

Economic Outlook

Orange County Transportation Agency

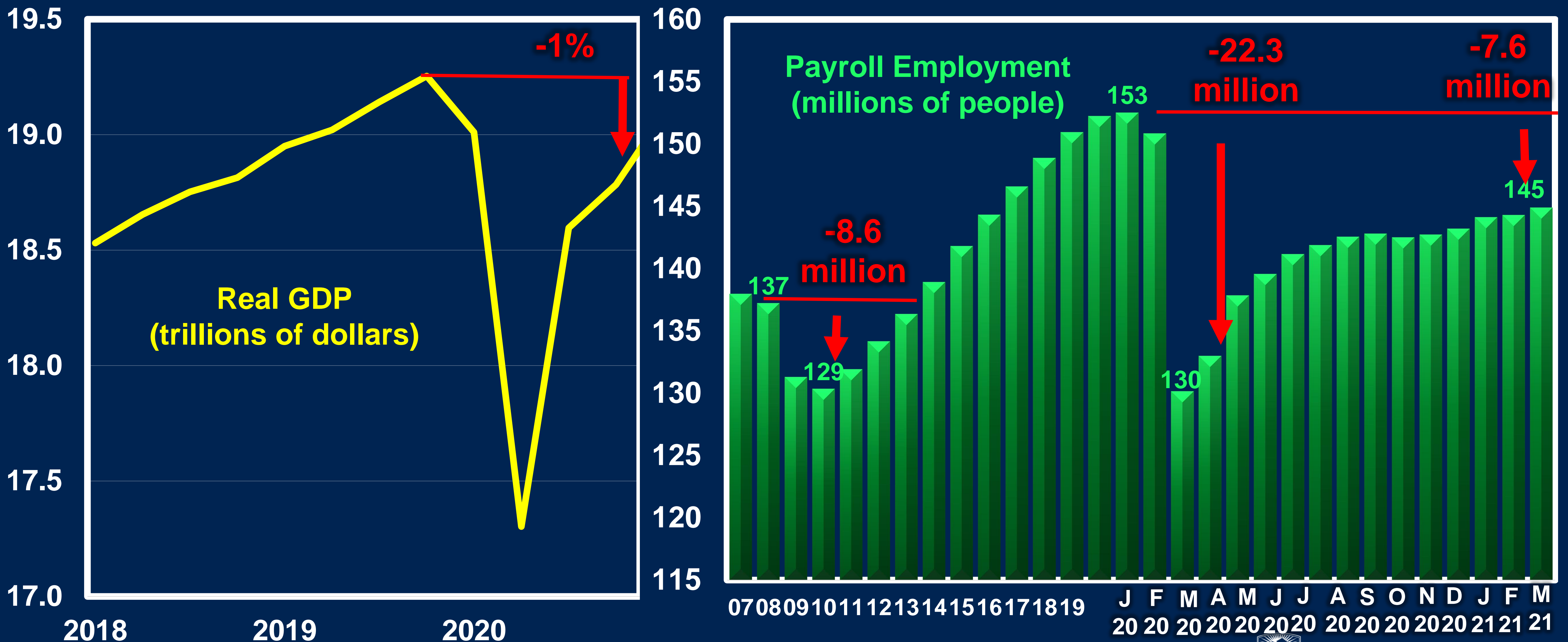
July 2021

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California State University, Fullerton

The Shortest Recession in History

Recovery Began in May/June 2020 and Has Continued Since

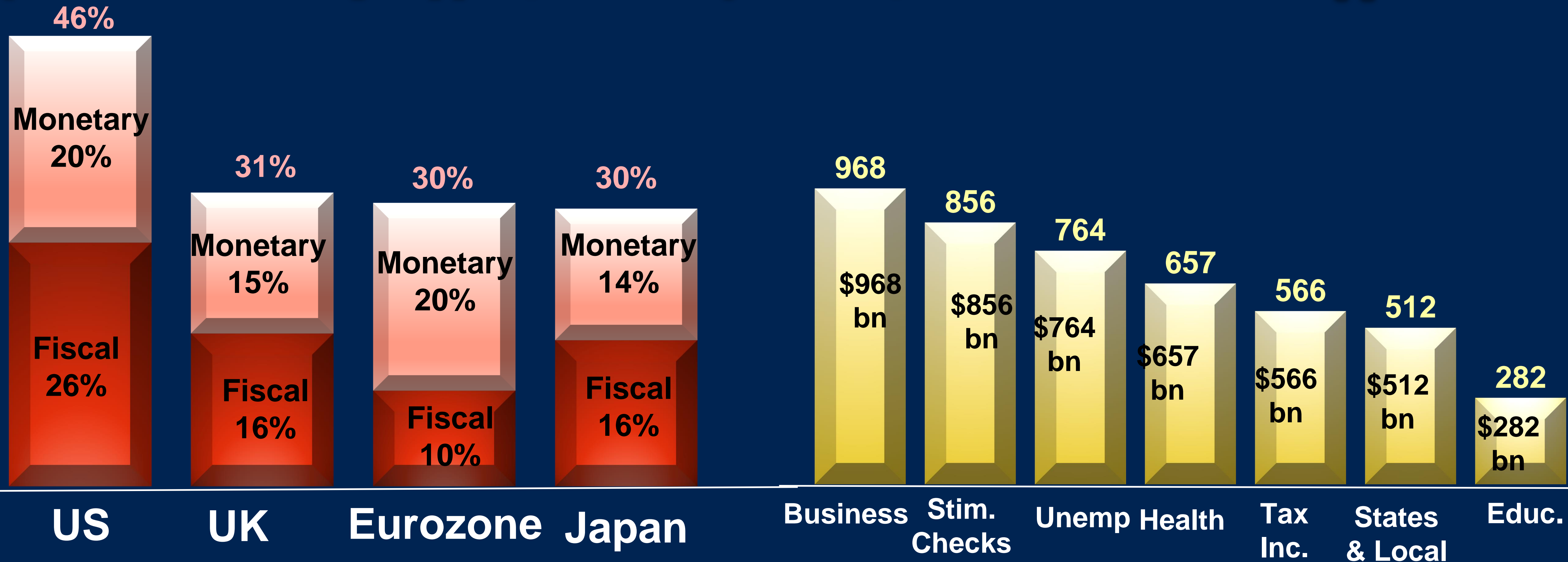


The Era of Big Government Spending is Back

Lavish Government Support Everywhere, Especially in the US

America First: \$10 trillion
(fiscal and monetary support, % of GDP)

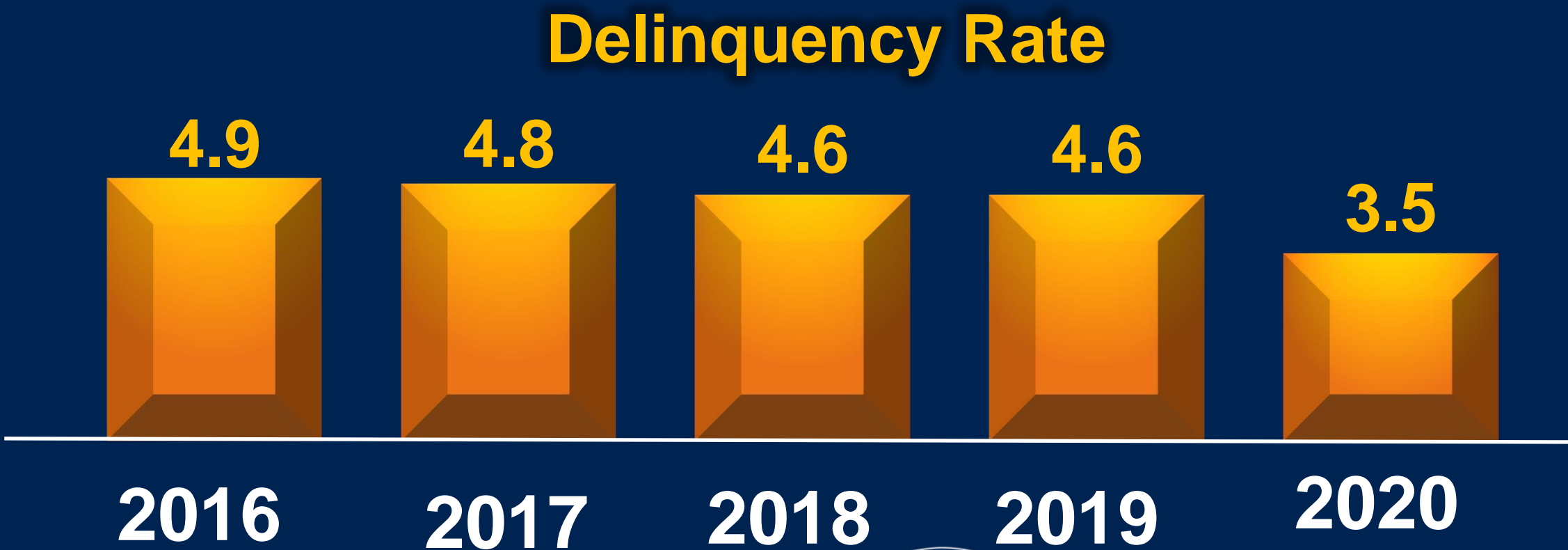
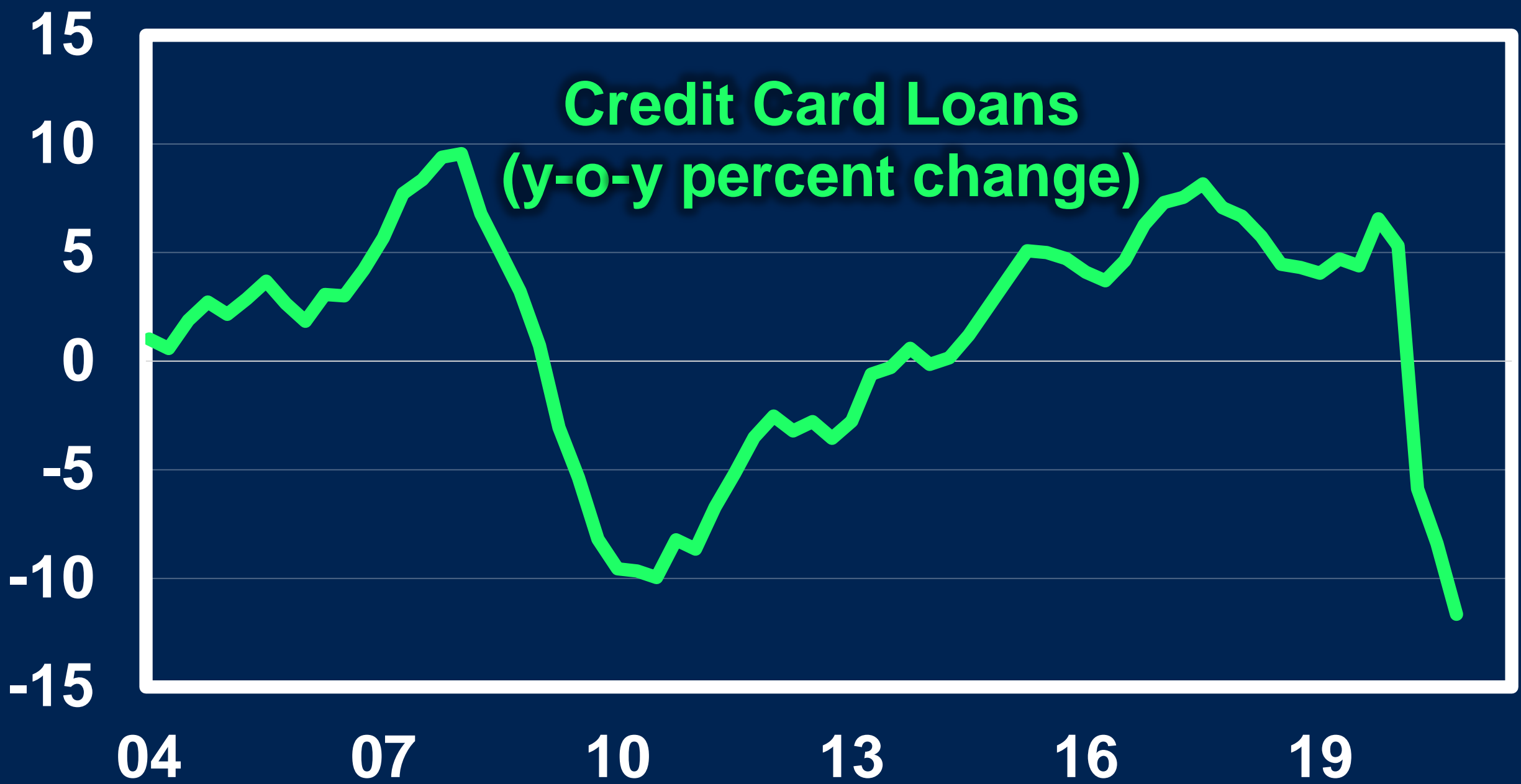
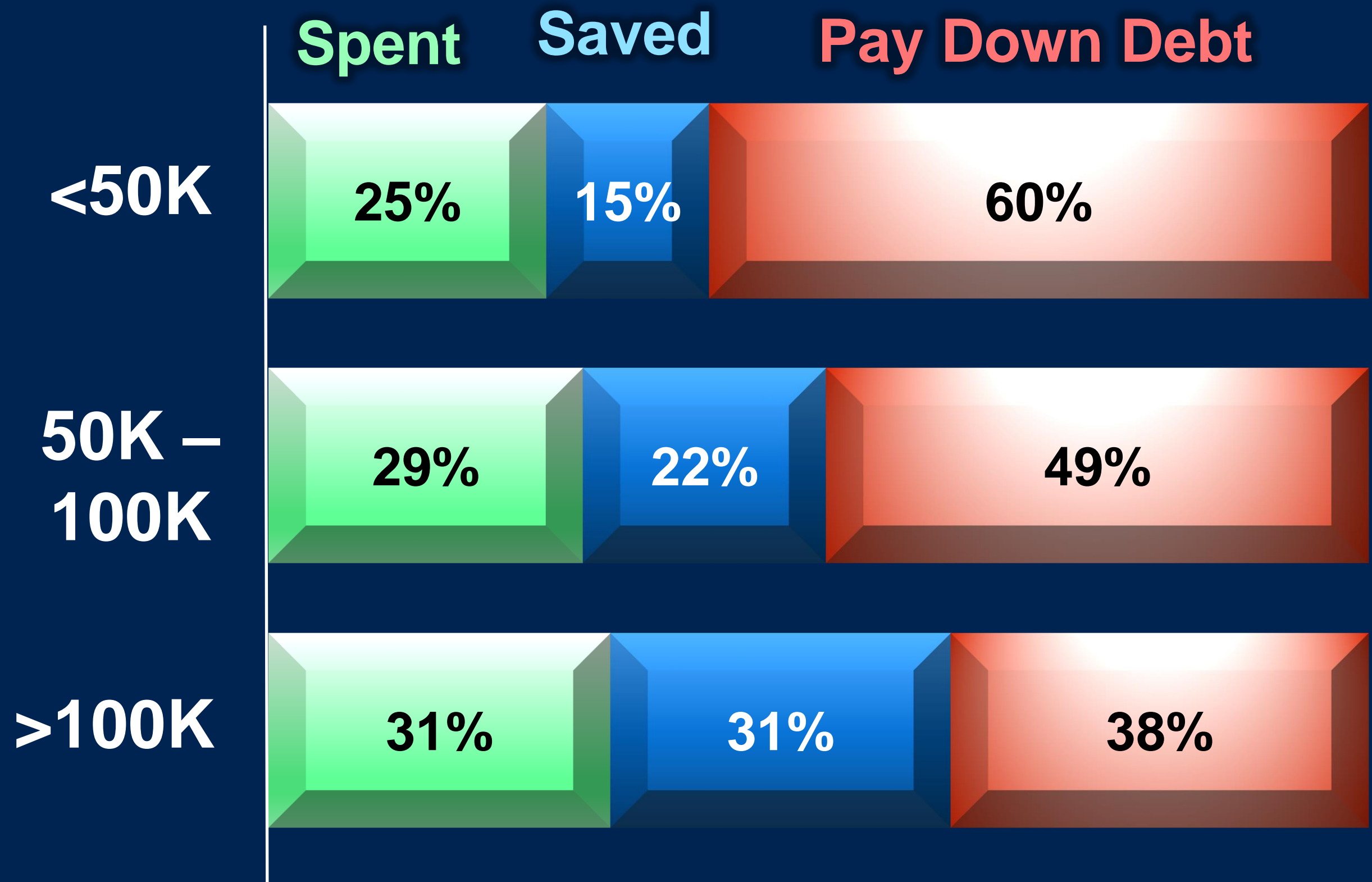
\$6 Trillion in Fiscal Support



