



JUNE 2025

Prospectus



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Introduction

Throughout the year, Greater Sacramento Economic Council (GSEC) closely tracks measurements of success and compiles a detailed review of achievements, opportunities for improvement and next steps. While GSEC continues to tackle critical issues and boost the region's competitive position, the work is far from done. An advanced economy requires consistent, unwavering attention and dedication. Throughout this prospectus, you will find a detailed case for continued diligence and prioritization of economic development in the Greater Sacramento region.

Since its inception, the organization's Board of Directors, composed of more than 50 CEOs and 22 public sector jurisdictions, has spearheaded leadership and action to intentionally change the trajectory of the region. The organization and its Board have strengthened and diversified the economic base, improved the region's overall competitive position and built a more resilient economy.

Executive summary

The Greater Sacramento region was the last metro area in California to recover all the jobs it lost during the 2008 recession. The severity with which the recession hit the region coupled with its protracted recovery exposed troubling economic trends that had been previously unnoticed.

Hindered by fractured economic development efforts, the region's CEOs came together to chart a new course in 2015. They founded GSEC based on a best practice economic development model to drive growth, sustainability, equity and competitiveness throughout the six-county Greater Sacramento region. As the region shifted its focus to public-private partnership, regional economic development and tradable-sector industry growth, the economy began to show signs of recovery:

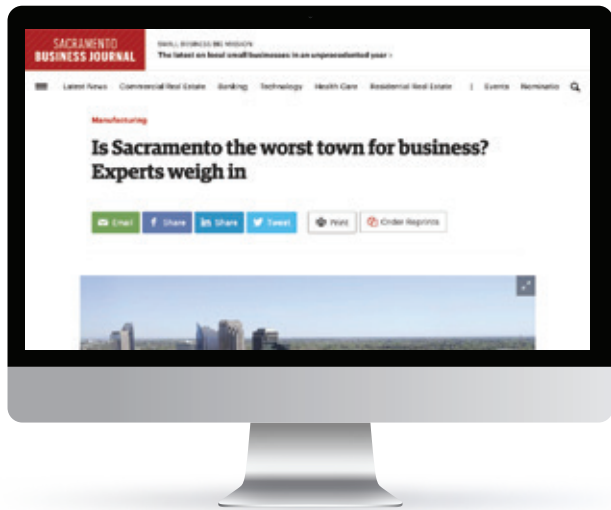
- ◆ government jobs' share in the region decreased
- ◆ the region improved in growth, prosperity and inclusion
- ◆ annual job growth exceeded major California peer markets, the state and the nation
- ◆ median household income increased and the percentage of people with a bachelor's degree or higher grew sharply

In 2020, Greater Sacramento's progress was tested by the COVID-19 pandemic. As a result of its investment in GSEC, the region had recovered all the jobs lost during the pandemic by March 2022 and now ranks second in the Western United States for job growth (Bureau of Labor Statistics, 2025) and seventh in economic inclusion (Brookings Metro Monitor 2025). With the leadership of GSEC's Board of Directors, the Greater Sacramento region is developing a culture of excellence that will only add to the market's momentum and the inclusivity of its prosperity. This prospectus provides the history of the success story and details the market's notable achievements.



The case for change:

A stagnant and vulnerable economy led CEOs to chart a new course



A stalemate stalls Metro Chamber's merger effort

“Nobody wants to be the bad person in the media saying these people should have been fired years ago—we’re wasting money,” said one business leader, who would speak only on condition of anonymity in order to preserve relationships.”

SACRAMENTO BUSINESS JOURNAL, FEBRUARY 2014

“Sacramento recently finished dead last for business friendliness in a survey of small businesses of 82 major cities. The survey, by Thumbtack.com, hit the River City with a report card of mostly Fs in areas like tax code, regulations and ease of starting a business...

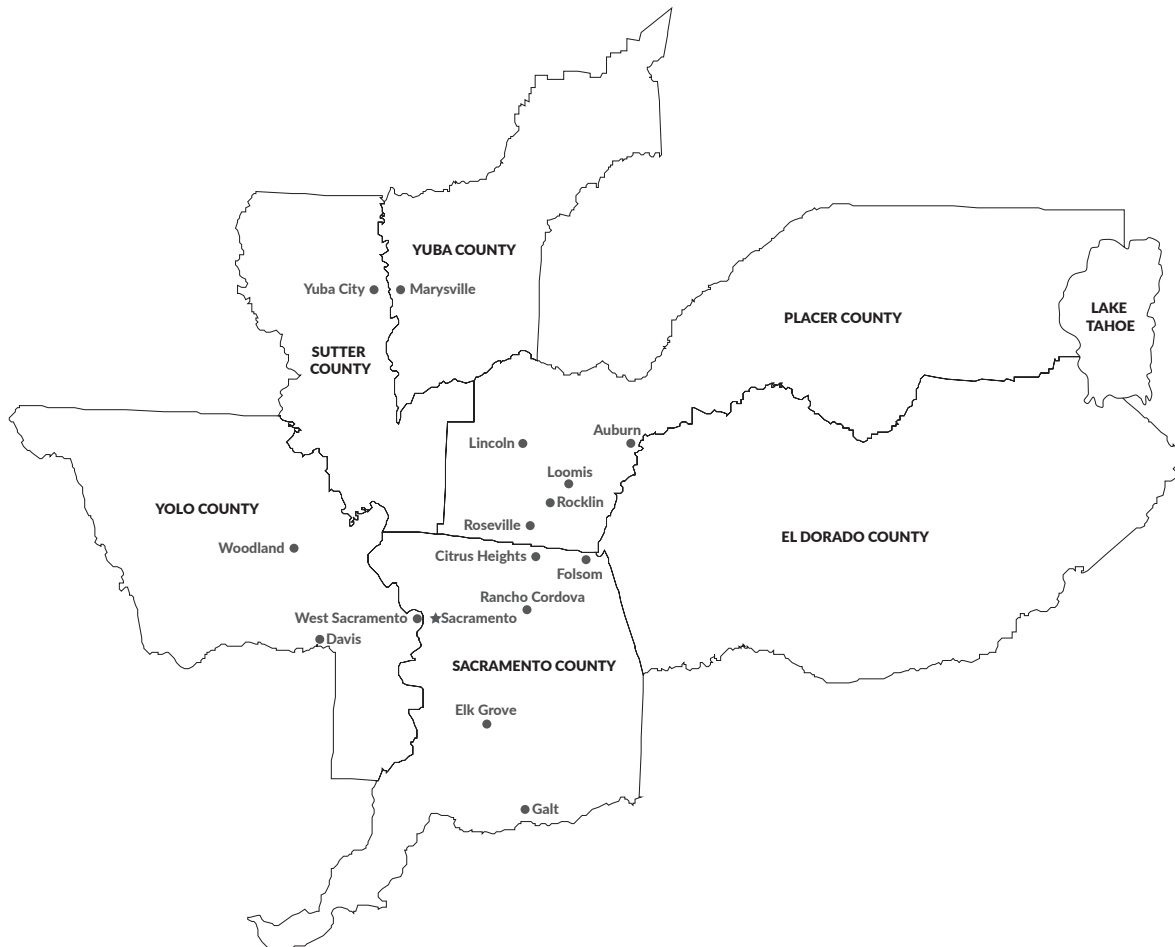
[Barbara] Hayes also noted that Sacramento’s best grade—a C in “ease of hiring”—was perhaps the most relevant on the scorecard and shows the region’s abundance of professional talent, a primary factor for site-seeking big businesses.”

SACRAMENTO BUSINESS JOURNAL, APRIL 2014

“One of the most visible symbols of Sacramento’s economic slide was the closing of Campbell Soup, announced the morning of Sept. 27, 2012... The announcement raised questions about California’s high-cost business climate. In the Franklin Boulevard neighborhood surrounding the plant, it was nothing short of a disaster, the loss of 700 solid blue-collar jobs...”

THE SACRAMENTO BEE, APRIL 2015

The Greater Sacramento region was the last metro area in California to recover all the jobs it lost during the 2008 recession.



In the late 2000s, the Greater Sacramento region was especially hard hit by the Great Recession. At the depths of the economic downturn, the area lost nearly 80,000 jobs and reached unemployment rates of over 13%. Not only was the impact of the recession deep, but it was also lengthy. While the nearby San Jose and San Francisco markets rebounded, reaching recovery in 2010 and 2011 respectively, the Greater Sacramento region's economy floundered, recovering years later in March 2015. The Greater Sacramento region was the last metro area in California to recover all the jobs it lost during the recession. The severity with which the recession hit the region coupled with the area's protracted recovery exposed troubling economic trends that had been unnoticed in prerecession years. The local economy had been overly reliant on government jobs, underproducing tradable-sector jobs and experiencing a widening gap in prosperity across populations within the community.

Hindered by fractured, ineffective and agenda-driven economic development efforts, the region's CEOs came together to chart a new course. The Greater Sacramento Economic Council was formed in 2015 to respond to the economic downturn and tasked with:

- ◆ leading regional tradable-sector economic development to improve the retention, attraction and growth of new businesses;
- ◆ identifying and developing advanced industry clusters and
- ◆ creating jobs and investment throughout the region.

◆ CEOs form business recruitment organization to rival SACTO

SACRAMENTO BUSINESS JOURNAL, JUNE 2014

◆ “Up to 40 CEOs back new business recruitment effort”

SACRAMENTO BUSINESS JOURNAL, JUNE 2014

◆ Business leaders praise move to merge SACTO, CEO group

SACRAMENTO BUSINESS JOURNAL, NOVEMBER 2014

◆ “The level of corporate CEO involvement that is being discussed is unprecedented in the Sacramento region and can add tremendous value to the region's economic development efforts.”

