



CALIFORNIA Economic Indicators

September-October 2010

A Disappointing Recovery

The national and state economies appear mired in weak recoveries from the 2007 recession.

REVIEW OF RECENT ECONOMIC DEVELOPMENTS

The latest labor market news was disappointing. The unemployment rate ticked up, nonfarm employment declined, and July's loss was made worse by revisions. Construction activity slowed in August. On the other hand, real estate markets showed some life with both sales and prices improving.

EMPLOYMENT

August yielded the first significant private sector job loss since 2009

California [lost 33,500 nonfarm jobs in August 2010](#), with only about 7,000 accounted for by disappearing Census jobs, which means that private sector employment fell by 24,300. California's drop accounted for an outsized share of the national job losses in August (54,000). (Source: EDD)

Furthermore, the job loss for July was increased from 9,400 to 22,900. According to the original report on July, the layoff of temporary Census workers was large enough that the private sector added 13,700 jobs. After the month's revisions, however, private sector employment dropped by 300 in July.

Only two of the state's major industry sectors made gains in August. Professional and business services added 300 jobs and mining and logging added 200.

The other nine major sectors lost jobs. Government lost 9,200 jobs; trade, transportation, and utilities, 8,600; construction, 3,900; manufacturing, 3,800; financial activities, 3,700; information, 2,800; education and health services, 1,400; other services, 500; and leisure and hospitality, 100.

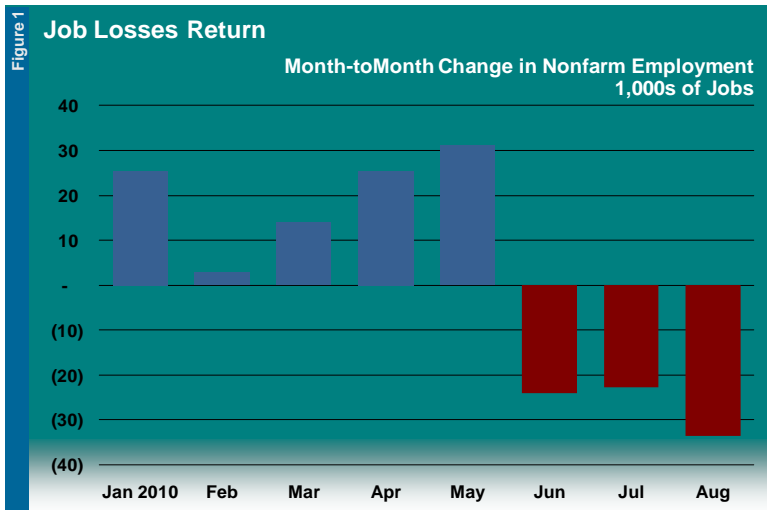
Nonfarm payroll employment fell by 113,100 from August 2009 to August 2010, a 0.8-percent drop. Employment rose 38,700 in professional and business services; 22,200 in educational and health services; and 600 in mining and logging. Over the year, employment fell by 47,700 in government; 44,700 in construction; 39,500 in trade, transportation, and utilities; 21,400 in manufacturing; 13,200 in financial activities; 6,200 in leisure and hospitality; and 1,900 in other services. There was no change in employment in information over the year.

California's unemployment rate rose a notch in August

The state's unemployment rate in August rose a tenth of a percent to 12.4 percent after declining or holding steady for the last 4 months. The national unemployment rate also rose a tenth of a percent in August—to 9.6 percent. The number of

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Following the ups and downs of the Census, job losses returned in August.

people unemployed in California increased for the second consecutive month in August following three consecutive month-over-month declines.

BUILDING ACTIVITY

Home building slips in August

Construction activity slid in August, following three consecutive month-over-month gains. There were slowdowns in both residential and nonresidential sectors, however, both did better in comparison to August 2009. Residential permits were issued at a seasonally adjusted annual rate of 42,648 units, up over 10 percent from a year earlier. Single-family permits were down 22 percent, but multi-family permitting was up 102 percent. New home permitting during the first eight months of 2010 was up 26 percent from the same months of 2009.

New home permitting during the first eight months of 2010, 44,500 units on a seasonally adjusted annual basis, was up 26 percent from the same months of 2009. In comparison, before the housing bubble inflated, the state was permitting from 150,000 to almost 200,000 units annually.

Nonresidential building improves at a snail's pace

Nonresidential construction trended up on a slow and uneven pace during the first eight months of 2010. Despite a slight slowdown in August, permitting was up 14 percent from a year earlier. For the first eight months of 2010 as a whole, nonresidential permitting was up 0.7 percent from the same months of 2009, but was still down almost 47 percent from the same months of 2006.

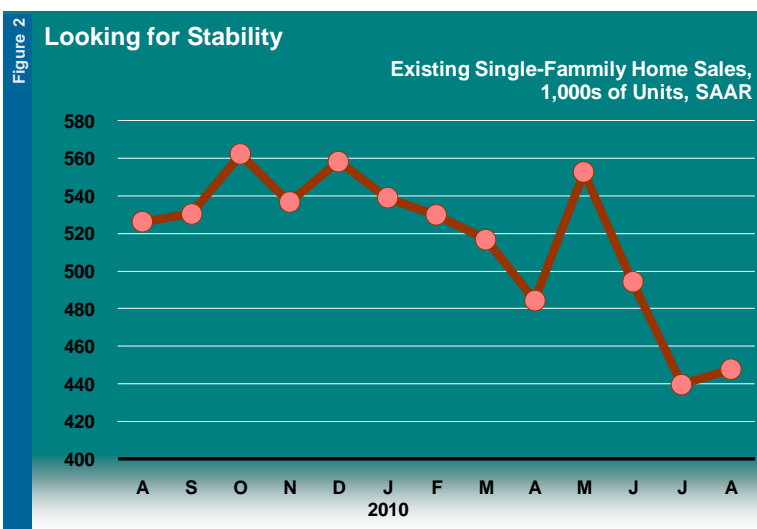
REAL ESTATE

Home prices still looking for a foundation

Real estate market readings improved in August, but were still searching for stability following the ups and downs generated by the expiration of the Federal home buyers' tax credit at the end of April. Sales of existing, single-family detached homes totaled 447,530 units at a seasonally adjusted annualized rate in August—up 1.8 percent from July, but down 15 percent from a year earlier.

The median price of homes sold in August was \$318,660, up 8.6 percent from a year earlier.

On the other hand, other indicators show more slack in the existing home market. The unsold inventory index inched up to 6.1 months. The median number of days needed to sell a home also rose, to 47.1 days, a 35 percent increase from a year earlier. (Source: [California Association of Realtors](#))



Existing home sales were still in flux following expiration of Federal home buyers' credit.

