City and County of San Francisco

Office of the Controller – Office of Economic Analysis

San Francisco Economic Update: August 2010

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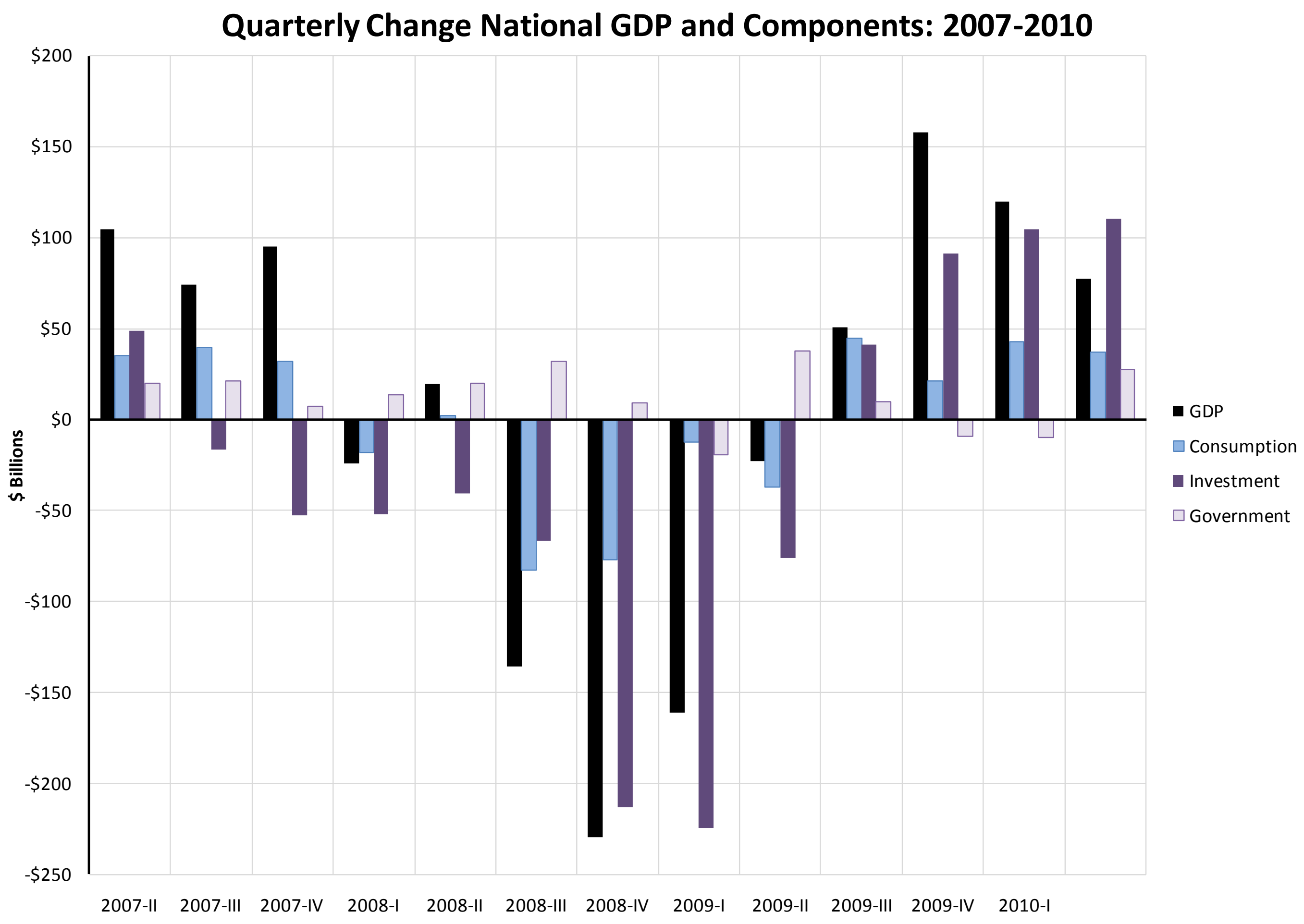
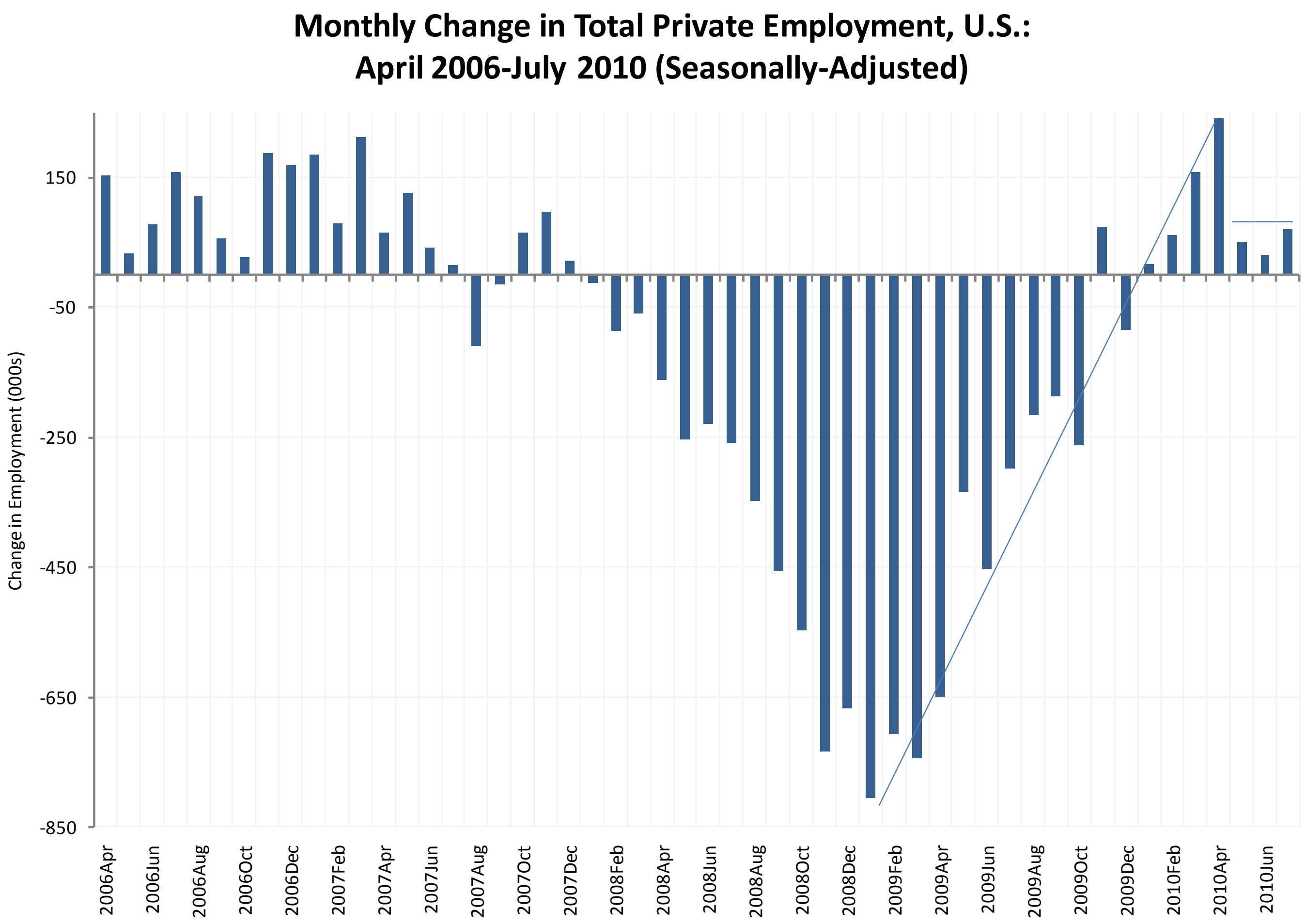
Office of Economic Analysis

