

CALIFORNIA STATE UNIVERSITY

LONG BEACH

*Southern California Regional
Economic Forecast*

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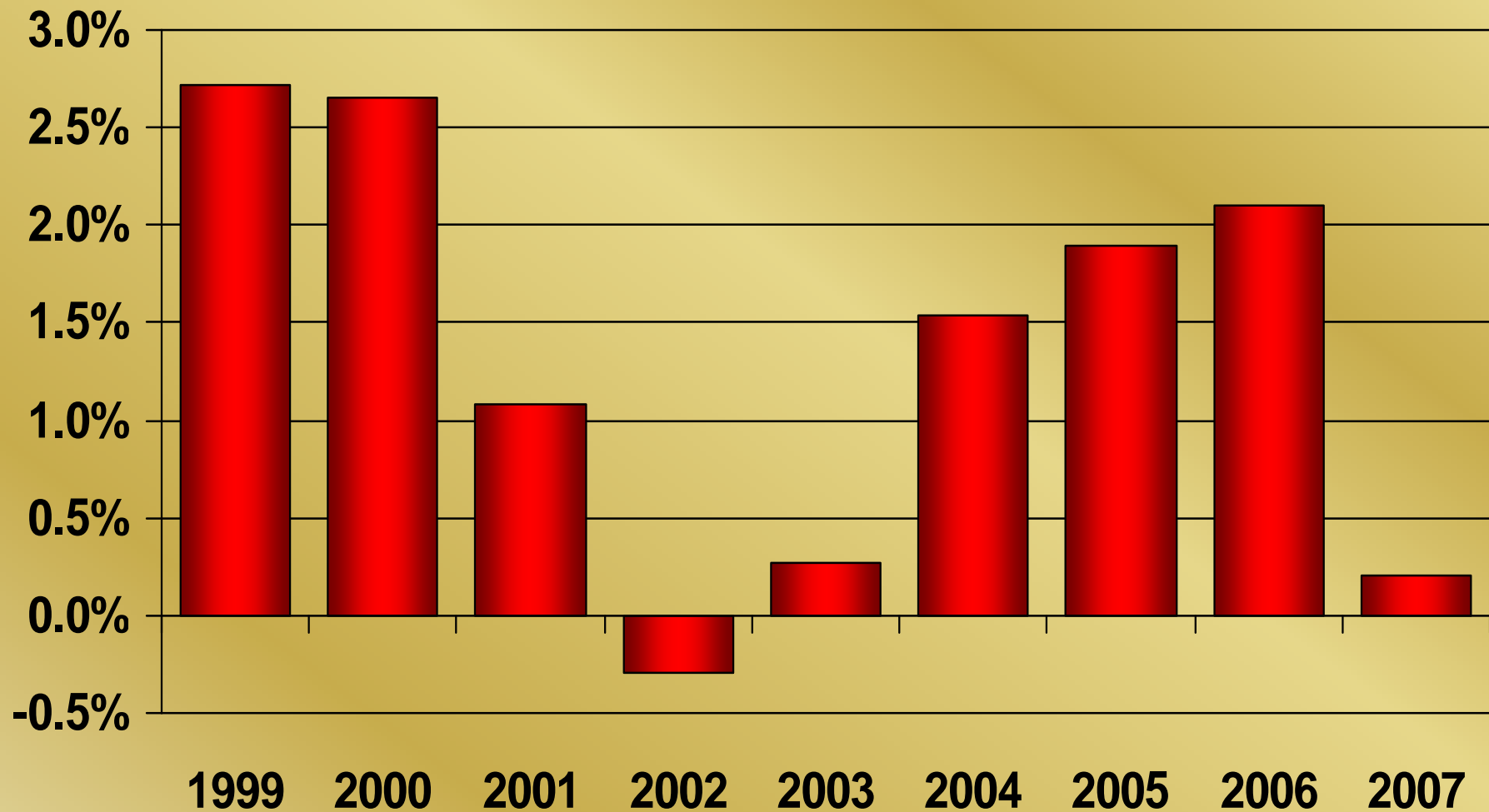
July 2, 2008

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National Outlook

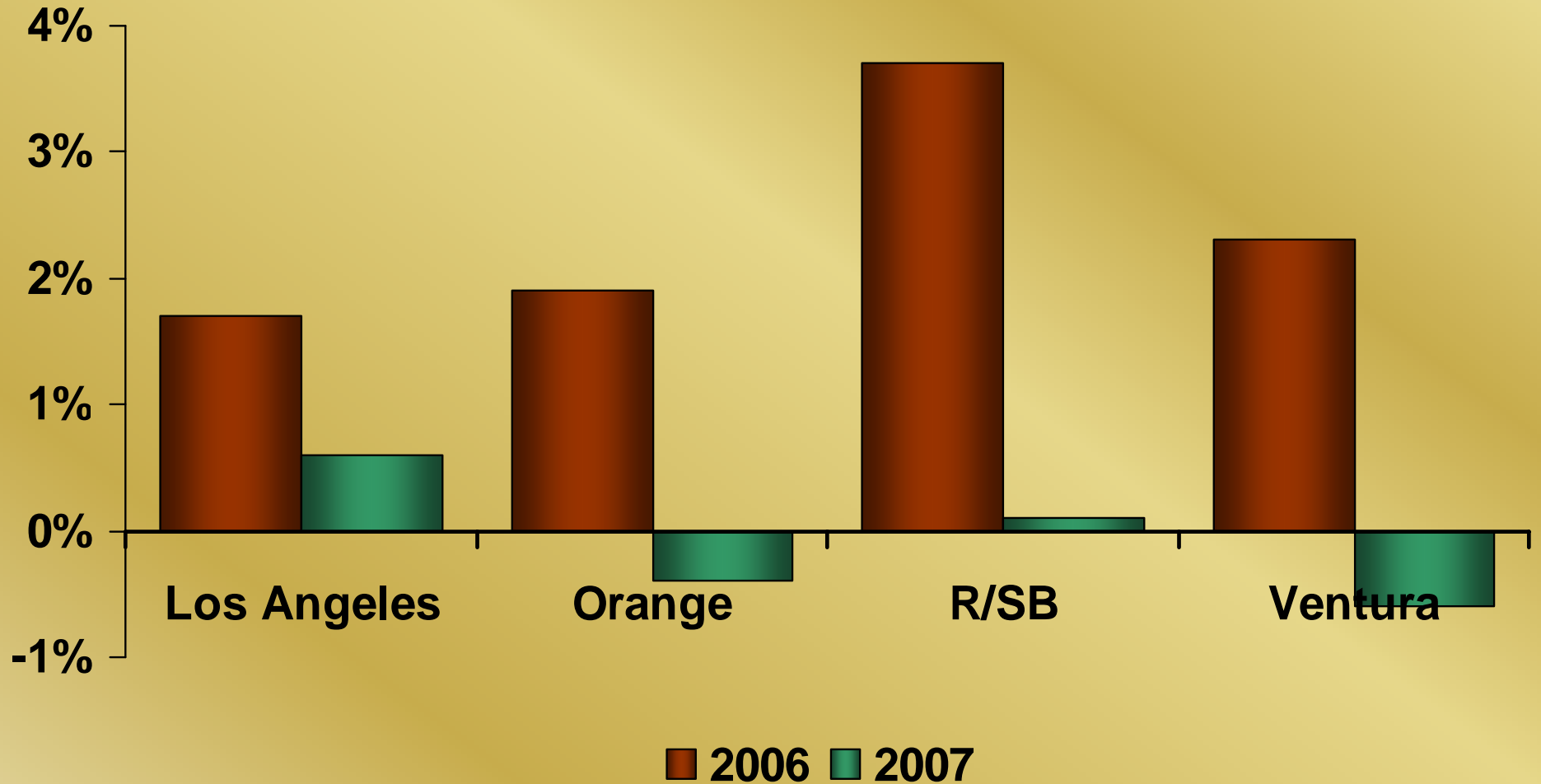
	2007	2008	2009
GDP Growth	2.2%	1.1%	1.6%
Inflation [CPI]	2.9%	3.4%	1.7%
Unemployment	4.6%	5.2%	5.6%
Federal Funds Rate	5.0%	2.0%	2.2%

