Pathways for Economic Recovery in LA County

Hello!

In collaboration with LAEDC,

LA WDACS have published this report which aims to identify trends and patterns that will help create a path towards recovery for Los Angeles.

1

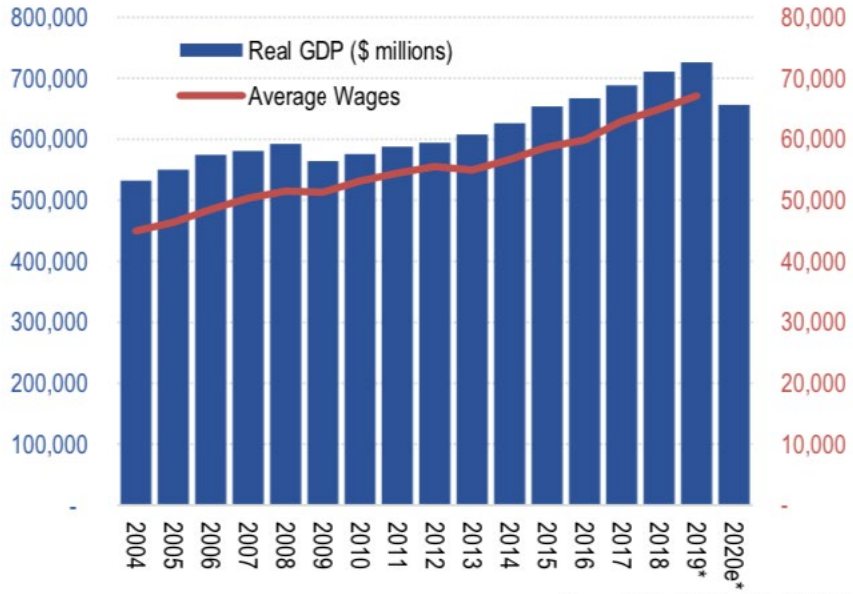
Pre-Pandemic LA County

2019 LA County Economy

A Growing Economy

At the beginning of 2020, the Los Angeles regional economy enjoying expansionary period. Unemployment was at 4.4% and the real gross county product was over $700 billion.

Exhibit 1-1: LA County Real GCP and Income



Source: BEA, IHS Markit*, CA EDD

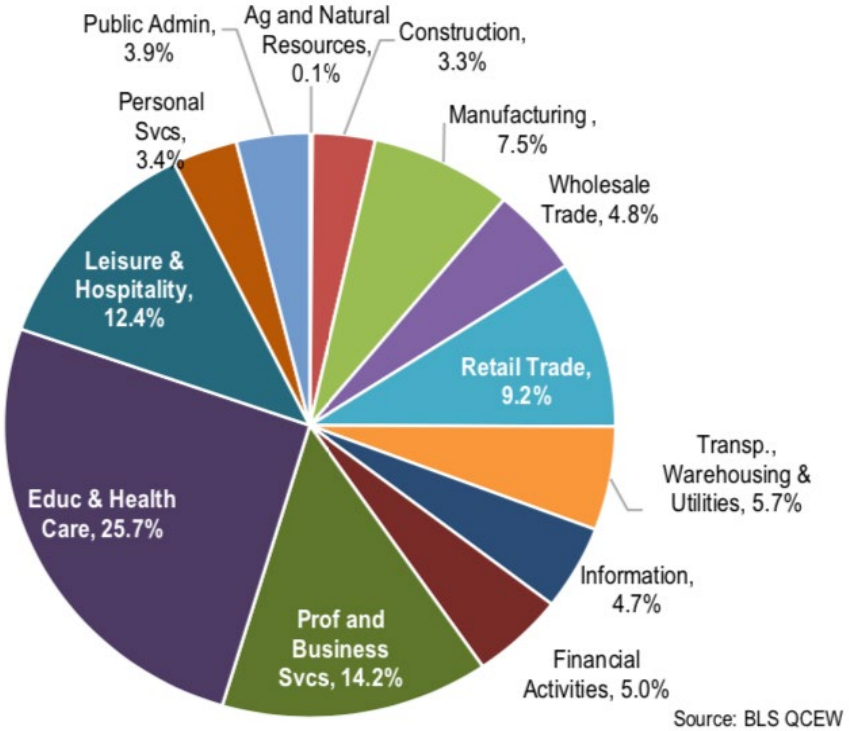
Exhibit 1-4: Economic Employment Base in LA County 2019

NAICS	Industry Name	Employment	Average Annual Wage
51	Information	210,439	$139,062
52	Finance and Insurance	134,635	$132,108
22	Utilities	28,370	$123,430
55	Management of Enterprises	62,711	$117,833
54	Professional and Technical Services	299,007	$110,795
71	Arts, Entertainment and Recreation	107,967	$106,847
92	Government	174,522	$95,807
21	Mining and Natural Resources	1,895	$94,990
53	Real Estate, Rental and Leasing	88,646	$74,486
31-33	Manufacturing	338,308	$74,088
23	Construction	149,695	$69,921
42	Wholesale Trade	218,454	$67,840
48-49	Transportation and Warehousing	230,039	$67,355
61	Education Services	380,928	$62,399
62	Health Care and Social Assistance	777,828	$49,841
56	Administrative, Support and Waste Srvcs	278,535	$46,782
11	Agriculture, Forestry, Fishing & Hunting	4,383	$42,412
81	Other (Personal) Services	154,961	$42,307
44-45	Retail Trade	416,640	$38,500
72	Accommodation and Food Services	448,709	$27,162
TOTAL COVERED		**4,506,672**	**$63,411**

Source: BLS QCEW

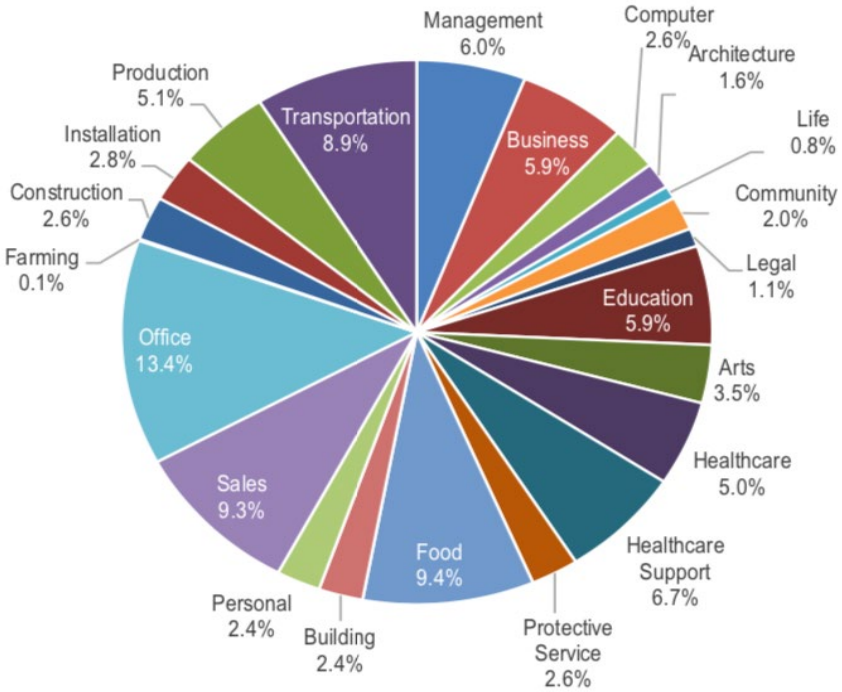
Pre-Pandemic LA County Real GCP & Economy

Exhibit 1-5: LA County Employment, 2019



Source: BLS QCEW

Exibit 1-7: LA County Occupational Employment, 2019



Employment & Occupational Make -Up of LA County

2 Covid-19's Economic Impact on LA County

Since the first Safer-at-Home orders were issued in March, Los Angeles County has endured severe economic distress

Industry Impact

Most Impacted Industries:

Hospitality : Accomodation - 21,300 jobs lost (42.6% decline) & Food Services – 104,600 jobs lost (26.2 decline)

Non-Essential Retail - 23,400 jobs lost (22.1% decline)

Personal Care & Laundry Services - 20,400 jobs lost (35% decline)

Arts, Entertainment and Recreation - 37,000 jobs lost (38% decline)

Motion Picture and Sound Recording 36,500 jobs lost (27% decline)

Industry Groups that are projected to contract through 2024, consist of:

Educational Instruction and Library (-5.8%);

Community and Social Service (-0.4%);

Arts, Design, Entertainment, Sports, and Media (-0.3%);

Life, Physical, and Social Science (-0.3%); and

Computer and Mathematical occupations (-0.1%).

