

# **LAEDC ECONOMIC FORECAST: CALIFORNIA AND LOS ANGELES 2018-2019**

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**LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION**

**LAEDC**

# **CALIFORNIA:**

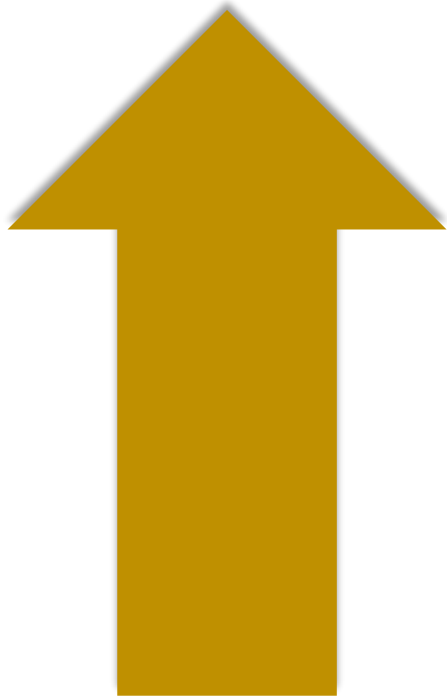
# **HOW GOLDEN IS THE GOLDEN STATE?**



# California Indicators

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GDP Growth



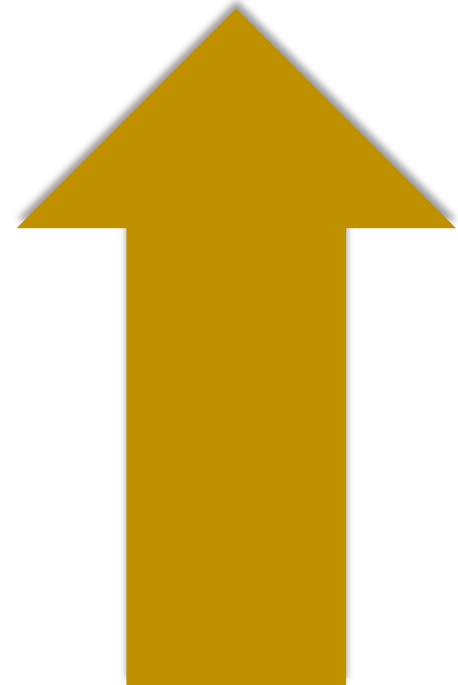
2.5%

Unemployment



4.3%

Job Growth



1.8%



# GDP Rankings

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GDP (\$US billion) 2016

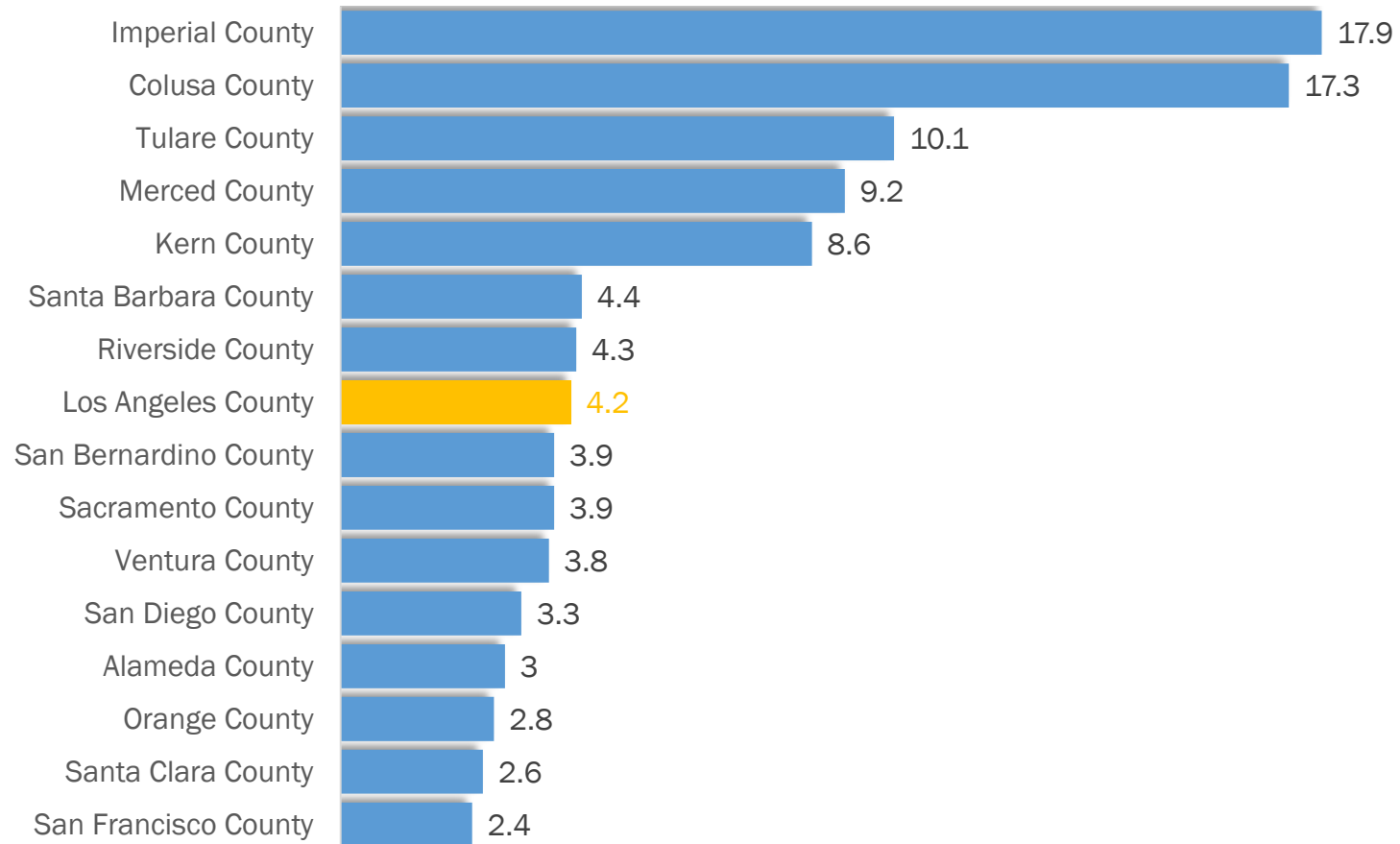
1	United States	\$ 18,624
2	China	11,199
3	Japan	4,940
4	Germany	3,478
5	United Kingdom	2,648
❖	<b>California</b>	<b>\$2,623</b>
6	France	2,465
7	India	2,264
8	Italy	1,859
9	Brazil	1,796
10	Canada	1,529
....		
15	<b>SoCal 5</b>	<b>\$ 1,243</b>
....		
19	<b>Los Angeles County</b>	<b>\$ 760</b>



