

# Ask an Economist

## Economic Update

June 2023 Webinar



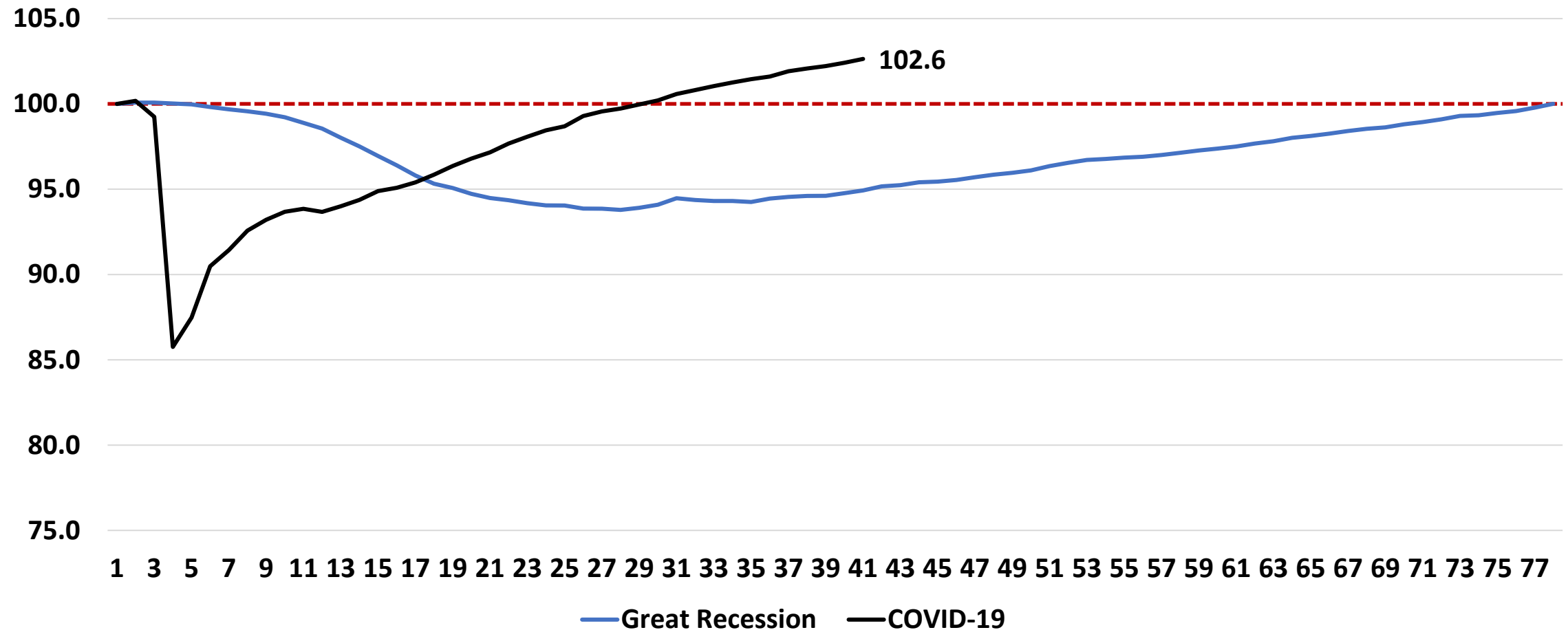
**Robert Eyler, PhD**

President, Economic Forensics and Analytics  
Professor, Economics, Sonoma State University  
[eyler@econforensics.com](mailto:eyler@econforensics.com)



