



LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Collaboratively Advancing Growth and Prosperity for All

Los Angeles County Economic Briefing

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LAEDC & WTCLA

www.laedc.org





2024

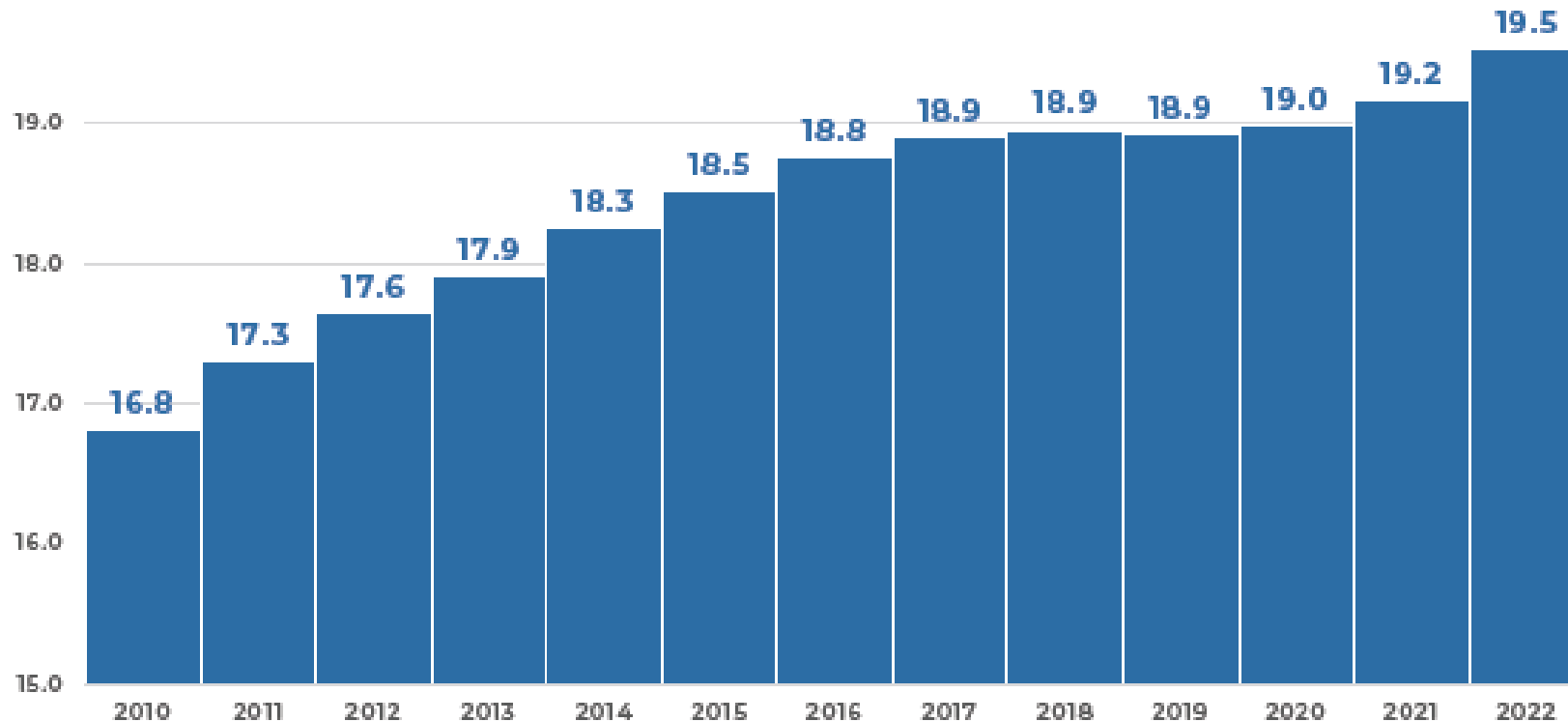
FORECAST

LAEDC

Los Angeles County today finds that the past is prologue...

- The large, systemic challenges the region faced prior to 2020 are reemerging to take center stage.

Income Inequality in LA County



Income inequality* continued to widen in Los Angeles County after seeing some positive progress prior to the pandemic.

*Measured by the ratio of the mean income for the top 20 percent of earners over the mean income for the bottom 20 percent of earners

Three Primary Challenges

- Regional Population Decline
- Housing Affordability
- Cost of Doing Business

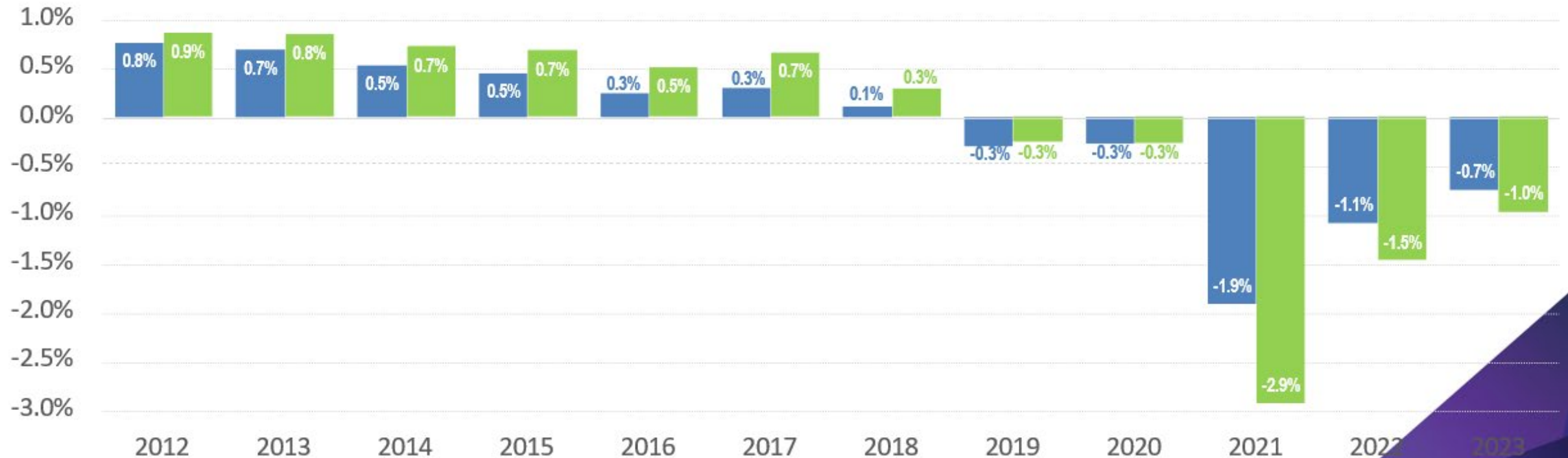
Source: CA Dept of Finance, Demographic Unit

Regional Population Decline

Year-over-year Percent Change in Population
County of Los Angeles and City of Los Angeles

