Home Builder Getting Ready

Home builders have begun buying land along the I-15 corridor for new housing subdivisions after sitting on the sidelines for the first half of the year, according to the principal of a land brokerage that does business in Riverside and San Bernardino counties.

Tom Doyle, of Whittlesey Doyle, told commercial industry representatives that home builders purchased only two parcels in Inland Southern California in the first half of the year, but that since then they have closed or entered escrow on 55 parcels.

Doyle said renewed builder competition for land has pushed up prices by as much as 25 percent. But he said large builders are game to buy anyway because they are running out of finished lots and need land to remain in business. He said in most cases the land they are

Lost and Found

By David Shulman
Senior Economist, UCLA Anderson Forecast

The first decade of the 21st century is over. Good riddance! It has truly been a lost decade for labor and capital. In stunning contrast with the ebullience of late 1999, there are now a half million fewer people on nonfarm payrolls than at the start of the decade. To be sure, late 1999 represented a business cycle peak while late 2009 represented a trough, but make no mistake, the recent recession established postwar records for declines in employment, home and stock prices. Over the last decade, the unemployment rate has more than doubled and real wages rose by a very modest 6.5%. Concomitantly, the federal budget swung from a $1.4 trillion surplus in FY 1999 to a record $1.3 trillion deficit in FY 2009.

Despite the 64% stock market rally off the March lows, both nominal and real stock prices are far off their year-end 1999 levels by 26% and 42%, respectively. Needless to say this poor performance is a far cry from the wild-

Commentary

By State Senator Robert Dutton
31st District of California

A New $21 Billion Hole

The non-partisan Legislative Analyst announced that California will have another $21 billion deficit for the 2010-11 fiscal year as revenues to the state continue to fall—despite the Legislature and Governor imposing the largest tax increase in history on residents of this state earlier this year.

In February, I said when I opposed the tax increase: "This budget does not include the needed structural reforms that will end the deficit spending that caused this $42 billion deficit. Despite taxes being increased by $13 billion, I believe California’s thirst for spending your tax dollars will continue and future deficits will follow. This budget simply doesn’t fix our problem.”

When another $26 billion deficit was being addressed this summer, I again voted against the plan saying: "I have been saying for months that whatever plan is presented must fix the entire problem.”

As a result of not fixing the structural flaws, coupled with an economy that is dragged down by

Wells Fargo to Shut Branches

Wells Fargo will be switching several Inland Wachovia branches to the Wells banner in April and plans to close 14 locations and consolidate operations.

Wells Fargo, which acquired Wachovia in December 2008, said in a statement that no layoffs are expected, and workers at the shutting branches will be transferred to other local offices. Wells plans to close a total of 122 California Wells Fargo and Wachovia offices due to post-merger service overlaps.

Inland branches set to be shut, with nearby locations set to assume their operations in parentheses, are as follows:

Riverside County
• Wachovia, 3501 Adams St., Riverside (Wells Fargo, 3765 Tyler St.)
• Wachovia, 18295 Collier Ave., Lake Elsinore (Wells Fargo, 29265 Central Ave.)
• Wachovia, 1701 E. Florida Ave., Hemet (Wells Fargo, 1100 E. Florida Ave.)
• Wachovia, 1255 Hammer Ave., Norco (Wells Fargo, 140 Hidden Valley Pkwy.)
Harvard Ignored Warnings About Investments
By Beth Healy

It happened at least once a year, every year. In a roomful of a dozen Harvard University financial officials, Jack Meyer, the highly successful head of Harvard’s endowment, and Lawrence Summers, then the school’s president, would face off in a heated debate. The topic: cash and how the university was managing—or mismanaging—its basic operating funds.

Through the first half of this decade, Meyer repeatedly warned Summers and other Harvard officials that the school was being too aggressive with billions of dollars in cash, according to people present for the discussions, investing almost all of it with the endowment’s risky mix of stocks, bonds, hedge funds, and private equity. Meyer’s successor, Mohamed El-Erian, would later sound the same warnings to Summers, and to Harvard financial staff and board members.

“Meyer was having a heart attack,” said one former financial executive, who spoke on the condition of anonymity for fear of angering Harvard and Summers. He considered the cash investment a “doubling up” of the university’s investment risk.

But the warnings fell on deaf ears, under Summers’s regime and beyond. And when the market crashed in the fall of 2008, Harvard would pay dearly, as $3.8 billion in cash simply vanished. Indeed, it is still paying, in the form of tighter budgets, deferred expansion plans, and big interest payments on bonds issued to cover the losses.

So how did one of the world’s great universities err so badly in something so basic? It is a story with many actors, the story of an institution that grew complacent as its endowment soared ever higher—and an institution that, when the crunch hit, was operating on financial auto-pilot, with many key players gone, and those remaining indifferent, in retrospect, to the risks ahead.

“Investing cash alongside the endowment was a long-held strategy that we didn’t decide to change until early 2008,” said James F. Rothenberg, Harvard’s treasurer—a part-time, unpaid role. He said the biggest mistake was not to have taken some of the cash off the table, and placed it in safer accounts, as trouble started brewing in the markets and the economy. “We all can look back now and say we wish we did something different,” he said.

In the Summers years, from 2001 to 2006, nothing was on auto-pilot. He was the unquestioned commander, a dominating personality with the talent to move a balkanized institution like Harvard, but also a man unafflicted, former colleagues said, with modesty forbids saying so...

The California Public Utilities Commission (CPUC), in its ongoing commitment to reducing the state’s greenhouse gas emissions, authorized Southern California Edison to co-fund feasibility studies of a California integrated gasification combined cycle (IGCC) plant with carbon capture and storage.

Edison will commit up to $17 million to the Phase I feasibility studies associated with a facility known as the Hydrogen Energy California (HECA) project. Edison is also allowed to fund up to $13 million in Phase II studies to further examine the permitting, engineering, and economics associated with this project, if the Phase I feasibility studies demonstrate that further studies are warranted.

The HECA facility would provide low-carbon electricity within California by gasifying non-conventional fuel resources (primarily petroleum coke from California’s oil refineries or, as needed, blends of petroleum coke and other solid fuels) to produce hydrogen for electricity generation through an IGCC plant and capture the CO2 for Enhanced Oil Recovery. “This project would produce electricity, reduce exports of high-polluting petroleum coke, and increase oil production in California. It would be a win, win, win for consumers,” said CPUC President Michael R. Peevey. “The IGCC technology would reduce greenhouse gases, which would benefit ratepayers, the state, and the nation.”

The U.S. Department of Energy continued on page 39

CONTROVERSY OVER ECONOMIC IMPACTS OF CALIFORNIA’S CLIMATE LAW: A COMPARATIVE ANALYSIS OF PROJECTIONS

CRS PROVIDES FIRST OF ITS KIND EXAMINATION OF DIFFERENT ECONOMIC STUDIES ON IMPACT OF AB 32 AND FINDS STATE STUDY IS CONSISTENT WITH MAINSTREAM

Amidst debate over the economic implications of California’s landmark global warming law, the Center for Resource Solutions (CRS) released a report comparing the assumptions, models and results of differing economic analyses. Three of four prominent analyses show the costs of climate policy are far outweighed by projected economic growth, the new study finds.

Climate Economics and Program Evaluation in California examines the assumptions, models and results of four different economic modeling efforts conducted by the following organizations: 1) California Air Resources Board (CARB); 2) University of California researchers; 3) Charles River Associates/Electric Power Research Institute; 4) Varshney and Tootelian.

