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San Gabriel Valley Economic Forecast & Regional Outlook 2015




San Gabriel Valley Economic Partnership
April 21, 2015

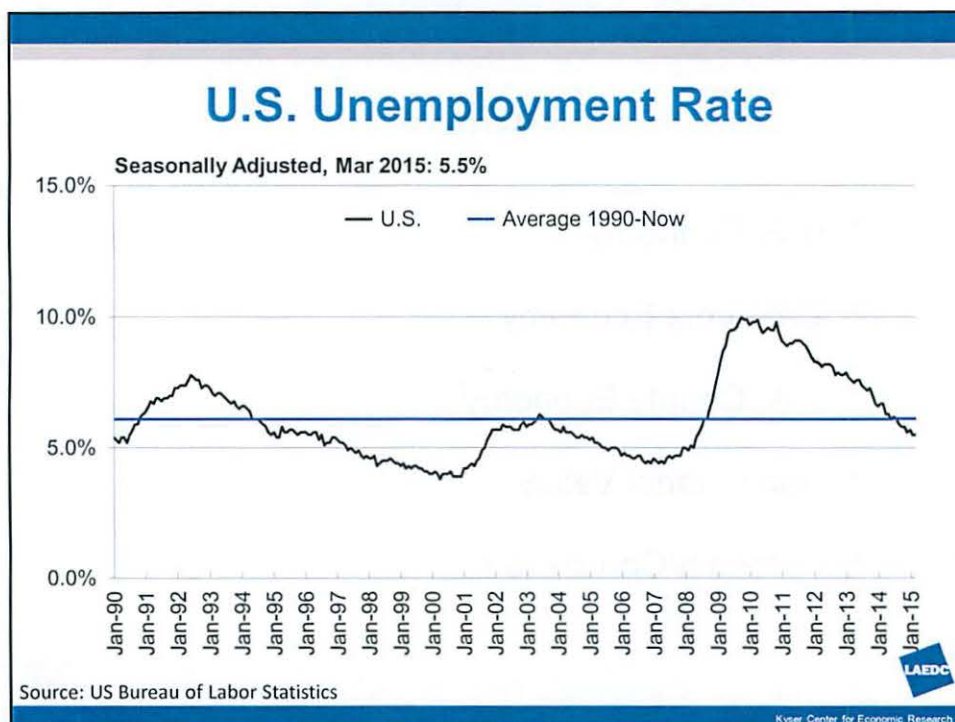
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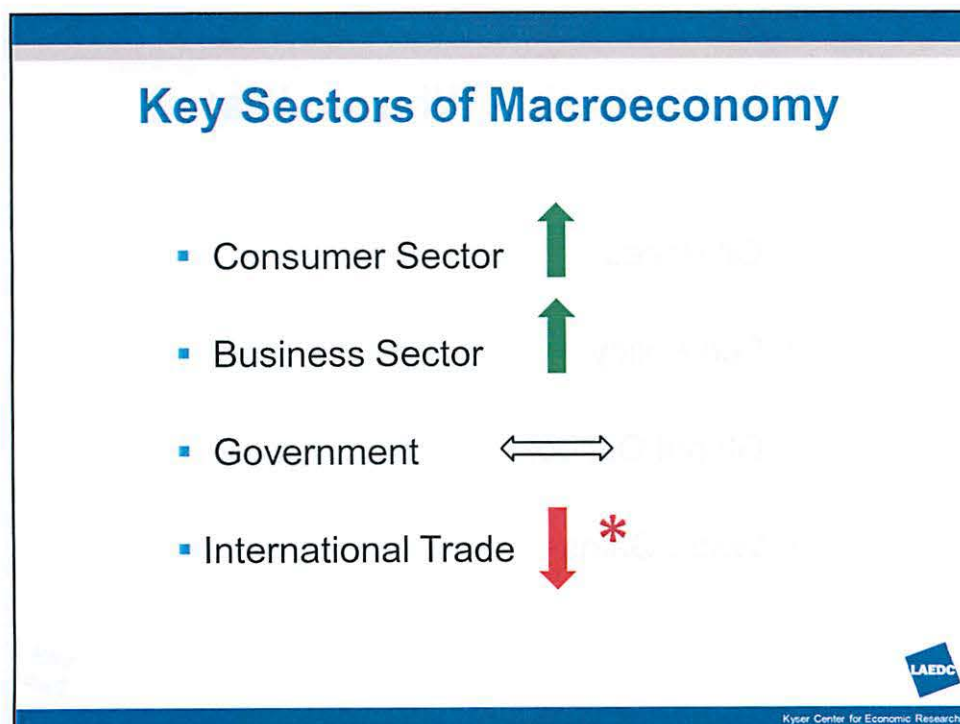
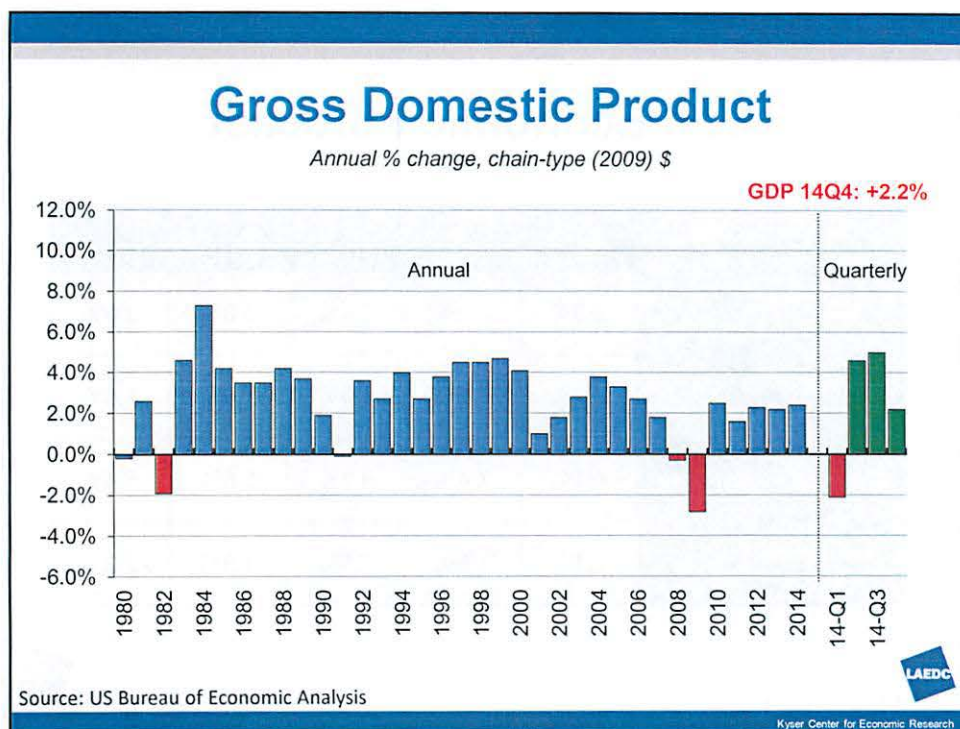
Outline

- U.S. Economy
- California Economy
- L.A. County Economy
- San Gabriel Valley
- Forecast/Conclusion



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U.S. Economic Forecast

	2012	2013	2014	2015f	2016f
Real GDP - Annual % Chg.	2.3%	2.2%	2.4%	3.0%	3.0%
Nonfarm Jobs - Annual % Chg.	1.7%	1.7%	1.9%	1.9%	1.8%
Unemployment Rate	8.1%	7.4%	6.2%	5.6%	5.4%
Consumer Prices - Annual % Chg.	2.1%	1.5%	1.6%	1.3%	2.3%

