

California Economic Forecast: A Look Ahead

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A Partnership that matters



Your Presenters



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The Uncertain Economy



Recession?



Inflation?

Recession and Inflation:

2023 California Statewide Taxable Sales fit the pattern of declining prices

California Statewide Prop 172 Taxable Sales						
2023Q1			2023Q2			
	Jan '23	Feb '23	Mar '23	Apr '23	May '23	Jun '23
Year over Year Change	3.3%	1.8%	-4.4%	-3.6%	0.4%	-7.7%
Year over Year Change in Prices (CPI-U)	-1.1%	0.0%	-3.5%	-3.4%	-4.6%	-6.1%
Adjusted Year over Year Change	4.4%	1.8%	-0.9%	-0.2%	5.0%	-1.6%



Sales Tax Data shows the Restaurants segment is thriving, right?

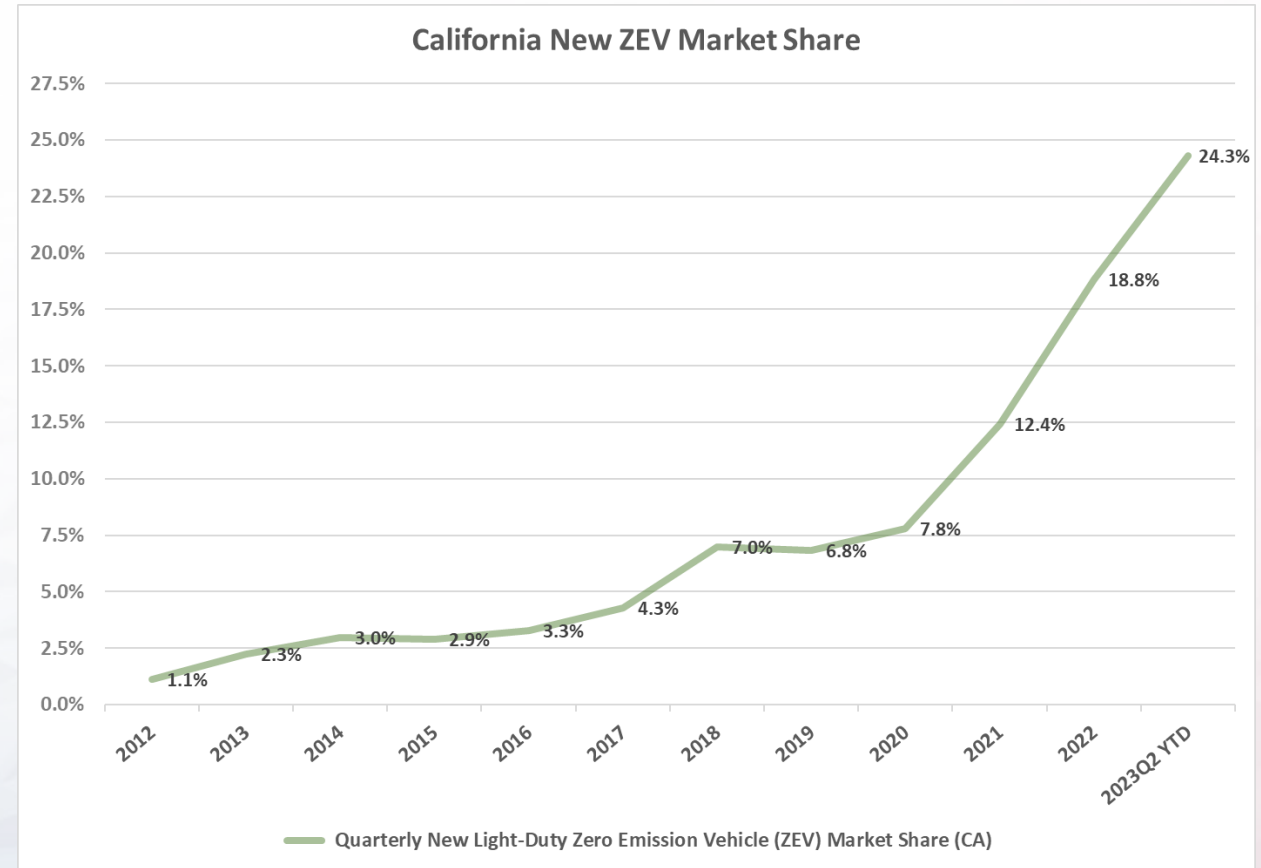
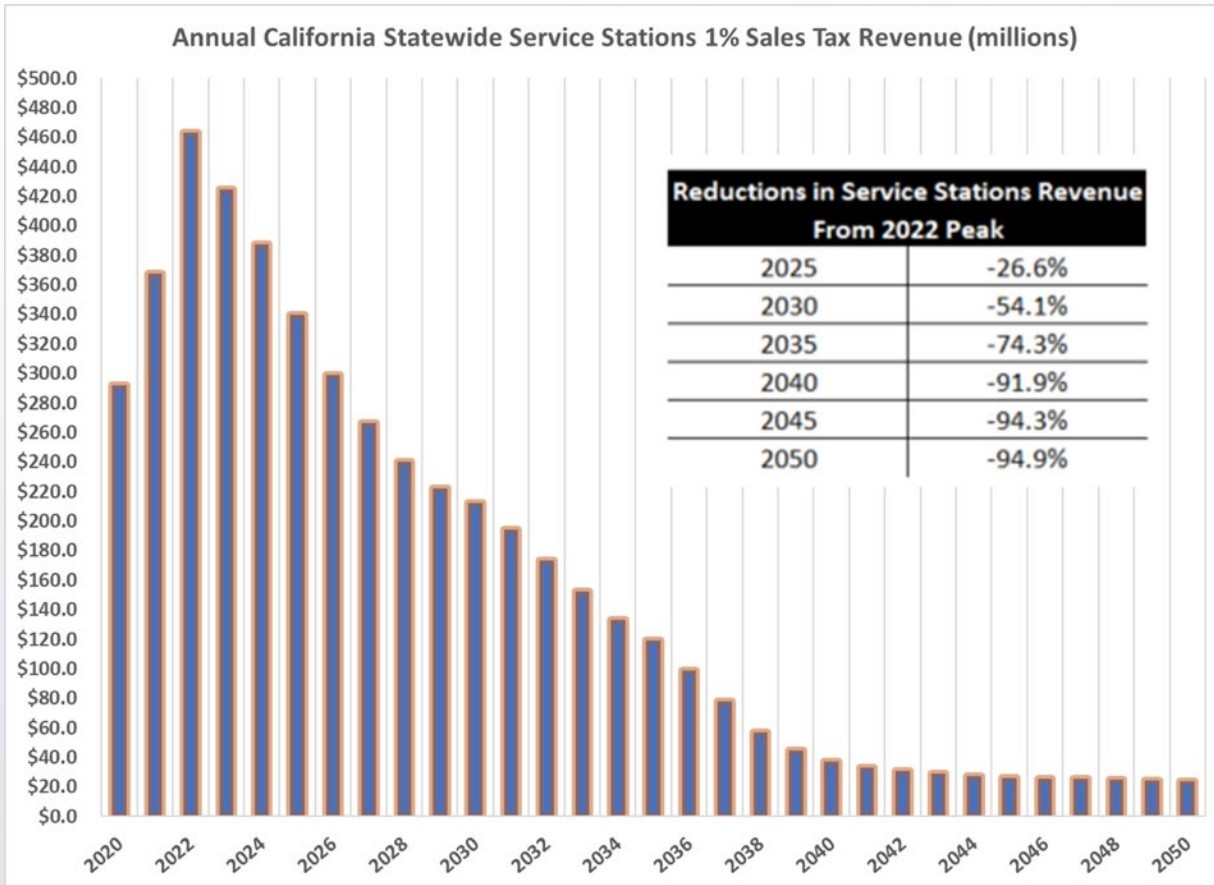
CALIFORNIA STATEWIDE				COVID-19 Shutdown					Recovery				Inflation			
Quarterly Bradley Burns 1% Sales & Use Tax (millions)				2020Q2	2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2
RESTAURANTS				\$114.3	\$139.5	\$140.6	\$144.2	\$193.4	\$196.8	\$199.3	\$194.2	\$221.0	\$219.2	\$218.1	\$210.6	
Yr over Yr Change by QTR				-48.5%	-36.6%	-36.6%	-22.7%	69.3%	41.1%	41.7%	34.7%	14.2%	11.4%	9.4%	8.4%	
CPI-U: Food Away from Home																
Yr over Yr Change by QTR				2.7%	3.6%	3.9%	3.8%	4.0%	4.6%	5.7%	6.7%	7.4%	8.0%	8.4%	8.5%	8.2%
RESTAURANTS												2019Q2	2019Q3	2019Q4	2020Q1	
											\$221.9	\$219.9	\$221.9	\$186.7		