Industry Impact

Specific industries have been impacted more-so then others

Certain industries recovered quite well:

- Construction regaining 75.1% of the job lost in the early months of the pandemic
- Child Day Care Services regained 6

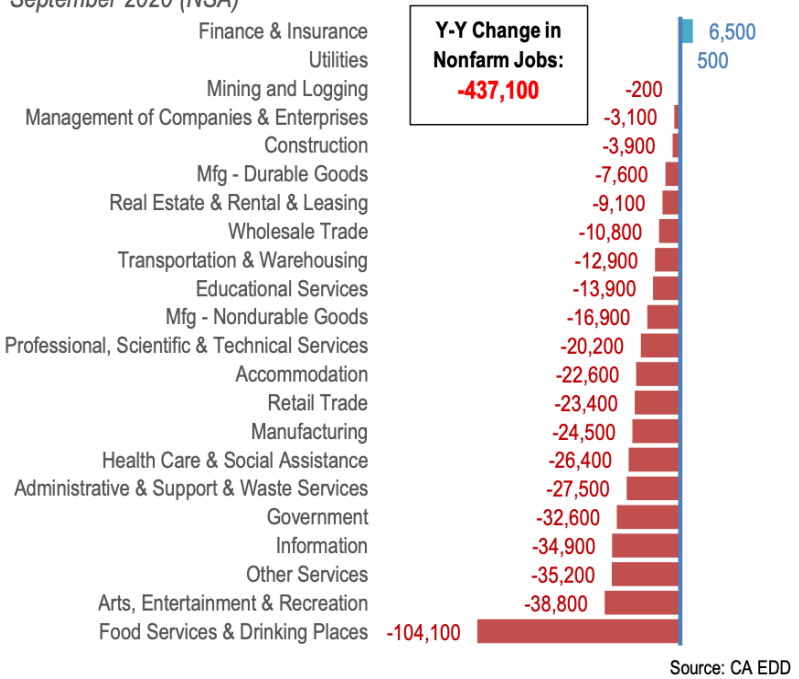
Others have not rebounded:

- Motion Picture and Sound Recording only regaining 4.4%
- Accommodation regained 2.3%.
- Food Services and Drinking Places lost over 104,00 jobs.

Exhibit 2-5

Year-Over-Year Change in Jobs by Industry

September 2020 (NSA)



Source: CA EDD

716,000

Jobs initially were lost in LA County from Safer @ Home

30%

Jobs recovered

500,000

Jobs remain unrecovered

Populations Most Affected by Unemployment

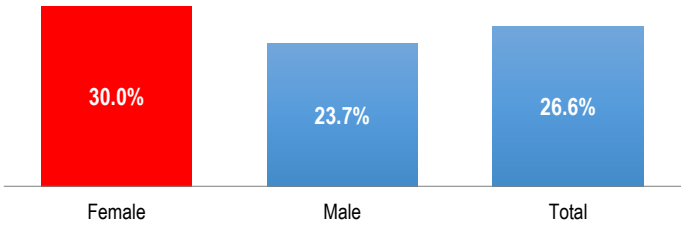
COVID has revealed and exacerbated existing racial, gender and class inequities that were plaguing our communities.

The Pandemic impacted select groups more severely, as data has been coming in, we have seen that women have been most impacted.

By race and ethnicity:

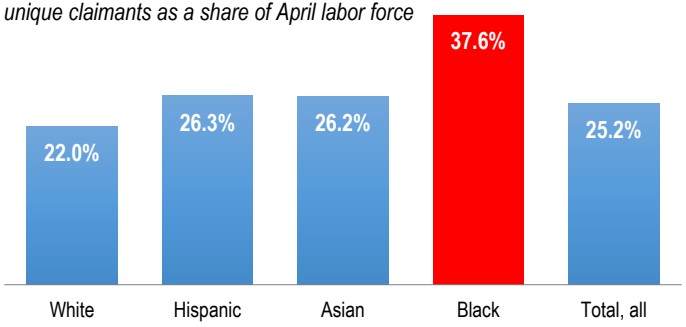
Black, Hispanic and Asian populations are proportionally most impacted.

Exhibit 1-4
Initial UI Claims in CA by Gender*
as a share of labor force



* 3/15 to 8/29 excludes PUA claims
Source: CA Policy Lab

Exhibit 1-4
Initial UI Claims in CA by Race and Ethnicity*
unique claimants as a share of April labor force



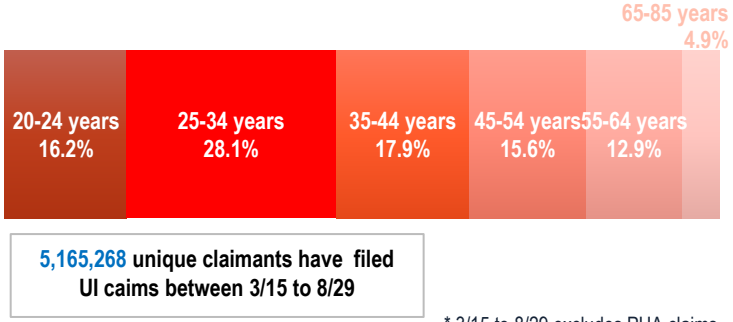
* 3/15 to 8/29 excludes PUA claims
Source: CA Policy Lab

We are also seeing based of unemployment claims that the age that was most disproportionately impacted by business closures and restrictions were the age group of 20 -44 years old.

Workers with lower levels of educational attainment are also overrepresented among new UI claims.

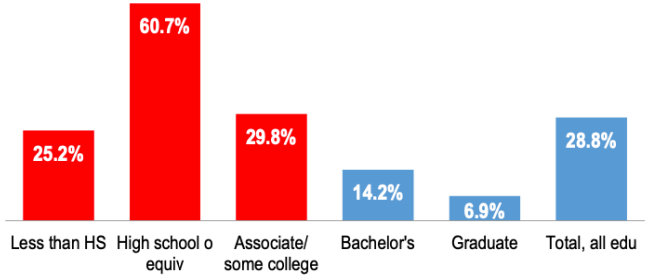
Those with a high school diploma or GED make up 60.7% of continuing unemployment claims

Exhibit 1-3
Initial UI Claims in CA During the COVID-19 Crisis*
distribution of total unique claimants by age group



* 3/15 to 8/29 excludes PUA claims
Source: CA Policy Lab

Exhibit 3-12
Initial UI Claims in CA by Educational Attainment*
unique claimants as a share of February labor force



* 3/15 to 8/29 excludes PUA claims
Source: CA Policy Lab

Age & Education of Those Filing Unemployment

Vulnerable Population

A number of groups continue to face tremendous barriers. The homeless population has continued to grow throughout LA, with over 66,436 homeless individuals living in Los Angeles County in 2020. A count conducted by LAHSA showed the number of people experiencing homelessness in LA increased by 12.7 percent from 2019 to January 2020. However, these numbers have not been updated since the start of the pandemic

Incarcerated Population

Los Angeles County Jail population declined from the pre-COVID average of 17,000 people to around 12,000 from April to June 2020. However, the daily jail population began to steadily rise again beginning in July 2020.

