

National & Long Beach Regional Economic Update

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Presented at the
2019 Long Beach Regional Economic Forum



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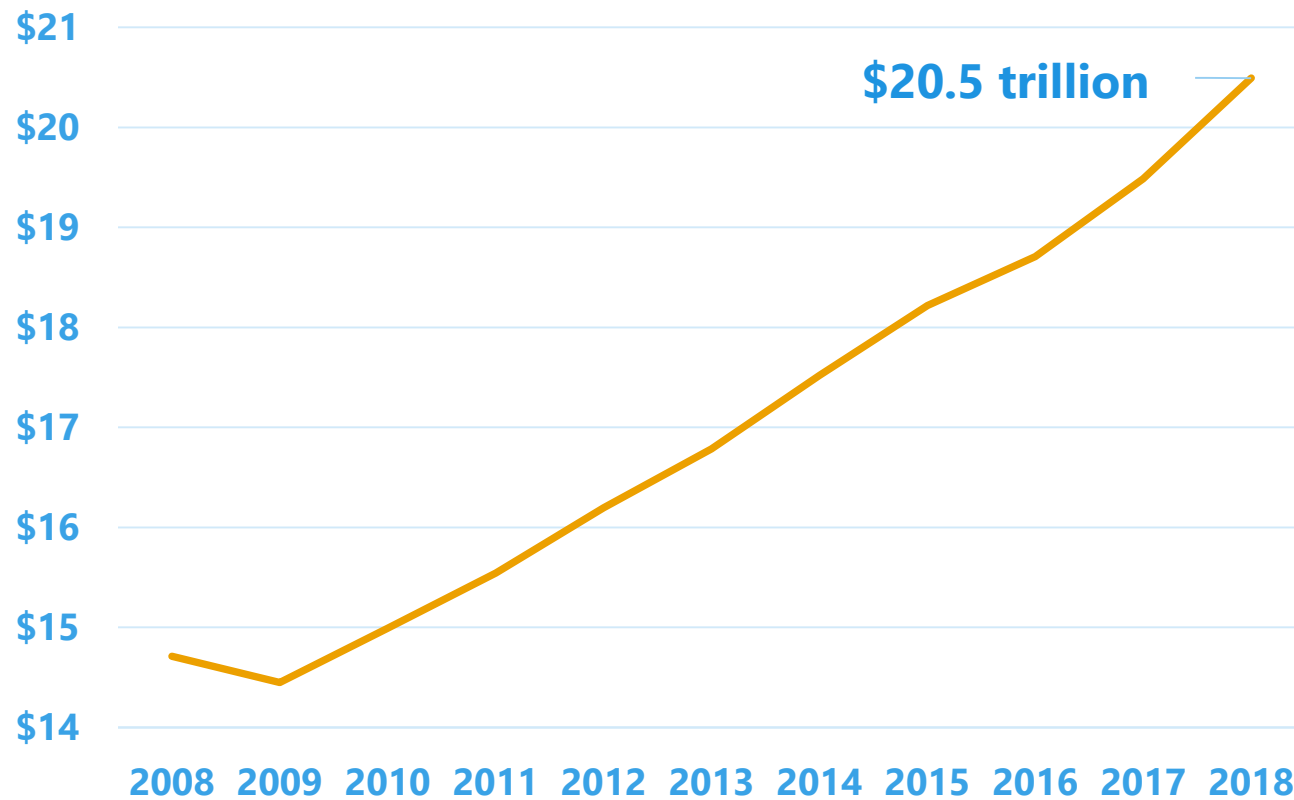
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National Economic Update

Gross Domestic Product

Real GDP (\$ trillions)



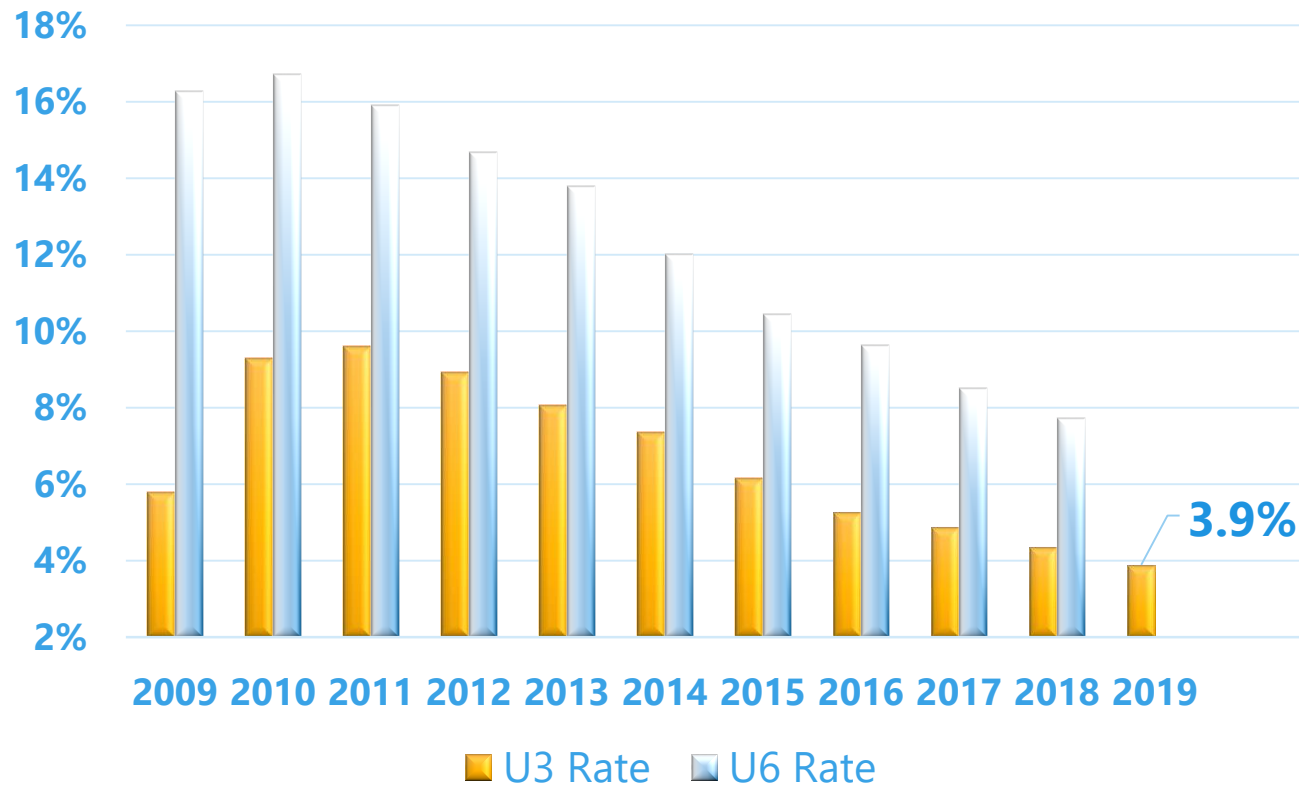
Growth Rates	2016	2017	2018
GDP	1.6%	2.2%	2.9%
Personal Income	1.7%	2.6%	2.9%

GDP Component	% of 2018 GDP
Consumption	68.1%
Investment	17.8%
Government	17.2%
Net Exports	-3.1%

Source: St. Louis Federal Reserve (FRED); Bureau of Economic Analysis

Unemployment

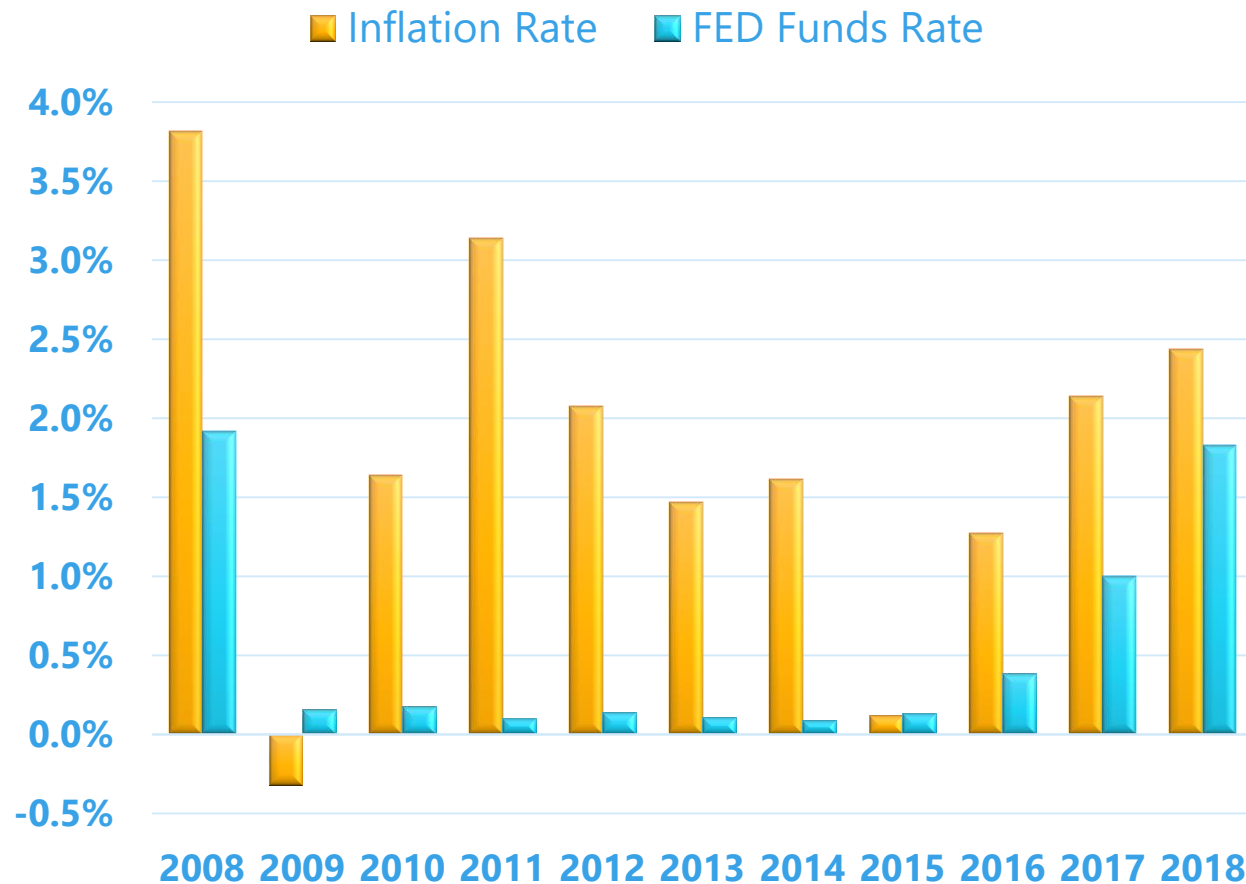
Unemployment Rate



2018 Net Job Gains by Sector (1,000s)

Professional and Business Services	537
Education & Health Services	499
Leisure & Hospitality	410
Manufacturing	242
Construction	223
Transportation & Warehousing	194.5
Financial Activities	102
Wholesale Trade	94.9
Other Services	78
Transportation Equipment	58.6
Information	3
Utilities	-0.6
Retail Trade	-4.5
Net Total Job Gain	2.43 million

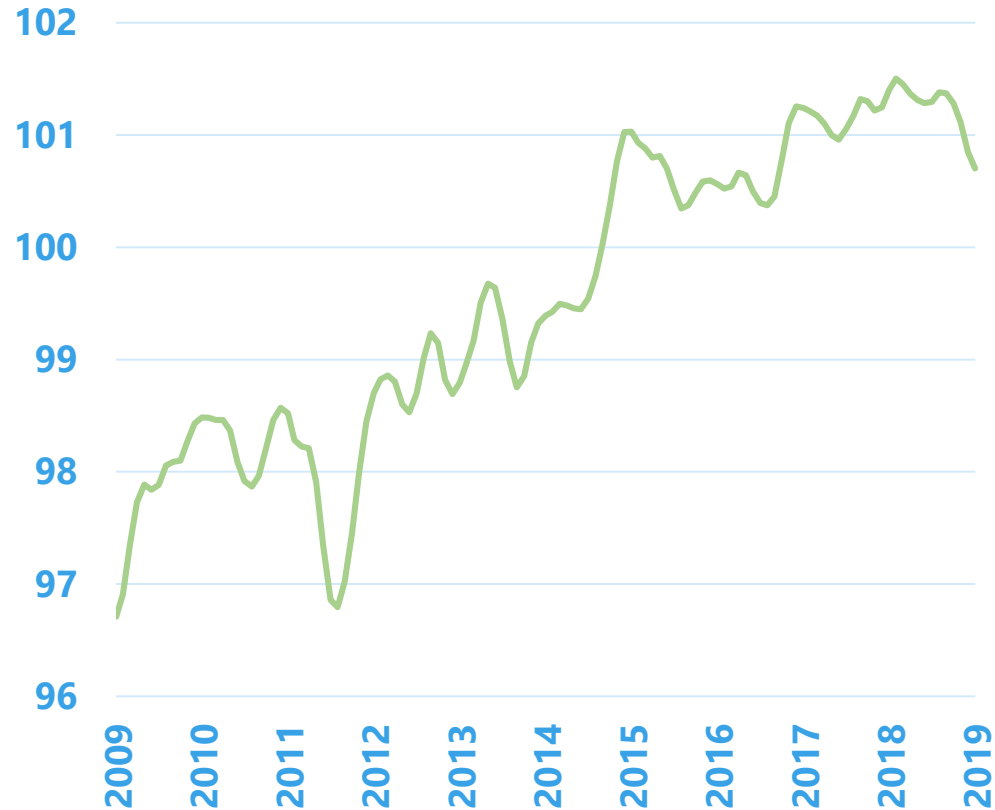
Inflation & Federal Funds Rate



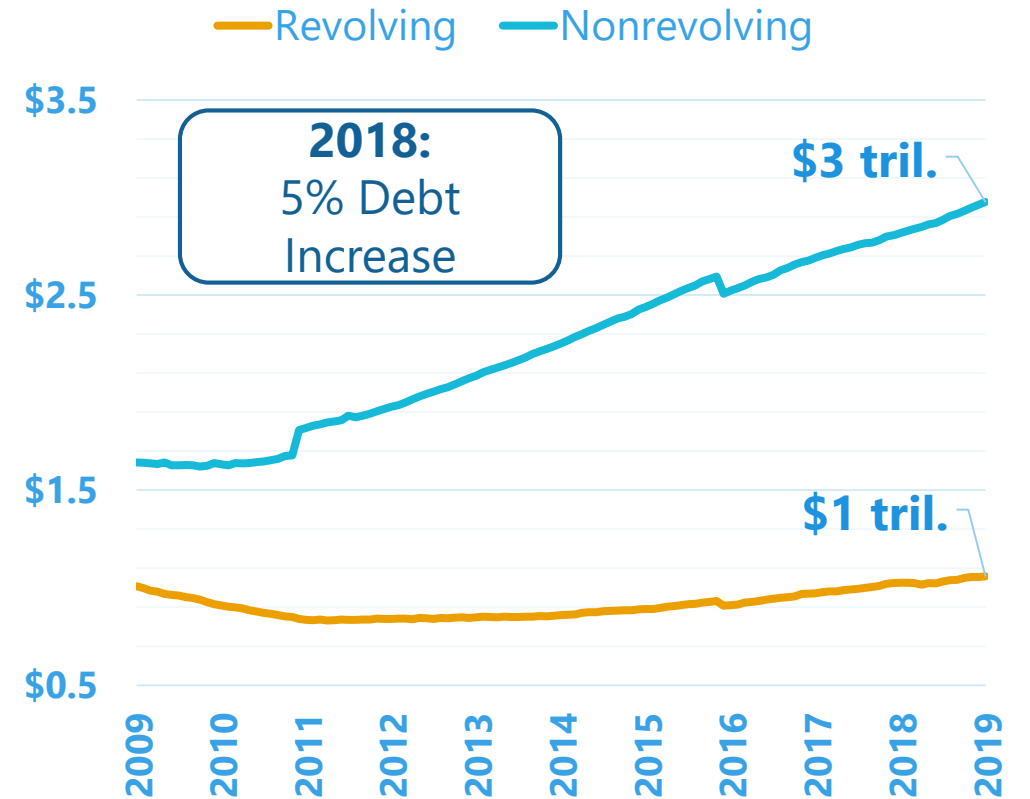
- Current Inflation Rate: 2.14%
- Target Inflation Rate: 2.00%
- Target Unemployment: 4.00% to 4.60%
- Relaxation of "Quantitative Easing"

