



LAEDC

COVID-19 Economic Implications Briefing

June 8, 2020

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Bill Allen

CEO
LAEDC



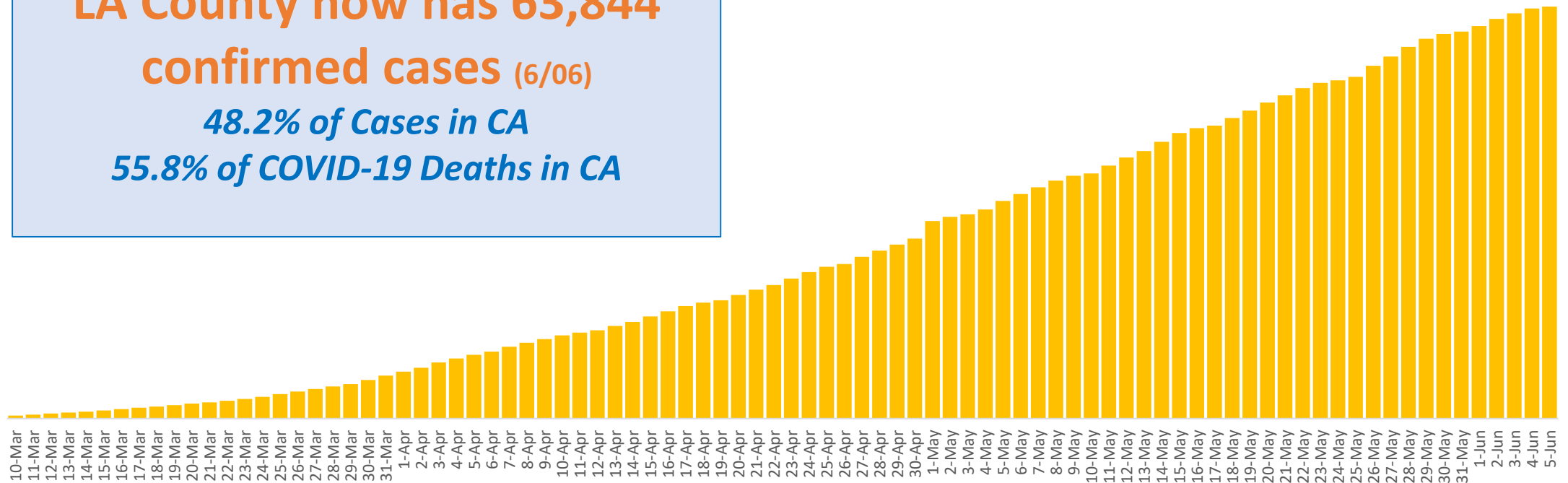
Shannon Sedgwick

DIRECTOR
INSTITUTE FOR APPLIED ECONOMICS

Confirmed COVID-19 Cases in LA County (6/06)

COVID-19 Cases in LA County (000s)

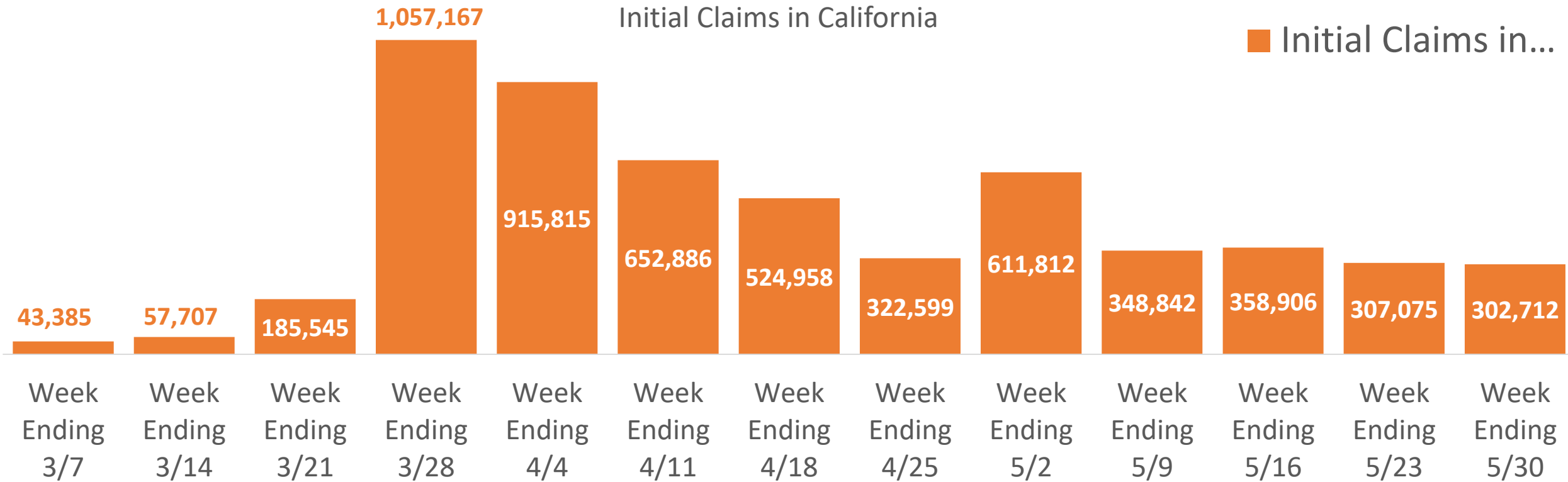
LA County now has 63,844 confirmed cases (6/06)
48.2% of Cases in CA
55.8% of COVID-19 Deaths in CA



Source: LA County



Unemployment Insurance Weekly Claims in CA



CA Stay at home order issued March 19th

- More than **5.6 million** initial unemployment insurance claims have been filed since the pandemic began.
- Total unemployment benefits paid to workers through the pandemic tops \$22.2 billion.
- In the last three months, the CA EDD paid just shy of what was paid in benefits during the highest entire year of demand during the last recession, which was \$22.9 billion in calendar year 2010.

Small and Micro-Business in Los Angeles

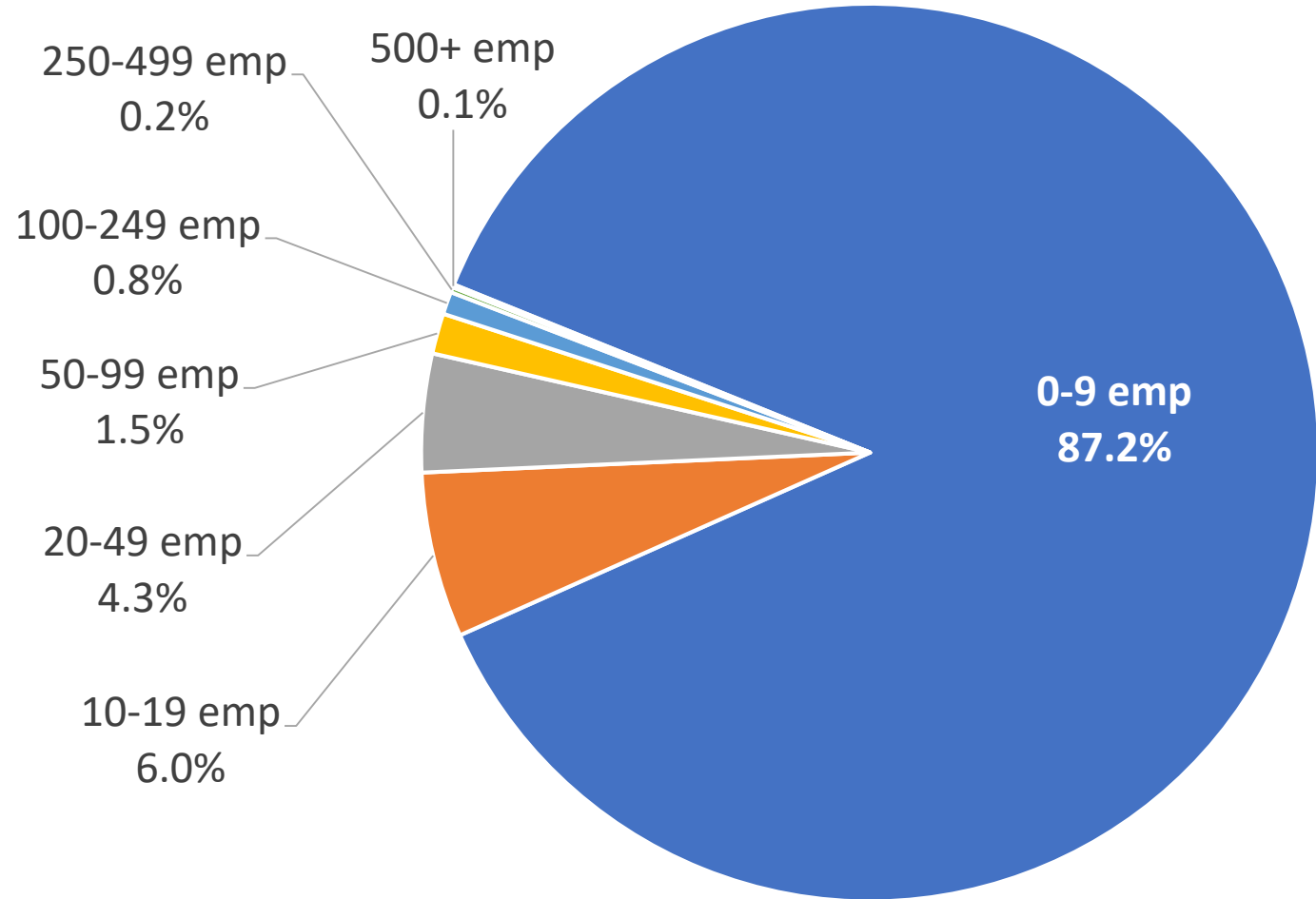
How Big is a Small Business?

