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Fall 2024 Report

Forecast: 2024 - 2026

72nd Year

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THE UCLA ANDERSON FORECAST FOR THE NATION AND CALIFORNIA

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THE UCLA ANDERSON FORECAST FOR THE NATION

FALL 2024 REPORT

The Lingering Economic Imbalances from COVID-19 and What They Foreshadow

The Lingering Economic Imbalances from COVID-19 and What They Foreshadow

Clement Bohr
Economist, UCLA Anderson Forecast
Fall 2024

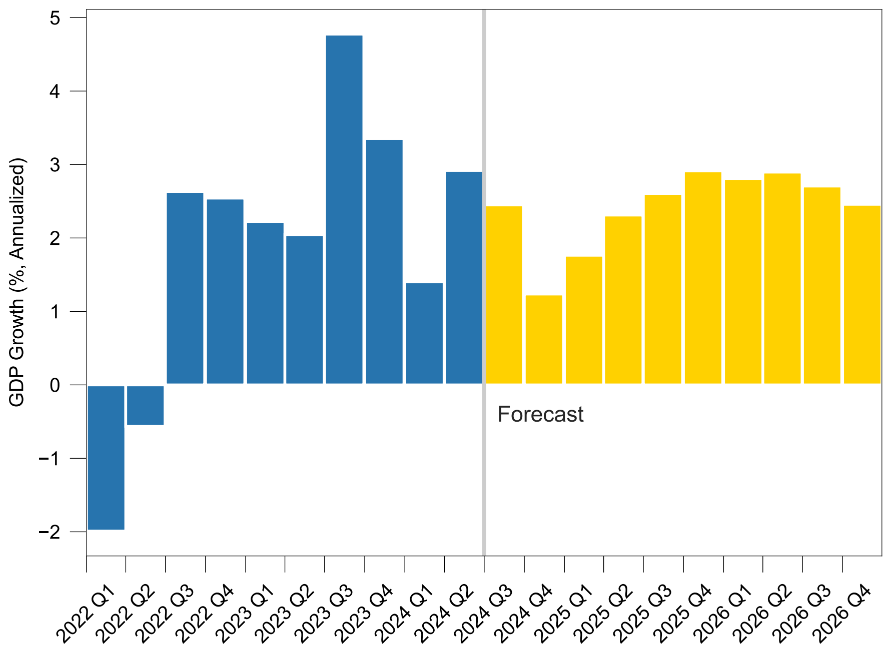
Shifts in monetary policy, between easing and tightening, often mark significant turning points in history, and the COVID-19 pandemic was no exception. On the eve of the pandemic, the Federal Reserve lowered interest rates to zero, initiating a phase of monetary easing to support the US economy and its financial system during an unprecedented moment in modern history. Two years later, in the spring of 2022, with inflation out of control and continuing its relentless rise, the Federal Reserve began a tightening cycle, raising interest rates by more than 5 percentage points in just over a year. Now, with scant evidence of any remaining inflationary pressures in the US economy, the Fed has lowered the federal funds rate by 50 basis points, officially putting the inflation of the COVID-19 recovery in the rearview mirror and marking the beginning of a new chapter in US economic history. However, the COVID-19 pandemic, along with the sharp shifts in monetary policy that accompanied it, has created imbalances in the US economy that persist today. These lingering imbalances are evident in the housing and automobile markets, as well as on the balance sheets of households and governments, and they signal where the economy will head over the next couple of years as they gradually unwind.

While preliminary data suggests that the third quarter of 2024 was yet another period of stellar GDP growth, which we conservatively expect to come in at 2.5 percent SAAR, we anticipate a slowdown in the fourth quarter due to a convergence of disparate events. The strike at Boeing is already forcing the company to cut back on business expenses, and if it persists throughout the fourth quarter, it may reduce growth in the industrial sector by a couple of tenths of a percent. Another strike by East Coast dockworkers is slated to commence on October 1st, which could take a substantial toll on the US economy, costing upwards of $5 billion a day.[1] As this report is being finalized, Hurricane Helene is on an imminent path towards the Gulf Coast of Florida, and the extent of its damage remains to be seen. Last but not least, the uncertainty surrounding the presidential election leads to more precautionary behavior by firms in their hiring and investment decisions as they adopt a "wait and see" approach.[2] Given the election is currently a toss-up,

1. New York Times. (2024, September 24). Port strike impacts economy. Retrieved from https://www.nytimes.com/2024/09/24/business/economy/port-strike-economy.html

2. Amore, M. D., & Corina, M. (2021). Political elections and corporate investment: International evidence. Journal of International Business Studies, 52, 1775–1796. DOI: https://doi.org/10.1057/s41267-021-00421-6

Figure 1: Quarterly Real GDP Growth



Source: Bureau of Economic Analysis and UCLA Anderson Forecast

with starkly different policy prescriptions depending on the outcome, we maintain the assumption of continued gridlock in Congress throughout our forecast. Under this assumption, however, after a tepid fourth quarter of 1.2 percent SAAR GDP growth, we expect 2025 and 2026 to be banner years for GDP growth, firmly in the high twos, driven in part by growth in residential investment (see Figure 1).

The Labor Market and Inflation

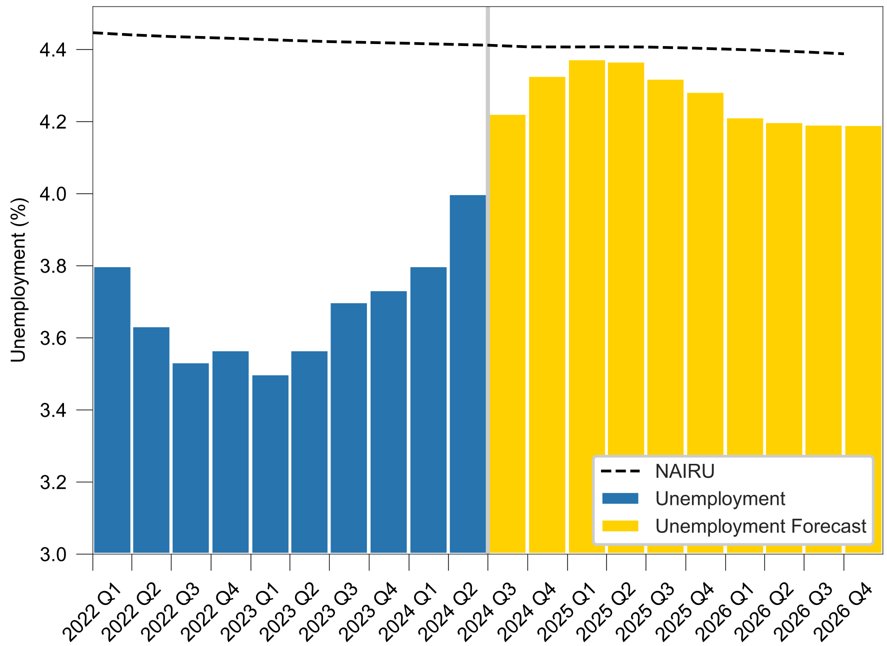
After reaching a low of 3.4 percent in January 2023, the unemployment rate has risen to a more sustainable level of 4.2 percent (see Figure 2). This rise has coincided with an increase in the number of job openings, bringing the labor market back to a more balanced state.[3,4] With the labor market no longer in overdrive, there will be less upward wage inflation pressure going forward. Despite most prices having returned to a growth rate consistent with a two percent inflation target, headline inflation statistics will continue to remain slightly above two percent through 2025 as the cost-of-shelter price index continues to rise, catching up to the price-level of on-market rents (see Figure 3). While on-market rents are consistent with the two percent inflation target, not all off-market rents have adjusted to match the inflationary surge that occurred during the pandemic recovery, and it will take them until 2026 to fully catch-up.[5]

3. Federal Reserve Bank of Minneapolis. (2024). Fewer openings, harder to get hired: U.S. labor market likely softer than it appears. Retrieved from https://www.minneapolisfed.org/article/2024/fewer-openings-harder-to-get-hired-us-labor-market-likely-softer-than-it-appears

4. Eggertsson, G. B., & Benigno, P. (2024). The Slanted-L Phillips Curve. Retrieved from https://www.kansascityfed.org/Jackson%20Hole/documents/10385/Eggertsson_Paper_JH.pdf

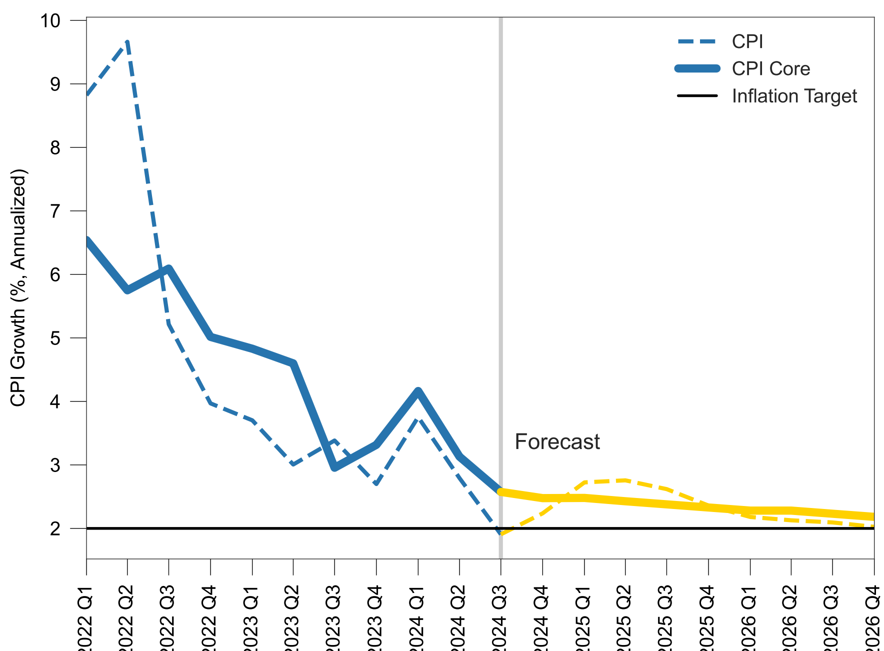
5. Zillow. (2024, September 24). Rent ZORI CPI. Retrieved from https://www.zillow.com/research/rent-zori-cpi-33861/

Figure 2: Unemployment Rate



Source: Bureau of Labor Statistics, Federal Reserve Board, and UCLA Anderson Forecast

Figure 3: Quarterly CPI Inflation



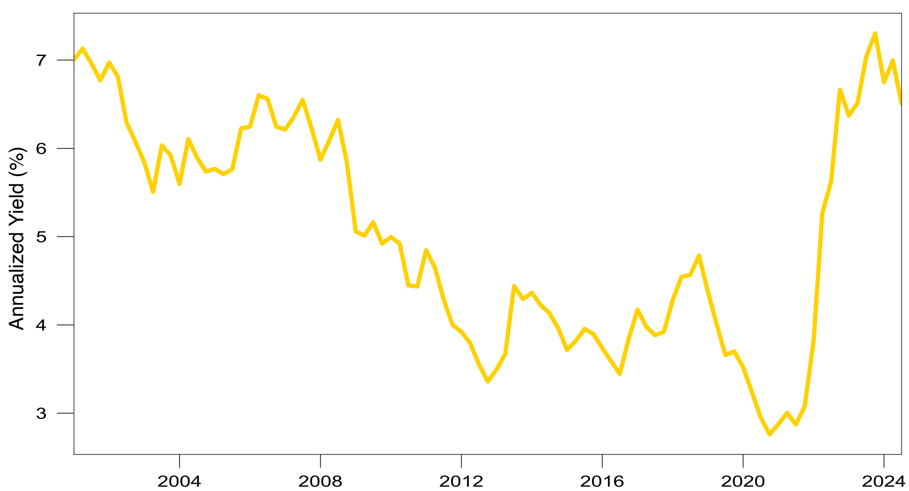
Source: Bureau of Labor Statistics and UCLA Anderson Forecast

The Housing Market

The housing market has undergone a series of contortions since the onset of the pandemic. First, the shift to remote work greatly increased the demand for housing.[6] Second, expansionary monetary policy, both in terms of low short-term interest rates and large-scale asset purchases of mortgage-backed securities, pushed mortgage rates down to their all-time low of 2.7 percent for an average 30-year fixed-rate mortgage, amplifying the demand for housing and enabling people to refinance their existing mortgages at rock-bottom rates.[7] Just two years later, however, mortgage rates increased to a peak of 7.8 percent, a level not seen since the end of the Clinton administration, as inflation surged and the Federal Reserve pivoted to tighten credit conditions (see Figure 4). The high cost of financing not only reduced housing demand but also greatly reduced the supply of housing as homeowners refused to move and give up their low-rate fixed mortgages they had recently acquired.[8] As a result, existing home sales collapsed to levels similar to those seen during the Great Recession, all while prices remained sky-high (see Figure 5). Newly constructed home sales rose to fill in for some of the lack in supply from existing homeowners.

This sequence of events serves as the perfect cocktail for strong growth in the housing market going forward. The increase in demand for housing due to the shift to work-from-home has become a permanent fixture of the economy as office occupancies have stabilized around 50% of their pre-pandemic levels.[9] Mortgage rates are falling in expectation of further interest rate cuts, which will gradually release the pent-up supply of existing homeowners waiting to sell without incurring a large cost from losing their low fixed-rate mortgages. In addition, there is a build-up of homebuyers waiting as the largest segment of the US population, millennials in their early 30s, have entered their prime home-buying years.[10] We therefore expect the coming years to experience strong growth in housing sales, particularly in existing home sales, which will reach 5 million units annually in 2026, but also in newly constructed homes, fueling a rebound in housing starts to reach 1.6 million units in 2026 from their current low of 1.3 million (see Figures 5 and 6).

Figure 4: Average 30-Year Fixed Rate Mortgage



Source: Freddie Mac

6. Mondragon, J. A., & Wieland, J. (2024). Housing demand and remote work. National Bureau of Economic Research. Retrieved from http://www.nber.org/papers/w30041

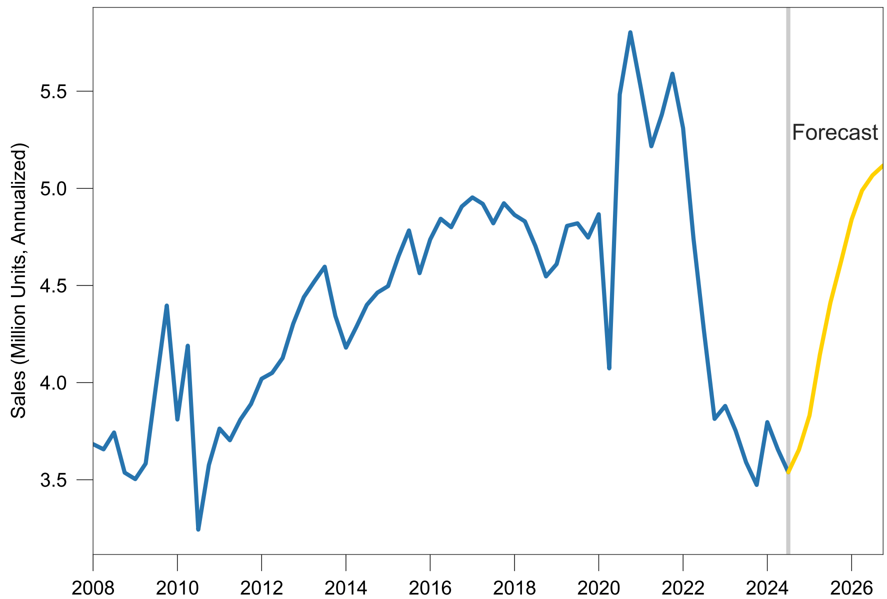
7. Drechsler, I., Savov, A., Schnabl, P., & Supera, D. (2024). Monetary policy and the mortgage market. Retrieved from https://pages.stern.nyu.edu/~asavov/alexisavov/Alexi_Savov_files/DSSS_Aug_2024.pdf

8. The New York Times. (2024, April 15). Mortgage Rates Have Dropped, but Homeowners Are Not Moving. Retrieved from https://www.nytimes.com/2024/04/15/upshot/mortgage-rates-homes-stuck.html.

9. Conference Board. (2024). 50 percent office occupancy rate means trouble for U.S. cities. Retrieved from https://www.conference-board.org/publications/50-percent-office-occupancy-rate-means-trouble-for-US-cities

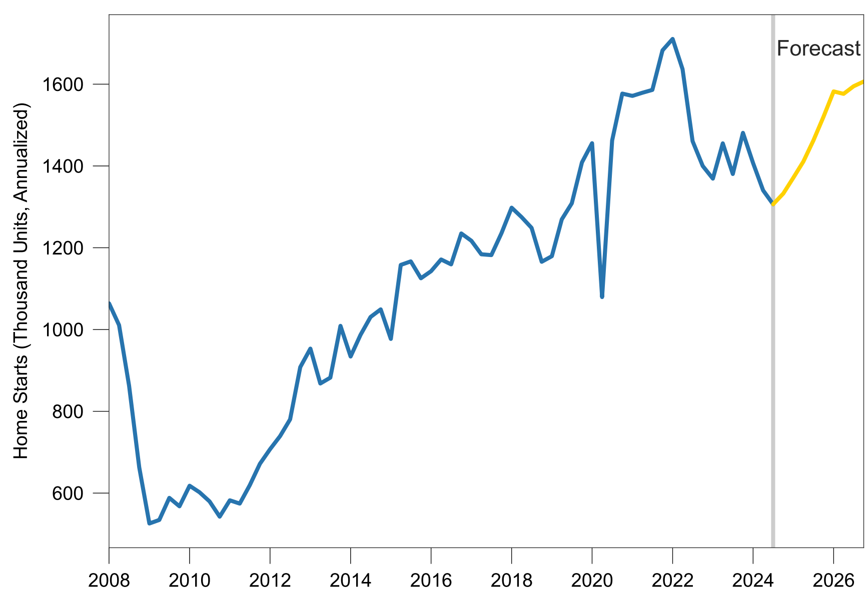
10. CoreLogic. (2022). Quick take: Millennial homebuyers' share continues to rise in 2022. Retrieved from https://www.corelogic.com/intelligence/quick-take-millennial-homebuyers-share-continues-to-rise-in-2022/

Figure 5: Existing Home Sales



Source: National Association of Realtors and UCLA Anderson Forecast

Figure 6: New Housing Starts

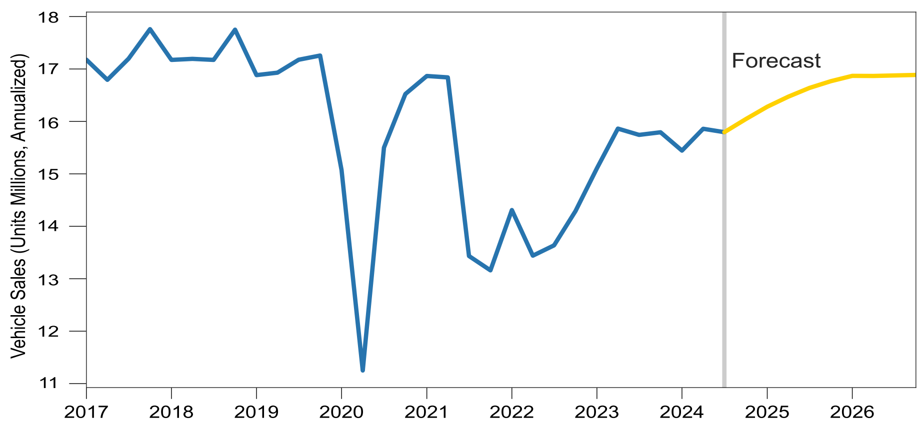


Source: Census Bureau, Department of Housing and Urban Development, and UCLA Anderson Forecast

Vehicles

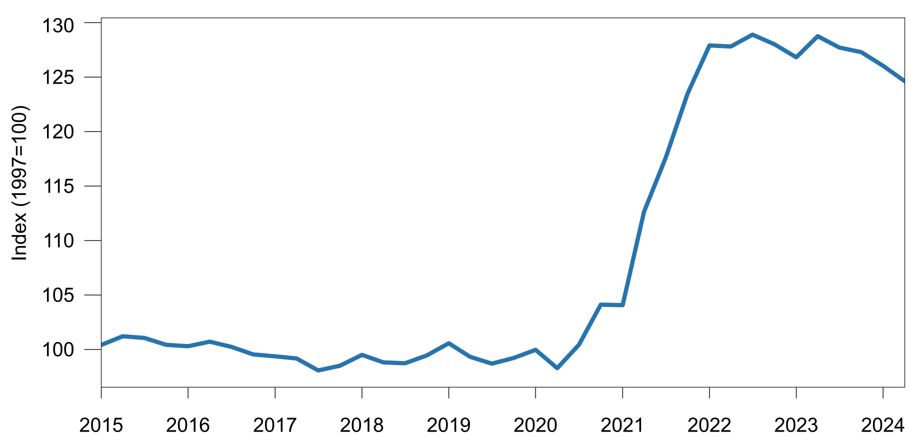
Despite high levels of consumption over the past couple of years, motor vehicle sales have remained below the 17 million units they had stabilized around between 2014 and 2020 (see Figure 7). One contributor to this is the transition to producing hybrid and electric vehicles that is taking place. Finding the right balance in production between internal combustion and electric cars during the transition is no easy task, and it appears that manufacturers have been too optimistic regarding EV adoption, leading to large build-ups in EV inventories.[11] Playing a larger role in the subdued level of vehicle sales, however, is the elevated price level that arose from the shortage of cars due to supply chain constraints during the pandemic (see Figure 8). Vehicle prices have since begun to decline, but at a slow pace that will take years to rebalance the market. Additionally, the cost of financing has been high. Over the next two years, we expect prices of cars to continue to decline relative to the overall price level. Combined with cheaper financing from lower interest rates and declines in the price of EVs due to technological innovation and market saturation, vehicle sales will reach their current stable level of 17 million units annually by the end of 2026.

Figure 7: Light-Weight Vehicle Sales



Source: Bureau of Economic Analysis and UCLA Anderson Forecast

Figure 8: Price of New and Used Motor Vehicles



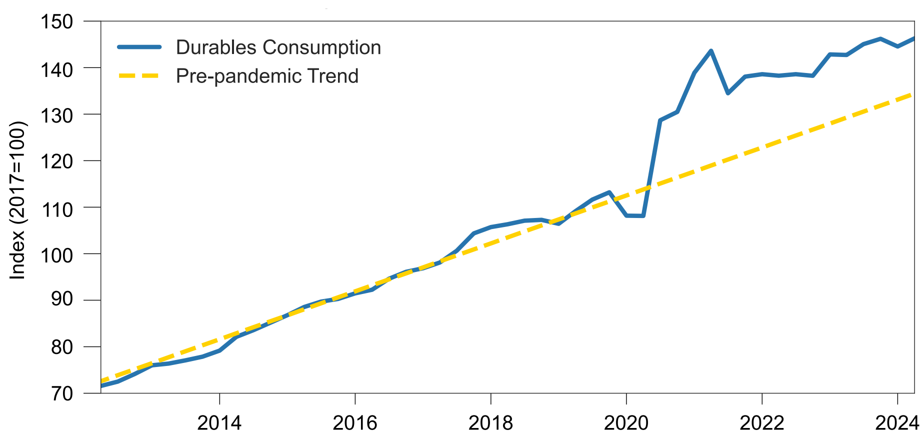
Source: Bureau of Labor Statistics

11. Bloomberg. (2023, December 14). EV inventories hit record high in U.S. as cars pile up on dealer lots. Retrieved from https://www.bloomberg.com/news/articles/2023-12-14/ev-inventories-hit-record-high-in-us-as-cars-pile-up-on-dealer-lots

Household Savings and Expenditures

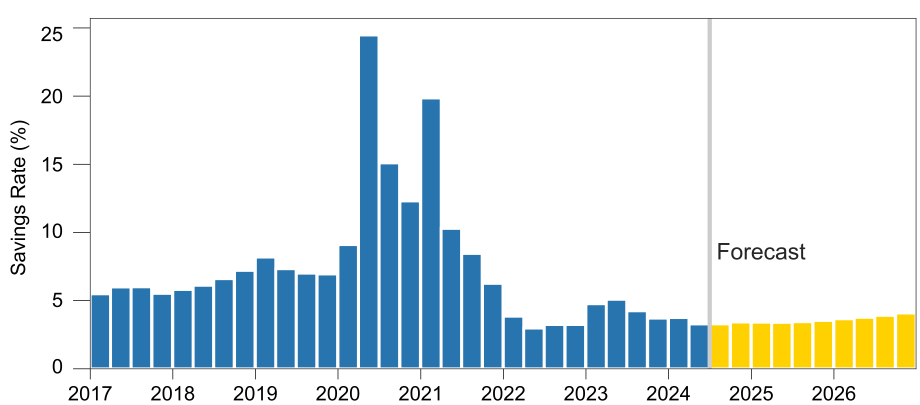
Both due to mandates and voluntary decisions, the COVID-19 pandemic shifted households' expenditures from services to goods. While expenditures on services have since recovered to their pre-pandemic trend, expenditures on durable goods remain elevated (see Figure 9). The spending binge that followed the pandemic was supported by the high level of savings and fiscal stimulus that occurred during it. As this excess liquid wealth was depleted during 2022, spending has since been funded by credit and low savings rates (see Figure 10).[12] Given that the demand for durables will be boosted by the forecasted rise in residential investment and vehicle sales, we expect consumption expenditures to remain above their pre-pandemic trend, and savings rates to remain low in the threes through 2025 and 2026, gradually reverting towards, but not yet reaching, more sustainable levels along the way.

Figure 9: Real Consumption of Durables



Source: Bureau of Economic Analysis

Figure 10: Personal Savings Rate



Source: Bureau of Economic Analysis and UCLA Anderson Forecast

12. Federal Reserve Bank of San Francisco. (2024, August). Pandemic-era liquid wealth is running dry. Retrieved from https://www.frbsf.org/research-and-insights/publications/economic-letter/2024/08/pandemic-era-liquid-wealth-is-running-dry/?utm_source=mailchimp&utm_medium=email&utm_campaign=economic-letter

Interest Rates

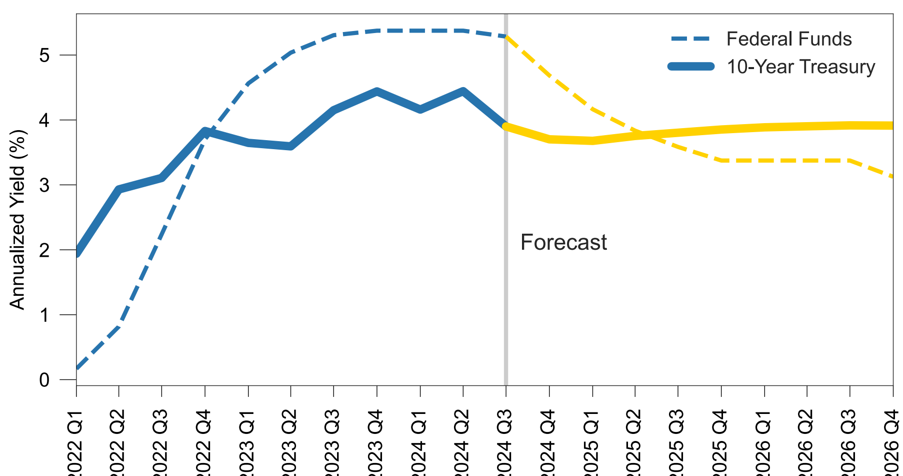
The Federal Reserve cut short-term interest rates in their September FOMC meeting and, according to its own projections, expects rates to end up around 2.9 percent by the end of 2026.[13] In line with their projections, we expect them to continue to cut rates in 25 basis point increments at the next two FOMC meetings to end the year between 4.25 and 4.5 percent, after which a more gradual set of rate cuts will occur with a 25 basis point cut per quarter in 2025. However, because of our expectation of strong growth along with inflation remaining above its 2 percent target, we expect the Fed to pause the federal funds rate cuts in the 3.25-3.5 percent range in the fourth quarter of 2024 as concerns begin to mount about over-stimulating a strong economy (see Figure 11). In the fourth quarter of 2026, when growth is moderating and inflation has reached its two percent target in the official statistics, the Fed will perform a final quarter-point cut. As a result, short-term interest rates will not fall as much as is currently expected through 2026.

Long-term interest rates have already declined substantially. For instance, the 10-year Treasury note has fallen from its 2024 peak in April of 4.7 percent to 3.7 percent preceding the Fed's first rate cut. Despite the Fed choosing a substantial 50 basis point reduction for their first cut, along with a projection of a more aggressive easing cycle for 2025, long rates responded to the news by rising marginally. The likelihood of a soft landing has therefore risen substantially along with expectations of higher future growth and renewed upside risk to inflation.[14] Accordingly, we do not expect long rates to fall much further from their current stance (see Figure 11). However, our expectation of the easing cycle being cut short will lead to a slight rebound in long-term interest rates—to 3.9 percent for the 10-year Treasury note—by the fourth quarter of 2025. It will remain at that level even when short rates come down to just above 3 percent at the end of 2026, exposing a growing term premium due to the larger fiscal deficits from servicing the US debt and the high cost of future climate change adaptation and mitigation measures.

Conclusion

The US economy faces some headwinds going into the fourth quarter of 2024 from labor strikes in systemically important industries and uncertainty regarding the presidential election and its aftermath. Conditional on these factors being resolved smoothly by year-end, we expect the US economy to continue its recent robust pace of GDP growth. This future growth will be driven by a rise in residential investment as the housing market is unlocked from its current state, where many homeowners have delayed moving to avoid giving up their previously acquired low fixed-rate mortgages.

Figure 11: Interest Rates



Source: Federal Reserve Board and UCLA Anderson Forecast

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14. Wall Street Journal. (2024, September 18). The Fed Has Significantly Improved the Odds of a Soft Landing. Retrieved from https://www.wsj.com/economy/jobs/the-fed-has-significantly-improved-the-odds-of-a-soft-landing-3cbf486d.

