

UCLA ANDERSON FORECAST DATA RELEASE
SEASONALLY ADJUSTED REGIONAL JOB DATA FOR CALIFORNIA
May 2005 Job Data Released 6-17-05

Headline economic data announced for the U.S. economy are invariably published in seasonally adjusted form, and most of the statewide data are so adjusted as well. California is a very large economy, with many highly diverse regional economies. Unfortunately the regional data are not seasonally adjusted by state agencies. As a result, the local data are not amenable to analysis of recent short-run trends in the local economies, since in the absence of seasonal adjustment, analysts typically look at job levels and growth rates compared to those of a year earlier, in order to abstract from seasonal influences. This practice provides a relevant perspective on how regional economic growth has developed over the past year, but it says little or nothing about how regional growth has progressed in recent months.

To address these deficiencies in the local data, the UCLA Anderson Forecast will publish seasonally adjusted versions of employment data for the ten major metropolitan economies within California. On the 2nd Friday of each month, when the unadjusted regional data are released by EDD, our economists will compile seasonally adjusted versions of the major components of payroll employment, aggregate employment within both the household and payroll surveys, and unemployment rates. Soon after the EDD data release we will publish a summary table of our seasonally adjusted employment data for each of the covered metropolitan regions, along with summary charts.

The ten economic regions covered at this time will be Los Angeles County, Orange County, San Diego County, the Riverside-San Bernardino (Inland Empire) economic region, Ventura County, Santa Clara County (San Jose MSA), the San Francisco-San Mateo-Marín metro region (San Francisco MSA), the Alameda-Contra Costa (Oakland MSA) region, the Sacramento-Placer-El Dorado area (Sacramento MSA) and Fresno-Madera region (Fresno MSA).

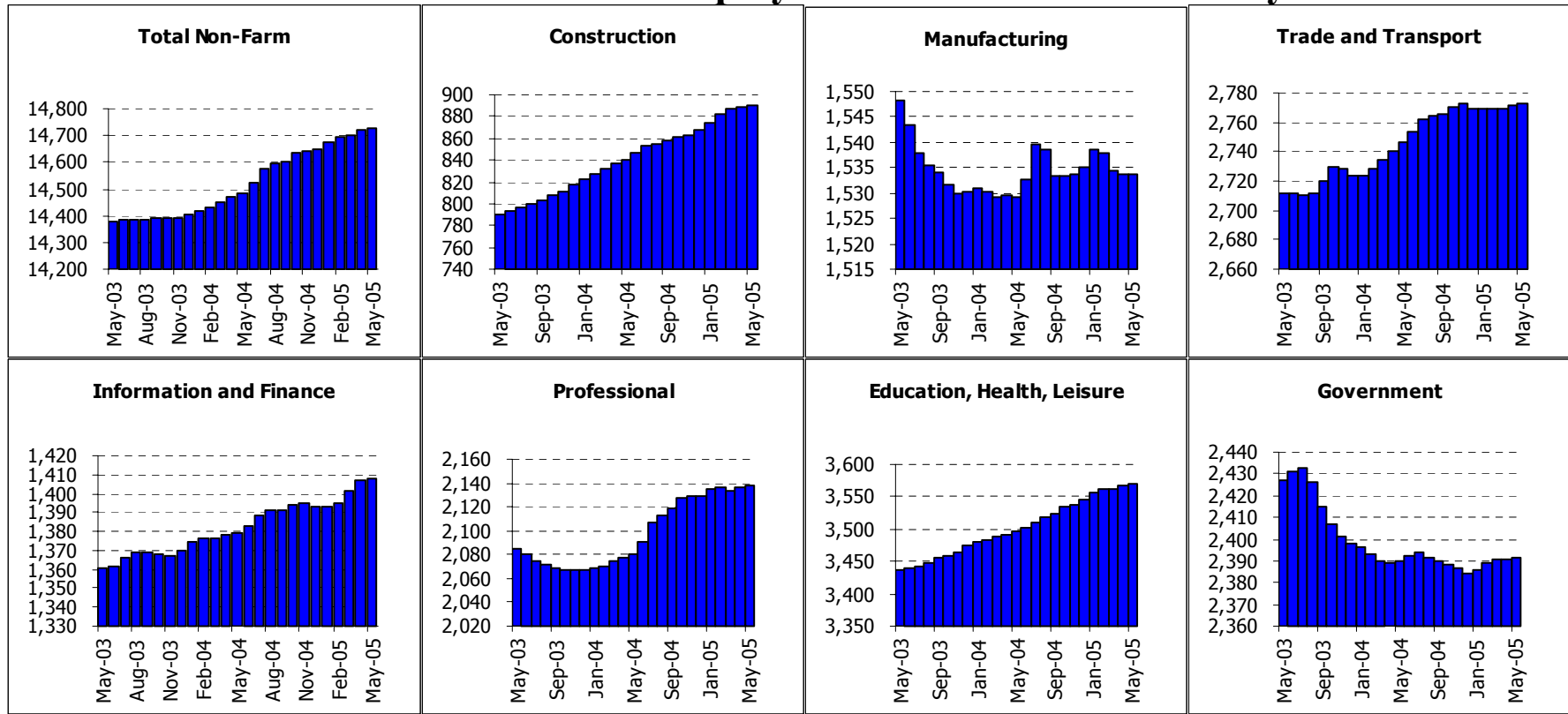
Any or all of these summary tables can be obtained through the Media Relations Office at the UCLA Anderson School of Management (call Hilary Rehder, 310-206-7707). For our economists' commentary on the data, please refer to the following contact list. If you are unable to reach one of economists please contact Hilary Rehder. For general information about the UCLA Anderson Forecast please call 310-825-1623.

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California Overview Payroll Employment

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
California	14728.3	10.6	18.7	35.7	1.0%	81.5	1.3%	80.8	1.4%
Los Angeles	4015.9	3.0	7.8	18.4	1.9%	23.6	1.4%	11.9	0.7%
Orange County	1479.1	1.2	2.6	6.8	1.9%	8.9	1.5%	16.1	2.7%
Riverside	1167.1	-0.2	0.1	1.0	0.3%	4.3	0.9%	23.5	5.1%
San Diego	1272.5	0.5	1.1	3.2	1.0%	7.7	1.5%	9.6	1.9%
Ventura	287.3	0.1	-0.1	0.0	0.0%	2.8	2.4%	0.9	0.8%
Santa Barbara	170.8	0.2	0.2	0.9	2.1%	2.0	2.9%	0.5	0.7%
Bakersfield	214.9	0.5	0.6	1.6	3.0%	2.2	2.5%	2.8	3.3%
East Bay	1028.7	1.4	1.9	4.3	1.7%	4.6	1.1%	2.0	0.5%
San Francisco	944.6	0.4	0.8	1.3	0.6%	3.8	1.0%	-1.6	-0.4%
San Jose	857.1	1.5	2.1	4.2	2.0%	1.0	0.3%	-2.8	-0.8%
Sacramento	866.0	0.4	0.0	0.4	0.2%	3.4	0.9%	3.3	0.9%
Santa Rosa	185.4	-0.1	0.1	0.3	0.6%	0.2	0.3%	-0.4	-0.5%
Fresno	290.9	0.0	0.3	1.2	1.7%	3.1	2.6%	2.3	2.0%

State of California: Employment Charts and Summary



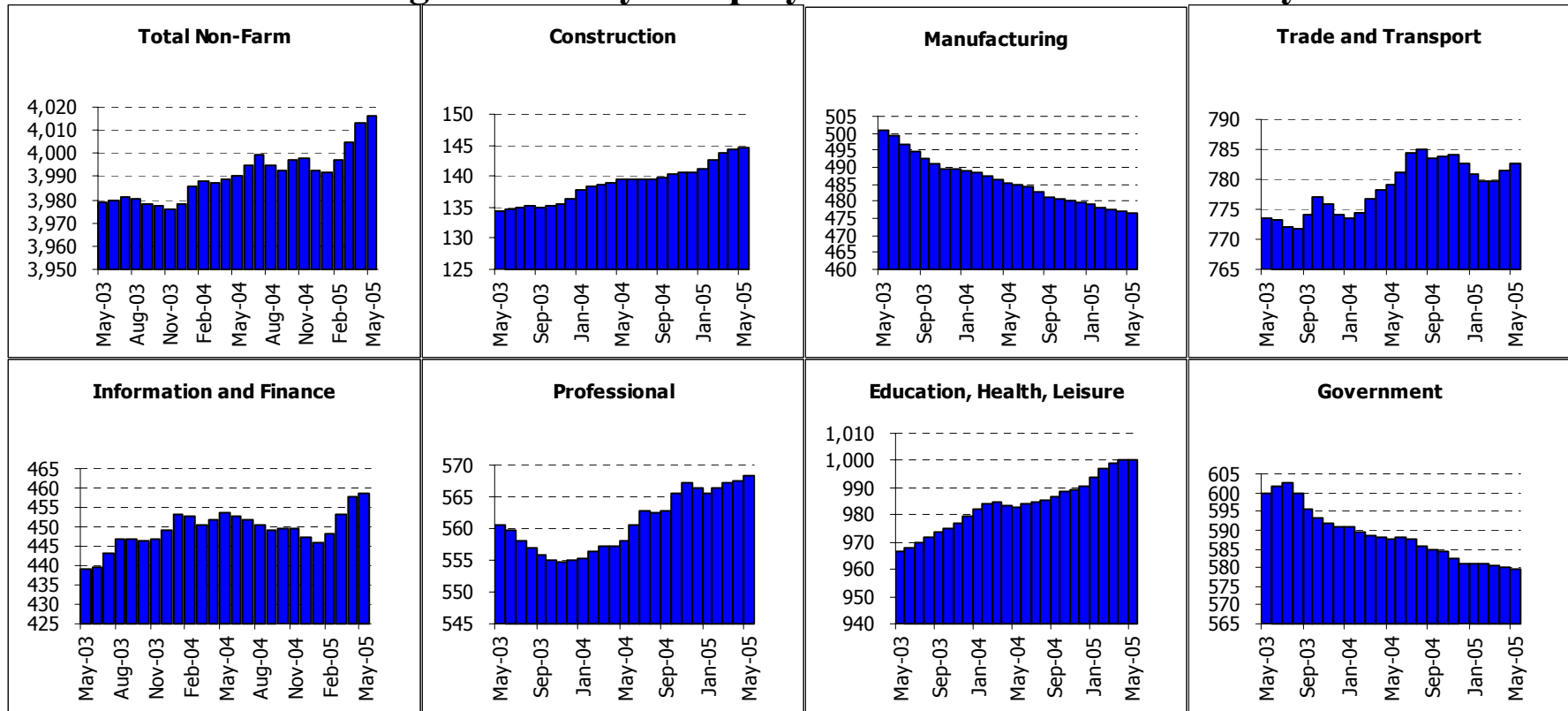
Summary: California added 10,600 jobs in May, adding to the 18,700 created last month. While the numbers aren't bad, they do seem to indicate an economy that is decelerating, rather than picking up momentum. The year-to-date growth rate is now at 1.3% SAAR, below the 1.4% rate we saw last year at this time. While construction, education and health, and the hospitality industry all remains hot, manufacturing, transport and financial activities have shown signs of weakness. The strongest growth sector is in information, which added 14,000 jobs over the last three months. Most of the jobs are in motion picture production in Los Angeles, and very often a sharp increase in jobs in this sector is followed by a sharp downturn in the following months. Still unemployment remains at a very low 5.5%, down from the start of the year due to strong growth in household employment and the labor force. The informal sector remains the state's greatest growth sector.