Consumer Confidence & Debt

Consumer Confidence Index

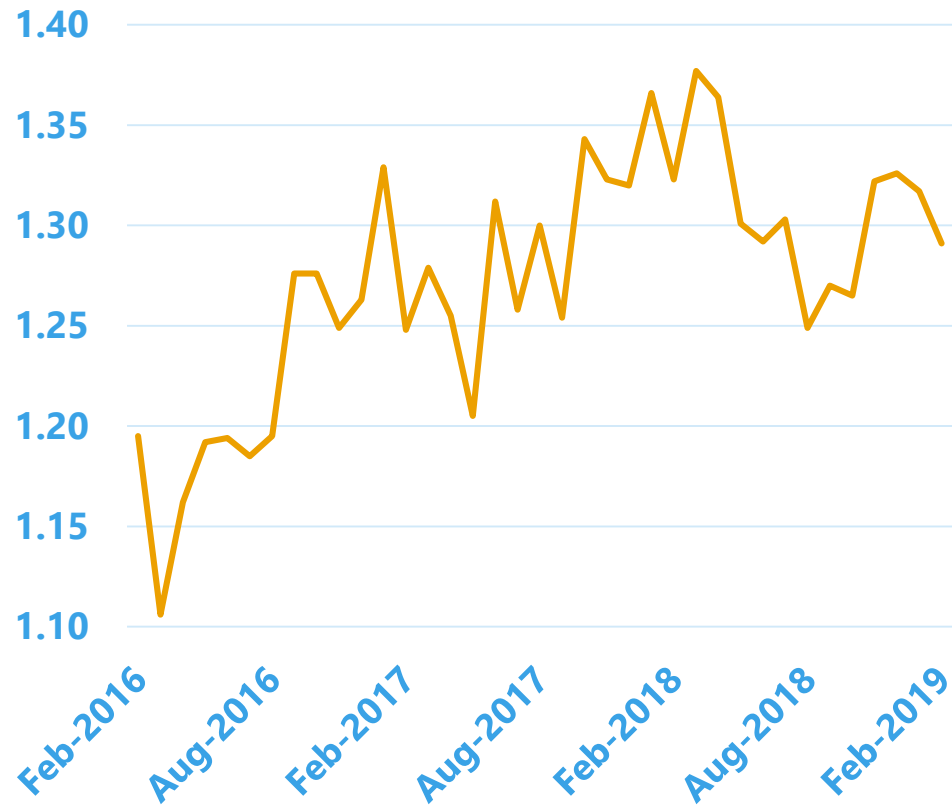


Consumer Debt (\$ trillions)

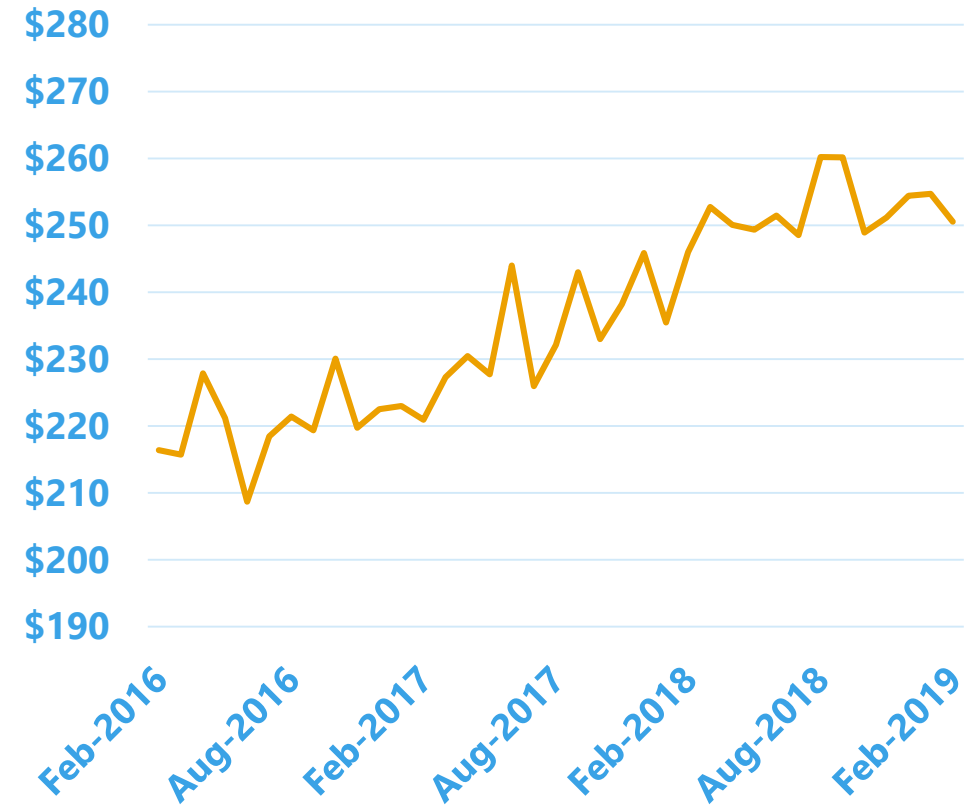


Housing Starts & Durable Goods

Housing Starts (millions)



Durable Goods Orders (\$ bil.)



Source: Census Economic Indicators – Seasonally Adjusted

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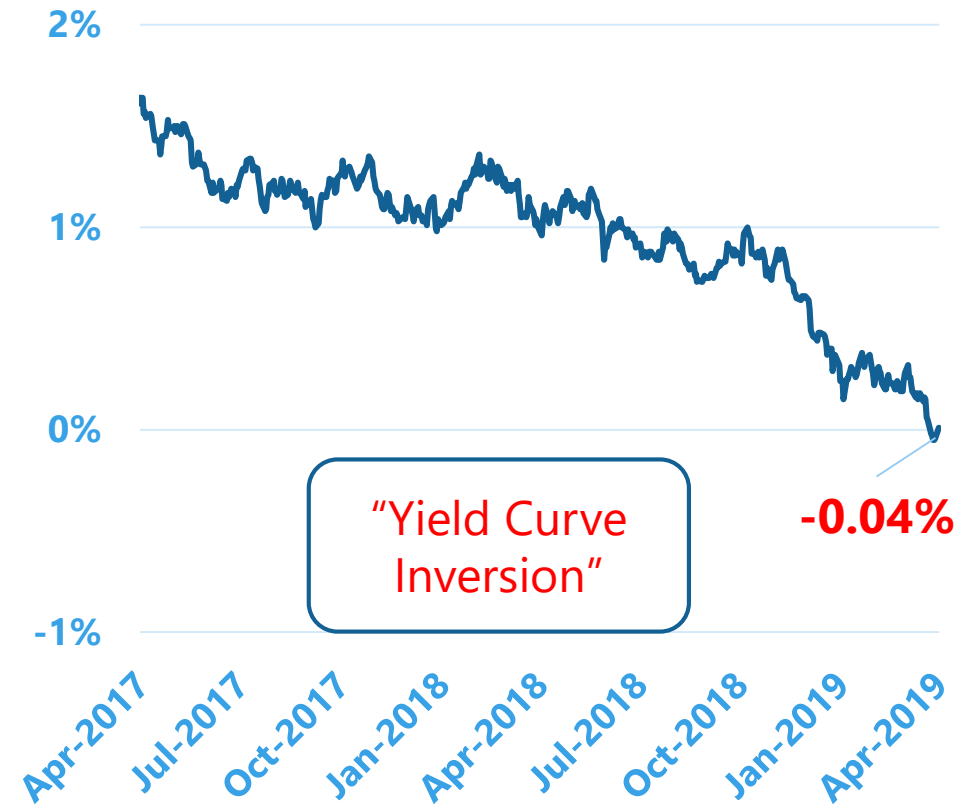


Financial Markets

S&P 500 Index



10yr – 3mo Treasury Rate Spread



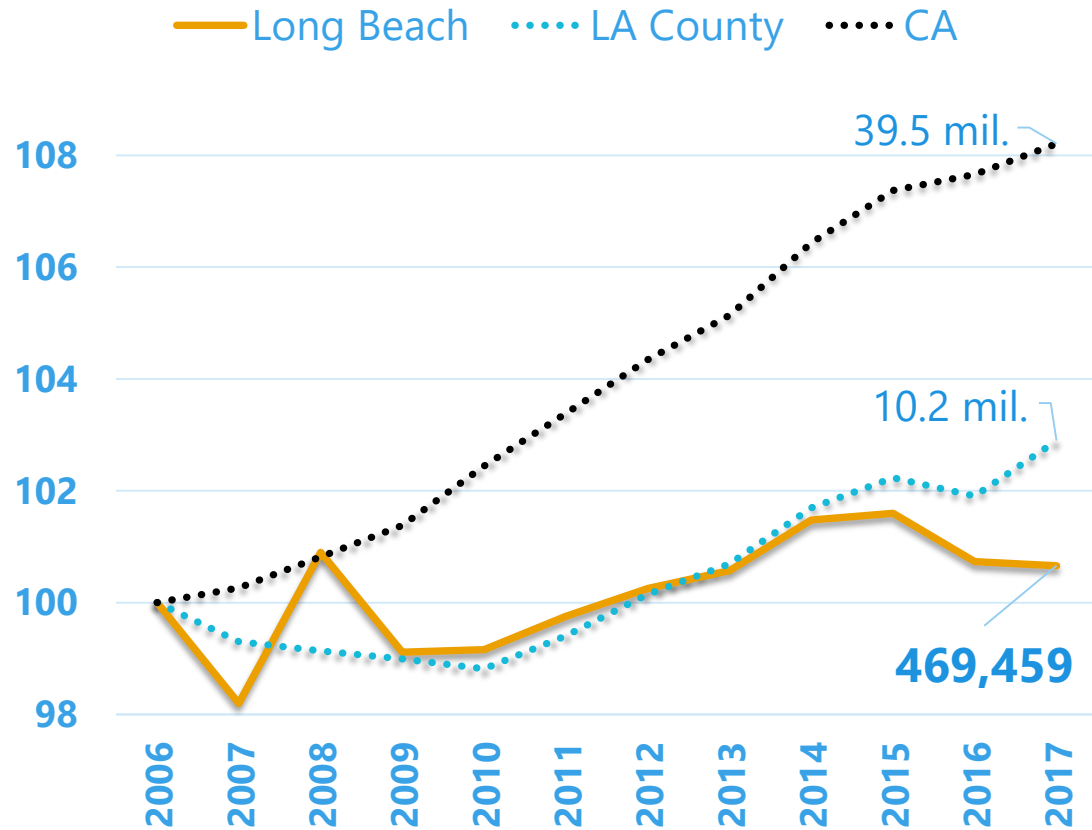
Source: Federal Reserve Bank of St. Louis (FRED)

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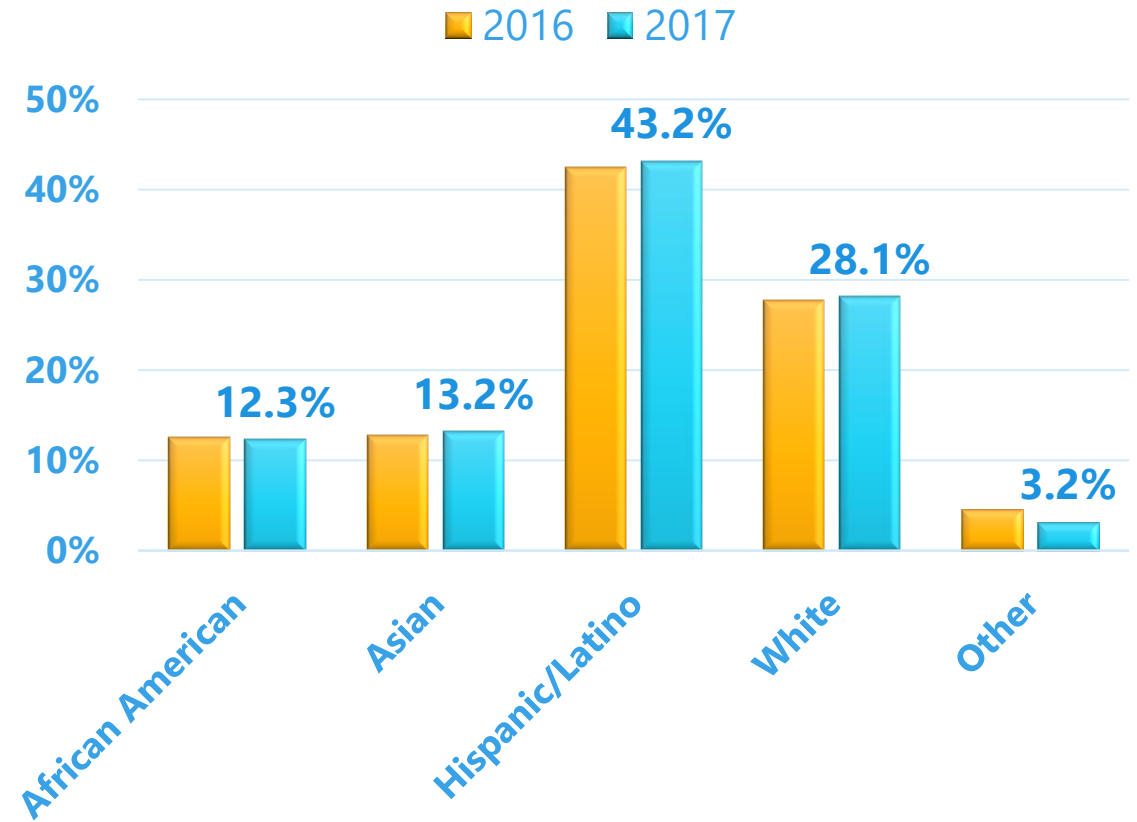
Population, Household Income, Unemployment, and Education

Population

Population Index



Racial/Ethnic Composition



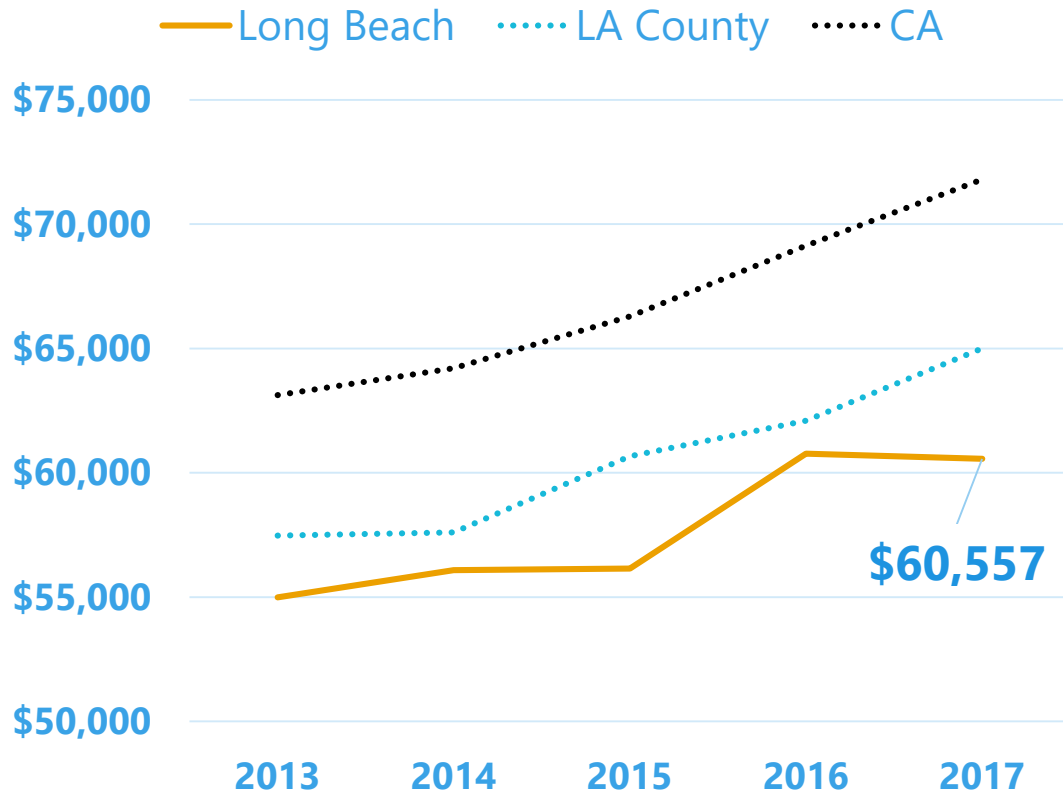
Source: Census American Community Survey