August 25, 2010

National GDP Has Seen Four Quarters of Growth, but Growth is Slowing



National Employment Was Showing a Perfect "V"…But Now Flat for 3 Months



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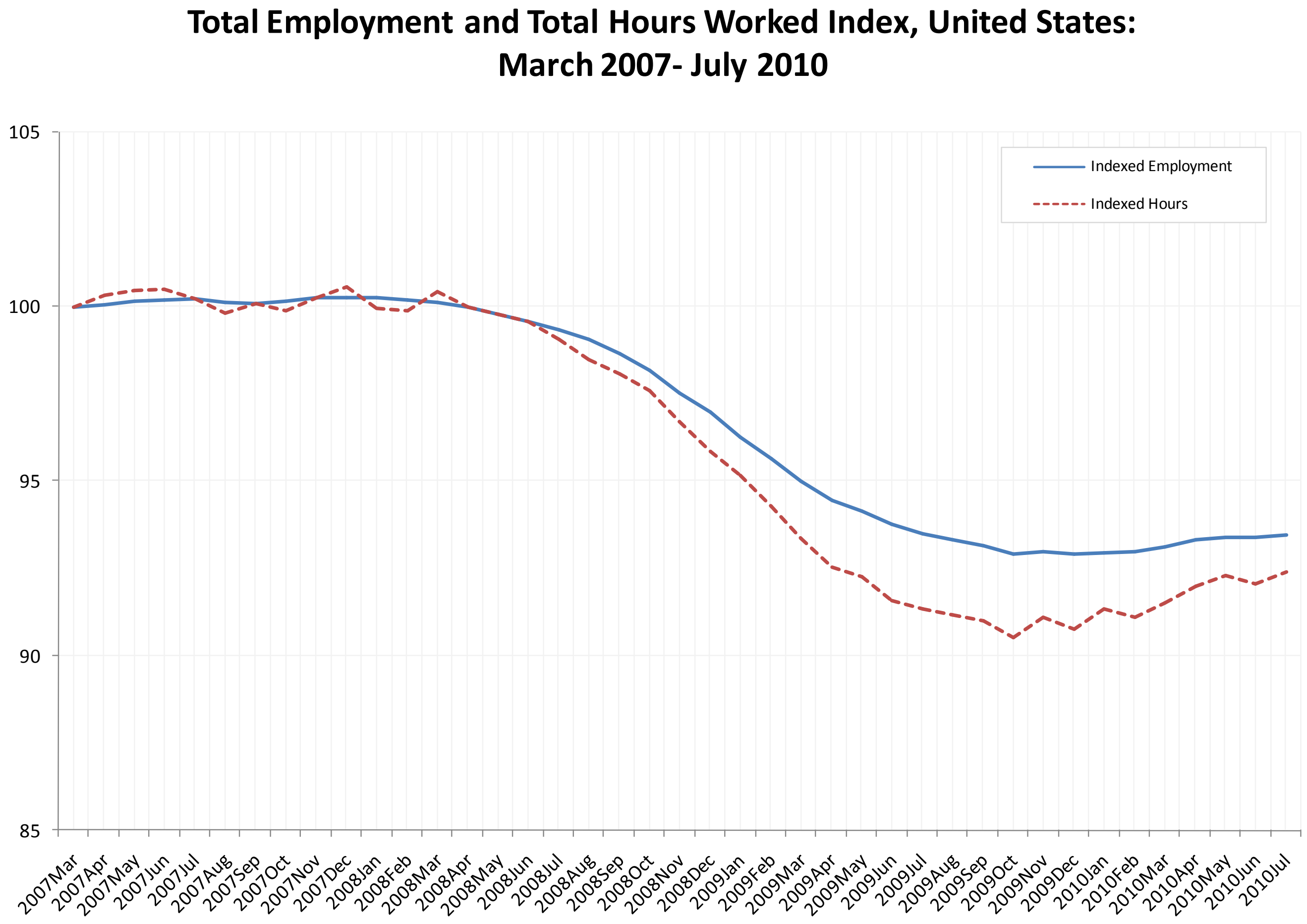
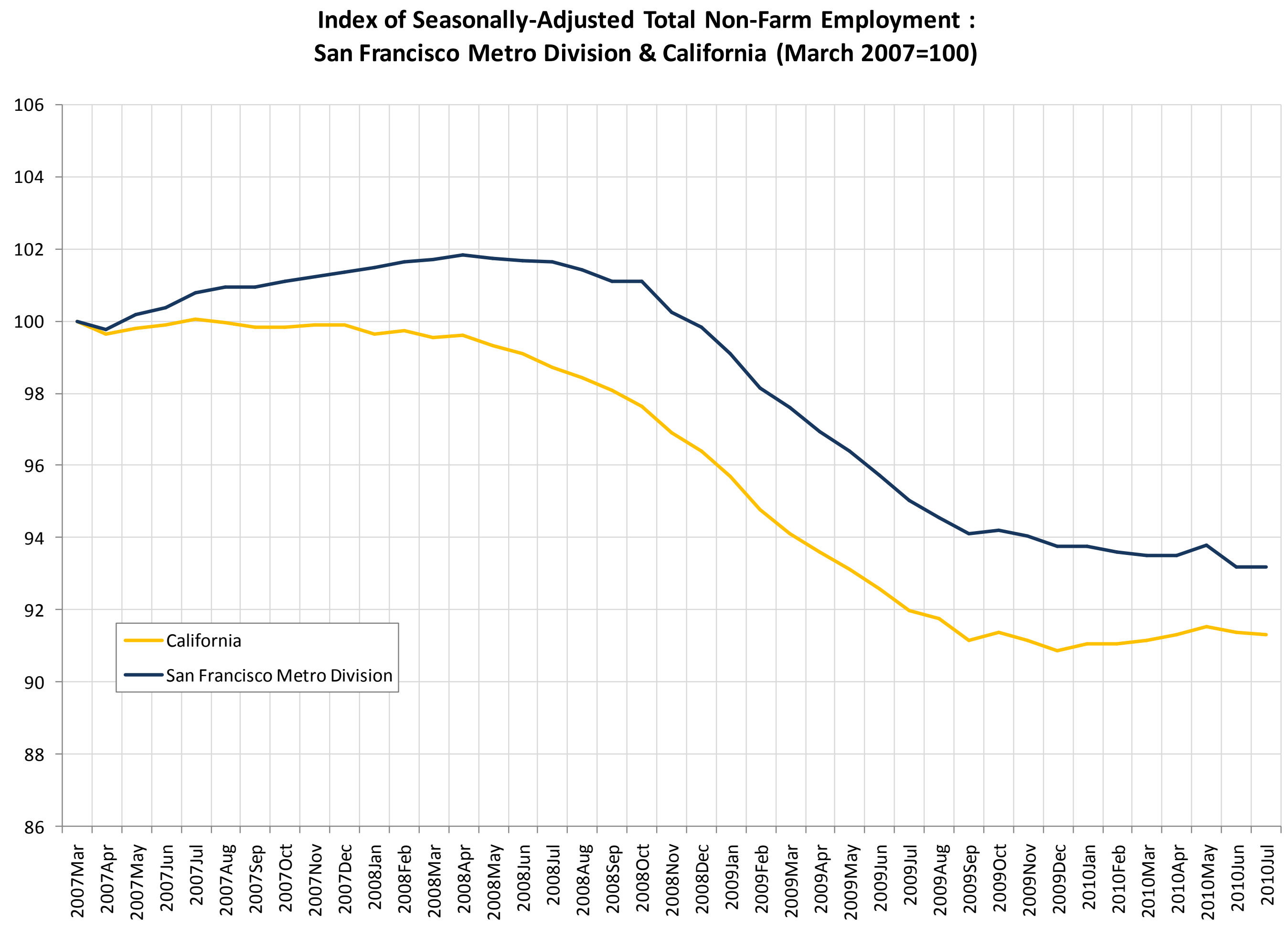
Hours Worked is Still Growing, But Slowly and Spotty: Full-Time Jobs Are Flat



