



CALIFORNIA Economic Indicators

November-December 2011

The Recovery Resumes

California and the nation bounced back from a midyear slowdown in the closing months of 2011.

REVIEW OF RECENT ECONOMIC DEVELOPMENTS

Both the national and California economies slowed at mid-2011, weighed down by the Tohoku Pacific earthquake, the Arab Spring Movement, the federal debt-ceiling dispute and steep stock market losses that followed, and the Eurozone sovereign debt/banking crisis. By the end of the year, both economies were improving at essentially the same pace as at the beginning of the year.

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EMPLOYMENT

Meager employment growth in November

California's labor markets continued to make measured steady progress in November. Industry employment grew for the fourth consecutive month, albeit at a more modest pace than the preceding months. After adding nearly 33,000 jobs per month on average during August through October, California gained only 6,500 nonfarm jobs in November 2011. This trend is still a dramatic improvement on the mid-year slowdown. In total, the state added only 4,700 jobs from March through July.

The gains, however, were fairly broad-based, with eight major industry sectors adding jobs. Trade, transportation, and utilities added 18,000 jobs; educational and health services, 8,000; leisure and hospitality, 4,100; financial activities, 1,900; other services, 1,300; government, 1,100; mining and logging, 200; and information, 200.

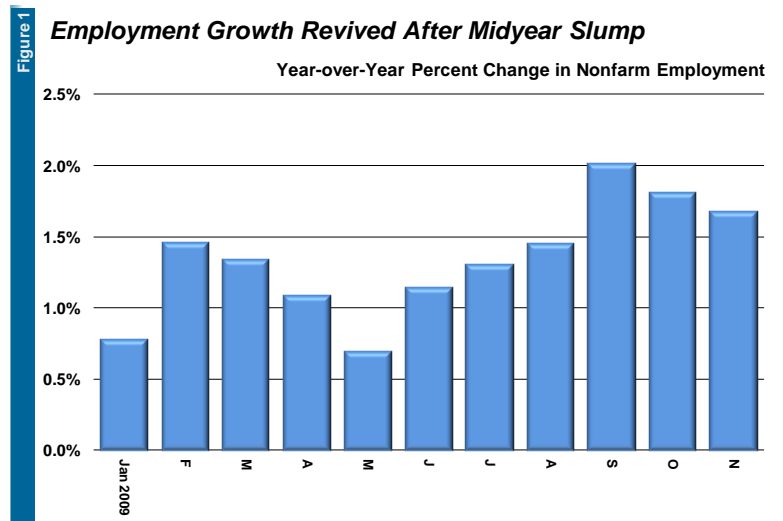
Three sectors declined, including construction which lost 7,100 jobs; manufacturing, 8,000; and professional and business services, 13,200.

Nonfarm payroll employment rose 233,100, or 1.7 percent, from November 2010 to November 2011. Over the same period, national employment rose 1.2 percent.

On a year-over-year basis, California employment rose 53,700 in professional and business services; 48,100 in educational and health services; 41,400 in trade, transportation, and utilities; 34,200 in leisure and hospitality; 24,300 in government; 18,000 in information; 10,400 in construction; 1,100 in other services; 1,000 in mining and logging; and 1,000 in financial activities.

Only one industry, manufacturing, lost jobs over the year (down 100).

Total nonfarm employment in California was still down 1,020,600 from the beginning of the national recession in December 2007.



Job growth was revived after moderating at midyear.

The unemployment rate drops again

The state's unemployment rate dropped four-tenths of a percentage point in November to 11.3 percent. While this is still painfully high, this is the lowest rate since June 2009. The number of people unemployed in California declined for the third consecutive month in November. Total unemployment was down 64,400 over the month, and declined 212,200 compared with November of last year.

BUILDING ACTIVITY

Multi-family construction leads home building

Home building improved in November with positive contributions from both single- and multi-family sectors. Residential permits were issued at a seasonally adjusted annual rate of 38,023 units, up over 18 percent from a year earlier.

Single-family permits were up 3.8 percent, while multi-family permitting accelerated 32 percent.

New home permitting during the first 11 months of 2011 was up 7.9 percent from the same months of 2010 based on a 34-percent rise in multi-family permitting that more than compensated for a near-12-percent drop in single-family building.

Nonresidential construction makes steady improvement

Nonresidential construction permitting grew nearly 30 percent in November from a year earlier based on very large gains in hotel/motel, office, industrial construction and on alterations and additions.

For the first 11 months of 2011 as a whole, nonresidential permitting was up 17 percent from the same months of 2010. Despite this steady improvement, this pace is still very subdued by historic standards.

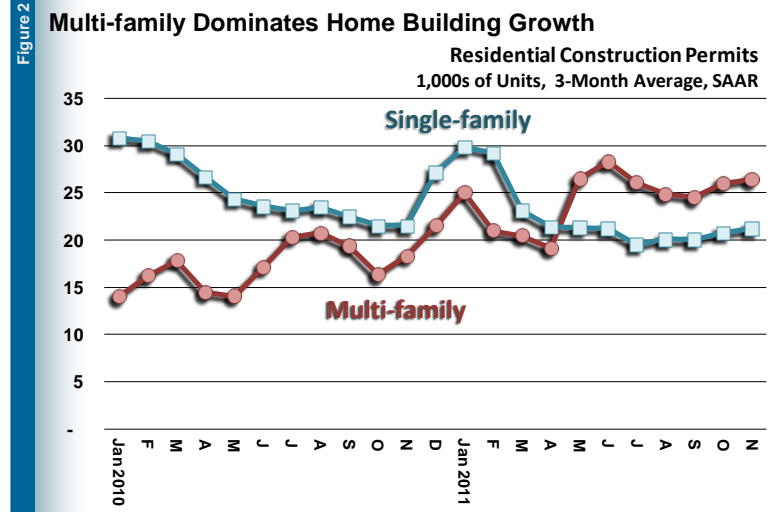
REAL ESTATE

Home sales slip in November

Real estate markets were still moving sideways in November. Existing single-family detached home sales inched up to 503,570 units at a seasonally adjusted annualized rate, only a -2.3 percent improvement from a year earlier. The median price of existing, single-family homes sold in November was \$280,960, a slight improvement from October but down 5.2 percent from a year earlier.

The unsold inventory index slipped down to 5 months from 5.3 months in October. On average during the latest three months, the inventory index is down nearly 16 percent from the same months in 2010.

In contrast, the median number of days needed to sell a home rose to 56.6 days, a 3.3 percent increase from a year earlier. (Source: [California Association of Realtors](#))



Multi-family building is driving residential construction growth.

■ ECONOMIC FORECAST UPDATE

The following is from the Governor's 2012-13 Budget. The forecasts were prepared in November 2011 and are based on information available at that time.

California, like the nation, is in the midst of an uneven economic recovery. Some sectors of the economy, including high technology and export markets, are doing well. Despite these areas of strength, economic conditions are still hamstrung by weak real estate markets, consumer confidence lingers at recessionary levels, and volatility in equity markets remains high.

Global and national events have created economic uncertainty and had an impact on the recovery. Most recently, congressional gridlock on budgetary issues, including the debt ceiling, has added to economic uncertainty and stock market volatility. Further, the European debt, banking, and budgetary crisis has adversely affected the California and national economies.

THE NATION — SLOW ECONOMIC RECOVERY UNDERWAY

A variety of fundamental economic indicators suggests that the national economy has experienced a slow, steady economic expansion over the past year, including a recovery from midyear weakness. In October 2011, the Index of Leading Indicators posted the largest monthly increase since November 2010, which suggests that the economy should continue to experience at least moderate growth well into 2012. After slowing sharply during May and June, nonfarm employment gains rebounded to over 100,000 jobs per month beginning in July. The unemployment rate dropped from 9.2 percent in June to 8.6 percent in November.

Consumer confidence also has improved steadily. The Conference Board Consumer Confidence Index rose in November, posting its largest monthly increase since April 2003. Even though indicators remain at recessionary levels, the improved confidence level has led to increased spending. Overall consumer spending in October was up 4.7 percent from a year earlier, led by a surge in motor vehicle sales, which in November reached their best level since June 2008 (excluding the August 2009 one-time Cash-for-Clunkers surge).

Businesses have remained cautious but boosted spending on equipment and software. Corporations with healthy profits invested in replacement needs neglected during the recession. Inventories remain low, which bodes well for future production growth.

