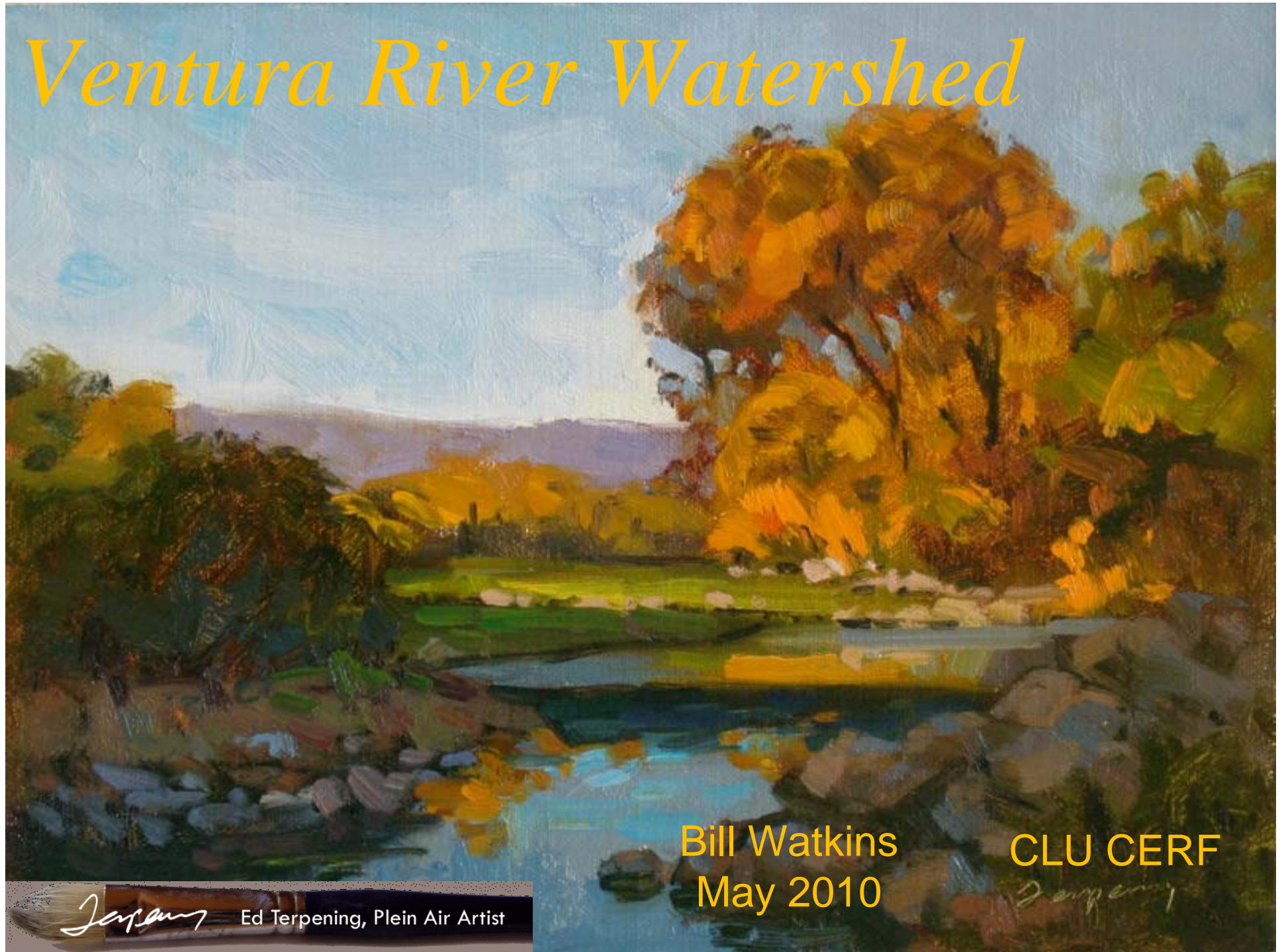


Ventura River Watershed



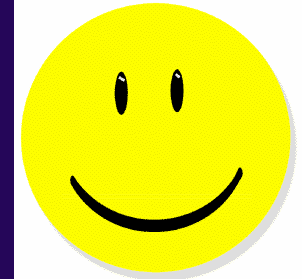
Bill Watkins
May 2010

CLU CERF

Greg Mankiw



“One thing we cannot do very well
Is forecast the economy.”



About CLU CERF & Happy Faces

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Outline

- The economy & the environment
- How are our indicators doing?
- United States Economy
- California in Crisis
- Ventura River Watershed

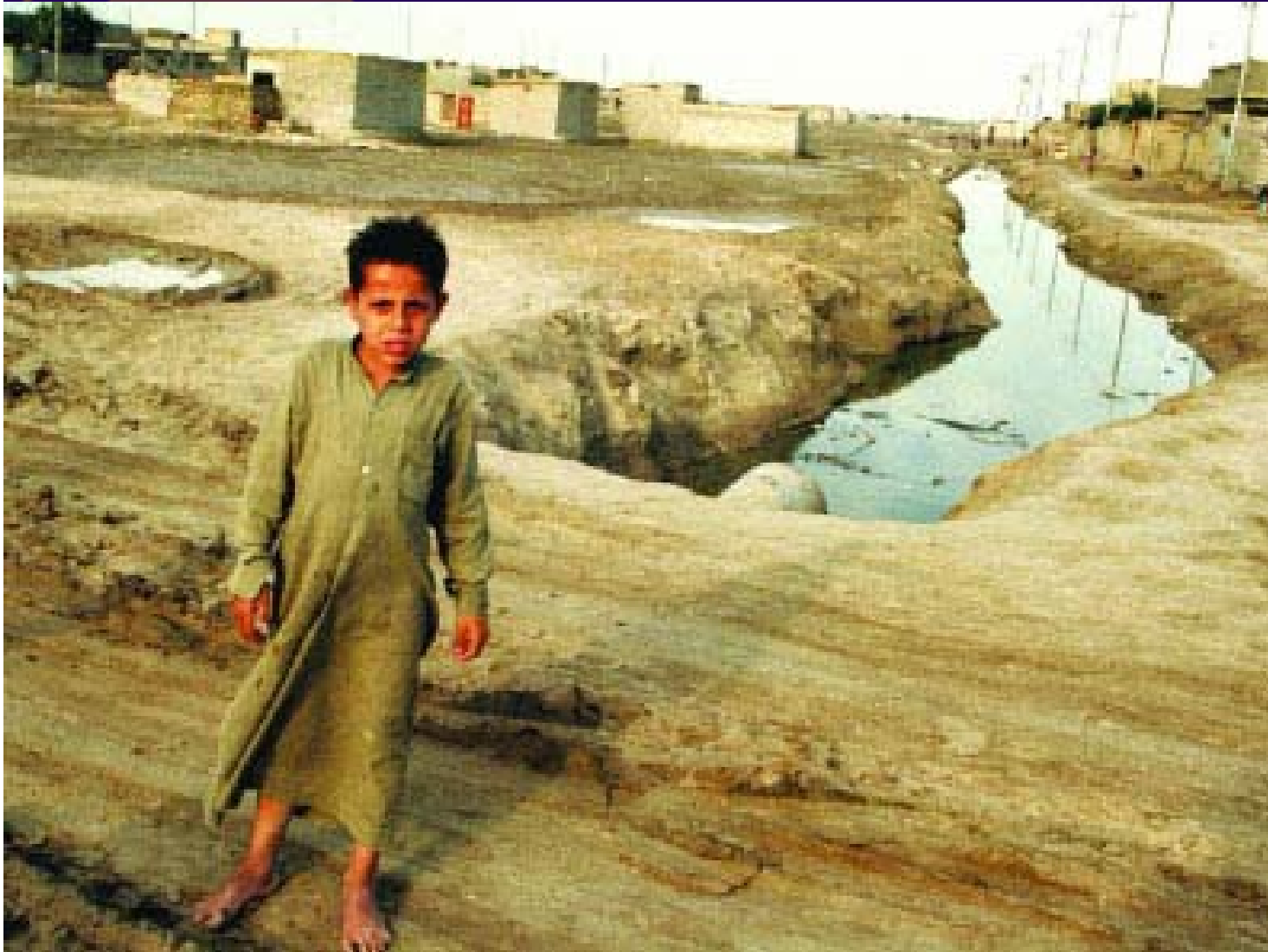
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The Economy and the Environment

