

San Diego's Economic Outlook

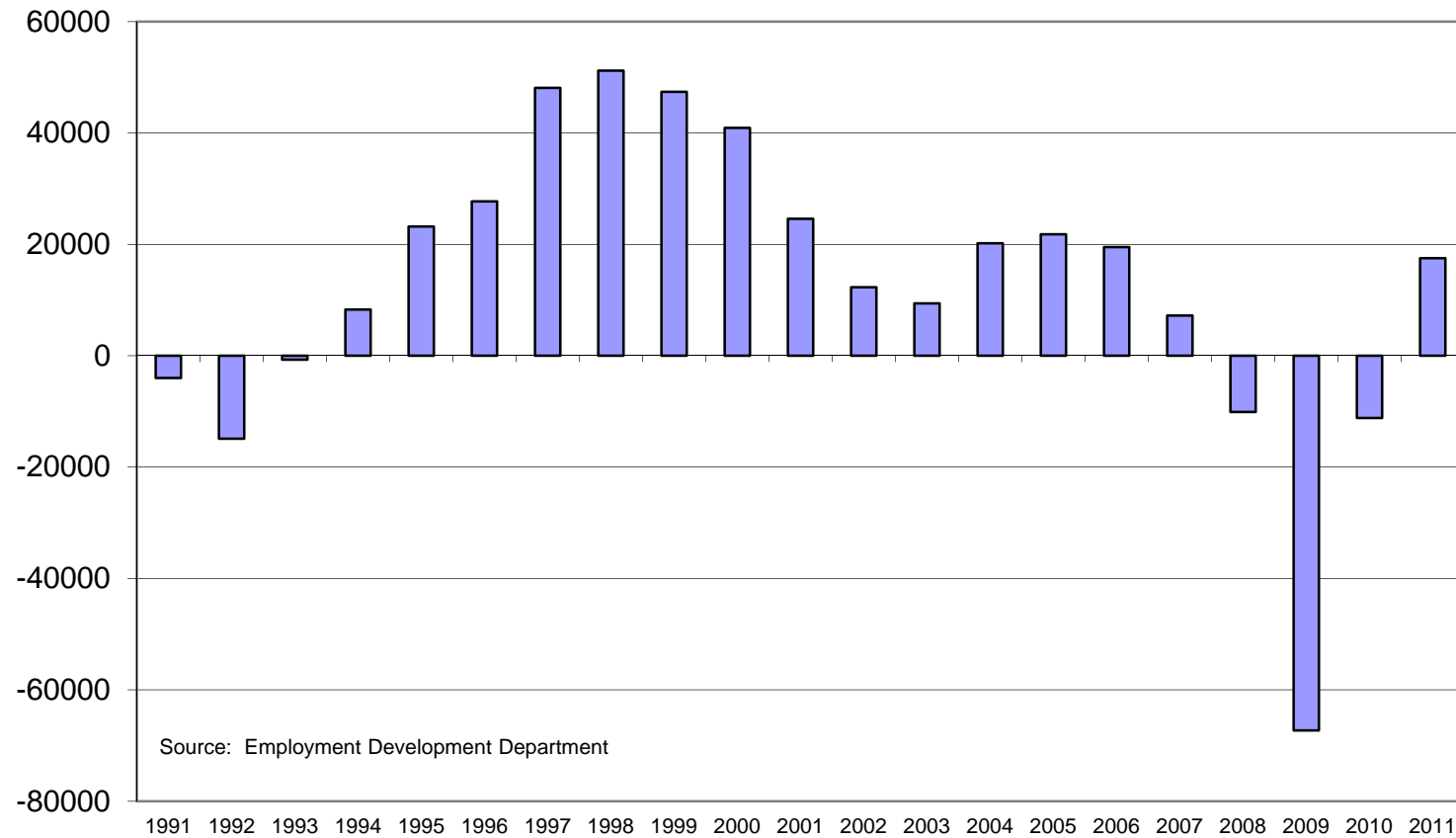


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