

**Taxable Sales Forecast –  
Chapman University  
Raymond Sfeir, PhD,  
Professor of Economics**

# OCTA

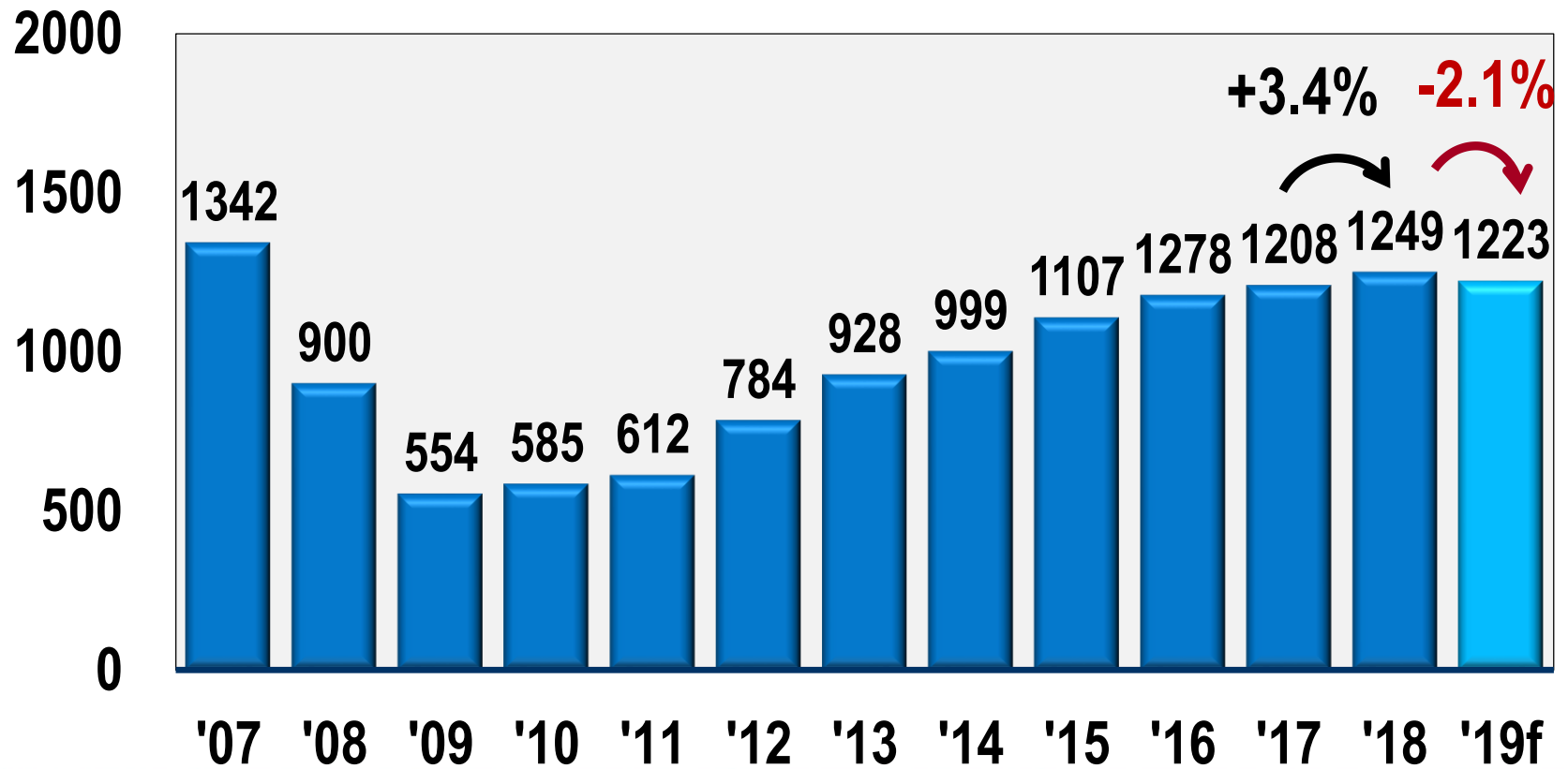
**Economic Forecast  
July 10, 2019**



**Raymond Sfeir, Director  
A. Gary Anderson Center for Economic Research  
Argyros School of Business and Economics  
Chapman University**