THE UCLA ANDERSON FORECAST FOR THE NATION

FALL 2024 REPORT

Tables

Table 1: Summary of the UCLA Anderson Forecast for the Nation	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
GDP (% Change)											
Real GDP	1.8	2.5	3.0	2.5	-2.2	5.8	1.9	2.5	2.7	2.1	2.8
Price Indices (% Change)											
GDP Price Index	1.0	1.8	2.3	1.7	1.3	4.6	7.1	3.6	2.6	2.3	2.1
Consumer Price Index (CPI)	1.3	2.1	2.4	1.8	1.2	4.7	8.0	4.1	3.0	2.5	2.3
CPI Excluding Food and Energy	2.2	1.8	2.1	2.2	1.7	3.6	6.2	4.8	3.4	2.5	2.3
Pers. Cons. Expenditure (PCE) Index	1.0	1.7	2.0	1.4	1.1	4.2	6.5	3.7	2.6	2.4	2.2
PCE Index Excl. Food and Energy	1.6	1.6	1.9	1.6	1.3	3.6	5.2	4.1	2.8	2.4	2.2
Producer Price Index (PPI)	-1.0	3.2	3.1	0.8	-1.3	8.9	13.4	1.5	1.0	1.3	1.8
Interest Rates (%)											
Fed Funds	0.4	1.0	1.8	2.2	0.4	0.1	1.7	5.1	5.2	3.7	3.3
90-day Treasury Bill	0.3	0.9	2.0	2.1	0.4	0.0	2.1	5.3	5.2	3.6	3.2
10Y Treasury Bond	1.8	2.3	2.9	2.1	0.9	1.4	3.0	4.0	4.1	3.8	3.9
30Y Treasury Bond	2.6	2.9	3.1	2.6	1.6	2.0	3.1	4.1	4.3	4.2	4.1
Corp Bond	3.2	3.6	4.6	3.6	2.3	2.6	6.0	6.9	6.0	5.6	5.5
Federal Fiscal Policy (% Change)											
Defense Purchases											
Current $	0.4	2.2	5.7	6.8	3.1	1.7	2.4	7.0	4.7	3.0	3.4
Constant $	-0.1	0.4	2.7	4.9	1.9	-2.1	-4.1	3.2	1.2	0.8	0.7
Other Expenditures											
Transfers to Persons	2.8	3.6	4.6	6.0	44.8	8.5	-20.9	1.5	5.2	4.0	6.0
Grants to S&L Govt	4.4	0.7	3.9	4.5	44.3	26.3	-14.5	0.3	-0.7	4.2	1.5
As Shares of GDP (%) Unified Budget Basis, Fiscal Year											
Receipts	17.6	17.1	16.5	16.2	15.8	17.8	19.0	17.1	17.2	17.3	17.0
Outlays	20.5	20.7	20.3	20.6	28.1	31.2	24.6	24.1	23.1	23.3	23.0
Surplus or Deficit	-2.9	-3.5	-3.9	-4.5	-12.3	-13.4	-5.6	-7.0	-5.9	-6.0	-6.0
Details of Real GDP (% Change)											
Real GDP	1.8	2.5	3.0	2.5	-2.2	5.8	1.9	2.5	2.7	2.1	2.8
Consumption	2.5	2.6	2.7	2.0	-2.5	8.4	2.5	2.2	2.5	2.5	2.8
Nonres Fixed Investment	1.8	4.6	6.9	3.7	-4.7	5.9	5.2	4.5	4.1	3.9	5.0
Equipment	-0.9	3.8	5.9	1.1	-10.1	6.4	5.2	-0.3	3.3	4.4	5.7
Intellectual Prop	9.5	6.9	8.9	7.8	4.5	10.4	9.1	4.5	4.3	3.9	4.9
Structures	-3.1	2.6	5.8	2.5	-9.5	-3.2	-2.1	13.2	5.0	3.2	4.2
Residential Construction	7.1	4.3	-0.7	-0.9	7.2	10.7	-9.0	-10.6	3.9	1.6	10.0
Exports	0.5	4.1	2.9	0.5	-13.1	6.3	7.0	2.6	2.1	3.3	5.0
Imports	1.5	4.7	4.0	1.2	-9.0	14.5	8.6	-1.7	3.9	3.6	5.5
Federal Defense Purchases	-0.1	0.4	2.7	4.9	1.9	-2.1	-4.1	3.2	1.2	0.8	0.7
Federal Non-Defense Purchases	1.0	-1.5	2.3	0.9	10.7	6.5	-5.5	4.4	0.6	-0.7	0.4
State & Local Purchases	2.6	0.1	0.8	4.3	1.6	-0.2	1.3	2.2	2.0	1.0	1.0
Billions of 2017 Dollars											
Real GDP	19,142	19,612	20,194	20,692	20,234	21,408	21,822	22,377	22,971	23,458	24,111
Final Sales	19,108	19,579	20,140	20,621	20,264	21,395	21,694	22,333	22,907	23,413	24,081
Inventory Change	33	33	54	71	-30	13	128	44	65	45	30

Table 2: Summary of the UCLA Anderson Forecast for the Nation	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
						Industrial Production and Resource Utilization					
Industrial Production (% Ch.)	-2.2	1.3	3.2	-0.7	-7.1	4.4	3.4	0.2	0.3	1.4	2.8
Capacity Utilization (%)	75.6	76.8	79.8	78.6	72.9	77.7	80.7	79.0	78.0	78.4	80.2
Real Bus. Invest. (% of GDP)	13.3	13.6	14.1	14.3	13.9	13.9	14.4	14.6	14.8	15.1	15.4
						Labor Markets					
Total Nonfarm Emp. (mil)	151.4	153.3	155.8	157.5	147.8	152.6	158.3	161.0	161.4	162.2	163.3
Nonfarm Payroll Emp. (mil)	144.3	146.6	148.9	150.9	142.2	146.3	152.5	156.1	158.6	160.3	161.6
Unemployment Rate (%)	4.9	4.4	3.9	3.7	8.1	5.4	3.6	3.6	4.1	4.3	4.2
Avg. Hours of Work per Week	33.6	33.6	33.7	33.6	33.9	34.3	34.0	33.8	33.7	33.9	34.0
Participation Rate (%)	62.8	62.9	62.9	63.1	61.8	61.7	62.2	62.6	62.6	62.6	62.5
Avg. Hourly Wage, Prod & Non-sup. Emp.	21.54	22.04	22.70	23.51	24.69	25.91	27.57	28.93	30.10	31.07	32.07
						Factors Related to Inflation (% Ch.)					
Nonfarm Business Sector											
Total Compensation (Emp. Cost Index)	2.2	2.4	2.8	2.7	2.6	3.3	4.9	4.5	4.0	3.4	3.3
Productivity	0.1	1.2	1.4	1.3	4.3	2.4	-1.7	0.8	2.5	1.6	2.1
Unit Labor Costs	1.0	2.6	2.1	2.4	3.0	3.2	6.4	3.6	1.7	2.8	2.9
Unit Total Costs	-0.6	4.3	2.6	2.2	4.0	5.3	5.4	1.7	2.2	2.2	2.5
World Food Price Index	1.3	0.6	0.3	-3.8	7.1	29.9	14.2	-9.2	-7.2	1.0	0.9
WTI Crude Oil Price ($/barrel)	43.2	50.9	64.8	57.0	39.3	68.0	94.6	77.6	77.9	78.7	80.7
Housing											
FHFA Home Price Index, All Trans.	5.2	5.4	5.5	4.6	5.2	13.7	16.8	5.8	5.4	3.2	3.8
Case-Shiller Home Price Index, Comp-10	4.5	5.3	5.4	2.0	5.0	16.1	13.8	2.4	5.9	1.3	2.3
Med sales price exist SF home, $ SA (thous	233.7	247.5	259.5	272.3	298.9	354.1	390.3	392.8	408.0	425.4	445.2
						Income, Consumption, and Saving (% Ch.)					
Disposable Income	2.9	4.9	5.7	4.5	7.5	7.4	0.2	8.0	4.1	4.9	5.3
Real Disposable Income	1.9	3.1	3.6	3.1	6.4	3.2	-6.0	4.1	1.5	2.5	3.1
Real Consumption	2.5	2.6	2.7	2.0	-2.5	8.4	2.5	2.2	2.5	2.5	2.8
Savings Rate (%)	5.4	5.8	6.4	7.4	15.2	11.2	3.3	4.5	3.4	3.5	3.9
						Housing and Automobiles					
Housing Starts (mil)	1.177	1.205	1.247	1.292	1.394	1.605	1.552	1.421	1.347	1.441	1.590
Home Sales, SF New (mil)	0.561	0.615	0.614	0.685	0.831	0.770	0.637	0.666	0.689	0.706	0.770
Home Sales, SF Existing (mil)	4.822	4.904	4.736	4.746	5.057	5.425	4.533	3.674	3.662	4.253	5.003
Auto & Light Truck Sales (mil)	17.5	17.2	17.3	17.1	14.6	15.1	13.9	15.6	15.8	16.5	16.9
						Trade					
Current Account Bal. of Payments (% GDP)	-2.1	-1.9	-2.1	-2.1	-2.8	-3.7	-3.9	-3.3	-3.5	-3.5	-3.4
Trade Balance (% GDP)	-2.6	-2.8	-2.9	-3.0	-3.3	-4.4	-4.8	-4.1	-4.4	-4.5	-4.7
Real Effective Exchange Rate (% Ch.)	4.1	-0.4	-1.1	2.9	1.4	-2.2	9.1	0.5	2.4	1.2	1.5

Table 3: Summary of the UCLA Anderson Forecast for the Nation	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4
GDP (% Change)												
Real GDP YOY	2.9	3.1	2.6	2.0	2.1	2.0	2.0	2.4	2.7	2.8	2.9	2.7
Real GDP QOQ Annualized	1.4	3.0	2.5	1.2	1.8	2.3	2.6	2.9	2.8	2.9	2.7	2.5
Price Indices (% Change QOQ Annualized)												
GDP Price Index	3.1	2.5	2.7	2.5	2.3	2.1	1.8	2.0	2.2	2.1	2.0	2.0
Consumer Price Index (CPI)	3.8	2.8	1.9	2.3	2.8	2.8	2.6	2.4	2.2	2.1	2.1	2.0
CPI Excluding Food and Energy	4.2	3.2	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.3	2.2	2.2
Pers. Cons. Expenditure (PCE) Index	3.4	2.5	2.2	2.3	2.5	2.5	2.3	2.2	2.1	2.1	2.0	2.0
PCE Index Excl. Food and Energy	3.7	2.8	2.3	2.5	2.4	2.3	2.2	2.2	2.2	2.1	2.1	2.0
Producer Price Index (PPI)	3.6	-0.1	0.3	0.7	1.9	1.8	1.8	1.7	1.8	1.7	1.8	1.8
Price Indices (% Change YOY)												
GDP Price Index	2.4	2.6	2.5	2.7	2.5	2.4	2.2	2.1	2.0	2.0	2.1	2.1
Consumer Price Index (CPI)	3.2	3.2	2.8	2.7	2.4	2.4	2.6	2.6	2.5	2.3	2.2	2.1
CPI Excluding Food and Energy	3.8	3.4	3.3	3.1	2.7	2.5	2.5	2.4	2.4	2.3	2.3	2.3
Pers. Cons. Expenditure (PCE) Index	2.6	2.6	2.5	2.6	2.4	2.4	2.4	2.4	2.3	2.2	2.1	2.1
PCE Index Excl. Food and Energy	2.9	2.6	2.7	2.8	2.5	2.4	2.3	2.3	2.2	2.2	2.2	2.1
Producer Price Index (PPI)	0.6	1.9	0.5	1.1	0.7	1.2	1.5	1.8	1.7	1.7	1.8	1.8
Interest Rates (%)												
Fed Funds	5.4	5.4	5.3	4.7	4.2	3.8	3.6	3.4	3.4	3.4	3.4	3.1
90-day Treasury Bill	5.5	5.5	5.2	4.6	4.0	3.7	3.4	3.3	3.3	3.3	3.3	3.0
10Y Treasury Bond	4.2	4.4	3.9	3.7	3.7	3.8	3.8	3.9	3.9	3.9	3.9	3.9
30Y Treasury Bond	4.3	4.6	4.2	4.0	4.1	4.2	4.2	4.2	4.2	4.1	4.1	4.1
Corp Bond	6.6	6.7	6.4	6.0	5.7	5.6	5.6	5.6	5.6	5.6	5.6	5.5
Federal Fiscal Policy (% Change QOQ Annualized)												
Defense Purchases												
Current $	4.8	4.6	1.6	3.3	3.0	3.1	3.1	3.3	3.4	3.5	3.5	3.8
Constant $	0.0	1.6	1.5	0.7	0.6	0.5	0.5	0.5	0.7	0.8	0.8	0.9
Other Expenditures												
Transfers to Persons	15.3	5.5	2.5	3.1	3.6	4.3	5.4	6.0	6.1	6.3	6.6	6.6
Grants to S&L Govt	-5.5	3.5	6.9	6.3	3.8	2.6	2.8	2.7	2.2	-0.2	-0.1	-0.3
As Shares of GDP (%) Unified Budget Basis, Fiscal Year												
Receipts	16.5	17.0	17.6	17.9	17.9	17.1	17.0	17.0	**16.9**	17.0	17.0	17.1
Outlays	22.5	22.6	23.7	23.7	23.8	23.3	23.0	23.0	23.0	23.0	22.9	22.9
Surplus or Deficit	-6.0	-5.6	-6.1	-5.9	-5.9	-6.2	-6.0	-6.1	-6.1	-6.1	-5.9	-5.8
Details of Real GDP (% Change QOQ Annualized)												
Real GDP	1.4	3.0	2.5	1.2	1.8	2.3	2.6	2.9	2.8	2.9	2.7	2.5
Consumption	1.5	2.9	3.3	1.8	2.2	2.6	2.8	2.8	2.9	2.8	2.7	2.4
Nonres Fixed Investment	4.4	4.6	5.3	2.0	3.2	4.4	5.0	5.1	5.1	5.1	5.0	4.9
Equipment	1.6	10.8	9.7	0.4	2.7	4.1	5.9	6.0	5.9	5.8	5.7	5.5
Intellectual Prop	7.7	2.6	3.5	3.8	3.3	4.6	4.5	4.8	5.0	5.0	5.0	4.9
Structures	3.4	-1.6	0.7	1.4	4.5	5.3	4.8	4.4	4.0	3.8	3.8	3.6
Residential Construction	16.0	-2.1	-3.8	-2.5	0.0	4.9	9.1	10.9	11.8	11.0	9.5	5.6
Exports	1.6	1.6	2.0	2.5	3.4	3.9	4.5	4.9	5.1	5.2	5.3	5.4
Imports	6.1	7.0	4.2	2.2	2.6	3.6	4.6	5.2	5.7	6.0	6.1	6.0
Federal Defense Purchases	0.0	1.6	1.5	0.7	0.6	0.5	0.5	0.5	0.7	0.8	0.8	0.9
Federal Non-Defense Purchases	-0.3	0.4	-3.5	-0.8	-0.1	-0.3	-0.2	-0.1	0.7	0.8	0.9	0.9
State & Local Purchases	2.1	1.8	0.9	1.0	0.9	0.9	0.9	1.0	1.0	1.0	1.1	1.1
Billions of 2017 Dollars												
Real GDP (SAAR)	22,759	22,925	23,065	23,137	23,239	23,373	23,525	23,697	23,863	24,036	24,199	24,347
Final Sales (SAAR)	22,730	22,856	22,985	23,057	23,175	23,324	23,491	23,662	23,837	24,006	24,168	24,315
Inventory Change (SAAR)	29	69	81	80	63	49	34	34	26	30	30	33

Table 4: Summary of the UCLA Anderson Forecast for the Nation	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4	2026 Q1	2026 Q2	2026 Q3	2026 Q4
						Industrial Production and Resource Utilization						
Industrial Production (% Ch. QOQ Ann.)	-1.8	3.4	1.6	0.9	0.8	1.3	1.9	2.8	3.2	3.4	3.0	2.2
Capacity Utilization (%)	77.7	78.2	78.3	78.0	78.1	78.2	78.5	78.9	79.4	79.9	80.4	80.9
Real Bus. Invest. (% of GDP)	14.7	14.8	14.9	14.9	15.0	15.0	15.1	15.2	15.3	15.4	15.5	15.5
						Labor Markets						
Total Nonfarm Emp. (mil)	161.2	161.3	161.4	161.6	161.8	162.1	162.4	162.6	162.9	163.1	163.4	163.7
Nonfarm Payroll Emp. (mil)	157.8	158.4	158.8	159.2	159.7	160.1	160.5	160.8	161.2	161.4	161.7	162.0
Unemployment Rate (%)	3.8	4.0	4.2	4.3	4.4	4.4	4.3	4.3	4.2	4.2	4.2	4.2
Avg. Hours of Work per Week	33.7	33.7	33.7	33.8	33.8	33.9	34.0	34.0	34.0	34.0	34.0	34.0
Participation Rate (%)	62.6	62.6	62.7	62.7	62.7	62.6	62.6	62.6	62.5	62.5	62.5	62.5
Avg. Hourly Wage, Prod & Non-sup. Emp.	29.7	30.0	30.3	30.5	30.7	30.9	31.2	31.4	31.7	31.9	32.2	32.4
						Factors Related to Inflation (% Ch. QOQ Annualized)						
Nonfarm Business Sector												
Total Compensation (Emp. Cost Index)	4.8	3.7	3.6	3.3	3.5	3.4	3.5	3.4	3.3	3.3	3.2	3.2
Productivity	2.0	2.8	2.1	0.8	1.2	1.6	1.9	2.3	2.1	2.4	2.0	1.8
Unit Labor Costs	3.7	1.7	3.7	3.3	1.4	3.8	3.2	2.9	3.2	2.5	2.6	2.8
Unit Total Costs	2.5	2.6	1.4	3.1	1.1	2.7	2.5	2.7	2.7	2.2	2.2	2.7
World Food Price Index	-13.8	-3.4	-3.2	0.6	2.2	2.9	2.5	1.8	0.1	0.1	0.2	0.2
WTI Crude Oil Price ($/barrel)	77.3	81.2	78.1	75.0	76.8	78.3	79.5	80.3	80.7	80.7	80.7	80.7
Housing												
FHFA Home Price Index, All Trans.	6.2	4.6	3.2	2.9	2.9	3.1	3.4	3.7	3.9	3.9	4.0	4.0
Case-Shiller Home Price Index, Comp-10	4.9	6.5	0.4	0.4	0.9	1.2	1.7	2.1	2.5	2.6	2.7	2.7
Med sales price exist SF home, $ SA (thous)	404.2	405.7	408.7	413.4	418.1	422.8	427.8	433.0	438.0	442.6	447.3	452.7
						Income, Consumption, and Saving (% Ch. QOQ Annualized)						
Disposable Income	4.8	3.6	5.5	4.7	4.7	5.0	5.3	5.4	5.5	5.3	5.3	5.2
Real Disposable Income	1.3	1.0	3.2	2.4	2.1	2.5	2.9	3.1	3.3	3.2	3.2	3.1
Real Consumption	1.5	2.9	3.3	1.8	2.2	2.6	2.8	2.8	2.9	2.8	2.7	2.4
Savings Rate (%)	3.8	3.3	3.3	3.4	3.4	3.4	3.5	3.5	3.7	3.8	3.9	4.1
						Housing and Automobiles						
Housing Starts (mil)	1.407	1.340	1.306	1.333	1.372	1.411	1.462	1.520	1.582	1.576	1.595	1.606
Home Sales, SF New (mil)	0.663	0.690	0.703	0.699	0.692	0.697	0.710	0.725	0.744	0.765	0.781	0.788
Home Sales, SF Existing (mil)	3.797	3.657	3.539	3.654	3.831	4.145	4.412	4.622	4.840	4.989	5.067	5.117
Auto & Light Truck Sales (mil)	15.4	15.9	15.8	16.0	16.3	16.5	16.6	16.8	16.9	16.9	16.9	16.9
						Trade						
Current Account Bal. of Payments (% GDP)	-3.4	-3.6	-3.4	-3.5	-3.5	-3.5	-3.4	-3.4	-3.4	-3.4	-3.3	-3.4
Trade Balance (% GDP)	-4.2	-4.4	-4.5	-4.5	-4.5	-4.5	-4.5	-4.5	-4.6	-4.6	-4.7	-4.8
Real Eff. Exchange Rate (% Ch. QOQ Ann.)	-2.0	8.1	2.2	0.0	0.1	0.7	1.2	1.7	1.7	1.7	1.5	1.4

THE UCLA ANDERSON FORECAST FOR THE NATION

FALL 2024 REPORT

Charts

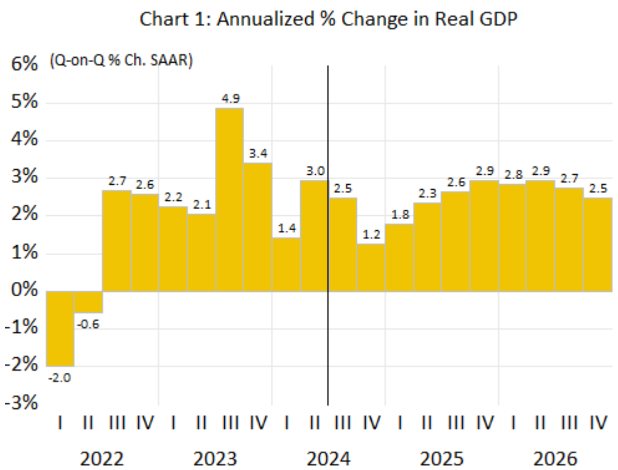


Chart 1: Annualized % Change in Real GDP
(Q-on-Q % Ch. SAAR)
6%
5%
4%
3%
2%
1%
0%
-1%
-2%
-3%
-2.0
-0.6
2.7
2.6
2.2
2.1
4.9
3.4
1.4
3.0
2.5
1.2
1.8
2.3
2.6
2.9
2.8
2.9
2.7
2.5
I II III IV I II III IV I II III IV I II III IV I II III IV
2022
2023
2024
2025
2026

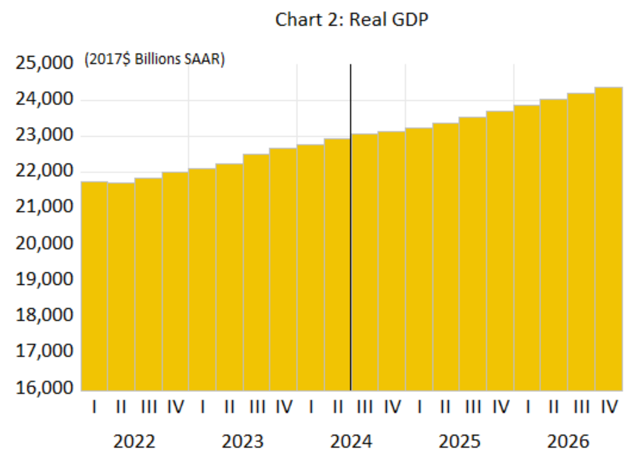


Chart 2: Real GDP
(2017$ Billions SAAR)
25,000
24,000
23,000
22,000
21,000
20,000
19,000
18,000
17,000
16,000
I II III IV I II III IV I II III IV I II III IV I II III IV
2022
2023
2024
2025
2026

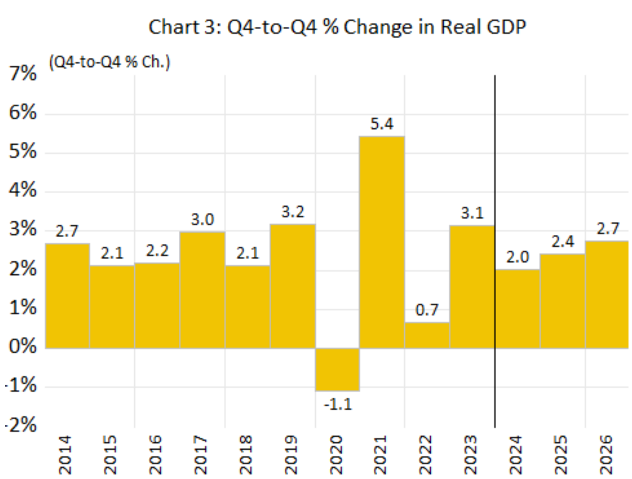


Chart 3: Q4-to-Q4 % Change in Real GDP
(Q4-to-Q4 % Ch.)
7%
6%
5%
4%
3%
2%
1%
0%
-1%
-2%
2.7
2.1
2.2
3.0
2.1
3.2
-1.1
5.4
0.7
3.1
2.0
2.4
2.7
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026

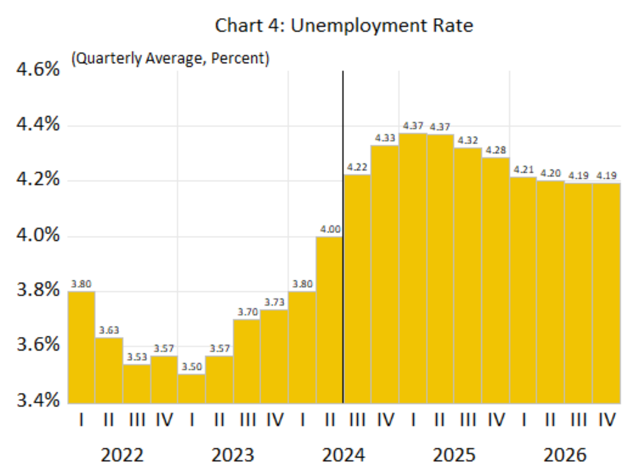


Chart 4: Unemployment Rate
(Quarterly Average, Percent)
4.6%
4.4%
4.2%
4.0%
3.8%
3.6%
3.4%
3.80
3.63
3.53
3.57
3.50
3.57
3.70
3.73
3.80
4.00
4.22
4.33
4.37
4.37
4.32
4.28
4.21
4.20
4.19
4.19
I II III IV I II III IV I II III IV I II III IV I II III IV
2022
2023
2024
2025
2026