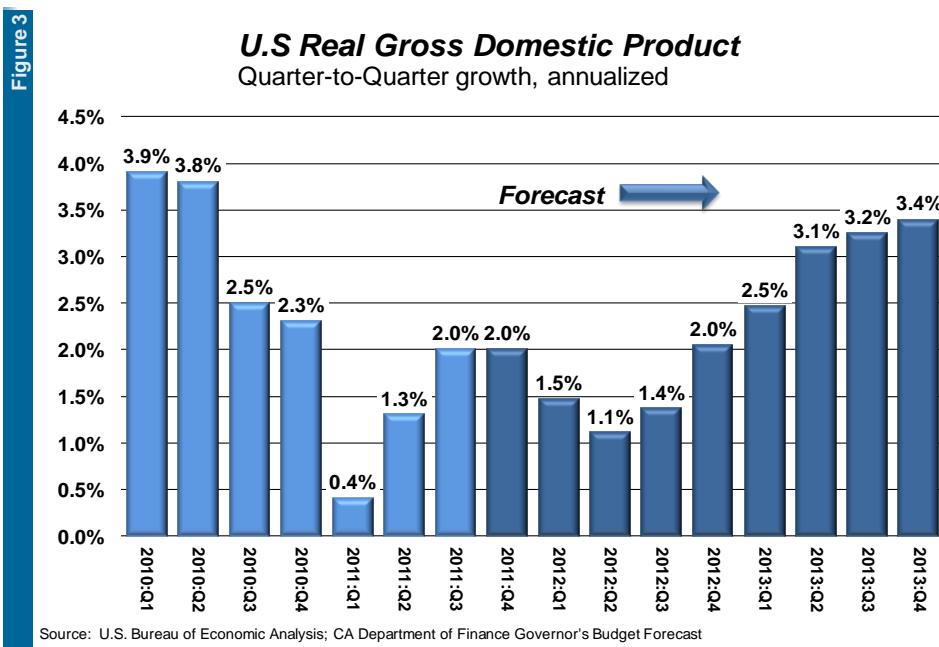
After losing ground in August and September, industrial production accelerated in October and has continued to grow modestly. Construction spending also grew moderately in October, the third consecutive monthly gain.

In September, U.S. exports were up 16 percent over the year, led by industrial supplies and consumer goods. During the first three quarters of 2011, exports added 0.69 percentage point to Gross Domestic Product growth, trailing only the growth rates for household expenditures on services and business investment in equipment and software. (Figure 3)

Despite these indications that the economy was improving at the close of 2011, a number of factors will dampen economic growth in 2012.

Since spending growth outpaced income gains, the boost from consumers may slow again. Much of the additional spending was financed by the greater use of credit and reduced savings. While the consumer debt-to-income ratio has declined steadily over the past six years as households reduced their debt loads, this trend bottomed out in May 2011 and debt ratios have increased since then. Outstanding non-revolving credit grew sharply in September and October, largely to finance motor vehicle sales. In October, the personal savings rate was down almost 2 percentage points from a year earlier.

Businesses also have been reluctant to expand payrolls too quickly and national economic growth has been extraordinarily dependent on exports, and thus more sensitive to global economic developments.



The failure of Congress to address the federal deficit leaves considerable uncertainty. One example of this is extending the 2-percent payroll tax cut and emergency unemployment insurance benefits only through February 2012.

The European debt, banking and budgetary crisis also creates uncertainty and the lack of a solution could lead to a recession in Europe, thereby weakening the demand for U.S. exports, reducing corporate earnings, and strengthening the dollar. A full-blown financial collapse of the euro zone (those countries that use the euro as their currency) could drag the U.S. economy into recession.

CALIFORNIA — AN UNEVEN RECOVERY

Most of the indicators that affect the nation, both positive and negative, also affect California. In addition, California is affected by other positive and negative factors ranging from a robust high-technology sector to being one of the states hardest hit by the collapse of the housing market.

The state added 102,000 industry jobs in January and February, but only gained 4,700 jobs from March through July after the Japanese earthquake. The unemployment rate rose four-tenths of a percentage point between May and August. Nonfarm employment accelerated substantially from August through November and the unemployment rate dropped to 11.3 percent in November, the lowest rate since May 2009. Comparing November 2011 with a year earlier, 233,100 new jobs were created. (Figure 4)

California wages also made substantial gains at the end of 2010 that continued into 2011. In the fourth quarter of 2010, California wages made their strongest quarter-to-quarter jump since the middle of 2000 — the height of the dot-com bubble. Seven high-paying industries accounted for two-thirds of the overall wage gains in the fourth quarter of 2010, including computer and electronic manufacturing, finance and insurance, professional, scientific and technical services, mining, information (which includes motion pictures), management of companies, and health care and social assistance. In 2011, California personal income grew nearly \$100 billion, the largest gain since 2006.

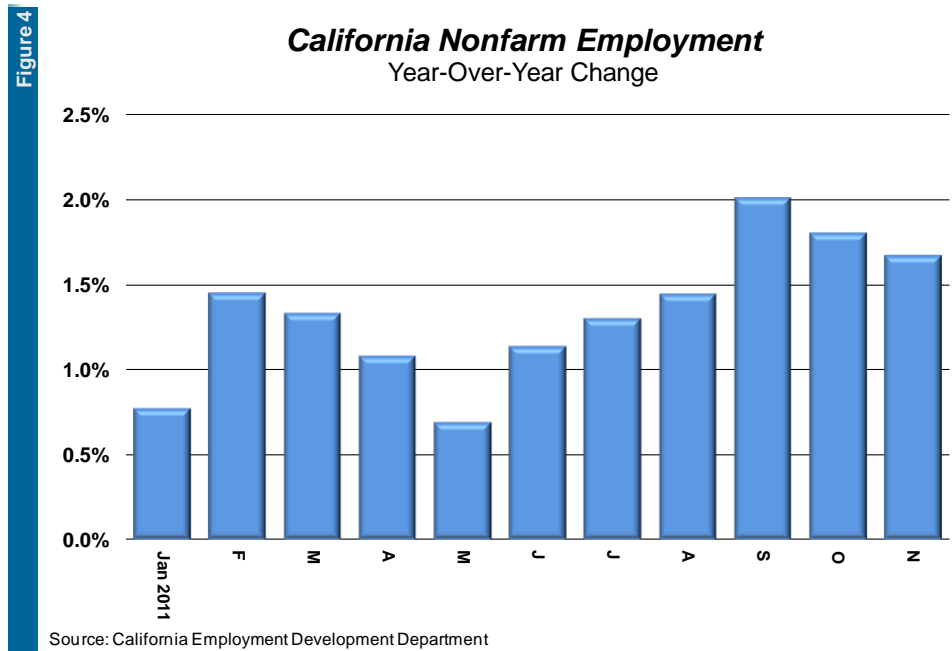
A disproportionately large share of the wage gain was driven by the state's high-technology and professional service sectors and by robust global demand for California exports. The surge reflected growing high-tech exports, booming Silicon Valley investment activity, strong stock market gains, and high oil prices. If these trends continue, it is expected that these sectors will expand their workforces.

Strong growth and rising profits among Silicon Valley companies and booming business investment activity likely led to wage gains in electronics manufacturing. In 2010, the 150 largest Silicon Valley corporations had their most profitable year in history. By the end of the first quarter of 2011, their combined stock market value rose over 11 percent from 2010.

2010 was a banner year for California-made exports with the total value rising 19 percent from 2009. This boom was dominated by computers, electronics, and electronic machinery, which combined accounted for over 60 percent of California's 2010 export growth.

Similar to the nation, consumption spending in California rebounded in 2011 with growing vehicle sales playing a significant role. Taxable retail sales during the first three quarters of 2011 grew 8.5 percent from the same period in 2010. New motor vehicle registrations during the first nine months of 2011 were up over 11 percent from the same months of 2010.

California industries that are not connected to high technology and export markets, however, have not fared as well. In particular, the state's housing market, still burdened by high foreclosure rates, weakened considerably during the midyear slowdown. Existing home sales during the first 11 months of 2011 were up slightly from the same months of 2010. However, this came at the expense of falling prices. These trends are likely to continue into 2012 because more foreclosure actions are anticipated.



In contrast to the healthy wage gains noted above, wage rate growth in other industries, such as agriculture, construction, retail trade, and accommodation and food services, did not even keep pace with inflation. These sectors employ nearly half of the state's private sector workforce.

THE FORECAST

The prospects for the national and California economies are guardedly positive. The national recovery has regained momentum in the closing months of 2011. While disappointing, labor markets have improved slowly. Exports are making solid improvements over 2010. Manufacturing activity was growing, albeit sluggishly.

Another recession is not in the forecast. The forecast assumes the federal government will not add any more stimulus funding, that future federal budget actions will not result in a severe fiscal contraction, and that some combination of spending cuts and tax increases will most likely be phased in beginning in 2013. The outlook also assumes that the 2-percent payroll tax holiday and emergency unemployment insurance benefits will be extended through 2012 and that the temporary tax decreases implemented during the Bush Administration will continue beyond the January 1, 2013 expiration date.

The prospect of a European financial crisis is the biggest known risk at this point. It is still too early to know if protective measures of sufficient strength will be approved to minimize the economic fallout. At the very least, economic growth in Europe will slow in 2012, which will adversely affect U.S. exports.

As indicated in Figure 5, it will be several years before the nation and the state return to a healthy, balanced economic growth. The national economy, slowed by weaker global demand, will expand at a slower pace in 2012. Barring a severe European recession, U.S. economic growth will accelerate to a more sustainable pace in 2013 and 2014.

