

REGION'S GROWTH



Growth of the Sacramento Region

The six-county Sacramento Region is one of the fastest growing major metropolitan areas in California. The “livability” of the region, variety of housing opportunities, economic growth, recreation and culture, and proximity to world renowned destinations such as Yosemite, the Sierra Nevada Mountain Range, the Napa Valley, Pacific Ocean beaches, and the San Francisco Bay Area within a few hours drive, all add to the quality of life of the residents and businesses within the region.

The Sacramento Region has a unique and increasingly healthy mix of economic opportunities for companies and job-seekers alike. With the combination of a variety of housing options and relatively low business costs, many people and businesses are making the move to the Sacramento Region.

Population

The Sacramento Region is the 26th largest metropolitan area in the United States, similar in size to Cincinnati, San Antonio, Kansas City, and Portland. Of the 49 metropolitan areas with more than one million people, the Sacramento Region ranks fifth in terms of population increase from 2000 to 2002.

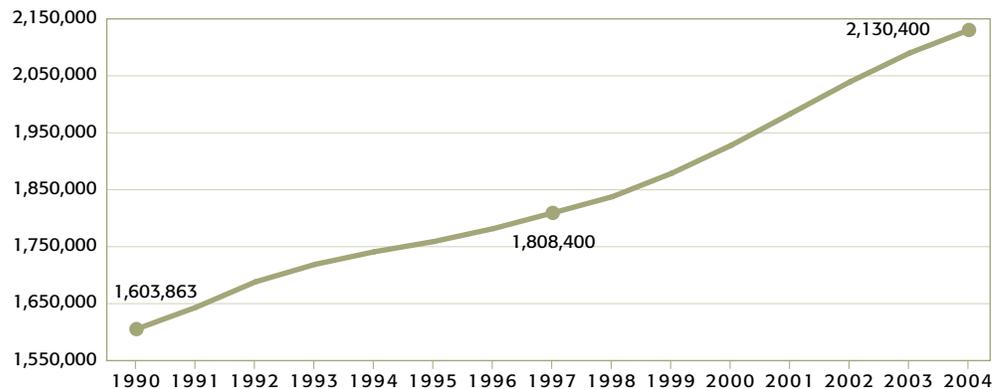
The Sacramento Region has a population of roughly 2.1 million, an increase of 140,000 residents since 2000, and a half million since 1990. The attractions of the region, including comparatively affordable land and housing and a high quality of life, added to a rapid increase in the cost of living in the adjacent San Francisco Bay Area, have all ushered in over a decade of unprecedented expansion. During the past 13 years, the population grew at an average of 38,500 per year, and during the last three years this increased to nearly 47,000 per year.



The Sacramento Region consists of El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.

Figure 1 – Population

Greater Sacramento Area



Data Source: California Department of Finance, Demographic Research Unit.

Note: Greater Sacramento Area includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.

The rapid growth of the Sacramento Region is attributed to its desirability as a great place to live and work, while having a lower cost of living than the coastal regions of the State. As shown in Figure 2, the Sacramento Region compares favorably in real population growth to regions two to four times its size. Since 2001, nearly 76 percent of total population growth in the six-county Sacramento Region has been as a result of in-migration. This surpassed Los Angeles with 43 percent, San Diego with 54 percent and San Jose with a -67 percent migration figure (that is, a net out-migration led to a reduction of the overall growth rate by 67 percent).

The Sacramento Region's population is projected to grow to 2.4 million by 2010. It is expected to significantly outpace the growth rates of nearly all other major metropolitan areas in California, as well as California itself. This growth rate is also greater than many of the other major metropolitan areas in the western United States, including Salt Lake City, Denver and Portland.