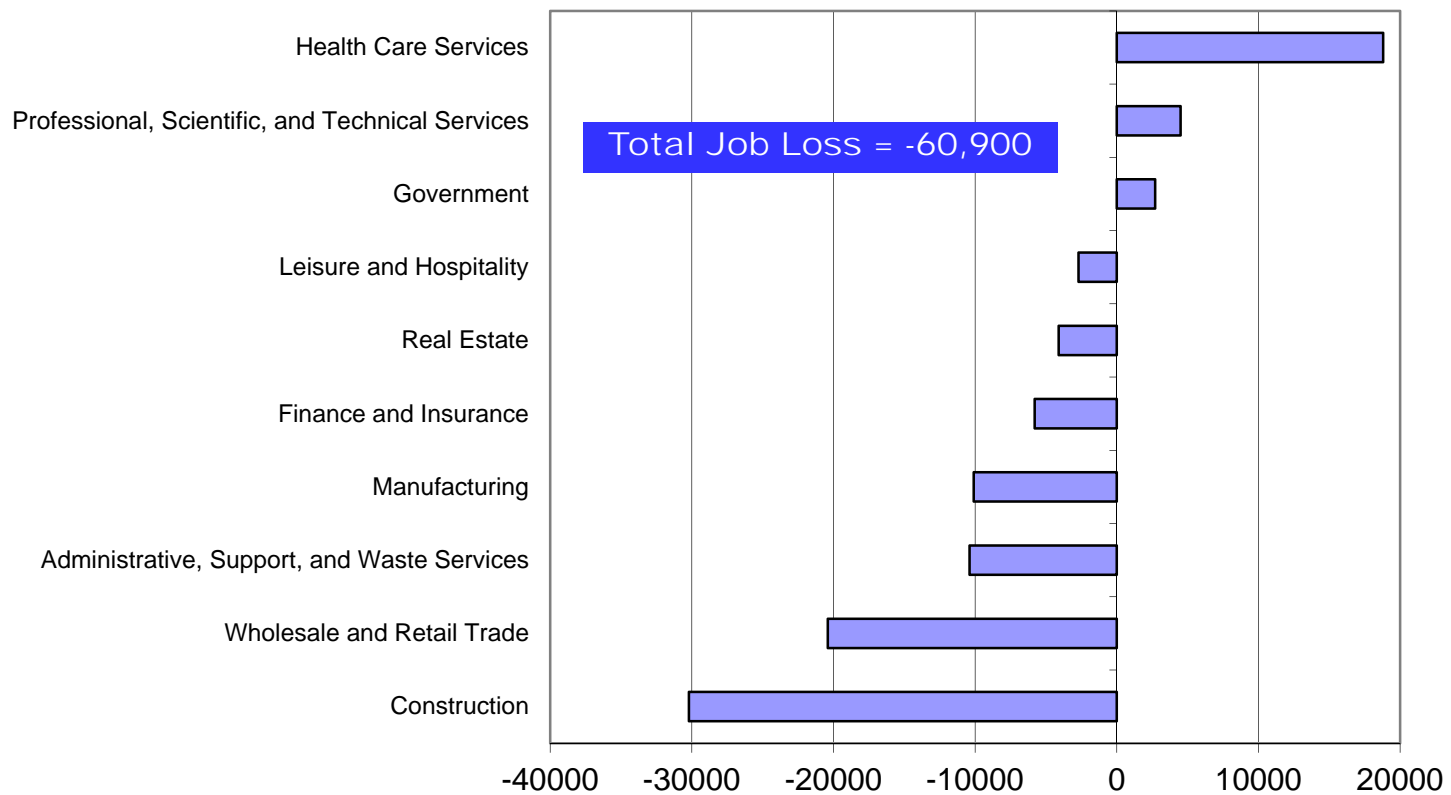
“May you live in
interesting times.”

