



San Diego Labor Market and Economic Overview

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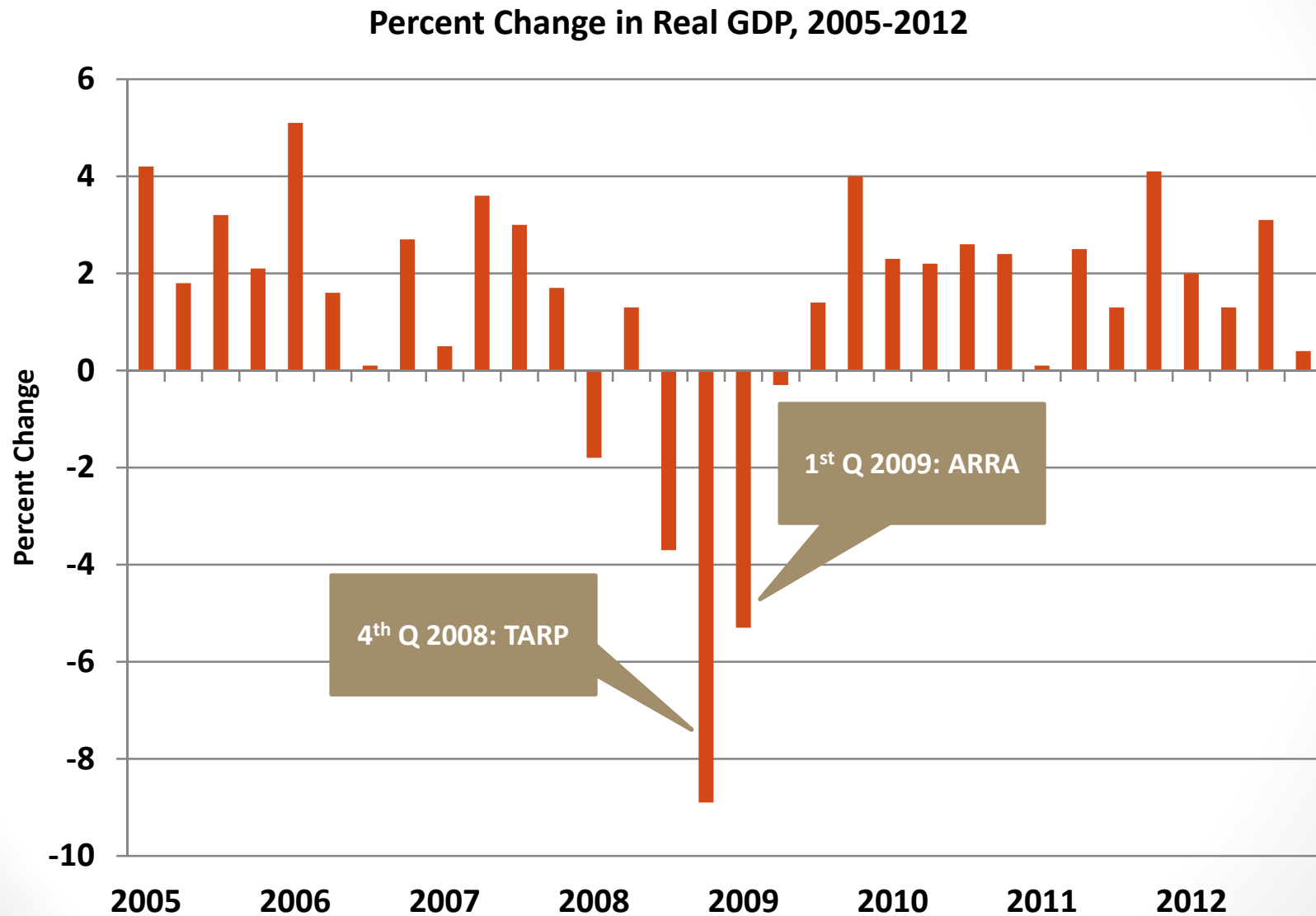
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San Diego Banker CRA Roundtable

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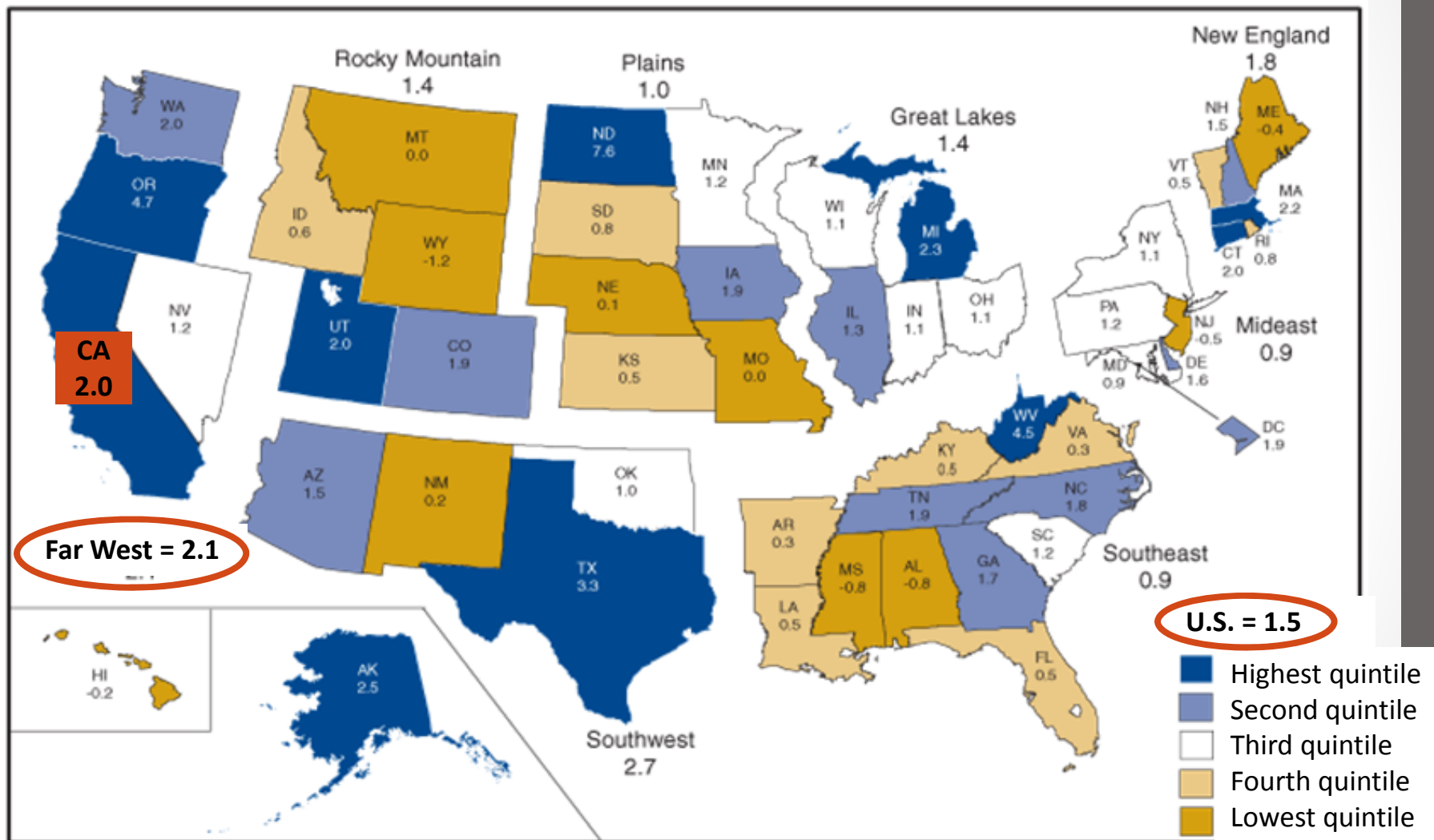
U.S. GDP growth 0.4% for Q4 2012