The Region's Economy



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All areas slowed in 2007



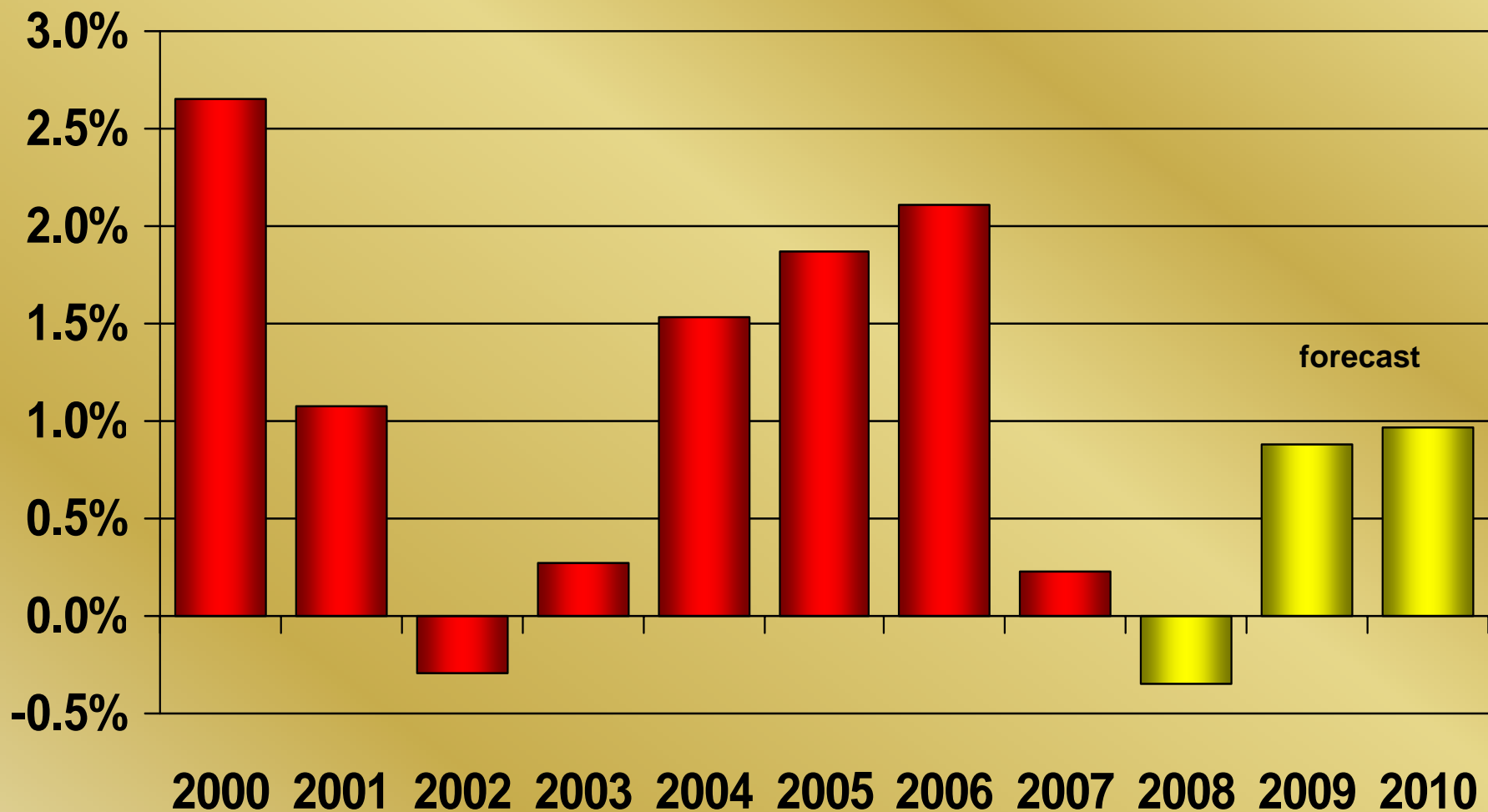
Number of Jobs Added in 2006-07

County	2006	2007
Los Angeles	68,366	23,283
Riverside/San Bernardino	49,234	1,067
Orange	29,135	-5,976
Ventura	6,767	-1,925
REGION	153,502	16,449

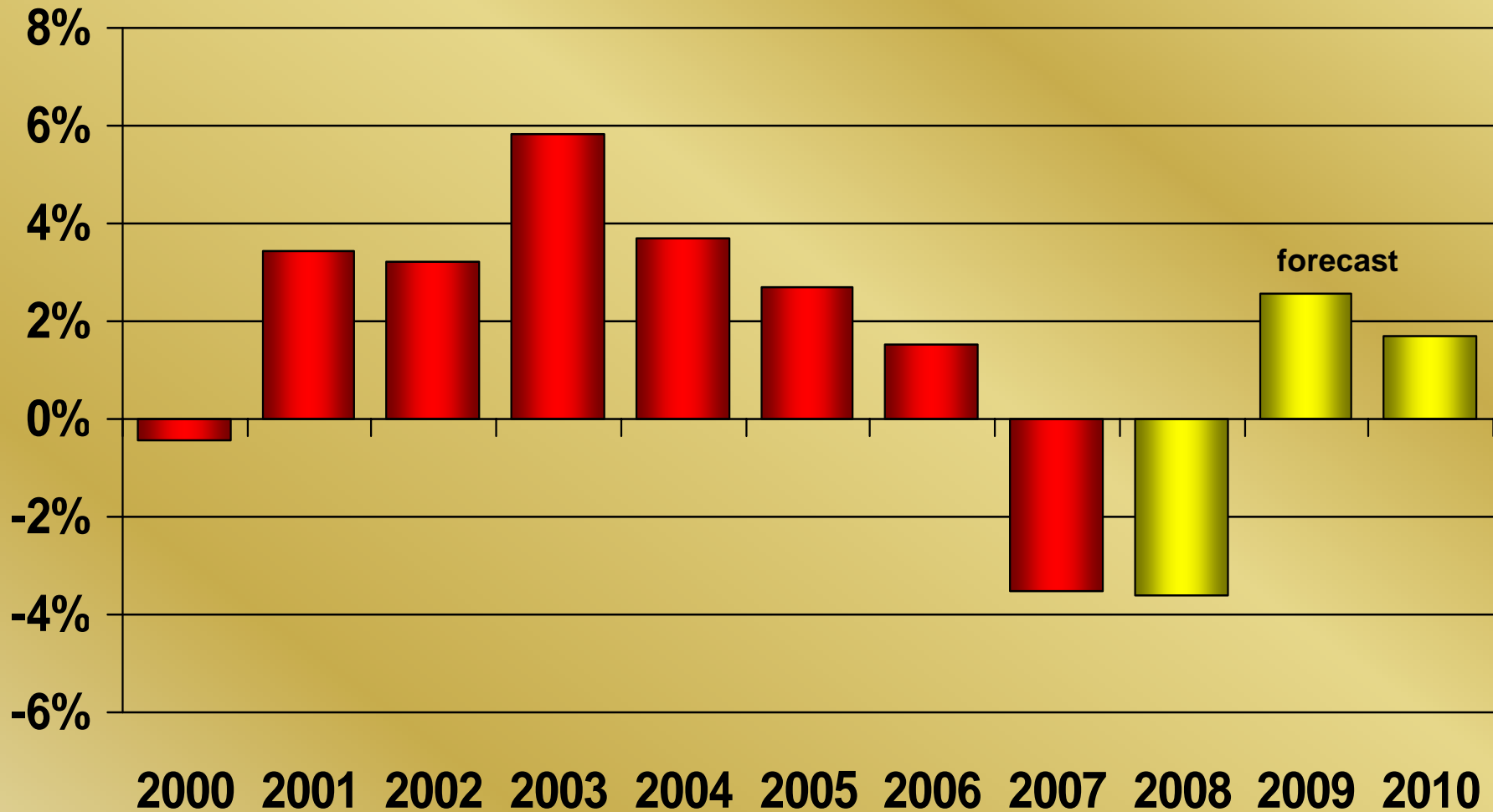
Reasons for the shifting distribution of growth