Forecast Source: LAEDC



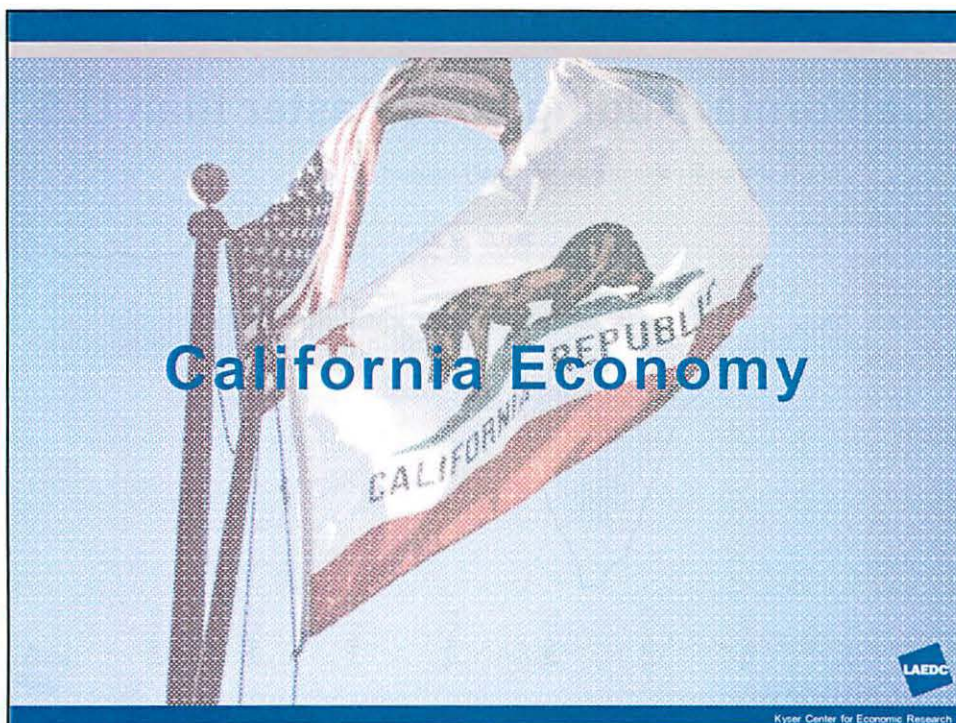
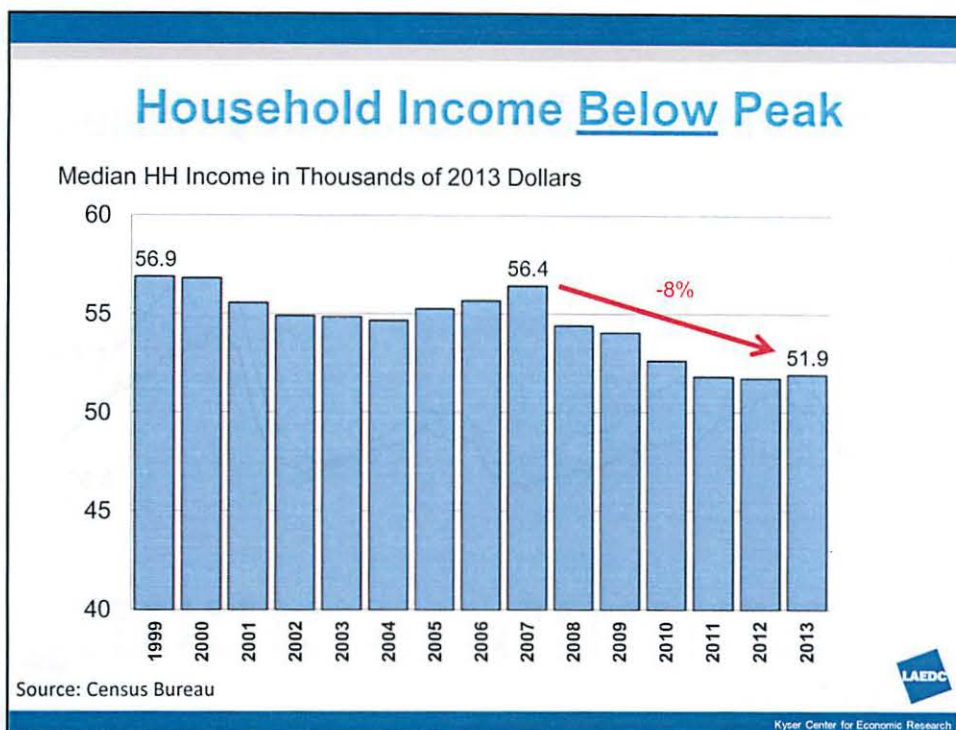
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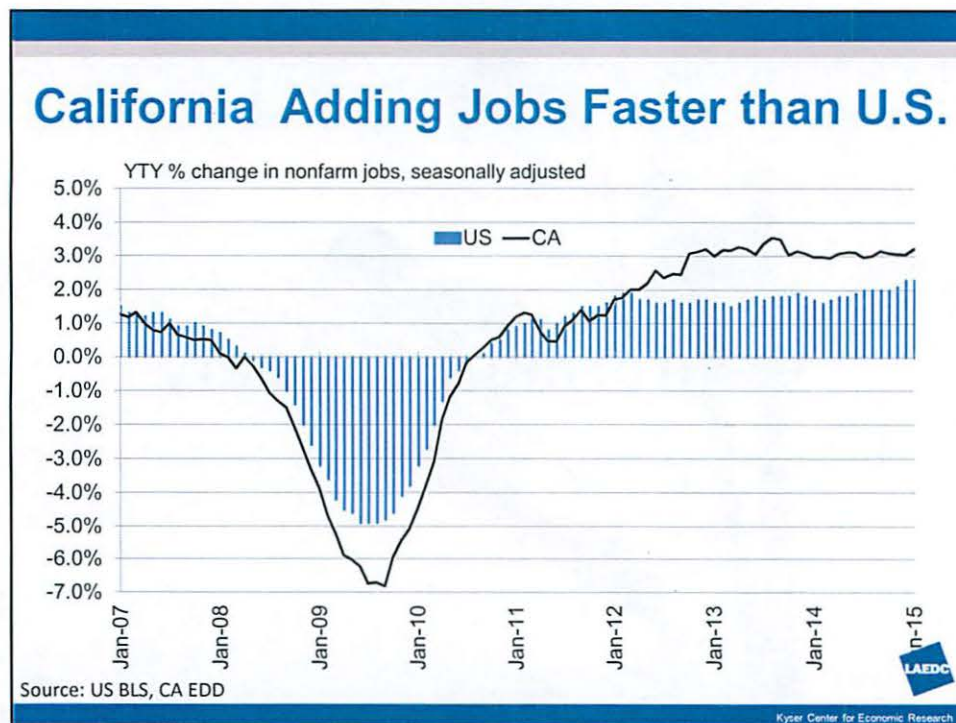
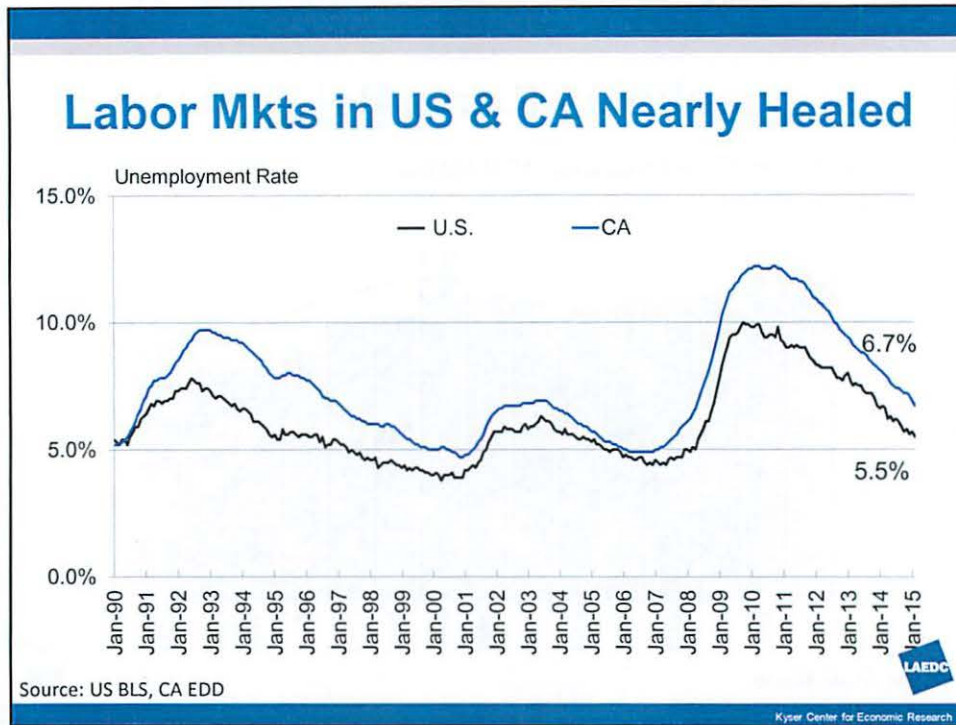
U.S. Outlook – What to Watch

