

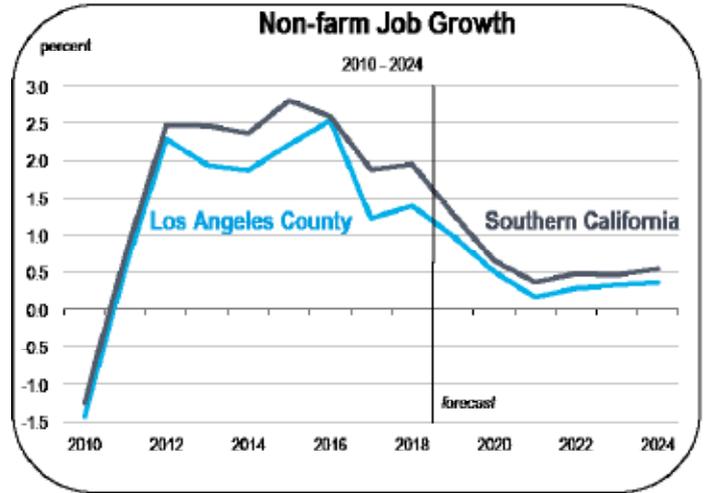
Los Angeles County Economic Forecast

Forecast Summary

- 44,600 non-farm jobs will be created in Los Angeles County during 2019. Over the following five years, an average of 15,200 new jobs per year are expected.
- Employment growth will be led by professional services, leisure services, education and healthcare, and government. These sectors will account for virtually all net job creation through 2024.
- Job losses are expected in manufacturing and construction.
- The unemployment rate averaged 4.7 percent in 2018, and is not expected to improve in 2019. In 2020, it may begin to rise again.
- The population is expanding slower than broader Southern California, and this trend will continue. Because of high home prices, net migration will remain negative.
- Housing production is accelerating, and Los Angeles County is in a building boom. More apartments are being developed than single-family homes, driven partially by the resurgence of the downtown area.

Job Growth

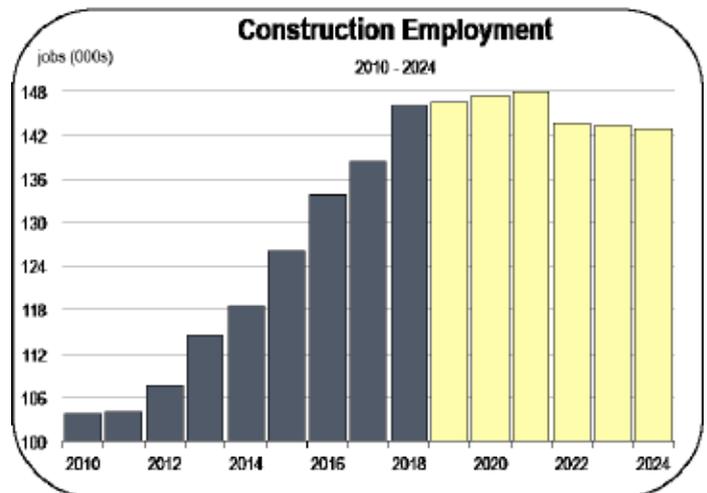
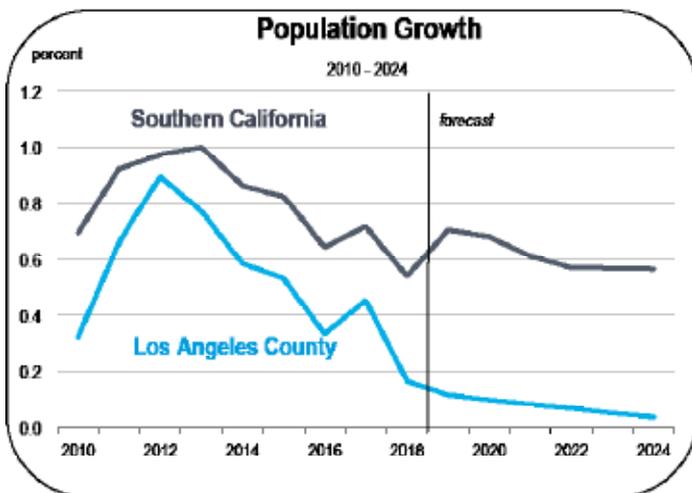
- Job growth in 2018 was similar to 2017, but will decelerate in 2019 and 2020. Growth could turn negative in 2020 or 2021 if the economy falls into a recession.
- 2018 job gains were strongest in education and healthcare, leisure services, professional business services, transportation and warehousing, and construction.
- Declines were observed in manufacturing and retail trade.



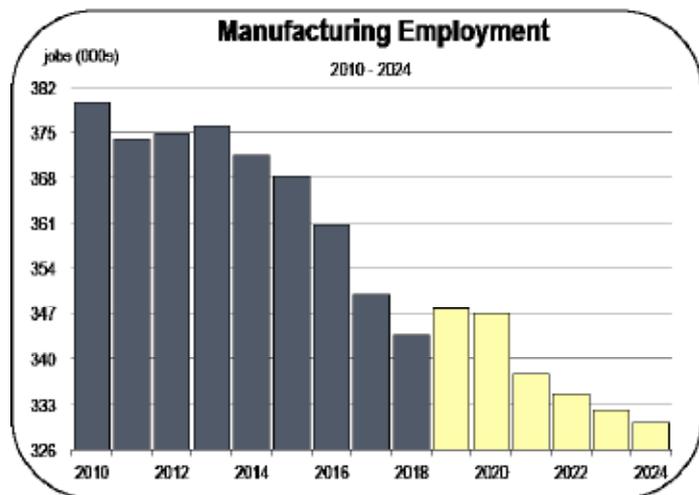
- Between 2012 and 2018, non-farm job growth averaged 1.9 percent per year.
- Between 2018 and 2024, growth is forecast to average 0.4 percent.
- Approximately 44,600 non-farm jobs will be created during 2019.
- Through 2024, an average of 15,200 new non-farm wage and salary jobs per year are forecast.

