

# Rupert Report

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EFP Midyear Update  
Alisal Ranch  
January 12, 2017

# roadmap for today

- <http://www.efp.ucsbg.edu/talk>
- was there an election recently?
- more on inequality and wages
- employment
- housing

economics and the election

# what to expect

- uncertainty

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- uncertainty
  - immigration

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- uncertainty
  - immigration
  - international trade

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  - taxes and spending

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- uncertainty
  - immigration
  - international trade
  - taxes and spending
  - Obamacare

# what to expect

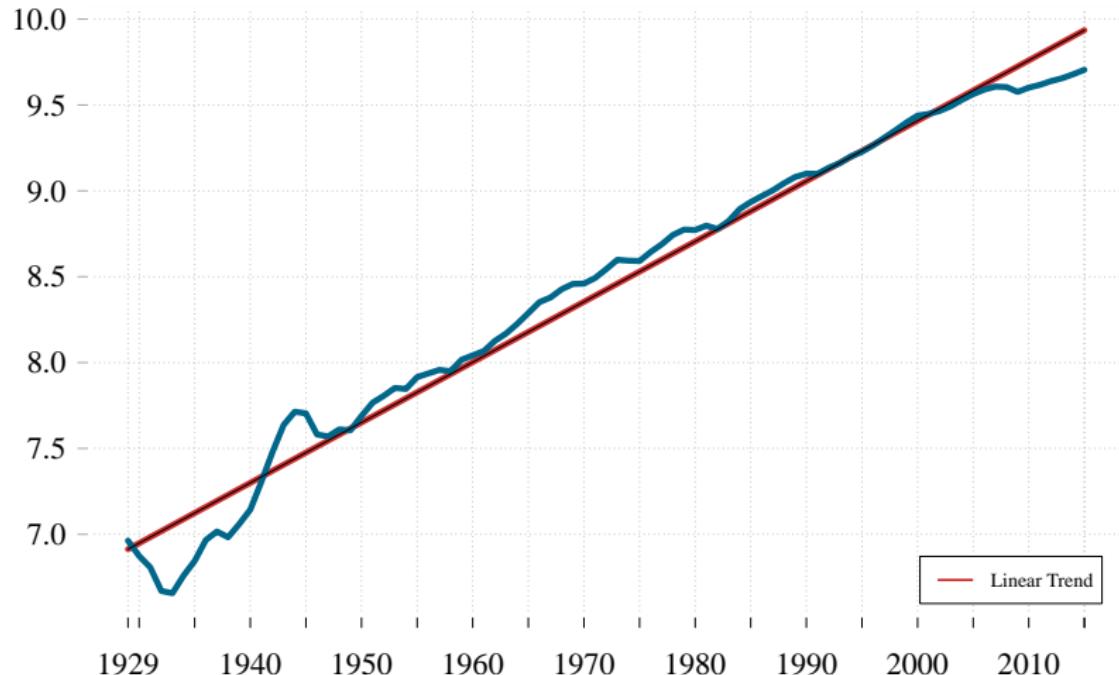
- uncertainty
  - immigration
  - international trade
  - taxes and spending
  - Obamacare
  - oil/energy

# what to expect

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

# Real GDP

Logged Billions of 2009\$, Seasonally Adjusted



Linear Trend

so far...

- some positive signs
  - stock market
  - gdp
  - fed a bit more upbeat

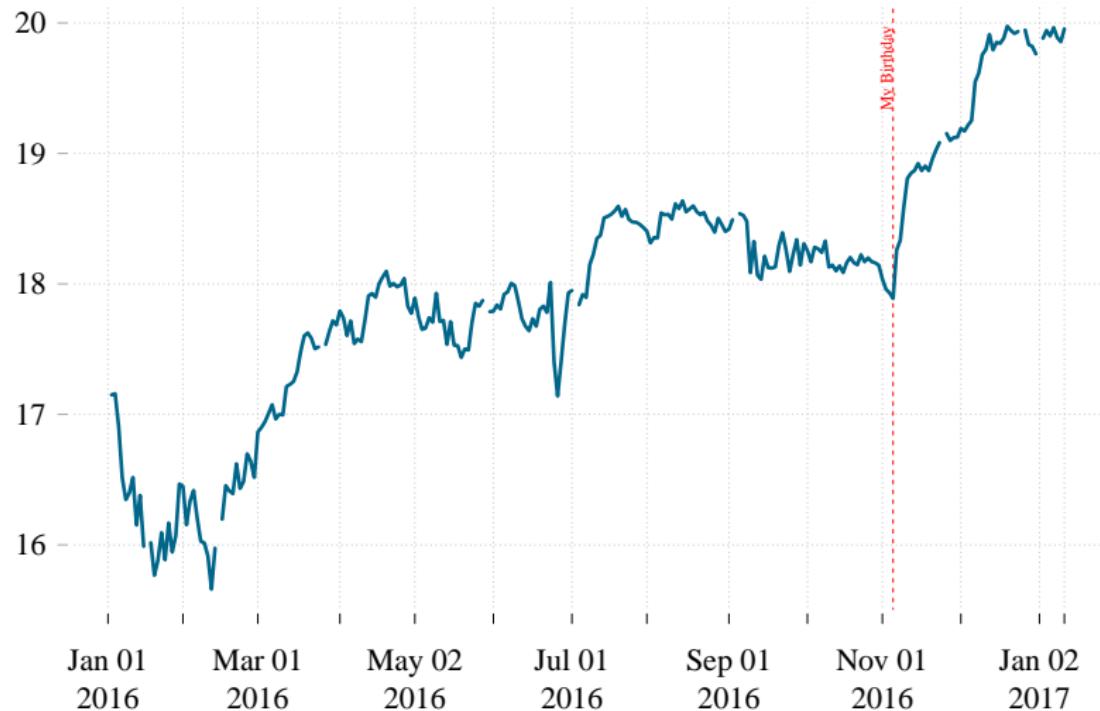
## Dow Jones Industrial Index (000's)



