Metro Economic Outlook: Los Angeles

Like other major employment centers in the country, it has taken years for the Los Angeles area to gain back all the jobs it lost during the Great Recession. But that milestone will be reached in L.A. in 2015, and the related economic growth is expected to continue for the near future.

“Overall, we’ve seen a big step forward in economic activity and job growth both in California and Los Angeles County, said Kim Ritter, associate economist with the Los Angeles County Economic Development Corp. (LAEDC), a nonprofit entity which tracks economic activity in Los Angeles County. “And that growth has been broad-based.”

The construction industry has been growing “by leaps and bounds,” Ritter said, and the professional and business services sector has also been strong, much to the approval of local economic development officials.

“We like to see that, because there tends to be a greater concentration of high-skill, high-paying jobs in that sector,” Ritter said. “Overall, I wouldn’t say that we’re having breakout growth, but you get the sense that momentum is building.”

The L.A. metro region covers Los Angeles County and neighboring Orange County. It is home to more than 13 million people and is the birthplace of an array of pop culture standards – including the electric guitar, the bathing suit and the skateboard.

Several high-tech innovations like the space shuttle, the Mars rover and the F-117, the first stealth fighter developed for the United States military, were also created locally.

<table>
<thead>
<tr>
<th>LOS ANGELES METRO: VITAL STATS</th>
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<tbody>
<tr>
<td><strong>Total working age population</strong>: 8,126,353 out of a total population of 13,131,431</td>
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<td><strong>Number of households</strong>: 4,251,495</td>
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<td><strong>Consumer price index</strong>: 247.066 (goods and services that cost $100 in 1982-1984 cost $247.07 in July 2015)</td>
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<td><strong>Percentage of local residents with bachelor’s degrees</strong>: 20.8</td>
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<td><strong>With graduate or professional degrees</strong>: 11.0</td>
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<td><strong>Student concentration</strong>: 88.7 college students per 1,000 residents</td>
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Among the region’s *Fortune* 500 companies are entertainment industry giant Walt Disney, digital television company DirecTV and manufacturer Reliance Steel & Aluminum.

Two of the Los Angeles region’s major industries – two-way trade and tourism – also had record-breaking activity in 2014. Container port operations in Los Angeles and Long Beach are the largest in the United States. Together they generate 360,000 local jobs, and in 2014 the ports handled a new high of 15.2 million containers.

Meanwhile, a record 43.4 million visitors came to Los Angeles County in 2014. The LAEDC expects that number to hit a new high of 44.2 million in 2015, which would mark the fifth consecutive year of record-breaking tourism numbers.

Although the bulk of L.A.’s visitors come from within the United States, 15 percent of travelers arrive from international locations, Ritter said. Mexico and Canada are the top two sources of foreign tourists, but China is a “close third” and the number of visitors from that nation grew by 20 percent from 2013 to 2014, she said.

The local housing market is recovering, but still has its share of challenges, Ritter said. Some segments of the market have seen substantial price increases, but housing costs are also rising faster than the incomes of many residents.

“Things are improving here,” Ritter said. “When you walk around downtown, you see a lot of new construction, you see more people filming on location. We’re seeing more activity overall.”

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**Labor force makeup**

- Government: 717.7
- Other services: 201.8
- Leisure and hospitality: 660.5
- Education and health services: 952.8
- Professional and business services: 885.2
- Financial activities: 326.8
- Information: 214.9
- Trade, transportation and utilities: 1072.1
- Manufacturing: 521.5
- Construction: 206.6
- Total nonfarm: 5761.5

**Source:** U.S. Bureau of Labor Statistics (January 2015)

**Working age categories**

- 20 to 24: 1,838,775, 23%
- 25 to 34: 1,827,063, 22%
- 35 to 44: 1,977,176, 24%
- 45 to 54: 1,015,312, 13%
- 55 to 59: 807,510, 10%
- 60 to 64: 660,517, 8%

**Source:** U.S. Census Bureau (2013)
Employers in the Los Angeles metro area are less likely to offer consumer-driven health plans compared with the national level, by a 13 percent margin.

They are much more likely to offer domestic partner benefits, by a 27 percent margin over the national level.

Employee 401(k) participation in the Los Angeles metro area workforce is lower than the national level, by a margin of 7 percent.
The turnover rate in the Los Angeles metro area’s workforce is on par with the national level.

Median household income in the Los Angeles metro area is somewhat higher than the national level, by more than $6,000 annually.

Per capita income in the Los Angeles area is slightly higher than the national level, by less than $1,000 annually.
Top Management Salaries Data

Median salaries for top management positions in the Los Angeles metro area are typically higher than national levels.

<table>
<thead>
<tr>
<th>Position</th>
<th>Median Salary Los Angeles Metro</th>
<th>Median Salary U.S.</th>
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<tbody>
<tr>
<td>Top legal executive</td>
<td>$345,600</td>
<td>$305,400</td>
</tr>
<tr>
<td>Chief information officer</td>
<td>$285,500</td>
<td>$264,300</td>
</tr>
<tr>
<td>Top HR executive</td>
<td>$265,200</td>
<td>$265,200</td>
</tr>
<tr>
<td>Chief financial officer</td>
<td>$391,500</td>
<td>$344,400</td>
</tr>
<tr>
<td>Chief executive officer</td>
<td>$655,000</td>
<td>$618,400</td>
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</table>

Source: Towers Watson Data Services 2014 Survey Report on Top Management Compensation