California's Economic Outlook:

Navigating the Future with Data-Driven Insights

Presented by
UCLA Anderson Forecast

An Avenu Webinar

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INSIGHTS & ANALYTICS

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Tariffs

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How tariffs are going to effect inflation?

Willing to accept a recession in order to reduce inflation

Short-term Recession Risks vs. Long-term Benefits

Inflation & Job Loss
High Interest Rates
Deportations
Low Consumer Confidence
2025

Inflation
High Interest Rates
Uncertainty
2025

Federal Job
Cuts 2025
Budget Cuts
Late 2025

Higher
Prices 2025

GDP = Consumer Consumption Expenditures + Business Investment + Government Spending + (Exports – Imports)

Artificial Intelligence
2027
Deregulation
2026
Tax Cuts
Late 2026

Manufacturing
Returning to the U.S.
2026 to 2029

Artificial Intelligence
2025
Deregulation
2026
Tax Cuts
Late 2026

Source: Gemini Advanced with Deep Research

Employment by Sector

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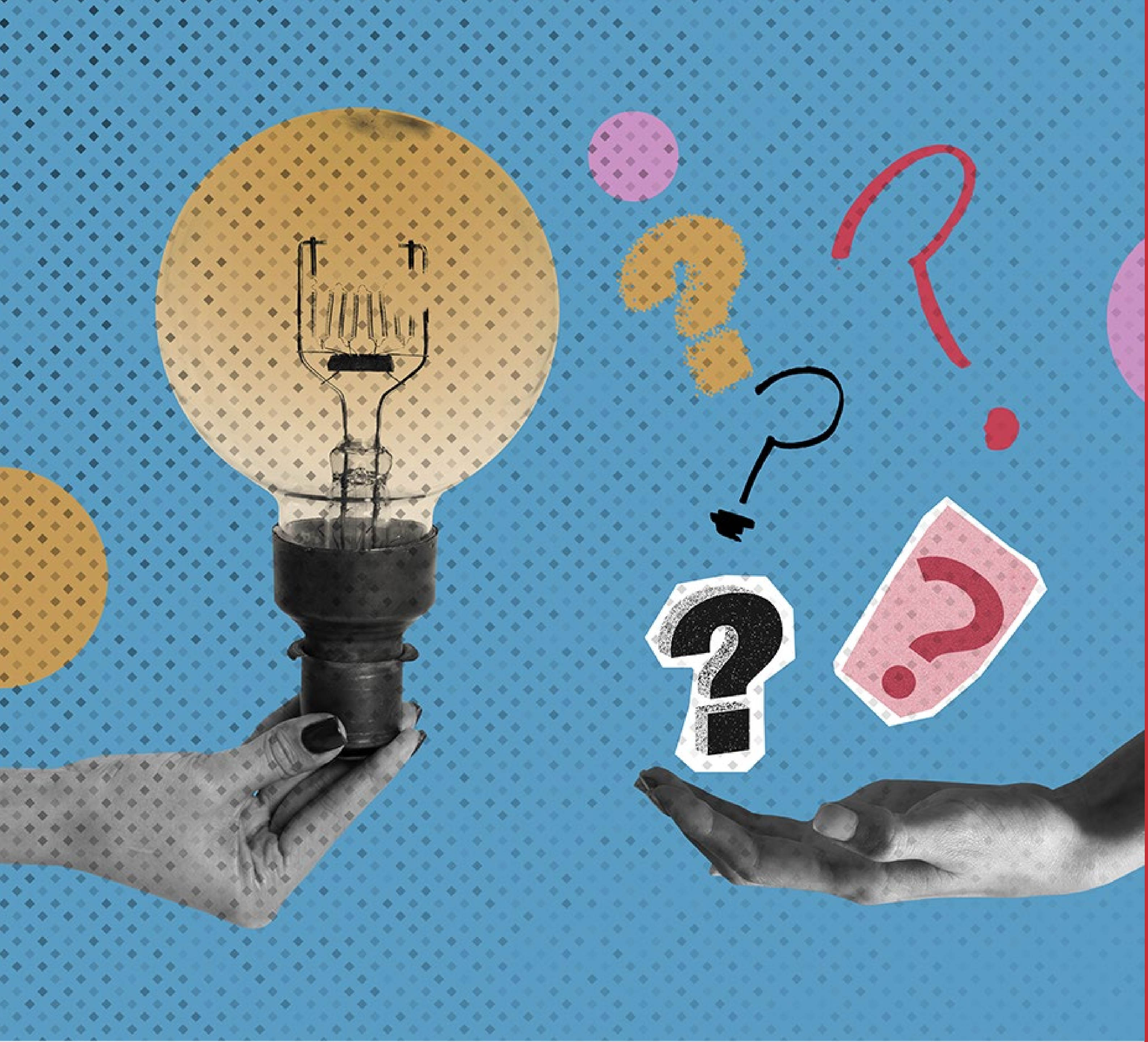
Economic impact of the Los Angeles Wildfires

- Total capital loss: $76 billion to $131 billion
- Insured loss: $45 billion
- A 0.5 percentage point decline in GDP – $4.6 billion
- A total wage loss of $300 million for local business and employees
- Rising rents and more unaffordable housing markets
- Property taxes revenue would decline in the short run; increase in the long run
- Sales taxes revenue could go up due to rebuilding activities
- Local governments would spend more on firefighting prevention
- Population out-migration: 0.5 percentage point decline in population
- Residents will face rising insurance premium
- All wildfire mitigation investment will be imperative considering the wildfire costs
- $1 Billion loss
- 12K single family homes lost (some multi generational homes)
- Sales tax impact of where people go

https://www.anderson.ucla.edu/about/centers/ucla-anderson-forecast/economic-impact-los-angeles-wildfires

Key Takeaways

- Inflation will be higher
- Much more uncertainty about the future
- California growth will slow in 2025
- Tech, Aerospace, and Manufacturing to drive California Growth in 2026 and beyond



Question & Answers