



DOWNTOWN LONG BEACH EMPLOYMENT PROFILE

Submitted to:

Downtown Long Beach Alliance
100 W Broadway #120
Long Beach, CA 90802

Submitted by:

Beacon Economics, LLC
5777 West Century Boulevard, Suite 895
Los Angeles, CA 90045

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This publication was prepared by:

Beacon Economics

Christopher Thornberg
Founding Partner
5777 W. Century Blvd., Suite 895
Los Angeles, California 90045
310.571.3399
Chris@BeaconEcon.com

Robert Kleinhenz
Economist & Executive Director of Research
5777 W. Century Blvd., Suite 895
Los Angeles, California 90045
424.646.4652
Robert@BeaconEcon.com

Alan Hooper
Senior Research Associate
Beacon Economics, LLC
Alan@BeaconEcon.com

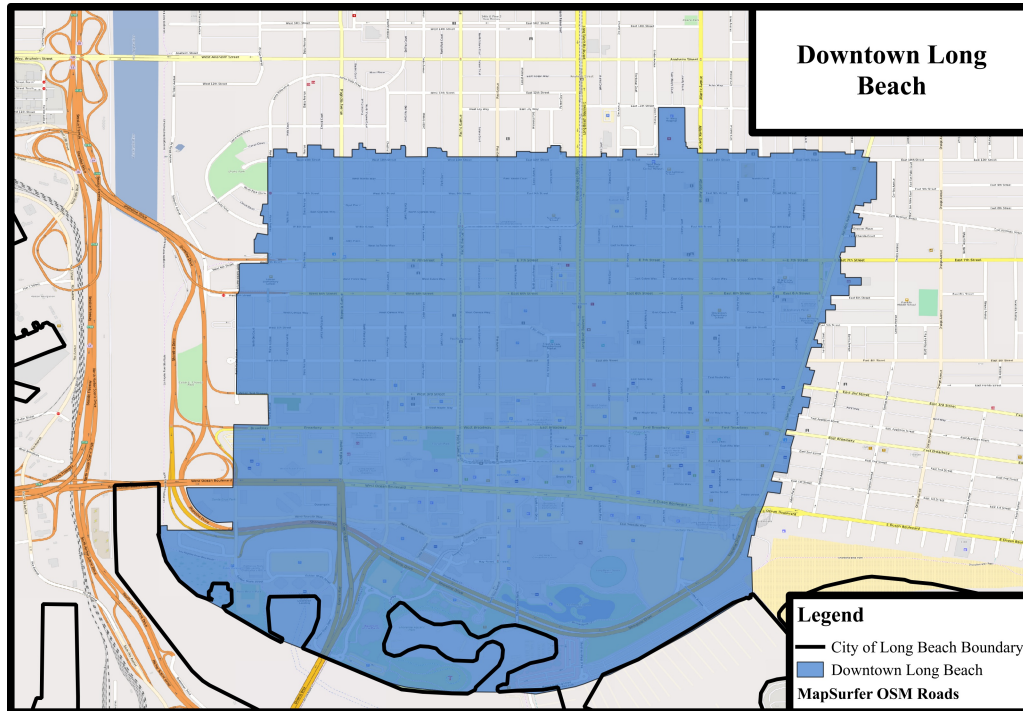
For further information about this publication please contact:

Rick Smith
Director of Business Development
Beacon Economics, LLC
858.997.1834
Rick@BeaconEcon.com

Or visit our website at www.BeaconEcon.com.

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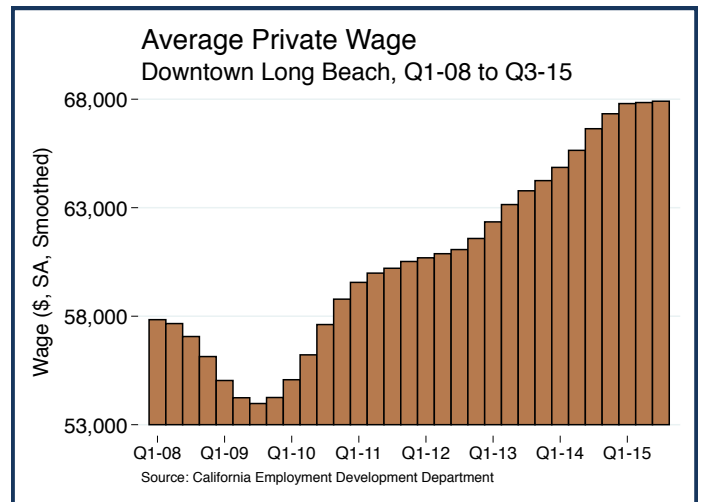
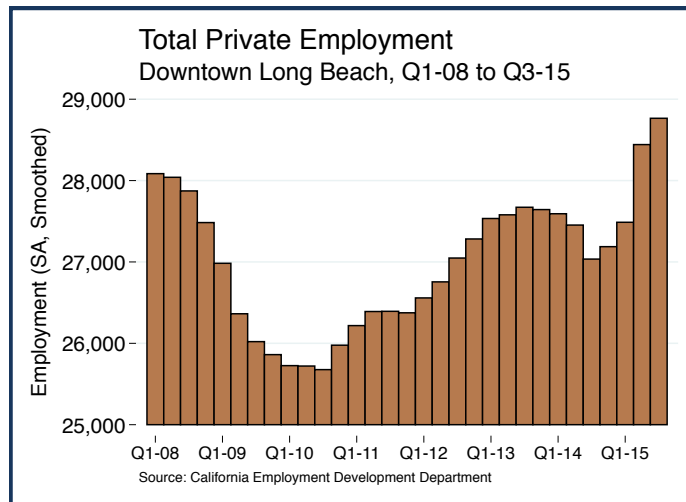


