



ORANGE COUNTY TRANSPORTATION AUTHORITY

**Taxable Sales Forecast - Dr. Anil Puri, California State
University, Fullerton**

Powerpoint

Economic Outlook

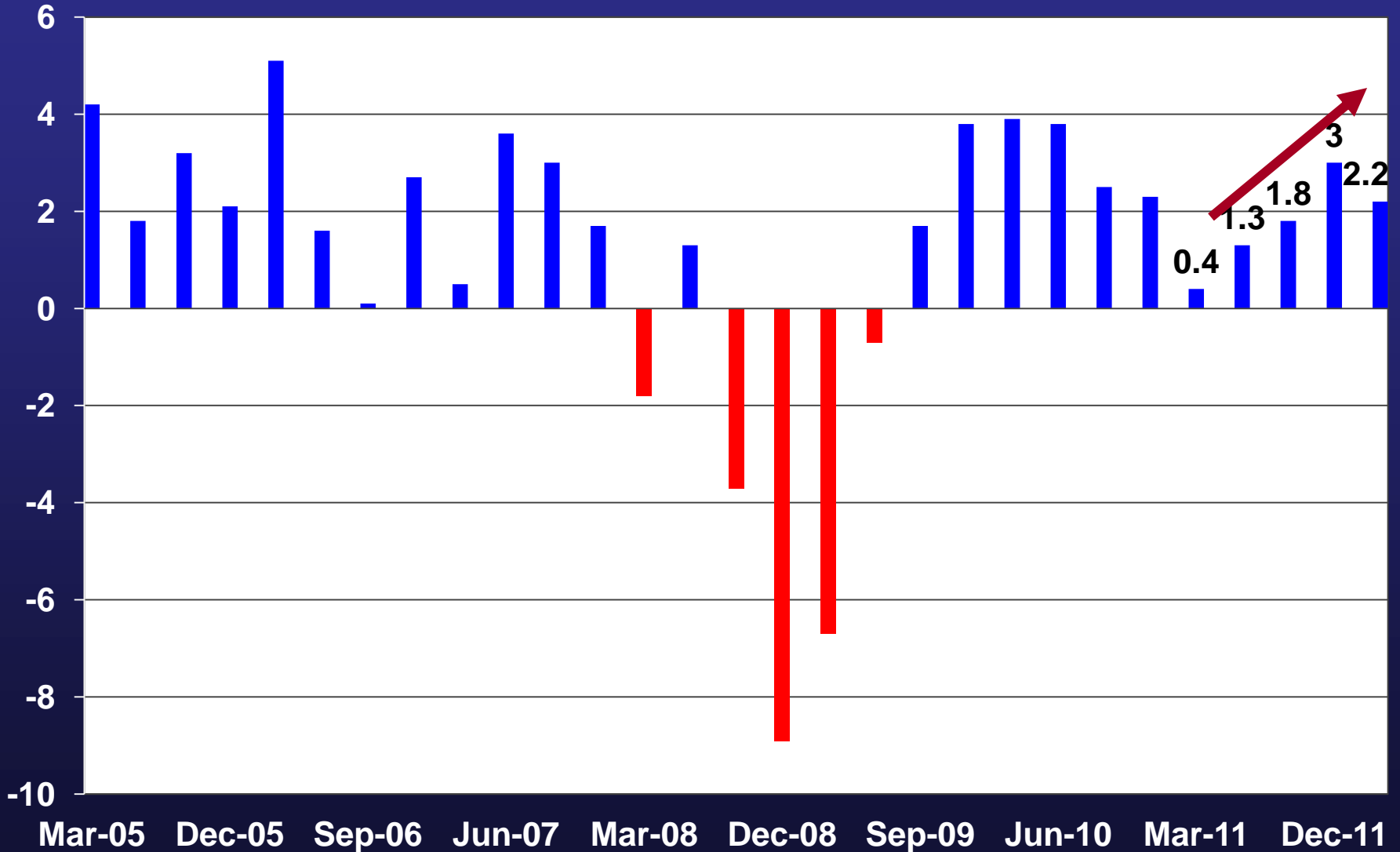
Anil Puri

**Mihaylo College of Business and Economics
California State University, Fullerton**

**OCTA
June 27, 2012**

Real GDP Has Edged Up

(percent change, quarter-over-quarter)



Consumer Confidence

(Conference Board Index, Level)



May 2012 = 64.9

Real Estate Loans have finally Resumed

(loan level, billions of dollars)