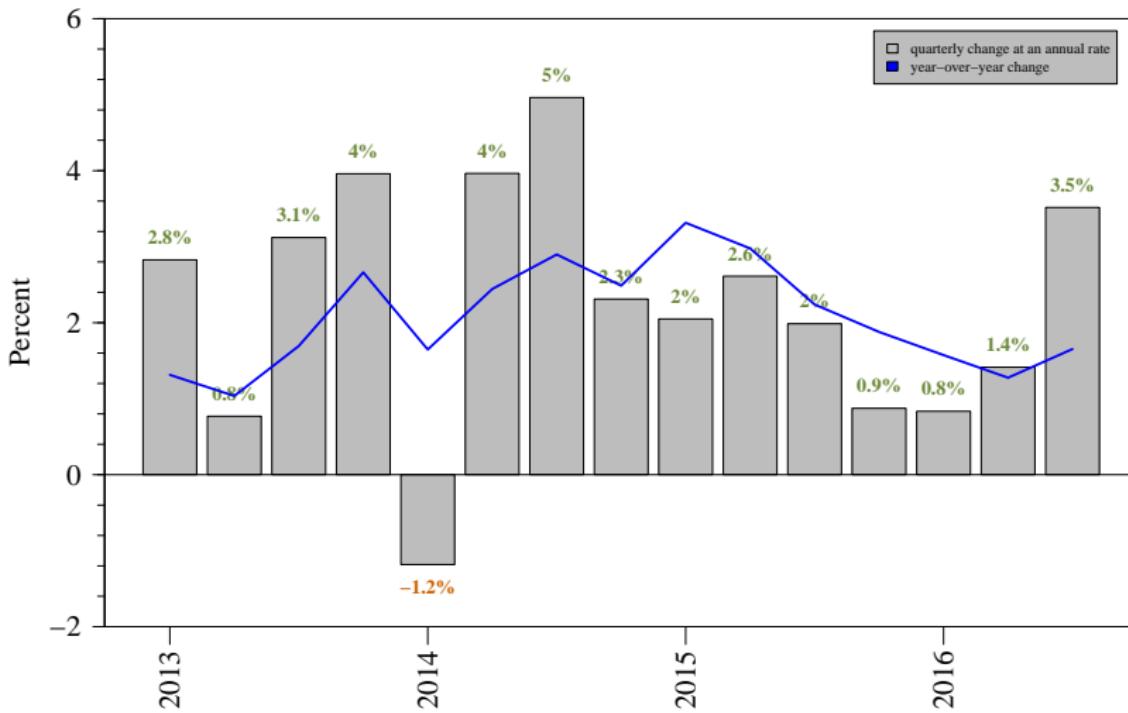
## Dow Jones Industrial Index (000's)



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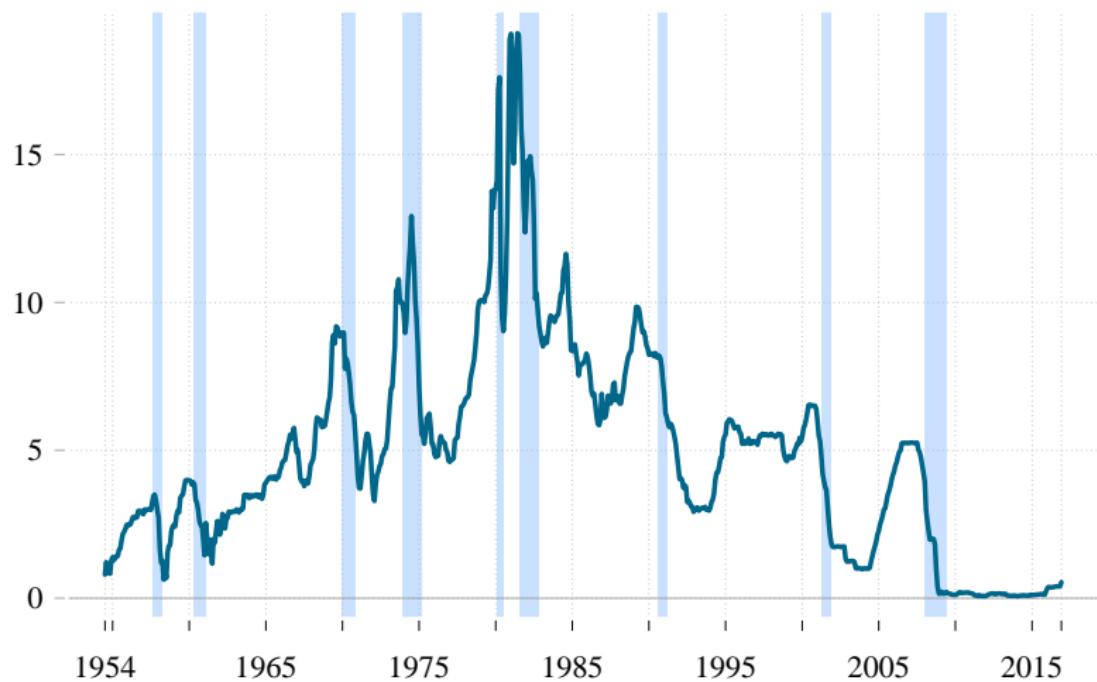


