

3.36pt

# Rupert Report

Peter Rupert  
Professor

Department of Economics, UCSB  
Director, UCSB Economic Forecast Project

League of California Cities  
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# roadmap for today

- <http://www.efp.ucsb.edu/talk>
- was there an election recently?
- inequality
- minimum wages
- Federal Reserve developments
- thoughts on the future

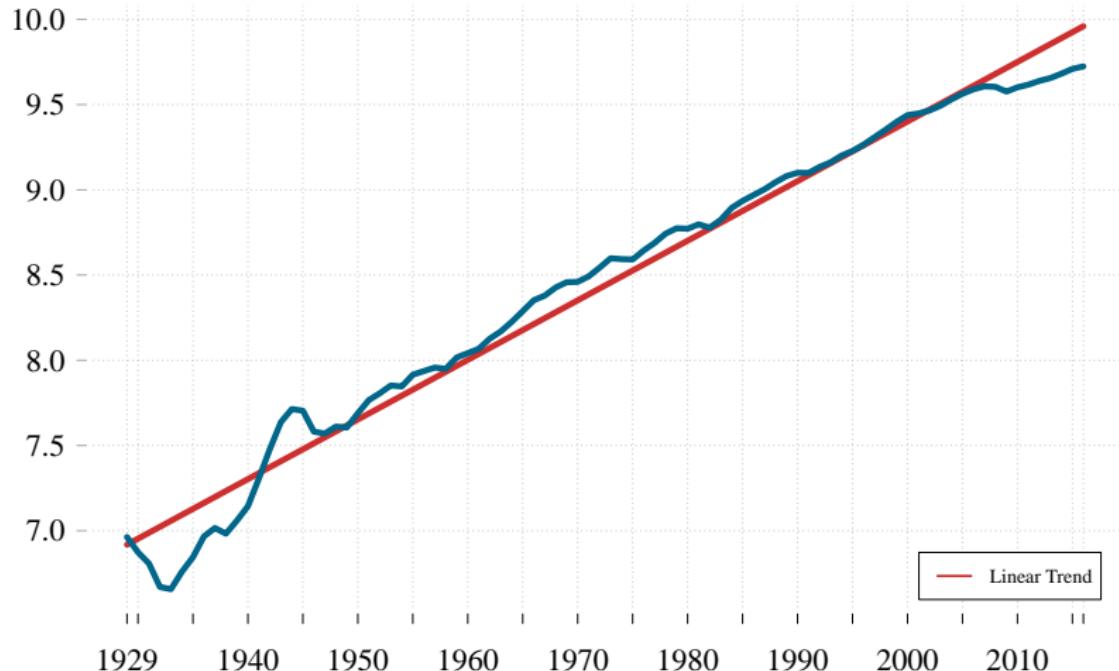
economics and the election

# what to expect

- uncertainty
  - immigration
  - international trade
  - taxes
  - Obamacare
  - oil
  - ugh, I need a lot more slides! but...

# Real GDP

Logged Billions of 2009\$, Seasonally Adjusted



— Linear Trend

inequality



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

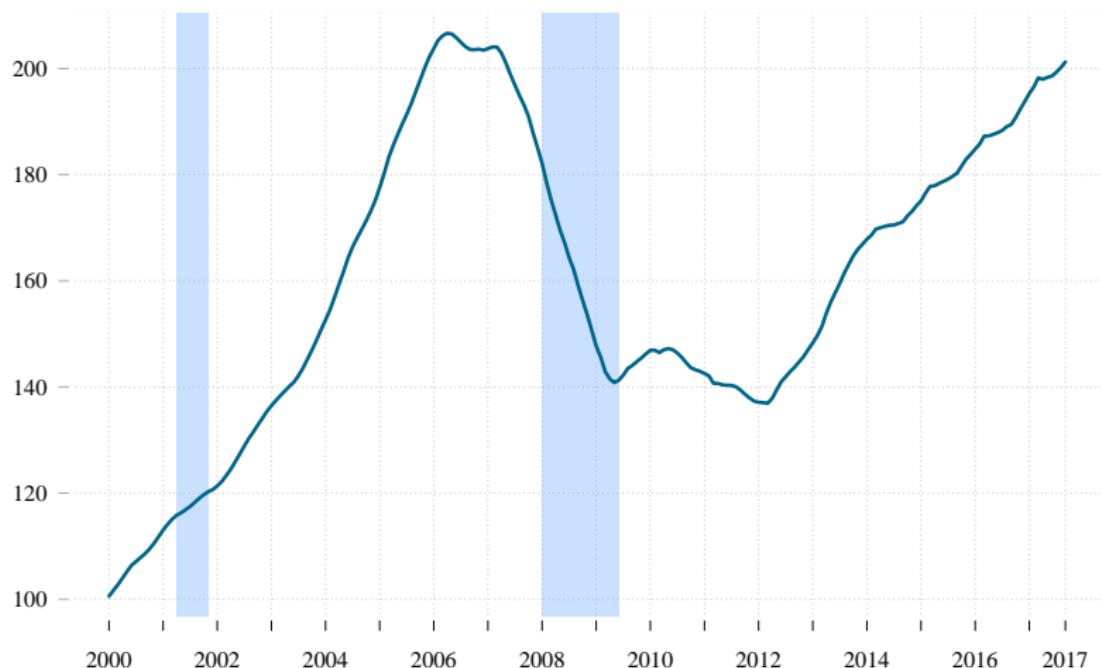
3 : the result of being affected differently by things

# housing inequality

- housing values are very local

## Case–Shiller 20 City Composite

Index 2000=100

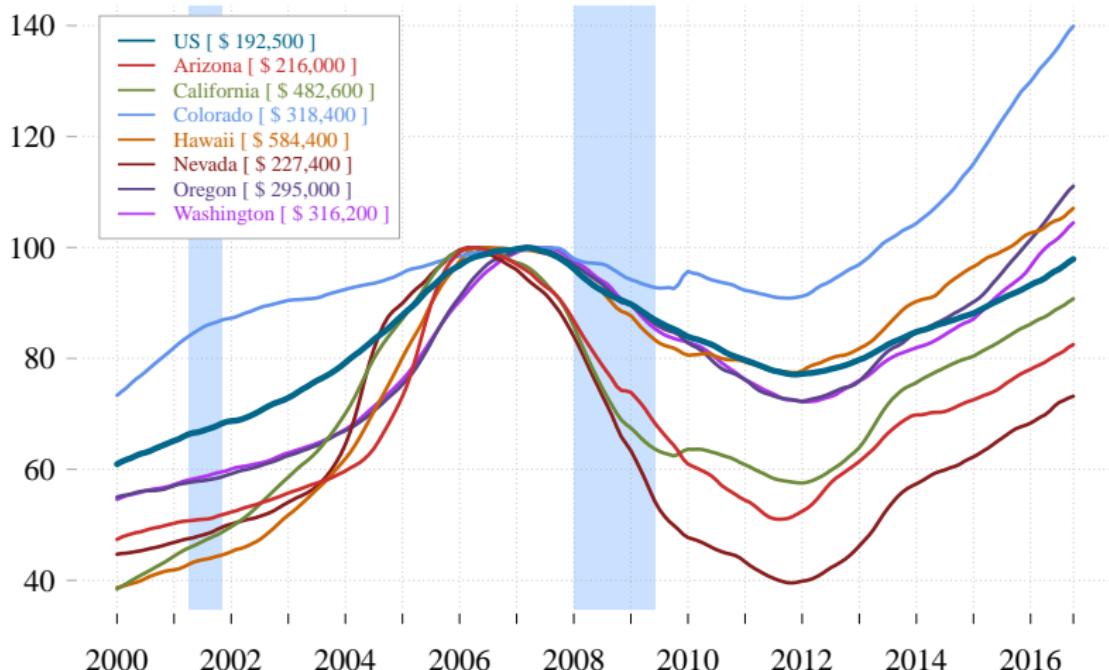


Economic Forecast Project

Source: S&P Dow Jones Indices LLC

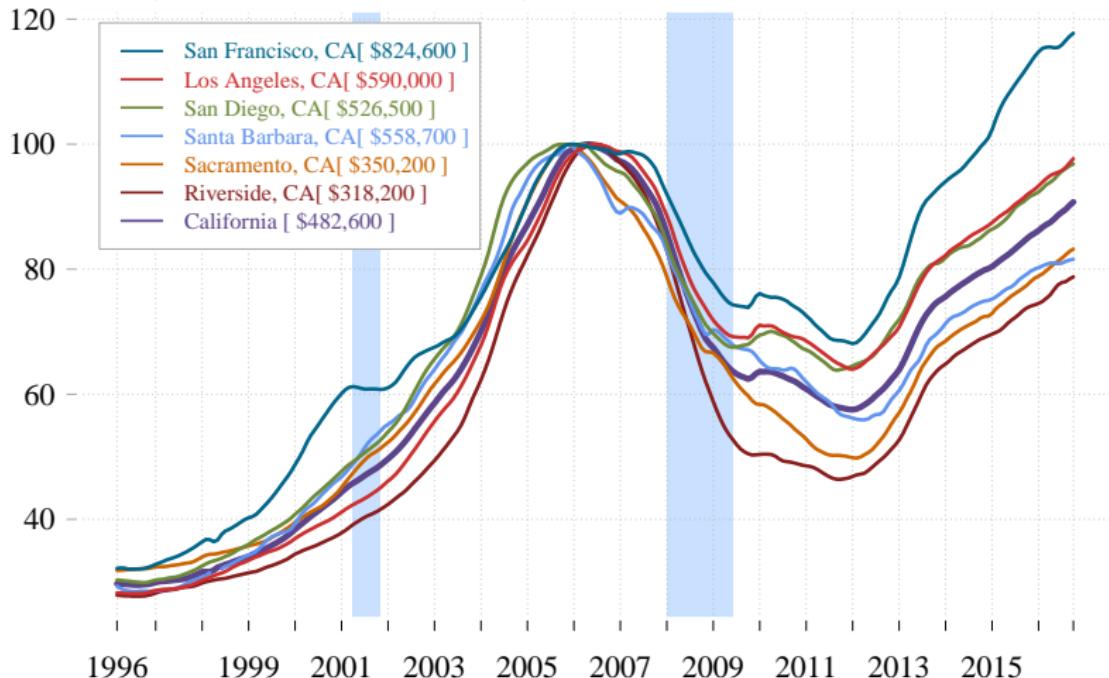
## Zillow Home Value Index (ZHVI)

Index (100 = Pre-Recession Maximum Value)



