Economic Impact of Banks

Measuring the Benefits in California

BEACON ECONOMICS

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Executive Summary

Banks play a critical role in supporting California's economy and the communities where they do business. Through their role as an intermediary between depositors and borrowers, banks protect customer deposits and extend credit to corporate and retail borrowers. This collaborative process allows our economy to run smoothly and efficiently and provides opportunities for the acquisition of property, the pursuit of gainful employment through investments in businesses, the financing of higher learning and the consumption of numerous goods and services. In addition to its logistical function, banks provide tangible economic benefits through their own business activities and operations. Banks directly employ a large workforce and purchase intermediate inputs and supplies needed for their operations, such as consultants and computer equipment. This activity generates increases in demand that ripple through the state's economy creating significant "knock-on" effects that are commonly referred to as economic impacts. Based upon this economic impact study and qualitative analysis, Beacon Economics concludes the following:

- Banks doing business in California support a total of $103 billion of California's economic output.
- According to the Bureau of Labor Statistics, California's banking sector directly employed nearly 117,000 workers in 2011. Through indirect and induced effects, banks also support an additional 236,000 jobs, bringing the total employment supported by the banking industry in the state to 352,800.
- Preliminary figures for the first part of 2012 indicate that the sector directly employed over 121,000 workers.
- Bank operations generate significant state and local tax revenues through income and sales taxes totaling $5.3 billion annually.
- Total loans and leases amount to approximately $306 billion through September 2012—a $19.1 billion increase in lending compared to the previous year. Increased lending supported $36 billion of economic output and an additional 162,000 jobs beyond the jobs and economic output supported by banking operations in the state.

In addition to these quantifiable effects on the economic impact on the state, California's banking sector contributes to the state's economy in more indirect ways, which are also important to note. For example:

- Banks reward their employees with competitive salaries, with the average wage at a California commercial bank that's roughly 34% higher than the statewide average across other private sector employers.
- Banks provide their employees with generous health insurance and retirement benefits. Even workers at the lower end of the educational spectrum earn more than they would when compared to other occupations requiring only a high school diploma.
- Finally, banks generously support education, community and economic development, health and social services, as well as many other causes through their charitable and philanthropic donations.
- In 2011, a subset of banks operating in California reported annual charitable contributions in excess of $110 million, and employees of those banks invested nearly 600,000 volunteer hours in their communities.

Study Overview

Banks play a crucial role in our society, primarily serving as an intermediary between depositors and borrowers. Customers deposit their funds with banks for safekeeping and convenience, while those individuals and entities seeking to borrow are in search of funds. Without banks each depositor willing to lend their money would need to find a qualified, creditworthy borrower to engage in a loan transaction. After extending credit, the depositor would need to administer and service the loan until the borrower pays it off. If each individual depositor and borrower went through this process, economic activity would brake to a standstill and there would be little uniformity. Credit availability would decrease significantly without the fractional reserve system due in large part to the substantial informational needs and transaction costs involved in underwriting and servicing a loan. In the most basic sense, the ability to utilize a fractional reserve system allows a portion of customers' deposits to be retained in reserve while remainder of the deposits are used to extend credit. Without this system most borrowers would not be able to satisfy their credit needs, such as financing a home, car or education. Businesses would have difficulty securing initial funding, executing expansion plans, or even maintaining access to lines of credit that help businesses smooth the volatility in business receipts to ensure ongoing operations. These basic scenarios illustrate the important function banks serve as intermediaries and sources of credit that allow our economy to function and grow.

In addition to their important core function of taking deposits and extending credit, banks operating in California have a beneficial impact on the economy through their own business activities. Hiring employees, leasing office space, investing in business infrastructure and purchasing supplies all generate economic output for the state. Working with the California Bankers Association, Beacon Economics has undertaken a study to quantify these economic impacts on the state of California.

