

Economic Indicators

March 2004

Office of Economic Development

Seeking Economic Recovery

Update

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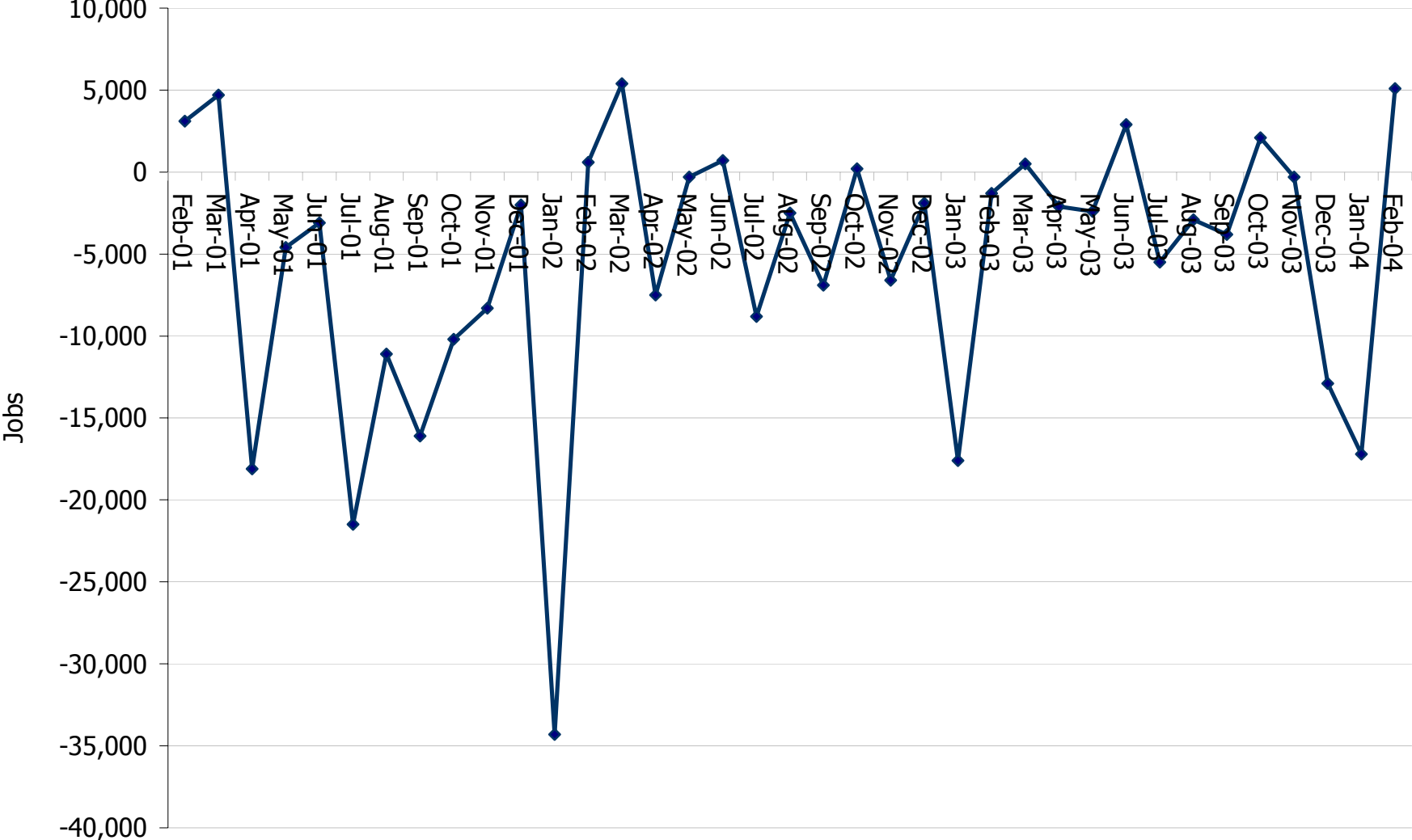
- 5,100 jobs added countywide in February--largest February spike since 1997.
- Applications for new business licenses up 20% over the past year.
- Real estate absorption turned positive.

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- 12 percentage point drop in hotel occupancy rates from prior year.
- Number of conference attendees dropped by half since 2000.
- Commercial building permits at 5-year low.

Signs of Improvement....