- **In recent years, sectors dependent on housing market were unusually strong**
- **With rising interest rates and a cooling housing market, these sectors are slowing**
- **This has disproportionately affected Orange, Riverside/San Bernardino and Ventura**
- **Los Angeles has slowed but still added jobs last year.**

Total Nonfarm Employment Growth



Finance Employment Growth

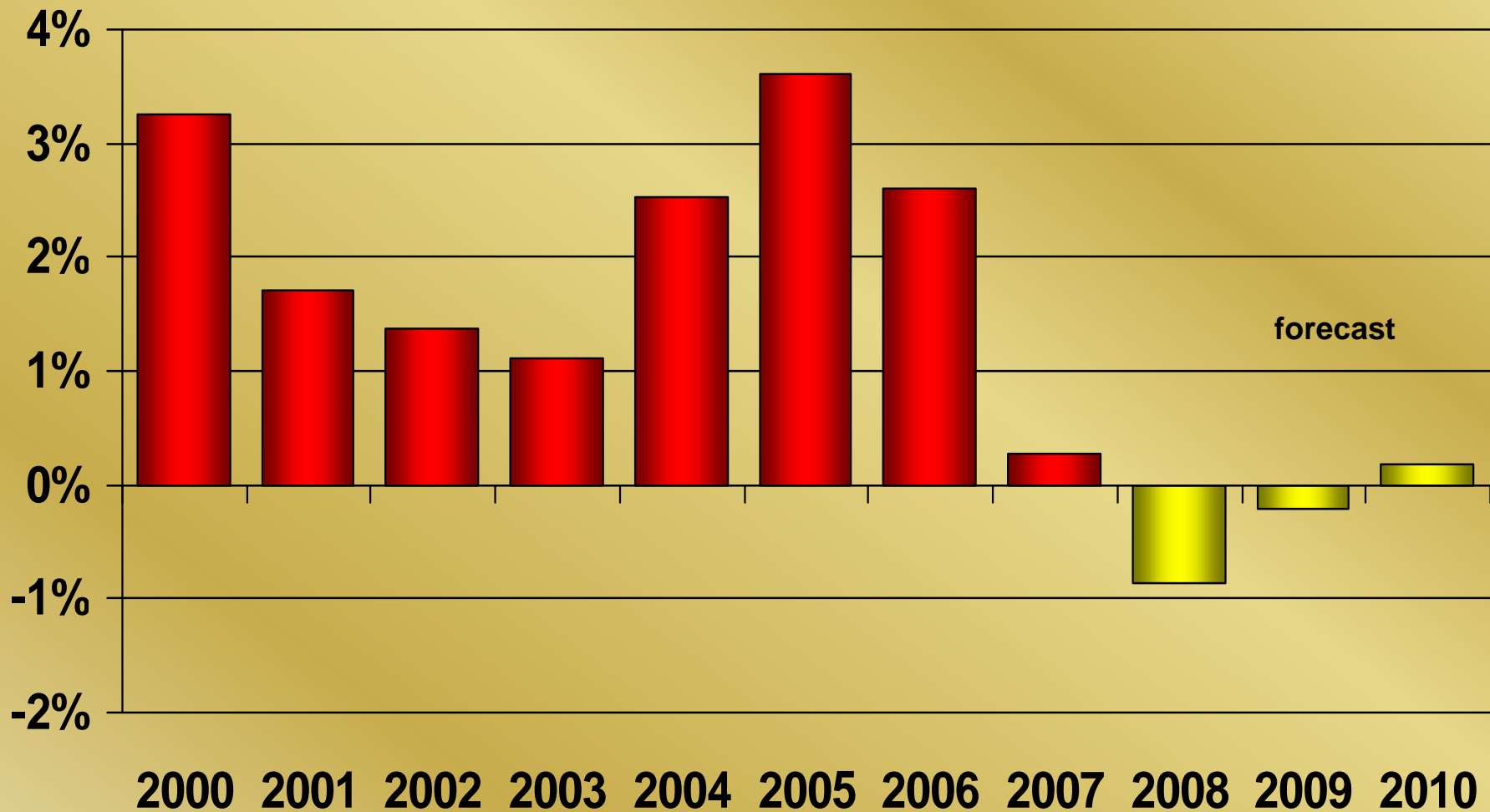


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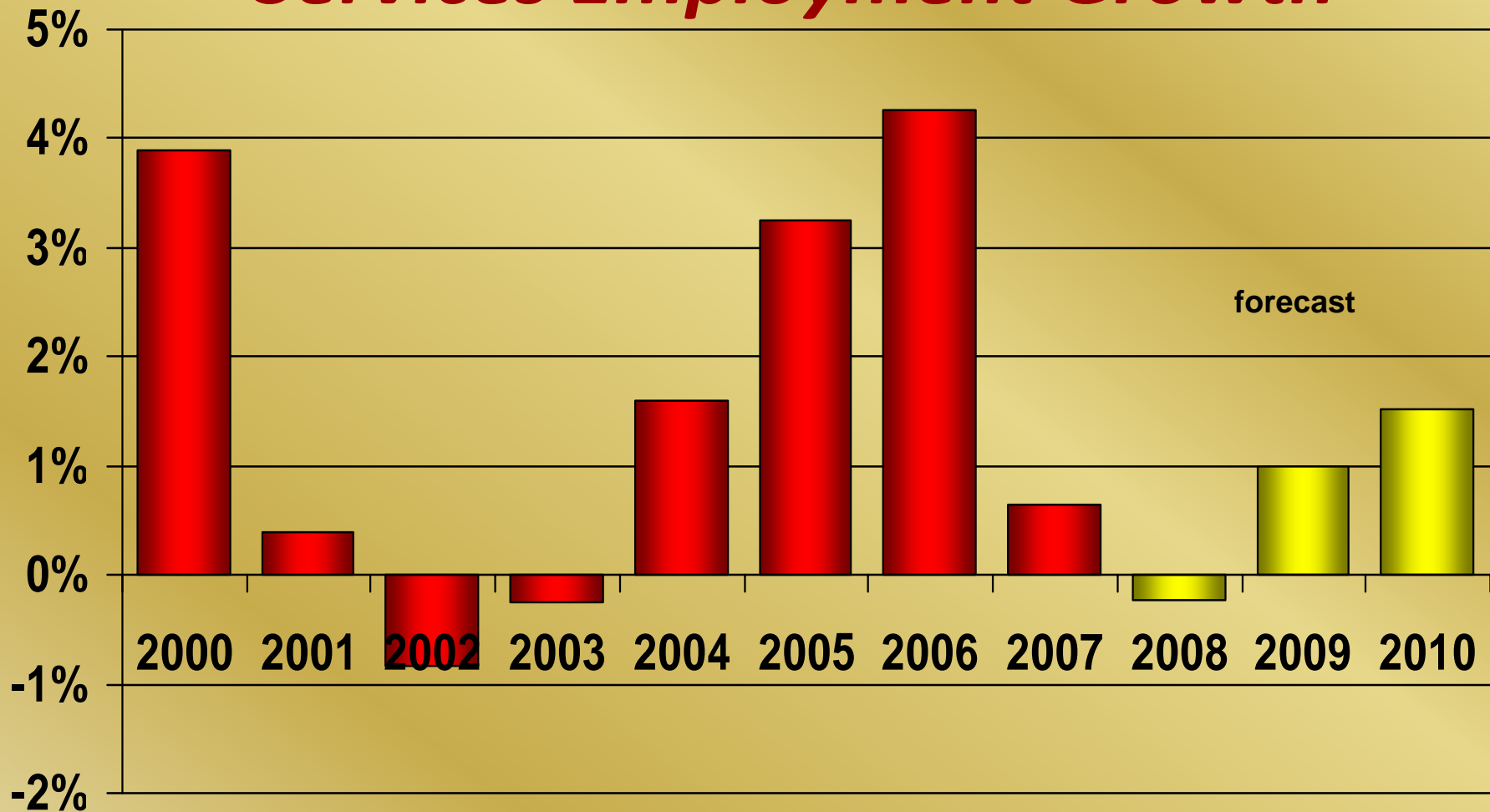
Construction and Mining Employment Growth