- The Small Business Administration (SBA) defines small businesses as those with 500 employees or fewer
 - Ranges from very small shops to larger businesses with 500 employees
 - Businesses have different needs
- The LAEDC typically considers
 - Truly small businesses as those with 20 employees or fewer
 - Microbusinesses as those with fewer than 10 employees

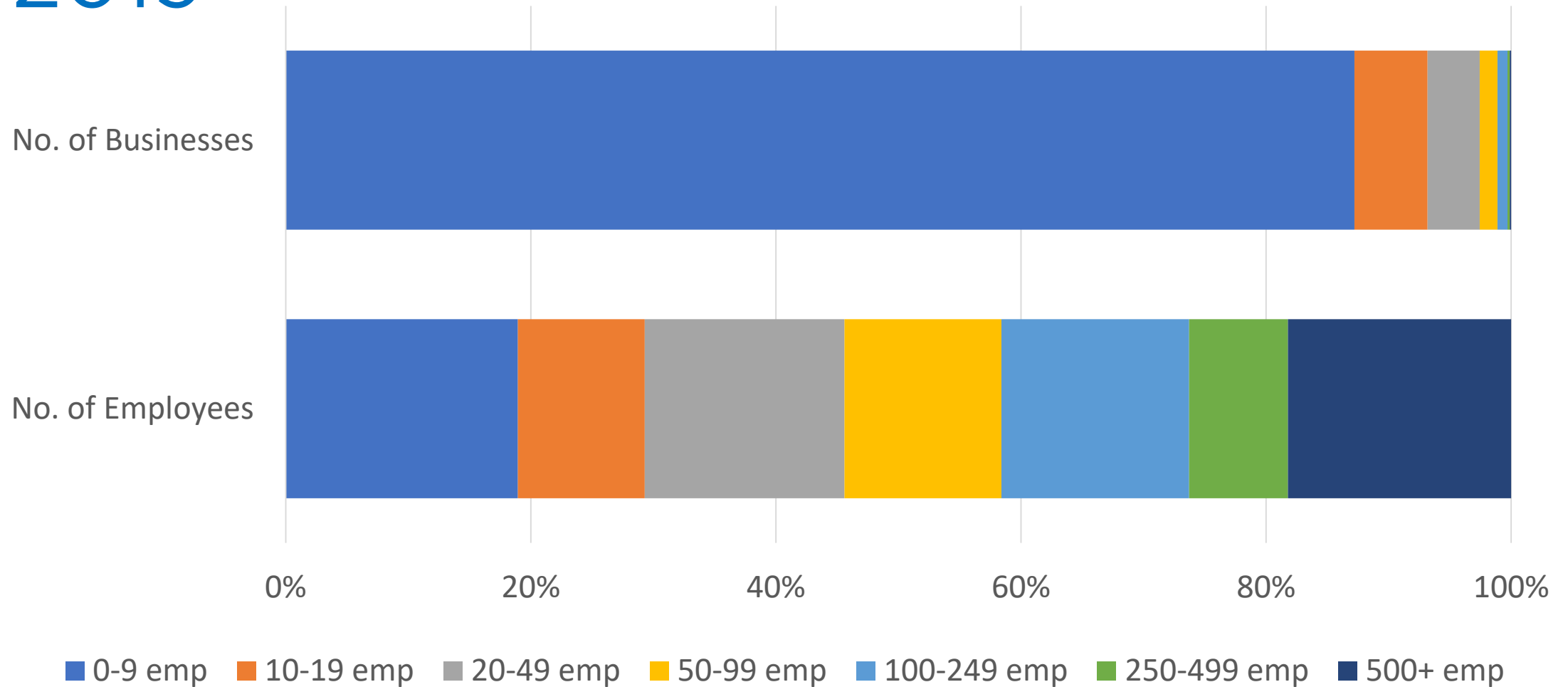
Small Businesses in LA County in 2019

93.2% of Businesses in LA County have less than 20 employees.

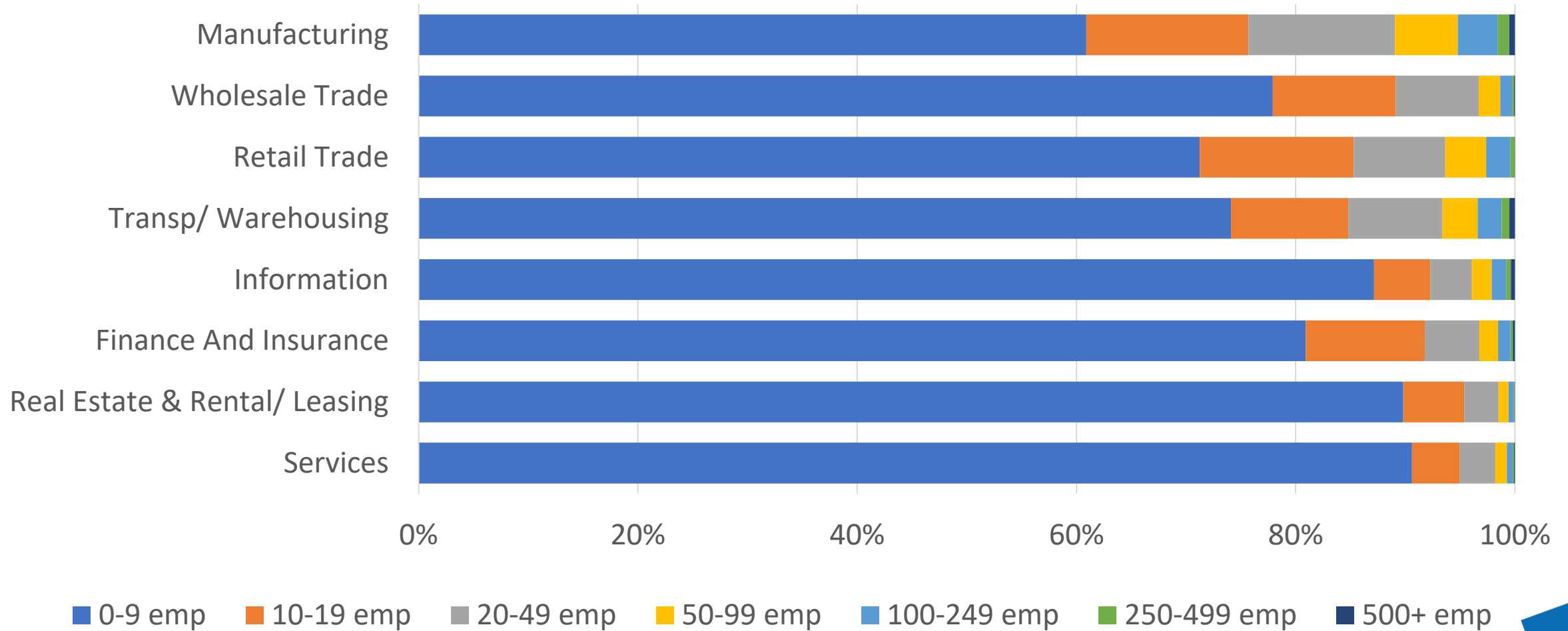
Only 0.1% have more than 500 employees.