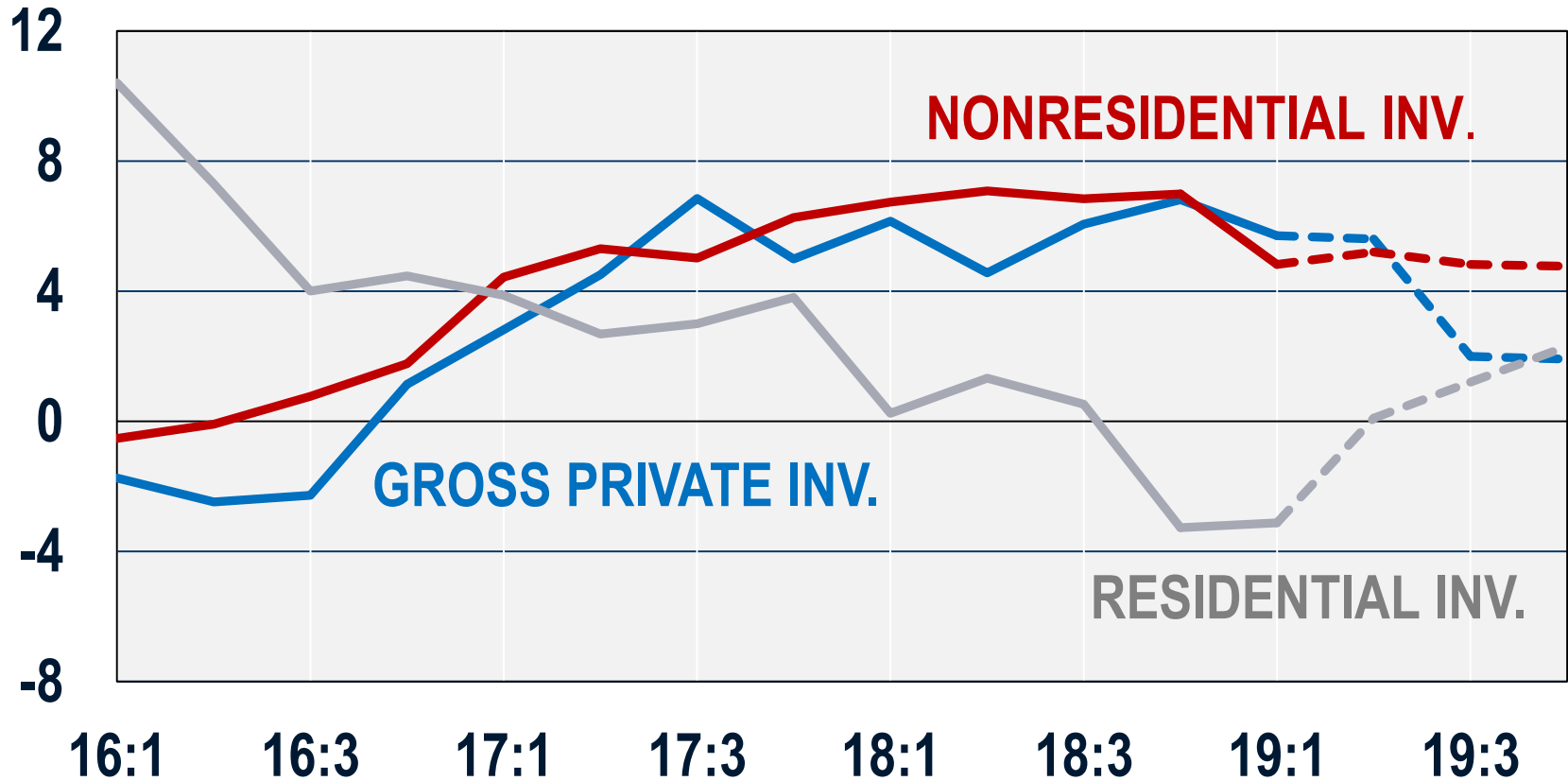
# Housing Starts

Thousands of Units



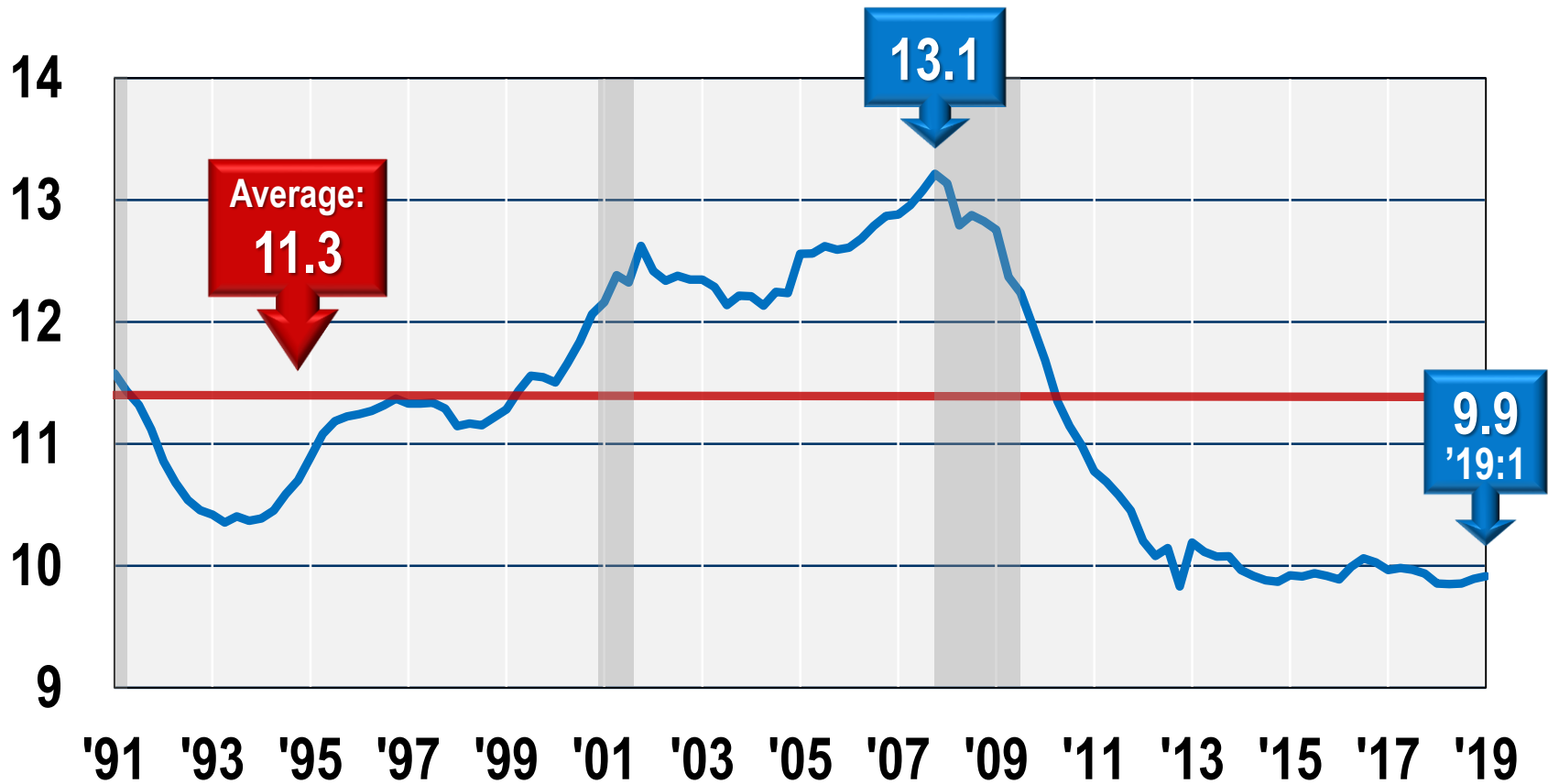
# Investment Spending

Percent

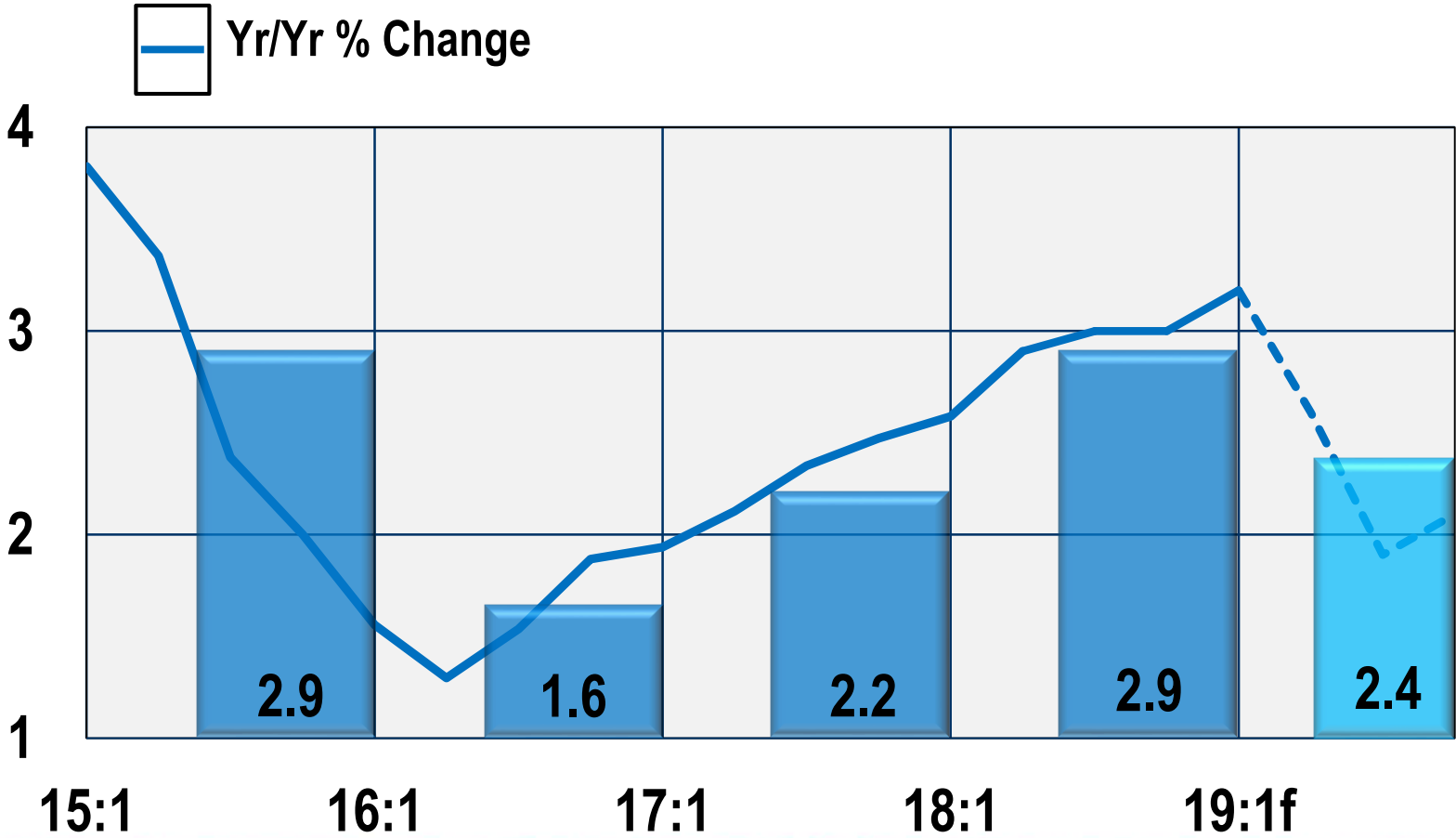




# Household Debt Service Payments As a Percentage of Disposable Income

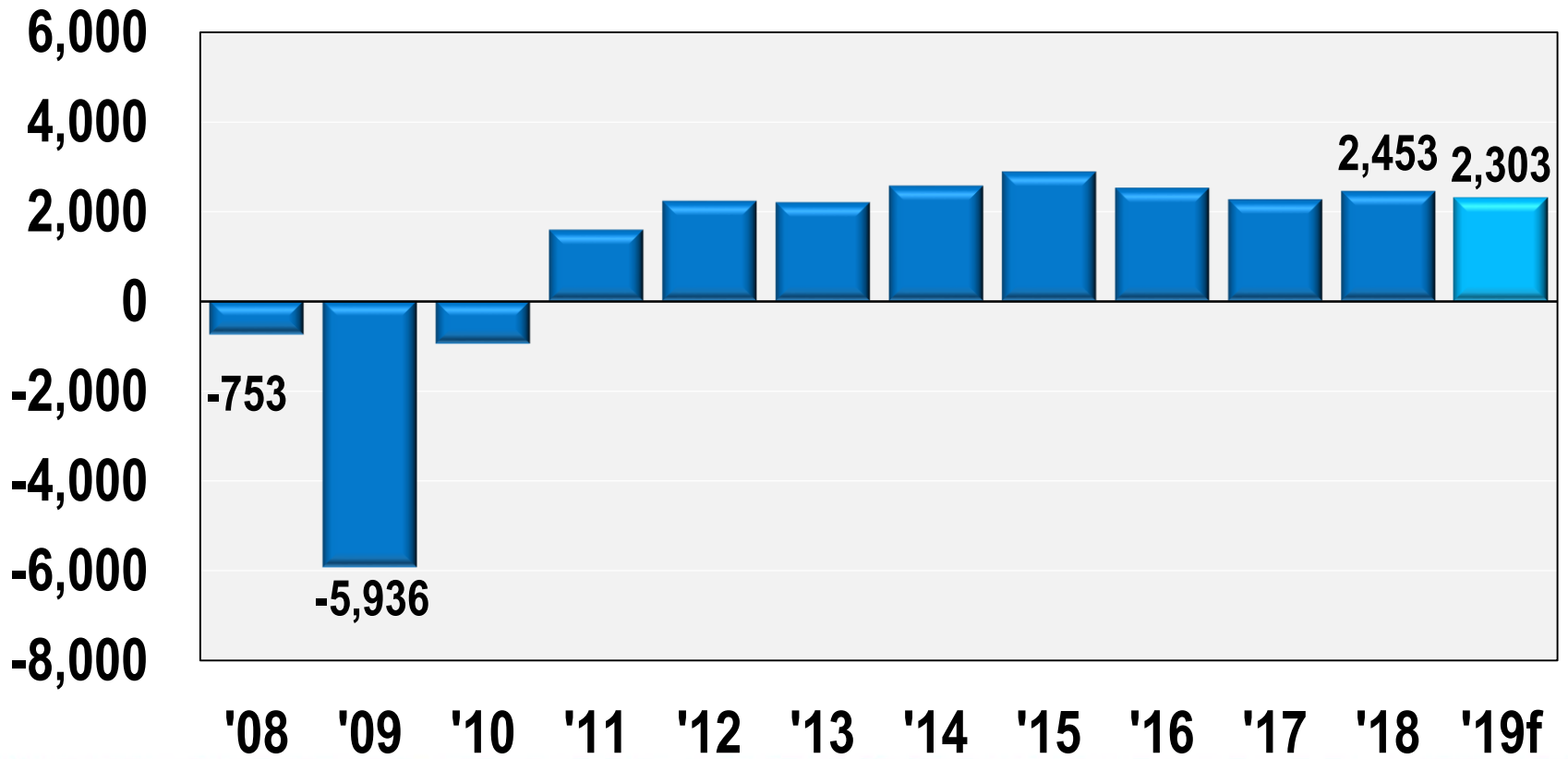


# Real GDP



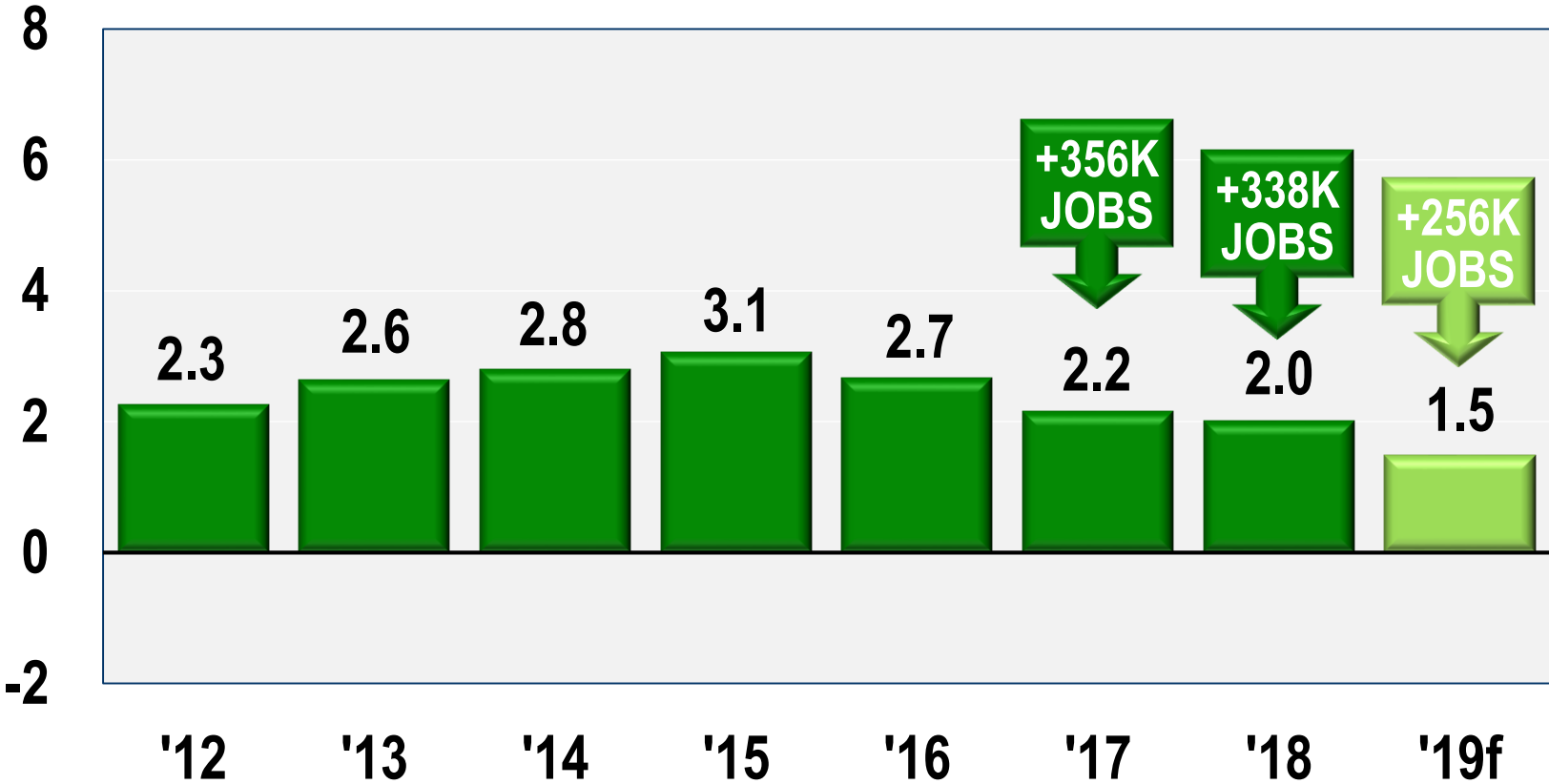
# Change in Payroll Employment

Thousands



# Job Growth, California

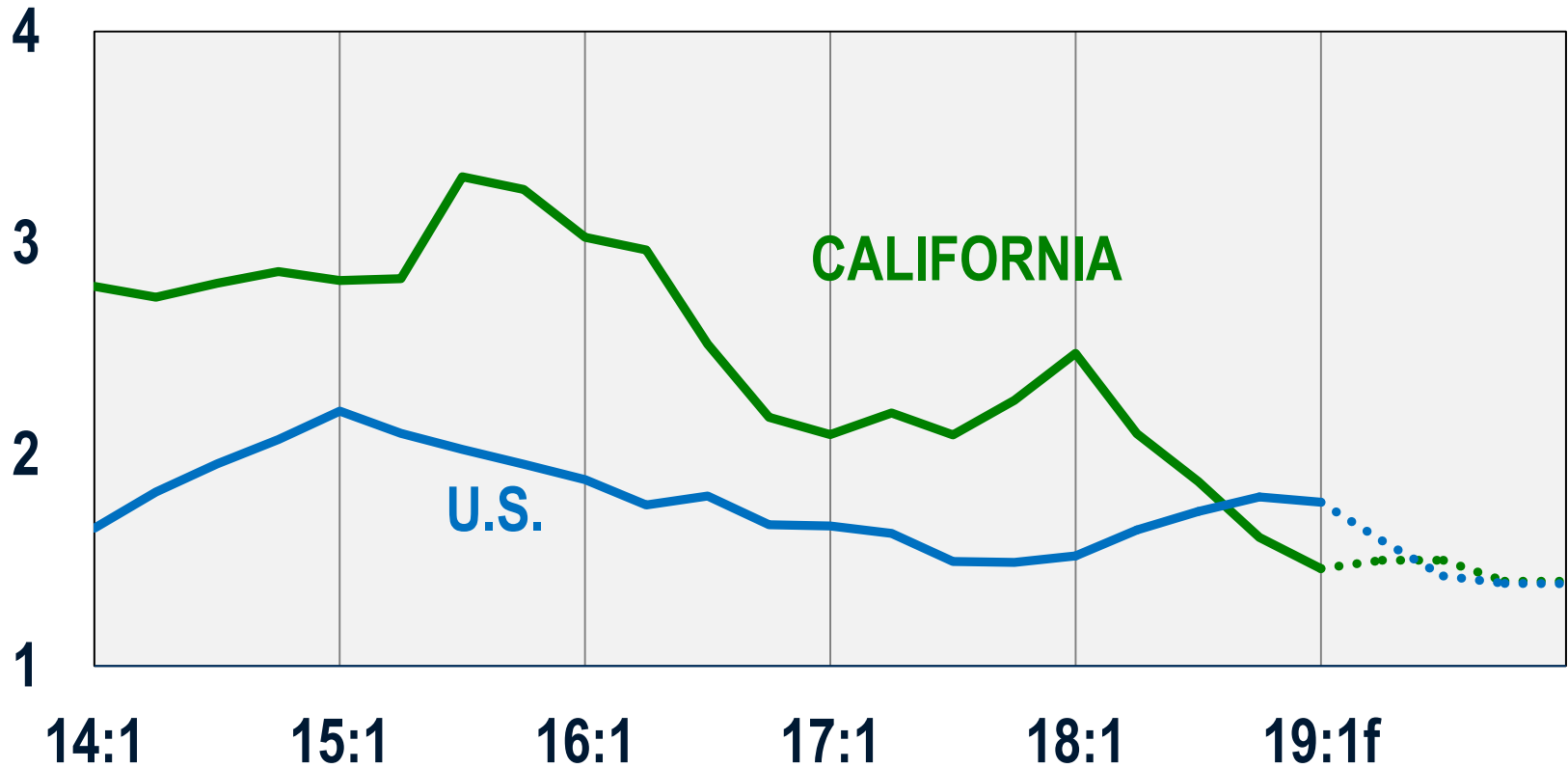
