



2019

LONG BEACH REGIONAL ECONOMIC UPDATE

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PRESENTED AT THE 2019
LONG BEACH REGIONAL ECONOMIC FORUM



CALIFORNIA STATE UNIVERSITY

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Department of Economics



LONG BEACH, CALIFORNIA

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WHY WE'RE THE RIGHT FIT:

- Business-Friendly: One of the most business-oriented cities in the U.S.
- Large Market: Population of 470,000+ on the California Coast
- Prime Location: Ideally situated between L.A. and Orange County, with direct access to the nation's largest port complex
- Expansive Opportunity: Numerous development sites available
- Faster Processing: Streamlined pre-development and entitlement process
- Forward-Thinking: Innovation and responsiveness in service delivery

CITY OF
LONG BEACH



FOR MORE INFORMATION, PLEASE CONTACT THE
CITY'S ECONOMIC DEVELOPMENT DEPARTMENT.

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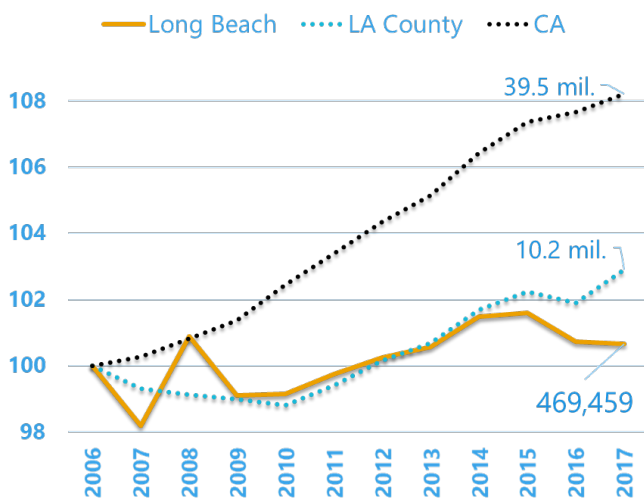
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INTRODUCTION

April 2019

Long Beach is a thriving and diverse city whose residents, along with those of its regional partner, Signal Hill, contribute over \$92 billion annually in economic activity to the Southern California economy. Unemployment is low and wages are rising as a greater proportion of its workforce gravitates toward the professional sector. The city is also enjoying substantial gains in taxable sales and unprecedented growth in real-estate development. But it still faces the challenge of catching up with the county and state in terms of household incomes, educational attainment, and resilience to economic downturns. Important steps toward meeting that challenge are outlined in the city's *Blueprint for Economic Development*.

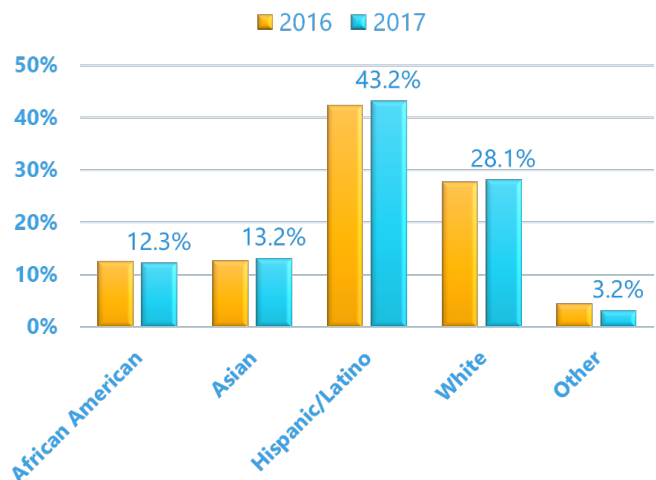
Population Index



- Long Beach is a diverse city of about **470,000** residents, providing over 230,00 workers to the Southern California labor force.
- The city's total population has not changed significantly over the last decade, and is about 1% lower than it was in 2009.
- By comparison, Los Angeles County's population has grown by about 7% since 2009.

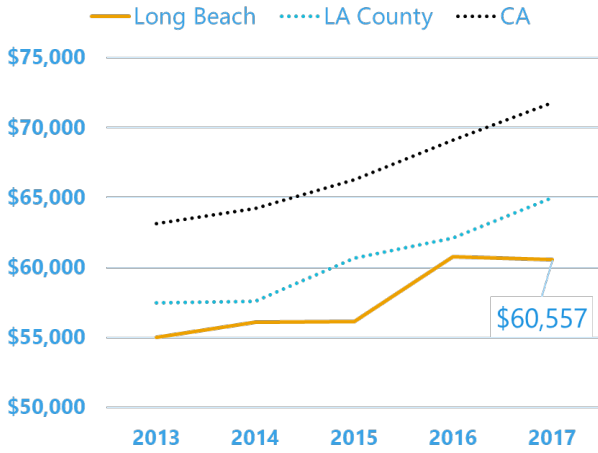
- Long Beach's largest ethnic group is Hispanic/Latino, representing over **43%** of the city's population. That group's population has increased by about 7% over the last decade.
- By comparison, the city's African American population has declined by about 3%.

