

Toronto Employment and Housing Outlook

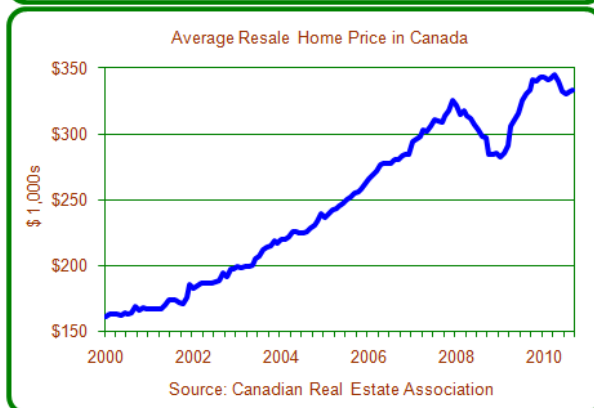
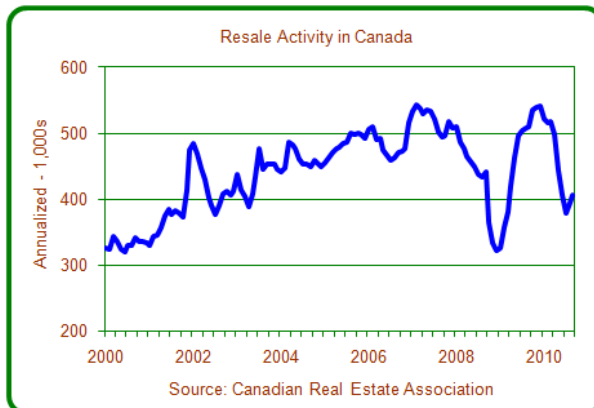
Fourth Quarter 2010

Synopsis: I believe we are entering a period that will be disappointing economically. It most likely will result in stable housing demand (with flat prices in the resale market and weak demand for new housing). The wildcard is whether there will be a stock market correction (and how severe). For all the talk about bubbles in the Canadian housing market and/or for bonds, the real bubble is gold.

Still Perched on a Knife Edge

Recent events in the economy and housing market (for Canada and for the GTA) have been more or less what I've been expecting (when the world behaves like my models predict, I am surprised):

- Housing activity dropped off rapidly and prices softened – a bit, for a while. But, the most recent data suggests that resale market activity and prices have stabilized. In fact, the most recent data shows sales rising a bit, which may mean that the period of payback for excessive sales last spring is now ending.
- The GTA economy (and all of Canada) is creating jobs, and quite possibly at a brisk pace. But, as I've discussed before, and will repeat below, I believe that the amount of job creation has been over-estimated.



We have two huge influences pulling in opposite directions. Which of them will dominate is impossible to call: at present, the outcome is a muddle, and maybe that will continue for a while.

- Pulling the economy and housing market upward, we have wealth effects from near-record housing values in the GTA and in most of Canada, as well as from a substantial rebound of stock markets.
- Meanwhile, we have enormous drag from the US economy, which has barely started to recover and is at risk of weakening again.

My habit has been to develop two scenarios: in the first (“baseline”) scenario, wealth effects support the a strengthening economic recovery; in the second (“weaker”) scenario, a stock market correction and weaker housing values result in a slower economy. The “weaker” scenario sometimes seems futile, as it keeps getting deferred. Once, two years ago, I dropped it – guess what happened! I still see a high risk of a substantial stock market correction, which, among other impacts, would result in some drops in housing values.

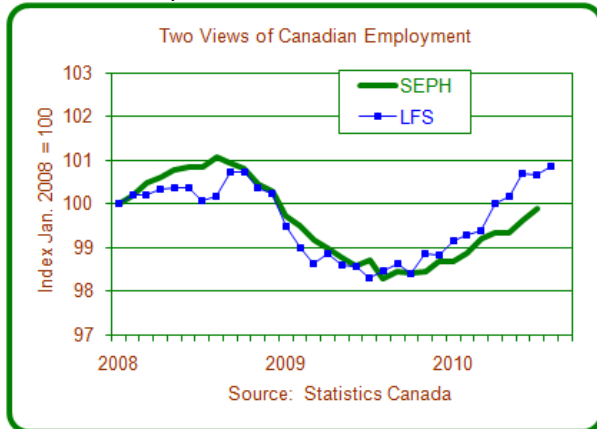
Recent Trends

The Canadian economy is recovering from the recession, but I see uncertainty about how strong the recovery has been. Much has been made of the employment data from the Labour Force Survey, which shows that employment (for all of Canada) has surged quite strongly in recent months and has returned to the pre-recession level.

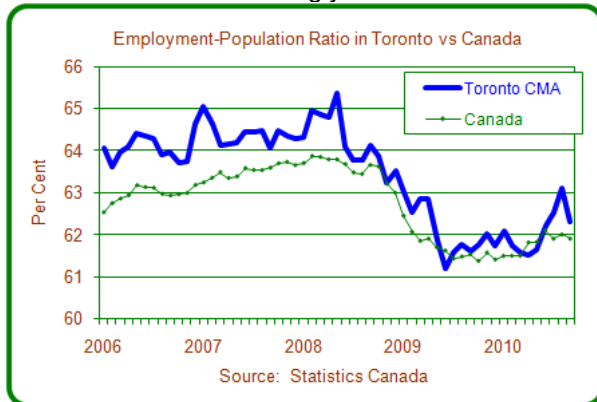
The LFS data is from a sample survey (of people) and, like all sample surveys, it is subject to random errors. Statistics Canada has another employment survey (the Survey of Employment, Payrolls, and Hours) that is based on businesses. It tells a different story: it shows a slower pace of jobs recovery and has the level of employment still about 1% below the pre-recession level.



There are differences between these two surveys, but as far as I can tell, they do not explain the different results. I suspect that the LFS has been generating bad data recently. It is quite possible (but not definite) that in the coming months the LFS data will reverse the recent errors and show a weak labour market: unjustified euphoria may switch to unjustified discouragement. This could have broader consequences for political discourse as well as for consumer confidence and investment expectations.