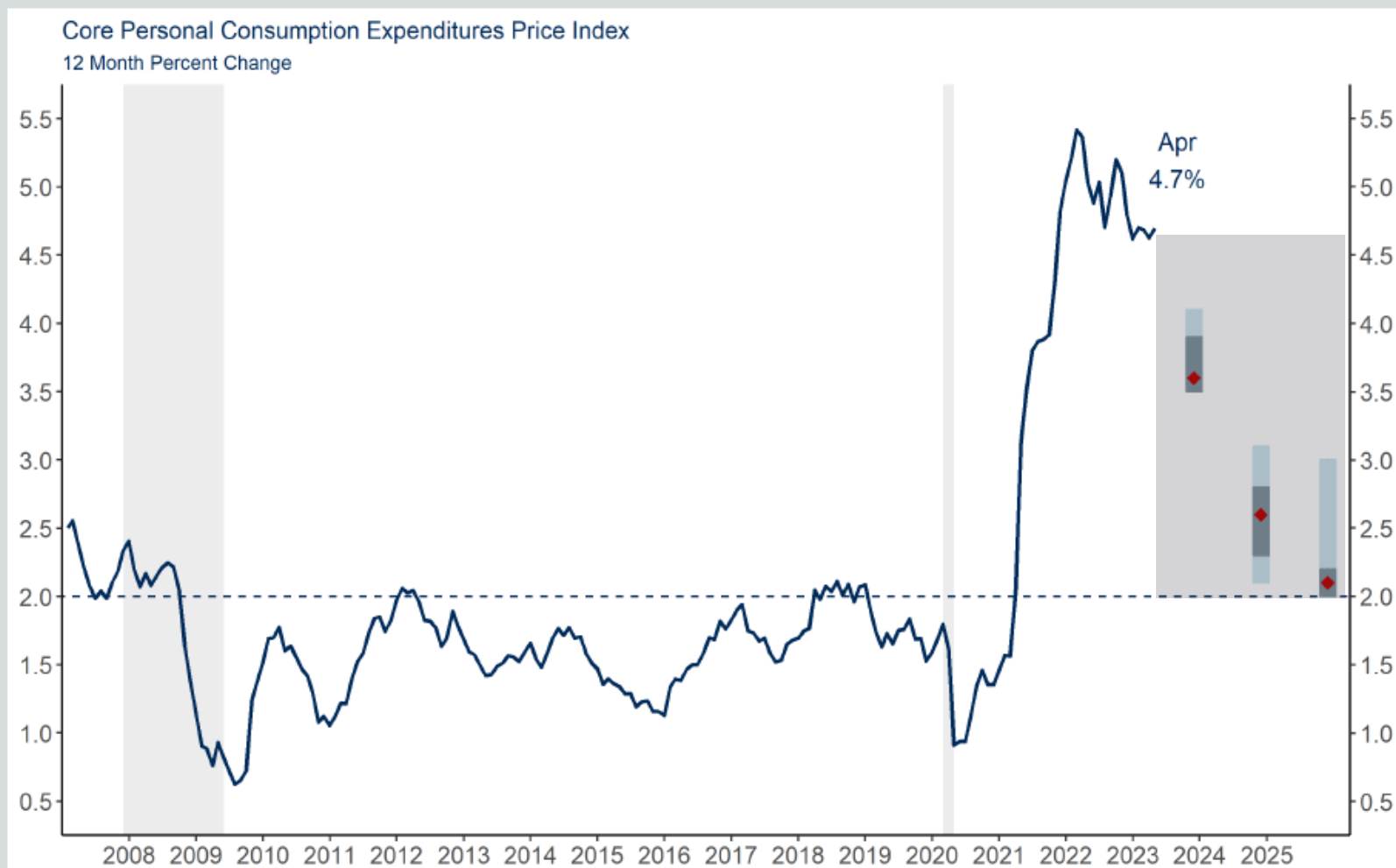
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# Employment Recovery Comparison, United States, Great Recession and COVID-19 Recession, Index Nov 2007 and Jan 2020 = 100, Monthly to April 2023, Seasonally Adjusted



# Inflation on the Clock: 2007 to 2025 and beyond

## Core Personal Consumption Expenditure Price Index



### What to Watch

- Yield Curves
- Housing prices
- Wages
- Employment levels
- FED Rhetoric

Can we get back to 2%?

Notes: FOMC projection is the median, range, and central tendency for Q4/Q4 percent changes, from the March 2023 meeting. Red dots indicate median projections. Core PCE Price Index excludes expenditures on gasoline and food services.

Source: Bureau of Economic Analysis & Board of Governors via Haver Analytics 4

# Debt Ceiling and Debt to 2033: Political/Economic Scramble



Source: CBO

- Things to consider:
- What do recent political events mean for US Treasuries?
- Deal gets done, what changed?
- Lingering effects
  - Financial market flinching
  - Interest rate volatility
  - Another piece of uncertainty for businesses and households
  - More links of political and economic cycles

