

The Economy and City Revenues: A Foundational Perspective

2009 Municipal Finance Institute
December 2, 2009



Revenue and Economic State

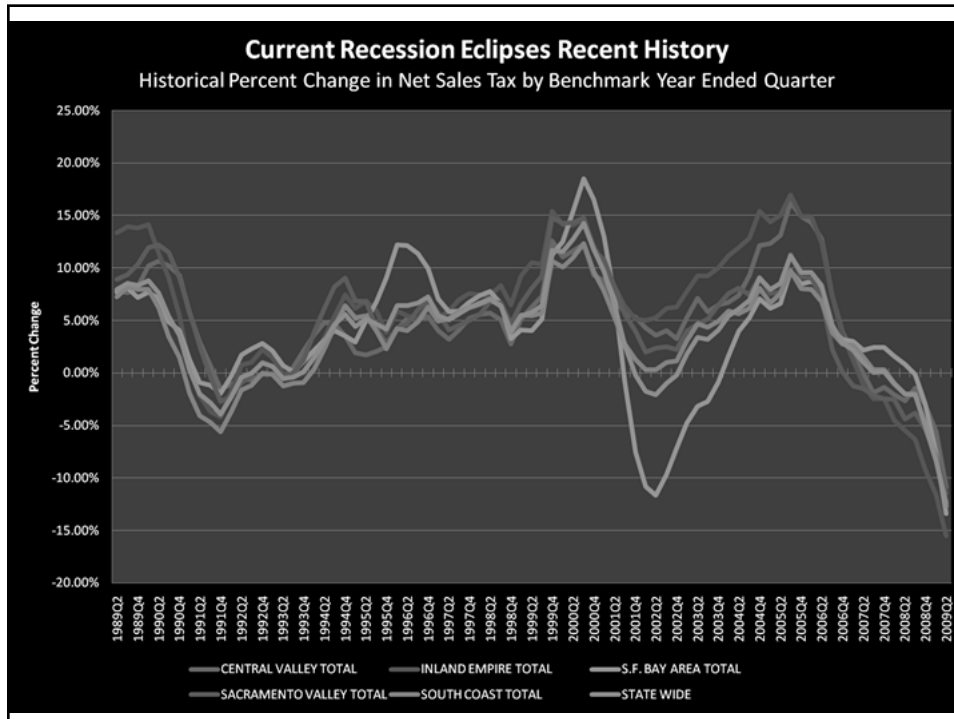
- Multiple Impacts on City Revenues
- Local Consequences?

General Overview

- Current Recession
- Unemployment and Employment Growth Rate
- Business not Fleeing our State
- Business Climate
- Future Growth Areas
- Next Big Growth Industries

