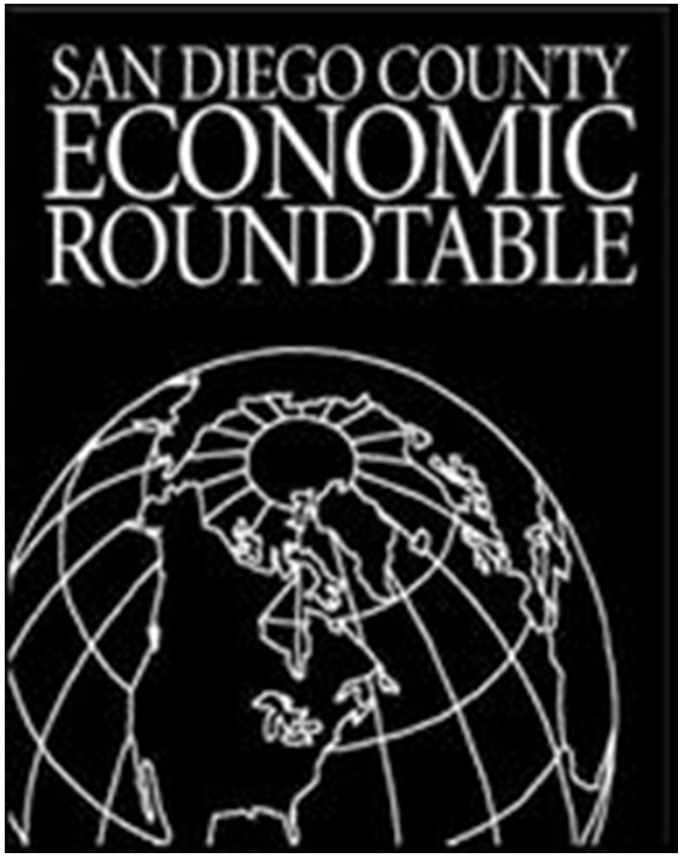
Economic Outlook 2015

Focus on San Diego

31th Annual San Diego
Economic Roundtable

January 16, 2015

Marney Cox, Chief Economist
San Diego Association of Governments



2014…What Happened?

- Expected
- Stable Growth
- End Quantitative Easing
- Rising Interest Rates

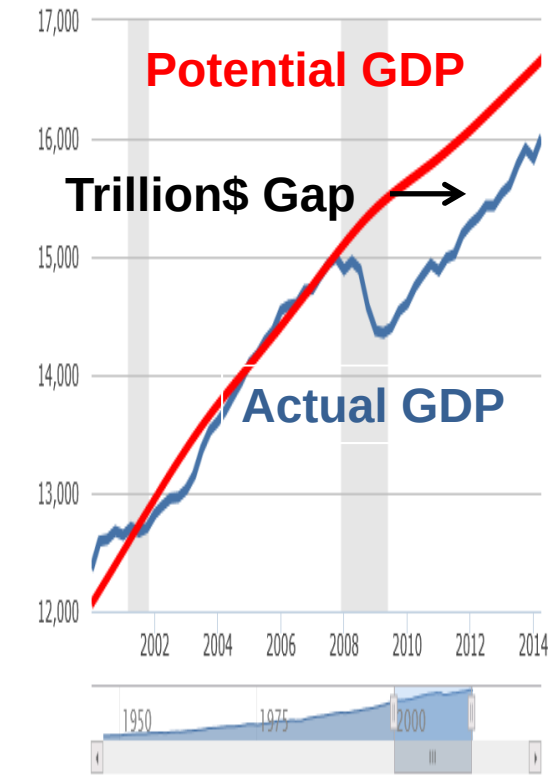
- Unexpected Surprises
- Volatile Growth / Stagnate Wages
- Falling oil prices
- Falling Interest Rates

- Emerging Trends-2015
- Accelerating US Growth/ Except Wages
- Strong Dollar/ Global Weakness
- Dis-inflation

US Economy…The Problems…

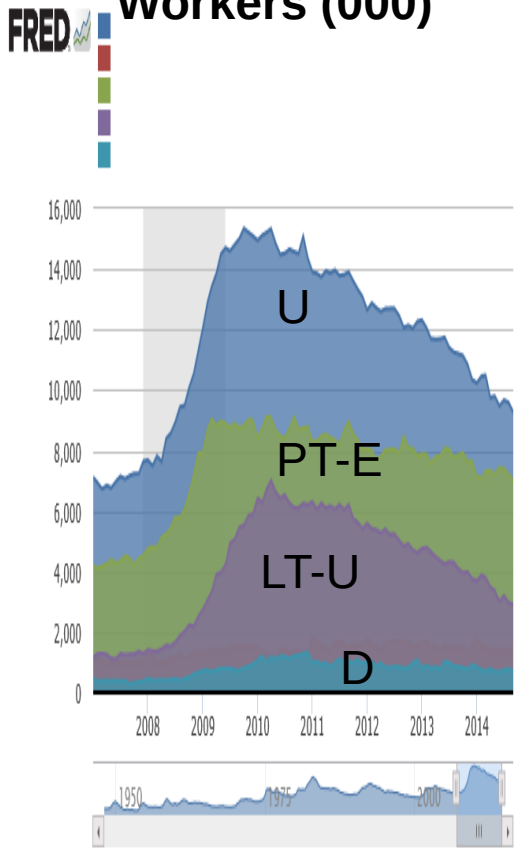
Slow Growth-Distressed Workers-Stagnate Wages

