

Orange County Transportation Authority

Economic Outlook, June 18, 2026



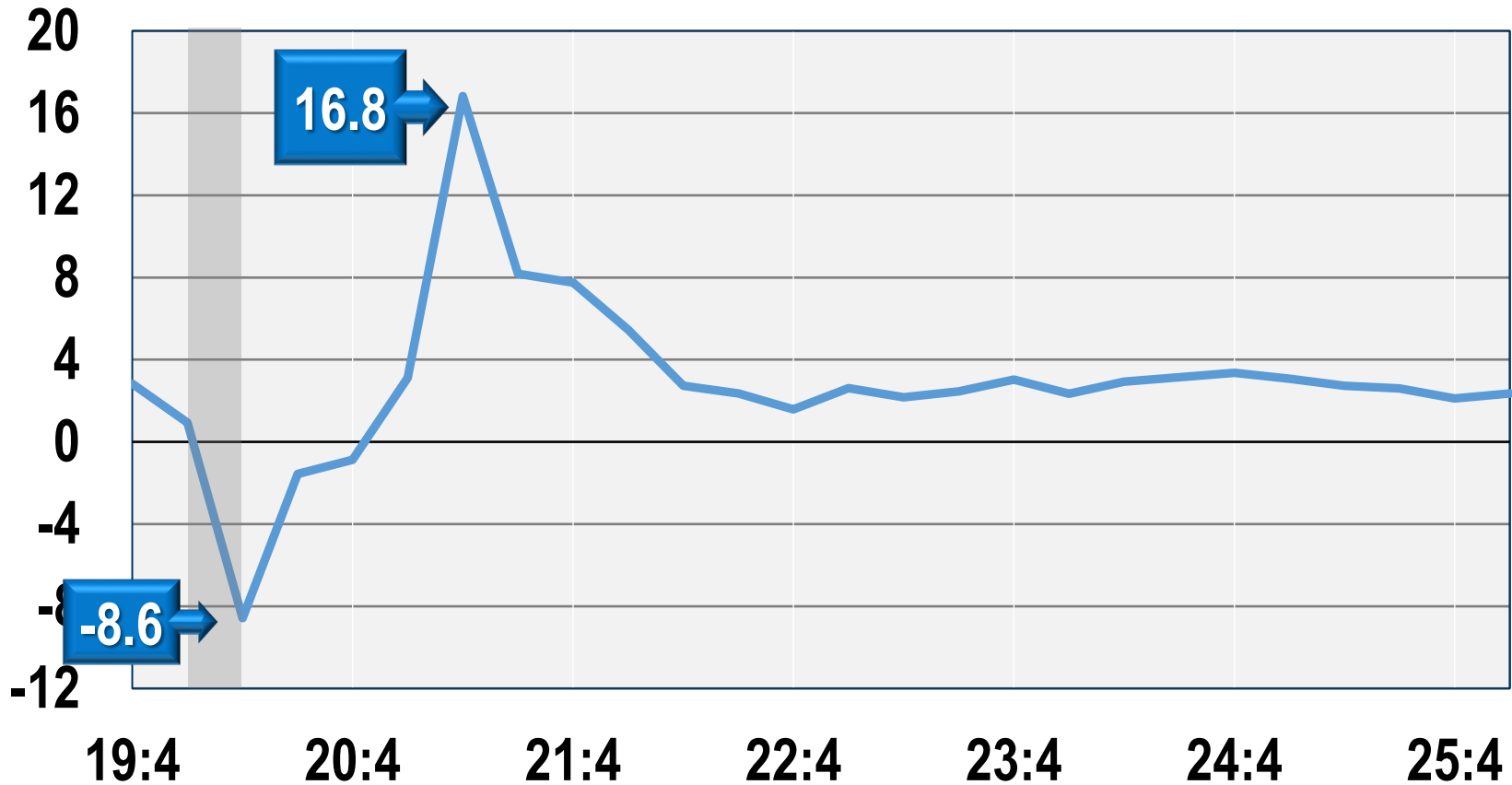
**Raymond Sfeir, Director
A. Gary Anderson Center for Economic Research
Argyros School of Business and Economics
Chapman University**

Factors Impacting Real GDP

- Wealth impact through consumption

Real Consumption

Yr/Yr % Change



Factors Impacting Real GDP

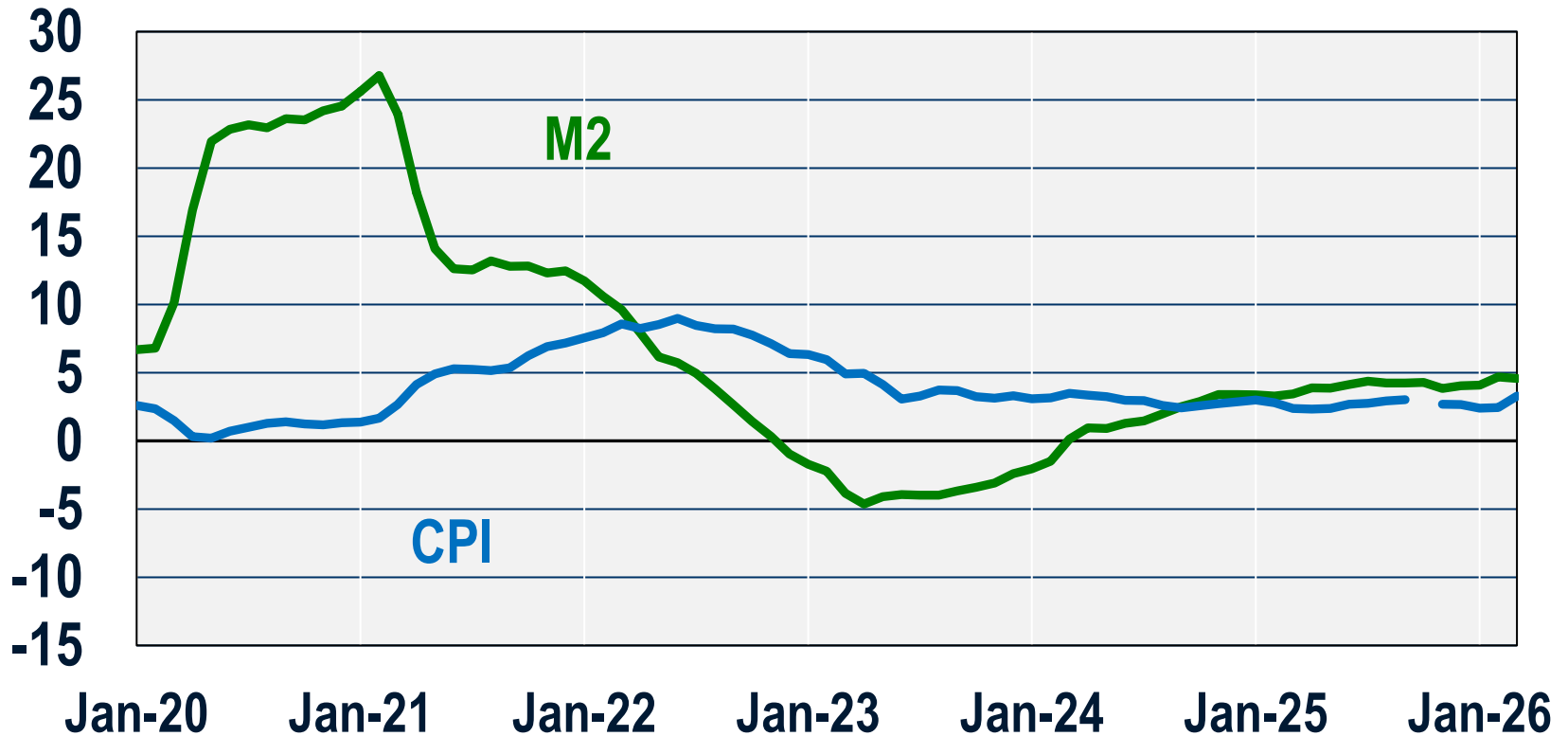
- Wealth impact through consumption
- Investment

Factors Impacting Real GDP

- Wealth impact through consumption
- Investment
- Money supply/interest rates impact through consumption and investment

