



# ***2010-2011 Economic Forecast and Industry Outlook: Mid-Year Update***

Nancy D. Sidhu, PhD

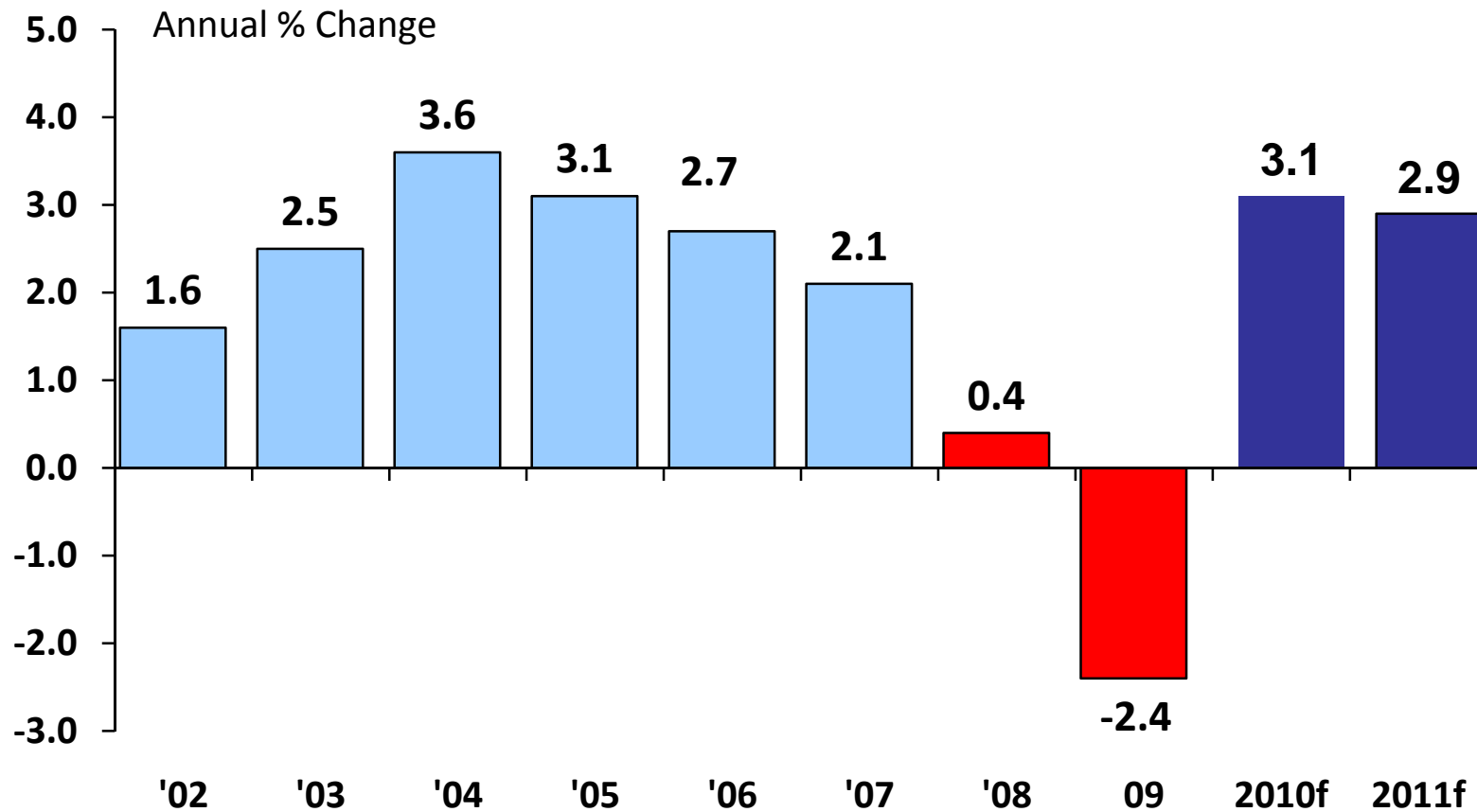
Chief Economist,

The Kyser Center for Economic Research

July 21, 2010



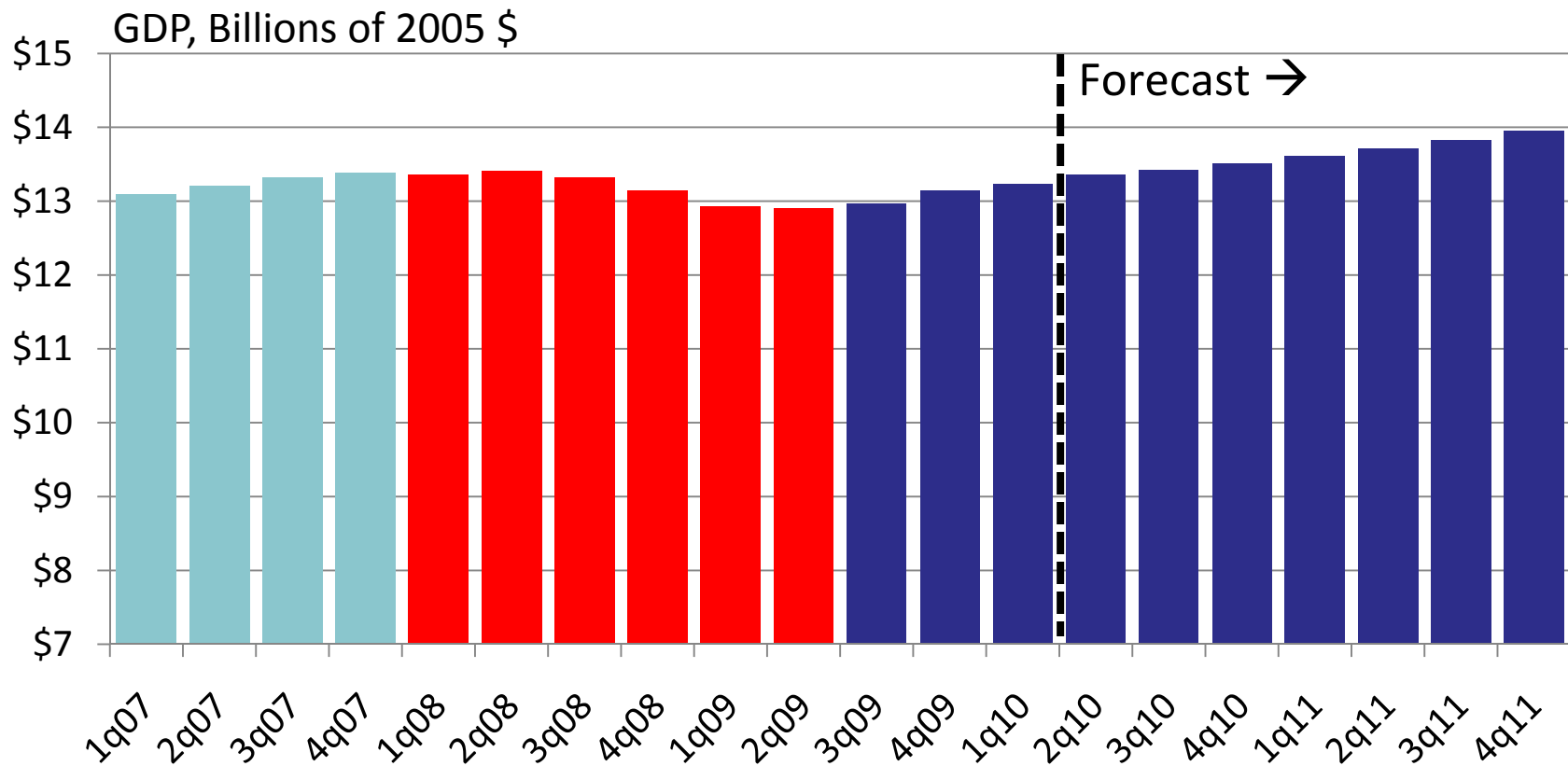
# U.S. Economic Growth



Sources: US BEA, forecasts by LAEDC