As of December 9th, 2020, the daily jail population sits around 15,450.

Business Closures

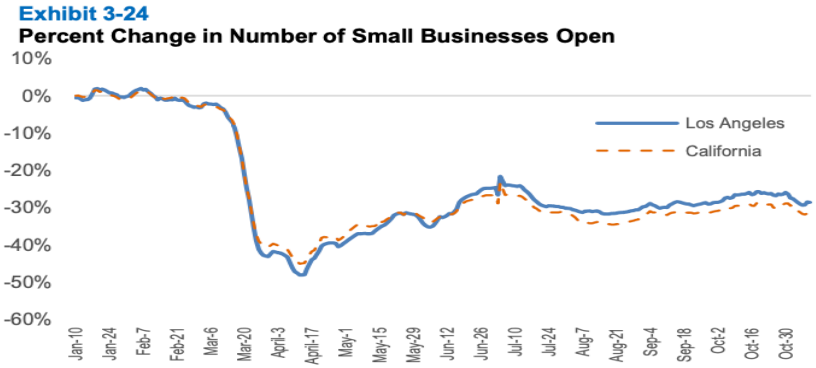
Given that there is a heightened concentration of businesses and jobs in the specific industries of retail, food service, hospitality and personal services, the mandated business closures and restrictions on business activities have had a significant effect on the County's economy, leading to subsequent business closures.

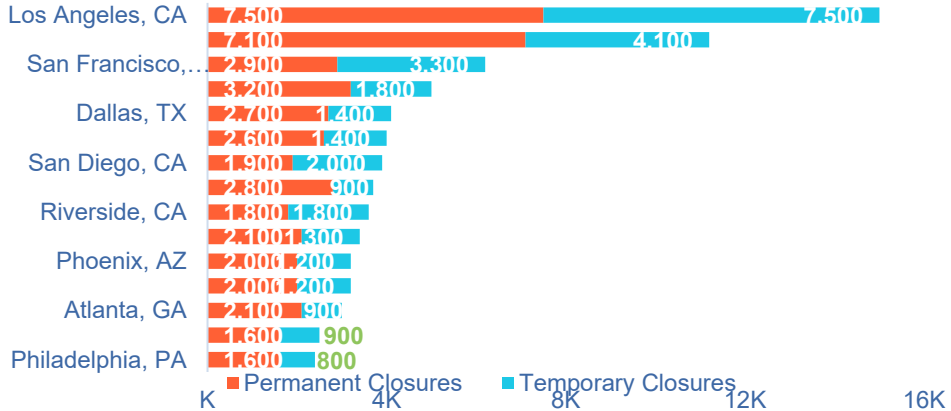
93% of all LA County businesses are small businesses with less than 20 employees

Small Business Closures

There has been a 28.% percent decline in the number of small businesses that are open in Los Angeles

There are at least 15,000 businesses in Los Angeles that have reported closure from March through August.





Job Loss Trends

The pandemic and business closure trends have just expedited forecasted economic trends of job losses that the County may experience within the next 5 years.

Exhibit 9-1

Job Losses by Detailed Occupation Group in LA County

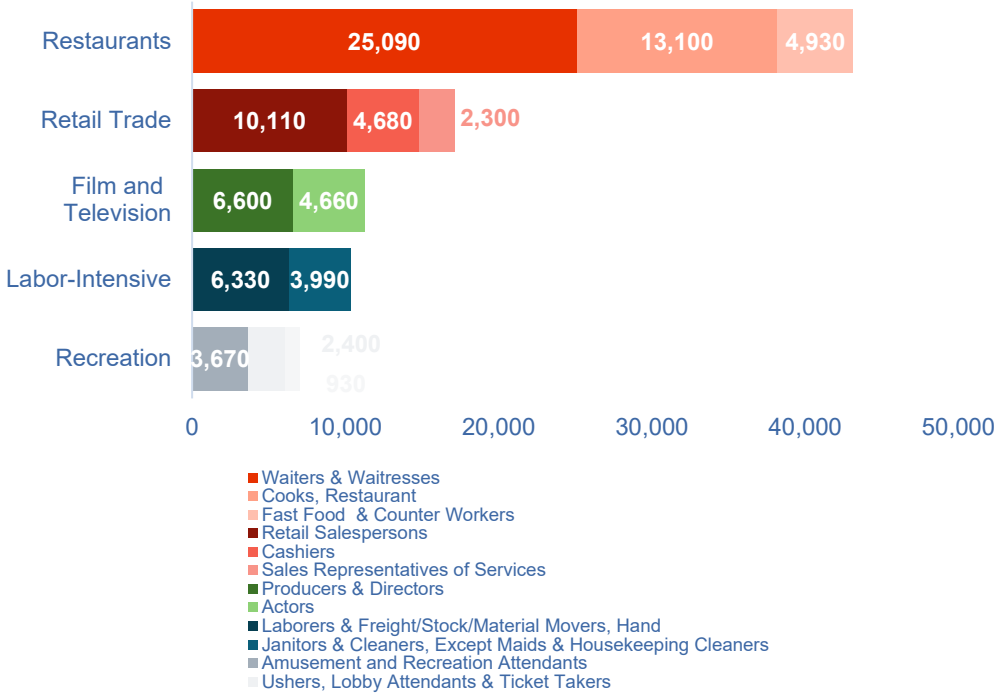
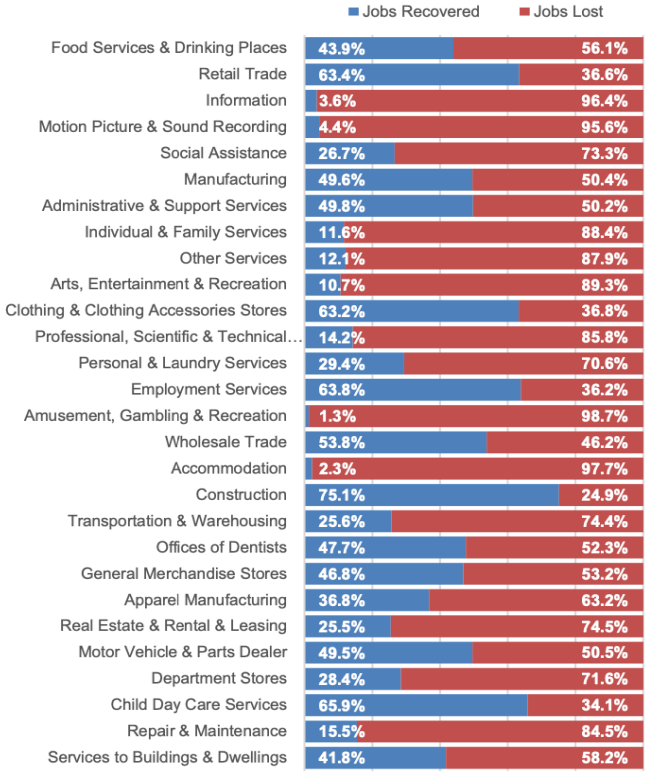


Exhibit 3-34: How Many Jobs Have Returned in LA County?