Employment

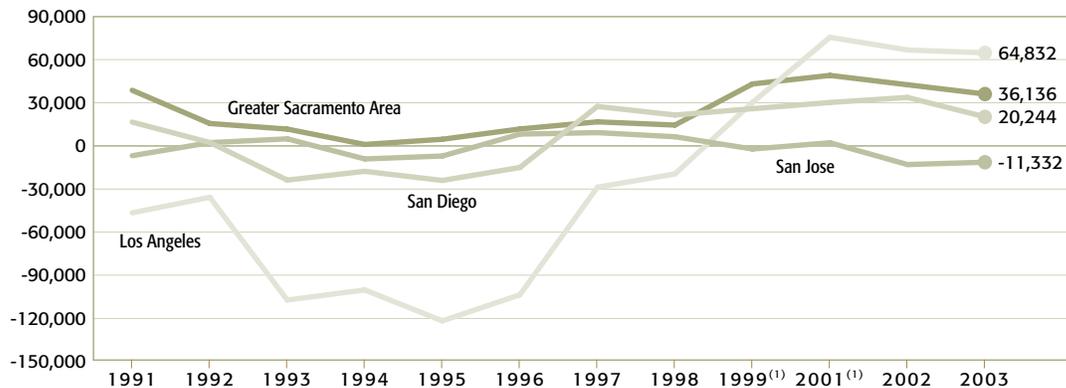
One of the major strengths of the Sacramento Region is its economic stability. Job growth has historically been very steady, not exhibiting large spiked increases and



very rarely suffering from dramatic drops or declines in activity. During the last four years, a period of statewide and national economic instability, the Sacramento Region grew at a steady 18,000 to 20,000 jobs per year, roughly a two percent growth rate of the nearly million-strong

Unlike the other metropolitan areas represented in Figure 2, the Sacramento Region's real net migration has been positive since the early 1990s.

Figure 2 – Net Population Migration



Data Source: California Department of Finance, Demographic Research Unit.
 Note: Greater Sacramento Area includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.
 (1) Year 1999 to Census year 2000 change not available.

Every county in the Sacramento Region has surpassed the state's annual average population growth rate, with Placer County consistently one of the fastest-growing counties in the region and state.

Figure 3 – Sacramento Region Population by County and City

				Change	Average Annual Change %	Change	Average Annual Change %
	1990	2000	2004	90-00	90-00	00-04	00-04
EL DORADO COUNTY	125,995	156,299	168,100	30,304	2.41%	11,801	1.89%
Placerville	8,286	9,610	10,150	1,324	1.60%	540	1.40%
South Lake Tahoe	21,586	23,609	23,600	2,023	0.94%	-9	-0.01%
Unincorporated	96,123	123,080	134,400	26,957	2.80%	11,320	2.30%
PLACER COUNTY	172,796	248,399	292,100	75,603	4.38%	43,701	4.40%
Auburn	10,653	12,462	12,650	1,809	1.70%	188	0.38%
Colfax	1,306	1,496	1,780	190	1.45%	284	4.75%
Lincoln	7,248	11,205	23,050	3,957	5.46%	11,845	26.43%
Loomis	5,705	6,260	6,225	555	0.97%	-35	-0.14%
Rocklin	18,806	36,330	48,900	17,524	9.32%	12,570	8.65%
Roseville	44,685	79,921	96,900	35,236	7.89%	16,979	5.31%
Unincorporated	84,393	100,725	102,600	16,332	1.94%	1,875	0.47%
SACRAMENTO COUNTY	1,041,219	1,223,499	1,335,400	182,280	1.75%	111,901	2.29%
Folsom	29,802	51,884	65,600	22,082	7.41%	13,716	6.61%
Galt	8,889	19,472	22,150	10,583	11.91%	2,678	3.44%
Isleton	833	828	830	-5	-0.06%	2	0.06%
Sacramento	369,365	407,018	441,000	37,653	1.02%	33,982	2.09%
Unincorporated (1)	632,330	744,297	805,800	111,967	1.77%	61,503	2.07%
SUTTER COUNTY	64,415	78,930	85,500	14,515	2.25%	6,570	2.08%
Live Oak	4,320	6,229	6,550	1,909	4.42%	321	1.29%
Yuba City	27,385	36,758	50,800	9,373	3.42%	14,042	9.55%
Unincorporated	32,710	35,943	28,150	3,233	0.99%	-7,793	-5.42%
YOLO COUNTY	141,210	168,660	184,500	27,450	1.94%	15,840	2.35%
Davis	46,322	60,308	64,500	13,986	3.02%	4,192	1.74%
West Sacramento	28,898	31,615	38,000	2,717	0.94%	6,385	5.05%
Winters	4,639	6,125	6,875	1,486	3.20%	750	3.06%
Woodland	40,230	49,151	52,500	8,921	2.22%	3,349	1.70%
Unincorporated	21,121	21,461	22,600	340	0.16%	1,139	1.33%
YUBA COUNTY	58,228	60,219	64,800	1,991	0.34%	4,581	1.90%
Marysville	12,324	12,268	12,800	-56	-0.05%	532	1.08%
Wheatland	1,631	2,275	3,180	644	3.95%	905	9.95%
Unincorporated	44,273	45,676	48,850	1,403	0.32%	3,174	1.74%
CALIFORNIA	29,758,213	33,871,648	36,144,000	4,113,435	1.38%	2,272,352	1.68%

