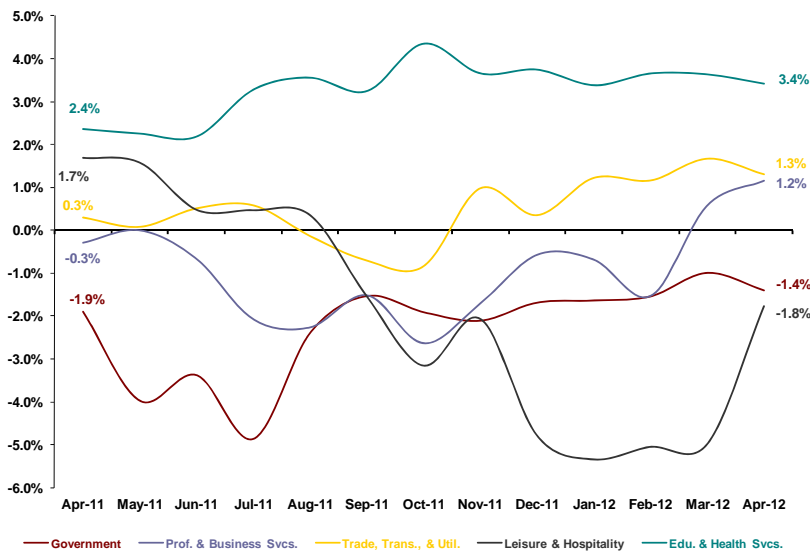
Annual Job Growth



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

THREE OF SACRAMENTO'S LARGEST SECTORS POSTED ANNUAL JOB GAINS

Sacramento Region Largest Sector Annual Job Growth



Data Source: CA Employment Development Department

The number of jobs on payrolls in the six-county Sacramento Region increased by a minimal amount over the 12 months ending April 2012. Preliminary data show that the four-county core Sacramento market experienced no growth in this period while the Yuba-Sutter market saw a small net gain (700 jobs). If this preliminary data remains unrevised or is shifted upwards, it will mark the end of a 54-month period of no annual job gains at the regional level. The Region's April 2012 job growth is moderately better than the same point in the previous year, but continues to fall well below the statewide and national benchmarks. Three of the Region's largest sectors posted positive annual job growth in April 2012 with Educational & Health Services leading the way (mainly reflecting gains in health care) at 3.4 percent growth and Trade, Transportation, & Utilities (due to improvements in retail trade) and Professional & Business Services (primarily administrative services) posting 1.3 percent and 1.2 percent growth, respectively. Both Government and Leisure & Hospitality, two other large sectors in the Region, shed jobs between April 2011 and 2012.

Annual job growth in the state and nation slowed slightly in April 2012 with both coming in at 1.3 percent. The state added over 180,000 jobs in the past year while the nation saw a gain of more than 1.7 million jobs. Sacramento's three neighboring markets also saw job growth dip in April 2012. The SF Bay Area posted 2.3 percent job growth with a gain of roughly 63,000 jobs, generated primarily in the core San Francisco and Silicon Valley markets. The Solano market experienced 2.9 percent job growth during the 12 months ending April 2012, reflecting a 3,400-job increase. Stockton posted strong job growth at 4.4 percent, adding 8,100 jobs to payrolls in the past year. All three of these markets outpaced the state and nation.

FIVE OF THE SACRAMENTO REGION'S MAJOR SECTORS ADDED JOBS

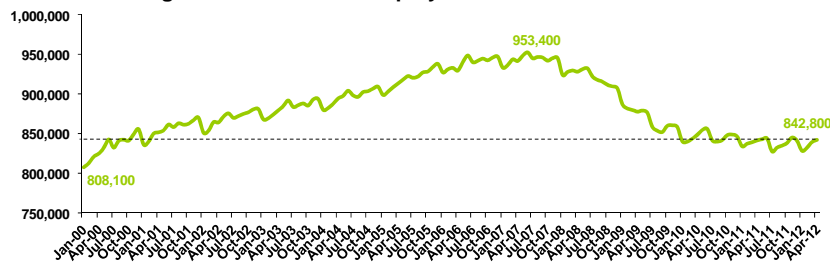
Major Sector Annual Job Gains and Losses

