



ORANGE COUNTY TRANSPORTATION AUTHORITY

Taxable Sales Forecast – UCLA Anderson Forecast – Jerry Nickelsburg, PhD., Senior Economist, Adjunct Professor of Economics and William Yu, PhD., Economist

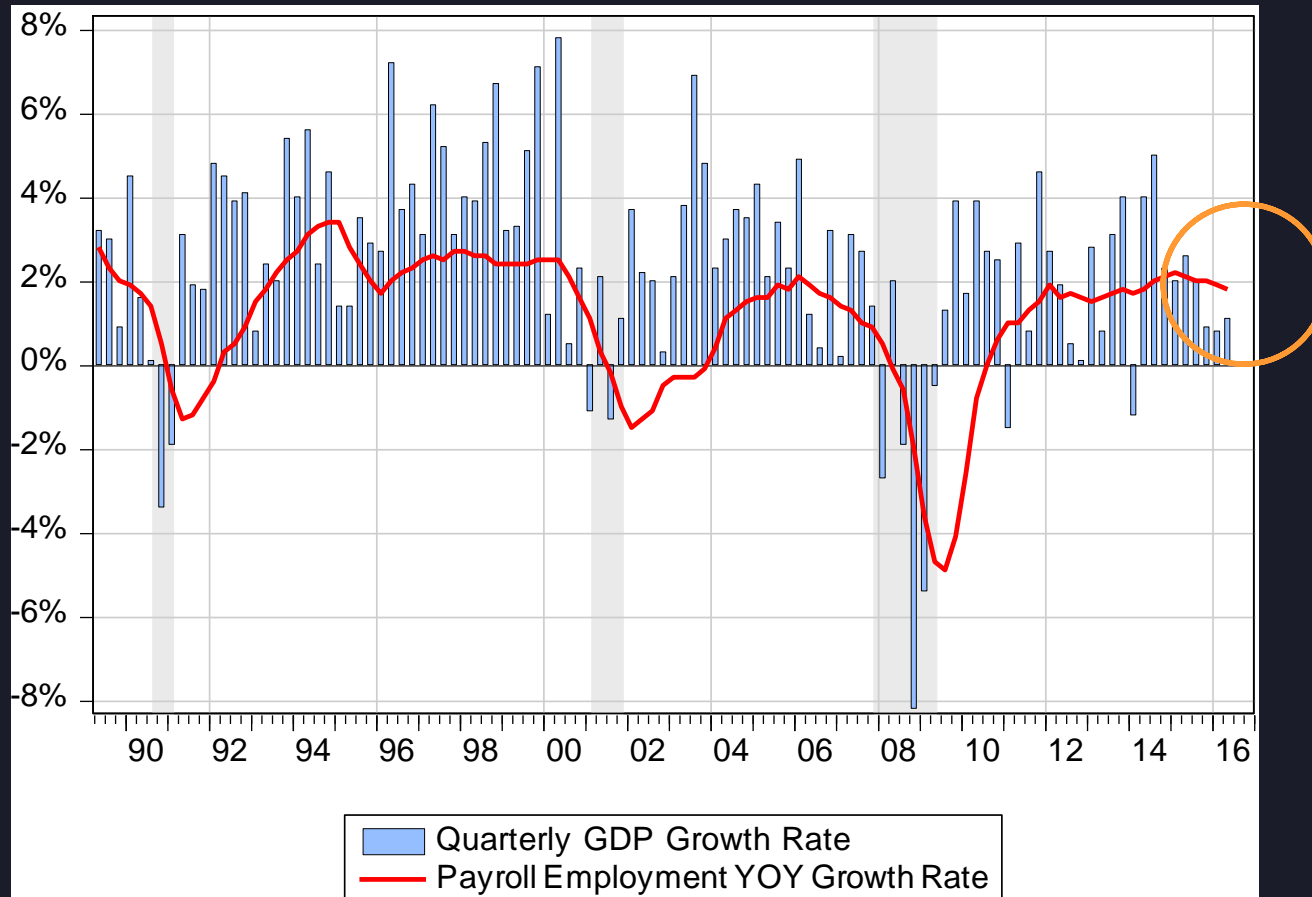
PowerPoint

The Economic Outlook and Orange County Taxable Sales

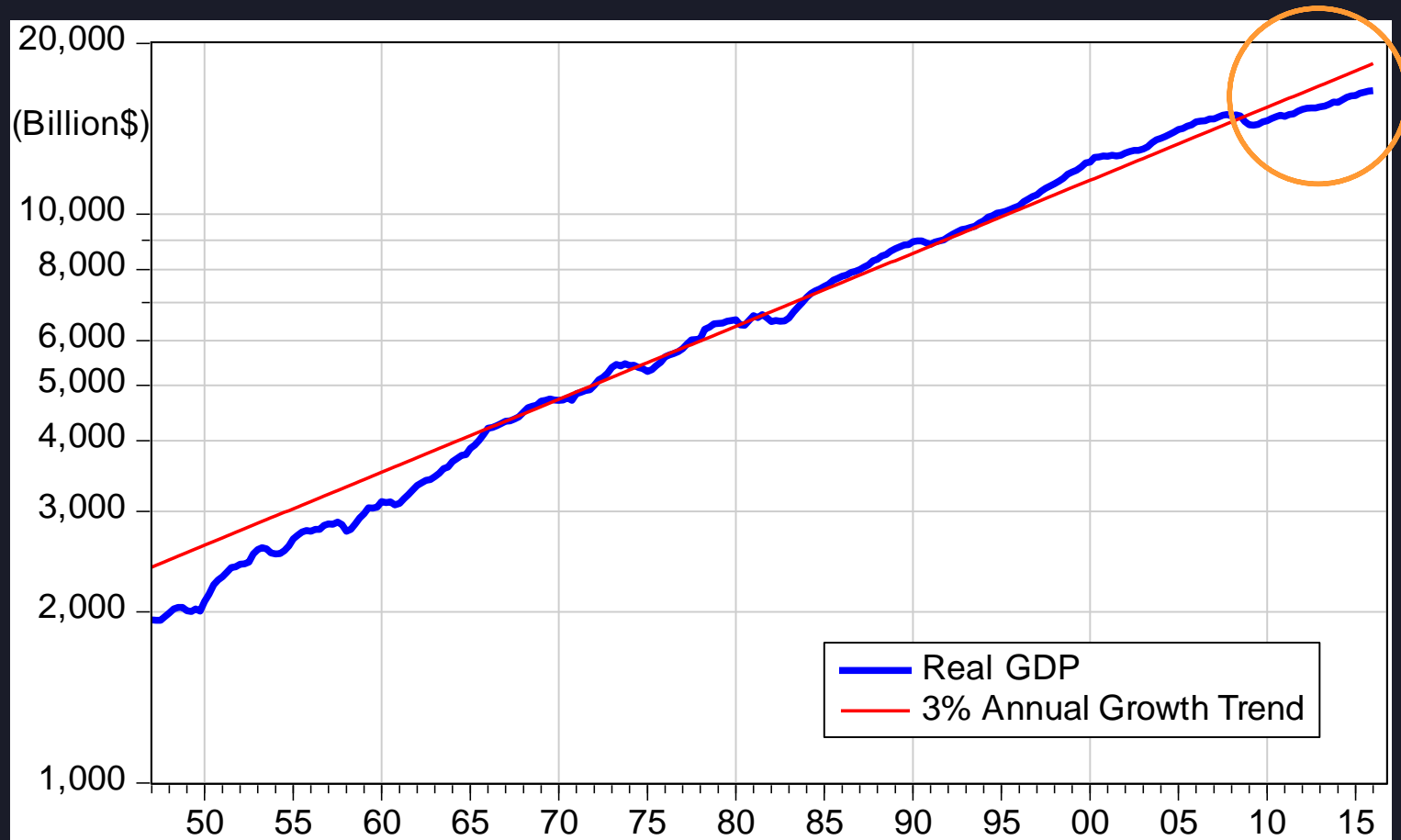