GDP Gap



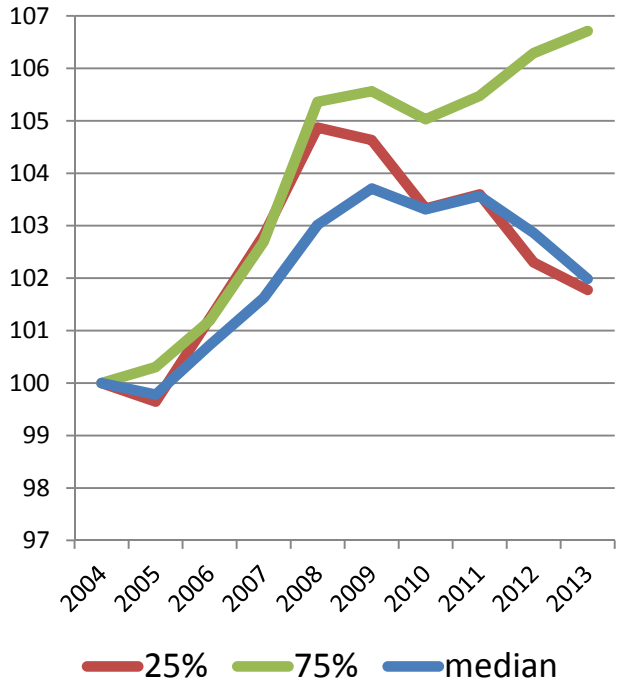
2000 ⟷ 2014

Distressed Workers (000)