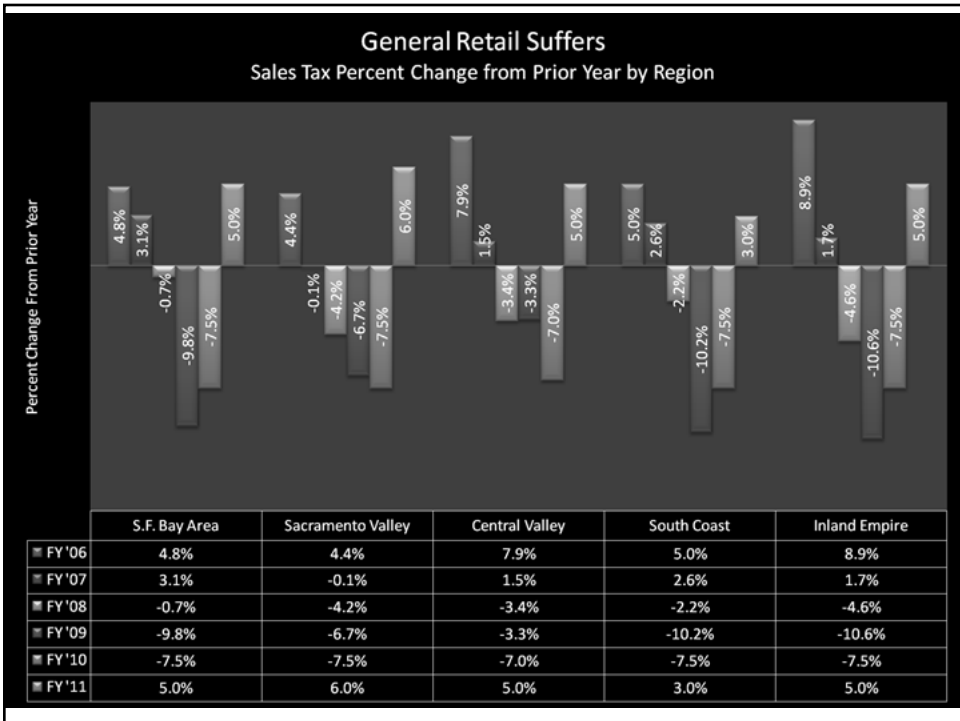
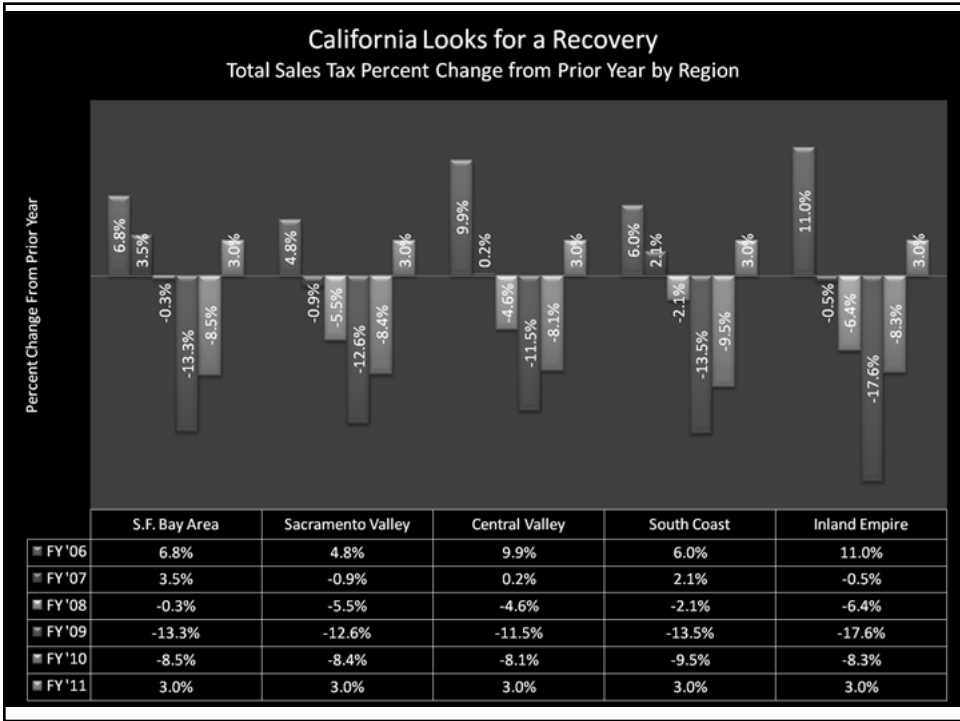
Economic Performance