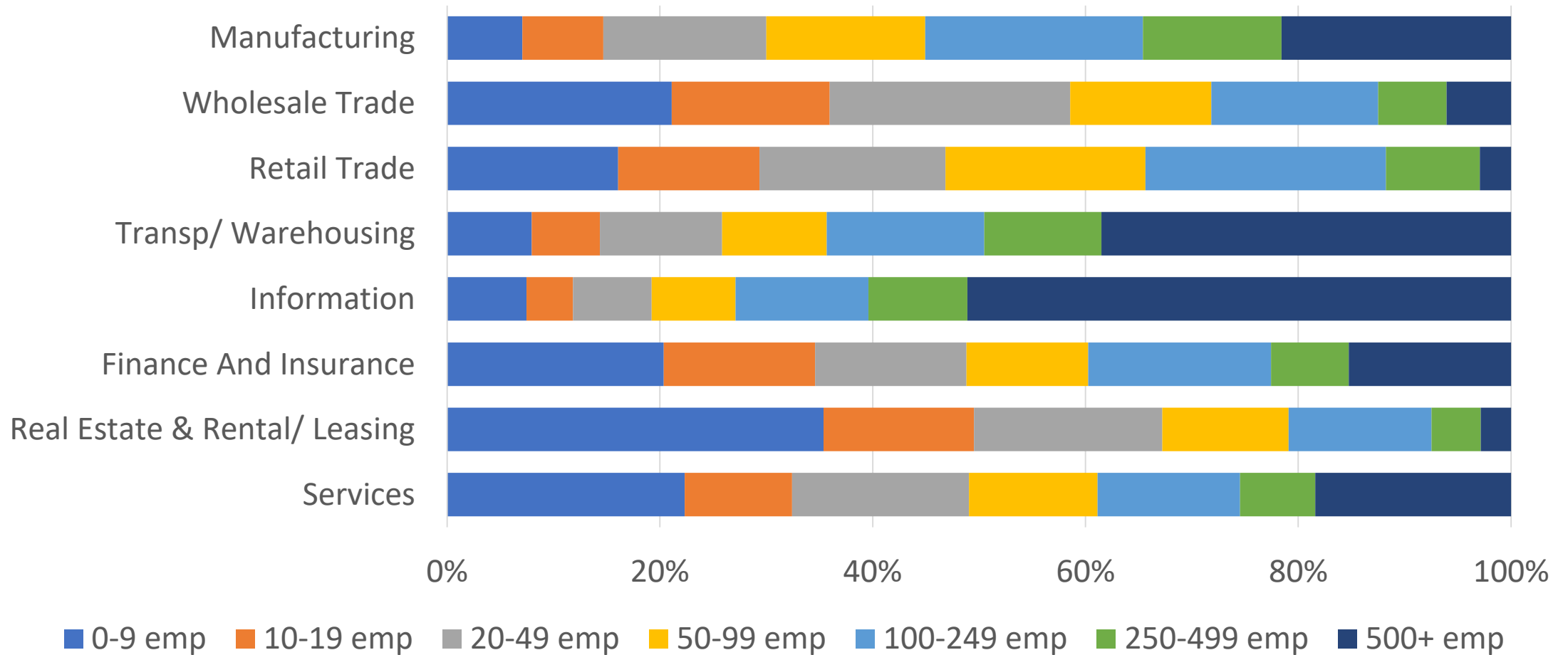
Small Businesses in LA County in 2019



Number of Businesses by Size in LA County in 2019



Number of Employees by Size in LA County in 2019



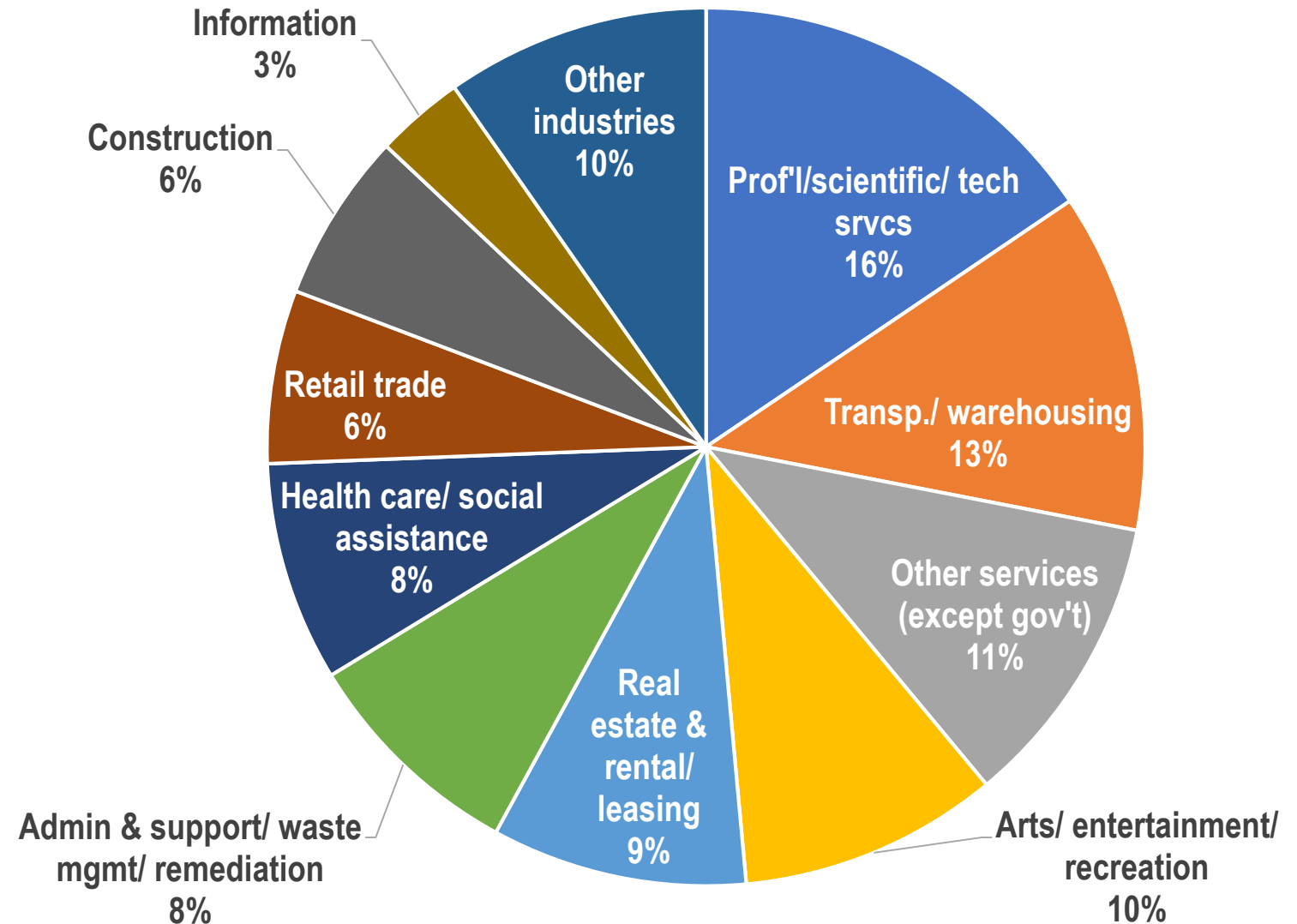
Source: CA EDD, SOB



Nonemployer Businesses in LA County

(2018)

Los Angeles County had over 1.1 million nonemployer businesses across all industries with total revenues of \$61.1 billion



Small Business Pulse Survey:

*Tracking Changes During the COVID-19
Pandemic*

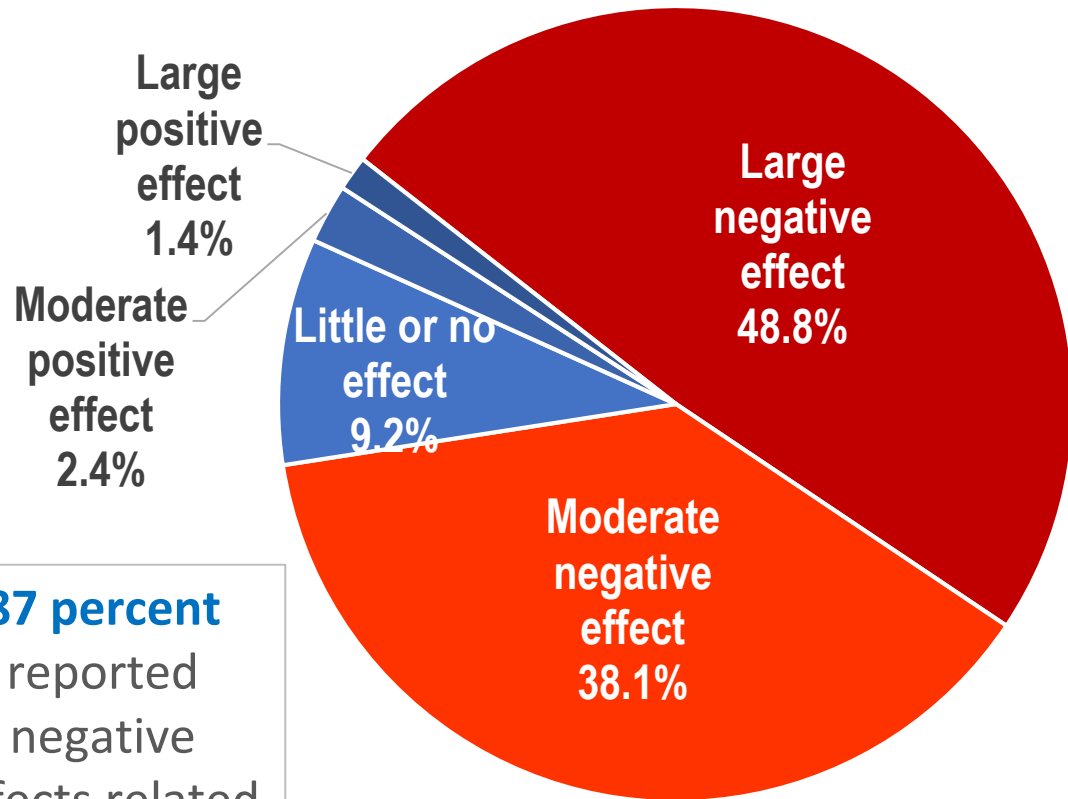
Definition of Small Businesses

In the Small Business Pulse Survey (SBPS) small businesses in the LA Basin:

- **Are nonfarm**
- **Are single-location**
- **Have receipts greater than or equal to \$1,000**
- **Have 500 employees or fewer**

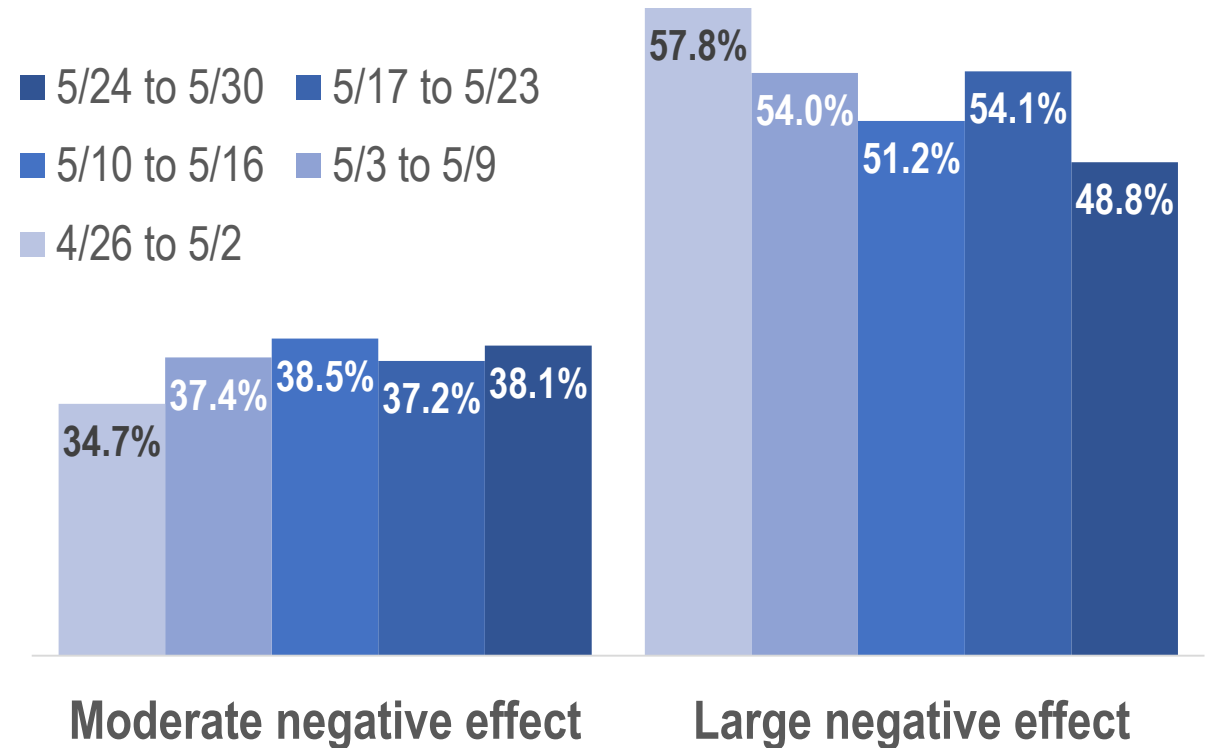
Overall, how has this business been affected by the COVID-19 pandemic?