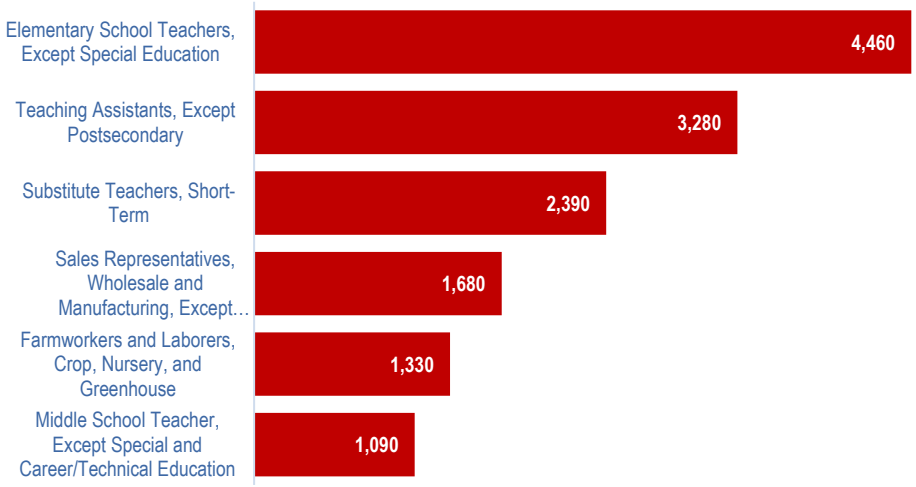
Change in Jobs May-Sept as Share of Jobs Lost Mar-Apr 2020



Source:CA EDD

Jobs Losses Resulting from Pandemic

Exhibit X-X:
Selected Detailed Occupational Groups by Projected Jobs Lost 2020-2024



Source: Burning Glass

Projected Job Loss by Occupation Group

3 Workforce & Occupational Analysis

Economic Projects, Job & Occupational Demands

Economic Projections

The extent of unemployment, economic displacement and business failures will have ramifications beyond the end of the pandemic; LAEDC's current projections suggest we should still be feeling the impacts of this economic shock well into the future. LAEDC forecasts that by 2022, the total employment base of the county will have only returned to 4.4 million (2.3% below its level in 2019).

Jobs at or Above Living Wage

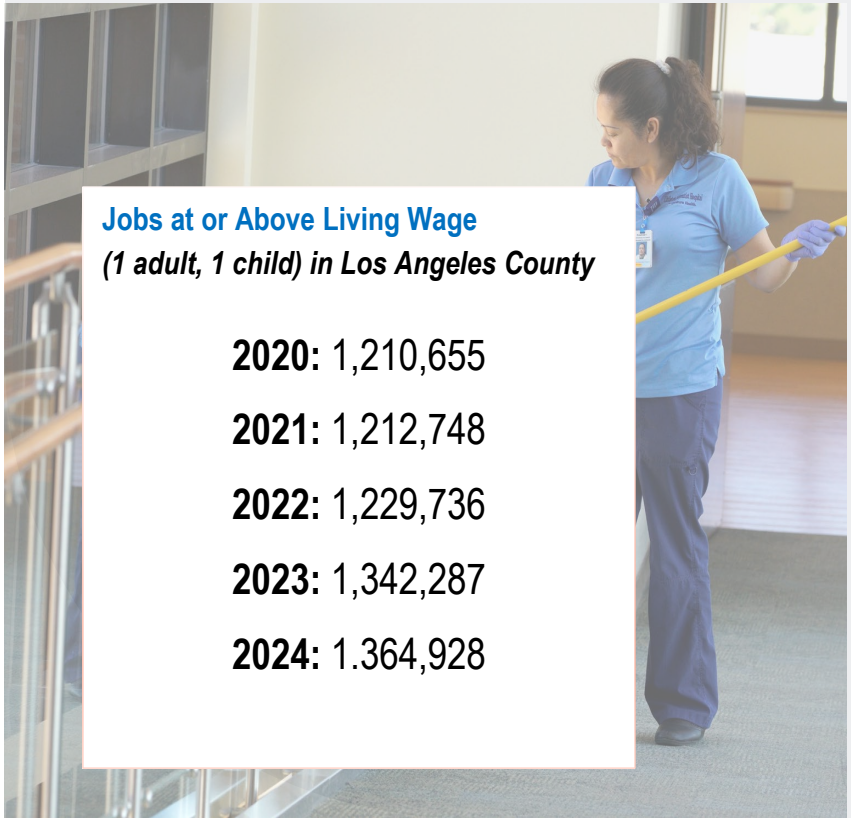
Living Wage Gap: A living wage refers to a theoretical income level that allows an individual or family to afford basic necessities. A living wage allows employees to earn enough income for a satisfactory standard of living.

The living wage for a single adult in Los Angeles was $30,800.

By the end of 2020, it is estimated that 392,000 living wage jobs were lost in the region.

It is projected that Los Angeles will not regain the 392,000 living wage jobs lost during the pandemic until 2024

The County will need to create a total of 738,672 living wage jobs in order to provide living wage jobs to the estimated 4,506,672 total employees in the county



738,672

Jobs need to be created in order to provide a living wage

Growth Industries Predicted to Lead the Economic Recovery

Healthcare

Medical Assistants

Medical Secretaries

Registered Nurses

Public Administration

Budgeting

Project Managers

Receptionist

Information Clerks

Warehousing and Transportation

Laborers & Movers

Truck Drivers

Stockers & Order Fillers

Personal Services

Customer Service

Scheduling

Patient Care

Advanced Manufacturing

Welding

Supply Chain Strategists

Construction

Carpenters

Plumbers, Pipefitters, Steamfitters

Electricians

Construction Laborers

Middle-Skilled Occupations Projected to be in Demand

Middle Skilled Industries Projected to Hire:

- Construction
- Healthcare
- Trade & Logistics

We project that within the next 4 years we will see that there is slow growth of jobs that will be above living wages.

Additionally, we would like to grow middle-skill occupations and assist our most impacted populations to easily be able to move into these jobs that do not perpetuate poverty.

Middle-Skill Occupations	Projected Jobs Added 2020-2024
Laborers and Freight, Stock and Material Movers	9,110
Heavy and Tractor-Trailer Truck Drivers	8,240
Registered Nurses	7,870
First-Line Supervisors of Food Preparation and Serving Workers	7,070
Customer Service Representatives	5,340
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	5,100
Medical Assistants, Medical Secretaries & Administrative Assistants	4,530
Stockers & Order Fillers	3,460
Postal Service Mail Carriers	2,890
Construction Laborers	2,590
Electricians	1,770
First-Line Supervisors, Const Trades/Extraction Workers	1,390
Plumbers, Pipefitters, and Steamfitters	1,220