SACRAMENTO BUSINESS JOURNAL, NOVEMBER 2014



A new standard is set:

A best practice economic development model

The founding Board Members of GSEC set out to develop a best practice economic development organization. CEO-led, this public-private partnership represents the interests of the region, driven by data and evidence and proactively focused on tradable-sector economic development. This model replaced the fractured, ineffective and agenda-driven approaches of GSEC's predecessors, SACTO and SARTA.

Public-private partnership

A best practice model for sustainable economic development calls for commitment from regional leadership and alignment across decision makers. Compared to the historically state-run economic development agencies, collaboration between the private sector and public jurisdictions enables better leveraging of funds, talent, technologies and expertise. While private sector leadership can provide critical insight on existing challenges in the region's business environment and knowledge of trends across the competitiveness landscape nationally and internationally, public sector officials are able to provide technical expertise on fiscal and policy restraints. Together, public and private sector leadership can identify opportunities across the region and catalyze the necessary investment and activity to best position the region for growth, sustainability, equity and competitiveness.

Regional economic development

GSEC employs a regional economic development model, bringing together stakeholders across the region. The prosperity of the residents of Greater Sacramento and the communities in which they reside and work are inextricably connected. As a regional collaborative composed of public, private, nonprofit and educational institutions, the organization unites communities that have different goals and limited resources to create and act upon common development strategies.



“The playbook for improving economic opportunity is... not only multidimensional but also multi-jurisdictional.”

AMY LIU
Presidential Advisor and Senior Fellow
The Brookings Institution, Brookings Metro

“Strong regional clusters drive regional performance”

MICHAEL PORTER, PH.D.
Bishop William Lawrence University Professor and Director of the
Institute for Strategy and Competitiveness at Harvard Business School

With a focus on advanced industries that combine production, research, development and technology, these strategies focus on prosperity across the region and its populations. The regional focus of the organization encourages the formation of knowledge and civic networks that support the sharing of valuable business intelligence and promote collective action. Broad cooperation produces investments in infrastructure and education—which are much more difficult to achieve at the community level—to make workers and firms more productive.

“...the best way... to generate jobs for less skilled workers is to attract high-tech companies that hire highly skilled ones.”

ENRICO MORETTI, PH.D.
Michael Peevey and Donald Vial Professor of Economics at the University of California,
Berkeley; The New Geography of Jobs

Tradable-sector economic development

Tradable-sector industries bring outside wealth into a community. They lead to the development of supply and innovation chains that diversify the regional economy and alleviate poverty. Tradable sectors have a multiplier effect in that they increase employment and salaries for those who provide local services. They support the local economy and create demand for small business jobs, including for restaurants, bars, grocers and artisans.

Tradable sectors can locate, grow or start up anywhere. Their markets are both national and global. They choose to expand in regions that have competitive advantages for their business models. GSEC focuses on securing tradable-sector companies because it's the most efficient way to create broad-based prosperity and tradable sectors are one of the only parts of an economy that can be controlled.

THE IMPORTANCE OF TRADABLE-SECTOR INDUSTRIES

GSEC focuses on growing tradable-sector industries as the key to building a sustainable and equitable economy. Tradable-sector industries create high-quality jobs that scale nationally and globally, bringing outside wealth into the community. They generate ripple effects across the local economy by establishing local supply chains, fostering innovation ecosystems and boosting demand for goods and services among small businesses.



Sources: What Works Centre for Local Economic Growth at the London School of Economics and the Centre for Cities and The New Geography of Jobs

Brookings report underscores importance of tradable-sector jobs, inclusion and prosperity

In 2018, GSEC, Valley Vision, Sacramento Metro Chamber and Sacramento Area Council of Governments launched the Prosperity Partnership to assess the global economic competitiveness of the Greater Sacramento region. The team worked with the Brookings Institution and its globally recognized research and policy model to produce an economic market assessment for Greater Sacramento.

While the region recovered from the 2008 recession, the Brookings study pointed to persistent challenges in the face of a new economy of rapid technological transformation, further global integration, environmental and demographic change and new leadership. The region was struggling to realize pathways out of poverty. Its most disadvantaged residents suffered the most during economic downturns.

Key findings from Brookings included:

- ◆ More than one-third of residents in the Greater Sacramento region struggled to make ends meet.
- ◆ 47% of African-American residents and 42% of Latinx residents in the region continued to be economically challenged.
- ◆ The region is disproportionately dependent upon government jobs. Government jobs do not generate a supply chain, scale, create new wealth or have global connectivity. As such they have the lowest multiplier effect: four government jobs create a single low wage job (whereas one tradable-sector job creates up to five additional jobs).
- ◆ The Greater Sacramento region ranked last out of 16 peer metro areas with a 0.7% decline in annual employment in tradable sectors 2006–2016.





Tradable sectors don't just happen. Sustained actions on multiple fronts are needed to maintain and grow the region's competitiveness for tradable-sector economic development. At GSEC, the Board of Directors provides the requisite leadership and credibility necessary to execute on multiple fronts: talent, infrastructure, real estate, business climate, incentives, industry consortiums, innovation, alignment and coordination, diversity and inclusion. The Board is the catalyst for regional inclusive prosperity.

The first ten years of success:

2015–2025

GSEC quickly met its initial goals to

- ◆ build a public-private partnership,
- ◆ change the Bay Area's perception of the Greater Sacramento region,
- ◆ build a best-in-class economic development organization and
- ◆ drive change in the regional culture toward an advanced economy.

Upon meeting its early goals, the organization pivoted to execution on multiple fronts. The economy began to show improvement. Government jobs' share in the region decreased; annual job growth exceeded major California peer markets, the state and the nation; median household income increased and the percentage of people with a bachelor's degree or higher grew sharply, signaling a burgeoning talent pipeline. GSEC strengthened the business ecosystem by bringing in new businesses that directly and indirectly created thousands of new jobs. Working alongside the Board and other local leaders, GSEC helped catalyze the development of university-led models like Aggie Square.

The Brookings Metro Monitor's 2025 updates show the Greater Sacramento region maintained or improved in growth, prosperity and inclusion over the past 10 years. The 2025 rankings show the region continues to increase in Growth. While Prosperity and Inclusion were slightly down in 2025, the overall trend is positive. This is further evidence that GSEC's efforts are paying off – quality growth, through leadership models like GSEC, is leading to inclusive prosperity.

- ◆ Greater Sacramento's 10-year growth ranking improved from 22nd to 10th nationally.
- ◆ The region's 10-year prosperity ranking improved from 28th to 20th.
- ◆ The region's inclusion ranking decreased from 4th to 7th.

| Greater Sacramento's 10-year rankings | 2017 | 2018 | 2019 | 2020 | 2021 | 2023 | 2024 | 2025 |
|---|------|------|------|------|------|------|------|-----------|
| Growth Increase in the economy's size and level of entrepreneurial activity | 66 | 67 | 42 | 34 | 34 | 22 | 15 | 10 |
| Prosperity Increase in average wealth and income | 72 | 71 | 35 | 34 | 33 | 28 | 17 | 20 |
| Inclusion Distribution of jobs and income across all residents | 80 | 84 | 50 | 20 | 15 | 5 | 4 | 7 |

Source: Brookings Institution, 2025 (2022 data was not released due to COVID pandemic)

Key accomplishments

- ◆ Drove change in regional culture toward an advanced economy
- ◆ Built an elite public-private partnership & engaged local leaders
- ◆ Elevated the brand & profile of the region within California & the United States
- ◆ **\$17.5 billion** in economic output
- ◆ Named **#3 economic development** organization in the world by IEDC
- ◆ Established **\$100 million** fund for affordable housing
- ◆ Placed **135 companies** into the region, creating / retaining **36,900 jobs**
- ◆ Inclusion ranking improved from 84 in 2014 to 7th in 2025
- ◆ Launched Digital Upskill program to digitally upskill 40 disadvantaged & displaced workers
- ◆ Decreased the region's dependency on government jobs from 25% in 2009 to 23% in 2024
- ◆ National media coverage including Forbes, CNBC, The Wall Street Journal, Fast Company, Fortune & Los Angeles Times

Sources: Lightcast, 2025 Q2, Brookings Institution 2025 (2022 Data was not released due to COVID pandemic); GSEC.

CASE STUDY:

Major league sports

Major league sports teams can have a transformational impact on a community. They become a key part of a community's brand identity and act as critical economic drivers. The Greater Sacramento region is home to one major league sports team, the NBA's Sacramento Kings. It is also home to the Sacramento Republic FC professional soccer team and the temporary home of MLB's A's.

Golden 1 Center and Sacramento Kings

Golden 1 Center and the NBA's Sacramento Kings are a prime example of the transformational impact of major league sports. Golden 1 Center has become a pillar of pride for the Greater Sacramento region, a hub for events and economic engine for the region. GSEC commissioned renowned research company Applied Economics to assess the economic and tax impacts generated by the arena's operations and visitor spending 10 years after construction started on the arena.

In fiscal year 2022–23, Golden 1 Center hosted over 127 ticketed events, including NBA games, concerts, shows and other sporting events, attracting more than 1.5 million attendees. The report found that during this time, Golden 1 Center contributed to:

- ◆ \$665 million in regional economic output
- ◆ 2,002 jobs
- ◆ \$42 million in visitor spending
- ◆ \$2.6 million in city tax revenue
- ◆ \$22 million in county, school, local and state taxes



The opportunity for another major league team

Ranked within the top 20 media markets nationally, reaching over 1.5 million households, Greater Sacramento is a national media powerhouse. Yet it is underserved by major league sports with only one team of its own, the Sacramento Kings. Given the success of the Sacramento Republic FC and the region's momentum in MLB as the A's temporary home, the region is in a competitive position to pursue a second, full-time major league sports team.

