

Center and Institute Self-Study Report Template

Center/Institute Name: JPMorgan Chase Economic Outlook Center **FYs:** 2006-2010

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This document contains a five year review of the activities of the EOC including

- Center/Institute Goals
- Organizational Structure
- Key Accomplishments and Activities
- Listing of All Proposal Activity and External Funding
- Future Strategic Plans
- Financial Summary

J.P. Morgan Chase Economic Outlook Center

Center Goals

The primary goal of the JPMorgan Chase Economic Outlook Center is to establish both the Center and the W. P. Carey School as the nation's authoritative source for timely and accurate economic information and forecasts for Arizona, the Greater Phoenix area, and the Western region.

To achieve this goal, the Center works with more than 70 academic, government, and business forecasters across the Western states to compile the latest economic data on current conditions and the Arizona/Western outlook. This information is made available as a public service to a broad range of users including media representatives, government officials, academic researchers, nonprofit agencies, small businesses, professional organizations, and corporations.

The Center develops and now disseminates economic data and forecasts through a web portal, Economy@ W.P. Carey, part of the Knowledge@ W.P. Carey web site. In 2008, the Center ceased publication of its long-established newsletters (including the *Arizona Blue Chip Forecast* and the *Western Blue Chip Forecast*) and incorporated the content into the Economy@ W. P. Carey/Knowledge@ W. P. Carey web sites.

The Center also interacts with the business community and the public through economic outlook presentations, panel appearances, and participation in board meetings and planning sessions for various organizations and businesses.

Key success metrics related to the operation of the center include:

- Mentions in printed or web media, web video clips, appearances on radio and TV, particularly with a national orientation, to create impact and bring recognition to the School and the University
- Invitations for presentations, with particular emphasis on important professional organizations, national audiences, or boards of directors; fees from presentations are an important source of revenue for the Center
- Web hits or page views on articles produced for Economy @ W. P. Carey or Knowledge @ W. P. Carey web sites
- Participation in projects and activities of the Seidman Institute, especially those relating to important public policy issues, or those that generate significant external revenue for the Institute and the School

Organizational Structure

The Center is a unit of the L. William Seidman Research Institute. The Seidman Institute provides administrative and clerical support to the Center. The Seidman Institute is under the direction of Dennis Hoffman, who also functions as University Economist. The Center participates in Seidman Institute and University Economist projects from time to time, whenever forecasts or Western states economic information is needed.

The Center has one staff member, the Director (Lee McPheters), who holds a 49 percent time appointment. During the 2006 – 2008 period, the Center also had two full time research economists. With the elimination of those positions, the Center is more dependent on Seidman Institute research staff such as Eva Madly who assists with computer work for a few hours each month.

The Center works closely with Elizabeth Farquhar, editor of Knowledge@ W. P. Carey, since the primary means of dissemination of Center research is through the Economy@ W.P. Carey web portal and the Knowledge web site. The Center now provides two to three articles or data reports to the Knowledge site each month.

Key Accomplishments

Starting in 2006 (the first year of the five year review period), the Seidman Institute and related centers began to emphasize externally funded projects and activities, with the intent of becoming more self sufficient. The two full time research economists within the JPMorgan Chase Economic Outlook Center participated in these projects for the Seidman Institute and also worked to maintain the traditional public service function of the Center. The listing of Center activities for 2006, 2007, and 2008 therefore is somewhat different from activities in 2009 and 2010 when the Center became more focused, after these two positions were eliminated.

FY 2006

- Approximately 125 mentions in Arizona media outlets including Arizona Republic, Phoenix Business Journal, East Valley Tribune, and others including magazines. There were 22 interview and appearances on local radio and television, with some clips picked up for national distribution.
- Participated in economic studies for Golf Industry Association, US Department of Agriculture (joint with ASU Polytechnic campus), Governor's Office of Planning and Budget, the Boeing Company, and Arizona Department of Commerce.
- Staff participated and presented at Arizona-Mexico Commission meetings, Joint Legislative Budget Committee meetings, Arizona Economic Estimates Commission meetings, Arizona Department of Revenue meetings, and City of Phoenix meetings.
- Staff prepared 20 articles for Knowledge @ W. P. Carey website, with 9 of these receiving more than 1,000 individual visits.
- Wrote, published and distributed 52 separate editions of Center newsletters during the year (Arizona Blue Chip Forecast, 12 monthly issues; Western Blue Chip Forecast, 10 monthly issues; Greater Phoenix Forecast, 4 quarterly issues, Job Growth Update, 12 monthly issues; Mexico Consensus Forecast, 4 quarterly issues).

