CALIFORNIA
REGIONAL ECONOMIES PROJECT

CALIFORNIA ECONOMIC PROFILE: A STATEWIDE OVERVIEW & REGIONAL ANALYSES

Prepared for the

CALIFORNIA ECONOMIC STRATEGY PANEL

OCTOBER 2008

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PREFACE

The California Economic Strategy Panel (Panel) continuously examines changes in the state's economic base and industry sectors to develop a statewide vision and strategic initiatives to guide public policy decisions for economic growth and competitiveness (see www.labor.ca.gov/panel/). The fifteen-member Panel is comprised of eight appointees by the Governor, two appointees each by the President pro Tempore and the Speaker and one each by the Senate and Assembly Minority Floor Leaders. The Secretary of the California Labor & Workforce Development Agency serves as the Chair.

The Panel first identified California's economy as an economy of regions in 1996. At that time, the Panel also adopted a new way of looking at industry sectors and how they function and grow as industry clusters. These new ways of looking at the economy became the basis for the analytical work completed then, and have provided a foundation for the Panel's work since that time.

The California Regional Economies Project is currently the lead research mechanism for the Panel to identify economic policy issues. The project provides the state's economic and workforce development systems with data and information about changing regional economies and labor markets. The information provides a new resource in economic and workforce development planning and investment decisions and a bridge connecting economic and workforce policies and programs at the state and regional levels.

In order to understand the state's economy and the changes taking place within industry sectors and industry clusters, it is important to recognize the regional nature of the economy and to analyze the economic base by region. To do this, the statewide and nine regional economic base reports analyze the patterns of employment, business establishments, wages, population, unemployment rate and other key factors.

This report presents an in-depth analysis of California, with regional comparisons, from 2001 to 2006, and includes snapshots of employment changes in 2007 and early 2008; however, this report does not cover the most recent, dynamic changes taking place in the economy, due to lag time in data availability at the detailed level used in our analyses. The most current monthly trends for California are available from the Labor Market Information Division of the Employment Development Department, at www.labormarketinfo.edd.ca.gov/?pageid=1003.

This profile provides updates to the Profile released in 2007, highlighting significant changes and key industry sectors and clusters in each region. This is briefer than past profiles and uses a different format, in an effort to make the information easier to read and faster to digest. The 2008 Profile also adds a new cluster, Housing, as we track activity in residential construction and related industries.

The nine regional economic base reports are also available at www.labor.ca.gov/panel/. Previous economic base reports examined the 1990-2002, 2001-2004 and 2001-2005 periods. The earlier reports were the first economic base reports for the regional economies as they are defined today. The Panel's initial work, from 1994-1996, resulted in identification of six regions and provided regional economic base analyses; however, those regions were significantly redefined by 1998 into nine regions, making comparisons to the early analyses impractical.

The source of the data used for these reports is the official employment and wage information reported by employers to the State. While a variety of other sources provide similar information, they may not capture the official numbers that employers report, or may not include input from all employers. This data source is the most comprehensive and accurate source of information direct from employers, and is therefore the best to use for public policy-making, planning and program administration.

The Panel has taken steps to institutionalize the analysis and preparation of these economic base reports within State government so that this analysis may be provided on a yearly basis. Also, steps have been taken to leverage the body of knowledge that now exists around the study of industry clusters, gained through the California Regional Economies Project.

First, a non-confidential version of the data series, the *California Regional Economies Employment Series*, has been made available online by the California Employment Development Department's Labor Market Information Division (LMID) so that regional organizations may access this data at the county level. Second, a step-by-step guide, the *Industry Clusters of Opportunity User Guide,* is available online so that regional organizations can conduct industry cluster studies and work with business and industry to test and apply the findings.

With this information, regional organizations may conduct their own economic base and industry cluster analyses down to the county level, and they may combine county data to create their own sub-regional study areas. Training workshops are being held to teach the methodology and processes outlined in the *Industry Clusters of Opportunity User Guide* to representatives from Local Workforce Investment Boards, economic development organizations, the Employment Training Panel, LMID, educational institutions and programs including Community Colleges and Regional Occupational Programs, and other local jurisdictions.

The statewide and regional economic profiles, the *Industry Clusters of Opportunity User Guide* and other studies are available on the Panel's website at www.labor.ca.gov/panel/espcrep.htm.

The *California Regional Economies Employment Series* is available online at www.labormarketinfo.edd.ca.gov/?pageid=173.

The California Regional Economies Project is sponsored by the California Labor & Workforce Development Agency, California Employment Development Department, California Workforce Investment Board and the California Community Colleges Chancellor's Office.

CALIFORNIA

ECONOMIC PROFILE

October 2008

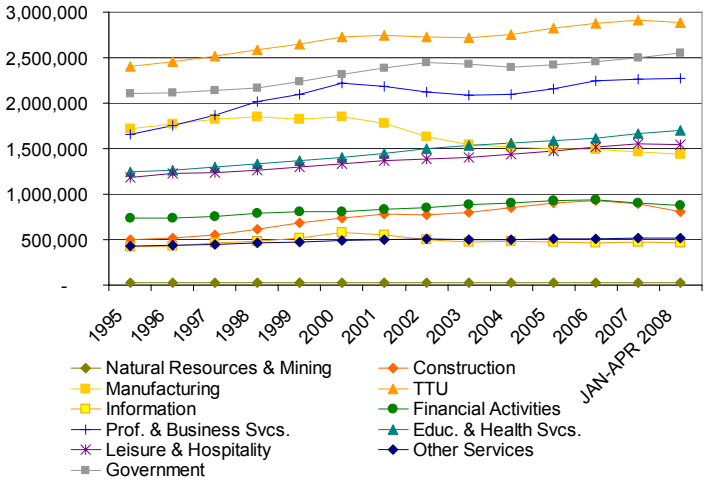
CALIFORNIA is an economy of nine diverse regions. Each region has different characteristics, industries, infrastructures and workforces. To better understand both the regional economies as well as California's statewide strengths, this profile offers a statewide overview and comparative analysis of the nine regions.

California is the largest state in the nation, based on population and employment, with 12.1% of the nation's population and 11.6% of its jobs (2006).

The state experienced overall job growth of 6.1% from 2001 to 2006, despite the 2001 recession and the recent housing downturn. While jobs grew by 6.1%, the state's Gross Domestic Product (GDP) grew by 33.9% (2001 to 2006) and Per Capita Personal Income grew by 20.5%. According to the federal Bureau of Economic Analysis, at the same time, the national GDP grew by 30.4%.

The Current Employment Statistics (CES) program data, which excludes Farm and Private Households employment data, shows growth in Nonfarm employment in 2007, and also from April 2007 to April 2008. Using the CES data, the following graph shows Nonfarm employment since 1995:

NONFARM EMPLOYMENT 1995-2008[1]



A SNAPSHOT OF 2007 & 2008

This snapshot uses employment estimates from the Current Employment Statistics (CES) program, which is the most current data available. The CES program is a different data source than that used for the rest of the report, and is available only at the super-sector level. We recognize that this does not capture the current capital and credit crisis that we are experiencing.

STATEWIDE

For California, a look at 2007 Nonfarm employment data shows that job growth continued in 2007 and into 2008.

Overall, Nonfarm jobs grew by 1.7% in 2007, and slight growth of 0.3% was seen from April 2007 to April 2008.

From 2006 to 2007, seven of the eleven super sectors reported job growth, while three reported losses. Growth was led by Other Services (excluding Private Households), followed by Educational & Health Services and Leisure & Hospitality. At the same time, losses occurred in three super-sectors, led by losses in Construction and Financial Activities. Both include many housing-related industries, and the losses likely reflect the impact of the housing downturn. Losses continued for the Manufacturing sector, although slowing in some regions.

The following table summarizes private sector Nonfarm employment changes from 2001 to 2007, and into early 2008. The employment shown here does not include employment for Agriculture or Private Households, as the CES data does not capture these industries.

CALIFORNIA STATEWIDE	2001-2006*	2006-2007	Apr07-Apr08
Total Nonfarm	**4.3%**	**1.7%**	**0.3%**
Natural Resources & Mining	1.3%	-1.1%	2.0%
Construction	21.9%	-4.1%	-9.1%
Manufacturing	-15.3%	-2.2%	-1.3%
Trade, Transportation, & Utilities	7.6%	1.9%	0.2%
Information	-6.9%	0.5%	0.1%
Financial Activities	14.3%	-2.9%	-3.8%
Professional & Business Svcs	6.0%	1.9%	1.6%
Educational & Health Services	12.5%	5.6%	3.4%
Leisure & Hospitality	12.3%	2.5%	1.3%
Other Services	-22.9%	15.9%	1.8%
Government	4.2%	2.0%	1.9%

REGIONAL COMPARISONS

JOB GROWTH	2001-2006*	2006-2007	Apr07-Apr08
No. California	-0.6%	0.3%	1.0%
No. Sacramento Valley	4.8%	0.9%	1.4%
Greater Sacramento	8.0%	**4.8%**	0.0%
Bay Area	-6.9%	2.0%	0.8%
Central Coast	1.3%	1.4%	0.4%
San Joaquin Valley	**9.5%**	2.4%	0.9%
Central Sierra	5.2%	0.8%	-0.3%
So. California	4.6%	1.1%	-0.6%
So. Border	6.7%	1.4%	0.2%

** The 2001-2006 data uses the CREE data source, with the exception of the Northern California Region where the CES was used. For the CREE data, the Farm and Private Households data have been removed, in order to be comparable to the 2007 data, taken from the CES program.*

[1] The January to April 2008 data represents a four-month average.

A SNAPSHOT OF 2007 & 2008
(Continued)

The San Joaquin Valley Region reported the fastest growth in Total Nonfarm jobs from 2001 to 2006 (9.5%), followed by the Greater Sacramento Region (8.0%). This was reversed for 2006 to 2007, with Greater Sacramento Region reporting the fastest growth (4.8%), followed by the San Joaquin Valley Region (2.4%).

The job losses seen in the Bay Area and Northern California Regions from 2001 to 2006 appear to have turned around, with growth reported in 2007. A comparison of April 2007 to April 2008 suggests that this may continue for both of these regions and five others, while job losses were reported for the Central Sierra and Southern California Regions. (The annualized data may indicate otherwise.)

IN RECENT YEARS 2001-2006

The rest of this report covers the period from 2001 through 2006, providing a picture of what was happening prior to, and at the start of the recent housing downturn. The data source is the Quarterly Census of Employment and Wages (QCEW) program, which releases the final annualized data about ten months after the end of each calendar year. The 2006 data was the most current available at the time of this report.

The QCEW data is available at the most detailed industry level[2], allowing an in-depth look at the industries and industry clusters during this time period. The CES data used for 2007 and 2008 was available at the super-sector level and excluded employment for the Farm and Private Households industries.

The following statistics are reported for the period of 2001 to 2006 in order to provide comparable facts for a more complete picture of the region during this period.

BUSINESS

Job Growth (2001-2006)	6.1%
Establishment Growth (2001-2006)	27.5%
GDP Growth[3] (2001-2006)	33.9%
Average Wage (2006, Private Industry)	$ 47,826
Wage Growth (2001-2006)	17.5%
Firms with < 100 employees (2006)	98.3%
Firms with < 50 employees (2006)	96.1%
Self-employed, not incorporated (2006)	9.0%

WORKFORCE

Unemployment Rate (2006)	4.9%
Population Growth (2001-2006)	5.0%
Per Capita Income (2006)	$ 39,626
Bachelor's Degree or higher (2006)	
-Of population age 25 and older	29%
Families Living in Poverty (2006)	9.7%

[2] The North American Industry Classification System (NAICS), 6-digit level.
[3] GDP = Gross Domestic Product; the data is available by MSA, which is used to approximate the regional GDP, where available.

