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COVID-19 Economic Implications Briefing

May 11, 2020

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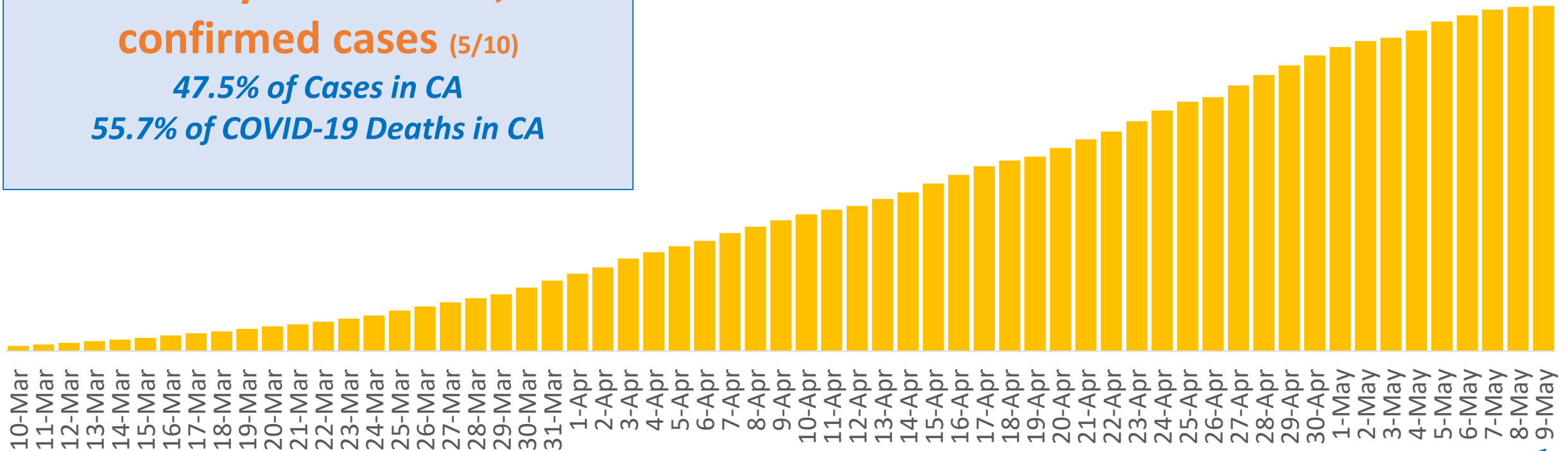
Confirmed COVID-19 Cases
in LA County (5/10)

COVID-19 Cases in LA County (000s)

LA County now has 31,677 confirmed cases (5/10)
47.5% of Cases in CA
55.7% of COVID-19 Deaths in CA

10-Mar | 11-Mar | 12-Mar | 13-Mar | 14-Mar | 15-Mar | 16-Mar | 17-Mar | 18-Mar | 19-Mar | 20-Mar | 21-Mar | 22-Mar | 23-Mar | 24-Mar | 25-Mar | 26-Mar | 27-Mar | 28-Mar | 29-Mar | 30-Mar | 31-Mar | 1-Apr | 2-Apr | 3-Apr | 4-Apr | 5-Apr | 6-Apr | 7-Apr | 8-Apr | 9-Apr | 10-Apr | 11-Apr | 12-Apr | 13-Apr | 14-Apr | 15-Apr | 16-Apr | 17-Apr | 18-Apr | 19-Apr | 20-Apr | 21-Apr | 22-Apr | 23-Apr | 24-Apr | 25-Apr | 26-Apr | 27-Apr | 28-Apr | 29-Apr | 30-Apr | 1-May | 2-May | 3-May | 4-May | 5-May | 6-May | 7-May | 8-May | 9-May
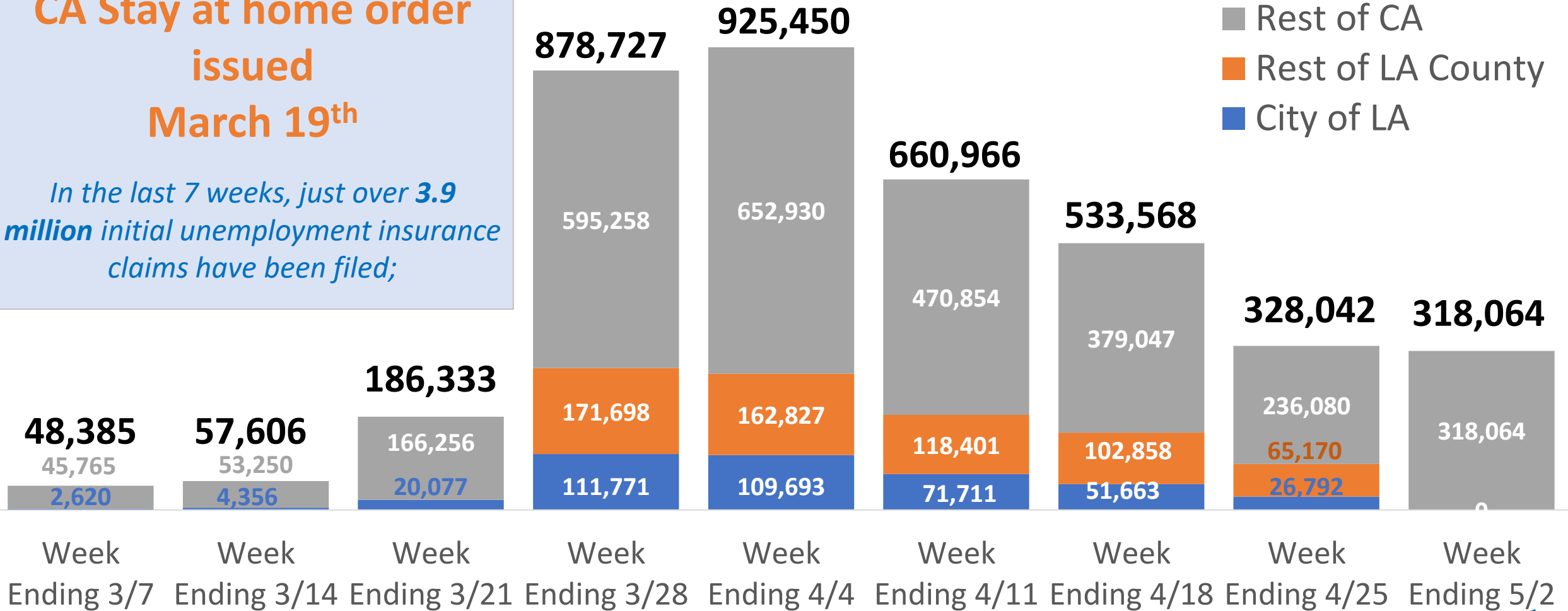
Source: LA County

Unemployment Insurance Weekly Claims in CA

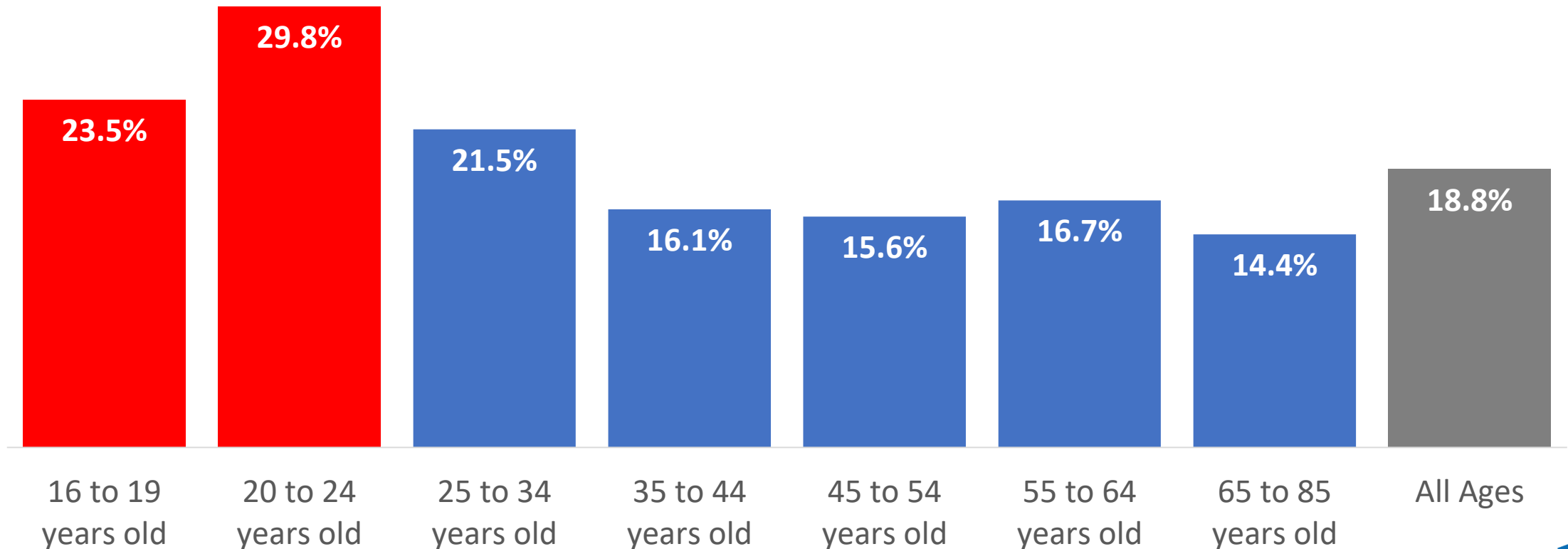**CA Stay at home order issued March 19th**

