

# LOS ANGELES COUNTY ECONOMIC FORECAST

Los Angeles County is the largest county-level economy in California, with 9.8 million people, and 3.8 million wage and salary jobs. The per capita income in Los Angeles County is \$42,042, and the average salary per worker is \$62,533.

Economic growth in Southern California declined sharply between 2008 and 2010 and job losses were the largest on record. In 2010, 55,000 total jobs were lost in Los Angeles County, representing a growth rate of -1.4 percent. The unemployment rate increased to 12.7 percent in 2010 from 11.4 percent in 2009.

In previous years, Northern Los Angeles County (the Santa Clarita and Antelope Valleys) was the fastest growing area of the county. Over the long-term the region will be responsible for much of the growth in the county due to the availability of buildable land. However, in the short-term, growth will be slow and residential real estate may take over a decade to return to the previous peak. Since early 2008, new home production had virtually stopped in Northern Los Angeles County as developers tried to sell their existing inventory. The fewest new homes built on record occurred in 2010.

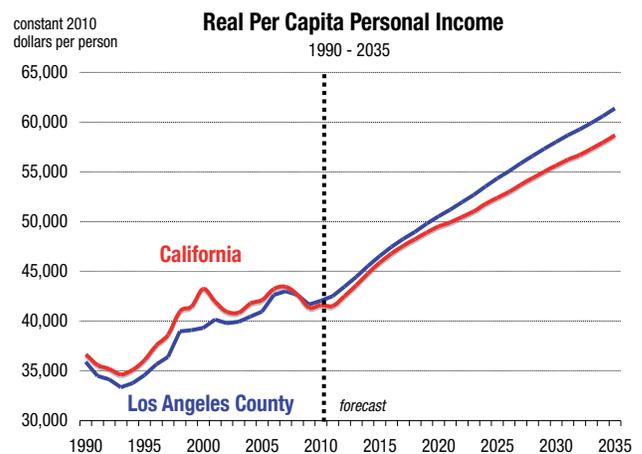
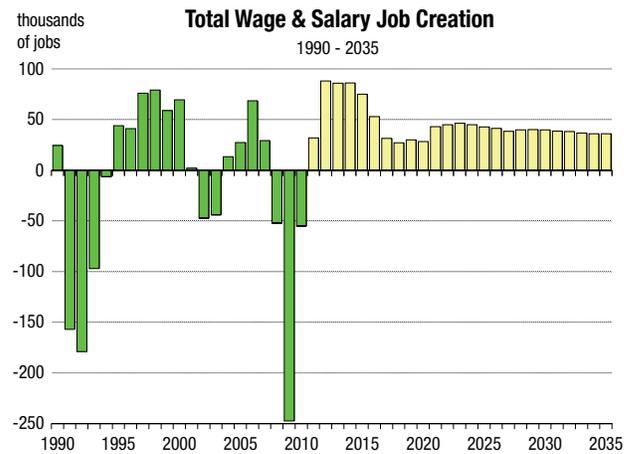
Employment in the construction sector fell by 13,000 workers, a decline of 11 percent. Employment declined in the manufacturing sector by 15,000 jobs. Government, which had no net job loss between 2008 and 2009 declined by 19,000 jobs or 3.2 percent. The only labor market to record significant positive job creation was education and health services, up by 8,000 positions.

Population growth remained slow in 2010, at 0.6 percent. Net migration remains negative, though the pace of out-migration has slowed in recent years. Over the forecast migration never turns significantly positive, limiting the county to sub one percent growth rates.

Imports and exports through the Ports of Long Beach and Los Angeles fell to their lowest levels since 2005 during the recession. This trend has sharply reversed, with first quarter 2011 imports reaching a new high, while exports are just below the previous peak.

