

LOS ANGELES COUNTY ECONOMIC FORECAST

Los Angeles County is the largest county in California, with 9.9 million people and 3.8 million wage and salary jobs. The per capita income in Los Angeles County is \$43,552, and the average salary per worker is \$65,472.

Economic growth in Southern California declined sharply between 2008 and 2010, and job losses were substantial. In 2011, after several years of jobs losses, the Los Angeles County labor market began to improve. A total of 20,300 jobs were gained, representing a growth rate of 0.5 percent. This is a positive development, but slightly lags the broader Southern California labor market, which grew by 0.7 percent. The unemployment rate declined to 12.3 percent in 2011 from 12.6 percent in 2010.

In previous years, Northern Los Angeles County (the Santa Clarita and Antelope Valleys) was the fastest growing area of the county. Due to a large amount of buildable land, growth in this region should accelerate again, and over the long-term North Los Angeles County will be responsible for much of the population growth in the county.

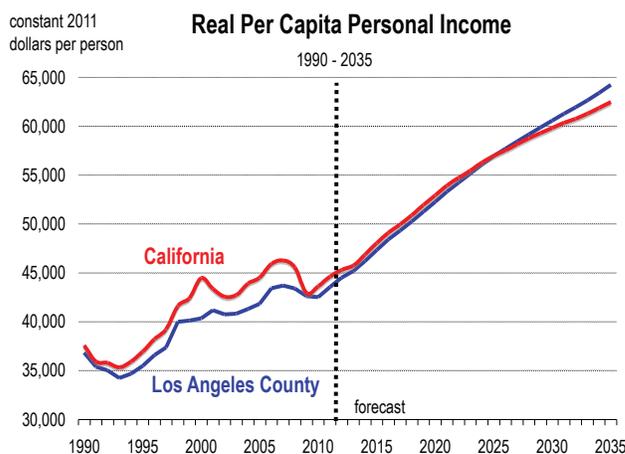
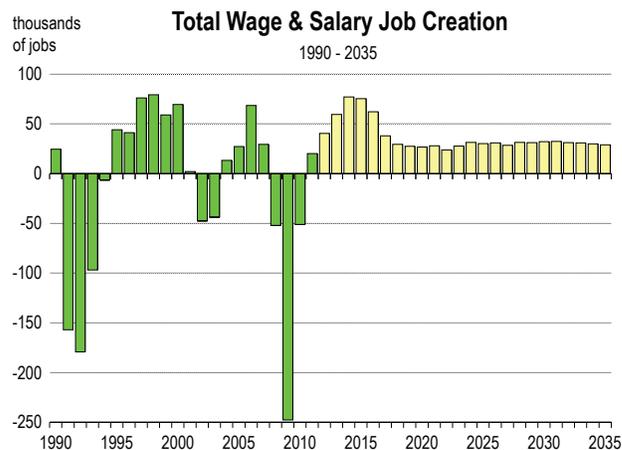
In 2011, employment growth in Los Angeles County was led by professional services (+13,000 jobs), education and health (+12,900 jobs), leisure and hospitality (+7,900 jobs), and retail trade (+4,900 jobs). The largest declines occurred in government (-14,400 jobs), and manufacturing (-7,800 jobs).

Between 2006 and 2011, the Los Angeles County population increased by 0.5 percent, an annual growth rate of less than 0.1 percent. This growth was due entirely to the natural increase (births minus deaths), as net migration was negative each year. Over the forecast, net migration will remain negative, limiting the county to annual growth rates below one percent.

Imports and exports through the Ports of Long Beach and Los Angeles declined dramatically during the recession, but have rebounded strongly since. In 2011, exports had reached a new high on a volume basis. Imports declined slightly from 2010 to 2011, but are well above their recession lows.

