

**TRI-COUNTY ECONOMIC
FORECAST CONFERENCE**

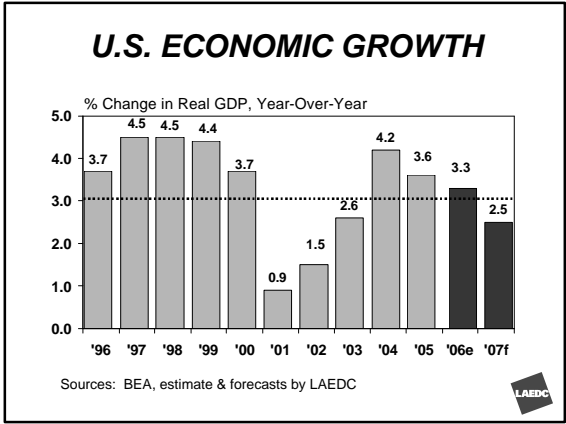
California Economic Outlook

Nancy D. Sidhu, Ph.D.
VP & Senior Economist
January 11, 2007

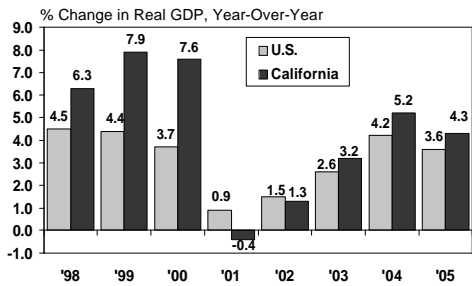
THEMES FOR 2007

- Slower economic growth
- Housing activity declines
- Still Strength elsewhere





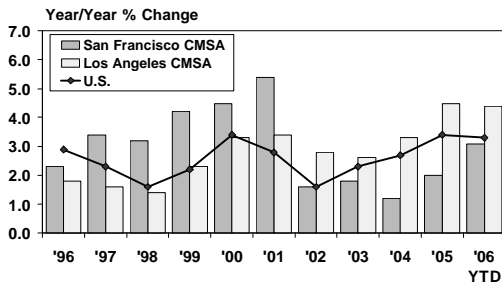
GDP COMPARISONS



Source: BEA



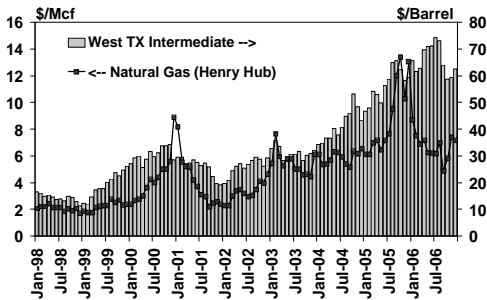
CONSUMER INFLATION RATE



Source: Bureau of Labor Statistics