State of California: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05						
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	14728.3	10.6	18.7	35.7	1.0%	81.5	1.3%	80.8	1.4%
Total Private	12336.7	9.5	18.6	33.4	1.1%	74.3	1.5%	89.4	1.8%
Construction	890.5	1.4	2.5	8.4	3.9%	23.5	6.6%	24.0	7.2%
Durable Manufacturing	981.5	0.8	0.4	-1.2	-0.5%	1.3	0.3%	0.7	0.2%
Non-Durable Manufacturing	552.2	-0.9	-1.1	-3.0	-2.1%	-2.5	-1.1%	-1.9	-0.8%
Wholesale Trade	660.1	0.4	0.5	1.4	0.9%	2.3	0.8%	3.3	1.2%
Retail Trade	1625.9	0.9	1.3	2.3	0.6%	0.9	0.1%	16.9	2.6%
Transportation and Utilities	486.7	-0.3	0.3	0.0	0.0%	0.0	0.0%	1.6	0.8%
Information	491.8	1.4	6.6	14.2	12.4%	13.1	6.7%	4.2	2.1%
Financial Activities	916.6	-0.4	-0.4	-1.1	-0.5%	1.8	0.5%	5.3	1.4%
Professional Services	918.8	1.9	1.4	3.1	1.4%	5.9	1.6%	2.4	0.6%
Management Companies	230.6	0.0	-0.1	-0.9	-1.5%	-0.1	-0.1%	-6.3	-6.2%
Administrative Support	989.1	0.7	1.1	0.3	0.1%	3.3	0.8%	17.1	4.5%
Education and Healthcare	1583.4	2.0	3.0	5.1	1.3%	10.3	1.6%	8.8	1.4%
Leisure and Hospitality	1475.8	1.2	2.5	3.3	0.9%	12.5	2.1%	14.1	2.4%
Other Services	510.9	-0.1	0.5	0.9	0.7%	2.4	1.1%	-1.2	-0.6%
Total Government	2391.5	1.0	0.1	2.2	0.4%	7.1	0.7%	-8.6	-0.9%
Federal Government	247.0	0.2	0.1	0.4	0.7%	-0.1	-0.1%	-2.1	-2.0%
State and Local Education	1143.5	-0.1	-1.1	-1.6	-0.6%	3.1	0.7%	-1.6	-0.3%
Other State and Local	1000.9	0.8	1.3	3.3	1.3%	4.2	1.0%	-5.0	-1.2%
Household Statistics									
Labor Force	17769.8	64.4	58.0	139.0	3.2%	140.3	1.9%	63.7	0.9%
Household Employment	16814.7	60.1	70.8	191.5	4.7%	222.9	3.3%	88.0	1.3%
Unemployment Rate	5.4%	0.00%	-0.09%	-0.34%		-0.51%		-0.16%	

The California EDD also releases seasonally adjusted data for California. As the EDD uses a different algorithm for this process, their numbers may differ from ours on a month to month basis.

Los Angeles County: Employment Charts and Summary

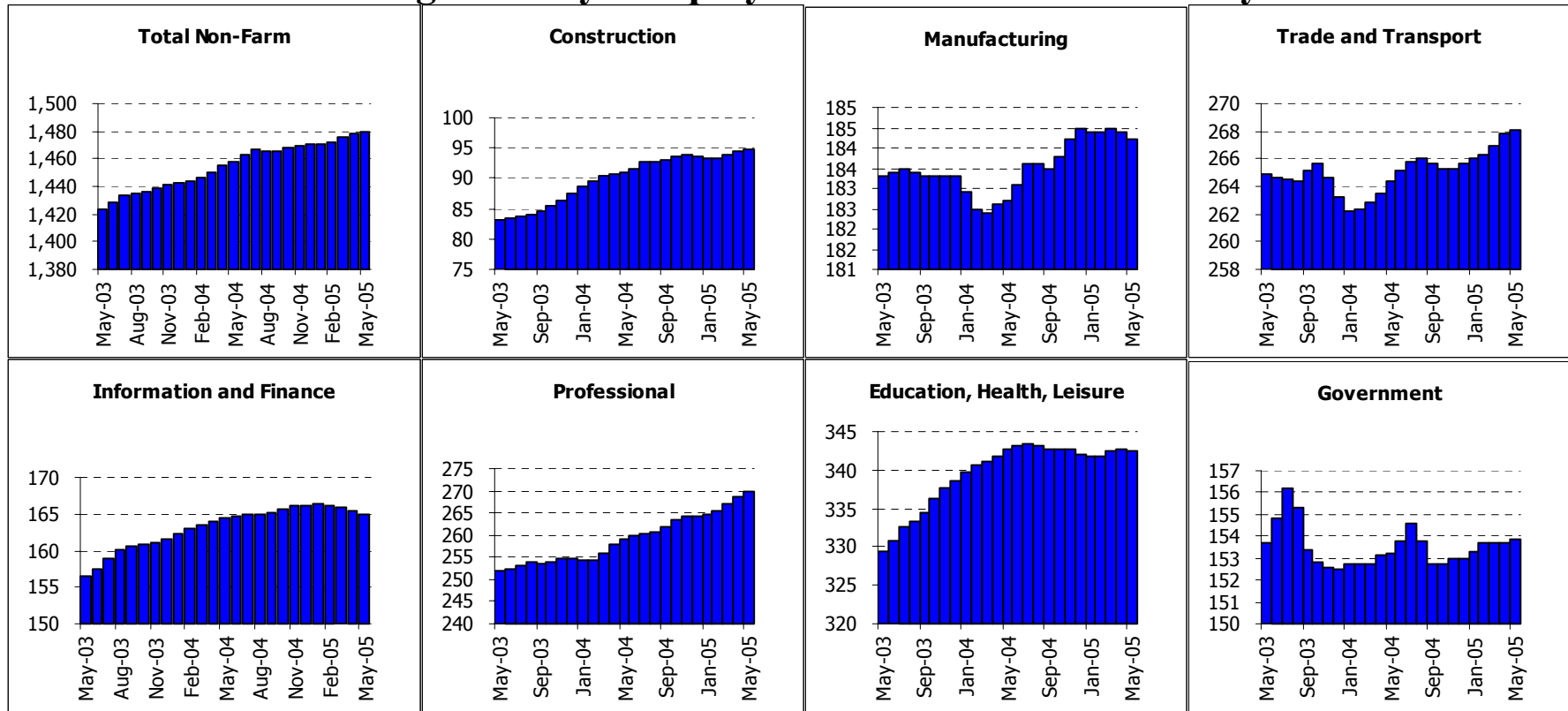


Summary: Our seasonally adjusted versions of the Los Angeles County jobs data indicate that the County slowed in May, from the very robust growth rates seen over March–April. Keep in mind that these are volatile series, and it is not unusual to see a momentary slowing after especially strong previous data, and vice versa. In line with this, most of the May moderation in total jobs came from the motion picture industry (within “Information”), where very strong gains in March–April had pushed up total job numbers then. The movie industry still displays strong growth year-to-date, and total private-sector jobs in L.A. County are also up at an annual rate of 1.7% so far this year, compared to a 0.7% rate this time a year ago. Other sectors’ data are in line with previous trends, with construction and leisure and hospitality growing nicely, while manufacturing and government jobs are still trending lower.

Los Angeles County: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	4015.9	3.0	7.8	18.4	1.9%	23.6	1.4%	11.9	0.7%
Total Private	3436.0	3.3	8.1	19.6	2.3%	24.7	1.7%	15.4	1.1%
Construction	144.7	0.5	0.5	2.0	5.7%	4.1	7.1%	3.0	5.4%
Durable Manufacturing	267.1	0.3	0.2	0.1	0.1%	0.3	0.3%	-1.3	-1.2%
Non-Durable Manufacturing	209.6	-0.6	-1.0	-2.4	-4.5%	-2.9	-3.2%	-2.6	-2.8%
Wholesale Trade	212.5	0.2	0.1	-0.4	-0.7%	-1.1	-1.2%	0.9	1.0%
Retail Trade	406.1	1.0	1.0	2.0	2.0%	2.1	1.3%	3.1	1.9%
Transportation and Utilities	164.0	0.1	0.3	0.5	1.2%	0.9	1.3%	1.2	1.8%
Information	213.8	0.9	4.6	10.6	22.6%	10.8	13.2%	4.1	4.8%
Financial Activities	244.9	0.0	-0.1	0.0	0.0%	0.6	0.6%	0.5	0.5%
Professional Services	239.9	0.6	0.0	0.1	0.2%	1.0	1.0%	0.3	0.3%
Management Companies	71.1	-0.1	-0.1	-0.2	-1.1%	0.7	2.4%	-2.4	-7.6%
Administrative Support	257.3	0.3	0.3	0.9	1.4%	0.1	0.1%	5.1	5.0%
Education and Healthcare	474.1	0.0	0.4	0.7	0.6%	3.1	1.6%	1.0	0.5%
Leisure and Hospitality	380.7	0.3	0.9	2.7	2.9%	6.7	4.4%	2.8	1.8%
Other Services	145.8	0.0	0.3	0.3	0.8%	0.4	0.7%	-0.4	-0.7%
Total Government	579.8	-0.3	-0.4	-1.3	-0.9%	-1.2	-0.5%	-3.5	-1.4%
Federal Government	54.1	0.1	0.2	0.4	3.0%	0.5	2.3%	-0.1	-0.4%
State and Local Education	289.1	-0.4	-0.8	-2.3	-3.1%	-3.5	-2.8%	-2.1	-1.7%
Other State and Local	236.5	-0.1	0.3	0.6	1.0%	1.8	1.9%	-1.3	-1.3%
Household Statistics									
Labor Force	4917.6	21.7	41.8	90.6	7.7%	81.6	4.1%	34.4	1.7%
Household Employment	4635.1	19.1	43.0	99.5	9.1%	105.4	5.7%	32.4	1.8%
Unemployment Rate	5.7%	0.03%	-0.07%	-0.29%		-0.59%		-0.01%	