FORECAST HIGHLIGHTS

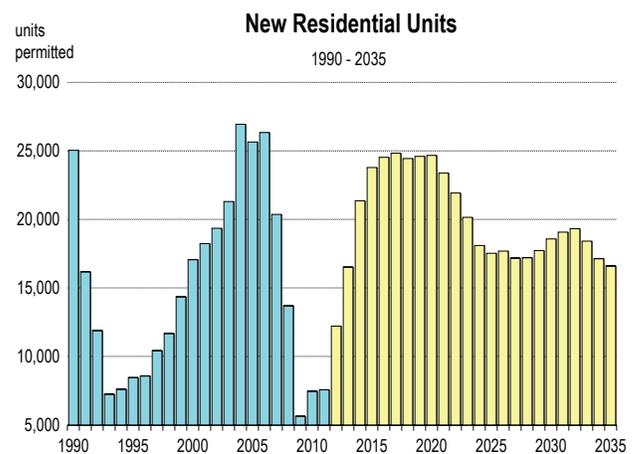
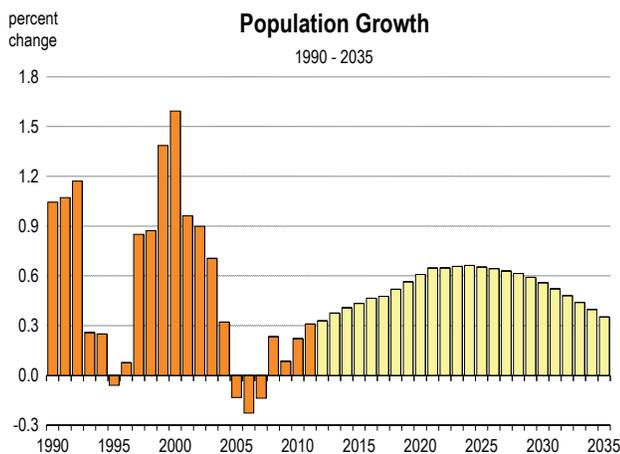
- Total employment is expected to increase by 1.1 percent in 2012. From 2012 to 2017, the growth rate is expected to average 1.5 percent per year.
- Currently, average salaries are marginally lower than across the state. Over the next five years, real average salaries are forecast to rise an average of 0.7 percent in Los Angeles County, compared to 1.0 percent across the state as a whole. As a result, the gap between Los Angeles County and the state will widen.
- Construction employment is expected to grow by 21 percent from 2012 to 2017, making it the fastest growing sector by a wide margin. Other sectors with rapid growth will be the professional, information, transportation, leisure, retail, and natural resources industries.
- Annual population growth in the 2012 to 2017 period averages 0.4 percent per year, roughly 3 times as fast as the previous five years. However, continued out migration will keep population growth subdued.
- Real per capita incomes will increase at a rate of 2.2 percent in 2012. An annual average rate of growth of 2.1 percent over the 2012 to 2017 time period is forecast.
- Total taxable sales, adjusted for inflation, are expected to increase by an average of 2.7 percent per year from 2012 to 2017.
- Industrial production is expected to increase by 2.0 percent in 2012. From 2012 to 2017, the growth rate of industrial production is expected to average 2.7 percent per year.



