

“It’s the economy, stupid”

James Carville

“Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up.”

Paul

- How bad are things?
- How long will this last?
- What financial impacts are likely?

## Investment Returns (12/31/08)

|                 | Trailing<br>3 mos. | Trailing<br>12 mos. | Trailing<br>3 yrs. | Trailing<br>5 yrs. |
|-----------------|--------------------|---------------------|--------------------|--------------------|
| S&P 500         | -21.94%            | -37.00%             | -8.36%             | -2.19%             |
| Russell<br>1000 | -22.48%            | -37.61%             | -8.66%             | -2.04%             |
|                 |                    |                     |                    |                    |

## Unemployment Rates

| By Year |       | Selected Areas |       |
|---------|-------|----------------|-------|
| • 12/06 | 4.50% | • California   | 9.3%  |
| • 6/07  | 4.50% | • Florida      | 8.1%  |
| • 12/07 | 5.00% | • Georgia      | 8.1%  |
| • 6/08  | 5.50% | • Michigan     | 10.6% |
| • 12/08 | 7.20% | • Texas        | 6.0%  |

## Home Foreclosures

| Selected States | Filings   | '08 Growth over '07 |
|-----------------|-----------|---------------------|
| California      | 837,665   | 110%                |
| Florida         | 501,396   | 133%                |
| Georgia         | 116,225   | 44%                 |
| Michigan        | 145,365   | 22%                 |
| Texas           | 129,201   | 14%                 |
| Total U.S.      | 3,157,806 | 81%                 |

## Mass Layoff Events

| Year | Layoff Events | Initial Claimants for Unemployment Insurance |
|------|---------------|--|
| 2005 | 16,466        | 1,795,000                                    |
| 2006 | 13,998        | 1,484,000                                    |
| 2007 | 15,493        | 1,599,000                                    |
| 2008 | 21,137        | 2,130,000                                    |

## Apportionment Payment Rates

| Year | Payment Rates |
|------|---------------|
| 2004 | 88.1%         |
| 2005 | 87.0%         |
| 2006 | 88.5%         |
| 2007 | 89.6%         |
| 2008 | 86.5%         |

| Year | <75% | >98% |
|------|------|------|
| 2003 | 7    | 11   |
| 2004 | 6    | 13   |
| 2005 | 7    | 15   |
| 2006 | 6    | 18   |
| 2007 | 5    | 23   |
| 2008 | 10   | 19   |