

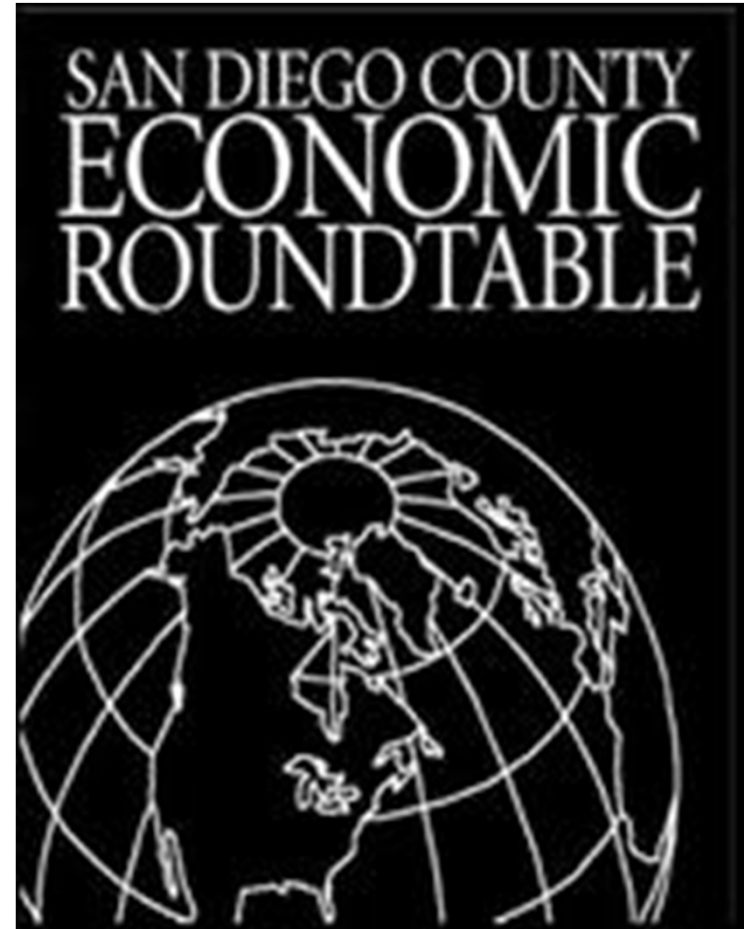
Economic Outlook 2016

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2015...What Happened?

- **Expected**

- New, Improved GDP Growth
- Labor Market Tightening
- Fed Raise Interest Rates

- **Unexpected Surprises**

- Same Old GDP Growth
- Falling oil prices/interest rates/inflation
- Currency Devaluations

- **Emerging Trends**

- US Economy-Tallest Pigmy
- Stronger Dollar/ Global Weakness
- Commodity Price Deflation
- Range Bound Interest Rates



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THE TIMES - PICAYUNE



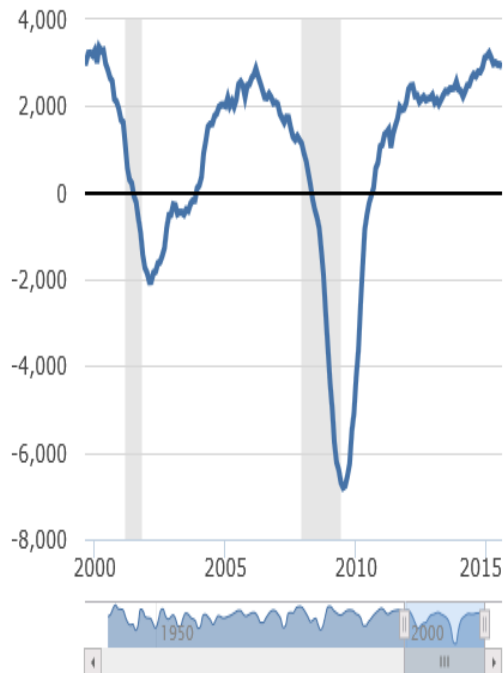
Twitter

www.fox.com/2015/05/05/

US Economy...Three Positive Trends

US Annual Job Change

FRED 



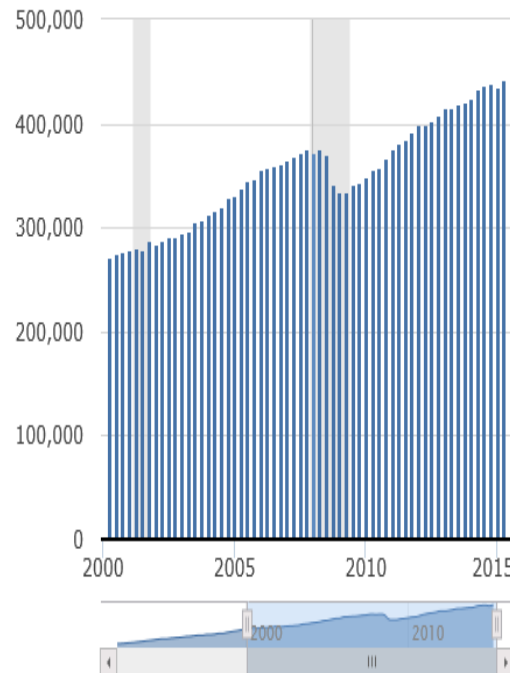
Shaded areas indicate US recessions - 2015 research.stlouisfed.org