- Chinese Curse

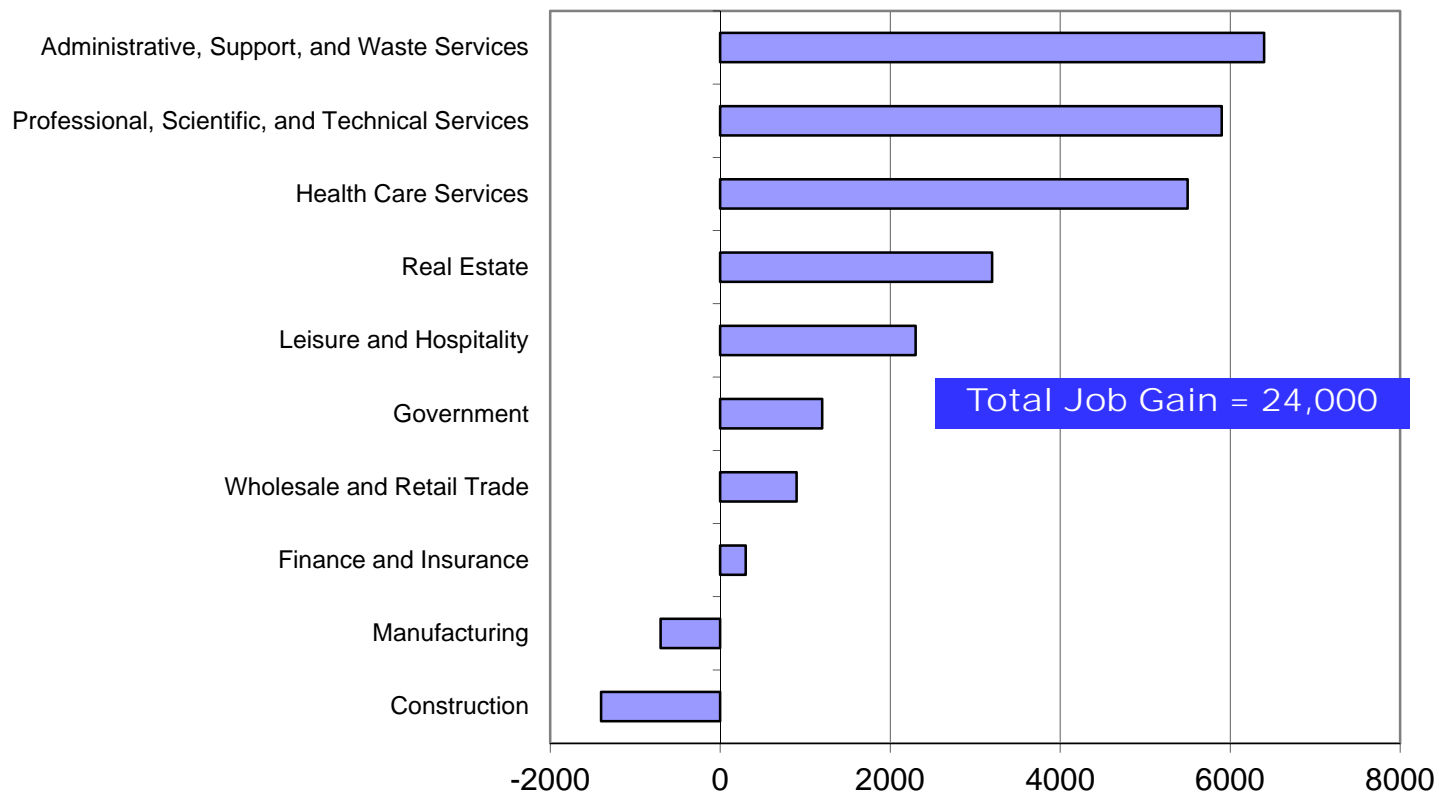
Employment Growth San Diego County (1991 - Present)