LA Basin Week of 5/24 to 5/30



87 percent reported negative effects related to COVID-19

Businesses Experiencing Negative Effects

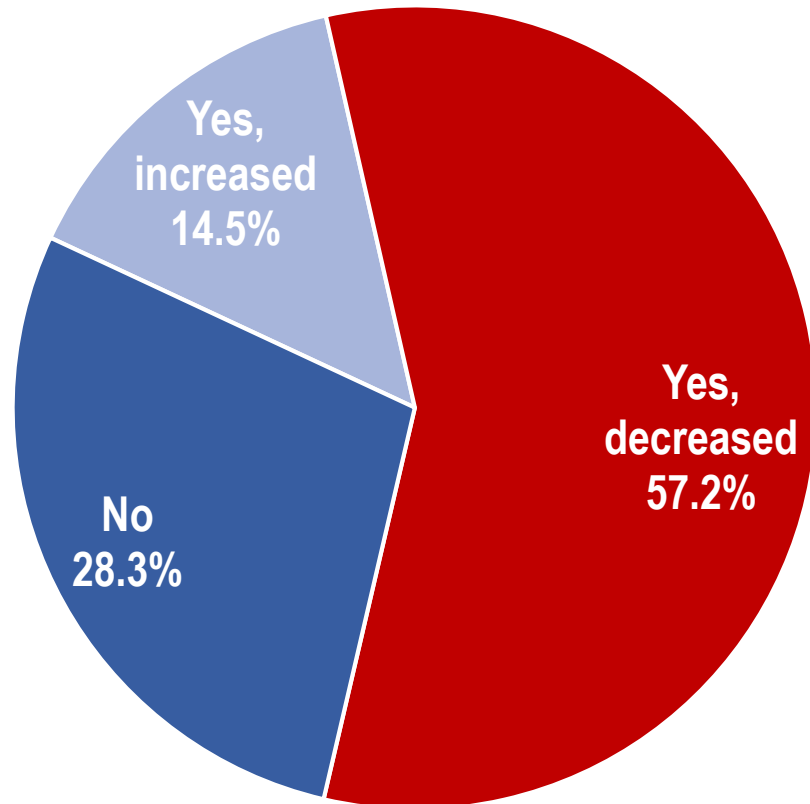


Source: US Census Bureau, SBPS

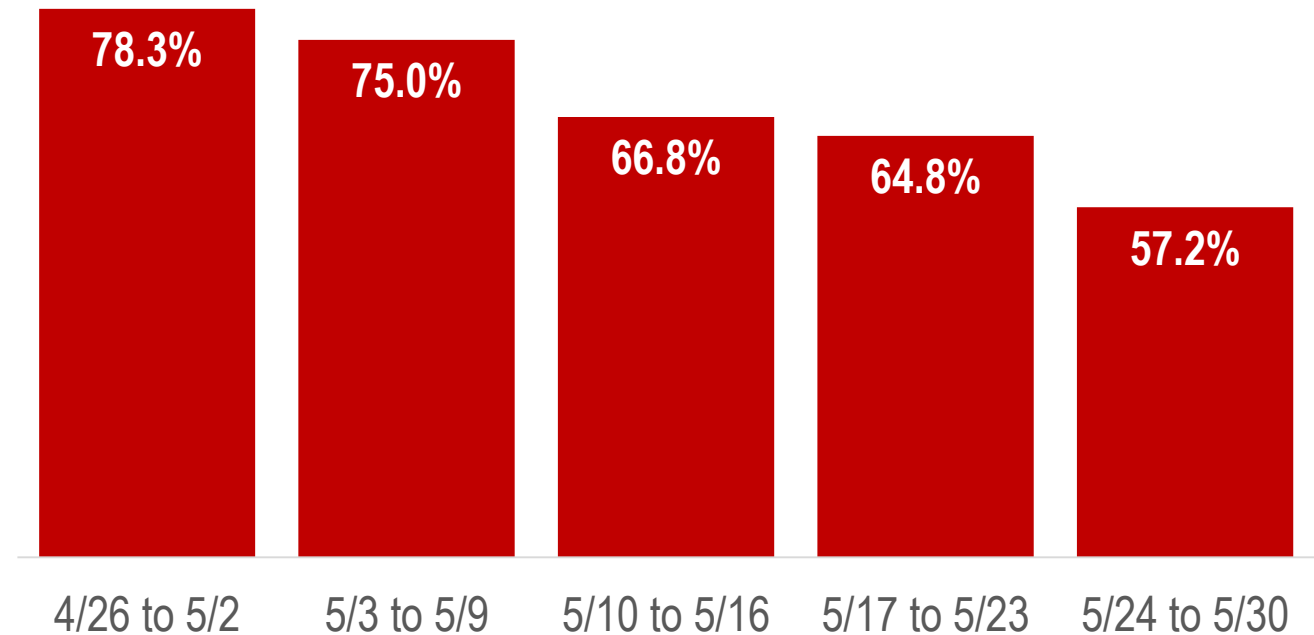


In the last week, did this business experience a change in operating revenues/sales/receipts, not including any financial assistance or loans?

LA Basin Week of 5/24 to 5/30



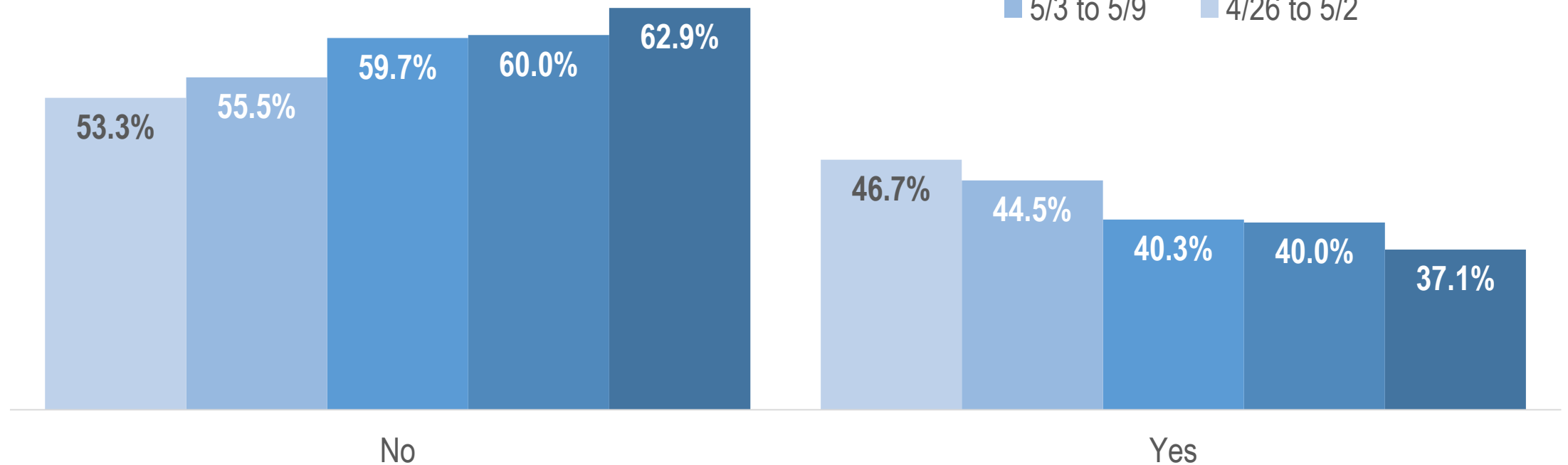
Businesses Experiencing Decreased Operating Revenues/Sales/Receipts



In the last week, did this business temporarily close any of its locations for at least one day?