## FORECAST HIGHLIGHTS

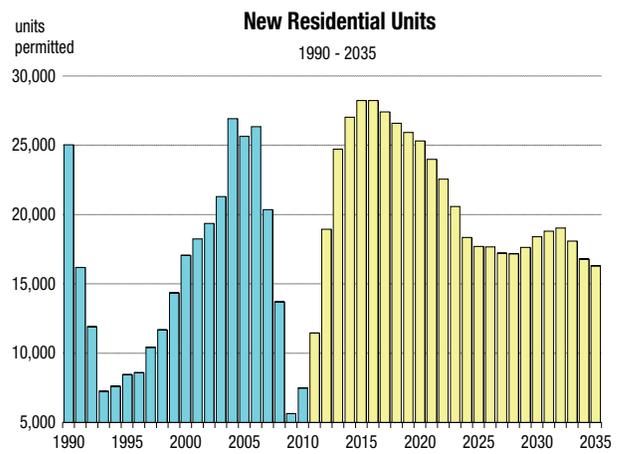
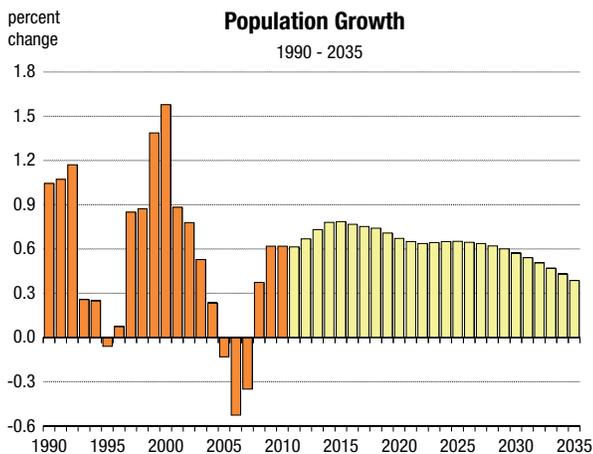
- Job growth is forecast to begin in 2011, though gains will be limited to 0.9 percent. From 2011 to 2016, the annual growth rate is expected to average 2.0 percent per year.
- Average salaries adjusted for inflation are currently marginally higher than the California state average, though it is estimated that in the later years of the forecast they will fall slightly below California. Real average salaries are forecast to rise an average of 1.0 percent per year over the next 5 years.
- Construction is expected to grow by 30 percent from 2011 to 2016, making it the fastest growing sector by a wide margin. From 2011 to 2016, total job gains exceed 10 percent in the professional, misc. service, transportation, leisure, natural resources extraction, and information service sectors. The farm sector is the only area with declining employment.
- Annual population growth in the 2011 to 2016 period averages 0.7 percent per year. A population that grows more quickly than in recent years is largely due to the forecast for less out migration, and marginally positive migration beginning in 2014.
- Real per capita incomes increase at a rate of 1.2 percent in 2011. An annual compound rate of growth of 2.2 percent over the 2011 to 2016 time period is forecast.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 4.0 percent per year from 2011 to 2016.
- Industrial production is expected to remain unchanged in 2011. From 2011 to 2016, the growth rate of industrial production is expected to average 2.9 percent per year.



