

Economic Roundtable: The Regional Perspective



Alan Gin

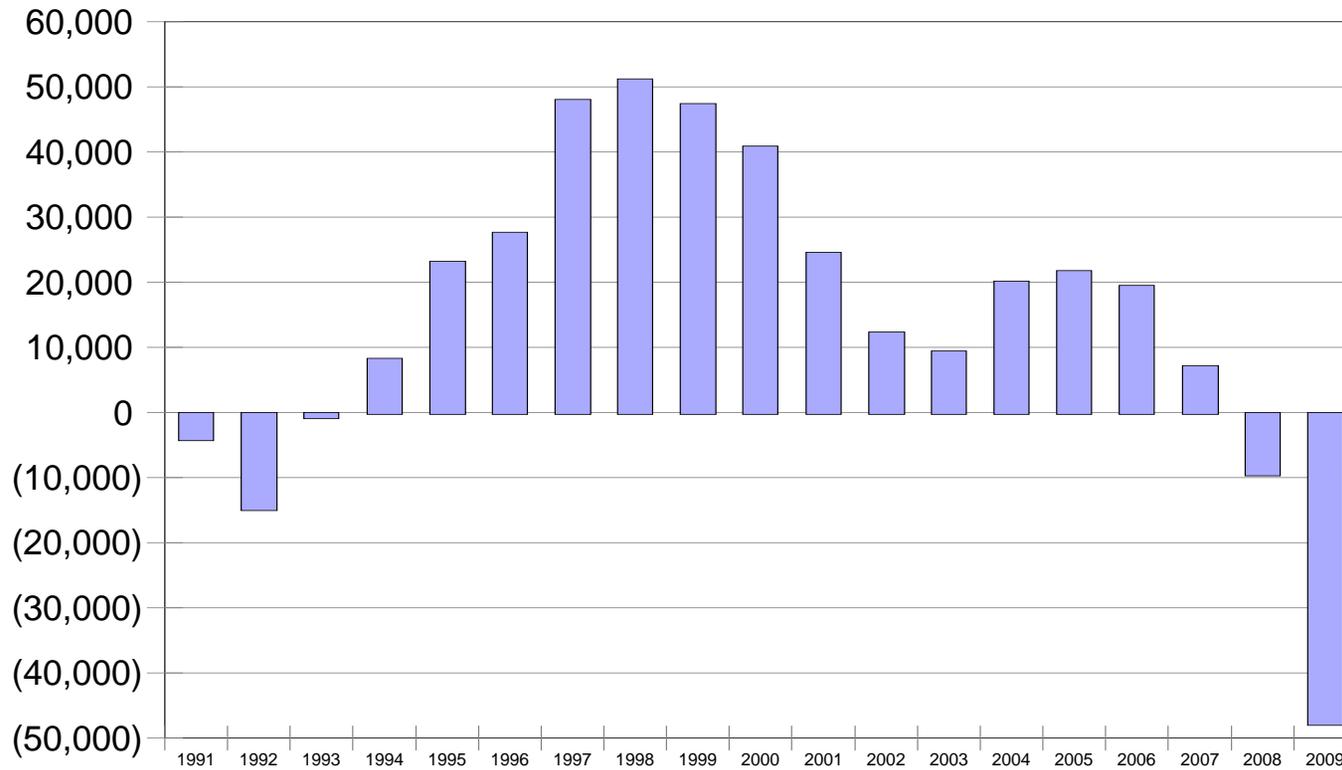
Associate Professor of Economics
School of Business Administration

