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# 2017 Economic Outlook

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*It's not 2016 anymore.....*



YEAH, BUT WHAT ABOUT .....



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# **Economists Warn of Global Recession Following Trump Victory**

•[Martha C. White](#) Money Magazine

Updated: Nov. 9, 2016 10:19 AM

## **Trump Administration to Rev Up Global Growth, Says OECD**

The OECD has revised its U.S. and global economic outlooks to reflect the projected effects of a Trump administration.

By [Andrew Soergel](#) | Economy Reporter Nov. 28, 2016, at 10:35 a.m.

# What is: **Trumponomics**

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- Personal Tax Cuts
- Corporate Tax Cuts
- Infrastructure Programs
- Defense Spending
- Build up the Military
- Repeal/Modify Obama Care
- Relax Regulations – Energy, Environment, Financial Policy
- Trade
- Immigration
- Foreign Policy
- Drain the Swamp
- Build the wall (now with doors)

*“It takes time, It takes consensus”*

# Trumponomics = Fiscal Stimulus

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**Fiscal Stimulus = Tax Cuts + Spending**

GDP Growth



Employment



Unemployment



Inflation



Interest Rates

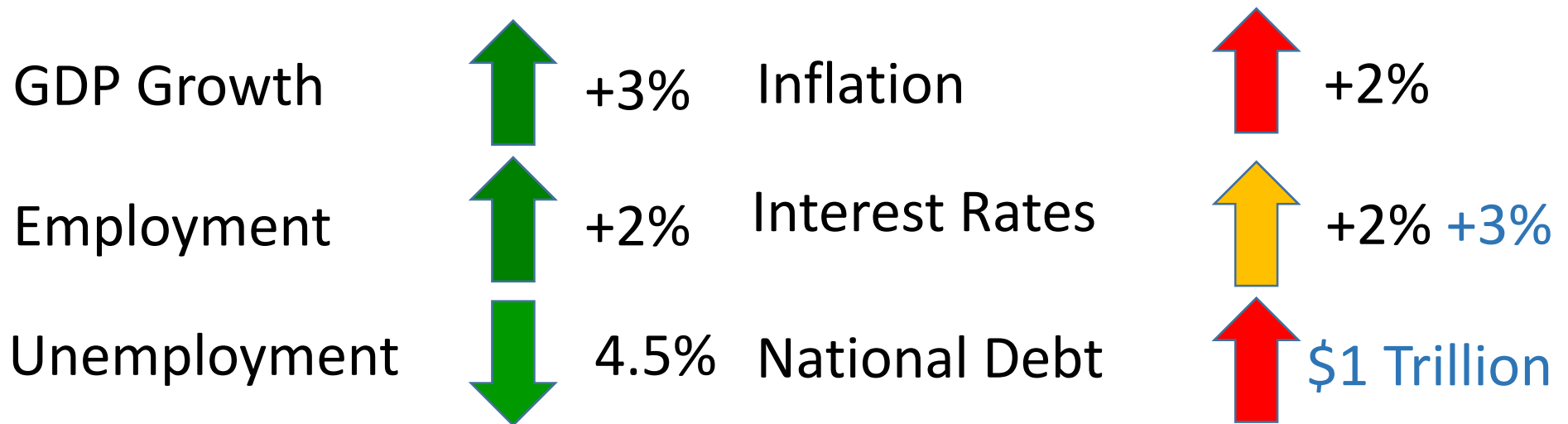


National Debt



# National Forecast for 2017/ 2018

*A massive fiscal stimulus on any economy that is at or near full employment will lead to more growth, higher levels of inflation and higher interest rates and then .....*

