Press Release

Chapman University
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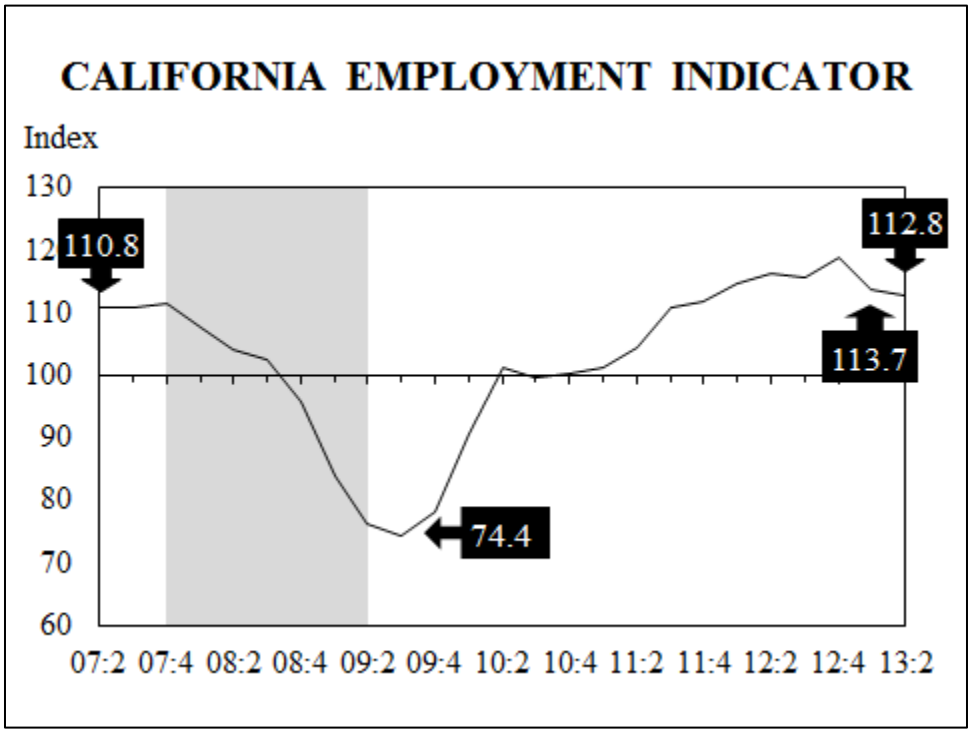
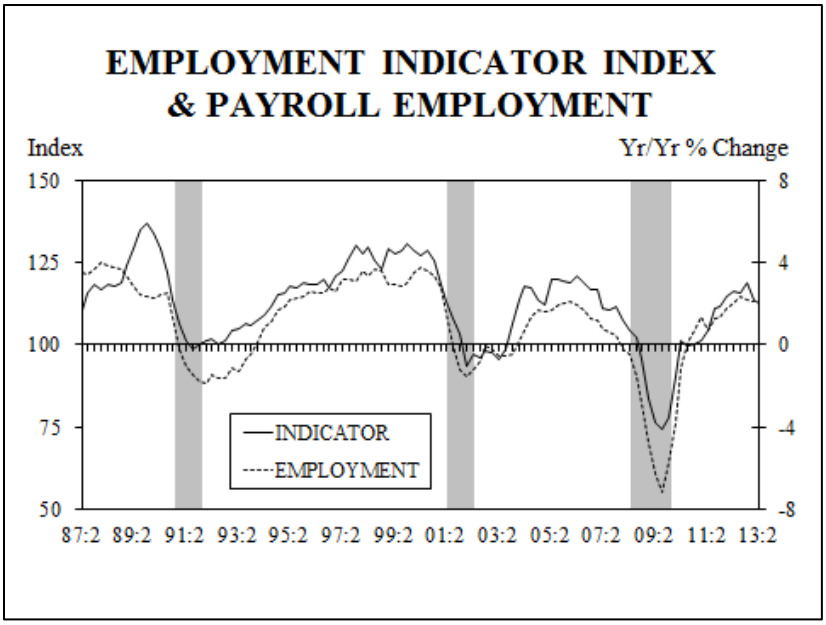
California Leading Employment Indicator Slips

ORANGE, CA—The California Index of Leading Employment Indicator declined from a revised reading of 113.7 in the first quarter of 2013 to a reading of 112.8 in the second quarter of 2013. This marks the second consecutive quarterly decline in the index. Although the index is still above the critical value of 100 suggesting positive job growth, the pace of job creation in the second quarter of 2013 will be, at best, similar to the first quarter.



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.



All four components of the indicator series are positive and show small changes from the previous quarter readings.

- The annualized real GDP growth rate of 1.8 percent in the first quarter of 2013 was virtually unchanged from the 1.7 percent reading in the fourth quarter of 2012.
- Year-over-year percentage change in construction spending, which is derived from six-quarter lagged real values of total building permit valuation, increased at a rate of 4.3 percent in the first quarter of 2013, about two percentage points lower than the reading of 6.0 percent in the fourth quarter of 2012.
- Real exports grew by 1.8 percent in the first quarter of 2013, slightly below the growth rate of 2.1 percent in the fourth quarter of 2012.
- Year-over-year, the S&P 500 increased at a rate of 11.4 percent in the first quarter compared to an increase of 13.4 percent in the fourth quarter of 2012.

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