## Real GDP



# Effective Federal Funds Rate

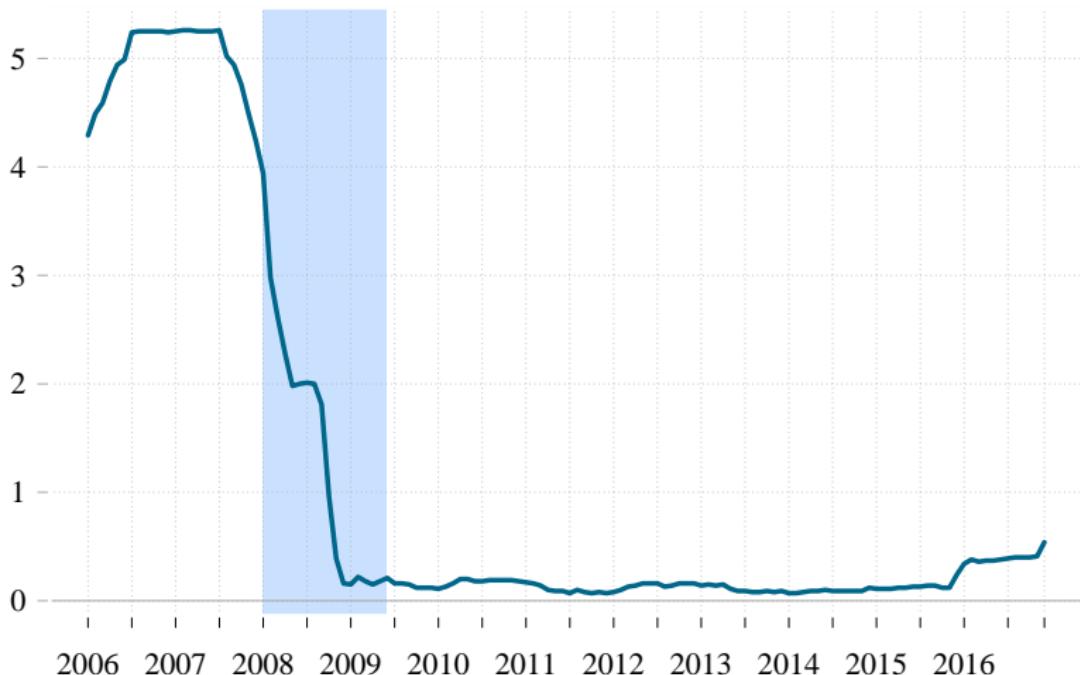
Percent



Source: FRB St. Louis

# Effective Federal Funds Rate

Percent



Source: FRB St. Louis

For release at 2:00 p.m., EST, December 14, 2016

Figure 1. Medians, central tendencies, and ranges of economic projections, 2016–19 and over the longer run

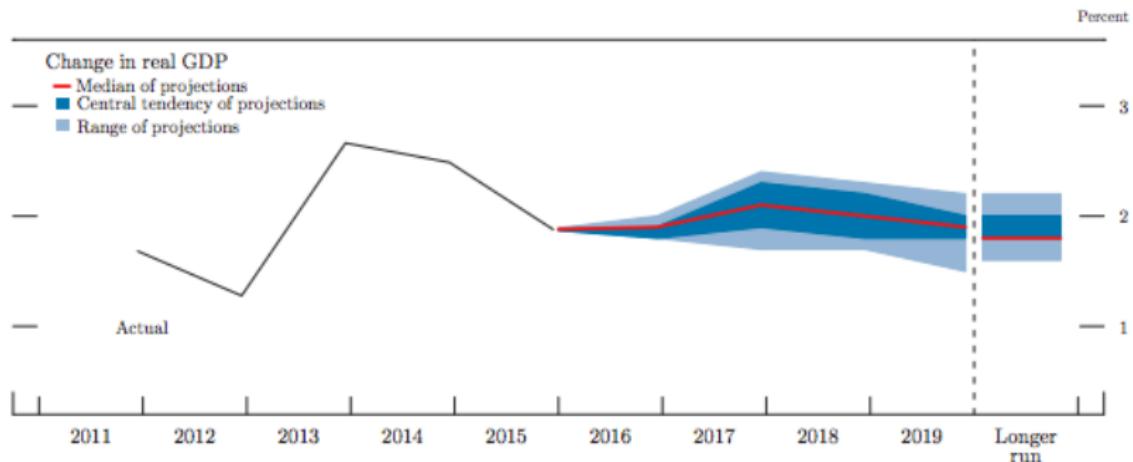
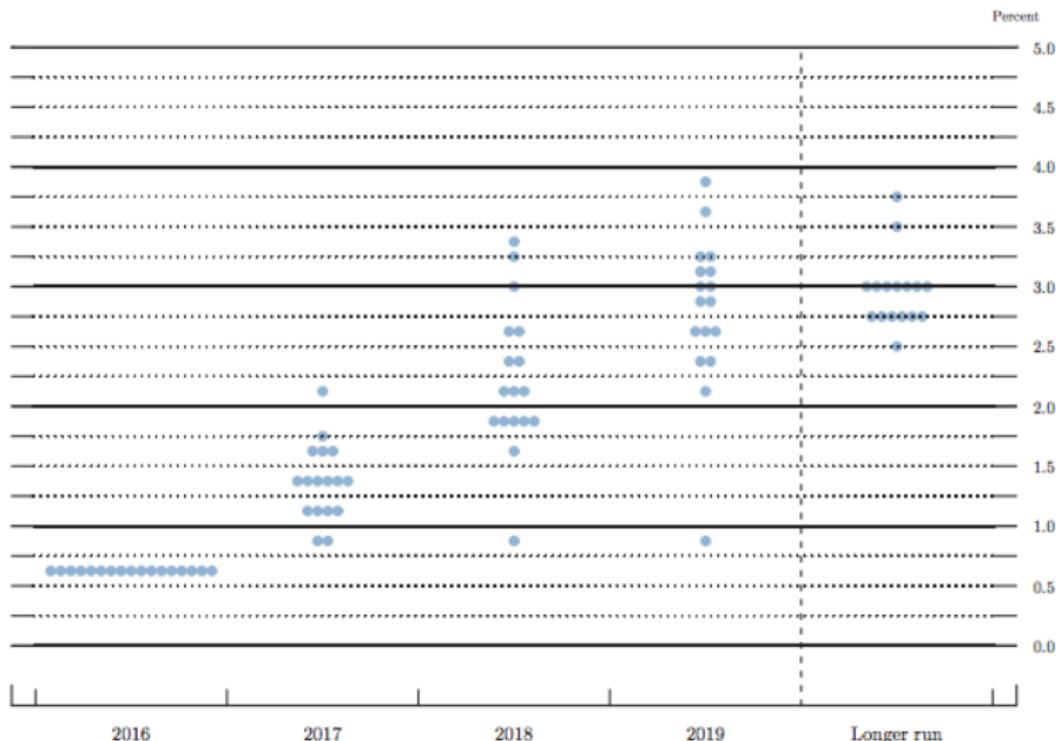