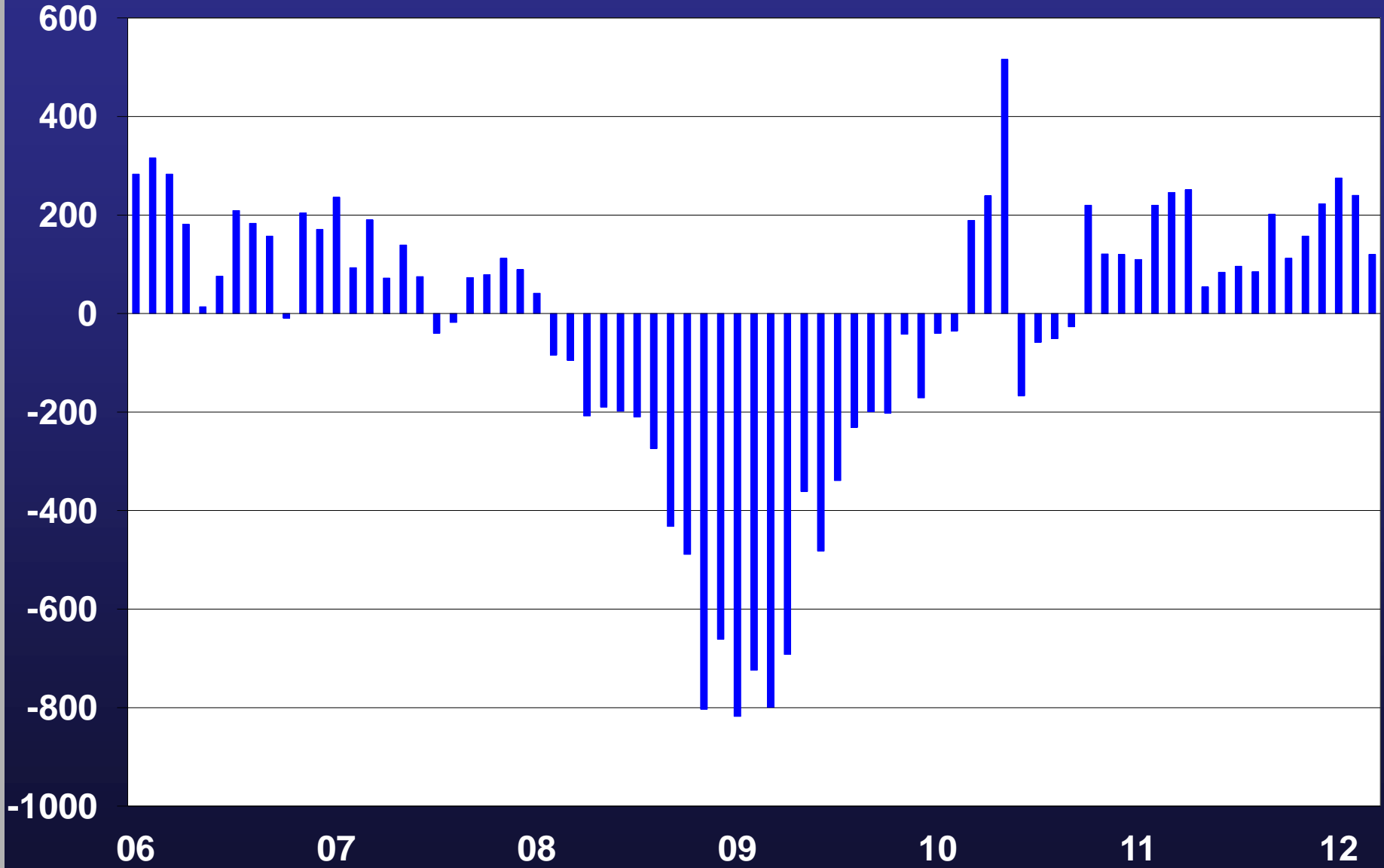
Retail Sales have Recovered

(real retail sales, level, billions of dollars)



Job Growth

(total nonfarm payrolls, thousand of employees)



Is this Recovery for Real?

**Yes, the worst is behind us and
we are beginning the second half!**

Growing in the Shade: Why No Boom?

Structural Challenges

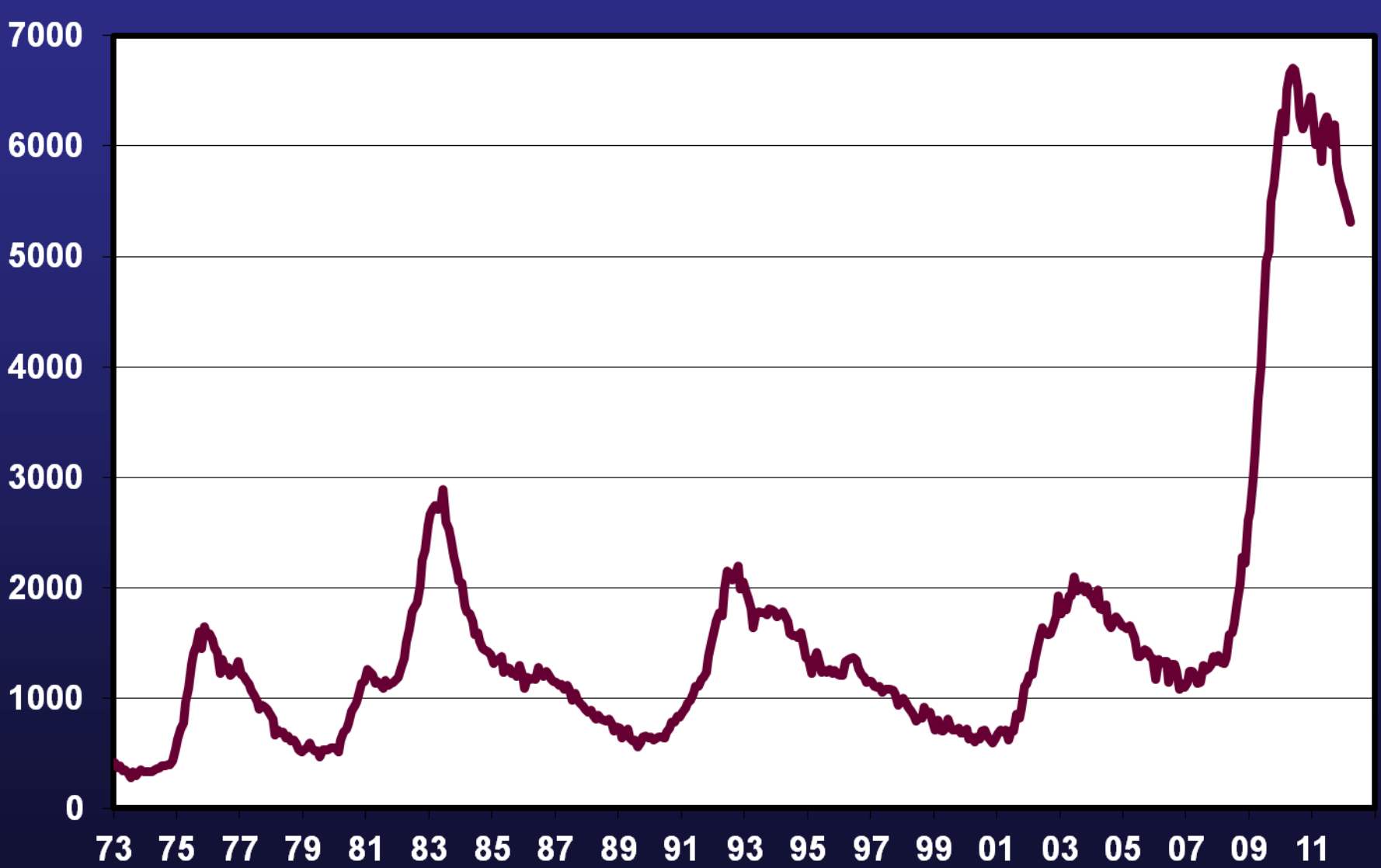
- Labor Market Woes
- Deleveraging
- Housing Blues
- Public Debt

