

Economic Recovery Strategy

Economic Equity Studies

March 2, 2021

Economic Recovery

Relief

(March 2020 - July 2020)

- **Shutdown Period**
- Economic Relief Package
- Approved by City Council April 14th
- (24) Programs
- Small Business Loans
- Tax & Fee Deferments
- Essential Worker Protections
- Eviction Moratoriums
- PPE Distribution
- Food Delivery
- Supplemental Unemployment Benefits

Transition

(August 2020 - March 2021)

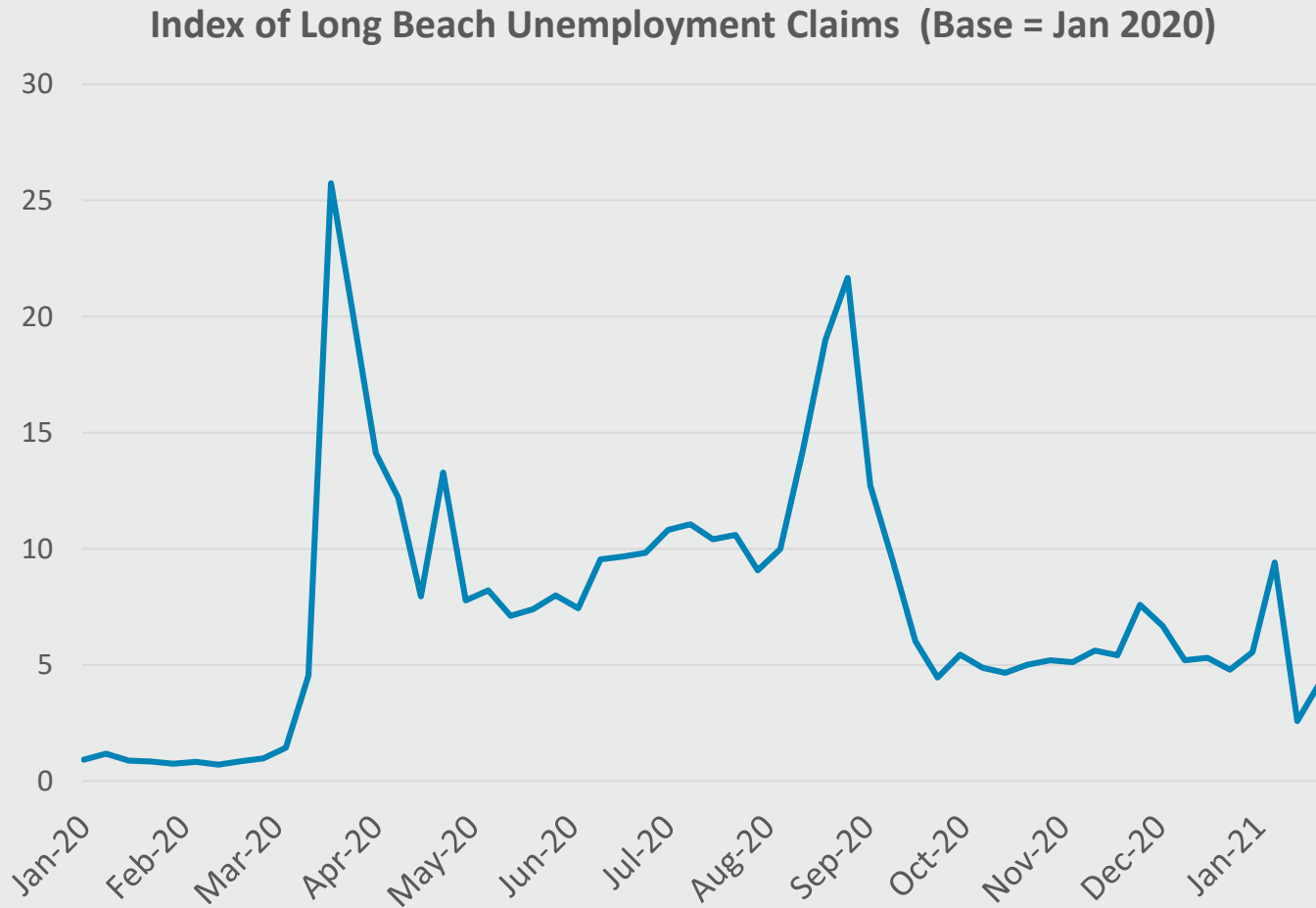
- **Partial Reopening**
- CARES Act Stimulus Package (\$2.2T)
- Approved by City Council July 14th
- Small Business Transition & Technology Grants
- Rent Relief Grants
- Tax & Fee Grants
- Digital Inclusion Grants
- Outdoor Dining & Open Street Program Extensions
- Outdoor Dining Grants

Recovery

(April 2021 - December 2021)

- **Post-COVID-19**
- Proposed Federal Stimulus (\$1.9T)
- **Return to City Council before April 1st**
- Research
- Community Outreach
- Key Performance Indicators
- Legislation
- Financial Assistance (loans and grants)
- Regulatory Reform
- Technical Assistance
- Recover more quickly than surrounding cities in the region, state or nation

Unemployment Insurance Claims



Long Beach Unemployment Insurance Initial Claims

January 2020 – Feb 2021

- Over **250,000** unemployment claims filed since Jan 2020
 - Includes Pandemic Unemployment Assistance (PUA) claims
- Claims peaked to more than 25 times normal weekly rates
- Weekly claims rates are currently about 5 times greater than normal