Area Added 5,100 Jobs in February

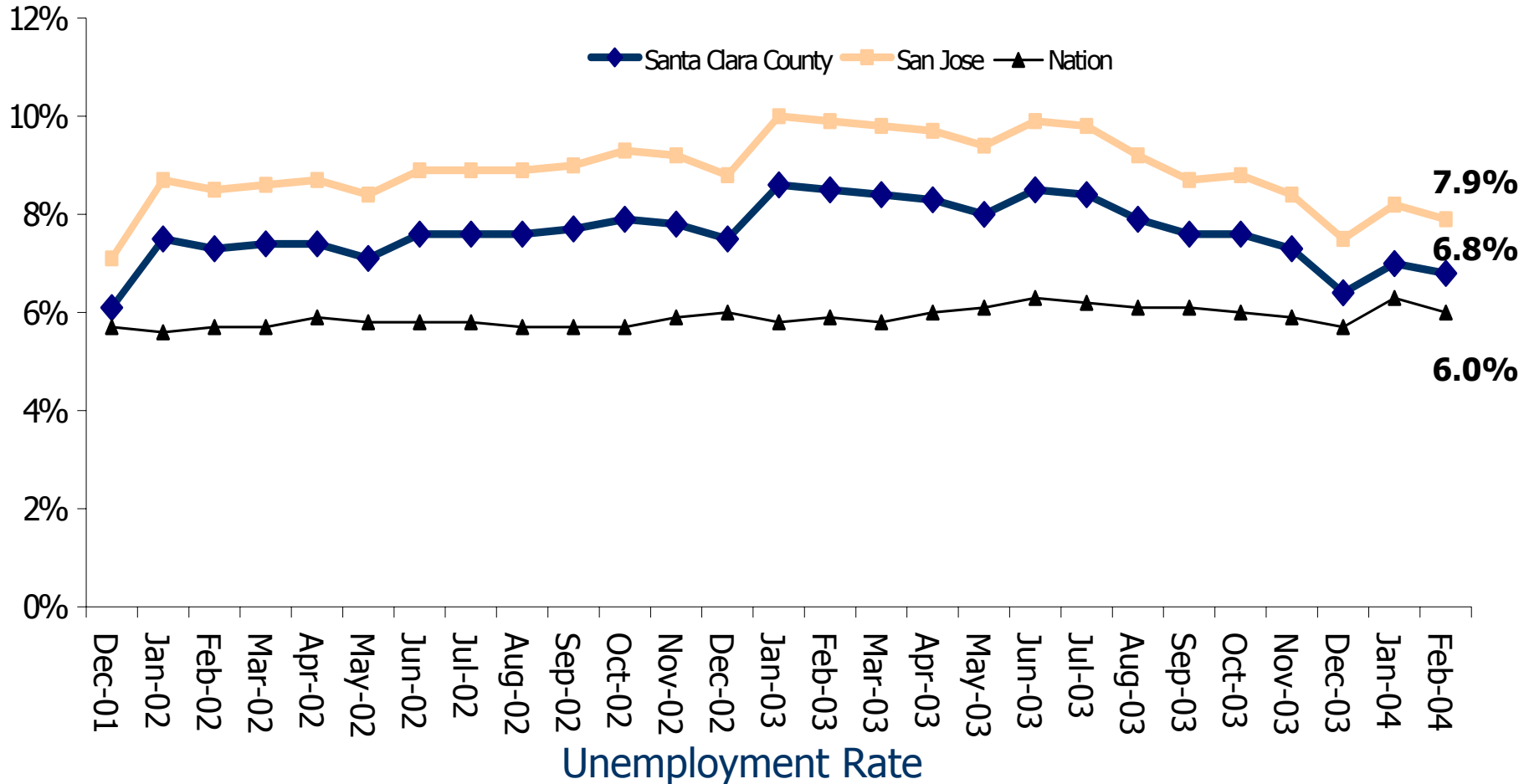


Jobs Lost/Gained Month to Month, Santa Clara County

5,100 jobs Gained in February

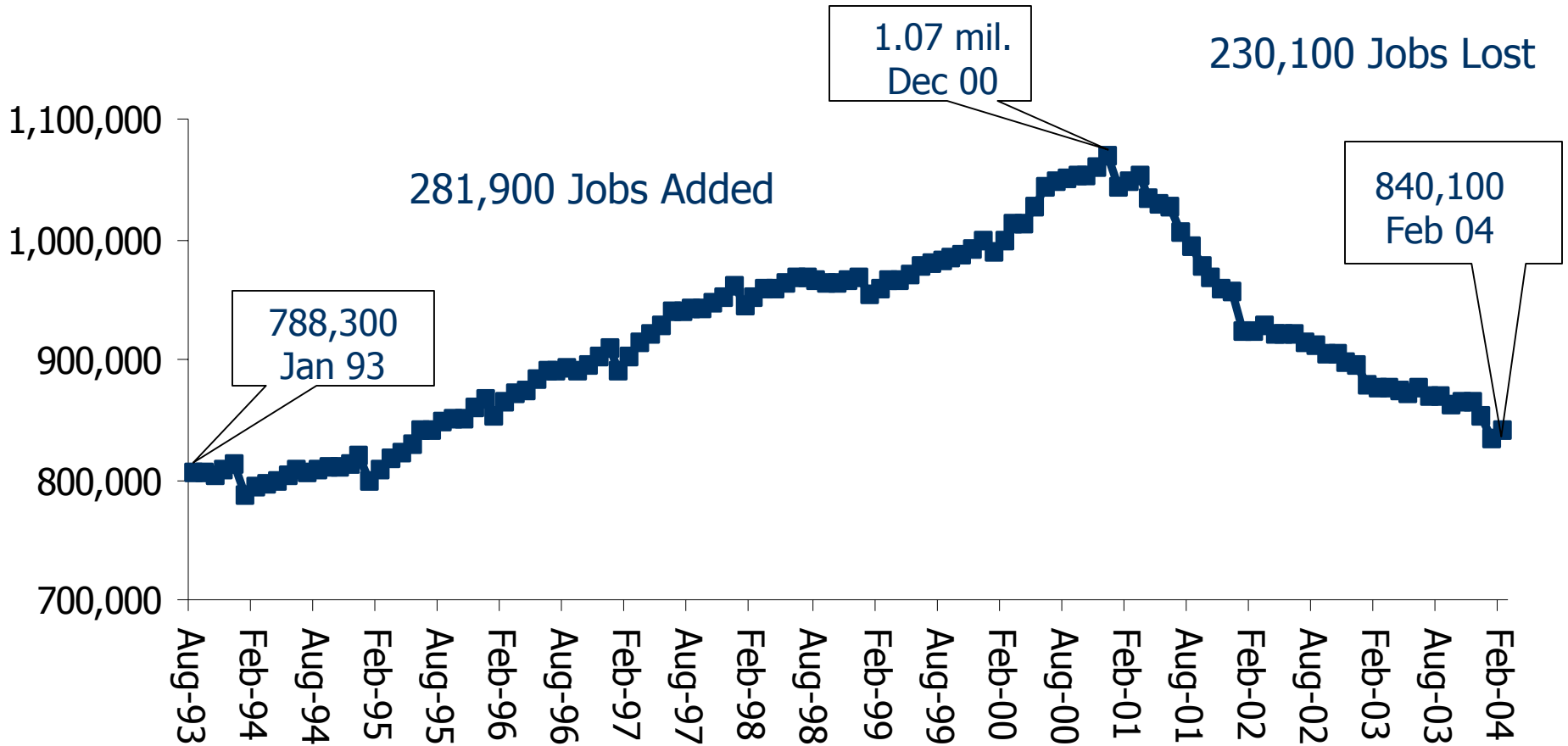
Source: Employment Development Department