In the pages that follow, we detail the quantitative impacts that banking has on the state including jobs, incomes and state and local taxes. In addition, we quantify the economic benefit of increased lending by the commercial banks. As lending increases, consumers are able to deploy those resources to purchase a home or a car and further their education. Likewise, businesses are able to get the capital necessary to expand operations or purchase new equipment. Finally, this study discusses qualitative characteristics, such as quality of jobs in the banking sector, employment growth and philanthropy.

Economic Impact of Business Activity

For the purposes of this study, Beacon Economics used the most recent U.S. Bureau of Census' 2007 Economic Census to arrive at business activities of commercial banks doing business in California. Unfortunately, the Economic Census does not provide detailed revenues for commercial banks at the state level. Accordingly, some basic calculations and assumptions were applied to determine the inputs to the economic impact model.

According to this database, the commercial banking sector in the United States generated roughly $603.3 billion in revenues in 2007. During the same timeframe, that sector employed 1,643,101 workers, who earned a total payroll of $95.8 billion. And, while the Economic Census does not provide information on revenues earned in this sector in California specifically, it does provide information on the number of workers in the state as well as their total payroll.

Using this data, Beacon Economics has determined that California's commercial banking sector represents nearly 9.8% of all commercial bank workers in the nation and roughly 10% of total industry payrolls.

Assuming that the proportion of revenues generated in each state is closely correlated to the number of bank employees and/or payrolls in that state, Beacon Economics has calculated the statewide revenues attributable to the commercial banking sector in California. Specifically, given that California employs approximately 10% of the national commercial bank workforce and that nationwide receipts in the commercial banking industry totaled $603.3 billion, banks operating in California generate roughly $60.6 billion in revenues per year. This number serves as the direct impact in our IMPLAN model. The size of the commercial banking industry in California is roughly double the motion picture industry, and on par with computer and electronics manufacturing.

In a California economy that is just under $2 trillion in size, a sector that supports roughly $60 billion based upon its own operating activities alone is significant in size. However, as detailed herein, direct effects are not the end of the story and do not completely value the positive impact banks have in the state. This output also generates demand for upstream suppliers of supplies and inputs to banks' operations, which create additional labor income that is reinvested back into the local economy—generating indirect and induced effects for the economy as well.

Based on the size of the banking sector in California, as measured by overall economic output, Beacon Economics has determined that these secondary effects compound the overall positive economic impact by commercial banks on the state. Specifically, we estimate that commercial banks generate a total of $103 billion in economic output in California, which is nearly 6% of state's GDP. This includes the $60.6 billion in direct effects previously identified, which are driven by commercial banking operations in California. This figure includes paying salaries to bank employees, rents and other operating expenses. The secondary impacts include $23.2 billion in indirect expenditures generated by industries serving commercial banks. The induced impact created by banks doing business in California totals $19.2 billion and includes the effect of spending by employees of banks and their suppliers on various goods and services throughout California's economy.

Our analysis proves that California's commercial banking sector represents a source of strength for California's economy. In addition to the liquidity and credit facility being extended to bank customers, this impact analysis proves that California's banks are large consumers of products and services produced by businesses across the state.

To better illustrate the difference between direct, indirect and induced effects let's consider a simple example. When a bank hires one additional employee, it creates a direct effect. The new employee will need a computer purchased in a local outlet or with their equipment vendor/supplier creating an indirect effect for that technology firm in the sense that the supplier needs to increase staff and/or hours in order to meet that demand. Both the employees of the bank and at the computer store will spend their money in local restaurants, salons and retail stores, representing induced effects.

Importantly, in addition to creating demand for economic output across the state, California's banking sector supports a large number of jobs. In total, Beacon Economics estimates that commercial banks support 352,800 jobs in California. This includes 116,444 jobs located directly within banking operations located in the state as well as more than 235,000 jobs across California resulting from indirect and induced effects. In large part, these indirect and induced effects arise from the substantial labor income generated by banking operations in the state. As will be discussed in further detail below, banks provide not only a substantial quantity of jobs, but these jobs are very high quality in terms of overall wages. In fact, direct, indirect and induced labor income resulting from commercial banking operations in California equate to nearly $25 billion annually.

