Ask an Economist

Economic Update

September 2026 Webinar

Robert Eyler, PhD
President, Economic Forensics and Analytics
Professor, Economics, Sonoma State University
eyler@econforensics.com

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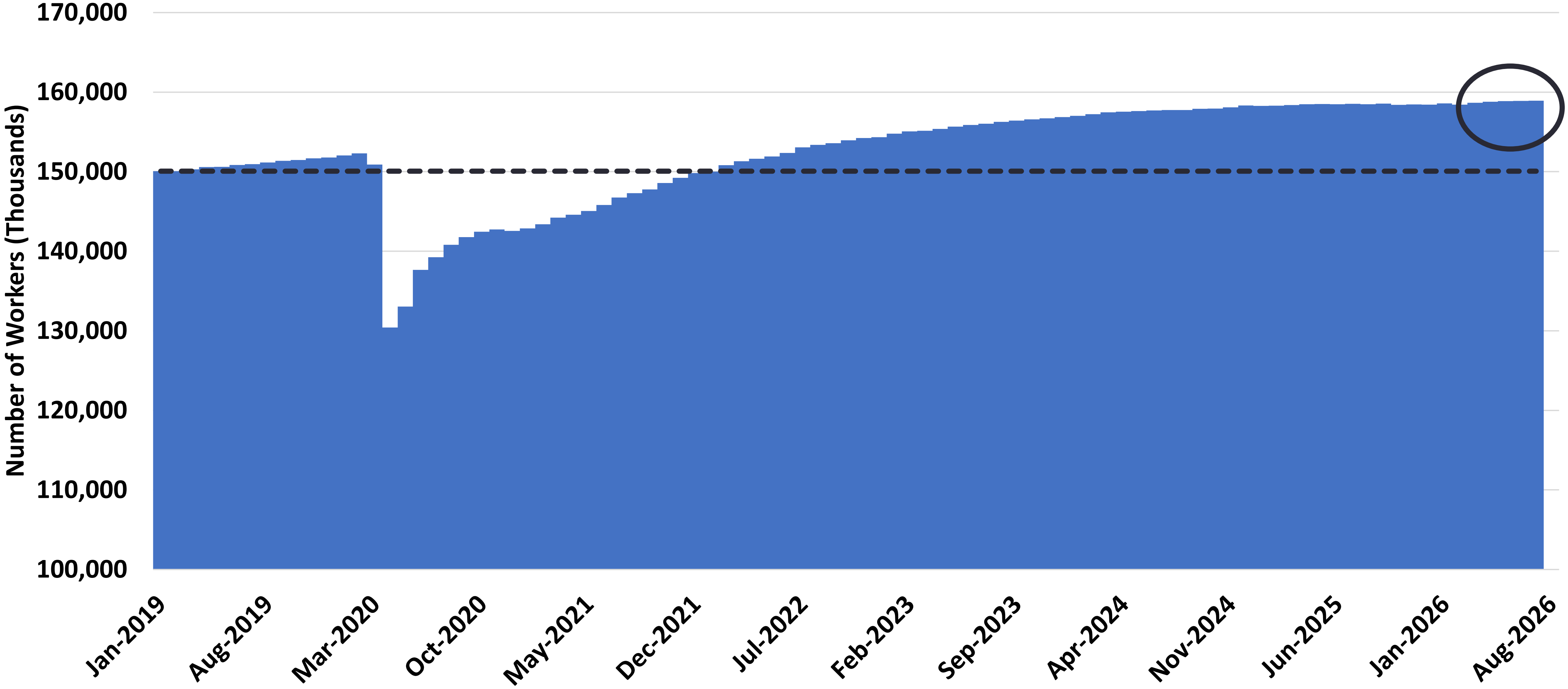
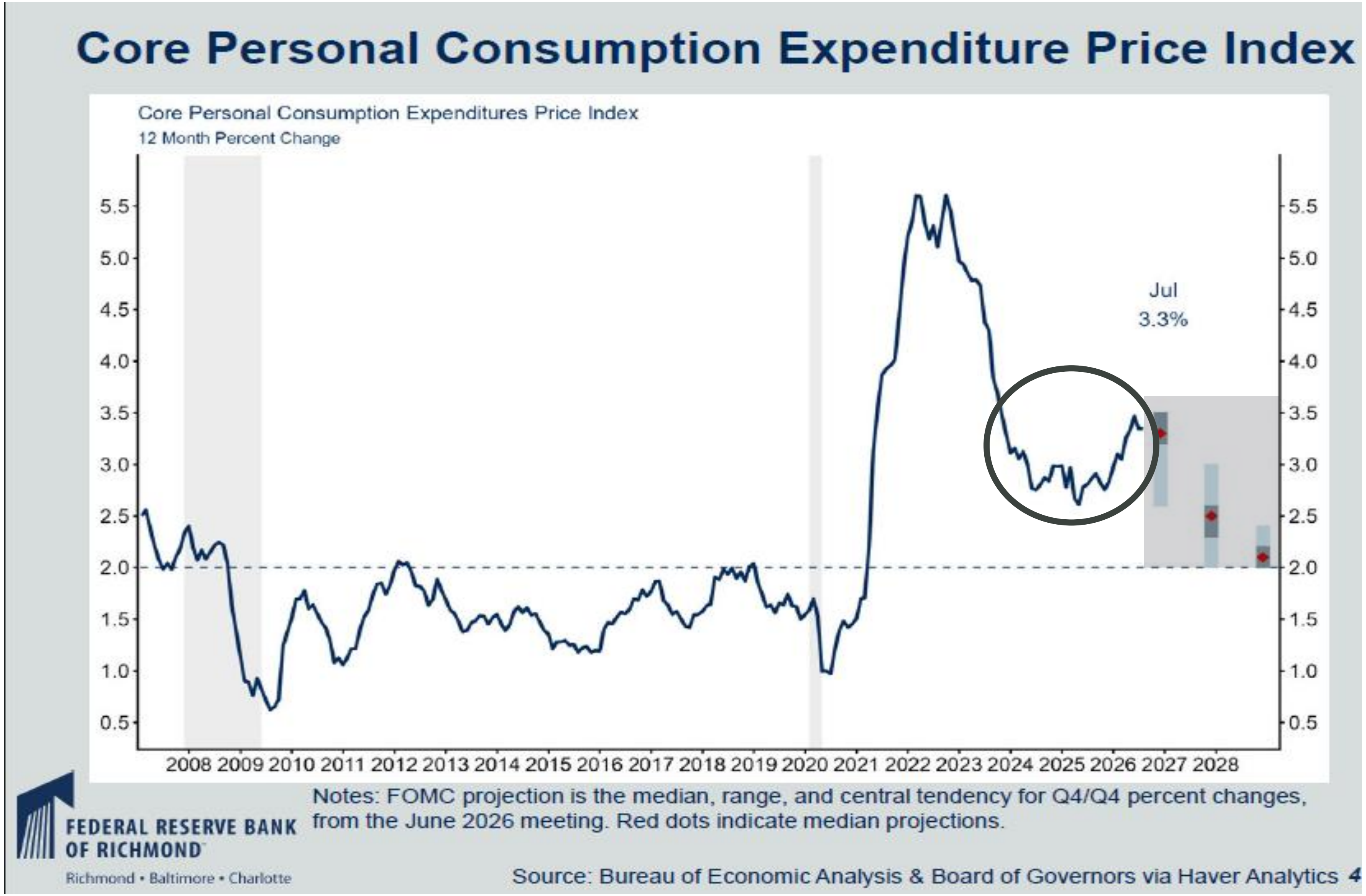
Non-Farm Employment United States, Number of Workers (Thousands)
Jan 2019 to August 2026, Seasonally Adjusted, Monthly