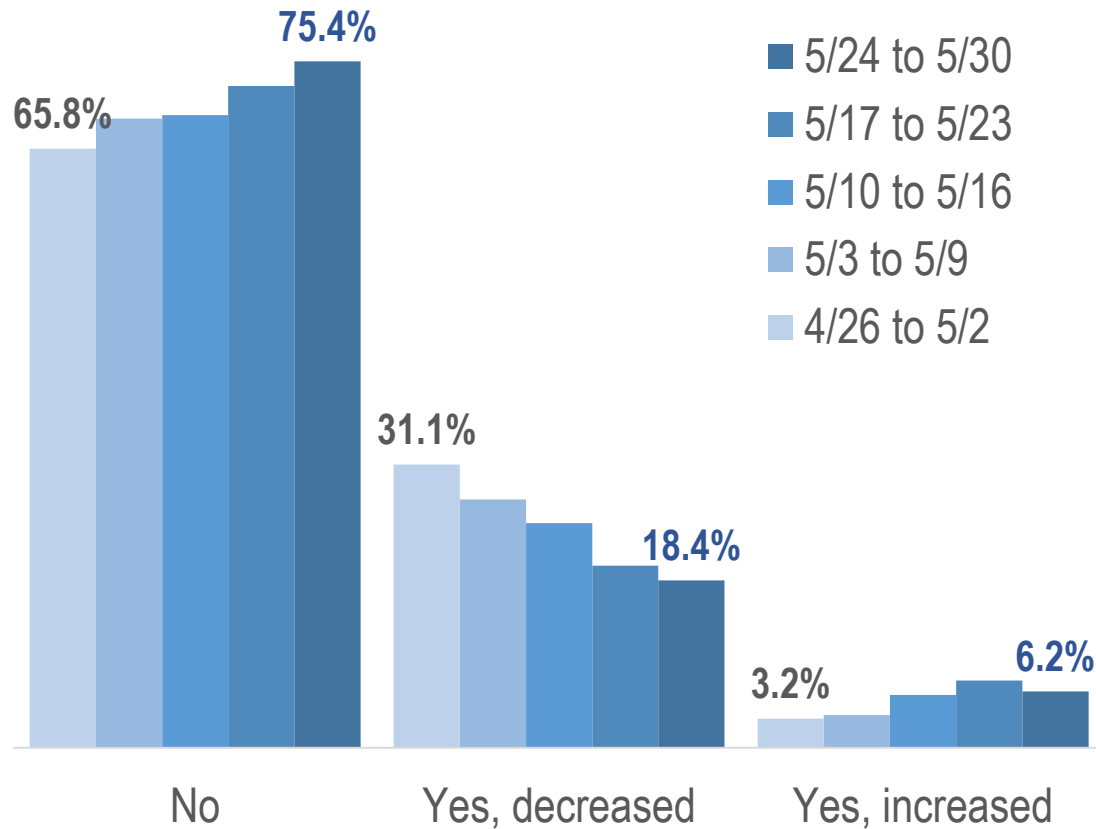
LA Basin

■ 5/24 to 5/30 ■ 5/17 to 5/23 ■ 5/10 to 5/16
■ 5/3 to 5/9 ■ 4/26 to 5/2

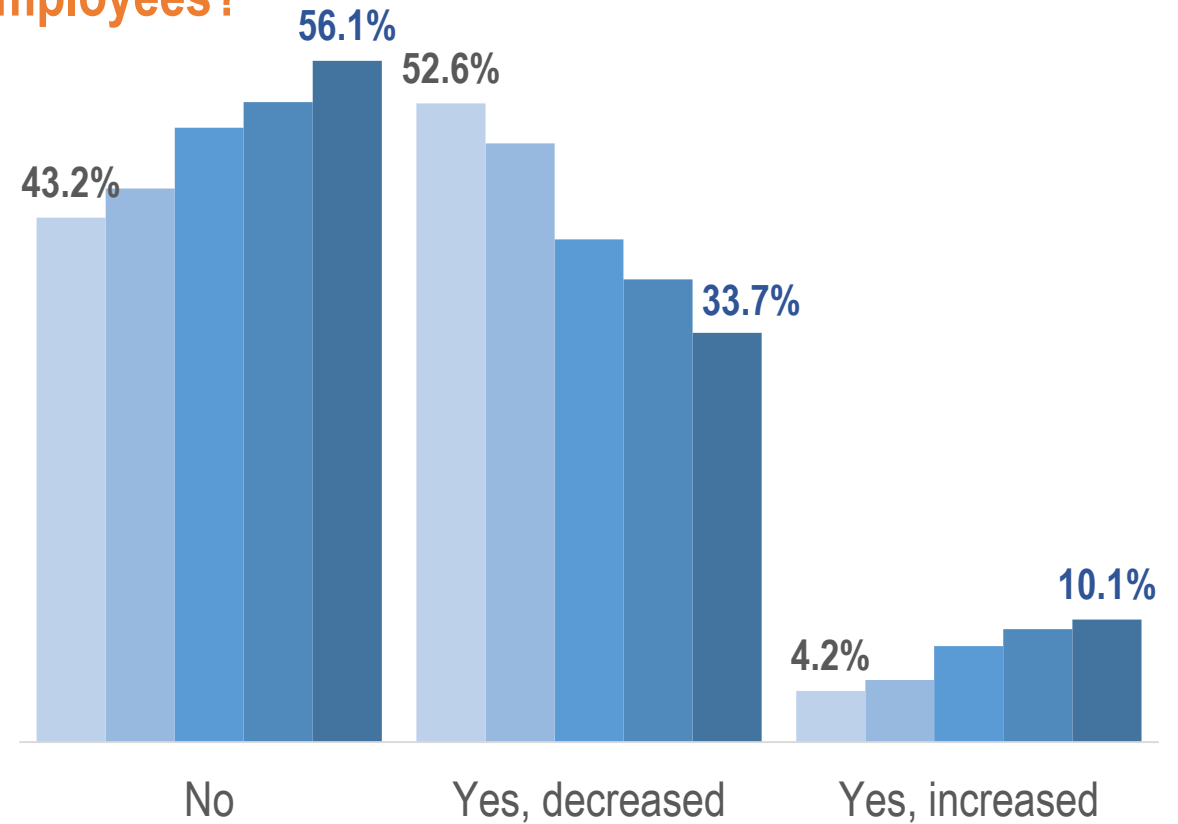


In the last week, did this business have a change in the...

Number of Paid Employees?

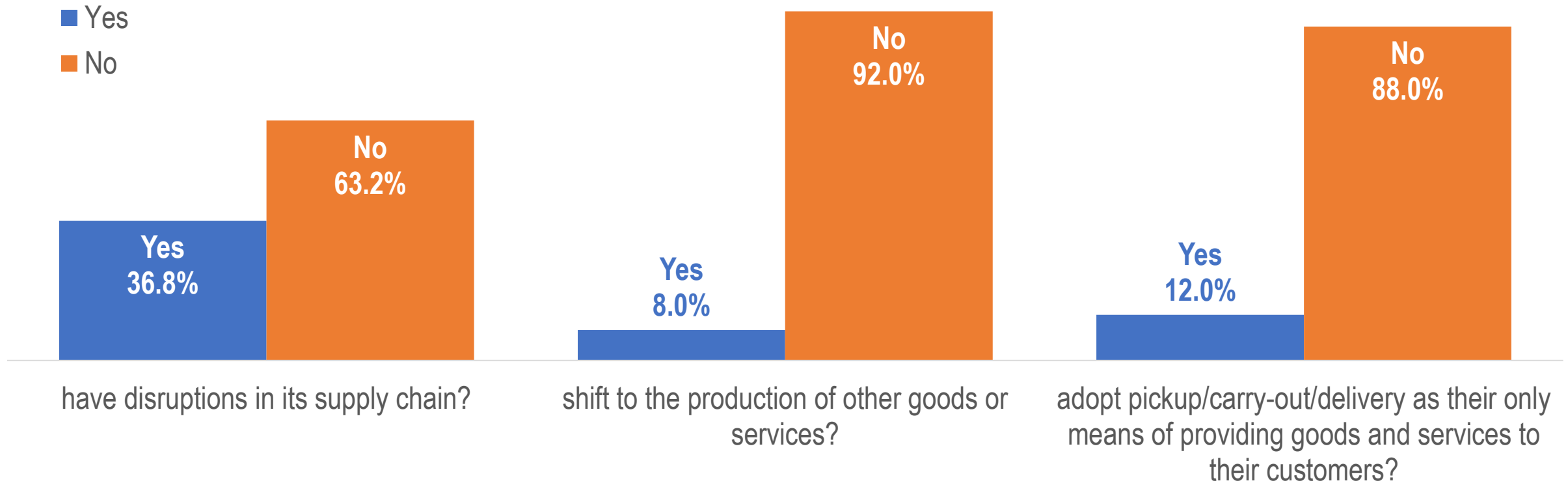


Total Number of Hours Worked by Paid Employees?



In the last week, did this business...

LA Basin Week of 5/24 to 5/30

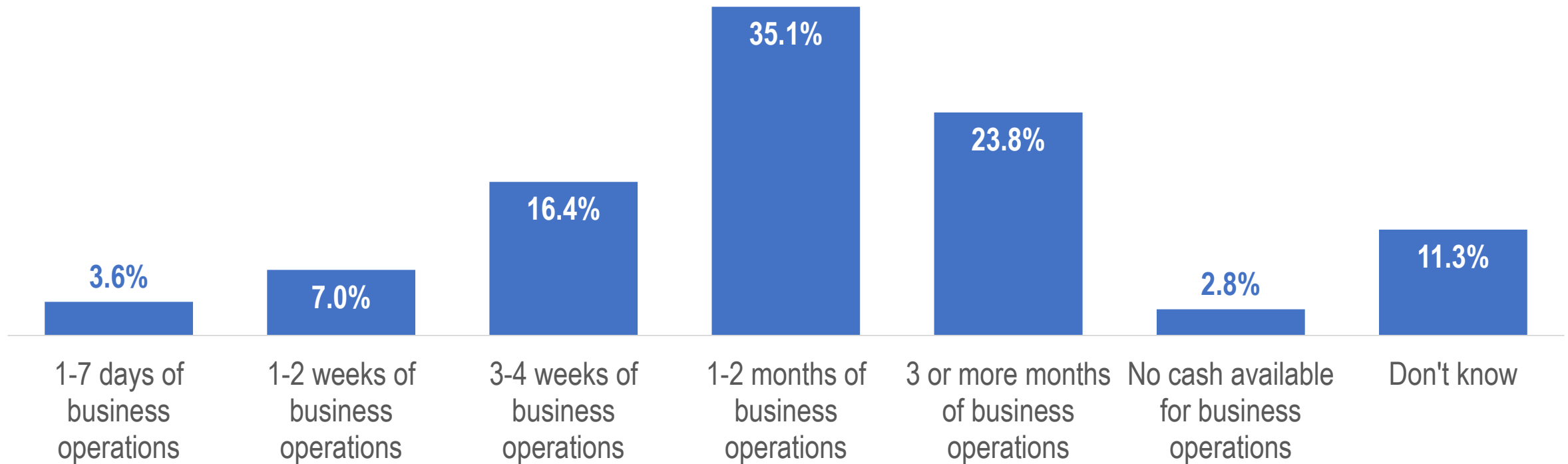


Source: US Census Bureau, SBPS



How would you describe the current availability of cash on hand for this business, including any financial assistance or loans?

