



New Data Gives First Glimpse of COVID's Impact on Los Angeles Economy

APRIL 17, 2020 (Los Angeles) --

In March, the LA County (LA MD) unemployment rate rose 2.0 percentage points to 6.4 percent (Exhibit 1), representing the largest spike in unemployment in a single month that the County has experienced in

decades (Exhibit 2). Overall losses in employment show that the initial impacts of COVID-19 have cost 90,750 workers their employment in March, with the total number of unemployed reaching 314,842.

The reference periods for the household and establishment surveys, from which this data is determined, preceded many of the coronavirus related business and school closures and other public health efforts to contain the spread of the coronavirus that occurred the second half of March.

Leisure and hospitality industries (arts entertainment and recreation, accommodation, and food services) were hit the hardest resulting in a loss of 20,000 workers in just one month (-3.7 percent of the supersector's employment). Other services, which includes repair and maintenance and personal services, experienced an employment decrease of 6,200 workers (-3.9 percent). Mining, logging and construction declined by 3,400 workers (-2.2 percent) and wholesale trade experienced a decrease of 52,000 workers (-1.5 percent).

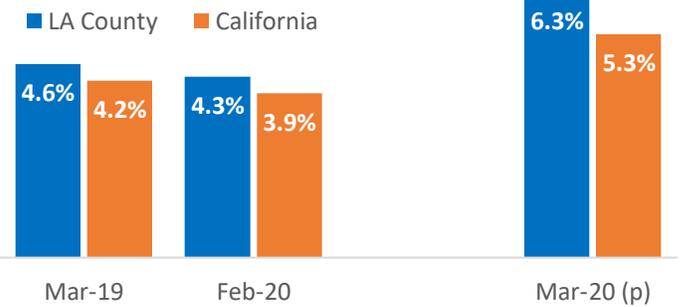
Since California became the first state to call for a lockdown on March 19th, optimism remains in knowing that early cautions are intended to flatten the curve of COVID-19 cases and prevent a prolonged spread of the virus. But with the survey period for this data only covering the first half of the month, March is just an initial glimpse into the pandemic's economic implications.

April labor force data will be the first full month to reflect the safer at home order and the closure of nonessential businesses, as such, we expect unemployment to spike again next month. We expect travel restrictions, closures of bars and nonessential businesses, and lockdowns throughout the County to again hit the leisure and hospitality industry and other services industry especially hard.

KEY POINTS

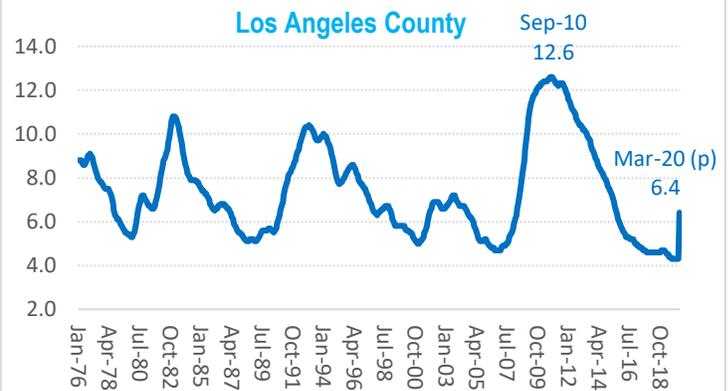
- March is just an initial glimpse into the pandemic's economic implications since the data is based on a survey covering the first half of the month
- Los Angeles County's unemployment rate is 6.4% in March 2020
- LA County's rate is 0.8 percentage points higher than CA's unemployment rate
- This month's LA County unemployment rate rose:
 - 1.8 percentage points from February 2020 (4.6%)
 - 1.9 percentage points over March 2019 (4.5%)
- This is the largest spike in unemployment in a single month experienced in decades
- April data will be the first full month to reflect the safer at home order and the closure of nonessential businesses
- We expect unemployment to spike again next month

Exhibit 1: Unemployment Rate (SA)



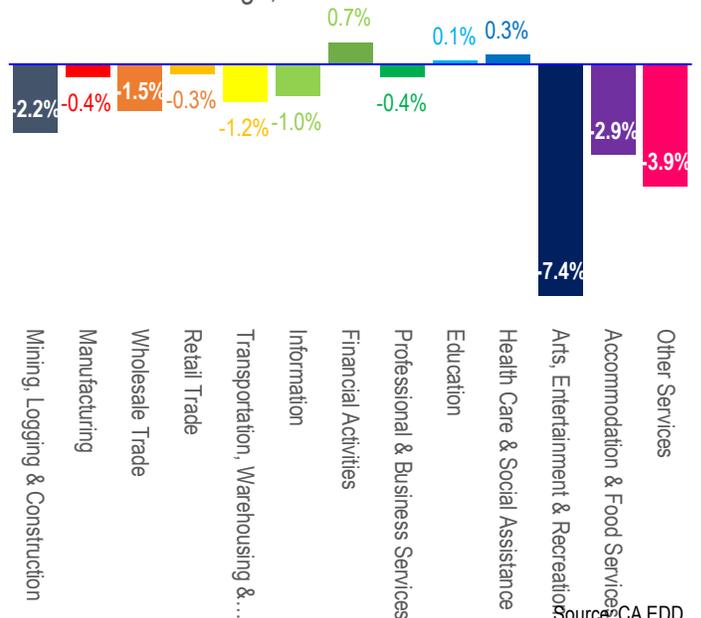
Source: CA EDD

Exhibit 2: Unemployment Rates (SA)



Source: BLS, CA EDD

LA County Payroll Employment March 2020
Over-the-month change, NSA



Source: CA EDD