Downtown Long Beach is a vibrant hub for businesses in the City of Long Beach, cultivating a robust presence of high-wage jobs in many of the City’s key industries. At the core of employment in Downtown Long Beach is a rapidly growing cluster of office-based jobs, with a particular concentration in back-end support services for establishments that operate throughout the City.

For instance, the backbone of the City’s Transportation and Warehouse industry operates out of the Downtown area, leveraging the close proximity to the Port of Long Beach to better provide administrative services and other support for establishments and workers involved in the movement of goods throughout the region. Downtown Long Beach is also host to the corporate headquarters of several major players in the local economy. These Professional, Scientific, Technical, and Management establishments are among the fastest growing in the City, and have been drawn to prime Downtown locations by the waterfront views and the wide range of economic development services provided by the region’s Business Improvement Districts. These high-end office jobs have significantly boosted the profile of Downtown Long Beach, as a growing array of businesses are working in the area to administer, oversee, and manage company operations within the City and broader Los Angeles area.

Rounding out the core employment base in Downtown Long Beach are the shops, restaurants, and other leisure attractions that have made the area one of the premiere urban centers in the Los Angeles area. Indeed, a growing number of establishments engaged in Leisure and Hospitality, as well as Retail Trade, have been a significant source of new jobs in Downtown Long Beach. Underlying the strong growth observed in this segment of the local economy has been the improved state of local household finances — Long Beach residents have more money to spend — and a record number of tourists serving as a vital source of exter-

nal spending activity. These factors, coupled with the growing concentration of jobs in Downtown Long Beach, have further strengthened the position of consumer-facing industries in the Downtown area.



- Total private employment in Downtown Long Beach has been resurgent over the past year after a brief slowdown in 2014. A few large companies shed jobs during this time period, but have since recovered to drive employment in the sub-region up 6.5% year-over-year to a new high of 28,769 jobs in the third quarter of 2015, surpassing the citywide growth rate of 3.9% and the countywide growth rate of 2.2%.

Total Private Employment in Downtown Long Beach by Industry, Q3-15

Industry	Private Employment	1-Year Change	1-Year Growth			Location Quotient*
			Downtown LB (%)	City Total (%)	LA County (%)	
Transport/Warehouse	7,115	+955	+15.5	+16.0	+5.5	3.0
Prof, Sci, Tech, and Mgmt	6,492	+541	+9.1	+9.7	+0.6	2.1
Leisure and Hospitality	5,141	+243	+5.0	+1.9	+4.3	1.2
Health Care	3,797	+122	+3.3	+2.6	+3.3	0.6
Fin. Svcs. and Real Estate	1,380	-32	-2.3	+3.8	+2.5	1.0
Admin Support	1,351	+28	+2.1	+1.6	-0.5	0.7
Retail Trade	1,198	+91	+8.2	+4.6	+1.2	0.4
Other Svcs.	805	+125	+18.4	+15.2	+5.2	0.5
NR/Construction	640	+6	+1.0	+7.7	+5.4	0.5
Wholesale Trade	419	-20	-4.7	+5.7	+1.4	0.4
Manufacturing	180	+66	+57.3	-9.1	-0.9	0.1
Information	143	-106	-42.7	-12.2	+5.2	0.4
Education	110	-274	-71.3	-27.7	-6.5	0.5
Total Private	28,769	+1,745	+6.5	+3.9	+2.2	-

Source: California Employment Development Department.

*Measures the concentration of an industry in Downtown Long Beach relative to the concentration of the industry in the City of Long Beach.