*In the last 7 weeks, just over **3.9 million** initial unemployment insurance claims have been filed;*

Legend:
- Rest of CA (gray)
- Rest of LA County (orange)
- City of LA (blue)

48,385
- 45,765
- 2,620

57,606
- 53,250
- 4,356

186,333
- 166,256
- 20,077

878,727
- 595,258
- 171,698
- 111,771

925,450
- 652,930
- 162,827
- 109,693

660,966
- 470,854
- 118,401
- 71,711

533,568
- 379,047
- 102,858
- 51,663

328,042
- 236,080
- 65,170
- 26,792

318,064
- 318,064
- 0

| | Week Ending 3/7 | Week Ending 3/14 | Week Ending 3/21 | Week Ending 3/28 | Week Ending 4/4 | Week Ending 4/11 | Week Ending 4/18 | Week Ending 4/25 | Week Ending 5/2 |

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Source: CA EDD, policy group

COVID-19 in CA: By Age

UI Claims as a Share of the Cohort's Labor Force from Mid-March to April 25th

Age Group	Percentage
16 to 19 years old	23.5%
20 to 24 years old	29.8%
25 to 34 years old	21.5%
35 to 44 years old	16.1%
45 to 54 years old	15.6%
55 to 64 years old	16.7%
65 to 85 years old	14.4%
All Ages	18.8%

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COVID-19 in CA: By Race and Ethnicity

UI Claims as a Share of the Cohort's Labor Force from Mid-March to April 25th

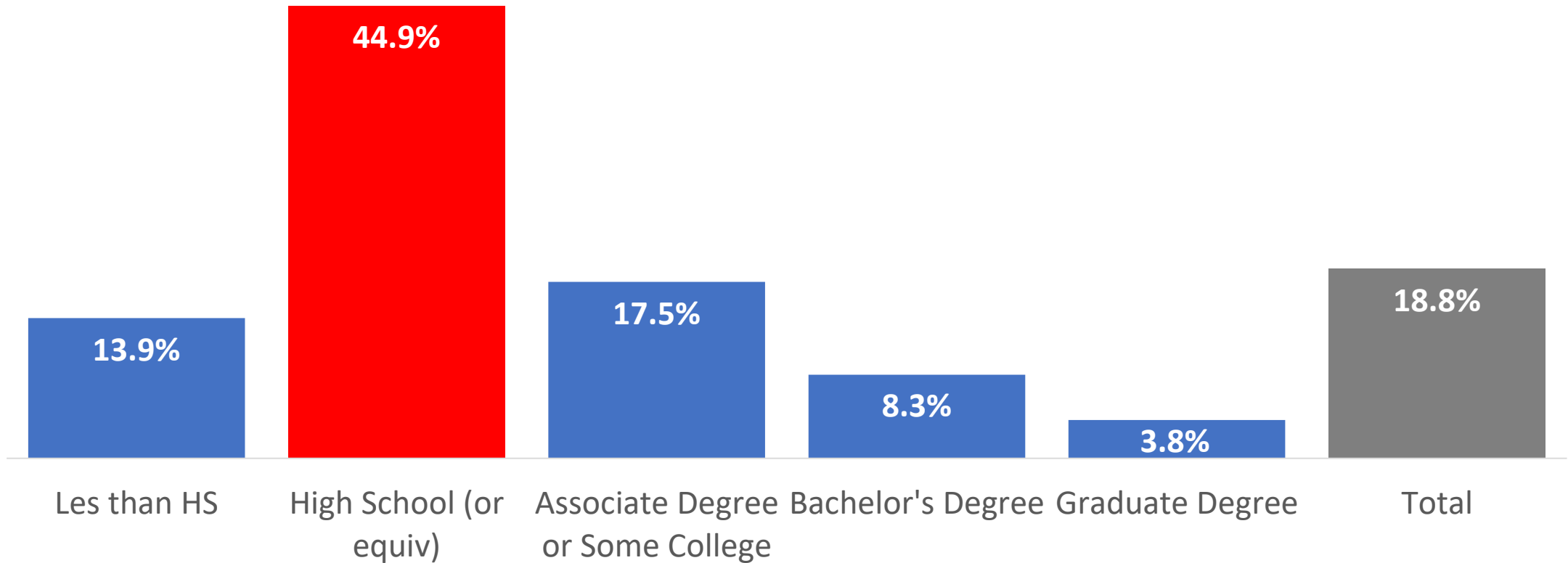| White	Hispanic/Latino	Asian	Black
16.8%	17.5%	20.2%	19.9%

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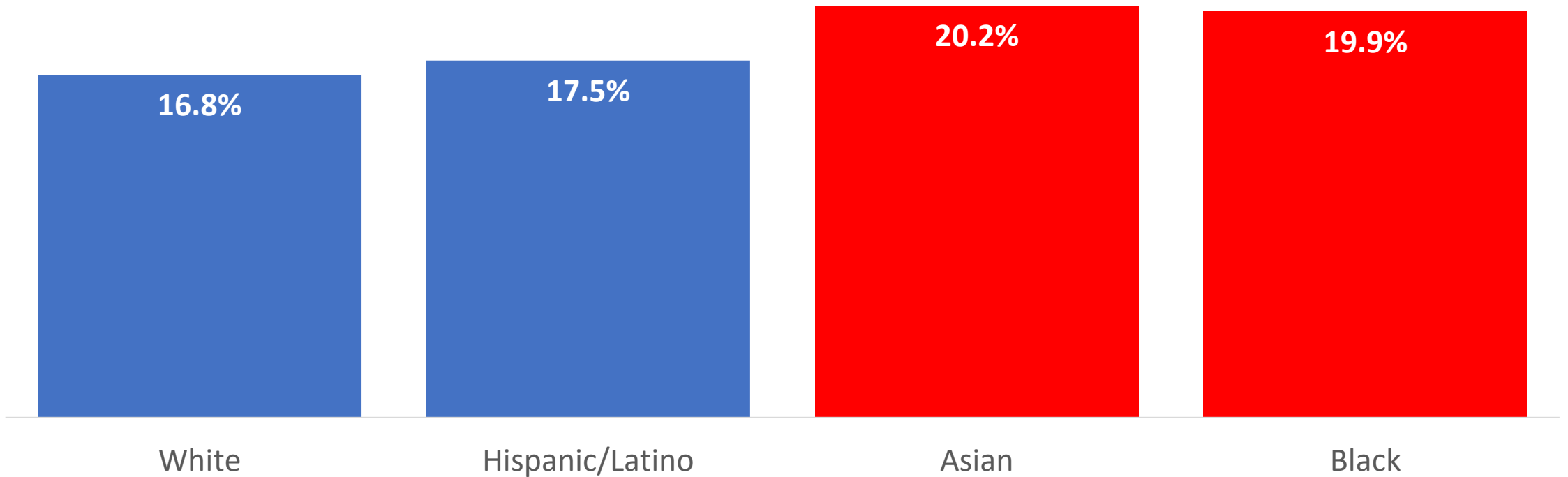
COVID-19 in CA: By Gender