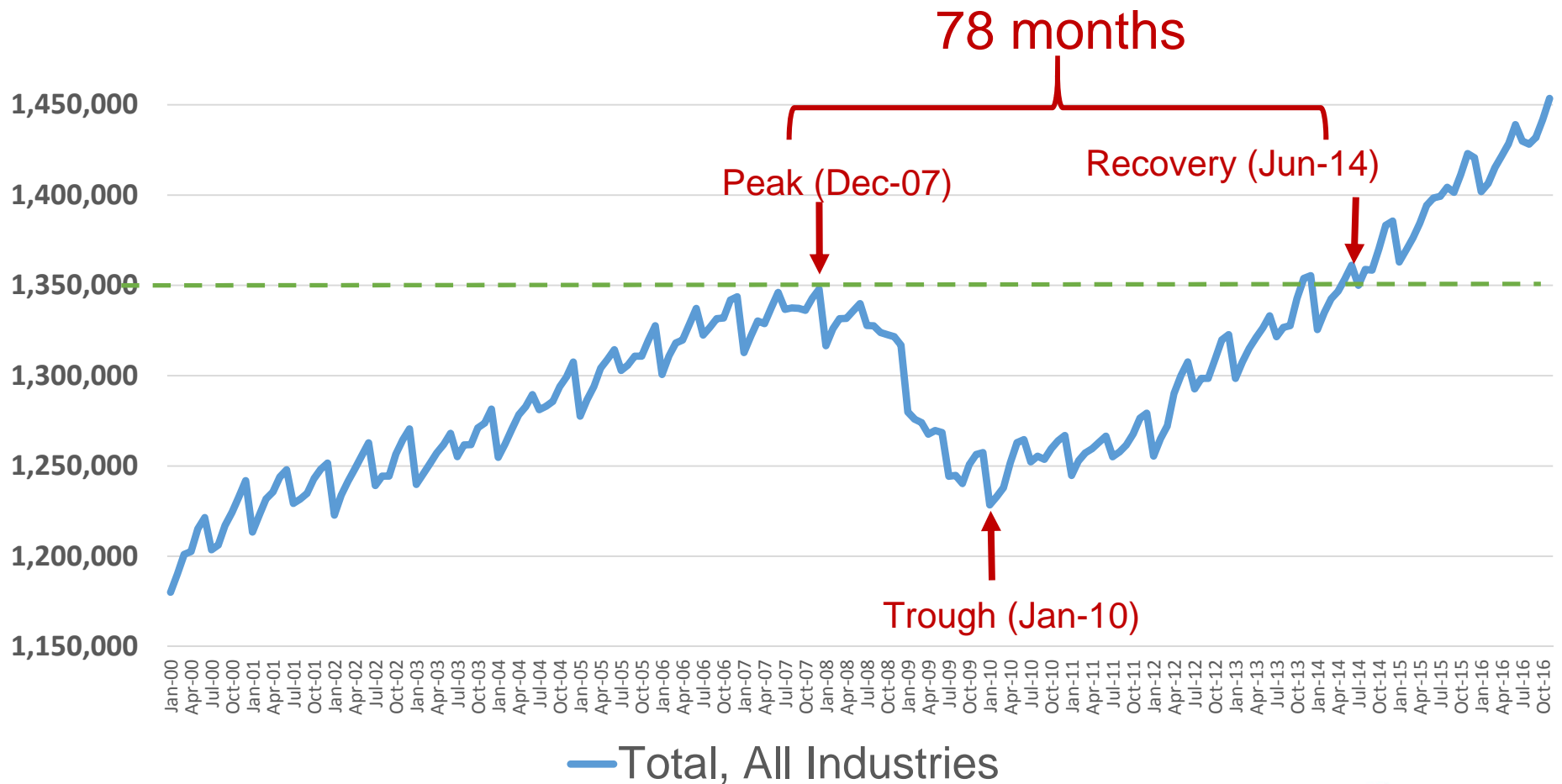


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# San Diego Outlook: Jobs

# San Diego Total Employment 2000-2016

*Recovery from the Great Recession took six times longer than the average recovery, now 7 years into an expansion.  
70% of job creation was from low-paying jobs*