Chart 5: Civilian Labor Force Participation Rate

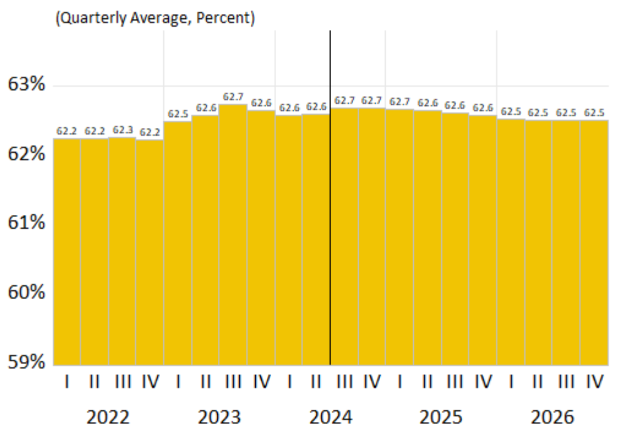


Chart 6: Total Nonfarm Payrolls

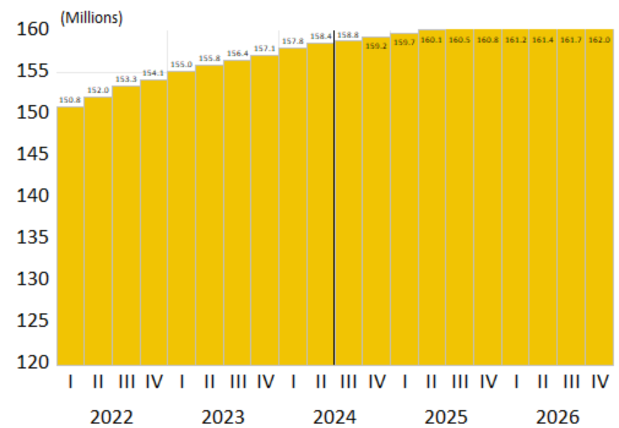


Chart 7: PCE Inflation

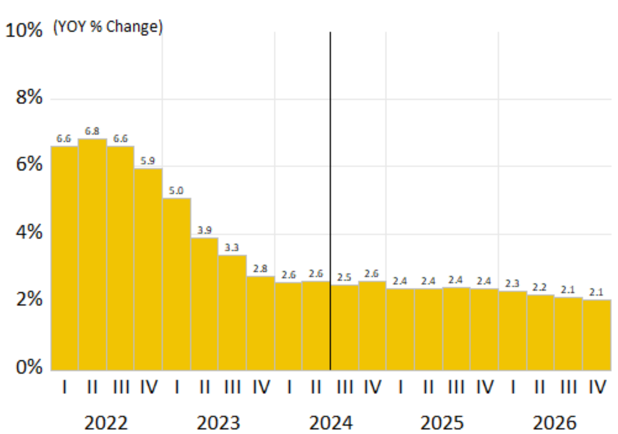


Chart 8: Core PCE Inflation, Excl. Food & Energy

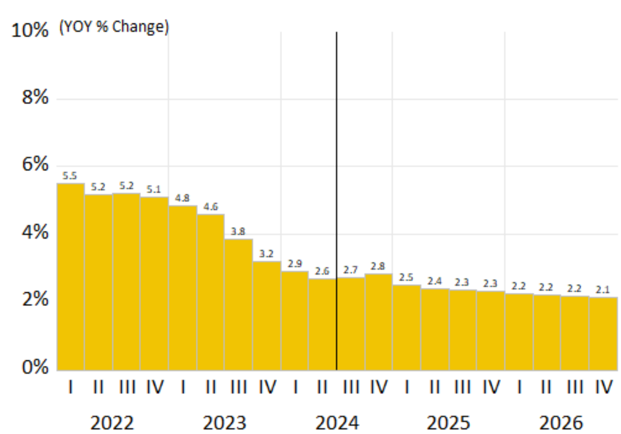


Chart 9: CPI Inflation, All-Urban

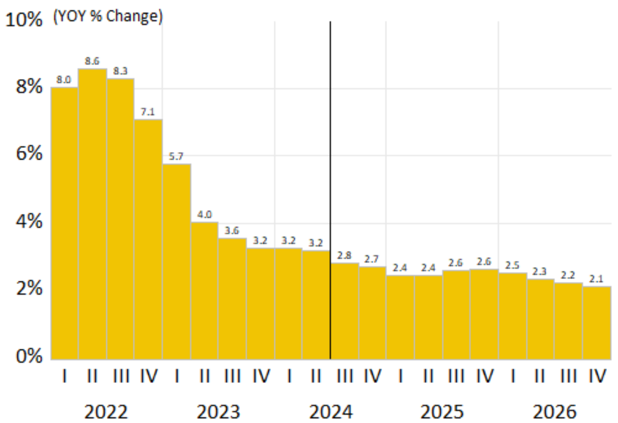


Chart 10: Core CPI Inflation, Excl. Food & Energy, All-Urban

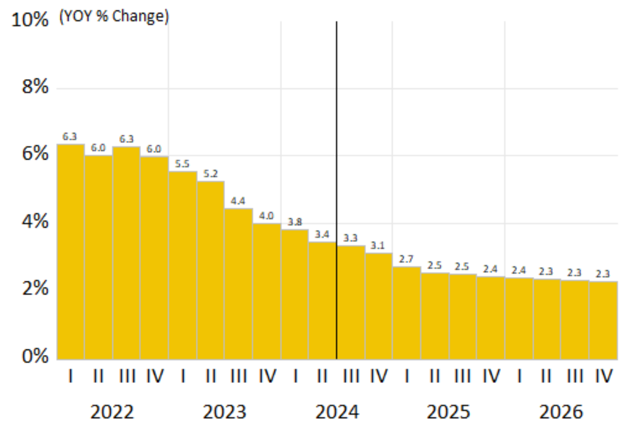


Chart 11: Real Pers. Disp. Income and Consumer Spending

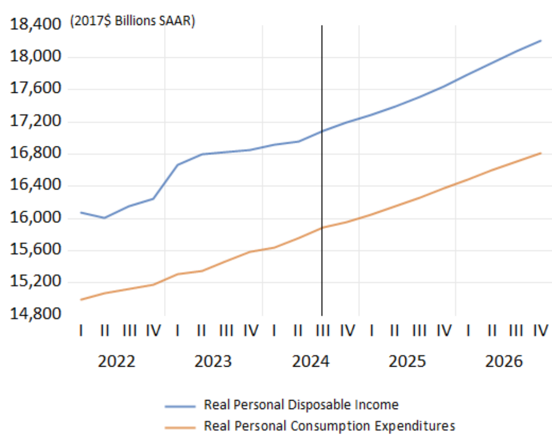


Chart 12: Real Consumer Spending on Goods and Services

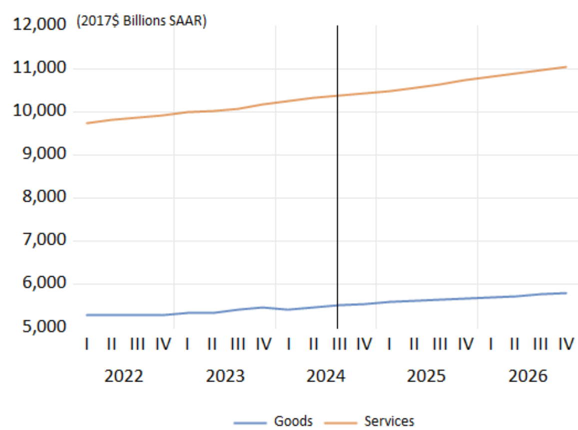


Chart 13: Real Consumer Spending on Goods and Services, % Change

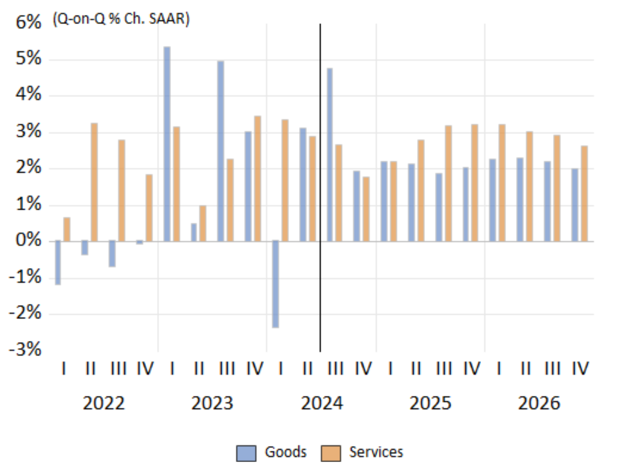


Chart 14: Personal Saving, % of Disposable Income

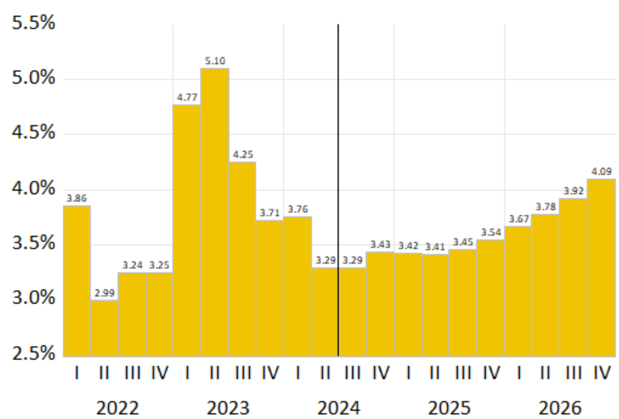


Chart 15: Real Private Fixed Investment

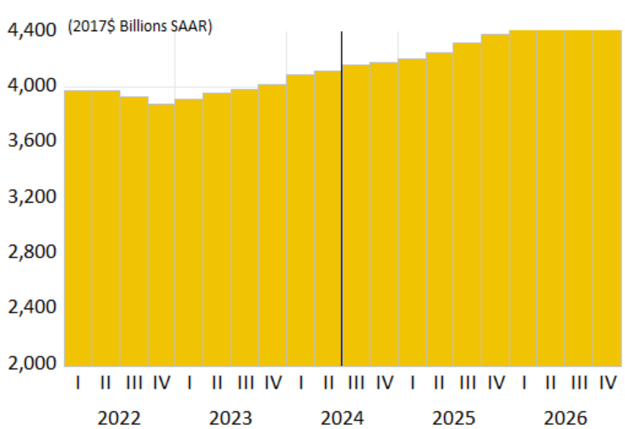


Chart 16: Real Private Residential Fixed Investment

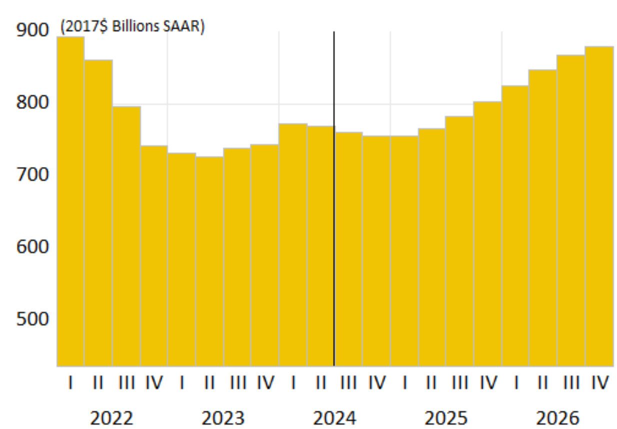


Chart 17: Real Private Business Investment

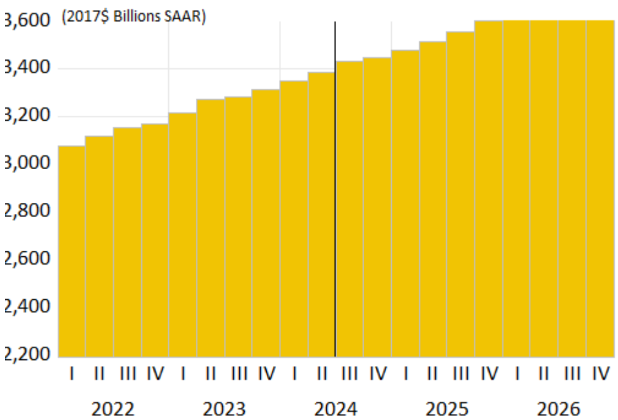


Chart 18: Real Change in Business Inventories

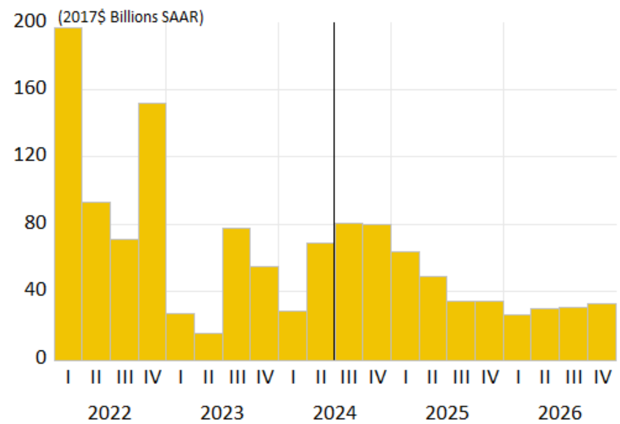


Chart 19: Housing Starts

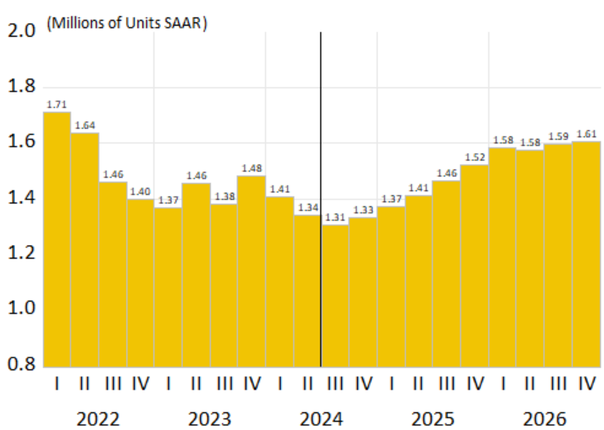


Chart 20: Federal Government Expenditures and Revenues

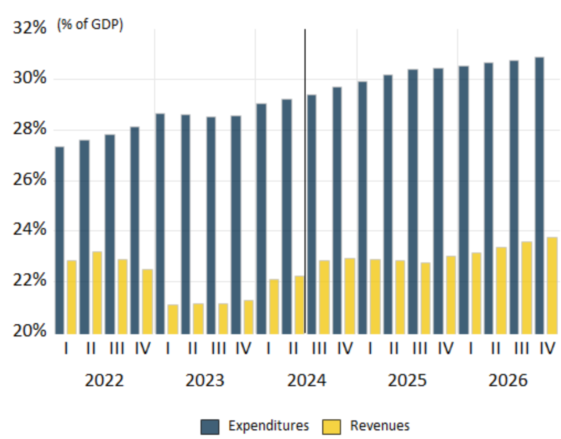


Chart 21: Federal Deficit, % of GDP

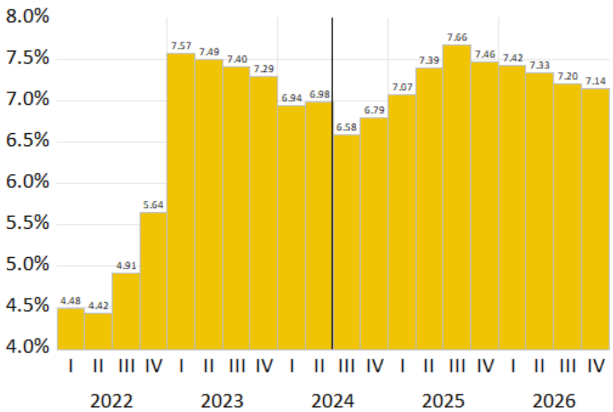


Chart 22: Real Exports and Imports of Goods and Services

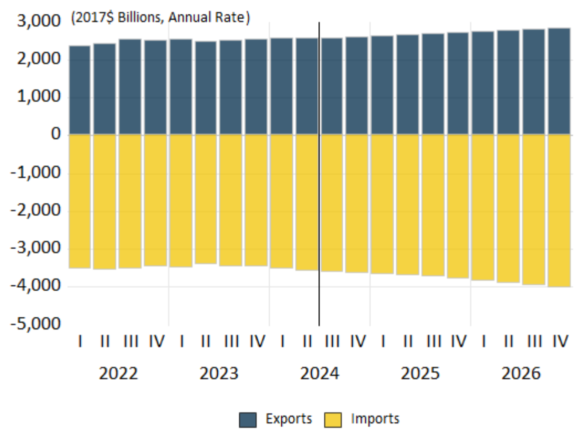
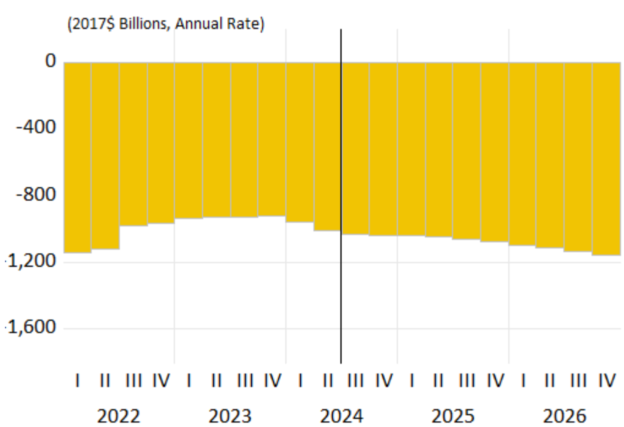


Chart 23: Real Net Exports of Goods and Services



THE UCLA ANDERSON FORECAST FOR CALIFORNIA

FALL 2024 REPORT

The California Report: A 2024 Growth Hiatus Before a Return to Superior Growth

The California Report: A 2024 Growth Hiatus Before a Return to Superior Growth

Jerry Nickelsburg
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Fall 2024

Introduction

Although, California's GDP grew at a 3.7% compound annual rate in 2023 (2022 Q4 to 2023 Q4), faster than the U.S. and all but three large states, Washington, Florida, and Texas, the growth in 2024 Q2 was only 2.8% on an annual basis, 0.2 percentage points less than the U.S. With U.S. economic growth not expected to accelerate until after the election, a full year of sub-par growth in California is forecast. There are specific sectoral weaknesses in California as evidenced by its high unemployment rate, and these will continue to contribute to this atypical year of slow growth. The following two years (2025 and 2026) will be characterized by a more typical, higher-than-U.S. economic growth led by technology and aerospace.

This California report begins with a look at the current employment and unemployment situation including a discussion of three key sectors: technology, housing/construction, and logistics. This is followed by a return to the analysis of the writer's and actors' strikes in light of the new post-strikes data. The report concludes with a discussion of the economic outlook for 2024 through 2026.

Employment Retrospective

There are normally two measures of employment considered when analyzing labor markets in California; the household survey metric which counts the number of people employed and the enterprise survey metric which counts the number of payroll jobs. The household survey reported that the number of people employed in August 2024 was 2.1% below the number of employed at the pre-pandemic peak. The decline in employment over and above the decline in the labor force led to an increase in the unemployment rate to 5.3% in August. The decline in the labor force can be attributed to retirements, migration out-of-state, and individuals choosing to spend their time in non-market activities such as child raising. Breaking down the decrease in the labor force by county, one finds that the majority of counties with a declining labor force are rural counties in northern and inland California, counties that have been losing population for some time or that are heavily agricultural. However, their losses are small relative to the decline in the Bay Area labor force.

Over the same period, California's non-farm payroll jobs increased, and they now exceed the pre-pandemic level by 418,400 jobs. The difference between the two metrics can be partly explained by the difference in the definition of employment in the two surveys. The household survey is a measure based on the domicile of the worker. If a former San Francisco office worker is now remote in Phoenix, then they would not be counted in the labor force and employment numbers for California in the household survey. This would represent a decrease in the state's aggregate labor force. However, if their job were still at an enterprise in San Francisco, they would remain in the enterprise survey as employed in San Francisco. They are working in San Francisco (virtually) and living in Phoenix (in true life). This, at least in part, explains the large decline in San Francisco's labor force.

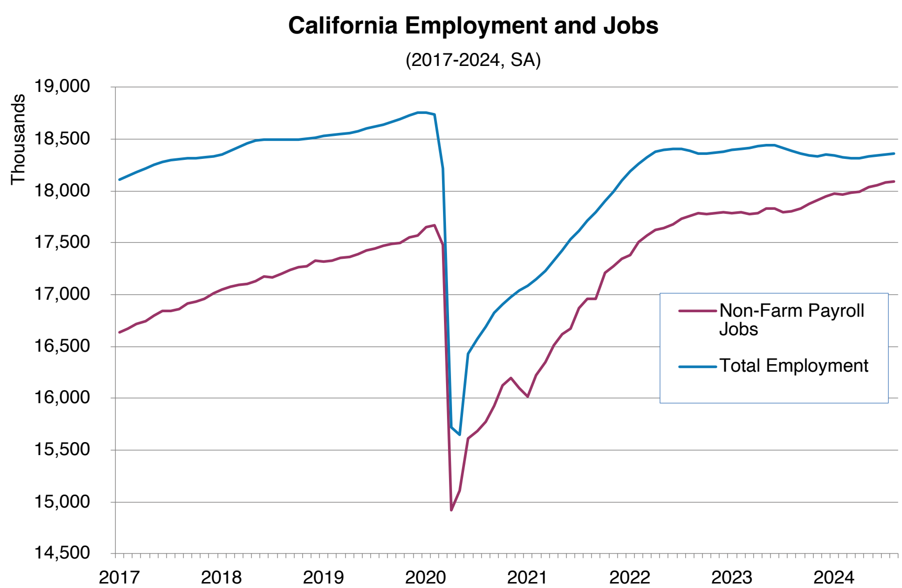
Nevertheless, there seems to be a disconnect between the two surveys. Since the household survey is based on a small number of interviews with individuals and the enterprise payroll job survey is based upon a large number of required regulatory reports, the enterprise survey is likely the most reliable indicator of labor markets in the state (Chart 1). The March 8 benchmark release lowered the estimate of the number of payroll jobs. This revision of the data and the second-highest in the nation unemployment rate raises the question; is California moving in the opposite direction as the U.S. in employment this year? The answer is yes in part, but for very specific sectoral reasons.

Importantly, many of the new payroll jobs are in sectors different from those where job loss was the most acute. This disparity is evident in Chart 2. In the logistics, technology, construction, education, government, and health care and social services sectors, job creation makes up the bulk of the increase. The sectors with the largest decrease in employment since the pre-pandemic peak are manufacturing, information, temporary services, and finance. While these represent a broad swath of employment in the state, the reason for the contraction in each and the prospect for a turnaround are different from one another.

While the tech sector has lost employment, it was from a 2022 peak and the losses have now abated. The tech sector underwent an adjustment following the exuberant pre-2023 hiring, but employment remains above the 2019 peak. Durable goods manufacturing, which includes computer-related manufacturing, should turn around with new factories now in construction opening, increased demand as the economy grows over the next two years, AI development, and commercial aerospace production rates increasing in 2025 and 2026. Similarly, the finance sector should turn around with growth in both housing development and home sales, and with the now lower interest rates. There are three sectors for which we are less optimistic; Information, which includes Hollywood, the couriers sub-sector of transportation and warehousing, and K-12 education. Below we look more closely at the prospect for increased employment in entertainment. For couriers, the delivery requirements of the pandemic have mostly disappeared, and coupled with higher wages, have led firms to permanently reduce delivery services and hence employment.[1] With respect to education, the school-age population in the state has declined from both out-migration and falling fertility rates, and therefore the need for teachers, administrators, and support personnel has declined as well.

The pace of employment growth in California is of course, geographically variable. Over the first 8 months of 2024, slower than U.S. job growth has been experienced by Silicon Valley, San Francisco and San Diego (Chart 3). This reflects the slow to negative growth in technologically sophisticated equipment including computers and peripherals. In addition, the San Joaquin Valley, hit by a second year of unusual winter weather, has lost payroll and farm jobs this year. Despite

Chart 1



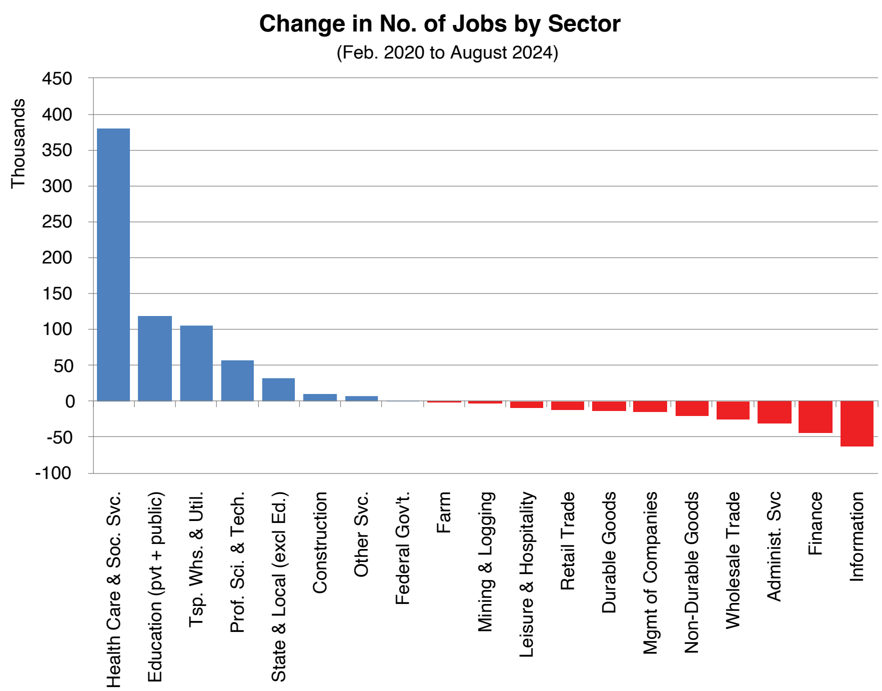
Source: edd.ca.gov

1. *See for example https://capitalandmain.com/blame-home-delivery-driver-layoffs-on-proposition-22-0107*

anemic job growth in August, other regions in California have seen employment growing at rates substantially higher than the U.S.

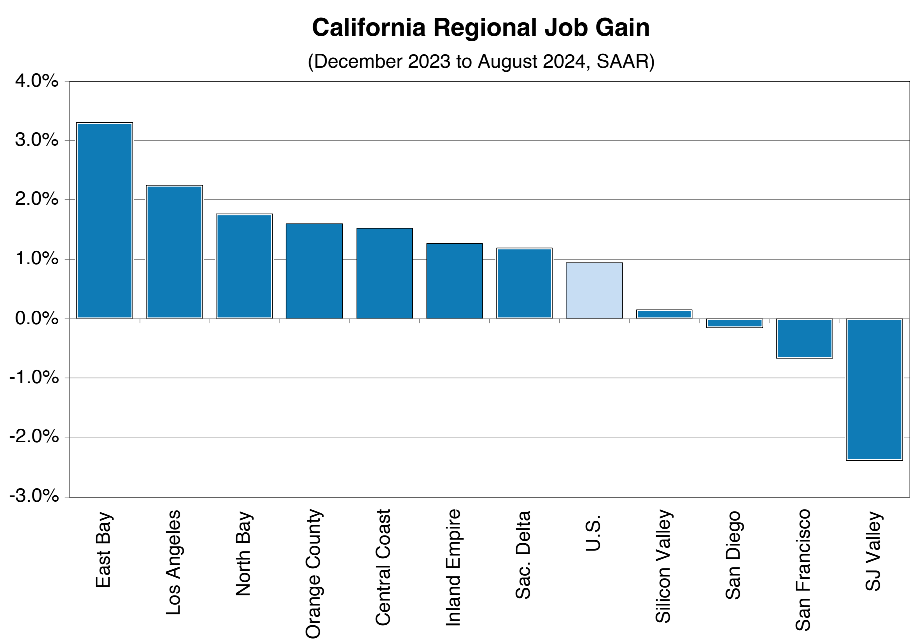
This employment picture leads to a relatively weak California forecast for 2024 and a slow return to the national unemployment rate. As indicated above, most of the weakness should be resolved by 2025, and except for labor force constraints which could be exacerbated by more restrictive immigration, ought to lead to higher growth rates through the rest of the three-year forecast.

Chart 2



Source: edd.ca.gov

Chart 3



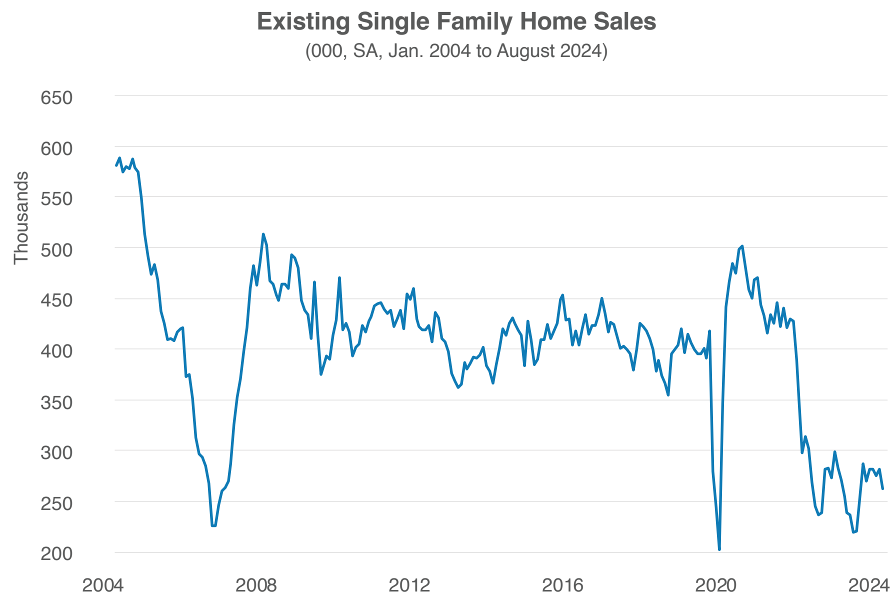
Source: edd.ca.gov

Housing Markets

The housing market in California may well be on the cusp of a trend toward normalization. Lower mortgage rates and the passage of time should begin to free up the existing single-family home market. The latest data, August 2024, reflects a market that is still at depression levels (Chart 4). However, those data are from home sales that have been under contract for one or more months. November and December home sales will likely reflect the new lower mortgage rates.

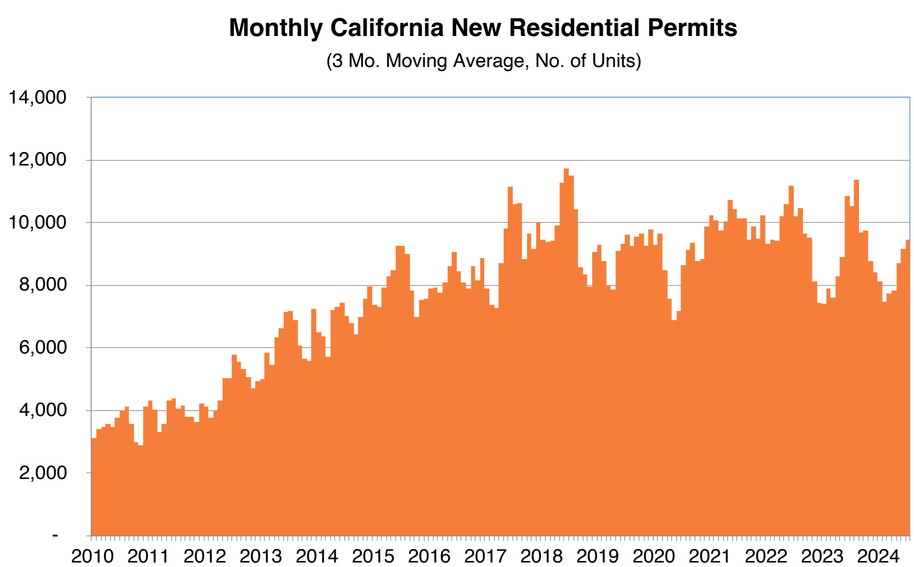
With existing home sales at depression levels, builders should be responding with new developments, but a very wet winter has resulted in very little growth in building permits (Chart 5). The Winter Allen Matkins/UCLA Anderson Forecast Commercial Real Estate Survey reported that 32% of the panelists in Northern California and 55% in Southern California would, however, begin one or more new multi-family projects in 2024. The slow start to new home construction has been factored into our forecast with weaker housing in 2024 and a resurgence in 2025.

Chart 4



Source: California Association of Realtors

Chart 5



Source: U.S. Census Bureau

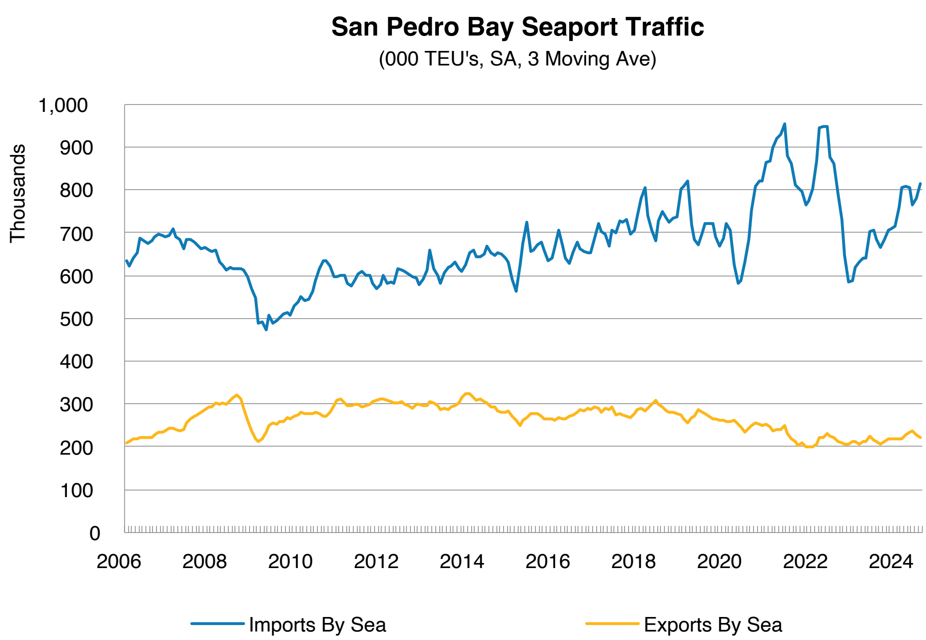
Logistics

In previous California reports we documented a slowdown in goods movements through the primary seaports and airports of the state. The downturn in imported goods movement at the three major seaports reversed as the factors leading to it have now faded into the past. Some of the previous sharp downturn was due to trans-Pac shipping being diverted to East Coast ports as a risk mitigation strategy on the part of shippers with the then still unsettled labor issues at West Coast ports, and some was due to a shift by households from goods purchases back to services (Chart 6). Currently, longer shipping times coupled with the drought in Panama slowing passage to the Gulf of Mexico have resulted in an increase in goods movement through the California ports. The violent attacks on Red Sea freighters passing by Yemen are contributing in a small way to a stronger than previously forecast recovery in import volume through California's seaports. Finally, while labor issues are now settled for West Coast Ports, they are far from settled at East Coast and Gulf Coast Ports. Traffic has begun to divert to the Ports of Los Angeles, Long Beach, and Oakland.

The weak exports evident in the data in Chart 6 are a consequence of two factors; weather-related reductions in agricultural shipments and weak foreign economies. The U.S. forecast has increases in exports due to a recovery in other economies as well as an increase in imports of consumer goods due to rising U.S. incomes. These factors add up to renewed growth in logistics in California over the next three years. Even though redundant courier labor has been let go, the growth in port traffic and its employment implication leads to a forecast of slow, but positive growth in jobs in the logistics sector.