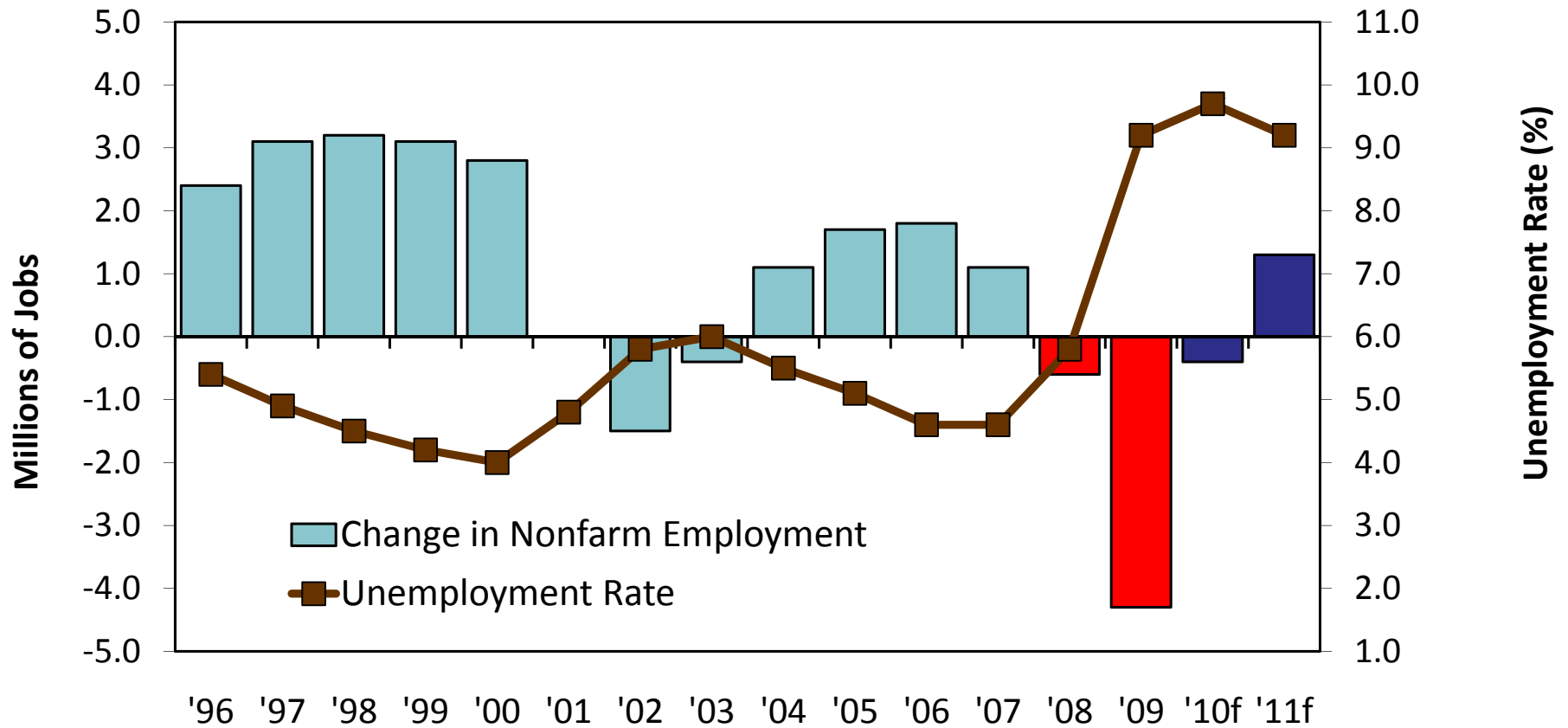
# The U.S. Economy



Sources: US BEA, forecasts by LAEDC



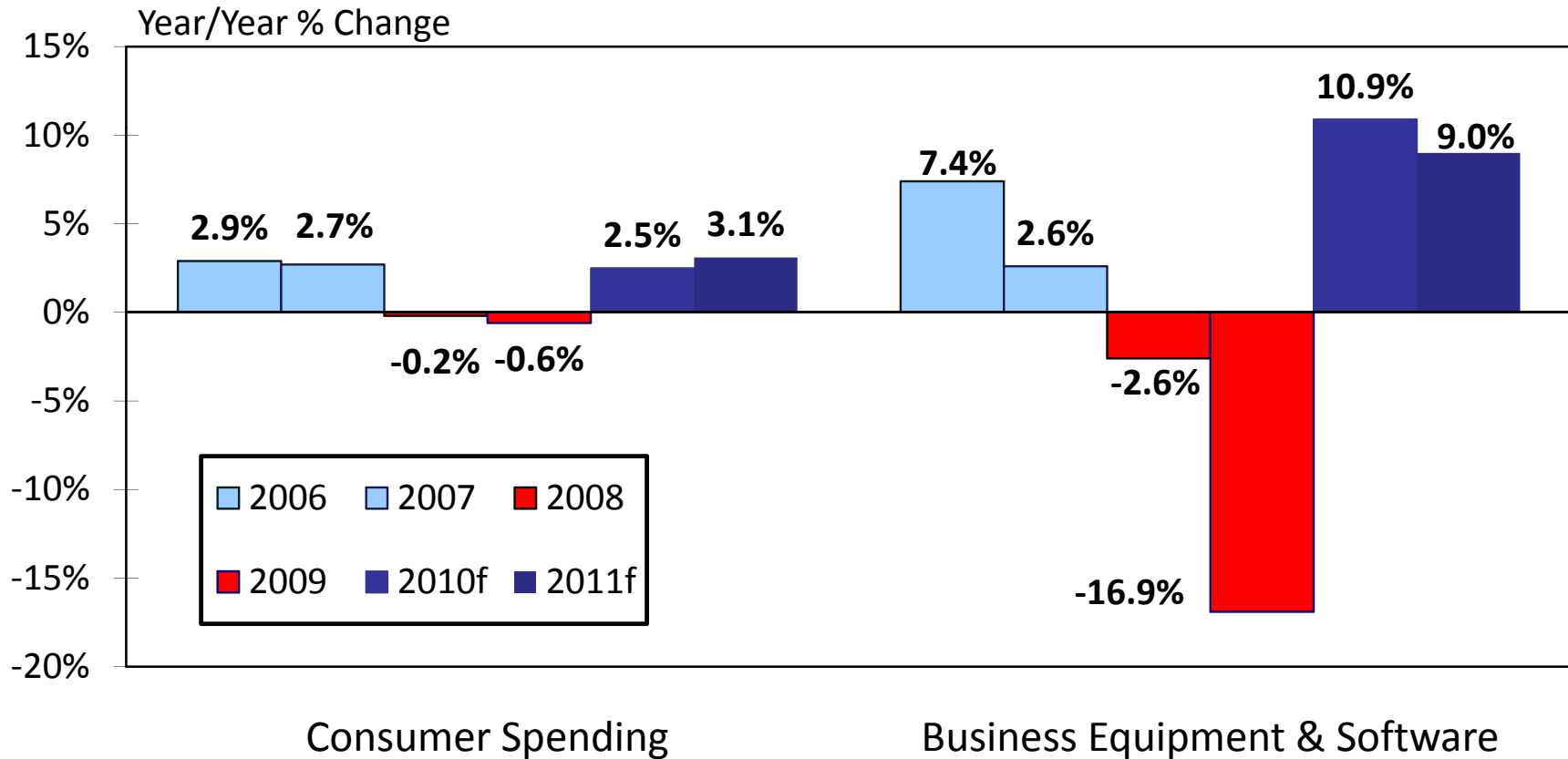
# U.S. LABOR MARKET



Sources: Bureau of Labor Statistics, forecasts by LAEDC



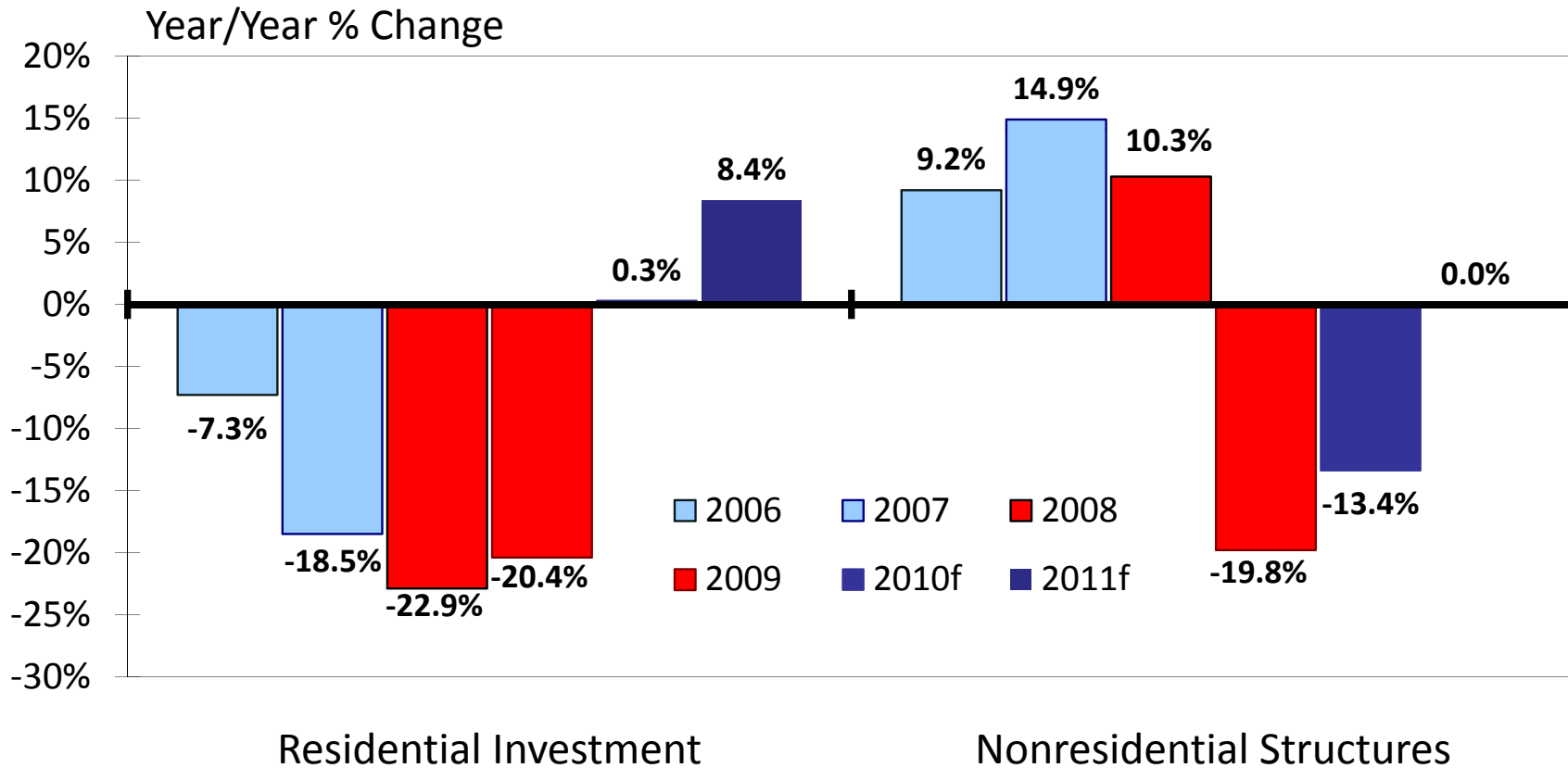
# SOURCES OF GROWTH 2006 - 2011



Sources: BEA, forecast by LAEDC