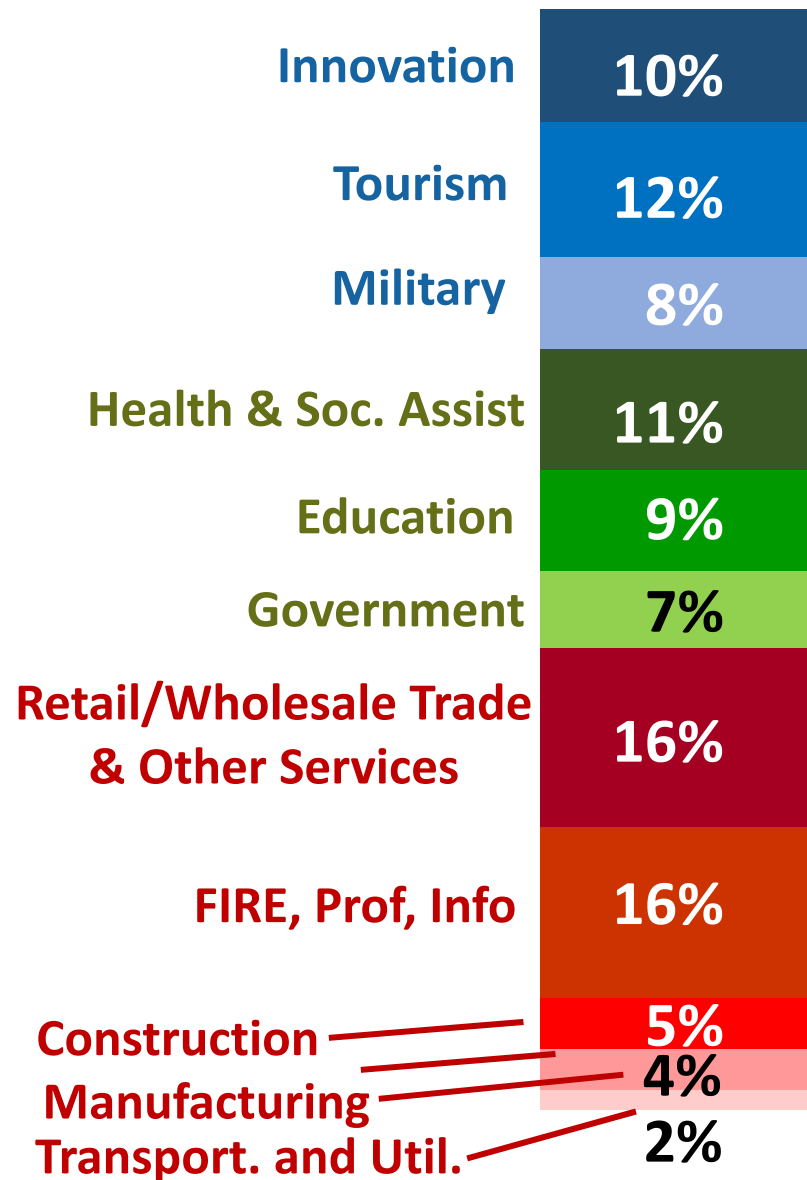


# SAN DIEGO 2017: Diverse and Expanding Economic Base

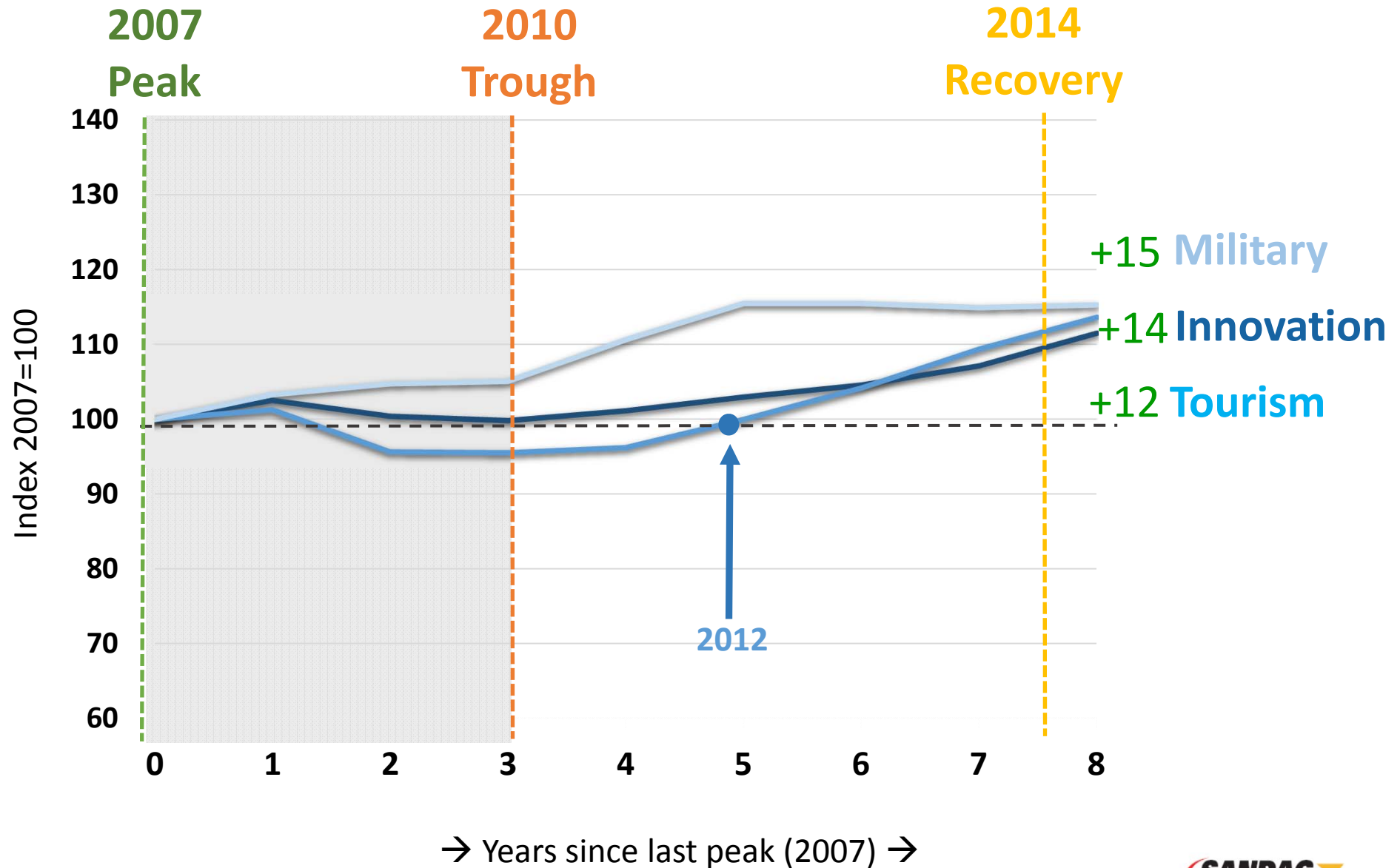
Driving Sectors  
30%