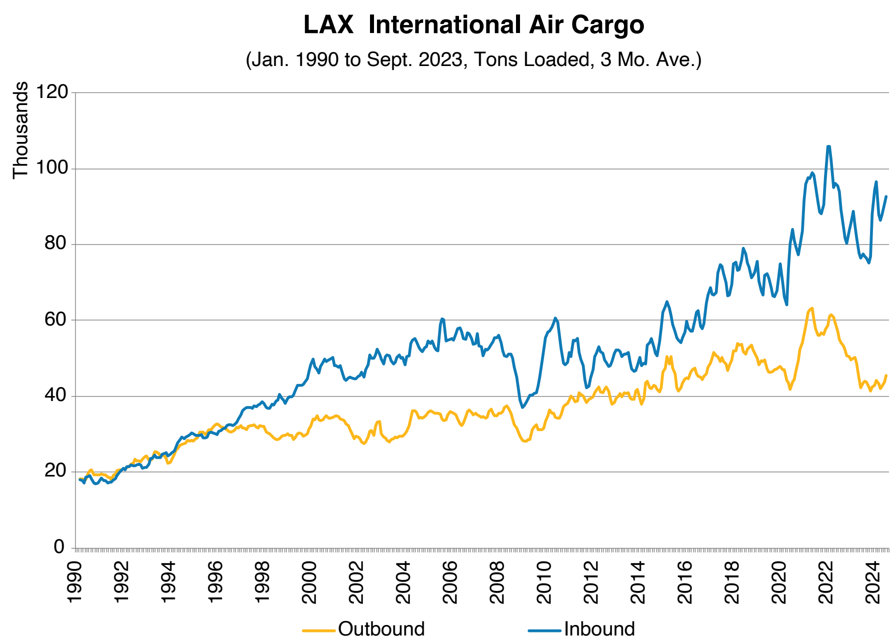
California's international airports have now returned to normal times (Chart 7) in the sense that air cargo is approximately at pre-pandemic levels. However, there is no clear neutral or positive trend. The expectation is that increased Trans-Pac flights, particularly between the U.S. and China, will increase belly cargo at LAX and SFO in the coming three years. Though a similar pattern is seen in domestic cargo through California's regional airports (Chart 8), there are currently no significant factors leading to other than a continuation of trend growth. Domestic goods movement by air remains below pre-pandemic levels in Northern California. In Southern California, it has now recovered and is above trend. For airports, the forecast has moderate logistics growth through 2024. While there are now fundamentals in place for faster growth in logistics activity in 2025 and 2026, the fly in the ointment is in the coming automation of warehouses improving labor productivity and in the future, reducing the demand for logistics employees relative to the volume of traffic.

Chart 6



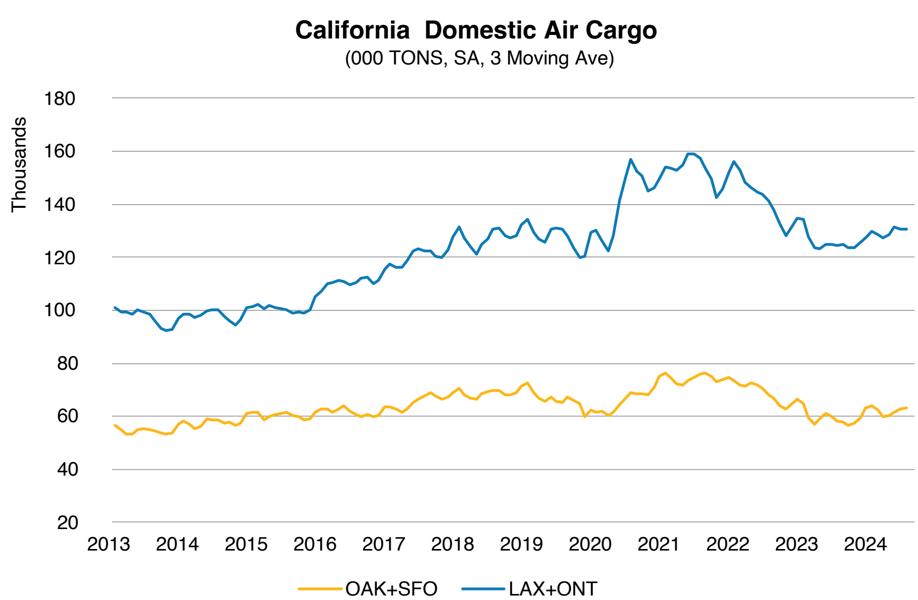
Source: Various

Chart 7



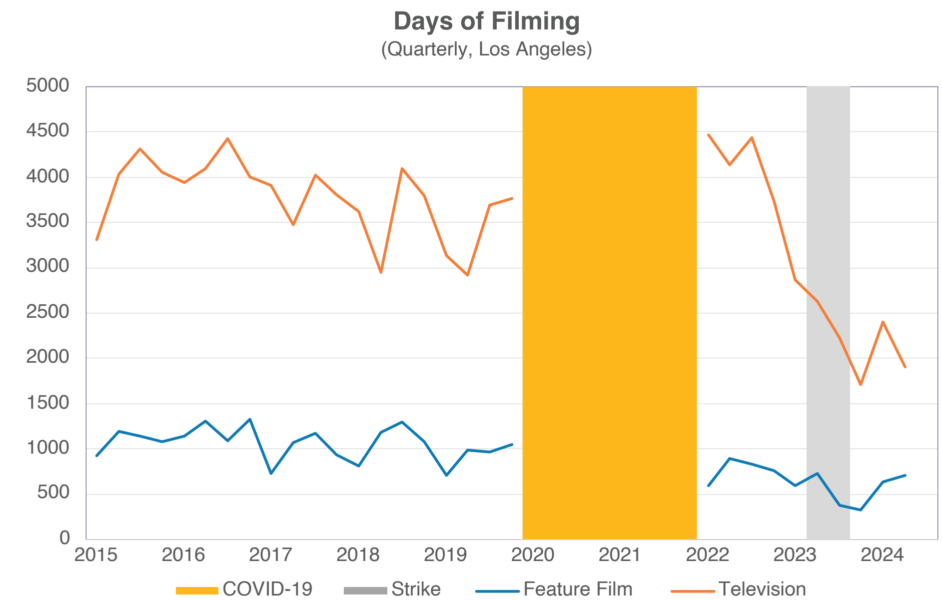
Source: LAWA

Chart 8



Source: LAX, SFO, OAK, ONT

Chart 9



Source: FilmLA

Hollywood: The Twin Strikes Economic Impact Revisited

The dual strikes in Hollywood shut down much of the new production from April 2023 to early November 2023. Throughout the strike period there were speculations, sometimes offered without appropriate caveats with regard to their certainty, about the economic impact. Indeed, everyone wanted to know on a daily basis the impact on the Los Angeles economy and by extension on the California economy. The problem was and remains that it is complicated. For example, 2022 was a recovery year from the dearth of production during the pandemic years of 2020 and 2021. Should the comparison be between 2023 when the strike was going on and 2022 when the industry was producing additional content post-pandemic? That would certainly inflate the economic impact. But what about using a more normal year like 2019? From then until now the entertainment industry has been adjusting to digital media, streaming, and business models that were not generating the required returns to continue as before. This has resulted in a downward trend in the production of film and television. In an earlier article[2], a preliminary estimate of the economic impact was presented. An important caveat to the estimate was that very little post-strike production had occurred and that could well change in the ensuing months.

We now have data through the middle of 2024 and as speculated in the aforementioned article, the restructuring of Hollywood rather than the strikes was more important in the loss of production. This has direct implications for the recovery of this sector to pre-strikes levels anytime soon. This inference can be gleaned from Chart 9. Notice the steep drop in the number of days of filming in both television and feature films in 2022, a year that should have seen an increase as studios recovered lost content due to the pandemic and as they prepared for what might be an attenuated labor action. The three-quarters post-strike number of days of filming for television shows very little recovery. Days of filming are 40% to 50% of pre-pandemic levels and 28% below 2022 Q2. It looks very much like the strikes brought the number of days of filming down to the new normal. For feature films, the news is considerably better with 2024 Q2 only 3% below that of the previous year. These numbers are consistent with the overproduction of content for television and streaming pre-pandemic and the restructuring of that portion of Hollywood.

2. *Jerry Nickelsburg. "Hollywood Restructuring and the Economic Impact of the Writers and Actors Strikes," UCLA Anderson Forecast, March 2024.*

The Forecast

The sector-by-sector analysis above results in a forecast for the California economy to, once again, grow faster than the U.S. in 2025 and 2026 but not by much. The risks to the forecast are political and geopolitical, and the potential for interest rates to still disrupt the current expansion on the downside and increased international immigration and accelerated onshoring of technical manufacturing on the upside.

The unemployment rate for the 4th quarter of this year is expected to average 4.9%, and the average for 2024, 2025, and 2026 is expected to be 5.1%, 4.4%, and 4.2% respectively. Our forecast for 2024, 2025, and 2026 is for total employment growth rates to be -0.3%, 2.3% and 1.9%. Non-farm payroll jobs are expected to grow at a 1.9%, 2.4%, and 2.5% rate during the same two years. Real personal income is forecast to grow by 0.7% in 2024, 2.5% in 2025 and 3.0% in 2026. Despite the higher interest rates, the continued demand for a limited housing stock coupled with state policies inducing new homebuilding should result in the beginning of a recovery this year followed by solid growth in new home production thereafter. Our expectation is for 110K net new units to be permitted in 2024 and permitted new units to grow to 152K by the end of 2026. Needless to say, this level of home building means that the prospect of the private sector building out of the housing affordability problem over the next three years is nil.

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Tables

Summary of the UCLA Anderson Forecast for California by Calendar Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Personal Income and Taxable Sales												
Personal Income												
(Bil. $)	2097.0	2191.1	2295.0	2411.1	2538.0	2767.5	3013.7	3006.6	3127.2	3281.7	3457.0	3658.8
(% Ch.)	7.2	4.5	4.7	5.1	5.3	9.0	8.9	-0.2	4.0	4.9	5.3	5.8
Real Personal Income												
(Bil. 2017 $)	2208.8	2255.9	2294.9	2324.6	2378.3	2546.7	2664.2	2475.8	2476.0	2508.2	2562.8	2653.8
(% Ch.)	5.7	2.1	1.7	1.3	2.3	7.1	4.6	-7.1	0.0	1.3	1.9	3.3
Taxable Sales												
(Bil. $)	638.0	653.2	677.0	706.1	731.9	706.2	862.2	951.3	931.4	937.8	977.6	1032.0
(% Ch.)	3.7	2.4	3.6	4.3	3.7	-3.5	22.1	10.3	-2.1	0.7	4.2	5.6
Real Taxable Sales												
(Bil. 2017 $)	672.0	672.6	677.0	680.8	685.9	649.7	761.5	783.4	737.6	717.4	726.1	747.9
(% Ch.)	2.2	0.1	0.7	0.6	0.7	-5.3	17.2	2.9	-5.8	-2.7	1.2	3.0
Price Inflation (% Change)												
Consumer Prices	1.4	2.3	3.0	3.7	2.9	1.8	4.2	7.3	4.0	3.5	3.0	2.5
Employment and Labor Force (Household Survey)												
Employment (% Ch.)	2.2	1.8	1.6	1.2	0.8	-8.5	3.2	4.4	0.2	-0.5	1.2	2.6
Labor Force (% Ch.)	0.8	1.0	0.9	0.6	0.5	-2.3	0.0	1.1	0.7	0.0	0.7	2.1
Unemployment Rate (%)	6.2	5.5	4.8	4.3	4.0	10.2	7.3	4.3	4.7	5.2	4.8	4.4
Nonfarm Employment (Payroll Survey, % Change)												
Total Nonfarm	3.0	2.7	2.1	2.1	1.5	-7.2	3.5	5.5	0.9	1.2	1.4	1.8
Natural Resources & Min.	-9.7	-15.3	-1.7	2.5	0.5	-11.5	-5.1	2.4	-0.0	3.3	6.6	2.5
Construction	8.6	6.0	4.5	6.2	2.9	-3.4	3.1	3.4	0.2	2.0	4.6	3.2
Manufacturing	1.8	0.5	0.2	0.9	0.2	-4.6	1.2	4.3	-0.3	-1.3	2.1	2.0
Nondurable Goods	1.3	0.9	-0.6	-1.1	-0.4	-6.7	2.0	3.8	-1.2	-1.0	-0.8	-0.2
Durable Goods	2.1	0.3	0.7	2.1	0.6	-3.5	0.7	4.6	0.2	-1.5	3.7	3.2
Tran., Warehousing & Utility.	6.3	6.7	6.4	5.2	5.9	3.8	8.0	6.9	-2.0	-0.1	3.0	3.6
Trade	1.7	0.9	0.4	-0.1	-1.4	-7.7	3.4	2.3	-0.1	-0.1	1.3	2.1
Information	5.2	7.8	0.7	2.6	3.3	-4.0	5.2	8.6	-9.4	-4.8	1.1	0.1
Financial Activities	2.5	2.6	1.2	0.6	0.4	-3.1	1.3	1.4	-2.8	-0.6	3.2	2.1
Professional & Bus. Servs.	2.6	1.7	2.1	3.4	2.0	-4.6	4.2	5.2	-2.7	0.4	3.1	3.2
Educational & Health Servs.	3.6	3.6	3.8	2.7	3.1	-2.5	2.9	4.1	5.8	3.2	-1.9	1.4
Leisure & Hospitality	4.1	4.0	2.7	2.0	2.1	-27.2	10.8	17.7	4.1	3.1	3.2	1.8
Other Services	1.7	1.8	1.8	1.4	0.8	-17.1	6.1	11.5	4.1	2.2	-1.3	-0.7
Federal Government	0.8	1.3	0.2	-0.8	0.8	4.7	-3.3	-1.4	1.1	-1.0	-2.2	-0.8
State and Local Government	2.2	2.3	1.7	1.3	0.6	-4.9	-0.6	3.0	2.9	2.6	0.5	0.1
Nonfarm Employment (Payroll Survey, Thousands)												
Total Nonfarm	16049.1	16479.1	16827.5	17173.3	17432.4	16184.9	16750.5	17670.4	17829.7	18039.7	18286.6	18615.6
Natural Resources & Min.	26.6	22.5	22.1	22.7	22.8	20.2	19.1	19.6	19.6	20.2	21.6	22.1
Construction	732.3	776.0	810.9	861.2	886.2	855.9	882.5	912.5	914.2	932.7	975.2	1006.8
Manufacturing	1305.2	1311.9	1314.5	1326.2	1329.4	1267.7	1283.0	1338.4	1334.3	1316.6	1344.1	1371.7
Nondurable Goods	483.1	487.5	484.7	479.3	477.4	445.5	454.6	471.9	466.3	461.7	458.0	457.2
Durable Goods	822.1	824.4	829.8	846.9	852.0	822.2	828.4	866.5	868.0	854.9	886.1	914.4
Tran., Warehousing & Utility	559.8	597.5	635.6	668.5	708.0	734.8	793.5	848.5	831.7	830.8	855.4	886.2
Trade	2340.5	2361.0	2371.5	2368.3	2336.1	2156.1	2229.1	2280.1	2277.9	2275.1	2304.3	2353.3
Information	489.3	527.4	531.1	544.7	562.7	540.4	568.7	617.6	559.5	532.9	538.7	539.4
Financial Activities	803.2	824.0	833.5	838.8	842.1	816.3	827.1	838.6	814.8	809.7	835.4	852.6
Professional & Bus. Servs.	2493.0	2534.9	2587.1	2674.9	2729.0	2603.5	2712.2	2853.1	2776.5	2788.3	2874.8	2966.7
Educational & Health Servs.	2464.4	2552.7	2650.9	2723.1	2807.9	2738.2	2817.9	2932.5	3101.3	3200.6	3140.3	3185.6
Leisure & Hospitality	1828.6	1901.7	1952.5	1991.8	2034.6	1481.6	1641.3	1931.1	2009.6	2071.1	2137.2	2175.7
Other Services	543.8	553.9	564.0	571.9	576.5	477.6	506.6	564.7	587.9	601.0	593.3	589.0
Federal Government	244.4	247.5	248.1	246.2	248.2	259.9	251.4	247.8	250.4	247.9	242.3	240.3
State and Local Government	2217.9	2268.2	2305.9	2335.0	2349.0	2232.7	2218.3	2285.7	2351.9	2412.7	2424.0	2426.3
Construction Activity, Auto Registrations, and Population												
Residential Building Permits (Thous. Units)	98.2	98.8	112.7	114.1	110.8	100.1	121.5	112.9	109.5	104.8	128.4	147.4
Nonresidential Construction												
Value (Mil. 2017 $)	26876.4	26809.1	27939.3	31588.2	29864.5	20824.0	14817.9	16692.4	14005.0	13946.4	14557.6	15302.6
Value (Mil. $)	26263.0	26178.8	27945.3	31960.1	31420.9	22240.8	16396.0	21057.7	18784.8	18779.7	19997.6	21603.6
Auto Registrations (Mil.)	2.0	2.0	1.9	1.9	1.8	1.4	1.6	1.4	1.6	1.5	1.6	1.8
Net Immigration (Thous., Past Year)	25.1	-7.9	-17.5	-43.4	-114.6	-155.9	-313.3	-233.8	-252.5	-374.8	-19.9	140.9
Population (Thous.)	38876.9	39100.4	39300.5	39451.8	39520.6	39521.3	39296.0	39162.6	39013.7	38736.6	38807.6	39032.3
(% Ch.)	0.7	0.6	0.5	0.4	0.2	0.0	-0.6	-0.3	-0.4	-0.7	0.2	0.6

Source for residential and nonresidential permit and construction data: Construction Industry Research Board (CIRB), a service provided by the California Homebuilding Foundation (CHF). http://www.cirbreport.org/

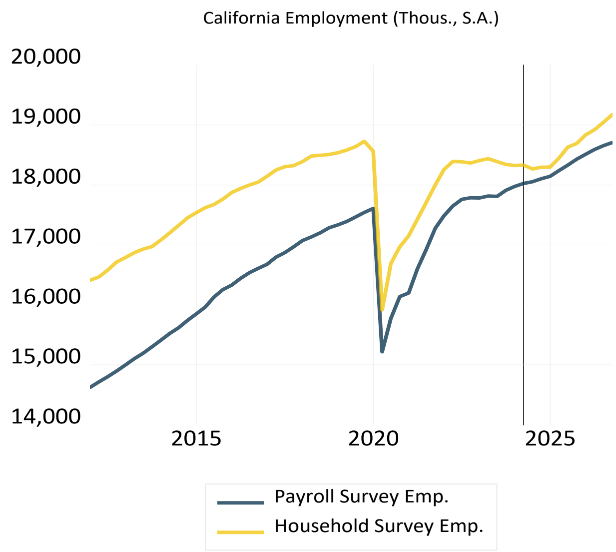
Summary of the UCLA Anderson Forecast for California by Quarter	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2	2025Q3	2025Q4	2026Q1	2026Q2	2026Q3	2026Q4
Personal Income and Taxable Sales											
Personal Income											
(Bil. $, S.A. Annualized)	3269.3	3300.0	3338.9	3383.4	3432.8	3480.8	3531.0	3582.6	3633.2	3684.3	3735.2
(% Ch. A. R.)	6.5	3.8	4.8	5.4	6.0	5.7	5.9	6.0	5.8	5.8	5.6
Real Personal Income											
(Bil. 2017 $, S.A. Annualized)	2514.2	2516.5	2530.6	2545.4	2557.7	2576.0	2596.8	2619.3	2640.8	2662.6	2684.2
(% Ch. A. R.)	2.5	0.4	2.3	2.4	1.9	2.9	3.3	3.5	3.3	3.3	3.3
Taxable Sales											
(Bil. $, S.A. Annualized)	937.8	936.9	949.1	960.9	971.3	982.6	995.8	1010.7	1025.7	1039.8	1051.9
(% Ch. A. R.)	4.5	-0.4	5.3	5.1	4.4	4.7	5.5	6.1	6.0	5.6	4.7
Real Taxable Sales											
(Bil. 2017 $, S.A. Annualized)	718.9	713.1	717.3	721.2	723.8	727.2	732.3	738.9	745.5	751.4	755.8
(% Ch. A. R.)	-0.7	-3.2	2.4	2.2	1.5	1.9	2.9	3.6	3.6	3.2	2.4
Price Inflation (% Change Annualized Rate)											
Consumer Prices	5.2	3.0	2.8	2.8	2.9	2.8	2.6	2.4	2.4	2.4	2.3
Employment and Labor Force (Household Survey)											
Employment (% Ch. A. R.)	0.1	-1.4	0.6	0.1	3.4	3.9	1.3	3.1	1.8	2.6	2.7
Labor Force (% Ch. A. R.)	-0.2	-1.2	0.3	0.5	1.8	1.9	1.7	2.5	2.0	2.3	2.2
Unemployment Rate (%, S.A.)	5.2	5.3	5.2	5.3	4.9	4.4	4.5	4.4	4.5	4.4	4.3
Nonfarm Employment (Payroll Survey, % Change Annualized Rate)											
Total Nonfarm	1.1	0.6	1.1	0.9	2.2	2.0	2.2	1.8	1.7	1.4	1.1
Natural Resources & Min.	-2.0	12.9	3.7	9.4	9.5	0.2	5.3	-0.8	3.8	0.5	5.1
Construction	-1.4	2.8	5.7	3.8	4.3	8.5	6.6	0.0	1.9	2.3	1.2
Manufacturing	-4.3	0.5	1.4	4.5	2.7	2.4	2.2	2.0	1.9	1.7	1.5
Nondurable Goods	-4.4	-1.8	-1.9	2.2	-1.6	-1.1	-0.5	-0.0	0.4	0.6	0.4
Durable Goods	-4.3	1.7	3.3	5.7	5.0	4.3	3.6	3.1	2.6	2.3	2.0
Tran., Warehousing & Utility	2.6	3.0	-6.1	12.1	-0.2	5.8	0.6	8.6	0.4	3.4	2.5
Trade	0.7	-0.6	1.4	-0.1	4.4	0.6	2.9	1.4	2.7	1.9	2.4
Information	-4.0	1.6	7.8	-0.8	0.1	-0.8	0.1	-0.9	1.5	0.5	1.1
Financial Activities	0.1	2.5	3.2	4.5	3.4	2.7	2.2	1.9	1.7	1.6	1.5
Professional & Bus. Servs.	0.4	2.5	0.5	4.3	4.0	4.6	4.3	2.7	2.5	2.3	2.3
Educational & Health Servs.	4.4	-6.5	-5.3	-3.5	1.9	1.0	1.7	1.9	1.7	0.9	-0.0
Leisure & Hospitality	1.9	10.3	6.3	0.8	0.7	2.1	1.5	2.8	1.6	1.3	0.6
Other Services	2.2	-2.1	4.2	-7.3	1.2	-1.9	-0.4	-0.7	-0.3	-1.1	-1.7
Federal Government	-0.2	-16.7	-0.3	3.5	-3.5	-0.6	-0.4	-0.8	-0.7	-0.8	-0.6
State and Local Government	2.2	1.5	4.0	-2.1	0.0	-0.7	0.3	-0.3	0.7	0.3	0.5
Nonfarm Employment (Payroll Survey, Thousands, S.A.)											
Total Nonfarm	18026.0	18052.6	18104.0	18143.8	18240.9	18331.7	18429.8	18511.9	18589.3	18654.1	18707.2
Natural Resources & Min.	19.9	20.5	20.7	21.1	21.6	21.6	21.9	21.9	22.1	22.1	22.4
Construction	925.5	931.9	944.8	953.7	963.9	983.6	999.6	999.6	1004.4	1010.1	1013.2
Manufacturing	1311.0	1312.5	1317.2	1331.7	1340.5	1348.5	1355.8	1362.7	1369.1	1374.9	1379.9
Nondurable Goods	462.0	459.9	457.7	460.2	458.3	457.0	456.4	456.4	456.9	457.6	458.0
Durable Goods	849.0	852.6	859.5	871.5	882.2	891.4	899.4	906.3	912.2	917.4	921.9
Tran., Warehousing & Utility	832.4	838.5	825.4	849.4	848.9	861.0	862.3	880.4	881.3	888.7	894.3
Trade	2275.8	2272.4	2280.5	2280.0	2304.7	2308.1	2324.5	2332.5	2348.4	2359.2	2373.3
Information	528.1	530.1	540.2	539.0	539.2	538.2	538.3	537.1	539.1	539.8	541.4
Financial Activities	805.6	810.6	817.1	826.2	833.3	838.8	843.3	847.4	851.0	854.5	857.6
Professional & Bus.Servs.	2779.6	2796.8	2800.2	2830.1	2858.1	2890.3	2920.7	2940.2	2958.6	2975.4	2992.4
Educational & Health Servs.	3247.0	3193.3	3149.9	3122.3	3136.9	3144.5	3157.4	3172.2	3185.4	3192.5	3192.2
Leisure & Hospitality	2040.3	2090.7	2122.7	2127.0	2130.7	2141.6	2149.7	2164.8	2173.4	2180.5	2184.0
Other Services	601.9	598.7	605.0	593.5	595.3	592.4	591.8	590.8	590.4	588.7	586.2
Federal Government	253.5	242.2	242.1	244.2	242.0	241.6	241.4	240.9	240.5	240.0	239.7
State and Local Government	2405.5	2414.4	2438.2	2425.5	2425.8	2421.5	2423.1	2421.5	2425.6	2427.6	2430.7
Construction Activity, Auto Registrations, and Population											
Residential Building Permits (Thous. Units, S.A. Annualized)	111.2	103.3	109.1	117.7	124.9	132.9	138.2	143.5	146.5	148.6	151.2
Nonresidential Construction											
Value (Mil. 2017 $, S.A. Annualized)	13983.4	13835.8	13969.9	14898.2	13878.4	15318.4	14135.5	15725.3	14890.9	15702.3	14891.8
Value (Mil. $, S.A. Annualized)	18784.8	18627.1	18922.2	20303.3	19020.2	21084.4	19582.5	21963.6	20964.0	22253.5	21233.4
Auto Registrations (Mil., S.A. Annualized)	1.7	1.4	1.1	1.6	1.5	1.7	1.7	1.8	1.8	1.8	1.8
Net Immigration (Thous., Past 4 Qtrs.)	-566.8	-467.5	132.6	21.8	-9.7	-28.8	-62.9	186.5	212.3	152.8	12.0
Population (Thous.)	38650.0	38738.5	38927.9	38745.3	38732.0	38799.7	38953.3	39018.2	39029.1	39035.5	39046.5
(% Ch. A. R.)	0.2	0.9	2.0	-1.9	-0.1	0.7	1.6	0.7	0.1	0.1	0.1

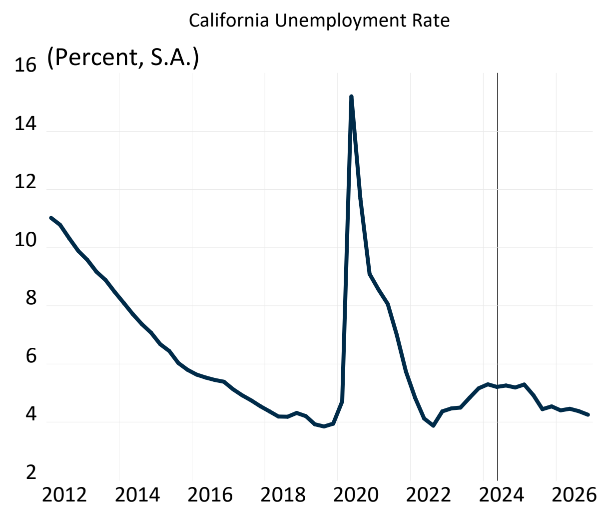
Source for residential and nonresidential permit and construction data: Construction Industry Research Board (CIRB), a service provided by the California Homebuilding Foundation (CHF). http://www.cirbreport.org/

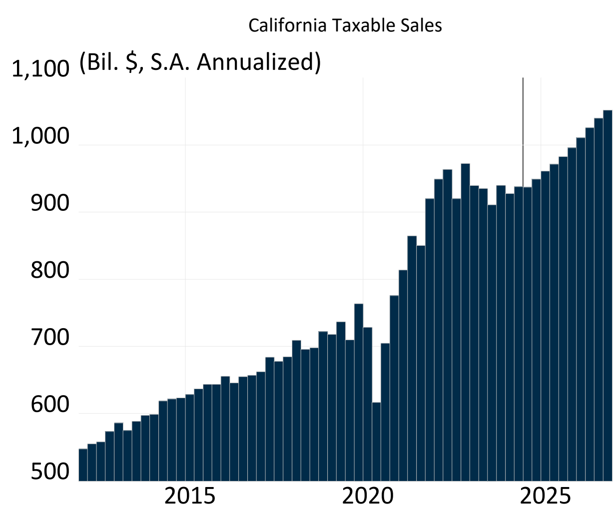
THE UCLA ANDERSON FORECAST FOR CALIFORNIA

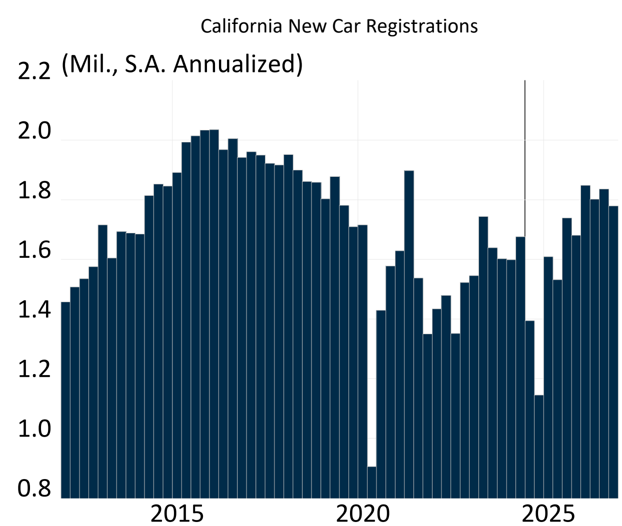
FALL 2024 REPORT

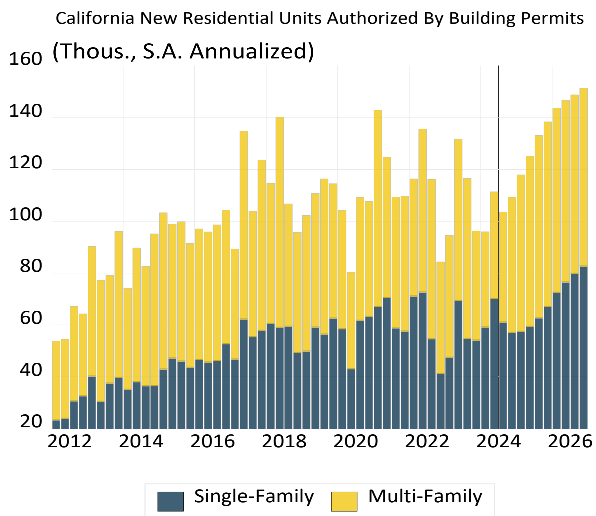
Charts


California Employment (Thous., S.A.)
20,000
19,000
18,000
17,000
16,000
15,000
14,000
2015
2020
2025
Payroll Survey Emp.
Household Survey Emp.

