

Ask an Economist

Economic Update with Robert Eyer, PhD

November 2022 Webinar



Robert Eyer, PhD

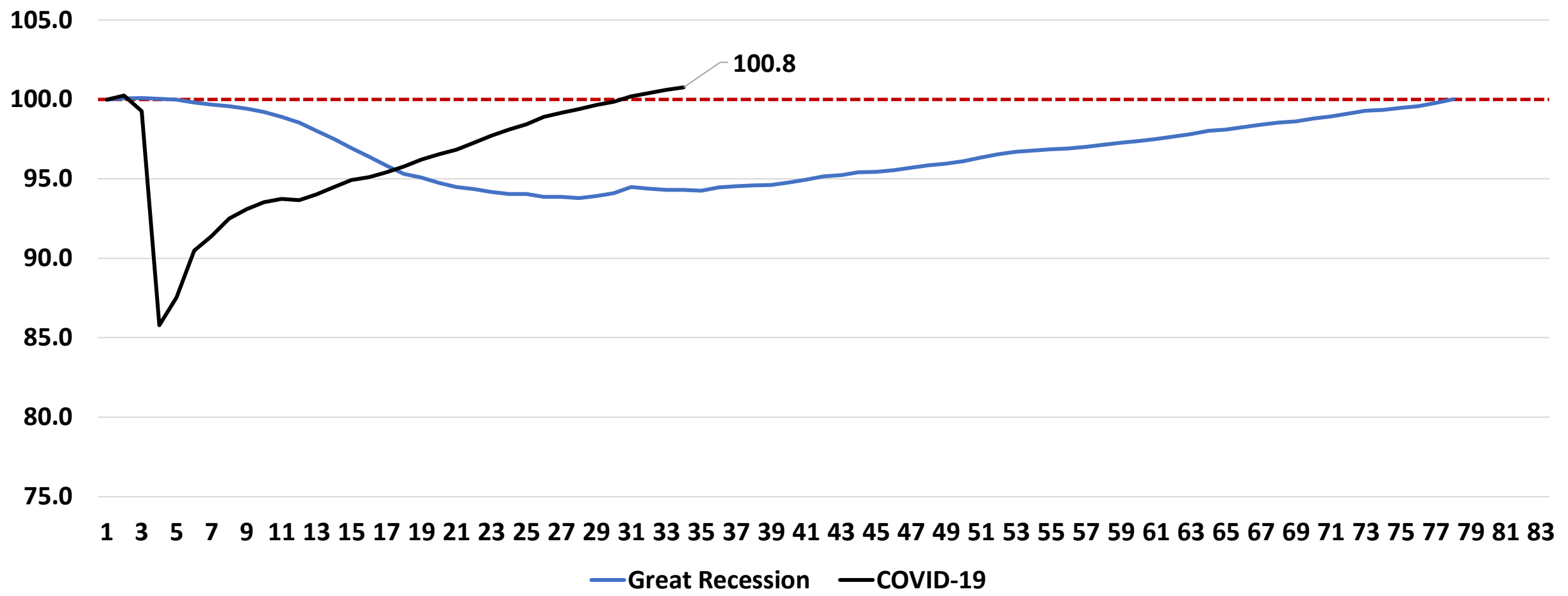
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KEYSER MARSTON ASSOCIATES™