Select Indicators

	2009		2010			Year-Over % Change
	Sep	Jun	Jul	Aug	Sep	
EMPLOYMENT (Seasonally adjusted)						
Civilian employment (000)	15,986	16,069	16,017	15,968	15,975	-0.1%
Unemployment (000)	2,201	2,244	2,250	2,260	2,270	3.1%
Unemployment rate	12.1%	12.3%	12.3%	12.4%	12.4%	--
Nonagricultural wage and salary employment (000) a/	13,852.2	13,884.3	13,861.4	13,872.1	13,808.5	-0.3%
Goods-producing industries	1,851.4	1,814.3	1,810.3	1,804.7	1,789.2	-3.4%
Mining and logging	24.8	25.5	25.4	25.6	25.4	2.4%
Construction	578.7	544.1	546.9	541.3	528.0	-8.8%
Manufacturing	1,247.9	1,244.7	1,238.0	1,237.8	1,235.8	-1.0%
Service-providing industries	12,000.8	12,070.0	12,051.1	12,067.4	12,019.3	0.2%
Trade, transportation, and utilities	2,606.5	2,578.9	2,578.5	2,574.3	2,578.5	-1.1%
Information	445.6	447.9	447.4	453.0	441.7	-0.9%
Financial activities	785.7	780.7	779.7	776.4	781.9	-0.5%
Professional and business services	2,002.1	2,050.8	2,054.1	2,057.0	2,060.6	2.9%
Educational and health services	1,735.1	1,761.3	1,762.7	1,763.9	1,750.3	0.9%
Leisure and hospitality	1,484.4	1,482.9	1,481.1	1,485.5	1,492.9	0.6%
Other services	477.9	478.1	480.8	479.5	472.9	-1.0%
Government	2,463.5	2,489.4	2,466.8	2,477.8	2,440.5	-0.9%
Federal government	249.9	278.7	259.8	251.1	246.9	-1.2%
State and local government	2,213.6	2,210.7	2,207.0	2,226.7	2,193.6	-0.9%
High-technology industries b/	817.6	822.4	825.3	827.4	823.9	0.8%
Computer and electronic products manufacturing	270.9	274.9	276.5	277.8	277.4	2.4%
Aerospace products and parts manufacturing	70.1	68.1	68.8	68.9	68.6	-2.1%
Software publishers	44.1	42.9	42.8	42.7	42.6	-3.4%
Telecommunications	111.3	105.5	105.1	104.7	103.5	-7.0%
Internet service providers, web portals and data processing	19.1	19.6	19.6	19.6	19.1	0.0%
Computer systems design	191.1	198.7	199.6	199.7	198.9	4.1%
Scientific research and development	111.0	112.7	112.9	114.0	113.8	2.5%
HOURS AND EARNINGS IN MANUFACTURING (Not seasonally adjusted)						
Average weekly hours	39.5	40.0	40.1	40.2	39.8	0.8%
Average weekly earnings	\$703.89	\$760.80	\$757.49	\$760.99	\$760.58	8.1%
Average hourly earnings	\$17.82	\$19.02	\$18.89	\$18.93	\$19.11	7.2%
CONSUMER PRICE INDEX (1982-84=100) (Not seasonally adjusted)						
All Urban Consumers Series						
California Average	NA	227.1	NA	227.4	NA	--
San Francisco CMSA	NA	228.1	NA	228.0	NA	--
Los Angeles CMSA	225.2	225.9	226.0	226.4	226.0	0.4%
Urban Wage Earners and Clerical Workers Series						
California Average	NA	219.7	NA	220.1	NA	--
San Francisco CMSA	NA	224.2	NA	224.2	NA	--
Los Angeles CMSA	217.3	218.2	218.4	218.8	218.4	0.5%
CONSTRUCTION						
Private residential housing units authorized (000) c/	37	47	50	44	32	-15.3%
Single units	28	25	24	23	20	-29.5%
Multiple units	9	22	27	21	12	28.4%
Residential building authorized valuation (millions) d/	\$12,885	\$13,600	\$13,988	\$13,357	\$12,175	-5.5%
Nonresidential building authorized valuation (millions) d/	\$9,703	\$10,827	\$11,662	\$11,588	\$11,148	14.9%
Nonresidential building authorized valuation (millions) e/	9,857	\$12,364	\$11,708	\$12,909	11,337	15.0%
Commercial	1,340	2,001	2,241	2,409	2,431	81.4%
Industrial	585	120	327	567	128	-78.1%
Other	1,927	2,894	2,153	2,001	1,724	-10.5%
Alterations and additions	6,005	7,349	6,987	7,932	7,054	17.5%
AUTO SALES (Seasonally adjusted)						
New auto registrations (number)	103,549	96,032	83,907	NA	NA	--
a/ The wage and salary employment information is based on the new North American Industry Classification System (NAICS).						
b/ Not seasonally adjusted						
c/ Seasonally adjusted at annual rate						
d/ Seasonally adjusted						
e/ Not seasonally adjusted						
NA Not available						

Select Indicators (continued)

OFFICE VACANCY AND INDUSTRIAL AVAILABILITY RATES, SECOND QUARTER 2010									
(Percent)									
		Office Vacancy		Office Vacancy		Office Vacancy		Industrial Availability	
		Downtown		Suburban		Metropolitan			
		2Q10	2Q09	2Q10	2Q09	2Q10	2Q09	2Q10	2Q09
Northern and Central California:									
Oakland East-Bay		13.9	11.5	17.2	16.7	15.9	14.6	11.4	10.4
Sacramento		13.7	15.9	24.2	22.3	22.0	21.0	14.9	14.1
San Francisco		16.2	14.7	15.5	16.7	15.9	15.4	10.9	9.3
San Jose		22.3	21.9	19.5	22.0	20.5	14.9	17.4	15.8
Walnut Creek		NA	NA	18.2	15.6	18.2	15.6	13.7	17.3
Southern California:									
Inland Empire		NA	NA	23.8	24.6	23.8	24.6	15.7	15.4
Los Angeles Metro		17.6	14.9	16.7	14.7	16.9	14.8	7.7	7.7
Orange County		NA	NA	18.1	16.7	18.1	16.7	11.2	10.5
San Diego		16.5	14.7	15.5	16.7	15.9	15.4	16.3	14.6
Ventura County		NA	NA	23.1	25.4	23.1	25.4	NA	NA
National Average		15.1	13.3	19.1	17.9	17.7	16.4	13.5	12.4
SALES OF EXISTING SINGLE-FAMILY HOMES					FOREIGN TRADE		DOD PRIME CONTRACTS a/		
		Median	Units	Exports	Imports				
		Price	(SAAR)	(\$ millions)			\$ millions	% of U.S.	
2006	Jan	\$549,460	500,470	\$10,848	\$25,555	1993-94	22,573	20.5%	
	Feb	534,400	513,740	10,791	23,004	1994-95	18,277	16.8%	
	Mar	562,130	539,170	13,336	27,722	1995-96	18,230	16.7%	
	Apr	562,380	516,960	11,991	27,005	1996-97	18,477	17.3%	
	May	563,860	488,260	12,306	28,090	1997-98	17,401	15.9%	
	Jun	575,850	483,690	12,664	29,621	1998-99	17,372	15.1%	
	Jul	567,860	453,980	12,255	29,990	1999-00	18,100	14.7%	
	Aug	577,300	442,150	12,720	31,550	2000-01	19,939	14.7%	
	Sep	557,150	444,780	12,567	30,608	2001-02	23,816	15.0%	
	Oct	552,020	443,320	12,913	32,200	2002-03	28,681	15.0%	
	Nov	554,500	450,930	12,676	29,747	2003-04	27,875	13.7%	
	Dec	569,350	452,060	12,756	28,396	2004-05	31,065	13.1%	
2007	Jan	\$551,220	446,820	\$12,325	\$28,025	2005-06	32,126	12.5%	
	Feb	554,280	480,170	11,717	26,183				
	Mar	582,930	422,300	13,954	27,815				
	Apr	594,110	357,460	12,360	28,049				
	May	594,530	358,640	13,283	28,734				
	Jun	591,280	357,890	13,864	29,961				
	Jul	587,560	341,130	12,837	30,537				
	Aug	588,670	313,310	13,527	31,206				
	Sep	535,760	255,340	13,375	30,962				
	Oct	517,240	254,650	14,511	33,415				
	Nov	490,511	280,920	13,483	31,767				
	Dec	480,820	294,520	14,313	29,615				
2008	Jan	\$427,200	311,160	\$13,016	\$28,280				
	Feb	418,260	338,970	13,664	27,306				
	Mar	414,640	319,290	14,868	27,996				
	Apr	404,470	362,170	14,308	29,907				
	May	384,540	411,770	15,023	30,640				
	Jun	373,100	427,910	15,800	31,269				
	Jul	355,000	494,390	15,992	33,976				
	Aug	352,730	483,400	15,206	31,892				
	Sep	319,310	519,530	14,545	31,994				
	Oct	307,210	557,050	14,485	32,308				
	Nov	287,880	514,240	12,290	26,322				
	Dec	283,060	549,190	11,397	24,082				
2009	Jan	\$249,960	602,660	\$9,640	\$21,730				
	Feb	247,590	620,410	9,987	16,926				
	Mar	249,790	504,200	11,149	20,895				
	Apr	253,110	526,720	10,590	20,822				
	May	263,440	546,490	10,769	21,678				
	Jun	274,640	514,230	11,214	22,725				
	Jul	285,310	555,780	11,371	23,893				
	Aug	293,400	526,110	11,738	24,327				
	Sep	296,610	531,180	11,684	25,986				
	Oct	297,500	562,400	12,794	27,136				
	Nov	304,520	536,720	12,573	25,114				
	Dec	306,820	558,320	13,707	25,292				
2010	Jan	\$287,440	539,040	\$11,973	\$22,934				
	Feb	279,840	529,836	12,806	22,869				
	Mar	301,790	516,912	14,366	24,904				
	Apr	306,230	484,487	13,651	25,814				
	May	324,430	552,800	14,272	26,957				
	Jun	311,950	494,242	14,194	30,808				
	Jul	314,850	439,617	13,875	29,709				
	Aug	318,660	449,290	14,028	31,878				
	Sep	309,900	466,580	NA	NA				
a/ U.S. fiscal year: October through September				NA Not available					