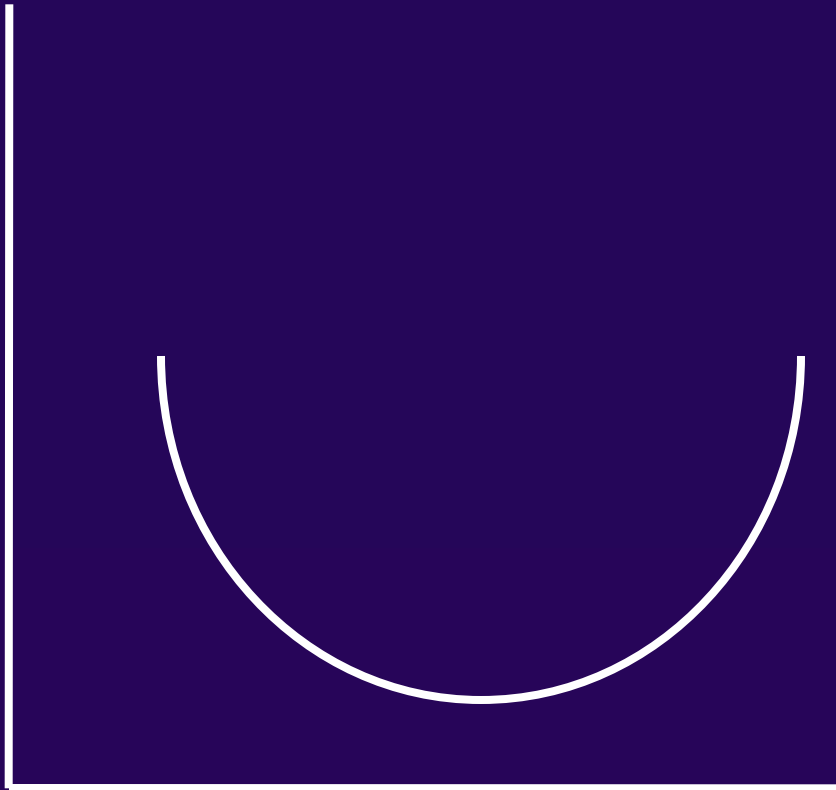
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Environmental Quality is a Luxury Good



Environmental Quality



Per-Capita Wealth

If only the housing boom continued



© super-no1.com 2009

If only the economic boom continued



Rich working women don't have many babies



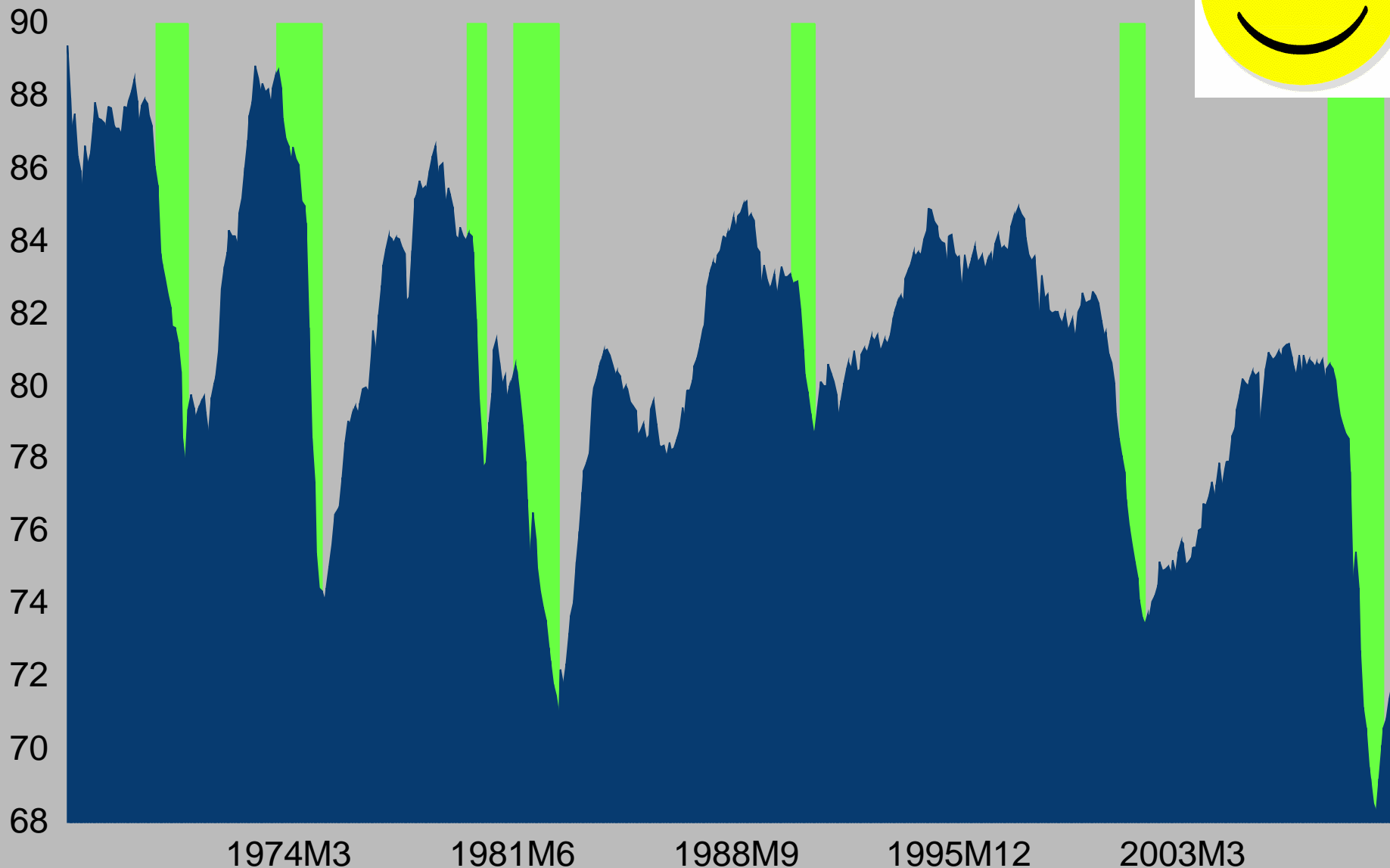
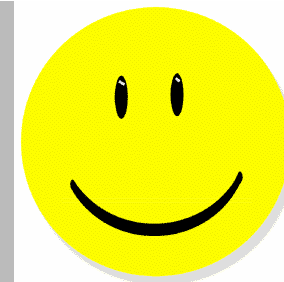
*Conclusion: Capitalism and Feminism
can save the World!*