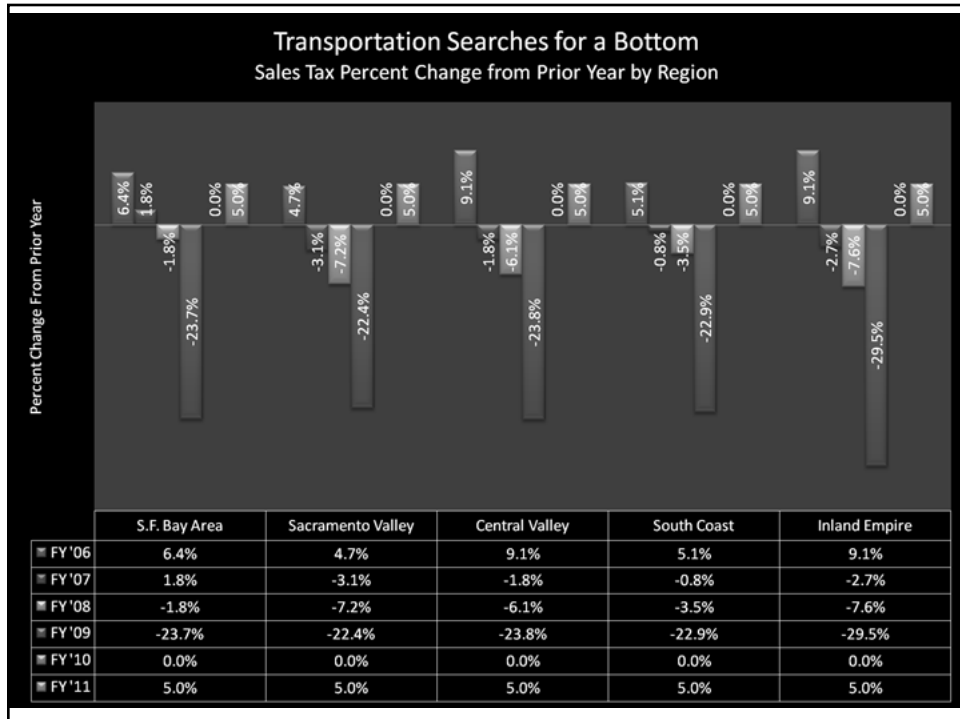
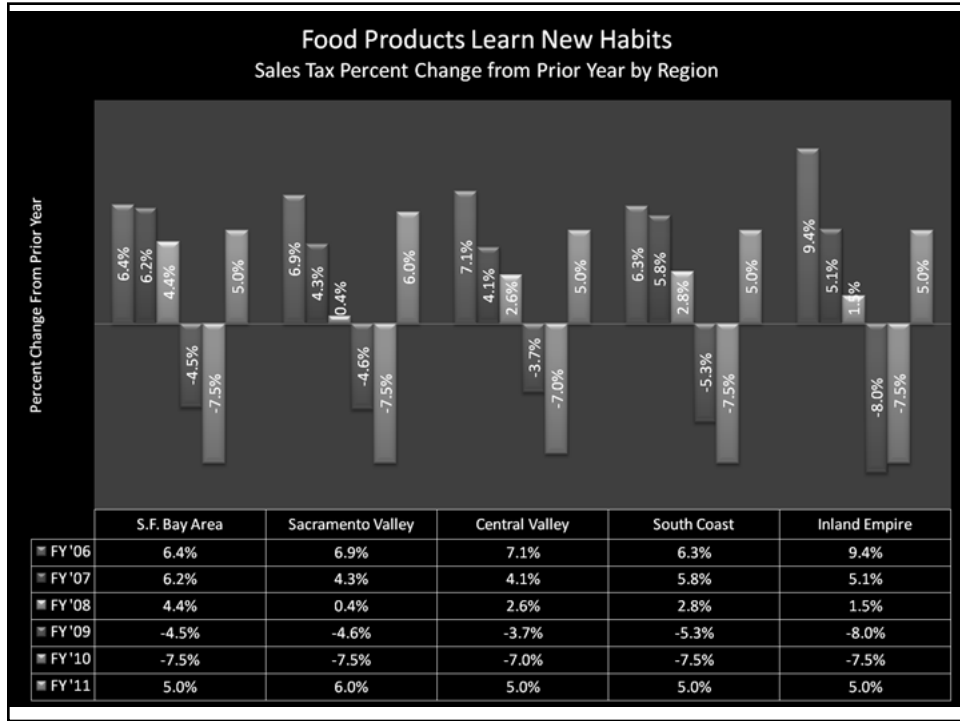
- GDP
 - Disposable Income
 - Manufacturing
 - Unemployment
 - Consumer Spending and Habits
 - California Outlook