Figure 5

Selected Economic Data

	2011	2012	2013	2014	2015	2016
U.S. real gross domestic product (percent change)	1.8	1.7	2.5	3.5	3.1	2.7
California unemployment rate (percent)	12.0	12.0	11.7	10.9	9.9	9.3
California nonfarm wage & salary employment (thousands)	14,029.9	14,206.5	14,463.8	14,820.6	15,074.2	15,215.5
(percent change)	0.9	1.3	1.8	2.5	1.7	0.9
California personal income (billions)	1,681.6	1,746.2	1,818.0	1,916.0	2,013.6	2,107.2
(percent change)	5.7	3.8	4.1	5.4	5.1	4.6
California total taxable sales (billions)	519.4	537.9	572.9	619.7	660.4	693.3
(percent change)	8.7	3.6	6.5	8.2	6.6	5.0

Note: Percentage changes calculated from unrounded data.

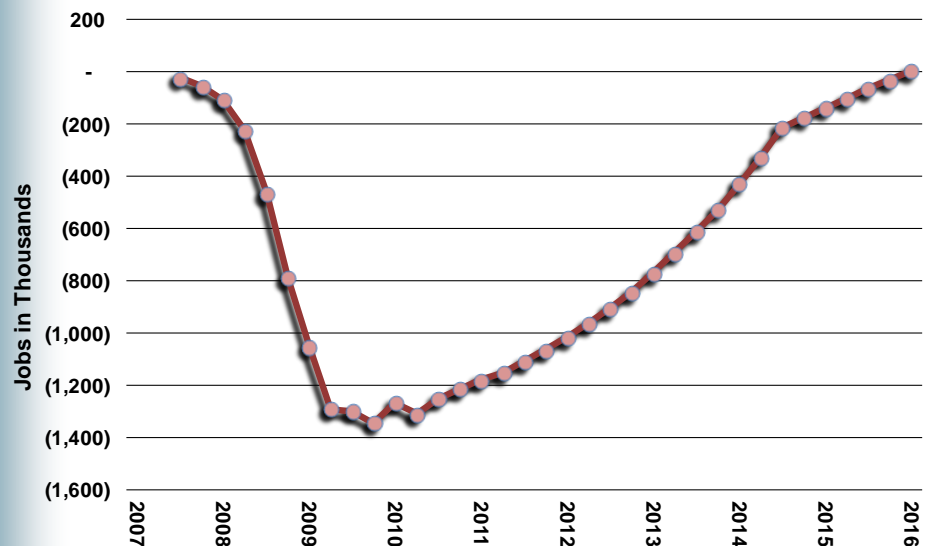
For California, job growth will improve through 2014. The state is forecast to recover the nonfarm jobs lost during the Great Recession in the second quarter of 2016, or approximately 84 months after the end of the recession. (Figure 6) During the previous six recessions, full job recovery was achieved between 4 and 56 months.

The projection for wages and salaries in 2011 was boosted by upwardly revised historical information and better-than-expected growth at the end of 2010 and first half of 2011. Compared to the economic forecast developed for the May Revision, this outlook projects more restrained growth in 2012 due to a weaker national economic forecast and a lack of meaningful improvements in the state's real estate conditions.

Home construction also continued to slow

Figure 6

Jobs Lost During Recession Not Recovered Until 2016



during the last three quarters of 2011, rather than achieving the modest acceleration projected in the May Revision. Thus, employment and construction are weaker in the current forecast.

In contrast, new personal income data showed that California wages and salaries grew more strongly than originally indicated. Revised wage estimates for the first three quarters of 2010 (the latest data available at the time of the earlier forecast) raised the year-over-year growth in state wage income from 0.4 percent to 1.3 percent. In the fourth quarter of 2010, wages and salaries grew much stronger than forecast in the May Revision — 4.5 percent versus 1.9 percent. Wage growth during the first half of 2011 was also stronger than forecast in the May Revision. Overall, this boosted the outlook for 2011 personal income growth from 4.4 percent to 5.7 percent. On the other hand, the more subdued national outlook led to a more restrained projection for 2012— year-over-year wage growth dropped from 4.5 percent to 3.8 percent.

See Figure 7 for highlights of the national and California forecasts.

Figure 7

Selected Economic Data

	United States	2011 (Est.)	2012 (Projected)	2013 (Projected)
Real gross domestic product (percent change)		1.8	1.7	2.5
Personal consumption expenditures		2.3	2.1	1.9
Gross private domestic investment		4.3	5.4	8.0
Government purchases of goods and services		-2.0	-2.7	-2.0
GDP deflator (percent change)		2.1	1.4	1.2
GDP (current dollar, percent change)		3.9	3.0	3.7
Federal funds rate (percent)		0.1	0.1	0.1
Personal income (percent change)		5.0	3.1	3.5
Corporate profits before taxes (percent change)		10.1	2.1	3.6
Nonfarm wage and salary employment (millions)		131.1	132.2	134.0
(percent change)		1.0	0.9	1.4
Unemployment rate (percent)		9.1	9.2	9.0
Housing starts (millions)		0.6	0.7	1.0
(percent change)		2.0	11.1	43.6
New car sales (millions)		6.2	6.9	7.9
(percent change)		7.9	12.2	13.5
Consumer price index (1982-84=100)		225.0	228.9	233.6
(percent change)		3.2	1.7	2.0
California				
Civilian labor force (thousands)		18,060.5	18,155.9	18,364.6
(percent change)		-0.6	0.5	1.1
Civilian employment (thousands)		15,893.8	15,975.8	16,207.0
(percent change)		-0.1	0.5	1.4
Unemployment (thousands)		2,166.7	2,180.0	2,157.7
(percent change)		-4.0	0.6	-1.0
Unemployment rate (percent)		12.0	12.0	11.7
Nonfarm wage and salary employment (thousands)		14,029.9	14,206.5	14,463.8
(percent change)		0.9	1.3	1.8
Personal income (billions)		1,681.6	1,746.2	1,818.0
(percent change)		5.7	3.8	4.1
Housing units authorized (thousands)		46.4	52.2	79.9
(percent change)		4.1	12.5	53.0
Corporate profits before taxes (billions)		165.0	170.6	179.7
(percent change)		7.7	3.4	5.3
New auto registrations (thousands)		1,221.8	1,364.3	1,431.4
(percent change)		4.1	11.7	4.9
Total taxable sales (billions)		519.4	537.9	572.9
(percent change)		8.7	3.6	6.5
Consumer price index (1982-84=100)		233.0	237.3	242.3
(percent change)		2.7	1.8	2.1

Note: Percentage changes calculated from unrounded data.