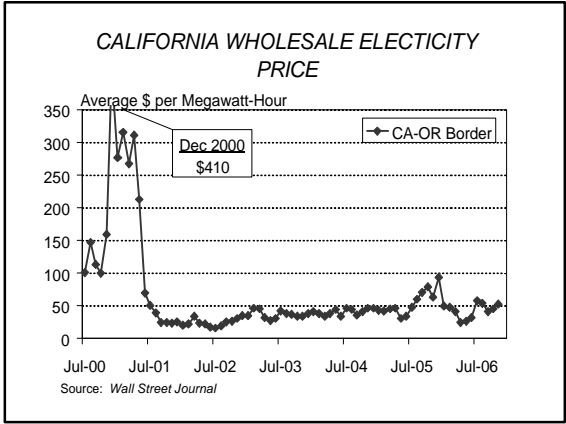


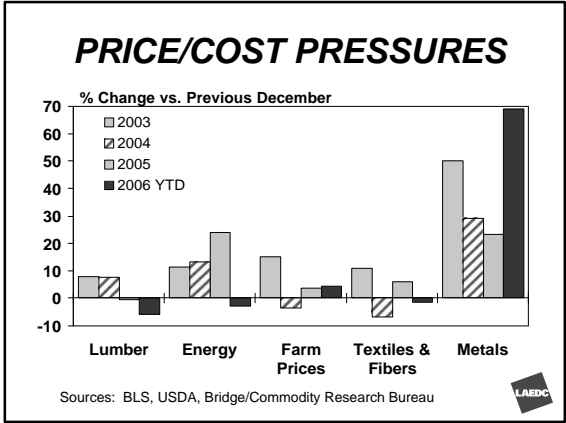
SPOT ENERGY PRICES

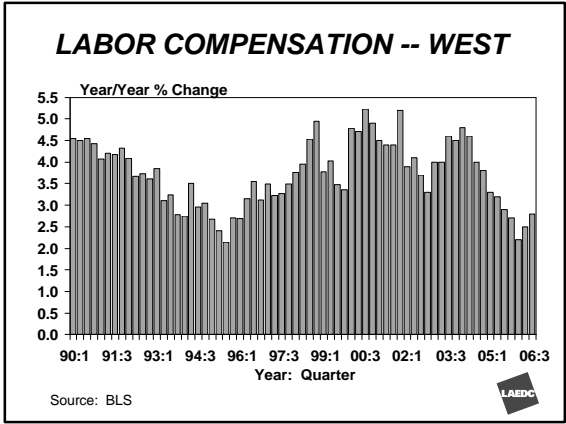


Sources: EIA, Natural Gas Weekly

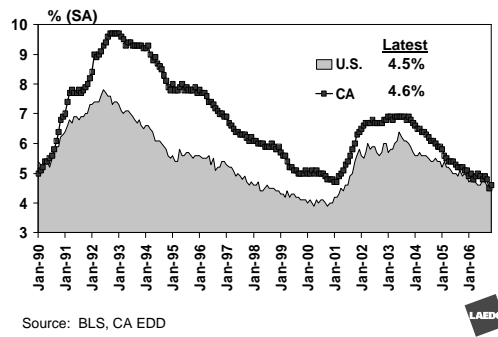




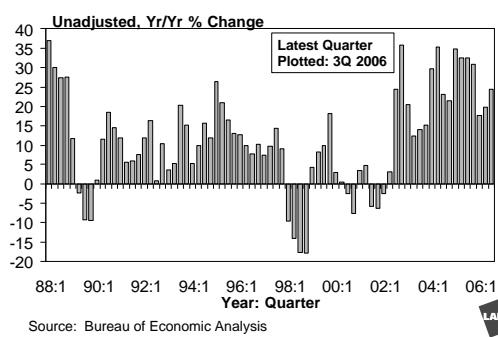




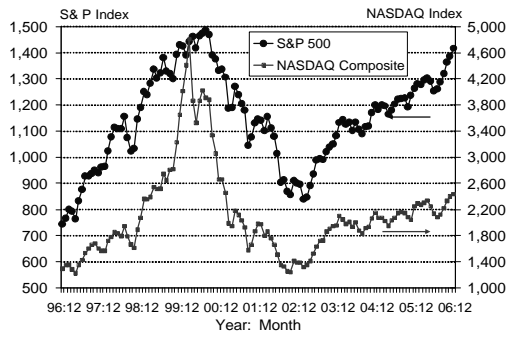
UNEMPLOYMENT HAS COME DOWN

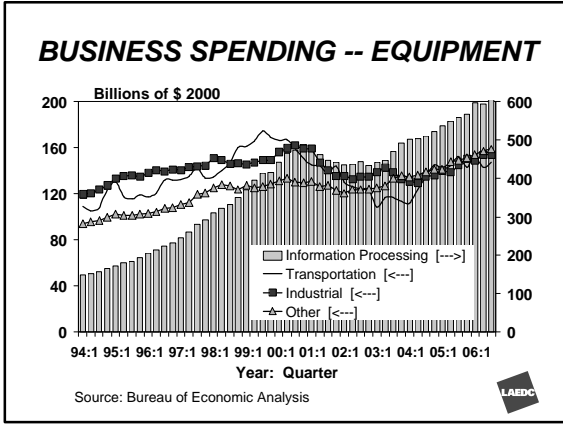


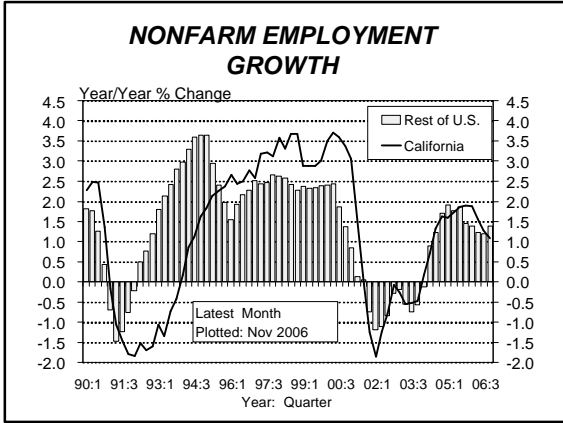
AFTER-TAX CORPORATE PROFITS

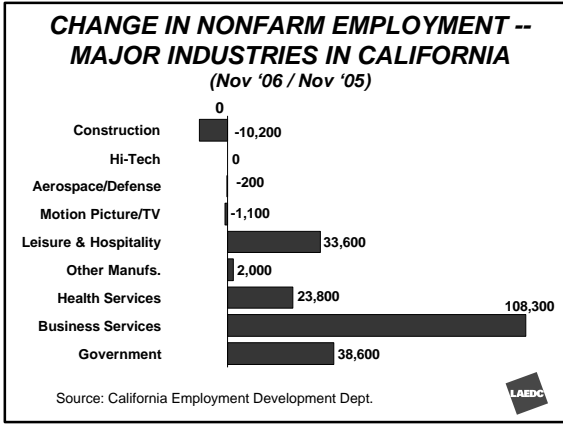