The first three studies all found strong growth even while considering only a narrow class of benefits—expected energy savings from efficiency measures. The fourth study, Varshney and Tootelian, includes only costs and no benefits associated with the law. Broader economic benefits expected to occur, such as boosts to the clean energy and pollution control sectors, improvements in public health, and increased investment in clean tech industries, were not included in any of the studies.
Harvard Ignored Warnings About Investments

Warnings fell on deaf ears on the president of Harvard, Lawrence Summers, as the market crashed in the fall of 2008. He and other Harvard officials were warned that the school was being too aggressive with billions of dollars in cash by investing in stocks, bonds, hedge funds, and private equity.

"Time "Information Overload to Boost Profit" When you look at how much time it costs each day to sift through (and digest) all of the information that is of interest, you realize that "too much information" can cost valuable time and money.

A Shark School for Goldfish: Seven Ways You Can Thrive in a Sea of Change It's true that the change we are experiencing is like water we're experiencing the ebb and flow of a massive tidal wave. However, despite the unemployment rate and economic conditions, you can still be successful says Jon Gordon...

Grew Your Business With Mobile Applications Mobile applications, or apps, are the future for today's businesses. Find out just how prevalent are apps. A recent report says that nearly half (48 percent) of phone users shop for apps more than once a week.

Rebuilding After Difficult Times Tim Urnas says that if you follow two main steps--let go of the past and develop a capital plan, rebuilding after difficult times will be much easier. He goes on to say that it is hard to rebuild, confidence and tenacity will as for the rest of our life.

The very thing that the former endowment chiefs had worried about and warned of for so long then came to pass. Amid plummeting global markets, the Harvard Institute would lose not only 27 percent of its $37 billion endowment in 2008, but 1.8 percent of the general operating cash--or 27 percent of some $6 billion in revenue. Harvard also would pay $107 million to get out of the interest-rate swap Summers had entered into, which imploded when rates fell instead of rising. The university would have to pay $3.75 billion in bonds to shore up its cash position, on top of another $1.8 billion debt sale.

Investing cash from the general operating account in the endowment wasn't new, Summers told the university, and it was not unique to Harvard. It had been done as far back as the 1980s at the university officials say, as a way of making up for aggressive investment of cash accounts is part of how the university has long run its "central bank," an account that holds funds from its various schools and pays them a modest US Treasury rate of return. The "bank," in turn, has

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City/State/Zip

Phonex

SOURCE: Harvard University financial reports

$5 billion

$1.5 billion

$1.8 billion

$1.5 billion

$1.8 billion

$1.5 billion

The upsurge of $3.75 billion in bonds to shore up its cash position, on top of another $1.8 billion debt sale. And those were legal fees, pay freezers, and deep, university-wide budget cuts.

Harvard...

December 2009
Ross Nolan Named Dutton Senate Fellow

Sen. Bob Dutton announced that Ross Nolan, one of 18 individual choices to participate in the 2010-2011 Senate Fellows program, will be among the group of fledgling legislators. Nolan grew up in Northern California and graduated from Foresthill High School. After five years of service in the US Marine Corps that included a tour in Iraq, he attended UC Santa Barbara and graduated with a bachelor's degree in political science. While at UC Santa Barbara, Nolan was chair of the campus College Republicans and was active in local political campaigns.

As a full-time staff member for Senator Dutton, Nolan's duties will include researching, developing, and staffing legislation, along with participating in meetings as the senator's representative with constituents, school groups, lobbyists and others on a variety of policy issues.

"I am pleased to add Ross to my legislative team," Senator Dutton said. "Being a Senate Fellow provides an excellent opportunity to gain first-hand knowledge of the legislative process. Whether your career goals are in the public or private sector, the Senate Fellowship provides valuable training and experience."

Former Senator Dianne Feinstein was among the first to lay the foundation of a center for political education and development. The goal is to educate the new members of Congress and the California Legislature, judges, and numerous other elected officials and community leaders.

In addition to working on the personal staff of a State Senator or committee staff, Senate Fellows participate in academic seminars where they interact with senators, senior staff, journalists, lobbyists, and other state government officials.

Make Your Reservations Early for Singing Valentines

The Chapter Quartets will deliver Singing Valentines at 6:30 p.m. on Saturday, February 13th, and Sunday, February 14th. After five years of service in the US Marine Corps that included a tour in Iraq, he attended UC Santa Barbara and graduated with a bachelor's degree in political science. While at UC Santa Barbara, Nolan was chair of the campus College Republicans and was active in local political campaigns.

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MANAGEMENT

Tame “Information Overload” to Boost Profit
By Glory Gorgeson

Tom owns his own small business. His type of company allows him ample "desk time" in his office. Tom is interested in news that affects his business directly, government policies that affect small businesses in general and he enjoys reading anything related to hot topics. Like most businesspeople, Tom gets his information via e-mail from various sources, particular Internet sites and certain TV news programs.

Do you make a good point?

If you're thinking that, you can take a look at how much time it was costing him each day to sift through (and digest) all of the information that interests him, it came out to about an hour and a half a day. That's seven and a half hours a week! Tom realized he had to make a change to the information overload that was taking time away from his business. Still, he found that certain pieces of information could be really helpful to his strategic business decisions. He needed to find a way to get the information he needed without sacrificing so much of his time.

Whether a topic that interests you directly affects your business, indirectly affects your business in general, or is a current hot topic in government policy, the Internet, e-mail, and "tune-in" television channels has made many of us into "TMI" people - "too much information?"

The problem? Reading/watching/listening to all of it (even if it's interesting and/or directly affects your business) can take up so much valuable time.

Wouldn't you rather have that time to put toward high yield activities that return the most money-per-hour?

Much of the time taken up by reading/watching the interesting news and information that comes your way could be spent on activities that increase your sales or decrease your expenses (thereby contributing to higher profit).

You might be thinking, "But buried in all of that news and information I go through, there is usually a ' nugget ' I'm able to use for my business' benefit. I don't want to miss that one!"

If you're thinking that, you can make a good point.

What do you make a change?

If there was a way to get the information you need (the " nugget ") without spending a considerable amount of time doing yourself? And what if, with the extra time made available, you were able to change your activities to either directly or indirectly increase sales? What if it made your net profit increase by, say, 10 percent? If it cost you a small fraction of that profit to make a change, would it be worth it?

Finding the bit of information you really need can be outsourced to a variety of people. Consider the following list of outsourcing possibilities, according to the sophistication level of the information you receive and regularly read or watch:

- A virtual assistant (VA) based in your country who has a certain background of which this task fits nicely.
- A foreign outsourcing company, such as Brickwork (b2corp.com), cDesk.com, or Elance.com (Elance for both foreign and U.S. based)
- College students (junior or seniors) majoring in business, political science, English, or another related field

What should you give this person? (the "Admin")

Whether delegating to an employee or an outsourced individual, they will need:

- A clear description of what you are looking for. (What is the " nugget "?)
- If you subscribe to free e-zines or news online, that arrive by e-mail, have the Admin subscribe, too.
- If you have a paid subscription that arrives by e-mail, forward those e-mails to the Admin.
- List other online information sources you want the Admin to check daily.
- For periodicals (newspapers, magazines, newsletters) that don't have an online option, having a local Admin read through them is your best bet. If you don't have an Admin employee, the college student option is great for this task.

Give the Admin clear examples from your information sources of what you are looking for and how you want it communicated back to you.

What do you want from the Admin?

You want the Admin to deliver a summary version of the " nuggets " that find that are directly related to what you need to know. This means a " copy and paste " of text (other to a document or in the body of an e-mail), without links! Links will just put you back into TMI.

The first few times your Admin performs this task for you, the result may not be exactly what you want or need. Take some extra time upfront to communicate again with your Admin about what you want and what you don't want. He or she is certain to get it right in a short time.