*How are our
indicators doing?*

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Capacity Utilization



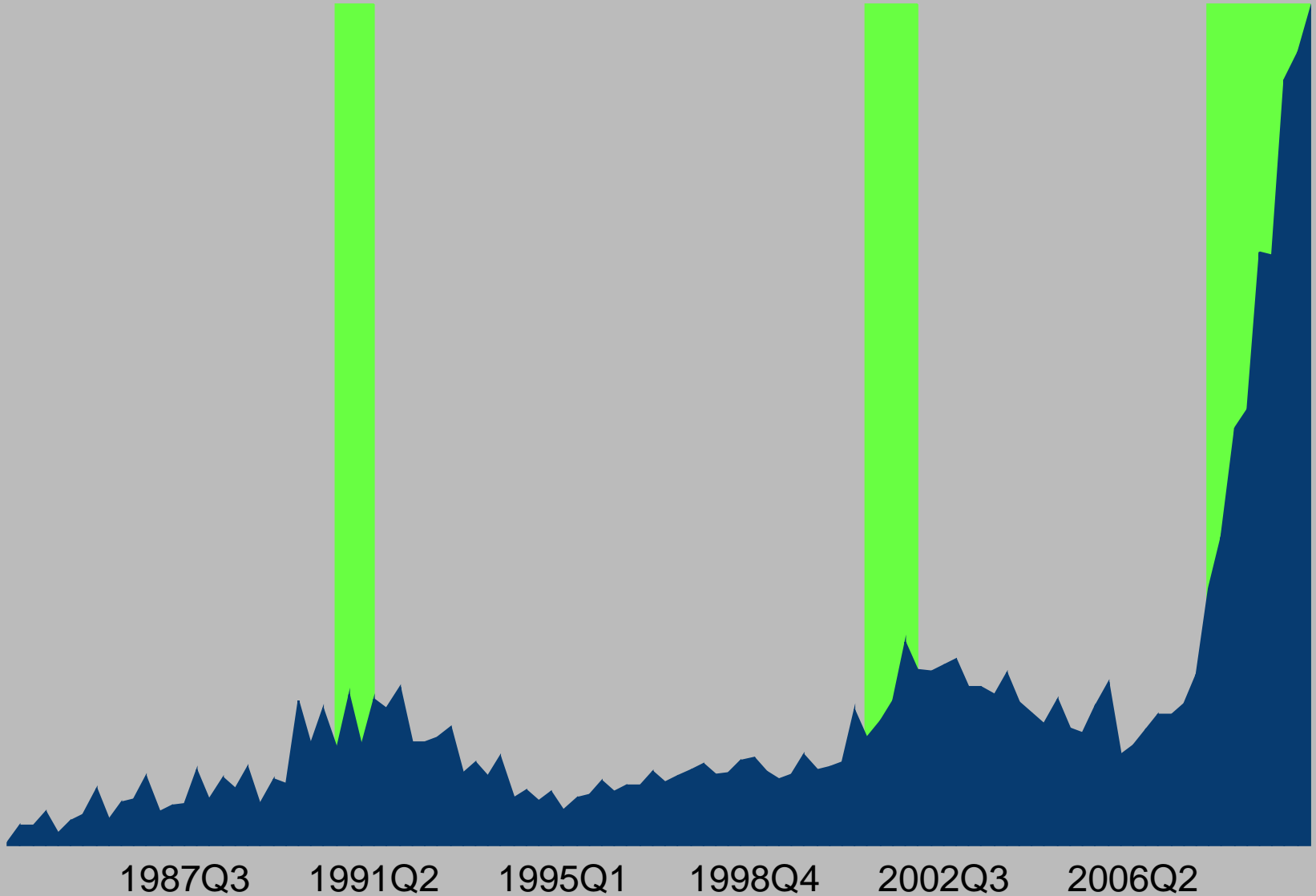
Center for Economic Research and Forecasting

■ Capacity Utilization: Total index, (% Capacity, SA) for United States

Percent

Total Charge-Offs

\$55,000
\$50,000
\$45,000
\$40,000
\$35,000
\$30,000
\$25,000
\$20,000
\$15,000
\$10,000
\$5,000



Center for Economic Research and Forecasting

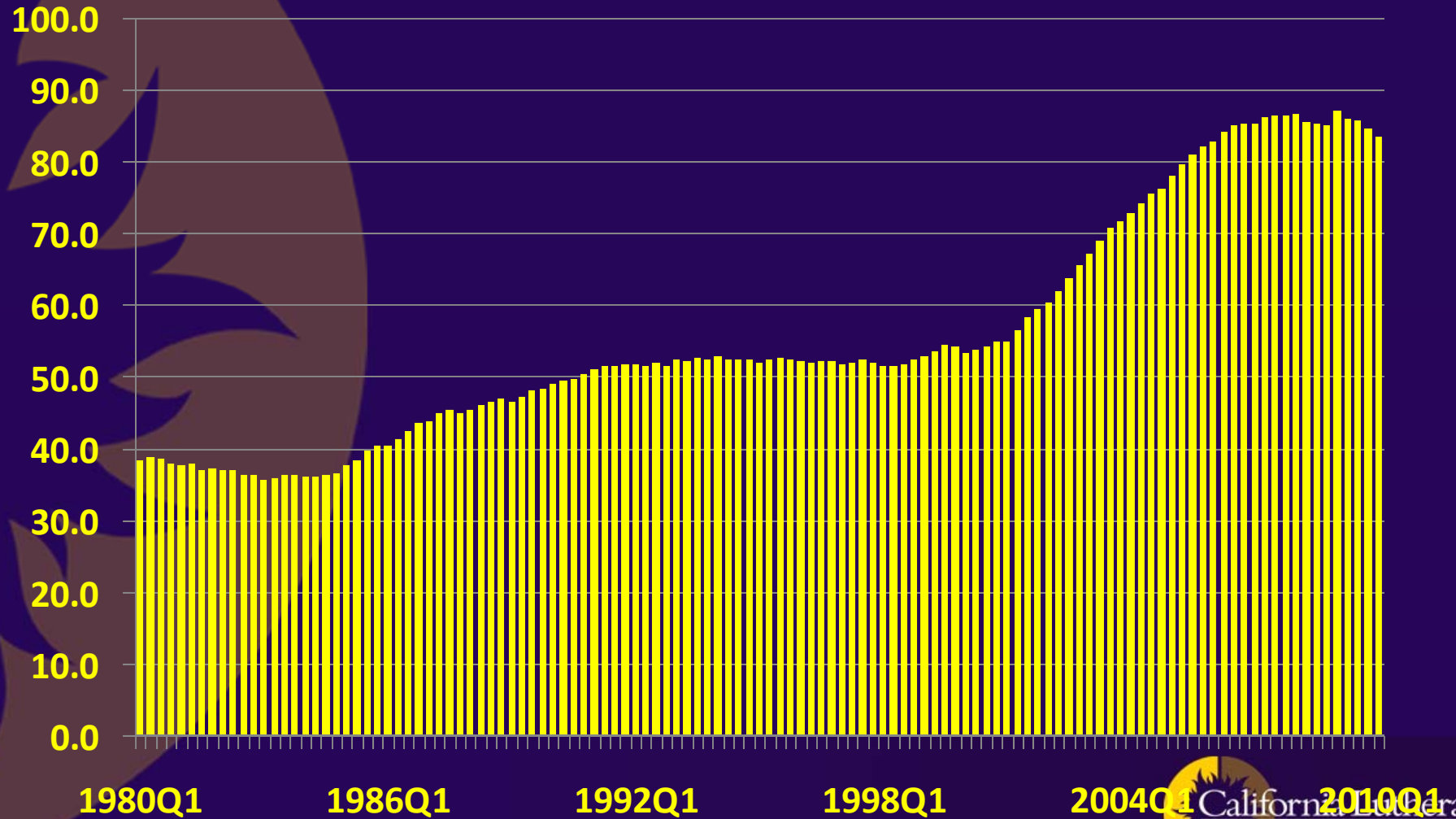
■ All Insured Commercial Banks and Savings Institutions: Total loans and leases - Total Charge-offs, (Mil. USD, NSA) for United States