Supporting Sectors  
27%

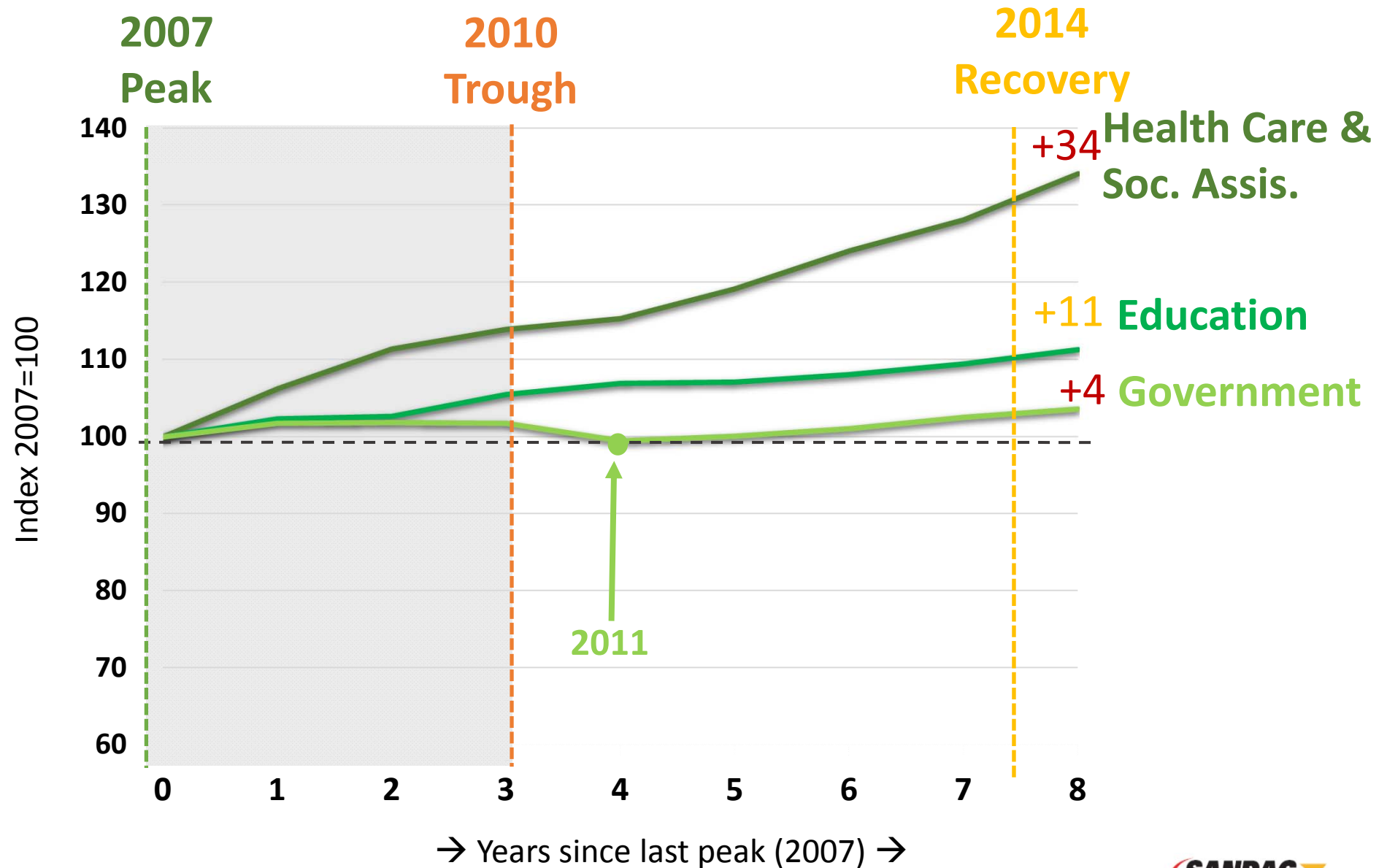
Traditional Sectors  
43%



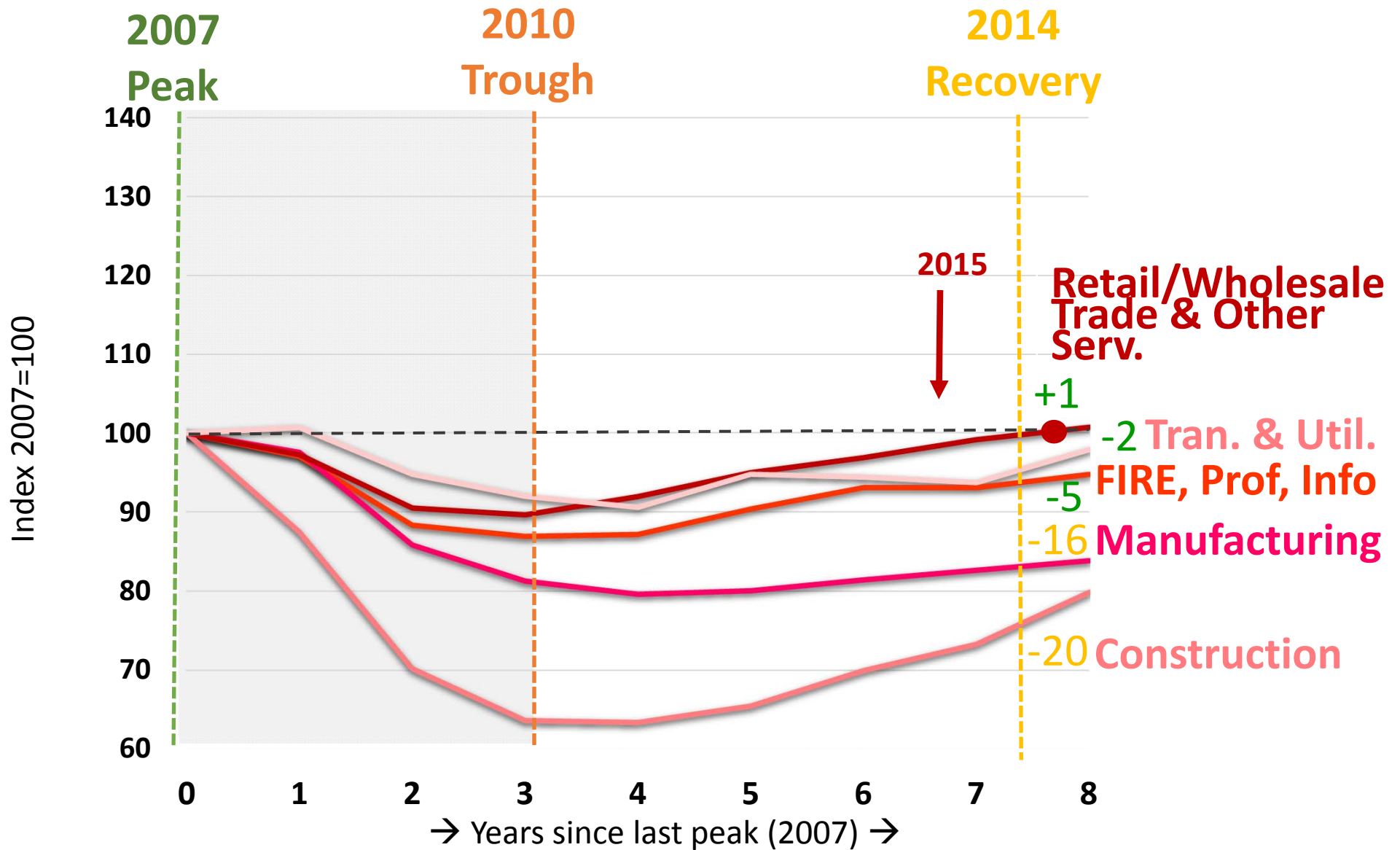
# San Diego, Employment: Driving Sectors



