



ORANGE COUNTY TRANSPORTATION AUTHORITY

**Taxable Sales Forecast - Dr. Anil Puri, California State
University, Fullerton**

PowerPoint

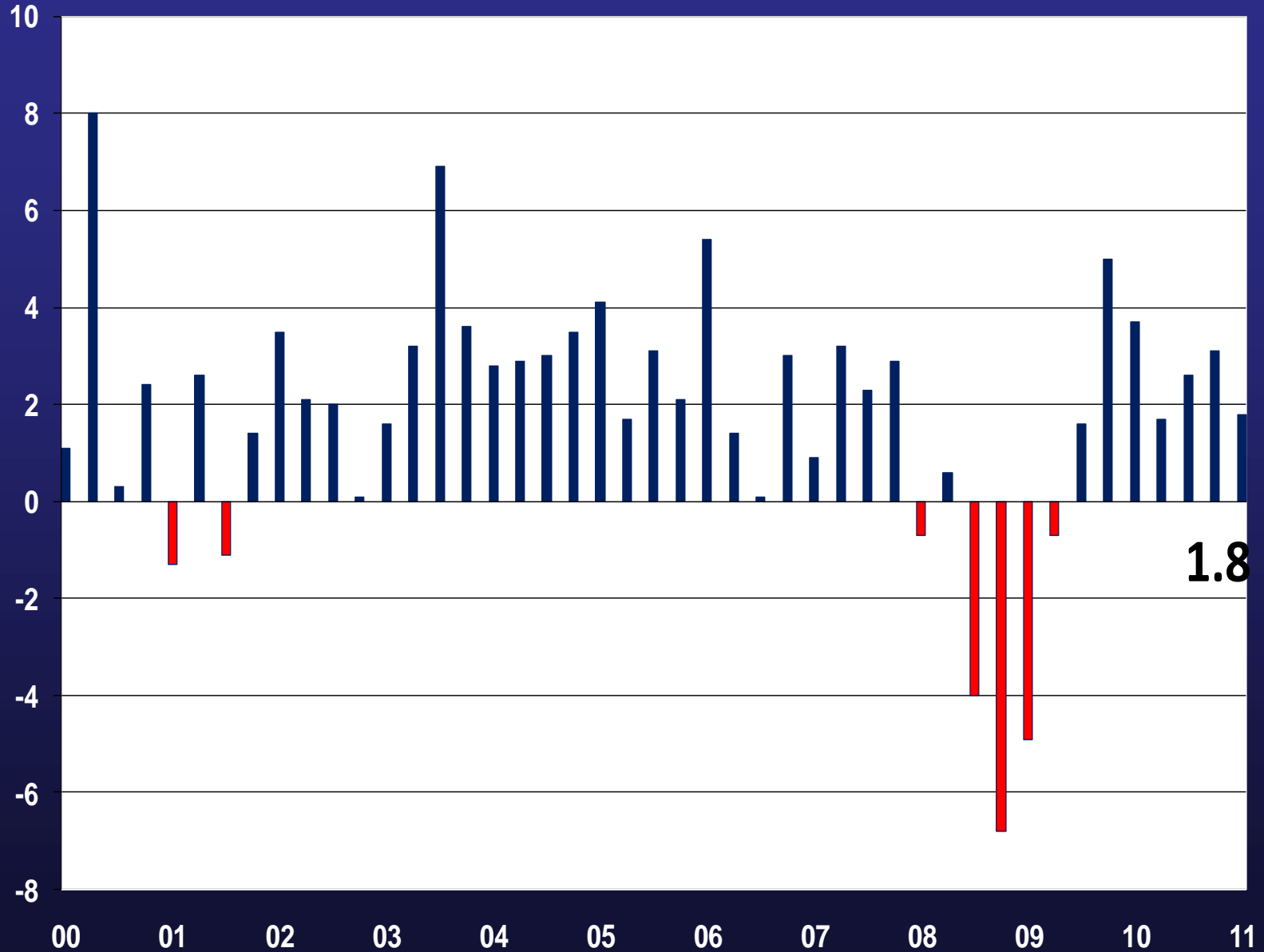
Economic Outlook and Analysis: Orange County and the U.S.

Anil Puri, Ph.D.

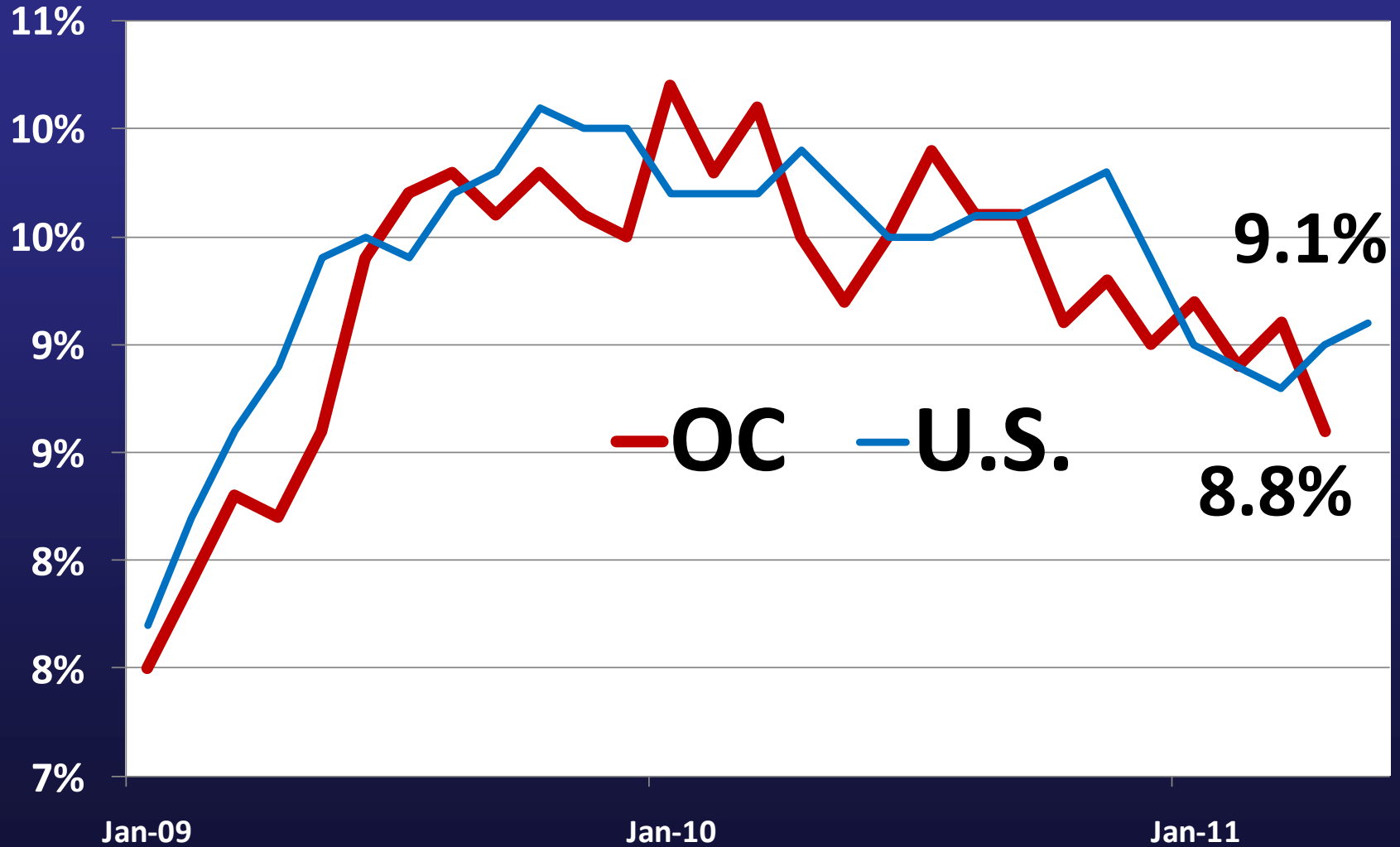
**Mihaylo College of Business and Economics
California State University, Fullerton**

