
ECONOMIC NEWS & TRENDS

This non-confidential edition includes excerpts from articles, studies, and economic research. The content focuses on trends and news between mid-December and the date of publication. This report may be forwarded to others in your agency, the local chamber and in your community.

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HIGHLIGHTS

U.S. GDP for 4Q2016 and Annual 2016: Real gross domestic product (GDP) increased at an annual rate of 1.9% in the 4Q2016; in 3Q2016 the GDP increased 3.5%.

CPI: Rose 2.1% in 2016: A larger increase than the 0.8% rise in 2014 and the 0.7% advance in 2015. This also represented a larger increase than the 1.8% average annual increase over the past 10 years.

Inflation: 2.4% at the end of 2017 from 2% at the end of 2016. (Kiplinger)

Interest Rates: Reserve officials raised interest rates for the first time in 2017 and forecast a steeper path for borrowing costs in 2017.

Minimum Wage: In 2017, increased in 20 States. In California the minimum wage rose .50 cents to \$10.50 and is expected to affect 1.7 million people.

Unemployment: The U.S. unemployment rate rose by 0.1 percentage point to 4.7% in December and 4.8% in January. California's unemployment rate fell by 0.1 percentage point to 5.2% in December, following a 0.2% decline in November.

California Job Forecast for 2017: Similar to 2016 but with more jobs openings, pressure to raise salaries and hourly rates of pay, and technology sectors that remain vibrant.

U.S. Sales for Retail and Food Services for December: \$469.1 billion, an increase of 0.6% from the previous month, and 4.1% above December 2015. Total sales for the 12 months of 2016 were up 3.3% from 2015. The food at home index, which fell 0.4% in 2015, decreased 2.0% in 2016. This is the first time the food at home index declined in consecutive years since it declined four years in a row from 1952 through 1955.

California Retail Sales and Use Tax for January 2017: \$1.17 billion for January outpaced expectations in the governor's proposed 2017-18 budget by \$376.8 million, or 47.4%. For the fiscal year to date, sales tax receipts of \$13.23 billion are \$96.7 million above the revised estimates released in January, or 0.7%.

Alcohol Index for January: Increased 0.2%.

2016 Holiday Spending: For November and December 2016 was \$935.3 billion, up 4.0% from the same two months in 2015 (\$899.2 billion). The comparable growth rate from 2014 to 2015 was 2.2%.

Sharing Economy: Projections show that five key sharing sectors – travel, car sharing, finance, staffing and music and video streaming – have the potential to increase global revenues from roughly \$15 billion today to around \$335 billion by 2025. (Pricewaterhouse Cooper)

E-commerce sales for 4Q2016: For the U.S. \$102.7 billion, an increase of 1.9% from 3Q2016. Total retail sales for the 4Q2016 were estimated at \$1,235.5 billion, an increase of 1.9% from 3Q2016 and were outpaced by e-commerce sales. The 4Q2016 e-commerce estimate increased 14.3% from the 4Q2015 while total retail sales increased 4.1% in the same period. E-commerce sales in 4Q 2016 accounted for 8.3% of total sales. **California:** Would be approximately 13-14% the total sales, based on California's portion of the national economy.

Internet Economy: Comprised approximately 6% of GDP in 2014 and has continued to grow rapidly, driving innovation at a faster rate than we have ever seen in human history. The paper estimates that [mobile internet & app services] contribution to the US GDP is approximately 3.11%. More than 3.2 billion people use the internet. (Internet Association)

California's Cannabis Economy: A projected \$7 billion potential pot economy in California with an expected \$1 billion in state and local annual taxes. (Fortune)

New and Used Vehicles: New cars continued to rise modestly, up 0.3% in 2016 following a 0.2% increase in 2015 and a 0.5% advance in 2014. Used cars and trucks, which increased in 2015, fell 3.5% in 2016.

Auto loan delinquencies: Subprime auto loans at least 90 days delinquent hit 1.95% in 3Q2016, up from 1.86% the year before.

Gasoline Index for January 2017: Increased 7.8%.

Gasoline Prices in California: AAA shows (February 10, 2017) the national average price of self-serve regular at \$2.26 per gallon (December 16, 2016 MuniServices reported \$2.15).

Mortgage Rates: The average rate for a 30-year mortgage rose to 4.12% from 3.5%. The NAR expects rates to rise by 4.4% by the end of 2017 and 4.8 in 2018.

