



LOS ANGELES COUNTY QUARTERLY FORECAST

OCTOBER 2023

THINK IN THE NEXT

THE LOS ANGELES REPORT: THE MYSTERIOUS ECONOMY

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UCLA Anderson Forecast

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U.S. Economic Overview

The U.S. economy is getting more and more mysterious. On one hand, we are seeing rising interest rates across all time frames, from short-term federal fund rates to medium-term 10-year Treasury rates, to long-term 30-year mortgage rates (Figure 1). Elevated interest rates are expected to curtail borrowing, spending, and home purchasing. Wall Street experts are sounding the alarm that high rates will cause market turmoil and a recession. Meanwhile, the world is in chaos as the Russia-Ukraine conflict continues and the Middle East is on the brink of a new war. On the other hand, real GDP growth averaged 3% from 2022Q3 to 2023Q3, higher than most expected. Nonfarm payroll jobs continue to increase by 260,000 per month on average over the past three months. Unemployment rates stay at 3.8%, a very low level.

It is puzzling that given rising interest costs, conflicts abroad, and inverted yield curves, the U.S. economy remains resilient. Why? We suggest two possible reasons: (1) Although extraordinary fiscal and monetary stimuli implemented in the Covid-19 period are winding down, their scale is still having an effect. Figure 2 shows the total assets in the balance sheet of the Federal Reserve. The number has come down from \$9 trillion at the peak of QE in 2022 to \$8 trillion in October 2023, which is still twice what it was before the pandemic. Despite the Covid disruption, the median real net worth of American families increased from \$141,000 in 2019 to \$193,000 in 2022 (+37%)¹. The total nominal household net worth increased from \$100 trillion in 2019Q4 to \$146 trillion in 2023Q2 (Figure 3A). Given such significant increases of household wealth, spending and sales could grow amid high interest rates. (2) The short-term real interest rates (federal funds rates minus core PCE inflation rates; shown in Figure 3B) has been rising rapidly over the past year. Despite that, its current level at 2.5% is still mild and short compared to most of those before the previous recessions.

¹ Source: <https://www.federalreserve.gov/publications/files/scf23.pdf>

In September 2023, core CPI inflation remains elevated at 4.1% and headline CPI inflation at 3.7%. That is still high. Therefore, it is unlikely we'll see the Fed cut interest rates in 2023 significantly unless we have a recession. The Fed's recent median forecast of Federal Fund rates is at 5.1% for 2024. In general, we predict a soft landing over the next 2 years.