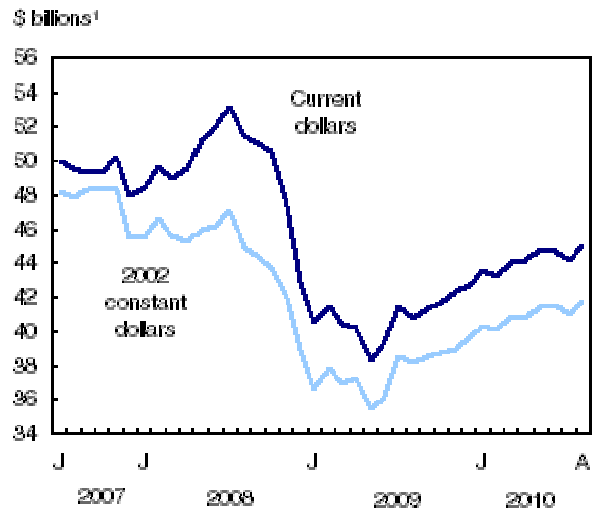


Correspondingly, the employment-to-population ratio for Canada (generated by the LFS) has climbed in recent months. The Toronto CMA employment rate climbed even more rapidly during the summer – interestingly, the distortion for all of Canada appears to originate in horrendous data for Toronto. Intriguingly, the most recent datapoint (September) for Toronto shows a big reversal. This may appear to be an academic discussion, but – garbage-in-garbage-out – having bad data for the MOST important driver of the housing market makes it exceedingly difficult to forecast.



Other key indicators show muted recovery. Two charts below (from StatsCan reports) show improvements in two key sectors. The first chart shows that manufacturing is continuing a very gradual recovery, but so far less than one-half of the losses have been recovered (note especially the “constant dollars” line, which adjusts for inflation in order to show the real volume of sales).

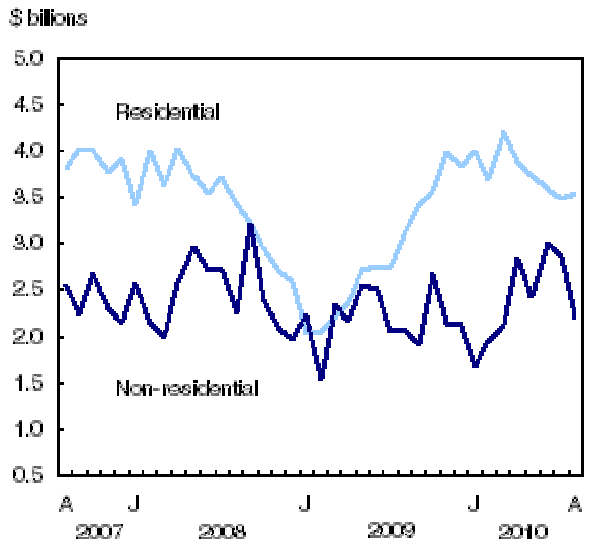
Manufacturing sales increase in August



Source: Statistics Canada

Building permit data shows a developing double-dip in the residential sector – definitely less severe than the first dip, but sufficient to result in falling construction employment during the first half of next year. Non-residential activity has been stronger, but is also likely to slow next year as “stimulus” projects wind-down during the spring.

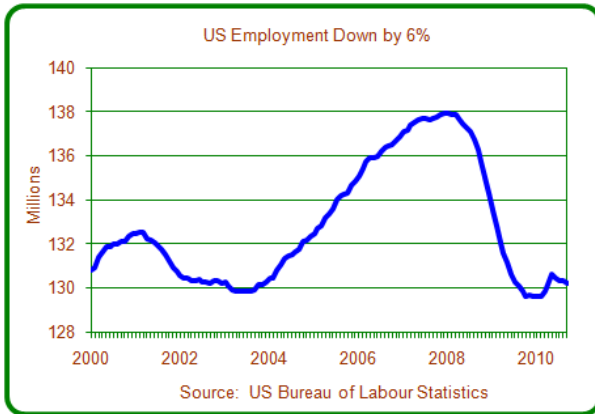
Residential and non-residential sectors



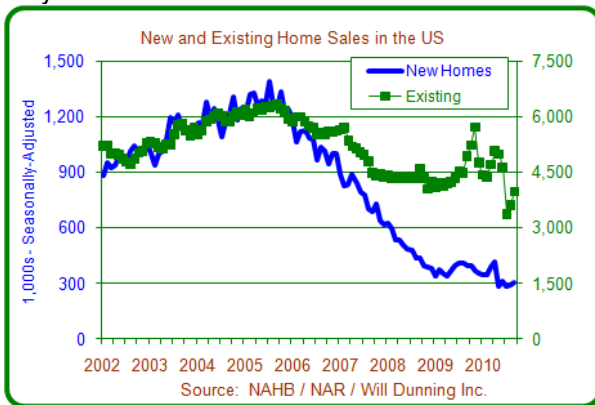
Source: Statistics Canada

The US also has issues on employment data. The US Bureau of Labour Statistics will be revising its data downwards next February. For the year to March 2010 the revision will be about -360,000. Presumably, there will be further reductions to the data since March. The chart below shows the unrevised data. Once amended, the data might show that there has been no jobs recovery in the US. Moreover, other US economic indicators will have to be revised (slightly) downwards.

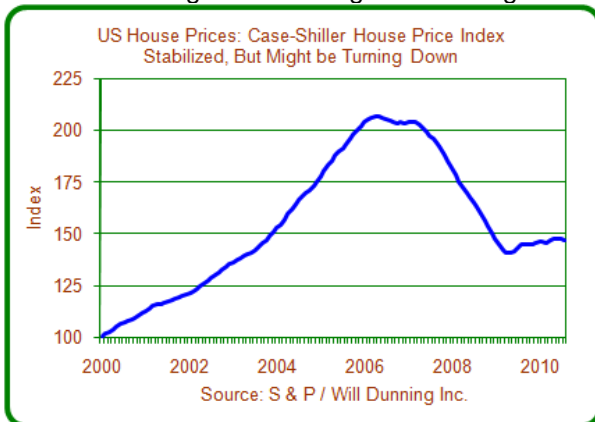




As for US housing markets, there have been some short-lived periods of improvement, but these were driven by very generous tax credit incentives. With a deathly-ill economy, US housing markets remain very weak.