Select Indicators

	2010		2011			Year-Over % Change
	Dec	Sep	Oct	Nov	Dec	
EMPLOYMENT (Seasonally adjusted)						
Civilian employment (000)	15,878	15,916	16,008	16,125	16,198	2.0%
Unemployment (000)	2,273	2,151	2,122	2,058	2,021	-11.1%
Unemployment rate	12.5%	11.9%	11.7%	11.3%	11.1%	--
Nonagricultural wage and salary employment (000) a/	13,958.7	14,125.9	14,163.6	14,188.3	14,199.0	1.7%
Goods-producing industries	1,822.1	1,847.5	1,848.6	1,838.0	1,839.7	1.0%
Mining and logging	26.4	27.6	27.6	27.7	27.1	2.7%
Construction	550.3	565.7	568.8	566.8	571.6	3.9%
Manufacturing	1,245.4	1,254.2	1,252.2	1,243.5	1,241.0	-0.4%
Service-providing industries	12,136.6	12,278.4	12,315.0	12,350.3	12,359.3	1.8%
Trade, transportation, and utilities	2,621.3	2,649.3	2,645.6	2,661.8	2,657.6	1.4%
Information	442.5	454.5	456.7	462.2	465.8	5.3%
Financial activities	761.7	752.8	757.9	759.9	759.3	-0.3%
Professional and business services	2,106.0	2,157.1	2,163.5	2,156.1	2,169.5	3.0%
Educational and health services	1,813.0	1,840.5	1,846.6	1,855.0	1,855.6	2.3%
Leisure and hospitality	1,511.1	1,532.7	1,534.2	1,541.5	1,538.1	1.8%
Other services	483.5	483.0	484.6	484.3	482.4	-0.2%
Government	2,397.5	2,408.5	2,425.9	2,429.5	2,431.0	1.4%
Federal government	254.3	254.4	253.0	250.8	251.3	-1.2%
State and local government	2,143.2	2,154.1	2,172.9	2,178.7	2,179.7	1.7%
High-technology industries b/	833.2	841.9	844.2	843.9	845.1	1.4%
Computer and electronic products manufacturing	279.4	283.5	282.3	281.5	282.0	0.9%
Aerospace products and parts manufacturing	68.5	67.3	67.9	68.6	69.0	0.7%
Software publishers	45.4	46.5	46.7	46.8	46.8	3.1%
Telecommunications	97.4	95.0	95.0	95.0	95.1	-2.4%
Internet service providers, web portals and data processing	19.7	19.5	19.7	19.2	19.6	-0.5%
Computer systems design	205.2	206.6	207.6	208.5	208.8	1.8%
Scientific research and development	117.6	123.5	125.0	124.3	123.8	5.3%
HOURS AND EARNINGS IN MANUFACTURING (Not seasonally adjusted)						
Average weekly hours	40.9	41.3	41.8	41.2	41.2	0.7%
Average weekly earnings	\$785.28	\$802.87	\$815.94	\$812.05	\$822.35	4.7%
Average hourly earnings	\$19.20	\$19.44	\$19.52	\$19.71	\$19.96	4.0%
CONSUMER PRICE INDEX (1982-84=100) (Not seasonally adjusted)						
All Urban Consumers Series						
California Average	227.5	NA	234.3	NA	233.0	2.4%
San Francisco CMSA	227.7	NA	235.3	NA	234.3	2.9%
Los Angeles CMSA	226.6	233.0	233.0	232.7	231.6	2.2%
Urban Wage Earners and Clerical Workers Series						
California Average	220.7	NA	227.7	NA	226.2	2.5%
San Francisco CMSA	224.2	NA	232.4	NA	231.1	3.1%
Los Angeles CMSA	219.6	226.1	226.1	225.8	224.4	2.2%
CONSTRUCTION						
Private residential housing units authorized (000) c/						
Single units	65	49	38	64	52	-20.5%
Multiple units	38	20	20	25	22	-42.2%
Multiple units	27	29	18	39	30	10.6%
Residential building authorized valuation (millions) d/	\$18,818	\$13,800	\$13,420	\$16,999	\$15,928	-15.4%
Nonresidential building authorized valuation (millions) d/	\$11,424	\$11,428	\$14,283	\$14,844	\$13,478	18.0%
Nonresidential building authorized valuation (millions) e/						
Commercial	\$11,837	\$11,771	\$13,240	\$13,865	\$13,290	12.3%
Industrial	2,854	2,025	2,226	2,657	2,094	-26.6%
Other	188	449	589	356	371	97.6%
Alterations and additions	1,813	2,016	2,176	2,753	3,179	75.3%
Alterations and additions	6,982	7,280	8,250	8,098	7,646	9.5%
AUTO SALES (Seasonally adjusted)						
New auto registrations (number)	101,387	93,288	96,760	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, FOURTH QUARTER 2011									
(Percent)									
		Office Vacancy		Office Vacancy		Office Vacancy		Industrial Availability	
		Downtown		Suburban		Metropolitan			
		4Q11	4Q10	4Q11	4Q10	4Q11	4Q10	4Q11	4Q10
Northern and Central California:									
Oakland East-Bay		13.0	13.9	14.8	16.6	14.1	15.5	9.6	10.9
Sacramento		16.3	15.1	25.6	24.5	23.6	22.5	16.4	16.1
San Francisco		11.2	15.5	11.0	14.7	11.2	15.2	10.0	10.9
San Jose		23.6	20.5	12.1	19.7	13.8	19.9	14.0	16.2
Walnut Creek		NA	NA	18.6	17.5	18.6	17.5	17.5	16.3
Southern California:									
Inland Empire		NA	NA	22.8	23.5	22.8	23.5	11.9	14.3
Los Angeles Metro		17.3	17.7	17.4	17.6	17.4	17.6	6.8	7.7
Orange County		NA	NA	15.3	17.4	15.3	17.4	8.1	9.2
San Diego		18.3	18.7	16.3	18.1	16.6	18.2	15.5	16.4
Ventura County		NA	NA	22.9	23.0	22.9	23.0	NA	NA
National Average		12.7	13.3	17.8	18.2	16.0	16.5	13.6	14.3
SALES OF EXISTING SINGLE-FAMILY HOMES					FOREIGN TRADE				
		Median Price	Units (SAAR)	Exports (\$ millions)	Imports (\$ millions)	DOD PRIME CONTRACTS a/			
						\$ millions	% of U.S.		
2008	Jan	\$427,200	311,160	\$13,016	\$28,280	1993-94	22,573	20.5%	
	Feb	418,260	338,970	13,664	27,306	1994-95	18,277	16.8%	
	Mar	414,640	319,290	14,868	27,996	1995-96	18,230	16.7%	
	Apr	404,470	362,170	14,308	29,907	1996-97	18,477	17.3%	
	May	384,540	411,770	15,023	30,640	1997-98	17,401	15.9%	
	Jun	373,100	427,910	15,800	31,269	1998-99	17,372	15.1%	
	Jul	355,000	494,390	15,992	33,976	1999-00	18,100	14.7%	
	Aug	352,730	483,400	15,206	31,892	2000-01	19,939	14.7%	
	Sep	319,310	519,530	14,545	31,994	2001-02	23,816	15.0%	
	Oct	307,210	557,050	14,485	32,308	2002-03	28,681	15.0%	
	Nov	287,880	514,240	12,290	26,322	2003-04	27,875	13.7%	
	Dec	283,060	549,190	11,397	24,082	2004-05	31,065	13.1%	
2009	Jan	\$249,960	602,660	\$9,640	\$21,730	2005-06	32,126	12.5%	
	Feb	247,590	620,410	9,987	16,926	2006-07	36,135	12.2%	
	Mar	249,790	504,200	11,149	20,895	2007-08	37,820	10.8%	
	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	560,390	12,794	27,136				
	Nov	304,520	536,720	12,573	25,114				
	Dec	306,820	558,320	13,707	25,292				
2010	Jan	\$284,600	532,870	\$11,973	\$22,934				
	Feb	278,190	518,390	12,806	22,869				
	Mar	300,900	506,493	14,366	24,904				
	Apr	307,000	476,029	13,651	25,814				
	May	327,460	552,800	14,272	26,957				
	Jun	313,890	495,780	14,194	30,808				
	Jul	318,550	438,850	13,875	29,709				
	Aug	320,860	451,520	14,028	31,878				
	Sep	313,460	468,700	13,738	30,582				
	Oct	305,150	454,740	14,968	29,851				
	Nov	296,480	492,040	14,527	31,003				
	Dec	304,770	558,840	16,190	28,404				
2011	Jan	\$279,140	547,080	\$14,372	\$27,307				
	Feb	271,320	498,632	14,484	25,893				
	Mar	286,510	514,758	16,834	29,068				
	Apr	293,800	499,830	15,924	28,358				
	May	292,420	471,840	15,856	30,910				
	Jun	295,210	478,040	16,060	32,163				
	Jul	294,050	457,930	15,943	32,685				
	Aug	297,060	498,320	16,117	34,303				
	Sep	287,440	488,700	15,715	32,949				
	Oct	278,060	493,140	16,087	33,474				
	Nov	280,960	504,420	16,091	33,193				
	Dec	285,920	520,940	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)
2008	Jan	3.8	40.2	49,610	8,359	73.6
	Feb	4.0	41.0	48,348	8,798	84.6
	Mar	4.0	41.1	50,005	7,393	54.3
	Apr	4.2	41.5	52,378	8,511	73.2
	May	3.8	40.9	53,044	8,422	81.1
	Jun	3.8	40.9	54,343	7,851	71.1
	Jul	3.9	40.7	59,197	7,832	62.3
	Aug	3.8	40.4	62,450	6,979	55.5
	Sep	3.7	40.5	61,743	7,705	56.5
	Oct	3.7	40.5	66,490	7,244	52.2
	Nov	3.3	40.4	72,966	5,934	74.3
	Dec	3.4	40.1	74,430	7,216	45.6
2009	Jan	3.0	39.7	77,824	7,148	33.7
	Feb	2.9	37.9	81,759	7,362	32.6
	Mar	2.9	39.2	79,727	6,316	37.9
	Apr	2.8	38.7	77,793	7,154	39.1
	May	2.9	39.0	76,935	6,838	33.8
	Jun	3.0	39.1	81,101	6,715	32.9
	Jul	2.9	39.2	81,768	6,817	33.2
	Aug	3.2	39.6	80,384	6,139	37.4
	Sep	3.2	39.4	84,781	6,442	38.2
	Oct	3.2	39.6	81,824	6,344	38.7
	Nov	3.5	40.2	75,437	6,391	41.5
	Dec	3.4	39.9	74,974	5,715	38.0
2010	Jan	3.9	39.8	85,171	5,615	55.0
	Feb	3.6	39.7	77,567	5,790	47.1
	Mar	3.7	39.9	82,574	7,528	39.0
	Apr	3.9	40.3	85,745	5,247	37.6
	May	3.9	40.3	85,760	5,739	38.8
	Jun	3.8	40.0	84,761	3,986	45.7
	Jul	3.7	40.1	83,369	9,591	45.8
	Aug	3.8	40.0	81,798	6,685	41.2
	Sep	3.6	39.9	86,285	6,086	38.7
	Oct	4.0	40.0	75,888	6,264	33.8
	Nov	4.3	40.1	73,131	6,000	47.2
	Dec	4.4	40.4	82,398	6,502	65.2
2011	Jan	4.5	40.9	72,110	5,227	52.3
	Feb	4.5	41.2	72,832	5,760	33.1
	Mar	4.3	41.2	72,860	7,647	45.2
	Apr	4.3	41.1	70,948	6,817	43.2
	May	4.3	41.3	72,743	5,998	55.1
	Jun	4.2	41.3	79,353	6,710	50.4
	Jul	4.2	40.9	70,301	6,885	31.5
	Aug	3.9	41.0	61,011	6,187	53.2
	Sep	3.8	41.3	61,011	6,925	49.2
	Oct	3.7	41.5	69,425	7,269	38.1
	Nov	3.5	40.9	68,485	5,531	63.8
	Dec	3.5	40.7	73,085	5,130	51.8

a/ Seasonally adjusted by the California Department of Finance.