Economic Impact of Banks in California

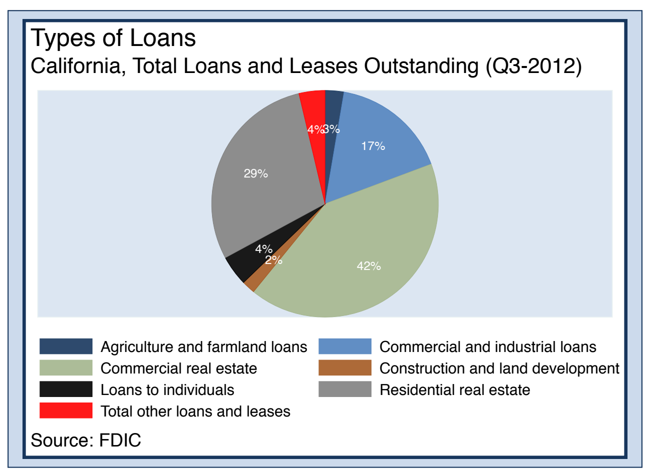
Type of Impact	Employment	Labor Income	Value Added	Output
Direct Effect	116,444	9,751,224,415	35,602,000,590	60,589,732,353
Indirect Effect	121,470	8,802,463,234	13,247,179,058	23,215,201,442
Induced Effect	114,885	6,037,104,764	10,903,606,886	19,206,298,672
Total Effect	352,799	24,590,792,413	59,752,786,534	103,011,232,467

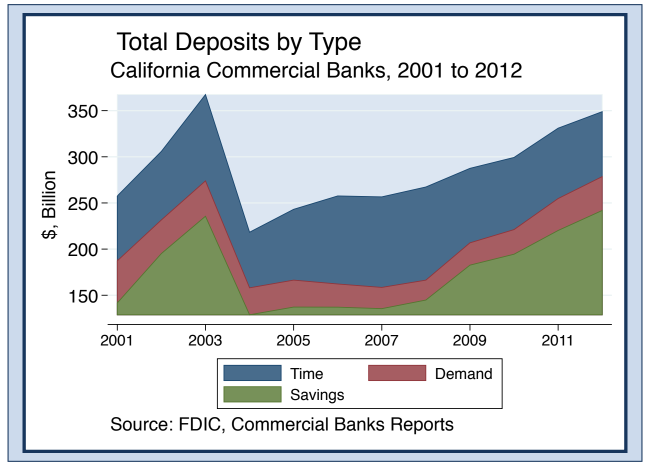
Source: Beacon Economics

We must also underscore that banks support state and local government finances. There's no doubt that the Great Recession took its toll on state and local revenues—many of which are tied to the sectors hardest hit by the economic downturn including housing, incomes, and consumer spending. Thus, it is difficult to downplay the level of state and local government tax revenues supported by commercial banking operations in the state. Overall, we estimate that $5.3 billion went to state and local government coffers in 2007 as a result of direct operations as well as indirect and induced spending. This includes taxes on employee compensation, indirect business taxes, taxes paid by households, and taxes paid by corporations. Relative to a statewide budget that incorporates additional tax revenue resulting from the passage of Propositions 30 and 39, the contribution supported by banks is sizable and plays crucial role in helping to maintain public services during these tough economic times.

Supporting the Economy Through Lending

Banks provide a number of opportunities to their customers by offering a variety of loan products designed to meet personal and business demands. As of September 2012, commercial banks headquartered in California had approximately $306 billion in outstanding loans and leases. Nearly a third of all loans outstanding have been underwritten to consumers for home purchases. The other large categories of outstanding loans are commercial real estate and industrial loans, at 42% and 17%, respectively. Compared to the previous year, lending increased through the third quarter of 2012 by $19.1 billion. Most of the additional lending went toward commercial and industrial loans (42%) and residential real estate (34%). Once funds are dispersed to their customers, borrowers use the capital to buy a home or a car, execute expansion plans for a factory, build an apartment building or simply buy a computer for a new worker.





