



LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Collaboratively Advancing Growth and Prosperity for All

LAEDC 2022
Economic Briefing

LAEDC's Quarterly Economic Briefing

October 24, 2022



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Bill Allen

CEO, LAEDC



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

**Economic Research | Business Assistance | Industry Cluster Development
Workforce Development | International Trade | Foreign Investment Attraction**



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Stephen Cheung

President & COO, LAEDC



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Shannon Sedgwick

**Director, Institute for Applied Economics
LAEDC**



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Economic Overview

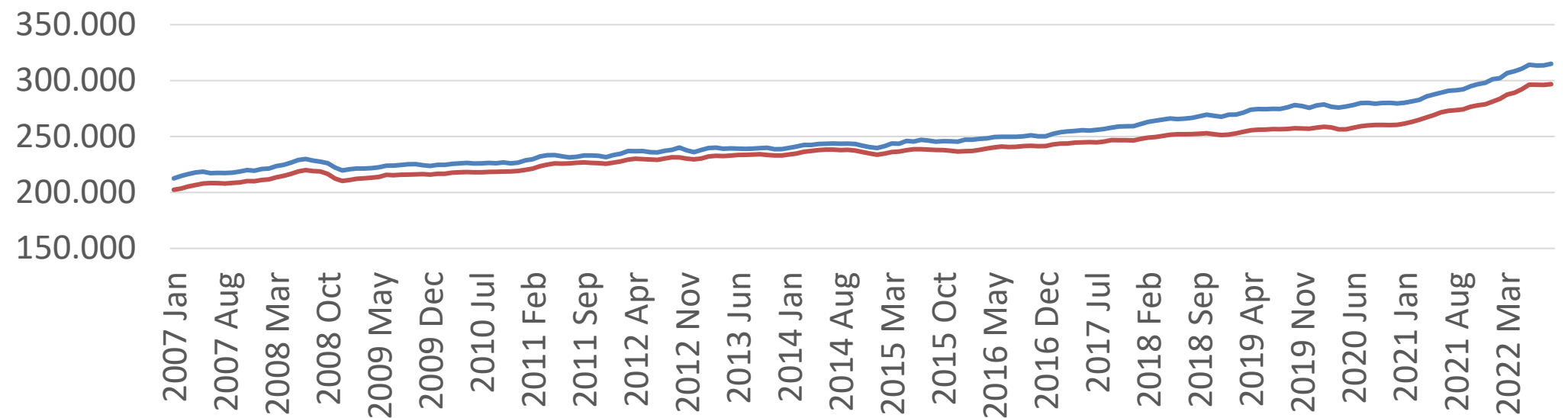
Los Angeles County



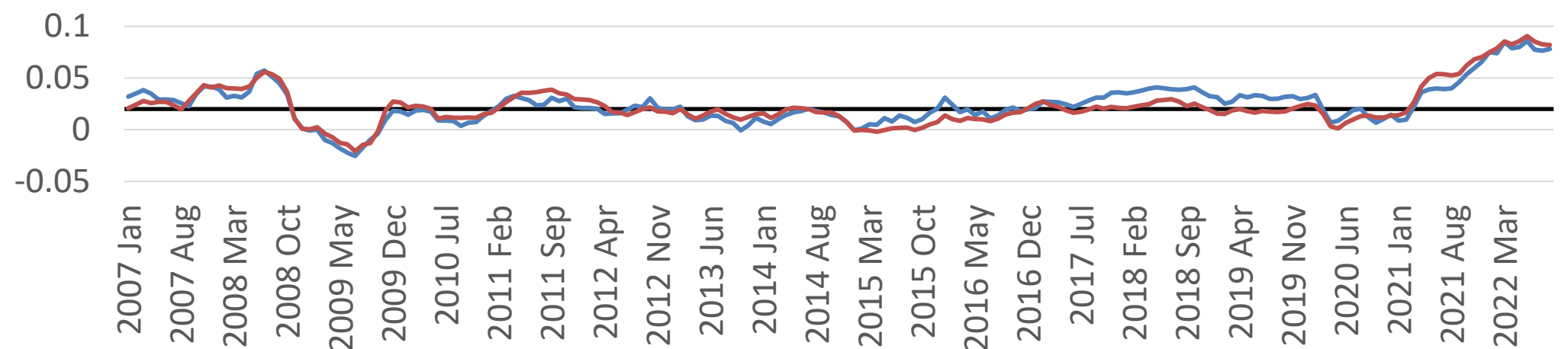
Consumer Price Index (CPI-U)

- Compared to the rest of the United States, the Los Angeles region has had elevated prices for the extent of the period
- This elevation became even more pronounced when LA's annual rate of increase was higher than that of the US's for most months between January 2015 and January 2020
- This past month increased by 0.5 percent over the past month, up 7.8 percent from a year ago.

Consumer Price Index (Jan 2007 - Sept 2022)



Percent Change in Consumer Price Index (Jan 2007 - Sept 2022)



— Los Angeles-Long Beach-Anaheim MSA

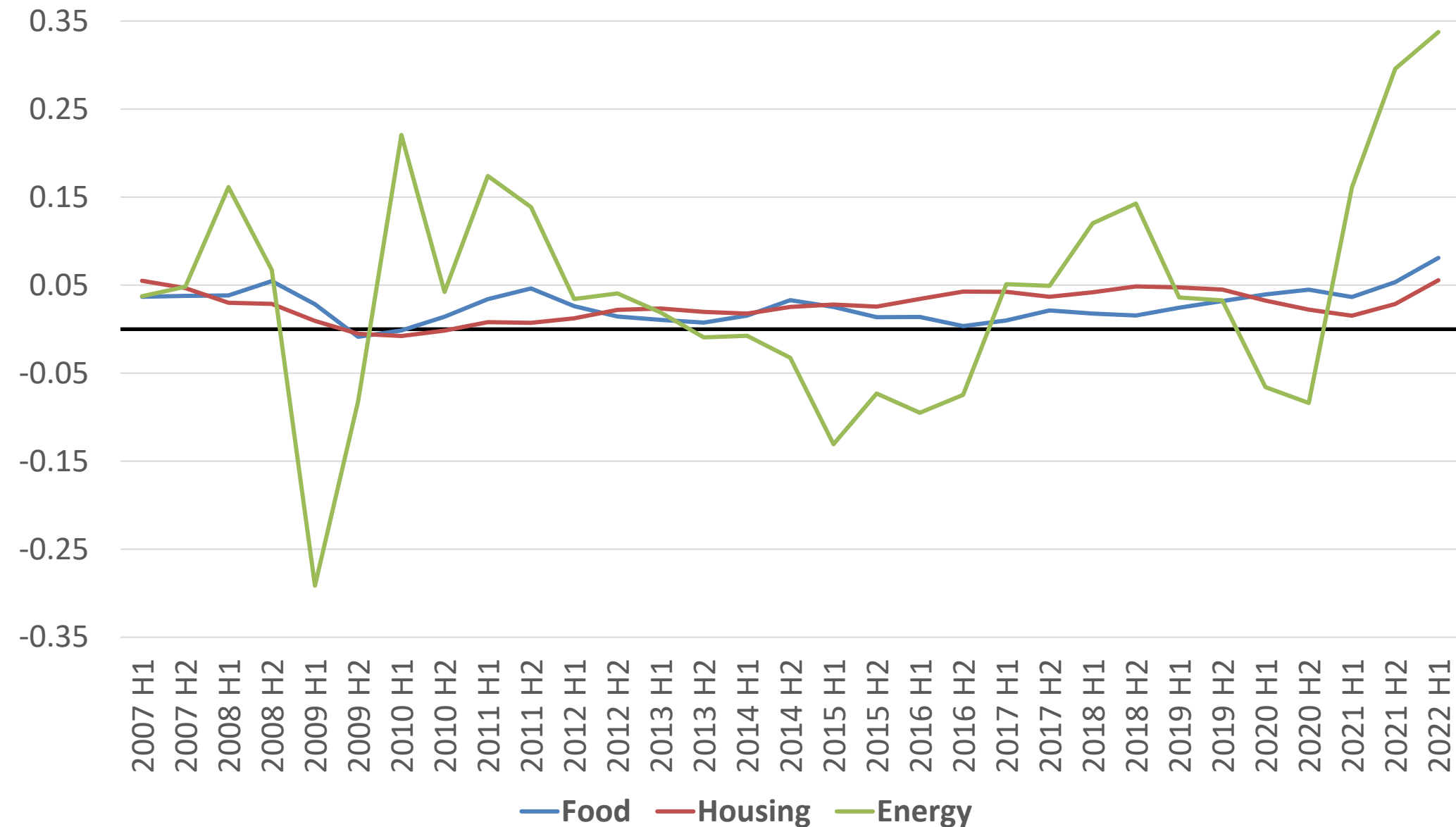
— U.S. Average



CPI-U by Type

- **Drilling down into three key sectors, it is obvious that price fluctuations in energy are more volatile than those in food and housing**
- **Energy prices have increased by more than a third since the start of 2022**