2009 was the worst year ever for the local economy



Employment Growth

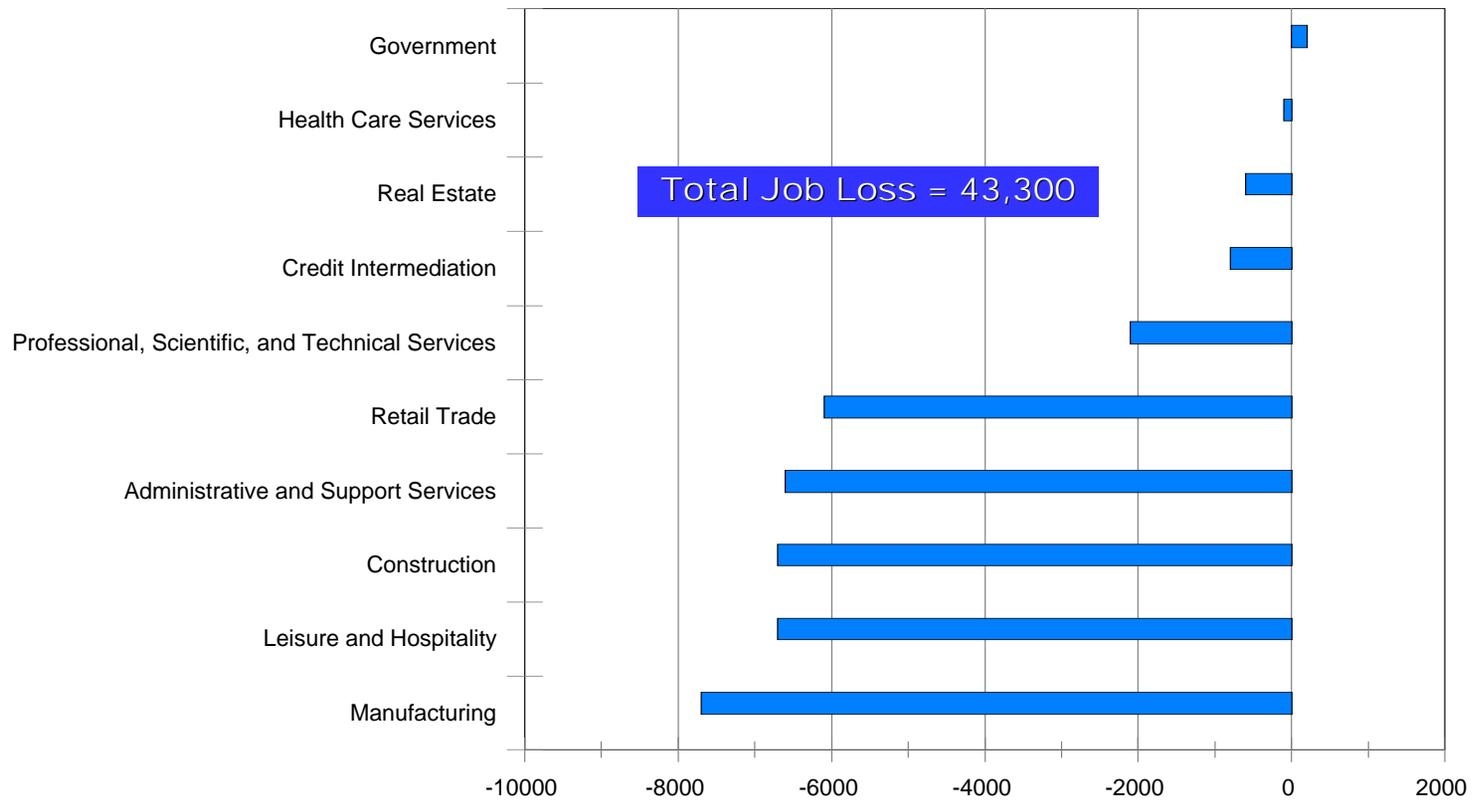
San Diego County (1991 - 2009)



