



# LAEDC

## COVID-19 Economic Implications Briefing

May 18, 2020



# Bill Allen

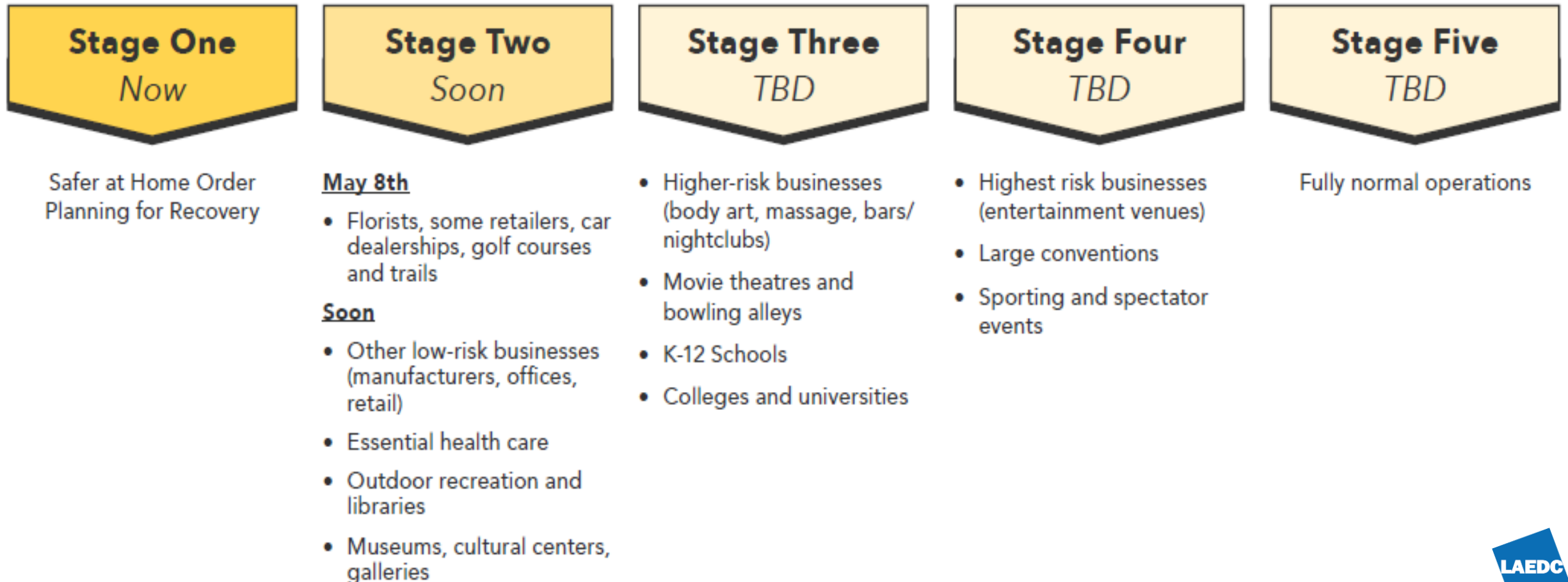
CEO  
LAEDC



# Shannon Sedgwick

DIRECTOR  
INSTITUTE FOR APPLIED ECONOMICS

# Five-Stage Reopening Process Based On Risk



# Confirmed COVID-19 Cases

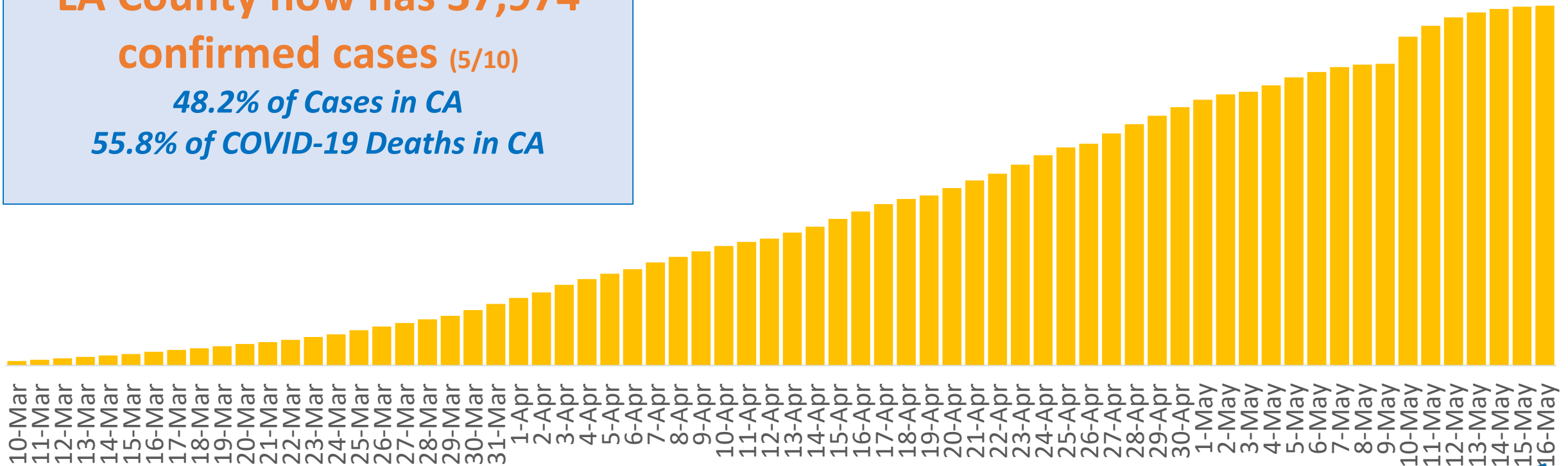
## in LA County (5/17)

COVID-19 Cases in LA County (000s)