Leading Indicators ^{a/}

		Manufacturing		Unemployment	New	Housing Unit
		Overtime	Average	Insurance	Business	Authorizations
		Hours	Weekly Hours	Claims	Incorporations	(Thousands)
2006	Jan	4.3	40.2	41,098	9,362	187.8
	Feb	4.7	40.7	38,618	8,670	223.8
	Mar	4.5	40.2	42,535	9,303	172.9
	Apr	4.3	40.1	43,296	8,958	179.0
	May	4.4	40.2	42,917	9,032	161.5
	Jun	4.4	40.5	40,897	8,370	194.5
	Jul	4.3	40.3	42,401	8,613	143.4
	Aug	4.1	40.2	42,889	8,844	152.2
	Sep	3.9	40.2	42,269	8,686	151.1
	Oct	4.2	40.4	41,973	8,923	133.2
	Nov	4.1	40.2	43,011	8,815	137.5
	Dec	4.2	40.6	44,979	9,151	131.9
2007	Jan	4.2	40.7	42,230	9,153	150.4
	Feb	3.9	40.7	42,868	8,793	134.6
	Mar	3.9	40.4	43,457	8,818	141.8
	Apr	3.9	40.6	43,332	8,410	123.0
	May	4.0	40.6	45,294	8,290	117.2
	Jun	4.1	40.6	45,620	8,964	100.0
	Jul	4.0	40.8	45,088	8,532	111.9
	Aug	4.0	40.8	46,046	9,123	128.4
	Sep	3.9	40.6	46,872	8,945	86.1
	Oct	4.0	40.5	48,953	8,538	97.8
	Nov	3.9	40.6	48,198	9,051	76.4
	Dec	3.8	40.3	48,873	8,758	86.9
2008	Jan	3.8	40.5	49,489	8,026	73.6
	Feb	4.0	39.9	49,128	8,228	90.1
	Mar	4.0	41.0	49,957	8,068	52.9
	Apr	4.2	41.5	52,545	8,247	71.8
	May	3.8	40.9	52,539	8,210	80.9
	Jun	3.7	40.8	55,059	8,051	72.0
	Jul	3.9	40.9	59,953	7,649	64.8
	Aug	3.7	40.3	62,641	7,416	58.0
	Sep	3.7	40.5	63,690	7,489	55.0
	Oct	3.7	40.6	66,171	7,087	50.8
	Nov	3.3	40.2	71,143	6,574	70.1
	Dec	3.4	40.2	74,433	6,767	46.3
2009	Jan	3.0	40.0	77,165	7,067	33.4
	Feb	3.0	38.2	79,595	7,085	34.4
	Mar	2.9	39.1	80,165	6,713	36.4
	Apr	2.8	38.7	78,042	6,991	37.9
	May	3.0	38.9	75,808	6,782	33.1
	Jun	3.0	39.1	83,023	6,636	33.6
	Jul	2.8	39.3	83,177	6,769	34.7
	Aug	3.1	39.5	80,885	6,526	38.6
	Sep	3.1	39.4	88,144	6,275	37.3
	Oct	3.2	39.6	80,727	6,515	37.7
	Nov	3.6	40.0	73,328	6,748	40.9
	Dec	3.5	39.9	74,884	5,355	40.3
2010	Jan	3.9	40.0	83,870	5,732	54.0
	Feb	3.7	40.0	75,344	5,468	49.8
	Mar	3.7	39.9	83,623	7,803	37.6
	Apr	3.9	40.2	85,920	5,201	36.1
	May	3.9	40.2	84,299	5,552	38.4
	Jun	3.8	40.0	87,382	3,973	47.1
	Jul	3.5	40.1	84,744	10,037	50.0
	Aug	3.6	40.0	82,678	6,767	43.9
	Sep	3.4	39.7	90,139	5,951	31.6

a/ Seasonally adjusted by the California Department of Finance.

Coincident Indicators ^{a/}

		Nonagricultural		Manufacturing		Unemployment		Unemployment	
		Employment		Employment		Rate		Avg. Weeks Claimed	
		(Thousands)		(Thousands)		(Percent)		(Thousands)	
2007	Jan		15,136		1,477		4.9		361
	Feb		15,167		1,477		5.0		366
	Mar		15,194		1,476		5.0		342
	Apr		15,143		1,468		5.1		356
	May		15,164		1,464		5.2		365
	Jun		15,179		1,467		5.3		356
	Jul		15,203		1,468		5.4		372
	Aug		15,188		1,461		5.5		370
	Sep		15,169		1,455		5.5		391
	Oct		15,169		1,454		5.6		402
	Nov		15,182		1,453		5.7		383
	Dec		15,181		1,450		5.8		425
2008	Jan		15,141		1,451		5.9		426
	Feb		15,154		1,447		6.0		420
	Mar		15,128		1,444		6.1		443
	Apr		15,136		1,442		6.4		471
	May		15,095		1,438		6.6		453
	Jun		15,061		1,433		7.0		470
	Jul		15,000		1,431		7.3		490
	Aug		14,958		1,424		7.5		512
	Sep		14,903		1,417		7.8		540
	Oct		14,835		1,407		8.2		565
	Nov		14,725		1,392		8.7		558
	Dec		14,646		1,377		9.2		650
2009	Jan		14,543		1,359		9.7		659
	Feb		14,401		1,336		10.2		710
	Mar		14,300		1,318		10.6		760
	Apr		14,221		1,304		11.0		771
	May		14,150		1,292		11.3		827
	Jun		14,067		1,277		11.6		840
	Jul		13,979		1,264		11.8		824
	Aug		13,941		1,256		12.0		860
	Sep		13,852		1,248		12.1		832
	Oct		13,885		1,245		12.2		792
	Nov		13,851		1,239		12.3		779
	Dec		13,810		1,231		12.3		717
2010	Jan		13,835		1,241		12.5		691
	Feb		13,838		1,242		12.5		676
	Mar		13,852		1,241		12.6		685
	Apr		13,877		1,237		12.5		646
	May		13,908		1,241		12.4		673
	Jun		13,884		1,245		12.3		684
	Jul		13,861		1,238		12.3		646
	Aug		13,872		1,238		12.4		664
	Sep		13,809		1,236		12.4		650
			Personal		Wages &				
			Income b/		Salaries b/		Taxable Sales c/		
			(\$ millions)		(\$ millions)		(\$ millions)		
2007	Qtr I		\$1,545,365		\$827,810		\$143,287		
	Qtr II		1,561,554		833,316		140,605		
	Qtr III		1,570,427		836,699		137,484		
	Qtr IV		1,595,680		851,747		139,987		
2008	Qtr I		\$1,600,904		\$850,547		\$138,076		
	Qtr II		1,621,724		851,927		137,257		
	Qtr III		1,622,134		850,189		133,664		
	Qtr IV		1,598,968		830,560		123,338		
2009	Qtr I		\$1,571,784		\$807,779		\$115,784		
	Qtr II		1,574,645		803,695		111,080		
	Qtr III		1,567,694		796,181		113,606		
	Qtr IV		1,576,477		799,005		114,466		
2010	Qtr I		\$1,598,202		\$805,267		\$118,293		
	Qtr II		1,611,545		809,635		116,681		
a/ Seasonally adjusted.									
b/ Estimates by the U.S. Bureau of Economic Analysis.									
c/ Taxable sales estimates for 2009:Q4, 2010:Q1 and Q2 are preliminary.									

ECONOMIC INDICATOR CHARTS

Series classification as leading or coincident indicators generally follows that established by the National Bureau of Economic Research. The exceptions to this are manufacturing employment and taxable sales. These series are discussed in the technical note below.