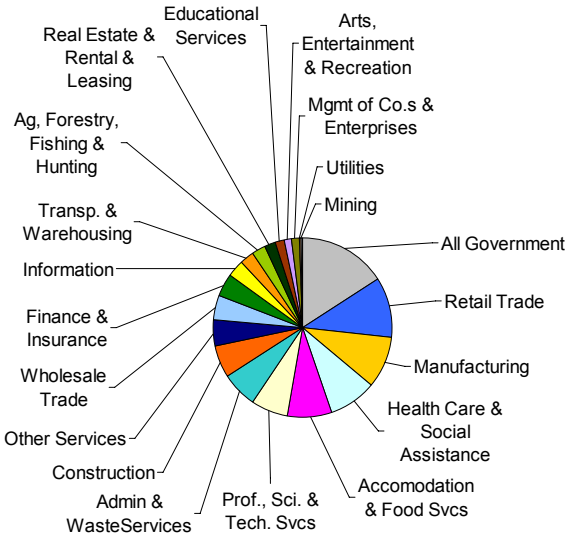
QUALITY OF PLACE

Air Quality Index (2006 Median AQI[4])*	10 to 84
Average Commute Time (2006)	26.8 min.
Housing Opportunity Index[5] (2007)*	4.9% to 36.8%

** Data not available for all counties.*

NOTE: Ranges provided where data are only available by county or Metropolitan Statistical Area and a statewide value cannot be calculated.

INDUSTRY COMPOSITION 2006



JOB GROWTH IN THE MAJOR INDUSTRY SECTORS
2001-2006 *(NAICS 2-DIGIT)* (TEN LARGEST IN BOLD)

Agriculture, Forestry, Fishing & Hunting (NAICS 11)	-0.5%
Mining (NAICS 21)	4.8%
Utilities (NAICS 22)	4.5%
Construction (NAICS 23)	**21.9%**
Manufacturing (NAICS 31-33)	**-15.3%**
Wholesale Trade (NAICS 42)	**13.2%**
Retail Trade (NAICS 44-45)	**8.4%**
Transportation & Warehousing (NAICS 48-49)	-2.9%
Information (NAICS 51)	-6.9%
Finance & Insurance (NAICS 52)	16.0%
Real Estate & Rental & Leasing	10.7%
Prof., Scientific & Technical Services (NAICS 54)	**10.0%**
Mngmt of Companies & Enterprises (NAICS 55)	-26.0%
Administrative & Waste Services (NAICS 56)	**12.4%**
Educational Services (NAICS 61)	19.5%
Health Care & Social Assistance (NAICS 62)	**11.2%**
Arts, Entertainment & Recreation (NAICS 71)	9.8%
Accommodation & Food Services (NAICS 72)	**12.8%**
Other Services (except Public Admin) (NAICS 81)	**22.0%**
All Government	

[4] An AQI value of 50 or lower is Good; 51-100 is Moderate; 101-150 is Unhealthy for Sensitive Groups; and 151 or higher is Unhealthy (includes *unhealthy*, *very unhealthy*, and *hazardous)*.
[5] 4th Quarter 2007, percentage of homes in the area that would be affordable to a family making the median income.

CALIFORNIA'S LEADING INDUSTRY SUB-SECTORS

TOP TEN LARGEST (BY 2006 EMPLOYMENT)

Food Services & Drinking Places (NAICS 722)
Professional, Scientific & Technical Services (NAICS 541)
Administrative & Support Services (NAICS 561)
Specialty Trade Contractors (NAICS 238)
Ambulatory Health Care Services (NAICS 621)
Hospitals (NAICS 622)
Merchant Wholesalers, Durable Goods (NAICS 423)
Food & Beverage Stores (NAICS 445)
Credit Intermediation & Related Activities (NAICS 522)
Computer & Electronic Product Manufacturing (Mfg) (NAICS 334)

TOP TEN FASTEST GROWING ('01-'06)

(With at least 0.005% of total employment)

Wholesale Electronic Markets, Agents, Brokers (NAICS 491)
Private Households (NAICS 814)
Other Information Services (NAICS 519)
Funds, Trusts & Other Financial Vehicles (NAICS 525)
Construction of Buildings (NAICS 236)
Credit Intermediation & Related Activities (NAICS 522)
General Merchandise Stores (NAICS 452)
Beverage & Tobacco Product Manufacturing (NAICS 312)
Specialty Trade Contractors (NAICS 238)
Motion Picture & Sound Recording Industries (NAICS 512)

TOP TEN IN COMPETITIVE ADVANTAGE* (2006)

(With at least 0.005% of total employment)

Support Activities for Ag & Forestry (NAICS 115), 4.6 LQ
Private Households (NAICS 814), 4.2 LQ
Motion Picture & Sound Recording (NAICS 512), 3.5 LQ
Apparel Manufacturing (NAICS 315), 2.8 LQ
Crop Production (NAICS 111), 2.7 LQ
Computer & Electronic Product Mfg (NAICS 334), 2.1 LQ
Beverage (& Tobacco Product) Mfg (NAICS 312), 1.9 LQ
Internet Publishing & Broadcasting (NAICS 516), 1.7 LQ
Performing Arts, Spectator Sports (NAICS 711), 1.4 LQ
Electronics & Appliance Stores (NAICS 443), 1.3 LQ

* *Location Quotient (LQ) greater than 1.0 means a higher concentration of these jobs in the state than found nationally.*

TOP TEN WITH HIGHEST AVERAGE WAGE (2006)

(With at least 0.005% of total employment)

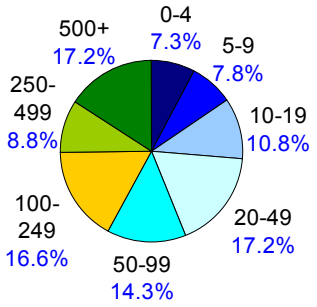
Securities, Commodity Contracts & Other Inv. (NAICS 523)
Oil & Gas Extraction (NAICS 211)
Lessors of Nonfinancial Intangible Assets (except Copyrighted Works) (NAICS 533)
Internet Service Providers, Web Search Portals & Data Processing Svcs (NAICS 518)
Petroleum & Coal Products Mfg (NAICS 324)
Performing Arts, Spectator Sports (NAICS 711)
Computer & Electronic Product Mfg (NAICS 334)
Funds, Trusts & Other Financial Vehicles (NAICS 525)
Utilities (NAICS 221)
Pipeline Transportation (NAICS 486)

The average annual wages range from $91.7K to $186.9K.

EMPLOYMENT & BUSINESS GROWTH BY SIZE OF FIRM (Private Industry)

Statewide, firms with fewer than 100 employees made up 98.3% of all businesses and provided 57.9% of all jobs in 2006. Firms with 500 or more employees made up 0.2% of all businesses, and provided 16.0% of all jobs.

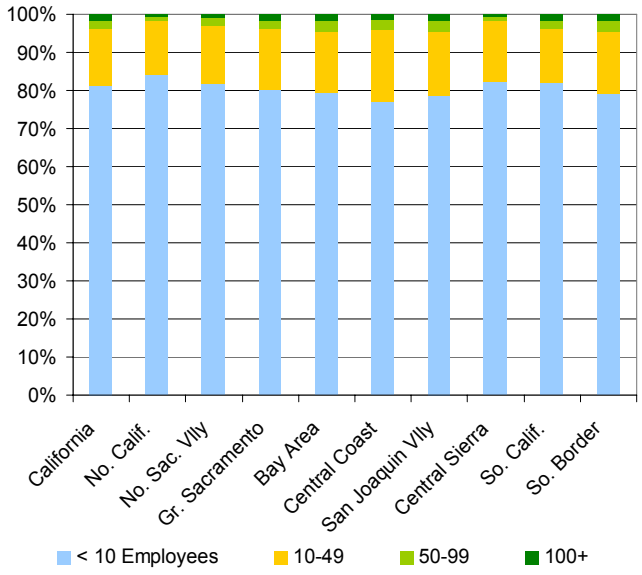
DISTRIBUTION OF JOBS BY SIZE OF FIRM (2006)



BUSINESS GROWTH BY SIZE OF FIRM (2001-2006)

Number of Employees	Growth of Jobs	Growth of Firms
0-4	24.6%	34.5%
5-9	9.5%	9.6%
10-19	8.5%	8.3%
20-49	6.1%	6.6%
50-99	2.5%	2.8%
100-249	6.1%	5.6%
250-499	1.2%	1.1%
500-999	9.4%	8.1%
1,000+	5.2%	4.7%

2006 DISTRIBUTION OF FIRMS BY SIZE CATEGORY BY REGION



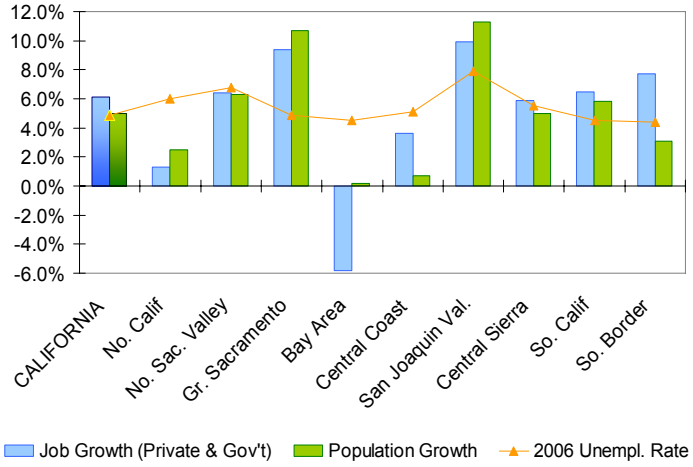
REGIONAL JOB GROWTH 2001-2006

RANKING

1.	San Joaquin Valley Region	9.9%
2.	Greater Sacramento Region	9.4%
3.	Southern Border Region	7.7%
4.	Southern California Region	6.5%
5.	No. Sacramento Valley Region	6.4%
	California as-a-whole	***6.1%***
6.	Central Sierra Region	5.9%
7.	Central Coast Region	3.6%
8.	Northern California Region	1.3%
9.	Bay Area Region	-5.8%

The San Joaquin Valley Region ranked first in growth, from 2001 to 2006, with the Greater Sacramento Region a close second. Previously, from 2001 to 2005, the Greater Sacramento Region had ranked first, ahead of the San Joaquin Valley Region.

2001-2006 JOB & POPULATION GROWTH & 2006 UNEMPLOYMENT



TOP FIVE FASTEST GROWING MAJOR SECTORS, STATEWIDE AND BY REGION (2001-2006)

The following table compares the top five fastest growing industry sectors in each region (2001-2006), at the major sector level (NAICS 2-digit level).

