

Coyote Economist

News from the CSUSB Department of Economics

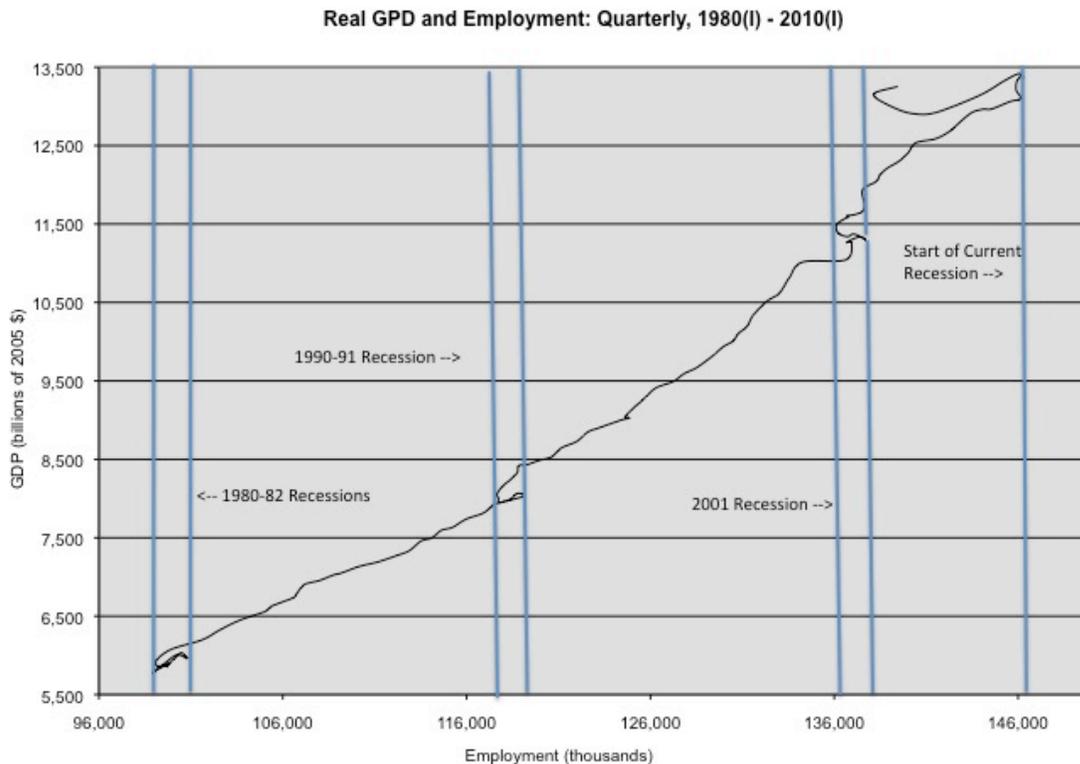
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Current Recession Not Over

The recession that started in December of 2007 has not formally ended, according to the National Bureau of Economic Research (NBER). It's commonly believed that a recession is defined as a period during which real GDP falls for two consecutive quarters. But, it's not that simple. The NBER's Business Cycle Dating Committee meets periodically to evaluate the state of the economy and determine when a business expansion has peaked, or a business recession has reached its trough - the bottom of the recession. The criteria used by the NBER to determine a peak or trough involves more than simply looking at the rate of growth of real GDP, it involves analyzing a host of other indicators beyond real GDP. The most recent meeting of the NBER Business Cycle Dating Committee, which took place on April 10, 2010, determined that even though most indicators have turned up, "the determination of the trough date on the basis of current data would be premature." In short, we are not out of the woods yet.

By any criteria, this recession has been the most severe since the Great Depression of the 1930s. The following graph provides a visual image of the severity of the current recession. It's an XY diagram with employment measured on the horizontal axis (in thousands of people 16 years and over) and real GDP measured on the vertical axis (in billions of 2005 dollars). The graph covers the period from the first quarter of 1980 to the first quarter of 2010.



In the last twenty years the U.S. economy has experienced five recessions, including the current one. The area between each pair of vertical lines represents the beginning and end of a recession as determined by the NBER. Note that the graph shows the beginning of the current recession but does not show the end (since the NBER has not declared the current recession over). The 1980-82 recessions consisted of two back-to-back recessions and, for ease of presentation, are depicted in the graph as one continuous recession. Notice that each expansion involves growth in both real GDP and employment while each recession involves a contraction in both real GDP and employment. The graph underscores the severity of the current recession. Both real GDP and employment have fallen by a far greater percentage during the current recession than in any of the previous four recessions.