- Oil Prices
- Fed Policy
- Global Outlook
- Wage Gains



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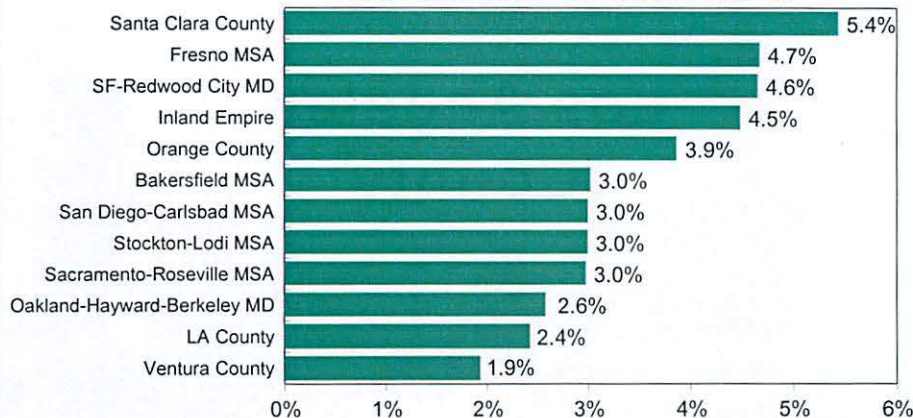




Job Trends by California Metro Area

Annual percent change in nonfarm jobs, seasonally adjusted

CALIFORNIA – Feb 2015: +476,400 +3.1% YTY



Source: CA EDD, Labor Market Information Division

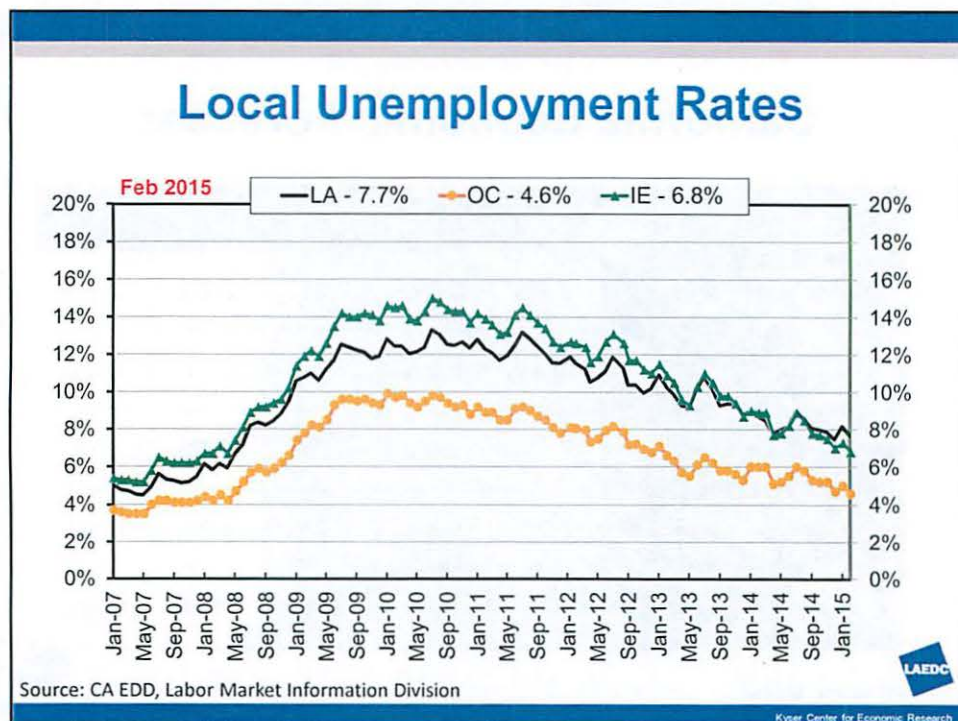
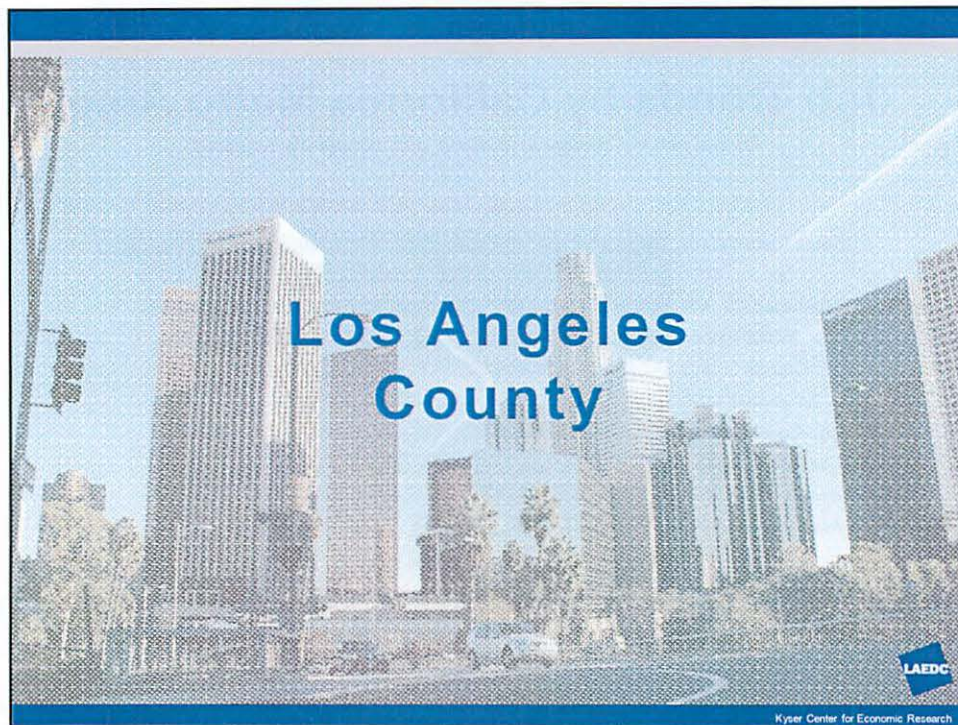
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California Economic Forecast

	2012	2013	2014	2015f	2016f
Nonfarm Jobs - annual % chg.	2.4%	3.0%	2.2%	2.2%	2.1%
Unemployment Rate	10.4%	8.9%	7.5%	6.7%	6.3%
Personal Income - annual % chg.	7.1%	2.8%	4.7%	4.4%	5.1%
Total Taxable Sales - % chg.	7.3%	5.8%	5.7%	4.2%	6.1%
Housing Permits - thousands of units	57.6	82.3	85.3	110.0	135.6

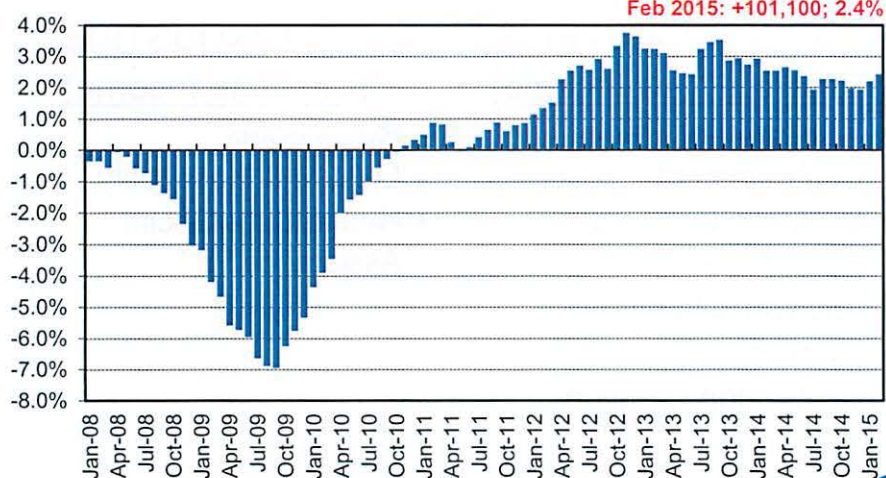
Forecast Source: LAEDC

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Los Angeles County Nonfarm Jobs

