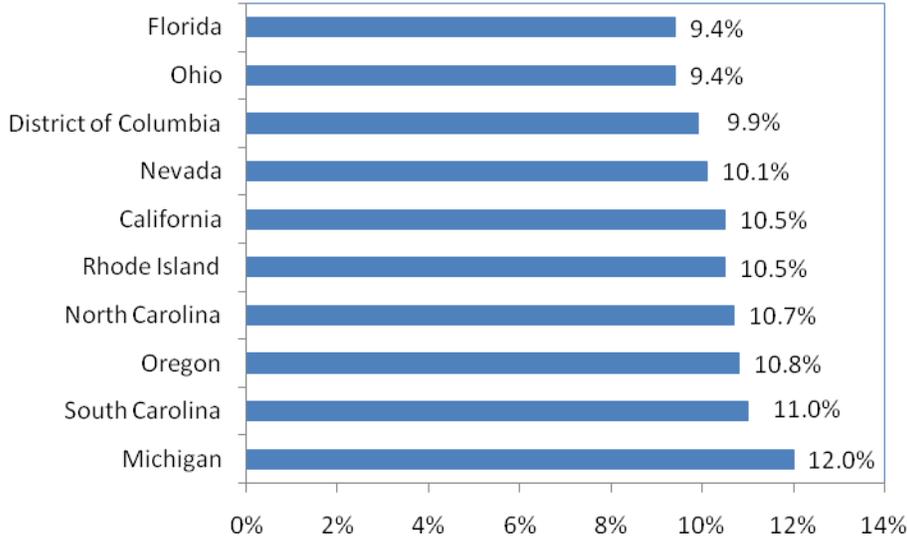


Other States are Hurting Too

The Bureau of Labor Statistics just reported the job and unemployment trends for all states in February 2009. There are now seven states with unemployment rates above 10% with California tied with Rhode Island for the 5th highest rates.

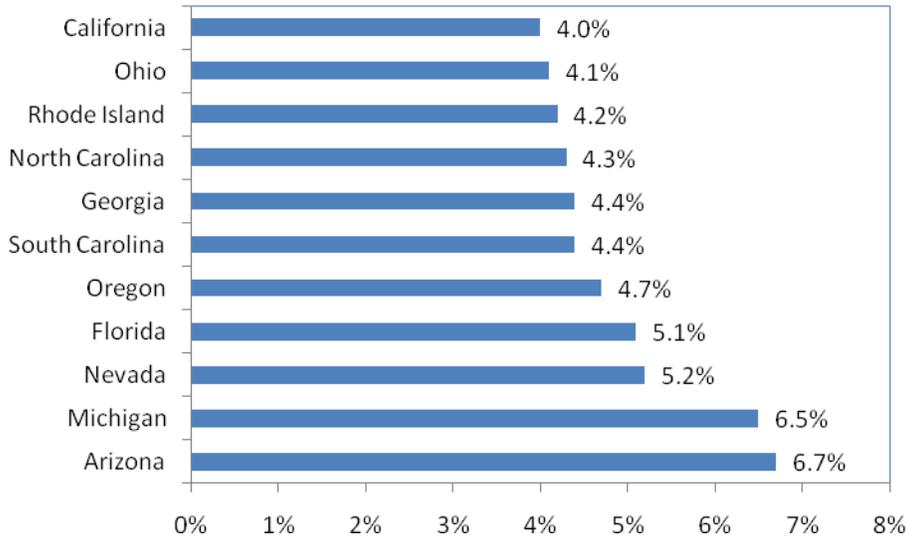
Nevada and Oregon, two of California's neighbors, are in the list of states with unemployment rates above 10% along with previous growth centers such as North and South Carolina. Florida at 9.4% has the 10th highest unemployment rate in February 2009.

Unemployment Rate February 2009



California has experienced devastating job losses in the past year. More than 600,000 jobs were lost between February 2008 and 2009 equal to 4.0% of the state's job base. Yet California doesn't rank in the top ten states in terms of percentage job losses in the past year. Ten states experienced more severe losses in percentage terms.

Job Loss February 2008-2009



The high job loss states include California's neighbors Arizona, Nevada and Oregon as well as previous growth centers including Florida, Georgia and North and South Carolina.

Implications

This is a brutal national recession and will almost certainly be the worst recession since the Great Depression. The solutions will be national and worldwide solutions dealing with stimulus efforts to create jobs and increase incomes and measures to stabilize the housing and banking sectors.

There are huge challenges ahead and while I think the administration's plans move us in the right direction, it is certainly true that the timing of success is very uncertain. In many areas we are in uncharted waters.

To the extent that residents across the country realize and accept that we are all in this together, the chances for sustained recovery are improved. To the extent that residents, the media and elected officials play "Mirror, mirror on the wall, my area is the worst off of all", I think the hope and timing of recovery is diminished.

In California we are accustomed to the perpetual chant that "our" jobs are going to our neighbors. It is therefore a painful but interesting irony that three of the five states with the largest percentage job losses during the past year are California's three direct neighbors. **We are allies in putting the nation's economy back on solid footing and building for the future. We share a common interest and common future that is too important to treat state economic prosperity like a sports competition with winners and losers.**