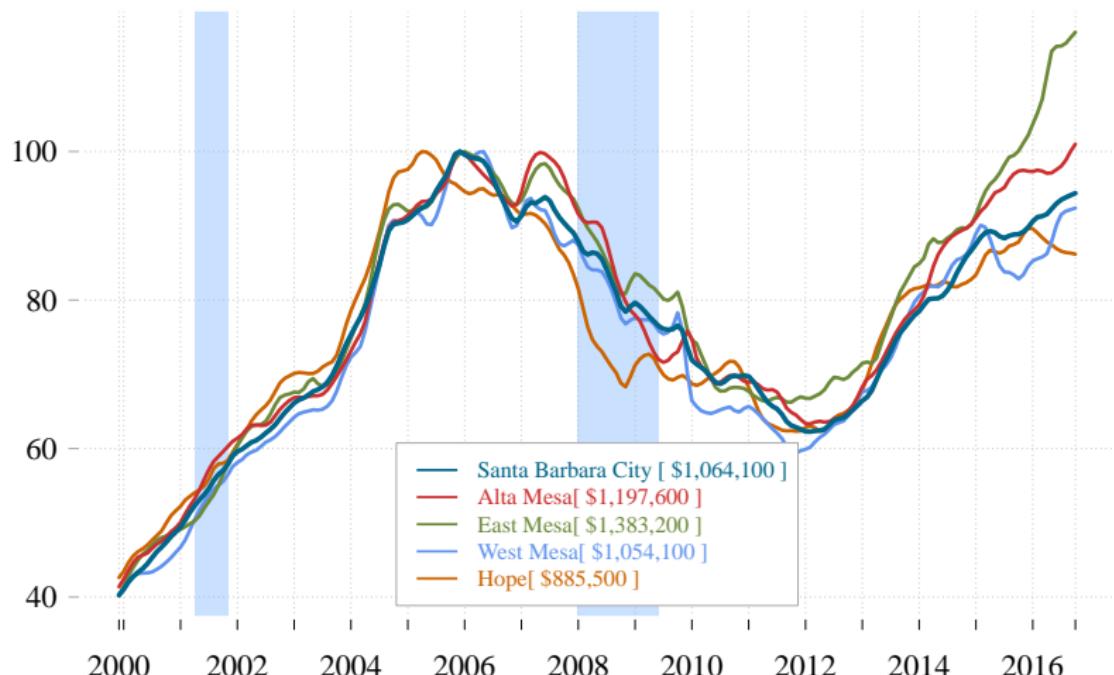
## Zillow Home Value Index, by MSA

Index (100 = Pre-Recession Max Value)



## Zillow Home Value Index: Coastal

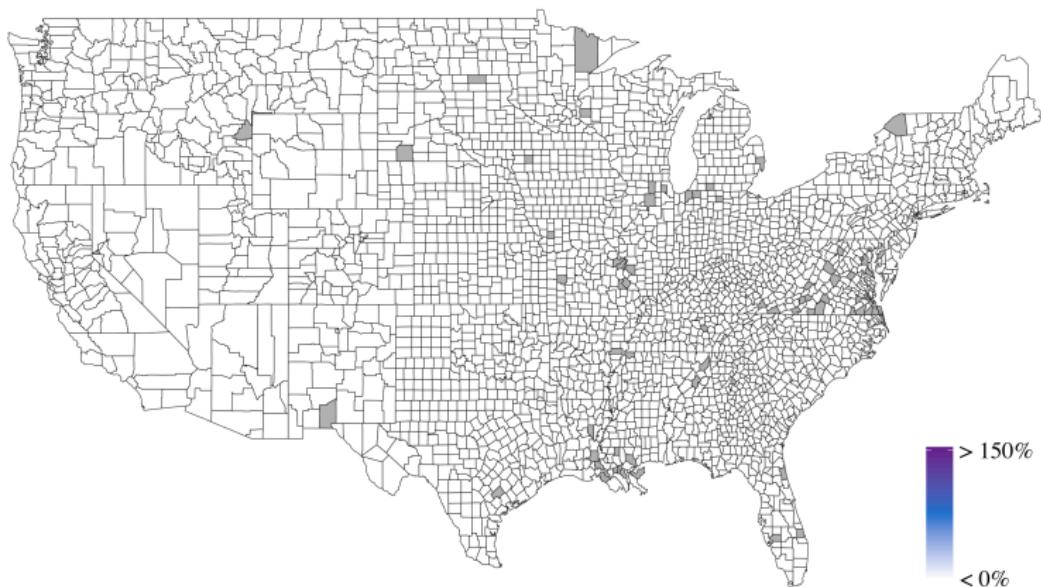
Index (100 = Pre-Recession Max Value)



# income inequality

- how is income distributed?

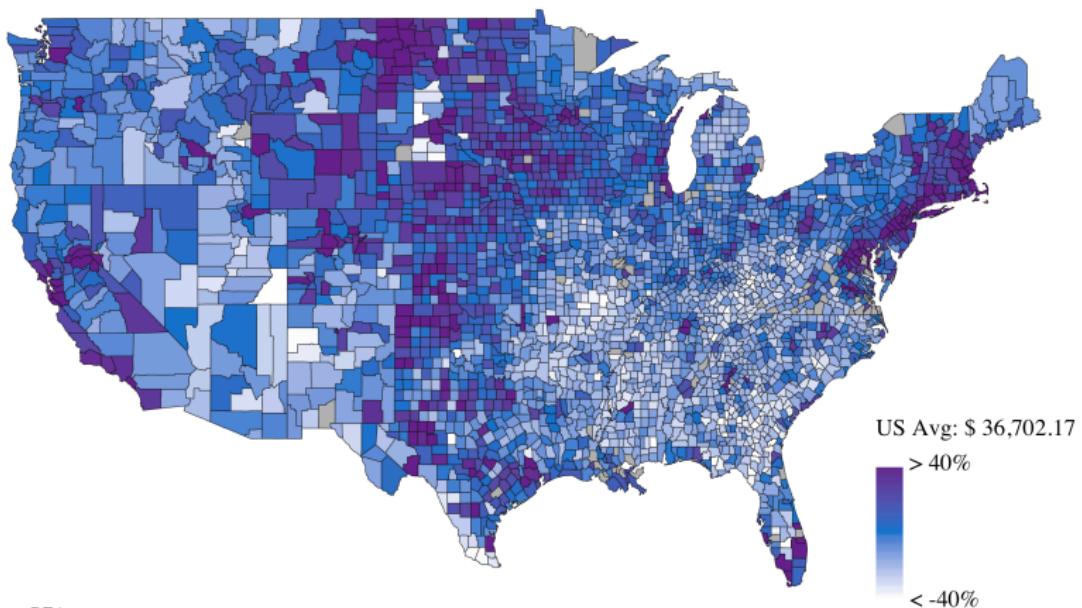
## Real Personal Income Per Capita Growth Since 2006: 2006



Source: BEA

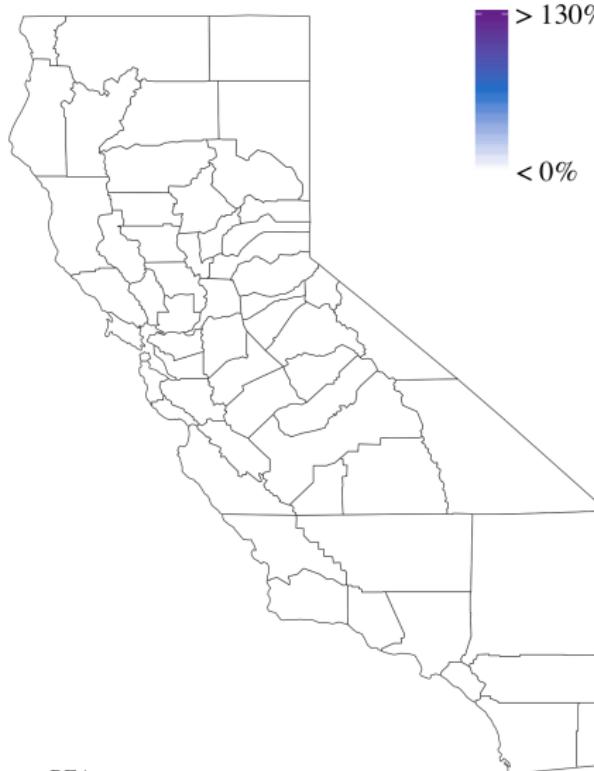


## Real Personal Income Per Capita Relative to US Average: 2015



Source: BEA

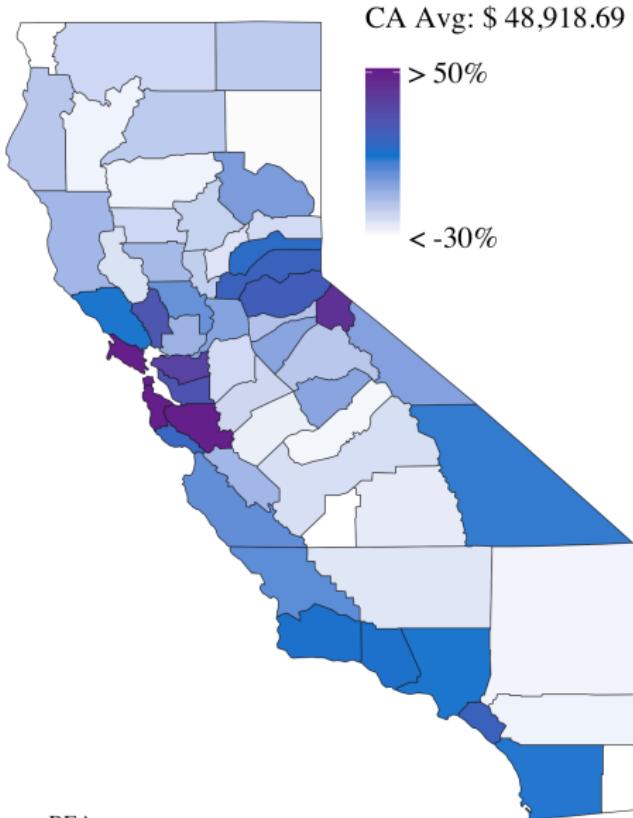
## Real Personal Income Per Capita Growth Since 2006: 2006