# San Diego, Employment: Supporting Sectors

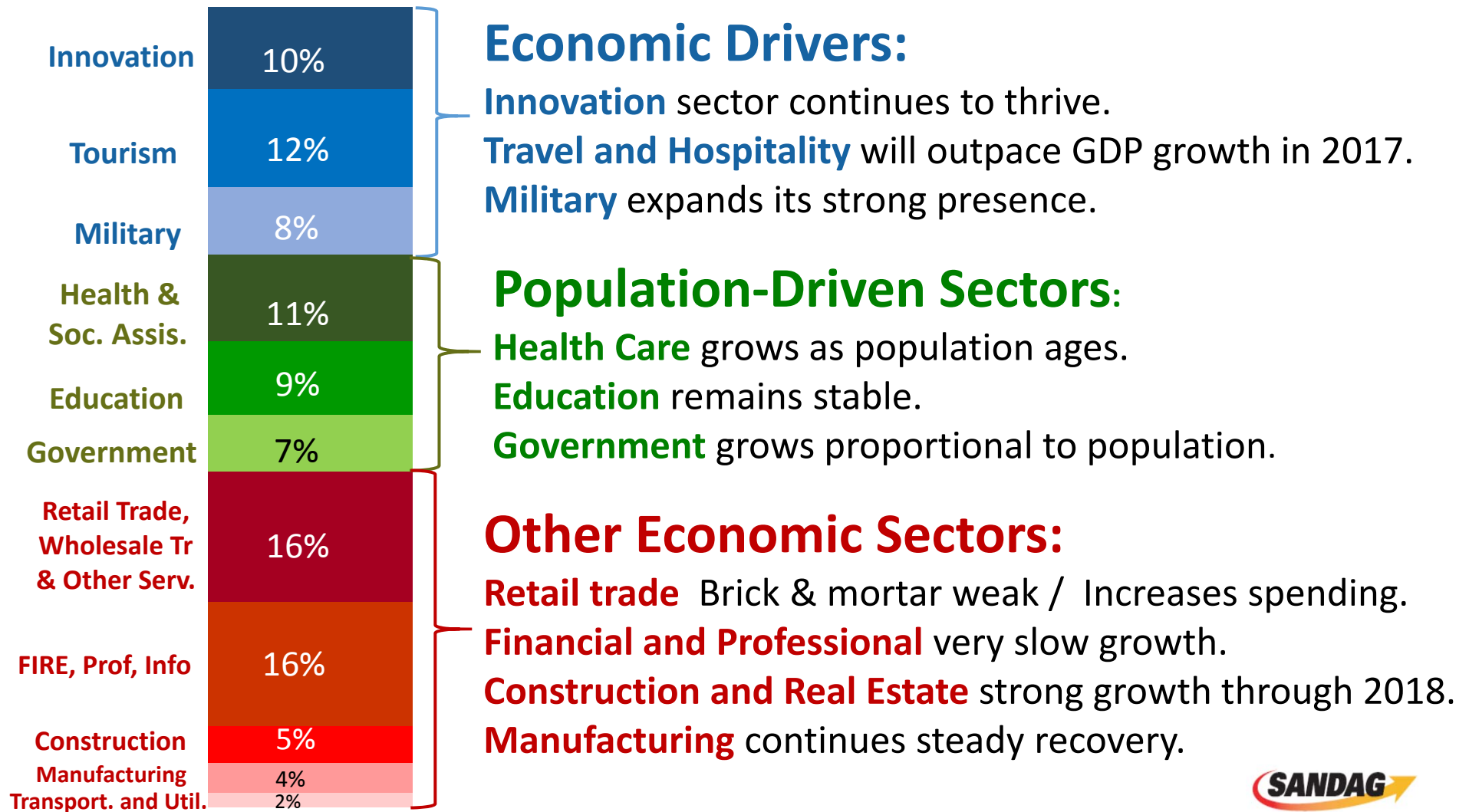


# San Diego, Employment: Traditional Sectors



# San Diego Region, 2017 Select Sector Forecasts

**Employment: 40,000 new jobs (2.7% growth)**  
**Unemployment: drops below 4.5%**

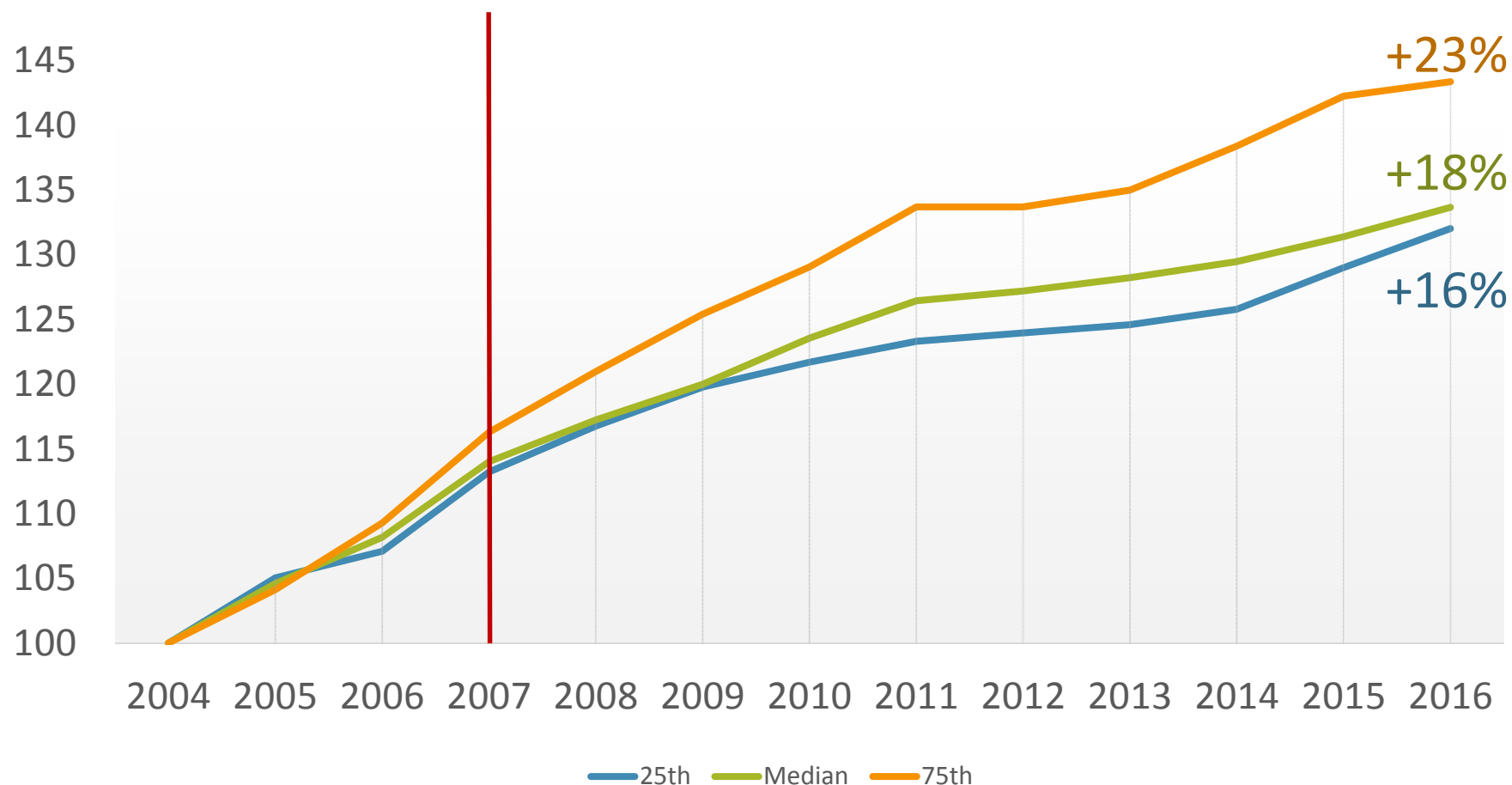


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# San Diego Outlook: Wages

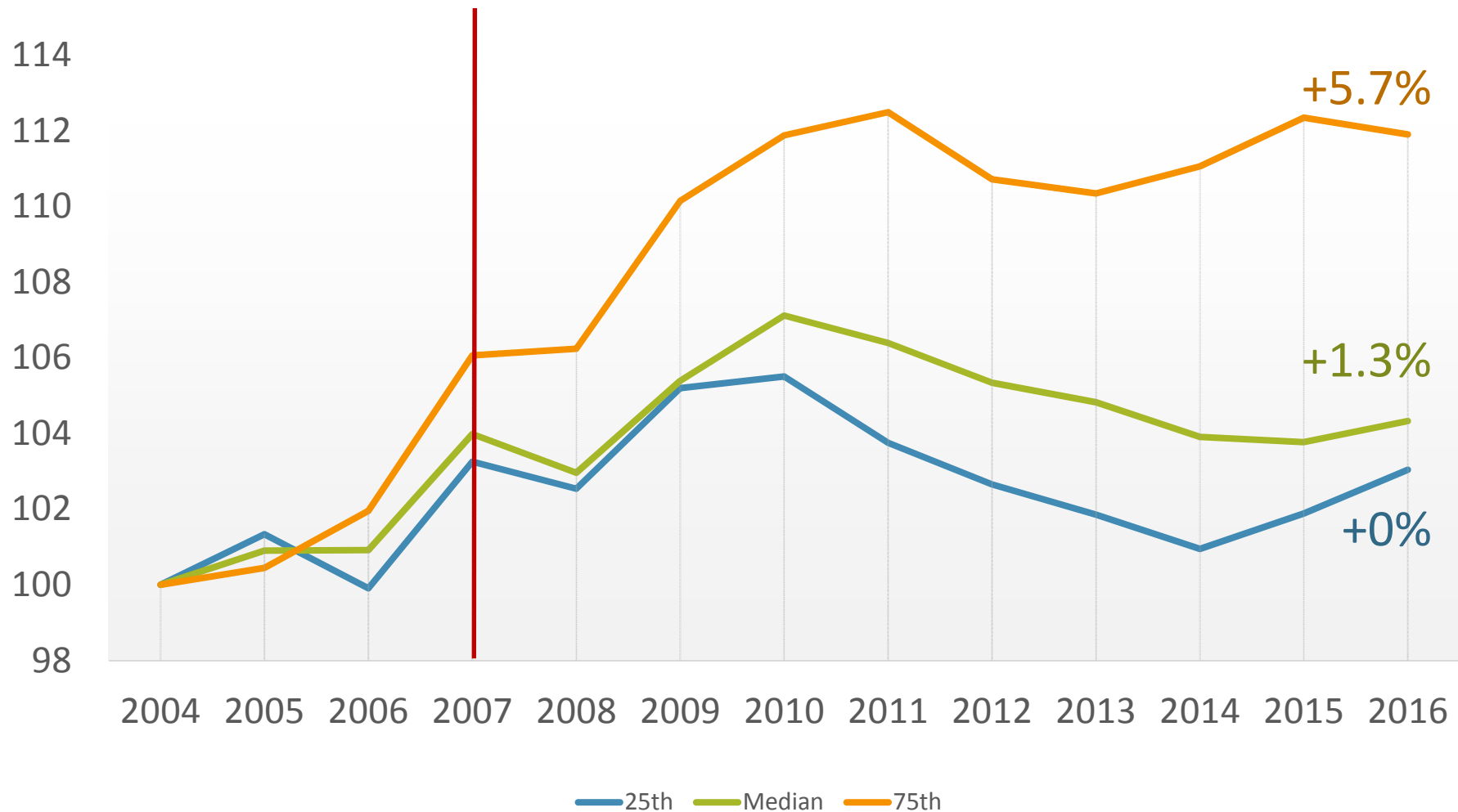
# San Diego County Wages

## Nominal Hourly Wages



# San Diego County Wages

## Real Hourly Wages





# SAN DIEGO 2017 OUTLOOK ON WAGES

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- Skilled (Visa program) vs nonskilled workers
- Wages increase to induce workers to move to California domestically
- Growth in real wages up 2% in 2017, 2.5% in 2018
- Deportations/ The Wall
  - Impact on Central/Imperial Valley (farming)
  - Increase in wages for documented labor
- \$15 hr minimum wage , might be prevailing wage