YTY % change in nonfarm jobs



Source: CA EDD, Labor Market Information Division

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Job Trends by Industry – Los Angeles

YTY % change in nonfarm employment by industry, not seasonally adjusted

Feb 2015: +101,100 jobs, +2.4% YTY; u-rate: 7.7%



Source: CA EDD, Labor Market Information Division

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Major Industries in Los Angeles County

TRADED INDUSTRIES

(Generate New Income)

- International Trade
- Entertainment
- Business Services
- Aerospace
- Fashion & Apparel
- Tourism
- Knowledge Creation

LOCAL INDUSTRIES

(Circulate Income)

- Retail Sales
- Leisure & Hospitality
- Health Care/Social Assistance

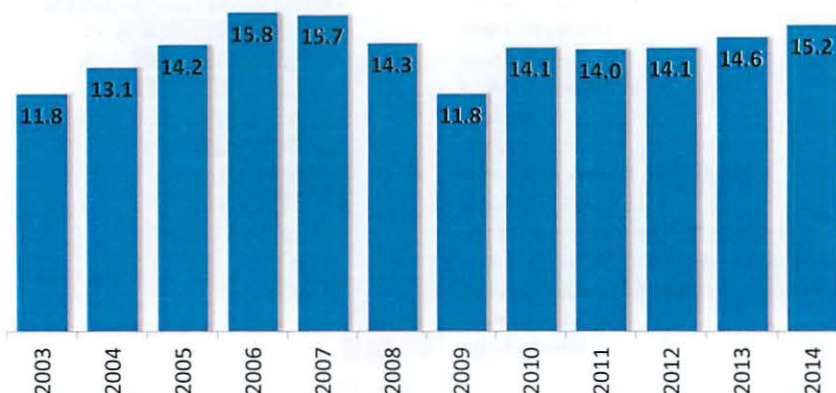


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Container Throughput San Pedro Bay Ports

Millions of TEUs

Mar 2015 YTD: -3%

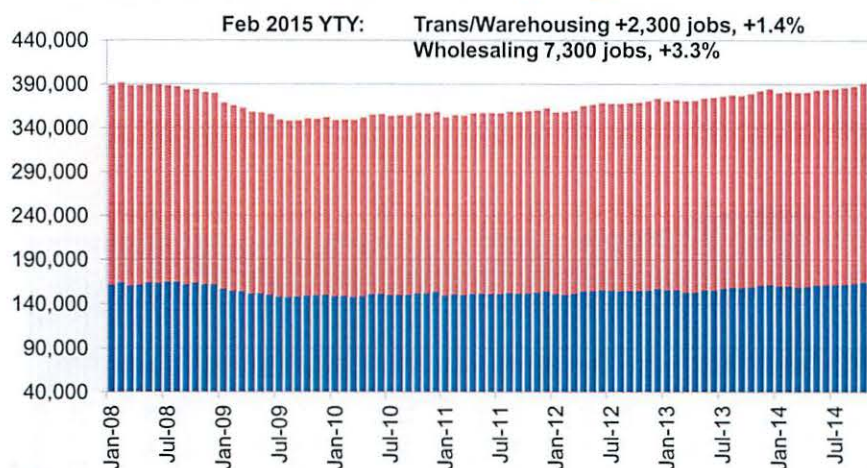


Sources: Ports of Los Angeles and Long Beach; forecast by LAEDC



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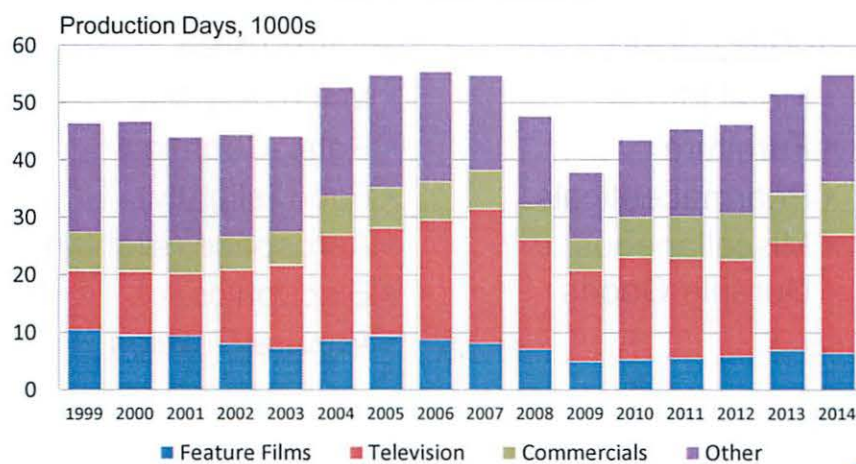
L.A. County Trans/Warehousing & Wholesale Employment



Source: CA EDD, Labor Market Information Division

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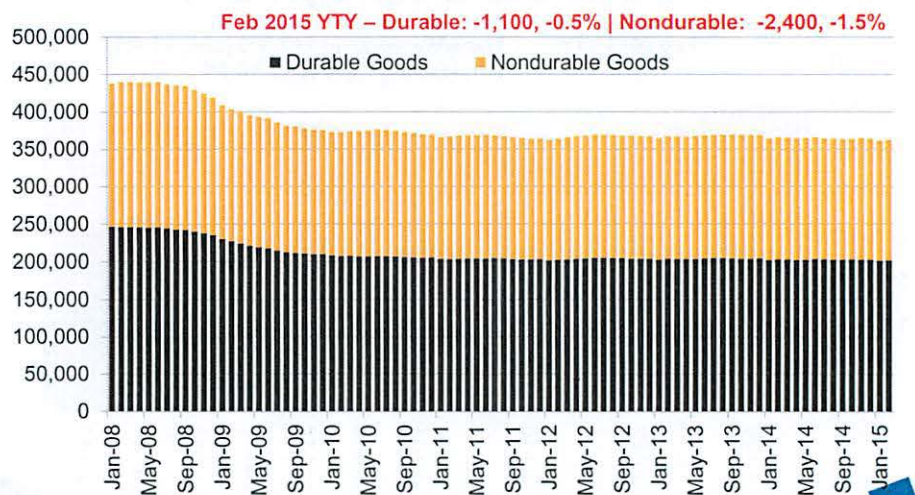
On-Location Film Production Days by Type



Source: Film LA

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L.A. County Manufacturing Employment