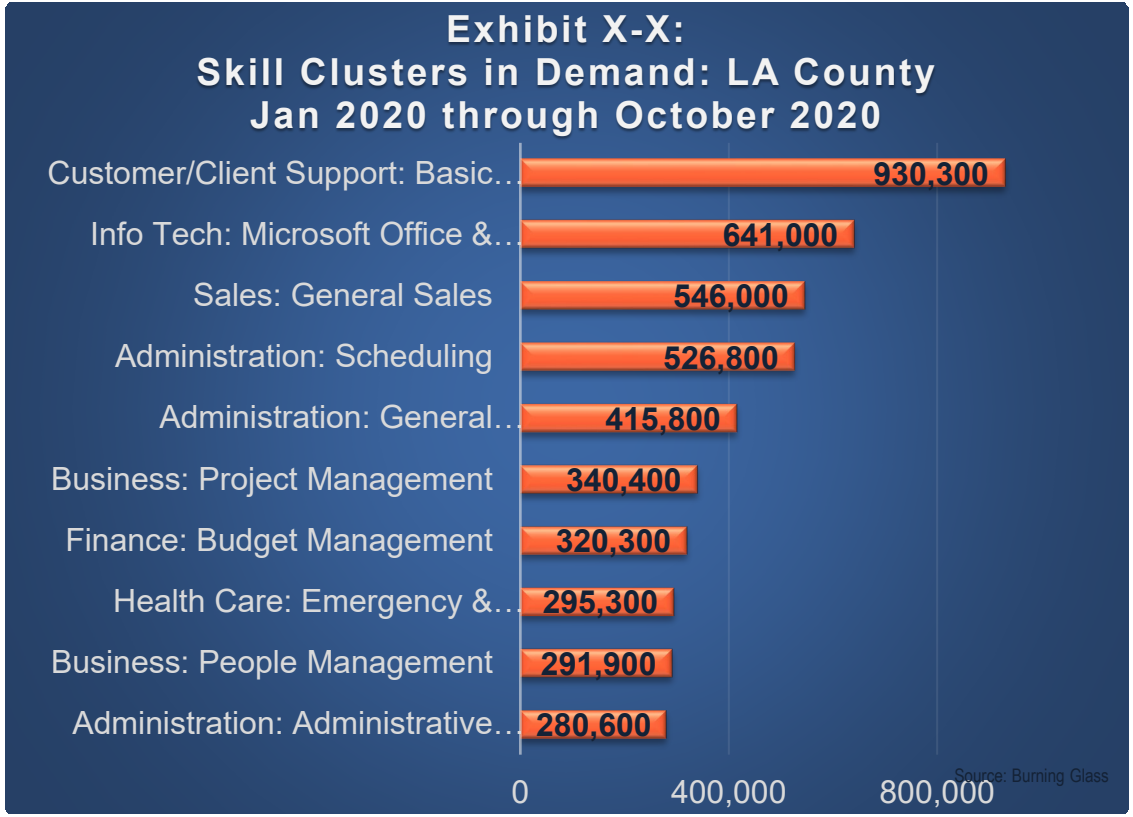


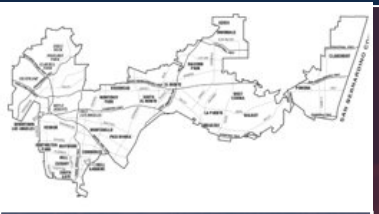
Exhibit X-X:
Skill Clusters in Demand: LA County
Jan 2020 through October 2020
Customer/Client Support: Basic…
930,300
Info Tech: Microsoft Office &…
641,000
Sales: General Sales
546,000
Administration: Scheduling
526,800
Administration: General…
415,800
Business: Project Management
340,400
Finance: Budget Management
320,300
Health Care: Emergency &…
295,300
Business: People Management
291,900
Administration: Administrative…
280,600
0
400,000
800,000
Source: Burning Glass

4

District Snapshot

Impact on District, Economic Projects, Job & Occupational Demands

Supervisor District 1



Most Impacted Groups

District 1 has higher concentrations of minority populations in comparison to other districts within LA County.

There is a higher concentration of Latinx, Asian and Black communities.

These are the populations that have been most impacted by the Pandemic.

Unemployment Figures

District 1 faced higher rates of unemployment.

41%* of those filing for unemployment within LA County are Hispanic. The highest concentration of Hispanic communities is concentrated in District 1.

Job Loss

District 1 is most impacted by permanent lay-offs throughout the county.

District 1 has a higher concentration of smaller businesses, restaurants and non-essential retail.

Needs of District

- More than 20% of the population in District 1 do not have reliable access to the internet
- Highest Unemployment Rate – in which there was **76,907** employees lost to closure & layoffs

Key Industries

- Health & Personal Care
- Non-Essential Retail
- Health Care & Social Assistance
- Construction

Industry Growth:

- Infrastructure
- Trade & Logistics
- Healthcare Services

Occupational Growth

- Healthcare Services – 13027 jobs
- Trade and Logistics – 6390 jobs
- Construction – 2734 jobs

Job Posting Total – 22,151

Stability in Job Opportunities:

Construction

Encouraging further Development in:

- Advanced Manufacturing
- Entrepreneurial Businesses

Recommendations

Accommodation& Hospitality:

1. **Rent protection & Relief**
   - Negotiate with landlords regarding small business rent
   - Eviction moratorium on small businesses
   - Payment deferral plans
2. **Modernizing Rules**
   - Streamlined outdoor dining licensing
   - Expansion of public spaces for restaurant operations

Transportation, Warehouse & Construction:

1. **Need more technical workers & trainings**
2. **Need pipeline programs**
3. **Change land use regulation to increase warehousing & storage**

Healthcare:

1. **Access to capital**
2. **Permanent telehealth infrastructure**
3. **Employment pipeline**
4. **Childcare Programs**

School Training Programs

There are several community colleges within District 3 –

The training program they offer:

Los Angeles Valley College : Healthcare & Construction

West Los Angeles College : Healthcare, Transportation, Construction

Santa Monica College: Healthcare, Transportation, Construction

WDACS Training Programs

Training programs that WDACS is currently offering in the district are focused on medical training.

There is a need for more training programs in transportation & warehousing, construction and logistics.

Supervisor District 2

Most Impacted Groups

District 2 has higher concentrations of minority populations in comparison to other districts within LA County. There is a higher concentration of Latinx, & Black communities. These are the populations that have been most impacted by the Pandemic.

Unemployment Figures

District 2 has faced one of the highest # of unemployment rates.

This has largely impacted the black community more -so in which 37% of unemployment was filed by Black individuals.

Job Loss

District 2 has had **15,232** employees lost to closure and layoffs.

District 2 has a higher concentration of smaller businesses, restaurants and non-essential retail.

Needs of District

- More than 20% of the population in District 2 do not have reliable access to the internet
- District 2 has had the highest increase in homeless population. There has been a 23% change from 2019 to 2020. Currently there is **22,754** Point-In-Time Homeless in District 2.

Key Industries

- Health & Personal Care
- Non-Essential Retail
- Health Care & Social Assistance
- Construction

Industry Growth:

- Infrastructure
- Trade & Logistics
- Healthcare Services

Occupational Growth

- Healthcare Services – 13027 jobs
- Trade and Logistics – 6390 jobs
- Construction – 2734 jobs

Job Posting Total – 22,151

Stability in Job Opportunities:

Construction

Encouraging further Development in:

- Advanced Manufacturing
- Entrepreneurial Businesses

Recommendations

Business Reopening Assistance:

Invest in small & minority-owned businesses with grants, rental assistance, and access to resources by targeting the most impacted communities. Create a one-stop shop program to facilitate permitting process and reopening of businesses.

Retraining for High Growth Industries:

Transition displaced workers to living wage career pathways found in healthcare, trade, logistics, and warehousing. Coordinate with WDACS for highroad training partnerships:

Trade & Logistics Upskilling in customer service, scheduling, and logistics.

Healthcare: Upskilling in patient care, scheduling, cardiopulmonary resuscitation

Increase Zoning Overlay – Land Use Optimization

Creation of a public-private partnership to develop underutilized county-owned properties to information, manufacturing or technology development centers; focus on the growth of minority & women owned businesses in targeted areas of high unemployment

Addressing Digital Divide:

20% of District 1 is impacted by having unreliable internet access.

Focus on target communities with limited broadband infrastructure to streamline permitting process for development of regional broadband infrastructure in partnership with local industries.