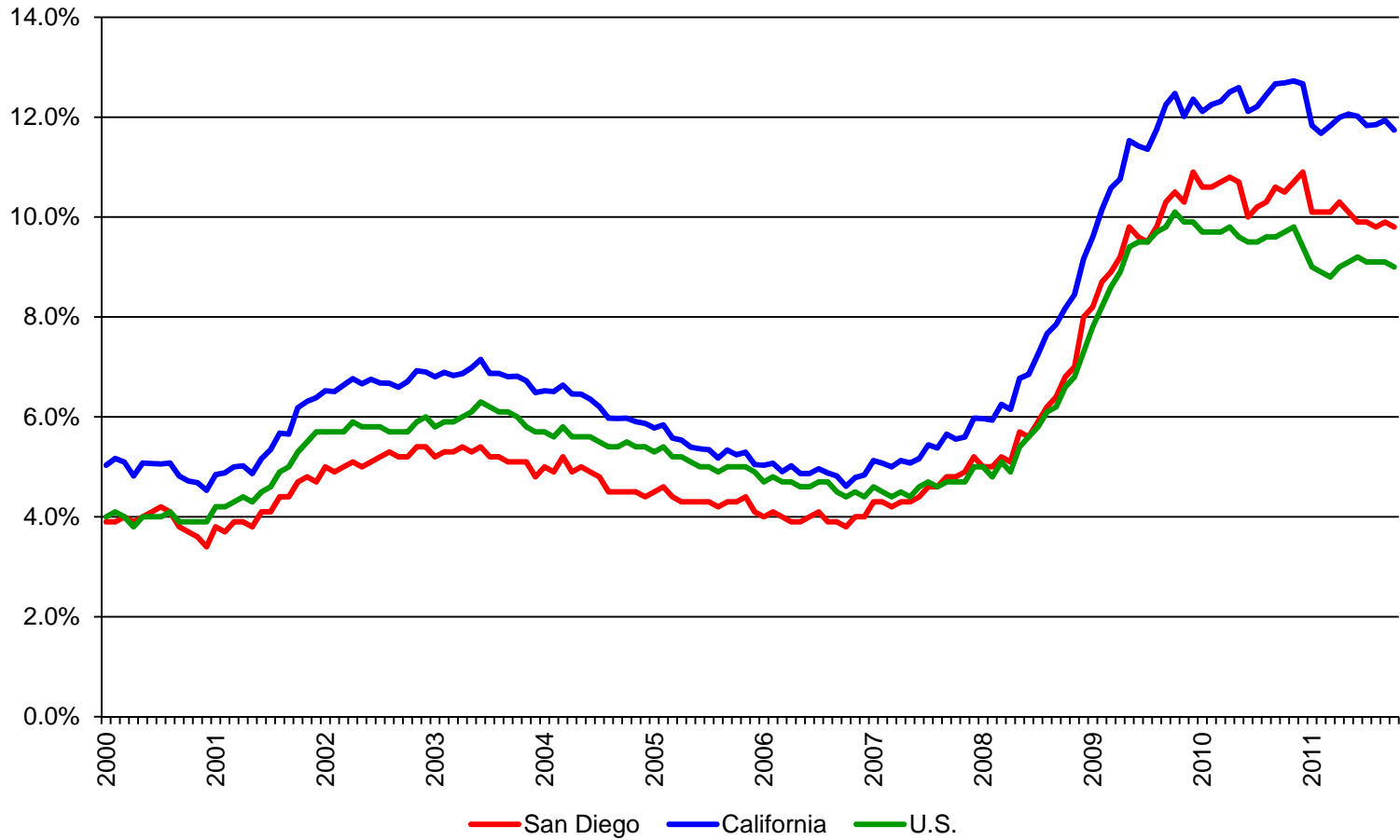
Employment Changes, San Diego County October 2011 vs. October 2007



Employment Changes, San Diego County October 2011 vs. October 2007



Unemployment Rate San Diego, California, U.S.