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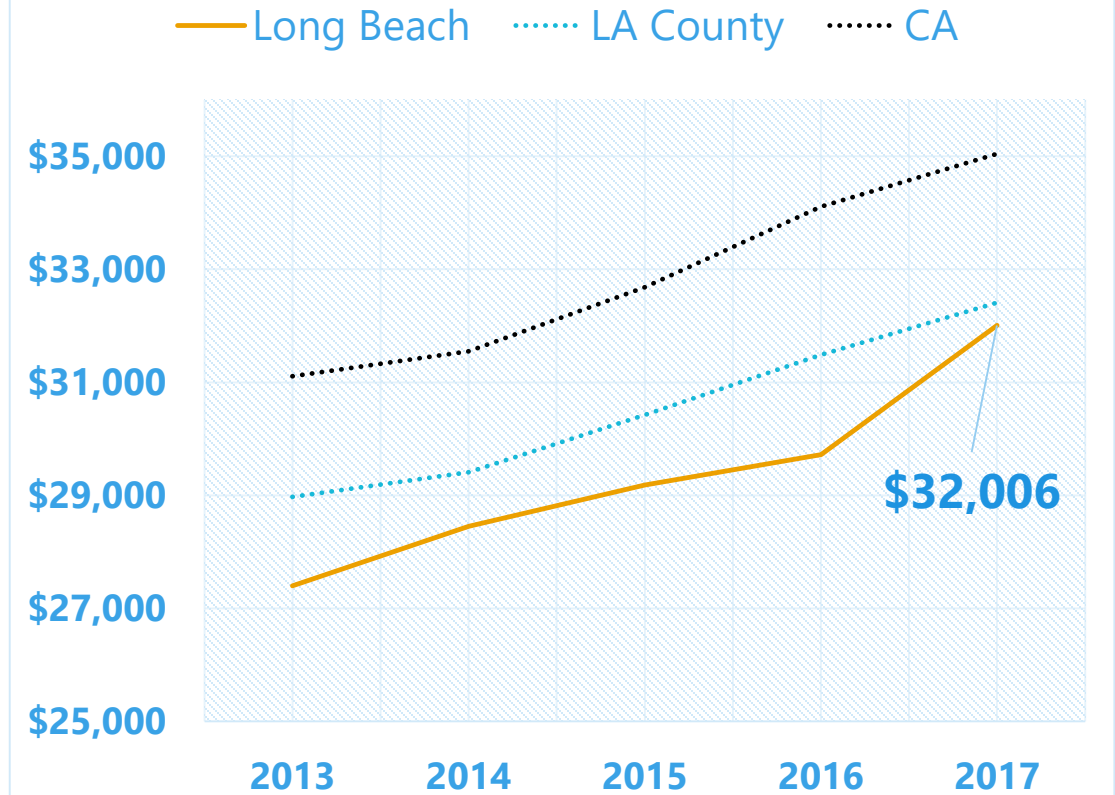
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Household and Per-Capita Income

Median Household Income

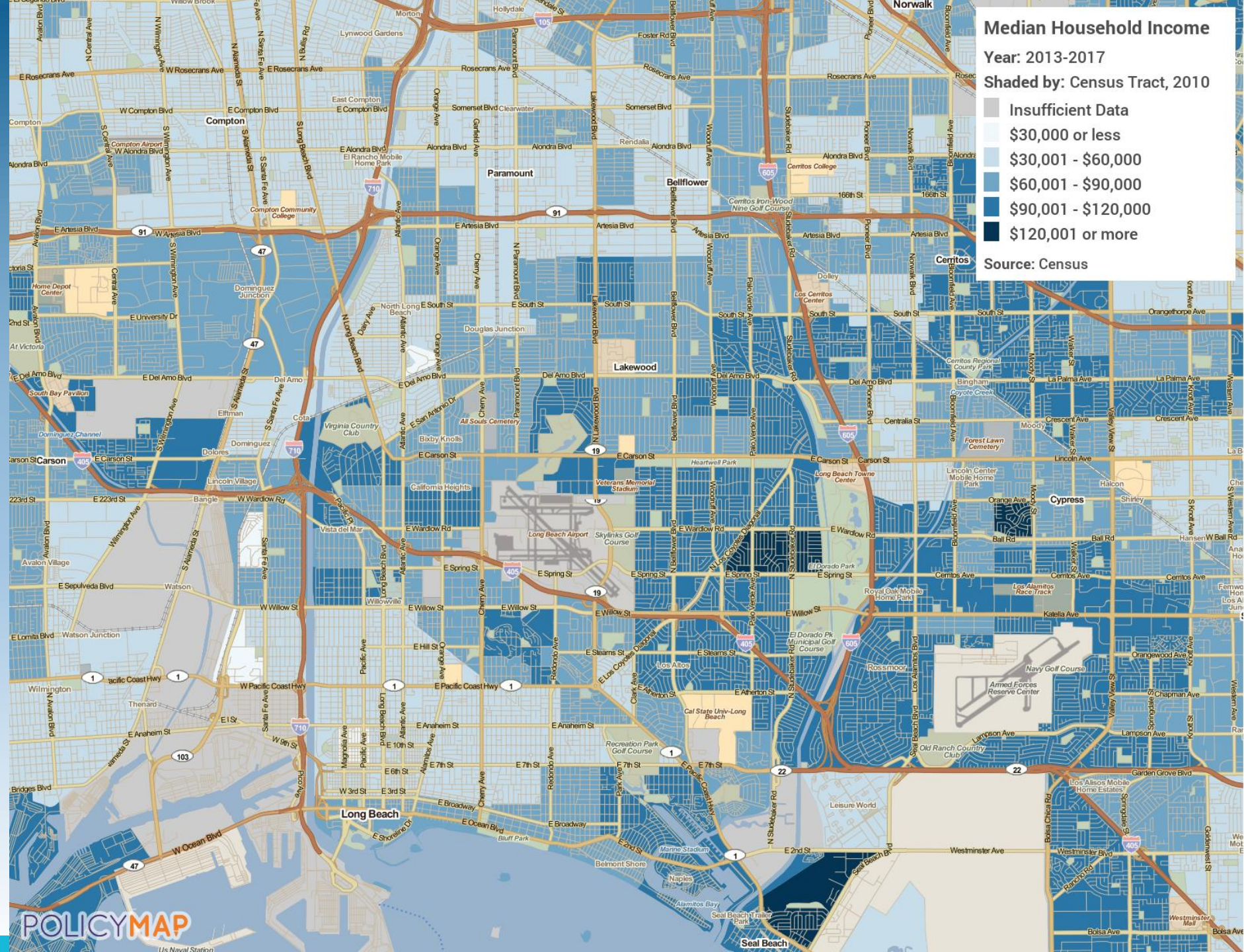


Median Per-Capita Income



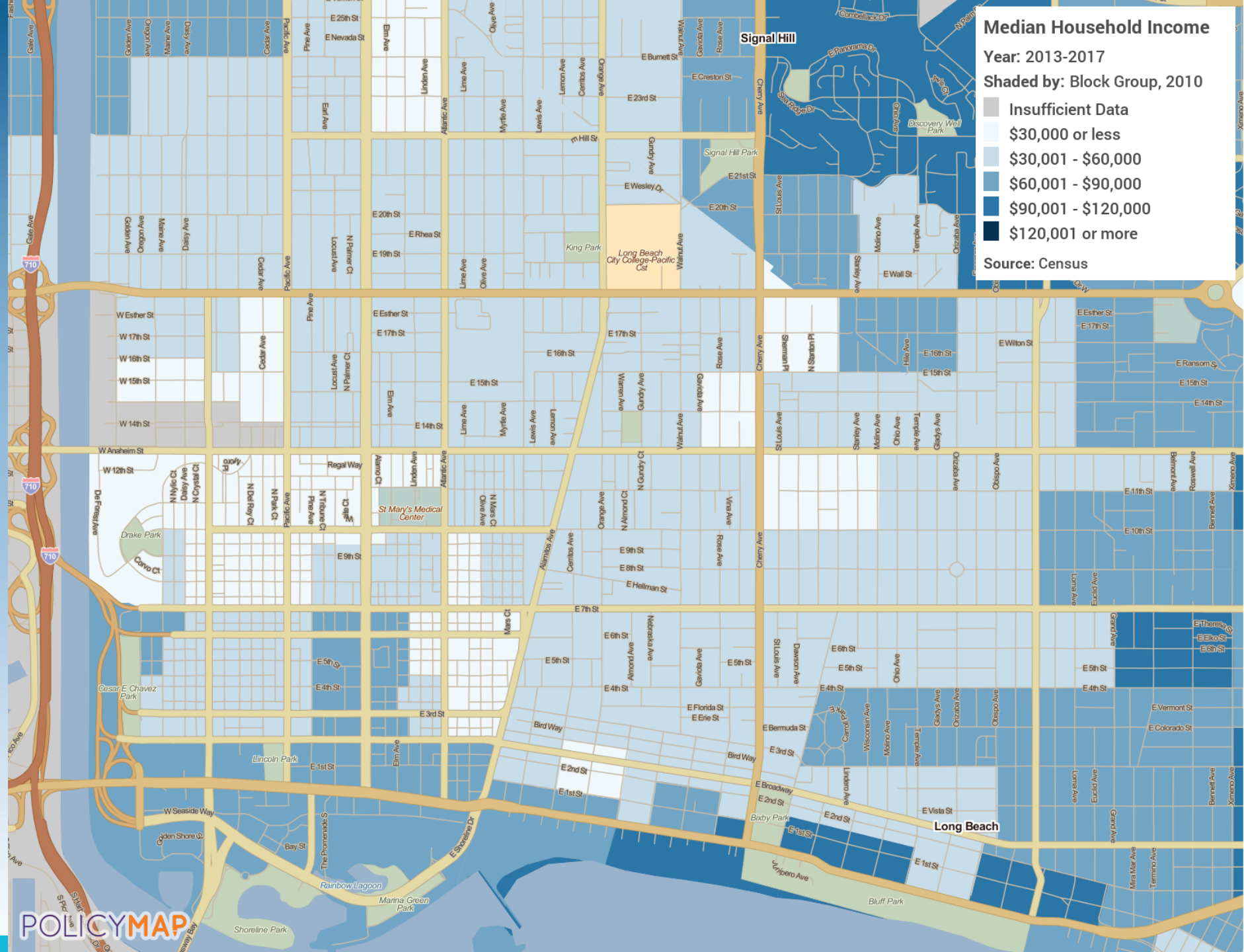
Source: Census American Community Survey

