

# LOS ANGELES COUNTY ECONOMIC FORECAST

Los Angeles County is the largest county-level economy in California, with 10.4 million people, and 3.9 million wage and salary jobs. The per capita income in Los Angeles County is \$37,133, and the average salary per worker is \$57,913.

Economic growth in Southern California declined sharply in 2008 and 2009 and job losses were the largest on record. In 2009, over 158,000 total jobs were lost in Los Angeles County, representing a growth rate of -3.9 percent. The unemployment rate increased to 12.3 percent in 2009 from 7.5 percent in 2008.

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 total employment may contract further due to the serious downturn in residential real estate. Since early 2008, new home production has virtually stopped in Northern Los Angeles County as developers try to sell their existing inventory. The fewest new homes built on record occurred in 2009.

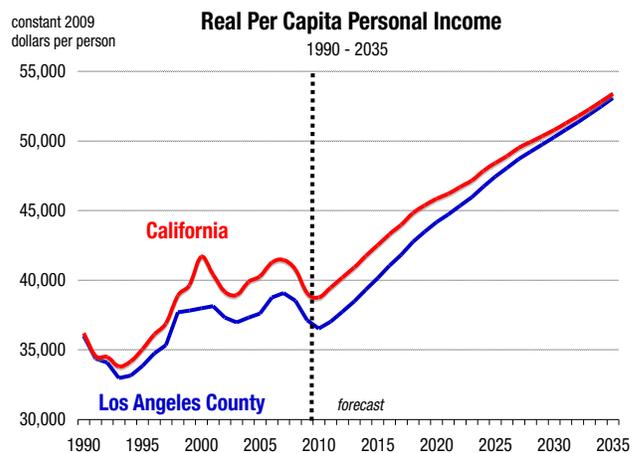
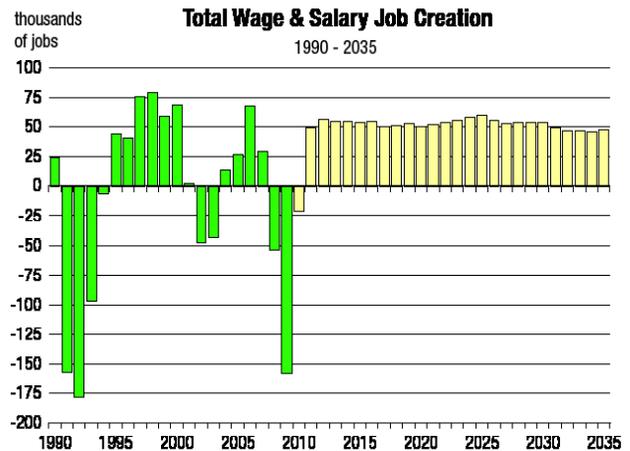
Employment in the construction sector fell by 20,000 workers, a decline of 14 percent. Employment declined in the manufacturing and retail trade sectors by 35,000 and 20,000 jobs, respectively. Professional and business services, the largest private sector, declined by 30,000 jobs or 5.2 percent. The only labor market to record positive job creation was education and health services.

Population growth increased in 2009, to 0.8 percent, the largest increase since 2004. This is due primarily to out-migration slowing during 2009. Continued declines in out-migration, which turns into positive migration in 2012 will keep population growth in Los Angeles County sustained at just under one percent in the short term.

From 1997 to 2007, the amount of loaded container traffic doubled at the Ports of Long Beach and Los Angeles due to a surge in imports. With the global recession, and weakness in the dollar, import volumes had fallen to 2004 levels during the first quarter of 2009. This trend is now reversing, with traffic through the ports sharply higher during 2009, consistent with the onset of economic recovery.

## FORECAST HIGHLIGHTS

- Job loss is forecast to continue in 2010, though it will be minor in comparison to 2009. From 2010 to 2015, the annual growth rate is expected to average 1.3 percent per year.
- Average salaries adjusted for inflation are currently below the California state average after falling 1.8 percent in 2009, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 0.8 percent per year over the next 5 years.