Construction Employment

- Job growth is surging in the construction industry.
- The county built 22,000 new housing units in 2018, and started construction on non-residential structures valued at nearly \$6 billion. This level of activity generated huge demand for construction workers.



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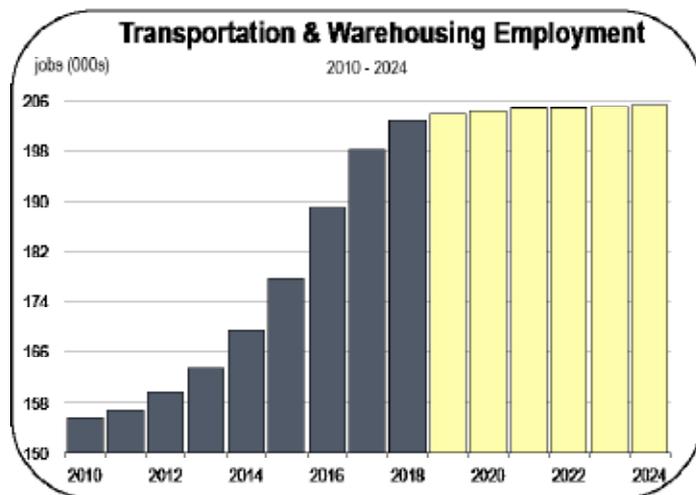
- Job growth will plateau in 2019 and 2020 as the number of new housing units levels off and activity in the non-residential sector begins to decline.

Manufacturing Employment

- 2018 marked the fifth year of job losses in manufacturing.
- Most losses over the last five years have occurred in clothing manufacturing firms. Approximately 4,000 jobs were lost in 2018 after 21 clothing manufacturing locations went out of business.
- Some firms are still expanding in the County, including Boeing, which plans to increase its El Segundo and Long Beach headcounts by 1,600 workers. This process began in 2017 and will continue through 2021.
- Breweries, which are part of the beverage manufacturing sector, are also creating new jobs. There are now more than 80 breweries in Los Angeles County, employing more than 2,300 workers.
- Some prominent layoffs have been announced for 2019, including SpaceX, Raytheon, Woodward Inc., and Wesco Aircraft, a layoff 1,044 aerospace manufacturing workers.

Transportation and Warehousing Employment

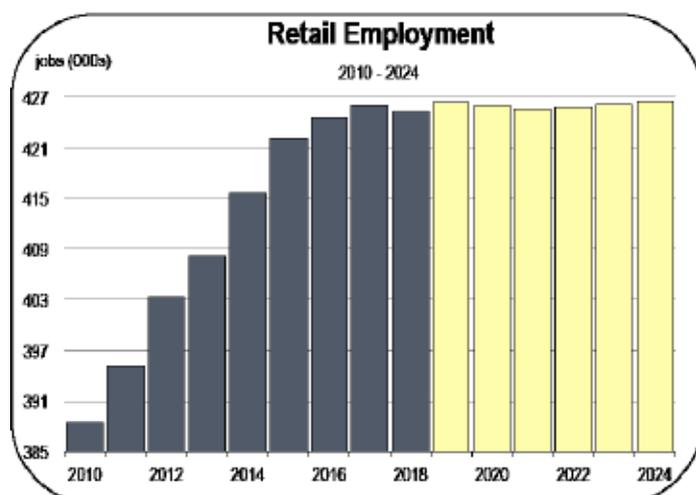
- Job growth is slowing in this sector, but more than 4,000 jobs were still created in 2018.
- Most of these jobs were created in:
 - LAX and Burbank Airports (and their contractors) – 7,500 jobs
 - Trucking and delivery companies – 3,000 jobs
 - Warehousing and storage facilities – 1,900 jobs