2007 ⟷ 2014

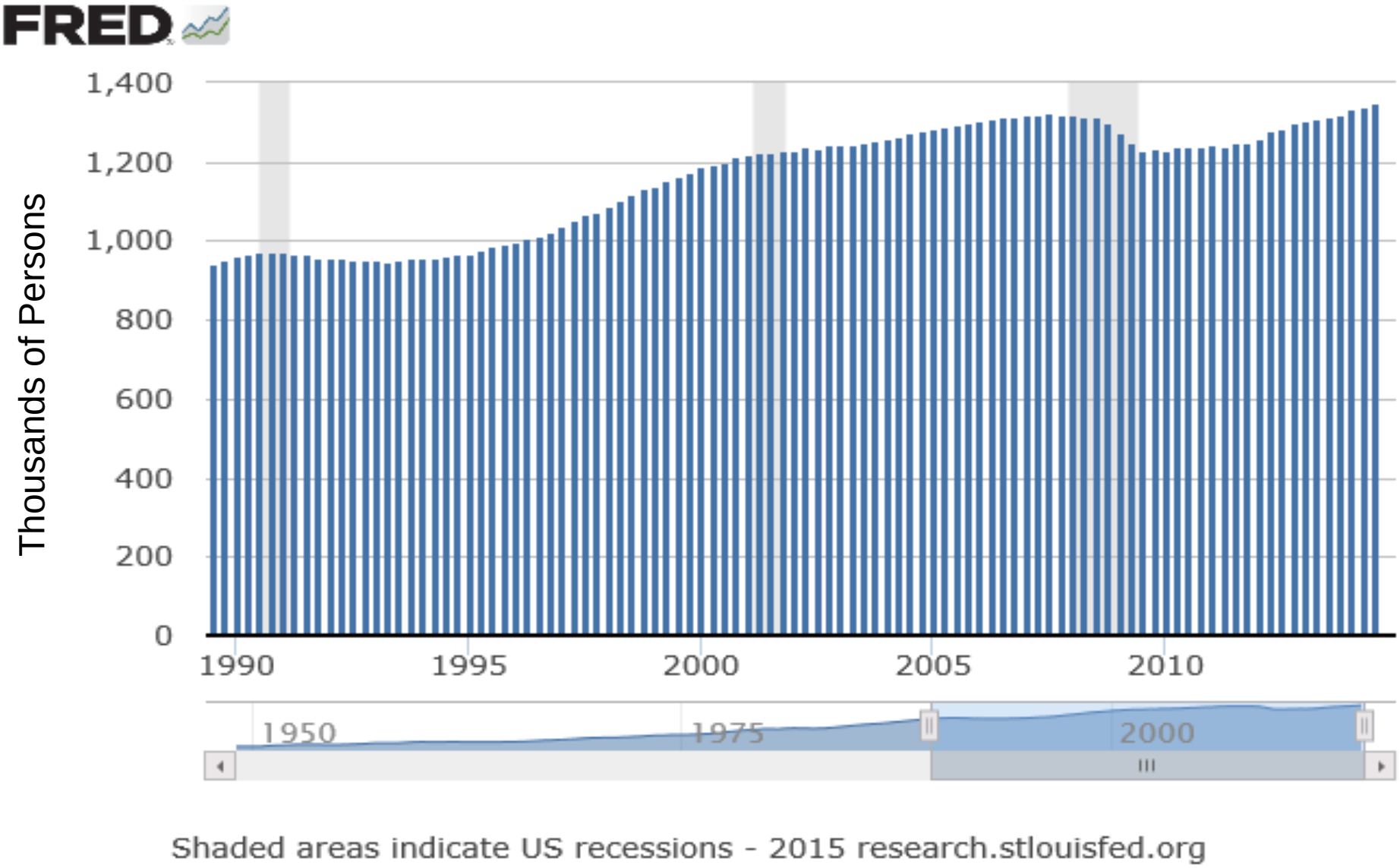
Real Weekly Wages Index 2004=100



2004 ⟷ 2014

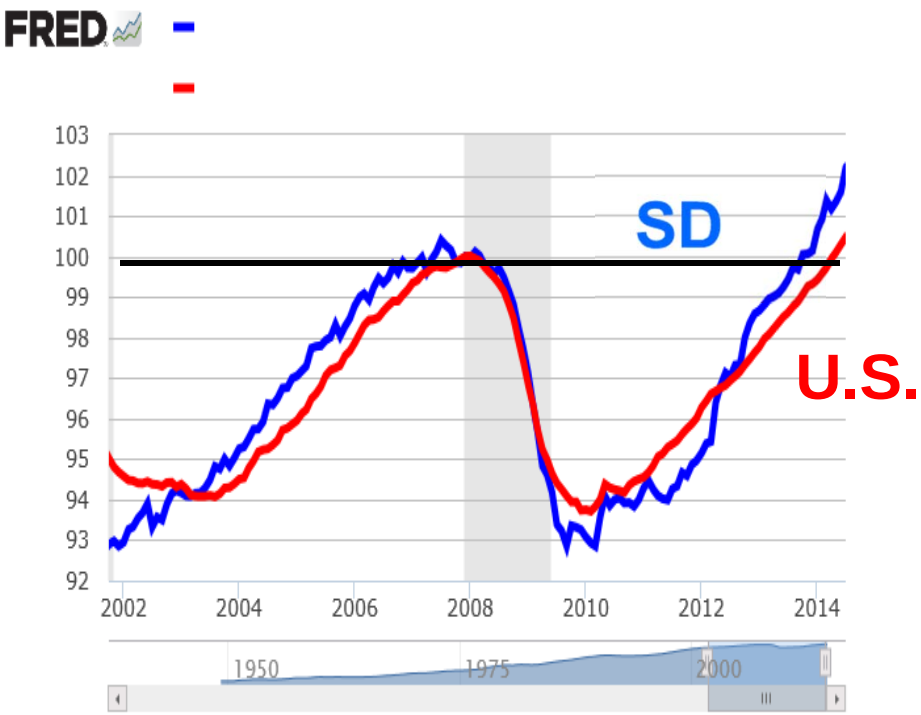
2015 Outlook for San Diego

SD Total Payroll Jobs (quarterly, 000)



SD Leading the US

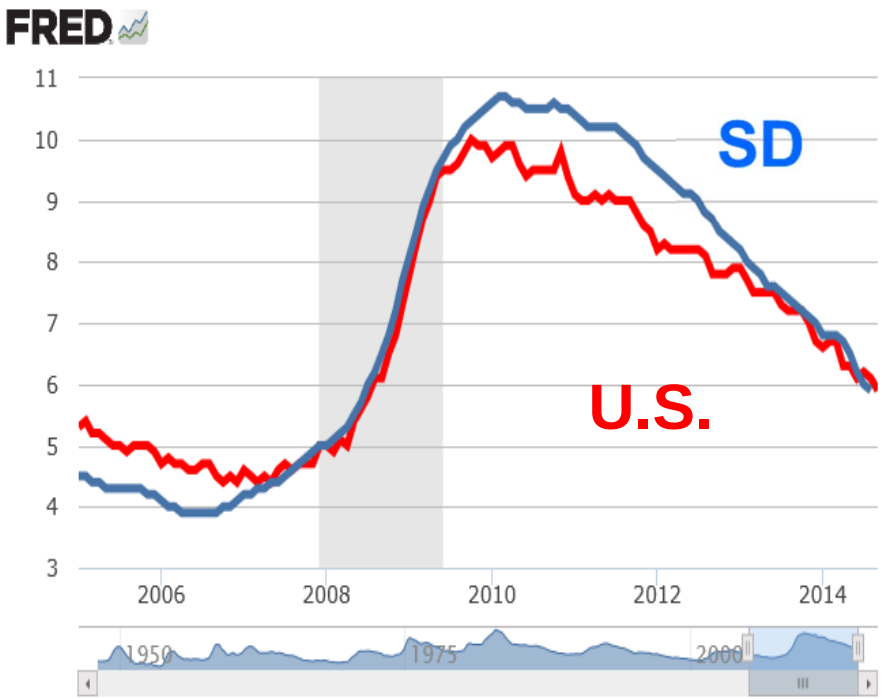
Payroll Job Growth (12/07=100)



Shaded areas indicate US recessions - 2014 research.stlouisfed.org

2002 ⟷ 2014

Unemployment Rate (SAAR)