Racial/Ethnic Composition

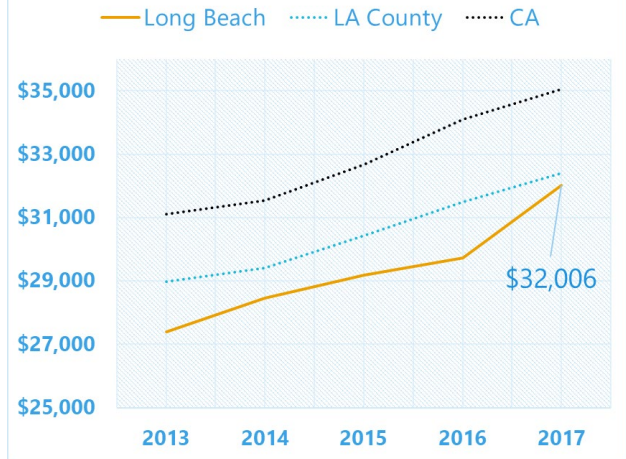


HOUSEHOLD INCOME

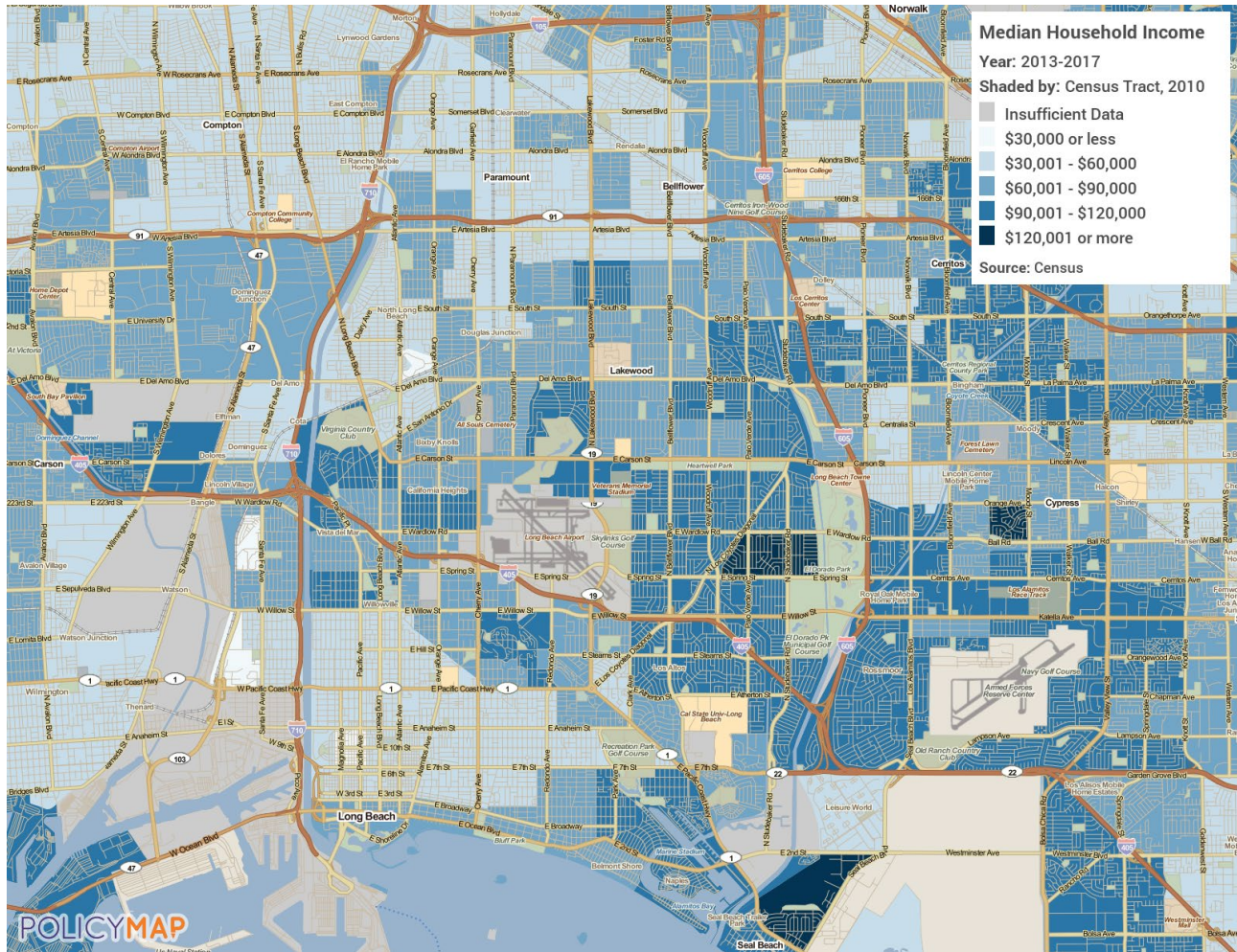
Median Household Income



Median Per-Capita Income

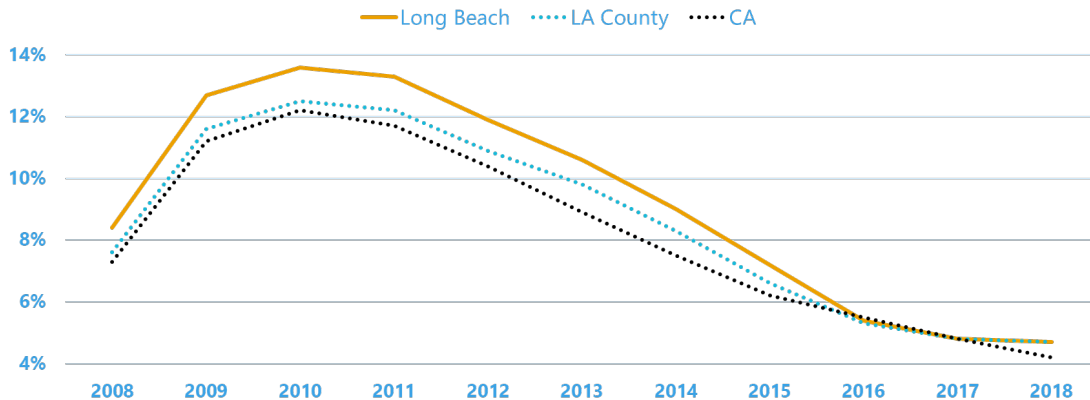


- Long Beach’s median household income is about **\$60,500**, which has grown by **10%** over the last five years. Median per-capita income is about **\$32,000**, which has grown by **17%** during that period. The city’s median incomes remain below county and state levels.
- Long Beach incomes vary substantially across the city’s geography.