ions

United States

Household Debt Share: Mortgages

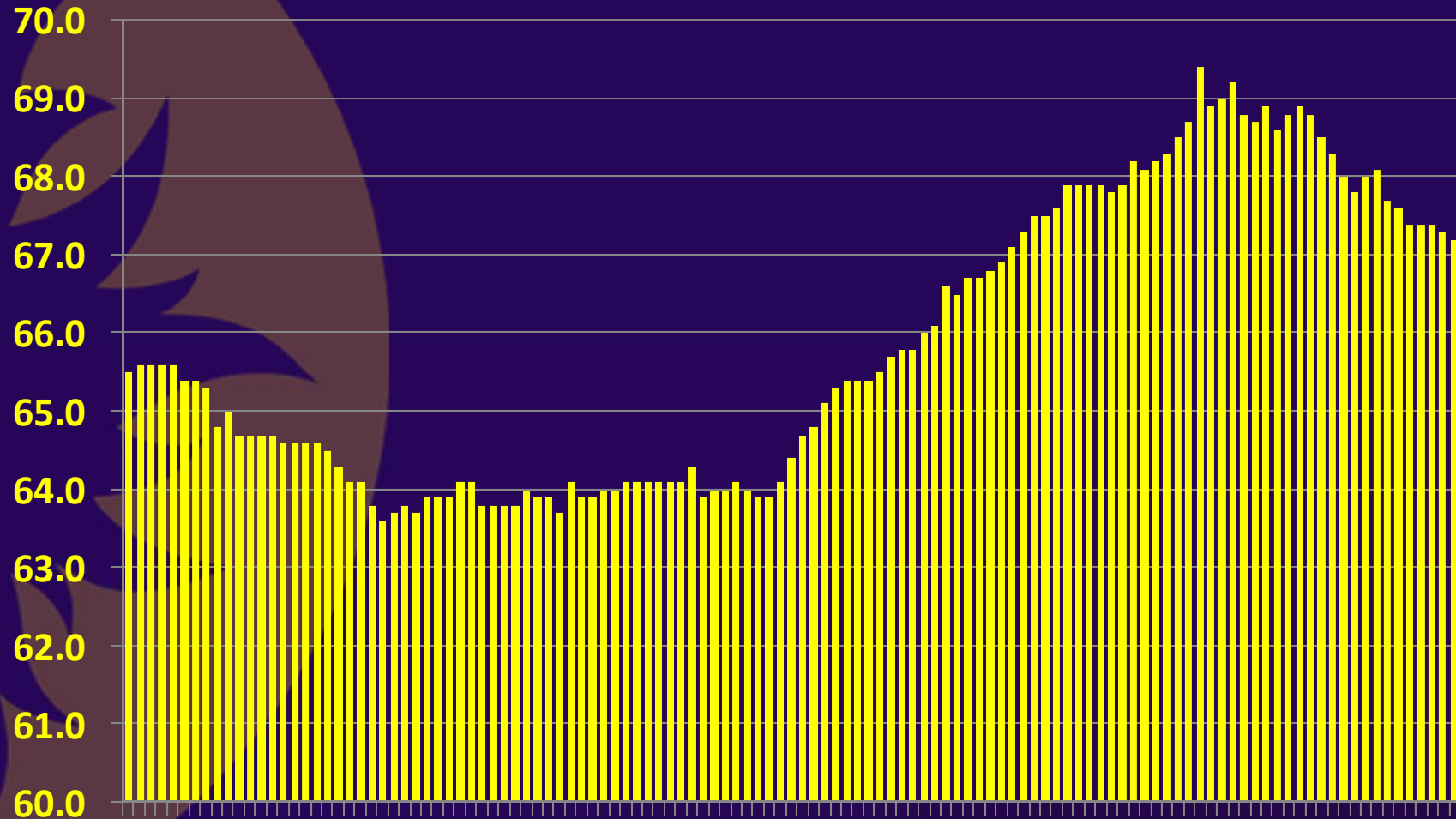
Percent of Current Income



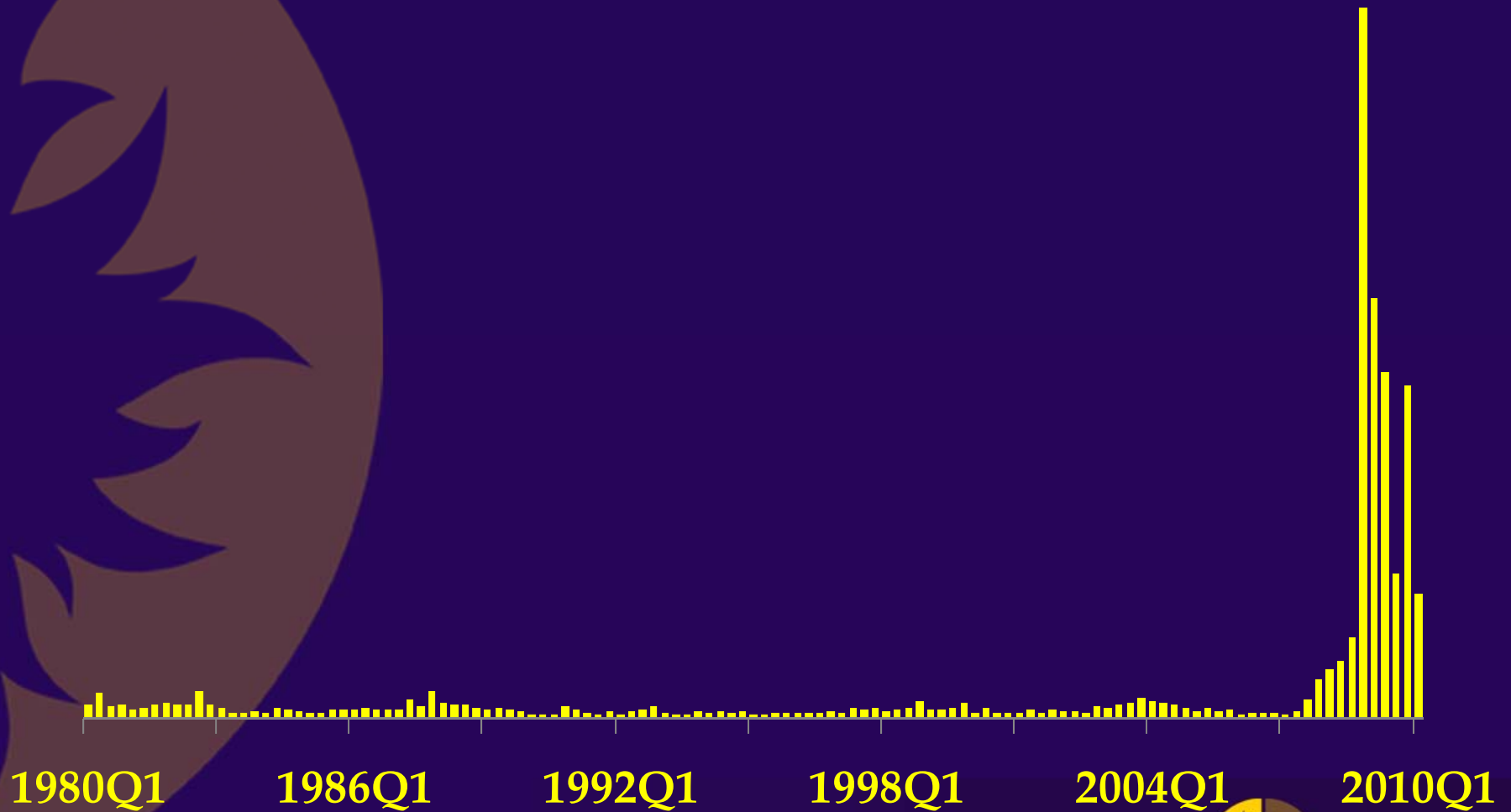
United States

Home Ownership Rate, SA

Percent of Households



TED Spread normalized by 3 month Treasury



■ Annual Yield as a percent of 3-mo. Treasury

Recession by the Numbers

January 2010

- 14.8 million out of work and looking for a job
- 6.3 million out of work over six months.
- 9.3 million underemployed
- Over half of unemployed out of work for over 19 weeks
- Average unemployment duration 30 weeks
- 4.5 million had left the labor force.

Why don't we forecast a vigorous recovery?