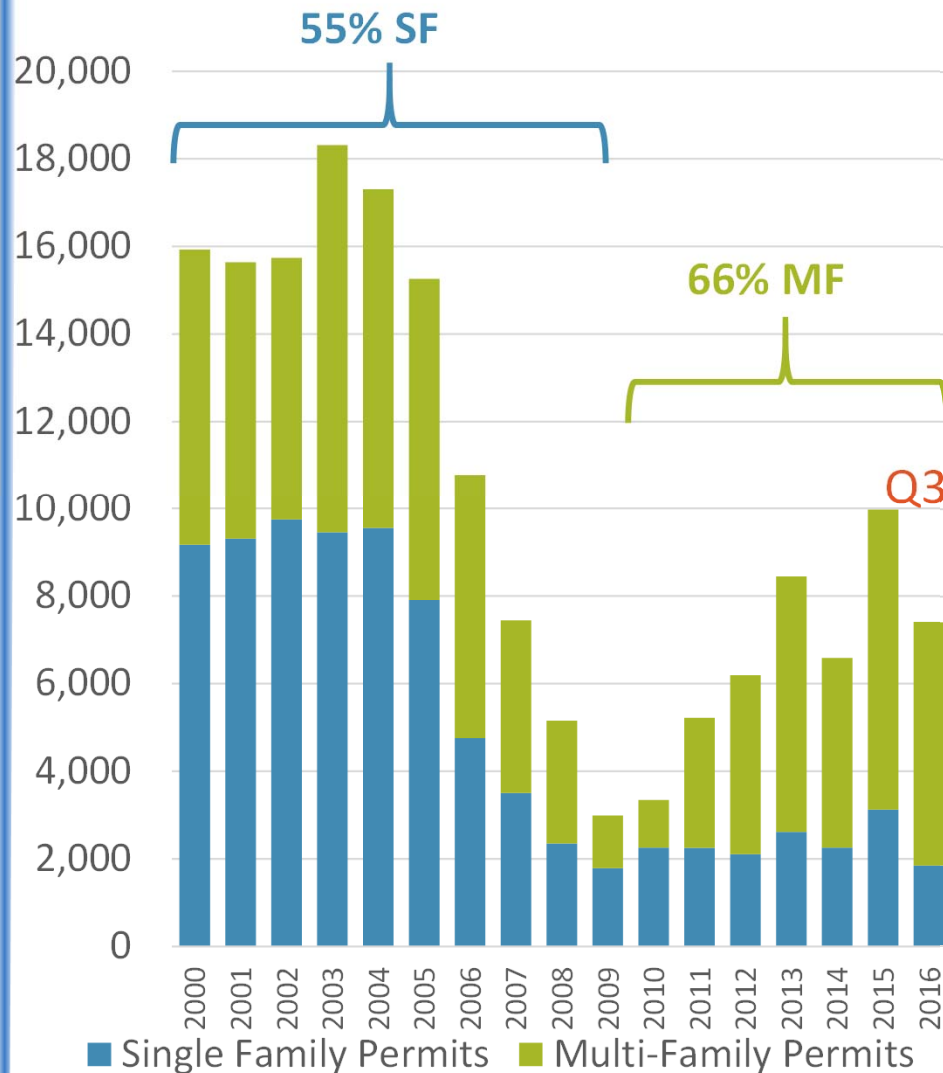
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# San Diego Outlook: Housing