September 14, 2016

William Yu, Economist
UCLA Anderson Forecast

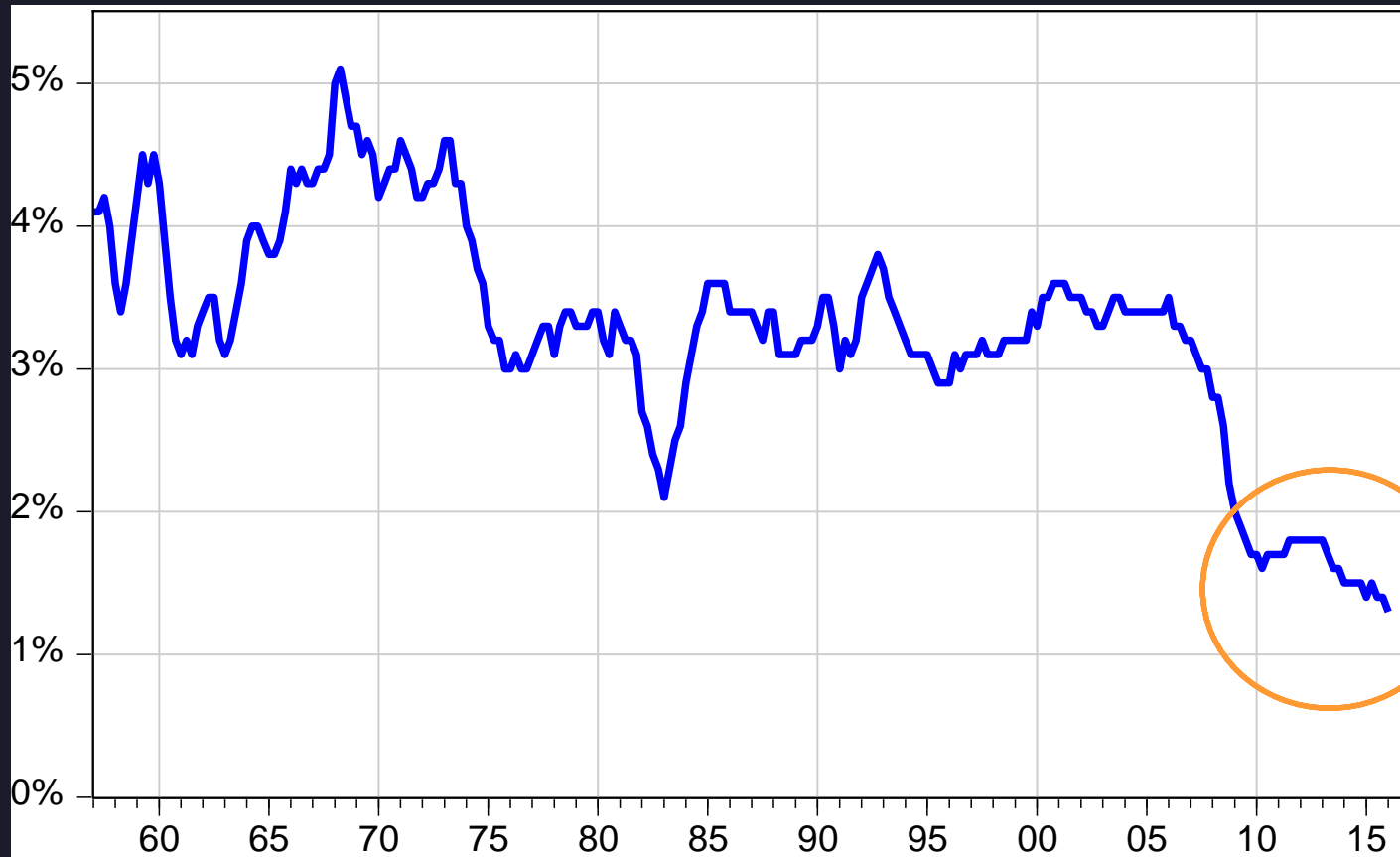
U.S. economy is doing all right



GDP is below the 3% trend growth after the Great Recession

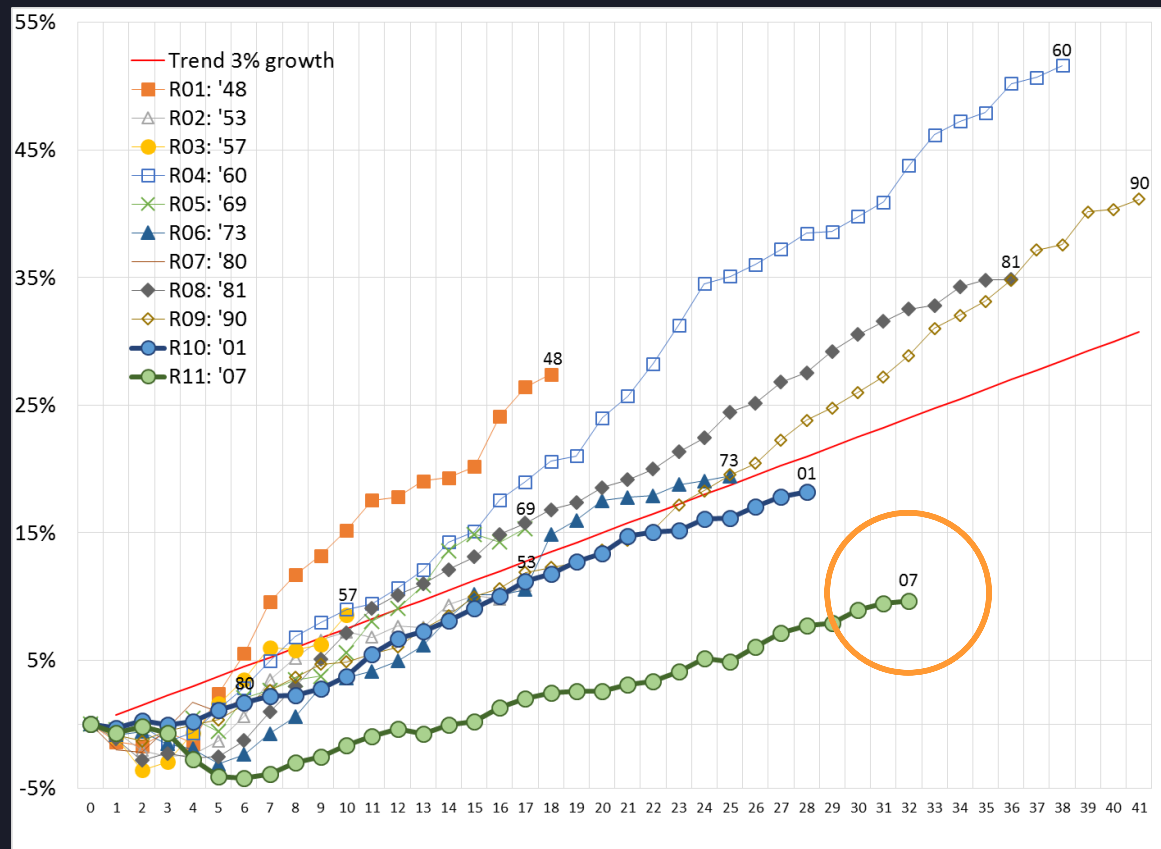


10-year moving-average GDP growth supports “secular stagnation”

