

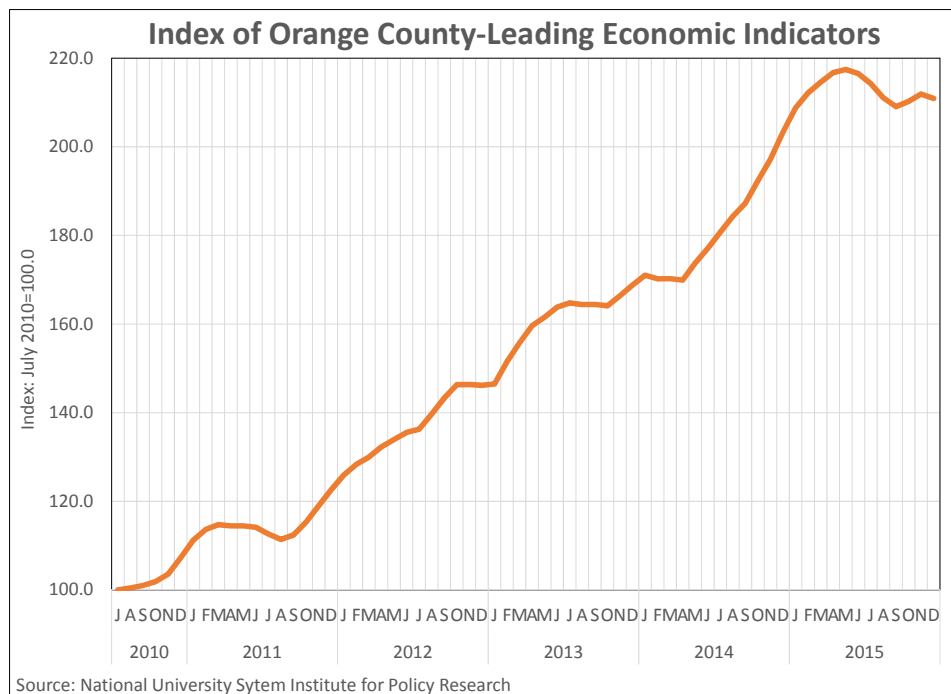


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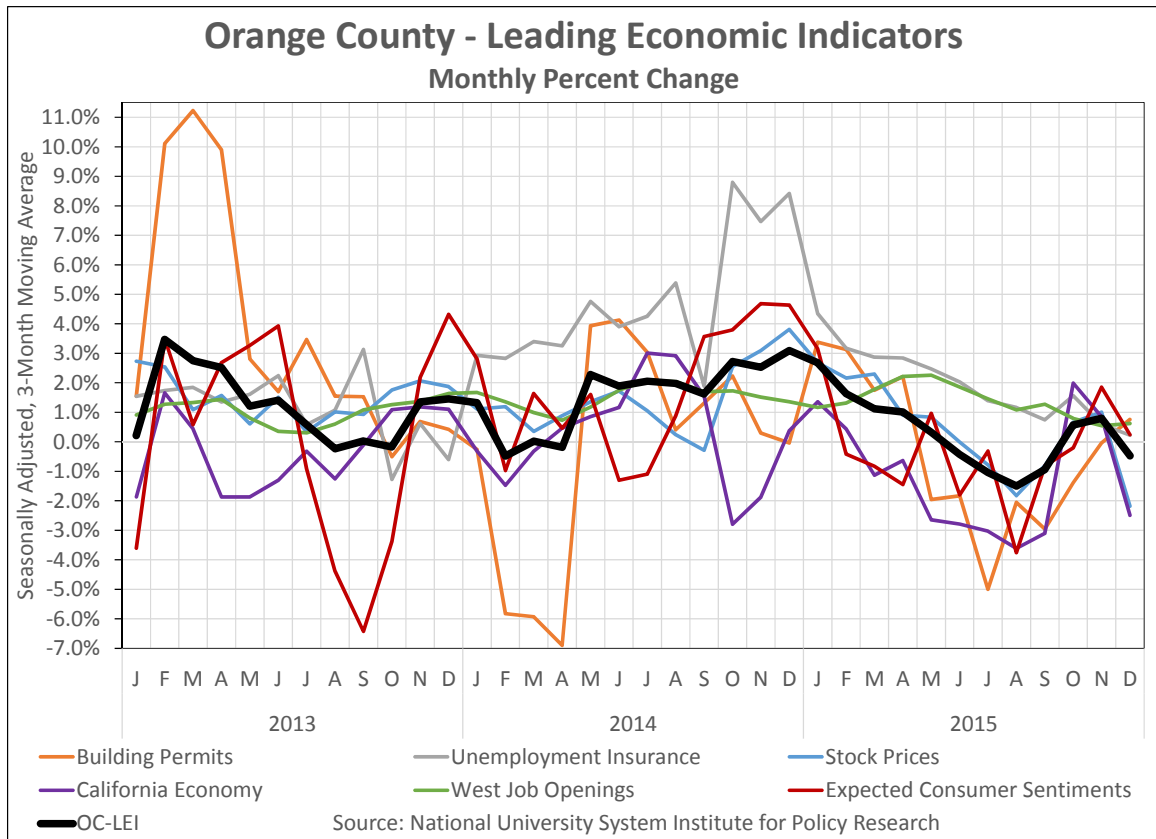
Orange County-Leading Economic Indicators Shows Economic Outlook Faltering as 2015 Comes to an End