Source: California Department of Finance, Demographic Research Unit.

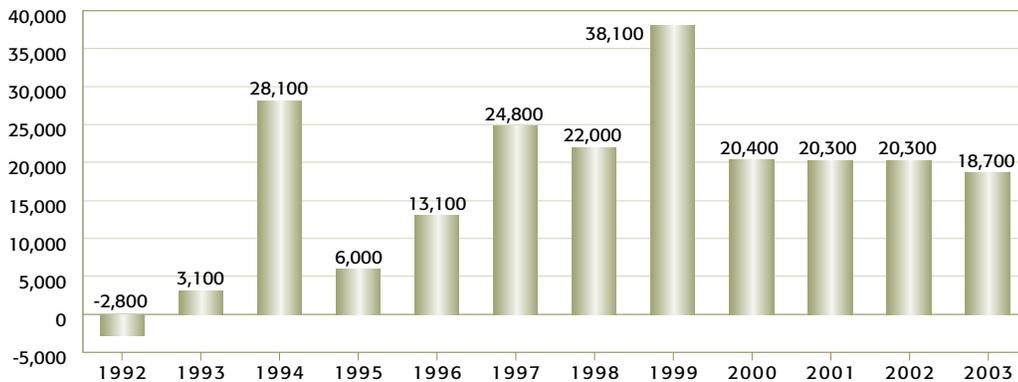
(1) "Unincorporated" includes newly incorporated cities of Citrus Heights, Elk Grove and Rancho Cordova.

Figure 4 – Total Net Migration

	Sacramento Region	Los Angeles	San Jose	San Diego
1991	38,743	-46,563	-6,790	16,578
1992	15,623	-35,745	2,298	2,411
1993	11,741	-107,279	4,933	-23,785
1994	1,034	-100,266	-9,047	-17,674
1995	4,652	-121,785	-7,025	-24,022
1996	11,804	-130,645	8,231	-15,012
1997	16,776	-28,727	9,261	27,507
1998	14,528	-19,504	6,402	21,520
1999	43,146	30,226	-2,145	25,928
2001	49,103	75,648	2,217	30,248
2002	42,588	66,809	-12,958	33,770
2003	36,136	64,832	-11,332	20,244

Source: California Department of Finance, Demographic Research Unit.

Figure 5 – Total Growth in Employment



Data Source: California Employment Development Department.
 Note: Includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.
 Based on annual average employment.

Figure 6 – Total Non-Farm Employment in Sacramento Region

	Sac PMSA (includes Sacramento, Placer and El Dorado counties)	Yolo PMSA (includes Yolo county)	Yuba City MSA (includes Yuba and Sutter counties)	Total Region	Total Growth
1991	639,700	71,000	48,200	758,900	
1992	634,800	75,200	46,100	756,100	-2,800
1993	635,800	76,000	47,400	759,200	3,100
1994	659,000	80,900	47,400	787,300	28,100
1995	666,200	80,500	46,600	793,300	6,000
1996	679,000	80,500	46,900	806,400	13,100
1997	702,000	80,700	48,500	831,200	24,800
1998	723,200	81,900	48,100	853,200	22,000
1999	755,300	86,600	49,400	891,300	38,100
2000	772,000	89,000	50,700	911,700	20,400
2001	792,500	88,400	51,100	932,000	20,300
2002	810,800	90,500	51,000	952,300	20,300
2003	826,400	93,300	51,300	971,000	18,700