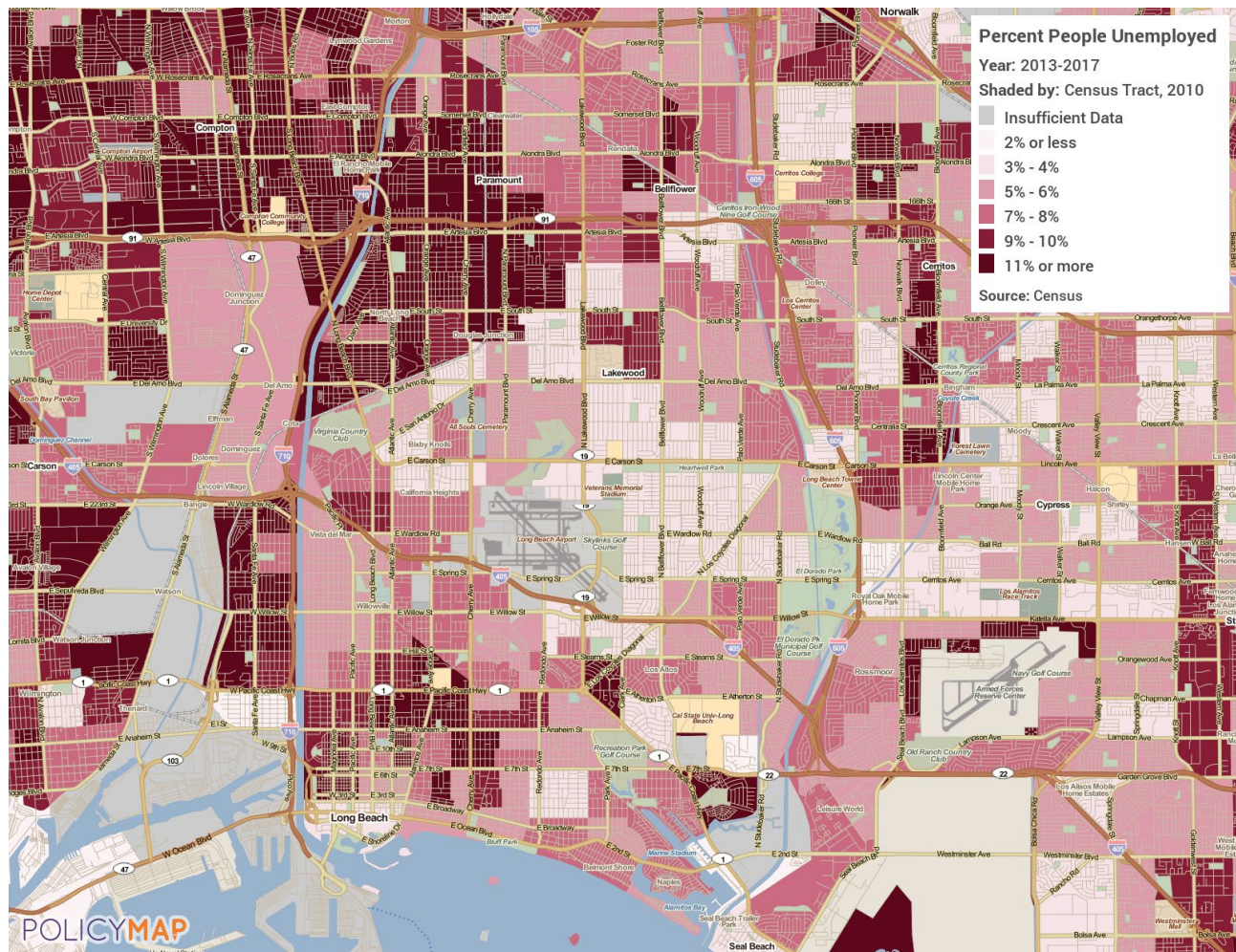


UNEMPLOYMENT

Unemployment Rate

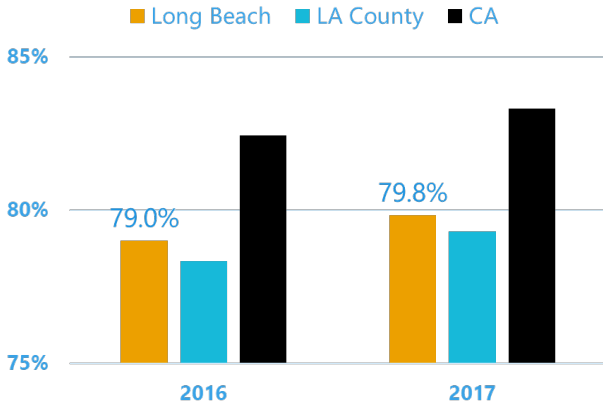


- Long Beach is enjoying a historically-low rate of unemployment at **4.2%**, which is in line with county, state, and national levels.
- During more difficult economic periods, Long Beach unemployment tends to outpace county and state levels.
- Unemployment tends to be greatest among the city's northwest and downtown residents.