Local and State Job Recoveries Have Stopped: July the Worst Month Yet Locally



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June Economic Barometer: A Stalled Recovery

	Most Recent Month/Quarter	Value	Adjusted Recent Change	Year-to-Year Change	Five-Year Position	Trend
Economy-Wide						
San Francisco Unemployment Rate[1]	Jun-10	9.6%	-0.5%	0.0%	**Weak**	**Neutral**
Number of Unemployed, San Francisco County[1]	Jun-10	43,800	-1,900	-100	**Weak**	**Neutral**
Consumer Price Index (CPI-U), San Francisco MSA[2]	Jun-10	228.1	0.3%	1.1%	**Strong**	**Positive**
County Adult Assistance Program (CAAP) Caseload[3]	Jun-10	7,517	1.4%	9.6%	**Neutral**	**Negative**
Total Employment, San Francisco MD[1]	Jun-10	923,400	-0.5%	-2.5%	**Weak**	**Negative**
Temporary employment, San Francisco MD[1]	Jun-10	14,200	-1.4%	2.2%	**Weak**	**Neutral**
Real Estate						
Median Home Sales Price[4]	Jun-10	$663,500	3.6%	4.5%	**Neutral**	**Neutral**
Average 1BR Asking Rent[5]	Jun-10	$1,895	1.1%	4.0%	**Neutral**	**Positive**
Tourism						
Domestic Air Passengers[6]	Jun-10	2,758,396	-0.3%	4.2%	**Strong**	**Positive**
International Air Passengers[6]	Jun-10	841,104	1.3%	10.7%	**Strong**	**Positive**
Hotel Average Daily Rate[7]	Jun-10	$153.33	-2.0%	5.4%	**Weak**	**Neutral**
Hotel Occupancy Rate[7]	Jun-10	84.1%	-4.1%	3.6%	**Strong**	**Neutral**
Retail						
Average Daily Parking Garage Customers[8]	Jun-10	10,008	-0.7%	-10.0%	**Weak**	**Negative**
Powell St. BART Average Saturday Exits[9]	Jun-10	21,451	-2.7%	-8.7%	**Weak**	**Negative**