UI Claims as a Share of the Cohort's Labor Force from Mid-March to April 25th
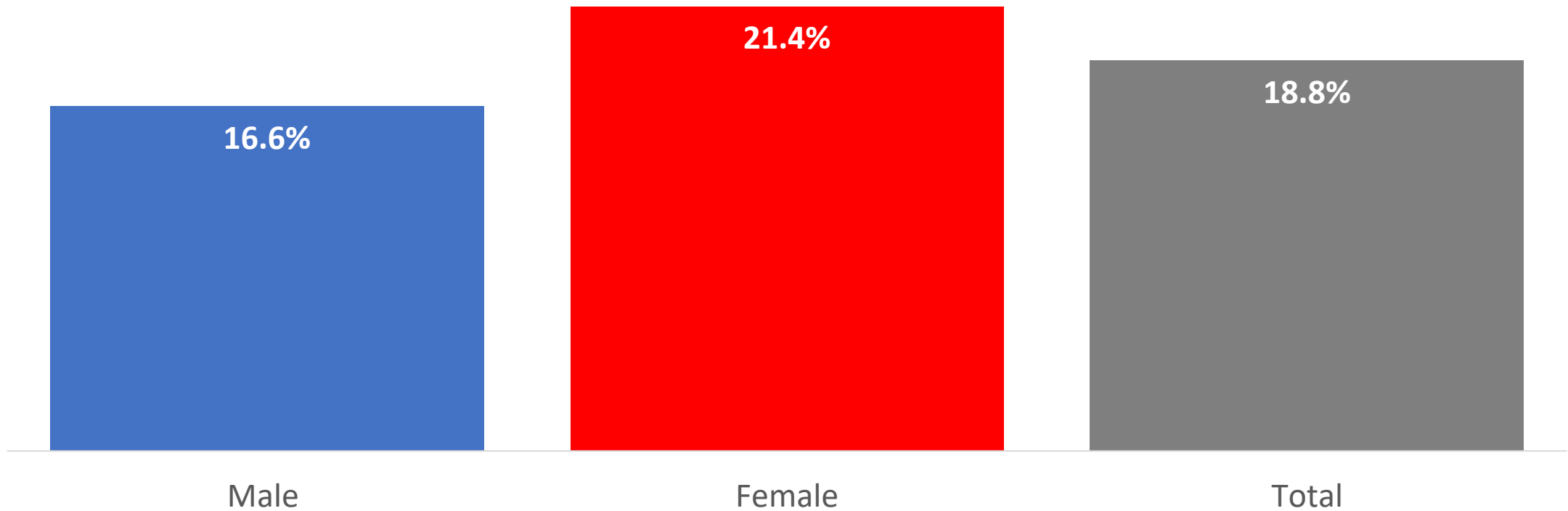
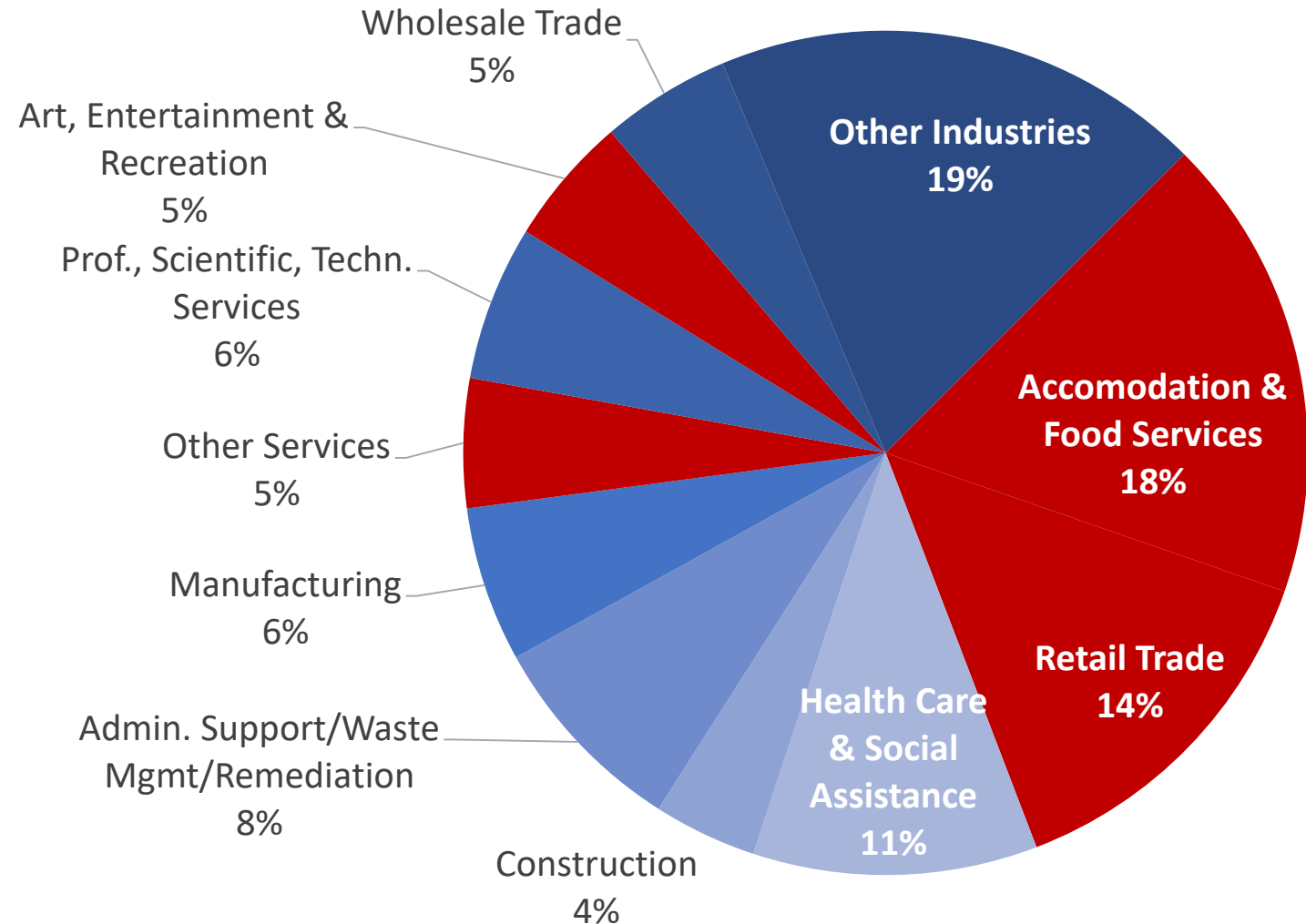| Male	Female	Total
16.6%	21.4%	18.8%

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COVID-19 in LA County: By Industry
Distribution of Total UI Claims from Mid-March to April 25th

