

Chapman University

Chapman University Digital Commons

Anderson Center Press Releases

A. Gary Anderson Center for Economic
Research

5-6-2016

California Leading Indicator Remains Steady

Anderson Center for Economic Research

Follow this and additional works at: [https://digitalcommons.chapman.edu/
anderson_center_press_releases](https://digitalcommons.chapman.edu/anderson_center_press_releases)

Recommended Citation

Anderson Center for Economic Research, "California Leading Indicator Remains Steady" (2016). *Anderson Center Press Releases*. 71.
https://digitalcommons.chapman.edu/anderson_center_press_releases/71

This Press Release is brought to you for free and open access by the A. Gary Anderson Center for Economic Research at Chapman University Digital Commons. It has been accepted for inclusion in Anderson Center Press Releases by an authorized administrator of Chapman University Digital Commons. For more information, please contact laughtin@chapman.edu.



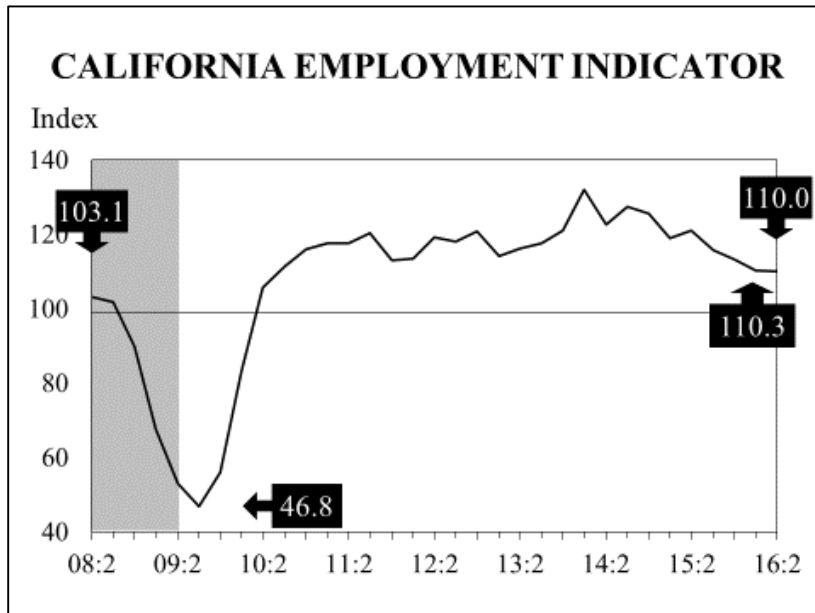
A. Gary Anderson Center for Economic Research

For Release:
May 6, 2016

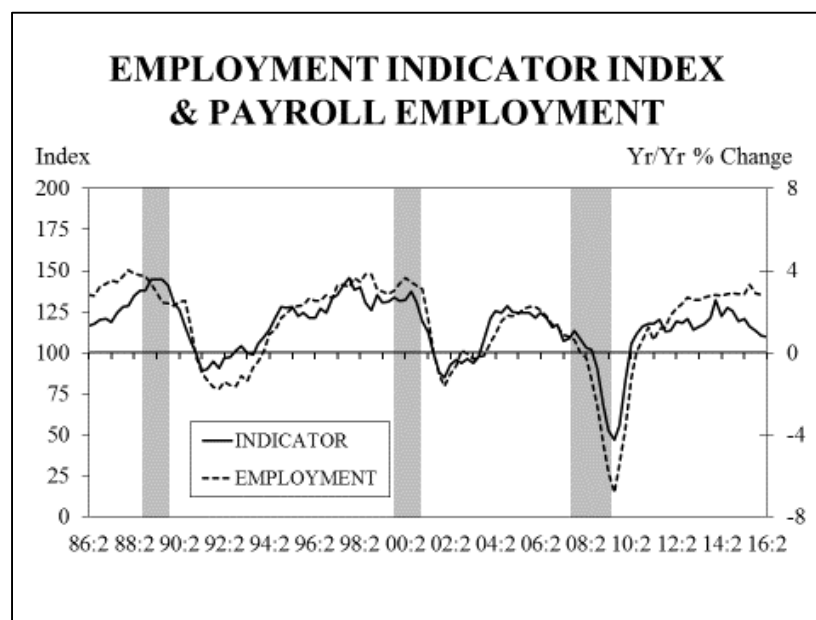
Contact:
Raymond Sfeir,
Project Manager & Research Fellow
Anderson Center for Economic Research at (714) 997-6693

California Leading Indicator Remains Steady

ORANGE, CA—The California Leading Employment Indicator remained stable at 110.0 in the second quarter from a revised reading of 110.3 in the first quarter of 2016. An index level above the critical value of 100 indicates positive payroll job growth. The current reading suggests that the pace of job creation in the second quarter will be about the same as the reported growth rate of 2.8 percent in the first quarter of this year.



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.



Three of the four components of the indicator series are positive with two showing measureable improvement compared to the prior quarter.

- Year-over-year, real exports grew by 0.3 percent in the first quarter of 2016, a positive change of nearly 1.0 percent from the revised decrease of 0.6 percent in the fourth quarter of 2015.
- Year-over-year percentage change in construction spending, which is derived from six-quarter lagged real values of total building permit valuation, increased by 7.0 percent in the first quarter of 2016, slightly weaker than the fourth quarter increase of 9.4 percent.
- Year-over-year real GDP growth rate of 1.95 percent in the first quarter of 2016 was nearly equal to the revised 1.98 percent increase in the fourth quarter of 2015.
- On an annual basis, the S&P 500 decreased 0.4 percent in the first quarter of 2016, compared to the fourth quarter annual decrease of 0.7 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

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