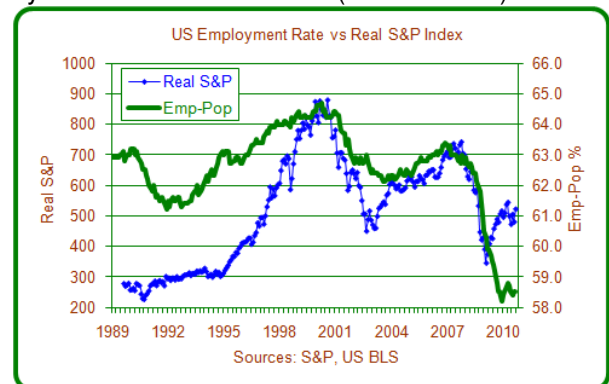
The housing programs managed to arrest the drop in US housing values, but now that the programs have ended, the most recent data hints that another downleg in values might be starting.



Other economic indicators in the US are showing anemic rates of recovery, but this has been based on a huge increase in public spending. There has been debate about whether the US is at risk of a double-dip. For now it looks like the optimists are winning (at least in the media). I'm not convinced. The fiscal stimulus in the US is about to go into reverse through:

- Wind-down of federal government infrastructure spending, with a low likelihood that the new Congress will make large new commitments.
- Spending cuts and tax increases by states and cities that have enormous deficit issues.
- Probability that George Bush's US federal tax cuts, which expire at year end, will not be fully renewed.
- Millions of people reaching the end of their 99 weeks of extended unemployment insurance benefits (starting in December).

In addition, I expect that house prices will fall further, worsening the negative wealth effect. The major positive factor in the US has been the recovery of stock markets, which theoretically is stimulative. But, I'm not convinced that the magnitude of the stock market recovery is justified by economic fundamentals (see the chart).



This brings us to "quantitative easing". The US fed has bought immense amounts of bonds and mortgages in an attempt to (a) force interest rates down and (b) encourage lending. They achieved (a) but US consumers and businesses are shedding debt, not taking on more. One theory (which I buy) about the new round of QE is that they want to (a) push interest rates so low that (b) people sell bonds and (c) buy other assets (stocks, maybe real estate), (d) drive up those asset values and (e) create a wealth effect that brings a stronger recovery. It might work for a while, but it didn't in Japan in the 1990s.

Which brings me to a bottom line, which I've been spouting for a while: the US is going through a process of deleveraging (by consumers and business) and re-leveraging (by governments). Ultimately, the US has to reduce its total indebtedness: this is going to result in a very long period of weak economic performance in the US.

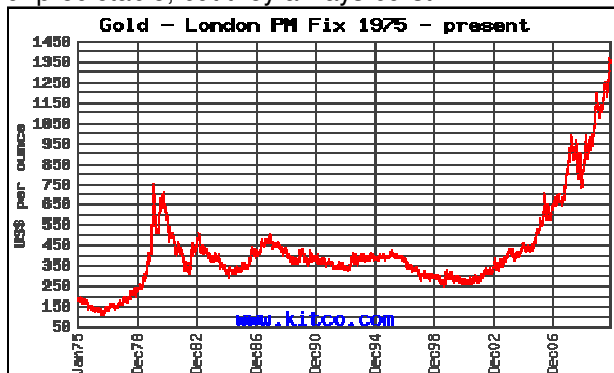
As a community that is highly related to the US economy, we have to expect some sluggishness in the GTA job market, with implications for the housing market. Yes, we have very positive wealth

effects here, but they are not enough to provide sustained, robust growth.

Another point I have been hammering for a long time, is that strong prices for commodities are good for areas of Canada that produce them but harmful for areas – like the GTA – that consume them (turn them into finished products).

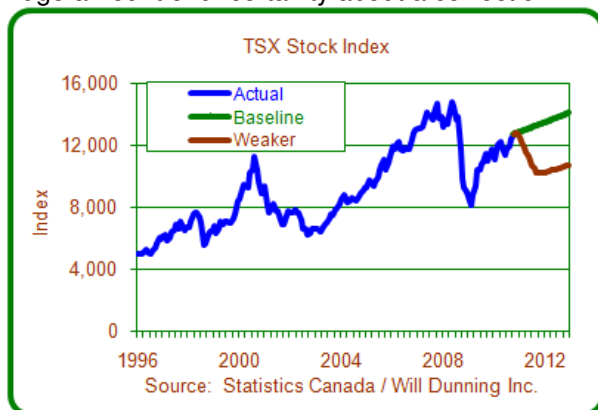
On the other hand, rising commodity prices are important in our stock market. They provide some benefits, mostly to the high income service industries that are concentrated downtown.

Gold is an interesting new twist. To me, movement in the price of gold (up or down) is always a bubble phenomenon (it is largely useless – what is its real value?) While a bubble expands it stimulates the economy. Bubbles always burst – how big they get and how long they last is unpredictable, but they always burst.

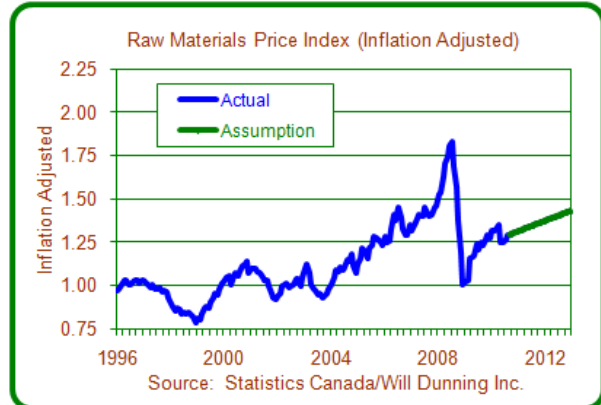


Economic Drivers

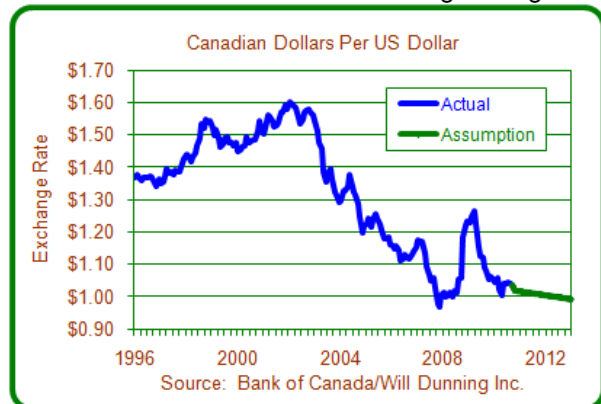
As in prior issues of TEHO I remain skeptical about the rebound of stock markets. In my baseline scenario, the TSX index continues to rise (but at a moderate rate). The “weaker” scenario has a correction starting at the end of the year, and the index falls to about 10,000 points – a 20% drop. Given two factors I’ve discussed above – QE in the US and the gold bubble – there is still a huge amount of uncertainty about a correction.