Figure 1. Federal Fund Rates, 10-Year Treasury Rates, 30-Year Mortgage Rates

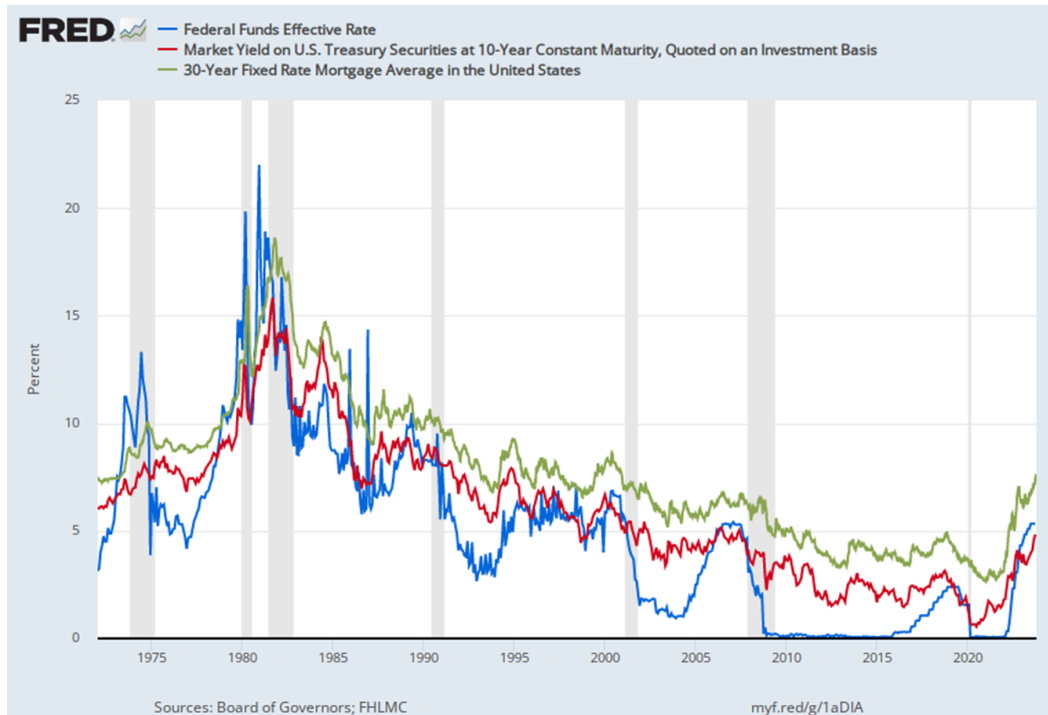


Figure 2. Total Assets of Federal Reserve

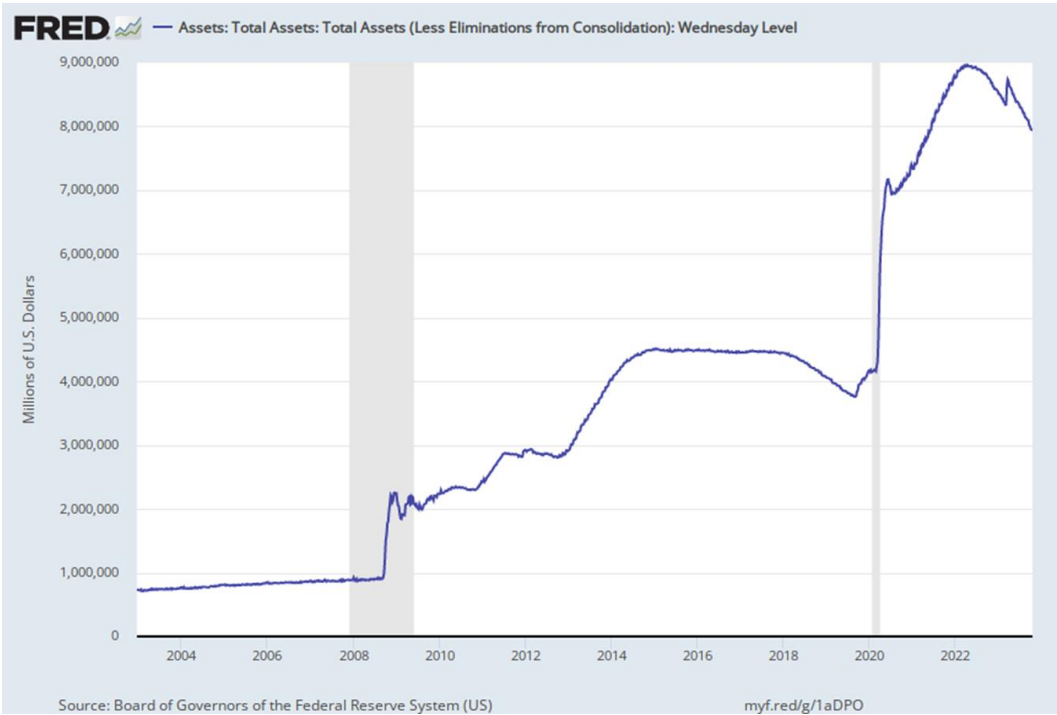


Figure 3A. Net Worth of Households

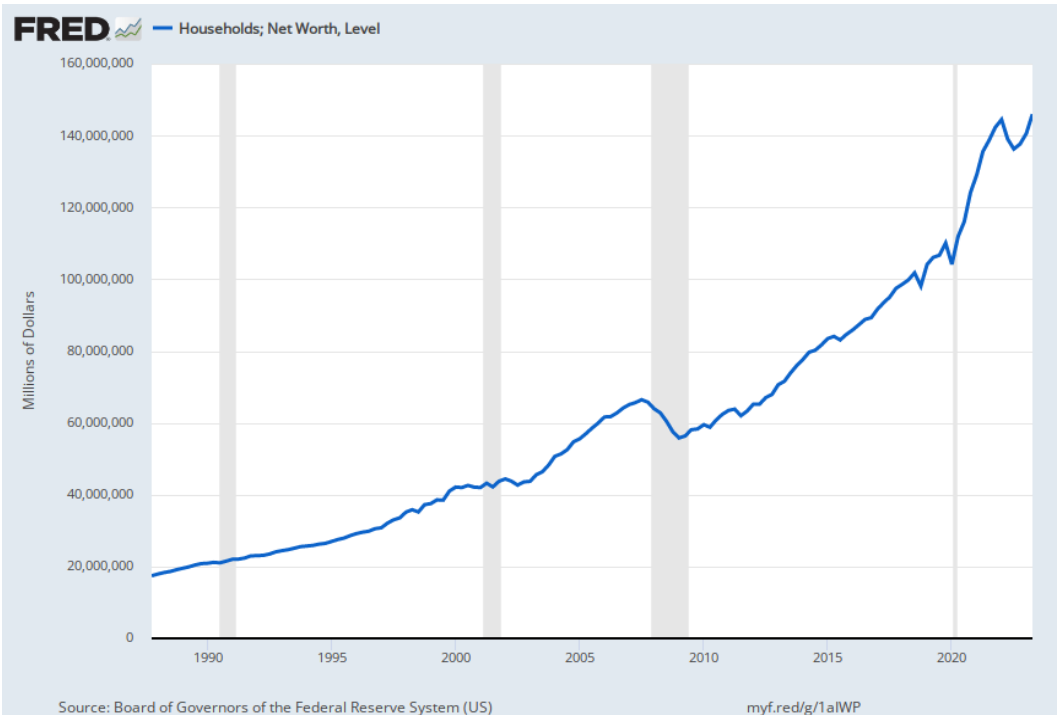
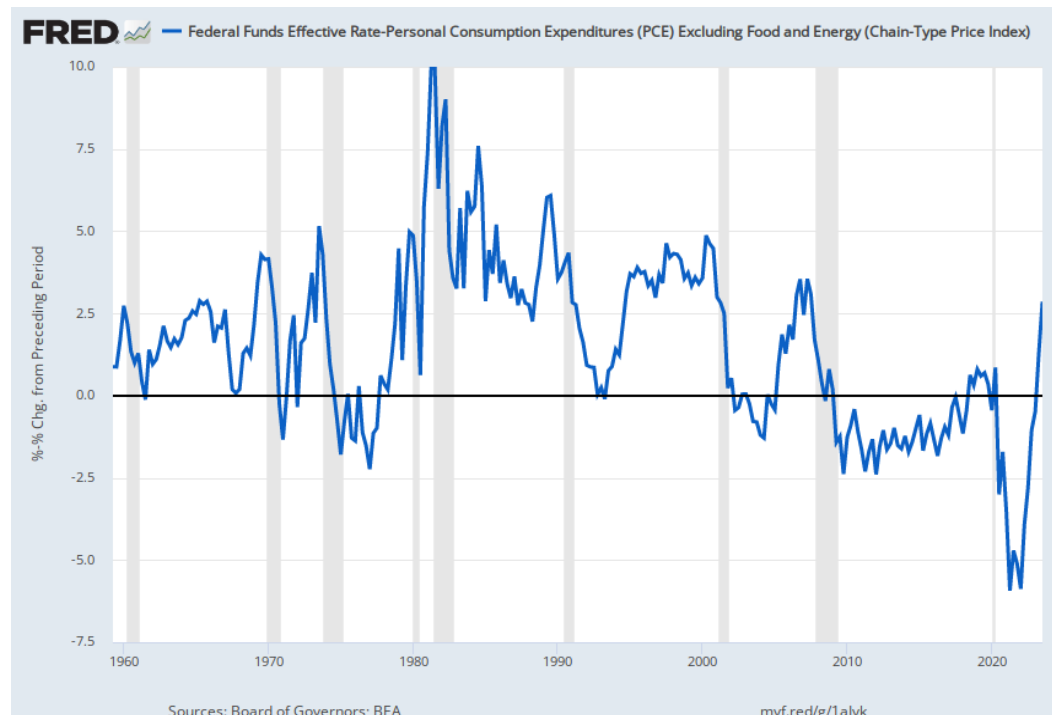


Figure 3B. Short-term Real Interest Rates, Federal Fund Rates Minus Core PCE Inflation Rates



The Los Angeles Economy

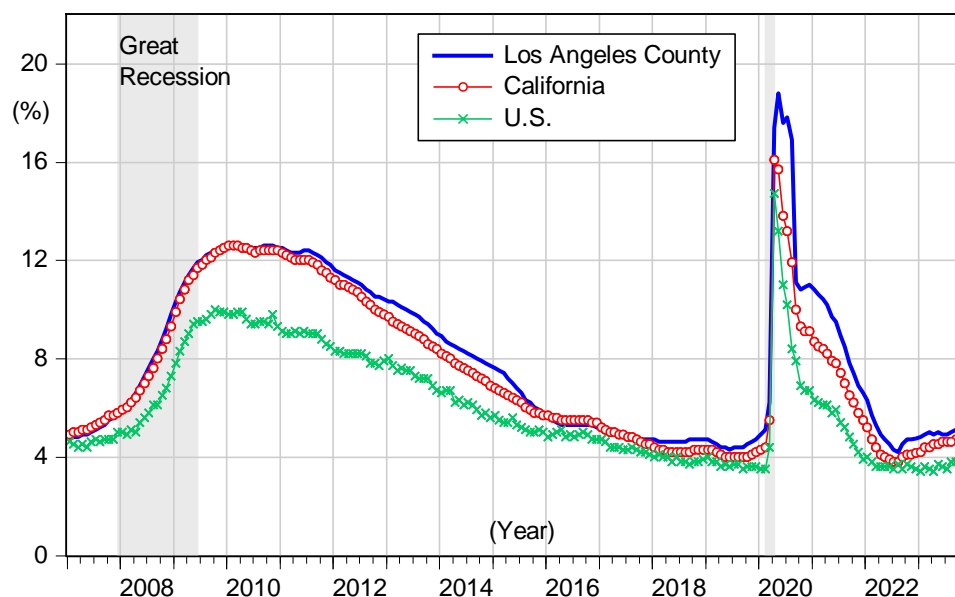
L.A.'s unemployment rate has been fluctuating around 5.1% over the past few months, versus California's 4.7% and the U.S.'s 3.8% (Figure 4). While LA's unemployment rate is higher than last year's, it remains the lowest in the past two decades. Figure 5 shows the percentage change of household survey employment since February 2020, which captures all employment and not just payroll jobs. Employment in L.A. experienced a lackluster performance over the past year (-4.4% compared to the pre-pandemic peak) compared to California (-1.4%) and the nation (+1.8%). The labor force in L.A. (Figure 6) has been growing over the past few months but is still at lower levels than before the pandemic (similar to the level in 2016).

L.A. payroll jobs have increased by 95,800 (2.1%) over the past year. To see how sector job shares changed during the pandemic in the U.S. and L.A., consider Figure 8, which presents the U.S.'s sector job share in September 2019 (blue circle) and September 2023 (blue bar) against L.A.'s for the same months (orange circle and yellow bar respectively). L.A.'s health care and social services sector is the largest sector and has an increased share. Note that over the past year, social assistant jobs have increased by 34,800 (11.8%), which accounts for 1/3 of total job increases. After three years of disruption by the pandemic, L.A.'s leisure and hospitality sector has finally surpassed the pre-pandemic level. Over the past year, the sector has increased 35,000 jobs (6.7%). On average, the minimum wage in the L.A. area is \$16.80 per hour. Given

the high inflation rate, the real level of minimum wage has declined; therefore, it does not cause a decline of employment in this sector filled mostly with minimum wage jobs. The hotel worker strikes did not impact the overall increase of jobs in accommodation, which have increased by 2,100 jobs (4.8%) over the past year.

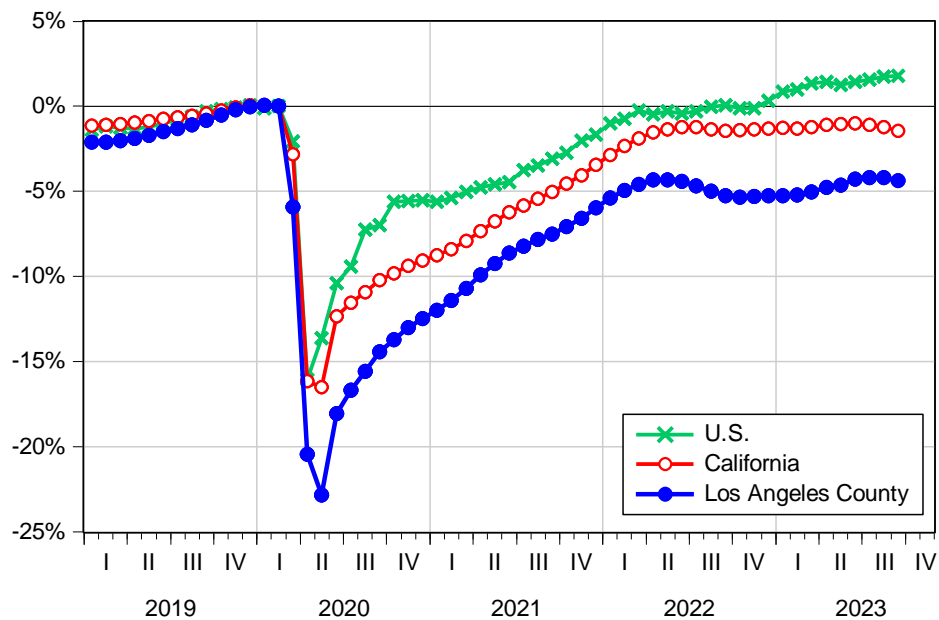
L.A.'s transportation, warehousing, and utilities sector also increased its share, as did the professional and management sector, a high-paying sector (8.5% share in September 2023). While L.A.'s durable goods sector has lost jobs overall, its aerospace subsector has seen increased jobs over the past year from 42,300 to 44,800 given that defense spending has been rising and there are more conflicts and tension in the world. The Hollywood strike has caused the loss of 29,800 jobs (-20%). In Appendix C of the report, we will provide the outlook for sector jobs in L.A. County.