- Over leveraged
 - Consumers
 - Business
 - Lenders
- Banks
- Fiscal Policy
- Monetary Policy

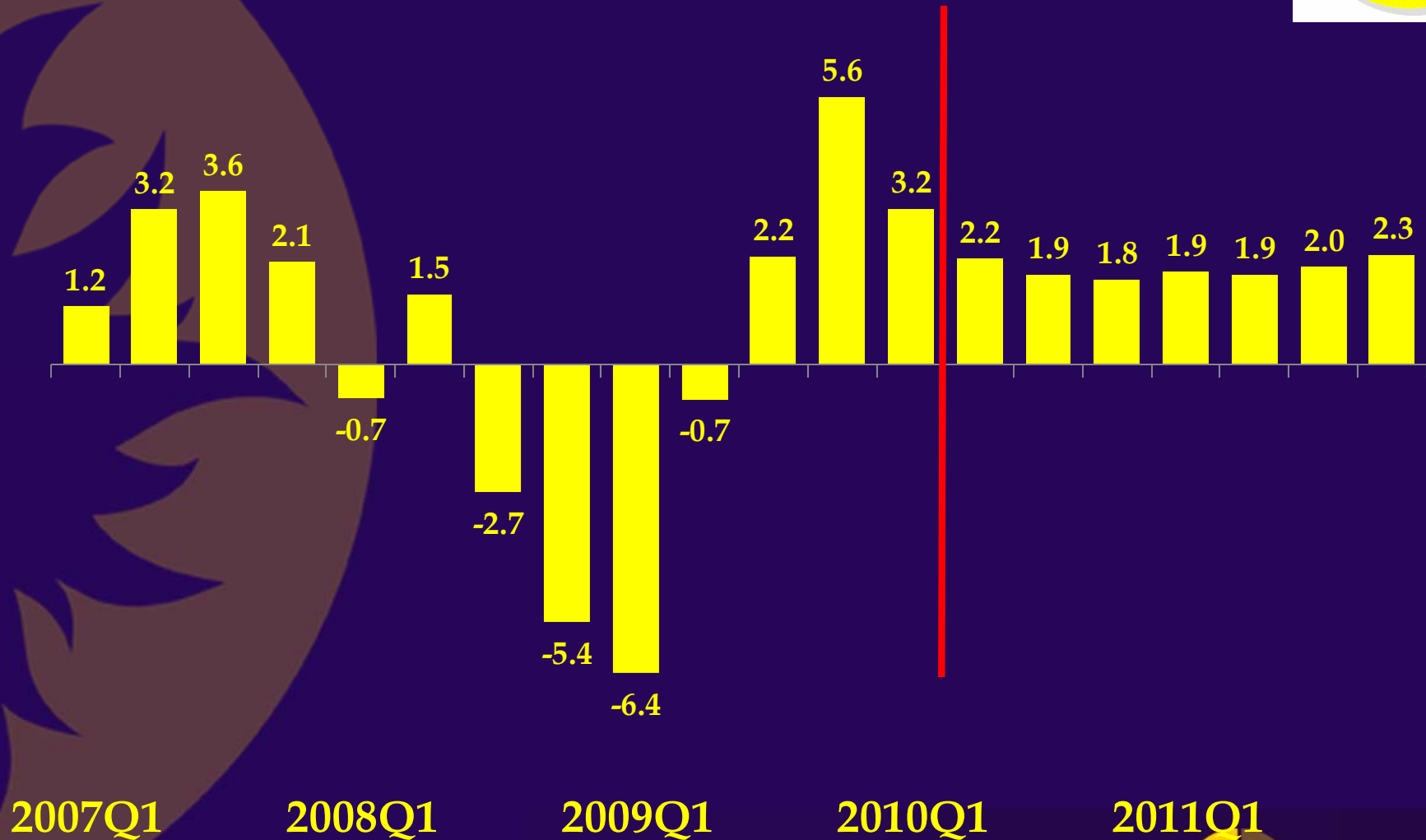
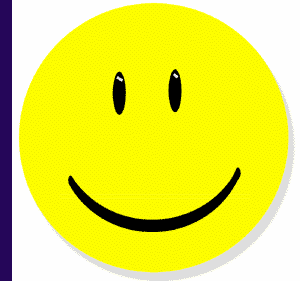
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United States