School Training Programs

There are several community colleges within District 2 –

Los Angeles Trade Tech – Trade & Logistic, Construction

Los Angeles Southwest College - Healthcare, Construction

Compton College - Healthcare, Trade & Logistics, Construction

West Los Angeles College - Healthcare, Trade & Logistics, Construction

WDACS Training Programs

- ✓ Careers For A Cause, Hire LAX, the CRDF Career Center & Hire Up
- ✓ Health Career Pathways
- ✓ Highest Concentration of AJCCs & Training Programs : Construction, Manufacturing, Industrial Tech Training

Supervisor District 3

Most Impacted Groups

District 3 has the highest concentrations of women owned businesses in comparison to other districts within LA County.

There is a higher concentration of small businesses in District 3.

Subsequentially these types of businesses have been most impacted by the Pandemic.

Unemployment Figures

District 3 faced high rates of unemployment.

District 3 a total of 13,254 employee layoffs

Job Loss

District 3 has a higher concentration of movie/ amusement sector, arts/ entertainment and non-essential retail.

These industries have been temporarily shutdown throughout the duration of the pandemic. District 3 is most impacted by temporary lay-offs.

Needs of District

- Total of 14,503 homeless population count. There was a 17% increase in 2020.
- Lack of job growth

Key Industries

- Non-Essential Retail
- Movie/ Amusement
- Arts/ Entertainment/ Recreation
- Accommodation Services sectors

Industry Growth:

- Healthcare and Social Assistance
- Construction
- Transportation & Warehousing

Occupational Growth

- Healthcare Services – 1,266 jobs
- Transportation and Warehousing – 400 jobs
- Construction – 66 jobs

Stability in Job Opportunities:

- Construction

Encouraging further Development in:

- ✓ Bio-Science
- ✓ Advanced Manufacturing
- ✓ Arts & Entertainment

Recommendations

Accommodation & Hospitality:

1. Rent protection & Relief

- Negotiate with landlords regarding small business rent
- Eviction moratorium on small businesses
- Payment deferral plans

2. Modernizing Rules

- Streamlined outdoor dining licensing
- Expansion of public spaces for restaurant operations

Transportation, Warehouse & Construction:

1. Need more technical workers & trainings
2. Need pipeline programs
3. Change land use regulation to increase warehousing & storage

Healthcare:

1. Access to capital
2. Permanent telehealth infrastructure
3. Employment pipeline
4. Childcare Programs

School Training Programs

There are several community colleges within District 3 –

The training program they offer:

Los Angeles Valley College : Healthcare & Construction

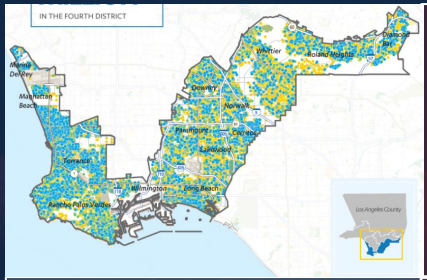
West Los Angeles College : Healthcare, Transportation, Construction

Santa Monica College: Healthcare, Transportation, Construction

WDACS Training Programs

- ✓ Training programs that WDACS is currently offering in the district are focused on medical training. There is a need for more training programs in transportation & warehousing, construction and logistics.
- ✓ Film & Digital Media; CRDF Career Center

Supervisor District 4



Unemployment Figures

District 4 experienced high unemployment rates, especially on the east end.
The one of the highest concentration of layoffs occurred in District 4.

Population & Job Growth

From 2015 to 2020, jobs increased by 3.8% in 4th District from 1,450,485 to 1,506,273. This change outpaced the national growth rate of 3.1% by 0.7%

As of 2020 the region's population declined by 1.1% since 2015, falling by 31,725. Population is expected to increase by 1.1% between 2020 and 2025, adding 30,500

Job Loss

A high concentration of job loss was in District 4 in which 31,102 jobs were lost due to business closures & layoffs

Needs of District

- Reduction of Homeless Population within District 4 (-2%) from 2019-2020. Need to be continued efforts
- More training opportunities
- Increased investment of resources
- 4th District has a high % of small businesses : 31.9% of businesses have between 1 -4 employees – there are 30,383 small businesses

Key Industries

- Health Care & Social Assistance
- Construction
- Arts / Entertainment / Recreation
- Accommodation Services

Potential Growth:

- Infrastructure
- Trade & Logistics
- Transportation & Warehousing
- Construction
- Healthcare Services
- Personal Care Services

Occupational Growth

- Healthcare Services – 5,046 jobs
- Trade and Logistics – 4,357 jobs
- Construction – 702 jobs
- Job Posting Total – 10,105

Stability in Job Opportunities:

Infrastructure,
Trade & Logistics
Transportation & Warehousing

Encouraging further Development in:

- Construction
- Transportation & Warehousing

Recommendations

Retraining for High Growth Industries:

Transition displaced workers to living wage career pathways found in healthcare, trade, logistics, and warehousing.

Coordinate with WDACS for highroad training partnerships:

Trade & Logistics Upskilling in customer service, scheduling, and logistics.

Healthcare: Upskilling in patient care, scheduling, cardiopulmonary resuscitation

Increase Zoning Overlay – Land Use Optimization

Creation of a public -private partnership to develop underutilized county -owned properties information, manufacturing or technolo gy development centers focus on the growth of minority & women owned businesses in targeted areas of high unemployment

Business Reopening Assistance

School Training Programs

There are several community colleges within District 4

Long Beach City College – Healthcare, Trade & Logistics, Construction

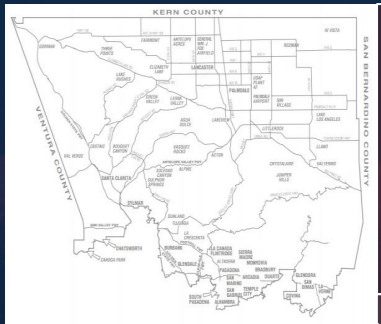
Rio Hondo College – Healthcare, Trade & Logistics, Construction

El Camino College – Healthcare, Trade & Logistics, Construction

WDACS Training Programs

The focus of many of the training programs for this area is in trucking, manufacturing, trade & logistics

Supervisor District 5



Most Impacted Groups

District 5 has a distribution of minority populations. There is a high concentration of individuals that have low levels of educational attainment, which is reported to be one of the most impacted groups based off of unemployment rates.

Unemployment Figures

District 5 experienced a high level of unemployment. Lancaster, & Palmdale face much higher unemployment rates in comparison to other regions

Job Loss

A high concentration of job loss was in District 5 in which 19,009 jobs were lost due to business closures & layoffs

Needs of District

In District 5 there has been a 20% increase in homeless population (#s from 2019-2020), creating a approximate total of 7,929 people experiencing homelessness.

Highest percentage of population that does not have a High School Education

More than 20% of the population in District 5 do not have reliable access to the internet

Key Industries

- Health & Personal Care
- Non-Essential Retail
- Health Care & Social Assistance
- Construction

Industry Growth:

- Infrastructure
- Trade & Logistics
- Healthcare Services

Occupational Growth

- Healthcare Services – 5,995 jobs
- Trade and Logistics – 2,523 jobs
- Construction – 572 jobs

Job Posting Total – 9,090

Stability in Job Opportunities:

- Transportation & Warehousing
- Healthcare

Encouraging further Development in:

- Trade & Logistics
- Infrastructure
- Transportation & Warehousing
- Healthcare
- Arts & Recreation

Recommendations

Retraining for High Growth Industries:

Transition displaced workers to living wage career pathways found in aerospace, healthcare, trade, logistics, and warehousing.