Risks

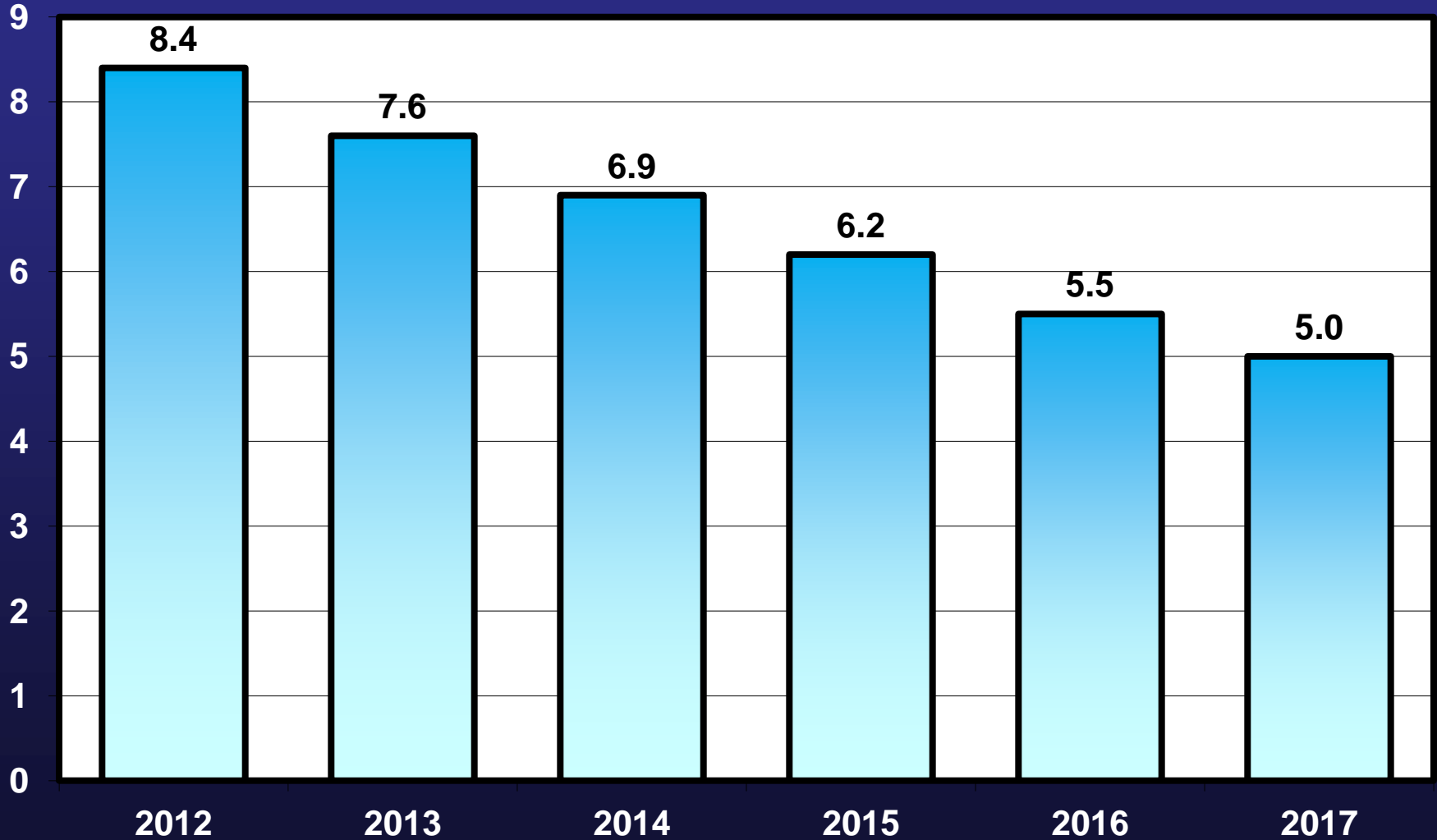
- Eurozone
- BRIC Growth
- Global Slowdown
- Political Gridlock

Long-Term Unemployment Remains High

(level, without a job >27 weeks)

