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DATE JAN 19 2011

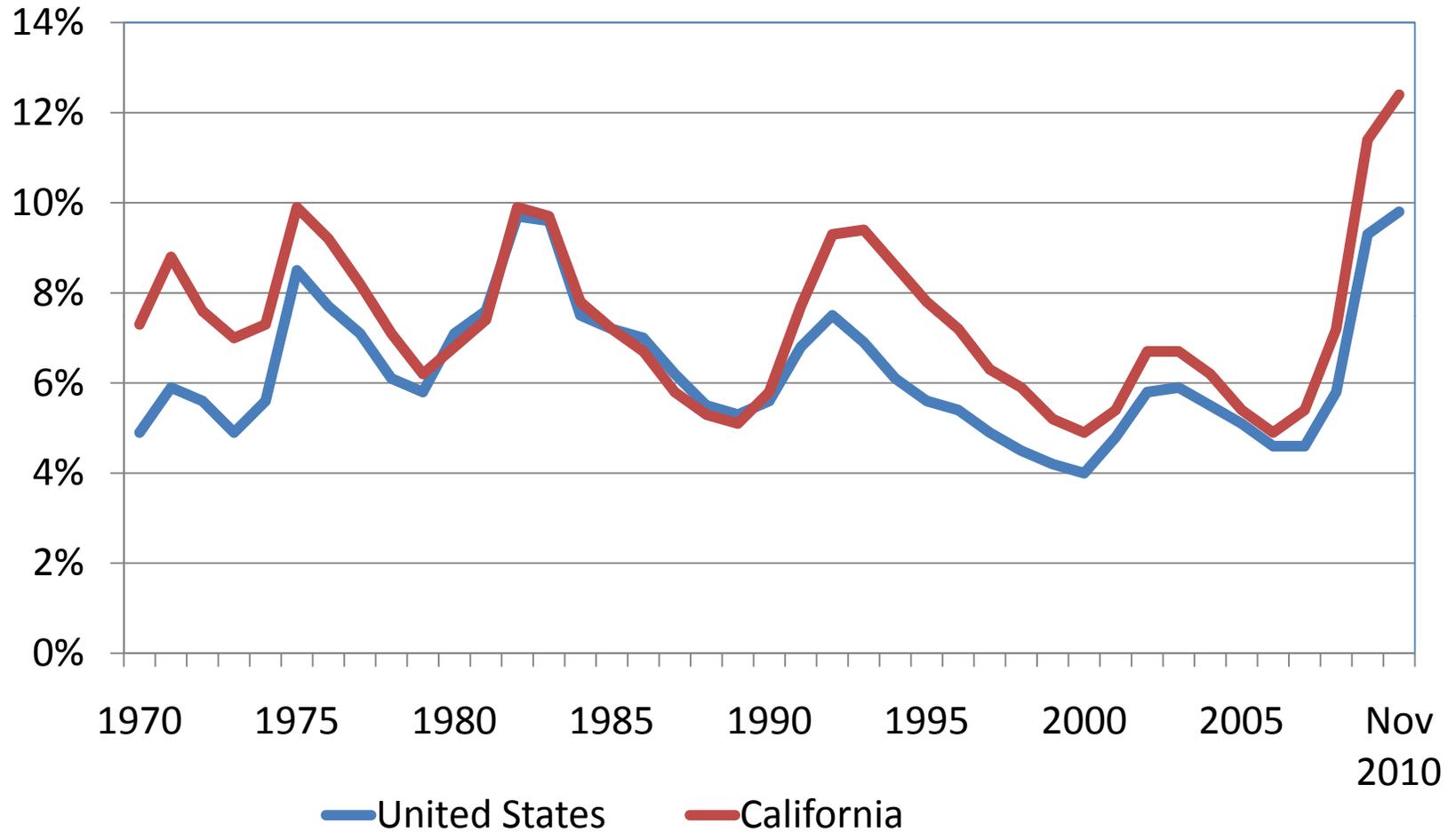
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Slides for CEC Economic Forum

