

# Unequality

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Economic Summit

Cinco de Mayo, 2016



SINCE 1828

MENU

Dictionary



inequality



# inequality

*noun*

un·equal·i·ty

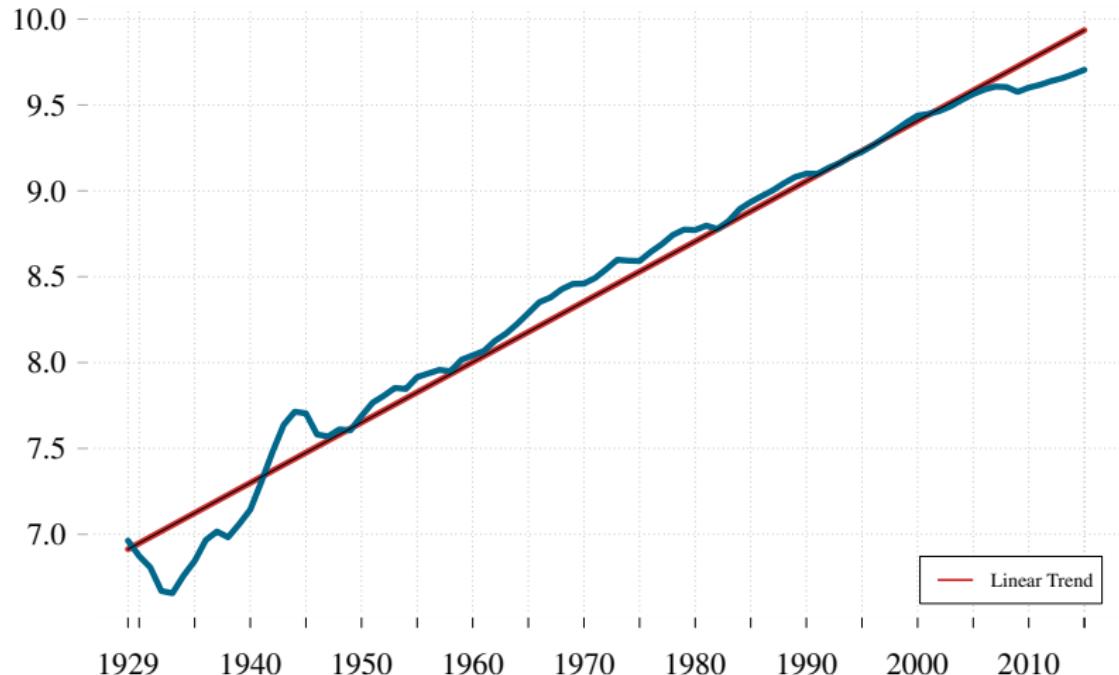
\ \ə-ni-'kwä-lə-tē\

- 1 : the quality of being unequal or uneven
- 2 : the condition of being variable
- 3 : things that get affected differently by things

big picture

# Real GDP

Logged Billions of 2009\$, Seasonally Adjusted



Linear Trend

## FOMC, April 27 statement

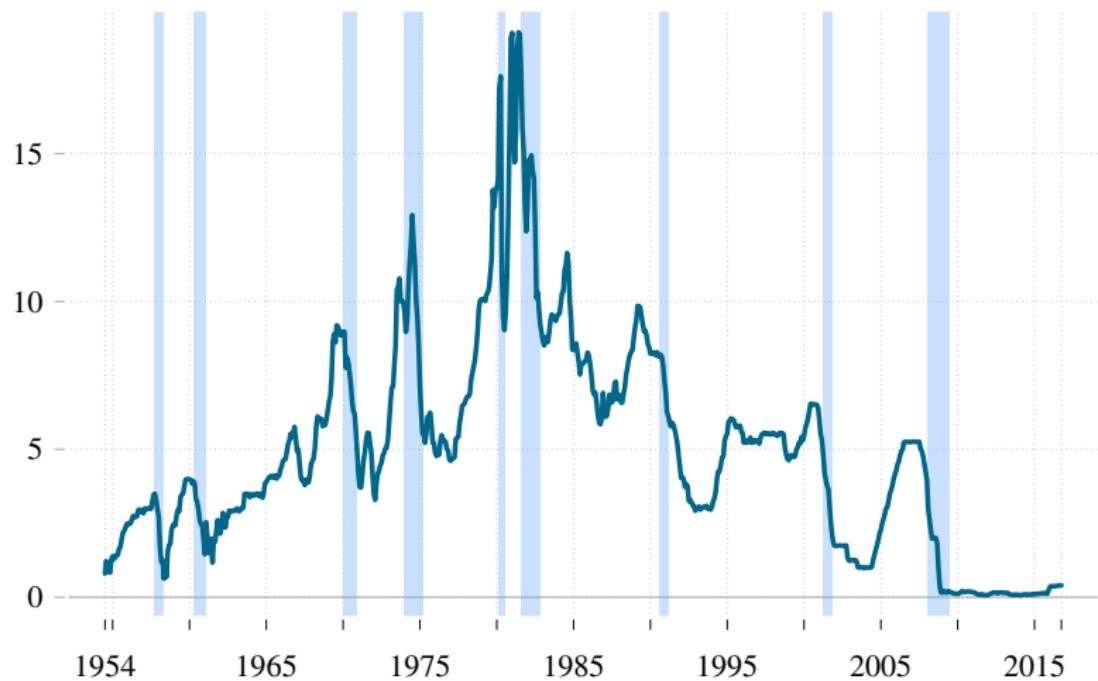
- removed global and financial concerns
- consumption spending has moderated
- painted a slightly weaker picture

## FOMC, April 27 statement

- removed global and financial concerns
- consumption spending has moderated
- painted a slightly weaker picture
- result: no change in the federal funds rate