Annual % Change





# Payroll Employment

Yr/Yr % Change



# Orange County Economic Outlook



The Hilbert Collection, Bradford J. Salamon, "Disneyland, Vintage 1960" 9



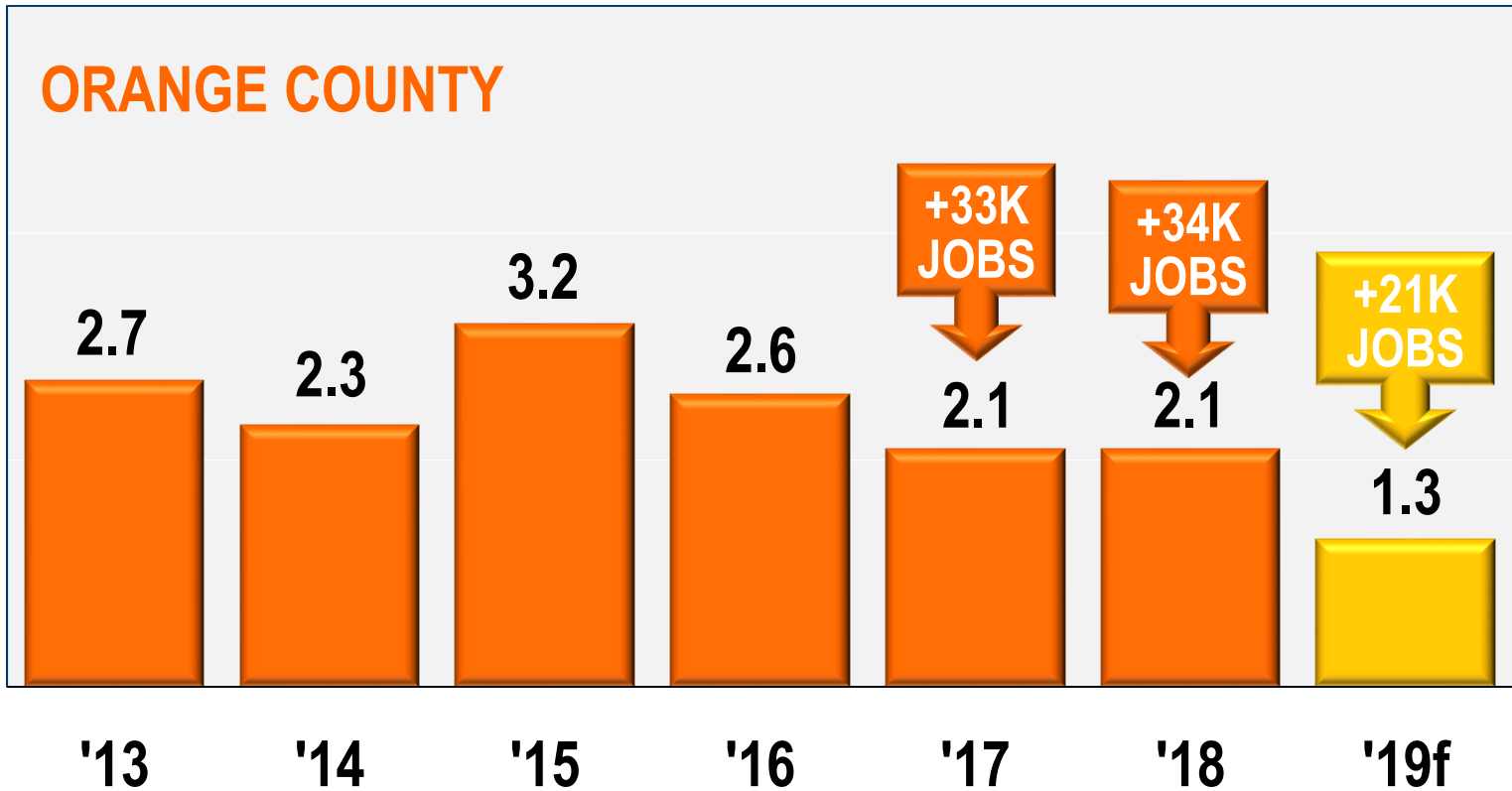
# Job Growth

Annual % Change

6

ORANGE COUNTY

4



2

0

'13

'14

'15

'16

'17

'18

'19f

# Manufacturing Jobs

<b>Total % Change 2007 to 2018</b>			
	<b>U.S.</b>	<b>California</b>	<b>Orange County</b>
<b>Manufacturing Jobs</b>	-8.6%	-9.6%	-11.8%