Figure 4. Unemployment Rates in Los Angeles County, California, and the U.S.



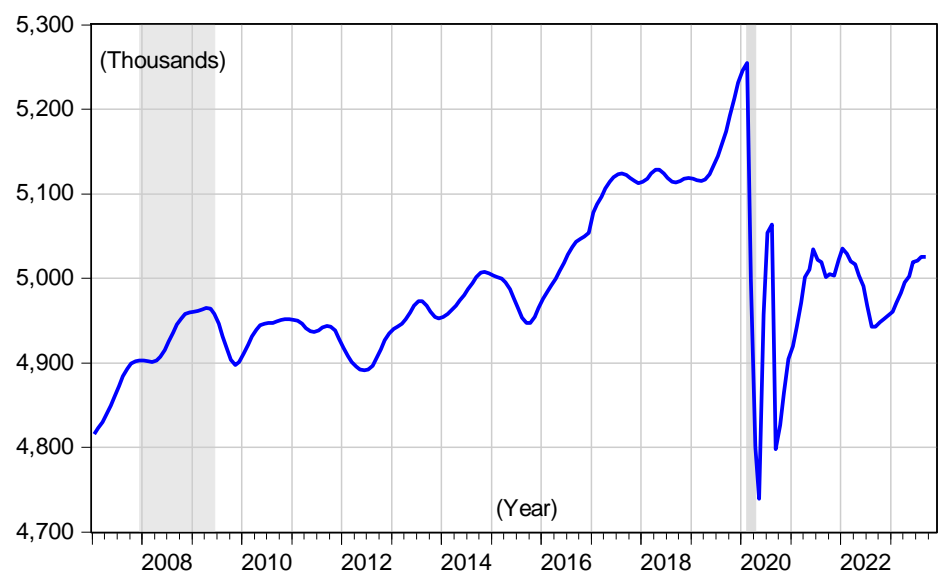
Sources: California Employment Development Department and Bureau of Labor Statistics

Figure 5. Household Survey Employment, Percentage Change Since February 2020



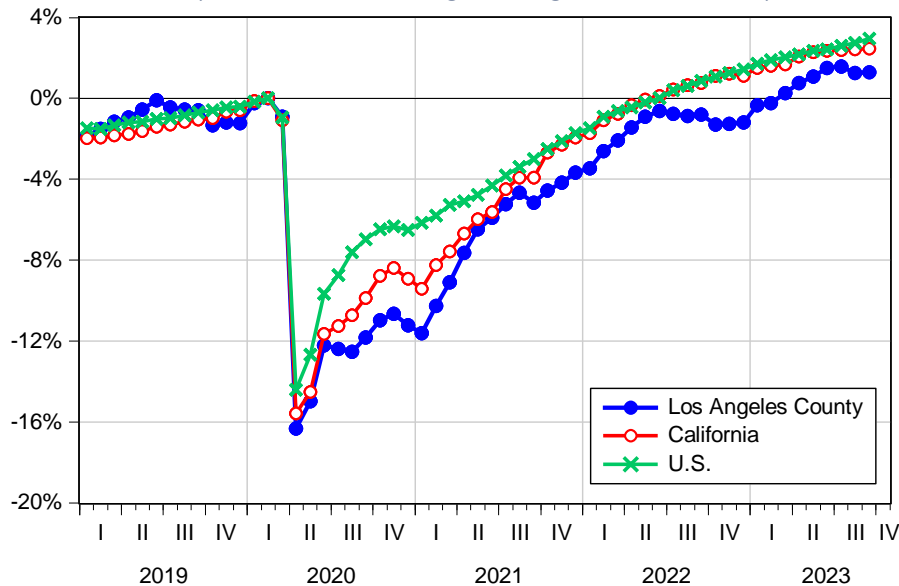
Sources: California Employment Development Department and Bureau of Labor Statistics

Figure 6. Labor Force in Los Angeles County



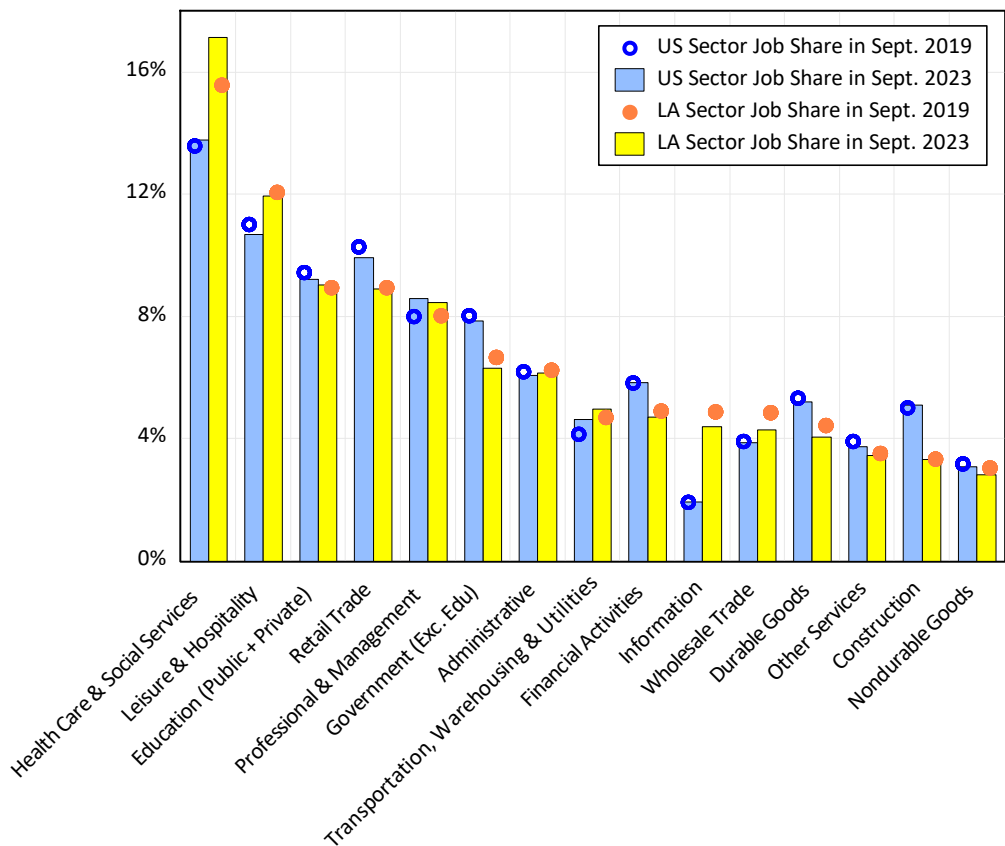
Source: California Employment Development Department

Figure 7. Nonfarm Payroll Jobs, Percentage Change Since February 2020



Sources: California Employment Development Department (EDD) and Bureau of Labor Statistics

Figure 8. Sector Job Shares in the U.S. and L.A., Sept. 2019 and Sept. 2023



Sources: California Employment Development Department (EDD) and Bureau of Labor Statistics

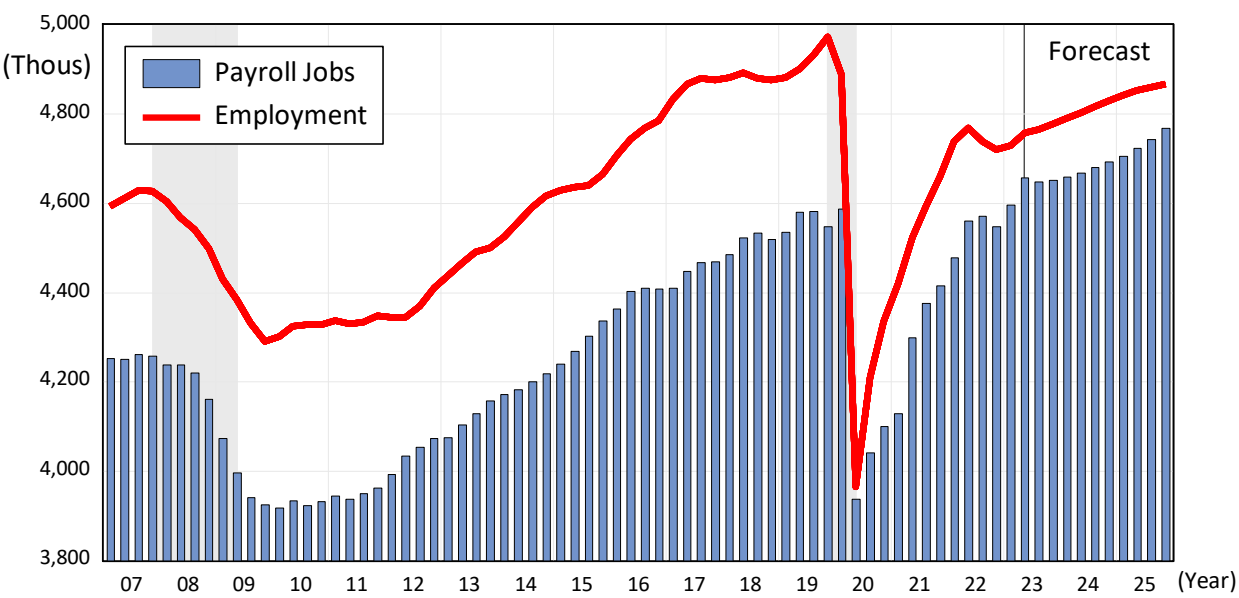
Short-term Forecast for Los Angeles County

The tightening money cycle by the Fed could still bring a recession to the nation and L.A. in 2024 despite continued good news for the economy. But the probability of a recession has indeed declined. In general, we forecast a slow growth of employment and jobs over the next two years (Figure 9). We also forecast L.A. inflation will remain elevated through 2024.