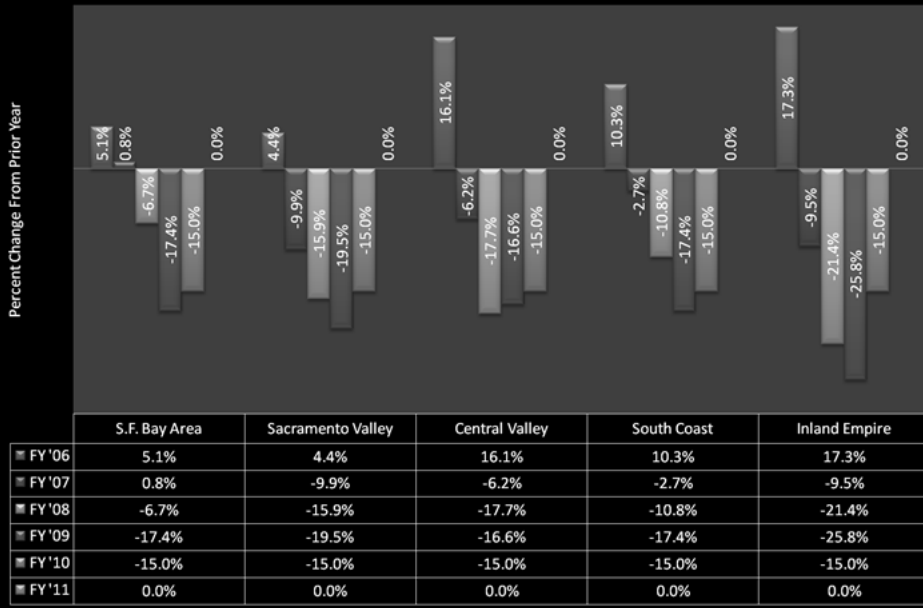
Trends

- General Retail
- Auto Sales
- Restaurants
- Business to Business
- Construction
- Tourism and Related Spending