CASE STUDY:

Industry consortiums and university-led economic development

Industry consortiums and universities are powerful anchor institutions for attracting tradable-sector innovation and driving economic growth. An industry consortium model anchored by a university and other key assets increases the retention of college graduates, provides an attractive environment for venture capital investment and increases the efficiency and productivity of the associated industry base. Within the region, GSEC has championed three developing industry- and university-anchored consortium models focused on tradable sectors: Aggie Square, The Plant and CalEPIC.

California Energy, Power and Innovation Collaborative (CalEPIC)

CalEPIC, formerly the California Mobility Center, is a public-private collaborative whose goal is to accelerate innovation and commercialization of new clean mobility products, services and technology. Launched in 2021, the current facility in Depot Park offers programs and support for companies at every stage of development, facilitating prototyping, testing and preproduction of mobility solutions. CalEPIC is creating not only new tradable-sector jobs but also inclusive workforce programs to support its members and the industry within the region at large.

In partnership with Sacramento State and SMUD, GSEC facilitated the addition of Orville Thomas as CEO of CalEPIC to take the organization to the next level. Thomas aims to enhance programming and facilities and explore a broader mission to address the global climate crisis. He has reinvigorated CalEPIC, connecting it more closely with Sacramento State's engineering programs and launching a partnership with Lawrence Berkeley National Laboratory (LBNL) to deliver manufacturing solutions for new technologies spun out of the lab.

The LBNL partnership exemplifies our region's unique value proposition in the mobility industry: proximity to electric vehicle innovation in the Bay Area, lower operating costs compared to coastal markets and a compelling location within the capital of California, the global leader in clean technology policy.

Aggie Square

Following nearly a decade of steadfast public and private leadership and planning, Aggie Square, a partnership between UC Davis, City of Sacramento and Wexford Science + Technology, opened the \$1.1 billion mixed-use innovation district in May 2025. At full build-out, Aggie Square is expected to create 25,000 jobs throughout the region and generate \$5 billion in ongoing annual economic impact.

The development has already attracted esteemed anchor tenants and a life science accelerator. Most recently, UC Davis' renowned Veterinary Genetics Laboratory was announced as an anchor tenant, occupying 21,000 square feet starting in 2025. Aggie Square was also a centerpiece of GSEC's 2024 Korea trade mission, led by Chancellor Gary May, to foster deeper relationships between Greater Sacramento and the Korean bioscience ecosystem, resulting in numerous MOUs signed, including a soft landing program for Korean startups at Aggie Square. GSEC also facilitated a partnership with HM Venture Partners, which is managing UC Davis' "Investing in the Future of Medicine" \$25 million fund.

Aggie Square provides the opportunity to align UC Davis' strengths as one of the top public institutions in research and innovation with the market goals of life science industry partners. This innovation district will bolster growth in targeted tradable sectors and create jobs in STEM fields, thereby creating solutions for greater prosperity across the region.

Ahead of its opening date, UC Davis restructured its industry-facing economic development function under a new leader, George Baxter, Chief Innovation and Economic Development Officer. Baxter was most recently the CEO of Edinburgh Innovations Ltd., the innovation management company of the University of Edinburgh in Scotland. GSEC was pleased to serve on the hiring committee for this important position.

The Plant

Planned as a dynamic research and commercialization space spearheaded by the University of California's Agriculture and Natural Resources, The Plant will focus on deploying technologies such as artificial intelligence and biotechnology to address global challenges in agriculture, climate adaptation and food security. The facility will enable rapid testing and scaling of new solutions by connecting researchers with startups, growers and food industry stakeholders.

The Plant will operate under a "triple helix" model, combining the strengths of academic institutions, corporate partners and government agencies. The structure is intended to foster scalable innovations that move quickly from lab to field, supporting the next generation of agricultural entrepreneurs and climate-responsive food systems.

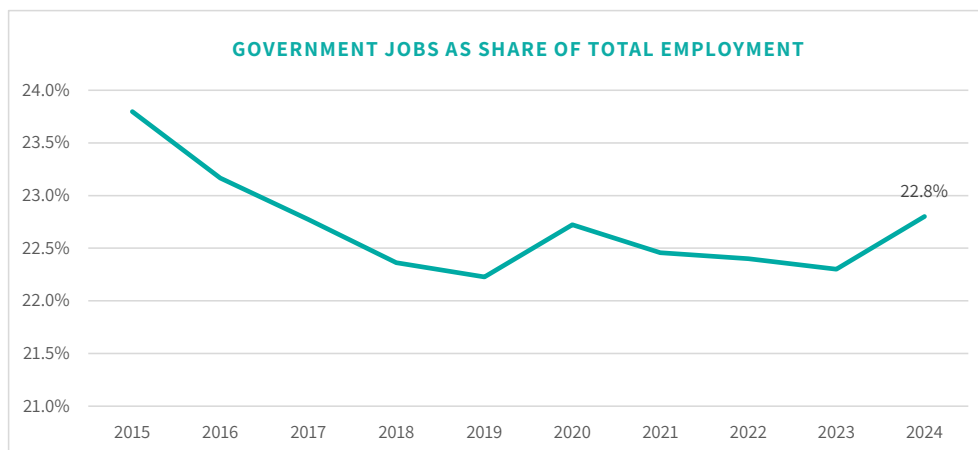
GSEC is working closely with The Plant's leadership to secure funding and industry connections to realize the important vision for the region's innovation ecosystem.

Challenges to continued growth

While the region has made much progress, more must be done to drive transformational change. GSEC identified three economic indicators that will shape its work over the next three years.

Economic diversification

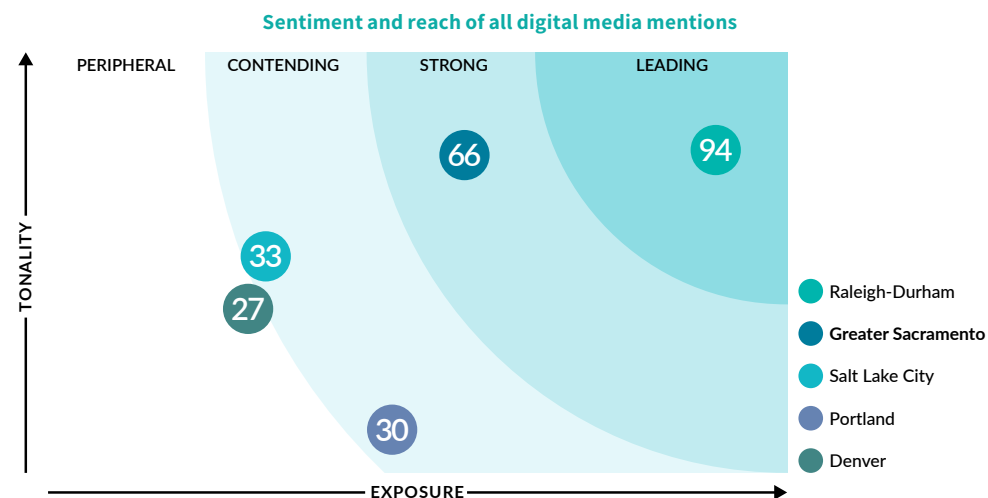
Despite progress, the region is over-reliant on government jobs. To build a resilient and sustainable economy, the region must attract, retain and grow companies in multiple high-growth industries.



Lightcast, 2025Q2

Global profile and connectivity

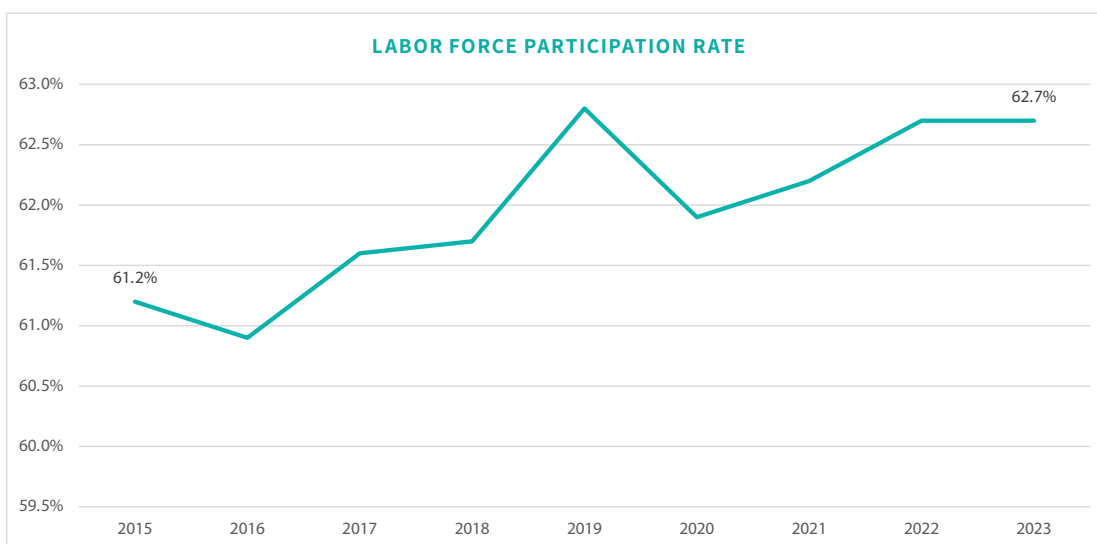
The region lags many peers in the volume and sentiment of conversations across digital media and news. Building this reputation and the region's international connectivity will help grow investment from international and domestic companies alike.