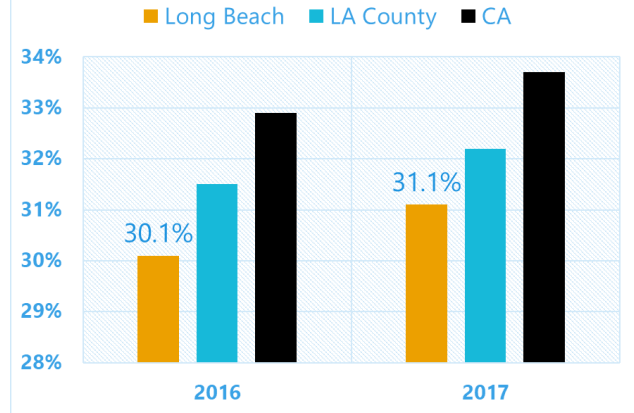


EDUCATION

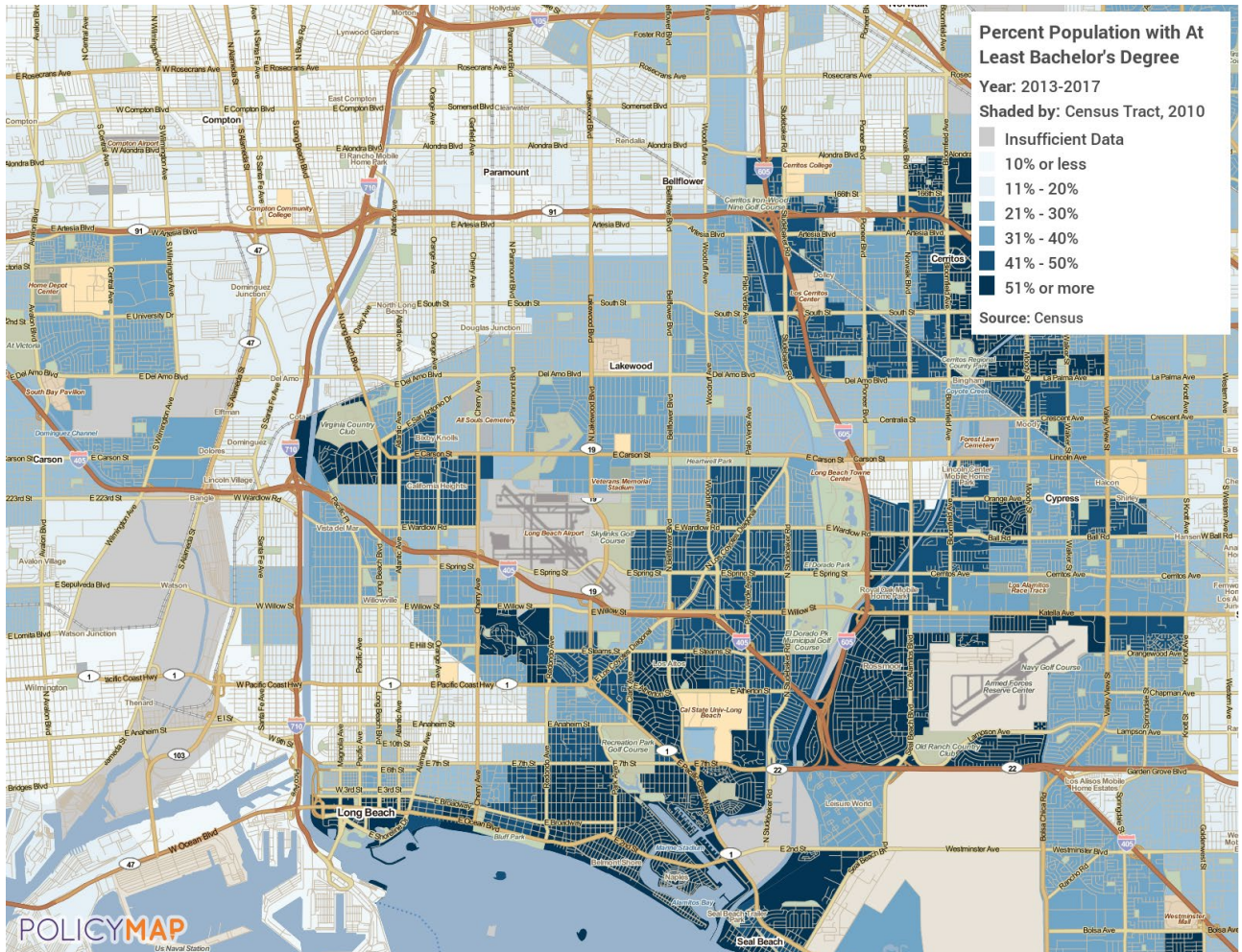
Percentage Age 25+ with at least a High School Diploma



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



- About **80%** of Long Beach residents over the age of 25 have earned at least a high-school diploma, which exceeds the county's rate, but falls short of the state's rate.
- Over **31%** of the city's residents in that age group have earned at least a bachelor's degree, which is below county and state rates.
- College educational attainment is substantially greater than in some adjacent regions.