U.S. EQUITY PRICES

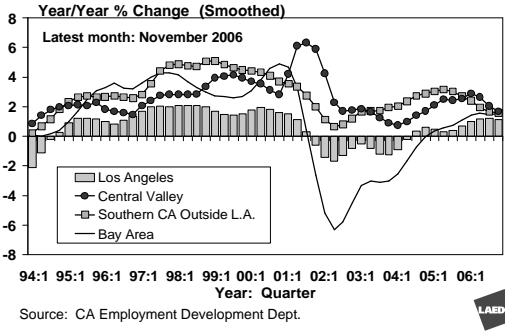




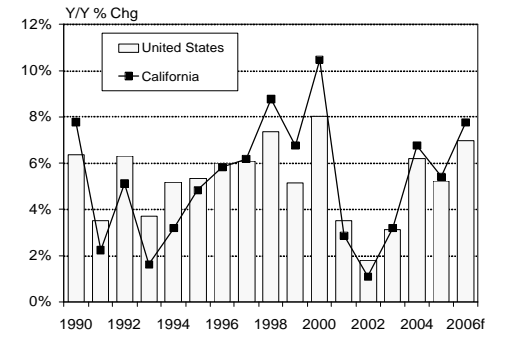




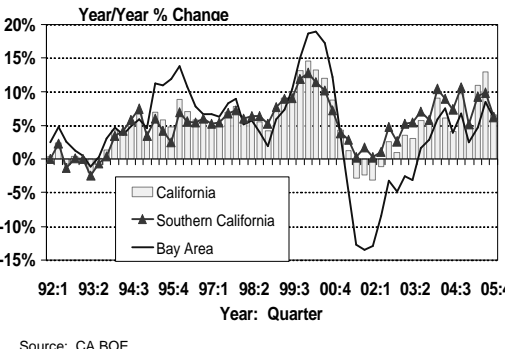
REGIONAL GROWTH PATTERN



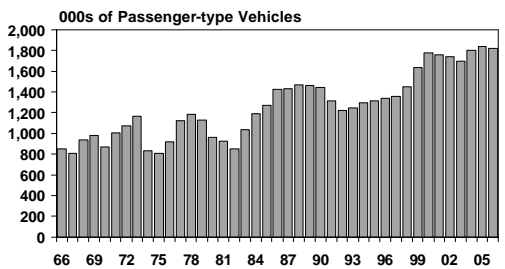
PERSONAL INCOME GROWTH



TAXABLE SALES BY REGION



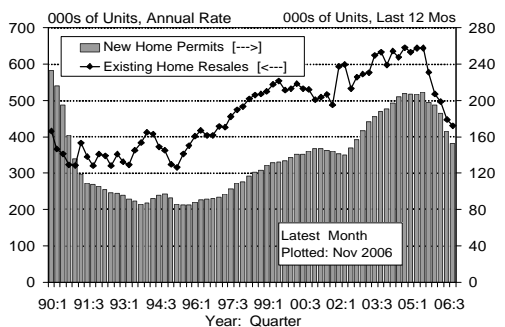
CALIFORNIA VEHICLE REGISTRATIONS



Source: CA DOF

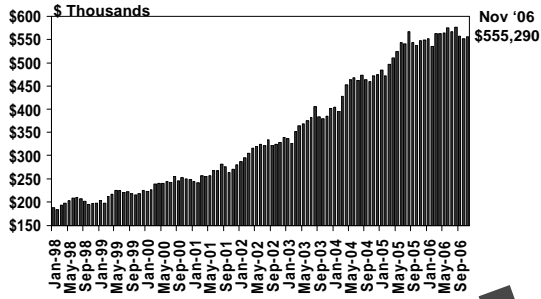


CALIFORNIA HOUSING MARKET



Sources: U.S. Census Bureau, California Association of Realtors