# Unemployment by Region

Regions Differ

California

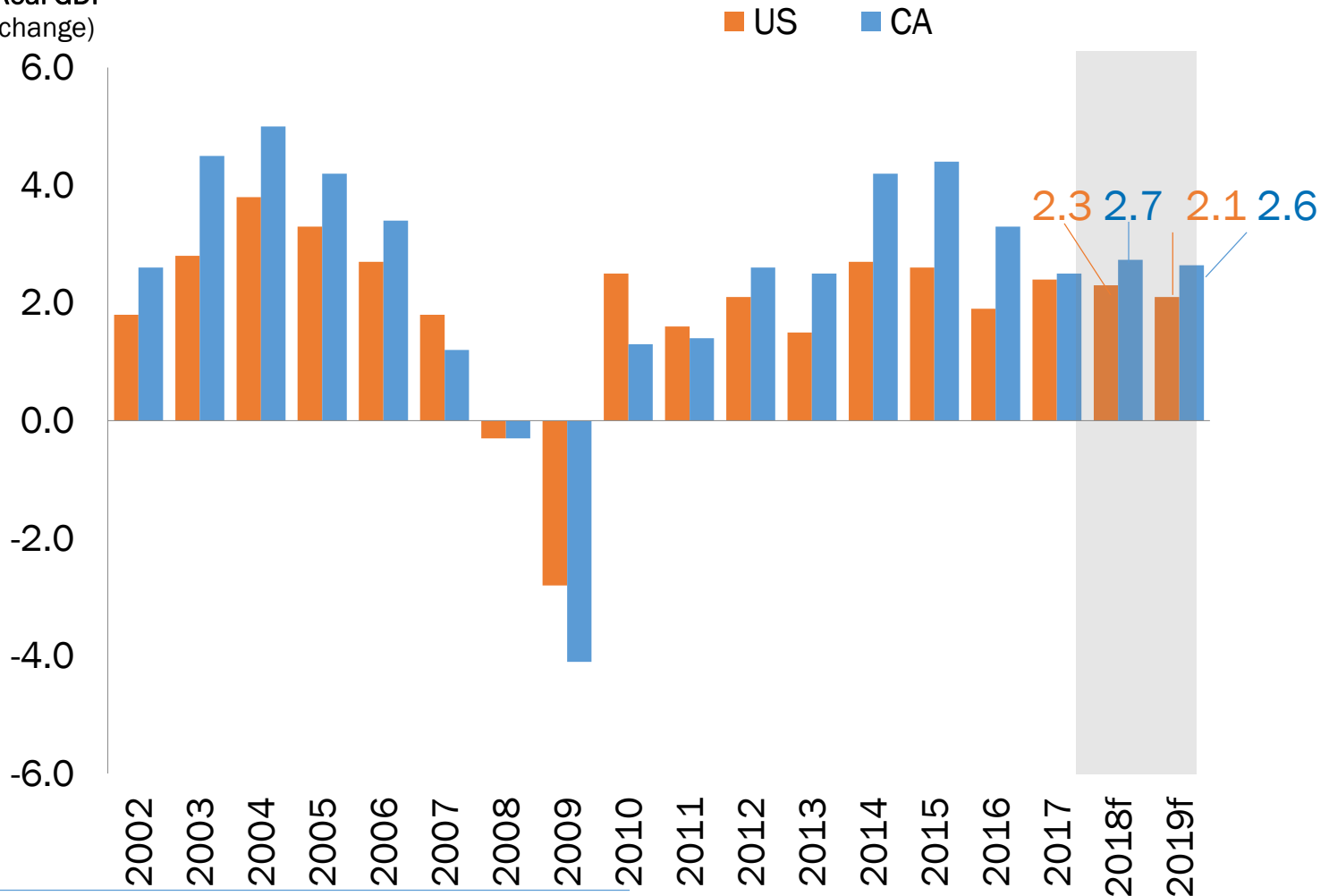


**What  
Happens  
in  
2018-  
2019?**



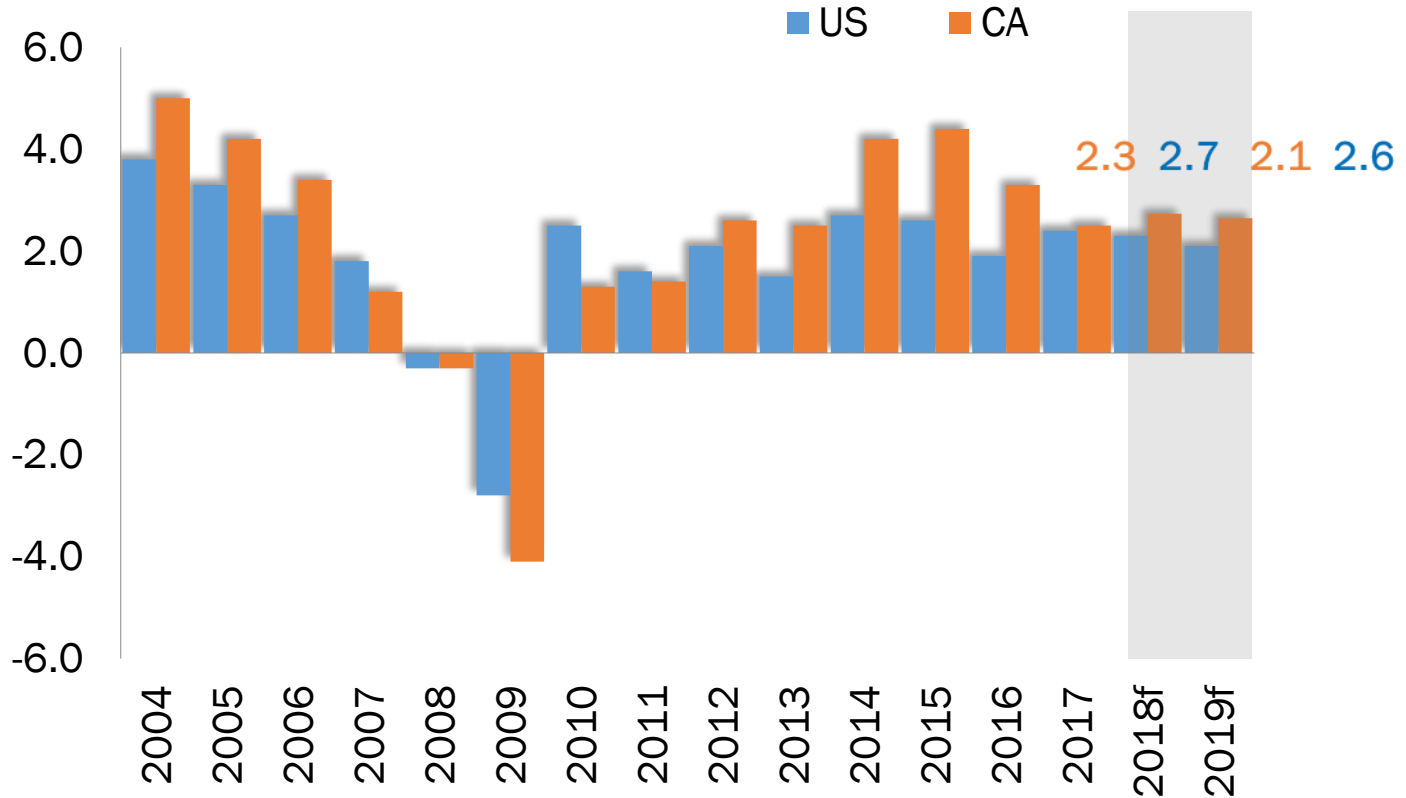
# GDP Growth

Growth in Real GDP  
(Annual % change)