Pristine Consumer Balance Sheets

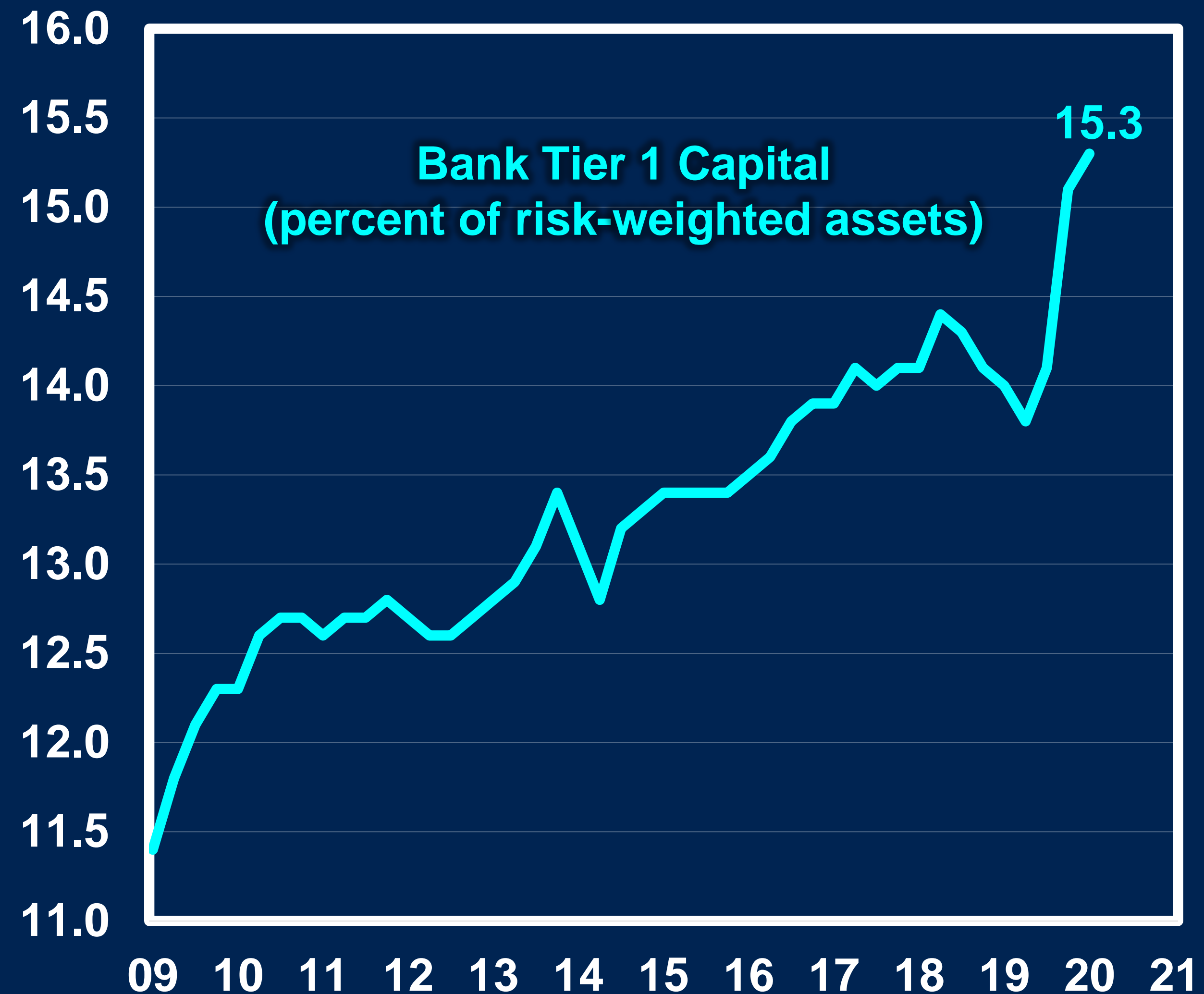
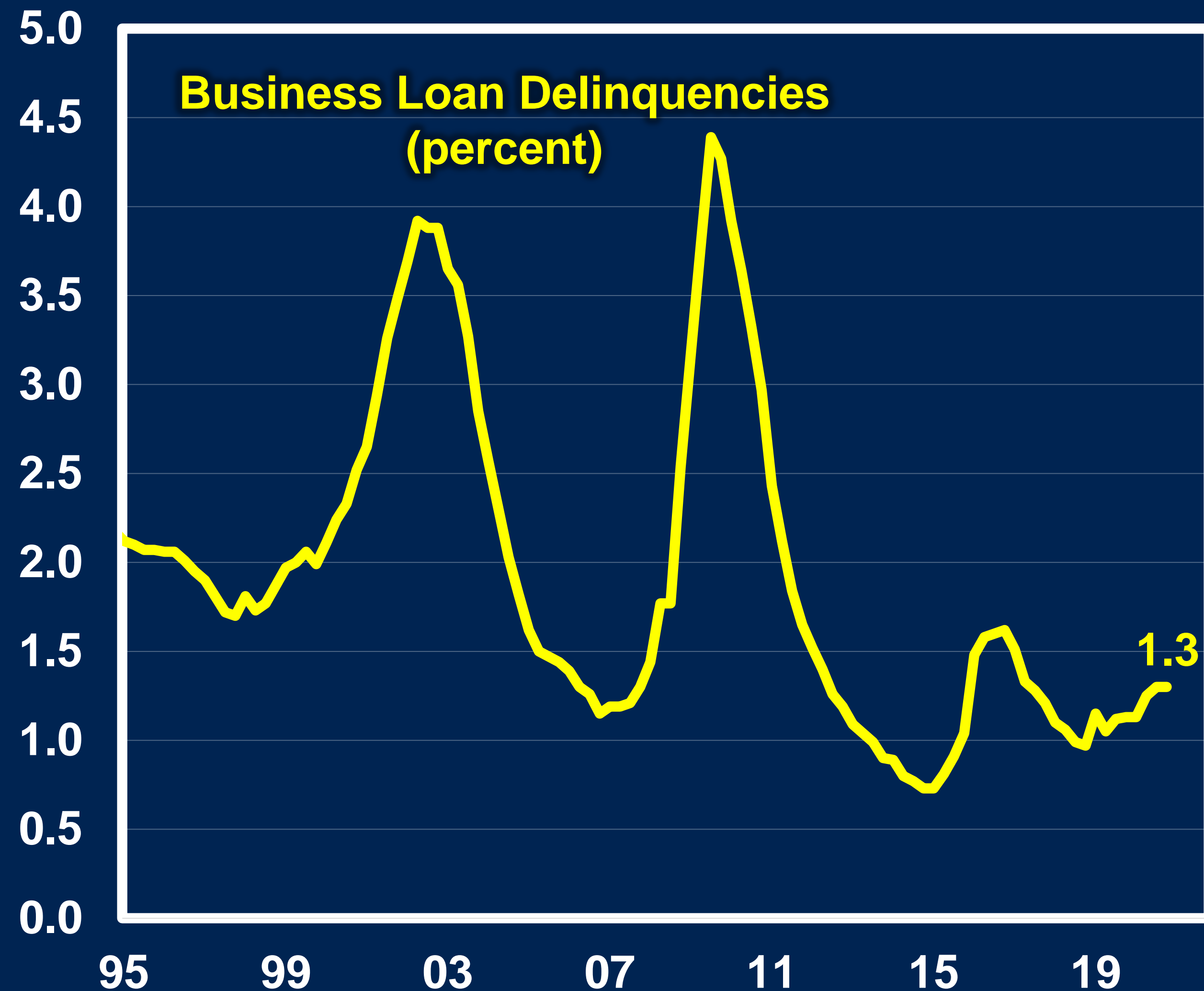
Most Used Stimulus to Pay Down Debt