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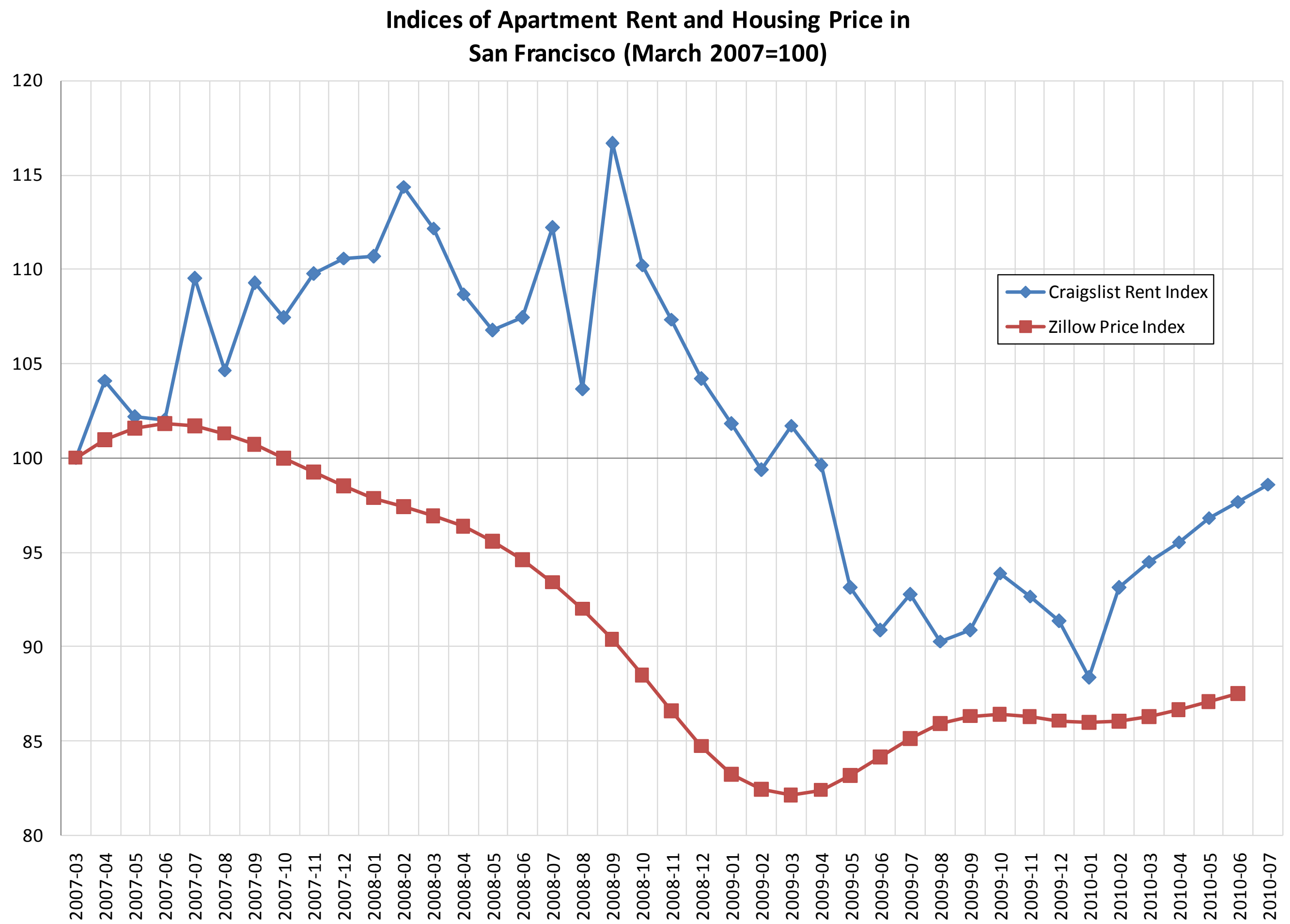
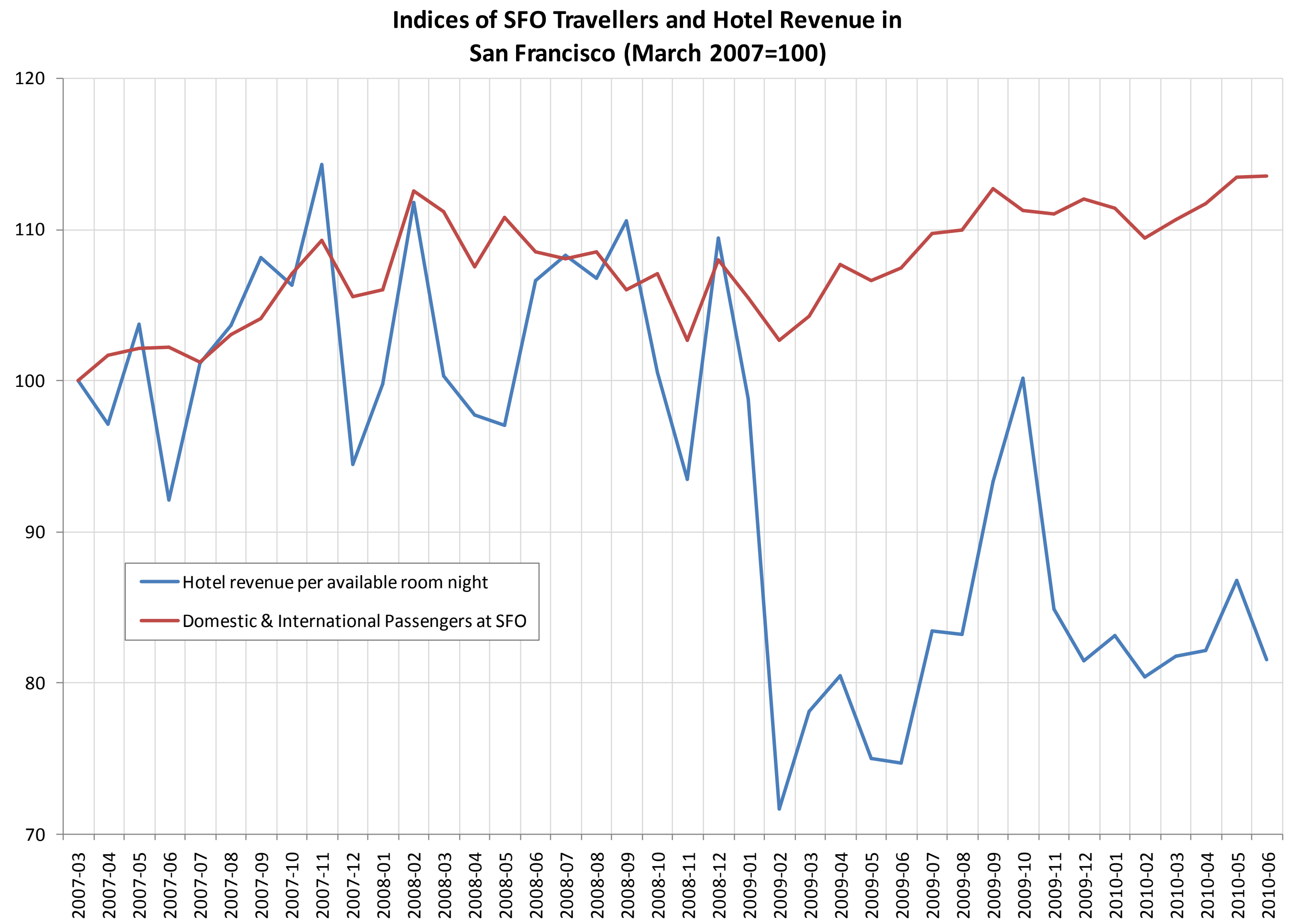
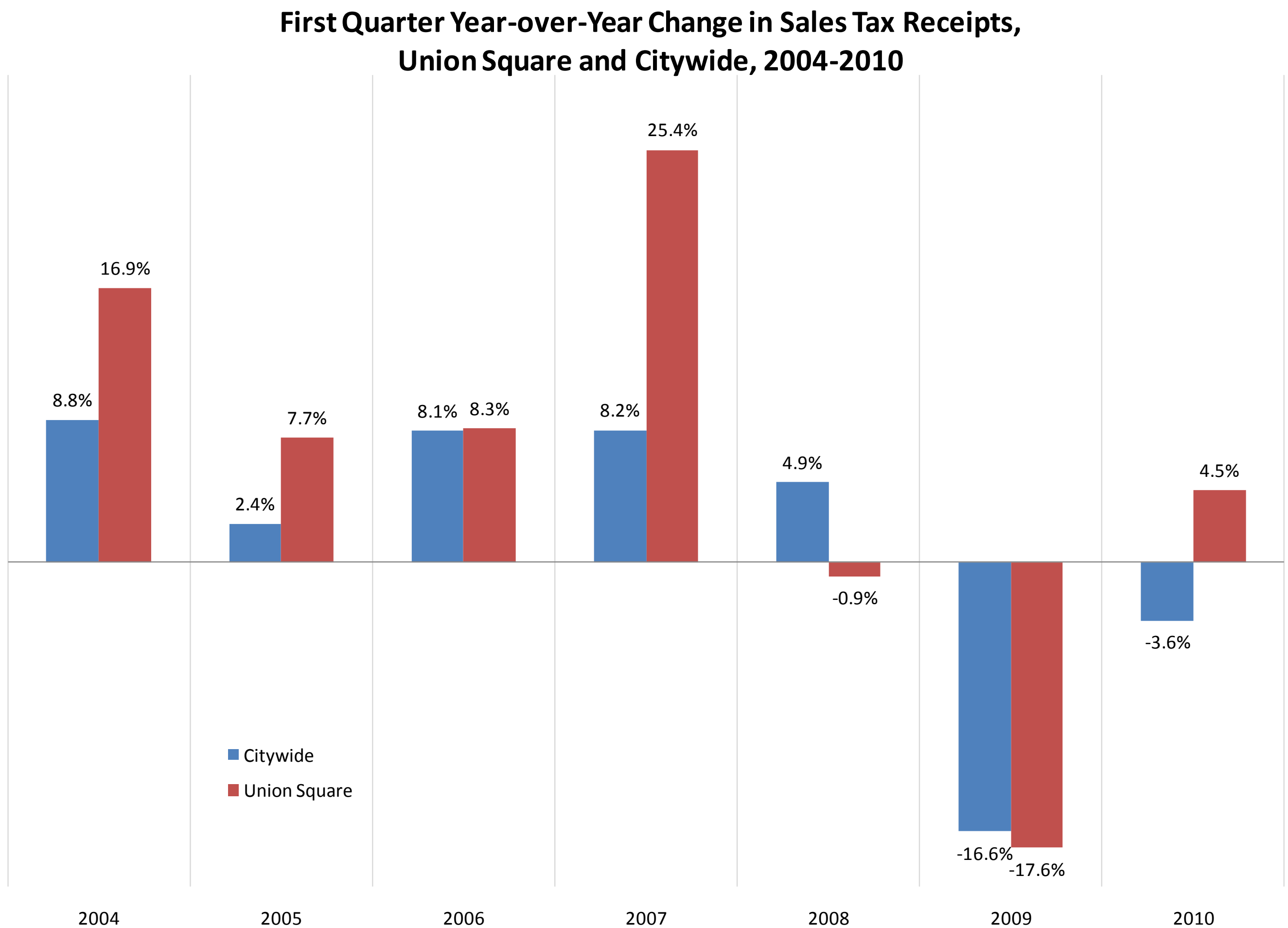
Real Estate: Rent and Housing Prices Showing a Modest Recovery



Tourism: Airport Travel Has Been Growing, But Hotels are Flat



Retail: Sales Tax Growing at Union Square, Not Yet Citywide



Where Are We Headed?

- Despite the depth of the recession, it has followed a fairly typical pattern:
  - Sharp drop in output and employment
  - Leveling-off and then growth in output
  - Leveling off but no growth yet in jobs.
- But this recession/crisis continues to feature unusual linkage between regulation and economic output.
- When the Federal government and Federal Reserve have tried to normalize policies in recent months, the recovery has weakened (e.g. home buyer tax credit, Fed asset sales.)
- Are we headed for a double-dip...or is it just one big dip?
- Positive Signs: Investment Spending
- Worrying Signs: Housing