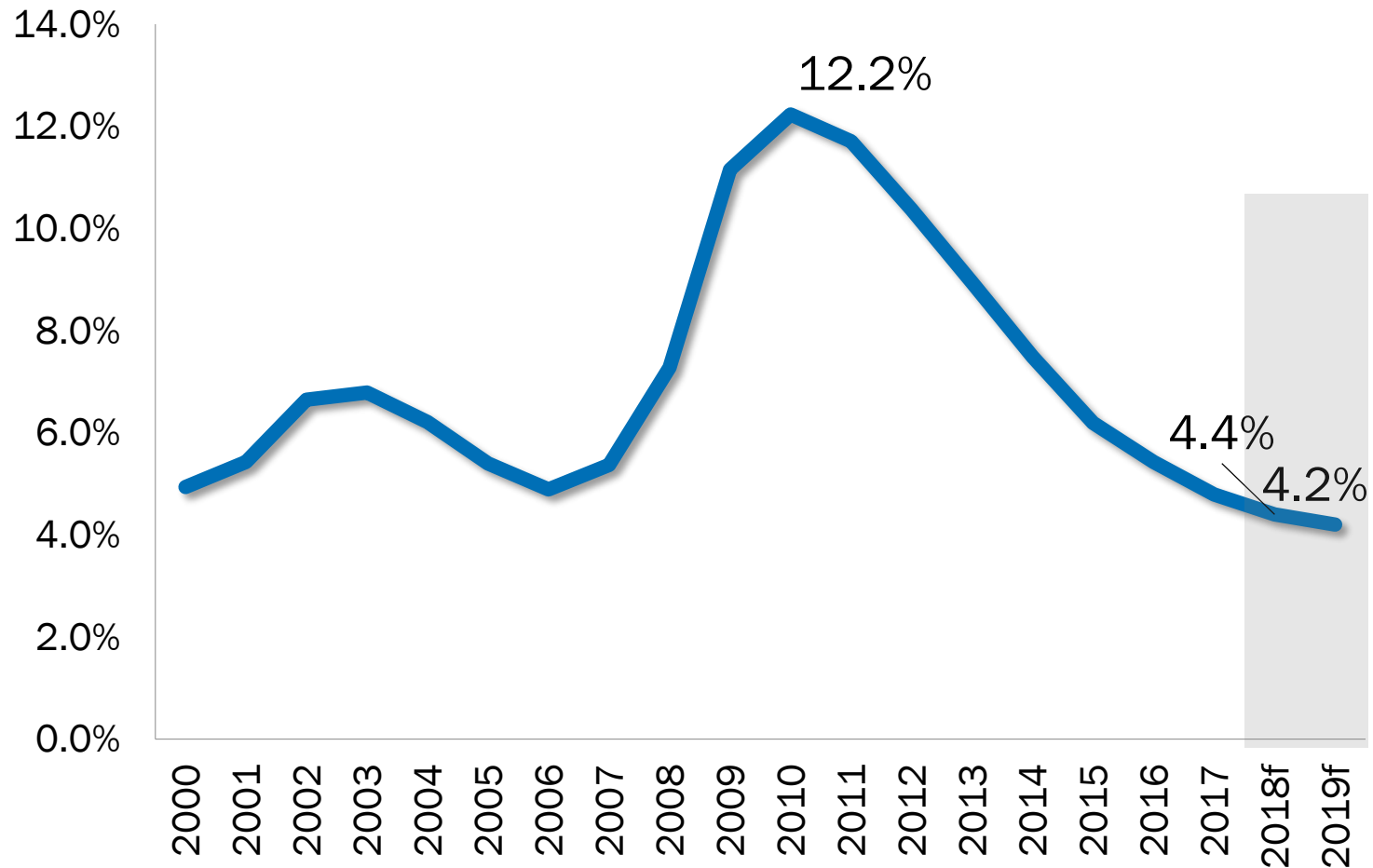
# GDP Growth

Growth in Real GDP  
(Annual % change)



# Unemployment Rate

California

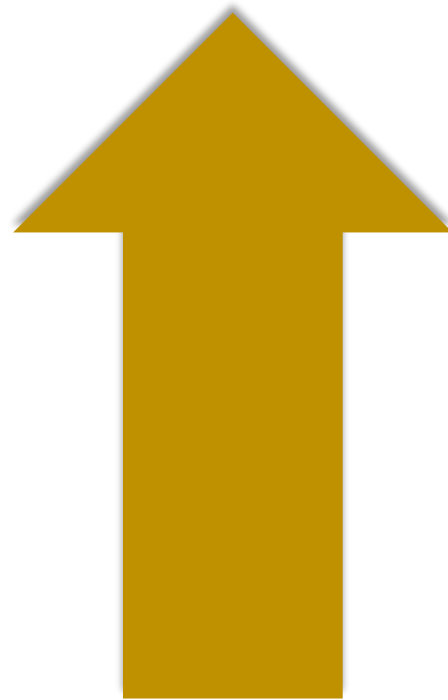


# Steady Growth Path

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California

Expected job growth:



1.8%

Annual average  
2018-2019

California will add about 636,500 jobs through 2019



LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION

A blue street sign with white text that reads "Hollywood Bl" and "6200 W" is mounted on a black pole. The background is a clear blue sky with several tall palm trees and some green foliage in the foreground.

