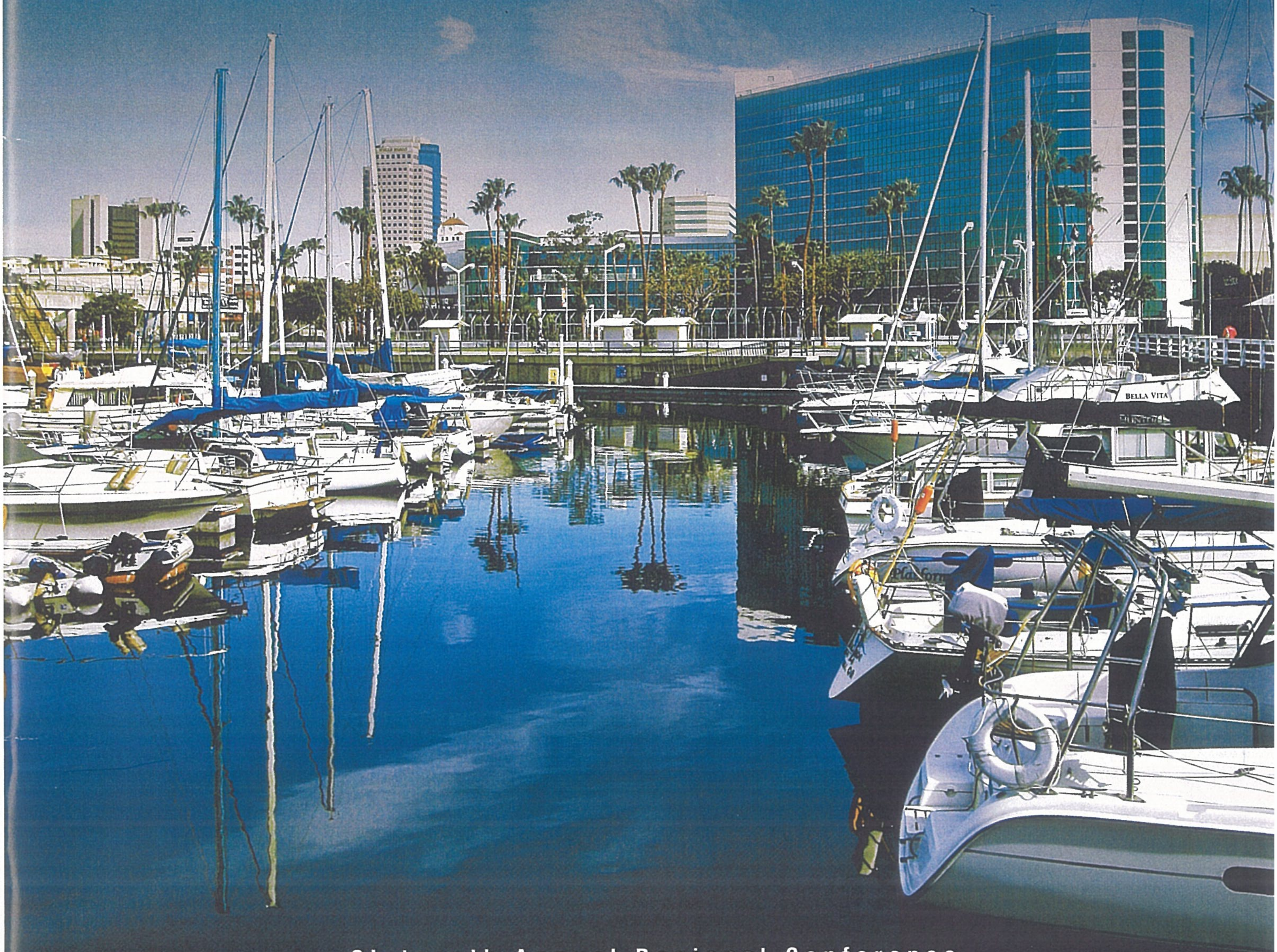
EXHIBIT "21"

ECONOMIC FORECAST

CALIFORNIA STATE UNIVERSITY, LONG BEACH



Sixteenth Annual Regional Conference
For Southern California and Its Counties

Acknowledgements

The Office of Economic Research at California State University, Long Beach sincerely thanks our sponsors who have afforded us the opportunity to conduct this research. The Economic Forecast Project is a self-supporting venture and is reliant upon the generous support of enterprises in the private and public sector. We especially thank our Platinum level sponsors: Supervisor Don Knabe, Los Angeles County, Fourth Supervisory District; the Port of Long Beach; and Pacific Gateway Workforce Investment Network.

Platinum

COUNTY of LOS ANGELES,
FOURTH SUPERVISORY DISTRICT

Pacific Gateway
WORKFORCE INVESTMENT NETWORK

The Port of
LONG BEACH
The Green Port

Gold

American Business Bank
International City Bank
Long Beach Business Journal
RBC Capital Markets Corporation
Small Business Development Center hosted by Long Beach City College
United Parcel Services

Silver

Archstone Foundation
Boeing Corporation
City of Signal Hill
CSULB Alumni Relations
CSULB College of Business Administration
CSULB College of Continuing & Professional Education
CSULB College of Liberal Arts
Downtown Long Beach Associates, Inc.
Estate Planning & Trust Council of Long Beach
Farmers & Merchants Bank
Gateway Cities Council of Governments
Long Beach Area Convention & Visitors Bureau, Inc.
South Coast Air Quality Management District
Southern California Edison
TABC, Inc.
Windes & McClaughry

Sponsor list as of April 28, 2010

Lisa M. Grobar is director of the Economic Forecast Project and associate director of the Office of Economic Research at California State University, Long Beach. She received her Ph.D. from the University of Michigan. Her areas of specialization include regional economics and international economics.

Joseph P. Magaddino is director of the Office of Economic Research and chairman of the Department of Economics at California State University, Long Beach. He received his Ph.D. from Virginia Polytechnic Institute and State University. His areas of specialization are regional economics and law and economics.

ECONOMIC FORECAST

CALIFORNIA STATE UNIVERSITY, LONG BEACH

Sixteenth Annual Regional Conference
For Southern California and Its Counties

Contents

Tables

The Office of Economic Research, an auxiliary agency of the Department of Economics at California State University, Long Beach, produces this annual forecast. Faculty associated with the Office of Economic Research also conduct research funded by grants, contracts or other fee-for-service arrangements. For further information, please contact Joseph P. Magaddino, Ph.D., at 562/985-5061 or fax: 562/985-5804. E-mail: oer@csulb.edu.

Office of Economic Research, California State University, Long Beach
Joseph P. Magaddino, Ph.D., Director
Lisa M. Grobar, Ph.D., Associate Director
Karen J. Fawson, Office Manager

Message from Jane Netherton, Chair
CSULB Board of Governors

The Board of Governors is very pleased to join President F. King Alexander in hosting the Sixteenth Annual Regional Economic Forecast. California State University, Long Beach is a strong, comprehensive university, and we value working with President Alexander in advancing his goals for the university.

Our Regional Economic Forecast is the result of the efforts of Professors Lisa M. Grobar and Joseph P. Magaddino to improve our understanding of the regional economy. In sharing their expertise, they provide business and government decision-makers with a useful planning tool.

The Annual Economic Forecast is presented every May at an event hosted by the university's Board of Governors. We believe that this important information needs to be shared with the region's business, civic and community leaders.

Lastly, this important research agenda could not be completed without the support and encouragement of our community's business and civic leaders. The Board of Governors is extremely proud of its role in forming this educational partnership and encouraging these interactions. It is our belief that these bonds will result in a stronger university and community.

We thank you for your support of the Sixteenth Annual Economic Forecast of Southern California.

Sincerely,

Jane J. Netherton
Chair, Board of Governors

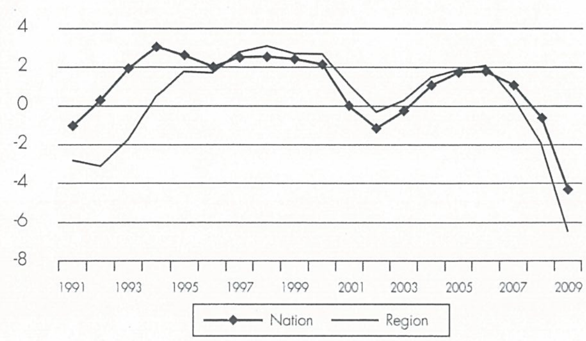
• Economic conditions are now slowly starting to improve in the region; the worst of the "Great Recession" is now behind us. We expect regional employment to fall by 1.5 percent this year, after the 6.5 percent decline we experienced in 2009. Although the annual rate will be negative, most counties in the region will be seeing positive growth on a quarterly basis by the second half of this year.
• Employment trends within the region have varied across the counties. This year, the Inland Empire is the worst-performing area in the region, and we expect that this area will be the last to enter into a sustained economic recovery. By contrast, Orange County will lead the region's economic recovery, with the other coastal areas close behind.
• This year, every sector will perform better than it did in the previous year, with the exception of the state & local government sector. In most cases, this will mean that the rate of decline in employment is slowing. A few sectors, including health care, federal government, and information, will post employment gains this year.
• Sectors with the worst loss of jobs last year include construction and manufacturing. These sectors will see much smaller losses this year. We expect that construction employment will fall by 11 percent this year after a 21 percent decline last year, and that the manufacturing sectors, which had double-digit losses last year, will see small declines under 5 percent in 2010.
• The pickup in international trade will also benefit the wholesale trade and transportation, warehousing & utilities sectors. These sectors will see much smaller declines in employment this year, followed by gains in employment of about 1 percent each in 2011.
• Retail employment saw particularly large job losses last year, as consumers cut back on their expenditures. After an almost 8 percent decline in jobs last year, this sector will post a further 1.3 percent decline this year, returning to positive growth in 2011.
• The leisure and hospitality sector is suffering from some of the same problems as the retail sector, as consumers cut back on discretionary expenditures such as eating in restaurants. After a 4.7 percent decline in 2009, the sector will contract by slightly less than 1 percent this year and next.
• Professional & business services tend to be quite cyclical, and last year this sector lost over 9 percent of its employment base. Job losses in this sector will slow dramatically this year, to 0.9 percent, and the sector will see job gains in 2011.
• The single sector that added jobs in 2009 was health services. This sector added jobs at a rate of 1.5 percent last year despite the generalized economic decline. Furthermore, this sector will add jobs at a rate of 2.2 percent this year and 2.5 percent in 2011.
• The state's budgetary conditions have deteriorated dramatically as a result of the recession. Since tax revenues lag the economy, we anticipate that job losses will accelerate in this sector this year to 3.5 percent and that this sector will not see positive job growth until 2012.
• The sharp decline in the retail sector has also translated into a freefall in taxable sales. We estimate that taxable sales fell by 17 percent last year. Sales will stabilize this year, with a slight decline of 0.8 percent, before returning to positive growth of 3.3 percent in 2011.
• Los Angeles County experienced a loss in employment of 5.9 percent in 2009. In recent months, however, job losses have been slowing. As a result, we are predicting only a moderate further decline in employment of 1.2 percent this year, before the economy returns to positive job growth in 2011.
• In Los Angeles County, every sector but one will see improved economic performance compared to last year. In most sectors, the rate of job loss will slow substantially. The one exception is the state & local government sector, which tends to lag the economy overall and will see accelerated job losses this year.
• The information sector is poised to be one of Los Angeles County's few economic bright spots, with a 6.9 percent job gain in 2010. Health care and the federal government will also add jobs; although, many of the added federal jobs will be temporary census jobs.
• Orange County's economy is rapidly improving. While the annual job growth rate will be slightly negative this year, 0.9 percent, it will accelerate to 1.5 percent in 2011 and 2.3 percent in 2012.
• Orange County's professional & business services sector will stabilize this year and then return to robust growth of over 5 percent by 2011 as the economic recovery picks up steam.
• For Riverside/San Bernardino, the severity of the subprime mortgage crisis has compounded the effects of the national recession, leading to a particularly sharp economic downturn. The area lost 7.5 percent of its employment base last year and will see another decline of 3.4 percent this year, with recovery delayed until 2012.
• Ventura County lost jobs at a pace of 5.6 percent last year, and our forecast calls for a decline in employment of 0.9 percent this year before the county returns to positive job growth in 2011.