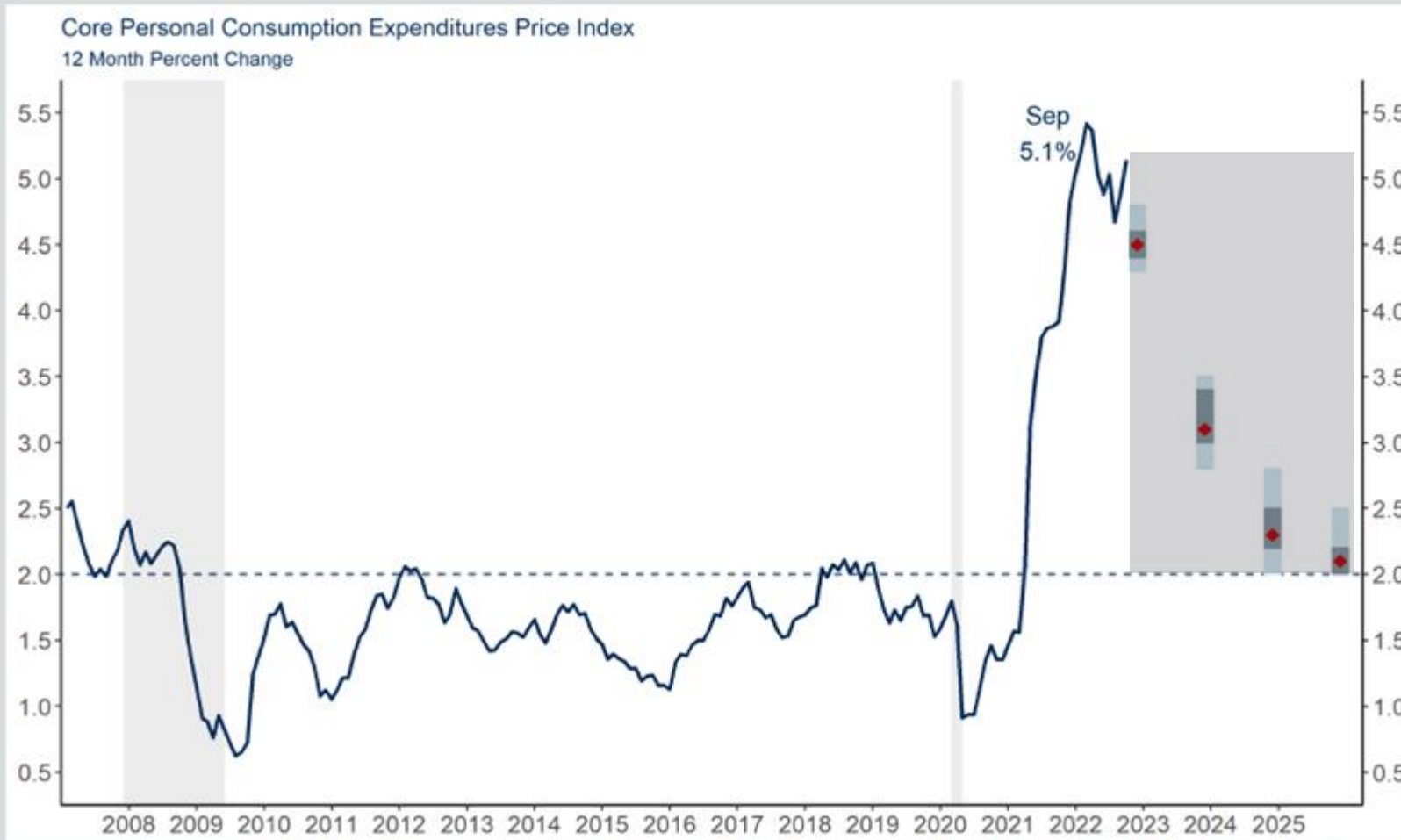
Employment Recovery Comparison, United States, Great Recession and COVID-19 Recession, Months from Peak Employment, Index Nov 2007 and Jan 2020 = 100, to Oct 2022



Source: BLS and EFA

Inflation Watching: 2007 to 2025

Core Personal Consumption Expenditure Price Index



Notes: FOMC projection is the median, range, and central tendency for Q4/Q4 percent changes, from the September 2022 meeting. Red dots indicate median projections. Core PCE Price Index excludes expenditures on gasoline and food services.