It is important to note that due to the way the Federal Deposit Insurance Corporation (FDIC) collects data on bank lending, the number of total loans and leases represent the volume of loans made by banks headquartered in California. Given that many non-California headquartered banks such as Bank of America, CitiBank, J.P. Morgan Chase, U.S. Bank and others maintain a large presence in the state, these figures largely understate the overall quantity of lending extended in California. However, due to the nature of the data, it is not possible to determine the volume of lending made by out-of-state banks within California. As such, the estimates presented herein should be viewed as highly conservative estimates of the overall economic impact of bank lending in the state.

Despite limiting our analysis to the impact of loans made by California-based banks, these activities generate economic activity throughout the state. Beacon Economics estimates that $19.1 billion of additional lending by California's banks through the third quarter of last year supported just over $36 billion in economic output. Through direct effects, additional lending supports around 70,000 jobs. Indirect and induced effects support 53,800 and 38,600 jobs, respectively—for a total of 162,400 positions.

Together, banking operations in the state and the annual volume of new loans made supported more than 500,000 jobs in California's economy.

Safeguarding of Deposits

Commercial banks headquartered in California are able to lend and support the business activity in the state because they have been entrusted to safeguard approximately $349 billion in deposits. Consumers have nearly $242 billion deposited into savings accounts and $36.7 billion in demand deposits, which are traditional checking accounts. Finally, approximately $70.3 billion is earning interest in time deposit accounts - certificates of deposit and such. As mentioned previously, these numbers are understated due to the fact that deposits held at non-California headquartered banks are excluded.

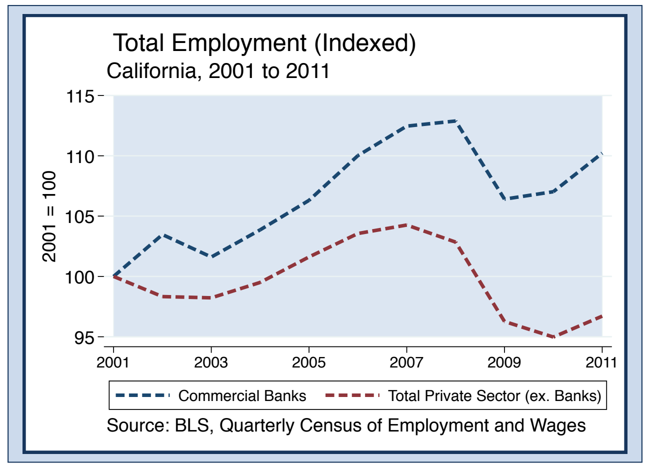
Through the payment of premiums paid by member banks to the Federal Deposit Insurance Corporation (FDIC), customer accounts are generally covered by a basic insurance limit of $250,000 per depositor at each insured bank and savings association. Established in 1933, the FDIC seeks to promote confidence and stability in the banking system and during its existence, no customer has lost a penny.

Supporting California's Workforce Through Well-Paying Jobs

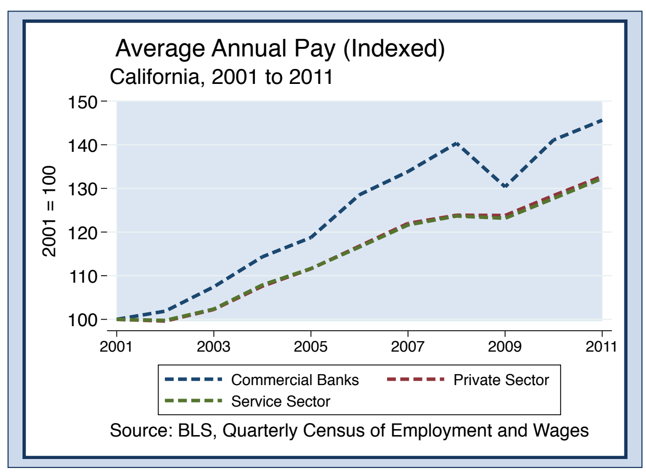
In addition to the quantitative effects previously discussed, banks in California provide other important benefits to communities throughout the state. These include quality jobs in the banking sector measured by wages and employee benefits, as well as a deep and committed involvement by banks in their communities.