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

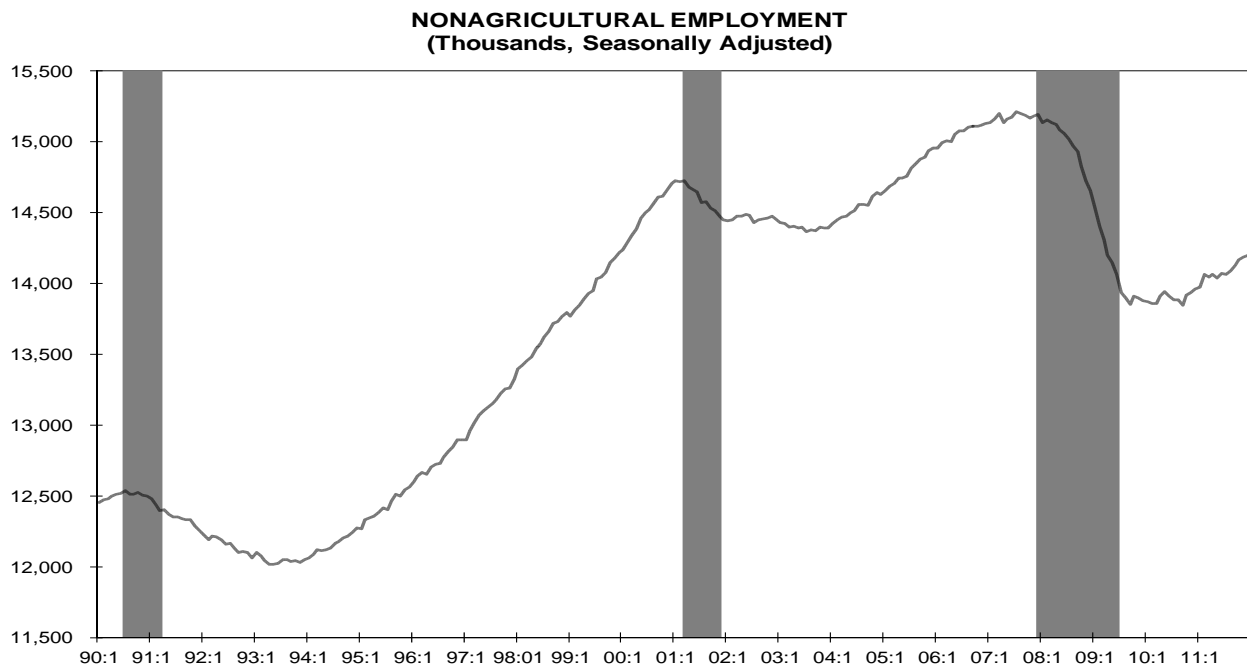
Whenever appropriate, data used in the charts have been seasonally adjusted. The method of seasonal adjustment is the X-12 Arima program. Persons interested in a detailed description of this method are referred to the U.S. Census Bureau's Statistical Research Division.

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.

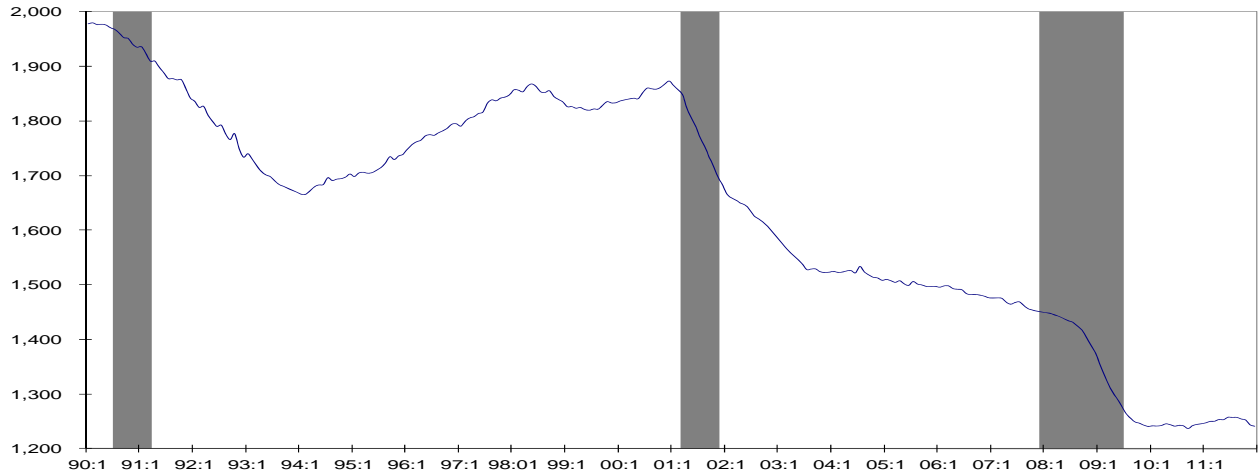
The manufacturing employment series is an addition to the NBER indicator list. It is used here because it appears to show cyclical fluctuations clearly and extends the limited number of series presently available for the State.

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.

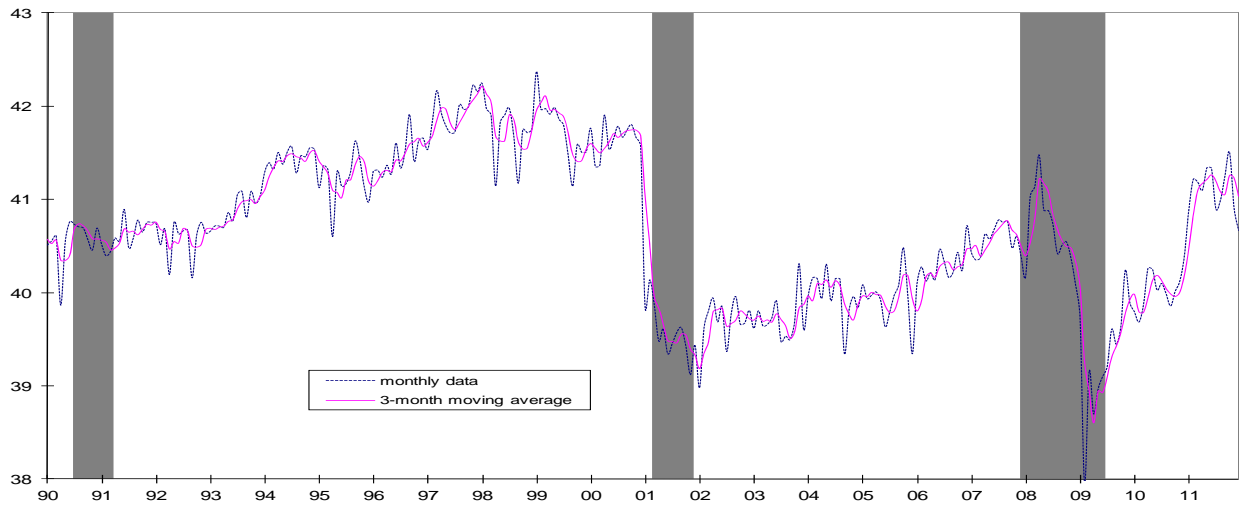
The other indicators shown are for general interest only. They are not directly related to the cyclical indicator series, but are of interest to persons looking at overall economic developments.



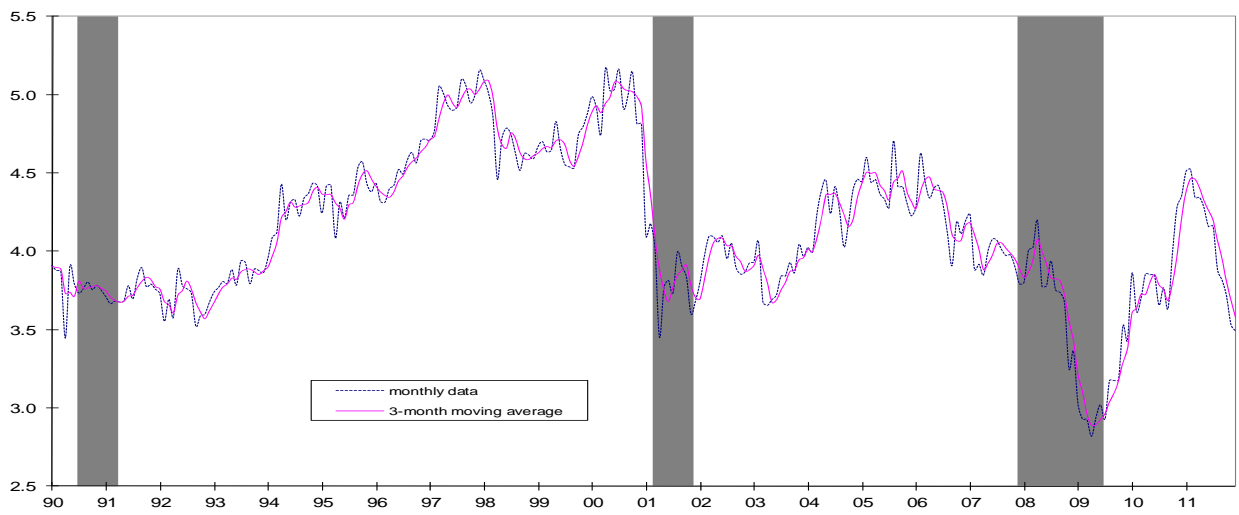
**MANUFACTURING EMPLOYMENT
(Thousands, Seasonally Adjusted)**