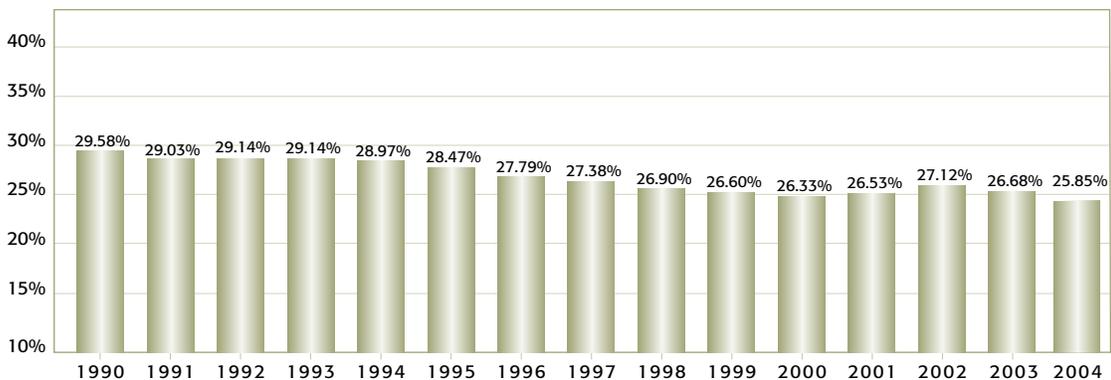
Figure 6 reflects the region’s employment numbers, not including agricultural employment. Eighty percent of the region’s employment falls within the Sacramento Primary Metropolitan Statistical Area. Figure 6 demonstrates consistent employment growth in the region for the last 12 years.

employment base. Part of this stability is due to the significant labor force created and sustained by the largest headquarter in California, the State of California.

While government employment in the area is important to the stability of the region, as the region grows, the government sector’s proportion of total employment is

getting smaller. Figure 7 shows a gradual decrease of the percentage of government employment, compared to total employment. The minor increase during 2000 and 2001 reflects the increase in the number of public school instructors needed to meet mandated classroom size reductions in the state. This decreasing percentage is not

Figure 7 – Government Employment as a Percentage of Total Employment



Data Source: California Employment Development Department.

a result of a reduction of government jobs. In fact, since 1990, 43,300 new government sector jobs were created in the region, which was an increase of 22 percent. The decreasing percentage of government employment in the region is a reflection of the increasing non-government related job base.

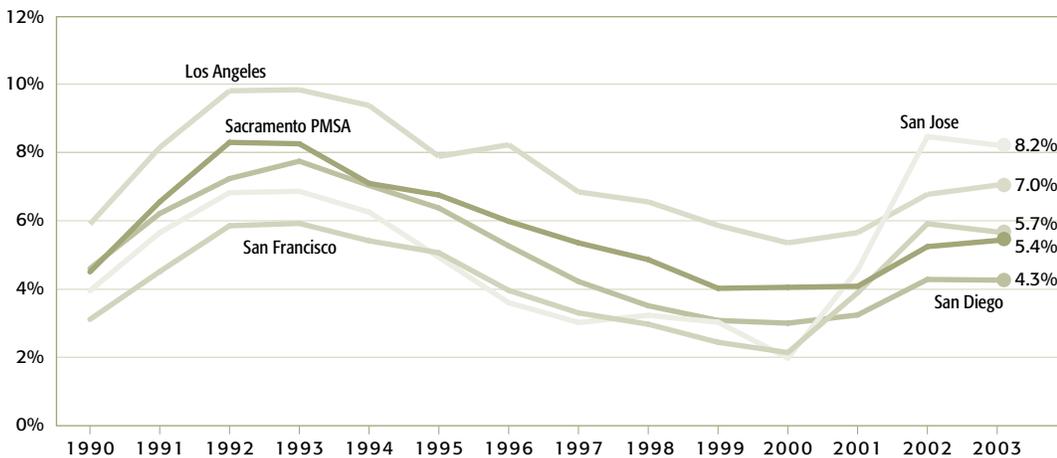
The Sacramento Region has been able to absorb a high number of new residents into the workforce. Keeping the unemployment rate at a healthy level is always an additional challenge for communities that are growing rapidly, as the number of employed must keep up with the increasing size of the labor force. Unemployment in