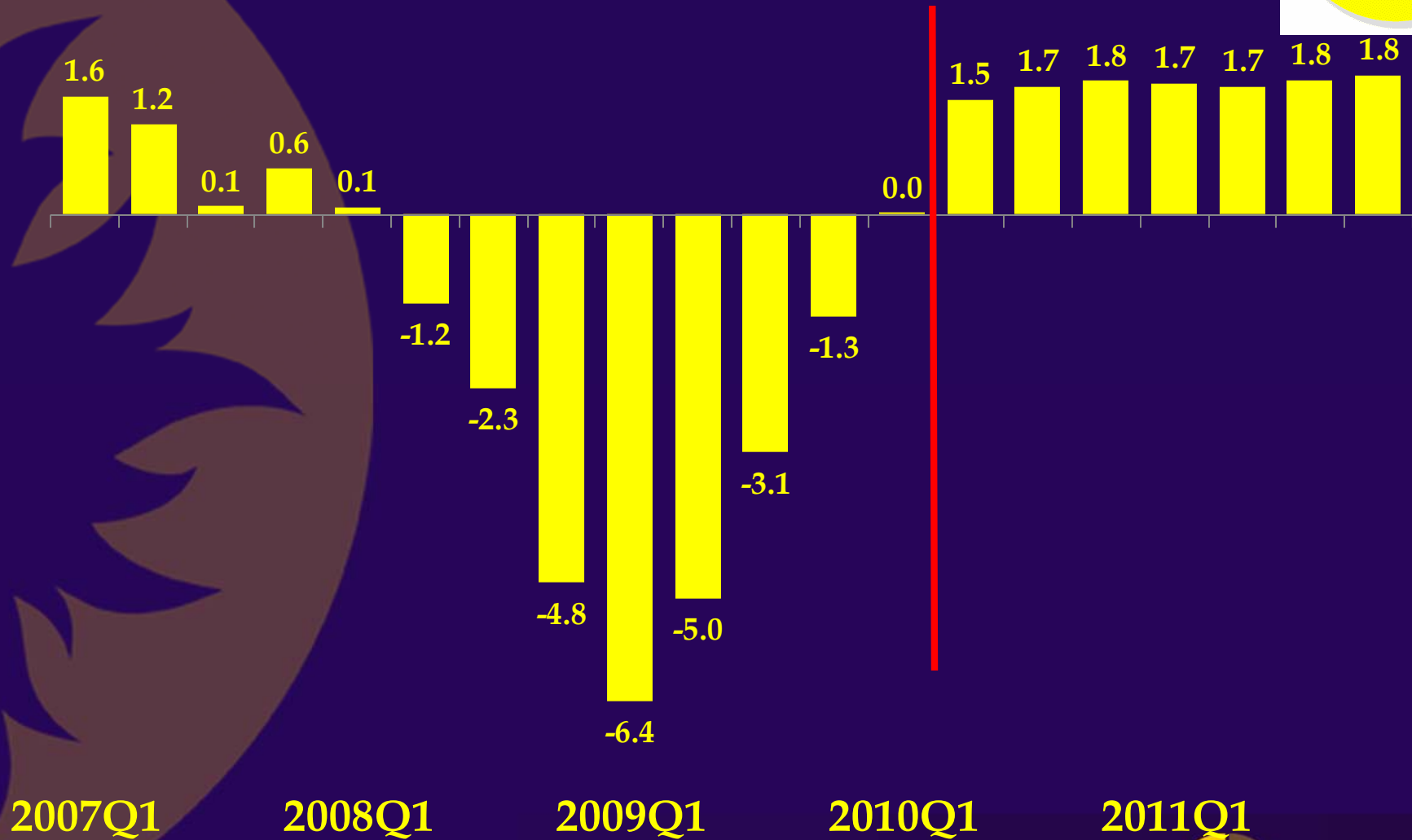
Recovery

Real Gross Domestic Product



Jobs Will Finally Start Growing

Non-Farm Jobs-SA

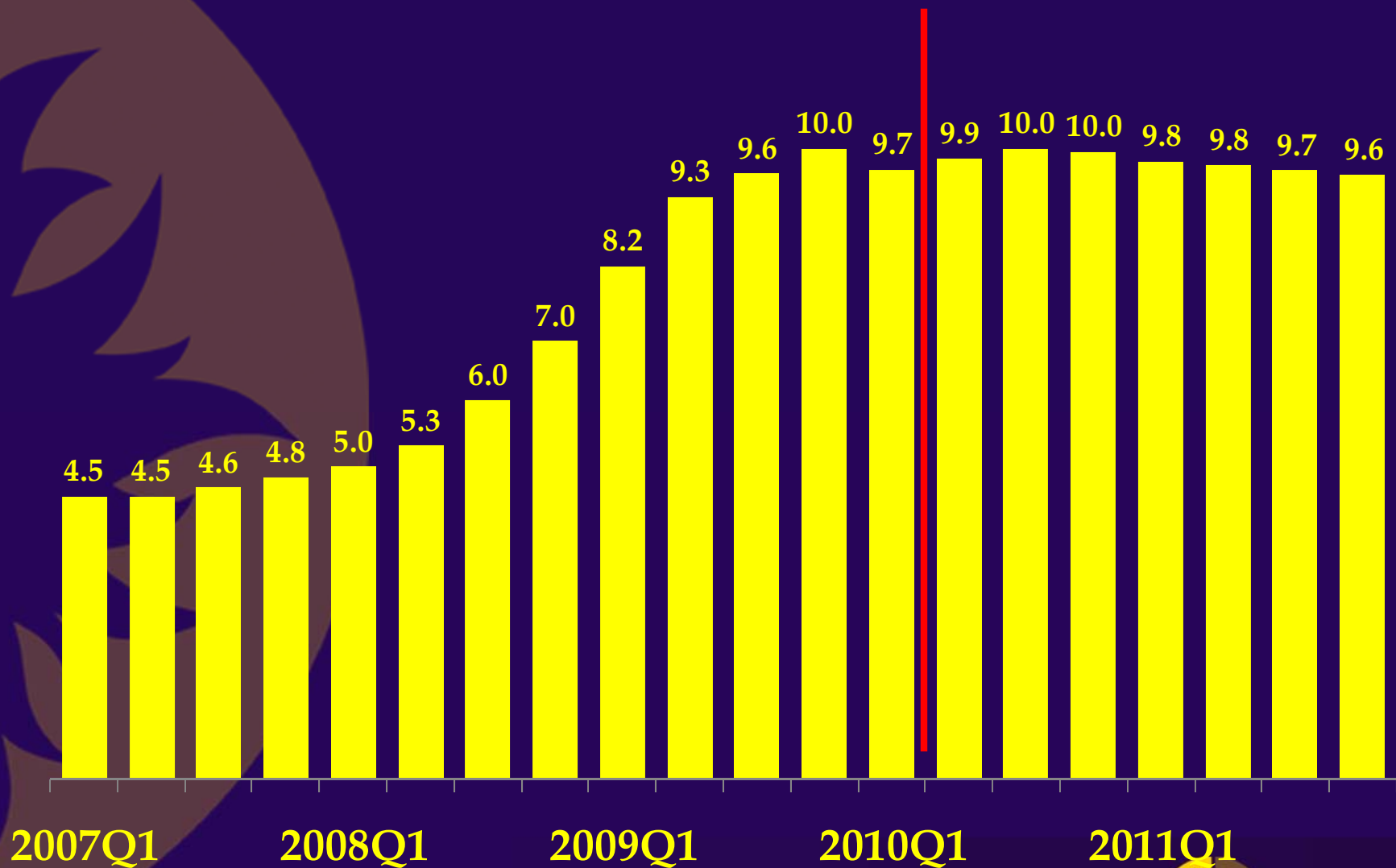


Center for Economic Research and Forecasting
 United States - (saar q-o-q percent change)
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Unemployment Will Remain High

Unemployment Rate - SA



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United States - (Percent of labor force)
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*We ran another scenario
or
the case for a **Double-Dip Recession***

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*It is not what sectors will lead the
recovery, it is **Big versus Little***

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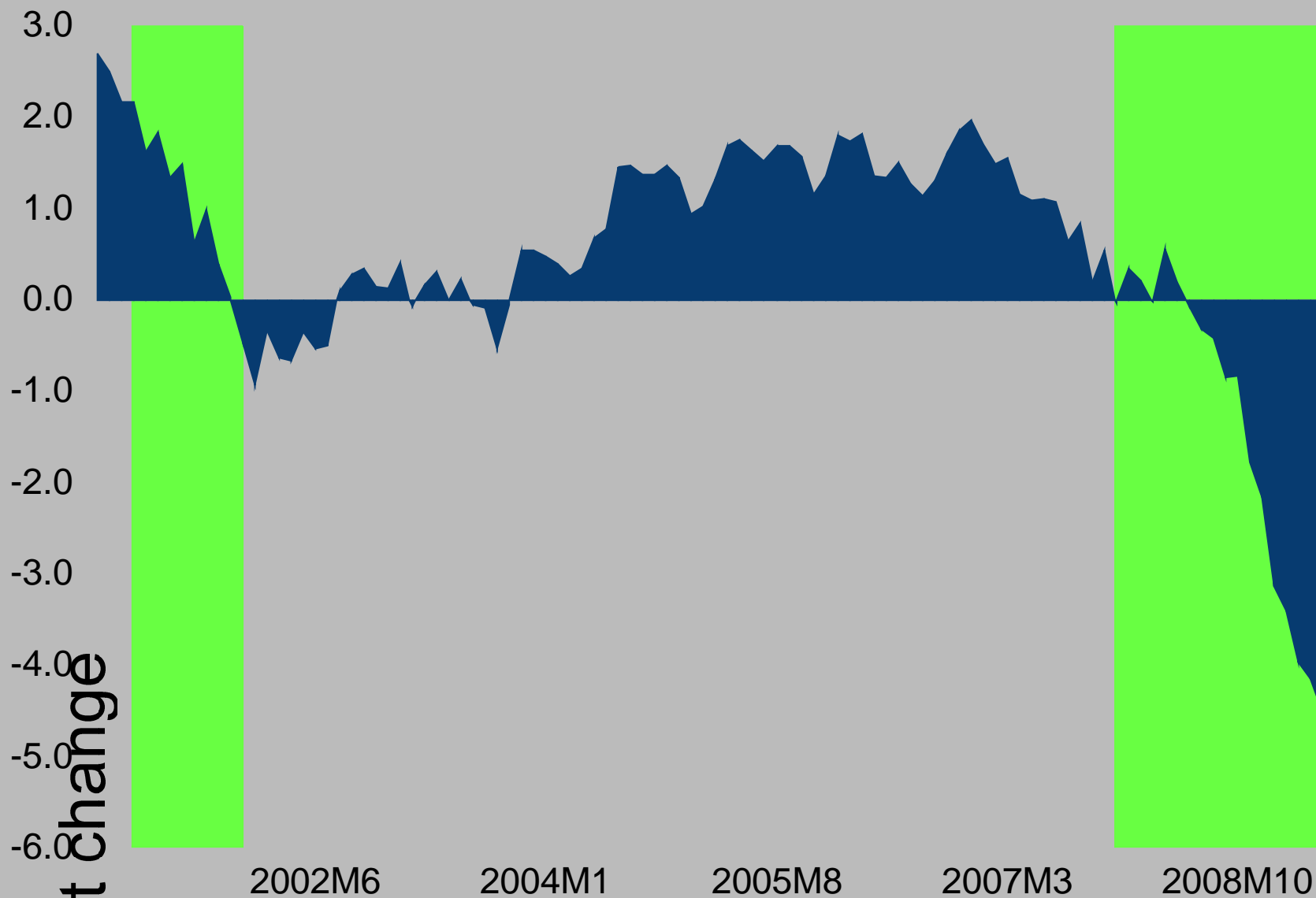
Big versus Little

- Big = Access to markets
- Little = bank borrowers
- Big = Free Government Insurance
- Little = You are on your own
- Regulations