The Regional Economy in 2009

If the 2009 regional economy was a Clint Eastwood movie, it would be entitled "The Good, the Bad and the Ugly"...just leave out "The Good" part. Last year, the region's economy shed 460,000 jobs. This was on top of 138,000 jobs lost in 2008, raising the cumulative two-year loss to almost 600,000. The region has not experienced such a devastating job loss since the early 1990s. Over a three-year period, 1991-93, the region lost 470,000 jobs. At that time, it was thought to be the most significant downturn in the Southern California regional economy since the Great Depression.

While the 1990-91 recession was severe for the region as it struggled to restructure its employment base due to the downsizing of defense and aerospace, the nation bounced back quickly. By 1994, the recovery began to take hold within the region, as witnessed by positive job formation. Southern California once again returned to its more familiar historical position of growing faster than the nation by 1997. During the 2001 recession, the region was unable to insulate itself from the national recession but did fare better than the nation. Jobs steadily rose, and employment peaked in 2007.

Employment Growth: Nation and Region



Job growth was led by a housing boom, fueled by low interest rates and easy access to mortgages and refinancing opportunities. As with all speculative bubbles, the run up in housing prices was not sustainable, and the housing market began its major correction in 2008. The correction began not only in Southern California but in many regions within the United States and across the globe. The nature, scope and magnitude of the subprime problem led to the near collapse of the financial markets. Employment plummeted. The Southern California region, especially the outlying counties, was at ground zero for the housing bubble. Not only were the economies of these counties fueled by the growth of residential construction, they were also home to several of the leading players in the financial services sector involved in subprime lending. The downturn in housing initially led to an impact on the housing related sectors, which in turn, spread across the economy, pushing the nation and the region into a protracted downturn. The main difference in this recession, compared to the 1990-91 recession, is that this time out the region and nation are in this downturn together. Since the region was one of the centers of the housing boom, it is not surprising that our employment base is contracting faster than that of the nation.

The housing-dependent sectors continued to post job losses in 2009. Construction, which accounted for 48,000 lost jobs in 2008, saw an additional loss of 73,000 jobs last year. This sector once had an employment base of 400,000 jobs and has now fallen below the 280,000 job mark. The financial activities sector includes a broad array of housing-dependent jobs such as banking, insurance, and real estate, as well as security and brokerage activities. This sector has lost 56,000 jobs over the last two years. Orange County, which was home to several of the leading financial firms at the center of the subprime problem, accounted for 40 percent of the jobs lost in this sector. Many of these firms are shuttered and those that remain open have dramatically reduced their payrolls. Much like the lost aerospace and defense jobs of the early 1990s, many of the financial services jobs were high-wage jobs and will not return to the region in the recovery.

The sector that posted the most significant absolute loss was professional & business services, with 94,000 fewer jobs in 2009. Again, many of these losses are directly associated with the housing downturn. Architectural, engineering and related services are activities associated with both residential and non-residential development. During an economic downturn, there is little interest in developing shopping centers, office buildings and other commercial structures. While the region anticipates federal stimulus dollars to support "shovel ready" projects, the near-term outlook for this subsector is not bright.

Economic contractions give rise to increased numbers of business failures, and those businesses that survive often do so by paring expenses. The smaller marketplace reduces the demand for accounting, bookkeeping, legal, administrative support and building maintenance services. The subsector of administrative and support staff lost 58,000 jobs.

Employment in the Five County Region[1]

Sector	2008	2009	Change	Percentage
Construction & Mining	351,200	277,800	-73,400	-20.9
Durable Manufacturing	461,400	404,600	-56,800	-12.3
Nondurable Manufacturing	289,700	260,200	-29,500	-10.2
Wholesale Trade	377,300	344,600	-32,700	-8.7
Retail Trade	778,000	718,100	-59,900	-7.7
Transportation, Warehousing & Utilities	268,600	251,400	-17,200	-6.4
Information	260,900	241,100	-19,800	-7.6
Financial Activities	416,600	389,900	-26,700	-6.4
Professional & Business Services	1,024,900	930,500	-94,400	-9.2
Education & Health Services	817,400	829,800	12,400	1.5
Leisure & Hospitality	740,500	706,100	-34,400	-4.6
Other Services	243,400	226,800	-16,600	-6.8
Federal Government	89,700	89,200	-500	-0.6
State & Local Government	947,800	937,900	-9,900	-1.0
Total Nonfarm Employment	7,067,400	6,608,000	-459,400	-6.5

[1] *The employment data is rounded annual values.*

Similarly, employment services sustained a loss of 37,000 jobs. The employment services sector includes placement activities but also includes the important category of temporary help, which is often regarded as a leading economic indicator. Temporary help employees are the first to be let go during a downturn and, oftentimes, firms will hire temporary workers first rather than permanent workers as the recovery begins. While this sector did post losses last year, it does appear that the monthly rate of job loss is slowing and, if this holds, the near-term outlook brightens.

The national recession has had a dramatic impact on consumer behavior. Confronted with a loss of wealth, rising unemployment and tight credit markets, households across the country have cut back on their consumption expenditures. These reductions have a differential impact on the region due to the importance of the logistics industry. The San Pedro Bay ports account for well over one-third of all the container traffic in the nation. These ports are the gateway for our major trading partners across the Pacific Rim. Total container volume has fallen from approximately 16 million TEUs (20-foot equivalent units) at its peak to just under 12 million in 2009. The reduced amount of international trade directly impacts employment in the wholesale trade and transportation, warehousing & utilities sectors. Wholesale trade posted a 33,000 job loss and transportation, warehousing & utilities lost 17,000. Like the financial services sector, most of these lost jobs are relatively high wage and, as a consequence, have a greater ripple effect on the regional economy than does the loss of low-wage jobs.

The region's manufacturing sector is like the logistics sector in that many of the goods produced within the region are produced for consumption outside the region. For example, most of our aerospace output is destined for final consumption outside of California. The manufacturing sector has lost 87,000 jobs, with 57,000 jobs in durable goods manufacturing and 30,000 jobs in non-durable goods manufacturing. The trend in job losses is perplexing. While part of the job loss is related to the global downturn, a significant part is related to rising productivity. The sharp increase in productivity over the last decade means that firms can produce more output with the same or less labor. As a consequence, fewer manufacturing jobs do not necessarily translate into less manufactured goods. Nonetheless, at some point productivity gains will be exhausted, and as the recovery takes hold, firms will have to increase employment as demand increases.

Retail trade has been hard hit during the recession. The freewheeling days of consumer spending are over. Several national retailers have shuttered their business or reduced

continued

the number of establishments. The retail trade sector posted job losses of 60,000. Not surprisingly, about one-quarter of the job losses were in auto dealerships. An additional one-quarter of the job loss is in clothing and clothing accessories. Again, these are discretionary expenditures and reflect a much more cautious consumer. Lastly, retailers closely tied to the housing market suffered job losses; these include building materials, appliance and furniture retailers.

The leisure and hospitality sector lost 34,000 jobs. Approximately three-quarters of the losses are in accommodation and food services, with the remaining losses in arts, entertainment and recreation. While these are challenging times for hoteliers, their ability to reduce lodging staff is limited by the nature of the hotel business. Such is not the case for food services. Food services are affected not only by the number of visitors but also by the strength of the regional economy. With regional unemployment levels well above that of the nation, there is significant belt-tightening on expenditures. As people eat out less, sharp reductions in food services employment occurs. Food services lost over 15,000 jobs; the bulk of the lost jobs ocurred in full-service dining establishments.

The information sector lost 20,000 jobs. This high-wage sector is mostly concentrated in Los Angeles County, which is home to the major television and film studios. While this sector has posted job losses in the past, especially in the print industry due to changing technology and declines in advertising revenue, the bulk of the current losses are in the motion picture and sound recording sub-sector. Los Angeles County accounted for 9,500 jobs lost in this sub-sector. Once again, these jobs are relatively high-wage jobs and have a greater ripple effect on the local economy.

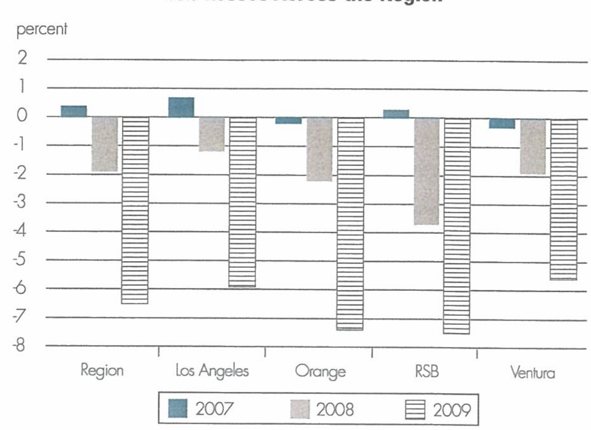
State and local governments pared their payrolls by 10,000. With an employment base of over one million jobs, this reduction amounts to a 1 percent reduction. The reduction in government payroll would have been much larger in the absence of stimulus dollars. Next year, with large deficits in the state and many municipalities, expect deeper employment cuts and reductions in the level of service.

The only sector within the region to post job gains was education and health services. This sector generated 12,400 new jobs and posted a growth rate of 1.5 percent. About 60 percent of the gain was in private educational employment, with the bulk of the new jobs in private universities, colleges and professional schools. The underlying demographics coupled with a rising unemployment rate contribute to an increased demand for post-secondary education. In addition, public educational institutions, whose employment is measured in the state government sector, have constrained their enrollment growth due to public funding shortfalls. This strategy gives rise to increases in demand for substitutes, in this case increased enrollment in private educational institutions.

The underlying demographics of the region account for the increases in the demand for healthcare services. Los Angeles County hospitals and nursing and residential care facilities accounted for 3,000 new jobs. The remaining 2,000 new jobs were spread across a broad array of healthcare providers as well as social assistant providers, such as individual and family assistants, child-care and so forth.

Once again, employment losses were spread across all counties in the region. Los Angeles County, which did not see the sharp run up in employment associated with the housing bubble, has fared somewhat better than the outlying counties. Especially hard hit were the counties of Orange, Riverside and San Bernardino. The Riverside and San Bernardino counties had long been the faster growing counties in the state, but the housing downturn has created a significant challenge for these counties. Much of the region's foreclosure problem is concentrated in Riverside and San Bernardino counties, and it will take several years of strong employment growth for these economies to fully recover.