M2 and CPI

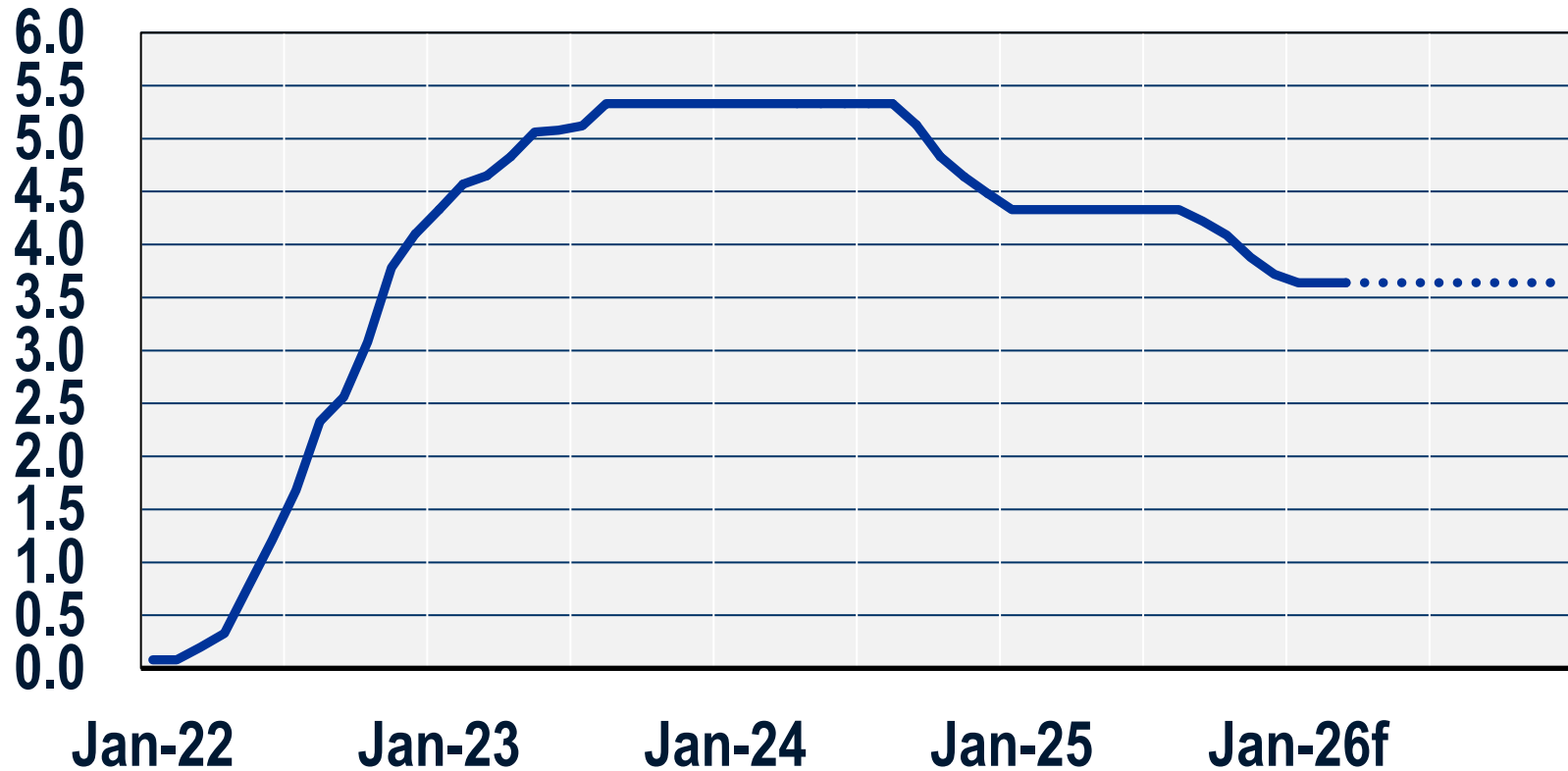
Yr/Yr % Change



Source: FRED, BLS

Federal Funds Rate

Percent



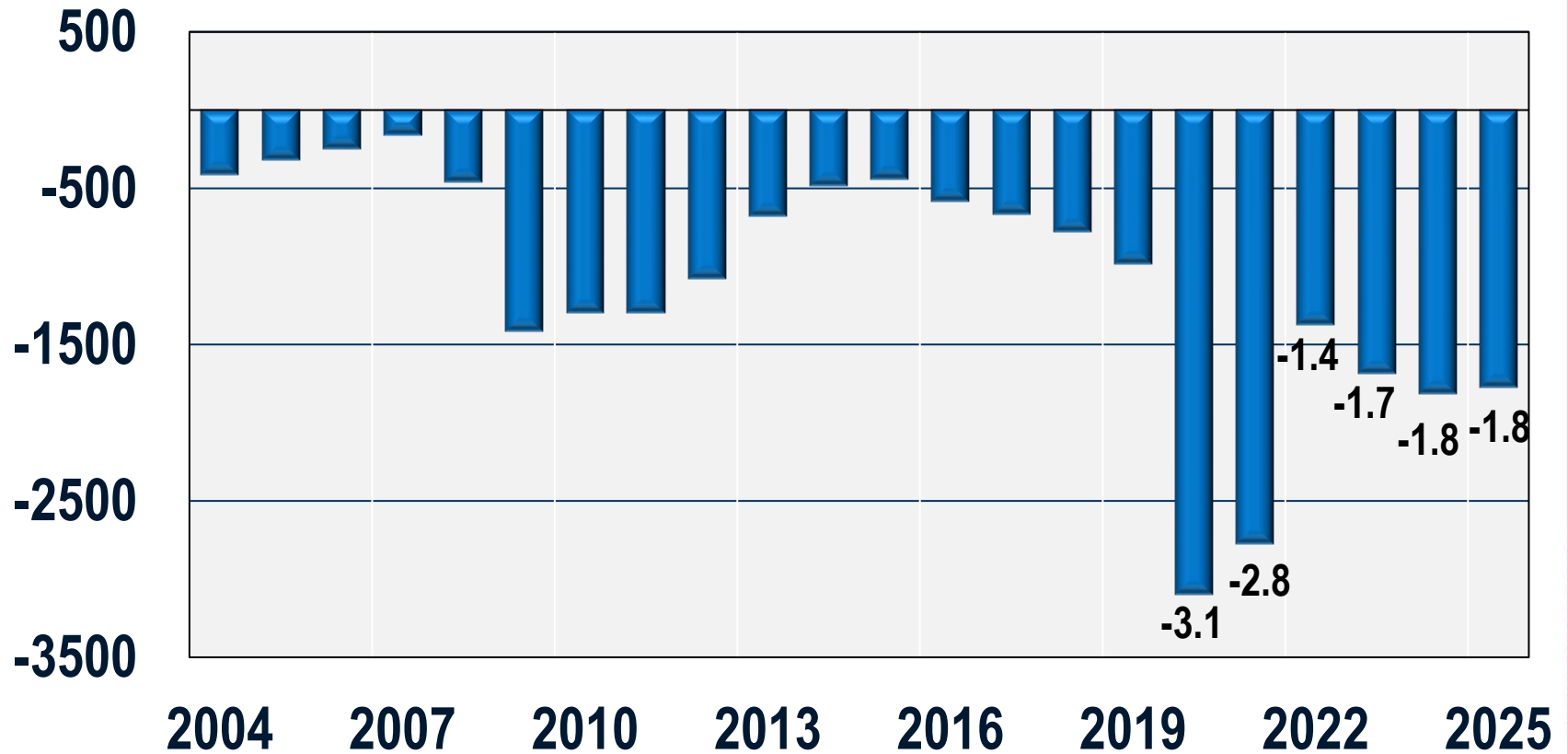
Source: FRED

Factors Impacting Real GDP

- Wealth impact through consumption
- Investment
- Money supply/interest rates impact through consumption and investment
- Fiscal policy

