

The Economics of Change:

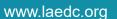
California's Position in a Shifting Nation



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Presentation Outline

- National Overview
- California's Economic Drivers
- Four County Spotlights
 - Los Angeles County
 - San Bernardino County
 - San Diego County
 - Humboldt County
- Challenges Ahead
- Forecasts



The Macroeconomic Backdrop:

United States



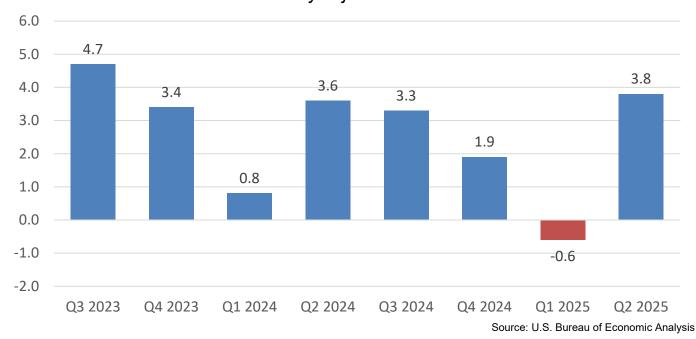
Why this matters for county auditors...

- The Macroeconomy Impacts Budgets
 - Revenues
 - Property, sales/use, TOT, fees/transfers
 - Expenditure pressures
 - Labor, healthcare, pensions, capital, debt service
- How?
 - Interest rates, tariffs/trade, inflation, migration/housing, labor force participation, sector shifts, etc.

Current U.S. Economic Growth

- Revised figures show that real gross domestic product (GDP) grew at a robust annual rate of 3.8 percent in Q2 2025
- This represents a significant snapback from the 0.5 percent contraction from Q1 2025

Real GDP, Percent Change from Preceding Quarter Seasonally Adjusted Annual Rates



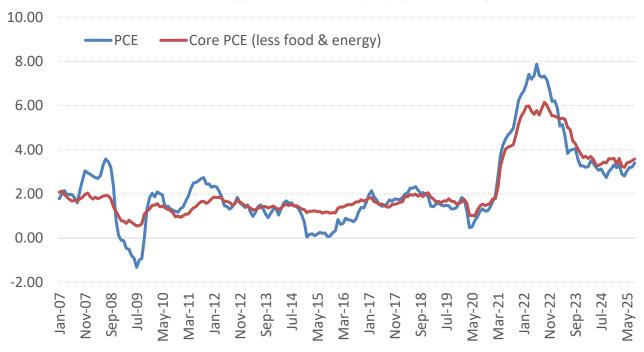
Note: Overall, real GDP growth measured 2.9% in 2023 and 2.8% in 2024



Inflation (PCE)

- PCE: reflects changes in prices of goods and services purchased by consumers in the US
 - Y-Y Percent Change
 - August 2025 +2.7%
 - July 2025 +2.6%
 - June 2025 +2.6%
 - May 2025 +2.5%
- Core PCE: excludes prices for food, shelter and energy which can be volatile
 - Y-Y Percent Change:
 - August 2025 +2.9%
 - July 2025 +2.9%
 - June 2025 +2.8%
 - May 2025 +2.8%



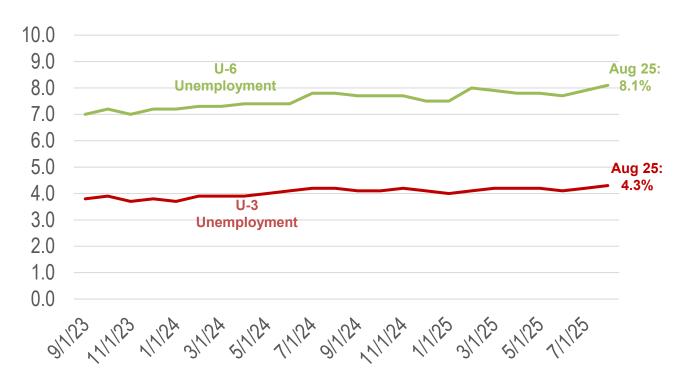


Note: Inflation remains elevated relative to the Fed's stated target of 2.0%

Current U.S. Unemployment

- The labor market showing signs of softening, has become the greater source of tension within the Fed's dual mandate of maximum employment and price stability.
- The official unemployment rate (U-3) ticked up slightly to 4.3% from 4.2% the previous month
- An alternative measure of unemployment (U-6) also increased to 8.1% from 7.9% the previous month

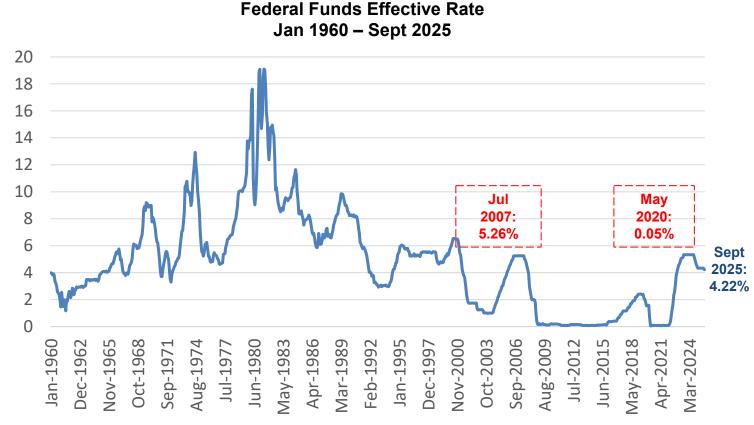
U.S. Unemployment Rate Sep 2023 – Aug 2025, Seasonally Adjusted





Federal Funds Rate

- Now more concerned about the labor market than inflation.
- September 17th was the first reduction in borrowing costs since December
- Powell cites it as "risk management" shoring up the economy versus responding to an economic downturn
- Fed still expected to cut rates by 25bps this month (Oct), but data delays due to gov't shutdown will lower Fed policymaker's confidence





U.S. Economic Projections

- The median projection for real Q4/Q4 GDP growth was upgraded to 1.6 (previously 1.4%) in 2025 and 1.8% in 2026 (previously 1.6%), while the long-term outlook remained unchanged at 1.8%
- The median year-end unemployment forecast was unchanged for 2025 at 4.5%, while 2026 and 2027 were each nudged lower by a tenth of a percentage point to 4.4% and 4.3%, respectively

Median Economic Projections of Federal Reserve Board Members and Federal Reserve Bank Presidents (September 2025)

	2024 (Actual)	2025	2026	2027	Longer Run
Change in Real GDP	2.8	1.6	1.8	1.9	1.8
June Projection		1.4	1.6	1.8	1.8
Unemployment Rate	4.1	4.5	4.4	4.3	4.2
June Projection		4.5	4.5	4.4	4.2

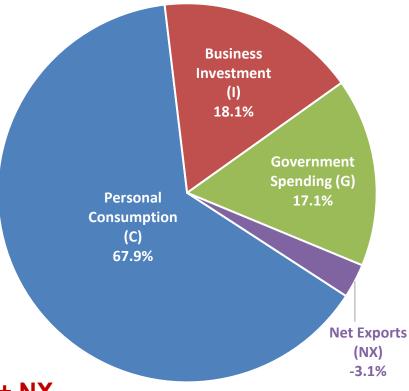


Components of US Economy (GDP)

- Personal consumption makes up about 68% of US GDP
 - Services represent about 47% of total GDP
 - Non-durable goods account for about 14% of GDP
 - Durable goods represent the smallest slice at 7.4%
- Business investment drives long-term growth and job creation
 - Most volatile part of GDP, businesses make large, infrequent decisions based on future expectations
- Gov't spending is direct purchases of goods and services
 - Spending on equipment, personnel, education, public safety, and infrastructure spending. Excludes transfer payments.)
- Net exports, the US has run trade deficits for decades, meaning this component subtracts from overall GDP
 - In 2024, net exports were -3.1% of GDP

GDP Equation: Y = C + I + G + NX

Percentage of GDP (2024)