TOP FIVE FASTEST GROWING MAJOR INDUSTRY SECTORS 2001-2006 **Industry Sector** *(In NAICS code order)*	California	No. California	No. Sac. Vly	Gr. Sacramento	Bay Area	Central Coast	San Joaquin Vly	Central Sierra	So. California	So. Border
Ag, Forestry, Fish., Hunt.						3				
Mining								5		
Utilities		1				5				5
Construction	2	2	2			1	1	3	1	4
Manufacturing										
Wholesale Trade	5		3				5			
Retail Trade										
Transp. & Warehousing								1		
Information										
Finance & Insurance	4		4	2					3	
Real Estate				4				4		
Prof., Sci. & Tech. Svcs		4	1			2	2	2		
Mgmt Co.s & Enterprises										
Admin & Waste Svcs							4			
Educational Services	3	3		1	1		3		4	1
Health Care, Soc.Assist.				5	3					
Arts, Entertainmt & Rec.		5			5	4				2
Accomm. & Food Svcs			5		4				5	
Other Services	1			3	2				2	3
All Government										

LARGEST INDUSTRIES BY REGION (2006)

The following table compares the top five industries in each region, based on 2006 employment size, using the most detailed industry classifications (NAICS 6-digit level). These industries provided the most jobs in each region.

While each region is unique in its industry composition and strengths, the regions also share similarities, as illustrated by the large numbers of jobs provided by several of the service industries.

TOP FIVE LARGEST INDUSTRIES BY REGION (2006) **Industry** *(In NAICS code order)*	No. California	No. Sac. Vly	Gr. Sacramento	Bay Area	Central Coast	San Joaquin Vly	Central Sierra	So. California	So. Border
Farm Labor Contractors & Crew Leaders (115115)					1	1			
Other Veg.&Melon Farming (except Potato) (111219)					4				
New Single-Family Housing Constr. (236115)							5		
Supermarkets & Other Grocery Stores (445110)	2	4	4	4			3		
R&D in Physical, Eng. & Life Sciences (541710)									5
Temporary Help Services (561320)			5	5		5		2	3
Offices of Physicians (621111)		5							
General Medical & Surg. Hospitals (622110)	3	1	2	2		3		4	
Hotels (except Casino Hotels) & Motels (721110)	5				3		1		4
Full-Service Restaurants (722110)	1	2	1	1	2	4	2	1	1
Limited-Svc Restaurants (722211)	4	3	3	3	5	2	4	3	2
Private Households (814110)								5	

FASTEST GROWING INDUSTRIES BY REGION (2001-2006)

To compare the top five fastest growing industries in each region, the compiled list would be too large to illustrate effectively using a matrix, as only five industries were in the top five for two or more regions. Instead, the following lists show the findings by region for comparison. These use the most detailed industry classifications (NAICS 6-digit level)[6].

Change can take place quickly at this most detailed level. While it is important not to base policy or program administration decisions solely only such information, the following observations may provide some insight into the regional economies during that period.

NORTHERN CALIFORNIA

Exam Preparation & Tutoring (NAICS 611691)
Postal Service (NAICS 491110)
Residential Siding Contractors (NAICS 238171)
Professional Employer Organizations (NAICS 561330)
Wine & Distilled Alcoholic Beverage Whleslrs (NAICS 424820)

NORTHERN SACRAMENTO VALLEY

Custom Architectural Woodwork & Millwork Mfg (NAICS 337212)
Payroll Services (NAICS 541214)
Resident. Other Building Equipment Contractors (NAICS 238291)
Human Resources & Executive Search Svcs (NAICS 541612)
Electronic Shopping (NAICS 454111)

GREATER SACRAMENTO

Other Financial Vehicles (NAICS 525990)
Postal Service (NAICS 491110)
Asphalt Shingle & Coating Materials Mfg (NAICS 324122)
Hardware Mfg (NAICS 332510)
Mineral Wool Mfg (NAICS 327993)

BAY AREA

Heavy Duty Truck Mfg (NAICS 336120)
Truck Trailer Mfg (NAICS 336212)
Fats & Oils Refining & Blending (NAICS 311225)
Monetary Authorities - Central Bank (NAICS 521110)
Nonwoven Fabric Mills (NAICS 313230)

CENTRAL COAST

Synthetic Rubber Mfg (NAICS 325212)
Offices of Bank Holding Companies (NAICS 551111)
Other Electric Power Generation (NAICS 221119)
Title Abstract & Settlement Offices (NAICS 541191)
Asphalt Paving Mixture & Block Mfg (NAICS 324121)

SAN JOAQUIN VALLEY

Zoos & Botanical Gardens (NAICS 712130)
Sewage Treatment Facilities (NAICS 221320)
All Other Information Services (NAICS 519190)
Perishable Prepared Food Mfg (NAICS 311991)
Mfg Instruments & Products for Measuring, Displaying & Controlling Industrial Process Variables (NAICS 334513)

CENTRAL SIERRA

Monetary Authorities - Central Bank (NAICS 521110)
Other Commercial & Industrial Machinery & Equipment Rental & Leasing (NAICS 532490)
Construction Sand & Gravel Mining (NAICS 212321)
Computer Facilities Management Services (NAICS 541513)
All Other Miscellaneous Mfg (NAICS 339999)

SOUTHERN CALIFORNIA

Guided Missile & Space Vehicle Propulsion Mfg (NAICS 336120)
Other Financial Vehicles (NAICS 525990)
Other Scientific & Technical Consulting Svcs (NAICS 541690)
Offices of Bank Holding Companies (NAICS 551111)
Hydroelectric Power Generation (NAICS 221111)

SOUTHERN BORDER

Casino Hotels (NAICS 721120)
Health & Welfare Funds (NAICS 525120)
Hydroelectric Power Generation (NAICS 221111)
Office Furniture (except Wood) Mfg (NAICS 337214)
Industrial Gas Mfg (NAICS 325120)

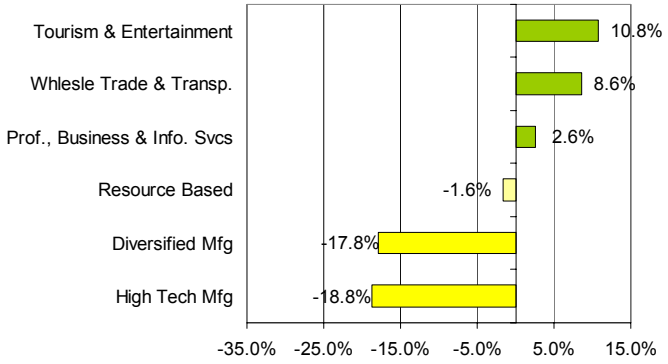
[6] To be listed, the industries must provide at least 0.005% of the region's jobs; for the Central Sierra Region, they must provide at least 0.03%, as 0.005% only represents about 3 jobs in this region.

THE TRADITIONAL ECONOMIC BASE

The economic base is traditionally considered to be export-oriented industries in the study area - industries that sell a large portion of their goods or services to people and businesses in markets outside of the area. The Panel's expanded definition of the economic base includes other industries that are also important to the region. Information follows on those industries and industry clusters.

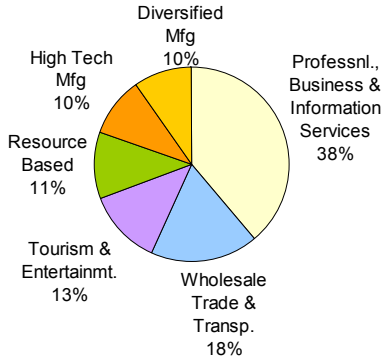
CALIFORNIA STATEWIDE

ECONOMIC BASE EMPLOYMENT GROWTH 2001-2006



In 2006, the state's traditional economic base provided 26.8% of all jobs in the region. Overall, the traditional base reported job losses of 1.0% from 2001 to 2006, led by losses in High Tech Manufacturing and Diversified Manufacturing; Resource Based industries also reported losses. At the same time, the other three of the sectors reported growth.

DISTRIBUTION OF TRADITIONAL BASE JOBS (2006)



Professional, Business & Information Services reported job growth, led by growth in Management, Scientific & Technical Consulting Services and Employment Services.

Wholesale Trade & Transportation reported overall growth, led by Wholesale Electronic Markets & Agents & Brokers and Merchant Wholesalers, Nondurable Goods.

Tourism & Entertainment reported strong job growth during this period, led by growth in Motion Picture & Video Industries.

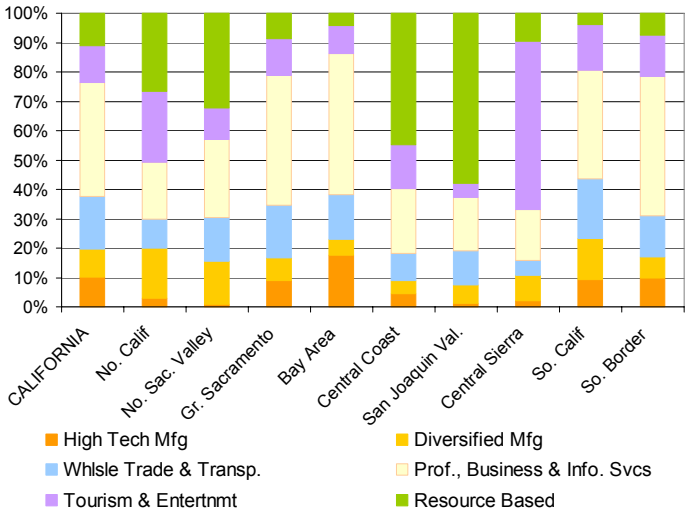
The Resource Based sector reported modest losses, led by losses in the Fruit & Vegetable Preserving & Specialty Food Mfg industry.

Within High Tech Manufacturing, all but one sub-sector reported losses, with losses greatest in Semiconductor & Other Electronic Component Mfg and Computer & Peripheral Equipment Mfg; this included heavy losses (largest number of jobs lost) in the Bay Area Region.

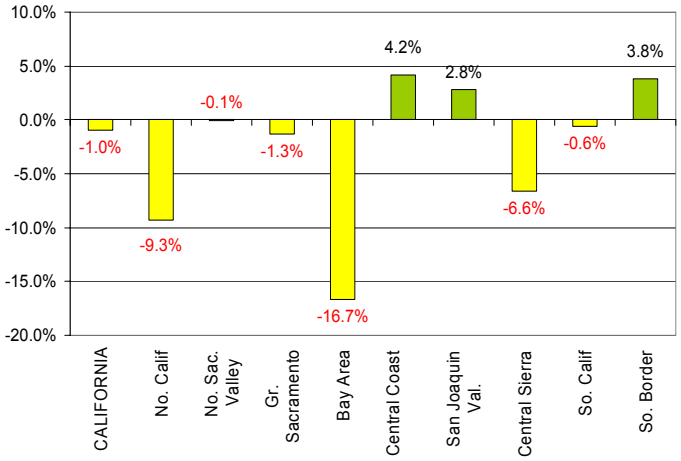
Within Diversified Manufacturing, losses were reported in all sub-sectors, and were greatest in Apparel Mfg, with the heaviest losses in Southern California.

REGIONAL COMPARISONS

Each region's traditional economic base is unique, as illustrated by the following graph:



Another way to see the regional differences is to compare economic base job growth from 2001 to 2006:



KEY INDUSTRY SECTORS AND CLUSTERS IN THE EXPANDED ECONOMIC BASE

MANUFACTURING

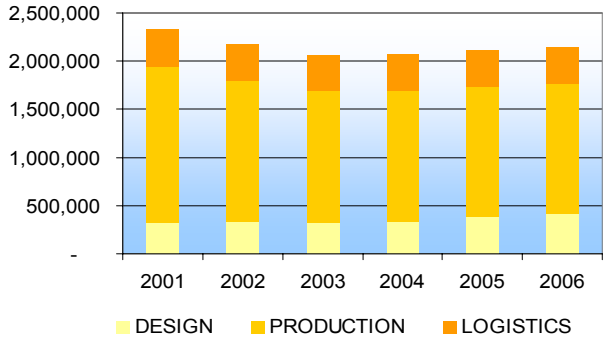
The Manufacturing sector provided 9.6% of the state's jobs in 2006, or 1,496,500 jobs. The sector reported overall job losses of 15.1% from 2001 to 2006, down 269,400 jobs. At the same time, the state's manufacturing GDP grew by 2.8% from 2001 to 2006. The CES employment data suggests continued job losses in 2007 and into 2008.