California in Crisis



Employment, NSA, CA



Center for Economic Research and Forecasting

■ Employment, (Ths., NSA) for California

percent change

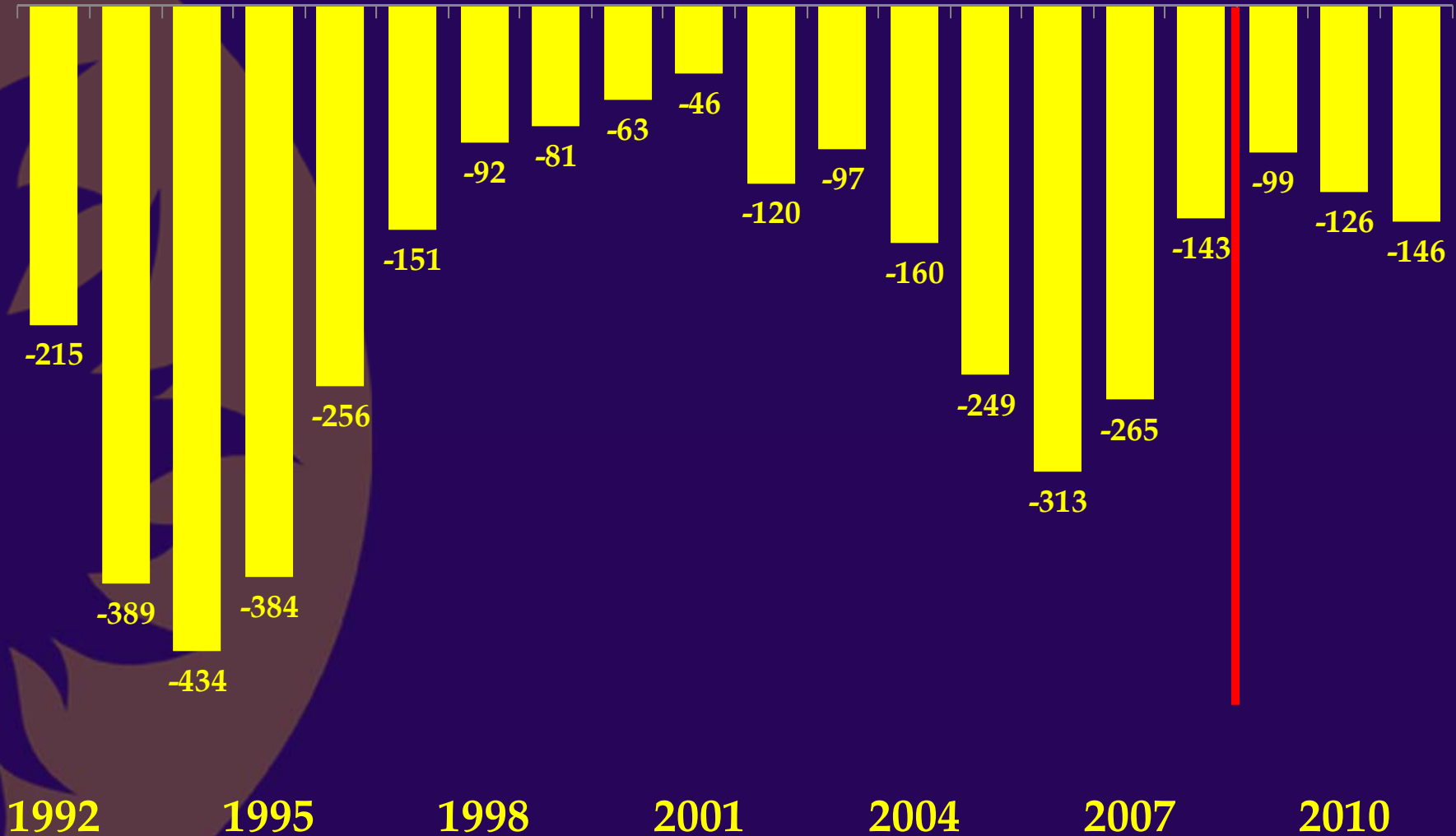
Real Retail Sales Growth



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California - (y-o-y percent change)

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Domestic Migration



Center for Economic Research and Forecasting
California - (thousands of persons)

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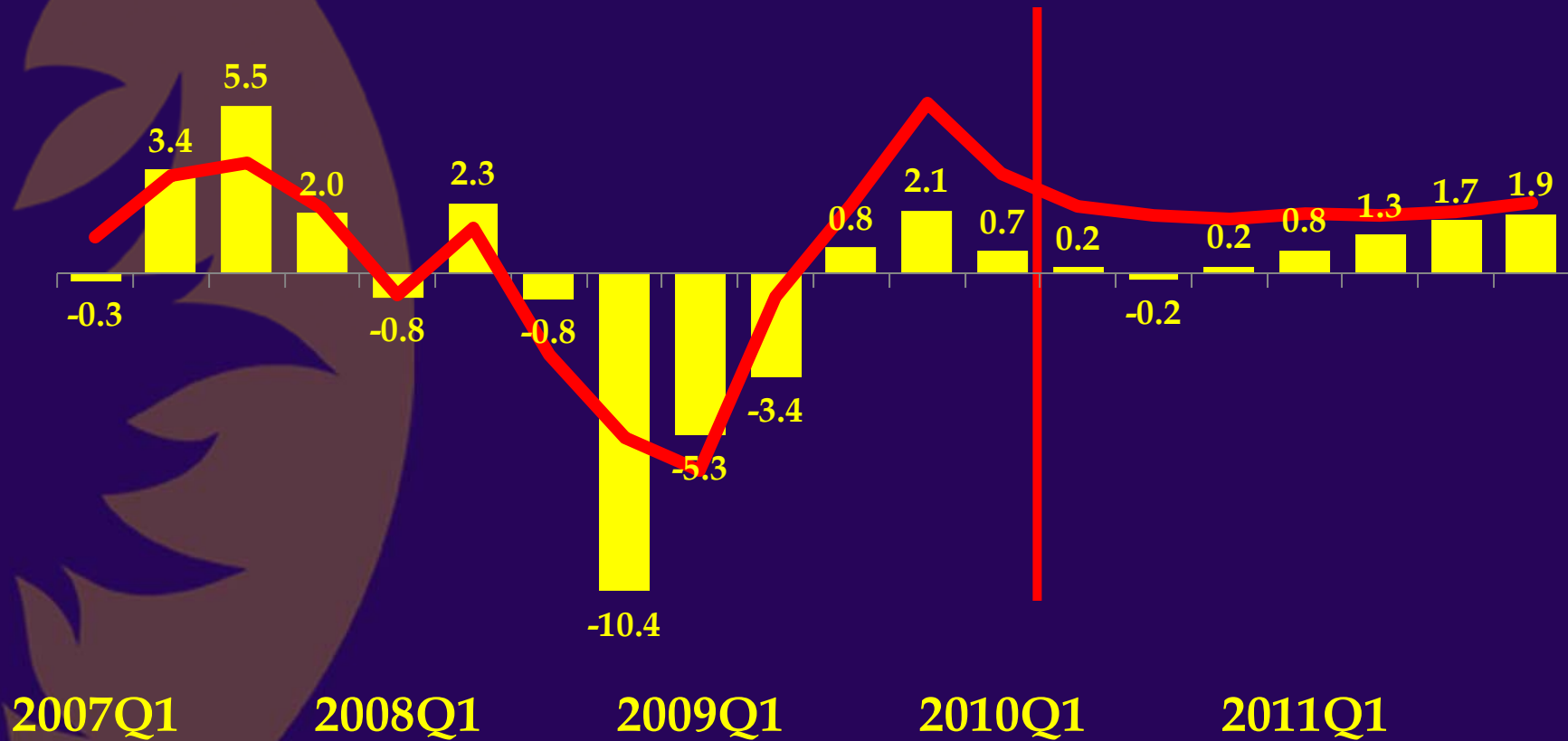
Increasing Inequality