2000.....2015

Monthly Retail Sales

M\$

FRED 

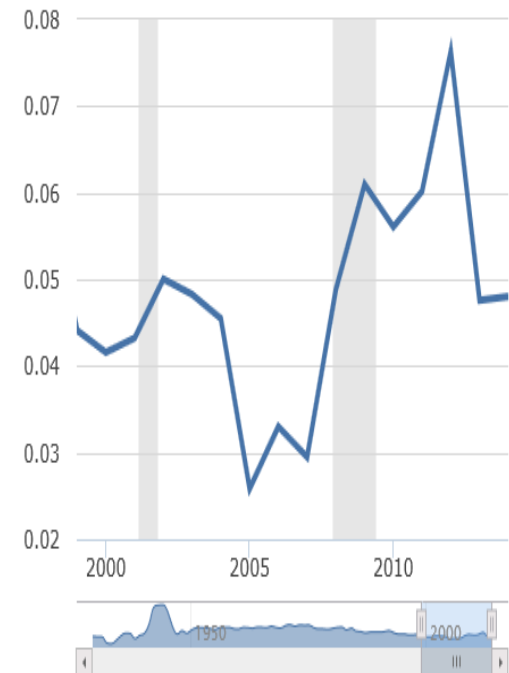


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2000.....2015

Personal Savings Rate

FRED 

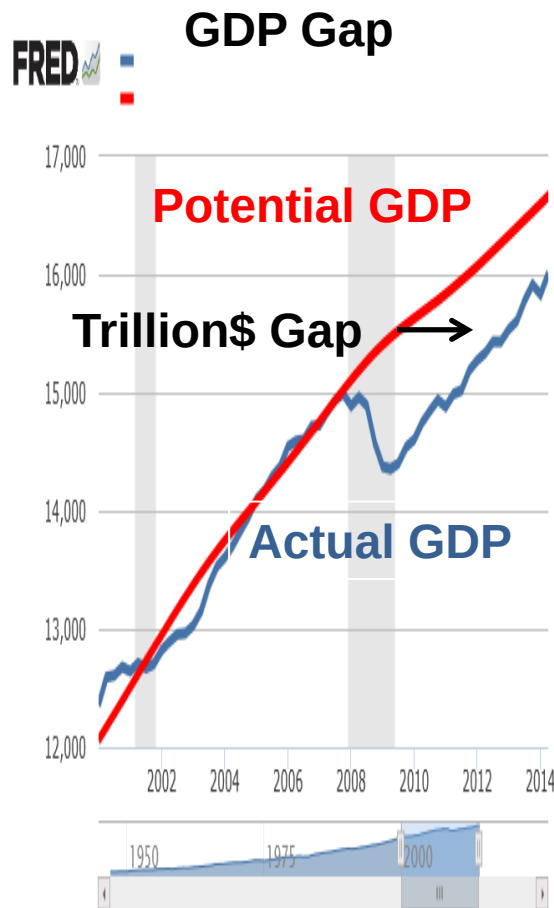


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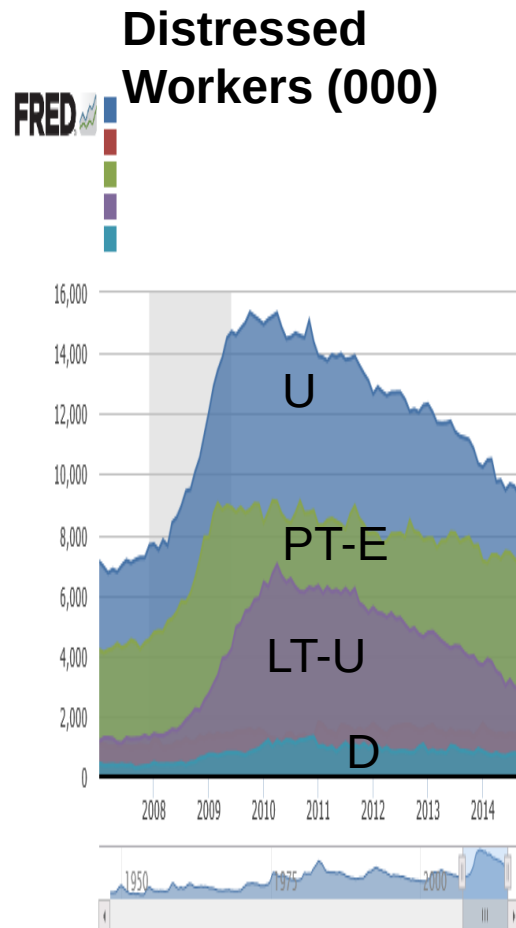
2000.....2015

US Economy...Three Lingering Challenges...

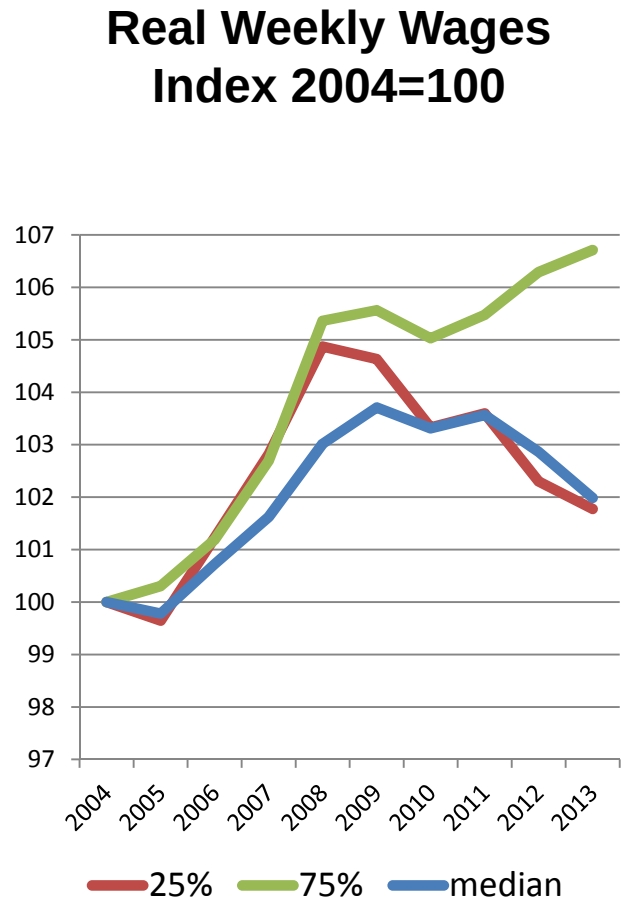
Slow Growth - Distressed Workers - Stagnate Wages