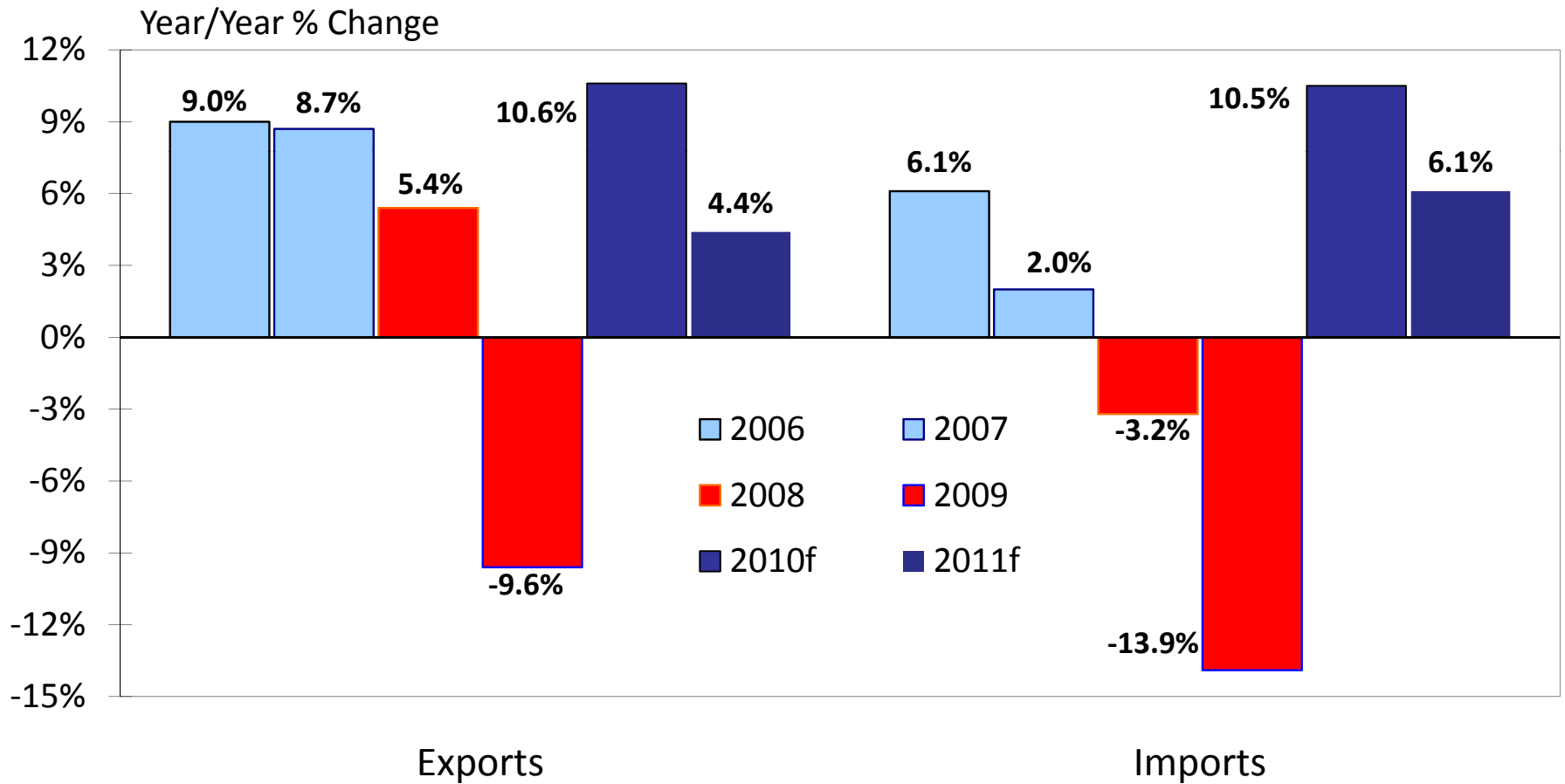
# SOURCES OF GROWTH 2006 - 2011



Sources: BEA, forecasts by LAEDC



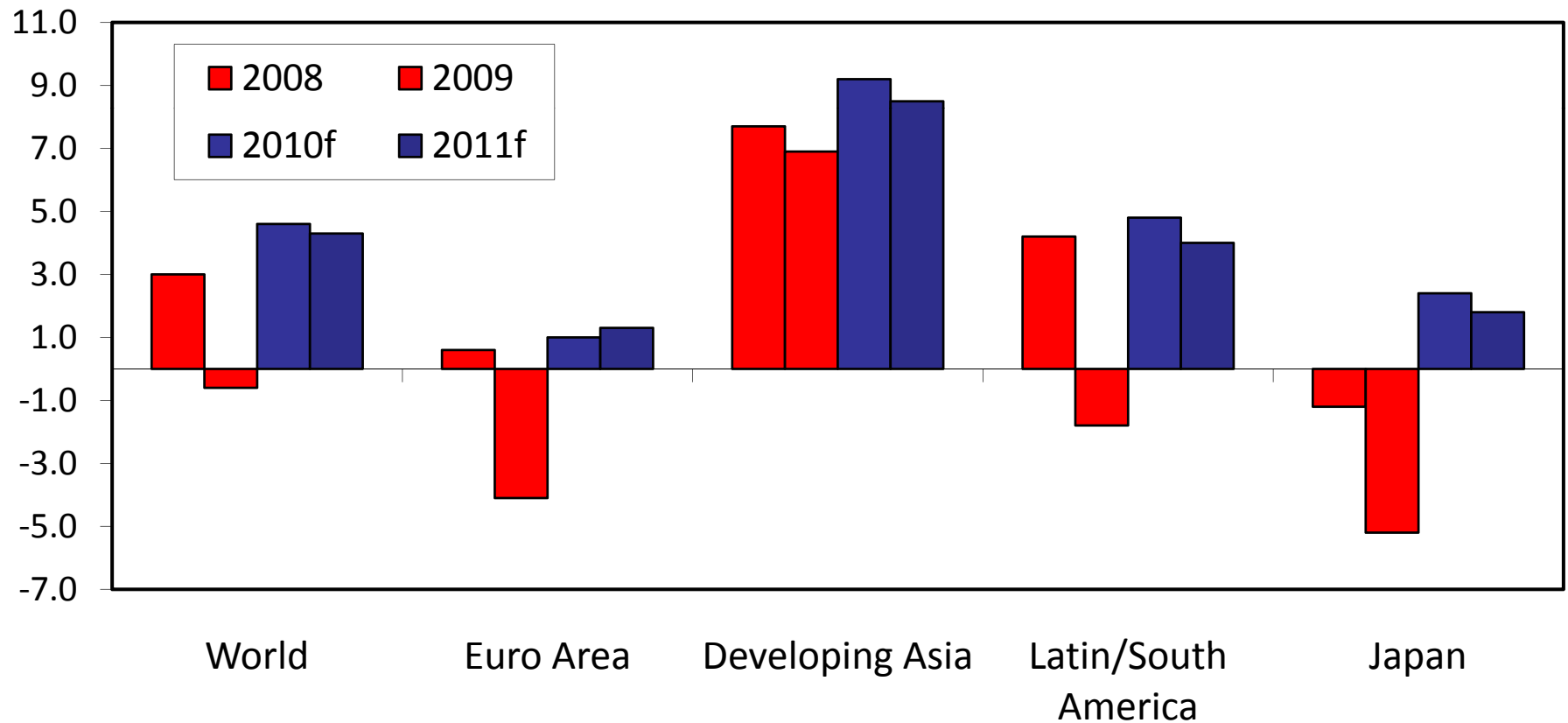
# SOURCES OF GROWTH 2006 - 2011



Sources: BEA, forecasts by LAEDC



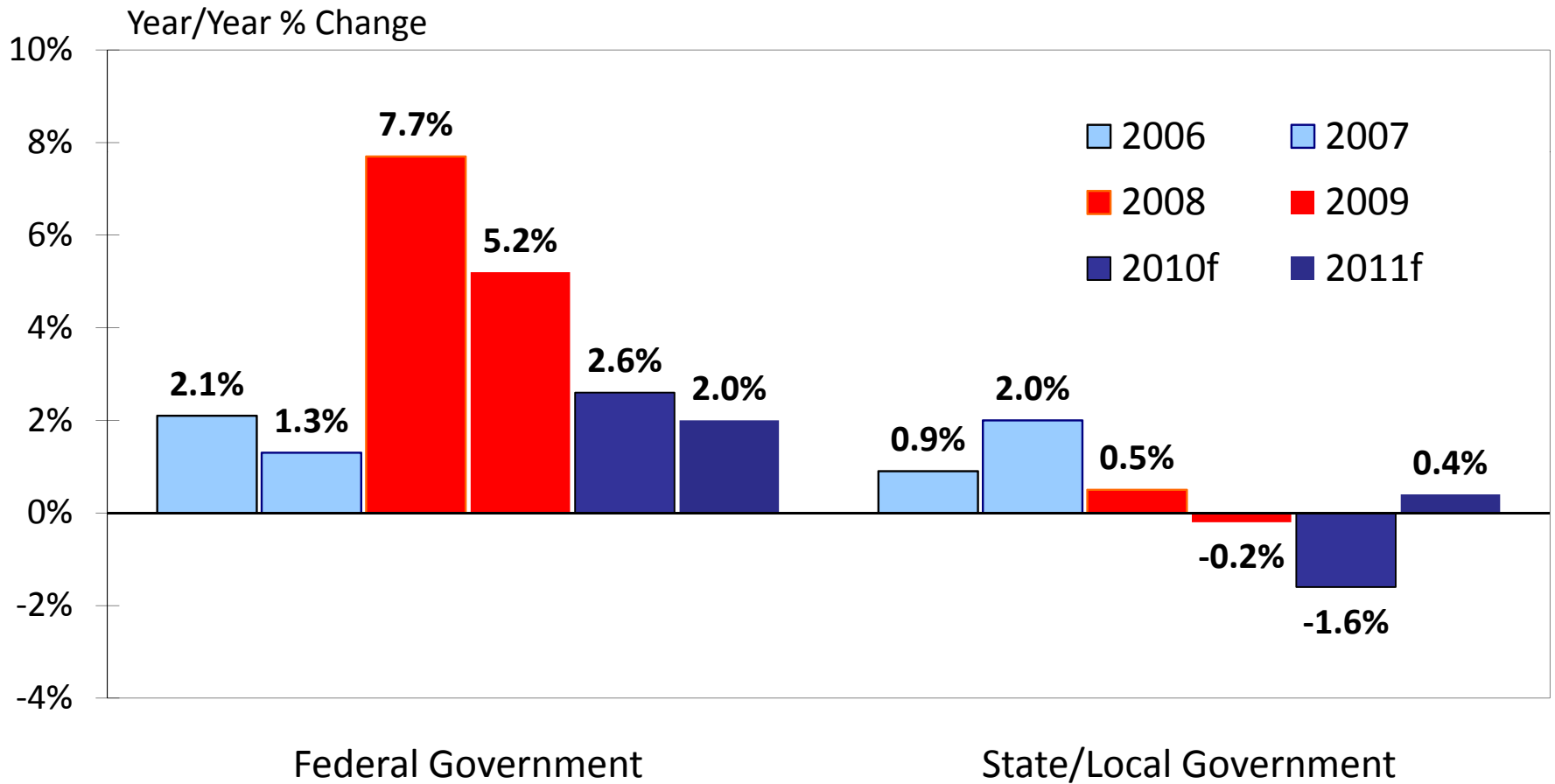
# Global Recovery Underway



Source: IMF World Economic Outlook Update, July 2010