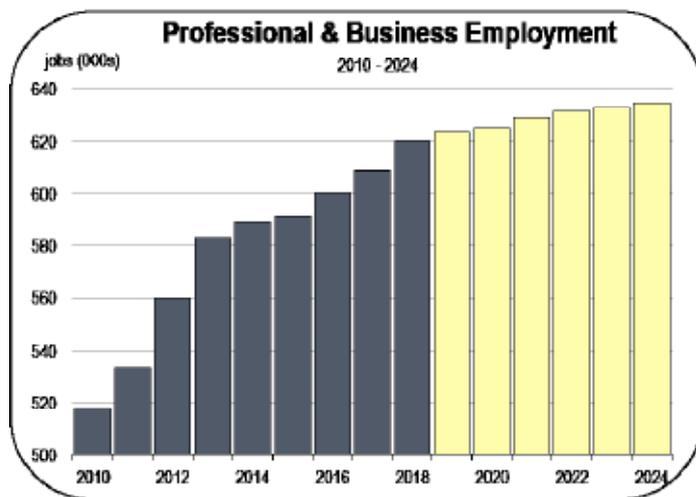
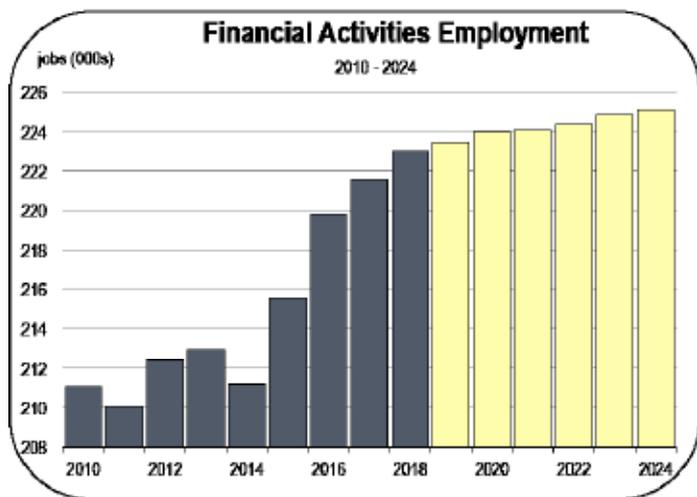
- This industry will plateau as we reach the peak of the economic cycle. Job growth could turn negative during the next recession.

Retail Trade Employment

- The retail sector lost 800 jobs last year.
- The retail sector is being divided into three categories – segments that are facing heavy competition from online stores, segments that aren't (e.g. car dealerships), and online retailers themselves.
 - Stores that are now competing with online retailers lost 1,600 jobs in 2018.
 - Stores that face less pressure from Internet competition gained 100 jobs.
 - Internet-only retail companies (Los Angeles County has 1,500 and counting) created 400 jobs.



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- More than 100 layoffs have been announced for 2019, including Kmart (89 layoffs announced so far), and Abercrombie & Fitch (17 layoffs).

Financial Activities Employment

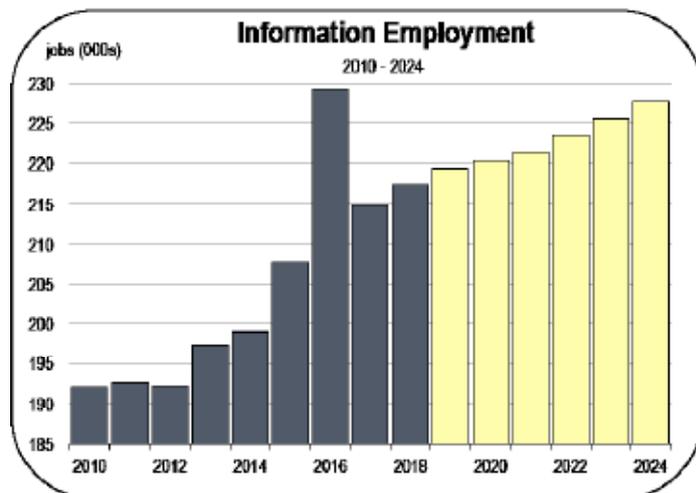
- The financial activities sector generated 2,400 new jobs last year.
- Gains were strongest in real estate (brokers and loan financing) and money management firms.
- Local banks continue to shed jobs as the banking sector offers more online options and fewer customers utilize in-person services.
- Job losses are possible in 2019 or 2020 because of the softening resale housing market.

Professional and Business Services Employment

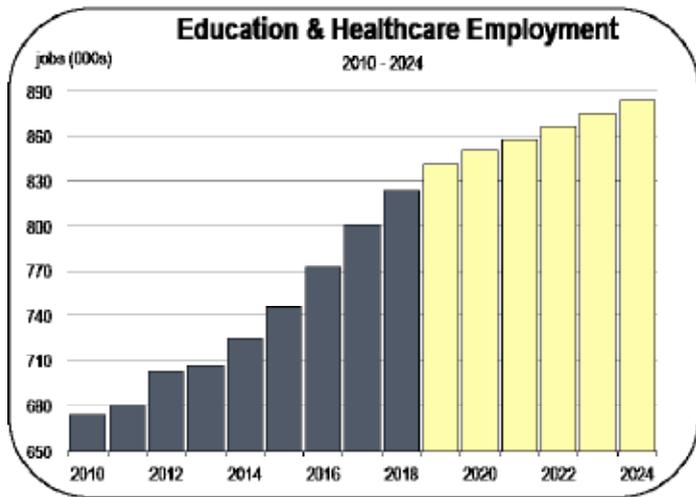
- Almost 12,000 professional and business service jobs were created in 2018. Most were in high-paying sectors, but some were in blue collar positions.
 - Building maintenance services – 1,700 jobs created
 - Security services – 1,500 jobs
 - Law offices – 1,300 jobs
 - IT consulting – 1,300 jobs
 - Engineering services – 1,300 jobs
- The temporary help industry is now losing jobs as firms are transitioning temp workers to permanent staff positions.

Information Employment

- In Los Angeles County, the information sector is dominated by the movie, TV, and sound recording industry. This sector gained an incredible 19,000 jobs in 2016, but then lost 15,000 jobs in 2017.
- Movie, TV, and sound recording firms gained 2,000 jobs in 2018. The new TV and Film tax credit program is bringing filming back to California.
- Software and data companies added another 2,000 jobs.
- Newspaper publishers, book publishers, cable TV providers, and telecommunications firms lost 1,500 jobs.