Source: BEA

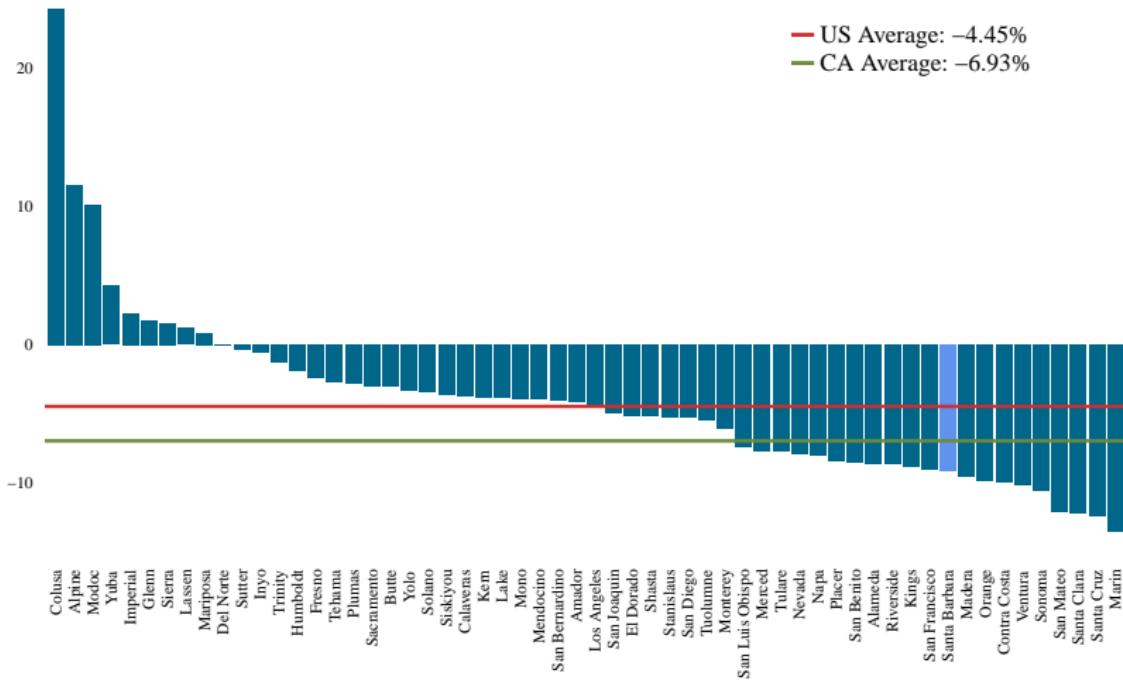


# Real Personal Income Per Capita Relative to CA Average: 2015



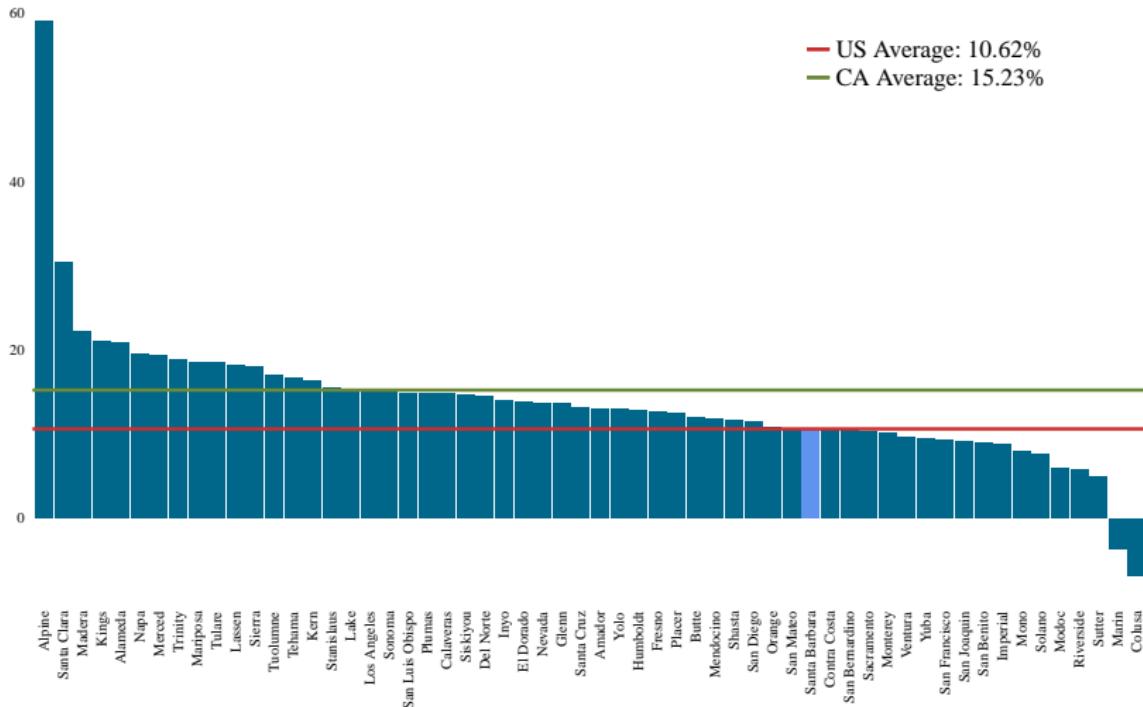
Source: BEA

## Percent Change in Per-Capita Personal Income 2007–2009

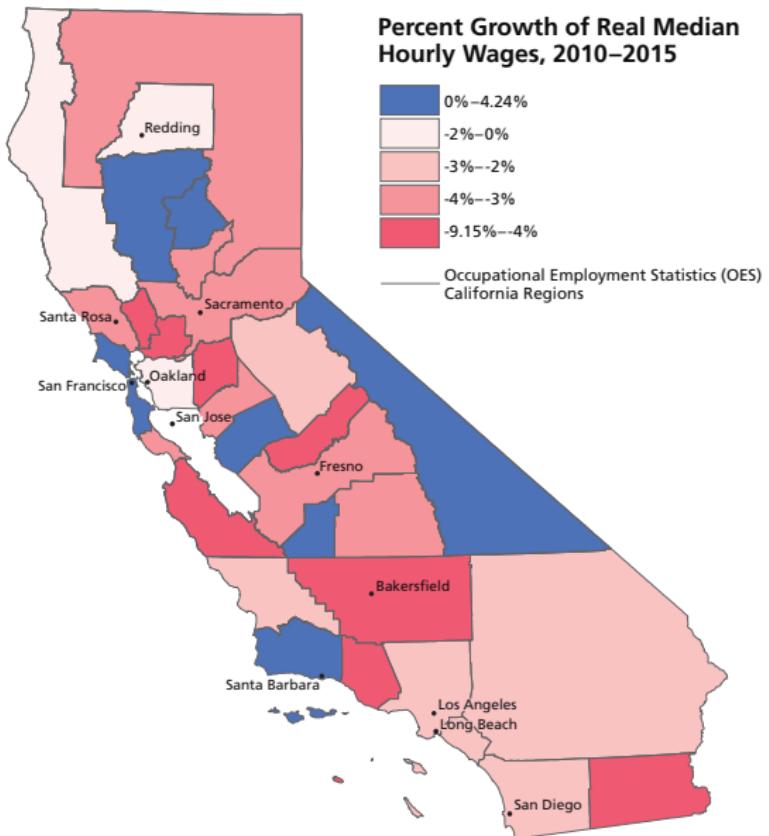


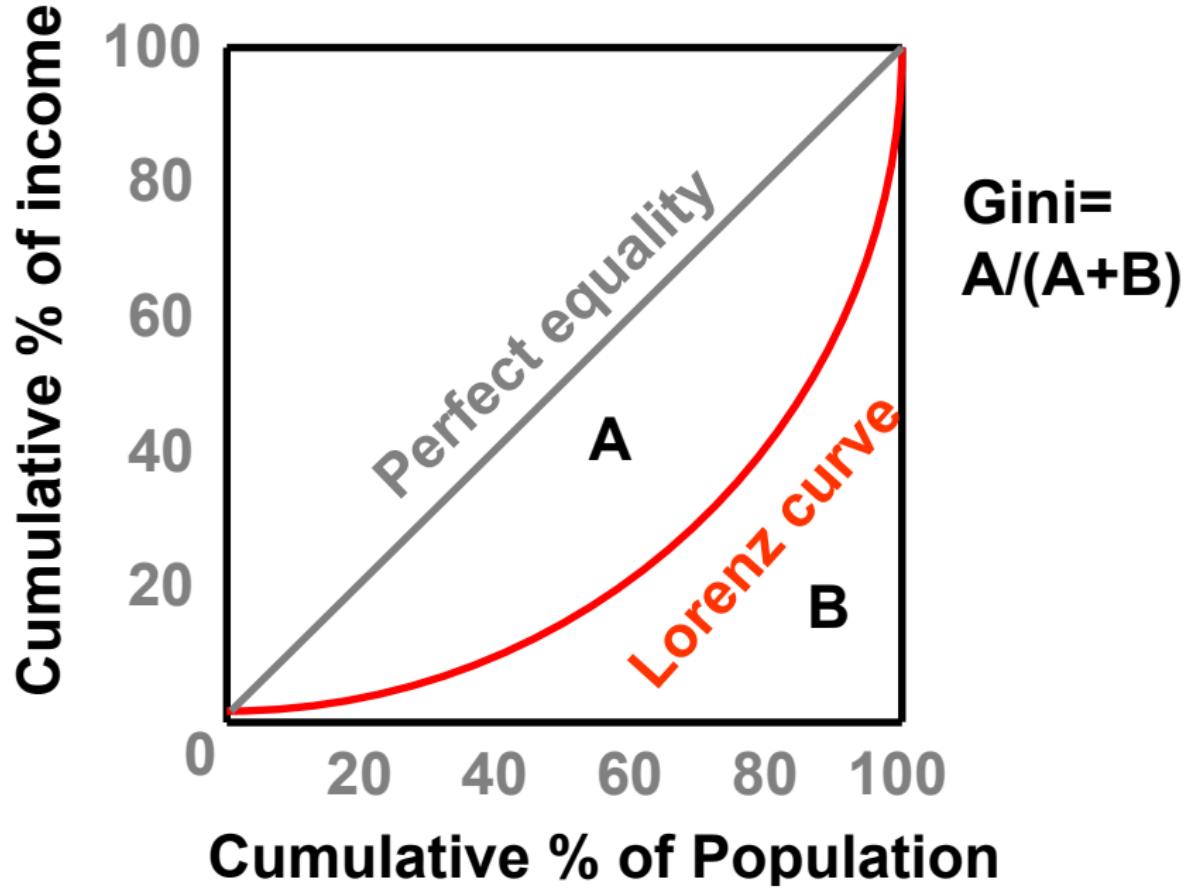
Source: BEA

## Percent Change in Per-Capita Personal Income 2009–2015



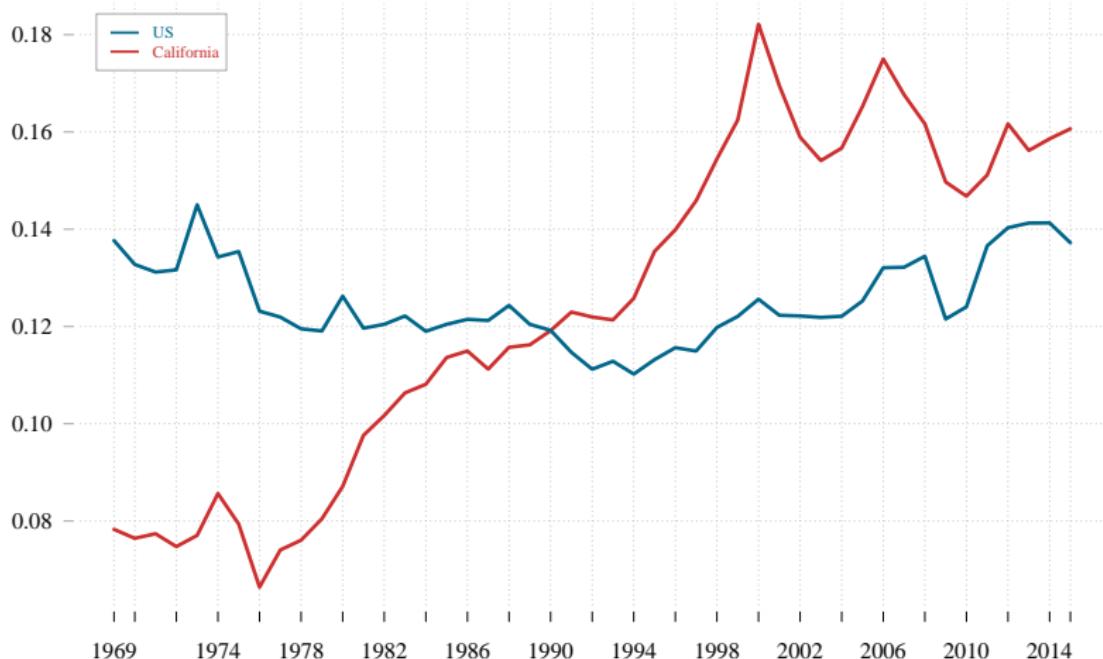
Source: BEA





## Gini Coefficient

Real per capita personal income across counties