Percent Change in CPI-U by Type

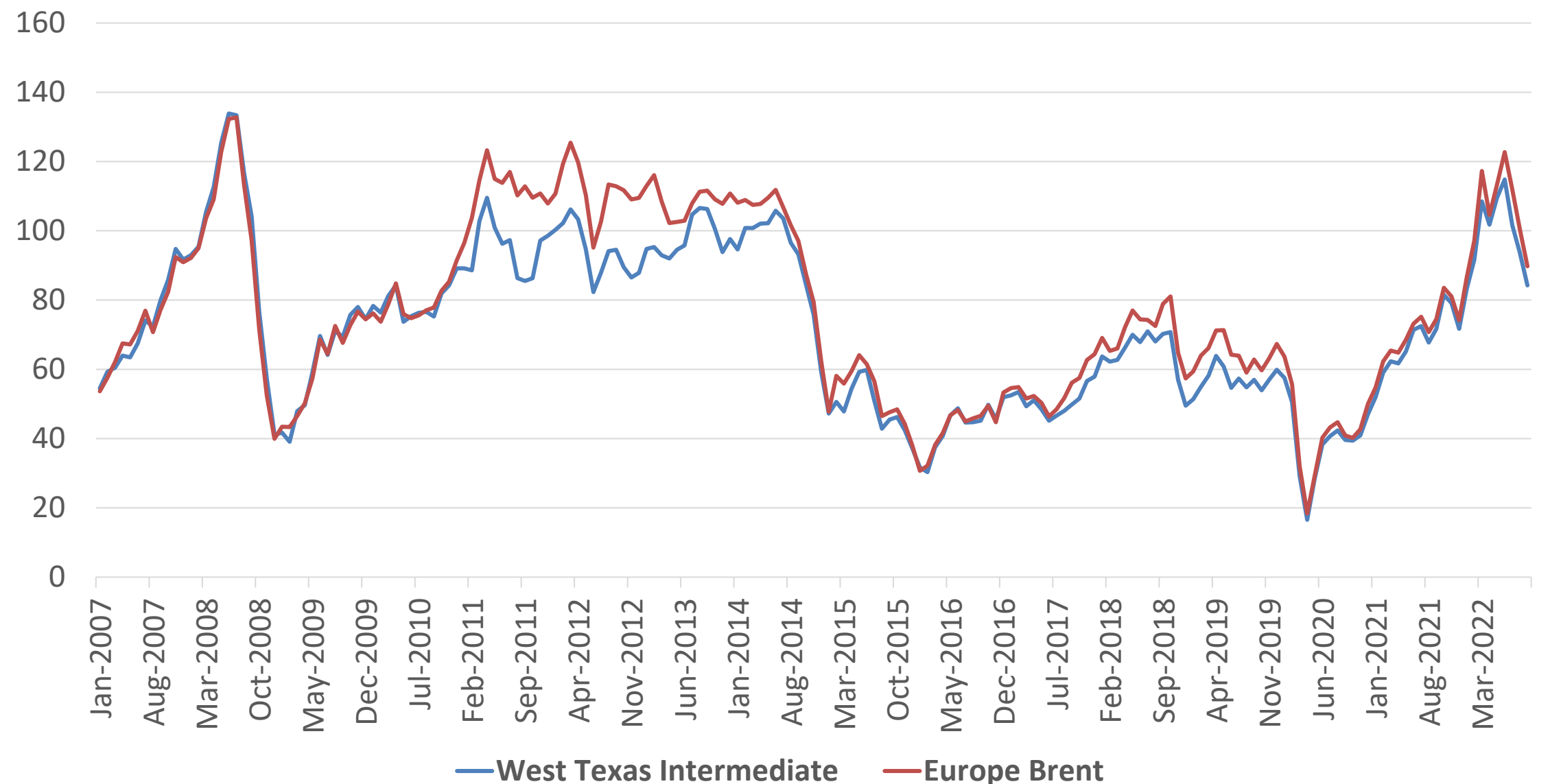




Crude Oil Spot Prices

Both WTI and Brent took a large fall in September of 2022, approaching October with the lowest prices since Russia's invasion of Ukraine

Monthly Crude Oil Spot Prices

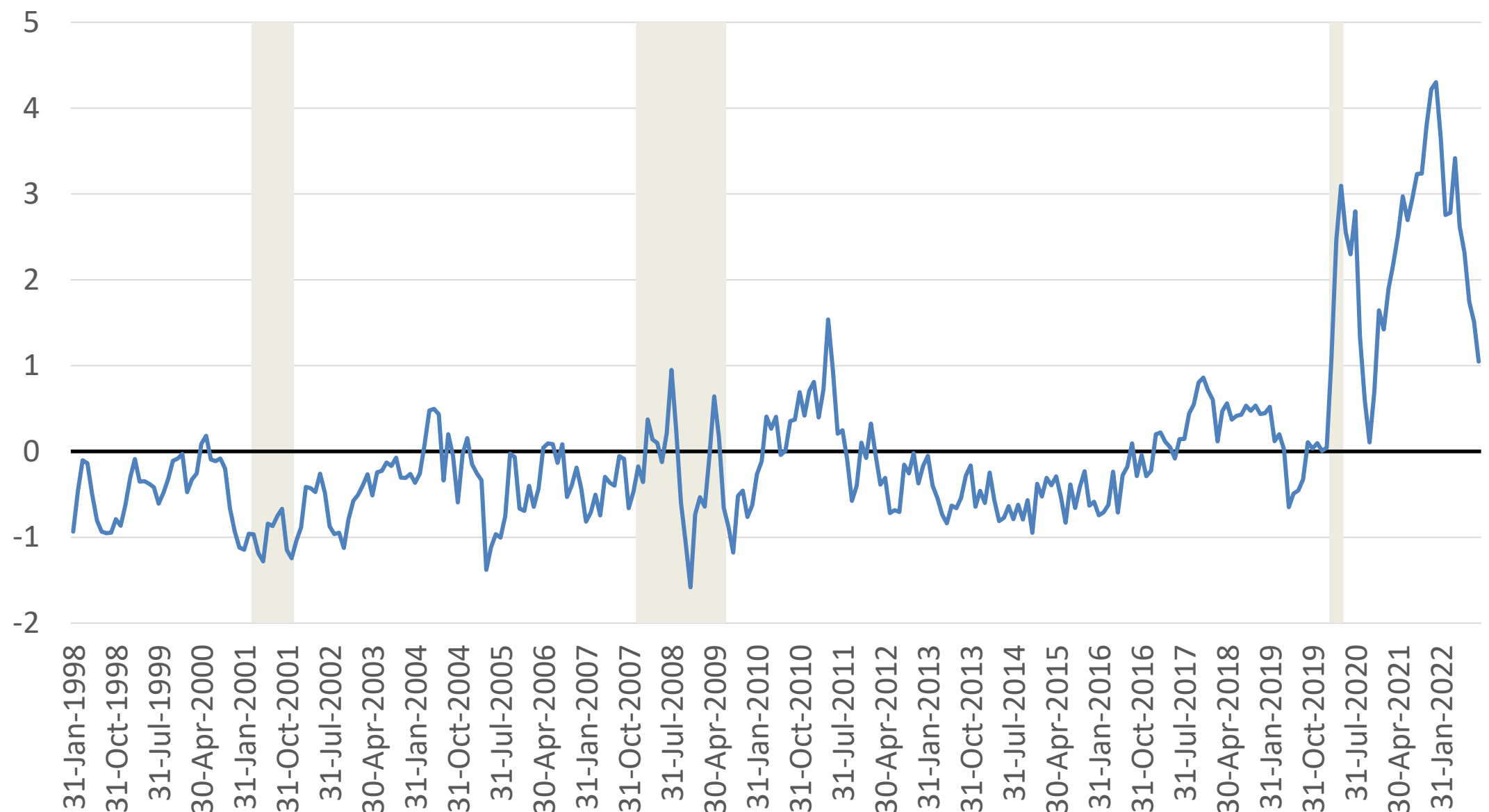




The Global Supply Chain

- **The Global Supply Chain Pressure Index fell sharply in September 2022 to 1.05, the lowest level since the start of 2021**
- **Dwell time of containers at the POLA is much lower than this time last year, with nearly 70 percent fewer containers dwelling for 5 days or longer**

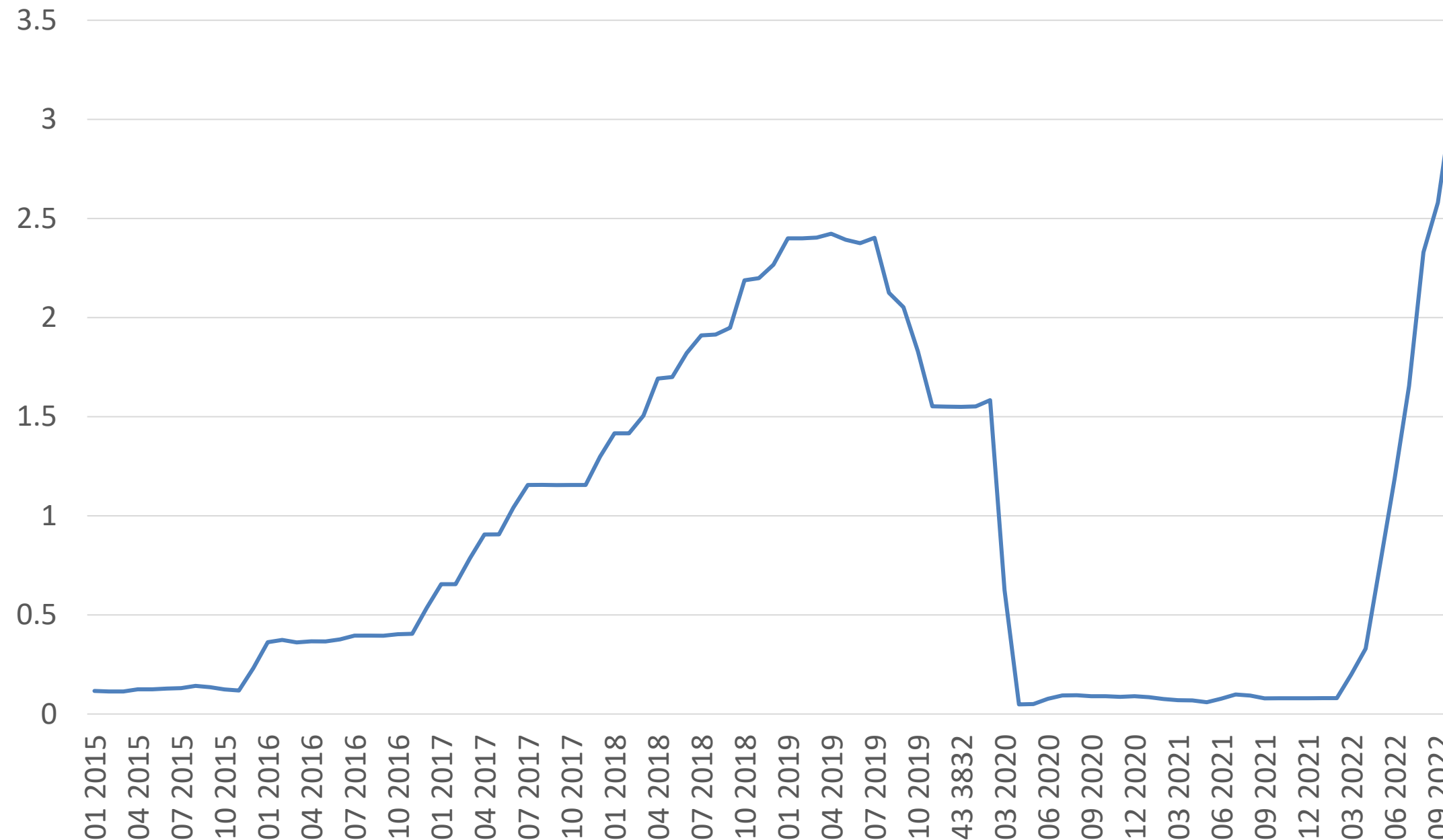
Global Supply Chain Pressure Index Overlaid with Recessions