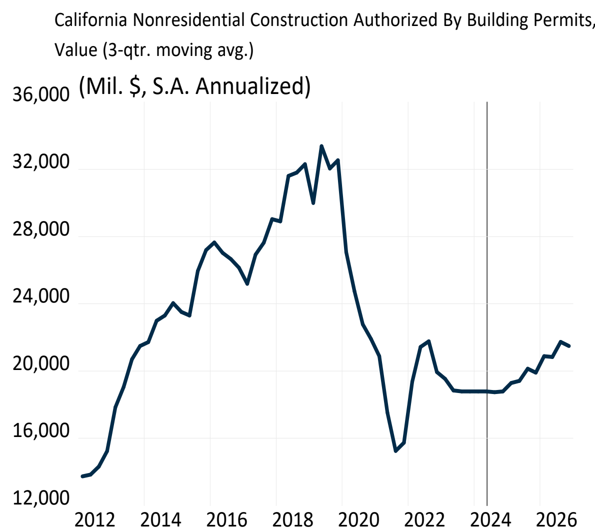

California Unemployment Rate
(Percent, S.A.)
16
14
12
10
8
6
4
2
2012
2014
2016
2018
2020
2022
2024
2026


California Taxable Sales
(Bil. $, S.A. Annualized)
1,100
1,000
900
800
700
600
500
2015
2020
2025

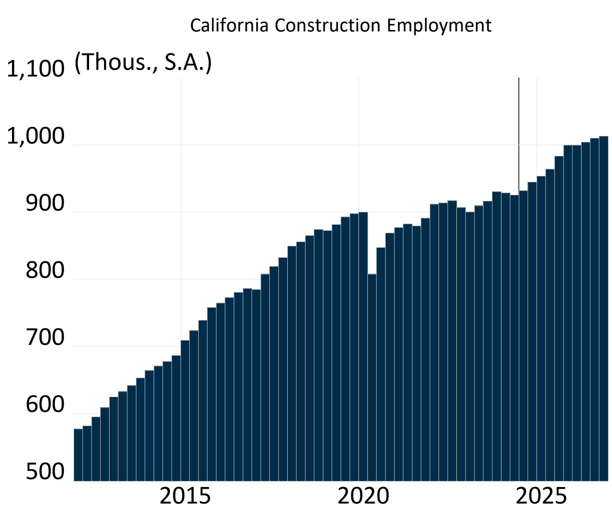

California New Car Registrations
(Mil., S.A. Annualized)
2.2
2.0
1.8
1.6
1.4
1.2
1.0
0.8
2015
2020
2025

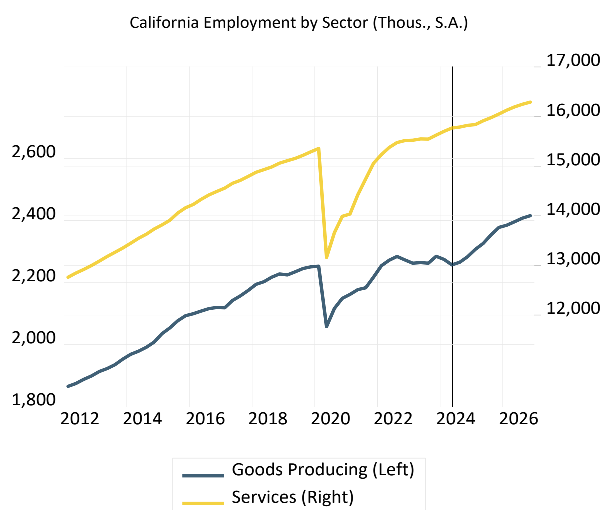


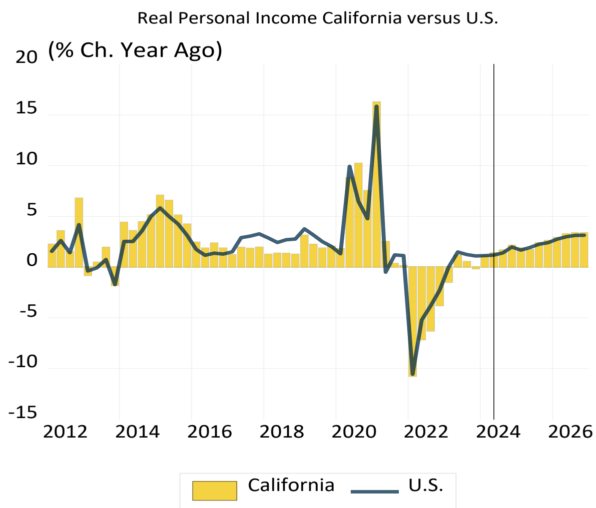
Source for residential and nonresidential permit and construction data: Construction Industry Research Board (CIRB), a service provided by the California Homebuilding Foundation (CHF). http://www.cirbreport.org/

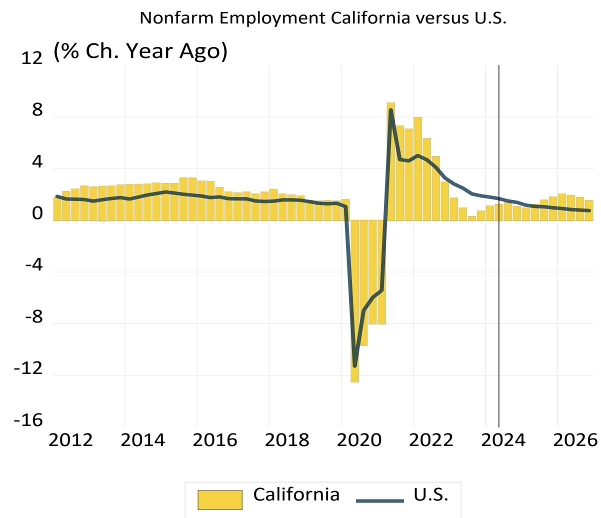


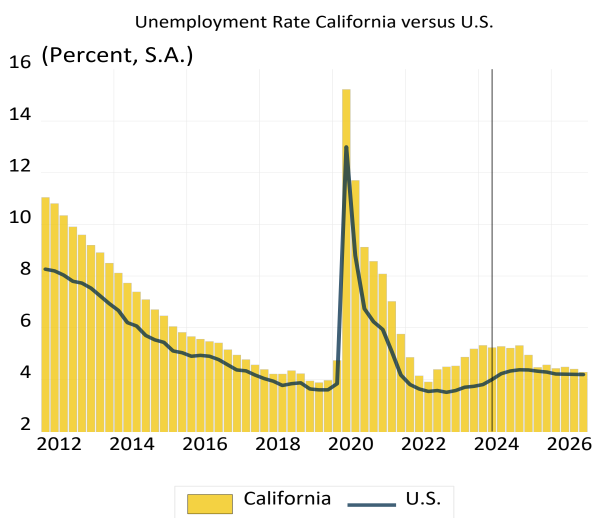
Source for residential and nonresidential permit and construction data: Construction Industry Research Board (CIRB), a service provided by the California Homebuilding Foundation (CHF). http://www.cirbreport.org/

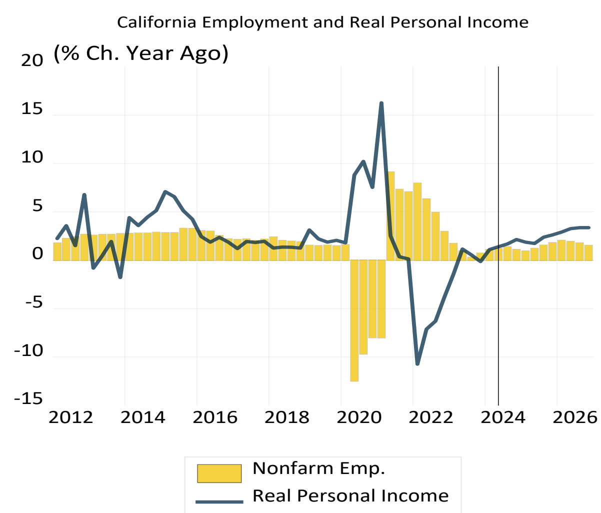


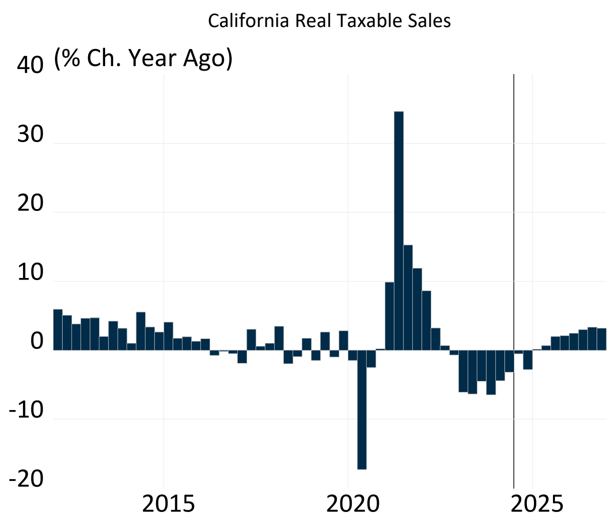


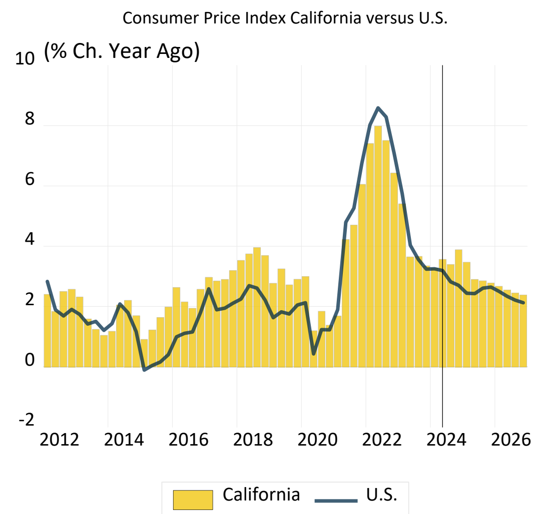

Real Personal Income California versus U.S.
(% Ch. Year Ago)
20
15
10
5
0
-5
-10
-15
2012
2014
2016
2018
2020
2022
2024
2026
California
U.S.

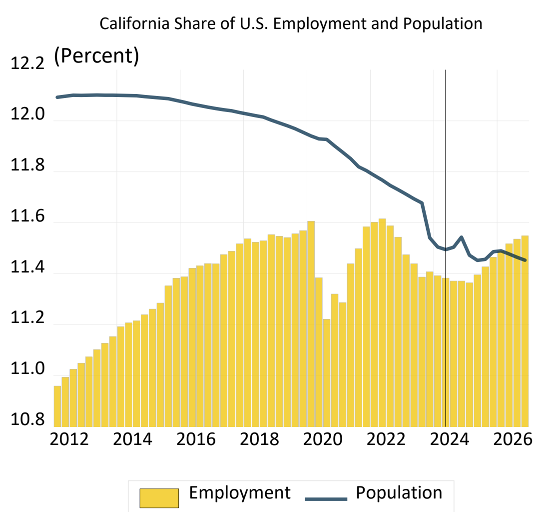

Nonfarm Employment California versus U.S.
(% Ch. Year Ago)
12
8
4
0
-4
-8
-12
-16
2012
2014
2016
2018
2020
2022
2024
2026
California
U.S.

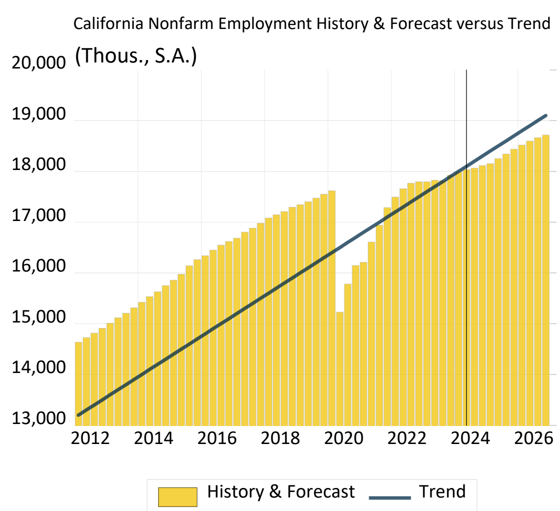

Unemployment Rate California versus U.S.
(Percent, S.A.)
16
14
12
10
8
6
4
2
2012
2014
2016
2018
2020
2022
2024
2026
California
U.S.

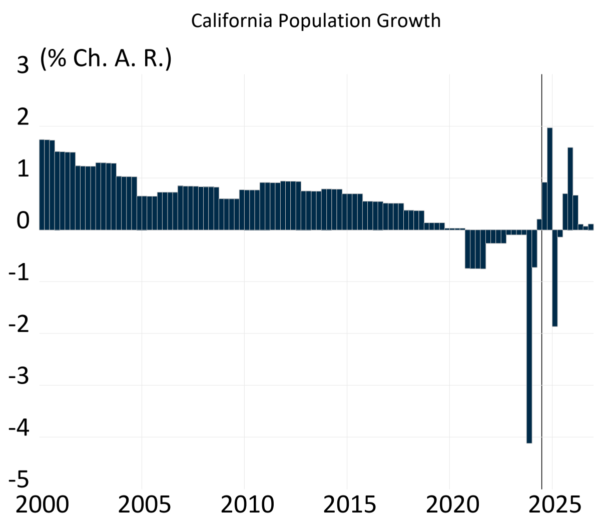

California Employment and Real Personal Income
(% Ch. Year Ago)
20
15
10
5
0
-5
-10
-15
2012
2014
2016
2018
2020
2022
2024
2026
Nonfarm Emp.
Real Personal Income

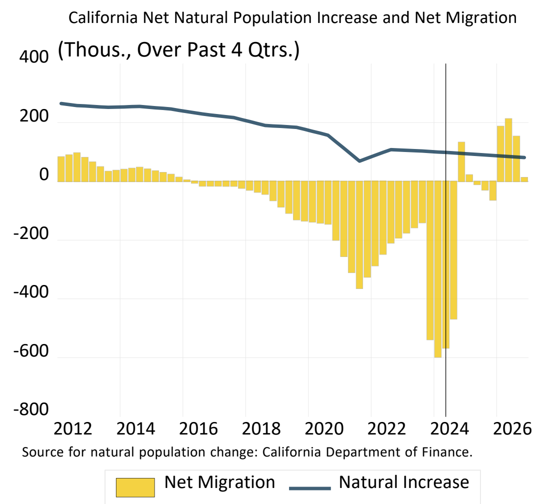

California Real Taxable Sales
(% Ch. Year Ago)
40
30
20
10
0
-10
-20
2015
2020
2025

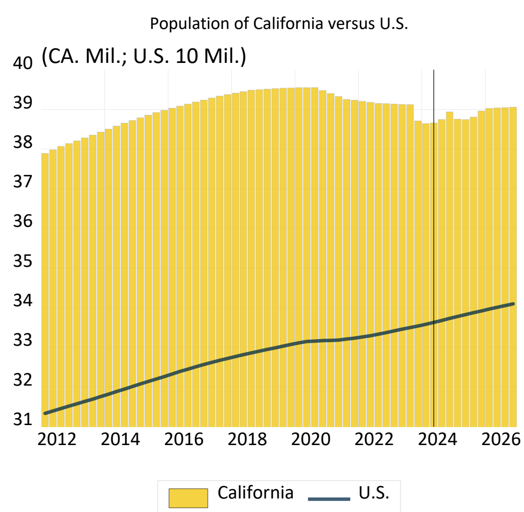

Consumer Price Index California versus U.S.
(% Ch. Year Ago)
10
8
6
4
2
0
-2
2012
2014
2016
2018
2020
2022
2024
2026
California
U.S.

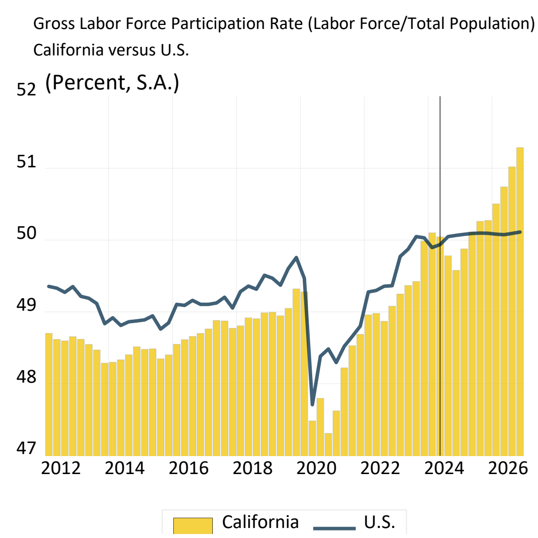

California Share of U.S. Employment and Population
(Percent)
12.2
12.0
11.8
11.6
11.4
11.2
11.0
10.8
2012
2014
2016
2018
2020
2022
2024
2026
Employment
Population

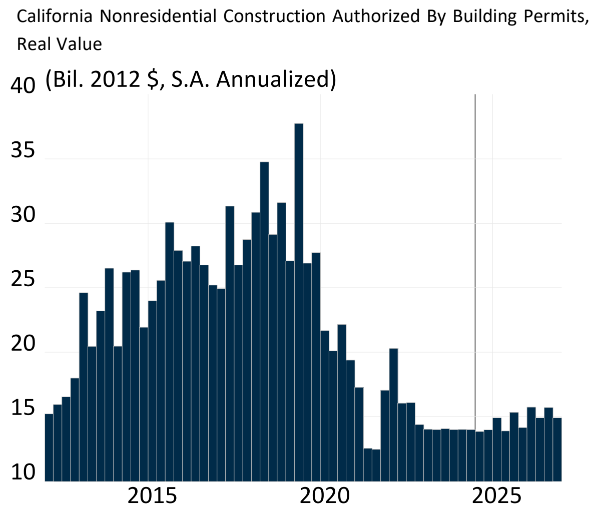

California Nonfarm Employment History & Forecast versus Trend
(Thous., S.A.)
20,000
19,000
18,000
17,000
16,000
15,000
14,000
13,000
2012
2014
2016
2018
2020
2022
2024
2026
History & Forecast
Trend


California Population Growth
(% Ch. A. R.)
3
2
1
0
-1
-2
-3
-4
-5
2000
2005
2010
2015
2020
2025

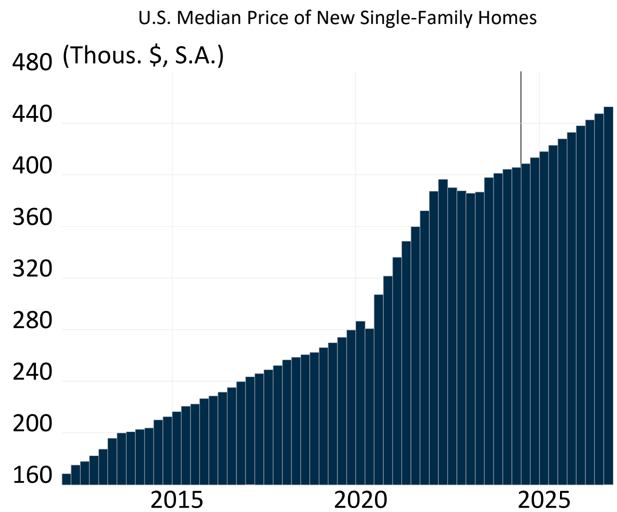

California Net Natural Population Increase and Net Migration
(Thous., Over Past 4 Qtrs.)
400
200
0
-200
-400
-600
-800
2012
2014
2016
2018
2020
2022
2024
2026
Source for natural population change: California Department of Finance.
Net Migration
Natural Increase

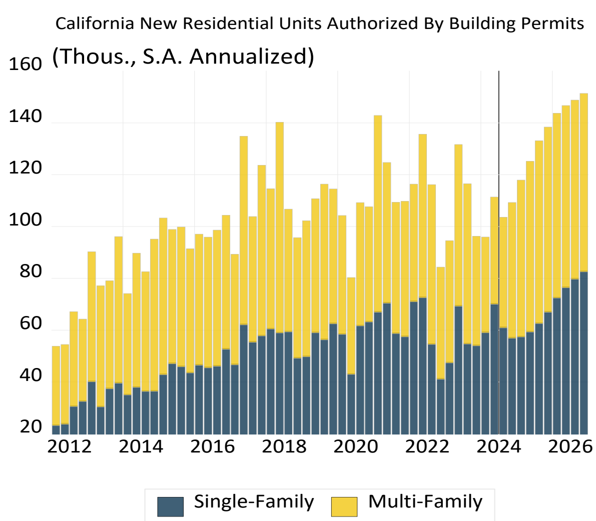

Population of California versus U.S.
(CA. Mil.; U.S. 10 Mil.)
40
39
38
37
36
35
34
33
32
31
2012
2014
2016
2018
2020
2022
2024
2026
California
U.S.


Gross Labor Force Participation Rate (Labor Force/Total Population)
California versus U.S.
(Percent, S.A.)
52
51
50
49
48
47
2012
2014
2016
2018
2020
2022
2024
2026
California
U.S.



Source for residential and nonresidential permit and construction data: Construction Industry Research Board (CIRB), a service provided by the California Homebuilding Foundation (CHF). http://www.cirbreport.org/





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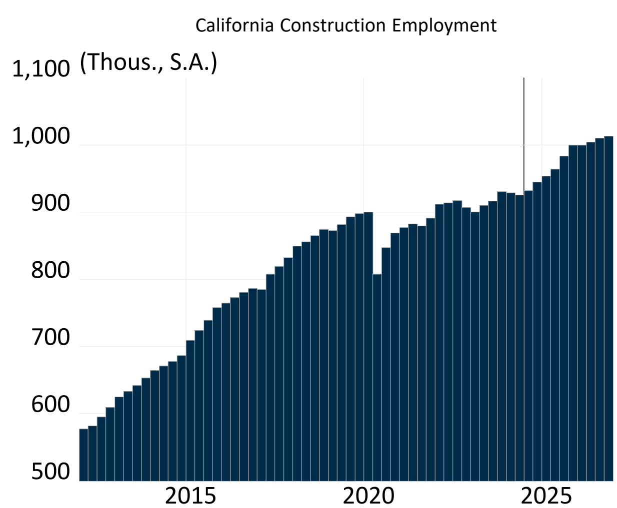
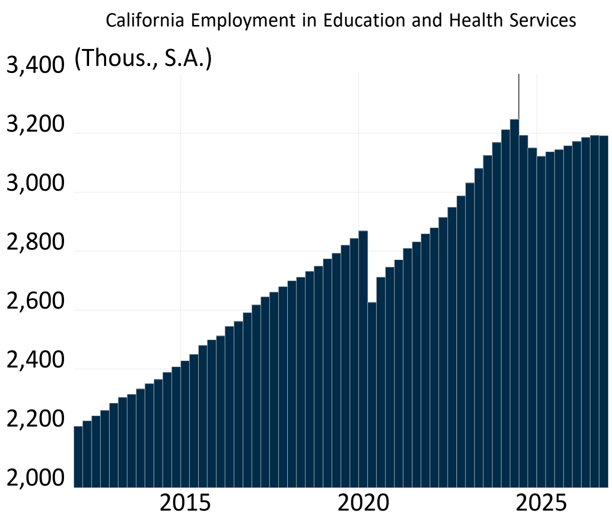
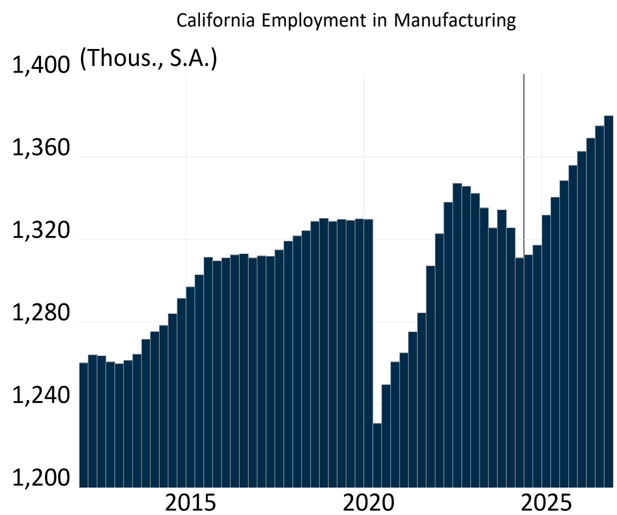
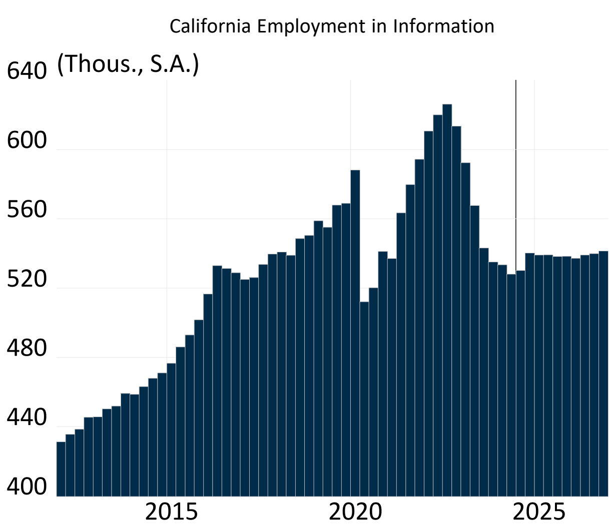
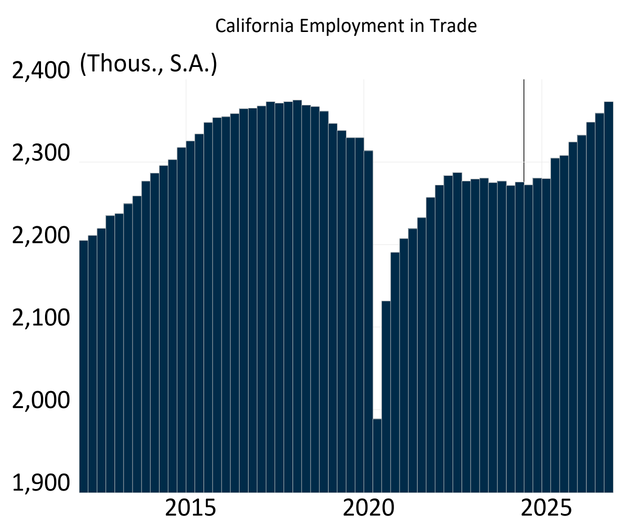
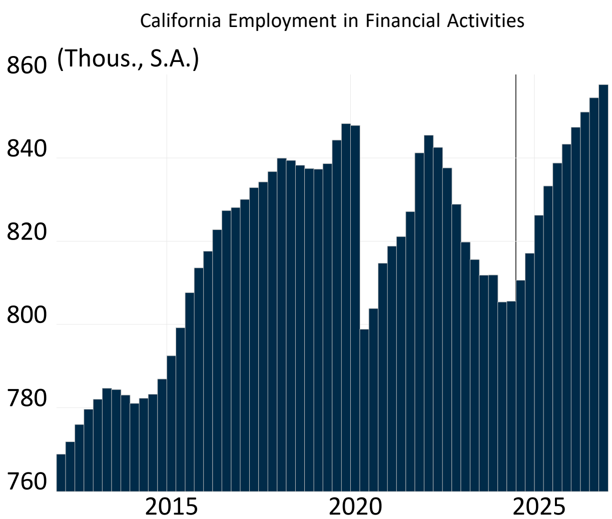


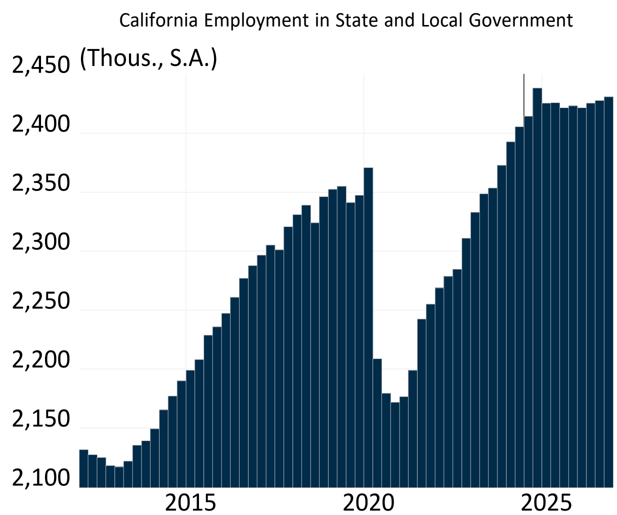

California Employment in Education and Health Services
(Thous., S.A.)
3,400
3,200
3,000
2,800
2,600
2,400
2,200
2,000
2015
2020
2025

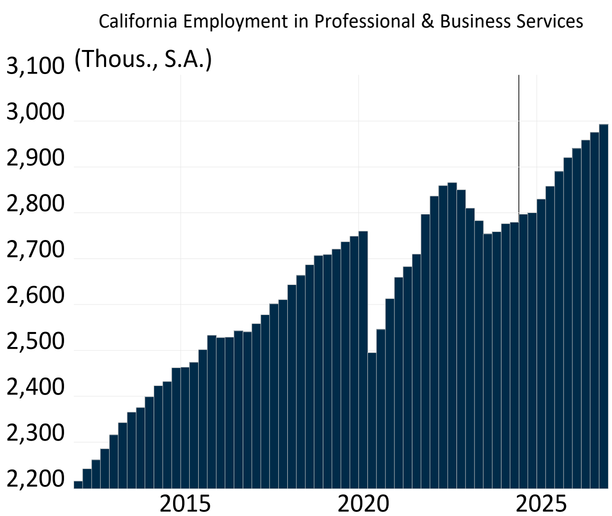

California Employment in Manufacturing
(Thous., S.A.)
1,400
1,360
1,320
1,280
1,240
1,200
2015
2020
2025

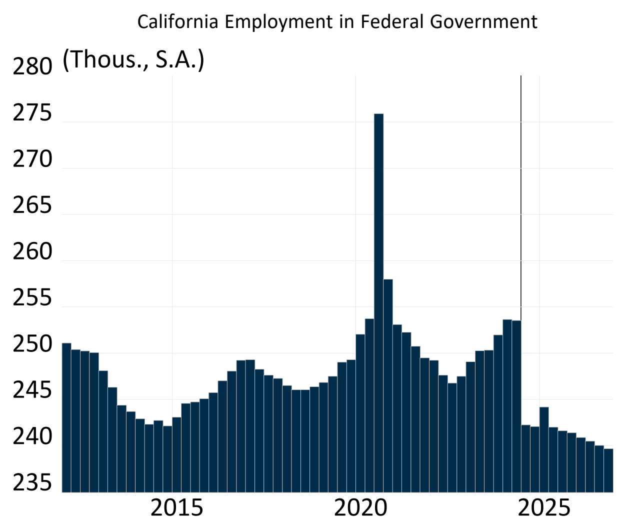

California Employment in Information
(Thous., S.A.)
640
600
560
520
480
440
400
2015
2020
2025


California Employment in Trade
(Thous., S.A.)
2,400
2,300
2,200
2,100
2,000
1,900
2015
2020
2025


California Employment in Financial Activities
(Thous., S.A.)
860
840
820
800
780
760
2015
2020
2025


California Employment in State and Local Government
(Thous., S.A.)
2,450
2,400
2,350
2,300
2,250
2,200
2,150
2,100
2015
2020
2025


California Employment in Professional & Business Services
(Thous., S.A.)
3,100
3,000
2,900
2,800
2,700
2,600
2,500
2,400
2,300
2,200
2015
2020
2025


California Employment in Federal Government
(Thous., S.A.)
280
275
270
265
260
255
250
245
240
235
2015
2020
2025

THE UCLA ANDERSON FORECAST
SPECIAL REPORTS

FALL 2024 REPORT

Impact of the Los Angeles 2028 Olympics on Tourism

Impact of the Los Angeles 2028 Olympics on Tourism

William Yu
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Fall 2024

The 2024 Paris Olympics have just concluded, turning attention to the upcoming 2028 Los Angeles Olympics. This report aims to explore the cost-benefit analysis of hosting the Olympics by reviewing literature and examining historical data to assess their economic impact on host cities and countries, with a particular focus on international tourism. Additionally, we will provide recommendations for Los Angeles to host a more successful Olympics, based on lessons learned from previous events.