Unemployment Rate Falls



59,400 county residents, including 35,570 San Jose residents, are "officially" unemployed

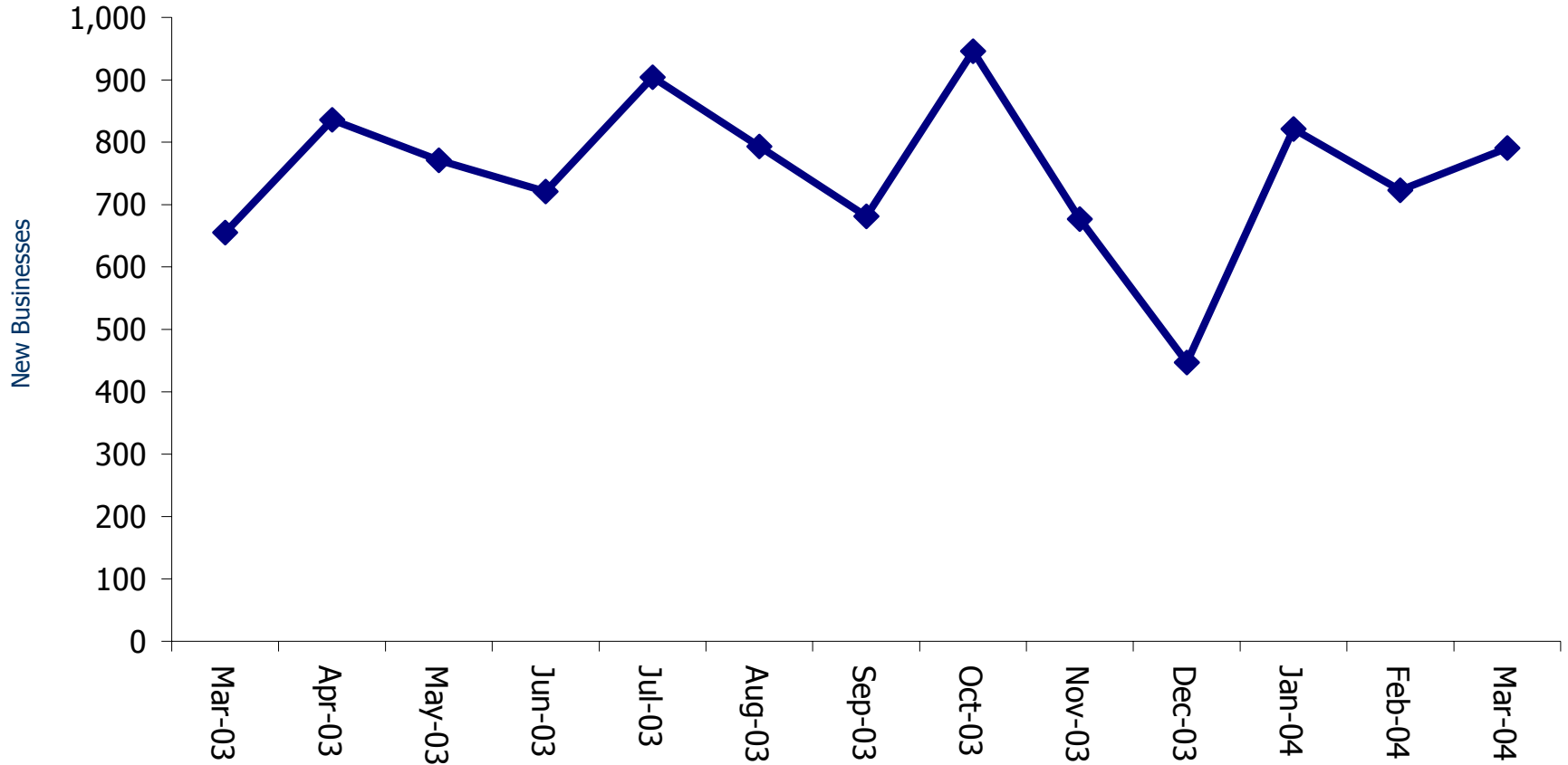
County Has Lost 230,100 Jobs Since 2000



Jobs, Santa Clara County 1993-2003