# new findings on inequality

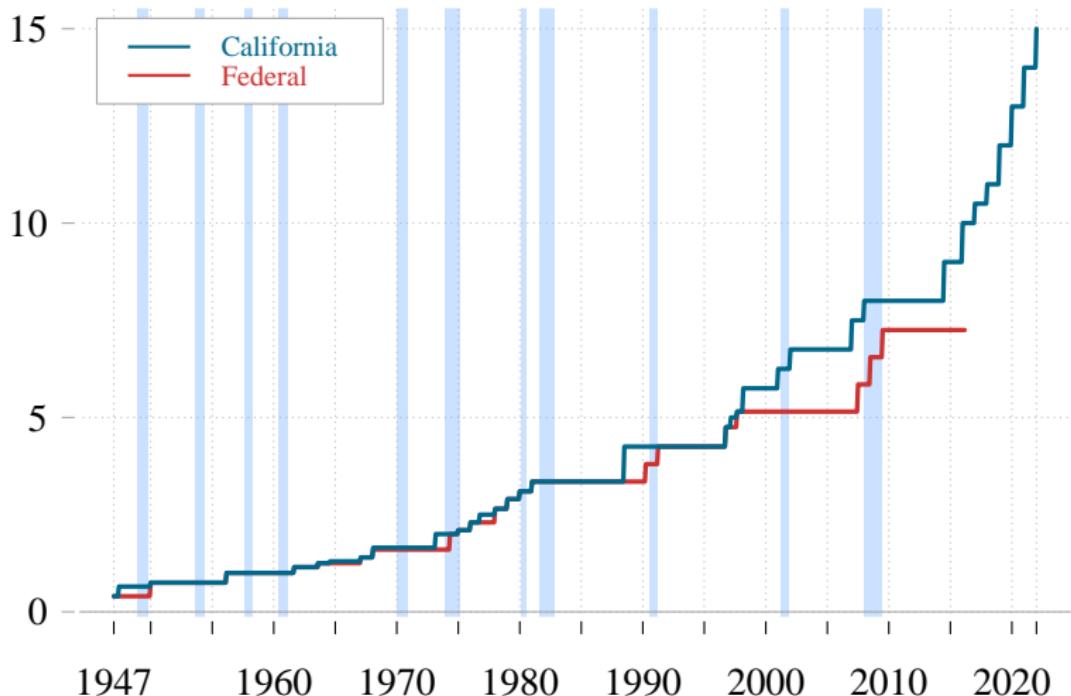
- most of the inequality is “between firms”
- not “within firms”

minimum wages

## a looming labor market issue

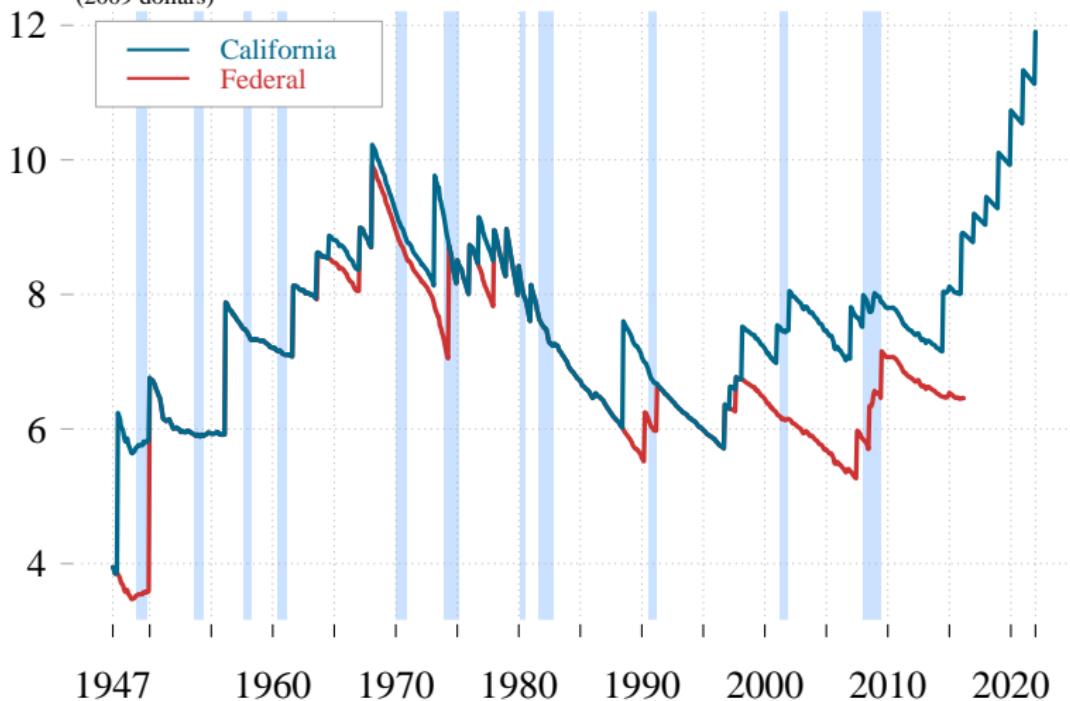
- current minimum wage \$10
- \$15 minimum wage by 2022
- let's start by examining the data

## Nominal Minimum Wage

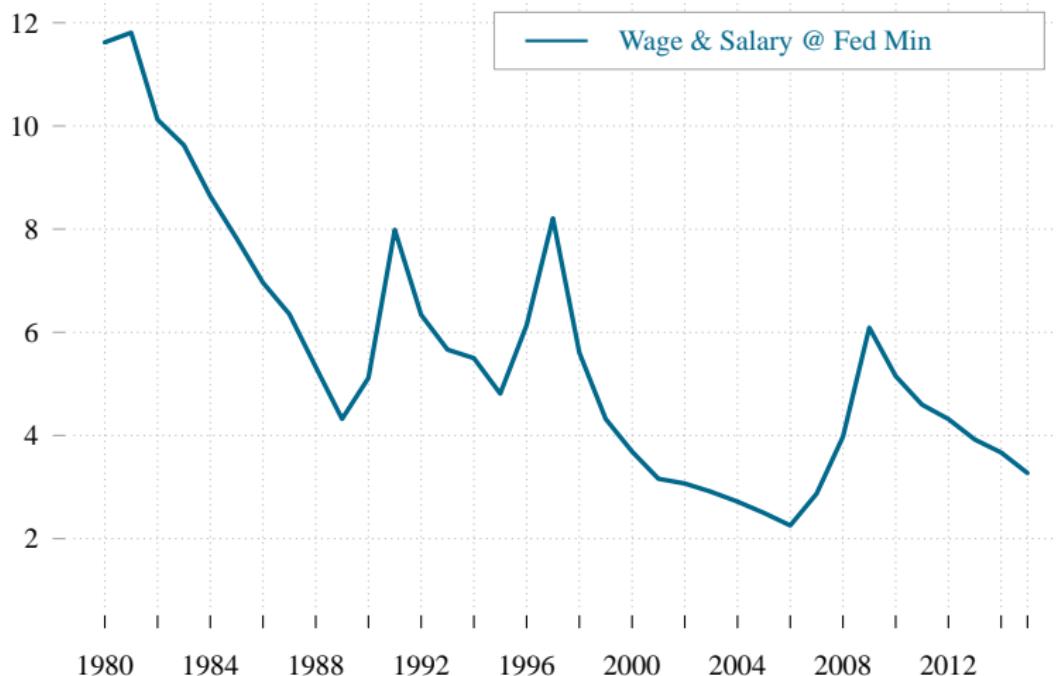


# Real Minimum Wage

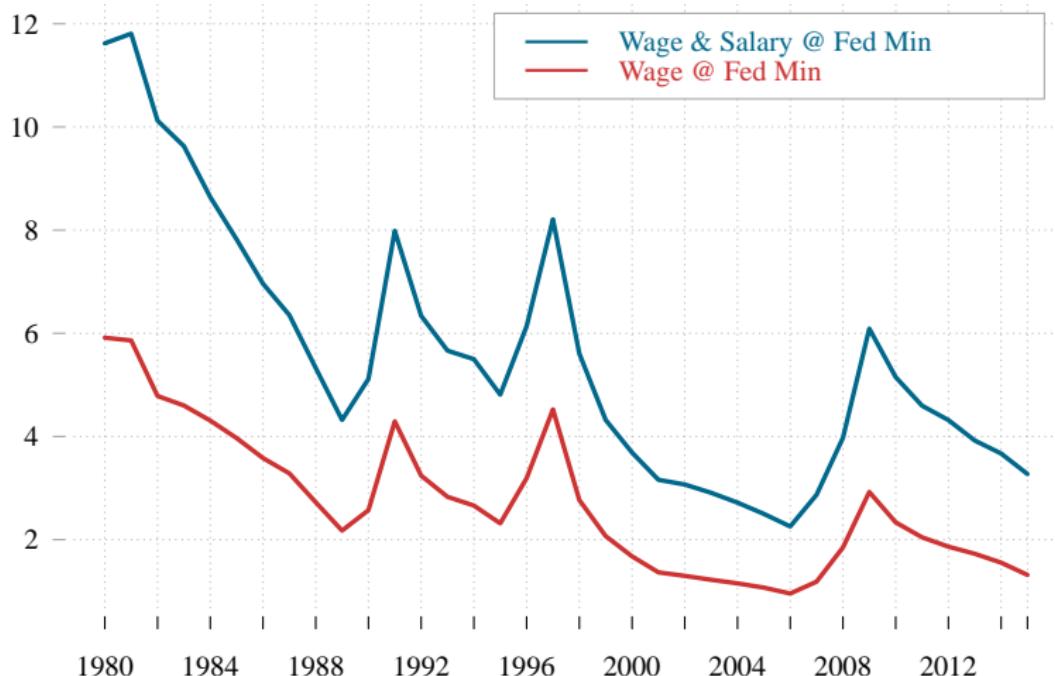
(2009 dollars)