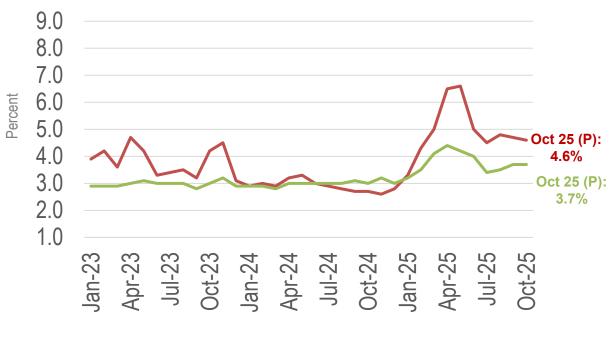


Source: U.S. Bureau of Economic Analysis

Consumer Expectations

- Consumers' expectations of inflation in the following 12 months may be stabilizing at around 4.6%
- Consumers' expectations of inflation in the next 5 years are also leveling off around 3.7%

University of Michigan Expected Changes in Prices Jan 2023 – Oct 2025



Inflation in the Next Year

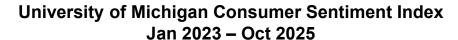
Inflation in the Next 5 Years

Source: University of Michigan



Consumer Sentiment

- The preliminary reading of consumer sentiment in October of 55.0 follows September's 55.1 reading
- The apparent plateau in consumer sentiment is only slightly higher than the lowest levels recoded over the past two years





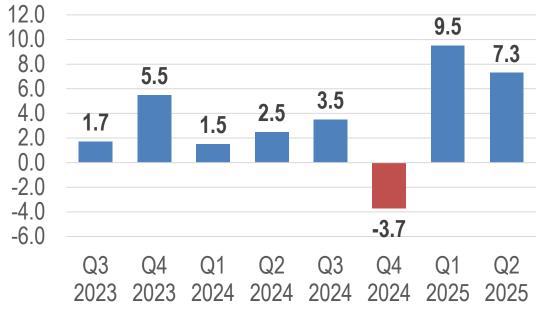
Source: University of Michigan



U.S. Business Investment

- After dropping at the end of 2024, nonresidential fixed investment has seen significant growth in 2025
- Growth in Q1 2025 was driven by business spending on equipment, while growth in Q2 2025 came primarily from spending on intellectual property products

Real Nonresidential Fixed Investment, Percent Change from Preceding Quarter Seasonally Adjusted Annual Rates



Source: U.S. Bureau of Economic Analysis

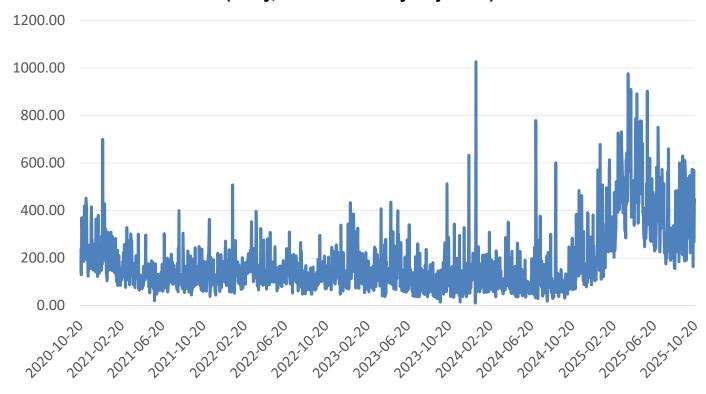
Note: Q4 2024 included the U.S. Presidential election



Economic Policy Uncertainty Index

- Focuses on the economic effects of government policies, rather than financial and economic conditions
- Economic policy uncertainty rises during periods of economic turmoil: It spiked in 1998 during the Asian financial crisis, in 2008 at the onset of the Great Recession, and in 2020 as COVID pandemic lockdowns began.
- The EPU index began rising persistently in late 2024.

Economic Policy Uncertainty Index for United States, (Daily, Not Seasonally Adjusted)

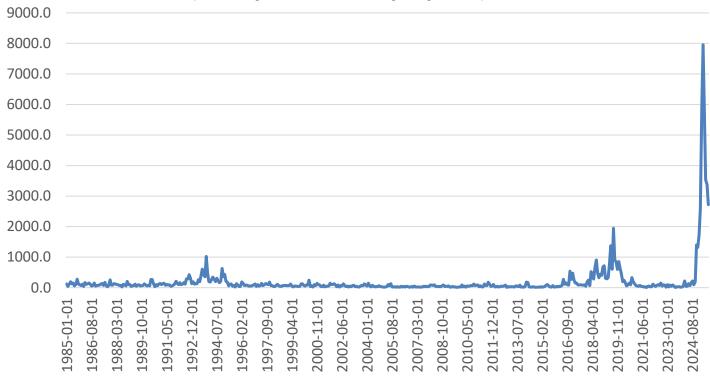




Trade Policy Uncertainty Index

- Recent uncertainty, which began rising in 2024, has been especially pronounced for trade policy
- By February 2025, it had jumped to almost 2500, which implies close to 25 times more uncertainty than the norm.
- The most recent increase in trade policy uncertainty corresponds to the announcements of new tariff policies by the Trump administration throughout early 2025.





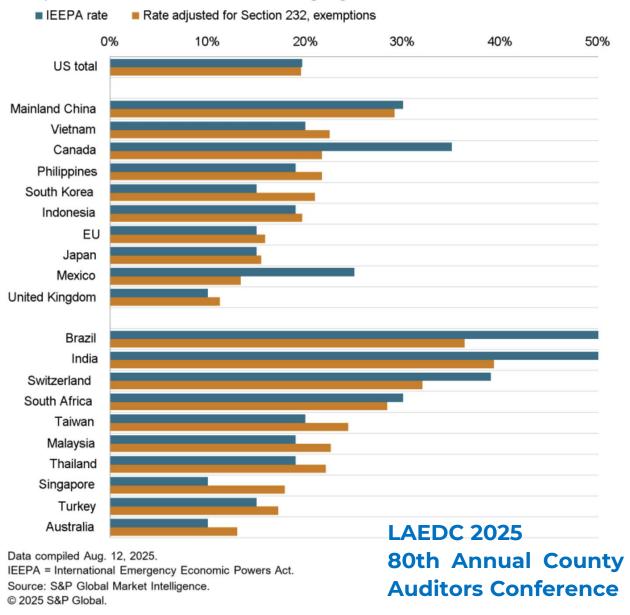


A Quick Note on Tariffs

- A tariff is a tax imposed on the companies that import certain foreign goods
- Companies then can pass some or all of that tax onto consumers
- Companies also can choose to import fewer foreign goods

Average tariff rate at 20% following multiple announcements

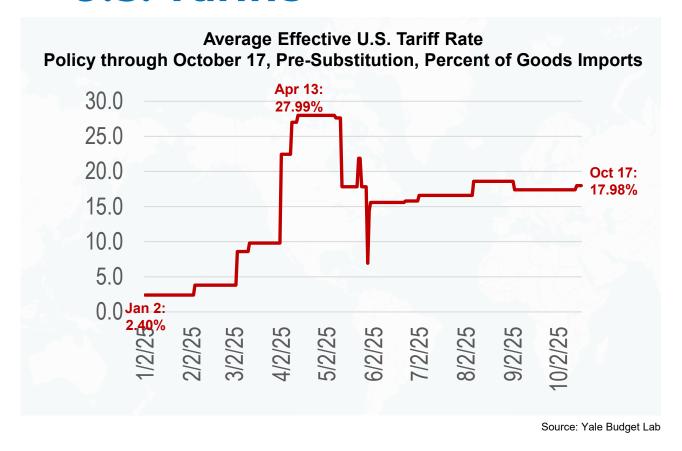
US import tariff rates based on 2024 trade flow weightings





- Consumers face an overall average effective tariff rate of 17.98%. On an annual basis, the last time tariffs averaged this level was 1934
- This year, the higher tariffs have caused the price level to rise by 1.3% in the shortrun. This is equivalent to an income loss of \$1,800 for the average household

U.S. Tariffs





The San Pedro Bay Port Complex Ranks Globally

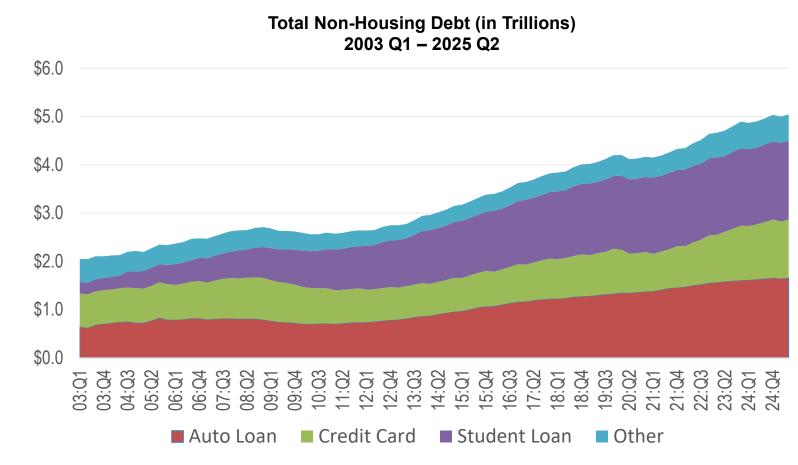
- Increased exposure to impacts of tariffs due to POLA and POLB's throughput levels
- A large portion of the local economy relies on imports and exports, making it sensitive to tariff changes
- Local businesses that rely on global supply chains could face higher costs and disruptions, leading to higher prices for consumers.

