

# Bank of Marin Board Dinner: Economic Outlook

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# Agenda

- Global issues
  - What effects does the global economy have on North Bay?
- National issues
  - We are in recovery: for how long?
- State issues
  - California economy a driver of North Bay and Marin
- Local issues
  - Economic Development: in what industries?
  - The economic drivers in Marin County: MEF as lead

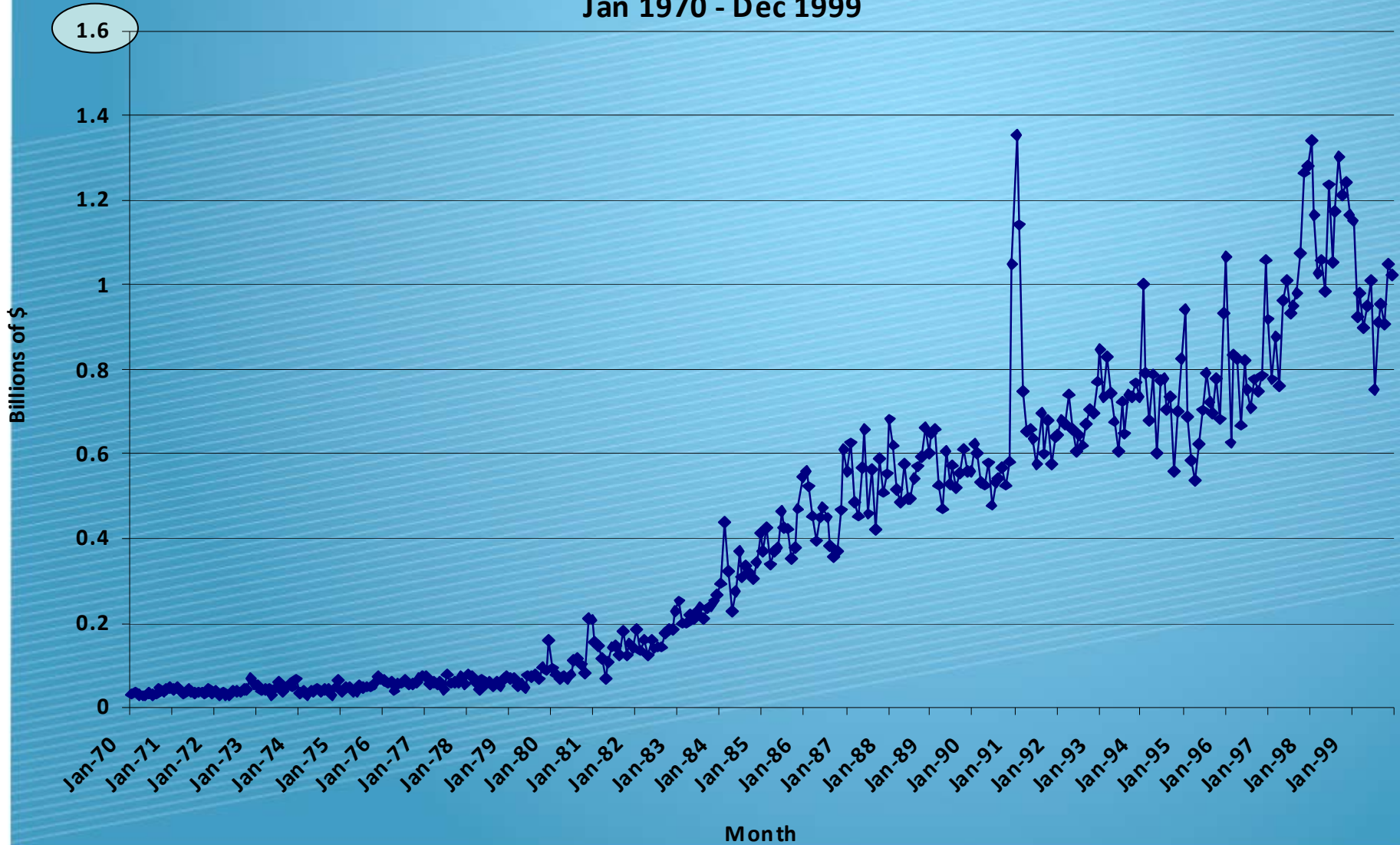
# International

- The rise of BRICs countries to continue
  - China, India, Russia, Brazil
  - How strong will they get and what challenges will they face?
  - What about Africa?
- The European Theater
  - Germany
  - England
  - Others?
- What does this mean for the North Bay?

