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Leading Economic Indicators Up Sharply in March

Note: The tentative release date for next month's report is May 26.

April 28, 2011 -- The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County rose 1.0 percent in March. The gain was led by big increases in building permits, initial claims for unemployment insurance, and help wanted advertising. Local consumer confidence and the outlook for the national economy were also up solidly. The only negative was a small drop in local stock prices. With March's gain, the USD Index has now risen or been unchanged for two full years.

	<p>Index of Leading Economic Indicators The index for San Diego County that includes the components listed below (March) Source: USD Burnham-Moores Center for Real Estate</p>	+ 1.0 %
	<p>Building Permits Residential units authorized by building permits in San Diego County (March) Source: Construction Industry Research Board</p>	+ 1.70%
	<p>Unemployment Insurance Initial claims for unemployment insurance in San Diego County, inverted (March) Source: Employment Development Department</p>	+ 1.89%
	<p>Stock Prices San Diego Stock Exchange Index (March) Source: <i>San Diego Daily Transcript</i></p>	- 0.36%
	<p>Consumer Confidence An index of consumer confidence in San Diego County, estimated (March) Source: The Conference Board</p>	+ 0.92%
	<p>Help Wanted Advertising An index of online help wanted advertising in San Diego (March) Source: Monster Worldwide</p>	+ 1.27%
	<p>National Economy Index of Leading Economic Indicators (March)</p>	+ 0.86%



Source: The Conference Board

The outlook for the local economy continues to be positive. One area where things are picking up is the labor market, with 24,700 jobs added in San Diego County between March 2010 and March 2011. Sectors showing good job growth include administrative, support, and waste services (up 6,500 year-over-year), professional, scientific, and technical services (up 5,900), leisure and hospitality (up 4,800), and health care (up 3,800). Construction (down 1,000 jobs year-over-year) and manufacturing (down 700) are the sectors that continue to lag. While the gain is welcome, the local economy still has a long way to go to fully recover. At the March rate of job growth, it will take another four years to get back to the same level of employment as the peak in December 2007. The local unemployment rate remains high, having topped the double digit mark now for 22 consecutive months.