Median Household Income



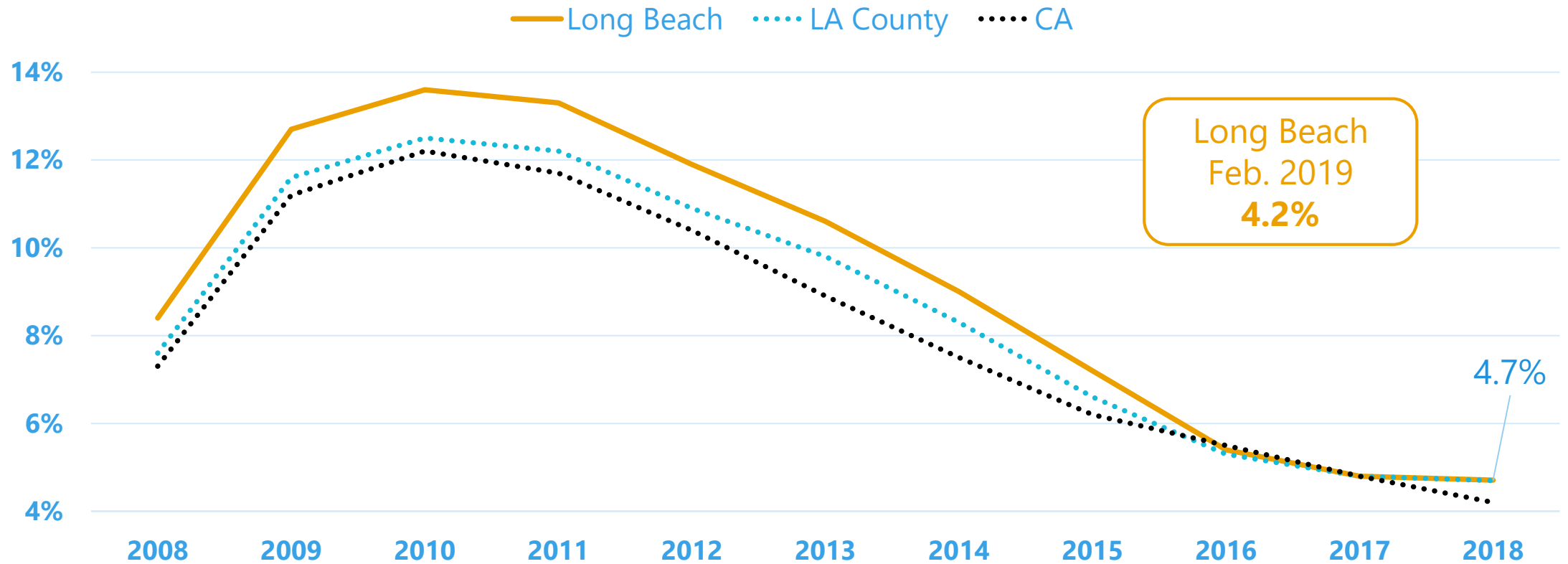
Median Household Income

Downtown



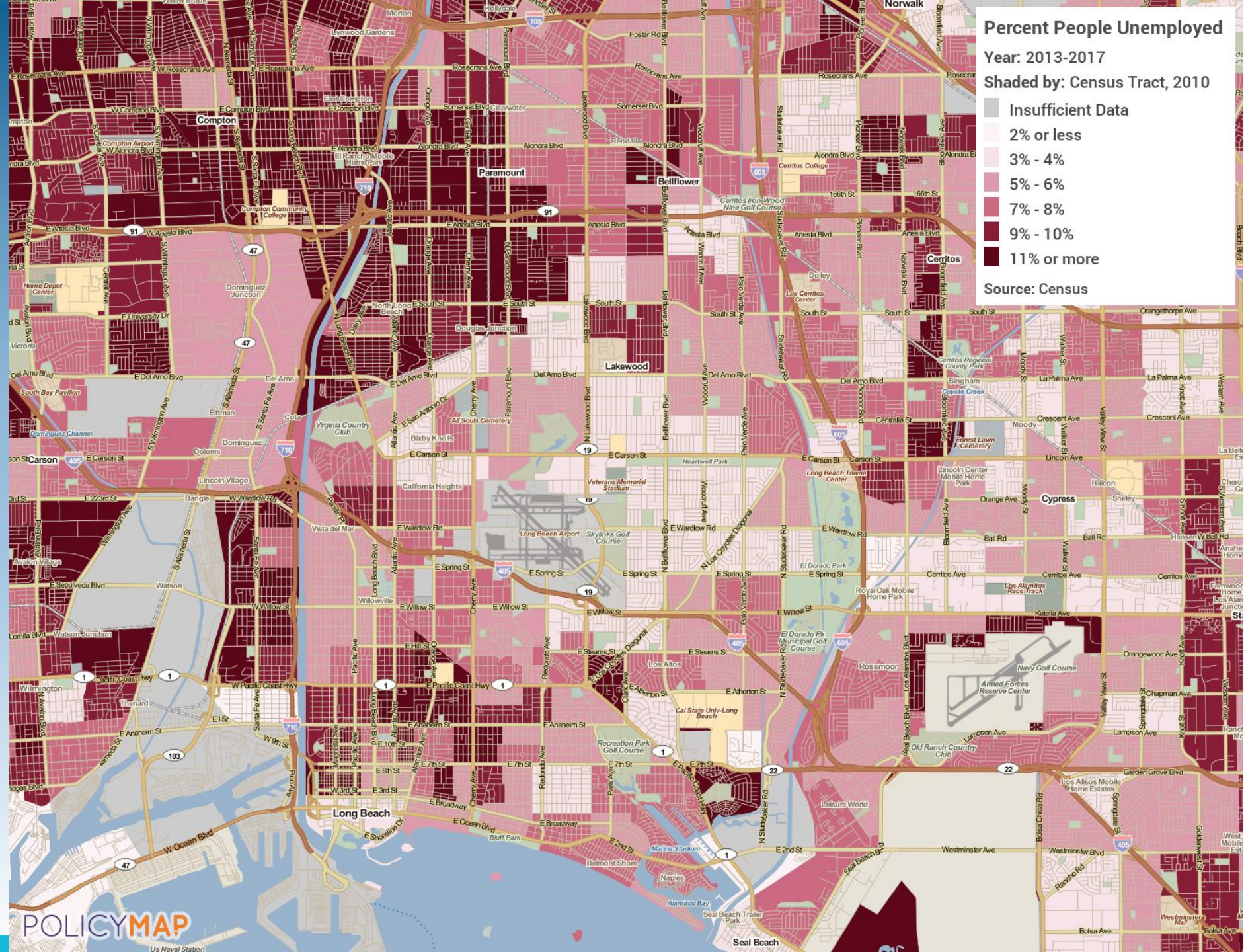
Unemployment

Unemployment Rate

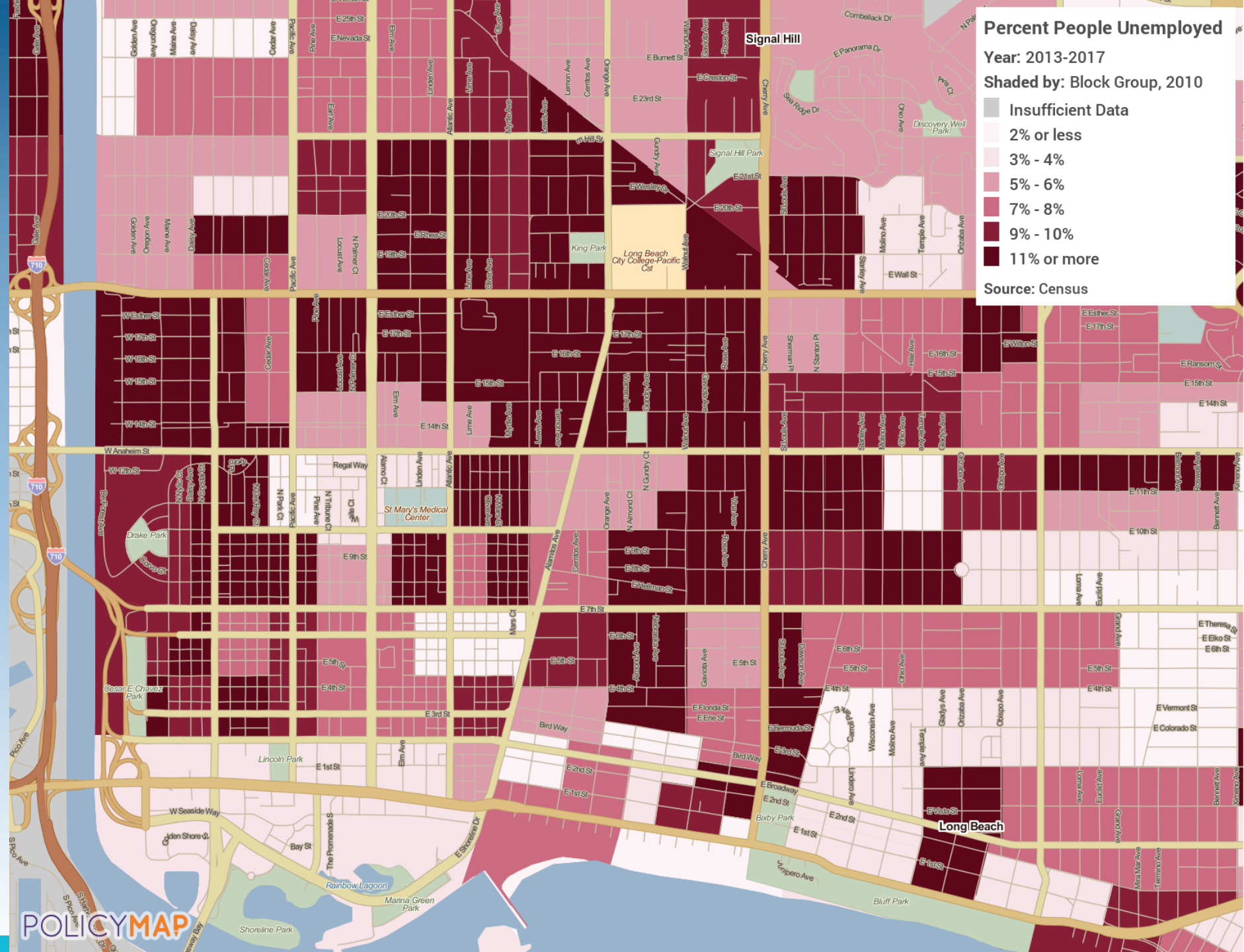


Source: Bureau of Labor Statistics

Unemployment

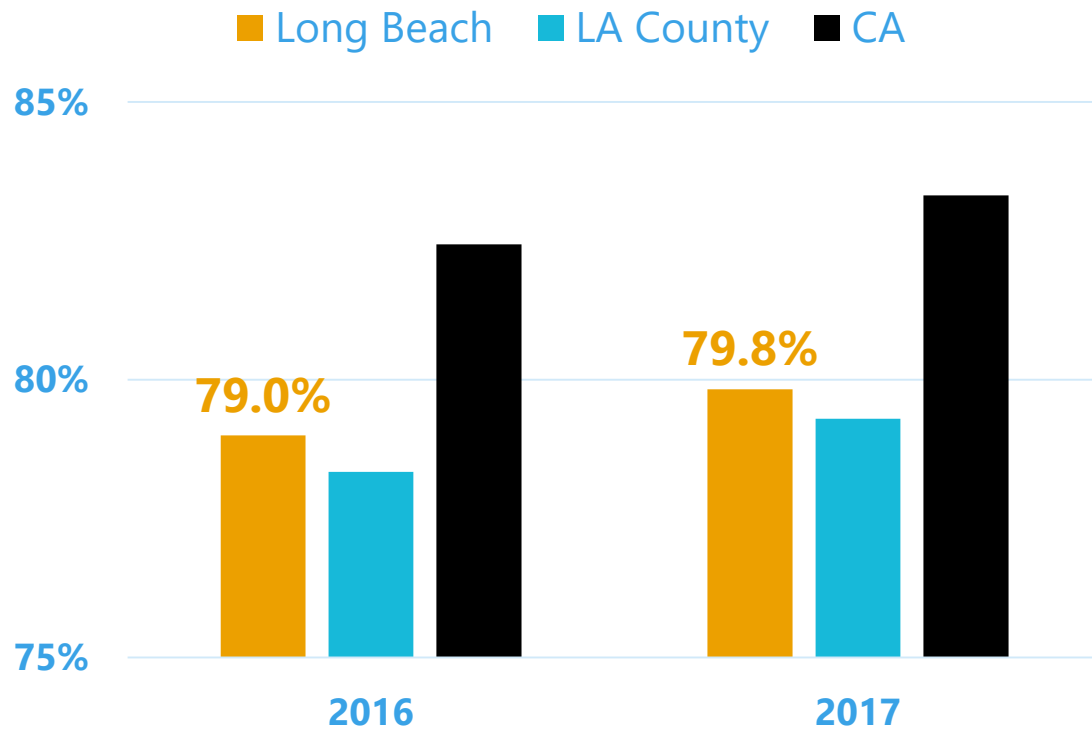


Unemployment Downtown

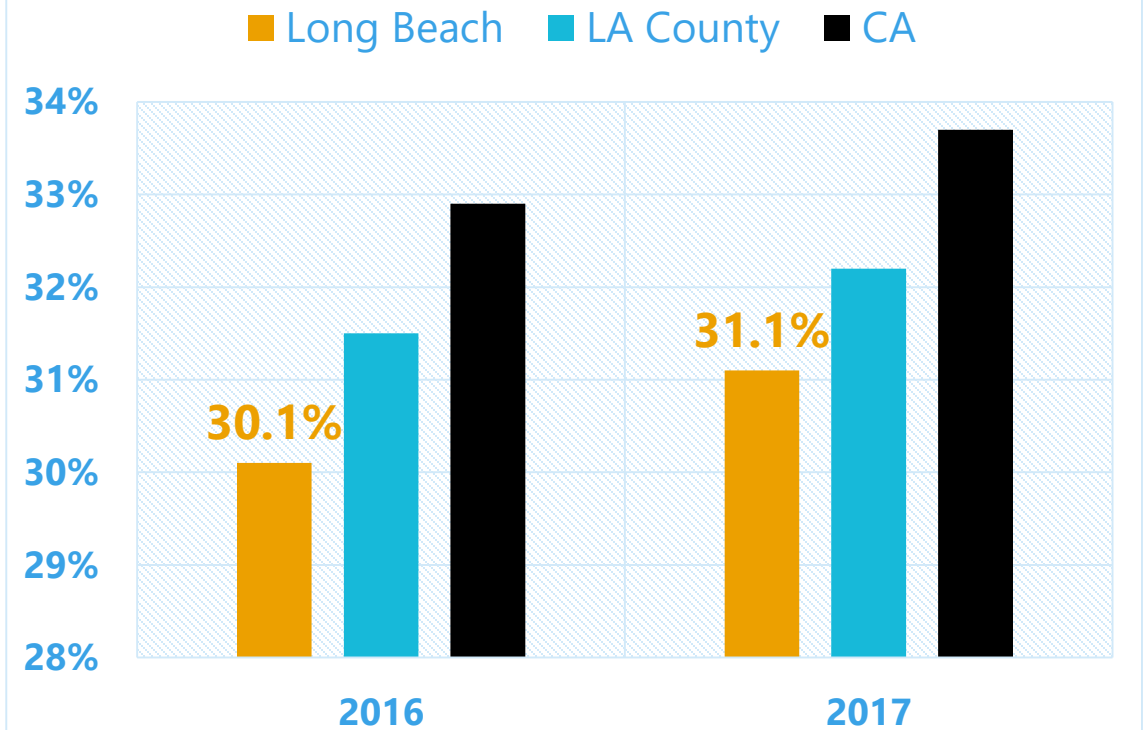


Education

Percentage Age 25+ with at least a High School Diploma



Percentage Age 25+ with at least a Bachelor's Degree



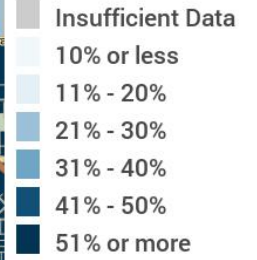
Source: Census American Community Survey

College Educated

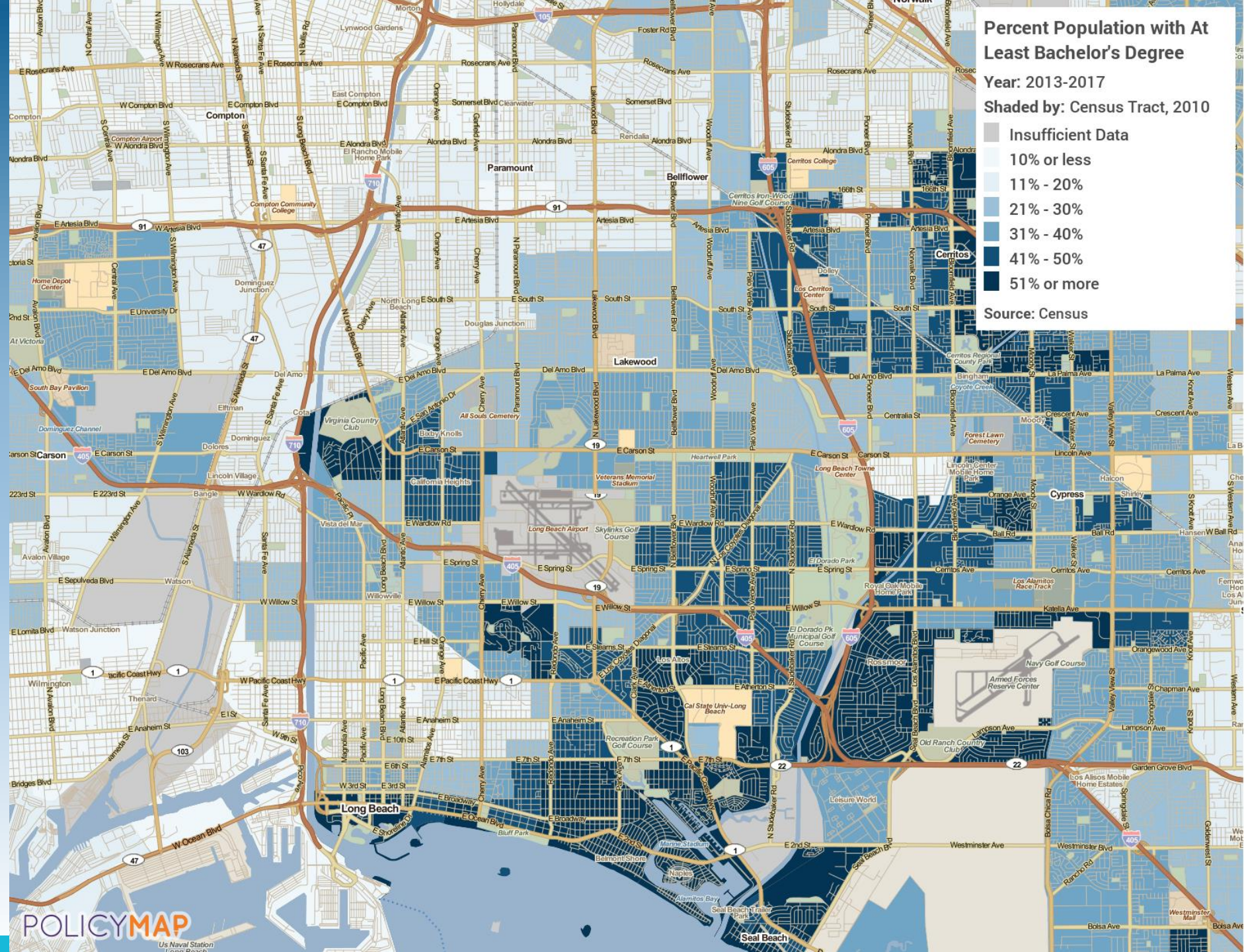
Percent Population with At Least Bachelor's Degree