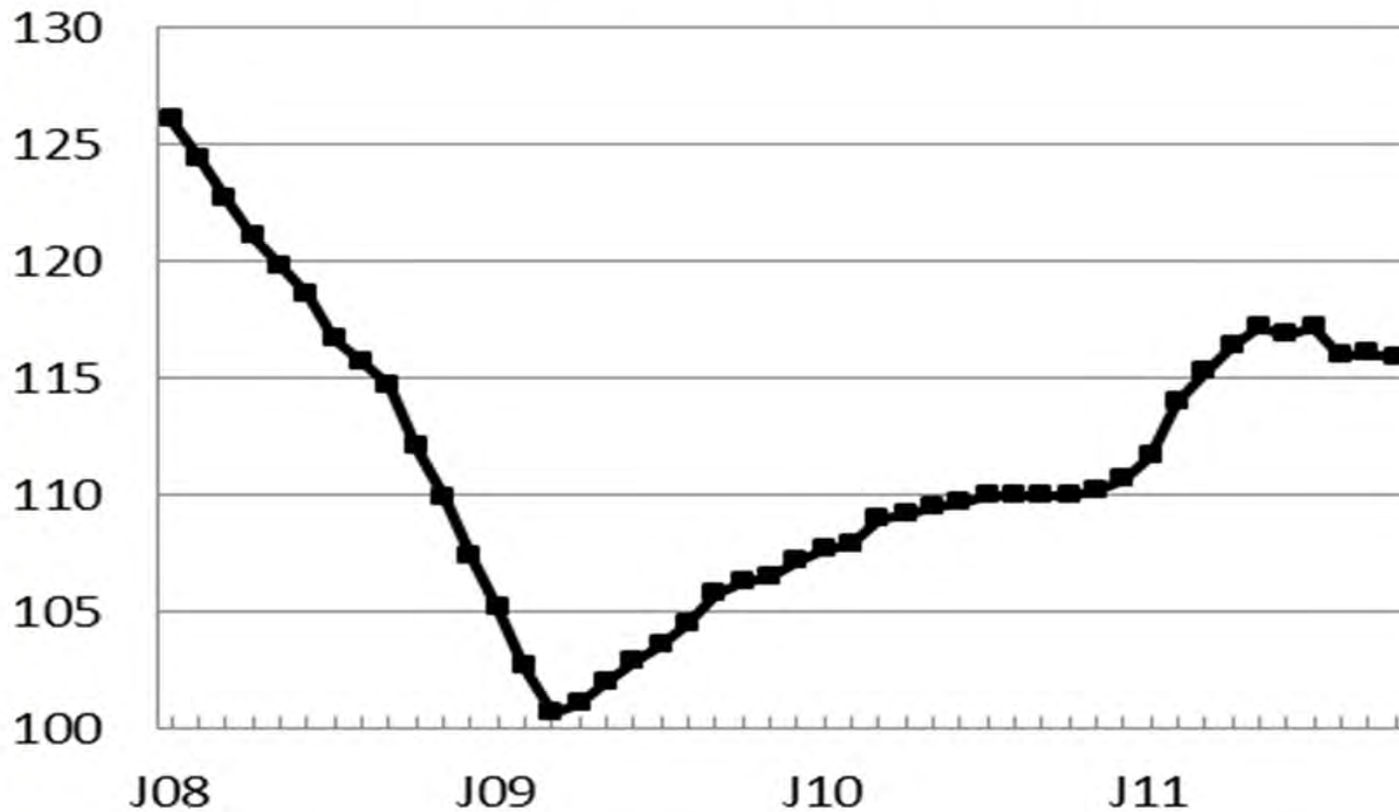
Outlook for 2012



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

Index of Leading Economic Indicators San Diego County, 2008 - 2011



October 2011

Index	-0.2%
Residential units authorized by building permits	-1.41%
Initial claims for unemployment insurance	+0.06%
Local stock prices	-0.05%
Local consumer confidence	-1.89%
Online help wanted advertising	+0.53%
National Index of Leading Economic Indicators	+1.83%