Source: Bureau of Labor Statistics

Now What? Consumer Inflation, Less Food and Energy Prices ("Core") Jan 2007 to July 2026, % Annual Change in Core PCE Inflation



The FED raised rates: Now what?

- Data mixed with labor market warmth

How important is "core" when gas prices rise?

- The longer it lingers…

Interest Rate Spreads and Policy, US Federal Funds Rate and 10-Year Treasuries Less 3-Month Treasuries Yield, Jan 1982 to Sept 2026 (%)

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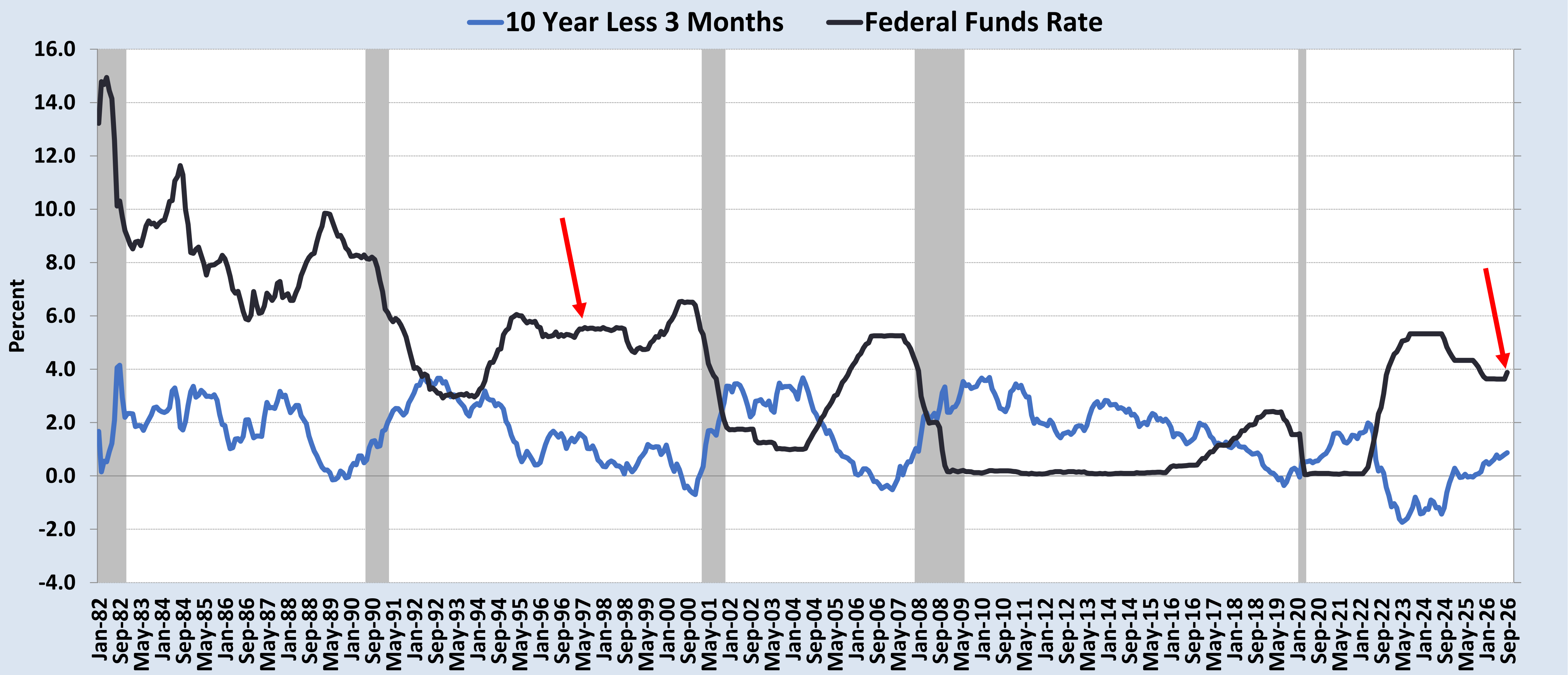