**Finance and Administration
June 8, 2011**

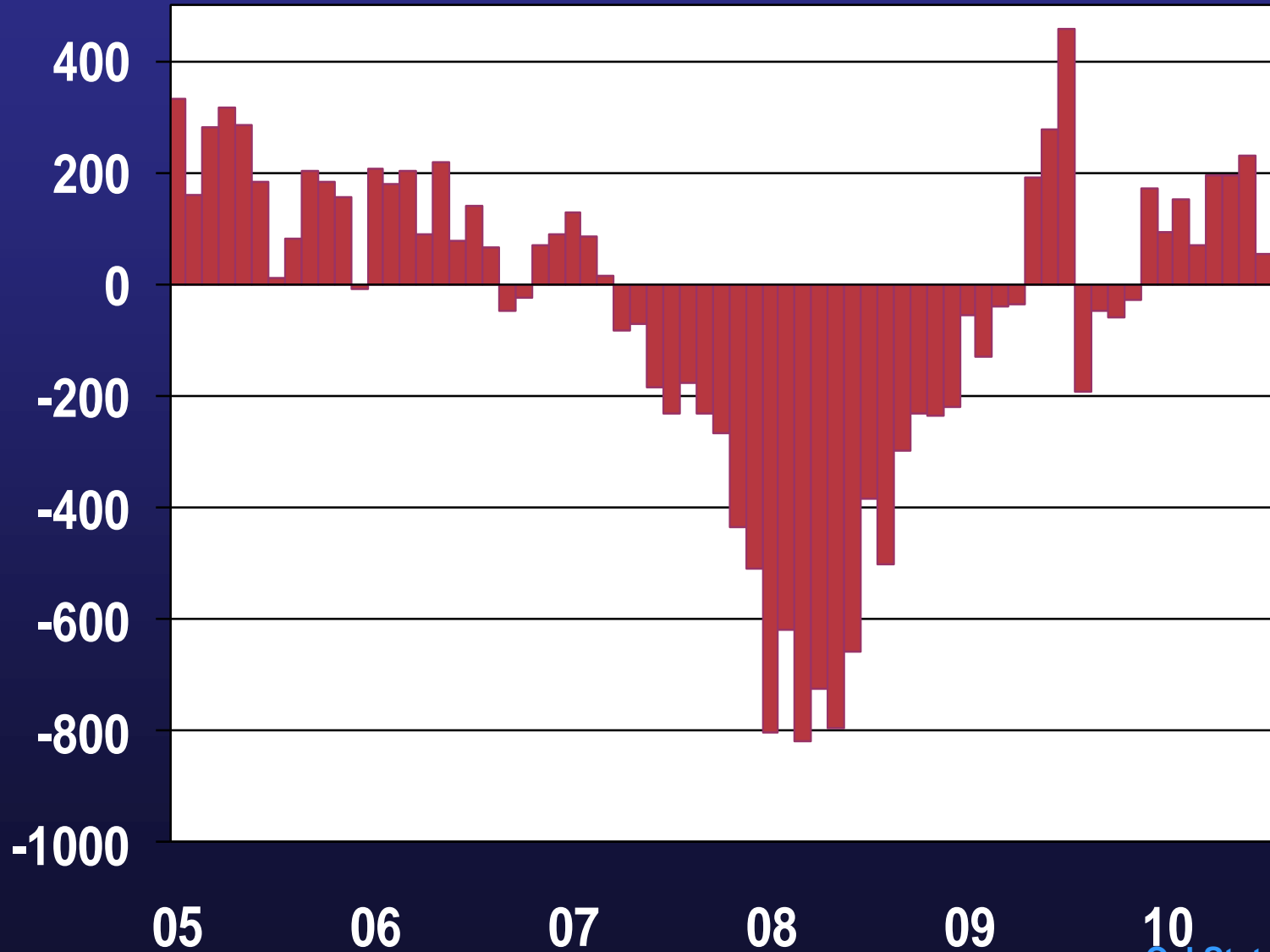
Real GDP



Rates of Unemployment



The Labor Market Has Improved But Not Enough (private sector, thousands of employees, changes)



When will the Labor Market be Back to Normal?

Jobs per Month	New Jobs to keep up With Population Growth	Number of Years
100,000	120,000	Never Back to Normal
200,000	120,000	7.3 years
300,000	120,000	3.2 years
400,000	120,000	2.1 years

Now and Then

Current Recovery is:

Worse than 1990 and 2001

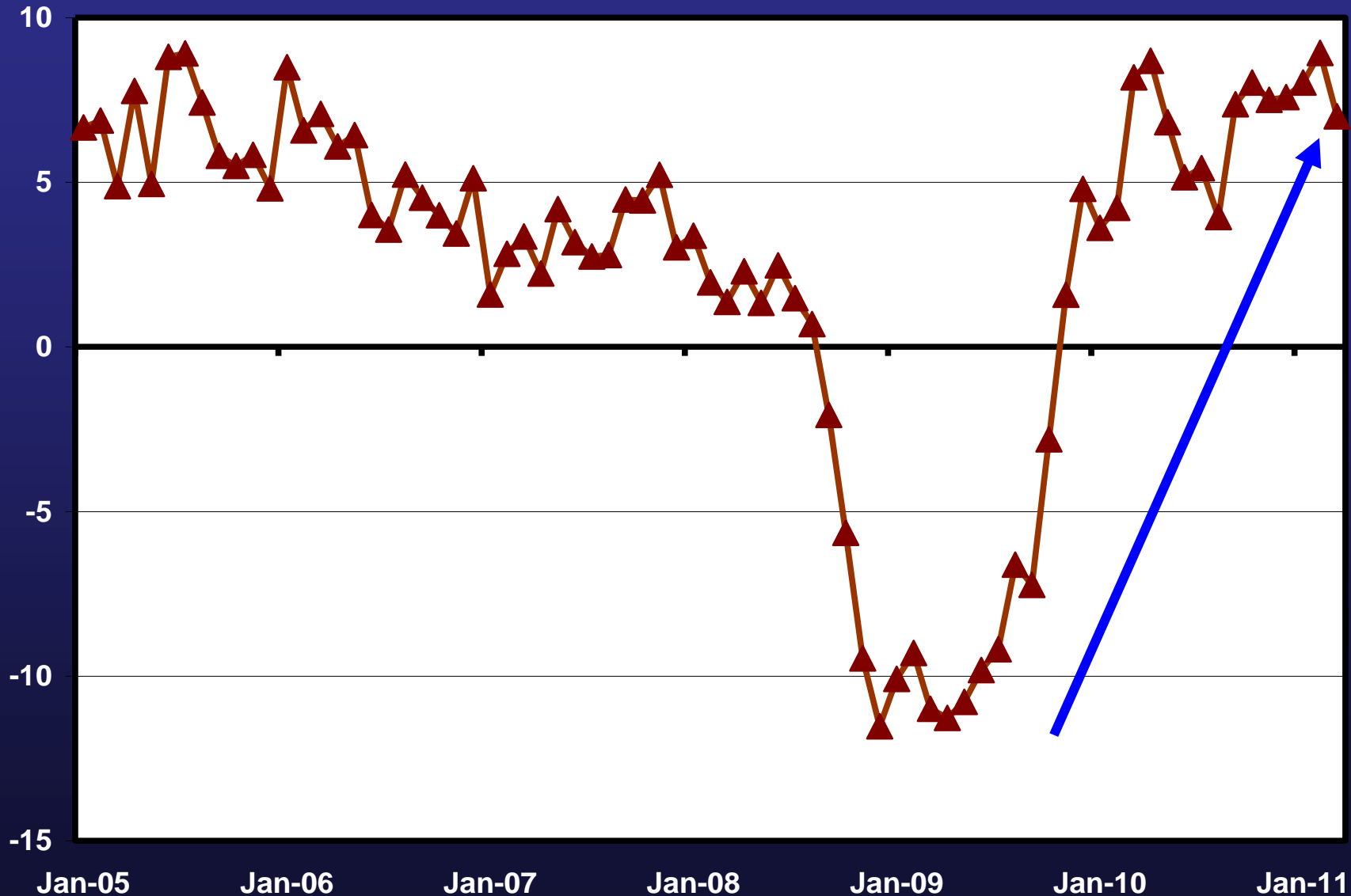
Much Worse than 70s and 80s

Why are Firms holding Back?

The “Unusually Uncertain” Environment

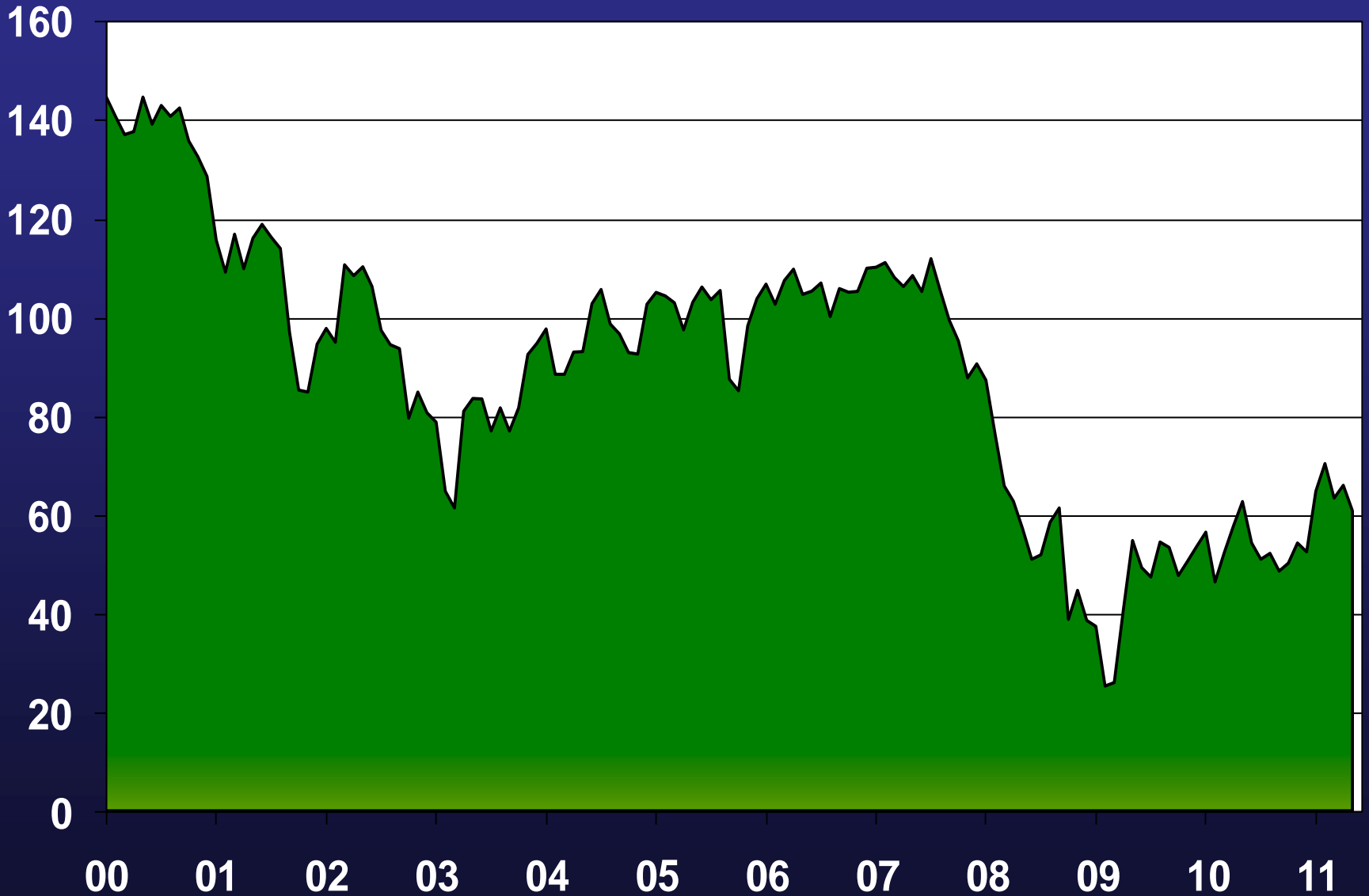
- **Relatively Weak Demand**
 - ❖ Consumers are in a multi-year deleveraging process
- **Large Economic Uncertainty**
 - ❖ This is not a “garden variety” recovery
- **HUGE Policy Uncertainty**
 - ❖ Financial Reform
 - ❖ Health Care
 - ❖ Climate Change/Energy
 - ❖ Deficits
- **Firms are getting more done with fewer people**