Figure 2. FOMC participants' assessments of appropriate monetary policy: Midpoint of target range or target level for the federal funds rate



more on inequality



SINCE 1828

MENU

Dictionary



unequality



# unequality

*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 markets

# housing inequality

- housing values are very local

## Case–Shiller 20 City Composite

Index 2000=100

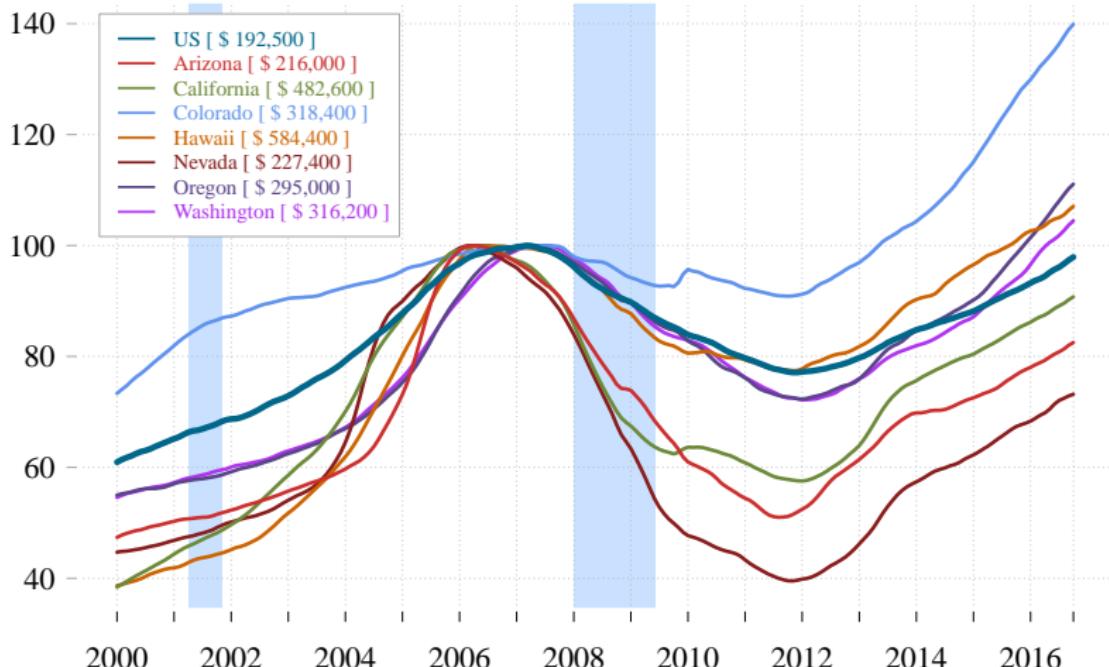


Economic Forecast Project

Source: S&P Dow Jones Indices LLC

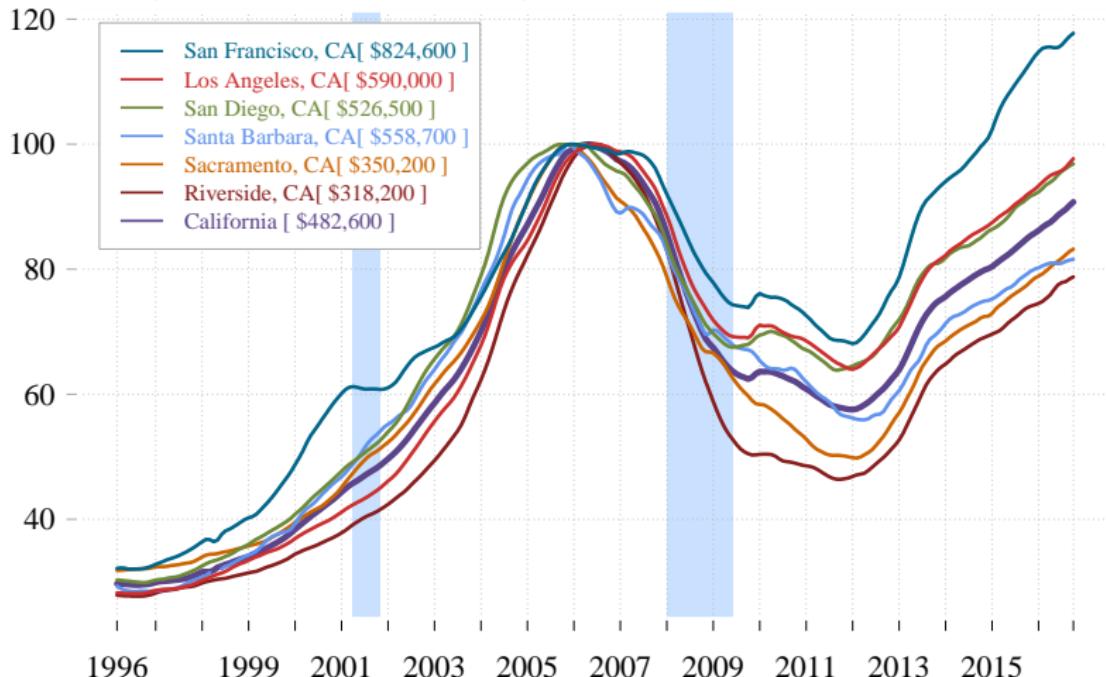
## Zillow Home Value Index (ZHVI)