TECHNICAL NOTE

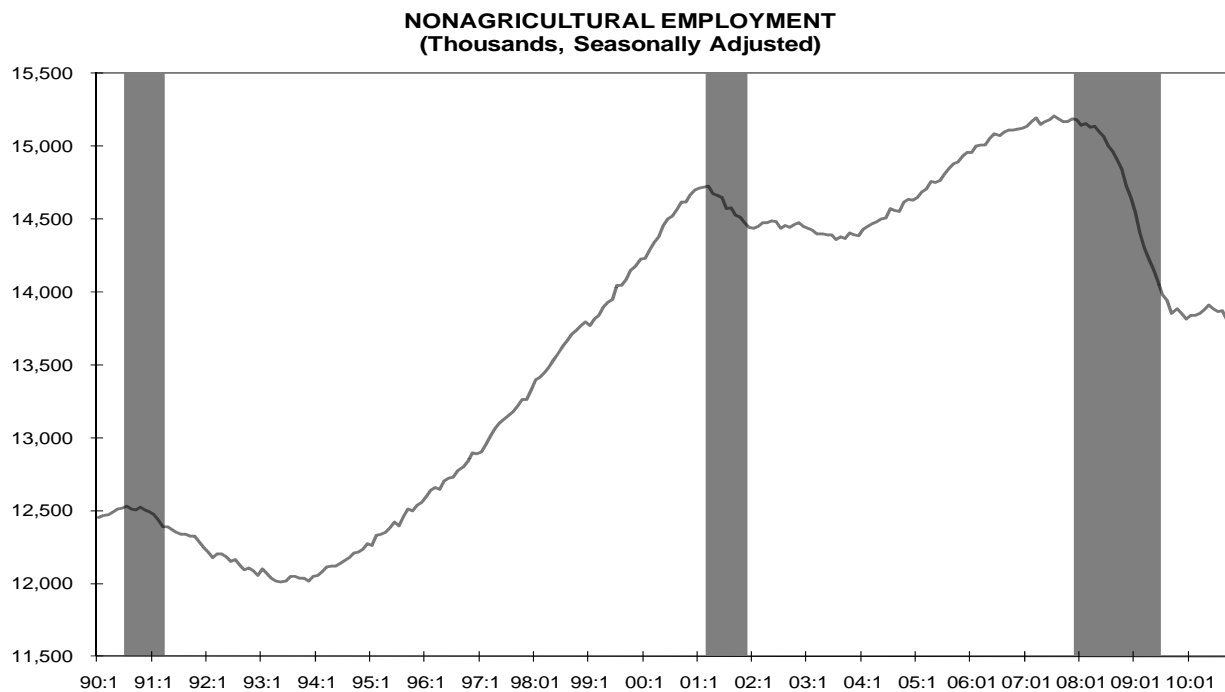
Whenever appropriate, data used in the charts have been seasonally adjusted. The method of seasonal adjustment is the X-12 Arima program. Persons interested in a detailed description of this method are referred to the U.S. Census Bureau's Statistical Research Division.

Under the X-12 Arima method, the addition of new data points changes historical seasonal factors. To avoid monthly data changes in the California Economic Indicators it is necessary to "freeze" the seasonally adjusted data through the past year and manually compute current year values from the projected seasonal factors. Thus historical revisions will be incorporated annually.

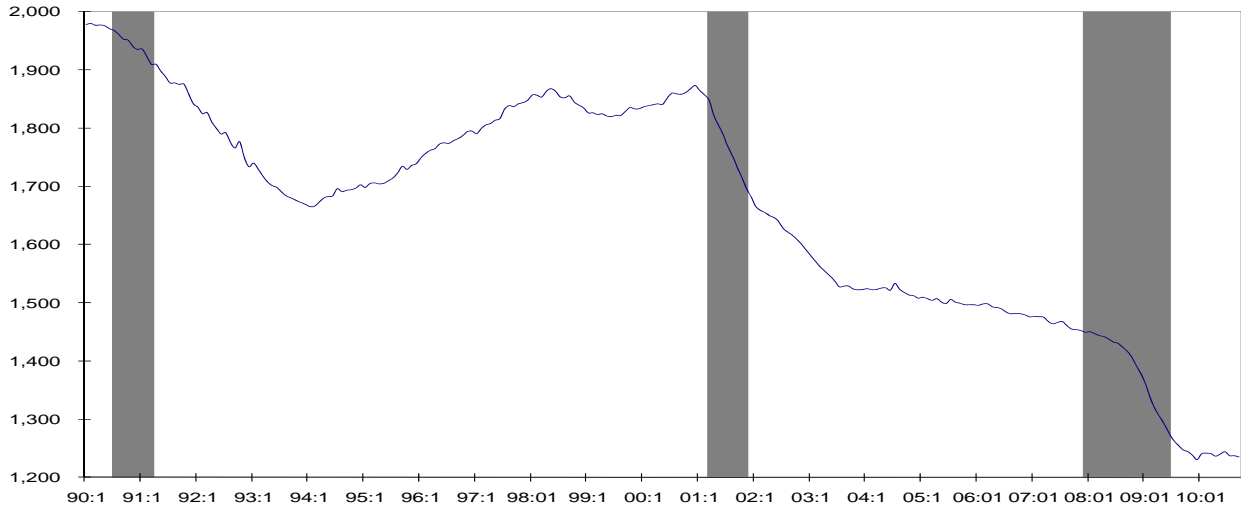
The manufacturing employment series is an addition to the NBER indicator list. It is used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

Taxable sales are used here as a proxy for retail trade. Data on the latter are not available for California prior to 1964. The taxable series includes sales by both retail and wholesale establishments, and is, therefore, a broad indicator of business activity. It has been classified as a coincident indicator on the basis of fluctuations in the series since 1950.

The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but are of interest to persons looking at overall economic developments.



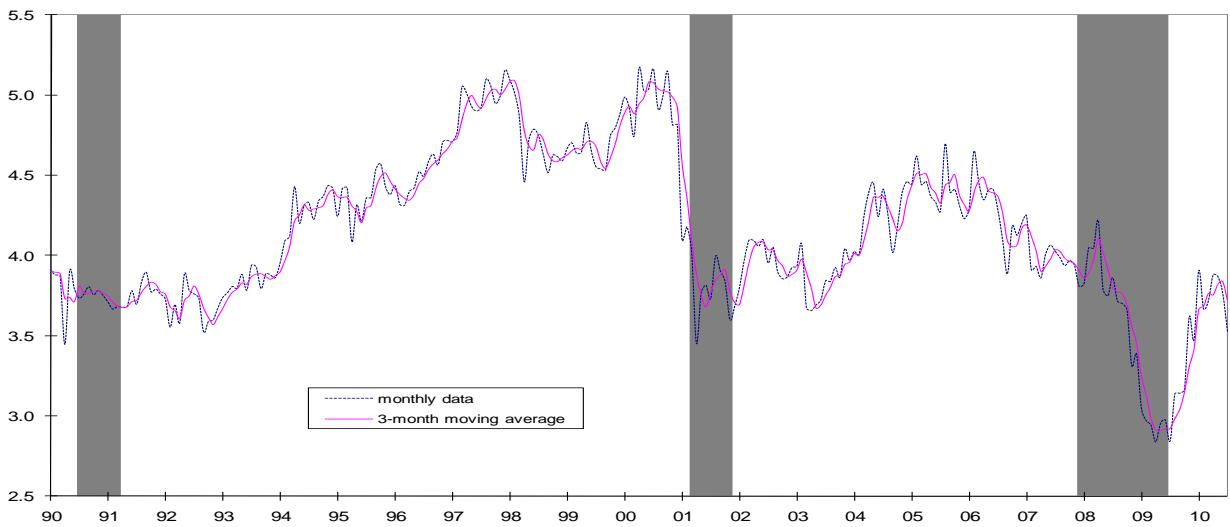
**MANUFACTURING EMPLOYMENT
(Thousands, Seasonally Adjusted)**



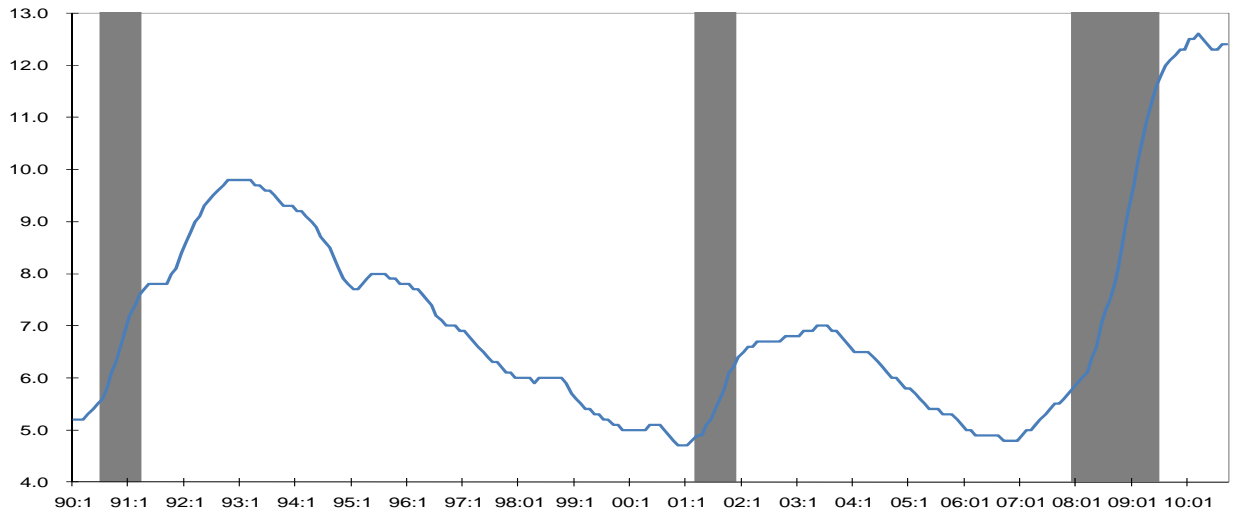
**AVERAGE WEEKLY HOURS, MANUFACTURING
(Seasonally Adjusted)**