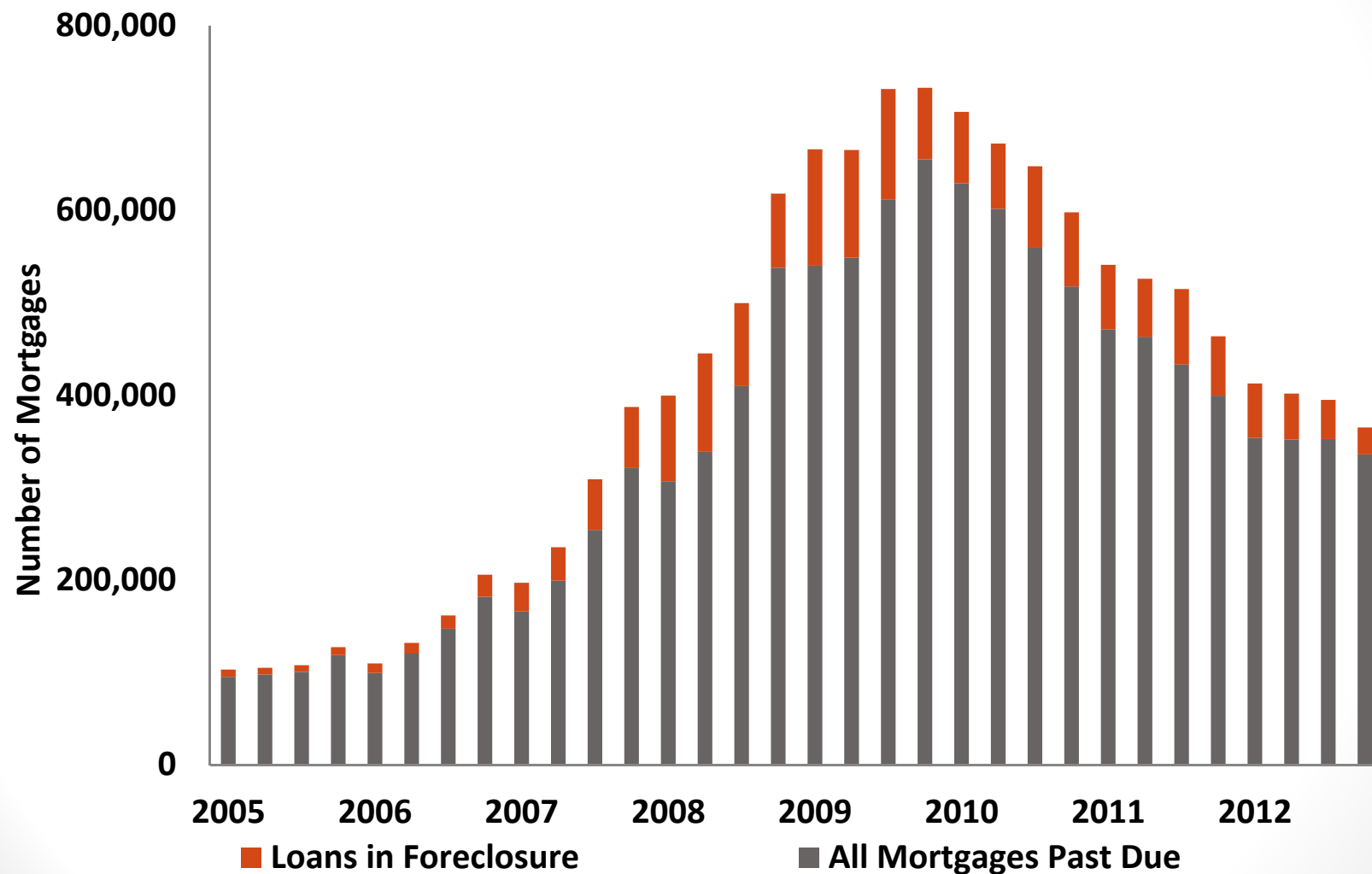
Source: Bureau of Economic Analysis

Western states showing stronger GDP growth

Percent Change in Real GDP by State, 2011 vs. 2010



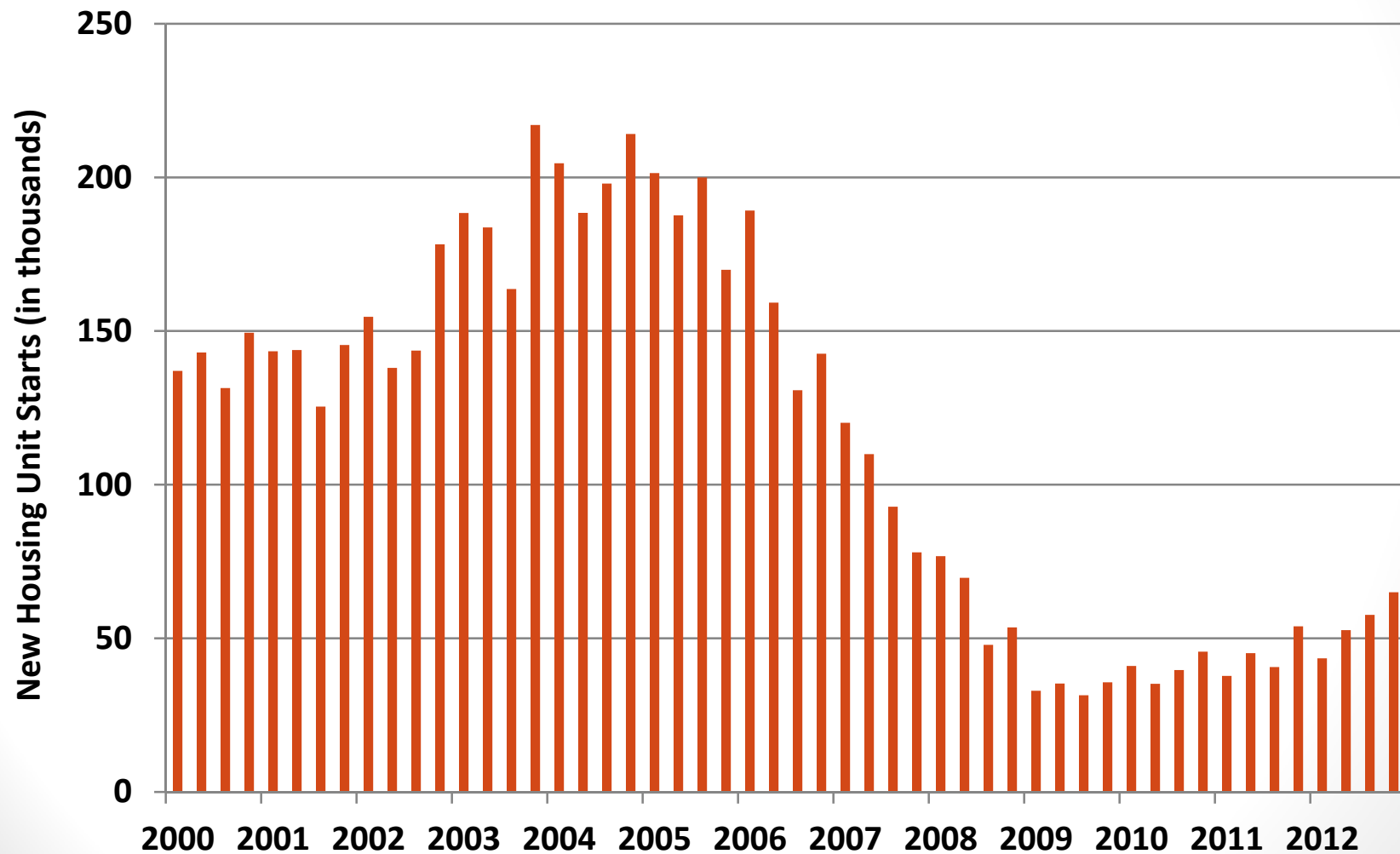
California mortgage delinquencies continue to fall