Orange County: Employment Charts and Summary

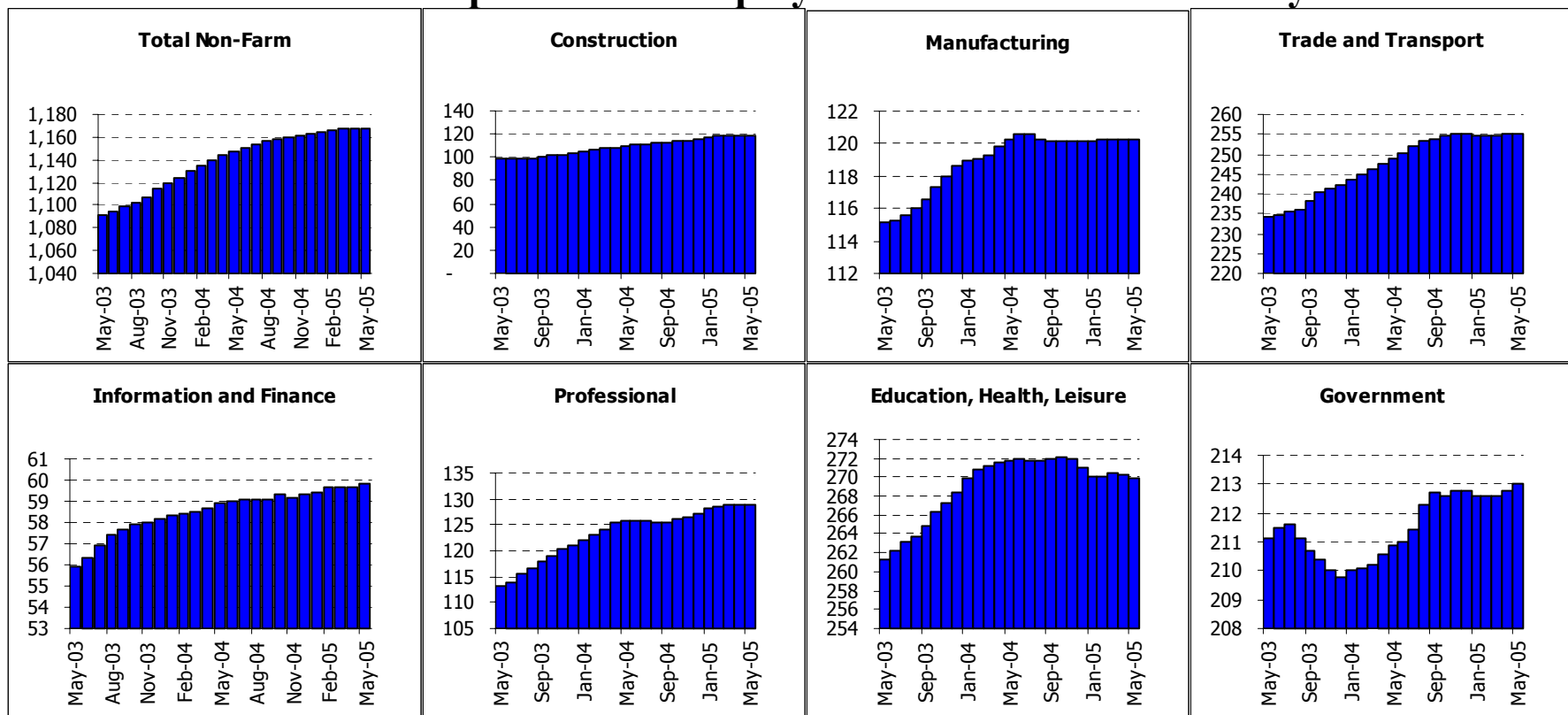


Summary: Orange County data indicate some slowing in job growth in May, after robust gains in March and April. Construction jobs continue to grow nicely in the County, while O.C. manufacturing jobs, which had risen through most of late-2004, have held roughly flat since then. In other sectors, Orange continues to enjoy strong growth in retailing, business and professional services, and other services, while Wholesaling, Information, and leisure and hospitality continue to trend lower. The latter declines are somewhat concerning, given the importance of the industry for Orange County and the growth in that sector seen in neighboring L.A. County.

Orange County: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	1479.1	1.2	2.6	6.8	1.9%	8.9	1.5%	16.1	2.7%
Total Private	1325.2	1.1	2.6	6.6	2.0%	8.1	1.5%	15.4	2.9%
Construction	94.7	0.3	0.5	1.3	5.7%	1.1	2.8%	3.4	9.6%
Durable Manufacturing	127.8	0.0	-0.1	-0.3	-0.9%	0.2	0.4%	-0.4	-0.8%
Non-Durable Manufacturing	56.4	-0.2	-0.1	-0.2	-1.4%	-0.3	-1.3%	-0.2	-0.8%
Wholesale Trade	82.3	0.0	-0.1	-0.1	-0.5%	0.2	0.6%	0.5	1.5%
Retail Trade	156.7	0.4	0.8	1.7	4.5%	3.1	4.9%	0.9	1.4%
Transportation and Utilities	29.1	-0.1	0.0	-0.1	-1.4%	-0.1	-0.8%	-0.2	-1.6%
Information	32.7	-0.1	-0.2	-0.5	-5.9%	-0.5	-3.6%	-0.6	-4.2%
Financial Activities	132.3	-0.3	-0.2	-0.6	-1.8%	-0.7	-1.3%	3.5	6.7%
Professional Services	98.8	0.4	0.4	1.1	4.6%	1.4	3.5%	1.0	2.5%
Management Companies	31.1	0.3	0.4	0.8	11.0%	0.2	1.6%	-0.6	-4.6%
Administrative Support	139.7	0.5	0.7	1.7	5.0%	3.7	6.7%	4.0	7.7%
Education and Healthcare	130.5	0.0	-0.2	-0.5	-1.5%	0.0	0.0%	1.1	2.1%
Leisure and Hospitality	164.2	-0.1	0.4	0.8	2.0%	-0.1	-0.1%	2.6	3.9%
Other Services	47.8	-0.1	0.1	0.3	2.6%	0.6	3.1%	0.4	2.1%
Total Government	153.9	0.2	0.0	0.2	0.5%	0.9	1.4%	0.7	1.1%
Federal Government	11.3	0.1	-0.1	-0.1	-3.5%	-0.2	-4.1%	0.2	4.1%
State and Local Education	91.0	0.0	0.1	0.2	0.9%	0.8	2.1%	0.4	1.1%
Other State and Local	51.5	0.1	0.1	0.2	1.6%	0.3	1.4%	0.1	0.5%
Household Statistics									
Labor Force	1608.6	5.7	3.7	10.0	2.5%	9.5	1.4%	10.4	1.6%
Household Employment	1550.1	5.6	5.0	14.5	3.8%	14.9	2.3%	12.8	2.1%
Unemployment Rate	3.6%	-0.01%	-0.09%	-0.30%		-0.36%		-0.18%	

