

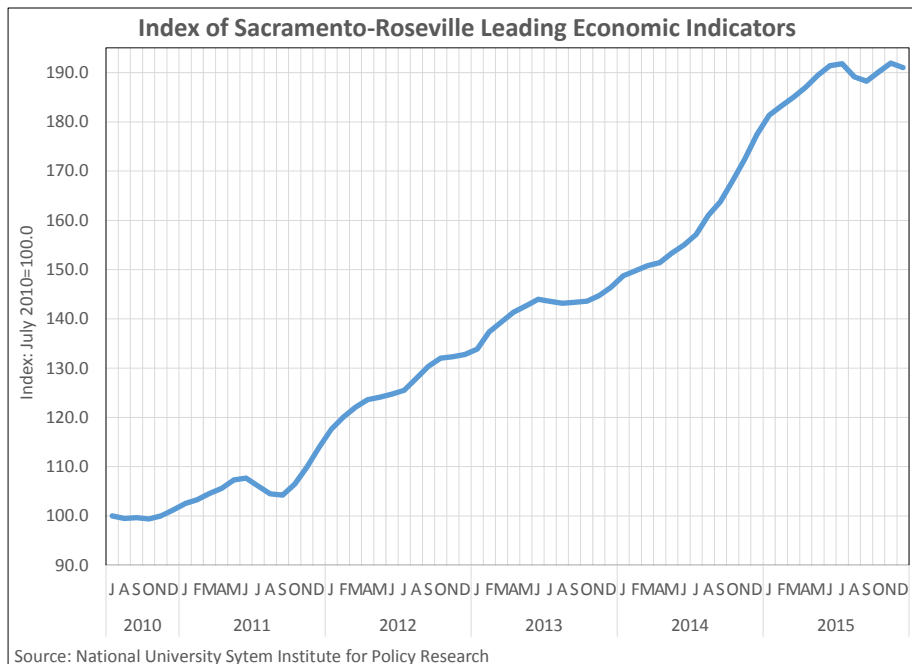


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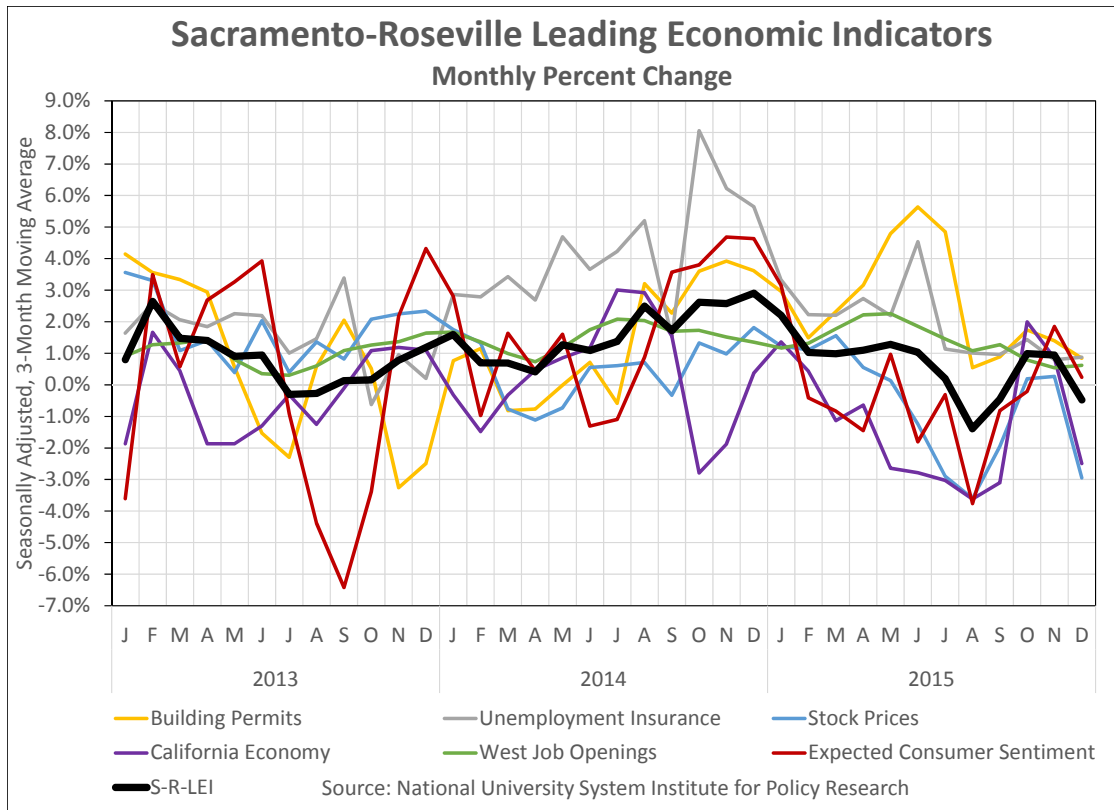
Mixed Finish to 2015 Index of *Sacramento-Roseville Metropolitan Area* Index of Leading Economic Indicators



SAN DIEGO, February 24, 2016...The end of 2015 brought mixed signals for where the Sacramento-Roseville metropolitan area economy is headed. A revamp of National University’s Leading Economic Indicators (LEI) Index for the four-county metro area reveals wavering expectations of future economic activity. The previous two months had shown the index rebounding, but the leading indicators faltered again in December. After nearly two years of steady gains, the Sacramento-Roseville LEI index appears to have plateaued in the second half of 2015 signaling stalling economic growth.