- Education
- Domestic migration
- International migration

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Expect Very Slow Growth

Real Gross Domestic Product Growth



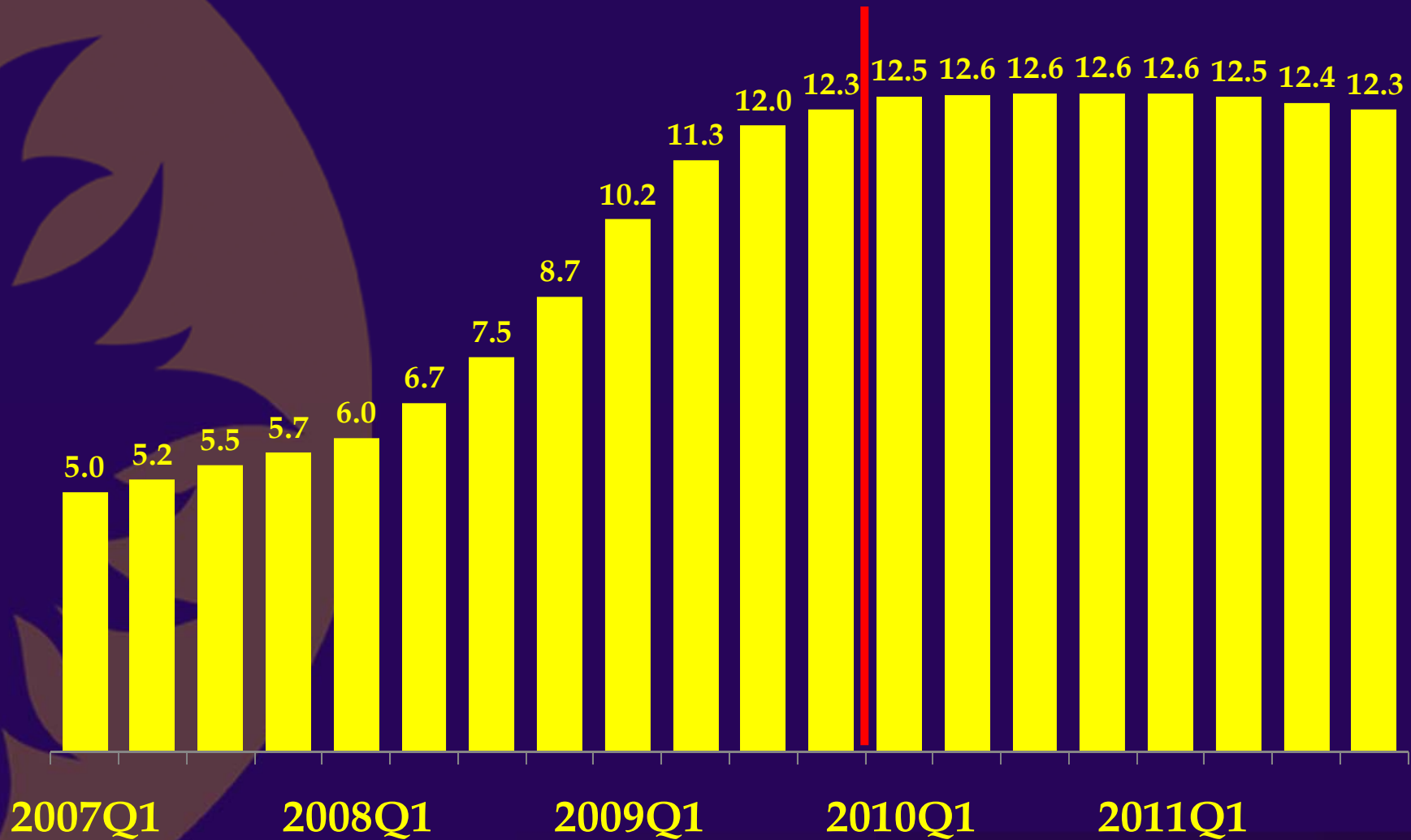
Center for Economic Research and Forecasting
California - (saar q-o-q percent change)

United States - (saar q-o-q percent change)

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Unemployment Will Remain Really High

Unemployment Rate-SA



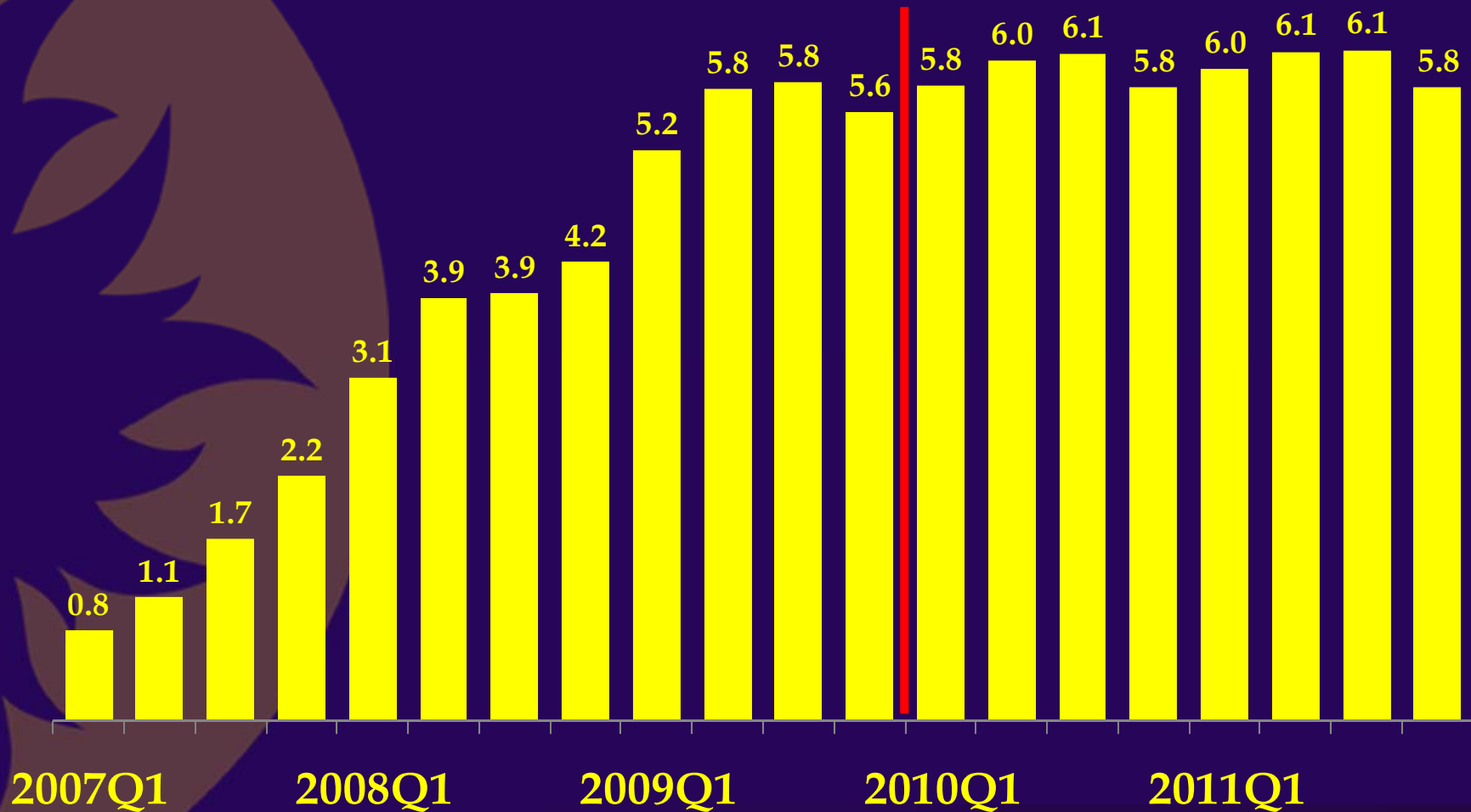
■ Center for Economic Research and Forecasting
California - (percent of labor force)

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Lots More Foreclosures

Foreclosure Rate: Percent of Loans



■ Center for Economic Research and Forecasting
California - (percent of loans)

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Ventura River



Ventura River Economic Zones

- Lower, below Foster Park
- Middle
- Upper, above confluence of Matilija Creek and North Fork



Upper Zone



Middle Zone

- Uses
- Likely future
- Threats

Middle Zone Uses

- Water Storage
- Recreational
- Agricultural
- Residential

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Middle Zone Likely Changes and Threats

- Water Storage
- Recreational
- Agricultural
- Residential

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Lower Zone

- Uses
- Likely future
- Threats



Lower Zone Uses

- Industrial
 - Oil
 - Waste Treatment
- Residential

Lower Zone Changes and Threats

- Industrial
- Residential

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*The Rest of the Story:
Forecast Risk*

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Thank you!

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