



June 2016

California vaulted to sixth place among all economies in the world in 2015, behind only the U.S. as a whole, China, Japan, Germany and the United Kingdom, according to a recently published report from the [U.S. Department of Commerce Bureau of Economic Analysis \(BEA\)](#). California's economy expanded by 5.7% during the year with the state's total economic output valued at \$2.46 trillion. The state had been the 8th largest in 2014, passing France and Brazil in the latest report.

Wow. Statistics like these aren't new, but they always make me stop and appreciate what we have here in the Golden State. Although other states continue to harp on California's regulatory burden for business in areas like employment and environmental law, not to mention the high cost of living, it's clear that California, driven in part by the tech sector, will continue to be a dynamic force in today's global economy.

There are, of course, some warning clouds on the horizon. The recently passed California state budget anticipates a decline in revenue growth and Governor Jerry Brown has convinced the legislature to add more than \$3.3 billion to the state's "rainy day" fund in anticipation of a possible recession at some point down the line.

And global economic trends, which obviously will affect the world's sixth largest economy, are not so rosy. The U.K. vote on June 23 to leave the EU has shaken world markets. In addition, the economies in countries like France and Brazil have shown sharp declines (hence California's rise to 6th place) and other countries, aside from China and the U.S., are showing slower growth.

But reasonable caution notwithstanding, it's clear there continue to be many opportunities for savvy investors and companies looking to invest or expand here in Silicon Valley and around the state.

Hope that your summer is off to a great start. Back at you in July.

Best, Steve



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Upcoming Event

[Ted Claypoole to Speak on Children's Privacy Issues & The Internet of Things](#) | 17th Annual PLI Institute on Privacy & Data Security Law | July 11-12, 2016 | Chicago

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[Client Alert: What You Need to Know about the U.K. Brexit Vote](#) (Womble Carlyle Client Alert, June 24, 2016)

[Eight is One More Than Enough for the FCC](#) (by [John Garziglia](#), Womble Carlyle Telecommunications Team, June 23, 2016. Originally published in *Radio Ink*)

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