Source: CA EDD, Labor Market Information Division

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Manufacturing Trends

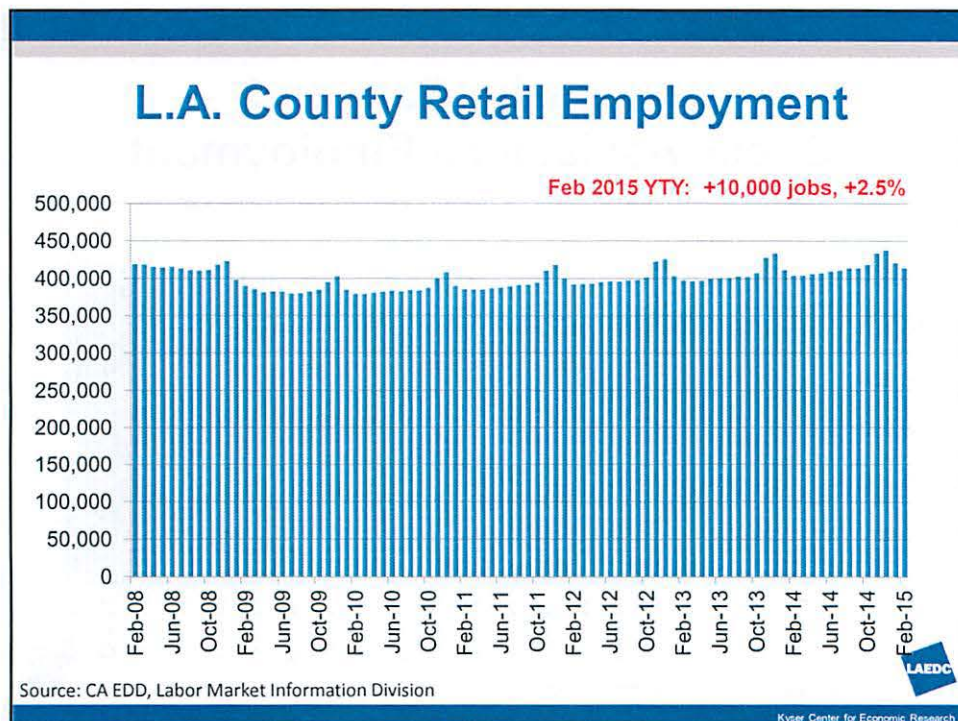
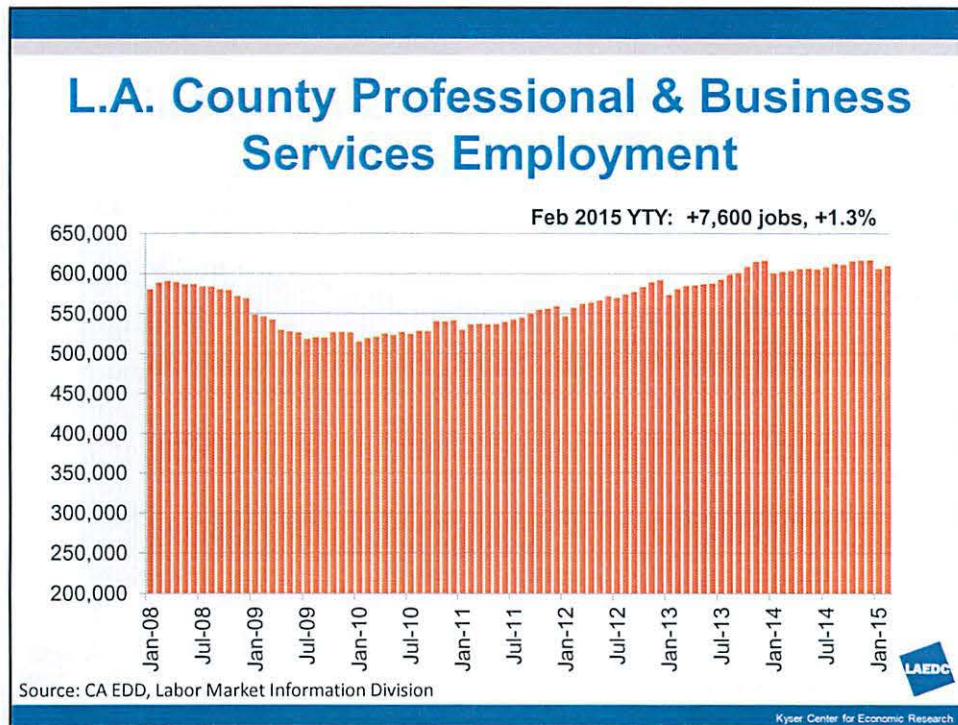
Adding Jobs:

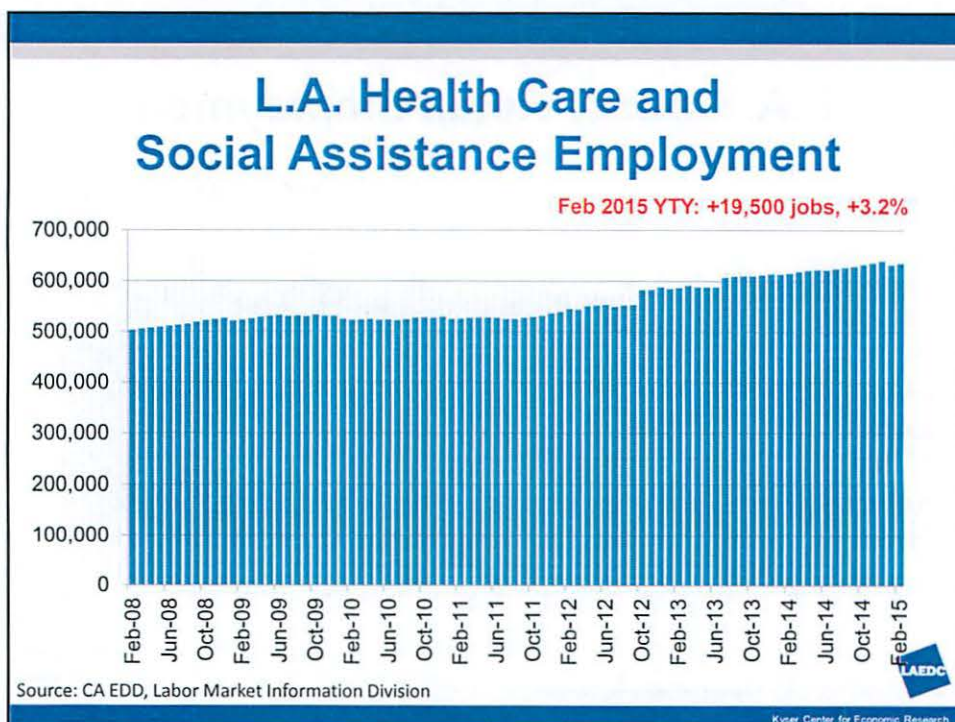
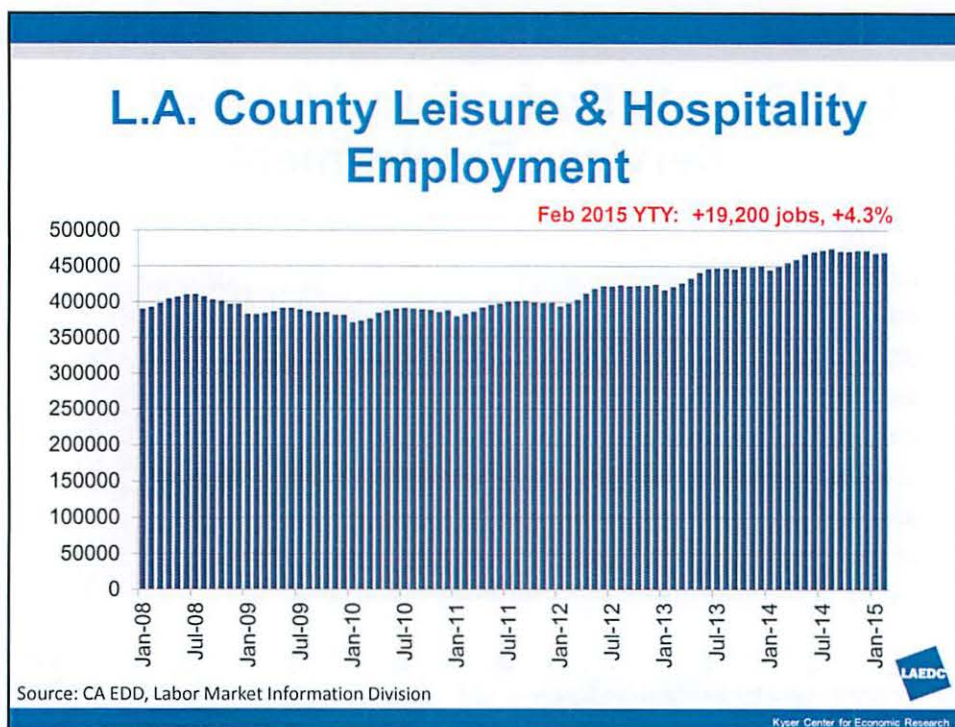
- Metal Mfg
- Furniture
- Pharmaceuticals
- Miscellaneous Durable Goods

Losing Jobs:

- Machinery Mfg
- Petro-Chemical
- Food (slightly)
- Aerospace (slightly)
- Electronics
- Apparel/Textiles