Source: Employment Development Department

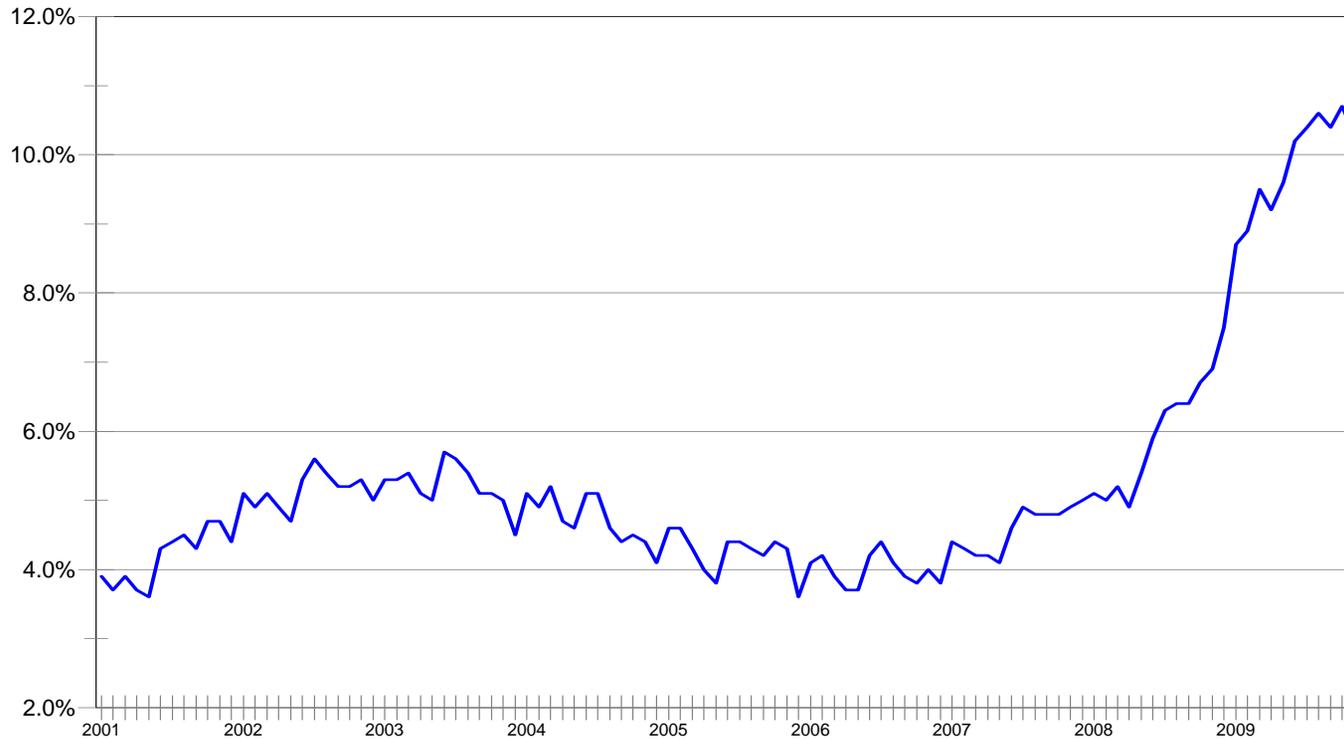
Employment Changes, San Diego County

November 2009 vs. November 2008



Unemployment Rate

San Diego County (2001 - Present)