Year: 2013-2017

Shaded by: Census Tract, 2010

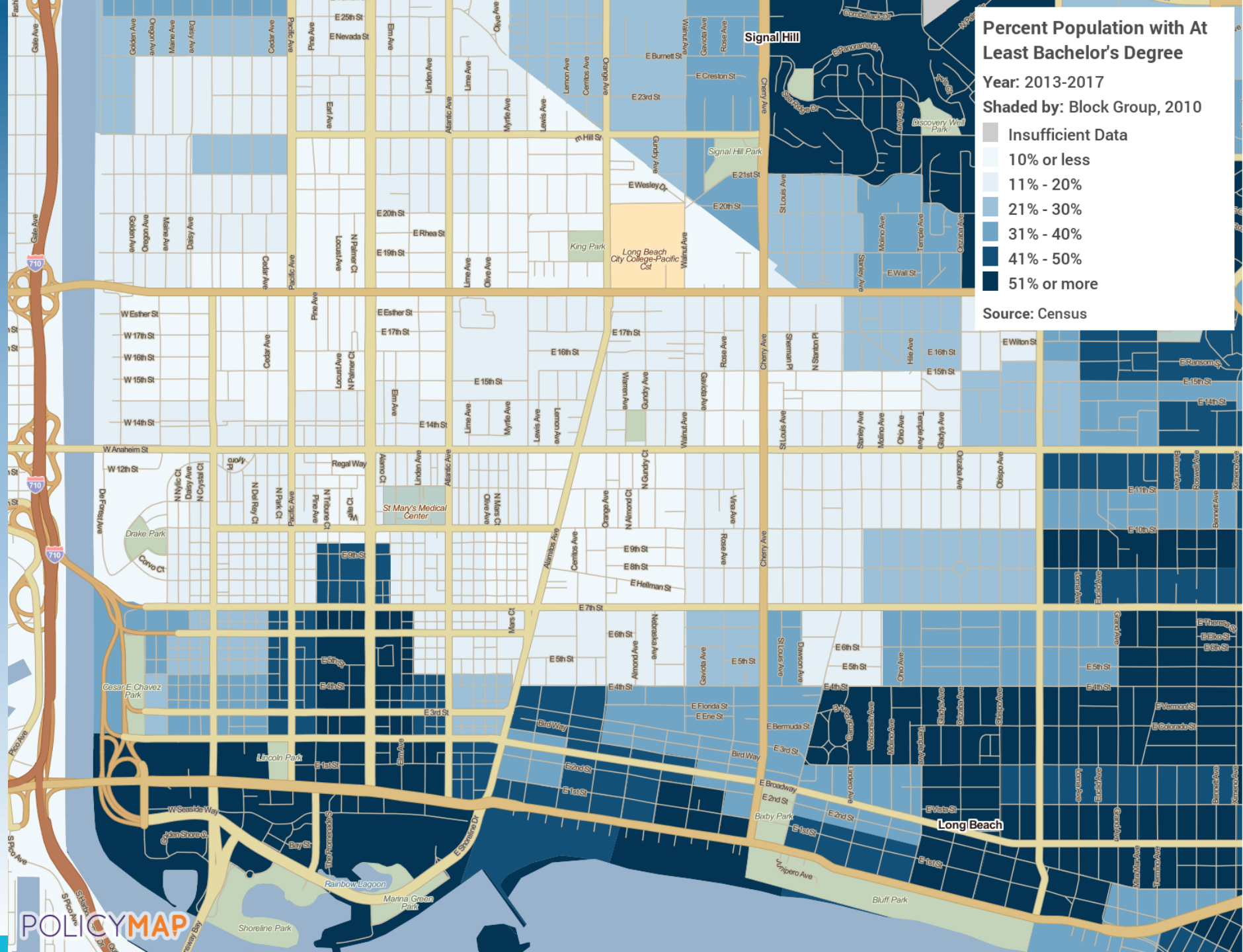


Source: Census



College Educated

Downtown



Jobs

Job Sectors

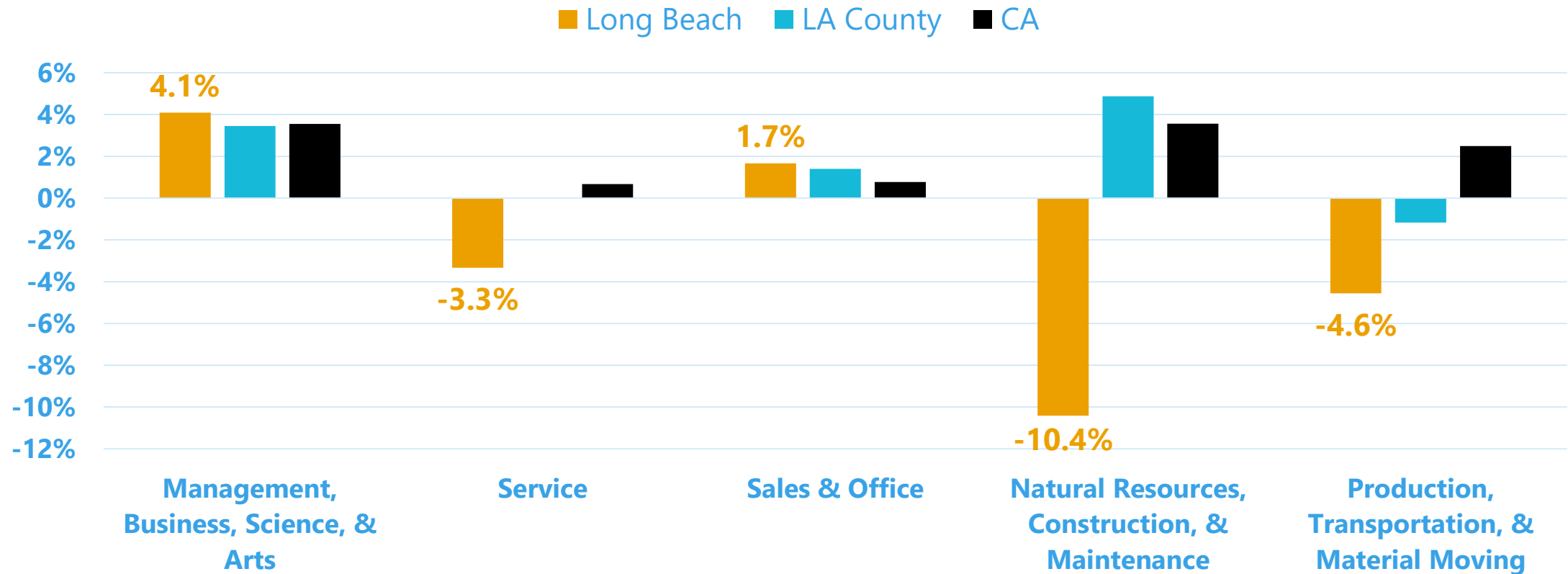
Major Occupation Sector	Long Beach Employees	Long Beach %	LA County %	California %
Management, Business, Science, & Arts	86,720	37.5%	37.0%	38.7%
Service	47,049	20.3%	19.1%	18.6%
Sales & Office	52,155	22.6%	23.5%	22.5%
Natural Resources, Construction, & Maintenance	15,613	6.8%	7.7%	9.1%
Production, Transportation, & Material Moving	29,688	12.8%	12.7%	11.0%
Total Civilian Employed Population	231,225			



Source: Census American Community Survey

Job Sector Patterns

2016-2017 Changes in Employment of Long Beach Residents



Source: Census American Community Survey

Wages

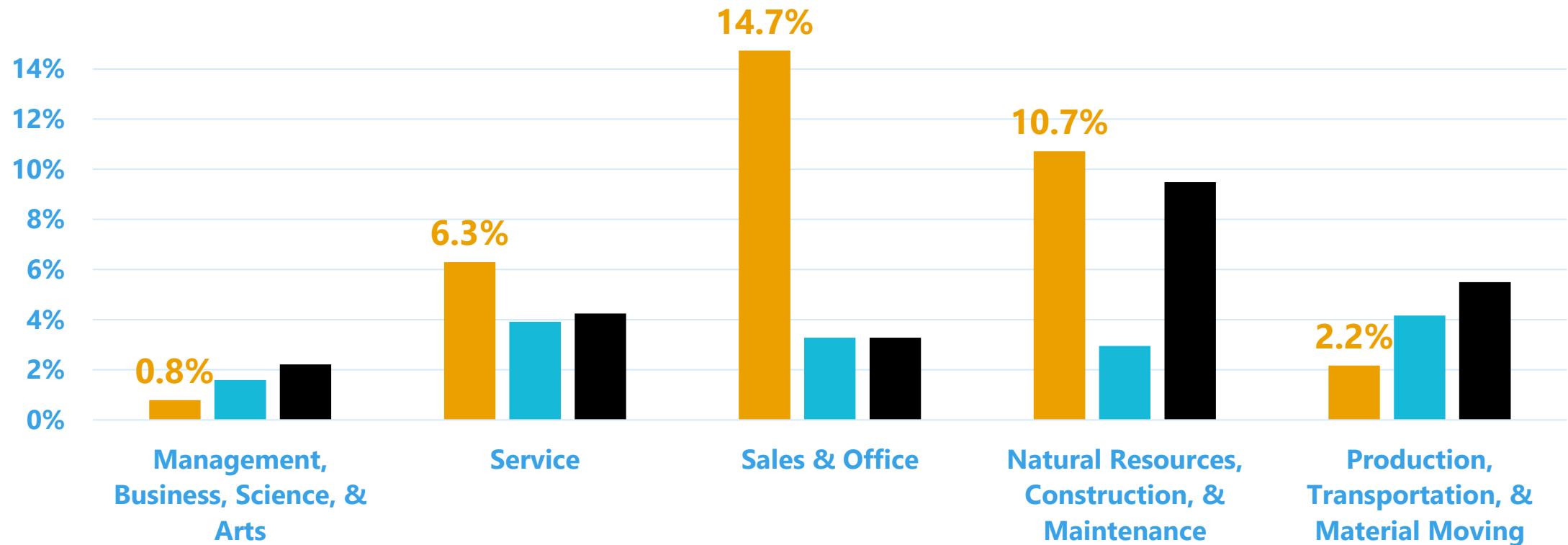
Median Annual Wages	Long Beach	LA County	California
Management, Business, Science, & Arts	\$62,061	\$61,645	\$67,561
Service	\$21,542	\$20,804	\$21,330
Sales & Office	\$31,713	\$31,046	\$31,938
Natural Resources, Construction, & Maintenance	\$36,945	\$32,016	\$35,038
Production, Transportation, & Material Moving	\$29,458	\$26,789	\$30,207
Overall Median Wage	\$36,438	\$35,110	\$38,170

Source: Census American Community Survey

Wage Growth by Job Sector

2016-2017 Changes in Median Wages of Long Beach Residents

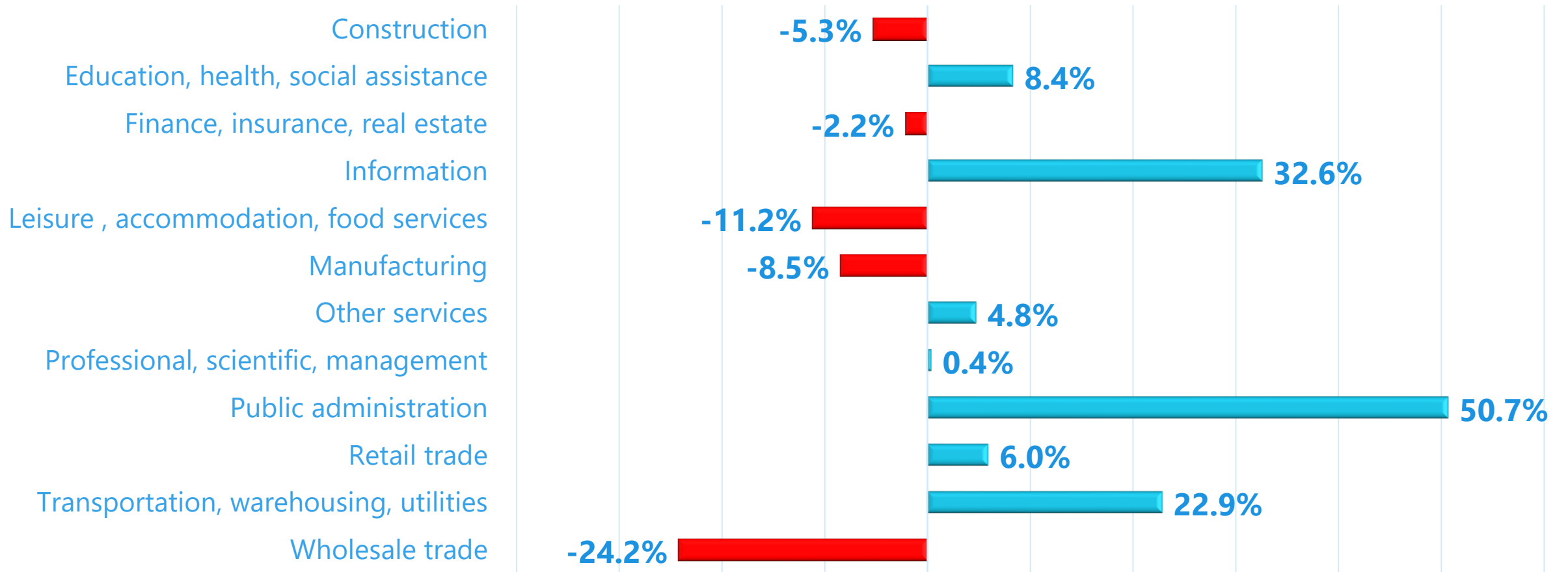
■ Long Beach ■ LA County ■ CA



Source: Census American Community Survey

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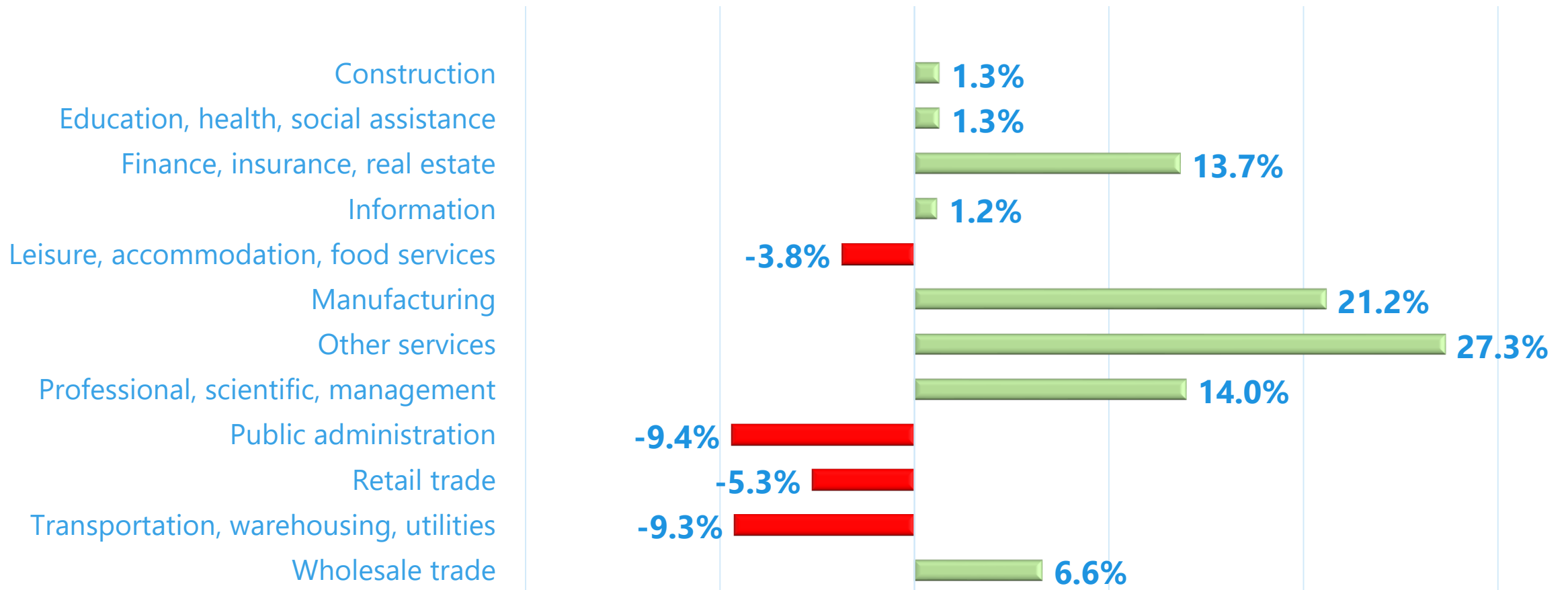
Employment Growth by Industry (2015-2017)



Source: Census American Community Survey



Wage Growth by Industry (2015-2017)

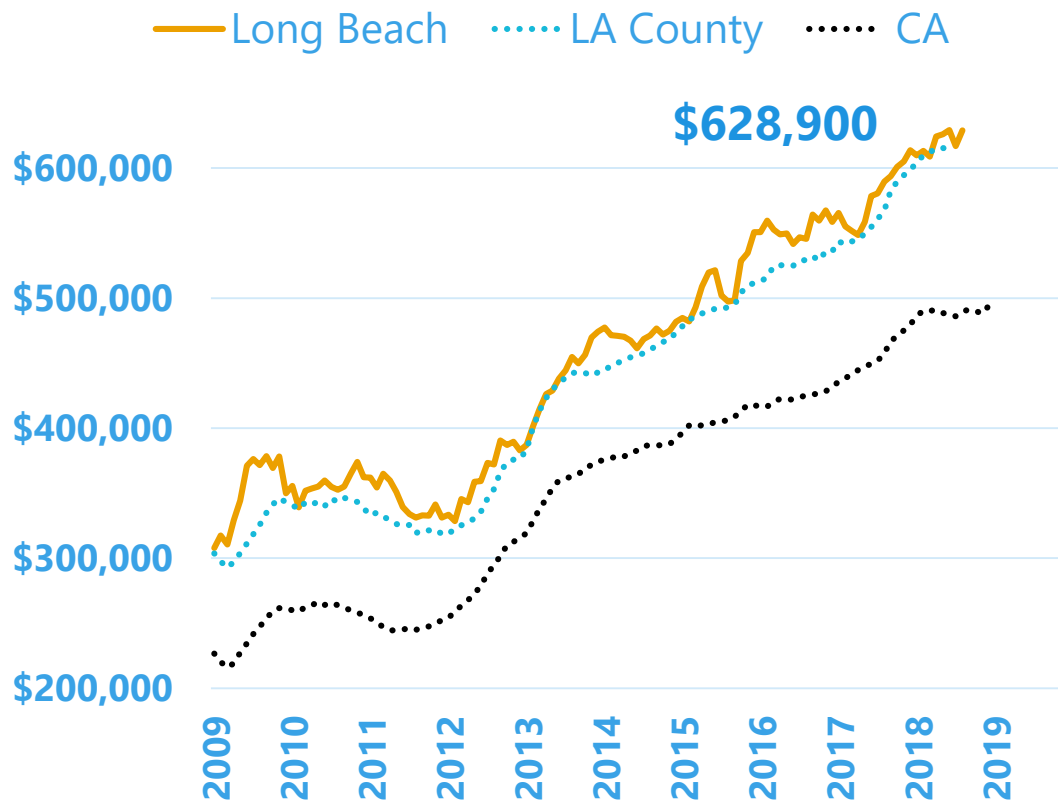


Source: Census American Community Survey

Real Estate

Home Prices

Median Single Family Home Value

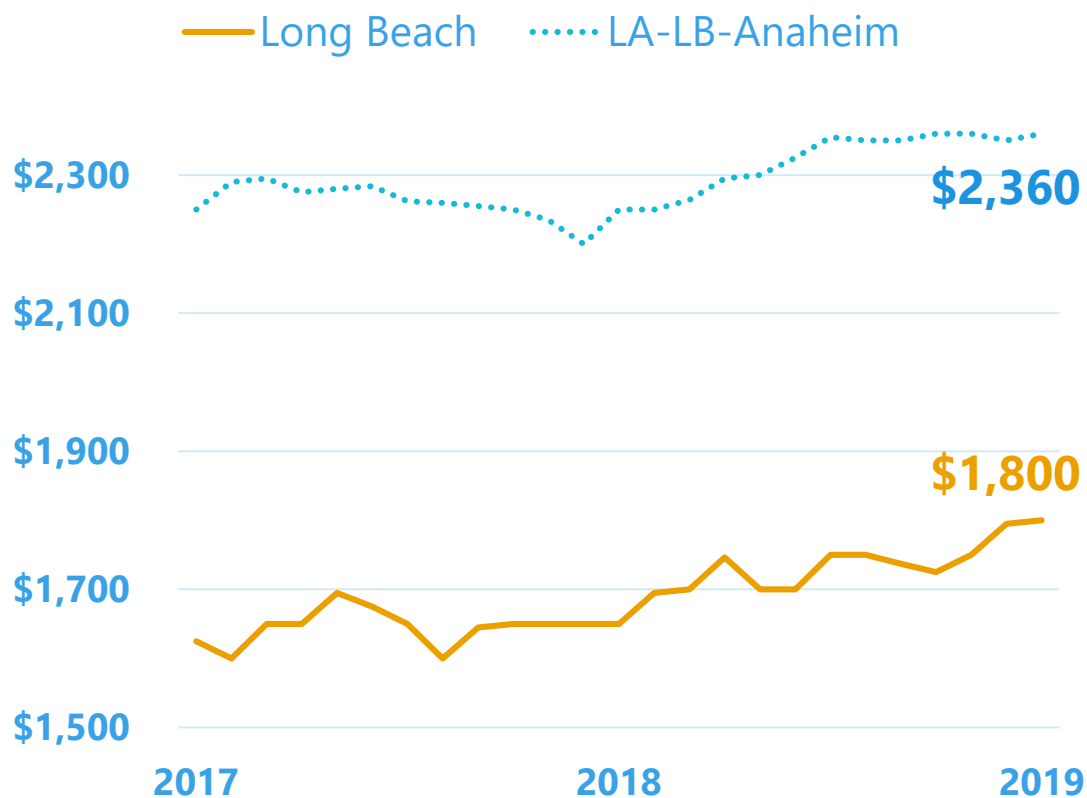


Current Median Values	\$	1yr % change	5yr % change
All Home Types			
Seal Beach	\$997,100	6.4%	4.4%
Huntington Beach	\$833,400	2.7%	3.9%
Cypress	\$680,500	1.3%	5.0%
Long Beach	\$597,400	3.3%	5.9%
Lakewood	\$589,600	2.5%	5.7%
Carson	\$548,600	5.2%	7.5%
Bellflower	\$527,600	3.3%	7.1%
LA-Long Beach-Anaheim Metropolitan Area	\$652,200	2.5%	6.2%