# Federal Reserve Philadelphia

## Forecast, Survey of Professional Forecasters

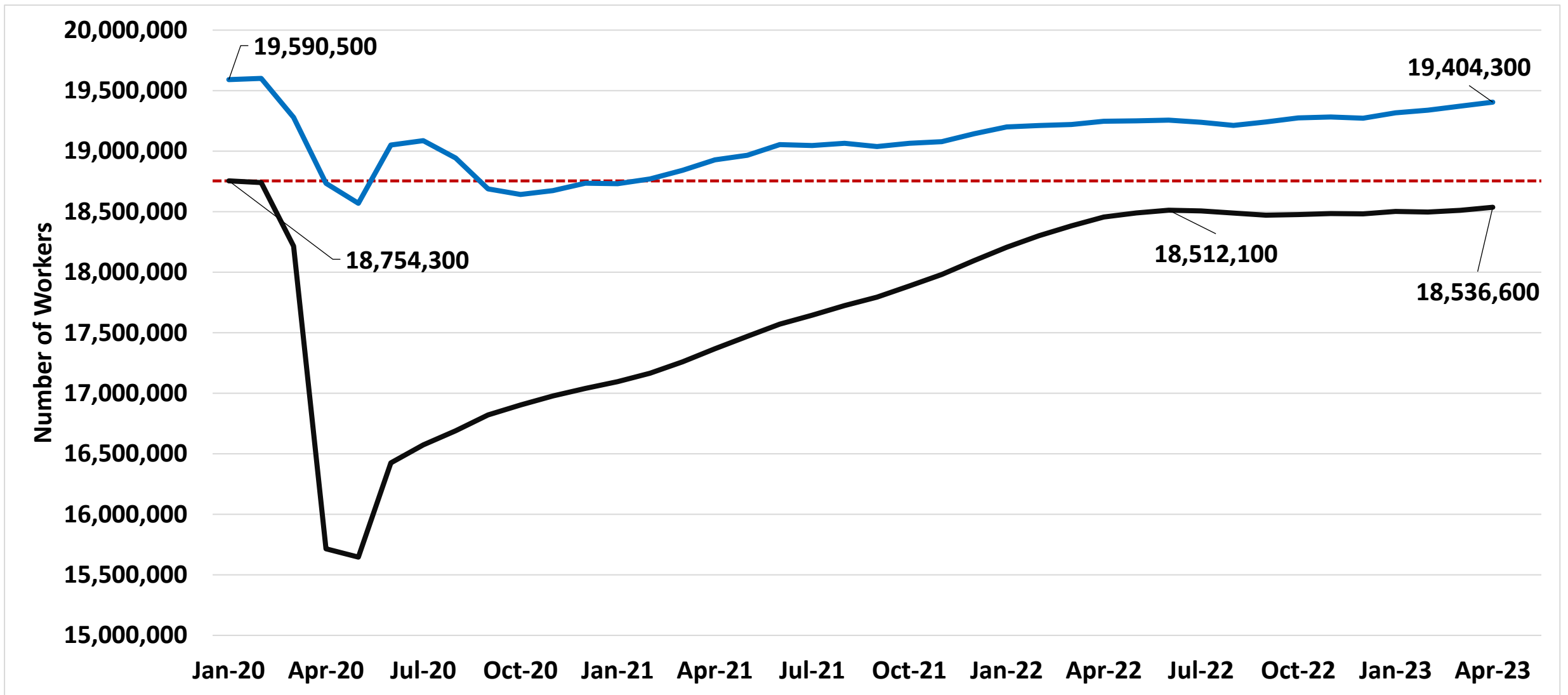


These data are from May 2023

**Bottom Line:** Economy slower now through 2024, as lingering inflation and relatively high interest rates spread costs over next two years minimum