Federal Funds Rate

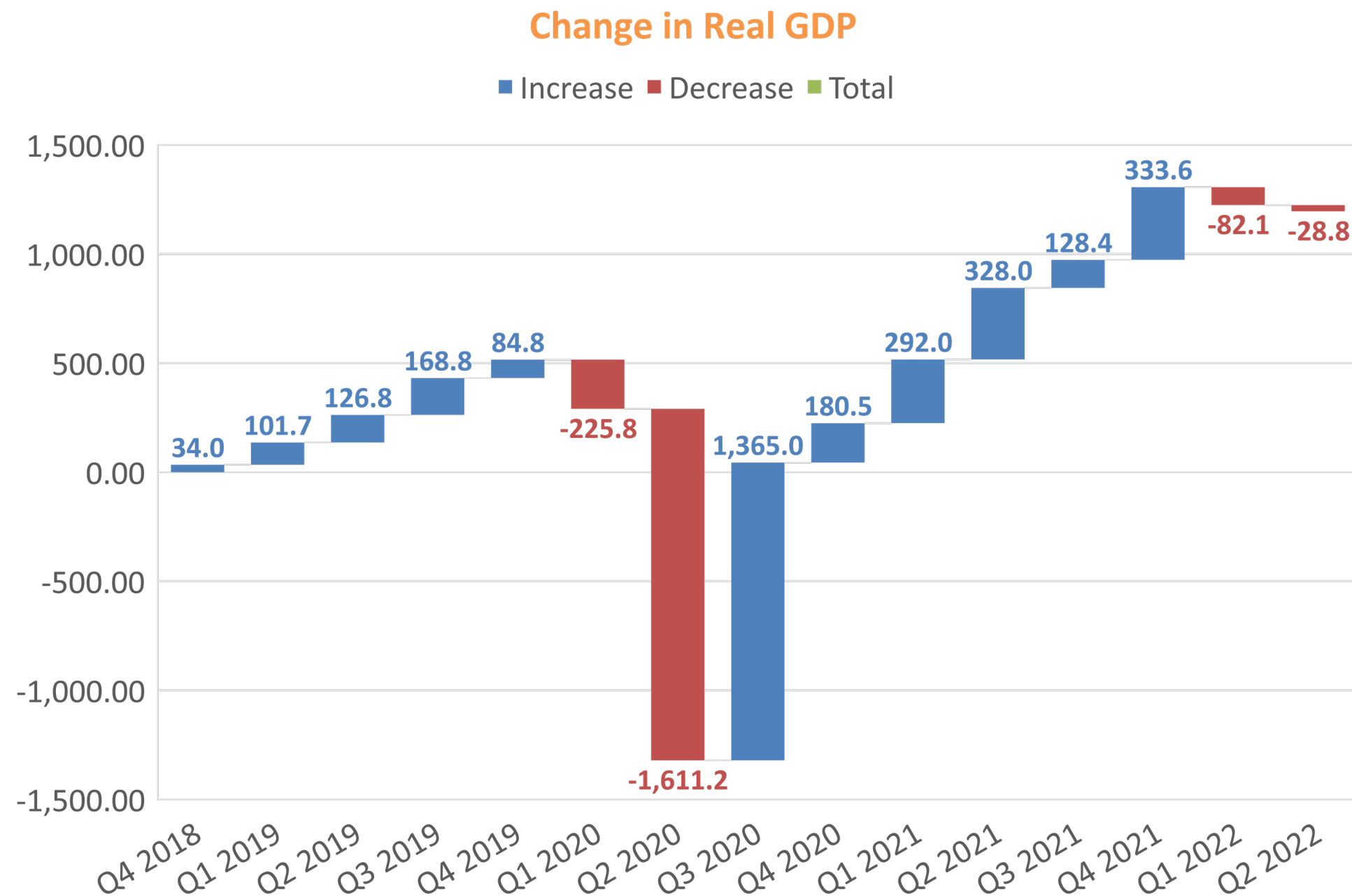
Monthly Average Effective Federal Funds Rate (2015 - Present)



Since March 2022, the monthly average Effective Federal Funds Rate (EFFR) has risen from less than 0.1 percent to nearly 3.1 percent



Real GDP (National)

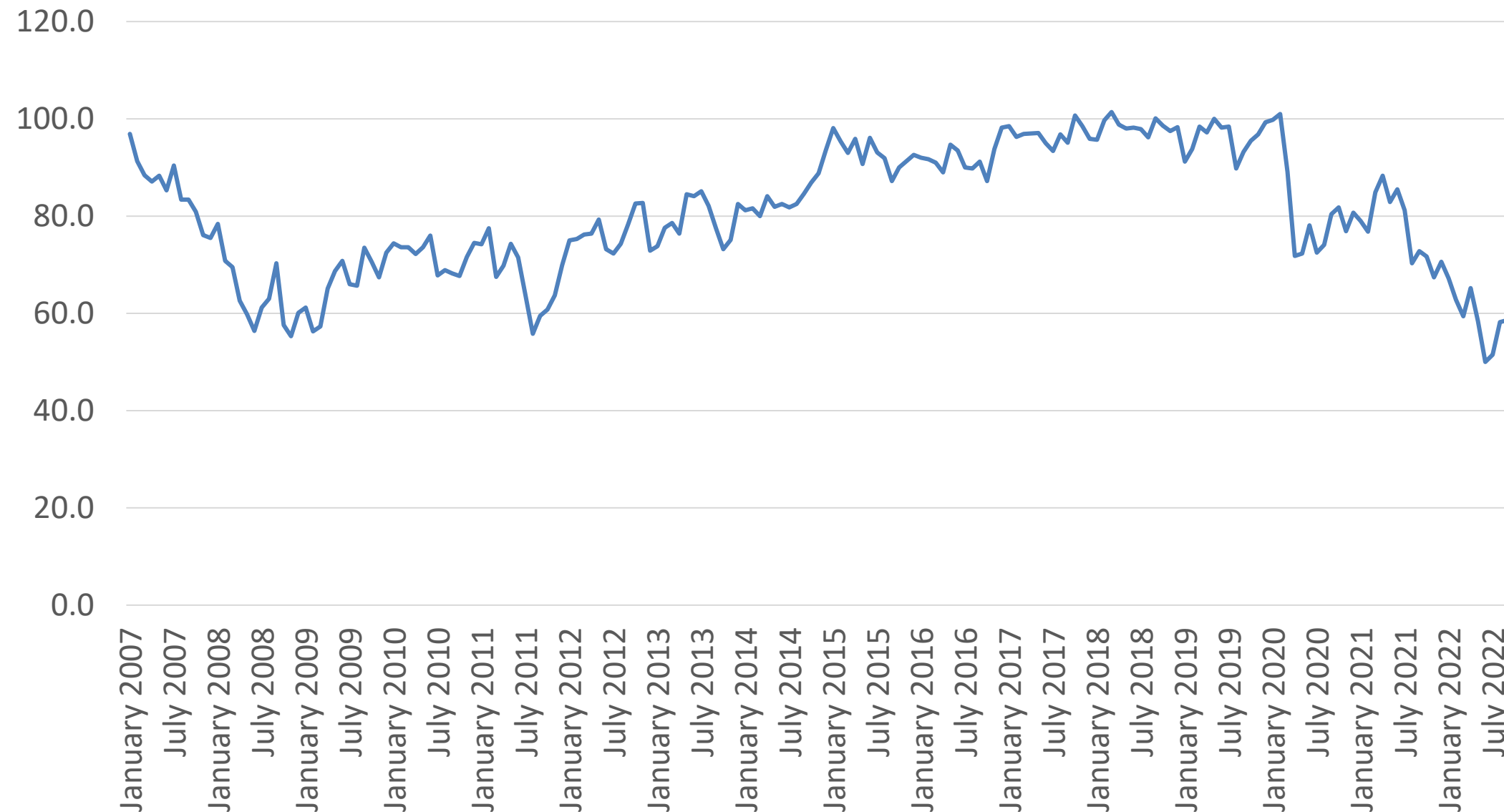


- The chart visualizes the path of the U.S. GDP during the COVID-19 recovery. After an initial loss of -29.9 percent, the GDP recovered from the pandemic by the end of 2021
- However, the first two quarters of 2022 have seen marginal decreases in the real GDP, -1.6 and -0.6 respectively



Consumer Sentiment

Consumer Sentiment Index



- **Unlike GDP, consumer sentiment has remained down throughout the pandemic, reaching its lowest point in 15 years in June 2022**
- **After an initial post-pandemic recovery, consumer sentiment began dropping in July 2021**



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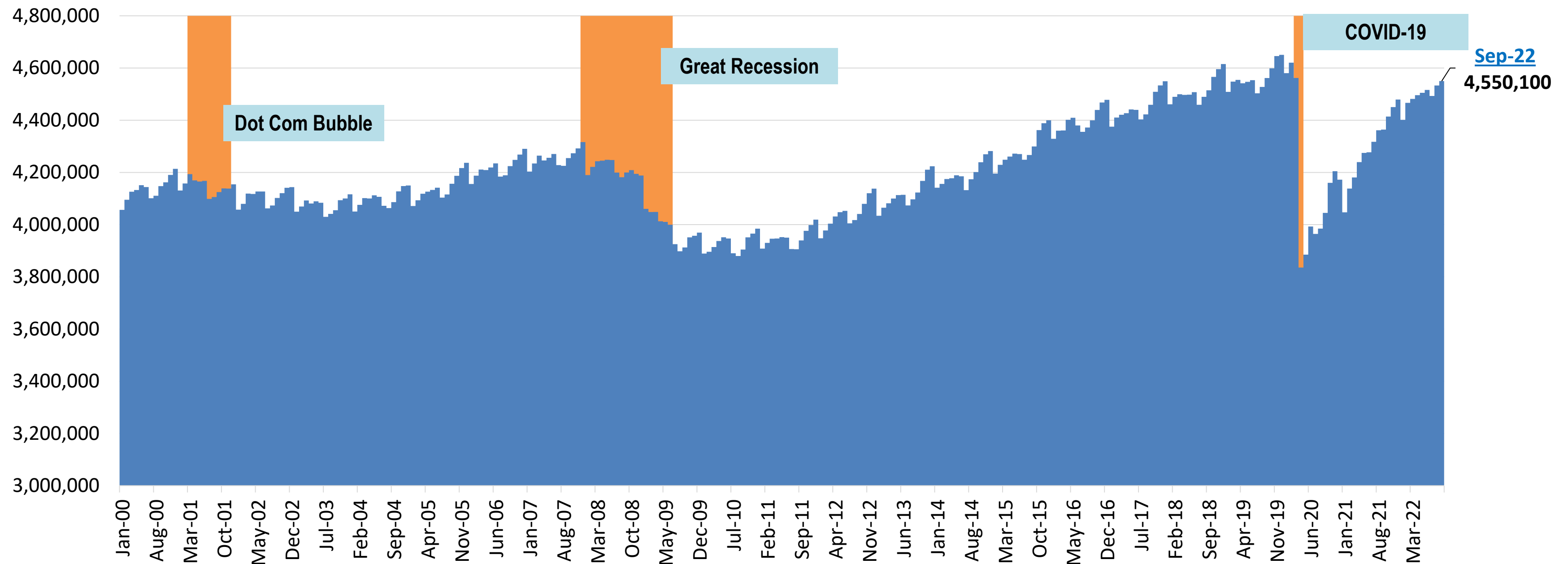
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Local Area Employment Situation September 2022