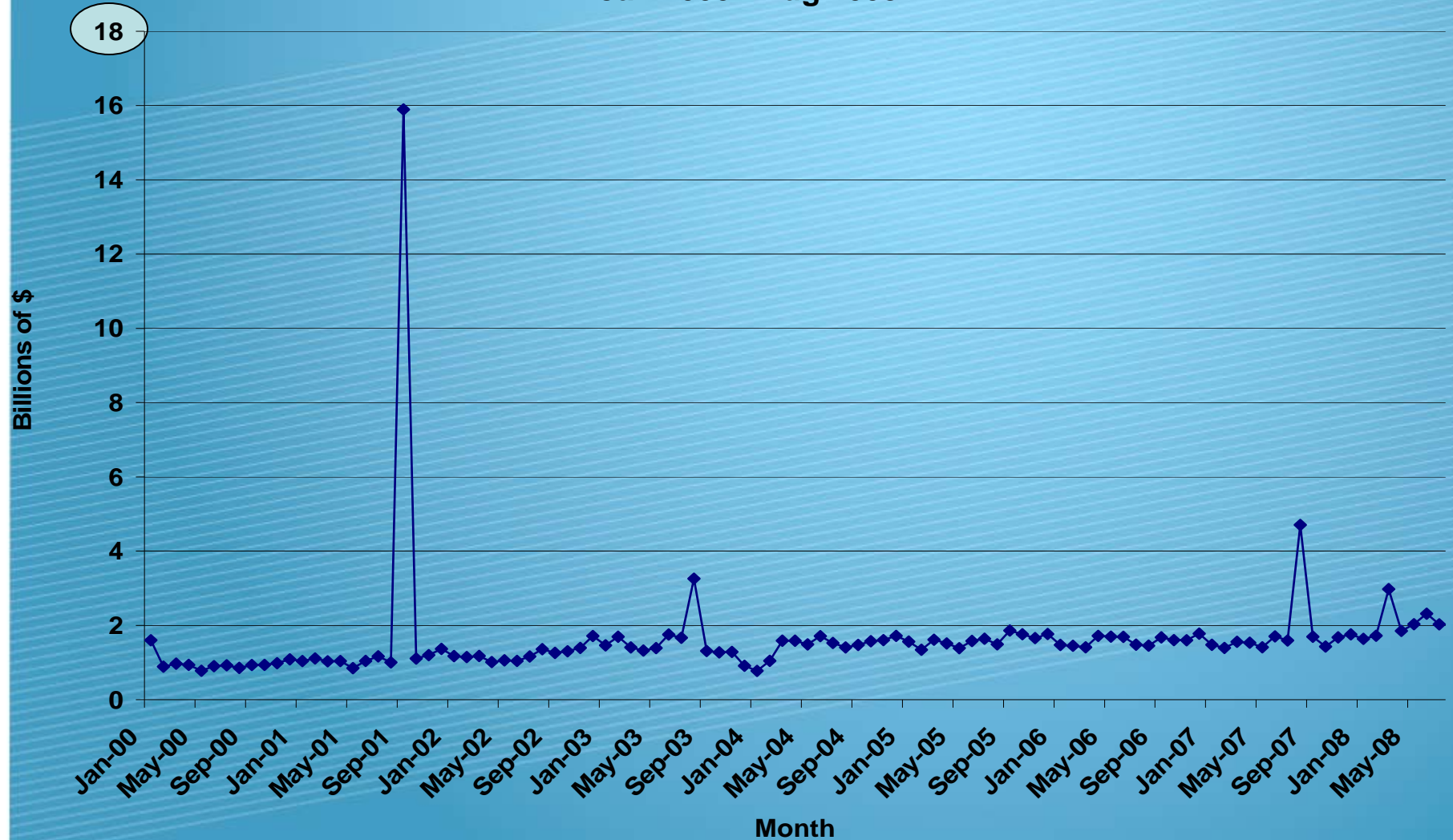
# Domestic National Economy

- Continued slow movement at national level
  - Where and what are the new industries?
- Recovery technically underway
  - Job creation through innovation needed ultimately
  - Need to be concerned with a double dip?
- Will another round of fiscal stimulus help?
  - Where will the stimulus go to truly stimulate?
- Is more monetary policy needed?

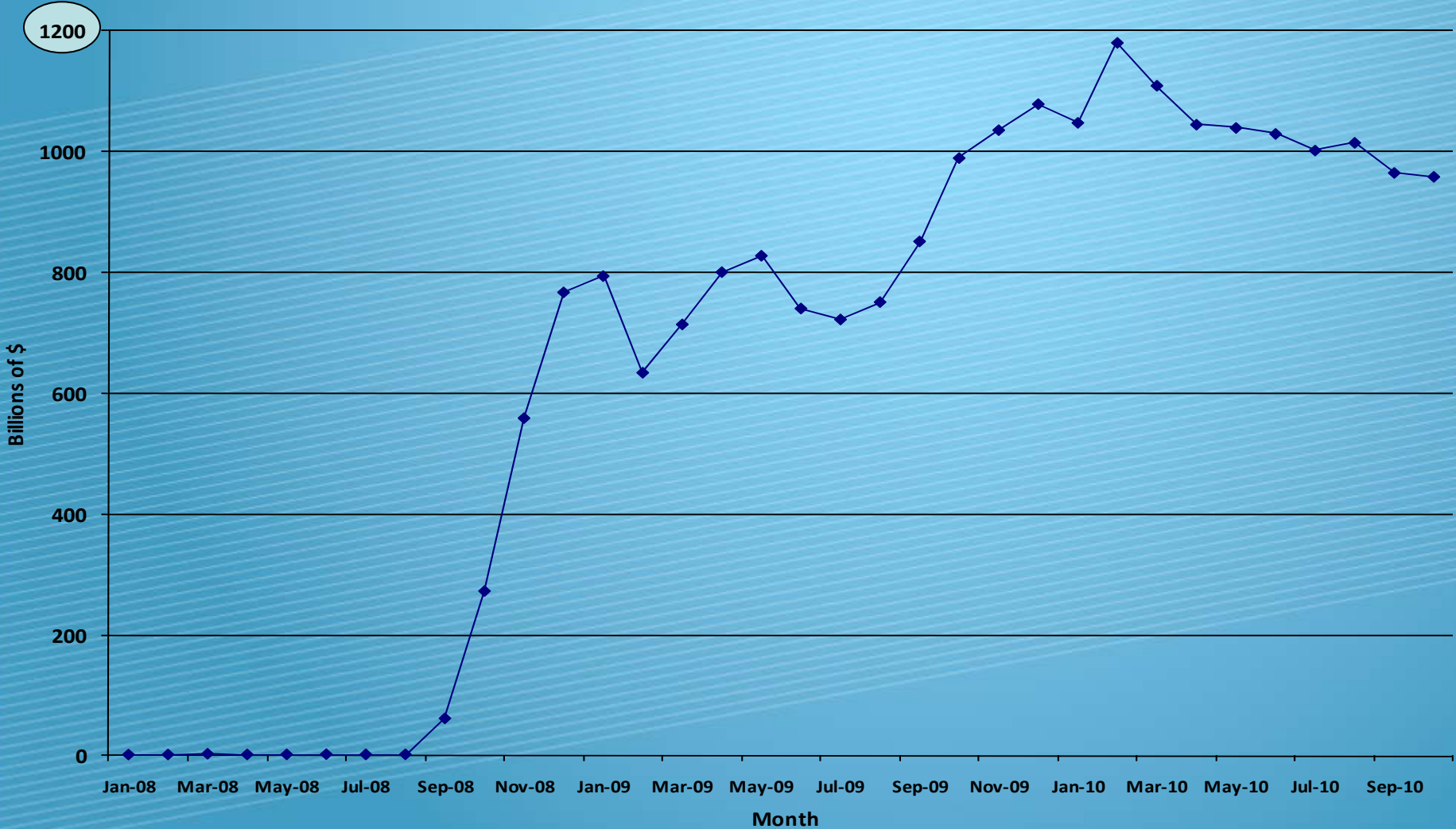
# Excess Reserves at U.S. Banks (Loanable Funds Not Lent), 2008\$ Jan 1970 - Dec 1999