Housing National Forecast for 2017: Realtor.com® is forecasting the homeownership rate will stabilize at 63.5% after bottoming at 62.9% in 2016.

SECTION 1 - U.S. ECONOMY**U.S. Economy and Indicators / CPI**

<http://www.census.gov>; http://www.census.gov/retail/marts/www/marts_current.pdf; <https://www.census.gov/economic-indicators/>; https://www.bea.gov/newsreleases/regional/gdp_state/qgsp_newsrelease.htm (released February 2, 2017; next release May 11, 2017); <https://bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>; http://www.dof.ca.gov/Forecasting/Economics/Economic_and_Revenue_Updates/documents/2017/Feb-17.pdf; <https://www.bls.gov/news.release/cpi.nr0.htm>;

U.S. GDP: Rose 1.6% in 2016, following a 2.6-percent increase in 2015.

CPI: Picked up pace in 2016, rising 2.1% in the U.S. and 2.5% in California. For the U.S. in January 2017 increased 0.6%; all items index rose 2.5% over the last 12 months.

Retail Trade: Up 0.8% November 2016, and up 4.3% from last year.

Non-Store Retailers: Up 13.2% from December 2015, miscellaneous stores were up 7.1% from last year.

Sales for Retail and Food Services for December: \$469.1 billion, an increase of 0.6% from the previous month, and 4.1% above December 2015. Total sales for the 12 months of 2016 were up 3.3% from 2015.

Consumer Price Index (CPI) Year in Review for 2017

<https://www.bls.gov/news.release/cpi.nr0.htm>

CPI: Rose 2.1% in 2016: A larger increase than the 0.8% rise in 2014 and the 0.7% advance in 2015. This represents a larger increase than the 1.8% average annual increase over the past 10 years.

Energy and Gasoline: The gasoline index increased 9.1% in 2016 after sharp decreases in 2015 and 2014. Energy rose 5.4% in 2016; after declining in 2015 and 2014.

Shelter: Rose 3.6% in 2016 after increasing 3.2% in 2015, 2.9% in 2014, and 2.5% in 2013.

Apparel: Declined slightly in 2016. Falling 0.1%, its third consecutive yearly decline.

Rent: Rose 4.0% in 2016. While the index for owners' equivalent rent increased 3.6%.

CPI for January 2017 Gasoline: Increased 7.8%.

Construction for December 2016: 4.2% above the December 2015 estimate of \$1,133.7 billion. The value of construction in 2016 was \$1,162.4 billion, 4.5% above the \$1,112.4 billion spent in 2015.

CPI for January 2017 Food and Alcohol: Had been unchanged for 6 consecutive months, increased 0.1%.

Tourism Spending: Accelerated in 3Q2016, increasing at an annual rate of 5.0% after increasing 4.5%.

Increased Mortgage Rates: The average rate for a 30-year mortgage has risen to 4.12% from 3.5% before the election in November. Realtors expect rates to rise by 4.4% by the end of 2017 and 4.8 in 2018.

Medical Care: Rose 2.6% in 2015 increased 4.1% in 2016; largest December-to-December increase since 2007.

Motor Vehicle Insurance: Rose 7.0% in 2016; largest annual rise since 2002.

Tobacco and Alcohol: Tobacco rose 3.6%, and the alcoholic beverages index increased 1.4%.

New and Used Vehicles: New cars continued to rise modestly, increasing 0.3% in 2016 following a 0.2-percent increase in 2015 and a 0.5-percent advance in 2014. Used cars and trucks, which increased in 2015, fell 3.5% in 2016.

Services Sector for 3Q2016

<https://www.census.gov/services/qss/qss-current.pdf>

Total Revenue: 3Q2016 was \$3,512.5 billion, an increase of 1.6% from 2Q2016 and up 5.3% from 3Q2015.

Utilities: \$150.9 billion, an increase of 20.2% from 2Q2016 and up 1.8% from the 3Q2015.

Transportation and Warehousing: \$221.8 billion, an increase of 2.2% from the 2Q2016 and down 1.1% from 3Q2015.

Real Estate and Rental and Leasing: \$170.8 billion, an increase of 2.7% from 2Q2016 of 2016 and up 7.2% from 3Q2015.

Educational Services: \$16.1 billion, a decrease of 7.2% from 2Q2016 and up 6.2% from 3Q2015.

Health Care and Social Assistance: \$608.8 billion, a decrease of 1.5% from 2Q2016 and up 5.4% from 3Q2015.