Source: Mortgage Bankers Association, National Delinquency Survey

CA housing starts slowly trending up

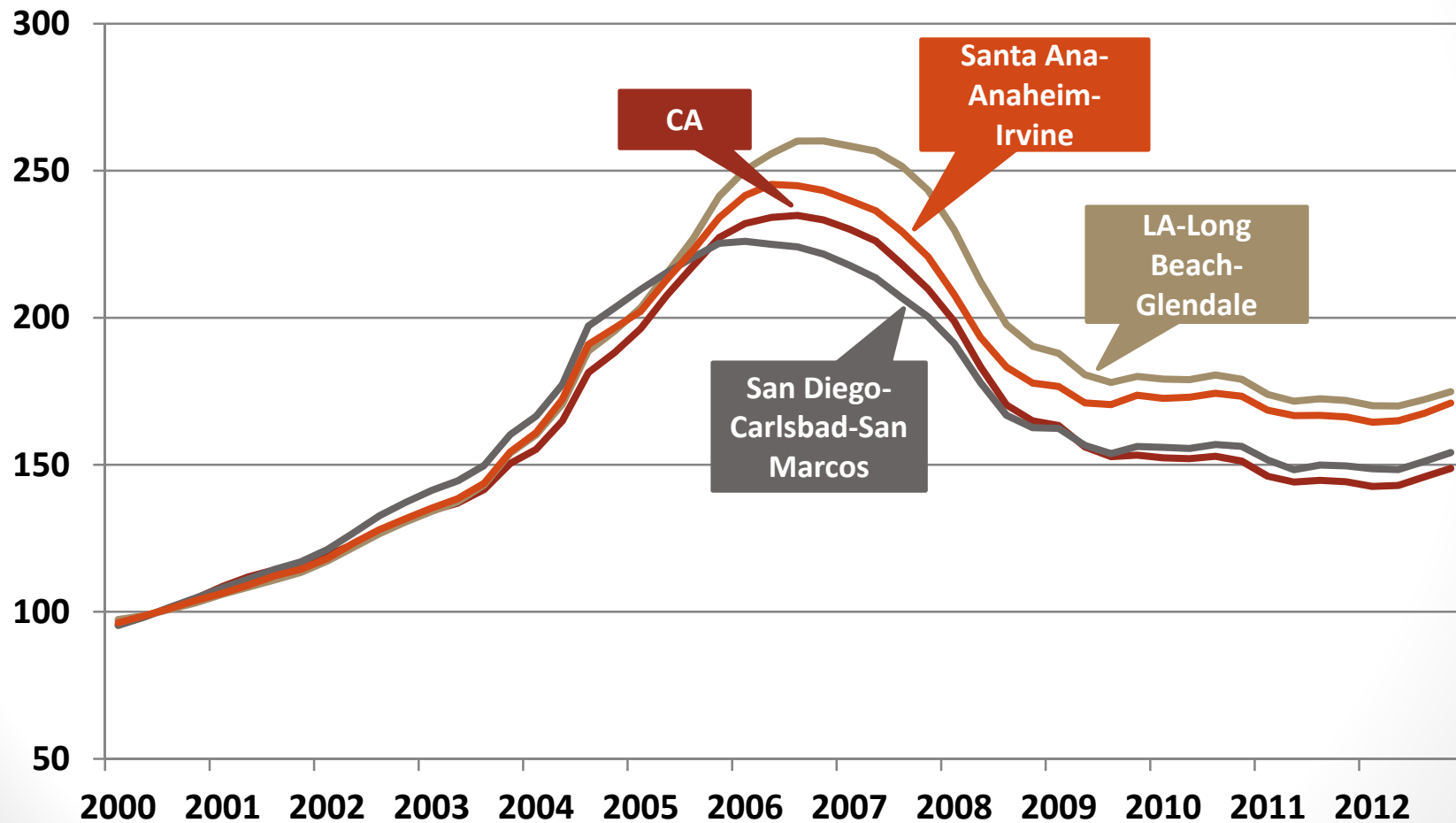
Housing Starts (in thousands), California 2000-2012



Source: Bank of Tokyo-Mitsubishi UFJ, Haver Analytics. Seasonally adjusted.

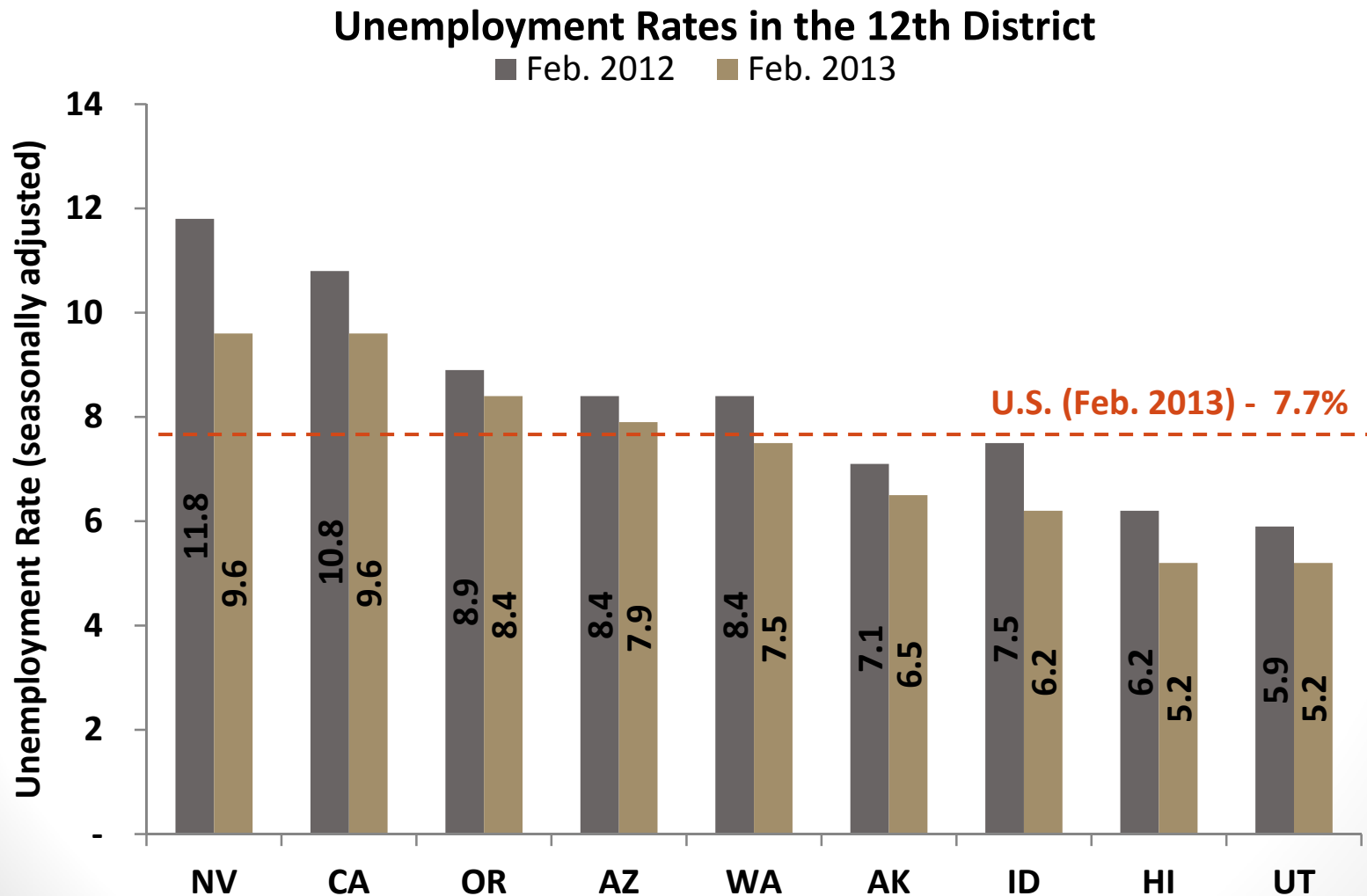
So. California house prices stabilized and trending up

House Price Index (2000=100)