Federal Deficit by Year

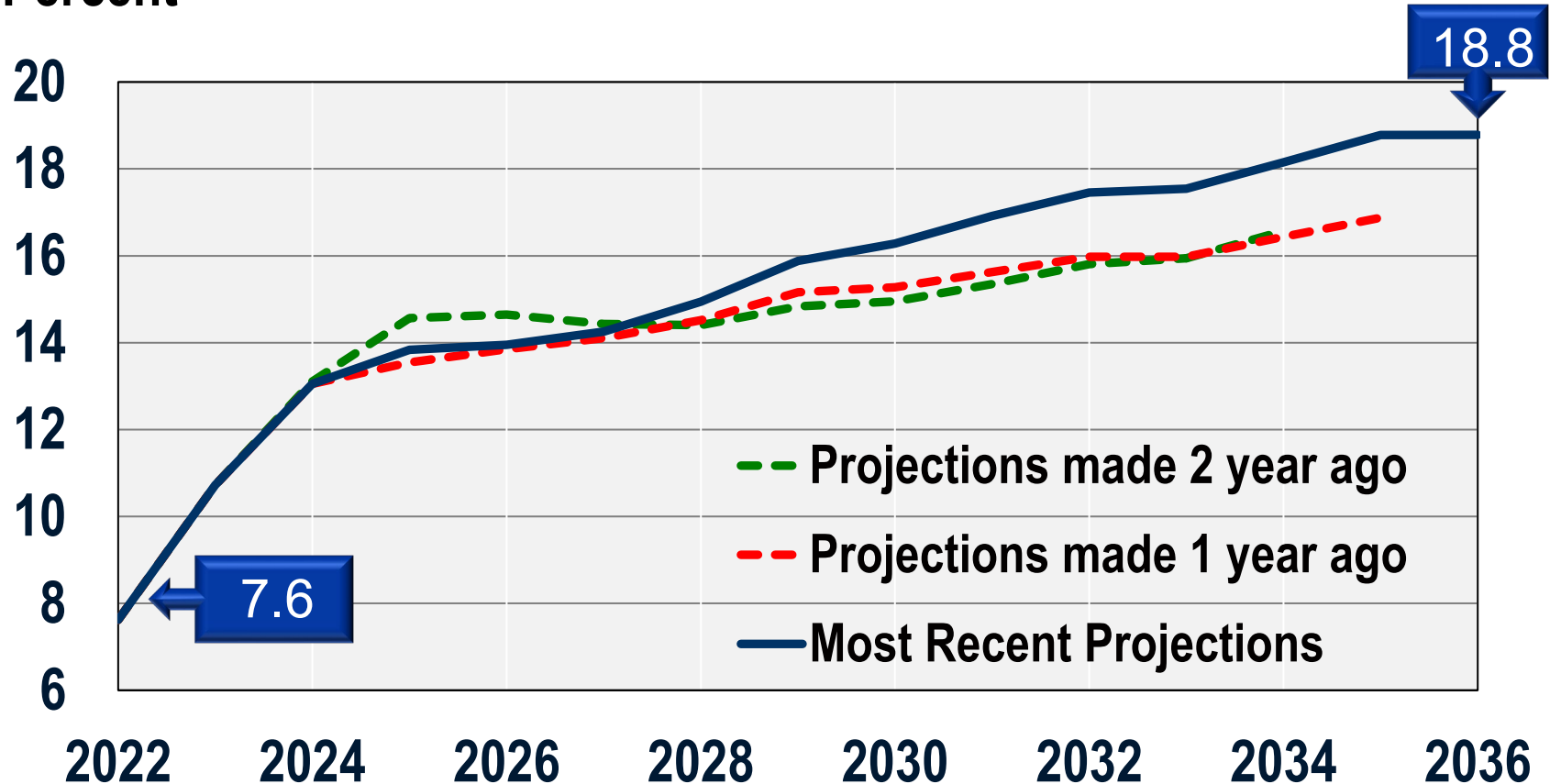
Billions of \$



Source: govinfo

Interest Payments as a % of Total Outlays

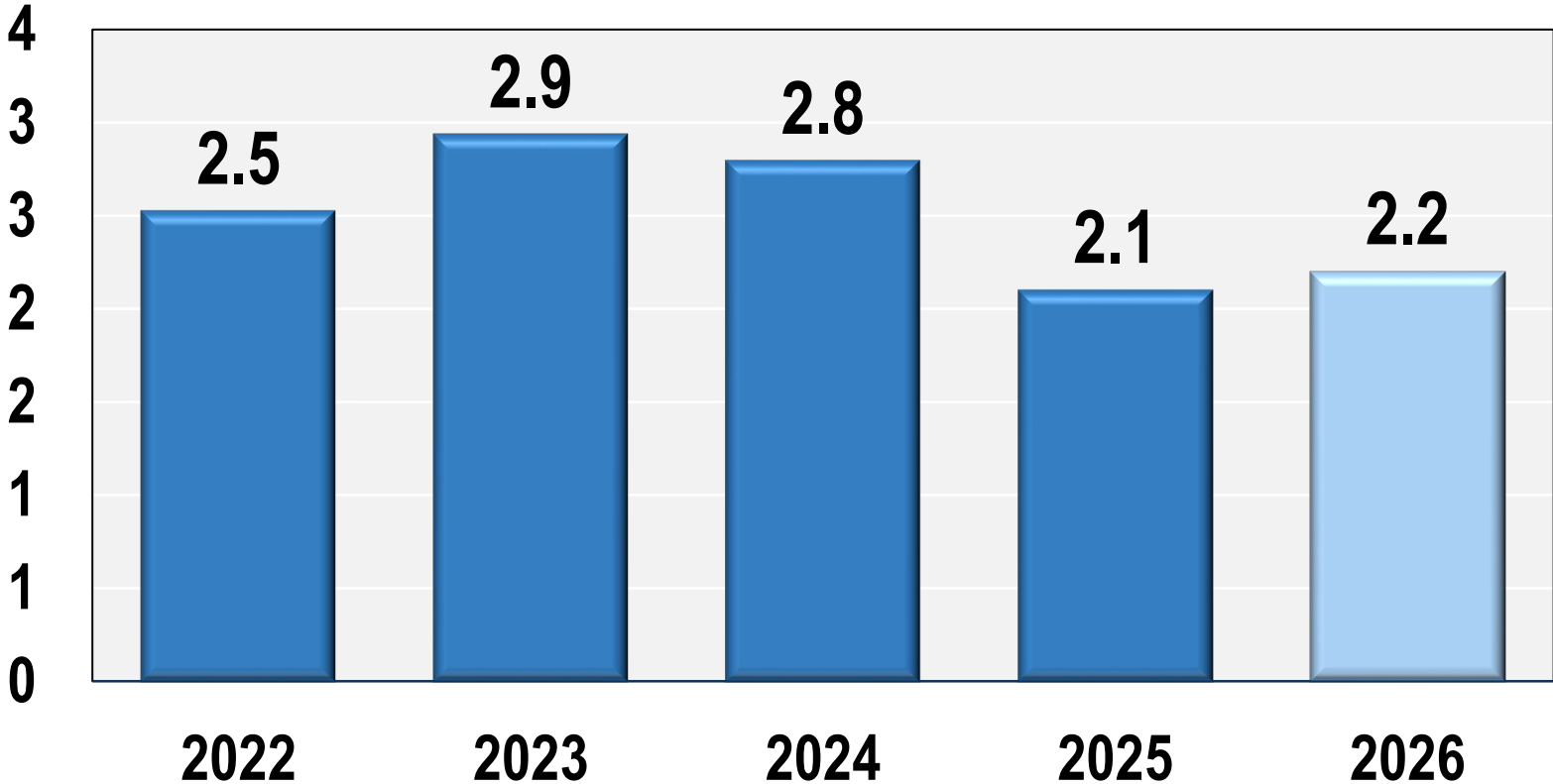
Percent



Source: CBO, Budget of the United States Government, Anderson Center Computations

Real GDP

Yr/Yr % Change



Change in Employment

Month-Month Change in Thousands



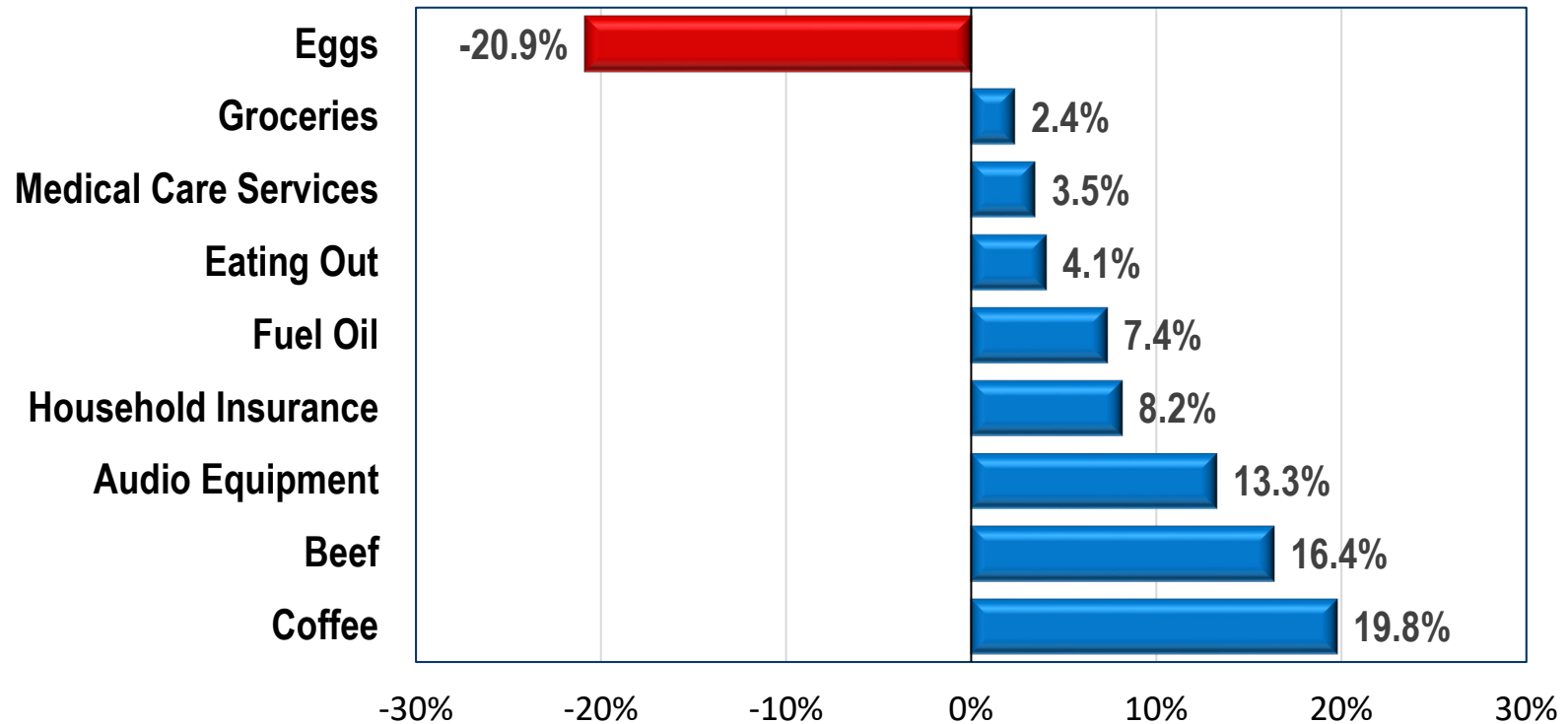
Source: BLS

Employment March 2025 to March 2026

- Manufacturing down 68,000 jobs
- Trade, Transportation and Warehousing down 128,000 jobs
- Federal Government down 314,000 jobs
- Education and Healthcare up 656,000 jobs
- Total employment up 244,000 jobs