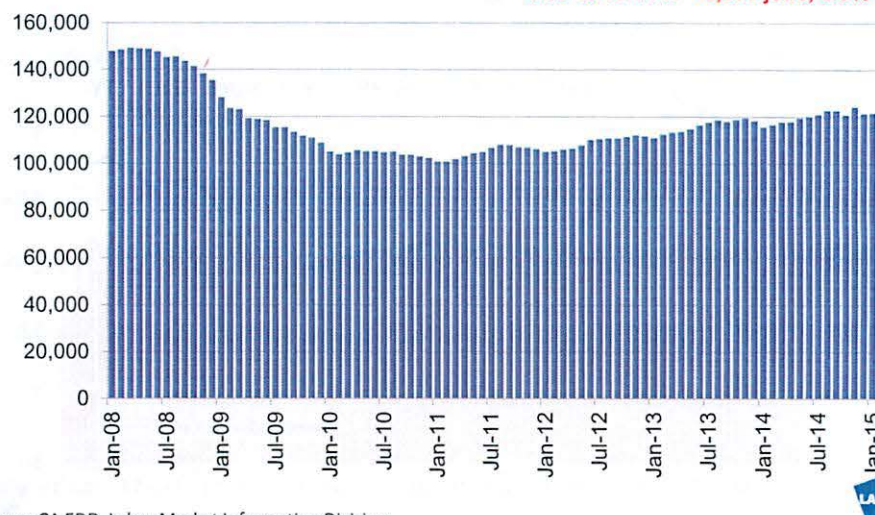
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L.A. County Construction Employment

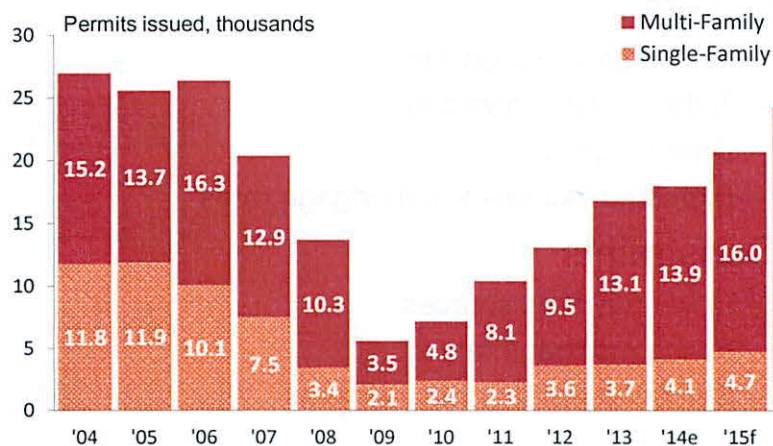
Feb 2015 YTY: +6,900 jobs, 5.9%



Source: CA EDD, Labor Market Information Division

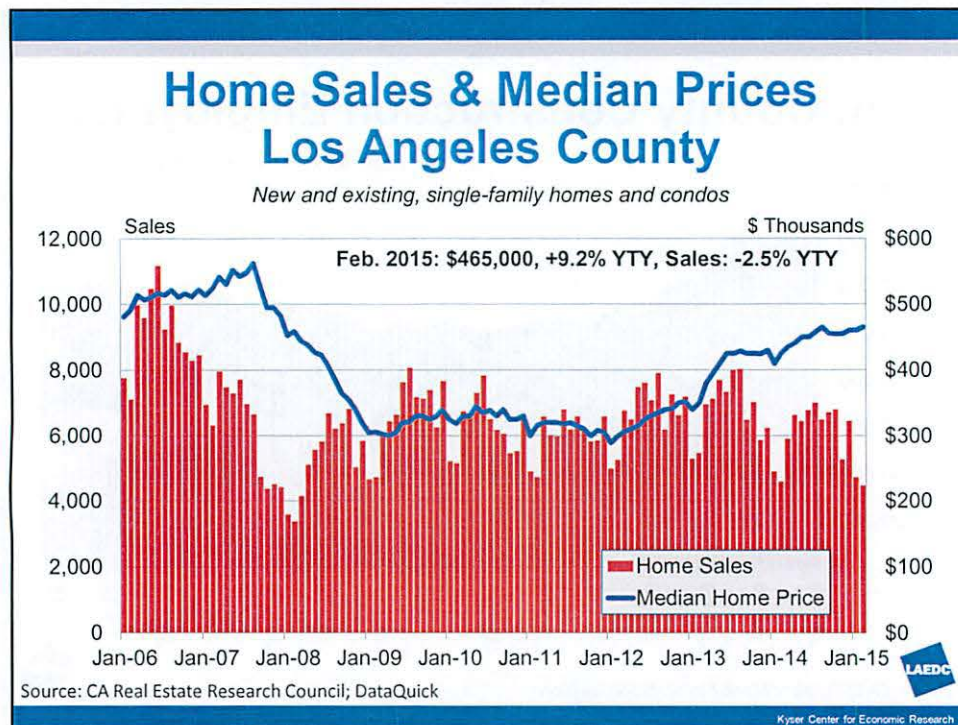
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Residential Building Permits Issued in Los Angeles County



Source: CIRB, California Home Building Foundation, forecast by LAEDC

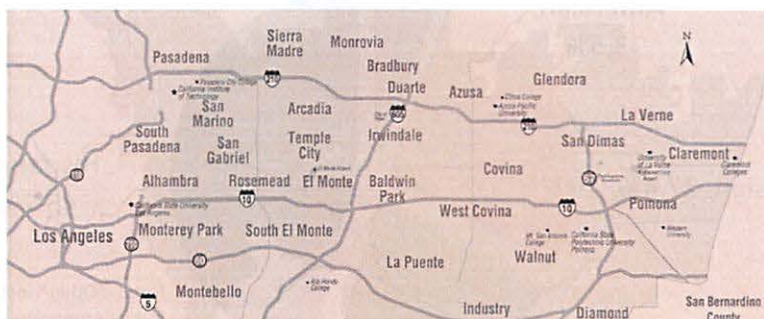
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Housing Drivers & Constraints

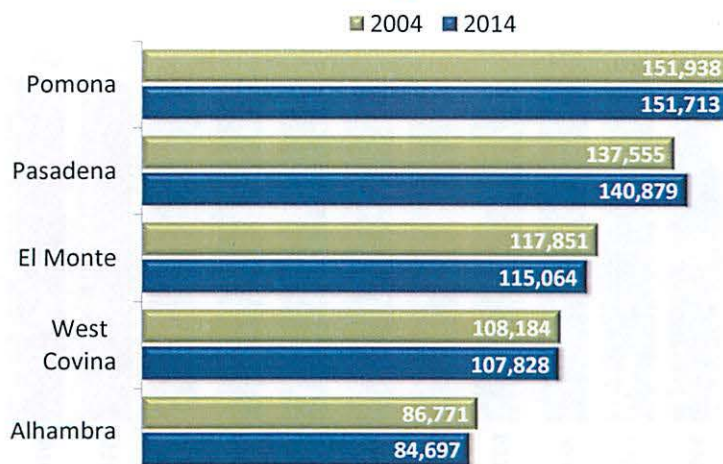
- Drivers:
 - Job and income growth
 - Net increases in wealth
 - Demographics
 - Expected increases in mortgage rates
- Constraints
 - Down payment sources
 - Rising mortgage rates
 - Strict underwriting requirements

San Gabriel Valley



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SGV Ten-Year Population Change Five Largest Cities