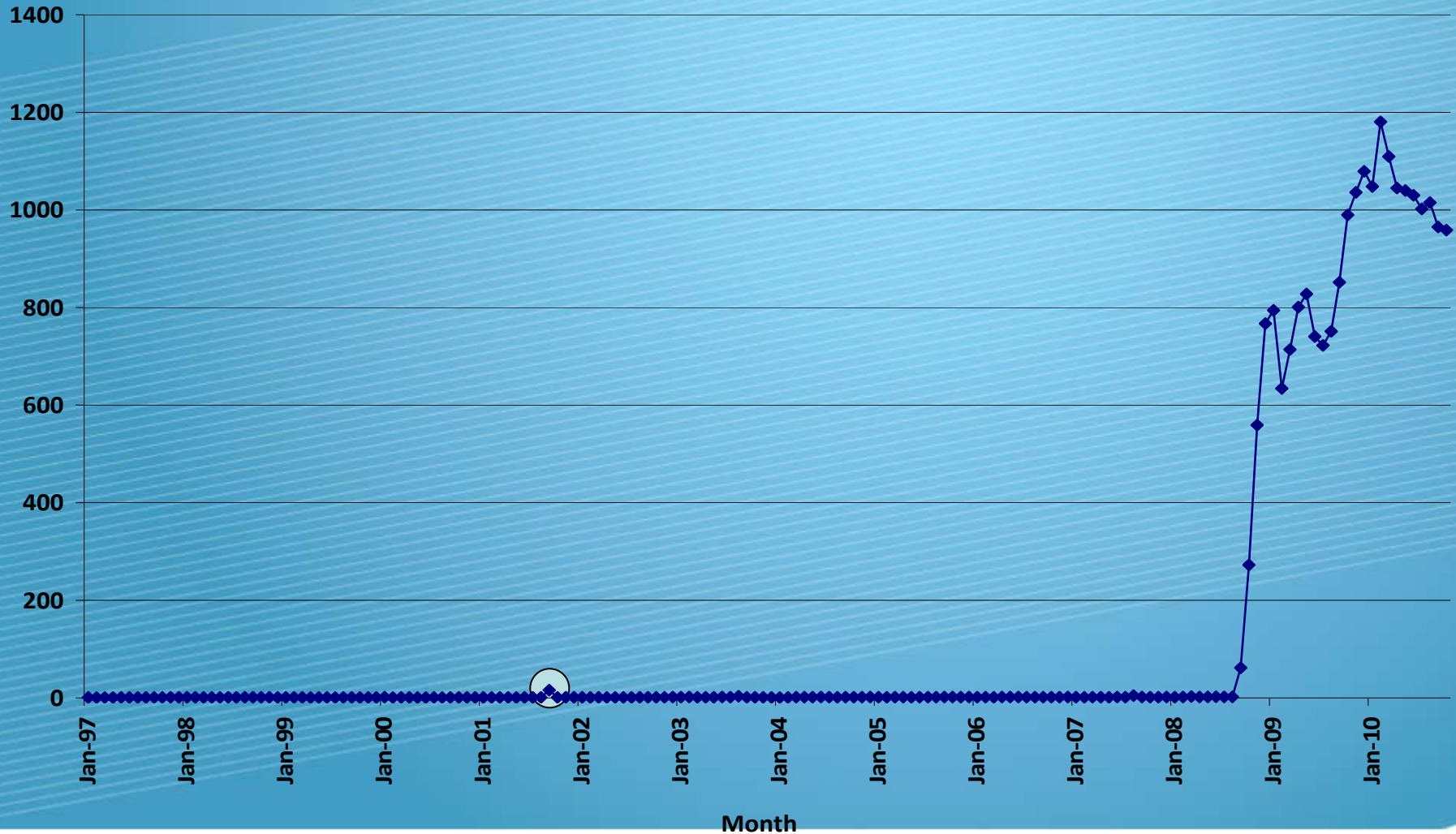
## Excess Reserves at U.S. Banks (Loanable Funds Not Lent), 2008\$ Jan 2000 - Aug 2008