Source: Employment Development Department

Outlook for 2010



USD Index of Leading Economic Indicators for San Diego County

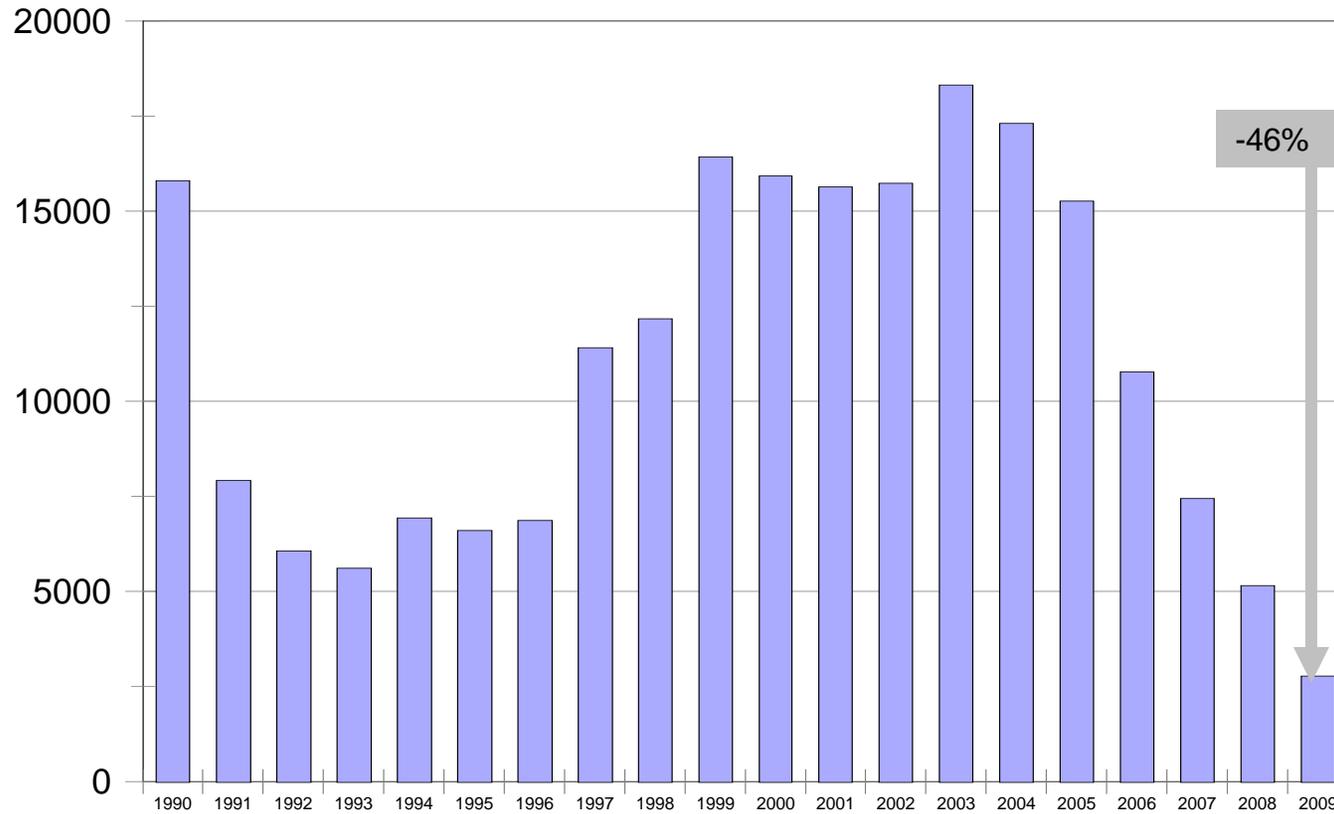
- Designed to lead local economy
- Components:
 - Residential units authorized by building permits
 - Local stock prices
 - Initial claims for unemployment insurance
 - Online help wanted advertising
 - Local consumer confidence
 - National Index of Leading Economic Indicators
- Short-term forecasting tool – 6-12 month outlook

November 2009

Index	+0.0%
Residential units authorized by building permits	-0.28%
Initial claims for unemployment insurance	-0.17%
Local stock prices	-2.84%
Local consumer confidence	+1.16%
Online help wanted advertising	+0.08%
National Index of Leading Economic Indicators	+1.71%