Source: Zillow Research/ZTRAX

Apartment Rents

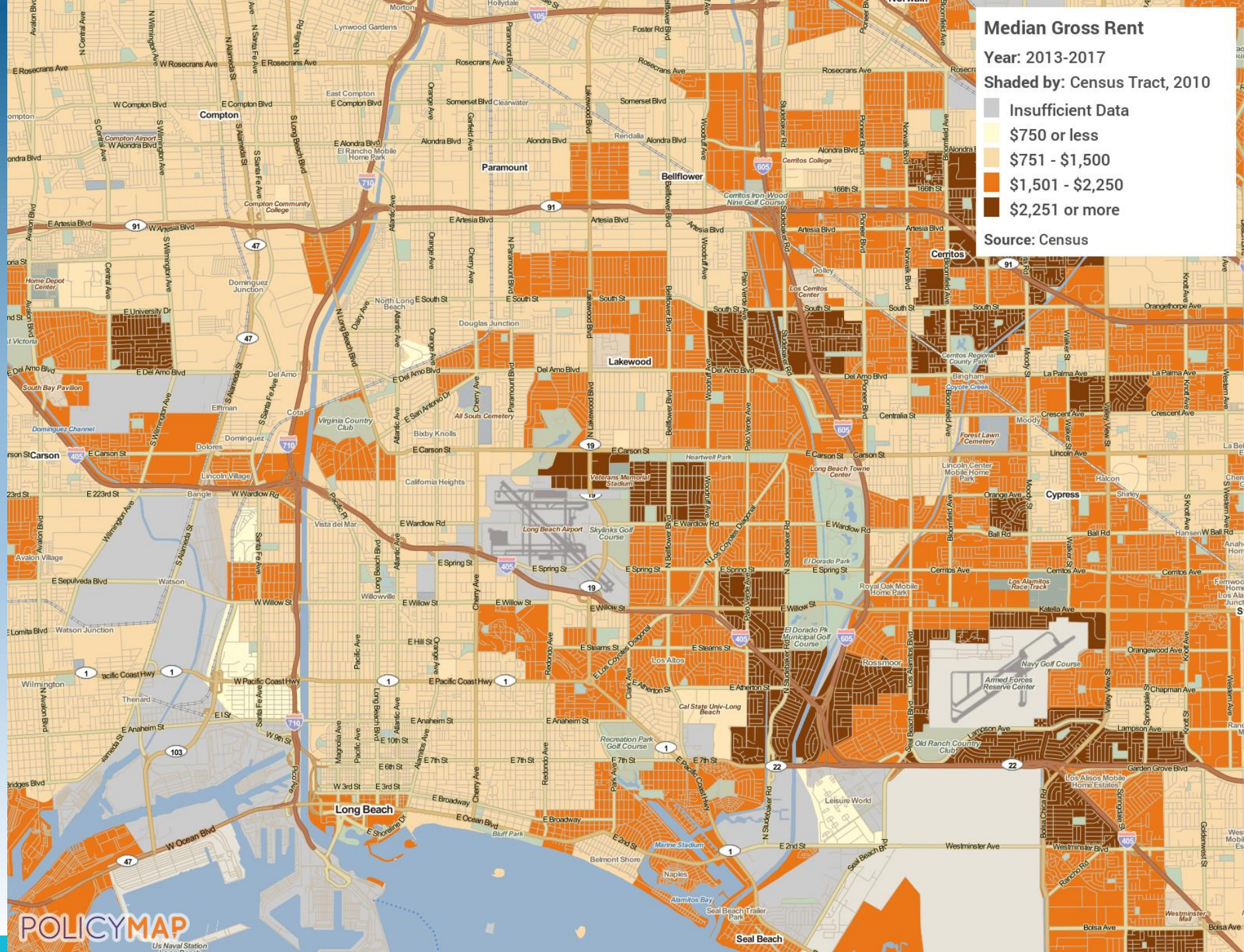
Median Rent (Multi-Unit Buildings)



Current Median Rents Multi-Unit Buildings	\$	2yr % change
Huntington Beach	\$2,235	-22.8%
Carson	\$2,150	14.7%
Lakewood	\$2,030	17.2%
Whittier	\$1,830	3.2%
Long Beach	\$1,800	10.8%
Paramount	\$1,635	6.3%
Bellflower	\$1,600	10.3%
LA-Long Beach-Anaheim Metropolitan Area	\$2,360	6.2%

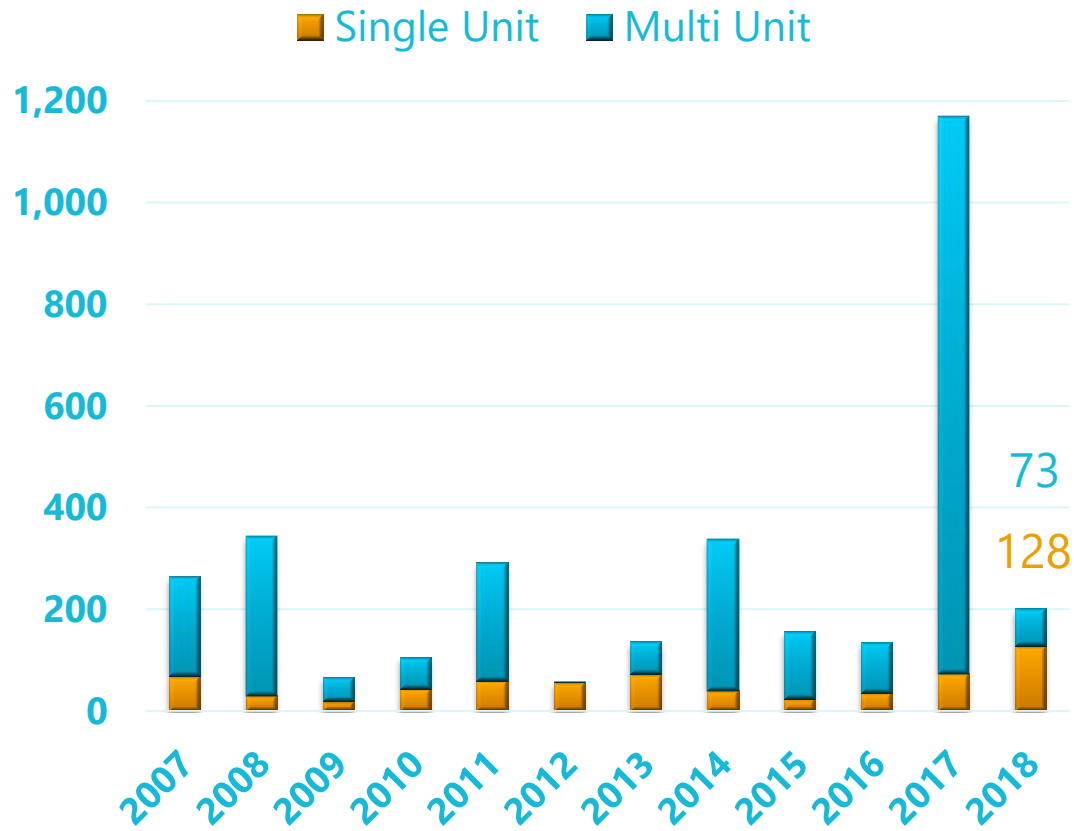
Source: Zillow Research/ZTRAX; PolicyMap

Median Gross Rent

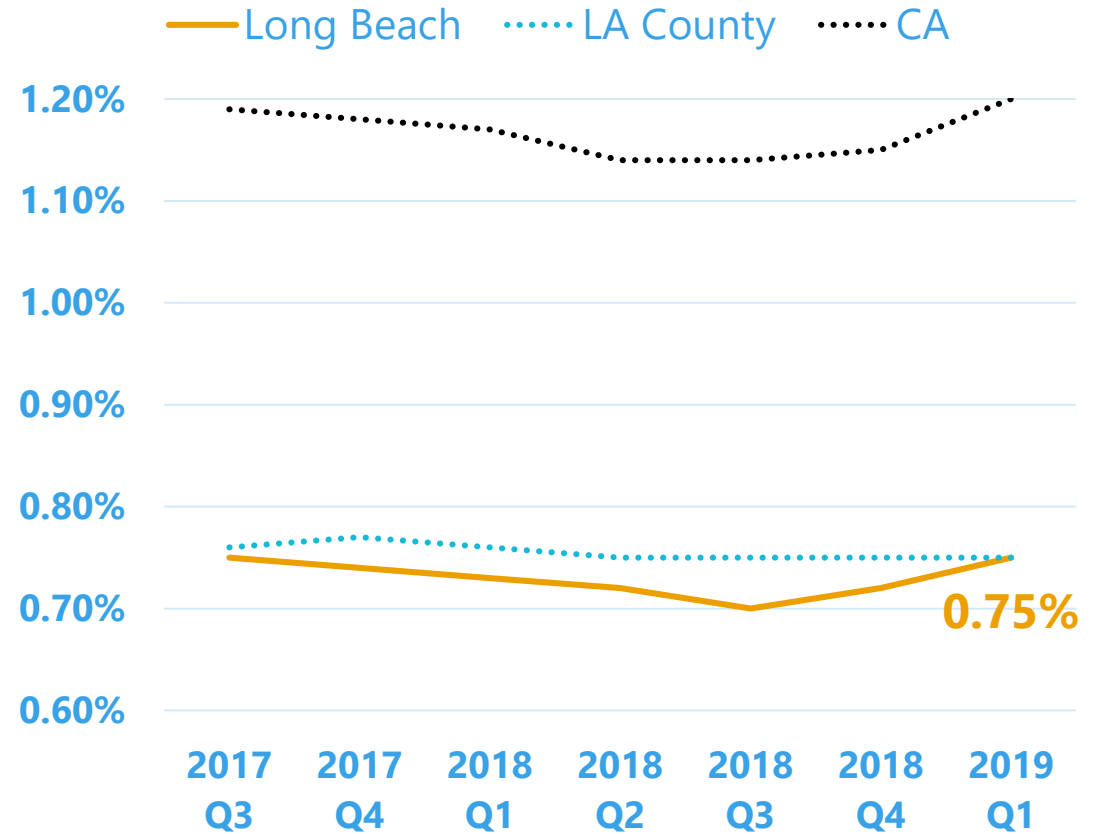


Residential Construction & Vacancy

Residential Construction Permits



Residential Vacancy Rates



Source: Census Building Permits Survey; Valassis Lists

Office Market

2018 4 th Quarter Office Market	Total Square Feet	% Leased	Available Square Feet	Rent per square foot
Downtown – Class A	1,436,314	84.6%	221,280	\$3.03
Downtown – Class B	2,441,612	79.5%	501,519	\$2.35
Downtown – Class C	223,2948	94.2%	12,930	\$1.65
Downtown LB Totals	4,101,220	82.1%	735,729	\$2.35
405/710 Corridor	984,438	95.0%	49,394	\$2.20
Bixby Knolls/Signal Hill	742,617	86.4%	101,182	\$1.94
East Long Beach/Seal Beach	912,824	89.3%	97,410	\$2.35
Long Beach Airport Area	2,383,659	94.0%	143,311	\$2.58
Suburban LB Totals	5,023,538	92.2%	391,297	\$2.27

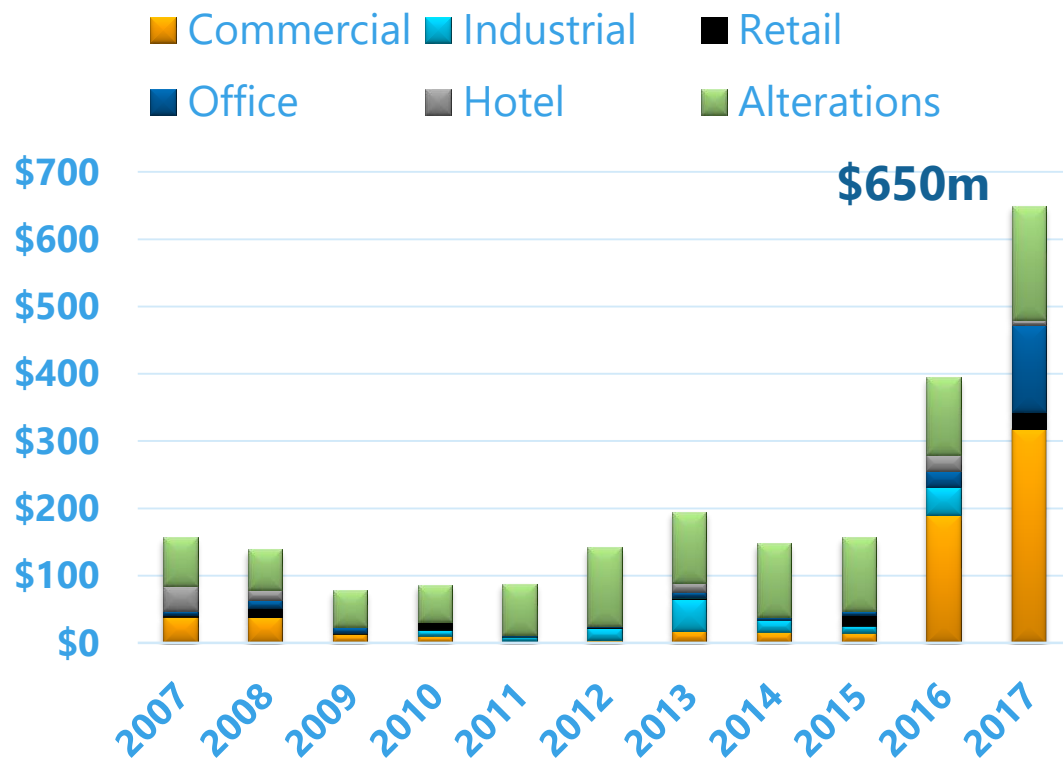


Source: Cushman & Wakefield Office Market Survey Q4 18 Snapshot

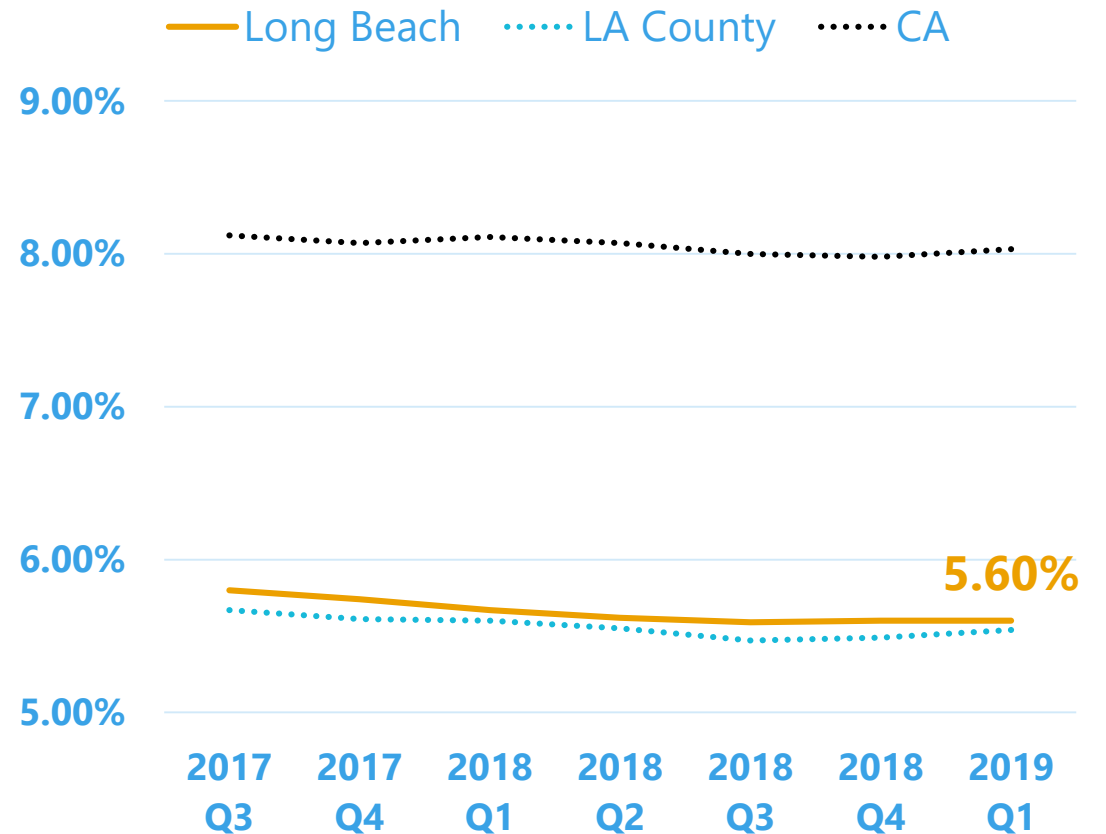
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Non-Residential Construction & Vacancy