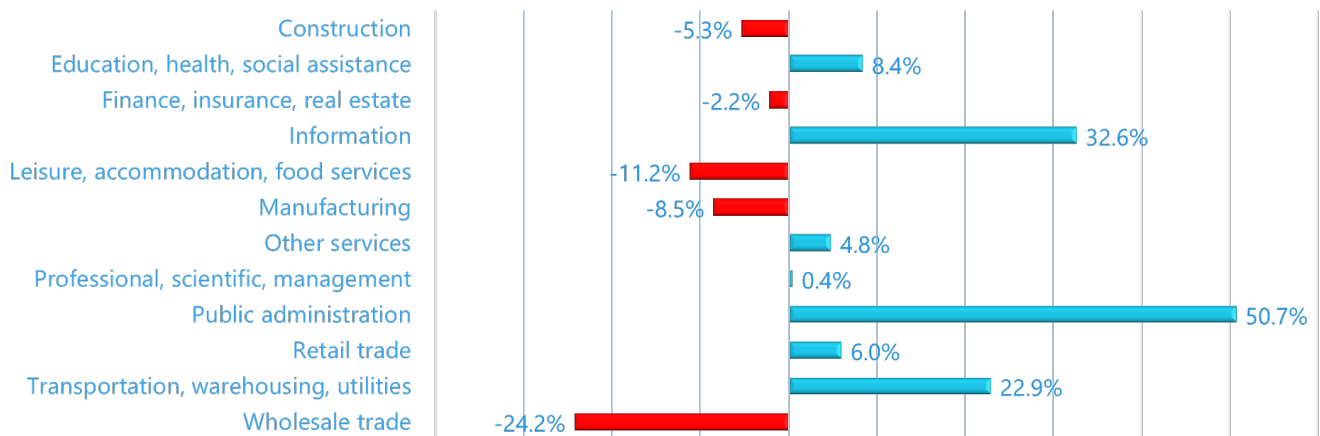


JOBS

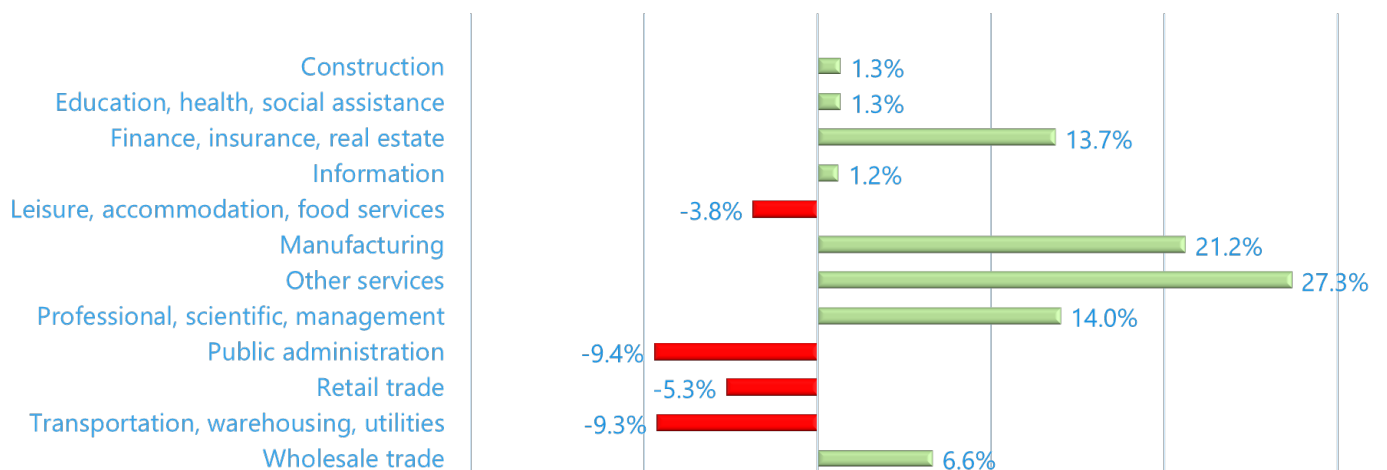
- Long Beach supplies over **230,000** workers to the Southern California labor force, at a median wage of about **\$36,400**.
- The largest occupational sector among Long Beach residents is *Management, Business, Sciences, & Arts*, representing about **38%** of employed residents, with a median wage of over **\$62,000**.
- The industries in which Long Beach residents work, and the wages they earn in those industries, have varied considerably in recent years.

Major Occupation Sector	Long Beach Employees	Median Wage
Management, Business, Science, & Arts	86,720	\$62,061
Service	47,049	\$21,542
Sales & Office	52,155	\$31,713
Natural Resources, Construction, & Maintenance	15,613	\$36,945
Production, Transportation, & Material Moving	29,688	\$29,458
	231,225	\$36,438