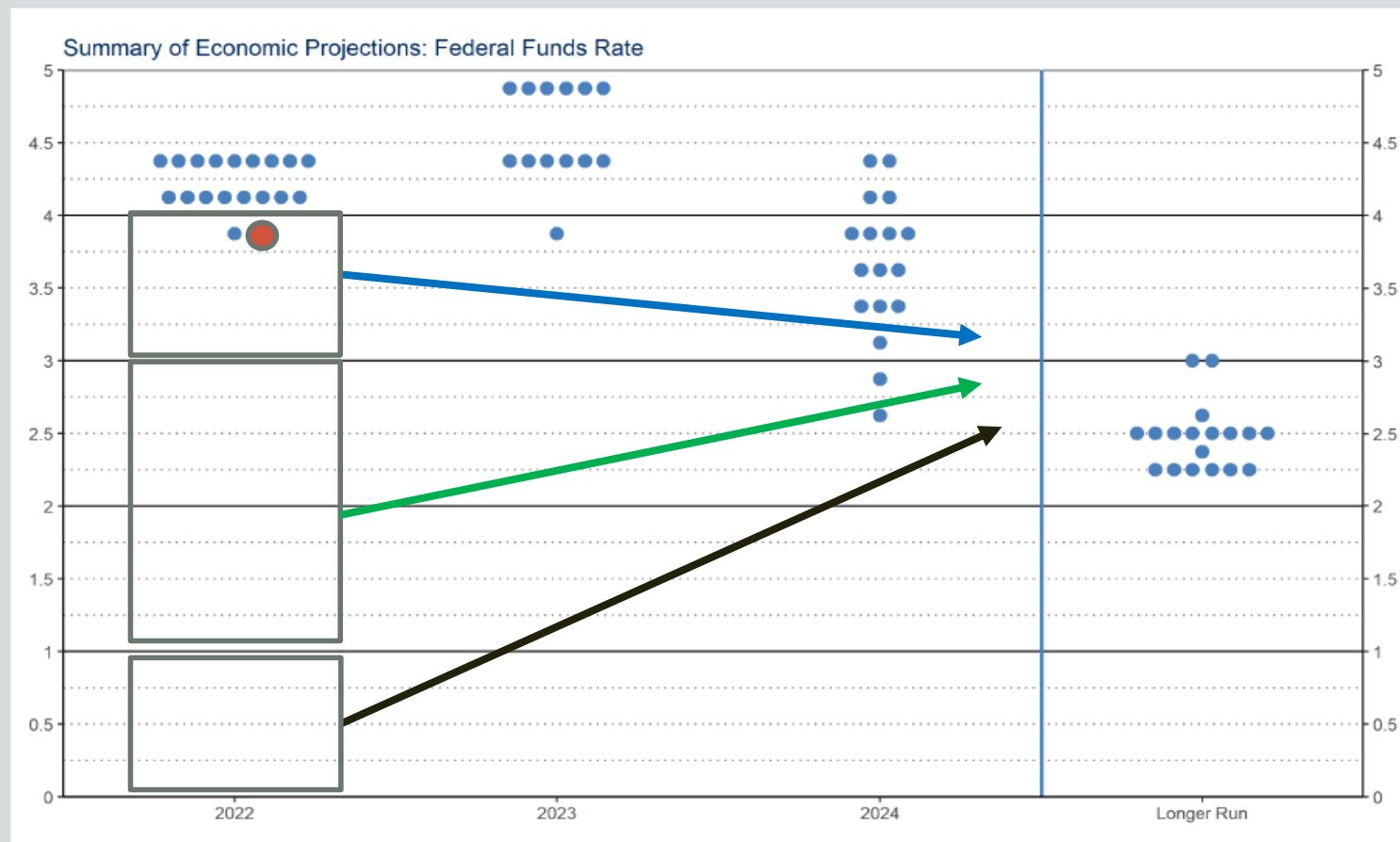
What to Watch

- Holiday season: will price competition now help?
- Interest rate watch: how much higher?
- Housing prices and local employment levels

The Federal Reserve and next steps: Bringing more Fight to Inflation

Outlines and Arrows predicted path in Sept 2021, March and June 2022

Summary of Economic Projections: Federal Funds Rate



- Three things to consider:
- How much is enough?
 - If recession, do we go down the slide?
 - What happens to inflation expectations?

Federal Reserve Philadelphia

Forecast, Survey of Professional Forecasters



Q1 Real GDP: -1.6%
 Q2 Real GDP: -0.6%
 Q3 Real GDP (Est 1) = +2.6%

These data are from November 2022

Real GDP (%)