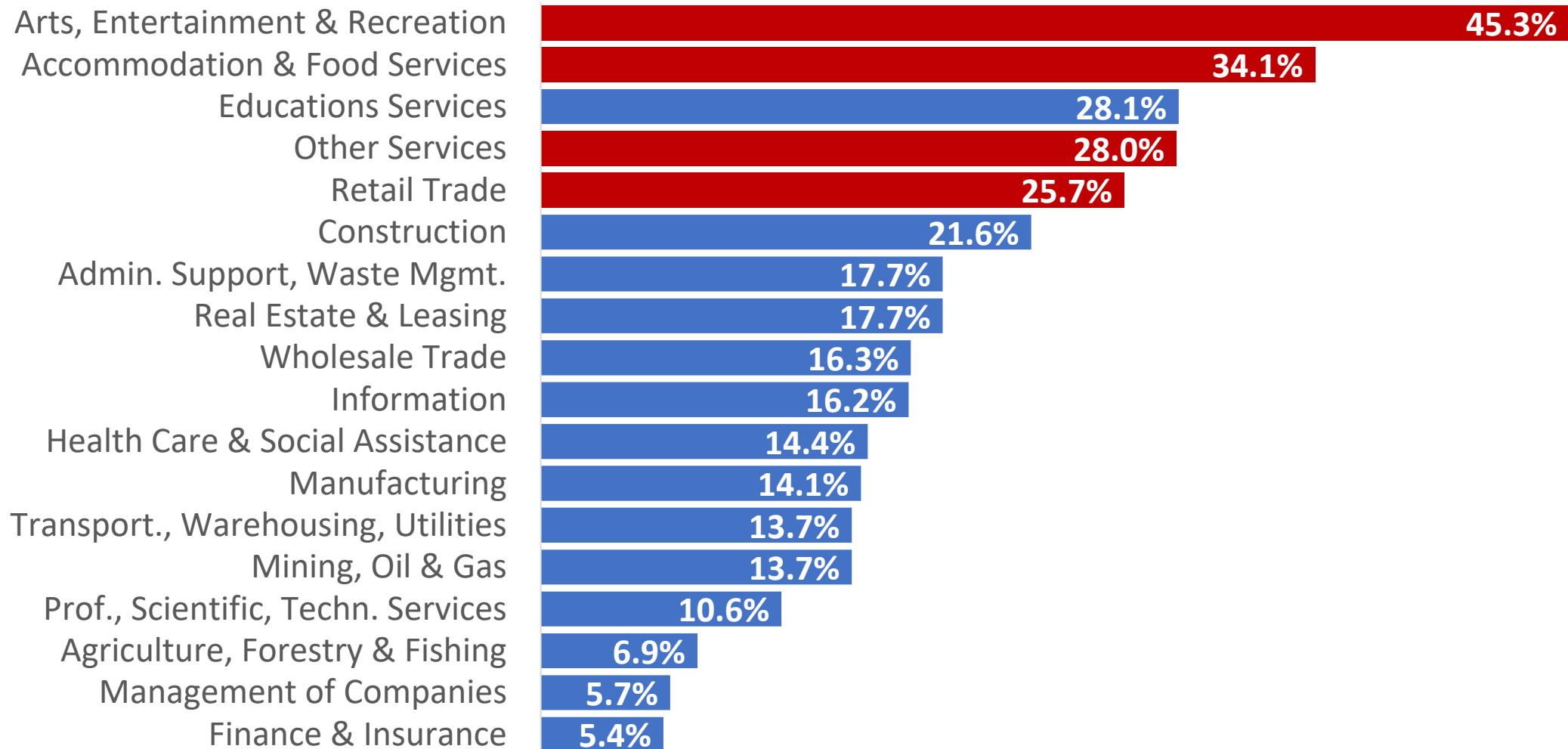**Total UI Claims in LA County from Mid-March to April 25th:**

1,048,613

Note: Health Care & Social Assistance includes offices of doctors, dentists and other health practitioners (chiropractors, optometrists, etc.) and child day care services

Pie chart labels:
- Wholesale Trade 5%
- Art, Entertainment & Recreation 5%
- Prof., Scientific, Techn. Services 6%
- Other Services 5%
- Manufacturing 6%
- Admin. Support/Waste Mgmt/Remediation 8%
- Construction 4%
- Other Industries 19%
- Accomodation & Food Services 18%
- Retail Trade 14%
- Health Care & Social Assistance 11%

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COVID-19 in CA: By Industry

UI Claims as a Share of the Industry's Labor Force from Mid-March to April 25th

Industry	Percentage
Arts, Entertainment & Recreation	45.3%
Accommodation & Food Services	34.1%
Educations Services	28.1%
Other Services	28.0%
Retail Trade	25.7%
Construction	21.6%
Admin. Support, Waste Mgmt.	17.7%
Real Estate & Leasing	17.7%
Wholesale Trade	16.3%
Information	16.2%
Health Care & Social Assistance	14.4%
Manufacturing	14.1%
Transport., Warehousing, Utilities	13.7%
Mining, Oil & Gas	13.7%
Prof., Scientific, Techn. Services	10.6%
Agriculture, Forestry & Fishing	6.9%
Management of Companies	5.7%
Finance & Insurance	5.4%

US Monthly Unemployment Rate

SA, April 2019 – April 2020

The U.S. Unemployment Rate rose 10.3 percentage points from March to April
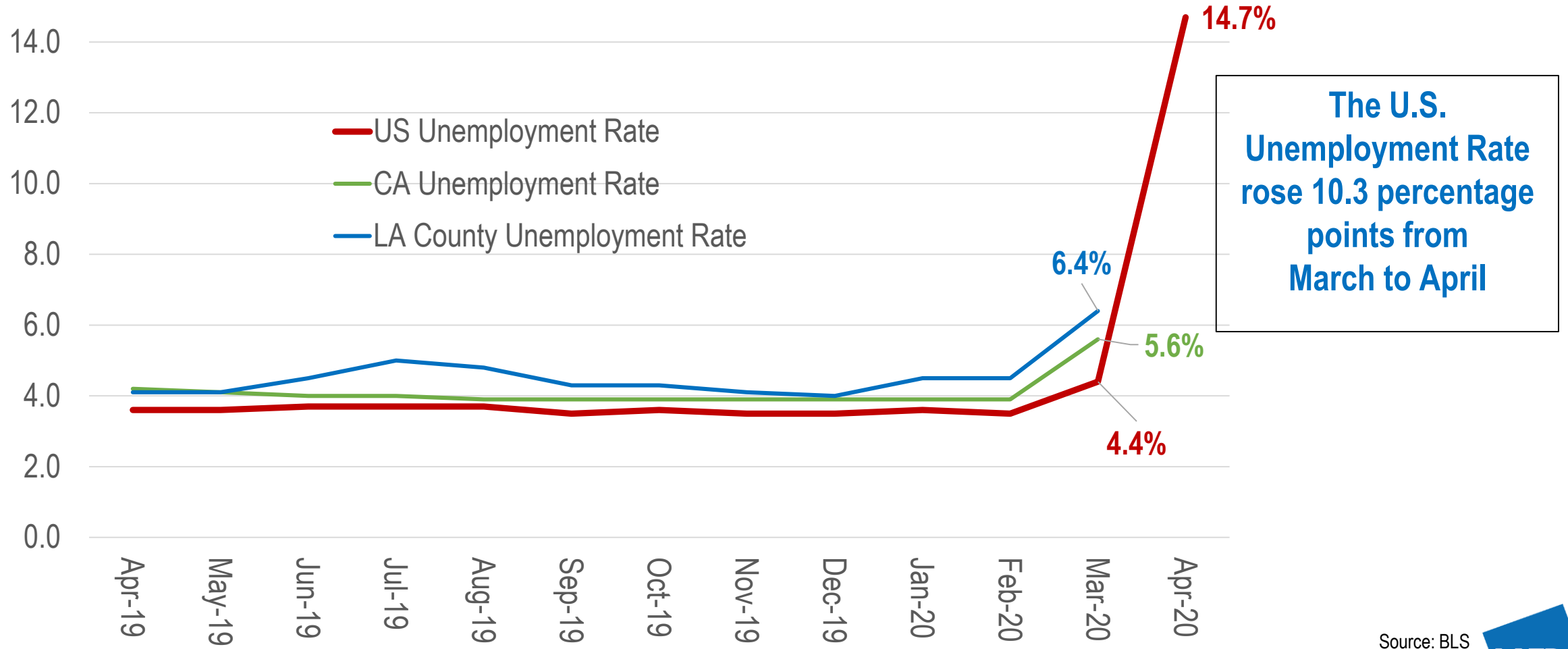
Source: BLS