SAN DIEGO, February 24, 2016...National University's Index of Leading Economic Indicators (LEI) for Orange County continued to show the metro area economy faltering as 2015 came to an end. After fairly strong momentum leading into 2015, the index slowed and began to slump starting in June. The index started to rebound in October and November, but faltered again in December.

The index is composed of six indicators of anticipated economic activity. The composite of six indicators reflect expectations for upcoming economic activity six to nine months in the future.

"Orange County's faltering index appears to indicate the metro economy should start to see a slowdown going into 2016," says Kelly Cunningham, National University System Institute Economist and author of the Index, "The stock market and California's leading economic indicators pulled the overall metro area index downward with each of the other four indicators slowing as well."



Residential building activity had faltered in the second half of the year, despite eking out a 0.8 percent increase in December. Initial claims for unemployment insurance (UI) continued to slow as the year progressed. (Note: since lower claims for unemployment are positive for the economy, the figure is reversed in the composite index of LEIs.) In addition, the *Bureau of Labor Statistics* “Job Opening and Labor Turnover Survey” (JOLTS) for western states showed slowing momentum over the second half of the year as well.

The stock market index of companies headquartered in Orange County appeared to be recovering after mid-year slump, but subsequently plunged another 2.2 percent in December.

The *Federal Reserve Bank of Philadelphia* LEI index for the state California, included as a component of Orange County’s index, fell for much of 2015. October and November showed the index turning positive, but in December dropped another 2.5 percent.

The *University of Michigan* survey of consumer sentiments for the national economy shows falling expectations in the near term. The index of consumer expectations, one of the six components measured in Orange County’s LEI index, increased only 0.2 percent in December.

This is the fifth monthly release of National University’s LEI Index for Orange County (Anaheim-Santa Ana-Irvine, CA metropolitan area) and four other metropolitan areas in the state. The indexes are designed to indicate the direction the economy is headed according to projected expectations. The next index of LEIs for the metro areas will be released in March 2016.

For more information on the index and the indicators making up the index, see “California Metro Area Leading Economic Indicators Sources” at www.nusinstitute.org/Surveys/Metro-Area-Leading-Economic-Indicators-sources.html.