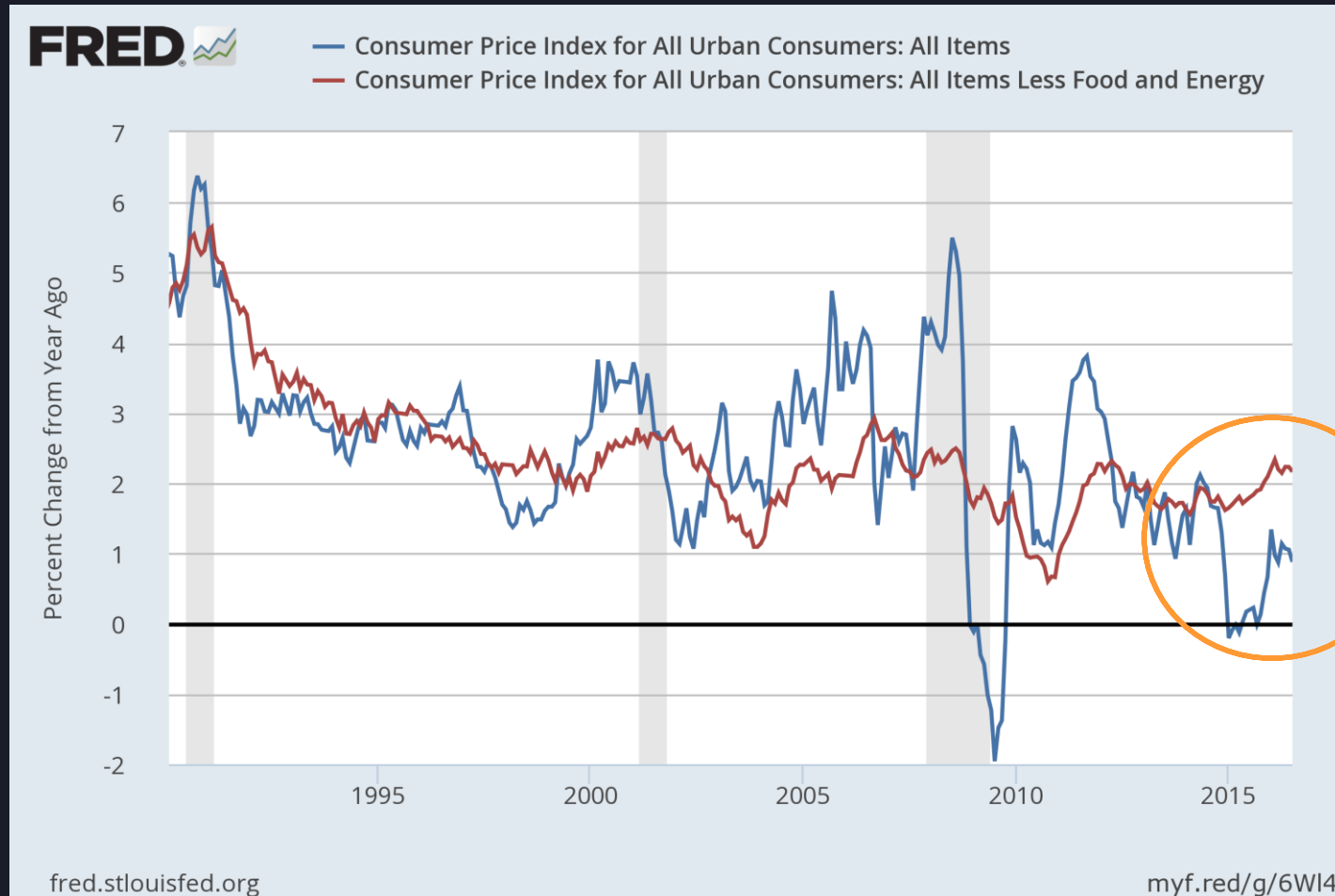


The current economic recovery is particularly weak

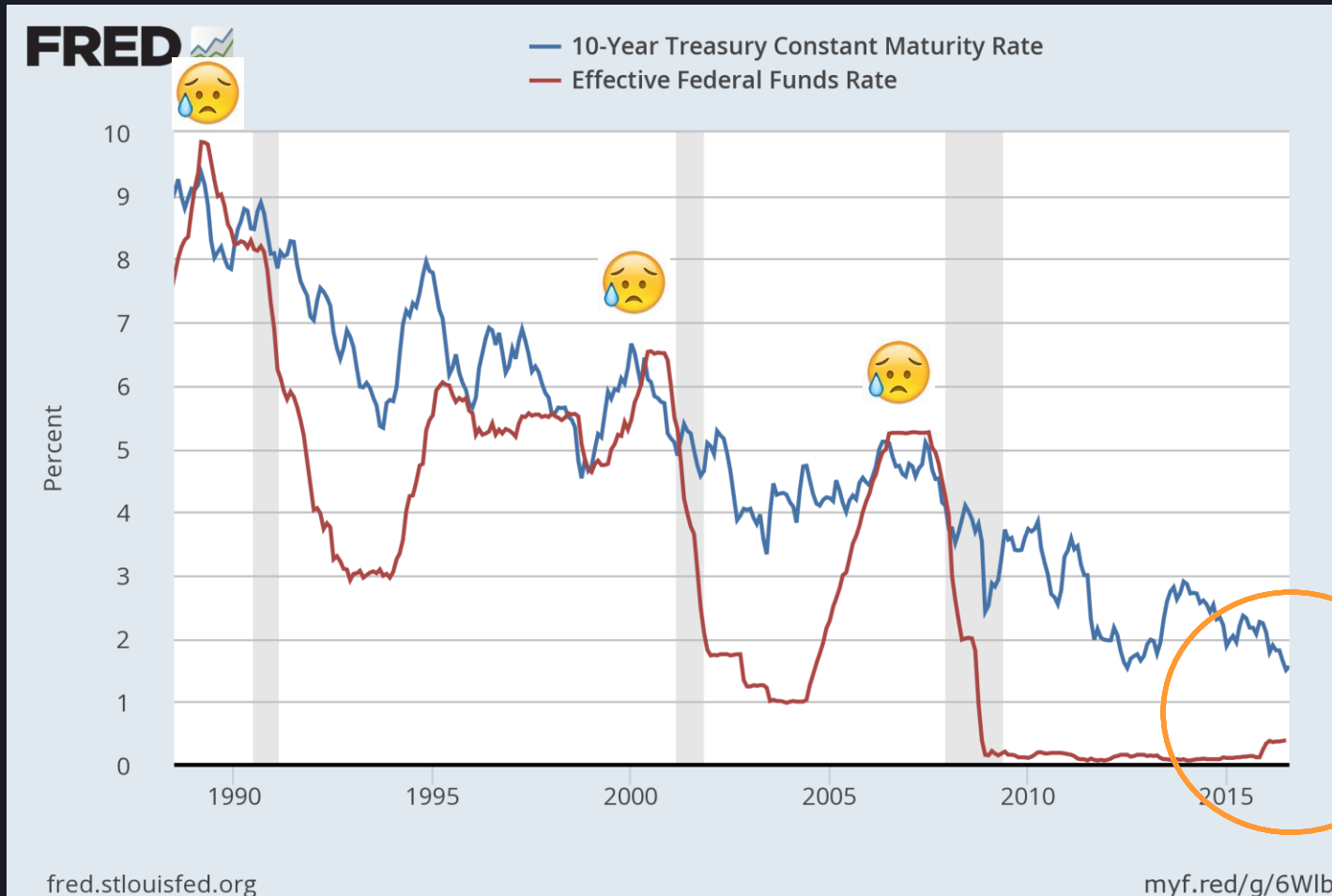
U.S. real GDP percentage change for each business cycle (peak to peak)