% Change in CPI from Dec. '24 to Dec. '25

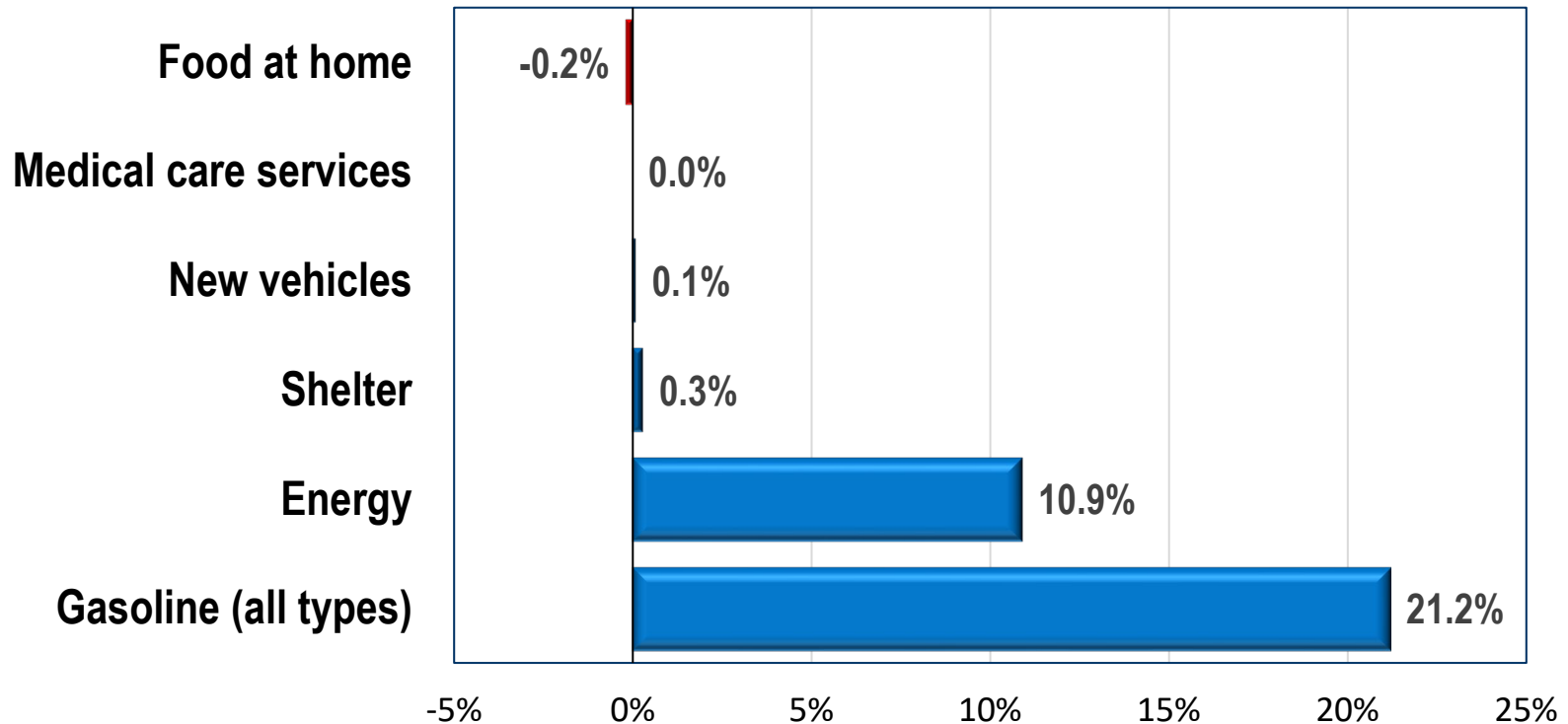
Select Items



Source: Bureau of Labor Statistics

Change in CPI from Feb. '26 to Mar. '26

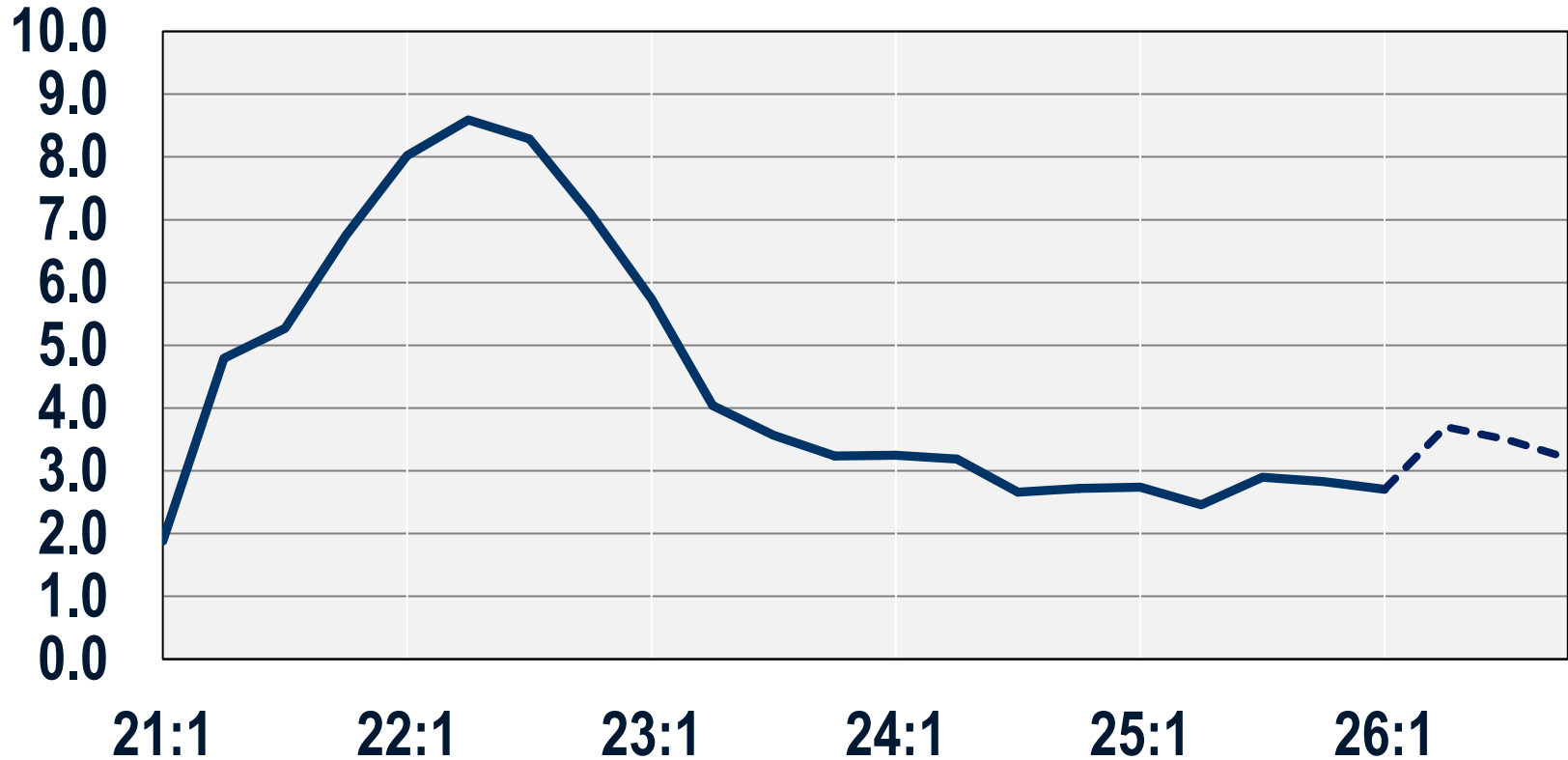
Month-to-month % change



Source: Bureau of Labor Statistics

Consumer Price Index

Yr/Yr % Change



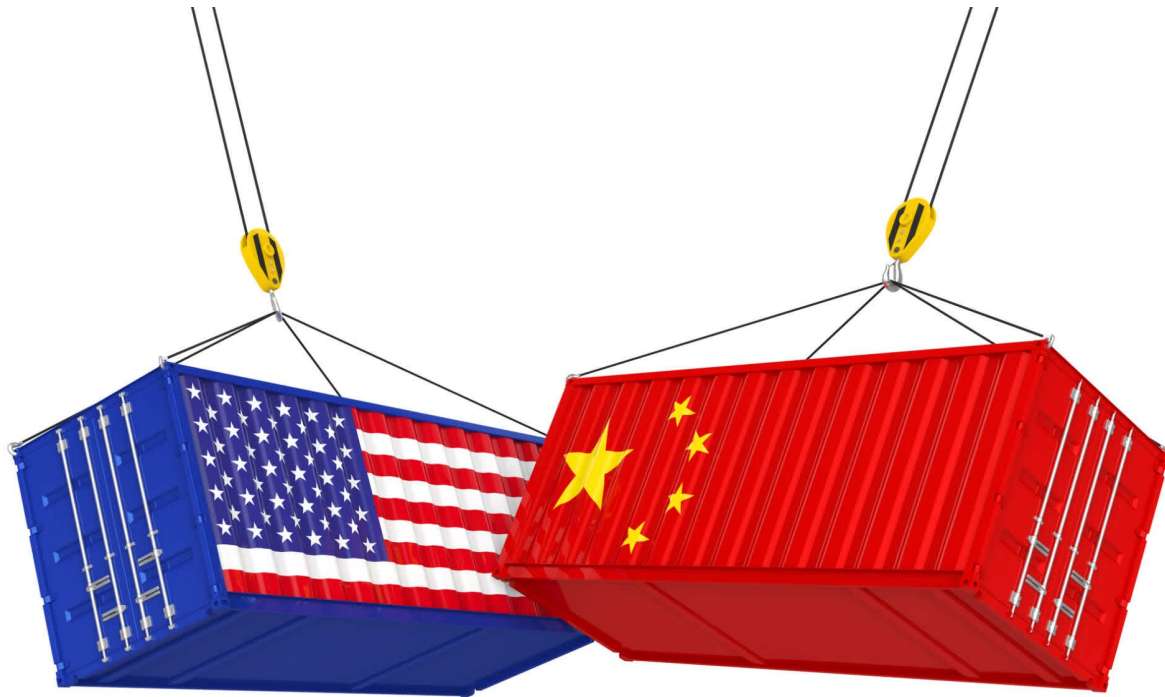
Source: BLS

Immigration in a Trump Presidency



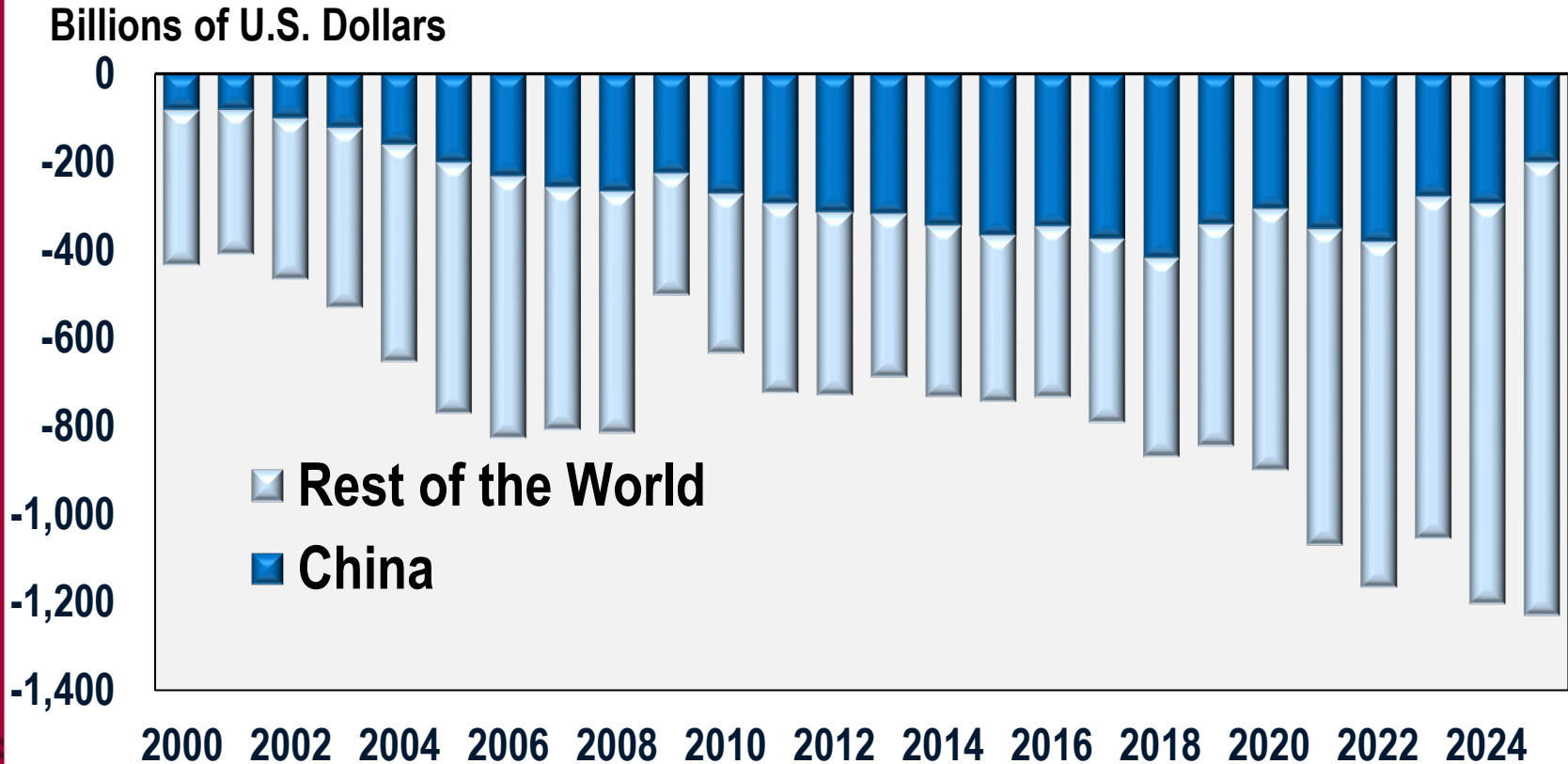
- From July 1 2023 to July 1 2024, net foreign immigration to California was 259,321.
- From July 1 2024 to July 1 2025, net foreign immigration to California was 126,473.

Tariffs and Trade



- Kiel Institute researchers found that foreign exporters absorbed 4% of the burden of tariffs by lowering their prices, while American consumers absorbed 96%.
- The federal government will be refunding the collected tariffs to business.