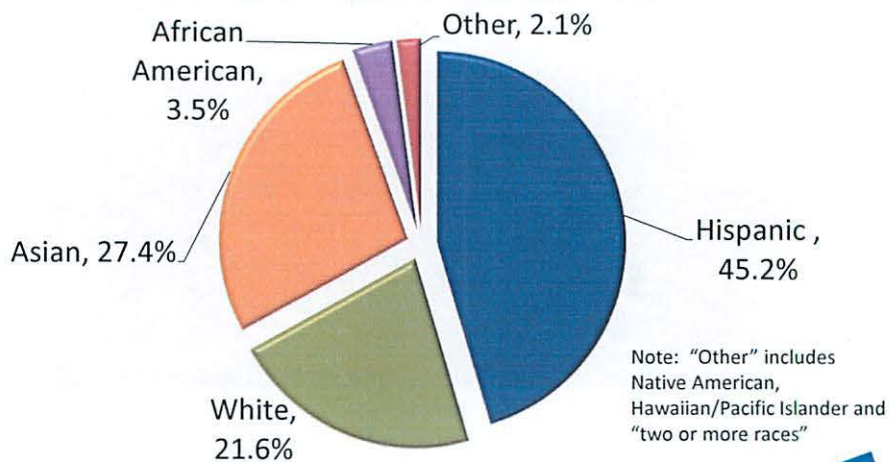


Source: California Department of Finance



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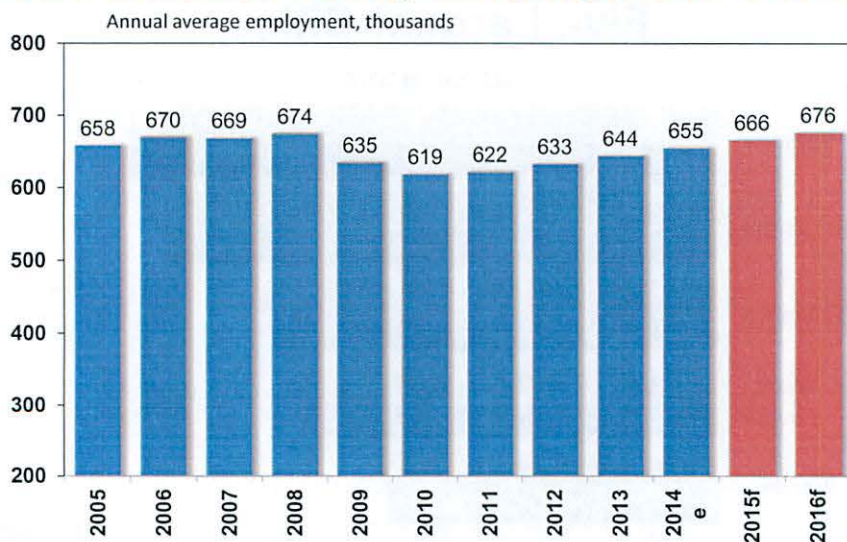
2014 Population of the SGV by Race/Ethnicity



Source: U.S. Census Bureau, California Dept. of Finance

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San Gabriel Valley Employment Trends



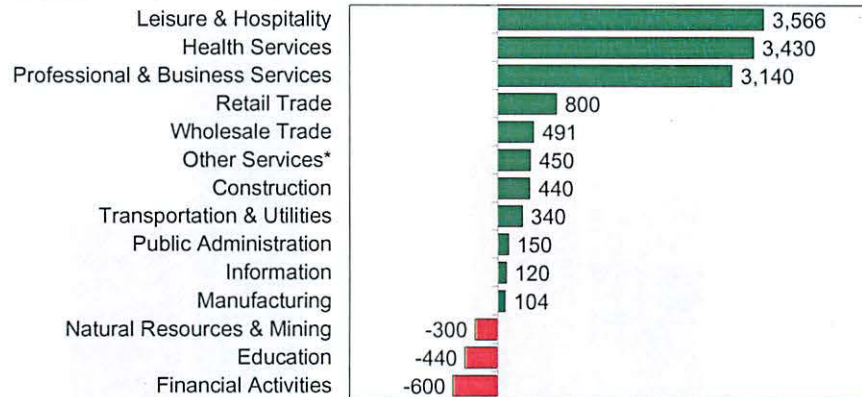
Sources: California EDD, LMID ES202 data

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Change in SGV Employment

2013 to 2014*: +11,200 jobs or +1.7%

Change in Employment



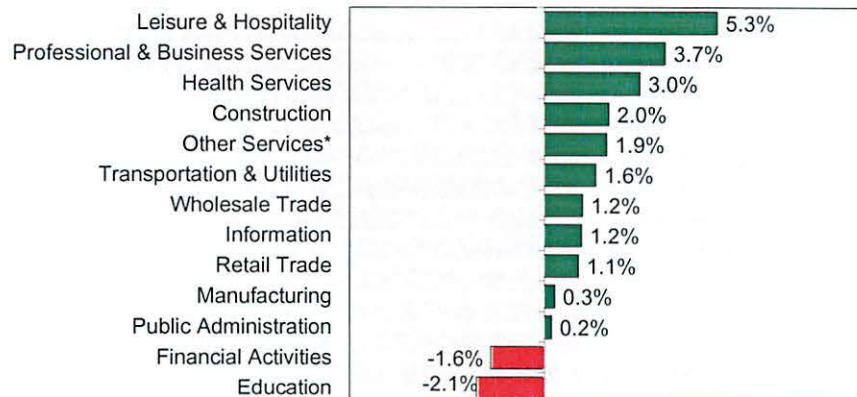
Sources: California EDD, QCEW Data, *2014 Estimates by LAEDC

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Percentage Change in SGV Employment

2013 to 2014*: +11,200 jobs or +1.7%

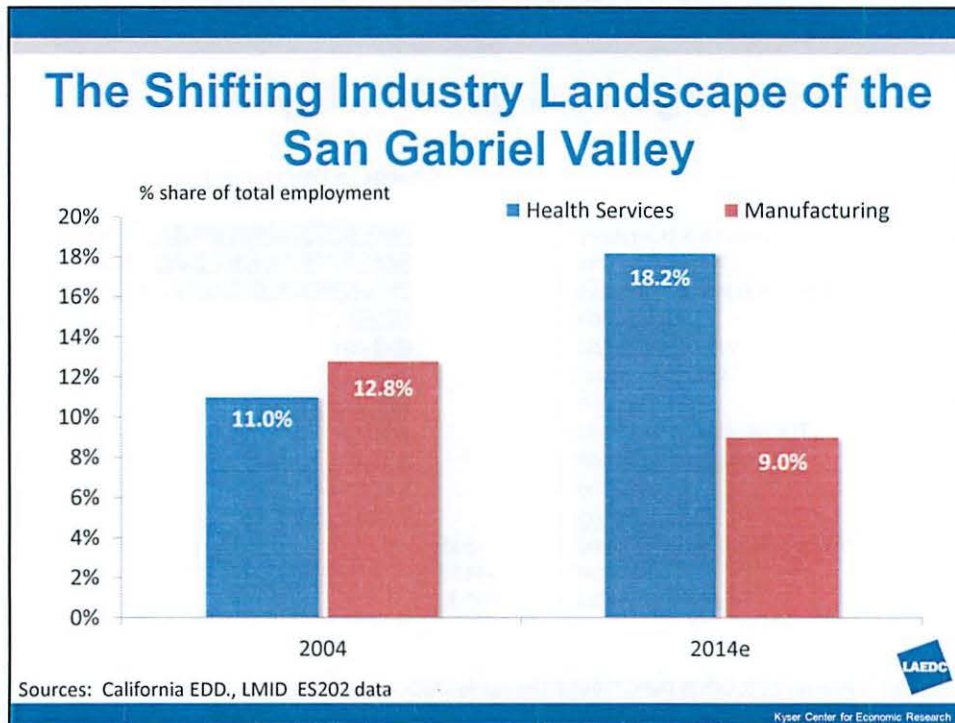
Percentage Change in Employment



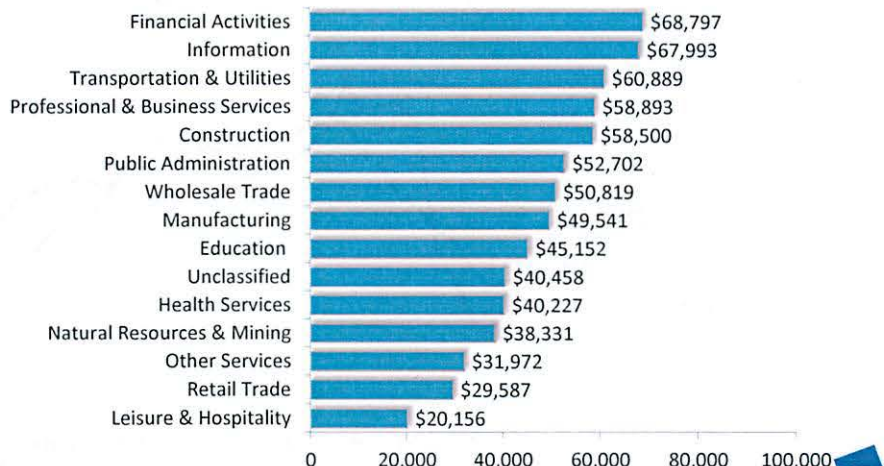
Sources: California EDD, QCEW Data, *2014 Estimates by LAEDC