Residential Units Authorized

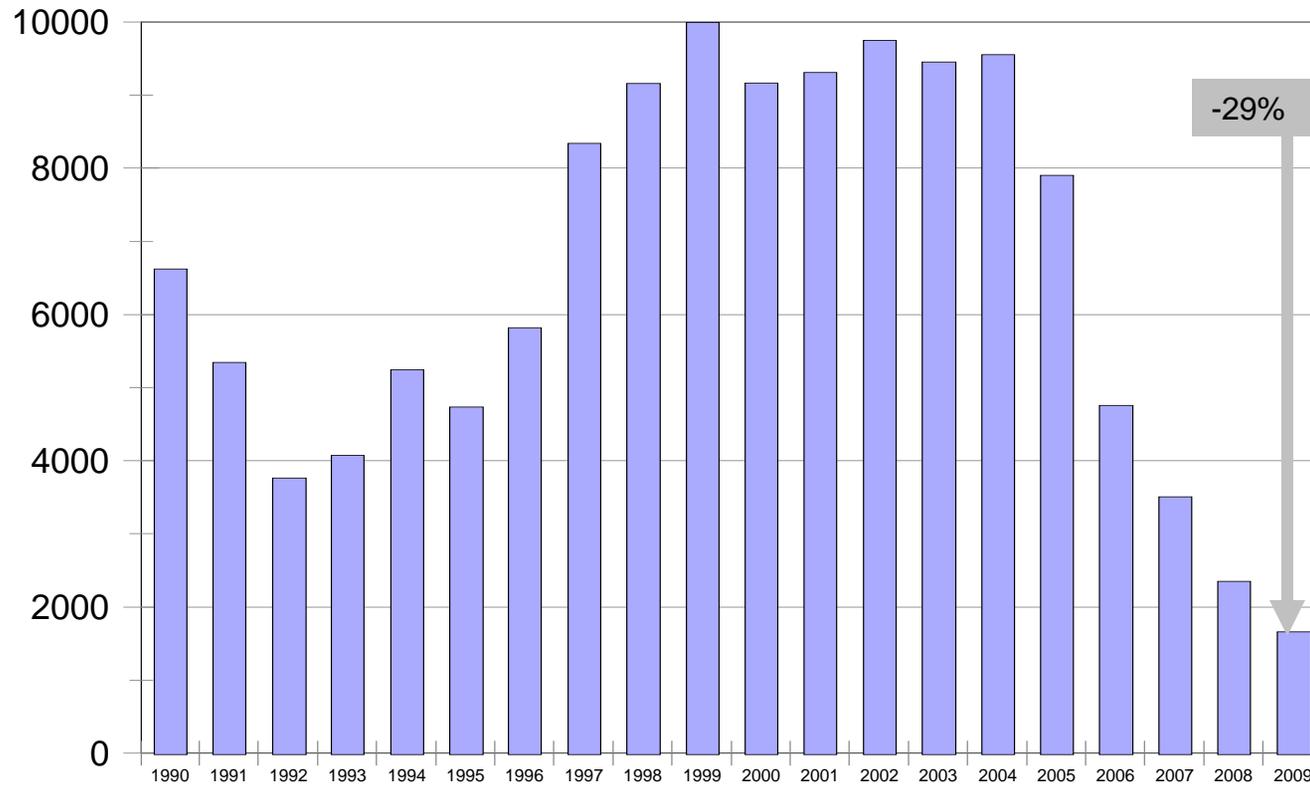
San Diego County (1990 - Present)



Source: Construction Industry Research Board

Single-Family Units Authorized

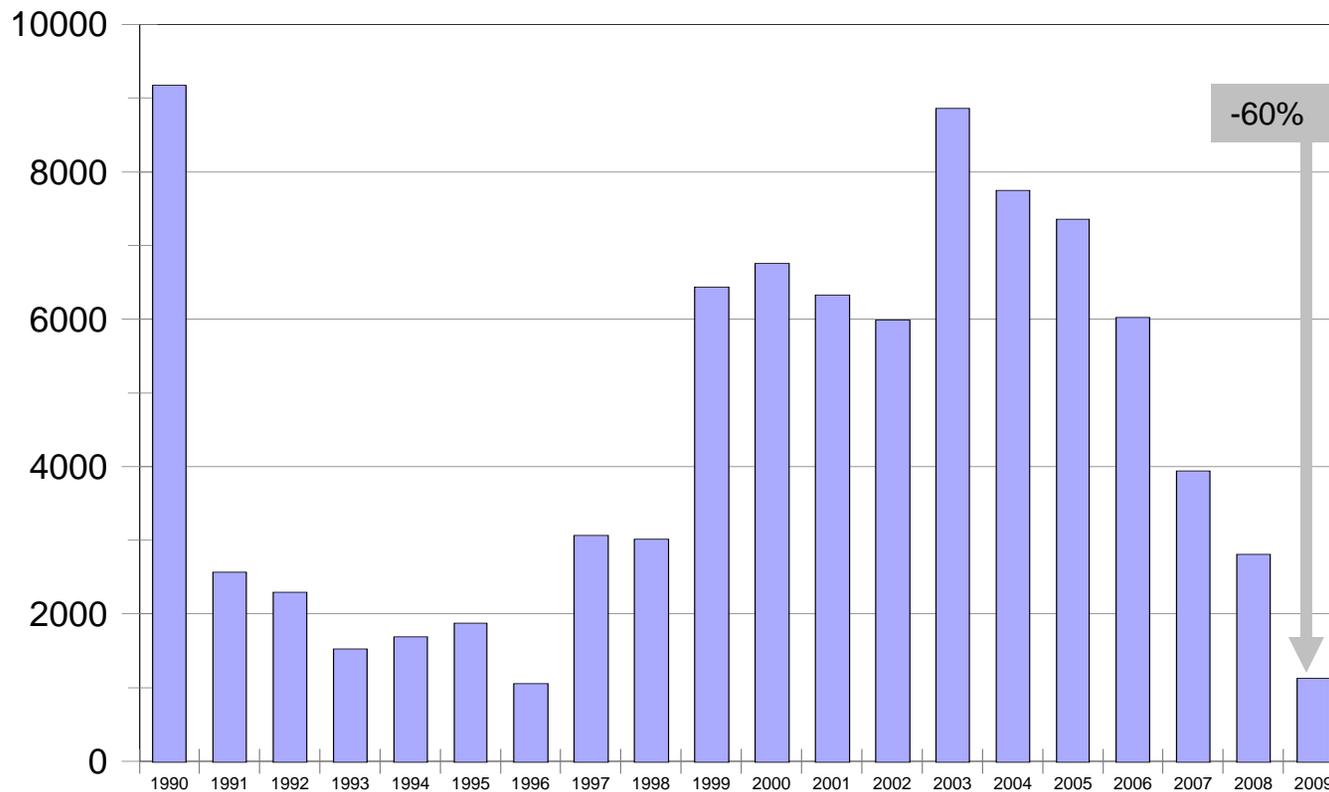
San Diego County (1990 - Present)