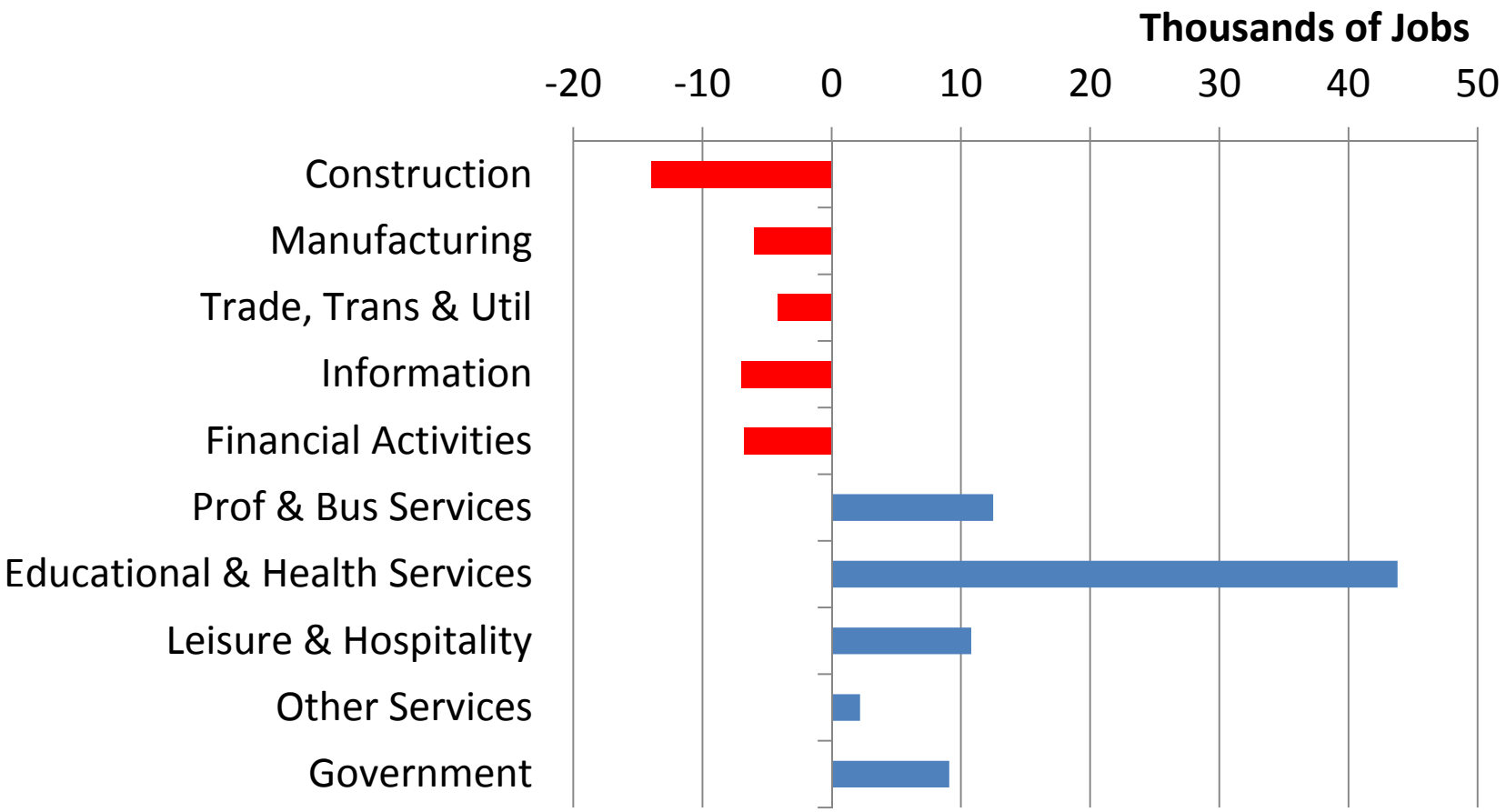


Shaded areas indicate US recessions - 2014 research.stlouisfed.org

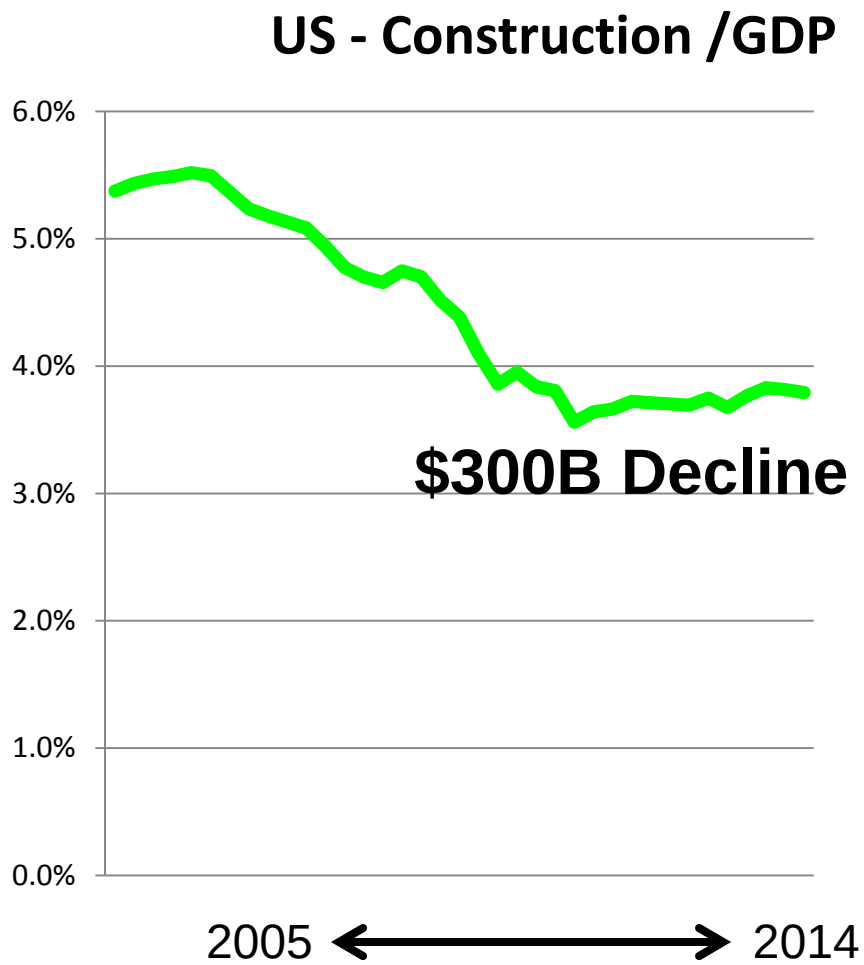
2005 ⟷ 2014

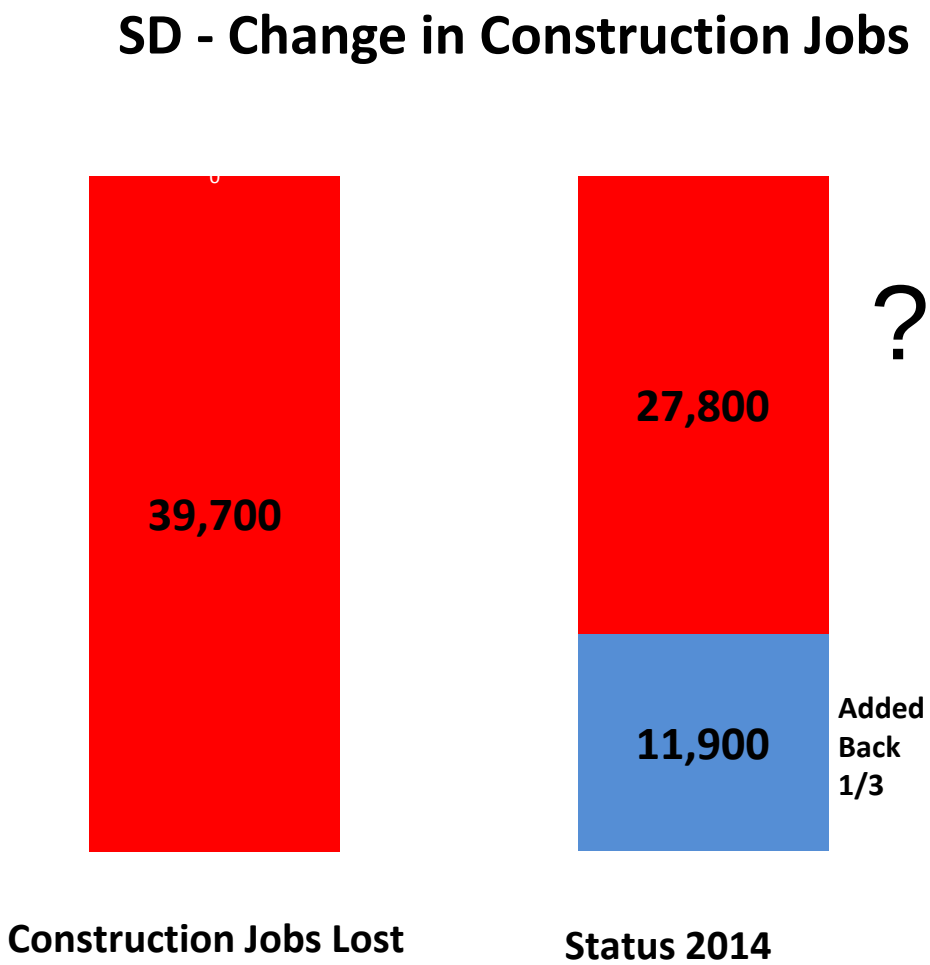