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- Private schools generated 1,000 new jobs, and private colleges created more than 4,000 new jobs (public schools and colleges are included in the Government sector).

Leisure and Hospitality Employment

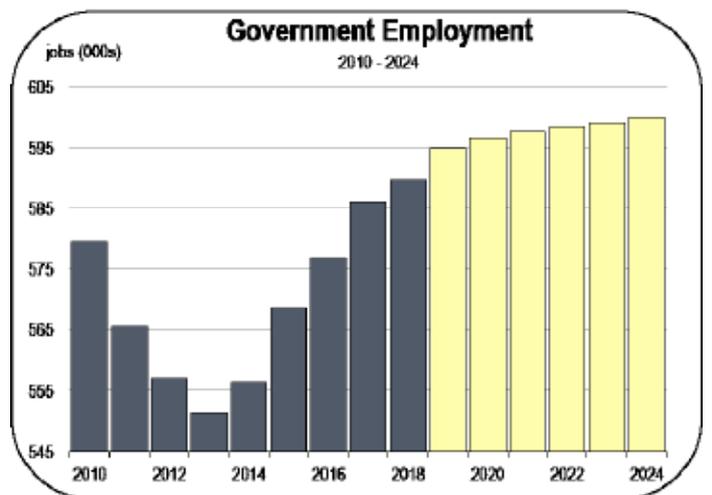
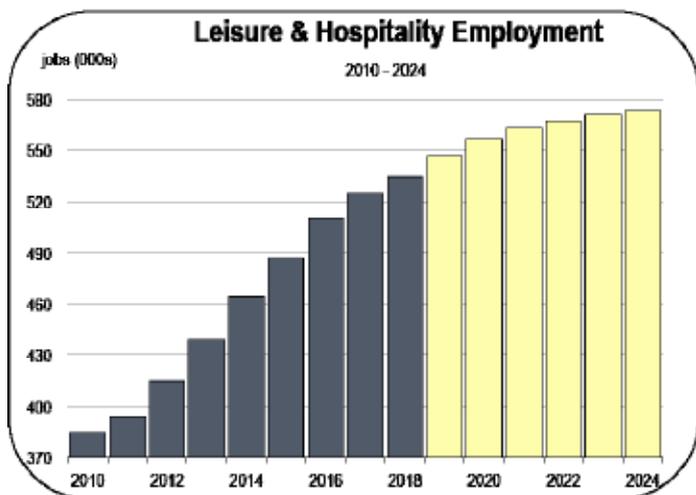
- The leisure sector is still expanding rapidly, although at a more measured pace than the last few years.
- In 2018, most job creation was in restaurants – particularly takeout and “fast casual” places.
- 2,000 jobs were also created at hotels.
- Growth will continue to outpace the broader Los Angeles County labor market as households elect to eat away from home rather than cook, and as tourism and business travel expand.

Private Education and Healthcare Employment

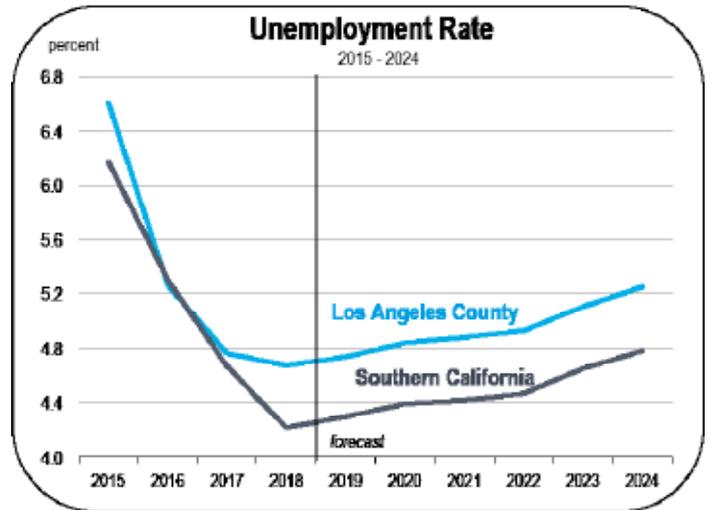
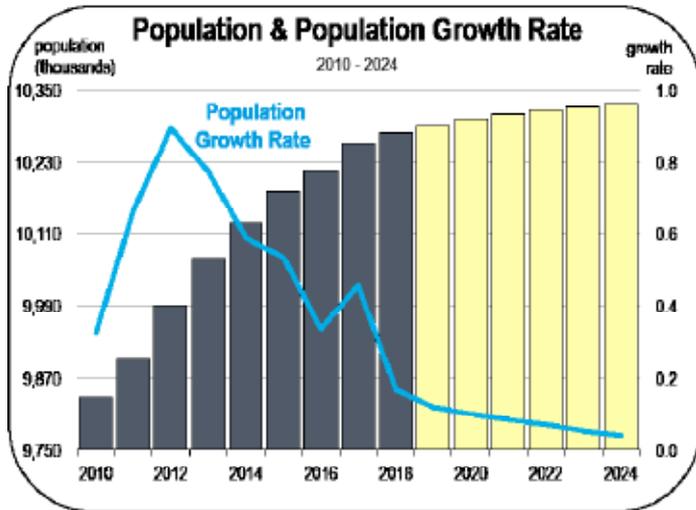
- Most parts of the healthcare industry continue to expand, but doctors’ offices have downsized by 1,000 jobs over the last two years.
- Growth in some healthcare sectors was slower than in previous years: Layoffs were observed at:
 - SnyderMed (841 jobs)
 - Long Beach Community Medical Center (353 jobs)
 - Adventist Health (327 jobs)
 - Ceders-Sinai (187 jobs)
 - Molina Health (181 jobs)
 - Antelope Valley Hospital (137 jobs)