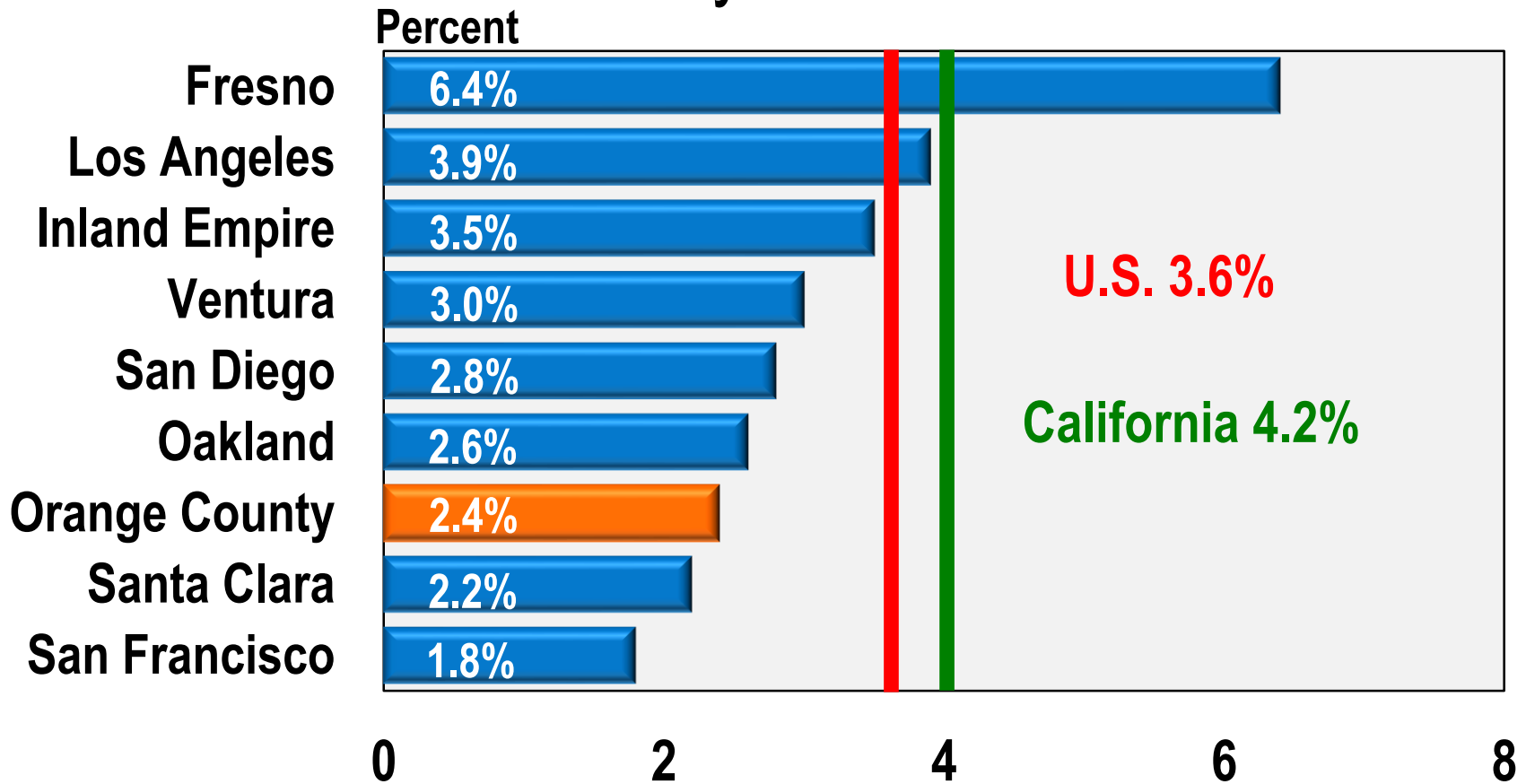
# Employment by Industry

## Orange County

<b>Sector</b>	<b>2018 Employment</b>	<b>Employment % Share</b>	<b>2010 – 2018 % Change</b>	<b>2018Q4 Annual Wages</b>
<b>Leisure &amp; Hospitality</b>	222,617	13.5	32.0	\$27,976
<b>Education &amp; Health Services</b>	224,992	13.6	33.0	\$53,092
<b>Trade, Transportation &amp; Utilities</b>	262,217	15.9	7.5	\$56,160
<b>Professional &amp; Business Services</b>	315,442	19.1	26.5	\$75,088
<b>Construction</b>	106,075	6.4	53.9	\$80,808
<b>Manufacturing</b>	159,792	9.7	5.8	\$85,904
<b>Information</b>	26,725	1.6	23.4	\$103,688
<b>Financial Activities</b>	119,067	7.2	14.9	\$106,652

# Unemployment Rate

## May 2019



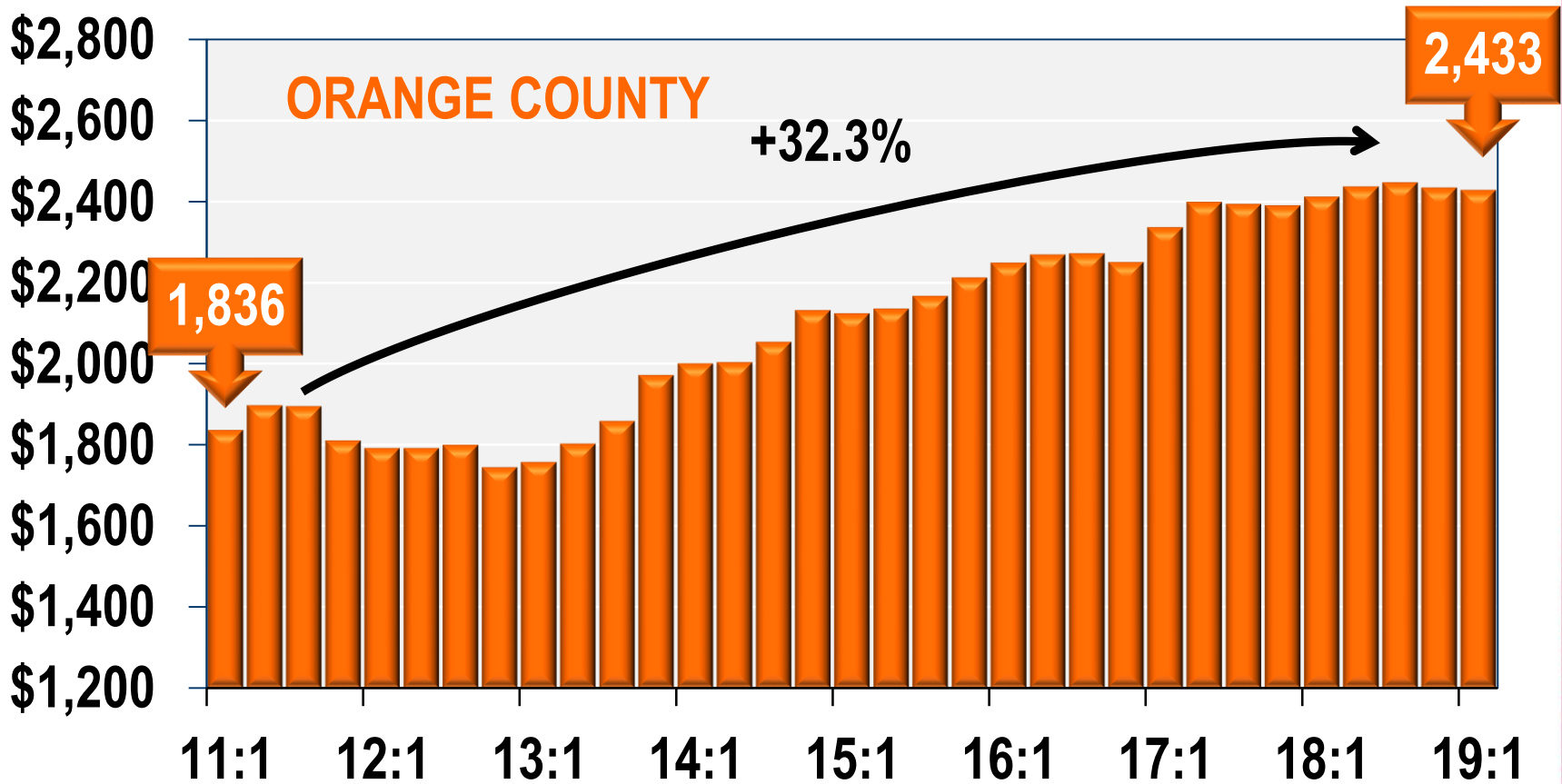


# Orange County Housing Outlook



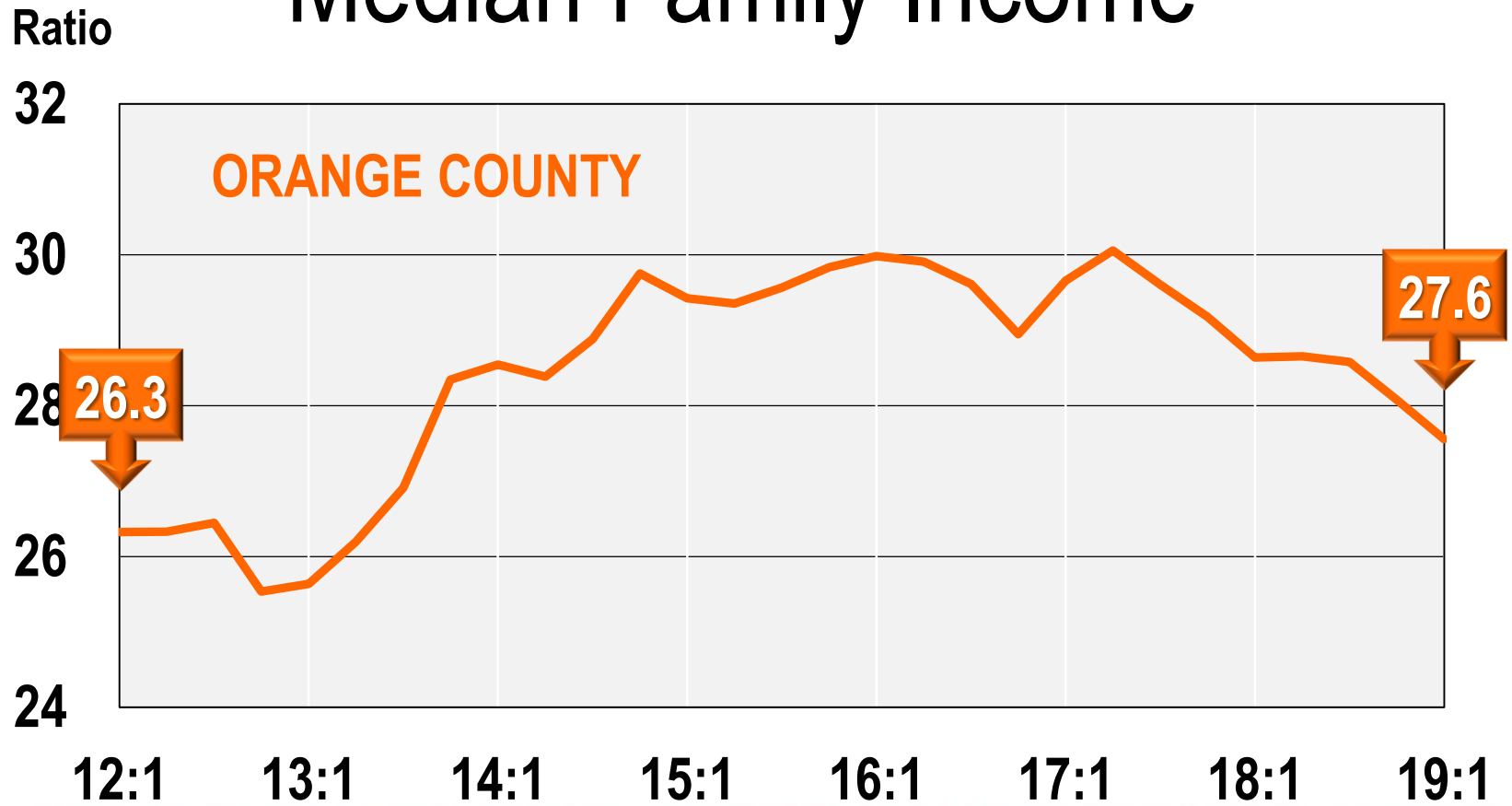
The Hilbert Collection, Phil Dike, "Westways Boats"