## Excess Reserves at U.S. Banks (Loanable Funds Not Lent), 2008\$ Jan 2008 - Present

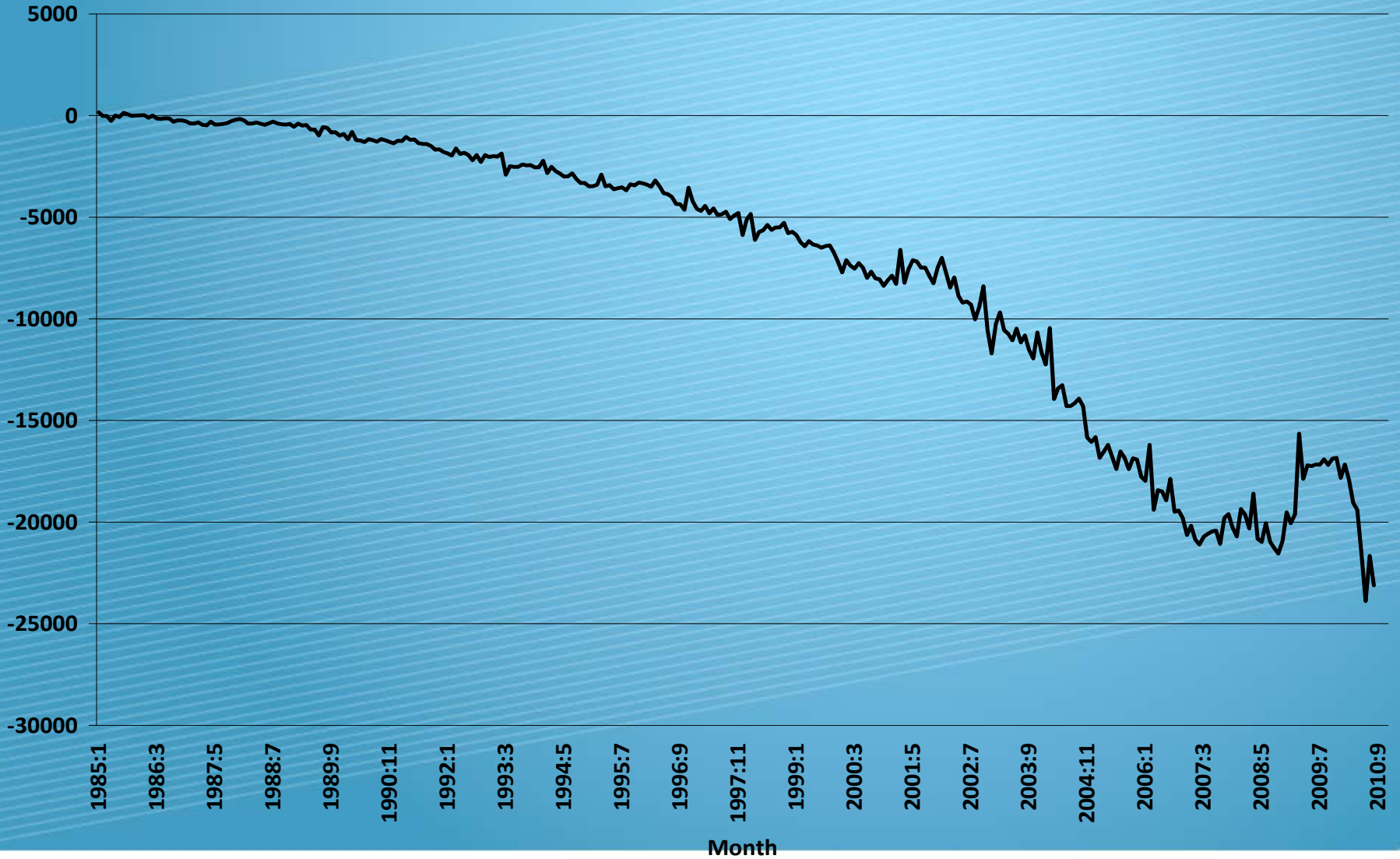


## Excess Reserves at U.S. Banks (Loanable Funds Not Lent), Bil 2008\$ Jan 1997 - Present

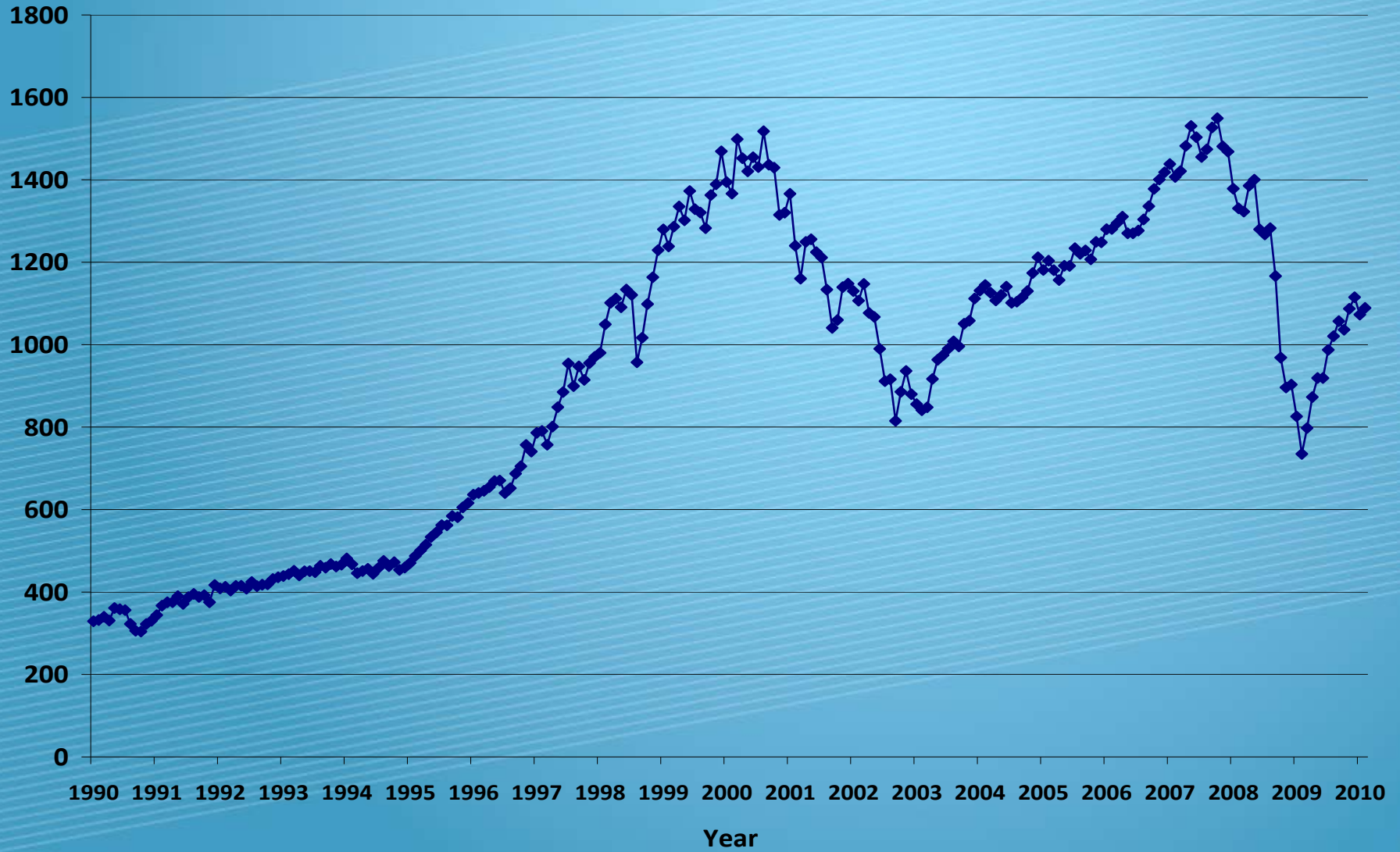