**AVERAGE OVERTIME HOURS, MANUFACTURING
(Seasonally Adjusted)**



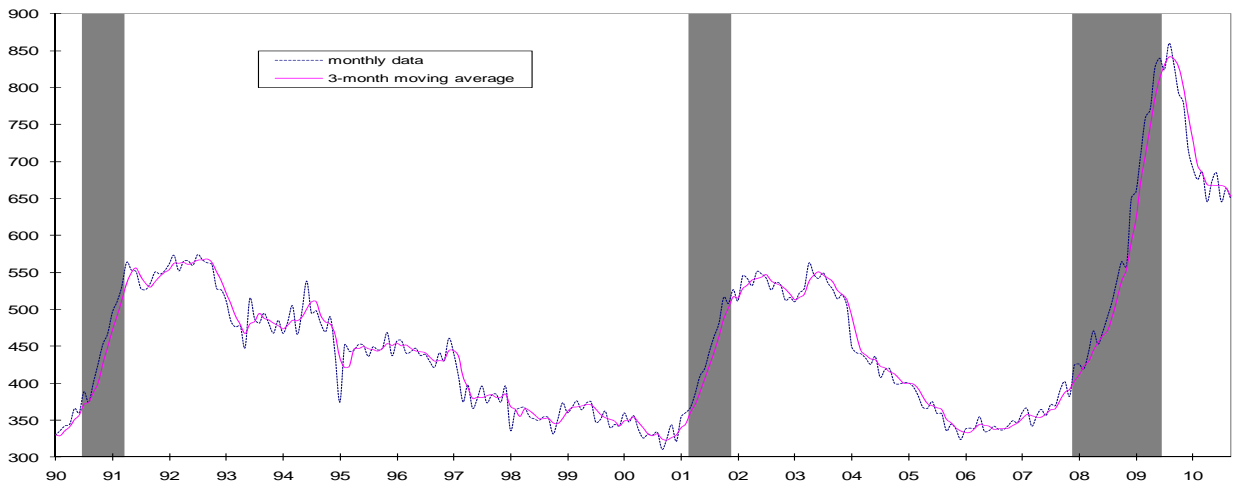
**UNEMPLOYMENT RATE
(Percent)**



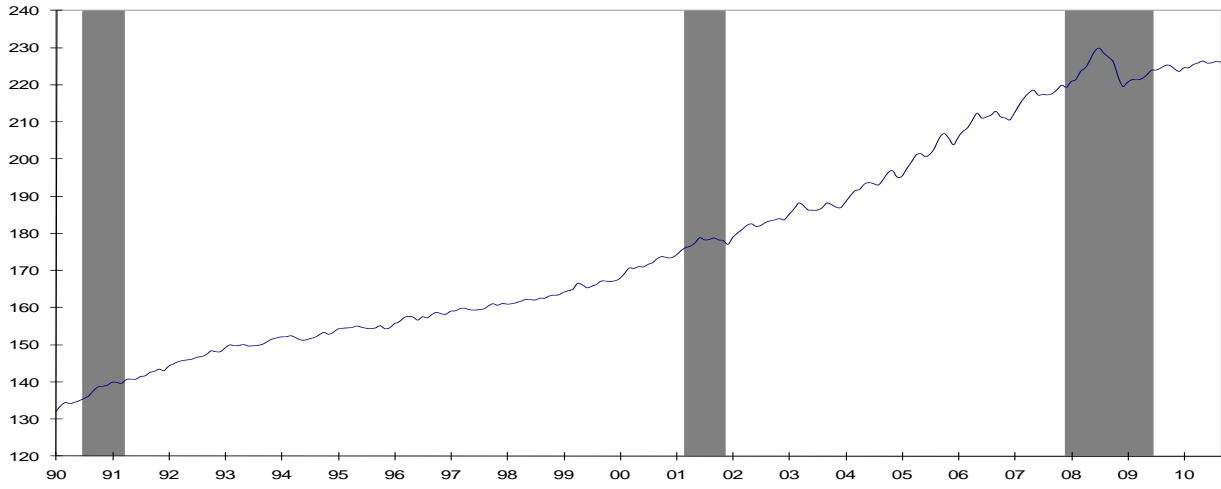
**INITIAL AND TRANSITIONAL CLAIMS FOR UNEMPLOYMENT INSURANCE
(Weekly Average, Seasonally Adjusted)**



**UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
(Thousands, Seasonally Adjusted)**



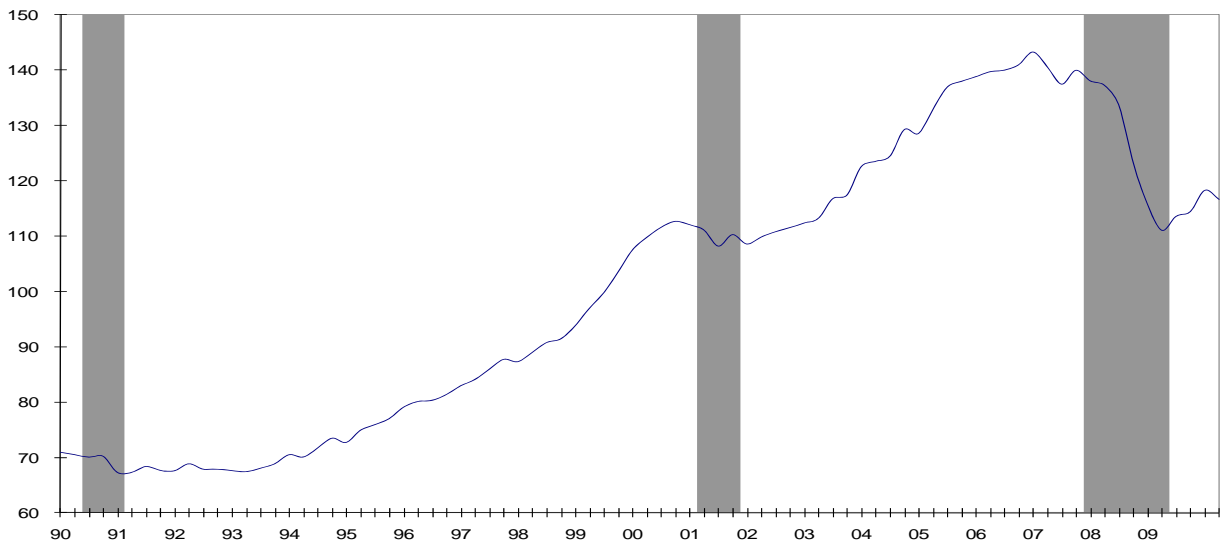
**CONSUMER PRICE INDEX, LOS ANGELES
(1982-84=100)**



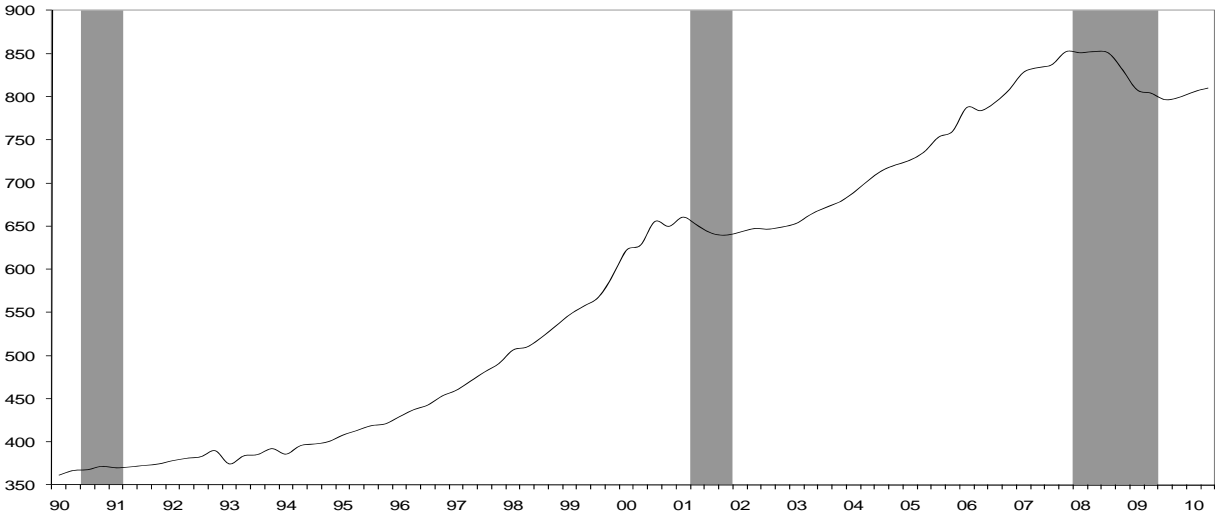
**CONSUMER PRICE INDEX, SAN FRANCISCO
(1982-84=100)**