Los Angeles County Economic Forecast

2006-2011 History, 2012-2040 Forecast

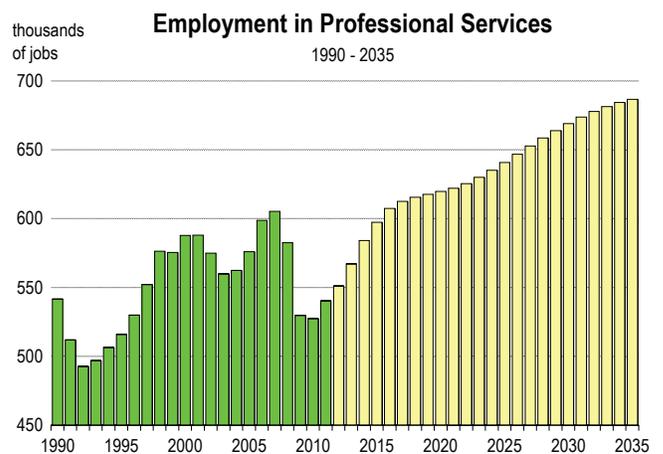
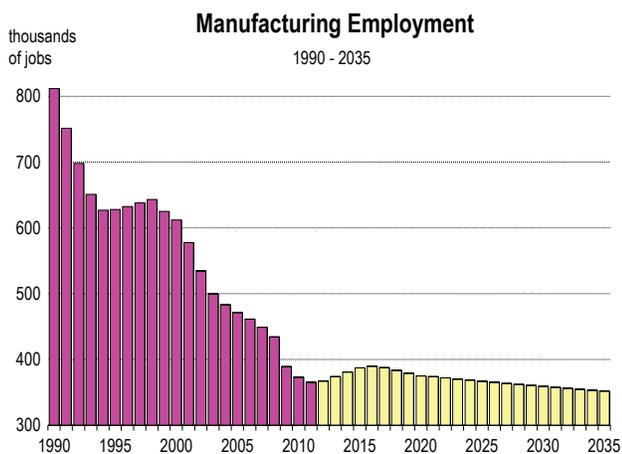
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	9,787,327	-111,749	7.6	3,208.6	26,348	\$136.2	\$385.7	\$43,417	4.3	298.5	97.7	4.8
2007	9,773,894	-106,087	7.6	3,220.0	20,363	\$137.8	\$400.4	\$43,695	3.3	270.3	97.1	5.1
2008	9,796,812	-69,939	7.5	3,234.2	13,704	\$131.9	\$412.6	\$43,397	3.5	233.1	100.8	7.5
2009	9,805,233	-78,699	7.4	3,237.0	5,653	\$112.7	\$402.5	\$42,630	-0.8	196.9	92.7	11.6
2010	9,827,070	-56,960	7.4	3,239.8	7,468	\$116.9	\$407.1	\$42,518	1.2	201.7	96.0	12.6
2011	9,857,567	-46,330	7.5	3,245.7	7,587	\$121.6	\$429.3	\$43,552	2.6	199.0	95.6	12.3
2012	9,889,973	-38,513	7.6	3,250.3	12,212	\$126.0	\$449.6	\$44,518	2.1	197.5	97.5	10.9
2013	9,927,173	-32,859	7.8	3,258.9	16,532	\$131.1	\$468.4	\$45,193	2.2	196.2	99.6	9.7
2014	9,967,679	-29,144	7.9	3,270.4	21,357	\$137.0	\$492.1	\$46,206	2.3	194.9	103.0	8.9
2015	10,011,090	-26,478	8.1	3,285.3	23,788	\$144.1	\$516.5	\$47,348	2.0	193.6	106.3	8.1
2016	10,057,720	-23,966	8.3	3,301.9	24,530	\$152.4	\$540.9	\$48,427	1.9	192.4	109.4	7.3
2017	10,105,800	-23,307	8.4	3,319.1	24,835	\$160.1	\$564.0	\$49,321	1.9	191.3	112.3	6.8
2018	10,158,310	-19,835	8.6	3,336.4	24,439	\$167.7	\$588.2	\$50,253	1.8	190.3	114.9	6.5
2019	10,215,690	-15,071	8.8	3,353.5	24,606	\$175.2	\$613.9	\$51,276	1.7	189.3	117.7	6.1
2020	10,278,000	-9,798	9.0	3,370.7	24,678	\$182.3	\$639.5	\$52,283	1.5	188.3	120.7	5.8
2021	10,344,530	-4,922	9.3	3,387.9	23,385	\$189.2	\$666.1	\$53,310	1.5	187.4	123.6	5.8
2022	10,411,720	-4,581	9.5	3,404.2	21,938	\$195.6	\$693.2	\$54,241	1.6	186.5	126.4	5.8