SD Not All Industries Have Recovered

40,200 Net Job Increase Dec 07-Nov 14



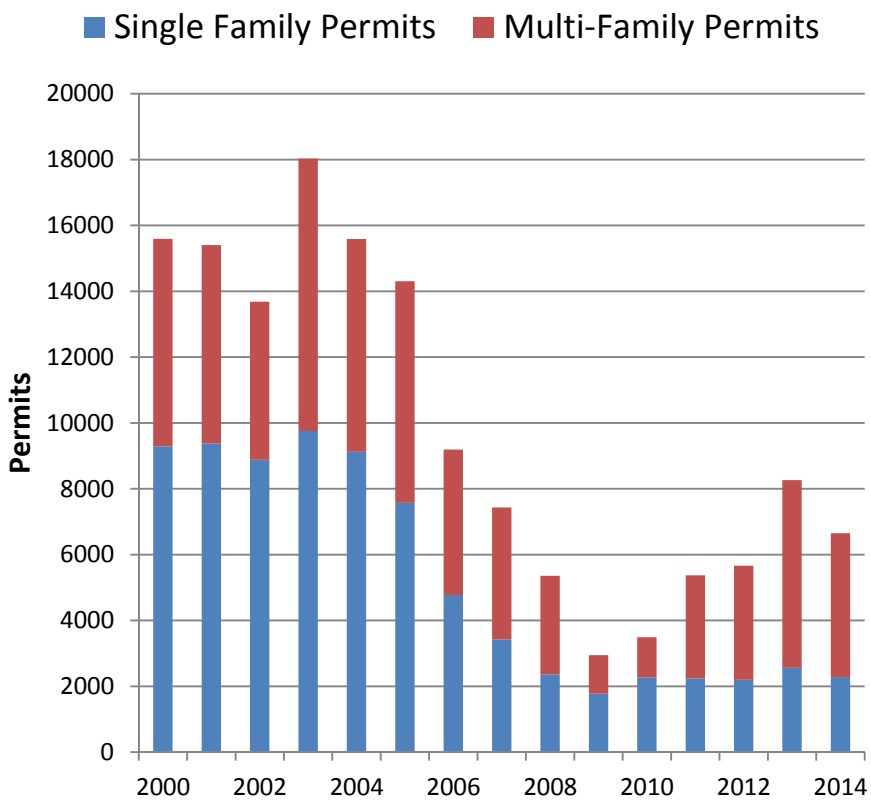
SD Status of Construction Industry (Structural Unemployment?)