# 2-Bedroom Apartment Rent



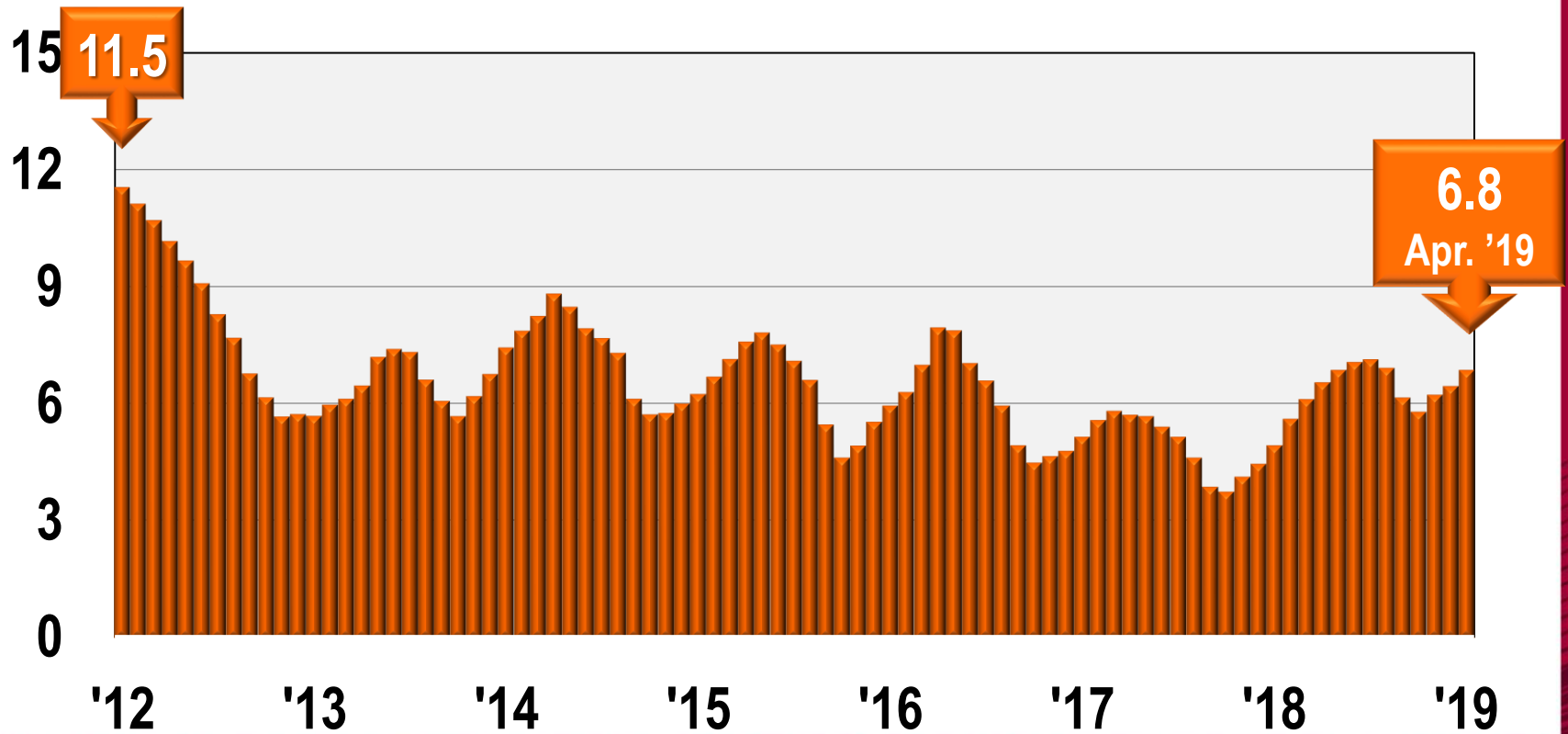


# Apartment Rent to Median Family Income



# Unsold Inventory - Orange County

Thousands



# Months to sell Inventory

Months

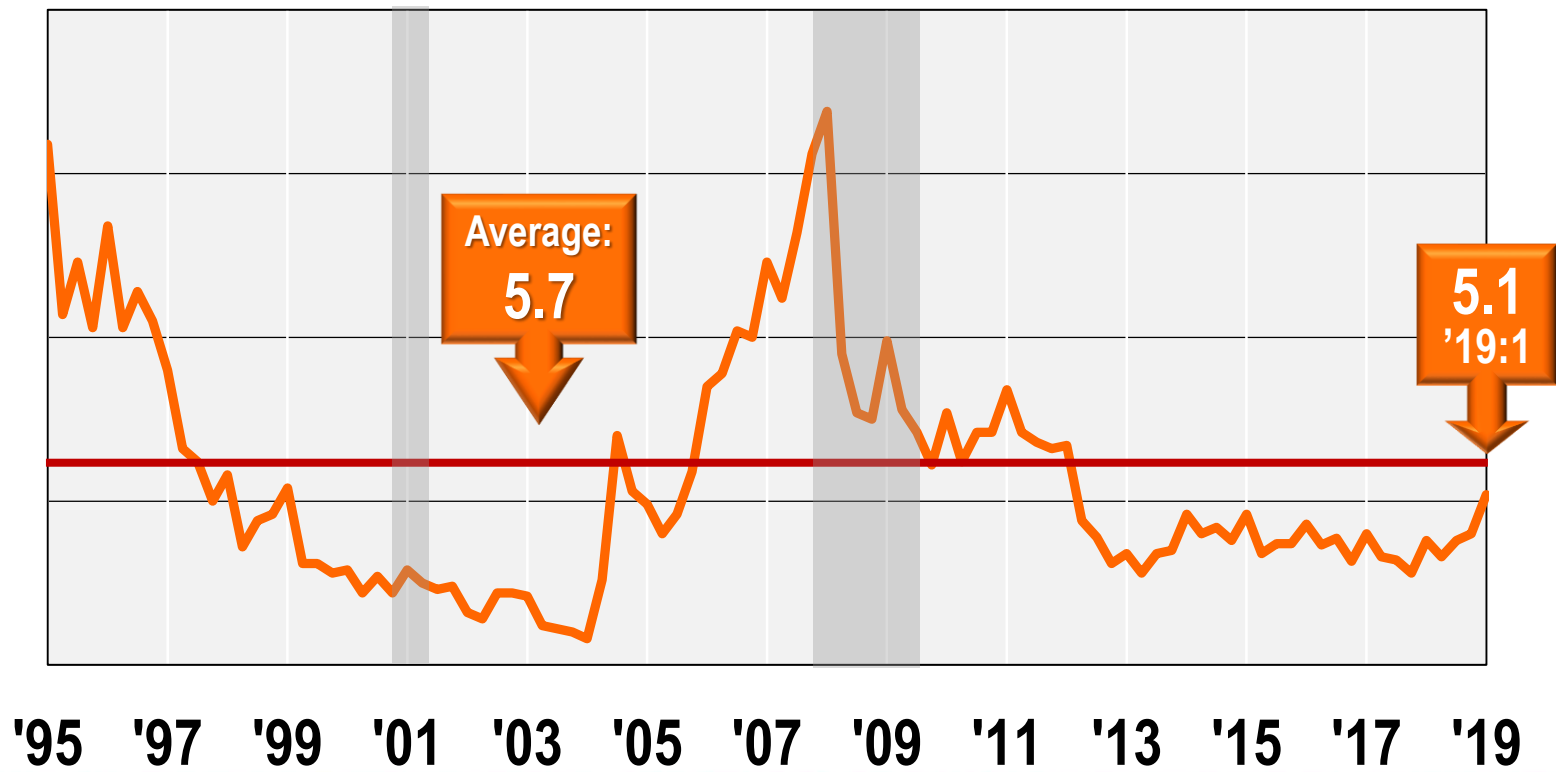
20

15

10

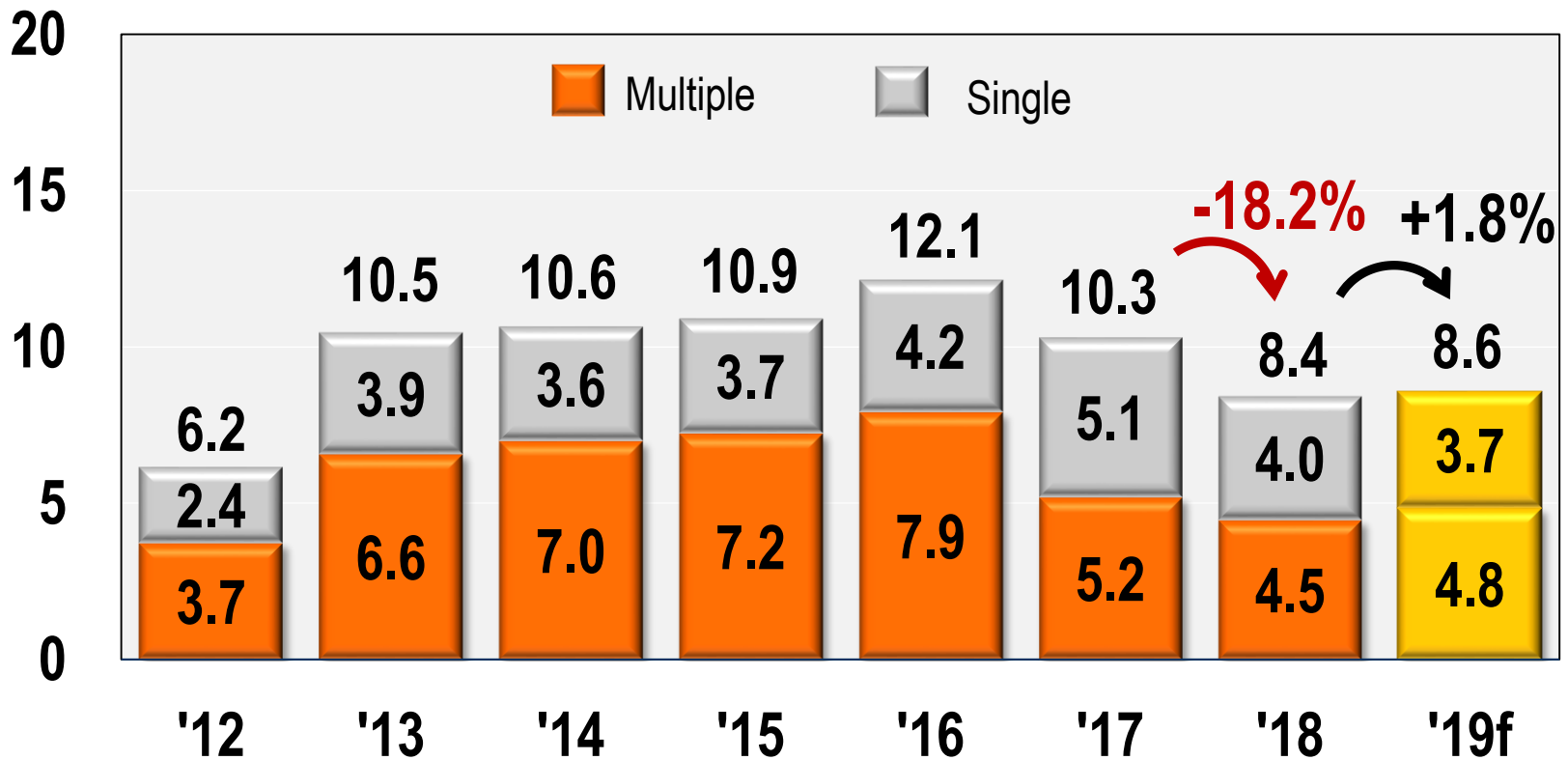
5

0



# Residential Building Permits Orange County

Thousands of Units





# Single-Family Homes as a Percentage of Total Residential Building Permits

Percent

70