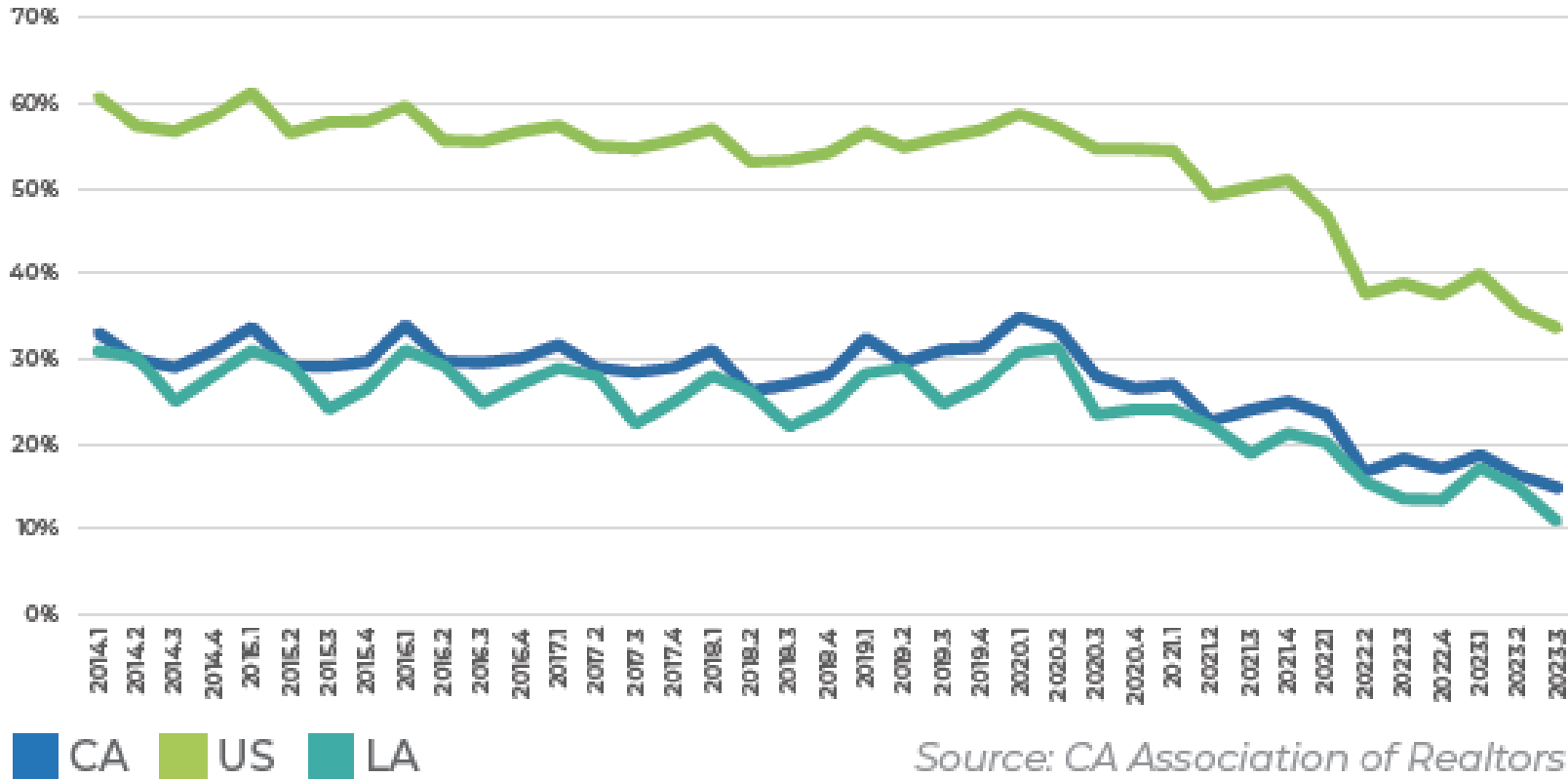
■ Los Angeles County

■ City of Los Angeles



Source: CA Dept of Finance, Demographic Unit

Housing Affordability by Quarter

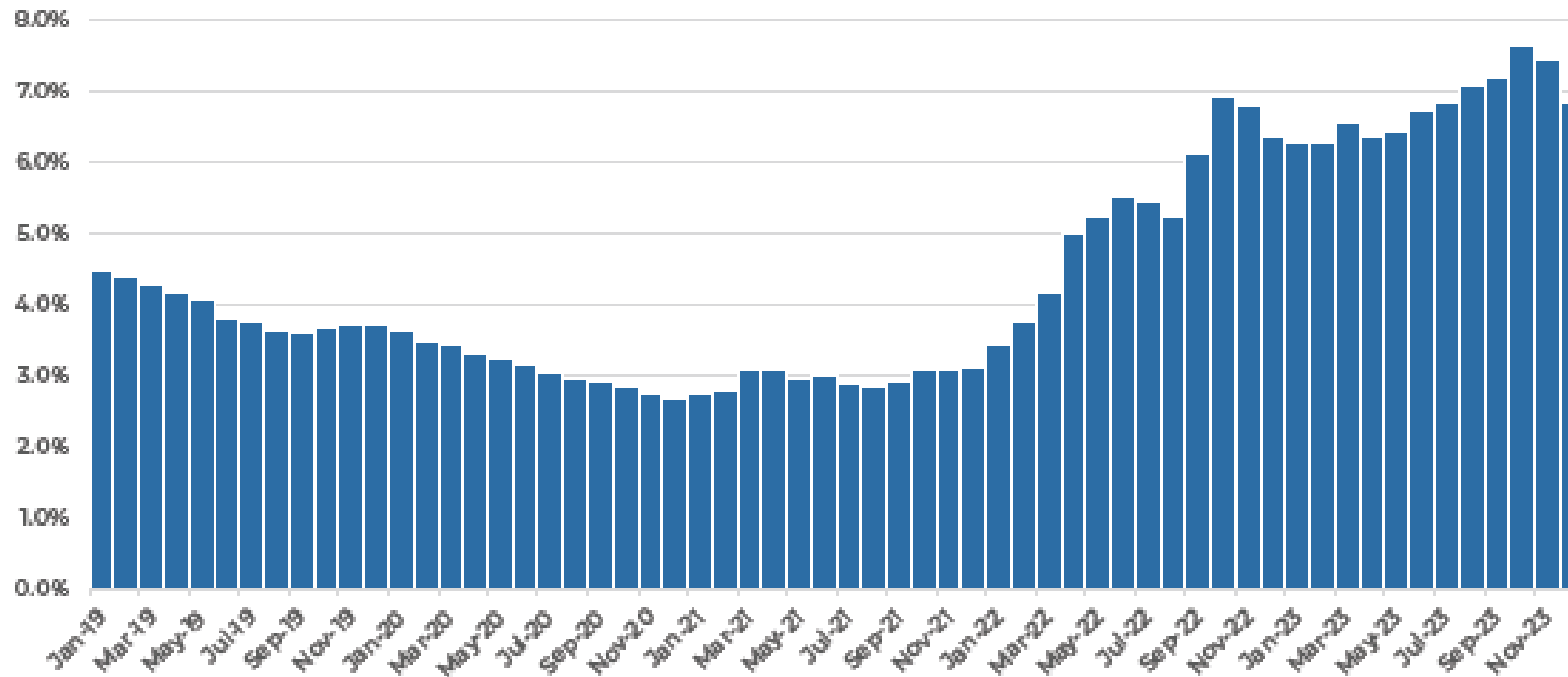


As of Q3 2023, only 11 percent of households in LA County can afford to purchase a median priced, single-family home.

This is down from 31 percent just 10 years earlier.

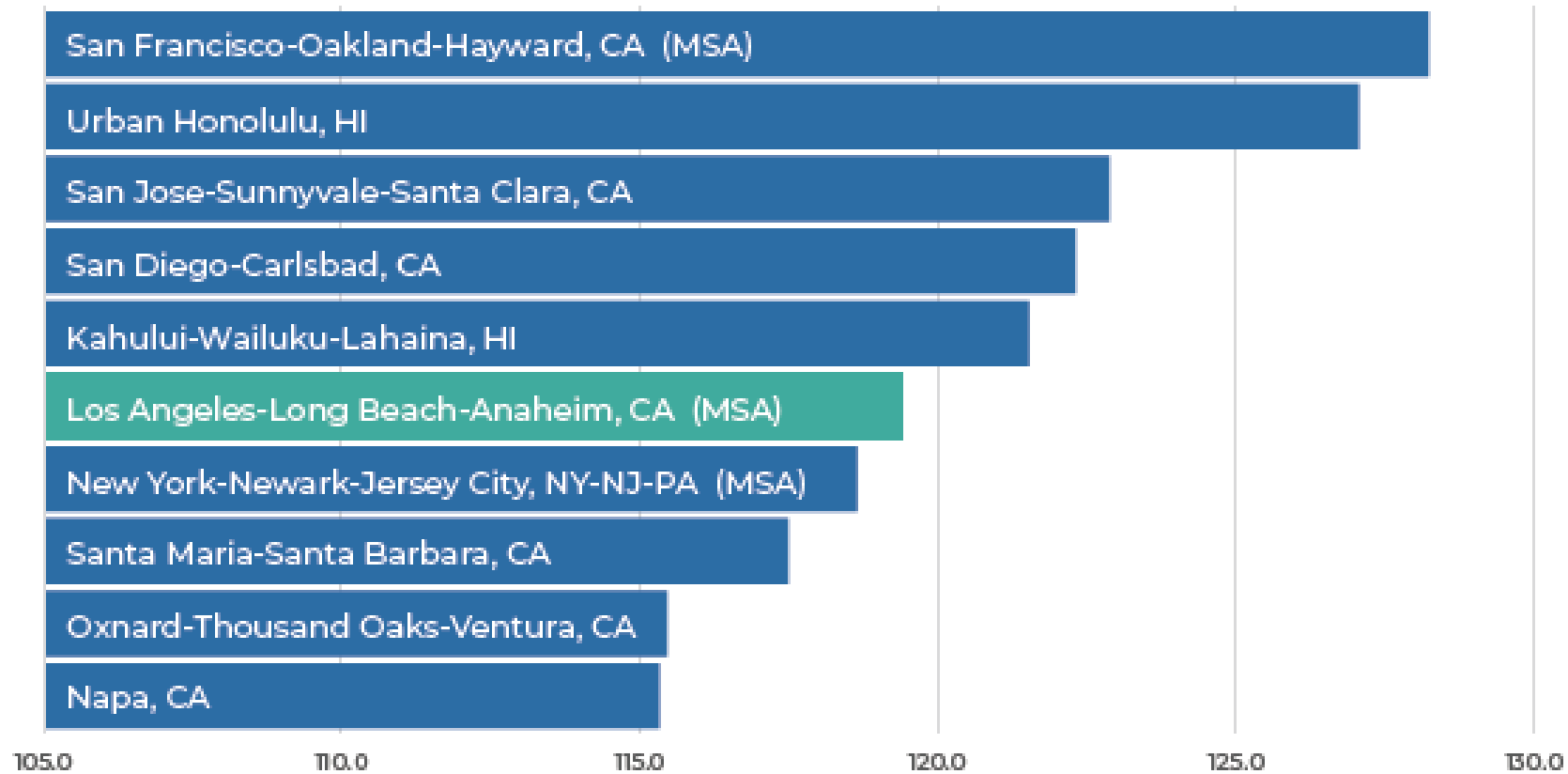
Source: CA Association of Realtors

U.S. 30-Year Average Fixed Rate Mortgage



Nationally, a 30-year fixed mortgage rose from a monthly average of 2.7 percent in December 2020 to 7.6 percent by October 2023

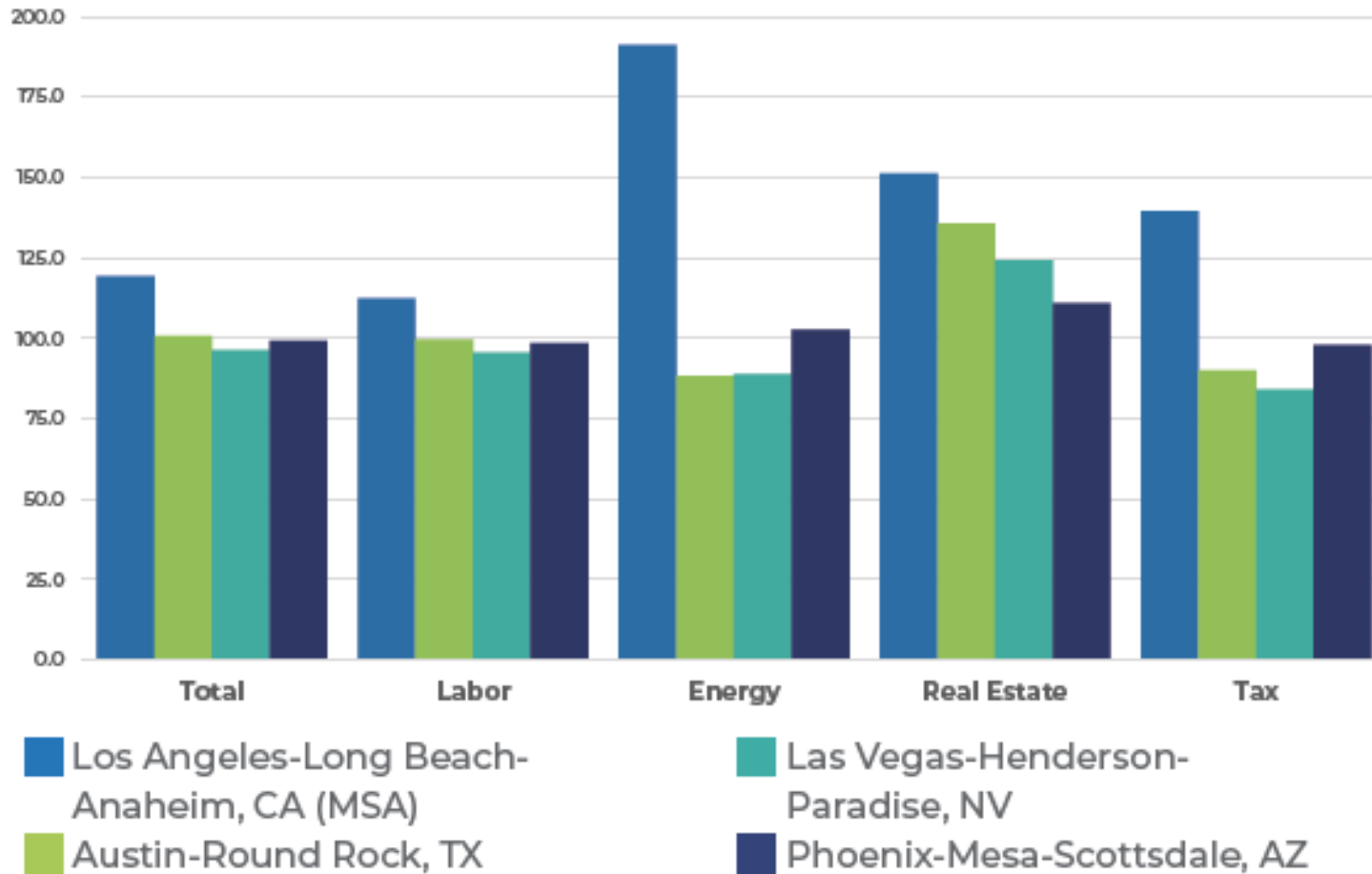
Ten Most Expensive Metros for Business



Los Angeles's business costs are **almost 20 percent higher** than the national average.