Index (100 = Pre-Recession Maximum Value)



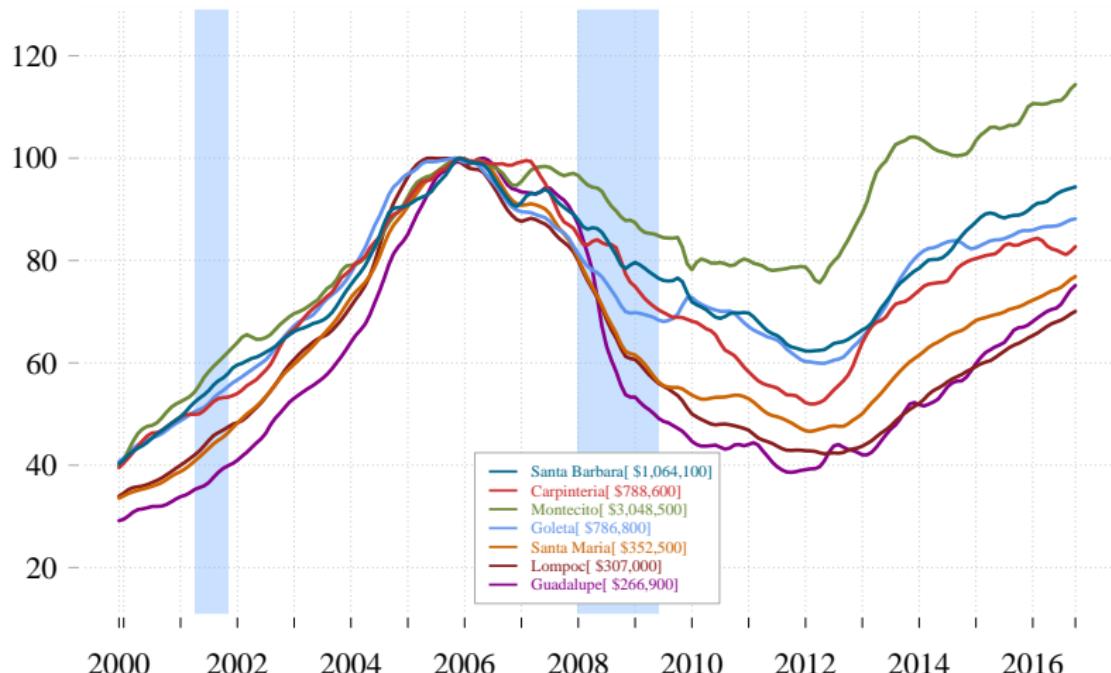
## Zillow Home Value Index, by MSA

Index (100 = Pre-Recession Max Value)



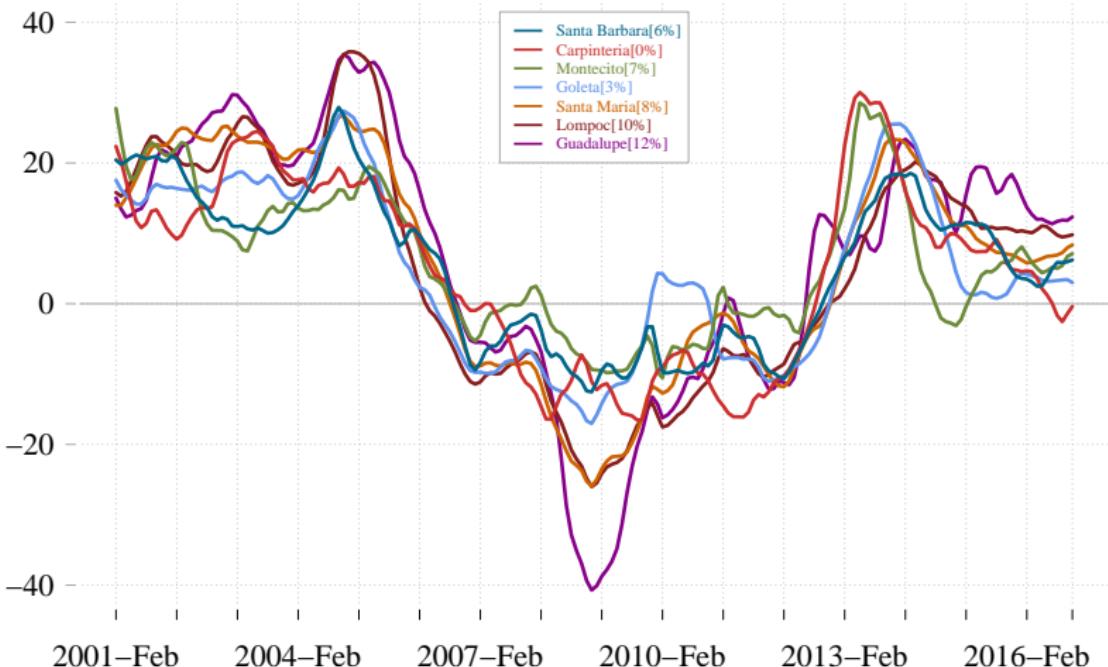
## Zillow Home Value Index

Index (100 = Pre-Recession Max Value)



## Zillow Home Value Index

YoY Growth Rate (%)



