



LAEDC

Monthly Economic Briefing

July 20, 2020

Join the Conversation!

 @LAEDC

 Facebook/LAEDC

 #LAEDCBriefing



Bill Allen

CEO
LAEDC



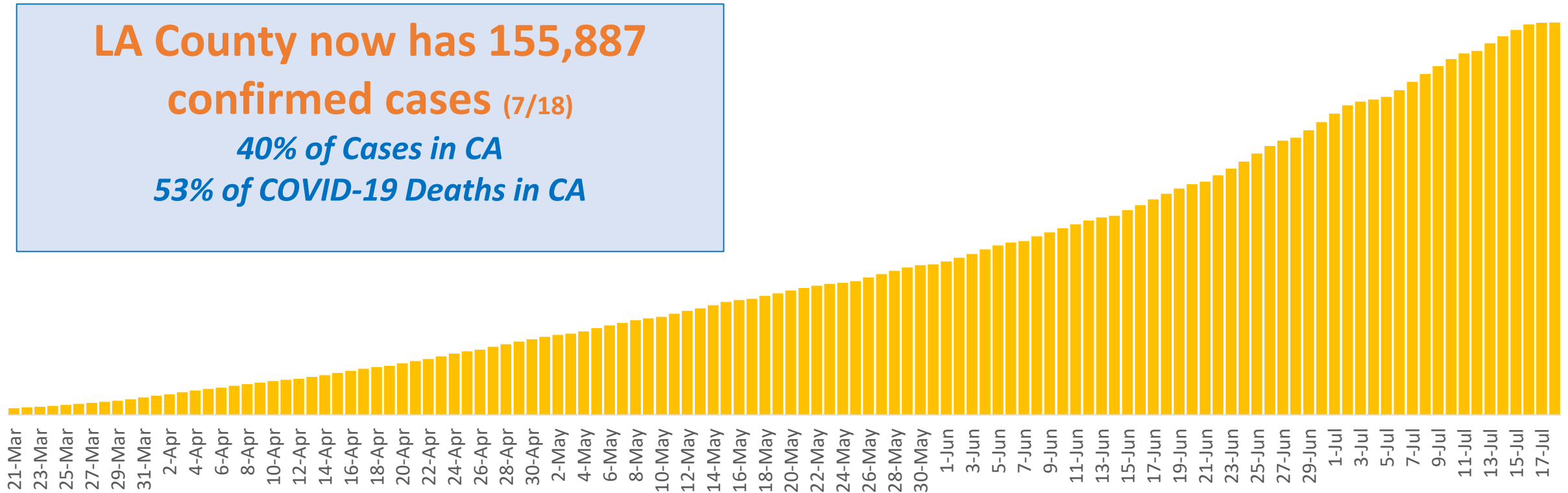
Shannon Sedgwick

DIRECTOR
INSTITUTE FOR APPLIED ECONOMICS

Confirmed COVID-19 Cases in LA County (7/18)

COVID-19 Cases in LA County (000s)

**LA County now has 155,887
confirmed cases (7/18)**
40% of Cases in CA
53% of COVID-19 Deaths in CA



Source: LA County



New Daily Cases of COVID-19 in LA County (7/14)

In LA County:

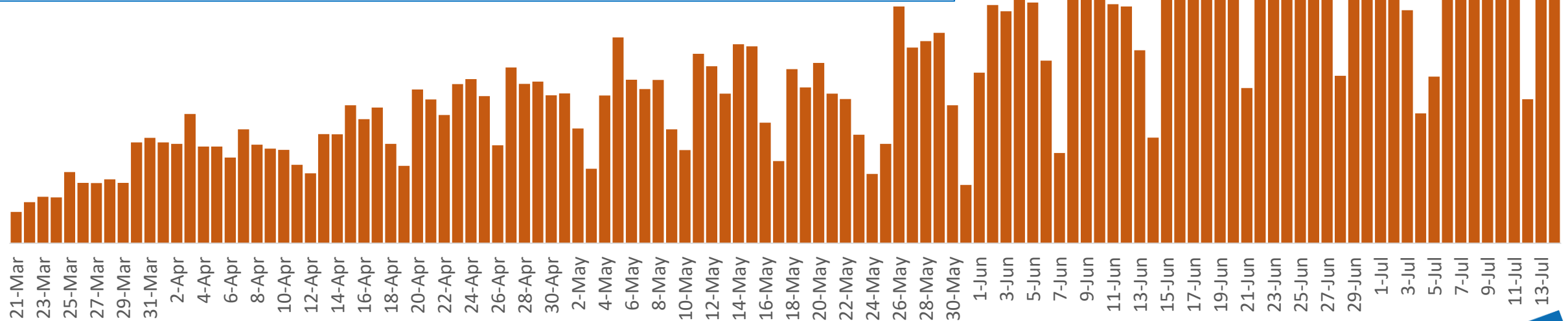
Testing 7-Day Daily Average: **20,677** (7/12) 7-day average

Testing Positivity Rate: **8.4%** (7/12) 7-day average

Current Hospitalizations: **2,216** (7/19)

* 26% of these people are confirmed cases in the ICU

* 19% are confirmed cases on ventilators.