Headline inflation is below 1% because of low oil prices But core inflation is above 2%



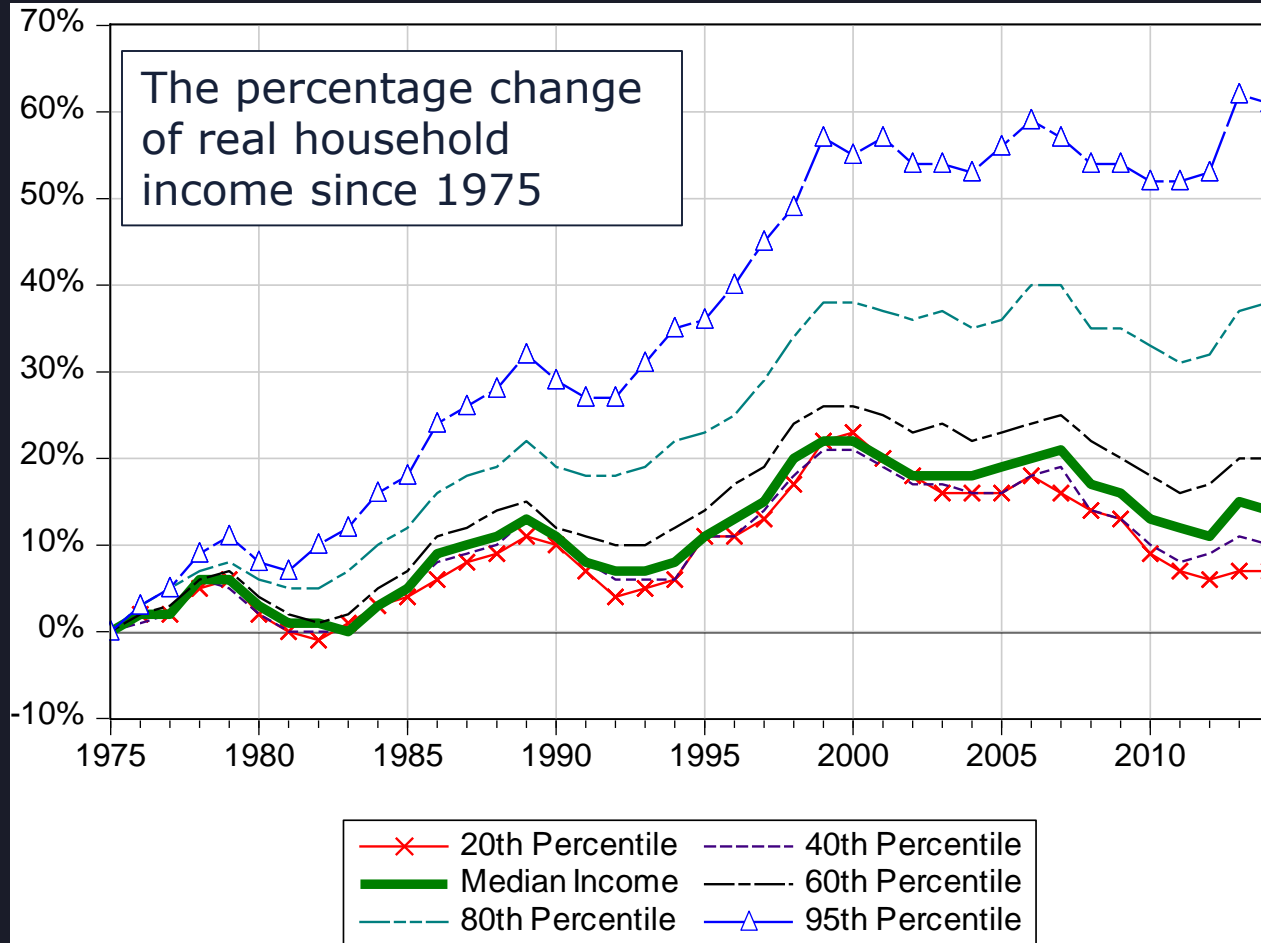
10-year Treasury rate is in historical low level.
Fed is expected to raise federal fund rate this year