Source: Meltwater 2023

Labor force participation

The region's labor force participation has grown steady since the COVID-10 pandemic. While GSEC is not a workforce provider, it can play a role in facilitating partnerships, information sharing and economic analysis to drive training and awareness to fill tradable-sector jobs.



Source: US Census Bureau, 2015–2023 ACS 1-Year Estimates

Change in employment from the beginning of the COVID 19 pandemic

| Metro | Feb - 2020 | Mar - 2025 | 2023 | % Change |
|--------------------|------------|------------|----------|----------|
| Riverside | 1,593,800 | 1,694,500 | 100,700 | 6.3% |
| Greater Sacramento | 1,084,500 | 1,140,400 | 55,900 | 5.2% |
| San Diego | 1,523,100 | 1,560,200 | 37,100 | 2.4% |
| Los Angeles | 6,316,300 | 6,259,000 | (57,300) | -0.9% |
| San Jose | 1,166,100 | 1,141,200 | (24,900) | -2.1% |
| San Francisco | 2,507,700 | 2,416,700 | (91,000) | -3.6% |

Source: March 2025 BLS, All Employees: Total Nonfarm Employment by MSA

*Greater Sacramento is combined Sacramento and Yuba City MSAs





Architecting the future:

A three-year plan to drive economic transformation

From February 2020 to April 2020, Greater Sacramento lost more than 144,000 jobs from the COVID-19 pandemic. The global pandemic led the government to order shutdowns and caused massive economic disruption. The region recovered all the jobs it lost by March 2022 and since then it has seen radical economic momentum. The region has experienced over 22% job growth since pandemic lows and has added over 207,000 jobs. **Greater Sacramento is the second fastest growing metropolitan area in the Western United States and the fastest in the state.**



Greater Sacramento emerging as a leading market in California

According to the May Revision budget outlook, California's economy, which was recently announced as the world's fourth largest, is expected to slow sharply through 2026 with modest output gains and subdued hiring. This shift illustrates the extent of turbulence within the state, driven by deep structural imbalances in California's economy and regulatory system, including a strong sense that the state's business climate and quality of life continue to worsen. Greater Sacramento has navigated the state's challenges, emerging as a beacon of growth and resilience, in great part driven by its strong public-private economic development model.

California's economic woes

California is facing serious economic woes, including:

- ◆ **Unemployment:** At 5.3%, California has the third highest unemployment rate among U.S. states.
- ◆ **Economic growth:** The state's economic growth is poor. GDP growth ranks 44th from 2023Q4 through 2024Q4. Job creation is projected to run at a quarter of its pre-COVID pace, with losses concentrated in high-wage tech, professional services, manufacturing and leisure and hospitality. Growth is anticipated to run below the 2015–2019 average for several years.
- ◆ **Budget and spending:** The state had a \$100 billion surplus two years ago. A \$12 billion May Revision budget deficit is being addressed by tapping the rainy day fund and layering in temporary maneuvers. An underlying structural budget deficit reemerges in 2026–2027.

California's heavy reliance on income and capital gains taxes, which comprised two-thirds of total tax revenues in the hot economy of Fiscal Year 2022/2023, exacerbates fiscal issues at the state level. At the municipal level, low and capped property taxes and limited room to maneuver on sales tax and fee structures continue to narrow paths to fiscal sustainability. For both state and local governments, tradable-sector job growth must be a focus going forward to drive economic and fiscal balance.

The rise of Greater Sacramento

While California faces significant economic challenges, Greater Sacramento has emerged as a national leader, demonstrating that strategic, inclusive economic alignment can drive change even in the face of substantial headwinds.

Leading the state

- ◆ **Employment growth:** The region boasts the second fastest employment growth in the Western United States, with a 0.6% year-over-year increase, surpassing cities like Phoenix, Las Vegas and Denver. This is significantly higher than California's overall growth rate of 0.2%.
- ◆ **Population growth:** Greater Sacramento continues to be an attractive place to live, with a 1.3% population growth since 2020, while California lost 1.8% of its population.

Outperforming legacy metros

- ◆ **Employment growth:** Since March 2024, Greater Sacramento's employment has grown by 0.6%, outpacing all other large metros in California including Los Angeles, San Diego, San Francisco and San Jose.
- ◆ **Population growth:** While most of California's legacy metros have experienced population declines, Greater Sacramento's population has grown by 0.36% year-over-year. Greater Sacramento's population has grown by 0.4% year-over-year, outpacing Los Angeles, San Francisco, San Diego, San Jose and California, which have all experience population decline.

A model for inclusive growth

The region is not only growing. It is also excelling at creating more economic opportunities for its residents.

- ◆ **Economic inclusion:** The region ranks 7th nationally for inclusion, a measurement of the distribution of jobs and income across the community.
(2025 Brookings Metro monitor)
- ◆ **Declining poverty:** The region's poverty rate has decreased 28.0% since 2015, when GSEC was founded – far outpacing declines at the state and national levels.
- ◆ **Household income:** Since 2015, median household income in the region increased 40.1%.



These achievements are a testament to the region's shared focus on sustainable economic growth, fostering an environment conducive to business and innovation. Despite this progress, regional leaders must remain vigilant. Continued diligence in fostering a business-friendly environment by prioritizing growth, inclusion and prosperity will be crucial to ensuring the region's continued success. The region must also pay attention to moderating cost of living, primarily driven by increases in housing prices and rents. Put simply, Greater Sacramento must continue showing an uncommon level of unity and resolve to advance against the headwinds created by our state's challenges.

Sources: Beacon Economics; California Outlook: US Census 2015–2025 ACS 1-Year Estimates; U.S. Census State and MSA Population: BLS State & MSA Employment; 2025 Brookings Metro Monitor; The Sacramento Bee; The Economist

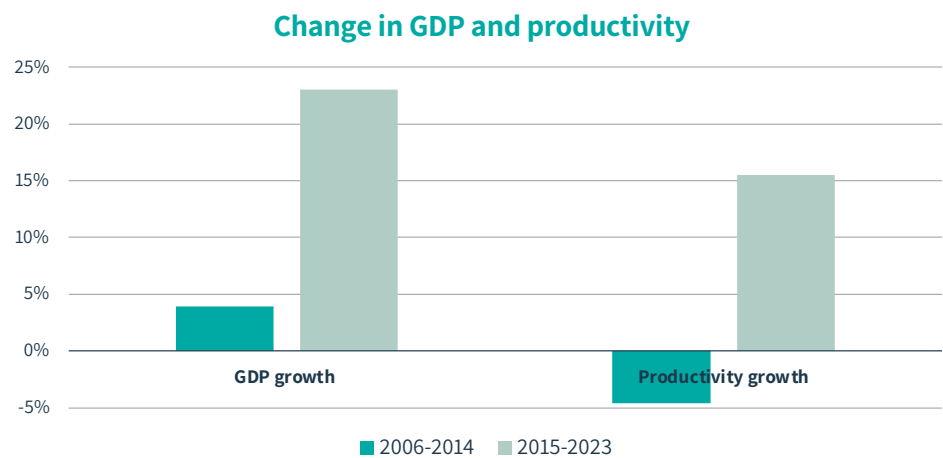
Before and after GSEC: Greater Sacramento’s change in GDP and productivity

In the span of just over twenty years, regional economies have diverged in their performance. The pivot of underperforming regions towards strong, collaborative, public-private economic development partnerships that focus on innovation and tradable-sector cluster development has been a critical factor for success.

Historically, regions like Phoenix, Columbus and Pittsburgh lacked economic diversification, industry-university innovation strategies and robust public-private partnerships focused on cluster-driven economic development. Each of these regions made a change. Over years of steadfast commitment, business leadership organizations like the Greater Phoenix Economic Council, One Columbus and the Allegheny Conference have realized significant gains for their communities. Today, these regions lead in economic and productivity growth.

Contrast their experience with the experiences of Detroit and Cleveland. These regions did not pivot sufficiently, and their economies continue to lag peer markets.

The Greater Sacramento Economic Council has been a differentiating driver of change in the region that has put our regional growth and productivity gains on par with high performing markets like Columbus.



| Market | GDP Growth 2001–2023 | Productivity Growth 2001–2023 |
|--------------------|----------------------|-------------------------------|
| Phoenix | 98.0% | 31.4% |
| Columbus | 61.9% | 26.8% |
| Greater Sacramento | 61.8% | 24.7% |
| United States | 61.1% | 15.8% |
| Pittsburgh | 41.2% | 40.9% |
| Cleveland | 22.3% | 21.3% |
| Detroit | 17.4% | 19.2% |

Sources: Bureau of Economic Analysis, 2025; U.S. Census Bureau, 2025.



2024–2027 Strategic Plan

1. Diversify the regional economy.



- A. Focus attraction, expansion and retention work on high-value added industries with transformational characteristics.
- B. Accelerate the region's transformation into an innovation-driven economy.
- C. Increase the region's number of headquarters and operations for multinational companies.

2. Elevate the region's global profile and connectivity.



- A. Ensure the region speaks with one voice when communicating its business value proposition.
- B. Continue Globalizing Greater Sacramento.
- C. Elevate awareness of Greater Sacramento's value proposition with key audiences.

3. Prime the region's talent for tradable-sector jobs.



- A. Forge connection between employers and the right talent.
- B. Reduce barriers to quality jobs.
- C. Align higher education programs with industries of the future.