2015-2017 Employment Growth by Industry

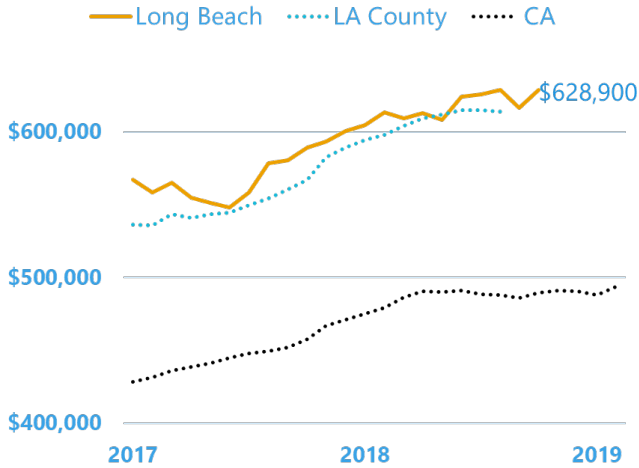


2015-2017 Wage Growth by Industry

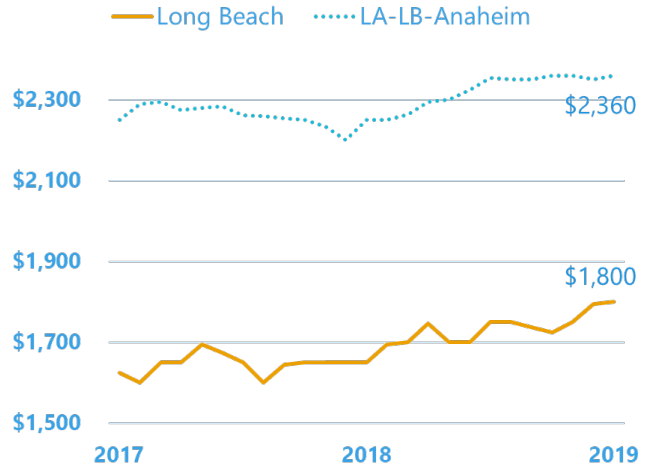


REAL ESTATE

Median Single Family Home Value

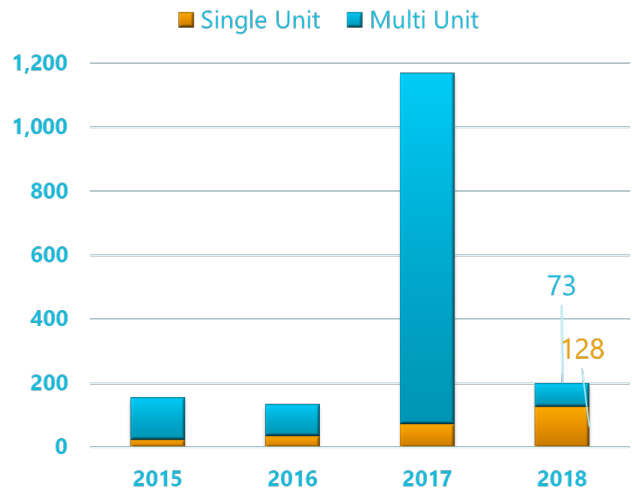


Median Rent (Multi-Unit Buildings)

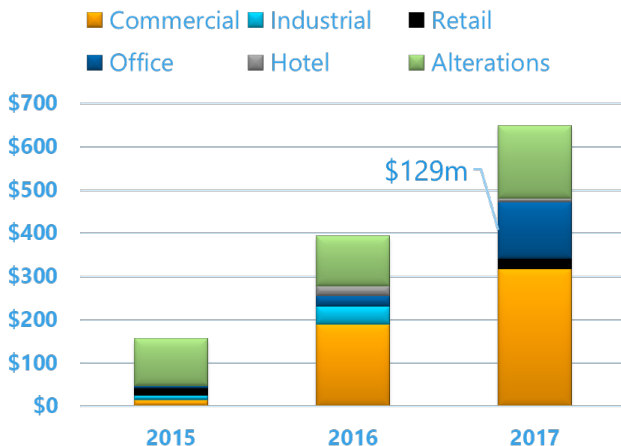


- The median value of a single-family home in Long Beach is about **\$629,000**, which has grown by **10.8%** over the last two years.