How Stimulus Was Used



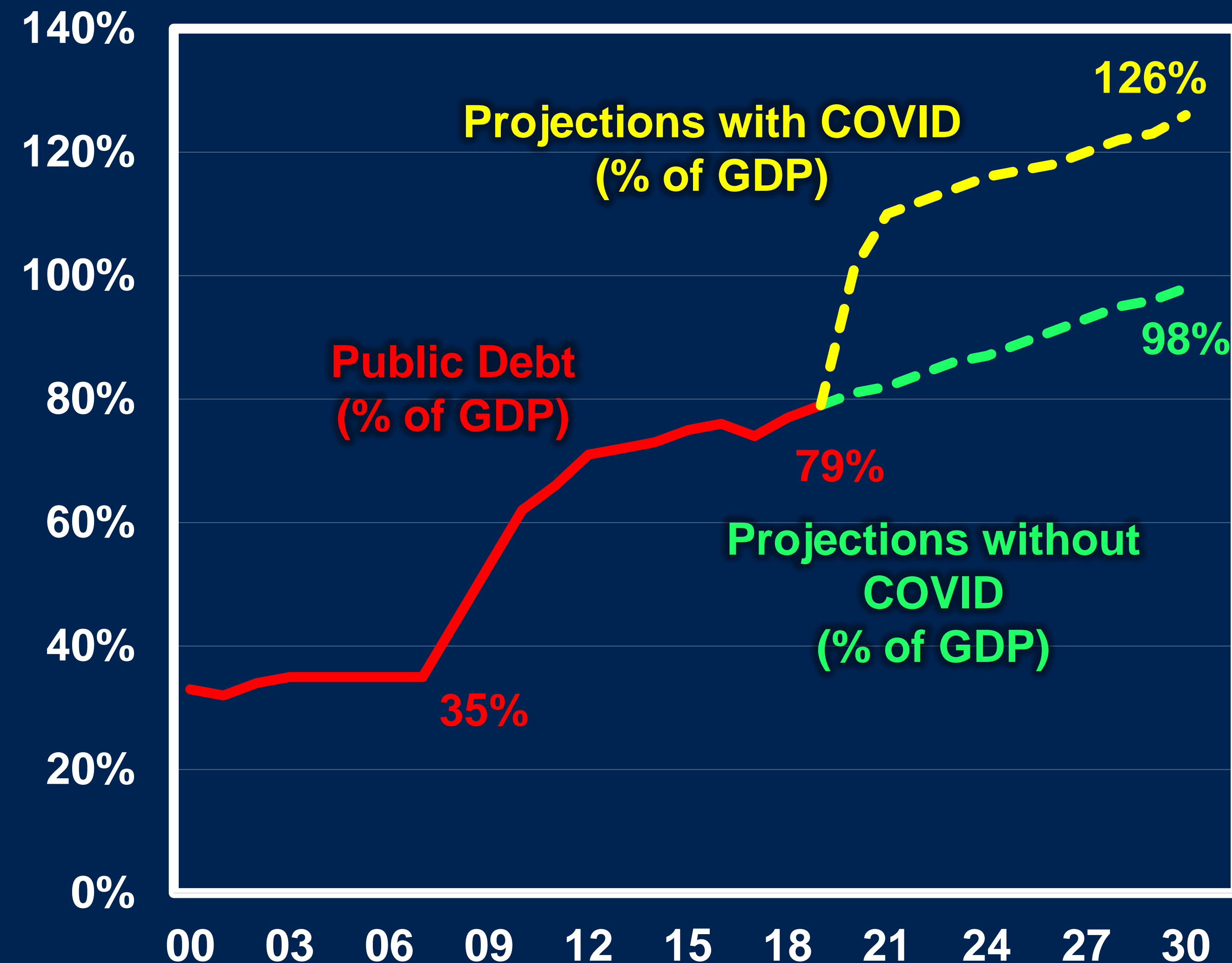
Healthy Business and Banking Sector

Business Delinquencies Remain Low; Banks are Well Capitalized



The Unbearable Lightness of Debt and Inflation

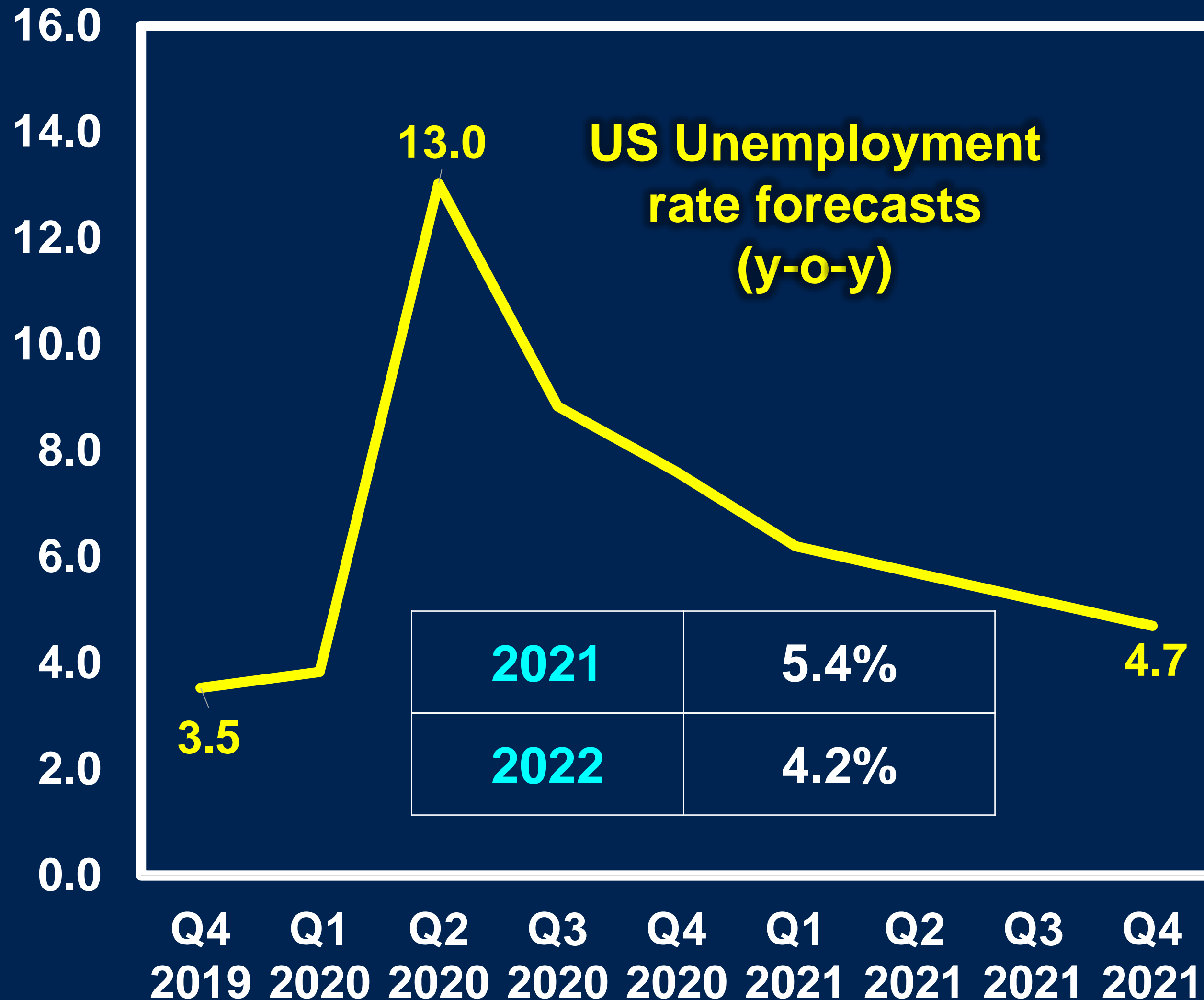
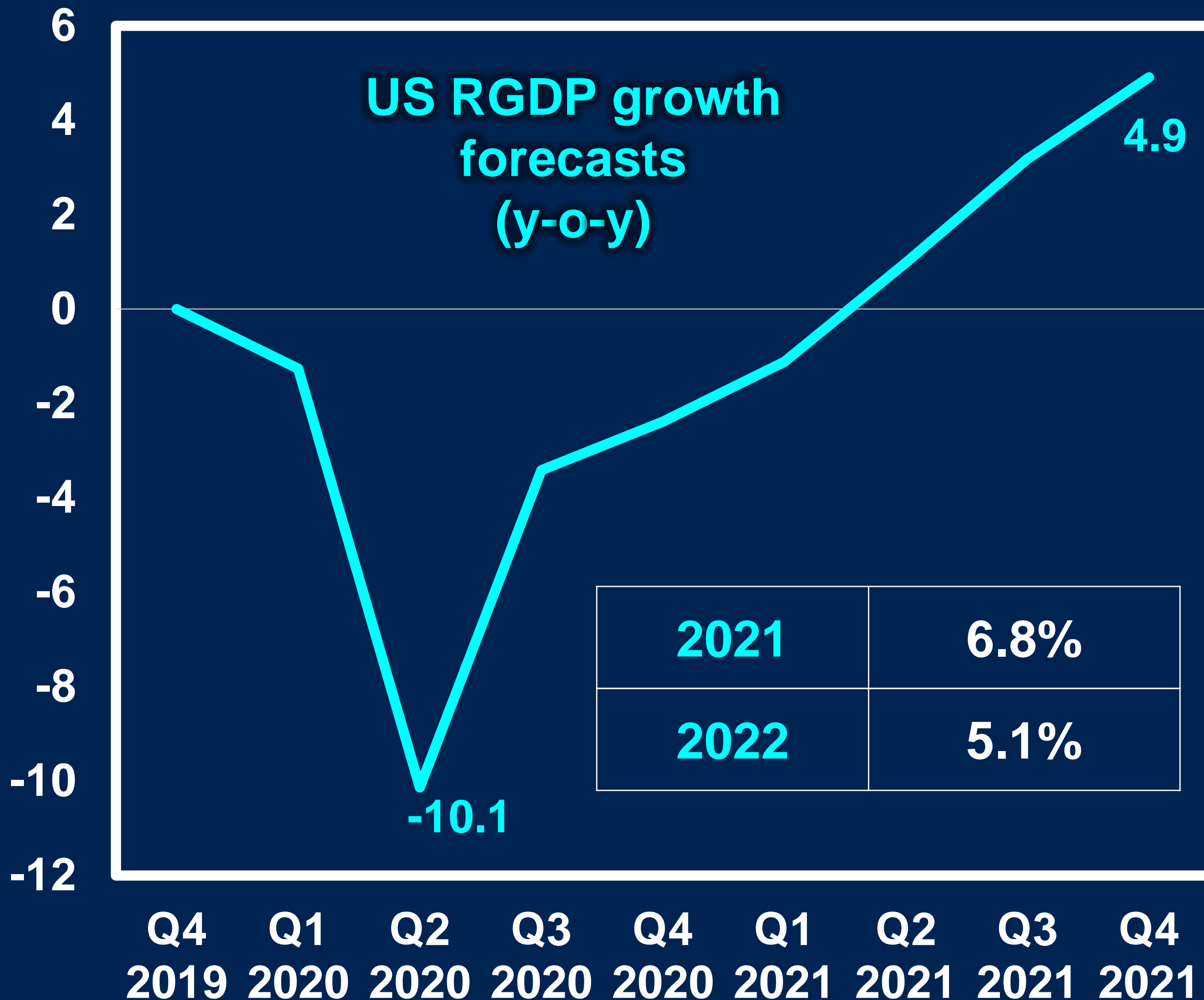
A Fiscal Crisis and Inflation Brewing...Not Now...But Down the Line