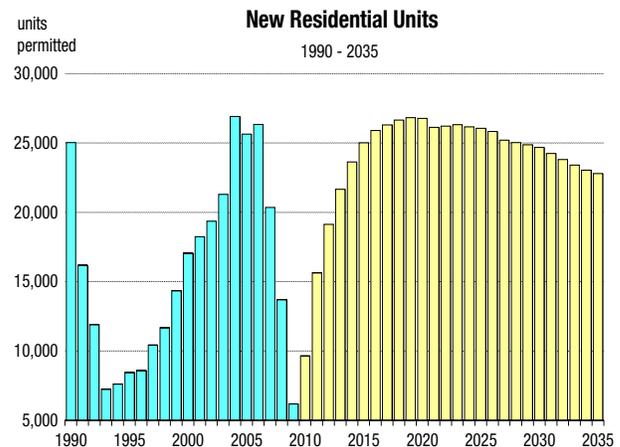
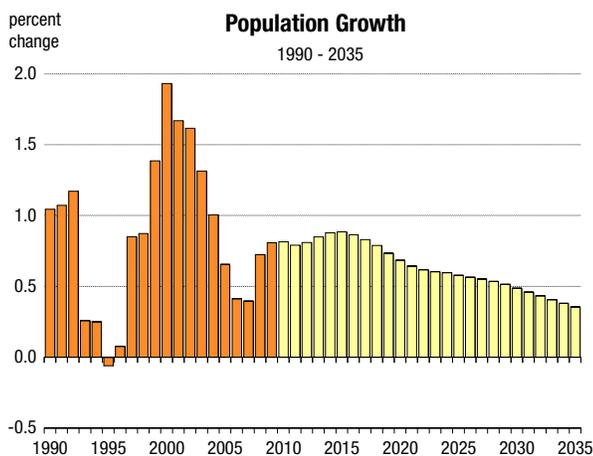


- Construction is expected to grow by 18 percent from 2010 to 2015, tops among all sectors. From 2010 to 2015, total job gains exceed 7 percent in the professional, misc. services, retail trade, transportation, healthcare and education, and information service sectors. Employment declines in the manufacturing and farm sectors.
- Annual population growth in the 2010 to 2015 period averages 0.8 percent per year. A population that grows more quickly than in recent years is largely due to the forecast of positive net migration in Los Angeles County beginning in 2012.
- Real per capita incomes decline at a rate of 1.6 percent in 2010. An annual compound rate of growth of 1.9 percent over the 2010 to 2015 time period is forecast.
- Total taxable sales are expected to increase by an average of 2.9 percent per year from 2010 to 2015.
- Industrial production is expected to remain unchanged in 2010. From 2010 to 2015, the growth rate of industrial production is expected to average 1.8 percent per year.