[continued on page 39]
A Shark School for Goldfish: Seven Ways You Can Thrive in a Sea of Change

By Jon Gordon

Jettison your anger. Still fuming over your bad fortune? You've been angry, sad, and uncertain for a positive moment. Let it all go. Forgive the company. Forgive your employers. Releasing bitterness means that you can't create your future by focusing on the past. Gordon says after he was laid off, he made a conscious decision to forgive his company for letting him go and forgiving him for only two more weeks worth of severance pay.

And soon, Harvard would enter a period of upheaval. Meyer left in the fall of 2005, after clashing with Summers over the compensation of the endowment staff. And Summers announced his own resignation in February 2006. Gordon says that with the arrival of Meyer’s successor, El-Erian. A month later, Harvard’s top in-house financial officer, Ann E. Berman, vice president for finance, also resigned.

Summers was gone by July that year, but not before El-Erian issued a new round of warnings about what he saw as an alarming amount of cash being put at risk, according to several people who were there. El-Erian left Harvard after just two years, at the end of 2007, to return to his old bond firm, PIMCO. Both he and Meyer declined to comment on whether the cash concerns contributed to their decision to leave.

For other university officials, warnings about Harvard’s finances were easy to gloss over. The endowment had been a victim of the same hard times that befell virtually everyone. In 2006. And after Summers resigned, forced out by an angry faculty after comments about women lagging in the sciences and other concerns.

Derek Bok, a former Harvard president from the ’70s and ’80s, took over as interim president. He was, by his own admission, unplugged from the complexities of the financial picture.

“I concentrated on academic issues,” Bok said in a Globe interview. He said that his strengths were in investments and that Harvard had an experienced treasurer and board to oversee those issues. “I think they would have come to see me if there were really important changes,” he said.

Harry Lewis, a Harvard professor and a former dean of the college, attributes the failure to address the university’s financial risks to the ancient structure of the Harvard corporation, which functions like a medieval guild. “With only the six fellows plus the president, Harvard is inevitably going to be a lot of deference to the people who seem to have the most authority, especially if the president is strong-willed,” he says. “If there was ever anyone in this situation, it shows a fundamental structural problem. The power is in the hands of too few people with too little accountability.”

From the general consensus that $6 billion by the time Bok and El-Erian left. Problems were starting to surface in housing and the credit markets in 2007. But still the policy went unchanged. It wasn’t until early 2008 that a chorus of concern was raised from members of the Harvard Management Company, its advisory committees, and the board. They decided to start pulling some of the cash out of the endowment — and continued on page 14.
UCLA...

continued from pg. 7

future isn't what it used to be. We have spent income we are never going to earn.

We cannot count on consumers to get us out of this. The Federal government is helping some with a poorly designed stimulus plan. But it's easy for us who are working on things that will take time. Until then, expect weaker than normal growth, and expect a labor market that gets better than it is, but remains moribund.

Conclusion: Don't Bet the Ranch on A Strong Recovery

It is hard to be optimistic about consumers leading us out of this recession, but it's best to recognize that the problem with household balance sheets is mostly about mortgages and home prices. It's the uncertainty about the future that is really killing us, it is not processing the bad news that has already arrived. We are all worried about as many as 5 million foreclosures still to come and significant further deterioration in home prices, making our balance sheets all the worse. But home prices do show some signs of life, and if we could get some appreciation again, it would bring buyers out of the woodwork and clear out the inventory of unsold homes and foreclosures. Banks are mostly listed for sale and those currently being held off the market in hopes of better times ahead. That is not a likely scenario, and the conventional forecast, like our own, calls for a troubled recovery.

California: Recovery From the Recession and the Great Budget Head Fake

By Jerry Nickelsburg

Senior Economist, UCLA Anderson Forecast

In preparing the December update and forecast we observed that our September forecast was, in the main, right on track with the numbers we were seeing. Our forecast was for increased unemployment coupled with decreases in job losses and increases in exports and manufacturing, continued declines in commercial construction and the beginnings of a turnaround in consumption.

The numbers show unemployment rising and hiring levels at the top of our forecast range in October, payroll employment job losses diminishing and net job gains in October, export demand, which directly affects California manufacturing and agriculture, continuing to increase and non-durable goods manufacturing beginning to grow once again.

As expected, construction employment is diminishing and new job losses are increasingly concentrated in the commercial construction arena. And Californians are spending a lot more, Sales and use taxes and corporate income taxes both beat state forecasts in the month of October.

But one curious anomaly stood out. With all of the hue and cry about the California state government running out of money and a monstrous $40 billion plus shortfall in the combined fiscal 2008 and fiscal 2009 state budgets, employment in state government barely budged. When there are ostensibly huge cuts in spending and little response in the direct employment supported by that spending, one is led to the conclusion that those spending cuts are, at least in part, not there. This answer has been hinted at for some time and was succinctly called out in a November LAO Report.

In sports, a head fake is a move which gets you to look in the wrong direction for a sufficient amount of time so that when you discover that you have looked the wrong way, it is too late to correct the error. In this case it is a July budget agreement which purported to include sources of revenue and spending reductions which were anything but guaranteed. In fact it would have been reasonable to assume that at least some of the budget solutions could not come to fruition. This head fake resulted in the budget shortfall being lobbed forward into the next budget year. The LAO report predicts that the 2010/2011 budget will have to be balanced through a combination of spending cuts and (possibly) new revenues to the tune of 20 billion dollars. Our estimates are slightly more optimistic, but only slightly. Some of the estimated fiscal 2010 budget shortfall is being generated by mandated increases in spending which will have to be offset by new revenues or cuts elsewhere in the state budget, and others are being generated by the need to make up for the shortfall in fiscal 2009 revenues.

So what are we to make of the Great Budget Head Fake? Is this another disaster for California? Is our previous forecast invalid even though it appears to be tracking the California economy to this point? As it turns out, like a Kobe Bryant head fake to an L.A. Lakers' fan, not all head fakes are bad. By changing the time profile of some of California's painful cuts in state spending so that they occur after the depths of the recession trough are passed, the impact may end up being well within our positive.

To be sure, the current budget crisis and the systemic problems of government finance in California are a huge negative and they will require fundamental reform if such painful and costly episodes are to be avoided in the future. But the impact of this particular event does not, as one might think at first blush, engender another economic disaster for the state.

Labor Markets on the Mend

While we, as with most forecasters, underestimated the severity of the recession, we did get the pattern right. In December of last year, our forecast was for labor markets to improve in California by the fourth quarter of this year. The carnage of the first quarter when a third of a million jobs evaporated and the ranks of the unemployed swelled by over 400,000 has now abated. Though the total job loss in October was 94,000 jobs, a large number, a reduction in the size of the labor force was such that the ranks of the unemployed grew by only 36,000.

Individually exit the labor force for many reasons. Some exit because they are discouraged, while others decide to go back to school or to migrate out of state, and others take time off for travel or other pursuits. Importantly, the CES data, which is based on a larger sample and on mandated employer reporting of payrolls, showed growth in non-farm payroll employment of 257,000 jobs. This is the first growth in payroll jobs in California since April 2008 and the largest growth in payroll jobs since July 2007, five months before the recession began.

The trend in employment through the year outside of the construction, durable goods manufacturing and retail sectors is evident. Job losses in the services and in non-durable goods manufacturing were widespread in the first two quarters of the year. In the four months ending in October, job losses are considerably lower than the previous trimesters and four sectors, health care, wholesale trade, non-durable goods manufacturing, and education are moving into net additions to employment.

The situation is even more encouraging when we focus on October. All of the sectors in Chart I added jobs except other services and non-durable goods manufacturing. So those sectors, representing just under 2/3 of all payroll jobs in the state, are beginning to grow and show promise of leading California labor markets out of the recession.

The balance of private sector... continued on page 16
Harvard... continued from pg. 10

in $250 million chunks—quarterly, according to Harvard officials briefed on the plan. But it was too late. They got one slug of money out in March 2008, and then the markets seized up.