Global Top Container Ports Number of TEUs						
Rank	Port	Country	2023	2024	% change	
1	Shanghai	CN	49,158,000	51,510,000	4.8%	
2	Singapore	SG	39,012,900	41,124,100	5.4%	
3	Ningbo - Zhoushan	CN	35,300,000	39,300,000	11.3%	
4	Shenzhen	CN	29,880,000	33,400,000	11.8%	
5	Qingdao	CN	28,760,000	30,870,000	7.3%	
6	Guangzhou	CN	25,100,000	26,070,000	3.9%	
7	Busan	KR	23,140,000	24,400,000	5.4%	
8	Tianjin	CN	22,190,000	23,290,000	5.0%	
9	LA & Long Beach	US	16,648,349	19,947,076	19.8%	
10	Jebel Ali	AE	14,472,000	15,530,000	7.3%	



Non-Housing Debt Balance

- Total household debt increased by \$185 billion to hit \$18.39 trillion in 2025 Q2
- Credit card balances increased by \$27 billion in 2025 Q2, a 5.87% annual increase
- Credit card balances now stand at \$1.21 trillion
- Auto loan balances increased by \$13 billion, continuing the upward trajectory that has been in place since 2011

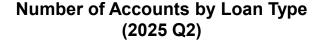


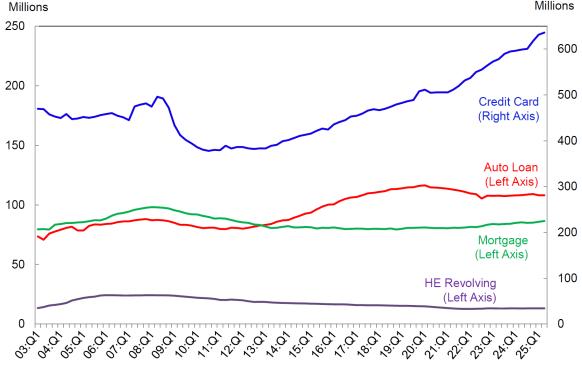




Number of Accounts by Loan Type

- Credit Card Accounts: The number of credit card accounts has shown a steady increase over time, reaching approximately 600 million in 2025Q2, making it the most prevalent loan type.
- Mortgage Accounts: Mortgage accounts have been consistent over the years, hovering around 50 million in 2025Q2.
- Overall Trend: Credit card accounts dominate in terms of volume, while other loan types like auto loans, mortgages, and HELOCs show more stability and slower growth.



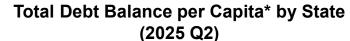


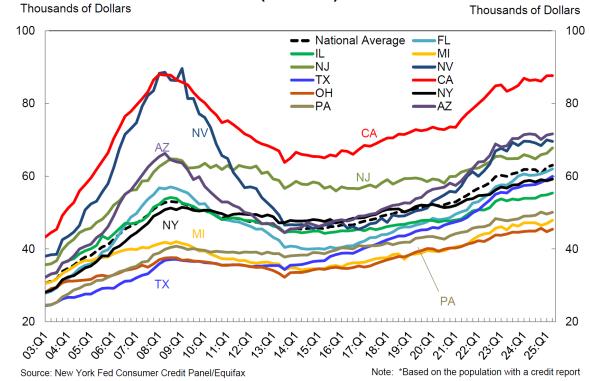
Source: New York Fed Consumer Credit Panel/Equifax



Total Debt Balance per Capita by State

- California's debt balance per capita is among the highest in the U.S., exceeding the national average.
- Mortgage debt dominates California's debt composition, followed by auto loans, credit cards, student loans, and HELOC balances.
- California has a relatively high proportion of current debt, with lower levels of severely derogatory or late balances compared to states like Nevada and Florida.







A Macroeconomic Recap...

- Economic Uncertainty continues to be the theme for 2025
- Inflation remains elevated relative to the Fed's stated target of 2.0%,
- The Federal Reserve is now more concerned about the softening labor market and shoring up the economy than inflation
- Economic policy uncertainty began rising persistently in late 2024, with Trade Policy Uncertainty Index
 jumping to unprecedented highs due to tariffs
- Home to a globally ranked port complex and a sizeable trade and logistics sector, California is extremely
 vulnerable to the downstream effects of the tariffs.
 - Waiting to see the ruling of the U.S. Supreme Court (SCOTUS) on the legality of the tariffs; it will hear the case in early November
- Debt balances are rising, with the number of credit card accounts showing a steady increase over time.
 - California's debt balance per capita is among the highest in the U.S.; however, has a relatively high proportion
 of current debt





Economic Conditions October 2025:

California



California by the Numbers

California Overview

- Population: 9.8 million in 2024
 - 1 in 9 US residents live in CA, making it the most populous state in the US
- **GDP:** \$4.1 trillion in 2024
 - 4th largest economy in the world
- Diverse Economy:
 - Silicon Valley is a center of tech innovation
 - Central Valley produces over 400 commodity crops
 - Southern California is an iconic tourism destination

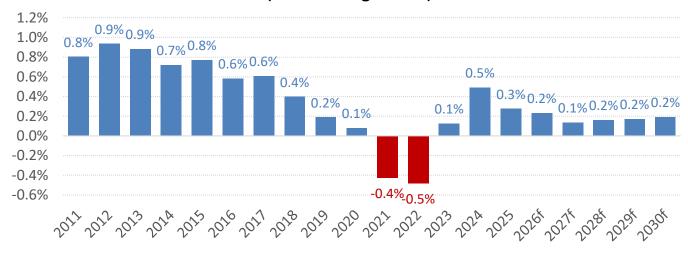




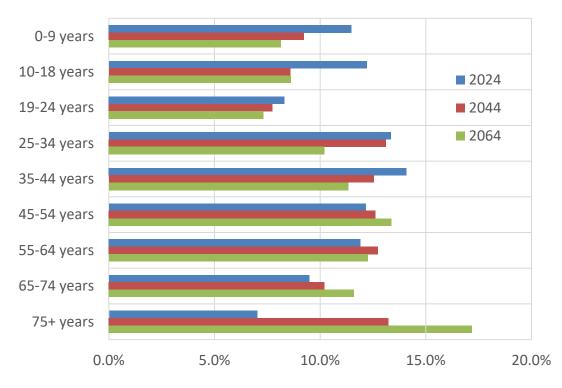
California Population by Age

- Factors Influencing Our Future Population
 - Ageing Population
 - Declining birth rates
 - Migration to other areas
 - Immigration issues

Year-over-year Percent Change in CA Population (2011 through 2025)



Distribution of Resident Population by Age Group In CA in 2024, and forecast for 2044 and 2064



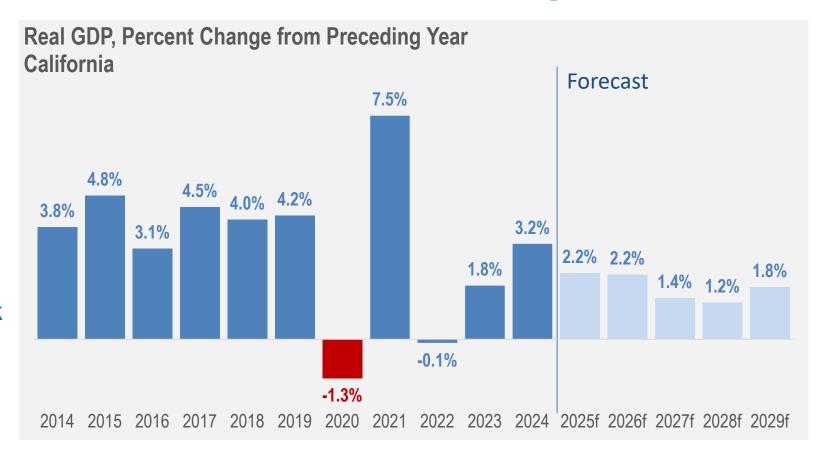
Source: CA Dept of Finance, Demographic Unit