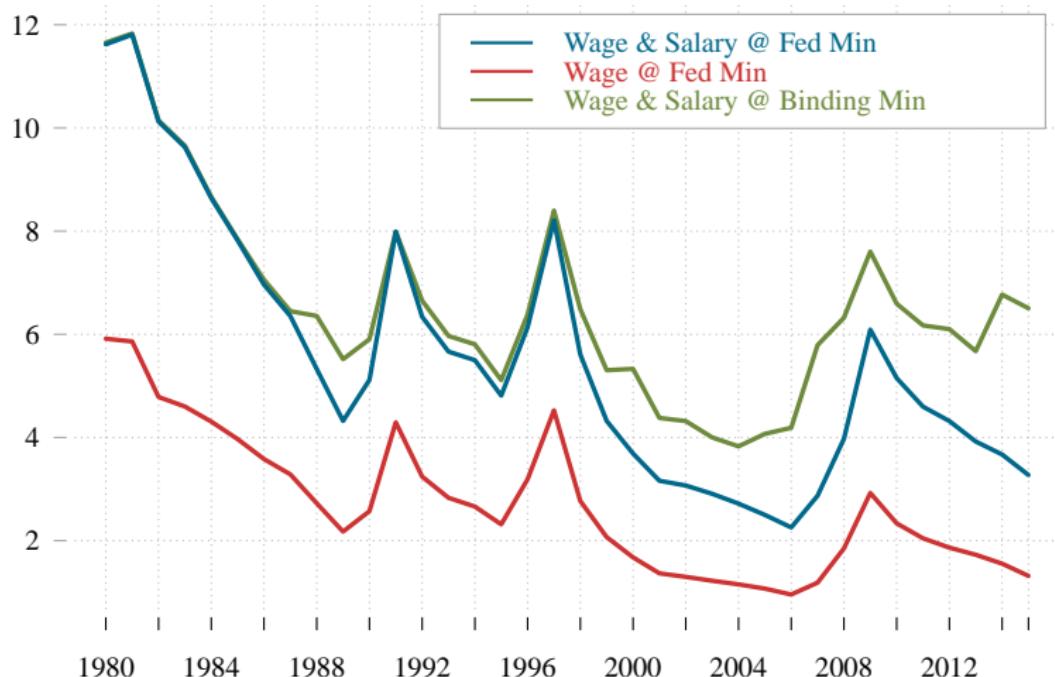
## Percent of Workers at Minimum Wage



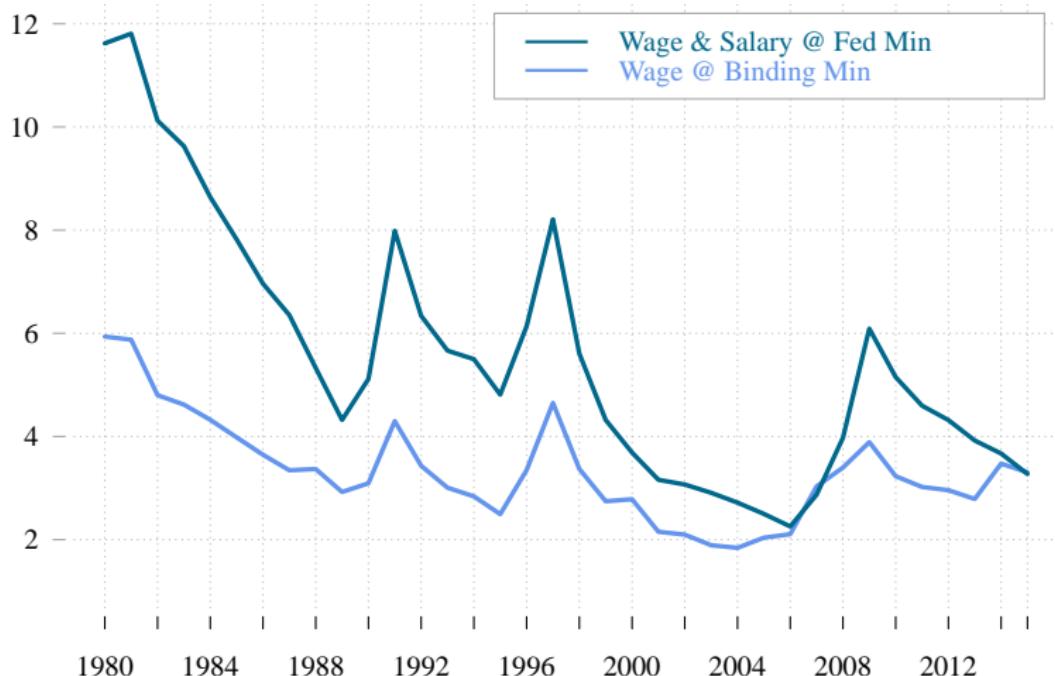
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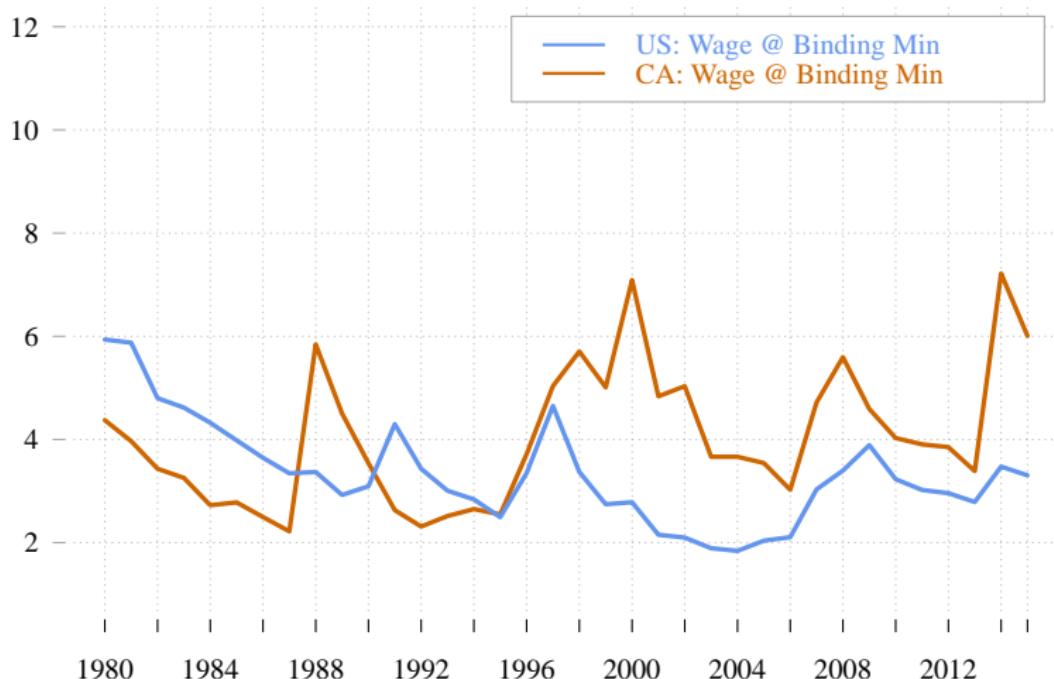
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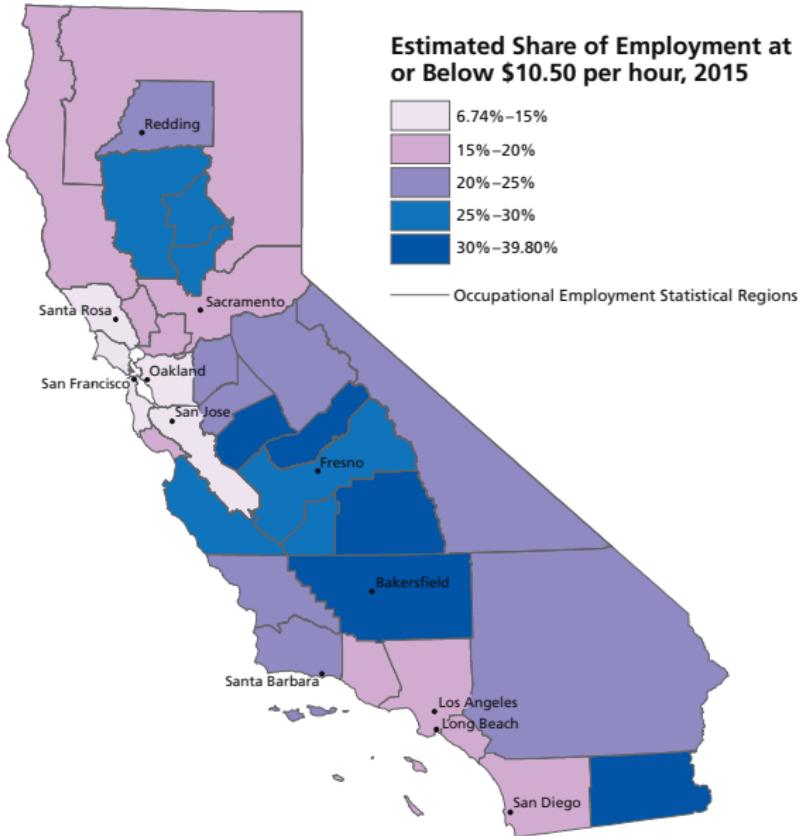


## Percent of Workers at Minimum Wage



where?

- what areas will be affected most?

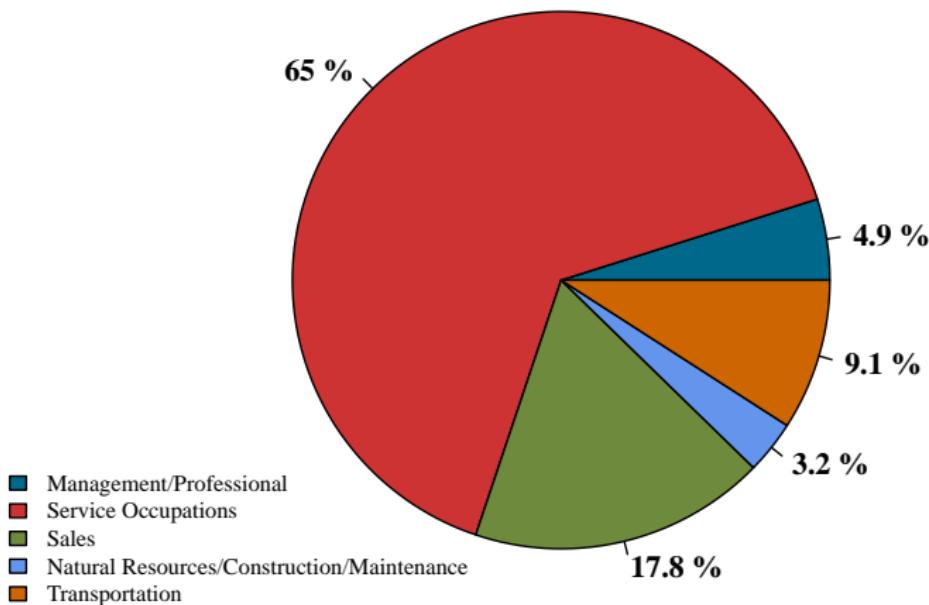


# who?

- which workers will feel the brunt?