January 19, 2011

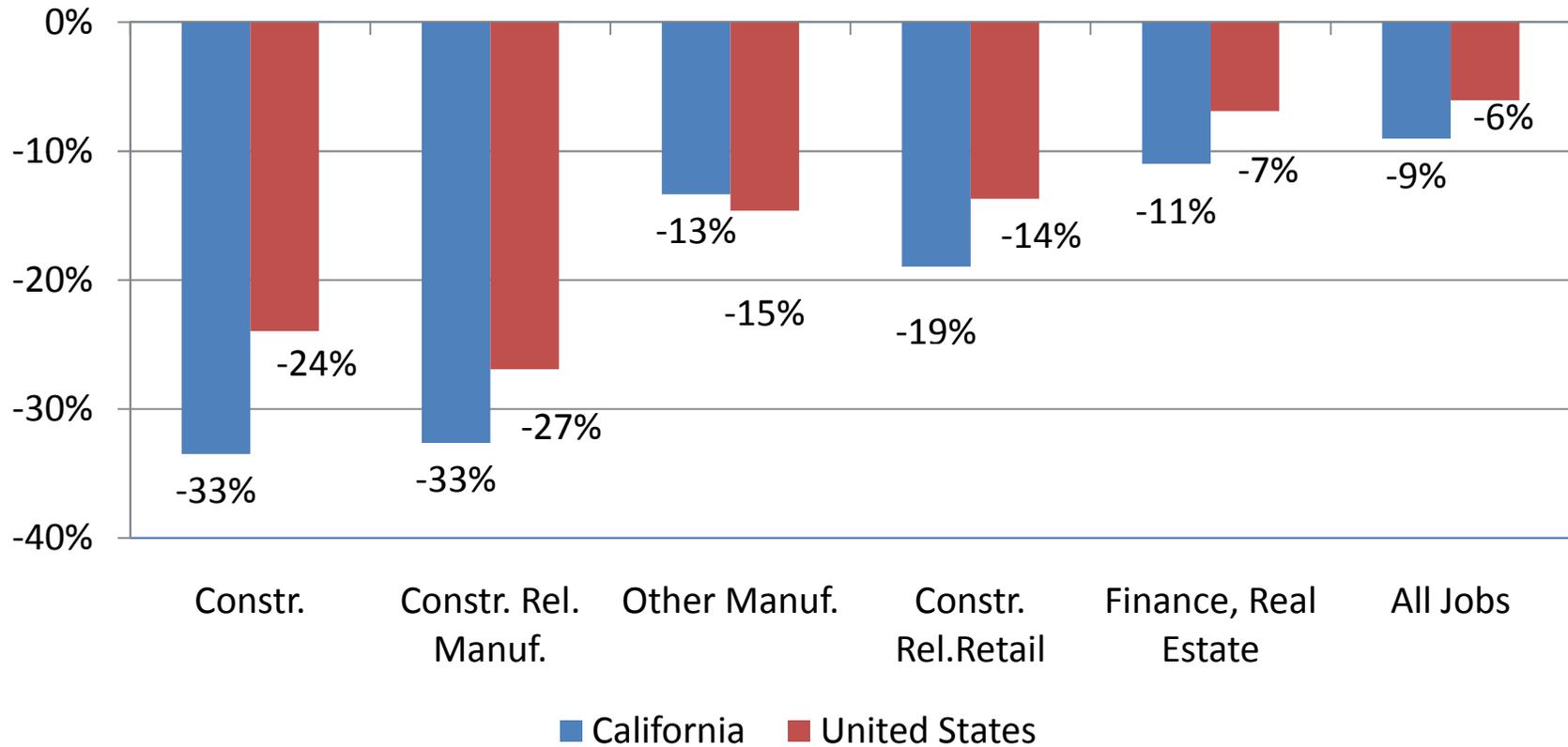
Prepared by the Center for Continuing
Study of the California Economy