Figure 8– Government and Total Employment in Sacramento Region

	1990	2000	2004	Average Annual Change % 90–04
SACRAMENTO PMSA				
Government Employment	161,300	181,400	187,008	1.14%
Total Employment	560,100	713,800	759,017	2.54%
YOLO MSA				
Government Employment	23,000	29,300	35,008	3.73%
Total Employment	62,600	92,200	96,542	3.87%
YUBA CITY MSA				
Government Employment	8,900	10,900	9,992	.88%
Total Employment	37,100	43,100	41,808	.91%
SACRAMENTO REGION				
Government Employment	193,200	221,600	232,008	1.44%
Total Employment	659,800	849,100	897,367	2.57%

*Source: California Employment Development Department.
Note: Sacramento PMSA includes Sacramento, El Dorado and Placer counties.*

Figure 9 – Unemployment Rate
Selected California Metropolitan Areas



*Data Source: California Employment Development Department.
Note: PMSA refers to Primary Metropolitan Statistical Area and includes El Dorado, Placer and Sacramento counties.*

Figure 10 demonstrates that while the unemployment rate varies between counties, there is little fluctuation year-to-year within each county.

Figure 10 – Unemployment Rate of Sacramento Region Counties and California

County	1996	1997	1998	1999	2000	2001	2002	2003	2004 ⁽¹⁾
El Dorado	6.2%	5.4%	5.0%	3.9%	4.1%	4.0%	5.0%	5.4%	5.0%
Placer	5.3%	4.6%	4.1%	3.2%	3.1%	3.5%	4.5%	4.7%	4.8%
Sacramento	6.0%	5.4%	4.9%	4.0%	4.0%	4.1%	5.2%	5.4%	5.9%
Sutter	15.7%	15.0%	15.6%	13.0%	13.0%	12.4%	13.5%	13.6%	12.2%
Yolo	6.3%	5.9%	5.4%	4.3%	4.3%	4.3%	5.0%	5.2%	4.7%
Yuba	13.9%	13.1%	13.6%	11.6%	11.7%	11.8%	13.2%	14.2%	13.7%
California	7.2%	6.3%	5.9%	5.2%	4.9%	5.4%	6.7%	6.7%	6.5%

Source: California Employment Development Department.

(1) As of July and August 2004

the region has fluctuated with the overall performance of the economy; however, the variation of the unemployment level has been relatively low compared to other metropolitan regions in California. This is an indicator of the stability of the regional economy, as well as a stabilizing factor in the state's economy.

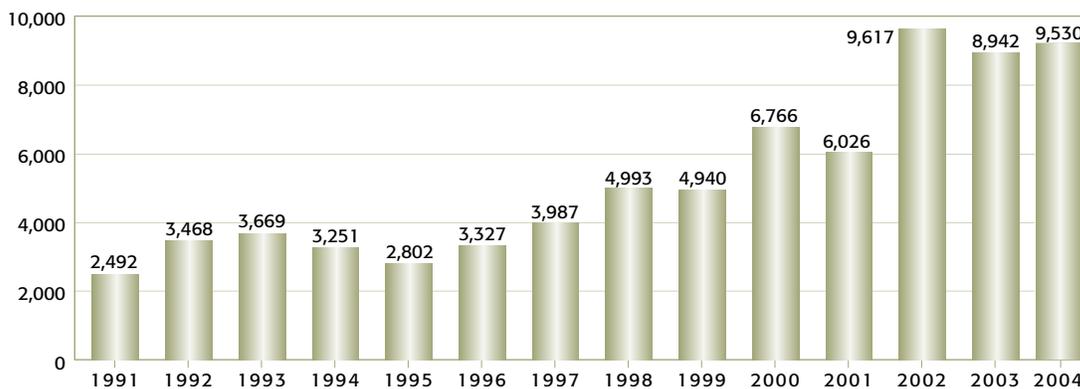
Housing

One of the main strengths of the Sacramento Region is its abundance of housing and its relative affordability. California is not known for its affordable housing and, in many areas, this has created a hurdle for companies

to expand or locate an operation. Many of those firms have found the Sacramento Region to be the “California answer” to that question.