Source: Federal Reserve Bank of St. Louis/FRED

US Macro Forecast

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Data below are from Aug 2026 (Q3 2026), +2.1% Q2 Real GDP Growth since Q2 2025

Bottom Line: 15-20% chance of recession to end of 2027
Based on AI bets, jobs and inflation

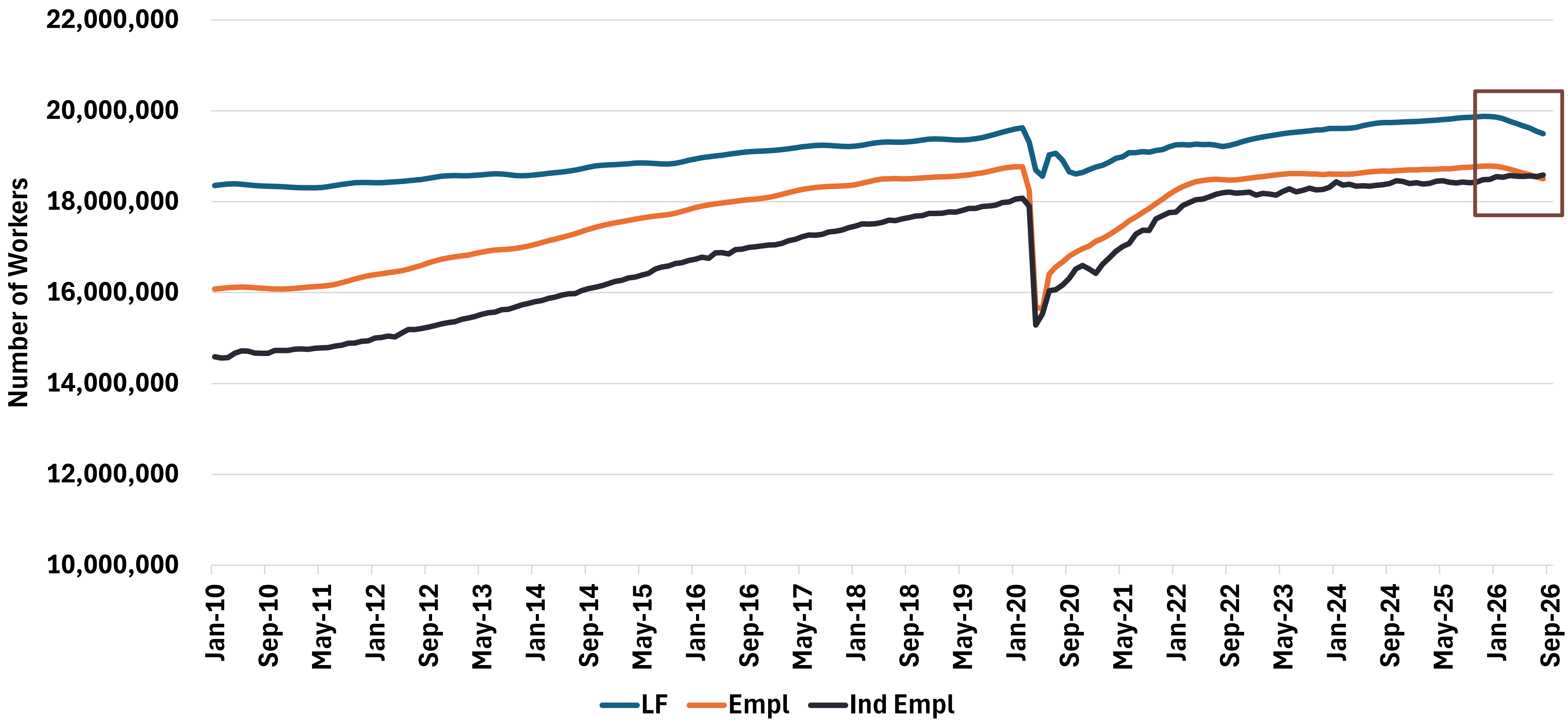
	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
	Previous	New	Previous	New	Previous	New
2026	2.2	2.1	4.4	4.3	3.3 (2.7 Q1)	3.3
2027	1.9	2.2	4.5	4.3	2.4	2.4
2028	2.2	2.1	4.4	4.2	2.1	2.2
2029	2.3	2.4	4.4	4.3	N/A	N/A