2000 ↔ 2014



2007 ↔ 2014

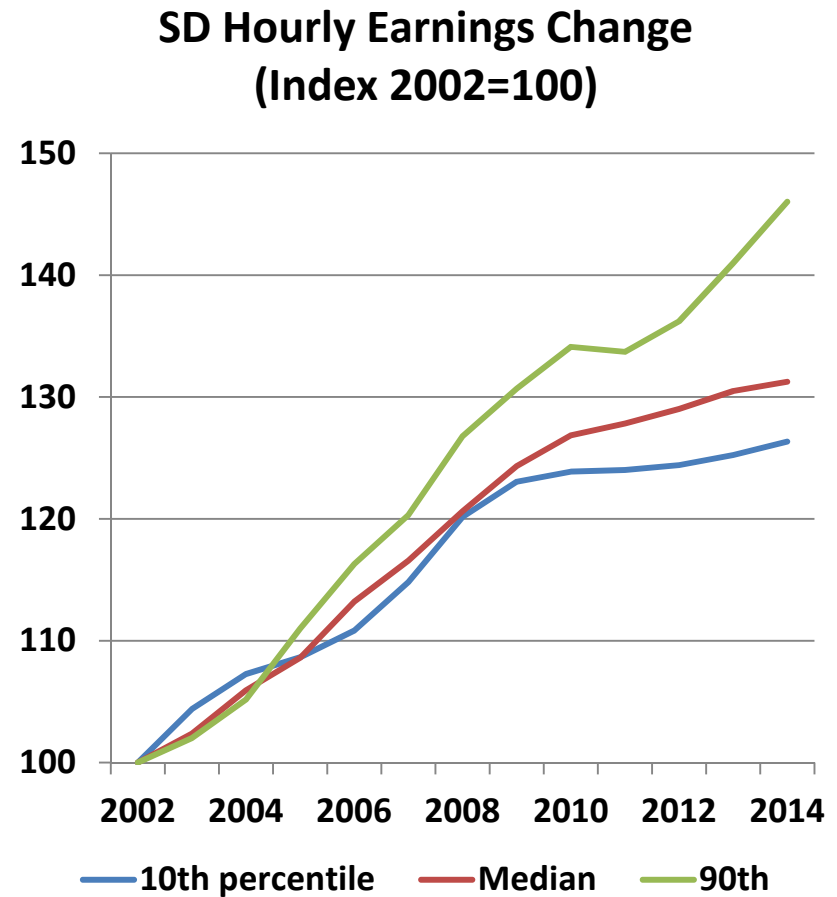
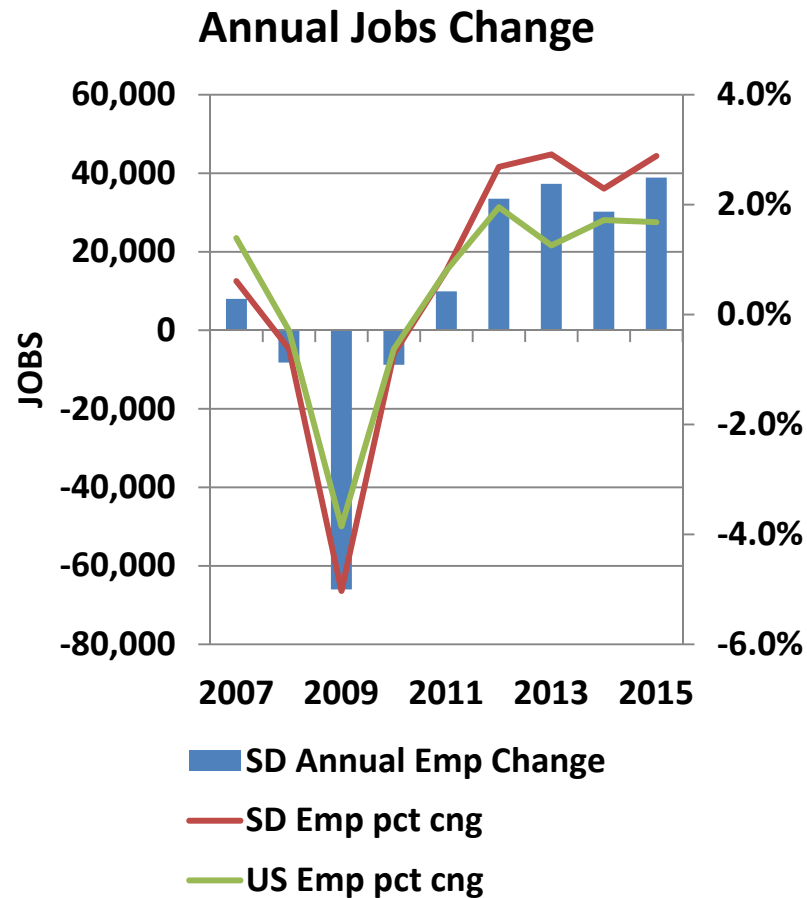