The very thing that the former endowment chiefs had worried about and dreamed of for two decades plunked down global markets, Harvard would lose not only 27 percent of its $37 billion endowment in 2008, but $1.8 billion of the general operating cash—27 percent of some $6.6 billion invested. Harvard also would pay $500 million to get out of the interest-rate swaps. Summers had entered into, which imploded when rates fell instead of rising. Of that $500 million, $335 million would be shorn off its cash position, on top of another $1 billion debt sale. And there were layoffs, pay freezes, and deep, university-wide budget cuts.

While the global markets were in freefall in September 2008, the nation's most prominent university, with the largest endowment, had barely enough financial hands on deck. On campus, Daniel Shole was technically the guy at the controls. He was chief investment officer and would formally get the job, and the vice president's title, in October. He was the third person to hold the job in as many years. The head of the endowment was new, as was the Goldman Sachs & Co. veteran whom President Drew Faust had just hired to report to her on the university's finances, Edward Zeff, was summoned to Washington for a month to help with the federal bailout.

Rothenberg, the treasurer, was home in Los Angeles, tending to his day job as a mutual fund executive. Since becoming treasurer in 2004, he has made 65 cross- country flights to Cambridge, slightly more often than monthly, according to a tally by his assistant. He handles other Harvard business by phone, including some calls that come in on overseas. But he earns his living as chairman of Capital Research and Management Co., a $300 billion-asset investment firm that manages the incomes of high schools and is admired for producing steadier returns than many rivals, and losing less in bad times. Rothenberg is also a portfolio manager, personally handling billions of dollars in two giant programs: the Growth Fund of California and the Washington Mutual Investors Fund.

In a March 2007 interview, Rothenberg told the Harvard Gazette, "Most investors invest in the navirrow mirror. The problem with that is you make the most money by anticipating change. I spend a great deal of my time thinking about how the world will look three or four years from now."

Even with the losses, Rothenberg said, the cash strategy has earned Harvard returns averaging 8.9 percent over the past 10 years. He and other university officials say the cash pool is still ahead of where it would have been, if invested more conservatively all along. But no one can pin the specific about what that net gain has been. Harvard won't stop investing the cash, said Rothenberg, but the past year has "taught us a great deal about the critical impor-
tance of maintaining an appropriate focus on risk and liquidity," he told the Globe.

No one wants to repeat the black day when university officials had to watch their endowment fall $37 million in 98 minutes. For Harvard's 30 overseers, that news came as a sur.
fise, a full year after they'd been told to expect losses in the endowment. It came at an Oct. 4 meeting on campus, just days before the university disclosed the news publicly.

Said one overseer, speaking on the condition of anonymity because he wasn't authorized to talk about Harvard business: "It wasn't a happy thing."
For CA 91129-1971 and Los Angeles, there are neither prices slaming residential construction beginning a recovery next year.

Business Brokerage Firms Serving the I.E.

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For All Business For Sale provides business for sale information on their Web site at www.allbizforsale.com and on their Facebook page, in phone (858) 681-6821.

UCLA... employment-construction durable goods manufacturing and retail-have yet to show encouraging signs. Total employment in the construction sector continues to decline due primarily to the dismal state of residential construction and the fact that stimulus package infrastructure construction has yet to begin in earnest. New permits for residential construction have reached record lows seven years ago and have neither moved up nor down since then. With housing prices stabilizing according to one index (FHFA) and rising according to another (Case Shiller) and with inventories low in the coastal cities we still expect to see residential construction beginning a recovery next year.

In manufacturing, job losses were widespread across sub-sectors. Fabricated metal, machinery and electrical equipment and appliances are exhibiting weak trends towards improved employment, perhaps reflecting the increased demand for California’s exports, but there are no definitive movements away from contraction. The hope for an incipient recovery in the technology centers of the Bay Area and Los Angeles remains as energy technology money from the stimulus package is beginning to be allocated to California firms and new venture capital money is beginning to flow into the Silicon Valley once again.

Nothing says Christmas quite like a boxed set of DVDs. Can there be a better way to celebrate the high point of the Christmas calendar than to give Season 7 of "Hawaii Five-O" to the one you love 30 days ago? Yes. Exaggerate. But let's be real. When someone points out to you that the new fall TV shows are "The Prisoner" or the AMC channel just isn't satisfying as he remembered the old one, or the lady in your life thinks the guy who played Starbuck in the original "Battlestar Galactica" was really great in "The A-Team," it is easy to drop by Costco, or go on Amazon and get the complete series to drop into a stocking hung by the tree. Here we are dealing with a part of the computer technology that simply didn't exist a decade or so ago. If you wanted to have every episode of, say the original "Star Trek" series, or "The X-Files," you had to buy them individually. And that got costly. If everything we grew up with is now available, either season by season, or the complete series, on DVD. Just about every show that even was or is now available, either season by season, or the complete series, on DVD. Not even talk shows ever made were available. Now you can get them packaged by category. Clint Eastwood's "Man with No Name" trilogies. The best of the MGM musicals. Looney Tunes cartoons. Great war movies. The "Saturday Night Live" collection—and so on.

There was about a 20-year gap when networks feared what they called "time-shifting." It meant watching "Hill Street Blues" when you wanted to, not when it aired. Of course, you now can catch last week's "Law and Order" when it's rebroadcast on the weekend. And the cable channels will still be running that episode for the next 10 years. So, TiVo and DVDs have made it possible to never miss a show, whether you're out on your laptop at night watching a movie or just can't catch two shows what is on at the same time. Plus, you can run through those pesky commercials, which pay for the show's production in the first place.

So then, you can rent DVDs if you wish. You can even put the video store in your iPod or comput­er hard drive. Forget Big Brother. Walt Disney is everywhere.

Keep up with all the compe­tition, Disney now offers three copies of each film. You get a Blu-Ray video copy for your new player, plus a regular DVD copy for portable players, like the one you have in the back seat of the car for the kids, and a digital video copy to load into your iPod or computer hard drive. From Black Friday on, or for the rest of the year.

Our newest color copier technology is well traveled.

In fact, he's been to over 22 of the 30 big league ballparks.

For All Business For Sale provides business for sale information on their Web site at www.allbizforsale.com and on their Facebook page, in phone (858) 681-6821.
Many people have had finances devastated, real estate values drop, job challenges and other difficulties in the recession that businesses have recently experienced. This suggests that many signs are now pointing to the end of the recession and owners and managers can focus their attention to rebuilding lives and finances. While rebuilding may be difficult it is also doable if you follow two main steps in the process:

- **Let go of the past**
- Develop a capitalizing plan

Within each of the steps there can be a few common blocks, as well as a practical tactic for breaking free of these challenges.

**Let go of the past**

**Main challenge:** Accepting the losses

Many business people have difficulties rebuilding because they refuse to accept the losses. It is okay to go through a grieving process, but the person who has lost a loved one that refuses to grieve at the funeral. They do not want to accept the loss. While this tendency is completely understandable it will also keep you stuck. Individuals who do not grieve do not move on in life. And while some people grieve with tears and others with anger, it is important for all of us to vent our hurts, disappointments and losses.

### What keeps us stuck

Two main tendencies that can keep people stuck are:

- **Staring at the rear view mirror:** Glancing in the rear view mirror in your car alerts you to dangers behind and can help navigate the road successfully. However, if you were to only stare in the rear view mirror you would crash your car. It is like that in looking in your past. It is good to glance at the past and to learn from it. However, when an individual grooms locked in the past they usually crash their current and future.

- **Blame:** Blame has a short-term purpose of protecting one's self-esteem. When you can blame someone else for your difficulties it temporarily makes you feel good about yourself. Blame also has another, less obvious purpose, which is why the media moves to blame someone so quickly even in a natural disaster situation. When someone else can be blamed for something that goes on in the world it gives the illusion of control. Blame comes easier because it is now believed the world is much more predictable than it really is. Unfortunately, blame rarely serves and distracts from learning all you can learn about yourself when going through tough times.