While Manufacturing as a whole reported losses from 2001 to 2006, some of its industries reported growth. At the industry group level (the 4-digit NAICS level), the ten fastest growing Manufacturing industries (with at least 0.002% of all jobs) included Iron & Steel Mills & Ferroalloy Manufacturing (Mfg); Beverage Mfg; Other Food Mfg; Motor Vehicle Body & Trailer Mfg; Cement & Concrete Product Mfg; Pharmaceutical & Medicine Mfg; Ship & Boat Building; Motor Vehicle Mfg; Pesticide, Fertilizer & Other Ag Chemical Mfg; and, Dairy Product Mfg.

The ten largest industry groups (4-digit NAICS level) included Semiconductor & Other Electronic Component Mfg; Navigational, Measuring, Electromedical & Control Instruments Mfg; Aerospace Product & Parts Mfg; Cut & Sew Apparel Mfg; Printing & Related Support Activities; Computer & Peripheral Equipment Mfg; Plastics Product Mfg; Medical Equipment & Supplies Mfg; Pharmaceutical & Medicine Mfg; and, Beverage Mfg.

Looking at the Manufacturing Value Chain industry cluster, overall the cluster experienced job losses of 7.9% from 2001 to 2006. Both Production and Logistics reported losses, down 16.5% (265,800 jobs) and 3.0% (12,000 jobs) respectively, while Design grew by 29.4% (94,400 jobs).

Manufacturing Value Chain employment 2001-2006:



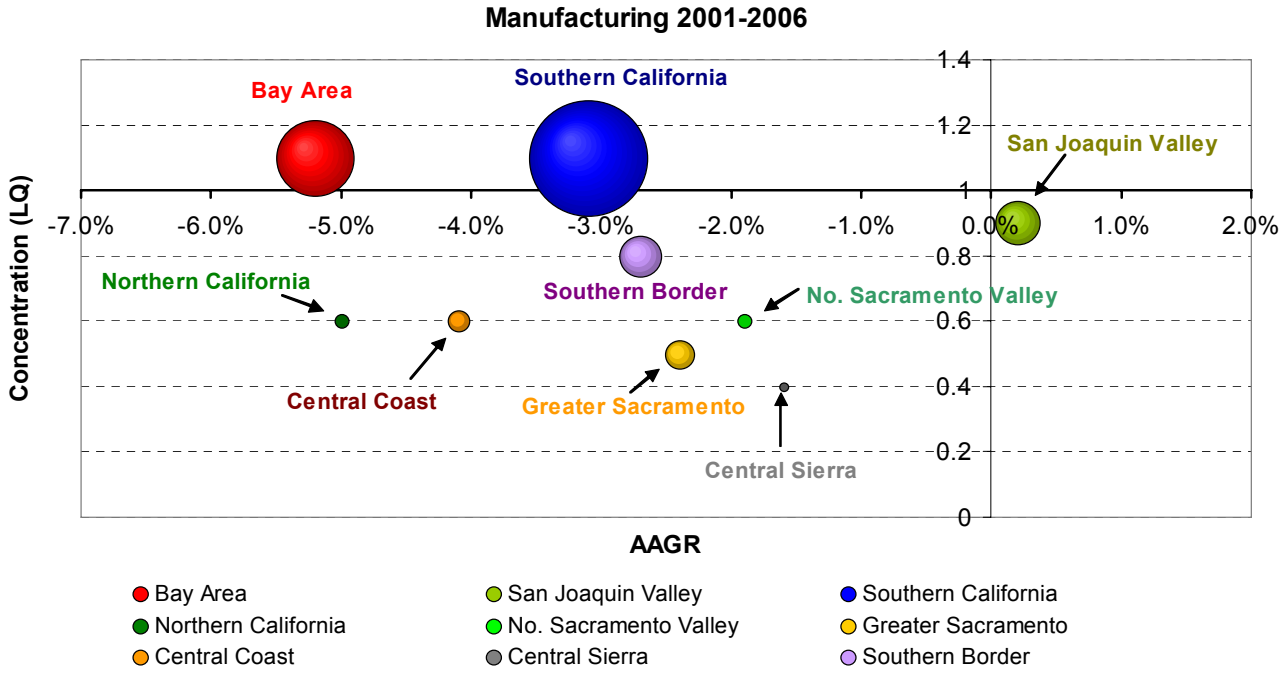
REGIONAL COMPARISON

Percentage of region's jobs provided by Manufacturing:

Northern California	6.0%
No. Sacramento Valley	6.0%
Greater Sacramento	5.1%
Bay Area	10.6%
Central Coast	5.6%
San Joaquin Valley	8.4%
Central Sierra	4.0%
Southern California	**11.0%**
Southern Border	7.8%

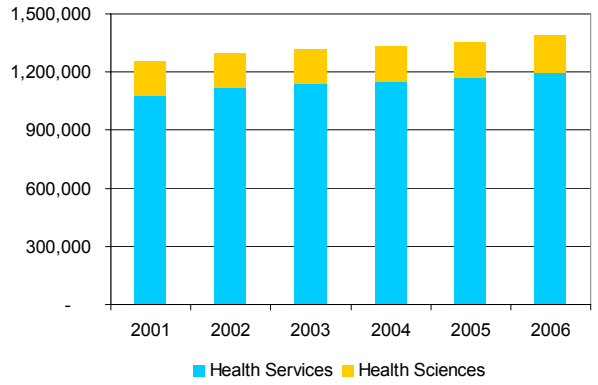
Southern California had the greatest percentage of jobs provided by Manufacturing, followed by the Bay Area.

The following bubble chart shows the Manufacturing industry's 2006 employment, concentration (LQ), and average annual job growth rate from 2001 to 2006, by region. (See last page for instructions on interpreting bubble charts.)



HEALTH SCIENCES & SERVICES

The Health Sciences & Services industry cluster provided 8.9% of all jobs in the state in 2006. From 2001 to 2006, the cluster grew by 10.3%, or 129,900 jobs. The state had a slightly lower concentration of Health Sciences & Services jobs (0.8 LQ) than found at the national level.



Health Sciences

Health Sciences reported job growth of 6.9% from 2001 to 2006, led by Scientific Research & Development Services, up over 9,300 jobs or 10.3%. Pharmaceutical & Medicine Manufacturing also added jobs during this period, up 5,500 jobs or 14.3%. Only Medical Equipment & Supplies Manufacturing reported job losses, down about 2,500 jobs or 4.9%.

Health Services

Health Services, which includes the health care industries, experienced job growth of 10.9%, up almost 117,500 jobs from 2001 to 2006. General Medical & Surgical Hospitals added the most jobs, up 45,700 jobs, and Home Health Care Services reported the fastest job growth, up 56.3%. At the same time, Residential Mental Health & Substance Abuse Facilities reported the greatest number and percentage of jobs lost, down 10,100 jobs, or 18.1%, followed by losses in Vocational Rehabilitation Services, down 3,400 jobs or 9.1%.

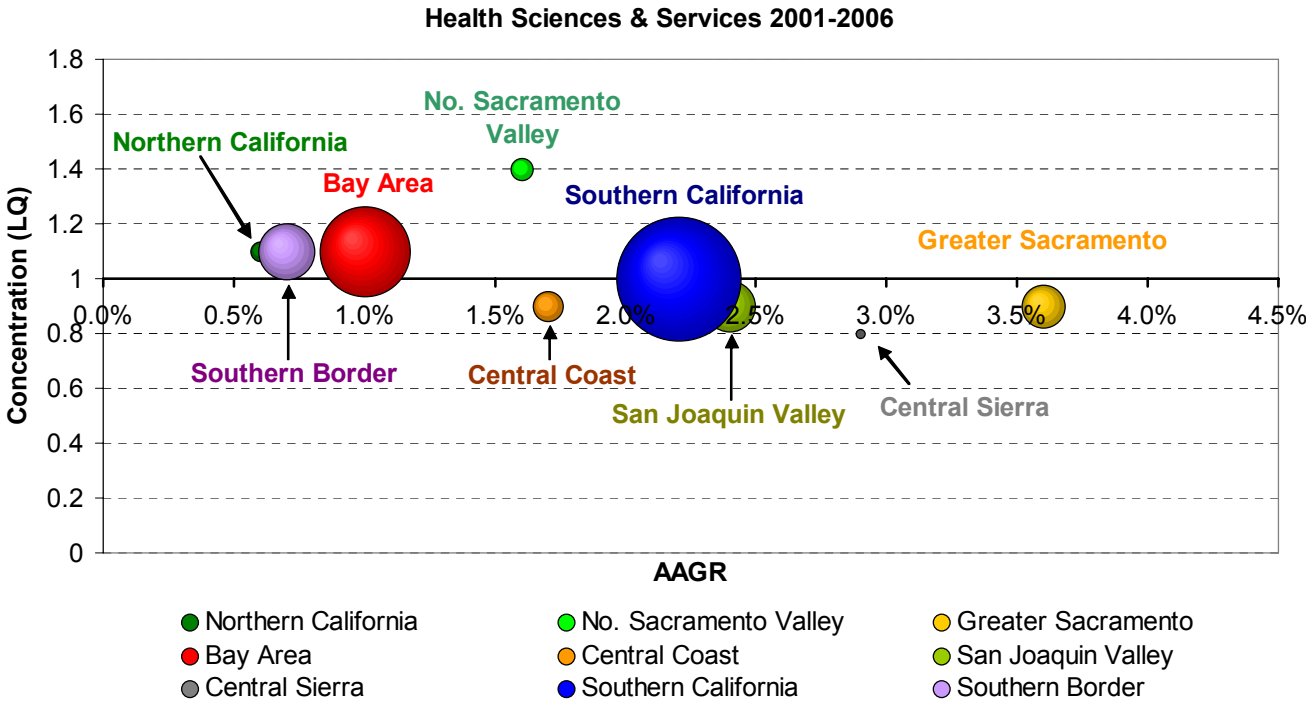
REGIONAL COMPARISON

Percentage of region's jobs provided by the Health Sciences & Services industry cluster:

Northern California	9.4%
No. Sacramento Valley	**12.1%**
Greater Sacramento	8.2%
Bay Area	9.9%
Central Coast	8.1%
San Joaquin Valley	8.2%
Central Sierra	7.1%
Southern California	8.8%
Southern Border	9.4%

The Northern Sacramento Valley Region had the greatest percentage of its jobs provided by Health Sciences & Services, followed by the Bay Area Region.

The following bubble chart shows the Health Sciences & Services cluster 2006 employment, concentration (LQ), and average annual job growth rate (AAGR) from 2001 to 2006, by region.