Los Angeles County



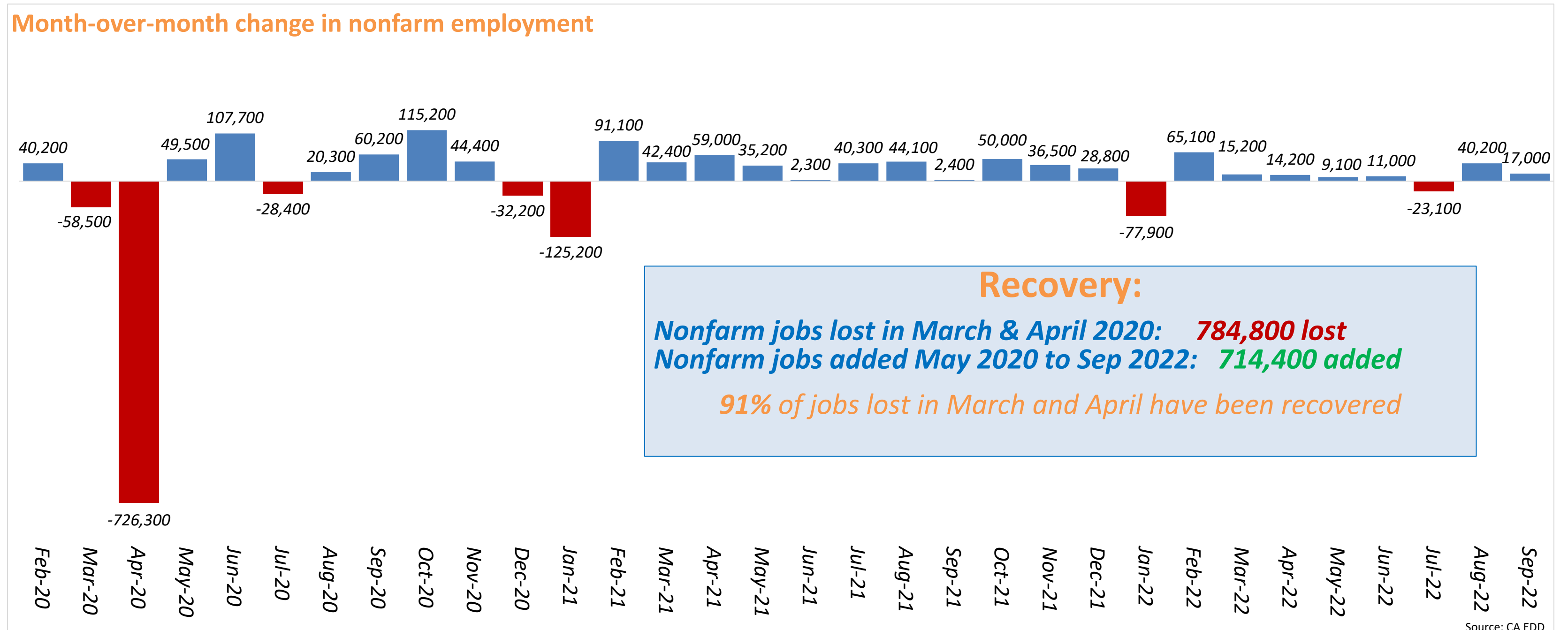
Nonfarm Employment in LA County





Nonfarm Employment in LA County

Month-over-month change in nonfarm employment

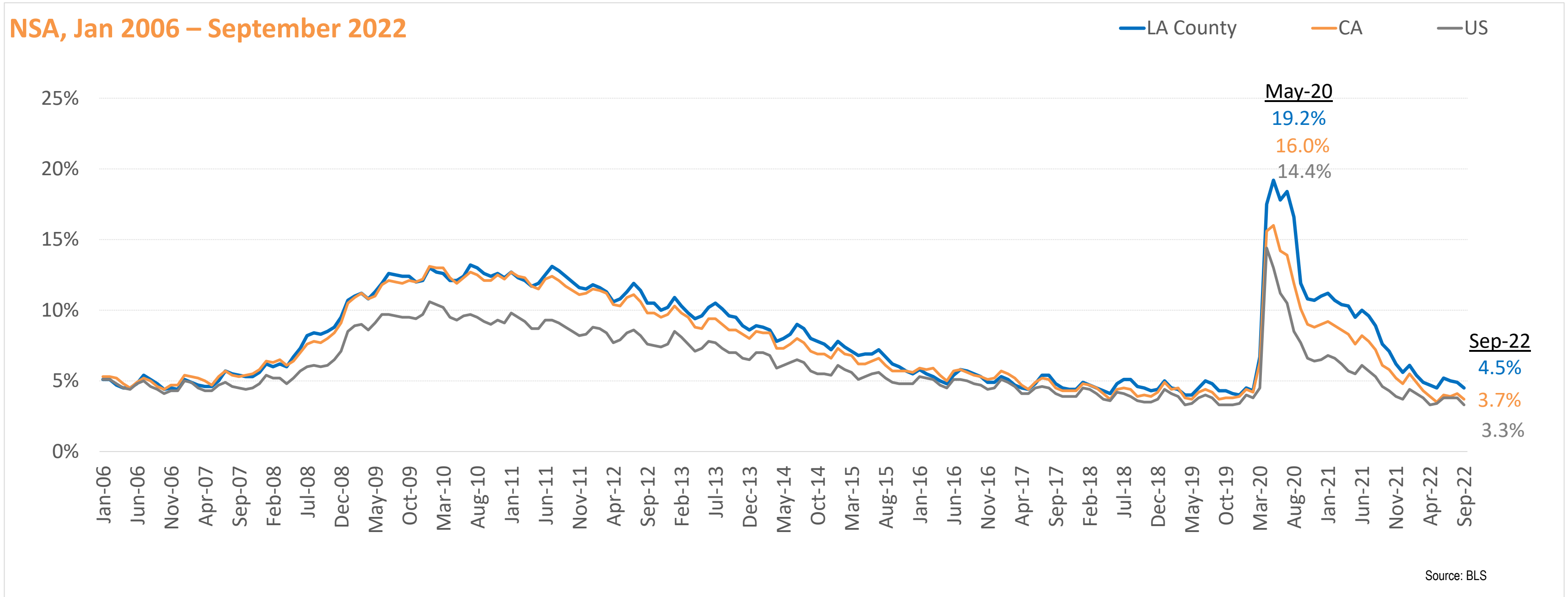


Recovery:
 Nonfarm jobs lost in March & April 2020: **784,800 lost**
 Nonfarm jobs added May 2020 to Sep 2022: **714,400 added**
91% of jobs lost in March and April have been recovered