Inland Empire MSA: Employment Charts and Summary



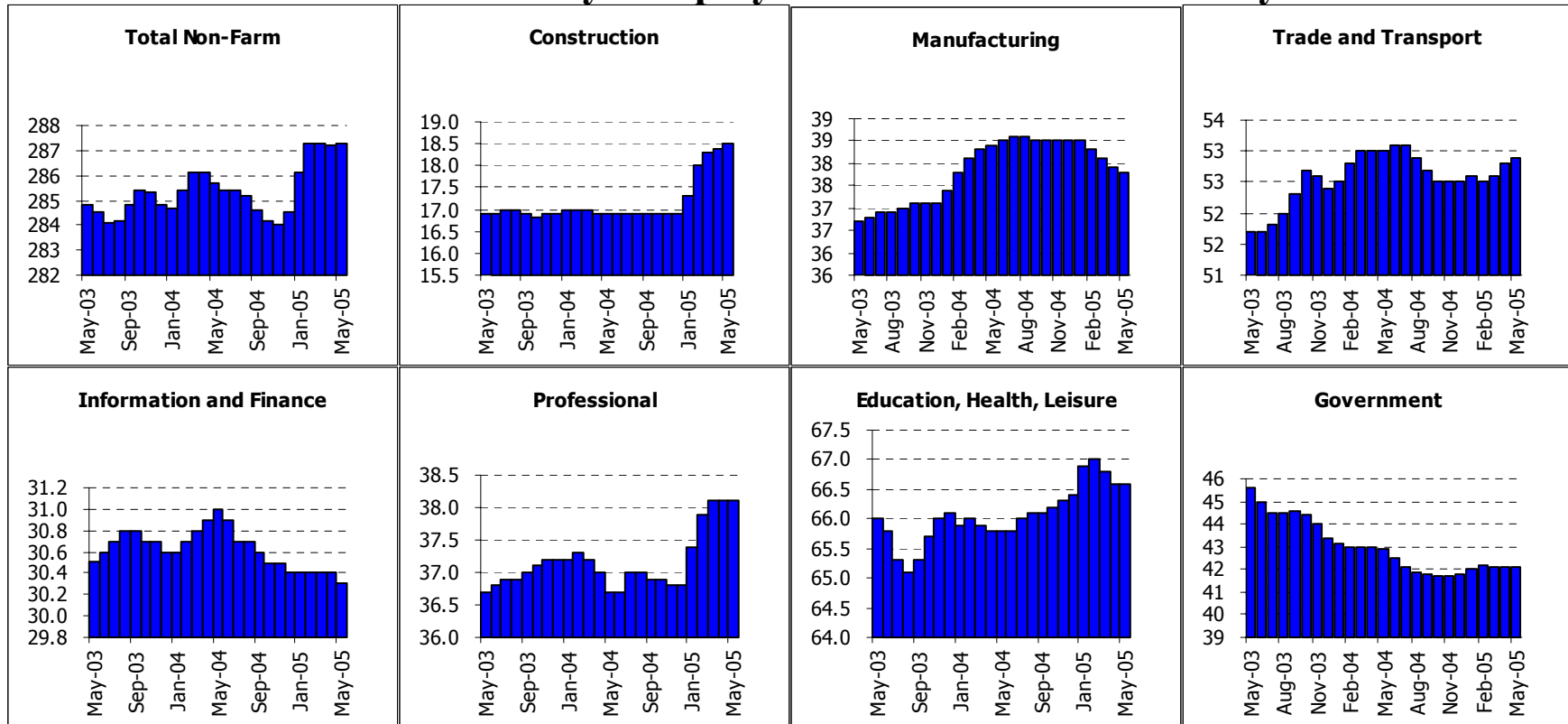
Summary: Current data show the Inland Empire slowing markedly over the past twelve months, after very robust growth in 2003 and early-2004. As we have mentioned before, the data for this region are especially affected by start-up business activity, so that the preliminary job data EDD releases—which do not adequately pick up start-up activity—often understate actual economic growth in the region. Our guess is that the current data for the Inland Empire are indeed understating job growth, especially in start-up intensive sectors such as manufacturing, construction, and transportation/warehousing. Be that as it may, the CURRENT (probably understated) official data indicate slower growth in EVERY major industry-group, with especially noticeable declines in wholesaling, retailing, and leisure and hospitality. The reported retail declines are especially suspect, given the ongoing extremely rapid population growth the region is experiencing, in line with intense housing construction and household formation rates.

Inland Empire MSA: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	1167.1	-0.2	0.1	1.0	0.3%	4.3	0.9%	23.5	5.1%
Total Private	954.0	-0.5	0.0	0.6	0.3%	4.1	1.0%	22.3	6.0%
Construction	118.7	0.0	-0.3	0.0	0.0%	3.0	6.3%	5.5	13.2%
Durable Manufacturing	85.5	0.0	-0.2	-0.5	-2.3%	-0.5	-1.4%	1.4	4.0%
Non-Durable Manufacturing	34.8	0.1	0.1	0.4	4.7%	0.7	5.0%	0.2	1.4%
Wholesale Trade	45.2	0.0	-0.1	-0.2	-1.8%	-0.3	-1.6%	0.2	1.1%
Retail Trade	153.2	0.1	0.0	0.0	0.0%	-0.3	-0.5%	4.2	7.0%
Transportation and Utilities	56.4	-0.1	0.0	0.0	0.0%	0.9	3.9%	2.2	10.5%
Information	13.8	0.0	0.0	0.0	0.0%	0.2	3.6%	0.0	0.0%
Financial Activities	46.0	0.1	0.0	0.1	0.9%	0.3	1.6%	0.7	3.8%
Professional Services	31.9	0.3	0.4	0.9	12.1%	0.6	4.7%	1.8	15.5%
Management Companies	11.7	0.0	0.0	0.1	3.5%	0.2	4.2%	0.1	2.2%
Administrative Support	85.3	-0.4	-0.1	-0.8	-3.7%	1.0	2.9%	2.8	8.5%
Education and Healthcare	117.8	0.1	0.2	0.7	2.4%	0.8	1.6%	1.2	2.5%
Leisure and Hospitality	113.0	-0.5	-0.4	-1.1	-3.8%	-2.5	-5.1%	2.1	4.5%
Other Services	39.1	0.0	0.1	0.3	3.1%	0.6	3.8%	0.0	0.0%
Total Government	213.0	0.2	0.2	0.4	0.8%	0.2	0.2%	1.1	1.3%
Federal Government	16.9	0.1	0.1	0.1	2.4%	0.0	0.0%	0.1	1.4%
State and Local Education	107.9	0.0	-0.1	-0.3	-1.1%	-0.7	-1.5%	0.6	1.3%
Other State and Local	88.2	0.2	0.2	0.7	3.2%	1.1	3.1%	0.4	1.1%
Household Statistics									
Labor Force	1670.5	3.5	0.7	3.1	0.7%	5.1	0.7%	24.4	3.7%
Household Employment	1586.3	3.4	2.8	9.5	2.4%	11.2	1.7%	25.4	4.1%
Unemployment Rate	5.0%	0.00%	-0.13%	-0.39%		-0.38%		-0.15%	

The Inland Empire is made up of Riverside and San Bernardino counties

Ventura County: Employment Charts and Summary

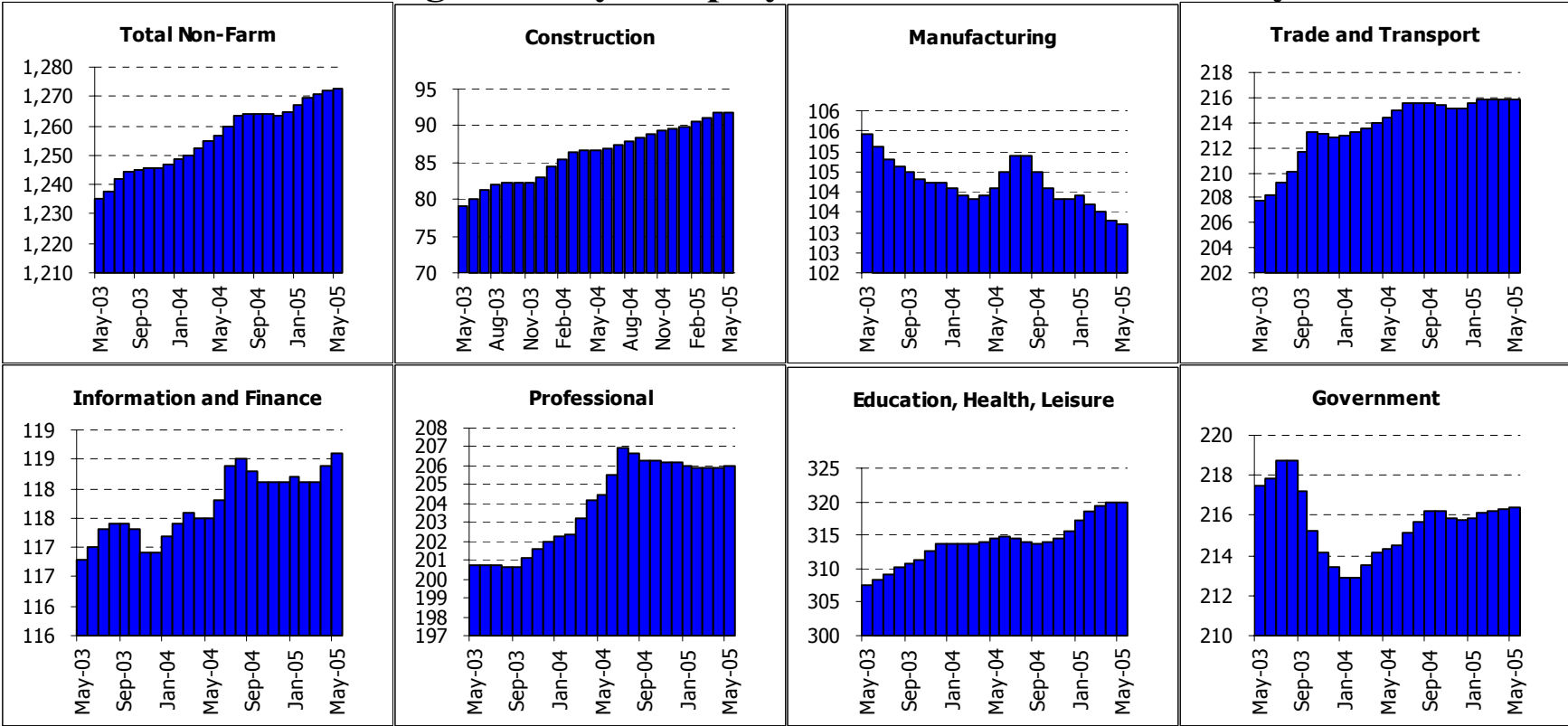


Summary: Ventura County has seen a noticeable acceleration in job growth this year, driven by sharp gains in construction and retail trade. While Ventura County new home sales have yet to rise this year, residential building permit activity has doubled since last summer, with most of those gains occurring in the last six months, and nonresidential construction permitting is up comparable. This could have helped boost construction jobs there. All in all, though, labor market conditions still appear somewhat mixed in Ventura County, with ongoing declines in Wholesaling, Manufacturing, Finance, and Leisure and Hospitality partially offsetting the strong gains in construction and retailing, and professional and business services.