For example, according to the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, in 2011 the banking sector employed 116,444 workers in nearly 5,900 establishments throughout California. Preliminary reports for the first half of 2012 indicate that the employment level has increased to over 121,000 employees. Employment growth in the commercial banking sector outpaced the employment growth in the rest of the private sector. Since 2001, employment at commercial banks increased by 10%, whereas the rest of the private sector overall, as of 2011, was still below the level of employment at the turn of the century. Employment growth was higher in only a few sectors, such as education/health care, consulting services and scientific/research/development services. However, the commercial banking sector outperformed the employment growth of staple industries in California, including real estate, motion picture, technology and broadcasting sectors. In addition, commercial banks, aside from minor job gains in real estate, were the only job creators in the financial activities sector since 2001.

Average annual wages for the banking industry total $72,715, which is approximately 34% higher than the average pay in the private sector ($54,345 per year). In fact, workers in the banking sector command some of the highest wages in the state, behind only Utilities ($138,997), Management of Companies and Enterprises ($109,143), Information ($101,129) and Manufacturing ($88,609). Indeed, wages in the banking sector are even higher than some of the industries in California traditionally associated with "high-wage" jobs. This includes Health Care ($52,104), Professional, Scientific and Technical Services ($64,104) and Wholesale Trade ($69,116) as a few notable examples. Thus, commercial banks operating in California not only support a substantial quantity of jobs, but the jobs being offered are very high quality as well.



Not only are the level of wages higher in California's commercial banking sector relative to other industries, but they are also among the most improved over the last decade. Indeed, since 2001 the wages of banking employees in the state have increased at a faster rate than the private sector overall. During the past 10 years, average annual banking wages in California have increased by 4%, on average, from $49,937 in 2001 to $72,715 in 2011. This compares to overall private-sector wage growth of 2.8% over the same period —considerably slower.



Importantly, these increases in wages have not been without merit, as the growth is a result of increased productivity of banking employees. For example, two conventional measures of productivity are output per hour and output per worker. For banking employees, both indicators have been on a steady climb in the past decade, while hours worked have remained relatively flat. Thus, not only are wages above-average at California's banks and growing, but banks and their employees continue to increase productivity, and workers in the sector are being rewarded with rising wages as a result.

Although banking sector wages tend toward the higher end of the spectrum, these figures represent overall averages for the industry and do not represent the wages for each individual role within a banking organization. For example, banking sector employees work in a wide range of occupations, from messengers and clerks to attorneys, analysts and managers. The largest group of employees is tellers, which, according to California's Employment Development Department requires only a high school diploma as an educational level prerequisite, and represents roughly 30% of the sector's employees. However, tellers earn more than other comparable occupations such as cashiers or retail sales workers—occupations with the equivalent educational requirements as tellers, which represent alternative employment opportunities for folks employed as tellers. Thus, even workers who occupy the lower end of the educational spectrum and wage scale do better for themselves when employed by a bank than they could expect to earn in other sectors and occupations that their skills qualify them for.