Government Employment

- In 2018, the government sector gained 3,500 jobs.
- State colleges lost a small number of jobs, while local public schools gained a small number.
- Los Angeles County government agencies expanded by 2,400 workers, and city agencies within the county added 1,100 workers.
- Population growth and public budgetary conditions will drive future employment increases, but job creation in the government sector will be slow.



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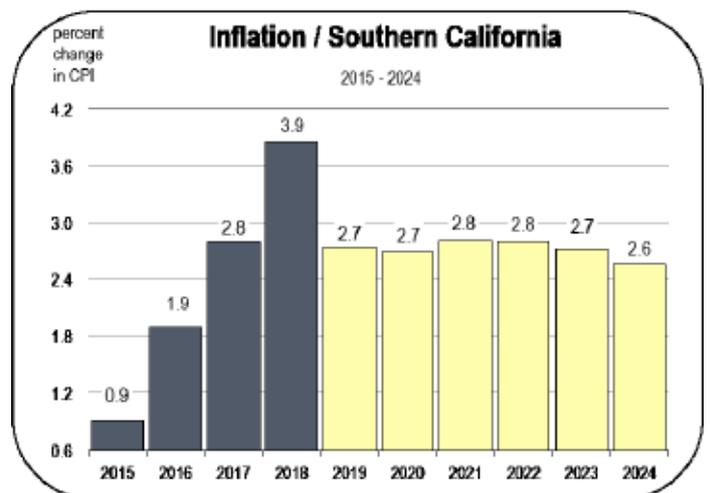
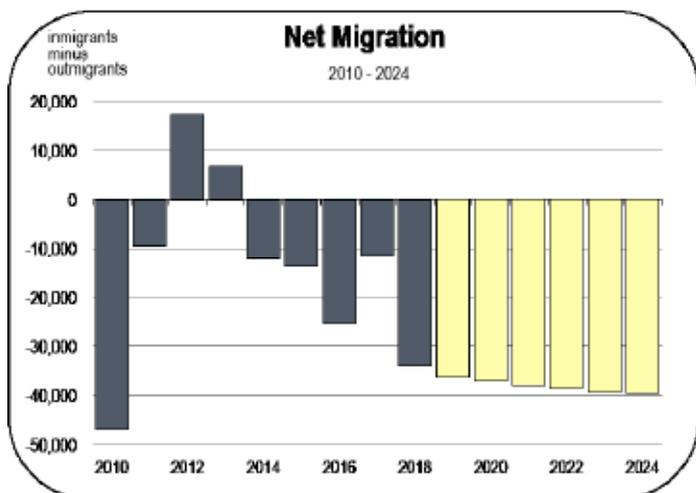


Population Growth

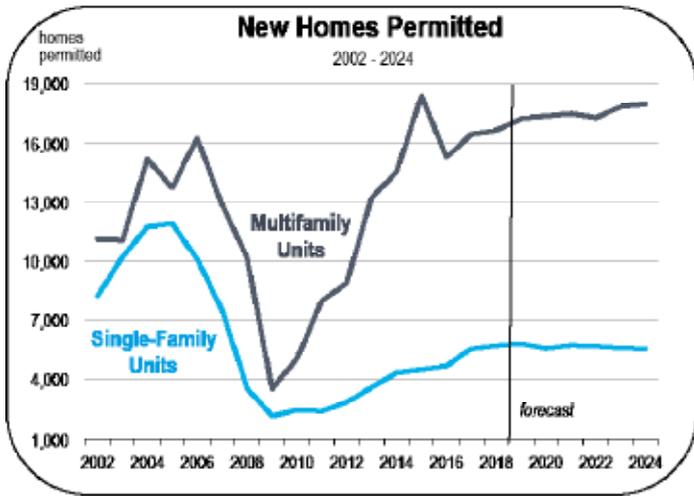
- The Los Angeles County population is growing more slowly than most of Southern California.
- Out migration is expected to continue, as residents leave for places with lower living costs. Home prices are becoming prohibitive for many local households. From 2019-2024, an average of 38,000 net migrants will leave the county each year.
- The natural increase (new births) will account for all population growth.
- The population will grow at a rate of 0.1 percent per year, and the county will approach 10.3 million residents by 2024.

Unemployment and Inflation Rates

- The unemployment rate in Los Angeles County averaged 4.7 percent in 2018, which was higher than the composite rate for Southern California. Unemployment will remain near 4.7 percent in 2019.
- After 2019, the unemployment rate may increase.
- Inflation accelerated in 2018 as home prices and energy costs increased across Southern California.
- In 2019 and 2020, inflation is expected to be within a range of 2.5 percent and 3 percent.

