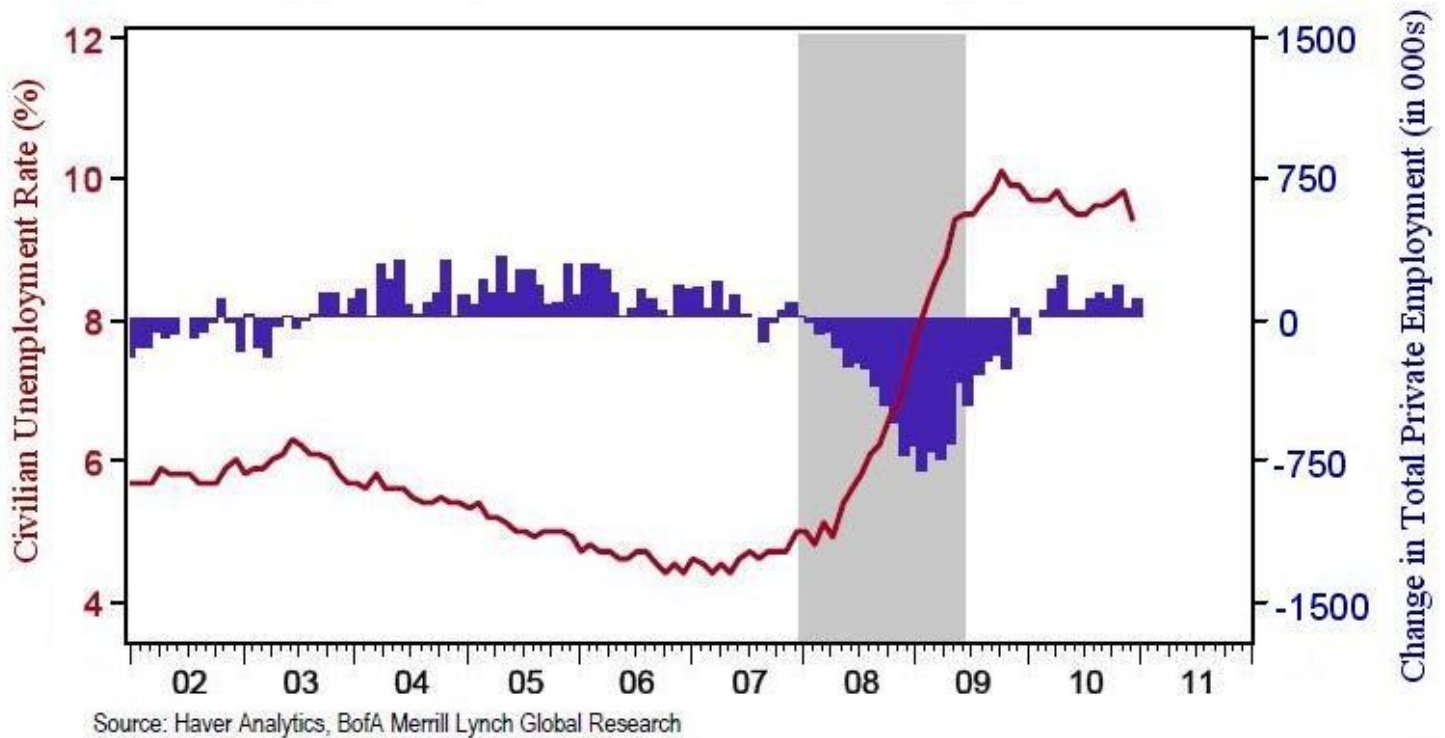


# CHART OF THE MONTH

JANUARY 2011

## December 2010 Employment Report



The graphic above displays the unemployment rate (red line, left axis) and the change in private sector jobs (blue bars, right axis). The gray shaded area represents the recession period.

For the month of December, the economy added 113,000 private sector jobs and the unemployment rate declined to 9.4%. While the unemployment rate will likely remain stubbornly high for the foreseeable future, the economy has picked up recently and is expected to gain steam in the aftermath of the 2010 Tax Bill that was signed into law late last year.

We are hopeful that the Administration and new Congress, as well as state and local government officials, will tackle budget deficits and the ballooning debt by cutting government spending and increasing tax *receipts* (as opposed to *rates*) owing to the growth in corporate profits and personal incomes. If successful, this combination will help put the economy on the road to a more sustainable growth pattern. It won't be easy. And it won't be without some pain. Yet, it is a must if we are to avert another financial crisis down the road.