

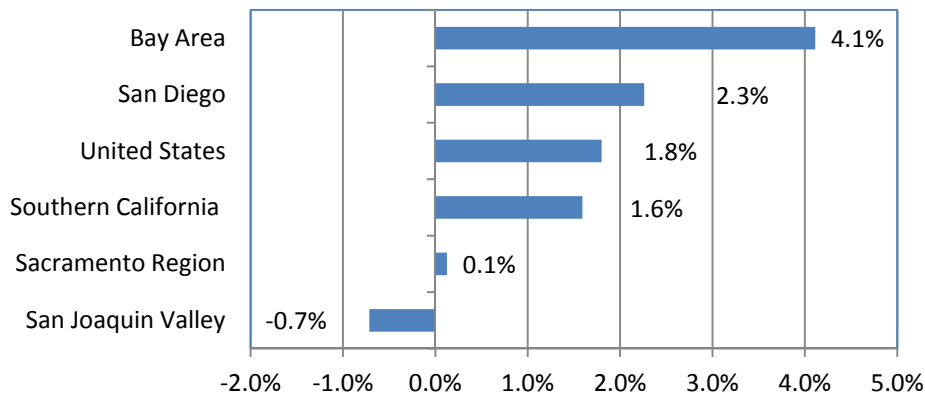
March 2013

Bay Area Leads State GDP Recovery

California outpaced the nation in GDP growth in 2011 with a state gain of 2.0% versus the national 1.8% increase. GDP measures the value of goods and services produced in the economy and these percentage gains are for GDP gains that exceed the rate of inflation.

Metropolitan area GDP estimates released in February 2013 show that the state's growth was driven by a 4.1% increase in Bay Area. The San Diego County economy also outpaced the nation in 2011. Both the Bay Area and San Diego are major tech centers and it is the rapid growth in technology sector output that contributed to the strong GDP growth.

GDP Growth in Major California Regions in 2011



The Southern California economy matched the national growth trend while the Sacramento and San Joaquin Valley economies did not participate in the beginning economic recovery in 2011.

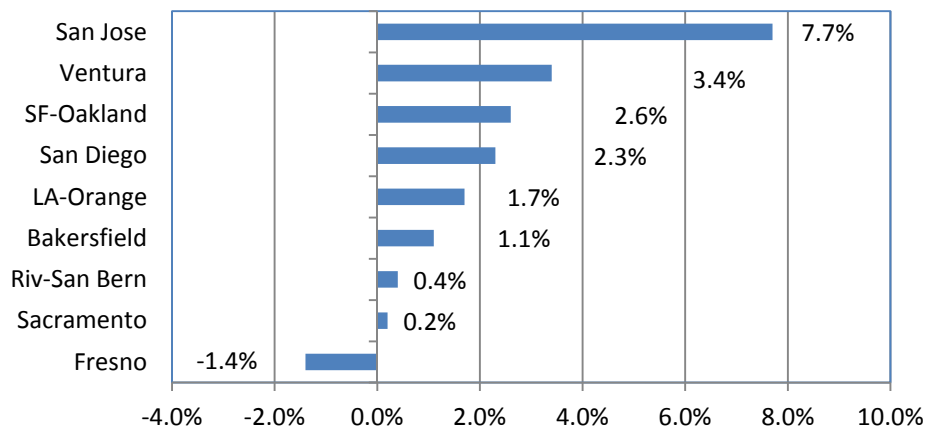
The state and Bay Area are expected to outpace the nation in GDP and job growth in 2012 and future years as well. The state and metropolitan area estimates for 2011 will likely be revised upward to take account of revisions in the national GDP growth from 1.5% to 1.8%.

The San Jose metro area—the heart of Silicon Valley—posted an exceptionally strong 7.7% real GDP gain in 2011. The strong growth was almost certainly repeated in 2012 as metro area job growth surged and exports increased in the technology sector.

Ventura County posted a 3.4% gain while the San Francisco-Oakland metropolitan area was one of the fastest growing metro areas among the ten largest metro areas in the nation with a 2.6% GDP gain. The Los Angeles-Orange County area kept pace with the national gain while the Riverside-San Bernardino area lagged in the Southern California region.

There was a range of growth among central valley metro areas with Bakersfield (Kern County) doing the best on an oil and gas recovery, while Fresno saw a GDP decline of 1.4%. In general growth was strongest along the coast and in areas with a concentration of high tech while inland areas and those more dependent on housing lagged behind the state and nation.

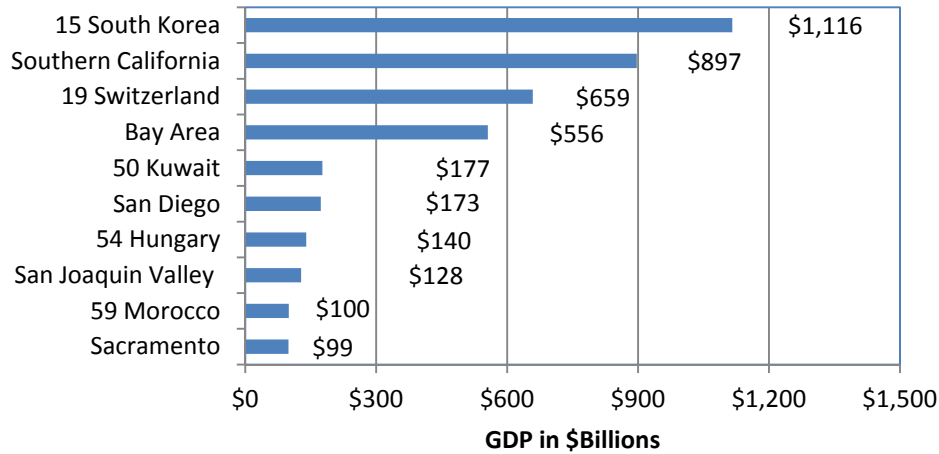
GDP Growth in Major Metropolitan Areas in California in 2011



Southern California would rank as the 16th largest world economy with a GDP of \$897 Billion in 2011 behind South Korea. The Bay Area would rank 20th with a GDP of \$556 billion behind Switzerland.

The San Diego economy would have ranked 51st, the San Joaquin Valley economy 55th and the Sacramento region economy 60th for total GDP in 2011.

California Regional Economies Ranking in the World 2011



Rank in World	2011 GDP in \$Billions	
15	South Korea	1116
	Southern California	897
16	Netherlands	836
19	Switzerland	659
	Bay Area	566
20	Poland	514
50	Kuwait	177
	San Diego	173
51	Qatar	173
54	Hungary	140
	San Joaquin Valley	128
55	Vietnam	124
59	Morocco	100
	Sacramento Region	99
60	Slovak Republic	96

The country GDP data come from World Bank estimates at http://data.worldbank.org/indicator/NY.GDP.MKTP.CD?order=wbapi_data_value_2010+wbapi_data_value+wbapi_data_value-last&sort=desc. The metro area estimates were produced by the Bureau of Economic Analysis at http://www.bea.gov/newsreleases/regional/gdp_metro/gdp_metro_Newsrelease.htm. Southern California includes Los Angeles, Orange, Riverside, San Bernardino and Ventura counties. The Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma counties. The Sacramento region includes the Sacramento and Yuba metro areas. The San Joaquin Valley includes Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare counties.