2023	10,480,180	-3,368	9.7	3,419.6	20,154	\$202.3	\$721.4	\$55,149	1.7	185.7	129.3	5.8
2024	10,549,720	-2,315	9.9	3,433.7	18,104	\$210.1	\$751.8	\$56,091	1.8	184.9	132.7	5.9
2025	10,618,580	-2,700	10.1	3,446.3	17,540	\$218.9	\$782.5	\$56,961	1.8	184.2	136.2	5.9
2026	10,686,990	-2,967	10.3	3,458.5	17,698	\$227.6	\$812.8	\$57,712	1.9	183.5	139.7	5.9
2027	10,754,370	-3,493	10.5	3,470.9	17,174	\$236.5	\$843.9	\$58,451	1.9	182.8	143.3	5.9
2028	10,820,500	-4,012	10.7	3,482.9	17,222	\$245.7	\$875.6	\$59,180	1.9	182.1	147.1	5.9
2029	10,884,540	-5,168	10.9	3,494.9	17,738	\$255.3	\$908.0	\$59,882	1.9	181.5	151.0	5.9
2030	10,945,450	-7,026	11.1	3,507.3	18,575	\$265.3	\$941.2	\$60,577	1.9	181.0	155.1	5.9
2031	11,002,600	-9,103	11.3	3,520.3	19,068	\$275.6	\$974.9	\$61,281	1.9	180.4	159.3	5.9
2032	11,055,680	-11,303	11.5	3,533.6	19,321	\$286.1	\$1,008.7	\$61,936	1.9	179.9	163.6	5.9
2033	11,104,480	-13,425	11.7	3,547.1	18,425	\$296.9	\$1,044.0	\$62,651	1.9	179.4	168.1	5.9
2034	11,148,700	-15,548	11.8	3,560.0	17,142	\$308.1	\$1,080.9	\$63,422	1.9	178.9	172.7	5.9
2035	11,188,010	-17,606	12.0	3,572.0	16,614	\$319.9	\$1,119.4	\$64,240	1.9	178.5	177.5	5.9
2036	11,222,310	-19,512	12.2	3,583.6	16,358	\$332.6	\$1,159.2	\$65,075	1.9	178.0	182.5	5.9
2037	11,251,650	-21,319	12.4	3,595.0	16,322	\$346.1	\$1,200.6	\$65,956	1.9	177.6	187.6	5.9
2038	11,276,200	-23,063	12.6	3,606.4	16,340	\$360.1	\$1,243.6	\$66,893	1.9	177.3	192.9	5.9
2039	11,296,310	-24,783	12.7	3,617.8	16,369	\$374.5	\$1,288.1	\$67,884	1.9	176.9	198.4	5.8
2040	11,312,270	-26,489	12.9	3,629.2	16,498	\$389.2	\$1,333.6	\$68,916	1.8	176.5	204.7	5.8