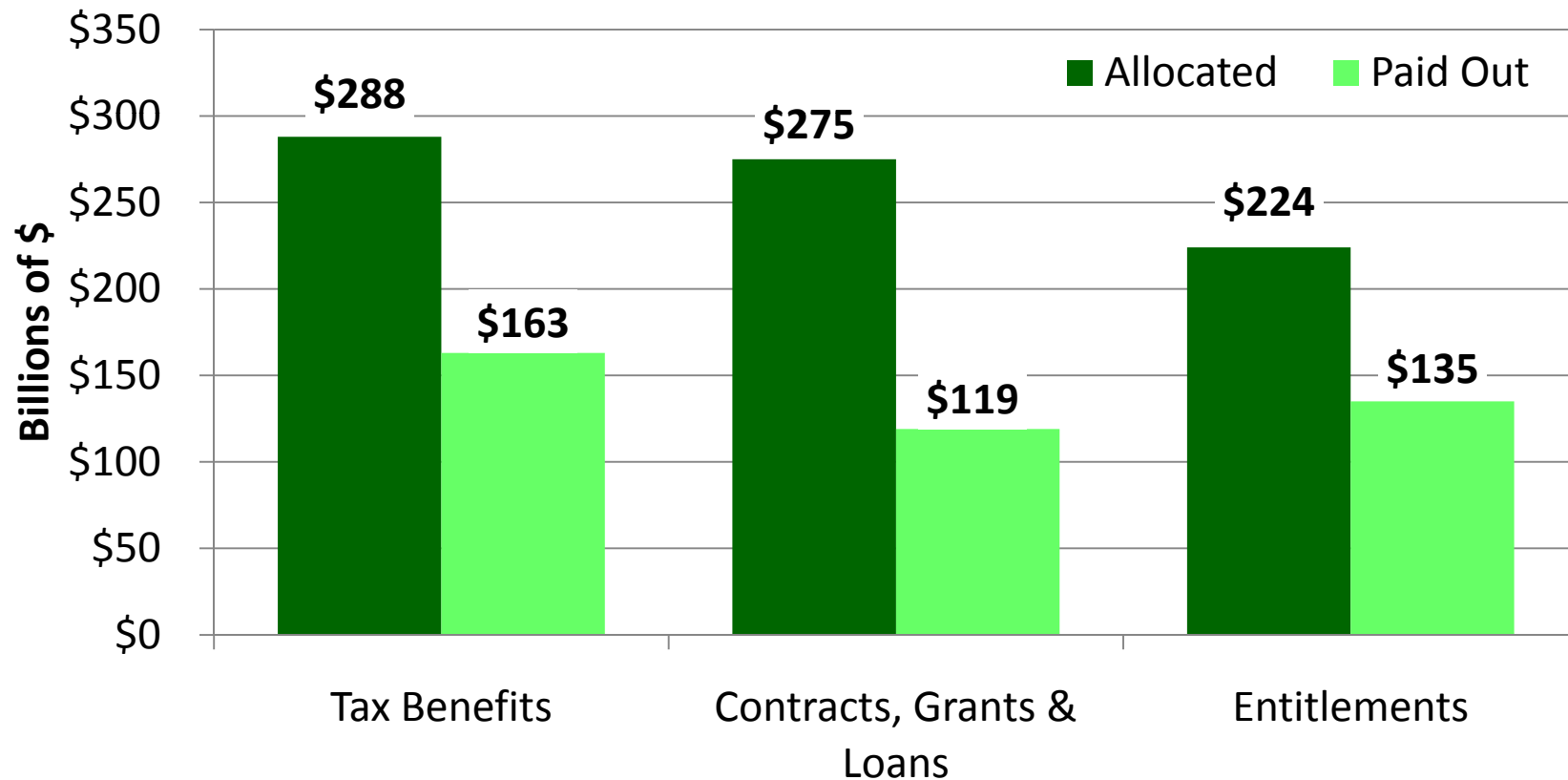
# SOURCES OF GROWTH 2006 - 2011



Sources: BEA, forecasts by LAEDC



# ARRA Funds – Allocated vs. Paid Out



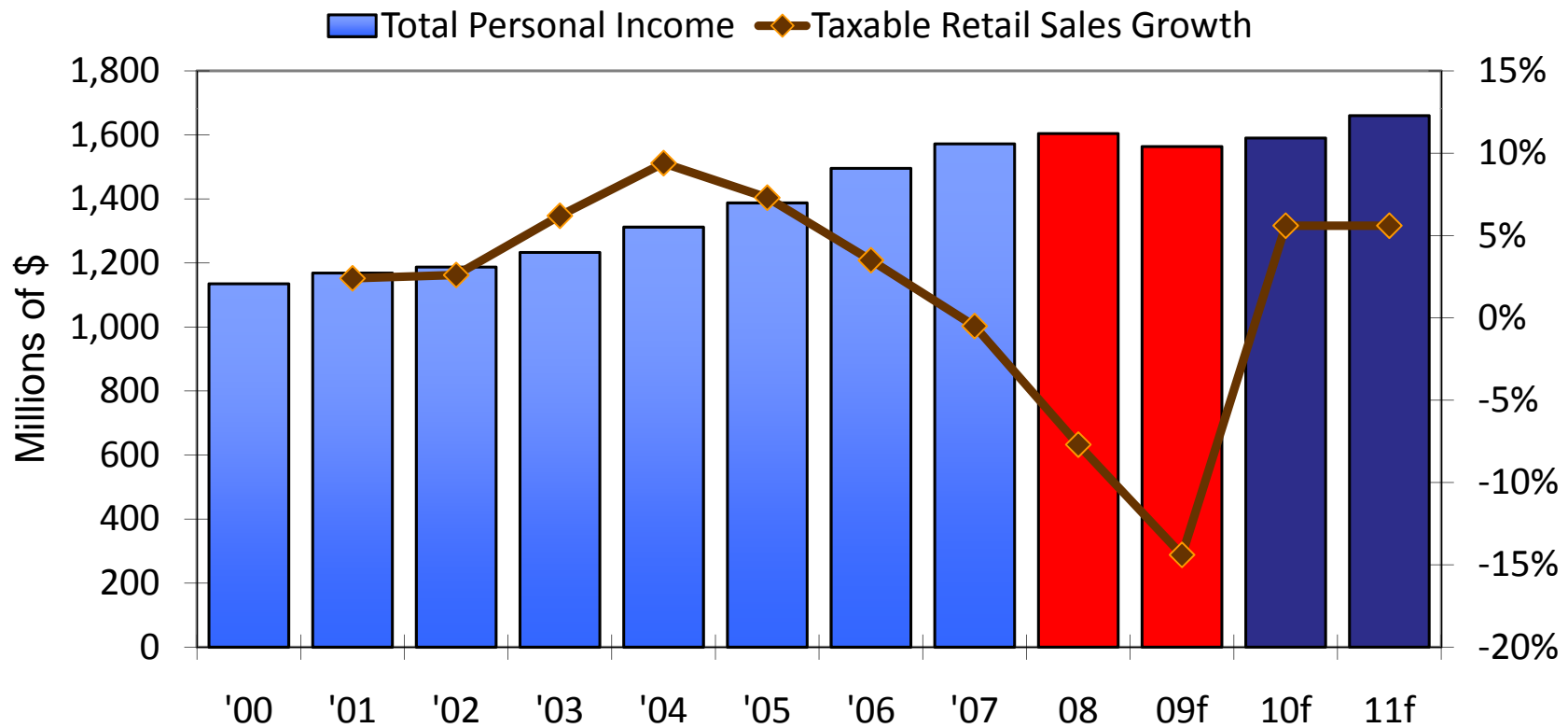
Source: U.S. Treasury Department



# ***The California Economy***



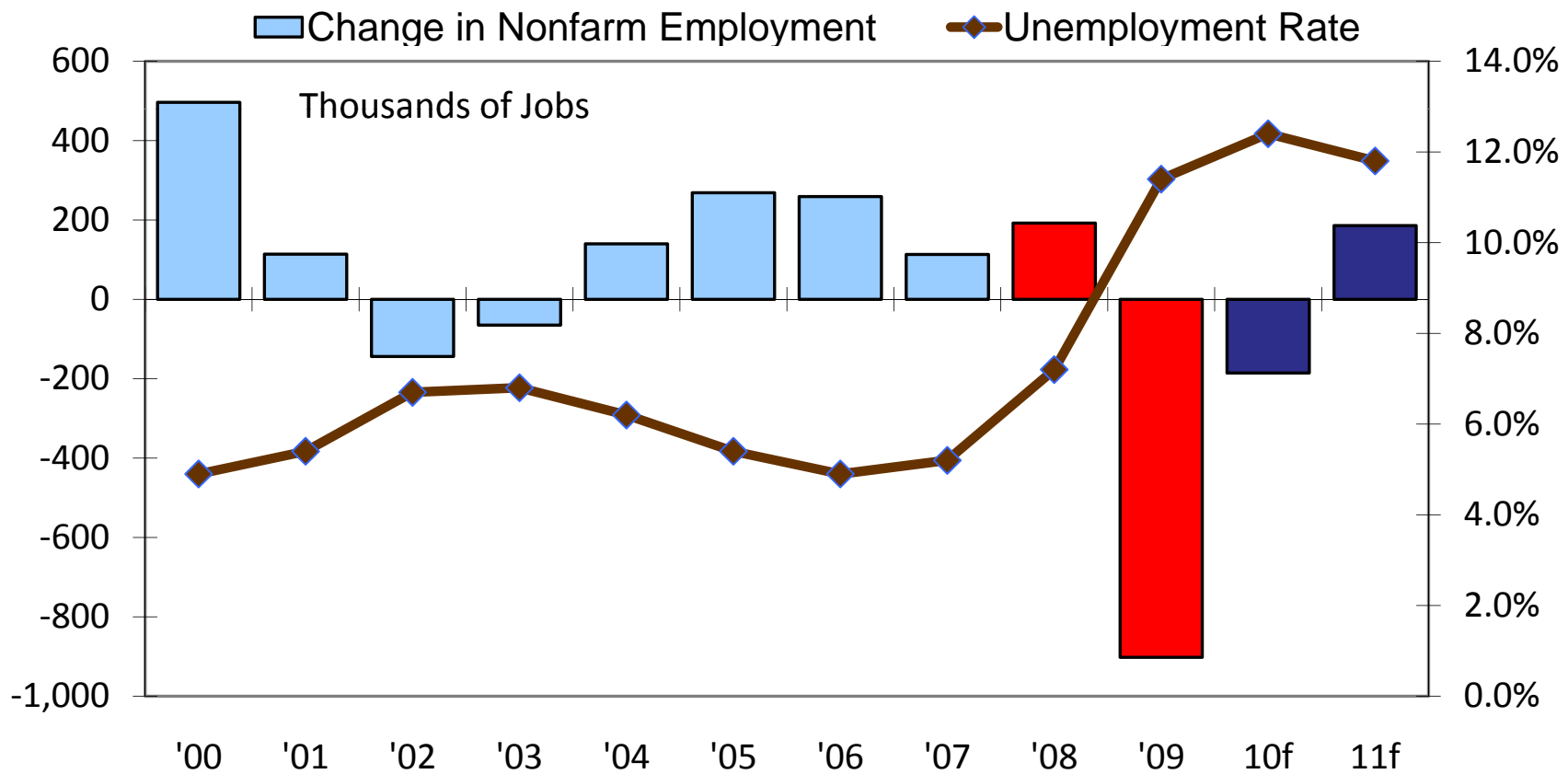