Employment Level and Change

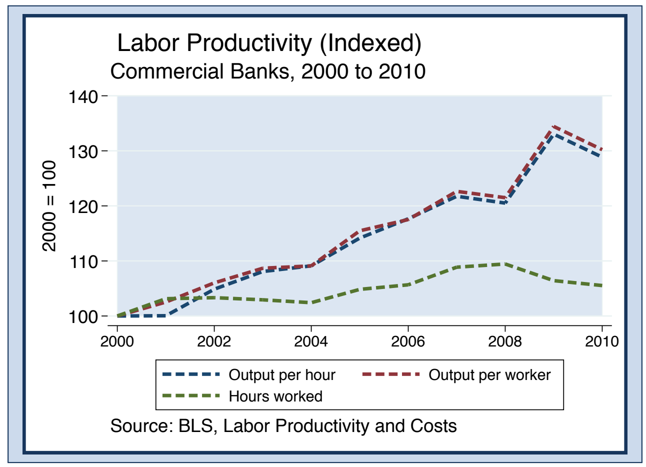
Industry	2001	2007	Change (%)	2010	Change (%)	2011	Change (%)
Mgmt, Scientific,Technical Consulting Services	99,100	159,000	60.4	161,300	62.8	172,000	73.6
Educational Services	237,300	289,300	21.9	309,700	30.5	326,300	37.5
Health Care, Social Assistance	1,216,900	1,388,900	14.1	1,478,600	21.5	1,507,300	23.9
Scientific Research and Development Services	99,100	107,600	8.6	118,300	19.4	119,700	20.8
Leisure and Hospitality	1,365,100	1,560,400	14.3	1,501,600	10.0	1,530,300	12.1
Other Prof., Scientific and Technical Services	56,800	59,900	5.5	61,800	8.8	62,700	10.4
Commercial Banks	**105,649**	**118,812**	**12.5**	**113,069**	**7.0**	**116,444**	**10.2**
Accounting, Tax Preparation and Bookkeeping Services	103,900	123,800	19.2	111,500	7.3	113,300	9.0
Computer Systems Design and Related Services	204,400	199,200	-2.5	201,000	-1.7	213,800	4.6
Real Estate	181,000	205,700	13.6	187,400	3.5	186,100	2.8
Architectural, Engineering and Related Services	158,300	180,500	14.0	157,200	-0.7	158,700	0.3
Wholesale Trade	658,900	715,300	8.6	644,000	-2.3	659,000	0.0
Legal Services	132,800	137,900	3.8	131,100	-1.3	131,800	-0.8
Other Services	499,200	512,200	2.6	484,900	-2.9	486,900	-2.5
Retail Trade	1,575,900	1,689,900	7.2	1,513,300	-4.0	1,532,000	-2.8
Motion Picture and Sound Recording Industries	154,000	151,100	-1.9	144,700	-6.0	148,100	-3.8
Total Private	12,219,900	12,679,000	3.8	11,488,300	-6.0	11,661,800	-4.6
Broadcasting	45,900	48,500	5.7	43,500	-5.2	43,200	-5.9
Transportation, Warehousing and Utilities	514,100	507,600	-1.3	466,300	-9.3	471,900	-8.2
Administrative, Support and Waste Services	957,100	997,900	4.3	861,500	-10.0	875,600	-8.5
Insurance Carriers and Related Activities	198,800	208,000	4.6	179,000	-10.0	179,900	-9.5
Advertising and Related Services	67,100	64,400	-4.0	56,200	-16.2	59,500	-11.3
Specialized Design Services	24,200	28,200	16.5	19,100	-21.1	20,100	-16.9
Credit Intermediation and Related Activities (ex. Banks)	155,751	184,988	18.8	129,231	-17.0	128,756	-17.3
Securities, Commodity Contracts and Investments	92,700	88,200	-4.9	78,500	-15.3	76,300	-17.7
Construction	780,400	892,600	14.4	559,800	-28.3	553,700	-29.0
Manufacturing	1,778,600	1,464,400	-17.7	1,241,000	-30.2	1,245,800	-30.0
Publishing Industries (except Internet)	119,600	99,000	-17.2	83,500	-30.2	83,700	-30.0
Management of Companies and Enterprises	284,500	207,200	-27.2	195,400	-31.3	199,200	-30.0
Rental and Leasing Services	81,800	74,800	-8.6	58,000	-29.1	56,600	-30.8
Telecommunications	145,200	121,200	-16.5	99,500	-31.5	96,700	-33.4
Internet Service Providers, Web Portals and Data Proc	28,800	20,700	-28.1	18,600	-35.4	18,500	-35.8

