



ORANGE COUNTY TRANSPORTATION AUTHORITY

**Taxable Sales Forecast – California State University,
Fullerton – Anil Puri, PhD., Dean of the Mihaylo College of
Business and Economics**

PowerPoint



Economic Outlook

Anil Puri

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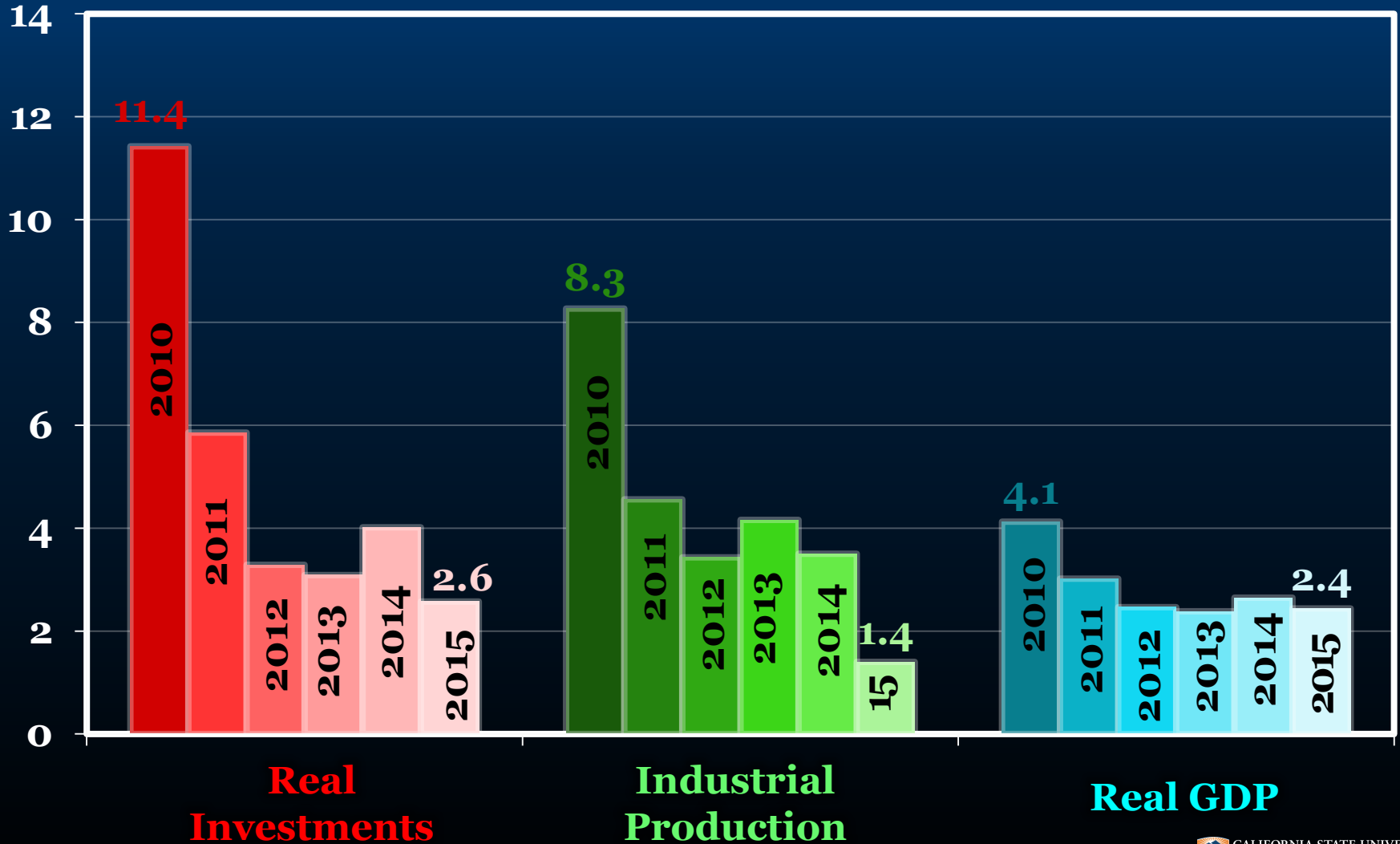
OCTA

August 10, 2016

Slow Growth Worldwide

Global Economy has Underperformed

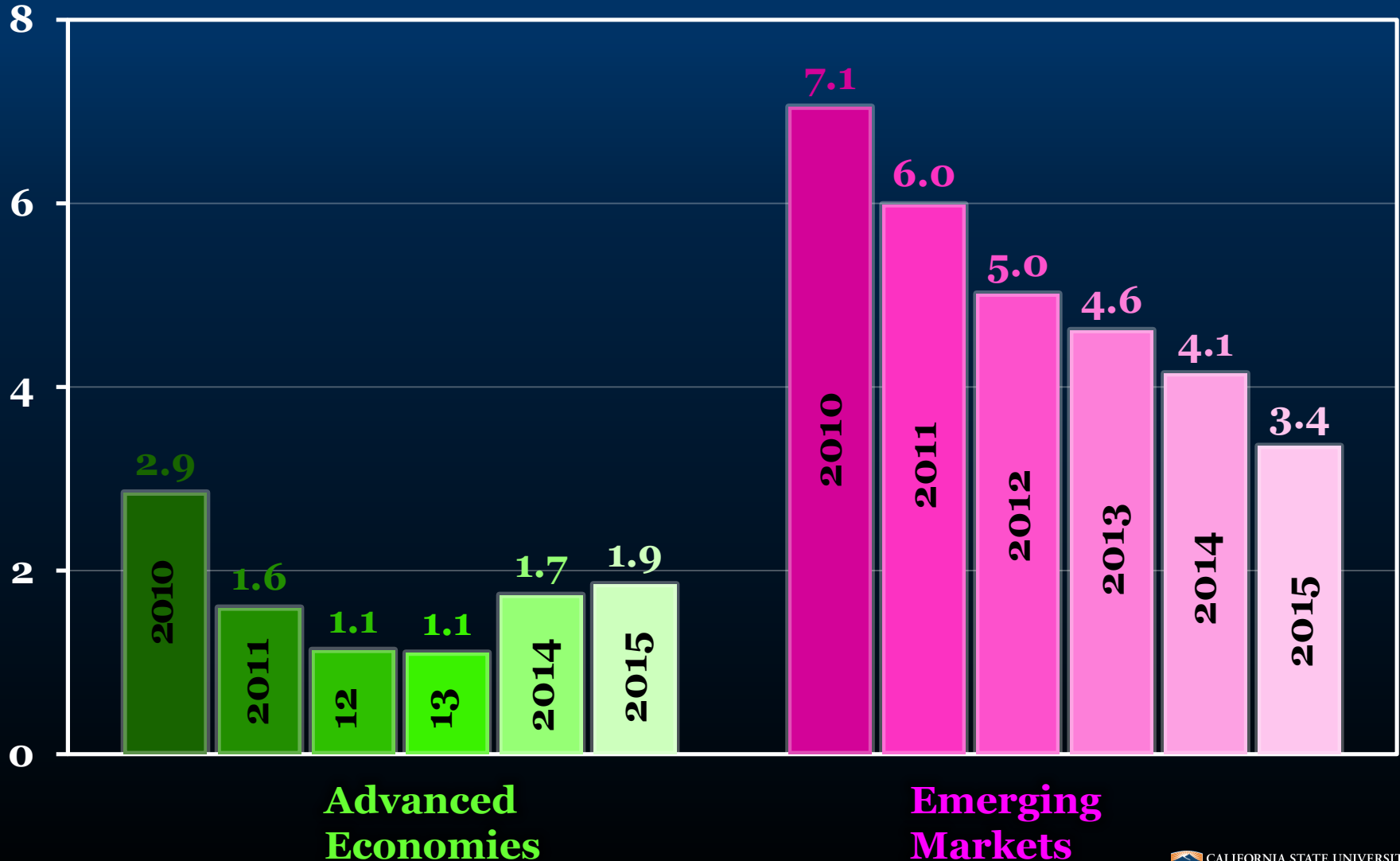
(average annualized growth rates)



Emerging Markets are the Main Culprit

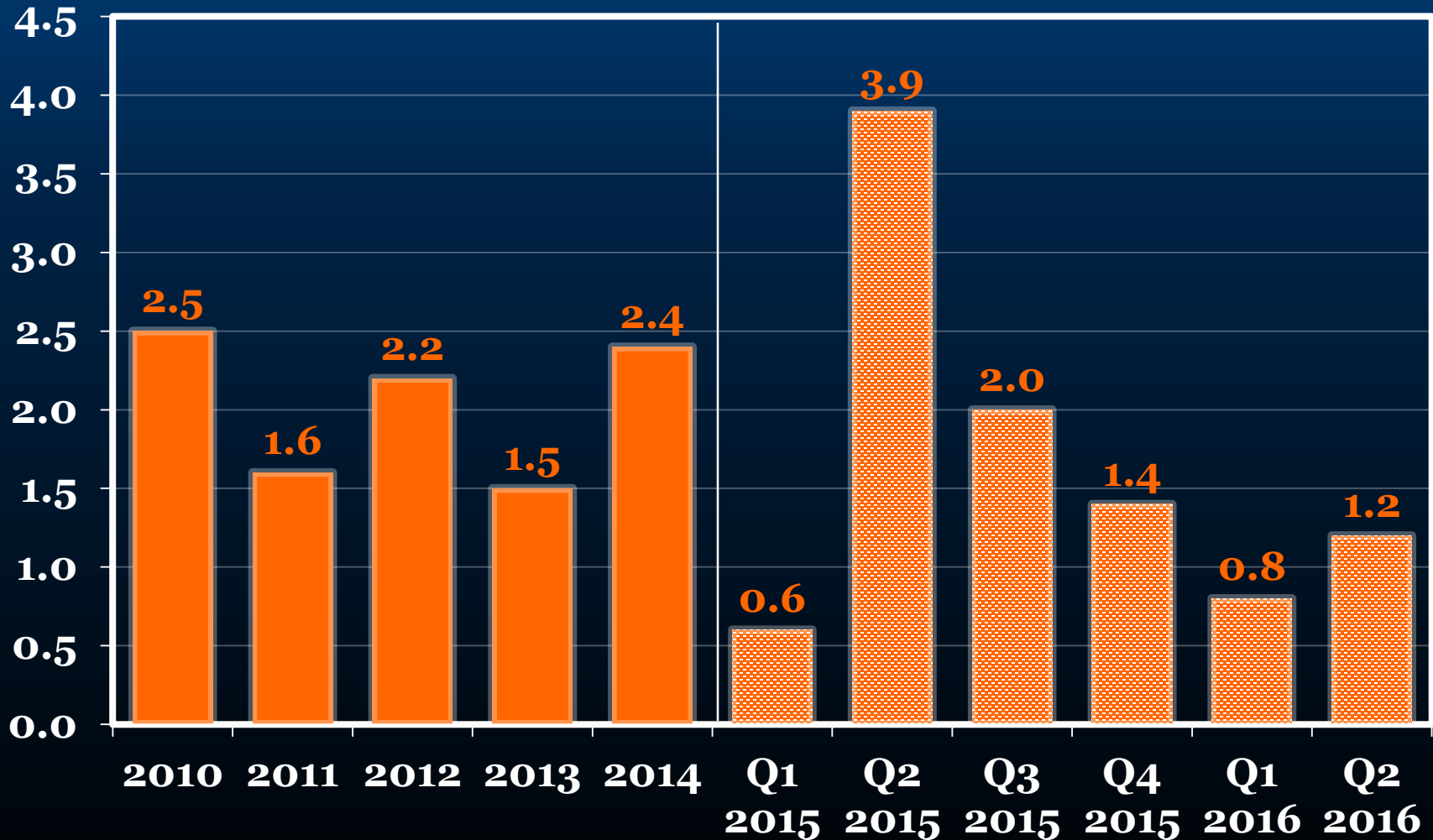
Advanced Economies and Emerging Market Real GDP growth