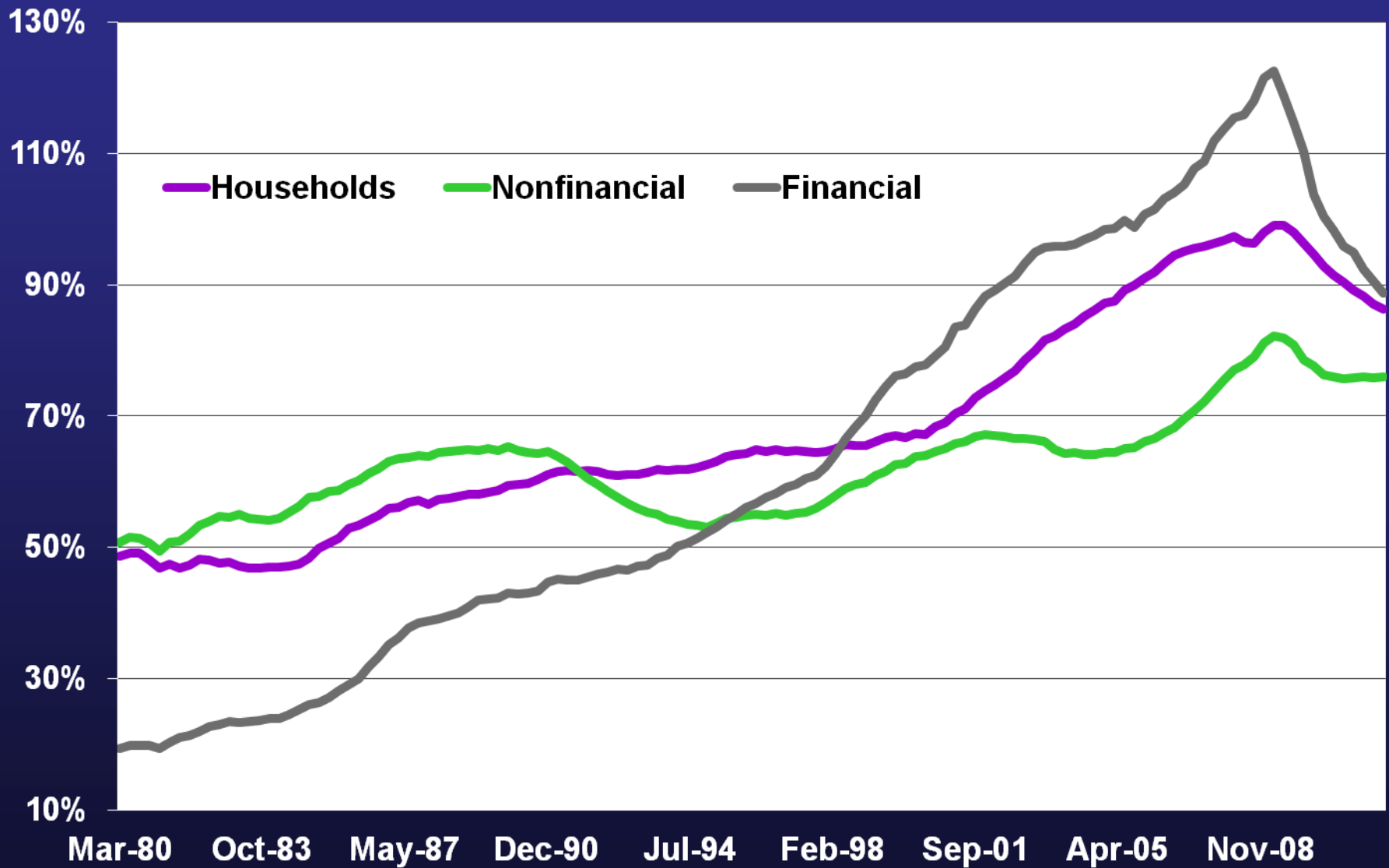


Projected Unemployment Rate If Job Formation Were 200,000 per Month (unemployment rate, percent)



US Private Sector Has Deleveraged Rapidly

(ratio, liabilities as percent of GDP)



Housing Prices Continue to Drag

(Case/Shiller Index, y-o-y changes)