Source: CA Dept of Finance, Demographic Unit

2023 Business Cost Index for Selected Regions

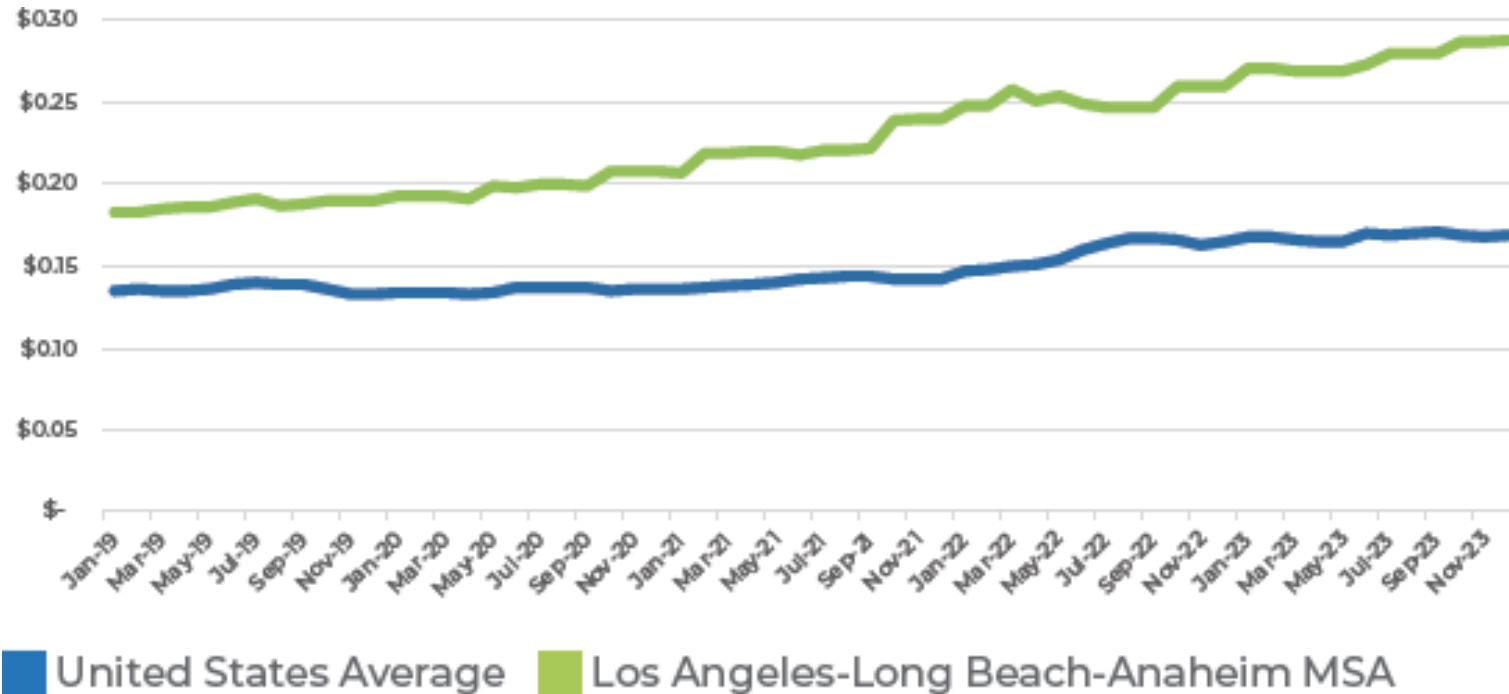


For the Los Angeles area:

- Labor costs are 13 percent higher than the national average;
- Energy costs are 91 percent higher;
- Real estate costs are 51 percent higher; and
- Taxes are 40 percent higher

Source: S&P Global Market Intelligence

Average Price of Electricity per Kilowatt Hour



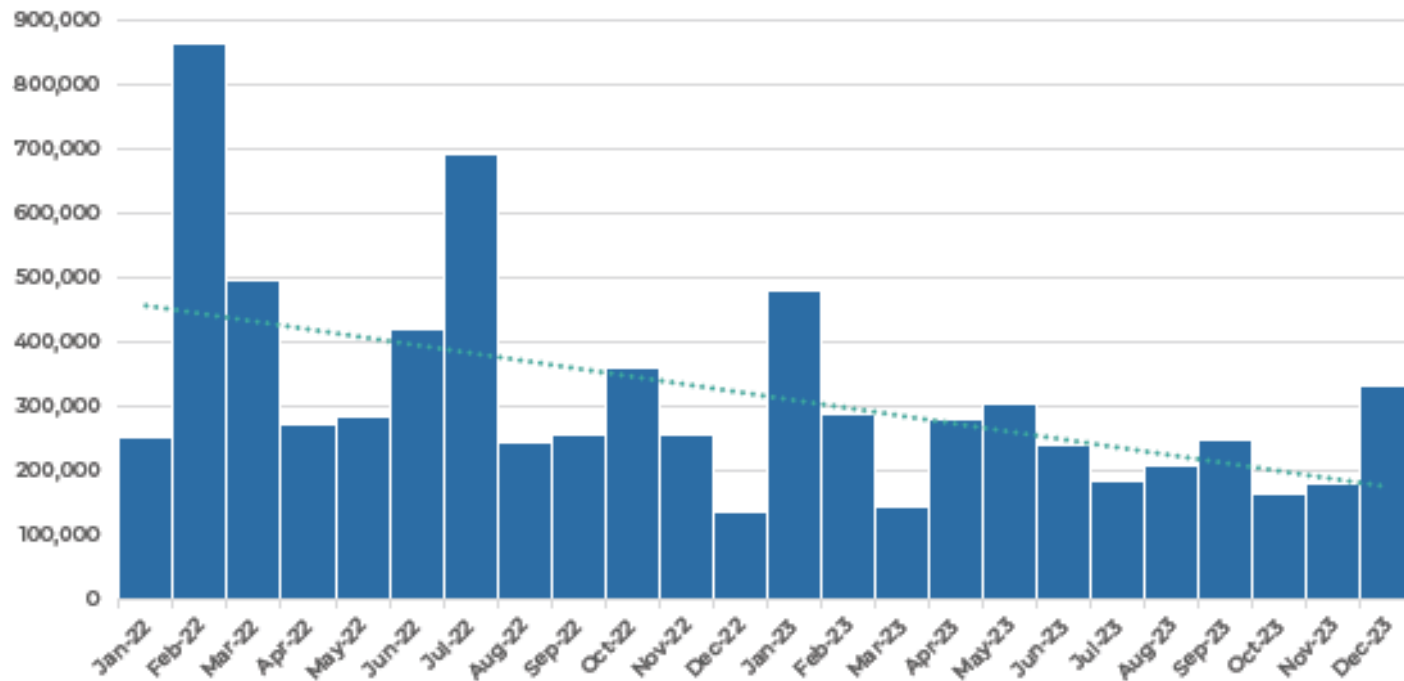
By the end of 2023, electricity costs in the Los Angeles area were **70 percent higher** than national averages.

Source: CA Dept of Finance, Demographic Unit

The U.S. Economy

Increases in CPI, Jan 2020 to Dec 2023

Monthly Change in Total Nonfarm Payroll

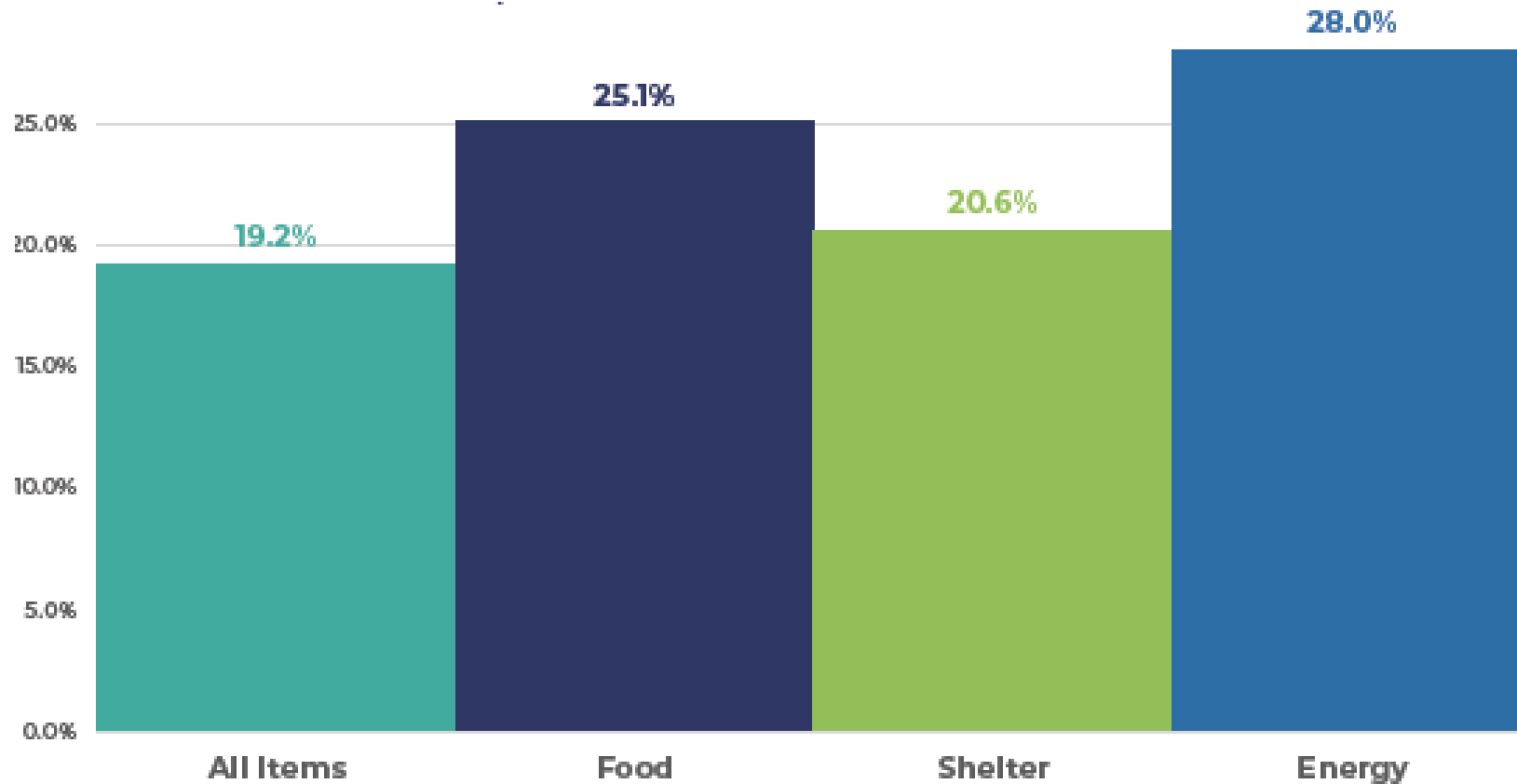


Source: U.S. Bureau of Labor Statistics

High-interest rates have impacted the economy, the monthly change in seasonally adjusted nonfarm payroll employees has declined since early 2022, when the Federal Reserve began its rate hikes.

If present trends continue, far fewer jobs will be added monthly over the next two years.