Outlook for 2012

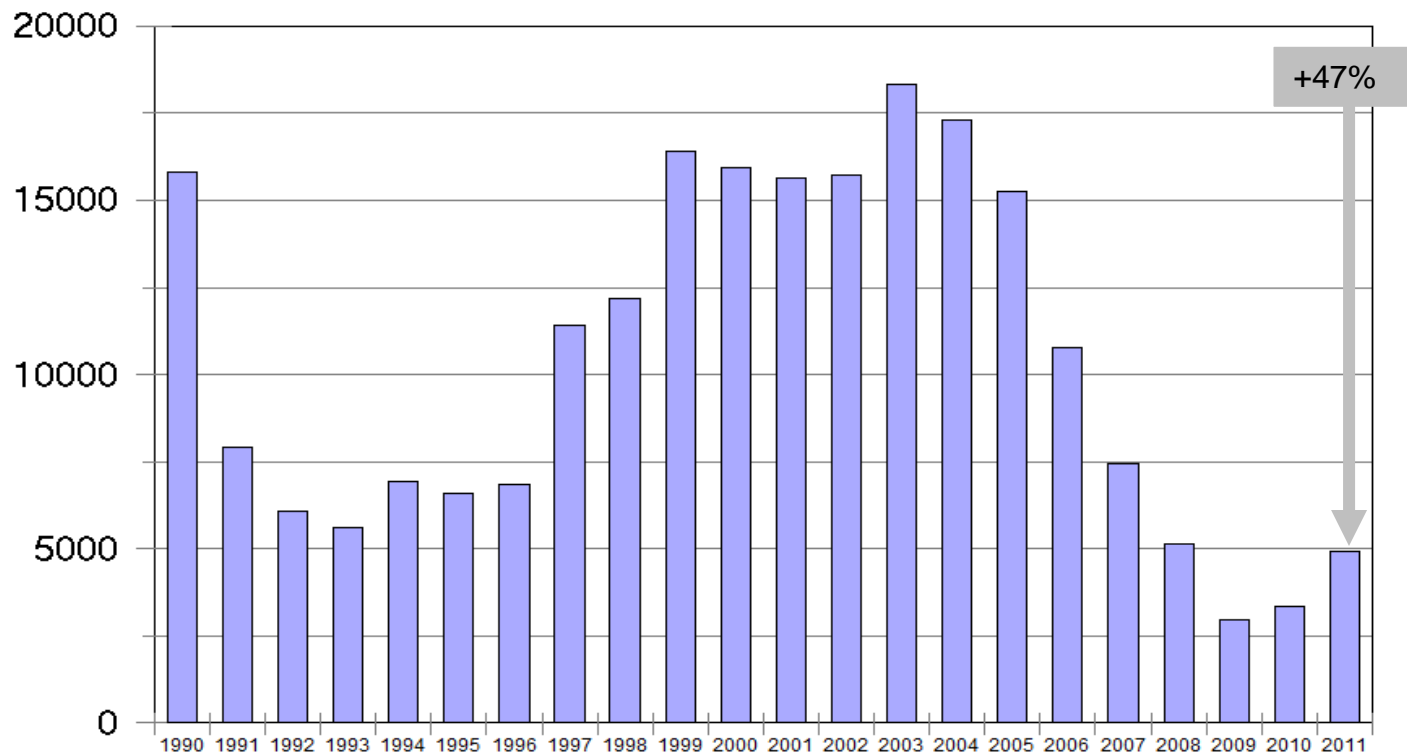
- Positive but weak growth expected in year ahead
 - Probability of a recession is less than 50%, but it is not insignificant
 - Job growth of 15,000 - 20,000 expected for 2012
 - Unemployment rate to fall to the 9 percent range
 - Residential units authorized to top 5,000

Potential Problems

- Slow growth in national economy
 - GDP growth expected to be 1.5 – 2.0% in 2012
 - Job growth weak
- International economic concerns
- Fiscal problems at all levels of government
- Continuing concerns about real estate market