(y-o-y growth, percent)



Lack of Momentum - US:

Growth Downshifted in Second Half of 2015 and in early 2016
(real GDP growth, y – o – y percent change)

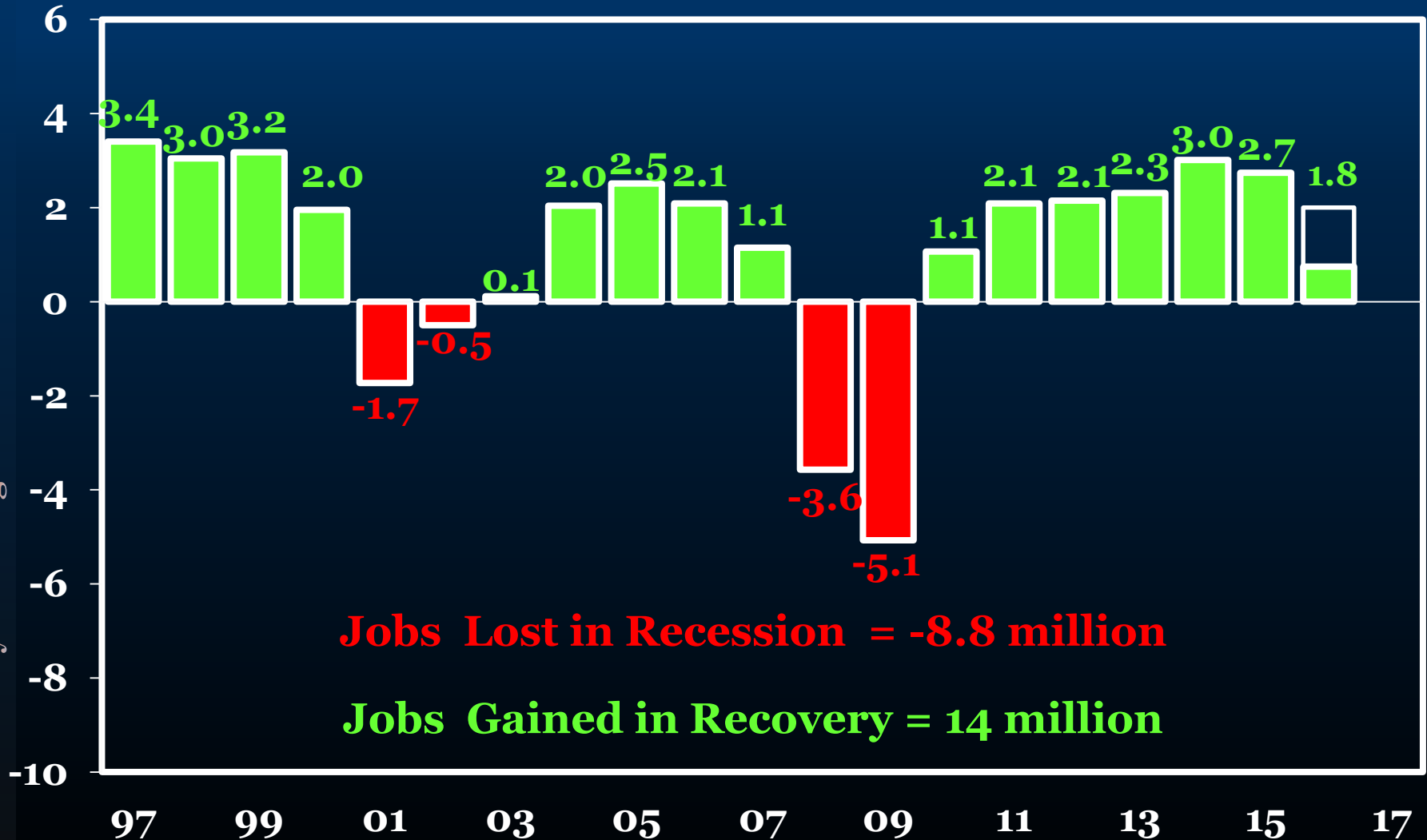


Labor Market Has Been Performing Well

Though the Pace of Improvement has Moderated

(jobs added per year, millions of employees)

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Jobs Lost in Recession = -8.8 million

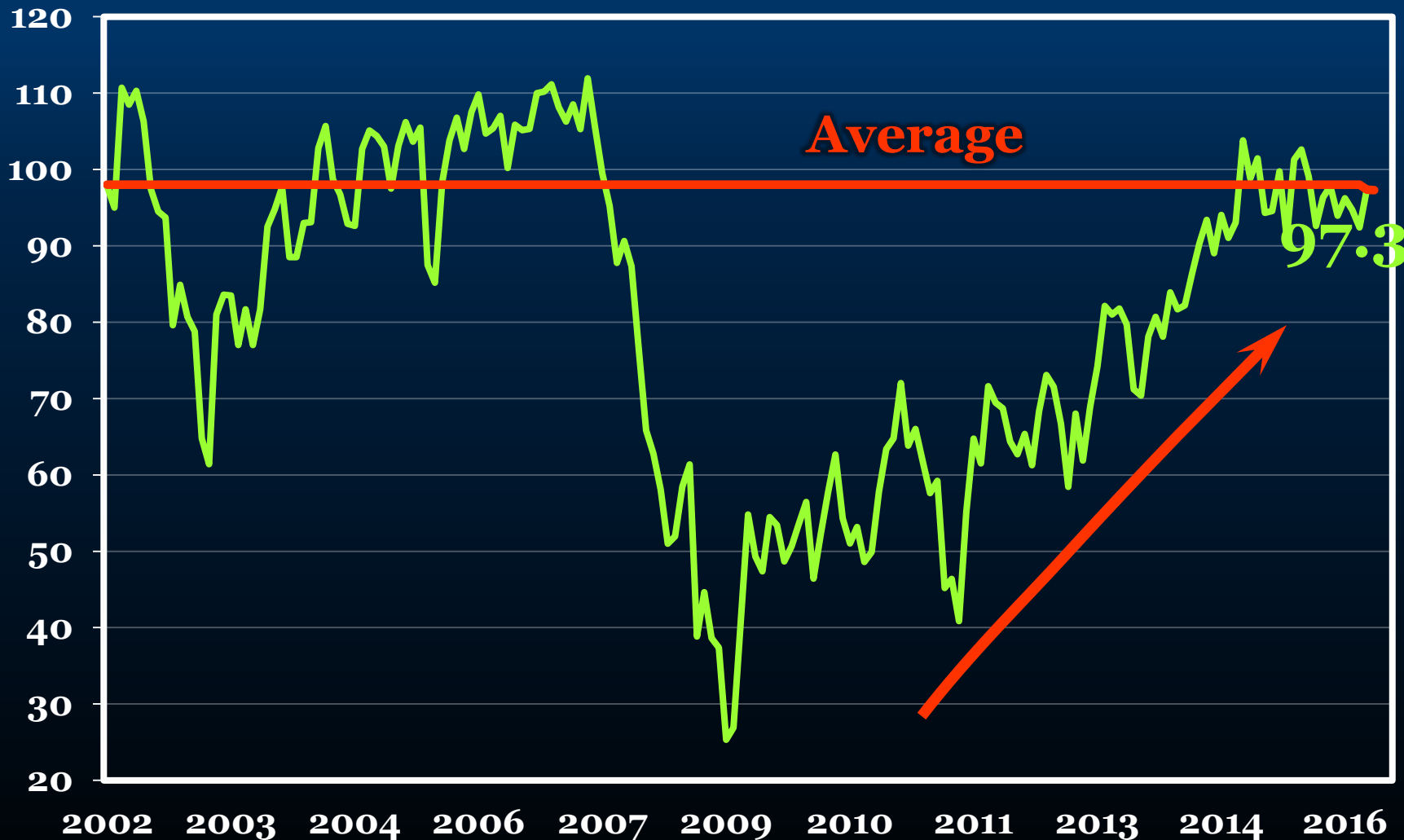
Jobs Gained in Recovery = 14 million

Consumer Confidence has Remained High

Though it has Moderated a bit this Year

(Conference Board, Index level)