Source: Construction Industry Research Board

Multiple Family Units Authorized

San Diego County (1990 - Present)



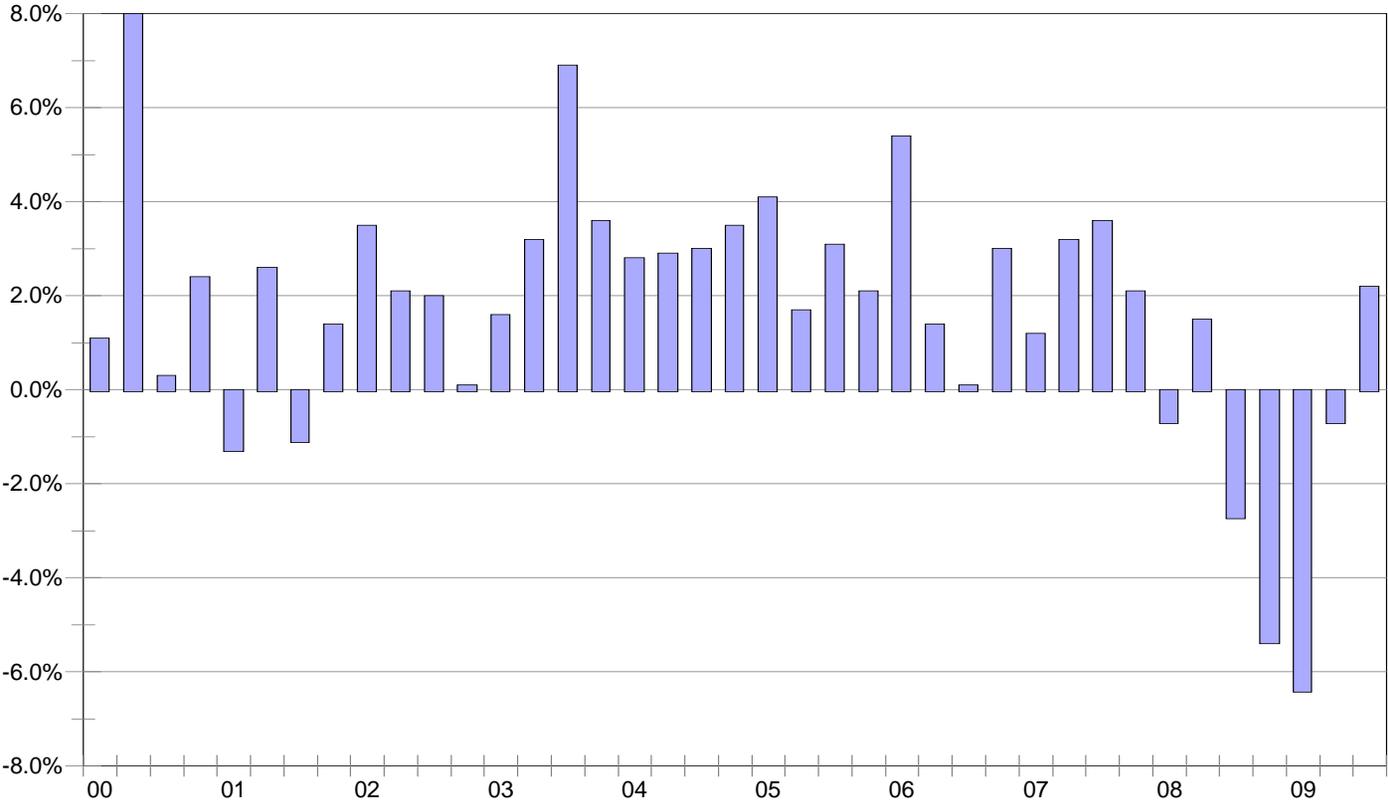
Source: Construction Industry Research Board

