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# California Dreamin

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The Westward Fund Predicts Entrepreneurs Will Revitalize the States Economy  
SCOTTSDALE, Ariz.--(Business Wire)--  
California's budget deficit is expected to soar beyond \$40 billion over the next year-and-a-half. The financial and construction industries have been nearly destroyed by California's housing collapse and California's unemployment rate is approaching 12%! The once flourishing State of California is in a "State of Crisis". What was once a dream is now a nightmare. Or is it? This survey information is provided by The Westward Fund.

Experts are predicting that the nation's most populous state will surely rise again and that the current crisis could actually stimulate major changes in the economy, providing high dividends down the line. With over 35 years experience in real estate, Patrick LaVoie of The Westward Fund, a creation of Equity Capital Group (ECG) out of Phoenix, Arizona, believes that there is a silver lining to California's cloud, "For the experienced real estate investor there are many rehab, resale and wholesale opportunities being created in California. Though things may get worse before they get better, the downside of the current economic crisis is providing an amazing upside in real estate investment possibilities."

Jerry Nickelsburg, Senior Economist at UCLA Anderson Forecast adds, "The government has created kind of a mess and that's a problem to be solved, but the negatives are actually fairly small. I think you can expect a lot of good out of California."

So far, the Obama Administration is resisting the idea of a federal bailout for the now bankrupt State. When asked about the financial crisis in California, Obama said he did not believe the federal government would provide a bailout, though he acknowledged that the State faced "some very difficult choices". A bailout may not be the answer. After all, California has overcome difficult times in the past.

## Will History Repeat Itself?

At the end of the Vietnam War, when California's powerful defense industry dissolved leaving high unemployment and talk about the State's long-term decline, the budding of the Silicon Valley and other tech regions began. Much of the growth came from those formerly employed in the defense and space sectors. An even more remarkable revival occurred in the 1990's with the collapse of the Soviet Union, a devalued Japan and a set of natural disasters : earthquakes, fires and floods. California rebounded, however, having reformed itself and discovered new ways to create business and wealth.

The private sector responded, as well. High-tech, Hollywood, international trade, fashion, agriculture and a growing entrepreneurial culture all helped generate jobs and restore the Golden State. These sectors still exist and still excel even under difficult conditions. In addition, California continues to remain a leader in green energy, biotechnology, aerospace and other industries that are expected to fare well in the world economy and create new job markets in the United States. Tax Historian Dave Doerr once said, "The big increases in revenue the State has enjoyed have come from economic growth, not so much from tax increases. That's pretty clear if you look all the way through history."

What is happening behind the scenes in California? "The California Housing Comeback is definitely here and gathering momentum," said CAR President Liptak. "This is big news. Buyers and investors are beginning to realize that the combination of favorable home prices, historically low mortgage rates, and first-time home buyer tax credits, may not align again for many years and they know the time is now to buy."

According to the California Association of Realtors (CAR), existing single-family home sales increased 35.2 percent in May. The statewide median price of an existing single-family home increased 4.2 percent over April of 2009 to \$267,570 and CAR's Unsold Inventory Index fell to 4.2, compared with 8.7 in May of 2008.

When "California Dreaming", we can recall the wisdom of John D. Rockefeller who said, "The major fortunes in America have been made in land."

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Patrick LaVoie of The Westward Fund adds, "The most outstanding opportunities in history take place in a down market. With prices down over 50% from the peak and mortgage rates at levels sometimes not seen since the 1970's, there has never been a more affordable time to buy real estate." This could very well be the key to California's rebirth.

Niche Focus Group  
Troy Bohlke, 602-463-3124  
troy@nichefocusgroup.com

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