PROGRAM PERFORMANCE REVIEW 2014-16

James and Janette Woods Center for Economic Analysis and Forecasting

Director
Anil K. Puri, PhD,
Mihaylo College of Business and Economics
657-278-4499, SGMH

Year Established 1992

Formerly known as Institute for Economic and Environmental Studies (IEES)

Submitted: April 2017
MISSION AND GOALS

The Woods Center for Economic Analysis and Forecasting (WCEAF) issues economic forecasts and analyses at the national and regional level, provides policy advice on economic issues, and conducts research in related areas. The Center undertakes independent studies and engages in sponsored research with private and public entities in the areas of its focus. It seeks funding for research and training; conducts research projects; issues research reports, sponsors conferences and workshops, and presents studies and reports of interest to the business, government, academic and general communities. Its objective is to facilitate effective public and private decision-making, related to significant economic and policy issues. Whenever possible, the Center's activities are structured to allow participation of graduate and undergraduate students at Cal State Fullerton.

The Center supports the mission of the Mihaylo College of Business and Economics and of the University to create and disseminate knowledge and information to the wider community and to provide research opportunities to faculty and students, fostering collaboration and "hands-on" experience.

ACTIVITIES IN THE PAST THREE YEARS

WCEAF continued to seek and receive grants from both private and public sources. Major developments included the Annual Economic Forecast, the Midyear Update, the International Trade Forecasts, the Riverside County Economic and Budget Forecasts, and Orange County Transportation Revenue forecasts. The Institute continues to issue updates of the Southern California Leading Economic Indicator and the Orange County Business Sentiment Index.

The annual fall Economic Forecast Conference, presented in collaboration with Orange County Business Council (OCBC), the county-wide business group, and the midyear update were again presented each year during the review period. Forecast reports are prepared and distributed as a part of the conferences. Evaluations continue to be strongly positive, and attendance (over 800 in the annual event) and participation is robust. The quarterly Orange County Business Expectations Survey and Southern California Leading Economic Indicators report received widespread media and business attention and were extensively covered.

The Center director, co-director and research associates continued to participate (an on-going activity) in various public speeches, presentations, and press events resulting in continuing press coverage. The Forecast also received significant press coverage in the Orange County Register, as did the updates of the business surveys and economic indicators. Updates of the WCEAF website are also continuing increased links to research results.

ORGANIZATIONAL STRUCTURE AND GOVERNANCE

The Center is managed by its director and co-director, Anil Puri and Mira Farka. Other faculty members, in particular, Drs. Adrian Fleissig and Aaron Popp, are involved on a project-by-project basis. The Center has a board of directors but given that the project-oriented nature of the
Center’s work, the Board has not been active. The two economic forecasts, however, do have organizing committees that provide guidance to the Center on its forecasting activities. The Center does not currently have staff support, but could benefit greatly from a part-time permanent staff position. Its office is located in Mihaylo Hall. Graduate student assistants are regularly hired to assist in the Center’s research work.

RESOURCES AND SUSTAINABILITY

The Center does not have a budget as such. The Forecast operates as a joint project with Orange County Business Council and the MCBE Dean’s office’ Project operate on separate budgets through the Auxiliary Services Corporation. Currently, the VPAA’s office provides .2 FTEF each semester that is used to support faculty and student research.

The primary source of support for the Center are
1. The economic forecasts
2. College and university support
3. Grants and contracts
4. The James and Jeanette Woods endowment.

Revenue Received 2014-16:
Annual and Midyear Forecasts: $30-35K per year for a total of approximately $100K for the three years
College Support: $10K per year for data purchases
Grants and Contracts:
- Orange County Transportation Authority: $30,000
- Small Business Development Center: $45,000
- County of Orange: $45,000
- County of Riverside: $49,000
- Center for California Studies: $25,000

The Woods Center Endowment: The Center has commitments from donors for a one-million dollar endowment which will be fully funded over the next three years. We expect to receive $30-35 thousand annually from the endowment once it is fully funded.

The Center offices are located in Mihaylo Hall, provided by the Mihaylo College. While the center has an ongoing endowment income and is thus sustainable, it needs additional funds to support its current level of activities. These funds are generated by grants, contracts and the forecast events.