Source: LA County



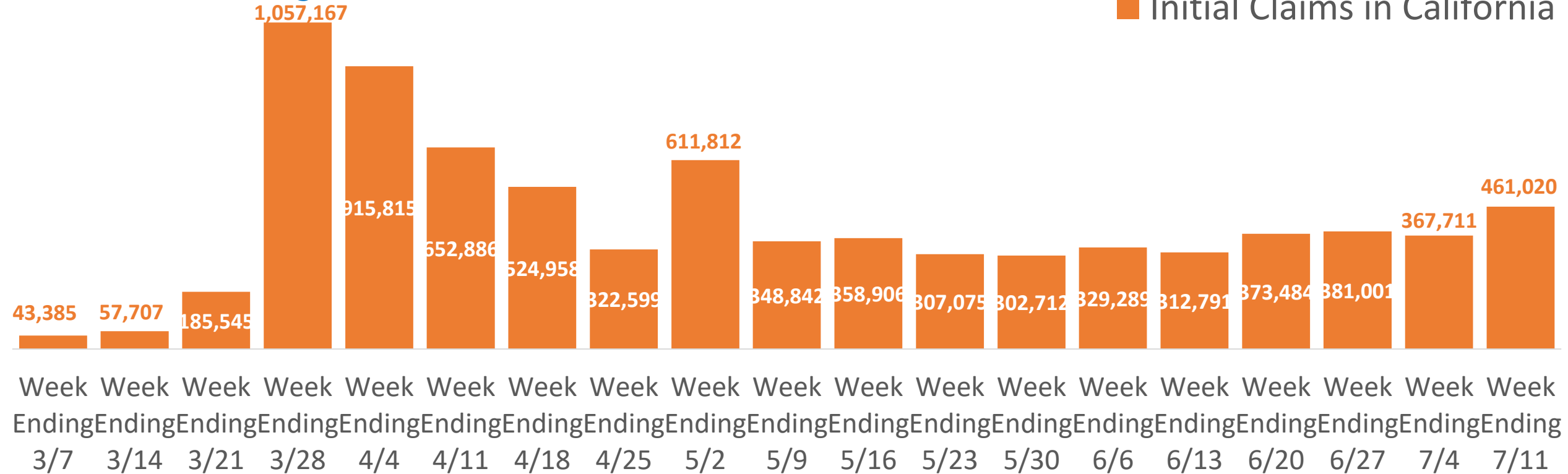
Rolling Back the Reopening

What's Currently Closed in LA County?

- Bars, breweries, brew pubs, pubs, wineries and tasting rooms ordered to close after only being open two weeks (6/28)
- Indoor dining at restaurants, indoor museums, indoor operations at zoos and aquariums, and cardrooms and satellite wagering facilities (7/1)
- Gyms and Fitness Centers, Places of Worship, Indoor Protests, Offices for Non-Critical Infrastructure Sectors, Personal Care Services (including nail salons, massage parlors, and tattoo parlors), Hair Salons and Barbershops and Malls (7/13)

Unemployment Insurance Weekly Claims in CA

■ Initial Claims in California



CA Stay at home order issued March 19th

- More than **6.7 million** initial unemployment insurance claims have been filed since the pandemic began (3/14/20).
- Extra \$600 federal stimulus payments ending July 25
- Total unemployment benefits paid to workers through the pandemic reach **\$45.6 billion, double** the highest year
- California now accounts for about 19% of all UI claims processed across the US, and 15% of all PUA claims.



Federal Pandemic Unemployment Compensation (FPUC)

The additional \$300 to \$600 in FPUC to every recipient's weekly check ends this week unless it is extended

June 2020 Employment in Los Angeles County

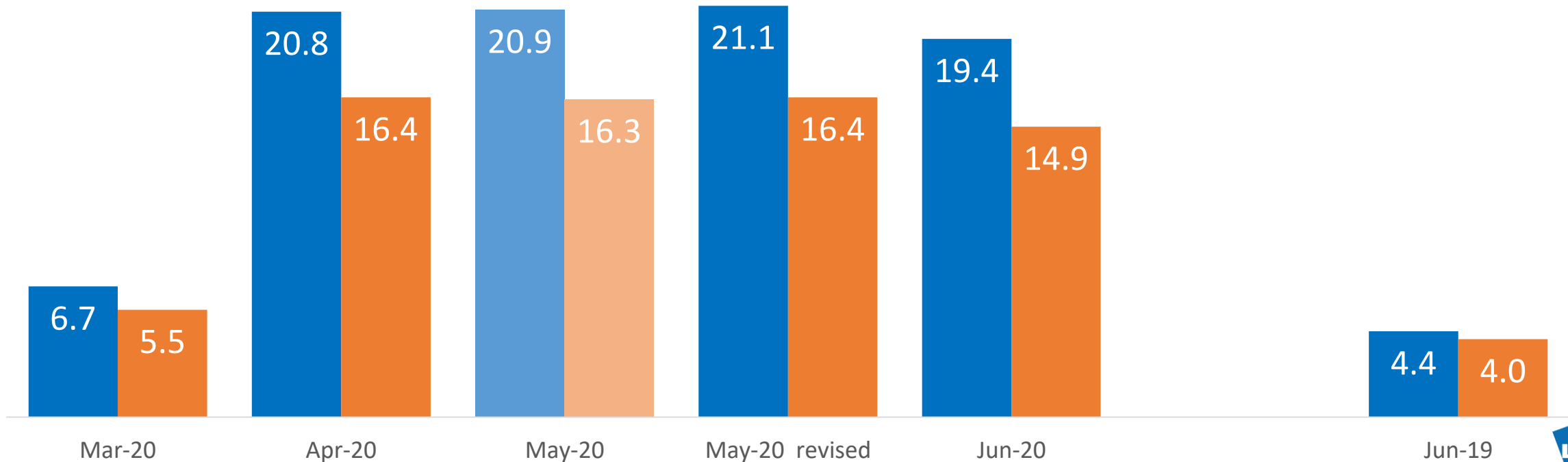
Unemployment Rate June 2020

Unemployment Rate (SA)

LA County
Unemployment Rate:

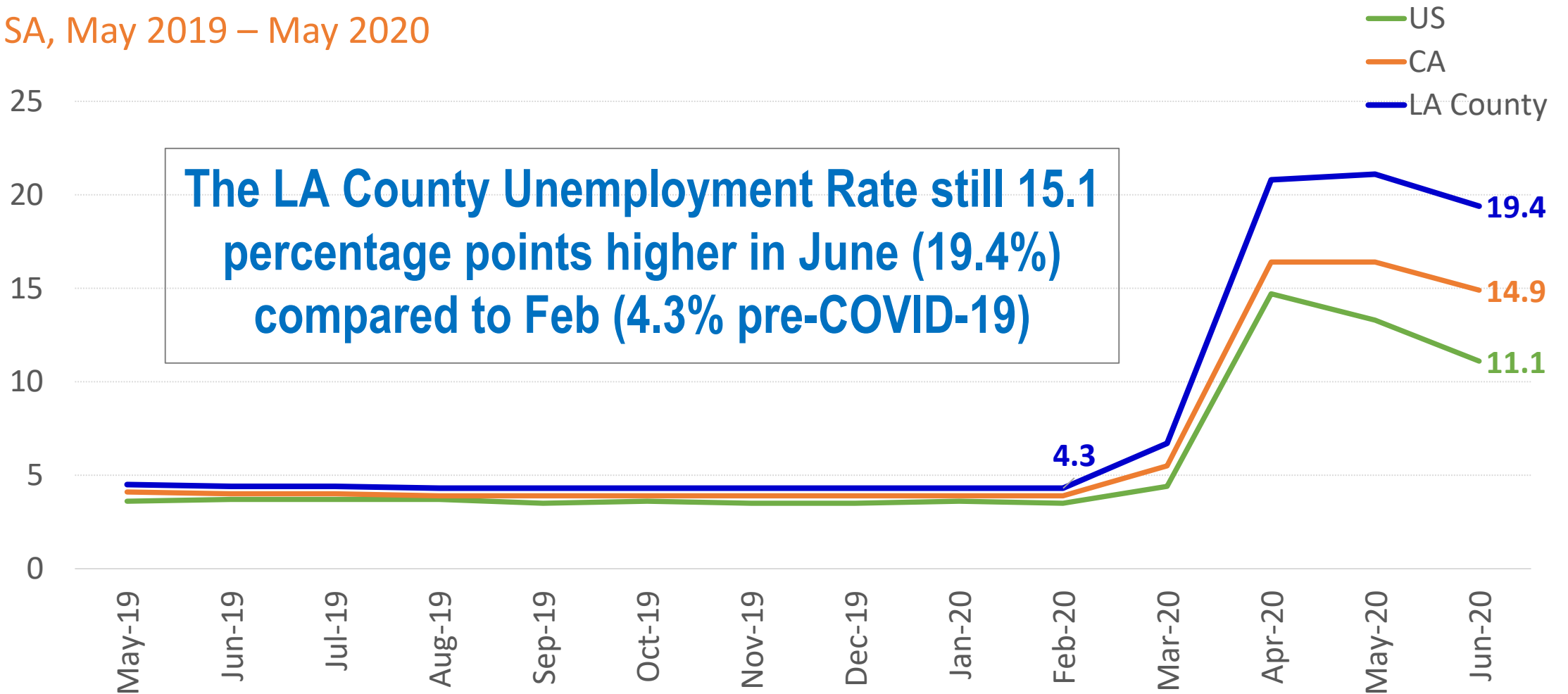
Down by 1.7 pp from last month
Up by 15.0 pp from last year

