**Christopher Thornberg PhD Speaker June 1 2020**

The Rotary Club of Scottsdale hosted speaker Christopher Thornberg, PhD,

Founding Partner at Beacon Economics, a research organization, based in Los

Angeles, California.  Rotarian Kevin Maldonado introduced Dr. Thornberg to

the Rotarians attending the Club's weekly Zoom meeting.

In 2015, Dr. Thornberg became Director of the UC Riverside School of

Business Center for Economic Forecasting and Development and an Adjunct

Professor at the School.  Prior to launching Beacon Economics Dr. Thornberg

was a senior economist with UCLA's Anderson Forecast. He previously taught

at UCLA's Anderson School, in the Rady School of Business at UC San Diego,

at Thammasat University in Bangkok, Thailand and at Clemson University.

A well-known media commentator, Dr. Thornberg has appeared on CNN and NPR

and is regularly quoted in major national dailies including the Wall Street

Journal, Reuters and New York Times.  Originally from upstate New York, Dr.

Thornberg holds a Ph.D. in Business Economics from The Anderson School at

UCLA, and a B.S. degree in Business Administration from the State University

of New York at Buffalo.

Recent and ongoing projects of Dr. Thornberg include an analysis of minimum

wage programs for the City of Los Angeles; housing and rent control studies

for the California Apartment Association; quarterly regional economic

outlooks for the East Bay Economic Development Alliance; a recession

recovery plan for the City and County of San Francisco; an annual economic

assessment of LA's city council districts for the Los Angeles Area Chamber

of Commerce; an analysis of the local technology industry for the Santa Cruz

County Workforce Development Board; and economic impact studies for the 2024

Los Angeles Olympic Games Committee and the University of Southern

California.

Dr Thornberg serves as Chair of the California Chamber of Commerce Economic

Advisory Council, is on the Board of Directors of the Los Angeles Area

Chamber of Commerce, is an Executive Member of the Central City Association

(Los Angeles), and is a member of the California Association for Local

Economic Development.

During his talk to the Rotarians, Dr. Thornberg highlighted the short and

long run implications of the current public health mandates.  The impacts

are global and unprecedented due to the public health actions, shelter in

place rules and massive unemployment. Dr. Thornberg called today's

volatility a form of "miserabilism" affected by distracting weapons of mass

social media.

Per Dr. Thornberg, 80% of the unemployment is likely temporary job loss or

furloughs.  He shared statistical information about the roots of recessions,

especially related to federal budget deficits.  He added that free money

leads to inflation.  When asked how long will shutdowns last, Dr. Thornberg

suggested by end of 3rd quarter 2020, USA will largely be open for business

with air travel and large events lagging because of behavioral issues.

When talking about today's unemployment numbers, Dr. Thornberg noted the

numbers are not driven by the permanent collapse of any part of the economy.

Rather, they have been driven by the temporary, public health mandated halt

in economic activity due to the Covid-19 epidemic. And while a huge part of

the U.S. economy has had to close down and furlough workers, there is no

reason to assume they cannot or will not reopen once the mandates are

lifted. This is why in this particular business cycle, the employment losses

not only have happened far more quickly than in past recessions, but they

are also a concurrent indicator of economic problems rather that a lagging

one (Reference: The Job-apocalypse, May 8, 2020 post by Christopher

Thornberg, PhD - see Beacon Economics Blog - www. [beaconecon.com](http://beaconecon.com)).

Other topics Dr. Thornberg addressed were: the balance between spending and

incomes; increased savings rates; labor shortages; consumer debt problems;

borrowing being the highest its been since WII; the broken stock market; and

more. Unknowns he discussed were: potential second round of Covid outbreaks;

how many business will actually permanently close their doors; how long

entertainment and travel will be impacted; and, impacts to local and federal

budgets.

When asked about residential real estate markets, Dr. Thornberg said it is a

good time to buy, especially with the low interest rates.  When asked about

"big box" stores, Dr. Thornberg noted currently there just is too much

retail space needing to be rezoned for other purposes.

In closing, Dr. Thornberg, stated that the number jobs not returning depends

on how long the closures last, how deep they run, how healthy the economy

was before the pandemic arrived on our shores, what the government is doing

to support the economy, and will there be changes in consumer behavior that

will last beyond the public health mandates. He noted based on reports he

has seen, jobs will come back, leading to a massive surge in economic

activity in the third quarter of this year.

Prior to this online meeting, the Club held two Zoom meeting sessions with

all the City of Scottsdale Mayoral candidates.  Each candidate introduced

herself/himself and responded to five specific questions related to their

candidacy and support of Scottsdale.