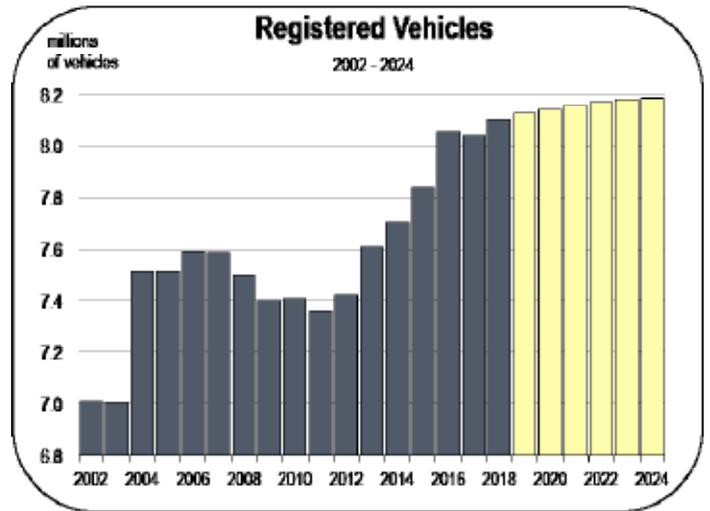
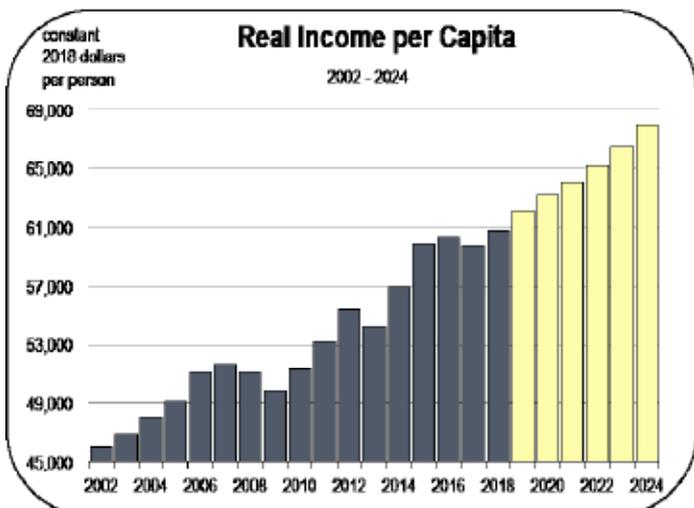


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New Housing Production

- From 2013 to 2018, an average of 20,500 new homes were approved per year. Production is forecast to average 23,200 homes per year from 2019 to 2024.
- Downtown Los Angeles is in the middle of a development surge. There are 31,000 multifamily units in the planning pipeline.
- In the Santa Clarita Valley, the Newhall Ranch project will contain more than 21,000 homes. The first move-ins could occur by 2021.
- Other prominent areas planned for development are:
 - Warner Center – 15,000 units
 - Hollywood – 10,000 units
 - South Park – 9,000 units
 - Long Beach – 7,000 units
- The 19,000 home Centennial project, located in Tejon Ranch at the top of the Grapevine is one of the largest residential and commercial projects in California. It has not yet broken ground.



Income per Capita

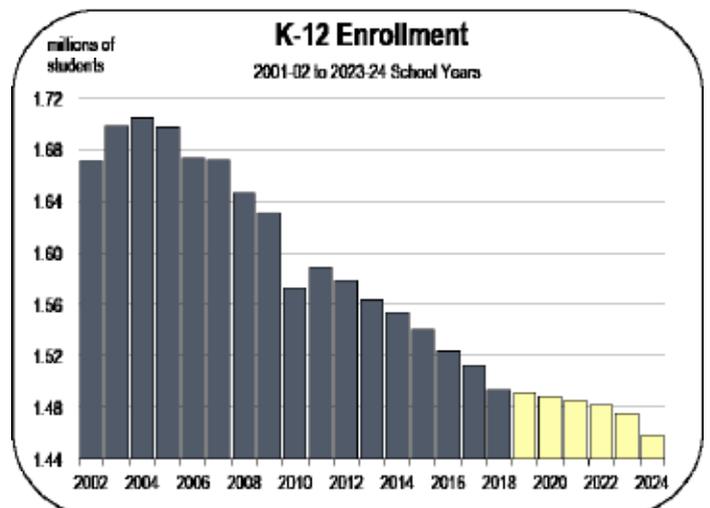
- Income per capita in 2018 was \$60,700, and is expected to rise to \$68,000 by 2024, adjusted for inflation.

Registered Vehicles

- There were 8.10 million registered vehicles in Los Angeles County in 2018. By 2024, it is expected that the county will have approximately 8.19 million registered vehicles.

Public School Enrollment

- In Los Angeles County, approximately 1.49 million students were enrolled in K-12 public schools during the 2017-2018 school year.
- By 2024, there are expected to be 1.46 million K-12 students in the county. Enrollment will decline because the population aged 5 to 17 will decline.