■ LA County ■ CA



Monthly Unemployment Rates

SA, May 2019 – May 2020

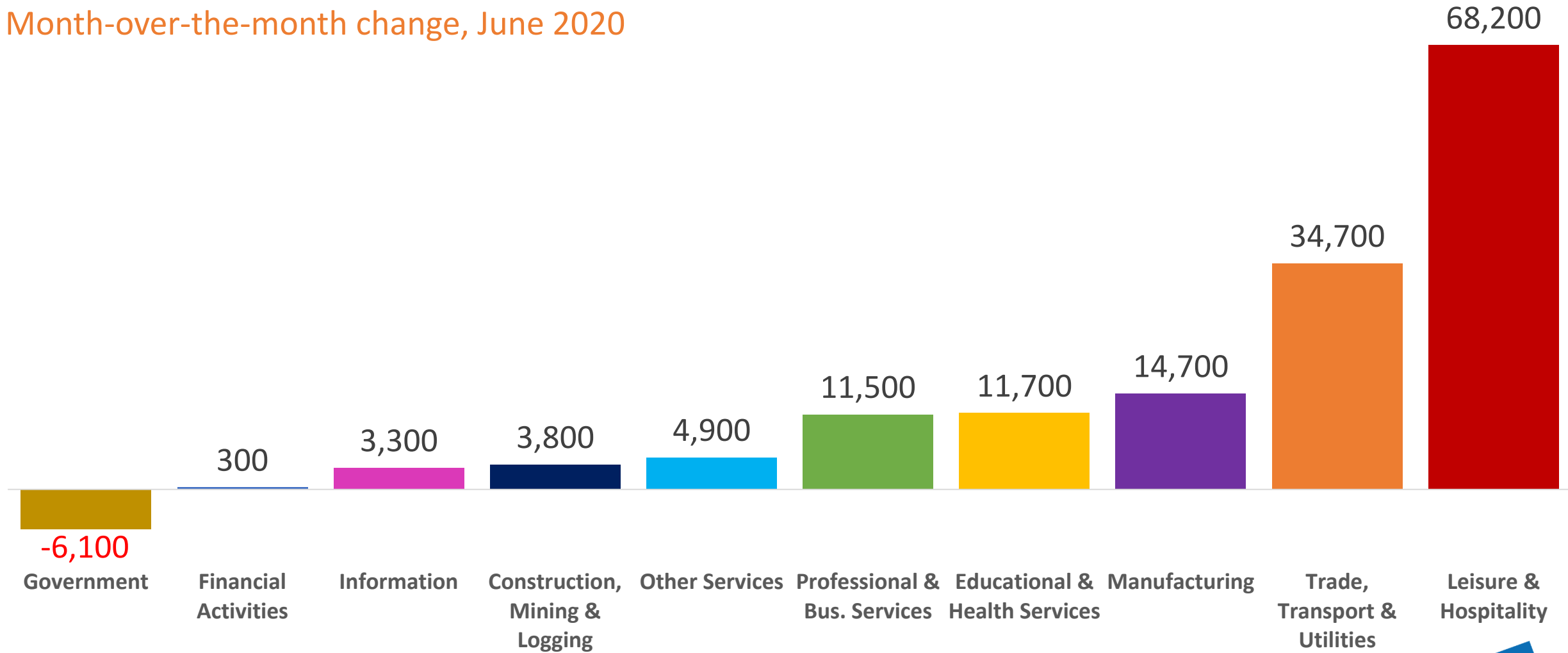


Source: BLS



Monthly Change in LA County Payroll Employment

Month-over-the-month change, June 2020

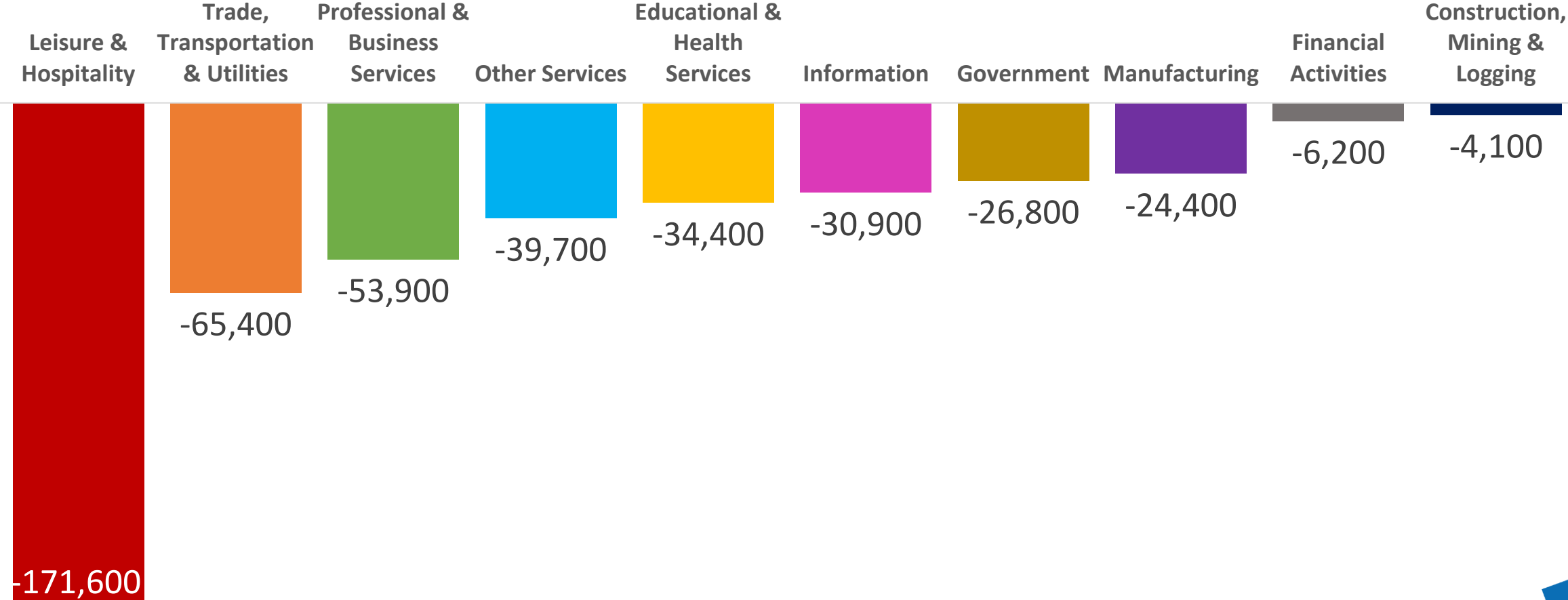


Source: EDD



Annual Change in LA County Payroll Employment

Year-over-Year change, June 2020



Source: EDD

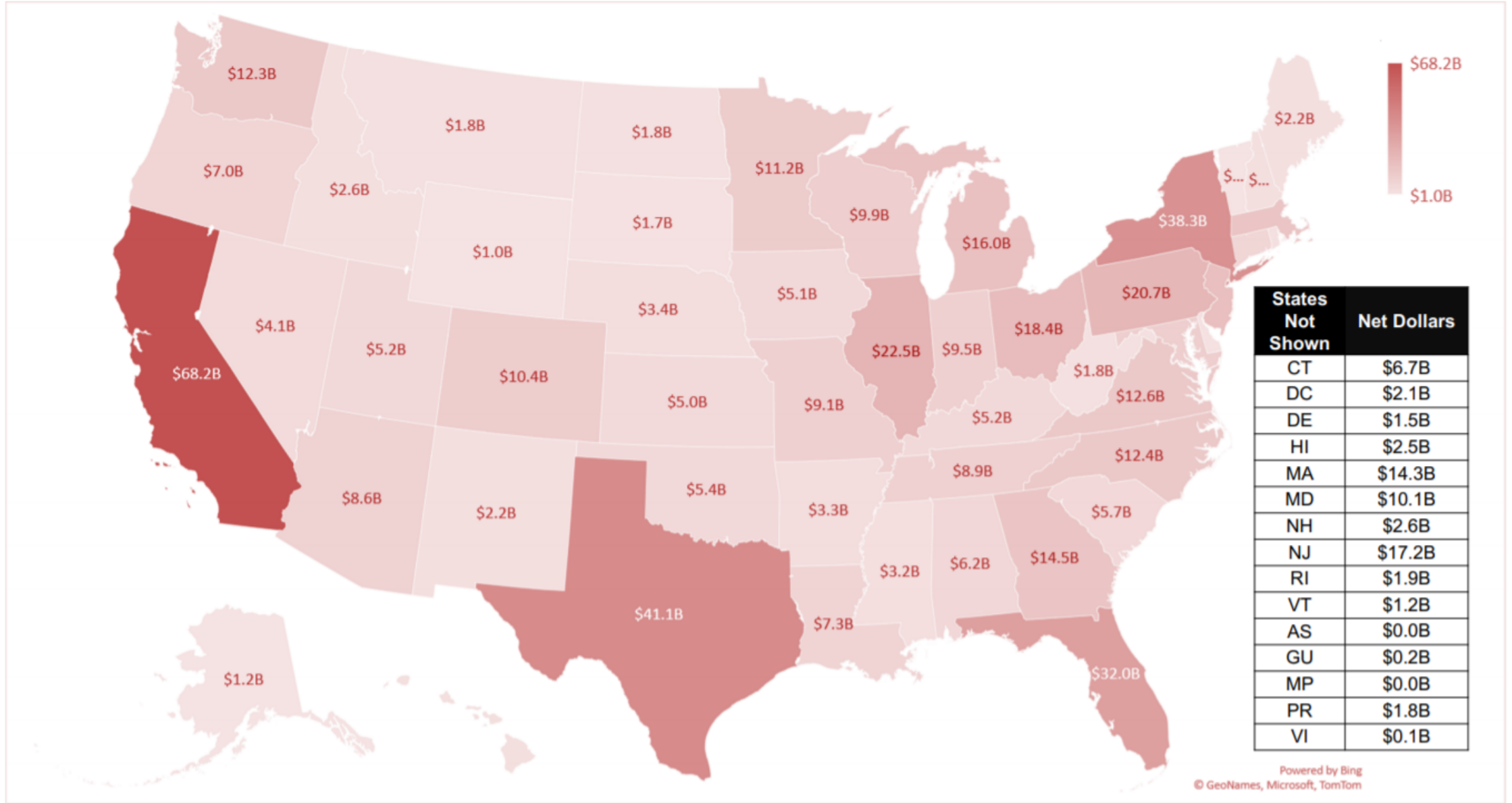
Tyler Laferriere

ASSOCIATE ECONOMIST
INSTITUTE FOR APPLIED ECONOMICS

Reflections on the Payroll Protection Program (through June 30th)

LAEDC INSTITUTE FOR APPLIED ECONOMICS

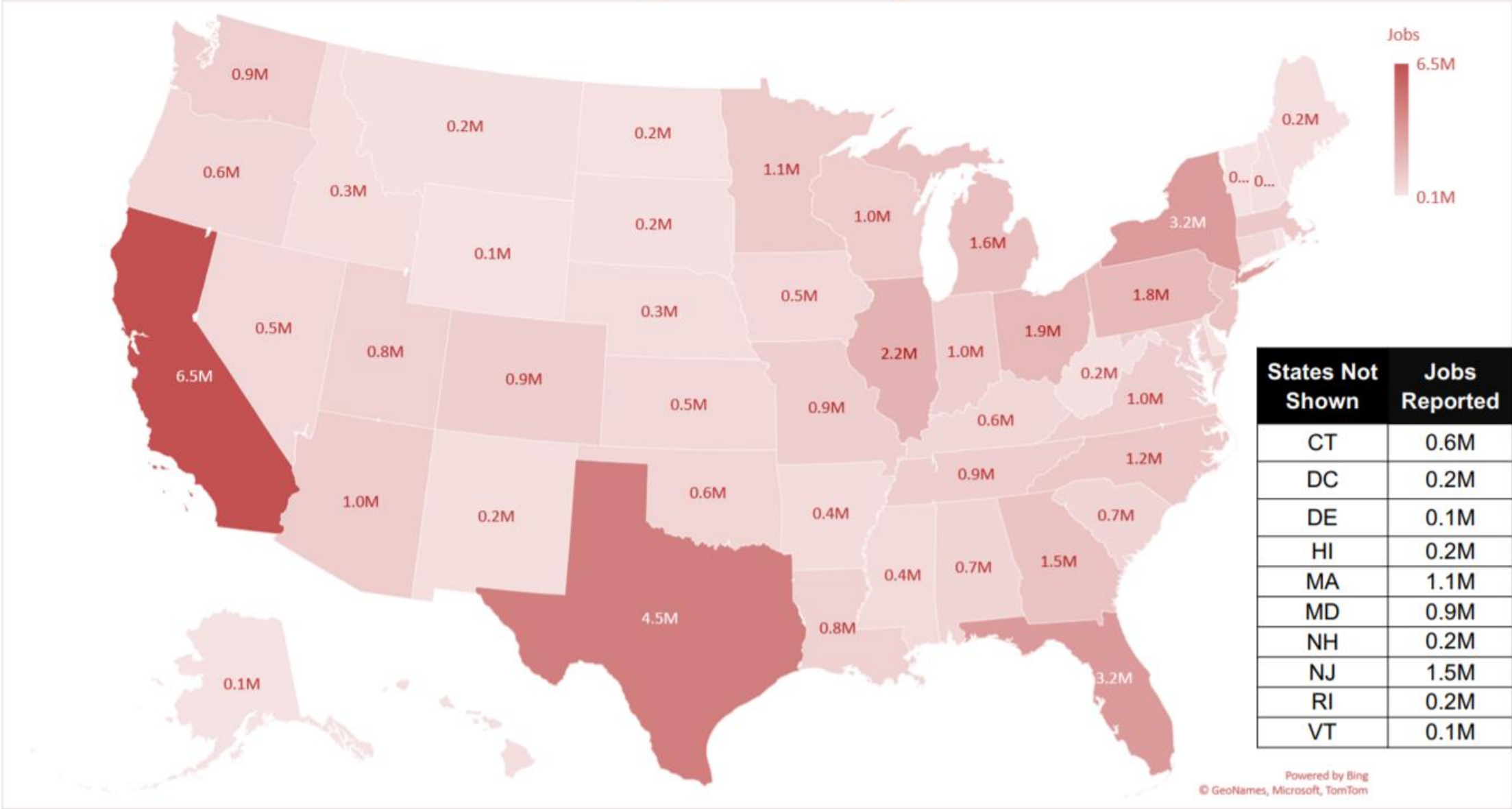
PPP Approval Amount by State



Powered by Bing
© GeoNames, Microsoft, TomTom



Jobs Reported by State



LA County Annual Average Employment

Industry	Establishments	Employemnt	Total Annual Wages (\$ millions)	% Total Employment
Natural Resources	530	6,309	368	0.1%
Construction	16,753	149,159	10,444	3.3%
Manufacturing	12,635	338,457	25,156	7.5%
Wholesale Trade	21,421	218,362	14,823	4.8%
Retail Trade	28,828	416,401	16,032	9.2%
Transportation, Warehousing and Utilities	8,654	207,803	14,545	4.6%
Information	13,137	205,767	29,035	4.6%
Financial Activities	30,114	223,149	24,368	4.9%
Professional and Business Services	55,934	638,036	53,402	14.2%
Education	4,031	106,578	6,641	2.4%
Healthcare	240,780	724,240	33,799	16.1%
Leisure and Hospitality	39,058	545,189	23,296	12.1%
Other services	29,680	153,059	6,540	3.4%
Total, Private	501,555	3,932,509	258,449	87.2%
Federal Government	454	47,327	4,122	1.0%
State Government	1,758	78,256	6,777	1.7%
Local Government	4,148	450,428	33,481	10.0%
Total	507,915	4,508,520	302,829	100.0%