Source: Philadelphia Federal Reserve Bank

Macro Summary

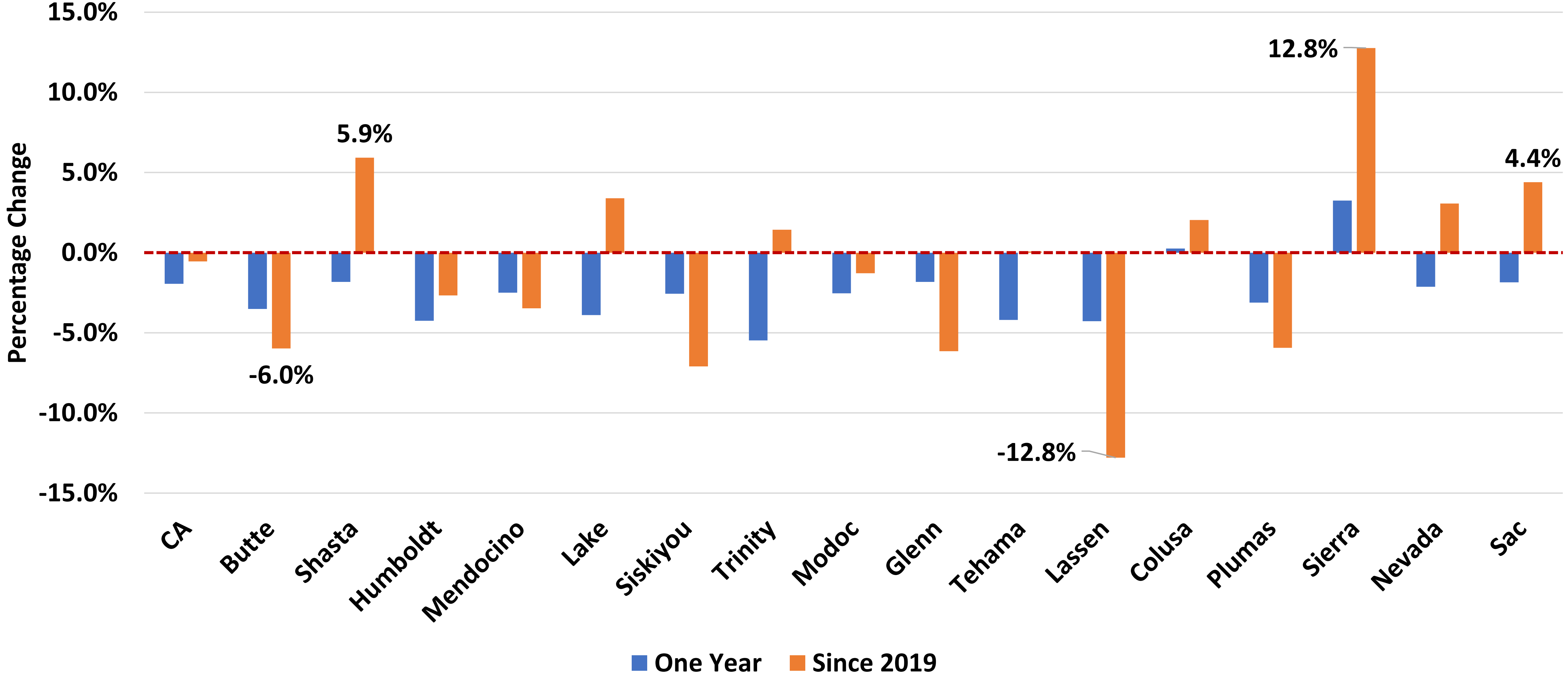
- Geopolitics and midterms: does change matter?
- Elevated inflation: short versus long term
- Recession unlikely soon without an event: debt markets?
- More headwinds than tailwinds
  - Fuel prices, inflation and small businesses
  - Transmission: will inflation relief come from rate hike(s)?
  - Will rate hike(s) tip labor markets?

California, Labor Force and Employment of California's Residents, Seas Adj. Compared to Industry Jobs, Jan 2010 to Aug 2026, Number of Workers