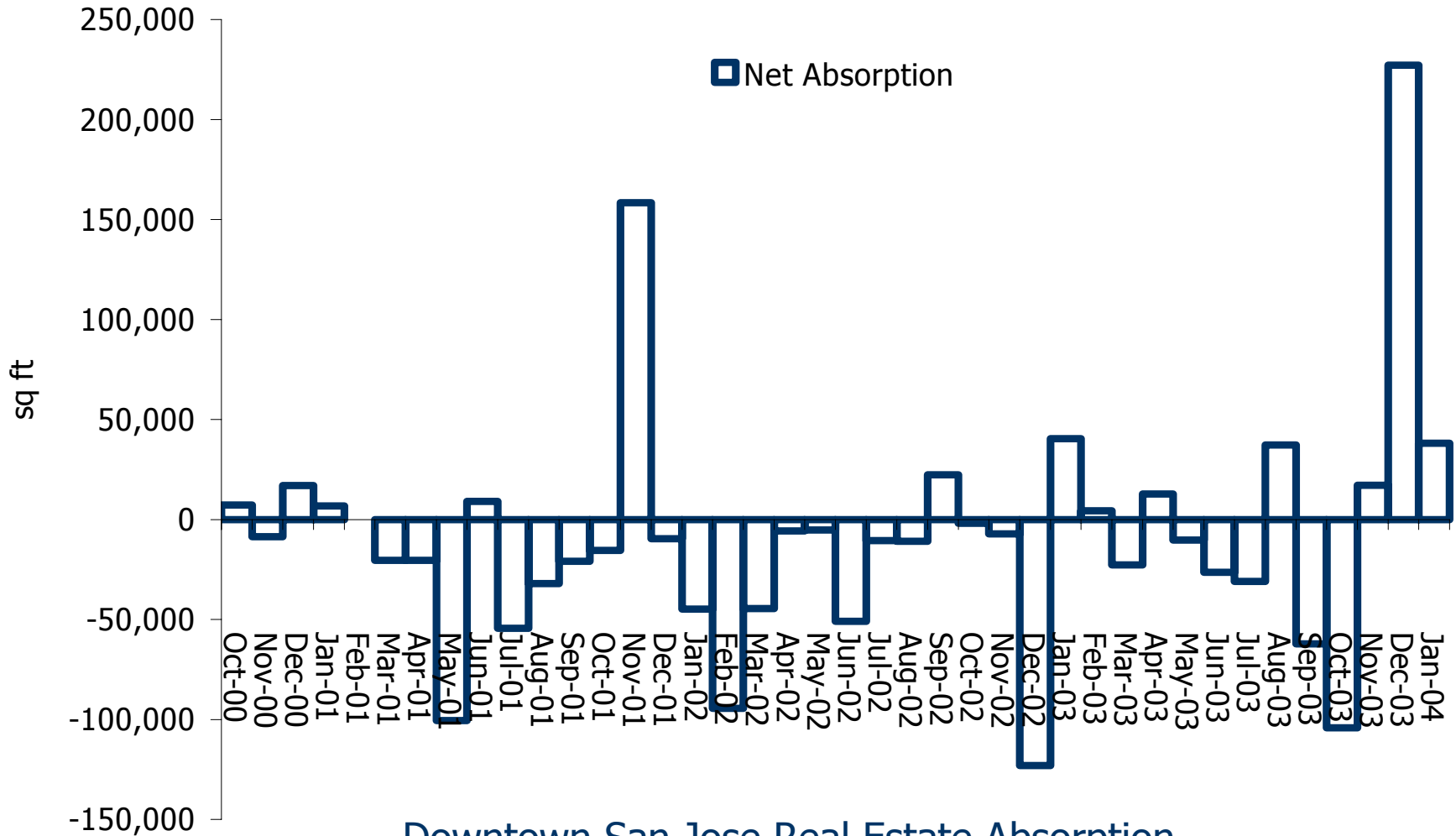
Lost 22% of jobs from the peak

Application for New Business Licenses Up 20% Over the Past Year



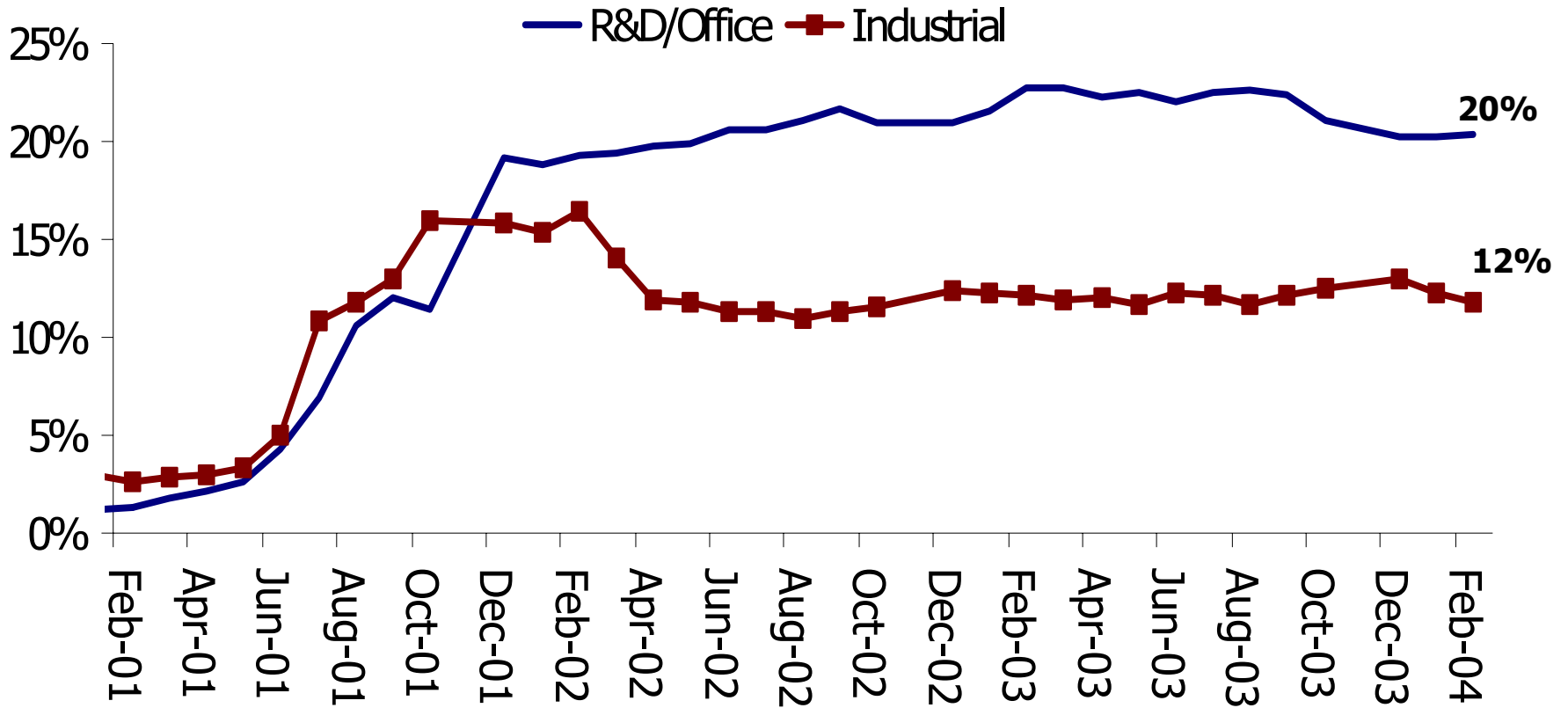
New Business Licenses Issued, San Jose

3 Consecutive Months of Positive Absorption, 1st Time Since 1999