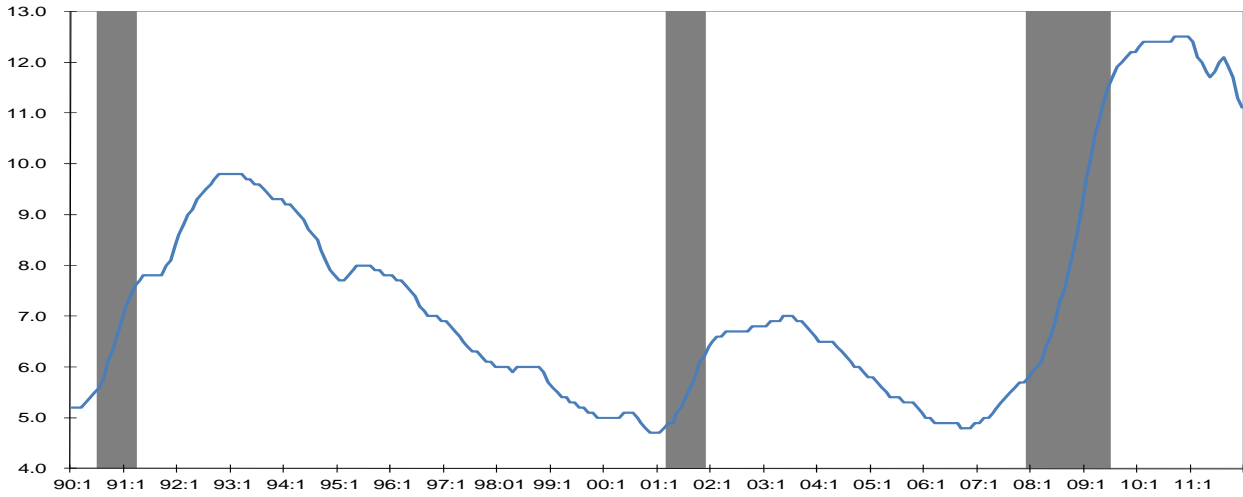
**AVERAGE WEEKLY HOURS, MANUFACTURING
(Seasonally Adjusted)**



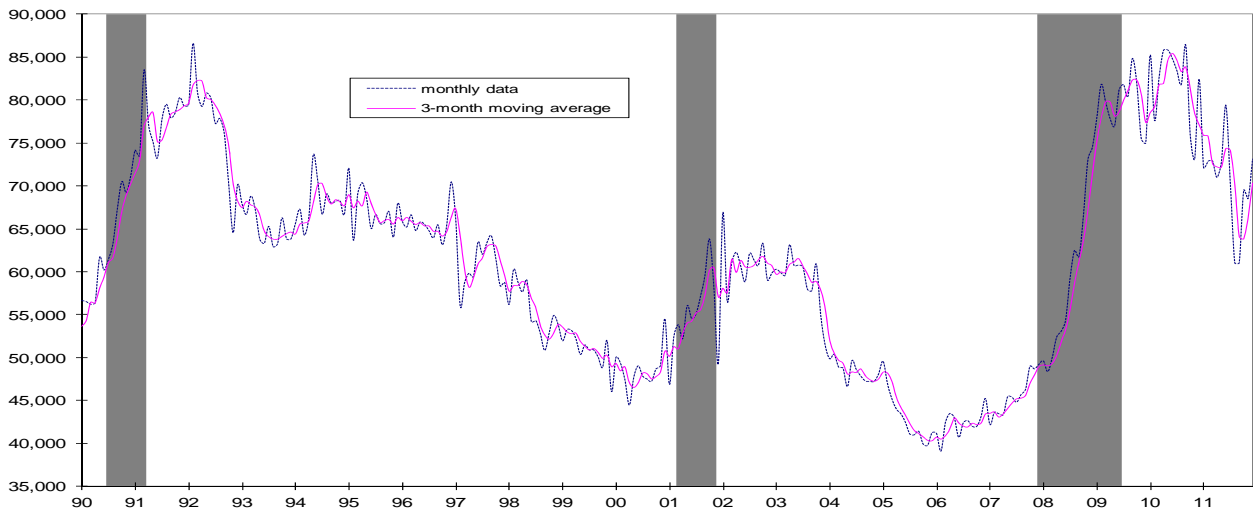
**AVERAGE OVERTIME HOURS, MANUFACTURING
(Seasonally Adjusted)**



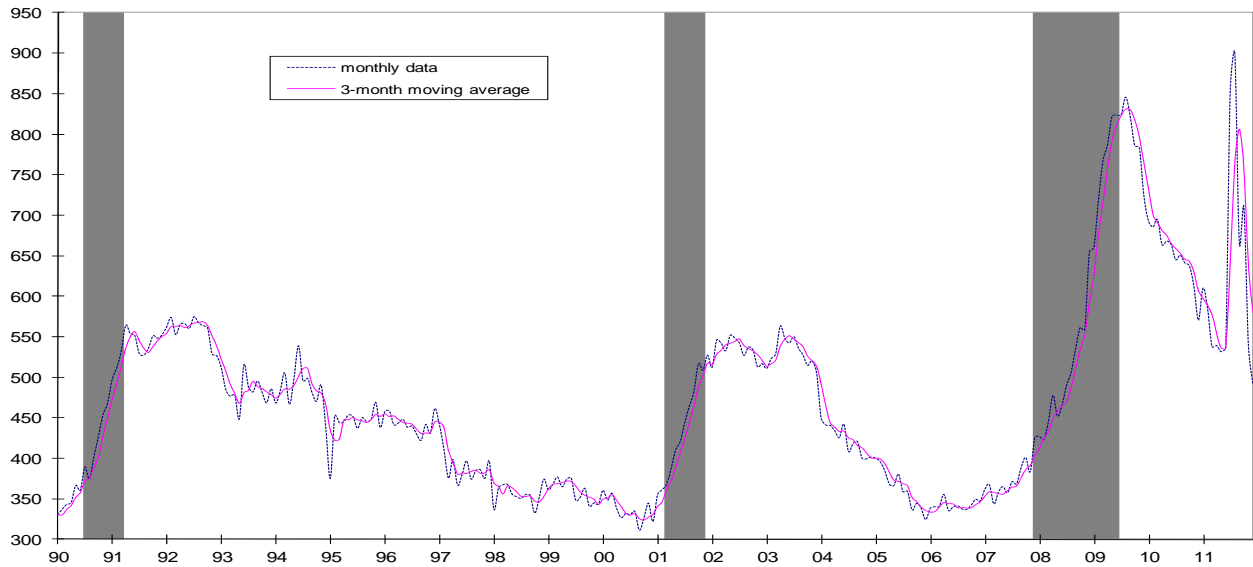
**UNEMPLOYMENT RATE
(Percent)**



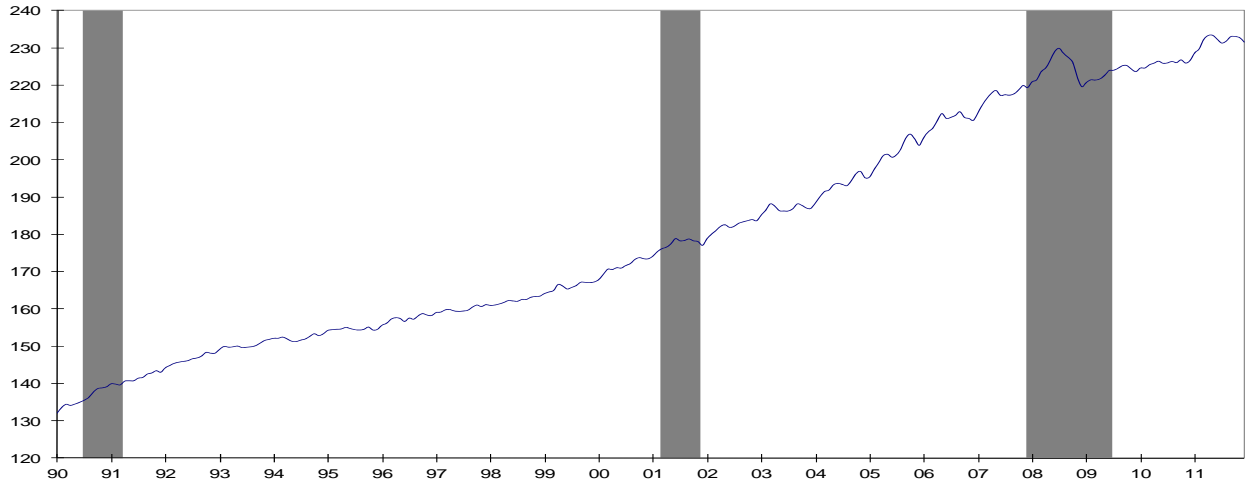
**INITIAL AND TRANSITIONAL CLAIMS FOR UNEMPLOYMENT INSURANCE
(Weekly Average, Seasonally Adjusted)**