U.S. Goods Trade Deficit



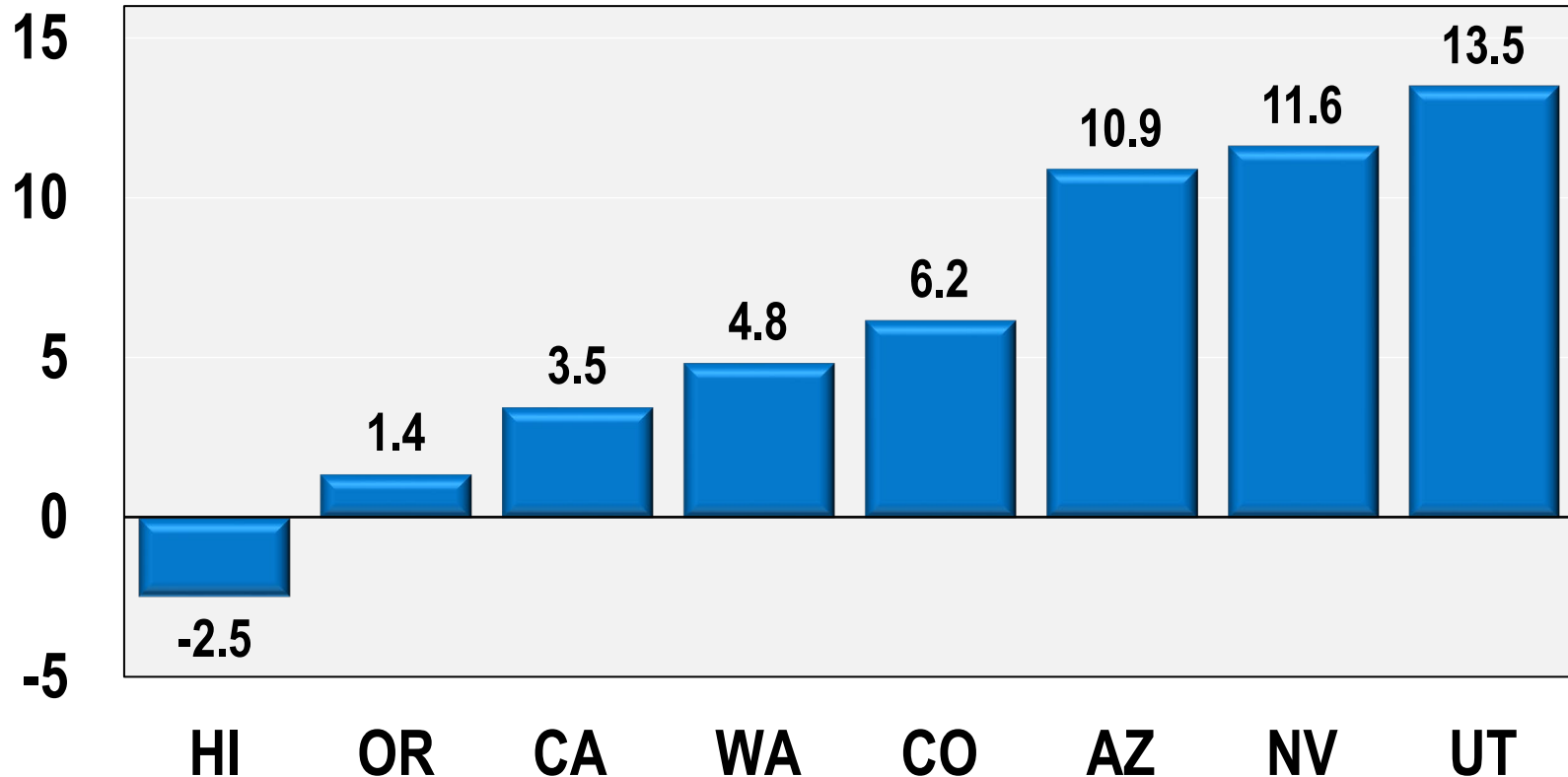
Source: Census Bureau

California and Western States Economic Outlook



Change in Payroll Employment 2019 - 2025

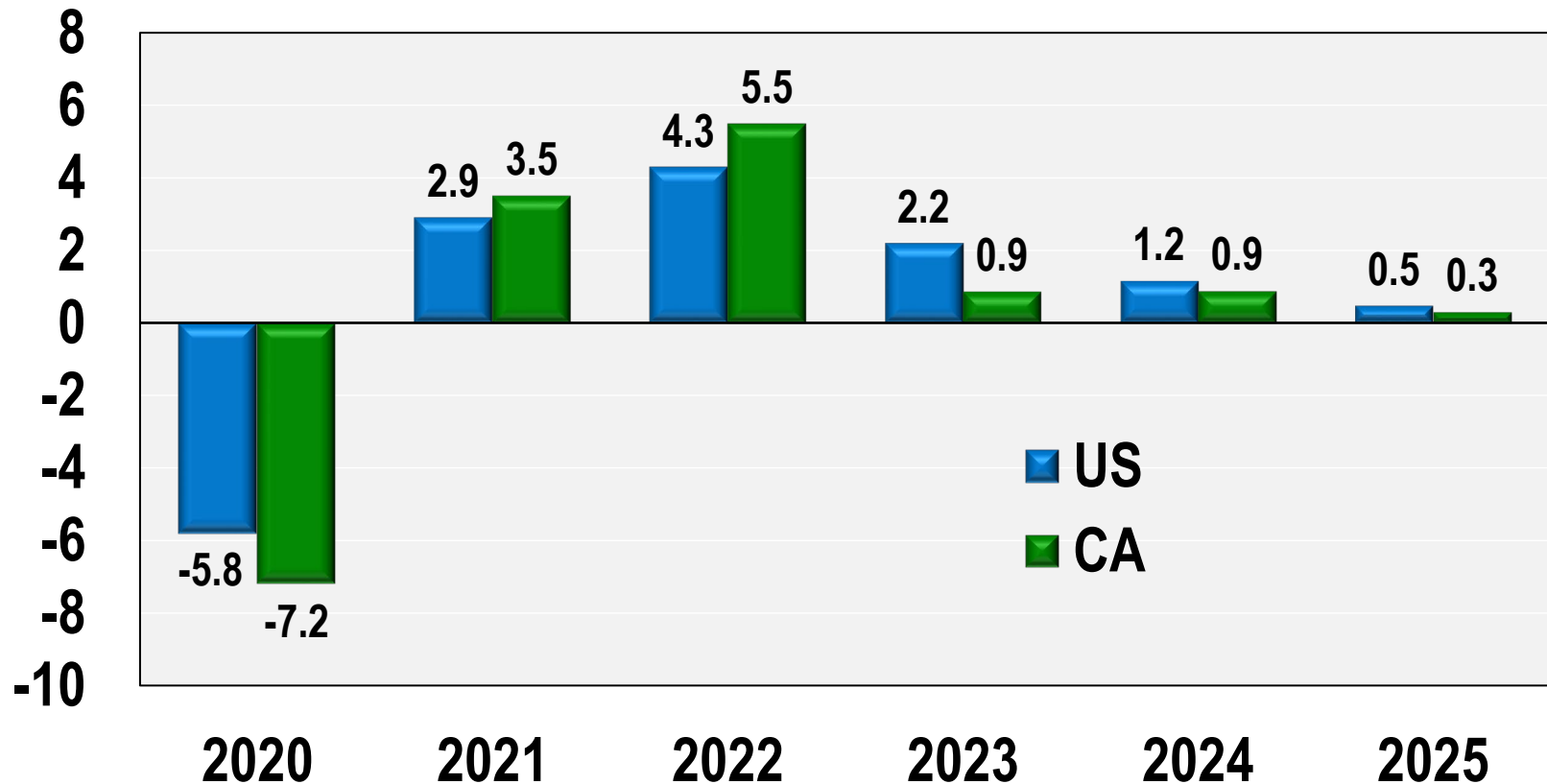
Percent



Source: BLS, Seasonally Adjusted

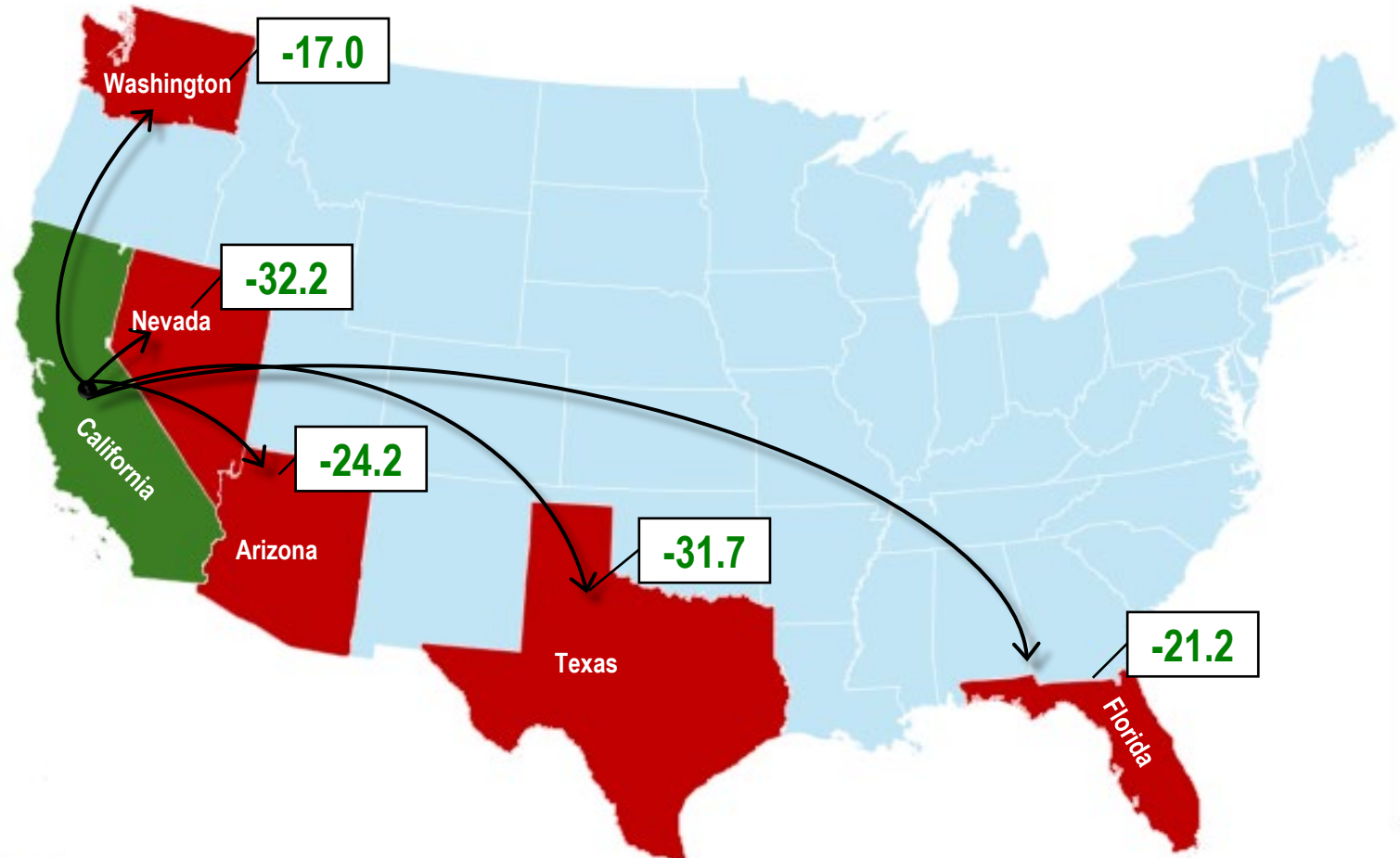
Change in Payroll Employment

Yr/Yr % Change



Source: BLS, Seasonally Adjusted

Net Population Outflow from California

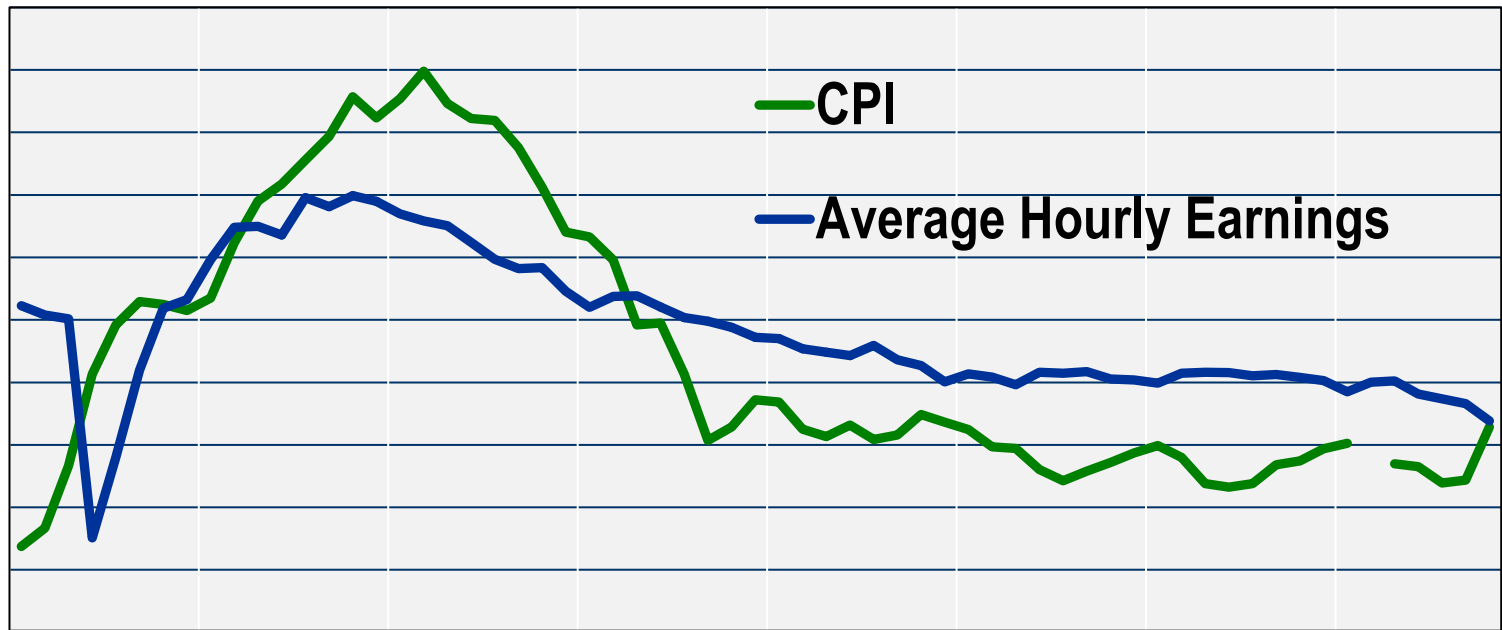


Source: Census Bureau, Data in Thousands, for 2024

Earnings vs CPI

Yr/Yr % Change

10.0
9.0
8.0
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0



Jan-21 Sep-21 May-22 Jan-23 Sep-23 May-24 Jan-25 Sep-25

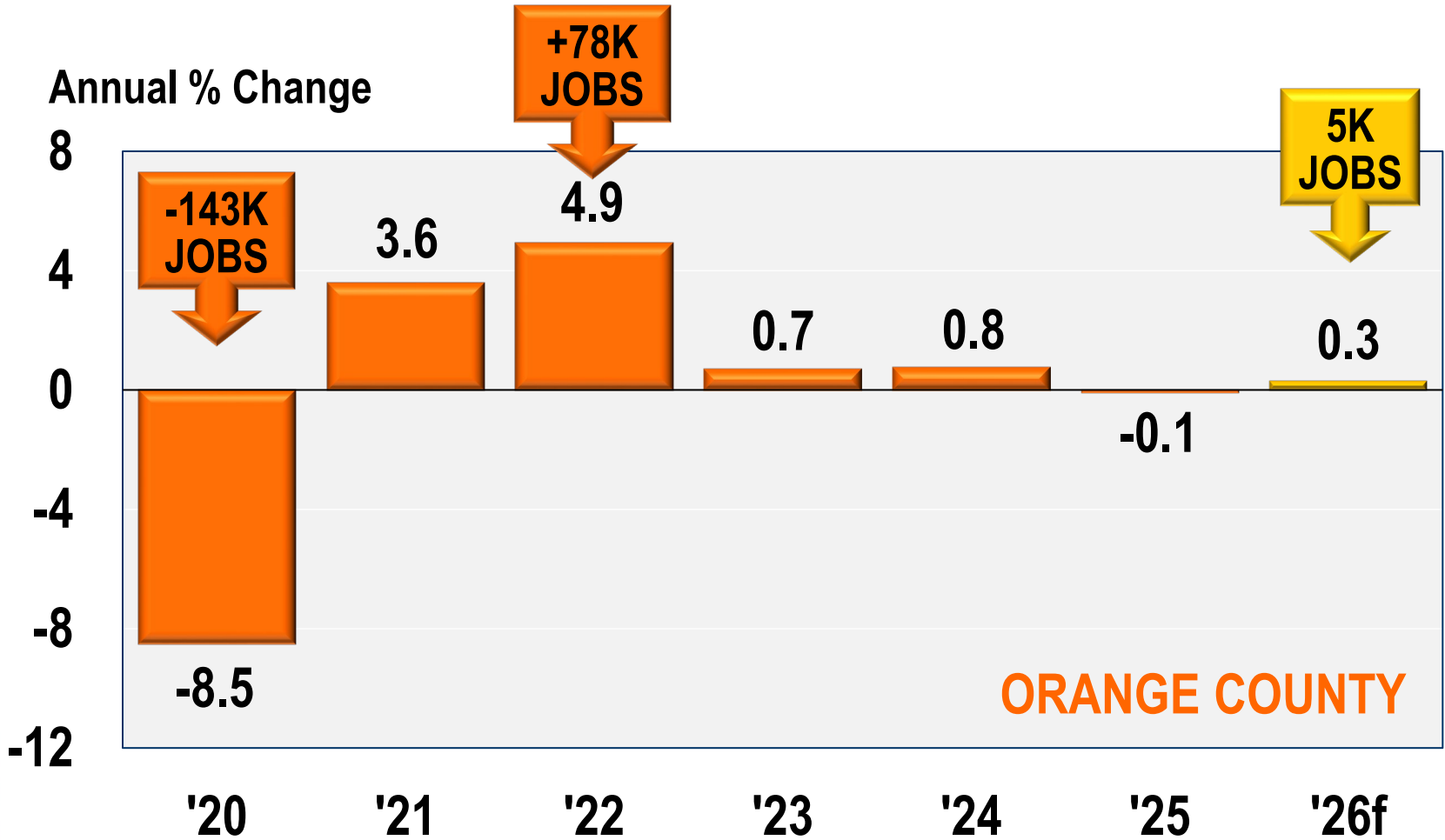
Source: BLS

Orange County Economic Outlook



The Hilbert Collection, Phil Dike, "Westways Boats"