Interest rates forecast

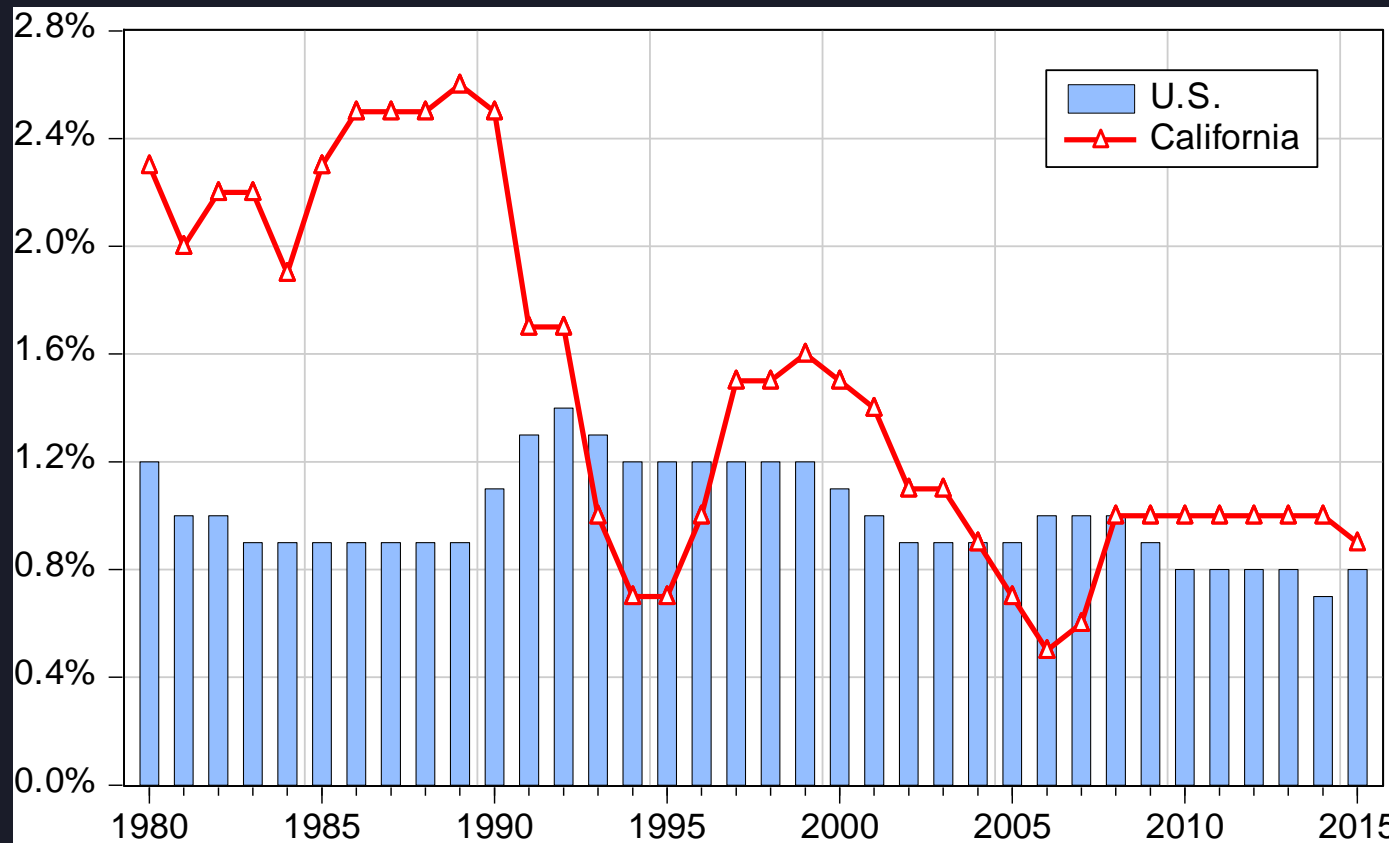


The real income has been stagnant since 2000, especially for the middle and lower classes



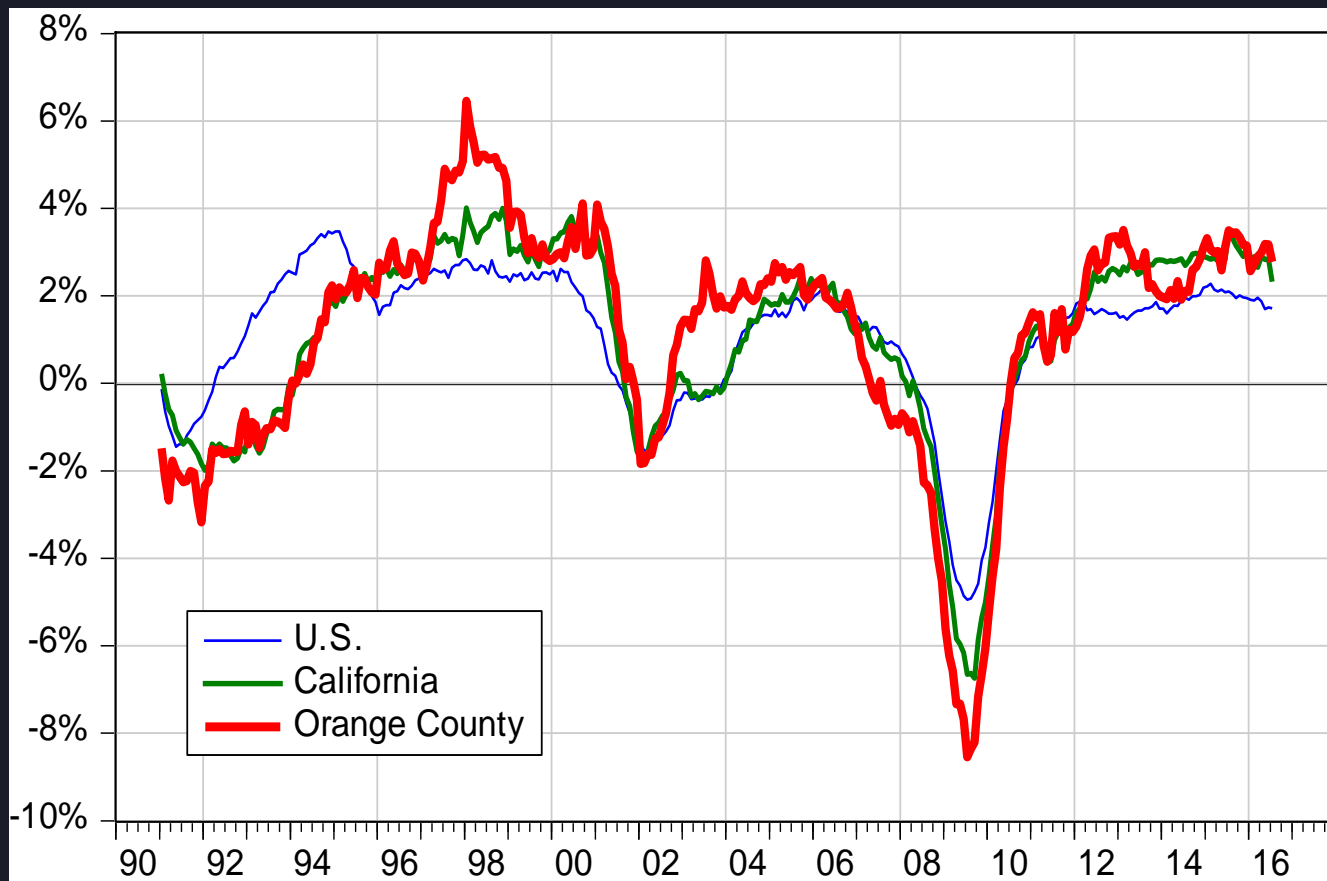
California has higher growth than the nation except for two periods

