Economic Outlook 2014: Are We Close to the Peak?

San Rafael, CA

October 31, 2013
Mission Statement:
The Marin Economic Forum enables Marin’s economic stakeholders to collaborate on improving the County’s economic vitality, focusing on Marin’s targeted industries, while enhancing social equity and protecting the environment.
US Econ: Can We Keep It Together?

• Economic recovery continues, GDP per person has only just recovered...and
• Including the under-employed and those marginally attached to the labor force, the unemployment rate is in excess of 13%
• Jobs are being created in primarily low-wage sectors...while corporate profits grow rapidly
• The influence of foreign economies on the recovery remains significant, but the tide is turning
• Watch January and February 2014 closely for renewed theater on this in our nation’s capital
Excess Reserves at U.S. Depository Institutions (Loanable Funds Not Lent)
2008$, Jan 2008 - Present

Source: Federal Reserve Board
Excess Reserves at U.S. Depository Institutions (Loanable Funds Not Lent)
2008$, Jan 1997 - Present

Source: Federal Reserve Board
CA: Hot Mess more Hot than Mess in 2014

- California’s unemployment rate has fallen to 8.9%
- Federal and local government employment lower
- Median home prices in August 2013 were up nearly 30% from the previous year
- Residential construction has started to return
- The state government budget returning to normal state of affairs...structural issues remain
- Going into 2014, prospects for economic growth in the state are good, if Washington, D.C. can keep it together
Marin: Top of Mt. Tam Coming Up?

- Housing markets up 28%: are we peaking?
- Marin creating jobs and fewer businesses
- Retail sales and incomes rising in 2014
- Commercial real estate demand slowly rising, mainly for smaller spaces
- Marin to continue its growth through 2014, depends on macro context being positive
- The Bay Area economy is the major context