Currently, cash on hand will cover:



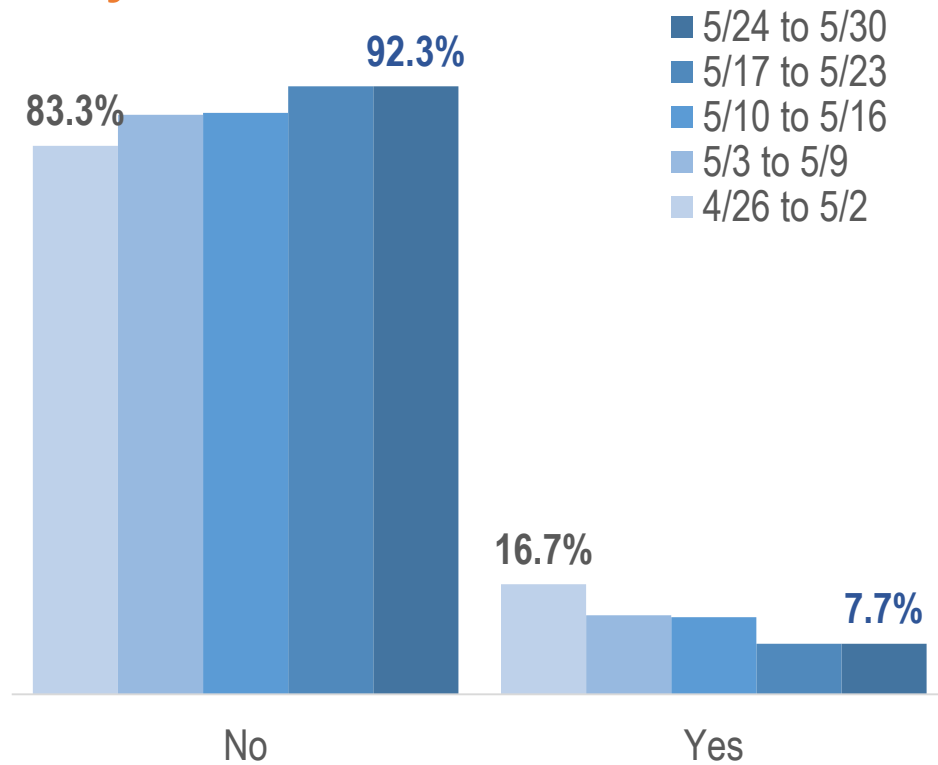
LA Basin Week of 5/24 to 5/30

Source: US Census Bureau, SBPS

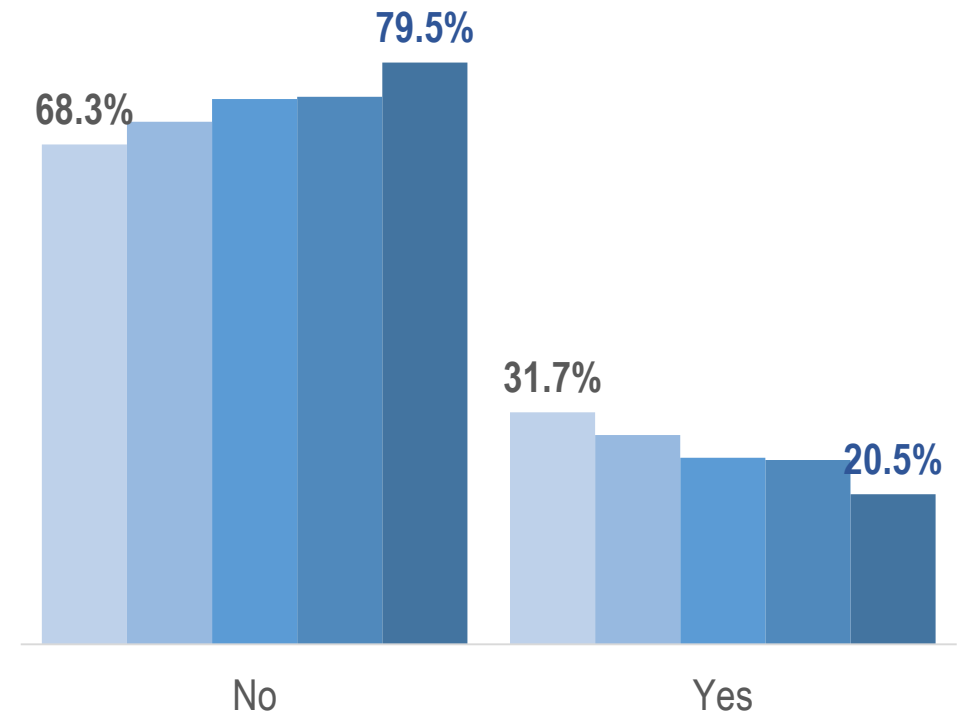


The White House declared a national emergency because of the COVID-19 pandemic on March 13, 2020. Since then, has this business missed any...