2020Q1 to 2023Q1
 Average Annual Nominal Growth 4.3%
 Annual Adjusted for Inflation -2.0%
 (Constant 2012 Dollars)



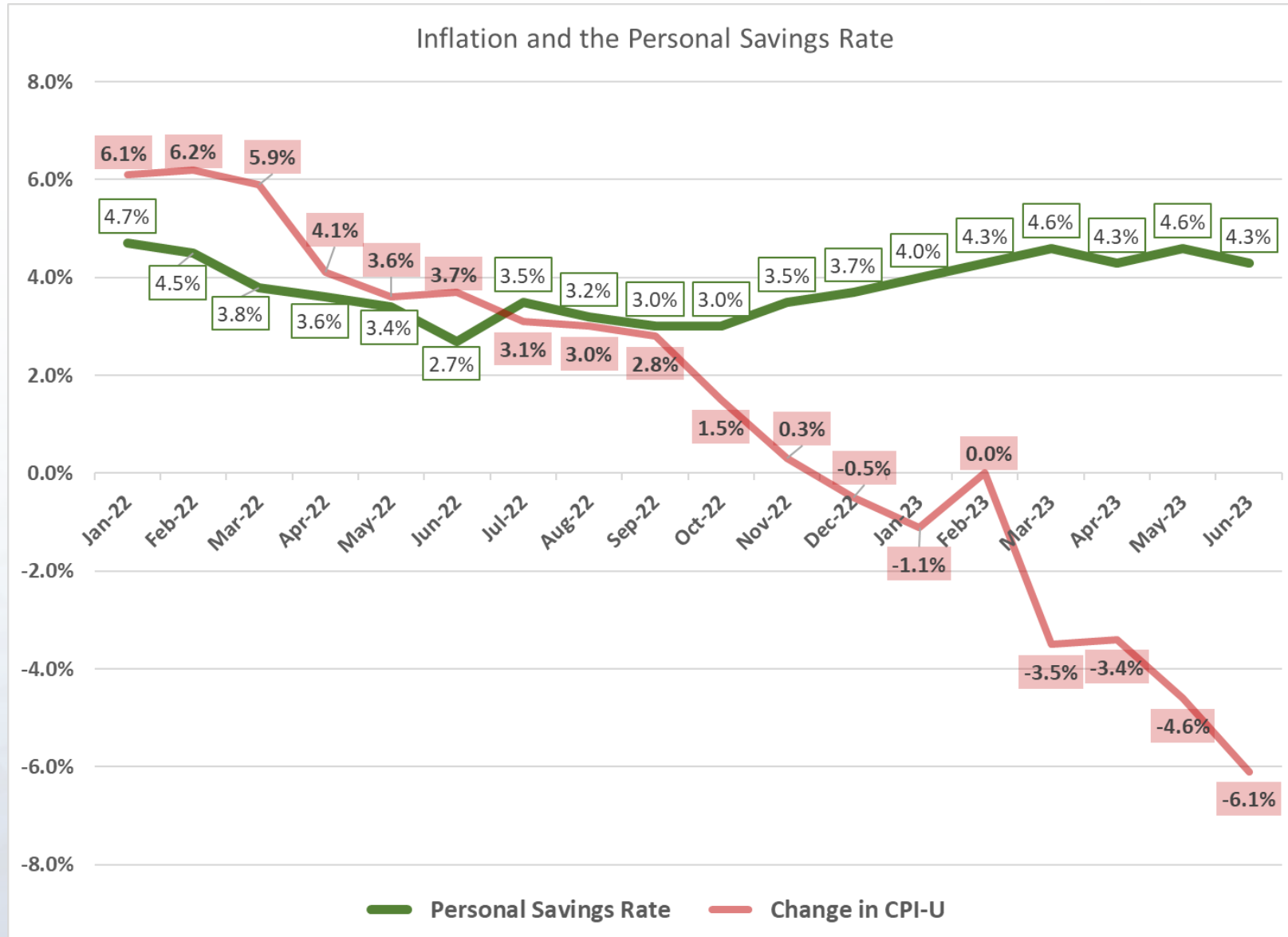
Source: Avenu Insights & Analytics

California Zero Emission Vehicles, (ZEVs) and the impact to taxable purchases of gasoline



Source: California Energy Commission

Are consumers better off than they think they are?



The big unknowns: Artificial Intelligence and Climate Change





Question & Answer

The world is changing very fast, and in very big ways.

Stay informed by the best expertise and data available.

A Partnership that matters



Thank you!

Questions?