# Los Angeles County Economic Forecast

## 2002-2009 History, 2010-2035 Forecast

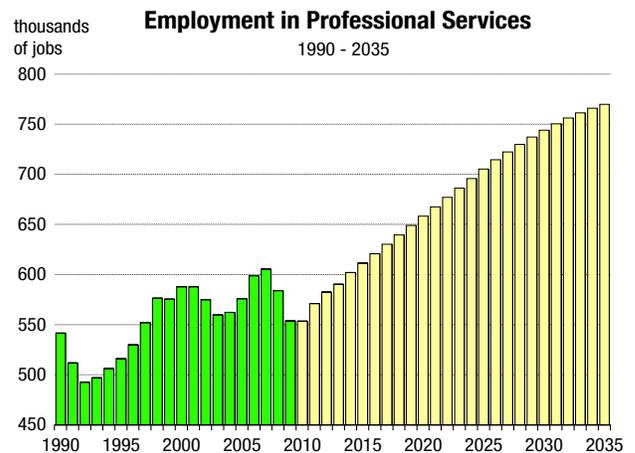
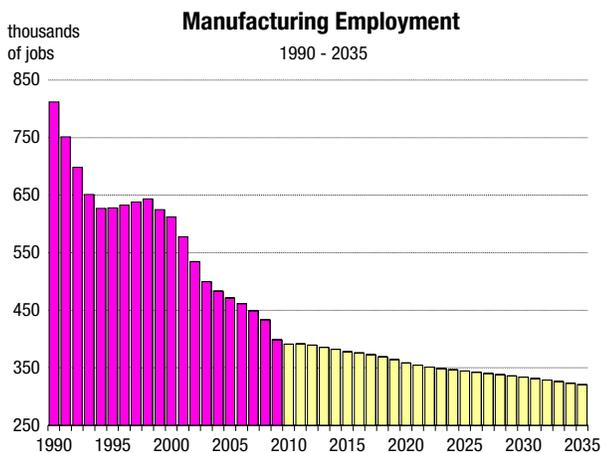
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2002	9,893,011	65,553	7.0	3,155	19,364	\$108.8	\$301.0	\$37,326	2.8	339	77.8	6.8
2003	10,023,138	37,162	7.0	3,170	21,313	\$113.7	\$309.8	\$36,963	2.6	330	77.5	7.0
2004	10,123,934	10,678	7.5	3,184	26,935	\$122.5	\$326.4	\$37,307	3.3	326	79.1	6.5
2005	10,190,347	-26,358	7.5	3,201	25,647	\$130.7	\$346.1	\$37,615	4.5	308	82.1	5.3
2006	10,232,453	-47,413	7.6	3,223	26,348	\$136.2	\$373.3	\$38,759	4.3	288	86.3	4.8
2007	10,273,083	-49,806	7.6	3,240	20,363	\$137.8	\$390.3	\$39,080	3.3	261	85.1	5.1
2008	10,347,437	-18,466	7.5	3,260	13,704	\$135.7	\$401.2	\$38,520	3.5	225	84.4	7.5
2009	10,431,151	-5,832	7.3	3,275	6,192	\$131.2	\$387.3	\$37,133	-0.8	211	80.6	12.3
2010	10,516,140	-3,717	7.3	3,269	9,650	\$133.3	\$391.2	\$36,532	1.8	210	80.6	11.8
2011	10,599,290	-3,493	7.3	3,276	15,649	\$139.3	\$410.0	\$37,020	2.4	210	81.6	10.2
2012	10,685,110	278	7.3	3,289	19,149	\$146.5	\$430.6	\$37,723	2.2	209	83.7	9.3
2013	10,775,840	5,899	7.4	3,305	21,676	\$154.6	\$453.4	\$38,473	2.4	208	85.3	8.4
2014	10,870,460	10,186	7.5	3,323	23,646	\$163.3	\$478.1	\$39,317	2.3	207	86.7	7.5
2015	10,966,800	12,059	7.6	3,342	25,019	\$173.0	\$504.3	\$40,158	2.4	207	88.3	7.0
2016	11,061,620	10,104	7.7	3,362	25,919	\$183.3	\$531.7	\$41,039	2.3	206	89.8	6.7
2017	11,153,560	6,125	7.9	3,383	26,319	\$193.0	\$559.1	\$41,825	2.3	205	91.3	6.6