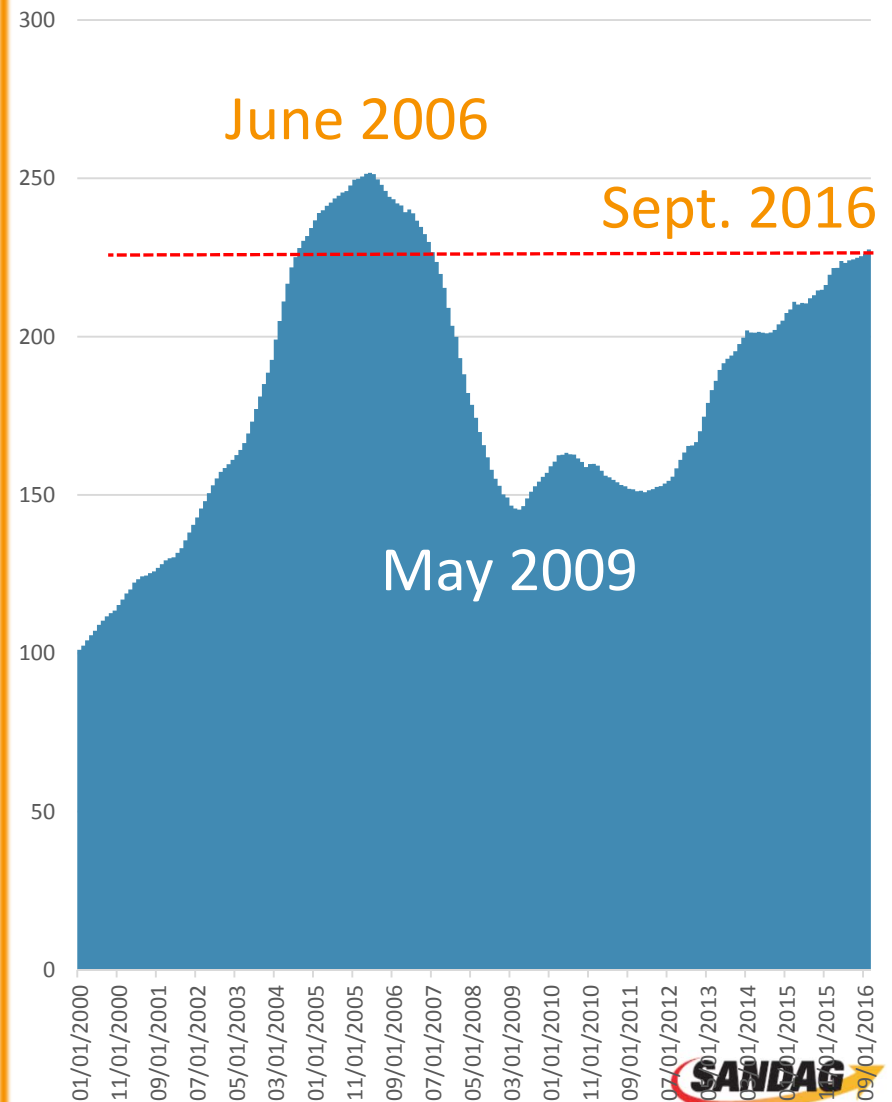
# SAN DIEGO 2016

*"Housing permits and prices"*

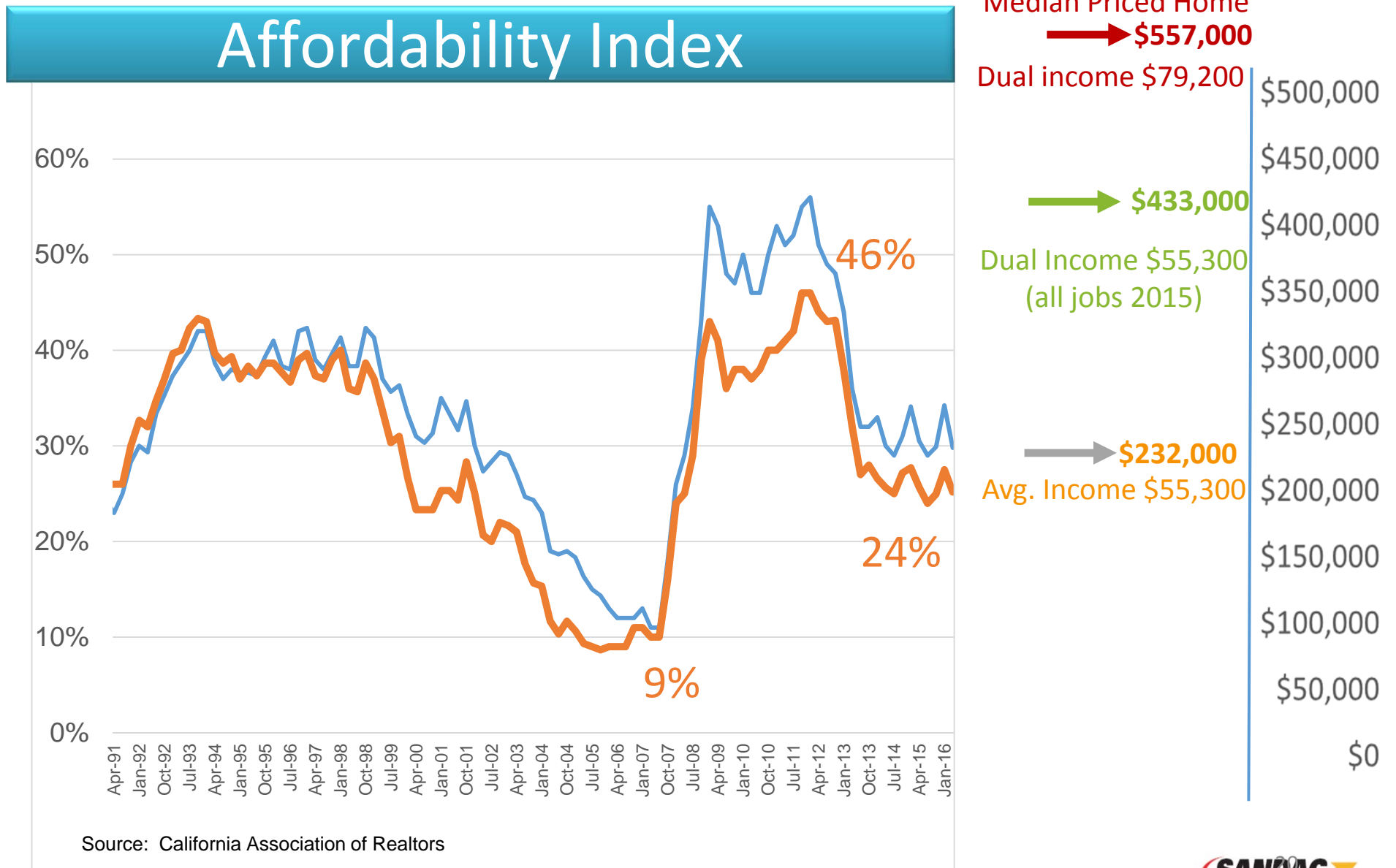
## Permits Issued



## Housing Prices



# San Diego Region, Housing Affordability



# SAN DIEGO 2017/2018 OUTLOOK ON HOUSING

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- Increased demand for housing
- Prices increase in the short-term
- Interest rates increase (mortgages hit 6%)
- Housing affordability falls below 20%
- Housing starts soften, possibly decrease
- Construction employment starts to slows and fails to get back to pre 2007 levels.

# **100% Chance Trump Drives Economy into Depression in 2017**

•[Brian Maher](#) Daily Reckoning  
Updated: Nov. 18, 2016 10:19 AM

## **Economists Concur, U.S. Economy Poised to Double Under 8 Years Trump**

[Andrew Soergel](#) | Economy Reporter Nov. 28, 2016, at 10:35 a.m.