Baade and Matheson (2016)[1] summarized that there are three major categories of costs and benefits of hosting Olympics. On the cost side: (1) General infrastructure, such as transportation and housing for athletes and fans, (2) Sports infrastructure, and (3) Operational costs, including general administration and security.[2] On the benefit side: (1) Short-term benefits of increased economic activity, job creation, and tourist spending before and during the Games, (2) Long-term benefits, i.e. the Olympic legacy, including improvements in infrastructure, urban regeneration, and increased tourism, trade, foreign investment after the Games[3], and (3) Intangible benefits, e.g. national and civic pride, global recognition, and social cohesion.

Cost-Benefit Evidence of Olympics

The literature, e.g. Muller et al. (2022)[4] and Zimbalist (2015)[5], suggests that the costs of hosting the Olympics are often underestimated while the benefits are typically overestimated. 80% of Olympic Games have resulted in financial deficits. For instance, from 1968 to 2012, the median cost overrun for the Olympics was 150% above the initial budget. The 2012 London Games, initially estimated at 2.4 billion pounds, ultimately cost 8.8 billion pounds. The 1976 Montreal Games exceeded their original budget by more than tenfold. Additionally, the 2010 Vancouver Winter Games incurred expenses of $7.5 billion while generating direct revenues of only $1.6 billion from broadcast rights, sponsors, ticket sales, and licensing. Similarly, the London 2012 Games faced costs of $11.4 billion against direct revenues of $3.3 billion.[6]

Baade and Matheson (2016) suggest that the actual economic impacts of the Olympic Games, such as employment, personal income, tax revenue, and tourism, are either negligible or only a fraction of the predictions made before the event. They identify two main reasons for these overestimated

1. Robert A. Baade and Victor A. Matheson (2016), "Going for the Gold: The Economics of Olympics," Journal of Economic Perspectives (3) 2.
2. The Olympics have been marred by deadly terrorist attacks, notably during the 1972 Munich Games and the 1996 Atlanta Games. Security expenditures have escalated significantly over the years; for instance, the 2000 Sydney Games incurred security costs totaling $250 million. Following the September 11, 2001 attacks, security spending surged, with the 2004 Athens Games allocating over $1.6 billion to security measures, a figure that has remained consistent in subsequent Olympics.
3. A prime example is the 1992 Barcelona Olympics, which successfully enhanced the city's infrastructure and image, transforming Barcelona into a highly attractive tourist destination.
4. M. Muller, D. Gogishvili, and S.D. Wolfe (2022), "The Structural Deficit of the Olympics and the World Cup: Comparing Costs Against Revenues Over Time," Environment and Planning A: Economy and Space.
5. A. Zimbalist (2015), "Circus Maximus: The Economic Gamble Behind Hosting the Olympics and the World Cup," Brookings Institution Press.
6. It is worth noting that Baade and Matheson (2016) estimates that national pride from hosting the 2012 London Games worth approximately $3.4 billion.

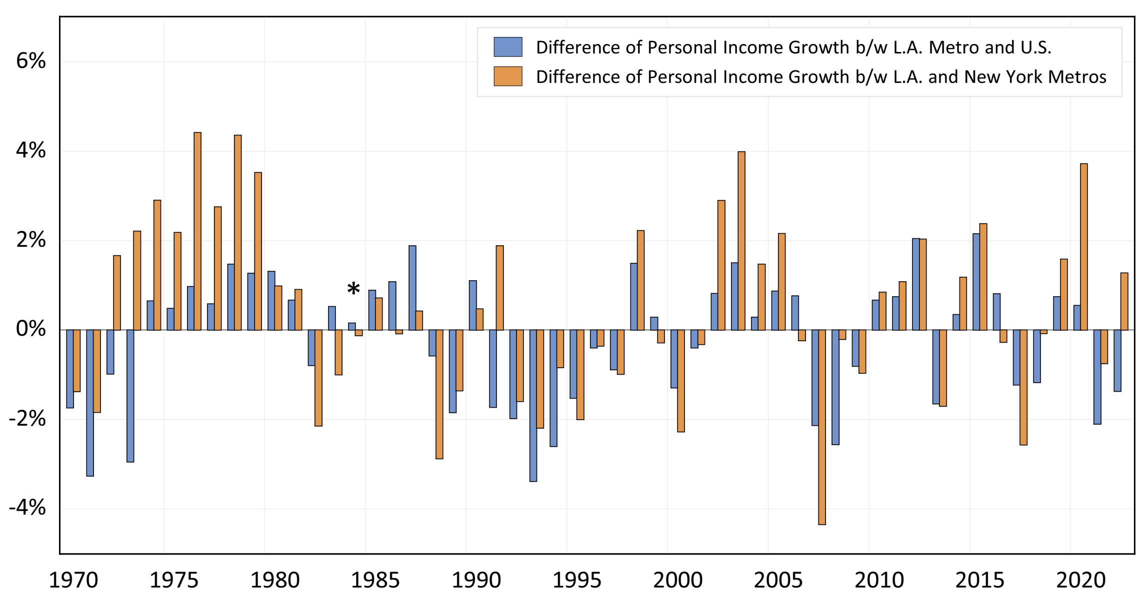
economic impacts and benefits: (1) the crowding-out effect, which occurs when the congestion associated with a mega-event deters regular tourists from visiting the host region, and (2) the substitution effect, which occurs when local residents redirect their spending from other local goods and services towards the Olympics.

To prevent cost overruns and mitigate financial risks, literature advises host cities to utilize existing infrastructure for sports venues and align the Olympics with the host city's long-term development goals. For example, the 1984 Los Angeles Olympics, influenced by the significant cost overruns of the 1976 Montreal Olympics, managed finances cautiously and achieved a rare financial surplus in recent decades. It is expected that Los Angeles will continue this financially prudent legacy for the 2028 Olympics. For instance, most of the sports infrastructure will utilize local existing venues. UCLA dorms will serve as the Olympic athletes' village. Additionally, investments in transportation infrastructure will address the pressing needs of the L.A. metro area to improve mobility and reduce traffic congestion.[7]

The Economic Impact of the 1984 Los Angeles Olympics and the 1996 Atlanta Olympics

Let's use a basic economic indicator to evaluate whether hosting the Olympics brings a significant additional benefit to the local economy. We will compare the growth of personal income in two U.S. metros that hosted the Summer Olympics in recent decades: Los Angeles in 1984 and Atlanta in 1996. If the Olympics contributed significantly to the local economy through increased employment, higher income, or greater sales, we would expect to see higher personal income growth. To control for inflation, business cycles, other major macroeconomic factors, and regional characteristics, we calculate the difference in personal income growth between the host metro and the U.S. average, as well as between the host metro and a comparable metro with similar features. For Los Angeles, New York is used as the counterpart metro, as both were the two largest metros. For Atlanta, Dallas is used as the counterpart due to their similar size and environment.

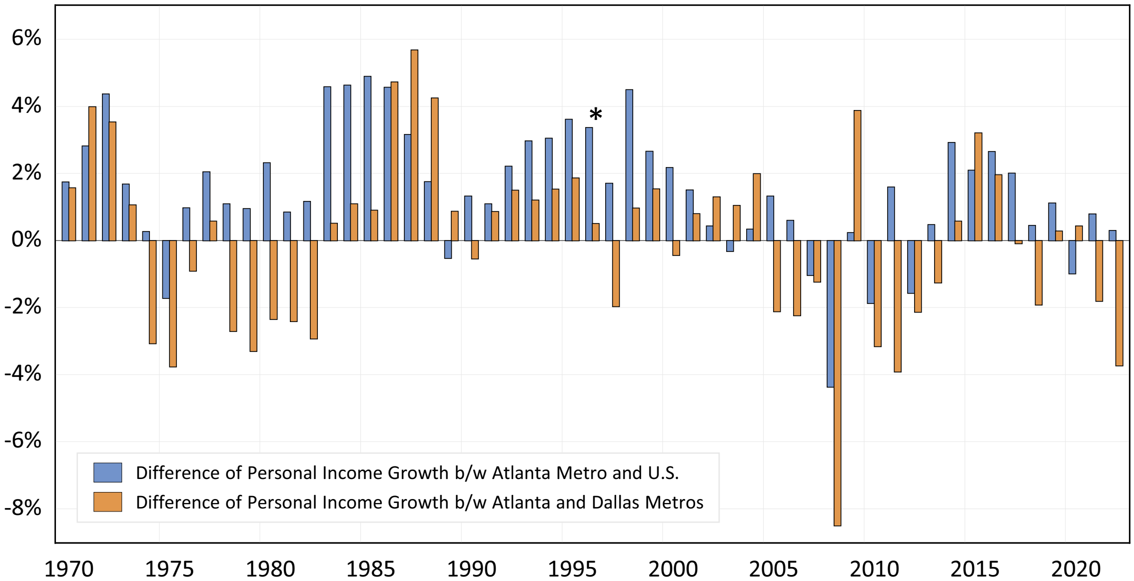
Figure 1. Difference of Personal Income Growth between L.A. and the U.S. / New York



Source: Bureau of Economic Analysis

7. In April 2024, L.A. Metro was reported to receive nearly $900 million in federal funding for the L.A. region to support transportation and infrastructure projects, including East San Fernando Valley Light Tail Transit Project and Purple Line Subway Extension Project, ahead of the 2028 Olympics Games.

Figure 2. Difference of Personal Income Growth between Atlanta and the U.S. / Dallas



Source: Bureau of Economic Analysis

Let's explain the blue bar in Figure 1. A positive value indicates that L.A. experienced higher economic growth than the national average. Conversely, a negative value means L.A.'s growth was lower than the nation's. In 1983, the blue bar shows a value of 0.5%, and in 1984, a value of 0.1% (L.A.'s income growth was 10.4%, while the U.S.'s was 10.3%, resulting in a 0.1% difference). Although this suggests slightly higher growth than the national average, it is not statistically significant. The orange bar shows a -1% difference in 1983 and a -0.1% difference in 1984, indicating that L.A.'s economic growth was lower than New York's in those years. In short, there is no evidence of a significant direct short-term economic windfall for L.A. from the 1984 Olympics.

Figure 2 shows that Atlanta experienced higher economic growth than the national average by 3.4% in 1996, although the gap narrows to 0.5% when compared with a similar metro, Dallas. This suggests that the Atlanta Olympics may have had a positive economic impact on Atlanta in 1996. In summary, the evidence from L.A. and Atlanta indicates that the economic benefits of hosting the Olympics may not be as substantial as the public expected.

International Tourism and Olympics

Brazil

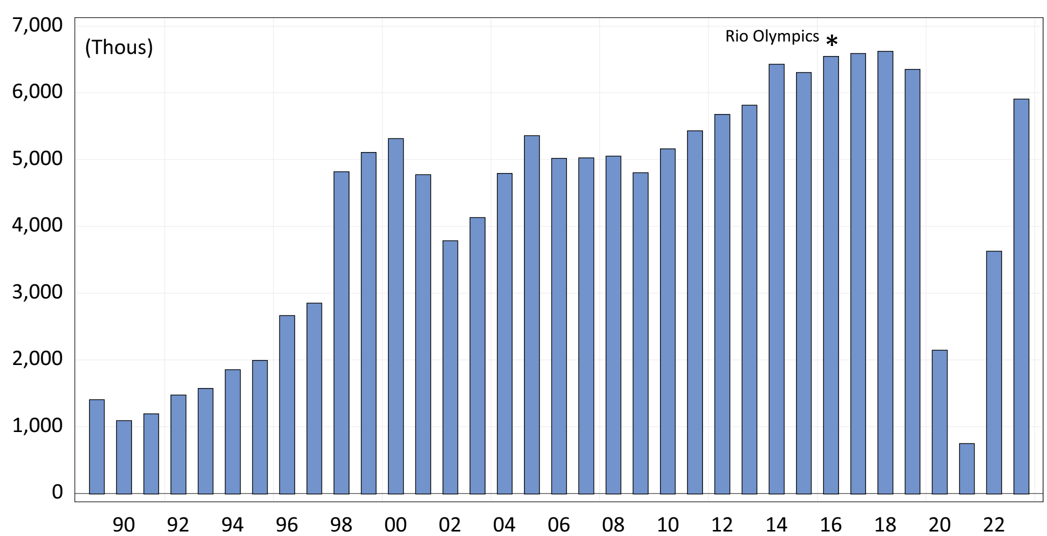
With a cautious approach to managing costs already in place, the key to a more successful 2028 Olympics in Los Angeles will lie in maximizing benefits. The critical question is: How can L.A. boost international tourism and local spending without significant crowding out and substitution effects? Let's examine some historical evidence regarding international tourism trends in Olympic host countries over time.

Since the data for the 2024 Paris Olympics is not yet fully available and the 2020 Tokyo Olympics were held unusually in 2021 due to COVID-19, we begin our analysis with the 2016 Rio de Janeiro Olympics. Figure 3 displays the annual international tourist arrivals in Brazil. We rely on country-level tourism data due to the unavailability of city-specific data. In 2016, there were 6.547 million international tourist arrivals, representing a 3.8% increase from the 6.306 million in 2015. Although the net growth is modest, it suggests that the Olympic Games likely had a positive impact on attracting international tourists.

Additionally, we observe the devastating impact of COVID-19 on international tourism in 2020 and 2021. The decline in tourism during 2001/2002 and 2009 could be attributed to global recessions. However, the dramatic increase in tourist arrivals in Brazil from 1998 to 2000 is particularly noteworthy. What might have caused this surge? One possible reason could be the depreciation of Brazil's currency. When the currency of a destination country depreciates, assuming other factors remain constant, the cost of visiting that country decreases from a foreigner's perspective, thereby attracting more international tourists.

Figure 4 illustrates the nominal exchange rate between the Brazilian Real and the U.S. Dollar. The higher the value, the more Reals one U.S. dollar can buy, signaling a depreciation of Brazil's currency, which enhances the appeal of traveling to Brazil. We observe a significant depreciation of the Brazilian currency since 1999. Beyond exchange rates, a more comprehensive and informative indicator is the relative price of goods and services in the destination country compared to the rest of the world. Lower costs for airfares, lodging, dining, and other expenses in Brazil tend to attract more international tourists. Figure 5 displays the real exchange rate, which reflects the relative price levels of a country compared to the global average. A lower index number indicates more affordable prices in the country. The declining costs of visiting Brazil since 1999 have notably boosted tourism.

Figure 3. Annual International Tourist Arrivals in Brazil



Source: CEIC

Figure 4. Brazilian Reals to U.S. Dollar Spot Exchange Rate

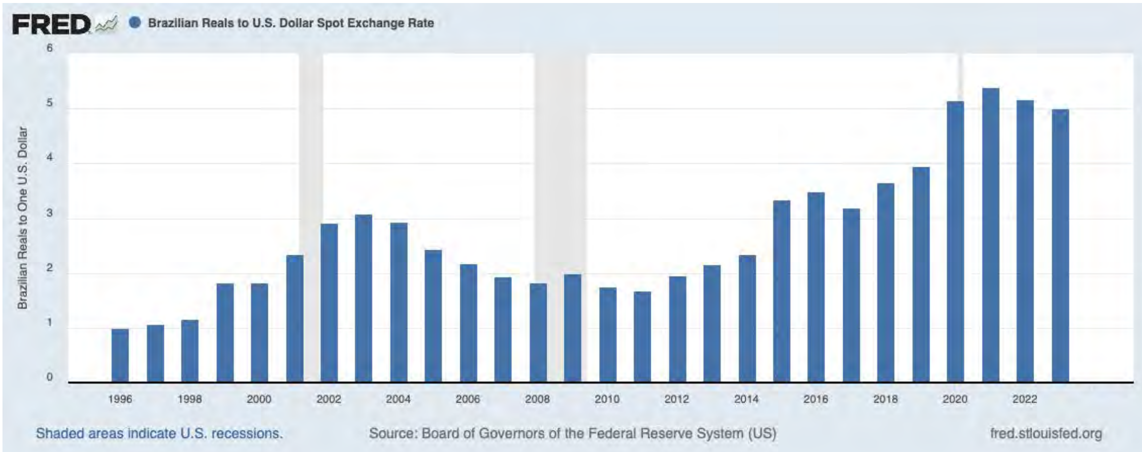
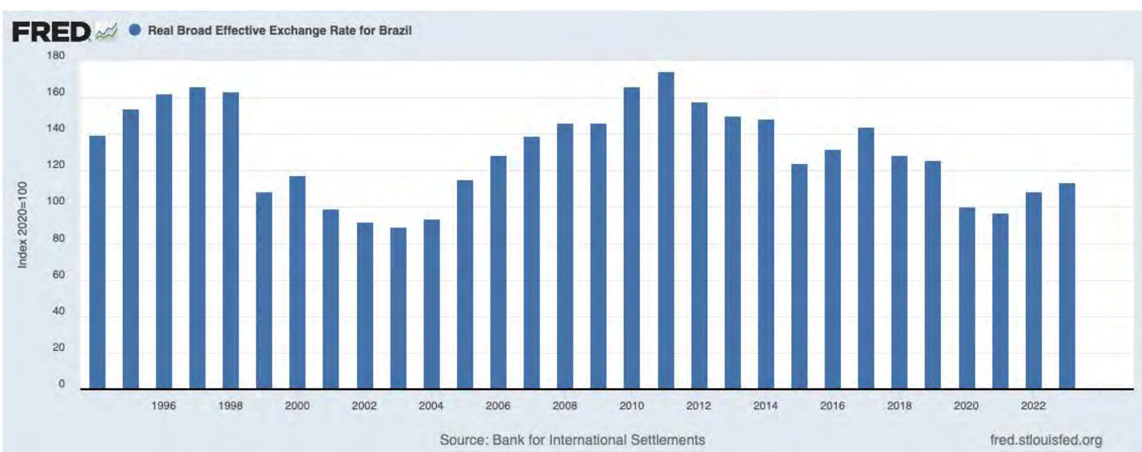


Figure 5. Real Broad Exchange Rate in Brazil

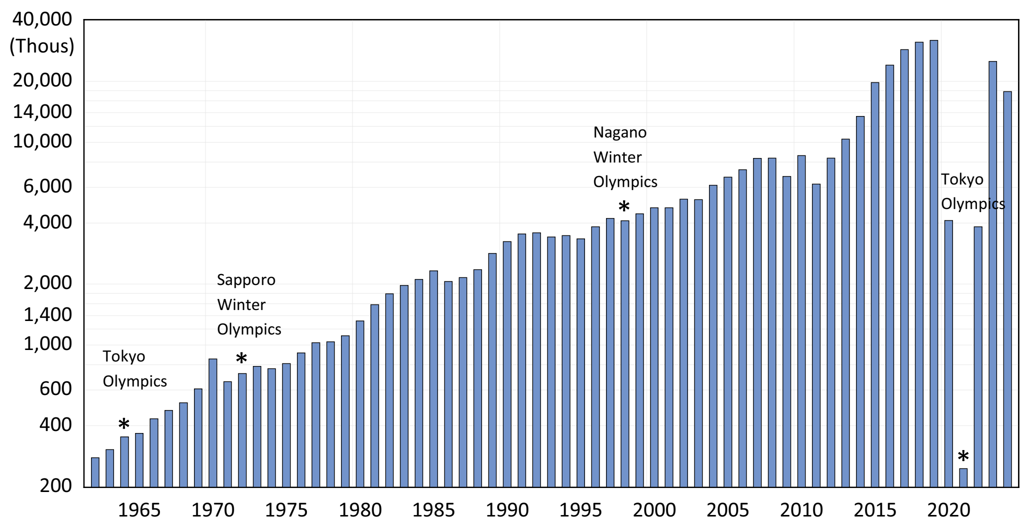


Japan

Figure 6 highlights the trends in international tourism to Japan. The 1964 Tokyo Summer Olympics appears to have boosted tourist arrivals from 305,000 in 1963 to 353,000 in 1964, marking a 15.5% increase. Similarly, the 1972 Sapporo Winter Olympics likely contributed to an increase in arrivals from 661,000 in 1971 to 724,000 in 1972, a growth of 9.5%. However, the costly 1998 Nagano Winter Olympics did not significantly enhance tourism, with arrivals dipping from 4.22 million in 1997 to 4.1 million in 1998, a decline of 2%.

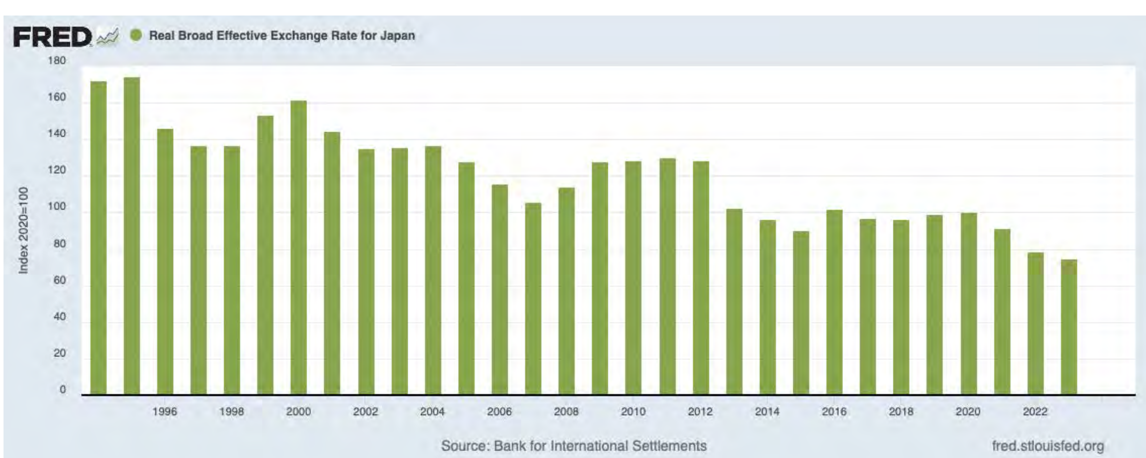
Apart from the clear negative impacts of COVID-19 on tourism from 2020 to 2022, other events have also influenced tourist numbers. There was a 19% decline in 2009 due to the Great Recession and a 28% drop in 2011 following the devastating 3/11 Earthquake and Tsunami in Japan. Additionally, exchange rates and the relative price levels significantly impact international tourism, as it essentially represents an export service industry. For instance, following the Plaza Accord in 1986, which resulted in a 41% appreciation of the Japanese Yen, tourist arrivals declined by 11% that same year. Furthermore, tourist arrivals surged from 8.4 million in 2012 to 31.9 million in 2019. Why? One reason is the sharp decline in Japan's real exchange rate from 130 in 2012 to 100 in 2019 and further to 75 in 2023, as shown in Figure 7. Given these lower costs, we estimate that international tourist arrivals to Japan in 2024 will exceed pre-pandemic levels.

Figure 6. Annual International Tourist Arrivals in Japan



Source: CEIC

Figure 7. Real Broad Exchange Rate in Japan



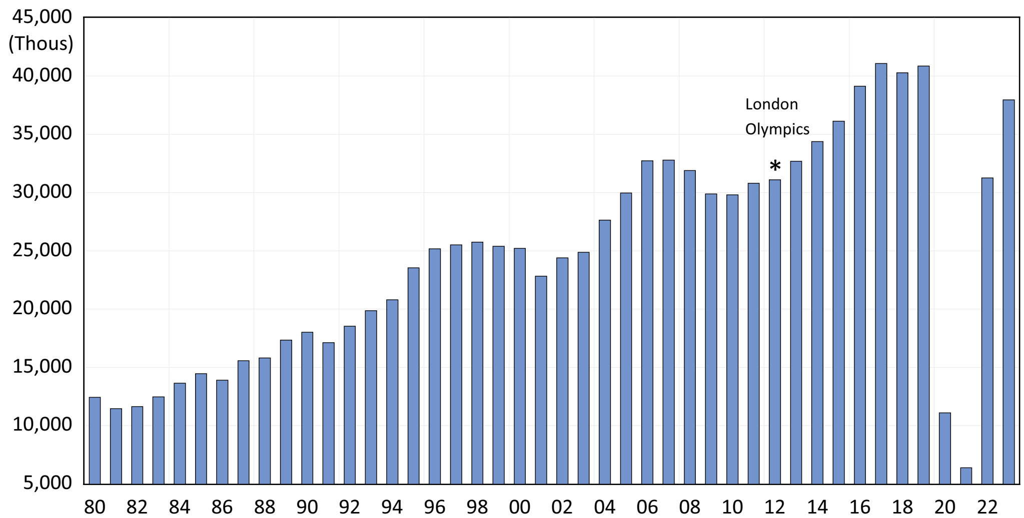
United Kingdom

Figure 8 illustrates the annual international tourist arrivals in the U.K., highlighting a general upward trend alongside noticeable cyclical fluctuations, such as the downturns during the recessions of 1991, 2001, and 2008/2009. Despite the 2012 London Olympics, there was only a modest 1% increase in tourists in 2012 compared to 2011. Figure 9, which presents monthly international tourist arrivals in the U.K., reveals a decline in summer tourism in 2012 compared to the years 2011 and 2013. This supports the theory of a crowding-out effect associated with major events. It appears that regular visitors may have avoided London, or even the entire U.K., during the London Olympics, leading to no significant boost in international tourist arrivals.

Paris

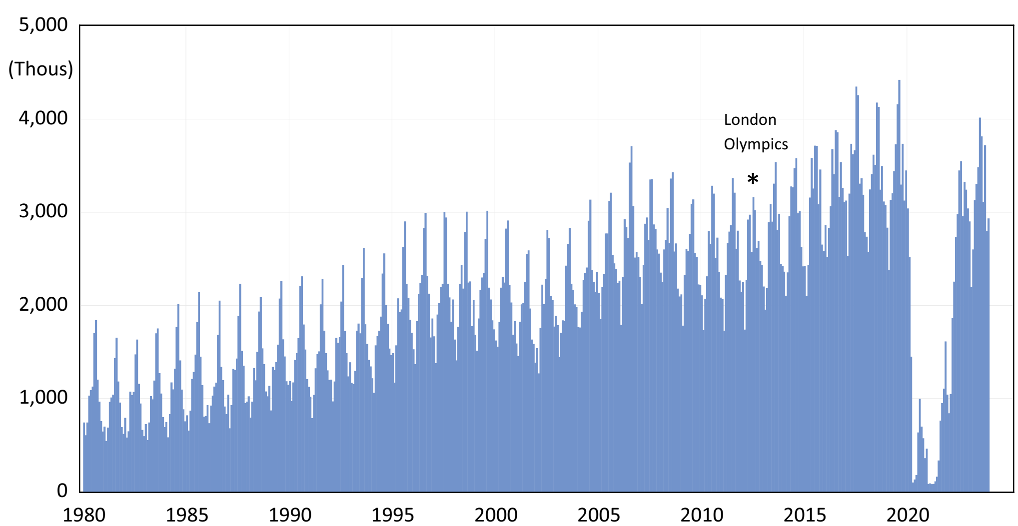
The previous evidence focuses solely on total tourist arrivals in the country hosting the Olympics. It is possible that the Olympics might boost international tourism to the host city but not to the entire nation, as tourists who might have visited other regions decide to converge on the host city to watch the Games. Figure 10 displays passenger traffic at Paris airports in July, including 2024, while data for August 2024 is not yet available.

Figure 8. Annual International Tourist Arrivals in the U.K.



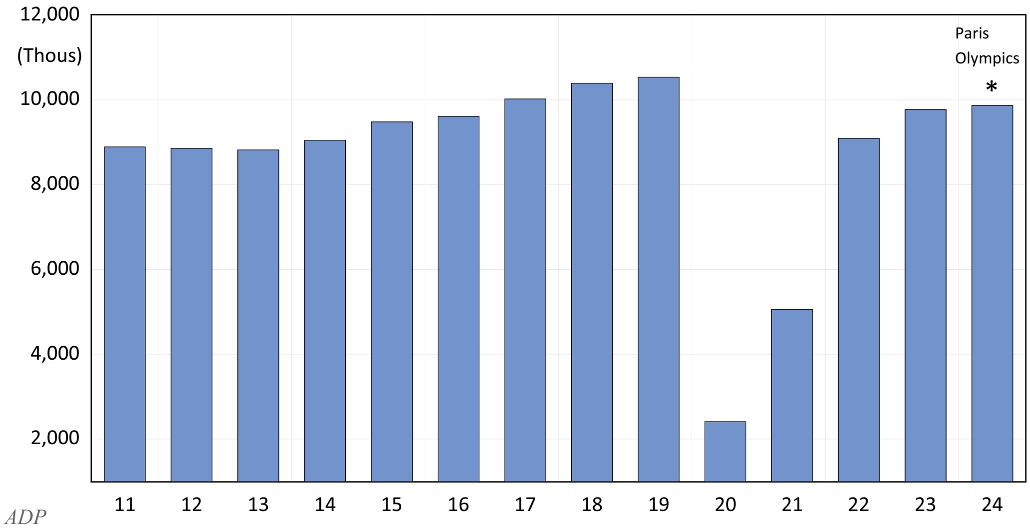
Source: CEIC

Figure 9. Monthly International Tourist Arrivals in the U.K.



