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Shannon Sedgwick
DIRECTOR
INSTITUTE FOR APPLIED ECONOMICS
LA County - Closed for Now:

• Arcades, Bowling Alleys, and Movie Theaters
• Baseball and Soccer Fields
• Basketball and Volleyball Courts
• Festivals and Theme/Amusement Parks (including Water Parks and Splash Pads in these Parks)
• Hot Tubs, Jacuzzis, and Spa Pools not on Residential Property
• Live Performance Theaters and Concert Venues
• Lounges and Nightclubs
• Stadiums and Arenas (Closed to the Public)
• Youth Sports Leagues
Confirmed COVID-19 Cases in LA County (6/20)

COVID-19 Cases in LA County (000s)

LA County now has 83,397 confirmed cases (6/20)

46.3% of Cases in CA
55.8% of COVID-19 Deaths in CA

Source: LA County
CA Stay at home order issued March 19th

- More than 6.3 million initial unemployment insurance claims have been filed since the pandemic began (3/14/20).
- Total unemployment benefits paid to workers through the pandemic soared past $30 billion.
- Unemployment benefits paid by the CA EDD in the highest entire year of demand during the last recession was $22.9 billion in calendar year 2010.
May 2020 Employment in Los Angeles County
Employment and Unemployment Data: Where Does it Come From?

➢ Is collected via household and establishment surveys
  • Data for the month is taken from the survey week/pay period including the 12th
  • Labor force status (employment & unemployment) based on a monthly federal survey of 5,100 households in CA
  • Payroll jobs by Industry data comes from a monthly survey of approximately 80,000 businesses in CA

➢ Increased sampling errors and nonsampling errors from COVID-19
Employment and Unemployment Data: Issues with the Monthly Data.

➢ Rapidly changing conditions and local data lags a month behind

➢ March 2020

  • Monthly data didn’t capture effects of COVID-19
  • Stay at Home Order issued March 19th
  • Data for the month taken from the survey week including March 12th
    • March 8th through March 14th for the household survey
    • All or any part of the pay period including the 12th of the month for the establishment survey
Issues with the Monthly Data

➢ April 2020
  • First month to capture effects of COVID-19
  • Census workers misclassified furloughed workers and skewed the unemployment rate lower than it should have been
  • Rapidly-evolving data prompted a statistical revision to a larger than initially estimated April job loss and an upward-revised unemployment rate
  • BLS made changes to the establishment survey net birth-death model to better reflect the net effect of the contribution of business births and deaths to the estimates

➢ May 2020
  • April revisions released with may numbers
  • BLS encouraged businesses to report electronically by web this month.
  • Census workers misclassified furloughed workers, unemployment rate likely lower than it should have been
  • Census Bureau putting measures into place this month to prevent further misclassification of workers
## Labor Force Data, May 2020

<table>
<thead>
<tr>
<th></th>
<th>California</th>
<th>LA County</th>
<th>LAC Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Force:</td>
<td>18,405,800</td>
<td>4,707,700</td>
<td>25.6%</td>
</tr>
<tr>
<td>Employment:</td>
<td>15,120,600</td>
<td>3,737,600</td>
<td>24.7%</td>
</tr>
<tr>
<td>Unemployment:</td>
<td>2,921,200</td>
<td>970,100</td>
<td>33.2%</td>
</tr>
<tr>
<td>Unemployment Rate (SA):</td>
<td>16.3%</td>
<td>20.9%</td>
<td>4.6 pp higher</td>
</tr>
</tbody>
</table>
Unemployment Rate May 2020

Unemployment Rate (SA)

LA County
Unemployment Rate:
Up by 0.1 pp from last month
Up by 16.4 pp from last year

Feb-20  4.3  4.5
Mar-20  6.7  4.1
Apr-20 16.4 16.3
May-20 20.9 16.3

Source: CA EDD
The LA County Unemployment Rate rose 16.6 percentage points from Feb (4.3% pre-COVID-19) to May (20.9%)
Monthly Change in LA County Payroll Employment by Sector

Month-Over-Month Change in Jobs by Industry, May 2020
(Not Seasonally Adjusted)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change in Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>12,200</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>13,200</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>7,300</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>15,300</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>8,300</td>
</tr>
<tr>
<td>Trade, Transportation, Utilities</td>
<td>-4,600</td>
</tr>
<tr>
<td>Other Services</td>
<td>100</td>
</tr>
<tr>
<td>Mining and Logging</td>
<td>800</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>-9,000</td>
</tr>
<tr>
<td>Information</td>
<td>-12,200</td>
</tr>
</tbody>
</table>

Source: BLS
Yearly Change in LA County Payroll Employment by Sector

Year-Over-Year Change in Jobs by Industry, May 2020
(Not Seasonally Adjusted)

- Construction: -241,000
- Leisure and Hospitality: -60,500
- Education and Health Services: -61,500
- Professional and Business Services: -32,500
- Manufacturing: -44,700
- Trade, Transportation, Utilities: -101,800
- Other Services: -1,800
- Mining and Logging: -5,800
- Financial Activities: -31,400
- Information: -17,400
- Government: -6,100

Source: BLS
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.