Sacramento, the capital of California, is located in the fertile Sacramento valley 100 miles northeast of San Francisco at the confluence of the Sacramento and American Rivers. The city is built almost entirely on the peninsula formed by these two rivers, at an elevation ranging from 25-40 feet above sea level which results in an unusual homogeneity of residential areas. Levees erected to protect the city from flood damage have acted as barriers to territorial expansion, which in turn has created an unusually heavy population density within the city (8,460 persons per square mile in 1938). However, this condition is relieved to an appreciable degree by the large number of public squares, parks and other recreational areas available to the populace. Streets, public buildings, and dwellings are extraordinarily well-kept with many gardens and shade trees adding to the city's appearance.

I. GENERAL CONDITIONS

ECONOMIC BACKGROUND

Sacramento played a momentous part in the frontier development of the country. During the gold rush days of 1849-50, the city was the center of gold-mining activity and became a metropolis almost over night. Shortly thereafter (1854) Sacramento was made the capital of California, and since that time the presence of the state governing bodies in the city has been an important and stabilizing factor in the city's economic history. This factor, together with the city's location in a rich surrounding agricultural area, has provided the background and set the course of Sacramento's economic development.

SOURCES OF EMPLOYMENT

Manufacturing, trade, and the professions and services afforded employment during 1930 in about equal numbers to 56% of the gainfully employed workers in the city. Transportation, and domestic and personal service accounted for an additional 14% and 12% respectively. The large numbers engaged in both the professional and domestic classifications derive from the location of state political body in the city, while this factor is also highly important to the city's retail trade. Centralization since 1934 of the state's administrative governing bodies in Sacramento has enlarged the numbers engaged in all but the manufacturing and transportation groups. There has been considerable agitation by other cities against this centralization policy and the attitude of the newly-elected administration toward this situation is unknown.

Manufacturing in the area is highly seasonal and is devoted largely to the processing of agricultural products, although the car shops of the Southern Pacific and Western Pacific Railroads employ several hundred workers.

PRESENT BUSINESS CONDITIONS

Complete data on current employment in Sacramento are not available, but from other local business barometers, it is evident that employment as well as business in general are well above 1929 levels although down somewhat from their 1937 peaks.

Business activity in the city experienced about average depression curtailment, but recovery after 1933 was more pronounced than in the country as a whole, particularly in retail and wholesale trade. This rapid recovery was sustained until the last quarter of 1937 when the effects of the business recession were first felt in Sacramento. This recession, however, had less effect locally than in most cities and the trend of business is currently upward.