### BREAKING FREE

There are only two main ways to deal with fear and that is to dip or to dive. When someone is getting into a cold swimming pool they have two choices. Some people are divers; they get on the diving board, jump up and down a few times and then dive into the water. They experience a rush of pain, but then they get use to the water quickly. Others are divers. They stick a toe in, then the feel, then continued on page 39

### Greater Riverside

**30-Day Free Trial Membership for Prospective Members**

Through the strong voice of nearly 1,500 businesses, the Greater Riverside Chamber of Commerce works together to strengthen the local economy and promote the community. The chamber offers numerous opportunities to gain access, establish connections, and obtain information that will help their business. If you are one you know is interested in experiencing what the chamber has to offer through a FREE 30-day trial membership, call (951) 683-7010 to get started today!
Gamut Property Services Opens Regional Offices

Gamut Property Services recently announced the opening of regional offices throughout the West to service its ROD market. New locations in Las Vegas, Nevada; Phoenix, Arizona; Stockton, California; Inland Empire, San Diego and Orange Counties, will focus on assisting banks, asset managers and others who are bought with the rehabilitation and preservation of foreclosed properties throughout the region.

"The Gamut brand is strong and will deliver a new level of professionalism and quality to the ROD market," said Gamut President Mark Scarlatelli. "The ROD industry has seen a proliferation of "trash out" style contractors but our hands on, full-service approach makes us unique. We provide an unparalleled level of service to ROD professionals," continued Scarlatelli.

Gamut has a well-established reputation in Southern California as a full-service diversified, construction firm with a wealth of knowledge and experience in the ROD industry. It is also a LEED certified contractor and a JAMIC approved service provider. The company also prides itself on the strict environmental practices it utilizes in every phase of its activities, including the proper handling and disposal of waste products.

“We are ready to respond even continued on page 39"
100th Anniversary Gala Celebration!

Join the Ontario Chamber of Commerce for an evening of toasts, good cheer and gourmet delights as we celebrate our 100th year of serving the City of Ontario and its business community. The program will consist of the installation of the 2009-2010 Board of Directors, Small and Large Businesses of the Year and our inaugural Citizen of the Year award.

January 22, 2010
5:30 p.m. - 9:00 p.m.
Citizens Business Bank Arena

Tickets and Information:
909.984.2458
www.ontario.org
Why Did...

continued from pg. 21

menting in 1985. While econo-

mists are still debating why this

recession was so mild, most list

anticipated interest rate reduc-

tions as an important contribut-

ing factor. Figure 3 illustrates

the interest rates (shown in red)

at the ends of all of our expansions

since WWII. The dark line represent-

ing the end of the 1980s expansion

has interest rate reduction commenc-
The City of Calimesa
On the border of Riverside and San Bernardino Counties

December 2009

P: (909) 754-9801  F: (909) 754-9248
908 Park Avenue, Calimesa, CA 92320
jvrlong@cityofcalimesa.net  |  www.cityofcalimesa.net

Provident Home Loans & Realty

1220 Dewey Way, Suite F
Upland, California 91786
Cell: 909-938-1186  Office: 909-834-6888
Fax: 909-936-0164

Mike Morrell
President
pmb@as1.com  www.providenthome.com

Over 34 Years Experience in the Inland Empire

On January 20th:
Join business leaders, HR professionals and nonprofits from all over Southern California for this important webinar, while raising funds for a great local cause!

Twitter, Facebook, and 4,000 other social media tools...
How do YOU use these social media tools to benefit YOUR business?

Using case studies and real world stories, Brett and Zach will open the audience's eyes to the social media world.

By the end of the session, attendees will be able to:

- Understand social media and social media technologies
- Identify the benefits and uses of social media
- Attract clients and candidates through social media
- Connect with employees using social media initiatives
- Identify the social media strategy that best fits their organization

All proceeds will go directly to the Loma Linda University School of Public Health Scholarship Fund!

Registration is at
www.SocialMediaSoCalJanuary.EvenBrite.com

The California Forecast
The end of the recession is turn-
continued on page 34

December 2009

Marcus & Millichap Lists
$38 Million Four-Star Senior Mobile Home Park

Marcus & Millichap Real Estate Investment Services, the nation's largest real estate investment services firm, has retained the exclusive listing for Colonial Country Club, a 550-space manufactured home community for seniors aged 55 and older in Hemet, a growing Southern California retirement destination in Riverside County. The listing price of $38 million represents $69,091 per space, exclusive of the 25-acre golf course.

Frank Rogers, a vice president investments and a member of the firm's Southern California Housing Group, said, "This is a unique opportunity to acquire a high-quality manufactured home development in San Francisco, and Douglas Danny and Jon Harrison, both vice presidents investments and senior directors of the NMBCG in San Diego, are representing the seller, a Northern California-based manufactured housing communities investor."

"This pride of ownership asset is a stable, performing community in a rental demand retirement market with growth through long-term leases with built-in rent raises," says Rogers. "It is rare to see a trophy community of this quality and size exclusively offered in today's market."

Located at 601 North Karly St. on 935 acres in central Hemet, north of California State Route 74, the property is near many amenities and services for seniors.

Colonial Country Club is comprised of 550 doublesite units and is currently 98 percent occupied with just five vacant spaces. Eight park-owned homes are also for sale. There are no park-owned rentals.

The property features an extensive amenity package, including an 18 hole, 2,233 yard, 65,000 square foot executive golf course integrated throughout the property. The golf course is on three separate parcels with no manufactured home sites.

Colonial Country Club includes utility services. Electricity, provided by Southern California Edison, is submetered to 403 spaces and directly billed to 147 spaces. Submetered gas service is provided by the Southern California Gas Company and submetered water and sewer services are provided by Eastern Municipal Water District. All residents of Colonial Country Club have property tax pass-throughs in their leases and annual consumer

continued on page 35

Gives schools a present you don't have to wrap.
Local schools can earn $1 for every $20 you spend at fresh&easy™ through December 31.
The International Medical Alliance of Rancho Mirage changes lives. IMA provides medical services to people of impoverished countries, the nonprofit organization helps needy children and their families in the United States, South America and overseas.

Ives Allen, founder and president of the International Medical Alliance, is currently coordinating the group’s 10th medical mission scheduled for this summer in Nicaragua.

For more information on International Medical Alliance of Rancho Mirage visit www.internationalmedicalalliance.org.

Palm Desert’s Henderson Community Building has earned a LEED silver certification from the U.S. Green Building Council.

Some of the features that helped the Henderson Community Building earn a LEED silver certification: Roof-top solar panels; Insulated concrete walls; Deep overhangs to provide natural shading; Dual-pane, glased glass, Drought-tolerant landscaping, irrigation controls and low-flow faucets for efficient water use; Low construction waste; more than 75 percent of building materials were recycled.

For more information on Palm Desert’s Henderson Community Building visit www.cityofpalmdesert.org.

The Yucca Valley Chamber of Commerce helps Aaspen Village Care celebrate their new home at 56254 Antelope Trail, Yucca Valley. Present are Aaspen Village Care’s staff, family and friends. Also present were John Bahrowski, Yucca Valley Chamber Board Director and Secretary, and Yucca Valley Ambassador’s Robin Dalton and Ov Hunte.

For more information on Aaspen Village Care call Christie at (760) 728-2729 or visit www.aaspenvillage-care.com.

American Laser Centers opens its new location with a ribbon cutting, hosted by the Temecula Valley Chamber of Commerce.

American Laser Centers is located at 41607 Margaret Rd. Ste. 100, Temecula. For more information call (619) 723-3233 or visit www.americanlaser.com.