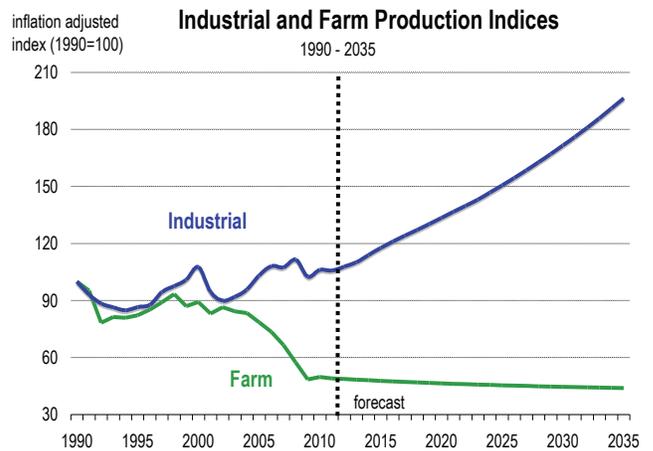
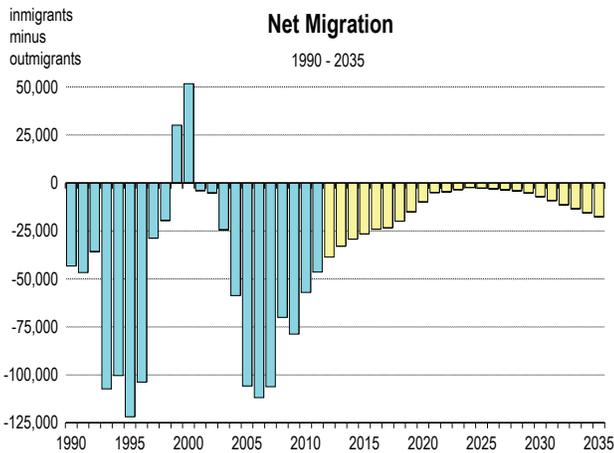
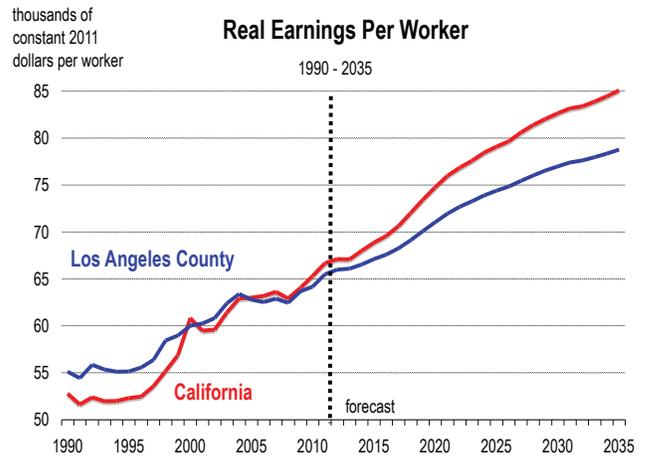