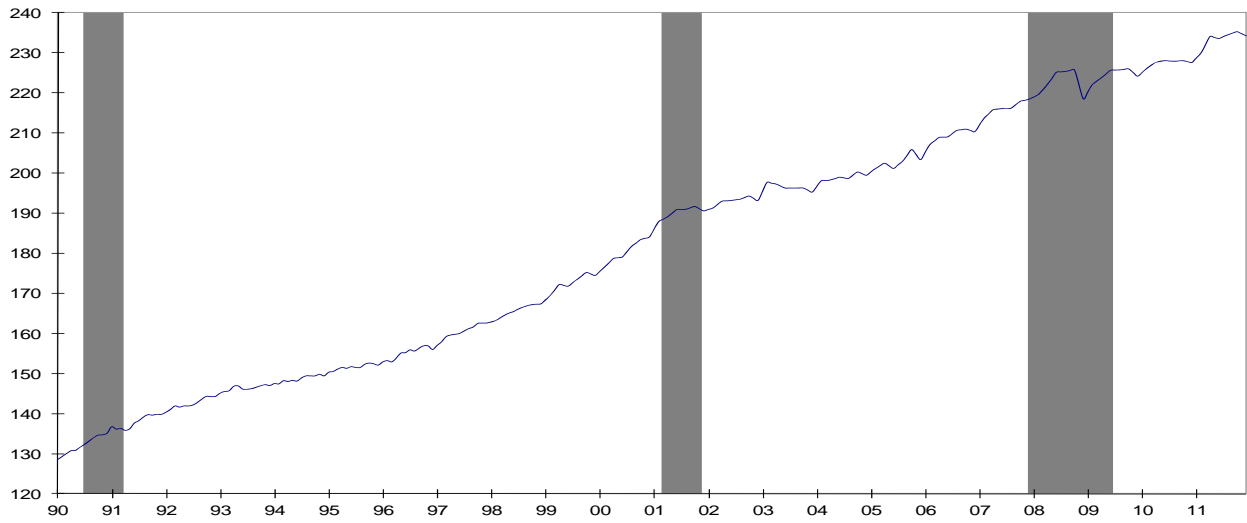
**UNEMPLOYMENT, AVERAGE WEEKS CLAIMED
(Thousands, Seasonally Adjusted)**



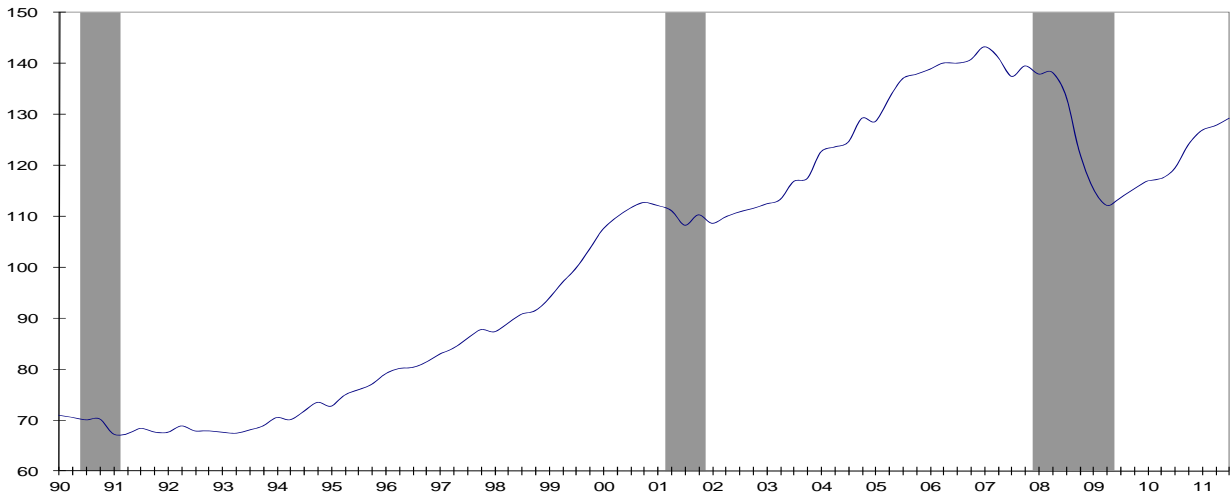
**CONSUMER PRICE INDEX, LOS ANGELES
(1982-84=100)**



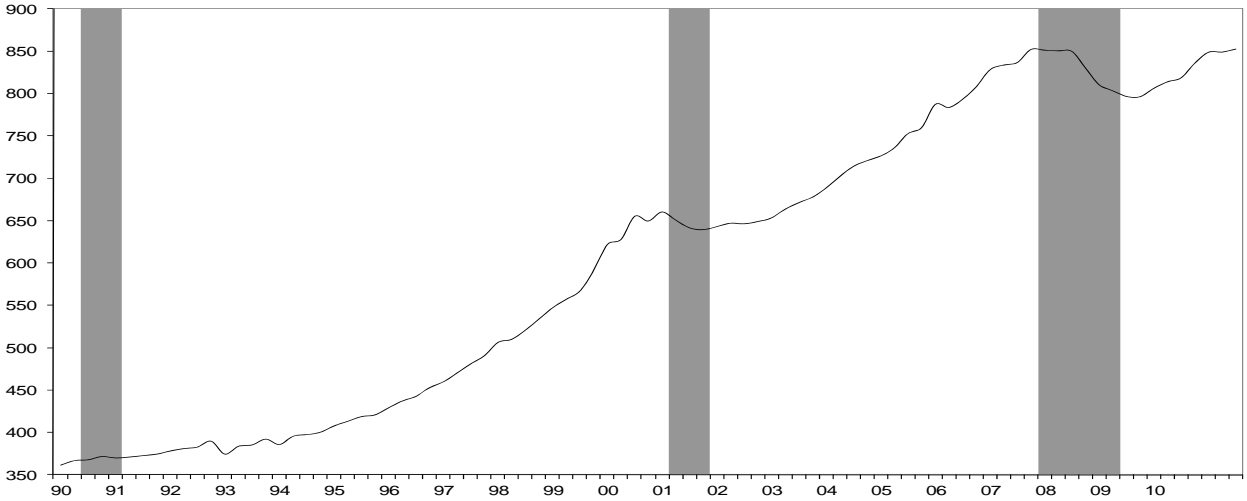
**CONSUMER PRICE INDEX, SAN FRANCISCO
(1982-84=100)**



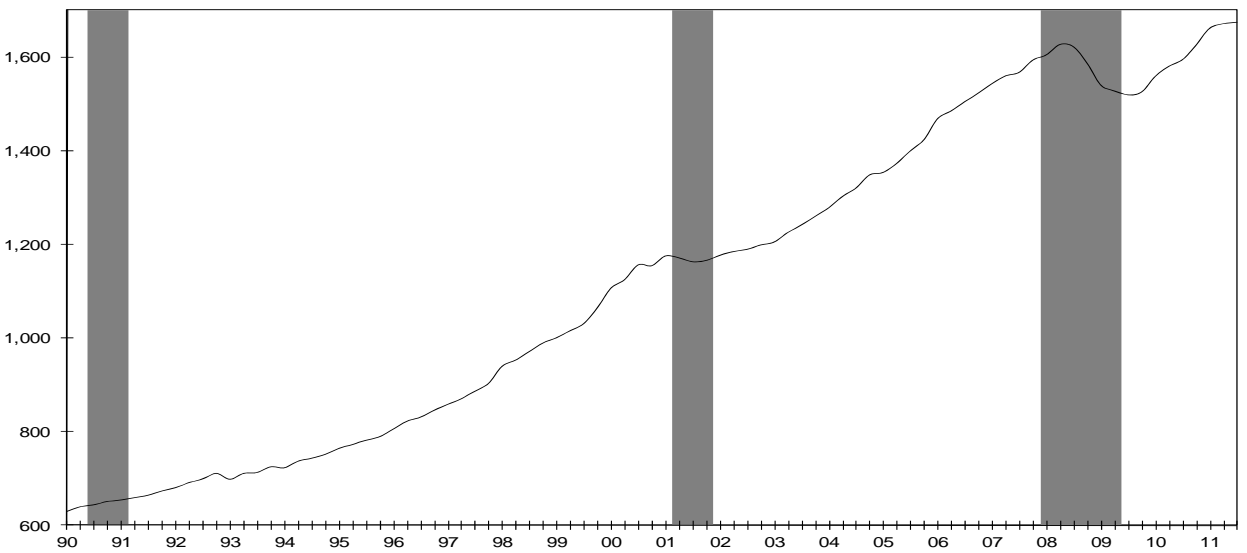
**TAXABLE SALES
(\$ Billions, Seasonally Adjusted)**