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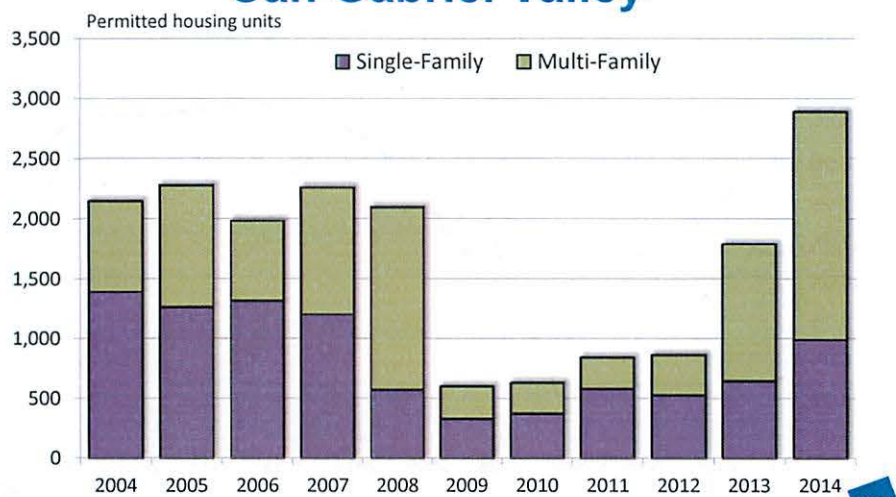
Annual Average Wage by Industry Sector in the San Gabriel Valley, 2013



Source: California EDD, LMID, ES202 data

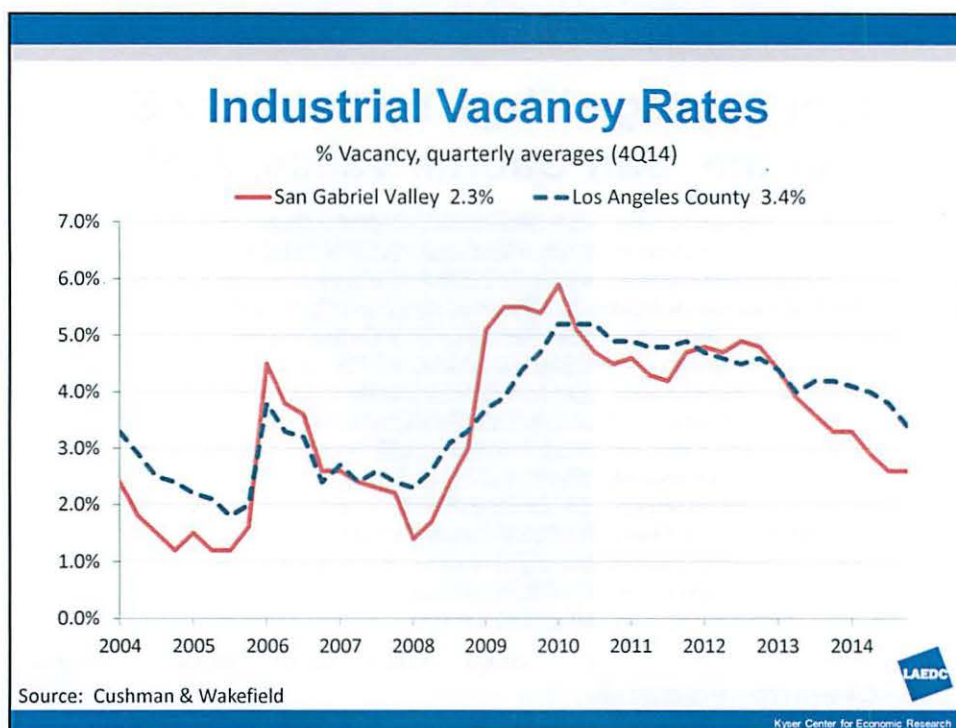
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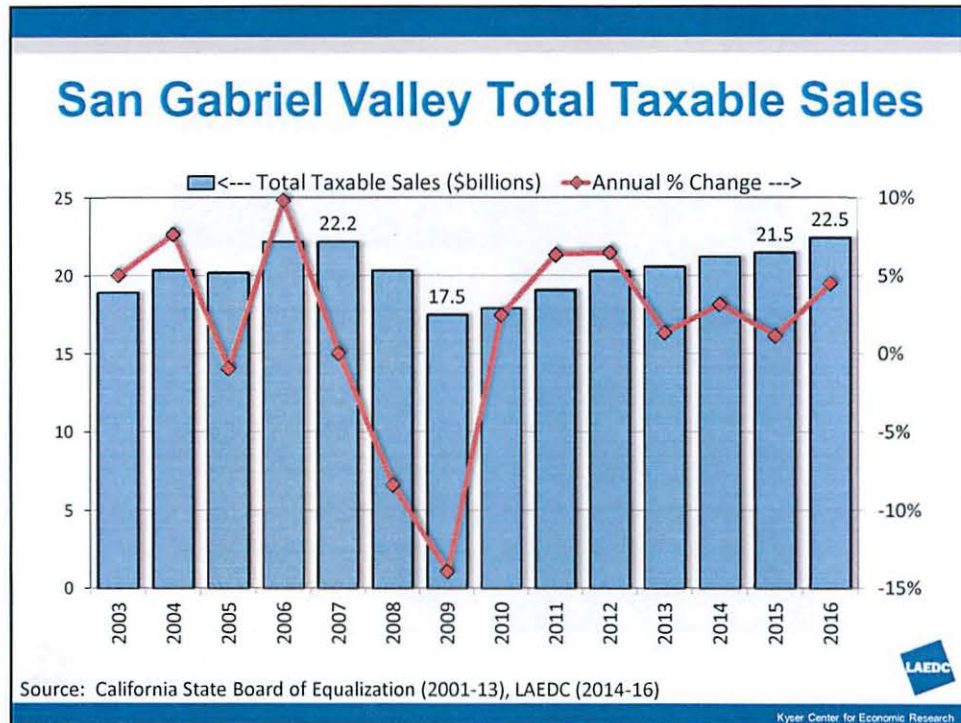
Residential Building Permits Issued in San Gabriel Valley



Source: CIRB, California Homebuilding Foundation

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San Gabriel Valley Outlook

	2014	2015f	2016f
Population - annual % chg.	0.6%	0.5%	0.4%
Nonfarm Jobs - annual % chg.	1.7%	1.6%	1.6%
Payroll - annual % chg.	3.9%	3.8%	3.8%
Total Taxable Sales - % chg.	3.2%	1.2%	4.5%
Housing Permits - thousands of units	2,892	2,200	2,700

Forecast Source: LAEDC April 2015



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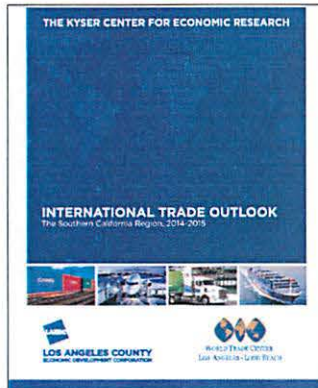
Forecast Summary

- US: households, businesses drive growth
- Local: jobs up 1.5-2.0%, u-rates decline
- SGV approaching pre-recession peak levels
- Local strengths: health care, leisure & hospitality, professional business services, retail, construction



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10th Annual LAEDC-WTC International Trade Outlook

Wednesday, June 3, 2015

8 am – 11 am

Westin Hotel, Long Beach

<http://laedc.org/international-trade-outlook/>



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