For more information visit www.habitatpv.org or call (909) 596-7098.

Donations to Pomona Valley Habitat for Humanity can be mailed to:
2111 Bonita Avenue, LaVerne, CA 91750.
REAL ESTATE NOTES
continued from page 27

Miank Construction, a full-service construction company, has already begun work on the tenant improvements at the building. The store will be quickly remodeled with plans to open for business in mid-November. Aaron Hodgdon of Inland Empire-based Hodgdon Group represented Ashley Furniture and also performed due diligence reviews for the buyer in the transaction. Ted Bradach of Grubb & Ellis reps the seller’s interests in the deal.

The City of Ontario, the Ontario Housing Authority, and the Ontario Senior Housing Partners LP, just broke ground on a new $18 million senior housing project, City Center Senior Apartments. Located at 280 North Lemon Avenue in Ontario between B and C Streets, the City Center Senior Apartments, built by The Related Companies of California, will be a 76-unit, affordable senior housing development situated next to the Ontario Senior Center, City of Ontario Library and in close proximity to transportation and shopping. The community is scheduled for completion by October 2010. Units will be provided at a range of affordability levels from 30% to 50% of area median income. Rents, ranging from approximately $374 to $725, will be restricted to ensure ongoing affordability. The primary source of funding for the project will be from the Federal Low-Income Housing Tax Credit program, of which $17.7 million (Tax Credit Equity), has been secured by the developer; private financing of $1.2 million; and a loan from the Ontario Housing Authority of $5.5 million, which utilizes federal HOME funds and local Low Income Housing Set Aside funds. Dirt Cheap, Inc., a landscape services company, locked up a sizable space in the Inland Empire, after agreeing to a four-year, $22.69 million lease for 185,300 sq. ft. within Etiwanda Distribution Center. The property, located at 1100 S. Etiwanda Avenue, south of I-10 and east of I-15 in Ontario, is owned by The Neptune Pool (one of two pools) is a glorious massive swimming area that reminds one of a place Greek tragedies might have taken place—magnificent and beautifully detailed with perfect architectural balance. Superbly stansied by Charles Caisson circles the pool that holds 345,000 gallons of water. Lovely natural turquoise-colored water relaxes the senses to make this a spot of pleasant tranquil. It took three efforts to get the Neptune Pool to meet final approval of this man with an eye for perfection.

A stunning pool,

Heard Castle...

continued from pg. 43

kangaroos, lamas, zebras and even giraffes lived within special open type enclosures. Thirty species of exotic animals from tigers to great apes enjoyed the best captivity could offer. In the latter part of 1930, most of the animals found homes in other zoos. Today some animals can still be observed on the five mile ride up to the Castle entrance.

Spectacular grounds
The grounds were still and are spectacular. Consider hundreds of tons of top soil were hauled up the steep hillside, five terrace levels were built from scratch, a mile long road for walking and riding was created, giant oaks and 30-foot cypress were transplanted. Over 100,000 pines, cedars, cedar and eucalyptus trees were planted. The hillside was covered with flowers. Hearst’s favorite camellias grew in abundance. Three thousand rose bushes, fuchsias, star jasmine and azaleas joined the others for a glorious show. More than half a million flowers were propagated annually in greenhouses especially built for the property. Seasonal flowers were always planted and in bloom throughout the grounds.

a stunning pool,

Prolongis to Build 667k Square Foot
Ontario Distribution Facility
New commercial development may have slowed down to a trickle, but you can still find a few major projects moving forward. One such development is a new 667k sq-ft. distribution facility that Prolongis has agreed to build in Ontario for one of the world’s largest home improvement retailers.

Prolongis will build the facility on a 55-acre parcel of land it currently owns at Crossroads Business Park. The company owns and manages the largest industrial portfolio in SoCal, with approximately 45m sq ft of distribution space. Prolongis customers in the area include Ameron, American Honda, APL Logistics, Anixter, Inc., Aveda, Black & Decker, Exel Logistics, Expeditors International, FedEx, Jack in the Box, Kraft Foods, LG Electronics, Nike, NYK Logistics, Spicers Paper and Unilever.

"The retailer is a longstanding customer, and we are pleased to once again meet the company’s needs for distribution space," said Richard Strader, Prolongis Global Corporate Services’ senior vice president. “Upon completion of this facility, the company will occupy approximately 7m sq ft of Prolongis distribution space in 15 markets across the country.”

Construction on the facility will commence this month, and is expected to be completed in the fall of 2010. Located in the Inland Empire West submarket, Crossroads Business Park currently comprises eight buildings and 2.4m sq ft. Already supporting the operations of many large-scale logistics networks, the distribution park features excellent freeway access, rail service and available labor.

Prolongis is a leading global provider of distribution facilities, with more than 475m sq ft. of industrial space in markets across North America, Europe and Asia. The company leases its industrial facilities to more than 4,500 customers, including manufacturers, retailers, transportation companies, third-party logistics providers and other enterprises with large-scale distribution needs.

ROSS NOLAN

officials. They earn 12 units of graduate credit from Sacramento State for the academic portion of the program.

The California Senate Fellows program is jointly operated by the California Senate and Center for California Studies at Sacramento State University. Senate Fellows are paid a monthly salary and receive health, vision and dental benefits. The center administers three additional fellowship programs, including the Jesse M. Unruh Assembly Fellowship, the Executive Fellowship, and the Judicial Administration Fellowship. Anyone who will be at least 20 years of age and a graduate of a four-year college or university by Sept. 1, 2010 is eligible to apply. There is no preferred major. Individuals with advanced degrees and those in mid-career are encouraged to apply.

Applications for the 2010-11 California Senate Fellows program are now being accepted. Those interested in applying may request an application by calling Senator Dutton’s office at (916) 651-4031 or (909) 656-4180 or download the forms at

http://www.csus.edu/csalr

December 2009

Page 31
BUSINESS JOURNAL

Heard Castle was dedicated as a state historical monument in 1958. Millions of people from every corner of the world have enjoyed the stunning beauty and sense of history of this magnificent estate.

Tour information
Heard Castle is open daily for tours with the exception of Thanksgiving, Christmas and New Year’s Day. Advance reservations are advised for all tours. Five different tours are offered. It is too vast an area to take all the tours in one day. Be sure to wear comfortable shoes. Take note the docents get very cranky if you sit, lean or touch anything.

Tour 1 “The Experience Tour” is advised for first time visitors. It combines an introductory overview of the Castle with the giant screen companion film, “Heard Castle Building the Dream.” The Epitaph and Gardens and Casa del Sol are included.

Evening tours
A two-hour evening tour is offered on certain evenings in spring, fall and winter. A view of the sunset from the “Enchanted Hill” makes this a most well attended event. Reservations are definitely advised.

Reservations
For reservations, tickets, directions and information call 1-800-444-1445. Visa, Master Card and American Express are accepted. You can also book online at www.heardcastle.com.

Places to stay nearby:
Highly recommended: The Best Western Fireside Inn in Cambria. This is a stunning property with beachfront rooms and every amenity you can think of—from in-room

continued on page 30

www.East180.com

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December 2009

Why Did... continued from pg. 21

mal create excess demand, or work off past overproduction. With that in mind, the foundation, Figure 6 illustrates the cumulative excess starts—actual starts minus estimated normal. This is an estimate of the stock of housing relative to normal demand. Though only a rough approximation, the main message of this graph seems right on: we built up an excessive stock of housing during the expansion of the 2000s, but by under building since 2007 we are entering a period in which the existing stock of homes is not great enough to house our population in the style to which they had become accustomed.