Fed	On Hold Until End-23
Markets	Hike End 2022
CSUF	Hike Q3 2022

The New Soaring 20s

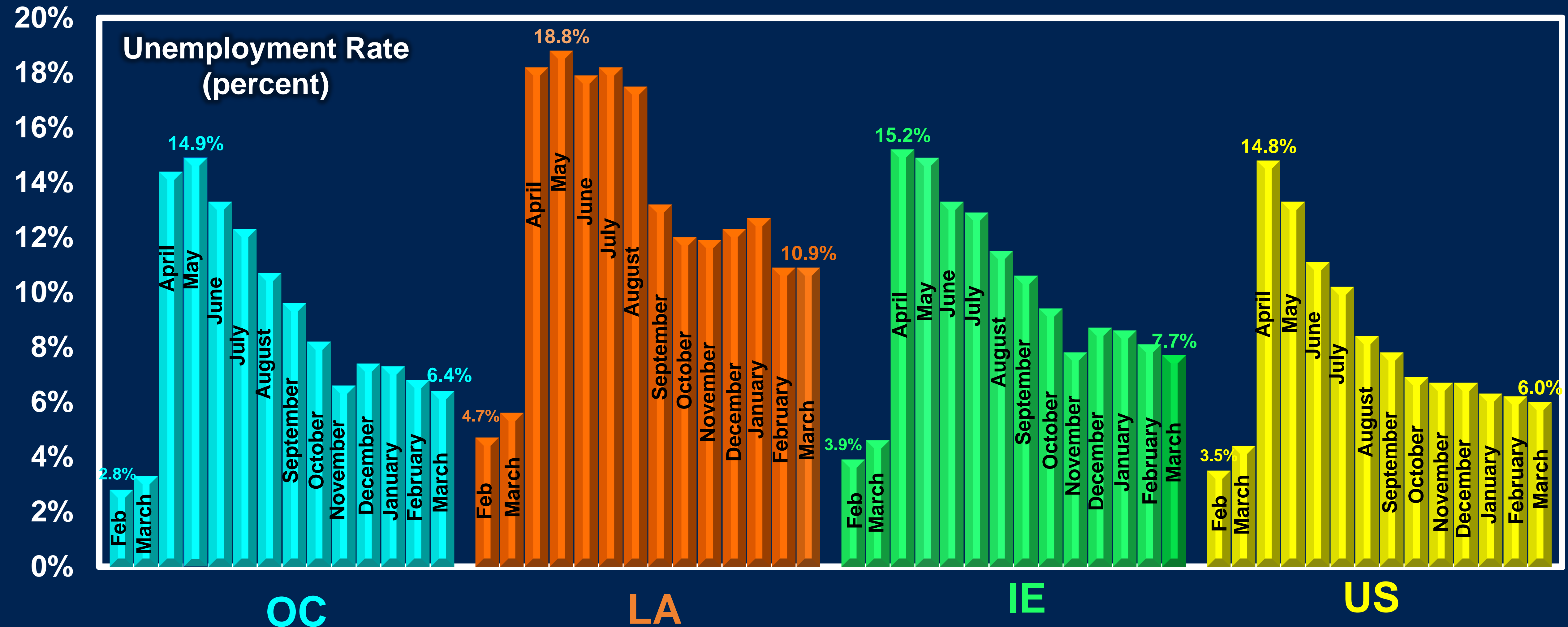
A Juiced Up Recovery Last Seen One Generation Ago



Historic High Unemployment...Has Declined

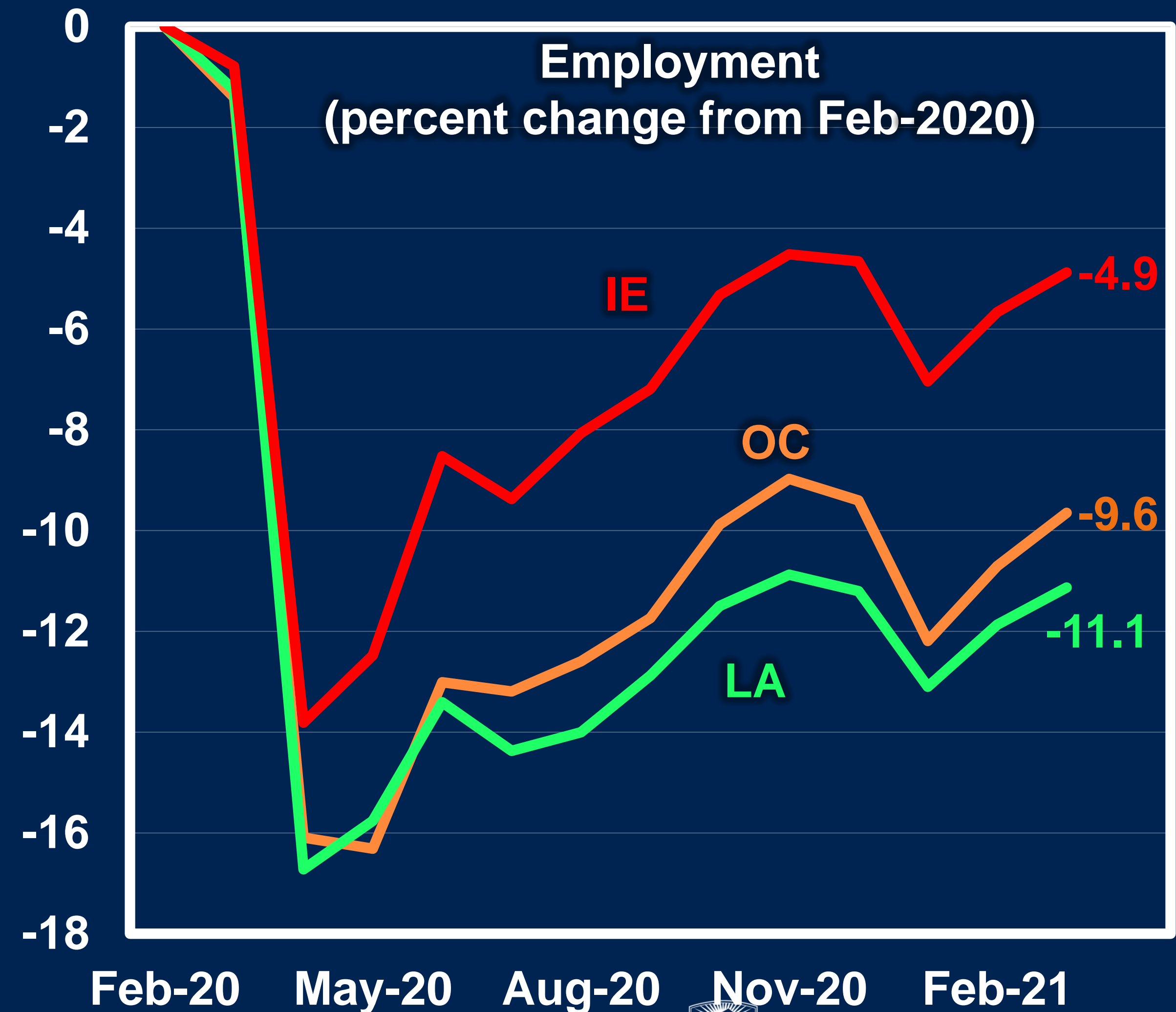
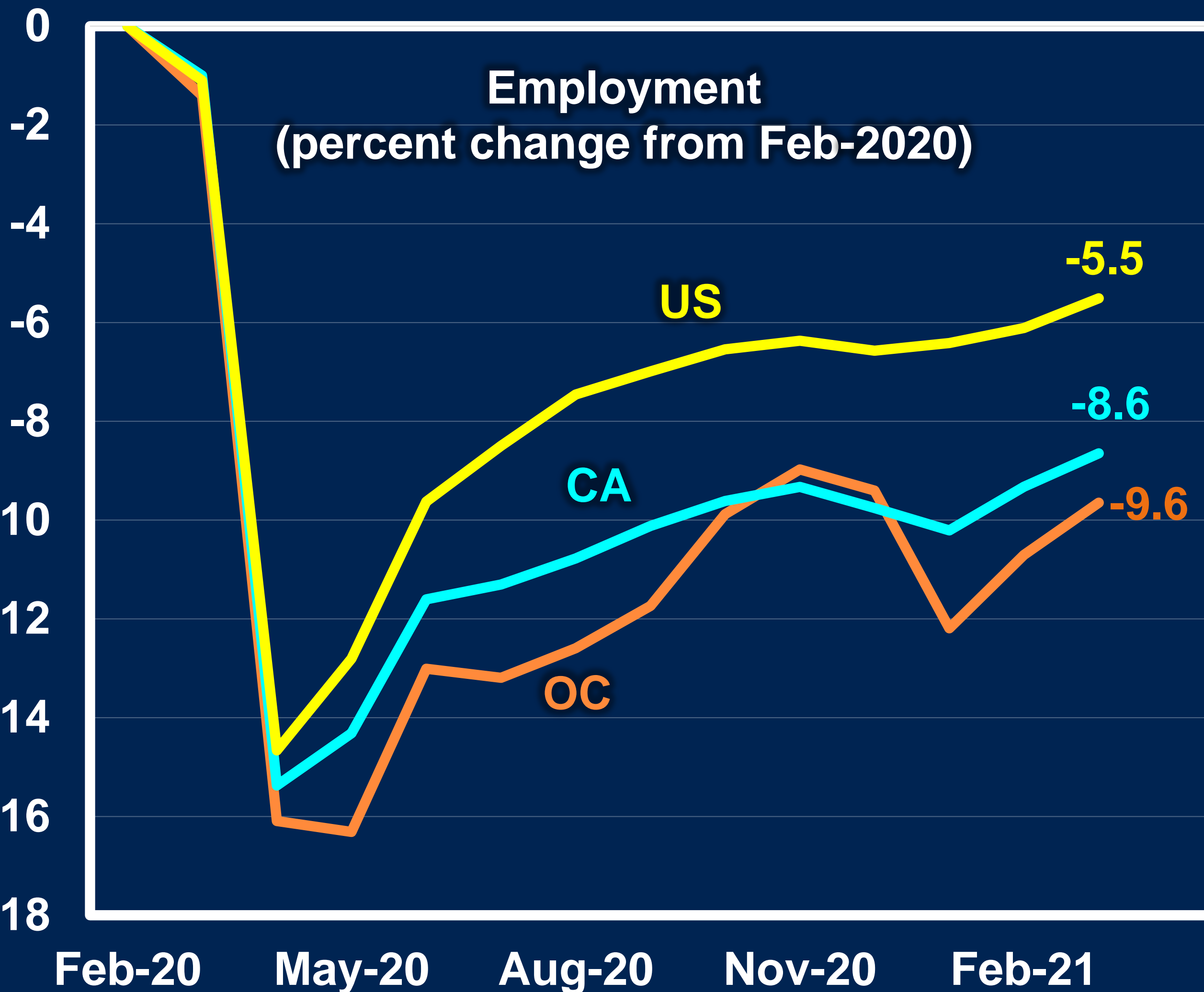
...But Still Remains Elevated for all SoCal Counties

(unemployment rate, percent)