Job Growth



Orange County Payroll Employment 2019 – 2025

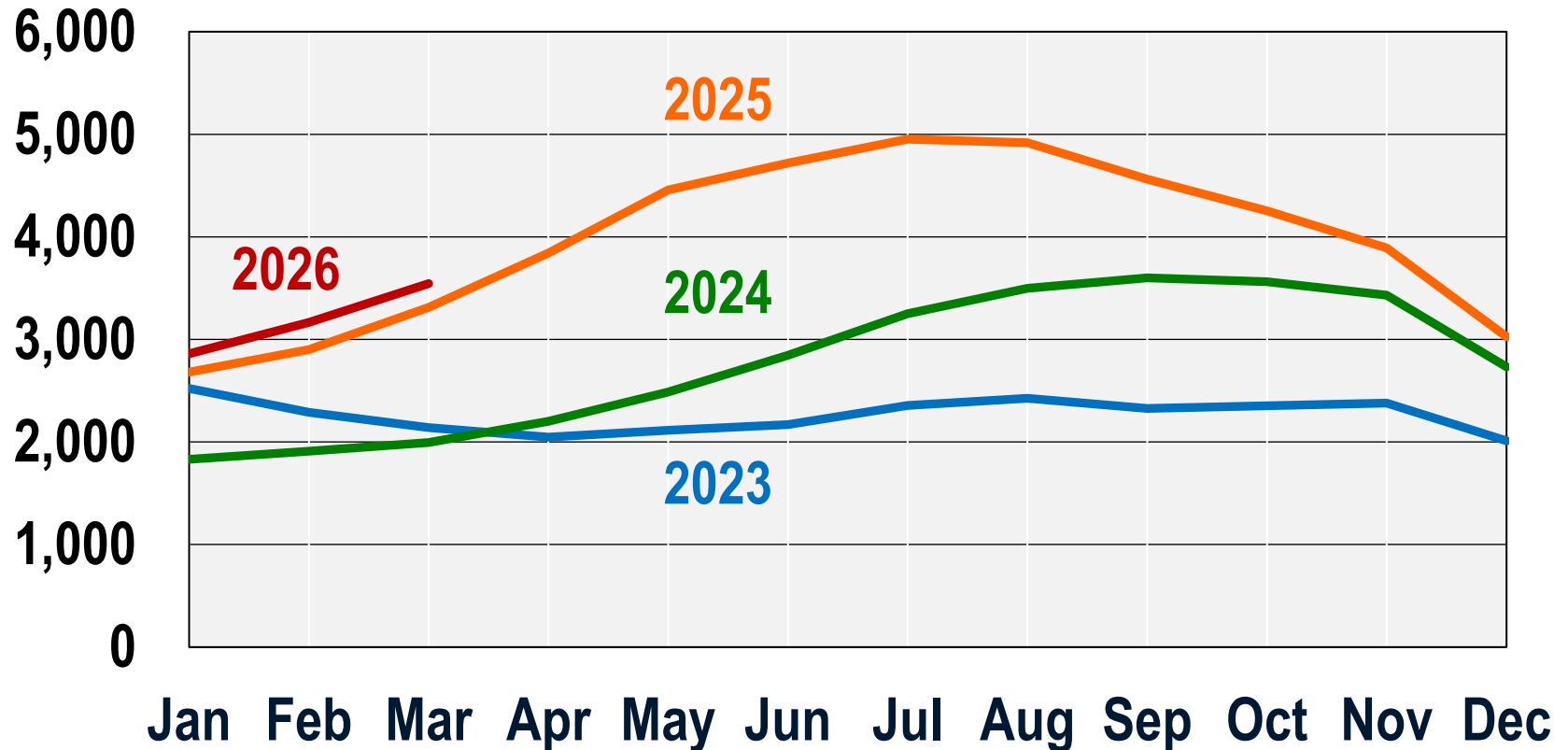
↑ **+13,317 Overall**

- **Manufacturing** ↓ -10,250
- **Financial Activities** ↓ -14,183
- **Information** ↓ -3,525
- **Professional and Business** ↓ -11,167
- **Education and Health** ↑ +51,000