# Effective Federal Funds Rate

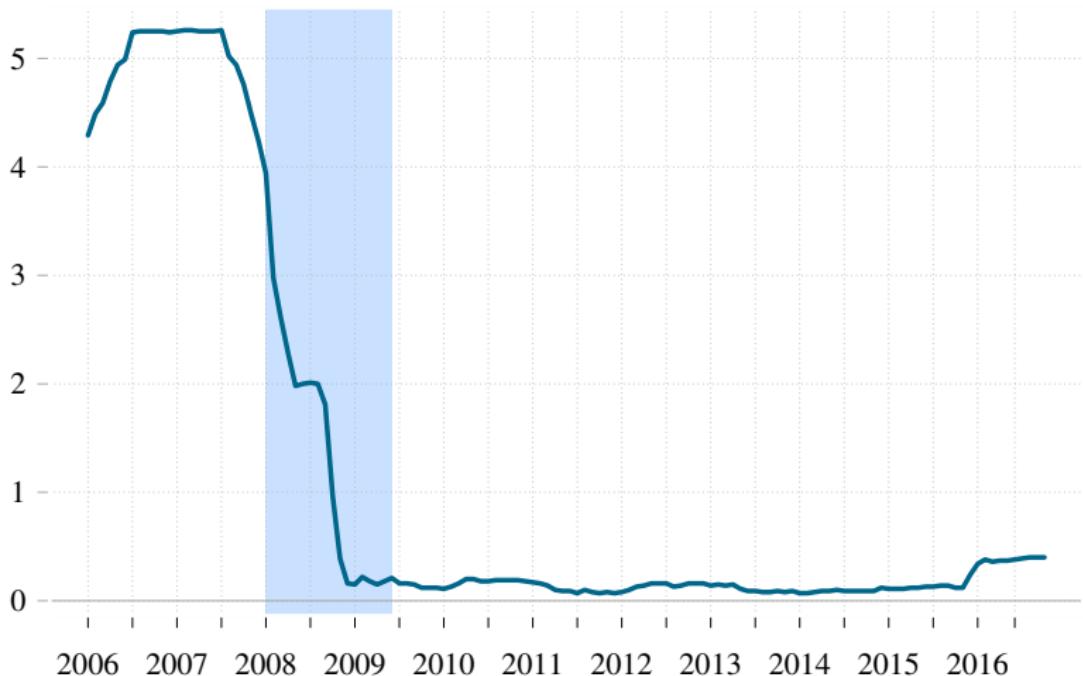
Percent



Source: FRB St. Louis

# Effective Federal Funds Rate

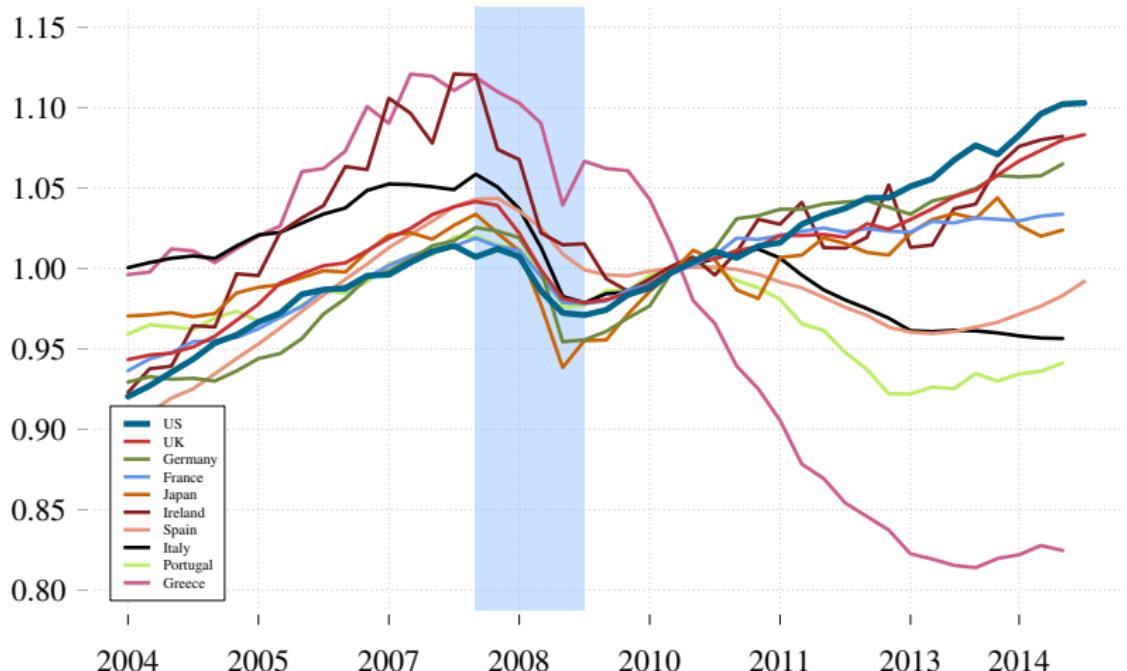
Percent



Source: FRB St. Louis

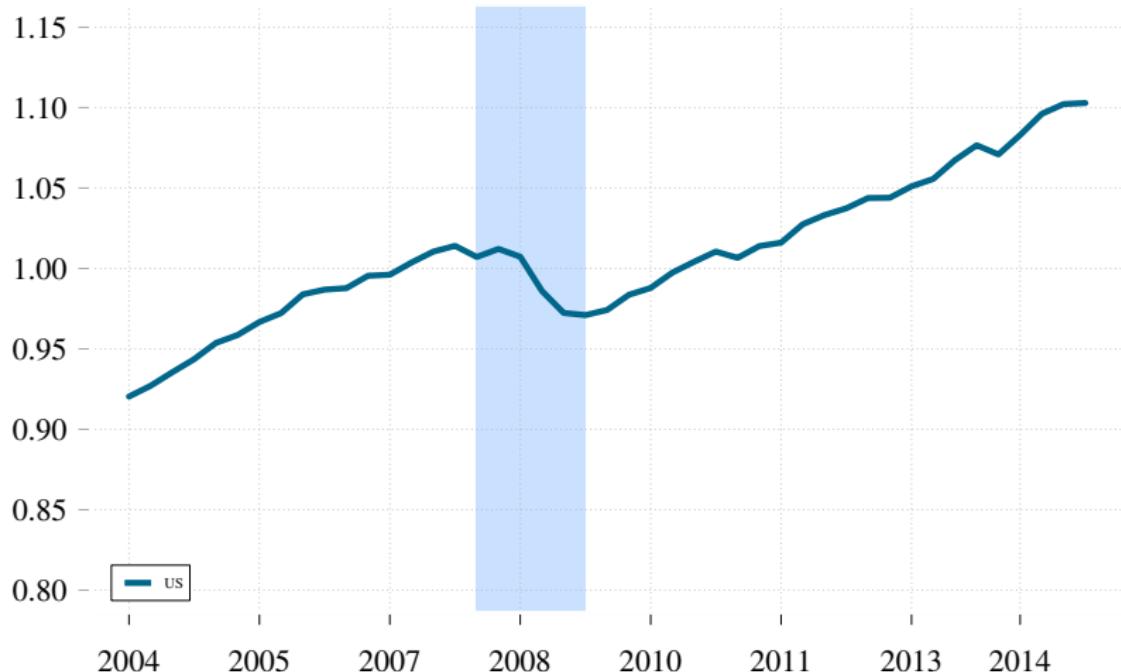
# Real GDP

Index, 2010=1, Quarterly, SA



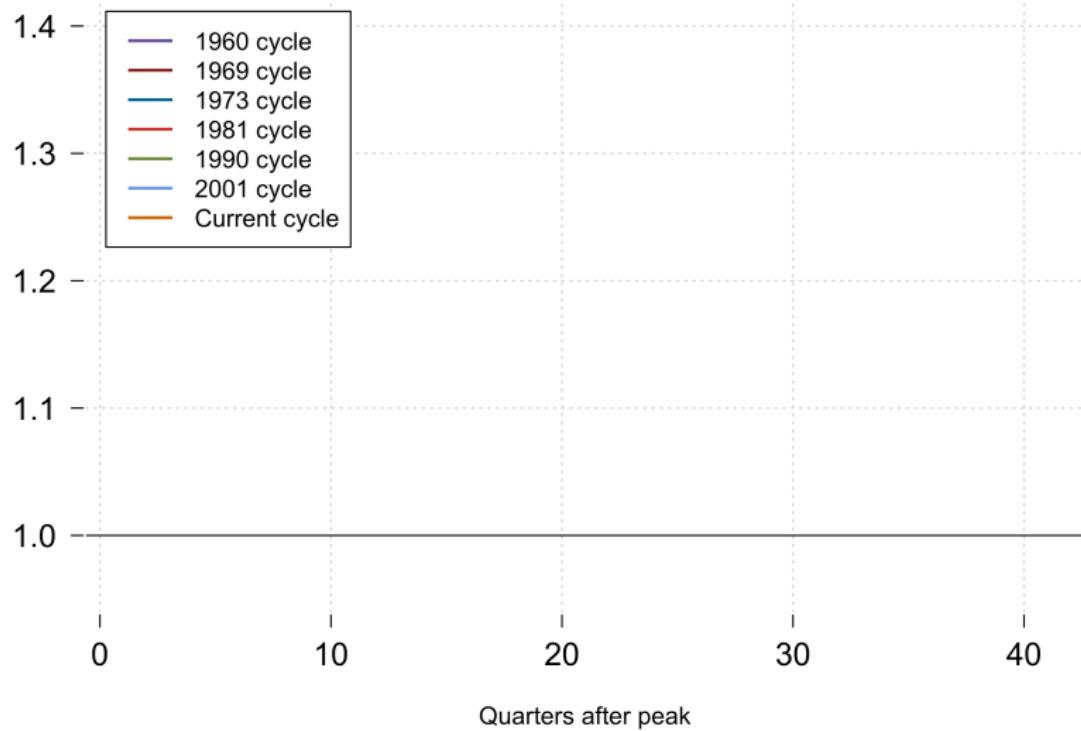
# Real GDP

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# Real GDP

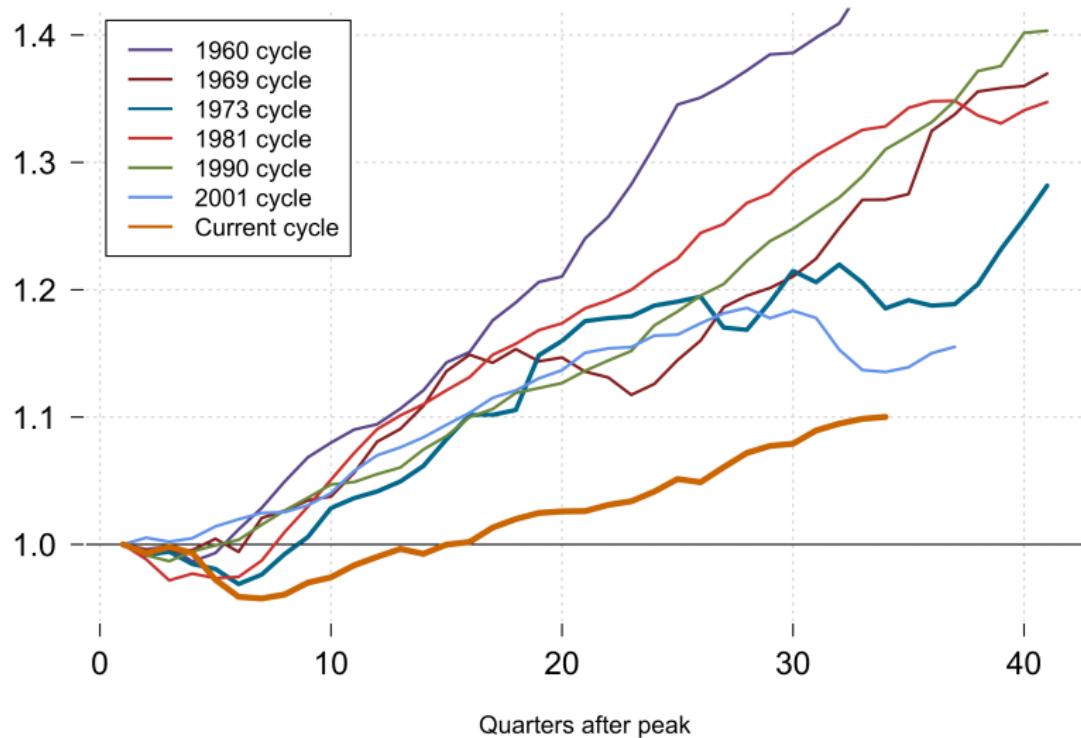
Peak before recession = 1





# Real GDP

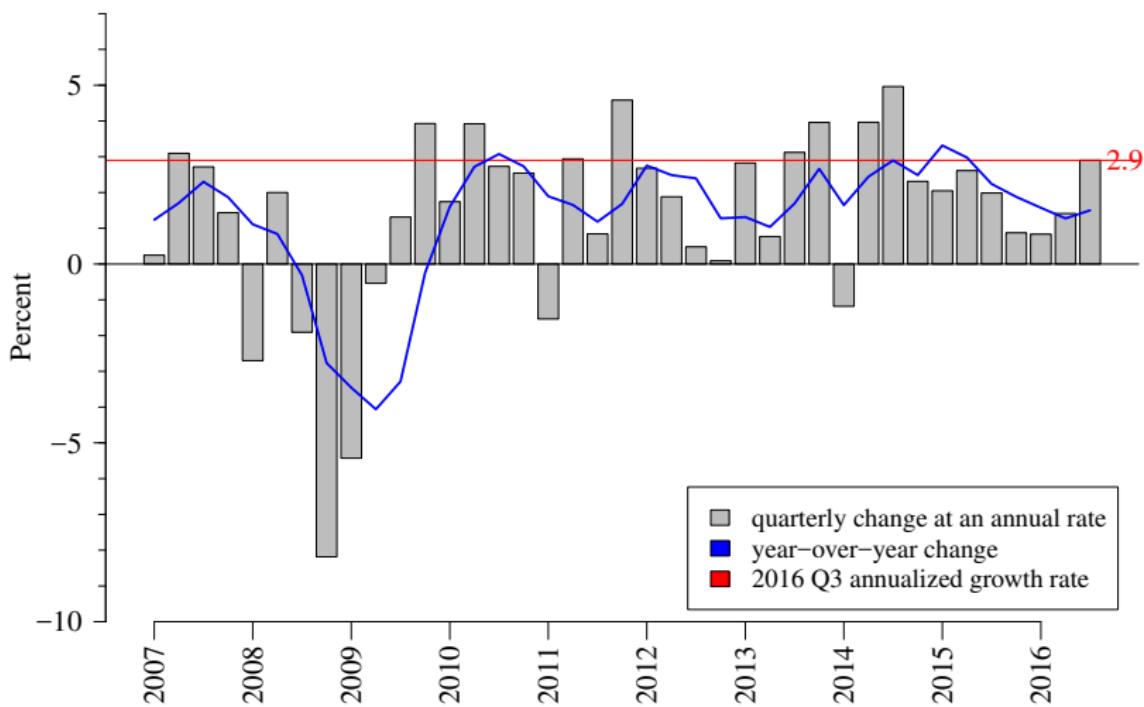
Peak before recession = 1



## data since the April 27 FOMC meeting

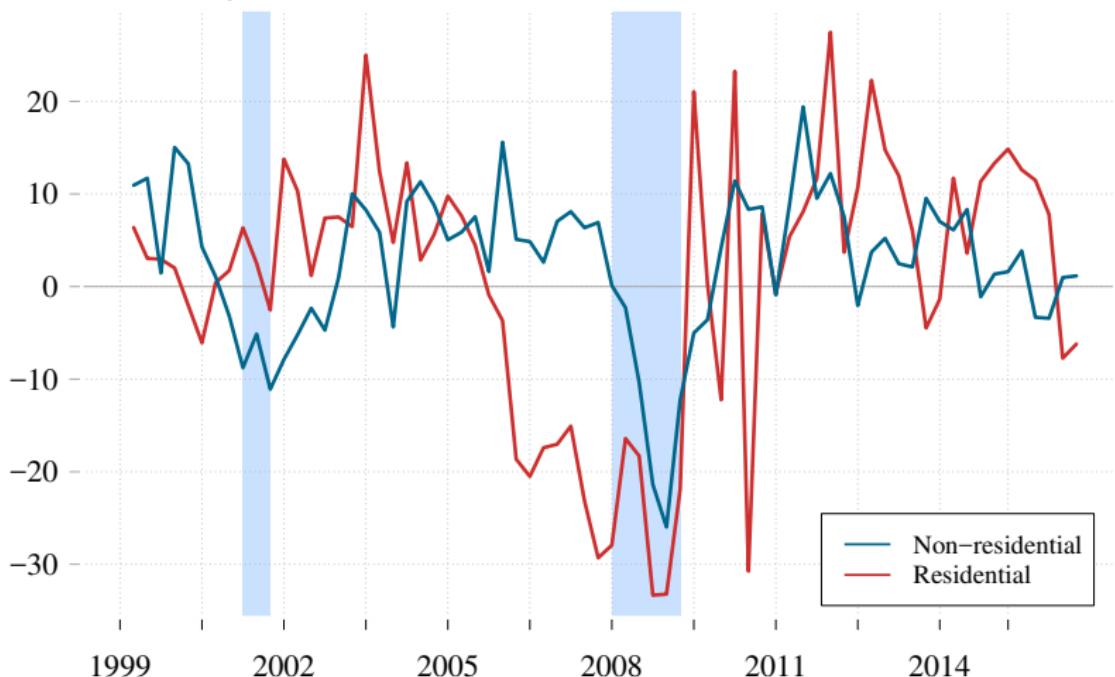
- GDP: **weak, 0.5%**
- non-residential fixed investment: **weak, -5.9%**
- residential fixed investment: **strong, 14.8%**
- real personal income: **strong-ish, 3.8%**