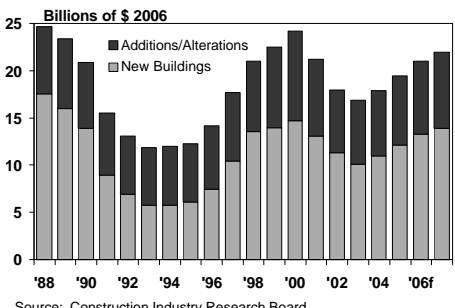
MEDIAN HOME PRICE IN CALIFORNIA



Source: California Association of REALTORS®



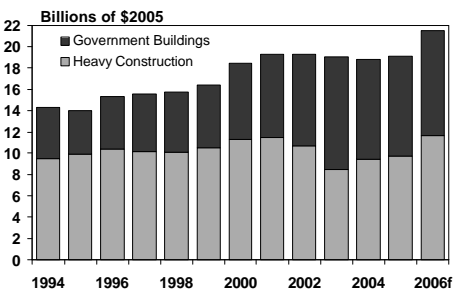
CALIFORNIA NONRESIDENTIAL BUILDING PERMITS



Source: Construction Industry Research Board



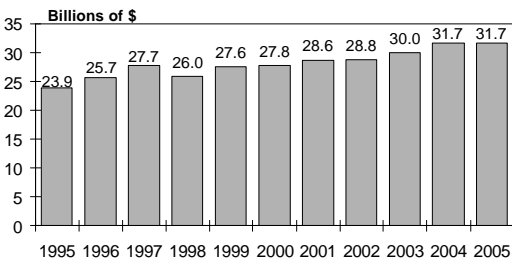
PUBLIC CONSTRUCTION



Source: Construction Industry Research Board



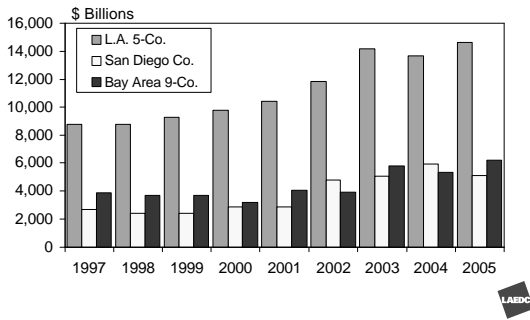
AGRICULTURE: BETTER (Gross Cash Income in CA)



