

# 2013 SCAG Jobs & Labor Summit

## Convergence of Interest

(Why policy, labor and business leaders all benefit from new jobs)



Los Angeles/Orange County

October 16, 2013

# Great Recession of the late 2000's

- \* California lost over 1.3 million from Dec. 2007- Jan. 2010
- \* Southern California lost 860,000 jobs (66% of job loss statewide)
- \* LA saw job losses of approximately 450,000 in 3+ years
- \* OC saw job losses of 192,000 in 3+ years
- \* Foreclosures all time high (CA, SoCal, LA, OC)
- \* Consumer Spending (aka Sales Tax) plummeted

# Business Flight from California



From 2007-10, 2,550+ businesses with >3 employees left California to... Oregon, Washington, Arizona, Texas, Florida...

# What did/does the Great Recession Look Like?



# Outfall from the Great Recession

- \* **Policy (Government)**, loss of revenue along with increasing demand for services. The result, less with less and in some cases BK.
- \* **Labor**, simply stated... folks lost jobs, and too many people lost everything.
- \* **Business**, lost money and in too many cases, lost everything.

# Unemployment At A Glance

UNITED STATES

CALIFORNIA

SCAG REGION



# Los Angeles County

## LOS ANGELES

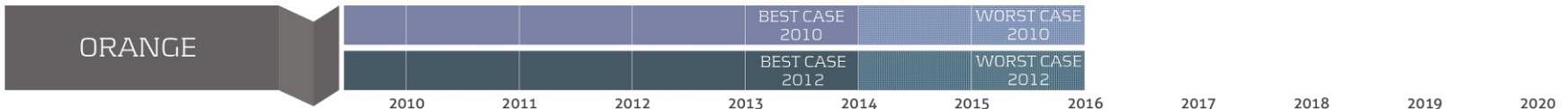
- More than 400,000 jobs were lost in Los Angeles County peak-to-trough.
- At the current recovery rate, these jobs will not be replaced until 2020.
- Key industry sectors which will add jobs include health care, leisure and hospitality, professional and business services, finance and insurance, and information.



# Orange County

## ORANGE

- Orange County's economic recovery continues to pick up steam in 2013, with unemployment rates falling to 6.2% in August 2013.
- Construction, Financial Services, Leisure & Hospitality, Professional & Business Services, Manufacturing, Trade, and Health Services all contributed significantly to overall positive Orange County job creation trends.
- The Orange County housing market is showing signs of increasing strength.



# Current Job Creation

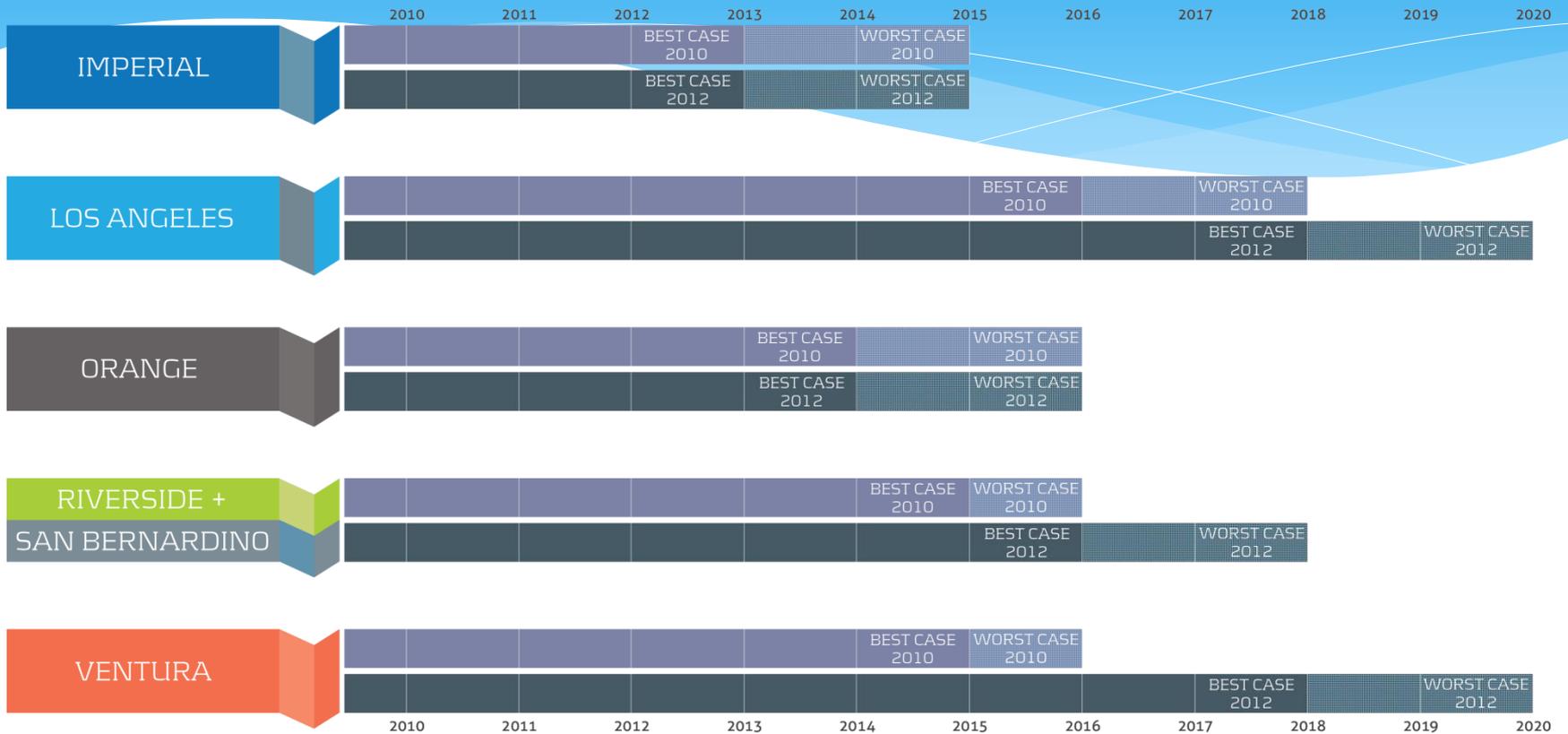
- \* **Los Angeles County** (52,000 in last year)

- \* Leisure & Hospitality
- \* Professional & Business Services
- \* Education & Health Services
- \* Construction

- \* **Orange County** (32,500 in last year)

- \* Financial Services
- \* Construction
- \* Leisure & Hospitality
- \* Education & Health Services

# When Will We Recover Lost Jobs?



# Setting the Stage for Discussion

- \* Our economy is recovering (slowly, unevenly)
- \* Long-term challenges, opportunities
  - \* Education & Workforce
  - \* Housing
  - \* Infrastructure
  - \* Economic Development
- \* What can our policy, labor and business leaders do to accelerate recovery?

# Light at the end of the Tunnel?



# Job Creation Solves Many Problems

- \* **Policy:** Jobs means more tax revenue and less demand for social services
- \* **Labor:** Jobs means more members, more revenue and an increasing middle class
- \* **Business:** Jobs means more demand for goods, services and development product

# This is what Economic Recovery Looks Like!