Breakdown of 20.5 million jobs lost by sector

US Payroll Employment, Jobs Lost in April 2020, SA

- Construction, Mining & Logging
- Mfg
- Trade, transportation and utilities
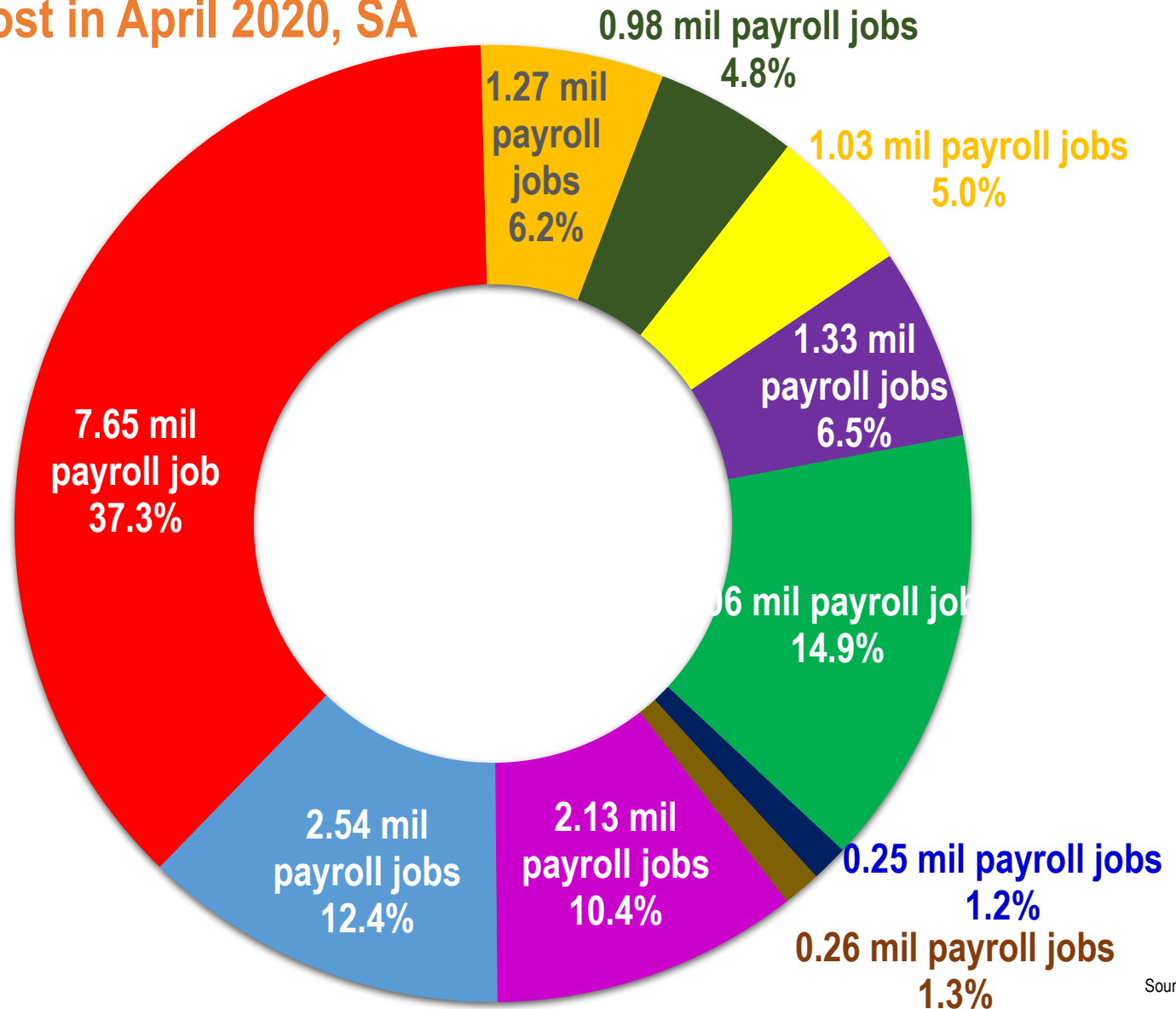- Information
- Financial Activities
- Professional & Bus services
- Education & Health Service
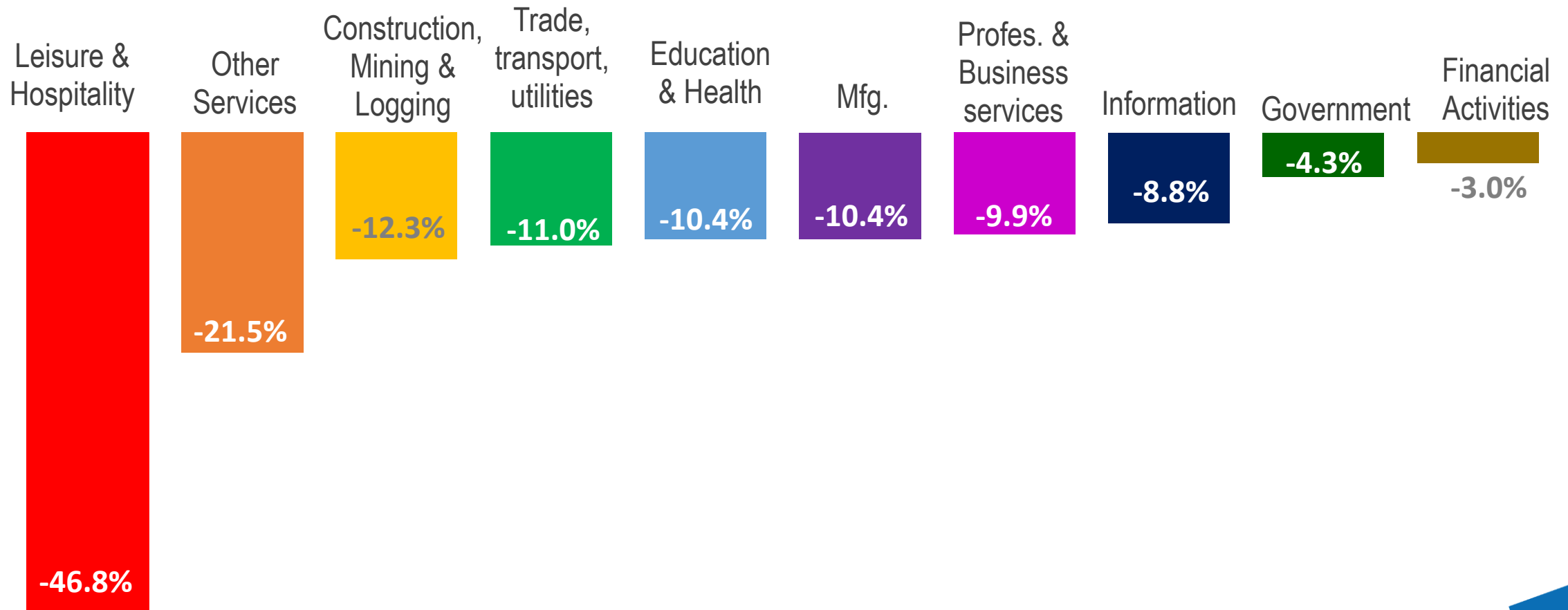- Leisure & hospitality
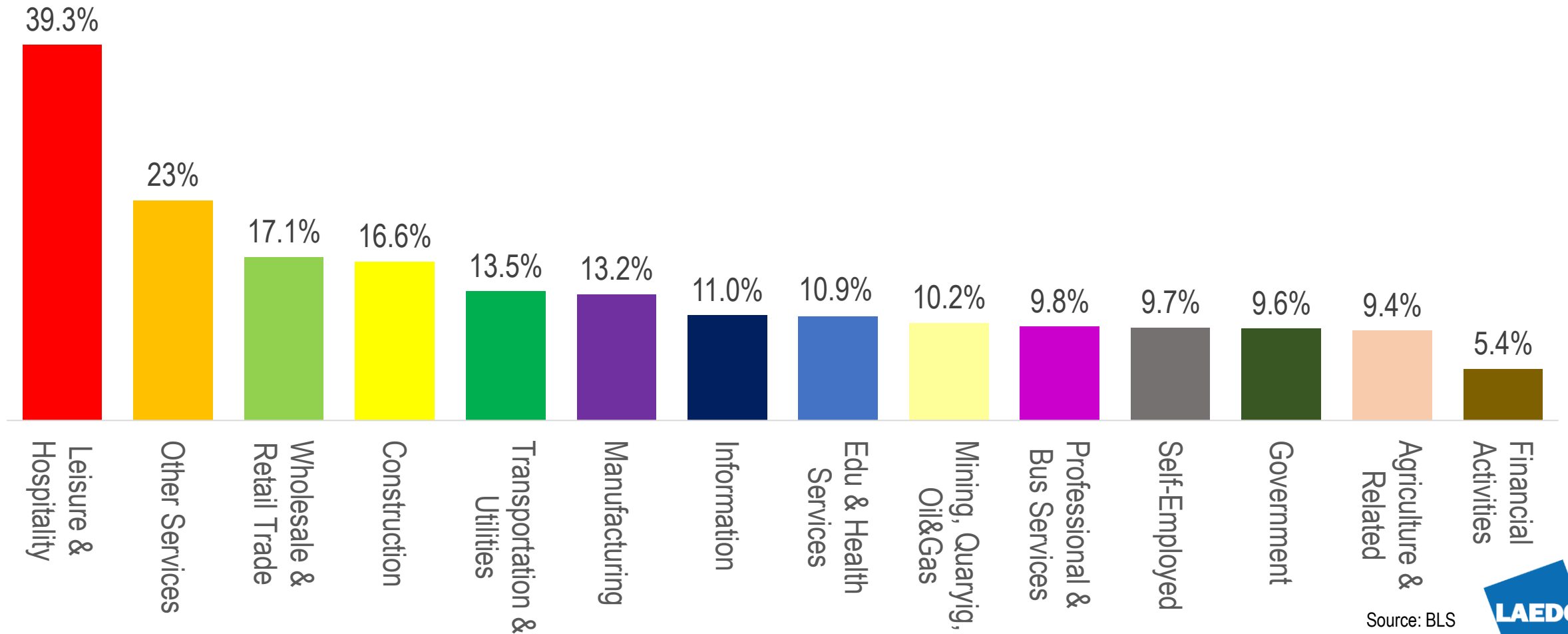- Other Services
- Government