2004 ↔ 2014

2016 Outlook for San Diego

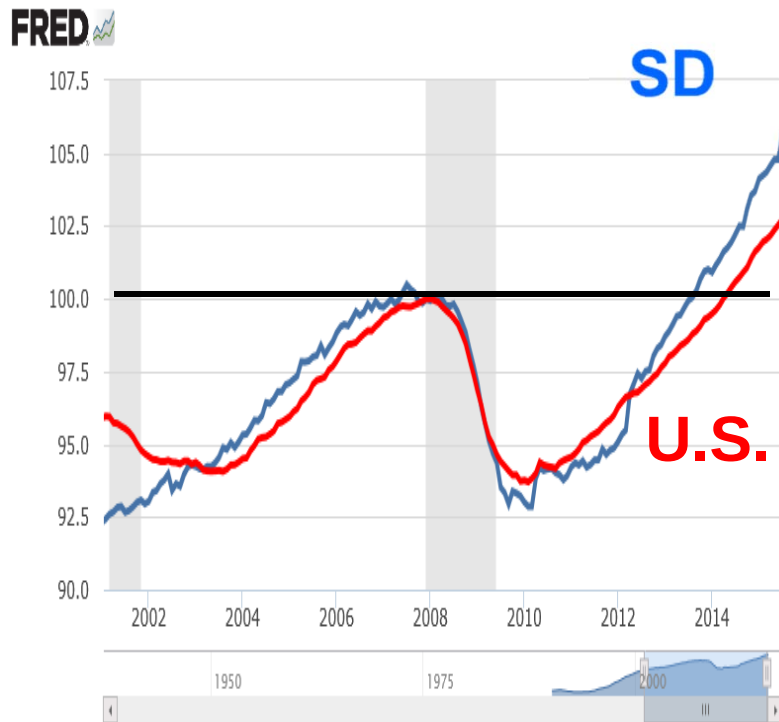


SD Job Growth and Hourly Earnings



SD Leading the US

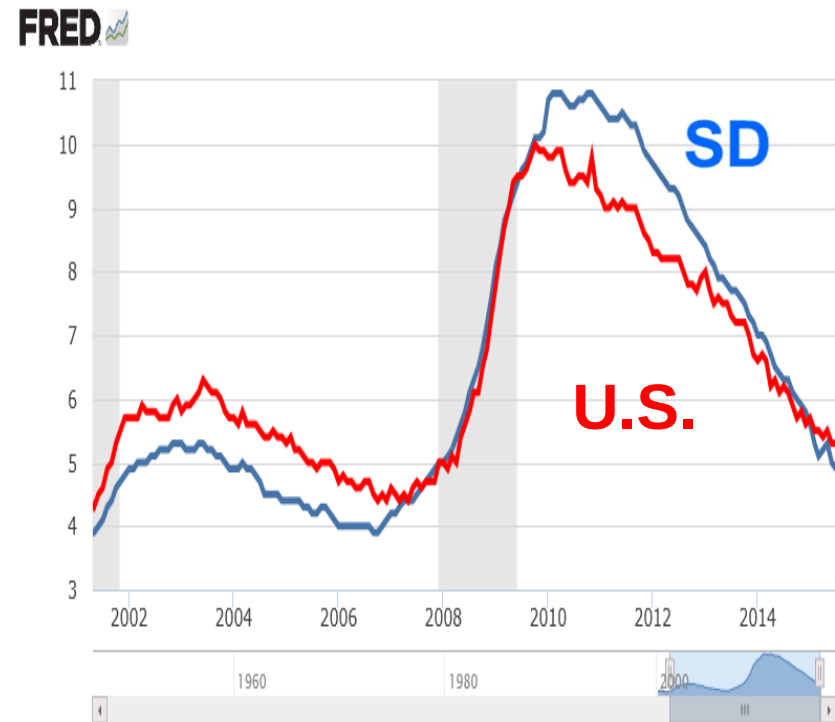
Payroll Job Growth (12/07=100)



Shaded areas indicate US recessions - 2015 research.stlouisfed.org

2002 ← → 2015

Unemployment Rate (SAAR)