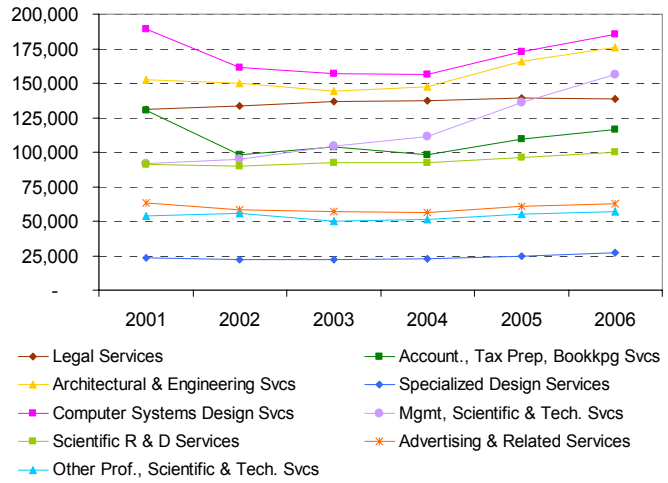


PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES

The Professional, Scientific & Technical Services sector includes industries that support innovation, which is important for economic prosperity. This sector provided 6.5% of the state's jobs in 2006, and grew by 3.6%, or over 92,600 jobs, from 2001 to 2006. The state had a slightly higher concentration of Professional, Scientific & Technical Services jobs (1.2 LQ) than found nationally.

Most industry groups within the sector reported job growth during this period. Management, Scientific, & Technical Consulting Services reported the greatest number and percentage of job growth, up over 64,300 jobs or 70.1% (led by growth in Other Scientific & Technical Consulting Services).

Industry group job growth, 2001-2006:



At the same time, the Accounting, Tax Preparation, Bookkeeping & Payroll Services industry group reported the greatest losses, down almost 14,000 jobs or 10.7%.

At the most detailed industry level (6-digit NAICS level), the largest industries were Offices of Lawyers (128,100 jobs), Engineering Services (109,300 jobs) and Custom Computer Programming Services (108,900 jobs). The Other Scientific & Technical Consulting Services industry reported the greatest number and percentage of jobs added from 2001 to 2006, up 42,100 jobs or 338.5%, while Payroll Services experienced the greatest losses, down 21,900 jobs or 44%.

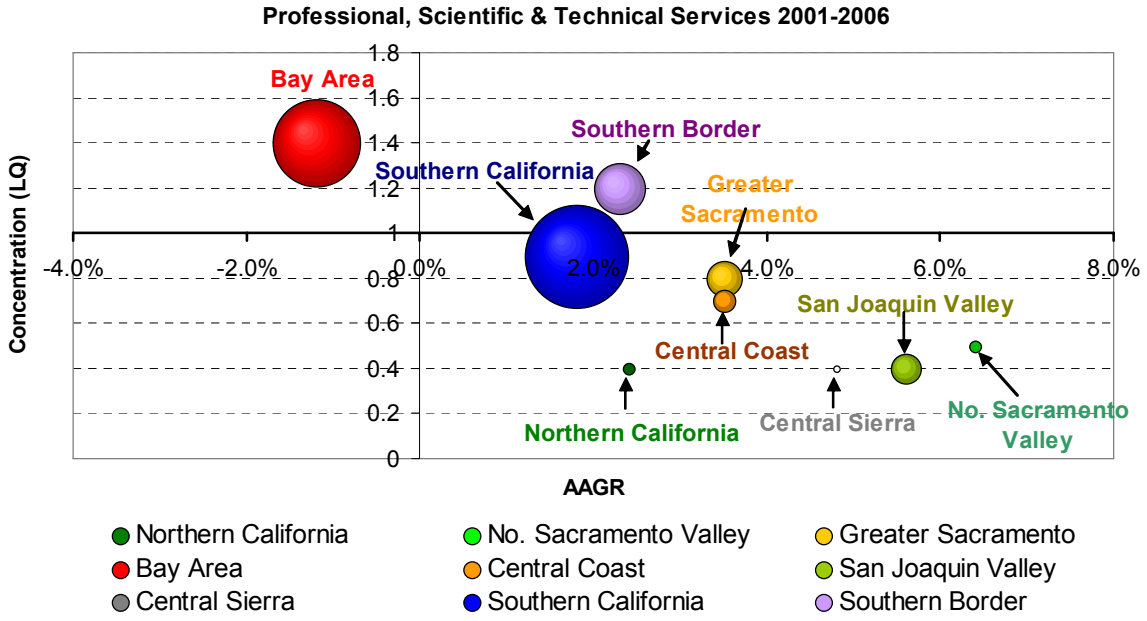
REGIONAL COMPARISON

Percentage of region's jobs provided by the Professional, Scientific & Technical Services sector:

Northern California	2.6%
No. Sacramento Valley	3.4%
Greater Sacramento	5.1%
Bay Area	**9.3%**
Central Coast	4.5%
San Joaquin Valley	2.7%
Central Sierra	2.8%
Southern California	5.9%
Southern Border	8.1%

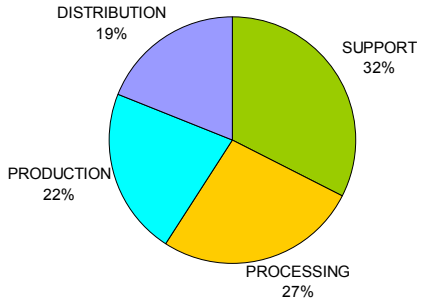
The Bay Area Region had the greatest percentage of its jobs provided by the Professional, Scientific & Technical Services sector, followed by the Southern Border Region.

The following bubble chart shows the Professional, Scientific & Technical Services sector 2006 employment, concentration (LQ), and average annual job growth rate (AAGR) from 2001 to 2006, by region.



THE FOOD CHAIN

The Food Chain cluster includes industries involved in the production and delivery of agricultural products & services. These industries are grouped into four components; Production, Support, Processing and Distribution. The Food Chain cluster provided 4.9% of the state's jobs in 2006, or over 70,800 jobs. Most of the jobs within the Food Chain cluster were in Support (32%) and Processing (27%).



From 2001 to 2006, the Food Chain cluster experienced job growth of 1.8%, up 13,700 jobs. Two of the four components reported growth; Support reported the greatest percentage and number of jobs added, up over 21,700 jobs or 9.7%; most of which were added in Support Activities for Crop Production. Distribution reported growth of over 4,900 jobs, up 3.6%, led by growth in Grocery & Related Product Wholesalers.

During this period, Production reported the greatest losses, down 12,500 jobs or 7%, led by losses in All Other Miscellaneous Crop Farming. Still, other Production industries reported growth, with the most jobs added by Cattle Ranching & Farming. Processing also reported losses, down about 500 jobs (0.2%); the greatest losses were reported by Fruit & Vegetable Preserving & Specialty Food Manufacturing. At the same time, within Processing, some industries reported strong growth, led by Wineries.

California had a higher concentration of Food Chain jobs (1.4 LQ) than found at the national level, led by Production (2.4 LQ) and Support (1.9 LQ).

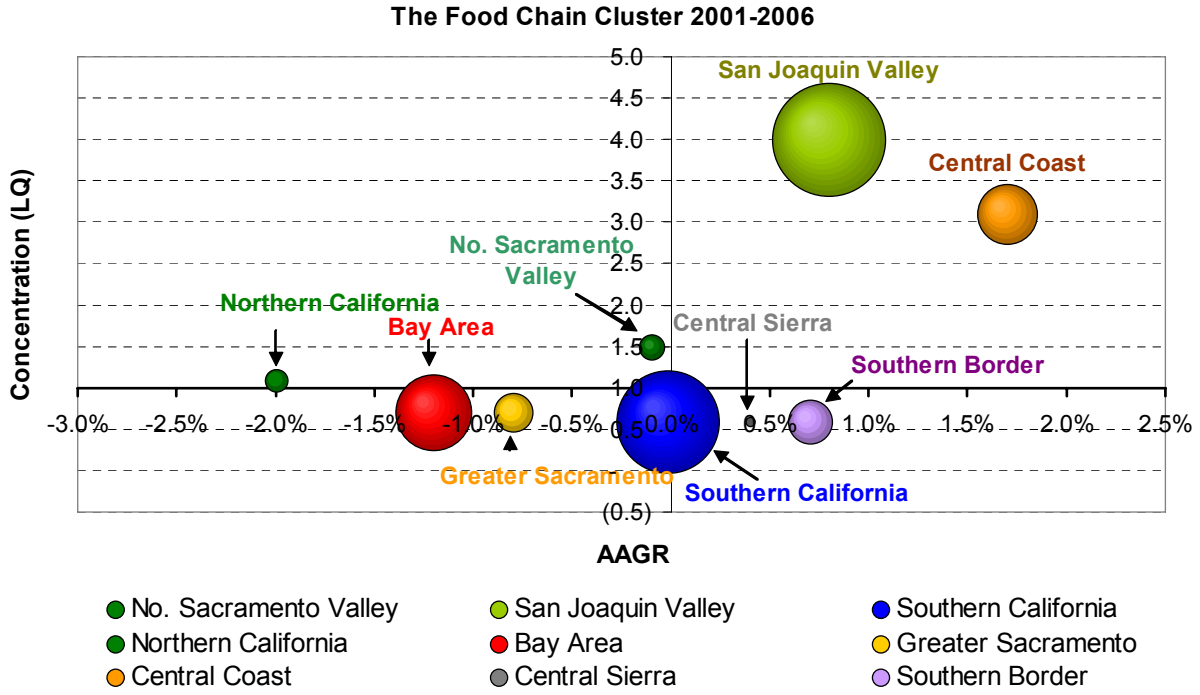
REGIONAL COMPARISON

Percentage of region's jobs provided by the Food Chain cluster:

Northern California	5.1%
No. Sacramento Valley	7.3%
Greater Sacramento	3.3%
Bay Area	3.3%
Central Coast	15.2%
San Joaquin Valley	**19.5%**
Central Sierra	2.7%
Southern California	2.9%
Southern Border	2.9%

The San Joaquin Valley Region had the greatest percentage of its jobs provided by the Food Chain cluster, followed by the Central Coast Region.

The following bubble chart shows the Food Chain cluster 2006 employment, concentration (LQ), and average annual job growth rate (AAGR) from 2001 to 2006, by region.

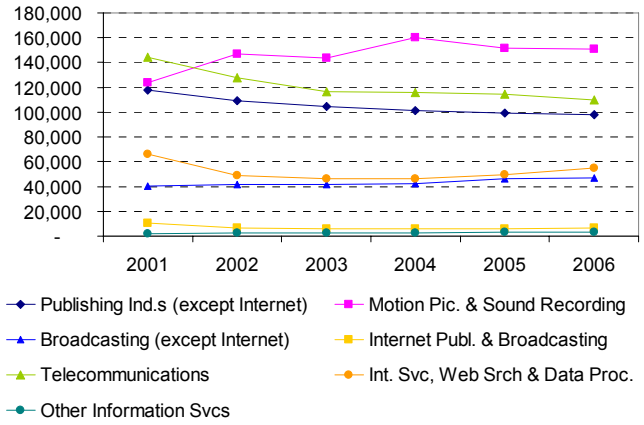


INFORMATION

The Information sector provided 3.0% of the state's jobs in 2006. California had a higher concentration of jobs in this sector (1.3 LQ) than found nationally. The largest sub-sector was Motion Picture & Sound Recording, followed by Telecommunications.

Overall, the sector experienced job losses from 2001 to 2006, down over 35,000 jobs or 6.9%. This was one of the sectors hardest hit during the recession in 2001, with losses concentrated in the Bay Area Region.