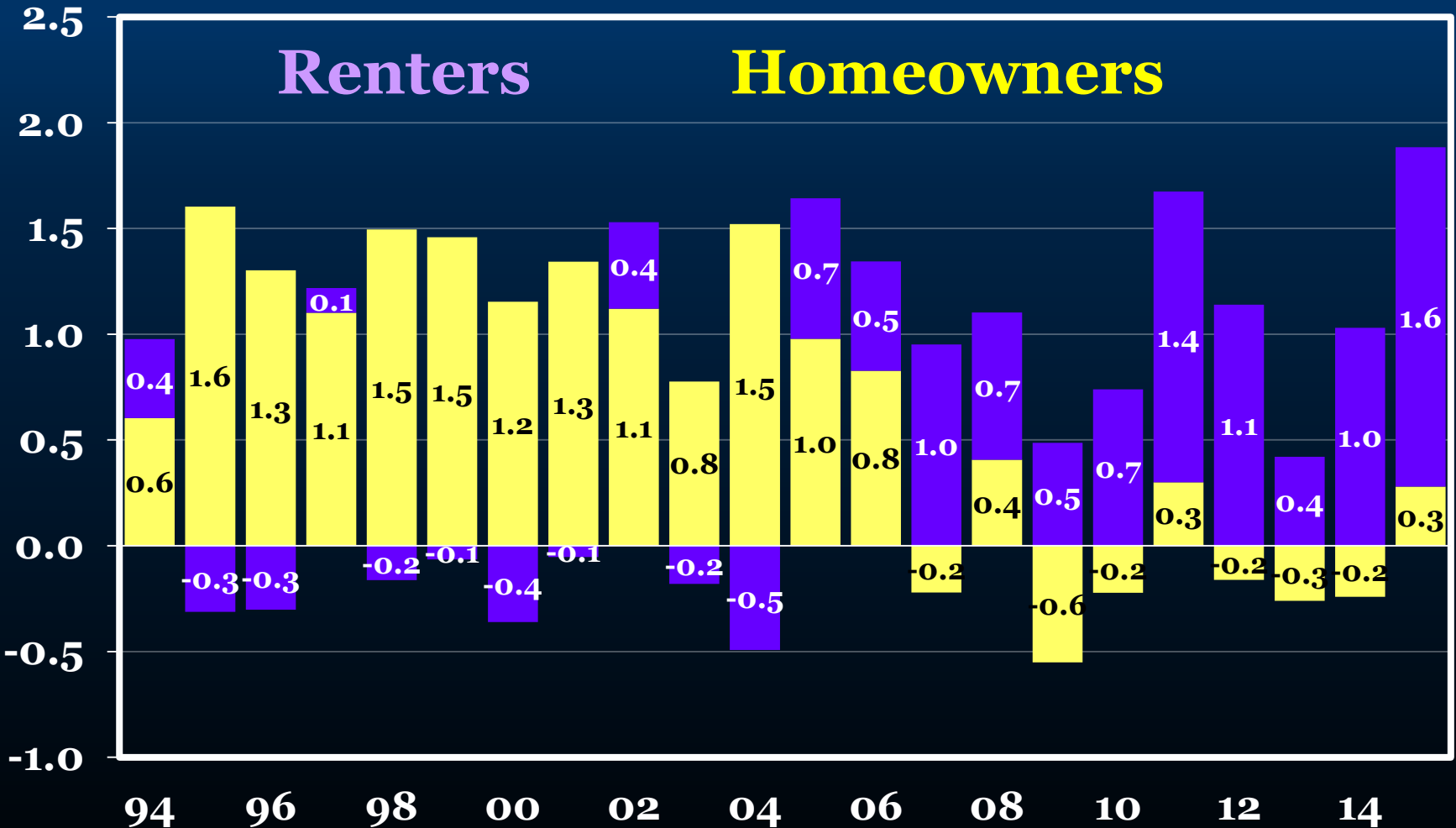
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Homeownership is Finally Picking Up

Renter Households up 9 Million over the Past Decade

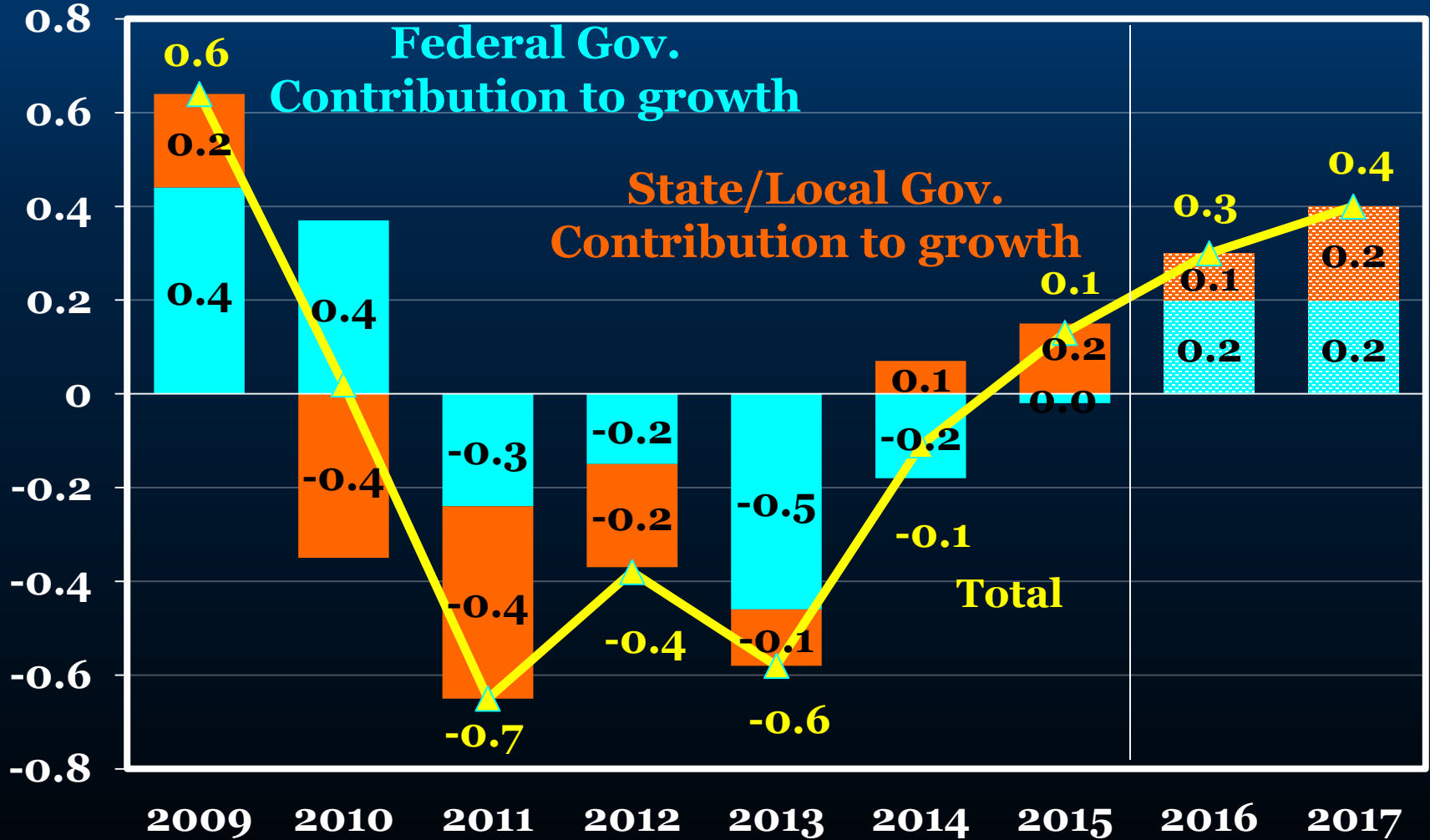
(changes in households, millions)



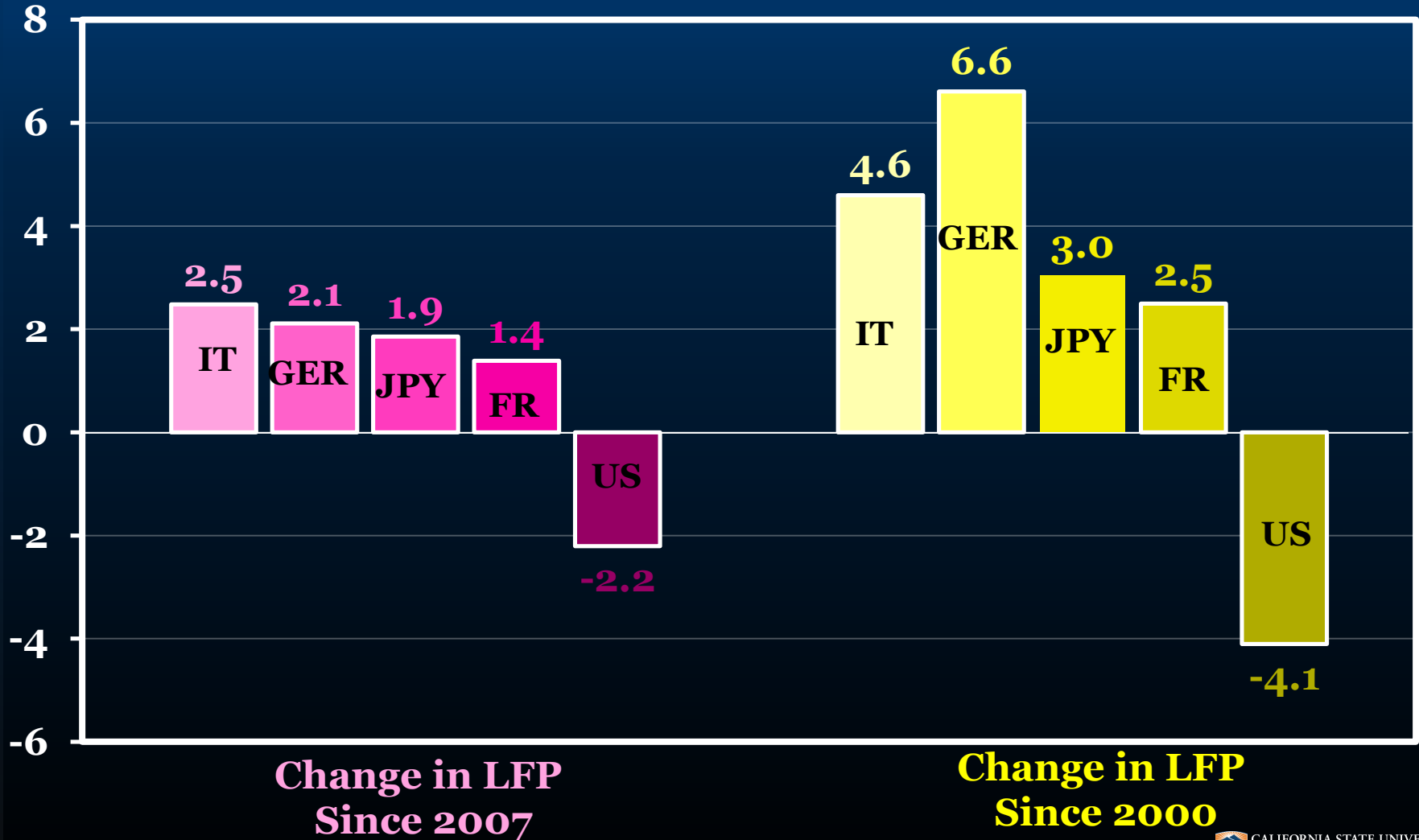
Fiscal Policy is Finally Contributing to Growth

