

# CENTER FOR CONTINUING STUDY OF THE CALIFORNIA ECONOMY

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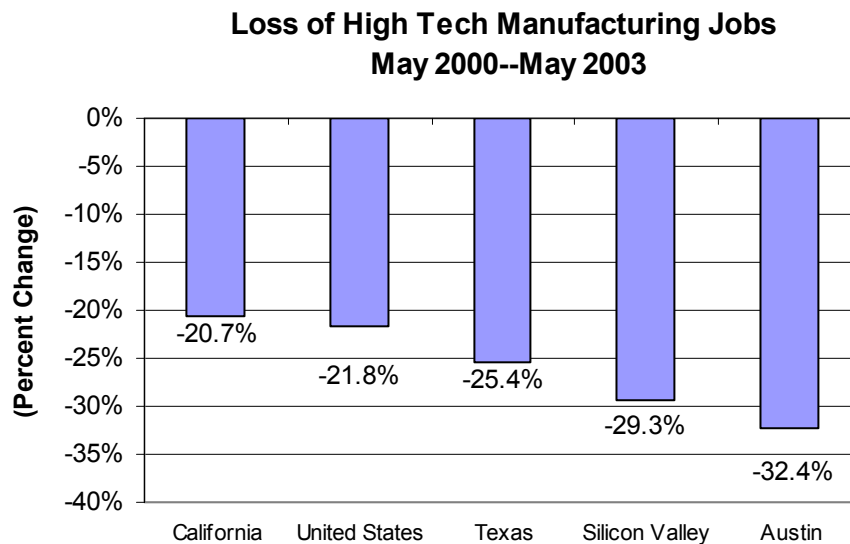
Contact: Stephen Levy

For Immediate Release

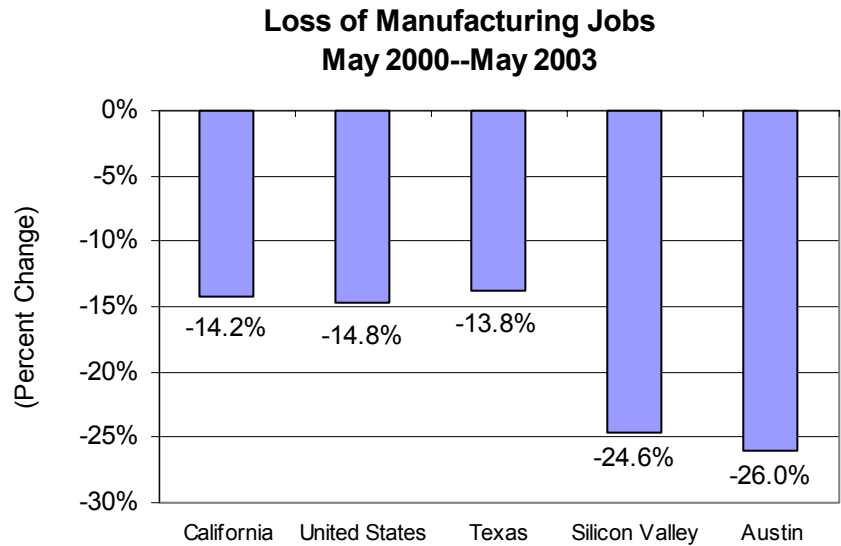
## California and Texas Job Growth: Surprising Results

The Palo Alto based Center for Continuing Study of the California Economy (CCSCE) completed an analysis of California and Texas job trends. The results are surprising.