Non-Residential Permit Values (\$ millions)



Business Vacancy Rates

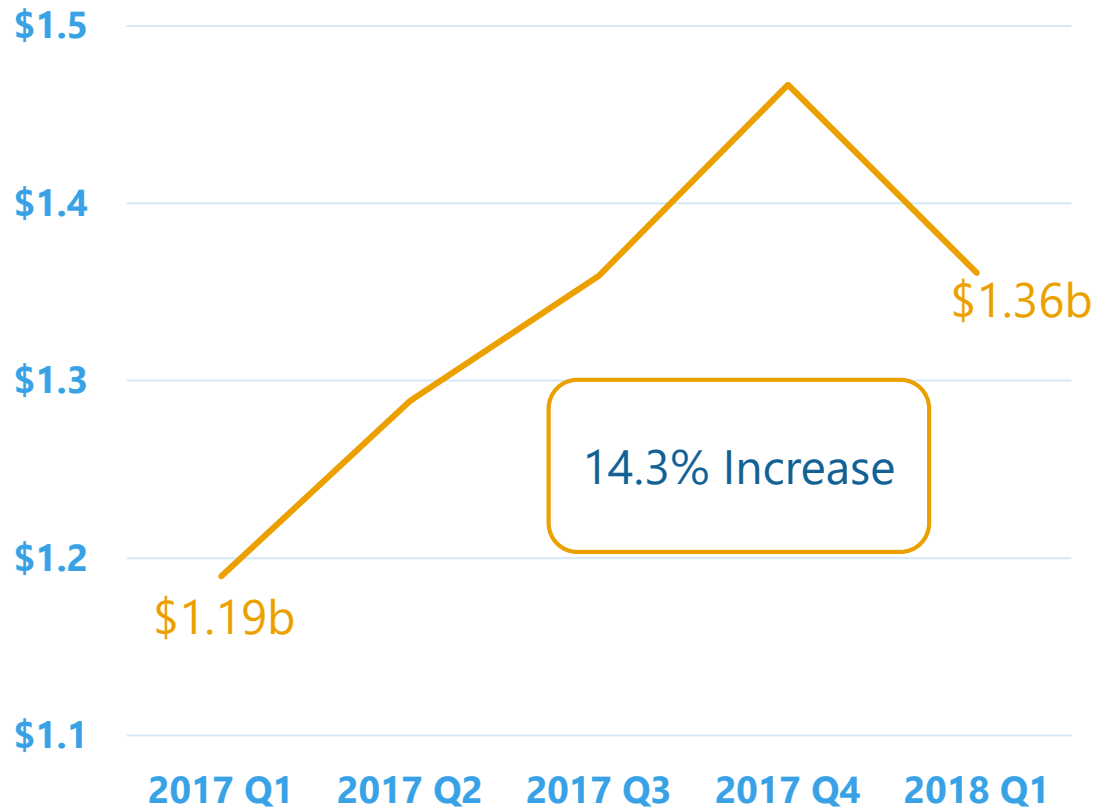


Source: Construction Industry Research Board; Valassis Lists

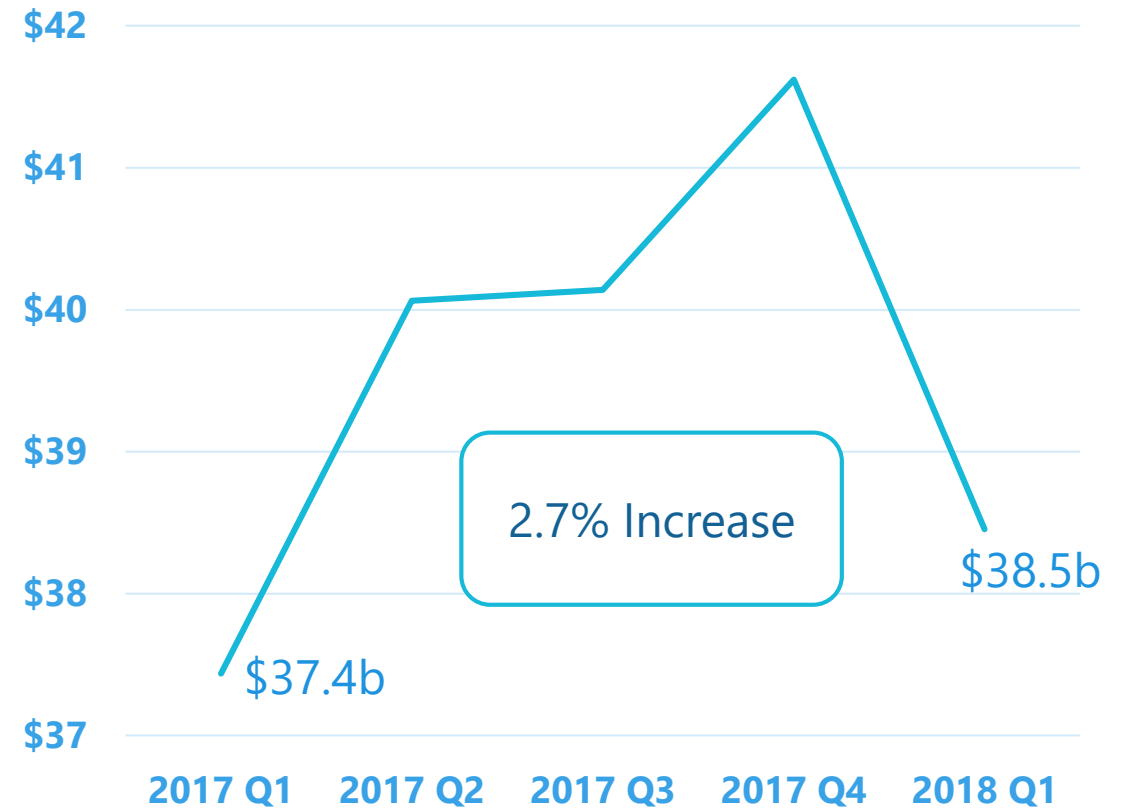
Business Climate

Taxable Sales

Long Beach Taxable Sales (\$ bil.)



LA County Taxable Sales (\$ bil.)

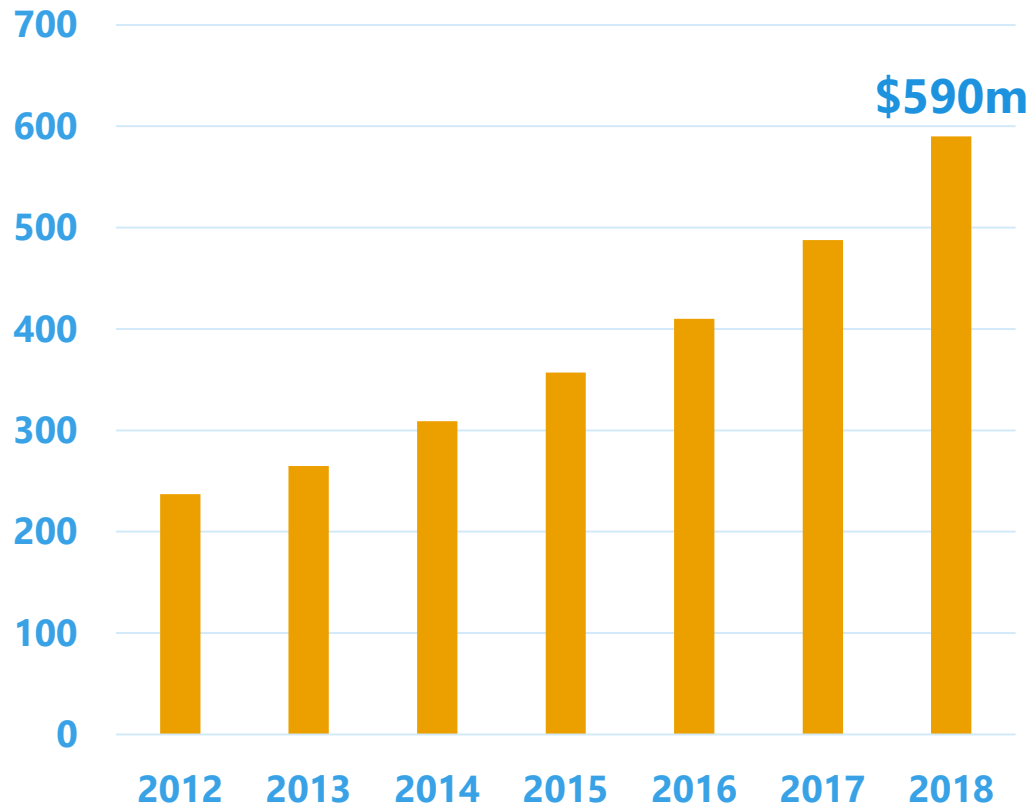


Source: California Department of Tax and Fee Administration

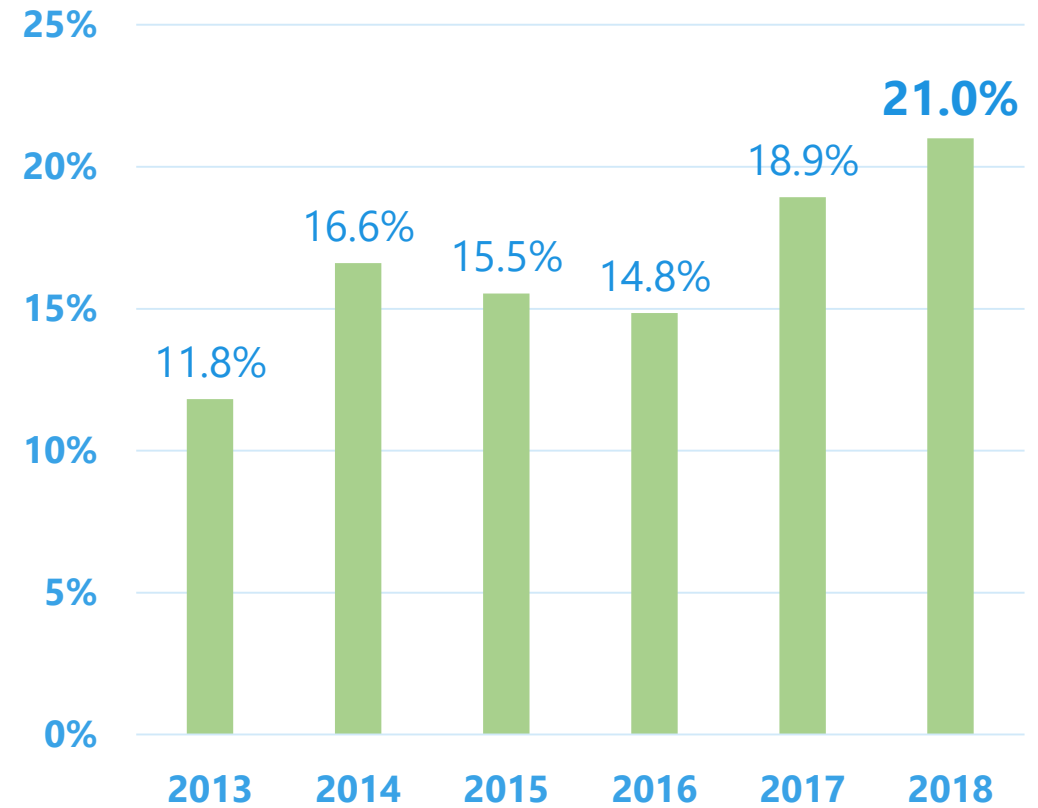
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Downtown Retail Sales

Downtown LB Retail Sales (\$mil.)



Annual Growth Rates

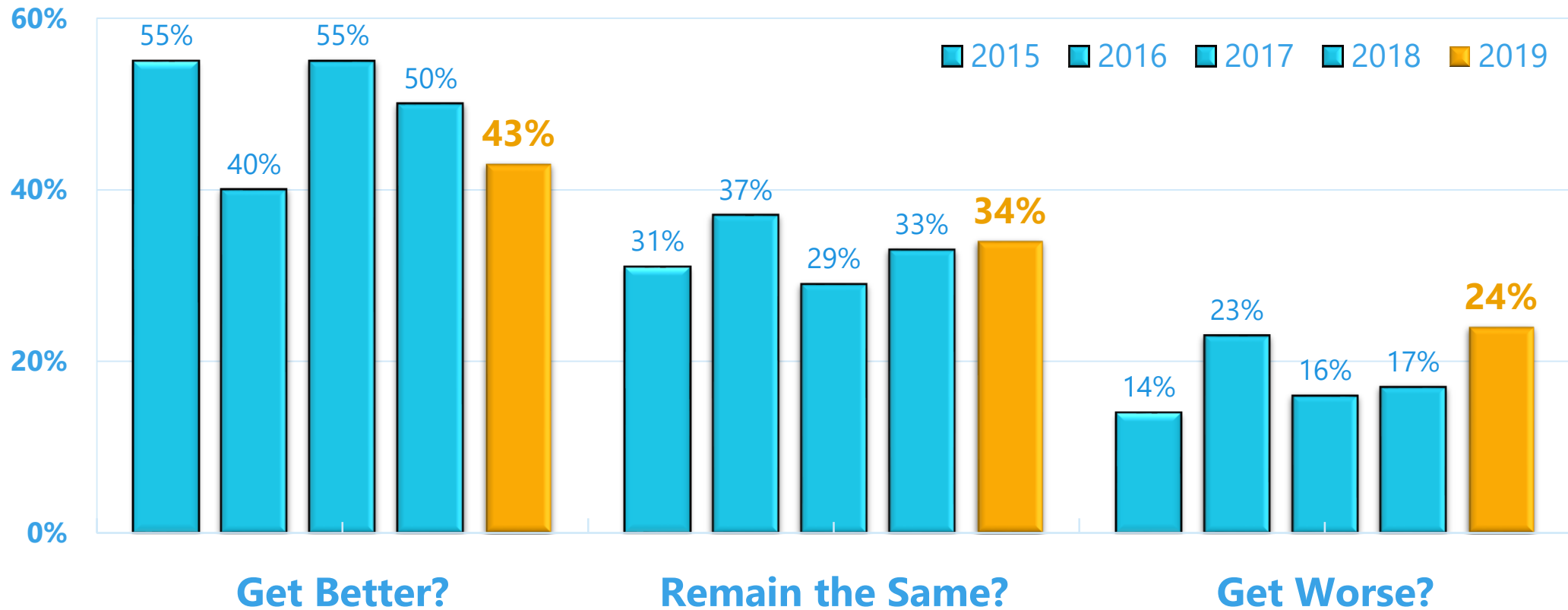


Source: Downtown Long Beach Economic Profile



Long Beach Small Business Survey

“Will the economy for small business in the Long Beach region...”