Downtown San Jose Real Estate Absorption

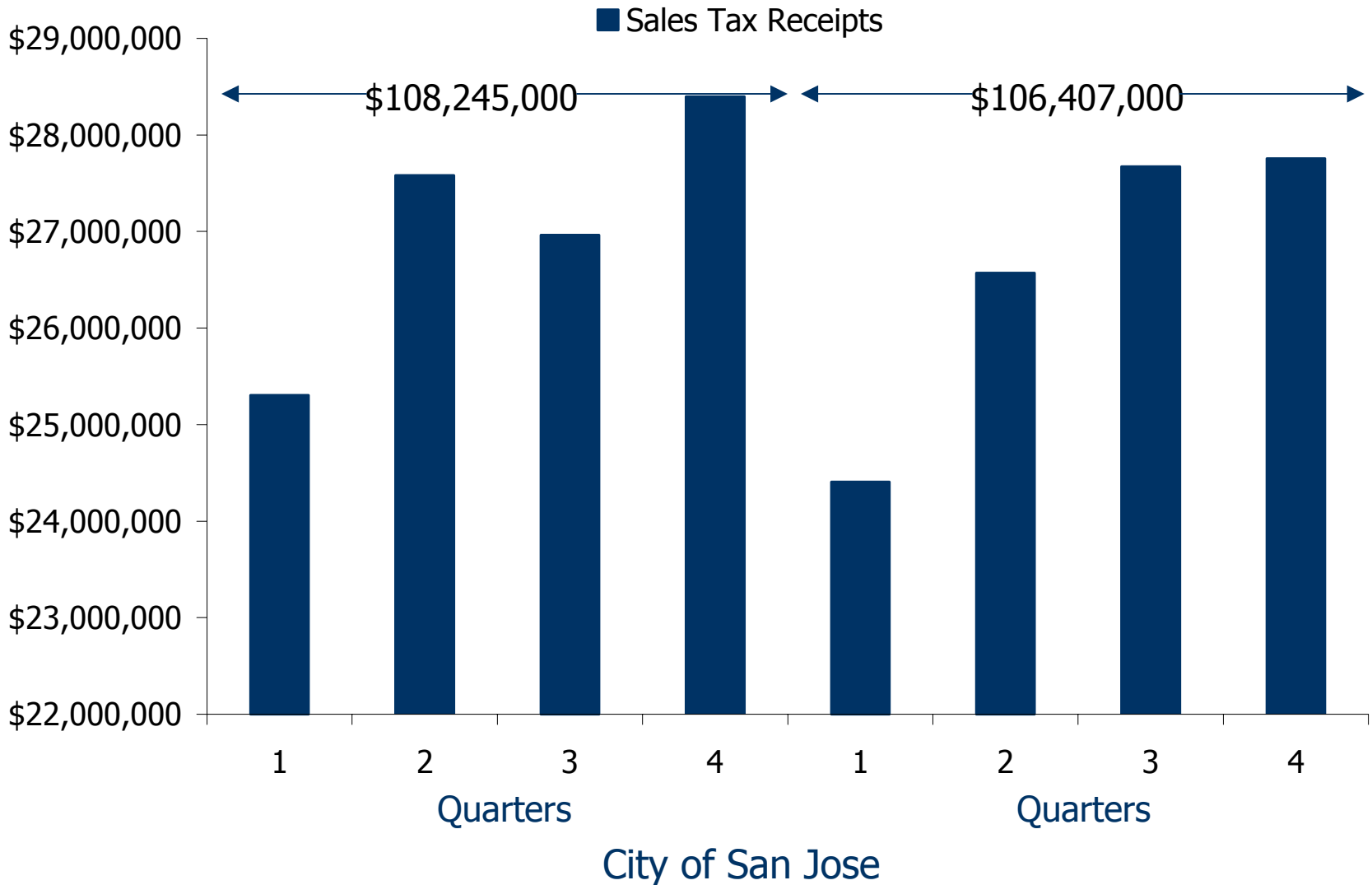
Industrial Vacancies Decline Slightly



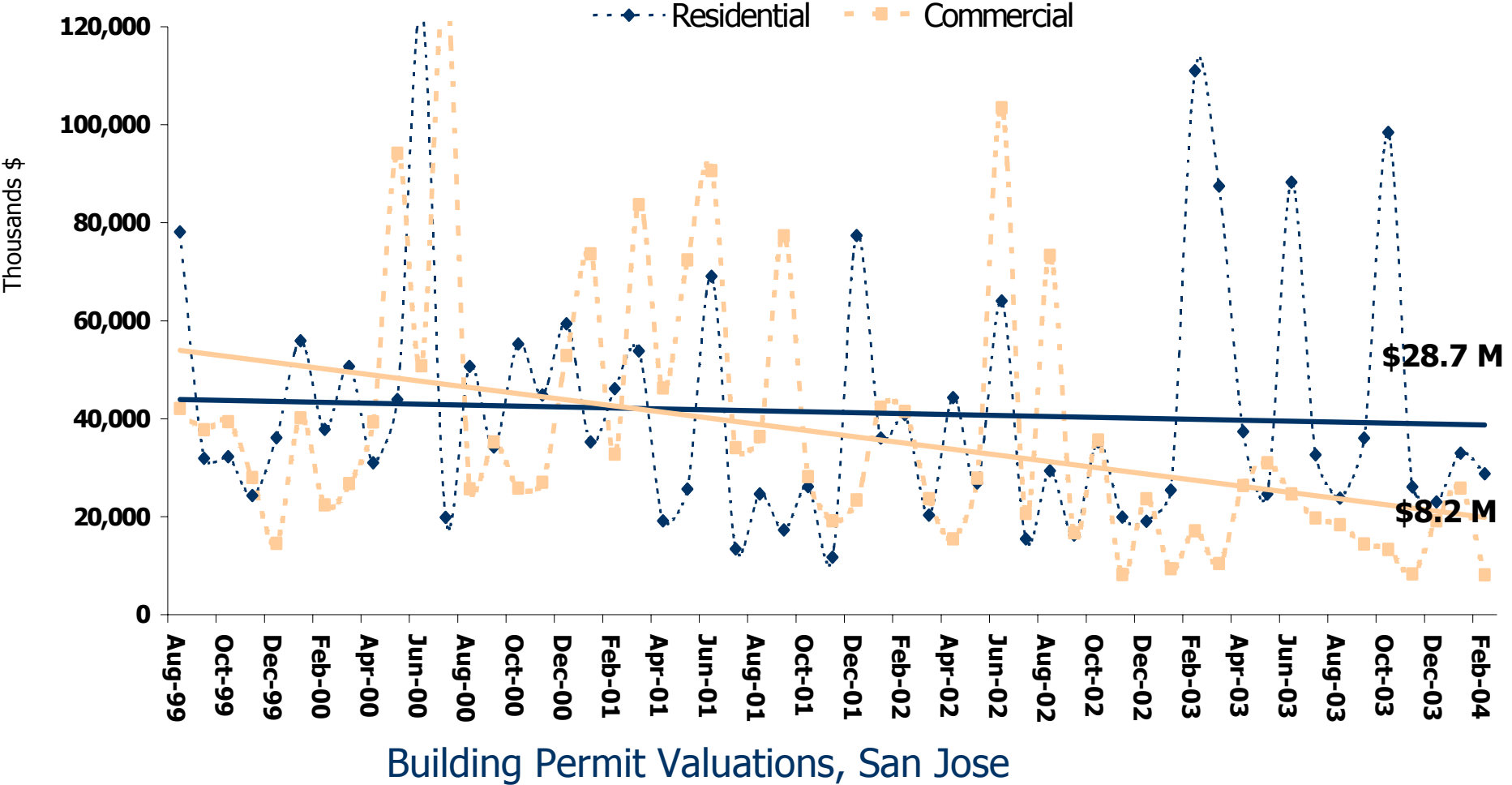
Average Vacancy Rates, San Jose

Still Waiting for Improvement...