# California Fundamentals



Source: California BOE, US Dept. of Commerce; forecast by the LAEDC



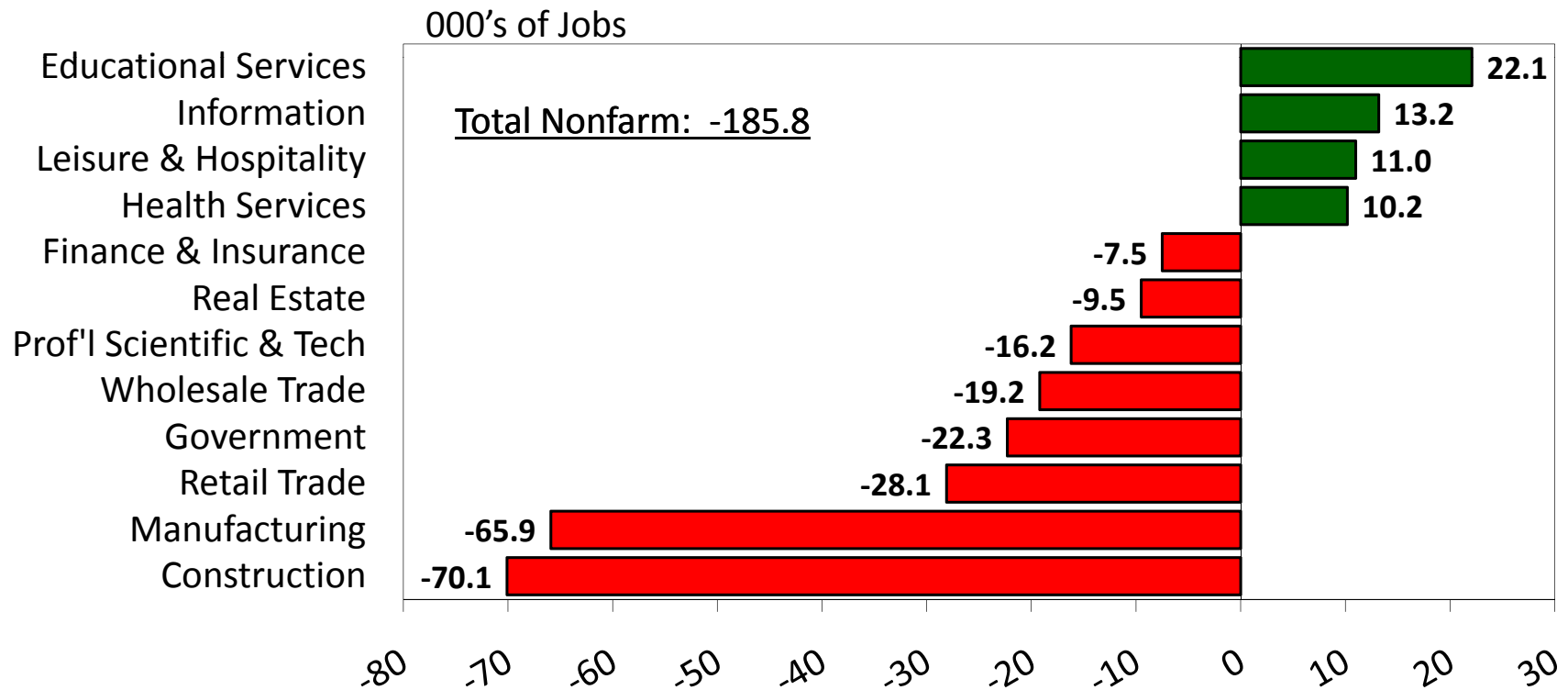
# California Labor Market



Source: CA Labor Market Information Division; forecast by LAEDC



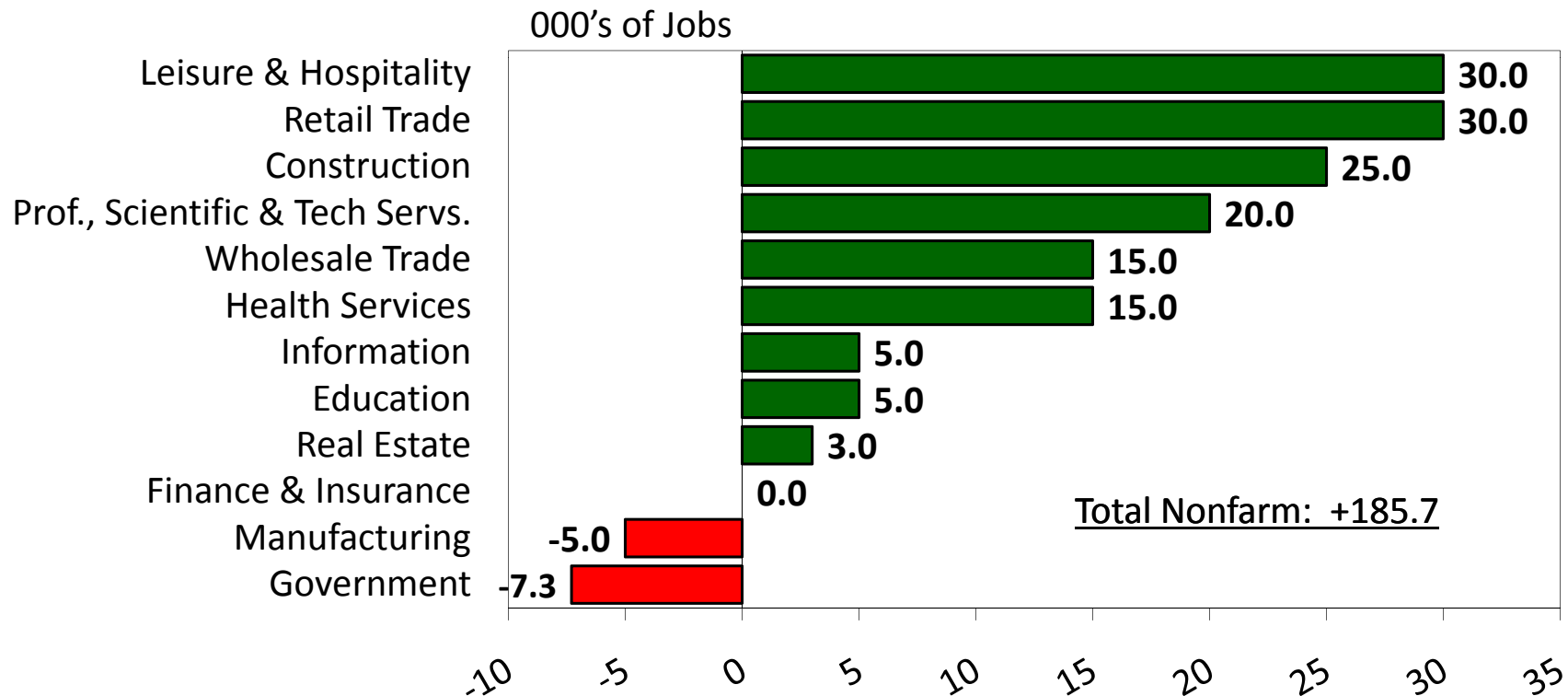
# 2010 Industry Winners & Losers in California