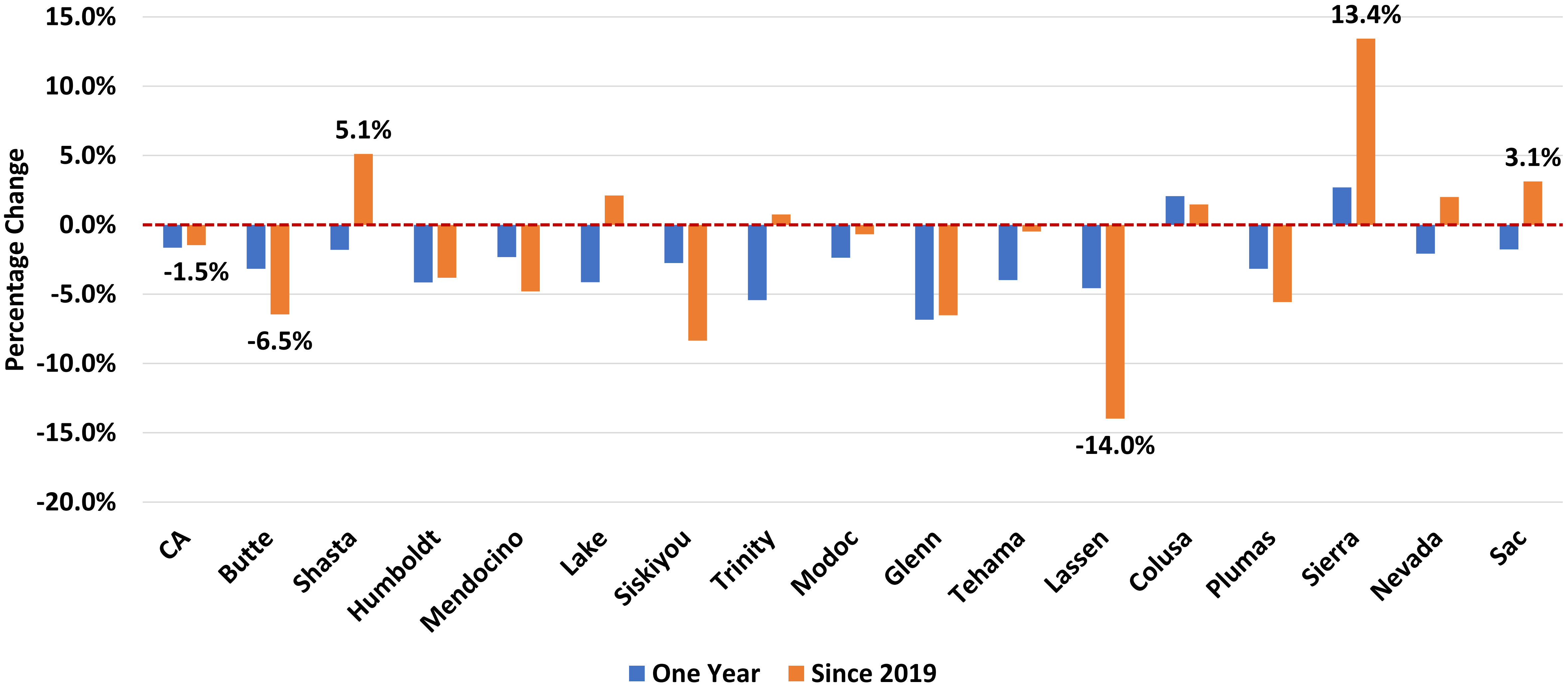
Sources: California EDD and EFA

Labor Force (LF) Comparisons: California and Selected Counties
% Change in Residential LF, Aug 2019 and Aug 2025 to Aug 2026



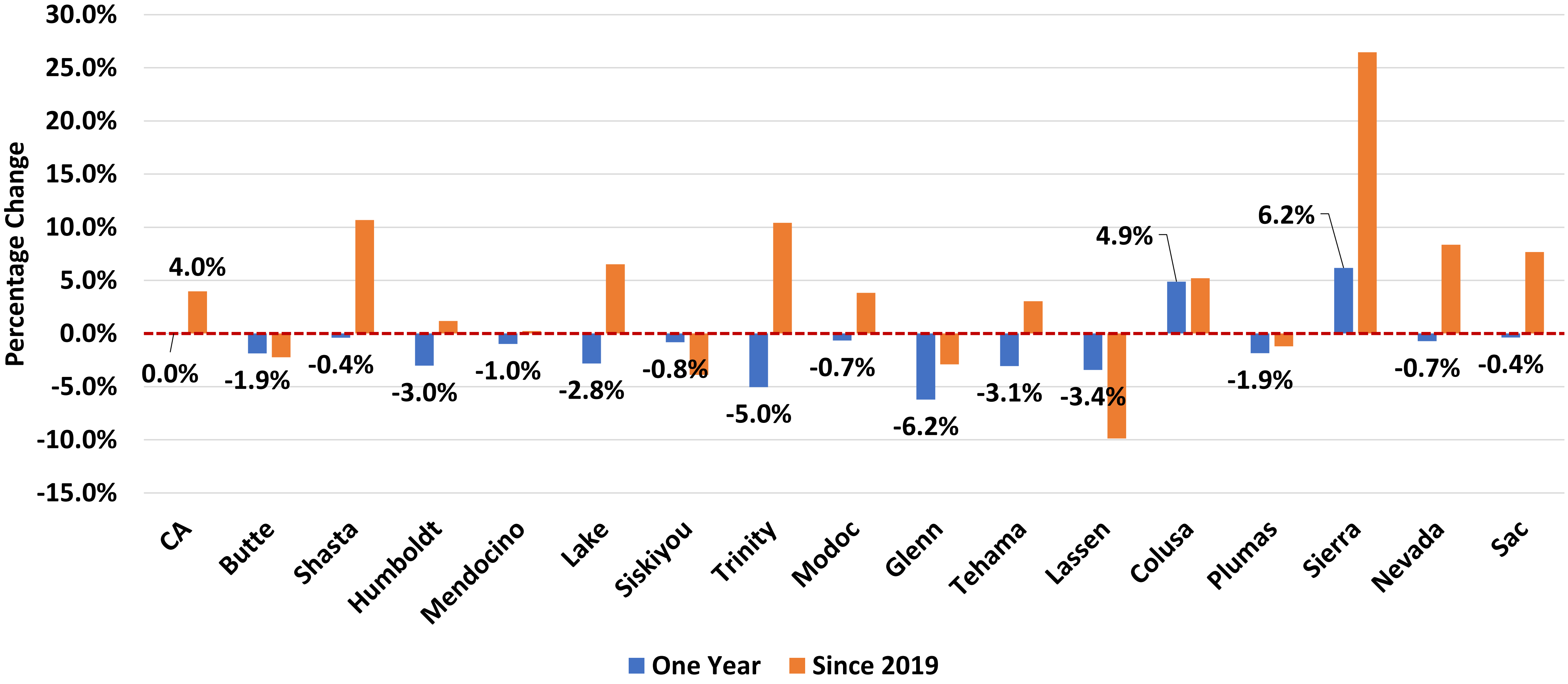
Sources: California EDD and Bureau of Labor Statistics