Annual population growth

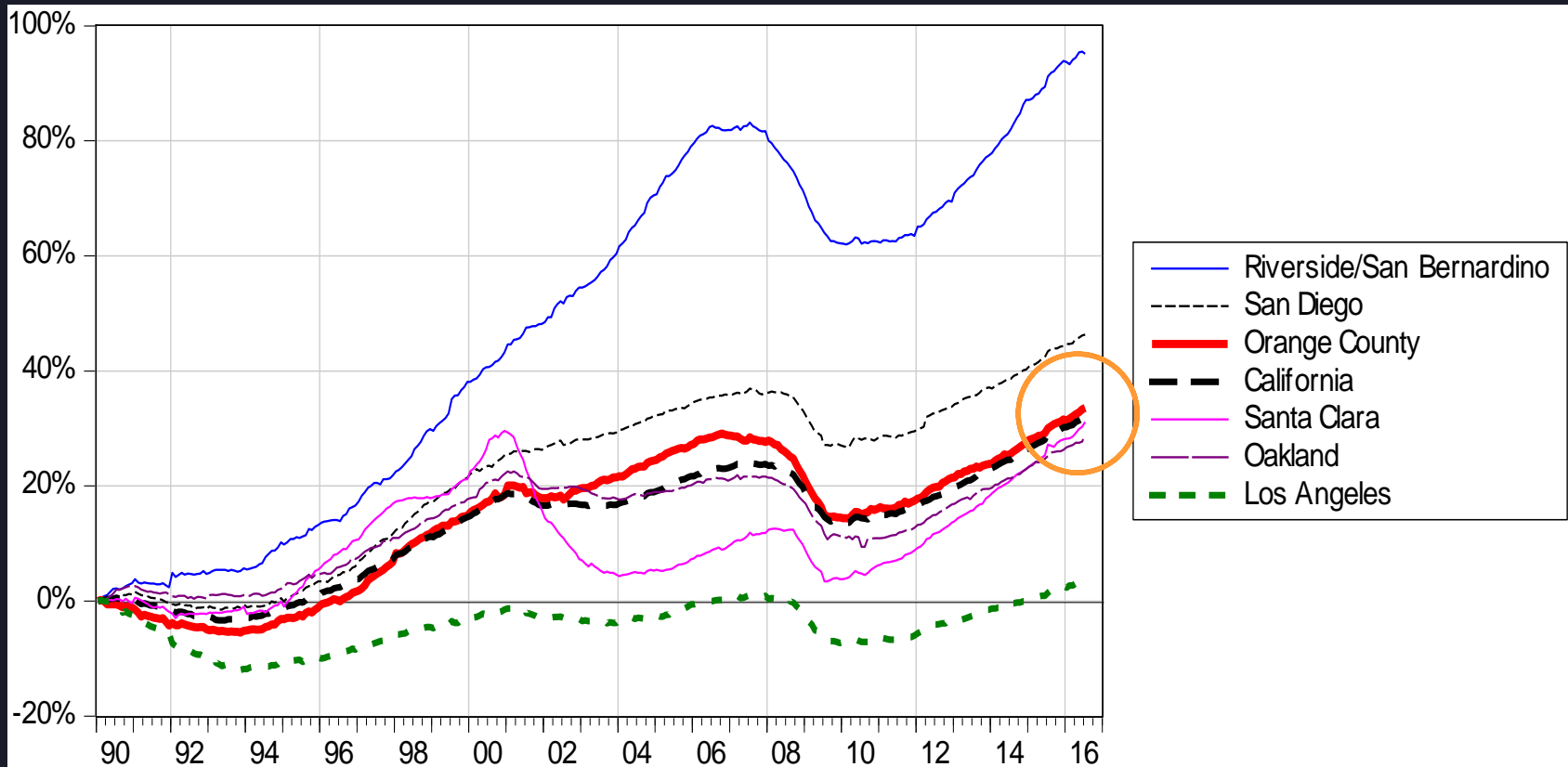


OC and CA have higher economic growth than the nation

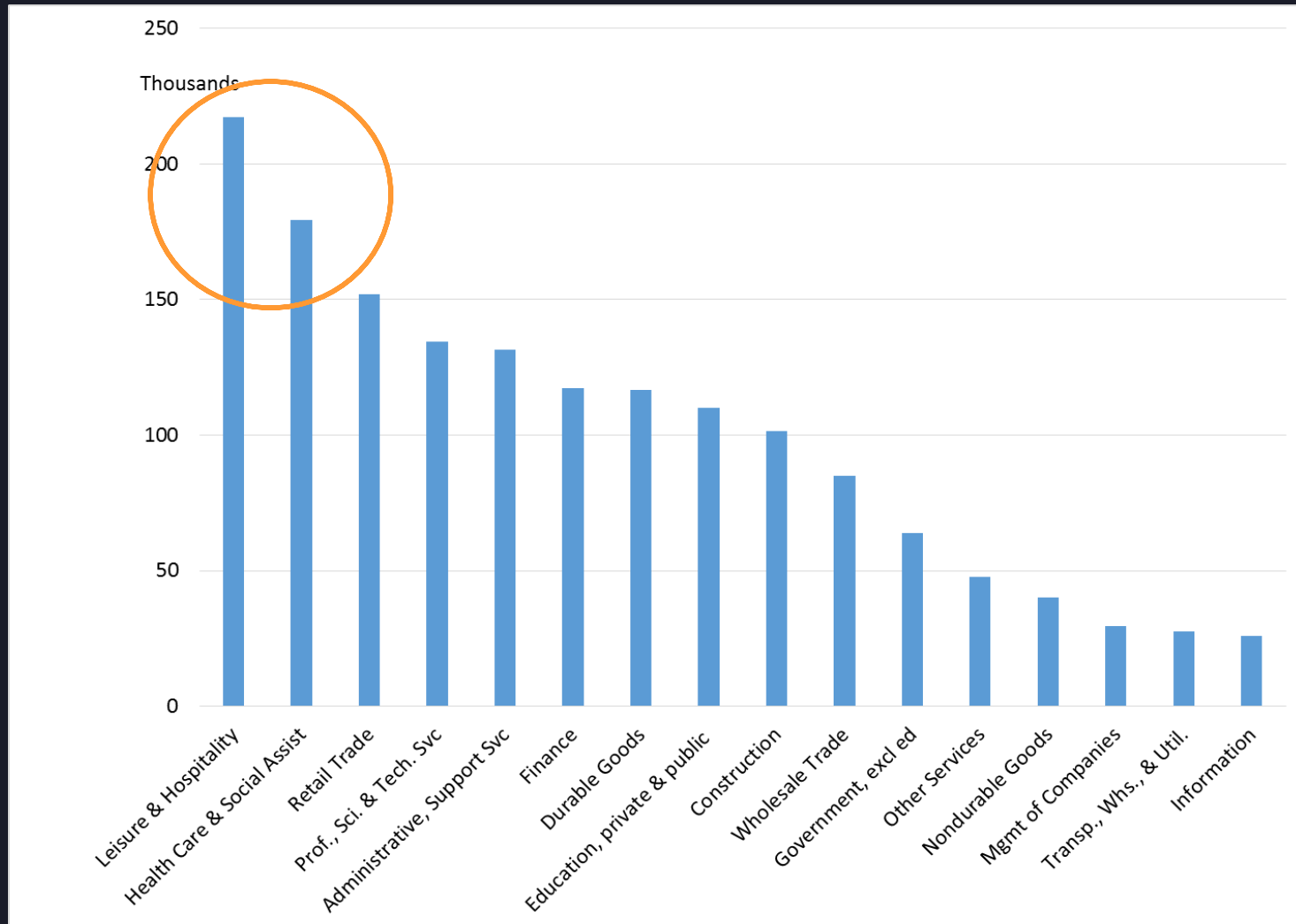