Sector	Sacramento Region	April 2011-2012			
		California	SF Bay Area	Stockton	Solano
Total Nonfarm	700	180,100	62,800	8,100	3,400
Private Sector	4,100	225,200	69,200	7,700	3,900
Public Sector	-3,400	-45,100	-6,400	400	-500
Edu. & Health Svcs.	3,700	48,100	13,000	900	1,000
Trade, Trans., & Util.	1,800	48,900	9,300	2,900	1,400
Prof. & Business Svcs.	1,200	84,600	25,700	1,200	500
Financial Activities	1,000	10,000	-1,700	300	200
Mining & Logging	24	300	0	0	0
Manufacturing	0	-2,000	800	1,500	100
Other Services	0	-5,600	3,800	0	0
Information	-300	14,300	6,200	0	100
Leisure & Hospitality	-1,500	28,100	7,100	700	800
Construction	-1,824	-1,500	5,000	200	-200
Government	-3,400	-45,100	-6,400	400	-500

Data Source: CA Employment Development Department

TOTAL NONFARM EMPLOYMENT IS STILL AROUND YEAR 2000/2001 LEVELS

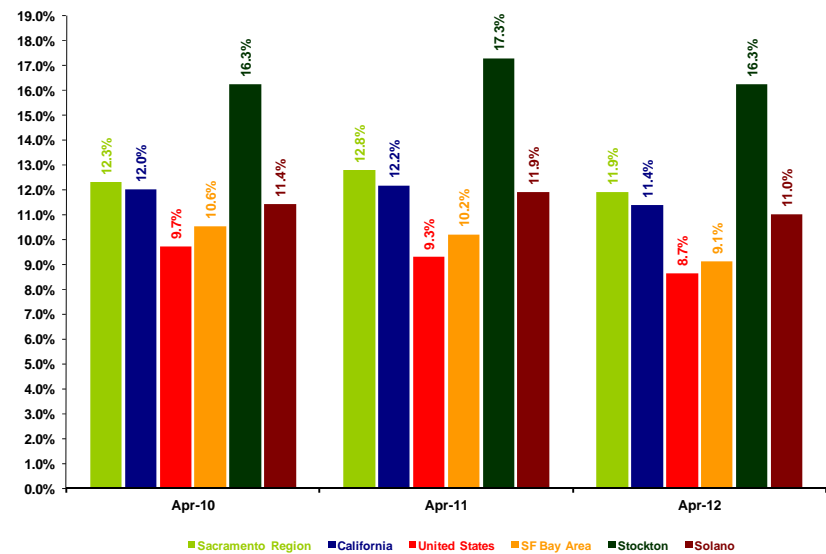
Sacramento Region Total Nonfarm Employment



Data Source: CA Employment Development Department

THE SACRAMENTO REGION'S UNEMPLOYMENT RATE CONTINUES TO DROP

Unemployment Rate (Seasonally Adjusted Annual Average)



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

Private sector activities in the Sacramento Region posted a net gain of 4,100 jobs between April 2011 and 2012. Five major sectors added jobs in the past year with three of the largest sectors topping the list—Educational & Health Services; Trade, Transportation, & Utilities; and Professional & Business Services. Two private sector activities, Construction and Leisure & Hospitality, posted notable annual losses, but the combined decrease was less than the total gain in the Educational & Health Services sector. Substantial losses across the board in the Government sector, 3,400 jobs, pulled the Region’s net gain down to 700. This placed total Nonfarm employment at 842,800, which remains at year 2000 and 2001 regional employment levels.

Statewide, four major sectors posted jobs losses in the 12 months ending April 2012 including Government; Other Services; Manufacturing; and Construction. The greatest gains were seen in the state’s Professional & Business Services sector with a bulk of this increase posted in employment services activities, which accounts for demand for employment placement services and temporary help. The SF Bay Area also experienced the largest annual job gains in the Professional & Business Services sector with losses confined to the Government and Financial Activities sectors. The Stockton market posted no losses in the April 2011-2012 period—the most pronounced increases were in the Trade, Transportation, & Utilities sector. Like in Stockton, the Solano market saw the greatest gains in the Trade, Transportation, & Utilities sectors, but posted annual losses in Construction and Government.

The unemployment rate in the Sacramento Region dipped by nine basis points between April 2011 and 2012. The most recent seasonally adjusted annual average rate came in at 11.9 percent, which reflects close to 132,000 residents officially counted as unemployed. This rate continued to place above the statewide and national averages of 11.4 percent and 8.7 percent. Both the SF Bay Area and Solano posted unemployment rates in April 2012 that placed between the state and nation at 9.1 percent and 11.0 percent, respectively. Although it dropped by one percent point in the past year, Stockton’s unemployment rate remained at one of the highest levels in the country at 16.3 percent.

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



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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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