# Percent Making Minimum Wage by Occupation

*United States, 2015*



*Source: BLS*

# why?

- why this policy?
- aren't there better policies?
- how about the earned income tax credit?

labor markets

## labor market: California

- employment growth strong
  - but varies by industry and geography
- unemployment as well

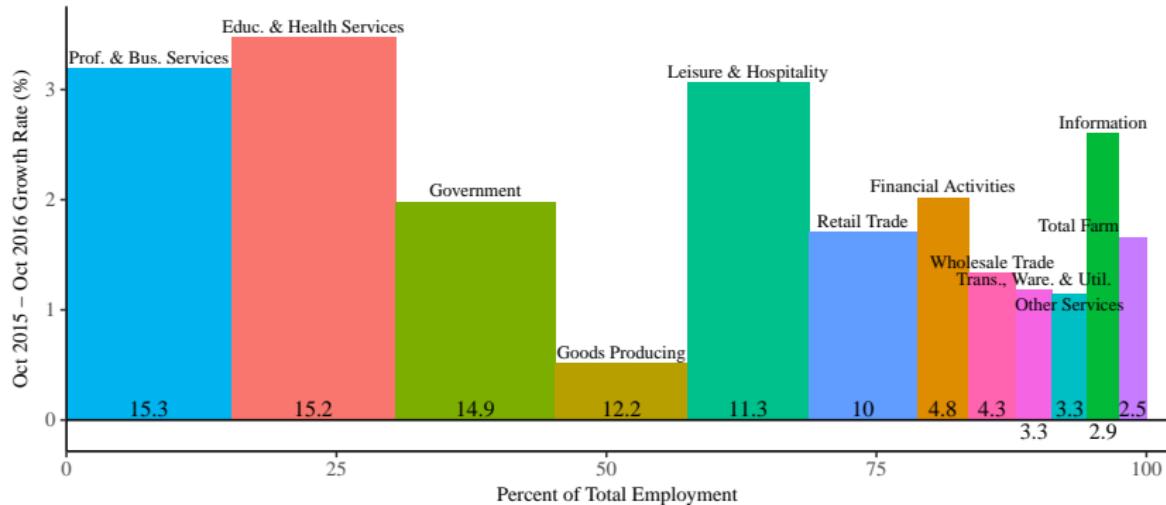
## Civilian Employment, California

Number Employed (Millions)

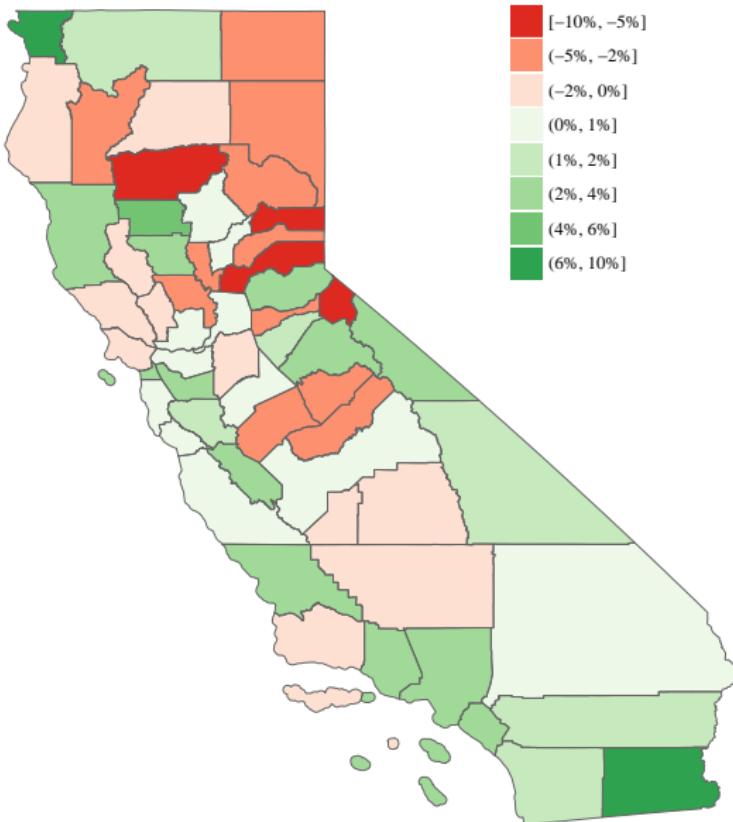


Source: CA EDD

## October 2016 Employment by Industry California

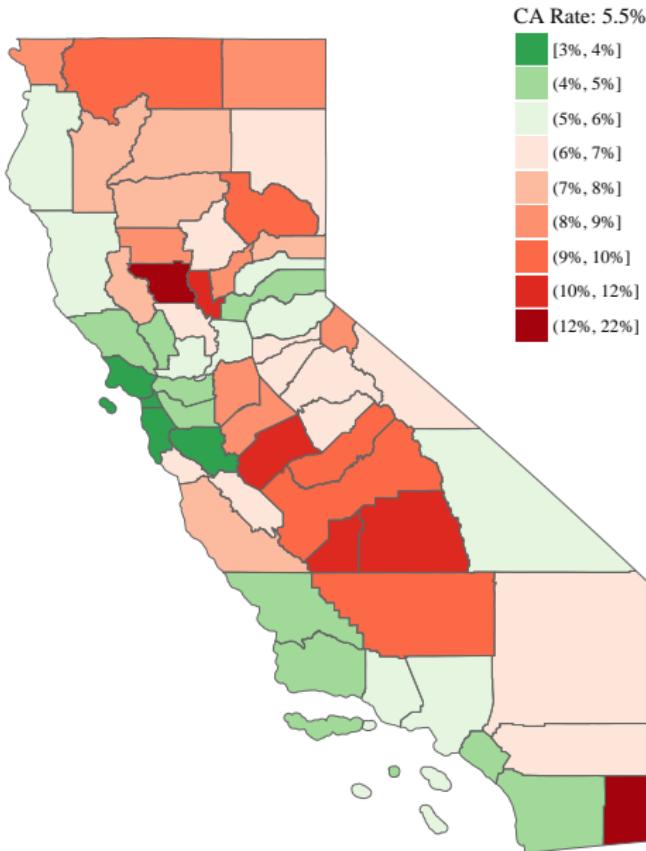


Total Employment, All Industries Growth, Seasonally Adjusted  
Oct 2015 – Oct 2016



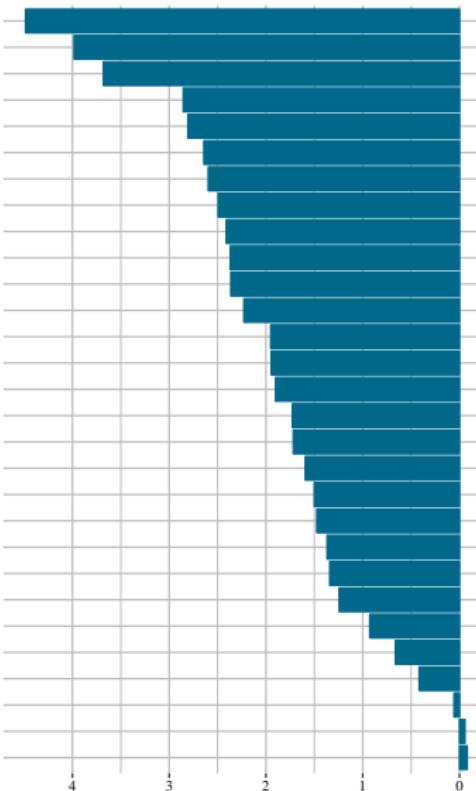
Source: CA EDD

Unemployment Rate, Seasonally Adjusted  
Oct 2016

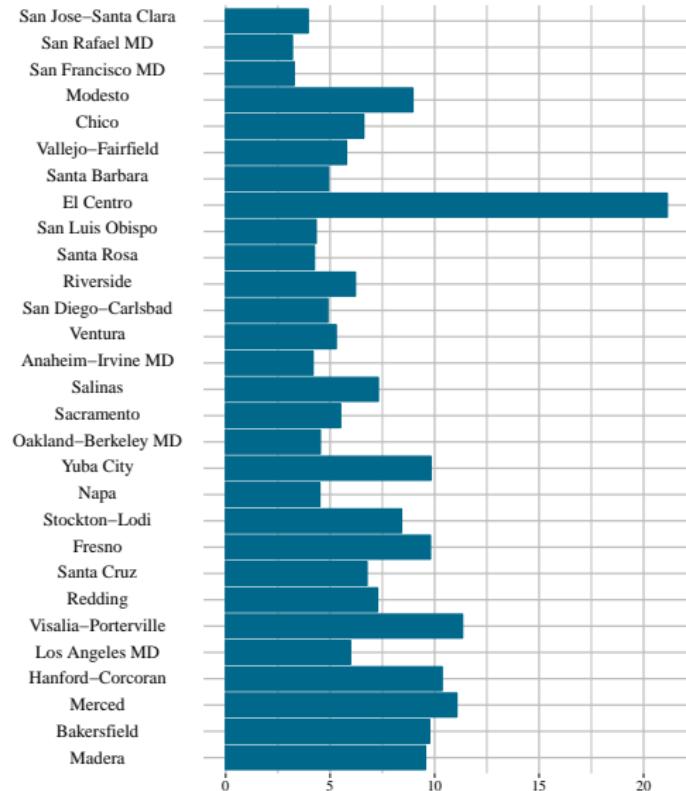


Source: CA EDD

Current Annual Empl. Growth (%)



Current Unempl. Rate (%)



# Federal Open Market Committee

- raised rates back in December of last year

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- raised rates back in December of last year
- since? nothing