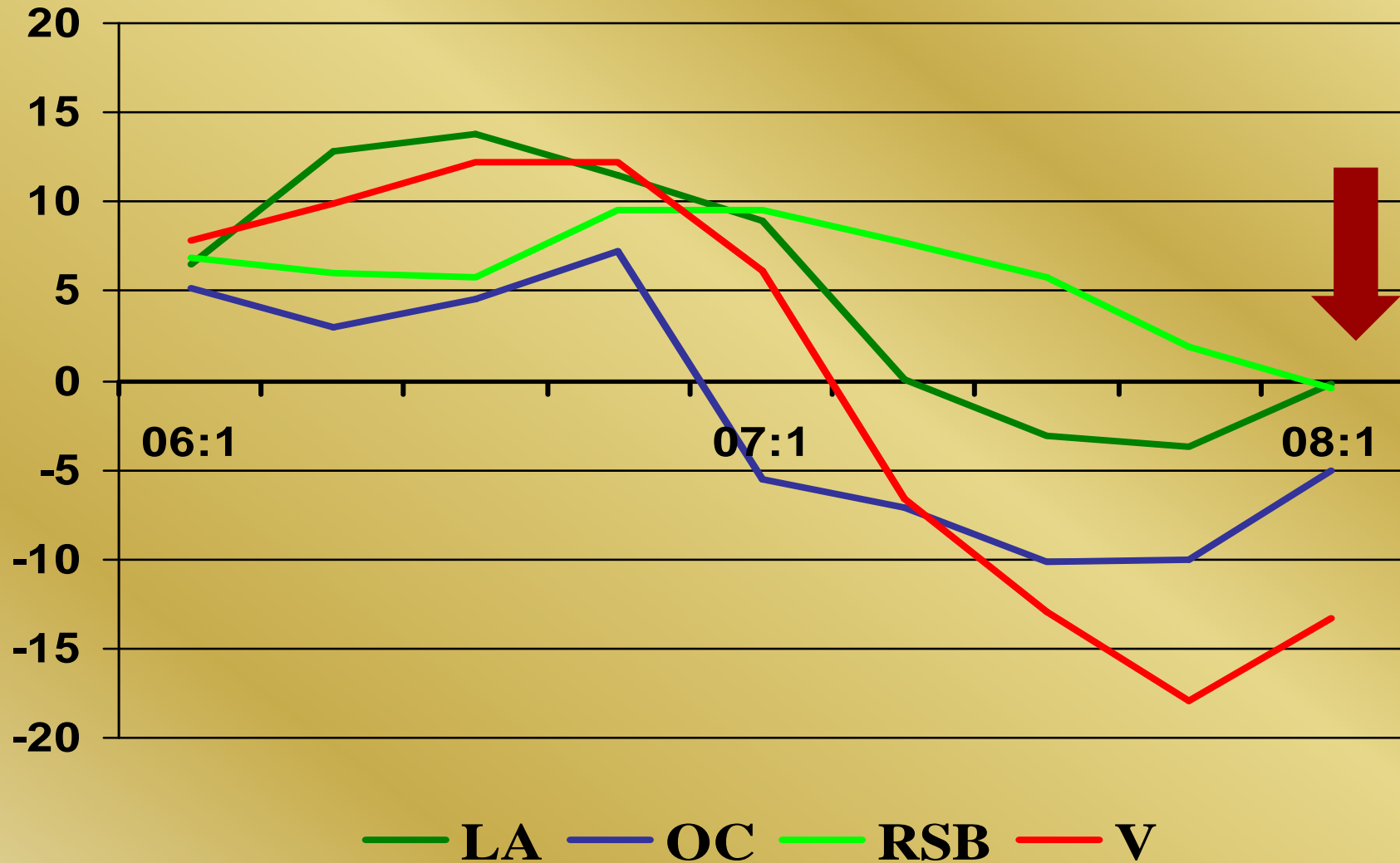
Retail Employment Growth



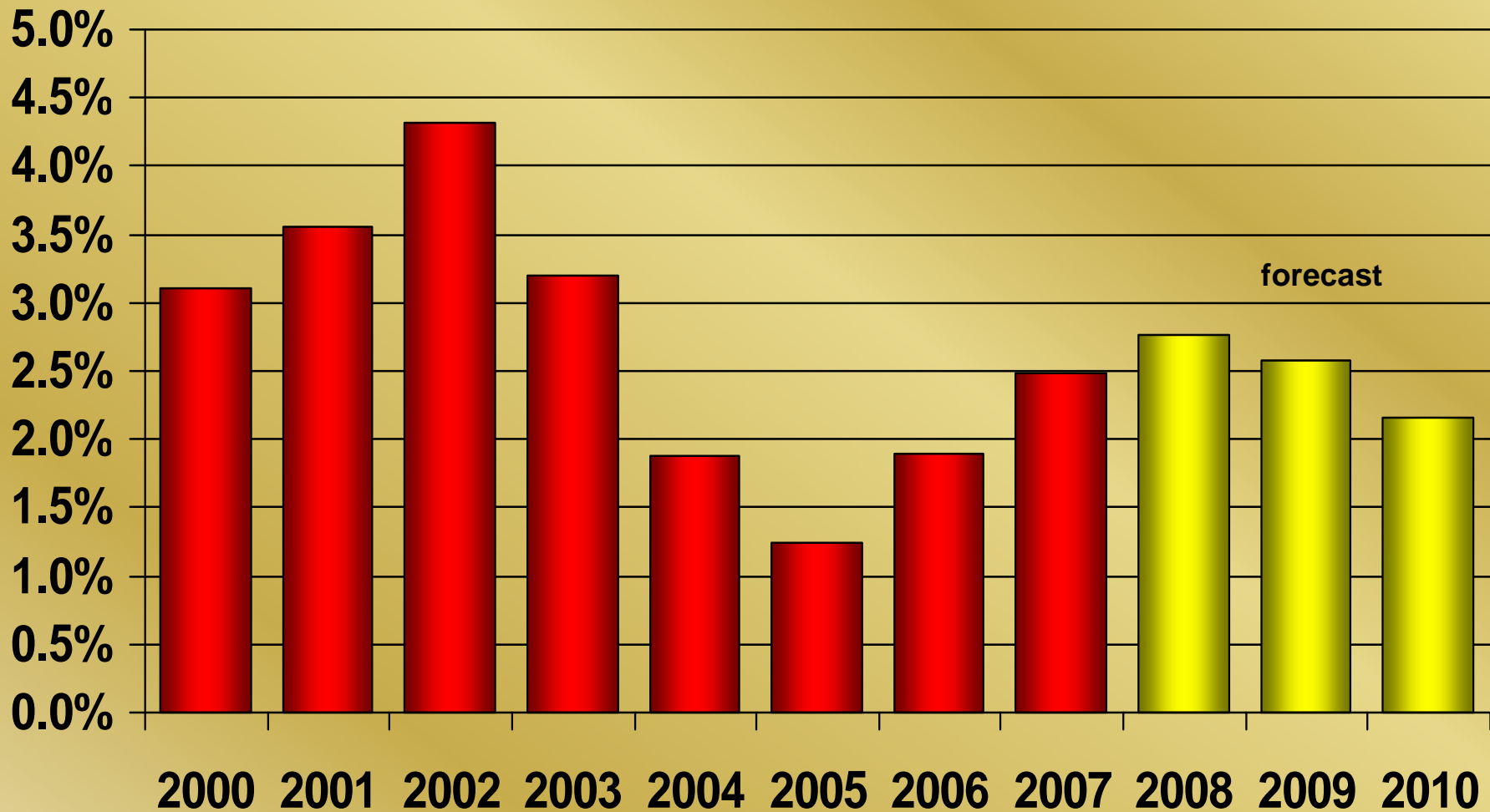
Regional Professional & Business Services Employment Growth