Ventura County: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	287.3	0.1	-0.1	0.0	0.0%	2.8	2.4%	0.9	0.8%
Total Private	245.2	0.1	0.0	0.1	0.2%	2.5	2.5%	1.5	1.5%
Construction	18.5	0.1	0.1	0.5	11.6%	1.6	24.2%	0.0	0.0%
Durable Manufacturing	24.1	0.0	-0.1	-0.2	-3.3%	-0.2	-2.0%	0.5	5.1%
Non-Durable Manufacturing	13.7	0.0	-0.2	-0.3	-8.3%	-0.5	-8.2%	0.8	15.0%
Wholesale Trade	11.6	0.0	0.0	-0.1	-3.4%	-0.3	-5.9%	0.2	4.2%
Retail Trade	35.7	0.1	0.3	0.5	5.8%	0.9	6.3%	0.3	2.1%
Transportation and Utilities	5.6	0.0	0.0	0.0	0.0%	0.1	4.4%	0.1	4.3%
Information	6.8	0.0	0.1	0.2	12.7%	0.2	7.4%	0.1	3.5%
Financial Activities	23.5	-0.1	-0.1	-0.3	-4.9%	-0.3	-3.0%	0.3	3.1%
Professional Services	14.0	0.0	0.1	0.2	5.9%	0.3	5.3%	-0.1	-1.7%
Management Companies	3.4	0.0	0.0	0.0	0.0%	0.0	0.0%	-0.3	-17.5%
Administrative Support	20.6	0.0	-0.1	0.0	0.0%	0.9	11.3%	-0.2	-2.4%
Education and Healthcare	28.2	0.0	-0.1	-0.2	-2.8%	0.1	0.9%	-0.3	-2.6%
Leisure and Hospitality	28.3	0.0	0.0	0.0	0.0%	0.0	0.0%	0.1	0.9%
Other Services	10.1	0.0	-0.1	-0.2	-7.5%	0.1	2.4%	-0.1	-2.3%
Total Government	42.1	0.0	0.0	-0.1	-0.9%	0.3	1.7%	-0.5	-2.7%
Federal Government	7.5	0.0	0.0	0.0	0.0%	0.0	0.0%	0.1	3.1%
State and Local Education	19.3	0.1	0.0	0.1	2.1%	0.5	6.5%	-0.3	-3.7%
Other State and Local	15.9	0.0	-0.1	-0.1	-2.5%	-0.1	-1.5%	-0.3	-4.3%
Household Statistics									
Labor Force	419.9	1.0	0.2	0.9	0.9%	3.3	1.9%	1.9	1.1%
Household Employment	399.9	0.9	0.7	2.3	2.3%	4.2	2.6%	1.8	1.1%
Unemployment Rate	4.8%	0.01%	-0.12%	-0.34%		-0.25%		0.00%	

San Diego County: Employment Charts and Summary

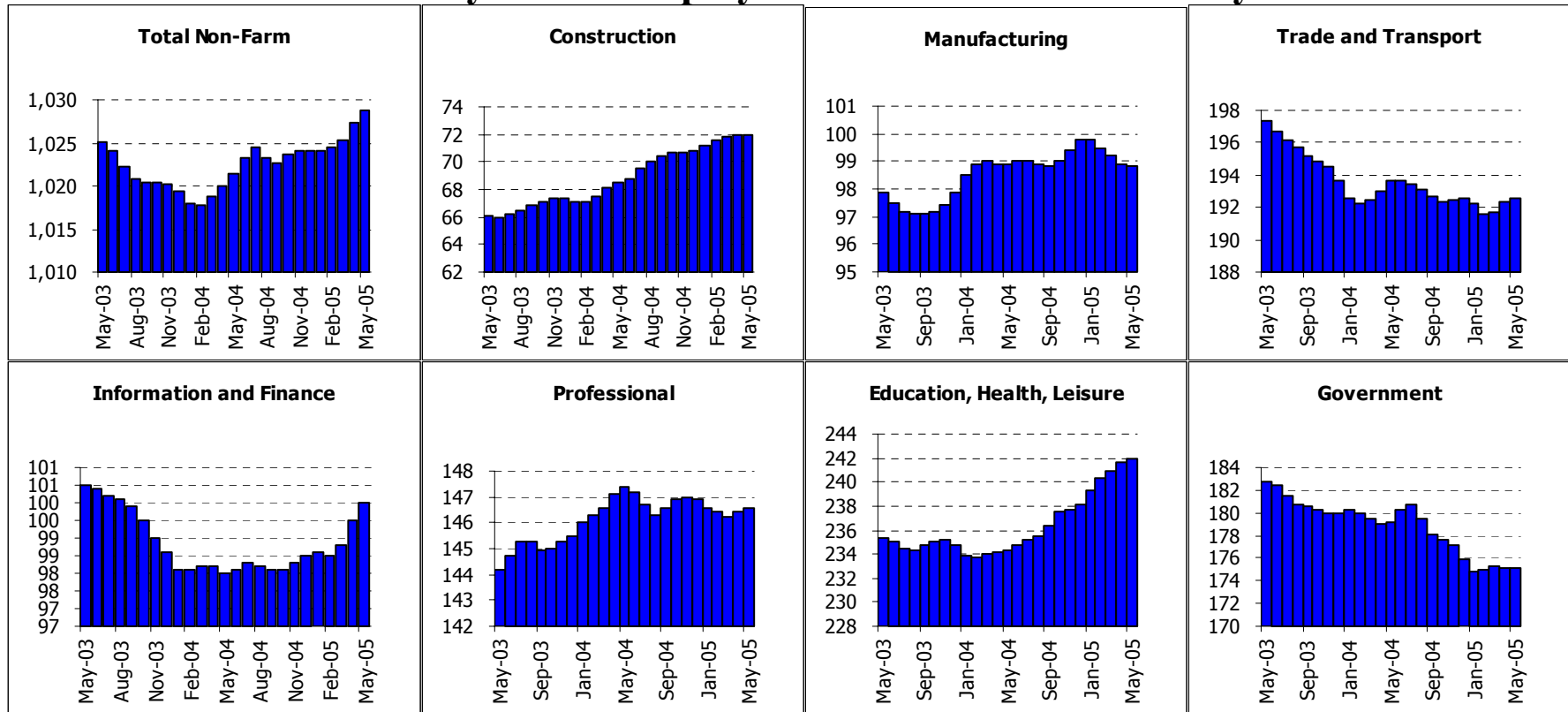


Summary: San Diego County has shown steady modest growth in jobs over the past few months, and total jobs so far this year are up at a respectable, 1.5%, little changed from a 1.9% pace this time a year ago. The steadiest gains have been seen in Construction and Leisure and Hospitality, while erratic gains have been experienced in Wholesaling, Education and Healthcare, and Business and Professional Services. As is also the case in most of the rest of California, manufacturing jobs continue to trend lower.

San Diego County: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	1272.5	0.5	1.1	3.2	1.0%	7.7	1.5%	9.6	1.9%
Total Private	1056.1	0.4	1.1	2.9	1.1%	7.2	1.7%	8.8	2.1%
Construction	91.8	0.1	0.5	1.3	5.9%	2.3	6.3%	3.6	10.7%
Durable Manufacturing	77.6	0.0	-0.2	-0.3	-1.5%	-0.1	-0.3%	0.0	0.0%
Non-Durable Manufacturing	25.5	-0.1	-0.2	-0.4	-6.0%	-0.6	-5.4%	-0.1	-0.9%
Wholesale Trade	42.1	0.0	-0.1	-0.2	-1.9%	-0.1	-0.6%	-0.1	-0.6%
Retail Trade	145.6	0.2	0.3	0.6	1.7%	1.8	3.0%	1.9	3.2%
Transportation and Utilities	28.2	-0.1	-0.2	-0.5	-6.8%	-0.3	-2.5%	-0.2	-1.7%
Information	36.8	0.1	0.3	0.5	5.6%	0.5	3.3%	-0.1	-0.7%
Financial Activities	81.8	0.1	0.0	0.0	0.0%	0.0	0.0%	0.7	2.1%
Professional Services	99.4	0.3	0.1	0.4	1.6%	0.1	0.2%	-1.8	-4.2%
Management Companies	18.2	0.1	0.1	0.2	4.5%	0.1	1.3%	-0.5	-6.3%
Administrative Support	88.3	-0.3	-0.3	-0.9	-4.0%	-0.4	-1.1%	4.8	14.7%
Education and Healthcare	122.4	0.0	0.1	0.1	0.3%	1.2	2.4%	-1.0	-1.9%
Leisure and Hospitality	148.6	0.1	0.6	1.5	4.1%	2.9	4.8%	1.8	3.0%
Other Services	48.9	-0.1	-0.1	-0.2	-1.6%	0.3	1.5%	-0.1	-0.5%
Total Government	216.4	0.1	0.1	0.3	0.6%	0.6	0.7%	0.9	1.0%
Federal Government	38.7	-0.1	-0.1	-0.2	-2.0%	-0.3	-1.8%	-0.1	-0.6%
State and Local Education	98.3	0.1	0.1	0.1	0.4%	-0.1	-0.2%	0.5	1.2%
Other State and Local	79.2	0.1	0.1	0.3	1.5%	0.9	2.8%	0.4	1.3%
Household Statistics									
Labor Force	1507.2	2.8	0.5	2.9	0.8%	6.6	1.1%	6.3	1.0%
Household Employment	1445.0	3.2	2.7	8.7	2.4%	11.9	2.0%	7.4	1.3%
Unemployment Rate	4.1%	-0.03%	-0.15%	-0.39%		-0.37%		-0.10%	