**LA County now has 37,974 confirmed cases (5/10)**

**48.2% of Cases in CA**

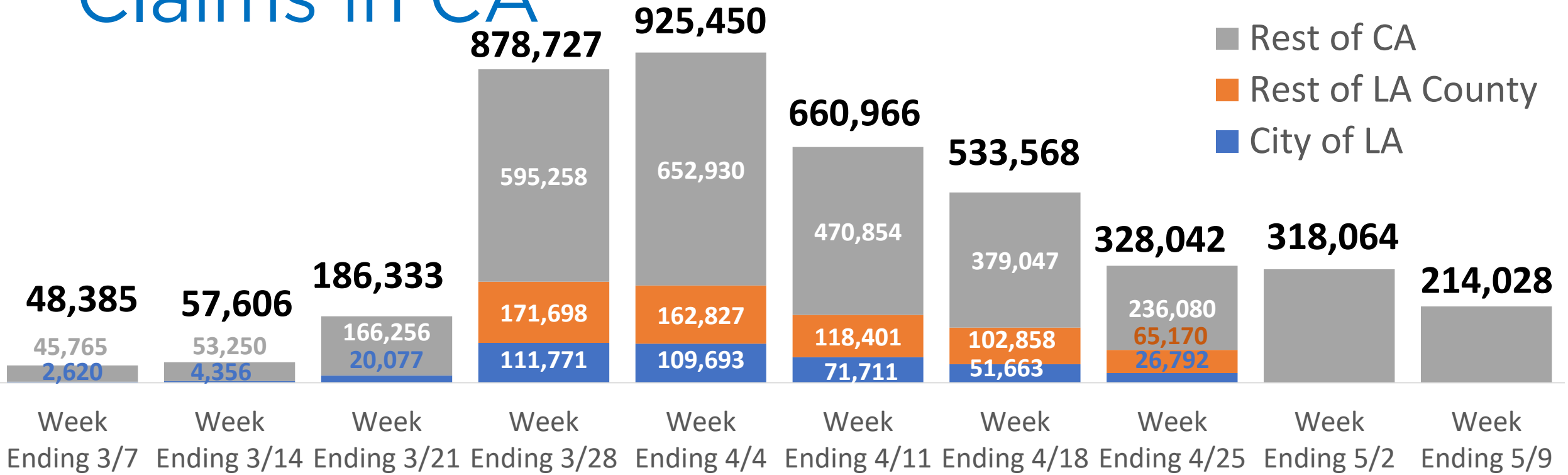
**55.8% of COVID-19 Deaths in CA**



Source: LA County



# Unemployment Insurance Weekly Claims in CA



## CA Stay at home order issued March 19<sup>th</sup>

- In the last 8 weeks, just over **4.0 million** initial unemployment insurance claims have been filed.
- Between April 28th and May 9th, an additional 298,00 new PUA claims have been processed.
- From 3/14 to 5/2, The CA EDD paid more than a third of what was paid in benefits during the highest year of demand during the last recession, which was \$22.9 billion in calendar year 2010.



# Trade and Logistics

# What was happening before the pandemic...

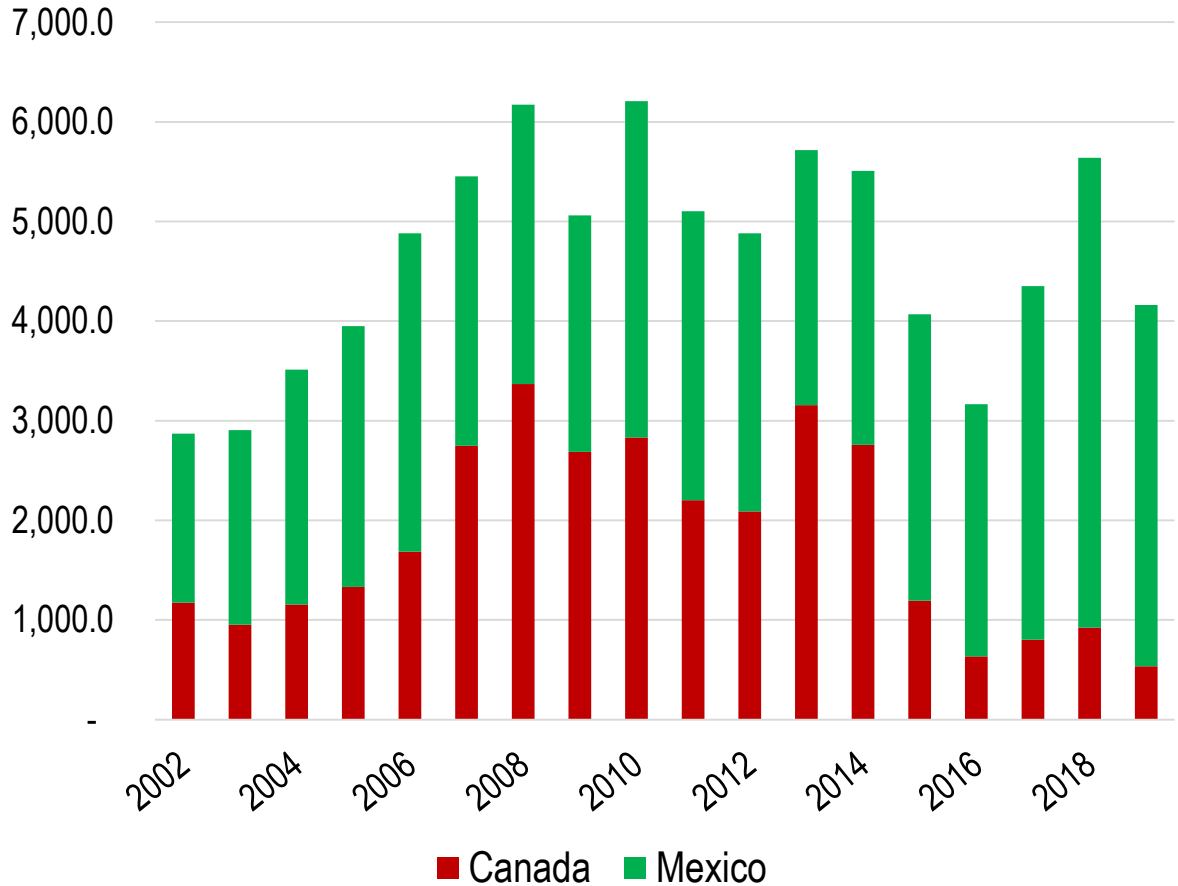
- The UK Parliament had passed the EU departure deal January 2020; the UK scheduled to officially leave the Union at midnight, December 31<sup>st</sup>.
- USMCA had been ratified by the governments of the U.S., Canada and Mexico as of March 2020; set to be effective July 1<sup>st</sup>
- The U.S. and China had reached a Phase One deal to deescalate trade tension, but most tariffs remain
  - New IP protection requirements on China
  - Chinese promise to purchase \$200 billion on U.S. goods and services on top of 2017 levels
  - Address barriers to U.S. agricultural exports to China