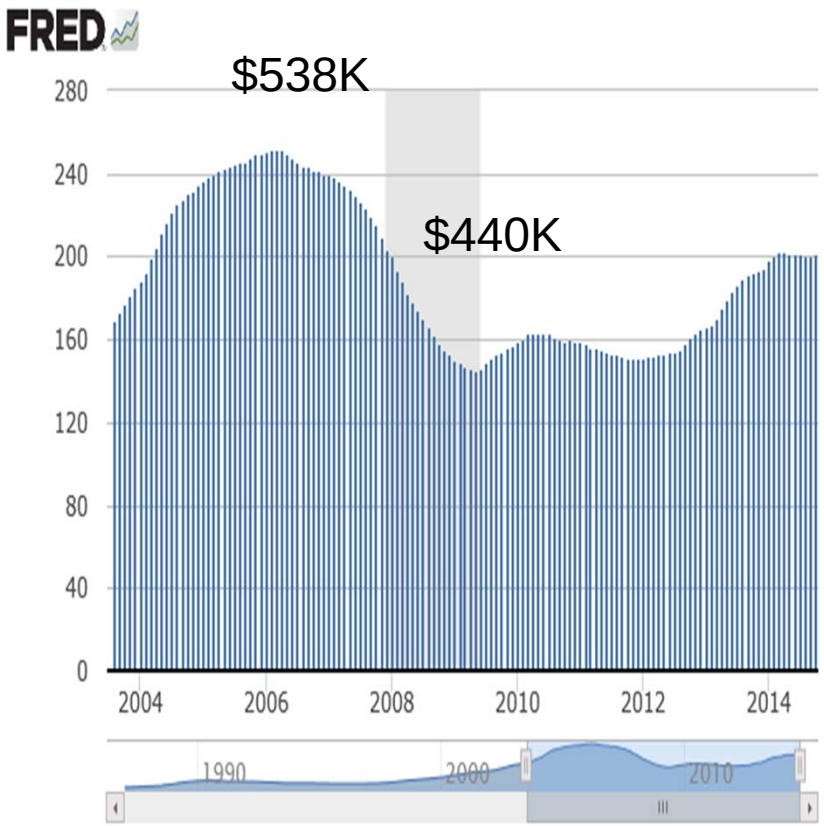
SD Housing Permits & Prices

Housing Permits



2000 ⟷ 2014

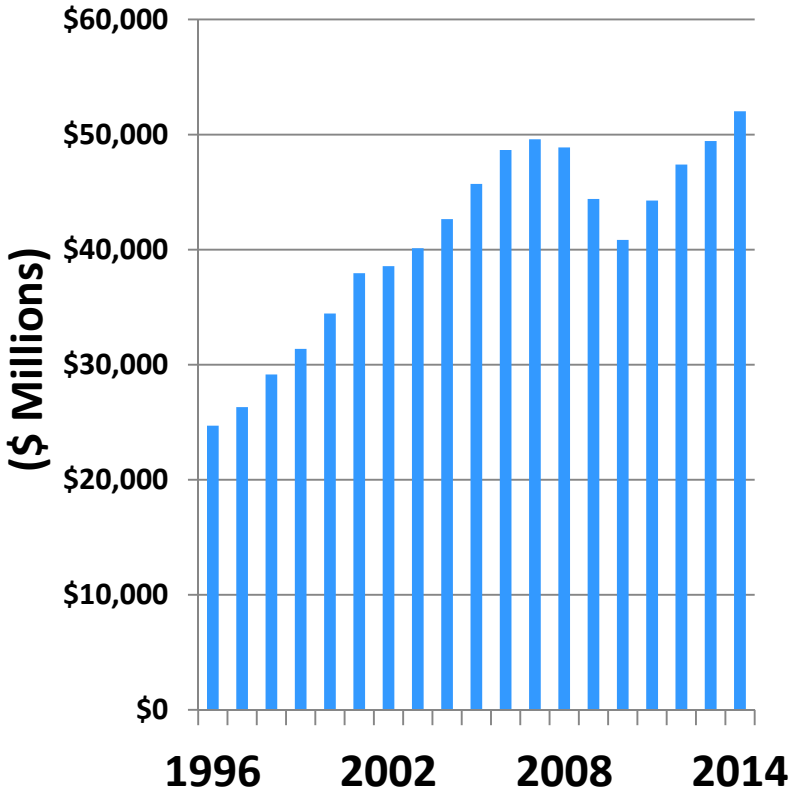
C-S Home Price Index(2000=100)