0.98 mil payroll jobs
4.8%

1.27 mil payroll jobs
6.2%

1.03 mil payroll jobs
5.0%

1.33 mil payroll jobs
6.5%

7.65 mil payroll job
37.3%

06 mil payroll job
14.9%

0.25 mil payroll jobs
1.2%

0.26 mil payroll jobs
1.3%

2.13 mil payroll jobs
10.4%

2.54 mil payroll jobs
12.4%

Source: BLS

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Monthly Change in US Payroll Employment by Sector

Over-the-month change, seasonally adjusted, April 2020

Leisure & Hospitality	Other Services	Construction, Mining & Logging	Trade, transport, utilities	Education & Health	Mfg.	Profes. & Business services	Information	Government	Financial Activities
-46.8%	-21.5%	-12.3%	-11.0%	-10.4%	-10.4%	-9.9%	-8.8%	-4.3%	-3.0%

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Source: BLS

US Unemployment Rates & Unemployed Persons by Industry

United States, April 2020, NSA

Source: BLS

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Five-Stage Reopening Process Based On Risk

Stage One *Now*	Stage Two *Soon*	Stage Three *TBD*	Stage Four *TBD*	Stage Five *TBD*

Stage One
Safer at Home Order
Planning for Recovery

Stage Two

May 8th
- Florists, some retailers, car dealerships, golf courses and trails

Soon
- Other low-risk businesses (manufacturers, offices, retail)
- Essential health care
- Outdoor recreation and libraries
- Museums, cultural centers, galleries

Stage Three
- Higher-risk businesses (body art, massage, bars/nightclubs)
- Movie theatres and bowling alleys
- K-12 Schools
- Colleges and universities

Stage Four
- Highest risk businesses (entertainment venues)
- Large conventions
- Sporting and spectator events

Stage Five
Fully normal operations

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Source: County of LA Public Health

Tax Exposure

In LA County and its 88 Cities

General Fund Revenue Exposure

Average City in LA County

- 43%
- 33%
- 13%
- 11%
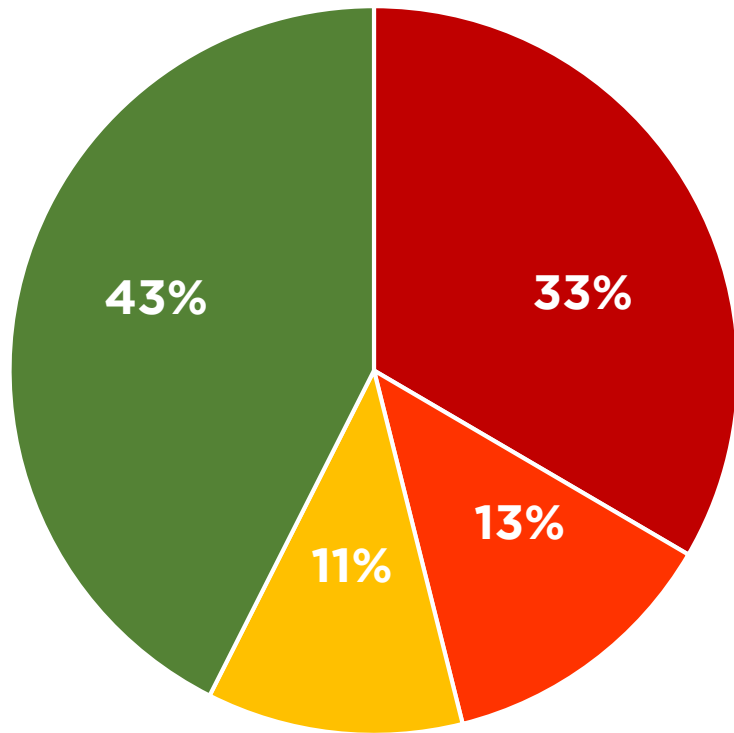
Legend:
- Sales and Use Taxes
- Business Taxes, Licenses and Permits
- Fees, Fines and Charges
- Property Taxes and Other Sources

❖ Most elastic revenue sources:
- Sales and use taxes
- TOT

❖ Elastic revenue sources:
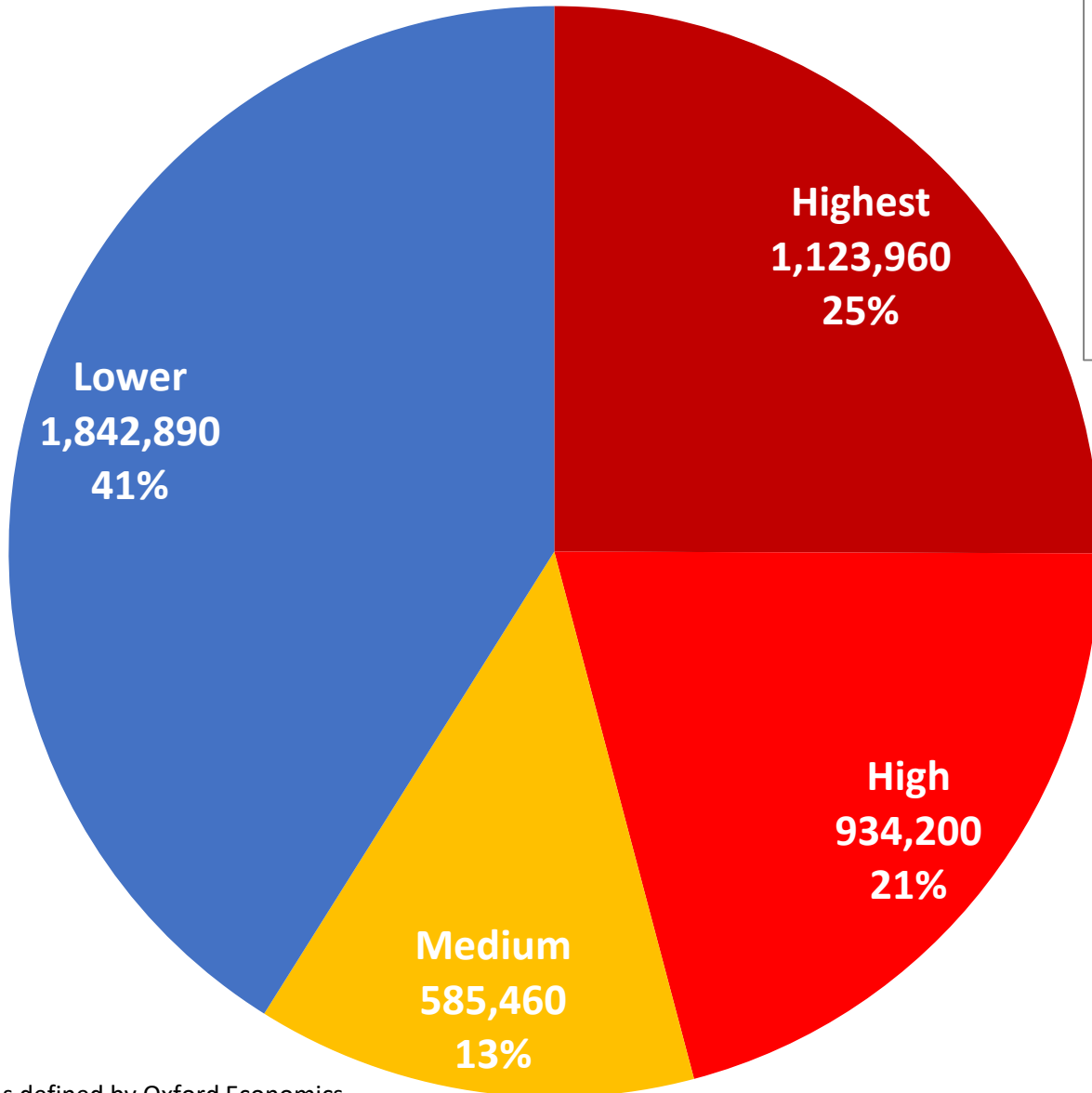- Business/Franchise taxes
- Licenses and Permits