Source: California Employment Development Department, Seasonally Adjusted

Active Listing Count – OC

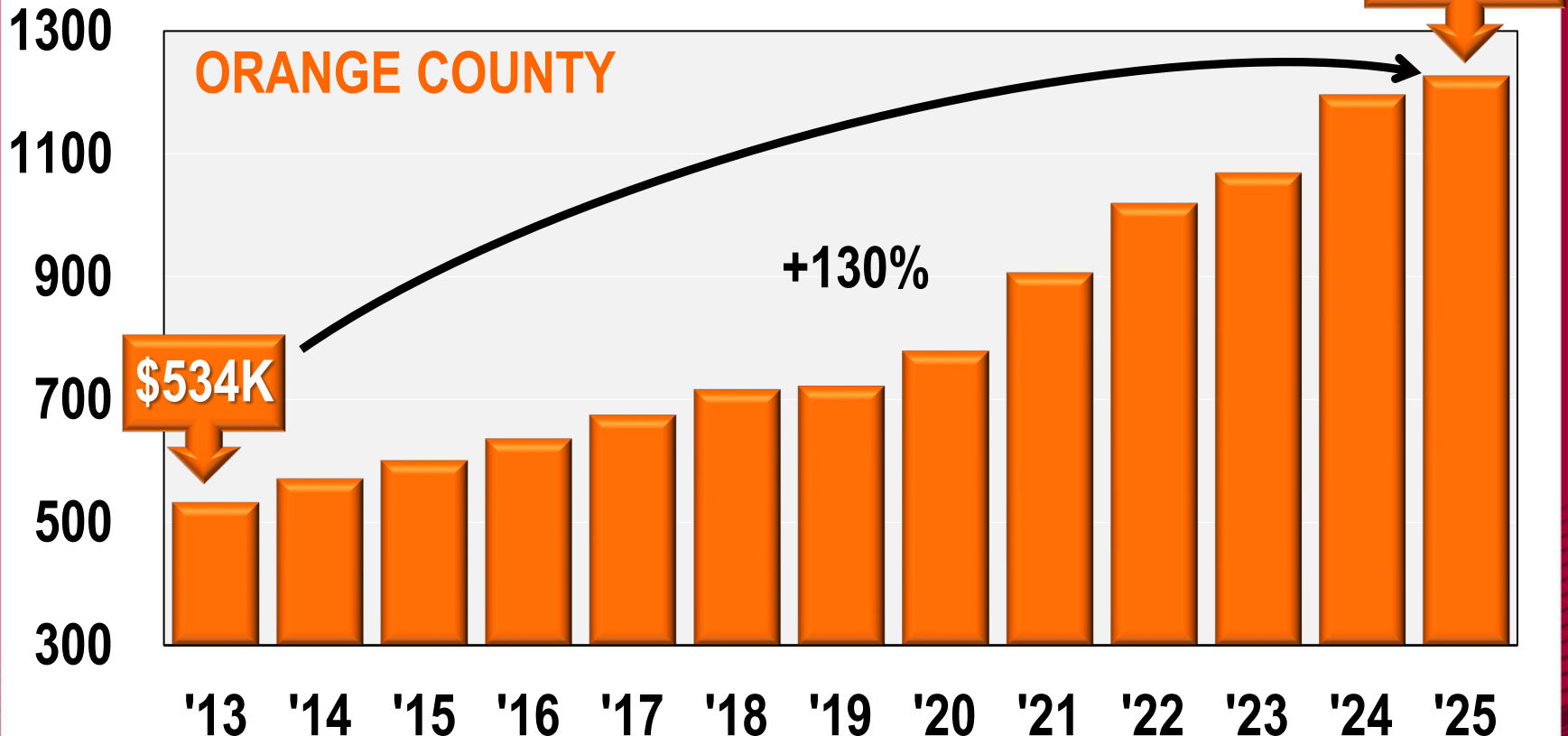
Number of Homes



Source: Realtor.com

Median Home Price, All Homes

Thousands of \$



Source: California Association of Realtors

Taxable Sales Forecast



Economic Outlook

Low employment growth in California

No population growth in Orange County

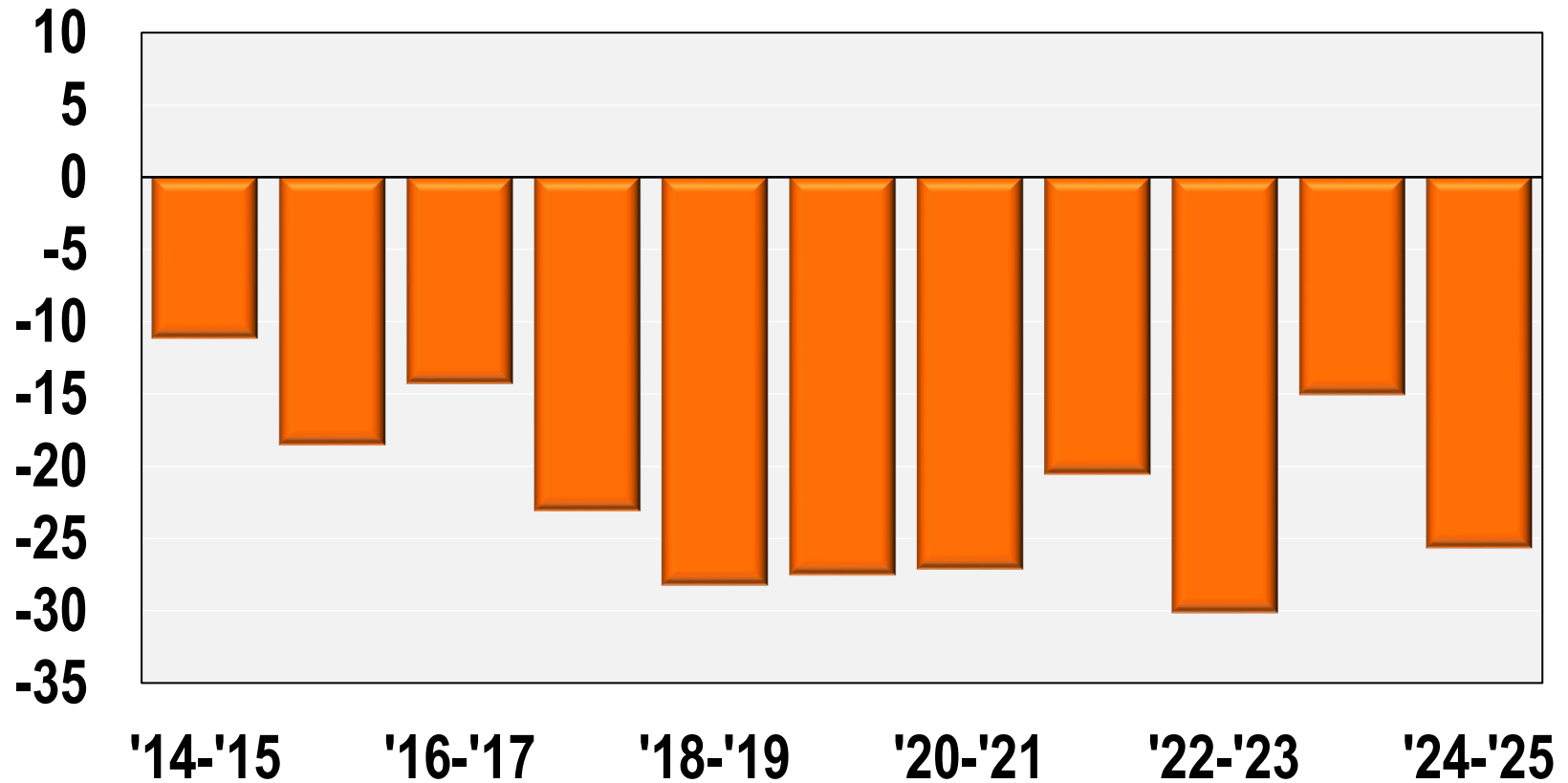
Low employment growth in Orange County