Sources: Employment Development Department; BLS, Quarterly Census of Employment and Wages

The higher average wages overall for bank employees, the higher wages for lower skilled workers and faster growth in wages all have an impact on the state's economy. As mentioned earlier, the wages spent back into the economy by banking employees create a positive induced effect, which total nearly $20 billion.

Very competitive wages are not the only factor that draws workers to the banking sector. According to the 2012 Bureau of Labor Statistics' Employee Benefit Survey, nearly 94% of banking sector employees are eligible for health insurance coverage; only the utilities sector ranks higher. In this context, health insurance includes medical, dental, vision and prescription coverage. Of the eligible banking employees, 82% take advantage of the group health insurance plan, which is 77% of all workers. By contrast, only 69% of all workers in the Pacific region are eligible for benefits across all industries, with roughly 83% of workers taking advantage (57% of total).

The banking sector is also generous through their subsidy of health insurance premiums. For individual coverage, banks cover 81% of premium payments, and 70% for family coverage. This compares favorably with just 79% for individuals and 68% for family coverage on average across all industries. In addition to providing solid health insurance benefits, the banking sector also offers retirement benefits. Nearly 80% of all banks offer retirement benefits, which is higher than all sectors but utilities (88%) and post-secondary education (91%), and well above the average of 52% across all other industries.



Thus, not only are wages higher, but bank employees enjoy better benefits packages than they could acquire at other places of employment—demonstrating again the quality of the jobs opportunities offered by banks in California.

Giving Back to Our Communities Through Corporate Philanthropy

Finally, the banking sector continuously supports local communities through charitable donations. This is a very important activity by the banks—especially in light of the deep cuts to public services in recent years due to constrained state and local government budgets. According to a survey by the Committee Encouraging Corporate Philanthropy in association with The Conference Board, the median donation per financial sector employee is around $800 per year. Ninety-seven percent of donations are in the form of cash and are directed towards various causes and projects. The sector directed 24% of donations towards community and economic development, 27% towards education, 13% towards health and social services, 8% towards culture and arts and 28% to various other charitable causes.

To measure the deep commitment of California banks to their communities, the California Bankers Association recently conducted a survey of its member institutions. In 2011, responding member banks reported that more than 19,000 organizations benefited from the generosity of the banking community through monetary contributions and volunteering hours. Member banks reported annual contributions in excess of $110 million and the employees of California banks invested nearly 600,000 volunteer hours in their communities. These figures in and of themselves are large; however, they reflect only the portion of the state's banking sector captured by the one-third of CBA members that responded to the survey. Thus, the actual overall contribution to charities and other philanthropic programs made by California's entire banking sector are substantially higher than the figures reported here.

Overall, this is yet another demonstration of how banks are exhibiting a positive social and economic influence in California.

Impact Overview and Methodology

To estimate the economic impact of commercial banks in California, Beacon Economics used Version 3 of the IMPLAN modeling system. This is an input-output model that can be used to estimate the short-run impact of changes in the economy through the use of multiplier analysis.

Impact studies operate under the basic assumption that any increase in spending has three effects: First, there is a direct effect on that industry itself, resulting from the additional output of goods or services. Second, there is a chain of indirect effects on all the industries whose outputs are used by the industry under observation. These are the impacts generated by a business's supply chain. Third, there are induced effects that arise when employment increases and household spending patterns are expanded. These impacts follow from the additional income that is earned in the course of producing this output, both by employees in the target industry and in those supplying it.

