economics and the election
what to expect

• uncertainty
what to expect

- uncertainty
- Dodd-Frank
what to expect

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- international trade
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- international trade
- taxes and spending
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- immigration
what to expect

- uncertainty
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- international trade
- taxes and spending
- Obamacare
- oil/energy
- immigration

ugh, I need a lot more slides! but...
Real GDP
Logged Billions of 2009$, Seasonally Adjusted
so far...

- some positive signs
- stock market
- gdp
- FOMC a bit more upbeat
Dow Jones Industrial Index (000’s)
Real GDP

Econsnapshot.com  Source: BEA

Percent

quarterly change at an annual rate

year-over-year change

2013 2014 2015 2016

2.8% 3.1% 4% 4% 5% 2.3% 2% 2% 2% 0.9% 0.8% 1.4% 3.5%
what’s up with our friends at the Fed?

- increases this year?
Figure 1. Medians, central tendencies, and ranges of economic projections, 2016–19 and over the longer run.
Figure 2. FOMC participants’ assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate.
housing and financial aspects

- home price growth has moderated
- mortgage crisis has abated
- foreclosures back to “normal”
- yet, foreclosure timelines not!
Homes foreclosed per month, by MSA

Number of homes per 10,000

- Riverside, CA
- Sacramento, CA
- San Diego, CA
- Los Angeles, CA
- San Francisco, CA
- California
Percent of Home with Negative Equity

- Santa Barbara
- California
- United States
Percent of Homes with Negative Equity

0 %  2 %  4 %  6 %  8 %  10 %  12 %  14 %
Santa Barbara County  Santa Maria  Santa Barbara City  Lompoc  Goleta  Carpinteria  Solvang  Guadalupe  Buellton
income and wages
Real Personal Income Per Capita Relative to US Average: 2015

US Avg: $36,702.17

Source: BEA
Gini Coefficient
Real per capita personal income across counties
new findings on inequality

- most of the inequality is “between firms”

- not “within firms”
Fact #1: Rise in Inequality is Fractal
Fact #1: What is the Role of Employers?

Log Change, 1981–2013

Percentile of Indv Total Earnings

Within Industry

Indv Total Earnings
Avg of Log Earnings at Firm
labor markets
wages

- wage growth picking up in the US
- but not evenly across the state
Inflation and Average Hourly Earnings
Percent change from a year ago, all private workers
Real Mean Wage Growth
2015 – 2016

Source: CA EDD
employment

- employment growth strong
- but varies by industry and geography
- unemployment as well
## Data Not Seasonally Adjusted

<table>
<thead>
<tr>
<th></th>
<th>Dec 15</th>
<th>Oct 16</th>
<th>Nov 16 Revised</th>
<th>Dec 16 Prelim</th>
<th>Percent Change Month</th>
<th>Percent Change Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Labor Force (1)</td>
<td>218,900</td>
<td>225,000</td>
<td>224,500</td>
<td>221,900</td>
<td>-1.2%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Civilian Employment</td>
<td>206,600</td>
<td>214,700</td>
<td>214,100</td>
<td>210,400</td>
<td>-1.7%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Civilian Unemployment</td>
<td>12,300</td>
<td>10,300</td>
<td>10,400</td>
<td>11,500</td>
<td>10.6%</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Civilian Unemployment Rate</td>
<td>5.6%</td>
<td>4.6%</td>
<td>4.6%</td>
<td>5.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(CA Unemployment Rate)</td>
<td>5.7%</td>
<td>5.3%</td>
<td>5.0%</td>
<td>5.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(U.S. Unemployment Rate)</td>
<td>4.8%</td>
<td>4.7%</td>
<td>4.4%</td>
<td>4.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total, All Industries (2)</td>
<td>201,100</td>
<td>208,900</td>
<td>209,100</td>
<td>206,000</td>
<td>-1.5%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Total Farm</td>
<td>17,700</td>
<td>21,500</td>
<td>20,700</td>
<td>17,300</td>
<td>-16.4%</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Total Nonfarm</td>
<td>183,400</td>
<td>187,400</td>
<td>188,400</td>
<td>188,700</td>
<td>0.2%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>
Total Farm, Santa Barbara County
Number Employed (Thousands)

Most Recent (Unadjusted) = 17,300
Most Recent (Adjusted) = 21,187
Percent Change (Month) = 0 % and Percent Change (Year) = -2.11 %
## Santa Barbara - Santa Maria - Goleta MSA
(Santa Barbara County)

<table>
<thead>
<tr>
<th>Data Seasonally Adjusted</th>
<th>Dec-15</th>
<th>Oct-16</th>
<th>Nov-16 Revised</th>
<th>Dec-16 Prelim</th>
<th>Percent Change Month</th>
<th>Percent Change Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civilian Labor Force</td>
<td>221,481</td>
<td>224,606</td>
<td>224,167</td>
<td>224,361</td>
<td>0.1%</td>
<td>1.3%</td>
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<tr>
<td>Civilian Employment</td>
<td>209,725</td>
<td>213,761</td>
<td>213,788</td>
<td>213,471</td>
<td>-0.1%</td>
<td>1.8%</td>
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<tr>
<td>Civilian Unemployment</td>
<td>11,567</td>
<td>10,730</td>
<td>10,298</td>
<td>10,728</td>
<td>4.2%</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Civilian Unemployment Rate</td>
<td>5.2%</td>
<td>4.8%</td>
<td>4.6%</td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(CA Unemployment Rate)</td>
<td>5.9%</td>
<td>5.4%</td>
<td>5.1%</td>
<td>5.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(U.S. Unemployment Rate)</td>
<td>5.0%</td>
<td>4.9%</td>
<td>4.7%</td>
<td>4.7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total, All Industries                 | 208,754 |         |                |               | 0.4%                | 2.4%                |
| Total Nonfarm                         | 187,483 |         |                |               | 0.4%                | 2.9%                |
| Total Farm                            | 21,187  |         |                |               | 0.0%                | -2.1%               |
Total Nonfarm Payrolls, Seasonally Adjusted
Index (Dec 2007 = 100)

Notes: December 2007 level in brackets.
www.efp.ucsb.edu
Source: BLS & CA EDD
Total Civilian Employment, Seasonally Adjusted
Index (Jan 2010 = 100)

Note: Current level in brackets.
www.efp.ucsb.edu

Source: BLS & CA EDD
Unemployment Rate, Seasonally Adjusted
Percent (%)

Source: BLS & CA EDD

Note: Most recent rate in brackets.
www.efp.ucsb.edu
December 2016 Employment by Industry
Santa Barbara County

Government: 19.2%
Leisure & Hospitality: 14.2%
Educ. & Health Services: 13%
Goods Producing: 11%
Prof. & Bus. Services: 10.6%
Retail Trade: 9.5%
Financial Activities: 3.1%
Wholesale Trade: 2.8%
Trans., Ware. & Util.: 2.5%
Information: 1.7%
Other Services: 2.1%
Total Farm: 100%
final thoughts

- policy uncertainty

- strong growth in the US

- FOMC forecast: 3 25bp increases in 2017?
Real GDP
Logged Billions of 2009$, Seasonally Adjusted

Linear Trend
thank you!