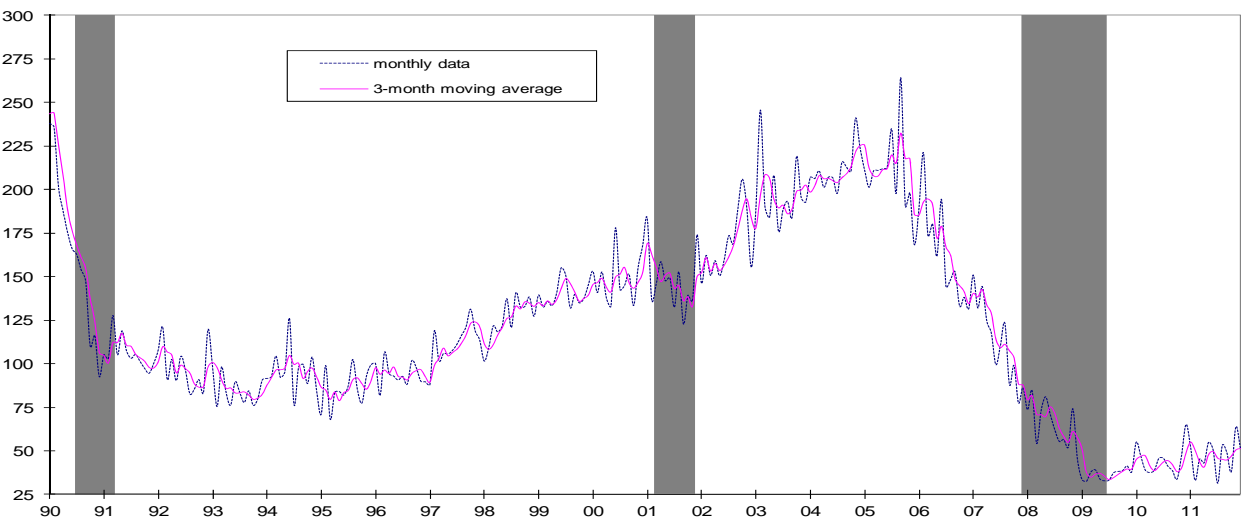
TOTAL WAGES AND SALARIES
(\$ Billions, Seasonally Adjusted)



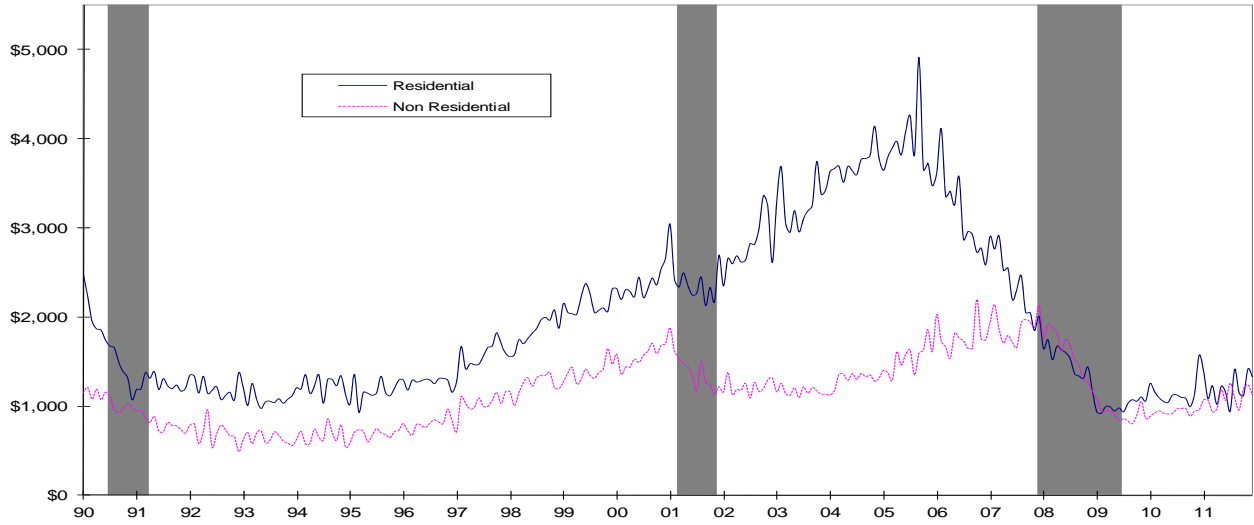
PERSONAL INCOME
(\$ Billions, Seasonally Adjusted)



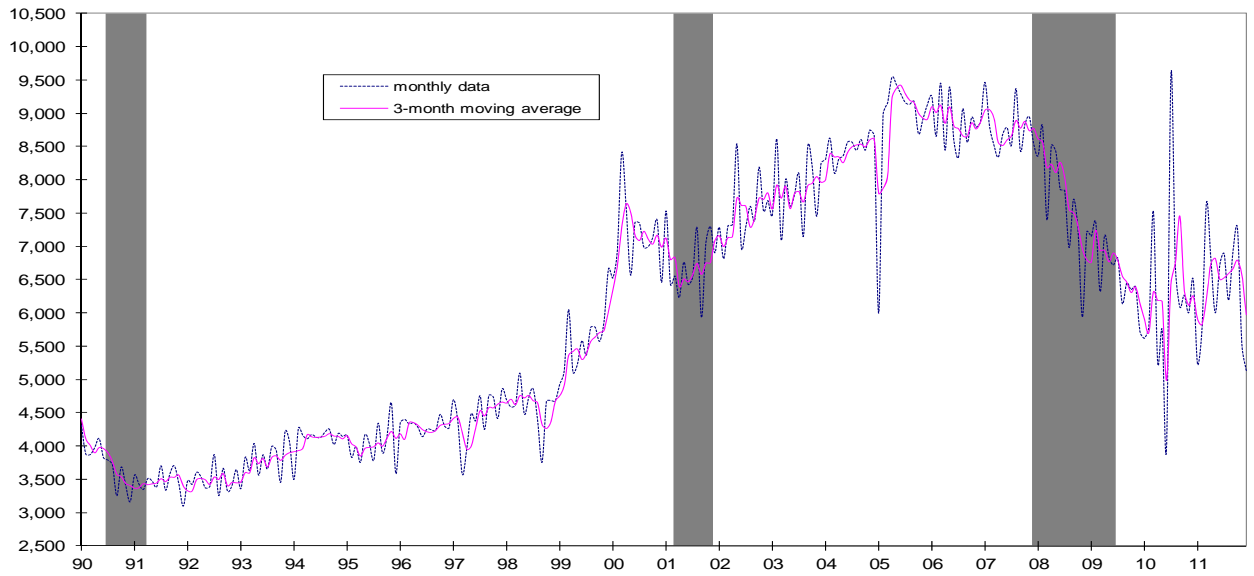
NEW HOUSING UNITS AUTHORIZED BY BUILDING PERMITS
(Thousands, Seasonally Adjusted At Annual Rate)



**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.

- November 3 The Federal Reserve announced a second round of quantitative easing through the purchase of \$600 billion in long term Treasury bonds.
- December 17 President Obama signed into law an extension of the existing federal income tax cuts and long-term unemployment benefits. The bill also includes a 2% rollback of Social Security payroll taxes.
- December 22 Third quarter GDP increased at an annual rate of 2.6 percent. In the second quarter, GDP increased 1.7 percent

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- January-February Commodity prices soaring.
Uprisings in the Middle East.
- February 25 Fourth quarter real GDP increased at an annual rate of 2.8 percent. In the third quarter, real GDP increased 2.6 percent.
- March 11 Powerful earthquake and tsunami devastate Northern Japan.
- March 19 U.S. joins airstrikes in Libya.
- March 25 Fourth quarter real GDP increased at an annual rate of 3.1 percent. In the third quarter, real GDP increased 2.6 percent.
- April 27 Tornadoes ravage the South.
- May 1 Osama bin Laden has been killed.
- May 26 First quarter real GDP increased at an annual rate of 1.8 percent. In the fourth quarter, real GDP increased 3.1 percent.
- July 11 Debt problems in Europe and U.S. weigh on U.S. stocks.
- July 15 Monthly inflation retreats on lower gas prices.
- July 29 Real GDP rose by 1.3 percent in Q2. Downward adjustments to the prior 3 quarters were made. Benchmark revision revealed a deeper recession than previously reported.
- August 2 Obama signs debt ceiling bill.
- August 4 Wall Street suffers worst selloff in two years.
- August 5 S&P downgrades U.S. credit rating.
- August 28 Hurricane Irene hammers the Northeast.
- September 21 The Federal Reserve decided to extend the average maturity of their security holdings by buying \$400 billion of longer-dated securities and selling \$400 billion of shorter-dated securities by the end of June 2012.

- September 22 Dow Jones industrials sees biggest two-day decline since December 2008.
- October 21 Obama signs free-trade agreements with South Korea, Colombia, and Panama.
- November 30 Six Central Banks take joint action to enhance global liquidity.
- December 15 U.S. marks end to Iraq war.
- December 23 President Obama signed a two-month extension of the payroll tax cut.