Growth in Employment Services

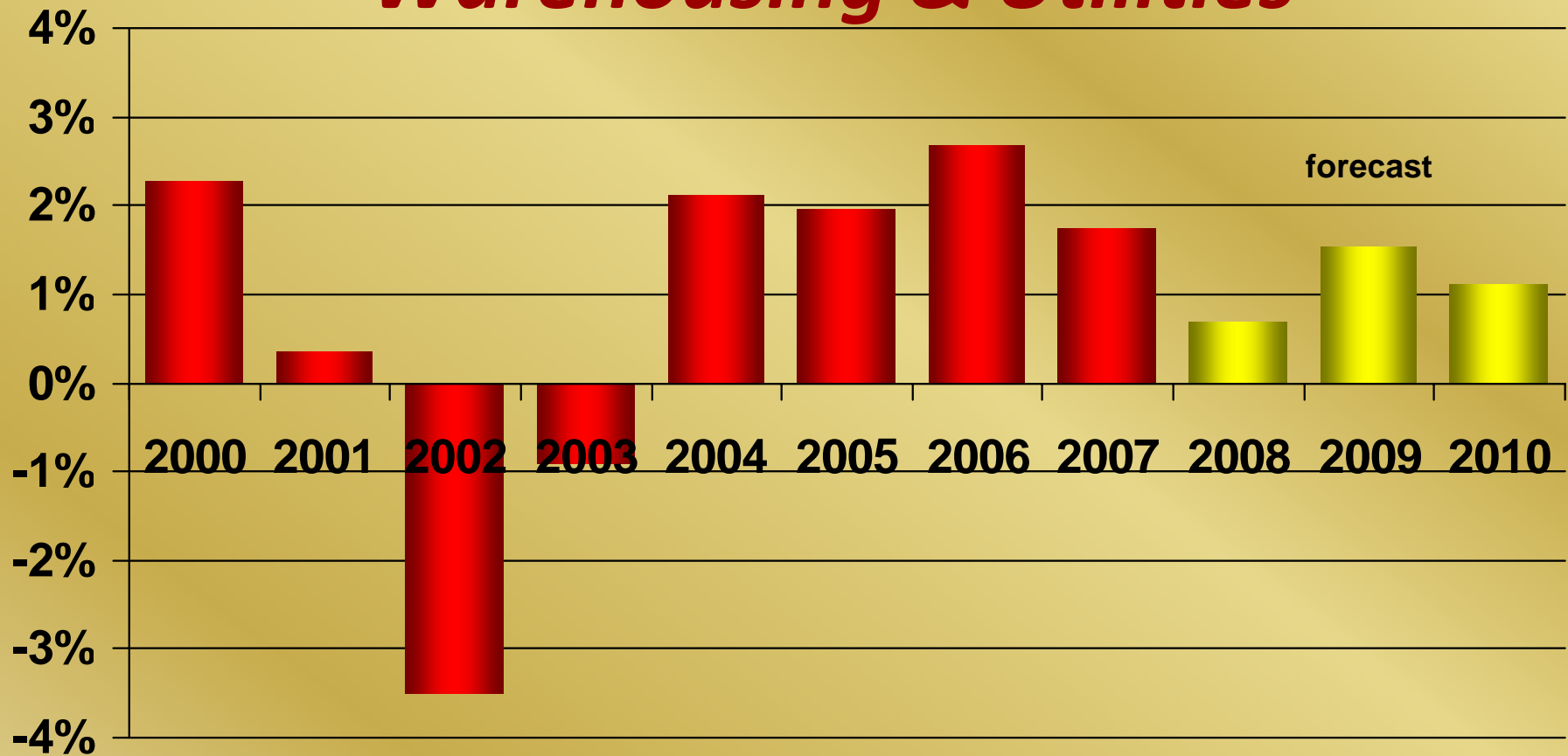


Health Services Employment Growth

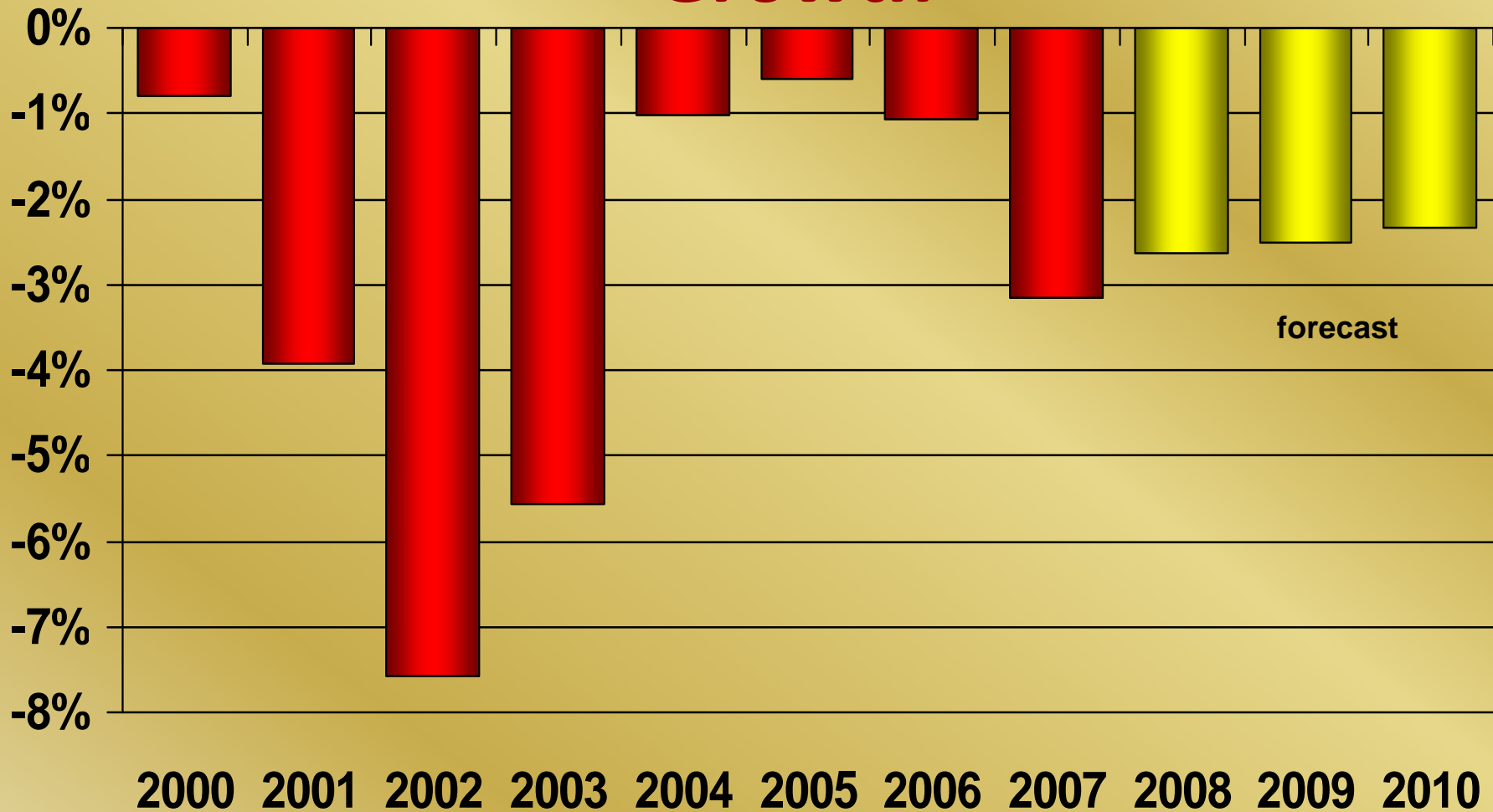


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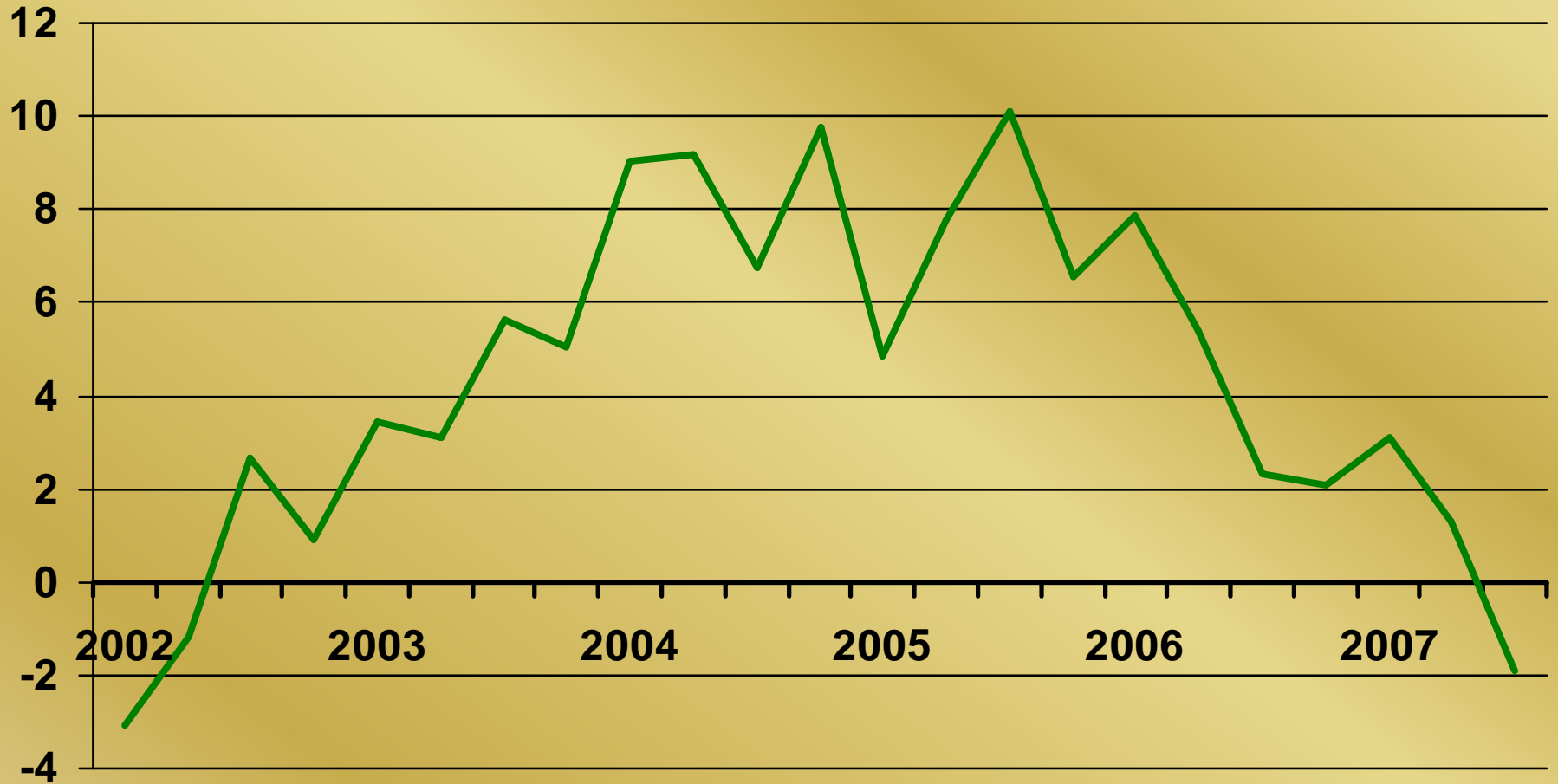
Regional Transportation, Warehousing & Utilities



Durable Manufacturing Employment Growth

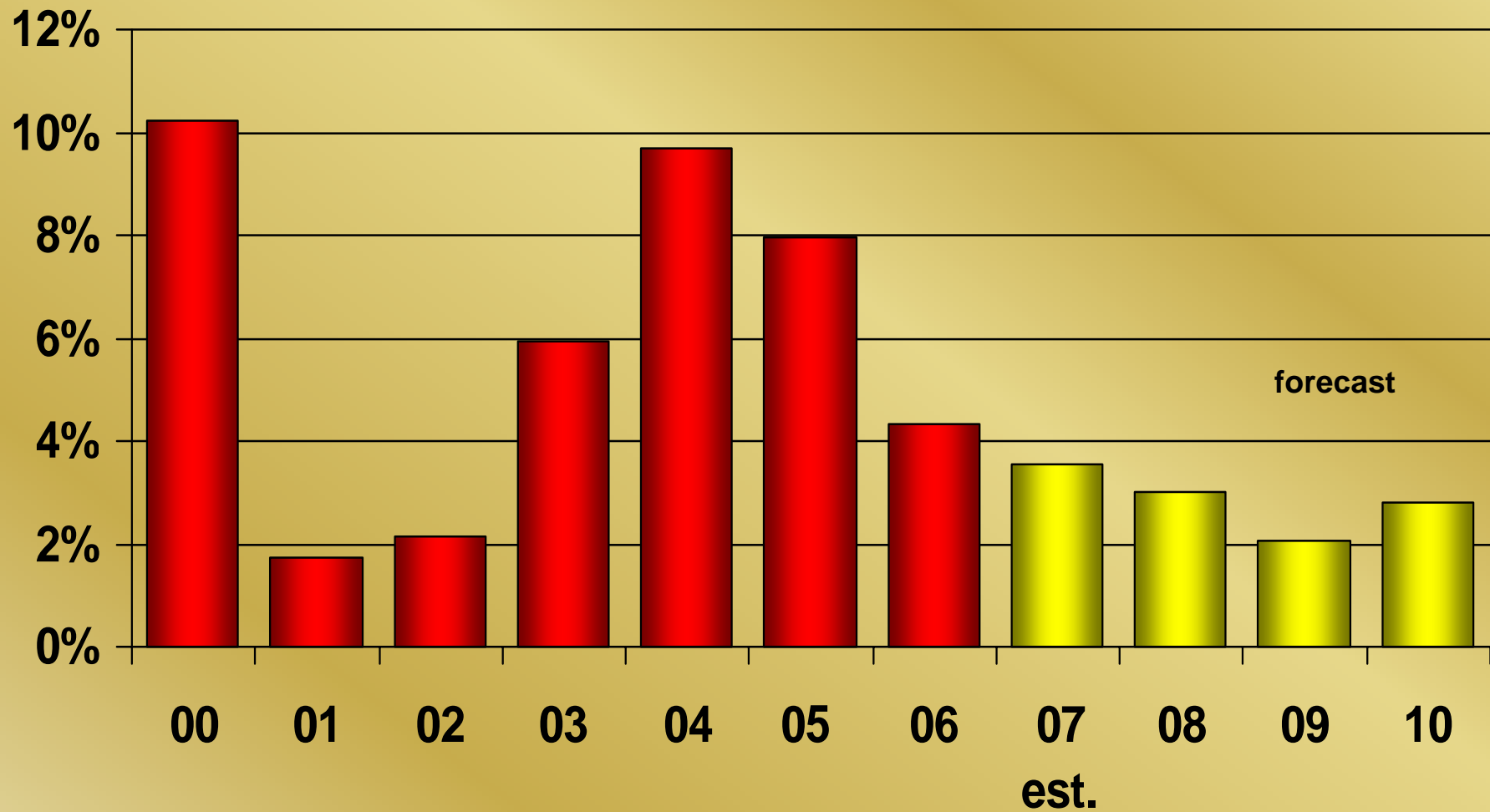


California Taxable Sales



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Regional Taxable Sales



Regional Economy: Summary

- **Region's economy will contract this year**
- **Slowdown mainly due to trends in housing market and national economy**
- **Region will see a recovery by 2009**
- **LA County will have the best economy in the region during this cycle**