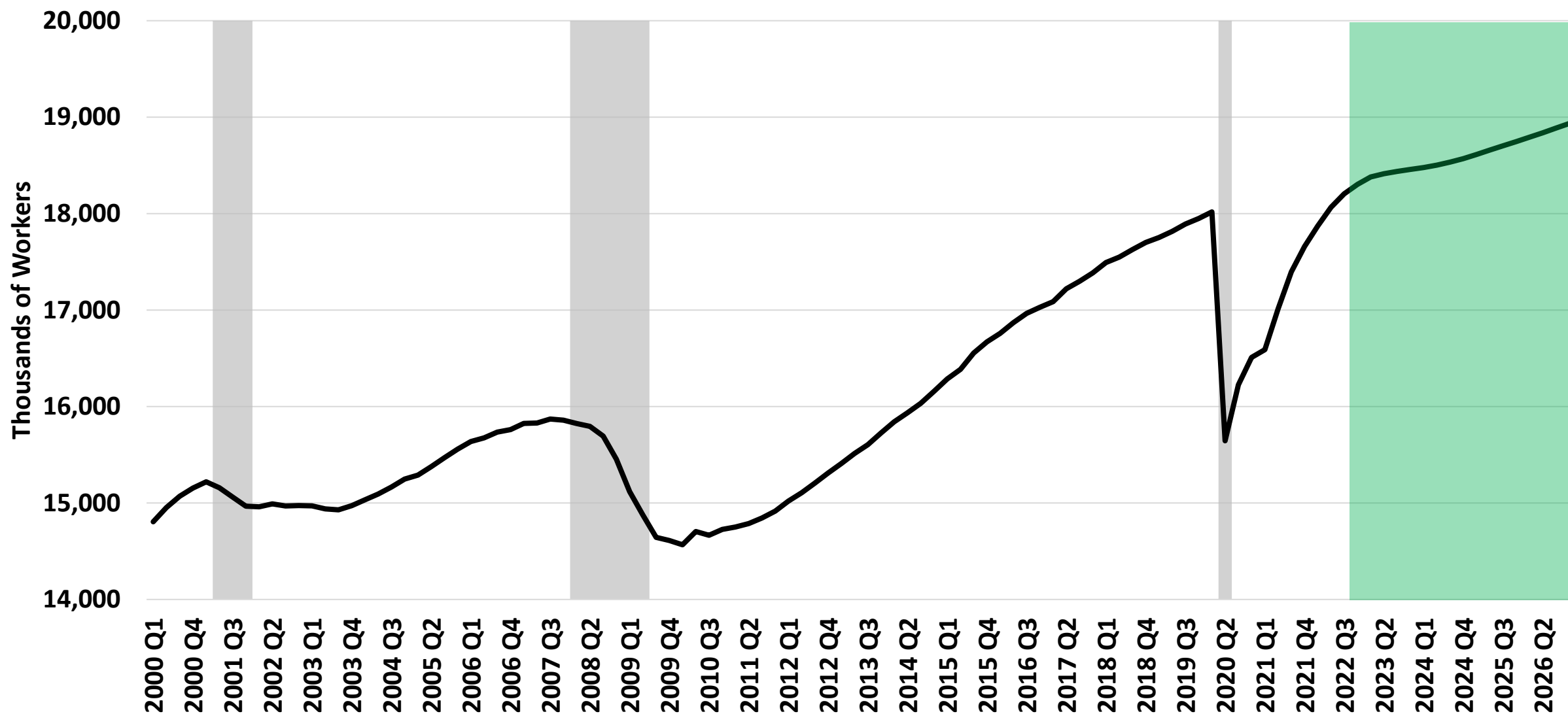
	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
Annual data (projections based on annual-average levels):	Previous	New	Previous	New	Previous	New
2023	1.3	1.3	3.8	3.7	3.0	3.7
2024	1.4	1.0	4.2	4.3	2.3	2.3
2025	2.2	2.4	4.2	4.4	2.1	2.0
2026	1.5	2.3	4.1	4.3	N/A	N/A