Unemployment Rates



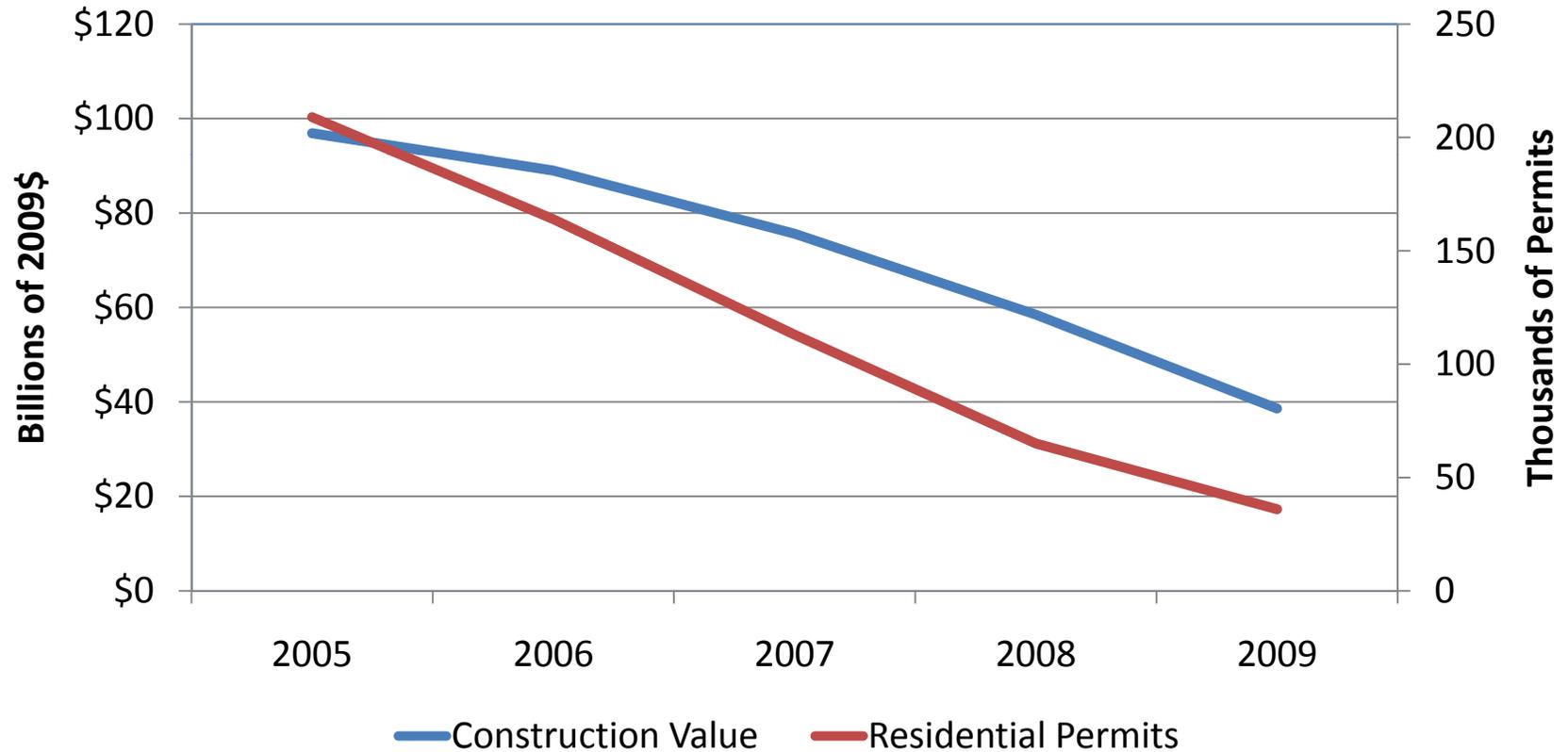
Construction Related Job Losses

Job Losses Dec 2007-Dec 2009