# Anticipating the US-CMA, bilateral trade w/Canada and Mexico

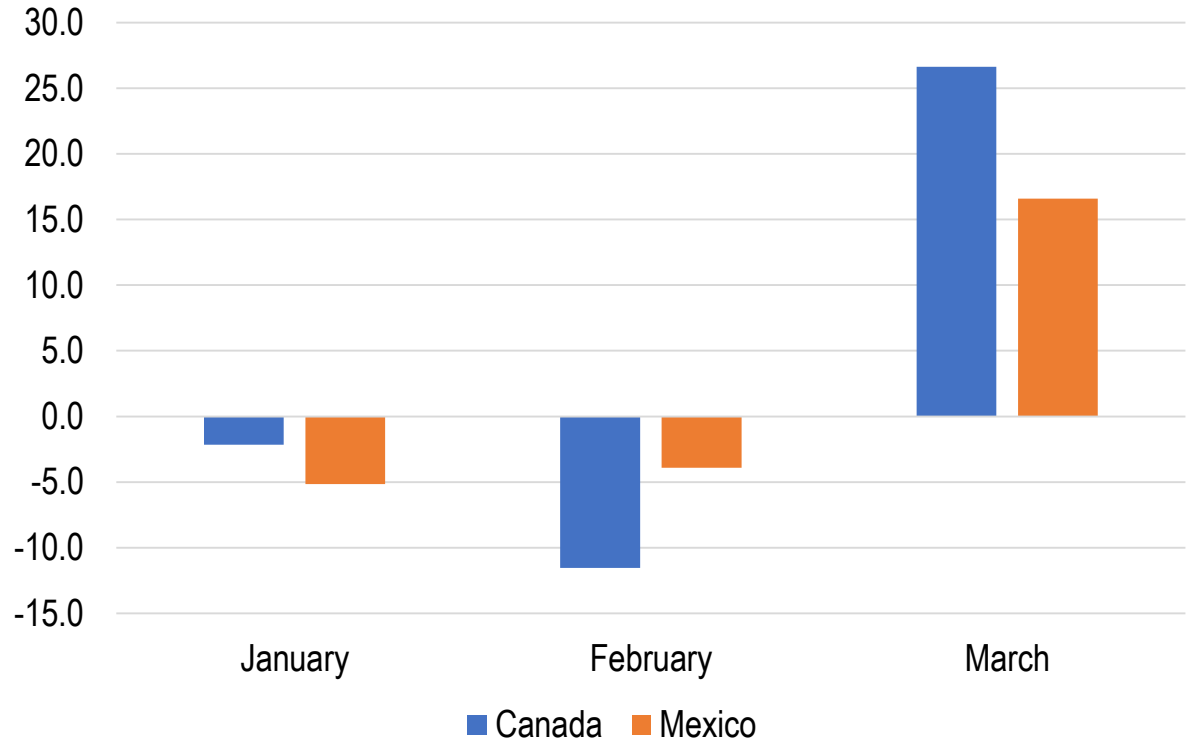
*Los Angeles Customs District,*

**Total Value of Trade (\$ millions), LA Customs District**



Source: USA Trade Online

**Difference in Total Trade Value (\$ millions), 2019 vs. 2020**



Source: USA Trade Online

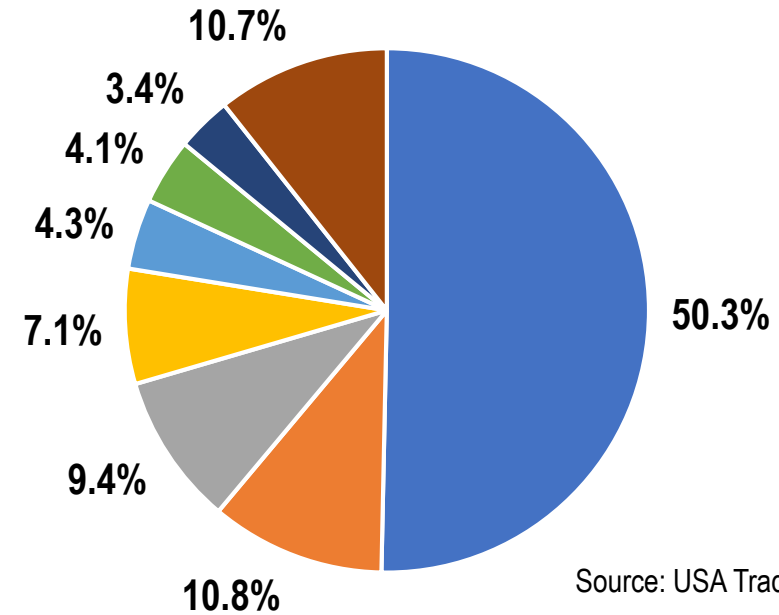


# Assessing the US-CMA in context

## *Key points of the agreement and LA exports to Mexico and Canada*

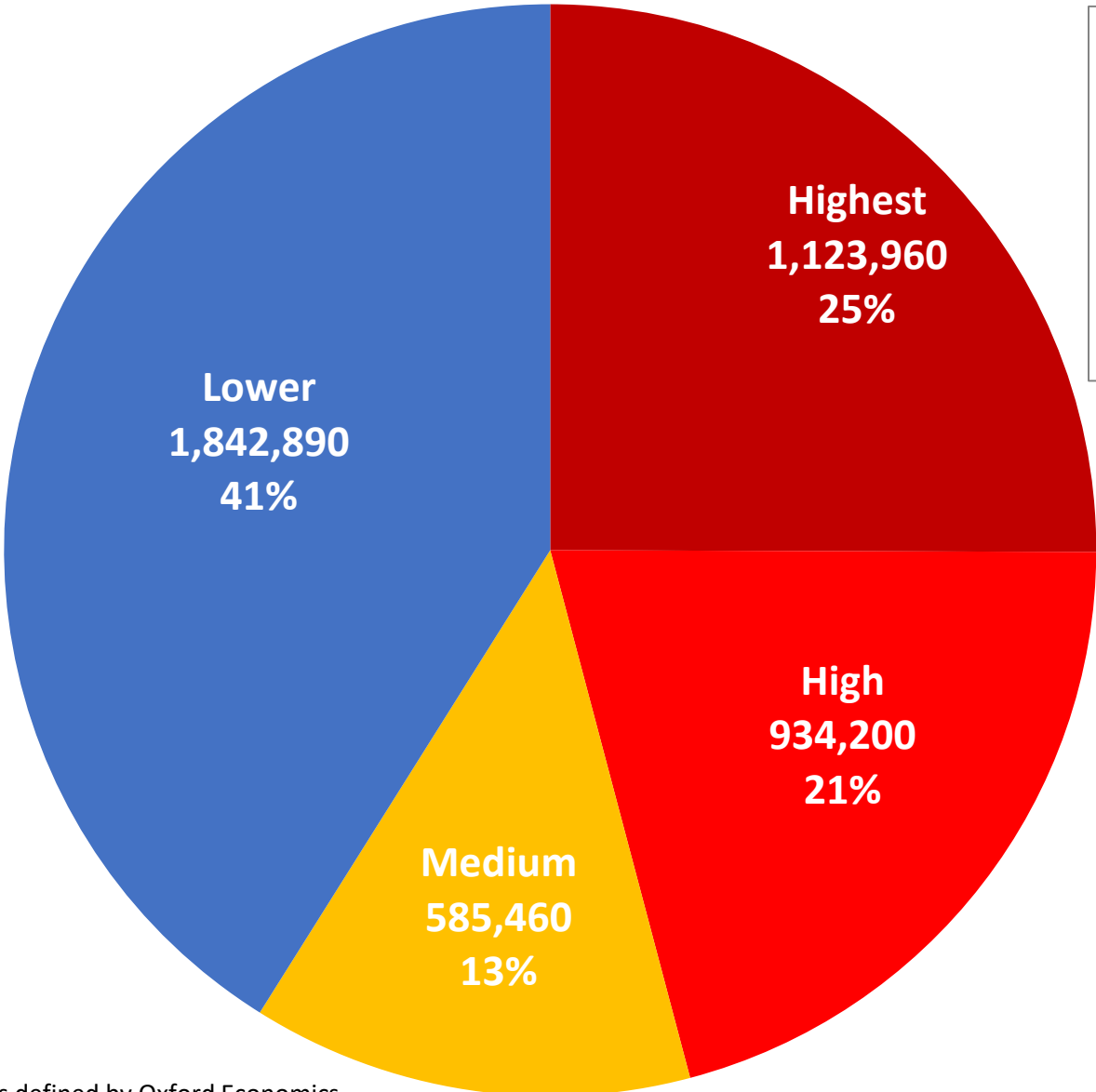
- Better access to Canadian dairy, poultry and eggs markets
- Data protections for agrichemicals
- Higher regional manufacturing requirements for autos and auto parts
- Longer copyright lives and digital IP protections
- Raises export value to which shipment is not subject to duty

LA Customs District 2019 goods exports to Canada & Mexico, by Category



- Computers & Electronics
- Petroleum & Coal Products
- Chemicals
- Transport Equipment
- Misc Manufactured
- Machinery, Except Electrical
- Agriculture
- Other