HIGHLIGHTS AND ACCOMPLISHMENTS

- Annual Economic Forecasts, 2014-16: A large event held in October/November every year, attended by over 800 business executives and general public, organized in collaboration with the Orange County Business Council. US Bank is the title sponsor. Principal investigators: Anil K. Puri and Mira Farka
Midyear Economic Forecasts, 2014-16: A public event attended by approximately 200-300 business executives and general public held in April each year. California Bank and Trust company is the title sponsor. Principal investigators: Anil K. Puri and Mira Farka

International Trade Forecasts: an Overview of Orange County and Southern California Exports: Annual updates, analysis, and forecasts are performed. The results are presented to business executives and policy makers involved in international trade. The conference is organized in partnership with the Small Business Development Center. Principal Investigators: Mira Farka and Adrian Fleissig

Orange County Business Expectations Survey (OCBX): A quarterly survey conducted of over 600 Orange County business executives to gauge their expectations of the future conditions. The results are reported and published in the Orange County Business Journal every quarter. Principal Investigator: Anil K Puri.

Southern California Leading Indicator: Each quarter the report is updated to provide insight into the Southern California region in the short term. The Southern California Leading Indicator is used in financial reports of companies including Broadcom, The Irvine Company, First Team Real Estate, Coldwell Bankers, Chase Bank, Bank of America, and others. International Trade Forecasts and an Overview of Orange County and Southern California Exports: Annual updates, analysis, and forecasts are performed. Principal Investigator: Adrian Fleissig.

The faculty associated with the Center are frequently invited to present in front of large and diverse business audience on a routine basis.

Grant Activities:

- Orange County Transportation Authority (OCTA): Annual forecasts of Orange County sales tax are produced for the OCTA. Principal Investigator: Anil Puri
- County of Riverside: County of Riverside Forecasts and Economic Outlook, 2014-2015. An annual report assessing the Riverside regional economy and property revenue forecasts. An annual presentation was delivered to the Riverside County Board of Supervisors. Principal Investigators: Mira Farka and Adrian Fleissig
- Center for California Studies, Faculty Research Fellow Project, 2016 : Economic Impacts of a Property Assessment Portability Law, An economic report evaluating how changes to California’s Proposition 13 would affect property tax revenue in California. A presentation to Policy Makers in State Capital Sacramento explained the results and projections. Principal Investigator: Adrian Fleissig.
- County of Orange: An Econometric Model to Forecast Transportation Revenue for Orange County Resources and Development Management. Economic forecasts and analysis was provided each quarter for various sources of transportation revenue. Principal Investigator: Adrian Fleissig.

Selected Presentations

- Critical Mass for Business, Mira Farka, Changing Drivers and Shifting Gears, December 2016, Los Angeles, CA
- Richey Advisors, Mira Farka, Will Growth Pick up: Economic Analysis and Forecasts, November 2016, Placentia, CA
- WCEAF and OCBC Economic Forecasts, Anil K. Puri and Mira Farka, World at Crossroads, Navigating Risks in Pursuit of an Ideal Climate, October 2016, Irvine, CA
The primary goal of the Center will continue to be engagement in economic and public policy research with an increasing involvement of faculty in applied research grants. Some of its researchers are sought out by private and public agencies to conduct work in their areas of expertise. Increasing the number of active faculty and both graduate and undergraduate students will be a primary goal.

The nature of most WCEAF research is such that we cannot plan ahead regarding precisely which opportunities we will pursue because we typically respond to RFPs, or to informal solicitations from funding sources.

A second key goal is to maintain the reputation of WCEAF in the wider community as a source of unbiased and carefully researched information on the regional economy and related policy issues. The forecast, business surveys and economic indicators will continue to be important parts of this effort, as will the cooperation with Orange County Business Council, Orange County Business Journal and the Orange County Register. Increasingly, local reporters contact an expanding roster of WCEAF faculty for comment or help in understanding current economic issues, and one goal is to maintain and expand these relationships.

In summary, we believe that WCEAF has played a pivotal role in enhancing the university and Mihaylo College’s reputation in the community and media, and it is a key contributor to the positive branding of Cal State Fullerton in Orange County and Southern California economies.