Source: CA EDD, Labor Market Information Division



# 2011 Industry Winners & Losers in California

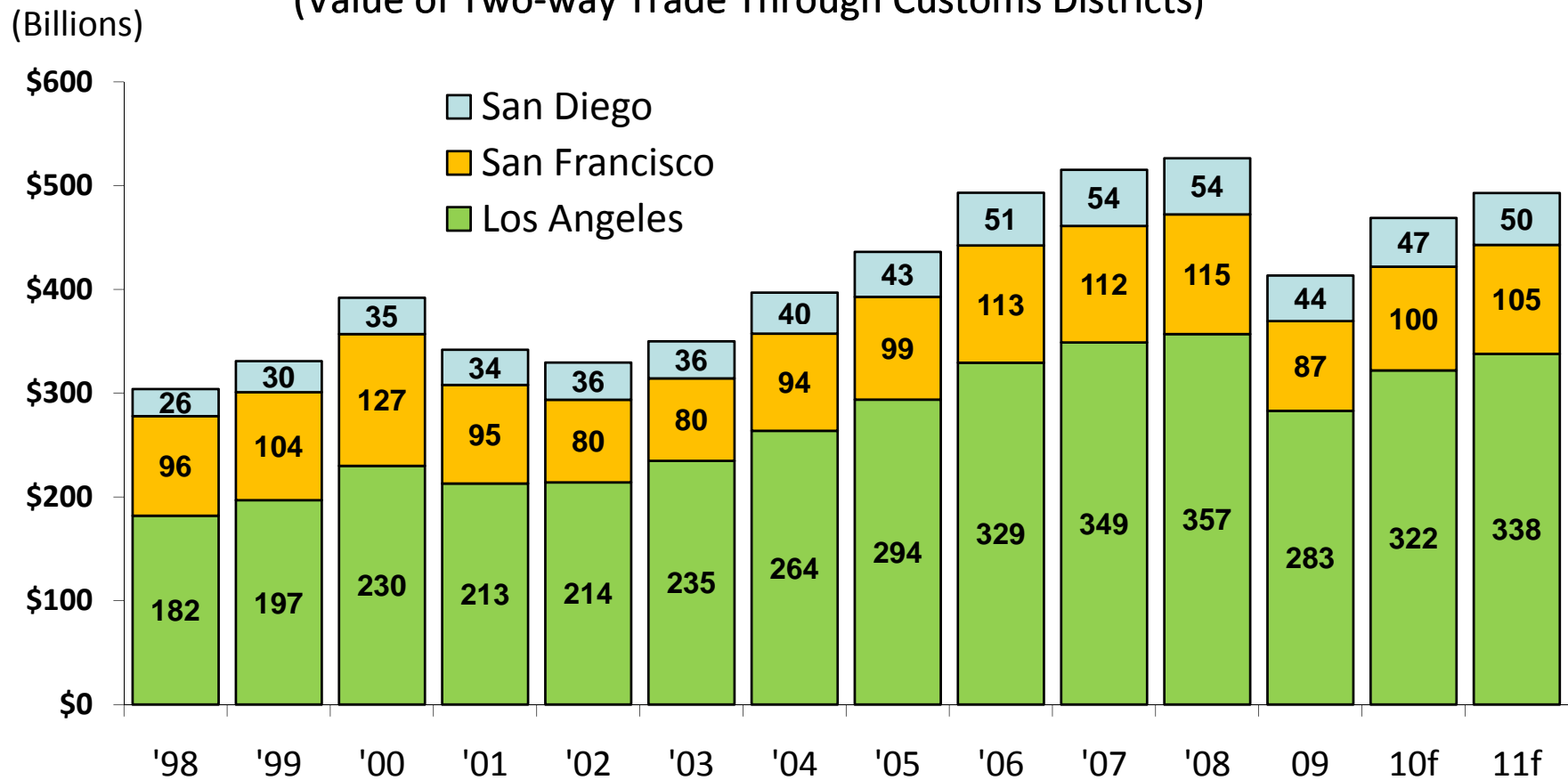


Source: CA EDD, Labor Market Information Division



# California International Trade

(Value of Two-way Trade Through Customs Districts)