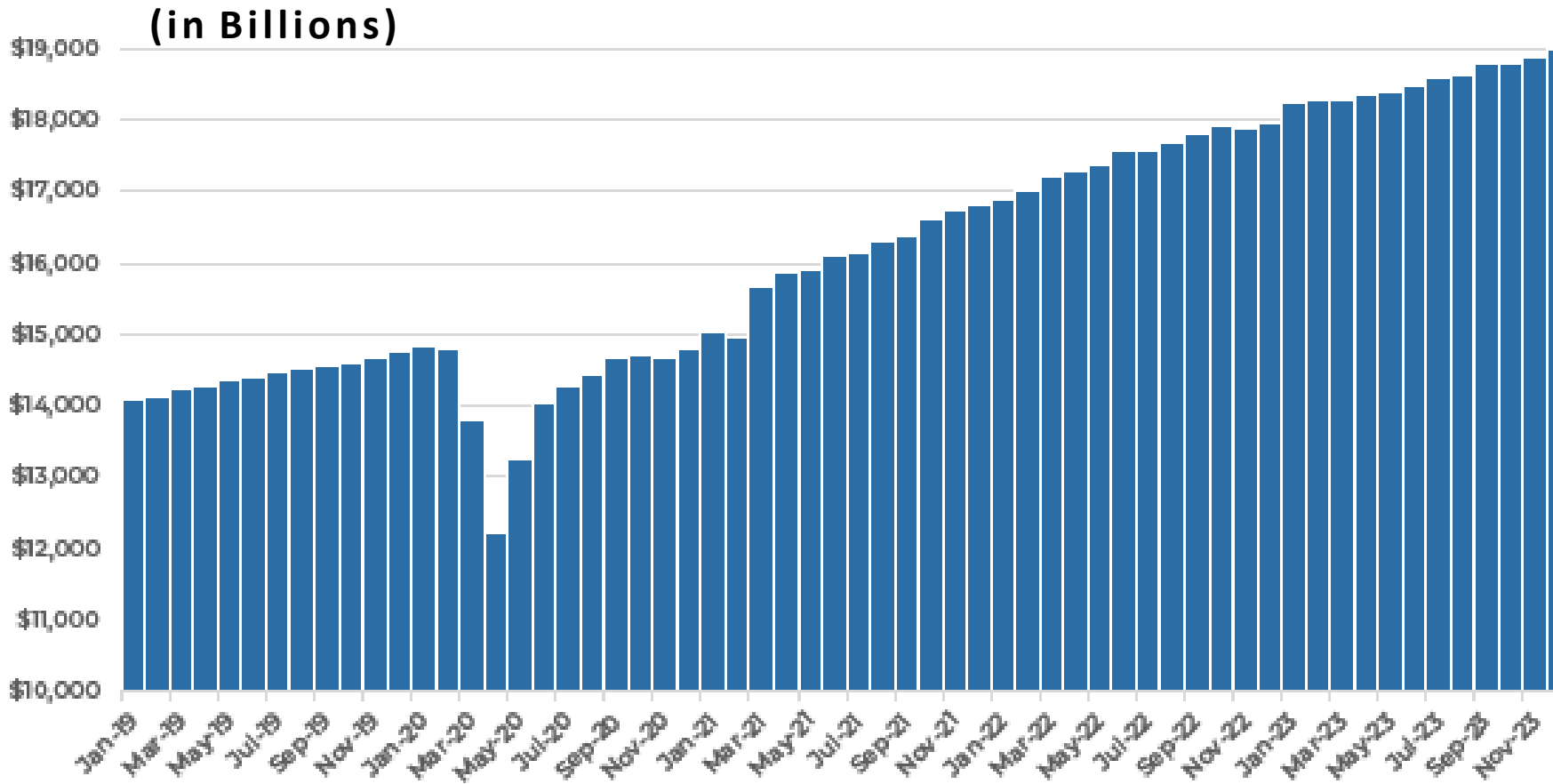
Increases in CPI, Jan 2020 to Dec 2023



Compared to pre-pandemic levels, all goods and services are now more than 19 percent higher

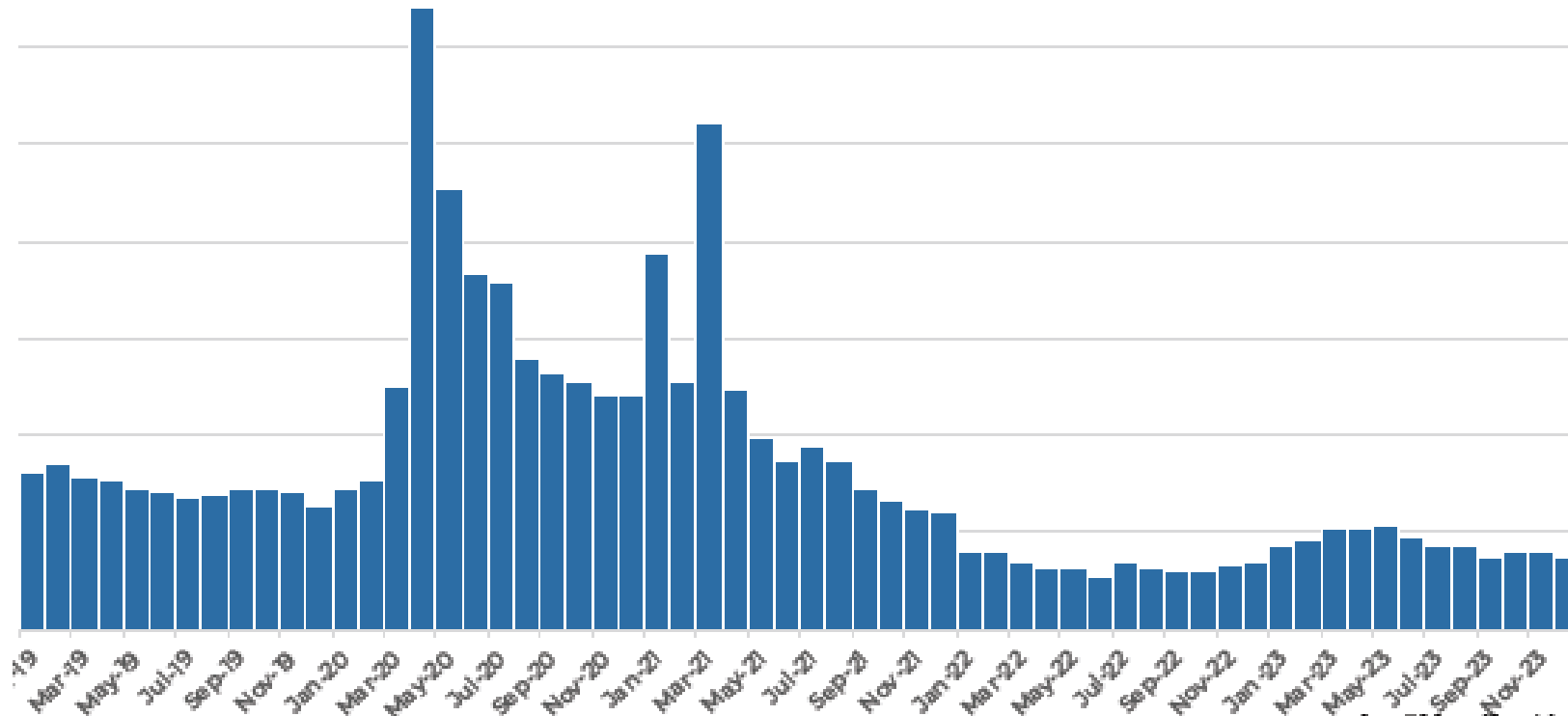
Source: BLS

Personal Consumption Expenditures



Strong consumer spending has been a major factor behind the robust economic performance of late, but the current pace of consumer spending is likely to diminish over the next few years

Personal Saving Rate



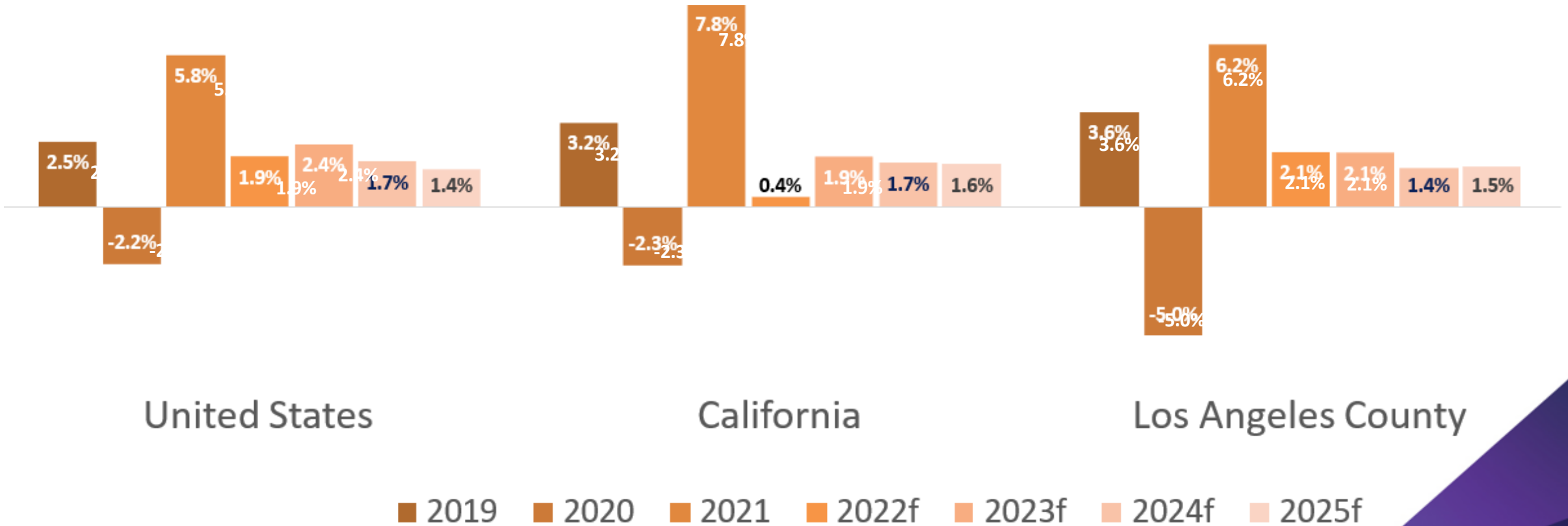
The limits of consumer spending are also suggested by a drop in the personal saving rate and an increase in credit card balances.

Consumers now appear to be more financially stretched than just a few years ago.