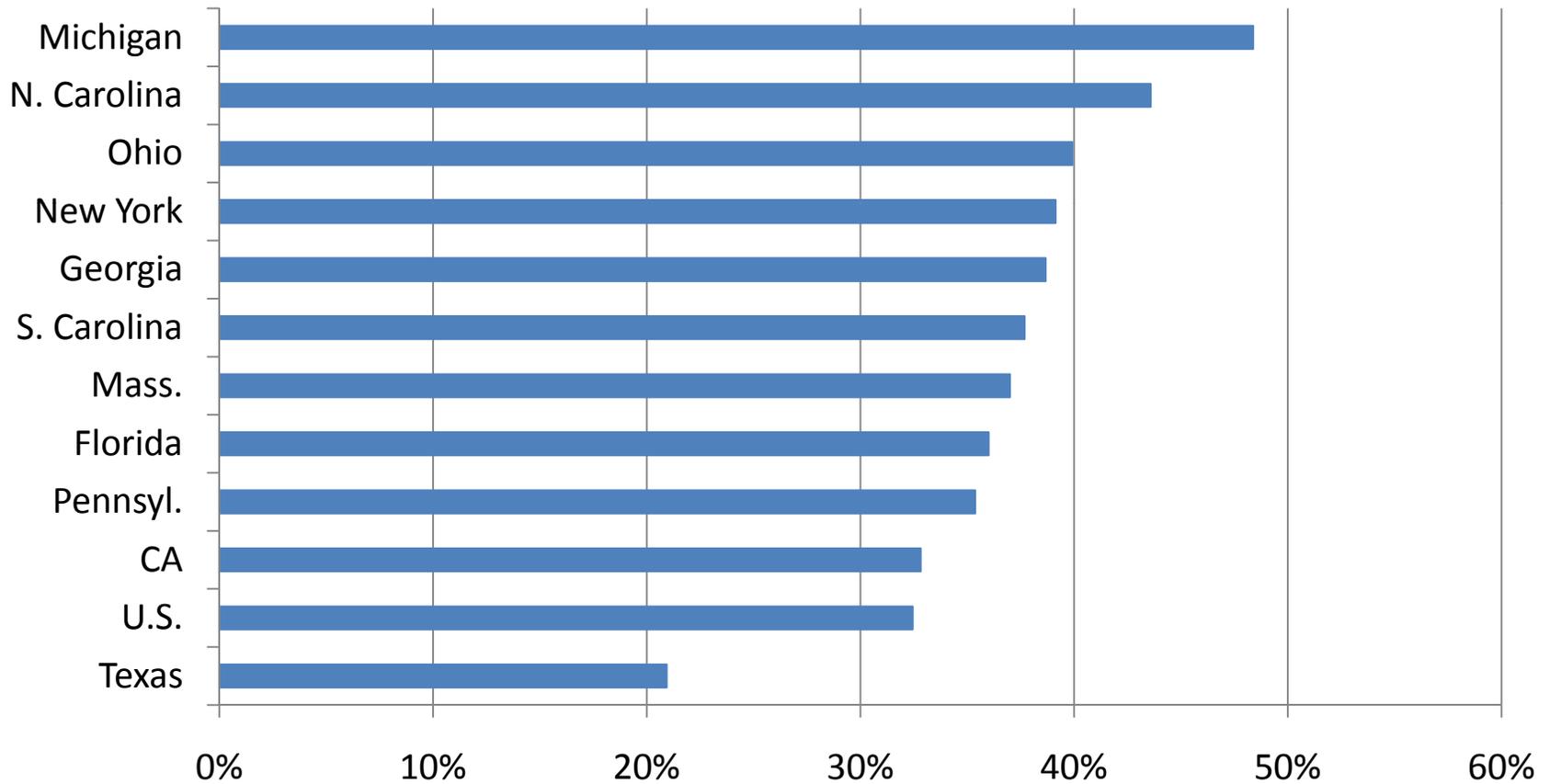
Construction Explains CA's Below Average Job Performance