For the First Time since 2009

(contribution to real GDP growth, percentage points)



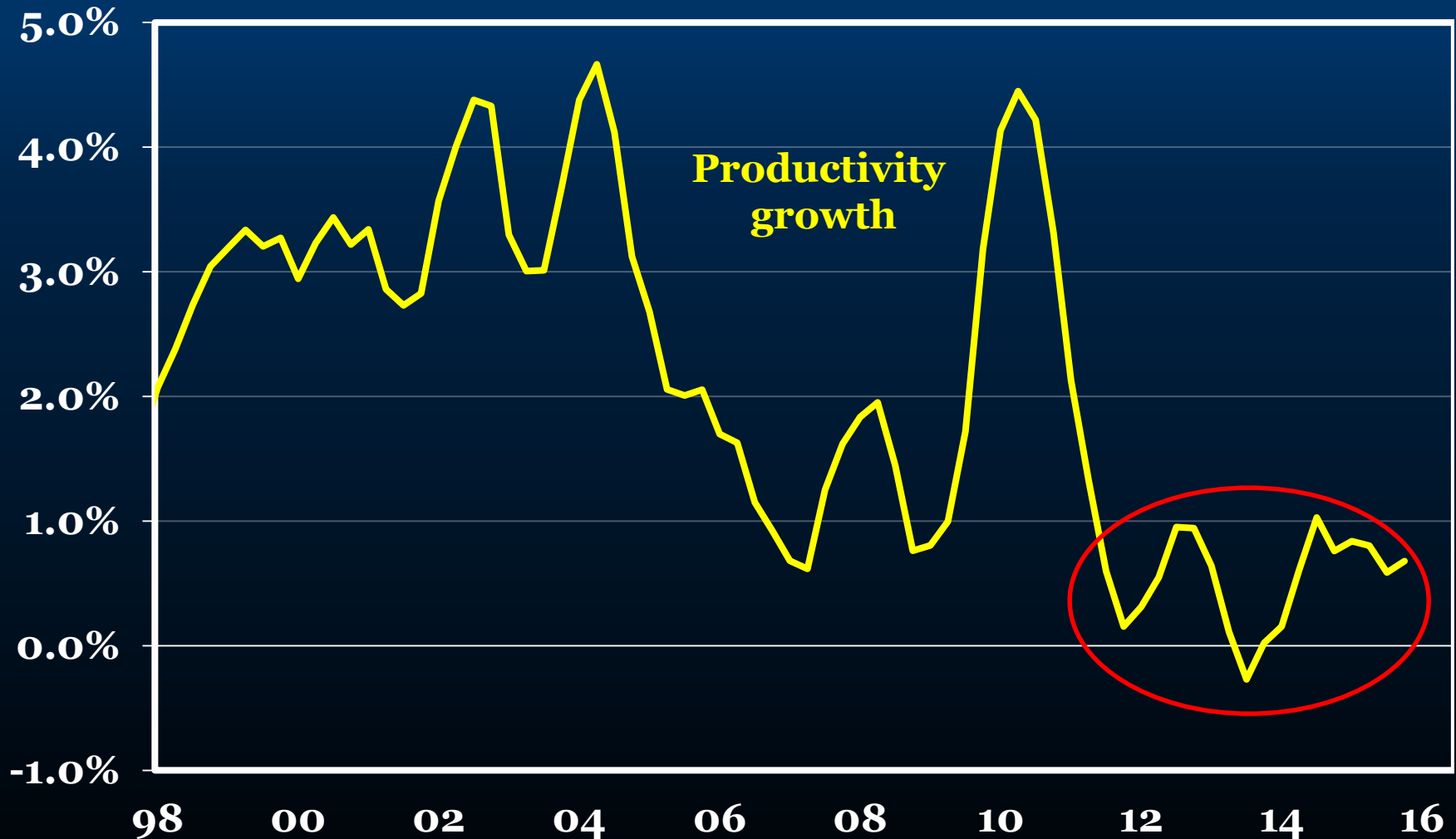
Labor Force Participation Decline only a US Phenomenon (change in Labor Force Participation for Prime-Age Workers)



The Productivity Freeze

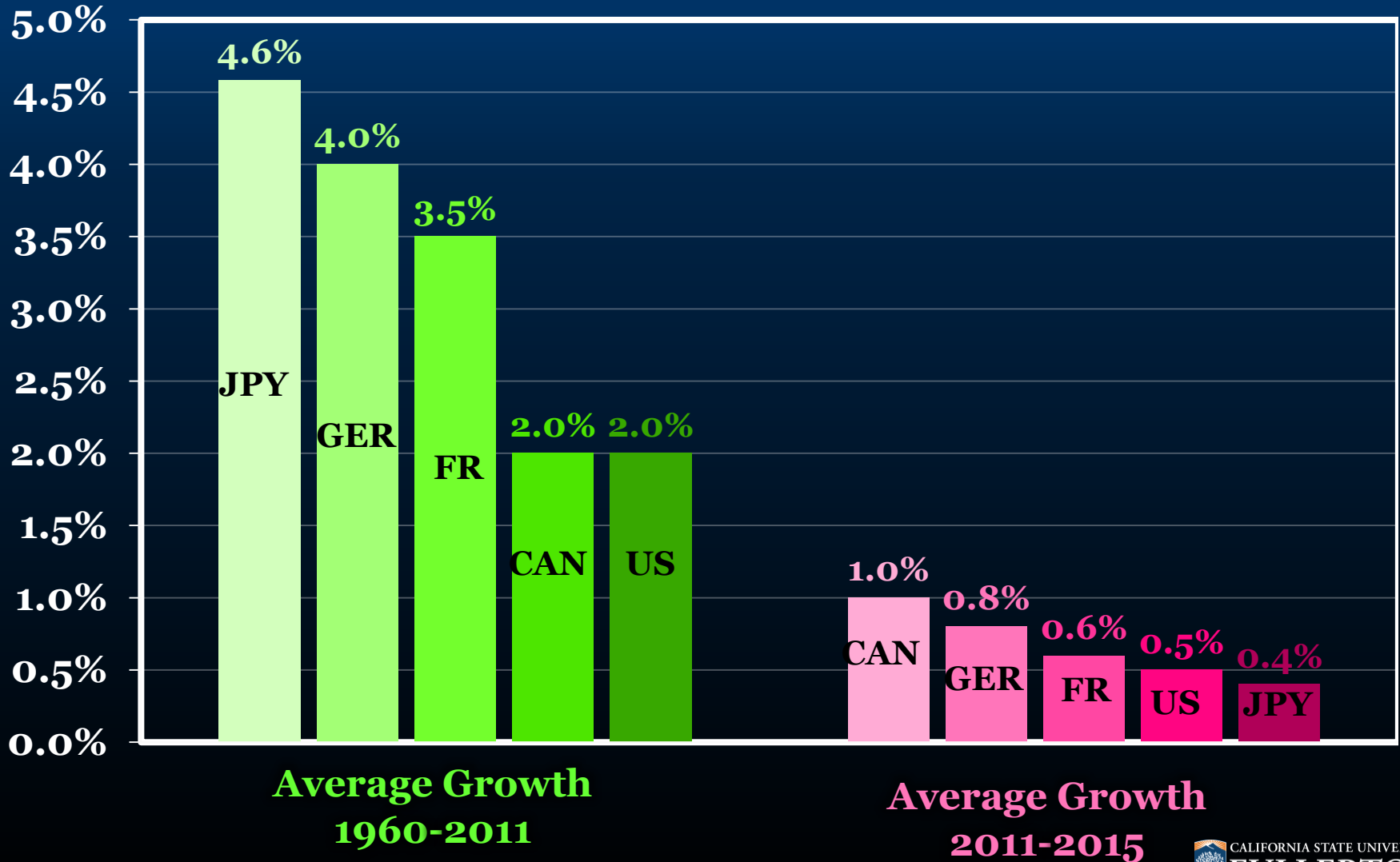
Productivity Growth has Been Dismal since 2011

(output per worker, $y - o - y$ growth rate)