Coordinate with WDACS for highroad training partnerships for: Trade & Logistics, Aerospace, Warehousing & Transportation

Focus on employment training programs for individuals, offer industry recognized certification, focusing on developing soft skills (Technical Writing, P&L Reporting, Customer Service, Data Input, Management, Scheduling, and Budgeting) & technical skills (Microsoft Office, Coding Languages, Social Media Platforms)

Increase Zoning Overlay – Land Use Optimization

Creation of a public-private partnership to develop underutilized county-owned properties information, manufacturing or technology development centers focus on the growth of minority & women owned businesses in targeted areas of high unemployment

Addressing Digital Divide:

20% of District 5 there is unreliable internet access.

Focus on target communities with limited broadband infrastructure to streamline permitting process for development of regional broadband infrastructure in partnership with local industries.

School Training Programs

There are several community colleges within District 5 –

Antelope Valley College – Healthcare, Trade & Logistics, Construction
College of the Canyons – Healthcare, Construction
Citrus College – Healthcare, Trade & Logistics, Construction

WDACS Training Programs

- ✓ Northrop Grumman & Aircraft Fabrication & Assembly (AFAB) Program
- ✓ AJCCs in the area have a focus on developing skills in aerospace/ aircraft, trucking, warehousing and logistics

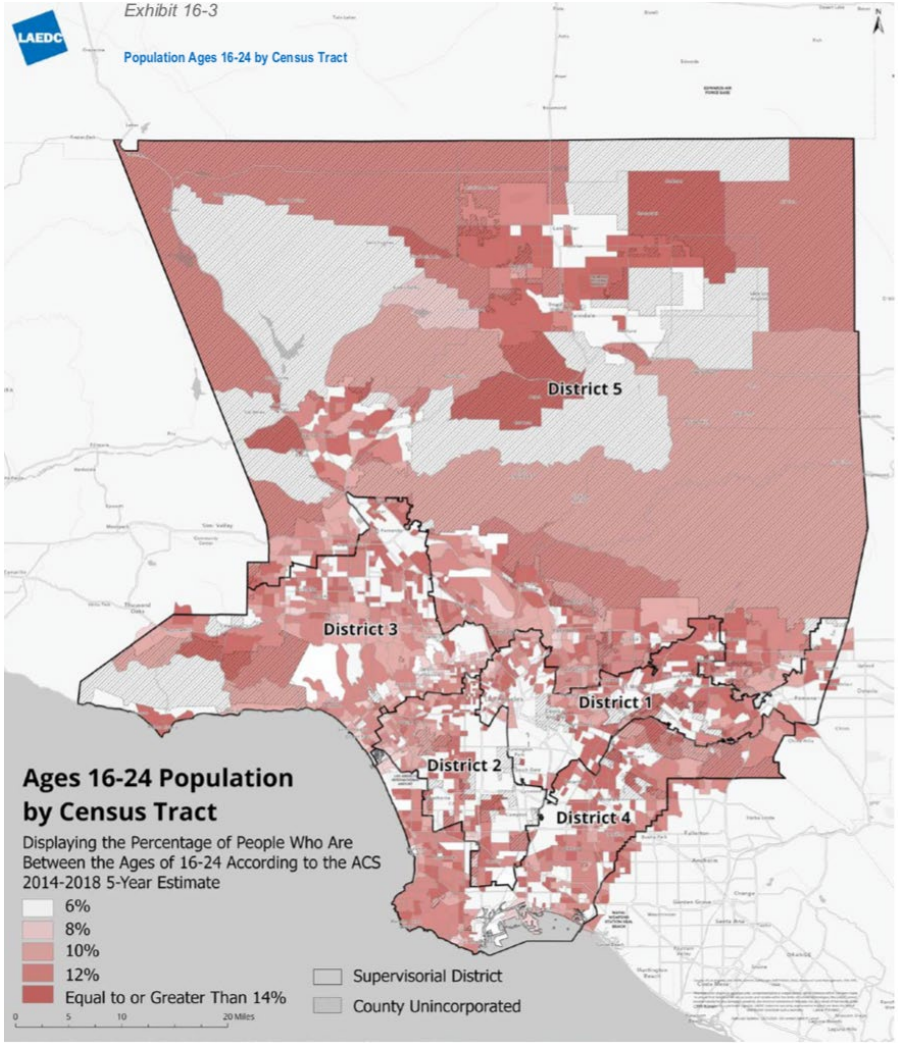
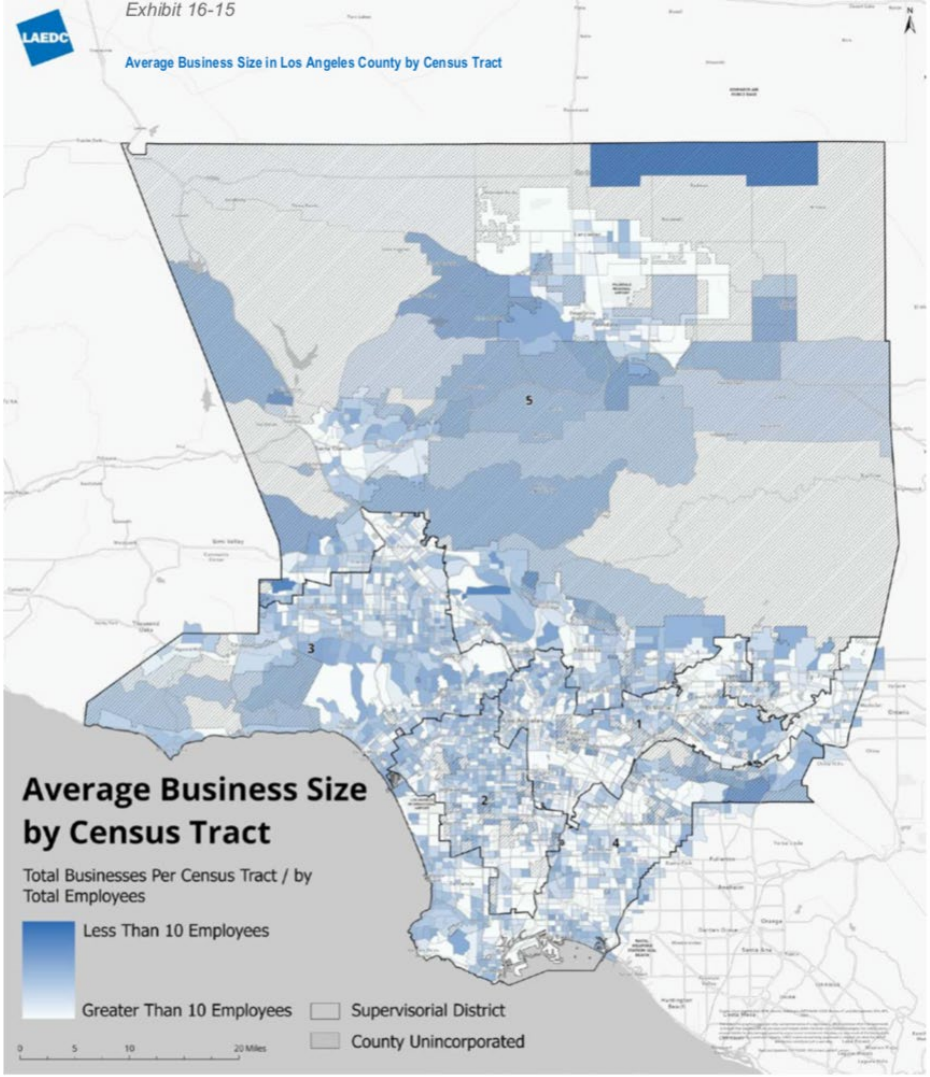
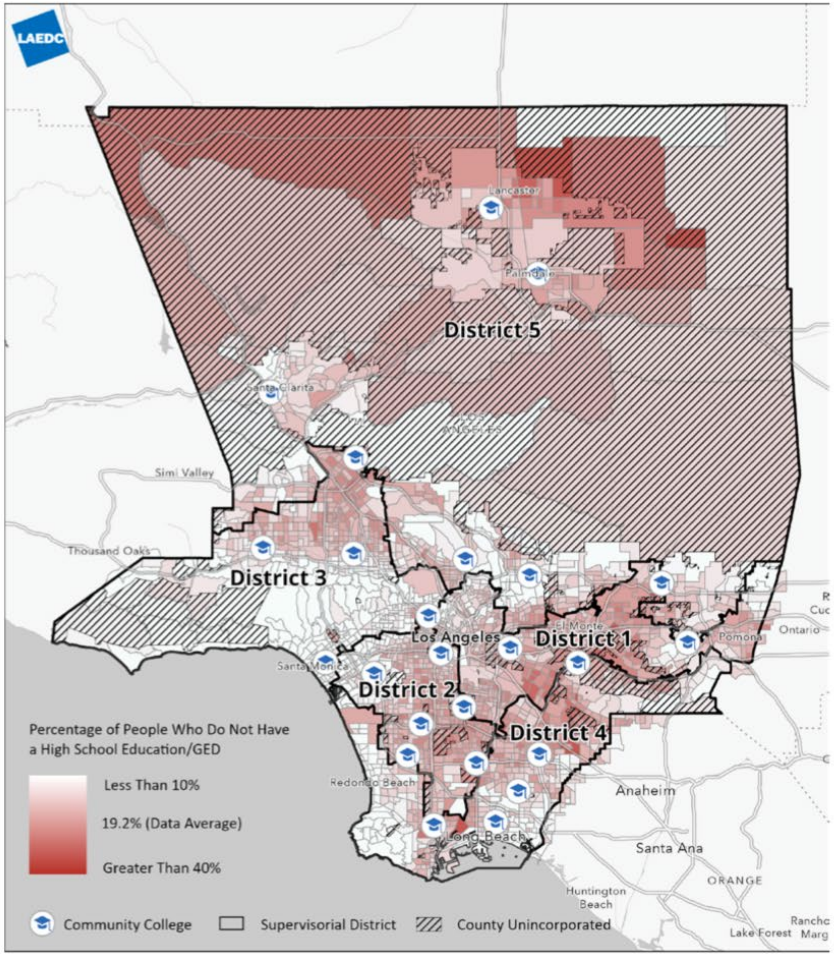