Job Losses Across the Region

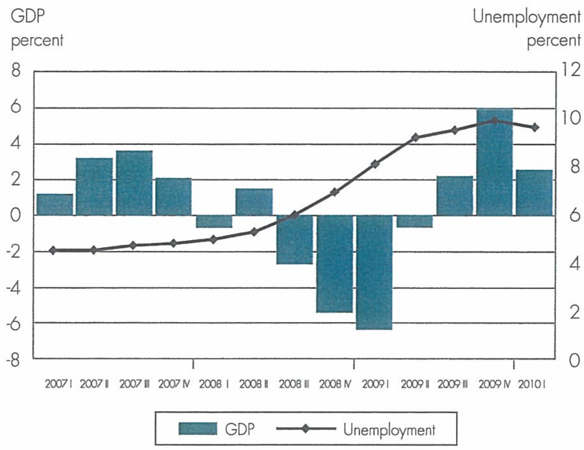


The Great Recession has ended. The recession, which began in December 2007, most likely ended in June of last year. It will take several more months before the National Bureau of Economic Research, the official arbiter of the economy's turning points, makes the call official. While this is good news, what it really means is the economy peaked in December 2007, stopped its free fall and bottomed out in June 2009. By mid-year, the economy began to post positive GDP growth after four consecutive quarters of declines. This recession is the longest and one of the steepest declines in the post World War II era. What made this recession different is that the economy has not faced a financial crisis of such magnitude since the Great Depression. The housing bubble, subprime interest loans, lax lending standards, and securitization of mortgages led to the near collapse of financial markets, creating the first ever downturn in the global economy in the modern era. During the 1930s, the depth and duration of the depression was laid at the doorstep of the Federal Reserve and its failed monetary policy. This time, things were different. The Fed's swift and decisive actions were instrumental in preventing the worst financial crisis of the modern era from becoming an even more severe downturn.

The Fed's aggressive actions to dramatically increase the money supply saw its balance sheet balloon from $800 billion to over $2 trillion. In addition to holding the federal funds rate at near zero, the Fed introduced a variety of temporary programs, such as Term Auction Credit, the Commercial Paper Funding Facility, Central Bank Liquidity Swaps, and the purchase of housing-related government-sponsored enterprises to infuse liquidity into the markets. These innovative programs did much to relieve the stress in financial markets. As financial markets began to slowly recover and stabilize, these programs were either discontinued or wound down. To be clear, the financial markets are far from fully recovered, but the road to normalcy is fast approaching.

The Obama administration and Congress passed a massive federal stimulus package of $787 billion. The stimulus package is a 10-year program, with the $561 billion in expenditures occurring in 2009-10. Approximately $475 billion in expenditures are tax cuts, transfers and grants to states. Infrastructure projects were valued at about $82 billion. The $700 billion in the Troubled Asset Relief Program, begun during the Bush administration, was continued, and funds were allocated to troubled financial institutions, including AIG, as well as Chrysler and the auto giant General Motors.

Output Recovers but Unemployment is a Problem



Even with these massive doses of monetary and fiscal policy, GDP growth was -2.4 percent in 2009; although, potentially things could have been much worse in the absence of these policies. Unemployment surged as employers shed 4.7 million jobs in 2009, bringing the total number of jobs lost since the onset of the recession to 8.4 million. Housing prices dropped by nearly 30 percent from the 2006 peak, according to Standard & Poor's Case-Shiller indexes. With housing values falling and unemployment rising, the number of households receiving notices of foreclosure rose to 2.8 million, a 21 percent increase over 2008 and a 120 percent increase over 2007.

Despite all of this bad news, the economy did begin its recovery in mid-year 2009. Consumers began to gradually increase their consumption, in part enticed by the incentives in the Cash for Clunkers program. Exports began to grow, primarily driven by an improving economic picture among the Asian nations, excluding Japan. In the fourth quarter of 2009, the economy grew at a robust annual rate of 5.6 percent. While this represents significant growth, it is unlikely that the fourth quarter's growth is a signal that a rapid recovery is underway. Much of the acceleration in year-end growth was due to inventory replenishment. Throughout the recession, businesses slashed inventories as households cut back on their consumption expenditures. Consumer expenditures were slowed due to rising

continued

unemployment, little or no income growth, tight credit and decreases in wealth, especially housing wealth. Nonetheless, even with modest consumption growth, there comes a time when inventories can no longer be reduced and shelves must be restocked. That time was the fourth quarter of 2009.

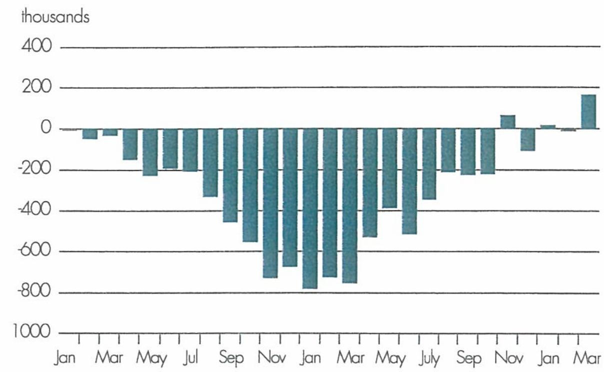
The Outlook for 2010-11

A modest but steady economic recovery is underway. While we do not expect the torrid growth of 5.6 percent in the fourth quarter of last year to be carried forward, we do expect improvement, with the economy growing at 2.9 percent in 2010 followed by 3 percent in 2011. A V-shaped recovery, with robust growth following the steep decline, is not in the cards. Strong economic growth is unlikely, given the nature and extent of the financial crisis. Credit conditions, especially for small businesses, remain tight. The housing market remains fragile and continues to be a drag on economic performance. Similarly, the outlook for commercial real estate remains weak. Business structures, which had been growing at double digit rates, declined by almost 20 percent last year. This growth rate will continue to be negative and not bottom out for several years. Economic development projects will not materialize until the recovery is well underway.

The biggest challenge is the rate of unemployment. As stated earlier, this recession generated a job loss of 8.4 million and an unemployment rate above the 10 percent mark. While we are in the early stages of employment growth, employment growth will not occur fast enough to quickly return unemployment to an acceptable level. The labor markets need to generate 120,000 to 140,000 new jobs every month just to account for the growth in the labor force, let alone generate jobs for the 8.4 million workers who have lost jobs. As a consequence, it will take another five years before the unemployment rate falls below 7 percent.

The high unemployment rate has the potential to make the Fed's job of price stability much more difficult. While the Fed has received plaudits for increasing liquidity and avoiding an even more severe downturn, they face the daunting task of reducing this liquidity if inflationary pressures are to be avoided. The timing and the implementation of the exit strategy have to be near perfect if they are to be successful, and there is little in the Fed's history to instill confidence that this will occur. Moreover, elected officials, as well as those on Main Street and Wall Street, are never happy about prospects of rising interest

Monthly Change in Employment 2008-10



rates and slower economic growth, especially with high unemployment. While inflation is a very serious problem, it is not a near-term problem, and the Fed has time. Expect the Fed to begin to raise rates later this year. The consumer price index will remain around the 2 percent level.

As employment improves, incomes will grow and consumers will be more willing to increase their expenditures. At this stage of the recovery, we expect consumers to be cautious, as they still must deal with their reduced wealth position and tight credit markets. Large firms, on the other hand, are flush with cash and expect business investment expenditures to improve. Exports will continue to be a bright spot as the Asian nations resume their faster pace of growth. State and municipal governments face continued economic stress throughout this year and next. Lastly, the Obama administration faces difficult choices in the coming years, as they need to develop a strategy to pare the federal deficit, which swelled during this recession. The strategy that emerges is likely to be reductions in spending and tax increases. Despite the campaign promises of not taxing the middle class, the reality is that there is not enough income among the top 5 percent of all wage earners to finance the growing deficit and healthcare without draconian tax increases.

The National Economy

	2008	2009	2010	2011
Real GDP	0.4	-2.4	2.9	3.0
Consumer Price Index	3.8	-0.3	1.8	1.9
Unemployment Rate	5.8	9.3	9.1	9.0
Federal Funds Rate	1.9	0.1	0.2	1.5

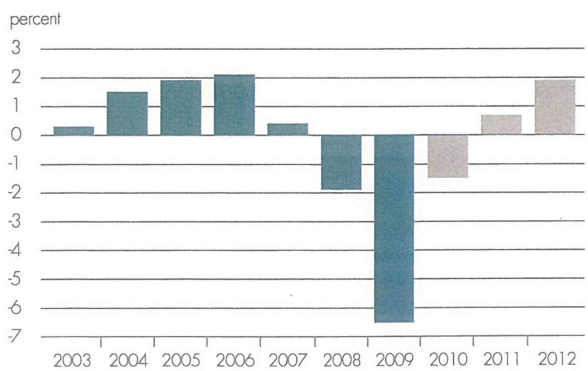
In 2009, the Southern California region experienced a severe contraction in employment, following national economic trends. At both the regional and national level, it has truly been a "Great Recession." The region lost 6.5 percent of its employment base in 2009, amounting to a loss of almost half a million jobs. It is going to take a number of years before we can reasonably expect to regain all of the jobs lost last year.

In the early months of 2010, some signs of improvement began to emerge, but you had to look closely to find them. The rate of decline in employment started to diminish in many sectors of the economy. Economic activity at the Ports of Long Beach and Los Angeles started picking up, reflecting increasing imports and exports at the national level. The news on housing sales and median prices has improved.

We expect to see an economic recovery taking hold in this region in the second half of this year. The recovery will be most noticeable in the coastal areas, where the housing recovery is also more advanced. The inland areas will lag considerably and will be the main drag on regional growth in the near term. We expect that unemployment rates will peak this year close to current levels; however, the rates will come down only slowly over time.

Our forecast anticipates a decline in regional employment of 1.5 percent this year, after the 6.5 percent decline we experienced in 2009. We expect most of this decline to occur in the first half of the year, with most areas seeing a return to positive employment growth by the second half of 2010. In 2011, the region will gain jobs at a pace of 0.7 percent overall, with coastal areas growing faster than the regional average. By 2012, the recovery will be complete, with regional job growth at almost 2 percent.

Total Regional Nonfarm Employment Growth

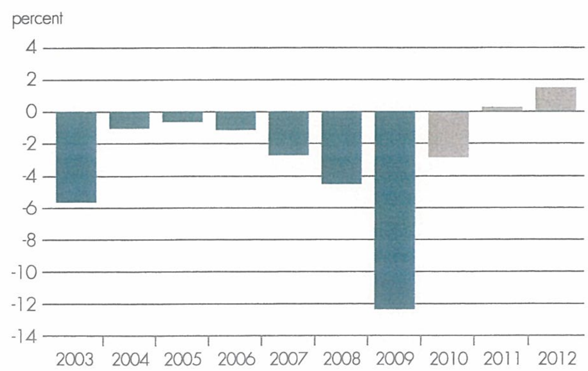


Employment trends within the region have varied across the counties. In the initial phases of this economic downturn (2007-08), the areas hardest hit were in the outlying counties, where the building and other real estate-related activities were most active during the housing boom. These factors were intensified in the Inland Empire, where the subprime mortgage crisis was most acute. By 2009, the financial crisis and national recession had taken hold and all county areas saw a sharp decline in economic activity. This year, the Inland Empire is clearly the worst-performing area in the region, and we expect that this region will be the last to enter into a sustained economic recovery.