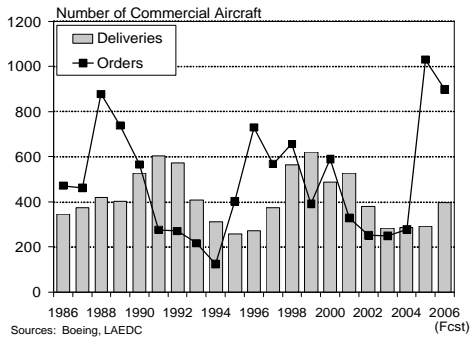
Sources: CA Dept. of Agriculture



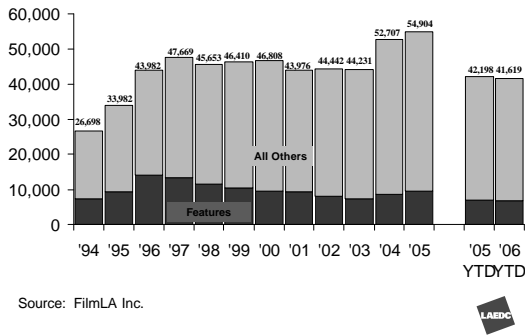
DoD PRIME CONTRACT AWARDS



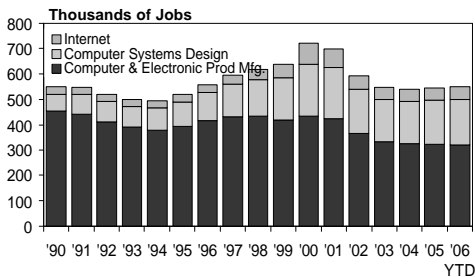
BOEING COMMERCIAL AIRCRAFT



LOCATION PRODUCTION DAYS



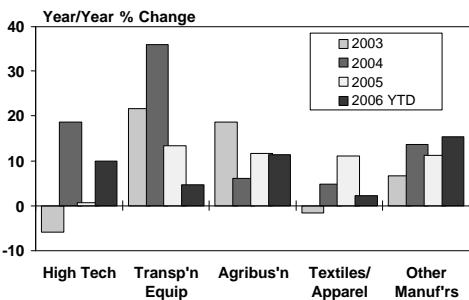
TECHNOLOGY JOB TRENDS IN CALIFORNIA



Source: California Employment Development Department



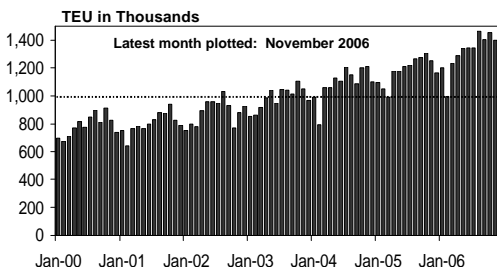
CA EXPORTS BY INDUSTRY



Source: MISER



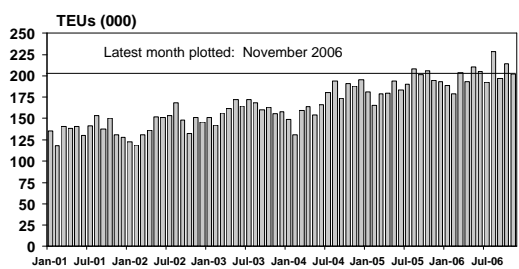
TOTAL CARGO HANDLED AT LALB PORTS



Sources: Ports of Los Angeles & Long Beach



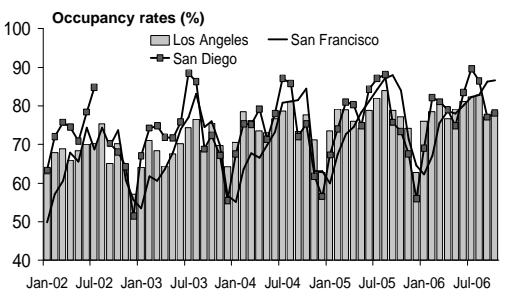
TOTAL CARGO HANDLED AT PORT OF OAKLAND



Source: Port of Oakland



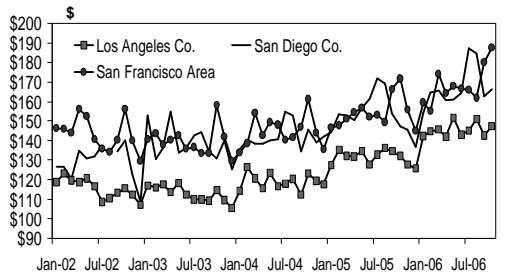
HOTEL OCCUPANCY RATES



Source: PKF Consulting

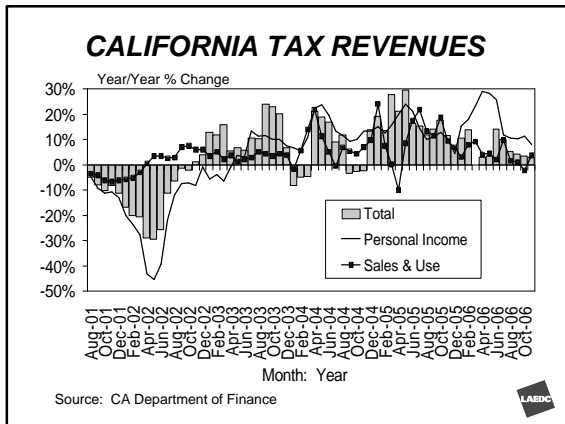


HOTEL AVERAGE DAILY ROOM RATES



Source: PKF Consulting





CALIFORNIA ECONOMIC FORECAST

	2004	2005	2006e	2007f
Nonfarm Jobs	1.0	1.4	1.5	0.9
Unemployment Rate	6.2	5.4	4.9	5.2
Total Personal Income	6.0	5.0	6.1	6.2
Taxable Retail Sales	9.4	7.5	6.0	5.9
Housing Unit Permits	212,960	208,972	164,900	157,000

Annual % change except housing permits, which are in units.

Forecast Source: LAEDC

Los Angeles County
Economic Development
Corporation

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