We forecast the following for the Los Angeles County economy:

- **The unemployment rate** peaked at 18% in 2020 Q2 when the official pandemic recession ended. It is forecast to increase to an annual average of 5.4% in 2024, and 5.3% in 2025. Prior to the pandemic (2019 Q4) it was 4.4%.
- **Nonfarm payroll jobs** increased by 2.2% over the past year. It is forecast to increase by 2% in 2024, and increase by 1.6% in 2025, reaching 4.69 million by the end of 2023, 4.78 million by the end of 2024, and 4.85 million by the end of 2025. Prior to the pandemic (2019 Q4), nonfarm payroll employment in Los Angeles County was 4.55 million.
- **Total employment**, including the self-employment, is forecast to decline to 4.80 million by the end of 2023, then to rise to 4.87 million by the end of 2024, and to 4.91 million by the end of 2025. Prior to the pandemic (2019 Q4), total employment in Los Angeles County was 4.97 million.
- **Real personal income** is estimated to decrease by 0.8% in 2023, increase by 1.1% in 2024, and 1.6% in 2025. With the Fed's aggressive tightening monetary policy, we forecast that high inflation will come down gradually. Our forecast of inflation is 4% in 2024 and 3.5% in 2025. Nominal personal income growth is estimated to be 2.9% in 2023, 5.1% in 2024, and 5.1% in 2024.
- **Nominal taxable sales** declined by 3.7% in 2023. It is forecast to increase by 7.4% in 2024, and by 6.3% in 2025. Nominal taxable sales are forecast to reach \$209 billion by the end of 2023, \$227 billion by the end of 2024, and \$240 billion by the end of 2025.

Figure 9. History and Forecast of Los Angeles County Employment



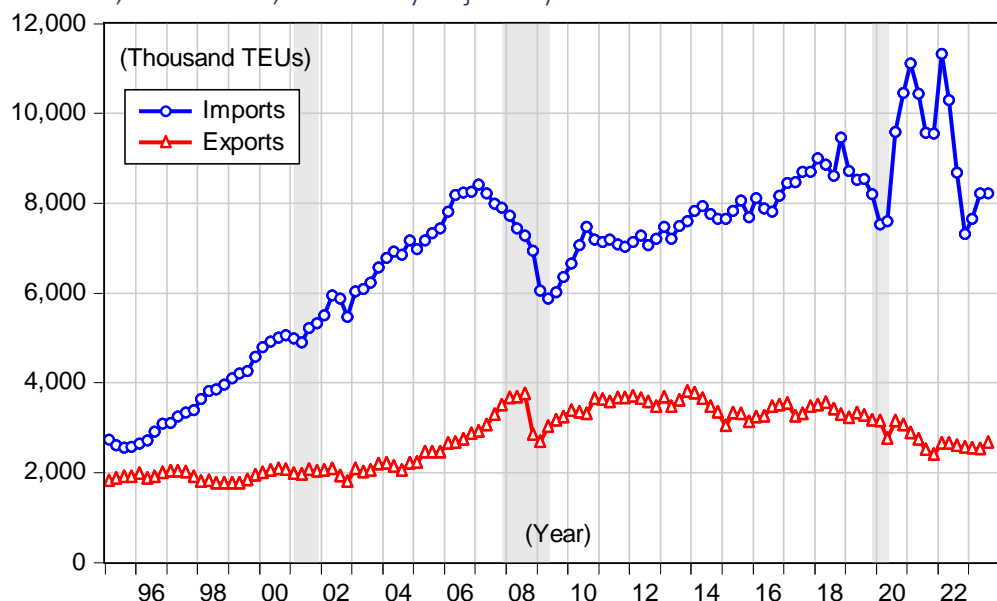
Sources: California Employment Development Department and UCLA Anderson Forecast

Appendix A: Los Angeles Airport and Seaport Activity

Los Angeles' seaports and LAX are handling inbound cargo volumes that have substantially declined over the past year. Figure A1 shows that the annualized seasonally adjusted import volume through the seaports of Los Angeles and Long Beach plunged after the record high in 2022 Q1. There are three reasons: (1) domestic demand for goods has been declining a bit. (2) U.S.-China decoupling has intensified in the post-pandemic era. Figure A2 shows that Mexico has become U.S.'s largest import source country (\$42 million in September) and surpassed China (\$37 million) earlier this year. Note that China had been the largest import source country for the U.S. since 2008. As a result, many imports via L.A. seaports have been relocated to land ports in Texas. (3) U.S. exports have seen a declining trend over the past decade due to strong dollars.

Figure A3 shows air cargo through Los Angeles International Airport (LAX), including both domestic and international traffic. The volume of high-value and time-sensitive airborne freight arrivals through LAX has been contracting rapidly over the past year, which returns to its long-term positive trend. Figure A4 shows domestic and international passenger traffic, including both arrivals and departures, through LAX. After two years of recovery, LAX air passenger traffic in 2023 Q3 is 81% of the pre-pandemic peak level. Note that LAX air passenger traffic is a direct indicator of the L.A. tourism economy. Despite air traffic not yet being fully recovered, we have seen L.A.'s leisure and hospitality jobs fully recover.

Figure A1. Los Angeles Seaport Traffic, Ports of Los Angeles and Long Beach Combined
(Thousand TEUs, Annualized, Seasonally Adjusted)