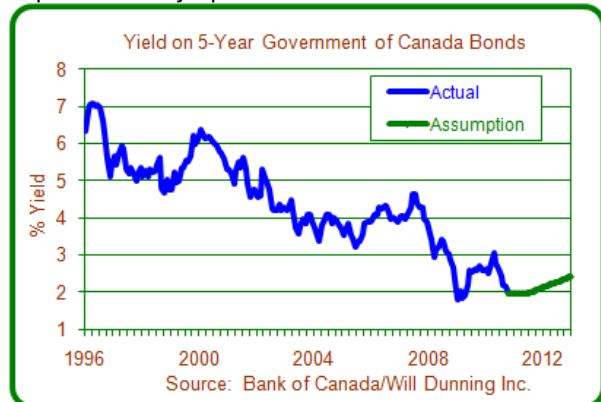
Commodity prices are still relatively high in a long-term view, and are likely to strengthen further.



For the Canadian dollar, the scenario is that rising commodities will lead to further strengthening.

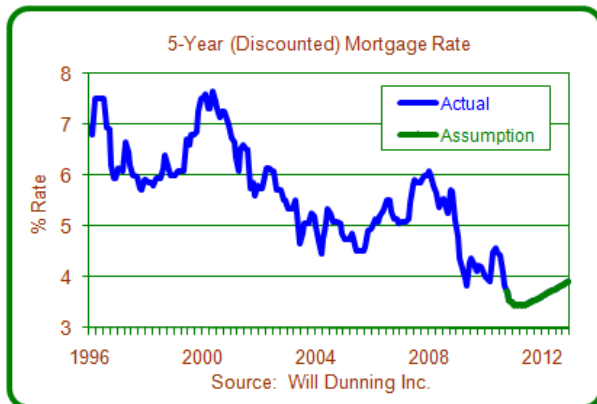


Bond yields are startlingly low. Given QE (which will cause some international money to flow to Canadian bonds) and down-shifting expectations, I expect that any upward move will be minor.

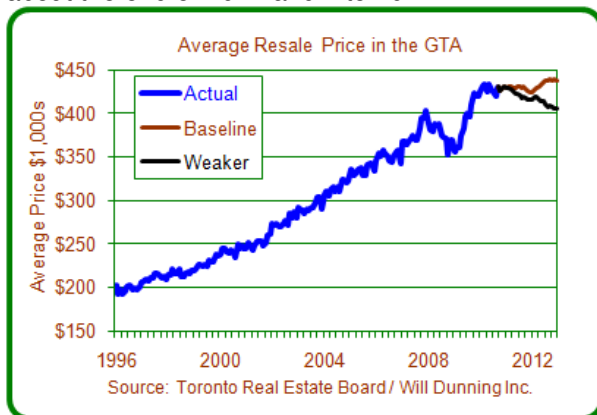


For mortgages: the spread between bonds and typical discounted rates (5-year terms) has widened. I expect that the spread will gradually close, and so mortgage rates may fall a bit more, then follow bonds next year. I expect that any rises will be quite modest and would have limited consequences for housing demand: the big issue will be job growth.





The final factor in my economic model is house prices. The two scenarios shown below suggest that in the near-term values should be stable. In the baseline scenario, prices essentially move sideways during 2011, with some modest gains during 2012. In the weaker scenario, a downturn of confidence and sales early in 2011 results in a small amount of erosion – about 3% over a six month period, followed by flat or slightly declining values for the remainder of 2011, and a risk of further erosion in 2012. In both scenarios, the wealth effect from housing will become a less positive force. Recent value gains are a very positive factor for the GTA economy for the near-term. But, the forecasts below suggest that without further jumps in values, employment will soften about the end of 2011 and into 2012.



Employment

The employment data for Toronto CMA is a mess. I expect that it has the direction right – jobs are being created – but the magnitude shown is probably very wrong. The level of employment is probably more-or-less back to the pre-recession level. Since the population has grown by about 4.0%-4.5% since the recession started two years ago, the percentage of Toronto adults who are employed has fallen by almost 2 percentage points (shown in a chart on page 2). By this measure, we are still in recession.



The recovery has had very mixed effects across our economy:

- Service industries (especially the high income services that are concentrated in the city) are in very good shape, which is supporting housing demand in the high end low-rise market, as well as the high-rise condo market.
- Manufacturing employment has improved from the recession low, but remains far below pre-recession levels, and is unlikely to improve by any substantial amount for some time.
- Construction employment has recovered. During the coming year, employment will weaken in the low-rise sector, but should be sustained for high-rises.

The two scenarios for employment both show a correction of the data in the immediate future, but then a rising employment rate until about mid-2011 (meaning that employment grows more rapidly than the population).

For the second half of 2011 and into 2012:

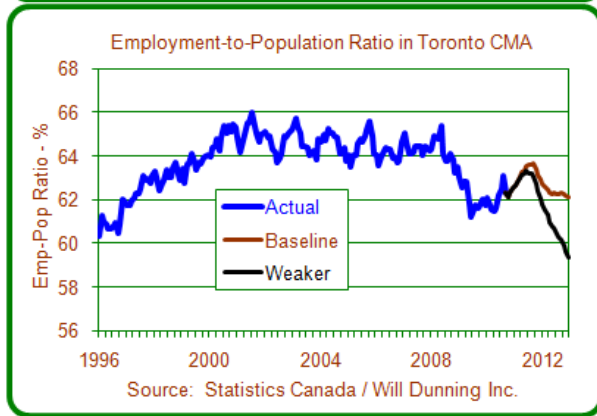
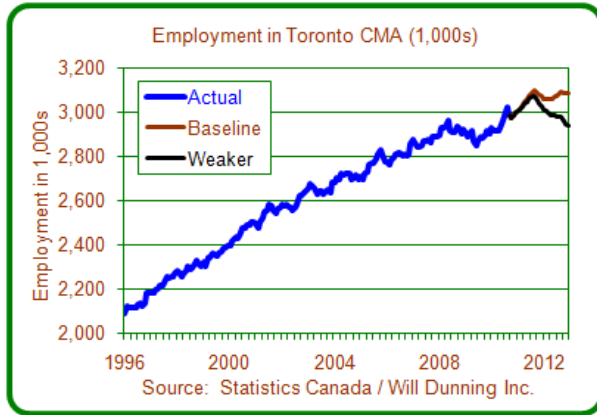
- There is relative weakening of the job market, as softer house prices discourage growth of spending. In the first scenario (“baseline”) the level of employment is flat (and the employment rate falls gradually).
- In the “weaker” scenario, employment falls during the second half of 2011 and into 2012, resulting in a return to recessionary sentiments.
- In both scenarios, the employment rate remains well below the pre-recession level, with negative implications for the housing market.