# Employment and Labor Force, California, Seasonally Adjusted January 2020 to April 2023, Number of Workers

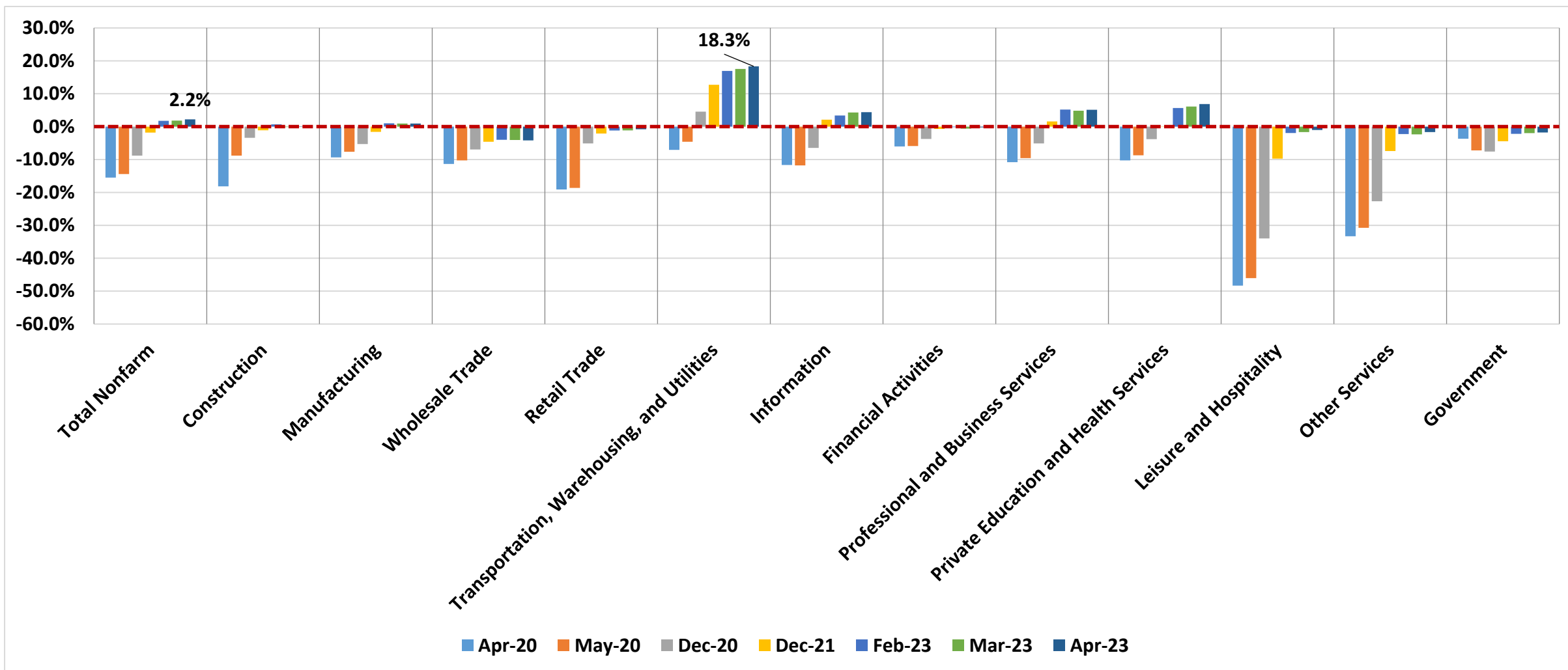


Sources: California EDD and MEF

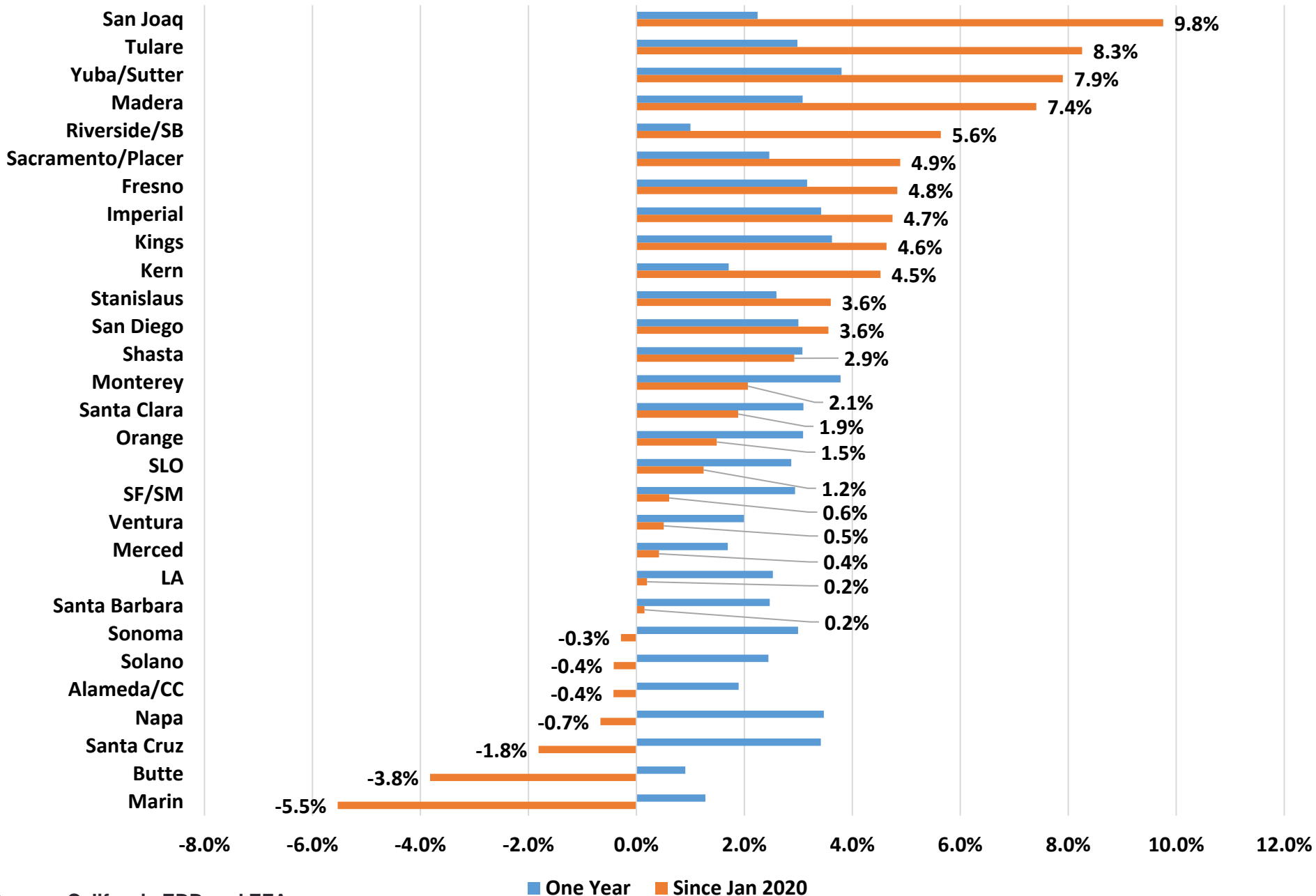
# Employment in California, Q1 2005 to Q4 2026 (Forecasts from 2022), Thousands of Workers, Quarterly