## Real GDP



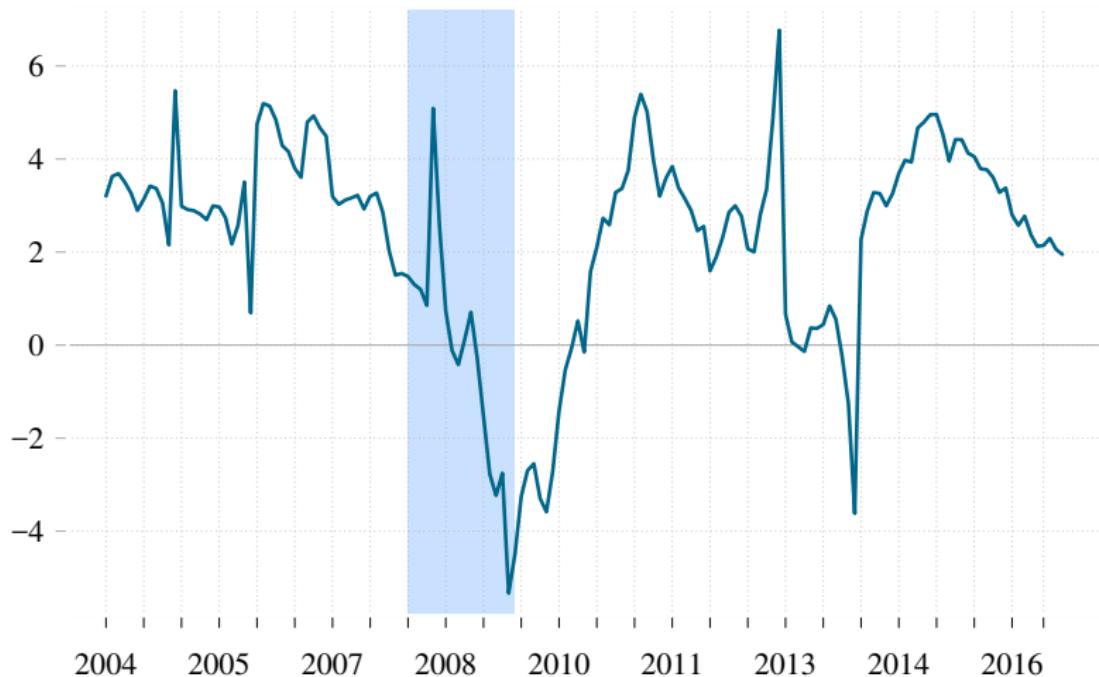
## Fixed investment

Percent change at annual rate



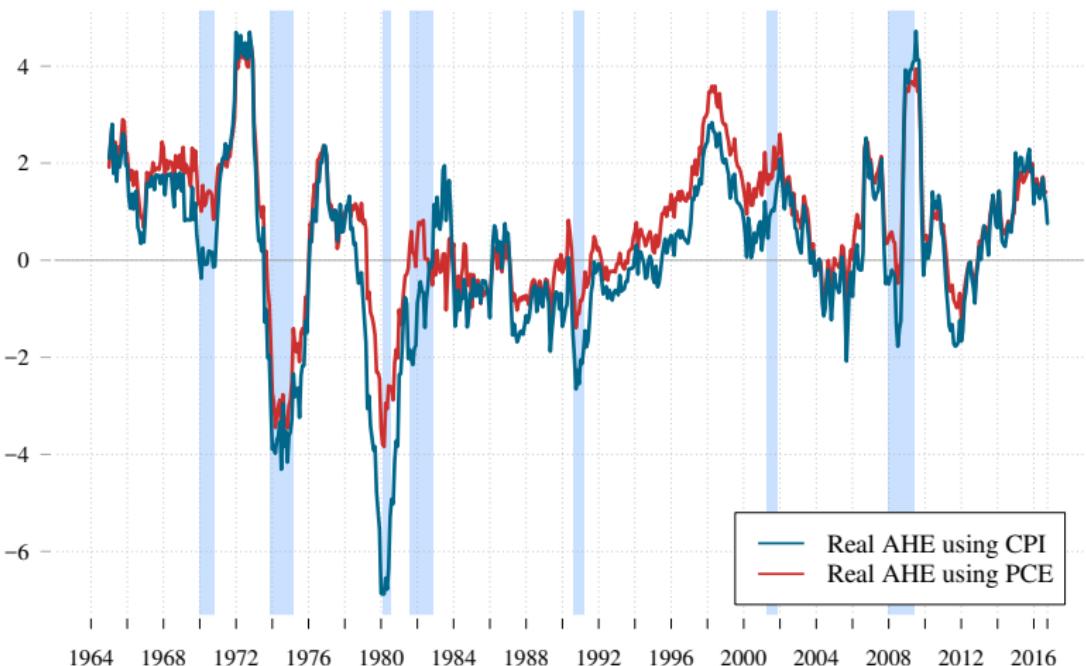
## Real Personal Income

Percent change from a year ago



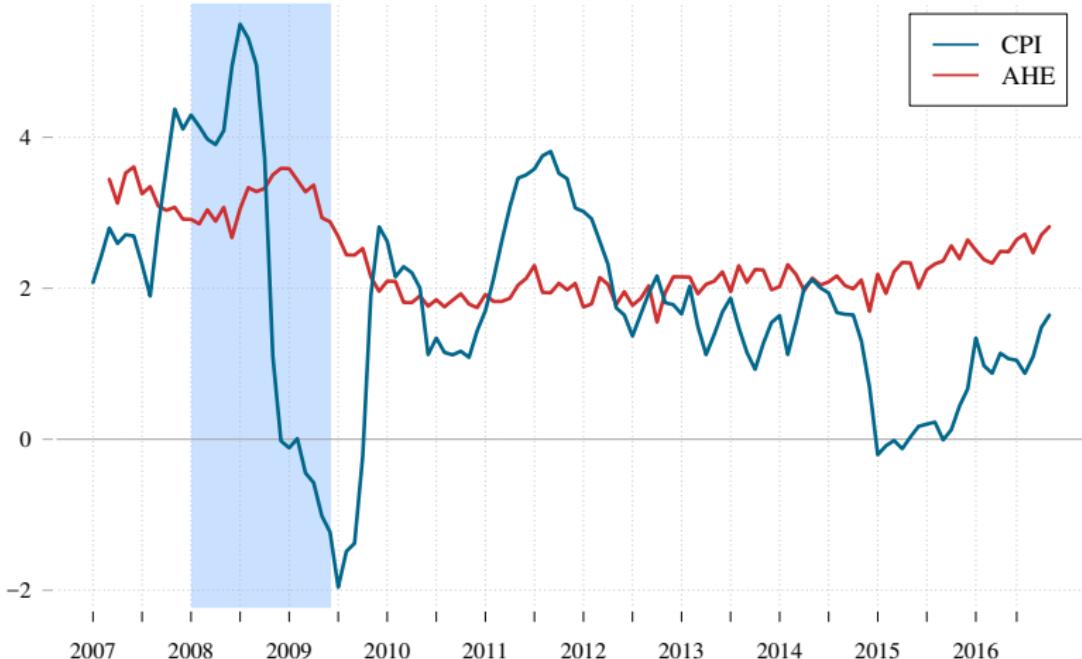
## Real Average Hourly Earnings

Percent change from a year ago, production and nonsupervisory workers



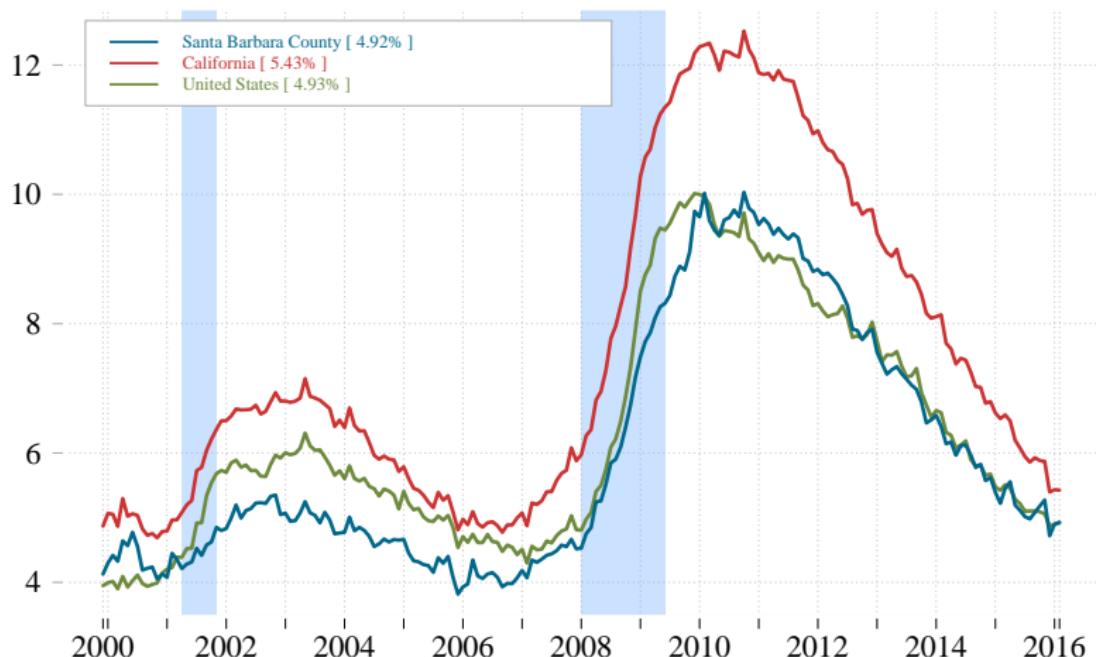
## Inflation and Average Hourly Earnings

Percent change from a year ago, all private workers



## Unemployment Rate, Seasonally Adjusted

Percent (%)