East Bay MSA: Employment Charts and Summary



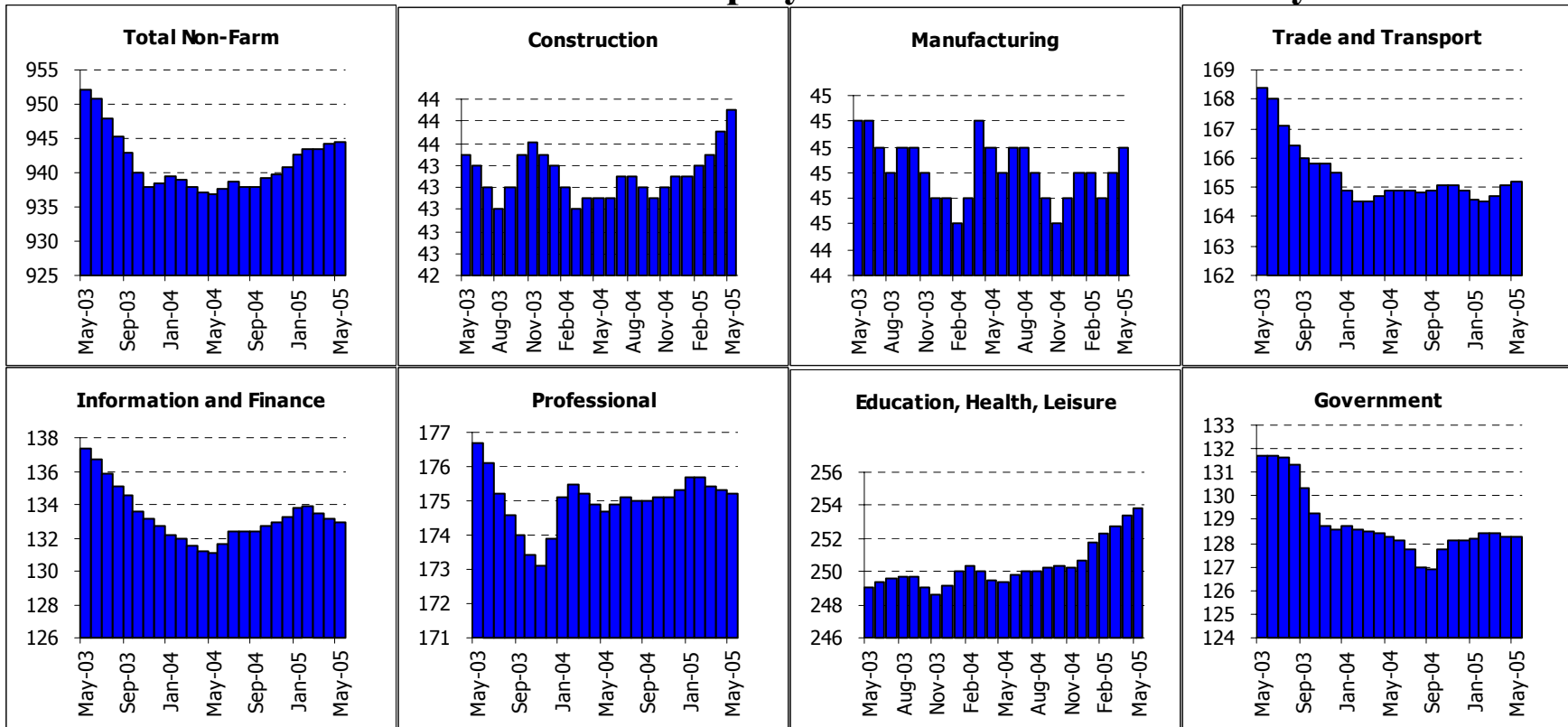
Summary: The East Bay added 1,400 jobs in May bring total job gains over the past quarter to 4,300, a 1.7% annualized growth rate. Biggest contributors to the recovery include retail trade, financial activities, and the education and healthcare sector. There are still troubling signs in the manufacturing sector, which lost another 800 jobs while professional services continue to remain flat. Still, information actually added 500 jobs over the past month and remains a growth sector. Other good news comes from the public sector, which has remained stable for the past five months now, good news for the region. Unemployment has remained steady at 4.9%, and is down sharply from the start of the year largely as a result of the fact that household employment registers a gain in jobs something on the order of twice the rate of growth in payroll employment. This represents an expansion of the informal sector not unlike what has been experienced at a much larger scale in the southern portions of the state.

East Bay MSA: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	1028.7	1.4	1.9	4.3	1.7%	4.6	1.1%	2.0	0.5%
Total Private	853.5	1.4	2.0	4.1	1.9%	5.3	1.5%	2.9	0.8%
Construction	72.0	0.1	0.1	0.4	2.3%	1.2	4.1%	1.2	4.3%
Durable Manufacturing	62.8	-0.2	-0.3	-0.8	-4.9%	-0.9	-3.4%	1.2	4.7%
Non-Durable Manufacturing	36.0	0.1	0.0	0.0	0.0%	0.0	0.0%	-0.1	-0.7%
Wholesale Trade	48.0	0.0	0.0	-0.4	-3.3%	-0.7	-3.4%	-0.3	-1.5%
Retail Trade	110.4	0.3	0.5	1.1	4.1%	1.2	2.7%	0.5	1.1%
Transportation and Utilities	34.2	0.1	0.0	0.1	1.2%	0.1	0.7%	-0.3	-2.1%
Information	30.5	0.2	0.3	0.5	6.8%	0.2	1.6%	-0.4	-3.0%
Financial Activities	69.5	0.3	0.4	1.0	6.0%	1.3	4.6%	-0.2	-0.7%
Professional Services	69.7	0.3	0.2	0.1	0.6%	-0.1	-0.3%	0.1	0.3%
Management Companies	21.2	0.0	0.1	0.1	1.9%	0.2	2.3%	-0.1	-1.1%
Administrative Support	55.7	-0.1	0.0	-0.3	-2.1%	-0.3	-1.3%	1.9	8.7%
Education and Healthcare	122.6	0.3	0.4	1.1	3.7%	3.0	6.1%	0.0	0.0%
Leisure and Hospitality	82.4	0.0	0.2	0.3	1.5%	0.7	2.1%	-0.5	-1.5%
Other Services	37.0	0.0	0.2	0.3	3.3%	0.1	0.7%	0.0	0.0%
Total Government	175.1	-0.1	-0.1	0.1	0.2%	-0.8	-1.1%	-0.8	-1.1%
Federal Government	17.0	0.0	0.1	0.1	2.4%	0.0	0.0%	-0.6	-7.8%
State and Local Education	83.9	-0.1	-0.1	0.1	0.5%	0.8	2.3%	0.7	2.0%
Other State and Local	74.1	0.0	-0.1	-0.1	-0.5%	-1.6	-5.0%	-1.0	-3.0%
Household Statistics									
Labor Force	1266.5	4.9	2.8	6.3	2.0%	3.9	0.7%	-6.5	-1.2%
Household Employment	1205.0	5.2	4.5	11.6	3.9%	10.4	2.1%	-1.0	-0.2%
Unemployment Rate	4.9%	-0.04%	-0.15%	-0.44%		-0.53%		-0.40%	

East Bay is also known as the Oakland MSA. It is made up of Alameda and Contra Costa counties.

San Francisco MSA: Employment Charts and Summary



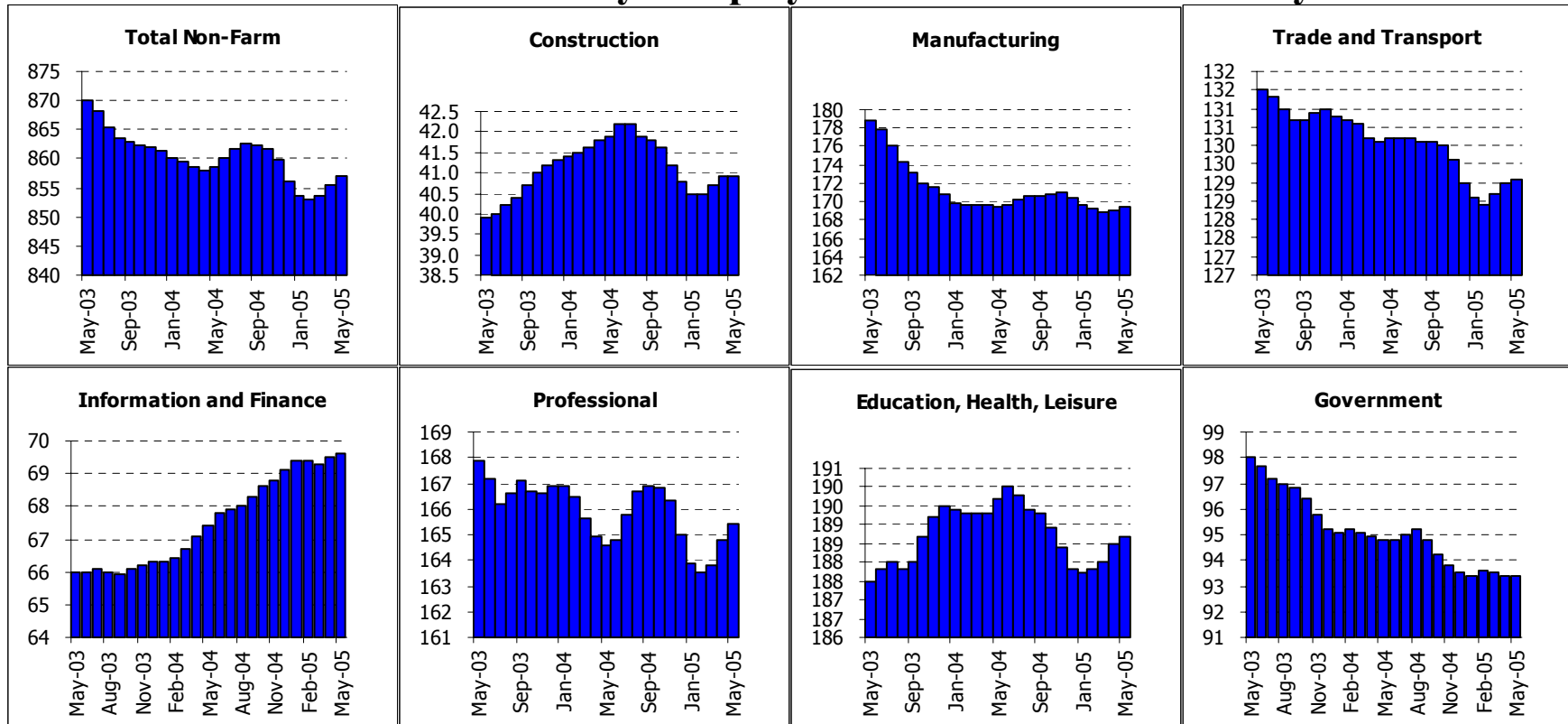
Summary: San Francisco’s slow recovery continued in May of this year, with the region adding 400 jobs, bringing the quarterly increase up to 1,300. The annualized rate of growth since the start of the year is 1%, considerably better than the -.4% registered at this point last year. Still, the sectors that are driving the recovery remain construction, education, healthcare and leisure. The housing boom and recovery of the state’s tourism industry are riving the economy forward now. Important income sectors: professional services, information and finance all remain very weak. Unemployment remains at 4.4%, down half a point since the start of the year. This is largely due to the anemic growth in the labor force.