The Productivity Freeze

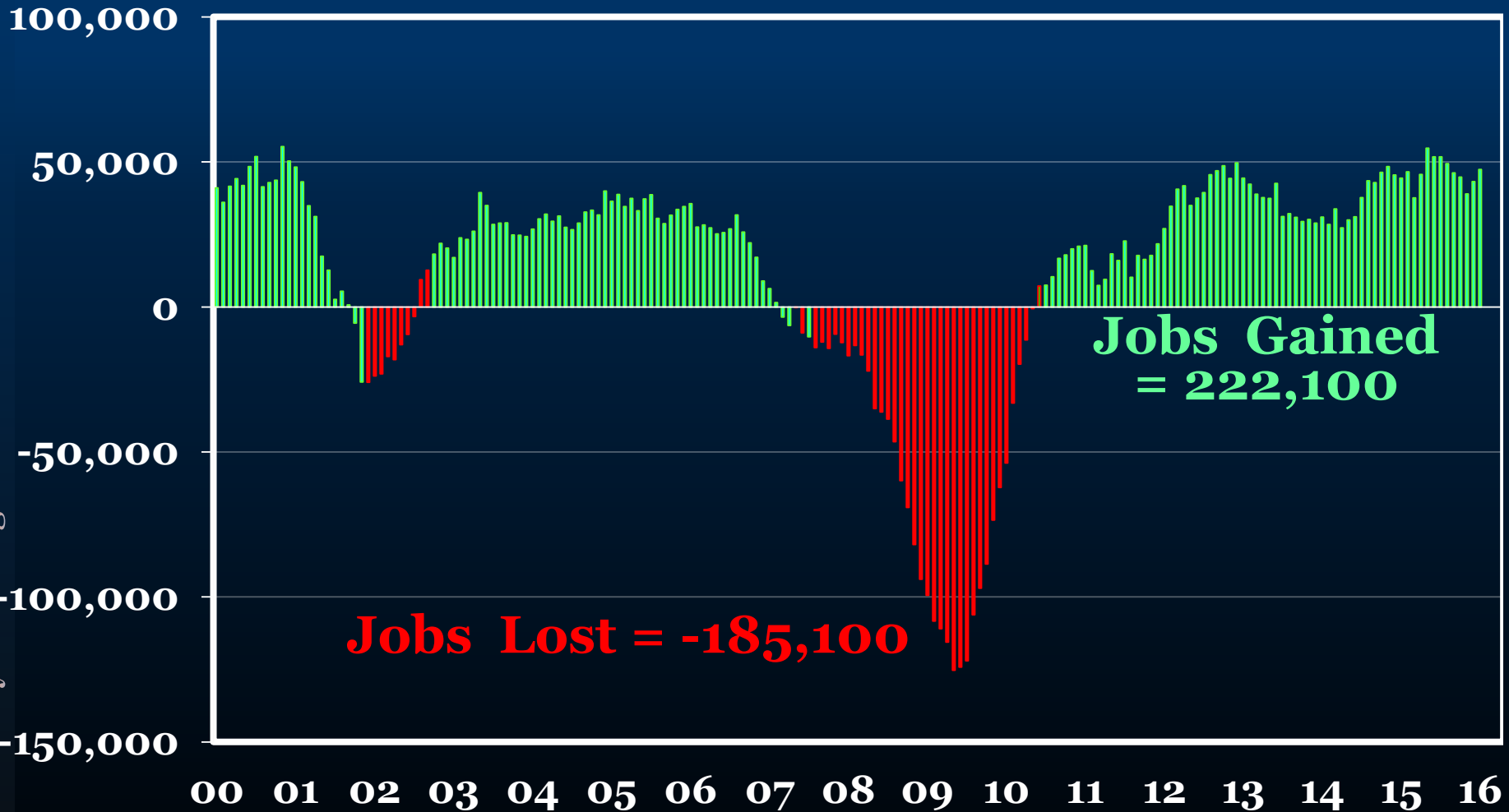
Productivity Growth has Been Dismal since 2011
(output per worker, average y – o – y growth rate)



OC Employment above Pre-Crisis

(Nonfarm Payroll, month-over-month changes)

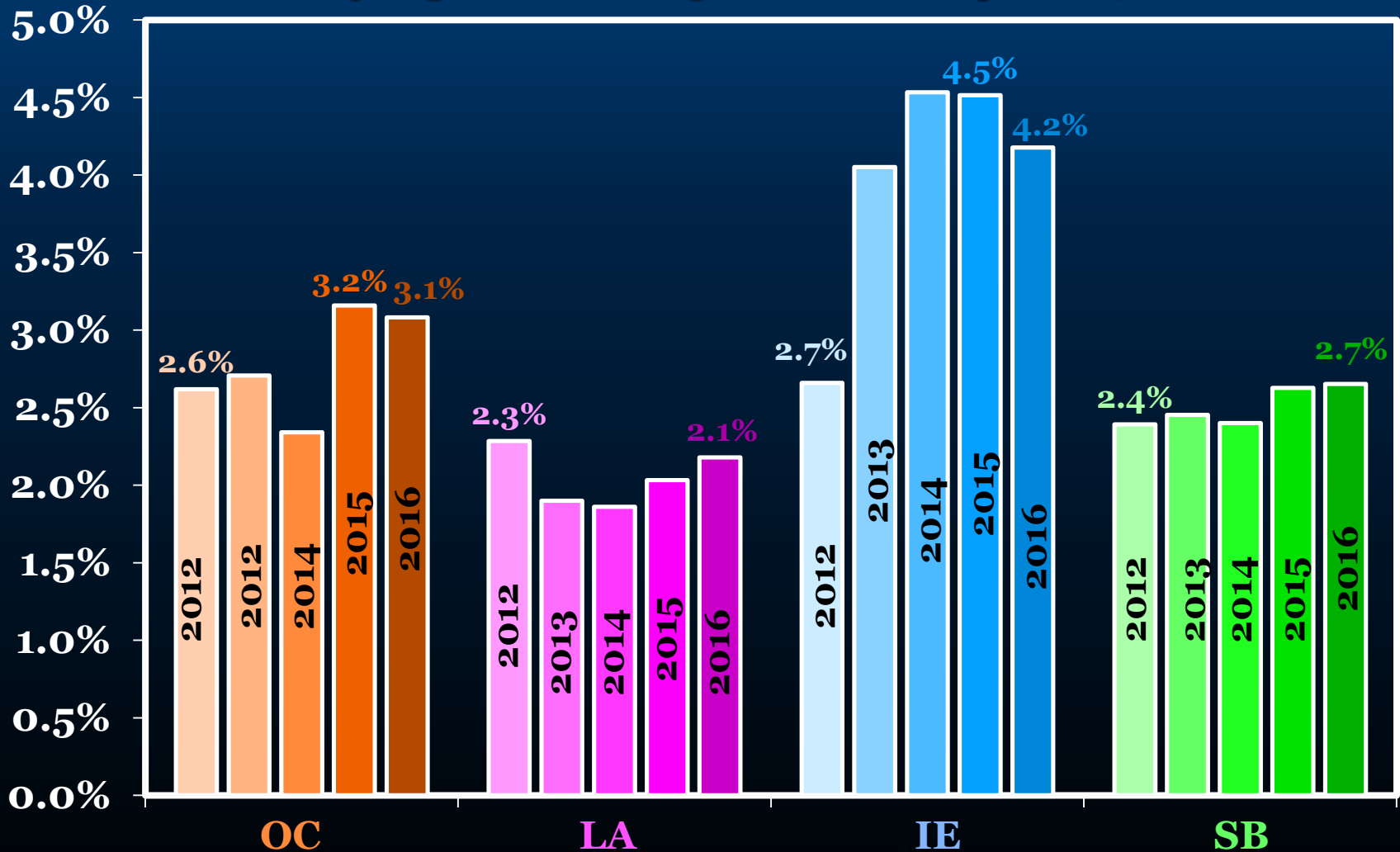
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Picking up Speed:

OC Job Growth: Strongest in 2015 and 2016

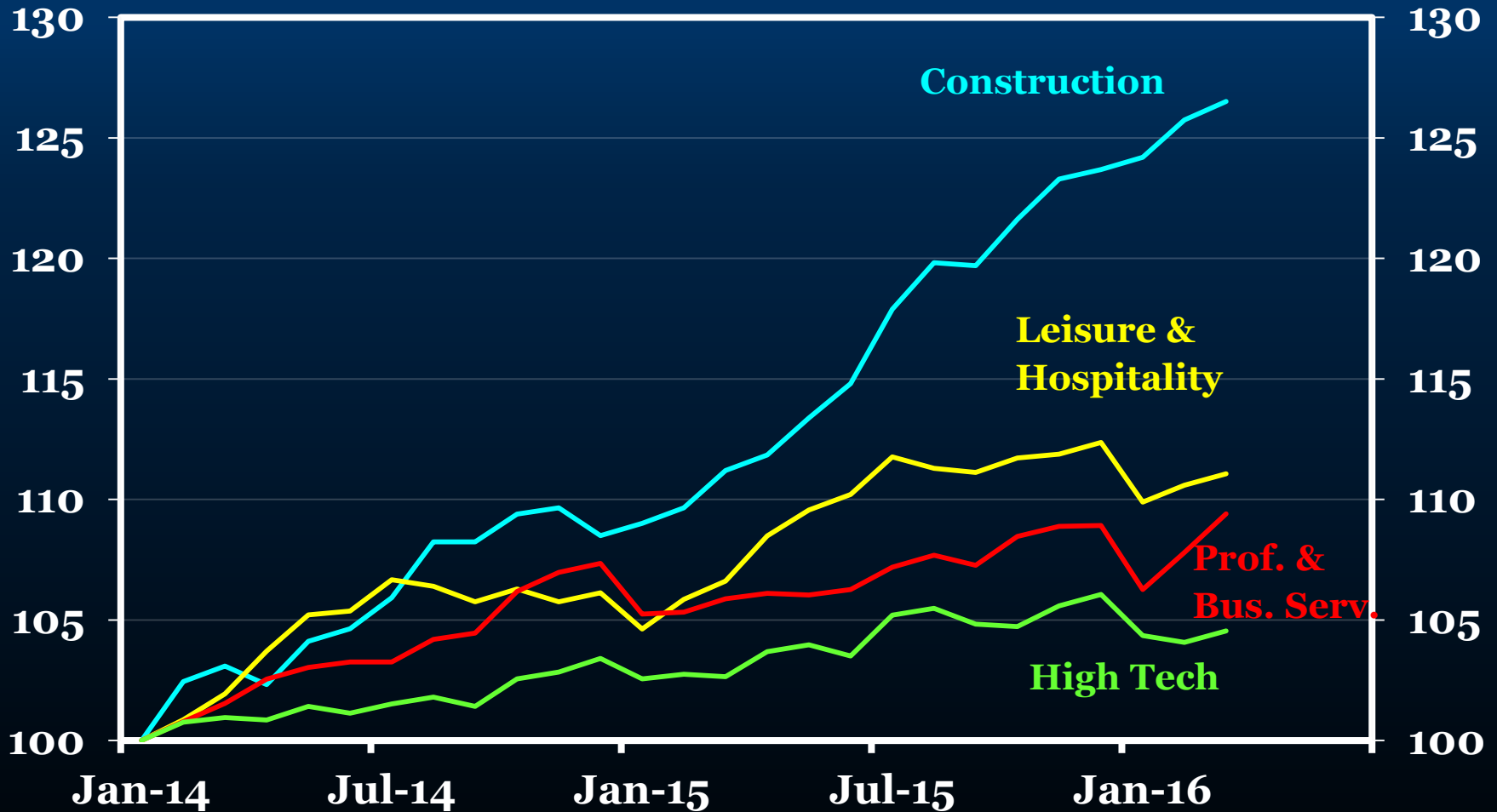
(job growth, average annual rate, percent)