# Los Angeles County Economic Forecast

## 2006-2010 History, 2011-2040 Forecast

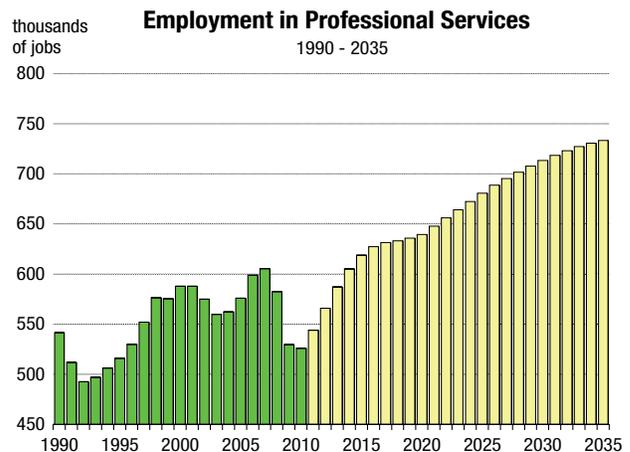
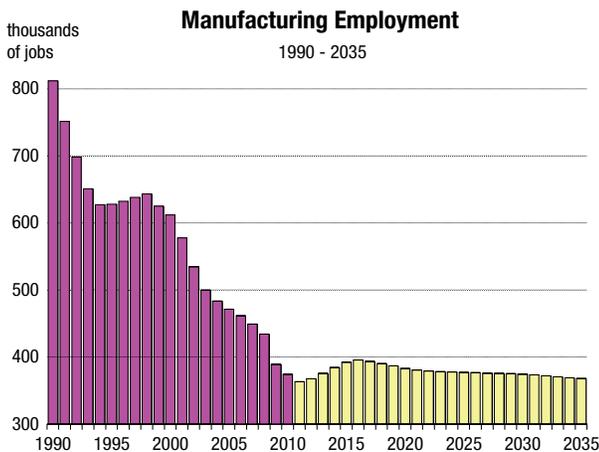
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	9,712,453	-140,729	7.6	3,223	26,348	\$136.2	\$385.7	\$42,631	4.3	291	95.3	4.8
2007	9,678,652	-126,454	7.6	3,240	20,363	\$137.8	\$400.4	\$42,995	3.3	263	94.2	5.1
2008	9,714,946	-56,564	7.5	3,260	13,704	\$131.9	\$412.6	\$42,642	3.5	227	98.1	7.5
2009	9,775,217	-24,069	7.4	3,275	5,653	\$112.7	\$402.5	\$41,665	-0.8	192	95.3	11.5
2010	9,835,863	-18,621	7.4	3,287	7,491	\$117.2	\$413.5	\$42,042	1.2	197	94.5	12.7
2011	9,896,302	-14,447	7.5	3,282	11,459	\$122.4	\$430.7	\$42,538	2.3	195	94.3	11.7
2012	9,962,563	-7,751	7.5	3,291	18,947	\$130.5	\$453.4	\$43,489	2.3	194	96.4	10.5
2013	10,035,490	-1,671	7.6	3,306	24,731	\$138.1	\$478.6	\$44,459	2.5	192	99.5	9.2
2014	10,113,870	3,305	7.7	3,327	27,029	\$147.8	\$507.4	\$45,540	2.7	191	102.6	8.1
2015	10,193,440	3,972	7.8	3,349	28,235	\$158.4	\$537.6	\$46,568	2.8	190	105.9	6.8
2016	10,271,710	1,748	8.0	3,372	28,240	\$170.1	\$568.3	\$47,470	2.9	189	109.1	6.2
2017	10,349,040	-935	8.1	3,395	27,425	\$182.1	\$598.3	\$48,253	2.8	188	111.9	6.1
2018	10,425,750	-3,191	8.2	3,417	26,594	\$195.1	\$628.4	\$48,984	2.7	187	114.4	5.9
2019	10,499,600	-6,624	8.3	3,439	25,938	\$209.3	\$659.5	\$49,803	2.5	186	117.1	5.7
2020	10,570,180	-9,948	8.4	3,460	25,321	\$220.7	\$689.4	\$50,549	2.3	185	119.8	5.7
2021	10,638,960	-11,802	8.6	3,481	23,994	\$233.2	\$718.7	\$51,219	2.2	184	122.7	5.7
2022	10,706,800	-13,266	8.7	3,501	22,565	\$245.2	\$750.1	\$51,951	2.3	183	125.6	5.7
2023	10,775,830	-13,586	8.8	3,519	20,595	\$257.3	\$782.9	\$52,706	2.2	183	128.7	5.7
2024	10,846,050	-13,532	8.9	3,536	18,358	\$270.0	\$818.2	\$53,559	2.2	182	132.2	5.7
2025	10,916,840	-13,865	8.9	3,551	17,704	\$284.0	\$853.9	\$54,359	2.2	181	135.7	5.7
2026	10,987,440	-14,170	9.0	3,565	17,680	\$297.8	\$889.8	\$55,096	2.2	180	139.5	5.7
2027	11,057,490	-14,466	9.1	3,580	17,224	\$311.5	\$927.5	\$55,872	2.1	180	143.4	5.7
2028	11,126,190	-14,972	9.2	3,594	17,186	\$325.9	\$966.2	\$56,614	2.2	179	147.4	5.8
2029	11,193,180	-15,831	9.3	3,608	17,640	\$341.0	\$1,005.8	\$57,330	2.2	179	151.6	5.8
2030	11,257,370	-17,235	9.4	3,622	18,408	\$356.3	\$1,046.4	\$58,026	2.2	178	156.0	5.8
2031	11,318,480	-18,904	9.5	3,637	18,816	\$371.8	\$1,087.9	\$58,692	2.2	178	160.6	5.8
2032	11,375,950	-20,684	9.5	3,653	19,031	\$388.2	\$1,129.3	\$59,288	2.2	177	165.2	5.8
2033	11,429,420	-22,496	9.6	3,668	18,090	\$404.6	\$1,172.4	\$59,938	2.2	177	170.0	5.8
2034	11,478,750	-24,294	9.7	3,683	16,800	\$421.8	\$1,217.8	\$60,618	2.3	176	175.0	5.8
2035	11,523,260	-26,053	9.7	3,697	16,318	\$439.5	\$1,265.1	\$61,373	2.2	176	180.1	5.8
2036	11,562,970	-27,760	9.8	3,710	16,134	\$458.0	\$1,314.2	\$62,163	2.2	175	185.3	5.8
2037	11,597,860	-29,412	9.9	3,723	16,174	\$477.2	\$1,365.4	\$62,992	2.2	175	190.8	5.7
2038	11,628,280	-30,811	10.0	3,736	16,284	\$497.3	\$1,418.8	\$63,889	2.2	175	196.4	5.7
2039	11,654,820	-32,148	10.1	3,750	16,428	\$518.4	\$1,474.2	\$64,840	2.2	174	202.1	5.7
2040	11,677,830	-33,427	10.2	3,763	16,708	\$540.7	\$1,531.3	\$65,829	2.1	174	208.3	5.7