San Francisco MSA: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	944.6	0.4	0.8	1.3	0.6%	3.8	1.0%	-1.6	-0.4%
Total Private	816.3	0.4	1.0	1.4	0.7%	3.7	1.1%	-1.3	-0.4%
Construction	43.9	0.2	0.2	0.5	4.7%	0.6	3.4%	-0.4	-2.2%
Durable Manufacturing	22.4	0.0	0.1	0.0	0.0%	0.0	0.0%	0.1	1.1%
Non-Durable Manufacturing	22.4	0.1	0.0	0.1	1.8%	0.3	3.3%	0.1	1.1%
Wholesale Trade	26.7	0.0	0.0	0.1	1.5%	0.1	0.9%	-0.2	-1.8%
Retail Trade	93.5	0.1	0.1	0.2	0.9%	0.5	1.3%	-0.3	-0.8%
Transportation and Utilities	44.9	0.0	0.1	0.1	0.9%	0.2	1.1%	-0.1	-0.5%
Information	43.2	-0.2	-0.3	-0.8	-7.1%	-0.6	-3.3%	-0.6	-3.2%
Financial Activities	89.7	0.0	-0.1	-0.2	-0.9%	0.3	0.8%	-1.0	-2.7%
Professional Services	98.8	-0.1	-0.1	-0.3	-1.2%	-0.3	-0.7%	0.6	1.5%
Management Companies	21.4	-0.1	-0.2	-0.6	-10.5%	-0.1	-1.1%	-0.7	-7.1%
Administrative Support	54.9	0.1	0.1	0.0	0.0%	0.1	0.4%	1.0	4.6%
Education and Healthcare	101.2	0.2	0.3	0.8	3.2%	1.3	3.2%	0.4	1.0%
Leisure and Hospitality	116.0	0.1	0.2	0.4	1.4%	1.6	3.4%	0.4	0.9%
Other Services	36.6	0.1	0.2	0.3	3.3%	0.2	1.3%	-0.6	-3.8%
Total Government	128.3	0.0	-0.1	-0.1	-0.3%	0.2	0.4%	-0.3	-0.6%
Federal Government	21.5	0.0	0.0	-0.1	-1.8%	-0.2	-2.2%	0.0	0.0%
State and Local Education	48.1	-0.1	-0.1	-0.3	-2.5%	0.1	0.5%	-0.2	-1.0%
Other State and Local	58.7	0.1	0.2	0.4	2.8%	0.4	1.7%	-0.1	-0.4%
Household Statistics									
Labor Force	923.9	2.4	1.1	2.1	0.9%	1.7	0.4%	-6.7	-1.7%
Household Employment	882.8	2.3	2.2	5.5	2.5%	6.4	1.8%	-2.9	-0.8%
Unemployment Rate	4.4%	0.00%	-0.12%	-0.38%		-0.52%		-0.37%	

The San Francisco MSA includes Marin, San Francisco and San Mateo counties

Santa Clara County: Employment Charts and Summary



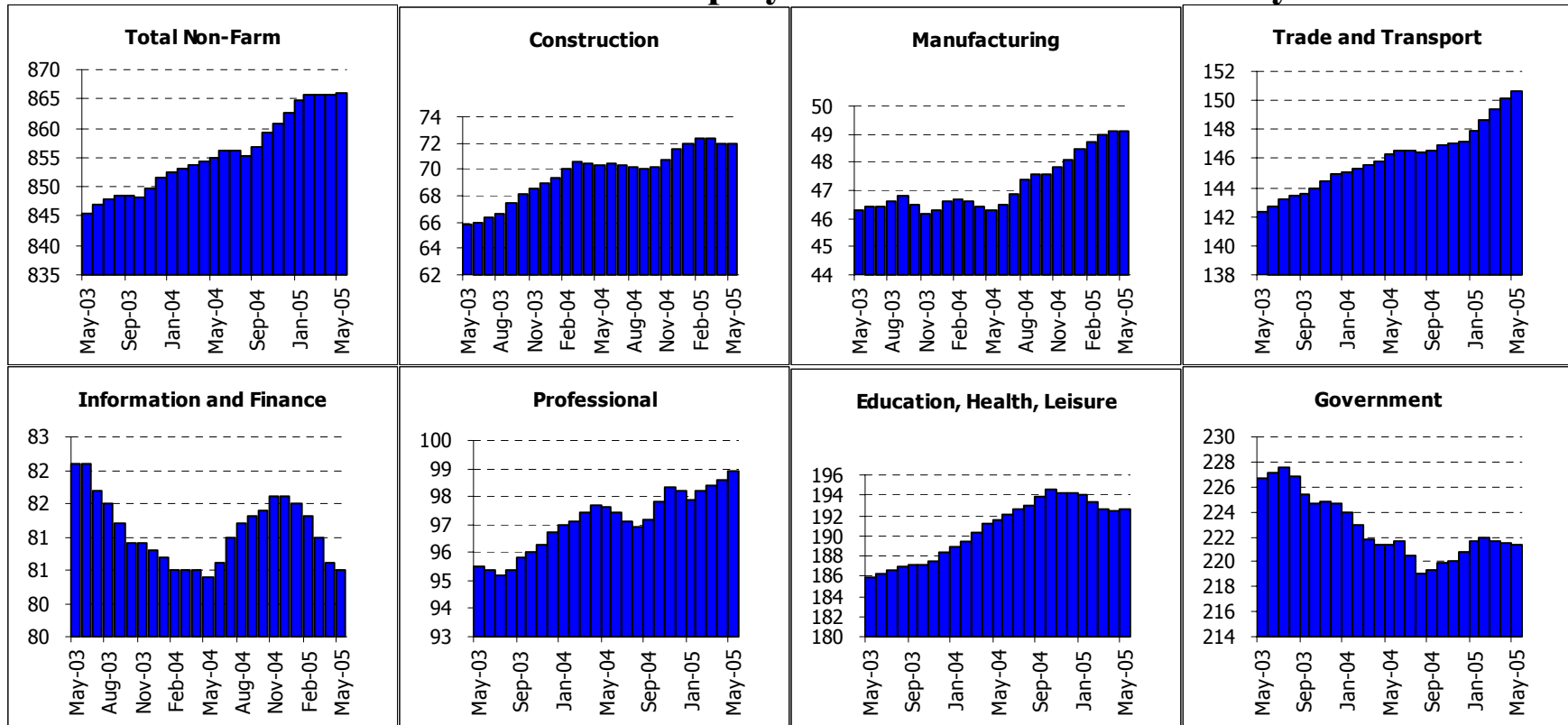
Summary: San Jose added 1,500 jobs in May, bringing the quarterly growth rate up to 4,200 jobs, a 2% annual growth rate. This is a good sign for an economy just starting to see the end of the battering it took from the tech bust. Manufacturing saw a tick up in jobs, as did logistics. Professional services also nosed up, although this was largely driven by jobs in the relatively low income administrative support sub-sector. Leisure and hospitality and construction jobs have also seen some gains. San Jose saw a similar surge in jobs in the middle of 2004 before slumping yet again at the end of the year. These sorts of up and down gyrations are typical for an economy in the midst of coming of the bottom of a deep downturn, and it is too early to call this the start of an expansion. Still, a bit of good news is just that, and the next couple months will show if these gains will take hold.

Santa Clara MSA: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	857.1	1.5	2.1	4.2	2.0%	1.0	0.3%	-2.8	-0.8%
Total Private	763.7	1.6	2.2	4.4	2.3%	1.1	0.3%	-2.5	-0.8%
Construction	40.9	0.0	0.2	0.4	4.0%	0.1	0.6%	0.6	3.5%
Durable Manufacturing	157.5	0.3	0.1	-0.1	-0.3%	-0.5	-0.8%	-1.0	-1.5%
Non-Durable Manufacturing	11.9	0.1	0.0	-0.1	-3.3%	-0.4	-7.6%	-0.4	-7.7%
Wholesale Trade	34.7	0.1	0.1	0.2	2.3%	0.1	0.7%	-0.1	-0.7%
Retail Trade	81.2	0.0	0.3	0.5	2.5%	0.6	1.8%	-0.2	-0.6%
Transportation and Utilities	13.1	-0.1	0.0	-0.2	-5.9%	-0.4	-7.0%	-0.4	-6.8%
Information	34.3	0.1	0.3	0.5	6.0%	0.6	4.3%	0.9	7.0%
Financial Activities	35.3	0.0	-0.1	-0.3	-3.3%	-0.1	-0.7%	0.2	1.4%
Professional Services	95.1	0.1	0.1	-0.1	-0.4%	-1.2	-3.0%	-2.0	-4.8%
Management Companies	14.9	0.0	-0.1	-0.2	-5.2%	-0.3	-4.7%	-0.1	-1.6%
Administrative Support	55.3	0.5	1.0	1.7	13.3%	1.8	8.3%	-0.2	-0.9%
Education and Healthcare	95.4	0.0	0.0	-0.1	-0.4%	0.3	0.8%	0.1	0.3%
Leisure and Hospitality	68.4	0.2	0.5	1.1	6.7%	0.5	1.8%	0.3	1.0%
Other Services	24.9	0.0	0.0	-0.1	-1.6%	0.1	1.0%	-0.2	-1.9%
Total Government	93.4	0.0	-0.1	-0.2	-0.9%	-0.1	-0.3%	-0.4	-1.0%
Federal Government	9.9	0.0	0.0	-0.1	-3.9%	-0.2	-4.7%	-0.1	-2.4%
State and Local Education	45.2	0.0	-0.1	-0.1	-0.9%	0.2	1.1%	0.0	0.0%
Other State and Local	38.2	0.0	0.0	0.0	0.0%	-0.1	-0.6%	-0.3	-1.8%
Household Statistics									
Labor Force	848.2	3.9	2.1	4.1	2.0%	0.0	0.0%	-10.3	-2.8%
Household Employment	801.4	3.6	3.2	7.1	3.6%	3.7	1.1%	-3.7	-1.1%
Unemployment Rate	5.5%	0.01%	-0.14%	-0.38%		-0.44%		-0.68%	

The San Jose MSA is Santa Clara and San Benito counties.