Los Angeles County Employment Forecast

2006-2011 History, 2012-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
2006	4,100.1	7.63	157.5	461.7	165.2	648.9	246.7	598.9	205.6	480.8	388.6	589.4
2007	4,129.6	7.50	157.6	449.2	165.6	653.0	243.8	605.4	209.8	492.7	397.9	595.7
2008	4,077.6	6.89	145.2	434.5	163.1	640.2	233.3	582.6	210.3	505.8	401.6	603.7
2009	3,830.3	6.19	117.3	389.2	151.2	591.5	216.0	529.8	191.2	514.6	385.6	595.8
2010	3,779.3	6.23	104.5	373.2	150.6	589.3	209.5	527.5	191.5	522.0	384.8	579.6
2011	3,799.6	5.50	103.5	365.4	149.9	598.1	209.4	540.4	195.6	534.8	392.8	565.2
2012	3,840.1	5.43	108.2	367.6	149.6	603.3	210.0	551.1	199.8	542.2	397.8	563.4
2013	3,899.6	5.37	112.5	374.0	152.1	612.4	213.2	567.3	204.6	547.2	403.0	562.3
2014	3,976.7	5.32	115.2	381.0	156.5	623.8	214.4	584.2	210.2	554.1	410.0	572.3
2015	4,052.1	5.28	120.4	387.6	160.7	635.8	215.6	597.4	215.5	563.7	418.6	577.5
2016	4,114.3	5.24	123.4	390.2	164.2	648.4	216.9	607.6	218.9	572.0	427.7	582.5
2017	4,152.4	5.21	124.8	387.9	166.2	655.8	218.3	612.6	220.9	578.6	435.7	587.2
2018	4,182.0	5.19	126.2	383.6	169.8	659.6	219.3	615.5	222.2	585.7	441.1	592.7
2019	4,209.5	5.16	127.5	379.4	174.2	663.4	220.1	617.6	223.2	593.7	444.2	598.4
2020	4,236.2	5.14	129.1	375.3	180.2	666.2	221.1	619.8	224.0	601.2	446.1	604.2
2021	4,264.4	5.12	130.9	373.9	185.4	669.8	221.6	622.1	224.5	607.7	447.9	610.0
2022	4,288.2	5.11	130.5	372.1	189.6	674.1	221.8	625.5	224.3	613.1	448.7	616.2
2023	4,316.1	5.09	130.9	370.4	193.6	679.1	221.9	630.1	224.1	619.6	449.5	623.1
2024	4,347.6	5.08	131.4	368.8	197.4	683.8	222.4	635.2	225.2	626.6	450.1	630.9
2025	4,377.8	5.06	130.3	367.0	200.8	688.8	223.3	640.9	227.1	633.8	450.7	637.8
2026	4,408.9	5.05	130.6	365.4	203.6	692.4	223.5	646.9	229.5	640.6	451.9	645.8
2027	4,437.4	5.04	131.7	363.9	205.8	695.4	223.6	652.8	231.0	647.5	453.1	652.8
2028	4,468.8	5.03	132.6	362.4	208.6	698.3	223.7	658.6	232.9	655.4	455.0	659.7
2029	4,500.1	5.02	133.6	360.9	211.4	701.5	223.6	664.1	234.3	663.8	457.1	666.7
2030	4,532.2	5.01	134.7	359.4	214.2	704.7	223.9	669.1	235.6	672.5	459.3	673.8
2031	4,564.6	5.00	136.0	357.9	217.1	708.1	224.3	673.8	237.0	681.2	461.5	681.1
2032	4,595.9	4.99	137.3	356.4	220.1	711.4	224.9	677.9	238.2	689.6	463.6	688.3
2033	4,627.0	4.98	138.5	355.0	223.1	714.8	225.3	681.5	239.6	697.9	465.9	695.5
2034	4,657.0	4.97	139.2	353.5	226.1	718.3	225.8	684.4	240.9	706.1	468.2	702.8
2035	4,686.1	4.97	139.3	352.1	229.2	721.9	226.4	686.8	242.3	714.2	470.5	710.0
2036	4,715.3	4.96	139.6	350.6	232.4	725.7	227.0	689.2	243.7	721.7	472.8	717.3
2037	4,744.6	4.95	140.0	349.2	235.7	729.5	227.6	691.7	245.2	728.9	475.2	724.6
2038	4,774.0	4.95	140.6	347.8	239.0	733.5	228.2	694.3	246.7	735.7	477.6	731.9
2039	4,803.0	4.94	141.2	346.4	242.3	737.5	228.8	697.0	248.2	741.8	480.0	739.2
2040	4,831.2	4.93	141.8	345.1	245.8	741.6	229.4	699.8	249.7	747.5	482.5	745.9





County Economic and Demographic Indicators

Projected Economic Growth (2012-2017)

Expected retail sales growth:	17.5 %
Expected job growth:	9.3 %
Fastest growing jobs sector:	Construction
Expected personal income growth:	16.1 %

Expected population growth:	2.5%
Net migration to account for:	0 %
Expected growth in number of vehicles:	12.4 %

Demographics

Unemployment rate (March 2012):	11.9 %
County Rank* in California (58 counties):	22nd
Working age (16-64) population:	66.9 %

Population with B.A. Degree or higher:	28.8 %
Median Home Selling Price:	\$334,812
Median Household Income:	\$52,136

Quality of Life

Violent Crime rate (2010):	480 per 100,000 persons
County Rank* in California (58 counties):	43rd
Average Commute Time to work (2012):	32.1 minutes

High School drop out rate (2010):	20.6 %
Households at/below poverty line:	12.6 %

* The county ranked 1st corresponds to the lowest rate in California