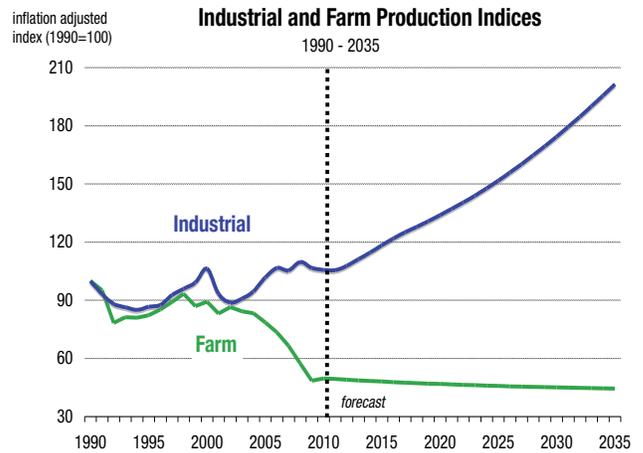
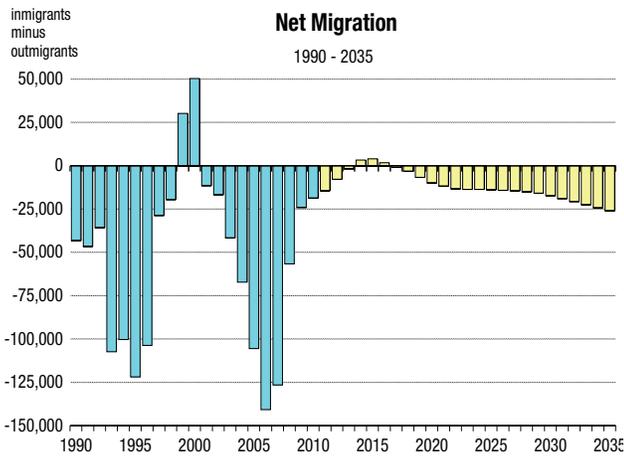
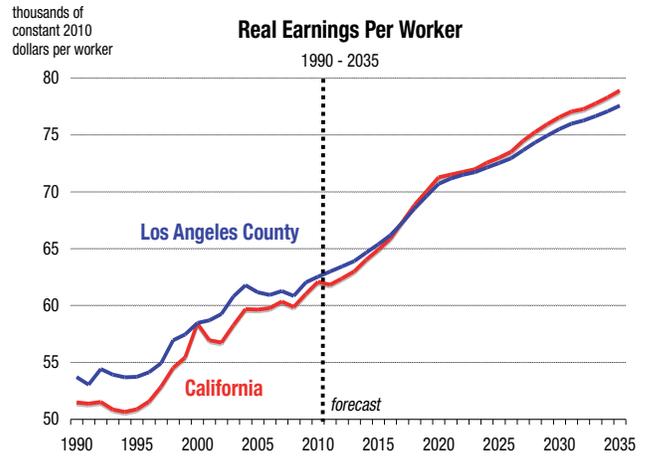