This year, almost every sector is expected to perform better than it did in the previous year, with the exception of the state & local government sector. In most cases, this will mean that the rate of decline in employment is slowing. The region will see some small gains in employment in the federal government sector due to the 2010 census. Net gains will also appear in the health and information sectors. The health sector was the only sector with net job growth last year, which is not surprising since this sector is known to be relatively immune to economic cycles. We also anticipate net job gains in the information sector. This job growth will occur entirely in Los Angeles County in the sub-category of motion pictures, in part reflecting new state incentives to the region's film industry.

The expansion of international trade noted above will have positive implications for the region's manufacturing sector. While regional manufacturing employment in the durable and non-durable sectors declined at double-digit rates last year, the declines this year will be much more modest.

Durable Manufacturing Employment Growth

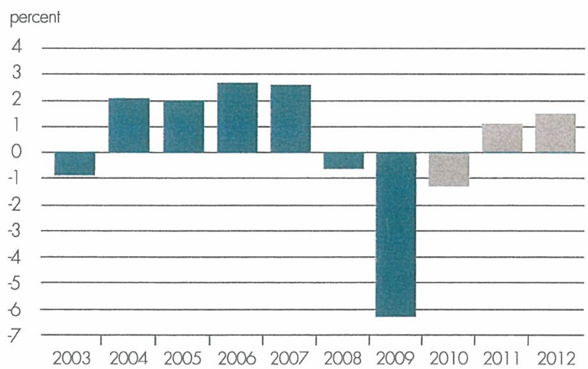


continued

Productivity improvements in this sector continue to limit the rate at which manufacturing firms add to their payrolls, so these sectors will not contribute much to regional job growth through the forecast horizon.

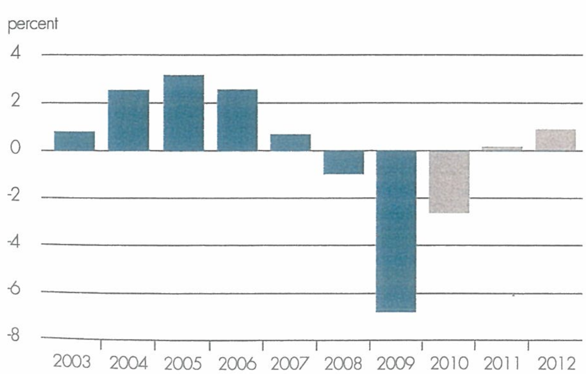
The pickup in international trade will also benefit the wholesale trade and transportation, warehousing & utilities sectors. The sectors are also highly sensitive to national trends, as the slowdown in the economy has reduced the need to store and transport goods; however, the improving national and regional economies will increase the demand for these services. Job losses in these sectors will diminish this year, and we expect to see about a 1 percent job gain in each of these sectors by 2011.

Transportation, Warehousing & Utilities Employment Growth



One feature of the national recession has been a sharp pull-back in consumer expenditures. This has had a devastating effect on the region's retail sector, which is the fourth-largest sector in the region. This sector saw a decline in employment of almost 8 percent last year. As consumers cautiously begin to open their wallets again, conditions in this sector will start

Retail and Wholesale Trade Employment Growth

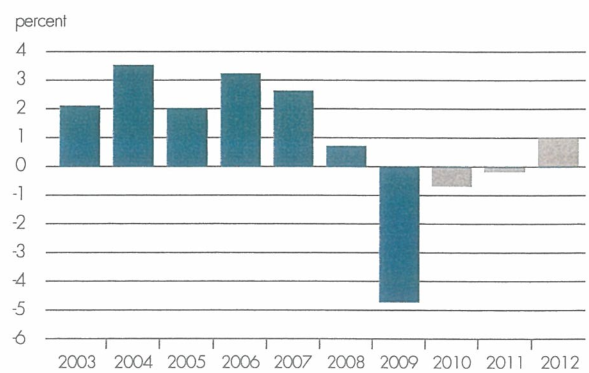


to improve. We are forecasting a continued decline in retail employment this year of 1.3 percent before the sector returns to positive growth in 2011.

This sharp decline in the retail sector has also translated into a freefall in taxable sales. We estimate that taxable sales plummeted by 17 percent last year. During the recession, households tightened their belts and nearly stopped buying new cars altogether. In addition, other types of discretionary expenditures (such as restaurant spending) were down sharply. Although retail sales are not reported in a very timely manner (regional sales data were available only through the first quarter of 2009 as this publication went to press), some indicators at the state and national level point to improving sales in the early months of this year. We are predicting that retail sales will stabilize this year, with a slight decline of 0.8 percent, and then increase by 3.3 percent in 2011.

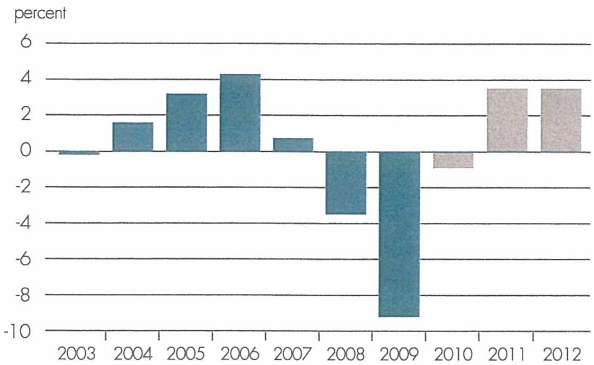
The leisure & hospitality sector is suffering from some of the same problems as the retail sector. This sector includes employment in restaurants and hotels, which has been hard hit by the sharp decline in consumer and business expenditures that has occurred during the recession. This sector lost almost 5 percent of its employment base last year. Although the sector is stabilizing, we expect to see continued modest job losses in this sector through 2011.

Leisure & Hospitality Employment Growth

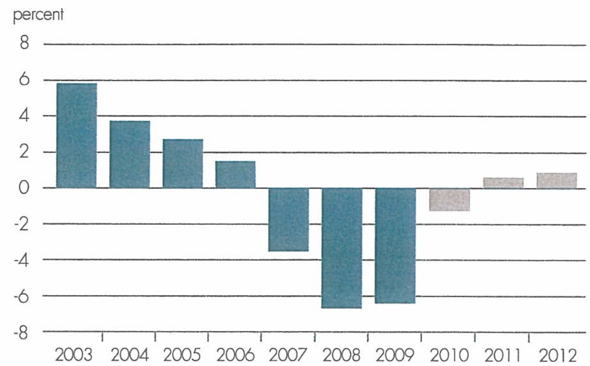


The professional and business services sector was hard hit by the national recession, seeing over a 9 percent decline in employment at the regional level last year. This sector will stabilize this year but should then bounce back fairly sharply in 2011, since companies have cut their administrative ranks to bare bones levels during this recession and will need to hire once the expansion takes hold. In 2011, this will be the region's fastest-growing sector, with job growth of 3.5 percent.

Professional & Business Services Employment Growth

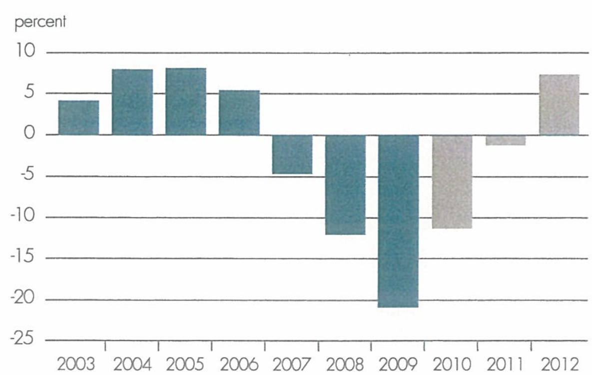


Financial Activities Employment Growth



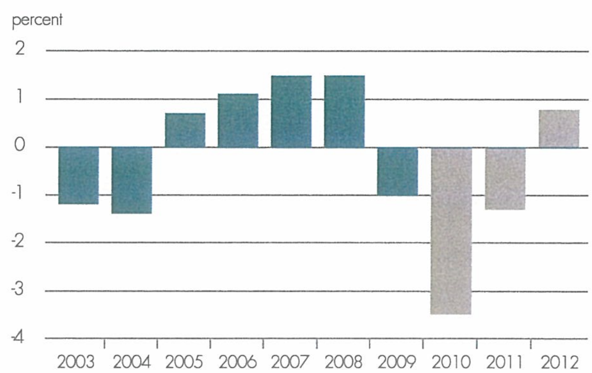
The battered housing-related employment sectors of construction and finance are finally showing some signs of bottoming out this year. These sectors have been shedding jobs since the housing market began its downturn in 2007. While these sectors will not see positive growth this year, we do think that the worst declines occurred in 2009 and are thus behind us. Our forecast calls for construction employment, which declined by 21 percent in 2009, to decline 11 percent this year and then only 1 percent in 2011. Financial services employment, which declined by over 6 percent last year, will fall by just 1.3 percent this year. As the regional housing market begins to recover in 2010 and beyond, employment in these sectors will begin to grow again. It could take a decade or more for these sectors to regain their 2006 peak levels of employment.

Construction & Mining Employment Growth



The state's budget is currently under severe strain. Since tax revenues lag the economy, we are not likely to see much improvement in the current fiscal year; although, revenues should begin to grow beyond that point. This means in the near term the state is going to be severely constrained in its spending by budgetary conditions. As a result, we expect job losses in the state and local government sector to worsen this year and extend through 2011.

State & Local Government Employment Growth



Los Angeles County entered into recession about a year later than the rest of the region. While the county did not experience the housing boom-bust cycle as deeply as the rest of the region, the financial crisis and national recession took their toll on the county's economy. After a 1.2 percent decline in employment in 2008, the county saw a 5.9 percent drop in jobs in 2009. With unemployment at a record high of 12.5 percent in January, this recession surpasses the severity of the recession of the early 1990s, when county unemployment peaked at 10.4 percent.

In recent months, job losses have been moderating in most sectors of the county's economy. As a result, we are predicting a moderate decline in employment of 1.2 percent this year before the economy returns to positive job growth in 2011. Most of the job losses have already occurred, and we expect positive quarterly job growth to return by mid-year. This growth, however, will be modest, which is why the annual employment growth is negative. Simply put, gains in the second half will not offset job losses in the first half of the year.

Every sector but one will see substantially improved economic performance, compared to last year, as the rate of job loss slows substantially. The one exception is the state & local government sector, which will see accelerated job losses this year.

Like the region, the retail sector saw a significant decline in 2009. Last year, the county lost over 7 percent of its retail jobs, and another decline of 1.2 percent is expected this year. Other cyclical sectors that have seen sharp declines include the manufacturing sectors, as well as the areas of transportation and wholesale trade. The manufacturing sectors are showing some signs of improvement, after posting job losses at a rate of more than 10 percent in 2009. On the durable side, we expect a 1.2 percent decline this year while nondurable will see a 5.2 percent drop, only half the rate of decline from the previous year.

The transportation, warehousing & utilities sector saw a 7 percent decline in employment last year, as economic activity in the nation slowed. This sector will see another 2.1 percent decline before returning to positive job growth in 2011. The wholesale trade sector is a similar story, with an almost 9 percent job loss followed by a 2.8 percent decline this year. As the national recovery gathers steam, these sectors will be quick to improve and will start to create significant employment opportunities in the county.