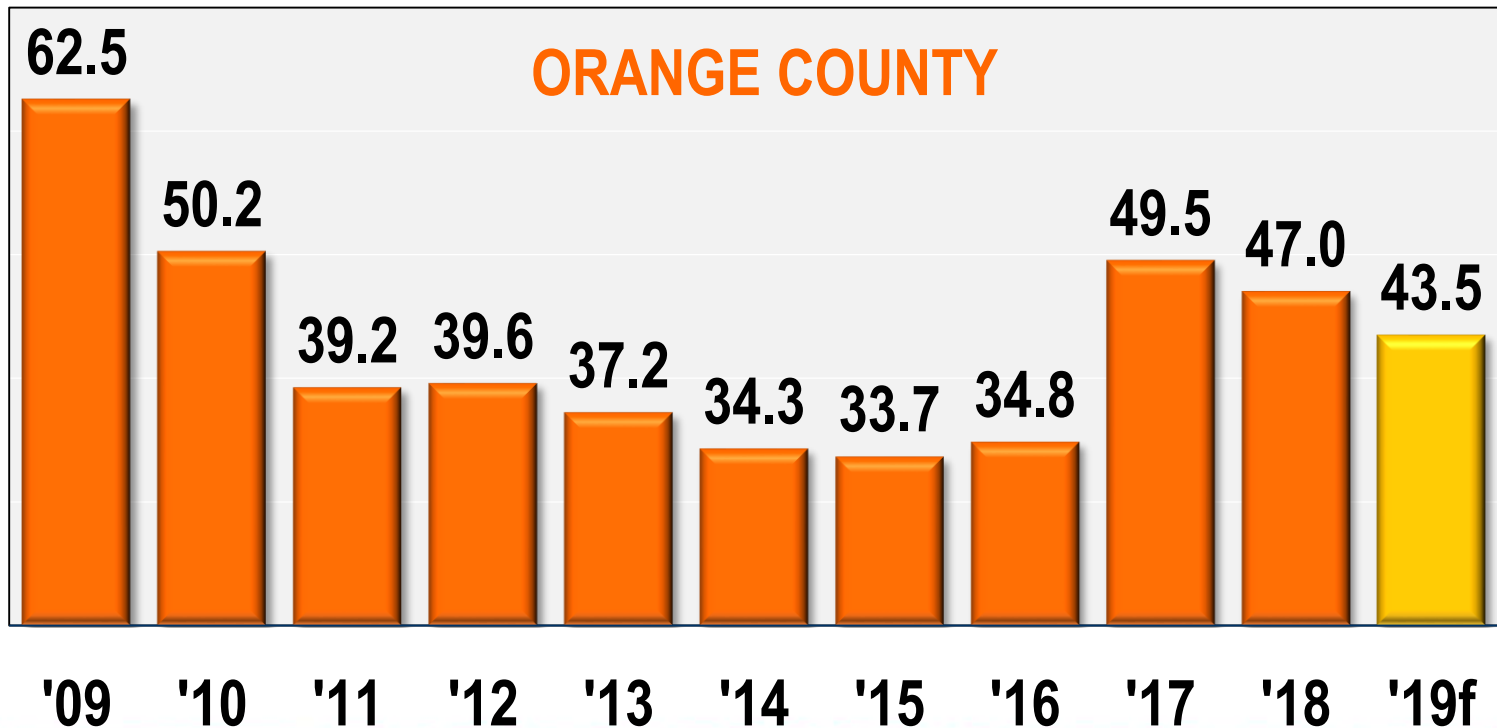
60

50

40

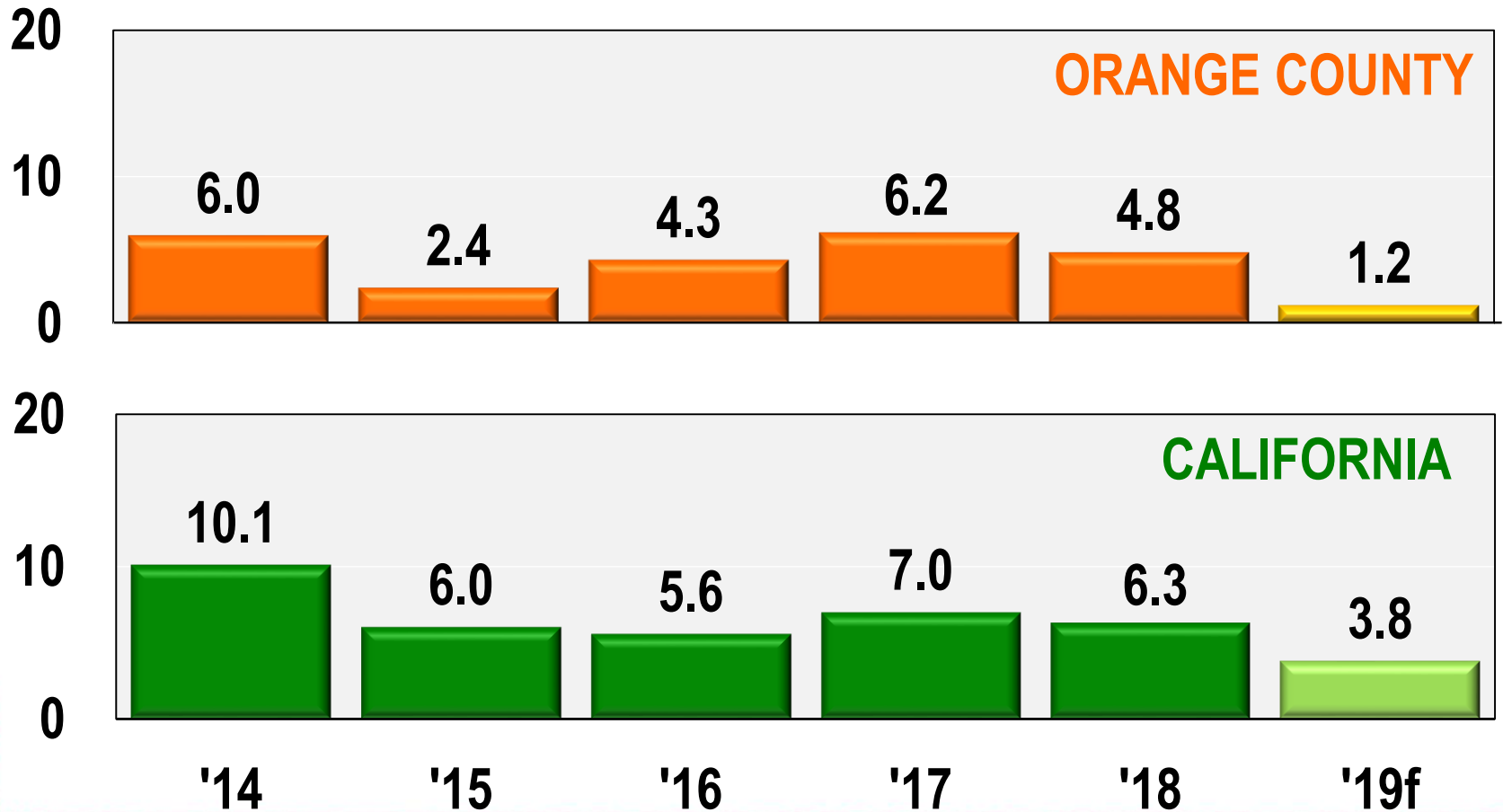
30

20



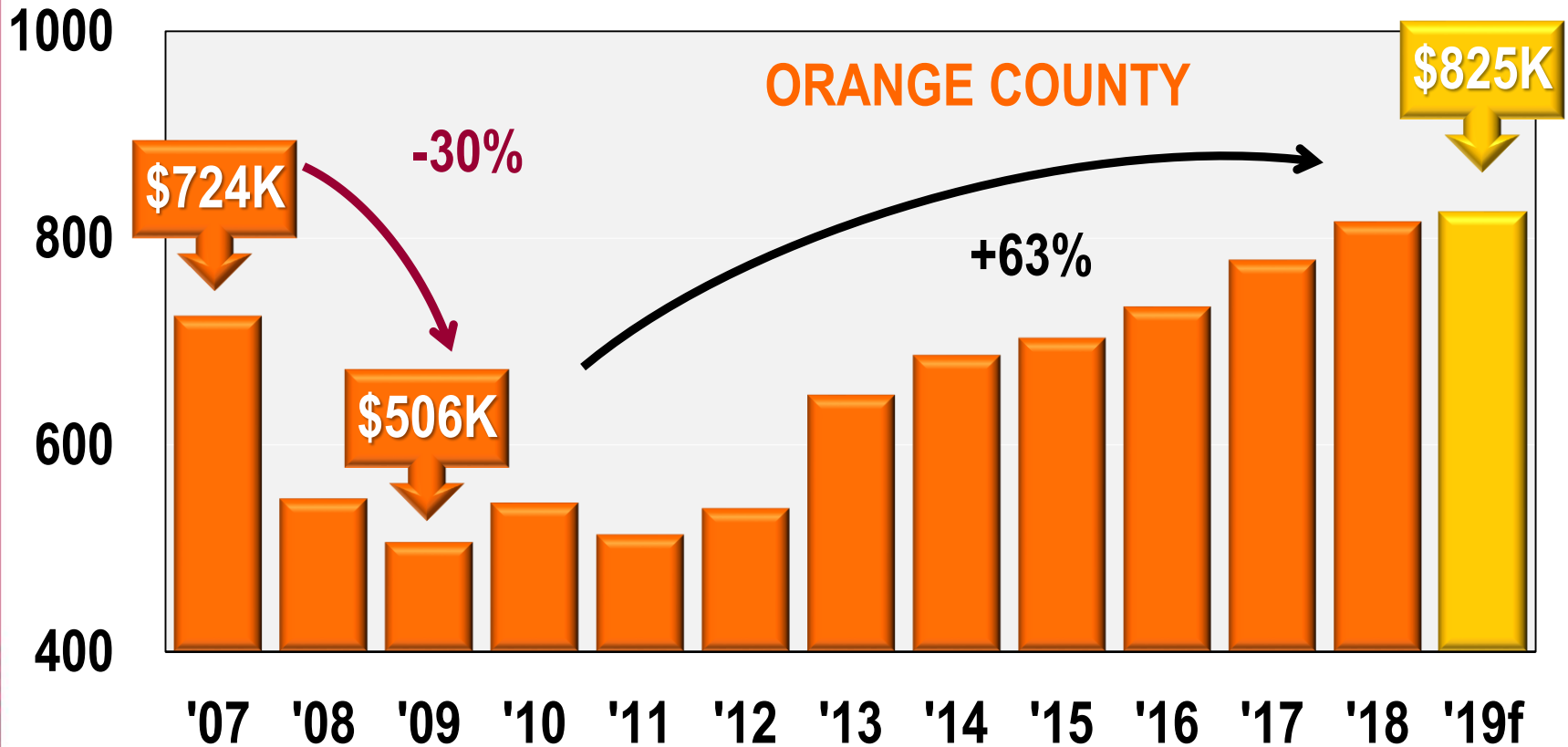
# Median Single-Family Home Price

Annual % Change



# Median Single-Family Home Price

Thousands of \$



# Factors Affecting Consumer Spending

- Mild wage growth
  - Lower level of employment growth
  - Small rise in home prices
  - Higher equity market
  - Lower debt service
  - Weaker consumer sentiment
- } Positive wealth effect