The Current Economic Backdrop

The California Economy:

- Slower growth expected
- Labor market relatively stagnant, with unemployment inching upwards (softening)
- Fed's recent interest rate cut signals they don't want to risk a recession despite their inflation concerns

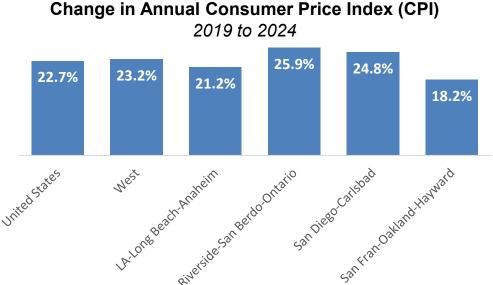


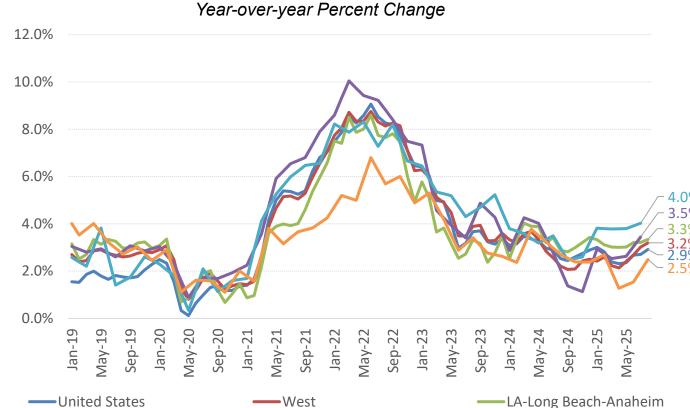
——San Fran-Oakland-Hayward



A More Regional Look at Inflation (CPI)

- Compared to the rest of the United States, most CA regions have elevated prices in 2025
- Changes in CPI vary across regions





Consumer Price Index (CPI)



Inflation Measures: PCE Versus CPI

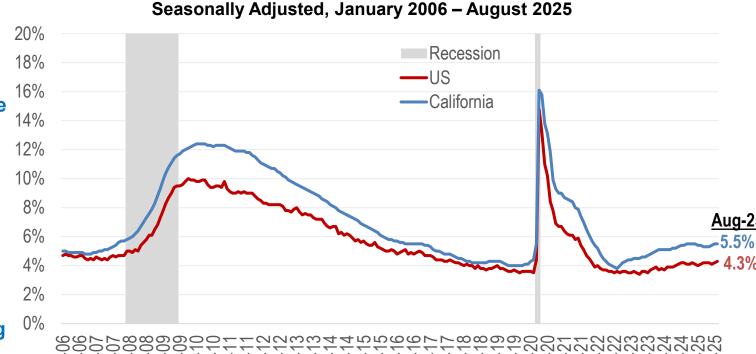
Feature	CPI (Consumer Price Index)	PCE (Personal Consumption Expenditures Price Index)		
Produced by	Bureau of Labor Statistics (BLS)	Bureau of Economic Analysis (BEA)		
Purpose	Measures changes in out-of-pocket prices paid directly by consumers for a fixed basket of goods and services.	Measures changes in prices of all goods and services consumed by households, whether paid by them or on their behalf (e.g., employer-paid health insurance).		
Base of Comparison	Fixed "market basket" updated roughly every 2 years.	Flexible weights that change each quarter to reflect current spending patterns.		
Scope	Urban consumers (~93% of population).	All households, urban and rural, plus nonprofit spending on behalf of households.		
Used by	Cost-of-living adjustments (COLAs), tax brackets, contracts, local government budgeting.	Federal Reserve's preferred inflation measure for monetary policy.		





Unemployment Rate in California

- The unemployment rate in California stayed flat at 5.5% between July and August 2025.
- The CA rate has been increasing slightly over the year, moving from 5.3% in March, April and May, to 5.4% in June, and 5.5% in July and August,
- CA rate remaining within 5.0%–5.5% range since Oct 2023.
- The U.S. unemployment rate has been increasing by 0.01 percentage point over the last three months from 4.1% in June to 4.3% in August.





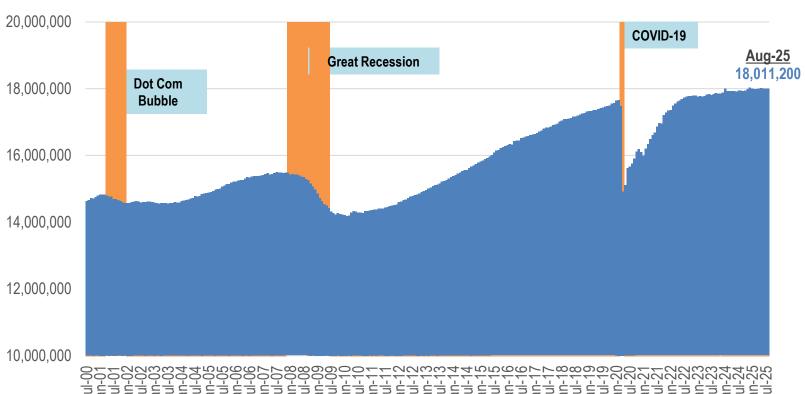


Nonfarm Employment in California

- Total nonfarm employment in CA stood at 18.0 million in Aug 2025.
- Month over month, employment ticked up slightly by 3,800 jobs (+0.002%) from July to Aug.
- However, compared with Aug 2024, total nonfarm employment is up by 69,500 jobs (+0.4%).

Monthly changes in nonfarm employment have ranged between 0.1% and +0.1% since Jan 2025.





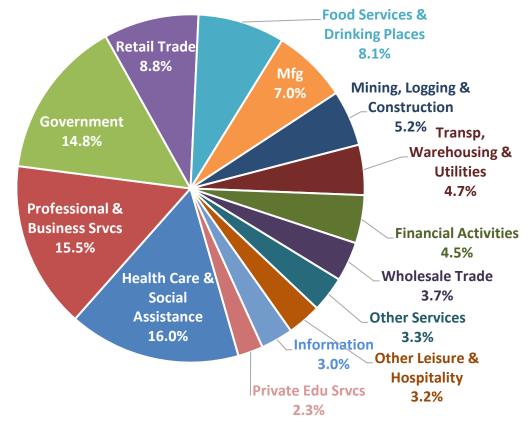


California Employment by Industry

Payroll Employment Distribution by Industry, 2024

Top Employer Industries

- Health Care & Social Assistance: 2.87 million (16%)
- Professional Business Services: 2.79 million (15.5%)
- Government: 2.66 million (14.8%)
- Retail Trade: 1.59 million (8.8%)
- Food Services & Drinking Places: 1.45 million (8.1%)
- Manufacturing: 1.25 million (7.0%)



Farm Jobs in 2024: 412,700



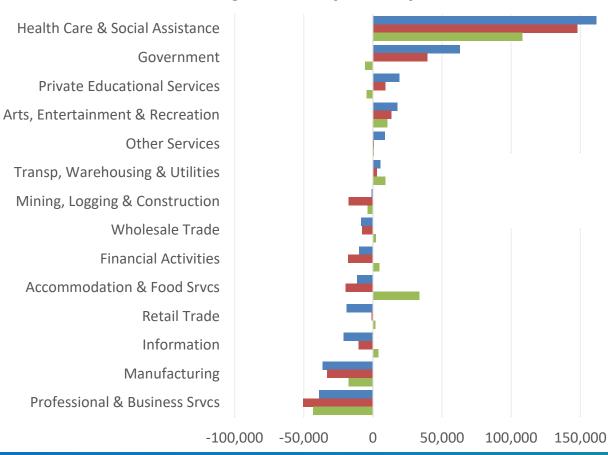
California Employment by Industry

Year-Over-Year Change in Jobs by Industry, 2023 to 2024



Healthcare and government have consistently been top ranked for adding jobs in the past, proving them to be resilient. That resiliency is now at risk due to federal funding cuts, policy shifts and budget deficits.