Source: CA EDD



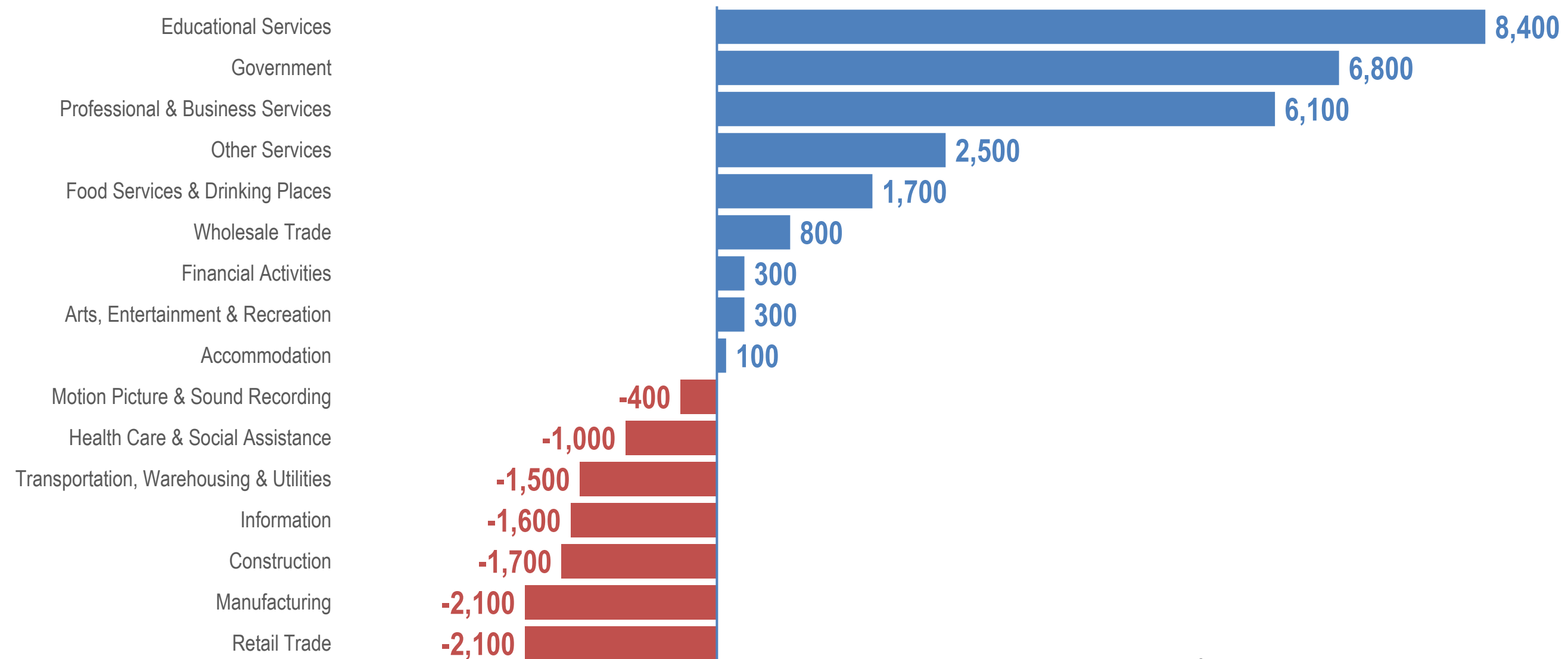
Unemployment in LA County





LA County Employment by Industry

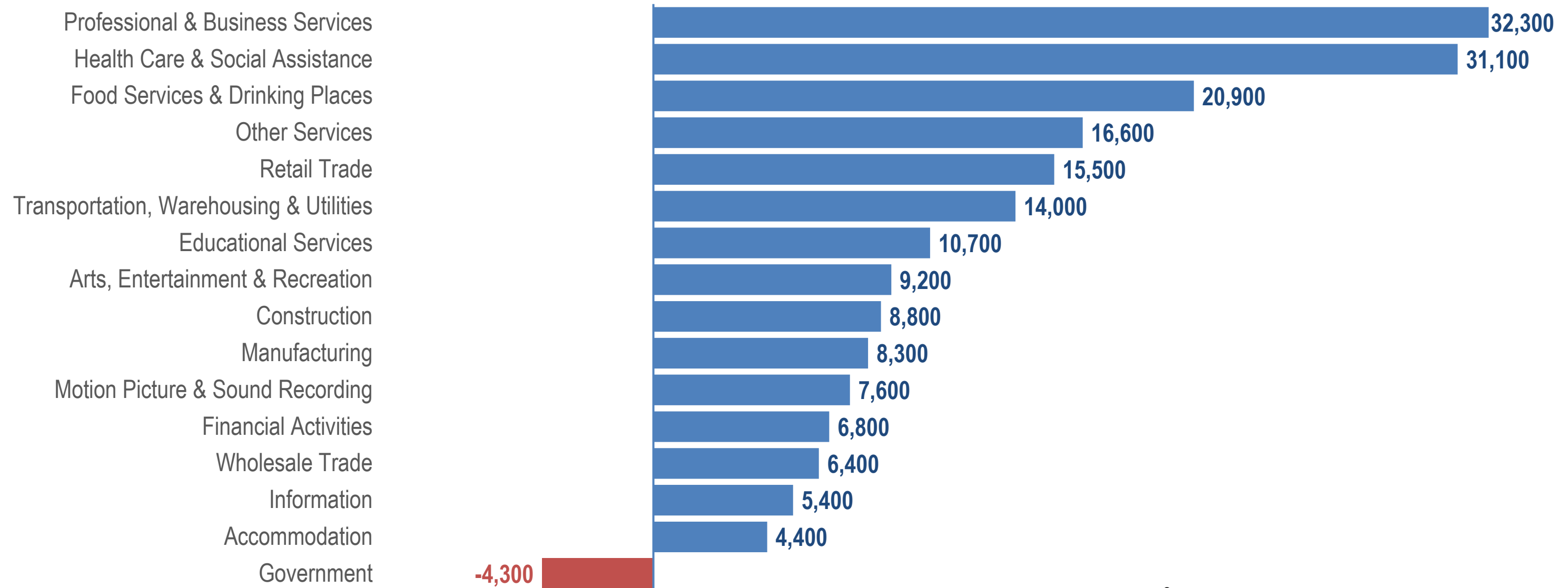
Month-Over-Month Change in Jobs by Industry, September 2022 (NSA)





LA County Employment by Industry

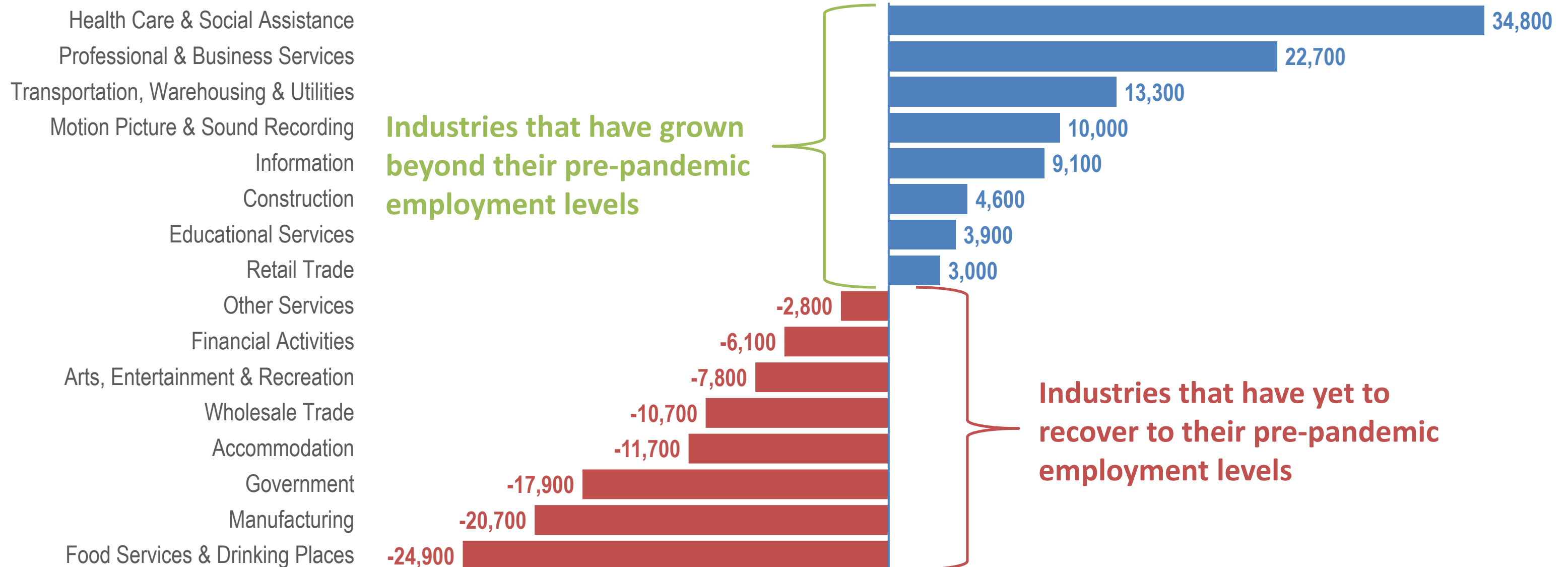
Year-Over-Year Change in Jobs by Industry, September 2022 (NSA)





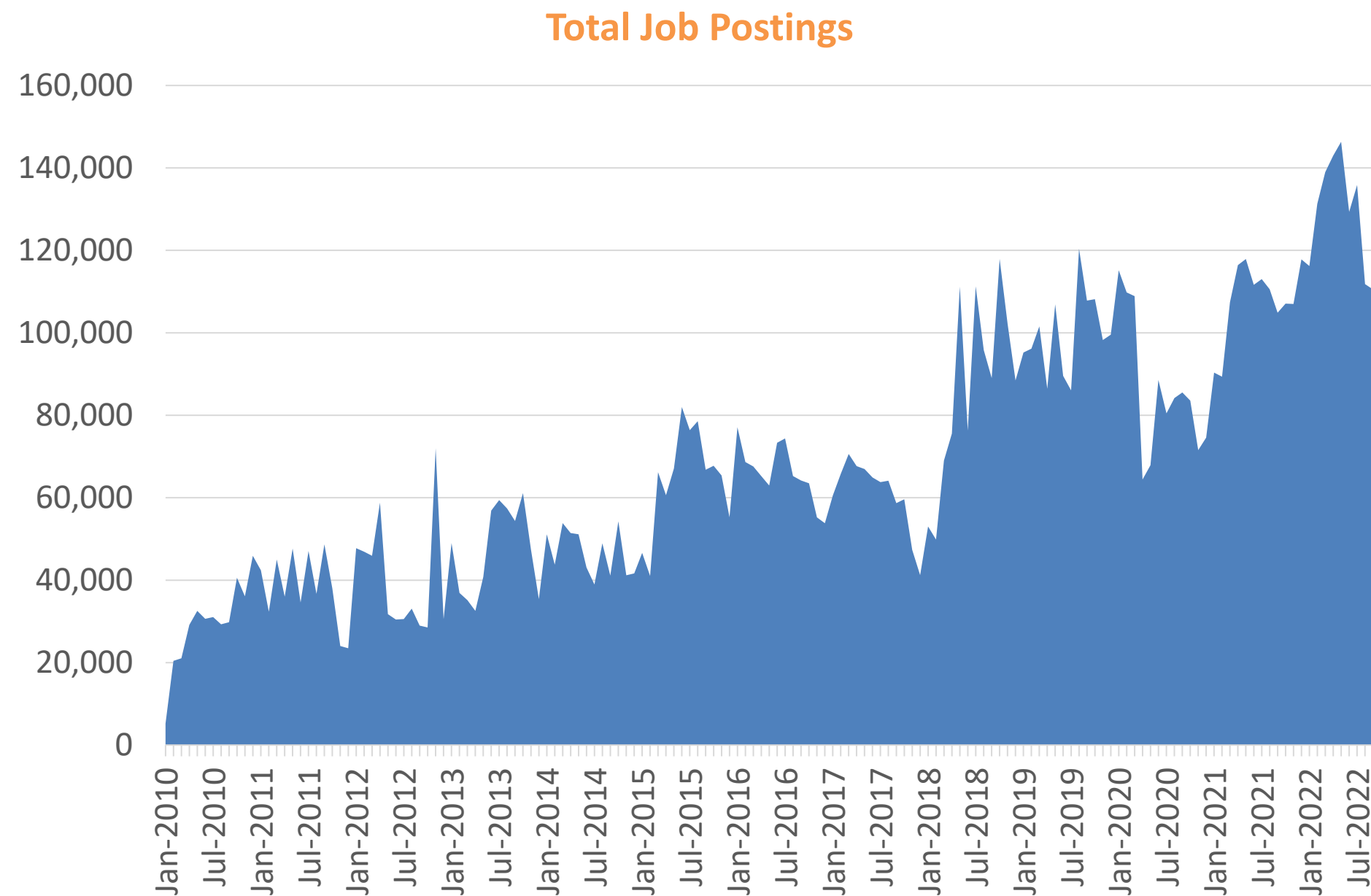
Pre-Pandemic Comparison by Industry

Change in Jobs by Industry, September 2019 to September 2022 (NSA)





Job Postings



- The past two months have seen a slowing on the growth in job postings, with the lowest levels seen in 2021, around 110,000 postings
- By industry, Health Care and Social Assistance make up close to a quarter of the postings
- Among the top industries, Health Care and Social Assistance have grown the most this year, while Professional, Scientific, and Technical Services has fallen as a percentage of postings.