Economic Overview of California

We are Entering a Period of Slow Growth

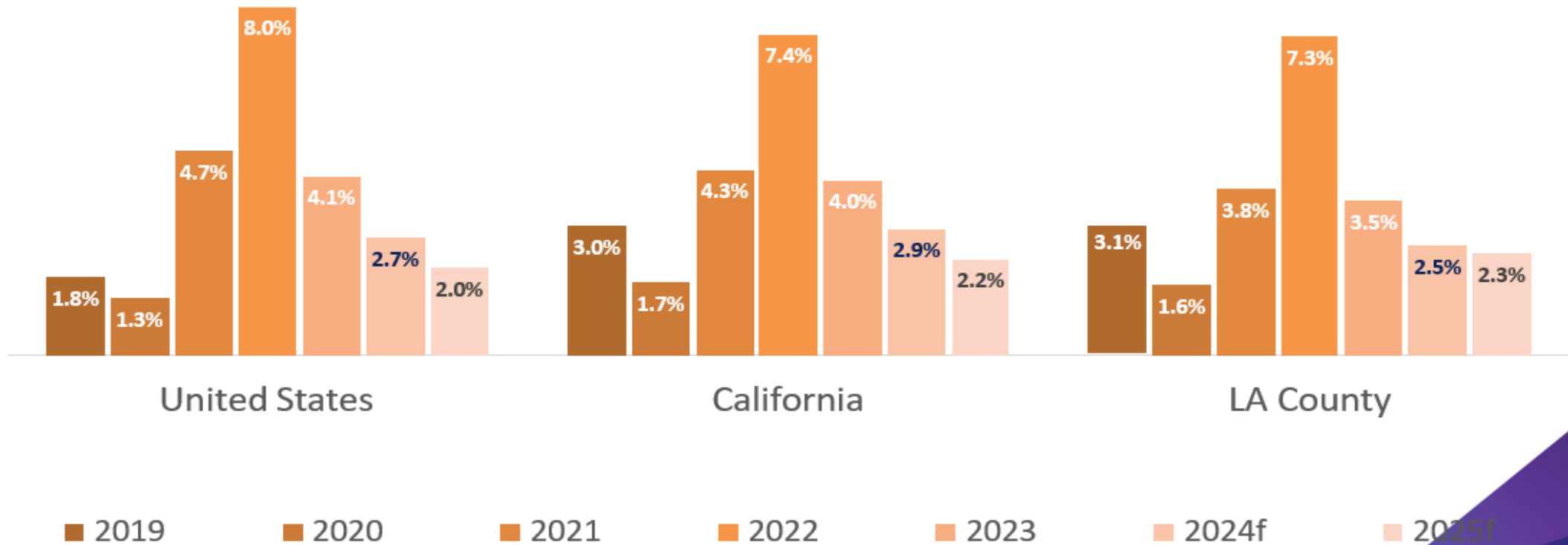
Real GDP Growth



Source: BEA; forecast by LAEDC

Inflation to Move Closer to the Fed's Target

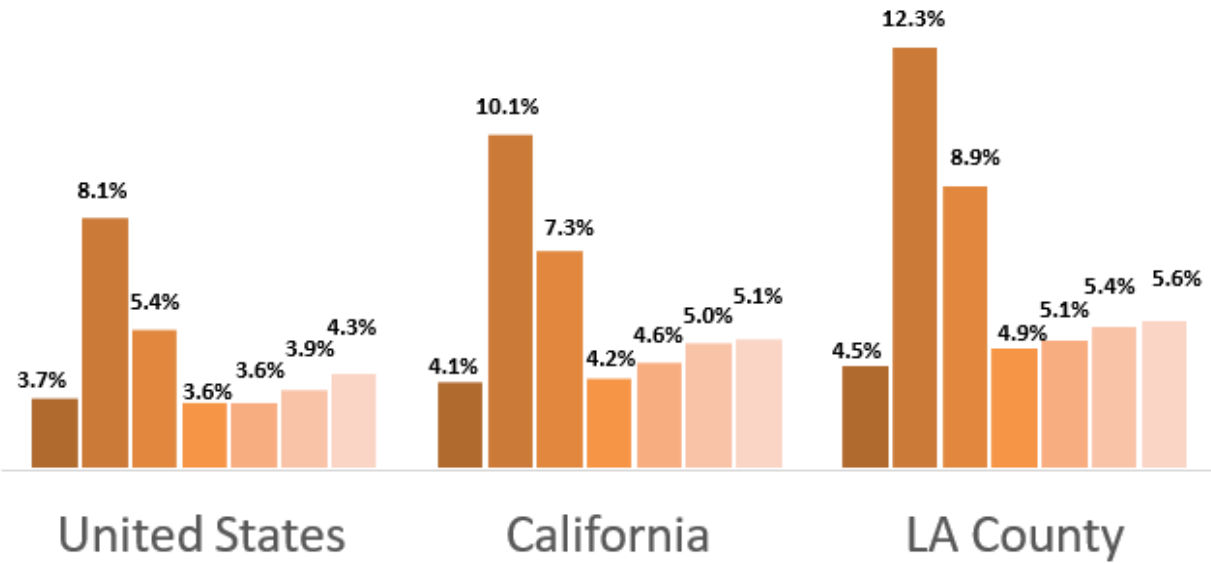
Inflation: CPI-U



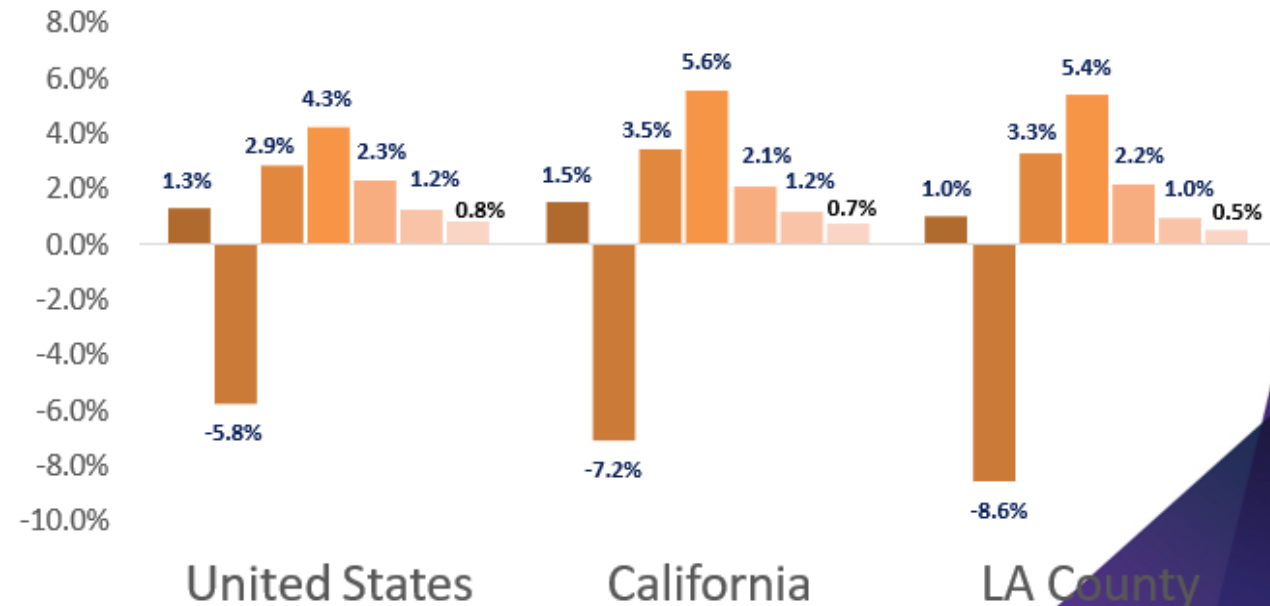
Source: BLS; forecast by LAEDC

Unemployment to Inch Higher as the Economy Continues to Cool

Unemployment Rate



Nonfarm Employment



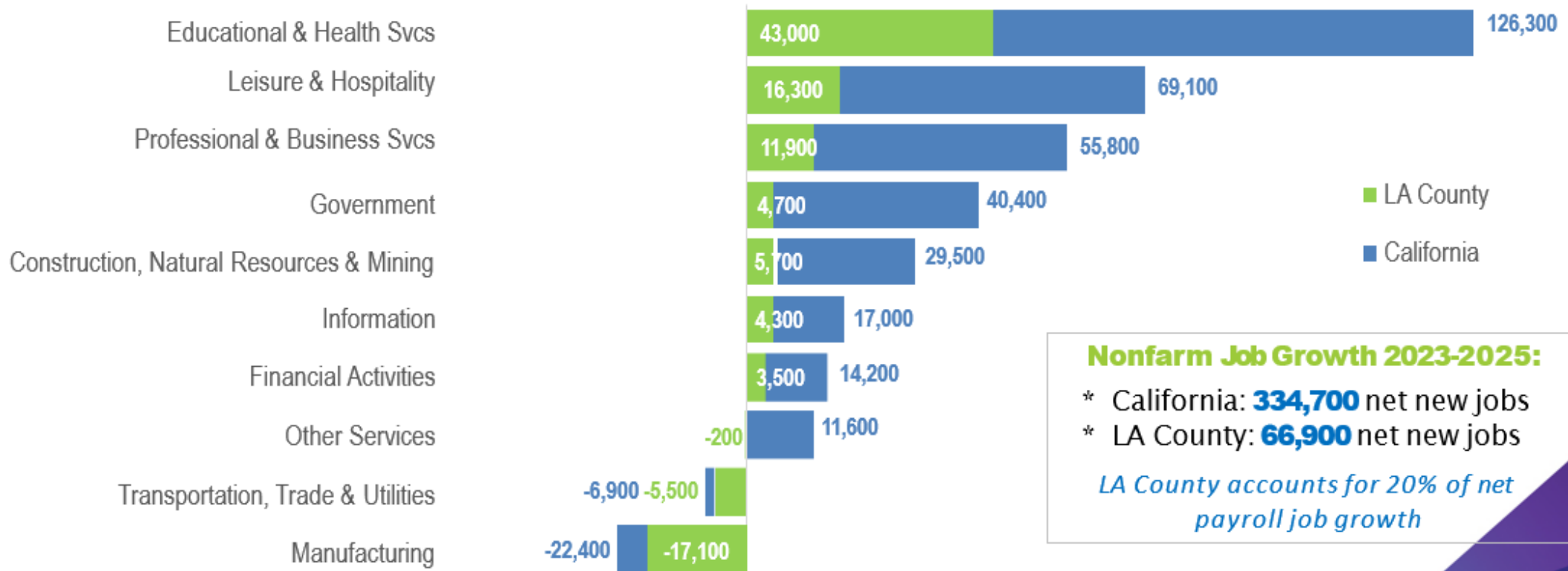
■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024f ■ 2025f

■ 2019 ■ 2020 ■ 2021 ■ 2022 ■ 2023 ■ 2024f ■ 2025f

Source: BLS; forecast by LAEDC

Educational & Health Services to Lead Employment Growth in California Through 2025