These two scenarios portray two very different environments: one scenario in which consumer confidence remains relatively intact, which sets the stage for future strength in the housing market. In the second scenario, consumer confidence is battered once again, and housing demand, especially demand for new homes, remains weak for a longer time. In the second scenario, the negative implications for the housing market are harder to predict: the housing downturn in the



weaker scenario could be deeper and longer-lasting than suggested.

It is possible to imagine a stronger scenario, in which, for example, QE in the US is a raging success, the stock market surges, interest rates stay low, housing demand returns to peak levels, housing values accelerate once again, and new homes activity is stronger. But, I am not inclined to count on this.

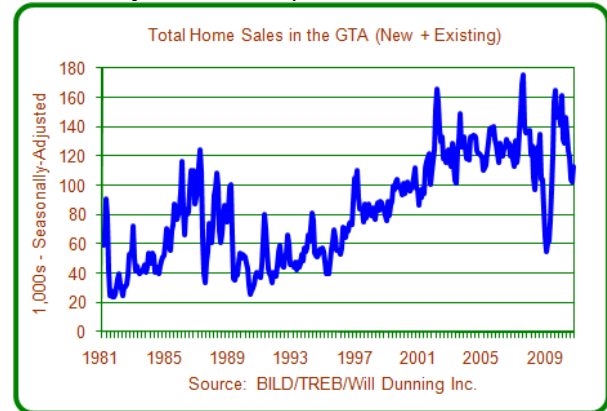


Forecasts for Toronto CMA Employment (Annual Averages)			
Year	Employment Rate	Level of Employment (1,000s)	Growth of Employment (1,000s)
Actual			
2005	64.5	2,764	57
2006	64.1	2,802	38
2007	64.4	2,867	65
2008	64.2	2,923	56
2009	62.1	2,890	-32
Baseline Scenario			
2010	62.2	2,965	75
2011	63.3	3,071	106
2012	62.4	3,081	10
Weaker Scenario			
2010	62.2	2,965	75
2011	62.9	3,047	82
2012	60.4	2,974	-72

Source: Will Dunning Inc.

Housing Market Overview

Total housing activity (resales plus new home sales) has decelerated rapidly this year and is now low compared to most of the prior decade (apart from the terrible period early in the recession). However, the recent low level of sales has been affected by a process of payback for excessive sales that happened last winter. The last datapoint (hard to see in this chart) shows the fall has ended: the payback process may be done. It is possible that sales rates will turn up, although none of my simulations predict that outcome.



Looking over the past two years, the total sales rate has been highly volatile, but it has averaged 124,000 per year, which is identical to the figures seen over the prior two years. Despite the recession, with a very significant loss of jobs, total housing activity was not altered. I've been saying for a long time that employment is the key driver of housing demand. Does this disprove my theory? Probably not: due to low interest rates we have also seen outstanding affordability. This has more-or-less offset the weaker employment. I also say that changes in affordability have short-lived consequences. Since interest rates can't go much lower, the impact of affordability ought to wane and the impact of weakened employment should become more obvious.

The "investment motive" is a further issue. Rapid growth of values has stimulated demand. This effect also ought to wane – in fact I am quite sure that the price softening seen during the summer is already cooling any investment motive.

The investment motive is at the heart of recent suggestions (not from me) that there are housing bubbles in Toronto and elsewhere. If we had a lot of buying driven by speculative expectations then there would be bubble risks. At the peak, no more than 10% of buying here was due to an investment motive. That isn't enough to do real damage. My read is that the price growth was due to a strong market cycle, driven by people's real needs and

ability to pay. For me, this limits risks. There is more on this topic in a report for the Canadian Association of Accredited Mortgage Professionals, to be published during the week of November 8.

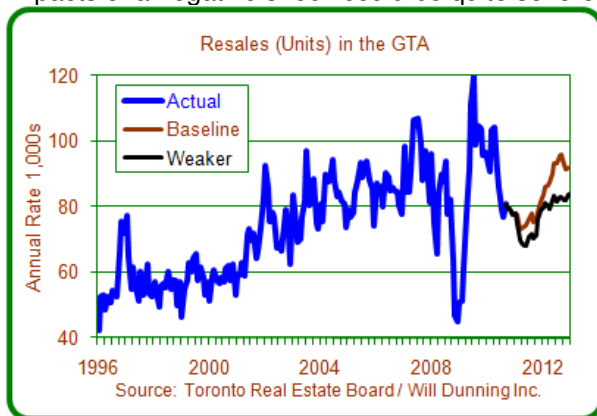
Resale Market

Resale activity dropped in the third quarter (an annualized rate of 79,000), 16% below the second quarter rate (94,000). Temporary factors that had boosted sales during the winter and spring ended, and there was also likely some payback for sales that had been pulled forward in time. I suspect that the period of payback has now ended.

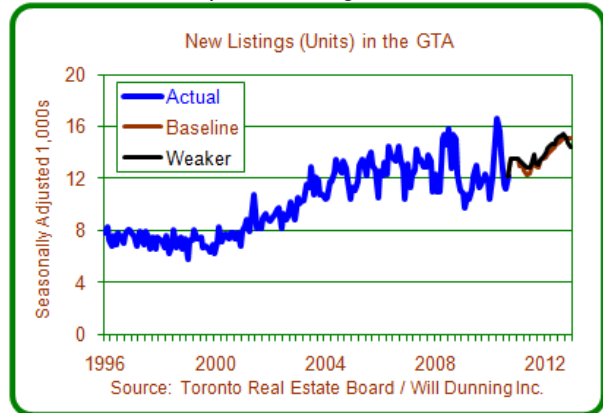
While prices dropped slightly early in the transitional period, they now appear to be stable. The sales-to-listings ratio was in the low 30% range during the third quarter. This was a very rare occasion of a “balanced market” - most of the time we have extremes of either “sellers’ market” or “buyers’ market”.