# Changes in Jobs, Selected Industries, Seasonally Adjusted, Compared to January 2020, California, April 2020 to April 2023

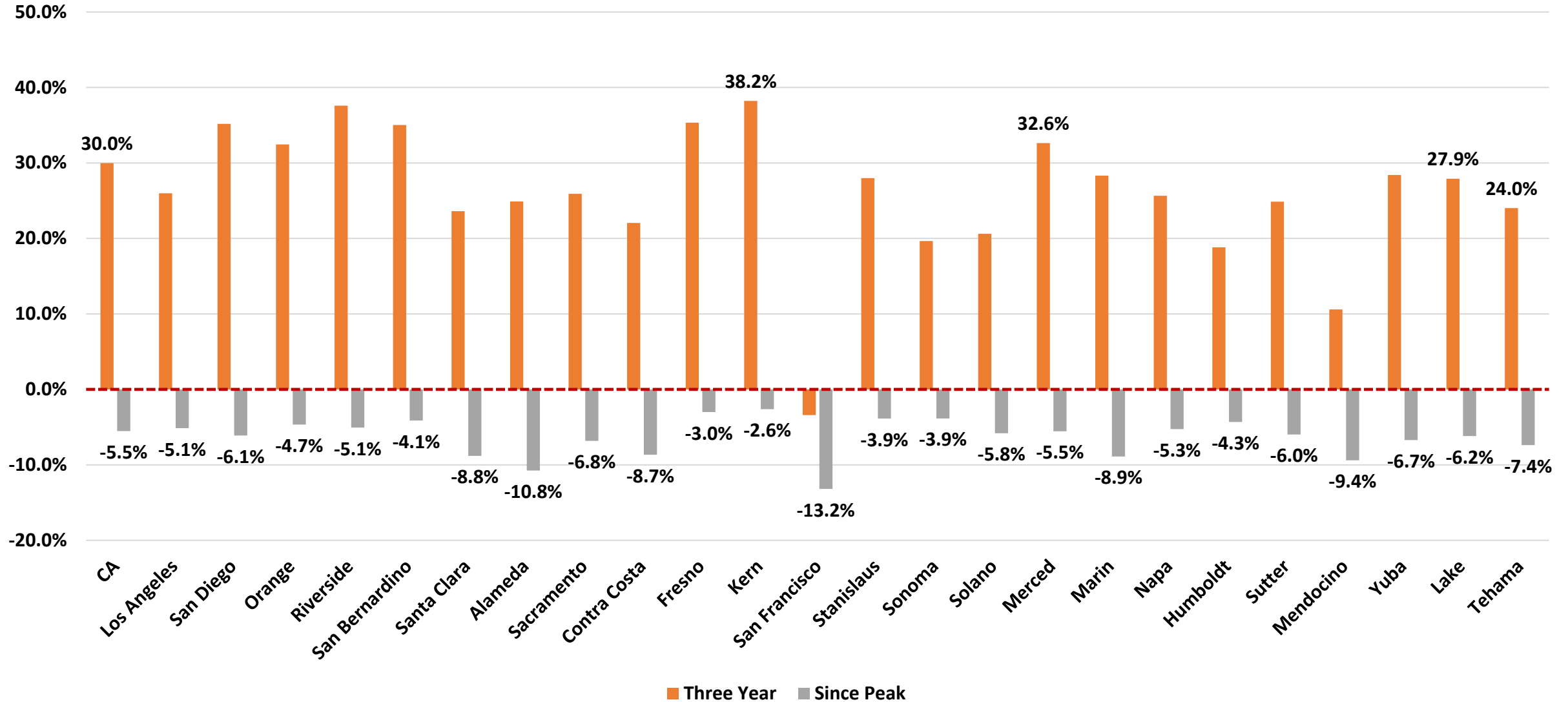