Conclusion

Greater Sacramento has seen great growth and economic improvements over the last ten years. The region has become less dependent on government jobs, paved the way for a more inclusive economy and continues to improve the retention, attraction and growth of new businesses and investment. As Greater Sacramento continues to surpass legacy California metros, it is charting a course to become the top destination in California to live, work and do business. Through continued implementation and execution of the critical initiatives outlines in the strategic plan, GSEC and its partners are prepared to continue catalyzing growth, prosperity and inclusion.



Economic performance dashboard

Building a comprehensive, robust data and analytics platform allows GSEC to monitor the region's competitive position relative to that of other markets, determine economic strengths and weaknesses, track trends and identify strategic opportunities.

In order to successfully position the Greater Sacramento region as the best location for business and investment, it needs to offer a value proposition that is competitive with other major markets. Several indicators that site selectors and corporate decision makers take into consideration can be measured to determine how the region stacks up. Greater Sacramento's location within the Western United States allows for effective comparison of competitiveness against several key metropolitan statistical areas (MSAs) within the Pacific and Mountain West regions, as well as select competitive and peer markets, including state capitals, in the rest of the United States.

All data included in the dashboard is the latest available as of May 2025.

The 10 MSAs identified for comparison are:

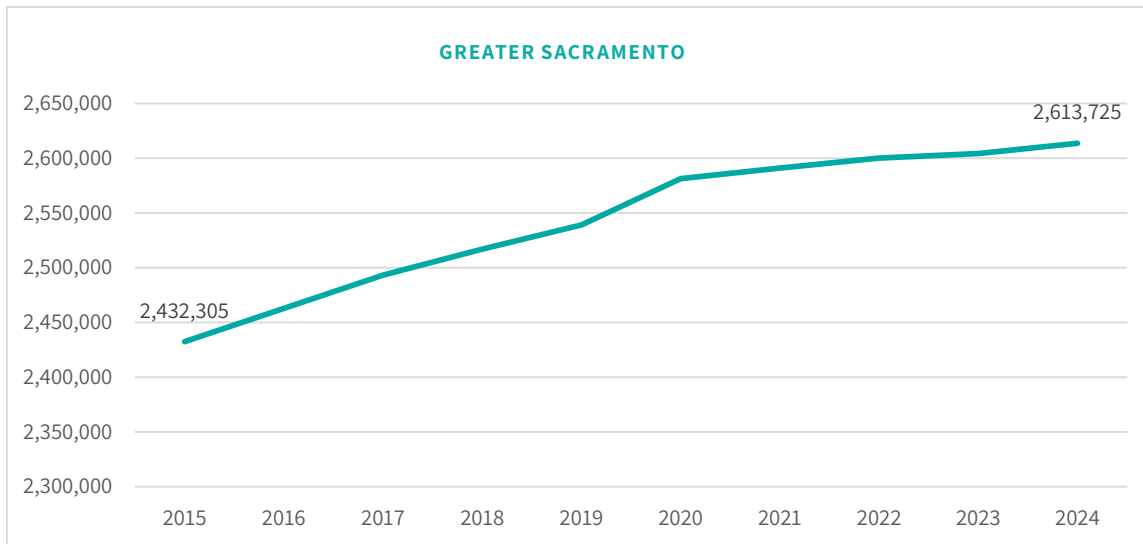
1. Phoenix*
2. Salt Lake City*
3. Denver*
4. Columbus*
5. Portland
6. Indianapolis*
7. San Francisco
8. San Jose
9. Los Angeles
10. Greater Sacramento*

* State capital

Population, employment and education

Change in population

Greater Sacramento's population is growing faster than California, Denver and Portland. The region is the only California metro area in the comparison that experienced population growth.

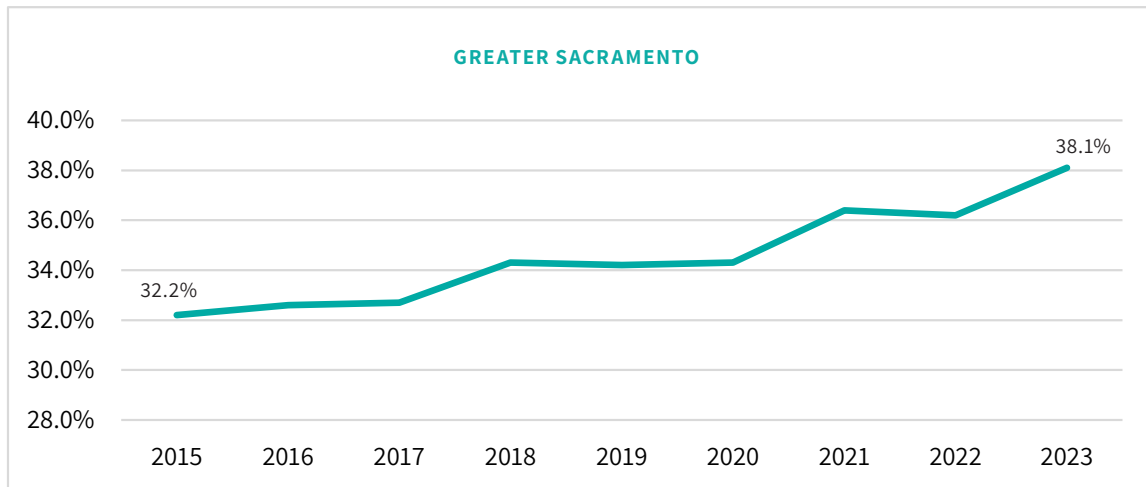


| Rank | MSA | 2015 | 2024 | Change | % Change |
|------|---------------------------|--------------------|--------------------|-------------------|--------------|
| 1 | Phoenix | 4,580,345 | 5,103,561 | 523,216 | 11.4% |
| 2 | Indianapolis | 1,964,773 | 2,157,589 | 192,816 | 9.8% |
| 3 | Columbus | 2,028,506 | 2,194,001 | 165,495 | 8.2% |
| 4 | Greater Sacramento | 2,432,305 | 2,613,725 | 181,420 | 7.5% |
| 5 | Denver | 2,814,383 | 3,013,727 | 199,344 | 7.1% |
| 6 | Portland | 2,383,354 | 2,507,367 | 124,013 | 5.2% |
| 7 | San Jose | 1,974,012 | 1,932,367 | -41,645 | -2.1% |
| 8 | San Francisco | 4,648,164 | 4,519,304 | -128,860 | -2.8% |
| 9 | Los Angeles | 13,226,215 | 12,673,616 | -552,599 | -4.2% |
| - | California | 38,904,296 | 38,776,985 | -127,311 | -0.3% |
| - | United States | 320,738,994 | 336,486,167 | 15,747,173 | 4.9% |

Source: Lightcast, 2025Q2

Change in education attainment (Bachelor's degree or higher, 25 years and older)

Greater Sacramento's educational attainment is growing faster than the U.S., California, Portland, Columbus and all California legacy metros. Phoenix is the only area to have a lower share of bachelor's degrees, but its educational attainment has grown 3% faster than Sacramento.

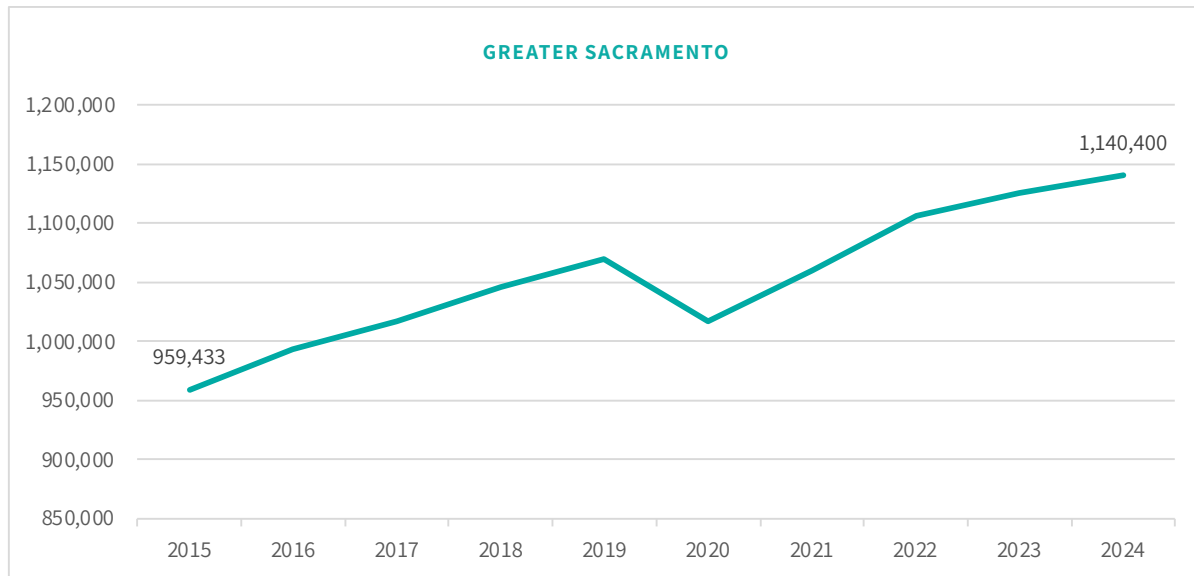


| Rank | MSA | 2015 | 2023 | % Change |
|------|---------------------------|--------------|--------------|--------------|
| 1 | Phoenix | 29.4% | 35.5% | 20.7% |
| 2 | Indianapolis | 32.9% | 39.7% | 20.7% |
| 3 | Salt Lake City | 32.7% | 39.3% | 20.2% |
| 4 | Denver | 41.8% | 49.9% | 19.4% |
| 5 | Greater Sacramento | 32.2% | 38.1% | 18.3% |
| 6 | Los Angeles | 32.7% | 38.5% | 17.7% |
| 7 | Portland | 37.9% | 43.8% | 15.6% |
| 8 | Columbus | 35.1% | 40.3% | 14.8% |
| 9 | San Jose | 48.7% | 55.8% | 14.6% |
| 10 | San Francisco | 47.2% | 53.1% | 12.5% |
| - | California | 32.3% | 37.5% | 16.1% |
| - | United States | 30.6% | 36.2% | 18.3% |

Source: US Census Bureau, 2015 and 2023 ACS 1-Year Estimates
*Only includes Sacramento MSA and not Yuba

Change in employment

From 2015 to 2024, Greater Sacramento has experienced the third largest growth in employment, outpacing the nation, California and all other California metros.