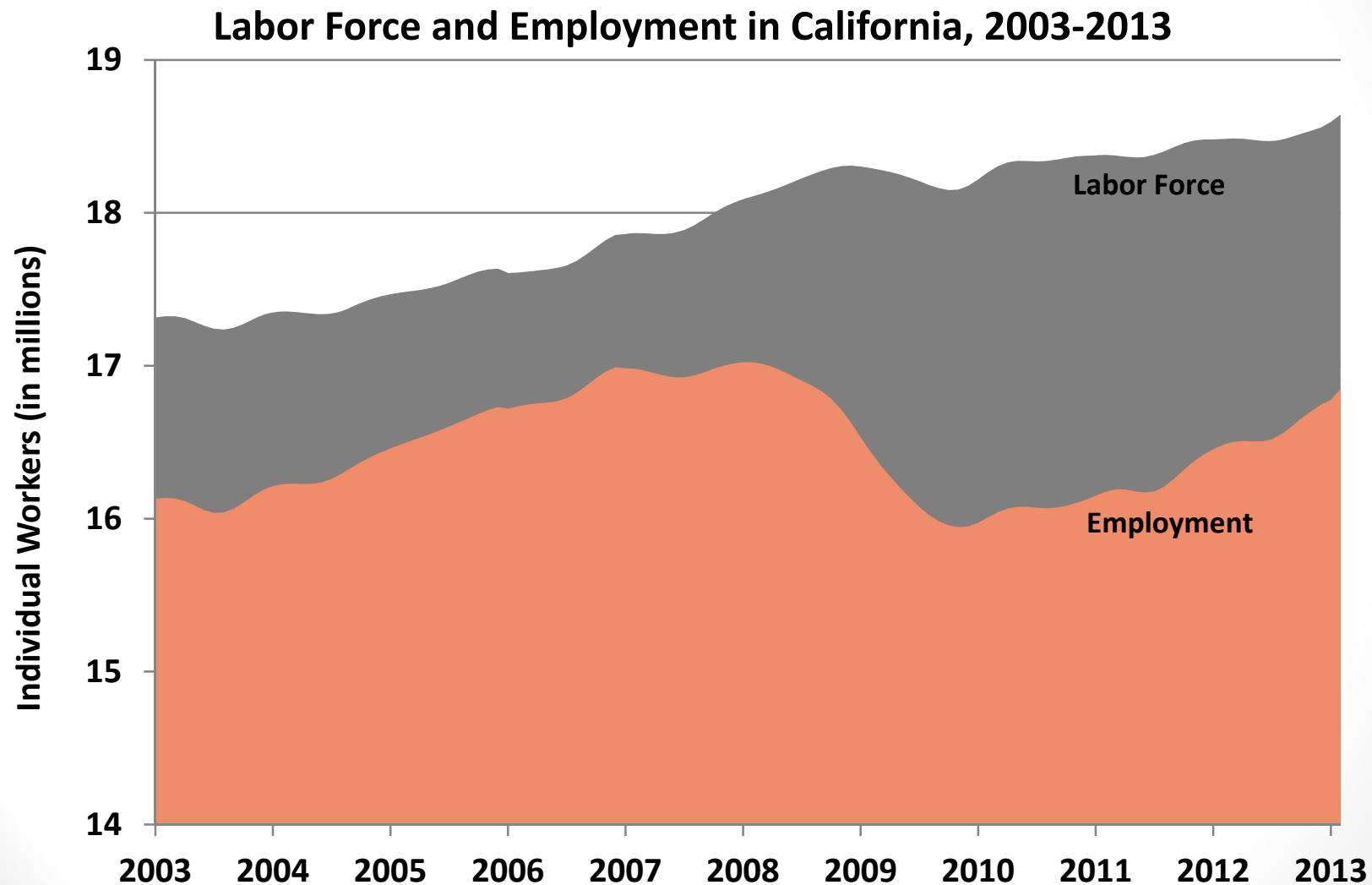
Source: HFHA House Price Index (formerly OFHEO House Price Index)

California and Nevada have the highest unemployment among 12th District states



Source: Bureau of Labor Statistics

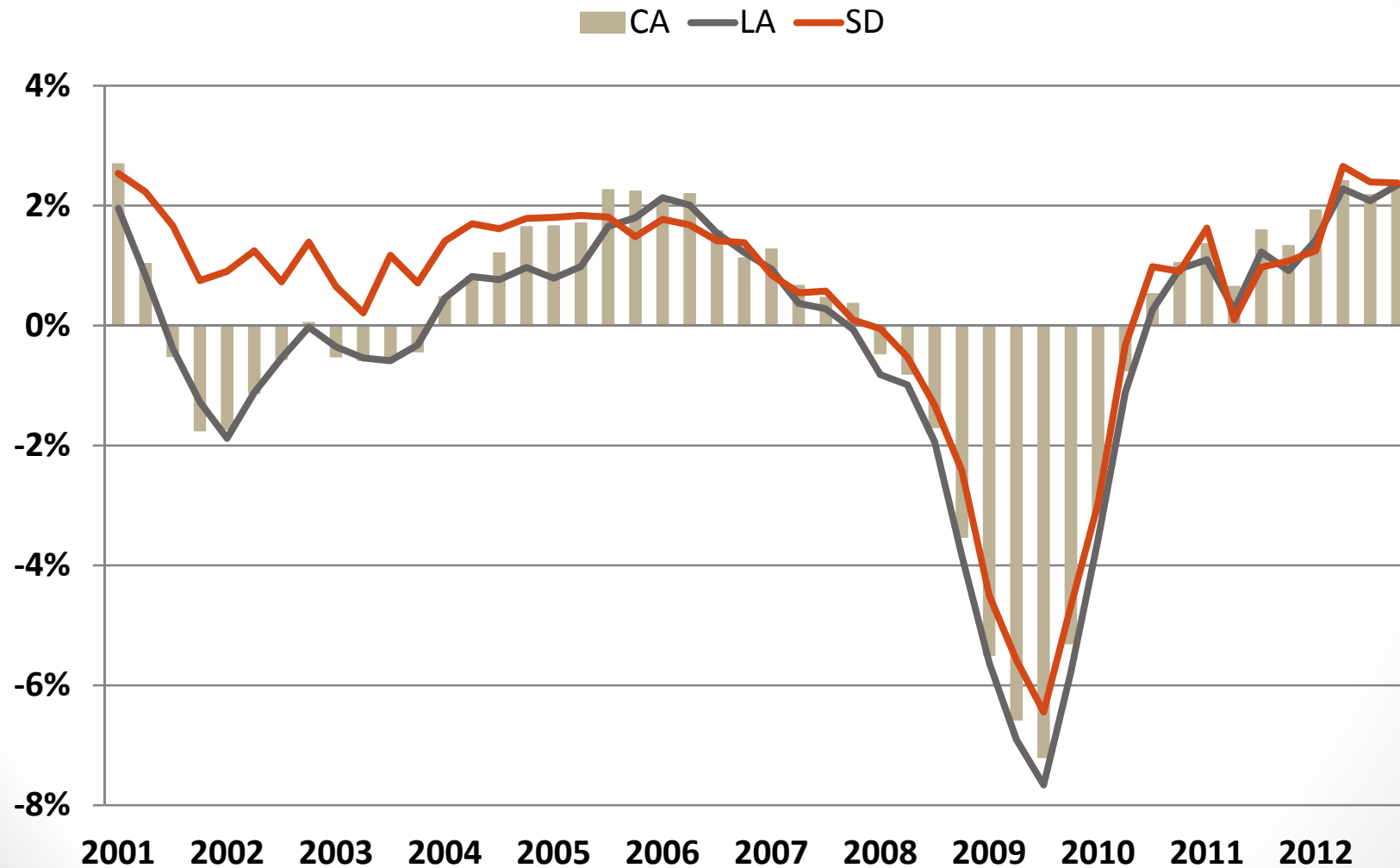
California labor force continues to grow, employment recovering



Source: Bureau of Labor Statistics

California has added jobs for the last several quarters , San Diego job growth on pace