# Orange County Consumer Sentiment Composite

Index

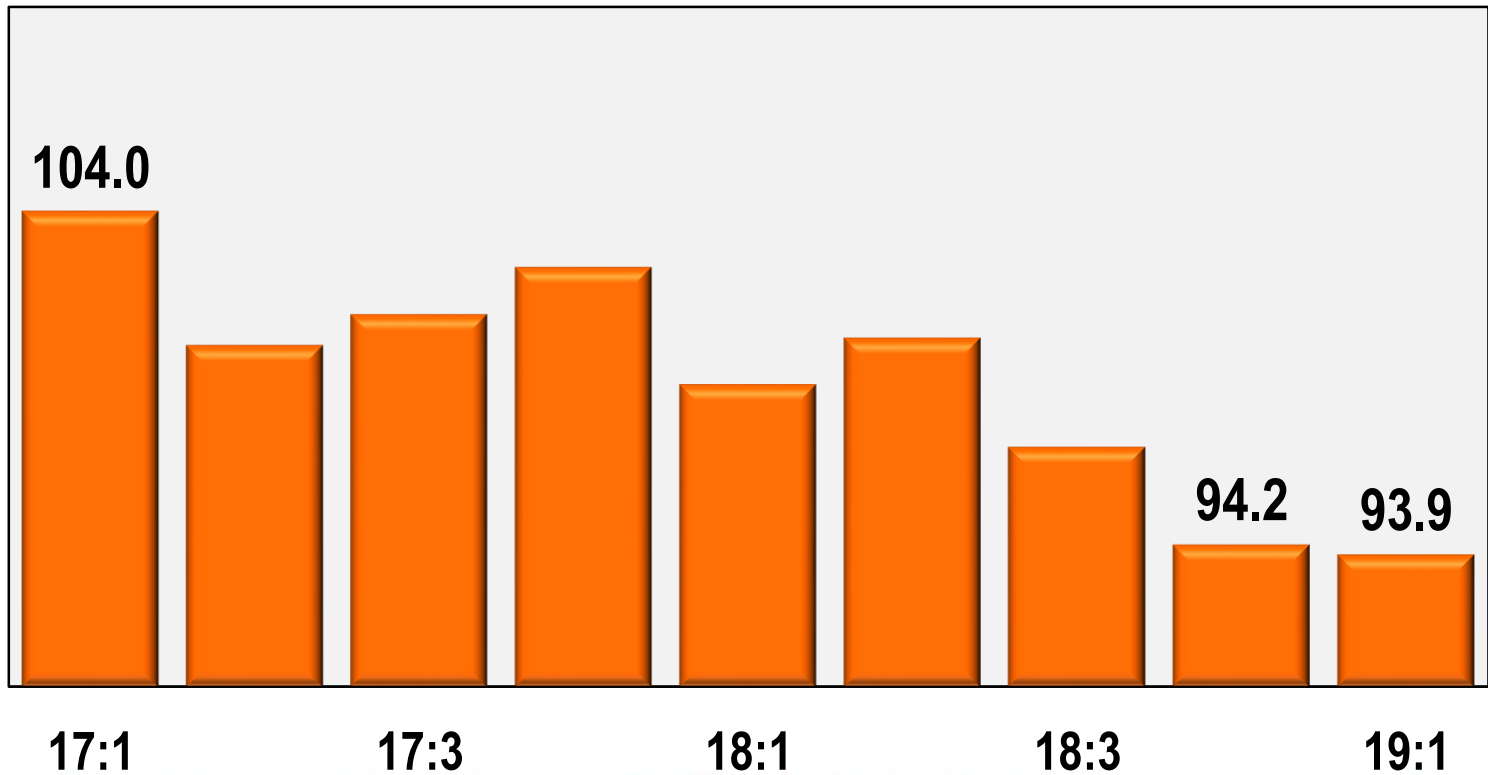
110

105

100

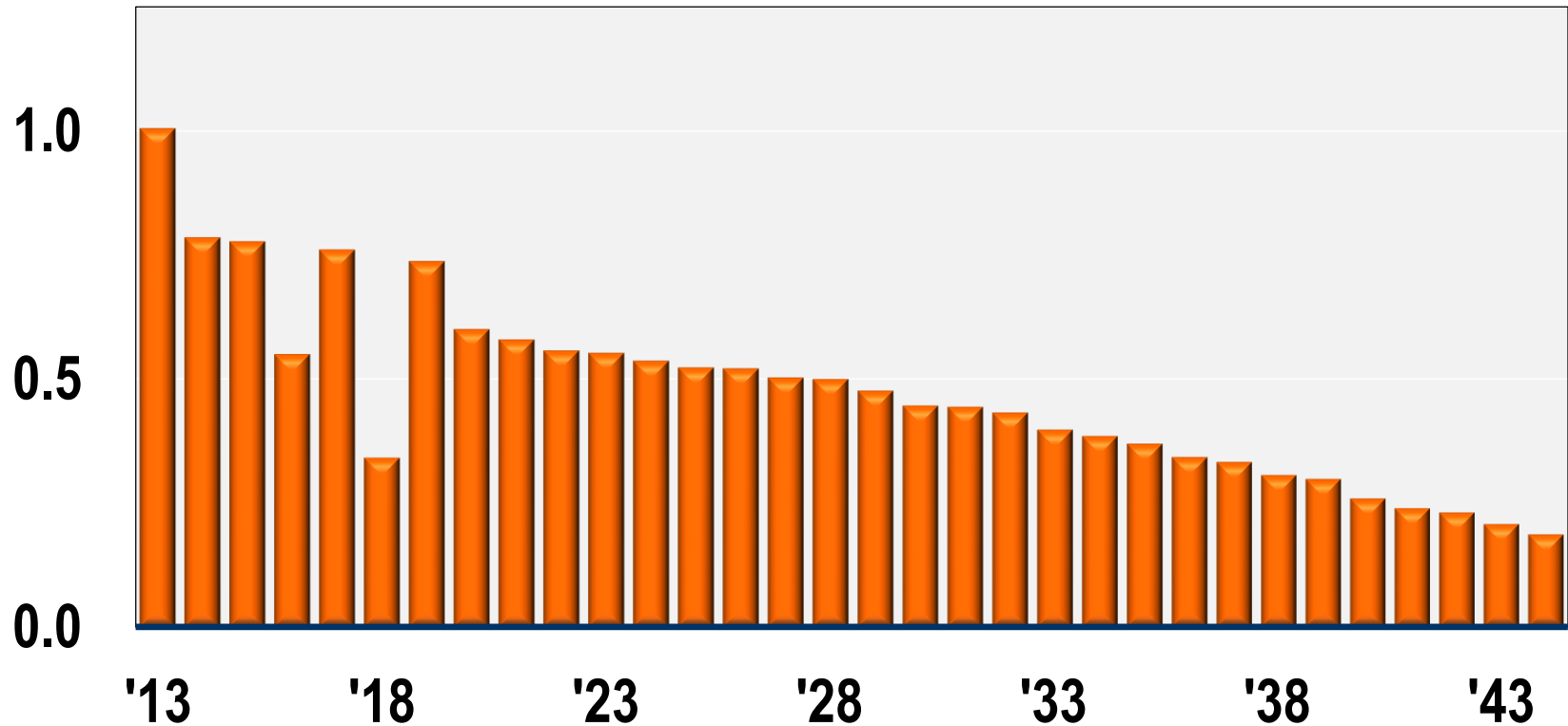
95

90



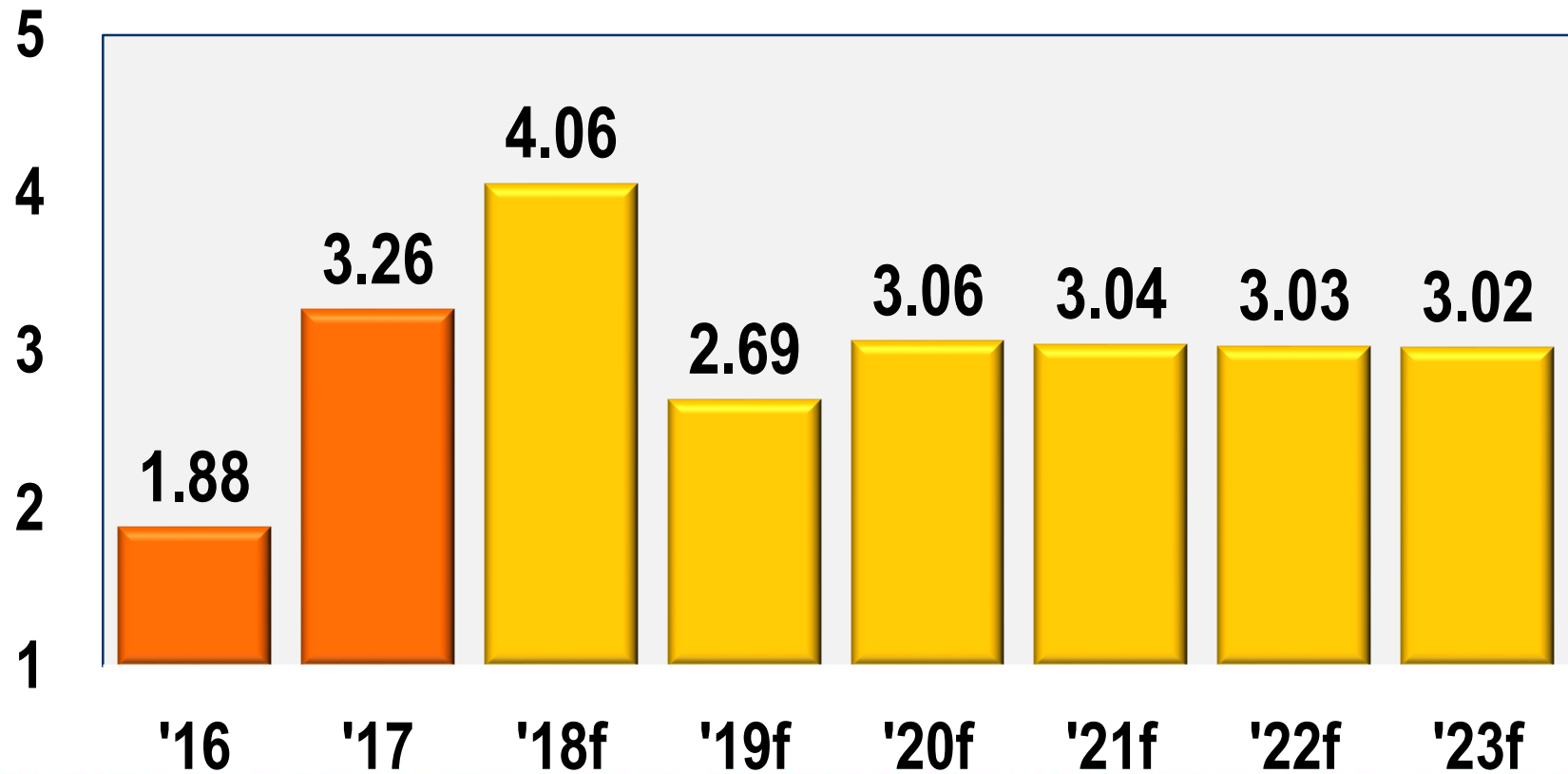
# Total Population Orange County

Yr/Yr % Change



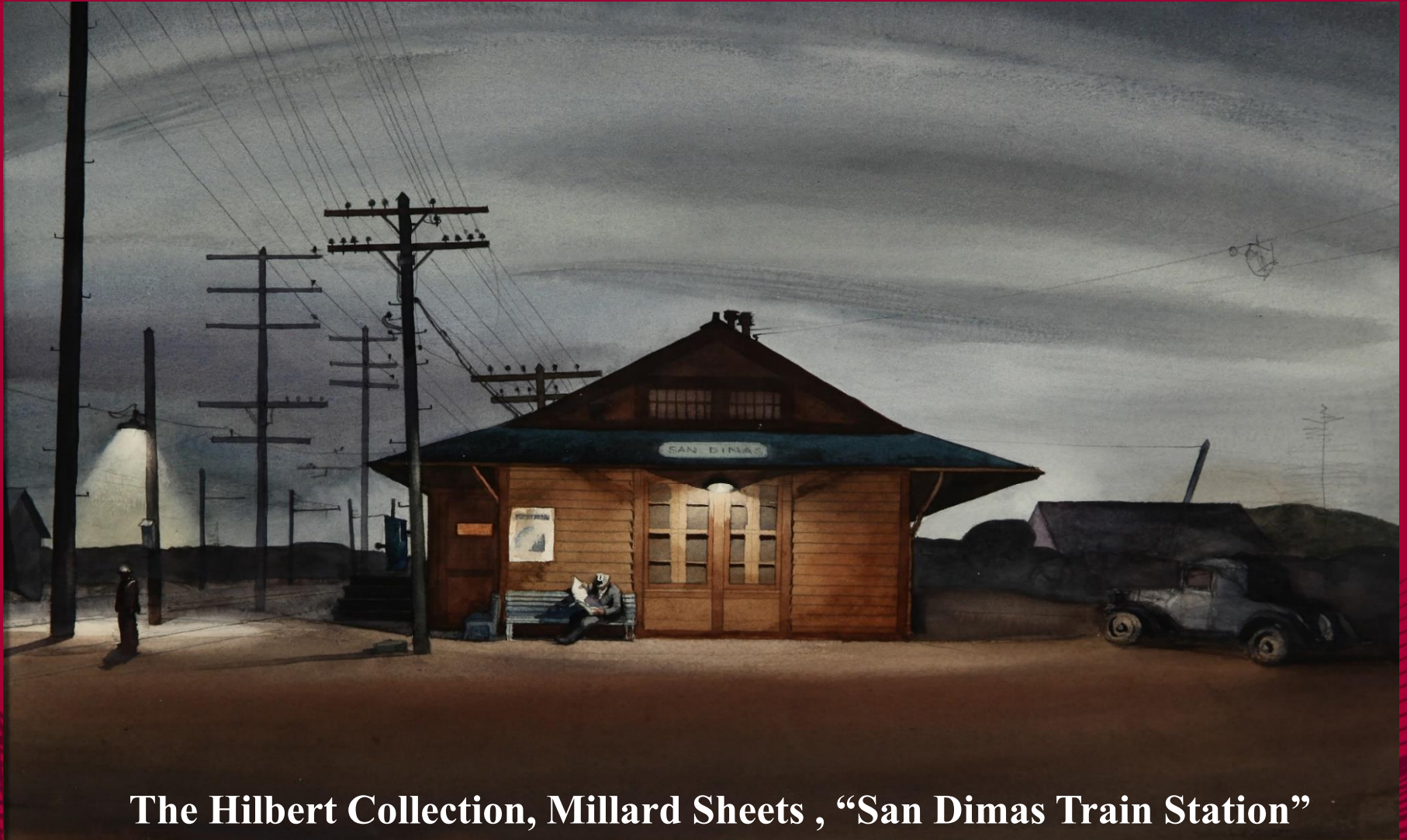
# Taxable Sales Orange County

Annual % Change





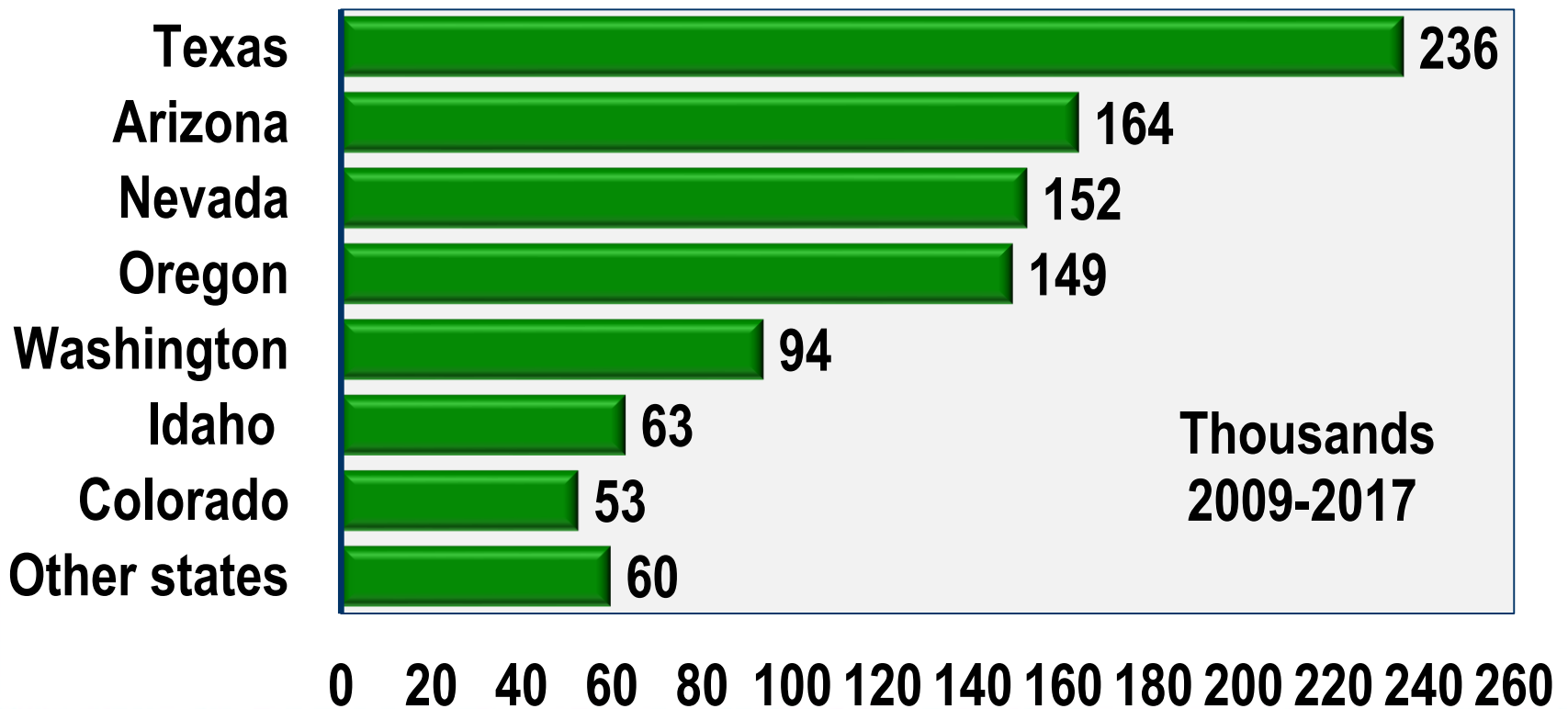