# At Risk Jobs in LA County\*



Total Jobs in LA County:  
4.5 million

High Risk Job Share:  
45.9%

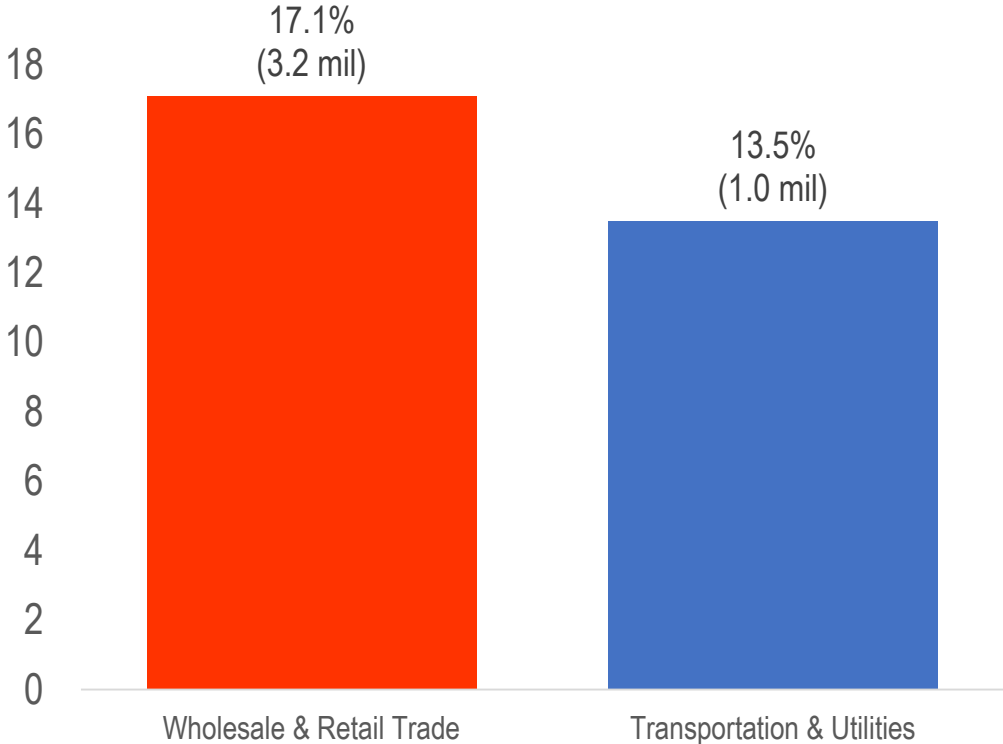
- Highest Risk**
- Retail Trade
- Arts, Entertainment, and Recreation
- Accommodation and Food Services
- Other Services (except Public Administration)
- High Risk**
- Construction
- Manufacturing
- Wholesale Trade**
- Transportation and Warehousing**
- Medium Risk**
- Mining, Quarrying, and Oil and Gas Extraction
- Information
- Real Estate and Rental and Leasing
- Professional, Scientific, and Technical Services
- Lower Risk**
- Agriculture, Forestry, Fishing and Hunting
- Utilities
- Management of Companies and Enterprises
- Administrative and Support and Waste Management and Remediation Services
- Educational Services
- Health Care and Social Assistance
- Public Administration



\*As defined by Oxford Economics

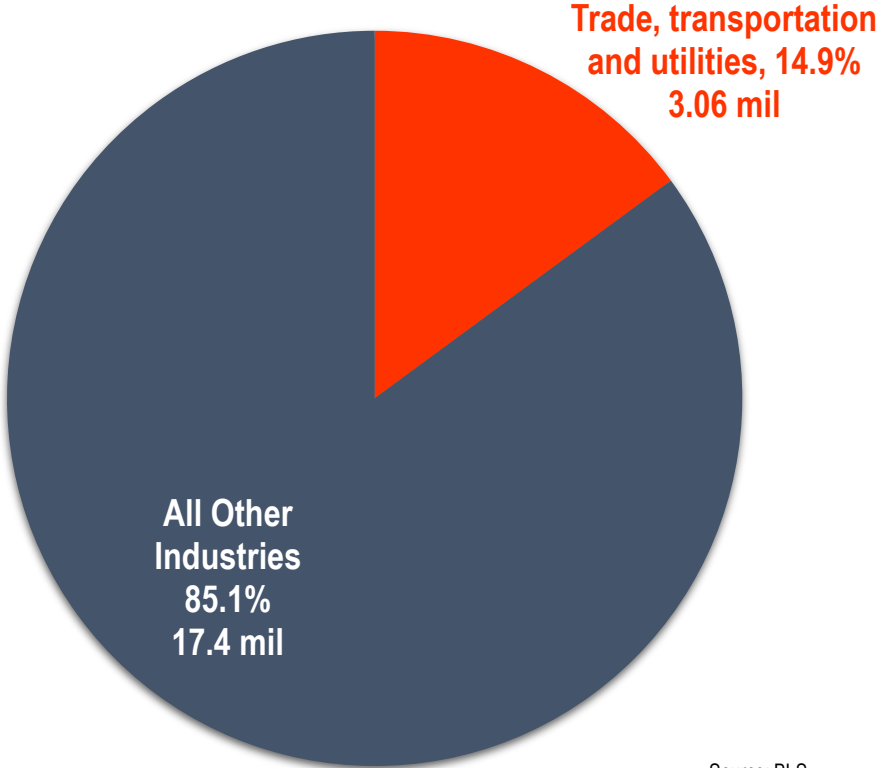
# U.S. Unemployment in Trade, Transportation & Utilities