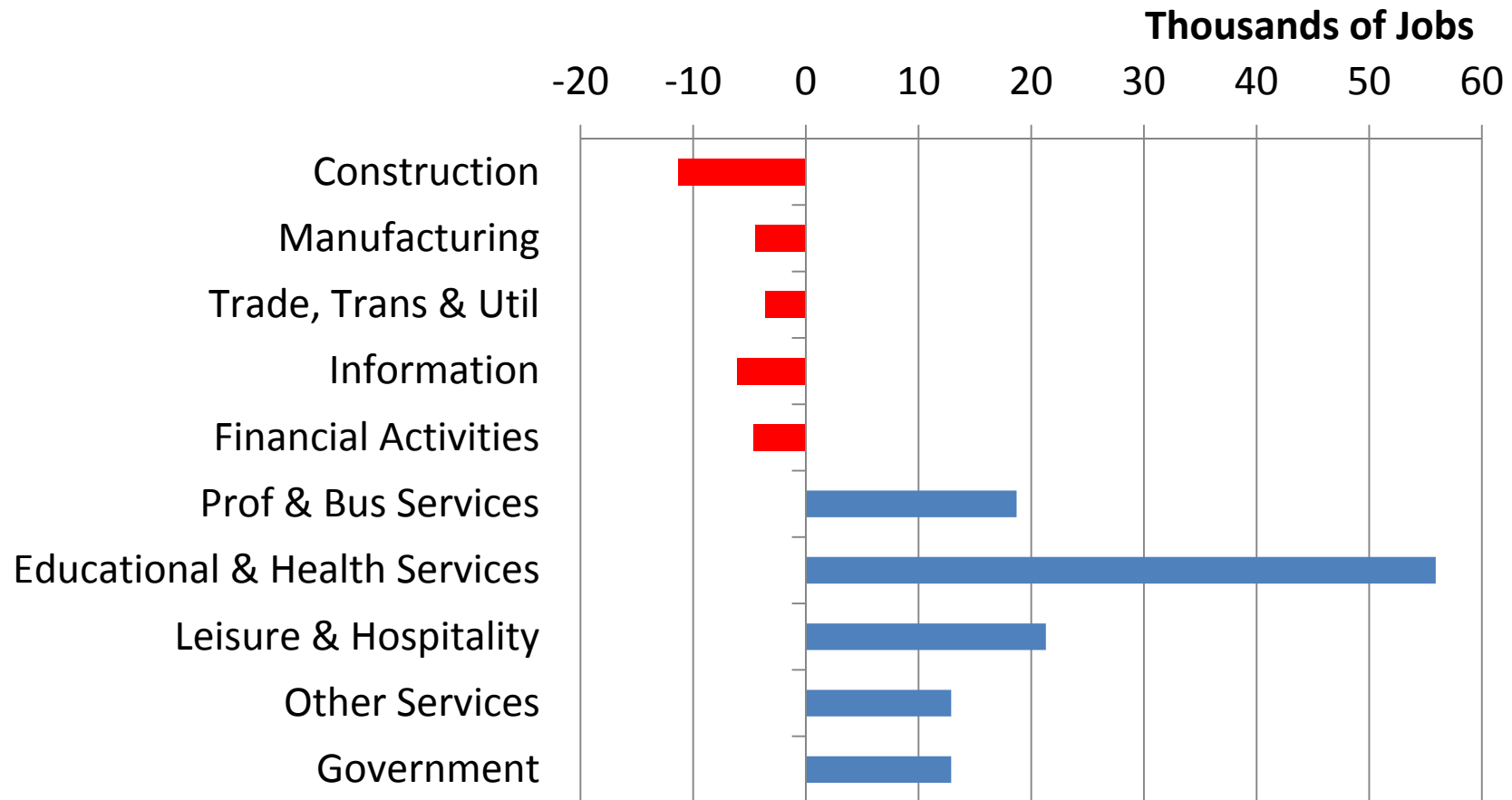


Shaded areas indicate US recessions - 2015 research.stlouisfed.org

2005 ← → 2015

SD Not All Industries Have Fully Recovered

81,900 Net Job Increase Dec 07-Nov 15



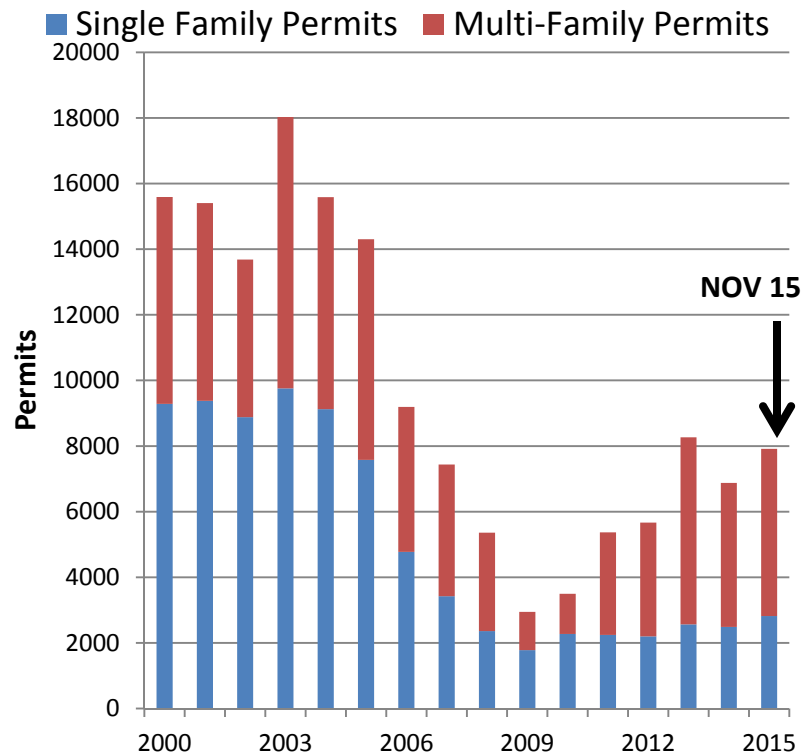
SD Created 6 More Low than High Paying Private Sector Jobs

Unbalanced Job Growth Affects Distribution of Wages

	<i>1990-2011 Growth</i>		
<i>Compensation Category / Median Wage (\$2011)</i>	<i>Average Salary Increase (\$2011)</i>	<i>Real Salary Growth '90-'11</i>	<i>Job Growth 1990-2011</i>
Highest Paying Jobs (Top 1/3) / \$83,000	\$23,000	38.0%	34,200
Mid Level Paying Jobs (Middle 1/3) / \$48,200	\$5,400	13.0%	85,500
Low Level Paying Jobs (Lowest 1/3) / \$25,500	\$3,200	14.0%	222,500

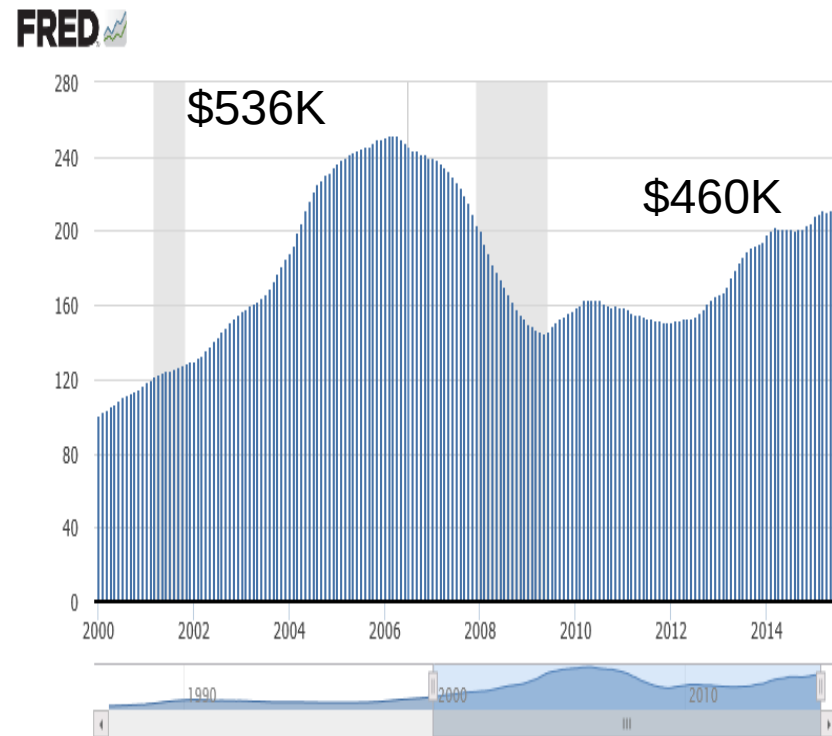
SD Housing Permits & Prices

Housing Permits



2000 ←→ 2015

C-S Home Price Index (2000=100)