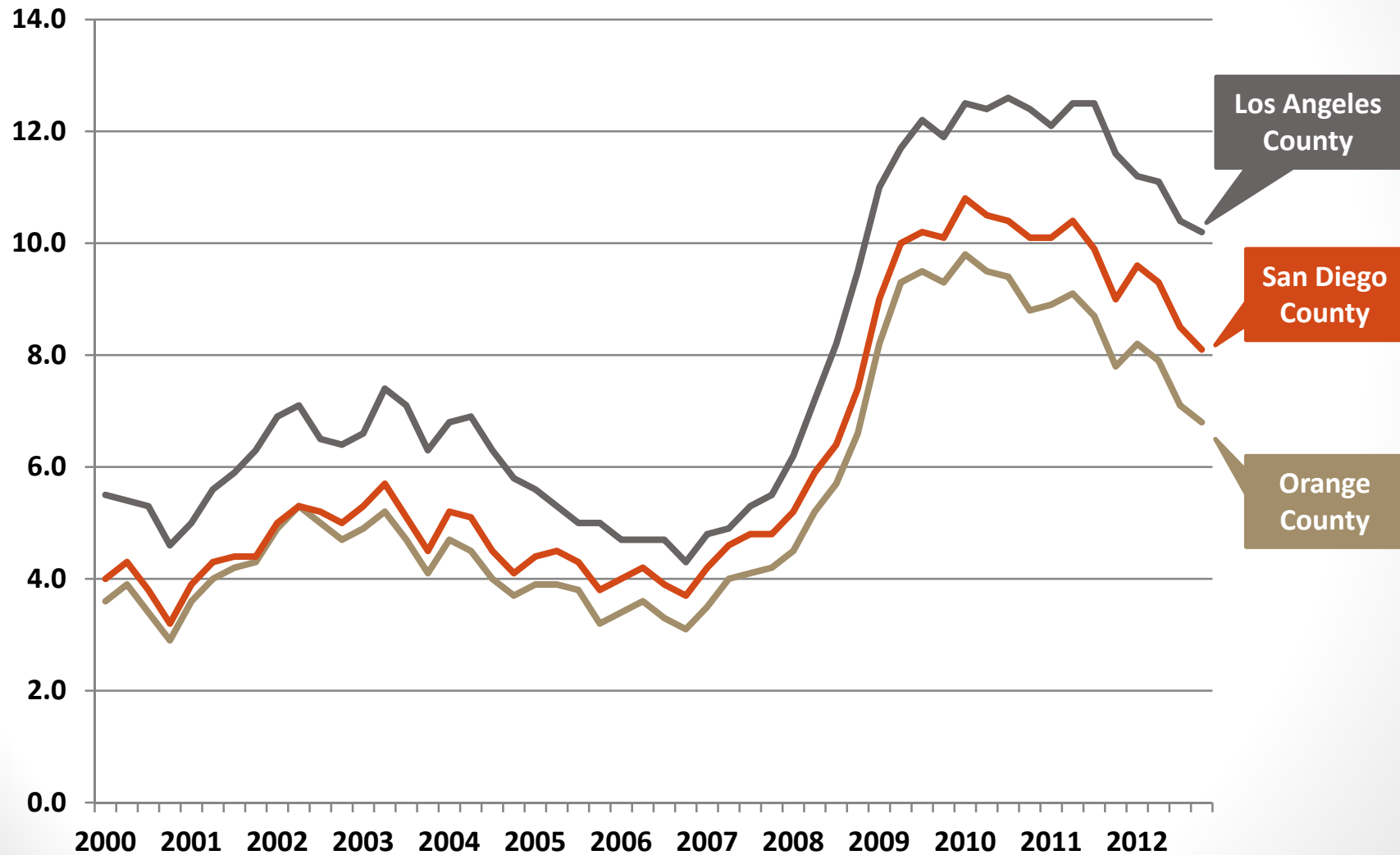
Employment (Year-over-Year Growth)



Source: Bureau of Labor Statistics (quarterly data through end of 2012)