U.S. Unemployment Rate & Unemployed Persons by Industry  
April 2020, NSA



Source: BLS

Share of Jobs Lost by Sector  
April 2020

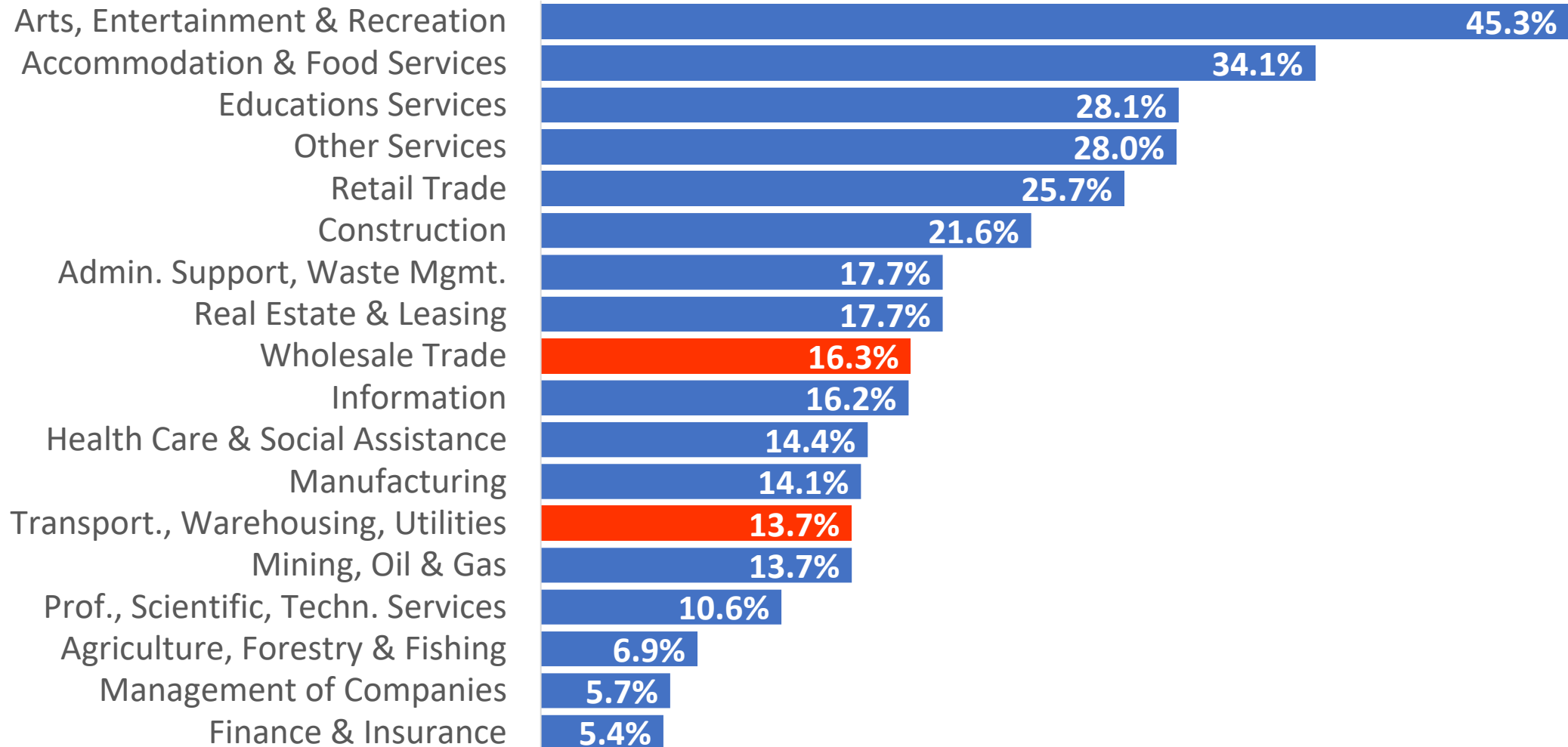


Source: BLS



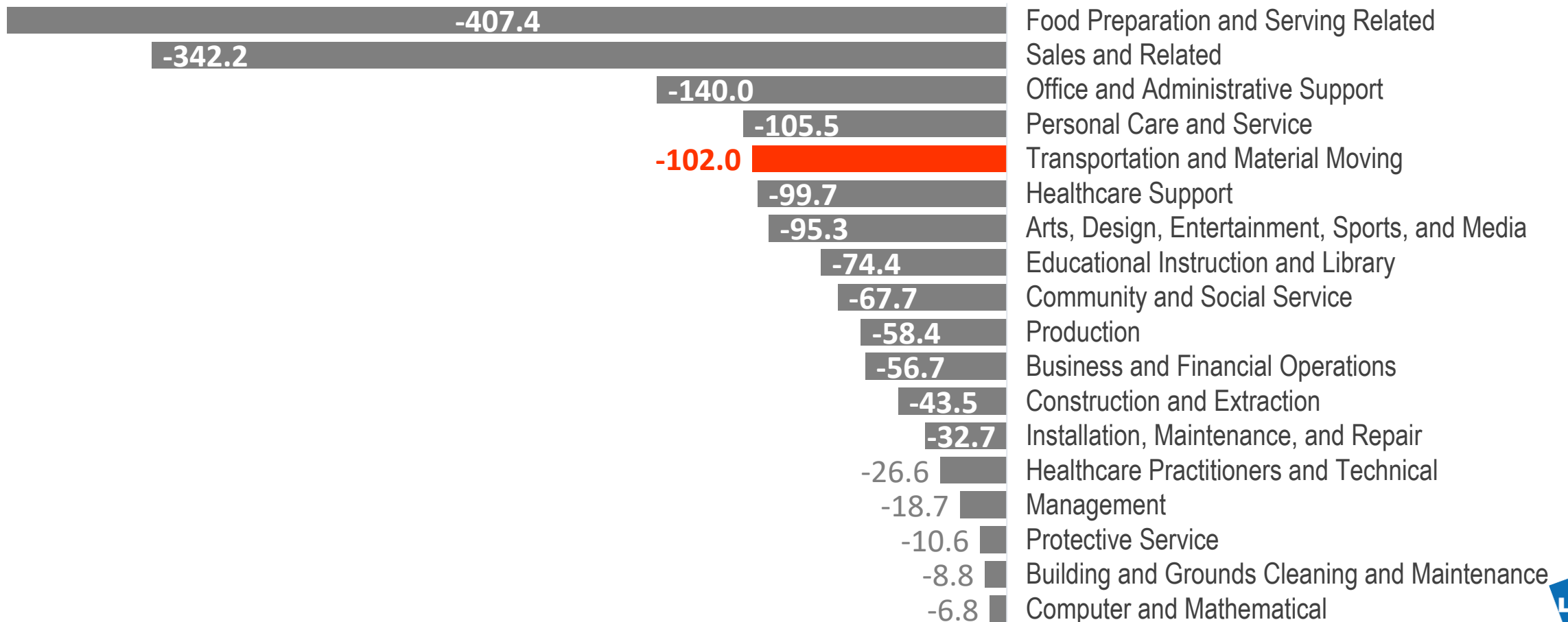
# COVID-19: UI Claims in CA: By Industry

## UI Claims as a Share of the Industry's Labor Force from Mid-March to April 25th



# What Initial Job Loss Related to the COVID-19 Stay At Home Order Could Look Like in the Los Angeles-Long Beach-Anaheim MSA

Projected Number of Jobs Lost by Occupational Group, May 2020 (jobs in 000s)