FY 2007

- Approximately 500 local and national media contacts (number of direct mentions of W. P. Carey School not available), including CBS News, MSNBC, Christian Science Monitor, U. S. News & World Report, CNN, USA Today, NPR, Wall Street Journal, wire services such as Associated Press, national syndicated radio services.
- Participated in economic studies for Arizona Hospital Association, Arizona Science Foundation, Innovation Indicators (Arizona Department of Commerce), Community Economic Base Studies (Arizona Department of Commerce), County Indicators (Arizona Department of Commerce), Office

of State Planning and Budgeting (Arizona Revenue Forecasting), Nogales Port of Entry Study, Arizona Department of Health (Smoking Study).

- Staff participated and presented at Arizona-Mexico Commission meetings, Joint Legislative Budget Committee meetings, Arizona Economic Estimates Commission meetings, Arizona Department of Revenue meetings.
- Staff prepared 20 articles for Knowledge @ W. P. Carey website, and took steps to include participation with faculty including John McDowell (immigration), Jose Mendez (immigration), Tony Sanders (real estate), Crocker Liu (real estate), and Sanjay Gupta (tax collections).
- During this year, Center newsletters moved to a PDF format and were no longer produced through traditional printing method or mailed to subscribers. Staff wrote, published and distributed via the web 52 separate editions of Center newsletters during the year (Arizona Blue Chip Forecast, 12 monthly issues; Western Blue Chip Forecast, 10 monthly issues; Greater Phoenix Forecast, 4 quarterly issues, Job Growth Update, 12 monthly issues; Mexico Consensus Forecast, 4 quarterly issues).
- The director made twenty-eight economic outlook presentations generating \$63,000 in speaker fees in FY 2007; groups included the board of Rinker Materials (at Florida headquarters), national conference of North American Wood and Lumber Association, board of First Interstate Bank, and over 1,000 attendees at national conference of International Council of Shopping Centers and annual ASU/Chase economic forecast luncheon.

FY 2008

- Approximately 140 documented local and national media mentions, including Associated Press, New York Times, Forbes and Business Week; 20 radio and TV interviews, including NPR national news.
- Participated in economic studies for Arizona Department of Commerce: County Indicators for Arizona, Arizona Investment Council: Infrastructure Needs and Funding Alternatives for Arizona: 2008-2032, Arizona Department of Health Services: Economic Effect of the Statewide Ban on Smoking in Restaurants and Bars in and Boeing : The Economic Impact of the Boeing Led Ground-Based Midcourse Defense Program: Arizona Operations 2007; initiated funded projects on Sky Harbor Airport System; Border Cargo Study.
- Staff participated and presented at Arizona-Mexico Commission meetings, Joint Legislative Budget Committee meetings, Arizona Economic Estimates Commission meetings, Arizona Department of Revenue meetings.
- During this year, Center newsletters eliminated PDF format and moved to web based content on Economy @ W. P. Carey site. Staff updated content via the web monthly for Arizona Blue Chip Forecast; Western Blue Chip Forecast (12 Western States); Greater Phoenix Forecast, 4 quarterly updates, all accessed via Knowledge @ W. P. Carey and/or Economy @ W. P. Carey sites.
- The director made twenty-two economic outlook presentations generating \$72,000 in speaker fees; national groups included board of Delta Dental and board of CoBiz Financial (bank holding company), and over 1,000 attendees at Arizona Association of Small Businesses and ASU/Chase economic forecast luncheon.

FY 2009

- The Center had approximately 150 documented local and national media mentions or interviews, including KJZZ, KFNN, KTAR and KAET locally, as well as CNN, US News & World Report, Smart

Money, Marketplace and All Things Considered on NPR. (Total media contacts approached 400 but not all result in direction mention of W. P. Carey School).

- Beginning in 2009, the Economic Outlook Center committed to support a web portal, Economy @ W. P. Carey as part of the Knowledge @ W. P. Carey web site. The Center provides a minimum of two articles per month, alternating between regional and national economic topics. During calendar year 2009 the Center was the source of 30 Knowledge/Economy articles, listed below.