Consumer Spending is Slowly Recovering (retail sales, y-o-y growth)



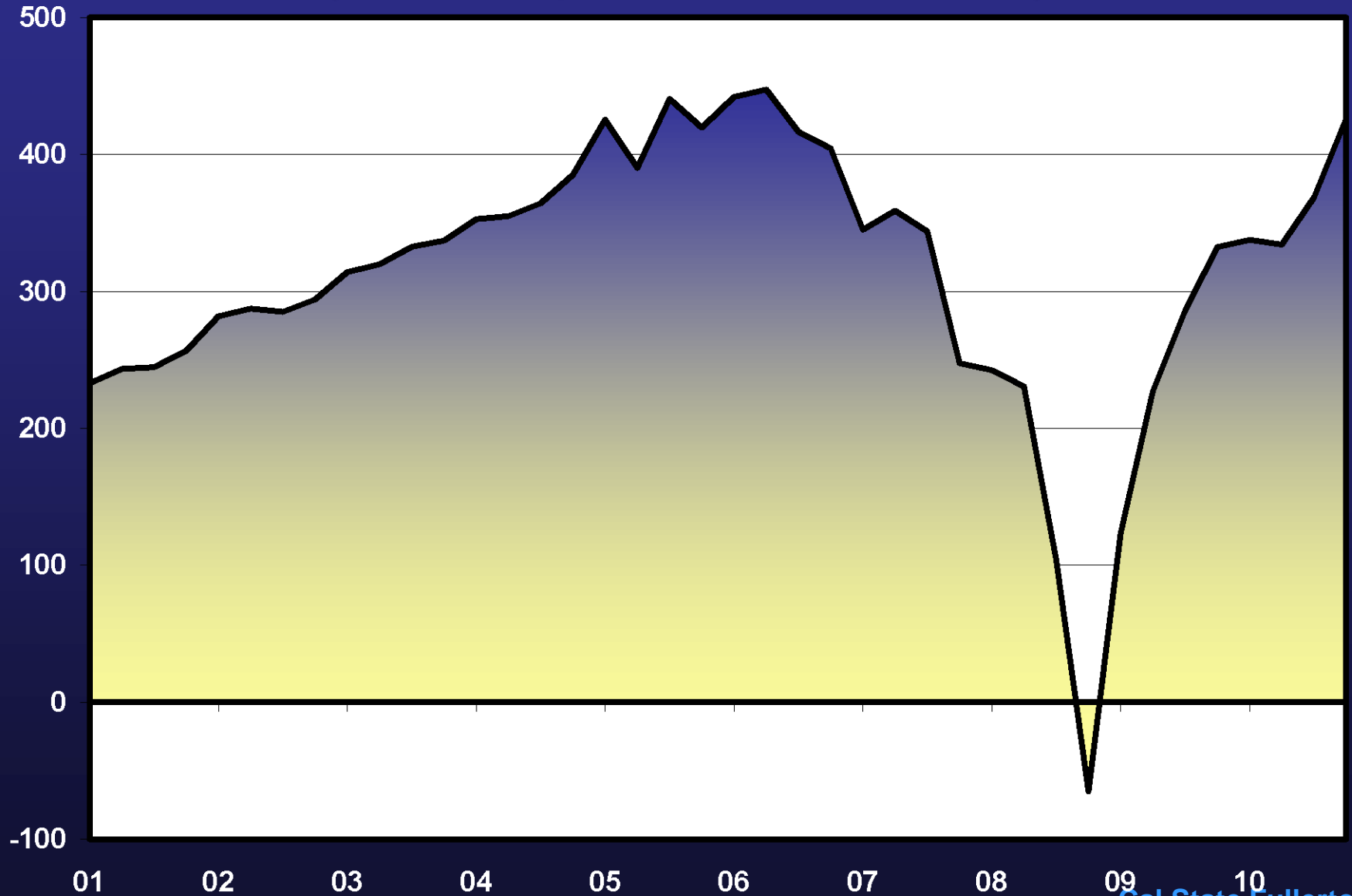
U.S. Consumer Confidence Survey

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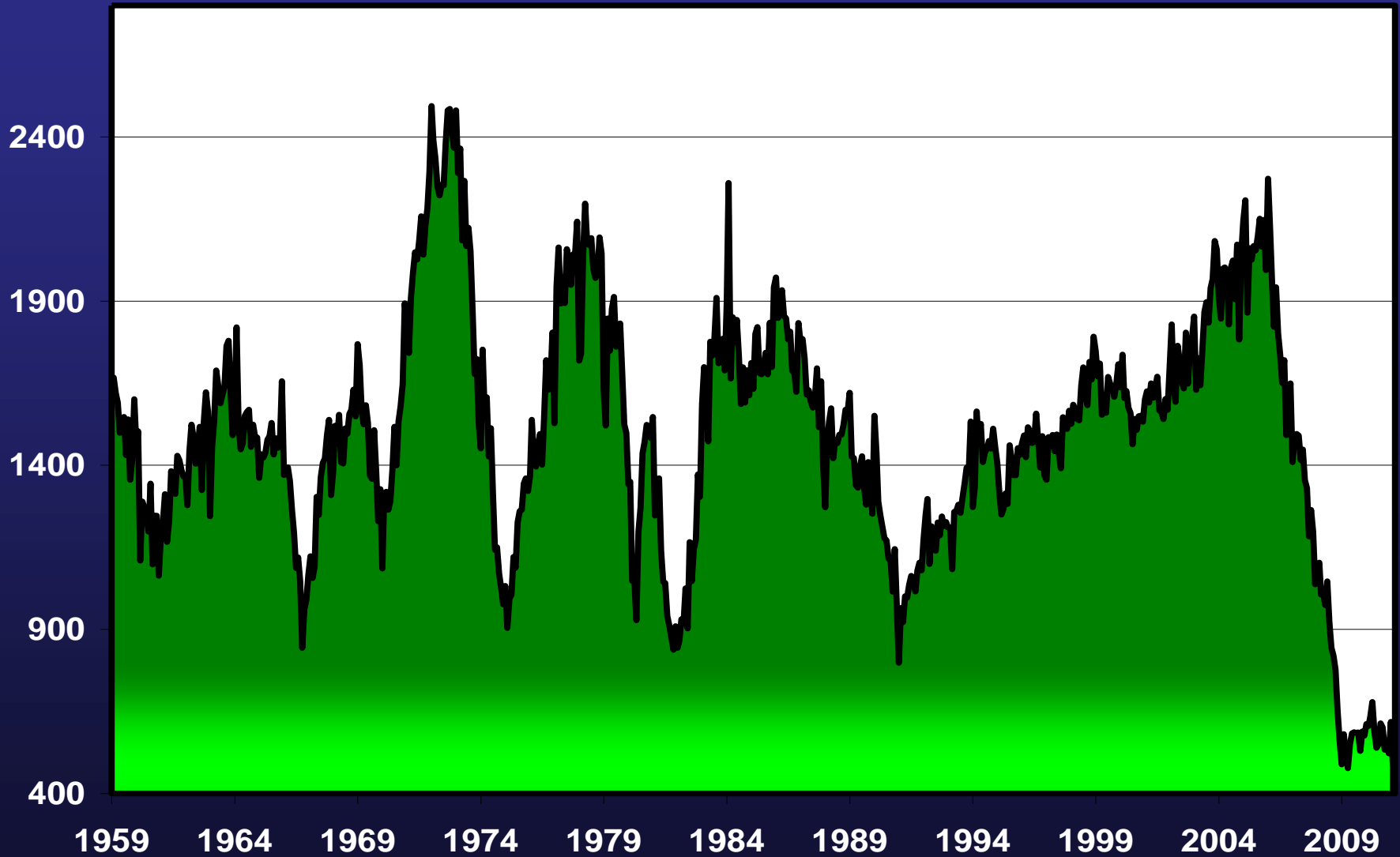
Bank Profits Have Recovered...