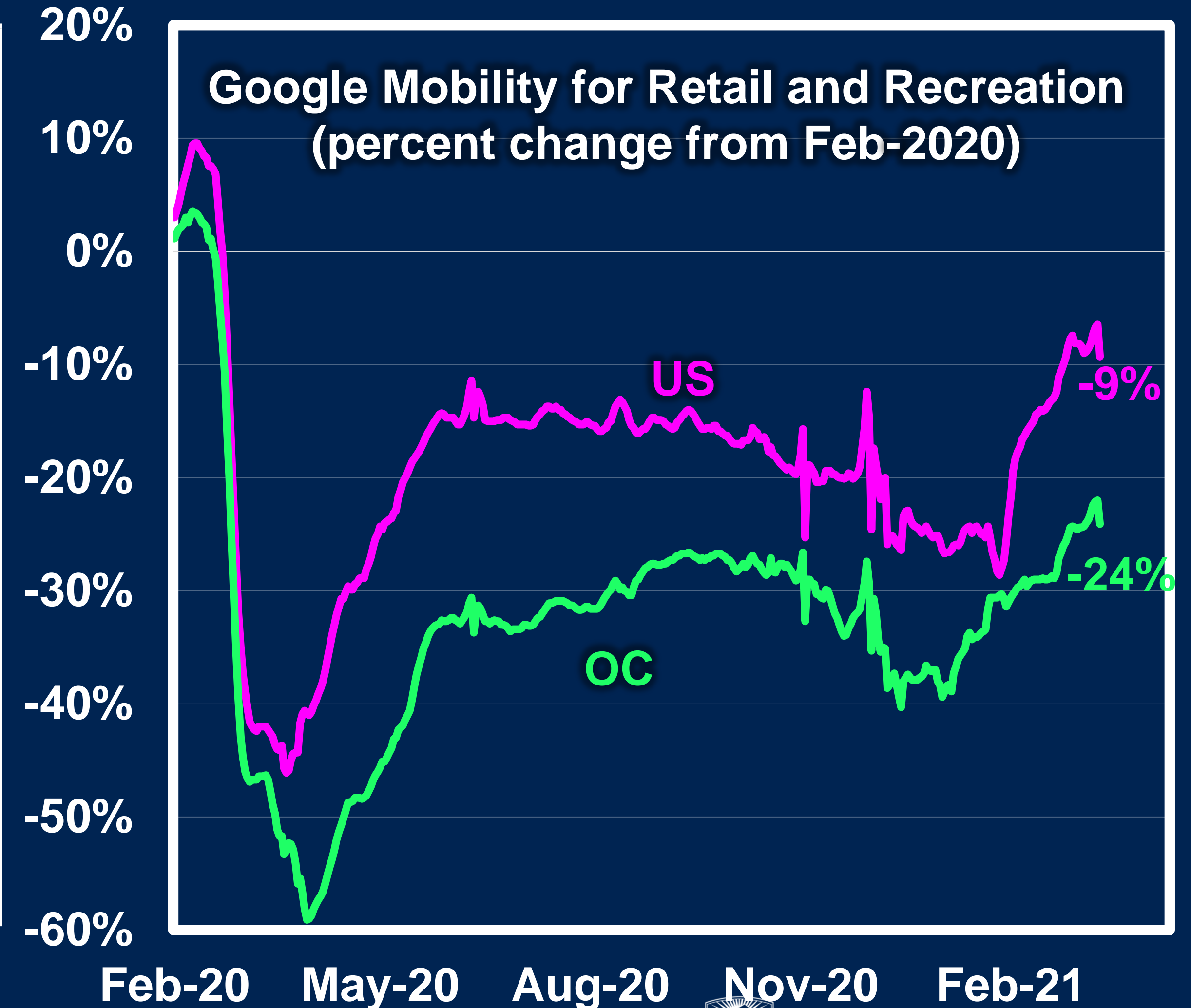
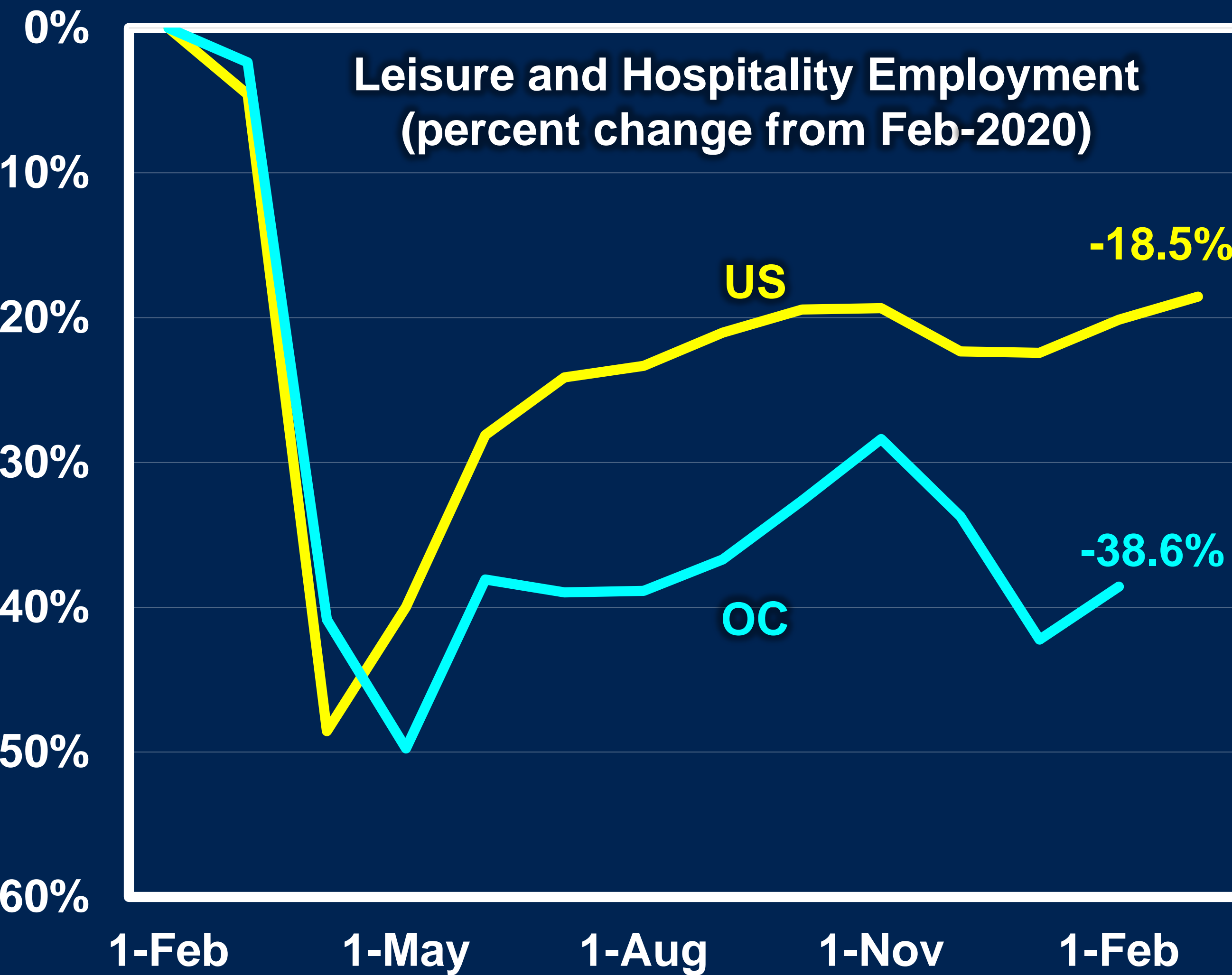
Lagging Behind...

Labor Market Recession and Recovery Much Worse for OC and LA



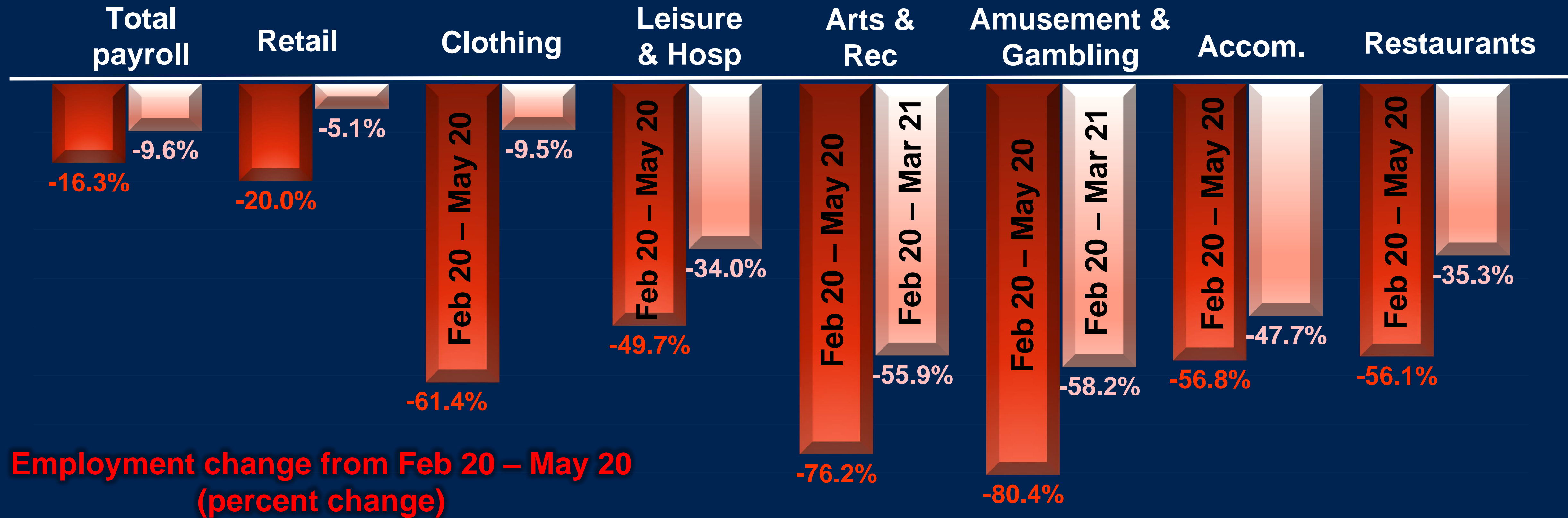
The Hit to Leisure and Hospitality Hurts

OC Underperforming Because of its Reliance on Leisure and Hospitality



The Worst Hit Sectors:

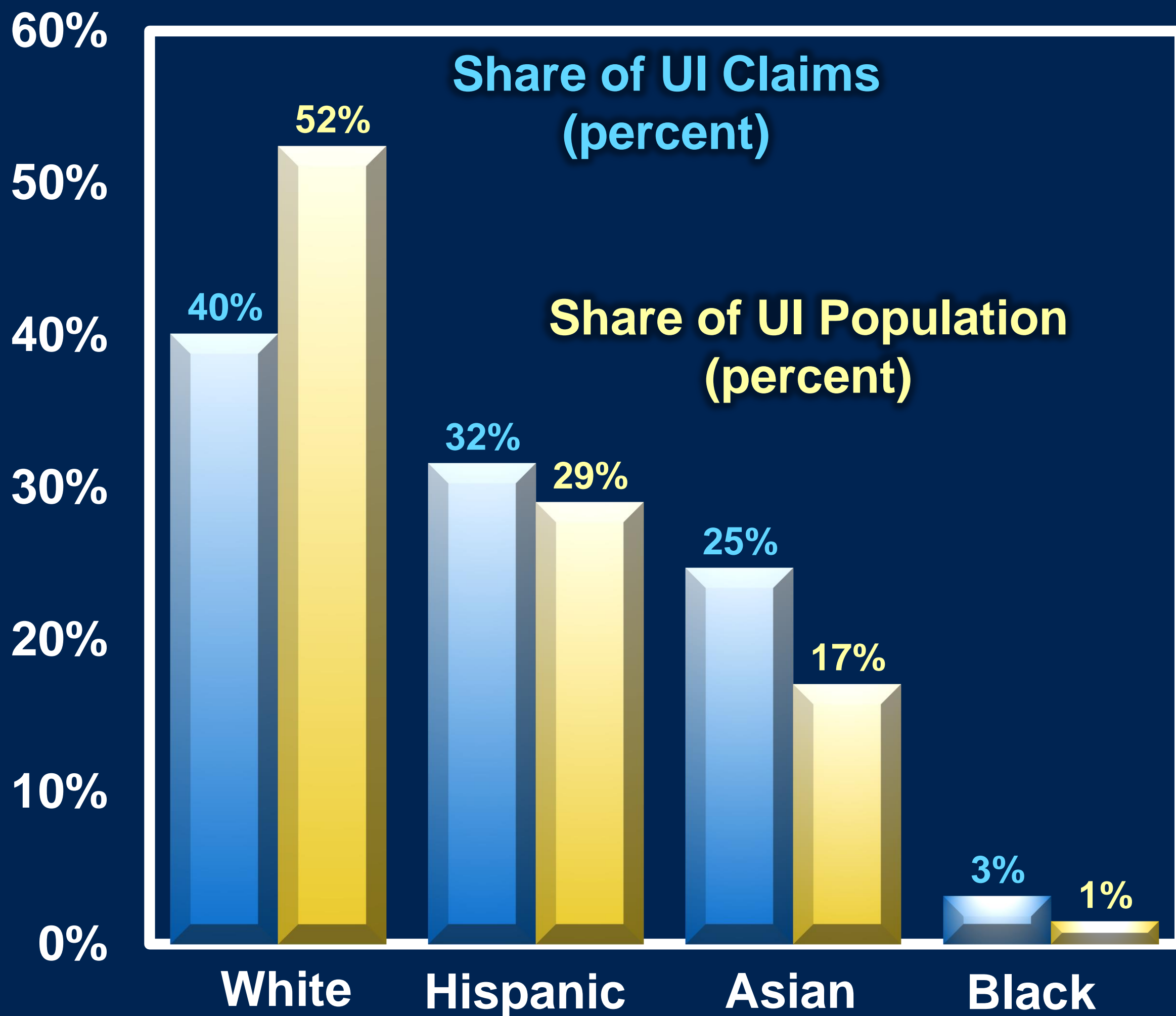
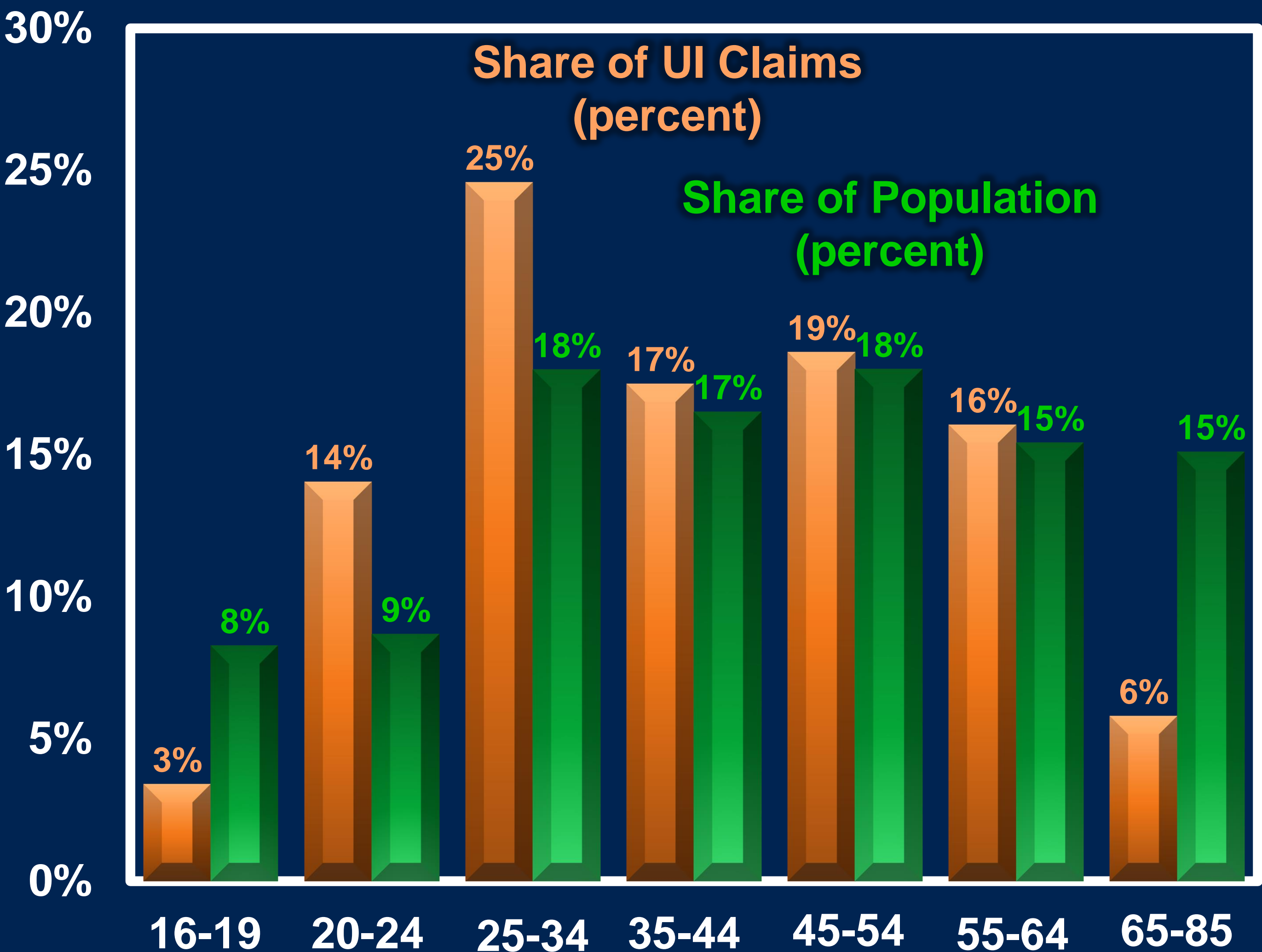
Leisure, Arts, Accommodations Have Barely Recovered
(nonfarm payrolls, percent change from February 2020)



Employment change from Feb 20 – March 21
(percent change)

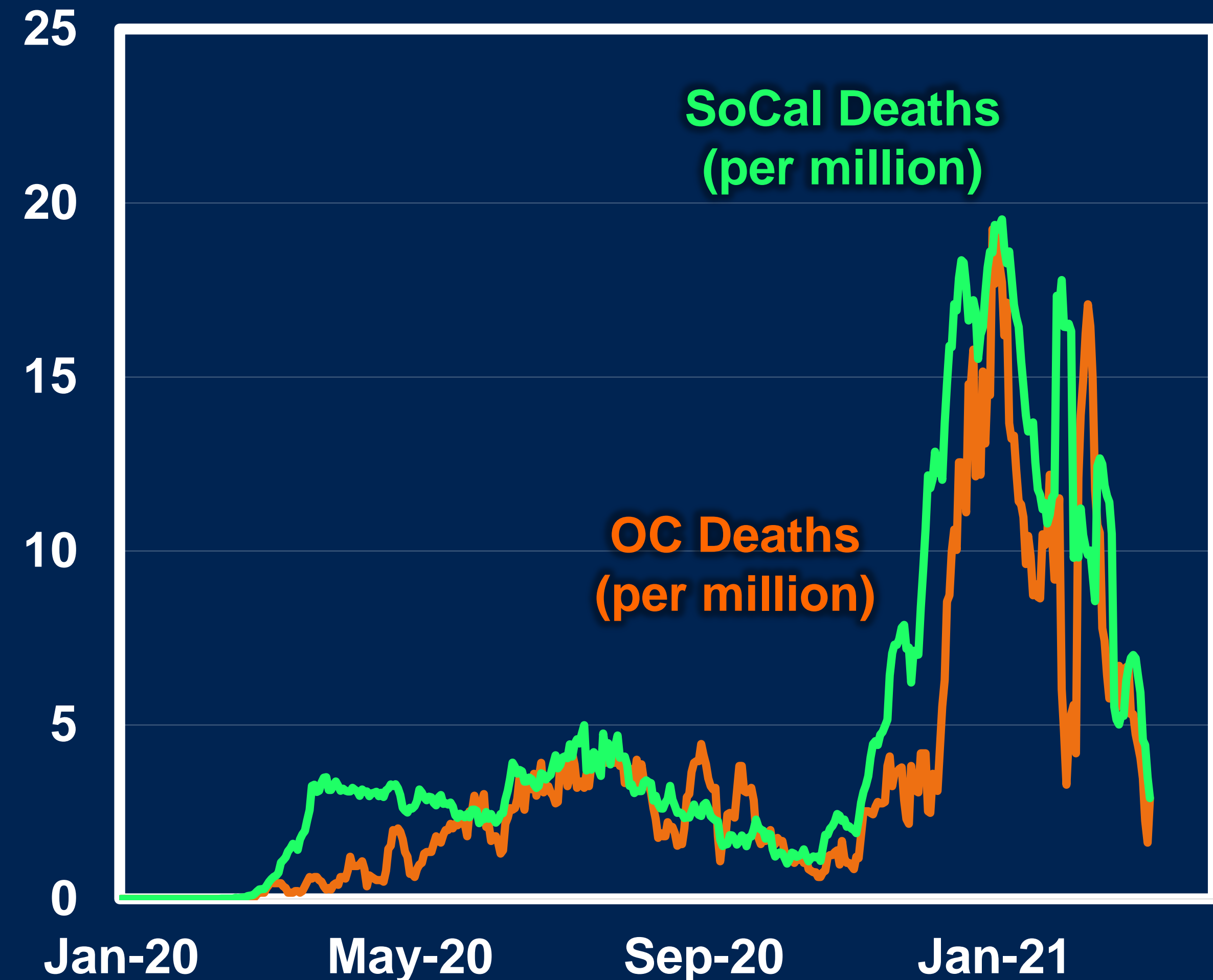
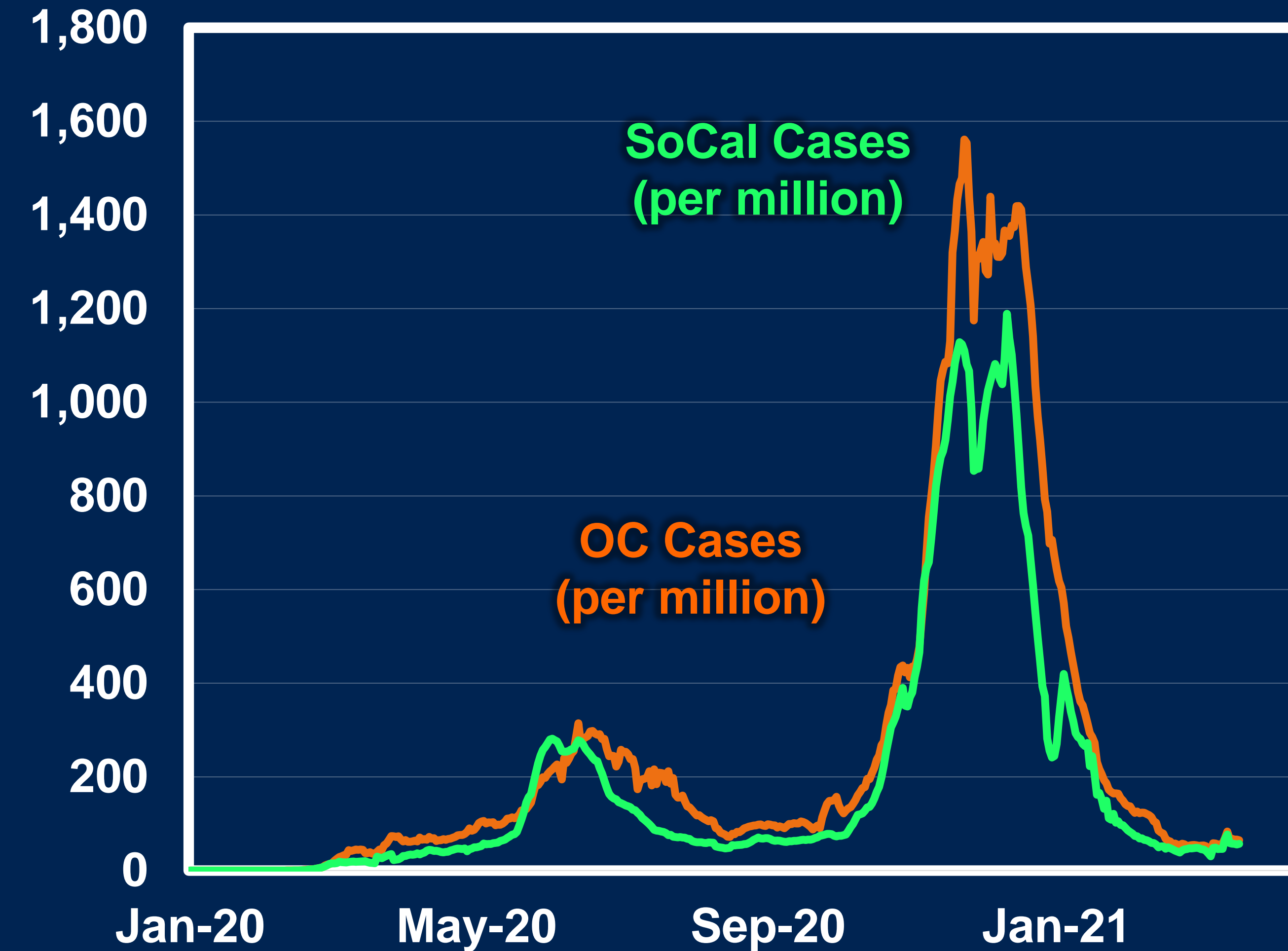
A Lopsided Affair: The Pain is not Evenly Distributed