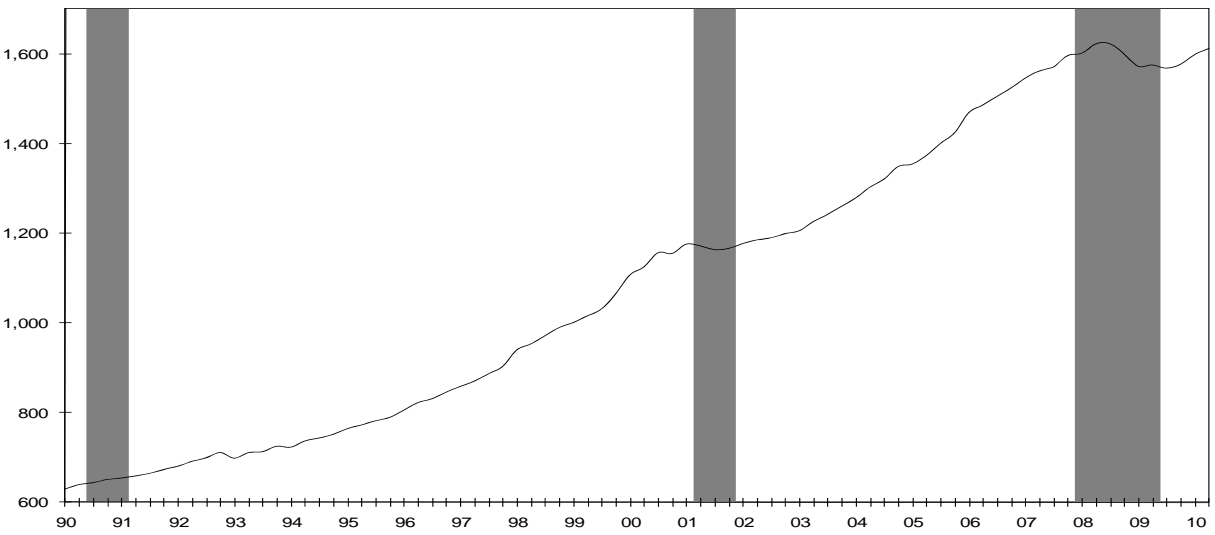
**TAXABLE SALES
(\$ Billions, Seasonally Adjusted)**



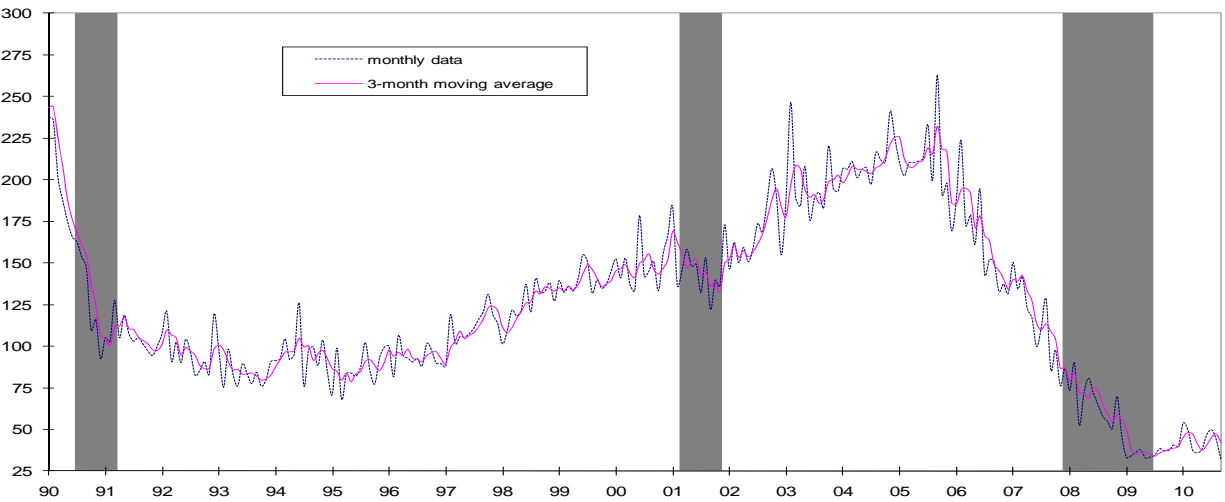
TOTAL WAGES AND SALARIES
(\$ Billions, Seasonally Adjusted)



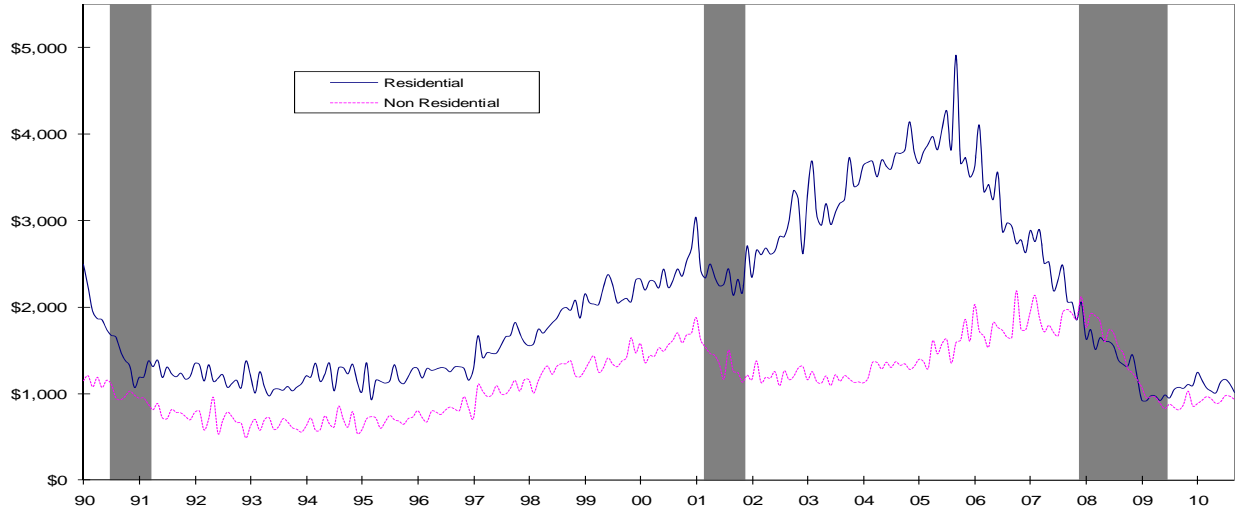
PERSONAL INCOME
(\$ Billions, Seasonally Adjusted)



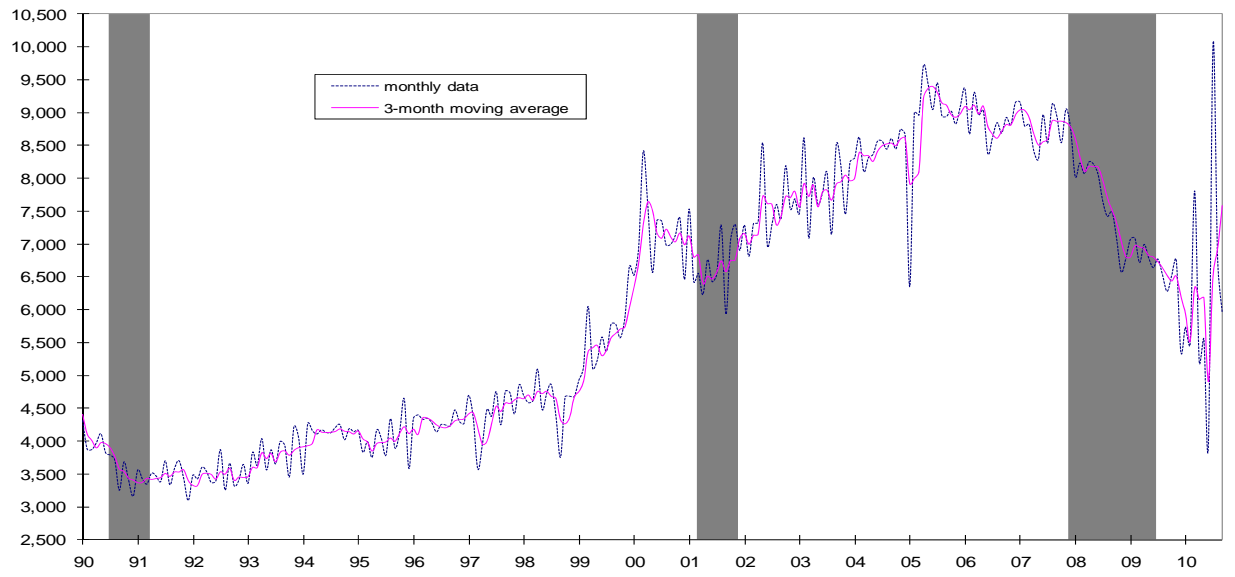
NEW HOUSING UNITS AUTHORIZED BY BUILDING PERMITS
(Thousands, Seasonally Adjusted At Annual Rate)