# Federal Open Market Committee

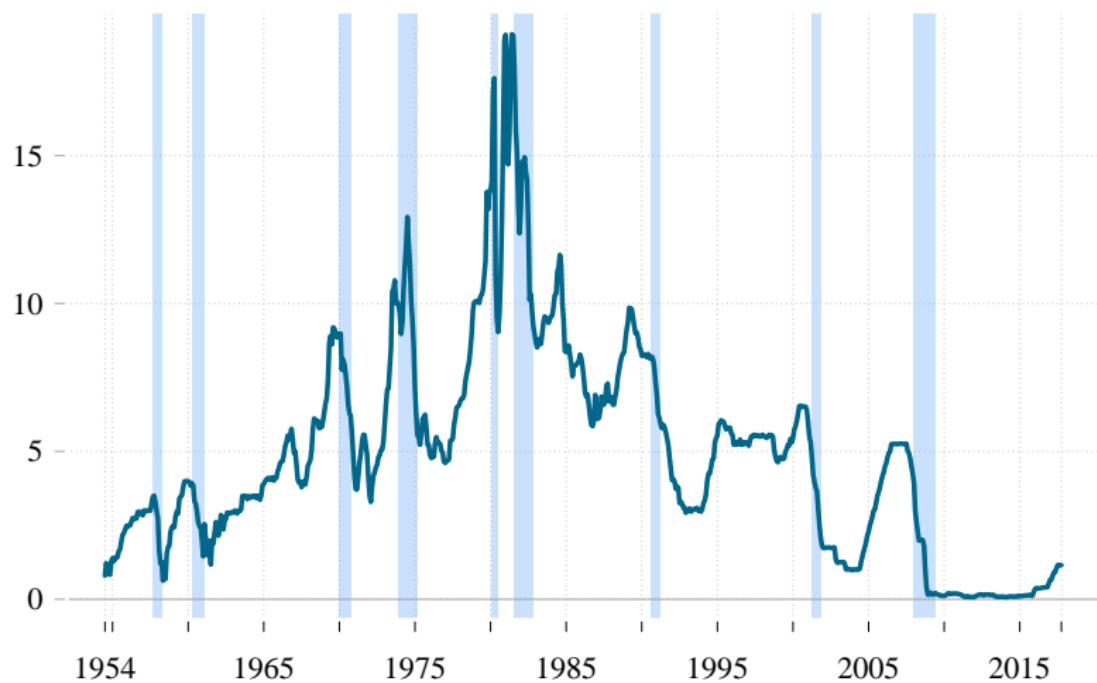
- raised rates back in December of last year
- since? nothing
- another holiday gift?

# Federal Open Market Committee

- raised rates back in December of last year
- since? nothing
- another holiday gift?
- very likely