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

“The wobbling index indicates uncertainty over the direction of the Sacramento-Roseville metro area economy,” says Kelly Cunningham, National University System Institute Economist and author of the Index, “but appears to signal slowing activity going forward into 2016. The drop of the stock market and California’s leading economic indicators pulled the metro’s overall index downward, with each of the other four indicators slowing as well.”



Residential building activity had been rising, but notably slowed over the second half of the year. Initial claims for unemployment insurance (UI) also continued to improve, but were significantly slower as 2015 came to a close. (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 California, weighted by Sacramento based banks, appeared to level off after having fallen the previous four months, but the index subsequently plunged another 2.9 percent in December.

The *Federal Reserve Bank of Philadelphia* LEI index for the state California, included as a component of Sacramento-Roseville’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 of the national economy shows falling expectations for the near term. The index of consumer expectations, one of the six components measured in Sacramento-Roseville’s index, increase only 0.2 percent in December.

This is the fifth monthly release of National University's LEI Index for the Sacramento-Roseville 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.

SACRAMENTO-ROSEVILLE, CA METRO AREA-LEADING ECONOMIC INDICATORS INDEX

Year	Month	Leading Economic Indicators Index	Seasonally Adjusted, 3-Month Moving Average, Monthly Percent Change						
			LEI Index	Residential Building Permits	Initial Unemp. Claims	Stock Prices	California Leading Econ Ind.	West Job Openings	Expected Consumer Sentiments
2014	Jan	148.7	1.6%	0.8%	2.9%	1.8%	-0.3%	1.7%	2.8%
	Feb	149.8	0.7%	1.1%	2.8%	1.3%	-1.5%	1.4%	-1.0%
	Mar	150.8	0.7%	-0.8%	3.4%	-0.8%	-0.3%	1.0%	1.6%
	Apr	151.4	0.4%	-0.8%	2.7%	-1.1%	0.5%	0.7%	0.5%
	May	153.3	1.3%	0.0%	4.7%	-0.7%	0.9%	1.2%	1.6%
	Jun	155.0	1.1%	0.7%	3.7%	0.5%	1.2%	1.7%	-1.3%
	Jul	157.1	1.4%	-0.6%	4.2%	0.6%	3.0%	2.1%	-1.1%
	Aug	161.1	2.5%	3.2%	5.2%	0.7%	2.9%	2.0%	0.9%
	Sep	163.8	1.7%	2.3%	1.5%	-0.3%	1.6%	1.7%	3.6%
	Oct	168.1	2.6%	3.6%	8.1%	1.3%	-2.8%	1.7%	3.8%
	Nov	172.4	2.6%	3.9%	6.2%	1.0%	-1.9%	1.5%	4.7%
	Dec	177.5	2.9%	3.6%	5.7%	1.8%	0.4%	1.4%	4.6%
2015	Jan	181.4	2.2%	3.0%	3.3%	1.2%	1.4%	1.2%	3.1%
	Feb	183.2	1.0%	1.5%	2.2%	1.1%	0.4%	1.3%	-0.4%
	Mar	185.0	1.0%	2.3%	2.2%	1.6%	-1.1%	1.8%	-0.8%
	Apr	187.0	1.1%	3.2%	2.7%	0.6%	-0.6%	2.2%	-1.4%
	May	189.5	1.3%	4.8%	2.2%	0.1%	-2.6%	2.3%	1.0%
	Jun	191.4	1.0%	5.6%	4.5%	-1.2%	-2.8%	1.9%	-1.8%
	Jul	191.8	0.2%	4.9%	1.1%	-2.9%	-3.0%	1.5%	-0.3%
	Aug	189.1	-1.4%	0.5%	1.0%	-3.6%	-3.6%	1.1%	-3.8%
	Sep	188.3	-0.5%	0.9%	1.0%	-2.0%	-3.1%	1.3%	-0.8%
	Oct	190.1	1.0%	1.7%	1.4%	0.2%	2.0%	0.8%	-0.2%
	Nov	191.9	0.9%	1.4%	0.8%	0.3%	0.8%	0.5%	1.9%
	Dec	191.0	-0.5%	0.8%	0.9%	-2.9%	-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.

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