# Other Macro Stats to Watch

# Trade Balance, US with China, 1985 – Present, Millions 2005\$



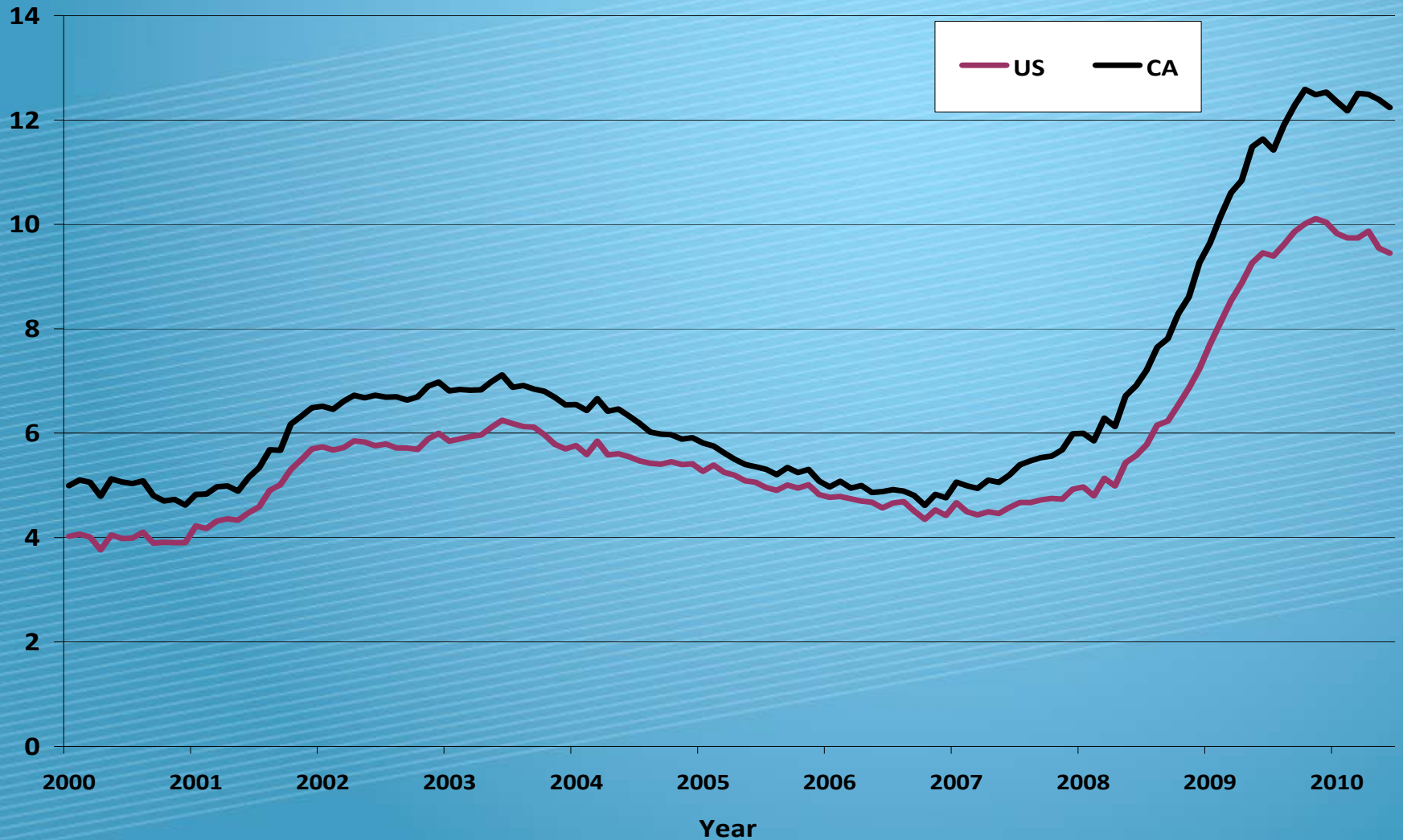
## S&P 500 Index, 1990 - Present



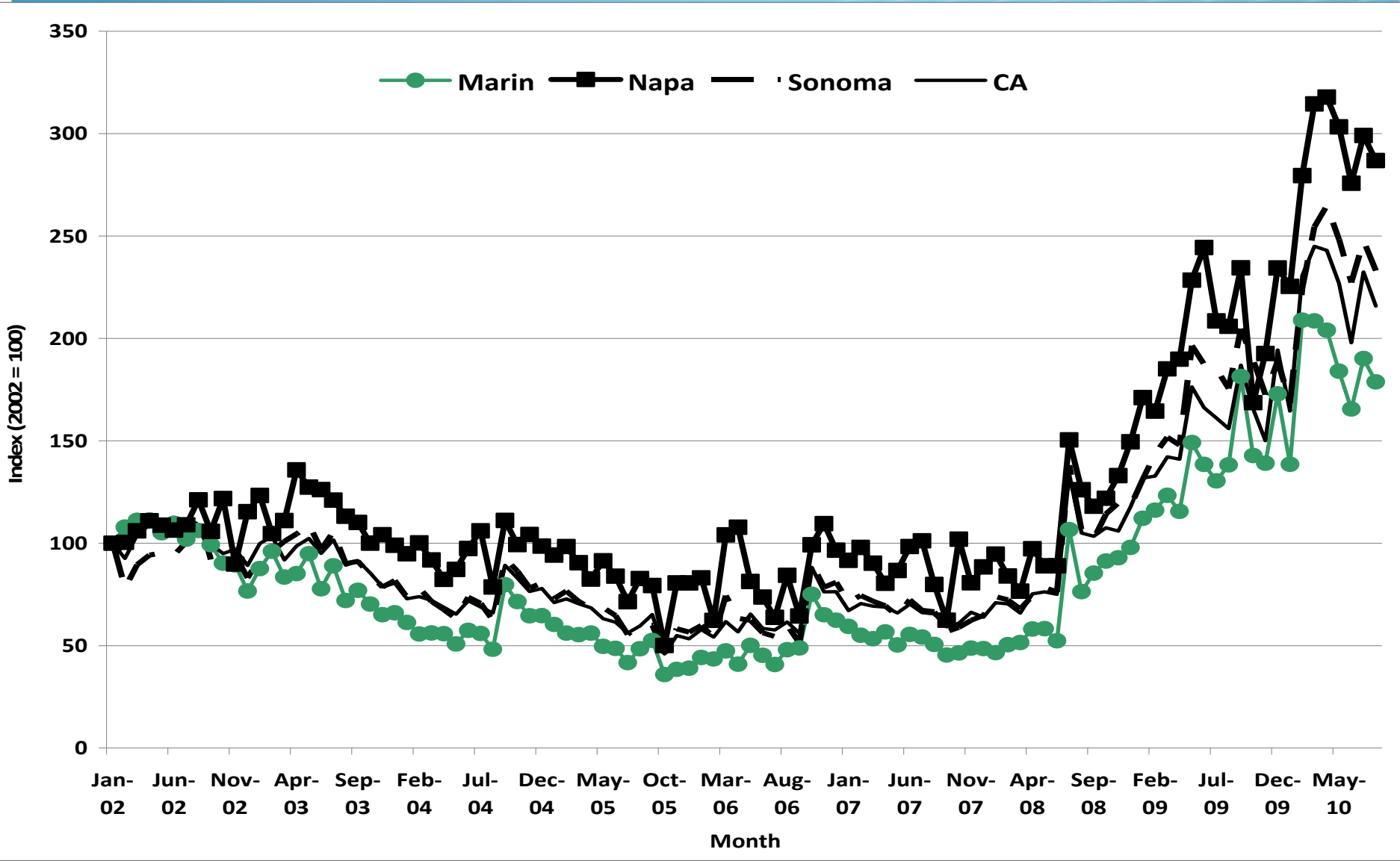
# California, Elections and Reality

- Elections will do little to change the basics
  - Prisons, education, social services the foci
- Cannot rely on current model
  - Still overexposed to economic booms in general fund
  - CalPers and Sters await!
- Use of AB 811 to reduce energy/water use
  - Prop 23 may be a monkey wrench in this
- Do not expect it, but we need reform