Arts, Entertainment, and Recreation: \$67.2 billion, an increase of 7.0% from 2Q2016 and up 7.8% from 3Q 2015.

Accommodation: \$65.1 billion, an increase of 6.5% from 2Q2016 and up variation, or price changes, was \$65.1 billion, an increase of 6.5% from 2Q2016 and up 7.4% from 3Q2015.

U.S. Economic Forecasts

<http://www.kiplinger.com/tool/business/T019-S000-kiplinger-s-economic-outlooks/index.php>;

<http://www.goldmansachs.com/our-thinking/pages/outlook-2017/index.html?videoid=147308>

GDP Growth: 2.1% for 2017 versus 1.6% for full-year 2016 (Kiplinger); 2 ¼ (Goldman Sachs)

Strong Dollar: Currently the strongest it has been since 1986, will remain strong in 2017 (University of Virginia)

Interest Rates: 10-year T-notes up to 3% from 2% at the end of 2016 (Kiplinger)

Rate Hikes: Upward pressures with three interest rate hikes from the Federal Reserve (Goldman Sachs)

Unemployment: Ending 2017 at 4.5% from 4.8% now (Kiplinger)

Crude Oil: Trading from \$55 to \$60 / bbl in May (Kiplinger)

Retail Sales: Up 3.9% excluding gasoline, in 2017 from a 3.8% rise in 2016 (Kiplinger)

Employment: Modest employment overheating which means upward pressure on inflation (Goldman Sachs)

Economic policies from Washington: Tax reform, fiscal easing, infrastructure spending (Kiplinger)

Regulation Rollback: Repealing the Dodd-Frank Wall Street Reform and Consumer Protection Act, passed to regulate financial institutions after the 2008 financial crisis. (University of Virginia)

Housing Market: Banks less restrained; offsetting may be limits on mortgage interest deduction that could affect the favorability of home ownership (University of Virginia)

SECTION 2 - CALIFORNIA ECONOMY / FISCAL FOCUS

http://controller.ca.gov/ard_state_cash_summaries.html; (February 2017)

http://dof.ca.gov/Forecasting/Economics/Economic_and_Revenue_Updates/ (February 2017)

CPI: Rising 2.1% in the U.S. & 2.5% in California.

January Revenues: \$15.04 billion for January beat projections in the proposed 2017-18 budget by \$884.4 million, or 6.2%.

Retail Sales and Use Tax for January 2017: \$1.17 billion for January outpaced the governor's proposed 2017-18 budget by \$376.8 million, or 47.4%. For the fiscal year to date, sales tax receipts of \$13.23 billion are \$96.7 million above the revised estimates released in January, or 0.7%.

Personal Income Tax: January PIT of \$13.27 billion topped projections in the governor's proposed budget by \$237.2 million, or 1.8%. In the current fiscal year. California has collected total PIT receipts of \$47.85 billion, 1.0% shy of January's revised estimate.

Corporation Tax: Fiscal year-to-date corporation tax receipts of \$3.65 billion are \$211.5 million above projections in the proposed 2017-18 budget, or 6.1%.

2017 California Economic Forecast

<http://californiaforecast.com/monthly-newsletter/>

<http://www.efp.ucsb.edu/>

Jobs: Similar to 2016 but with more jobs openings, more pressure to raise salaries and hourly rates of pay, and technology sectors that remain vibrant. The world economy is growing fast with demand for technology services and microprocessors.

Retail: With record levels of population, employment, and income, greater levels of spending on goods and services is inevitable.

Visitor / Tourism: More domestic demand for California vacations will occur in 2017, and much of this will offset the reduction in foreign visitors who find California (and the rest of the U.S.) too expensive.

Jobs / Immigration: If immigration laws are tightened and undocumented workers are deported, then the state's agricultural, construction, and hospitality sectors will experience labor shortages. This will prompt higher wages and salaries and higher rates of inflation in California.

California Housing

<http://www.car.org/marketdata/marketforecast/>

California Housing Forecast for 2017: Following modest gains in home sales in 2016, California's housing market will post a nominal increase in 2017, as supply shortages and affordability constraints hamper market activity. The C.A.R. forecast sees a slight increase in existing home sales of 0.8% next year to reach 419,600 units.

Real Estate: Sales of existing single-family homes in California slowed in December, with sales volume down from both the previous month and year by 7% and 0.6%, respectively, to a seasonally adjusted annualized rate of 411,230 units. For 2016 as a whole, 416,250 single-family homes were sold in California, up 1.7% from 2015.