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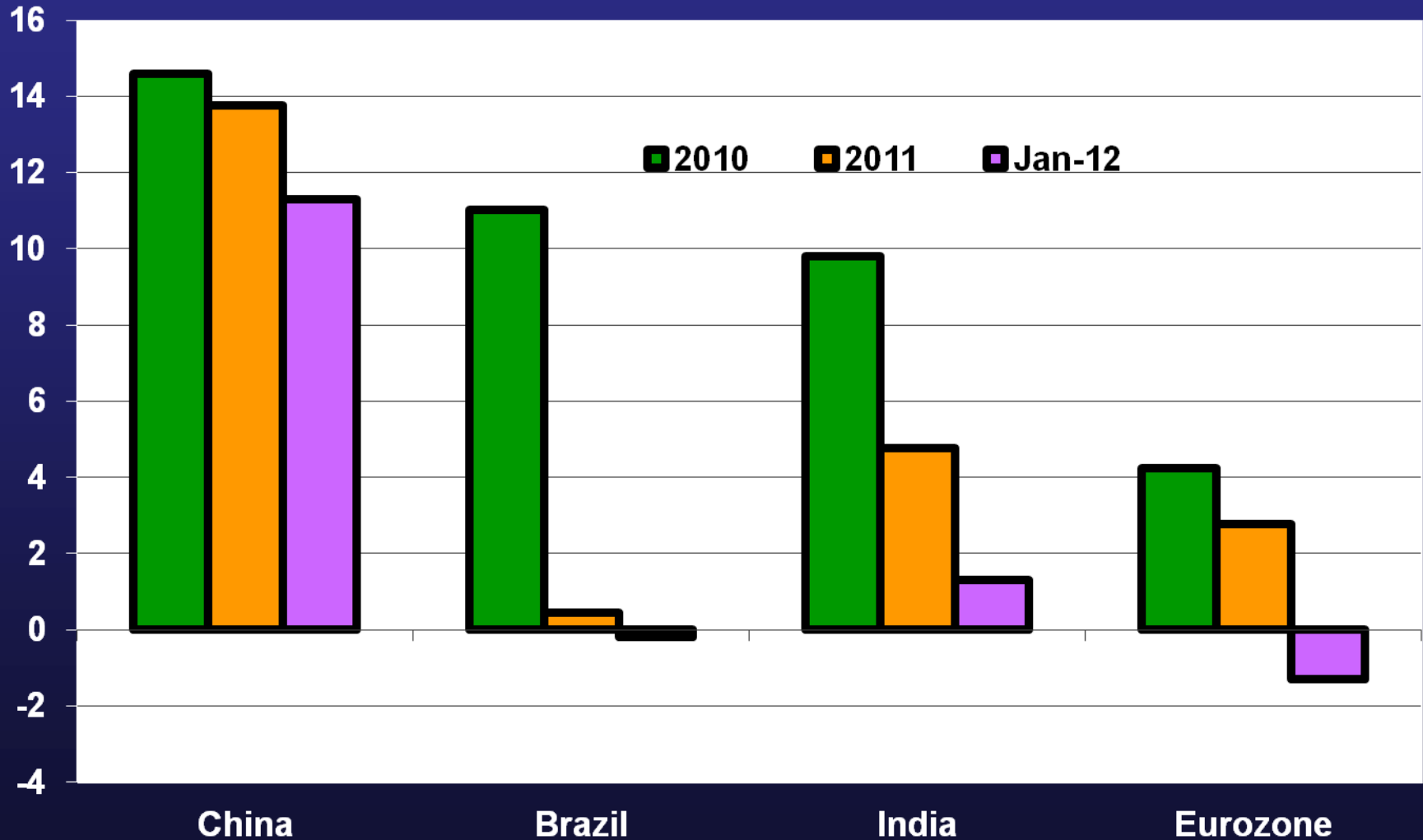


Challenges

Risks: Global Slowdown

Hard or Soft Landing; Austerity v. Growth

(industrial production, year-over-year, percent change)

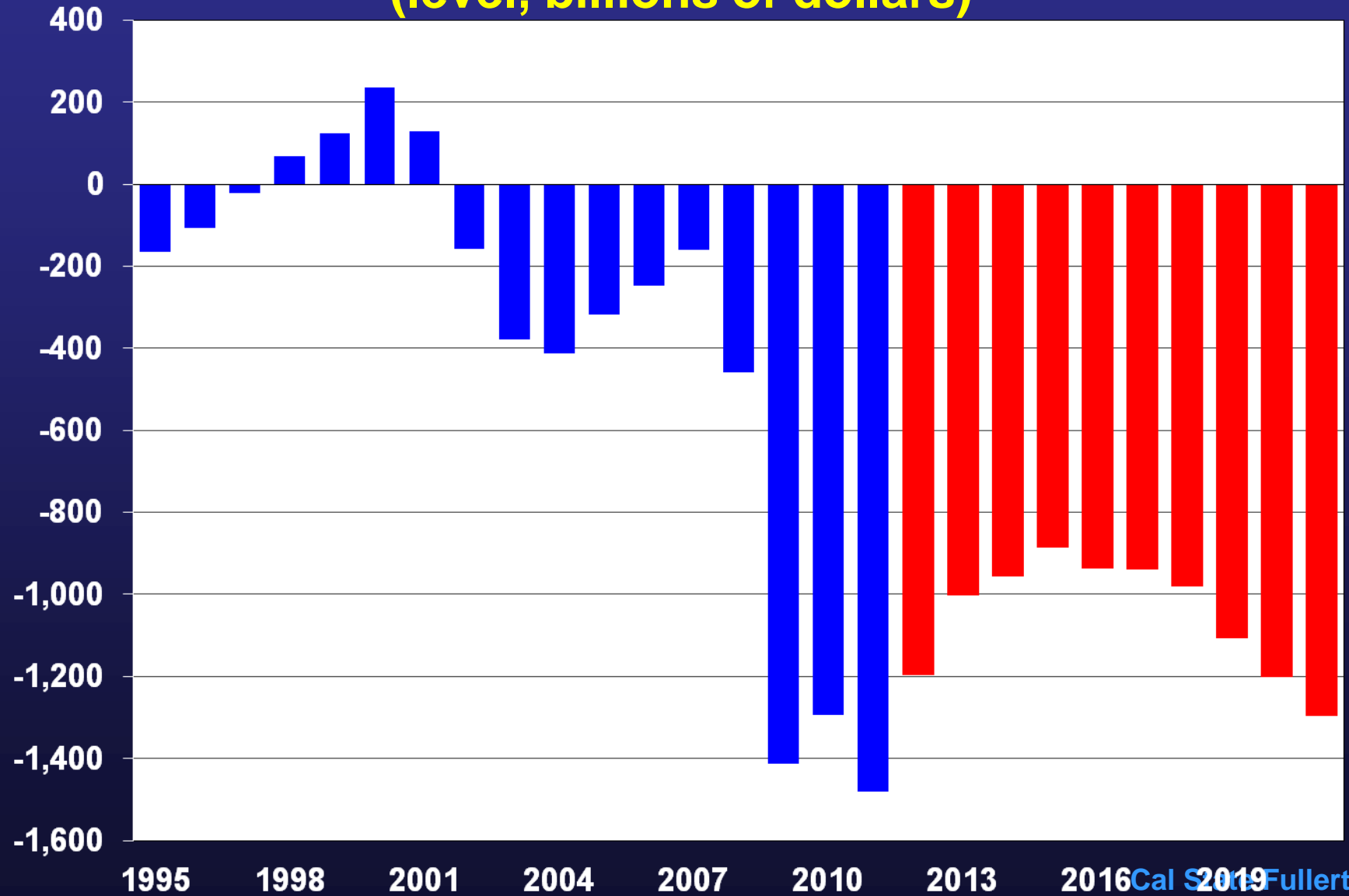


“2013 Fiscal Cliff”

- End of Bush tax cuts
- End of the two percent payroll tax cut
- End of the extension of long-term unemployment benefits
- Implementation of \$1.2 trillion spending cut

Happy New Year!