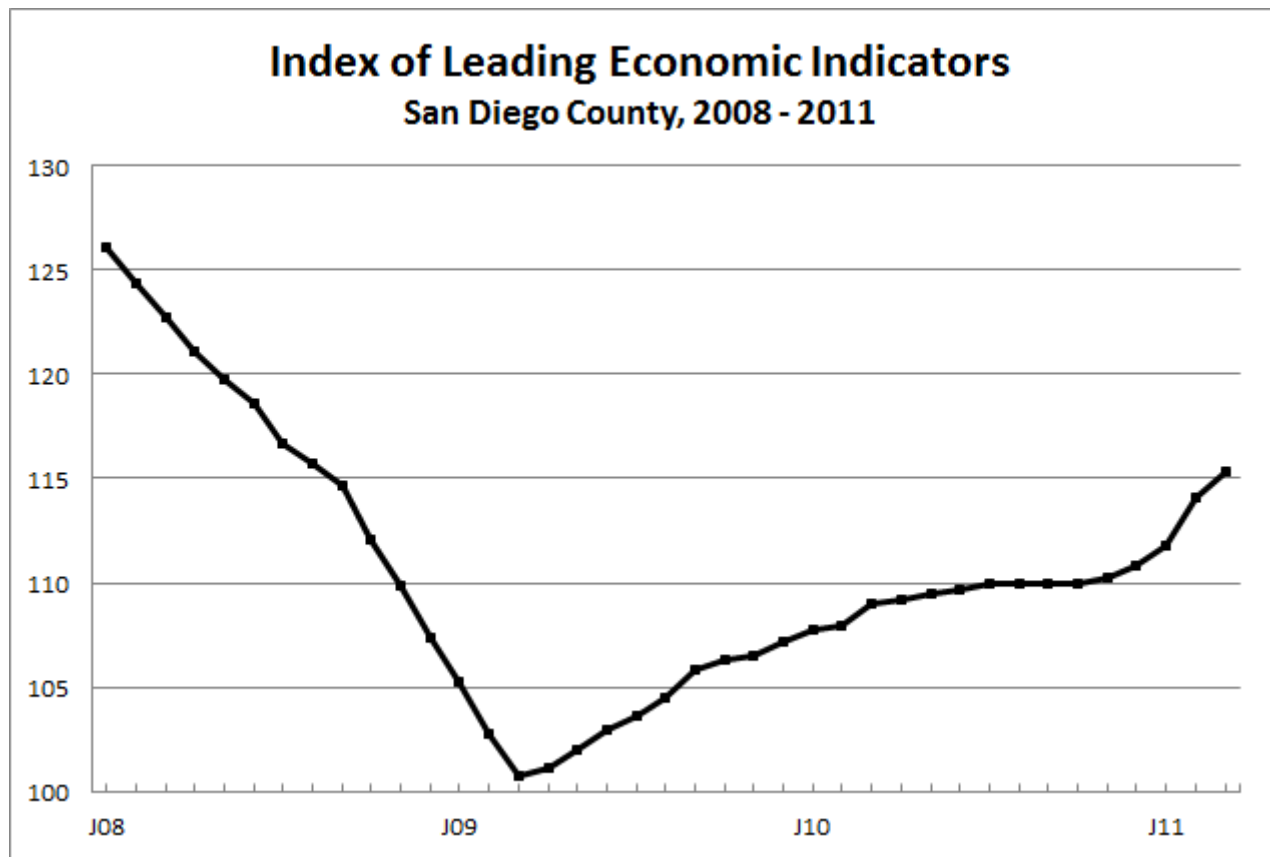
Highlights: **Residential units authorized by building permits** finished the first quarter of 2011 up almost 72 percent compared to the same period in 2010. The gain was due exclusively to a surge in multi-family units authorized, which nearly quadrupled (up 293 percent) compared to the first quarter of 2010. Single-family permits actually fell by 12 percent during the period. . . Both sides of the labor market were strong. **Initial claims for unemployment insurance** fell for the third month in a row, which is a positive for the USD Index and a sign that layoffs are easing in the local economy. On the hiring side of the market, **help wanted advertising** has also increased for three straight months. Despite both labor market components being positive, the local unemployment rate rose to 10.2 percent in March, up from 10.1 percent in February. . . **Local consumer confidence** increased for the 11th month in a row in March. So far, consumer confidence has not been affected by the big run-up in gasoline prices, which has had a negative impact on confidence in the past. . . **Local stock prices** fell for the first time in eight months. This matched the behavior of most of the other market indexes, as all but the Dow Jones Industrial Average were down slightly in March. . . The outlook for the national economy continues to be positive as the **national Index of Leading Economic Indicators** was up for the ninth consecutive month. But the advance estimate of GDP growth for the first quarter of 2011 showed the national economy growing at only a 1.8 percent annualized rate as bad weather and disruptions from the earthquake and tsunami in Japan negatively affected the economy. This is down from the GDP growth rate of 3.1 percent in the fourth quarter of 2010.

March's increase puts the USD Index of Leading Economic Indicators for San Diego County at 115.3, up from February's revised reading of 114.1. Revised data for building permits and the national Index of Leading Economic Indicators caused the previously reported record increase of 1.9 percent to be revised upward to an increase of 2.0 percent. Please visit the Website address given below to see the revised changes for the individual components. The values for the USD Index for the last year are given below:

		<u>Index</u>	<u>% Change</u>
2010	MAR	109.0	+1.0%
	APR	109.2	+0.1%
	MAY	109.5	+0.3%

	JUN	109.7	+0.2%
	JUL	110.0	+0.3%
	AUG	110.0	+0.0%
	SEP	110.0	+0.0%
	OCT	110.0	+0.0%
	NOV	110.2	+0.3%
	DEC	110.8	+0.5%
2011	JAN	111.8	+1.0%
	FEB	114.1	+2.0%
	MAR	115.3	+1.0%

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For more information on the University of San Diego's Index of Leading Economic Indicators, please contact:

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