Source: BLS QCEW

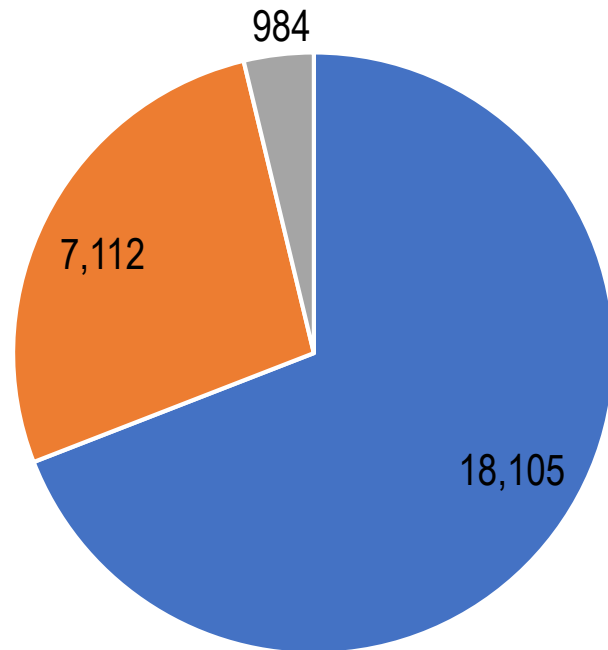


Industry Breakout of PPP Loans \geq \$150K

Industry	Firms	Jobs Retained	Average Jobs per Firm	
Natural Resources		87	5,166	59
Construction		1,738	68,492	39
Manufacturing		2,509	135,461	54
Wholesale Trade		2,145	92,956	43
Retail Trade		1,574	80,691	51
Transportation, Warehousing and Utilities		849	46,335	55
Information		913	35,161	39
Financial Activities		1,364	54,095	40
Professional and Business Services		4,165	180,093	43
Education		587	38,040	65
Healthcare		2,367	131,464	56
Leisure and Hospitality		2,861	197,789	69
Other services		1,571	72,727	46
Public Administration		46	2,508	55
Total		22,776	1,140,978	50

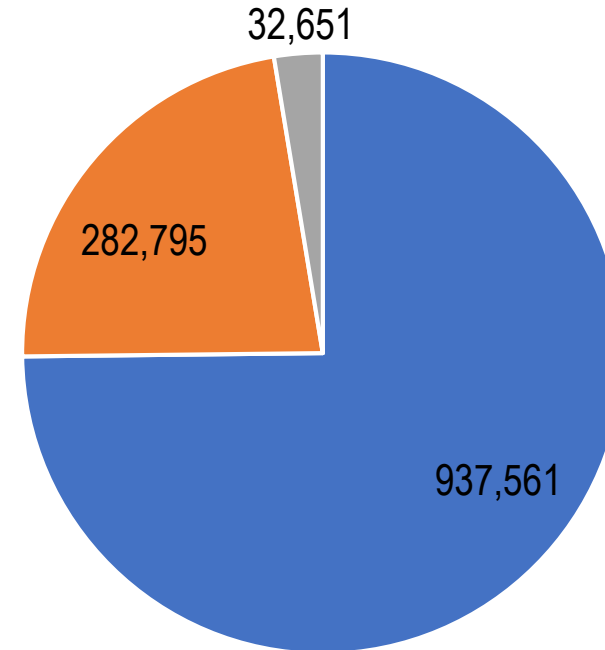
PPP Loans \geq \$150K by Month of Issuance

PPP Loans \$150K+, by Firm # and Month of Issuance



■ April ■ May ■ June

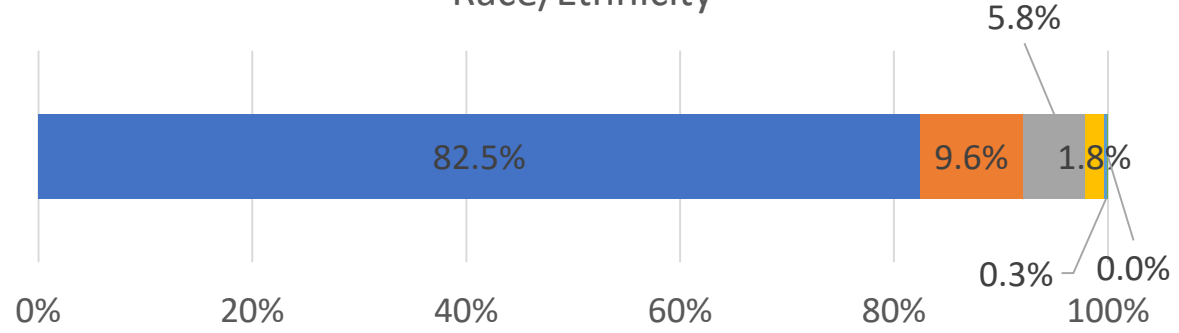
PPP Loans \$150K+, by Jobs Retained and Month of Issuance



■ April ■ May ■ June

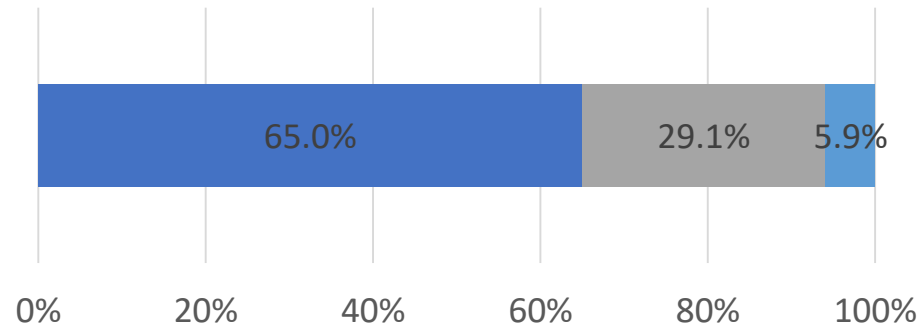
PPP Loans \geq \$150K by reported demographics of firms owner