(financial profits, billion, level)



Housing Activity is Dismal

(Housing Starts, millions of dollars)



Economy is Vulnerable to Additional Risks

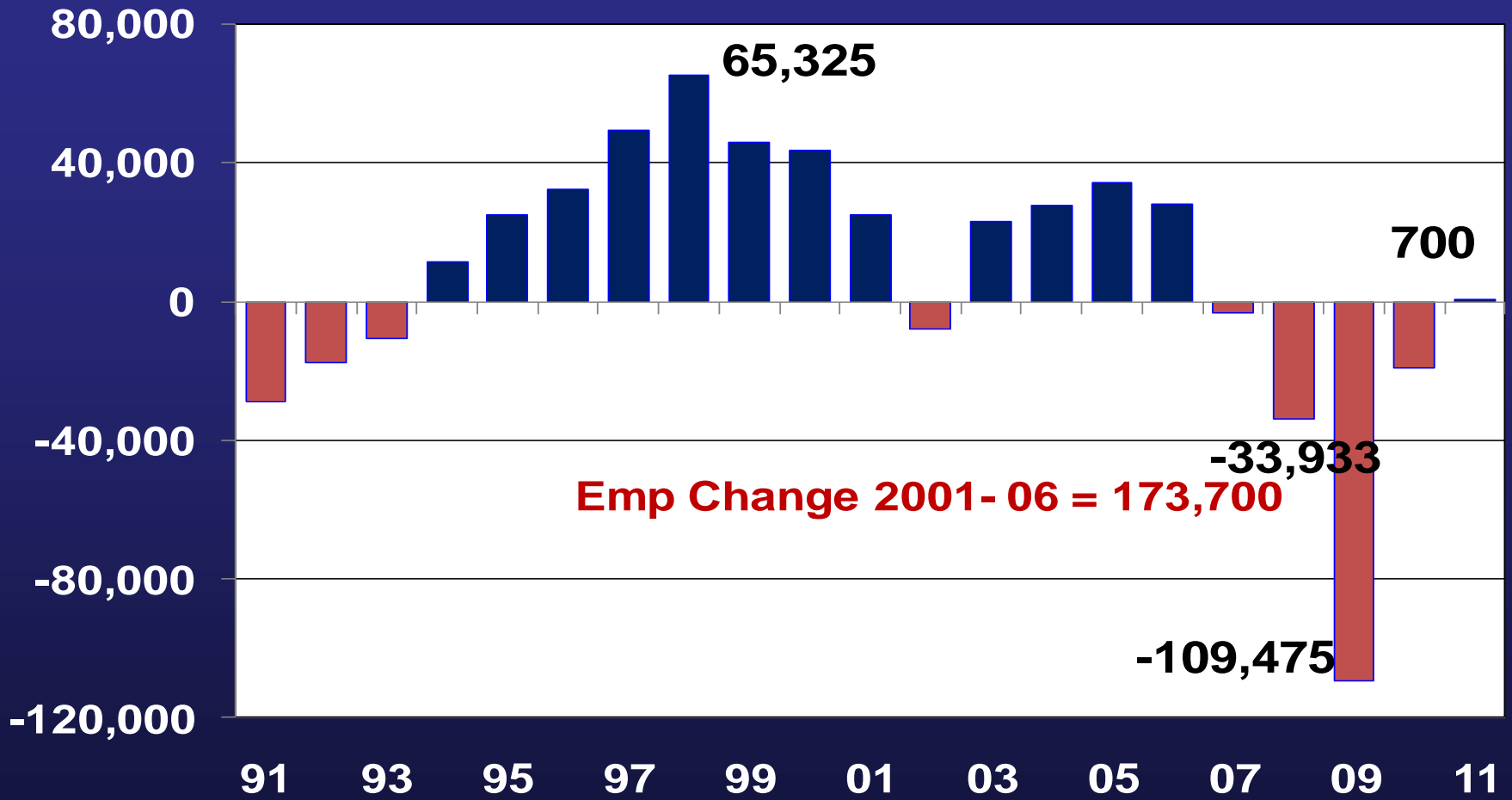
- ❖ **Oil Prices**
 - **Implication for inflation and growth**
- ❖ **Eurozone Sovereign debt crisis**
 - **Implication for financial markets (specially bonds)**
- ❖ **Japan's disaster**
 - **Supply interruption, upward pressure on oil**
- ❖ **Monetary Policy (QE II etc.)**
 - **Implication for Inflation and financial markets**
- ❖ **Domestic Municipal Bond Market**
 - **Large number of states/localities in distress**