Source: USA Trade Online; forecasts by LAEDC

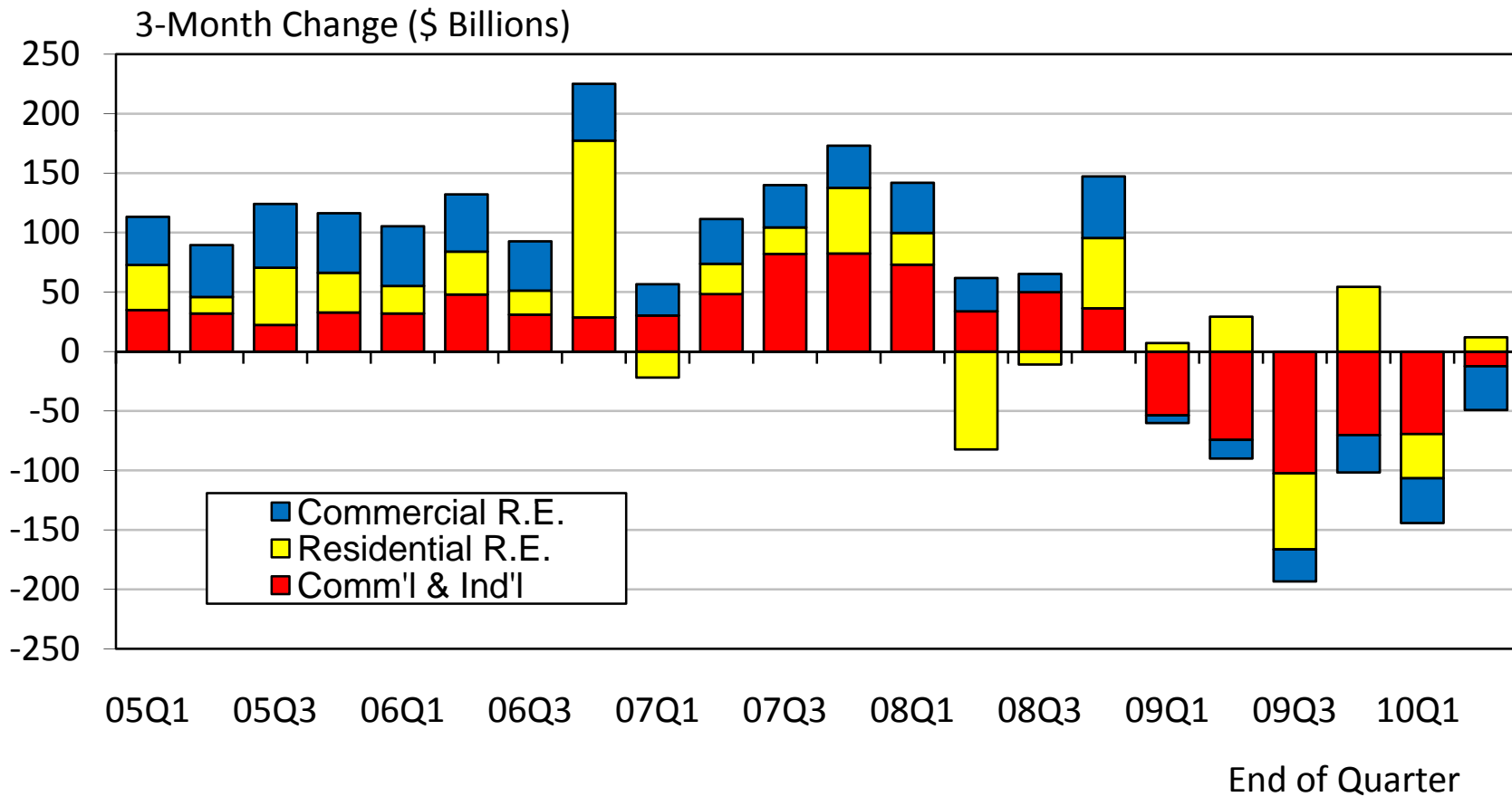


# Risks to the Forecast

- ✓ CREDIT CRUNCH
- ✓ HOUSING
- ✓ FINANCIAL FRAGILITY—EUROPE



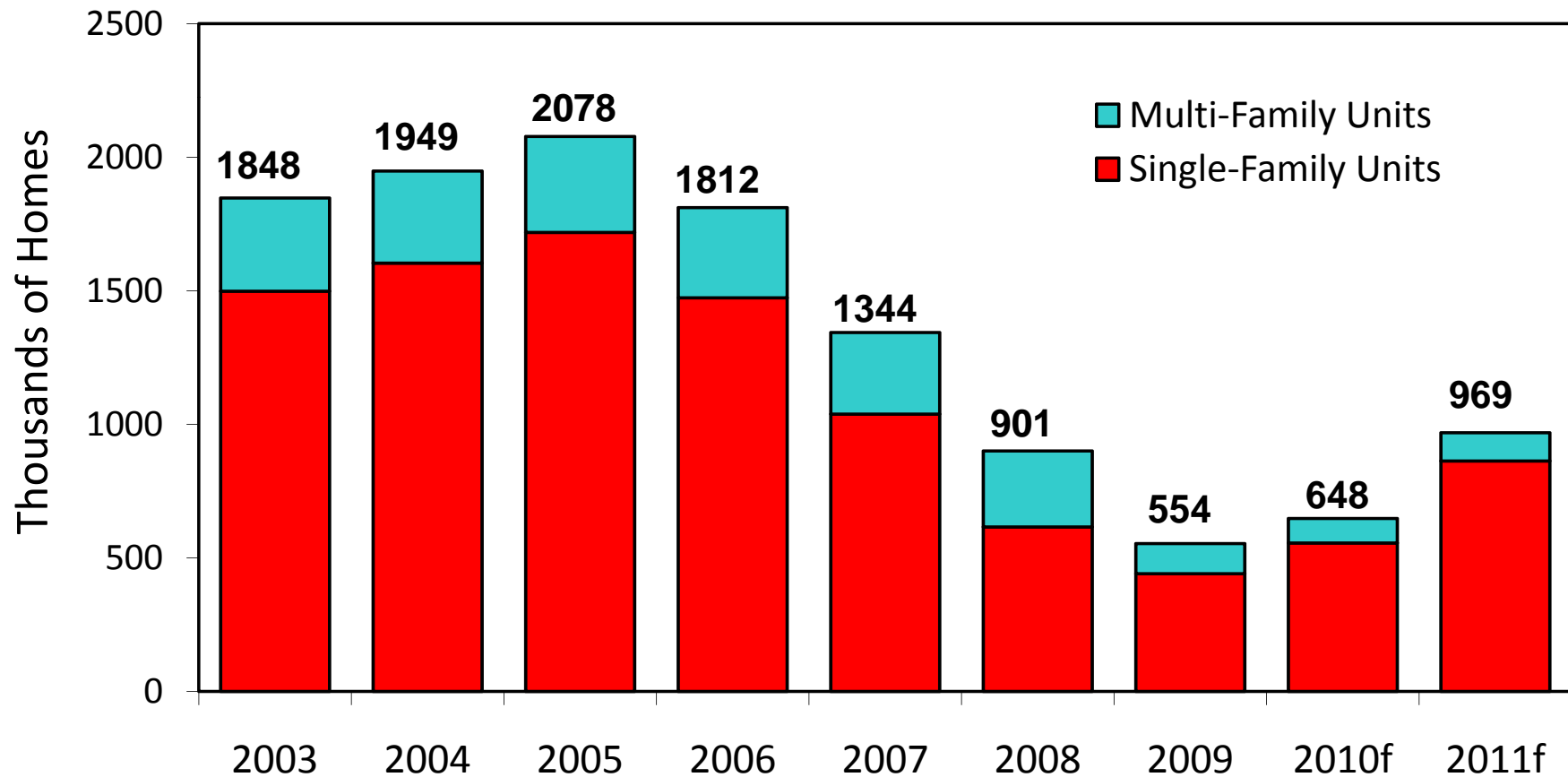
# Commercial Bank Loans



Source: Federal Reserve



# U.S. Housing Starts



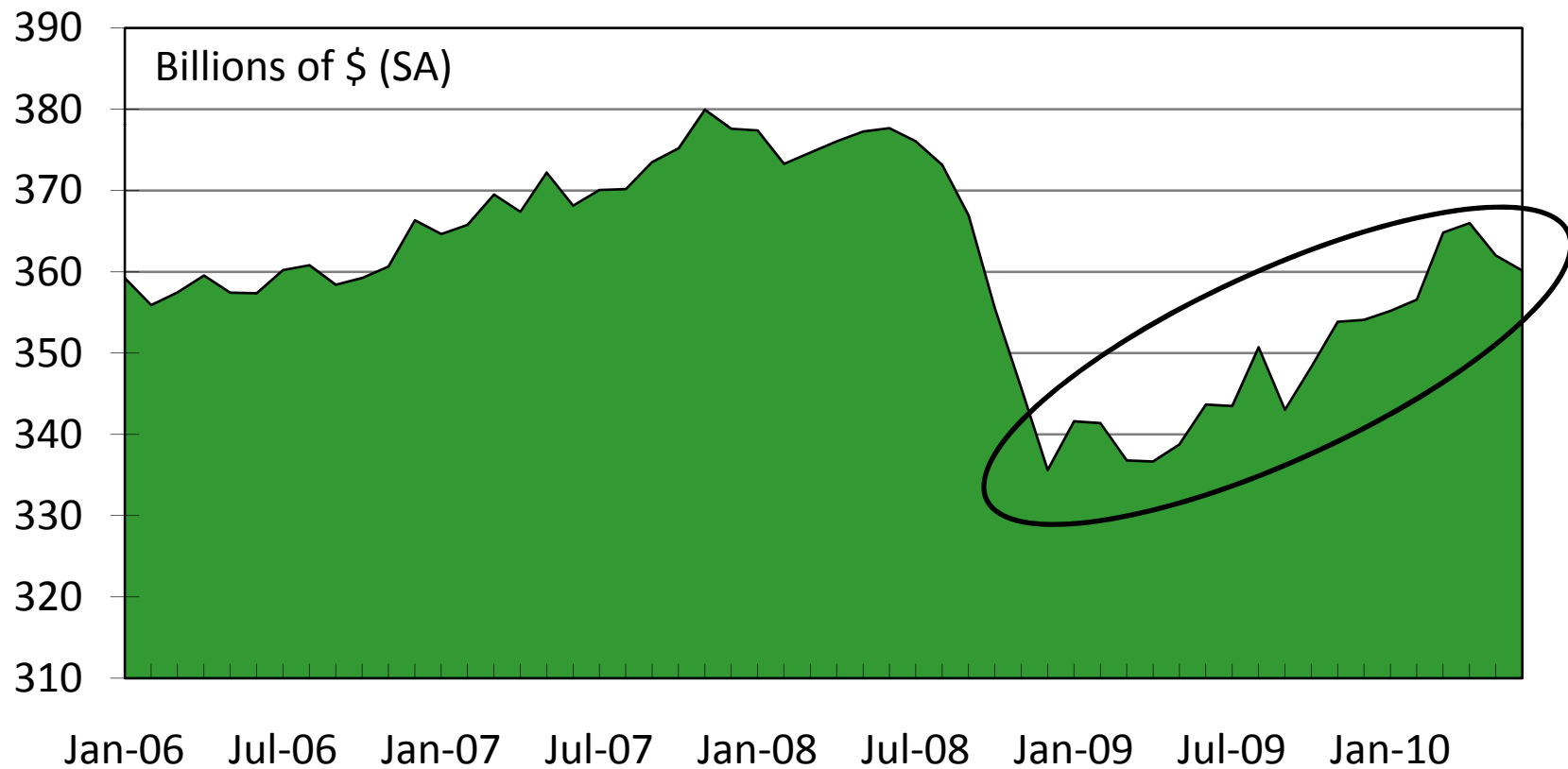
Source: U.S. Census Bureau