Year-Over-Year Change in Jobs by Industry, 2023 to 2026f





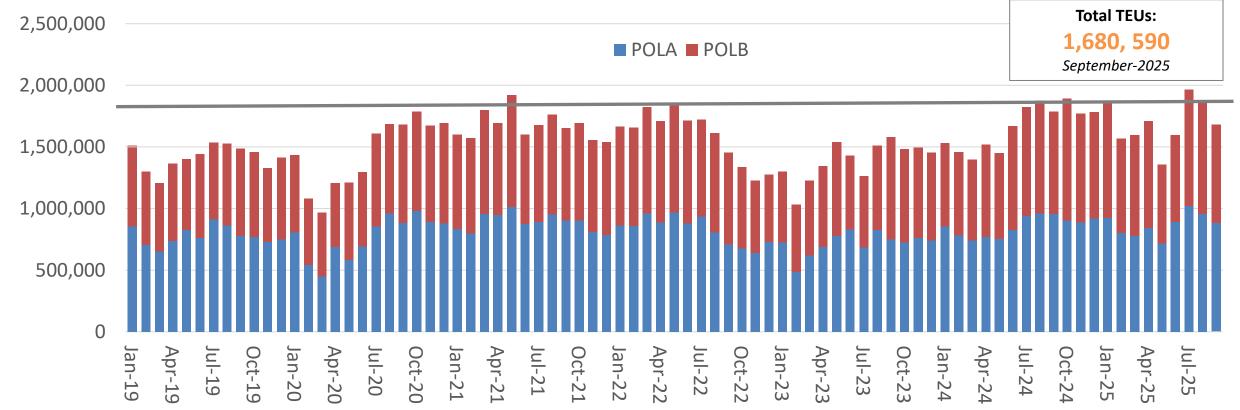
Sector Check:

Trade & Logistics



Container Traffic at the San Pedro Bay Ports







Trade Flow Trends and Challenges -Before the Tariffs



- Between 2018 and 2023, total trade flows in SoCal declined by 5.0% (tonnage) and 7.7% (value) due to global supply chain disruptions, pandemic-related slowdowns, and labor challenges at West Coast ports.
- In contrast, Savannah experienced significant growth (+22.3% in tonnage), while New York/New Jersey and Houston performed better than Southern California.
- Major competing ports are making multi-billion-dollar investments to capture more market share:
 - ➤ New York/New Jersey: Expanded rail capacity and warehousing.
 - > Savannah: \$4.5 billion planned for terminal expansions.
 - ➤ Houston: Strengthening container terminals and cargo handling.
 - ➤ Charleston and Norfolk: Focused on deep-water expansion and intermodal efficiency.

Competition from East Coast and Gulf ports is intensifying due to infrastructure investments, changing trade routes, and labor advantages



Sector Check:

Healthcare



EXECUTE: 80th Annual County Auditors Conference

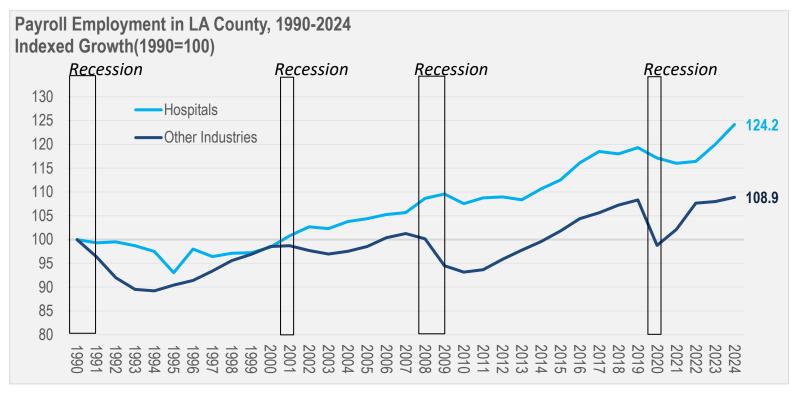
Historically More Resilient Employment

Hospital employment displays more resiliency during downturns and disruptions compared to other industries

Job growth from 1990 to 2024:

Hospitals: 24.3%

Other Industries: 8.9%



Source: U.S. Bureau of Labor Statistics, CES

124,800 Payroll Jobs in Hospitals in 2024.

2.7% of LA County's 4.59M Total Payroll Jobs



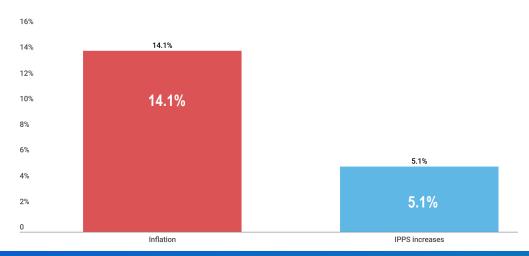


The Financial Health of Hospitals

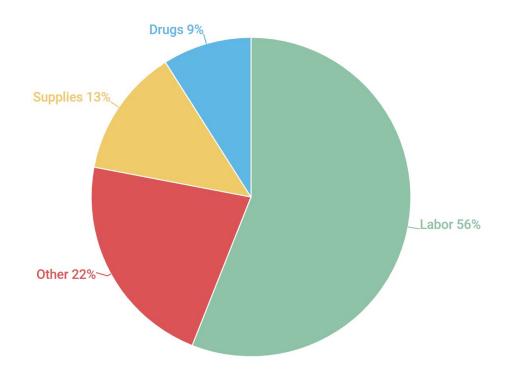
The Industry is Facing Challenges

- Rising costs (labor, supplies)
- Reimbursement lagging behind inflation
- Seismic retrofit costs looming

Inflation vs IPPS increases (FY 2022-2024)



Breakdown of hospital expenses (2024)



Source: AHA



Hospital Industry Stressors

- Medicare/Medicaid reimbursement at risk
 - One Big Beautiful Bill Act (H.R.1)
- Seismic retrofitting requirements
 - 2030 compliance deadline
 - Billions in costs statewide
 - Trade-offs: investments in care vs. buildings
- Immigration policy impacts
 - Immigration policy fears affect patient access
- Labor issues
 - Attrition, burn out, high cost of labor, minimum wage requirements, and more expensive contract staff to address shortages

LAEDC 2025 80th Annual County Auditors Conference

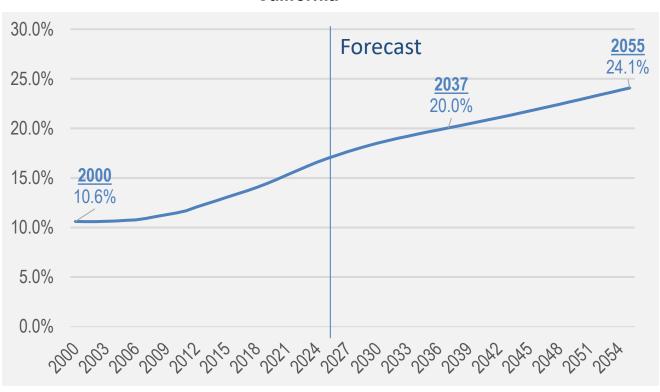




Patient and Demand Trends

- California's population continues to age (silver tsunami)
- By 2055, residents 65 years and older in California are projected to:
 - Account for over 24% of the resident population
 - Reach 9.6 million
 - Have grown by 167% (+6 million residents) from 2000
- Behavioral health demand rising
- Emergency departments as safety nets

Share of Resident Population Ages 65 Years and Older California





Sector Check:

Tourism

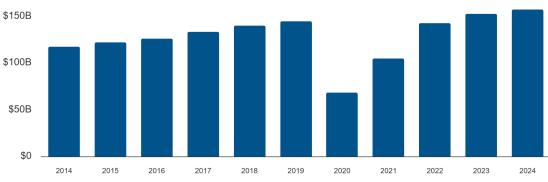


Travel spending in California

\$200B



- In 2024, travel spending in California reached \$157.3 billion (a 3.0% increase from 2023)
- The total number of travel-supported jobs in CA reached about 1.2 million in 2024 (a 2.1% increase from the previous Travel spending by industry segment year)
- Travel-generated state and local tax revenue grew to \$12.6 billion in 2024, (a 3.1% increase from 2023)
- Visitors who stayed in a hotel, motel or short-term vacation rental (STVR) spent \$81.1 billion in 2024 (up 3.4% compared to 2023)
- Coastal/destination counties have higher TOT sensitivity
- 2025 forecast is slight growth/flat with volume dips