2018	11,241,660	1,661	8.0	3,405	26,662	\$201.9	\$589.5	\$42,753	2.3	205	92.9	6.5
2019	11,324,210	-4,303	8.1	3,426	26,844	\$211.5	\$617.9	\$43,490	2.3	204	94.5	6.3
2020	11,401,820	-9,254	8.3	3,448	26,786	\$221.2	\$645.8	\$44,166	2.2	204	96.2	6.2
2021	11,475,110	-13,176	8.4	3,470	26,141	\$231.3	\$675.9	\$44,726	2.7	203	98.1	6.2
2022	11,546,020	-15,201	8.5	3,491	26,235	\$241.5	\$708.6	\$45,345	2.8	203	100.1	6.1
2023	11,615,850	-15,298	8.6	3,513	26,326	\$252.0	\$742.1	\$45,965	2.7	202	102.1	6.0
2024	11,685,140	-15,020	8.7	3,534	26,174	\$263.8	\$778.0	\$46,717	2.5	202	104.4	5.9
2025	11,752,830	-15,390	8.8	3,556	26,066	\$276.9	\$815.5	\$47,449	2.6	201	106.7	5.8
2026	11,819,210	-15,678	8.9	3,577	25,838	\$289.8	\$852.9	\$48,070	2.7	201	109.2	5.8
2027	11,884,530	-15,938	9.0	3,598	25,216	\$303.1	\$892.4	\$48,696	2.7	201	111.8	5.8
2028	11,948,200	-16,500	9.0	3,618	25,038	\$317.3	\$933.4	\$49,225	2.9	200	114.5	5.7
2029	12,009,790	-17,482	9.1	3,639	24,888	\$332.1	\$975.6	\$49,744	2.9	200	117.2	5.7
2030	12,068,350	-19,085	9.2	3,659	24,694	\$347.1	\$1,018.9	\$50,276	2.8	200	120.0	5.6
2031	12,123,950	-20,865	9.3	3,679	24,262	\$362.7	\$1,063.7	\$50,806	2.8	200	123.0	5.6
2032	12,176,520	-22,666	9.3	3,699	23,820	\$379.0	\$1,110.2	\$51,345	2.8	199	126.0	5.6
2033	12,226,030	-24,434	9.4	3,718	23,416	\$396.1	\$1,158.7	\$51,900	2.8	199	129.1	5.6
2034	12,272,610	-26,151	9.5	3,737	23,053	\$414.0	\$1,209.4	\$52,475	2.8	199	132.2	5.7
2035	12,316,250	-27,813	9.5	3,756	22,806	\$432.6	\$1,262.5	\$53,080	2.8	199	135.5	5.8