The following table provides information on the percentage change in real GDP and employment, from peak to trough, for each of the five recessions. Since the current recession hasn't been formally declared over, I'm using the 3rd quarter of 2009 as the "trough" for the current recession. It's important to note, however, that real GDP reached its lowest point in the 2nd quarter of 2009, while employment reached its lowest point in December of 2009.

Peak to trough	% change in real GDP	% change in employment
January 1980(I) – July 1980(I)	-2.23%	-1.08%
July 1981(III) – November 1982(IV)	-2.64%	-1.57%
July 1990(III) – March 1991(I)	-1.36%	-0.97%
March 2001(IV) – November 2001(IV)	+0.73%	-1.12%
December 2007(IV) – August 2009 (III)	-3.12%	-4.61%

Source: Business Cycle Dates taken from US Business Cycle Expansions and Contractions, NBER, <http://www.nber.org/cycles/cyclesmain.html>. % change in real GDP calculated from data obtained from NIPA Table 1.1.6 of Bureau of Economic Analysis. % change in employment calculated from Series LNS12000000, Seasonally Adjusted Employment Level, from the Bureau of Labor Statistics.

Clearly, the percentage drop in real real GDP (-3.12%) and employment (-4.61%) has been more severe in the current recession than in any of the previous four. What's more, taking into account the fact that employment continued falling until Decembr of 2009, the total drop in employment from December of 2007 until December of 2009 was 5.73%; in absolute terms, employment fell by 8,381,000. This is a staggering loss of productive effort; and represents more than just lost output and rising unemployment, it also means increased poverty, home foreclosures, homelessness, social dislocation, and the inevitable psychic and social trauma that comes from loosing a job and the wherewithal to sustain a family.

CSUSB Model United Nation's Team Wins Outstanding Delegation Award

The 2009-10 CSUSB Model United Nations (MUN) team was awarded the top international prize in Model UN competitions -- the Outstanding Delegation award at the 2010 National Model United Nations Conference held in New York City in April of 2010. This marks the fourteenth Outstanding Delegation Award for CSUSB in 17 years, making it one of the most successful programs in the world.

The Outstanding Delegation Award was only awarded to 15 universities and colleges out of a total of 340 universities and colleges from throughout the world who participated in the conference. This is the 14th year in which CSUSB placed among the top four percent of all MUN programs in the world.

Four students were awarded individual committee awards for their performance in committee. Ben Palaniuk and Rebecca Salinas were awarded an individual committee award for representing Morocco in the Committee for Development Policy (CDP). **Aycan Ebe** and James Fukazawa were awarded an individual committee award for representing Morocco in the General Assembly Third Committee.

The 2010 MUN Conference Delegation from CSUSB (representing Morocco) were (Economics Majors and Econ Fellow Travelers - those who hang out with economists - are listed in bold):

Areej Qasqas (MA in Social Sciences)

Sandy Naranjo (Economics)

Amanda Meere (Political Science)

Frank Rodriguez (MA in Social Sciences)

Cari Gagner (Economics)

Jaclyn O'Neill (Political Science and Arabic
Language & Culture)

James Fukazawa (Political Science)

Aycan Ebe (History & Econ Fellow Traveler)

Colin Hale (Political Science)

Dhekra Toumi (Fulbright Scholar - Arabic Language)

Theresa Schneider (MPA Program)

Ben Palaniuk (History)

Rebecca Salinas (Political Science)

Brian Green (MA in National Security Studies)

Niam Al-Azzawi (MA in Theatre Arts - Fulbright
Scholar from Iraq)

Amarjit Singh (Business Administration)

Daniel Velarde (Postbac)

Jennifer Tripsea (Criminal Justice & Political
Science)

Victor Viramontes (Political Science)

Thomas Hagen (History)

Professor Nancy Rose's Retirement Luncheon

The faculty and students of the CSUSB Economics Department organized a surprise farewell luncheon for Professor Rose on March 15, 2010. The luncheon surprise took place at the Inland Kabab Restaurant on the corner of University and Kendall. The restaurant was packed when Professor Rose walked in accompanied by Professor Toruño. After the initial shock and confusion she sat at the head of the main table and enjoyed the presents and power point presentation of her career. Professor Rose has opted for the Faculty Early Retirement Program (FERP) and will be returning to teach each Winter Quarter for the next few years.