Source: BLS, OES, ONET, estimates by LAEDC

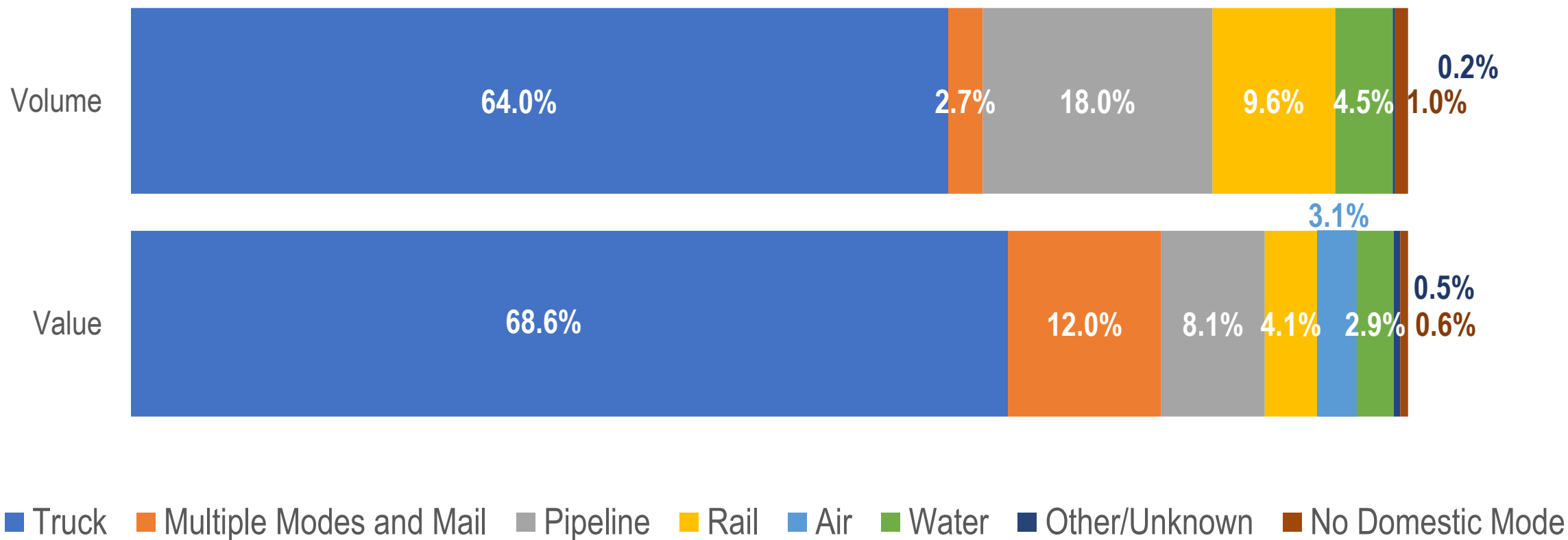


# Total Freight Flow in U.S. by Mode

Total Volume of Trade: 18.6 trillion tons

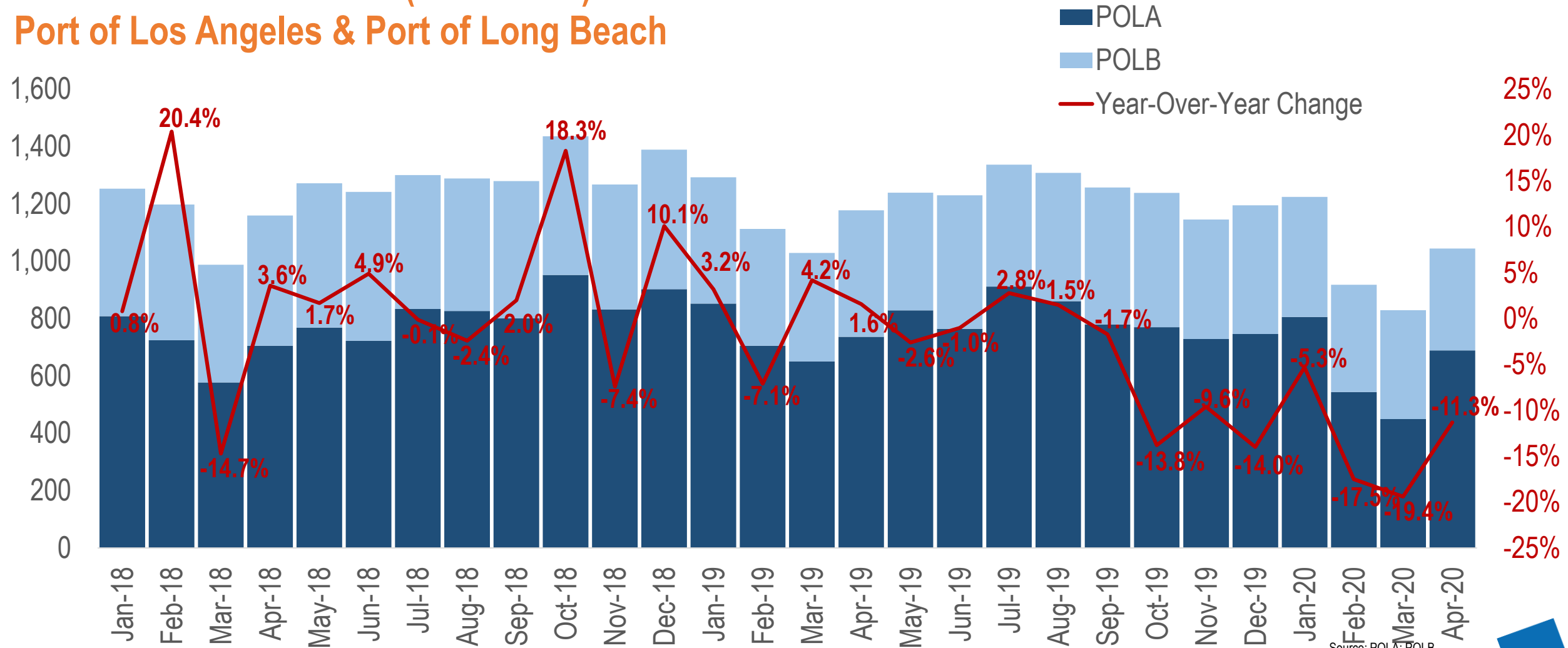
Total Value of Trade: \$18.9 trillion

2018 Volume in billions of tons; value in \$2012 trillions



# Transportation Mode: Water

## Container Trade in TEUs (thousands) Port of Los Angeles & Port of Long Beach



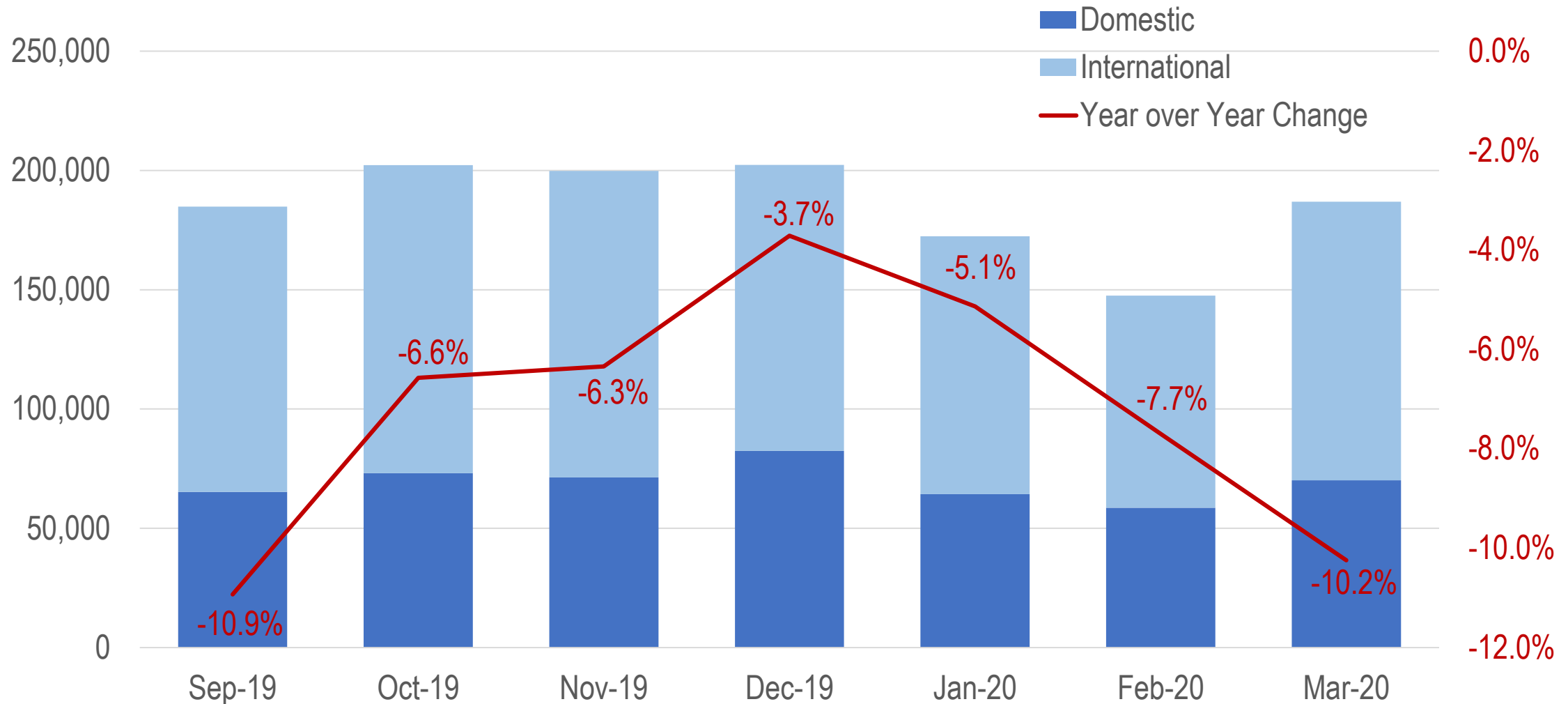
Source: POLA, POLB





# Transportation Mode: Air

## Total Air Cargo (Freight and Mail) at LAX

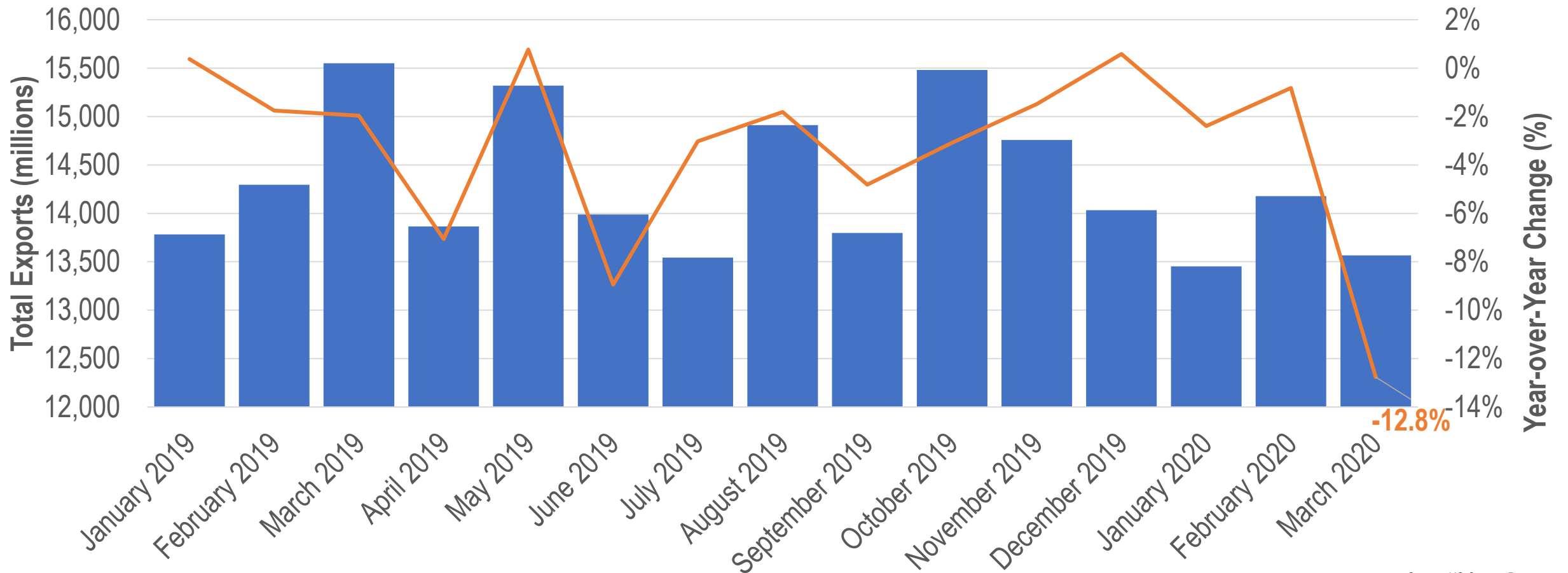