Diversity of OC Economy is Key Factor

Construction Employment Has Taken Off

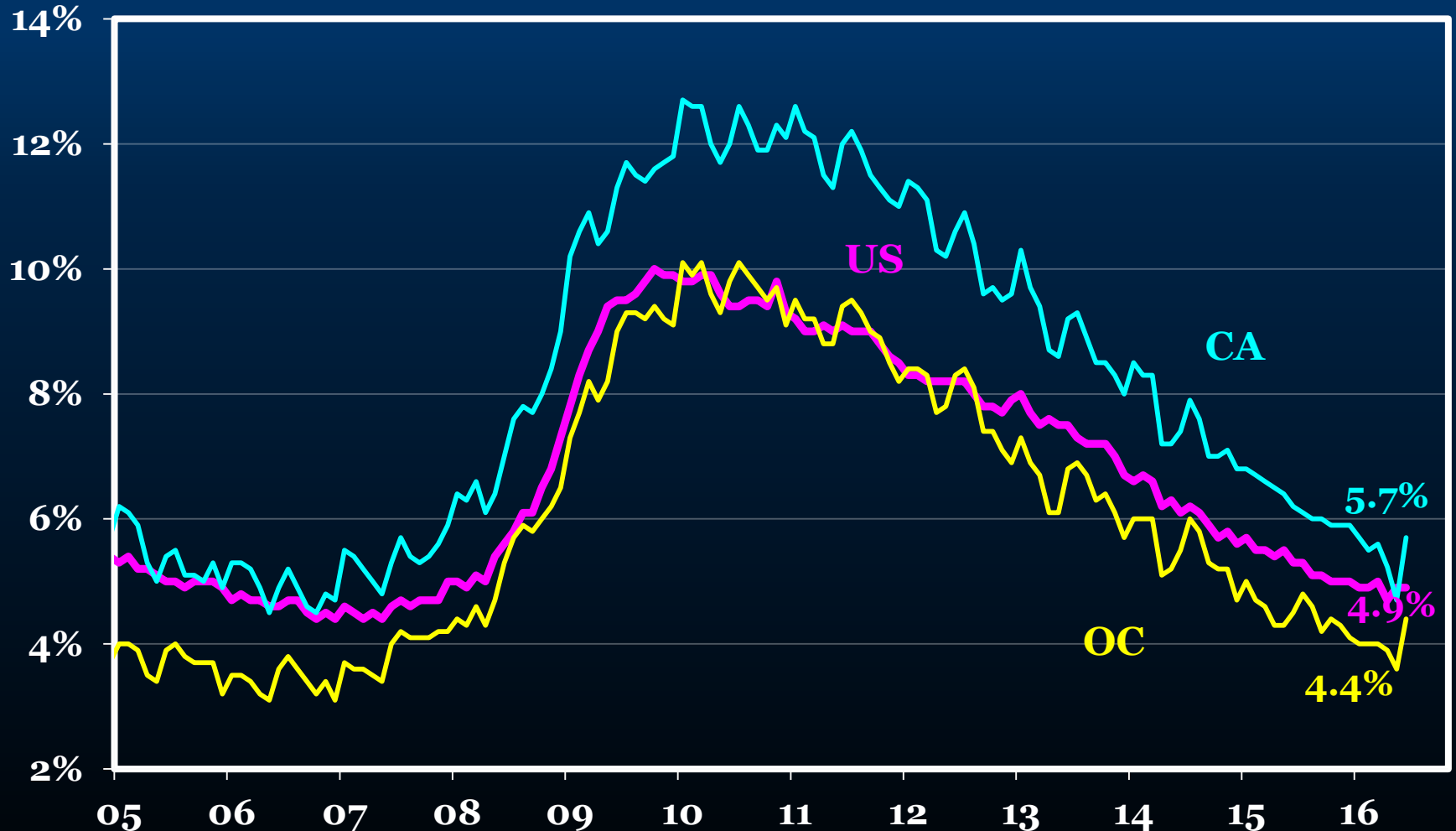
(employment levels, Jan 2014=100)



OC Unemployment Rate: Back to Normal

Decline in Unemployment: Faster than US and CA

(Unemployment rates, percent)

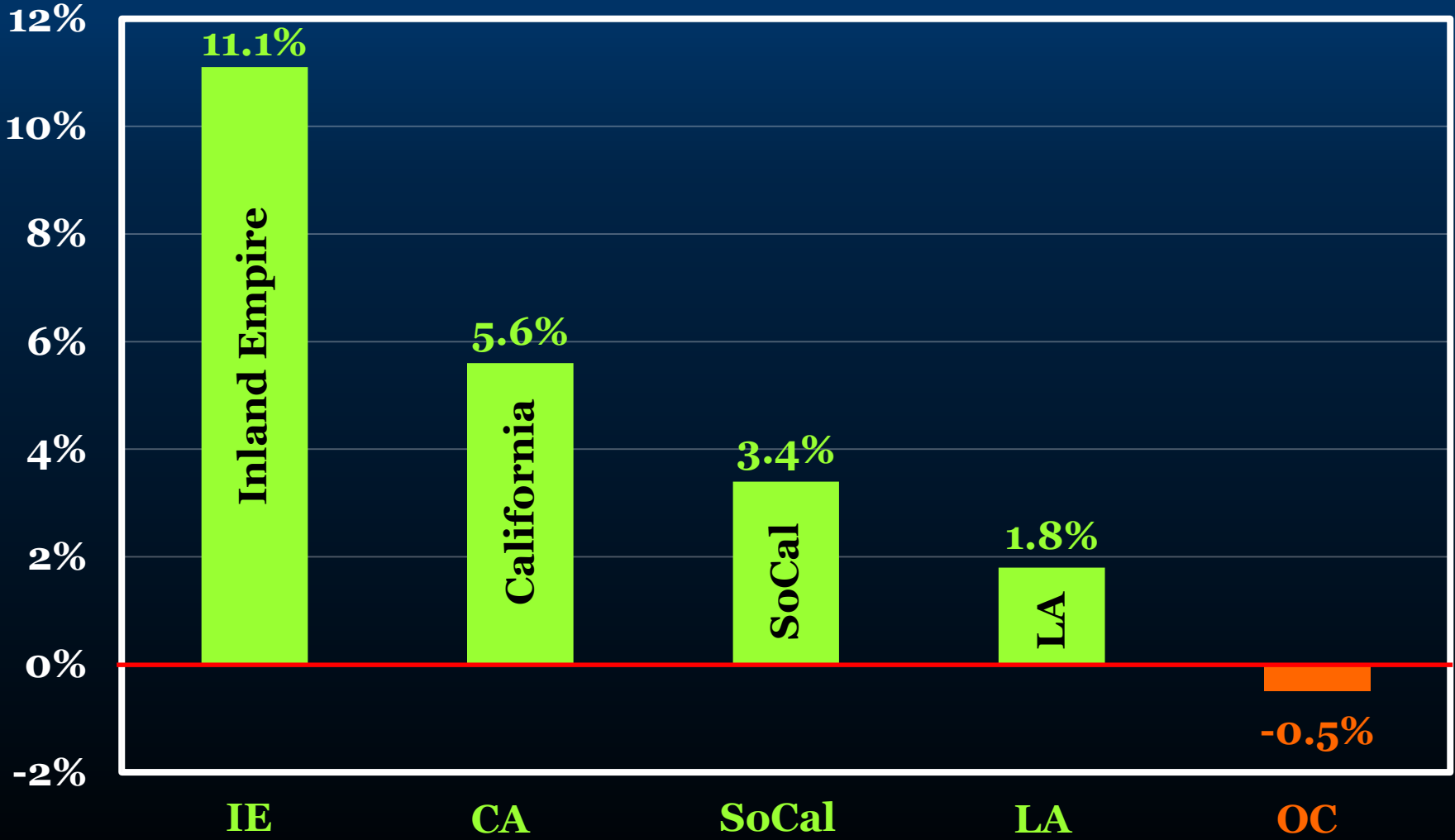


But OC Labor Force has Declined Since 2007

While the State's and SoCal's has Grown

(labor force, total percent change, Dec 2007 - June 2016)

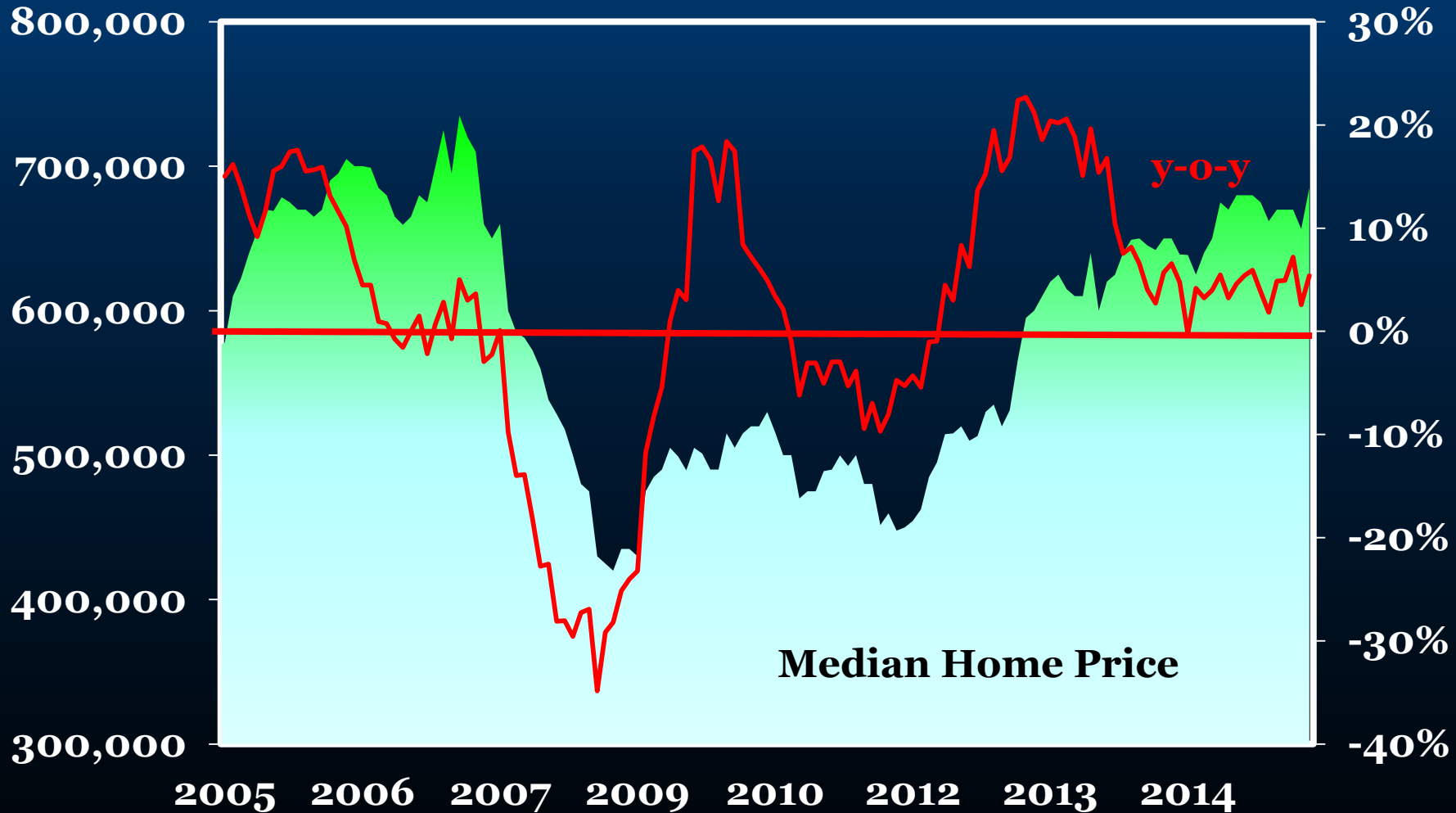
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Home Price Appreciation Has Moderated