# Effective Federal Funds Rate

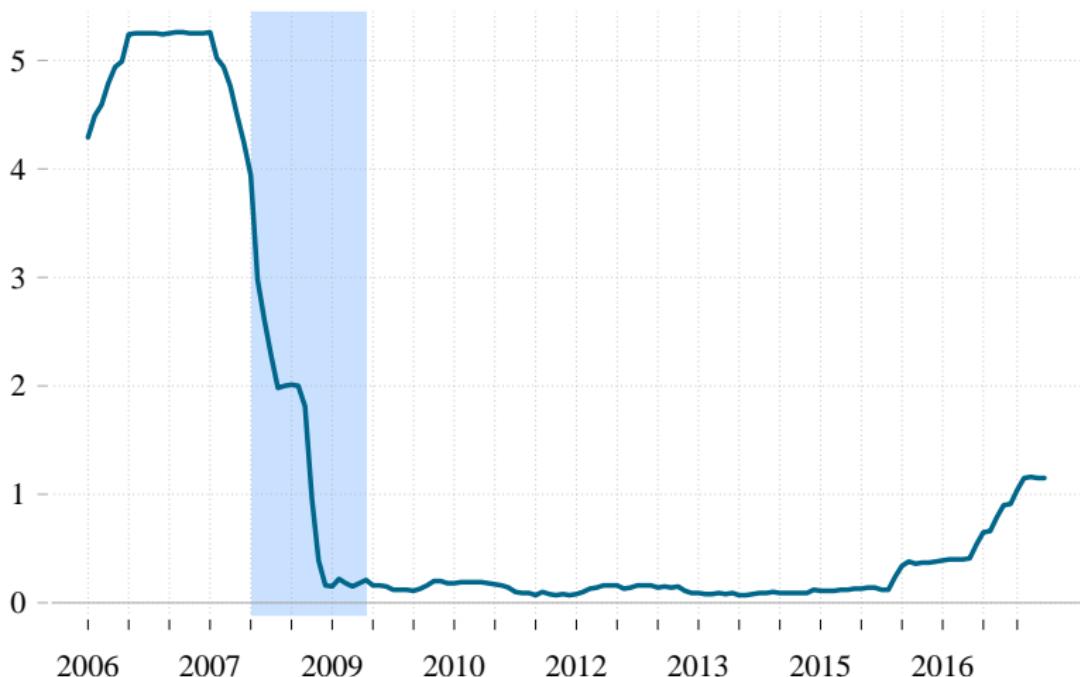
Percent



Source: FRB St. Louis

# Effective Federal Funds Rate

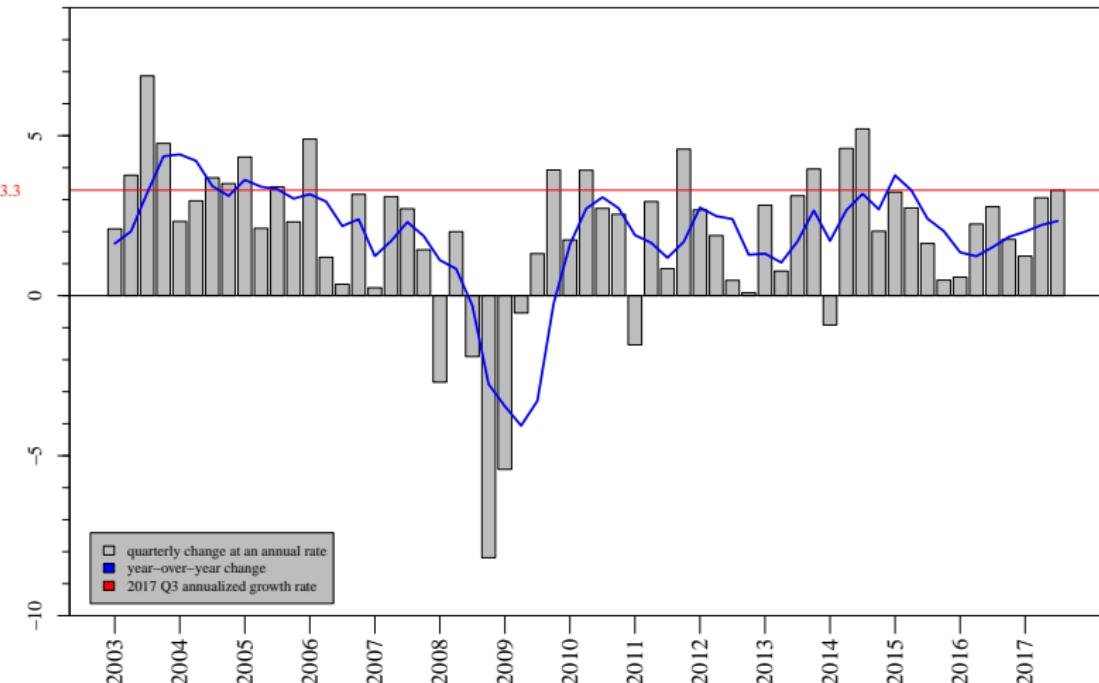
Percent



Source: FRB St. Louis

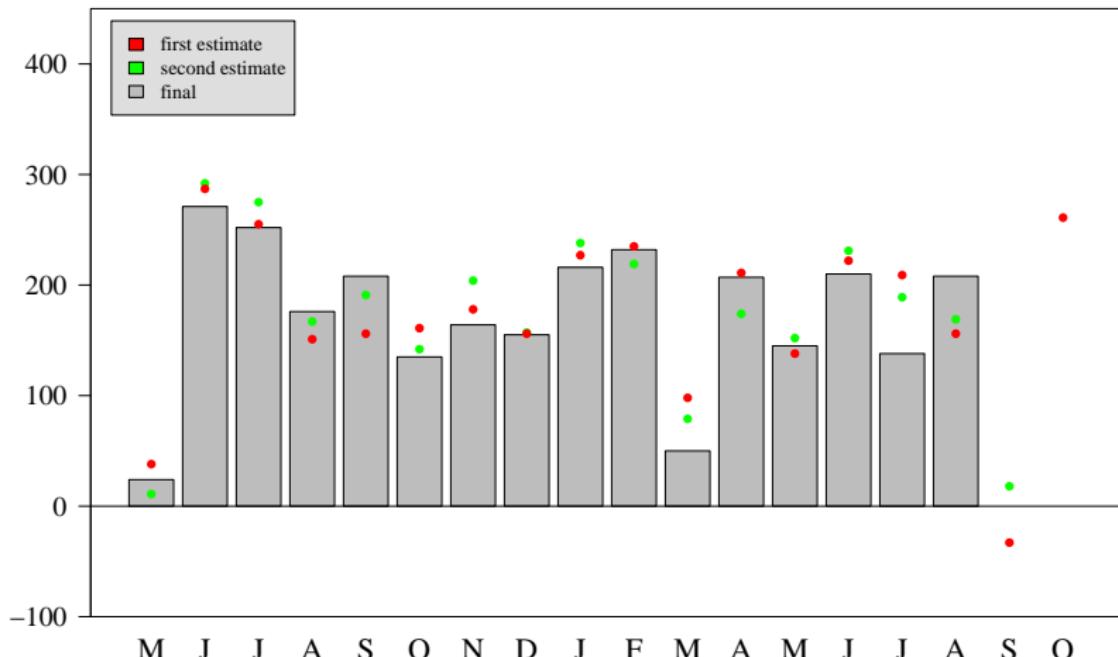
## Real GDP Growth

Annualized percent change from last quarter



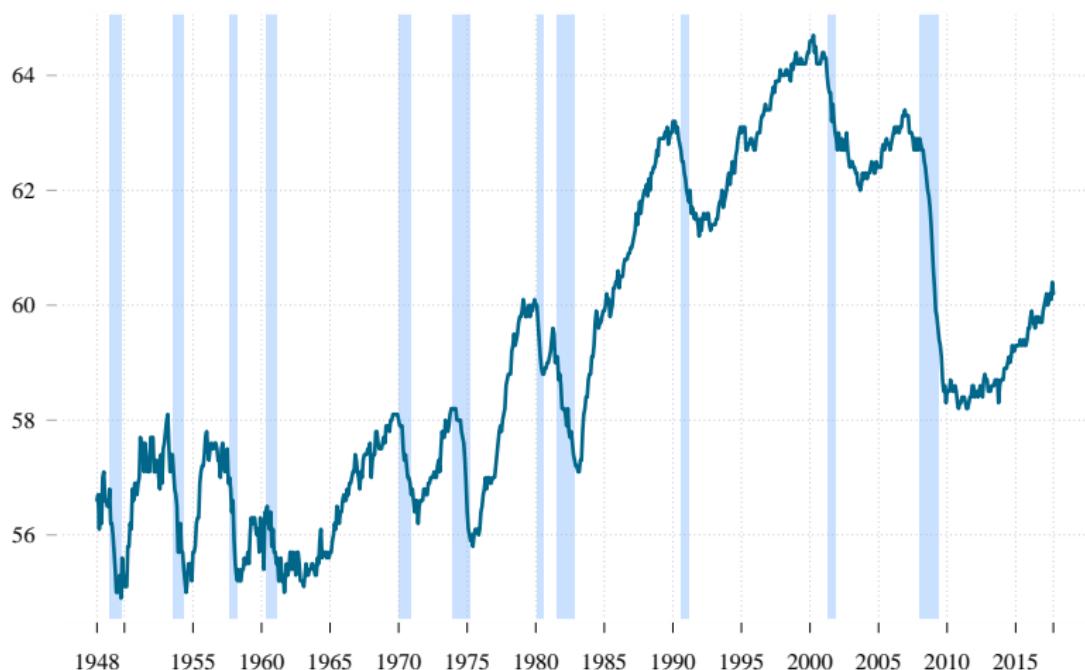
# Net Payroll Employment Change

Thousands, SA



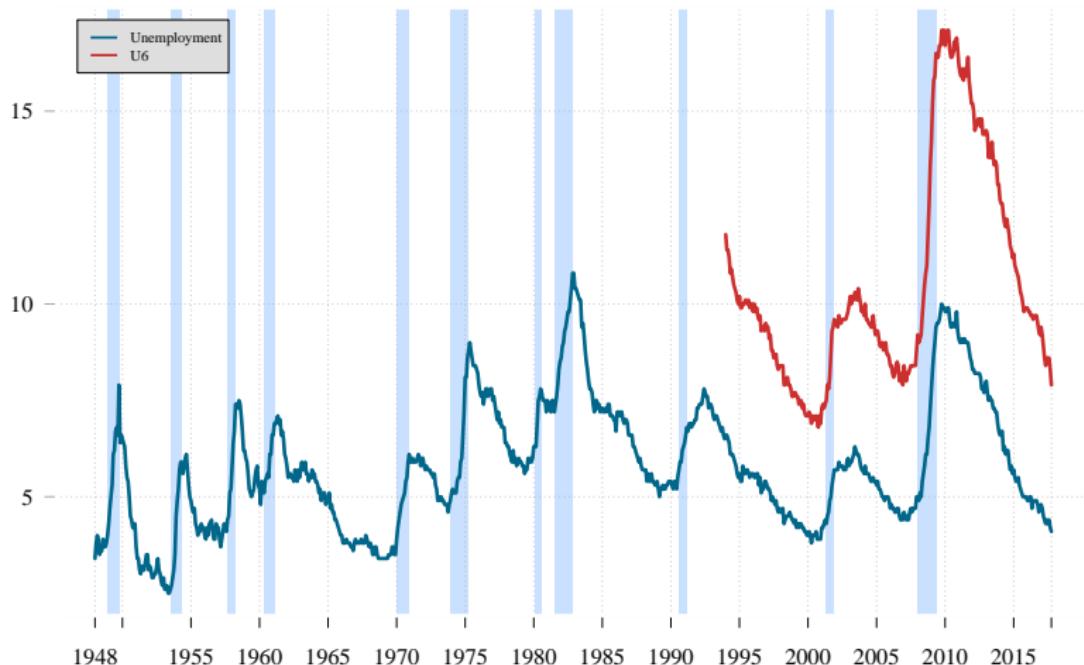
## Employment to Population Ratio

Percent



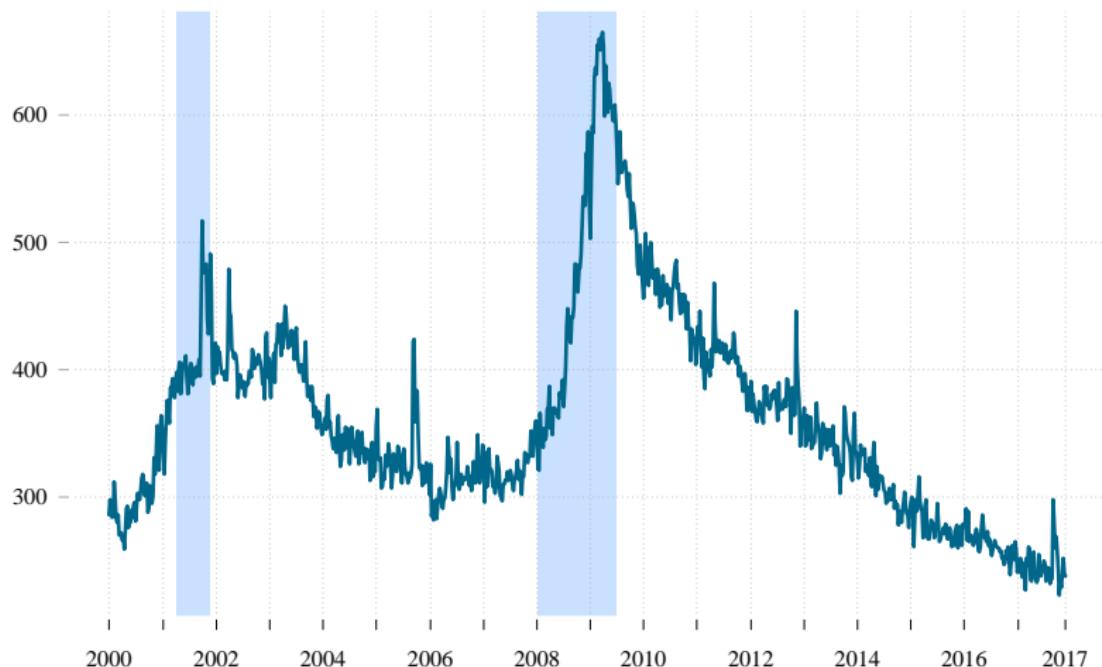
# Unemployment Rates

Percent, SA

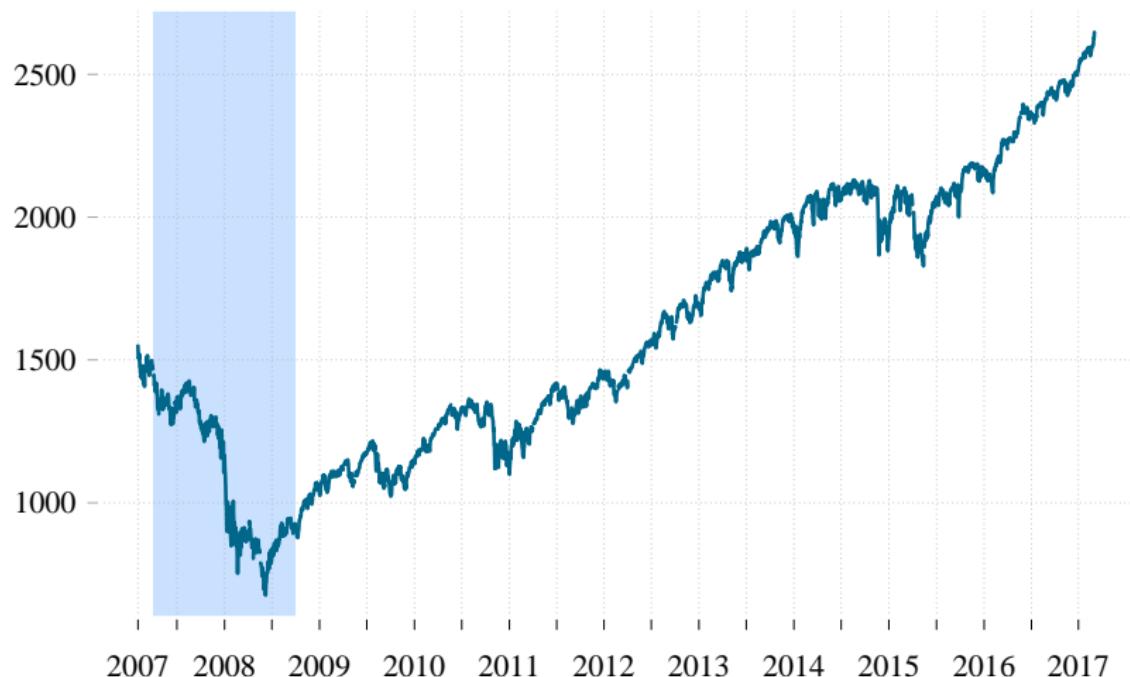


## Initial Unemployment Claims

Thousands of Claims, SA



# SP500

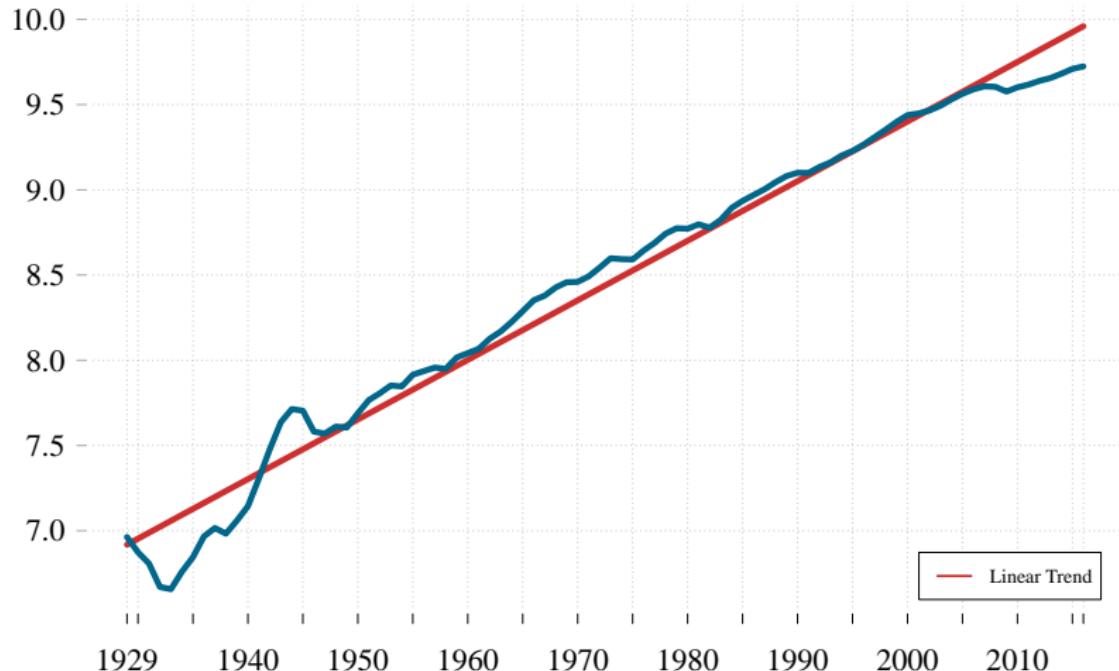


# final thoughts

- election uncertainty
- strong growth in the US
- FOMC likely to raise rates sooner rather than later

# Real GDP

Logged Billions of 2009\$, Seasonally Adjusted



— Linear Trend

thank you!