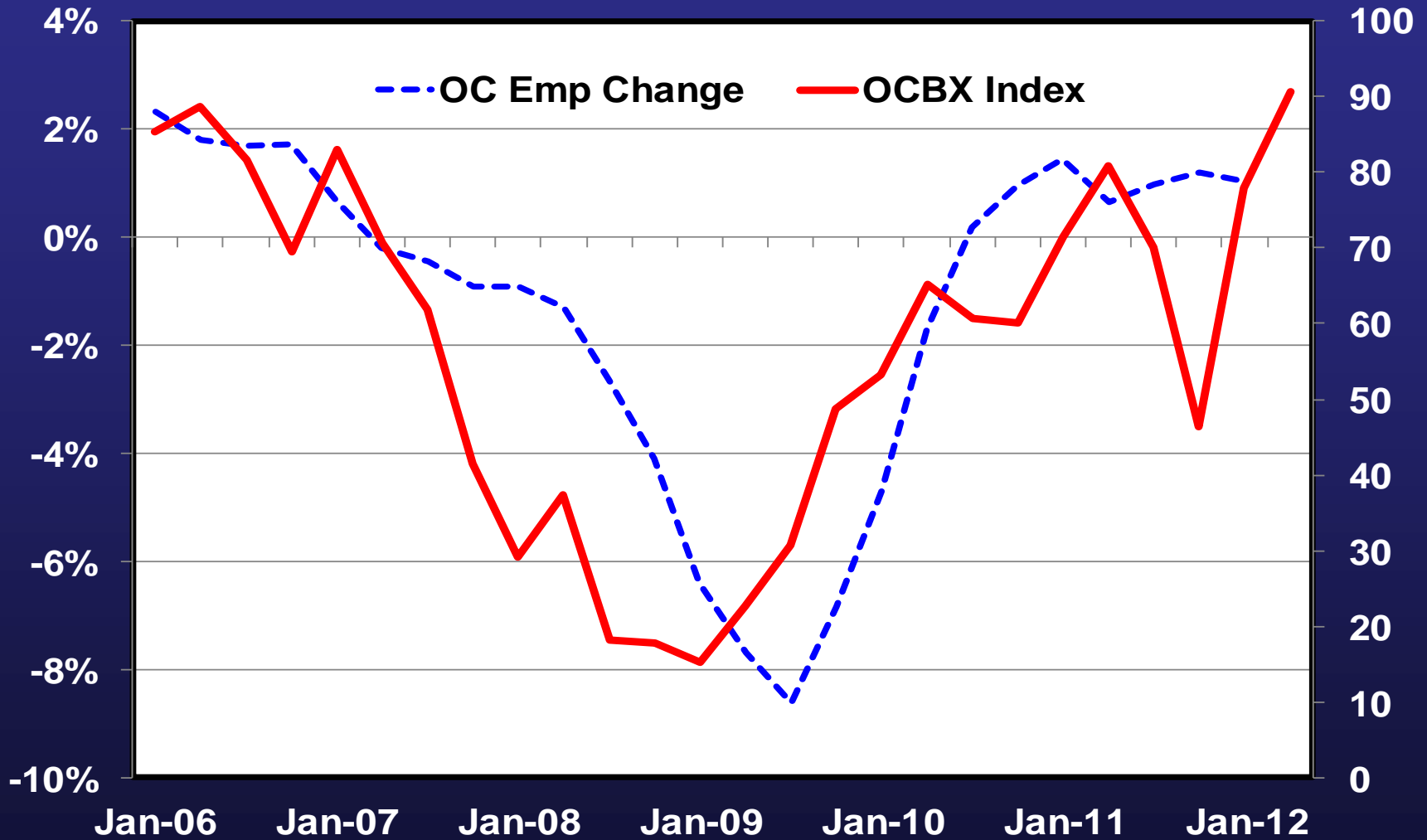
Fiscal Deficit: With Bush Tax Cuts Continuing and No Reductions in Spending (level, billions of dollars)



National Forecasts

Year	GDP	Consumer Prices	Unemployment Rate	Payroll Employment
2010	3.0	1.6	9.6	-0.7
2011	1.7	3.1	8.9	1.2
2012f	2.4	2.5	8.4	1.6
2013f	2.6	2.4	8.1	1.9