Residential Employment (LF) Comparisons: % Change
Aug 2019 and Aug 2025 to Aug 2026, California and Selected Counties



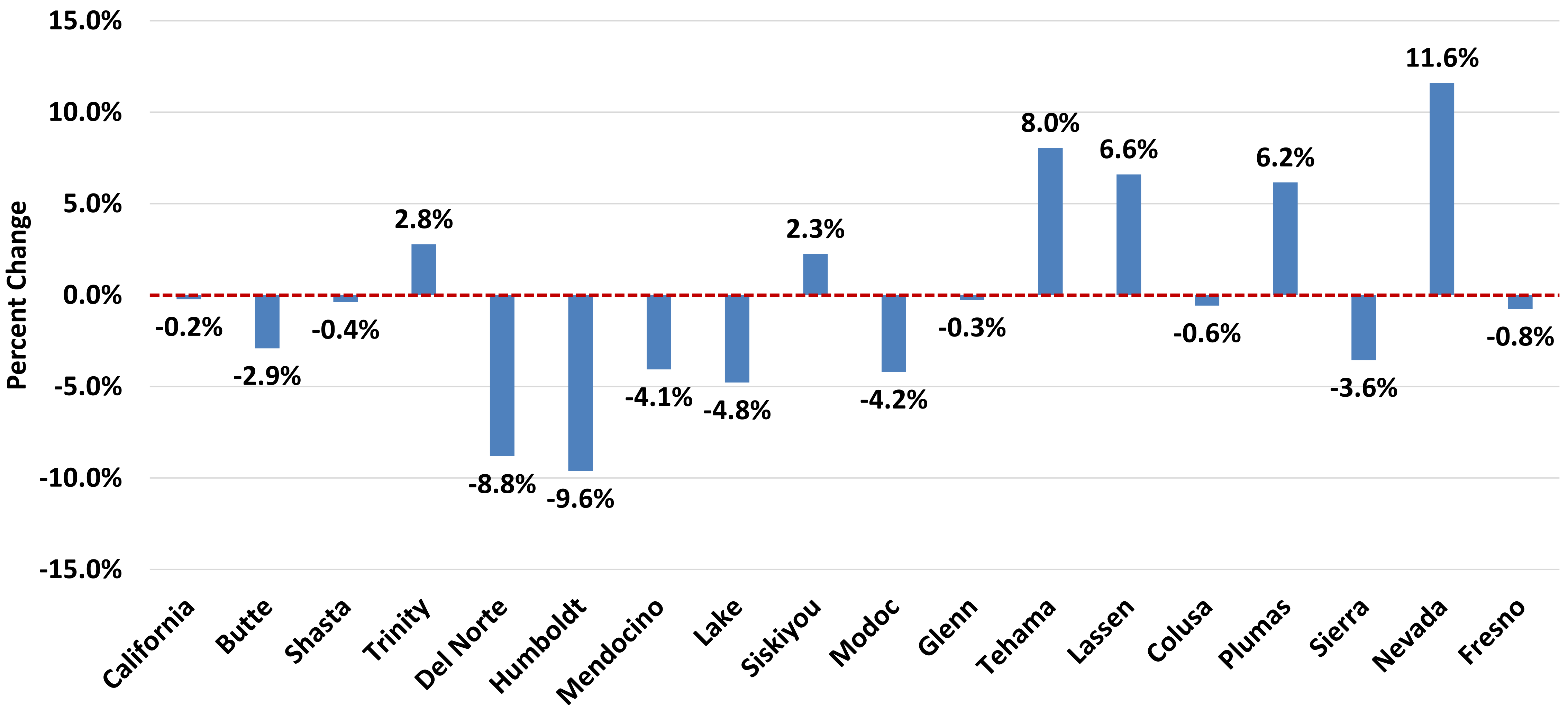
Sources: California EDD and Bureau of Labor Statistics

California and Selected Counties, Hiring by Local Employers, % Change Since Aug 2019 and Aug 2025 to Aug 2026