ANAHEIM-SANTA ANA-IRVINE, CA METRO AREA-LEADING ECONOMIC INDICATORS INDEX

Year	Month	Leading Economic Indicators Index	Seasonally Adjusted, 3-Month Moving Average, Monthly Percent Change						
			Residential LEI Index	Initial Building Permits	Unemp. Claims	Stock Prices	Expected Consumer Sentiments	California Leading Econ Ind.	West Job Openings
2014	Jan	171.0	1.3%	-0.3%	2.9%	1.1%	-0.3%	1.7%	2.8%
	Feb	170.2	-0.5%	-5.8%	2.8%	1.2%	-1.5%	1.4%	-1.0%
	Mar	170.2	0.0%	-5.9%	3.4%	0.4%	-0.3%	1.0%	1.6%
	Apr	169.9	-0.2%	-6.9%	3.3%	0.9%	0.5%	0.7%	0.5%
	May	173.8	2.3%	3.9%	4.8%	1.4%	0.9%	1.2%	1.6%
	Jun	177.1	1.9%	4.1%	3.9%	1.7%	1.2%	1.7%	-1.3%
	Jul	180.7	2.1%	3.0%	4.3%	1.1%	3.0%	2.1%	-1.1%
	Aug	184.3	2.0%	0.4%	5.4%	0.2%	2.9%	2.0%	0.9%
	Sep	187.3	1.6%	1.3%	1.9%	-0.3%	1.6%	1.7%	3.6%
	Oct	192.4	2.7%	2.2%	8.8%	2.6%	-2.8%	1.7%	3.8%
	Nov	197.3	2.5%	0.3%	7.5%	3.1%	-1.9%	1.5%	4.7%
	Dec	203.4	3.1%	0.0%	8.4%	3.8%	0.4%	1.4%	4.6%
2015	Jan	208.8	2.7%	3.4%	4.3%	2.7%	1.4%	1.2%	3.1%
	Feb	212.2	1.6%	3.1%	3.2%	2.2%	0.4%	1.3%	-0.4%
	Mar	214.6	1.1%	1.7%	2.9%	2.3%	-1.1%	1.8%	-0.8%
	Apr	216.8	1.0%	2.2%	2.8%	0.9%	-0.6%	2.2%	-1.4%
	May	217.5	0.3%	-2.0%	2.5%	0.8%	-2.6%	2.3%	1.0%
	Jun	216.5	-0.4%	-1.8%	2.0%	-0.01%	-2.8%	1.9%	-1.8%
	Jul	214.3	-1.0%	-5.0%	1.4%	-0.8%	-3.0%	1.5%	-0.3%
	Aug	211.0	-1.5%	-2.1%	1.2%	-1.8%	-3.6%	1.1%	-3.8%
	Sep	209.0	-0.9%	-3.0%	0.7%	-0.8%	-3.1%	1.3%	-0.8%
	Oct	210.2	0.6%	-1.4%	1.6%	0.7%	2.0%	0.8%	-0.2%
	Nov	211.9	0.8%	-0.04%	0.6%	1.0%	0.8%	0.5%	1.9%
	Dec	210.9	-0.5%	0.8%	0.2%	-2.2%	-2.5%	0.6%	0.2%

Sources: U.S. Census Bureau; California Employment Development Department; Bloomberg Business; Federal Reserve Bank of Philadelphia; U.S. Bureau of Labor Statistics; University of Michigan.
Index compiled, calculated, and adjusted by National University System Institute for Policy Research.

About the National University System Institute for Policy Research

The [National University System Institute for Policy Research](#) (NUSIPR) is a non-partisan, non-profit organization that formulates and promotes high quality economic policy, and public opinion research so as to improve the efficiency and effectiveness of local governments in San Diego County and to improve the quality of life enjoyed by the region's residents.

NUSIPR publishes independent research and analysis for the public on a range of topics, including higher education, business growth and regional economic indicators. The institute also partners with private and non-profit groups to develop high quality research on specific questions of interest to both these groups and the Institute. NUSIPR has sole editorial control over such research, uses only established social science methodologies, and explicitly maintains its independence and objectivity when conducting contract-based research work.

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