Los Angeles County Economic Forecast

Economic Indicators

2015-2018 History, 2019-2050 Forecast

	Population (people)	House- holds (thousands)	Average Household Income (dollars)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Local Sales Tax (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	School Enrollment (thousands)	Births (people)	Deaths (people)
2015	10,181,066	3,289	\$170,437	22,892	7,839	\$560	\$105.9	\$3.7	\$97.8	\$59,881	1,540	124,641	59,408
2016	10,215,207	3,305	\$174,628	19,936	8,051	\$577	\$107.7	\$3.8	\$98.4	\$60,308	1,524	123,092	63,185
2017	10,261,736	3,323	\$177,733	22,010	8,037	\$591	\$110.9	\$3.9	\$97.8	\$59,781	1,512	116,950	62,877
2018	10,278,836	3,338	\$187,010	22,354	8,101	\$624	\$114.5	\$4.0	\$98.2	\$60,734	1,493	112,605	63,274
2019	10,290,940	3,352	\$196,046	23,053	8,121	\$657	\$118.5	\$4.1	\$100.7	\$62,159	1,491	112,097	63,599
2020	10,301,180	3,369	\$203,950	22,930	8,139	\$687	\$121.7	\$4.3	\$102.0	\$63,210	1,488	111,377	63,926
2021	10,309,780	3,386	\$211,474	23,232	8,156	\$716	\$124.7	\$4.4	\$101.7	\$64,027	1,485	110,980	64,253
2022	10,316,950	3,404	\$220,306	22,964	8,169	\$750	\$128.3	\$4.5	\$102.8	\$65,192	1,481	110,432	64,581
2023	10,322,290	3,423	\$229,745	23,437	8,179	\$786	\$132.0	\$4.6	\$104.3	\$66,511	1,475	109,720	64,910
2024	10,326,220	3,442	\$239,490	23,525	8,185	\$824	\$135.6	\$4.7	\$106.0	\$67,957	1,458	108,914	65,240
2025	10,328,790	3,461	\$248,474	23,952	8,188	\$860	\$139.2	\$4.9	\$107.5	\$69,207	1,436	107,809	65,570
2026	10,330,170	3,481	\$257,199	24,007	8,189	\$895	\$142.9	\$5.0	\$109.0	\$70,376	1,414	106,715	65,901
2027	10,329,990	3,501	\$266,261	23,788	8,189	\$932	\$146.6	\$5.1	\$110.6	\$71,652	1,394	105,471	66,234
2028	10,328,020	3,521	\$275,514	23,592	8,186	\$970	\$150.2	\$5.3	\$112.1	\$72,896	1,374	104,287	66,567
2029	10,324,500	3,541	\$283,798	22,745	8,180	\$1,005	\$153.9	\$5.4	\$112.9	\$73,770	1,348	103,274	66,901
2030	10,319,690	3,561	\$292,005	22,339	8,173	\$1,040	\$157.4	\$5.5	\$113.7	\$74,643	1,325	102,453	67,236
2031	10,314,990	3,580	\$300,148	22,022	8,166	\$1,075	\$160.9	\$5.6	\$114.5	\$75,515	1,301	101,965	67,572
2032	10,310,900	3,599	\$308,079	21,621	8,159	\$1,109	\$164.5	\$5.8	\$115.0	\$76,131	1,277	101,716	67,909
2033	10,307,510	3,618	\$316,555	21,022	8,152	\$1,145	\$167.9	\$5.9	\$115.9	\$77,117	1,253	101,547	68,246
2034	10,304,670	3,637	\$325,545	20,858	8,140	\$1,184	\$171.3	\$6.0	\$116.7	\$78,021	1,234	101,248	68,585
2035	10,302,210	3,655	\$334,935	20,609	8,123	\$1,224	\$175.0	\$6.1	\$117.5	\$78,879	1,215	100,813	68,924
2036	10,300,110	3,674	\$344,545	20,333	8,107	\$1,266	\$178.9	\$6.3	\$117.7	\$79,422	1,205	100,362	69,265
2037	10,298,050	3,691	\$354,534	20,026	8,093	\$1,309	\$183.0	\$6.4	\$117.9	\$79,905	1,198	99,627	69,606
2038	10,295,850	3,709	\$364,899	19,729	8,084	\$1,353	\$186.9	\$6.5	\$118.2	\$80,560	1,193	98,761	69,949
2039	10,293,580	3,726	\$375,666	19,058	8,077	\$1,400	\$191.0	\$6.7	\$118.4	\$81,079	1,187	97,954	70,292
2040	10,291,330	3,743	\$386,469	18,641	8,071	\$1,447	\$195.0	\$6.8	\$118.6	\$81,609	1,182	97,220	70,636
2041	10,289,850	3,760	\$397,364	18,484	8,066	\$1,494	\$198.8	\$7.0	\$119.0	\$82,242	1,177	96,260	70,981
2042	10,288,470	3,776	\$408,393	18,008	8,060	\$1,542	\$202.6	\$7.1	\$119.4	\$82,916	1,173	95,421	71,328
2043	10,287,070	3,792	\$419,606	17,797	8,053	\$1,591	\$206.4	\$7.2	\$119.8	\$83,641	1,169	94,619	71,675
2044	10,285,620	3,808	\$430,890	16,802	8,044	\$1,641	\$210.1	\$7.4	\$120.4	\$84,482	1,164	93,813	72,023
2045	10,283,060	3,823	\$442,387	16,044	8,030	\$1,691	\$213.5	\$7.5	\$120.7	\$85,143	1,159	92,920	72,373
2046	10,280,190	3,838	\$453,715	15,267	8,011	\$1,741	\$216.8	\$7.6	\$121.1	\$85,793	1,155	92,038	72,723
2047	10,277,240	3,852	\$465,236	14,424	7,988	\$1,792	\$220.0	\$7.7	\$121.4	\$86,416	1,151	91,233	73,074
2048	10,274,180	3,866	\$477,000	13,996	7,962	\$1,844	\$223.1	\$7.8	\$121.7	\$87,021	1,148	90,364	73,427
2049	10,270,960	3,878	\$489,235	14,522	7,936	\$1,897	\$226.3	\$7.9	\$122.0	\$87,649	1,144	89,437	73,781
2050	10,267,530	3,891	\$501,897	13,789	7,911	\$1,953	\$230.2	\$8.1	\$122.3	\$88,297	1,140	88,457	74,135