# Los Angeles County Employment Forecast

## 2006-2010 History, 2011-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	4,100.1	7.63	157.5	461.7	165.2	648.9	246.7	598.9	205.6	480.8	388.6	589.4
2007	4,129.6	7.50	157.6	449.2	165.6	653.0	243.8	605.4	209.8	492.7	397.9	595.7
2008	4,077.6	6.89	145.2	434.5	163.1	640.2	233.3	582.6	210.3	505.8	401.6	603.7
2009	3,830.3	6.19	117.3	389.2	151.2	591.5	216.0	529.8	191.2	514.6	385.6	595.8
2010	3,775.3	6.35	104.3	374.2	150.3	588.1	209.2	526.1	192.4	522.7	384.6	576.6
2011	3,807.4	6.20	110.0	363.6	152.6	599.6	209.7	544.1	193.8	527.6	389.9	569.2
2012	3,895.6	6.08	117.8	367.7	157.1	609.4	216.3	566.0	200.2	534.5	397.9	577.0
2013	3,981.6	5.99	130.8	375.7	161.0	615.7	222.6	587.2	207.0	542.1	406.2	577.1
2014	4,067.9	5.92	136.5	384.4	165.6	628.1	225.4	605.2	212.2	550.0	416.0	584.9
2015	4,143.0	5.86	141.6	392.5	170.0	635.2	225.4	618.9	217.4	560.4	427.9	590.5
2016	4,196.0	5.81	143.3	395.9	173.7	643.6	224.6	627.4	220.8	568.6	437.8	594.5
2017	4,227.6	5.77	143.4	393.7	175.9	650.2	222.8	631.7	222.6	575.8	446.1	597.9
2018	4,254.6	5.74	143.6	390.3	179.7	657.2	220.1	633.4	223.9	583.6	451.4	602.7
2019	4,284.8	5.71	143.8	387.0	184.3	664.8	218.2	636.0	224.9	592.9	454.4	608.2
2020	4,313.2	5.69	143.9	383.1	188.9	671.3	217.3	639.6	222.7	604.1	456.2	615.0
2021	4,356.2	5.67	143.5	380.9	192.8	678.3	216.4	647.8	223.4	618.5	461.0	620.8
2022	4,401.3	5.65	141.8	379.3	197.2	685.3	216.2	656.1	224.6	634.6	465.7	626.3
2023	4,447.7	5.63	141.0	378.3	201.3	692.3	216.4	664.4	226.0	650.0	470.3	631.6
2024	4,492.7	5.62	139.6	377.9	205.2	699.2	216.9	672.6	227.6	664.6	474.6	636.6
2025	4,535.7	5.60	137.9	377.3	208.7	706.4	217.6	680.9	229.3	677.5	478.8	641.6
2026	4,577.2	5.59	138.2	376.8	211.7	712.8	218.3	688.9	230.8	689.4	482.9	646.2
2027	4,615.7	5.58	138.4	376.3	214.0	718.5	219.3	695.3	232.6	701.0	487.0	651.0
2028	4,655.7	5.57	139.2	375.8	216.9	724.1	220.1	701.8	234.4	712.3	491.3	655.8
2029	4,695.9	5.56	140.2	375.2	219.8	729.8	220.9	707.8	236.3	723.8	495.7	660.7
2030	4,735.8	5.55	141.5	374.7	222.8	735.2	221.7	713.4	237.9	735.6	500.0	665.6
2031	4,774.7	5.54	142.6	373.4	225.8	740.5	222.6	718.6	239.4	747.6	504.5	670.6
2032	4,812.9	5.53	143.5	372.1	228.9	745.8	223.5	723.2	241.0	759.7	509.1	675.5
2033	4,849.8	5.52	143.5	370.7	232.0	751.0	224.4	727.3	242.6	771.9	513.5	680.4
2034	4,885.9	5.51	143.0	369.4	235.2	756.2	225.3	730.7	244.1	784.3	518.1	685.5
2035	4,922.0	5.51	142.8	368.0	238.4	761.3	226.3	733.5	245.7	796.8	522.7	690.6
2036	4,958.9	5.50	143.0	366.7	241.8	766.5	227.4	736.3	247.3	809.3	527.3	695.7
2037	4,996.3	5.49	143.5	365.4	245.1	771.8	228.4	739.3	248.9	821.7	532.0	700.9
2038	5,034.2	5.49	144.1	364.1	248.5	777.1	229.5	742.3	250.4	834.2	536.7	706.2
2039	5,072.5	5.48	144.8	362.8	252.0	782.5	230.6	745.5	252.0	846.5	541.5	711.5
2040	5,111.5	5.48	145.6	361.5	255.6	788.1	231.7	748.7	253.6	858.8	546.3	717.0





## County Economic and Demographic Indicators

### Projected Economic Growth (2011-2016)

Expected retail sales growth:	21.1 %
Expected job growth:	10.2 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	15.8 %

Expected population growth:	3.8 %
Net migration to account for:	0 %
Expected growth in number of vehicles:	6.9 %

### Demographics (2011)

Unemployment rate (June 2011):	12.4 %
County Rank* in California (58 counties):	25th
Working age (16-64) population:	66.6 %

Population with B.A. Degree or higher:	28.6 %
Median Home Selling Price:	\$335,000
Median Household Income:	\$52,218

### Quality of Life

Violent Crime rate (2009):	527 per 100,000 persons
County Rank* in California (58 counties):	48th
Average Commute Time to work (2011):	31.0 minutes

High School drop out rate (2009):	24.3 %
Households at/below poverty line:	12.6 %

\* The county ranked 1st corresponds to the lowest rate in California