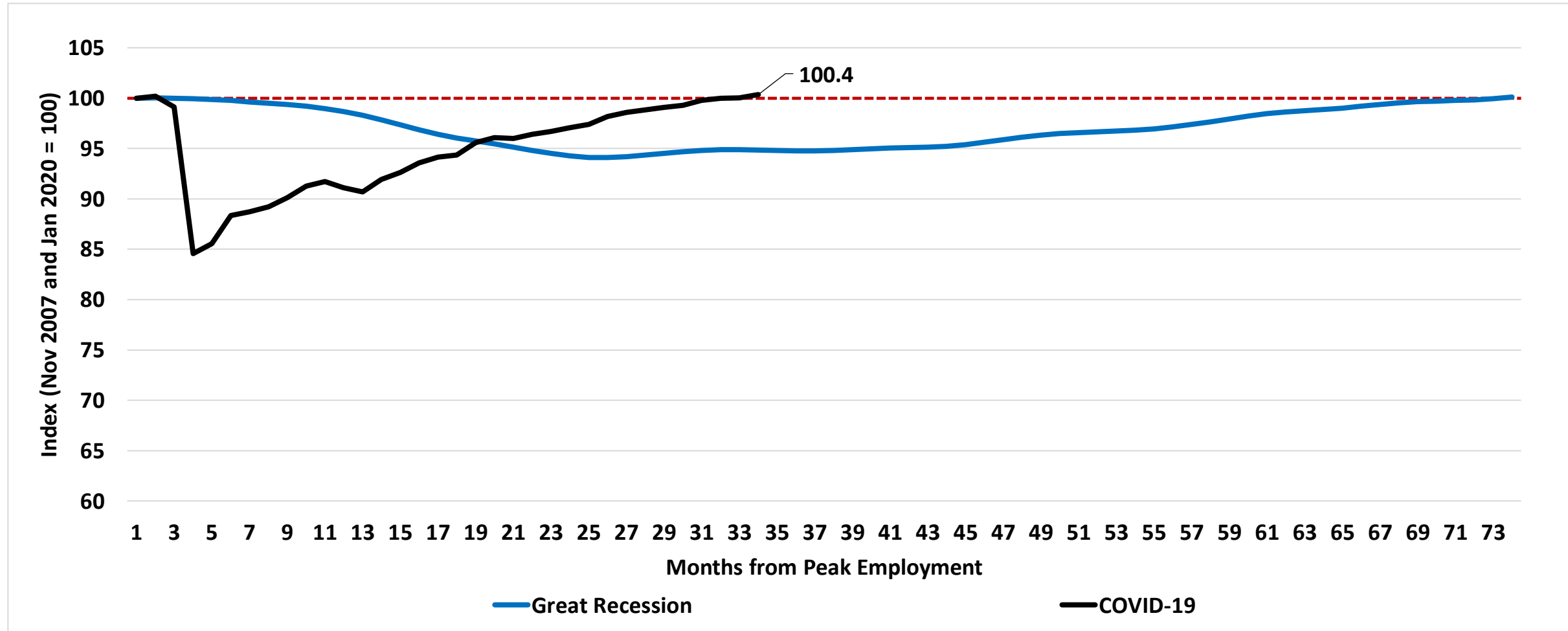
Unemployment Rate (%)

Core PCE Inflation (%)