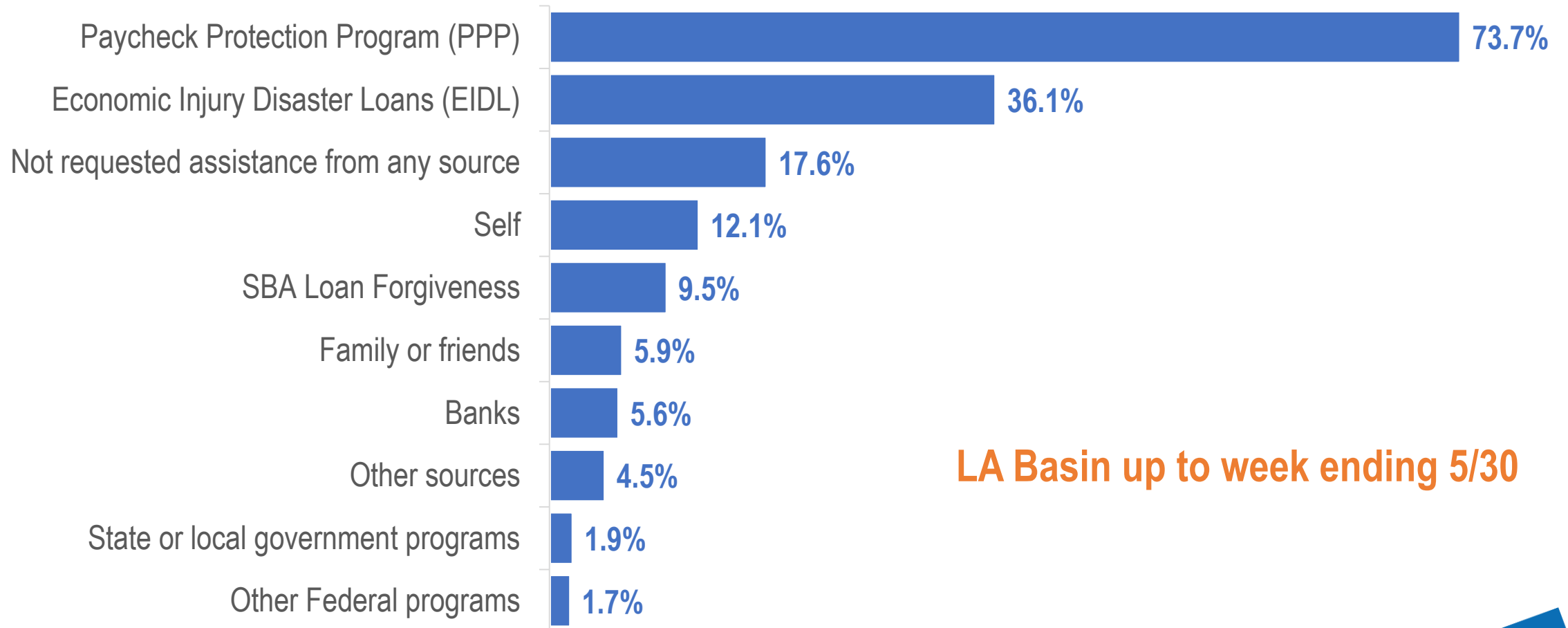
Loan Payments



Other Scheduled Payments



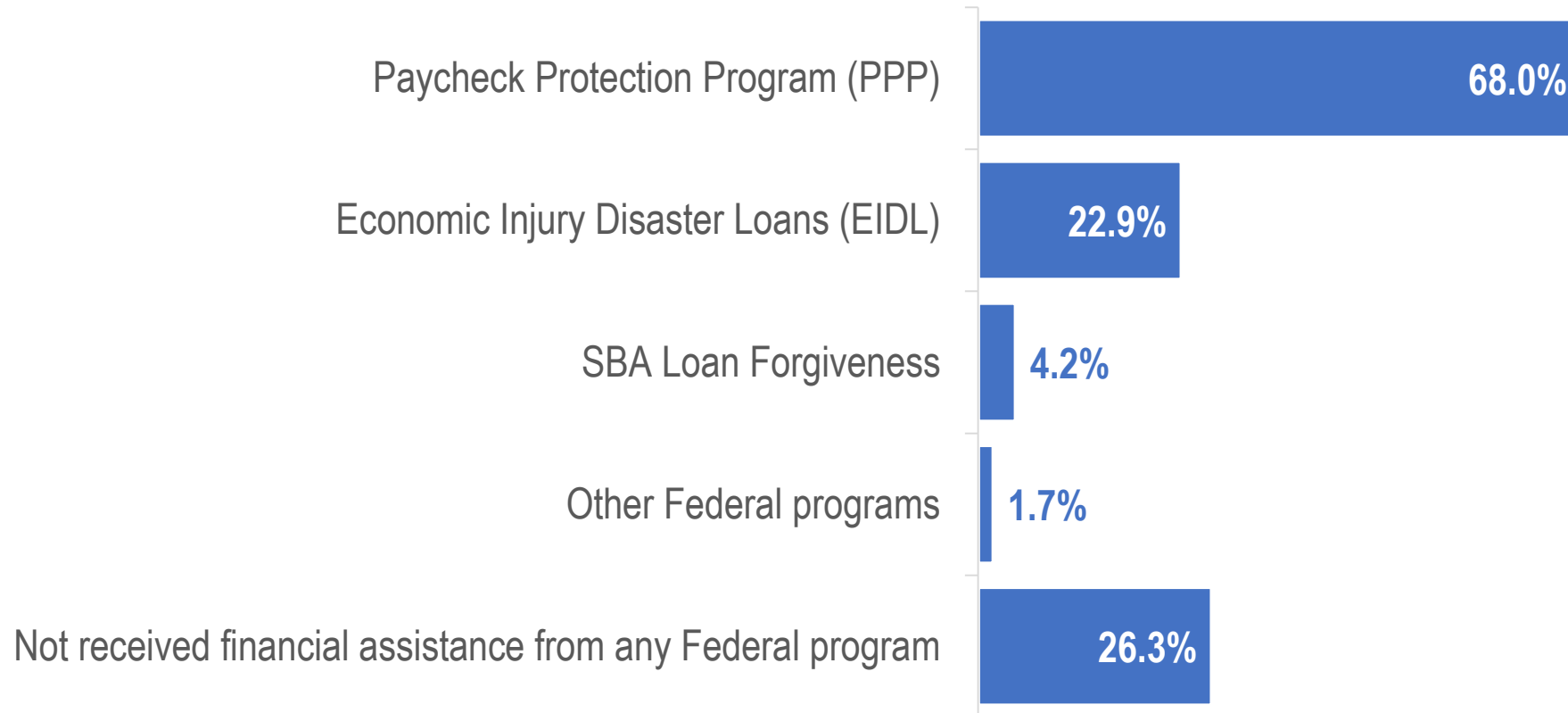
Since March 13, 2020, has this business requested financial assistance from any of the following sources?



LA Basin up to week ending 5/30

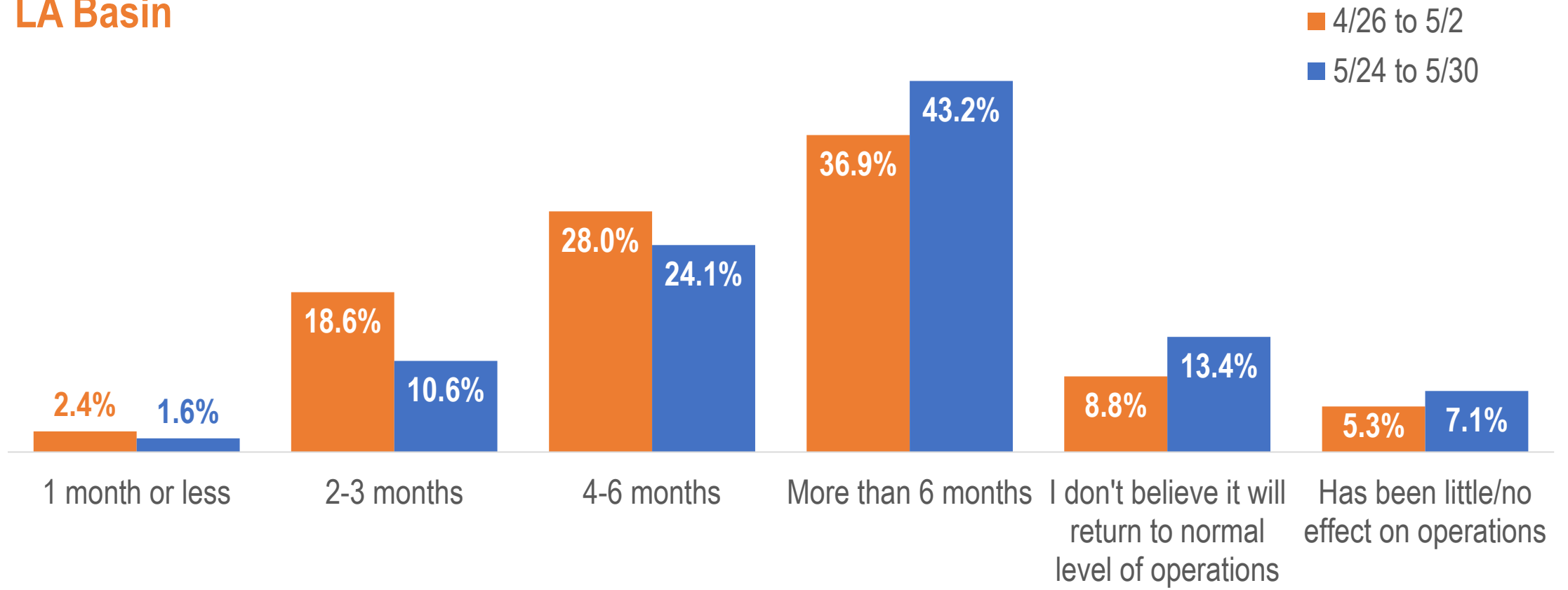
Since March 13, 2020, has this business received financial assistance from any of these programs from the Federal government?

LA Basin Week of 5/24 to 5/30



In your opinion, how much time do you think will pass before this business returns to its normal level of operations relative to one year ago?

LA Basin



Small Businesses in the LA Basin

Are still experiencing hardship due to COVID-19,

but:

- The negative effects appear to be decreasing*
- revenues/sales/receipts declines are starting to lessen*
- Cutting of paid employees and of total hours for paid employees seem to be decreasing*
- They are seeking out assistance with many receiving funds from the CARES Act*
- They expect it to take longer than 6 months to get back to normal operations*



LAEDC | Mission

LAEDC works with business, education and government partners to collectively advance opportunity and prosperity for all L.A. County residents.

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QUESTIONS

Thank you!

- Visit the LAEDC COVID-19 Response page for additional resources at <https://laedc.org/coronavirus/>.
- Do you have questions you would like answered on these webinars? Please send to shane.cullen@laedc.org.