PPP Loans \geq \$150 K, Owner's Reported Race/Ethnicity



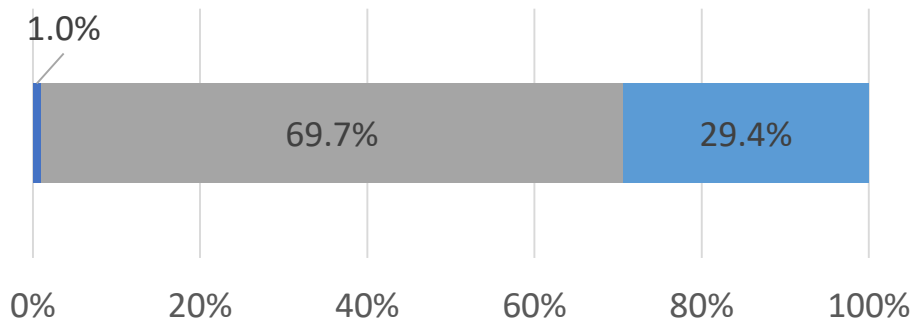
- Unanswered
- White
- Asian
- Hispanic
- Black or African American
- American Indian or Alaska Native

PPP Loans \geq \$150 K, Owner's Reported Gender



- Unanswered
- Male Owned
- Female Owned

PPP Loans \geq \$150 K, Owner's Reported Veteran Status



- Veteran
- Unanswered
- Non-Veteran

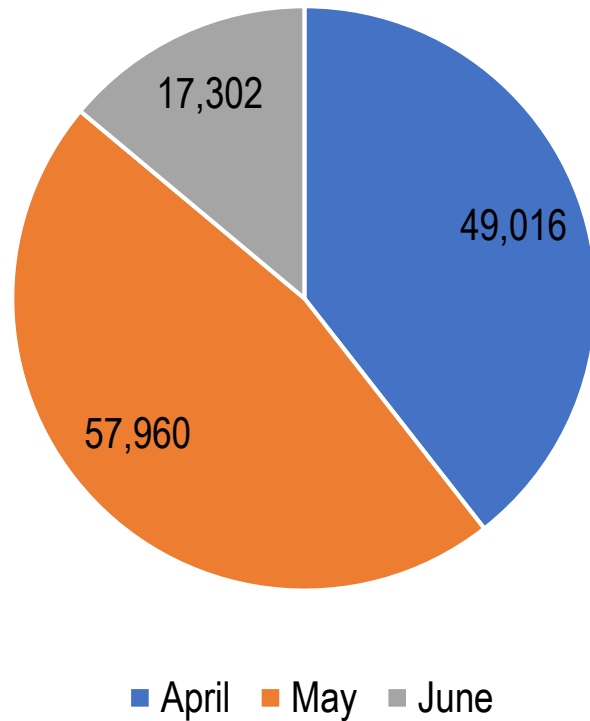


Industry Breakout of PPP Loans < \$150K

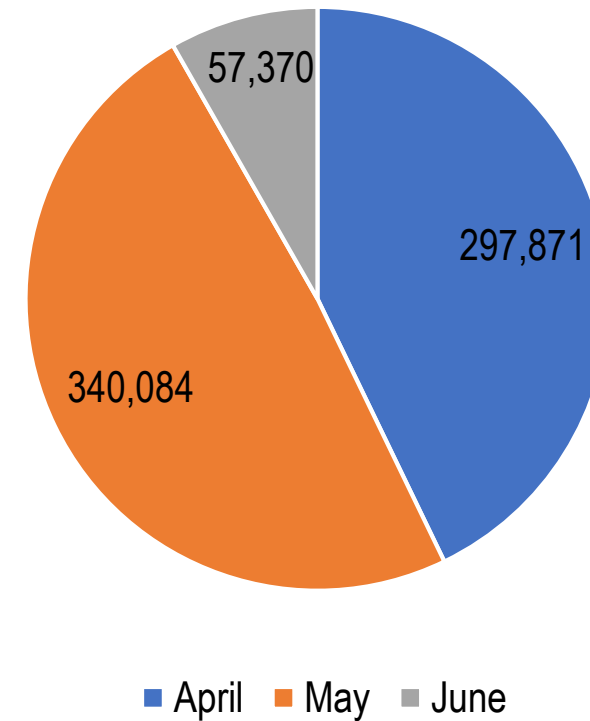
Industry	Firms	Jobs Retained	Average Jobs per Firm
Natural Resources	393	2,296	6
Construction	5,688	34,432	6
Manufacturing	5,451	37,255	7
Wholesale Trade	7,085	42,632	6
Retail Trade	12,397	70,491	6
Transportation, Warehousing and Utilities	4,128	21,549	5
Information	5,164	18,525	4
Financial Activities	10,973	41,582	4
Professional and Business Services	24,913	104,584	4
Education	2,218	16,446	7
Healthcare	15,343	93,966	6
Leisure and Hospitality	13,981	115,742	8
Other services	16,301	94,929	6
Public Administration	243	896	4
Total	124,278	695,325	6