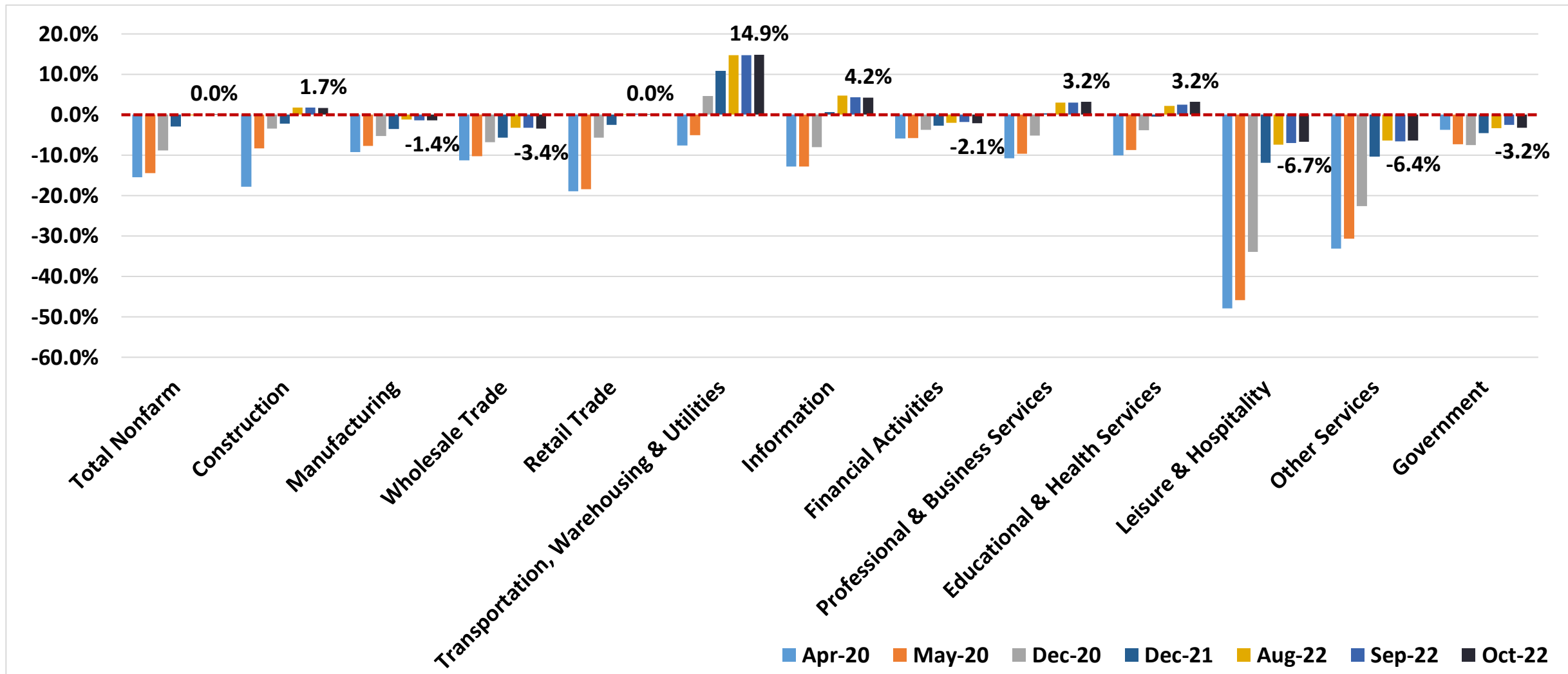
Annual data (projections based on annual-average levels):

| | Real GDP (%) | | Unemployment Rate (%) | | Core PCE Inflation (%) |
|------|--------------|-----|-----------------------|-----|------------------------|
| 2022 | 1.6 | 1.9 | 3.7 | 3.7 | 4.5 |
| 2023 | 1.3 | 0.7 | 3.9 | 4.2 | 2.8 |
| 2024 | 2.3 | 1.8 | 3.9 | 4.3 | 2.2 |
| 2025 | 2.1 | 2.2 | 3.9 | 4.2 | N/A |