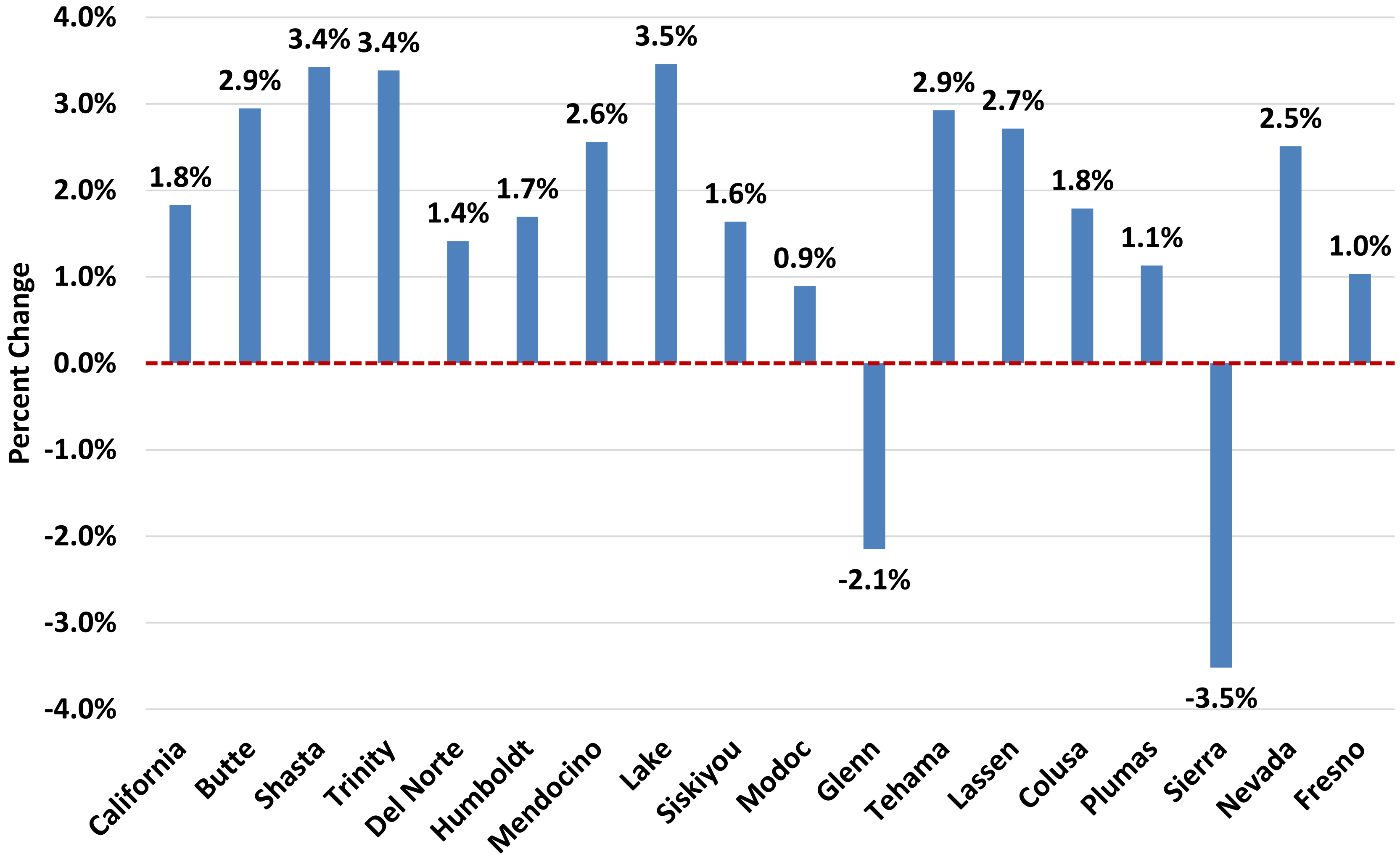
Sources: California EDD and Bureau of Labor Statistics

Farm Jobs Forecast: California and Selected Counties, Percentage Change in Hiring, 2026-30, as of Sept 2026



Sources: California EDD, LightCast, CA Dept of Finance and EFA

Non-Farm Jobs Forecast: California and Selected Counties, Percentage Change in Hiring, 2026-30, as of Sept 2026



Industry Watch:

Healthcare (private and public)

Construction low growth, but positive

Agriculture: supply-chain effects if slow contraction

Hotels, restaurants, private personal services rising

AI: good now, tricky later

Sources: California EDD, LightCast, CA Dept of Finance and EFA

Housing Forecast, Median Home Prices, to August 2027
% Change, California and Selected Counties