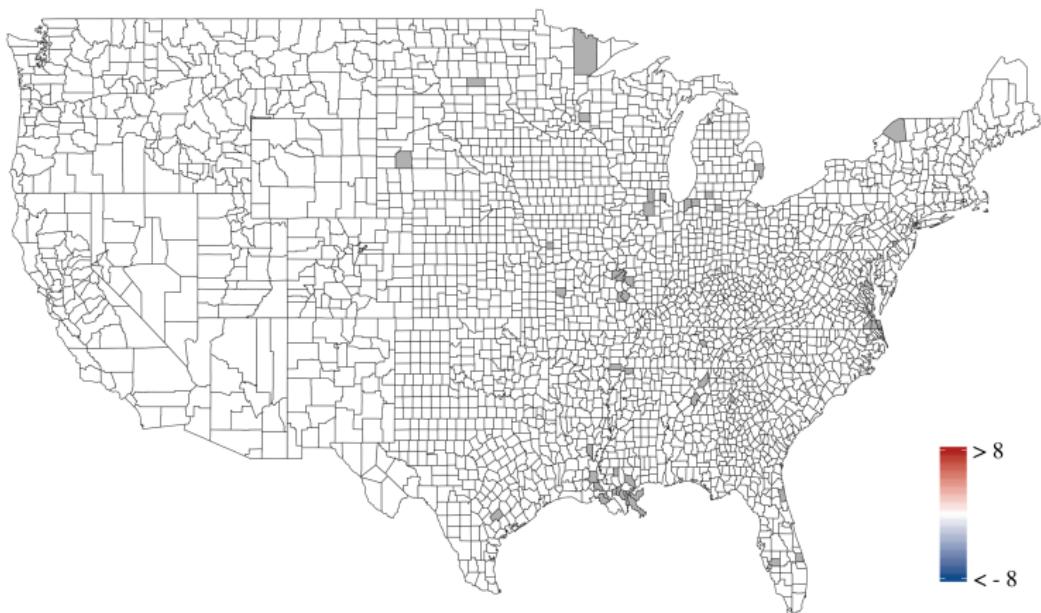


inequality

## breaking down national averages

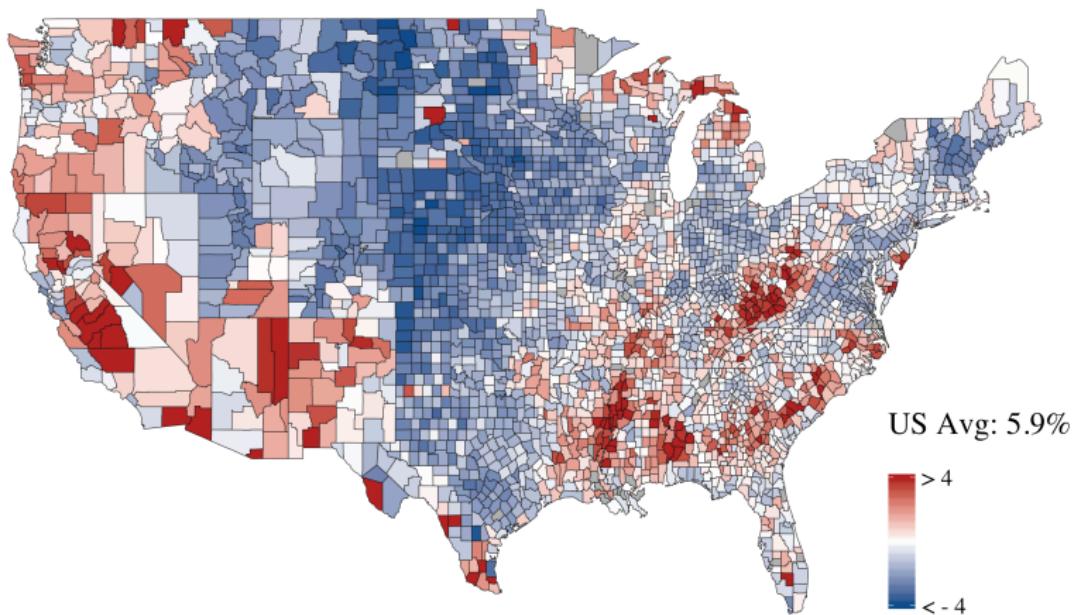
- unemployment
- earnings
- housing

## Unemployment Rate Percentage Point Difference Since 2006: 2006

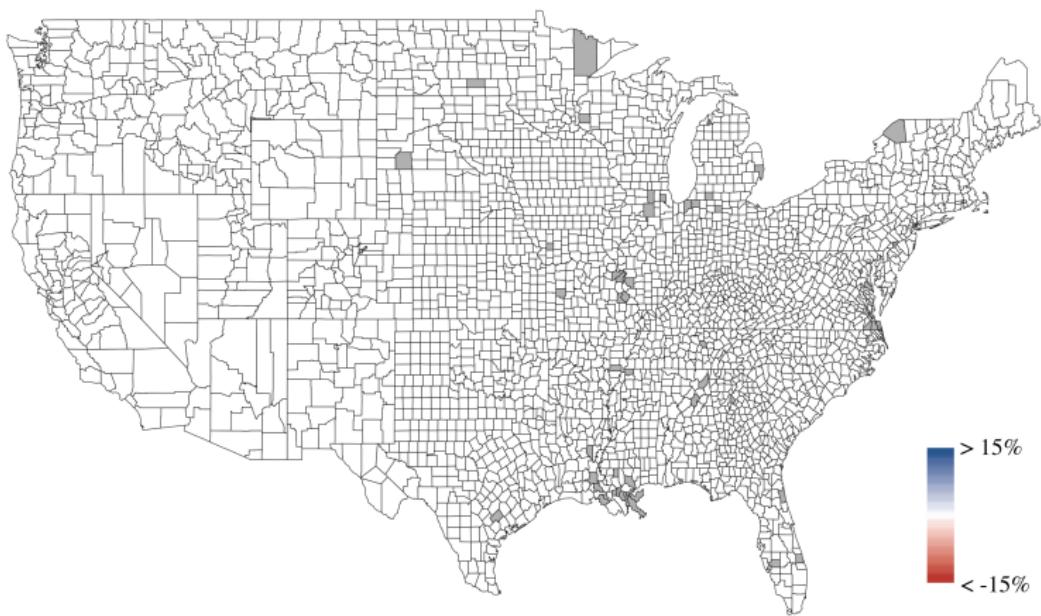




## Unemployment Rate Percentage Point Difference to US Average: 2015

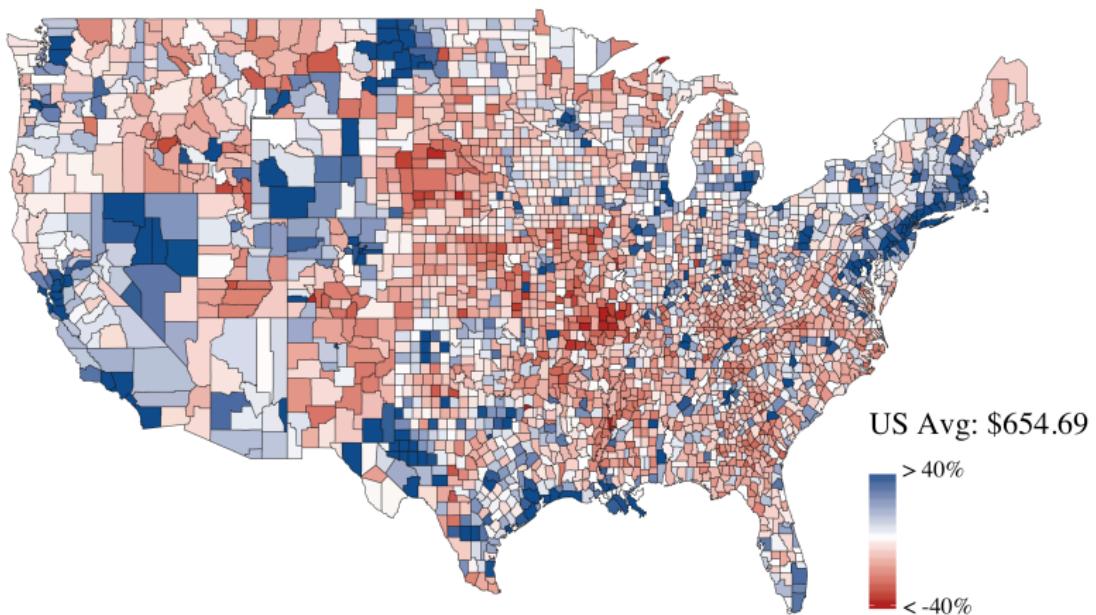


## Employment Change Since 2006: 2006



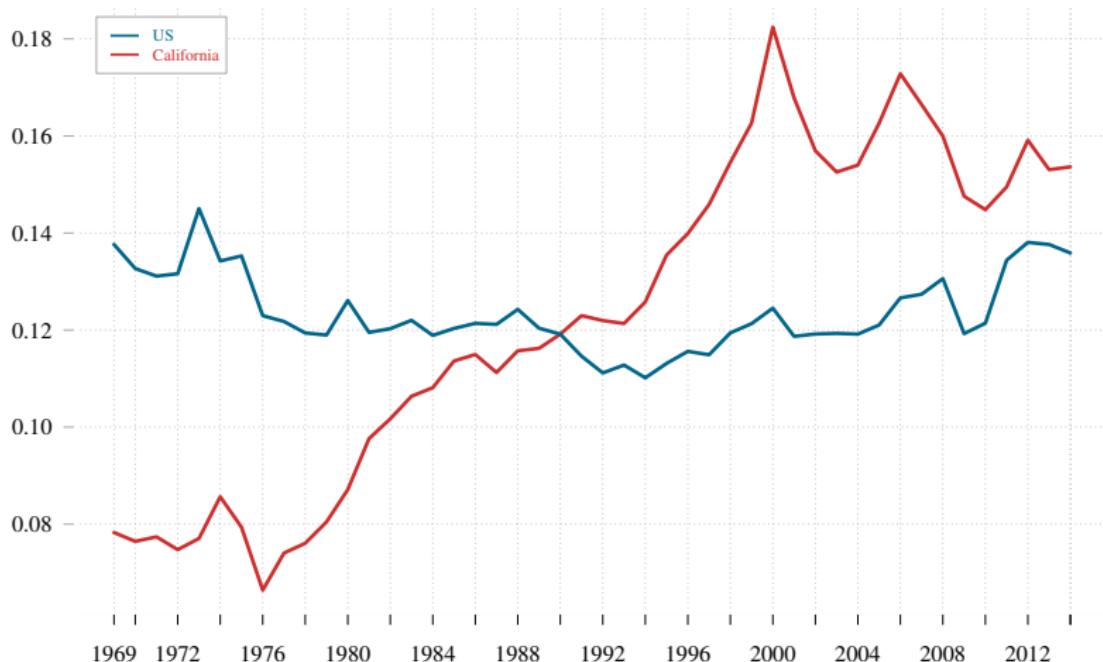


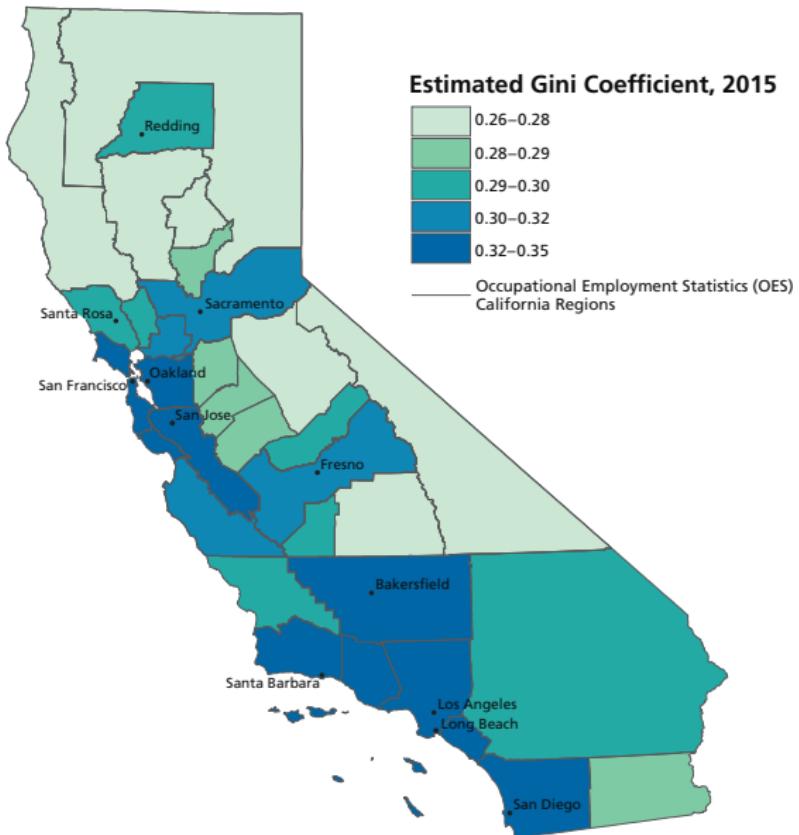
## Real Weekly Wage Relative to US Average: 2015



## Gini Coefficient

Real per capita personal income across counties



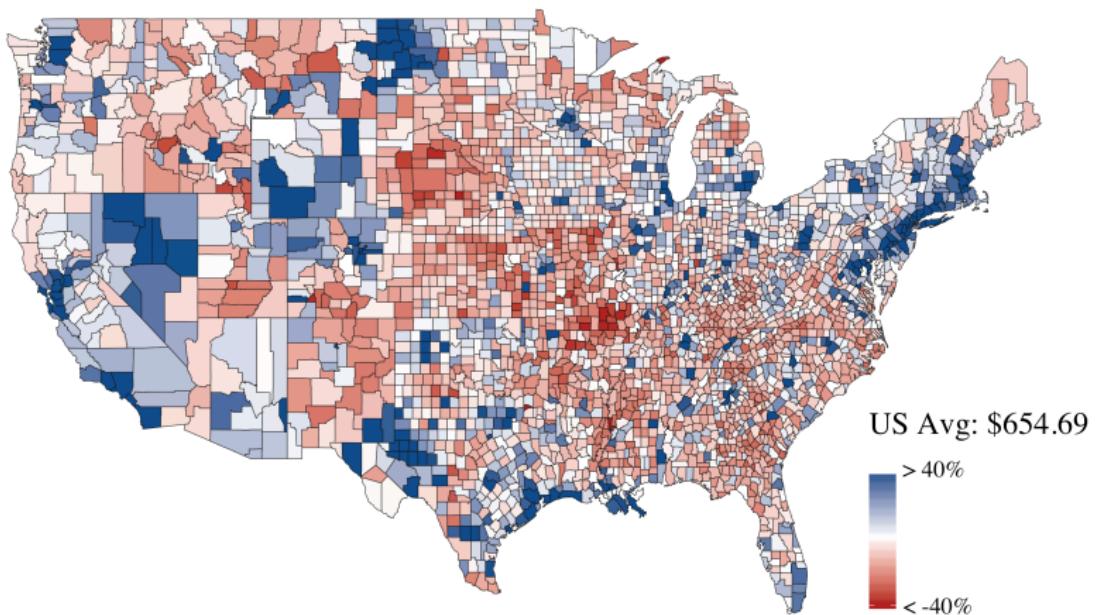


## Real Wage Growth Since 2006: 2006



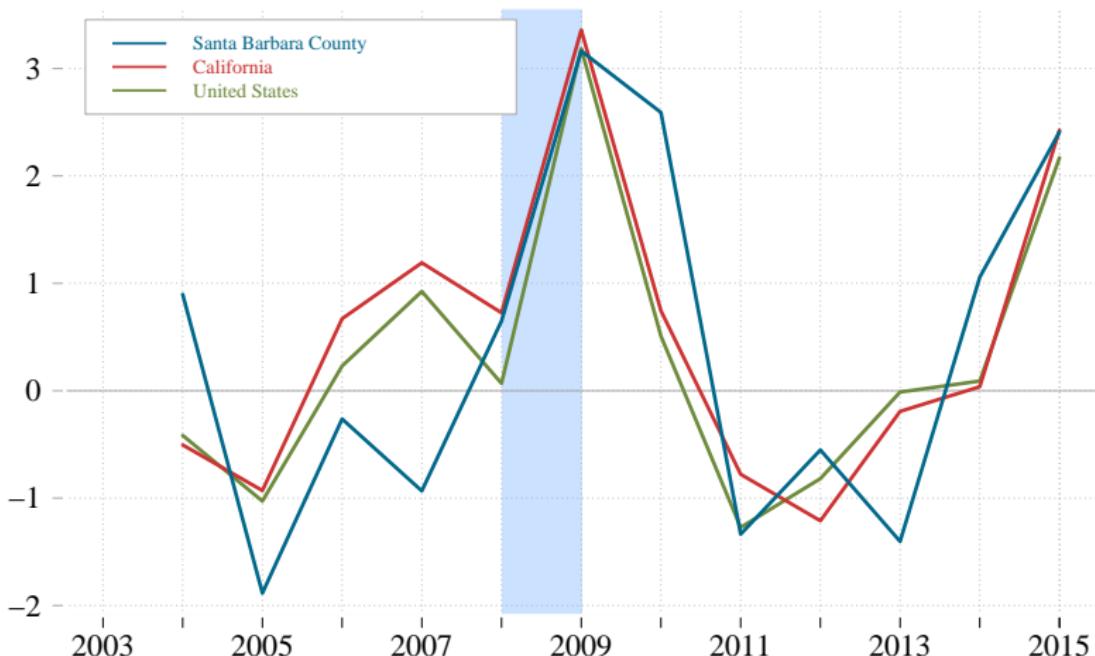


## Real Weekly Wage Relative to US Average: 2015



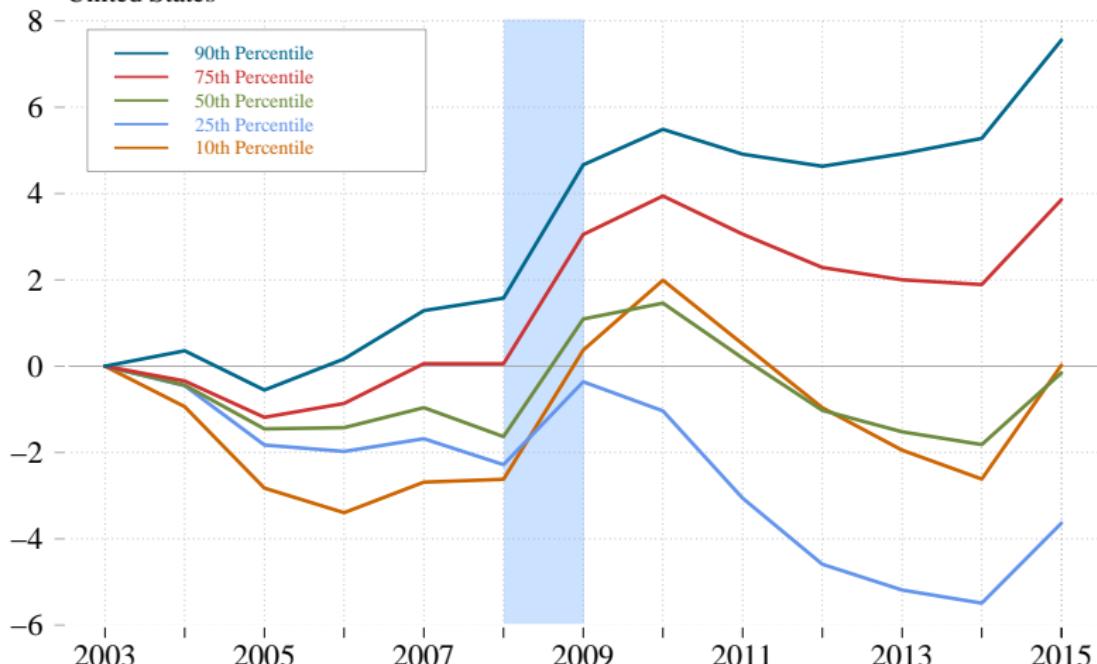
## Real Hourly Mean Wages, by Area

Annual Growth Rate (%)



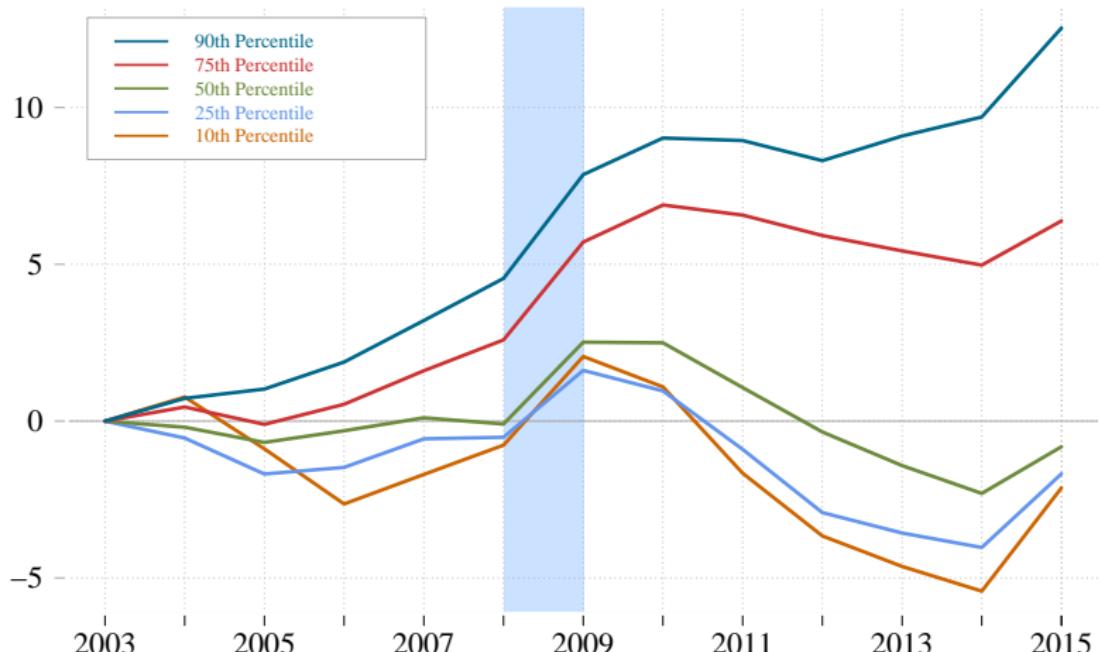
## Cumulative percent change in real hourly wages