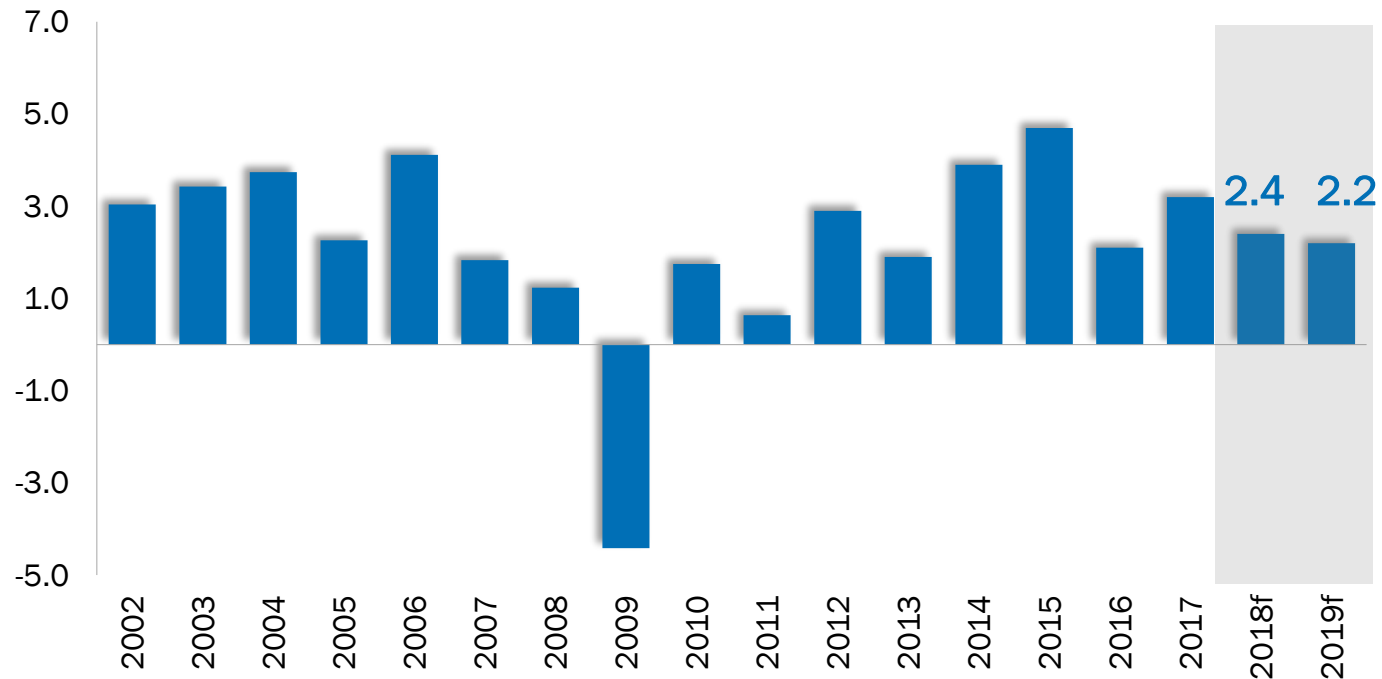
Hollywood Bl  
6200 W

**“In Los Angeles, everyone is  
a star”—Denzel Washington**

# Real GDP Growth

Los Angeles County

Growth in Real GDP  
(Annual % change)



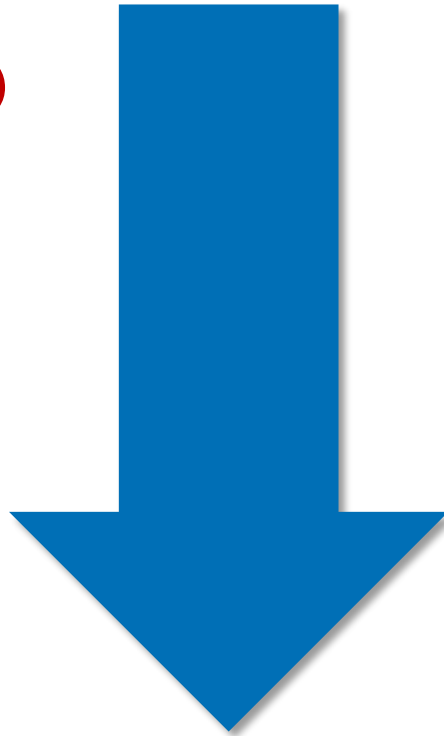
# Unemployment Rate

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Los Angeles County

2010

12.5%



Forecast 2019

4.1%

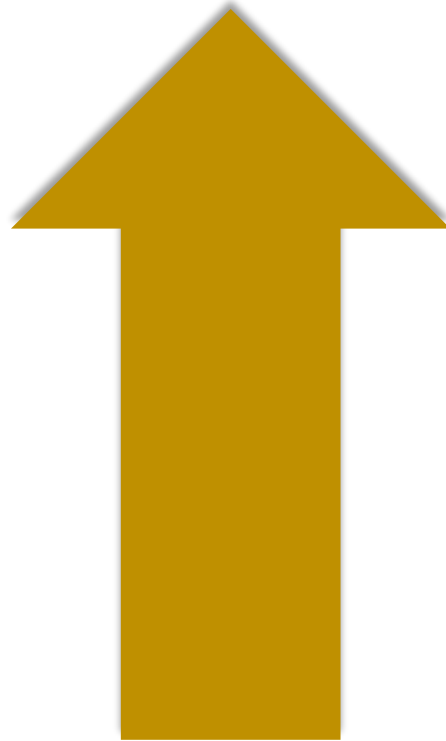


# Steady Growth Path

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Los Angeles County

Expected job growth:



2.3%

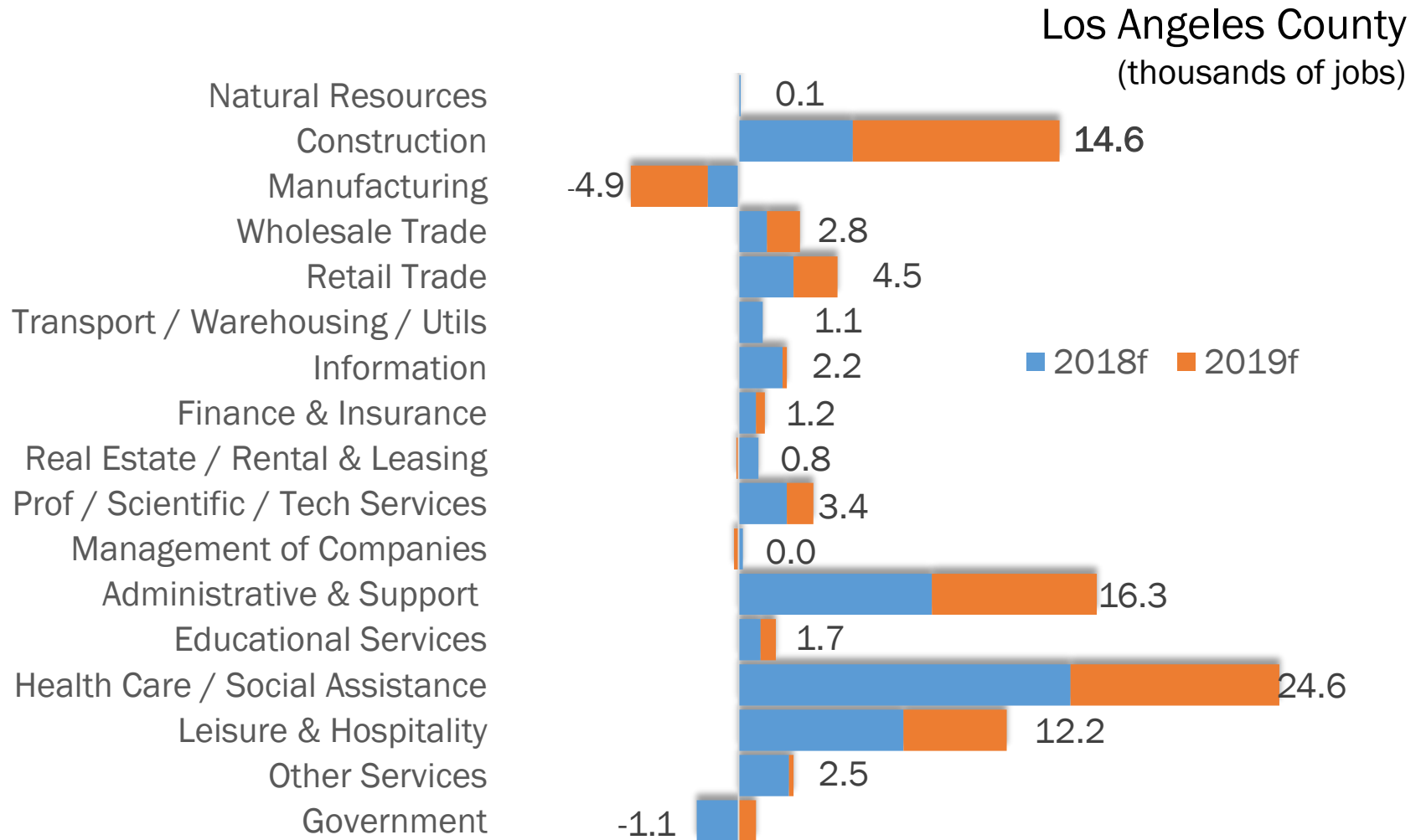
Annual average  
2018-2019

Los Angeles will add about 82,100 jobs through 2019



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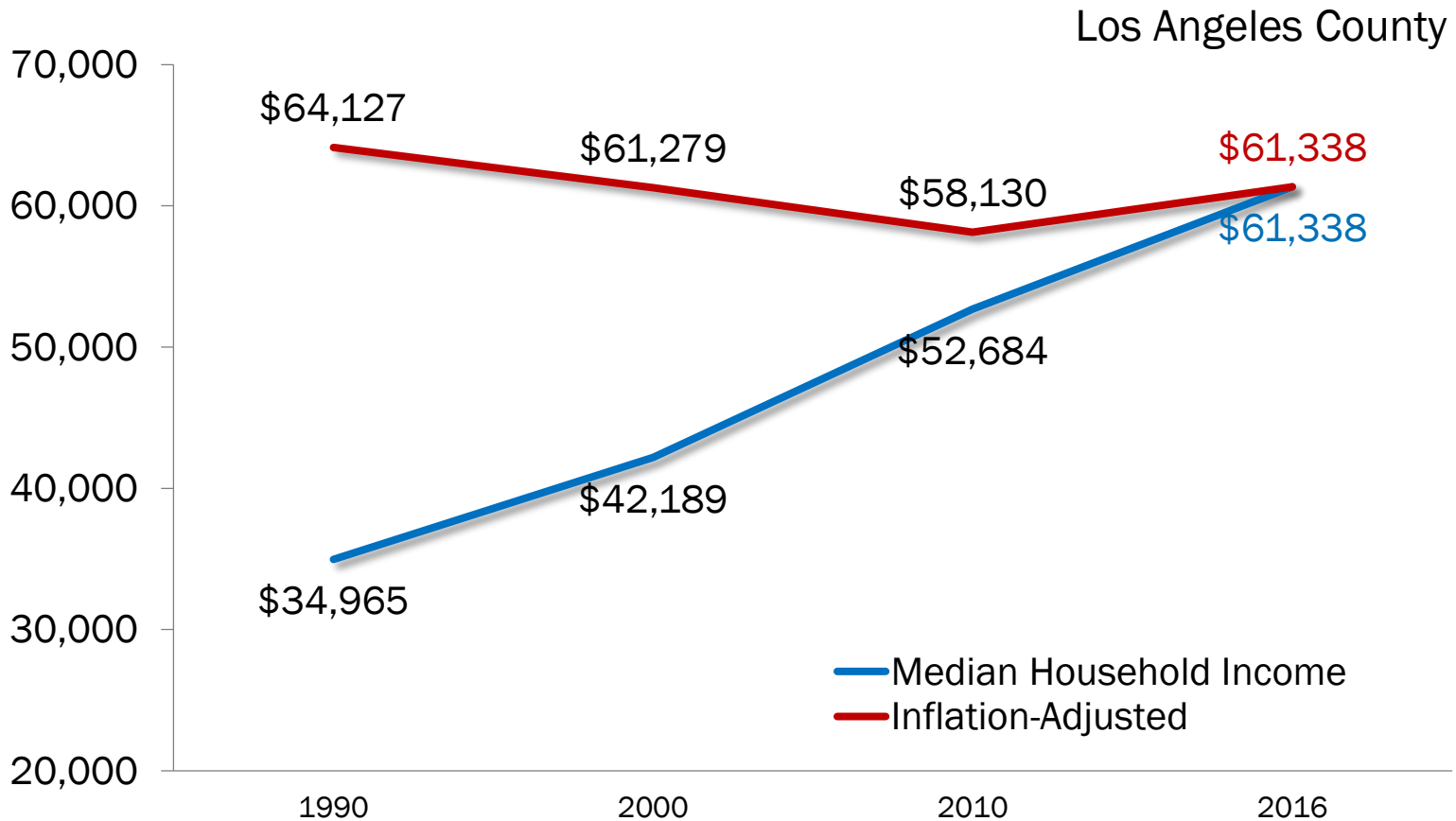
# Jobs Forecast By Industry





**What Does This  
Mean For Us?**

# Median Household Income



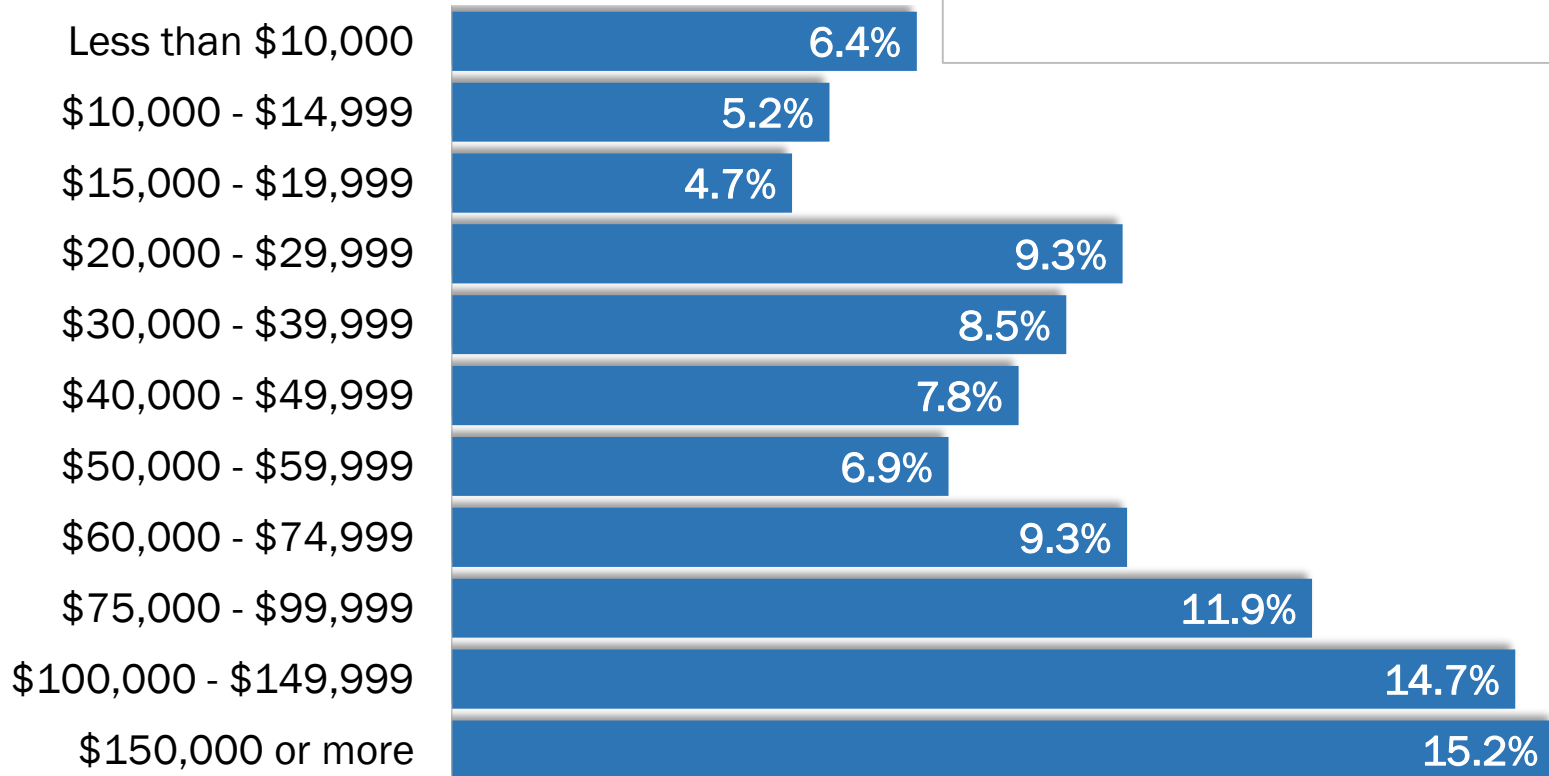
# Households by Income

Los Angeles County

Total Households:

3.3 million

HHI < \$40,000: 34.2%



# Home Affordability

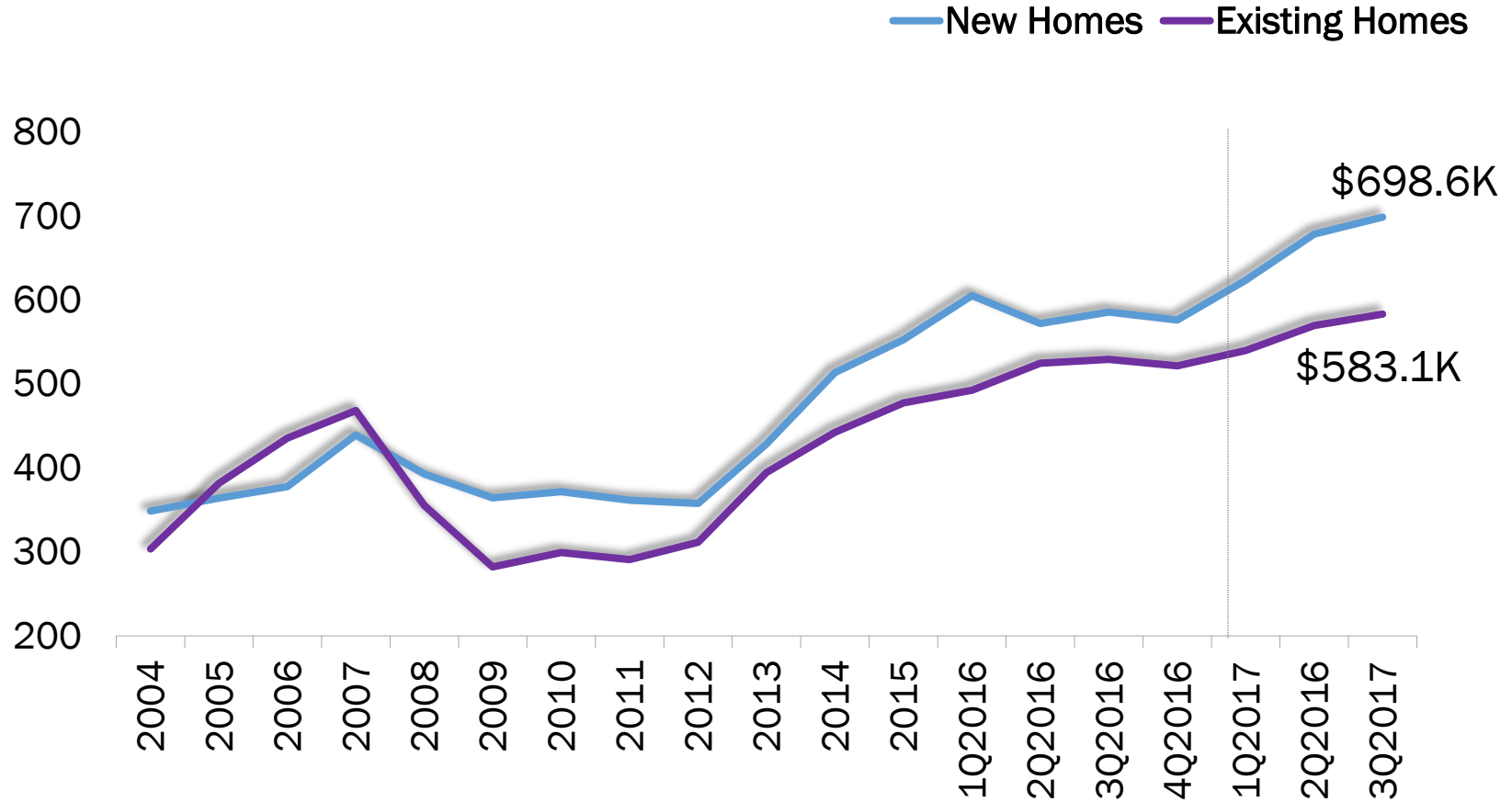
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	Median Home Price	Minimum Qualifying Income	Housing Affordability Index
California Single-Family Home	\$555,680	\$112,100	28
Bay Area	\$860,000	\$173,500	23
Los Angeles Metro Area	\$502,000	\$101,270	30
Inland Empire	\$339,900	\$68,570	43
U.S.	\$254,000	\$51,240	55