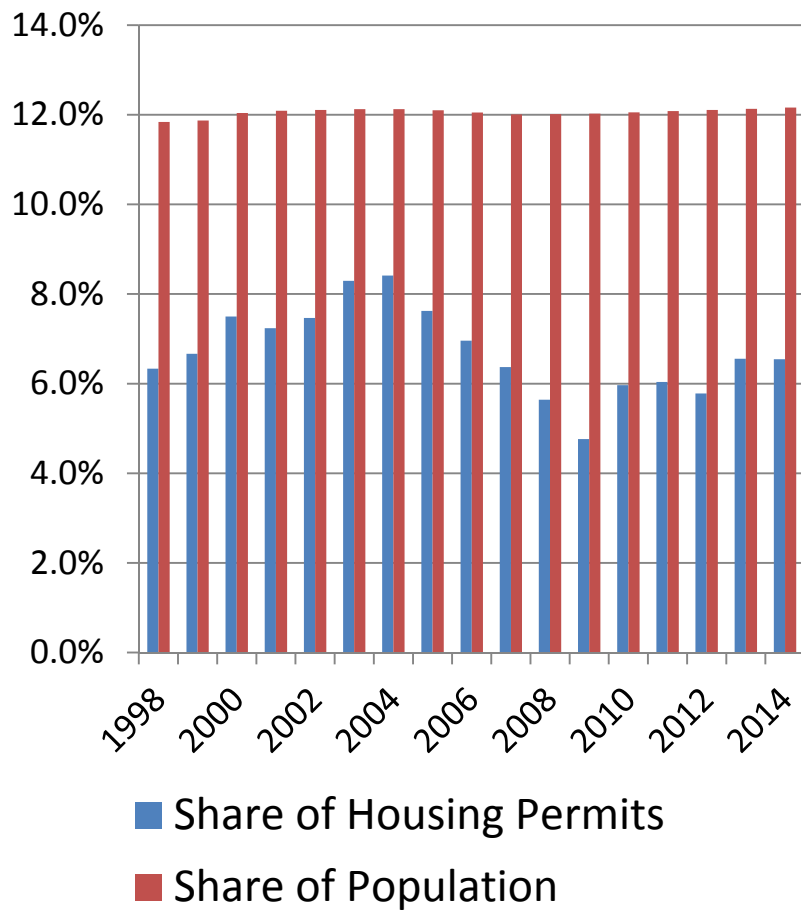


Shaded areas indicate US recessions - 2015 research.stlouisfed.org

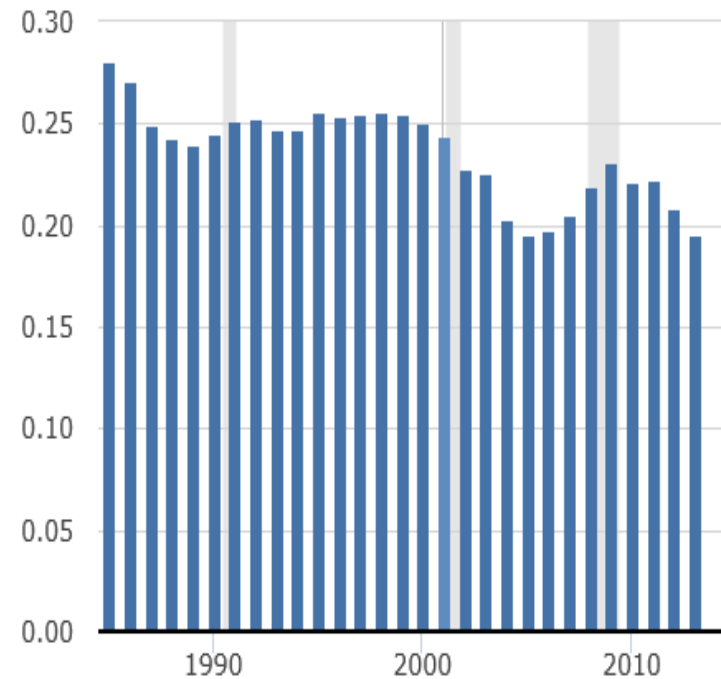
2000 ←→ 2015

CA Housing Supply Demand

Supply Not Keeping Pace With Demand



FRED



Less Affordable
Median Income/Price

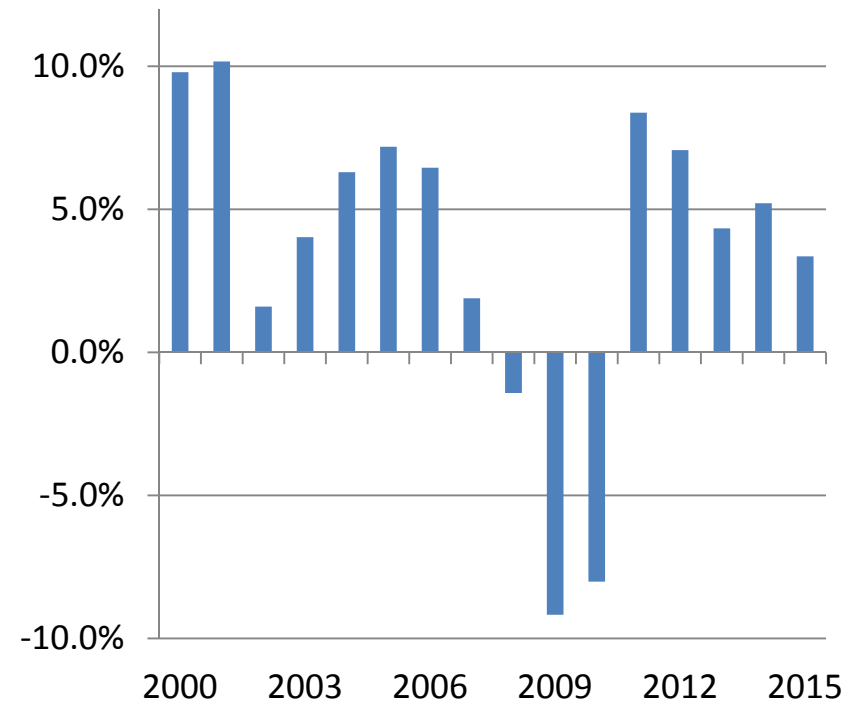
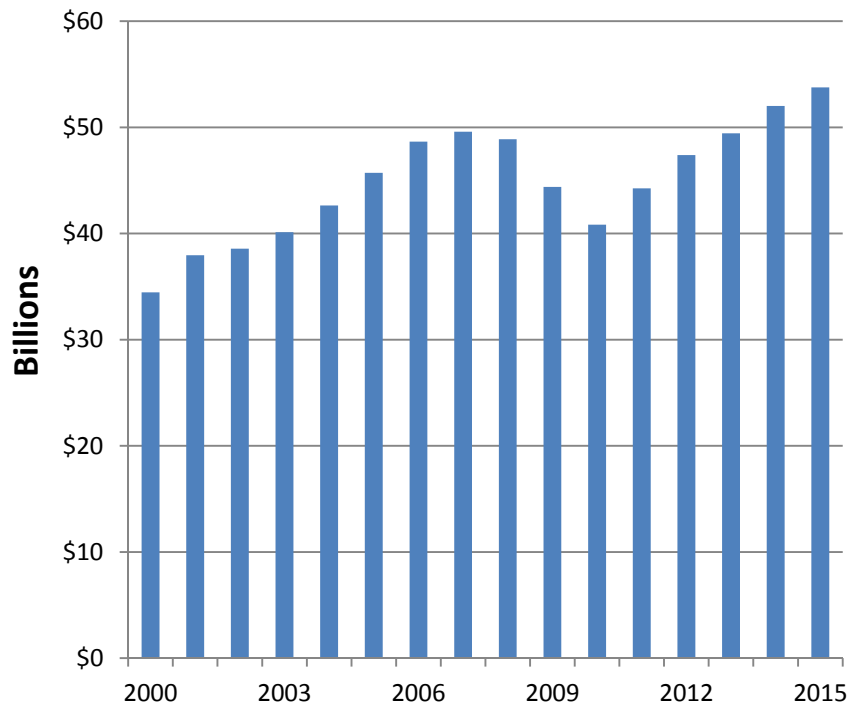
Shaded areas indicate US recessions - 2015 research.stlouisfed.org