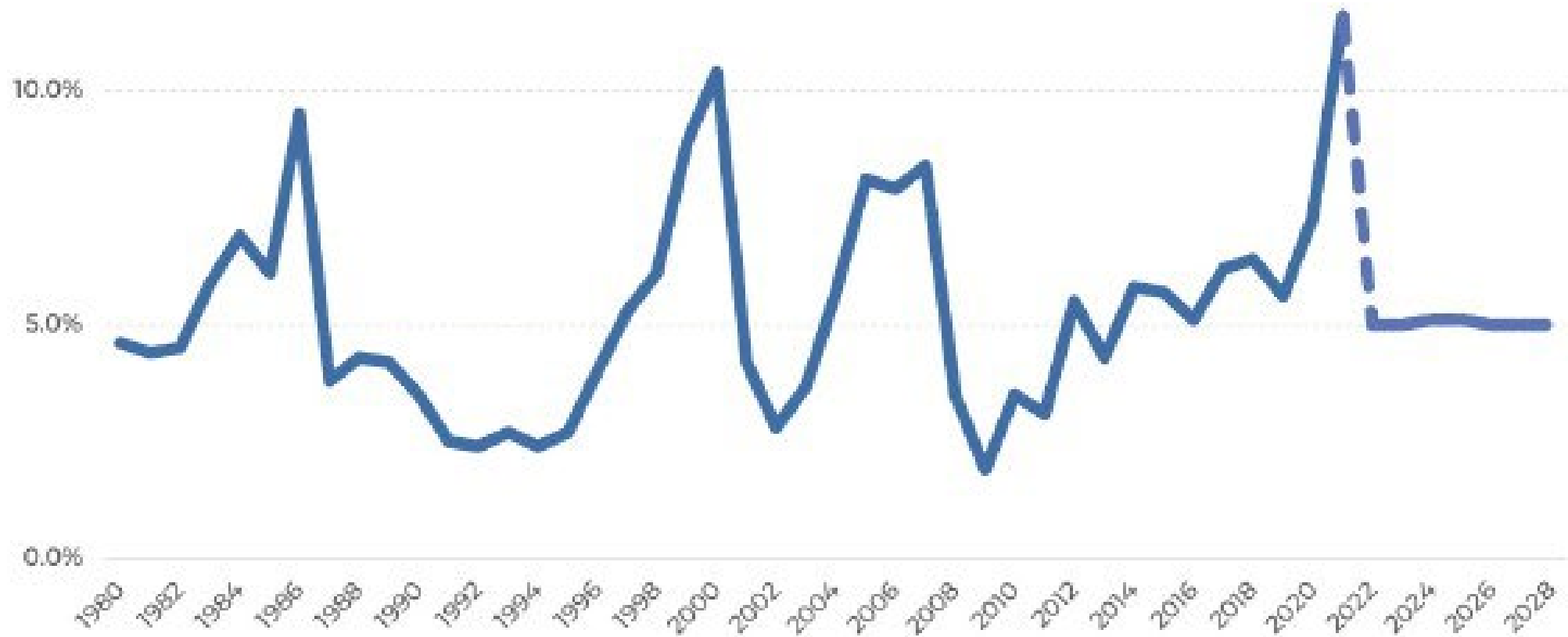
2023 to 2025 Net Payroll Employment Growth by Industry



Nonfarm Job Growth 2023-2025:
 * California: **334,700** net new jobs
 * LA County: **66,900** net new jobs
LA County accounts for 20% of net payroll job growth

California Budget Issues

Share of Capital Gains in Total Personal Income (California)



Key Findings



1. Entering a period of slow economic growth
2. Three primary challenges have reemerged as a threat to future growth:
 - Regional population decline
 - Housing affordability
 - Cost of doing business
3. Beyond FY 2024-25, California will likely face continued budget challenges
4. LA County is vulnerable to the office market crisis and future labor negotiations with film & TV production

Economic Overview of Los Angeles County

Los Angeles County

Los Angeles County Headline Economic Statistics and Forecast

	2019	2020	2021	2022	2023	2024f	2025f
Real GCP Growth	3.6%	-5.0%	6.2%	2.1%	2.1%	1.4%	1.5%
Real Personal Income Growth	4.5%	3.1%	2.6%	-5.2%	1.6%	2.8%	3.2%
Nonfarm Employment (000s)	4,561.4	4,167.0	4,304.1	4,541.8	4,637.9	4,682.6	4,704.8
Unemployment Rate	4.5%	12.3%	8.9%	4.9%	5.1%	5.4%	5.6%
CPI Change	3.1%	1.6%	3.8%	7.3%	3.5%	2.5%	2.3%

LOS ANGELES COUNTY

Quick Facts

Population	9.7 million
% Prime Age (25-54)	42.9%
Gross County Product	\$790.0 billion
Median Household Income*	\$82,516
Median Home Price to Household Income Ratio*	11.1
Poverty Rate*	13.9%
Unemployment Rate	4.9%

**2022 Estimate*

Sources: US Census ACS, CA DoF, IHS, FHFA, BLS

Los Angeles County

Economic Metrics	2019	2020	2021	2022	2023f*	2024f*	2025f*
Real GCP Growth	3.6%	-5.0%	6.2%	2.1%	2.1%	1.4%	1.5%
Real Personal Income Growth	4.5%	3.1%	2.6%	-5.2%	1.6%	2.8%	3.2%
Nonfarm Employment Growth	1.0%	-8.6%	3.3%	5.4%	2.2%	1.0%	0.5%
Unemployment Rate	4.5%	12.3%	8.9%	4.9%	5.1%	5.4%	5.6%
CPI Change	3.1%	1.6%	3.8%	7.3%	3.5%	2.5%	2.3%

Employment Growth By Sector

Construction, Nat'l Resources, and Mining	151,800	148,300	150,700	152,600	150,900	154,900	156,600
Manufacturing	341,200	315,400	313,100	321,800	319,700	313,500	302,600
Transportation, Trade and Utilities	848,600	784,600	814,000	837,400	846,900	846,100	841,400
Information	215,600	191,100	208,800	235,200	216,600	215,600	220,900
Financial Activities	224,300	213,200	213,200	215,900	217,200	218,800	220,700
Professional & Business Services	647,600	600,200	630,100	668,900	678,400	681,700	690,300
Education & Health	840,100	821,700	844,400	873,600	927,800	957,500	970,800
Leisure & Hospitality	547,300	393,700	434,200	511,300	547,900	559,300	564,200
Other Services	158,400	128,800	135,700	153,500	158,200	157,900	158,000
Government	586,900	570,200	560,200	568,500	574,400	577,400	579,100

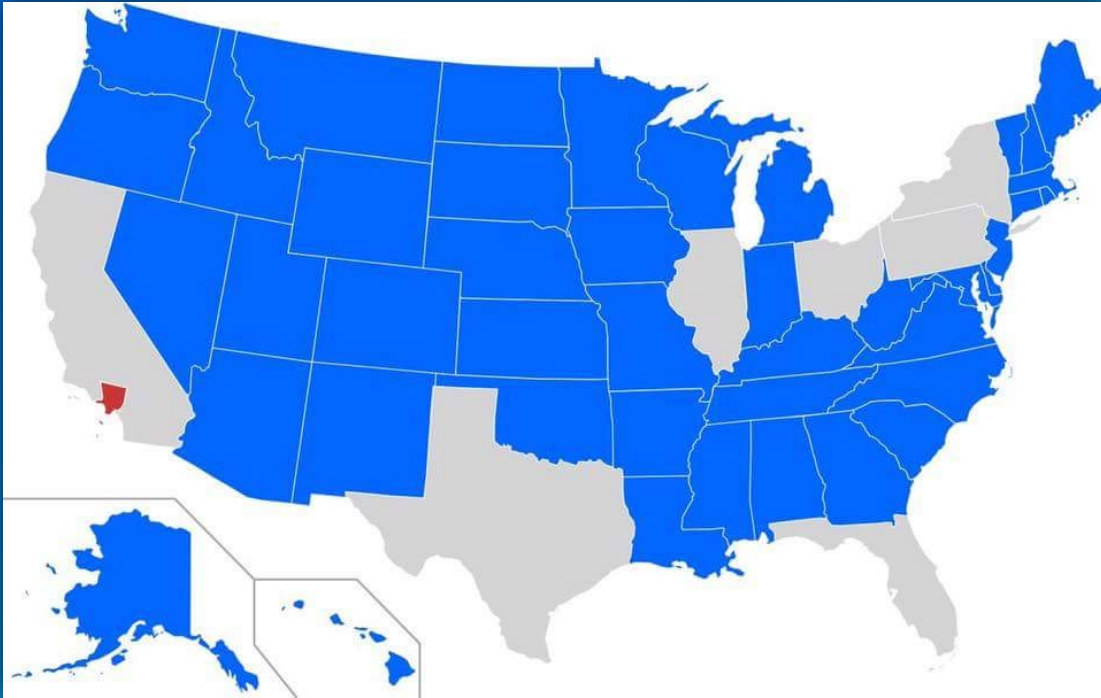
A WORLD ECONOMY

SOUTHERN CALIFORNIA

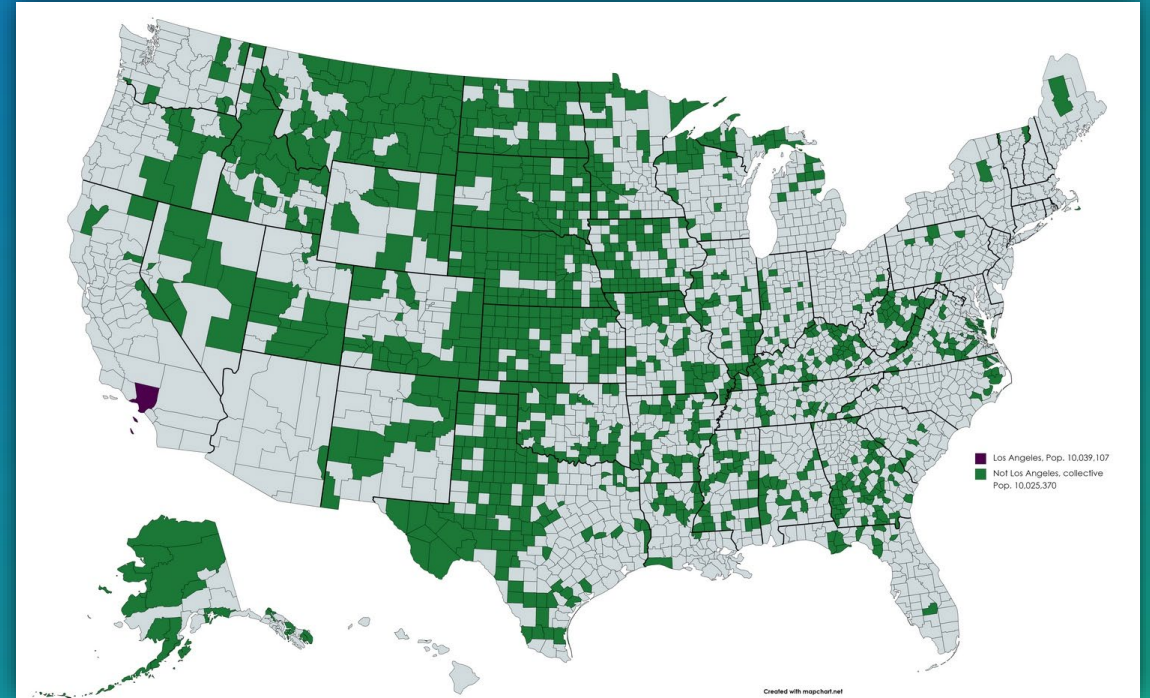
- 23.8 million people
- \$1.6 trillion economy
- 13th largest economy in the world
- (LA's GDP is \$815 billion)