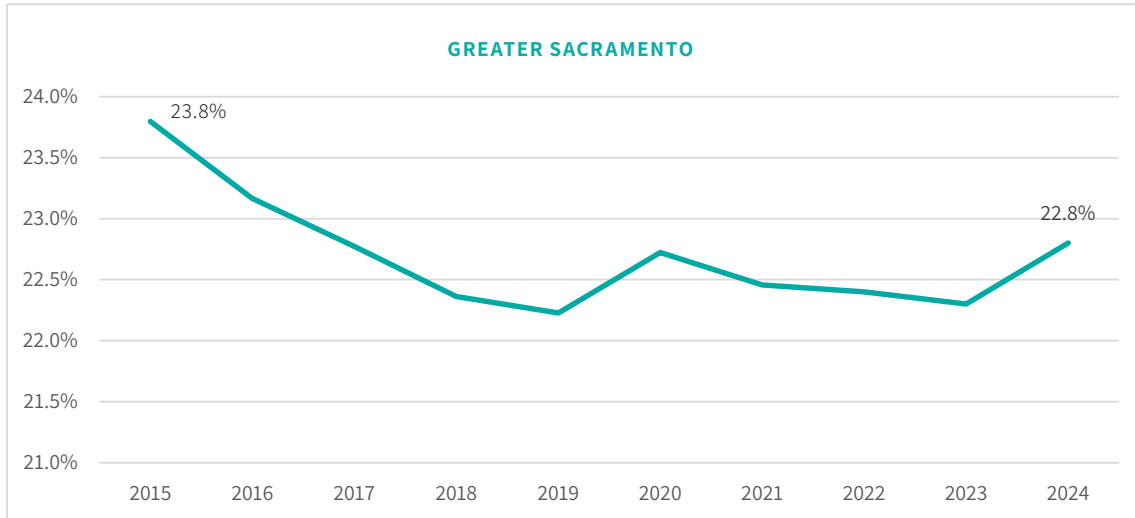


| Rank | MSA | 2015 | 2024 | Change | % Change |
|------|---------------------------|--------------------|--------------------|-------------------|--------------|
| 1 | Phoenix | 1,914,825 | 2,446,000 | 531,175 | 27.7% |
| 2 | Salt Lake City | 675,267 | 827,100 | 151,833 | 22.5% |
| 3 | Greater Sacramento | 959,433 | 1,140,400 | 180,967 | 18.9% |
| 4 | Denver | 1,397,633 | 1,637,900 | 240,267 | 17.2% |
| 5 | Indianapolis | 1,010,700 | 1,171,700 | 161,000 | 15.9% |
| 6 | Columbus | 1,040,625 | 1,169,100 | 128,475 | 12.3% |
| 7 | Portland | 1,116,717 | 1,247,800 | 131,083 | 11.7% |
| 8 | San Jose | 1,048,400 | 1,152,100 | 103,700 | 9.9% |
| 9 | San Francisco | 2,252,950 | 2,442,300 | 189,350 | 8.4% |
| 10 | Los Angeles | 5,832,900 | 6,282,200 | 449,300 | 7.7% |
| - | California | 16,049,100 | 17,952,300 | 1,903,200 | 11.9% |
| - | United States | 141,801,000 | 157,960,000 | 16,159,000 | 11.4% |

Source: BLS, Metropolitan Area Employment 2015–2024

Change in government share of employment

Greater Sacramento saw the fifth largest decline of government job share, yet it is the only region to have more than 22% of total jobs in government. Following state and national trends, regional government sector share grew in response to COVID-19-and stimulus-related spending. The share is expected to decline in the coming years.



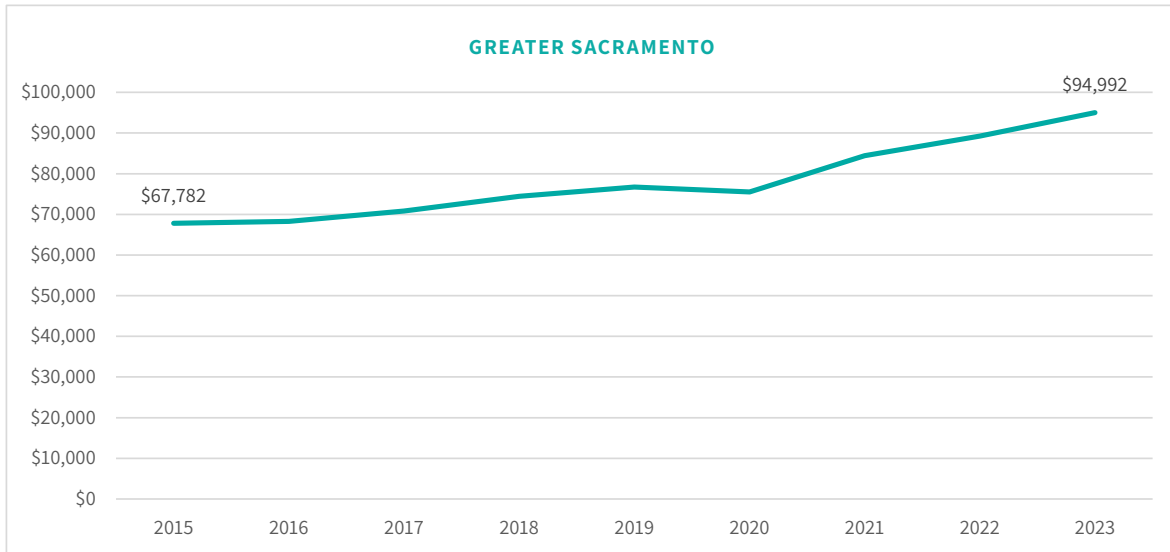
| Rank | MSA | 2015 | 2024 | % Change |
|------|---------------------------|--------------|--------------|--------------|
| 1 | Phoenix | 11.8% | 10.3% | -12.7% |
| 2 | Portland | 13.4% | 12.1% | -10.1% |
| 3 | Salt Lake City | 15.1% | 13.9% | -8.0% |
| 4 | Indianapolis | 12.8% | 12.0% | -6.4% |
| 5 | Greater Sacramento | 23.8% | 22.8% | -4.0% |
| 6 | San Francisco | 12.5% | 12.3% | -1.6% |
| 7 | Columbus | 15.9% | 15.7% | -1.0% |
| 8 | Denver | 13.4% | 13.4% | -0.2% |
| 9 | Los Angeles | 11.1% | 11.2% | 1.0% |
| 10 | San Jose | 8.4% | 8.5% | 1.4% |
| - | California | 14.2% | 14.1% | -1.0% |
| - | United States | 15.3% | 14.5% | -5.4% |

Source: Lightcast, 2025Q2

Income and poverty

Change in median household income

Greater Sacramento had the third largest change in median household income, surpassing California and the nation.

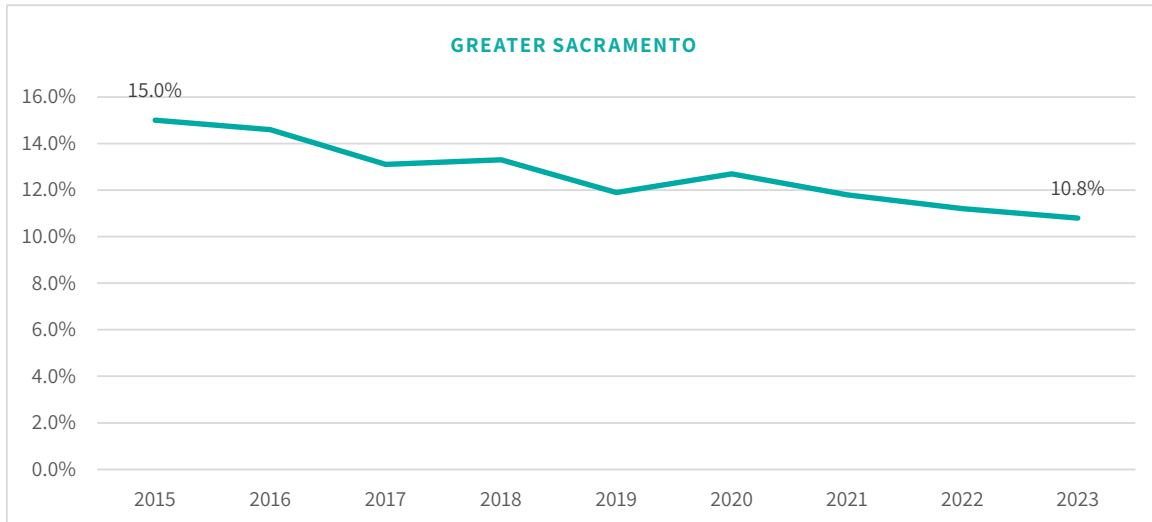


| Rank | MSA | 2015 | 2023 | % Change |
|------|--------------------|-----------|-----------|----------|
| 1 | Los Angeles | \$63,812 | \$91,960 | 44.1% |
| 2 | Phoenix | \$59,941 | \$85,700 | 43.0% |
| 3 | Greater Sacramento | \$67,782 | \$94,992 | 40.1% |
| 4 | San Jose | \$110,048 | \$153,202 | 39.2% |
| 5 | Portland | \$68,901 | \$94,925 | 37.8% |
| 6 | Denver | \$75,843 | \$103,055 | 35.9% |
| 7 | San Francisco | \$95,521 | \$127,790 | 33.8% |
| 8 | Salt Lake City | \$70,997 | \$94,409 | 33.0% |
| 8 | Indianapolis | \$58,619 | \$77,947 | 33.0% |
| 9 | Columbus | \$62,796 | \$77,390 | 23.2% |
| - | California | \$69,603 | \$95,521 | 37.2% |
| - | United States | \$60,187 | \$77,719 | 29.1% |

Source: US Census Bureau, 2015–2023 ACS 1-Year Estimates

Change in poverty

From 2015 to 2023, Greater Sacramento saw the second largest drop in poverty rate, decreasing by over 28%. Greater Sacramento now has less individuals in poverty than the United States, and is more than a full percentage point lower than California.