Thus we have the necessary pent-up demand to fuel a powerful recovery. This statement comes with plenty of caveats including: 1) the calculation makes no distinction between single family and multi-family dwellings and is silent on the possibility that we are under build in multi-family units but over built in single-family units. Incidentally, in Figure 5, notice that as far as housing is concerned, the last two recessions were different from the V-shaped ones earlier, and that housing has fallen. The peak recessions, the 2001 downturn did not involve housing and did not create pent-up demand since sales and production of homes and cars plunged through the recession as if it didn’t happen. We will confirm below that GDP growth and job formation were both weak until the Federal Housing Figure 5: Housing Starts and Normal Starts growing stock of homes is not great enough to house our population in the style to which they had become accustomed.

The housing recovery after the 1991 recession was much slower than the earlier cases. But the housing starts peaked way back in 1985 and the decline in housing heading into the recession was longer and more mild. This was a flattened V housing episode, not a tall and quick V like the earlier recessions. We will confirm below that GDP growth and job formation were both weak in the aftermath of the 2001 recession.

Bottom line here: If we looked only at housing, we might be thinking a powerful recovery is just around the corner.

Consumer Balance

Sheets Don’t Seem That Bad

The household debt burden illustrated in Figure 7 to Figure 10 doesn’t seem catastrophically bad. Maybe the problem is only the fear of what comes next. Debt to disposable income ratios are illustrated in Figure 7. The ratio of consumer credit (auto loans and credit cards) to disposable income has crept slightly downward from its peak above 24% in 2003. It’s the ratio of mortgage debt to disposable income that has really zoomed upward, from 60% in 1989 to 83% in 2008. The large increase in mortgage debt relative to income has produced a much more modest increase in the debt service burden of homeowning households, illustrated in Figure 8, rising only two percentage points from 15% to 17%. At the same time, the financial obligation ratio of renters remained substantially, from a high of 31% in 2001 to only 24% today. The disconnect between debt and debt service is explained by the decline in borrowing rates illustrated in Figure 9, with consumer rates declining from 12% to 6% and mortgage rates declining from 8% to 6%. In other words, with interest rates down by about 25%, households can take on 25% more debt without increasing the debt service.

Even with the decline in the interest rates, the mortgage debt burden has risen substantially, but that is offset by a huge increase in the value of the household asset and net
UCLA...

continued from pg. 26
outing much as we predicted. California's unemployment rate continues to increase, local government employment continues its decline and has now been joined by state government contraction, and 2009 personal income, when it is reported, ought to be lower for the entire year. The current forecast differs from the previous one in as much as our U.S. forecast is slightly more optimistic than before and our California forecast overlays that with a larger than expected reduction in state government spending. The net effect is to lower our forecast for California for the coming year. But aside from a new round of budget problems, there have been no dramatic events during the past three months to change the general tenor of the forecast.

Overall, the outlook for the balance of the year is for little to no growth. The economy will begin to pick up slightly in the beginning of 2011 and by the middle of 2011 begin to grow at more normal levels. The keys to California's recovery remain exports, manufacturing and agricultural goods, a recovery in U.S. consumption which increases the demand for Asian imports and for products from California's factories, increased public works construction, and increased investment in business equipment and software.

On an annual basis, our expectation is that total employment will contract by -4.3% in 2009 and will continue to shrink at a -3.7% rate in 2010. Once growth returns in 2011, employment will begin to grow faster than the labor force at a 1.7% rate and the unemployment rate will begin to fall. Real personal income growth will be -2.7% in 2009 and then return positive growth at 0.4% and 2.8% in 2010 and 2011 respectively.

Finally, unemployment is only going to get worse. We expect it to grow to a high of 12.7% in the 4th Quarter of 2009 and to average 11.7% for the year. Though the California economy will be growing in 2011, it will not be generating enough jobs to drive the unemployment rate below double digits until 2012. The stalled California economy is simply not producing the jobs required for the new entrants to the labor force over the next couple of years prevent these elevated levels of unemployment to persist once the job layoffs cease.
The West—continued from pg. 35

- Dolmeh (grape leaves stuffed with rice, beef, vegetables and raisins)
- Must-o-Khir (chopped cucumber and herbs in plain yogurt)

For Entrees
- Beef
- Chelo Kabob Felfel (chank of beef filet mignon with bell peppers, onions and tomatoes, skewered and charbroiled)
- Soltani Kabob (combination of beef filet mignon and ground beef, skewered and charbroiled)

If you take me shopping please play it safe and make football.

Phon“Persian”tip..... don’t be aground tomatac,, skT\ ‘red
chunk stuffed yogurt)

bles

After your meal, take my Chicken

Lamb

Baghelli

Chicken Kabob (Tender)

Chops

Again. like the one in the “Persian”desserts.

Shalizar’s is located at 2451 Foothill Boulevard in La Verne. Phone number is (909) 596-7508. On Friday and Saturday nights, starting at 7:00 pm, there will be music and belly dancing—play it safe and make reservations.

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Why Did...continued from pg. 33

worth illustrated in Figure 10. From 2003Q1 to the financial peak in 2007Q3 household assets increased by $13 trillion and net worth increased by $12 trillion. Subsequently, both have declined by $12 trillion. I wonder how big a drag on consumption spending that decline in net worth might cause if we felt confident that net worth was on the mend and would continue to increase as it did in the first half of 2009?

GDP is Growing Again

The average of the last seven consumer downturns has GDP declining for a couple of quarters, losing about 2%, regaining and more in the first year of expansion with GDP growth of 6%. As explained above, the first years of the last two expansions have disappointed with GDP growth only 3% - normal growth but not strong enough to drive down the unemployment rate. But the Job Market Needs to Improve Soon

V is also the shape of the job market with the first stroke of the V ending at the trough on the first couple of months of expansion, and with jobs lost in recessions found again in the first year of the expansion. If history is a guide, we might expect 3% growth in jobs this year and next, compared with 1.5-2% normal.

The pictures is a dark line that is the average of these contributions across the seven consumer recessions from 1950 to 1991. The recovery that is just starting, optimistically, will be like this average. The contribution of residential investment since 1970 has averaged 0.06, which is only 2% of average economic growth of 2.91. In other words, residential investment doesn’t contribute very much normally.

The contribution of consumer durables has averaged 0.44 since 1970, 15% of economic growth of 2.91. The average contribution of durables is 1.1 for the first year of the expansion, 0.57 above normal. The contribution of equipment and software has averaged 0.40 since 1970, 14% of economic growth of 2.91. The average contribution of durables is 1.1 for the first year of the expansion, 0.57 above normal. Another reason for optimism is the record collapse of residential investment, equipment and software.

Economist John Husing, Ph.D.

An Economic Glimpse at 2010

Presented by: San Antonio Hospital Foundation Business Referees

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mreiter@sack.org: E-mail
The Janus Principle: Focusing Your Company on Selling to Small Business,
By Joann Mills Laing & Don Mazzella; New York; New York; 2009; 164 pages; $14.95.

This is very much a "how-to" book, one that will help companies sell more by focusing on the small businesses that buy their products, services, or both.

Small to small business? Aren't those the people who have almost no cash, a very low credit rating number, and hang on to their business by their fingertips. No, it's the people whose futures may hang on, and even achieve some growth, while companies who are "too big to fail" are being cut out by the government.

As usual, however, there are more small businesses being innovating opportunities while large firms are "right people and "temporarily" closing facilities so they'll have the cash to ride out the troubled times. Laing and Mazzella point out that even though a larger percentage of small businesses—compared to large businesses—may have less capital, the sheer number and flexibility of small businesses make them a good marketplace to target.

While it's true that some small businesses (and entire industries) may disappear, if economic history of financial downturns has taught us anything, it is that surviving small business, especially in new market segments, will continue to grow and be unexpected. One example is the "green" marketplace for energy sustainability.