# Unemployment Rates (%): US & CA, Seasonally Adjusted, 2000 - Present



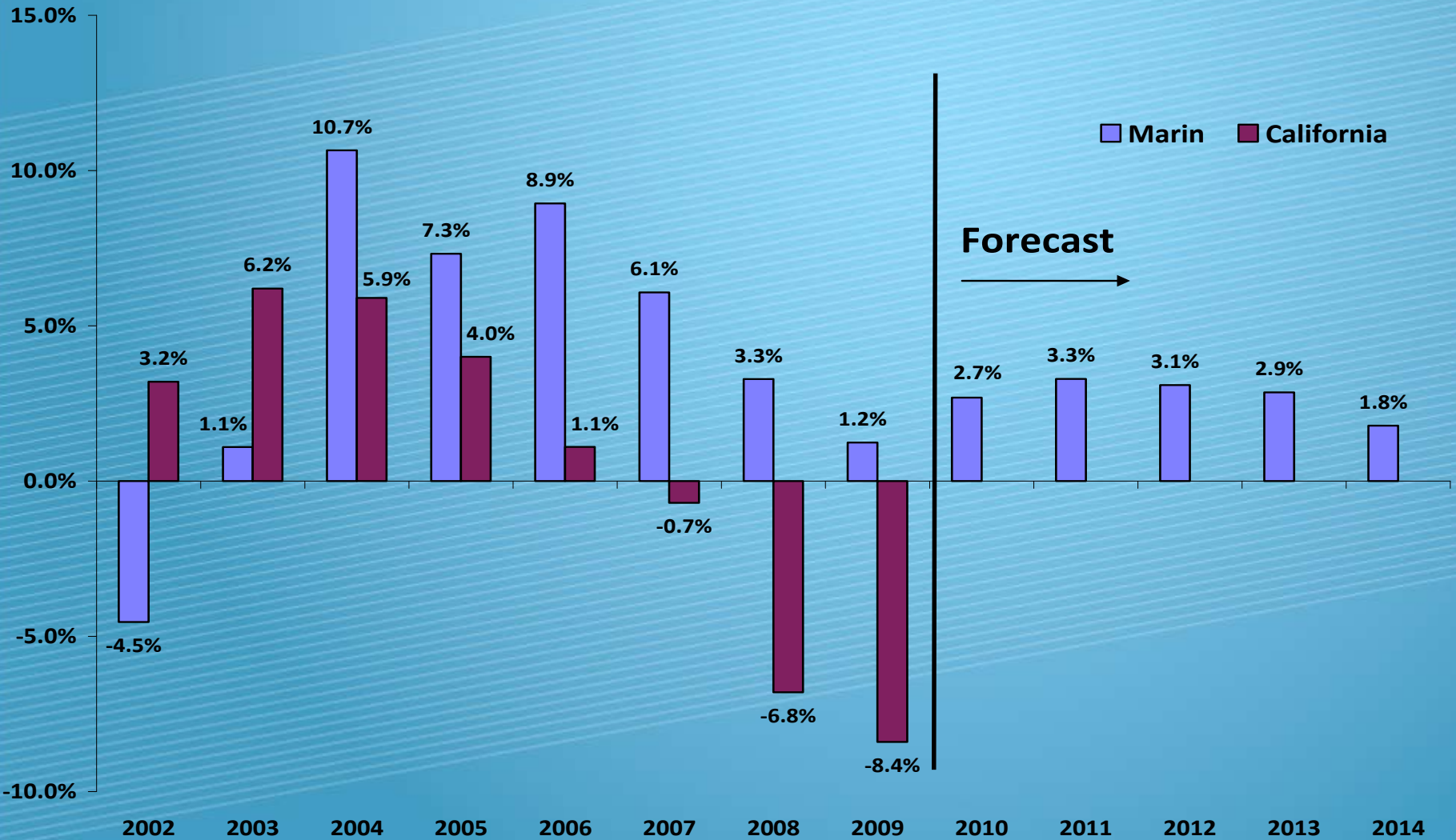
# New Unemployment Insurance Claims, Marin, Sonoma, Napa, CA, 2002 - Present