**RESIDENTIAL AND NONRESIDENTIAL BUILDING PERMIT VALUATION
(Dollars In Millions, Seasonally Adjusted At Annual Rate)**



**NEW BUSINESS INCORPORATIONS
(Seasonally Adjusted)**



REFERENCE DATES OF UNITED STATES BUSINESS CYCLES, 1854-

<u>Initial Trough</u>		<u>Peak</u>		<u>Terminal Trough</u>		<u>Expansion (months)</u>	<u>Contraction (months)</u>	<u>Total (months)</u>
Dec.	1854	June	1857	Dec	1858	30	18	48
Dec.	1858	Oct.	1860	June	1861	22	8	30
June	1861	April	1865	Dec.	1867	46	32	78
Dec.	1867	June	1869	Dec.	1870	18	18	36
Dec.	1870	Oct.	1873	March	1879	34	65	99
March	1879	March	1882	May	1885	36	38	74
May	1885	March	1887	April	1888	22	13	35
April	1888	July	1890	May	1891	27	10	37
May	1891	Jan.	1893	June	1894	20	17	37
June	1894	Dec.	1895	June	1897	18	18	36
June	1897	June	1899	Dec.	1900	24	18	42
Dec.	1900	Sept.	1902	Aug.	1904	21	23	44
Aug.	1904	May	1907	June	1908	33	13	46
June	1908	Jan.	1910	Jan.	1912	19	24	43
Jan.	1912	Jan.	1913	Dec.	1914	12	23	35
Dec.	1914	Aug.	1918	March	1919	44	7	51
March	1919	Jan.	1920	July	1921	10	18	28
July	1921	May	1923	July	1924	22	14	36
July	1924	Oct.	1926	Nov.	1927	27	13	40
Nov.	1927	Aug.	1929	March	1933	21	43	64
March	1933	May	1937	June	1938	50	13	63
June	1938	Feb.	1945	Oct.	1945	80	8	88
Oct.	1945	Nov.	1948	Oct.	1949	37	11	48
Oct.	1949	July	1953	May	1954	45	10	55
May	1954	Aug.	1957	April	1958	39	8	47
April	1958	April	1960	Feb.	1961	24	10	34
Feb.	1961	Dec.	1969	Nov.	1970	106	11	117
Nov.	1970	Nov.	1973	March	1975	36	16	52
March	1975	Jan.	1980	July	1980	58	6	64
July	1980	July	1981	Nov.	1982	12	16	28
Nov.	1982	July	1990	March	1991	92	8	100
March	1991	March	2001	Nov.	2001	120	8	128
Nov.	2001	Dec.	2007	June	2009	73	18	91

CHRONOLOGY

The following summary lists economic, political, and natural developments which have influenced California economic indicators, and may account for unusual movements in the series. Appraisal of the charts will be facilitated in many cases by taking into consideration those factors which may be contributing to temporary directional changes in business activity which are not indicative of significant changes in the economic situation of the State. In addition, major national and international events of general interest have also been included.

---2007---

January 1	California minimum wage increased to \$7.50 per hour from \$6.75.
January 11	Vietnam becomes WTO member.
Mid-January	Freezing temperatures in California caused some \$1.3 billion in crop losses.
January 25-26	Sales of both new and existing homes in the U.S. suffered sharp declines last year. The plunge in new home sales was the biggest drop since 1990 and sales of existing homes saw its biggest decline since 1989.
February	Crippling winter storms blanketed large swaths of the Midwest and Northeast with snow, ice and freezing rain.
February 21	Rising default rates hitting subprime mortgage industry hard.
February 27	Dow Jones industrial average down 416 points, biggest one-day point loss since 2001, after declining markets in China and Europe and a steep drop in durable goods orders triggered a massive sell-off on Wall Street.
February 28	GDP grew at a 2.2 percent pace in the 4 th quarter –a considerably weaker rate than what the government first estimated.
March 2	The latest benchmark revision to the California labor market statistics shows nonfarm payroll employment growth was considerably stronger than what was first estimated.
March 14	President Bush issues a disaster declaration for California counties hurt by the January deep freeze.
March 29	Fourth quarter GDP revised upwards to 2.5 percent.
April 16	The number of default notices sent to California homeowners last quarter increased to its highest level in almost ten years, the result of flat appreciation, slow sales, and post teaser-rate mortgage resets.
April 25	Dow Jones Industrials close above 13,000 for the first time.
April 27	First quarter GDP increased at an annual rate of 1.3 percent.
May 3	S&P 500 closed above 1,500 for the first time in more than six years. Dow Jones Industrials surged to a record high for the sixth time in seven sessions.

May 4	US payroll job growth slowest since 2004. The Dow Jones industrial average hit another record high making this the longest bull run in 80 years.
May 31	First quarter GDP increased at an annual rate of 0.6 percent. That's down from its initial estimate of 1.3 percent growth.
July 24	Federal minimum wage increased to \$5.85 from \$5.15 per hour.
July 26	The Dow Jones industrial average dropped 311.50 points or 2.3 percent amid concerns about housing and credit markets.
August 2	Mattel says it is recalling 1.5 million Chinese-made toys worldwide marking the latest in a string of recalls that have fueled U.S.-China tensions over the safety of Chinese products.
August 9	The Dow Jones industrial average was down 387.18 points or 2.8 percent as worries about the global credit market sparked a broad sell-off in stocks.
August 10	The Federal Reserve injected \$38 billion into the banking system in an effort to provide liquidity as needed to keep financial markets operating normally.
August 17	The Federal Reserve, reacting to concerns about the subprime lending crisis, cut its discount rate half a percentage point to 5.75 percent.
August 23	Bank of America invests \$2 billion in Countrywide Financial Corporation, helping the nation's largest mortgage lender shore up its finances as it struggles with a liquidity crunch.
August 24	California Governor Arnold Schwarzenegger signs the 2007-08 state budget bill.
August 28	The Dow Jones industrial average closed down 280.28 points or 2.1 percent as investors were hit by fresh worries over declining consumer confidence, falling home prices, shrinking profits on Wall Street and uncertainty about the Federal Reserve.
August 30	Second quarter GDP increased at an annual rate of 4 percent. That's up from its initial estimate of 3.4 percent growth.
September 10	Blasts rip Mexico gas and oil pipelines.
September 18	Federal funds rate target reduced from 5.25 percent to 4.75 percent. Discount rate cut from 5.75 percent to 5.25 percent.
September 27	Second quarter GDP increased at an annual rate of 3.8 percent. That's down from its preliminary estimate of 4 percent.
October 21-26	Southern California wildfires.
October 31	Federal funds rate target reduced from 4.75 percent to 4.50 percent. Discount rate cut from 5.25 percent to 5 percent.
November 1	The Federal Reserve injects \$41 billion in temporary reserves into the US money markets.

November 5-	Members of the Writers Guild of America strike
November 12	Citigroup, Bank of America, and JPMorganChase agree to a \$75 billion superfund to restore confidence to credit markets.
November 15	US House of Representatives passes the Mortgage Reform and Anti-Predatory Lending Act of 2007.
December 6	President Bush announces a plan to voluntarily and temporarily freeze the mortgage rates of a limited number of mortgage debtors holding adjustable rate mortgages.
December 11	Federal funds rate target reduced from 4.50 percent to 4.25 percent. Discount rate cut from 5 percent to 4.75 percent.
December 12	The Federal Reserve injects \$40B into the money supply and coordinates such efforts with central banks from Canada, United Kingdom, Switzerland and European Union.
December 18	The Federal Reserve approves measures to give mortgage holders more protection to prevent the current housing crisis from worsening further.
December 20	Third quarter GDP increased at an annual rate of 4.9 percent.
December 21	In California, sales of new and existing houses and condos were down 39 percent from a year ago in November. Sales have declined in the last 26 months on a year-over-year basis. The median price paid for a home was down 2.4 percent from the prior month and down 11.9 percent from a year ago. Financing with adjustable-rate mortgages and with multiple mortgages have dropped sharply. Foreclosure activity is at record levels.
December	Banks, mortgage lenders, real estate investment trusts, and hedge funds continue to suffer significant losses as a result of mortgage payment defaults and mortgage asset devaluation.