Year-over-year payroll employment growth



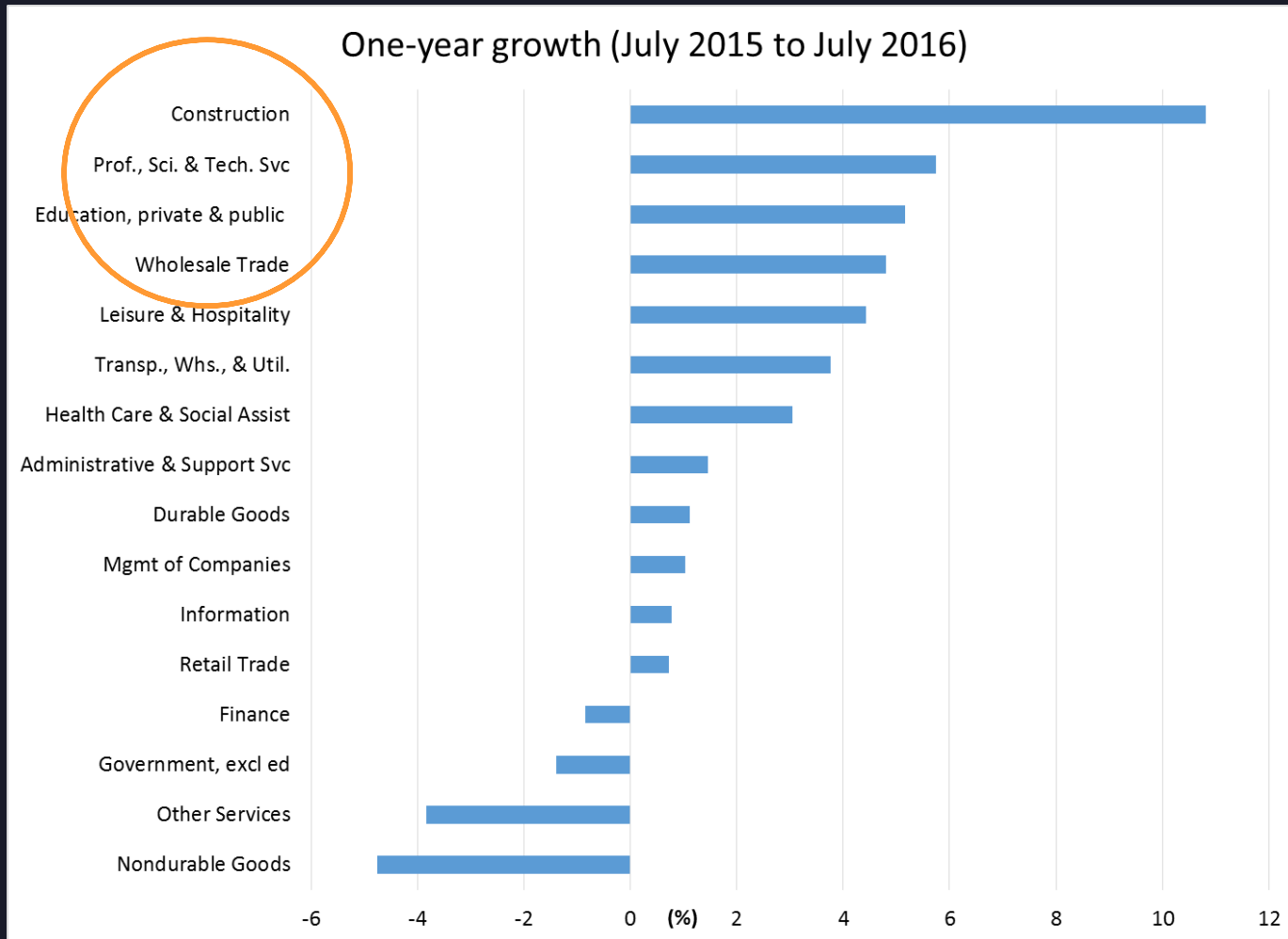
OC payroll employment accumulated growth is similar to California's