Source: CEIC

Figure 10. Passengers Traffic in July of Paris Airports



Source: Group ADP

In July 2024, there were 9.87 million passengers at Paris airports, a 1% increase compared to July 2023. However, when compared to the pre-pandemic level of 10.5 million in July 2019, the Paris Olympics did not significantly boost tourism in Paris. The first reason for this is the crowding-out effect observed during the 2012 London Olympics. The second reason could be the increased prices during the Olympic Games.

This insignificant increase in tourist arrivals in Paris in July 2024 might seem contradictory to earlier news. For instance, Airbnb noted that as of March 31, 2024, bookings for stays during the Olympics were over five times higher than the same period a year earlier. Additionally, Costar Group reported that as of June 17, 2024, Pairs hotel bookings for the Olympic period reached 80%, compared to an average of 30% in previous years. STR said that Paris hotels saw a year-over-year room rate increase of 141% to above EUR700 for the Olympics period.[8]

We suggest that these early bookers are dedicated Olympic tourists who planned their visits in advance and are thus facing higher prices due to increased demand. These tourists can be described as inelastic consumers, willing to pay more to experience the Olympics in Paris. However, the resultant high prices might deter regular and more price-sensitive tourists from visiting the Olympic host city. As previously explained, the cost of visiting a destination is a crucial factor for international tourists, whose primary aim is visiting a foreign country. If one country becomes more expensive, they might opt to travel to a less expensive destination during that summer.

In summary, two intertwined effects tend to discourage regular tourists from visiting the host city or country during the Olympics: the crowding-out effect, due to concerns about overcrowd in the city, and the elevated price effect, which deters price-sensitive tourists.

8. *Source: https://www.hospitalitynet.org/news/4123368.html*

Price Elasticities of Tourism and Suggestions

Brons et al. (2002)[9] conducted a meta-analysis on the price elasticities of demand for passenger air travel. They found that the median price elasticities for business class travelers range from -0.6 to -0.8, while those for economy class travelers range from -1.4 to -1.6. This indicates that business class travelers are less sensitive to price changes (inelastic consumers) compared to economy class travelers (elastic consumers). When prices increase, demand from business class travelers declines less significantly than from economy class travelers. We can draw a parallel between Olympic tourists, who resemble business class tourists in their spending patterns, and non-Olympic tourists, who resemble economy class tourists.

For inelastic tourists, price increases will likely generate higher total tourist revenue for the host city. However, for elastic tourists, price increases will result in lower total revenues. Based on this evidence, to attract more tourists to Los Angeles for the 2028 Summer Olympics, we suggest the following strategies:

- Los Angeles should address and mitigate the expected impacts of overcrowding and price increases. Otherwise, we may see an insignificant growth in international tourism, similar to what was observed in London in 2012 and Paris in 2024. These cities, like L.A., are already popular international destinations without a appeal of Olympics.
- Enhance the accessibility and appeal of the Olympic Games to encourage attendance by both tourists and locals.

9. Martijn Brons, Eric Pels, Peter Nijkamp, and Piet Rietveld (2002), "Price Elasticities of Demand for Passenger Air Travel: A Meta-Analysis," Journal of Air Transport Management.

The Los Angeles Department of Water and Power (DWP), established at the beginning of the century is the largest municipally-owned utility in the nation. It exists under and by virtue of the Charter of the City of Los Angeles enacted in 1925.

With a work force in excess of 9,000, the DWP provides water and electricity to some 3.5 million residents and businesses in a 464-square-mile area.

DWP's operations are financed solely by the sale of water and electric services. Capital funds are raised through the sale of bonds. No tax support is received.

A five-member Board of Water and Power Commissioners establishes policy for the DWP. The Board members are appointed by the Mayor and confirmed by the City Council for five-year terms.

The Los Angeles Regional Consortium (LARC) consists of 19 community colleges in Los Angeles County. It serves to coordinate, collaborate, organize, and facilitate interaction in the region to ensure workforce training is provided to all in a way that is accessible, efficient, responsive, data-driven and improves outcomes. Champions of students, up-skillers, re-skillers and employers, the work of the Los Angeles Regional Consortium (LARC) is to bridge the gap between employer needs and workforce preparedness. The depth, breadth, and scope of LAC's industrial complex offer a myriad of middle skill occupations that pay well and provide the upward mobility that is foundational to economic security. Yet many of these jobs remain unfilled. Residents struggle to find work and companies struggle to find qualified, middle-skilled employees. Within this 'skilled worker supply/demand challenge' lies the LARC objective — to increase the availability of a well-trained skilled workforce in LA County to close the immense supply and demand gap.

The Los Angeles County Metropolitan Transportation Authority (Metro) is unique among the nation's transportation agencies. It serves as transportation planner and coordinator, designer, builder and operator for one of the country's largest, most populous counties. More than 9 million people – one-third of California's residents – live, work, and play within its 1,433-square-mile service area.

Besides operating over 2,000 coaches in the Metro Bus fleet, Metro also designed, built and now operates over 73 miles of Metro Rail service. The Metro Rail system currently consists of 62 stations and several more are in the planning and/or design stage.

In addition to operating its own services Metro funds 16 municipal bus operators and funds a wide array of transportation projects including bikeways and pedestrian facilities, local road and highway improvements, goods movement, and the popular Freeway Patrol and Call Boxes.

Recognizing that no one form of transit can solve urban congestion problems, Metro's multimodal approach uses a variety of transportation alternatives to meet the needs of the highly diverse population in the region.

Metro's Mission is to insure the continuous improvement of an efficient and effective transportation system for Los Angeles County. In support of this mission, our team members provide expertise and leadership based on their distinct roles: operating transit system elements for which the agency has delivery responsibility, planning the countywide transportation system in cooperation with other agencies, managing the construction and engineering of transportation system components and delivering timely support services to the Metro organization.

Metro was created in the state legislature by Assembly Bill 152 in May 1992. This bill merged the Los Angeles County Transportation Commission (LACTC) and the Southern California Rapid Transit District (RTD) to become the Los Angeles County Metropolitan Transportation Authority. The merger became effective on April 1, 1993.

Metro is governed by a 13-member Board of Directors comprised of: the five Los Angeles County Supervisors, the Mayor of Los Angeles, three Los Angeles mayor-appointed members, four city council members representing the other 87 cities in Los Angeles County and one non-voting member is appointed by the Governor of California.

Allen Matkins

AVENU
INSIGHTS & ANALYTICS

From its Los Angeles base, Allen Matkins has conquered California, opening up offices in San Francisco, San Diego, Century City, and Irvine. With approximately 200 lawyers, the firm is known as a top real estate practice in the Golden State.

Grown in the City of Angels

Allen Matkins has built its empire in the state where residents elect bodybuilders and shrug off earthquakes. Founded in Los Angeles in 1977, Allen Matkins has achieved notable success in corporate and hospitality work, as well as in the securities, employment, bankruptcy, and tax arenas. The firm has earned accolades from west coast publications like the Los Angeles Business Journal and the San Diego Business Journal. Its real strengths lie, however, in its real estate and litigation practices. The firm's litigation department has focuses in real estate, commercial, financial services, construction, environmental, and labor and employment litigation.

The firm has not only worked with local clients-like representing a public-private partnership to modernize the Los Angeles Air Force Base-but has also secured nationally known clients including Wells Fargo Bank, Sares-Regis Group, AT&T, Black & Decker, Met Life, The Home Depot, Blackstone Real Estate Advisors, and Capmark Finance.

Buying and Selling Up the California Coast

Real estate is where the firm shines-Allen Matkins has ranked the No. 1 real estate law firm in California for a decade, according to Chambers & Partners. California Real Estate Journal has also placed Allen Matkins on the top of its real estate firm list, which was based on the number of real estate attorneys in each outfit. The firm's real estate practice handles all aspects of the real estate world, including litigation over construction, land use, landlord tenant, and condemnation issues.

And handling the real estate transactions of the present is not enough for the firm; Allen Matkins seeks to predict the future. The firm has developed a partnership with UCLA Anderson Forecast, an organization of economists who attempt to posit unbiased forecasts for California's economy and the nation's. Allen Matkins and the Anderson Forecast put out commercial real estate forecasts, covering rental and vacancy rates.

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- **Data & Analytics** uses advanced software to assist with Economic Development that aggregates and organizes jurisdictional data into intuitive, graphical views to identify the trends and causes of revenue shifts over any period.
- **Discovery & Recovery** pinpoints and identifies non-filers and revenue shortfalls in license, permit and other taxes, and recovers payment with a budget-neutral approach.
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More than half a century ago, we opened our doors at Cathay Bank to serve the growing Chinese American community in Los Angeles. Then, as now, we helped our customers put down new roots with loans to purchase cars and homes. We supported their businesses, which continue to sustain generations. We worked with them to cultivate communities united by a shared drive to create and build lives in Southern California.

Over time, we have expanded along with our customers. Today, we're a subsidiary of Cathay General Bancorp (Nasdaq: CATY). We have over 60 branches across the United States, a branch in Hong Kong, and three representative offices in Beijing, Shanghai and Taipei.

While the people we serve have evolved and changed, the spirit that makes up our customers remains the same. Every one believes in the power of initiative and perseverance. Each aims to achieve what's possible. All strive to live their best lives. And we're happy to work alongside them—providing the tools and services to get them where they want to go.

As the state's primary energy policy and planning agency, the California Energy Commission is committed to reducing energy costs and environmental impacts of energy use - such as greenhouse gas emissions - while ensuring a safe, resilient, and reliable supply of energy.

Mission Statement

The mission of the Inland Empire Center for Economics and Public Policy (IEC) at Claremont McKenna College is to provide Inland Empire leaders with expert analysis of the region's unique political and economic landscape.

Background

The IEC was founded in 2010 as a collaborative effort by the Rose Institute of State and Local Government and the Lowe Institute for Political Economy, both based at Claremont McKenna College. While the Inland Empire is one of California's fast growing areas, there was little political and economic analysis specific to the region. Recognizing this void and the increasing importance of the area to California's economy, the two research institutes saw the need for an organization that could deliver analysis on current issues impacting the Inland Empire.

The Rose Institute and the Lowe Institute were uniquely positioned to create the IEC because their staffs both specialized in political and economic analysis and were familiar with the Inland Empire. The IEC brings together experts from both founding institutions. Marc Weidenmier, Ph.D., director of the Lowe Institute, is a Research Associate of the National Bureau of Economic Research and a member of the Editorial Board of the Journal of Economic History. Andrew Busch, Ph.D., director of the Rose Institute, is an expert in American government and politics. Manfred Keil, Ph.D., an expert in comparative economics, has extensive knowledge on economic conditions in the Inland Empire. Kenneth P. Miller, J.D., Ph.D., is an expert in California politics and policy who studies political developments in the Inland Empire.

The primary ways that the IEC presents its analysis is through publications and conferences. The Inland Empire Outlook, which provides analysis on the Inland Empire's political and economic developments, is the IEC's predominant recurring publication. Its inaugural issue was published in Winter 2010. Besides publications, the IEC also hosts conferences throughout the Inland Empire. The conferences bring together panels of experts and business and political leaders in the Inland Empire to address current topics affecting the region. The annual economic forecast conference held at the Citizens Business Bank Arena in Ontario is in cooperation with the UCLA Anderson Forecast.

The State of California's Department of Finance is responsible for submitting to the State's fiscal year budget to the Governor in January of each year. The Department is part of the State's Executive Branch and part of the Governor's Administration. The Director of Finance is appointed by the Governor and is his chief fiscal advisor. The Director sits as a member of the Governor's cabinet and senior staff. Principal functions include:

Establish appropriate fiscal policies to carry out the Administration's Programs.

Prepare, enact and administer the State's Annual Financial Plan.

Analyze legislation which has a fiscal impact.

Develop and maintain the California State Accounting and Reporting System (CALSTARS).

Monitor/audit expenditures by State departments to ensure compliance with approved standards and policies.

Develop economic forecasts and revenue estimates.

Develop population and enrollment estimates and projections.

Review expenditures on data processing activities of departments.

In addition, the Department of Finance interacts with the Legislature through various reporting requirements, by presenting and defending the Governor's Budget and in the legislature.

The Department interacts with other State departments on a daily basis on terms of administering the budget, reviewing fiscal proposals, establishing accounting systems, auditing department expenditures and communicating the Governor's fiscal policy to departments.

The Labor Market Information Division (LMID) of the Employment Development Department is the official source for California's labor market information.

The LMID promotes California's economic health by providing information to help people understand California's economy and make informed labor market choices.

We collect, analyze, and publish statistical data and reports on California's labor force, industries, occupations, employment projections, wages, and other important labor market and economic data.

California's vast labor market includes over 1.5 million employers covered by Unemployment Insurance and over 19 million people in its civilian labor force.

For more information, visit our website at http://www.labormarketinfo.edd.ca.gov/ or call

916-262-2162.

The nonpartisan Legislative Analyst's Office (LAO) has been providing fiscal and policy advice to the California Legislature for more than 65 years. It is particularly well known for its fiscal and programmatic expertise and nonpartisan analyses relating to the state budget, including making recommendations for operating programs in the most effective and cost-efficient manner possible. Its responsibilities also include making economic and demographic forecasts for California, and fiscal forecasts for state government revenues and expenditures. It also prepares fiscal analyses for all propositions that appear on the California statewide ballot, including bond measures.

For more information about the LAO, please visit our website at www.lao.ca.gov or call us at 916-445-4656.

The energy industry is changing rapidly and dramatically. As global competition transforms the way companies do business, energy issues are no longer simply local, or even national. At the same time, its clear that the importance of providing reliable local service has never been more important.

Our heritage at Southern California Edison is based on reliability. For more than 100 years we have provided high-quality, reliable electric service to more than 4.2 million business and residential customers over a 50,000 square mile service area in coastal, central, and southern California.

Of course, recent changes in the California's electric industry have affected us as well. In 1997, as part of the restructuring of the electric industry in our state, SCE sold its 12 fossil fuel generating stations and overhauled nearly every aspect of its business to prepare for the changing environment. While we still own and operate hydro and nuclear power facilities that serve our area, our main role is that of power transmission and distribution. The power needed for our customers is largely purchased from the California Power Exchange and provided by SCE to our customers without a price markup.

At SCE we want you to know that even in times of change, we retain our proven commitment to service, reliability, innovation, and the community.

State Controller Betty T. Yee was elected in November 2014, following two terms of service on the Board of Equalization. As Controller, she continues to serve the Board as its fifth voting member.

The State Controller is the Chief Fiscal Officer of California, the sixth largest economy in the world. She helps administer two of the largest public pension funds in the nation and serves on 78 state boards and commissions. These are charged with duties ranging from protecting our coastline to helping build hospitals. The Controller is the state's independent fiscal watchdog, providing sound fiscal control over more than $100 billion in receipts and disbursements of public funds a year, offering fiscal guidance to local governments, and uncovering fraud and abuse of taxpayer dollars.

The State Controller's Functions

- Account for and control disbursement of all state funds.
- Determine legality and accuracy of every claim against the State.
- Issue warrants in payment of the State's bills including lottery prizes.
- Administer the Uniform State Payroll System.
- Audit and process all personnel and payroll transactions for state civil service employees, exempt employees and California State University employees.
- Responsible for auditing various state and local government programs.
- Inform the public of the State's financial condition.
- Administer the Unclaimed Property Law.
- Inform the public of financial transactions of city, county and district governments.

Seminar

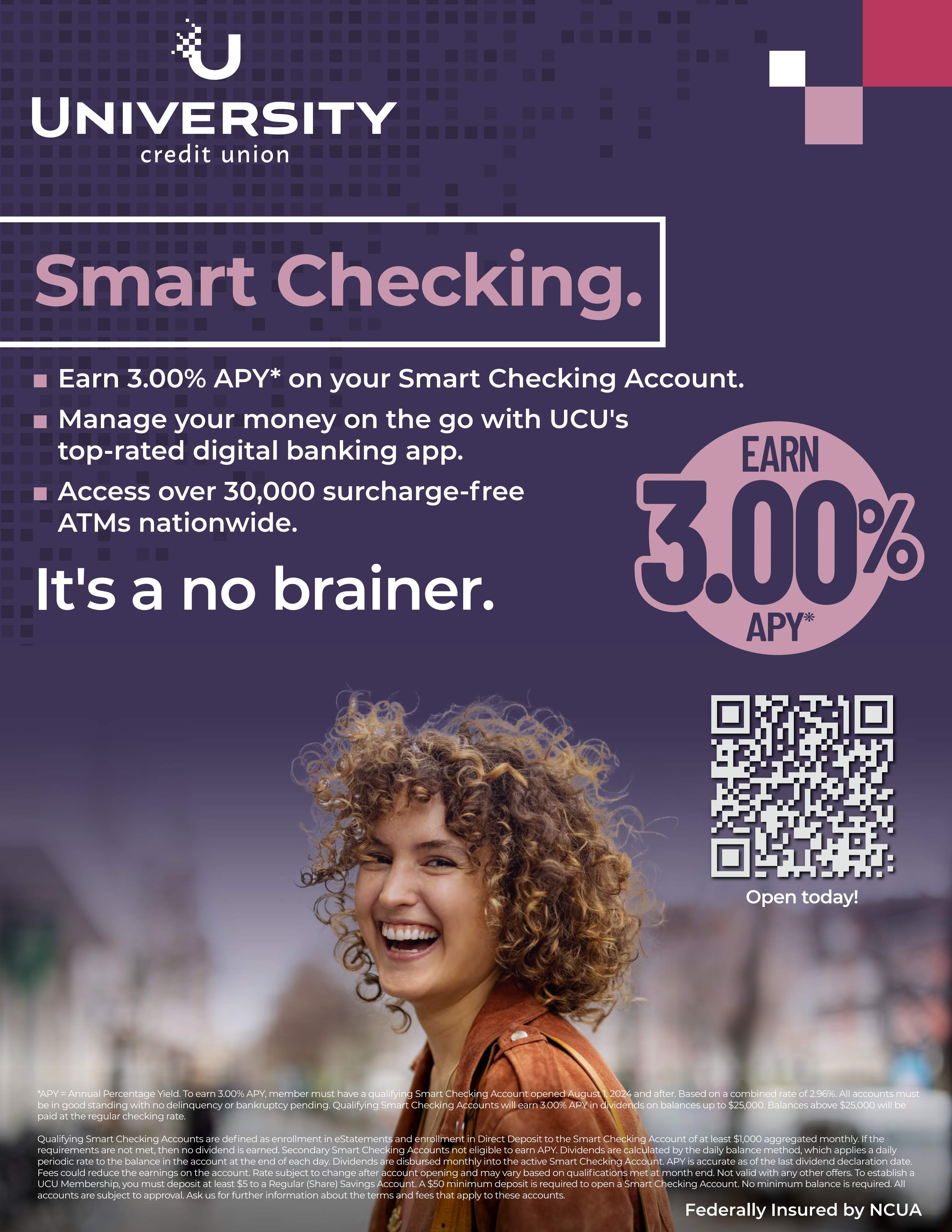
- Avenu Insights and Analytics
- California Air Resources Board
- California Department of Finance
- California Energy Commission
- California State Controller's Office
- California State University Dominguez Hills
- Cathay Bank
- Claremont McKenna Lowe Institute
- County of Los Angeles Chief Executive Office
- Los Angeles Department of Water and Power
- Los Angeles Metropolitan Transportation Authority
- Los Angeles Regional Consortium
- Orange County Transportation Authority
- Southern California Edison

Annual +

- California Legislative Analyst's Office
- Citizens Business Bank
- City of Los Angeles
- City of Santa Monica
- Hanmi Bank
- Los Angeles Police Federal Credit Union
- MedPOINT Management, Inc.
- The Metropolitan Water District of Southern California
- RPA
- State Bank of India California
- State Compensation Insurance Fund
- State of CA Employment Development Department
- WCIRB

Annual

- ActNow Strategies
- Austrian Trade Commission
- Bank of Hope
- Cal Recycle
- California Association Of Realtors
- California Department of Transportation
- California Public Utilities Commission
- California Steel Industries, Inc
- Cemex
- Chartwell Capital Solutions
- Chroma Systems Solutions
- City National Bank
- City of Carlsbad
- City of Cupertino
- City of Inglewood
- City of La Quinta
- City of San Jose
- City of Santa Clara
- City of Santa Rosa
- City of Torrance
- Coastline Equity
- Consulate General of Japan
- County of San Diego
- Covered California
- Desert Sands Unified School District
- Desmond, Marcello & Amster
- East West Bank
- FDIC
- HdL Companies
- Heritage Bank of Commerce
- HR and A Advisors, Inc.
- Interfaith Federal Credit Union
- Irvine Company
- Jacobs
- Kaiser Permanente
- KPMG LLP
- Lehigh Southwest Cement Company
- Liberty Bank, N.A.
- Los Angeles Public Library - Business Economics Dept
- Ninth Circuit Library
- Northern California Power Agency
- Orange County Executive Office - Budget
- Pueblo Mechanical & Controls, LLC
- School Services of California Inc.
- SMBC ManuBank
- SMUD
- SoCalGas
- Stanford University
- State of Hawaii - Department of Taxation
- The Aerospace Corporation
- The Olson Company
- University of California San Diego
- University of Richmond
- William Rayhill
- XL Construction
- York University Libraries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*APY = Annual Percentage Yield. To earn 3.00% APY, member must have a qualifying Smart Checking Account opened August 1, 2024 and after. Based on a combined rate of 2.96%. All accounts must be in good standing with no delinquency or bankruptcy pending. Qualifying Smart Checking Accounts will earn 3.00% APY in dividends on balances up to $25,000. Balances above $25,000 will be paid at the regular checking rate.
Qualifying Smart Checking Accounts are defined as enrollment in eStatements and enrollment in Direct Deposit to the Smart Checking Account of at least $1,000 aggregated monthly. If the requirements are not met, then no dividend is earned. Secondary Smart Checking Accounts not eligible to earn APY. Dividends are calculated by the daily balance method, which applies a daily periodic rate to the balance in the account at the end of each day. Dividends are disbursed monthly into the active Smart Checking Account. APY is accurate as of the last dividend declaration date. Fees could reduce the earnings on the account. Rate subject to change after account opening and may vary based on qualifications met at month end. Not valid with any other offers. To establish a UCU Membership, you must deposit at least $5 to a Regular (Share) Savings Account. A $50 minimum deposit is required to open a Smart Checking Account. No minimum balance is required. All accounts are subject to approval. Ask us for further information about the terms and fees that apply to these accounts.
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Pepper Canyon West Student Housing

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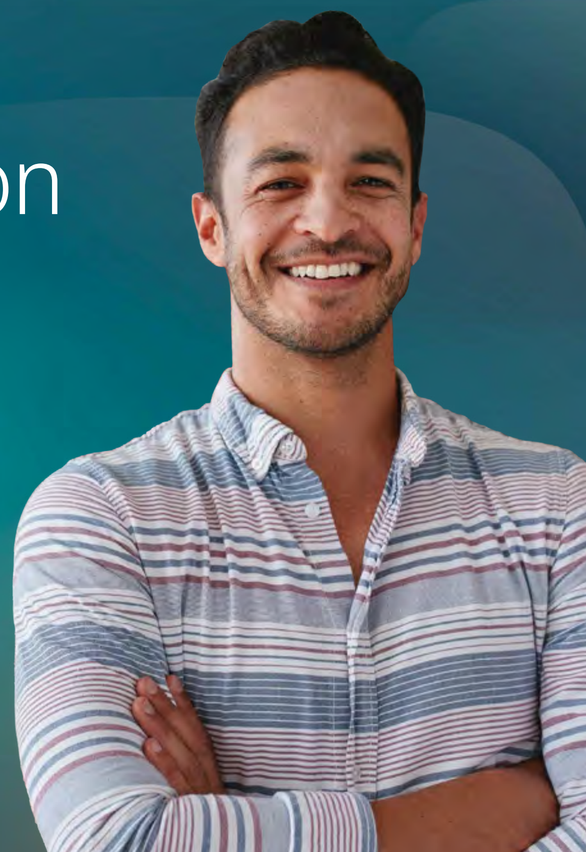

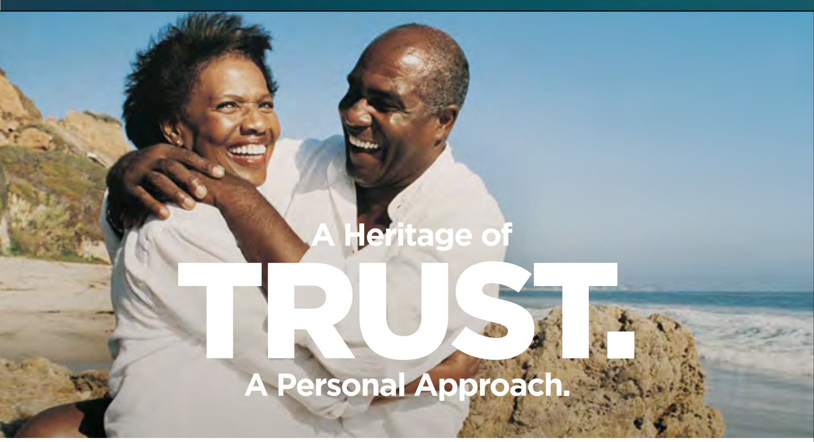

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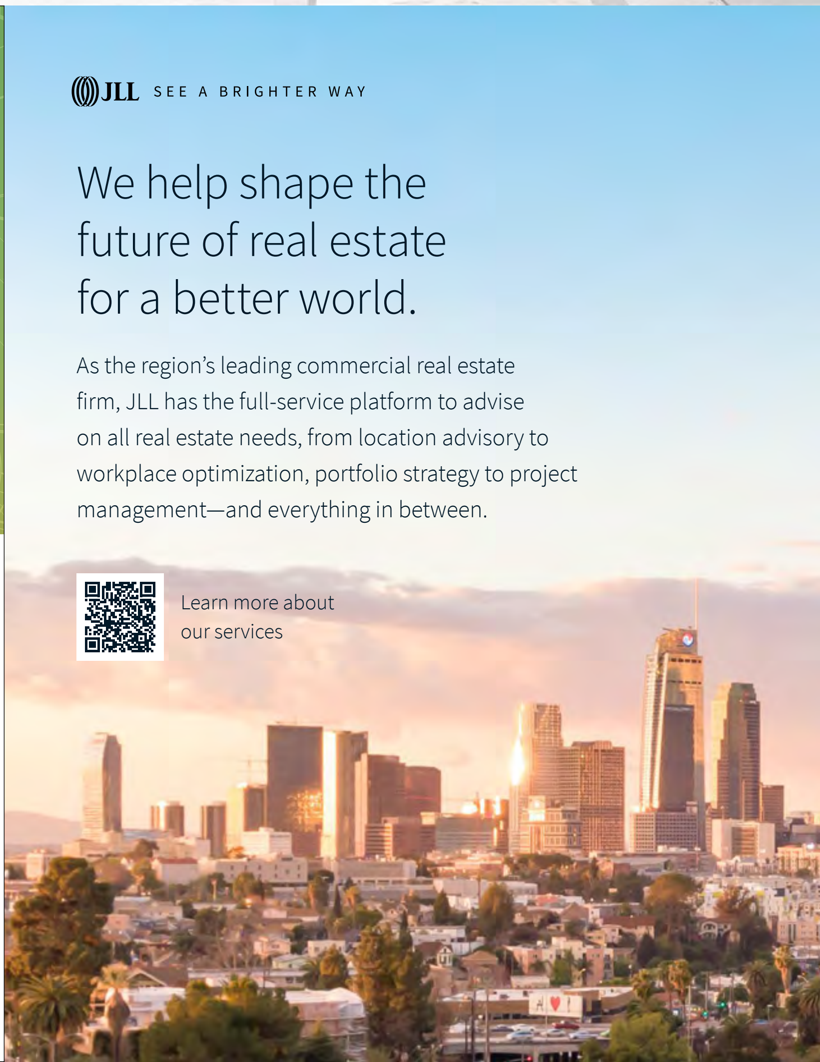
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Jerry Nickelsburg

Director

Jerry Nickelsburg joined the UCLA's Anderson School of Management and The Anderson Forecast in 2006. Since 2017 he has been the Director of The Anderson Forecast. He teaches economics in the MBA program with a focus on Asian economies. As the Director of The Anderson Forecast he plays a key role in the economic modeling and forecasting of the National, and California economies. He has conducted research in the areas of labor economics, industrial organization, statistics, and international monetary economics, focusing on the development of new data and the application of economic theory and statistical methods to policy issues. His current academic research is on specific skills, structural unemployment, and on energy efficiency in transportation. He is a regular presenter at Economic Conferences and is cited in the national media including the Financial Times, Wall Street Journal, New York Times, Los Angeles Times, and Reuters.

He received his Ph.D. in economics from the University of Minnesota in 1980 specializing in monetary economics and econometrics. He was formerly a professor of Economics at the University of Southern California and has held executive positions with McDonnell Douglas, FlightSafety International, and FlightSafety Boeing during a fifteen-year span in the aviation business. He also held a position with the Federal Reserve Board of Governors developing forecasting tools, and has advised banks, investors and financial institutions.

From 2000 to 2006, he was the Managing Principal of Deep Blue Economics, a consulting firm he founded. He has been the recipient of the Korda Fellowship, USC Outstanding Teacher, India Chamber of Commerce Jubilee Lecturer, and he is a Fulbright Scholar. He has published over 100 scholarly and popular articles on monetary economics, economic forecasting and analysis, labor economics, and industrial organization and he is the author of two books on monetary economics and exchange rates.

Clement Bohr

Economist

Clement Bohr is a macroeconomist whose research covers monetary economics, business cycles, economic growth, and structural change. He is particularly interested in how economies evolve over time and how this evolution affects the business cycle. His recent work demonstrates how the expansion of firms' capacity buffers in production has contributed to the observed flattening of the Phillips curve over the past half century. In other work, he shows how innovation is directed by market forces towards the more income-elastic sectors of the economy, leading to larger productivity gains and relatively lower prices in them over time.

Bohr's work has not gone unnoticed by economic policymakers. He was selected as a Young Economist Prize Finalist at the European Central Bank's annual forum on central banking, where he had the opportunity to discuss his work with the heads of central banks from around the world. Furthermore, the Federal Reserve Board has integrated Bohr's model of production capacity buffers into their DSGE toolkit for policy analysis.

In addition to research, Bohr earned many distinguished teaching awards during his PhD at Northwestern, where he primarily taught international finance and money and banking. He also revised and extended the monetary economics section of Karlan and Morduch's textbook, Economics. Bohr will be teaching the MBA course Global Economics and Business Cycles at the UCLA Anderson School of Management beginning in 2026.