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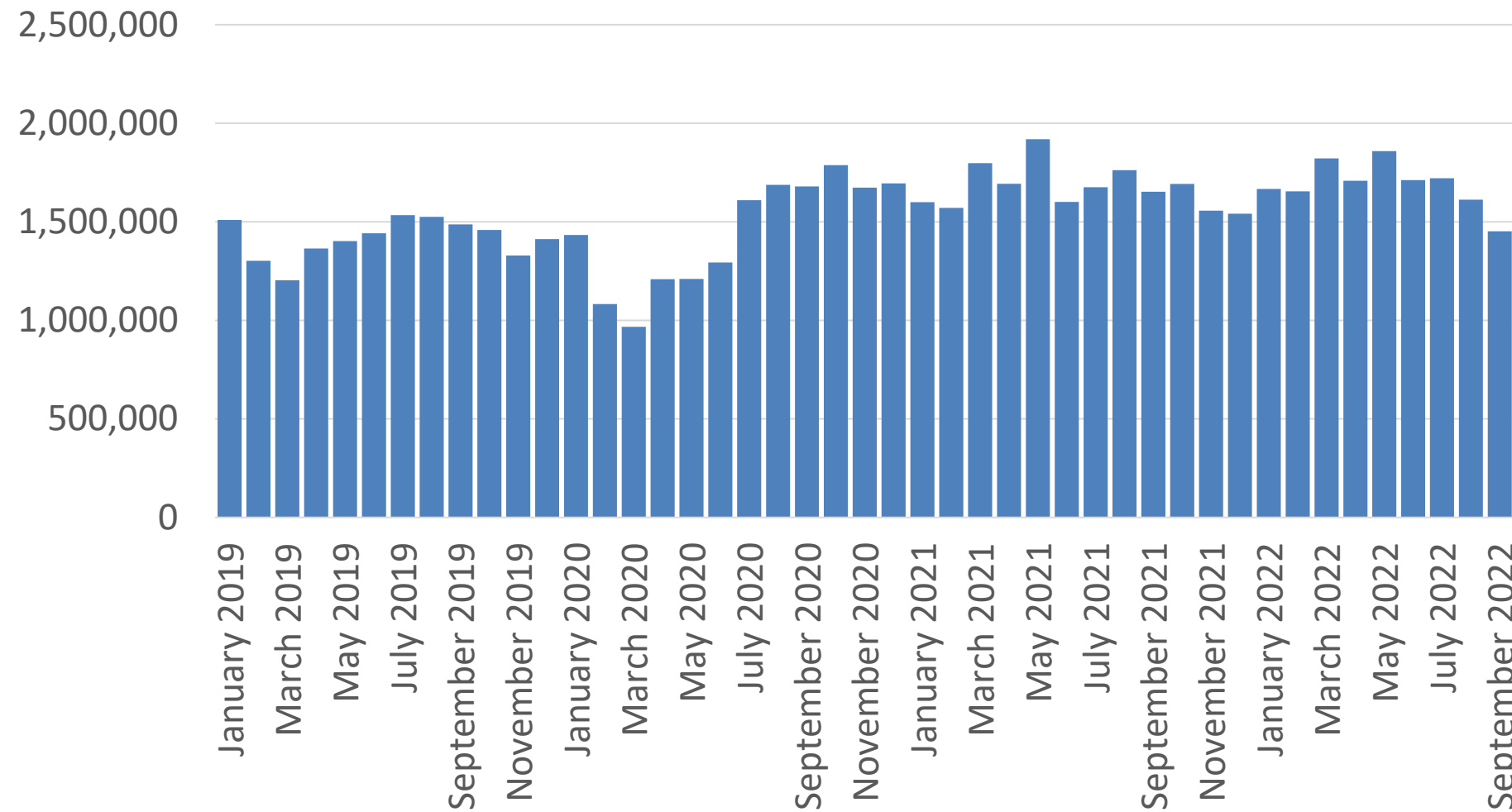
Key Industry Updates