***Economic Outlook
Los Angeles County***

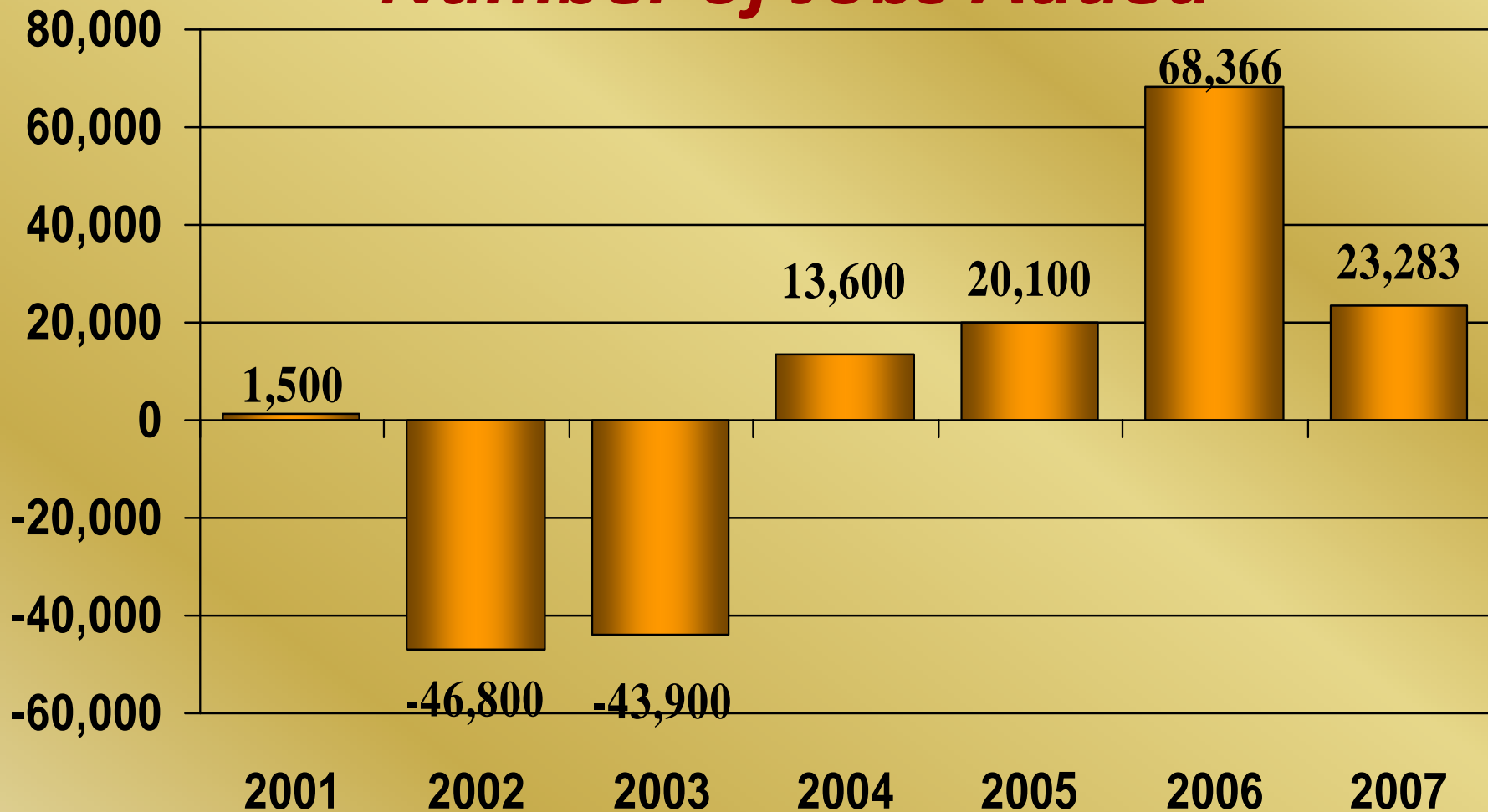
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Total Nonfarm Employment Los Angeles County



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Los Angeles County Number of Jobs Added



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2007 Job Growth in Housing-Related Sectors

County	Finance	Construction
LA	-1.5%	0.1%
OC	-7.0%	-2.7%
RSB	-3.1%	-11.4%
V	-5.4%	-8.6%

Los Angeles County Total Nonfarm Employment Growth



***Economic Outlook
Orange County***

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Orange County

Total Nonfarm Employment Growth



2007 Job Growth in Housing-Related Sectors

County	Finance	Construction
LA	-1.5%	0.1%
OC	-7.0%	-2.7%
RSB	-3.1%	-11.4%
V	-5.4%	-8.6%

Orange County:2006 Average Pay in Financial Sectors

Finance	Mortgage and Non- mortgage Loan Brokers	County Average pay
\$77,119	\$73,374	\$48,901

Source: Quarterly Census of Employment and Wages

Orange County

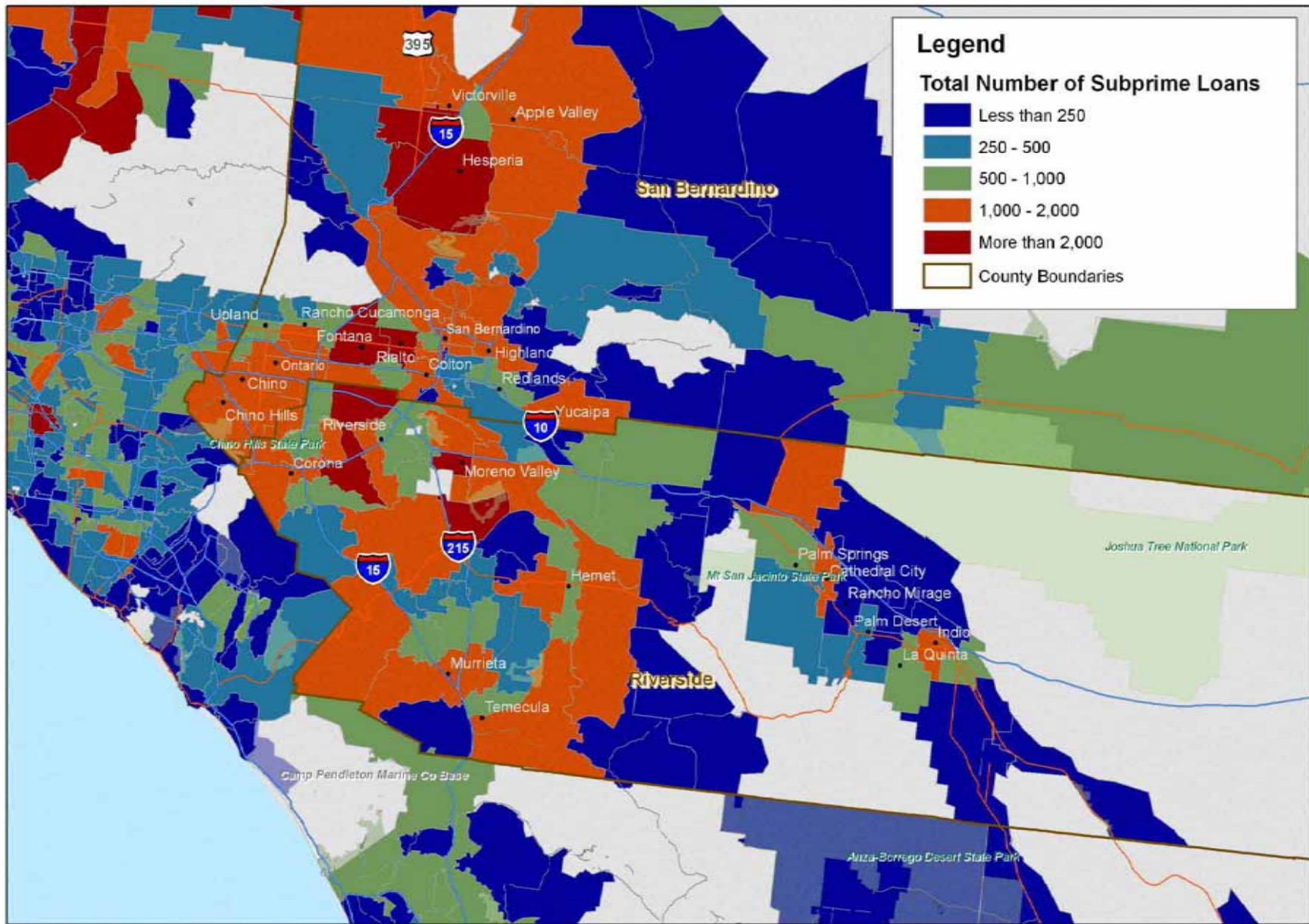
- **The county has lost a large number of professional jobs in the financial sector**
- **This has reinforced problems in the housing market by reducing county personal income**
- **But this sector will bottom out this year.**
- **The County will see positive employment growth in 2009**

***Economic Outlook
Riverside/San Bernardino***

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Riverside/San Bernardino Recession Proof ?