POPULATION COMPARISON



LA County is more populous than 41 other U.S. States



LA County is more populous than approximately 1,200 other US Counties COMBINED

ECONOMIC POWERHOUSE



AEROSPACE/DEFENCE
SPACE EXPLORATION



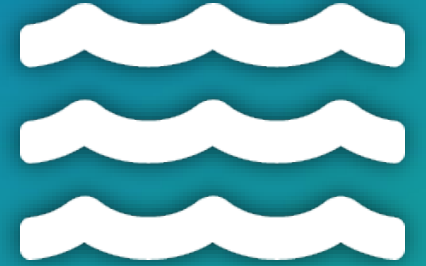
BIOSCIENCE
LIFE SCIENCE



DIGITAL MEDIA & ENTERTAINMENT
GAMING/ESPORTS
SPORTS ENTERTAINMENT



ADVANCED TRANSPORTATION



OCEAN/BLUE ECONOMY



TRADE AND LOGISTICS



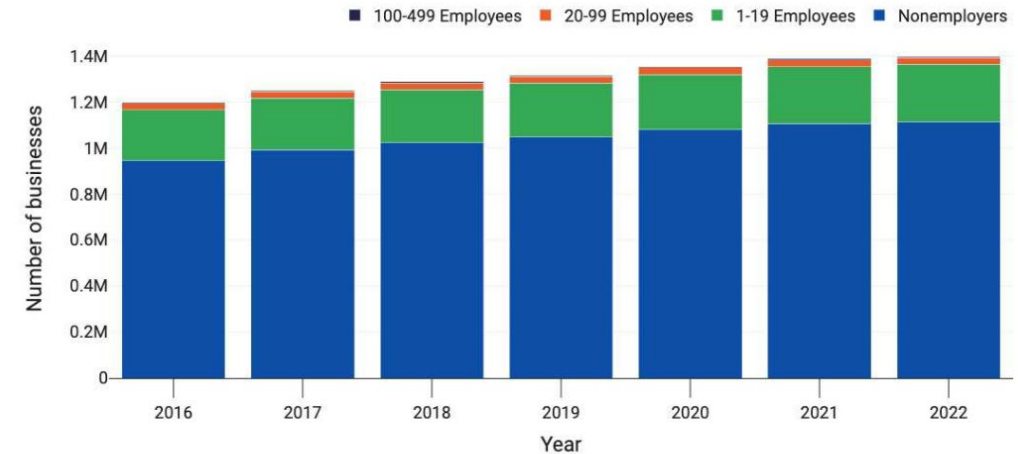
MANUFACTURING

LA COUNTY BUSINESSES

L.A. COUNTY CLUSTERS	EMPLOYMENT	AVERAGE WAGE	LQ
TRADED			
Business Services	236,550	\$129,210	0.8
Distribution and Electronic Commerce	179,352	\$80,994	0.9
Video Production and Distribution	150,098	\$127,596	12.3
Education and Knowledge Creation	94,003	\$93,232	1.1
Transportation and Logistics	79,852	\$89,466	1.4
Hospitality and Tourism	73,213	\$71,415	0.8
Marketing, Design, and Publishing	70,376	\$141,934	1.6
Aerospace Vehicles and Defense	57,076	\$136,473	3.0
Financial Services	43,927	\$247,803	0.7
Performing Arts	42,092	\$228,538	3.9
I.T. and Analytical Instruments	34,748	\$151,896	0.7
Food Processing and Manufacturing	31,346	\$66,605	0.8
Apparel	22,635	\$56,659	6.5
Water Transportation	17,573	\$139,266	1.9
Communications Equipment and Services	11,520	\$158,305	1.3
Biopharmaceuticals	8,476	\$88,738	0.8
Medical Devices	7,467	\$92,576	0.8
Textile Manufacturing	6,601	\$57,797	1.2
LOCAL			
Local Health Services	473,581	\$72,505	0.9
Local Hospitality Establishments	409,066	\$31,627	1.0
Local Community and Civic Organizations	321,264	\$29,493	2.5
Local Commercial Services	317,765	\$74,564	1.1
AGGREGATIONS			
Trade	276,777	\$87,138	1.1
Entertainment	196,594	\$149,539	8.3
Fashion	33,356	\$56,854	3.0
Biomedical	15,943	\$90,536	0.8

Number of small businesses in Los Angeles County, CA

2016 - 2022



Source: U.S. Small Business Administration, Office of Advocacy¹;
U.S. Census Bureau (Nonemployer Statistics², County Business Patterns³,
Statistics of U.S. Businesses⁴)

Neilsberg

LAEDC

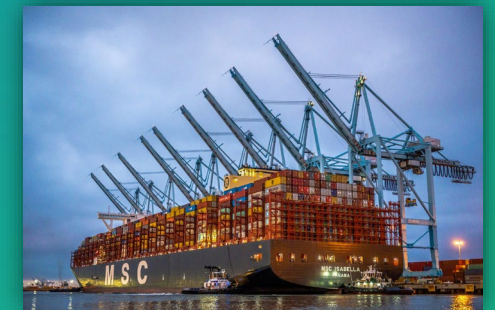
PORTS OF LA & LONG BEACH

PORT OF LOS ANGELES

	Loaded Imports	Empty Imports	Total Imports	Loaded Exports	Empty Exports	Total Exports	Total TEUs
January	372,040.00	6,480.70	378,520.70	102,723.25	244,770.00	347,493.25	726,013.95
February	249,407.45	2,175.20	251,582.65	82,404.00	153,859.50	236,263.50	487,846.15
March	319,961.95	5,991.80	325,953.75	98,276.25	199,003.75	297,280.00	623,233.75
April	343,688.50	4,195.25	347,883.75	88,201.75	252,024.25	340,226.00	688,109.75
May	409,150.15	2,535.80	411,685.95	101,741.00	265,713.25	367,454.25	779,140.20
June	435,306.65	2,069.55	437,376.20	108,049.50	287,609.75	395,659.25	833,035.45
July	364,208.30	641.95	364,850.25	110,372.25	209,068.25	319,440.50	684,290.75
August	433,224.25	2,758.95	435,983.20	124,987.50	267,045.00	392,032.50	828,015.70
September	392,608.35	1,444.00	394,052.35	120,635.25	233,752.50	354,387.75	748,440.10
October	372,454.80	109.00	372,563.80	121,276.50	231,934.25	353,210.75	725,774.55
November	384,618.85	140.90	384,759.75	111,754.75	266,747.25	378,502.00	763,261.75
December	364,661.00	191.00	364,852.00	121,574.75	256,092.25	377,667.00	742,519.00
Total Calendar Year 2023	4,441,330.25	28,734.10	4,470,064.35	1,291,996.75	2,867,620.00	4,159,616.75	8,629,681.10
Total Fiscal Year 2023/24 (in progress)	2,311,775.55	5,285.80	2,317,061.35	710,601.00	1,464,639.50	2,175,240.50	4,492,301.85

PORT OF LONG BEACH

Date	Loaded Inbound	Loaded Outbound	Total Loaded	Empty Inbound	Empty Outbound	Total Empties	Total
January	263,394	105,623	369,017	13,298	191,458	204,755	573,772
February	254,970	110,919	365,889	13,258	164,529	177,787	543,675
March	279,148	133,512	412,660	14,312	176,907	191,218	603,878
April	313,444	122,663	436,107	16,816	203,127	219,943	656,049
May	361,661	127,870	489,530	12,970	255,725	268,695	758,225
June	274,325	94,508	368,833	14,115	214,128	228,243	597,076
July	271,086	90,134	361,220	16,934	200,096	217,030	578,249
August	325,436	93,402	418,838	15,277	248,198	263,474	682,312
September	408,926	101,248	510,174	18,448	300,807	319,255	829,429
October	363,300	90,073	453,373	14,817	286,960	301,777	755,150
November	355,339	108,798	464,137	15,064	251,833	266,896	731,033
December	333,329	103,688	437,017	15,637	257,166	272,802	709,819
Total Calendar Year :	3,804,358	1,282,438	5,086,795	180,946	2,750,934	2,931,875	8,018,667



LOS ANGELES WORLD AIRPORTS

	December 2023			Calendar YTD January to December 2023		
	<i>Domestic</i>	<i>International</i>	<i>Total</i>	<i>Domestic</i>	<i>International</i>	<i>Total</i>
Passenger Traffic Totals						
Scheduled Carriers						
Departures	2,158,046	1,023,188	3,181,234	26,451,159	11,176,737	37,627,896
Arrivals	2,162,247	928,725	3,090,972	26,348,180	11,044,626	37,392,806
Total	4,320,293	1,951,913	6,272,206	52,799,339	22,221,363	75,020,702
Scheduled Commuters						
Departures	0	0	0	54	0	54
Arrivals	0	0	0	116	0	116
Total	0	0	0	170	0	170
Charter						
Departures	1,206	172	1,378	13,018	1,237	14,255
Arrivals	2,075	168	2,243	14,410	1,314	15,724
Total	3,281	340	3,621	27,428	2,551	29,979
Grand Total	4,323,574	1,952,253	6,275,827	52,826,937	22,223,914	75,050,851



STARTUP CENTER

- 120 VC firms manages \$9.1 bn
- 31 accelerators
- 49 incubators
- +8,000 startups

United States
Los Angeles #6

"We built a rock hard community, and seeing L.A. now, as one of the top startup cities in the world, is a testament to the power of community."

Cam Kashani
 Cofounder and CEO at COACCEL: The Human Accelerator

Startup Genome

Global Ecosystem in Talent & Experience

Top 10

Startup Genome

Global Ecosystem in Funding

#4

Startup Genome

Global Ecosystem in Performance

Top 5



Ecosystem by the Numbers

TOTAL EARLY STAGE FUNDING (2019H2-2021)

\$5.9 bn

GLOBAL AVG. \$687 m

ECOSYSTEM VALUE (2019H2-2021)

\$297 bn

GLOBAL AVG. \$28.6 bn

MEDIAN SEED ROUND (2019H2-2021)

\$1 m

GLOBAL AVG. \$671 k

MEDIAN SERIES A ROUND (2019H2-2021)

\$7 m

GLOBAL AVG. \$4.7 m

SOFT. ENGINEER SALARY (2021)

\$94 k

GLOBAL AVG. \$46 k

Exits (2017-2021)

Amount (\$): **117 bn** vs GLOBAL AVG. **11.3 bn**

Count (#): **880** vs GLOBAL AVG. **101**

EARLY-STAGE FUNDING GROWTH TIER (2018/19 VS. 2020/21)

6

Calculated on a scale of 1 (lowest) to 10 (highest)

TOTAL VC FUNDING (2017-2021)

\$39 bn

GLOBAL AVG. \$4.5 bn

TIME TO EXIT (2017-2021)