United States



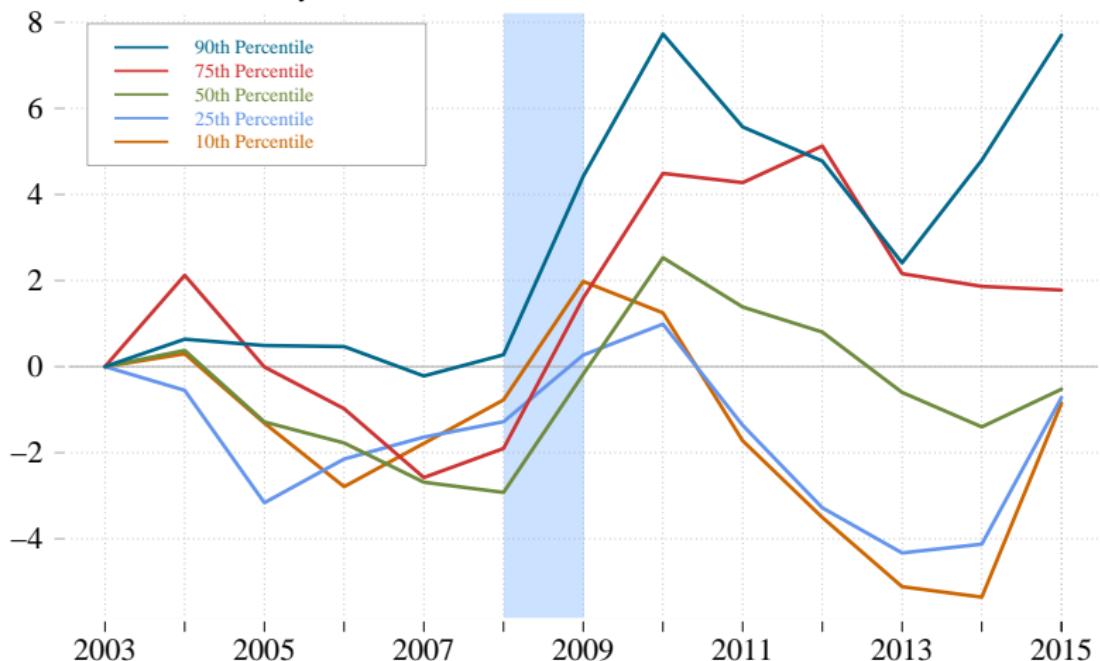
## Cumulative percent change in real hourly wages

California



## Cumulative percent change in real hourly wages

Santa Barbara County

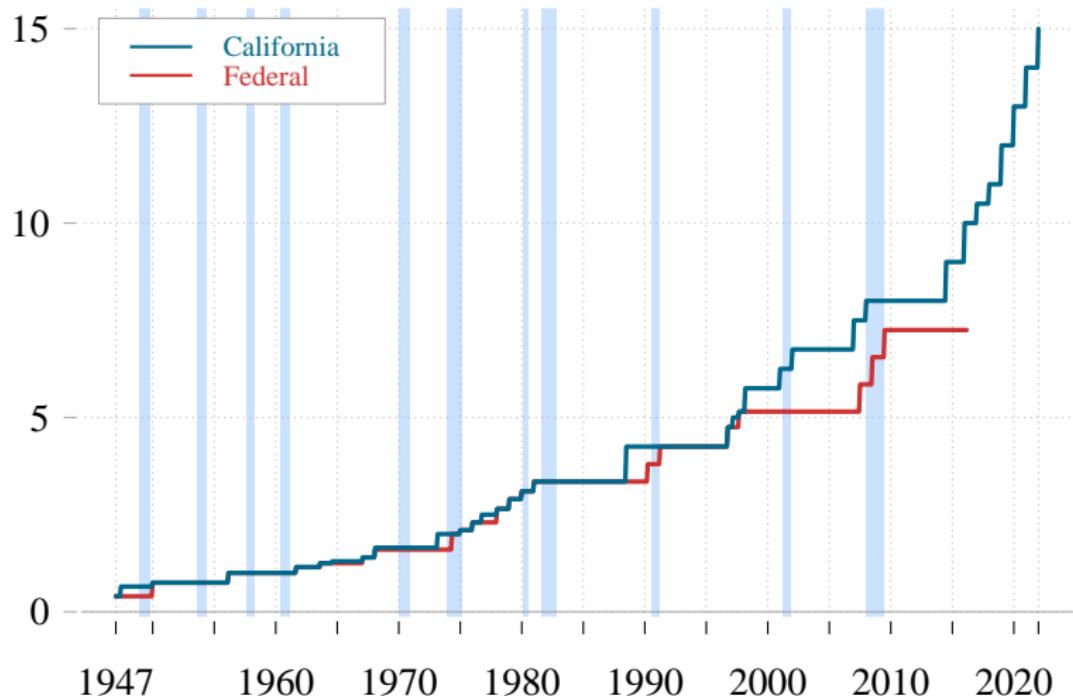


minimum wages

## a looming labor market issue

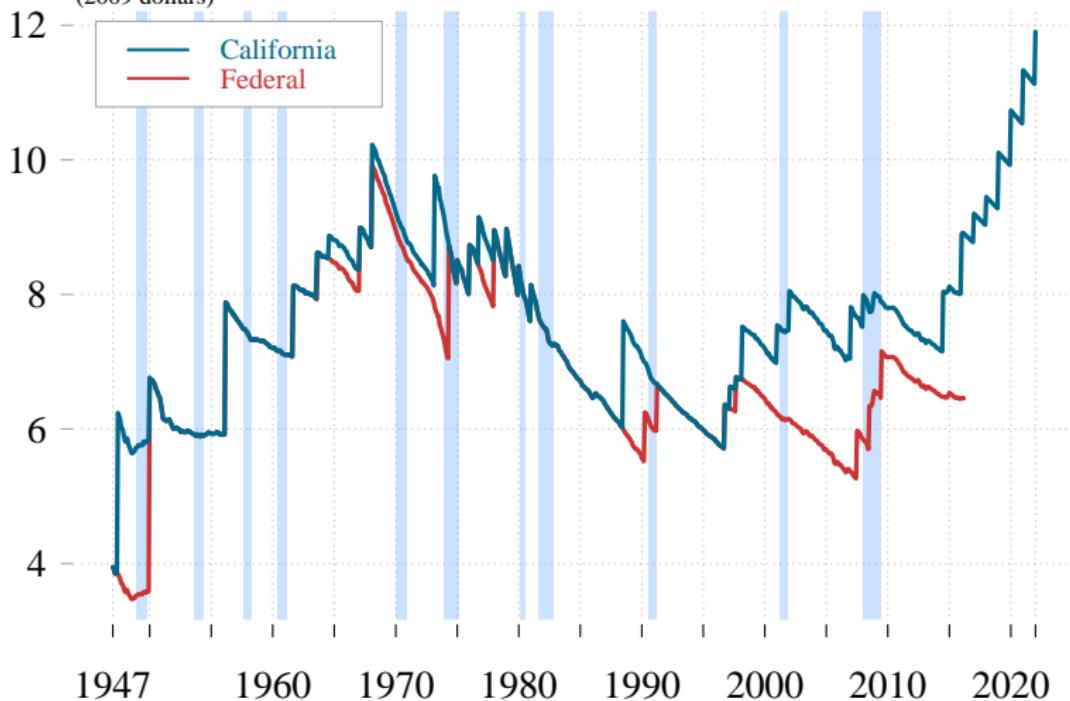
- current minimum wage \$10
- \$15 minimum wage by 2022
- let's start by examining the data

## Nominal Minimum Wage

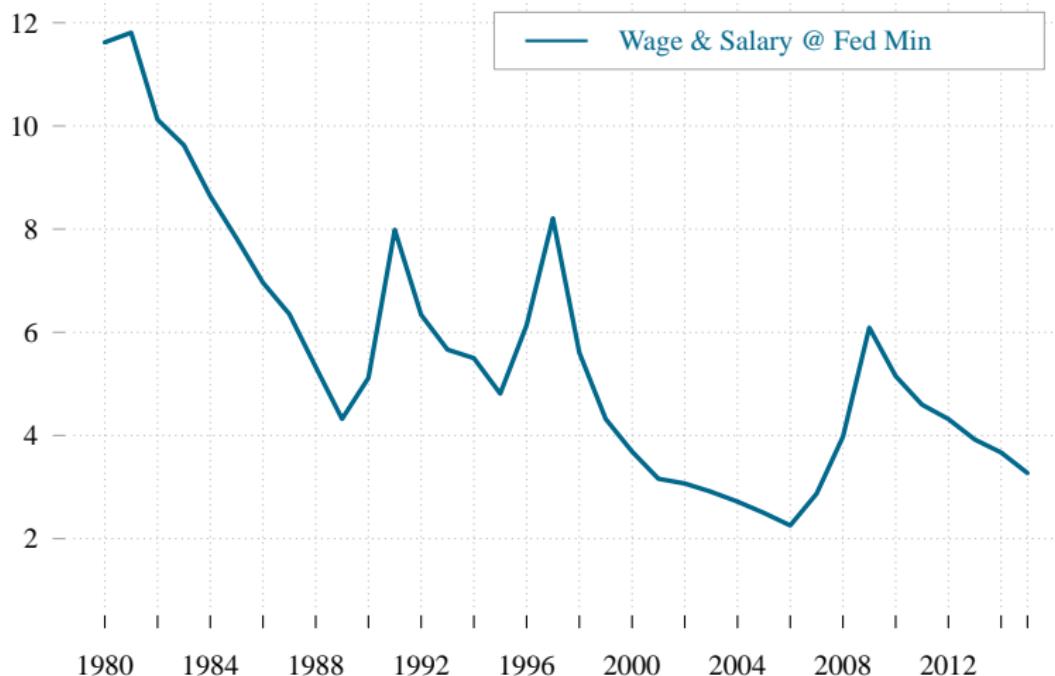


# Real Minimum Wage

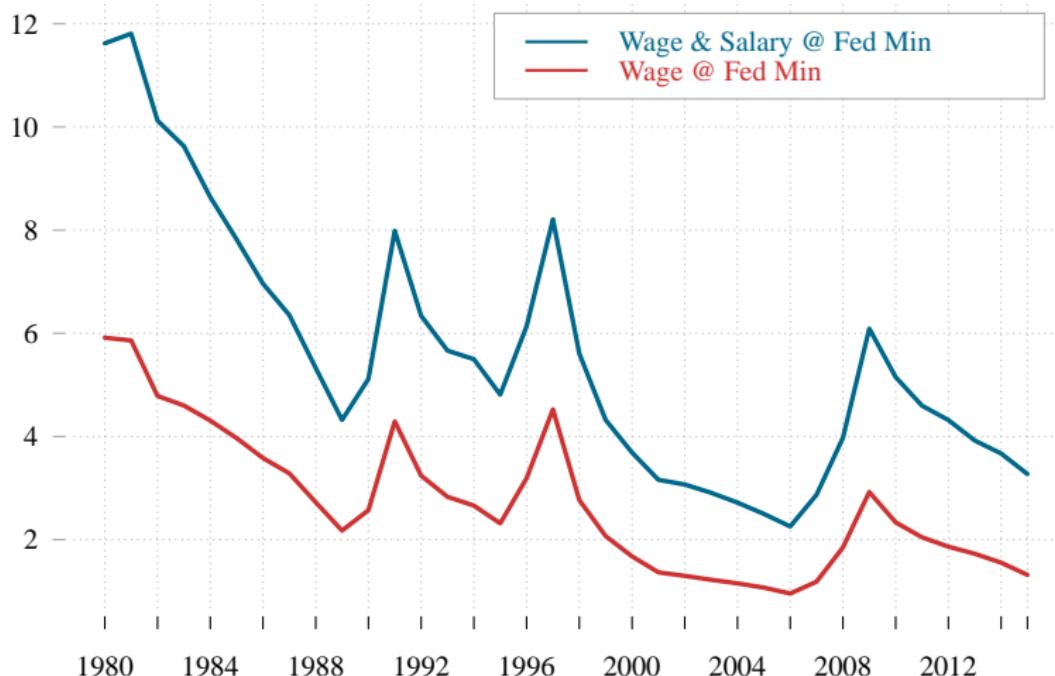
(2009 dollars)