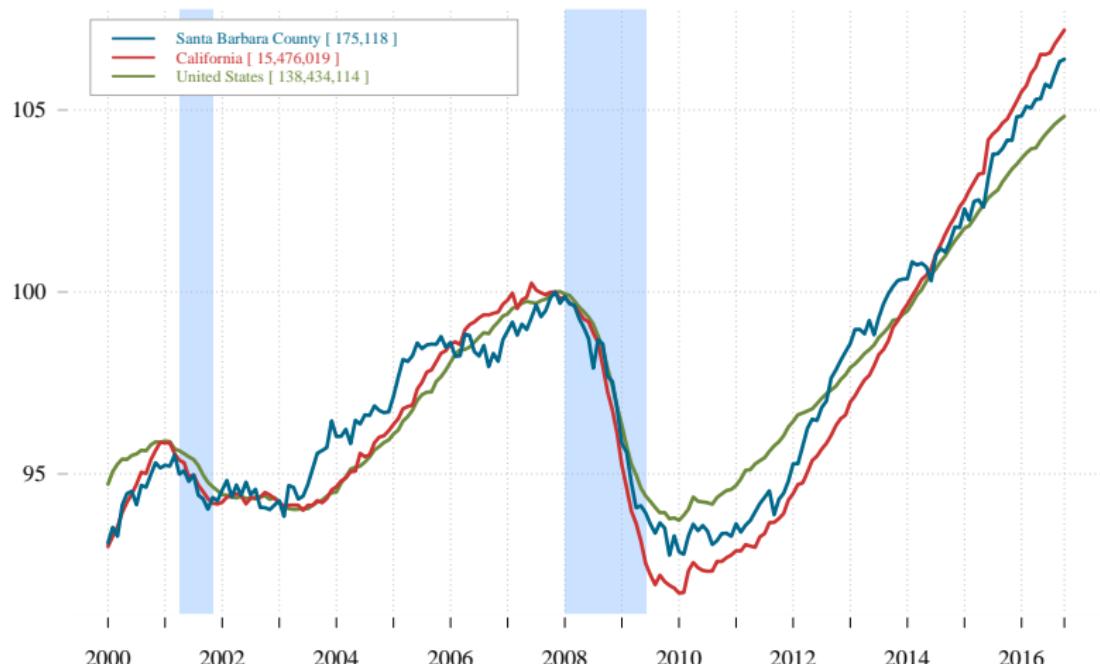
labor markets

continued strength across the region

- employment continues to expand
- unemployment low in most areas

## Total Nonfarm Payrolls, Seasonally Adjusted

Index (Dec 2007 = 100)



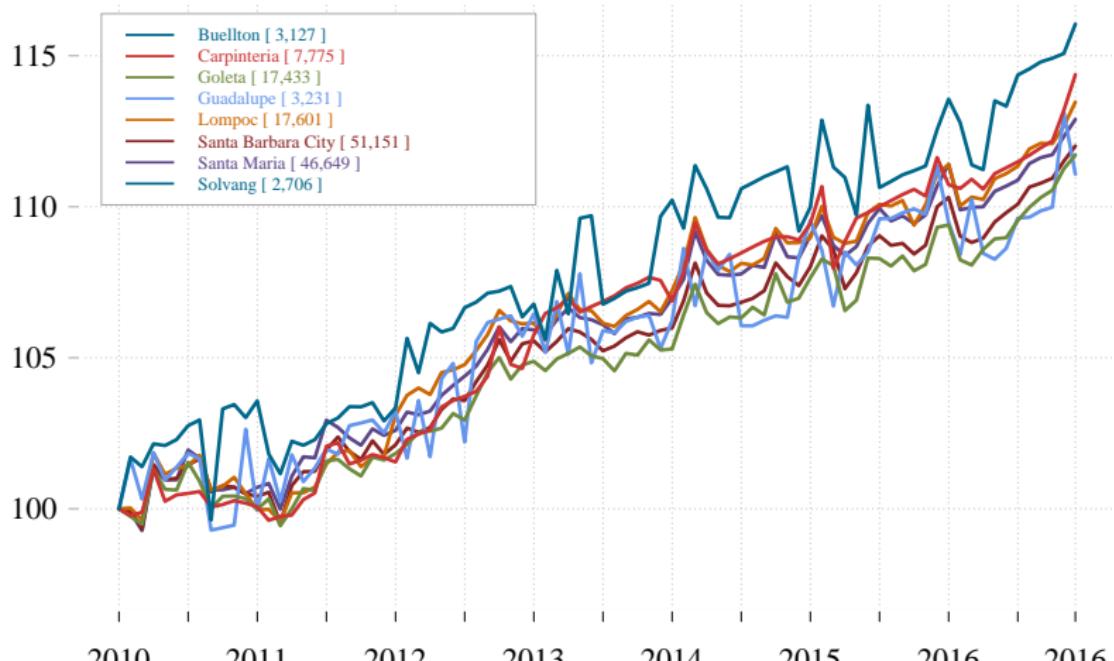
Notes: December 2007 level in brackets.

[www.efp.ucsb.edu](http://www.efp.ucsb.edu)

Source: BLS & CA EDD

## Total Civilian Employment, Seasonally Adjusted

Index (Jan 2010 = 100)



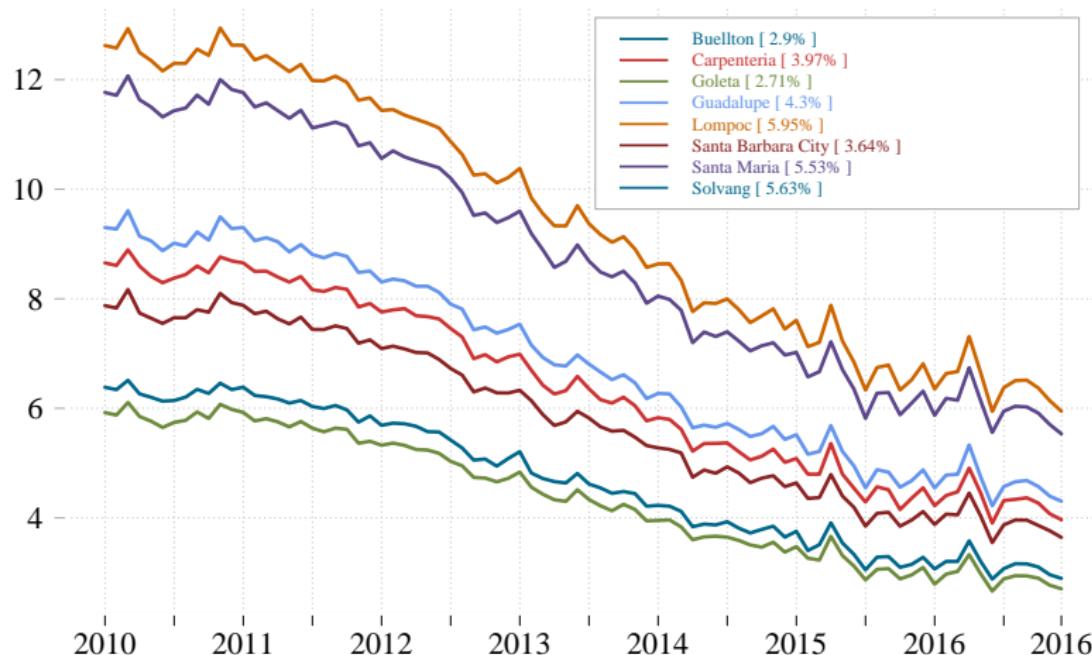
Note: Current level in brackets.