Exhibit 16-3
LAEDC
Population Ages 16-24 by Census Tract
District 5
District 3
District 1
District 2
District 4
Ages 16-24 Population by Census Tract
Displaying the Percentage of People Who Are Between the Ages of 16-24 According to the ACS 2014-2018 5-Year Estimate
6%
8%
10%
12%
Equal to or Greater Than 14%
Supervisorial District
County Unincorporated
0
5
10
20 Miles

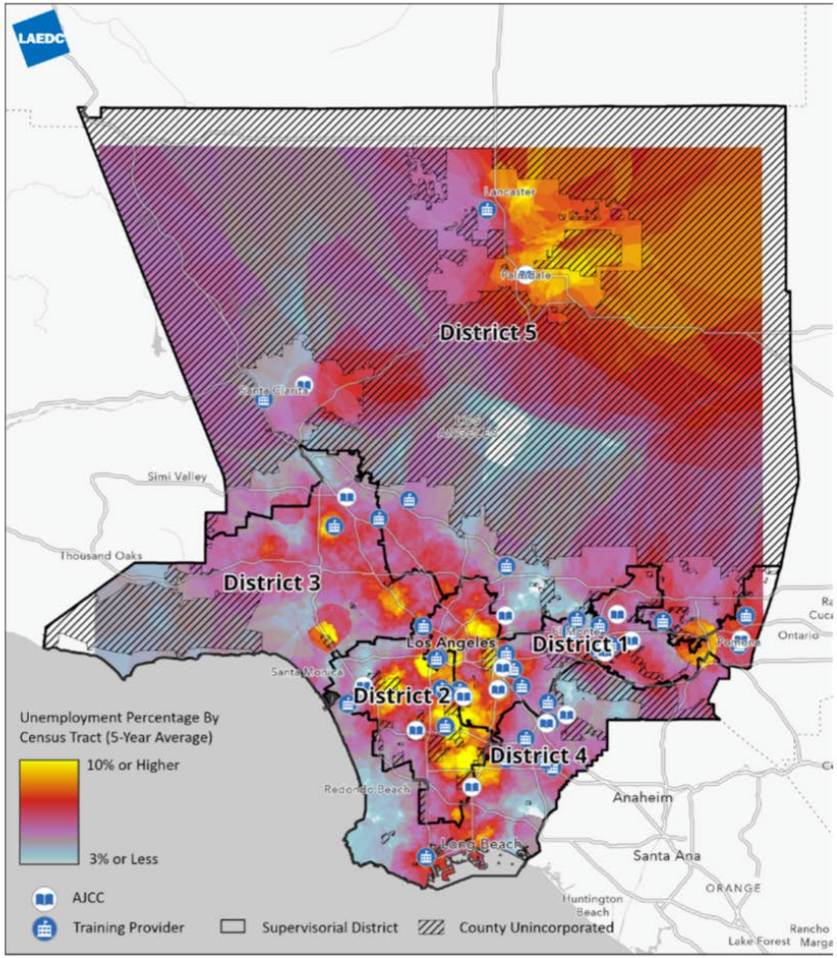
Exhibit 16-15

Average Business Size in Los Angeles County by Census Tract





Community Colleges in Relation to Education (ACS 2014-2018)



AJCC & Training Centers in Relation to Unemployment (ACS 2014-2018)

Economic Recovery
Recommendations

Regional strategy

1. Training for High Growth Industries
2. Placing Dislocated Workers in High Growth Industries
3. Increase Opportunities for Employees
4. Covid-19 Safety
5. Business Reopening Assistance
6. Land Use Optimization
7. Digital Divide
8. Child Care

Regional Strategy: Recommendations & Progress

1 Training for High Growth Industries

Need coordinated business attraction & expansion strategy, including commitment to career development in high growth industries for target populations (Proterra)

2 Placing Dislocated Workers in High Growth Industries

Online system to match dislocated works w/ opportunities, expanded outreach

Hiring subsidies (OJT)

3 Increase Opportunities for Employees

Public campaign to reduce discriminatory job posting practices

Fair Chance Hiring

4 Covid-19 Safety

Safer at Work Los Angeles

PPE Unite

Reliable PPE sourcing via online matching system

Regional Strategy: Recommendations & Progress

5 Business Reopening Assistance

Grants, rental assistance

Streamlined permitting, procurement

Permitting ombudsman

6 Land Use Optimization

Develop County properties into industry centers focused on the growth of minority & women owned businesses in targeted high unemployment areas

7 Digital Divide

Access to broadband internet via subsidies & regional infrastructure

Provide quality career pathways

8 Child Care

Expand childcare access through vouchers, provider grants, and new services including transportation

Economic Overview

COVID-19 has devastated the economy and as a result, the region lost 9.8% of its jobs. In just the first two months of the Safer at Home order, over 716,000 jobs were lost in LA County. Nearly 30% of those jobs lost have been recovered in the following 5 months, but over 500,000 jobs remained unrecovered.

As a County, it is imperative that we make proactive measures to address these economic gaps.

Thanks!

- Board Offices have Executive Summary
- Full report live next week
- Social media toolkit next week