Sources: Ports of Los Angeles and Long Beach

Note: A "TEU" is a "twenty-foot equivalent," a standard shipping container

Figure A2. U.S. Imports of Goods from Three Main Trading Partners

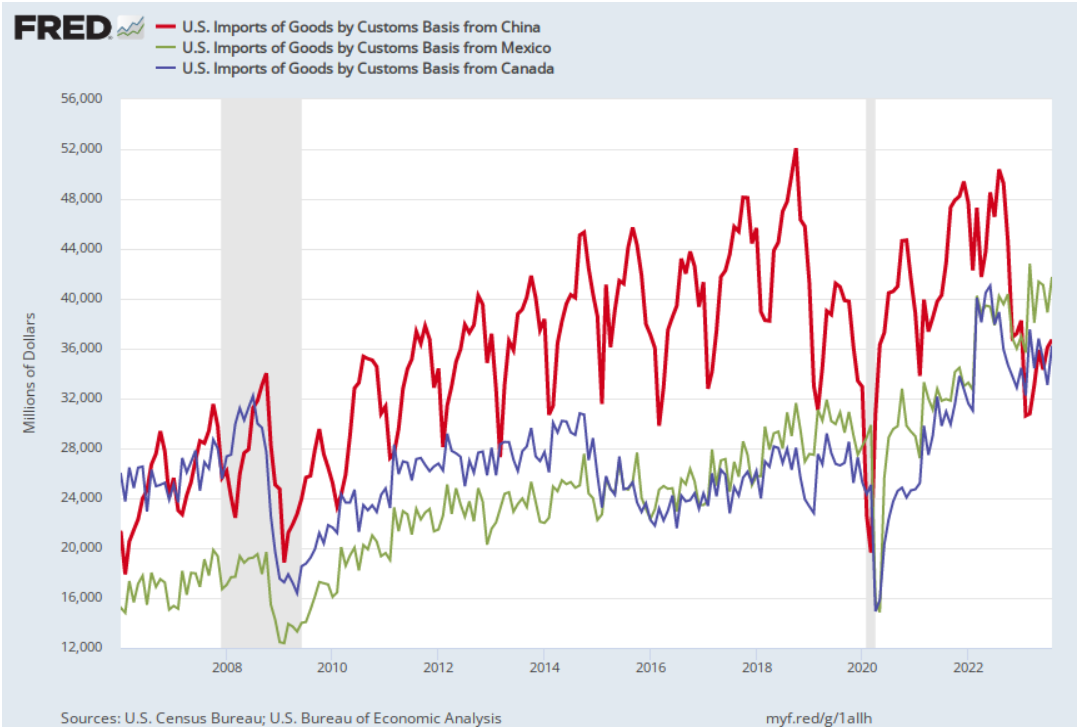
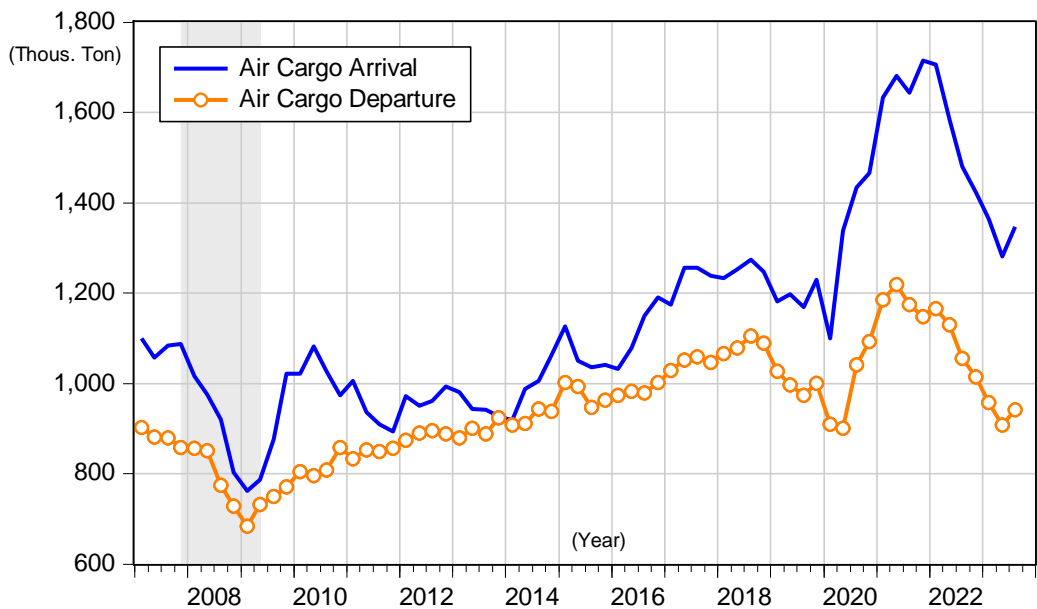
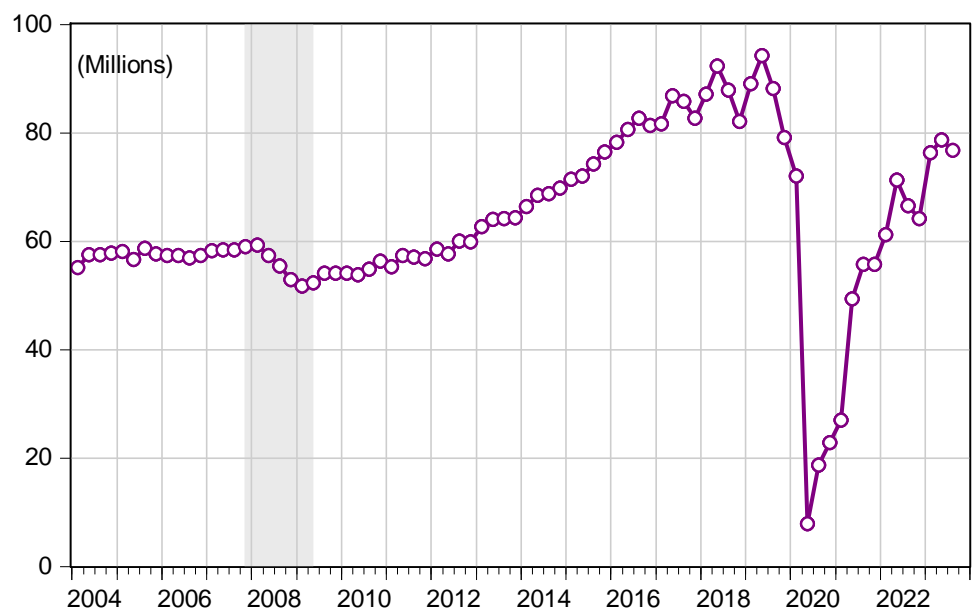


Figure A3. Los Angeles Airport (LAX) Air Cargo
(Thousand Tons, Annualized, Seasonally Adjusted)



Source: LA World Airports

Figure A4. Los Angeles Airport (LAX) Passenger Traffic
(Arrival and Departure Combined, Annualized, Seasonally Adjusted, Scheduled Carriers)



Source: LA World Airports

Appendix B: Los Angeles Construction and Housing Markets

With high interest rates and mortgage rates, the housing markets have faced adjustment in prices, sales, and construction since 2022. Many metros are seeing their home prices dropping in the second half of 2022. As we predicted, this housing market adjustment is not a repeat of the housing slump in 2007-2010 because housing has not been in over-supply over the past decade. Figure B1 shows the home price indices for Los Angeles, San Francisco, and a 20-City average. All three regions show housing prices starting to rebound in recent months. Figure B2 lists the residential building permit numbers in L.A. County. We saw continued elevation in multi-unit and single-unit construction projects in L.A. One reason for L.A.'s robust housing starts activity has been the popularity of accessory dwelling units (ADUs) and the passage of SB9 and SB10.

Figure B1. Case-Shiller Home Prices for 20-City Average, Los Angeles, and San Francisco

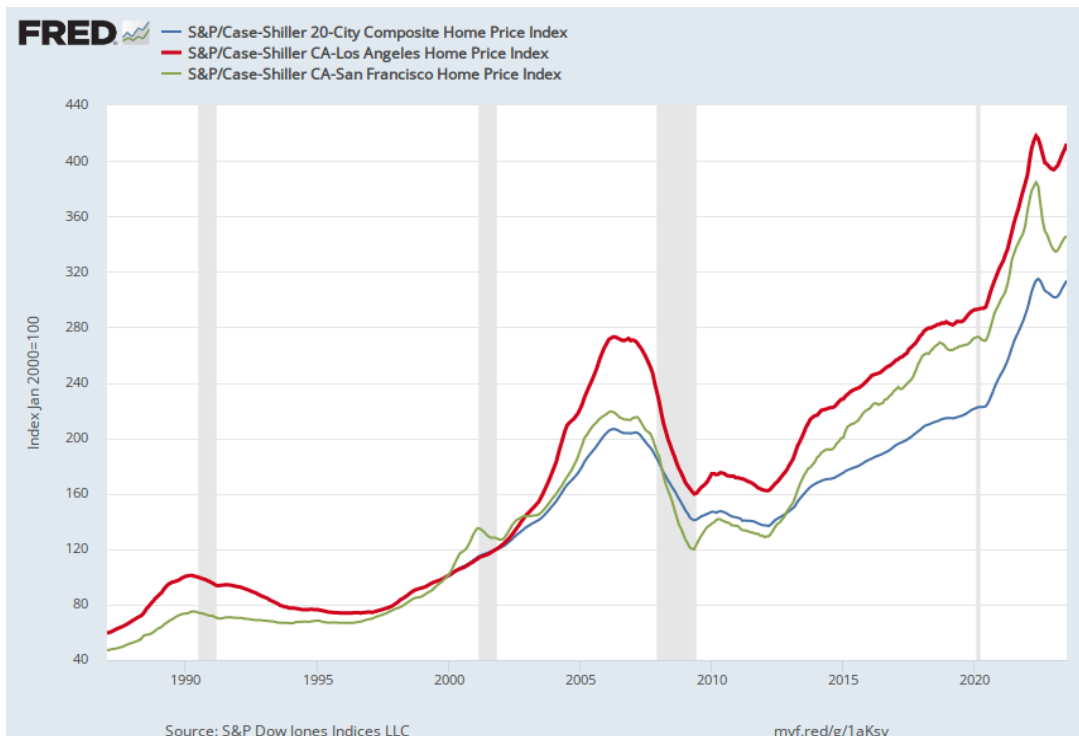
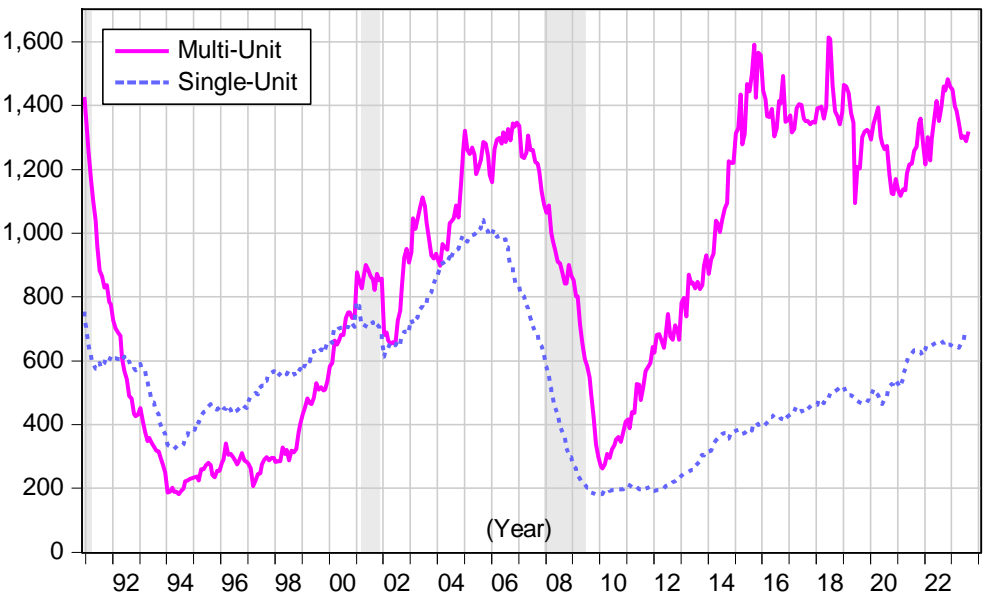