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U.S. GDP Growth

2000 - 2009Q3



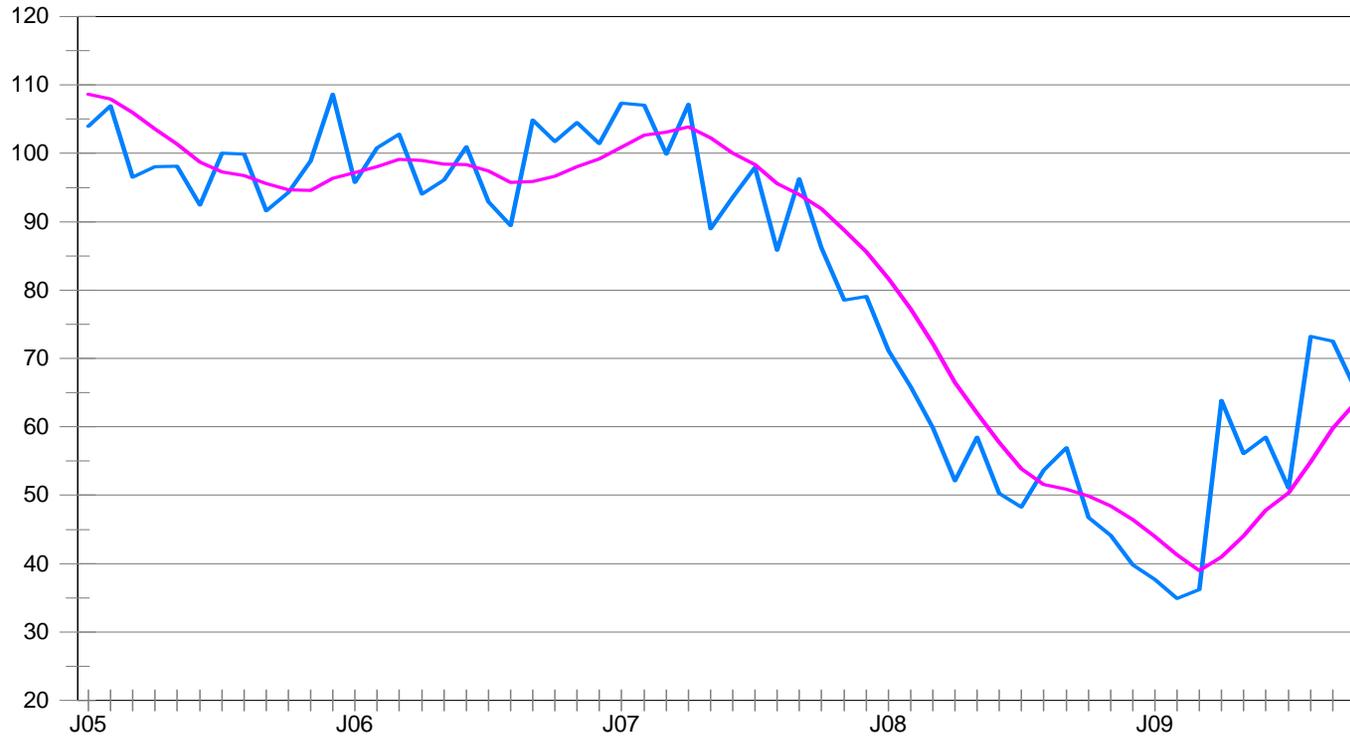
Source: Bureau of Economic Analysis

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Consumer Confidence

San Diego (2005 - Present)