Though Home Values have Risen Substantially Since the Crisis

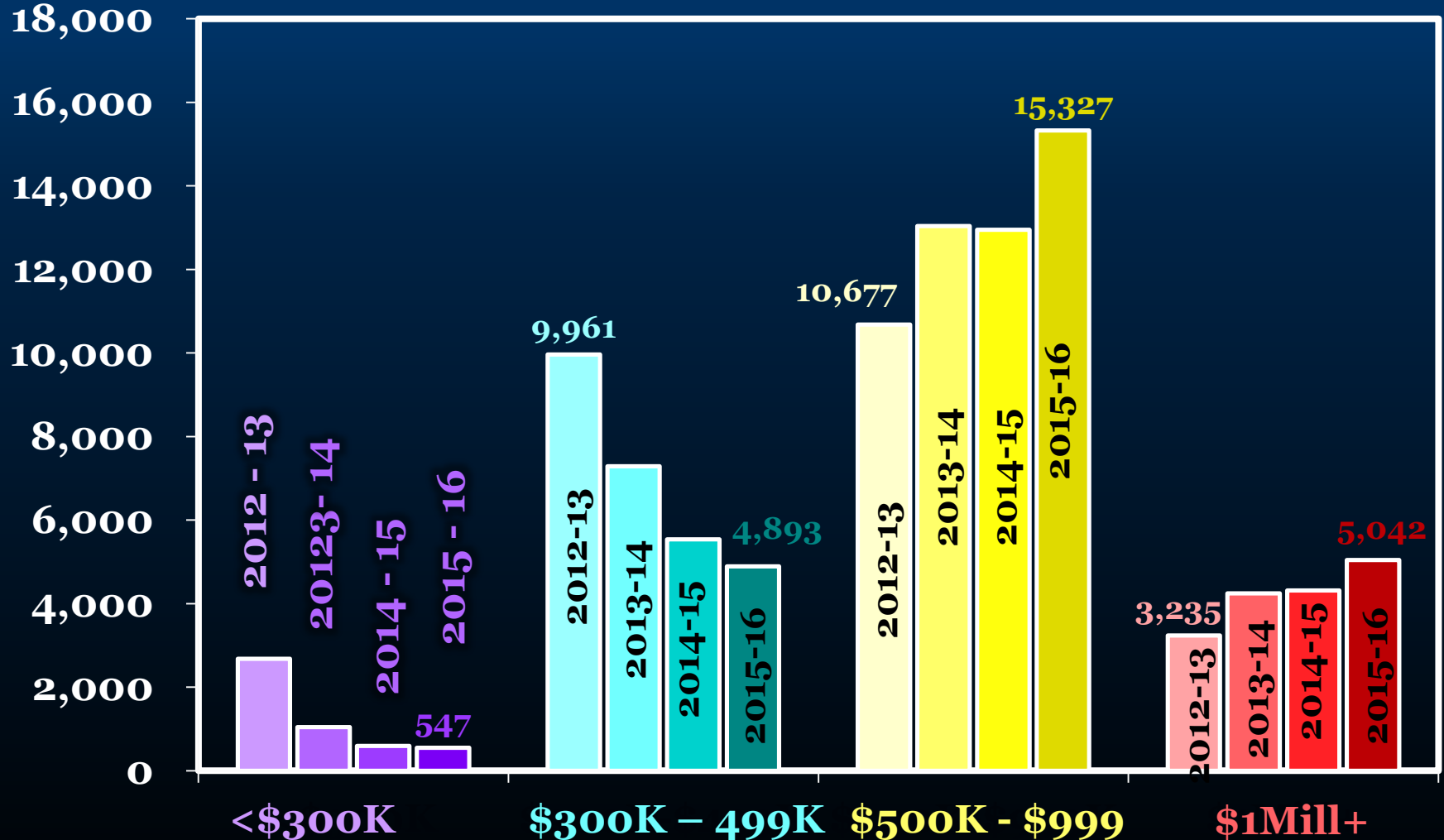
(Corelogic home prices, levels and y-o-y percent change)



Orange County Home Sales Spread Unevenly

Composition by Value

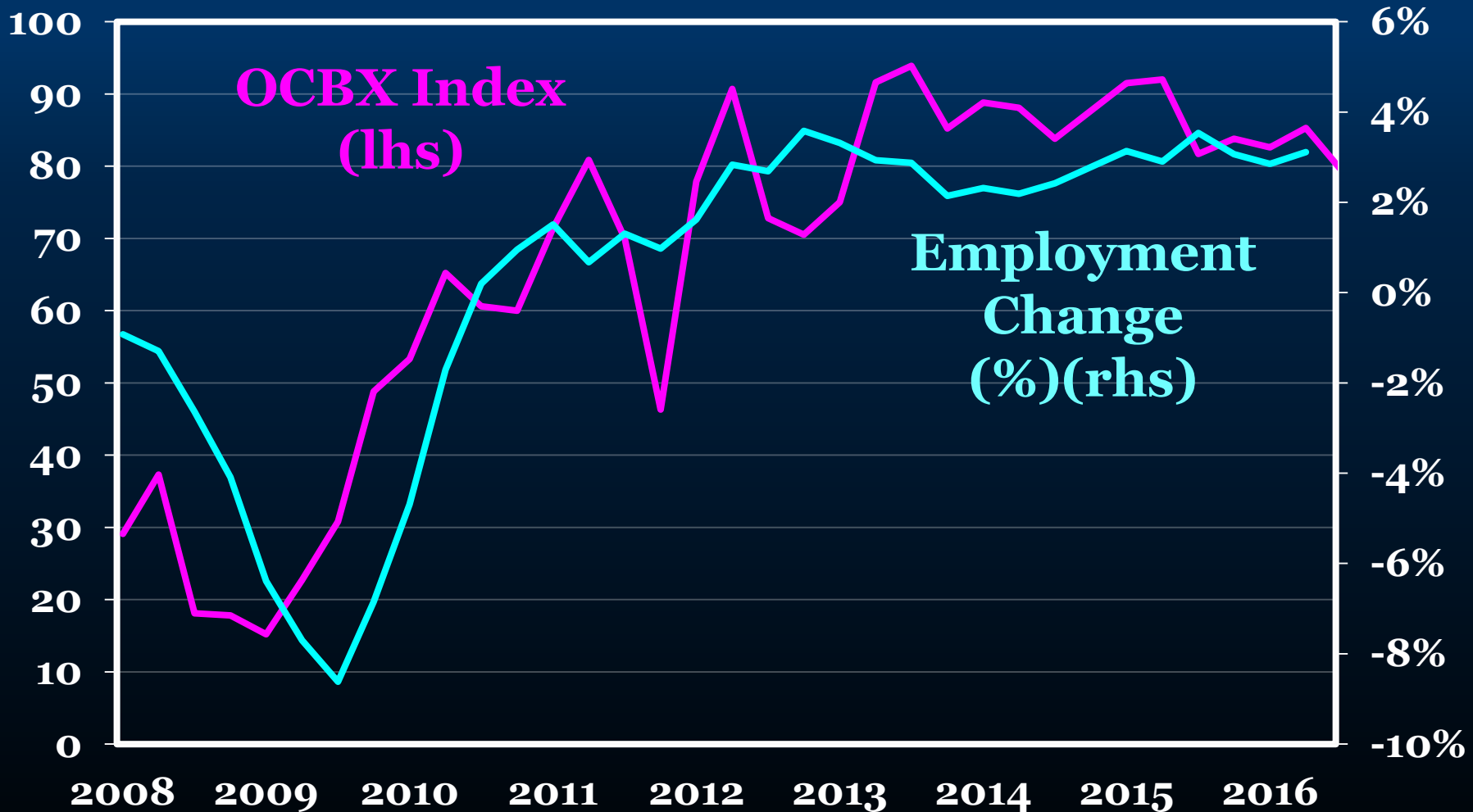
(annual homes sold, level, March this year to March previous year)