Forecasts

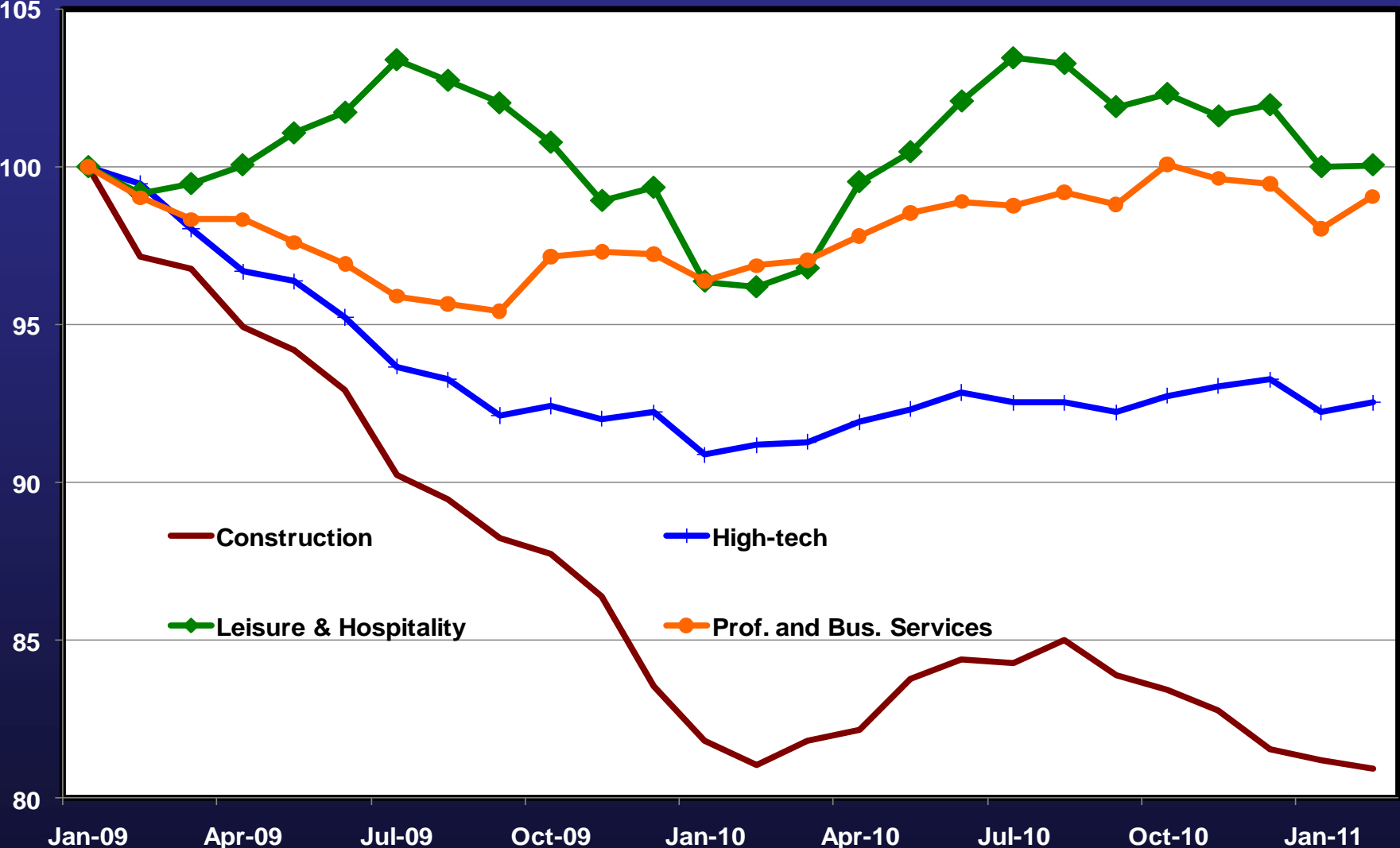
Year	RGDP	Consumer Prices	Unemployment Rate	Payroll Employment
2009	-2.6	-0.3	9.3	-4.4
2010	2.9	1.7	9.6	-0.7
2011f	2.9	2.5	8.8	1.5
2012f	3.1	2.8	8.3	2.1