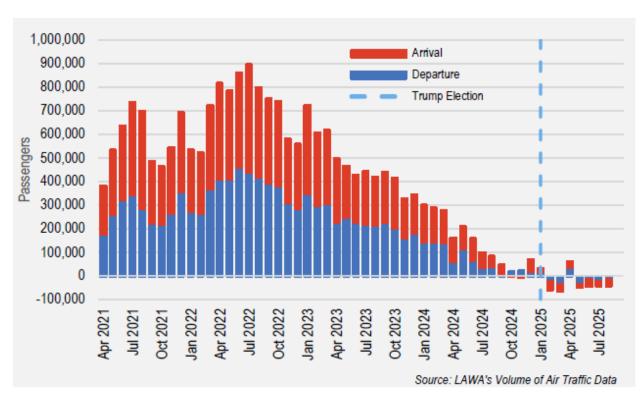


Travel Spending in CA

- The number of passengers on international flights (departing and arriving) at LAX in 2025 has been mostly negative in 2025, except for January and April.
- This is the first time since March 2021 that the YOY change in passenger counts for international arrival and departure flights has been negative.
- Global Perceptions: Wildfires and federal policy shifts (*Tariffs, immigration, etc. may be a deterrent to foreign visitors*)

Year-Over-Year Change in Passengers on International Flights:

Los Angeles International Airport (LAX), Apr 2021 – Aug 2025





Looking Ahead: Additional Challenges

California



Challenges Ahead for California

- Federal Policy Shifts with Local Implications
 - Many Impact California and its Counties Disproportionately
- High Cost of Living and Doing Business
- CA Refinery Closures
- Continued Effects of AI on our Tech Sector
- Global Perceptions and Tourism
- Impact of Immigration Enforcement
- Wildfire Recovery (& Other Natural Disasters)





Federal Policy Shifts with Local Implications

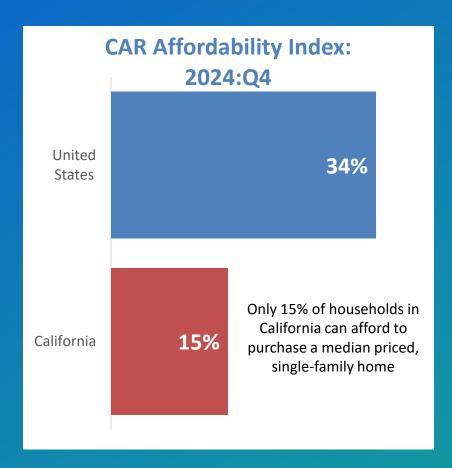
- Tariffs
- One Big Beautiful Bill Act (H.R.1)
- Increased Immigration
 Enforcement
- Federal Funding Cuts
 - Education, R&D, etc.
- Government Shutdown

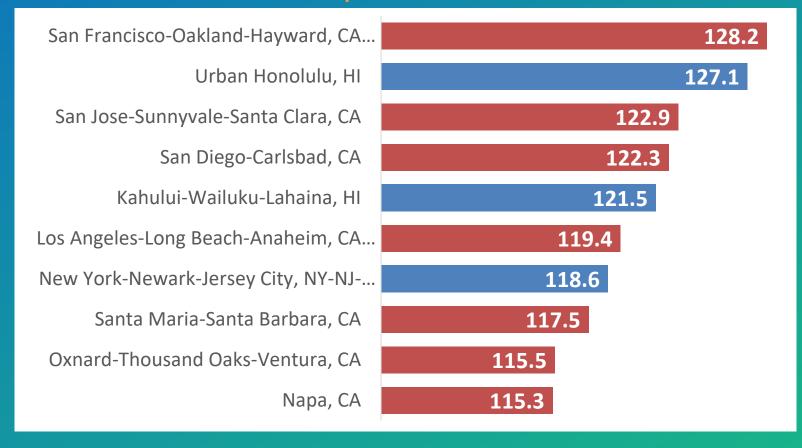




Other Influences: High Cost of Living and Doing Business

Ten Most Expensive Metros for Business



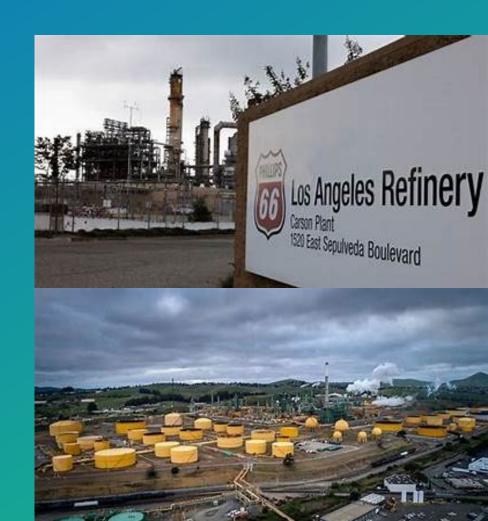




Other Influences: CA Refinery Closures

- Refinery Closures (20% cut in refining capacity)
 - Closure of Phillips 66 refinery in Los Angeles
 (4Q:2025) and the Valero facility in Northern
 California (Apr 2026) represent a possible 21%
 reduction in CA's refining output over three years

USC study warned gas prices in CA could reach \$8 per gallon by the end of 2026





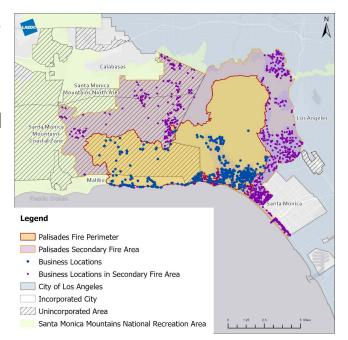
Impacted Businesses in Secondary Fire Areas

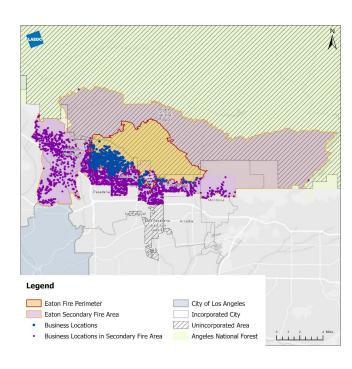
Burn Areas:

- 1,863 individual businesses were in the Palisades and Eaton burn areas
- Employed an estimated 9,610 people
- Altogether, these businesses realize an estimated
 \$1.4 billion in sales a year

Secondary Fire Areas:

- 5,028 individual businesses were located in the Palisades and Eaton secondary fire areas
- Employed an estimated 37,410 people
- Altogether, these businesses realize an estimated
 \$6.8 billion in sales a year





Many of the businesses are involved in consumer facing industries

Source: Data Axle, LAEDC



Direct Economic Activity Losses in Burn Areas

- Across all three scenarios, estimated initial direct economic loss in 2025:
 - -\$1.26 billion of sales revenue (or 90% of baseline)
 - -8,200 jobs (or 85% of baseline)
- Estimated return to baseline economic activity related to business disruptions:

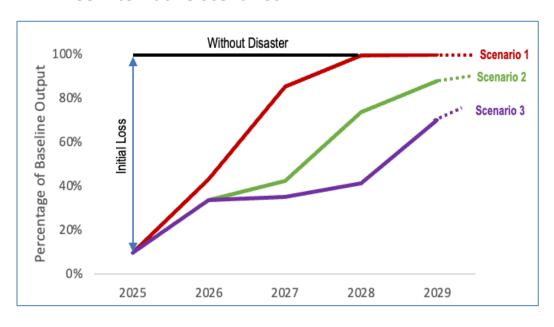
–Scenario 1: in 2028

–Scenario 2: in 2032

-Scenario 3: in 2034

Recovery Trajectory of Economic Output

Three Alternative Scenarios



Sources: Data Axle, IMPLAN, FEMA, LAEDC



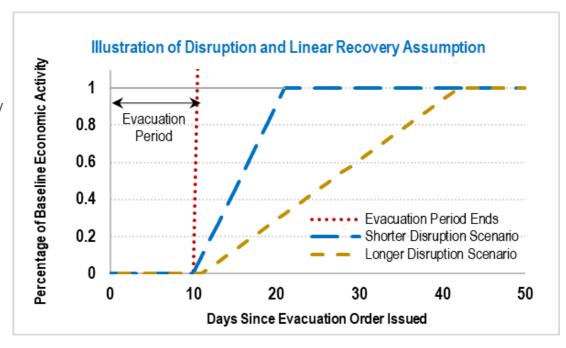
Estimating Economic Impact of Business Interruptions in Secondary Fire Areas