SD Total Taxable Sales

Annual B\$

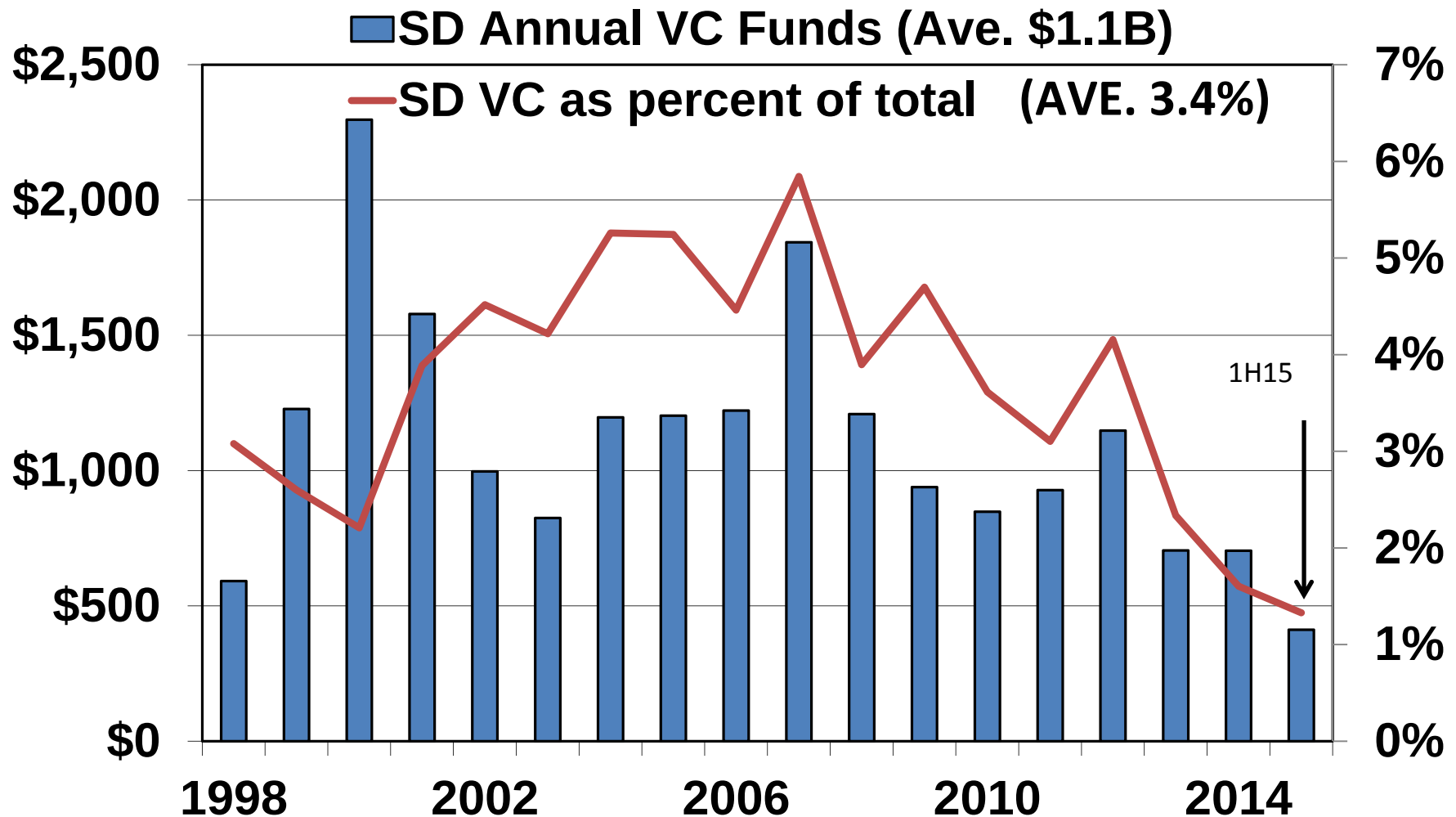
Annual Percent Change

SD Region Taxable Sales



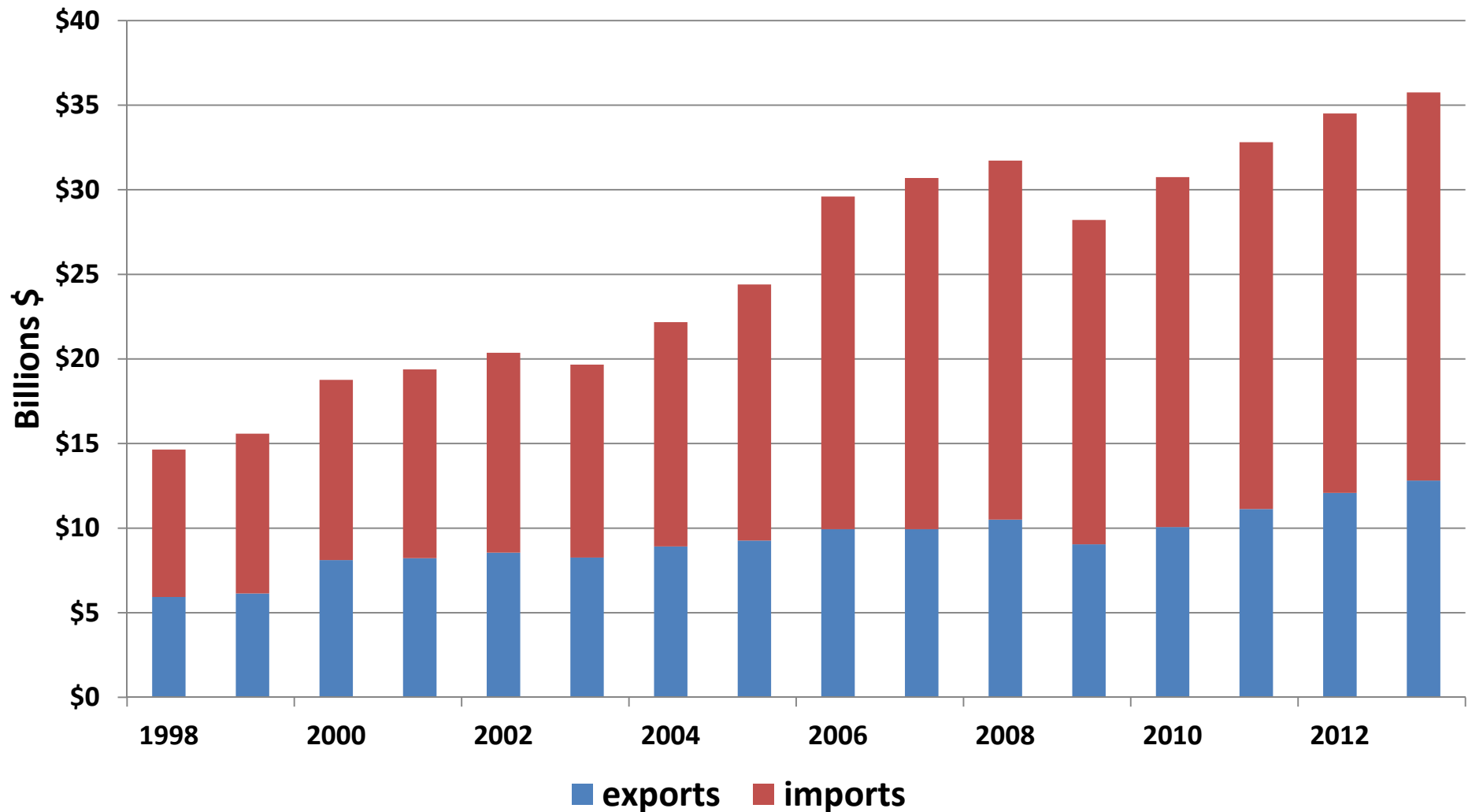
SD Venture Capital Funds

Resources for High Tech Jobs, M\$ per Year & % of Total



SD Trade with Mexico Thru Otay Mesa

(\$35B in 2013; 6% CAGR)



SD Forecast 2016

<u>Indicator</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Population	3,154,574	3,192,457	3,227,496	3,268,500
Growth (%)	0.7	1.2	1.1	1.3
Unemployment Rate(Dec. %)	6.8	5.5	5.1	4.8
Payroll Employment (Dec. yoy)	1,347,400	1,378,400	1,416,200	1,451,200
Growth (% yoy)	2.6	2.3	2.7	2.5
Jobs	34,700	31,000	37,800	35,000
Median Home Price(Aug)	\$412,000	\$434,000	\$459,000	\$481,000
Growth (%)	13.4	5.5	5.8	5.0
Residential Permits	8,264	6,874	8,500	9,000
Single Family Permits	2,564	2,486	2,975	3,150
(% SF)	31	36	35	35
Multi-Family Permits	5,700	4,388	6,150	7,350
(% MF)	69	64	65	65
Taxable Sales (\$ Millions)	\$49,444	\$51,100	\$52,900	\$54,700
Growth (%)	4.3	3.3	3.5	3.5

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