[www.efp.ucsb.edu](http://www.efp.ucsb.edu)

Source: BLS & CA EDD

## Unemployment Rate, Seasonally Adjusted

Percent (%)



Note: Most recent rate in brackets.

[www.efp.ucsb.edu](http://www.efp.ucsb.edu)

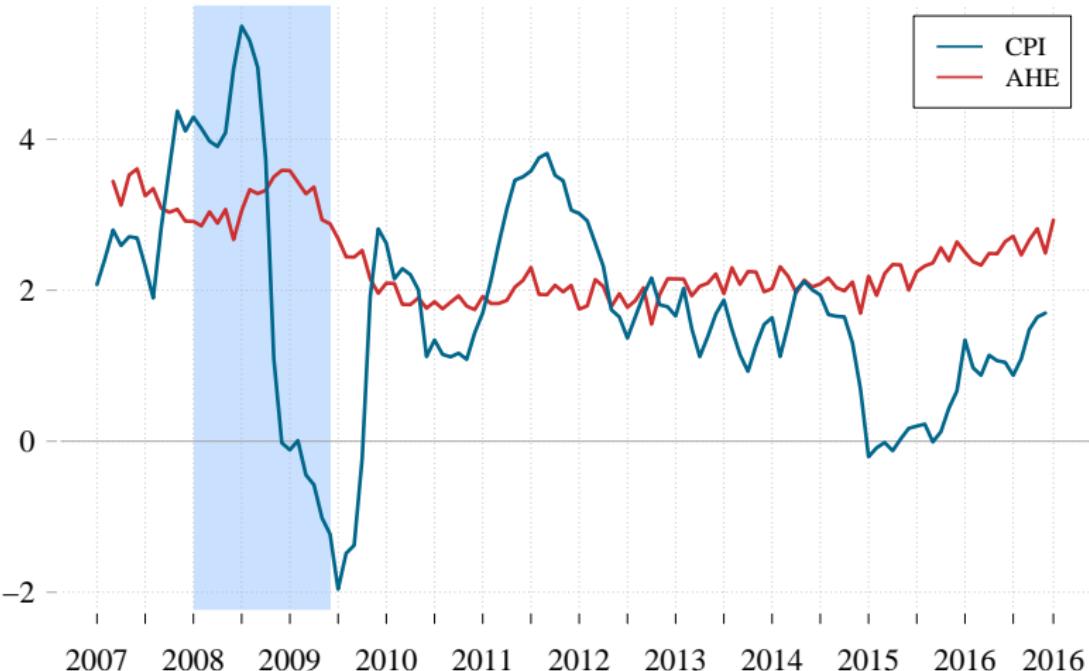
Source: BLS & CA EDD

## wage growth finally apparent

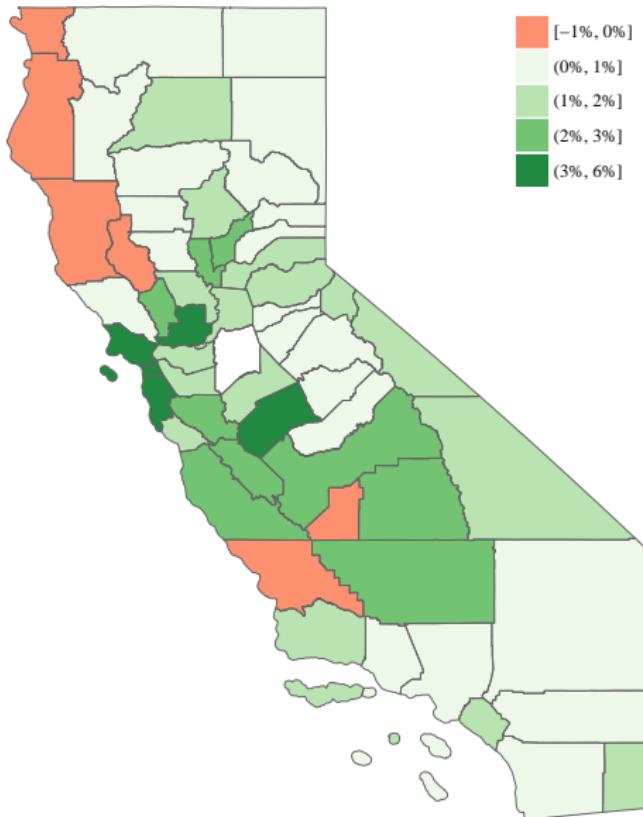
- average wages in US have been mostly flat
- lots of variation across CA

## Inflation and Average Hourly Earnings

Percent change from a year ago, all private workers



## Real Mean Wage Growth 2015 – 2016



Source: CA EDD

## Real Mean Wage Growth, 2016

	Emp.	Wage Growth	Share Below	
	Share	Five Year	One Year	Min. Wage
Total all occ.		2.8%	1.2%	15.0%
Comp. and Math.	3.5%	9.8%	2.4%	0.0%
Health Pract.	4.8%	4.2%	1.6%	0.4%
Health Support	2.3%	10.0%	2.2%	4.4%
Food Prep./servers	9.4%	8.9%	6.7%	45.6%
Farm, Fish, For.	1.3%	2.5%	6.4%	61.7%
Constr. and Extr.	3.6%	0.5%	1.1%	0.5%