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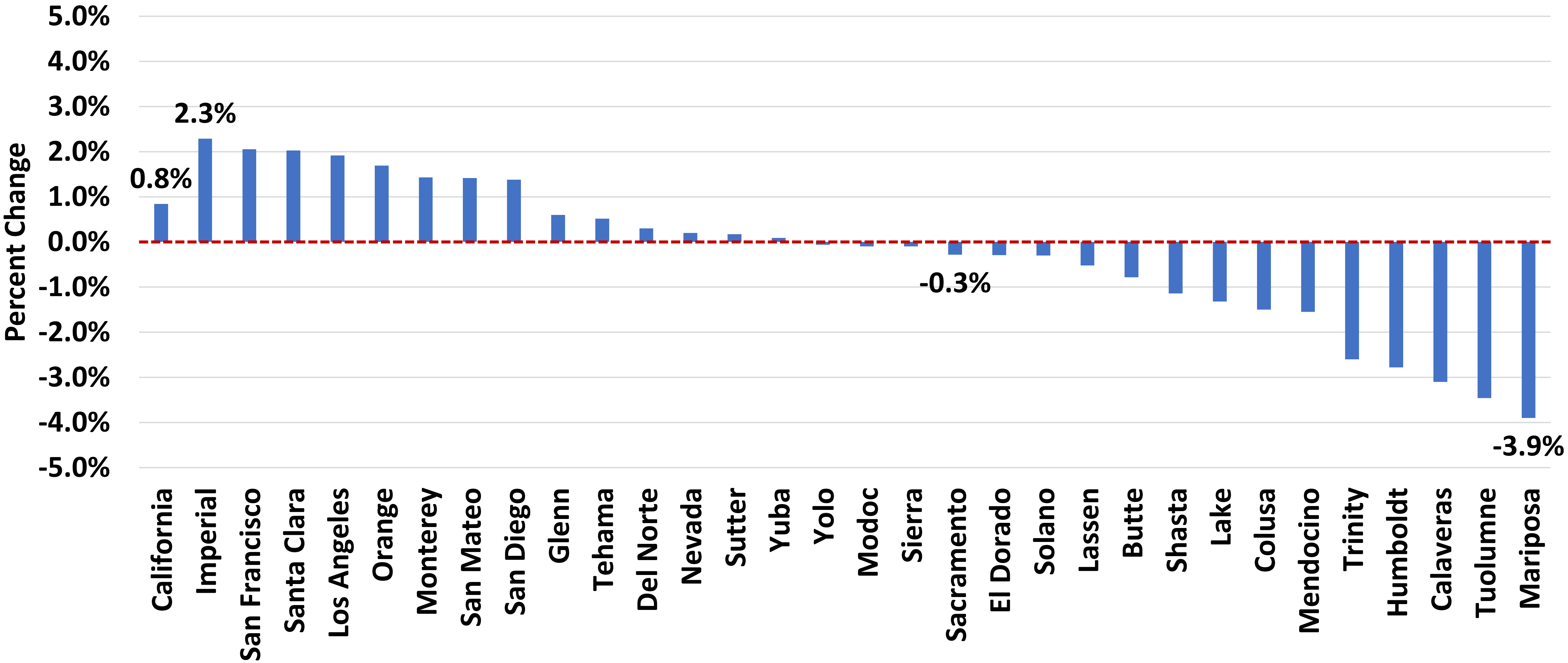
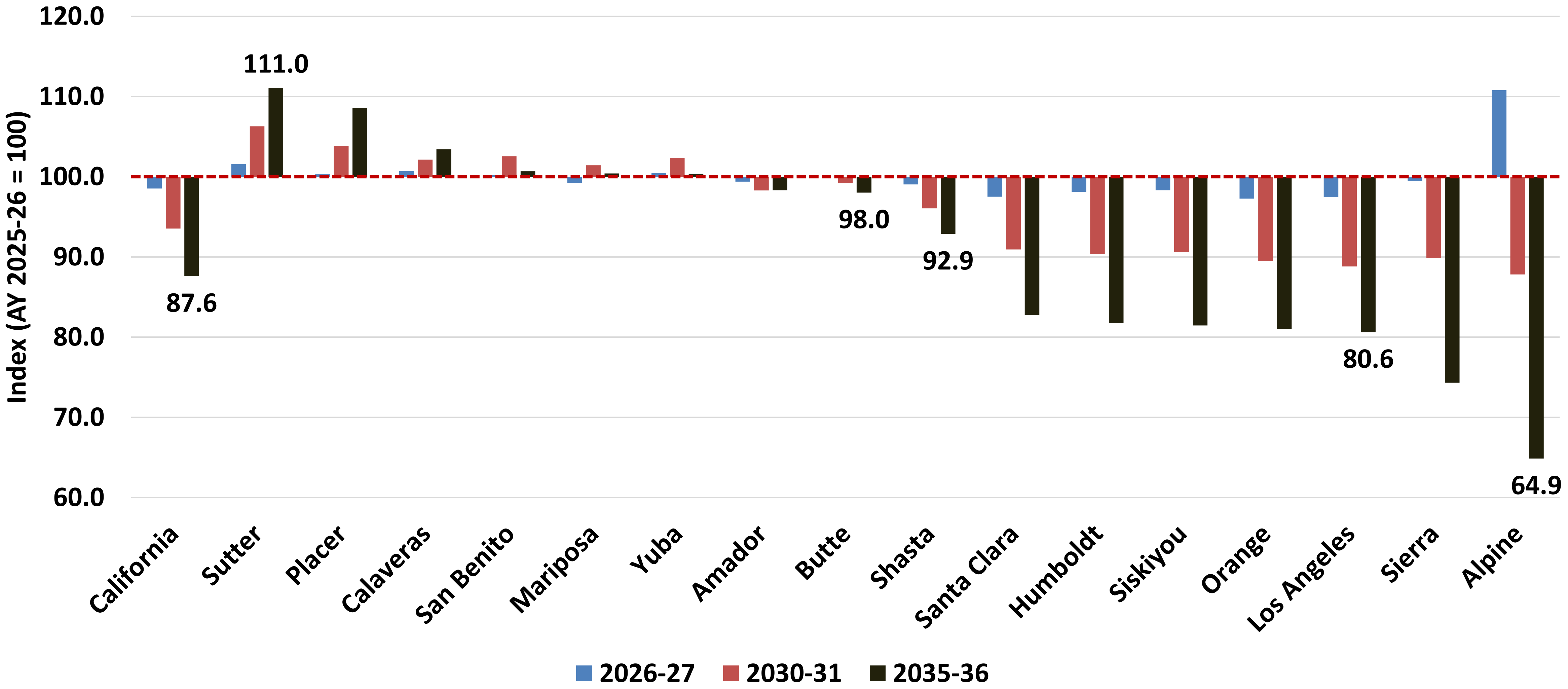


Source: Zillow™ Research

K-12 Attendance: 2026-27 to 2035-36 (Forecasted), Actuals to AY 2025-26
CA and Selected Regions, Public School, as of Sept 2026, Index 2025-26 = 100



Sources: CA Dept of Finance, October 2025

What to Watch

Thanks for attending!

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

Economic Forensics & Analytics™

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

Chabin

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