Figure B2. Los Angeles County New Residential Building Permits
(Monthly, 12-Month Moving Average)



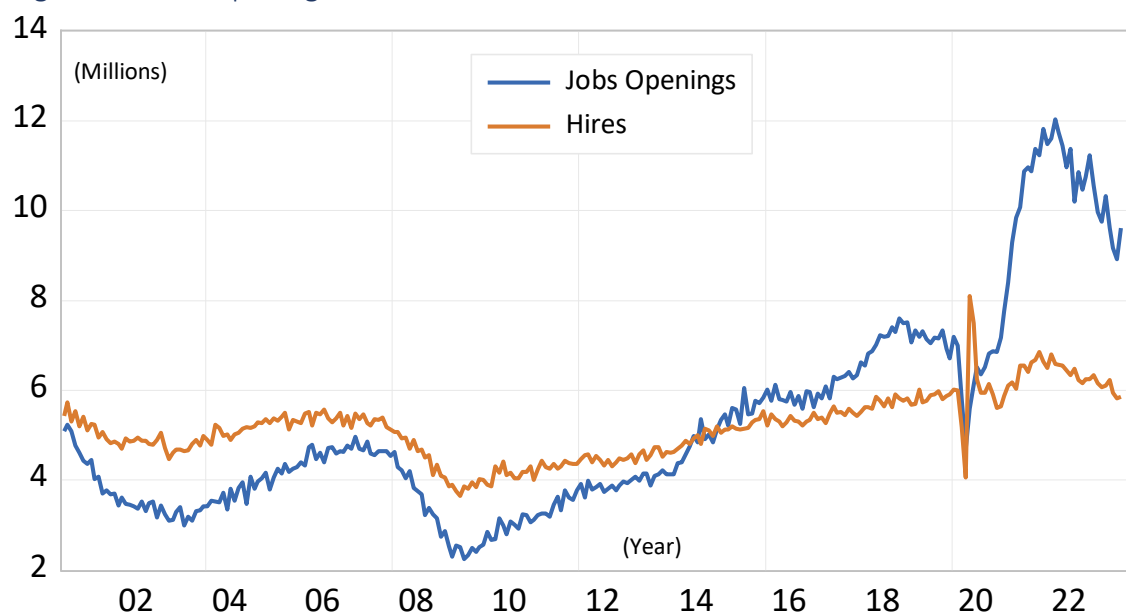
Source: U.S. Census

Appendix C: The Analysis and Forecast of Sectoral Jobs in Los Angeles

Figure C1 shows the job openings and hires in the U.S. since 2000. In August 2023, employers offered 9.6 million positions while only hiring 5.86 million people. That is 3.75 million vacancies. We suggest one main possible reason for this rising vacancy trend is because more skilled baby boomers retired in recent years. As a result, employers could offer more positions to relatively younger, unskilled, and inexpensive employees.

What sectors have a lot of unfilled jobs? Figure C2 displays the average vacancies over the past year by sector. The health care sector has the largest number of vacancies (1,048 thousands jobs), followed by professional and business services (695K), state and local government noneducational (410K), leisure and hospitality (318K), accommodation and food services (292K), finance and insurance (226K), durable goods manufacturing (212K), transportation, warehousing and utilities (177K), state and local government education (134K), other services (118K), federal government (111K), and information (101K).

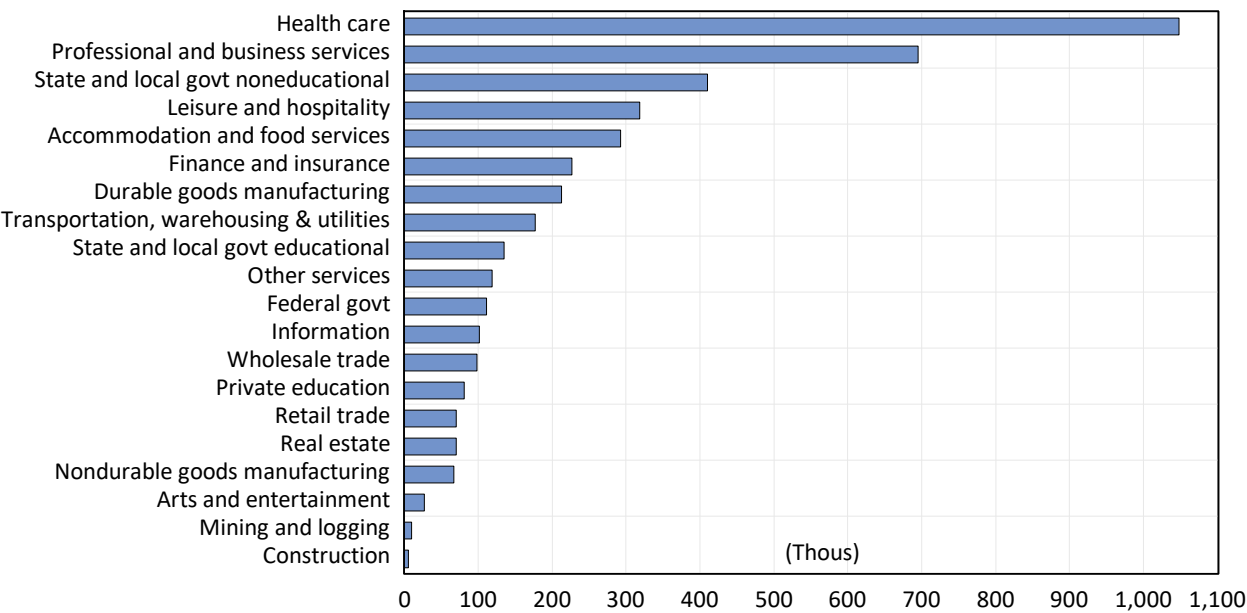
Figure C1. Jobs Openings and Hires in the U.S.



Source: Job Openings and Labor Turnover Survey (JOLTS) , Bureau of Labor Statistics

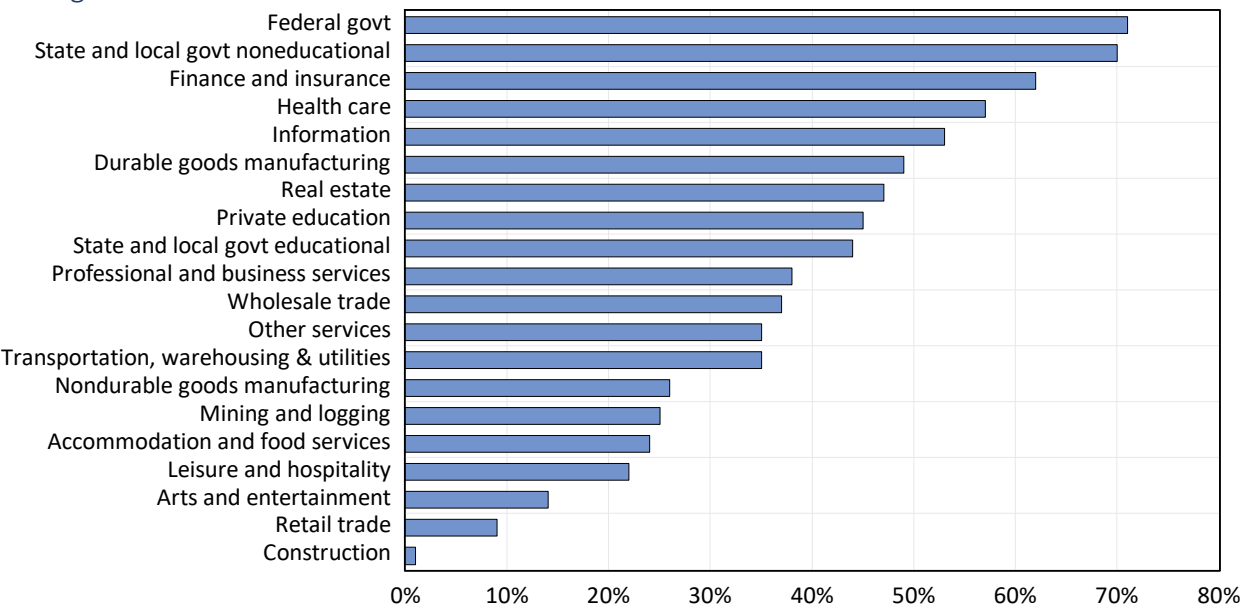
Figure C3 shows the ratio of sector job vacancies over openings. Federal government has the highest vacancy ratio (71%), followed by state and local government noneducational (70%), finance and insurance (62%), health care (57%), information (53%), durable goods manufacturing (49%), real estate (47%), private education (45%), state and local government education (44%), and professional and business services (44%).

Figure C2. Sectoral Job Vacancies in the U.S., Average of September 2022 to August 2023



Source: Job Openings and Labor Turnover Survey (JOLTS) , Bureau of Labor Statistics

Figure C3. Ratio of Sector Job Vacancies over Openings in the U.S., Average of September 2022 to August 2023



Source: Job Openings and Labor Turnover Survey (JOLTS) , Bureau of Labor Statistics

While we don’t have the detailed sectoral breakdown of vacancy and opening data for L.A. County, we can use the national trend to forecast the long-term sectoral job growth in L.A. with additional adjustment for our local competitive advantage. Table C1 shows the forecast for the sector jobs through 2028 in L.A. County. The education and health services sector had high

growth in L.A. in the 2010s. Given the vacancy trend shown in Figures C2 and C3, we forecast it will continue to have robust growth in the 2020s (2.7%) while aging population is growing rapidly. The leisure and hospitality sector will grow with a strong rate (2.4%) due to more international tourists coming to the U.S. and being the hosting city of 2026 FIFA World Cup and 2028 Summer Olympics.