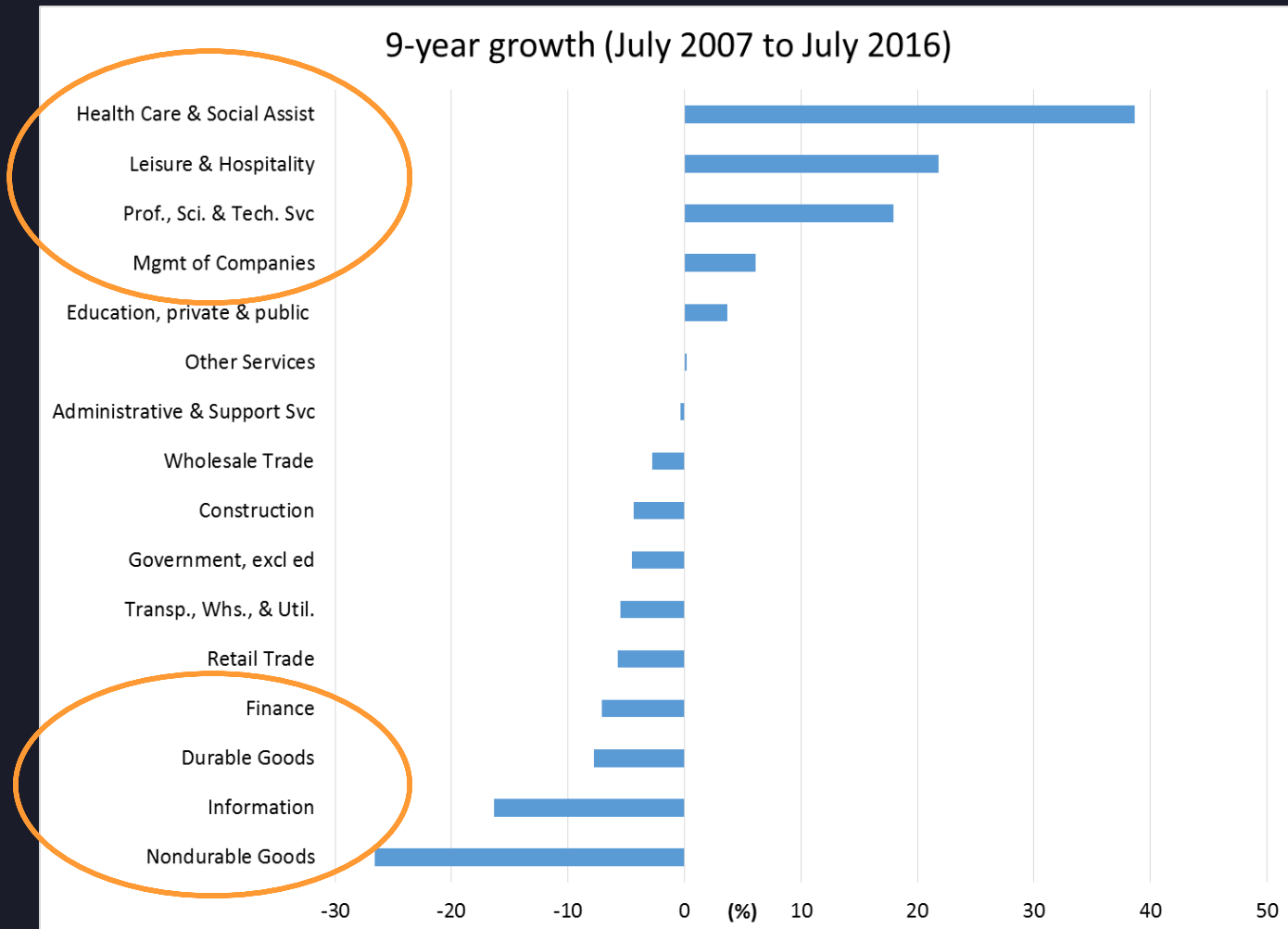
Leisure/hospitality and health care are two largest sectors in OC



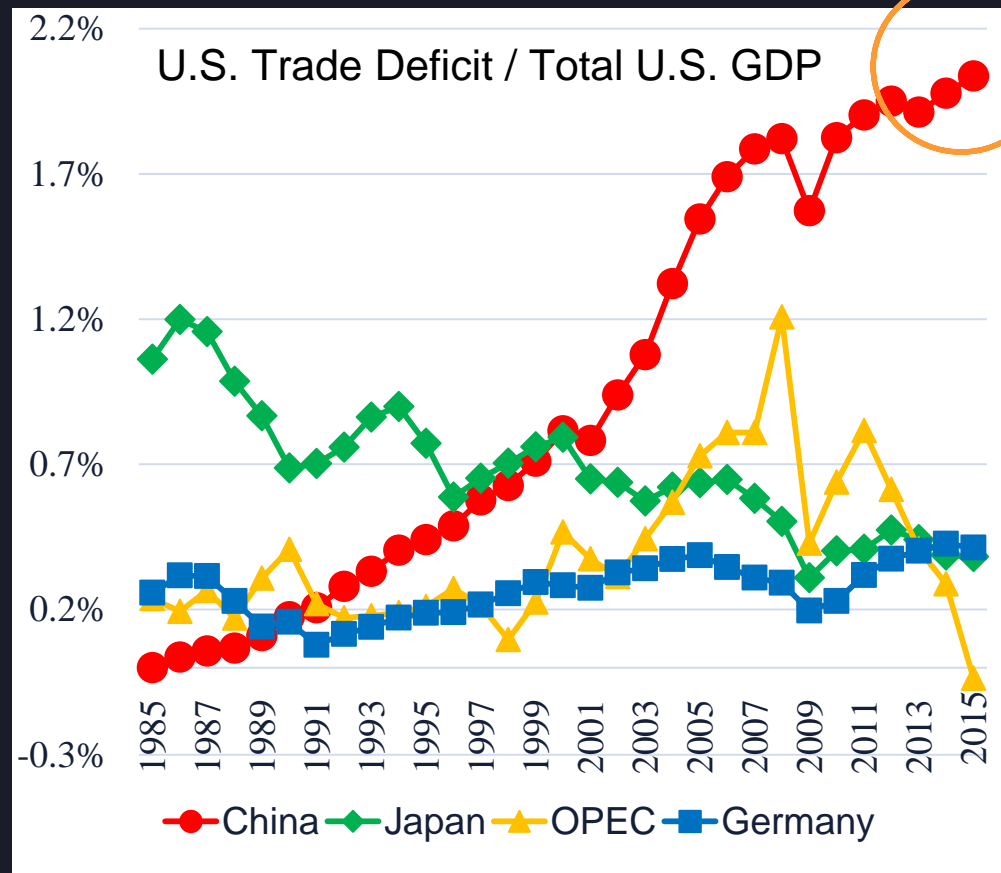
Over the past year, construction, professional/scientific/technology services, and education have highest job growth rates



Over the past 9 years, job creation and destruction sectors have dramatic differences



Globalization and U.S. trade deficit. Forecast risk: trade war with China



California Forecast

	2016	2017	2018
Payroll employment	2.4%	1.6%	0.8%
Unemployment rate	5.2%	4.9%	5.1%
Personal income (real)	3.1%	3.4%	3.0%
Housing permits (units)	109.3	121.3	121.9
Population growth	0.9%	1.0%	1.0%

Orange County Taxable Sales Growth