- During that period, Long Beach apartment rents have also grown by **10.8%** to a median rent of **\$1,800**.
- The city's residential vacancy rate is **0.72%**, compared to 0.75% and 1.15% in the county and state, respectively.

Residential Construction Permits

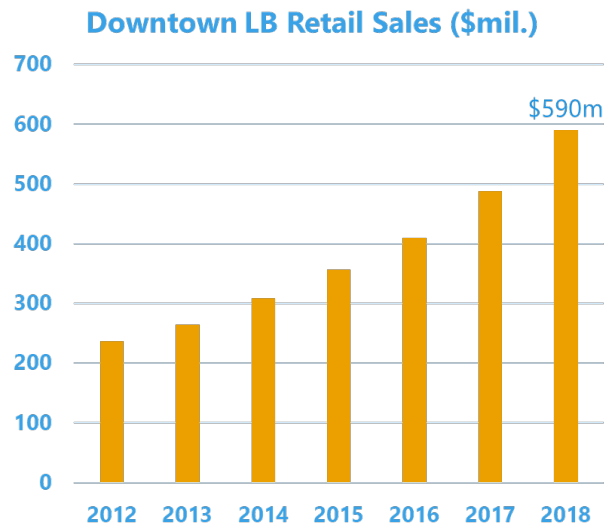
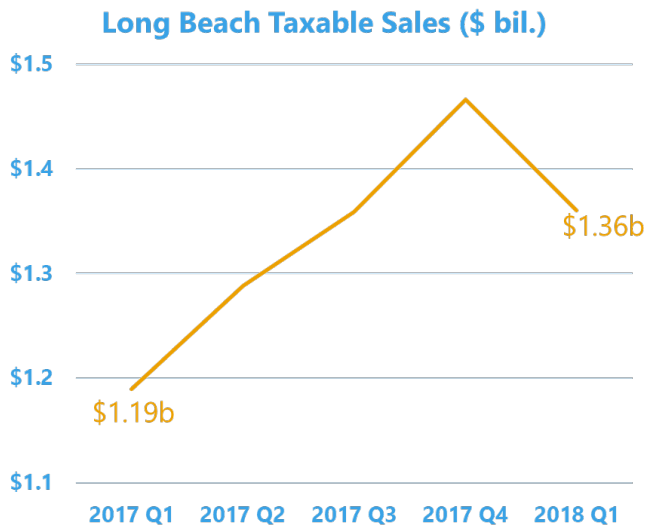


Long Beach Non-Residential Permit Values (\$ millions)