North Valley Bank presenting a donation to the Make-A-Wish Foundation

It is important to note that capital investments made on different types of projects can lead to different multipliers. Why? A sector can have a large multiplier if it induces economic activity in industries whose employees have a high propensity to spend from take-home pay. Also, if the sector does not import many materials from abroad or from out of state, then its multiplier effect on the local economy will be high. In essence, some of the spending in the local economy may “leak out” into other states and countries. If raw materials are imported, then a change in a local sector's level of production will result in a commensurate change in economic activity abroad. The same is true if a California business buys inputs from firms in different states.

Our analysis using input-output accounts is based on three important assumptions. First, there are constant returns to scale. This means that a 10% cut in spending will be ten times as severe—across every sector in the economy—as a 1% cut. Second, there are no supply constraints. This means that any marginal increase in output can be produced without having to worry about bottlenecks in labor markets, commodity markets, or necessary imports. This assumption is quite realistic in a free-market economy like California's where there is some unemployment. It is even more reasonable in times of high unemployment, such as the present economic environment, because there are many under- and un-utilized resources that can be activated without detracting from other industries or businesses. Third, the flow of commodities between industries is fixed. This means that it is not possible to substitute in the short-run the many different inputs that go into the target industry.

Thus, our analysis here covers the four main areas of economic impact that will accrue on a state level due to commercial banking activities. We estimate the direct employment, output, and value-added effects for California after accounting for leakage out of the state. Second, we estimate the indirect effects on all the industries whose outputs are used by the proposed investments as well as the induced effects arising when employment increases and household spending patterns are expanded.

Conclusion

Banks play a vital role in California's economy and within the communities they serve. Through their role as an intermediary between depositors and borrows, banks protect customer deposits and extend credit to corporate and retail borrowers. This core function helps our economy run smoothly and efficiently. California banks are able to generate approximately $60.6 billion in annual revenues directly through their operations, which support more than 352,800 jobs and, through a multiplier effect, create an additional $42.4 billion of economy activity in the state.

Once borrowed funds have been disbursed to borrowers, they are used for various purposes. When a customer expands their business, buys a home, constructs an apartment building, more economic activity is generated. As of the third quarter of 2012, banks in California had approximately $306 billion in outstanding loans and leases, a $19.1 billion increase from a year before. The increased lending generated approximately $36 billion of economic output and supported 162,000 jobs.

In addition to generating substantial economic activity, California banks reward their employees with competitive salaries that exceed wages across other industries in the state—even for folks working at the lower end of the wage scale. Bank employees may also take advantage of generous health insurance and retirement benefits in greater proportions to their non-bank counterparts. And, in addition to supporting a substantial number of jobs and output, a sizable economic impact throughout California's economy, and the quality of the jobs being offered, banks also routinely demonstrate their commitment to their communities through corporate philanthropy. For 2011, a subset of CBA member banks reported annual contributions in excess of $110 million combined with employees of California banks investing nearly 600,000 volunteer hours in their communities.

When analyzing the bank industry's core functions, combined with the economic effects generated through their business activities, the generosity towards their employees and communities, it is evident that this industry is vital and essential to California's economic landscape.

About Beacon Economics

Beacon Economics is a leading provider of economic research, forecasting, industry analysis, and data services. The firm's internationally recognized forecasters were among the first and most accurate predictors of the U.S. mortgage market meltdown that began in 2007—and among a relatively small handful of researchers who correctly calculated the depth and breadth of the financial and economic crisis that followed. By delivering independent, rigorous analysis, Beacon Economics gives its clients the knowledge they need to make the right strategic decisions about investment, growth, revenue, and policy. The firm's clients span both the public and private sector, ranging from the California State Controller's Office to major universities to one of Wall Street's most successful hedge funds. Core service areas include economic and revenue forecasting, economic impact analysis, economic policy analysis, regional economic analysis, real estate market and industry analysis, and EB-5 Visa analysis. Visit Beacon Economics' website at www.BeaconEcon.com to learn more.

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