# ***Signs of Recovery: What to Watch***



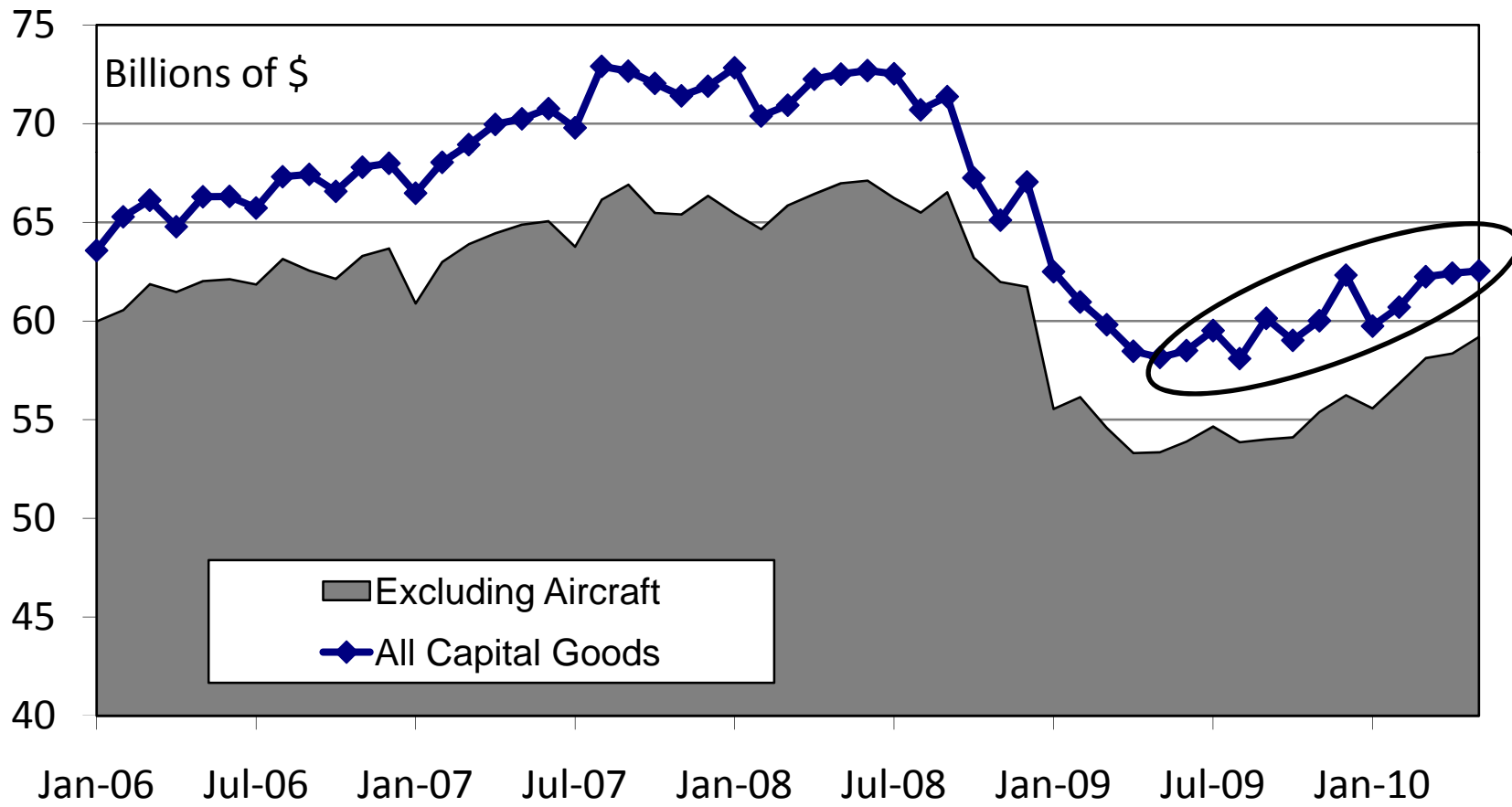
# U.S. Retail Sales



Source: U.S. Census Bureau



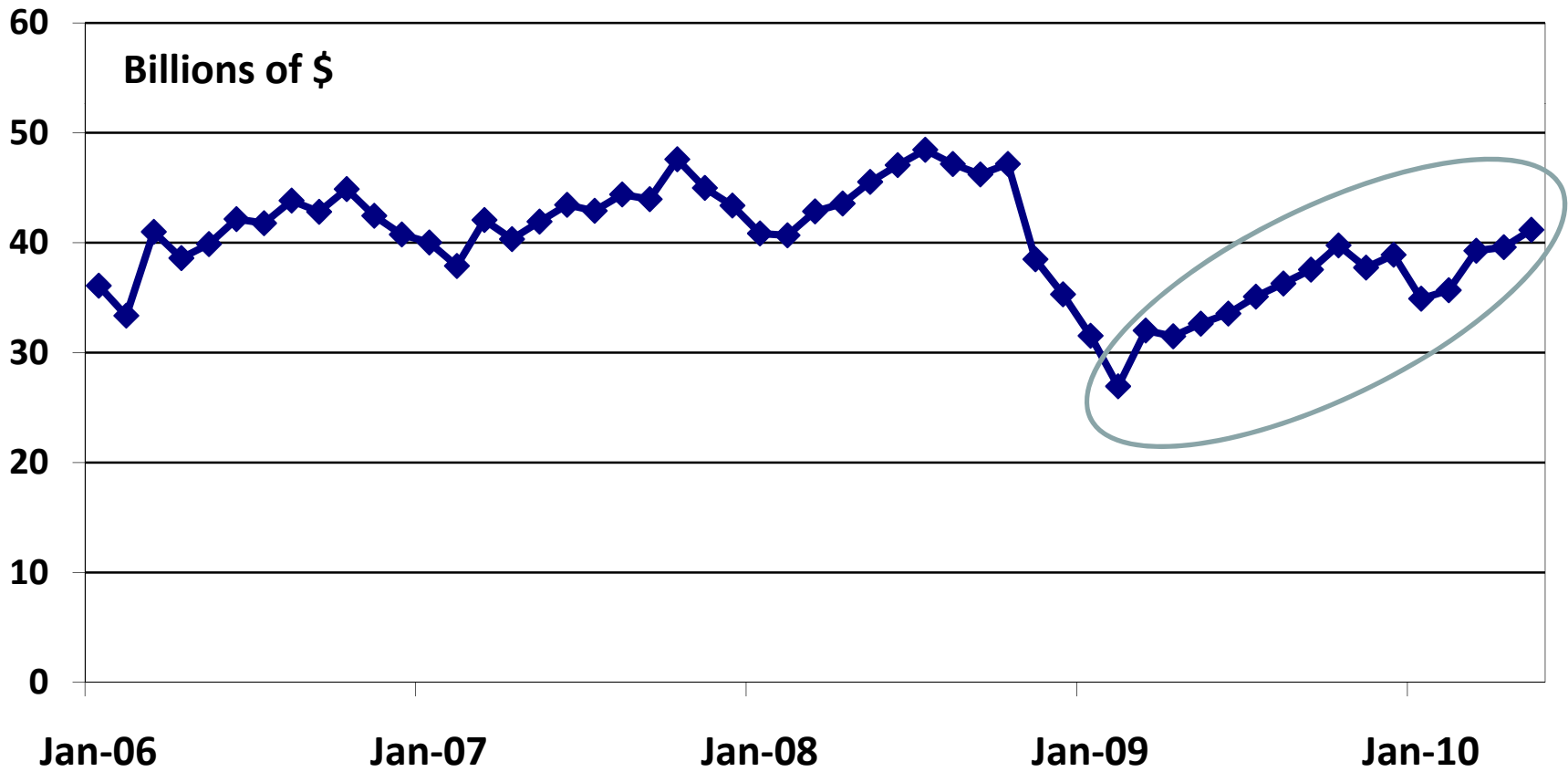
# Non-Defense Capital Goods



Source: U.S. Census Bureau



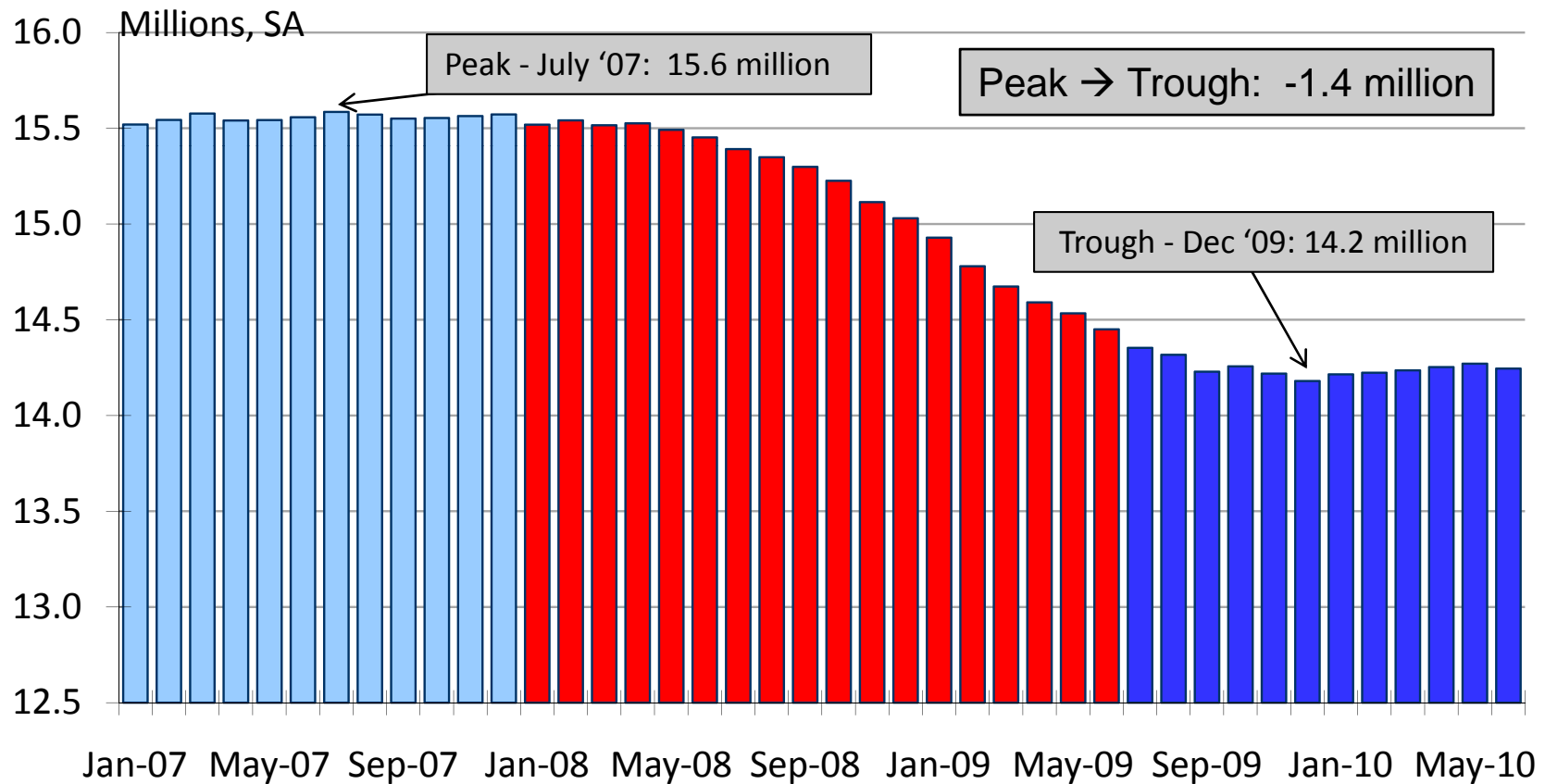
# California Two-Way Trade



Source: U.S. Chamber of Commerce



# California Total Employment



Source: California Employment Development Department