Sub-sector job growth 2001-2006:



The largest sub-sector was Motion Picture & Sound Recording, followed by Telecommunications. Four of the seven sub-sectors reported job losses from 2001 to 2006, led by Telecommunications, down 34,500 jobs, and Publishing (except Internet), down 19,800 jobs. At the same time, three sub-sectors reported growth, led by Motion Picture & Sound Recording (up 27,000 jobs).

At the industry group level (4-digit NAICS), the highest concentrations were found in Satellite Telecommunications (5.5 LQ); Motion Picture & Video Industries (3.6 LQ); Telecommunications Resellers (3.3 LQ); and, Internet Service Providers & Web Search Portals (2.4 LQ).

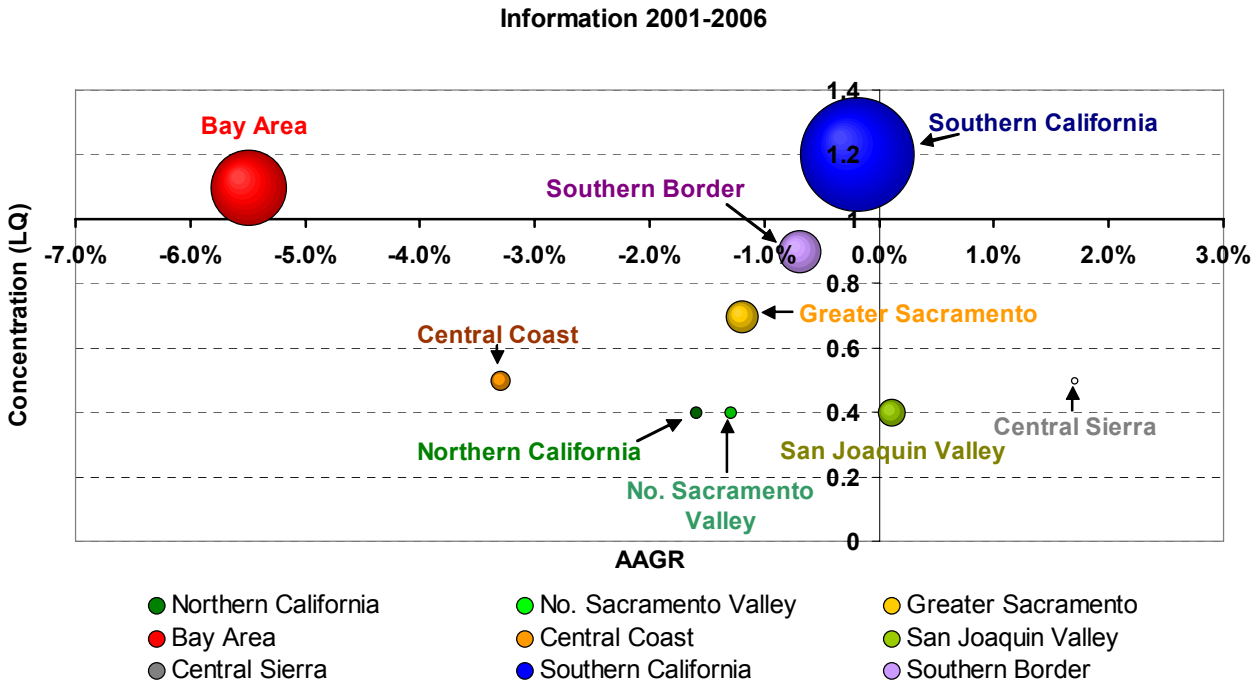
REGIONAL COMPARISON

Percentage of region's jobs provided by the Information sector:

Northern California	1.3%
No. Sacramento Valley	1.3%
Greater Sacramento	2.1%
Bay Area	3.3%
Central Coast	1.6%
San Joaquin Valley	1.2%
Central Sierra	1.4%
Southern California	**3.6%**
Southern Border	2.7%

The Southern California Region had the greatest percentage of its jobs provided by the Information sector, followed by the Bay Area Region.

The following bubble chart shows the Information sector 2006 employment, concentration (LQ), and average annual job growth rate (AAGR) from 2001 to 2006, by region.

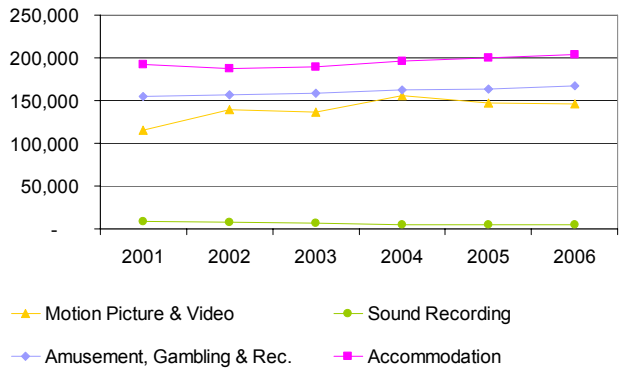


TOURISM & ENTERTAINMENT

The Tourism & Entertainment sector includes Motion Picture & Video Industries; Sound Recording Industries; Amusement, Gambling & Recreation Industries; and, Accommodation. This sector provided 3.3% of the state's jobs in 2006, or 521,700 jobs, and experienced job growth of 10.8% (50,900 jobs) from 2001 to 2006.

The largest sub-sector was Accommodation, with over 203,800 jobs, followed by Amusement, Gambling & Recreation (167,100 jobs).

Sub-sector job growth from 2001 to 2006:



Three of the four sub-sectors reported growth from 2001 to 2006. Motion Picture & Video Industries added 30,500 jobs (26.5%), led by Motion Picture & Video Production; Amusement, Gambling & Recreation added 11,400 jobs (8.1%), led by Fitness & Recreational Sports Centers; and, Accommodation added 11,400 jobs (5.9%), led by Hotels & Motels.

At the same time, the smallest sub-sector, Sound Recording Industries, reported the loss of 3,600 jobs (down 42.4%), led by losses in Sound Recording Studios.

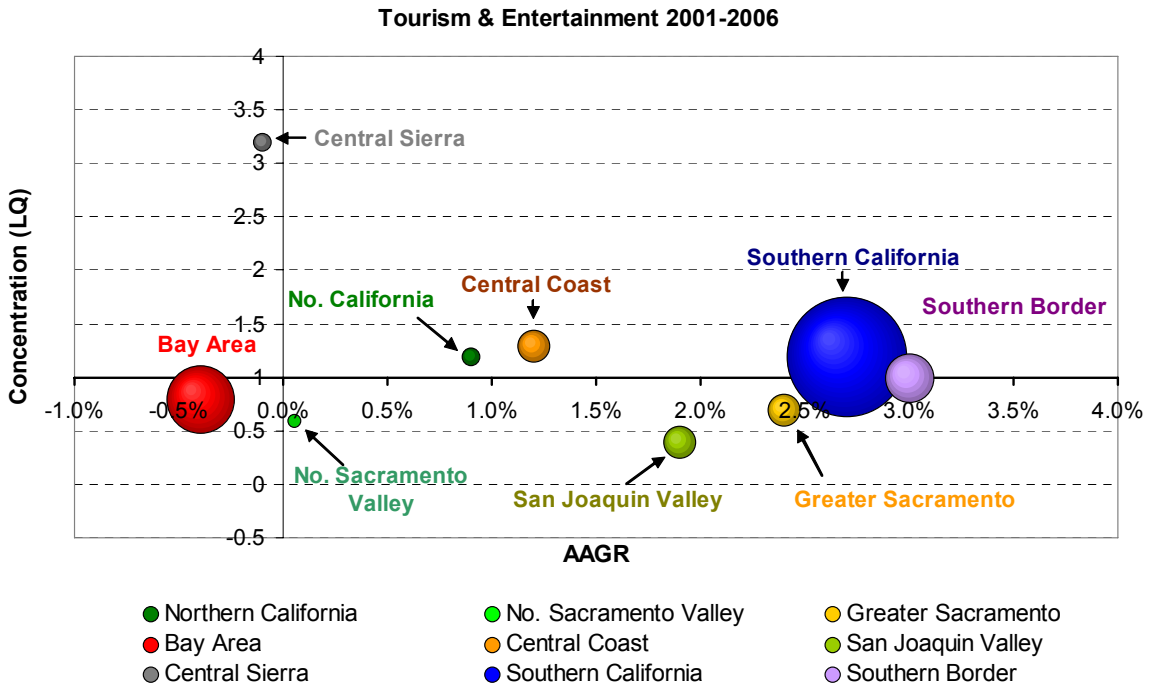
REGIONAL COMPARISON

Percentage of region's jobs provided by the Tourism & Entertainment sector:

Northern California	4.1%
No. Sacramento Valley	1.9%
Greater Sacramento	2.2%
Bay Area	2.7%
Central Coast	4.5%
San Joaquin Valley	1.3%
Central Sierra	**10.6%**
Southern California	4.1%
Southern Border	3.5%

The Central Sierra Region had the greatest percentage of its jobs provided by the Tourism & Entertainment sector, followed by the Central Coast Region.

The following bubble chart shows the Tourism & Entertainment sector 2006 employment, concentration (LQ), and average annual job growth rate (AAGR) from 2001 to 2006, by region.



ALL GOVERNMENT

The main source of data for this analysis is the Current Employment Statistics program. By also using the Bureau of Labor Statistics' Quarterly Census of Employment & Wages (QCEW) online data, information on the breakdown of government employment by industry sector is available and presented in this analysis, although this level of detail is only available at the statewide level.

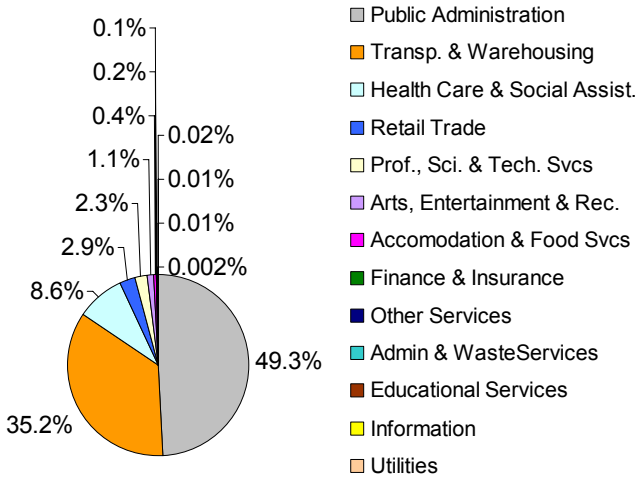
All Government includes federal, state and local government jobs; including jobs in public education, defense (reported at the federal level), law enforcement, firefighting and public services, as well as jobs in the legislative and judicial branches.

This sector provided 15.7% of the state's jobs in 2006; Federal Government provides 1.6% of all jobs, State Government provides 3% (with 1.4% in education) and Local Government provides 11% (with 6% in education). (Some employment was suppressed due to confidentiality, such as some Defense jobs.) All Government provides the most jobs of any sector for the state as a whole and in all nine regions.

All Government reported overall job growth of 4.2% (97,780 jobs) from 2001 to 2006, while the population grew by 5.0% and the number of businesses grew by 27.5%. During this period, Federal Government jobs reported losses of 0.9%, while State Government reported 3.3% growth and Local Government reported 4.8% growth.