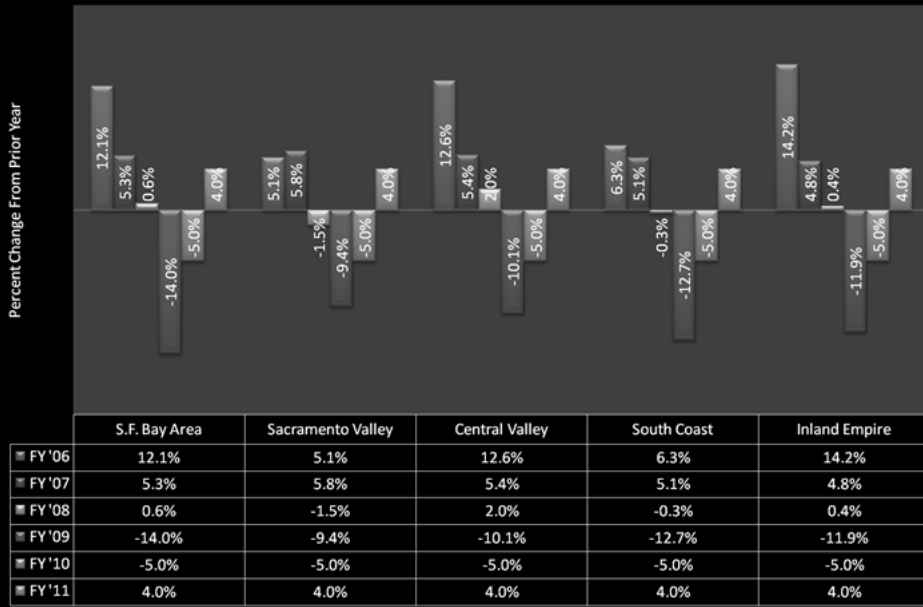


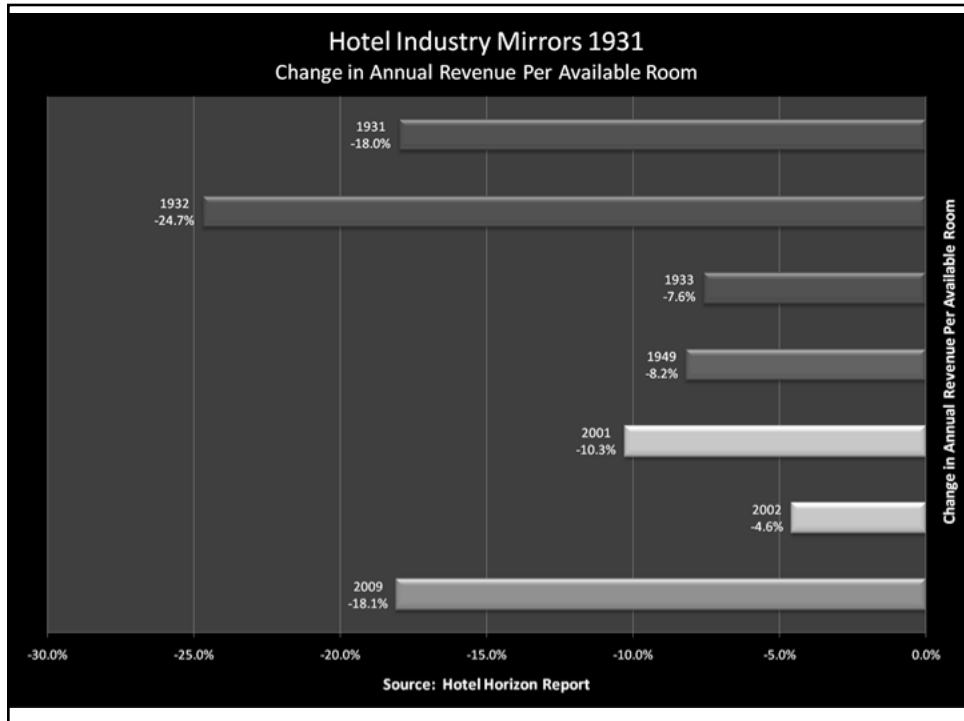
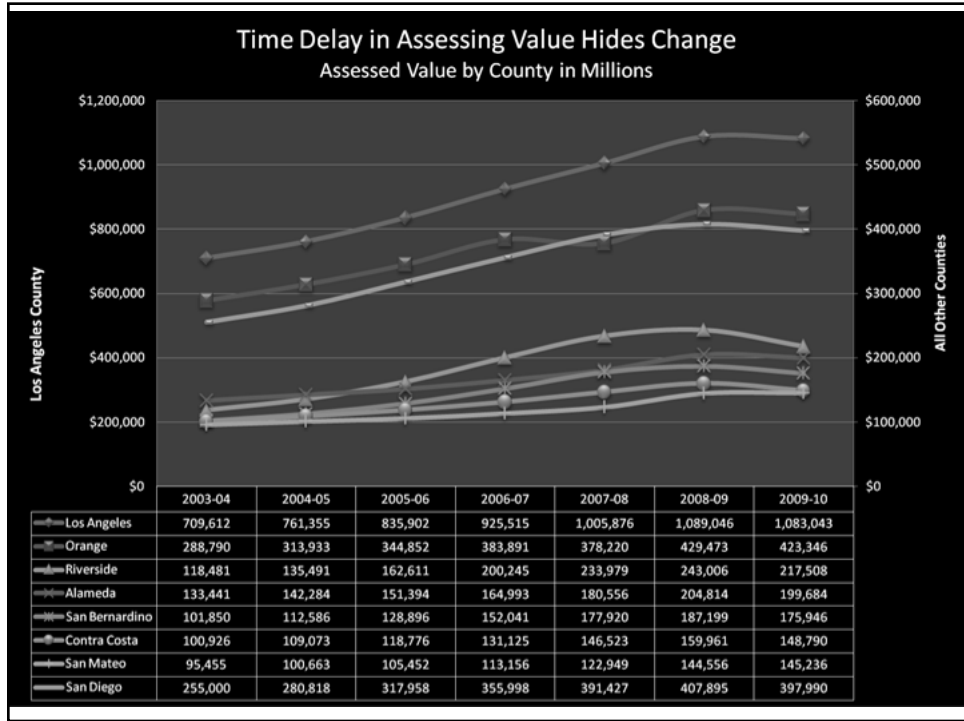


Construction Faces Deconstruction Sales Tax Percent Change from Prior Year by Region



Business to Business Hopes to Rebound Sales Tax Percent Change from Prior Year by Region





Local Cash

- State Board of Equalization
 - November and Future Advances

Looking Ahead

- The Consumer
 - Debt, Habits and Wealth
- The Economy
 - New Baseline, Modest Recovery and Credit
- Jobs

Commission on 21st Century Economy

- Tax System and Economic Activity
- Broaden the Base; Lower the Rate
- Recommendations
 - No More State Sales Tax
 - Local Sales Tax Vulnerable?
- Next Legislative Session

Streamlined Sales Tax

- Use Tax Collections
- Origin Sourcing
- Tax Simplification for TeleComm Providers
- Locally Controlled Tax Administration
- Common Definitions
- Federal Legislation
- Impact on State and Local Sales Tax

Politics

- 2/3 Vote
- Issue of the Moment
- Leadership and Caucuses
- Initiative Process
- 2010 Gubernatorial Race
- Public-Private Partnerships and Coalitions



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