With its available land, both single-family and multi-family housing construction has kept pace with the migration of individuals and families to the region. While it is difficult to obtain empirical evidence, anecdotally, one in every four to five new home buyers in the area are likely to be moving from the San Francisco Bay Area. This is a significant amount of sales, considering the total home sales in 2003 were more than three times the level of 1991.

Figure 11 – New Home Sales



Data Source: Building Industry Association of Superior California.

Note: Includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.

While population growth and home purchasing is at an all time high, affordability is still one of the major factors attracting residents and companies. Figure 12 reflects the percentage of households that can afford a median priced home in various California metropolitan areas and the state. The Sacramento Region is still one of the most affordable areas in California, with a median home price of 28 percent less than that of the state.

Relatively speaking, the Sacramento Region is one of the least expensive regions in California for buying a home.

Median Prices by Region – current

STATEWIDE

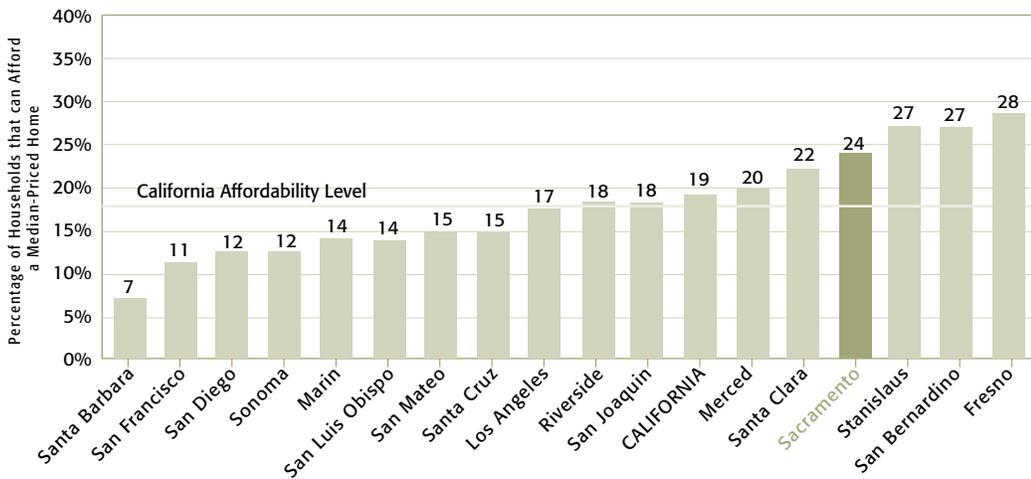
California (single family detached).....	\$474,480
California (condo)	\$391,050

California Association of REALTORS® REGION

High Desert.....	\$244,410
Central Valley	\$302,920
Riverside/San Bernardino	\$327,210
Palm Springs/Lower Desert	\$347,790
Sacramento County	\$341,320
Northern California	\$376,570
No. Santa Barbara County	\$451,060
Los Angeles.....	\$463,450
San Luis Obispo	\$475,610
Northern Wine Country.....	\$558,960
San Diego.....	\$577,040
Monterey County	\$589,000
Santa Barbara County	\$597,220
Ventura.....	\$612,460
Orange County	\$627,000
Monterey Region	\$631,000
Santa Cruz County.....	\$650,000
San Francisco Bay.....	\$658,910
Santa Clara.....	\$660,000
Santa Barbara South Coast	\$960,000

Source: California Association of REALTORS®, December 2004.

Figure 12 – Housing Affordability Index



Data Source: California Association of REALTORS®, March 2004.