The wild swings during the past two years have resulted in an average sales rate of about 86,000, almost identical to the 87,000 average seen in the four years prior to the recession. As I discussed earlier, we should have expected slower sales due to the change in the employment situation, but improved affordability has bolstered demand.

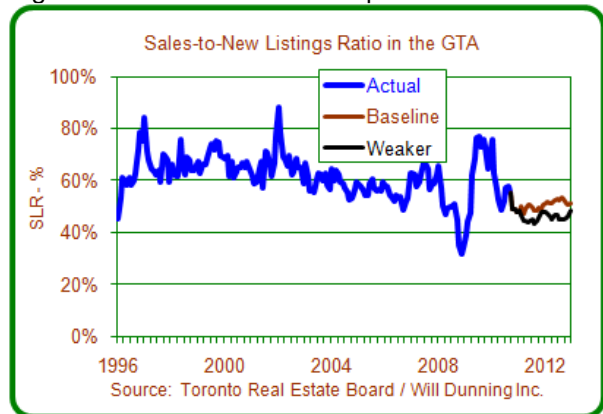
My model suggests that we might see gradual erosion from the recent sales rates: affordability has its biggest impact when it changes – in the absence of further drops of interest rates the pool of buyers will be depleted. But, the jobs that have been created recently should start to generate new housing demand later next year and into 2012. That is the baseline scenario. In the weaker alternative in which there is a shock from a stock market correction, we would see a more rapid and longer lasting slowdown in the housing market. As we saw two years ago, the housing market impacts of a negative shock could be quite severe.



The flow of new listings into the resale market has not especially increased, which is a positive sign that there is little panic selling.



Relatively high listings combined with reduced sales have produced a considerably lower sales-to-listings ratio. I expect this “balanced market” environment to persist. Price movements (up or down) during the next two years should be relatively minor - I do not buy the “bubble” arguments that foresee a collapse.



Forecasts for GTA Resale Market Activity			
Year	Sales (Units)	Average Price	Price Change
Actual			
2005	85,710	\$336,190	6.6%
2006	84,859	\$352,416	4.8%
2007	95,223	\$377,066	7.0%
2008	76,414	\$379,903	0.8%
2009	89,273	\$396,158	4.3%
Baseline Scenario			
2010	87,677	\$429,676	8.5%
2011	75,884	\$430,413	0.2%
2012	90,680	\$435,386	1.2%
Weaker Scenario			
2010	87,677	\$429,676	8.5%
2011	71,585	\$422,928	-1.6%
2012	81,706	\$413,081	-2.3%

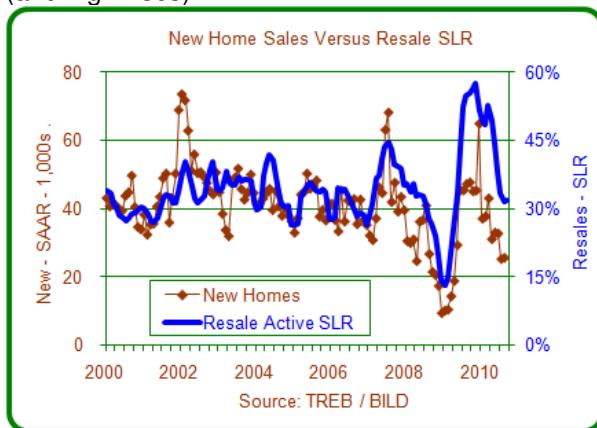
Source: Will Dunning Inc.

TREB's Market Watch report continues to show that centrally-located areas have considerably

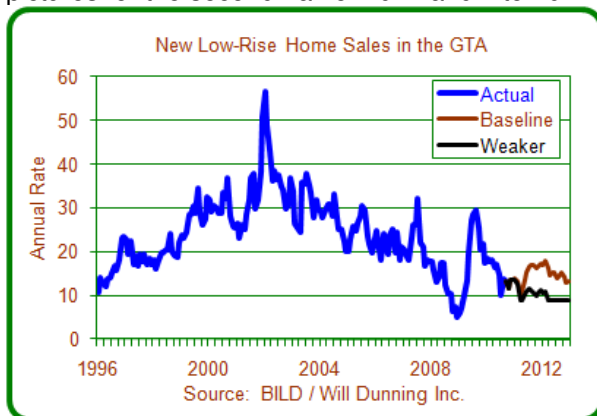
shorter selling times (days on the market) than inner suburban and “905” locations. This points to the dichotomy within the GTA economy (strength in high income services, continued struggles in manufacturing and related industries).

New Homes Market

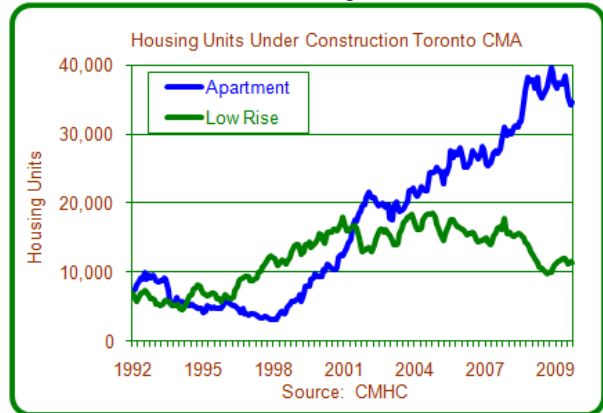
As I have commented previously, the relationship between new homes and the resale market has broken down: during the past year new sales (for low-rises) have been much weaker than they should have. Based on the sales-to-listings ratio, new home sales should be in the range of 40,000, but have averaged just 30,000 over the past six months. I blame the breakdown on a lack of low-rise inventory. If more supply had been available, new low-rise sales would have been considerably stronger. But, with a weakening resale market, the new homes window is getting narrower. A second important factor for the weak low-rise sales is that job markets are weaker in “905” than in the core areas of “416” that are primarily served by resales (and high-rises).



