

THE *Current*

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Campus Hosts Annual Economic Forecast Summit

In the complex machine that is the U.S. economy, the federal funds rate — the interest rate most often in the spotlight — is a valve that controls the flow of cash from one bank to another. As interest charged on loans made between banks and credit unions, the raising or lowering of this interest rate can make or break countless financial decisions on all levels, from businesses looking to expand, to municipalities considering development projects, to individuals looking to buy a home or pay for college. Too low an interest rate and the economy might expand too rapidly; too high and the flow of cash slows.

Last December, after almost a decade of trying to spur the U.S. economy following the financial crisis of 2008, the Federal Reserve raised its interest rates by a quarter of a point. In light of weak first-quarter numbers, the Fed appears to have become more cautious about raising them further, although an increase is still on the horizon and may occur in June. Members of the Federal Open Market Committee — who vote on these rate changes in regularly scheduled meetings throughout the year — and economists at large are still somewhat divided on the pace of these increases. Meanwhile, investors and would-be borrowers at home and economies and markets abroad are on tenterhooks waiting for the FOMC's next move on monetary policy, which could come at their meeting scheduled for April 26-27.

A week later, James Bullard, FOMC member, and president and chief executive officer of the Federal Reserve Bank of St. Louis, will come to Santa Barbara to

discuss Fed policy at the 35th UC Santa Barbara Economic Forecast Project Santa Barbara County Summit, the annual rundown of the local, regional and national economy. The event takes place at the Granada Theatre in downtown Santa Barbara on Thursday, May 5. Titled “Fed Policy, Markets and Your Investments,” the Summit presents three talks on various and complex moving parts of the market, followed by the staple summary of local and regional economy and a panel discussion.

The Santa Barbara County Summit will kick off at 7:30 a.m. with a breakfast reception directly in front of the Granada Theatre on the 1200 block of State Street.

At 8:30 a.m. Economic Forecast Project (EFP) Board President Mike Pfau and Executive Vice Chancellor David Marshall will deliver opening remarks, followed at 8:45 a.m. by Peter Rupert, executive director of the EFP.

Federal Reserve President James Bullard will give the first presentation of the summit, focusing on Fed policy. The president and CEO of the St. Louis Federal Reserve Bank since 2008, Bullard and his academic research have been featured in numerous journals, and he has appeared as a commentator on CNBC, CNN, Bloomberg, BNN and Fox Business. Bullard has called for the FOMC to adopt a policy that is adjusted based on the state of the economy, and in the wake of the financial crisis, he supported quantitative easing and warned about the possibility of the United States’ falling into a Japanese-style deflationary trap. In January 2015, The Economist named Bullard the 7th most influential economist in the world.

Bullard will be followed by **Rob Arnott**. Arnott is the founder and chairman of investment strategy firm Research Affiliates, and a portfolio manager for Public Investment Management Company. He specializes in novel approaches to active asset allocation, optimal portfolio construction, efficient forms of indexation and other quantitative strategies. He has pioneered several portfolio strategies that are now widely applied.

Chris Ludeman will give his presentation after Arnott. Ludeman is the Global President of Capital Markets for CBRE Group, the only commercial real estate company in the Fortune 500. As president, Ludeman drives CRBE’s investor advisory business, including equity, sales, debt and real estate investment banking.

Peter Rupert will then return to the stage to present the annual summary of local and regional economic health and activity. Rupert is chair of the Department of Economics and associate director of the campus’s Laboratory for Aggregate

Economics and Finance with Nobel Laureate Finn Kydland. Rupert served as senior research advisor for the Federal Reserve Bank of Cleveland for 13 years.

After his talk Rupert will moderate a panel discussion between the three guest presenters to shed light on the interrelationship of monetary policy, markets and investments. Closing remarks will follow at 11 a.m. and the event will conclude at noon.

The Economic Forecast Project was established in 1981 by the Department of Economics to provide the community with information on economic, demographic and regional business trends. Top sponsors for this year's event include Founding Sponsor Union Bank and Platinum Sponsor Montecito Bank & Trust.

The Summit is open to the public; admission is \$200 per person. Cost for students is \$25. For tickets and information, visit www.artsandlectures.sa.ucsb.edu; or call the Arts & Lectures box office at (805) 893-3535. For event information, call (805) 893-5148.

The Economic Forecast Project will shift its focus to northern Santa Barbara County with an event Friday, May 6, at the Radisson Santa Maria, 3455 Skyway Drive.

About UC Santa Barbara

The University of California, Santa Barbara is a leading research institution that also provides a comprehensive liberal arts learning experience. Our academic community of faculty, students, and staff is characterized by a culture of interdisciplinary collaboration that is responsive to the needs of our multicultural and global society. All of this takes place within a living and learning environment like no other, as we draw inspiration from the beauty and resources of our extraordinary location at the edge of the Pacific Ocean.