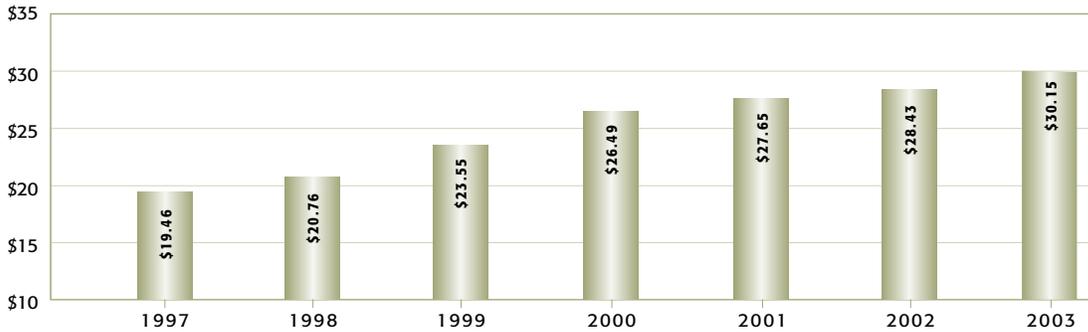
Taxable Sales

Taxable transactions within the six-county region continue to climb at rates exceeding most metropolitan areas and the state. According to the California Board of Equalization, taxable sales increased by 54.8 percent between 1997 and 2003 in the Sacramento Region, while at the same time California's taxable sales grew by

34.9 percent. This shows the dramatic increase in wealth and buying power of the region, as the dollar value of sales increased by more than double the rate of population growth. Even during 2000 and 2001, where California experienced a net decrease in sales, the Sacramento Region's sales grew by over seven percent.

Figure 13 – Total Taxable Sales in the Sacramento Region

(in billions)



Data Source: California State Board of Equalization.

Note: Includes El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba counties.

The Sacramento Region has outperformed the state in taxable sales increases. In fact, Placer County has nearly doubled its taxable sales in the last five years.

Figure 14 – Taxable Sales Sacramento Region and California (in thousands)

	1997	1998	1999	2000	2001	2002	2003
El Dorado County	\$1,011,222	\$1,041,654	\$1,193,677	\$1,324,416	\$1,422,098	\$1,451,334	\$1,539,071
Placer County	\$3,066,395	\$3,405,178	\$4,047,530	\$4,741,567	\$5,201,929	\$5,549,881	\$5,973,818
Sacramento County	\$12,534,169	\$13,328,646	\$14,979,393	\$16,593,725	\$17,221,801	\$17,577,559	\$18,506,466
Sutter County	\$735,461	\$766,458	\$846,346	\$1,020,524	\$1,007,397	\$1,069,342	\$1,119,886
Yolo County	\$1,773,931	\$1,900,962	\$2,125,393	\$2,416,212	\$2,410,882	\$2,383,427	\$2,535,066
Yuba County	\$334,322	\$314,097	\$356,040	\$391,815	\$388,217	\$396,196	\$440,571
Sacramento Region	\$19,455,500	\$20,756,995	\$23,548,379	\$26,488,259	\$27,652,324	\$28,427,739	\$30,114,878
California	\$341,091,634	\$358,858,378	\$394,736,245	\$441,854,412	\$441,517,560	\$440,950,094	\$460,096,468
	1997–1998	1998–1999	1999–2000	2000–2001	2001–2002	2002–2003	Total 1997–2003
El Dorado County	3.0%	14.6%	11.0%	7.7%	2.1%	6.1%	52.2%
Placer County	11.1%	18.9%	17.2%	9.7%	6.7%	7.6%	94.8%
Sacramento County	6.3%	12.4%	10.8%	3.8%	2.1%	5.3%	47.7%
Sutter County	4.2%	10.4%	20.6%	-1.3%	6.2%	4.7%	52.3%
Yolo County	7.2%	11.8%	13.7%	-0.2%	-1.1%	6.4%	42.9%
Yuba County	-6.1%	13.4%	10.1%	-0.9%	2.1%	11.2%	31.8%
Sacramento Region	6.7%	13.5%	12.5%	4.4%	2.8%	5.9%	54.8%
California	5.2%	10.0%	11.9%	-0.1%	-0.1%	4.3%	34.9%

Source: California State Board of Equalization.