Professor Toruño steps in as the new Chair of the Economics Department

With Professor Rose moving on, Professor Mayo Toruño will now be serving as the Chair of the Economics Department. He is still in the process of transitioning from his old office (SB-207D) to the chair's office (SB-327D) in the Social and Behavioral Sciences Building. While his office hours are MWF 9:30-10:30 a.m., he is also available in the afternoons of MWF (unless he's been forced to attend a meeting!).

We're on Facebook !!

The CSUSB Department of Economics is now on Facebook. If you haven't checked us out, now is the time to do so and become a fan of the department. Joining us on Facebook is an important way of keeping up with departmental news and events as well as information on political economy.

Econ Radicals!!

A new student club, Econ Radicals, has been formed at CSUSB by economics students and econ fellow travelers. The Econ Radicals take their name from a desire to go to the root of injustice and explore ways to improve the human condition. The purpose and aims of the Econ Radicals are: (1) to promote interest in economics within academia and on a societal level; (2) to provide students an environment in which to explore past, present and future

economic issues, beyond the confines of academia; (3) to inform students of career options and upcoming events that may be useful in career planning; (4) to design products, plan guest speaker seminars, and organize field trips; and (5), contribute to the community through volunteerism. The Econ Radicals are on Facebook. If you would like to join the Econ Radicals, please email “econradicals@gmail.com”

Upcoming Senior’s Reception and End-of-the-Year Party, June 11, 2010.

The CSUSB Department of Economics will be hosting the Senior’s Reception on June 11, 2010 at CSUSB in room SB-302B at 4:30 p.m. All graduating seniors, honor’s students, ODE students, and recipients of economics scholarships, are invited and encouraged to attend. We encourage you to bring your friends, family, and significant others. After the reception everyone is invited to join us for pizza and refreshments at Jerseys Pizza for our End-of-the-Year Party!!! Jerseys Pizza is located in the Stater Brother’s Shopping Center at 985 Kendall Drive, San Bernardino, CA 92407.

Fall 2010 Classes

#	SEC	TITLE	HOURS		DAYS	INSTRUCTOR
ECON 200	01	PRIN MICROECON	0920-1030	AM	MWF	ASHEGHIAN
ECON 200	02	PRIN MICROECON	0400-0550	PM	MW	ASHEGHIAN
ECON 200	03	PRIN MICROECON	1000-1150	AM	TR	STAFF
ECON 200	03	PRIN MICROECON	1200-0150	PM	TR	STAFF
ECON 200	03	PRIN MICROECON	600-0750	PM	TR	STAFF
ECON 202	01	PRIN MACROECON	1040-1150	AM	MWF	NILSSON
ECON 202	02	PRIN MACROECON	400-0550	PM	MW	NILSSON
ECON 202	03	PRIN MACROECON	1000-1150	AM	TR	STAFF
ECON 202	04	PRIN MACROECON	0200-0350	PM	TR	STAFF
ECON 302	01	INTER MICROECON	0920-1030	AM	MWF	TORUNO
ECON 335	01	ECON ANALYSIS COMPS	0400-0550	PM	TR	STAFF
ECON 410	01	MONEY & BANKING	1200-0150	PM	TR	PIERCE
ECON 435	01	MULTINATIONAL CORPS	1040-1150	AM	MWF	ASHEGHIAN
ECON 530	01	GOOD ECONOMY	1200-0110	PM	MWF	NILSSON
ECON 571	01	ECON OF SPORTS	1000-1150	AM	TR	HARRIS
ECON 311	01	ECON K-8	0800-0950	AM	TR	CHARKINS
ECON 503	01	ECONOMIC ANALYSIS	0600-0750	PM	MW	STAFF
SSCI 320	01	UNDERSTND CAP	0800-0950	AM	TR	PIERCE

Note: Econ 302 is required for the B.A. in Economics and the B.A. in Political Economy. Econ 335 is required for the B.A. in Economics.

Staying Informed of CSUSB Department of Economics Events and News

If you’re receiving the Coyote Economist, then you’re on our mailing list and everything is as it should be. But, if you know of an Economics Major, or an Econ Fellow Traveler, who is not receiving the Coyote Economist through email, then please have him/her inform our Administrative Support Coordinator, Ms. Jacqueline Carrillo, or the Chair of the Economics Department, Professor Mayo Toruño; our phone number is 909-537-5511.

You can stay informed by consulting:

Our Website - <http://economics.csusb.edu/>

Our Facebook Page- <http://www.facebook.com/pages/CSUSB-Department-of-Economics/109500729082841>

Chair of the Economics Department – mtoruno@csusb.edu