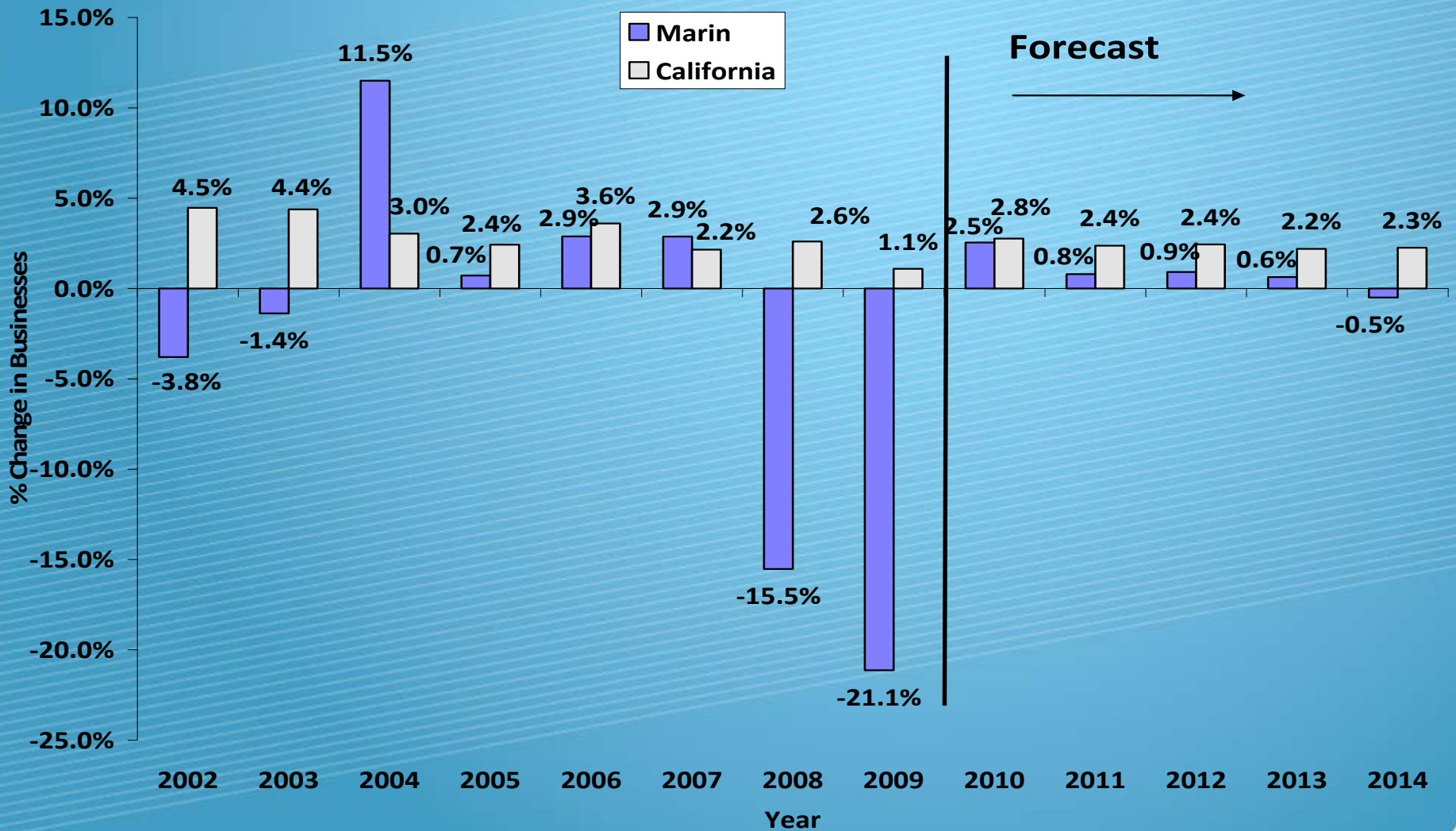
# Marin County and North Bay

- Continued slow movement locally, following state economy
  - Entrepreneurship in Marin and Sonoma: looking South?
  - Is incubation wanted, a possibility or what? iHub here
- The economic and social future of Marin County
  - Health Care and specialty tech start-ups
  - Biotech to continue, not sure about “digital arts”
  - Have to be cognizant of social issues that will constantly drag on a business-centric vision
    - Affordable housing
    - Environmental issues
- Marin County in recovery, question is how long

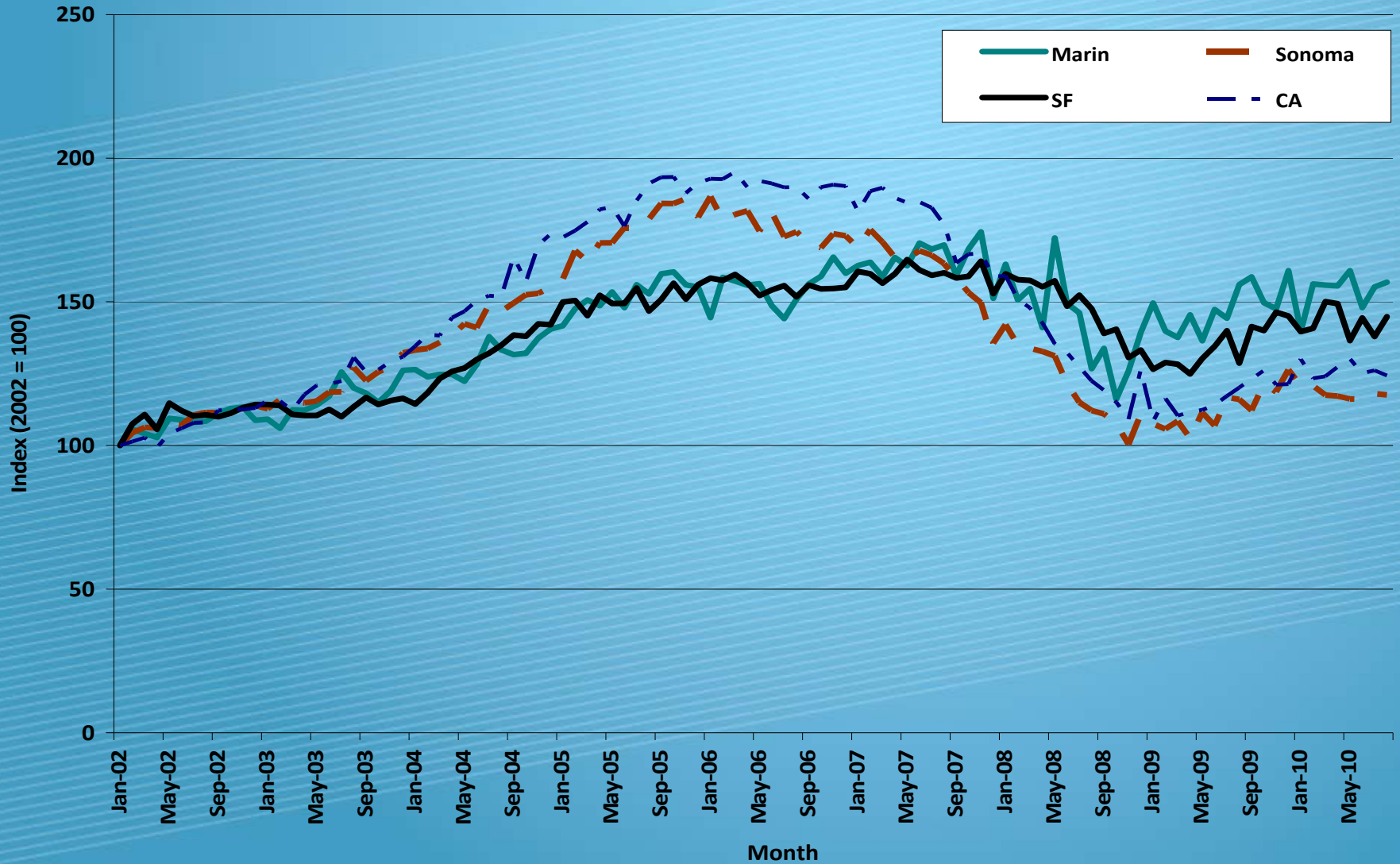
# Personal Income Growth, Marin and CA, 2002 – 2014, % Change



# Change in Number of Businesses in Marin, 2002 - 2014



# Median Prices, Single-Family Homes, 2002 – Present (Index 2002 = 100)



# Median Price, Class A and B Space, Marin and Bay Area, 2002 - Present



# Where are we headed?

- Recession into 2011 concerning labor markets
  - Need to attack in tech and foreign markets before they converge
  - Other indicators showing recovery: good thing!
- State economy will lag
  - Elections will not change the fundamental issues
  - State economy affects North Bay
- Recognize regional connections and economies
  - Economic development a need now and into the future