Sacramento MSA: Employment Charts and Summary



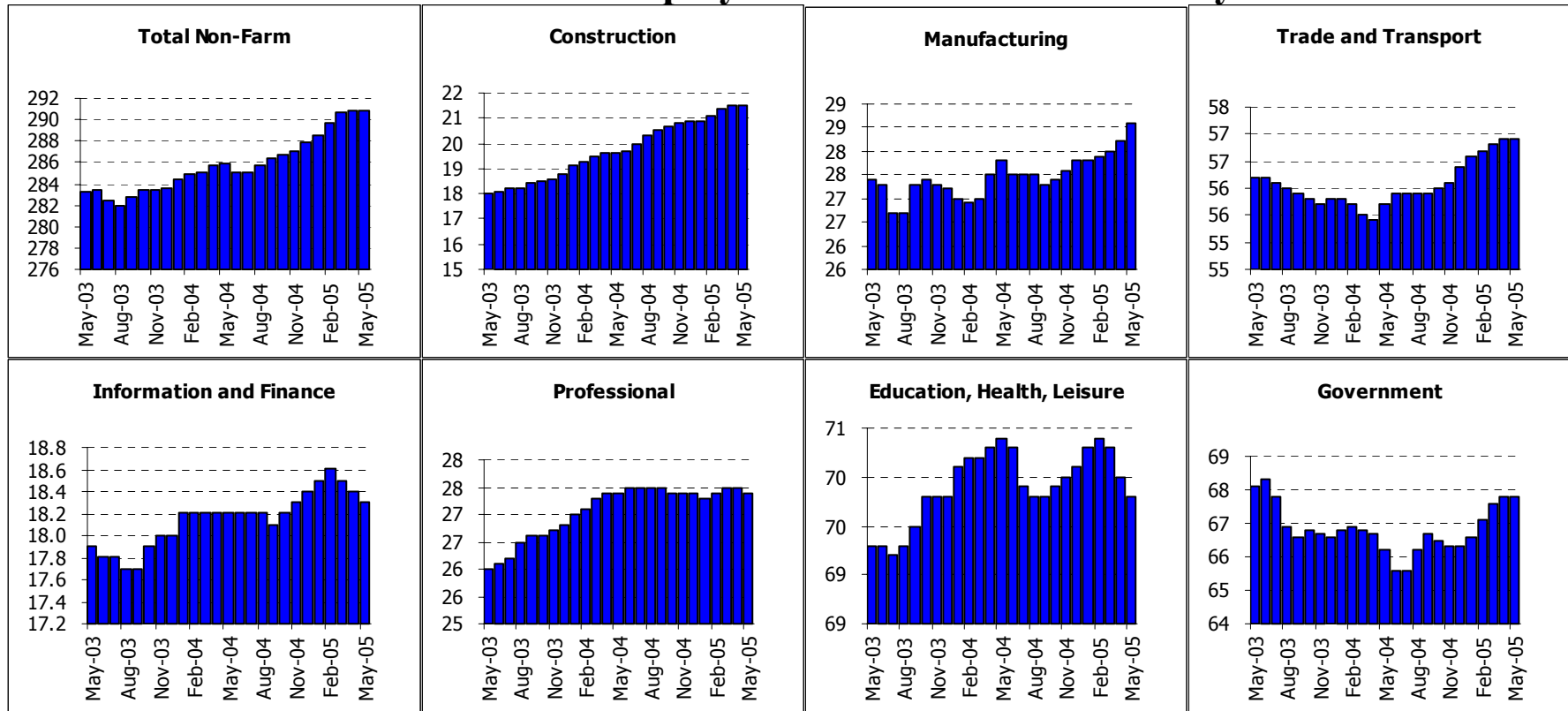
Summary: Sacramento's recent doldrums continued into May, as the area added a paltry 400 jobs, a .2% growth rate. The year-to-date growth rate is now .9%, roughly equivalent to last year. Weaknesses in construction, information, finance, hospitality and public jobs have largely offset gains in retail and professional services. Still, many rapidly growing economies often find growth being under counted due to the nature of the non-farm payroll survey statistical sample. Much of this weakness may be removed when the new benchmarks are put into place next spring. Unemployment remained at a low 4.6%, as the labor force and household employment continue to grow strongly despite the slowdown in payroll job creation.

Sacramento MSA: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	866.0	0.4	0.0	0.4	0.2%	3.4	0.9%	3.3	0.9%
Total Private	644.6	0.5	0.3	1.0	0.6%	2.8	1.1%	6.5	2.5%
Construction	71.9	-0.1	-0.3	-0.4	-2.2%	0.4	1.3%	1.4	4.9%
Durable Manufacturing	34.3	-0.1	0.0	0.0	0.0%	0.7	5.1%	0.0	0.0%
Non-Durable Manufacturing	14.8	0.1	0.1	0.3	8.5%	0.3	5.0%	-0.1	-1.8%
Wholesale Trade	26.2	0.0	0.1	0.2	3.1%	0.1	0.9%	-0.1	-0.9%
Retail Trade	100.1	0.4	0.6	1.5	6.2%	3.1	7.8%	1.1	2.8%
Transportation and Utilities	24.3	0.0	0.1	0.1	1.7%	0.6	6.2%	0.4	4.4%
Information	19.9	-0.1	-0.2	-0.5	-9.4%	-0.8	-9.0%	-0.8	-8.7%
Financial Activities	60.6	0.0	-0.2	-0.3	-2.0%	-0.3	-1.2%	0.4	1.6%
Professional Services	43.3	0.3	0.1	0.4	3.8%	0.6	3.4%	0.0	0.0%
Management Companies	8.7	0.0	-0.1	-0.1	-4.5%	-0.2	-5.3%	-0.4	-9.4%
Administrative Support	46.8	0.0	0.1	0.2	1.7%	0.3	1.6%	1.3	7.2%
Education and Healthcare	86.1	0.0	-0.1	0.0	0.0%	0.2	0.6%	1.7	5.0%
Leisure and Hospitality	77.9	0.2	0.0	-0.7	-3.5%	-2.0	-5.9%	1.4	4.4%
Other Services	28.7	0.0	-0.1	0.0	0.0%	0.3	2.6%	0.1	0.9%
Total Government	221.4	-0.1	-0.2	-0.6	-1.1%	0.6	0.7%	-3.3	-3.5%
Federal Government	12.0	0.0	-0.1	-0.1	-3.3%	-0.1	-2.0%	-0.4	-7.4%
State and Local Education	90.4	0.1	-0.1	-0.4	-1.8%	0.7	1.9%	-0.2	-0.5%
Other State and Local	119.0	-0.1	0.0	0.1	0.3%	0.1	0.2%	-2.8	-5.4%
Household Statistics									
Labor Force	1015.6	3.6	1.2	2.5	1.0%	6.2	1.5%	0.9	0.2%
Household Employment	968.6	3.4	2.3	6.8	2.9%	9.3	2.3%	3.7	0.9%
Unemployment Rate	4.6%	0.00%	-0.11%	-0.44%		-0.34%		-0.29%	

The Sacramento MSA is made up of El Dorado, Placer, Yolo & Sacramento counties

Fresno MSA: Employment Charts and Summary



Summary: Fresno County has seen some slowing in its reported job growth pace over the last two months. The County is one of the few in the state to be enjoying strong factory-sector job growth, and retailing is also advancing nicely. However, reported job gains have moderated—or even evaporated!—of late in such sectors as wholesaling, logistics, finance, professional services, education/health, and even leisure and hospitality, and this has held down bottom-line growth. Year-to-date, the County is reporting reasonably robust, 2.6% growth, compared to a decent, 2.0% rate a year ago. However, again, virtually all of the 2005 to date gains occurred in the first months of the year, whence gains have slowed markedly.

Fresno MSA: Employment Tables (thousands)

	Current	Monthly Change		Quarterly Change		Year-to-date 2005		Year-to-date 2004	
	Level	Apr-05	Mar-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Payroll Statistics	May-05	May-05	Apr-05	Abs.	% AR	Abs.	% AR	Abs.	% AR
Total Non-Farm	290.9	0.0	0.3	1.2	1.7%	3.1	2.6%	2.3	2.0%
Total Private	223.0	0.0	0.1	0.5	0.9%	1.6	1.7%	2.7	3.0%
Construction	21.5	0.0	0.1	0.4	7.8%	0.6	7.0%	0.8	10.5%
Durable Manufacturing	11.0	0.1	0.3	0.4	16.0%	0.5	11.8%	0.0	0.0%
Non-Durable Manufacturing	17.5	0.2	0.0	0.2	4.7%	0.3	4.2%	0.6	8.6%
Wholesale Trade	12.5	0.0	-0.1	-0.1	-3.1%	0.0	0.0%	0.1	2.0%
Retail Trade	34.3	0.0	0.1	0.2	2.4%	0.4	2.9%	-0.2	-1.4%
Transportation and Utilities	10.0	0.0	0.0	0.0	0.0%	0.2	5.0%	0.2	5.1%
Information	4.5	0.0	0.0	0.0	0.0%	0.1	5.5%	0.1	5.5%
Financial Activities	13.8	-0.1	-0.1	-0.3	-8.2%	-0.2	-3.4%	0.1	1.8%
Professional Services	9.5	0.0	0.1	0.1	4.3%	0.0	0.0%	0.1	2.5%
Management Companies	3.7	0.0	0.0	0.0	0.0%	0.0	0.0%	0.0	0.0%
Administrative Support	14.1	-0.2	-0.1	-0.2	-5.5%	0.0	0.0%	0.5	9.2%
Education and Healthcare	35.4	0.0	-0.1	-0.1	-1.1%	0.1	0.7%	0.0	0.0%
Leisure and Hospitality	23.9	-0.2	-0.1	-0.3	-4.9%	-0.1	-1.0%	0.6	6.2%
Other Services	10.5	0.0	-0.1	-0.2	-7.3%	-0.3	-6.5%	0.0	0.0%
Total Government	67.8	0.0	0.2	0.7	4.2%	1.5	5.5%	-0.4	-1.4%
Federal Government	11.3	0.0	0.2	0.6	24.4%	1.2	30.9%	-0.6	-12.5%
State and Local Education	33.1	0.1	0.0	0.1	1.2%	0.1	0.7%	0.2	1.5%
Other State and Local	23.4	0.0	0.1	0.1	1.7%	0.3	3.1%	0.0	0.0%
Household Statistics									
Labor Force	408.0	1.1	0.4	1.1	1.1%	2.5	1.5%	-0.2	-0.1%
Household Employment	372.2	0.6	0.5	2.1	2.3%	5.6	3.7%	1.7	1.1%
Unemployment Rate	8.8%	0.10%	-0.03%	-0.27%		-0.82%		-0.46%	

The Fresno MSA is made up of Fresno County only now.