Unemployment rates declining in Southern California counties

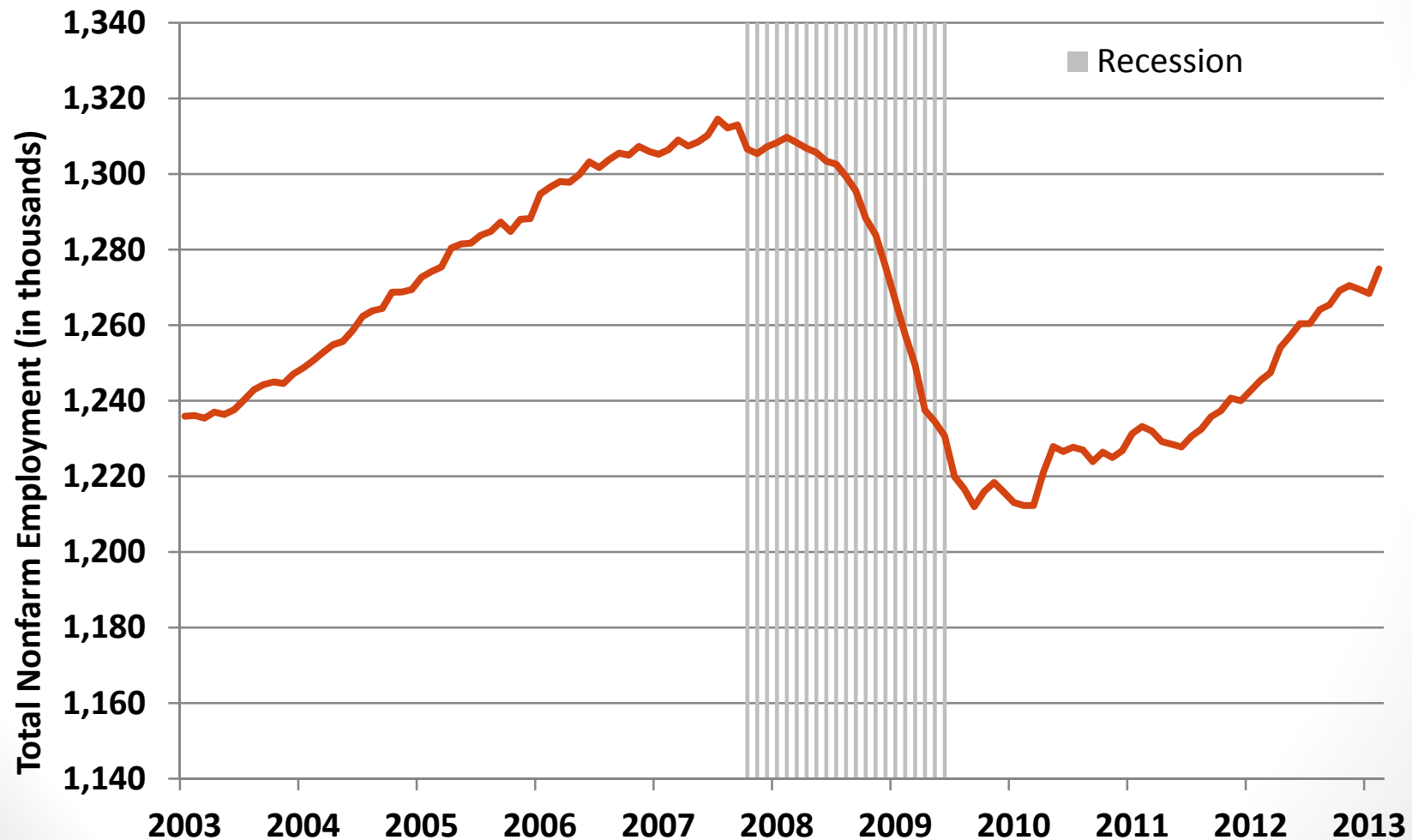
County Unemployment Rate, 2000 - 2012



Source: Bureau of Labor Statistics, not seasonally adjusted

San Diego employment continues to grow

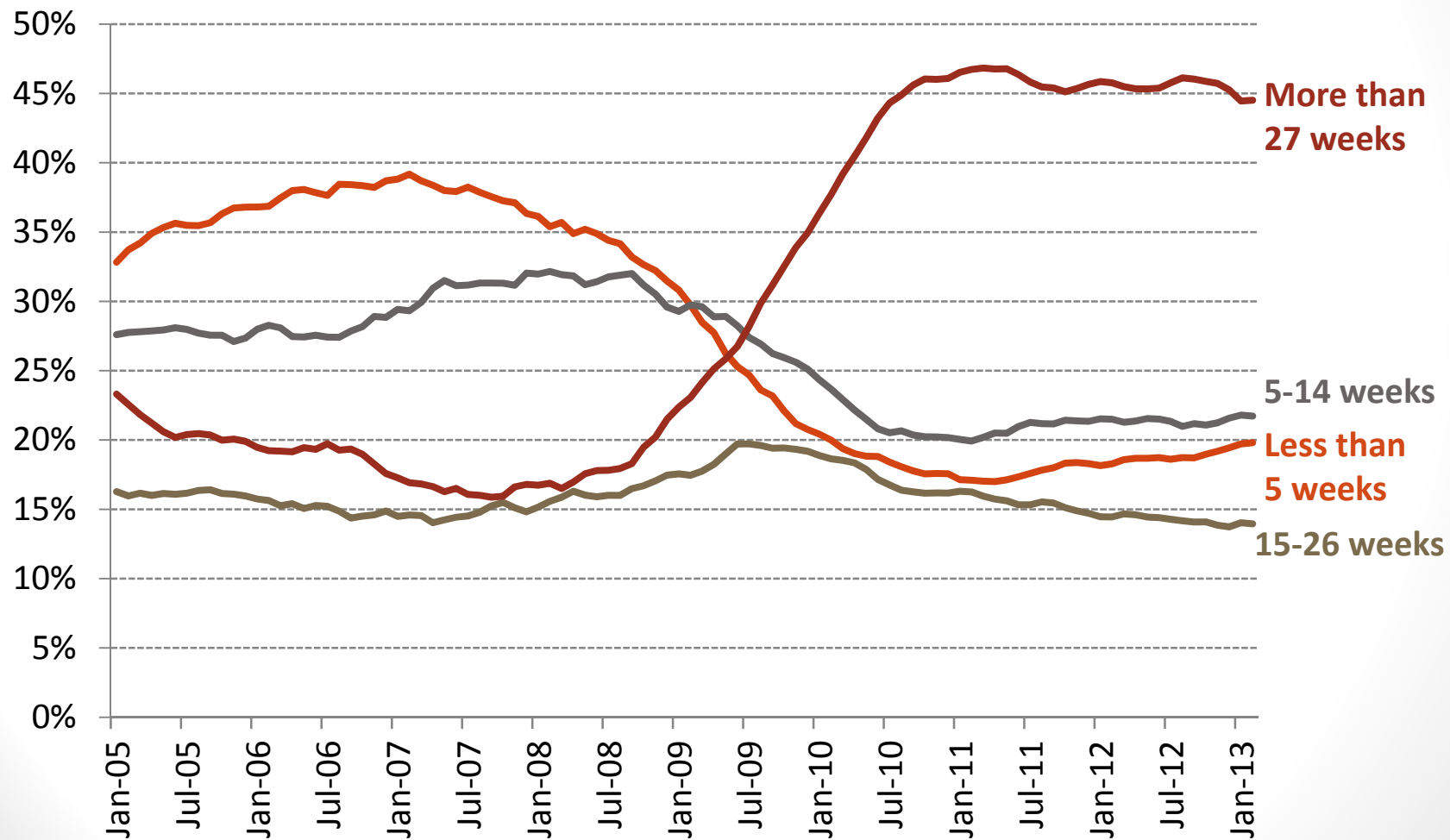
Total Nonfarm Employment (in thousands) 2003-2013
San Diego-Carlsbad-San Marcos



Source: Bureau of Labor Statistics, not seasonally adjusted

But long-term unemployment persists

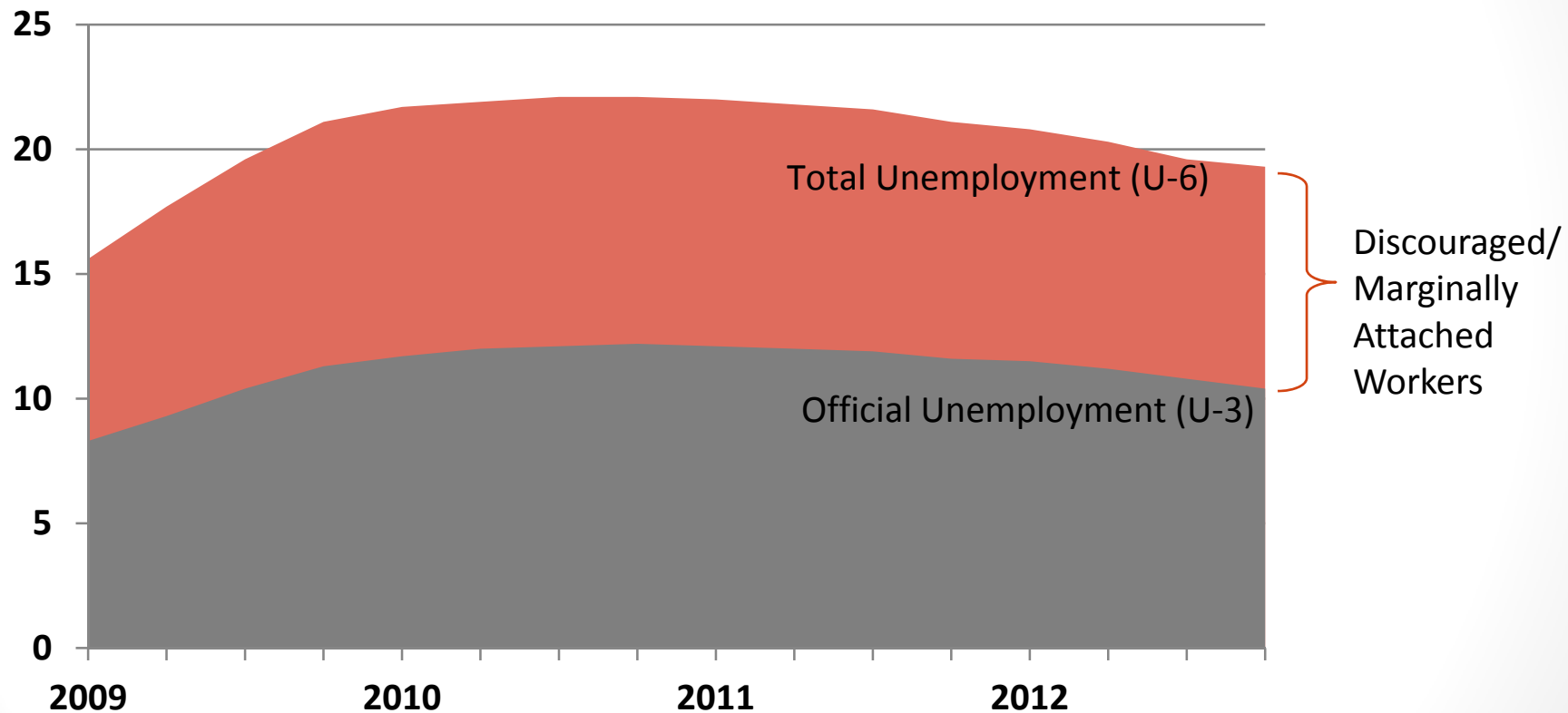
Unemployment in California by Duration
(12 month moving average)



Source: Bureau of Labor Statistics, Current Population Survey (Courtesy of CA EDD)