Employment Sectors

2015-2018 History, 2019-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (thousands of jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	4,291	5.0	126.1	368.2	177.6	644.6	215.6	591.0	207.6	745.9	486.6	568.5
2016	4,400	5.3	133.9	360.8	188.9	646.7	219.8	600.1	229.4	772.7	510.0	576.7
2017	4,454	5.7	138.4	349.9	198.2	647.6	221.6	608.8	214.9	800.6	524.6	586.1
2018	4,515	4.8	146.0	343.7	202.8	648.1	223.0	620.0	217.4	823.6	534.3	589.6
2019	4,559	4.8	146.5	347.7	203.8	649.2	223.5	623.1	219.2	840.9	546.4	594.8
2020	4,583	4.8	147.5	346.9	204.3	648.8	223.9	624.6	220.3	850.5	556.5	596.5
2021	4,590	4.7	148.0	337.6	204.7	648.1	224.0	628.6	221.4	857.2	562.7	597.5
2022	4,603	4.7	143.6	334.5	204.8	648.4	224.4	631.5	223.5	865.9	567.1	598.3
2023	4,619	4.7	143.4	332.1	204.9	648.8	224.8	632.3	225.6	874.8	570.4	599.0
2024	4,635	4.7	142.8	330.1	205.3	649.3	225.1	634.3	227.7	883.9	572.7	599.7
2025	4,651	4.7	142.3	328.9	205.6	649.9	225.3	636.0	229.5	892.6	574.7	600.0
2026	4,665	4.7	140.9	328.0	206.0	650.5	225.8	638.1	231.0	900.9	577.2	599.7
2027	4,680	4.7	140.4	326.9	206.3	651.0	225.9	640.0	232.7	908.9	579.8	599.8
2028	4,693	4.7	140.1	325.8	206.4	651.5	226.5	641.7	234.3	915.2	582.5	599.6
2029	4,706	4.7	140.0	324.5	206.5	651.8	227.2	643.3	235.3	922.9	585.2	599.7
2030	4,717	4.7	139.5	322.9	206.6	652.0	227.6	644.5	236.2	930.6	587.9	597.9
2031	4,727	4.6	139.0	321.2	206.8	652.2	227.7	645.8	237.1	938.0	590.6	596.9
2032	4,738	4.6	138.4	319.4	207.0	652.2	227.8	647.2	237.5	945.8	593.3	595.9
2033	4,749	4.6	138.0	317.6	207.2	652.4	227.8	648.5	238.5	953.6	596.0	594.9
2034	4,760	4.6	137.5	315.8	207.5	652.4	228.0	649.7	239.4	961.4	598.7	594.6
2035	4,772	4.6	137.3	313.9	207.8	652.3	228.1	651.3	240.1	969.4	601.4	594.1
2036	4,783	4.6	136.9	312.0	208.0	651.8	228.2	652.7	240.5	977.4	604.0	593.8
2037	4,793	4.6	136.3	310.1	208.3	651.2	228.3	654.2	240.8	985.4	606.6	593.6
2038	4,805	4.6	136.8	308.1	208.5	650.6	228.3	655.7	241.3	993.5	609.3	593.6
2039	4,817	4.6	137.3	306.2	208.7	649.8	228.5	657.2	241.6	1,001.6	611.9	593.7
2040	4,827	4.6	136.5	304.2	209.0	649.0	228.7	658.6	242.0	1,009.7	614.5	594.0
2041	4,838	4.6	135.6	302.3	209.2	648.3	228.8	660.0	242.5	1,017.8	617.1	594.5
2042	4,849	4.6	134.3	300.3	209.5	647.7	229.0	661.5	243.0	1,025.9	619.6	595.1
2043	4,862	4.6	134.2	298.4	209.7	647.1	229.2	663.1	243.6	1,034.1	622.2	595.8
2044	4,875	4.6	134.2	296.4	209.9	646.8	229.4	664.7	244.2	1,042.2	624.7	596.5
2045	4,886	4.6	134.3	294.5	210.1	645.9	229.6	665.6	244.6	1,050.5	627.2	597.5
2046	4,895	4.6	131.3	292.6	210.3	645.0	229.7	666.3	245.1	1,058.7	629.7	598.5
2047	4,905	4.6	130.1	290.6	210.5	644.0	229.8	667.1	245.5	1,066.9	632.2	599.7
2048	4,913	4.5	127.0	288.7	210.7	642.8	229.8	667.8	245.8	1,075.0	634.7	601.0
2049	4,923	4.5	125.2	286.9	210.9	641.8	230.0	668.9	246.2	1,083.1	637.2	602.3
2050	4,935	4.5	124.3	285.0	211.2	641.1	230.0	670.7	246.6	1,091.2	639.6	603.7

Los Angeles County Economic Forecast

Socioeconomic Indicators