Los Angeles County

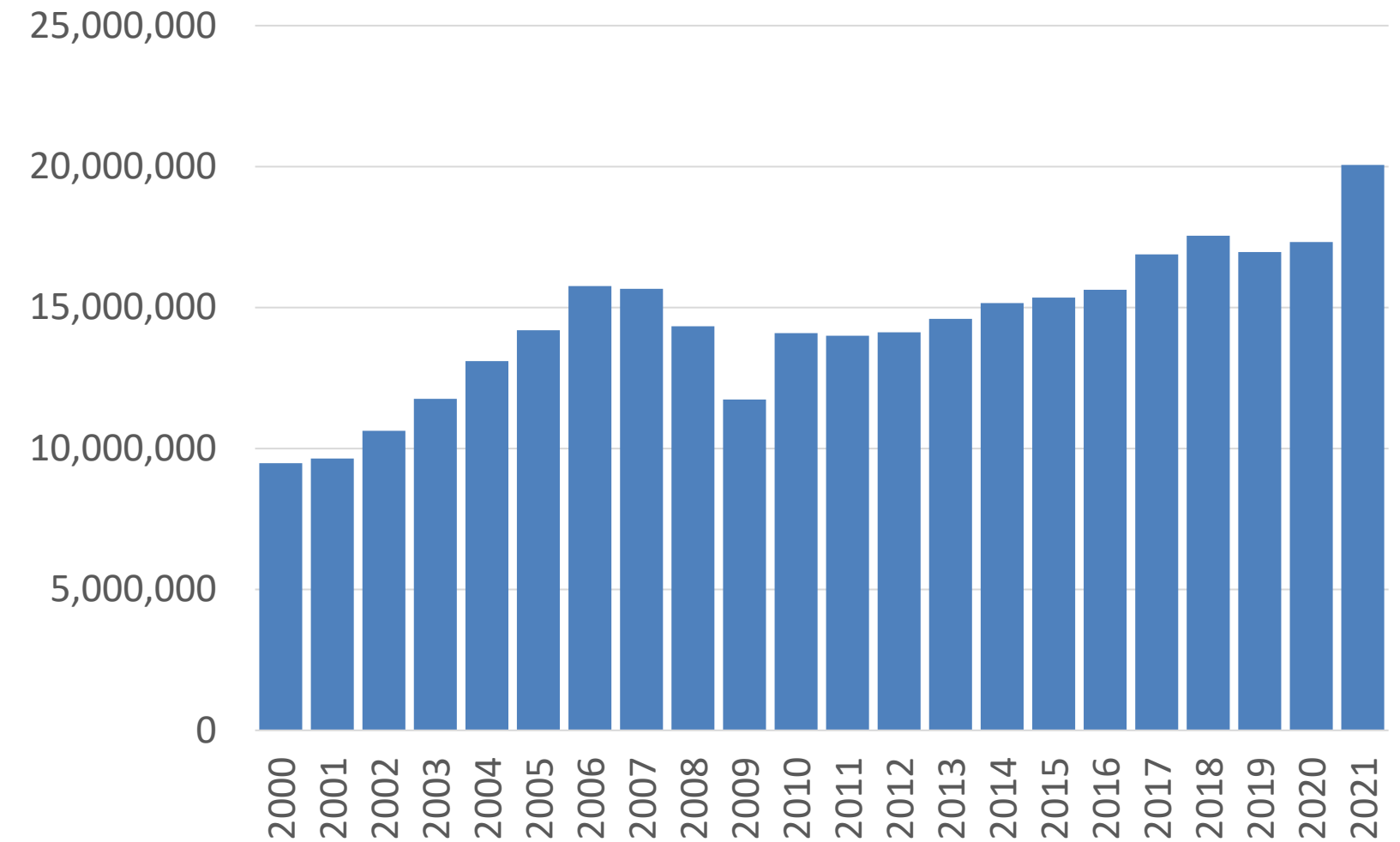


Trade and Logistics: San Pedro Bay Ports TEUs

Monthly TEUs



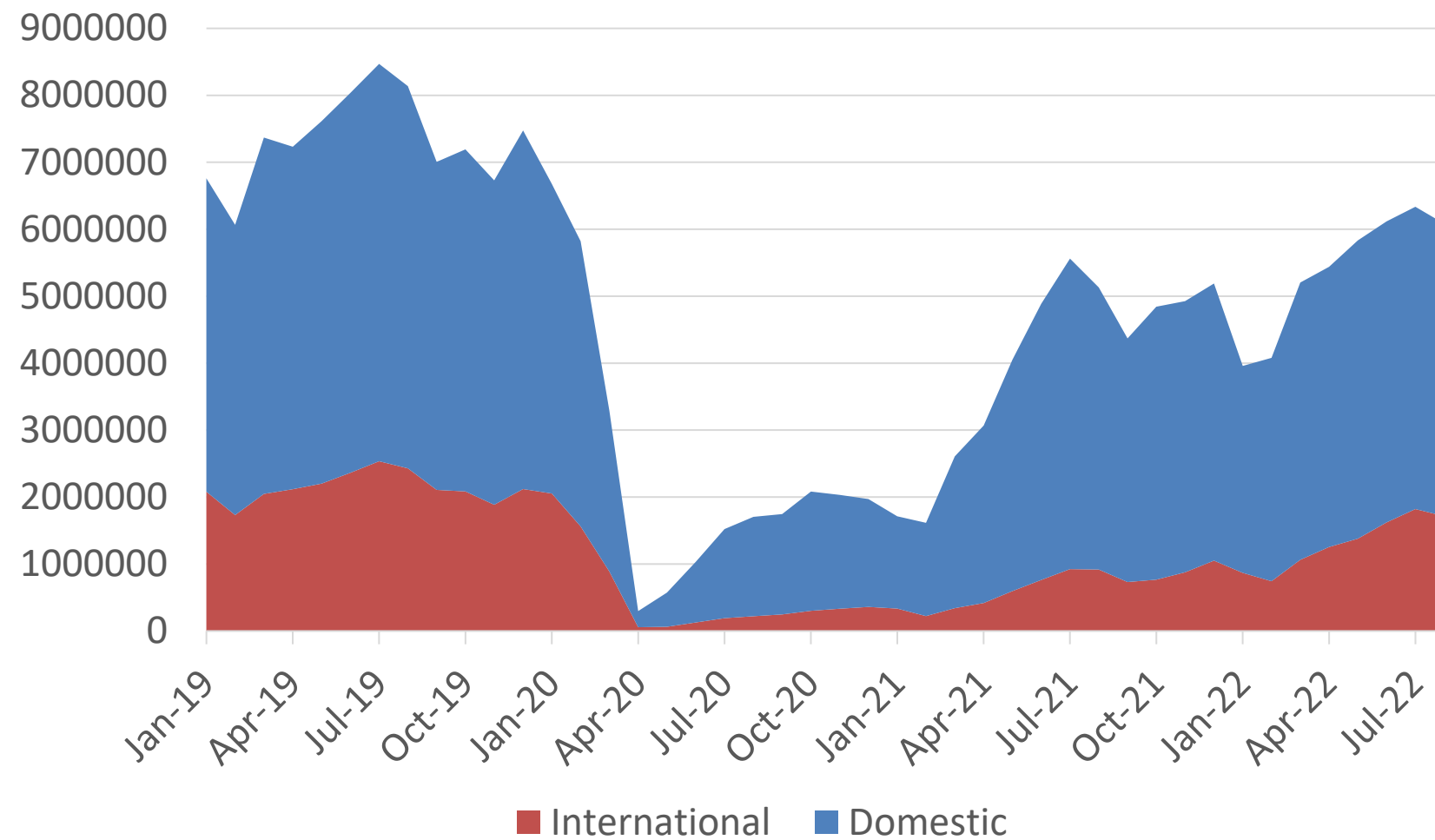
Annual TEUs



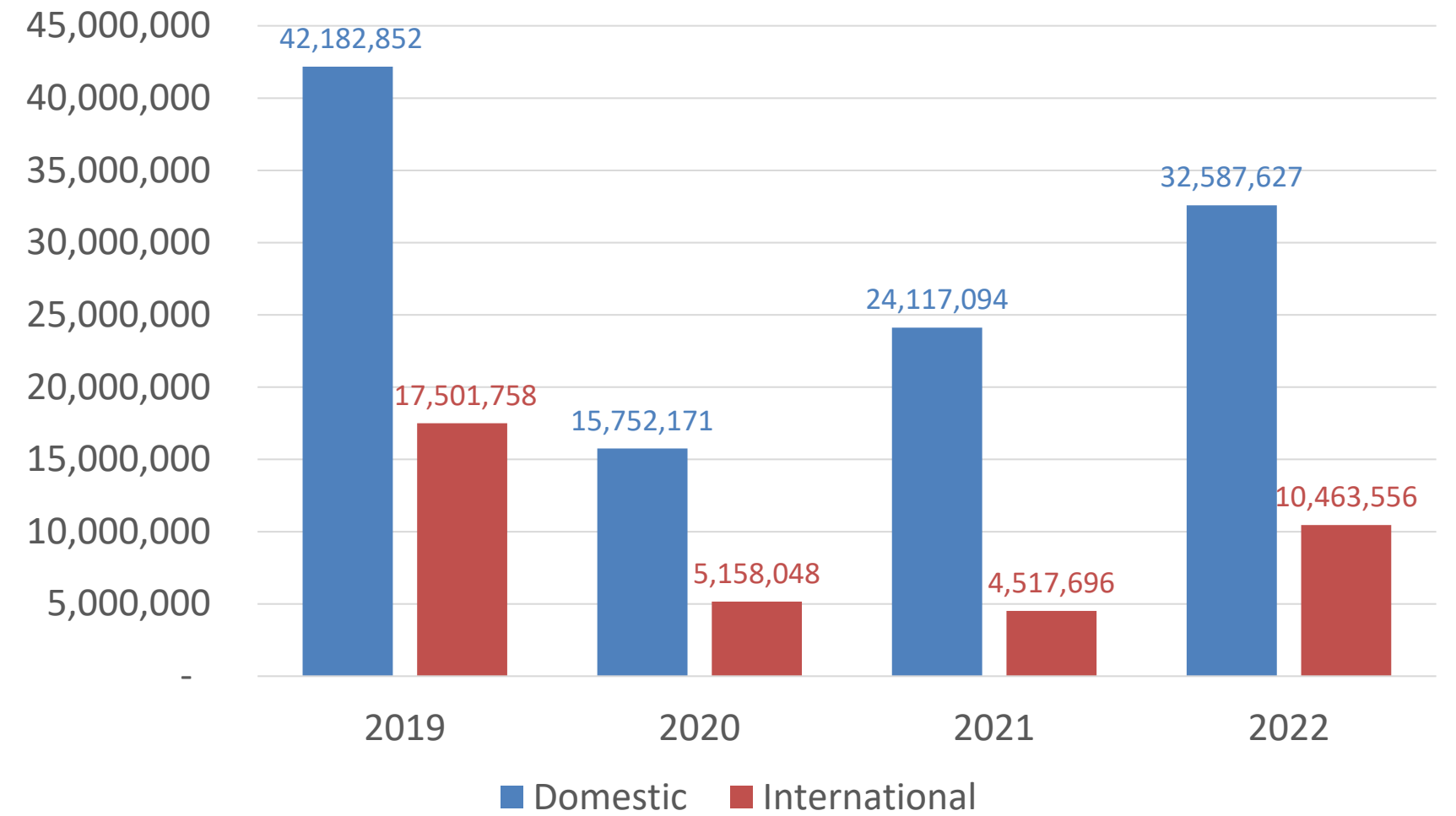


Tourism: LAX Passengers

Monthly Volume of Passengers



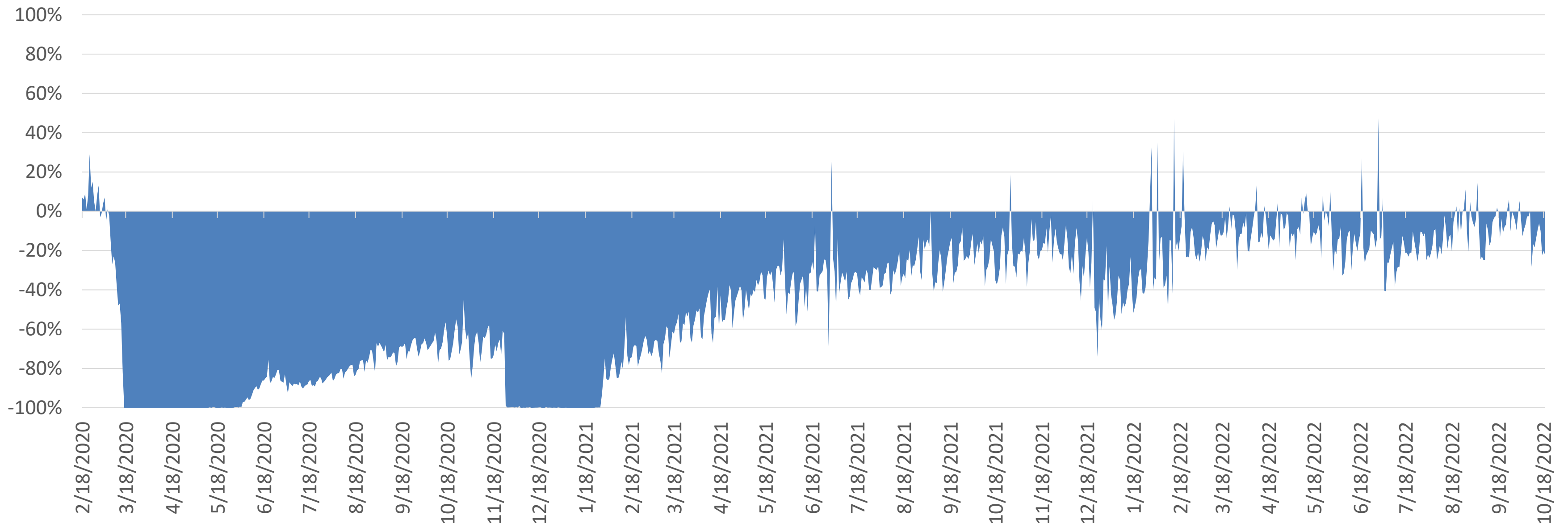
August YTD Volume of Passengers





Food Services: OpenTable Reservations

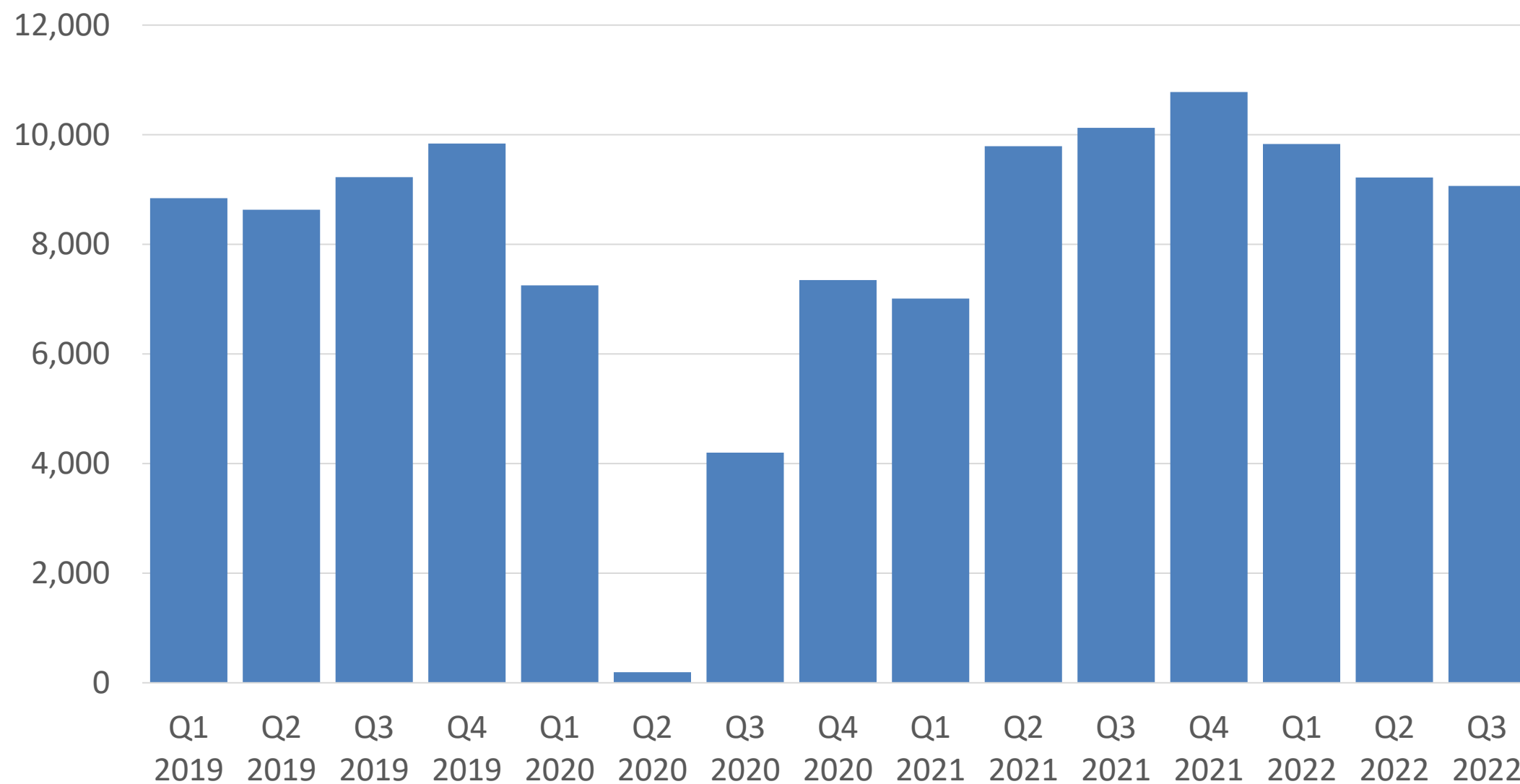
Percent Change in Reservations in the City of Los Angeles (indexed to 2019)