Orange County

OC Payroll Employment Changes



Orange County Industry Sectors

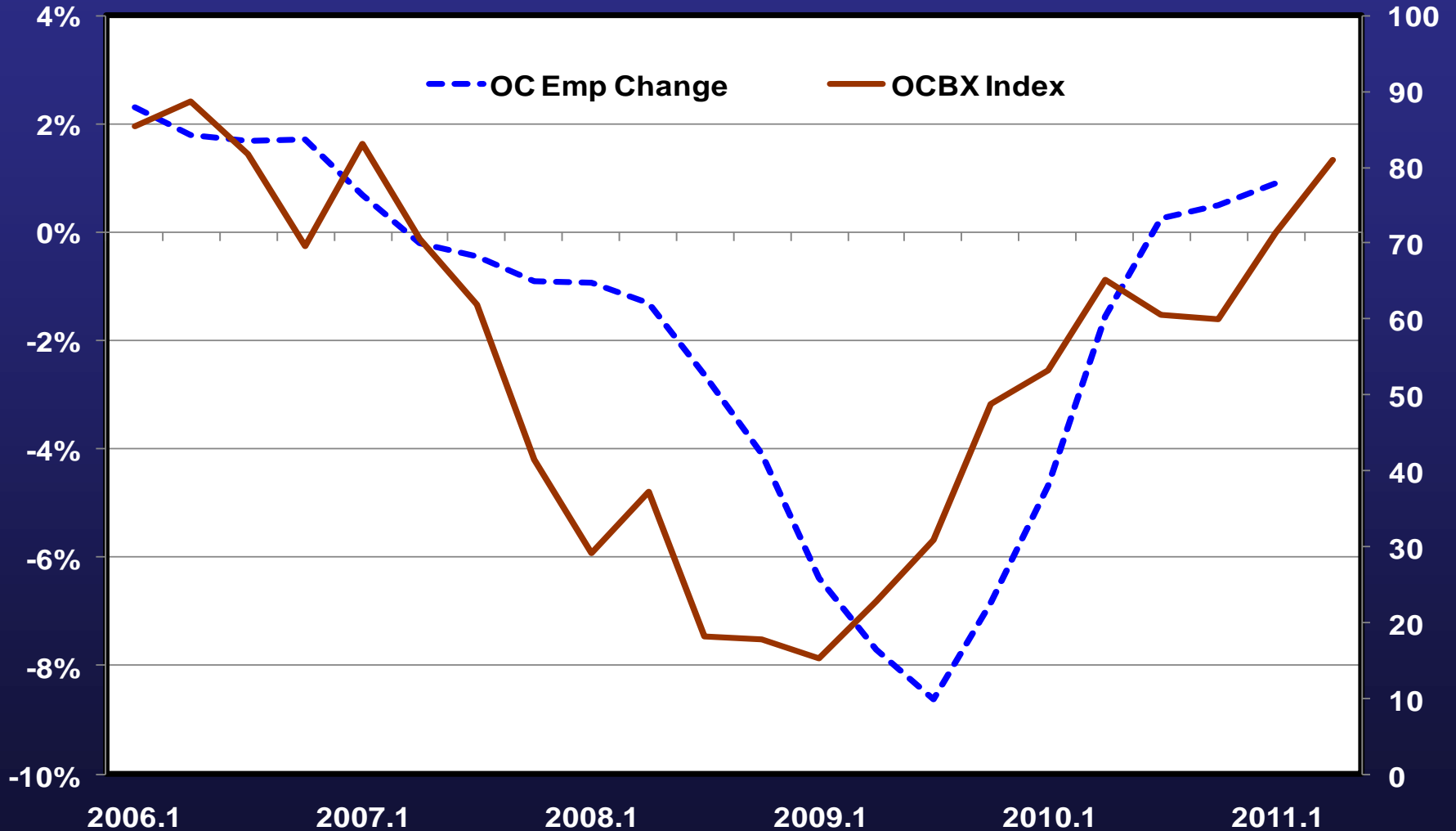


**Orange County
Business Expectations Survey
OCBX**

**A Quarterly Survey
Of Business Executives**

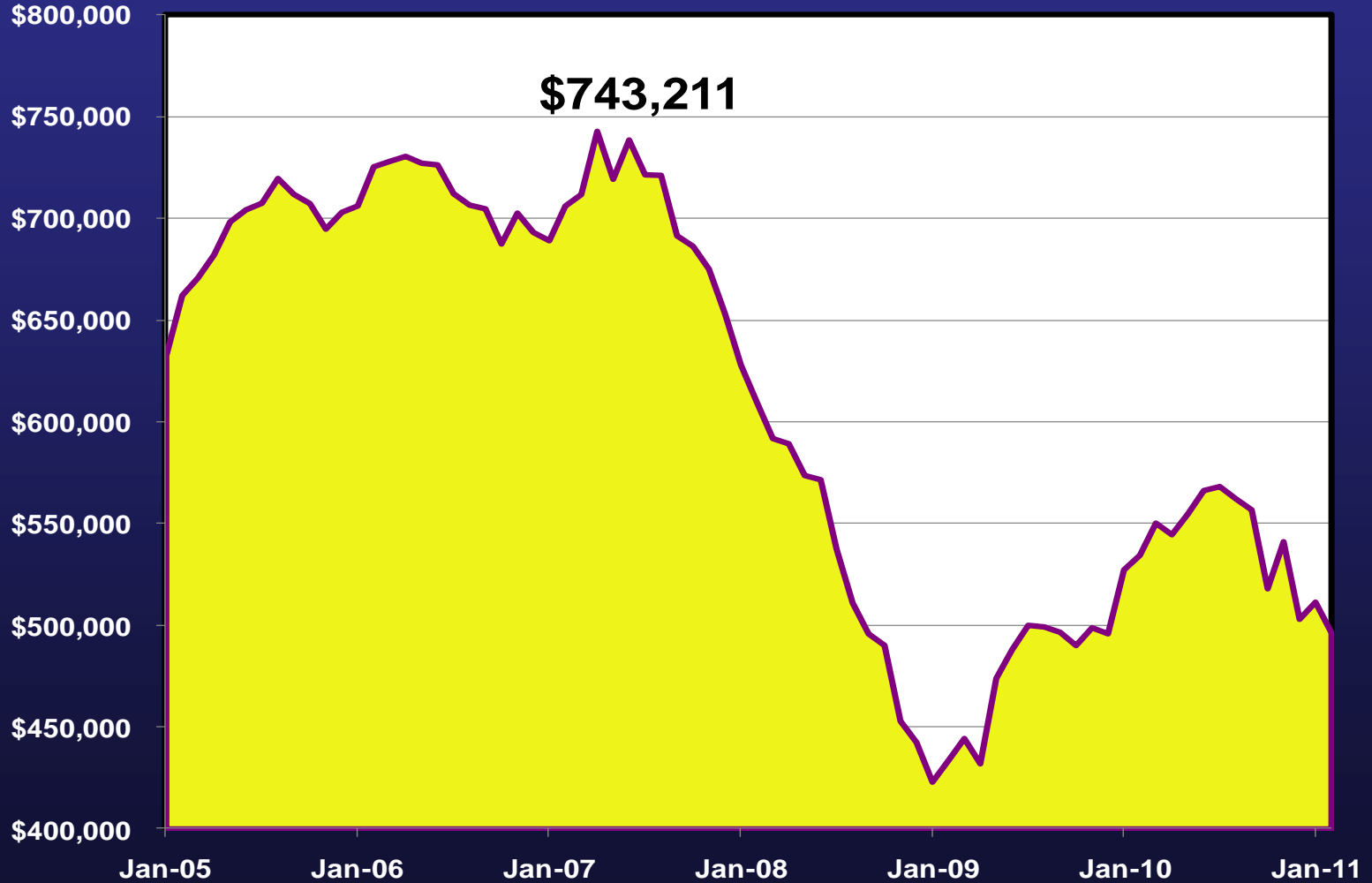
**Conducted by:
Institute for Economic and Environmental Studies
Cal State Fullerton**