The professional and business service employment is the most cyclical of the service sectors. This relatively high-paying sector lost almost 10 percent of its employment base last year. This year, these losses will diminish substantially, with the sector's employment falling by less than 1 percent. This sector will start to add jobs relatively early in the expansion, and we expect this sector to add jobs at a pace of almost 4 percent.

Leisure & hospitality services are also cyclical and saw a 4.4 percent drop in employment last year as businesses cut back on travel and households cut their spending in restaurants. The job losses in this sector will trail off this year, but the sector is expected to remain flat in 2011.

The housing-related sectors saw large declines in Los Angeles County last year with almost a 20 percent decline in construction employment and a 6.6 percent loss of jobs in the financial sector. These sectors will continue to shed jobs in 2010, although at a slower pace, and then will remain flat through 2011.

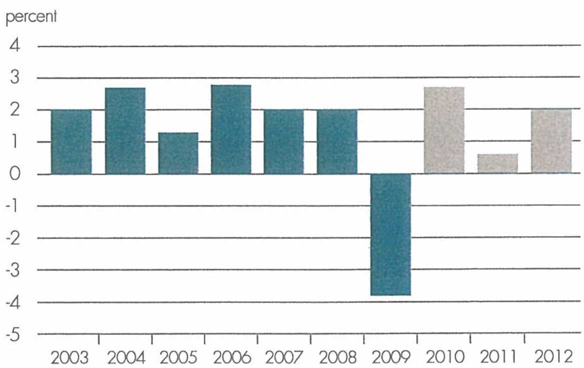
The information sector lost almost 8 percent of its employment base last year. This sector, however, is poised to be one of the few bright spots in the county's economy this year, as there has already been robust growth in this sector in recent months. In March 2010, motion pictures employment stood 10,000 above the March 2009 levels. Tax incentives offered to the film industry that were implemented beginning in mid-2009 have undoubtedly contributed to this growth. As advertising revenues grow with the recovery, this sector should continue to benefit from increased economic activity. We are predicting job growth for this sector of almost 7 percent for this year.

Health services are another bright spot for 2010, with the sector expected to post a job gain of 2.2 percent, accelerating to 2.7 percent growth by 2012. A third sector expected to add jobs this year is the federal government sector, which will grow at a pace of 3 percent this year. Unfortunately, most of this census employment is of a temporary nature.

In 2008 (the most recent year for which we have data), taxable sales fell by 4.3 percent. We estimate that sales fell by almost 16 percent in 2009, reflecting the big drop-off in consumer spending that occurred nationally last year. We think the worst of the declines are behind us now, as we predict 1 percent growth in sales this year. Still, this has taxable sales growing more slowly than inflation, a situation that will not change until 2011, when sales are expected to climb by 4.3 percent.

This has been a difficult recession for Orange County, which saw its third consecutive year of declining employment in 2009. We believe that Orange County will lead in the region's recovery, with positive job growth on a quarterly basis beginning in the second half of this year. This job growth will not be sufficient to move the 2010 annual growth rate into positive territory, as the gains in the second half are not large enough to offset the losses in the first half of the year. We expect the county to lose jobs this year, although at a rate of less than 1 percent. Job growth will accelerate in 2011 with an employment growth rate of 1.5 percent.

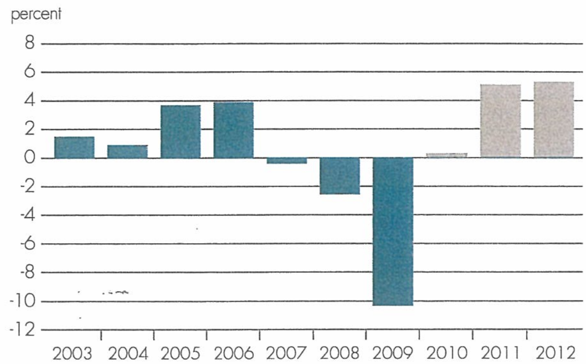
Orange County
Leisure & Hospitality Employment Growth



There are signs of improvement in many sectors of the Orange County economy. It appears that jobs losses in the troubled financial services sector bottomed out in 2008, and we think that most of the decline in that sector is behind us. Construction employment is still falling but at a slower pace than in previous years.

The leisure & hospitality sector has actually added jobs in recent months, indicating increased activity in area restaurants and hotels. We are predicting that this sector will gain jobs at a rate of 2.7 percent this year. After two years of sizable declines, the retail sector is also poised to begin adding jobs. The job growth in this sector will be very modest this year, only 0.3 percent, but will increase to 2.0 percent by 2011.

Orange County
Professional & Business Services Employment Growth



The professional & business services sector, which typically shows strong growth in Orange County, saw a double-digit decline last year. We expect this sector to stabilize this year and then return to robust growth by 2011 as the economic recovery picks up steam.

Health services employment slowed last year in the county but did not decline. We expect to see this sector gain jobs at a pace at or above 2 percent in each of the next two years. The information sector, heavily concentrated in telecommunications in Orange County, will continue to decline this year and next.

Manufacturing losses accelerated last year as the economy moved deeper into recession, with both categories declining by more than 11 percent. Both the durable and nondurable segments of this sector will continue to decline in Orange County over the forecast horizon; although, the losses will be much less severe this year and next.

The wholesale and transportation, warehousing & utilities sectors are expected to stabilize this year and then add jobs in 2011. Employment in state & local government will decline by over 4 percent this year, as the state's budgetary problems affect hiring and staffing decisions of state and local governments.

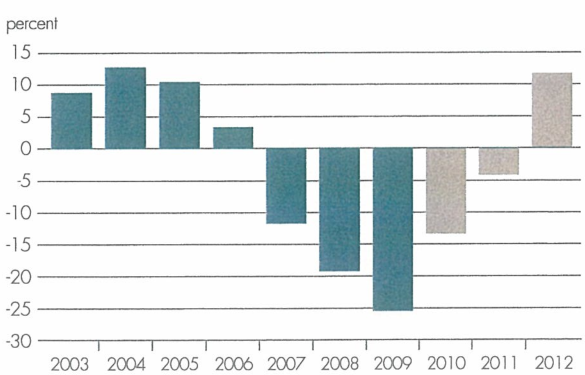
Orange County's taxable sales fell by 6.4 percent in 2008, and we estimate that sales fell by almost 17 percent last year. Our forecast calls for taxable sales to grow at the modest pace of 1.2 percent this year and then at a more robust rate of 5 percent in 2011.

Riverside/San Bernardino Counties Forecast: 2010-11

In 2009, Riverside/San Bernardino held the dubious distinction of being among the top cities in the nation in terms of foreclosure rates. The severity of the subprime mortgage crisis in this set of counties compounded the effects of the national recession, leading to a particularly sharp economic downturn. In 2009, employment in this area fell by 7.5 percent. This year, we expect the rate of job losses to slow. These counties will still see another 3.4 percent decline in employment this year before their economy stabilizes in 2011.

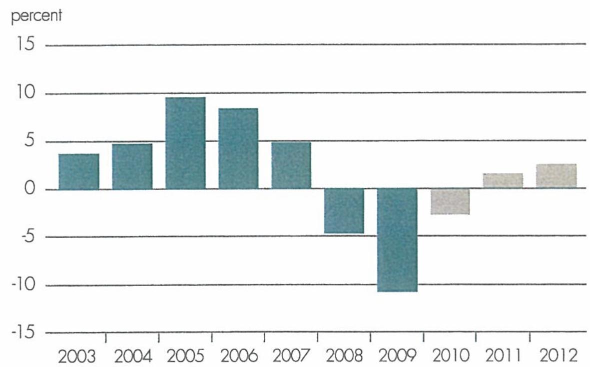
The housing-related sectors have been losing jobs in Riverside/San Bernardino for several years, now. This year, these losses will ease but will still be significant. The construction sector, which lost a whopping 25.4 percent of its employment base last year, will contract again this year at a rate of 13.4 percent and will not add jobs until the year 2012. In the financial sector, the news is a bit better. That sector, which lost jobs at a rate of 6.7 percent last year, will stabilize this year, with a gain of 0.6 percent.

R/SB Construction Employment Growth



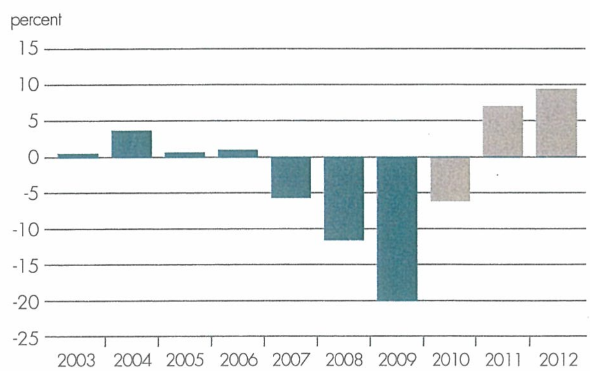
Adding to Riverside/San Bernardino's woes is the effect of the national recession, which hit the wholesale and retail sectors hard. Wholesale activity is usually a source of job growth in this area, but last year the sector shed jobs at a rate of 10.8 percent. This rate of job loss will slow to less than 3 percent this year, and then wholesale jobs will start growing in 2011. The retail sector will not recover as quickly; our forecast calls for continued jobs losses in this sector, although at a slowing pace, through 2011.

R/SB Wholesale Trade Employment Growth



Other cyclical sectors continuing to lose jobs this year will include durable and nondurable manufacturing and professional & business services. Of these, only durable manufacturing will return to positive job growth by 2011.

Durable Manufacturing Employment Growth



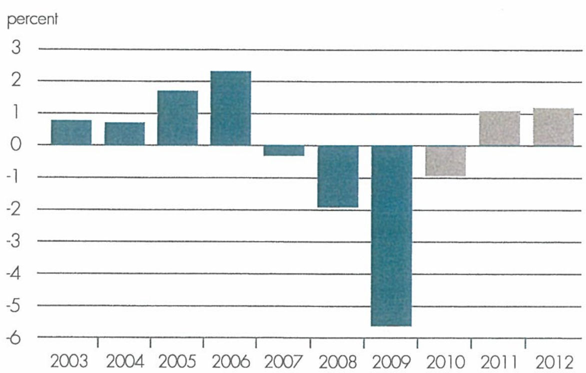
Taxable sales have mirrored the overall performance of the Riverside/San Bernardino economy. Sales started to decline in 2007 and fell by almost 10 percent in 2008. We estimate that taxable sales fell by 20.5 percent last year, the biggest decline in the region.

Our forecast calls for taxable sales to fall by 8.2 percent this year and then level off to a 1.9 percent drop the following year. By 2012, sales growth will finally be positive; we expect a 3.5 percent rise in sales that year.