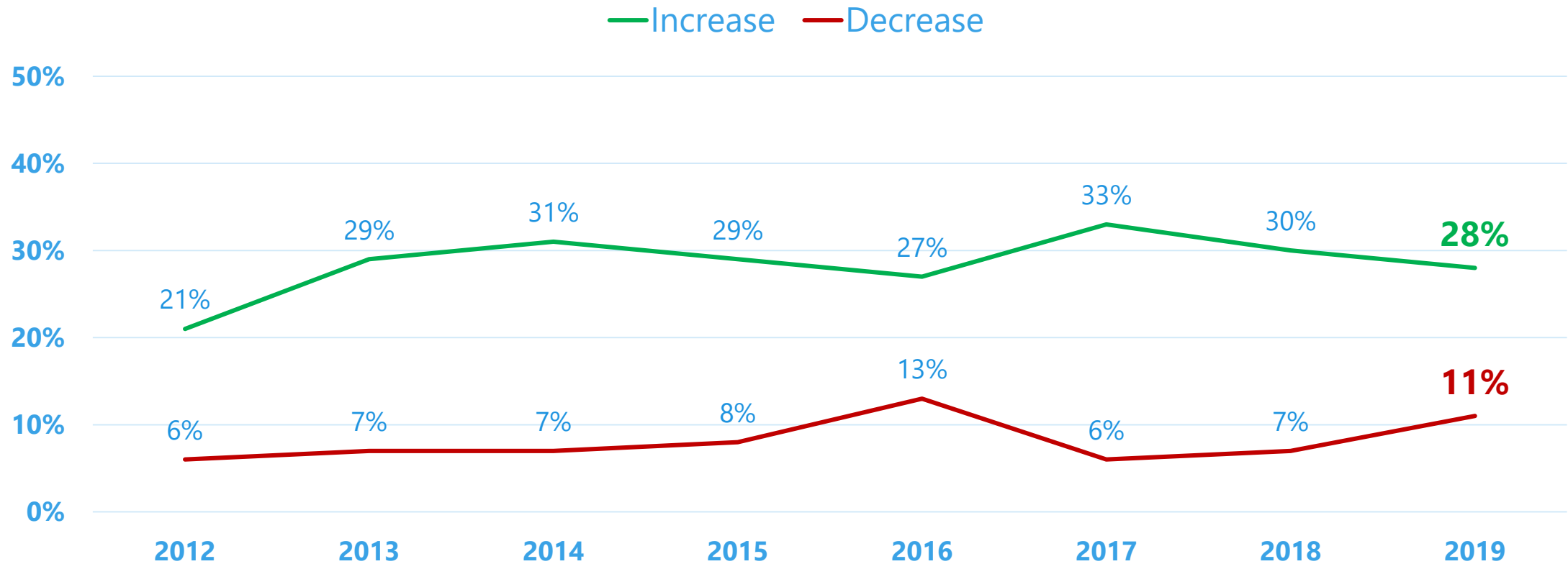


Source: Long Beach Small Business Monitor 2019

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Long Beach Small Business Survey

“Do you expect your hiring of new employees to increase, decrease, or be unchanged?”

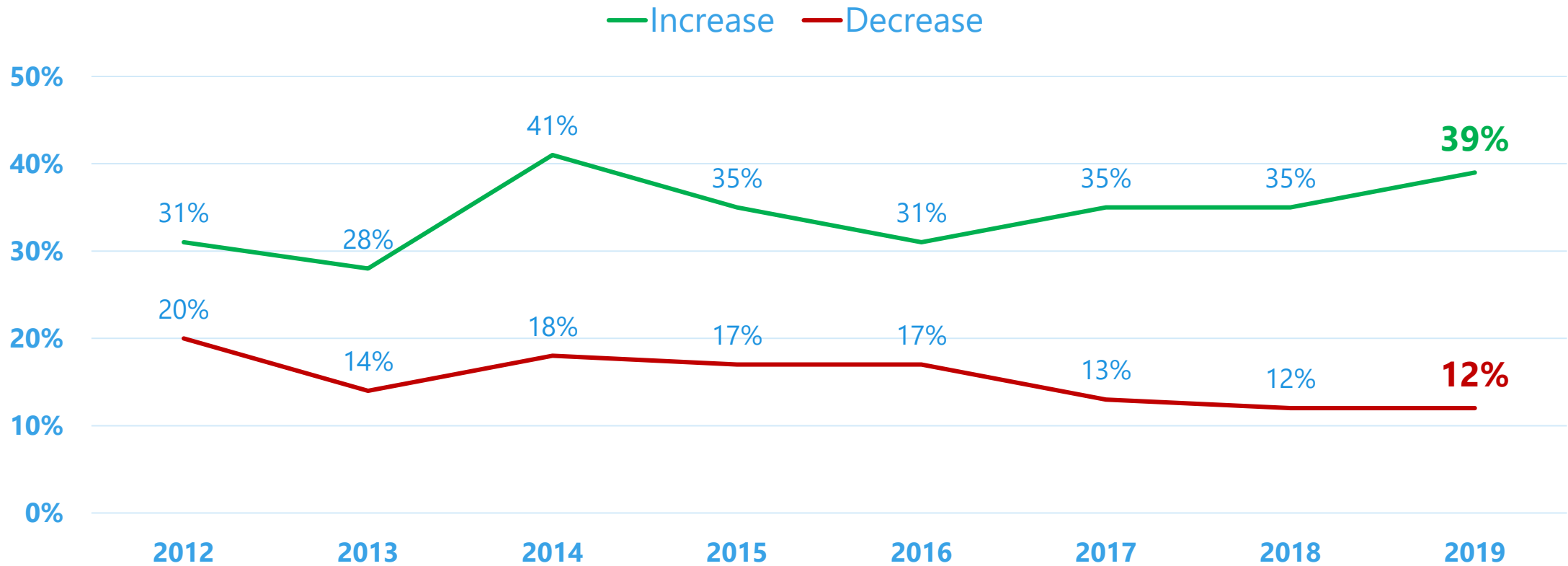


Source: Long Beach Small Business Monitor 2019

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Long Beach Small Business Survey

“Do you expect spending on equipment & supplies to increase, decrease or be unchanged?”

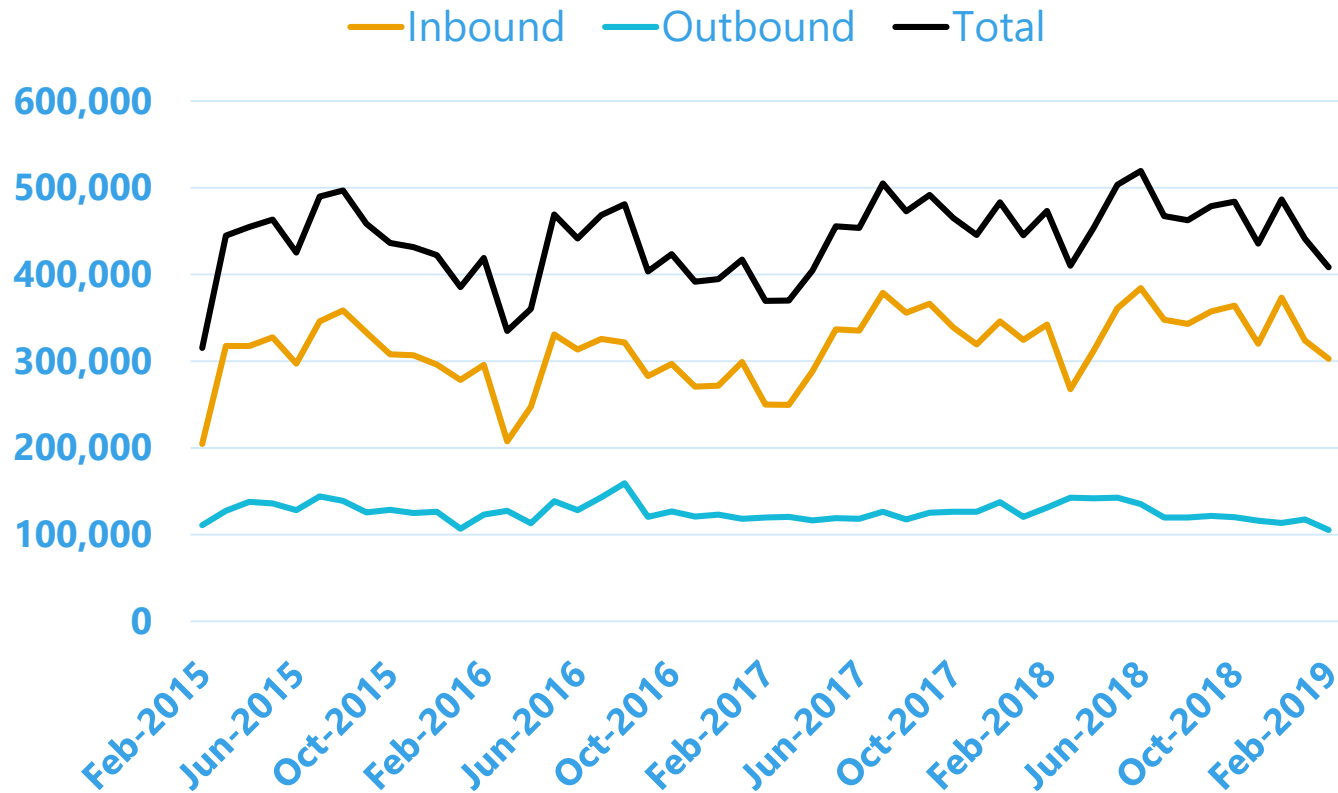


Source: Long Beach Small Business Monitor 2019

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Port of Long Beach

Loaded TEUs

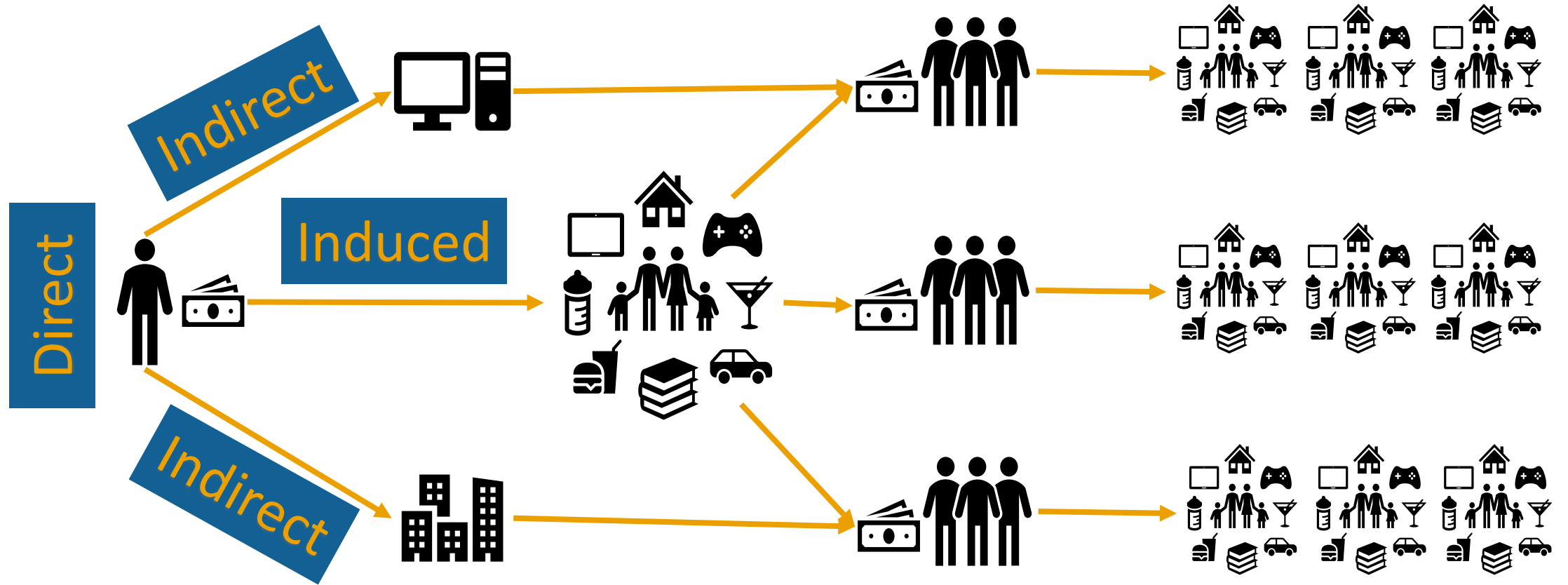


- 2018 Record Volume:
5.6 million loaded TEUs

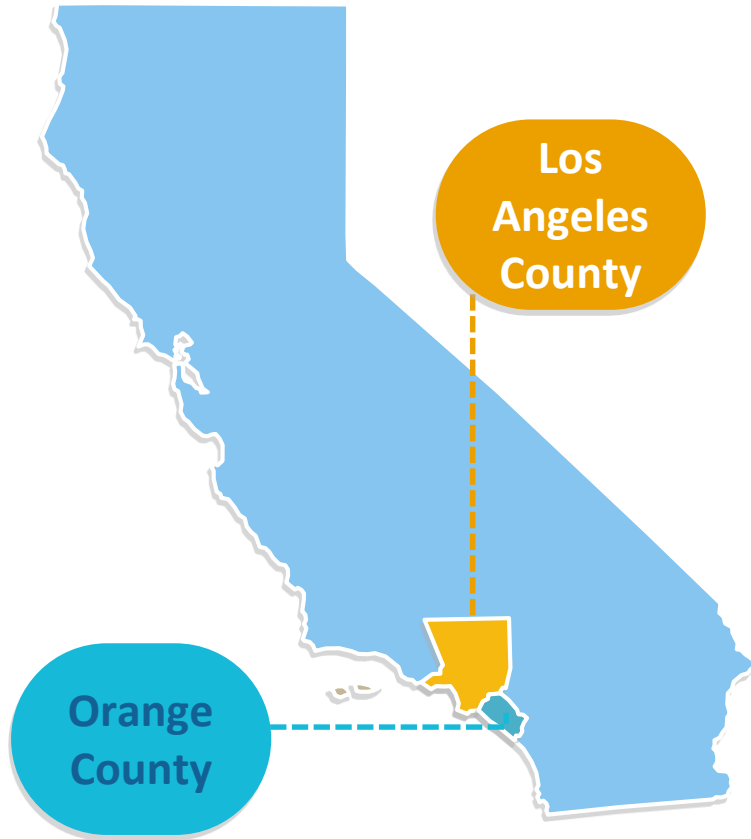
Source: Port of Long Beach

Economic Impact

What is Economic Impact Analysis?



Analysis Region



- Los Angeles and Orange Counties

- Population: 13.35 million
- Employment: 8.69 million
- Gross Regional Product: **\$1.01 trillion**



Economic Impact of Long Beach & Signal Hill Residents

- Population: 484,061
- Employed Residents: 238,827
- Regional Economic Impact: **\$92.7 billion**
 - Direct Impact (GRP): \$53.3 billion
 - Indirect & Induced Impact: \$39.4 billion
- Additional Jobs Supported: **217,995**



Source: 2017 IMPLAN Model Year

Economic Impact of Long Beach & Signal Hill Residents

Five Most Impactful Sectors

Sector	Employment	Economic Impact	% of Long Beach's Economic Impact
Petroleum Refineries	1,256	\$8.16 billion	8.8%
Real Estate	14,797	\$4.53 billion	4.9%
Wholesale Trade	16,685	\$4.07 billion	4.4%
Aircraft Manufacturing	4,640	\$3.80 billion	4.1%
Hospitals	15,828	\$2.89 billion	3.1%

Source: 2017 IMPLAN Model Year



Economic Impact of Self-Employed Long Beach & Signal Hill Residents

- Self-Employed Residents: 25,238
- Regional Economic Impact: **\$6.2 billion**
 - Direct Impact (GRP): \$3.4 billion
 - Indirect & Induced Impact: \$2.8 billion
- Additional Jobs Supported: **16,342**



Source: 2017 IMPLAN Model Year

Economic Impact of Self-Employed Long Beach & Signal Hill Residents

Five Most Impactful Sectors

Sector	Employment	Economic Impact	% of Long Beach's Economic Impact
Real Estate	2,543	\$793.2 million	0.86%
Construction of New Commercial Structures	2,935	\$445.0 million	0.48%
Wholesale Trade	927	\$228.1 million	0.25%
Insurance Carriers	430	\$189.3 million	0.22%
Management Consulting	1,443	\$181.4 million	0.20%

Source: 2017 IMPLAN Model Year



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