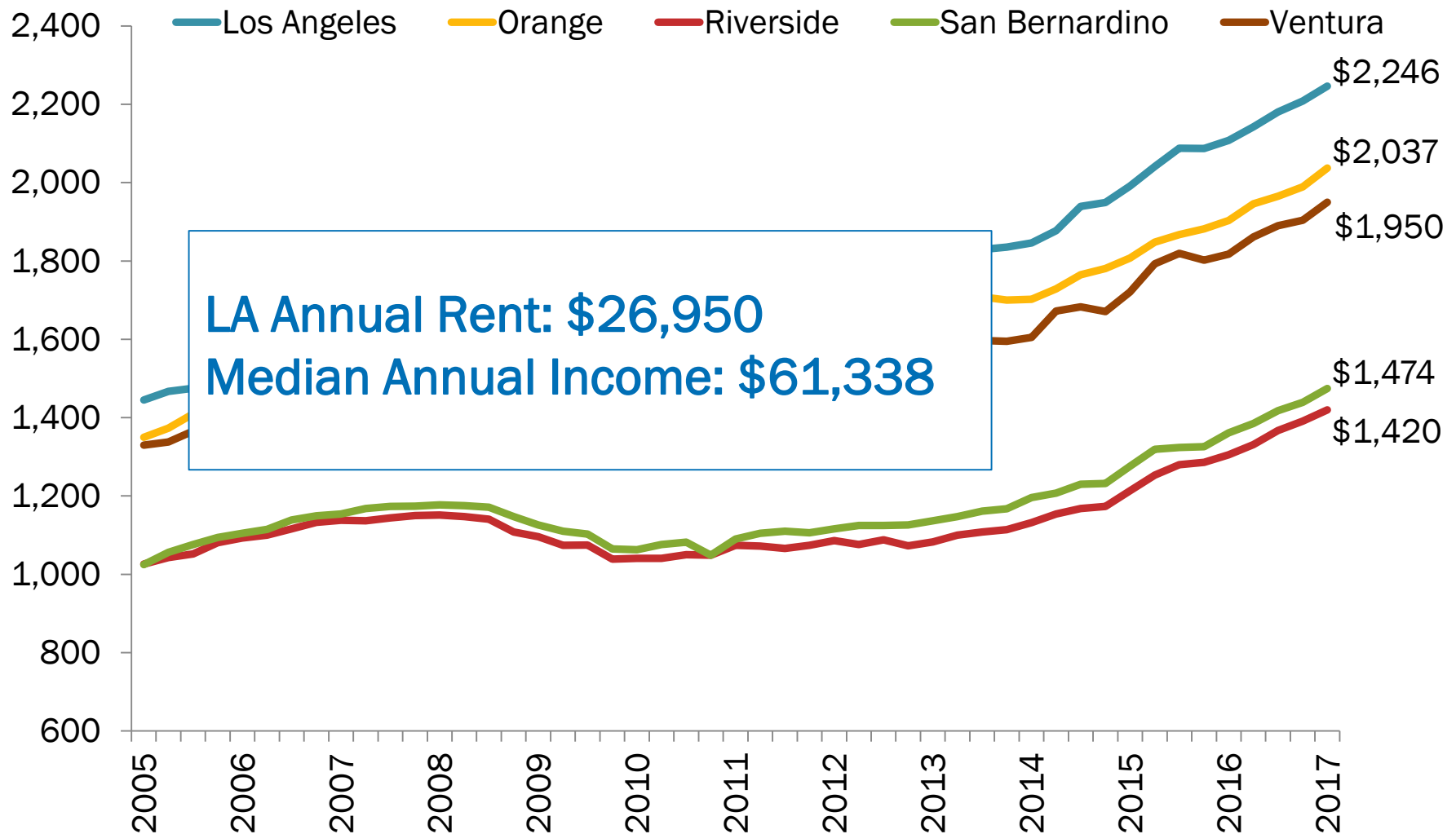


# Annual Median Home Prices

Los Angeles County, thousands \$



# Apartment Rents



# Housing Market

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## *Fundamentals are strong*

Job and income growth are positive  
Lending standards are reasonable  
Household formation is rebounding

## *And yet....*

Supply well below long-run average  
Boomers are not moving  
Share of first-time buyers is LOW  
Affordability-constrained Millennials  
looking outside California