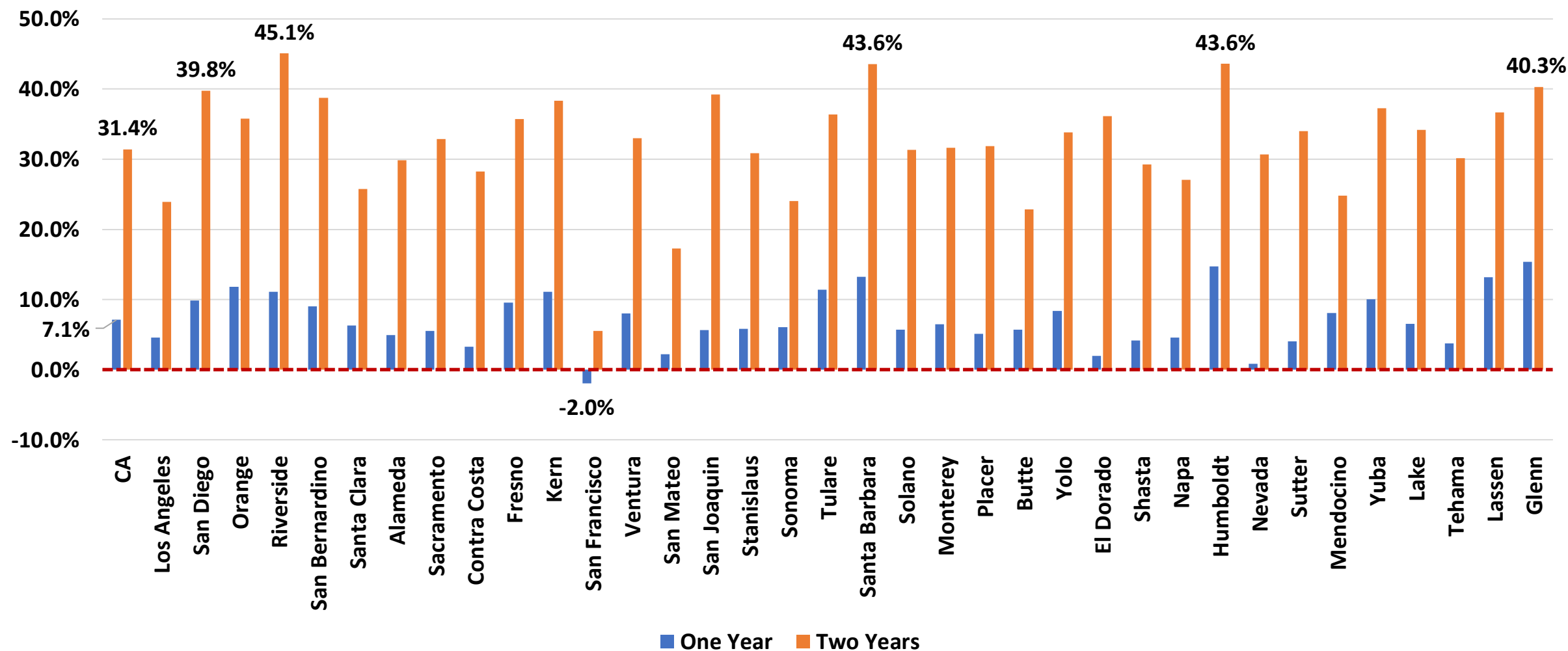
Employment Recovery Comparison, California, Great Recession and COVID-19 Recession, Months from Peak Employment, Index Nov 2007 and Jan 2020 = 100 to October 2022



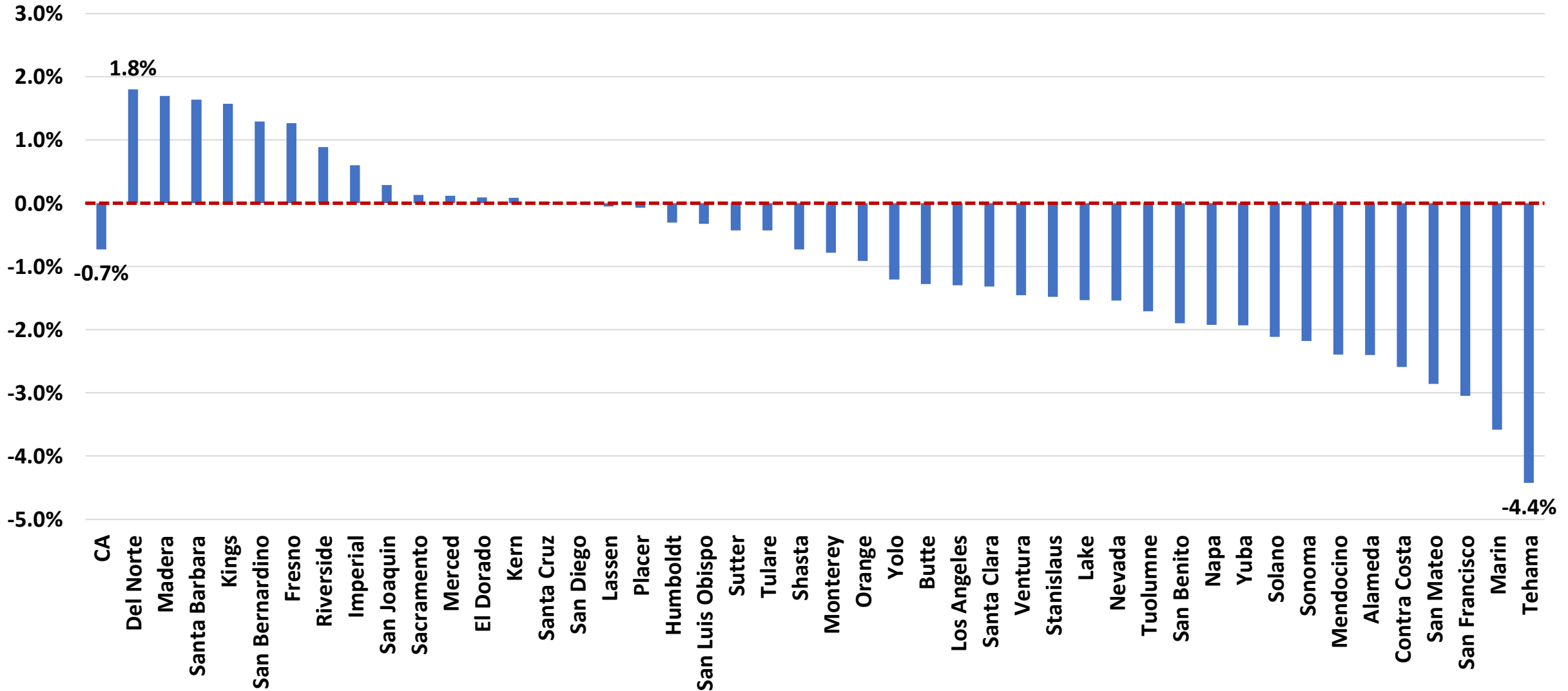
Changes in Jobs, Selected Industries, Seasonally Adjusted, Compared to January 2020, California, April 2020 to Oct 2022