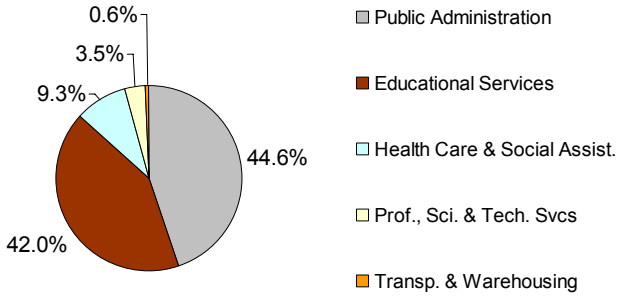
All Government is often treated as an "industry sector," including in most of this report, but in reality, government jobs exist in most of the major industry sectors. Another data source, the Bureau of Labor Statistics' QCEW online data, provides the following distribution of federal, state and local government jobs across all industry sectors.

FEDERAL GOVERNMENT JOB DISTRIBUTION BY MAJOR INDUSTRY SECTOR (2006)



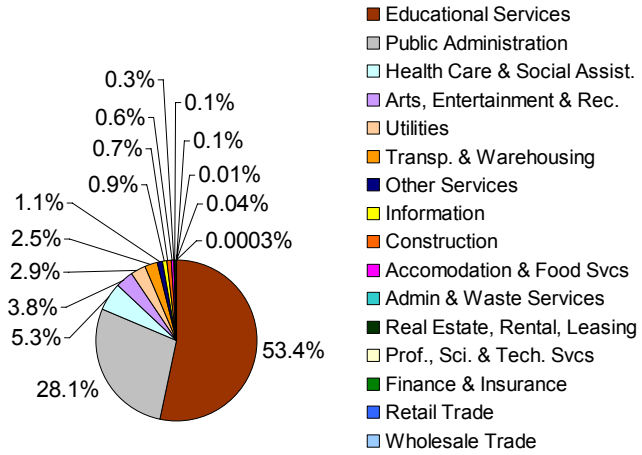
Most of California's Federal Government jobs were found in Public Administration (led by National security & international affairs and Justice, public order & safety), followed by Transportation & Warehousing and Health Care & Social Assistance.

STATE GOVERNMENT JOB DISTRIBUTION BY MAJOR INDUSTRY SECTOR (2006)



Most of California's State Government jobs were found in Public Administration (led by Justice, public order & safety), followed by Educational Services and Health Care & Social Assistance.

LOCAL GOVERNMENT JOB DISTRIBUTION BY MAJOR INDUSTRY SECTOR (2006)



Most of California's Local Government jobs were found in Educational Services, followed by Public Administration; Health Care & Social Assistance; Arts, Entertainment & Recreation; Utilities; and, Transportation & Warehousing.

REGIONAL COMPARISON

Percentage of region's jobs provided by All Government:

Northern California	28.5%	San Joaquin Valley	19.5%
No. Sacramento Vlly	21.8%	**Central Sierra**	**32.7%**
Greater Sacramento	25.1%	Southern California	13.8%
Bay Area	14.5%	Southern Border	17.1%
Central Coast	19.1%		

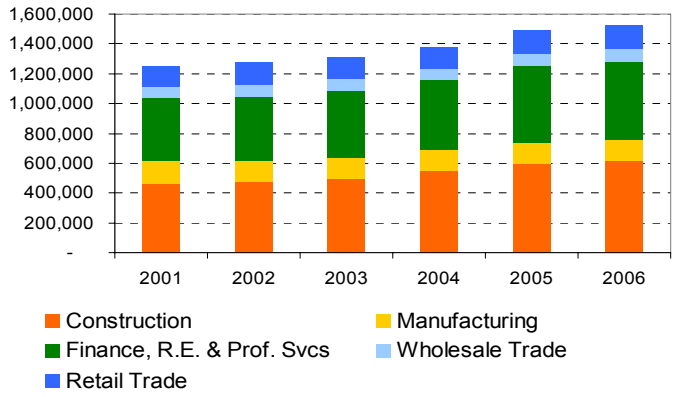
HOUSING

For the purpose of this analysis, the Housing cluster (Housing) includes industries involved in residential construction; manufacturing of construction materials; real estate financing, sales, leasing and management[7]; and, related wholesale and retail trade. As defined, this cluster provided 9.8% of the state's jobs in 2006, with over 1,523,900 jobs.

Overall, Housing experienced job growth of 22.0% from 2001 to 2006. Within the cluster, Construction reported growth of 33.4% (up 154,700 jobs); Manufacturing reported 11.0% job losses (down 17,100 jobs); Finance, Real Estate & Professional Services reported 26.1% growth (up 108,500 jobs); Wholesale Trade grew by 17.5% (up 13,300 jobs); and, Retail Trade grew by 11.0% (up 15,200 jobs).

Year-over Change	'01-'02	'02-'03	'03-'04	'04-'05	'05-'06
Housing-related Construction	2.1%	4.7%	10.4%	9.3%	3.4%
Housing-related Manufacturing	-7.0%	-4.6%	0.1%	0.9%	-0.6%
Finance, RE & Prof. Svcs	4.2%	5.4%	3.0%	9.1%	2.0%
Housing-related Wholesale Trade	-1.0%	0.6%	2.8%	9.2%	5.1%
Housing-related Retail Trade	3.9%	1.3%	0.5%	3.5%	1.3%
Housing Cluster	1.7%	3.3%	5.2%	7.8%	2.4%

Employment change from 2001 to 2006:



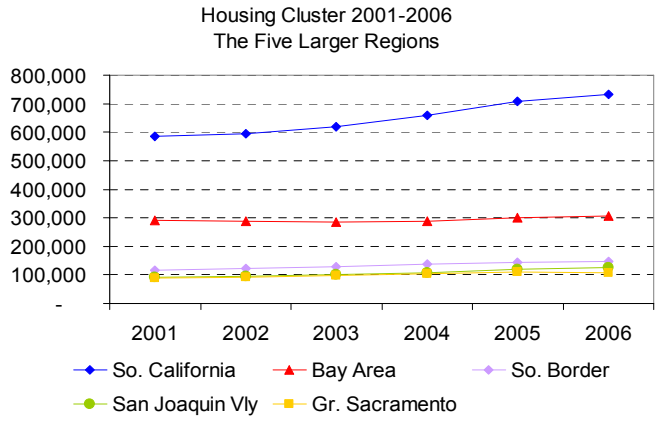
REGIONAL COMPARISONS

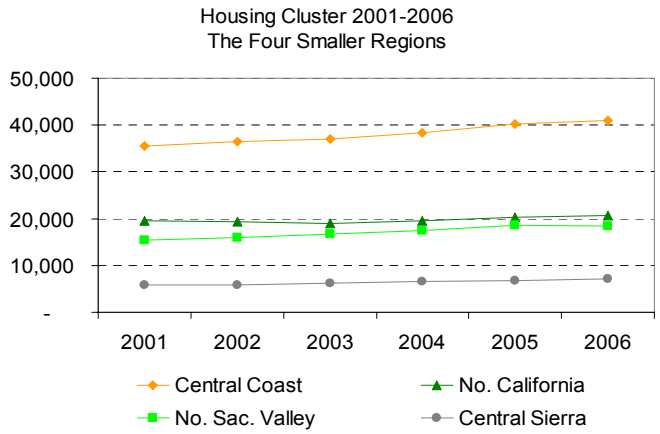
The Housing cluster experienced different rates of job growth annually in each region; growth started and peaked in different years, and some regions began to show the effects of the housing downturn, in terms of job losses, sooner than others. The following table shows the year-over employment change by region for the Housing cluster as a whole (the peak growth year for each region is highlighted in green; years with job losses are shown highlighted in yellow with red text):

Housing Cluster Yr-over Change	'01-'02	'02-'03	'03-'04	'04-'05	'05-'06
No. California	-1.4%	-1.6%	2.5%	3.7%	2.2%
No. Sac. Valley	4.0%	4.3%	4.7%	6.3%	-0.9%
Gr. Sacramento	4.9%	7.1%	5.9%	5.7%	-1.8%
Bay Area	-1.0%	-0.5%	1.0%	4.5%	1.5%
Central Coast	2.6%	1.5%	3.9%	4.6%	2.1%
San Joaquin Vly	2.8%	5.5%	7.8%	9.2%	5.5%
Central Sierra	-0.4%	7.2%	4.6%	3.7%	5.8%
So. California	1.9%	3.8%	6.5%	7.2%	3.6%
So. Border	4.0%	5.7%	7.1%	4.9%	0.6%
Statewide	1.7%	3.3%	5.2%	7.8%	2.4%

By 2007, all regions were showing job losses in Housing related super-sectors, as reported by the Current Employment Statistics program. These losses were seen in either or both Construction and Financial Activities. Only the Greater Sacramento Region reported growth in Construction in 2007, although at the same time, that region reported losses in Financial Activities.

The following graphs show overall Housing cluster employment change from 2001 to 2006 by region. Two graphs were used to make employment change in the smaller regions more visible.





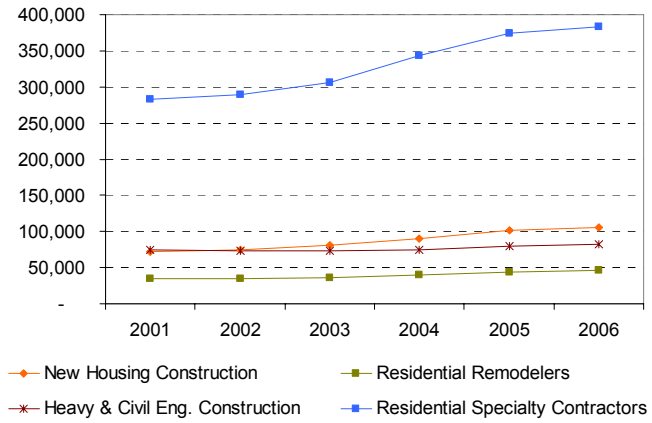
[7]A detailed definition by NAICS code is provided online at www.labor.ca.gov/panel in the document, "About the 2008 Economic Updates."

HOUSING
(Continued)

Housing Construction

Within Construction, New Housing Construction grew by 46.5% from 2001 to 2006, up33,500 jobs; Residential Remodelers grew by 32.7%, up 11,500 jobs; Housing-related Heavy & Civil Engineering Construction reported growth of 11.6%, up 8,600 jobs; and, Residential Specialty Trade Contractors reported growth of 35.8%, up 101,200 jobs.

Statewide Housing-related Construction 2001 to 2006:



Regional Comparison

Housing-related Construction job growth, 2001 to 2006:

No. California	26.2%
No. Sacramento Valley	43.8%
Greater Sacramento	21.4%
Bay Area	12.1%
Central Coast	26.8%
San Joaquin Valley	**52.7%**
Central Sierra	24.9%
So. California	45.9%
So. Border	26.9%

The San Joaquin Valley Region reported the fastest growth in Housing-related Construction jobs, followed by the Southern California Region.

Manufacturing of Construction Materials

Housing-related Manufacturing industries reported overall job losses of 11.0%, down 17,100 jobs, from 2001 to 2006. At the most detailed industry level (6-digit NAICS level), the largest industry was All Other Plastics Product Manufacturing (Mfg), followed by Ready-Mix Concrete Mfg and Metal Window & Door Mfg.

Job losses during this period were led by losses in the largest industry, All Other Plastics Product Mfg, down 9,900 jobs, followed by losses in Sawmills, down 2,300 jobs. At the same time, a number of industries reported job growth, led by growth in Ready-Mix Concrete Mfg (up 1,800 jobs), and Plastics Plumbing Fixture Mfg (up 900 jobs). Concrete Block & Brick Mfg reported the fastest growth, up 54.2%.