Table C1. Sectoral Jobs Annual History and Forecast in Los Angeles County

	Total	EC	EEHS	EFA	EG	EI	ELH	EMD	EMN	EPBS	ESVO	ETR	ETW	ETWU
Year	Sector Payroll Jobs (Thous), Blue Shaded Year are Forecast													
2010	3,926	104	672	211	579	192	384	212	168	519	137	386	202	156
2011	3,948	104	678	210	565	193	394	210	165	535	137	393	204	157
2012	4,038	108	701	213	557	192	414	211	165	562	142	401	210	160
2013	4,116	115	704	213	551	197	439	211	166	586	146	406	217	163
2014	4,193	118	723	211	556	199	464	209	164	592	151	414	220	169
2015	4,287	126	743	216	568	207	487	208	161	594	151	420	223	178
2016	4,396	134	770	220	577	229	510	204	159	604	153	422	223	189
2017	4,449	139	798	222	586	214	524	202	149	614	156	423	223	198
2018	4,515	146	818	224	591	215	536	200	143	633	159	421	224	204
2019	4,561	150	840	224	587	215	547	202	139	648	158	414	222	213
2020	4,166	147	822	213	570	190	394	190	125	600	129	375	201	208
2021	4,304	149	844	213	560	209	433	186	127	630	136	396	203	215
2022	4,539	151	874	216	568	235	511	190	132	669	153	407	205	225
2023	4,654	149	923	218	576	222	552	190	131	683	160	414	202	234
2024	4,748	153	916	223	588	229	583	192	133	696	167	410	212	243
2025	4,825	156	923	226	596	236	603	196	134	715	169	408	214	250
2026	4,933	163	1002	220	591	242	618	209	139	719	164	400	215	247
2027	5,022	167	1036	226	588	243	644	221	144	719	167	404	217	245
2028	5,163	166	1070	232	588	243	676	235	150	722	169	450	219	242
Period	Compound Annual Growth Rate (CAGR)													
2010-2019	1.7%	4.2%	2.5%	0.7%	0.1%	1.3%	4.0%	-0.6%	-2.1%	2.5%	1.6%	0.8%	1.1%	3.6%
2019-2028	1.4%	1.1%	2.7%	0.4%	0.0%	1.4%	2.4%	1.7%	0.8%	1.2%	0.7%	0.9%	-0.1%	1.4%

Source: California Employment Development Department and Anderson Forecast

Note: EC (Construction), EEHS (Private Education and Health Services), EFA (Financial Activities), EG (Federal, State, and Local Government), EI (Information), ELH (Leisure and Hospitality), EMD (Durable Goods Manufacturing), EMN (Nondurable Goods Manufacturing), EPBS (Professional and Business Services), ESVO (Other Services), ETR (Retail Trade), ETW (Wholesale Trade), ETWU (Transportation, Warehousing, and Utilities).

**Summary of the UCLA
Anderson Forecast for Los
Angeles County by Calendar
Year**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Personal Income and Taxable Sales											
Personal Income											
(Billion \$)	544.1	562.4	580.3	601.9	635.8	684.7	728.8	722.3	743.3	781.0	821.0
(%Change)	6.6	3.4	3.2	3.7	5.6	7.7	6.4	-0.9	2.9	5.1	5.1
Real Personal Income											
(Billion 2012\$)	528.9	536.6	538.7	538.2	551.5	584.5	599.3	552.8	548.5	554.4	563.0
(%Change)	5.6	1.5	0.4	-0.1	2.5	6.0	2.5	-7.8	-0.8	1.1	1.6
Taxable Sales											
(Billion \$)	151.9	155.0	160.1	165.9	172.1	157.7	192.1	213.8	206.0	221.2	235.3
(%Change)	3.1	2.1	3.3	3.6	3.8	-8.4	21.8	11.3	-3.7	7.4	6.3
Real Taxable Sales											
(Billion 2012\$)	147.6	147.9	148.6	148.3	149.3	134.6	157.9	163.7	152.0	157.0	161.3
(%Change)	2.1	0.2	0.5	-0.2	0.7	-9.9	17.3	3.7	-7.1	3.3	2.8
Price Inflation											
Consumer Prices (%Change)	0.9	1.9	2.8	3.8	3.1	1.6	3.8	7.4	3.7	4.0	3.5
Employment and Labor Force (Household Survey, %Change)											
Employment	1.5	2.3	2.4	0.4	0.8	-11.6	4.6	4.2	0.5	1.8	1.0
Labor Force	-0.2	0.9	1.8	0.2	0.7	-3.8	0.7	-0.2	0.7	2.2	0.9
Unemployment Rate (%)	6.7	5.3	4.8	4.6	4.5	12.4	8.9	4.9	5.0	5.4	5.3
Nonfarm Employment (Payroll Survey, %Change)											
Total Nonfarm	2.2	2.5	1.2	1.5	1.0	-8.7	3.3	5.5	2.6	2.0	1.6
Natural Resources & Min.	-8.4	-16.0	-15.0	-4.8	-1.3	-10.7	-6.7	1.0	-2.7	-2.4	-3.1
Construction	6.4	6.3	3.5	5.5	2.4	-2.2	1.7	1.3	-1.1	2.8	1.4
Manufacturing	-0.8	-2.0	-3.2	-2.2	-0.5	-7.6	-0.7	2.8	-0.3	1.3	1.4
Nondurable Goods	-1.5	-1.6	-6.0	-4.2	-2.4	-10.3	1.6	4.0	-0.8	1.2	0.8
Durable Goods	-0.3	-2.3	-1.0	-0.7	0.8	-5.7	-2.2	1.9	0.0	1.4	1.8
Tran., Warehousing & Utility.	4.9	6.4	4.9	2.8	4.6	-2.5	3.5	4.7	3.6	3.9	2.9
Trade	1.5	0.3	0.1	0.0	-1.5	-9.3	3.9	2.3	0.7	0.9	-0.0
Information	4.3	10.5	-6.5	0.3	0.2	-11.6	9.6	12.7	-5.7	3.2	2.9
Financial Activities	2.1	2.0	0.8	0.8	0.2	-4.9	-0.0	1.3	1.0	2.3	1.1
Professional & Bus. Servs.	0.4	1.6	1.6	3.1	2.3	-7.3	5.0	6.2	2.1	2.0	2.6
Educational & Health Servs.	2.9	3.6	3.6	2.6	2.7	-2.2	2.8	3.5	5.7	-0.8	0.8
Leisure & Hospitality	4.9	4.8	2.9	2.3	2.0	-28.0	10.0	17.9	8.0	5.7	3.3
Other Services	0.3	1.5	1.5	2.0	-0.3	-18.7	5.3	13.1	4.4	4.5	0.8
Federal Government	1.4	0.8	0.5	-1.5	0.2	5.9	-4.9	-1.2	1.0	1.4	1.8
State and Local Government	2.3	1.5	1.7	1.0	-0.7	-3.6	-1.4	1.7	1.3	2.1	1.4
Nonfarm Employment (Payroll Survey, Thousand)											
Total Nonfarm	4286.7	4395.8	4448.8	4515.4	4561.1	4166.4	4303.9	4538.7	4654.5	4747.6	4824.6
Natural Resources & Min.	2.9	2.4	2.1	2.0	2.0	1.7	1.6	1.6	1.6	1.6	1.5
Construction	126.1	134.0	138.7	146.3	149.9	146.6	149.0	150.9	149.3	153.5	155.6
Manufacturing	369.5	362.3	350.7	343.0	341.2	315.4	313.1	321.7	320.7	324.9	329.3
Nondurable Goods	161.1	158.6	149.1	142.8	139.4	125.1	127.1	132.2	131.1	132.6	133.8
Durable Goods	208.4	203.7	201.6	200.1	201.7	190.3	186.0	189.6	189.6	192.2	195.6
Tran., Warehousing & Utility	177.6	189.0	198.3	203.8	213.1	207.9	215.2	225.3	233.5	242.6	249.7
Trade	643.2	645.0	645.4	645.5	635.5	576.5	598.8	612.2	616.7	622.5	622.2
Information	207.5	229.2	214.2	214.9	215.4	190.5	208.8	235.3	221.8	229.0	235.6
Financial Activities	215.8	220.1	222.0	223.7	224.2	213.2	213.1	215.8	218.0	223.0	225.5
Professional & Bus. Servs.	594.5	604.1	613.6	632.8	647.6	600.3	630.0	669.0	682.8	696.3	714.6
Educational & Health Servs.	743.4	770.0	797.5	818.0	840.0	821.6	844.4	873.6	923.4	916.0	923.2
Leisure & Hospitality	486.6	509.9	524.5	536.3	547.1	393.9	433.4	511.1	552.1	583.5	602.5
Other Services	151.1	153.4	155.7	158.8	158.4	128.8	135.7	153.4	160.1	167.3	168.6
Federal Government	47.3	47.7	48.0	47.3	47.3	50.1	47.7	47.1	47.6	48.3	49.2
State and Local Government	521.1	528.9	538.1	543.4	539.4	519.8	512.6	521.3	528.1	539.3	547.0
Construction Activity, Registered Autos and Population											
Residential Building Permits											
(Thous. Units)	23.5	21.3	21.7	22.5	21.6	20.5	22.8	25.3	25.1	22.1	21.8
Nonresidential Construction											
Real (Mil. 2012\$)	4497.4	4318.4	4646.4	4774.3	4684.2	2653.6	1179.0	964.9	1109.7	1556.6	2137.1
Nominal (Mil. \$)	4940.7	4763.8	5252.8	5592.5	5675.7	3298.2	1512.9	1273.0	1506.3	2172.9	3063.7
Registered Autos (Thous.)	6360.6	6545.7	6659.1	6707.3	6724.0	6647.3	6452.3	6381.0	6397.9	6400.0	6407.9
Net Immigration (Thous.)	-23.7	-41.9	-60.6	-80.0	-92.4	-102.9	-130.9	-17.7	-8.7	-3.8	4.5
Population (Thous.)	10077.3	10094.9	10092.4	10061.5	10011.6	9943.1	9829.5	9841.4	9857.3	9873.2	9894.6
(%Change)	0.4	0.2	-0.0	-0.3	-0.5	-0.7	-1.1	0.1	0.2	0.2	0.2