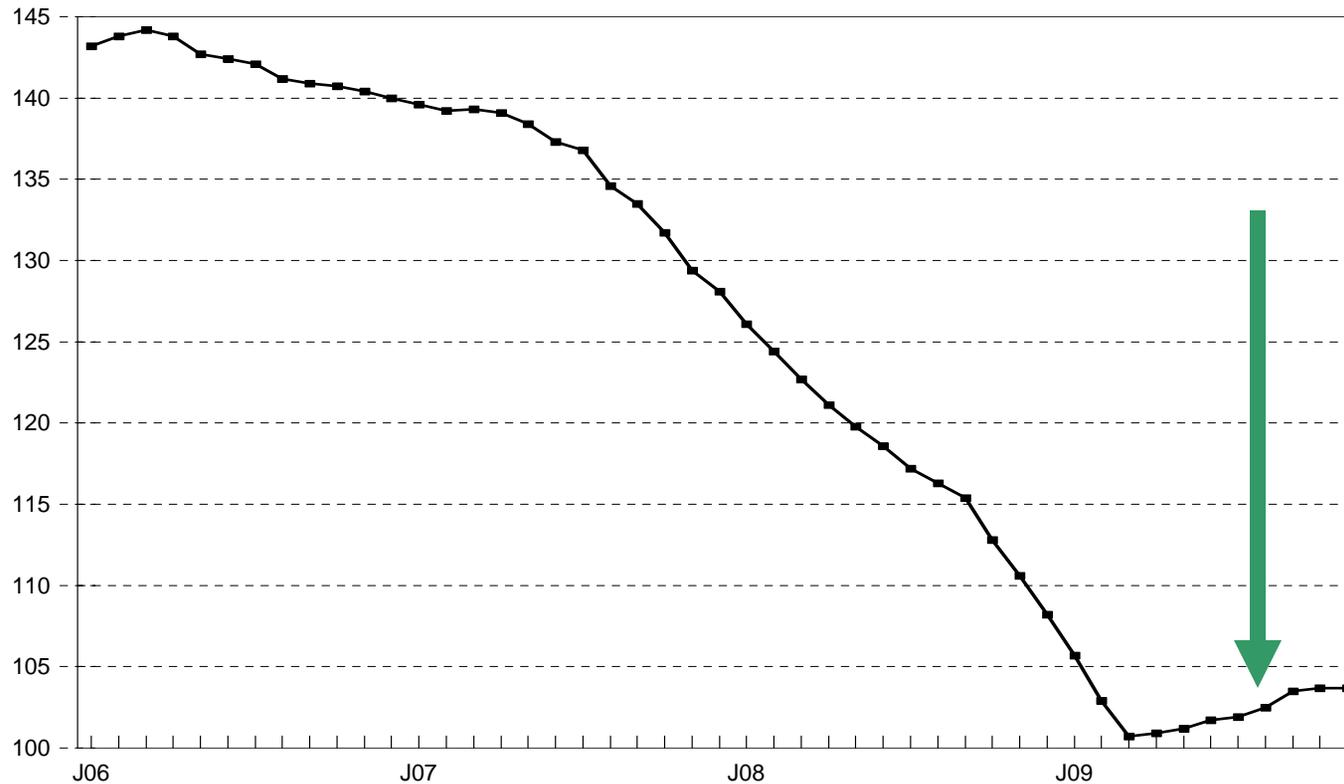
Source: *San Diego Union-Tribune*

— Seasonally Adjusted — Moving Average

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Index of Leading Economic Indicators San Diego County, 2006 - 2009



Source: Burnham-Moores Center for Real Estate, University of San Diego

Outlook for 2010

- Positive but weak growth expected in 2010
 - Bottom expected in first half of 2010
 - Job growth of 3,000 – 5,000 expected for 2010
 - Building permits rebound to 4,000
 - Mid-single digit gain expected for housing prices
 - Combination of improving housing market, rebounding national economy, and various federal actions will help stabilize local economy

Outlook for 2010

- **Potential problems**

- State and local budget deficits are a potential drag
- Foreclosures to remain at high levels
 - Second wave due to job loss
 - Leading to “shadow” inventory

“A journey of
10,000 miles
begin with a
single step.”

- Lao Tzu