While originally from Denmark, Bohr earned his undergraduate degrees in Physics and Economics as an Echols Scholar at the University of Virginia in 2017. He completed his PhD in Economics at Northwestern University in 2024.

Bohr joined the UCLA Anderson School of Management in July 2024 as a faculty member of the Global Economics and Management area and the UCLA Anderson Forecast where he leads the quarterly US economic forecast. In collaboration with Joseph Stiglitz, Bohr is visiting Columbia Business School for the 2024-2025 academic year.

Thomas Ash
Economist

Thomas Ash joined the UCLA Anderson School of Management as a Researcher and the UCLA Anderson Forecast as an Economist in 2023. His research involves subjects in Macroeconomics, Finance, Digital/Media Economics, Climate Change and Migration. His work uses a range of methods, including empirical data analyses, optimization modelling and machine learning methods to answer research questions in these areas. He has particular expertise in the use of Natural Language Processing (NLP) methodologies.

Prior to joining UCLA, Thomas obtained a PhD in Economics from the University of Southern California. He holds a Bachelors and Masters in Economics from the London School of Economics, as well as a Graduate Certificate and Masters in Mathematics from the University of London, Birkbeck. Finally, Thomas worked for over five years in Economic Consulting at National Economic Research Associates (NERA) and Oxford Economics.

For the UCLA Anderson Forecast, Thomas is involved in developing forecasts of the impacts of Climate Change on the economy, as well as forecasts of the California Economy. Thomas' most recent research examines Green Finance and ESG, Social Media's role in herding, polarization and asset price bubbles, as well as Macroeconomic models that analyze the impact of Climate Change through its impact on Natural Disasters.

Zhiyun Li
Mercury Insurance Climate Economist

Zhiyun joined the UCLA Anderson Forecast in 2023 and serves as the Mercury Insurance Climate Economist. She focuses on forecasting and studying climate-related issues of the California and U.S economies. Her research interests include investigating how climate change and climate-related disasters affect different aspects of the economy, how economic agents such as firms and individuals adapt to climate impacts and helping policymakers to develop more efficient climate adaptation strategies. In her studies, she employs large spatial data and relies on methodologies ranging from panel data model, difference-in-differences approach to machine learning technique.

Before joining UCLA Anderson Forecast, she received her PhD in Environmental, Energy and Resource Economics from Dyson School of Applied Economics and Management at Cornell University. She also holds a bachelor's degree from Huazhong University of Science and Technology, and a master's degree in Statistics from Columbia University.

Brandi Britton
Executive Director,
Contract Finance and Accounting,
Robert Half

Brandi Britton serves as executive director with responsibility for overseeing Robert Half's contract finance and accounting practice group. In this role, she leads global operational strategy for the placement of highly skilled finance and accounting professionals on a contract basis, for short- and long-term assignments.

Since joining Robert Half, Brandi has held several leadership positions with the company, most recently serving as district president for professional talent solutions in Southern California. During her tenure, Brandi has achieved companywide recognition for outstanding leadership and production.

Brandi joined Robert Half International in 1999 and has served as an invaluable source and staffing and consulting expert for national and regional media outlets including CBS, Wall Street Journal, Los Angeles Times, Los Angeles Business Journal, among others. Brandi graduated from California Polytechnic State University with a Bachelor of Science degree in Social Sciences.

Brandi actively leads her teams to give back to the communities in which they live and work through a variety of initiatives, including an annual suit drive for Dress for Success and similar non-profits, during which time the company collects donations for low-income women looking to enter – or re-enter – the employment market. Brandi also oversees an annual holiday toy drive benefitting local non-profits, for which she collects gifts for local at-risk youth.

Joe Brusuelas
Principal & Chief Economist,
RSM US LLP

Joe Brusuelas, an award-winning economist, has more than 20 years' experience analyzing U.S. monetary policy, labor markets, fiscal policy, international finance, economic indicators and the condition of the U.S. consumer. A member of the Wall Street Journal's forecasting panel, Brusuelas regularly briefs members of Congress and other senior officials regarding the impacts of federal policy on the factors by which executives make business decisions.

He also frequently offers his insights on the U.S., Canadian and global economies in the financial media, including CNBC, Cheddar, NPR's Marketplace, Yahoo! Finance, Financial Times, The New York Times, Wall Street Journal, Washington Post, Axios and Politico. (Recent broadcast coverage and other media commentary can be found here.) In 2020, he was named one of the 100 most influential economists by Richtopia.

Before joining RSM in 2014, Brusuelas spent four years as a senior economist at Bloomberg L.P. and the Bloomberg Briefs newsletter group, where he co-founded the award-winning Bloomberg Economic Brief. Earlier in his career, he was a director at Moody's Analytics covering the U.S. and global economies for the Dismal Scientist website. He also served as chief economist at Merk Investments L.L.C. and chief U.S. economist at IDEAglobal.

Brusuelas completed all economy and public policy dissertation requirements for his Ph.D. at the University of Southern California.

Anthony Chow (EMBA '09)
CEO,
Newegg

Since 2020, Mr. Chow has served as Chief Executive Officer of Newegg Commerce, Inc. ("Newegg"), a leading e-commerce company offering direct sales and an online marketplace platform for computer components, consumer electronics, entertainment, smart home and gaming products and third-party logistics services. In this role, he is responsible for ensuring the continued success of the company's business model and its e-commerce ecosystems, including helping merchants sell their products through the company's marketplace platform.

Earlier in his career, Mr. Chow held executive positions at several global e-commerce corporations. He served as Vice President of Newegg's North American business from 2006 until 2008. From 2008, he served as President of Newegg's China operation and OZZO Logistics, China, a subsidiary of Newegg. In 2011, he became CEO of OTTO Group China where he served until 2015, and then was Vice President of Haier Group Corporation from 2015 until 2019.

Upon rejoining Newegg in 2019, Mr. Chow made sweeping changes to refine Newegg's value proposition to position the company for future success. This began with a complete redesign of Newegg's global platform by unifying the company's vendor-direct and marketplace sales models. Additionally, he implemented a streamlined, domain-driven organizational structure optimized for modern scalable ecommerce operations.

Mr. Chow has earned extensive industry accolades in recent years, including his induction into the Digital Ecosystem Hall of Fame in August 2020; First China Cross-Border E-Commerce Outstanding Leader Golden Eagle Award in November 2020; Outstanding Contributor to Credit China in December 2020; Leading Cross-Border E-Commerce Enterprise Award in January 2021; appointed Chairman of the Special Committee of Shanghai Cross-Border E-Commerce Industry Association in January 2021; Cross-Border E-Commerce Person of the Year Award in December 2021; LA Times CFO&CEO Leadership Award in August 2021; and featured on the cover of Foreign Trade Magazine in November 2021.

Mr. Chow earned a Bachelor's degree in electrical engineering from the University of Toledo in 1989, and a Master of Business Administration from the University of California Los Angeles Anderson School of Management in 2010. Additionally, he is a member of the Institute of Electrical and Electronics Engineers (IEEE).

John Coscia, CFA
Senior Vice President,
Director, Portfolio & Funding,
City National Bank

John Coscia has been with City National Bank since 2000. He is responsible for managing and coordinating all market transaction activities within City National's Treasury Department. This includes the strategic direction and oversight of the Bank's fixed income portfolio, daily cash position, off-balance sheet hedging, wholesale borrowings, and Loan Pricing Desk. It also includes the management of the Bank's debt, capital, derivatives, and balance sheet position.

John has an MBA from USC's Marshall School of Business and a BS in Probability & Statistics from the University of California at Santa Barbara.

Mia DeMontigny
Senior Vice President & Chief Financial Officer,
SoCalGas

Mia DeMontigny is senior vice president and chief financial officer for Southern California Gas Company (SoCalGas), a Sempra regulated California utility. She oversees SoCalGas' Accounting and Finance and Gas Acquisition functions.

DeMontigny joined Sempra as assistant controller in 2015. Prior to that, she was U.S. assistant controller for National Grid from 2013 to 2015. In that role, she was responsible for overseeing accounting and financial reporting functions. Before National Grid, she worked at PwC in a variety of roles in the power and utilities industry group, including managing director.

DeMontigny serves on the board of directors, including chair of the finance committee, of Covenant House California. She holds a bachelor of commerce and a graduate degree in accountancy, both from Concordia University in Montreal, Quebec, Canada and is a certified public accountant.

TaMiya Dickerson
Partner,
Americas FSO Business Consulting
EY

TaMiya is a partner in EY's FSO Technology Risk practice, based in Los Angeles, California. She has more than twenty years of experience and focuses on technology risk management and corporate governance for publicly traded and regulated organizations across the financial services industry. She has a focus on emerging companies, FinTech and transaction settlement. Based on her experience serving, emerging companies, regional and global Fortune 100 entities, TaMiya is adept at creating effective programs and risk-based approaches for engagements.

TaMiya's experience includes enterprise risk management, general computer controls, technology operations reviews, Service Organization Control (SOC) reports, Sarbanes Oxley (SOX) IT compliance services, systems selection and contiguration across the lifecycle.

TaMiya has a passion for business transformation - especially where technology and change management are foundations for change. Over the years she worked in London, Geneva, Kuala Lumpur, and Puerto Rico and has a reputation for excellence as a trusted business partner.

TaMiya received a master's degree in accounting and a bachelor's degree in business administration from the University of Southern California. She is a certified public accountant licensed in California. TaMiya is a member of the American Institute of Certified Public Accountants, National Association of Black Accountants, and the CalCPA. As a servant leader in the community, TaMiya is a member of the Board of Managers of the Ketchum YMCA. She is also a formal mentor at the University of Southern California for both the Marshall Business School and the Black Alumni Association. Outside of the office, TaMiya spends time with her family and their dog Rison. You may see her outdoors snowboarding, SCUBA diving or out for a round of golf.

Ross Gerber
President & CEO,
Gerber Kawasaki Wealth and Investment Management

Ross Gerber is the Co-Founder, President, and CEO of Gerber Kawasaki Wealth and Investment Management. Ross oversees Gerber Kawasaki's corporate and investment management operations as well as serves individual clients. Ross has become one of the most influential investors on social and traditional media. His investment ideas and advice have made him a regular in global business news as well on many of the most popular podcasts. He is a regular on Bloomberg, Reuters, Fox Business, Yahoo Finance, CNN, CNBC as well as a contributing writer for Forbes.com. He has appeared on many of the most popular podcasts including HyperChange TV, The Dave Portnoy Show, Meet Kevin on YouTube, The Pomp Podcast, and more.

Ross and the Gerber Kawasaki team oversee $2.1 billion of investments as of 10/21/21 focused on technology, electric vehicles, consumer, media, and entertainment companies for clients and the firm. Gerber Kawasaki is a leader in Fintech innovation leveraging technology and social media to work with a large diverse client base providing financial advice in scale. GK has grown to over 8000 clients and was listed as one of the fastest-growing companies in Los Angeles according to the LABJ. GK received several Diversity and Inclusion Awards within the financial industry and prides itself in representing the community.

GK is a leader in providing investment advice for the younger generation through its Wealth Building & Get Invested programs and the first major RIA to partner with Gemini and begin offering Digital Assets to clients. Ross is an expert in online marketing and social media as well as a co-developer of the company's app for IOS, my-moneypage.

Ross received his BA in Communications from the Annenberg School at the University of Pennsylvania concentrating in Business Law at the Wharton School of Business, graduating class of 1993. Ross also received a second concentration in Classical Music Studies at the University of Pennsylvania and attended the Grove School of Music. He was born and raised in Los Angeles, CA, and attended Brentwood High School with the graduating class of 1989.

Carlos Gonzalez
Division President, Western Region,
Clark Construction Group

Carlos Gonzalez provides executive leadership for Clark Construction Group's Southern California Region.

Carlos is responsible for the region's day-to-day operations, business development, and preconstruction from project inception, contract negotiations, and monitoring construction progress.

Throughout his tenure at Clark, Carlos has served in project management, field supervision and overall leadership roles throughout Southern California, for clients including the San Diego Padres, Los Angeles County Museum of Art, Delta Airlines, Los Angeles World Airports, Walt Disney Imagineering, State of California, JMI Realty, Host Hotels & Resorts, NAVFAC, General Services Administration, Department of Veterans Affairs, University of California, and the California State University.

Carlos previously served as general manager for Clark Concrete in the Mid-Atlantic Region, leading Clark's self-perform structural concrete business unit.

Carlos earned his bachelor's degree in civil engineering from San Diego State University, his master's degree in civil engineering from San Diego State University, and his master of business administration from the University of California, San Diego.

Carlos serves on the board of directors of the National ACE Mentor Program and Hope Builders. He also serves as a member of the Civil Engineering Advisory Board at San Diego State University.

Vincent Iacopella
Executive Vice President, Growth & Strategy, Alba Wheels Up International

Yolla S. Kairouz
Executive Director, J.P. Morgan Private Bank

Vincent Iacopella is the Executive Vice President Growth and Strategy at Alba Wheels Up International Inc.

Vince's responsibilities include leading Alba's expansion into new markets and to increase the portfolio of product offerings with a focus on trade sensitive imports and exports, as well as smart supply chain technology that drives value to importers and exporters.

At Alba, Vince, along with the owners and senior management team is responsible for leading efforts in sustainable topline growth and development and implementation of an integrated approach to sales and business development. Vince is responsible for driving creation and development of product and service enhancements aligned with CBP, FDA, and EPA's Trade Modernization initiatives in the Automated Commercial Environment (ACE) as well as development of freight and supply chain products and their marketing to customers.

Along with the owners Vince works on Alba's strategic partnerships in the market to drive value to Alba's customers. Vince is based in the Los Angeles office, but works on behalf of the entire company.

Vince is a licensed Customs Broker and served as past president of the Los Angeles Customs Brokers and Forwarders Association. He is current president of the Pacific Coast Council of Customs Brokers and Freight Forwarders. In December 2013, he was appointed to the 13th Advisory Committee on Commercial Operations of Customs and Border Protection, better known as COAC. This 20-member council advises the secretaries of the Department of the Treasury and the Department of Homeland Security on the commercial operations of CBP and related DHS and Treasury functions. He currently serves on the COAC and as Trade co-chair of the 14th COAC Committee on Commercial Operations of Customs and Border Protection, better known as COAC.

Yolla S. Kairouz is an Executive Director and Banker in the Los Angeles office of J.P. Morgan Private Bank. She works closely with serial entrepreneurs and corporate executives of privately held companies and their families in the Beverly Hills and Westside communities to manage risk, maximize opportunities and create a lasting impact with their wealth.

Yolla fosters a consultative approach by listening actively and empathetically to her clients' goals, concerns and aspirations. She and her team of talented specialists create and implement customized, goals-based strategies to preserve, manage and transition assets. She marshals the firm's extensive resources as needed. With over 18 years of industry experience, Yolla spent the last 13 years at Wells Fargo and in various roles within the Wealth Management Group. Her tenure informs her nuanced understanding of the multifaceted complexities accompanying significant wealth.

Yolla earned her B.A. in Economics from California State University, Northridge; Executive M.B.A. from Loyola Marymount University; and Juris Doctorate from University of La Verne, College of Law. She completed the Accredited Wealth Management Advisor program, and she holds FINRA Series 6, 7, 63 and 65 securities licenses. She carries her Life and Health licenses from the California Department of Insurance. She completed numerous certifications through the Blockchain Council on blockchain, AI, and digital assets.

Yolla was named 2022 Leadership Fellow for Terrence E. Deal Leadership Institute. She has also authored several articles on wealth planning, and recently published a law review article for the Journal of Law, Business, and Ethics.

Born and raised in St. Cloud, Minnesota, Yolla has made Los Angeles her home. She cares deeply about the city's local performing arts and veteran communities. She serves as a board member of the Young Musicians Foundation, a California board member of the U.S. Navy SEAL Museum, and a mentor for American Corporate Partners, a veteran-civilian career transitioning organization. During her leisure time, she enjoys backpacking, and believes wilderness skills easily translate into helping clients manage risk and uncertainty.

Janet Lamkin
Senior Vice President,
Market & Community Innovation,
United Airlines

Janet Lamkin is the senior vice president of market and community innovation at United. Building on her work in California, Janet oversees other regions across the network, particularly our hubs. Her focus is on building customer loyalty in local markets, analyzing the competition in those markets, overseeing global sponsorships and leveraging partnerships to better serve United customers. Janet helped create partnerships with Clorox and the Cleveland Clinic to emphasize United's cleanliness and safety measures. She also worked on the partnership with Peerspace to create Team Together, demonstrating United's focus on responding to emerging customer needs by developing innovative solutions.

Before joining United, Janet served as California president for Bank of America. She was responsible for growing the business and strategically positioning the bank in California, including developing and maintaining relationships within the corporate, government and grassroots sectors. Janet spent 20 years with Bank of America, serving in a variety of senior management positions.

Janet was asked to join Governor Gavin Newsom's state Task Force on Business and Jobs Recovery, a group of senior leaders from across a broad range of economic and social sectors, to advise the governor on rebuilding quickly and safely from the pandemic-induced recession. She serves on the UCSF Health Executive Council, which serves as the health system's business advisory board.

Janet recently concluded a two-year term as the chair of the Bay Area Council, the first woman to hold that post. The San Francisco Business Times has recognized Janet as one of the 100 Most Influential Businesswomen in the Bay Area for eight consecutive years. She has been a champion of diversity, inclusion and women's leadership throughout her career, and she speaks regularly on these issues. She sits on the boards of several nonprofit organizations, including the German Marshall Fund, SFMOMA, United Way Los Angeles and Coro Los Angeles.

A native of Stockton, California, Janet holds a bachelor's degree in political science from Westmont College and a master's degree in international relations from the Australian National University.

Jackie Levy
Chief Financial and Revenue Officer,
Caruso

As Chief Financial and Revenue Officer, Jackie Levy serves as a key executive team member, trusted CEO advisor, and strategic business partner to support the Company's financial vision and to ensure the success of Caruso's multi-billion-dollar portfolio of award-winning properties. He is responsible for aligning finance, leasing, marketing, and operations on developing business models and pricing strategies in a highly competitive and complex business environment and industry. Under Levy's leadership, Caruso's operating portfolio has achieved approximately 20% cumulative NOI growth year over year.

Having spent 16 years with Caruso, Levy has over 20 years of industry experience. Levy began his career in the shopping center industry at Westfield, with roles at multiple properties, before joining Caruso as the General Manager of The Grove and The Americana at Brand. He later served as Vice President of Operations, Senior Vice President of Operations and Executive Vice President of Operations, before assuming his role as Chief Business Officer in 2019. With Levy's oversight, The Grove and The Americana at Brand have achieved the distinction of being ranked amongst the top ten highest sales-performing shopping centers in the world, while 8500 Burton Way has realized record rents in the Los Angeles market. As Chief Business Officer, Levy was responsible for the operations of all operating properties in the portfolio, encompassing retail, residential, office, hotel, and F&B. Levy also was integral in expanding the company's asset base to include class-A innovative office space, reimagining the office experience for its Fortune 300 tenant, CBRE.

Levy graduated from San Diego State University with a Bachelor of Arts degree in communications.

Chang M. Liu (BA '90)
President & CEO,
Cathay Bank

Chang M. Liu is the President and Chief Executive Officer of Cathay Bank and a member of the Board of Directors of Cathay Bank and its holding company.

Chang joined Cathay Bank in 2014 and, prior to assuming the position of President and Chief Executive Officer in 2020, was responsible for, among other things, managing and overseeing all commercial and real estate lending, business development, and various operations.

Prior to his current role at Cathay Bank, Chang was the Executive Vice President and Chief Lending Officer at Banc of California (formerly known as "Pacific Trust Bank") and under his leadership, increased the commercial real estate loan portfolio by $400 million in three years and the bank grew from $875 million to $3 billion in asset size. Chang received a Bachelor of Arts in Economics degree at UCLA and has more than 31 years of banking experience.

Aside from his business pursuits, Chang is a Board member of the Foothill Family, which provides comprehensive mental health care, early childhood development programs, and social services throughout the Greater Los Angeles region.

Candice Nakagawa
Western Region President,
Wilmington Trust

Candice oversees Wealth Management services across the state of California for Wilmington Trust, including administrative and business development functions for personal trust, investment management, and private banking. In this role, she oversees the development and coordination of Wealth Management services for high-net-worth and ultra-high-net-worth individuals, families, and institutional investment accounts, including nonprofit organizations, business owners, corporate executives, and professional service firms. Candice and her team work closely with clients and their advisors to develop financial strategies that help them meet their current needs and plan for their long-term objectives.

With over two decades' experience in financial services, Candice most recently served as the Private Wealth Management market leader at U.S. Bank, where she was responsible for the Orange County market. She previously held many positions at MUFG Union Bank, leading Private Banking and Wealth Advisory teams in Southern California. During her tenure, Candice created the Wealth Management Professional Development Program as a pathway for career development and mentorship for the next generation of wealth advisors. She also served as the firm's head of Women & Wealth, a community for women and women-owned businesses geared toward enhancing financial confidence and capabilities.

Candice holds an MBA from the Marshall School of Business at the University of Southern California and a bachelor's degree in economics with a minor in Japanese studies from the University of California, San Diego. She is also a graduate of the national graduate school of banking, Pacific Coast Banking School.

Beyond her career, the native Angeleno is passionate about giving back to her community and paying it forward. She serves as a board member for the California Council on Economic Education, whose mission is to improve the state's future by teaching economics and financial literacy, especially in underserved communities. She is also on the board of Women's Voices Now, an organization striving to drive social change that advances women's and girls' rights globally. Candice takes joy in traveling the world and learning about new cultures. A former competitive open water swimmer and triathlete, she is also a certified advanced scuba diver who likes to explore the seas. She also enjoys skiing during the winter.

Brian Saenger (BA '95, CERT '19)
President & CEO,
The Ratkovich Company

Brian Saenger is the President and Chief Executive Officer of The Ratkovich Company, a Los Angeles-based real estate development company specializing in urban infill and historic rehabilitation of landmark properties. He previously served as the Company's Chief Operating Officer and General Counsel and was responsible for overseeing the Company's operations, including development management, property management, and legal and administrative functions. In 2021, Brian was named to the Los Angeles Business Journal's list of 500 Most Influential People in Los Angeles.

Brian serves on the Los Angeles Area Chamber of Commerce's "The CEO Council," an advisory group of top business leaders focused on ensuring affordable housing for middle-income families and building a workforce that is prepared for the good-paying jobs of the future. He is also a member of the Urban Land Institute (ULI) and serves on the Urban Development and Mixed-Use Council. ULI is the oldest and largest network of cross-disciplinary real estate and land use experts in the world. Additionally, Brian is a member of the Board of Directors for the San Gabriel Valley Economic Partnership. He has previously served on the Board of Directors for the California YMCA Youth & Government program and was a past Chair of the Board.

Brian joined The Ratkovich Company as the Vice President of Acquisitions and played a leading role in the Company's acquisition of The Bloc, a 1.8 million square foot, mixed-use property in downtown Los Angeles consisting of retail, office and hospitality uses. He also represented the Company in the successful negotiation of a 66-year ground lease for the development of West Harbor (formerly known as the San Pedro Public Market), a $150 million transformation of a 42-acre site along the Los Angeles waterfront in San Pedro. In August 2021, West Harbor was featured in the Los Angeles Times for landing seven high-profile restaurant and entertainment leases during the pandemic.

Prior to joining the Company, Brian served as the Company's outside counsel when he practiced with the international law firms of DLA Piper LLP (US) and Pillsbury Winthrop Shaw Pittman.

Brian received his Juris Doctorate from Loyola Law School, Los Angeles, with honors, where he served as the Editor-in-Chief of the Loyola of Los Angeles Law Review. He received his Bachelor of Arts degree from the University of California, Los Angeles. Brian is a member of the State Bar of California and a licensed California real estate broker.

Eugene D. Seroka
Executive Director,
Port of Los Angeles

Gene Seroka is the Executive Director of the Port of Los Angeles, the busiest container port in North America. He was nominated by Los Angeles Mayor Eric Garcetti on May 27, 2014, and confirmed by the Los Angeles City Council on December 11, 2014.

As Executive Director, Seroka is responsible for managing a $939 million budget, advancing major capital projects; growing trade volumes and promoting innovative, sustainable practices that strengthen the region's economy. His duties involve interacting with a wide range of stakeholders, including Port customers around the globe, industry partners, elected and appointed officials at all levels, harbor area residents and business leaders.

Seroka brings more than 25 years of experience in shipping, global logistics and executive management to the Port. Most recently, he was Head of Commercial in the Americas Region for American President Lines (APL) Limited. After several key overseas positions for APL, he returned to the U.S. in 2010 to become President – Americas for APL Limited in Phoenix where he managed APL's Liner Shipping business, including 1,000 employees, and was responsible for all commercial, port terminal, intermodal, land transportation and labor activities throughout the region.

Seroka joined APL, a wholly owned subsidiary of Singapore-based Neptune Orient Lines (NOL) and the world's seventh largest ocean carrier, in 1988 as a sales support representative in the company's Cincinnati office after earning an MBA and Bachelor of Science in Marketing from the University of New Orleans. Over the years, he has held various positions in sales and management with increasing responsibility and high-level assignments all over the world. Throughout his career, he played a key role in global marketing and corporate strategies for APL.

Seroka's first overseas posting was in Shanghai where he served as Director of Sales and Marketing for North and Central China from 1999 to 2003. He then moved to Jakarta where he was President Director of PT APL and APL Logistics in Indonesia for two years before relocating to Singapore in 2005 to become Vice President of APL Logistics' business units in 26 countries in the company's Asia/Middle East and South Asia regions. From 2008 to 2010, he served as Vice President for APL and APL Logistics Emirates LLC in Dubai where he managed APL's business in the Middle East and East Africa Region.

John Tipton
Partner,
Allen Matkins

David L. Tuyo, II
President & CEO,
University Credit Union

John Tipton, a partner in the Century City office and immediate past Chair of Allen Matkins' real estate department, is one of the top real estate attorneys in California with respect to acquisitions and dispositions, leasing, and asset management. John represents his clients in actively buying, financing, developing, leasing and selling office centers, shopping centers, mixed use projects, studios, hotels and multi-family projects throughout the United States. He also has extensive experience in representing owners, operators, and partners in all types of development, construction, management, and operating agreements.

John is a founder and lead attorney in the ongoing partnership producing the Allen Matkins/UCLA Anderson Forecast Commercial Real Estate Survey, a twice-annual survey involving the top commercial real estate owners, investors, and developers in California and provides a three-year economic outlook on a range of asset classes and geographical regions throughout the state. A frequent public speaker, John co-authored the chapter on Construction Agreements in the second edition of the California Continuing Education of the Bar Commercial Project Practice Guide, the legal education reference book on project management for California attorneys. John is a member of the Los Angeles County Bar Association, the Urban Land Institute and served as Chair of the Board of Junior Achievement of Southern California (2019-2021), a non-profit dedicated to teaching financial literacy, work readiness and entrepreneurship to Southern California youths.

David L. Tuyo II, DBA, MBA serves as the President and CEO of University Credit Union. Dr. Tuyo is a veteran of the financial services industry where he has served financial institutions in a multitude of roles including COO, CFO, and Chief Investment Officer. His career in the financial services industry spans over 20 years, with the majority dedicated to serving credit unions. Dr. Tuyo's education includes a DBA from California Southern University, an MBA from Mississippi State University and a Bachelors in Finance from the University of Mobile.

Linton White
Senior Vice President & Chief Financial Officer
Kaiser Permanente, Southern California and Hawaii

Linton White oversees the finance strategy and operations for Kaiser Permanente Southern California and Hawaii Markets. The markets serve over 5 million members. In this role, Linton leads the markets' efforts to ensure strong financial planning and controls are in place to support the Kaiser Permanente mission to provide high quality, affordable care to the communities we serve.

Prior to this role, Linton served as Vice President, Financial Planning and Performance for Northern California Market. Linton led all aspects of financial and business planning and performance for the market, including but not limited to development of short and long term financial operational plans, regional rate setting, budgeting and forecasting, financial operations for hospital, continuum, and pharmacy, capital financial services, financial data and systems supports, and provided functional oversight to 14 Area Finance Officers.

During 2021, Linton served as Interim Senior Vice President and Chief Financial Officer for Kaiser Foundation Hospitals and Health Plan in Northern California. In this interim role, Linton oversaw the finance strategy, planning, and operations for Kaiser Permanente Northern California which serves over 4.5 million members.

Linton has over 25 years of financial and operational experience working within health systems, hospitals, home healthcare, physician practice management, and the healthcare product and supply industries. Prior to joining Kaiser, he served as District CFO for the West Region for Kindred Healthcare. His responsibilities included oversight of financial operations and performance for 22 long-term acute care hospitals covering five states (California, Arizona, Colorado, New Mexico, and Washington).

Throughout Linton's career, which started in Chicago, Illinois with Baxter Healthcare, he has played a significant leadership role in moving organizations' financial performance forward while partnering with operational leaders to deliver operational results. He obtained his bachelor's degree from Indiana University, attended Executive MBA program St. Mary's College, and is currently attending Harvard Business School's Executive Leadership Program.

UCLA Anderson Forecast Fellows Program

The UCLA Anderson Forecast Fellows Program was officially launched in January 2022 to award one-year fellowships to two undergraduate students currently enrolled at California State University, Dominguez Hills (CSUDH).

Over the course of the initial year, CSUDH faculty and staff as well as Forecast economists will be serving as sponsors and be paired with each fellow to provide a supportive environment to ensure their success. The sponsors will work with the fellows on training, software, research progress, and other aspects of the program to maximize the overall experience. At the same time, the fellows will be invited and encouraged to attend selected MBA lectures in order to gain a better understanding of the overall graduate school experience.

At the conclusion of the year, the fellows will have completed a research paper, which will be published by the Forecast and featured at a quarterly conference.

The UCLA Anderson Forecast extends its appreciation and a sincere thanks to Edison International for their generosity in bringing this initiative to fruition.

2023-24 Forecast Fellows

Dwanjai Oprien

Marcelo Cowo

SPECIAL FORECAST SUPPORTERS

STEVEN C. GORDON

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IT'S IN THE DETAILS

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THE ROSALINDE AND ARTHUR
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MERCURY INSURANCE

The Mercury Insurance Climate Economist exclusively focuses on understanding climate change and its impact on the year-to-year evolution of the California economy. As the nation's most populous state with the fifth largest economy in the world, California ranks among the top for states that are suffering from climate related issues. Ongoing wildfires, floods, droughts, air pollution and heat waves are causing deep uncertainty about our environment's future. As a highly specialized research center, the Forecast is uniquely prepared to support California's climate goals while being able to provide the public, media and policymakers with critical insights on the economy.

The UCLA Anderson Forecast extends its gratitude and appreciation to Mercury Insurance for their generosity.

Learn more about the Mercury Insurance Climate Economist Zhiyun Li.