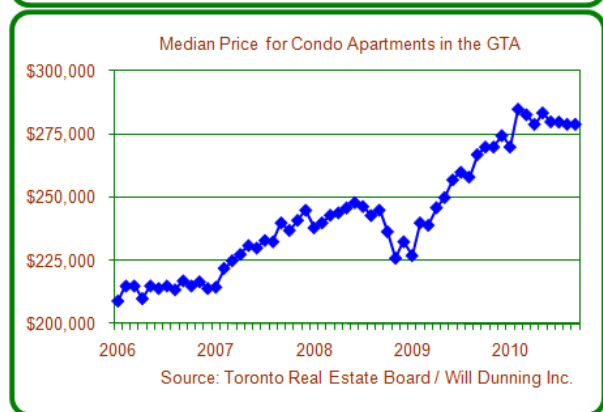
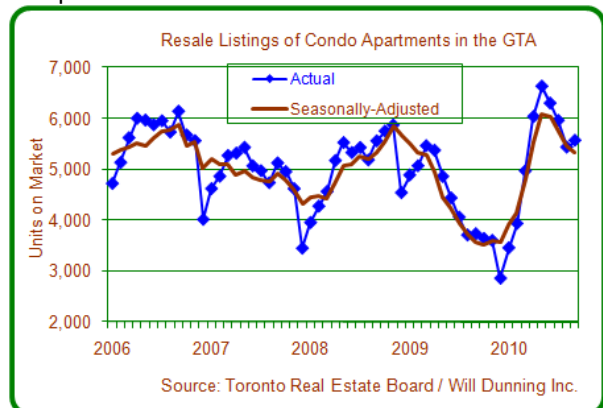
Looking forward, we are likely to see a least a few more months of modest low-rise sales. Next spring could be stronger, based on recent job creation – if consumer confidence holds up. Therefore, the baseline and weaker scenarios paint very different pictures for the second half of 2011 and into 2012.



For high-rises, the volume under construction remains far higher than would be required in normal times, let alone during a recession.



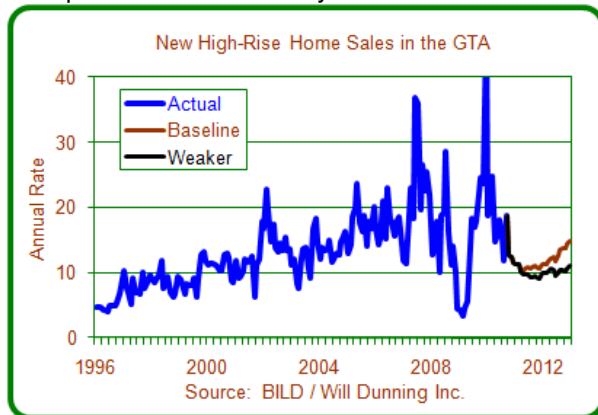
Increasing numbers of projects are now being completed and we are closer to a test of my long-held theory about excess investment. So far, the data suggests that completions have had a moderate effect: the volume of for sale listings has expanded (but not so for rental listings). Increased supply has caused resale prices to flatten, but not to fall. It is still early days, and it will be at least three more months before we can draw conclusions about the impacts of the wave of completions.



I still expect that the high-rise sector is due for a large correction. Demographics suggest that over the long-term, the GTA needs about 12,000 new apartments per year (in the rental and condo



sectors combined). Since recent production has been far in excess of that, there should eventually be a period of lower activity.



The next table summarizes sales forecasts for new low-rise, high-rise and total new home sales.

Forecasts for GTA New Homes Activity			
Year	Low-Rise	High-Rise	Total
Actual			
2004	27,689	13,600	41,289
2005	24,504	17,704	42,208
2006	21,772	17,541	39,313
2007	21,554	23,254	44,808
2008	12,302	14,851	27,153
2009	18,190	15,425	33,615
Baseline Scenario			
2010	15,037	16,447	31,484
2011	14,484	10,786	25,270
2012	15,091	12,741	27,832
Weaker Scenario			
2010	15,037	16,447	31,484
2011	10,657	9,807	20,464
2012	9,178	10,236	19,413

Source: Will Dunning Inc.

Housing Starts

Reflecting trends in new home sales, low-rise housing starts are now slowing (in the GTA and across Canada). But, high-rise starts remain strong, and will increase further, based on recent sales.

Total starts for this year will be higher than in 2009. But, the sales slowdown will cause starts to be substantially lower in 2011 and into 2012.

Concerning employment in construction: employment in the low-rise sector and renovation will fall during the coming year; for high-rises, employment should remain strong for some time.

Housing Starts Forecasts, Toronto CMA				
Year	Low-Rise Ownership	High-Rise Ownership	Rentals	Total
Actual				
2005	25,569	14,184	1,843	41,596
2006	22,181	13,338	1,561	37,080
2007	22,904	9,396	993	33,293
2008	18,262	22,244	1,706	42,212
2009	13,072	10,954	1,923	25,949
Baseline Scenario				
2010	15,752	15,545	1,583	32,880
2011	13,772	15,192	1,836	30,801
2012	15,335	9,830	1,740	26,904
Weaker Scenario				
2010	15,752	15,545	1,583	32,880
2011	11,682	15,201	1,836	28,719
2012	9,619	8,987	1,740	20,345

Source: Will Dunning Inc.

Conclusion

My thoughts have not changed very much during the past year.

Commentary on housing markets, financial markets, and the broader economy has been subject to waves of optimism and pessimism. At present, we are seeing a seeming contradiction of mild optimism about the economy and mild pessimism about Canadian housing markets.

I suspect that the next wave of opinion will be a weakening of attitudes about the economy. This shift might get distorted by corrections to the employment data. Just as we didn't get fooled by over-stated estimates of job creation during the summer, we shouldn't get fooled by over-statements about a slowdown. Underneath the bad data, I see a picture of gradual economic improvement, which should continue for a while.

As for the housing market, most of the commentary and forecasts are very similar to mine.

Over a longer time horizon the outcome from the "knife edge" is a difficult call: once again, my closing message is unchanged.

The depression in the US has another 5-7 years to run. As a minimum, that is a constraint on our economy, and at worst, it could lead to more (periodic) turmoil here.

There are long lag times between the broad economy and the housing market. As the underlying indicators evolve (especially the stock

market and job creation), there will be lots of time to respond.

For now, keep watching the indicators, and stay flexible.