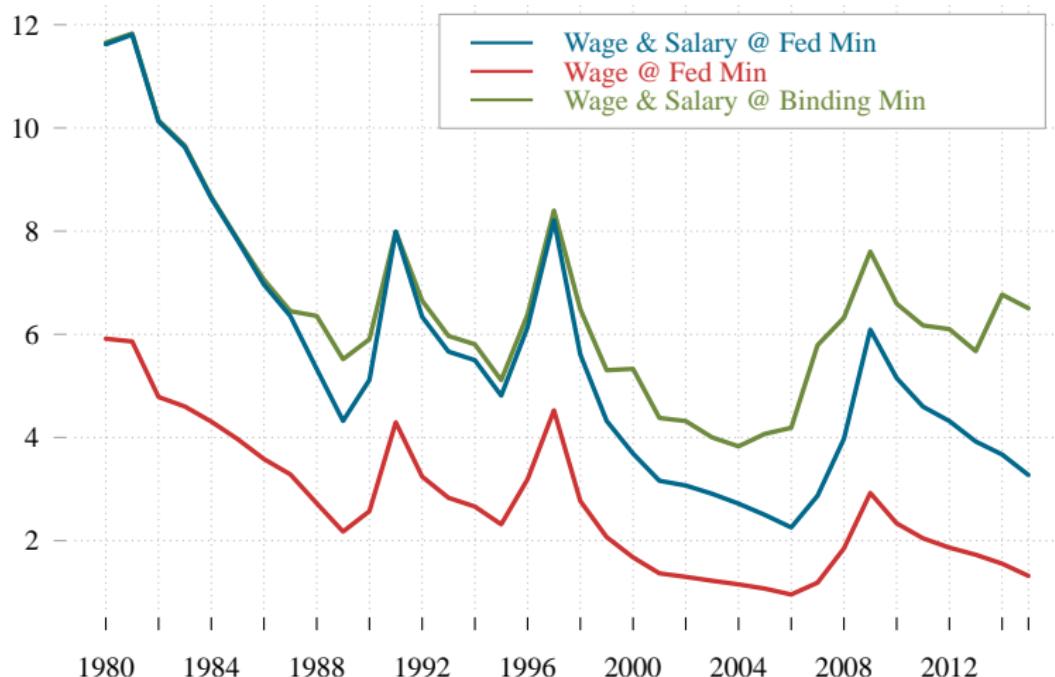
## Percent of Workers at Minimum Wage



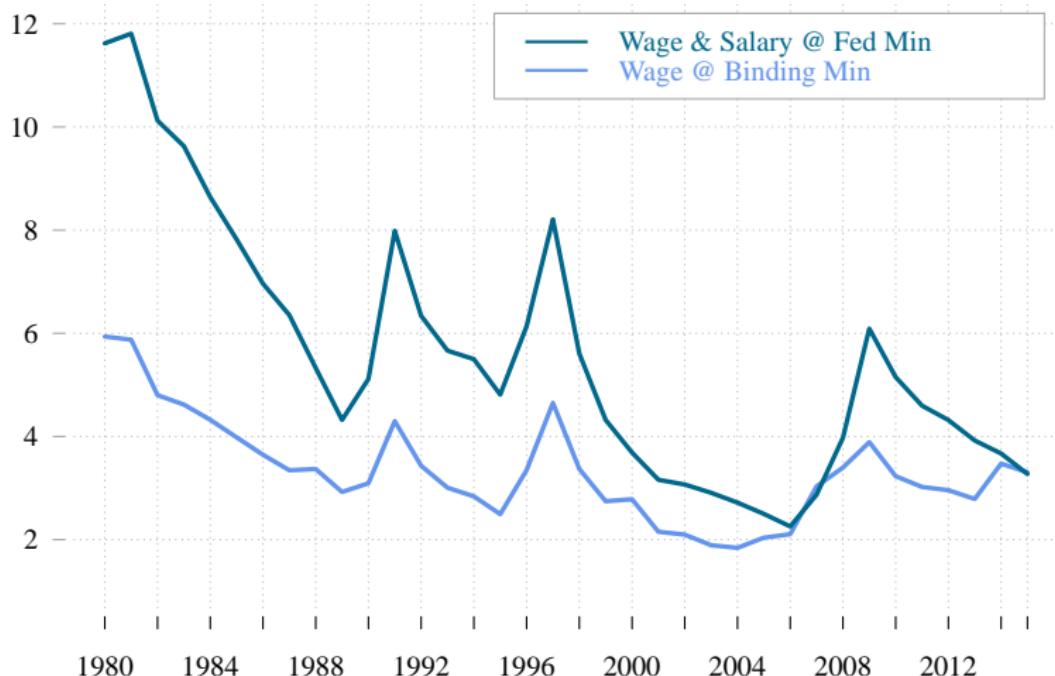
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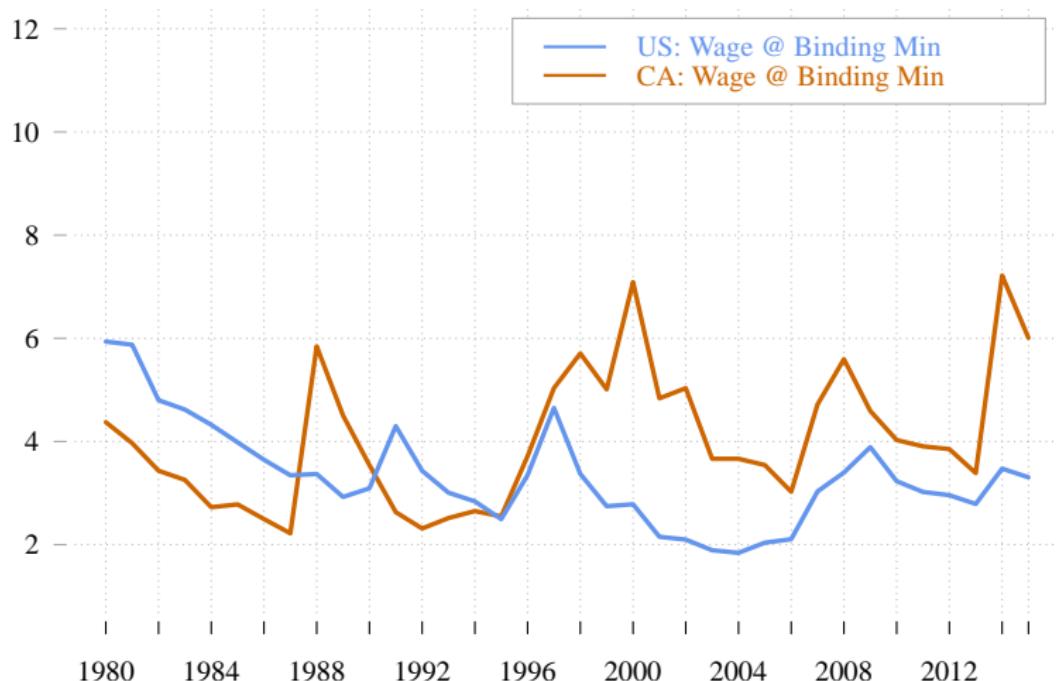
## Percent of Workers at Minimum Wage

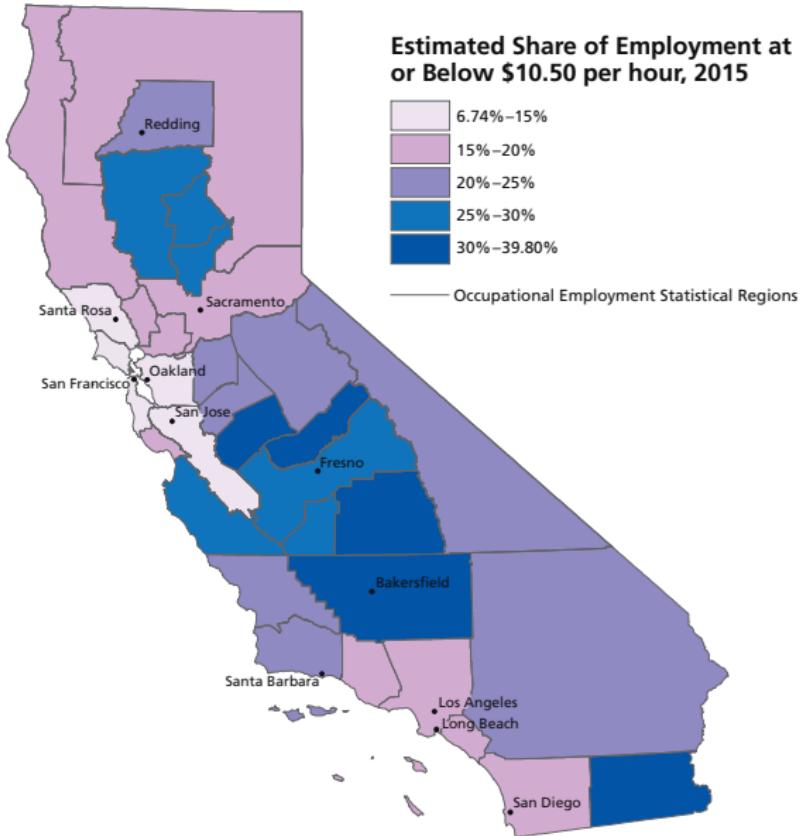


## Percent of Workers at Minimum Wage



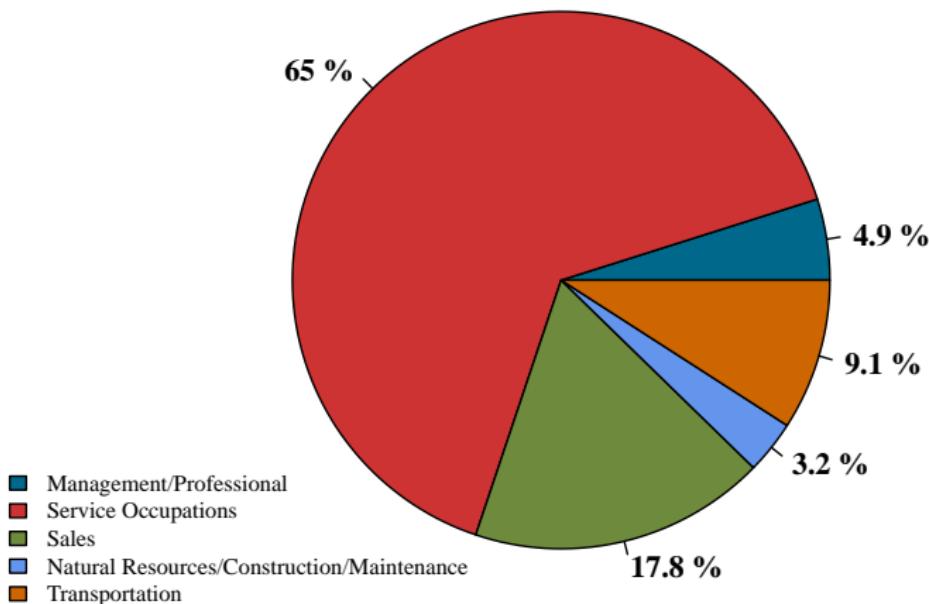
## Percent of Workers at Minimum Wage



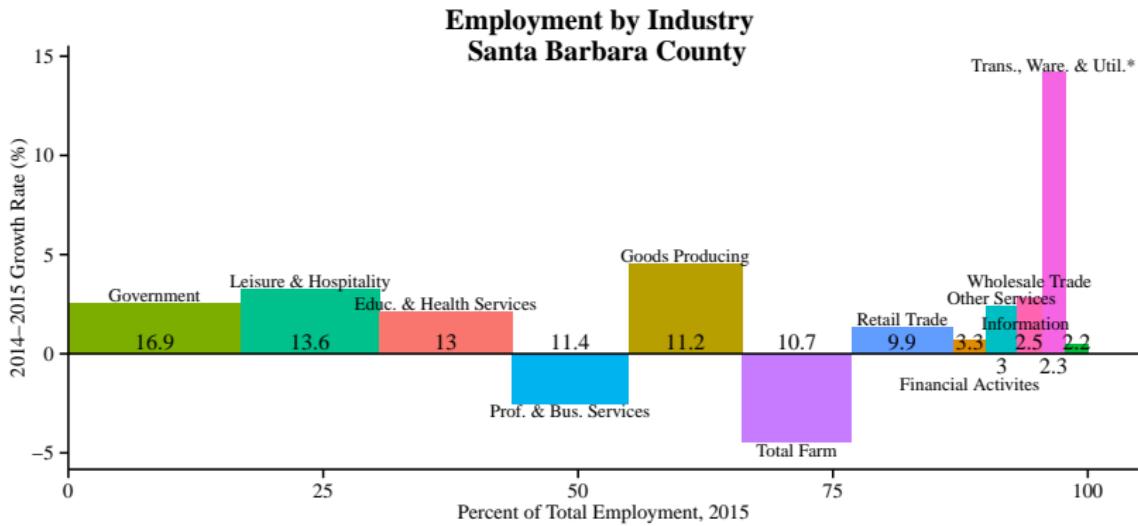


# Percent Making Minimum Wage by Occupation

*United States, 2015*



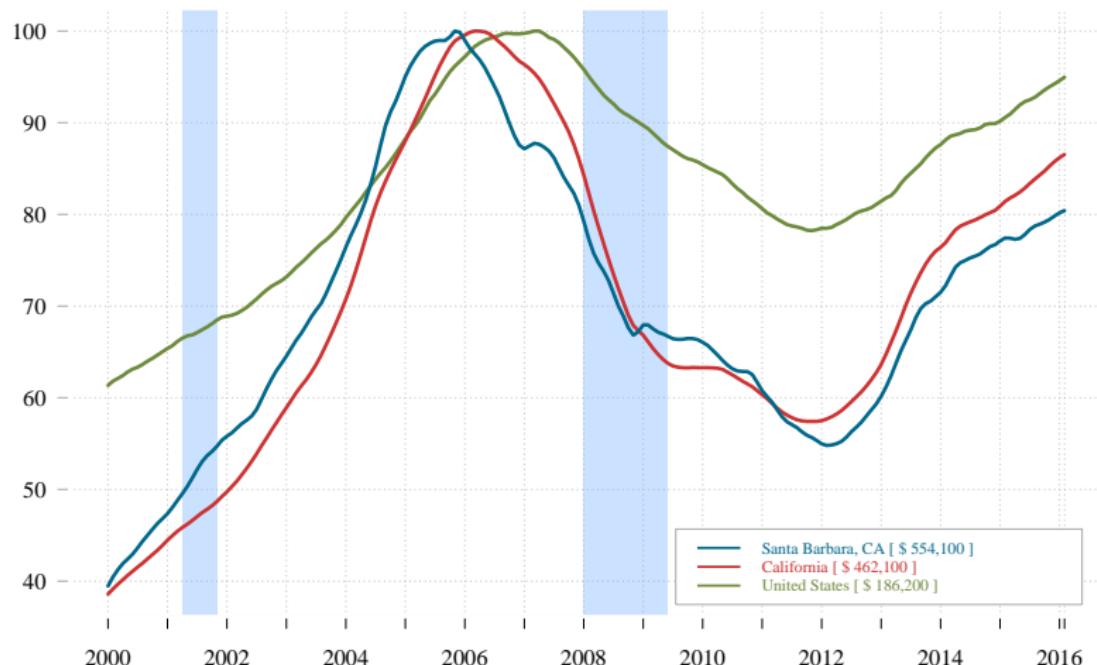
*Source: BLS*



housing

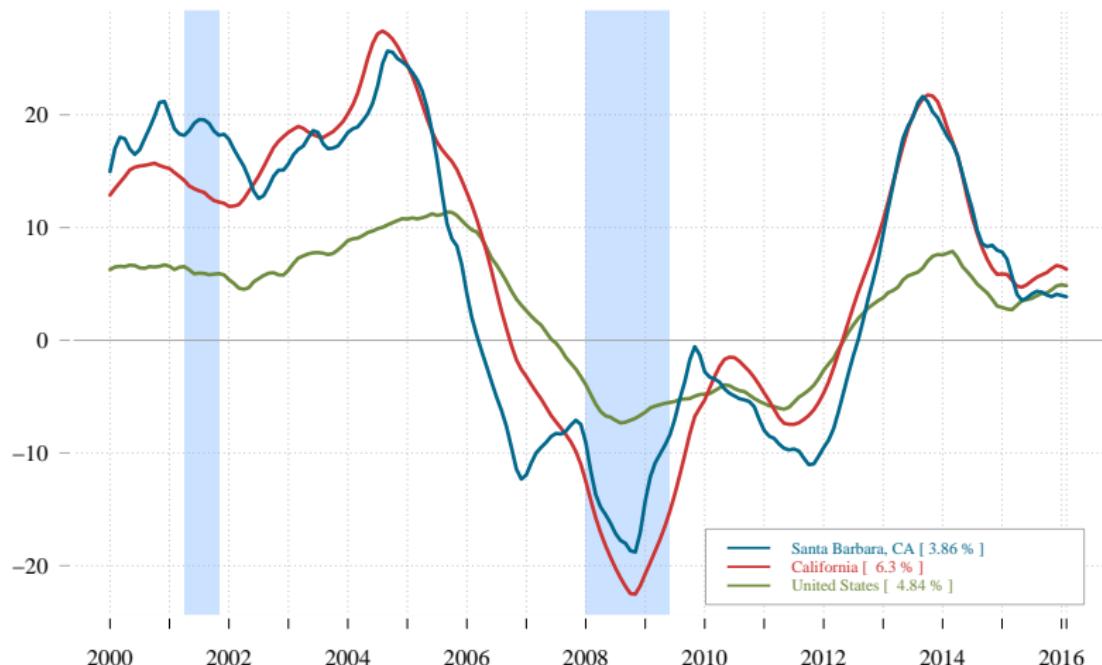
## Zillow Home Value Index

Index (100 = Pre-Recession Maximum Value)