Improving OC Business Expectations

OCBX Index and Employment Change

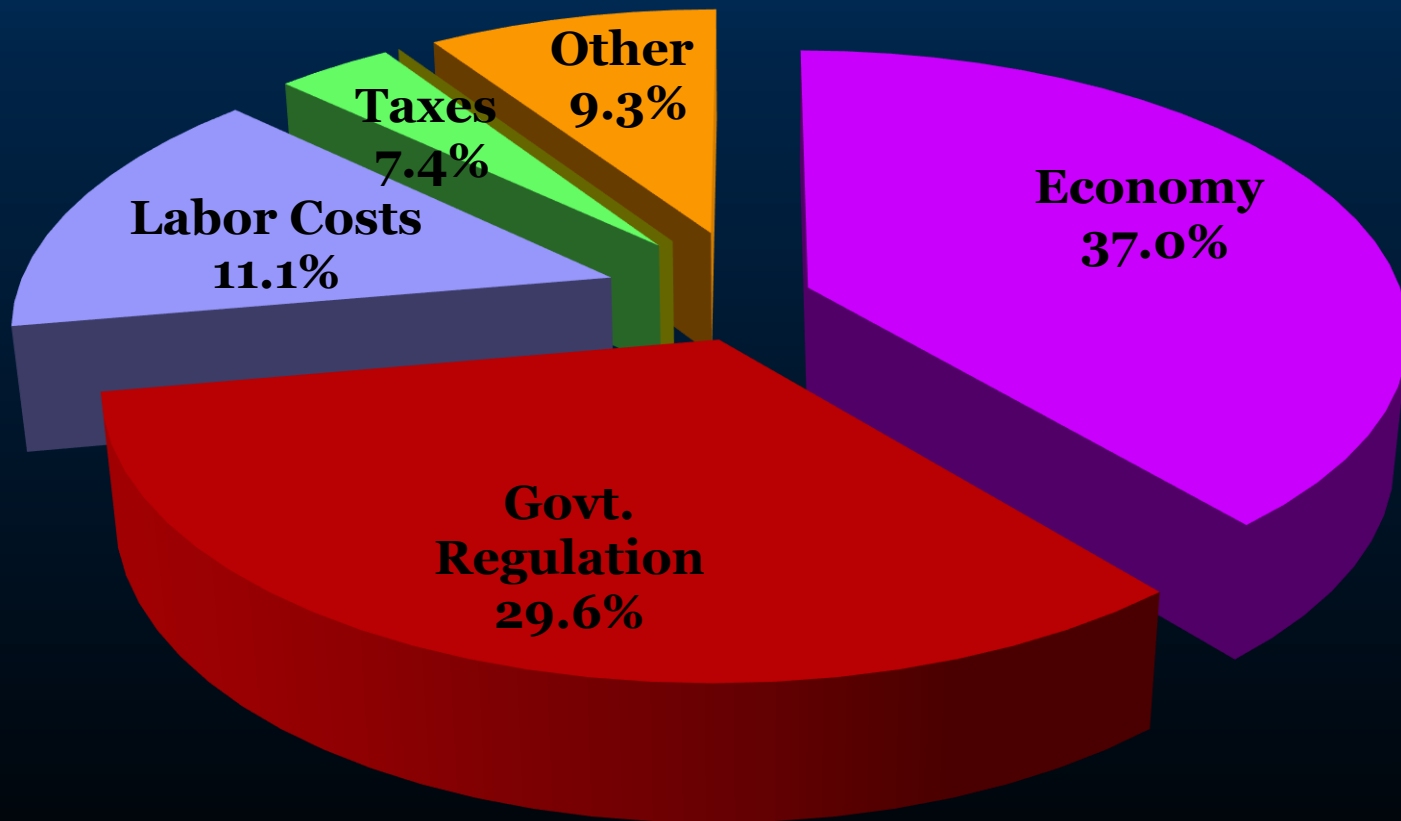
(Woods Center for Economic Analysis and Forecasting)



Most Significant Concerns: Economy and Regulation

Woods Center for Economic Analysis and Forecasting

(Orange County Business Executives Survey, Q3 2016)

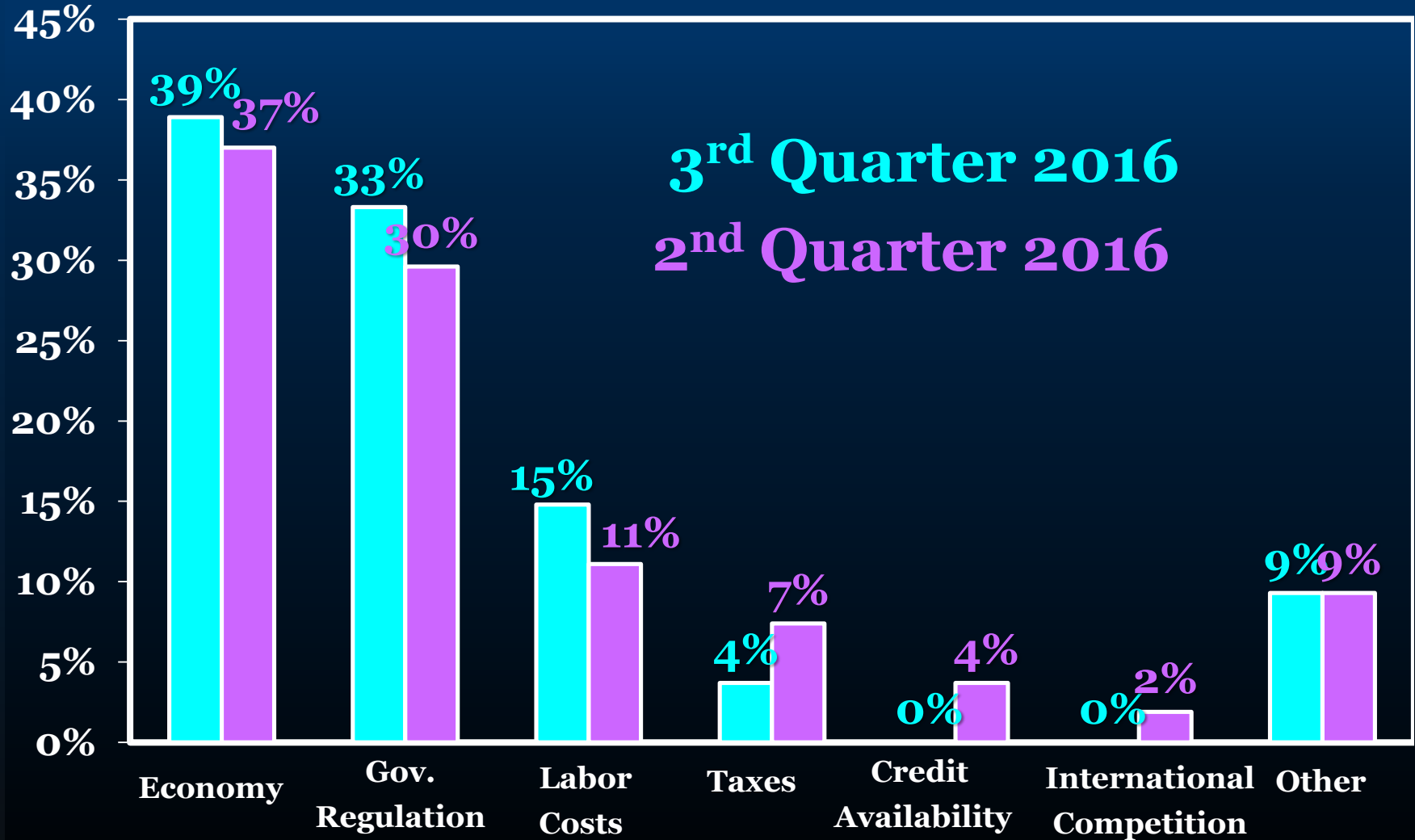


Biggest Concerns: Economy and Regulation

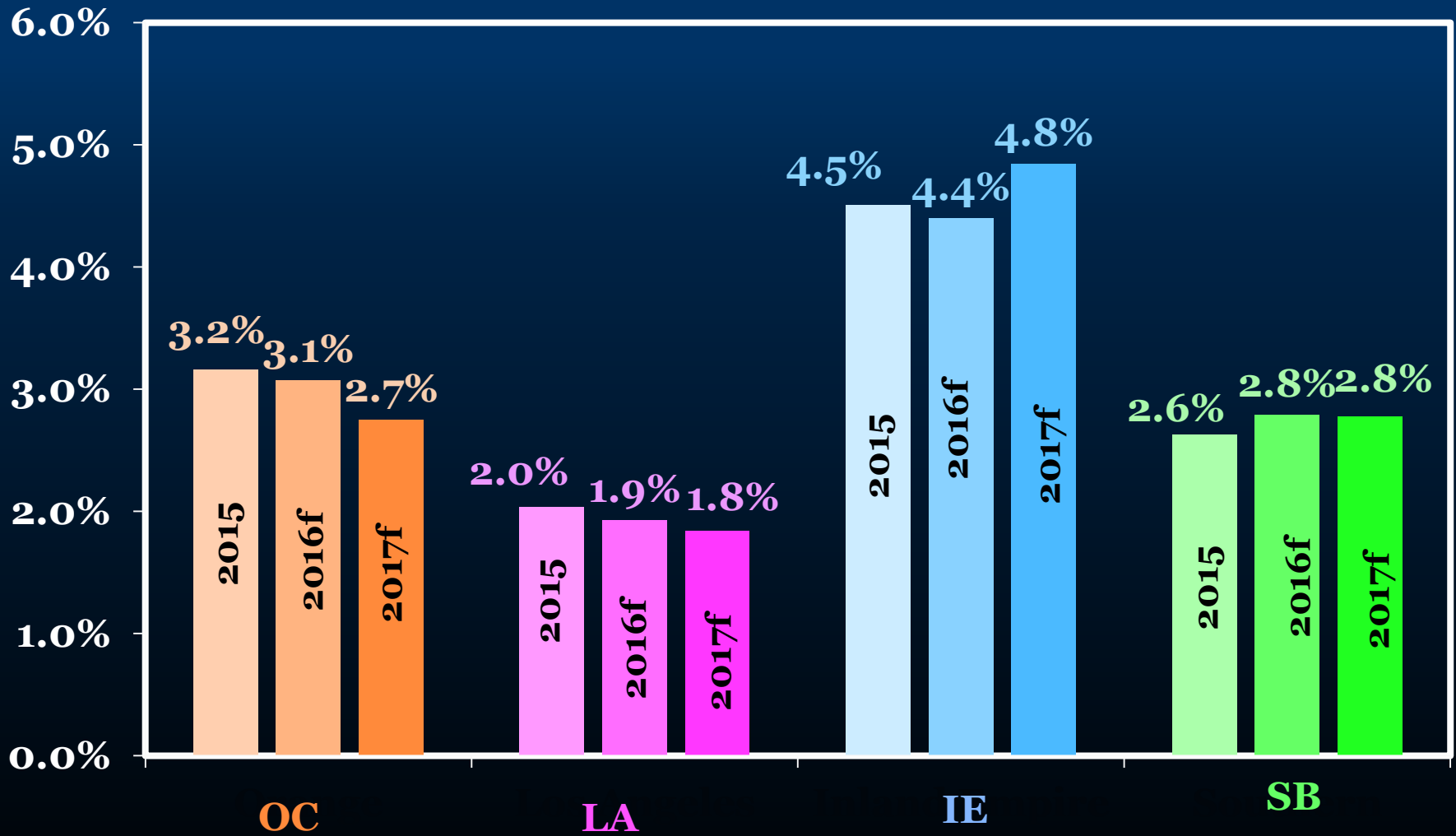
Woods Center for Economic Analysis and Forecasting

(Orange County Business Executives Survey, percent of respondents)

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Continued Healthy Employment Growth



Orange County Taxable Sales