Sales Tax Remains Flat from 2002 to 2003

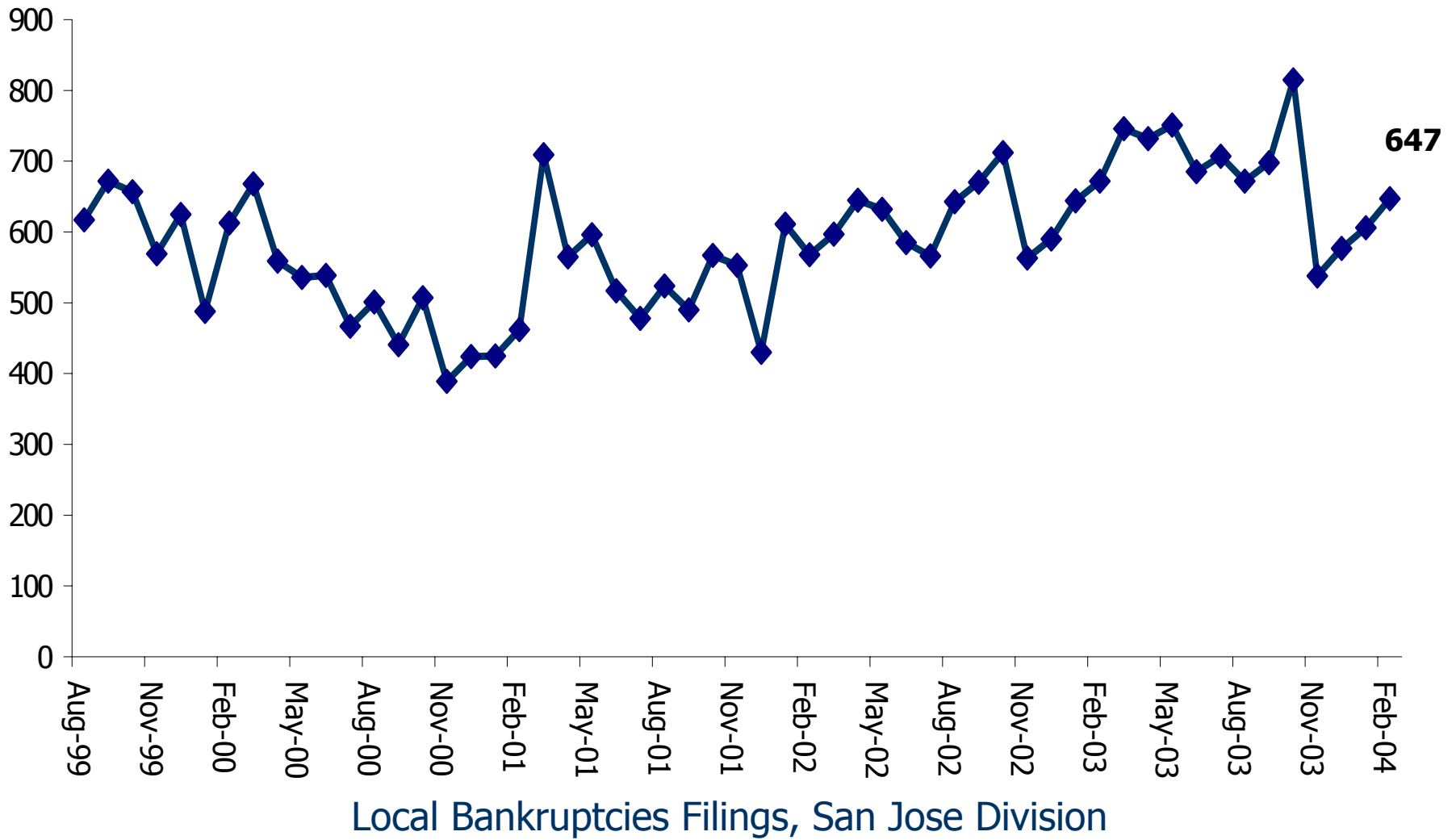


Commercial Building Permit Valuations Reach 5-Year Low



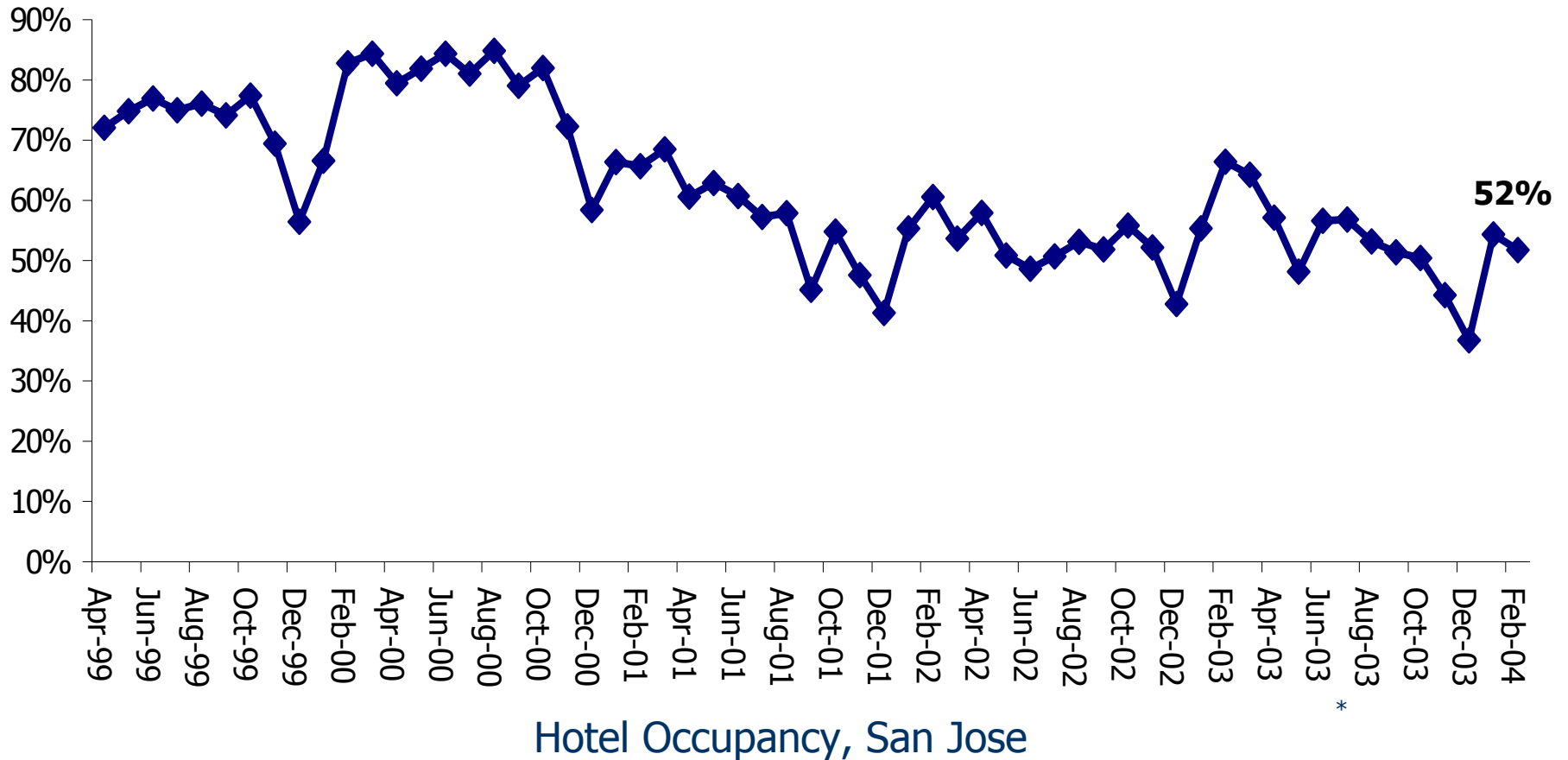
Source: San Jose Planning Department

Bankruptcy Filings Trend Up Again



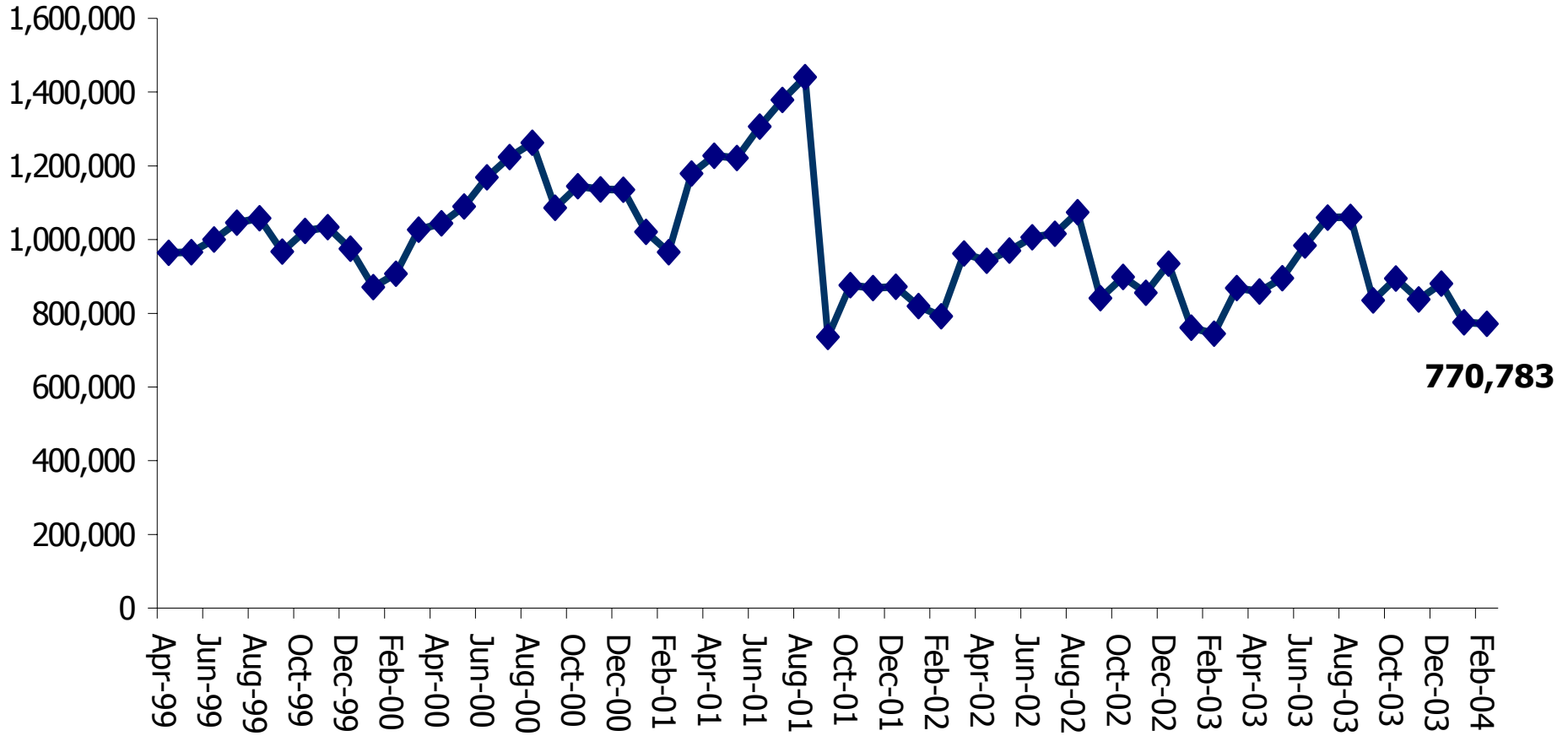
Source: U.S. Bankruptcy Court

Despite 5 Group Bookings at SJCC, Hotel Occupancy Still Stagnant