**Summary of the UCLA
Anderson Forecast for Los
Angeles County by Quarter**

	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4
Personal Income and Taxable Sales												
Personal Income												
(Billion \$)	731.1	738.0	746.7	757.3	767.3	776.7	785.7	794.6	806.9	816.2	825.6	835.1
(%Change)	2.9	3.9	4.8	5.8	5.3	5.0	4.8	4.6	6.3	4.7	4.7	4.7
Real Personal Income												
(Billion 2012\$)	545.4	548.3	549.5	550.9	552.3	553.7	555.1	556.4	560.3	562.1	563.9	565.8
(%Change)	-1.5	2.2	0.9	1.1	1.0	1.0	1.0	1.0	2.8	1.3	1.3	1.3
Taxable Sales												
(Billion \$)	208.8	205.0	201.5	208.6	214.5	219.4	223.6	227.3	230.7	233.8	236.8	239.8
(%Change)	-1.5	-7.1	-6.8	14.9	11.9	9.5	7.9	6.7	6.1	5.6	5.1	5.1
Real Taxable Sales												
(Billion 2012\$)	155.8	152.3	148.3	151.7	154.4	156.4	158.0	159.2	160.2	161.0	161.7	162.4
(%Change)	-5.7	-8.6	-10.3	9.7	7.4	5.3	4.0	3.1	2.5	2.1	1.8	1.7
Price Inflation												
Consumer Prices (%Change)	4.5	1.7	3.9	4.7	4.3	3.9	3.7	3.6	3.4	3.4	3.3	3.3
Employment and Labor Force (Household Survey, %Change)												
Employment	0.6	2.5	1.2	2.5	1.9	1.6	1.4	1.1	0.9	0.8	0.7	0.5
Labor Force	1.6	2.8	1.5	3.9	2.5	1.5	1.1	0.9	0.8	0.8	0.7	0.6
Unemployment Rate (%)	4.9	4.9	5.0	5.3	5.5	5.4	5.4	5.3	5.3	5.3	5.3	5.3
Nonfarm Employment (Payroll Survey, %Change)												
Total Nonfarm	4.7	5.0	1.0	2.1	1.9	2.0	1.8	1.7	1.4	1.5	1.6	1.7
Natural Resources & Min.	-4.4	5.7	-0.4	-3.5	-3.1	-3.0	-3.4	-3.3	-3.1	-3.1	-2.8	-2.6
Construction	-9.4	6.1	11.6	1.4	1.4	1.2	1.0	1.1	1.3	1.5	1.9	2.1
Manufacturing	-2.5	1.9	-0.2	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Nondurable Goods	-1.4	2.2	-0.6	1.7	1.5	1.3	1.1	0.9	0.8	0.7	0.6	0.6
Durable Goods	-3.3	1.7	0.1	1.5	1.5	1.6	1.6	1.7	1.8	1.8	1.9	1.9
Tran., Warehousing & Utility	5.3	9.2	-0.0	5.2	4.5	3.6	3.2	2.8	2.8	2.7	2.9	3.2
Trade	4.2	6.3	-1.2	-0.9	2.0	1.6	0.6	0.4	-1.5	0.6	0.1	-0.4
Information	-10.8	16.7	-19.1	10.0	6.3	4.7	3.9	3.7	2.7	2.0	2.0	1.8
Financial Activities	1.4	2.5	2.3	3.1	2.5	1.9	1.6	1.3	1.1	0.9	0.8	0.8
Professional & Bus. Servs.	3.3	2.7	0.6	1.7	2.0	2.3	2.5	2.6	2.7	2.7	2.7	2.7
Educational & Health Servs.	8.5	8.3	7.0	-6.3	-2.7	-0.9	-0.4	-0.1	0.6	1.5	2.3	3.0
Leisure & Hospitality	18.3	9.3	-0.8	11.4	5.4	4.9	4.8	4.3	3.9	1.4	1.7	1.7
Other Services	4.1	6.0	9.0	7.4	2.7	3.5	2.0	0.8	0.4	0.3	0.1	0.1
Federal Government	6.1	1.0	-5.9	4.0	2.5	2.2	2.0	2.0	1.8	1.7	1.6	1.7
State and Local Government	3.6	2.1	-0.4	3.2	2.7	2.3	1.9	1.7	1.4	1.2	0.9	0.7
Nonfarm Employment (Payroll Survey, Thousand)												
Total Nonfarm	4600.1	4656.7	4668.3	4692.8	4714.5	4737.9	4759.1	4779.0	4796.2	4814.3	4833.9	4854.2
Natural Resources & Min.	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.5
Construction	145.5	147.7	151.8	152.3	152.8	153.3	153.7	154.1	154.5	155.1	155.9	156.7
Manufacturing	319.3	320.8	320.7	321.9	323.1	324.3	325.4	326.5	327.7	328.8	329.9	331.0
Nondurable Goods	130.5	131.2	131.1	131.6	132.1	132.5	132.9	133.2	133.4	133.7	133.9	134.1
Durable Goods	188.8	189.6	189.6	190.3	191.1	191.8	192.6	193.4	194.2	195.1	196.0	197.0
Tran., Warehousing & Utility	229.0	234.0	234.0	237.0	239.6	241.8	243.7	245.4	247.1	248.7	250.5	252.6
Trade	610.9	620.4	618.4	617.0	620.0	622.5	623.4	624.0	621.7	622.5	622.6	622.0
Information	219.9	228.6	216.8	222.0	225.4	228.0	230.2	232.3	233.8	235.0	236.2	237.3
Financial Activities	215.9	217.3	218.5	220.2	221.6	222.6	223.5	224.2	224.8	225.3	225.8	226.2
Professional & Bus. Servs.	678.2	682.7	683.8	686.6	690.1	694.0	698.3	702.8	707.4	712.1	716.9	721.8
Educational & Health Servs.	905.7	923.9	939.6	924.4	918.1	916.1	915.1	914.9	916.3	919.8	925.1	931.9
Leisure & Hospitality	539.8	551.9	550.8	565.8	573.3	580.3	587.1	593.3	599.1	601.1	603.7	606.3
Other Services	156.0	158.2	161.7	164.6	165.7	167.1	168.0	168.3	168.5	168.6	168.7	168.7
Federal Government	47.8	47.9	47.2	47.6	47.9	48.2	48.4	48.7	48.9	49.1	49.3	49.5
State and Local Government	525.2	528.0	527.5	531.7	535.2	538.2	540.8	543.0	544.9	546.5	547.8	548.8
Construction Activity, Registered Autos and Population												
Residential Building Permits												
(Thous. Units)	19.2	26.6	28.9	25.7	23.4	22.0	21.5	21.4	21.7	21.8	21.9	22.0
Nonresidential Construction												
Real (Mil. 2012 \$)	1148.7	1010.6	1054.7	1224.7	1347.8	1446.5	1631.4	1800.6	1936.8	2081.7	2218.8	2310.9
Nominal (Mil. \$)	1542.6	1366.7	1436.4	1679.5	1860.9	2010.5	2283.0	2537.0	2747.5	2972.9	3189.9	3344.4
Registered Autos (Thous.)	6397.2	6398.7	6398.2	6397.4	6397.7	6398.9	6400.8	6402.8	6404.7	6406.6	6408.8	6411.7
Net Immigration (Thous.)	-11.4	-9.4	-7.7	-6.2	-6.1	-4.7	-3.0	-1.2	0.5	2.9	5.8	9.0
Population (Thous.)	9851.3	9855.3	9859.3	9863.3	9866.4	9870.7	9875.4	9880.4	9884.6	9890.7	9897.6	9905.3
(%Change)	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3