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.

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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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.
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.
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)

- 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.

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.
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.
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.
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Socioeconomic Indicators

Violent Crime Rate

Poverty Rate

Median Household Income

Median Home Selling Price

Average Travel Time to Work

Percent of Population Age 25+ With at Least a 4-Year College Degree