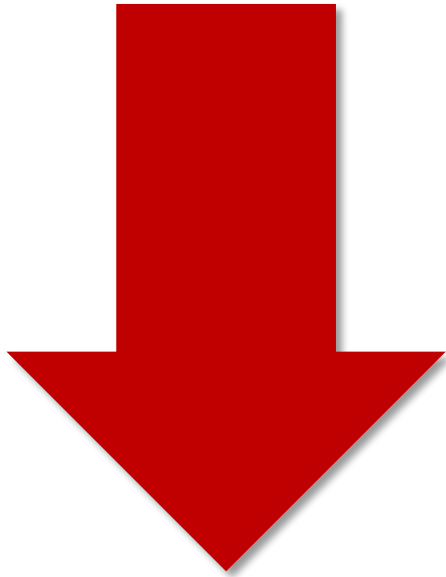


# What Does Our Future Hold?



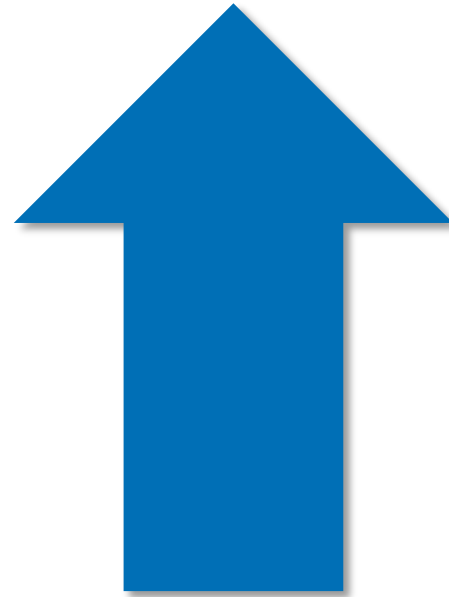
# Since 2007....LA County

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29,000

Fewer jobs in finance  
Ave Wage: \$119K



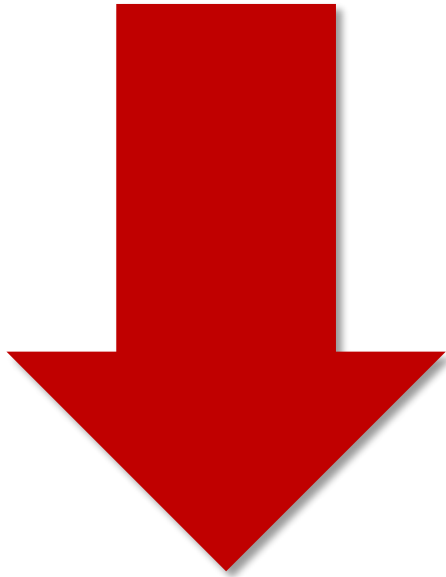
68,000

More social assistance  
Ave Wage: \$18K



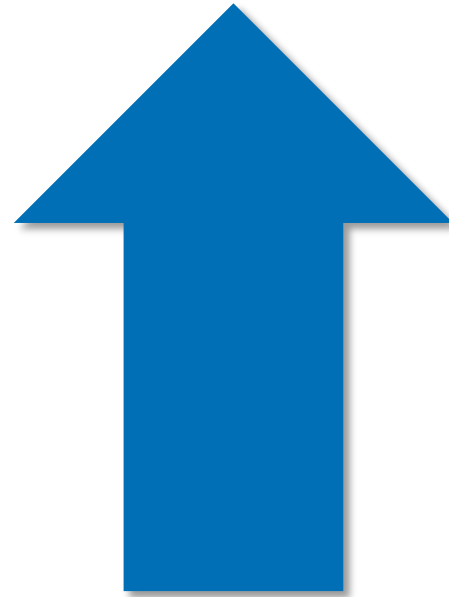
# Since 2007....LA County

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111,000

Fewer manufacturing jobs  
Ave Wage: \$68K



86,000

More jobs in food services  
Ave Wage: \$22K



# Top 5 Occupations

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Retail salespersons

General office clerks

Cashiers

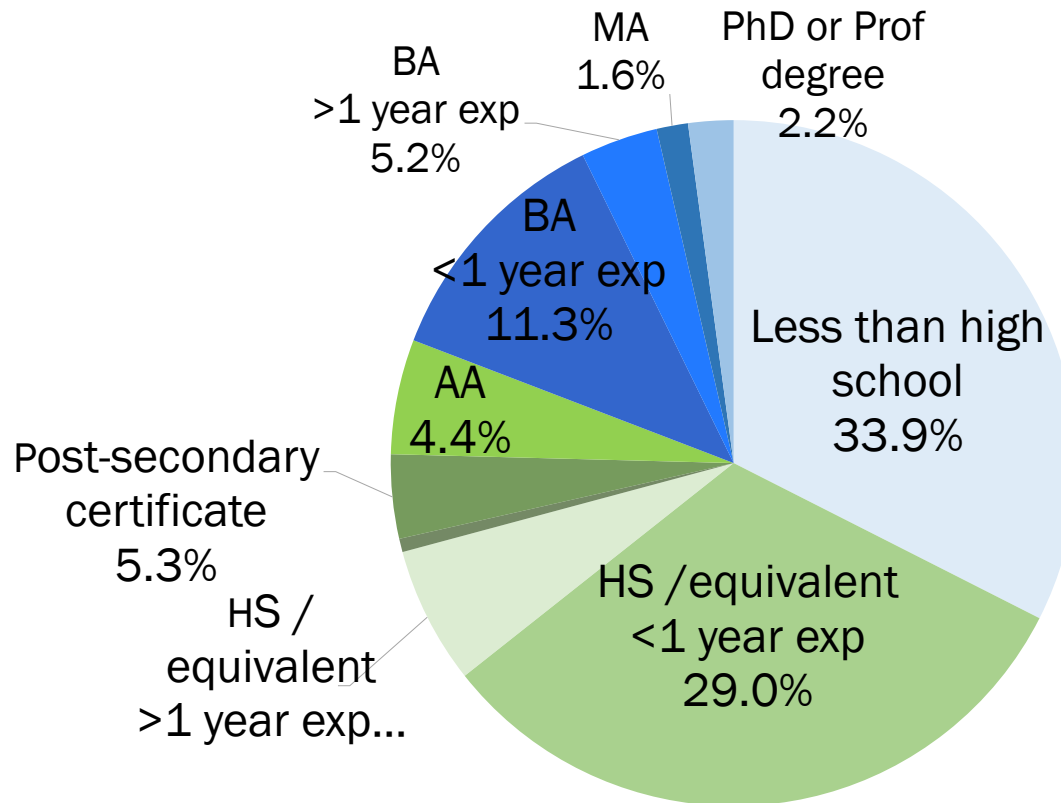
Laborers and freight handlers

Combined food preparation and  
serving



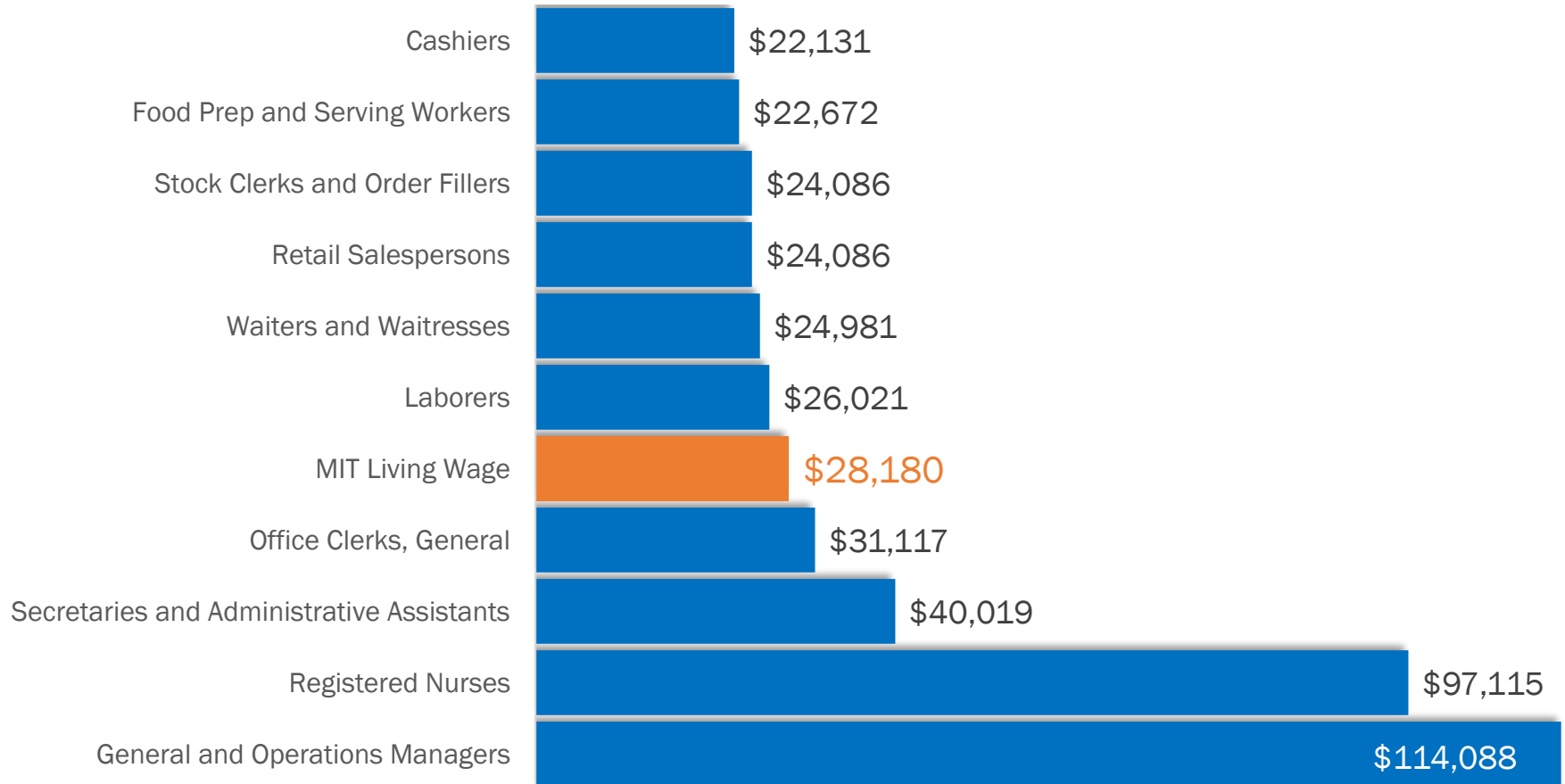
# Entry Level Requirements

Los Angeles County



# Wage Range of Occupations

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**What Do We Do?**

L.A. & ORANGE COUNTY  
COMMUNITY COLLEGES:

## Powering Economic Opportunity

October 2017

2016-2020

### Los Angeles County Strategic Plan for Economic Development

*Ensuring a strong, diverse and sustainable economy  
for LA County's residents and communities*



CENTER FOR A COMPETITIVE WORKFORCE

### ENTERTAINMENT AND THE RISE OF DIGITAL MEDIA IN THE LOS ANGELES BASIN (FULL REPORT)

*An Industry Disrupted  
February 2018*

# <https://ccworkforce.org/>

**Full report  
available  
online  
today!**

**LAEDC.org**



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# Conclusion

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- Economic growth continues
- Moderate wage growth expected
- Job gains solid with “full employment” continuing
- Consumer momentum
- Real estate/construction outlook good

*But.....*

- Geopolitical risks/future of trade policy
- Political gridlock/policy uncertainty in U.S.
- Rising energy prices and inflation risks
- Housing shortage in California



A serene sunset scene over the ocean. The sun is a bright, glowing orb on the horizon, casting a long, shimmering reflection across the water's surface. The sky transitions from a deep orange near the horizon to a soft, pale blue at the top. Gentle waves with white foam are visible in the foreground, and a dark, silhouetted coastline is visible in the distance.

*Thank You!*

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