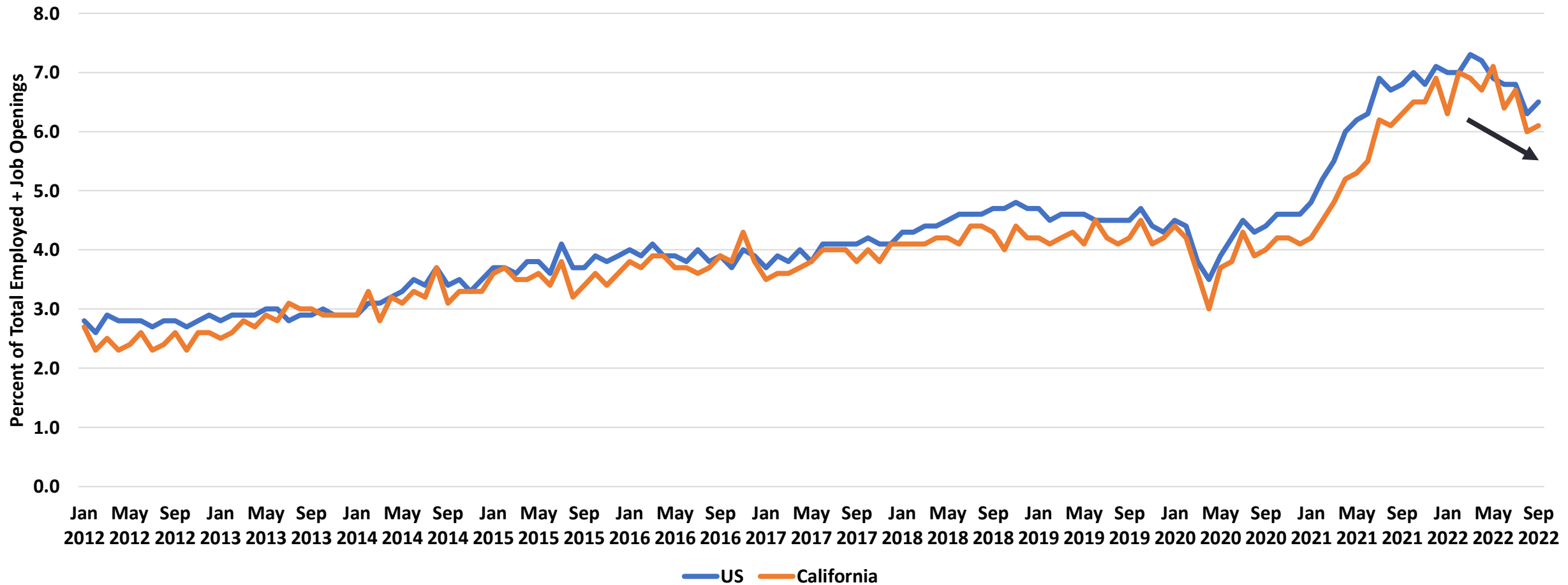
Median Housing Price Growth, October 2020 and October 2021 compared to October 2022, Percent Change, Selected Counties