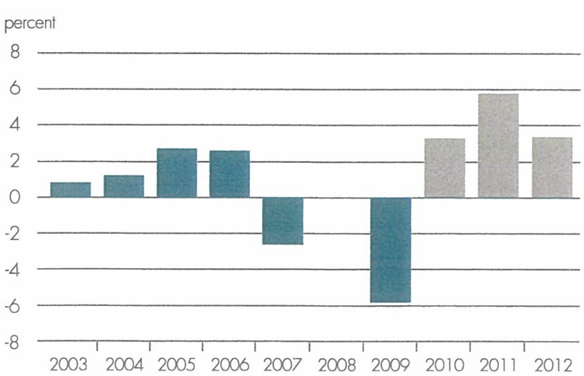
In 2007, economic recession also came to Ventura County. As in the case of Orange County and Riverside/San Bernardino, the housing market has been a significant source of weakness in Ventura County's economy. We expect that Ventura County is on track to see an economic recovery similar to that of Orange County, rather than the protracted decline forecasted for Riverside/San Bernardino.

Ventura County lost jobs at a rate of 5.6 percent last year, but we believe the county has passed through the worst of the recession at this point. Our forecast calls for only a slight further decline in employment this year, a 0.9 percent drop, followed by a resumption of positive employment growth in 2011 at a pace of 1.1 percent.

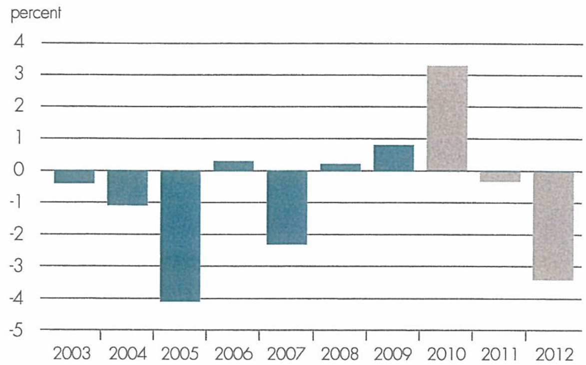
Ventura County
Total Nonfarm Employment Growth



Ventura County
Professional & Business Services Employment Growth



Ventura County
Federal Government Employment Growth



Almost all sectors will see improved performance this year, and job growth will be positive in professional & business services, transportation, warehousing & utilities, education & health services, other services, and the federal government sector.

Offsetting this growth will be further declines in the construction, manufacturing, trade, finance, information, leisure & hospitality, and state & local government sectors. Still, the losses in most of these sectors will be much smaller than in the previous year. Construction, which declined at a rate of 18.7 percent last year, will see a drop in employment of just 2.9 percent this year. Durable manufacturing, declining at a pace of almost 12 percent in 2009, will see a decline at only half that rate this year.

By 2011, the county will be seeing solid economic growth in a number of sectors. Leading the recovery will be the professional & business services sector, which will post a gain of over 5 percent in that year. Other sectors contributing to the recovery in 2011 will include construction, wholesale trade and transportation, warehousing & utilities.

In Ventura County, taxable sales started to decline in 2007 and dropped by 7.4 percent in 2008. We estimate that sales declined by 14.6 percent last year. Improving economic conditions this year will lead to a return to positive sales growth of 1.7 percent this year, accelerating to 4.9 percent sales growth in 2011.

In the early 1990s, the Long Beach economy suffered brutal losses in employment. The downsizing of the defense and aerospace sectors, which were the core of the Long Beach economy, created devastating losses. Over a three-year period, Long Beach lost 35,000 jobs. While Long Beach was particularly hard hit, both the city and regional economies were forced into a major restructuring of their employment base as they faced the most severe challenge since the Great Depression.

Long Beach Total Nonfarm Employment

The Long Beach strategy for economic development began to coalesce around the industry clusters of trade, tourism and technology. The deep water Port of Long Beach was, along with its neighbor the Port of Los Angeles, a natural gateway for nations along the Pacific Rim. The growth of international trade spurred employment growth and prosperity in the logistics sector. The redevelopment efforts, especially in the downtown, facilitated growth in the number of visitors, business, and leisure travelers as well as convention visitors attracted to our coastal location. The growth in tourism, along with an improved city and regional economy, boosted retail trade. Technology permeates almost every sector of the economy but never materialized into a major driver of economic growth like Silicon Valley. Nonetheless, the city's economy prospered and steadily added jobs until the downturn in national economic activity in 2001. Despite all the references to an economically diversified economy, there is not much that the city, region or state can do to avoid the impacts of a national economic downturn. The more diversified employment base did, however, yield a less dramatic loss of jobs.

The Long Beach Economy in 2008

The current national recession is the most protracted and one of the steepest in the post World War II period. From 2008-09, it is estimated that the Long Beach economy lost 10,000 jobs. The data on the accompanying table actually understates job losses for several reasons. First, the EDD data for sub-county geographical areas is published with significant lags. The most recent data is the second quarter of 2009, which misses the deterioration in employment that took place in the latter part of last year. Second, the EDD data is ZIP code based and is sensitive to the location of an establishment's payroll office. While this can affect any sector, we have noted in past reports that the changing location of payroll offices of logistics establishments provides misleading information about Long Beach employment. For example, it appears that employment increased by 3,973 logistics jobs in comparing 2008 FY and 2009 FY. Last year's report showed a decrease in employment of 3,444 in logistics from 2007 FY to 2008 FY. Neither the employment gain nor loss is correct, as we believe that the data is affected by the location of the payroll offices. When employees working in Long Beach receive their payroll from a firm located outside of Long Beach, the data assigns these jobs outside of Long Beach. If the payroll office moves into Long Beach, the data shows an increase in jobs. Normally, this does not present much of a problem unless the establishments have a large payroll. This is the case with logistics. So, what actually happened with logistics employment in Long Beach? At best, logistics employment in Long Beach was flat, and, more likely, there was a decline associated with the downturn in activity of the San Pedro Bay ports. Los Angeles County saw employment losses of 18,000 in logistics, and it is estimated that about 2,000 of these jobs were based in Long Beach.

Unlike the early 1990s, the job losses in the city's economy are a reflection of the severe national recession and not deep structural problems within the city. The loss of manufacturing jobs is largely in response to a decrease in the demand for durable goods. Almost half of all manufacturing jobs are in transportation equipment manufacturing, with the bulk of these jobs dedicated to the C-17. While the Obama administration's budget did not call for additional production of the massive cargo plane, the construction line will remain open until 2012 and beyond, if additional orders for the C-17 materialize. Most of the city's other manufacturing concerns produce goods that are sold throughout the United States and, in some specialized cases, are exported to other nations. As a consequence, the health and well-being of these firms depend less on the vibrancy of the Long Beach economy and more on the vitality of the national or global economy.

The leisure & hospitality sector held up fairly well during the economic downturn. To a great extent, this result rests upon the reliance on convention traffic as the base for tourism.

Sector	2008 FY Employment	2009 FY Employment	Change in Employment	Average Payroll	Number of Employers	Employees Per Firm
Construction, Mining & Utilities	10,246	9,203	-1,043	75,472	562	16
Manufacturing	23,009	21,946	-1,063	70,150	435	51
Logistics	20,814	24,787	3,973	60,058	1,144	22
Retail Trade	18,900	18,254	-647	28,812	1,132	16
Information	3,100	3,025	-75	49,124	115	26
Financial Activities	9,039	9,028	-10	103,141	956	9
Professional & Business Services	14,207	13,635	-573	96,485	1,194	11
Administrative Support	16,744	16,422	-322	29,450	460	36
Education & Health Services	25,881	26,066	185	45,649	1,369	19
Leisure & Hospitality	20,781	19,836	-944	19,570	1,049	19
Federal Government	5,635	5,853	218	57,795	32	183
State & Local Government	25,990	25,524	-466	56,642	538	47
Non-classified & Other Services	7,253	6,915	-339	30,384	1,243	6
Total Nonfarm	201,598	200,493	-1,106	49,208	10,228	20

A Profile of the Long Beach Economy

Conventions are booked years in advance, and while convention attendance drops off during a recession, it does not decline as fast as business and leisure travel. Last year, Long Beach hotels saw declines in occupancy rates as well as the average daily rate per room. Despite these drops, the Long Beach lodging industry was among the best performers in revenue per average room. Many of the region's hoteliers saw revenue per average room fall by over 20 percent.

The declines in professional & business services and administrative support services reflect the slowing in economic activity. This decline is also seen in the commercial office space data. The South Bay's direct office vacancy rates have risen to 18 percent. The Long Beach office market had a vacancy rate of 18 percent, an increase of more than 5 percent.

The retail trade sector, much like the region and the nation, saw job losses as retail establishments closed or reduced their employment base in response to the contraction in consumer spending. The public sector employment also experienced reductions. However, these reductions, especially in education, were lower than initially anticipated due to one-time federal stimulus dollars. The public sector accounts for over 15 percent of all employment within the city. The relatively high concentration of public employment reflects the heavy concentration in educational employment: Long Beach Unified School District, Long Beach Community College, California State University, Long Beach, and the Office of the Chancellor, California State University System.

The Outlook for Long Beach 2010-11

While we believe that the economic recovery is well underway, as indicated elsewhere, we do expect steady but modest growth throughout 2010 and through much of 2011. Employers are reluctant to add to their permanent payrolls until they are convinced that the recovery will hold. As a consequence, employment growth tends to lag the growth in output. For this reason, we do not expect to see payrolls expand until the latter part of 2010. The employment gains that we expect in the latter part of this year will not be sufficiently large to offset the continued losses in the first part of this year. Expect net jobs losses on the order of 2,000 in 2010. The sectors that will add jobs are: educational & health services, professional & business services, information, and the federal government. The logistics sector will see net losses for the year as a whole, but these losses are diminishing as port traffic rises. The manufacturing sectors, public education at all levels, retail trade and leisure & hospitality will continue to post jobs losses but at much slower rates.

By 2011, the employment picture brightens. Expect employment gains of 2,100, followed by additional gains in jobs of 1,700 in 2012. Despite the brighter prospects, it will take several more years of steady and consistent economic growth to return to the high-water mark of 207,000 jobs in the Long Beach economy. In 2011, we expect all sectors, except manufacturing and public education, to post positive job formation. By 2012, all sectors in the city's economy should be performing well as the economic expansion develops a solid footing.