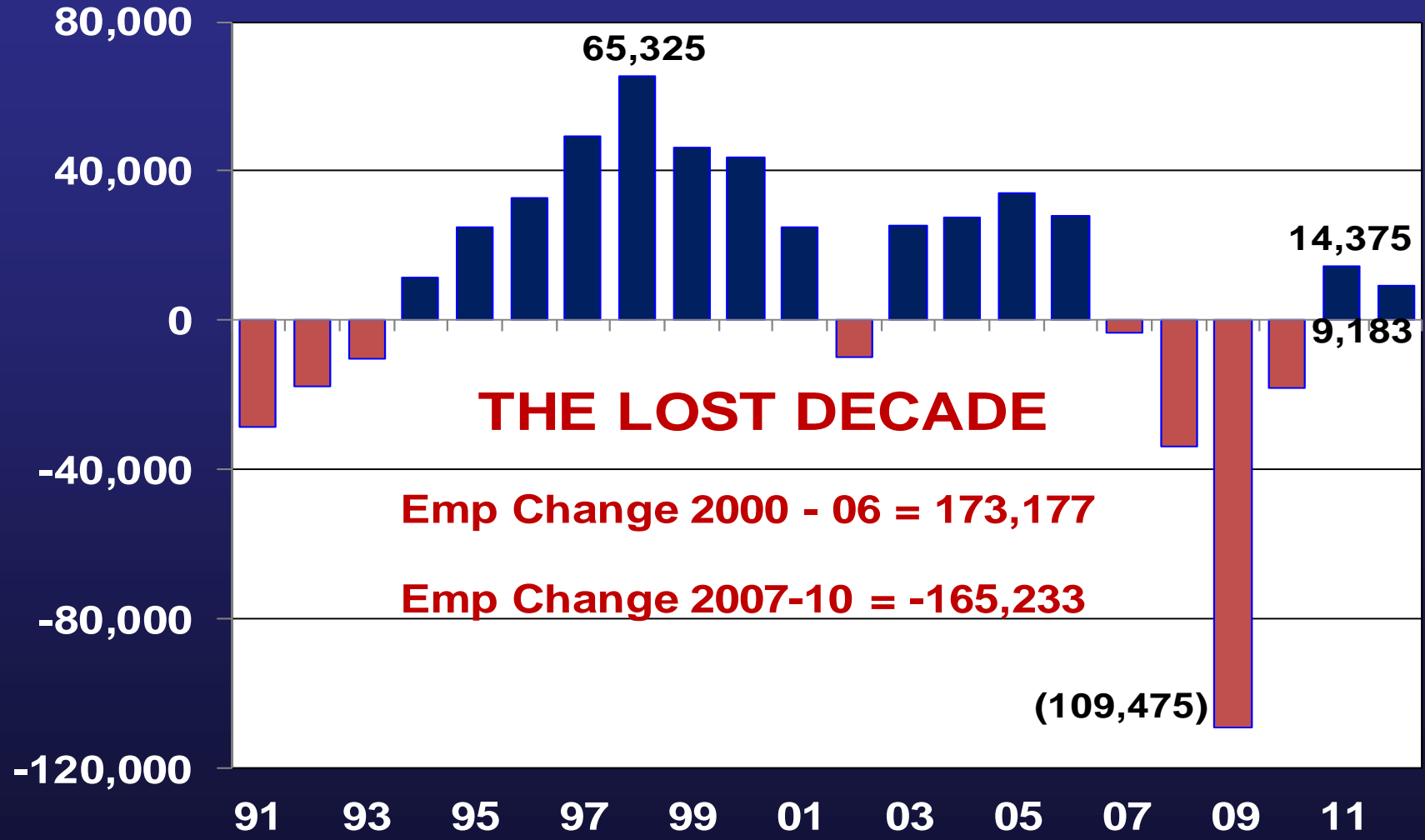
Orange County Business Expectations



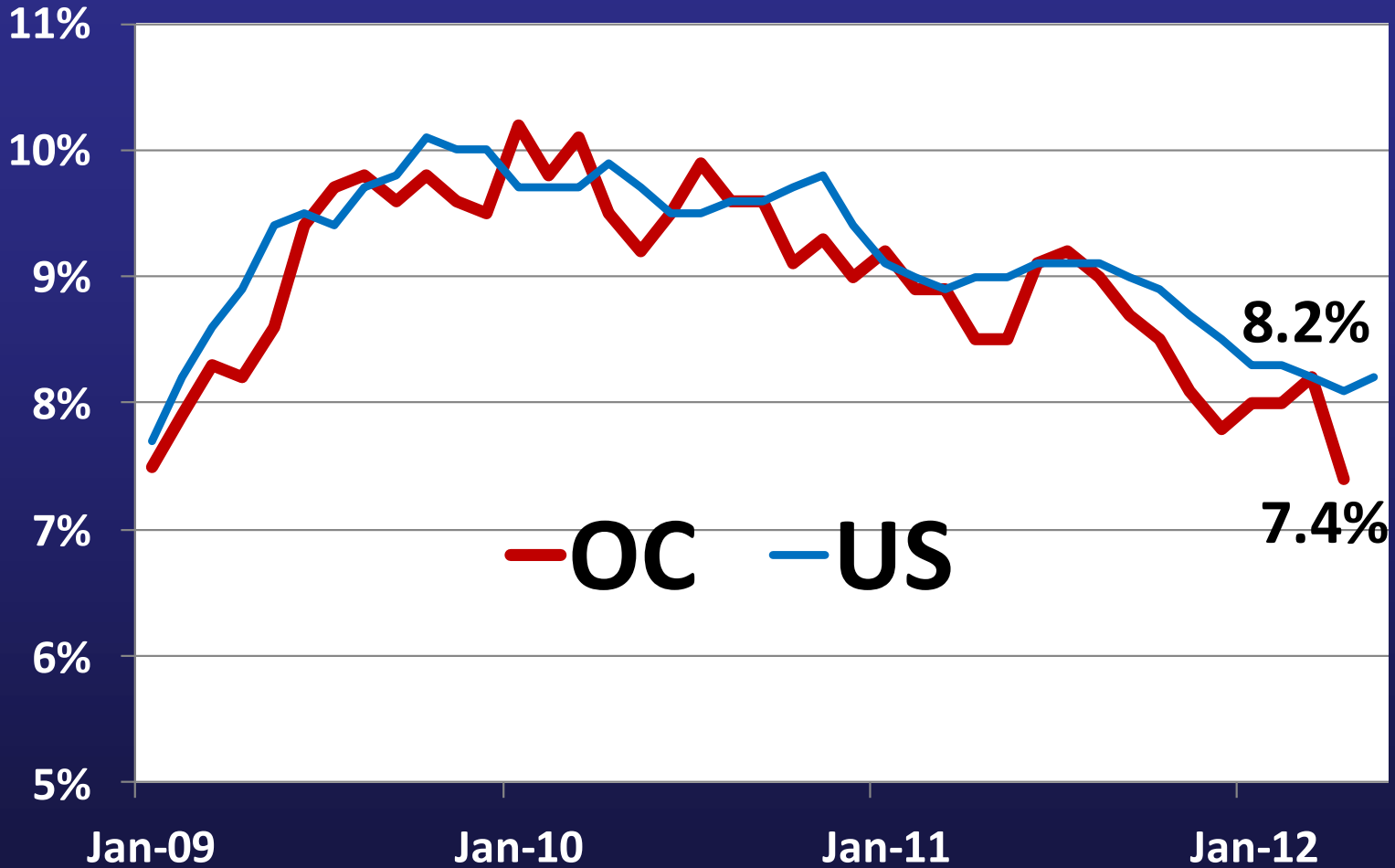
Orange County Forecasts

	Payroll Jobs (thousands)	% Change in Payroll Jobs	Unemployment Rate
2010	1,353.7	-1.3%	9.5%
2011	1,368.1	1.1%	8.7%