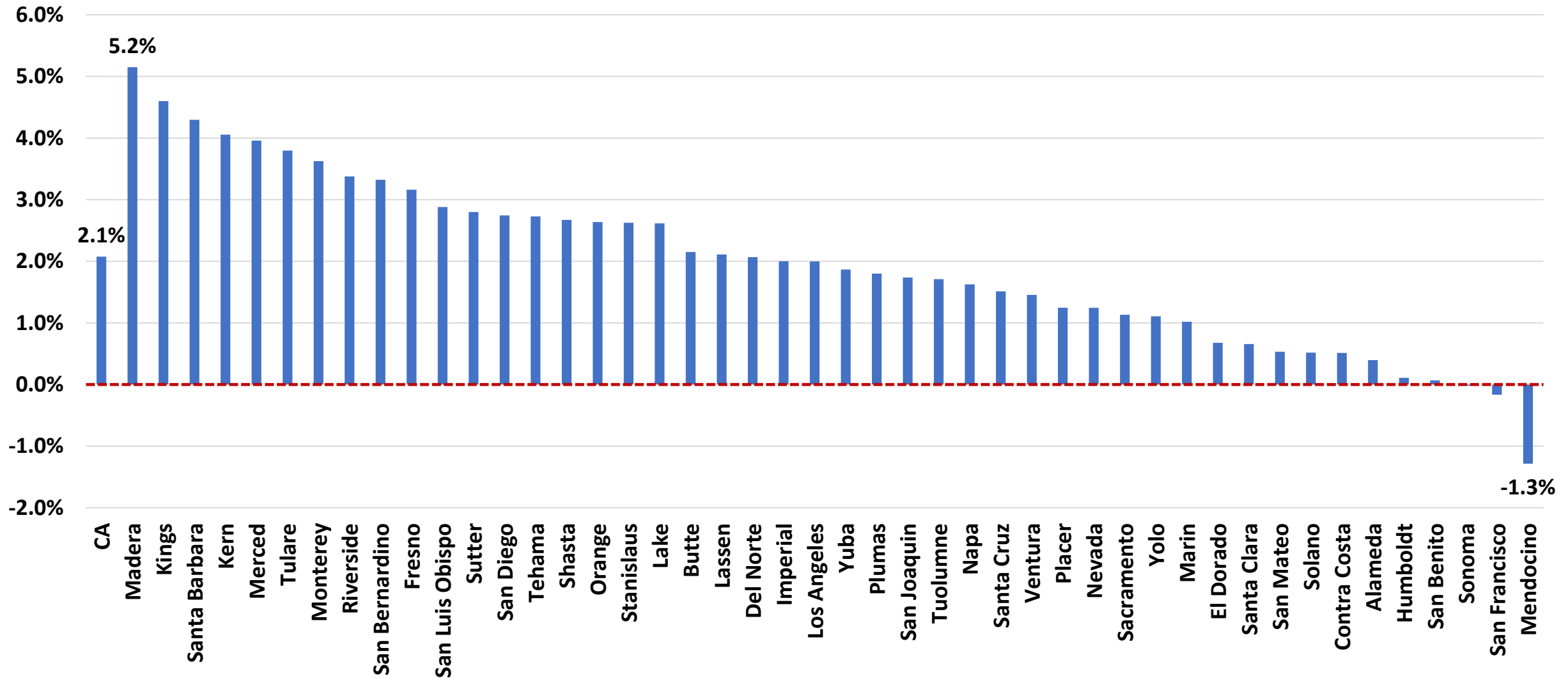
Jobs Growth by MSA, % Change Since April 2022 and Jan 2020, as of April 2023, Selected Area in California