The Five-County Regional Economy

	2003	2004	2005	2006	2007	2008	2009	2010f	2011f	2012f
Levels										
Construction & Mining	340,042	367,292	397,242	419,167	399,367	351,208	277,717	246,311	243,306	261,330
Durable Manufacturing	509,800	504,642	501,650	496,308	483,067	461,483	404,625	392,902	394,271	400,016
Nondurable Manufacturing	327,175	320,867	311,692	309,817	303,058	289,800	260,208	247,379	240,591	243,136
Wholesale Trade	352,550	355,300	364,717	376,183	383,708	377,292	344,558	336,551	339,646	348,575
Retail Trade	729,308	747,708	774,725	794,850	800,333	778,008	718,067	709,087	711,745	719,742
Transportation, Warehousing & Utilities	246,267	251,500	256,458	263,342	270,133	268,583	251,542	248,291	251,059	254,918
Information	258,608	266,433	261,000	258,667	262,192	260,900	241,125	250,956	249,804	253,468
Financial Activities	428,033	443,808	455,792	462,650	446,567	416,558	389,817	384,720	386,855	390,355
Professional & Business Services	964,808	980,150	1,011,967	1,055,059	1,062,058	1,024,875	930,517	922,423	955,168	988,877
Education & Health Services	730,142	743,858	753,067	767,358	790,550	817,367	829,817	848,479	869,691	891,211
Leisure & Hospitality Services	657,825	680,817	694,550	716,733	735,342	740,550	706,058	701,010	699,517	706,274
Other Services	240,942	241,667	243,825	245,617	245,600	243,375	226,733	224,714	228,102	232,265
Federal Government	92,442	91,225	91,100	90,533	89,325	89,658	89,092	91,973	92,194	89,865
State & Local Government	917,375	904,233	910,483	920,567	934,092	947,783	937,842	904,815	893,154	900,690
Total Nonfarm Employment	6,795,316	6,899,500	7,028,267	7,176,850	7,205,392	7,067,442	6,607,717	6,509,611	6,555,103	6,680,723
Year to Year % Change										
Construction & Mining	4.2	8.0	8.2	5.5	-4.7	-12.1	-20.9	-11.3	-1.2	7.4
Durable Manufacturing	-5.6	-1.0	-0.6	-1.1	-2.7	-4.5	-12.3	-2.9	0.3	1.5
Nondurable Manufacturing	-3.5	-1.9	-2.9	-0.6	-2.2	-4.4	-10.2	-4.9	-2.7	1.1
Wholesale Trade	-0.2	0.8	2.7	3.1	2.0	-1.7	-8.7	-2.3	0.9	2.6
Retail Trade	1.1	2.5	3.6	2.6	0.7	-2.8	-7.7	-1.3	0.4	1.1
Transportation, Warehousing & Utilities	-0.9	2.1	2.0	2.7	2.6	-0.6	-6.3	-1.3	1.1	1.5
Information	-2.9	3.0	-2.0	-0.9	1.4	-0.5	-7.6	4.1	-0.5	1.5
Financial Activities	5.8	3.7	2.7	1.5	-3.5	-6.7	-6.4	-1.3	0.6	0.9
Professional & Business Services	-0.2	1.6	3.2	4.3	0.7	-3.5	-9.2	-0.9	3.5	3.5
Education & Health Services	3.2	1.9	1.2	1.9	3.0	3.4	1.5	2.2	2.5	2.5
Leisure & Hospitality Services	2.1	3.5	2.0	3.2	2.6	0.7	-4.7	-0.7	-0.2	1.0
Other Services	0.5	0.3	0.9	0.7	0.0	-0.9	-6.8	-0.9	1.5	1.8
Federal Government	1.9	-1.3	-0.1	-0.6	-1.3	0.4	-0.6	3.2	0.2	-2.5
State & Local Government	-1.2	-1.4	0.7	1.1	1.5	1.5	-1.0	-3.5	-1.3	0.8
Total Nonfarm Employment	0.3	1.5	1.9	2.1	0.4	-1.9	-6.5	-1.5	0.7	1.9
Population	17,437,104	17,709,805	17,939,900	18,108,720	18,263,740	18,441,713	18,592,384	18,763,971	18,996,260	19,230,095
Percentage Change	1.8	1.6	1.3	0.9	0.9	1.0	0.8	0.9	1.2	1.2
Taxable Sales (in $ thousands)	215,894,010	236,835,299	255,696,021	266,808,353	266,818,433	250,592,282	208,043,749	206,389,787	213,247,698	225,237,076
Percentage Change	5.9	9.7	8.0	4.3	0.0	-6.1	-17.0	-0.8	3.3	5.6
Personal Income (in $ millions)	544,328,000	579,394,000	616,966,000	665,025,000	693,854,000	708,297,000	678,389,540	688,619,631	721,577,459	758,499,961
Percentage Change	4.0	6.4	6.5	7.8	4.3	2.1	-4.2	1.5	4.8	5.1
Building Permits (Single-Family Residences)	54,083	61,161	63,861	48,690	26,429	10,982	8,579	15,314	24,173	31,075
Percentage Change	21.6	13.1	4.4	-23.8	-45.7	-58.4	-21.9	78.5	57.8	28.6

	2003	2004	2005	2006	2007	2008	2009	2010f	2011f	2012f
Levels										
Construction & Mining	138,383	143,942	152,408	161,567	162,008	149,550	120,575	106,178	105,796	112,155
Durable Manufacturing	276,200	267,833	263,417	257,325	250,917	243,217	217,125	214,617	214,253	216,405
Nondurable Manufacturing	223,767	215,750	208,258	204,350	198,317	191,233	172,042	163,081	159,372	163,301
Wholesale Trade	214,058	215,075	219,283	225,650	226,975	223,658	204,108	198,409	198,435	203,374
Retail Trade	399,317	405,367	414,433	423,275	425,992	416,525	386,642	381,994	382,620	386,357
Transportation, Warehousing & Utilities	161,483	161,108	161,725	165,208	165,558	163,092	151,733	148,552	149,886	151,870
Information	202,333	211,875	207,575	205,583	209,758	210,308	193,708	207,076	206,914	210,424
Financial Activities	239,750	241,642	243,967	248,817	246,042	235,742	220,175	215,278	215,110	216,789
Professional & Business Services	559,933	562,417	576,133	598,875	605,392	582,600	528,142	523,416	543,429	560,060
Education & Health Services	460,383	467,000	471,300	478,658	490,450	503,442	513,908	525,007	538,526	552,901
Leisure & Hospitality Services	362,600	372,783	377,767	388,558	397,892	401,550	383,883	380,903	380,504	383,257
Other Services	145,450	144,658	144,250	145,217	147,108	146,083	137,900	135,939	137,521	138,975
Federal Government	55,483	54,367	53,475	52,333	51,050	51,058	49,967	51,489	52,194	51,296
State & Local Government	543,767	532,708	530,183	537,083	544,650	552,667	549,500	532,725	528,126	534,230
Total Nonfarm Employment	3,982,908	3,996,525	4,024,175	4,092,500	4,122,109	4,070,725	3,829,408	3,784,664	3,812,688	3,881,393
Year to Year % Change										
Construction & Mining	0.2	4.0	5.9	6.0	0.3	-7.7	-19.4	-11.9	-0.4	6.0
Durable Manufacturing	-7.7	-3.0	-1.6	-2.3	-2.5	-3.1	-10.7	-1.2	-0.2	1.0
Nondurable Manufacturing	-5.0	-3.6	-3.5	-1.9	-3.0	-3.6	-10.0	-5.2	-2.3	2.5
Wholesale Trade	-1.5	0.5	2.0	2.9	0.6	-1.5	-8.7	-2.8	0.0	2.5
Retail Trade	0.3	1.5	2.2	2.1	0.6	-2.2	-7.2	-1.2	0.2	1.0
Transportation, Warehousing & Utilities	-3.4	-0.2	0.4	2.2	0.2	-1.5	-7.0	-2.1	0.9	1.3
Information	-2.4	4.7	-2.0	-1.0	2.0	0.3	-7.9	6.9	-0.1	1.7
Financial Activities	3.1	0.8	1.0	2.0	-1.1	-4.2	-6.6	-2.2	-0.1	0.8
Professional & Business Services	-2.6	0.4	2.4	3.9	1.1	-3.8	-9.3	-0.9	3.8	3.1
Education & Health Services	2.2	1.4	0.9	1.6	2.5	2.6	2.1	2.2	2.6	2.7
Leisure & Hospitality Services	2.4	2.8	1.3	2.9	2.4	0.9	-4.4	-0.8	-0.1	0.7
Other Services	-0.1	-0.5	-0.3	0.7	1.3	-0.7	-5.6	-1.4	1.2	1.1
Federal Government	2.5	-2.0	-1.6	-2.1	-2.5	0.0	-2.1	3.0	1.4	-1.7
State & Local Government	-1.5	-2.0	-0.5	1.3	1.4	1.5	-0.6	-3.1	-0.9	1.2
Total Nonfarm Employment	-1.1	0.3	0.7	1.7	0.7	-1.2	-5.9	-1.2	0.7	1.8
Taxable Sales (in $ thousands)	113,685,422	122,533,104	130,722,373	136,162,552	137,820,418	131,881,744	111,004,169	112,140,178	116,996,556	124,403,236
Percentage Change	4.5	7.8	6.7	4.2	1.2	-4.3	-15.8	1.0	4.3	6.3
Building Permits (Single-Family Residences)	10,217	11,752	11,911	10,104	7,509	3,539	2,125	4,204	6,384	7,665
Percentage Change	24.3	15.0	1.4	-15.2	-25.7	-52.9	-40.0	97.8	51.9	20.1

Orange County Economy

	2003	2004	2005	2006	2007	2008	2009	2010f	2011f	2012f
Levels										
Construction & Mining	84,225	92,783	100,600	107,175	103,625	91,867	74,092	66,691	65,312	68,957
Durable Manufacturing	127,150	127,100	128,333	127,992	126,200	122,525	108,892	104,458	103,004	101,718
Nondurable Manufacturing	56,742	56,367	54,608	54,717	54,192	51,525	45,633	44,882	43,971	43,365
Wholesale Trade	83,200	82,442	82,967	83,742	86,908	86,667	80,117	79,424	81,513	84,088
Retail Trade	152,792	153,225	158,092	160,775	161,175	155,617	141,917	142,384	145,242	147,727
Transportation, Warehousing & Utilities	29,042	29,225	28,708	28,242	28,925	29,308	27,925	27,841	28,376	28,909
Information	35,225	33,758	32,767	31,858	31,233	30,058	27,400	24,894	24,521	24,830
Financial Activities	122,233	132,275	138,392	138,167	127,650	113,050	105,625	105,388	107,596	108,735
Professional & Business Services	252,567	254,925	264,333	274,533	273,325	266,600	239,008	239,824	252,064	265,464
Education & Health Services	126,333	130,975	133,508	137,717	142,633	150,658	151,108	154,169	157,645	161,237
Leisure & Hospitality Services	158,567	162,867	164,967	169,575	172,908	176,442	169,650	174,209	175,225	178,767
Other Services	46,717	47,375	48,367	47,725	47,400	46,533	42,808	42,405	43,080	44,270
Federal Government	12,092	11,775	11,550	11,433	11,567	11,733	11,675	12,520	12,604	12,073
State & Local Government	142,125	141,650	143,767	145,275	147,792	149,017	145,592	139,577	138,465	140,486
Total Nonfarm Employment	1,429,008	1,456,742	1,490,959	1,518,925	1,515,534	1,481,600	1,371,442	1,358,668	1,378,620	1,410,624
Year to Year % Change										
Construction & Mining	5.6	10.2	8.4	6.5	-3.3	-11.3	-19.3	-10.0	-2.1	5.6
Durable Manufacturing	-4.8	0.0	1.0	-0.3	-1.4	-2.9	-11.1	-4.1	-1.4	-1.2
Nondurable Manufacturing	-0.9	-0.7	-3.1	0.2	-1.0	-4.9	-11.4	-1.6	-2.0	-1.4
Wholesale Trade	0.9	-0.9	0.6	0.9	3.8	-0.3	-7.6	-0.9	2.6	3.2
Retail Trade	0.9	0.3	3.2	1.7	0.2	-3.4	-8.8	0.3	2.0	1.7
Transportation, Warehousing & Utilities	1.1	0.6	-1.8	-1.6	2.4	1.3	-4.7	-0.3	1.9	1.9
Information	-4.2	-4.2	-2.9	-2.8	-2.0	-3.8	-8.8	-9.1	-1.5	1.3
Financial Activities	10.9	8.2	4.6	-0.2	-7.6	-11.4	-6.6	-0.2	2.1	1.1
Professional & Business Services	1.5	0.9	3.7	3.9	-0.4	-2.5	-10.3	0.3	5.1	5.3
Education & Health Services	6.7	3.7	1.9	3.2	3.6	5.6	0.3	2.0	2.3	2.3
Leisure & Hospitality Services	2.0	2.7	1.3	2.8	2.0	2.0	-3.8	2.7	0.6	2.0
Other Services	1.9	1.4	2.1	-1.3	-0.7	-1.8	-8.0	-0.9	1.6	2.8
Federal Government	2.6	-2.6	-1.9	-1.0	1.2	1.4	-0.5	7.2	0.7	-4.2
State & Local Government	-0.8	-0.3	1.5	1.0	1.7	0.8	-2.3	-4.1	-0.8	1.5
Total Nonfarm Employment	1.8	1.9	2.3	1.9	-0.2	-2.2	-7.4	-0.9	1.5	2.3
Taxable Sales (in $ thousands)	47,517,066	51,682,059	55,063,246	57,202,747	57,293,471	53,606,830	44,604,041	45,151,924	47,402,875	50,146,483
Percentage Change	5.9	8.8	6.5	3.9	0.2	-6.4	-16.8	1.2	5.0	5.8
Building Permits (Single-Family Residences)	5,565	4,380	4,058	3,735	2,182	1,295	1,339	2,358	3,562	4,524
Percentage Change	-13.4	-21.3	-7.4	-8.0	-41.6	-40.7	3.4	76.1	51.1	27.0