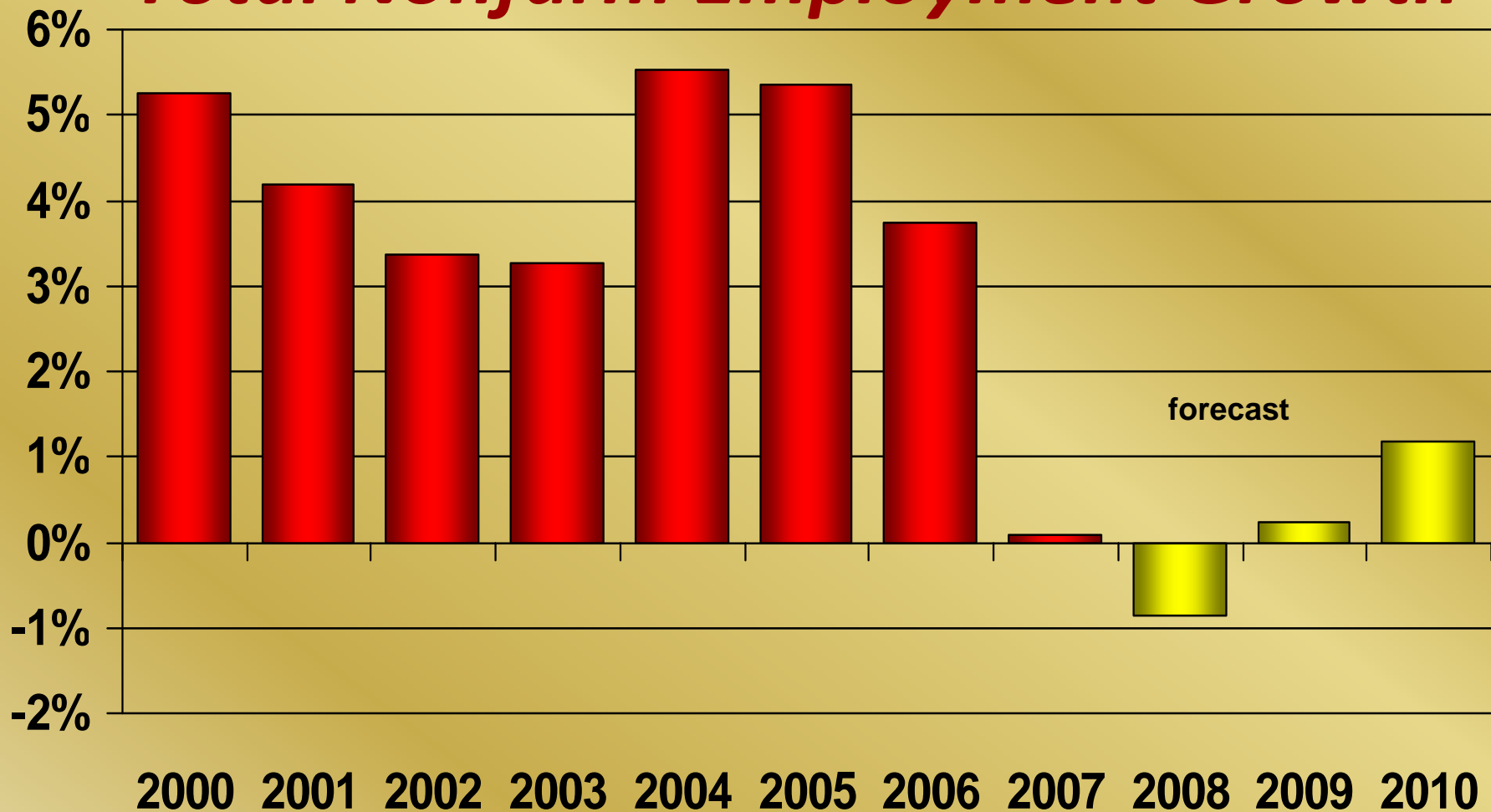
- **Apparently not – we predict job losses for the county this year.**
- **This will mark the first decline since 1982**
- **This area hit very hard by sub-prime crisis**



Source: Federal Reserve Bank of San Francisco

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Riverside/San Bernardino Total Nonfarm Employment Growth

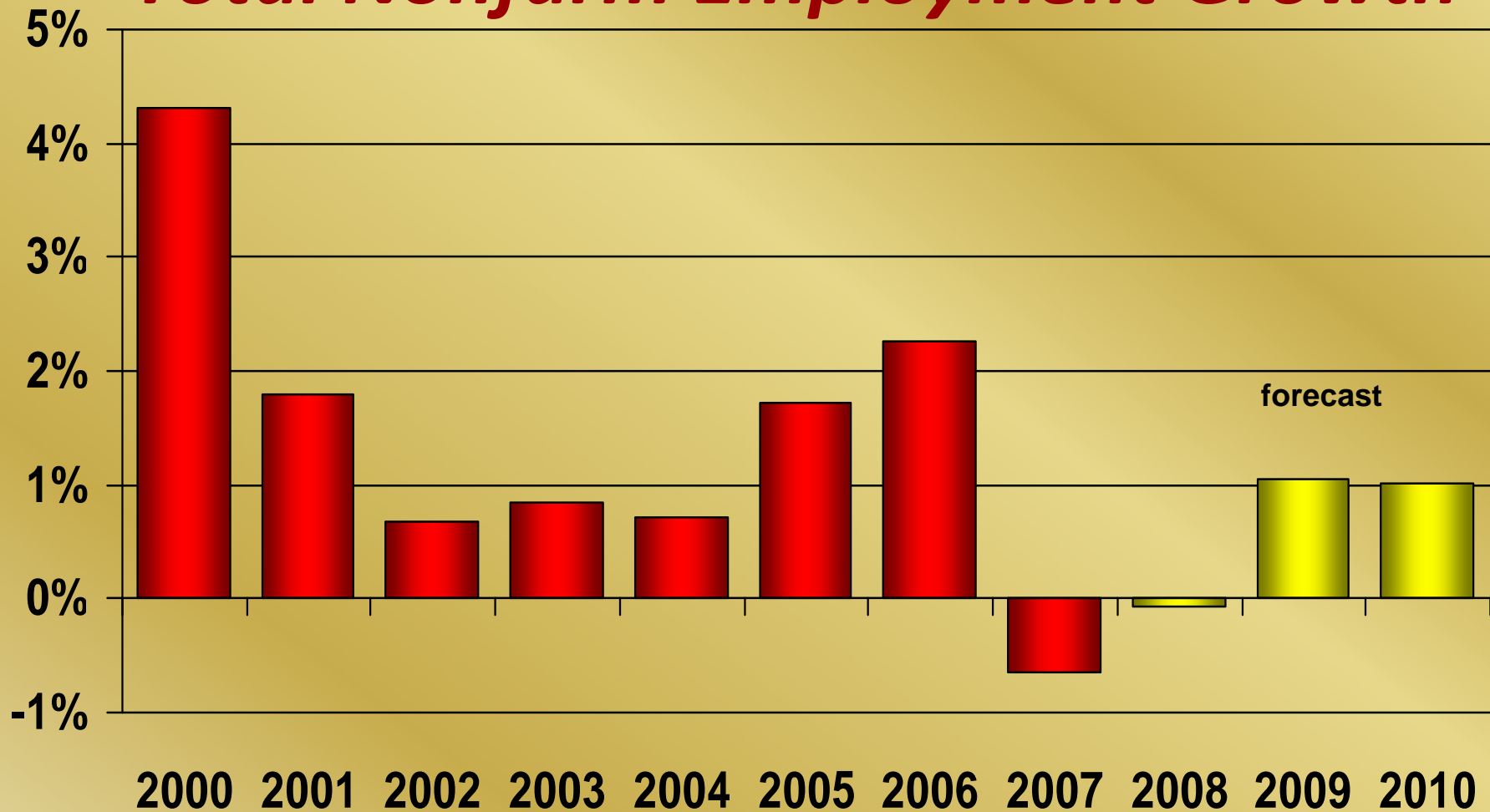


***Economic Outlook
Ventura County***

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Ventura County

Total Nonfarm Employment Growth



Thank You!

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