# Growth of Median Housing Prices, Selected Areas, April 2023 compared to April 2020, April 2022 and Most Recent Peak

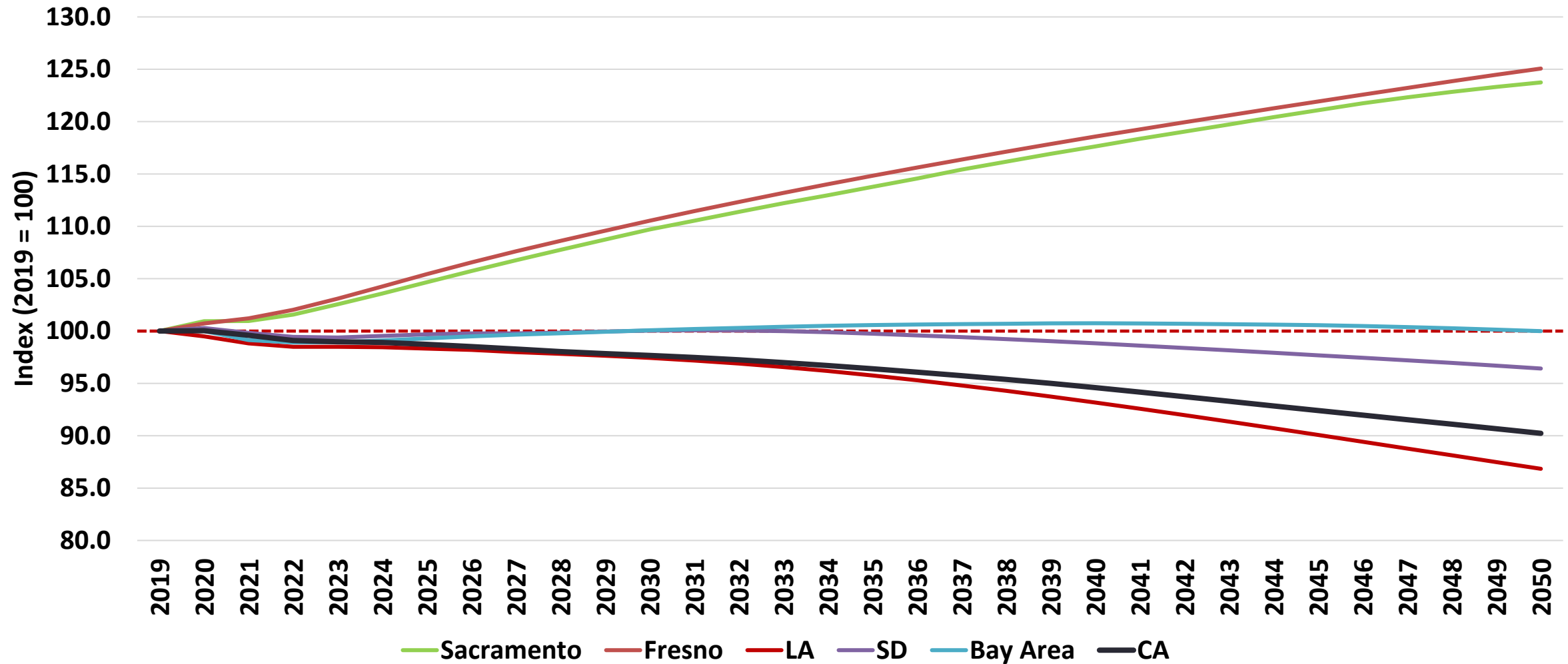


# Housing Forecast to April 2024

## % Change in Median Home Prices



# Population Forecasts, California and Selected Areas of the State, Index 2019 = 100, 2019 - 2050



# Thinking Forward

- Economic slowdown continues: waiting for jobs losses if coming
  - Debt politics and uncertainty, still could create a problem
- Economic development: renewable energy
  - Products, science and manufacturing
  - Is this where small suburban and rural California can compete for tech?
- Things to watch
  - Housing price resilience may be supply as much as demand
  - Our rural downtowns and local merchant survival
  - Inflation fading, but slowly
  - Presidential election just 'round the bend

# Thanks for attending.

A recording of this webinar will be posted at  
**chabinconcepts.com**



Robert Eyler, PhD  
eyler@econforensics.com  
Twitter: @bobby7007



chabinconcepts.com  
audrey@chabinconcepts.com  
530.345-0364 ext. 27



KEYSER MARSTON ASSOCIATES.

keysermarston.com  
dkern@keysermarston.com  
415.398.3050