Riverside/San Bernardino Counties Economy

	2003	2004	2005	2006	2007	2008	2009	2010f	2011f	2012f
Levels										
Construction & Mining	100,192	112,967	124,667	128,892	113,817	91,950	68,550	59,360	56,925	63,633
Durable Manufacturing	82,417	85,500	86,050	86,917	82,067	72,533	58,133	54,595	58,479	63,952
Nondurable Manufacturing	33,650	34,642	34,975	36,450	36,467	34,325	30,383	27,603	25,531	24,389
Wholesale Trade	43,458	45,550	49,933	54,150	56,800	54,125	48,275	46,948	47,663	48,836
Retail Trade	142,692	153,825	165,708	173,158	175,567	168,592	154,858	150,998	150,376	151,998
Transportation, Warehousing & Utilities	50,117	55,475	60,217	63,758	69,517	70,183	66,542	66,336	67,131	68,508
Information	13,867	14,033	14,500	15,275	15,392	14,925	14,775	14,297	14,115	14,134
Financial Activities	42,625	45,708	48,958	51,633	50,183	46,683	43,550	43,800	43,577	44,067
Professional & Business Services	115,442	125,500	133,167	142,308	145,033	137,375	127,292	121,930	120,243	122,581
Education & Health Services	115,800	118,375	119,942	122,067	127,008	131,467	132,558	136,428	140,200	143,226
Leisure & Hospitality Services	109,025	116,667	122,625	128,092	132,575	131,017	123,025	116,857	114,884	115,284
Other Services	38,350	39,300	40,817	42,517	41,158	40,783	36,658	36,927	37,920	39,335
Federal Government	17,042	17,342	18,650	19,317	19,433	19,575	20,100	20,370	19,828	19,184
State & Local Government	194,517	195,133	201,775	203,150	205,892	210,275	207,158	197,200	191,331	190,590
Total Nonfarm Employment	1,099,192	1,160,017	1,221,984	1,267,683	1,270,908	1,223,808	1,131,859	1,093,649	1,088,202	1,109,717
Year to Year % Change										
Construction & Mining	8.8	12.8	10.4	3.4	-11.7	-19.2	-25.4	-13.4	-4.1	11.8
Durable Manufacturing	0.5	3.7	0.6	1.0	-5.6	-11.6	-19.9	-6.1	7.1	9.4
Nondurable Manufacturing	0.7	2.9	1.0	4.2	0.0	-5.9	-11.5	-9.2	-7.5	-4.5
Wholesale Trade	3.7	4.8	9.6	8.4	4.9	-4.7	-10.8	-2.7	1.5	2.5
Retail Trade	3.8	7.8	7.7	4.5	1.4	-4.0	-8.1	-2.5	-0.4	1.1
Transportation, Warehousing & Utilities	7.1	10.7	8.5	5.9	9.0	1.0	-5.2	-0.3	1.2	2.1
Information	-1.5	1.2	3.3	5.3	0.8	-3.0	-1.0	-3.2	-1.3	0.1
Financial Activities	8.0	7.2	7.1	5.5	-2.8	-7.0	-6.7	0.6	-0.5	1.1
Professional & Business Services	8.1	8.7	6.1	6.9	1.9	-5.3	-7.3	-4.2	-1.4	1.9
Education & Health Services	3.1	2.2	1.3	1.8	4.0	3.5	0.8	2.9	2.8	2.2
Leisure & Hospitality Services	1.7	7.0	5.1	4.5	3.5	-1.2	-6.1	-5.0	-1.7	0.3
Other Services	0.7	2.5	3.9	4.2	-3.2	-0.9	-10.1	0.7	2.7	3.7
Federal Government	0.9	1.8	7.5	3.6	0.6	0.7	2.7	1.3	-2.7	-3.2
State & Local Government	-0.7	0.3	3.4	0.7	1.3	2.1	-1.5	-4.8	-3.0	-0.4
Total Nonfarm Employment	3.3	5.5	5.3	3.7	0.3	-3.7	-7.5	-3.4	-0.5	2.0
Taxable Sales (in $ thousands)	44,309,082	51,443,315	58,001,359	61,126,142	59,474,340	53,781,298	42,765,805	39,264,329	38,536,414	39,893,136
Percentage Change	9.8	16.1	12.7	5.4	-2.7	-9.6	-20.5	-8.2	-1.9	3.5
Building Permits (Single-Family Residences)	35,957	43,240	45,299	33,291	16,002	5,796	4,875	7,649	12,409	16,921
Percentage Change	30.2	20.3	4.8	-26.5	-51.9	-63.8	-15.9	56.9	62.2	36.4

Ventura County Economy

	2003	2004	2005	2006	2007	2008	2009	2010f	2011f	2012f
Levels										
Construction & Mining	17,242	17,600	19,567	21,533	19,917	17,842	14,500	14,082	15,273	16,585
Durable Manufacturing	24,033	24,208	23,850	24,075	23,883	23,208	20,475	19,231	18,535	17,942
Nondurable Manufacturing	13,017	14,108	13,850	14,300	14,083	12,717	12,150	11,814	11,717	12,081
Wholesale Trade	11,833	12,233	12,533	12,642	13,025	12,842	12,058	11,770	12,035	12,277
Retail Trade	34,508	35,292	36,492	37,642	37,600	37,275	34,650	33,712	33,507	33,660
Transportation, Warehousing & Utilities	5,625	5,692	5,808	6,133	6,133	6,000	5,342	5,562	5,665	5,631
Information	7,183	6,767	6,158	5,950	5,808	5,608	5,242	4,689	4,255	4,081
Financial Activities	23,425	24,183	24,475	24,033	22,692	21,083	20,467	20,254	20,571	20,765
Professional & Business Services	36,867	37,308	38,333	39,342	38,308	38,300	36,075	37,252	39,431	40,771
Education & Health Services	27,625	27,508	28,317	28,917	30,458	31,800	32,242	32,875	33,319	33,848
Leisure & Hospitality Services	27,633	28,500	29,192	30,508	31,967	31,542	29,500	29,040	28,904	28,966
Other Services	10,425	10,333	10,392	10,158	9,933	9,975	9,367	9,443	9,581	9,685
Federal Government	7,825	7,742	7,425	7,450	7,275	7,292	7,350	7,594	7,568	7,311
State & Local Government	36,967	34,742	34,758	35,058	35,758	35,825	35,592	35,313	35,232	35,385
Total Nonfarm Employment	284,208	286,217	291,150	297,742	296,842	291,308	275,008	272,631	275,594	278,988
Year to Year % Change										
Construction & Mining	5.3	2.1	11.2	10.1	-7.5	-10.4	-18.7	-2.9	8.5	8.6
Durable Manufacturing	-3.5	0.7	-1.5	0.9	-0.8	-2.8	-11.8	-6.1	-3.6	-3.2
Nondurable Manufacturing	-0.4	8.4	-1.8	3.2	-1.5	-9.7	-4.5	-2.8	-0.8	3.1
Wholesale Trade	1.4	3.4	2.5	0.9	3.0	-1.4	-6.1	-2.4	2.3	2.0
Retail Trade	1.0	2.3	3.4	3.2	-0.1	-0.9	-7.0	-2.7	-0.6	0.5
Transportation, Warehousing & Utilities	-3.0	1.2	2.0	5.6	0.0	-2.2	-11.0	4.1	1.9	-0.6
Information	-11.0	-5.8	-9.0	-3.4	-2.4	-3.4	-6.5	-10.5	-9.3	-4.1
Financial Activities	5.4	3.2	1.2	-1.8	-5.6	-7.1	-2.9	-1.0	1.6	0.9
Professional & Business Services	0.8	1.2	2.7	2.6	-2.6	0.0	-5.8	3.3	5.8	3.4
Education & Health Services	5.0	-0.4	2.9	2.1	5.3	4.4	1.4	2.0	1.3	1.6
Leisure & Hospitality Services	1.5	3.1	2.4	4.5	4.8	-1.3	-6.5	-1.6	-0.5	0.2
Other Services	2.6	-0.9	0.6	-2.2	-2.2	0.4	-6.1	0.8	1.5	1.1
Federal Government	-0.4	-1.1	-4.1	0.3	-2.3	0.2	0.8	3.3	-0.3	-3.4
State & Local Government	-1.2	-6.0	0.0	0.9	2.0	0.2	-0.7	-0.8	-0.2	0.4
Total Nonfarm Employment	0.8	0.7	1.7	2.3	-0.3	-1.9	-5.6	-0.9	1.1	1.2
Taxable Sales (in $ thousands)	10,382,440	11,176,821	11,909,068	12,316,912	12,230,207	11,322,410	9,669,733	9,833,356	10,311,854	10,794,221
Percentage Change	5.9	7.7	6.6	3.4	-0.7	-7.4	-14.6	1.7	4.9	4.7
Building Permits (Single-Family Residences)	2,344	1,789	2,593	1,560	736	352	240	1,104	1,818	1,966
Percentage Change	5.2	-23.7	44.9	-39.8	-52.8	-52.2	-31.8	360.0	64.7	8.1

Regional Economic Forecast
Opportunities for Sponsorship

The Office of Economic Research at CSULB
invites you to be a sponsor of
the Economic Regional Forecast Conference
in one of the following programs:

Platinum Sponsor

Access to Regional Database
Table at Economic Regional Forecast Conference
Customized Services
Name Recognition in Forecast
$5,000

Gold Sponsor

Table at Economic Regional Forecast Conference
Customized Services
Name Recognition in Forecast
$2,500

Silver Sponsor

Table at Economic Forecast Regional Conference
$1,000

To be a sponsor or to learn more about these opportunities,
please contact the Economics Department
at California State University, Long Beach.
Phone: 562/985-5061
Fax: 562/985-5804
E-mail: oer@csulb.edu

Design and editorial assistance provided by CSULB Public Affairs and Publications, 2010.
Cover photo by Tino Siwabessy