From 2001 to 2006, five of the ten largest Housing-related Manufacturing industries reported growth:

NAICS	Industry	Change '01-'06
326199	All Other Plastics Product Mfg	-32.7%
327320	Ready-Mix Concrete Mfg	18.1%
332321	Metal Window & Door Mfg	0.1%
332722	Bolt, Nut, Screw, Rivet & Wshr Mfg	-1.7%
327390	Other Concrete Product Mfg	4.3%
321113	Sawmills	-29.5%
321918	Other Millwork (including Flooring)	-12.8%
321911	Wood Window & Door Mfg	-6.1%
326191	Plastics Plumbing Fixture Mfg	23.3%
325510	Paint & Coating Mfg	17.0%

Regional Comparison

Housing-related Manufacturing job growth, 2001 to 2006:

No. California	-31.5%
No. Sacramento Valley	-21.3%
Greater Sacramento	**9.3%**
Bay Area	-18.3%
Central Coast	-13.8%
San Joaquin Valley	-1.1%
Central Sierra	-7.6%
So. California	-12.3%
So. Border	3.4%

Only the Greater Sacramento and Southern Border Regions reported growth. Losses were greatest in the Northern California Region.

Housing-related Finance & Insurance, Real Estate and Professional Services

Together, the Finance & Insurance, Real Estate and Professional Services industries related to Housing reported job growth of 26.1%, from 2001 to 2006. Finance & Insurance reported growth of 36.4%; Real Estate reported growth of 23.3%; and, Professional Services reported growth of 19.1%. Within these sectors, the largest industry was Engineering Services, with 109,300 jobs in 2006, followed by Real Estate Credit, with 60,800 jobs.

From 2001 to 2006, Real Estate Credit added the most jobs, up 21,900 jobs, and Mortgage & Nonmortgage

HOUSING
(Continued)

Loan Brokers reported the fastest growth, up 144.5%. Most industries reported growth; however, four reported losses, led by losses in Lessors of Residential Buildings & Dwellings, down 2,200 jobs.

Regional Comparison

Combined Finance & Insurance, Real Estate and Professional Services job growth from 2001 to 2006:

No. California	16.3%
No. Sacramento Valley	18.2%
Greater Sacramento	**36.1%**
Bay Area	5.2%
Central Coast	10.4%
San Joaquin Valley	32.5%
Central Sierra	33.3%
So. California	31.2%
So. Border	31.6%

The Greater Sacramento Region reported the fastest growth in Housing-related Construction jobs, followed by the Central Sierra Region.

Housing-related Wholesale & Retail Trade

Overall, the Housing-related Wholesale Trade industries experienced job growth of 17.5% from 2001 to 2006, up almost 13,300 jobs. The largest industry was Electrical Apparatus, Equipment & Supplies Wholesalers (16,900 jobs), followed by Lumber, Plywood, Millwork & Wood Panel Wholesalers (12,800 jobs). All industries reported growth. Lumber, Plywood, Millwork & Wood Panel Wholesalers added the most jobs, up 2,700 jobs, and Other Construction Material Wholesalers reported the fastest growth, up 78.1%.

Overall, the Housing-related Retail Trade industries experienced job growth of 11.0% from 2001 to 2006, up over 15,200 jobs. The largest industry was Home Centers, with over 72,700 jobs. This industry added the most jobs from 2001 to 2006, up 18,800 jobs or 34.9%, which was also the fastest growth reported. A few industries reported losses, led by losses in Household Appliance Stores, down 6,800 jobs or 56.0%.

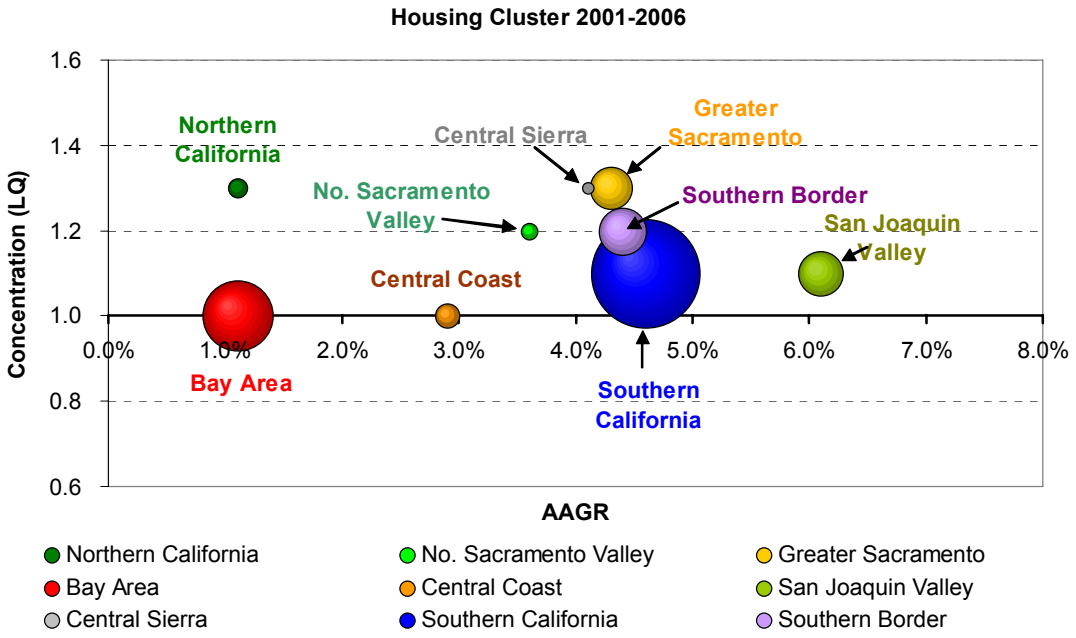
Regional Comparison

Housing-related Wholesale & Retail Trade job growth, 2001 to 2006:

	Wholesale Trade	Retail Trade
No. California	35.0%	20.8%
No. Sacramento Valley	**44.9%**	**26.9%**
Greater Sacramento	16.8%	11.9%
Bay Area	4.9%	-0.7%
Central Coast	19.2%	1.2%
San Joaquin Valley	18.3%	24.1%
Central Sierra	18.3%	22.0%
So. California	14.7%	13.1%
So. Border	7.6%	10.0%

The Northern Sacramento Valley Region reported the fastest growth in Housing-related Wholesale Trade and Retail Trade jobs.

The following bubble chart shows the Housing cluster 2006 employment, concentration (LQ), and average annual job growth rate from 2001 to 2006, by region.



ENERGY

Energy production and usage, specifically focusing on environmentally responsible green technologies and processes, are important issues facing policy-makers, energy producers, distributors and consumers. A number of studies and discussions about the green economy were underway at the time of this report, including a study commissioned by the Economic Strategy Panel; therefore, this report does not attempt to define and analyze the green economy. Instead, readers interested in this subject are encouraged to read the study commissioned by the Panel, *Clean Technology and the Green Economy: Growing Products, Services, Businesses and Jobs in California's Value Network*, available online at www.labor.ca.gov/panel/espcrep.htm. The March 2008 draft was available at the time of this report.

"Nationally and globally, attentions are focusing on rising energy costs, questions of national energy security, worry over environmental and related societal threats as well as fears of economic slow-down. These seemingly countervailing crises might suggest that a choice must be made between doing what is good for the environment OR doing what is good for the economy.

California's green economy demonstrates that this is not the case. California's green economy is not about a handful of new industries struggling in under-developed markets. Instead, it is about the potential of new technologies combined with innovative public policy and strategic investment to stimulate the growth of new markets for environmentally sound products and services while also reinvigorating slowing markets through the widening application of new technologies across the entire economy."

"As green products and practices permeate the reaches of the economy, the discussion is no longer about the emergence of a new industry; instead it is about the transformation of the entire economy. This transformation is toward an economy that makes more efficient and sustainable use of our limited natural resources."

– *Clean Technology and the Green Economy: Growing Products, Services, Businesses and Jobs in California's Value Network, March 2008*

Readers may also want to explore the web page, *Understanding the "Green" Economy*, at www.labormarketinfo.edd.ca.gov/?pageid=1032, created by the Labor Market Information Division of the Employment Development Department. This web page provides links to a broad array of studies and activities regarding the green economy, conducted by public and private entities.

SOURCES

BUSINESS

Employment, Firm & Wage Data, Private Sector	California Regional Economies Employment Series (CREE)*
Employment Data, Government Sector	Current Employment Statistics (CES)
2007 & 2008 Employment Data	Current Employment Statistics (CES)
Size of Firm Data	EDD/Labor Market Information Division (LMID), Size of Firm Data
Self-employed (non-incorporated business)	US Census/America's Community Survey (ACS)
Gross Domestic Product (GDP)	US Bureau of Economic Analysis (BEA)

* The CREE data used for the analyses included confidential data; however, the results presented in the economic profiles do not disclose confidential data.

WORKFORCE

Unemployment Rate	California Employment Development Department (EDD)
Population Growth	US Bureau of Economic Analysis (BEA)
Educational Attainment	US Census/ACS
Median Household Income	US Census/ACS
Families Living in Poverty	US Census/ACS

QUALITY OF PLACE

Air Quality Index (AQI)	Environmental Protection Agency, AirData
Average Commute Time	US Census/ACS
Housing Opportunity Index	National Assoc. of Home Builders- Wells Fargo Housing Opportunity Index

METHODOLOGY

In order to understand the state's economy and the changes taking place within industry sectors and industry clusters, it is important to recognize the regional nature of the economy and to analyze the economic base by region. To do this, the statewide and nine regional economic profiles analyze the patterns of employment, business establishments, wages, population, unemployment rate and other key factors. The statewide and nine regional economic profiles are available at www.labor.ca.gov/panel in the document. Also online, the document, *The 2008 California Economic Profiles - Introduction & Methodology,* provides additional information about the methodology and documentation of the NAICS definitions for the industry clusters and traditional economic base industries.

DEFINITION OF AN INDUSTRY CLUSTER

An industry sector is a group of firms that are doing the same type of work, making the same type of products, or providing the same types of services. Examples include manufacturing, construction, retail trade and health care. An industry cluster is a group of interdependent industry sectors characterized by competing firms and buyer-supplier relationships, as well as shared labor pools and other specialized infrastructure. They are also geographically concentrated. When identifying "industry clusters of opportunity," the Panel adds additional considerations that focus on employment opportunities for regional residents.

INTERPRETING A BUBBLE CHART

Bubble size: The size of the bubble represents the employment size of the industry in the region (number of jobs). Horizontal placement of bubble: The position from left to right indicates the employment change – to the left of zero means job losses, and to the right means job growth. This net change, the average annual growth rate (AAGR), is graphed as a percentage. Vertical placement of bubble: The the higher the bubble, the greater the concentration. A value greater than 1.0 means the region has a higher concentration of jobs in that industry than found nationally. Bubble color: Each color represents a particular region.

ABOUT THE PANEL

The California Economic Strategy Panel was established in 1993 to develop an overall economic vision and strategy to guide public policy. The Panel engages in an objective and collaborative planning process that examines economic regions, industry clusters, and cross-regional economic issues. The California Regional Economies Project is currently the lead mechanism for these efforts.

The California Regional Economies Project offers new insight into the dynamics of California's economy. The regional perspective provides a better understand how the economy is changing, where the changes are concentrated, and what catalysts and conditions are causing those changes. It also shows how change in one region affects other regions and the state as a whole.

For more information and publications, go to the Panel's website at www.labor.ca.gov/panel/.

CALIFORNIA ECONOMIC STRATEGY PANEL