# Challenges



The Hilbert Collection, Millard Sheets , “San Dimas Train Station”



# Net Population Outflow and Destination Out of California



# Home Ownership Affordability

Index

140

120

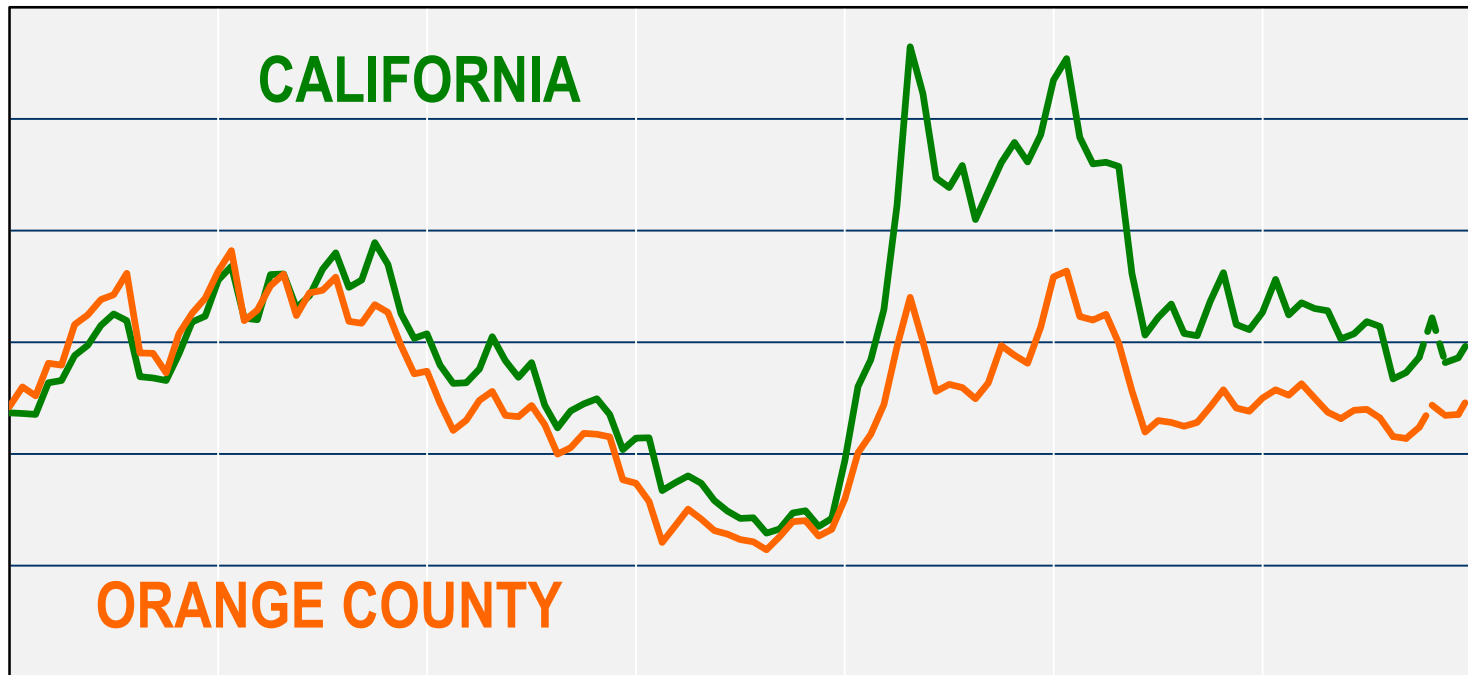
100

80

60

40

20



91:4

95:4

99:4

03:4

07:4

11:4

15:4

19:4



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