Estimate Extended Disruption Period

- Business impacts extend beyond evacuations due to cleanup, safety checks, staffing shortages, and delayed demand
- Recovery timelines vary by industry based on production type, remote work capability, and reliance on customer foot traffic
- Shorter and longer disruption scenarios developed to capture a plausible range of recovery timelines

Disruption Level and Recovery Path

- Assume all businesses completely disrupted during evacuation period
- After evacuation, economic activity assumed to recover linearly based on sector-specific recovery periods





Total Economic Impacts of Business Interruptions

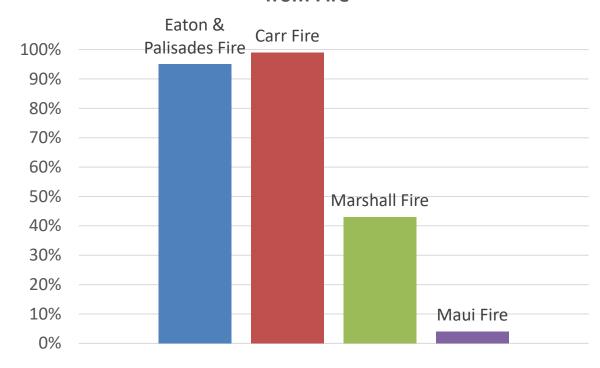
- Estimating combined economic impacts in the burn areas and secondary zones
 - Burn Areas: experienced major property damages and significant economic disruptions; facing a multi-year rebuilding and recovery process
 - Secondary Fire Areas: had no direct property damage, but experienced temporary business interruptions in 2025 due to evacuations and gradual recovery
 - -Combined total impacts vary depending on the recovery timeline in burn areas and the disruption duration in secondary fire areas
- Range of Total Economic Impacts from Business Interruptions in LA County
 - -Total economic output impacts: \$5.2 billion to \$10.1 billion
 - Total employment impacts: 28,240 job-years to 55,250 job-years
 - Total labor income losses: \$2.2 billion to \$4.2 billion
 - -Loss of federal, state, and local taxes: \$0.85 billion to \$1.64 billion



Rebuilding Process: Debris Removal

- Parcels could choose federal or private debris removal or could file for exemption.
- At 7 months, 95% of debris from destroyed/majorly damaged parcels had been removed.
- Debris is cleared for nearly all (99.98% as of September 9th) parcels that signed up for federal removal.

Debris Removal Progress Comparison: 7 Months from Fire



Source: Urban Institute, US Army Corps of Engineers, EpicLA, County of Los Angeles



Rebuilding Process: Building Permits Issued

- Issuance of building permit → rebuilding can begin on a parcel.
- As of September 9th: 798 building permits had been issued, and the average time from application to issuance was 52 business days.
- Fire comparison: # residential building permits for rebuild issued per destroyed residential building.

% Destroyed Residential Building with Rebuild Permit				
Fire Name(s)	Months from Fire's End			
	7	18	36	
Eaton and Palisades	3%	-	-	
Carr	4%	22%	36%	
Camp	0%	7%	17%	
Marshall	5%	54%	74%	
Maui	0%	14%	-	
Tubbs	11%	52%	71%	
Notes: Percentages are rounded to the nearest integer.				

Source: Urban Institute, City of Santa Rosa, City of Los Angeles, City of Pasadena, City of Malibu, LA County Recovers



Undocumented Workers in LA County

- The total undocumented immigrant population in the county grew from approximately 809,476 in 202120 to 948,700 in 2023,21 an increase of about 17 percent.
- The Bay Area Council Economic Institute, undocumented workers contributes an estimated \$278 billion to California's gross state product (GSP).
- Based on that, undocumented workers in Los Angeles
 County account for roughly 57.5 percent of the statewide
 GSP contribution attributable to undocumented labor.

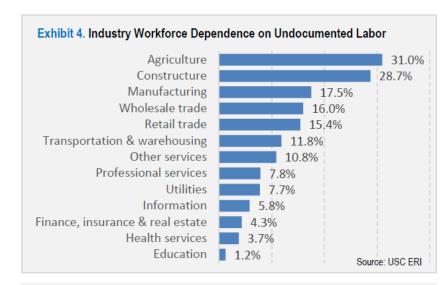


Exhibit 5. Estimated Economic Contribut	ion of
Undocumented Workers in Los Angeles	County (2023)
Output (\$ millions)	\$253,878.6
Direct	\$158,804.7
Indirect	\$49,634.5
Induced	\$45,439.3
Employment (jobs)	1,062,550
Direct	630,120
Indirect	194,800
Induced	237,630
Labor income (\$ millions)	\$80,443.9
Direct	\$47,696.8
Indirect	\$16,725.9
Induced	\$16,021.2
Value added (\$ millions)	\$147,361.0
Direct	\$88,388.8
Indirect	\$30,040.2
Induced	\$28,932.1
Source: IMPLAN; estimates by LAEDC	



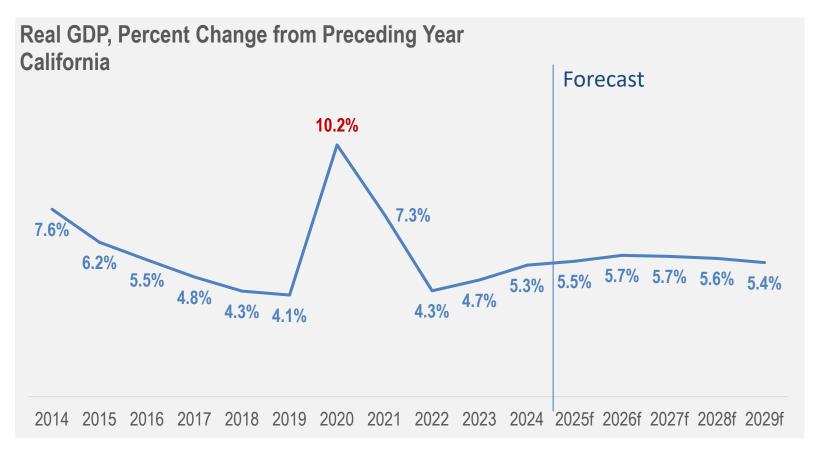
Economic Outlook in CA October 2025:

Forecasts of Key Measures



Unemployment Rate Forecast

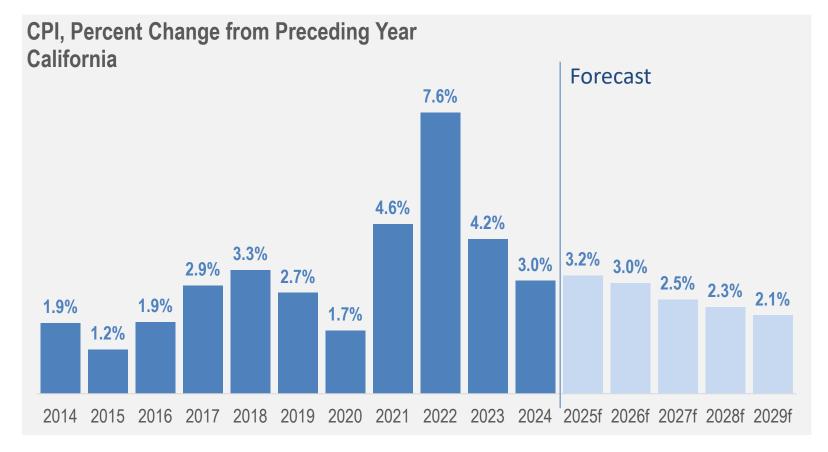
- Employment growth in California will decelerate in 2025, mirroring the outlook for much of the country as national growth slows
- Unemployment rate will continue to climb over the coming year, remaining well above the national rate