<u>Date</u>	<u>Title</u>
7-Jan-09	Western States Lead Nation in Population Growth
22-Jan-09	Depressing? Yes! Depression? No!
4-Feb-09	Little Good News in Latest Economic Numbers
17-Feb-09	Stimulus Plan: Not a Quick Fix
9-Mar-09	Does the Stimulus Plan Hit the Target for Job Creation?
11-Mar-09	Western Labor Markets Fared Best and Worst Since Recession Started
19-Mar-09	Latest Numbers Indicate a Longer, Deeper Recession
24-Mar-09	The Next Shoe Just Dropped
3-Apr-09	Western States' Performance Mixed as Unemployment Continues to Rise
16-Apr-09	Forecasters See Economy Turning Positive in Second Half of 2009
20-Apr-09	Initial Claims: Green Shoots or False Signal?
1-May-09	Arizona Had Weakest Labor Market Performance of All States in March
15-May-09	The Consumer: Still Not Back in the Game
28-May-09	Labor Market Indicators: How Are the Western States Faring?
2-Jun-09	Arizona Gross State Product Falls in 2008
15-Jun-09	Top Forecasters (Slightly) More Optimistic for 2010
1-Jul-09	Austin Adding Jobs While Other Large Western Labor Markets Struggle
2-Jul-09	Unemployment's Uneven Impact
15-Jul-09	U.S. Economy: Is the Free Fall Finished?
3-Aug-09	Western Job Growth 'Wipe Out'? Not Yet!
19-Aug-09	Can 77,255 Americans Be Wrong?
1-Sep-09	Western States Unemployment: The Rest of the Story
1-Sep-09	Bottom 5 Weakest Large Labor Markets in July
15-Sep-09	Recession Aftermath: A Tentative Scenario
8-Oct-09	Every Western State Expected to Lose Jobs This Year
14-Oct-09	Consumer Spending and the 'New Normal' Economy
3-Nov-09	Western Region Accounts for 5 of 10 Weakest State Labor Markets
16-Nov-09	GDP Is Up But Employment Recovery May Be Years Away
30-Nov-09	Personal Income: Not So Great in the Great Recession
21-Dec-09	U.S. Macro Outlook: 2009 Q4 Might Surprise

- The director made thirty-five economic outlook presentations generating \$79,000 in speaker fees; groups including the national conference for Leslie Pool Supply, and national conference for Window and Door Manufacturing Association; and over 1,000 attendees at Arizona Association of Small Businesses and ASU/Chase economic forecast luncheon.

- The Center provided presentations to several public service groups in 2009 for reduced or no fee, including Arizona City and County Managers, W. P. Carey School staff, ASU University Club members, Economic Club of Phoenix, Dean's Council of 100, Arizona Government Finance Officers, and students in the Evening MBA program, in a Management undergraduate course, in the Executive MBA program and in the Masters of Real Estate and Economic Development (MRED) program.

FY 2010

- Through the first six months of calendar 2010, the Center had approximately 70 documented local and national media mentions or interviews. National mentions included Chicago Tribune and Baltimore Sun. Contacts included Wall Street Journal, Newsweek, USA Today. Local media included KAET, KJZZ and various news channels including Spanish language.
- For many years the Economic Outlook Center has partnered with the national newsletter Blue Chip Economic Indicators to identify the year's most accurate national forecaster. The award event is sponsored by the W. P. Carey Foundation, in New York. The winner this year was Jan Hatzius of Goldman Sachs and the event drew a capacity audience with several notable attendees including financial sector executives, Nobel Prize winner Lawrence Klein (for whom the award is named), and Bill Dudley, president of the Federal Reserve Bank of New York. Major business outlets (web and print) were represented and Dr. Hatzius appeared on national morning business programs to discuss the award and the outlook. The award event also serves as an MBA recruiting event for applicants from the North East and the Center has played a role in facilitating the recruiting effort at the annual Lawrence Klein Award event throughout the 2006 – 2010 period.
- The director made twenty-eight economic outlook presentations generating \$63,000 in speaker fees: national groups included Thomson Reuters national conference, National Business and Transportation Association national conference, American Copper Council national conference, and national conference of Wilmington Trust financial analysts; boards included CoBiz Financial (Denver) and Unison Bank; over 1,000 attendees at ASU/Chase economic forecast luncheon.
- The Center provided presentations to several public service groups for reduced or no fee, including Arizona City and County Managers, the Association of Arizona Counties, Economic Club of Phoenix, board of St. Mary's Food Bank, Arizona Government Finance Officers, the President's Community Enrichment Program (ASU Foundation) and students in the full time MBA program and the Executive MBA program.
- In the first six months of 2010, the Center continued to provide a minimum of two articles per month for the Knowledge/Economy web sites. The 14 articles, arranged monthly, are shown on the following page.