Median Home Price: In December increased by 1.5% from the previous month and 3.9% from December 2015 to \$509,060. For 2016 as a whole, the median home price climbed 5.4% to reach \$502,250.

SECTION 3 – AUTO SALES**California Car Sale Trends / California New Car Dealers Association 3Q2016**

<http://www.cncda.org/CMS/Pubs/CA%20Auto%20Outlook%203Q%202016.pdf>

California New Car YTD: 3Q2016 (867,798) / **3Q2015** (918,835) or a -5.6%.

California Registrations YTD: YTD 2016 (1,548,716) / **YTD 2015** (1,577,327) or a +1.8%.

New Retail Light Vehicle Registrations: Increased 2.1% during the first nine months of this year.

Retail Car Registrations: Declined 5.8%, while light trucks (consisting of pickups, SUVs, and vans) surged 13.7%.

Used Vehicle Market: Up 7.4% for the first six months of this year; the increase slipped to just 0.7% after nine months. Registrations for six year old or newer vehicles were about 933,000 units during the first nine months of this year, 60% of the new vehicle total.

National Auto Forecast/ CPI

<http://ih.advfn.com/p.php?pid=nmona&article=73755530> ; <https://www.nada.org/steven-szakaly-auto-sales-forecast-2017/>; <https://www.bls.gov/news.release/cpi.nr0.htm>; <http://www.forbes.com/sites/jimhenry/2016/12/31/why-its-ok-auto-loan-delinquencies-are-trending-up-for-2017/#46c06e545f52>;
<http://browndigital.bpc.com/publication/frame.php?i=375579&p=&pn=&ver=flex>; http://www.wsj.com/articles/warning-light-flashes-on-auto-loans-1478632602?mod=rss_markets_main

- **January 2017 National CPI: Use Cars and Trucks:** Declined 0.4% after increasing in 2016; **New Vehicles:** Increased slightly, rising 0.9%. **Light-Vehicle Sales:** 17.1 million light-vehicle sales in 2017; 2016 volume to finish at 17.4 million, just missing the 2015 record of 17.47 million. **January 2017 Sales:** U.S. auto sales slipped 2% in January compared with the same period a year ago. Discounts and rebates equaled \$3,635 per car on average in December far exceeding incentive spending in January 2016 and representing a 10% discount off the asking price.
- **Franchised Dealers:** Will sell more used vehicles. **New Car Dealerships:** Expected to retail 15.3 million used vehicles in 2017, compared to an expected 15.1 million used sales in 2016. **Total Used Vehicle Market:** Will exceed 40 million retail sales in 2017.
- **Delinquencies Could Reach 1.4% in 2017:** Expected to increase in year-end 2017. Subprime auto loans at least 90 days delinquent hit 1.95% in 3Q 2016, up from 1.86% the year before. *(Kiplinger, January 19, 2017).*
- **Consumer Price Index for December 2016:** Along with the shelter index, the indexes for motor vehicle insurance, medical care, education, airline fares, used cars and trucks, and new vehicles were among the indexes that increased.

SECTION 4 - GASOLINE

Gasoline prices rose late last year (increased 1.8% in December) at a time when prices at the pump normally go down. The normal decrease is because the nation's refineries have completed the switch-over to winter grade gasoline, which is cheaper to produce. Consumers also tend to drive less in the late fall and early winter, reducing demand.

Gasoline Prices in California: AAA shows (February 10, 2017) the national average price of self-serve regular at \$2.26 per gallon (note in MuniServices December 16, 2016 report, we reported \$2.15). California Gas Prices as of February 10, 2017 is showing gas prices at some California locations at \$2.29 per gallon (MuniServices in December 16, 2016 reported \$1.99) and a high at \$5.03 (South San Francisco).

National Average: Although the average remains flat compared to one week ago (from February 10, 2017), drivers are paying ten cents less per gallon month-over-month, and 52 cents more per gallon year-over-year. Pump prices have been pressured higher overall due to cuts in oil production globally, but increased U.S. production and low demand has led to a leveling out of prices over the last couple of weeks.