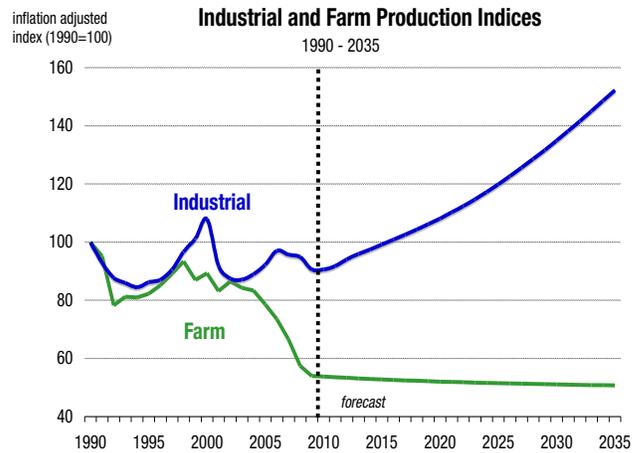
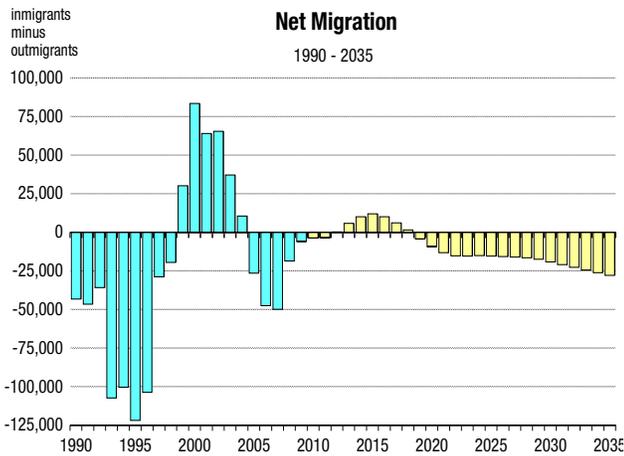
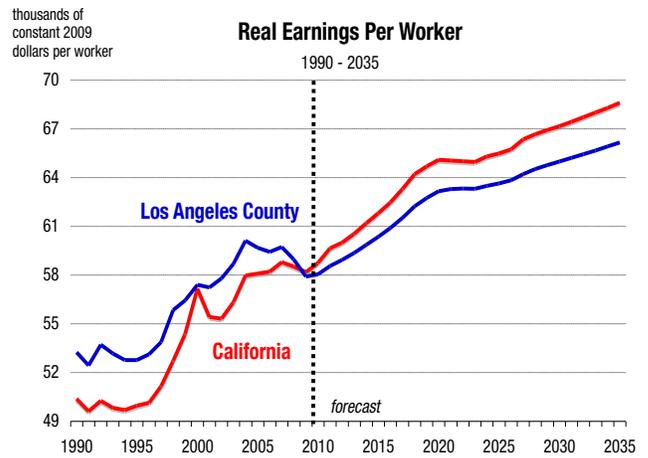
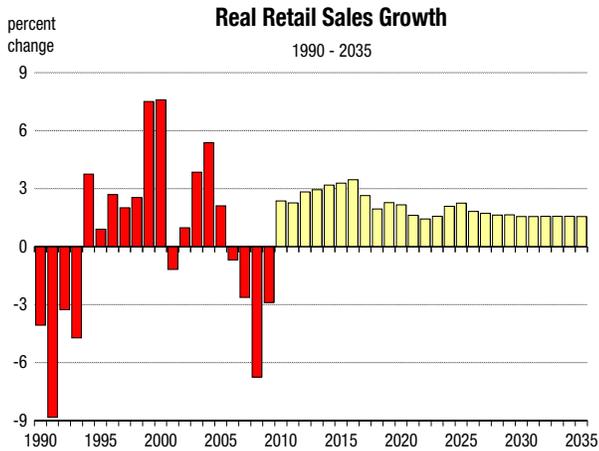