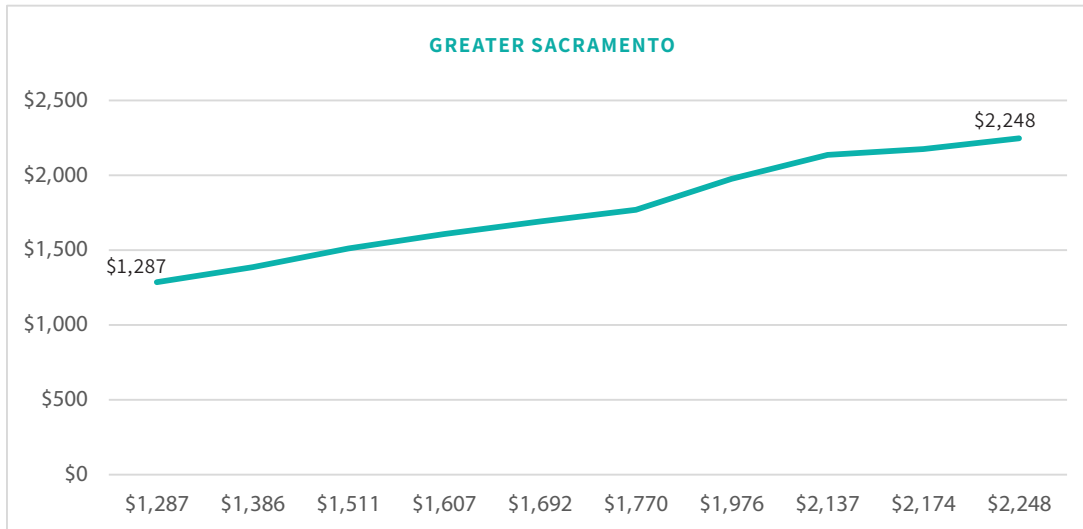
| Rank | MSA | 2015 | 2023 | % Change |
|------|---------------------------|--------------|--------------|---------------|
| 1 | Phoenix | 16.2% | 10.9% | -32.7% |
| 2 | Greater Sacramento | 15.0% | 10.8% | -28.0% |
| 3 | Portland | 12.2% | 9.2% | -24.6% |
| 4 | Indianapolis | 13.9% | 10.6% | -23.7% |
| 5 | Los Angeles | 15.7% | 12.6% | -19.7% |
| 6 | Denver | 10.3% | 8.6% | -16.5% |
| 7 | San Francisco | 10.6% | 9.2% | -13.2% |
| 8 | Columbus | 14.2% | 12.4% | -12.7% |
| 9 | Salt Lake City | 10.2% | 9.3% | -8.8% |
| 10 | San Jose | 8.1% | 7.5% | -7.4% |
| - | California | 15.3% | 12.0% | -21.6% |
| - | United States | 14.7% | 12.5% | -15.0% |

Source: US Census Bureau, 2015–2023 ACS 1-Year Estimates

Housing and cost of living

Change in rents

From 2015 to 2024, rents have increased 74.7% in Greater Sacramento, from \$1,287 to \$2,248. This growth rate is faster than other California metro areas.



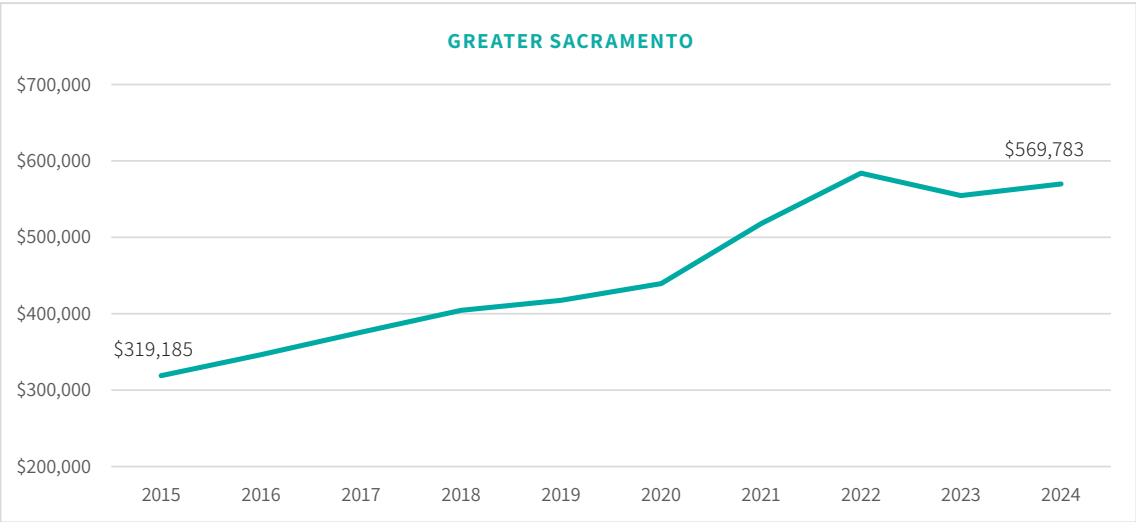
| Rank | MSA | 2015 | 2024 | % Change |
|------|---------------------------|----------------|----------------|--------------|
| 1 | Phoenix | \$967 | \$1,805 | 86.8% |
| 2 | Greater Sacramento | \$1,287 | \$2,248 | 74.7% |
| 3 | Salt Lake City | \$997 | \$1,670 | 67.5% |
| 4 | Columbus | \$873 | \$1,432 | 63.9% |
| 5 | Indianapolis | \$912 | \$1,482 | 62.5% |
| 6 | Los Angeles | \$1,880 | \$2,914 | 55.0% |
| 7 | Portland | \$1,208 | \$1,814 | 50.2% |
| 8 | Denver | \$1,325 | \$1,972 | 48.8% |
| 8 | San Jose | \$2,568 | \$3,226 | 25.6% |
| 9 | San Francisco | \$2,372 | \$2,955 | 24.6% |
| - | United States | \$1,231 | \$1,950 | 58.4% |
| - | California* | - | - | - |

Source: Zillow ZORI All Homes 2024

* Data not available for California

Change in home prices (median sale price)

While Greater Sacramento is among the top markets for rent growth, it has one of the slowest increases in home prices.



| Rank | MSA | 2015 | 2024 | % Change |
|------|---------------------------|------------------|------------------|--------------|
| 1 | Phoenix | \$210,495 | \$452,312 | 114.9% |
| 2 | Salt Lake City | \$252,127 | \$533,644 | 111.7% |
| 3 | Indianapolis | \$133,872 | \$269,342 | 101.2% |
| 4 | Columbus | \$152,296 | \$305,912 | 100.9% |
| 5 | San Jose | \$816,572 | \$1,540,176 | 88.6% |
| 6 | Denver | \$307,481 | \$575,816 | 87.3% |
| 7 | Los Angeles | \$499,441 | \$925,564 | 85.3% |
| 8 | Portland | \$296,574 | \$535,600 | 80.6% |
| 9 | Greater Sacramento | \$319,185 | \$569,783 | 78.5% |
| 10 | San Francisco | \$696,956 | \$1,121,967 | 61.0% |
| - | United States | \$425,806 | \$792,523 | 86.1% |
| - | California | \$188,186 | \$351,255 | 86.7% |

Source: Zillow ZHVI All Homes 2024

Cost of living (National average = 100)

While Greater Sacramento is one of the more affordable areas among the benchmarked MSAs, it is 28.8% more expensive than the national average. Its year-over-year increase in cost of living far outpaced that of the others due to increases in utilities, miscellaneous spending and transportation, which constitute more than 50% of consumer spending.

| Rank | MSA | Cost of living index | Year-over-year % change |
|------|---------------------------|----------------------|-------------------------|
| 1 | San Jose | 180.6 | 3.6% |
| 2 | San Francisco | 166.8 | -1.9% |
| 3 | Los Angeles | 149.4 | 0.3% |
| 4 | Greater Sacramento | 128.8 | 7.9% |
| 5 | Portland | 116.6 | -3.0% |
| 6 | Salt Lake City | 109.0 | 0.3% |
| 7 | Denver | 108.6 | -1.5% |
| 8 | Phoenix | 106.3 | 4.3% |
| 9 | Indianapolis | 88.8 | -3.6% |
| 10 | Columbus | 95.3 | 3.8% |
| - | United States | 100.0 | - |

Source: C2ER Cost of Living Section Index, 2024



Operating costs

Greater Sacramento's average effective business tax rate is on par with the national average. However, competitor and peer markets have lower overall average tax rates. The cost of operating an industrial project in Greater Sacramento is less than that in the major metropolitan markets in California and Seattle but more expensive than that in major competitor and peer markets like Austin, Denver, Phoenix and Portland. The cost of operating an office project in Greater Sacramento is less than that in the major metropolitan markets in California and Austin, Dallas, Denver and Seattle.