Source: San Jose Convention & Visitors Bureau
 *New Marriott Hotel added July 2003

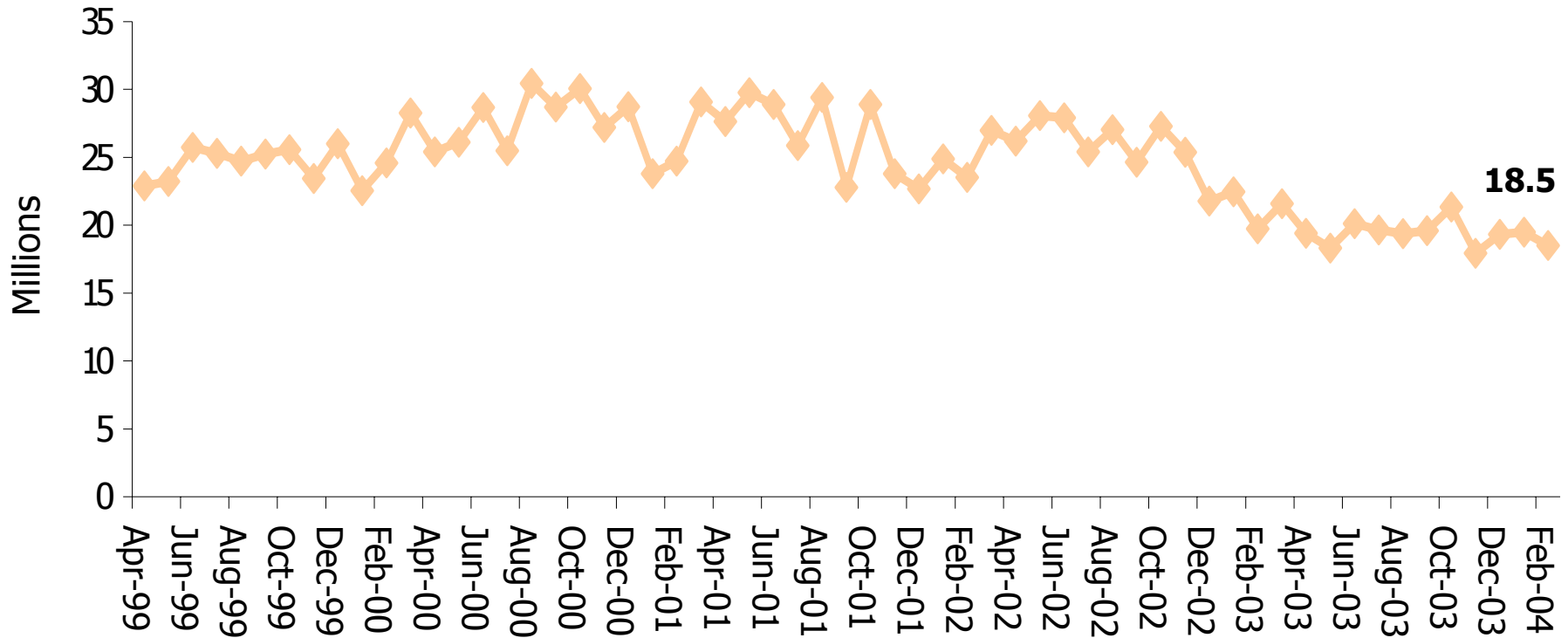
Airport Passenger Traffic Down Again



Passengers, Mineta San Jose International Airport

Source: Mineta San Jose International Airport

Airport Cargo Traffic Holds Steady in February



Cargo Volume, Mineta San Jose International Airport

Keeping Perspective...

Role of International Outsourcing in “Jobless” Recovery

- **Researchers estimate outsourcing has “cost” the U.S. about 300,000 jobs in 3 years.**
- **By contrast, one percentage point of annual productivity growth eliminates about 1.3 million jobs.**
- **Productivity has grown 5% annually during the recession.**