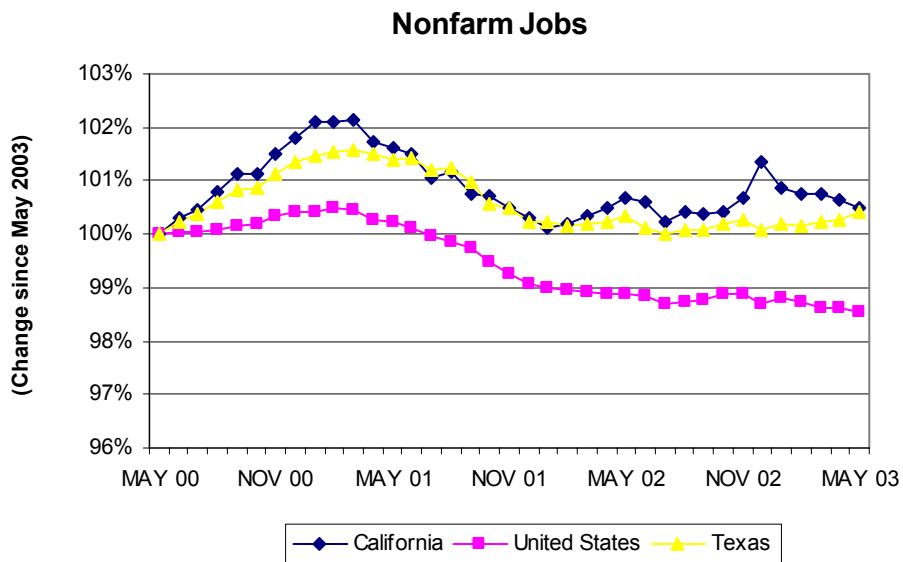
- 1) Since May 2000, California has lost 20.7% of computer and electronic product manufacturing jobs — slightly less than the nationwide 21.8% decline and below the 25.4% drop in Texas. Hard hit Silicon Valley lost 29.3% of these high tech manufacturing jobs but Austin lost an even greater 32.4%.



2) The results were similar for total manufacturing jobs. California lost 14.2% of the state's manufacturing jobs during the past three years compared to 14.8% for the nation and 13.8% in Texas. Silicon Valley, again, was hard hit with a 24.6% drop but Austin lost an even greater 26.0% of that region's manufacturing base

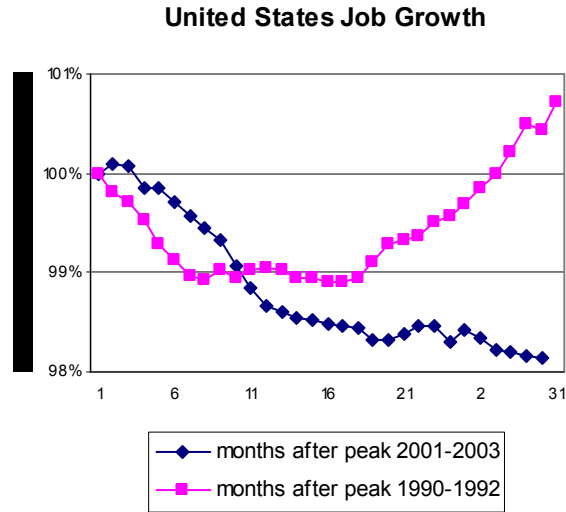


3) In terms of total job growth, California and Texas were similar, each slightly better than the nation.



Stephen Levy, CCSCE's Director, commented, "The current downturn is primarily caused by three factors: 1) a very weak national recovery, 2) weakness in the economies of our export partners and 3) very high productivity growth in high tech. California and Texas should be allies in pushing for stronger national growth and the reduction of trade barriers in tech."

As shown below, today's national recovery stands way behind the recovery of a decade ago. Nearly two years after the recession supposedly ended, the nation is still close to 3 million jobs below the previous peak.



The comparison with Texas was done after a slew of news reports that California was doing much worse than other states. Levy commented, "The one area where California does stand out today is political gridlock. There is a clear compromise to move our economy forward consisting of budget cuts, temporary tax increases and workers comp reform. We solved this same problem ten years ago. We need to reach agreement again before gridlock makes California a state that would rather fight than compete."

CCSCE has published annual reports on California's economic outlook since 1977. CCSCE prepares independent analyses of the California economy and is not supported by any interest group or political party.