Source: LAWA



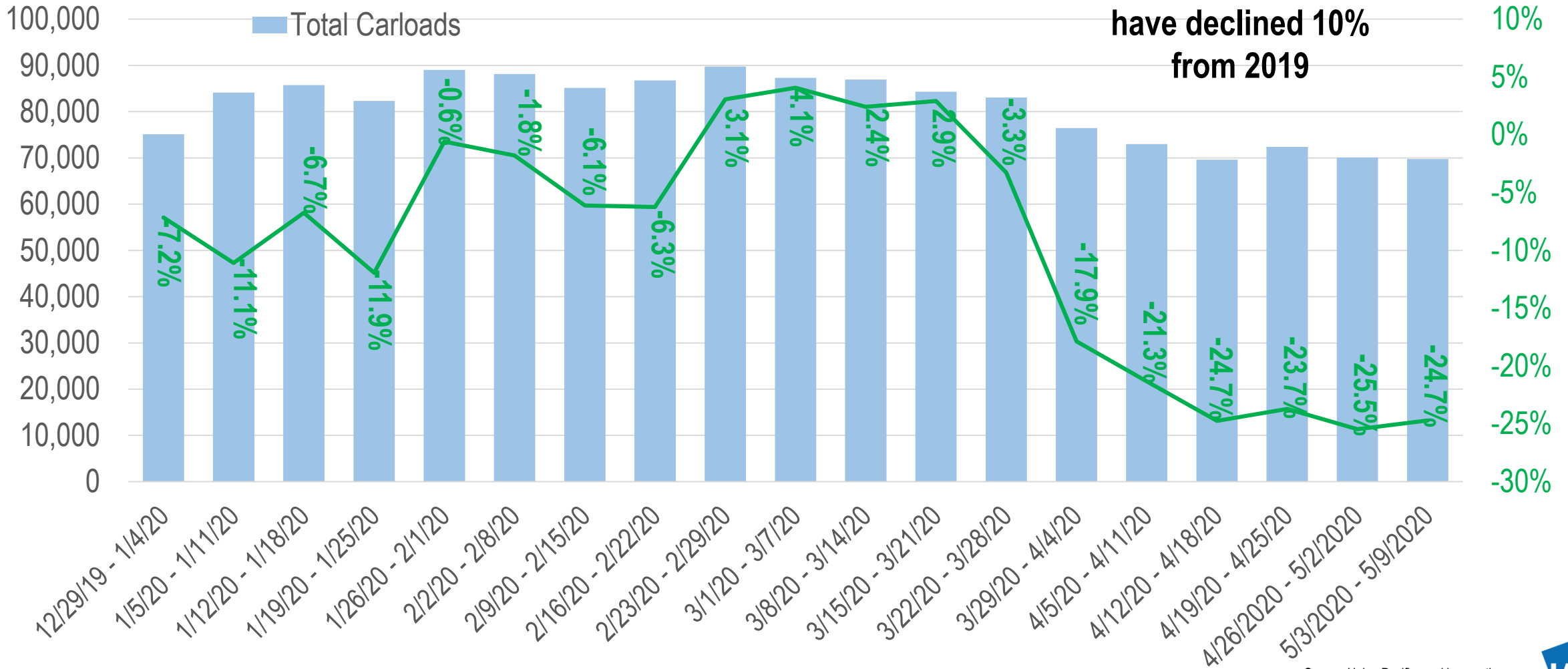
# Transportation Mode: All

## California Exports, Year-Over-Year Change



# Transportation Mode: Rail

## Union Pacific Railroad Total Carload Traffic

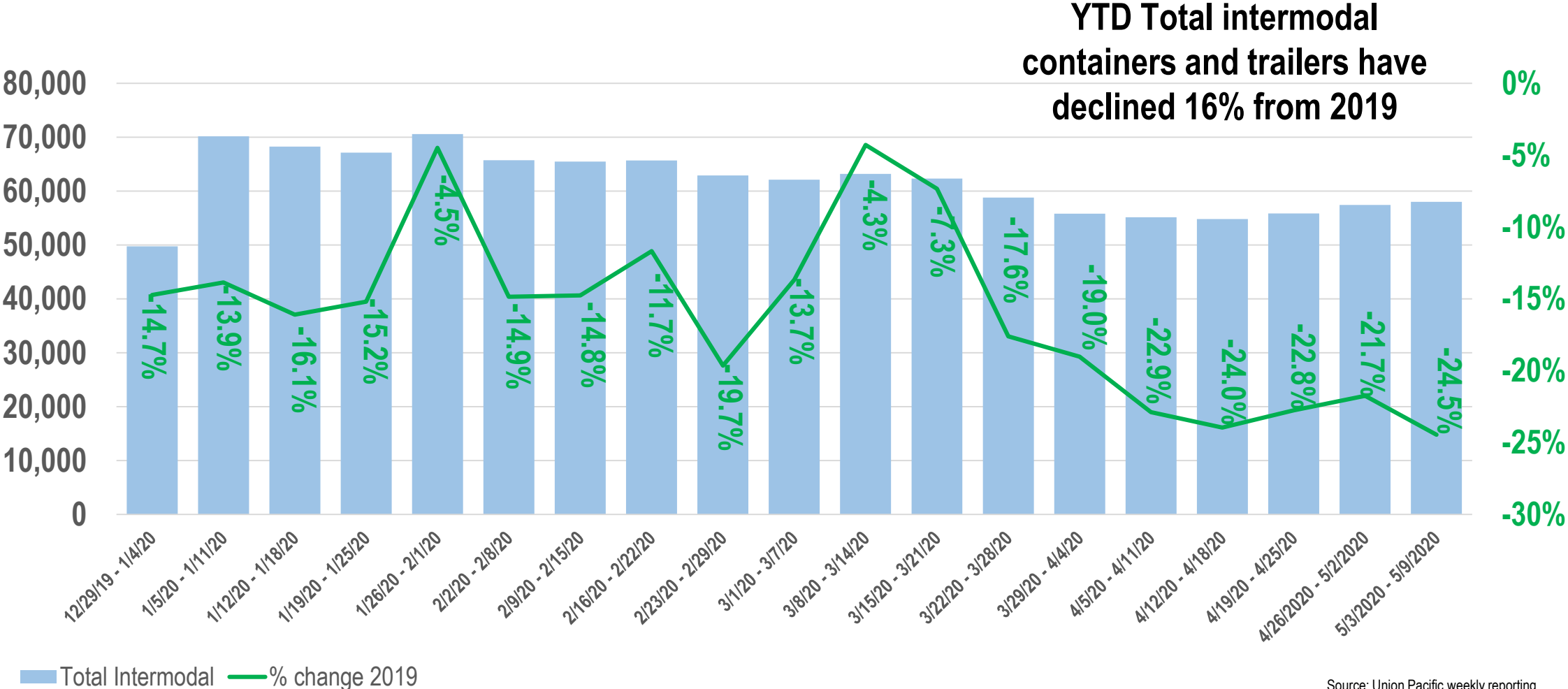


Source: Union Pacific weekly reporting



# Transportation Mode: Rail

## Union Pacific Railroad Total Intermodal Containers and Trailers

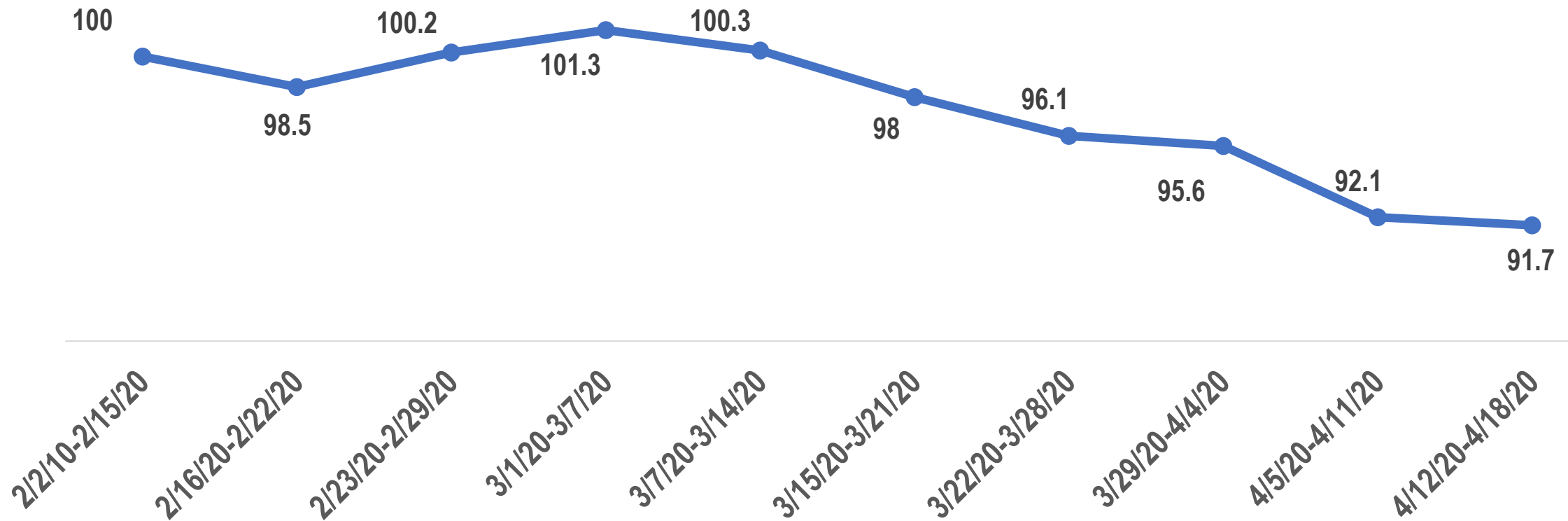


Source: Union Pacific weekly reporting



# Transportation Mode: Truck

## California Truck Activity Index



Source: American Transportation Research Institute





# LAEDC | Mission

LAEDC works with business, education and government partners to collectively advance opportunity and prosperity for all L.A. County residents.

[WWW.LAEDC.ORG](http://WWW.LAEDC.ORG)

# QUESTIONS

# Thank you!

- Visit the LAEDC COVID-19 Response page for additional resources at <https://laedc.org/coronavirus/>.
- Do you have questions you would like answered on these webinars? Please send to [shane.cullen@laedc.org](mailto:shane.cullen@laedc.org).