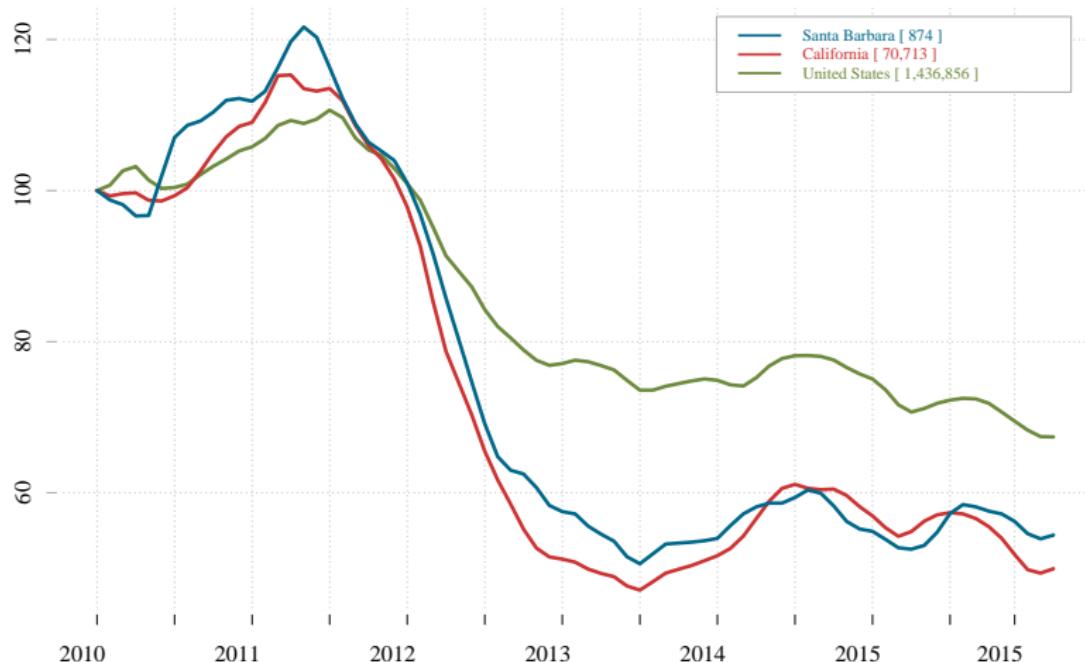
## Zillow Home Value Index

YoY Growth Rate (%)



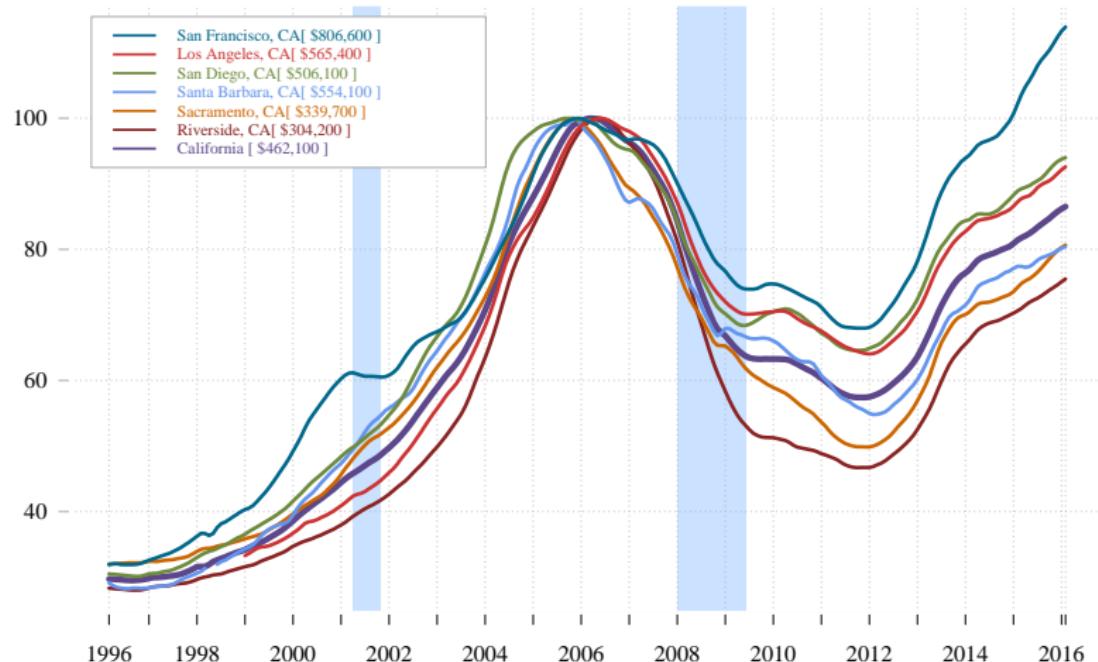
## For-Sale Inventories, Seasonally Adjusted

Index (Jan 2010 = 100)



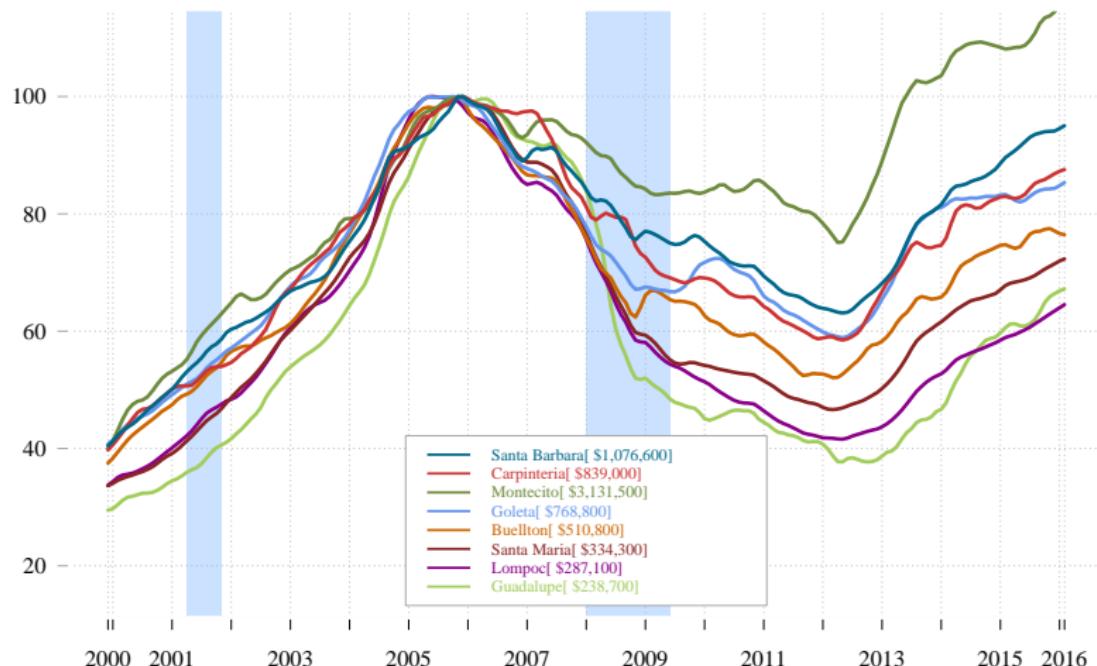
## Zillow Home Value Index, by MSA

Index (100 = Pre-Recession Max Value)



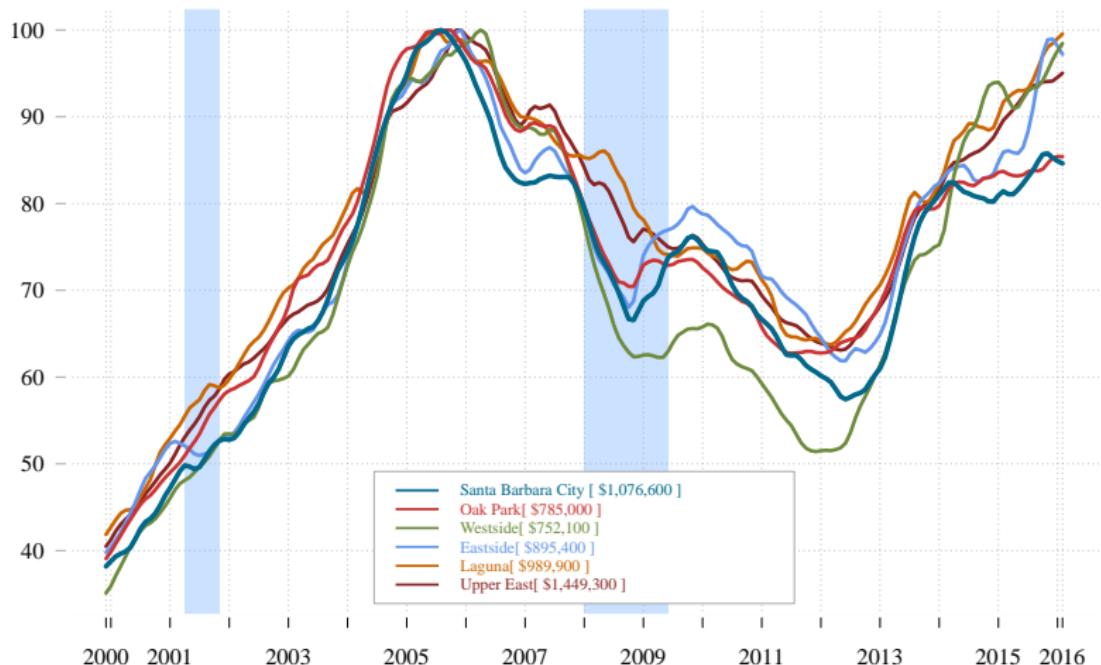
## Zillow Home Value Index

Index (100 = Pre-Recession Max Value)



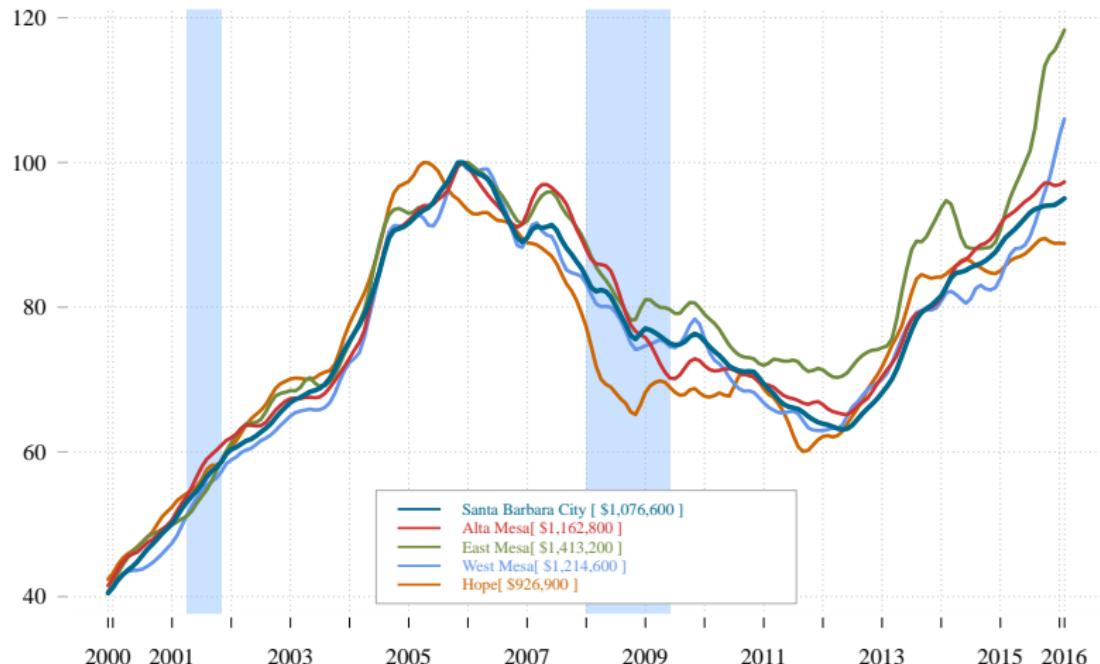
## Zillow Home Value Index: Downtown

Index (100 = Pre-Recession Max Value)