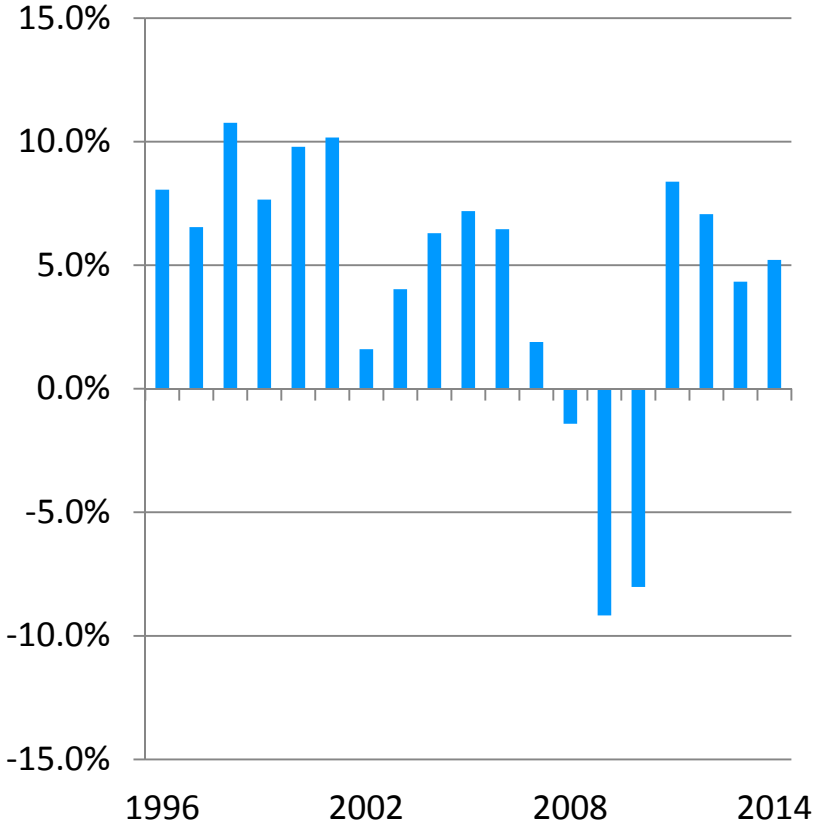
2004 ⟷ 2014

SD Taxable Sales

Annual M$

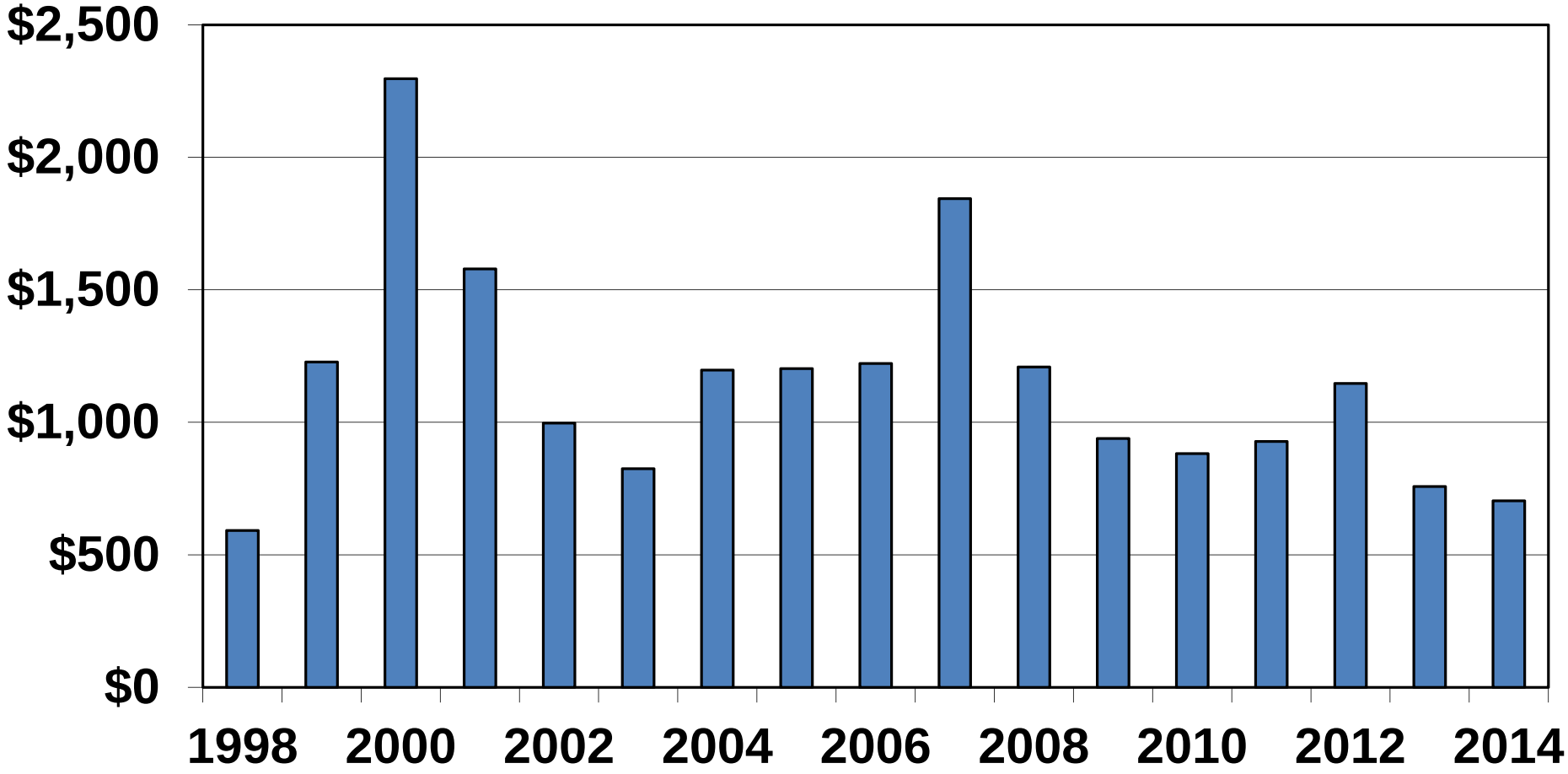


Annual Percent Change



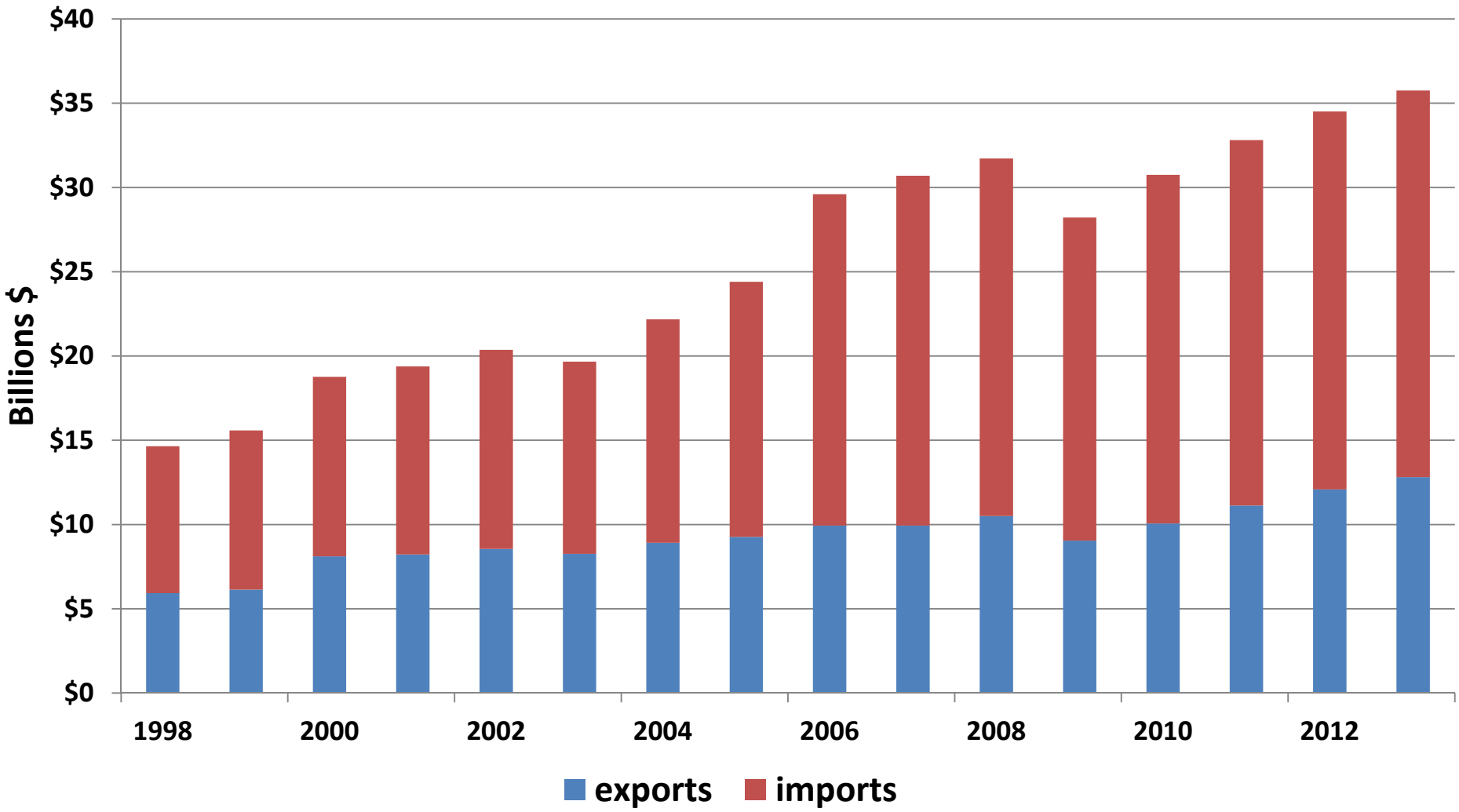
SD Venture Capital Funds

Resources for High Tech Jobs, M$ per Year



SD Trade with Mexico Thru Otay Mesa

($35B in 2013; 6% CAGR)



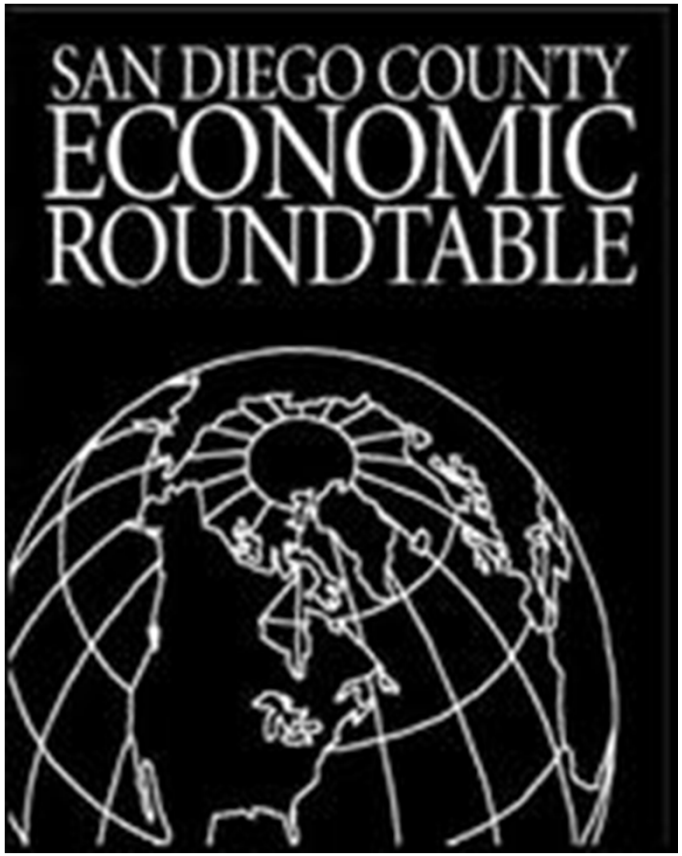
SD Forecast 2015

Indicator	2012	2013	2014	2015
Total Population	3,128,734	3,154,574	3,194,362	3,235,500
Growth (%)	0.4	0.7	1.3	1.3
Unemployment Rate(Dec. %)	8.0	6.5	5.6	5.1
Payroll Employment (Dec. yoy)	1,311,400	1,331,600	1,375,400	1,410,000
Growth (%)	3.8	1.5	3.3	2.6
Jobs	47,400	20,200	40,000	35,000
Median Home Price(Aug)	$358,000	$412,000	$440,000	$462,000
Growth (%)	16.2	13.4	6.8	5.0
Residential Permits	5,666	8,264	6,520	8,500
Growth (%)	5.6	45.9	-20.0	30.0
Single Family Permits	2,197	2,564	2,250	2,500
Growth (%)	-2.1	16.7	-12.3	11.0
Multi-Family Permits	3,469	5,700	4,370	7,000
Growth (%)	11.1	64.3	-23.3	60.0
Taxable Sales ($ Millions)	$47,389	$49,444	$51,900	$54,500
Growth (%)	7.1	4.3	5.0	5.0

Economic Outlook 2015

Focus on San Diego

31th Annual San Diego
Economic Roundtable

January 16, 2015

Marney Cox, Chief Economist
San Diego Association of Governments