---2008---

January 1	California minimum wage increased to \$8.00 per hour from \$7.50.
January 11	Bank of America agrees to purchase Countrywide Financial.
January 14	Fitch assigns Negative Rating Watch to State of California.
January 21-22	Global stock markets plunge.
January 22	Federal funds rate target reduced from 4.25 percent to 3.5 percent, the biggest one-day interest rate reduction on record.
January 30	Federal funds rate target reduced from 3.5 percent to 3 percent.
February 12	Hollywood writers strike ends.
February 19	Crude oil price tops \$100 a barrel.
March 13	Gold futures hit \$1000 an ounce for the first time. Crude oil price tops \$110 a barrel. Gas prices rise to another record high.

March 16	JPMorgan agrees to buy Bear Stearns for a mere fraction of what it was once worth.
March 17	The Fed expanded the range of programs to boost financial market liquidity and cut the discount rate by 25 basis points, to 3.25 percent
March 18	Federal funds rate target reduced from 3 percent to 2.25 percent.
March 27	Fourth quarter GDP increased at an annual rate of 0.6 percent, compared with 4.9 percent in the third quarter.
April 15	Retail chains caught in a wave of bankruptcies.
April 16	Consumer prices, over the past 12 months, is up by 4 percent, reflecting sharp gains in energy costs, which are up 17 percent over that period, and food prices, which are up 4.4 percent.
April 30	Federal funds rate target reduced from 2.25 percent to 2 percent. First quarter GDP increased at an annual rate of 0.6 percent.
July 6	Extended unemployment insurance benefits begin.
July 11	IndyMac Bank seized by federal regulators.
July 30	President Bush signs housing rescue law.
August 8	Georgia-Russia conflict escalates.
August 28	Second quarter GDP increased at an annual rate of 3.3 percent.
September 1	Hurricane Gustav strikes land west of New Orleans.
September 7	The U.S. government takes over Fannie Mae and Freddie Mac.
September 13	Hurricane Ike hits Texas.
September 14	Merrill Lynch sold to Bank of America.
September 15	Lehman Brothers files for bankruptcy protection.
September 17	The Federal Reserve loans \$85 billion to American International Group (AIG).
September 19	Treasury to provide temporary guarantees for money market mutual funds.
September 23	Governor Schwarzenegger signs record-late state budget.
September 25	Washington Mutual was seized by the FDIC, and its banking assets were sold to JP MorganChase.
September 26	Second quarter GDP increased at an annual rate of 2.8 percent.
September 29	Citigroup buys banking operations of Wachovia.
October 1	Financial crisis spreads to Europe.

October 3	The Emergency Economic Stabilization Act (commonly referred to as a bailout of the U.S. financial system) became law. Wells Fargo to merge with Wachovia.
October 6 - 10	Worst week for the stock market in 75 years.
October 6	Fed provides \$900 billion in short-term cash loans to banks.
October 7	Fed makes emergency move to lend around \$1.3 trillion directly to companies.
October 8	Federal funds rate target reduced from 2 percent to 1.5 percent. The discount rate was cut to 1.75 percent.
October 11	The Dow Jones Industrial Average caps its worst week ever with its highest volatility day ever recorded in its 112 year history.
October 12	European leaders announce recapitalization plans for Europe's banks.
October 24	OPEC to cut oil output by 1.5 million barrels a day.
October 29	Federal funds rate target reduced from 1.5 percent to 1 percent.
October 30	Third quarter GDP declines 0.3 percent.
November 3	Boeing machinists' 57-day strike ends.
November 15-	Wildfires burn five Southern California counties.
November 17	Japan is officially in recession.
November 24	The federal government approves plan to help Citigroup.
December 1	Recession in the US began in December 2007, according to NBER.
December 16	The Federal Reserve cut the federal funds rate target to a range of between zero percent and 0.25 percent.
December 17	OPEC to cut oil production starting January in a bid to prop up falling oil prices.
December 19	U.S. auto industry bailout approved.
December 23	Third quarter GDP decreased at an annual rate of 0.5 percent.

---2009---

January 20	Barack Obama inaugurated as the 44th President of the U.S.
January 23	British economy is officially in recession.
February 3	S&P lowered California's bond rating to A from A+.
February 17	President Obama signed the \$787 billion economic stimulus package into law. The "American Recovery and Reinvestment Act of 2009" includes a variety of spending measures and tax cuts intended to promote economic recovery.

February 18	President Obama unveiled the Homeowner Affordability and Stability Plan.
February 20	California Governor Arnold Schwarzenegger signs the 2009-10 state budget bill.
February 27	Fourth quarter GDP decreased at an annual rate of 6.2 percent.
March 2	Dow Jones Industrial Average drops below 7000 for the first time since 1997.
March 19	Moody's lowered California's bond rating from A1 to A2. Fitch lowered California's bond rating from A+ to A.
March 23	U.S. Treasury Secretary unveils the Public-Private Investment Program.
April 23	California adopts low carbon fuel standards.
April 26	Swine Flu declared public health emergency.
April 29	First quarter GDP decreased at annual rate of 6.1 percent.
April 30	Chrysler files for bankruptcy.
May 7	Governor Schwarzenegger proclaims state of emergency in Santa Barbara due to Jesusita wildfire.
June 1	General Motors files for bankruptcy.
June 10	Fiat completes acquisition of Chrysler assets.
June 25	First quarter GDP decreased at annual rate of 5.5 percent.
July 6	Fitch Ratings downgraded California's long-term bond rating from A- to BBB. Moody's lowered the State's rating from A2 to Baa1.
July 24	Dow closes above 9000; first time since January. Federal minimum wage jumps from \$6.55 an hour to \$7.25 an hour.
July 28	Case-Shiller index shows first rise in U.S. housing prices for 3 years.
August 24	Cash-for-Clunkers program ends.
August 27	Second quarter GDP fell 1 percent, unchanged from the advance estimate in July and following a 6.4% drop in Q1.
October 14	Dow closes above 10,000 for the first time in a year.
October 29	Third quarter GDP increased at an annual rate of 3.5 percent.
November 6	Jobless benefit extended. Homebuyer tax credit extended and expanded.
December 22	Third quarter GDP annual growth rate is 2.2%, per final estimate.

December 31 Down 25 percent at its March 9, 2009 nadir, the Dow Jones industrial average rose 59 percent, and finished the year up 19 percent. The Nasdaq increased 79 percent and ended 2009 up 44 percent. The S&P 500 rose 65 percent, finishing the year up 23 percent.

---2010---

January 13 S&P lowered California's bond rating to A- from A.

January 28 The Senate confirmed Federal Reserve Chairman Ben Bernanke's second term.

February 18 The Federal Reserve raised the discount rate charged to banks for direct loans by a quarter point to 0.75 percent.

February 26 Fourth quarter GDP increased at an annual rate of 5.9 percent.

February 27 Chile earthquake

March 23 Obama signs landmark health care overhaul bill.

April 2- BP massive oil spill in the Gulf of Mexico.

April 14-20 Ash clouds from an Icelandic volcano shut down airports across Europe.

April 15 Obama signs extension of jobless benefits.

April 30 First quarter GDP increased at an annual rate of 3.2 percent.

May 27 Revised first quarter GDP increased at an annual rate of 3.0 percent.

July 21 The Wall Street Reform and Consumer Protection Act was signed into law by President Obama.

July 22 President Obama signed a six-month extension of emergency jobless benefits for the long-term unemployed.

July 30 Second quarter GDP increased at an annual rate of 2.4 percent. In the first quarter, GDP increased 3.7 percent.

September 16 US poverty rate jumped to 14.3% in 2009, its highest level since 1994, and the 43.6 million Americans in need is the highest number in 51 years of record-keeping, according to the Census Bureau.

September 20 The US recession ended in June 2009, according to the NBER.

 Californians' income falls for the first time since WWII.

September 30 Second quarter GDP increased at an annual rate of 1.7 percent. In the first quarter, GDP increased 3.7 percent.

October 15 In 2011, for the second straight year, there will be no inflation-based increase in Social Security benefits.