Orange County Business Expectations

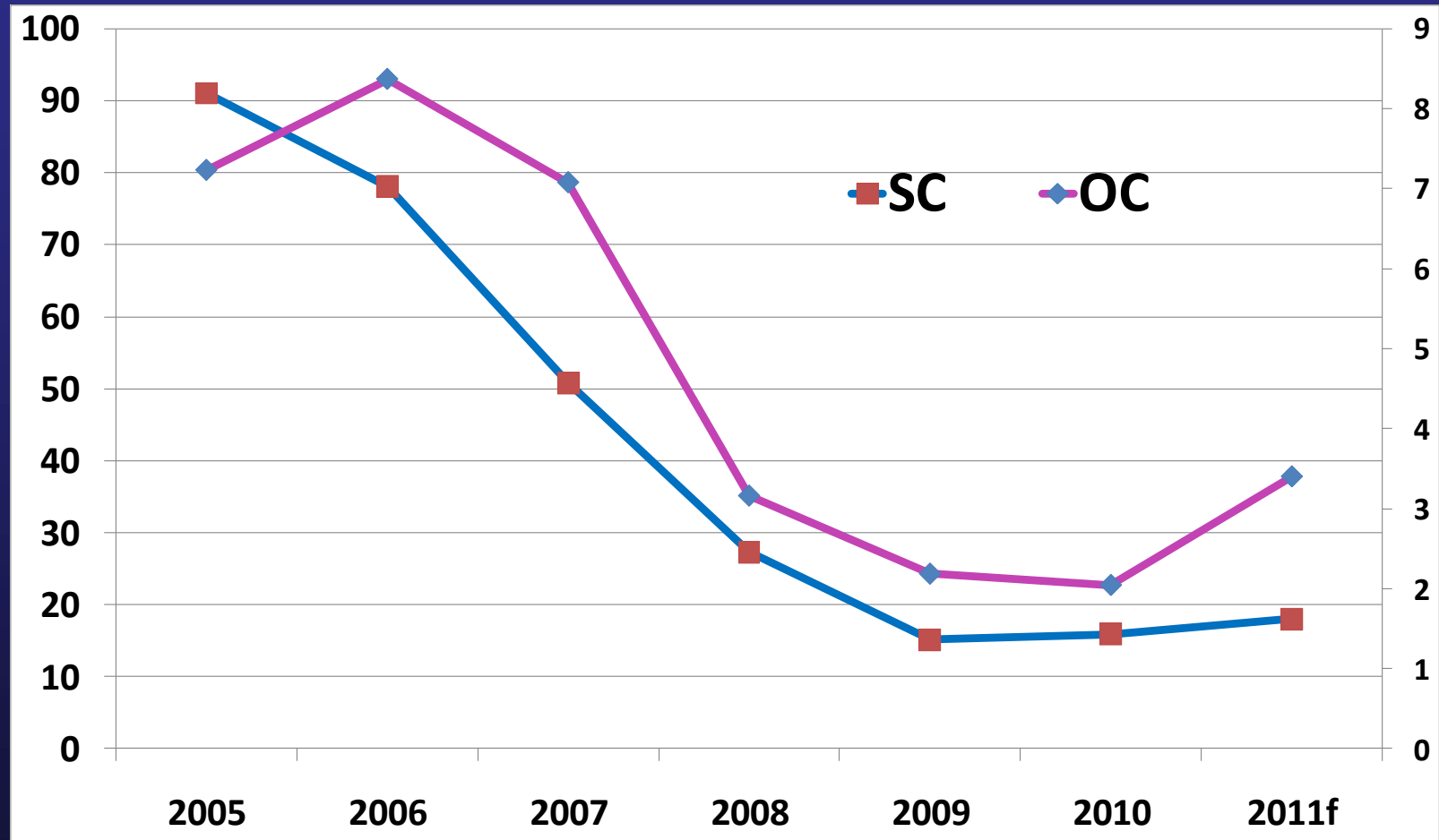


Orange County Median Housing Price

Source: California Association of Realtors



Building Permits (thousands)

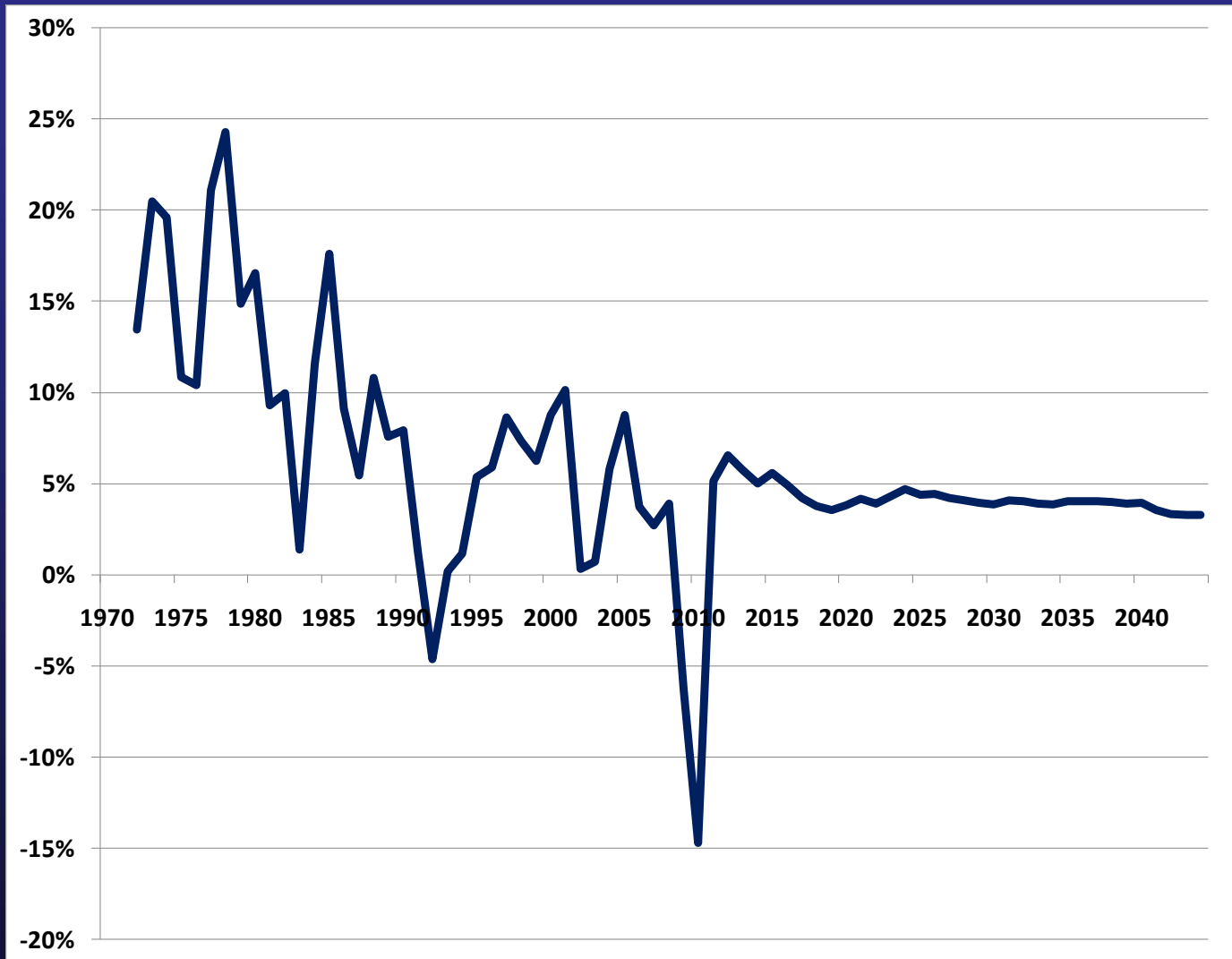


Orange County Forecasts

	Payroll Jobs (thousands)	% Change in Payroll Jobs	Unemployment Rate
2009	1,372.1	-7.4%	8.9%
2010	1,352.9	-1.4%	9.6%
2011f	1,371.1	1.4%	8.6%
2012f	1,402.4	2.2%	7.0%

OC Taxable Sales

Annual Percentage Change



Economic Outlook and Analysis

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June 2011