Employment Losses Higher for the Young and Minorities
(share of unemployment claims and share of population, percent)



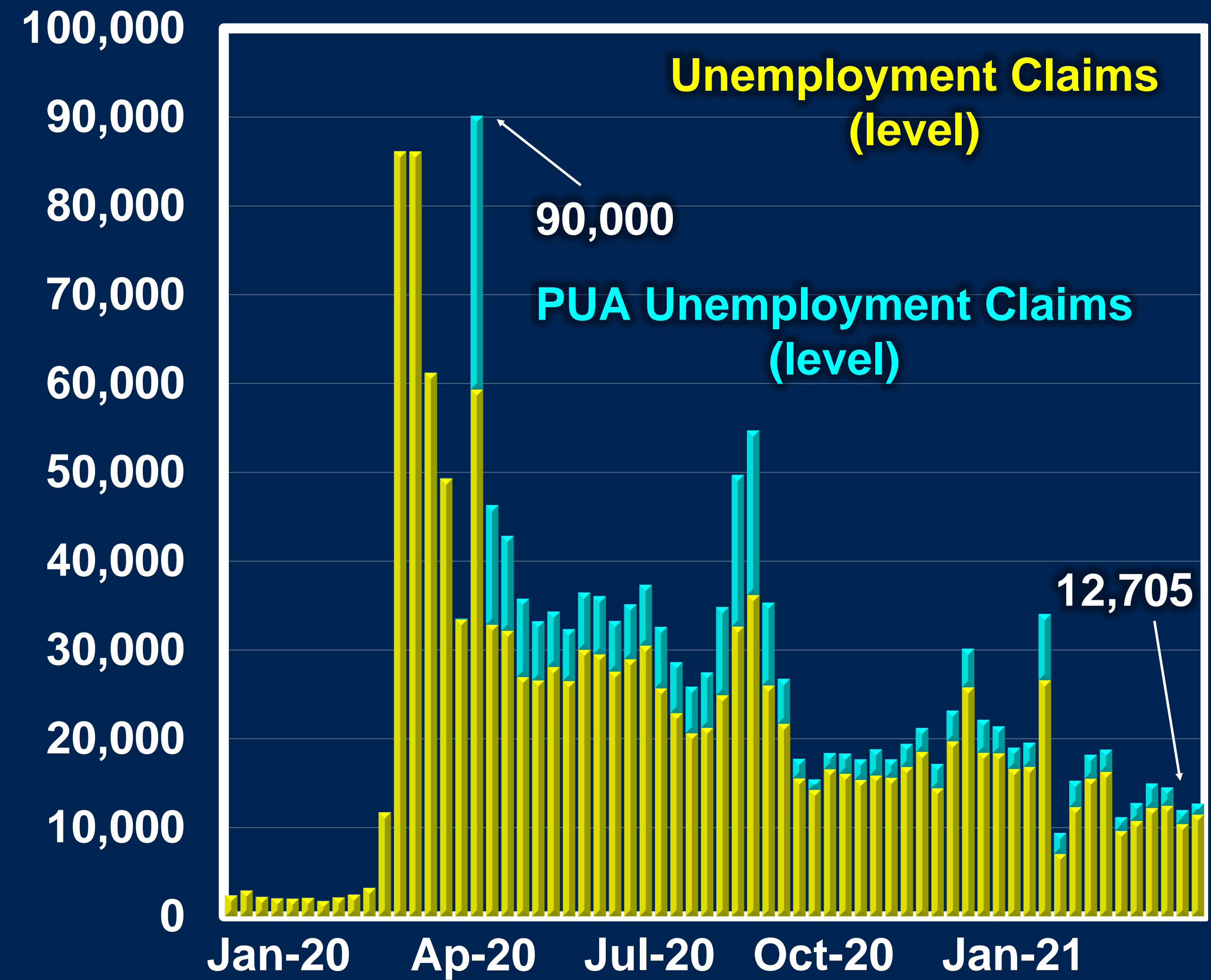
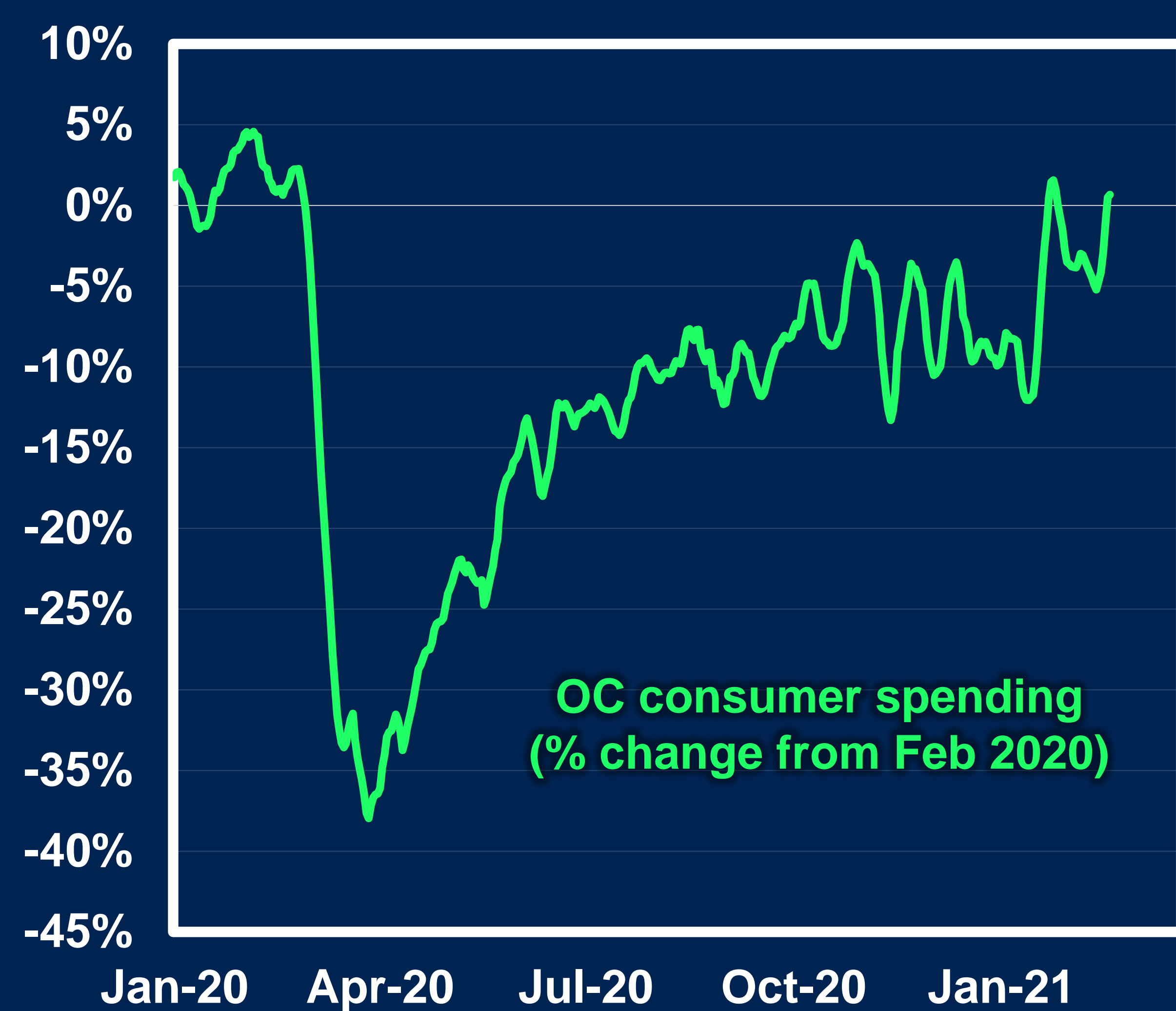
A COVID-Ravaged Winter has Ended...

...Leading to a Much Improved Spring
(infections and fatalities per million residents)



