

Outspoken economist doesn't talk like one

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At 6 feet 6 inches tall with a broad-shouldered frame that makes him literally stand above the crowd, Christopher Thornberg looks more like a linebacker than an economist.

He also doesn't talk like one. "There are three types of housing markets: abysmal, bottomed-out and booming. ... We're in abysmal," he told the Times in June. Or his comment last August: "Rich people will feel the pinch. The top end will take a whack as well," on the housing downturn affecting high-end homes.

Known for colorful quotes, Thornberg has become a mainstay on television, radio and print -- a celebrity economist known for his bearish stance on California real estate.

It may have made him enemies in the real estate industry and caused trouble at his job with the UCLA Anderson Forecast because few economists can be so outspoken or irreverent --unless they own their own consulting businesses.

That's part of the reason he and business partner Jon Haveman started Beacon Economics.

Haveman said that Thornberg is "sort of uncaged" at Beacon, free from the constraints of an academic environment.

"I think he's definitely more relaxed now," he said. "It's an entirely different world."

Few economists have become as synonymous with real estate forecasts in California as Thornberg. Fewer still are seen as negatively by the real estate industry.

Now Thornberg, who talked of a housing bubble since 2003, predicts a short recession coming late this year or in early 2008 lasting about a year.

"I may be wrong; we may not have a recession. I can never promise I'm going to be right," he said, "but I can promise I will be intellectually honest."

Thornberg is one of the few economists forecasting a three-in-four chance of a recession because of job losses and income erosion. He acknowledged that some economists feel pressured to give a positive spin.

And unlike many economists who simply do a state of the economy, his company, Beacon Economics, goes out on a limb. "People who don't want to hear about it don't ask us to talk about it," he said.

Thornberg, 40, was born and raised in Rochester, N.Y., the son of a real estate broker and travel agent. He attended State University of New York at Buffalo, graduating with a bachelor's degree in business administration. He pursued his doctorate in management with an emphasis on business economics at

UCLA, mainly working on industrial organization and international economics.

In 2000, after teaching at Clemson University for three years, he received a phone call from his dissertation adviser, Ed Leamer, inviting him back to UCLA to be a forecaster for the Anderson School of Management.

The job couldn't have come at a better time. With the dot-com era winding down, real estate was looking like it was California's real mother lode.

In 2003, he and Leamer disagreed on the housing bubble. Thornberg became outspoken about the impending bubble, causing friction between the two.

"It's absolutely true he was one of the early voices that warned that the bubble was unsustainable," said Stephen Levy, director of the Center for Continuing Study of the California Economy. "He was one of the early warriors."

But not the only one, Levy added, including himself in the small cadre of economists.

Leamer, director of the UCLA Anderson Forecast, declined to be interviewed.

Thornberg said he has a lot of respect for Leamer, but they had problems over conflicting views about the future of real estate. "It reflected things about him that are not very pleasant," he said.

Thornberg, at the end of his run at the UCLA Anderson Forecast, was known for making caustic comments to critics and the media.

"I just think he's too negative all the time," said Paul Ward, a broker associate at Keller Williams Realty in Danville, who most recently took offense when Thornberg called the real estate market "abysmal." "If anyone listened to him (Thornberg) in 2003, they would have lost out on a lot of money," Ward said.

Those that know Thornberg say he has a strong personality and views.

"He can be taken by people who disagree with him as caustic," Haveman said. "I think he comes across more strongly than others."

Thornberg didn't deny being difficult and said that he was often stressed during that time.

"Certainly reporters have a tendency to rub me the wrong way," he said. "I'm in a situation now where I'm in charge of my own life. ... That tends to make anyone happier. But call me on the wrong day ..."

Haveman worked with Thornberg on a port security report when he was an economist with the nonprofit Public Policy Institute of California.

"At one point I was recruiting (Haveman) for the forecast, but he decided against it," Thornberg said. "I gave him a call and said, 'Ever thought about starting a company?'"

Although there was competition for economic forecasts and reports, Thornberg was confident his company with Haveman would work. "I saw what (others) were doing and knew I could do as good of a job, if not better," he said.

In the summer of 2006, the two started planning their new venture and launched Beacon Economics in

January. Thornberg left the UCLA Anderson Forecast in August 2006.

Haveman said it was Thornberg's energy and enthusiasm that makes the team work. It also helped to put Thornberg out front as the "face of Beacon Economics," so Haveman could work in the background.

And Thornberg takes that role seriously, courting the media until he has become a blue-chip expert on real estate economics. His media presence is huge. In the past month, the Southern California-based Thornberg has appeared in almost every news outlet in the Bay Area.

"He's very creative in how he looks at things," Haveman said. "And, honestly, he's a lot of fun to work with."

As for his critics, they can choose to believe his predictions or not.

"I read what he has to say, but what do they tell you in college? Don't just look at one source," said Colleen Badagliacco, president of the California Association of Realtors.

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