Motion Pictures: Shoot Days

Shoot Days in LA County

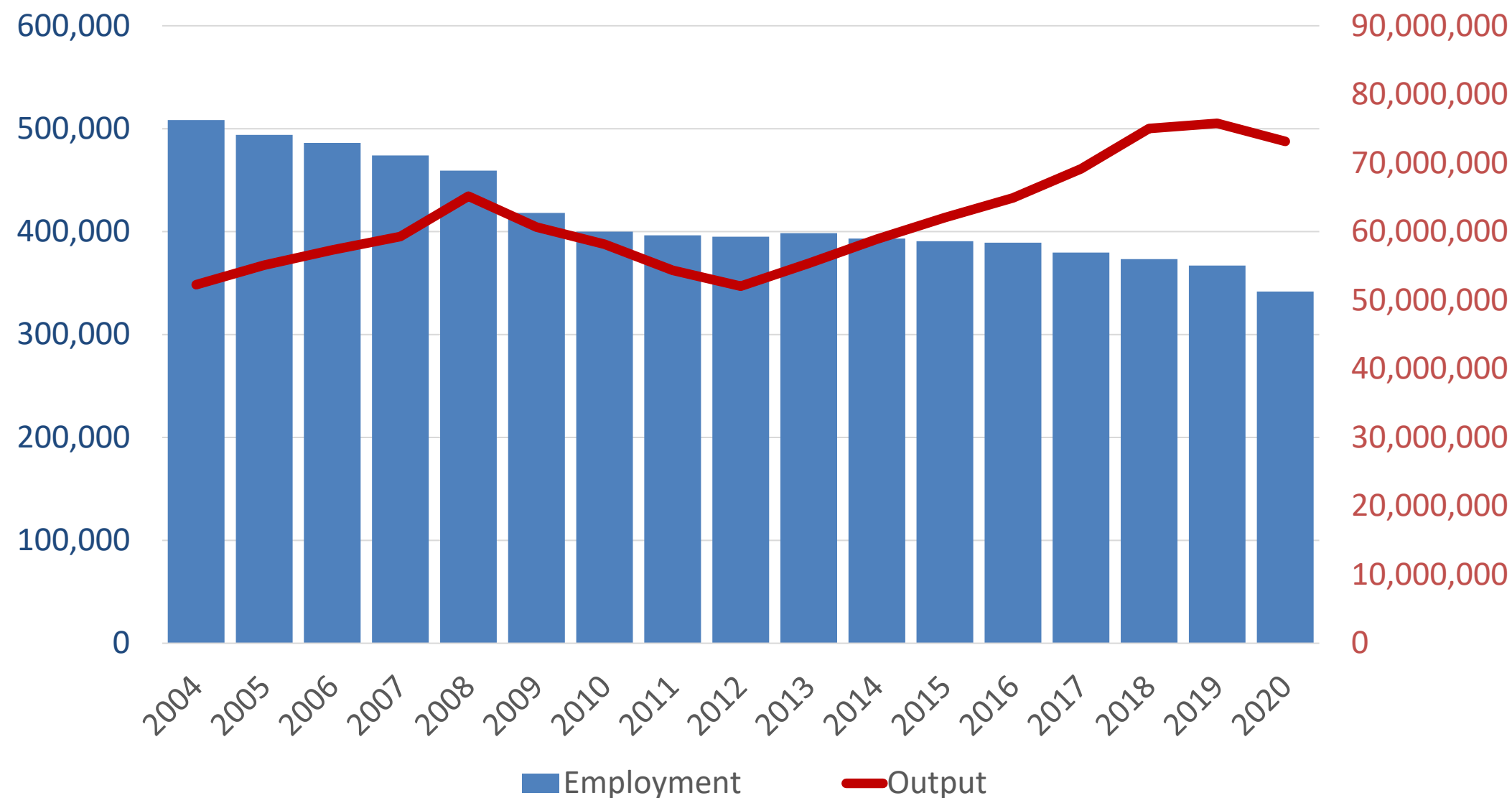


In the past 3 years, the film industry has gone from a healthy amount of production, to a complete stop, to an intense 2021 working through the backlog of productions, and is now returning to a regular number of shoot days.



Manufacturing Industry Spotlight

LA County Output and Employment in Manufacturing

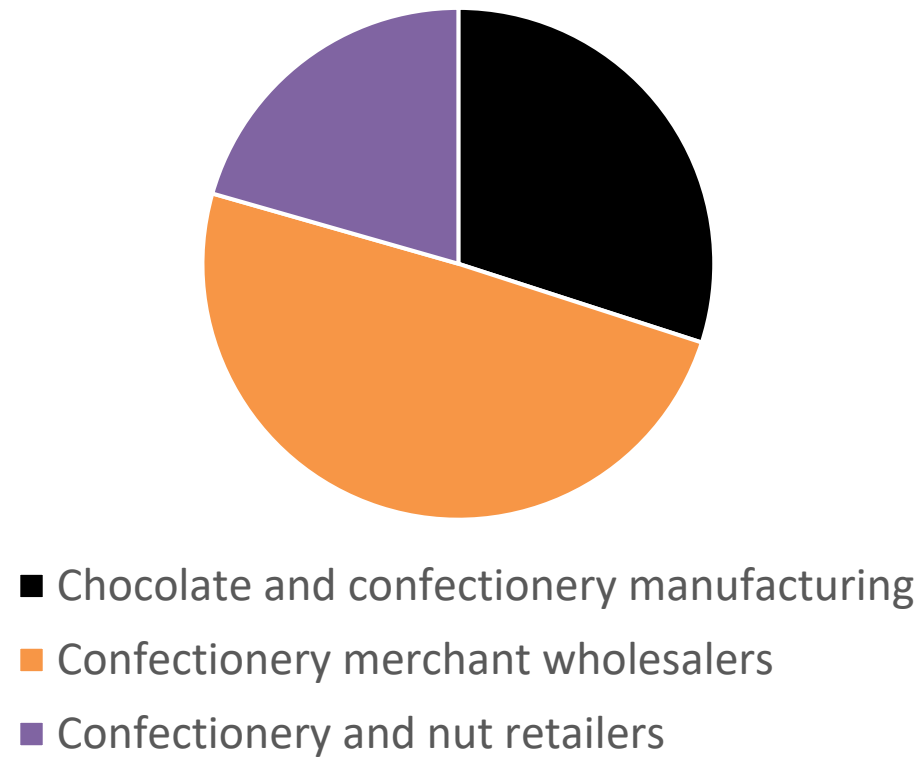


- Though the workforce of Manufacturing employees in the county has been falling, the industry remains a productive part of the LA economy, **8 percent of the private sector's GDP contribution**
- With this increasing ratio of output to labor, Manufacturing has the **fifth highest productivity among LA County industries in 2020**

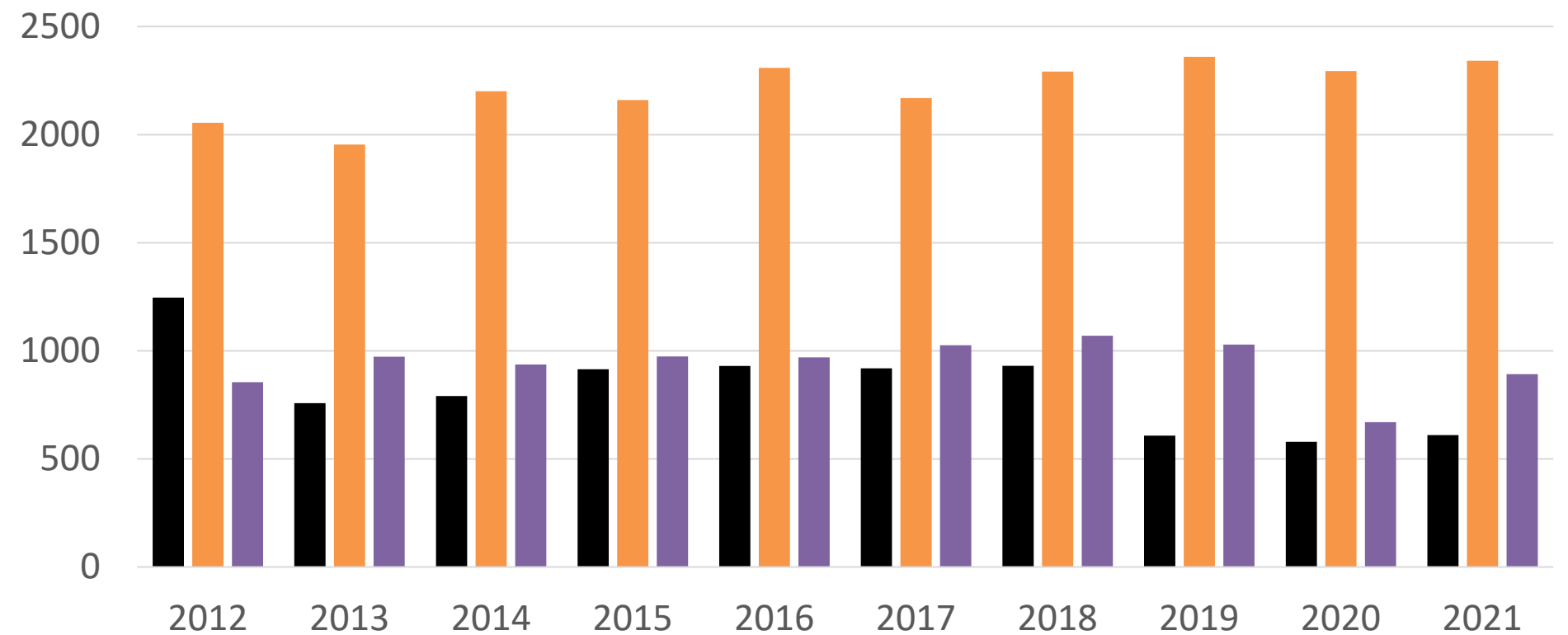


Happy Halloween!

2022 Employment in LA County Candy Economy



Annual Employment in LA County Candy Economy





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Q & A





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Thank You!

- **For more information about the research and methodology, please contact us at info@laedc.org.**
- **For media request, contact Alex Medina, Director of Marketing and Communication, at alex.medina@laedc.org**
- **Save the date for the 2023 Economic Forecast:**
 - **Date: Thursday, February 23, 2023**
 - **Location: Sheraton Grand Downtown Los Angeles**



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