# Los Angeles County Employment Forecast

## 2002-2009 History, 2010-2035 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)-----											
2002	4,034.6	7.80	134.5	534.8	167.2	615.5	232.6	575.0	207.3	450.4	354.2	606.1
2003	3,990.8	7.84	134.6	500.0	161.5	613.4	239.8	559.9	202.3	460.4	362.6	599.3
2004	4,004.1	7.61	140.2	483.6	161.1	620.4	241.6	562.4	211.9	467.0	372.8	587.1
2005	4,031.6	7.38	148.7	471.7	161.7	633.7	244.0	576.1	207.6	471.3	377.8	583.7
2006	4,100.1	7.63	157.5	461.7	165.2	648.9	248.8	598.9	205.6	478.7	388.6	589.4
2007	4,129.6	7.50	157.6	449.2	165.6	653.0	246.0	605.4	209.8	490.5	397.9	595.7
2008	4,076.2	6.87	145.1	433.8	162.0	642.0	235.4	584.1	211.3	501.5	399.5	603.7
2009	3,917.8	7.11	125.3	398.9	151.8	612.2	223.9	553.9	198.7	513.1	383.6	603.6
2010	3,896.6	6.97	120.3	391.5	149.5	605.5	217.4	553.6	201.5	521.9	387.4	594.6
2011	3,945.9	6.87	127.3	391.9	151.1	605.3	217.8	571.2	204.2	531.1	392.5	598.3
2012	4,002.3	6.78	132.6	389.6	153.7	610.8	218.3	582.7	207.3	543.3	397.5	609.0
2013	4,056.7	6.72	139.5	385.7	156.6	619.5	218.6	590.4	210.4	556.0	402.0	618.5
2014	4,111.6	6.67	141.1	382.4	159.4	630.3	218.6	602.1	213.3	568.9	406.8	626.7
2015	4,165.1	6.63	141.4	378.3	162.2	642.5	219.5	611.5	215.8	583.3	412.2	634.6
2016	4,219.7	6.60	142.2	376.2	164.8	655.9	221.1	620.9	218.1	596.9	417.7	639.8
2017	4,269.9	6.57	142.7	373.0	166.7	668.4	223.1	630.3	219.9	611.0	422.6	645.0
2018	4,321.4	6.55	143.6	369.3	168.7	679.2	222.9	639.7	221.5	625.6	427.3	654.7
2019	4,374.3	6.53	144.6	364.7	170.8	689.3	222.7	649.0	222.3	641.0	432.0	666.4
2020	4,424.8	6.52	145.5	358.7	172.9	699.2	222.5	658.4	223.0	657.9	436.6	677.0
2021	4,477.1	6.50	146.4	354.8	175.1	708.3	222.7	667.7	223.9	674.1	441.0	687.2
2022	4,530.6	6.49	147.0	351.6	177.5	717.1	223.6	677.1	225.3	690.6	445.4	696.6
2023	4,586.4	6.48	147.4	348.9	179.8	726.1	225.2	686.5	227.0	707.6	449.7	706.1
2024	4,644.3	6.47	148.6	346.8	181.9	735.9	227.5	696.0	229.0	724.3	453.8	715.0
2025	4,703.8	6.46	149.6	344.7	183.7	746.4	230.2	705.5	231.2	742.6	457.7	723.6
2026	4,759.6	6.46	150.7	342.5	185.1	756.5	232.9	714.7	233.1	759.4	461.7	731.2
2027	4,812.8	6.45	151.8	340.4	186.0	766.1	235.7	722.5	235.4	775.9	465.7	739.4
2028	4,867.0	6.44	152.9	338.3	187.1	775.2	238.4	730.1	237.8	792.4	469.8	747.4
2029	4,921.0	6.44	154.1	336.3	188.1	784.2	241.1	737.3	240.2	809.0	473.9	755.6
2030	4,974.6	6.43	156.1	334.2	189.2	793.0	243.7	744.2	242.3	825.2	478.1	763.8
2031	5,023.8	6.43	156.9	331.6	190.2	801.7	246.6	750.6	244.4	838.8	482.3	772.1
2032	5,071.2	6.42	157.7	328.9	191.3	810.4	249.5	756.4	246.6	851.1	486.5	780.5
2033	5,117.9	6.42	158.4	326.2	192.4	819.3	252.5	761.5	248.7	863.0	490.8	789.0
2034	5,164.4	6.41	159.1	323.6	193.4	828.2	255.4	766.1	250.9	875.1	495.1	797.6
2035	5,212.7	6.41	160.8	321.0	194.5	837.2	258.3	770.0	253.1	888.0	499.5	806.3





## County Economic and Demographic Indicators

### Projected Economic Growth (2010-2015)

Expected retail sales growth:	15.4 %
Expected job growth:	6.9 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	14.6 %

Expected population growth:	4.3 %
Net migration to account for:	5.5 %
Expected growth in number of vehicles:	4.2 %

### Demographics (2009)

Unemployment rate (December):	12.0 %
County Rank* in California (58 counties):	21st
Working age (16-64) population:	66.1 %

Population with B.A. Degree or higher:	24.4 %
Median Home Selling Price:	\$329,808
Median Household Income:	\$54,204

### Quality of Life

Violent Crime rate (2008):	580 per 100,000 persons
County Rank* in California (58 counties):	46th
Average Commute Time to work (2009):	31.9 minutes

High School drop out rate (2008):	21.0 %
Households at/below poverty line:	14.8 %

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