2012f	1,388.6	1.5%	7.7%
2013f	1,417.4	2.1%	7.0%

OC Payroll Employment Changes



Rates of Unemployment



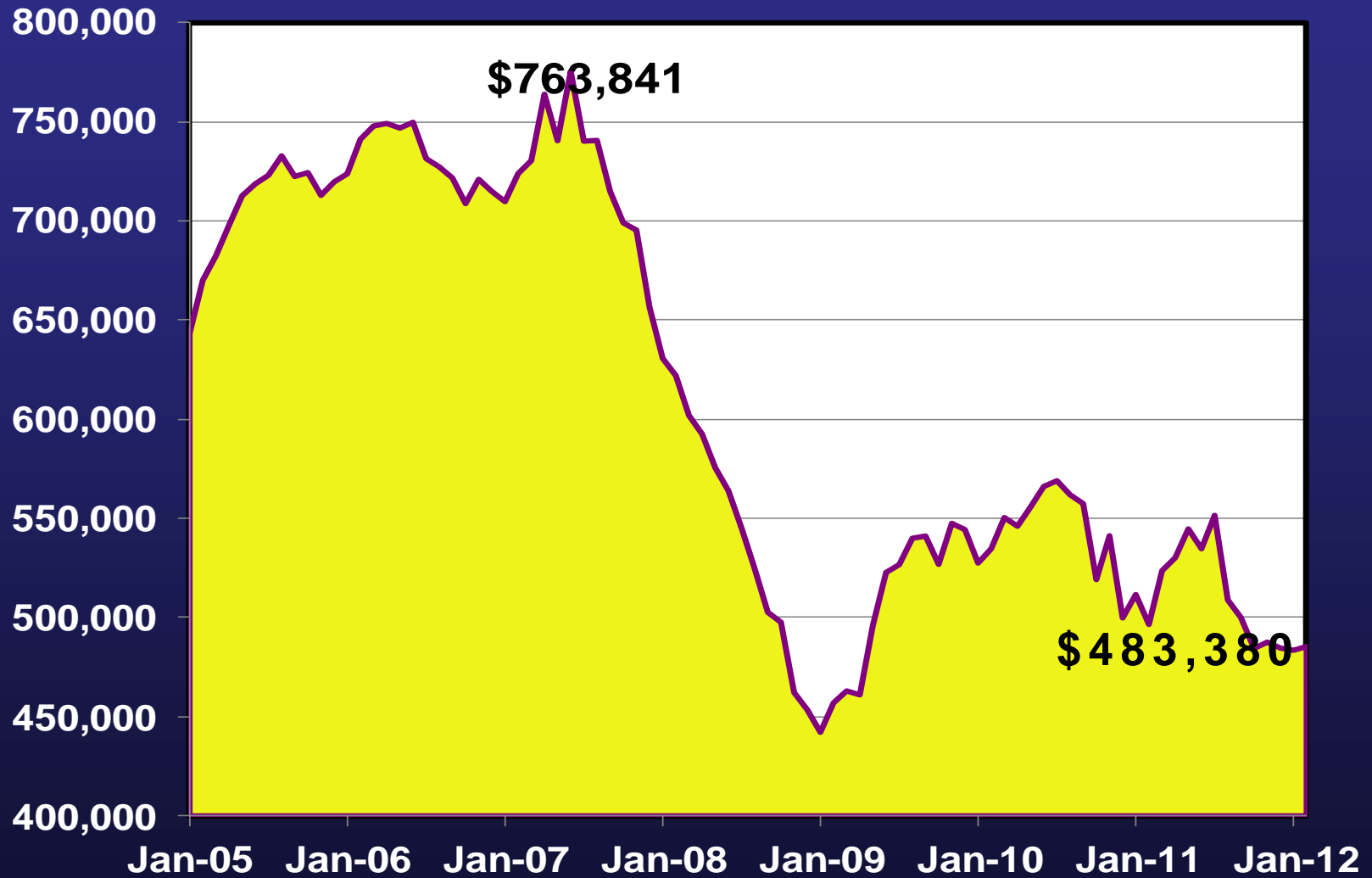
— OC — US

8.2%

7.4%

Orange County Median Housing Price

Source: California Association of Realtors



Questions