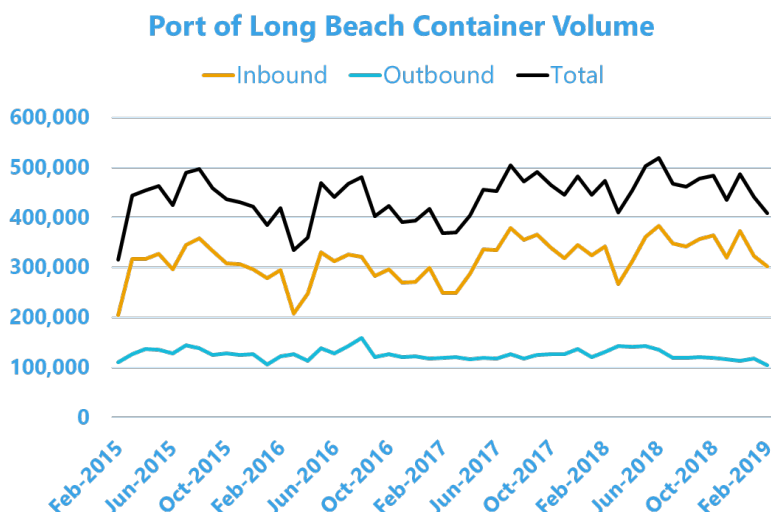
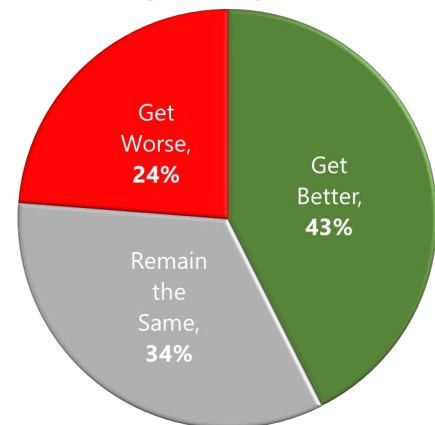
- The business vacancy rate in Long Beach is **5.6%**, compared to 5.5% and 8.0% in the county and state, respectively.
- Downtown Long Beach has over **4 million** square feet of office space, with an 82.1% occupancy rate. Suburban Long Beach's **5 million** square feet is 92.2% occupied.
- In recent years, Long Beach has witnessed unprecedented growth in both residential and non-residential real estate development.

BUSINESS CLIMATE



- Taxable sales in Long Beach have grown by **14.3%** over the last five quarters to **\$1.36 billion**.
- By comparison, taxable sales in Los Angeles County have grown by 2.7% during that same period.
- Retail sales in Downtown Long Beach have grown by 21% over the last year to **\$590 million**. Since 2012, Downtown retail sales have grown by almost **150%**.

2019 Small Business Survey:
Will the economy for small business in the Long Beach region...?



- **43%** of Long Beach small business owners believe that the economy for small business in the Long Beach region will get better.
- 2018 saw a record volume of over **5.6 million** loaded containers moving in and out of the Port of Long Beach.

ECONOMIC IMPACT



- The Long Beach Region, including Signal Hill, has a population of over 484,000 residents that contribute almost 239,000 jobs to the \$1 trillion combined economies of Los Angeles County and Orange County.
- The Long Beach Region’s gross regional product is **\$53.3 billion**, reflecting the value of all final goods and services produced by its residents.

- **\$92.7 billion** is the annual economic impact of the Long Beach Region on the LA/OC economy.
- The Long Beach Region annually creates or sustains **217,995 additional jobs** in the LA/OC economy.
- Self-employed residents of the Long Beach Region have a **\$6.2 billion** economic impact on the LA/OC economy.
- They annually create or sustain an **additional 16,342 jobs** for that economy.

Five Most Impactful Sectors: All Long Beach Residents

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%

Five Most Impactful Sectors: Self-Employed Long Beach Residents

Sector	Self 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%

DATA SOURCES

California Department of Tax & Fee Administration
 Cushman & Wakefield Office Market Survey
 IMPLAN
 PolicyMap
 U.S. Bureau of Labor Statistics
 U.S. Census Building Permits Survey
 Zillow Research/ZTRAX

Construction Industry Research Board
 Downtown Long Beach Economic Profile
 Long Beach Small Business Monitor
 Port of Long Beach
 U.S. Census American Community Survey
 Valassis Lists

DOWNTOWN LONG BEACH 2019 ECONOMIC PROFILE HIGHLIGHTS

These 1.38 Un-Square Miles host a downtown like no other, and just as long-awaited projects finally come to fruition this year, the city braces for rapid transformation sure to enhance our great community. We are proud to present the 2019 Annual Downtown Economic Profile that provides an in-depth look at Downtown data and trends that continues to project a prosperous outlook for business.



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SQUARE FEET OF COMMERCIAL
OFFICE SPACE



1,787
UNITS UNDER
CONSTRUCTION
OR APPROVED



\$590
MILLION
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SALES IN 2018
+21% FROM 2017



86%

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