Despite improvements in unemployment, California labor market remains stressed

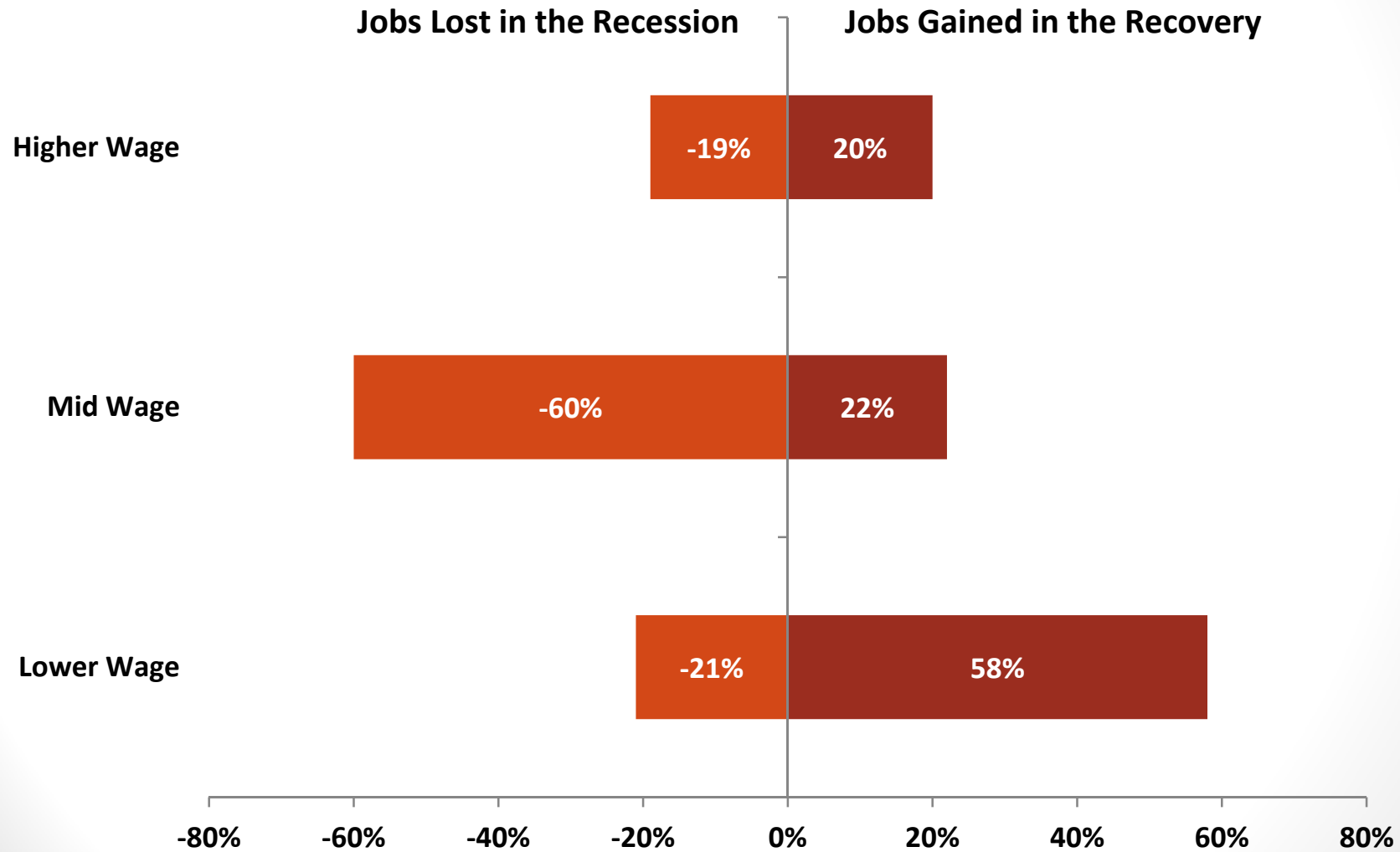
California U-3 and U-6
Four-quarter average, % of total* labor force



Source: Bureau of Labor Statistics

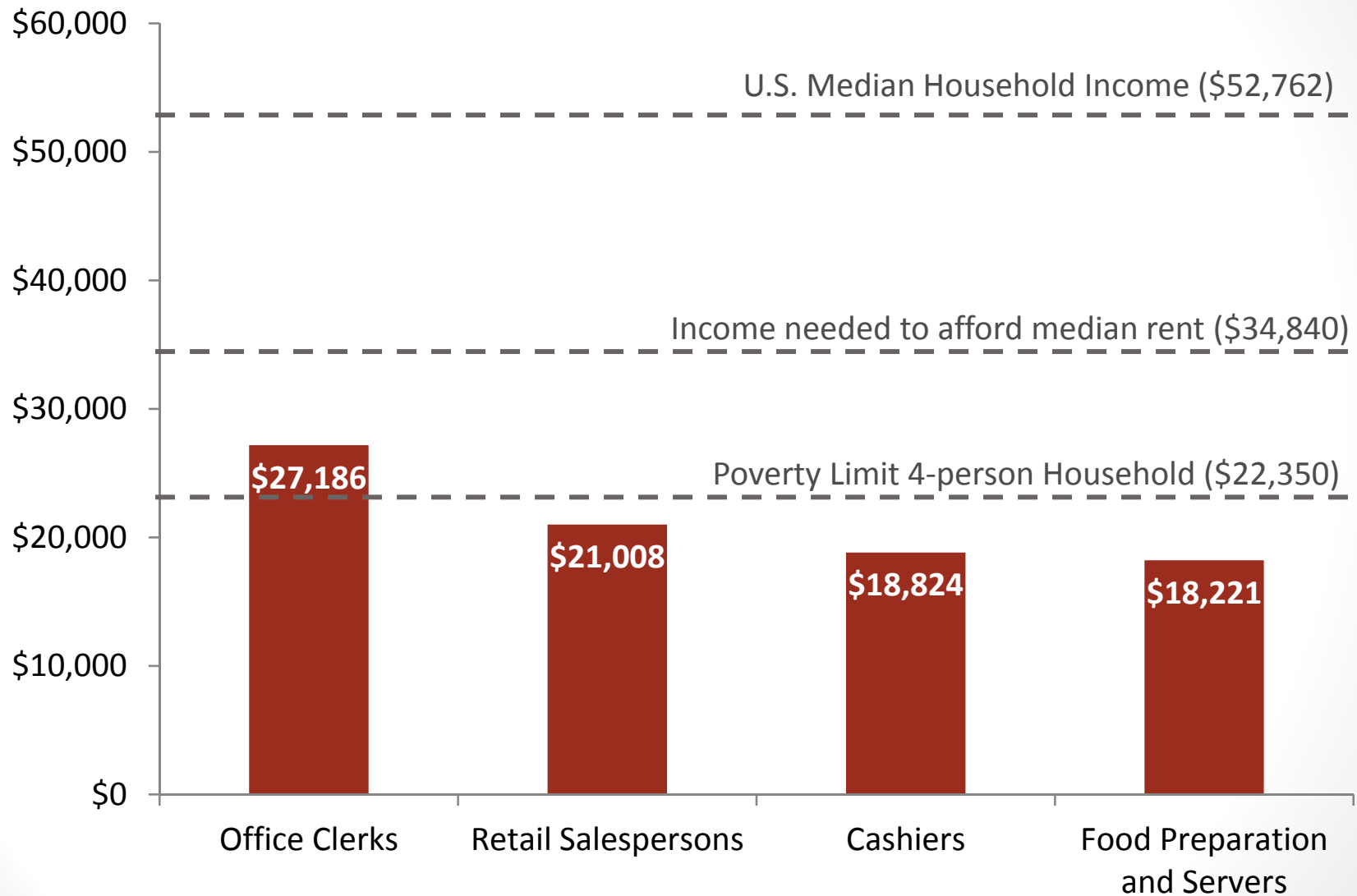
* Total labor force and unemployment (U-6) includes discouraged and marginally attached workers and those working part time for economic reasons, as defined by the Bureau of Labor Statistics.