❖ Unit elastic (neither elastic or inelastic):
- Govt. charges
- Fees/Fines

❖ Inelastic revenue sources:
- Property taxes
- Grants
- Rents/Interest

Source: Brookings; LAEDC

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Refresher: at risk job categories

Total Jobs in LA County:
4.5 million

High Risk Job Share:
45.9%

Pie chart:
- Lower: 1,842,890 — 41%
- Highest: 1,123,960 — 25%
- High: 934,200 — 21%
- Medium: 585,460 — 13%

Highest Risk
Retail Trade
Arts, Entertainment, and Recreation
Accommodation and Food Services
Other Services (except Public Administration)

High Risk
Construction
Manufacturing
Wholesale Trade
Transportation and Warehousing

Medium Risk
Mining, Quarrying, and Oil and Gas Extraction
Information
Real Estate and Rental and Leasing
Professional, Scientific, and Technical Services

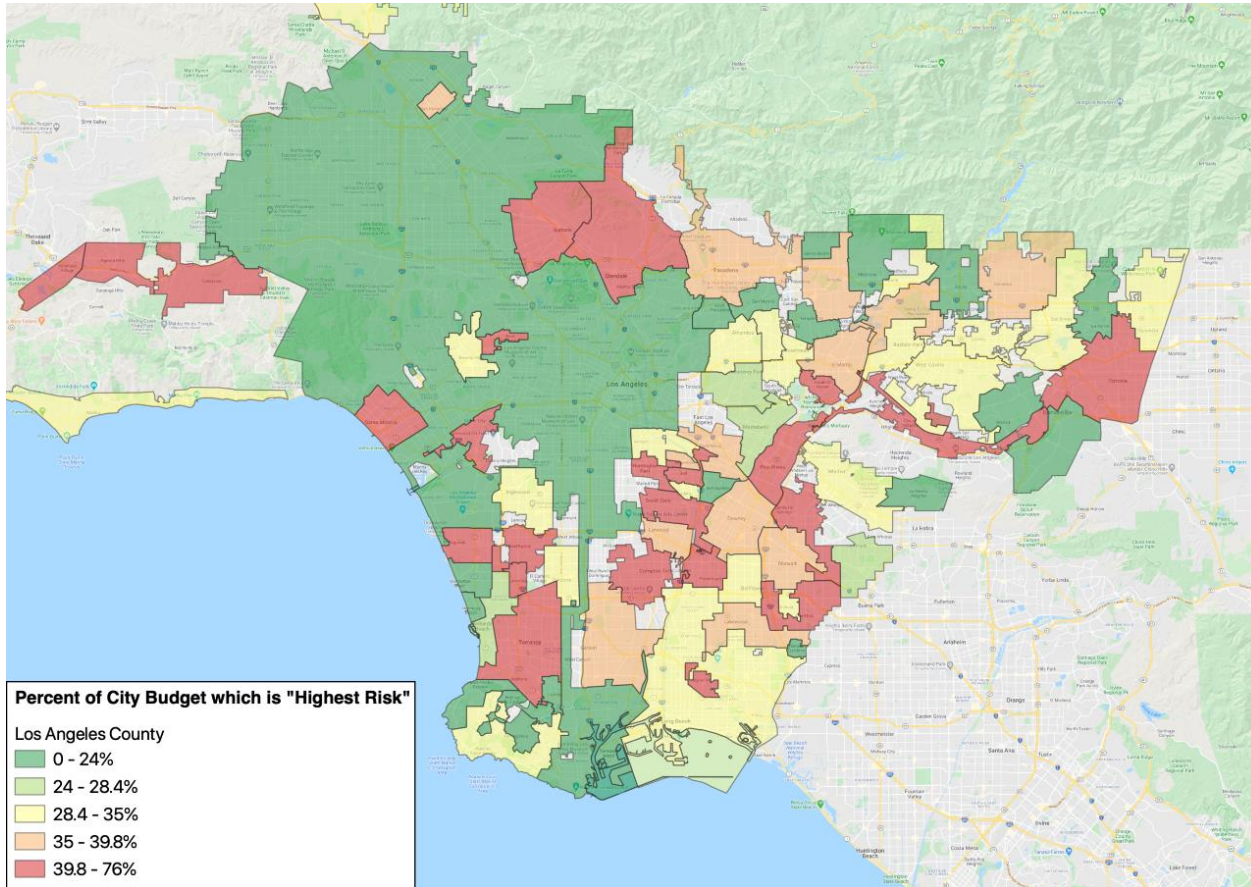**Lower Risk**
Agriculture, Forestry, Fishing and Hunting
Utilities
Management of Companies and Enterprises
Administrative and Support and Waste Management and Remediation Services
Educational Services
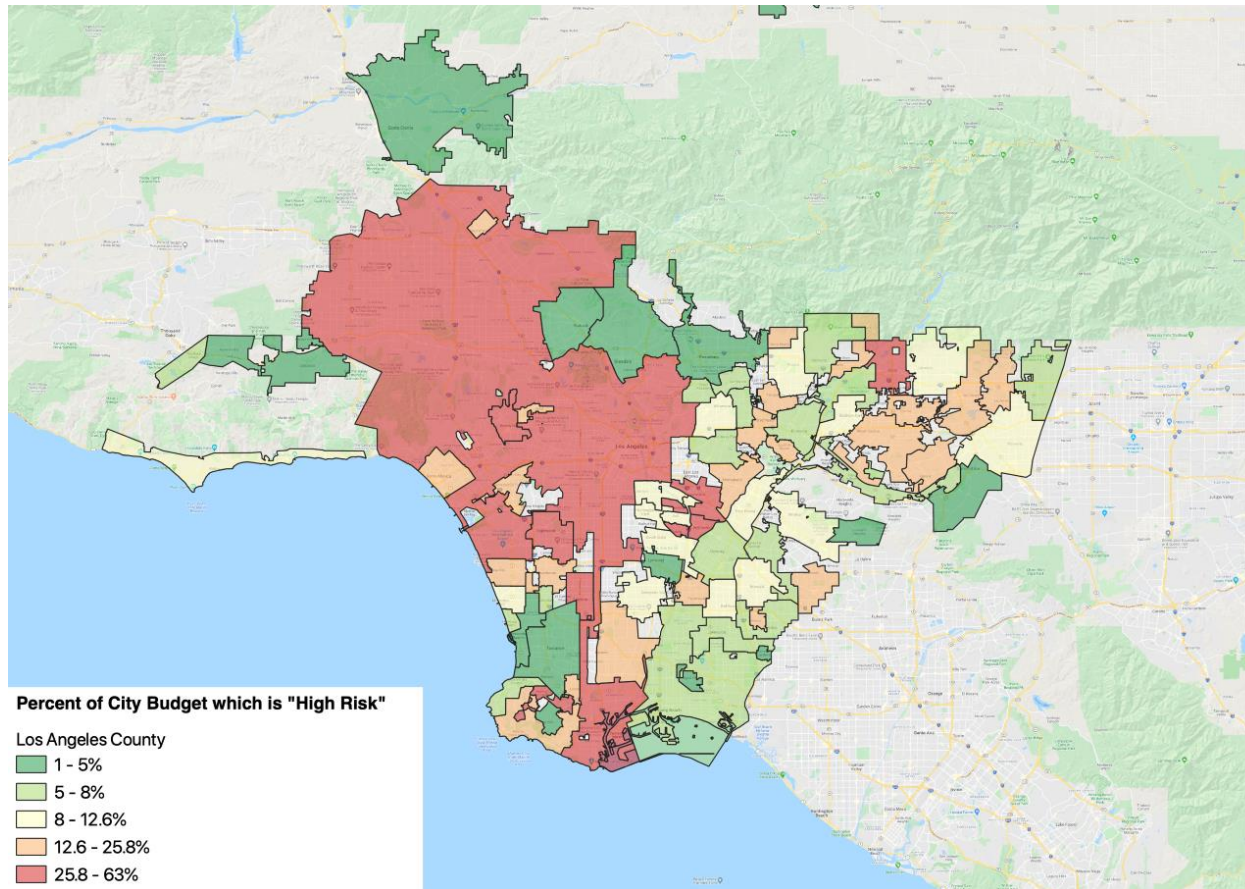Health Care and Social Assistance
Public Administration