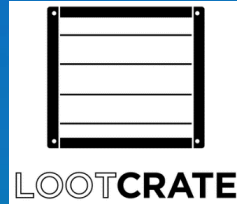
9.4 years

GLOBAL AVG. 9.4 years





TRADER JOE'S



Omaze

hulu

ring



JUSTFAB™



Talent Pool | Educational Institutions

World-Class Research Universities



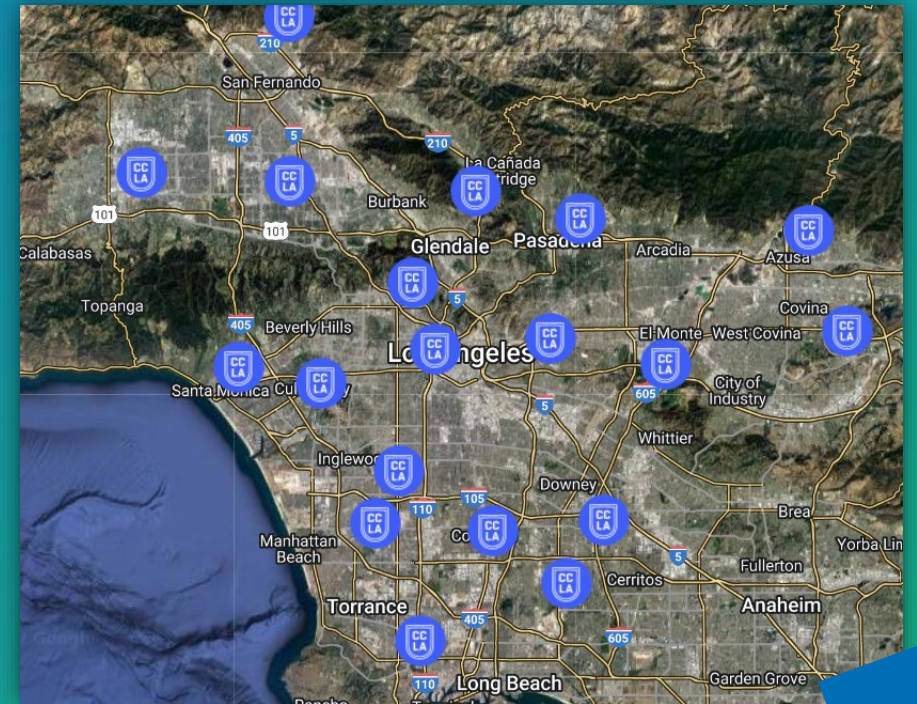
110 + Higher Education Institutions

Bachelor's Degrees

• 1.35 Million

Graduate or Professional Degrees

• 717,000



SPORTS ENTERTAINMENT



- 2024 NCAA Division I Men's West Regional Championship
- 2026 NBA All-Star
- 2026 FIFA World Cup
- 2026 U.S. Women's Open
- 2027 Super Bowl LXI
- 2028 Olympic & Paralympic Games
- 2031 131st US Open Championship
- 2031 Men's Rugby World Cup (Candidate City)
- 2032 US Women's Open Championship
- 2033 Women's Rugby World Cup (Candidate City)
- 2039 US Open Championship



Foreign Direct Investment (FDI)



SOUTHERN CALIFORNIA

FOREIGN-OWNED ENTERPRISES (FOEs)

FOE
JOBS

404,559

FOE
ESTABLISHMENTS

11,121

ESTIMATED
WAGES

\$43,261M

FOEs BY SOURCE NATION/REGION

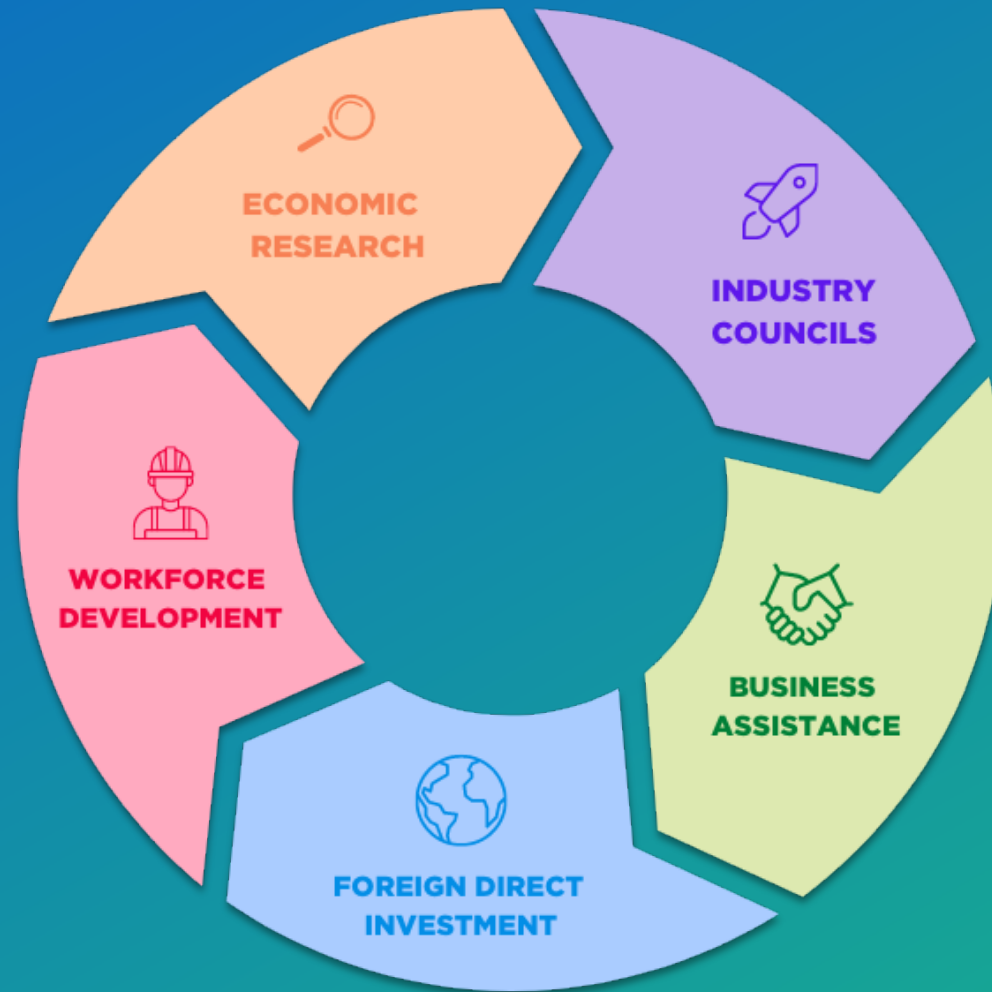
Rank	Country/ Region	Jobs	% of All FOE Jobs	Establishments	Est. Wages (\$Millions)
1	Japan	71,303	17.6%	2,295	8,173.2
2	United Kingdom	63,360	15.7%	1,402	6,267.9
3	Canada	44,959	11.1%	1,002	4,827.2
4	France	44,398	11.0%	1,090	4,746.4
5	Germany	24,933	6.2%	819	2,859.6
6	Switzerland	23,805	5.9%	420	3,085.2
7	Ireland	14,863	3.7%	264	1,744.1
8	China	13,182	3.3%	478	1,243.9
9	Mexico	12,121	3.0%	367	1,272.9
10	Sweden	11,901	2.9%	176	958.1
	All Others	79,735	19.7%	2,808	8,082.2
	TOTAL	404,559	100.0%	11,121	43,260.7

FOEs BY INDUSTRY SECTOR

Major Industry	Jobs	Establishments	Est. Wages (\$Millions)
Natural Resources	3,568	62	394.2
Construction	5,045	165	399.7
Manufacturing	134,982	1,702	16,095.5
Wholesale Trade	50,224	1,882	4,637.3
Retail Trade	40,614	2,829	1,862.8
Transp/Warehouse/Util	17,545	583	1,254.9
Information	17,350	323	4,358.7
Financial Activities	30,965	1,117	4,946.3
Prof/Business Services	75,746	1,443	7,991.7
Education/Health	5,582	295	339.9
Leisure/Hospitality	17,329	489	690.8
Other Services	5,215	154	257.8
Public Administration	394	77	31.0
TOTAL	404,559	11,121	43,260.7

STRATEGY TO MOVE
THE LOS ANGELES REGIONAL ECONOMY

LAEDC's 5 Pillar Strategy For Economic Development

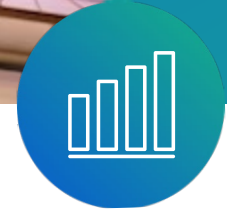




LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION
Collaboratively Advancing Growth and Prosperity for All

LAEDC's Institute for Applied Economics (IAE)

Focused on the LA region's complex economy, IAE provides the detailed, objective analysis that informs decisions. IAE couples data with multi-year outlooks on specific industries, occupations, and opportunities for the regional economy. IAE helps you consider legislation, talent development, job creation, and actions to grow equitable conditions for all.



Trusted data
that serves our clients and
the public



Industry Cluster Development

Los Angeles County has dozens of major industries, each with rich ecosystems of businesses, talent, suppliers, logistics networks, and entrepreneurs. Here are some of LA County's largest industries:

- Advanced transportation
- Aerospace & defense
- Bioscience
- Entertainment & digital media
- Fashion apparel & lifestyle
- Food manufacturing
- Hospitality & tourism
- Information technology
- Marketing, design, publishing
- Ocean economy
- Trade & logistics



Business Assistance Program (BAP)

LAEDC's Business Assistance Program offers confidential, free-of-charge consulting to large and small, domestic and international businesses across all industry sectors. We help businesses overcome challenges so they can grow, hire, and follow opportunity.



Whether you are new to LA County or an established business

the LAEDC's Business Assistance Team in a no-cost, confidential partner for you.



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LAEDC

Workforce Development

LAEDC's workforce development program exists to create economic mobility and equity, support the talent needs of business, and align education with evolving industry trends. Workforce development is integrated into LAEDC's research, business assistance, industry council work, and the fabric of our mission. We work in both the strategic leadership capacity to support systems change and in a programmatic action level to drive progress.



Connecting your
grads and faculty

to industry for internships and
program co-development.



World Trade Center Los Angeles (WTCLA)

WTCLA, an affiliate of LAEDC, is a not-for-profit public benefit organization dedicated to attracting foreign direct investment to the Los Angeles region and facilitating business opportunities between Los Angeles and international companies. In support of its mission and goals, the WTCLA provides Foreign Direct Investment (FDI) Attraction Services by assisting international companies seeking to locate or expand their business operations in the Los Angeles region.



LA County's
leading promoter
and facilitator of
global connections

Strategic Partnerships

Los Angeles Digital Equity Action League (LA DEAL)

The LA DEAL's mission is to eliminate the digital divide in L.A. County

Community Economic Resilience Fund (CERF)

CERF aims to build an equitable and sustainable economy across California's diverse regions and foster long-term economic resilience in the overall transition to a carbon-neutral economy.





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Our Vision

A reimagined Los Angeles regional economy – growing, equitable, sustainable, and resilient – that provides a healthy and high standard of living for all.

Our Mission

Reinventing our economy to collaboratively advance growth and prosperity for all.



Get Started



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Who We Are

The non-profit Los Angeles County Economic Development Corporation champions equitable economic growth across the LA region.

Collaborating with community, government, business and education partners to inform and advance our data-driven and evidence-based approach, we endeavor to achieve a reimagined regional economy – growing, equitable, sustainable, and resilient -that provides a healthy and high standard of living for all.

LAEDC staff and members represent the diversity of Los Angeles County and act as trusted conveners, thought partners, valued service providers, regional stewards, and catalysts for transformational change.



Get Started



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Our vision for economic development?

LAEDC is committed to an intentional regional economic development approach focused on improving economic well-being and quality of life to build a more equitable and inclusive economy.

At LAEDC, economic development starts when research and data are used to understand and identify opportunities, provide technical assistance for businesses, prepare and champion sustainable growth, and train our workforce so everyone wants to can participate, compete and thrive within a dynamic economy.



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Thank you



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