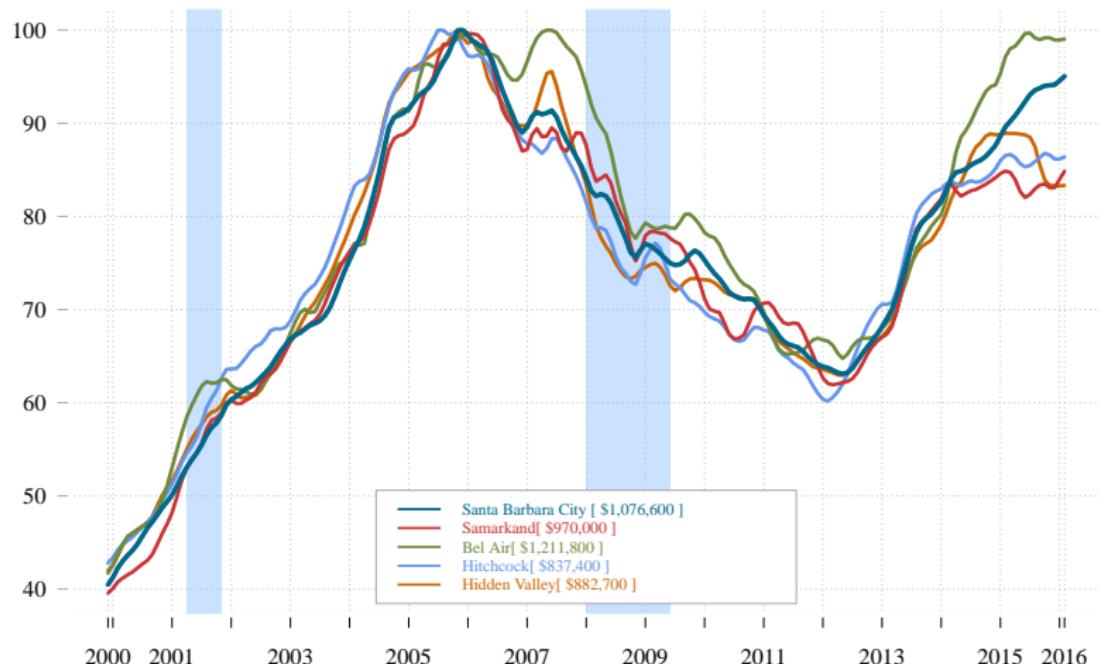
## Zillow Home Value Index: Coastal

Index (100 = Pre-Recession Max Value)



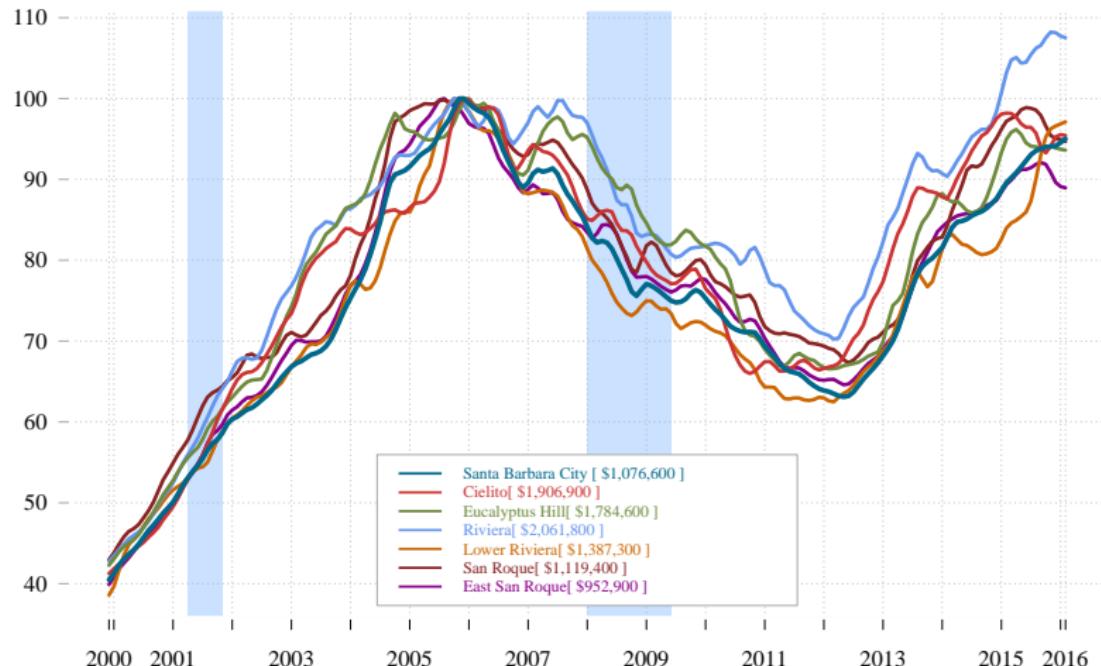
## Zillow Home Value Index: Other

Index (100 = Pre-Recession Max Value)

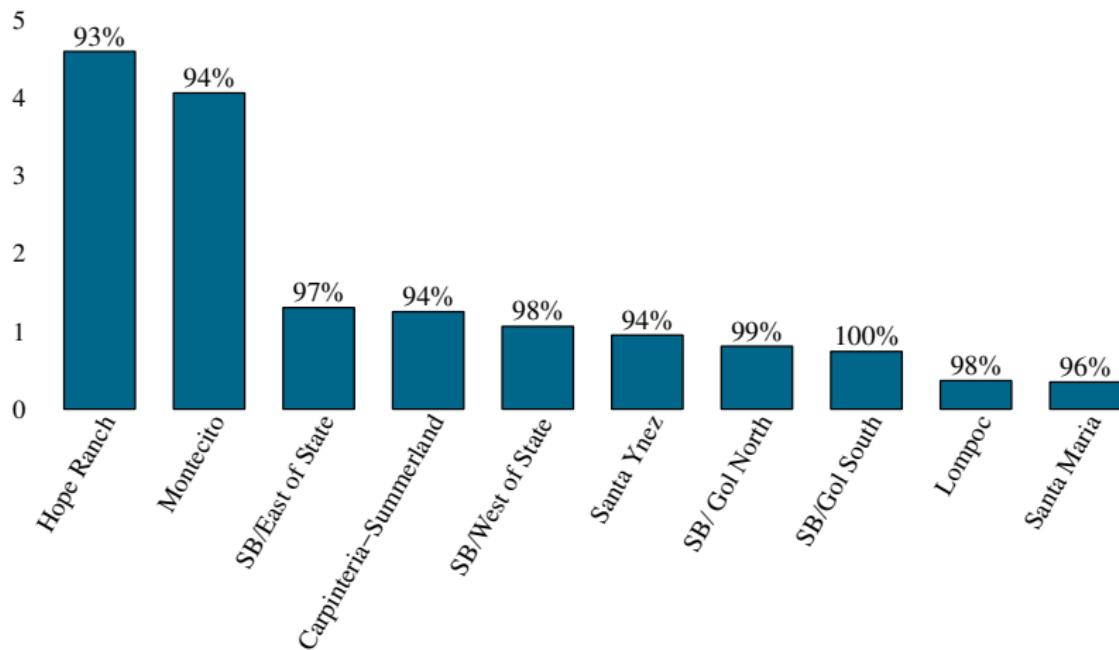


## Zillow Home Value Index: Riviera

Index (100 = Pre-Recession Max Value)

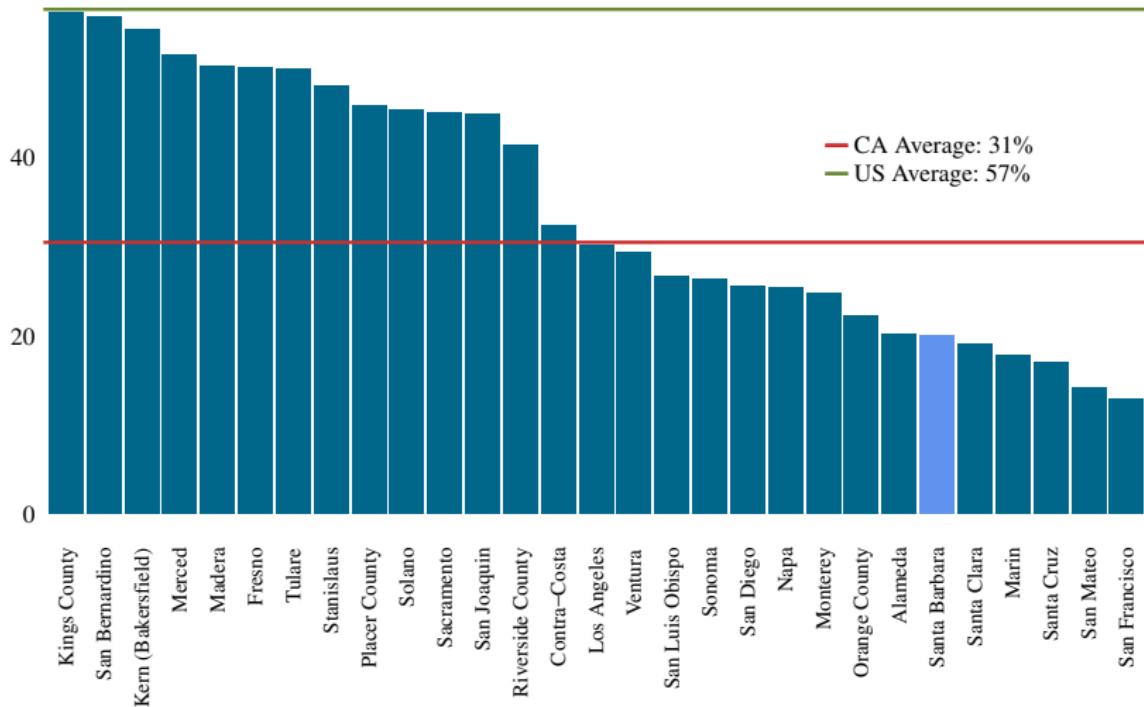


## List Price (Millions) Sales Price as Percent of List Price

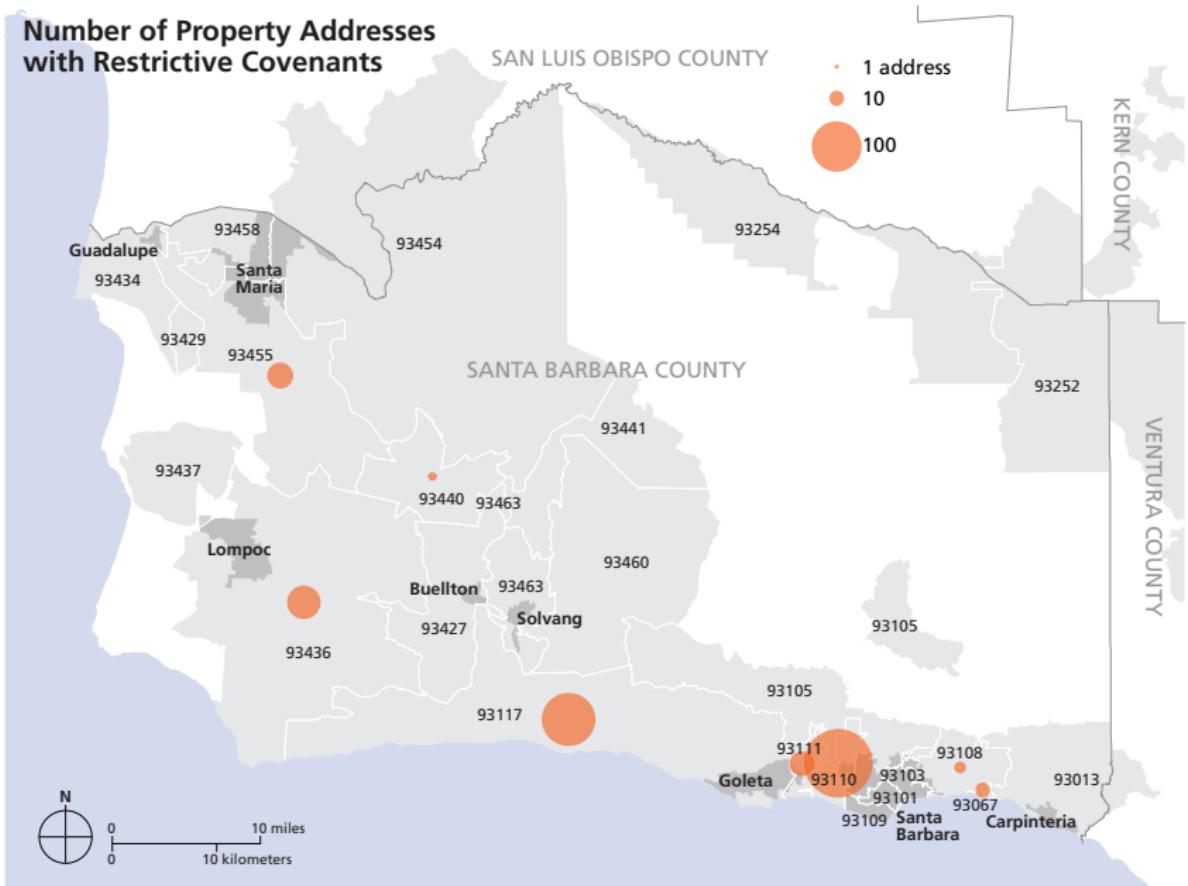


affordable housing and Section 8

## Affordability 2016Q2



## Number of Property Addresses with Restrictive Covenants



# rental comparison

rent per square foot

Type	County	South	North	S/C	S/N
1 br	2.22	2.83	1.76	1.27	1.60
2 br	1.97	2.28	1.56	1.16	1.47
All	<b>2.10</b>	<b>2.53</b>	<b>1.68</b>	<b>1.21</b>	<b>1.51</b>

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HUD response: increase south county subsidy by **41%**

# final thoughts

- Santa Barbara
  - employment strong
  - wages are up
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- fed funds future??? ask Jim!

# final thoughts

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- **unequality** is a constant reality

thank you



**Making The World  
A Better Place.**