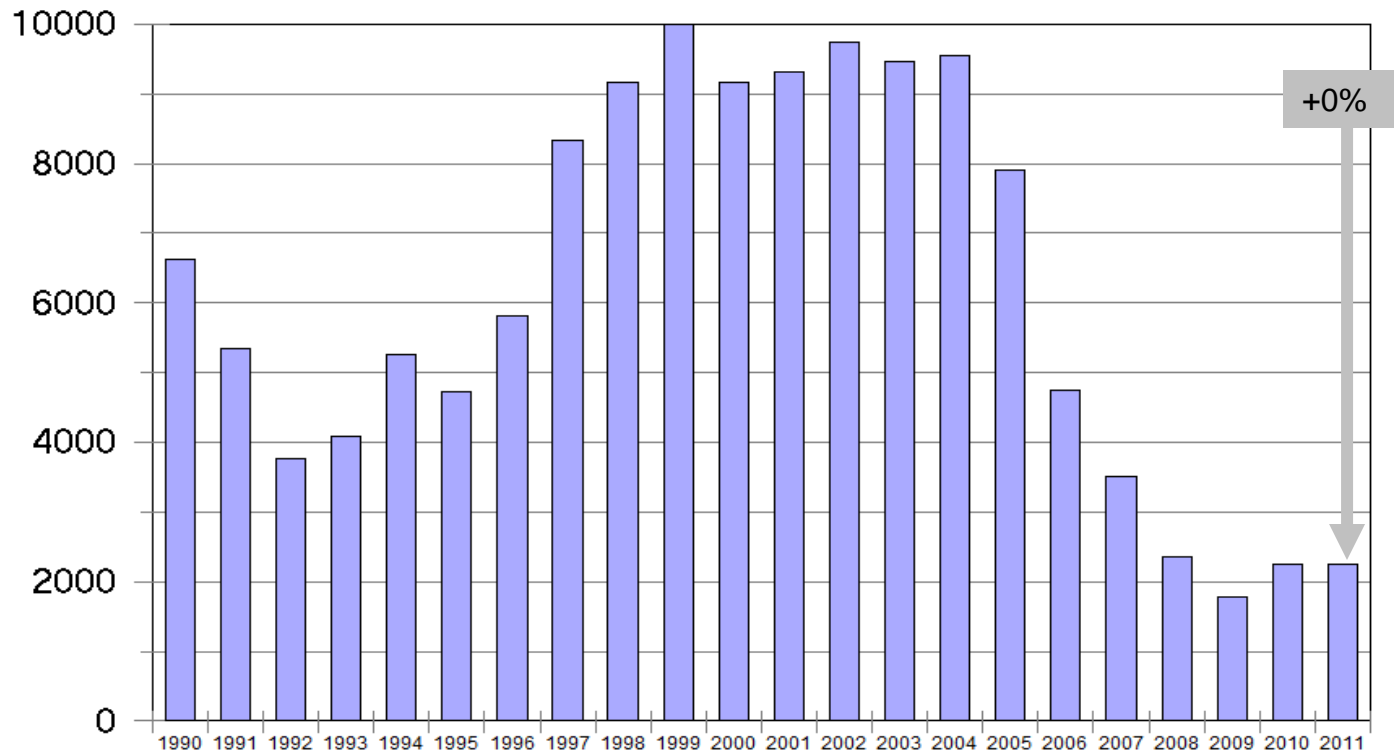
Residential Units Authorized

San Diego County (1990 - Present)