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Baseline Scenario – 2010-Q4											
	<i>Employment</i>		<i>Resale Market</i>		<i>New Homes Market</i>			<i>Housing Starts</i>			
Annual	(1,000s)	Emp:Pop Ratio	Sales	Average Price	Low-Rise	High-Rise	Total New Home Sales	Low-Rise Home Ownership	High-Rise Home Ownership	Rentals	Total Housing Starts
1996	2,128	61.0	55,779	\$198,150	15,525	4,986	20,511	15,768	2,302	146	18,216
1997	2,223	62.5	58,014	\$211,306	18,985	7,811	26,796	22,382	2,940	252	25,574
1998	2,290	63.1	55,344	\$216,814	19,525	8,495	28,020	21,272	4,463	175	25,910
1999	2,355	63.7	58,957	\$228,372	27,848	9,149	36,997	26,181	8,270	453	34,904
2000	2,456	64.9	58,349	\$243,255	30,040	11,052	41,092	28,726	9,981	275	38,982
2001	2,539	65.1	67,612	\$251,508	31,233	11,025	42,258	27,323	12,738	879	40,940
2002	2,591	64.6	74,759	\$275,371	38,534	15,791	54,325	33,212	9,081	1,368	43,661
2003	2,648	64.7	78,898	\$293,067	30,931	12,234	43,165	30,005	13,487	1,983	45,475
2004	2,707	64.7	84,887	\$315,278	27,689	13,600	41,289	28,424	12,450	1,241	42,115
2005	2,764	64.5	85,710	\$336,190	24,504	17,704	42,208	25,569	14,184	1,843	41,596
2006	2,802	64.1	84,859	\$352,416	21,772	17,541	39,313	22,181	13,338	1,561	37,080
2007	2,867	64.4	95,223	\$377,066	21,554	23,254	44,808	22,904	9,396	993	33,293
2008	2,923	64.2	76,414	\$379,903	12,302	14,851	27,153	18,262	22,244	1,706	42,212
2009	2,890	62.1	89,273	\$396,158	18,190	15,425	33,615	13,072	10,954	1,923	25,949
2010	2,965	62.2	87,677	\$429,676	15,037	16,447	31,484	15,752	15,545	1,583	32,880
2011	3,071	63.3	75,884	\$430,413	14,484	10,786	25,270	13,772	15,192	1,836	30,801
2012	3,081	62.4	90,680	\$435,386	15,091	12,741	27,832	15,335	9,830	1,740	26,904
% Change (1)											
2008	56	-0.3%	-19.8%	0.8%	-42%	-35%	-38%	-20%	137%	72%	27%
2009	-32	-3.4%	16.8%	4.3%	46%	2.3%	22%	-28%	-51%	13%	-39%
2010	75	0.2%	-1.8%	8.5%	-18%	5.9%	-7%	21%	42%	-18%	27%
2011	106	1.9%	-13%	0.2%	-4%	-34%	-20%	-13%	-2.3%	16%	-6%
2012	10	-1.5%	19%	1.2%	4.2%	18%	10%	11%	-35%	-5.3%	-13%
Source: Will Dunning Inc. Percentage changes may not add due to rounding Note: (1) for employment the change is in 1,000s											

Weaker Scenario – 2010-Q4											
	<i>Employment</i>		<i>Resale Market</i>		<i>New Homes Market</i>			<i>Housing Starts</i>			
Annual	(1,000s)	Emp:Pop Ratio	Sales	Average Price	Low-Rise	High-Rise	Total New Home Sales	Low-Rise Home Ownership	High-Rise Home Ownership	Rentals	Total Housing Starts
1996	2,128	61.0	55,779	\$198,150	15,525	4,986	20,511	15,768	2,302	146	18,216
1997	2,223	62.5	58,014	\$211,306	18,985	7,811	26,796	22,382	2,940	252	25,574
1998	2,290	63.1	55,344	\$216,814	19,525	8,495	28,020	21,272	4,463	175	25,910
1999	2,355	63.7	58,957	\$228,372	27,848	9,149	36,997	26,181	8,270	453	34,904
2000	2,456	64.9	58,349	\$243,255	30,040	11,052	41,092	28,726	9,981	275	38,982
2001	2,539	65.1	67,612	\$251,508	31,233	11,025	42,258	27,323	12,738	879	40,940
2002	2,591	64.6	74,759	\$275,371	38,534	15,791	54,325	33,212	9,081	1,368	43,661
2003	2,648	64.7	78,898	\$293,067	30,931	12,234	43,165	30,005	13,487	1,983	45,475
2004	2,707	64.7	84,887	\$315,278	27,689	13,600	41,289	28,424	12,450	1,241	42,115
2005	2,764	64.5	85,710	\$336,190	24,504	17,704	42,208	25,569	14,184	1,843	41,596
2006	2,802	64.1	84,859	\$352,416	21,772	17,541	39,313	22,181	13,338	1,561	37,080
2007	2,867	64.4	95,223	\$377,066	21,554	23,254	44,808	22,904	9,396	993	33,293
2008	2,923	64.2	76,414	\$379,903	12,302	14,851	27,153	18,262	22,244	1,706	42,212
2009	2,890	62.1	89,273	\$396,158	18,190	15,425	33,615	13,100	10,954	1,923	25,949
2010	2,965	62.2	87,677	\$429,676	15,037	16,447	31,484	15,752	15,545	1,583	32,880
2011	3,047	62.9	71,585	\$422,928	10,657	9,807	20,464	11,682	15,201	1,836	28,719
2012	2,974	60.4	81,706	\$413,081	9,178	10,236	19,413	9,619	8,987	1,740	20,345
% Change (1)											
2008	56	-0.3%	-20%	0.8%	-42%	-35%	-38%	-20%	137%	72%	27%
2009	-32	-3.4%	17%	4.3%	44%	1.4%	24%	-28%	-51%	13%	-39%
2010	75	0.2%	-1.8%	8.5%	-18%	5.9%	-6.3%	21%	42%	-18%	27%
2011	82	1.2%	-18%	-1.6%	-29%	-40%	-35%	-26%	-2.2%	16%	-13%
2012	-72	-4.0%	14%	-2.3%	-14%	4.4%	-5.1%	-187%	-41%	-5.3%	-29%
Source: Will Dunning Inc. Percentage changes may not add due to rounding Note: (1) for employment the change is in 1,000s											