CPI Forecast

Anticipating inflation will trend downward toward 2.0% over the next few years

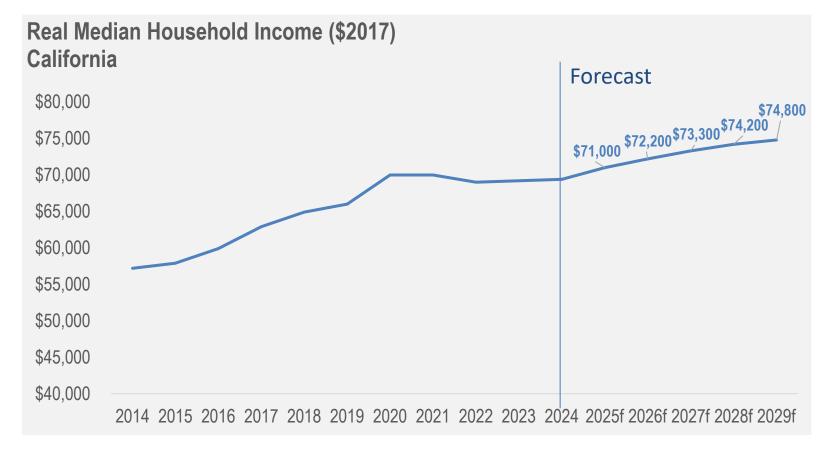






Real Median Household Income Forecast

Real median household income is expected to grow by 7.8% between 2024 and 2029

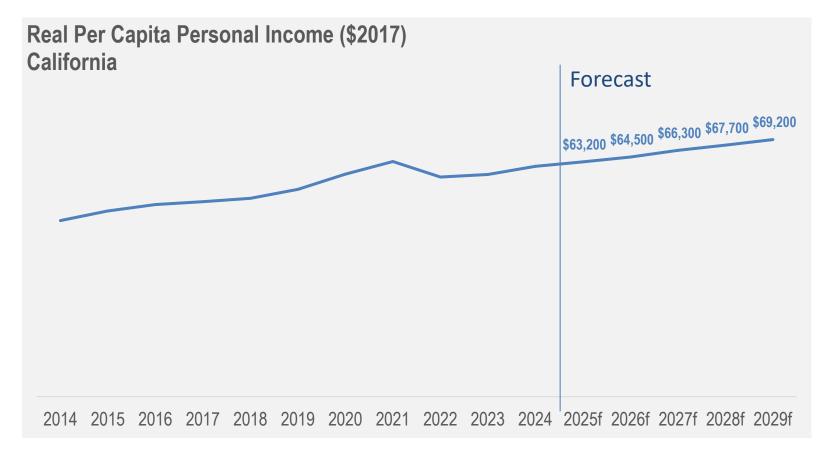






Real Per Capita Income Forecast

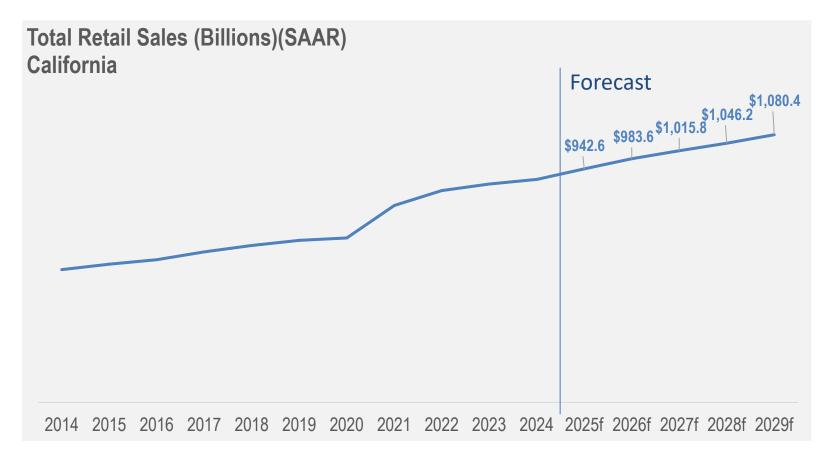
Real per capita personal income is expected to increase by 11.6% between 2024 and 2029





Retail Sales Forecast

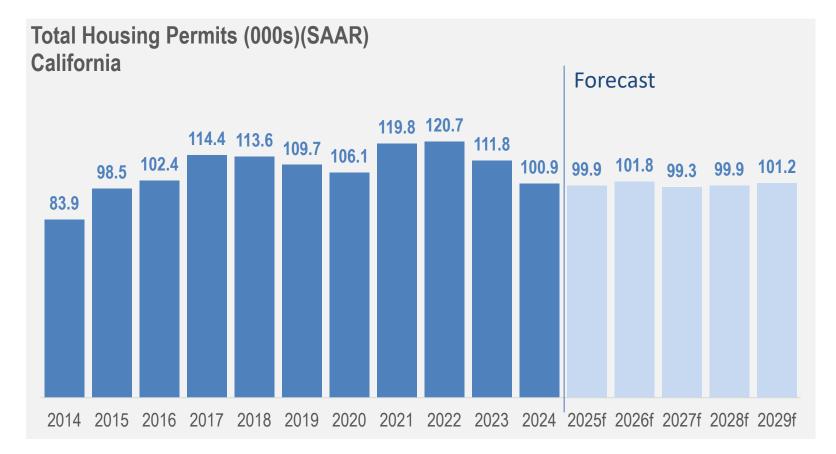
- Total retails sales expected to grow by 20% between 2024 and 2029 (nominal)
- Real retail sales (adjusted for inflation) expected to increase by 6.4% over the period





Housing Permits Forecast

The number of housing permits expected to remain relatively consistent over the next few years





California

Housing Starts

Housing starts are also expected to remain relatively steady over the next few years

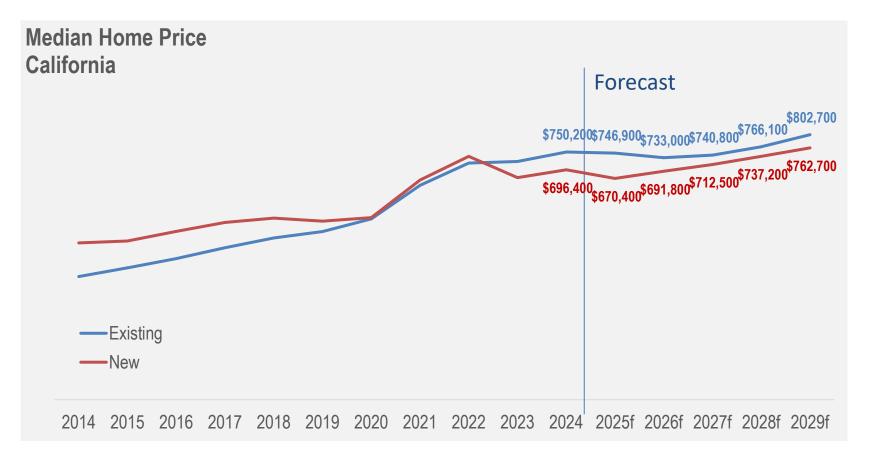
Housing Starts, Total Private (Thousands, SAAR) Forecast 114.5 112.1 103.5 105.0 99.5 101.2 92.6 96.3 92.3 93.1 94.0 94.8 92.7 79.2 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025f 2026f 2027f 2028f 2029f



80th Annual County Auditors Conference

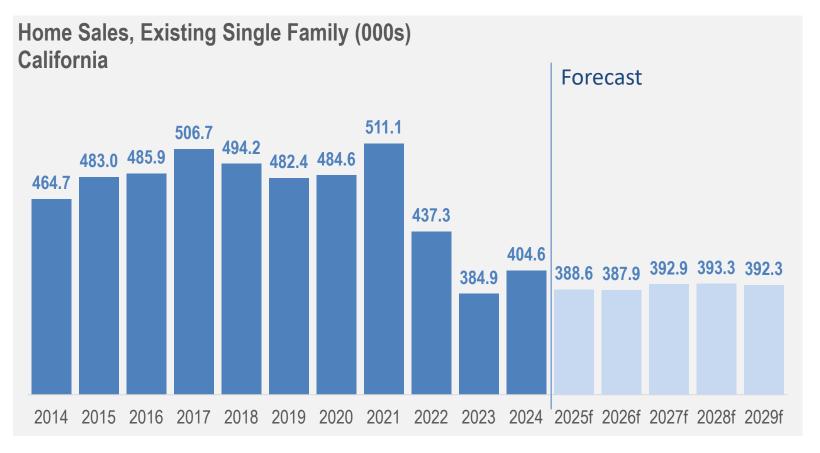
Home Price Forecast

- Median new home prices expected to continue upwards after 2025
- Median existing home prices expected to dip slightly in 2025 and 2026 before increasing to just over \$800,000 in 2029.



Home Sales Forecast

Home sales expected to remain relatively flat over the next few years



Thank you!

Upcoming LAEDC Events

30th Annual EDDY Awards

November 5th @ 5:30 pm – 9:30 pm Pasadena Rose Bowl 1001 Rose Bowl Dr., Pasadena, CA 91103

SAVE THE DATE:

2026 LAEDC Annual Economic Forecast

February 25th @ 8:30 pm – 2:30 pm Location TBD