Demand: The U.S. Energy Information Administration's (EIA) latest weekly estimates of U.S. gasoline demand show that January 2017 figures are down 6% from January 2016 and are at their lowest standing for the first month of the year since 2012. <http://gasprices.aaa.com/gas-prices-remain-stable-despite-record-low-demand/>

Oil Consumption Impact on the Economy: There has been significant focus recently on increasing oil production, but too little on the economic and energy-security benefits of reducing oil consumption. Americans consume less oil than they did in 2008, even as the economy and miles traveled grew by more than 10% and 5%, respectively. Because America uses more than 20% of the world's oil, our reduced demand has played an important role in lowering global prices. With the average gasoline price in the U.S. down to \$2.38 a gallon (at the time of the article), American families are saving more than \$1,000 each year. <https://www.wsj.com/articles/how-using-less-oil-helps-the-economy-1484611447>

SECTION 5 - RETAIL AND E-COMMERCE SALES AND TRENDS**E-commerce Sales for 4Q2016**

https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf (February 17, 2017);

https://ycharts.com/indicators/ecommerce_sales_as_percent_retail_sales

E-commerce sales for 4Q2016: For the U.S. \$102.7 billion, an increase of 1.9% from 3Q2016. Total retail sales for the 4Q2016 were estimated at \$1,235.5 billion, an increase of 1.9% from 3Q2016 and were outpaced by e-commerce sales. The 4Q2016 e-commerce estimate increased 14.3% from the 4Q2015 while total retail sales increased 4.1% in the same period. E-commerce sales in 4Q 2016 accounted for 8.3% of total sales. **California:** Would be approximately 13-14% the total sales, based on California's portion of the national economy.

Holiday Season Sales (November and December 2016)

http://www.census.gov/retail/marts/www/marts_current.pdf

2016 Holiday Spending: \$935.3 billion, up 4.0% from the same two months in 2015 (\$899.2 billion). The comparable growth rate for the holiday seasons from 2014 to 2015 was 2.2%.

Total Retail and Food Services: Excluding the gasoline stations component, total retail and food services sales for the 2016 holiday season were up 3.9%, which was not different from the 2014 to 2015 increase of 4.2%.

Non-Store Retailers: Holiday spending jumped 12.8%; 2016 trend was the highest in the past five years.

Consumer Spending in 2016

<https://www.wsj.com/articles/cars-gasoline-lifted-u-s-retail-sales-0-6-in-december-1484314510>

Consumption of Goods and Services: Two-thirds of all U.S. output goes to goods and services consumed by U.S. households, making the pace of consumer spending a key gauge of economic vitality.

Reasons for Spending: Worker wages have grown more quickly over the past year after a long period of stagnant growth, with average hourly earnings up 2.9% in December from a year earlier. Living costs for everyday items such as gasoline, continue to grow modestly, giving people more money for shopping and travel.

2016 Review: American consumers finished 2016 spending at a solid pace, splurging on cars and pouring money into online shopping during the holidays.

Retail Sales: Sales at U.S. retailers rose 0.6% in December from a month earlier, the eighth monthly increase in nine months, helping to extend the economy's long expansion. Retail sales rose 3.3% in all of 2016, faster than the prior year's gain of 2.3% and similar to the underlying trend during the expansion.

Household Wealth: Households collectively spent 10% of their disposable income in 3Q2016 paying down debt, hovering close to the lowest level since record-keeping began in 1980.

Online Stores: Consumers continued to turn to e-commerce retailers such as Amazon.com Inc.; 2016 spending rose 11% at online retailers and fell almost 6% at department stores. Macy's, Kohl's Corp., J.C. Penney and Sears Holdings Corp. each reported a drop in holiday sales.

State of the Retail Industry in 2017

<https://nrf.com/news/the-state-of-the-retail-industry-2017>

Jobs: Retail supports 1 in 4 American jobs. **United States:** 3,793,621 retail establishments; 42 million jobs supported, and \$2.6 trillion in total GDP impact. **California:** 418,840 retail establishments; 4,713,568 jobs supported, and \$330 billion in total GDP impact. **Motor vehicles and parts dealers** GDP in millions at \$13,826 (26,229 retail establishments). **Food and beverage stores** GDP in millions at \$18,650 (29,877 retail establishments); **Gasoline stations** GDP in millions at \$5,694 (6,717 retail establishments); **Sporting goods, hobby, book and music stores** GDP in millions at \$3,505 (12,991 retail establishments); and **Food services and drinking places** GDP in millions at \$40,220 (97,094 retail establishments). Refer to the NRF website for a comprehensive look at GDP value by major industry in the State as well as direct impact of the retail industry by subsector in California.