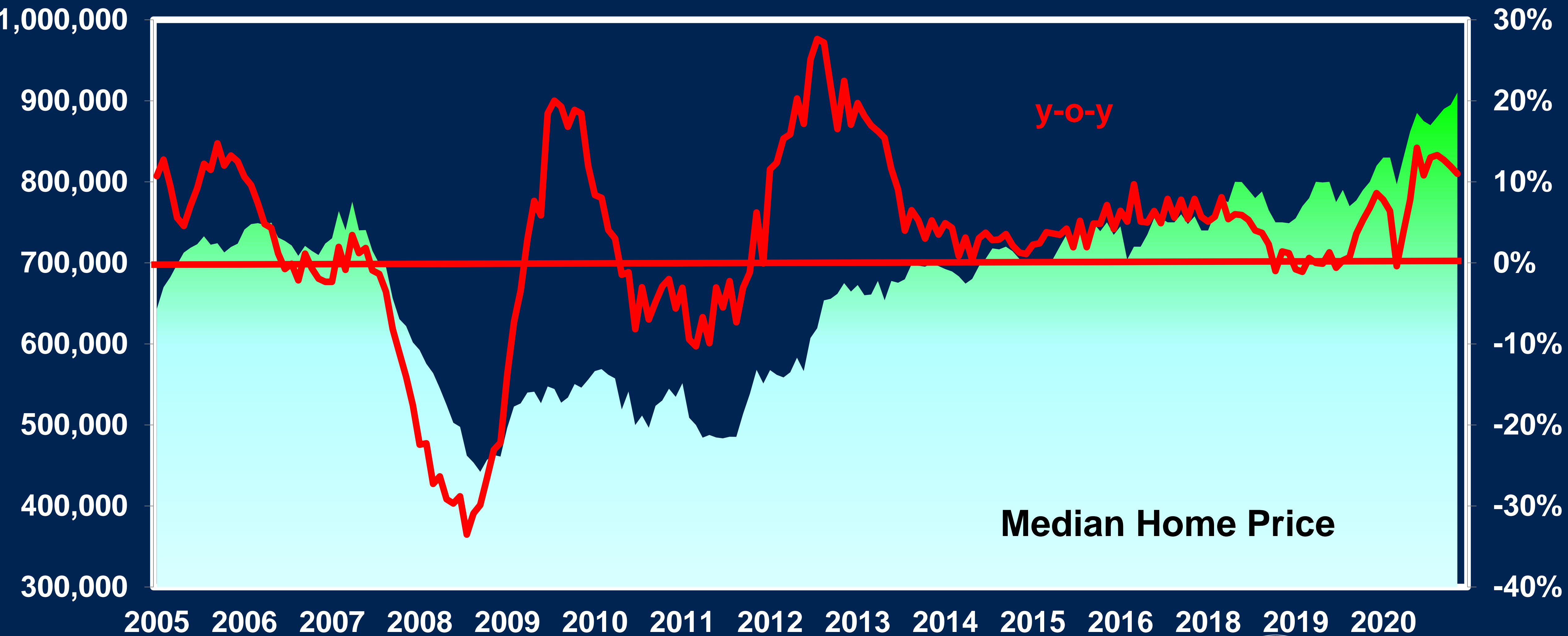
Full Steam Ahead

Vaccines, Reopening and a Resilient Economy



A Stellar Housing Market

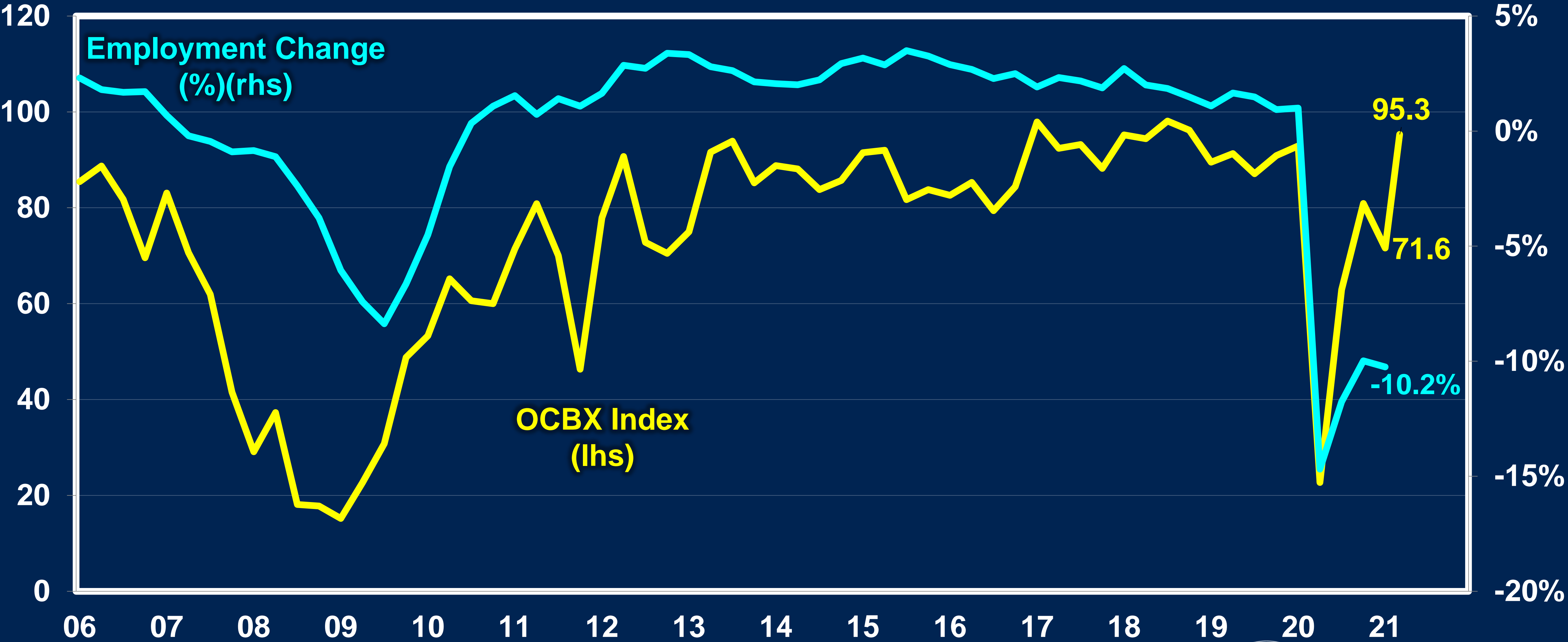
OC Home Prices on a Tear: Highest Home Prices Ever Recorded
(Corelogic median home price, level and y-o-y percent change)



Sharp Rebound: OCBX Index Defying Gravity

OC Businesses Very Optimistic About Outlook

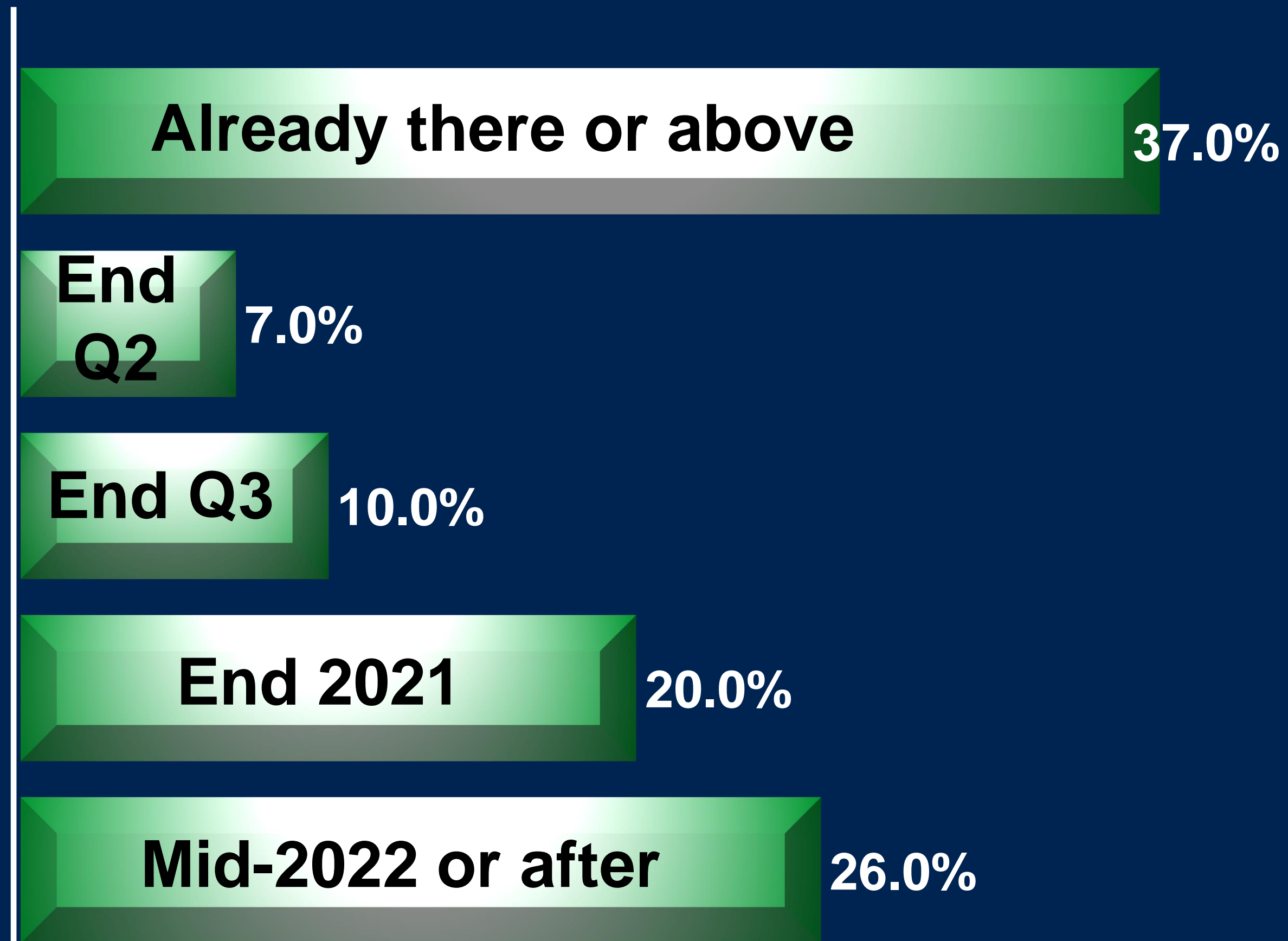
(WCEAF OCBX Index, level)



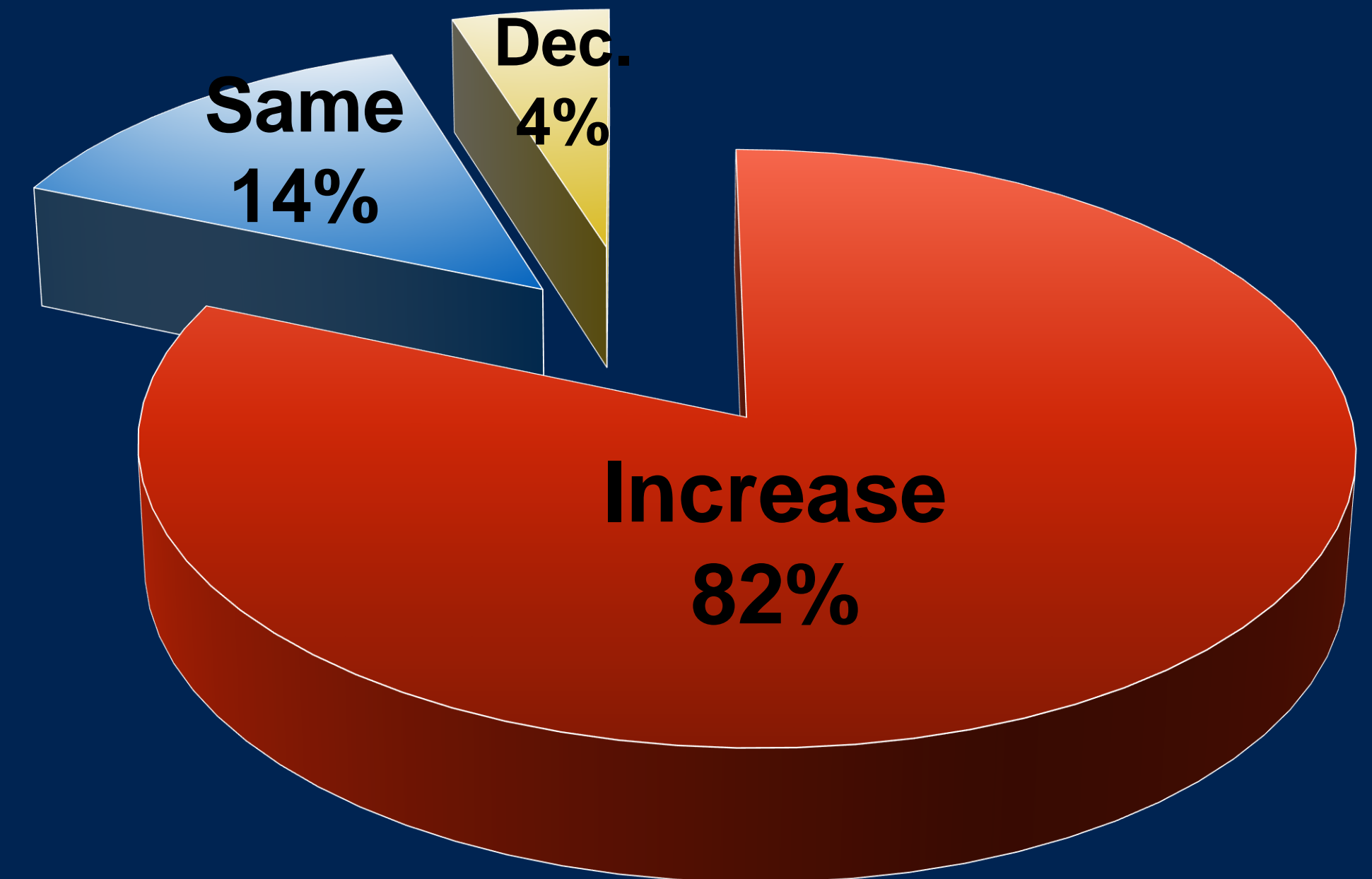
OC Businesses Ready to Go!

Most Businesses Expect to Regain Pre-Pandemic levels by end-2021

When Will you Reach Pre-Pandemic Levels? (percent of respondents)



Overall Regional Activity (percent of respondents)



What a Difference a Year Makes!

Business Outlook Has Improved Dramatically from Q2 2020 to Now

(Orange County Business Executives Survey, percent of respondents)



OC Taxable Sales

Fiscal Years ('000 dollars)



OC Taxable Sales

Fiscal Years (percent change)