*As defined by Oxford Economics

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City-level fiscal exposure, most elastic revenue sources

Percent of City Budget which is "Highest Risk"

Los Angeles County
- 0 – 24%
- 24 – 28.4%
- 28.4 – 35%
- 35 – 39.8%
- 39.8 – 76%

	Share of General Fund from Most Elastic Sources	% Employment in Highest Risk Industries
Santa Fe Springs	76.2%	11.1%
Avalon	74.3%	79.4%
Signal Hill	70.1%	31.5%
Westlake Village	65.2%	21.6%
Industry	54.8%	21.7%
South El Monte	52.5%	18.0%
Huntington Park	51.3%	40.2%
Lawndale	51.1%	35.0%
Compton	51.0%	16.8%
Pico Rivera	50.3%	33.3%

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Source: Brookings; LAEDC

City-level fiscal exposure, all elastic revenue sources

Percent of City Budget which is "High Risk"

Los Angeles County
- 1 - 5%
- 5 - 8%
- 8 - 12.6%
- 12.6 - 25.8%
- 25.8 - 63%

	Share of General Fund from Highest and High Risk Sources	% Employment Highest and High Risk Industries
Santa Fe Springs	83.3%	80.7%
Avalon	79.1%	86.9%
Signal Hill	75.4%	63.3%
Bell Gardens	75.2%	71.5%
Maywood	72.5%	48.7%
Westlake Village	71.8%	37.0%
Commerce	71.0%	75.1%
South El Monte	67.5%	78.8%
El Segundo	65.9%	55.3%
Culver City	64.6%	29.2%

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Estimated fiscal exposure, County of Los Angeles

County of LA Fiscal Exposure

- 0.5%
- 0.3%
- 13.5%
- 85.7%

Legend:
- Highest-risk revenue
- High-risk revenue
- Unit elastic revenue
- Inelastic revenue
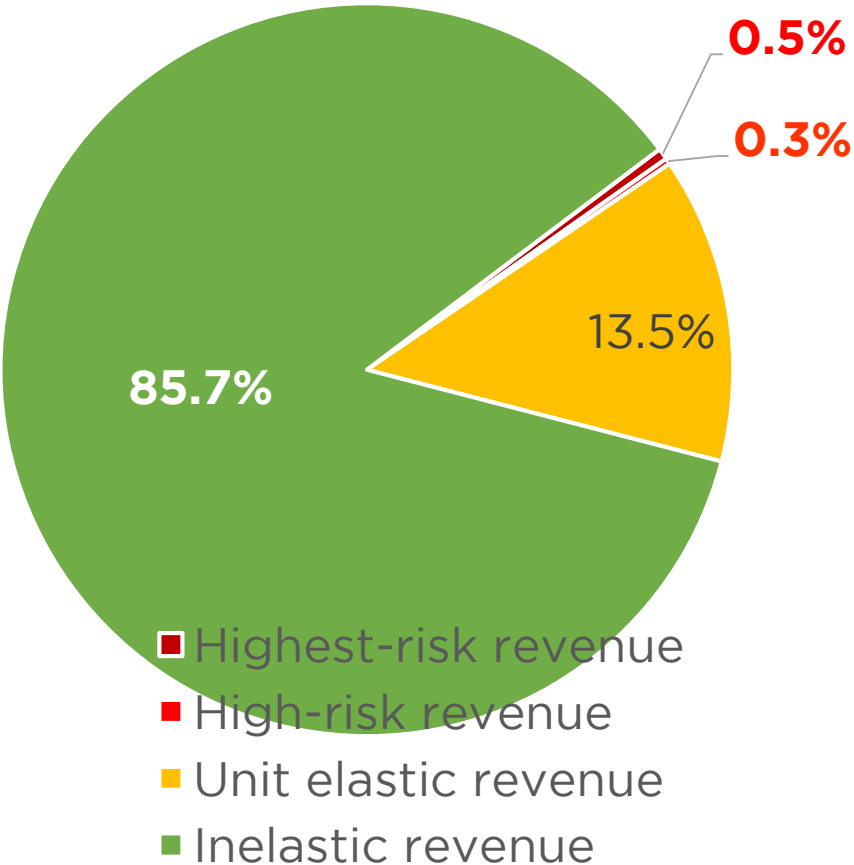
Jobs at risk in LA County Unincorporated, %

| 29.9% | 24.8% | 6.8% | 37.7% |

0%   50%   100%

Legend:
- Highest Risk
- High Risk
- Moderate Risk
- Lower Risk
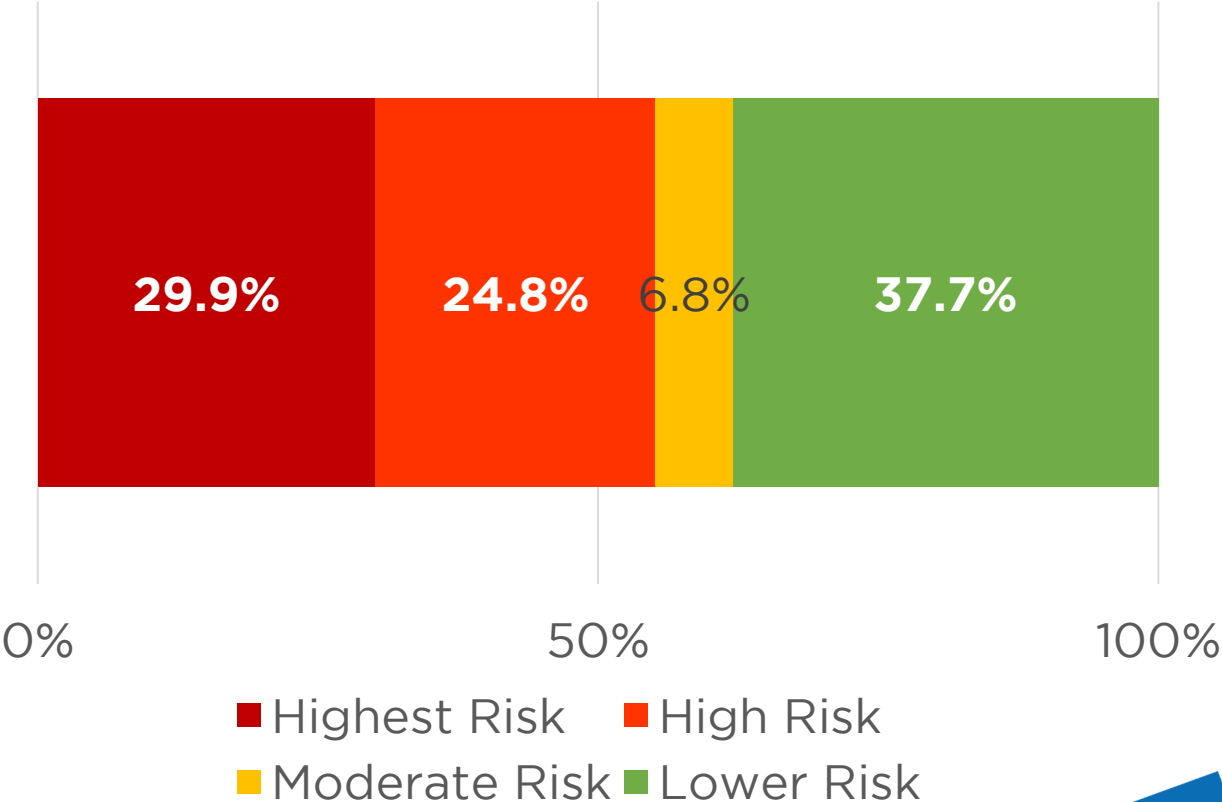
Source: Brookings; LAEDC

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Cities with the least fiscal exposure, top 10

	Share of General Fund from Least Elastic Sources	% Employment in Highest Risk Industries
Rolling Hills	98.2%	18.1%
Hawaiian Gardens	88.2%	14.8%
La Habra Heights	83.4%	25.0%
Palos Verdes Estates	80.3%	31.8%
San Marino	75.7%	36.1%
Hidden Hills	70.0%	15.7%
Diamond Bar	60.5%	53.2%
South Pasadena	59.3%	35.7%
Temple City	59.2%	43.1%
La Canada Flintridge	58.2%	30.4%

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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.