The book's authors begin with the concept of Janus, the two-faced (actually Rosan) god, always portrayed as always looking out and forward to the future. Laing and Mazzella explain: "A marketer is like Janus—looking forward to sell and inward to marshalling the company's resources to sell the product or service."

They go on to state: "...the Janus Principle helps marketers to successfully bridge the gap between their company and the targeted marketplace.

Starting with an early chapter titled "The What," the authors point out that products and services must be specifically tailored to fit smaller client companies. Simply providing a cut-down version of a larger offering created for big corporations seldom generates profitable results in the long run. The most common results are too many bugs in the products or services offered. The entire IT industry, both software and hardware, runs into that problem at least once a year.

The book is broadly organized to answer several key questions: The Why, The Who, The What, The When, The How, and The How. This is basic, and is often expressed as: what you are selling; who are you selling it to; how much are you selling it for; where are you selling it at; how are you selling it; what customer needs does your product satisfy; and what value do you add to the customer?

To answer these questions are the philosophical foundation of your business: customers, business strategies are so basic. Collectively, they add up to step one in the small business or any other market segment. In the book they account for a bit less than a third of the book's content.

The book's real value truly begins on page 45. From that point on, the authors look at the tools, techniques, and tactics to use with the small business market segment. Some are time-tested, such as direct mail and billboards. Others are computer-based and still being tested, such as these include social networks, business blogs, and search engine optimization.

Once a marketing strategy is head-on, and if there's a flaw in the thought, it may be a small wash of paint. The ideas presented in the final two-thirds of the book are all so clearly, offering a banquet of ideas for the price of a moderately priced lunch.

—Henry Holtzman

Bestselling Business Books

Here are the current top 10 business books for business.


For more information on the CPUC, please visit www.cpuc.ca.gov.

Time:

continued from pg. 8

How do you know you've succeeded?

Once you and your Admin reach an understanding regarding what you want, you should be able to read the "magnets" in 15 minutes a day (on average).

But... how do you use this hour a week of your time.

If you've been spending between 30 and 45 minutes a week or more, you need to cut back to seven hours a week, which is now freed up for more profitable activities.

TMI = More Stress

Fudged-up Time = More Profit

More Profit = Less Stress

Which do you prefer?

What can you begin to do next week? Which information, and turn the time-savings into more profit?

For additional information contact Gloria Borgezine at GloriaBorgezine.com or visit www.BorgezineConsulting.com or call 877-724-2688.

PCUP... continued from pg. 3

has awarded $308 million to support the IECA project. The CPUC has further identified the case number for the "high risk" category as "BE2006." The case is for the "high risk" category is for the "high risk" rate increase. This is an increase of 308 percent.

Overall, the Janus Principle offers a worthwhile primer on selling to small business during the early 21st century. The book is filled with tips and tricks on how to do so clearly, offering a banquet of ideas for the price of a moderately priced lunch.

Camille Boudin is the travel and special events editor for The Inland Empire Business Journal and Sunrise Publications.

Controversy

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expert responses to climate change issues with their relevance to the New York City government. For more information on the CPUC, please visit www.cpuc.ca.gov.

Time:

continued from pg. 8

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Rebuilding...

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up to the hanks, (wait a little) and then slowly easy. This in check out your efforts to support a new Westen at price at great rates.

For other lodging information call the travel agent or San Simeon online. San Simeon has public and private courses that are top rated. There are also many different types of lodging, from hotels to motels. If you want more information, please contact us at 877-724-2688.

Heast Castle...

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You can ride in a horse-drawn carriage to the castle.

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Rebuilding...

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You can ride in a horse-drawn carriage to the castle.
Between 1919 and 1948, William Randolph Hearst and his architect, Julia Morgan, transformed a coastal knob overlooking the Pacific into a legendary 133 acre estate of gardens, terraces and guest houses dominated by Hearst's 106-room residence, La Casa Grande. A legacy of unmatched beauty and wonder remains for all the inhabitants of this planet to enjoy.

"The way God would have done it if he had the money," was George Bernard Shaw's report after spending a week at the "Enchanted Hill" at Hearst Castle in San Simeon.

Hearst, who headed up an immense publishing, ranching and mining empire, was the heart and brain of this magnificent work of love and ego. He filled it with the most beautiful, expansive and exotically tasteful works of art, sculptures, Persian rugs, furniture and antiques from the four corners of the world.

Three magnificent guest houses
The first structures attempted were three guest houses. Done in a Mediterranean Village style, they were named for their views. Casa del Mar (House of the Sea), Casa del Monte (House of the Mountain), and Casa del Sol (House of the Sun). They were lavishly decorated and furnished with an Italian summer and villa type coziness not found in the main house.

They ran from 10 to 18 rooms each with a character and warmth of their own. Casa del Mar, the largest of the three with its charming 18 rooms, was Hearst's favorite. He spent much time there enjoying the marvelous view of "his ocean." Its 8,000 square foot deck echoed an ocean theme with gold seashell motifs running through most of the house.

The ultimate magnificent main house
In 1922, work was started on the great house, Casa Grande, a Spanish colonial type structure of poured concrete faced with Utah limestone, win bell tower, and copper domes housing 36 cream colored balconies from Casas Grandes, New Mexico. Twin bell towers and copper domes housing 36 cream colored balconies from Casas Grandes, New Mexico. Twin bell towers and copper domes housing 36 cream colored balconies from Casas Grandes, New Mexico. Twin bell towers and copper domes housing 36 cream colored balconies from Casas Grandes, New Mexico. Twin bell towers and copper domes housing 36 cream colored balconies from Casas Grandes, New Mexico.

When complete, it was the largest private residence in the world, including the fact that its library contained one of the largest collections of books in the country.

Casa Grande, the largest private mansion in the West, was built in 1927 and 1928 by a team of 3,000 workers who built a house that was four stories high and boasted 165 rooms with 5,000 acres of land, 2,000 fenced acres and 19 miles of three-mile-long miles of tracks.

"Animals were needed to transport the dishes, the hand-caned furniture and special textiles to the site. The effort to see the house completed was a reflection of Hearst's concern for his country and his personal vision of the world."

A job akin to the pyramids
Building the 100 room, four story, 73,000 square foot (plus) Casa Grande was a mammoth job akin to the pyramids, if they were built in the same era. A large crew hauled building supplies and aggregate for the reinforced concrete six miles up of bad road, Bulky heavy loads took half a day to get from the pier to the building site. It took approximately two years of continuous building to complete. "Keeping in mind that some of this building was done during the Depression."

But as far as Hearst was concerned, it was never really complete. He kept adding and improving right up to the time of his death in 1951.

A top drawer guest list
One of the most impressive rooms in the Rectory that reveals an exquisitely unique 300 year-old hand-carved wooden ceiling imported from an Italian monastery which includes an interesting museum's gallery. Here is where guests met for galas and parties, with 1,200 "A" guest list of the times. Charlie Chaplin, Greta Garbo, George Bernard Shaw,

Gary Cooper, Winston Churchill (just to name-drop) is the tip of the iceberg of the famous and sometimes "infamous."

An uninsured irrereplaceable library
If so inclined, guests could take advantage of the comfortable 85-foot library, a delightfully decorated room with 5,000 valuable books, none of which were insured. When asked why there was no insurance, Hearst answered, "No money could begin to cover their loss." At times, up to 60 invited guests enjoyed the amenities of Castle. Available were tennis, swimming, horseback riding, fishing, boating and a private movie theater. You name it, and if it existed, it was there.

The largest private zoo in the world
Hearst was a dedicated animal lover and had signs posted on the roads that read, "Animals have the right of way." For years the largest private zoo in the world at Hearst Castle in San Simeon. Hearst had over 70 types of animals roam his land within 2,000 fenced-in acres. Oturches, buffalos, yaks, emus,

continued on page 31
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