Growth in lower wage work



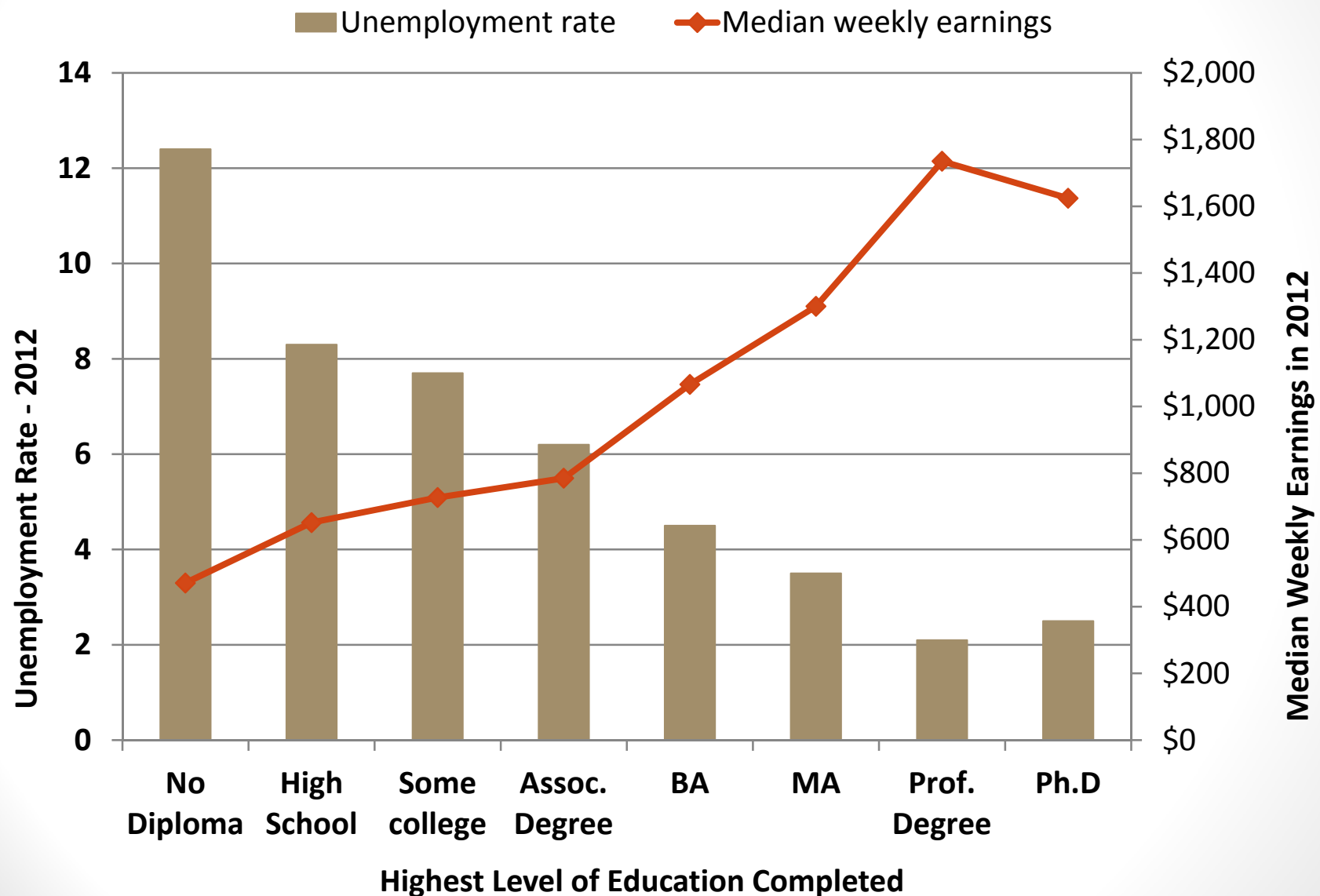
Source: National Employment Law Project

Median Annual Incomes of the Top Four Occupations in the U.S., 2011



Source: Bureau of Labor Statistics, U.S. Department of Health and Human Services poverty guidelines, American Communities Survey

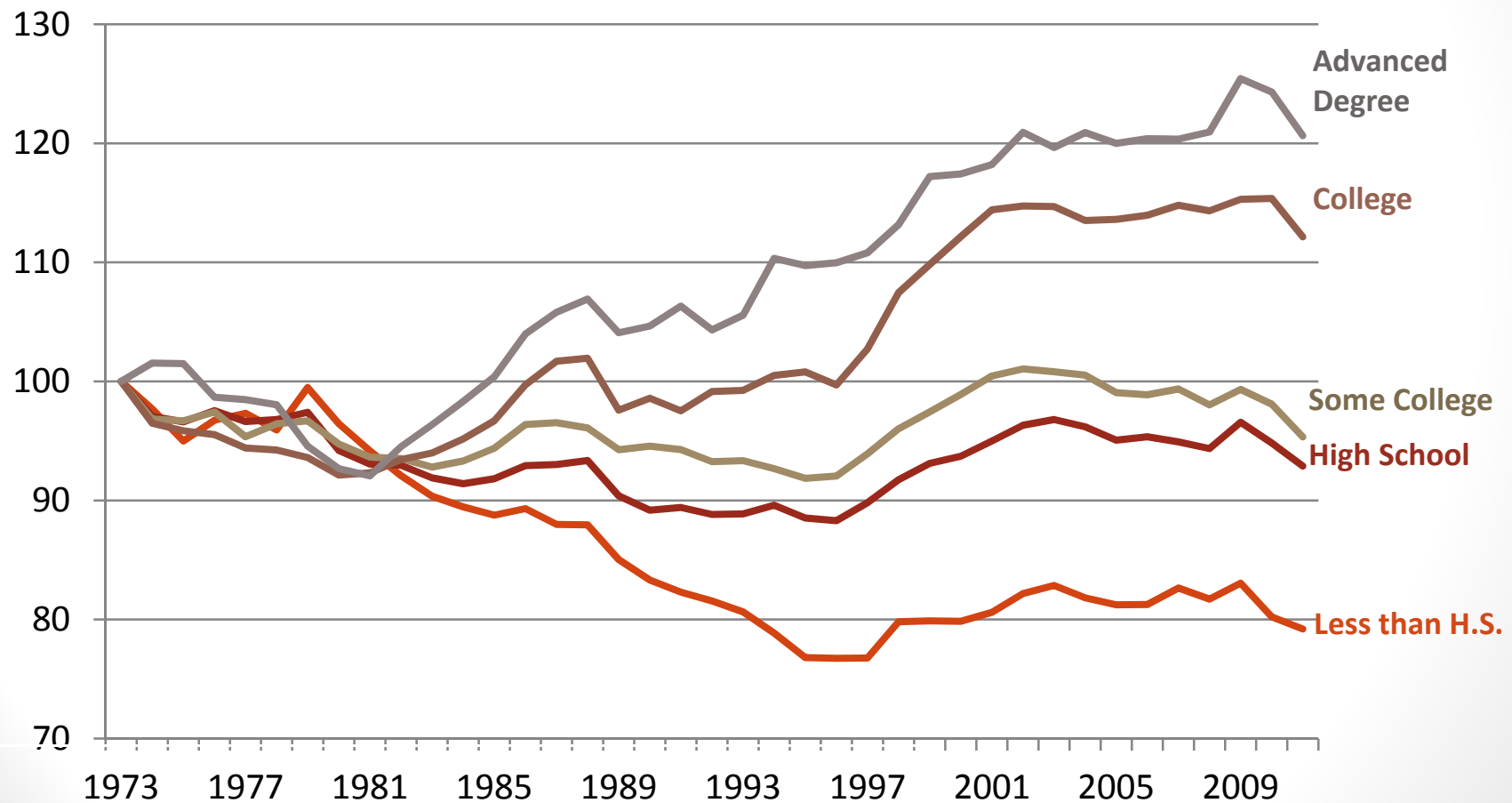
Earnings and unemployment by education, 2012



Source: Bureau of Labor Statistics, Current Population Survey

Real wages have fallen over time for less educated

Real Hourly Wages by Education, 1973-2011 (Indexed, 1973=100)



Source: Economic Policy Institute, *The State of Working America* 12th edition.

Concluding Thoughts

- California and San Diego economy showing signs of improvement
 - Housing market strengthening
 - Unemployment declining
- But employment conditions still difficult for many
- Considerations for LMI workers
 - Fewer mid-wage jobs, more low-wage jobs
 - Most low-wage jobs don't pay living wages
 - Increasing importance of educational attainment