## local wages

- wages are also very different across the county

## Payroll per Employee, 2015

	Emp. Shares		Earnings		
	North	South	North	South	Pct Diff
Agriculture	24.6%	2.1%	\$28,707	\$32,976	-12.9%
Government	13.8%	20.9%	\$47,401	\$61,869	-23.4%
Ed. & Health	12.1%	13.6%	\$40,071	\$53,640	-25.3%
Retail Trade	11.3%	8.7%	\$27,567	\$39,814	-30.8%
Leisure/hosp.	10.2%	14.7%	\$17,963	\$23,879	-24.8%
Prof. & Bus.	6.6%	14.1%	\$41,023	\$74,653	-45.0%

Source: CA EDD, (QCEW)

## Payroll per Employee, 2015

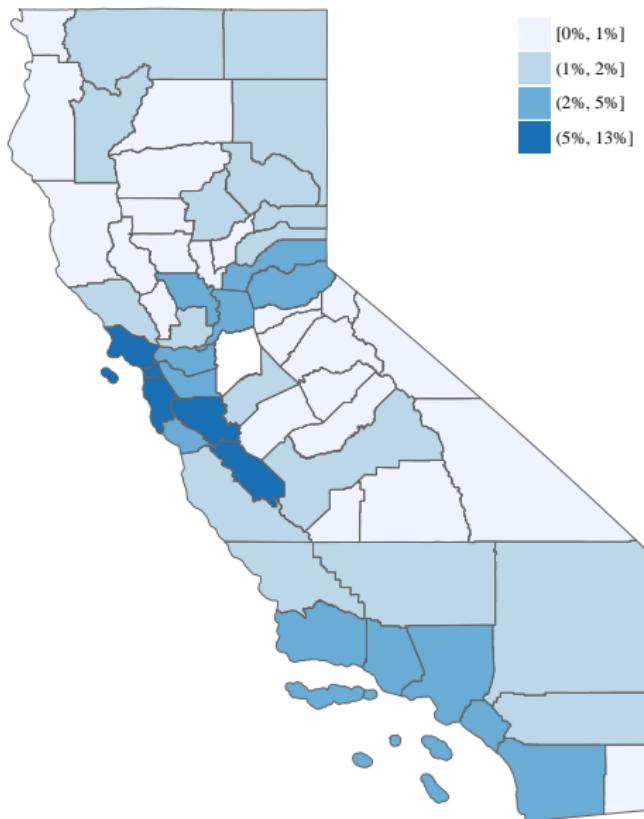
	Emp. Shares		Earnings		
	North	South	North	South	Pct Diff
Construction	3.4%	4.3%	\$49,373	\$53,803	-8.2%
Financial	2.3%	4.0%	\$44,104	\$71,910	-38.7%
Information	0.7%	3.9%	\$37,301	\$95,846	-61.1%
Mining	1.2%	0.1%	\$107,419	\$120,668	-11.0%
Trans. & Ware.	2.5%	1.1%	\$45,202	\$36,024	25.5%
Utilities	0.2%	0.1%	\$51,577	\$50,995	1.1%
Whlse. Trade	2.2%	2.6%	\$60,763	\$68,962	-11.9%
Weighted Average			\$ 36,603	\$ 55,985	-34.6%
w/ South Employment Shares			\$ 38,543		-31.2%
w/ South Payroll per Employee			\$ 48,518		-13.3%

Source: CA EDD, (QCEW)

## income, math and computers

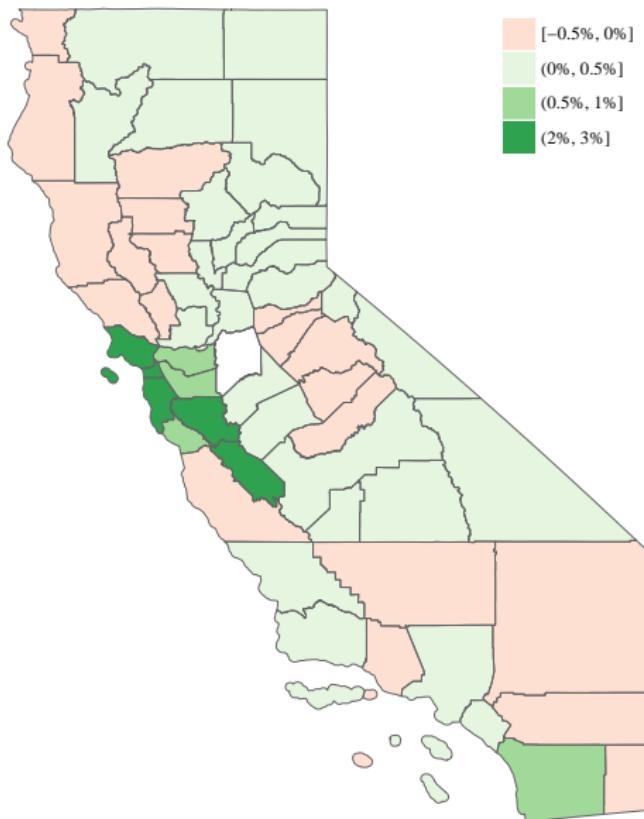
- as the table showed, info tech jobs are well paid
- where are the hot and growing areas?

## Share of Employment in Computer and Mathematical Occupations, 2016



Source: CA EDD

## Growth in Share of Employment in Computer and Mathematical Occupations, 2011–2016



Source: CA EDD

where does that leave us?

well, lots of uncertainty

- but the market seems to be more bull than bear
- employment and wages are up
- Fed sees maybe 3 increases in 2017

thanks!