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### California Employment Indicator Declines

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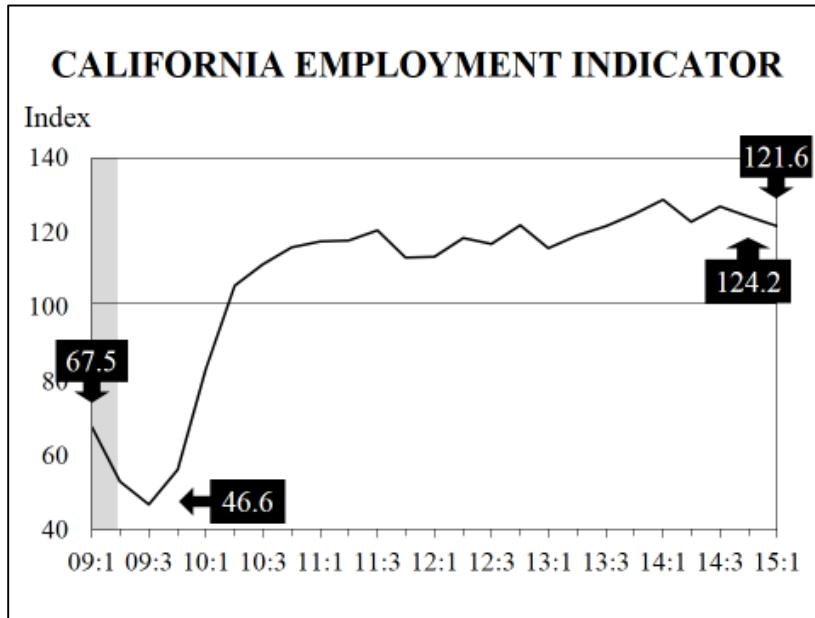
**A. Gary Anderson Center for Economic Research**

**For Release:**  
February 4, 2015

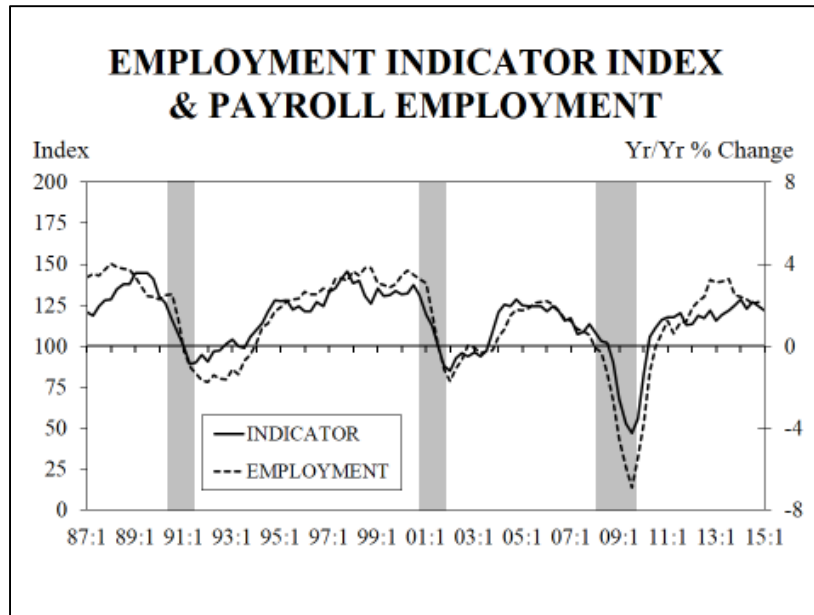
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## California Employment Indicator Declines

ORANGE, CA—The California employment indicator decreased by 2.6 points from a revised reading of 124.2 in the fourth quarter of 2014 to 121.6 in the first quarter of 2015. An index level above the critical value of 100 indicates positive job growth. The current reading suggests that job growth will remain positive in the first quarter of 2015 but the pace of job creation, however, will be slightly weaker than the fourth quarter of 2014.



The California Index of Leading Employment Indicator is comprised of variables found to have a significant influence on California's payroll employment growth. These variables include movements in the lagged values of real GDP, real exports, the S&P 500 and California's total construction spending. A weighted average of changes in these variables, based on their relative importance in explaining state employment growth, is used in constructing the index. As shown in the following figure, the index of leading employment indicator is strongly correlated to California's payroll employment growth.



All four components of the indicator series are positive but all are showing slower growth rates compared to the previous quarter.

- Year-over-year real GDP growth rate of 2.5 percent in the fourth quarter of 2014 was slightly lower than the revised 2.7 percent increase in the third quarter of 2014.
- On an annual basis, the S&P 500 increased 11.4 percent in the fourth quarter of 2014, compared to the third quarter annual increase of 17.3 percent.
- Year-over-year, real exports grew by 2.0 percent in the fourth quarter of 2014, lower than the revised growth rate of 3.8 percent in the third quarter of 2014.
- Year-over-year percentage change in construction spending, which is derived from six-quarter lagged real values of total building permit valuation, increased by 11.5 percent in the fourth quarter of 2014, about six points lower than the third quarter increase of 17.9 percent.

## **ABOUT THE ANDERSON CENTER FOR ECONOMIC RESEARCH**

The A. Gary Anderson Center for Economic Research (ACER) was established in 1979 to provide data, facilities and support in order to encourage the faculty and students at Chapman University to engage in economic and business research of high quality, and to disseminate the results of this research to the community.

### **ANNUAL SCHEDULE OF CONFERENCES AND PRESS RELEASES**

- |                  |  |
|------------------|--|
| <b>JANUARY</b>   | ‣ Economic Forecast Conferences for the Inland Empire<br>‣ California Purchasing Managers Survey                           |
| <b>FEBRUARY</b>  | ‣ California Leading Employment Indicator  |
| <b>MARCH</b>     | ‣ California Consumer Sentiment Survey   |
| <b>APRIL</b>     | ‣ California Purchasing Managers Survey  |
| <b>MAY</b>       | ‣ California Leading Employment Indicator  |
| <b>JUNE</b>      | ‣ Economic Forecast Update Conference for the U.S., California and Orange County<br>‣ California Consumer Sentiment Survey |
| <b>JULY</b>      | ‣ California Purchasing Managers Survey  |
| <b>AUGUST</b>    | ‣ California Leading Employment Indicator  |
| <b>SEPTEMBER</b> | ‣ California Consumer Sentiment Survey   |
| <b>OCTOBER</b>   | ‣ California Purchasing Managers Survey  |
| <b>NOVEMBER</b>  | ‣ California Leading Employment Indicator  |
| <b>DECEMBER</b>  | ‣ Economic Forecast Conference for the U.S., California and Orange County<br>‣ California Consumer Sentiment Survey        |