Higher inflation nationwide

No interest rate cut by the Federal Reserve

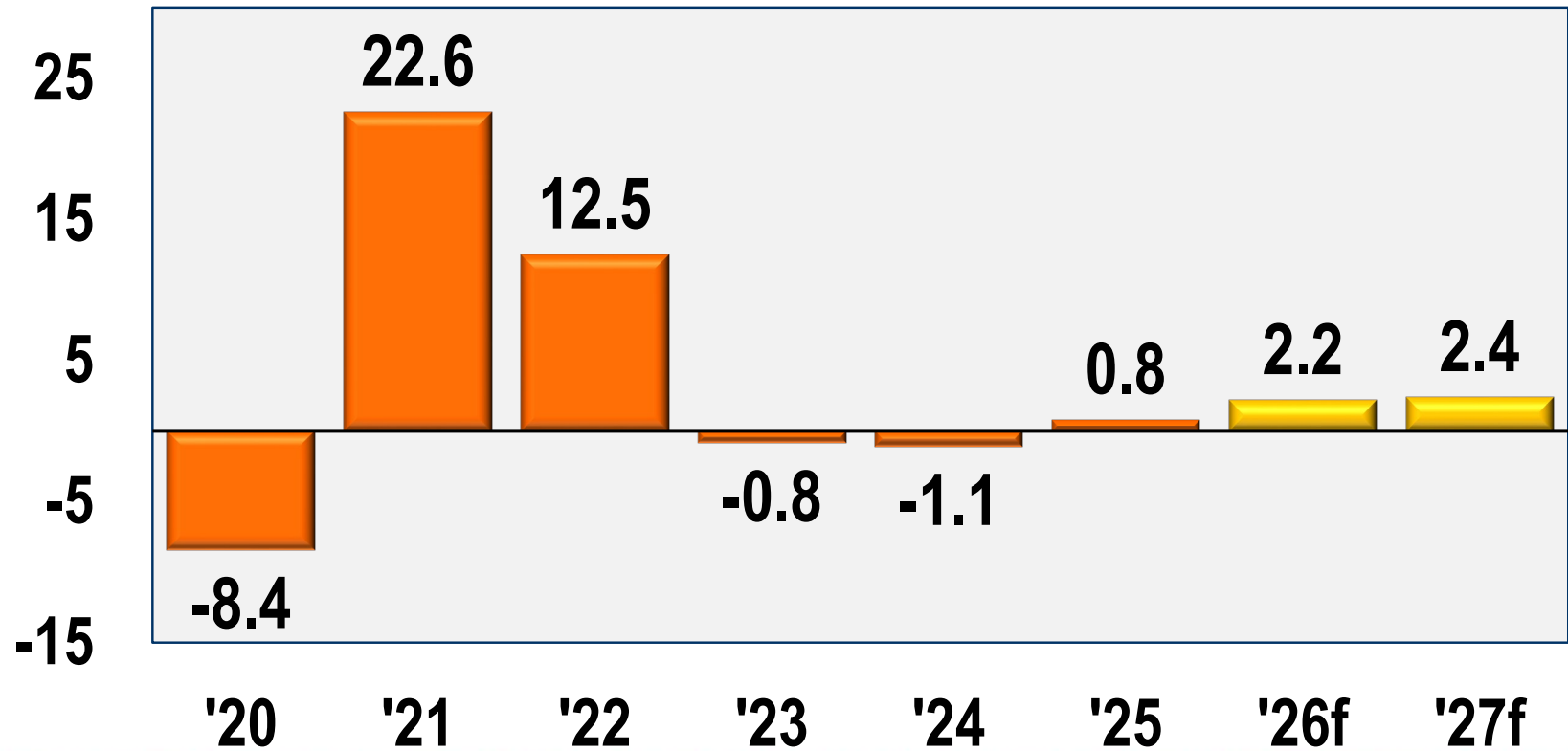
Net Domestic Migration Orange County

Thousands



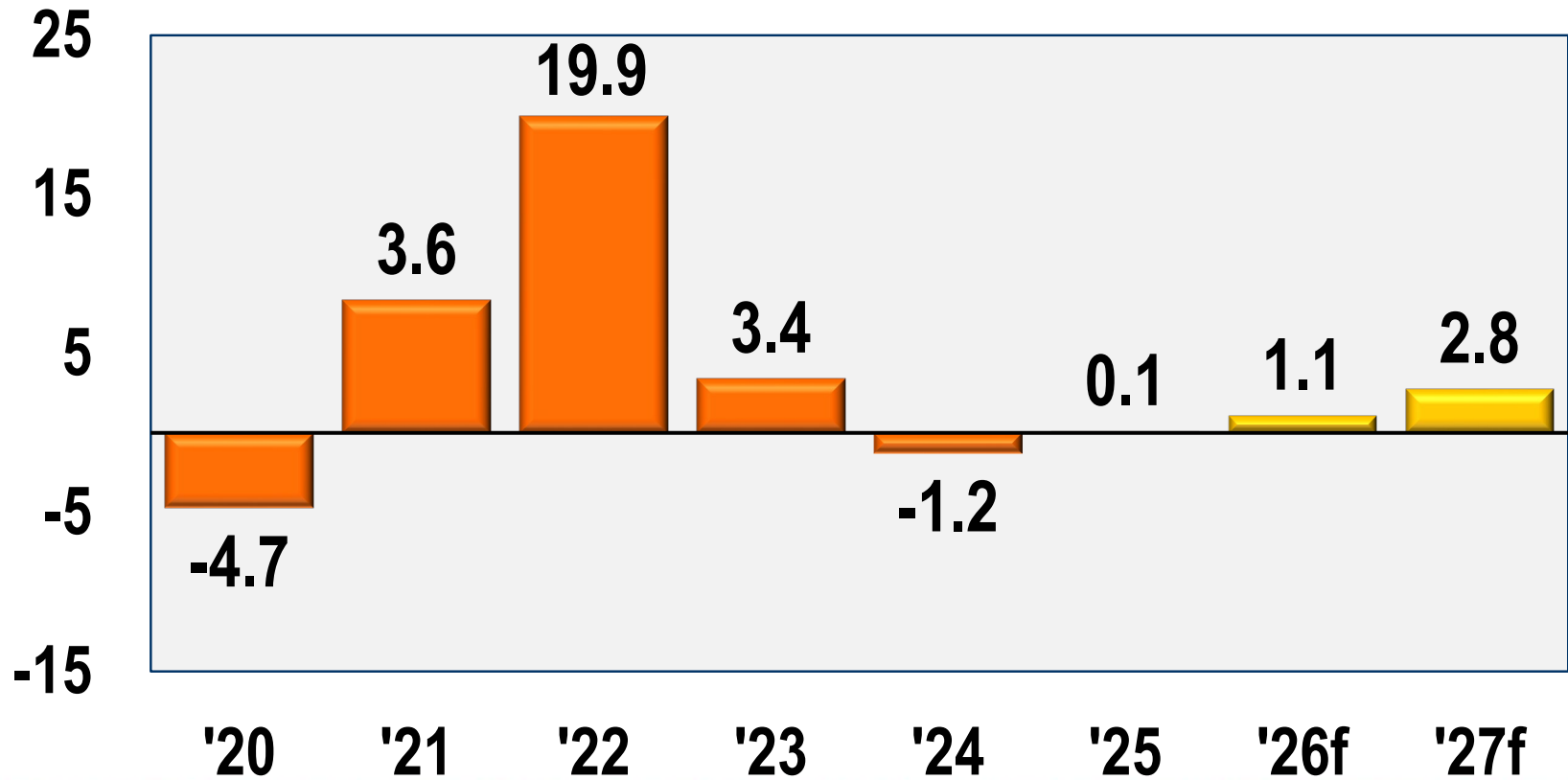
Taxable Sales, Calendar Year

Annual % Change



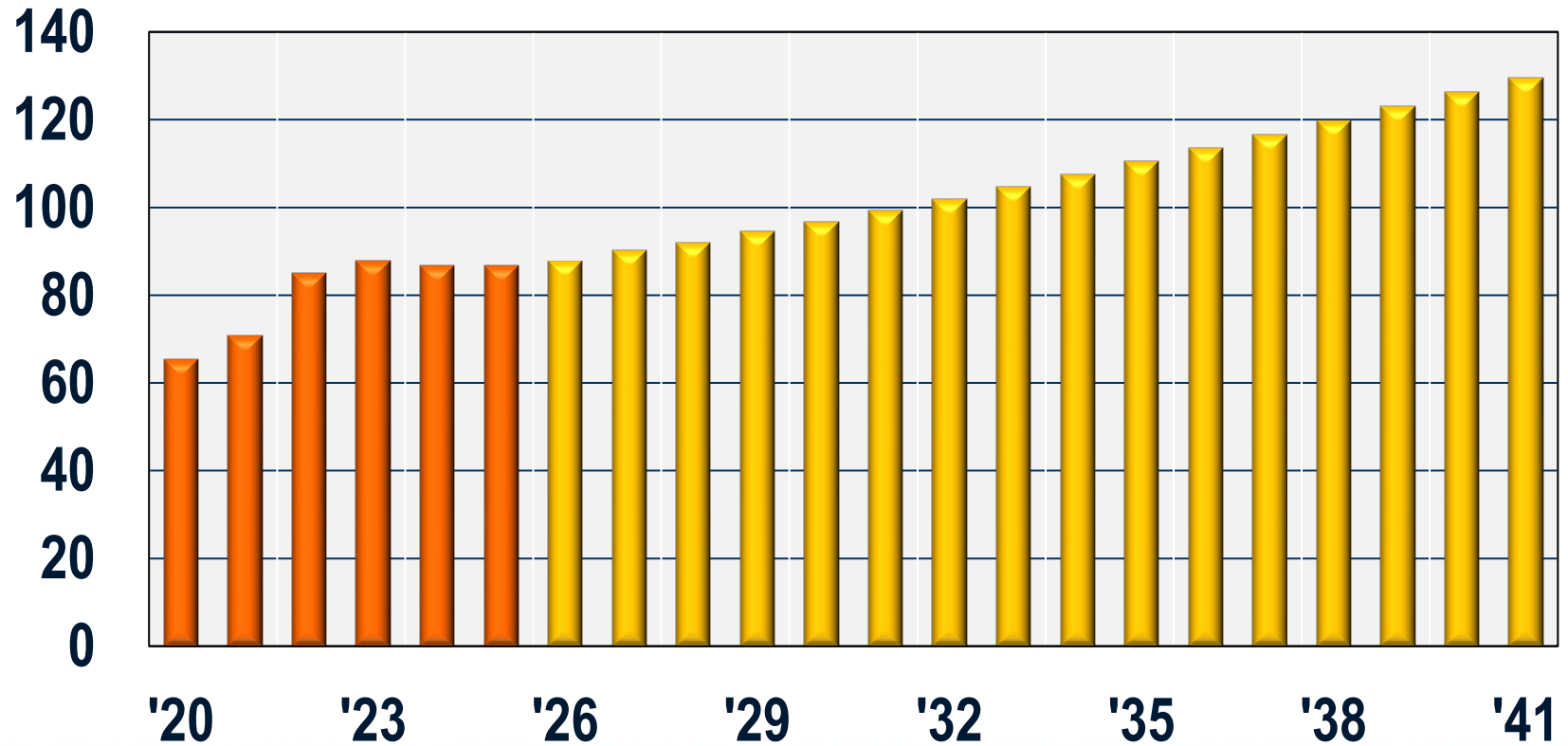
Taxable Sales, Fiscal Year

Annual % Change



Taxable Sales, Fiscal Year

Billions of \$



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