- The Transportation and Warehouse industry has been the largest contributor of new jobs over the past year in Downtown Long Beach. Establishments engaged in this industry expanded payrolls by 955 jobs between the third quarter of 2014 and the third quarter of 2015, a 15.5% gain.
- Consumer-facing industries have also grown at a rapid clip in Downtown Long Beach, owing to the growing incomes of local residents and an influx of tourists to this urban center. To this end, employment in the Leisure and Hospitality industry grew 5.0% over the past year, while Retail Trade employment is up 8.2% during this time period.
- The wages paid to workers employed in Downtown Long Beach have grown almost continuously since the trough of the recession. Over the past year, the average annual wage paid to workers employed in the Downtown area stood at \$67,800, on par with the citywide growth rate of 2.1% but lagging behind the countywide rate of 3.1%.

Total Private Wages in Downtown Long Beach by Industry, Q3-15

Industry	Avg. Wage (\$000s)		1-Year Growth			Wage Differential (%)*
	Downtown LB	City Total	Downtown LB (%)	City Total (%)	LA County (%)	
NR/Construction	134.3	80.1	+2.7	+3.6	+1.1	+67.6
Transport/Warehouse	97.1	87.2	-0.6	+2.3	+2.0	+11.3
Manufacturing	96.8	86.9	-7.2	-0.1	+4.4	+11.4
Wholesale Trade	88.1	75.6	+1.7	+0.2	+2.2	+16.5
Fin. Svcs. and Real Estate	86.0	73.3	+1.2	+2.8	+2.6	+17.3
Prof, Sci, Tech, and Mgmt	85.0	75.5	-2.2	-1.5	+3.3	+12.6
Information	57.6	65.0	-26.3	-14.6	+3.7	-11.4
Other Svcs.	53.8	32.6	+15.9	+2.8	+4.0	+65.0
Education	50.5	33.1	+13.0	+1.6	+5.9	+52.3
Health Care	49.7	42.2	+5.2	+2.0	+2.3	+17.7
Admin Support	45.1	37.7	+3.8	+9.4	+4.6	+19.7
Retail Trade	26.2	29.2	+1.7	+4.8	+3.5	-10.4
Leisure and Hospitality	24.5	21.3	+3.2	+3.7	+3.0	+15.1
Total Private	67.8	51.6	+1.8	+2.1	+3.1	+31.4

Source: California Employment Development Department.

*Measures the difference in the wage of an industry in Downtown Long Beach relative to the wage of the industry in the City of Long Beach.

- Workers who are employed in Downtown Long Beach are among the highest paid in the City of Long Beach, as the average worker in the sub-region earns 31.3% more than the average worker citywide. This wage premium applies to almost every major industry in the Downtown area.
- The top two industries located in Downtown Long Beach pay well above the City average. The average worker employed in Transportation and Warehousing earned \$97,100 in the third quarter of 2015, while the average worker employed in Professional, Scientific, Technical, and Management earned \$85,000 at this time.

Top Subsectors in Downtown Long Beach, Q3-15

Subsector	Employment		Avg. Annual Wage	
	Level (000s)	YoY Growth (%)	Level (\$000s)	YoY Growth (%)
Support Activities For Transp.	6.5	+17.5	94.3	-6.0
Food Svcs. and Drinking Places	3.4	+8.4	19.1	+1.7
Prof and Technical Svcs.	3.3	-2.8	87.2	+0.1
Admin and Support Svcs.	1.4	+2.2	44.9	+5.1
Ambulatory Health Care Svcs.	1.2	+10.4	51.7	-5.3
Accommodation	1.2	+1.7	35.1	+2.6
Social Assistance	1.1	-0.6	15.3	+0.2
Credit Intermediation	0.6	-2.6	90.8	+4.8

Source: California Employment Development Department.

- Almost all of the Transportation and Warehouse employment in Downtown Long Beach relates to back-end support services for establishments that operate out of the nearby Port of Long Beach. Indeed, the Support Activities for Transportation sector has been a major driver of the industry growth observed over the past year, and is a major source of high-wage employment opportunities.
- Establishments engaged in Food Services and Drinking Places have benefitted the most from growing consumer spending activity in Downtown Long Beach. To this end, employment in this subsector surged 8.4% between the third quarter of 2014 and the third quarter of 2015.

ABOUT BEACON ECONOMICS

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CONTACTS

- **Sherif Hanna**
Managing Partner
(424) 646-4656
Sherif@BeaconEcon.com
- **Victoria Pike Bond**
Director of Communications
(415) 457-6030
Victoria@BeaconEcon.com
- **Rick Smith**
Director of Business Development (858) 997-1834
Rick@BeaconEcon.com