Source: GSEC Operating Cost Model

Effective business tax rate

| Rank | MSA | Effective tax rate |
|----------|---------------------------|--------------------|
| 1 | Salt Lake City | 3.8% |
| 1 | Indianapolis | 3.8% |
| 3 | Phoenix | 4.2% |
| 4 | Columbus | 4.3% |
| 5 | Denver | 4.6% |
| 6 | Portland | 5.1% |
| 7 | San Francisco | 5.4% |
| 7 | San Jose | 5.4% |
| 7 | San Diego | 5.4% |
| 7 | Los Angeles | 5.4% |
| 7 | Greater Sacramento | 5.4% |
| - | California | 5.4% |
| - | United States | 5.0% |

Source: Ernst & Young 2021 State and Local taxes

Industrial operating costs

| Rank | MSA* | First-year operating cost** |
|----------|---------------------------|-----------------------------|
| 1 | Phoenix | \$36,744,965 |
| 2 | Dallas | \$38,464,864 |
| 3 | Salt Lake City | \$38,747,949 |
| 4 | Reno | \$39,294,576 |
| 5 | Austin | \$39,457,895 |
| 6 | Denver | \$40,716,243 |
| 7 | Greater Sacramento | \$42,168,861 |
| 8 | San Diego | \$43,112,304 |
| 9 | Los Angeles | \$44,280,304 |
| 10 | Seattle | \$47,336,009 |
| 11 | San Francisco | \$51,436,213 |

Source: Metrocomp Applied Economics, 2023.

*Available markets modeled

**Assumes 100,000 square feet industrial manufacturing for lease, \$10,000,000 personal property investment, 500 employees

Office operating costs

| Rank | MSA* | First-year operating cost** |
|----------|---------------------------|-----------------------------|
| 1 | Phoenix | \$57,355,455 |
| 2 | Reno | \$60,157,617 |
| 3 | Salt Lake City | \$61,750,092 |
| 4 | Greater Sacramento | \$64,000,458 |
| 5 | Dallas | \$64,017,531 |
| 6 | San Diego | \$65,932,864 |
| 7 | Denver | \$67,533,230 |
| 8 | Los Angeles | \$67,607,659 |
| 9 | Austin | \$67,884,900 |
| 10 | Seattle | \$70,684,269 |
| 11 | San Francisco | \$84,706,770 |

Source: Metrocomp Applied Economics, 2023.

*Available markets modeled

**Assumes 100,000 square feet Class A Office for lease, \$2,500,000 personal property investment, 500 employees

Venture capital

While we have seen growth, Greater Sacramento lagged competitor and peer markets in the amount of venture capital and private equity funding received and in overall deals from 2015 to 2024.

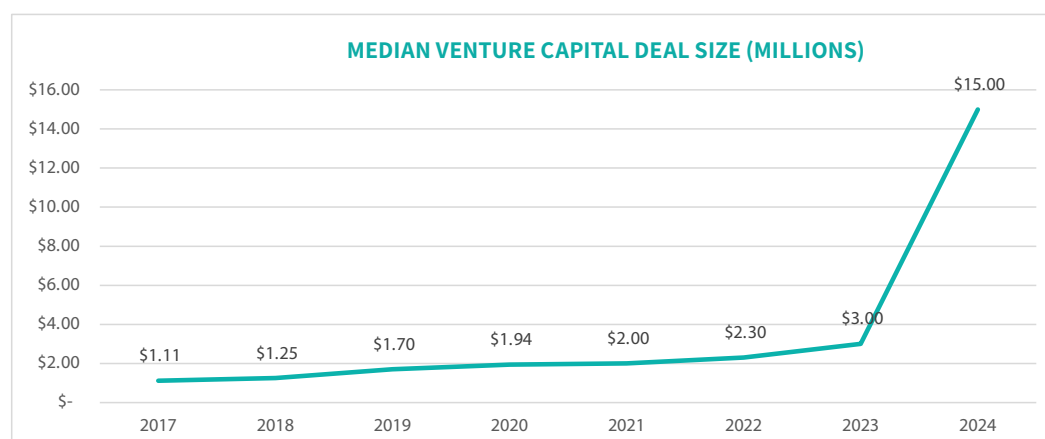
| Rank | MSA | Amount of Venture Capital, Private Equity and IPO Funding in Billions 2015-2024 | Total Deals |
|------|---------------------------|---|-------------|
| 1 | San Francisco, CA | \$819,710,000,000 | 28,103 |
| 2 | Los Angeles, CA | \$244,320,000,000 | 11,196 |
| 3 | Denver, CO | \$100,720,000,000 | 4,273 |
| 4 | Dallas, TX | \$81,960,000,000 | 2,697 |
| 5 | San Diego, CA*** | \$62,670,000,000 | 2,939 |
| 6 | Seattle, WA | \$59,180,000,000 | 4,069 |
| 7 | Austin, TX* | \$58,030,000,000 | 3,993 |
| 8 | San Jose, CA* | \$41,140,000,000 | 1,660 |
| 9 | Salt Lake City, UT | \$33,990,000,000 | 1,972 |
| 10 | Phoenix, AZ** | \$33,890,000,000 | 1,273 |
| 11 | Portland, OR | \$13,100,000,000 | 1,402 |
| 12 | Columbus, OH | \$11,330,000,000 | 643 |
| 13 | Greater Sacramento | \$11,270,000,000 | 741 |
| 14 | Indianapolis, IN | \$10,280,000,000 | 878 |
| 15 | Reno, NV | \$6,230,000,000 | 342 |
| 16 | Fresno, CA | \$514,000,000 | 61 |

Source: PitchBook May 28, 2025

*Only includes city

** Includes Phoenix, Mesa, Chandler and Scottsdale cities

*** Includes San Diego, Chula Vista and Carlsbad cities



Source: Pitchbook May 28, 2025, Early and Late VC stages in Greater Sacramento CSA



Appendix

Organization leadership and investment

80% of GSEC's investments come from private sector companies while the remaining 20% of its investments come from public jurisdictions.

Private sector investment

In February 2015, the founding 17 Board Members of the organization secured \$1.7 million in annual revenue from private sector investors making long-term commitments to support the mission. Since the organization's inception, the Board of Directors has grown to more than 50 CEOs, representing a broad array of industries from health care to higher education and real estate. Since its inception, all founding CEOs have consistently supported the organization, demonstrating a powerful and unwavering commitment to advancing the region.

Public jurisdiction investment

All 22 public jurisdictions invest annually at a rate of \$0.40 per capita rate. Their contributions are crucial to the mission of attracting investments and creating jobs in the Greater Sacramento region.

Tribal investment

In 2024, two tribes joined GSEC's Board of Directors, adding additional representation from the region's communities and offering opportunities for further synergies and partnerships across public, private and tribal entities.

Board of Directors

GSEC's Board of Directors—an influential coalition of more than 50 CEOs from local, national and global companies alongside 22 distinguished civic leaders—anchors the region's public-private collaboration. By uniting private-sector innovation with public-sector vision, the Board shapes strategic initiatives that attract investment, create quality jobs and advance key industries, positioning Greater Sacramento as a leading next-generation economy. Beyond setting major policies and approving the annual budget and multi-year strategic plan, Board members actively leverage their networks and resources to champion priority projects, remove barriers and accelerate regional competitiveness, transforming collaboration into measurable economic impact for the six-county region.



Competitiveness Council

The Competitiveness Council's mission is to provide strategic direction to assist the Greater Sacramento region's ecosystem, define its current competitive position, elevate the regional brand and chart the course toward the creation of a megaregion with the Bay Area and Silicon Valley markets. Under the leadership of its Co-Chairs, William Jessup University President Dr. John Jackson and Sierra College District President William H. Duncan, IV, the Council is responsible for advising and promoting regional economic development efforts to execute qualitative research, gather market intelligence, perform strategic outreach and ultimately produce a strategic plan.

Economic Development Directors Taskforce

The Economic Development Directors Taskforce (EDDT) is a collaboration of public sector economic development practitioners from the Greater Sacramento region's jurisdictions that convenes to tackle regionwide challenges and increase alignment across communities. EDDTs are on-the-ground experts that help illuminate key drivers of the priorities identified by the Board and execute solutions that are viable across public jurisdictions. Additionally, EDDTs are key partners in developing the prospect pipeline, creating tailored proposals for leads and maintaining relationships with located companies. EDDT currently has 22 communities represented—15 cities, one town and six counties—as well as two tribal communities and regional service providers and institutions SMUD, PG&E, Roseville Electric and UC Davis. The Taskforce attends an annual retreat to review organizational priorities.

Industry consortiums & strategic initiatives

GSEC employs industry consortiums to foster collaboration and address competitiveness issues affecting the development of the region's tradable sectors. GSEC's public-private partnership is uniquely positioned to serve as the interface between industry, community, technologists and higher education. GSEC's Food & Agriculture Innovation Council is Chaired by Mike Teel, Owner & Chairman of the Board of The Raley's Companies. The council is comprised of industry leaders across the food and agriculture supply chain with the goal of advancing job creation and investment. GSEC has also formed multiple stakeholder groups to lead strategic initiatives to elevate regional competitiveness, including for entrepreneurship, air service and regional branding.