PPP Loans < \$150K by Month of Issuance

PPP Loans < \$150K, by Firm # and Month of Issuance

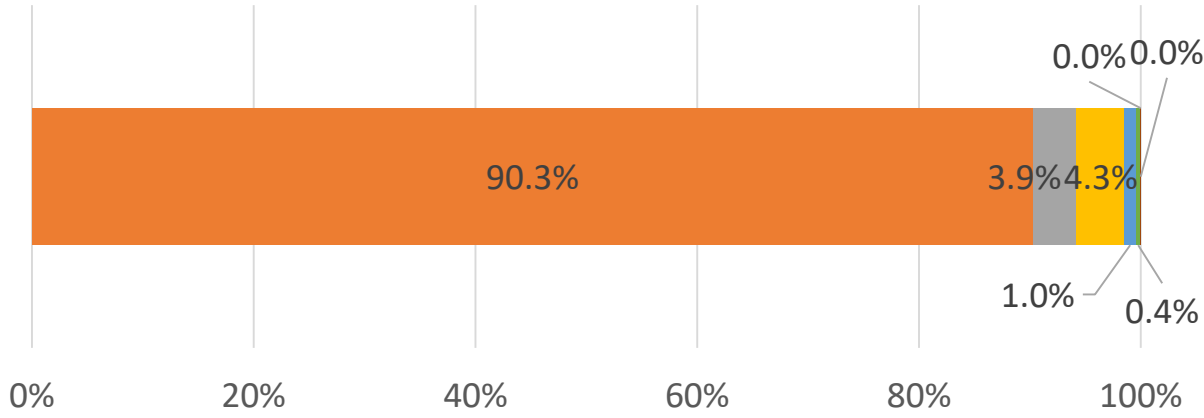


PPP Loans < \$150K, by Jobs Retained # and Month of Issuance



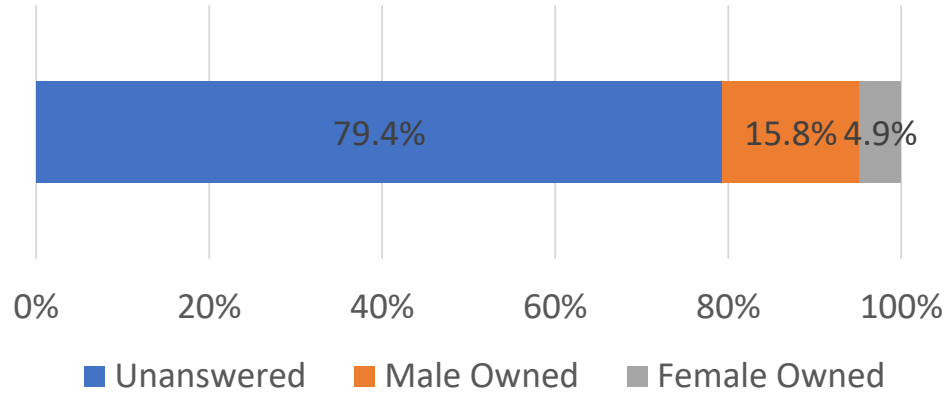
PPP Loans < \$150K by reported demographics of firms owner

PPP Loans < \$150 K, Owner's Reported Race/Ethnicity



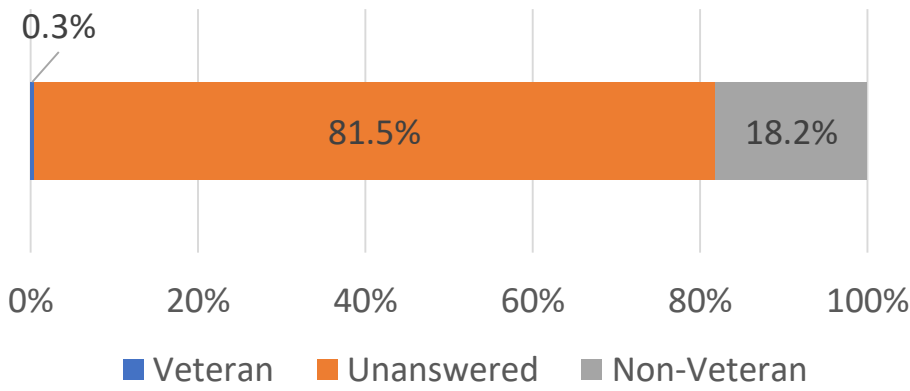
- RaceEthnicity
- White
- Hispanic
- American Indian or Alaska Native
- Unanswered
- Asian
- Black or African American
- Puerto Rican

PPP Loans < \$150 K, Owner's Reported Gender



- Unanswered
- Male Owned
- Female Owned

PPP Loans < \$150 K, Owner's Reported Veteran Status



- Veteran
- Unanswered
- Non-Veteran



QCEW vs. Reported PPP Loans and Jobs Retained

Industry	Firms	Jobs Retained	% QCEW Firm Total	% QCEW Employment Total
Natural Resources	480	7,462	90.6%	118.3%
Construction	7,426	102,924	44.3%	69.0%
Manufacturing	7,960	172,716	63.0%	51.0%
Wholesale Trade	9,230	135,588	43.1%	62.1%
Retail Trade	13,971	151,182	48.5%	36.3%
Transportation, Warehousing and Utilities	4,977	67,884	57.5%	32.7%
Information	6,077	53,686	46.3%	26.1%
Financial Activities	12,337	95,677	41.0%	42.9%
Professional and Business Services	29,078	284,677	52.0%	44.6%
Education	2,805	54,486	69.6%	51.1%
Healthcare	17,710	225,430	7.4%	31.1%
Leisure and Hospitality	16,842	313,531	43.1%	57.5%
Other services	17,872	167,656	60.2%	109.5%
Public Administration	289	3,404	4.5%	0.6%
Total	147,054	1,836,303	29.0%	40.7%

Sources: BLS QCEW; SBA



Final Thoughts

- ❖ California businesses received \$68.2B in PPP loans as of June 30th, reportedly allowing the retention of 6.5M jobs
- ❖ Across all sizes of loans, 147,000 (29%) of LA County businesses took out PPP loans, reportedly allowing the retention of 1.8 million (40%) LA County jobs
- ❖ Numerous reports of PPP data reporting problems; likely affects LA County data, too, especially when focusing on smaller geographic areas and industry classifications
- ❖ The program served as a blunt instrument that was undoubtedly a lifeline to many businesses; however, more help is needed due to the continued severity of the crisis
- ❖ Many pre-existing disparities were acutely demonstrated in the outcomes of the PPP

QUESTIONS

Thank you!

- Next LAEDC Economic Briefing:
Monday, August 24th at 11:00 AM PDT
- 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.