<u>Date</u>	<u>Title</u>
4-Jan-10	Western States Led in Population Growth in 2009
7-Jan-10	States Face Personal Income Declines in 2009
15-Jan-10	U.S. Macro Outlook: Q3 Turnaround Confirmed
3-Feb-10	What Is the Cost per Stimulus Job?
3-Feb-10	Bottom 10 Weakest Western Labor Markets at Year End
16-Feb-10	GDP Surged in Q4 2009, But Look for Weaker Gains Ahead
1-Mar-10	Scattered Signs of Life in Western Housing Markets
17-Mar-10	No Great Recovery from the Great Recession
1-Apr-10	Update: Jobs and Incomes Fell in the Western States in 2009
15-Apr-10	Don't Count Consumers Out in Recovery
3-May-10	Is Arizona's Recession Over? How Will We Know?
18-May-10	Consumer Spending is Back, Thanks to Services
1-Jun-10	Western Jobs Still Worsening, but Worsening More Slowly
15-Jun-10	What Happened to the Housing Recovery?

Future Strategic Plans

During the FY 2011 period the Center will continue to compile and disseminate economic information on Arizona and the Western states, respond to media contacts, provide articles for the Knowledge @ W. P. Carey and Economy @ W. P. Carey web sites, make presentations to professional, business, and public sector groups, and participate in Seidman Institute projects as requested.

After the summer of 2011, the sustainability of the Center must be re-examined, since the appointment of the 49 percent time director ends in June of that year.

Financial Summary for Previous Three Years

After 2008, the JPMorgan Chase Economic Outlook Center became self-supporting and receives no funding from state appropriations. The Center now receives funding from the following sources:

- The JPMorgan Chase sponsorship endowment (valued at \$730,000 as of February 2010)
- A separate Economic Outlook Center endowment (valued at \$280,000 as of February 2010)
- Fees from presentations, averaging about 30 presentations per year and revenues of \$70,000 per year (2006 – 2010 average)
- Participation in externally funded projects, which varies each year

During FY 2008 and the first half of FY 2009, the Center was still receiving support through state appropriations. FY 2010 was the first complete year of self-sufficiency.

FINANCIAL SUMMARY FOR PREVIOUS THREE YEARS*

	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>REVENUES:</u>			
STATE APPROPRIATIONS			
PERSONNEL OPERATIONS	227,560	53,992	-
LOCAL FUNDS			
Speaker Fees	4,250	63,600	43,616
Project Revenue	5,000	15,000	17,150
Other Revenue	478	18,654	579
SPONSORED FUNDS	26,103	-	-
OTHER FUNDS			
Foundation Revenue	115,118	12,612	
Dean Transfer	112,569		
Endowment Trans	50,867	38,870	40,228
TOTAL REVENUES	\$ 541,945	\$ 202,728	\$ 101,573
<u>EXPENDITURES</u>			
PERSONNEL			
SALARY & WAGES	317,824	215,565	120,462
ERE	20,991	24,341	33,600
STUDENT SUPPORT OPERATIONS (List appropriate categories - examples below)	79,849	15,774	13,222
LEASE EXPENSE	17,830	6,587	6,536
TRAVEL	4,735	6,943	3,651
MISCELLANEOUS (e.g., services,)		59,992	
Service Charges	15,674	18,458	15,729
TOTAL EXPENDITURES	\$ 456,903	\$ 347,660	\$ 193,200
TOTAL REVENUES - TOTAL EXPENDITURES	\$ 85,042	\$ (144,932)	\$ (91,627)

Note: Dr. McPheters personnel expenses were charged ERE in FY 2010 although he received no employee related benefits. This was due to an accounting issue at the University level that applied to personnel in Dr. McPheters' classification. Without this unavoidable expense, ERE charges would have been approximately \$25,000 lower in FY 2010.