California's Sharp Construction Decline

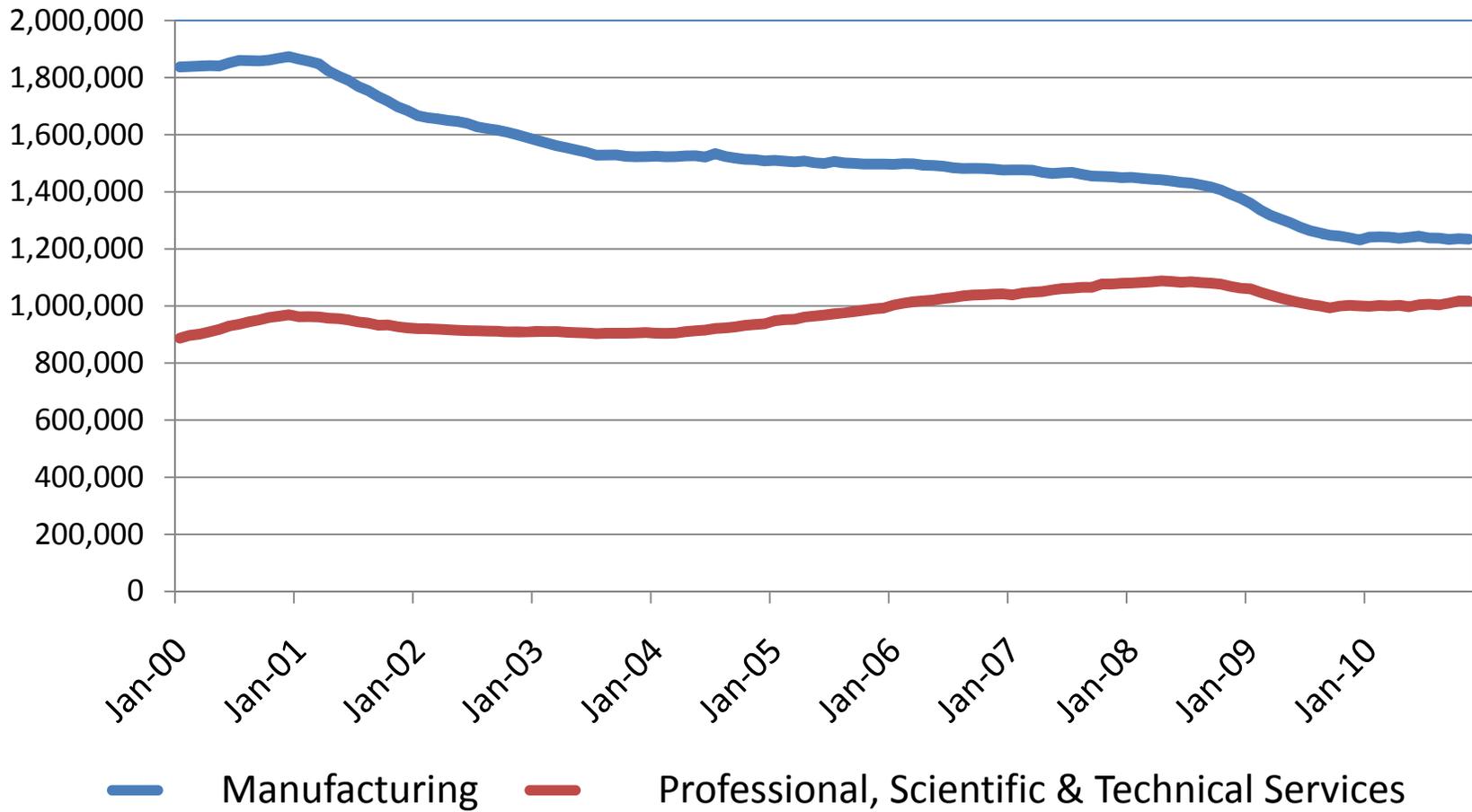


Manufacturing Job Losses Everywhere

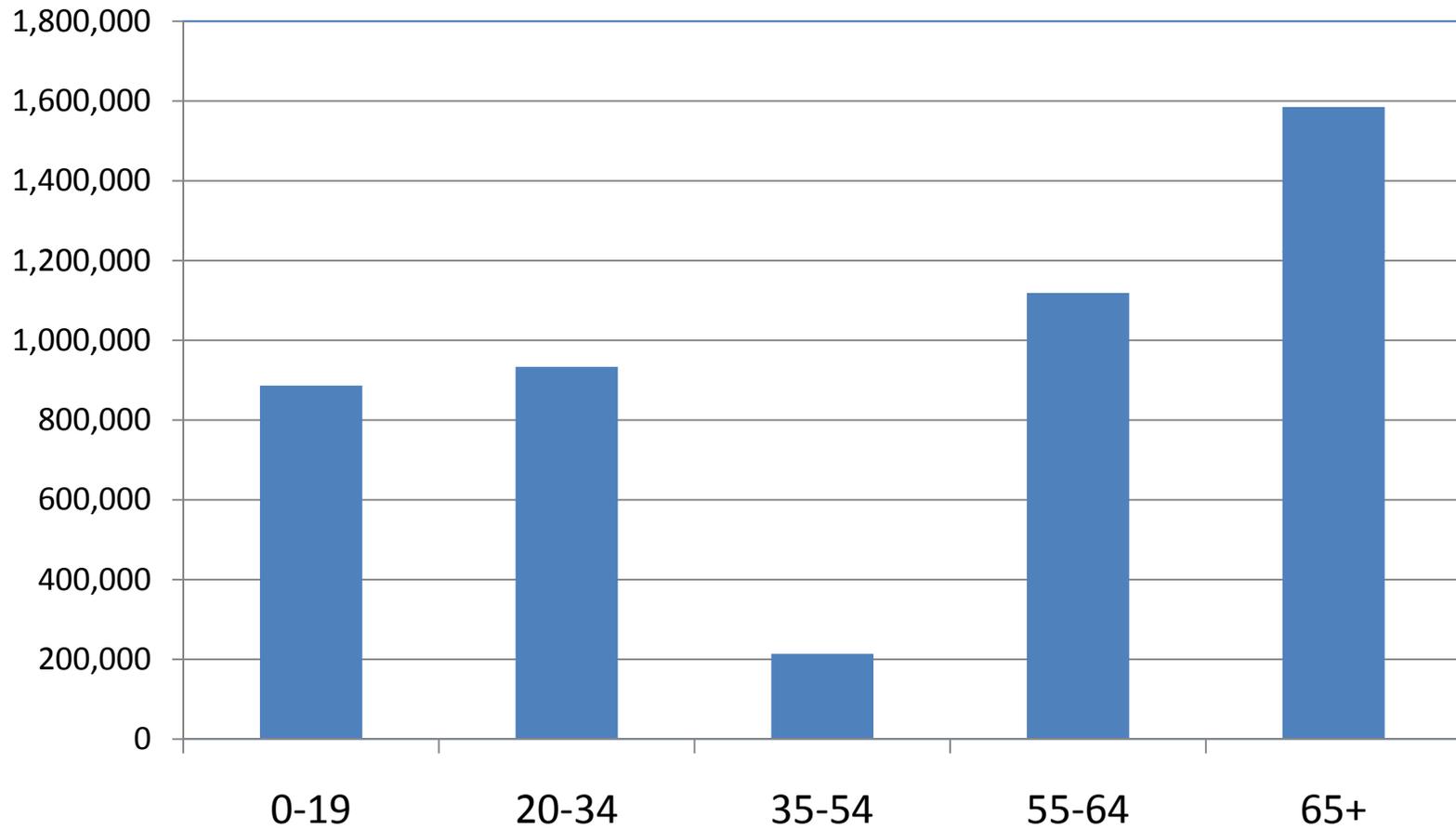
Jan 2000-Sept 2010



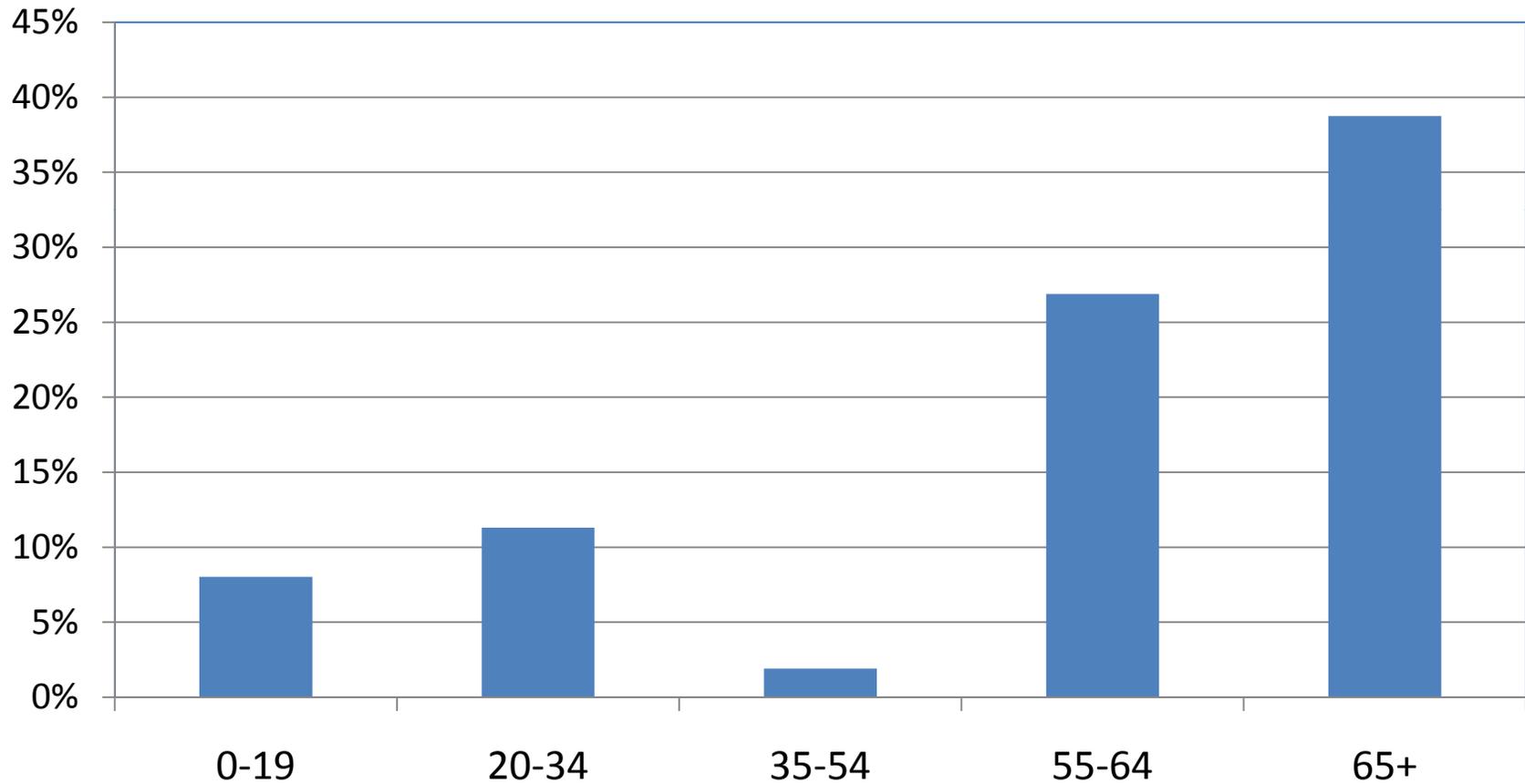
Sector Job Trends



CA Population Growth 2010-2020



CA Population Growth 2010-2020



Facts to Consider in Evaluating Business Climate Arguments

- California has 50% of national VC funding; Texas has 5%
- Nevada is ranked 4th in business tax climate yet leads the nation in unemployment and foreclosure rates
- All of high unemployment periods in CA can be explained by industry trends
- CA firms pay 4.7% of GSP in taxes; in Texas the ratio is 4.9%

Facts to Consider (cont'd)

- In New York (ranked 50th in tax climate) the U.E. rate is 8.3%; in Texas 8.2%; in Maryland (ranked 44th) it is 7.4%.
- Vermont with a U.E. rate of 5.7% has a state budget shortfall 50% higher as a % of the budget than CA. Nevada and Arizona, good business climate states have the 1st and 4th highest % budget shortfalls. The Texas shortfall for next year is estimated to be as high as CA.

Facts to Consider (cont'd)

- Between 1999 and 2009 real GSP per capita grew 15.3% in CA; 9.1% in U.S.; 4.4% in Texas
- Manufacturing % job losses in CA match the national average; lower than in FL, GA, NC, and Massachusetts
- Might housing market indicators be an important factor in recent economic trends?