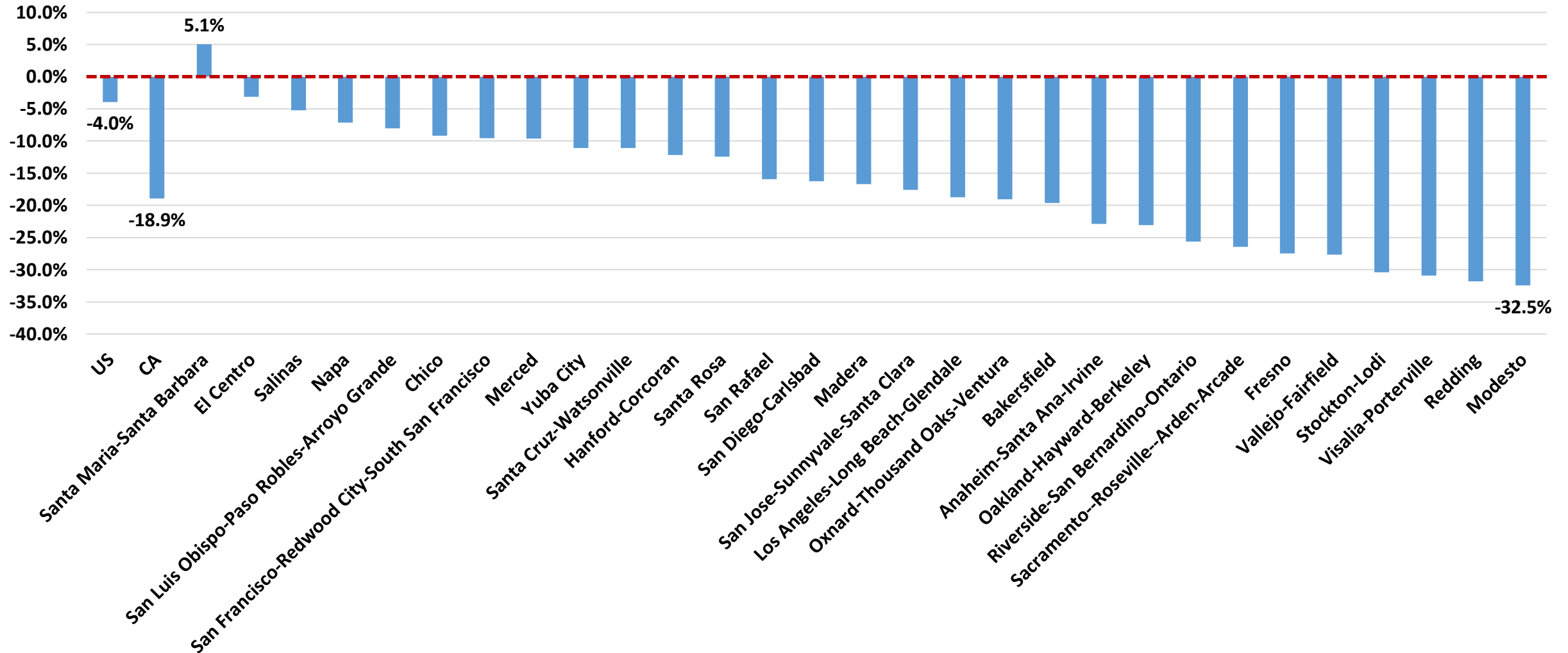
Housing Forecast, Median Home Prices, Selected CA Counties, October 2022 to October 2023, % Change



Job Openings Rate = % of Job Openings of Total Employment + Job Openings, Jan 2012 – Sept 2022



Online Job Openings Regionally in California, October 2021 – October 2022, Selected MSAs



Thinking Forward

- Economic slowdown happening: recession by 2023 50-50
 - Should be mild if we technically recess, but uncertainty rising
- Economic development: federal focus on chips and dips
 - Looking for resiliency, are the economics there?
 - California may have areas where advanced manufacturing works to 2030
- Three things to watch
 - Housing price reductions becomes construction slow down
 - Commercial vacancy
 - Prices at the grocery store and gas pump, and then slower wage growth

Thanks for attending.

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



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