Retail Trends

Post Holiday Consignment: As much as 30% of online holiday purchases are returned compared with about 10% of holiday purchases overall. Internet apparel retail sales, including secondhand sites, will jump from \$52.9 billion in 2016 to \$59.6 billion in 2017 and \$78.8 billion by 2020. <https://www.wsj.com/articles/online-consignment-shops-clean-up-after-the-holidays-1484575200>

Valentine's Day 2017: Consumers are expected to spend an average \$136.57. Total spending is expected to reach \$18.2 billion, down from \$19.7 billion last year, which was a record.

Retail Arbitrage: People touring the country in RVs are financing life on the road with 'retail arbitrage,' buying odds and ends in small-town stores and flipping them for a profit on Amazon. These deal hunters use barcode-scanning and price-comparison apps to calculate their expected profits and turn their RVs, some the size of Manhattan apartments, into mobile retail-distribution centers, sometimes with children in tow. <https://www.wsj.com/articles/the-secret-to-a-career-in-an-rv-always-be-reselling-1483548712>

Pet Industry is Economic Powerhouse: The pet industry generated more than \$221 billion and supported over 1.3 million U.S. jobs in 2015. Consumers spend over \$77 billion on their pets annually. <http://www.usmayors.org/pets/default.asp>. <https://petleadershipcouncil.org/press-releases/new-study-pet-industry-is-economic-powerhouse;>

Super Bowl Spending and Late Tax Refunds: Last year, the week before the Super Bowl brought in \$395 million in U.S. TV sales and the following week \$353 million, making the stretch one of the biggest sales periods after Black Friday. There is uncertainty with this year's results because of delayed tax returns. <http://www.morningstar.com/advisor/t/118323673/the-taxman-misses-kickoff-wsj.htm>

Mall Closures/ Retail Mall Vacancies: In 4Q2016 mall vacancies were flat from the third at 7.8%, indicating that the retail real estate market is finally showing signs of correction. <http://www.reuters.com/article/us-property-usa-malls-idUSKBN14Q0CJHurdles>

Facing Retailers in 2017: Vertical farms in urban locales and hydroponic conditions. Growth of retail e-commerce, which is responsible for most growth in food sales. Consolidation which creates distraction strategies like reduced store counts and square footage. Shoppers who seek value more than anything. Amazon's expansion with groceries and Prime Now. <https://www.iddba.org/IDDBA/media/research/trends-report/whats-in-store/whats-in-store-2017-executive-summary.pdf>

Changing Economy

Sharing Economy: Projections show that five key sharing sectors – travel, car sharing, finance, staffing and music and video streaming – have the potential to increase global revenues from roughly \$15 billion today to around \$335 billion by 2025.

Pricewaterhouse Cooper

Sales of Web Connection: Global tally of connected devices are 6 million today and will be pushed to more than 20 billion by 2020. *Kiplinger, 12/9/16*

Gig Economy Data: In 2005, contingent workers accounted for roughly 2 to 4 percent of all workers. About 7 percent of workers were independent contractors, the most common alternative employment arrangement, in that year. BLS plans to collect these data again in May 2017. *Pew Research*

SECTION 6 - RESTAURANT TRENDS

<http://www.cnn.com/2017/01/25/travel/food-trends-2017/index.html>; <http://www.calrest.org/newsroom/pizza-on-the-forefront-of-automation-in-the-restaurant-industry>

Social Responsibility: Chefs will be committed to addressing issues including food waste and sharing food.

E-Commerce: The e-commerce mania has spread to food industry.

Root-to-Stem Style: Waste based cooking. The amount of food lost and wasted every year is equal to more than half of the world's annual cereals crops.

Vegetarian Food: Eating more vegetables in the main course will be a preferred trend of 2017.

Robots: Using robots to make pizza and other items.

SECTION 7 - SELECTED 2017 REGIONAL ECONOMIC FORECASTS

Bay Area:

<http://www.bizjournals.com/sanfrancisco/news/2016/12/28/2017-forecast-economists-downturn-reckoning.html>

North Bay:

<http://www.northbaybusinessjournal.com/industrynews/6672089-181/north-bay-economy-jobs-growth-california-us?artslide=0>

Central Valley:

<http://www.pacific.edu/Documents/school-business/BFC/Forecasts/CA-Metro-Forecast-Jan2017-V2.pdf>

Sacramento:

http://www.cbaweb.cba.csus.edu/sacbusinessreview/Sacramento_Business_Review/Archives_files/SBR_Report_Jan16Web.pdf

Los Angeles:

https://beaconecon.com/products/regional_outlook_los_angeles

San Diego:

<http://www.sandiegometro.com/2017/01/california-economic-forecast-2017/>

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