Source: Construction Industry Research Board

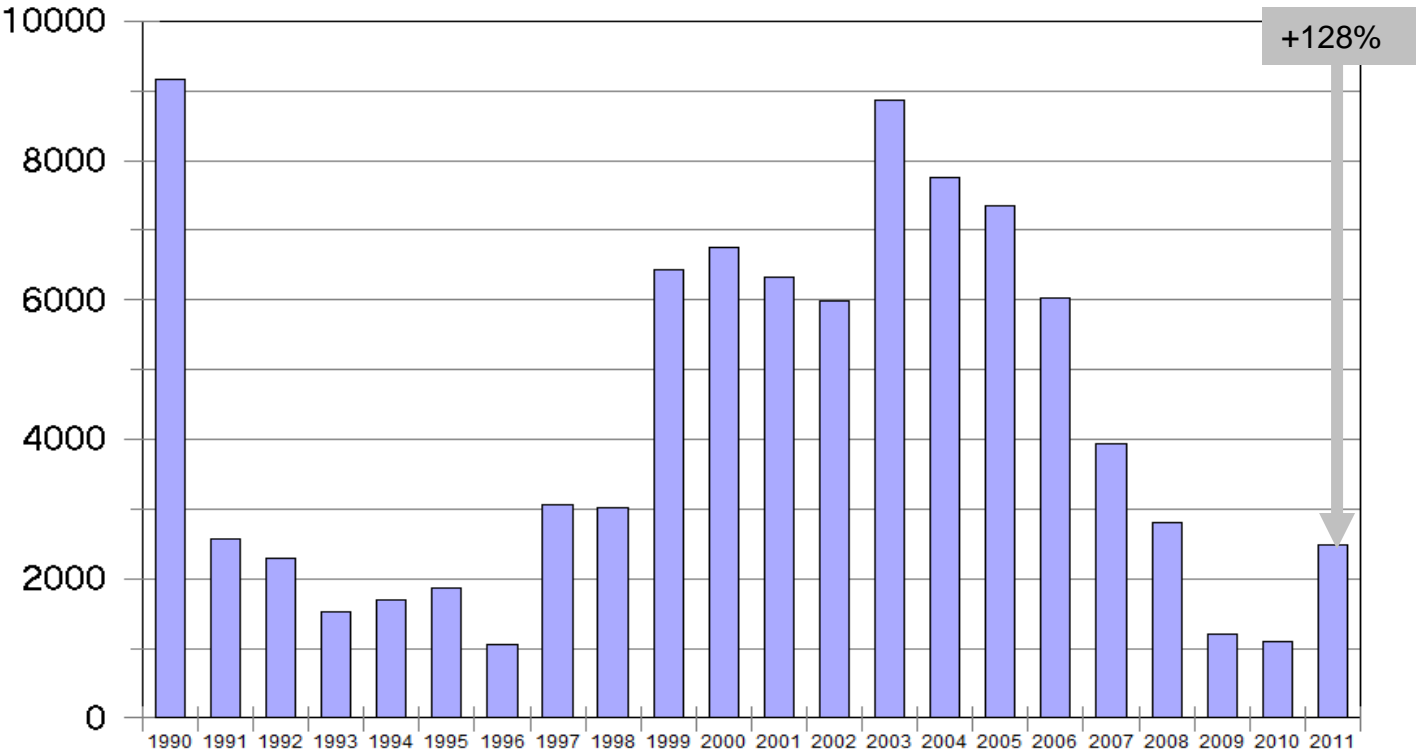
Single-Family Units Authorized San Diego County (1990 - Present)



Source: Construction Industry Research Board

Multi-Family Units Authorized

San Diego County (1990 - Present)



Source: Construction Industry Research Board

Housing Market

- Positive job growth, low interest rates, lack of construction positive for the market
- Positives overwhelmed by foreclosures remaining at high levels
 - Positive job growth, but unemployment remains high
- Prices expected to be erratic for the next two years

Conclusion

- Economy growing, but growth is still slow
- Economy better, but still not very good
- Employment and unemployment still the biggest concern
 - Large number of long-term unemployed
 - Loss of middle class jobs

Occupations with the most projected job openings (2008 – 2018)

Title	Median Income	Title	Median Income
Retail Salespersons	\$20,930	Registered Nurses	\$80,734
Waiters and Waitresses	\$18,927	Office Clerks	\$29,516
Cashiers	\$19,202	General and Operations Managers	\$106,866
Customer Service Representatives	\$35,648	Counter Attendants	\$19,570
Food Preparation and Serving	\$19,168	Personal and Home Care Aides	\$21,195

Source: Employment Development Department