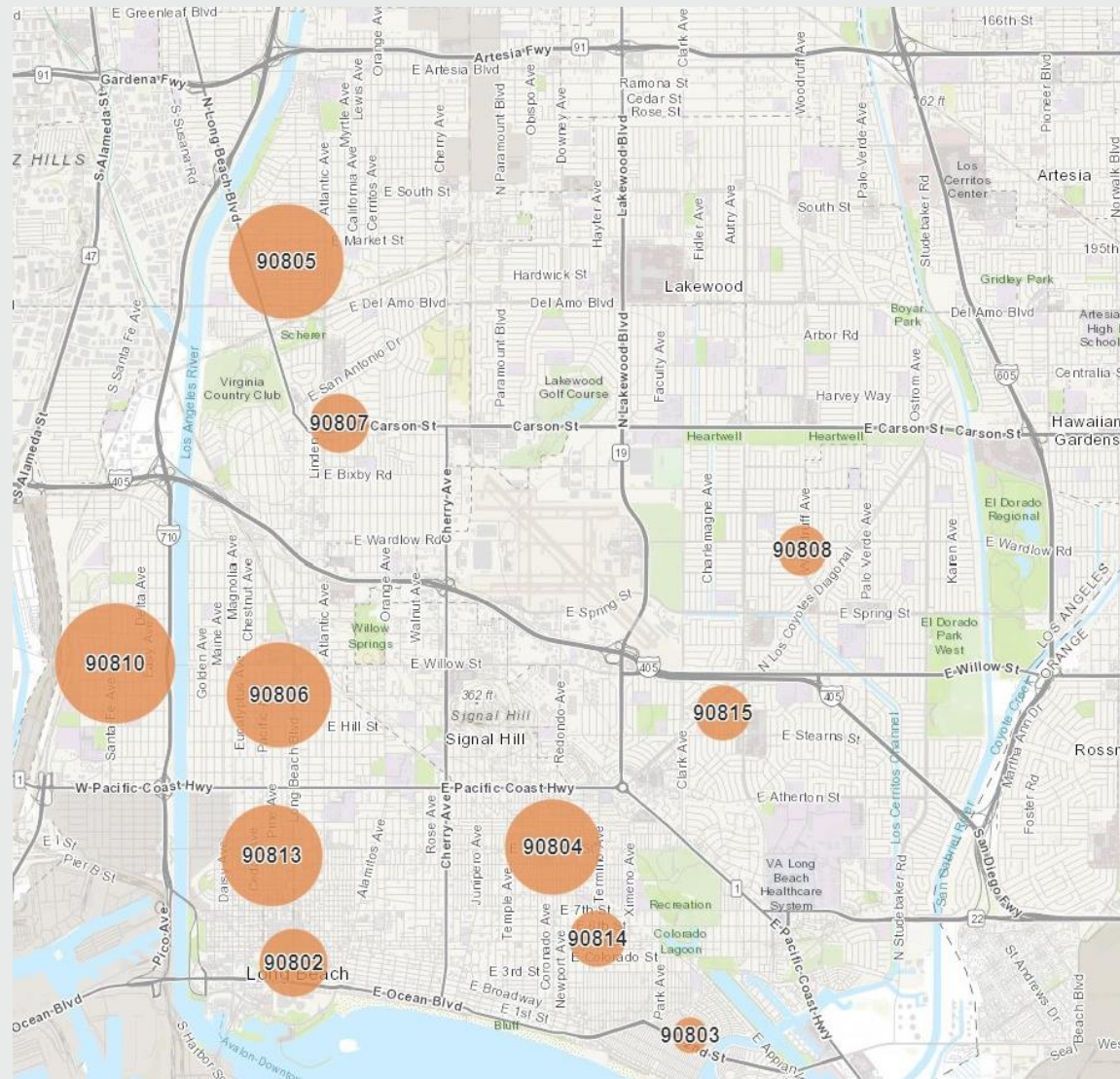
Unemployment Insurance Claims

Employment Sector	Unemployment Claims Long Beach Residents Jan 2020 – Feb 2021	% Unemployment Claims Long Beach Residents Jan 2020 – Feb 2021	% Long Beach Workers
Accommodation & Food Services	45,635	18.2%	8.2%
Retail Trade	31,823	12.7%	8.2%
Health Care & Social Assistance	30,765	12.3%	14.2%
Administrative, Support, Waste Management	24,558	9.8%	5.8%
Manufacturing	17,622	7.0%	9.6%
Transportation & Warehousing	16,089	6.4%	9.6%
Educational Services	12,583	5.0%	10.2%
Arts, Entertainment, & Recreation	11,632	4.6%	3.1%
Construction	11,618	4.6%	5.3%
Professional, Scientific, & Technical Services	11,499	4.6%	7.0%
Personal Care & Other Services	9,802	3.9%	3.5%
Wholesale Trade	8,545	3.4%	2.6%
Information	7,036	2.8%	2.3%
Real Estate & Rental & Leasing	4,679	1.9%	1.3%
Public Administration	2,265	0.9%	4.7%
Finance and Insurance	2,242	0.9%	2.9%
Management of Companies & Enterprises	1,385	0.6%	0.2%
Total	249,777		

Source: CA Employment Development Department; US Census American Community Survey PUMS 2019



Unemployment Insurance Claims

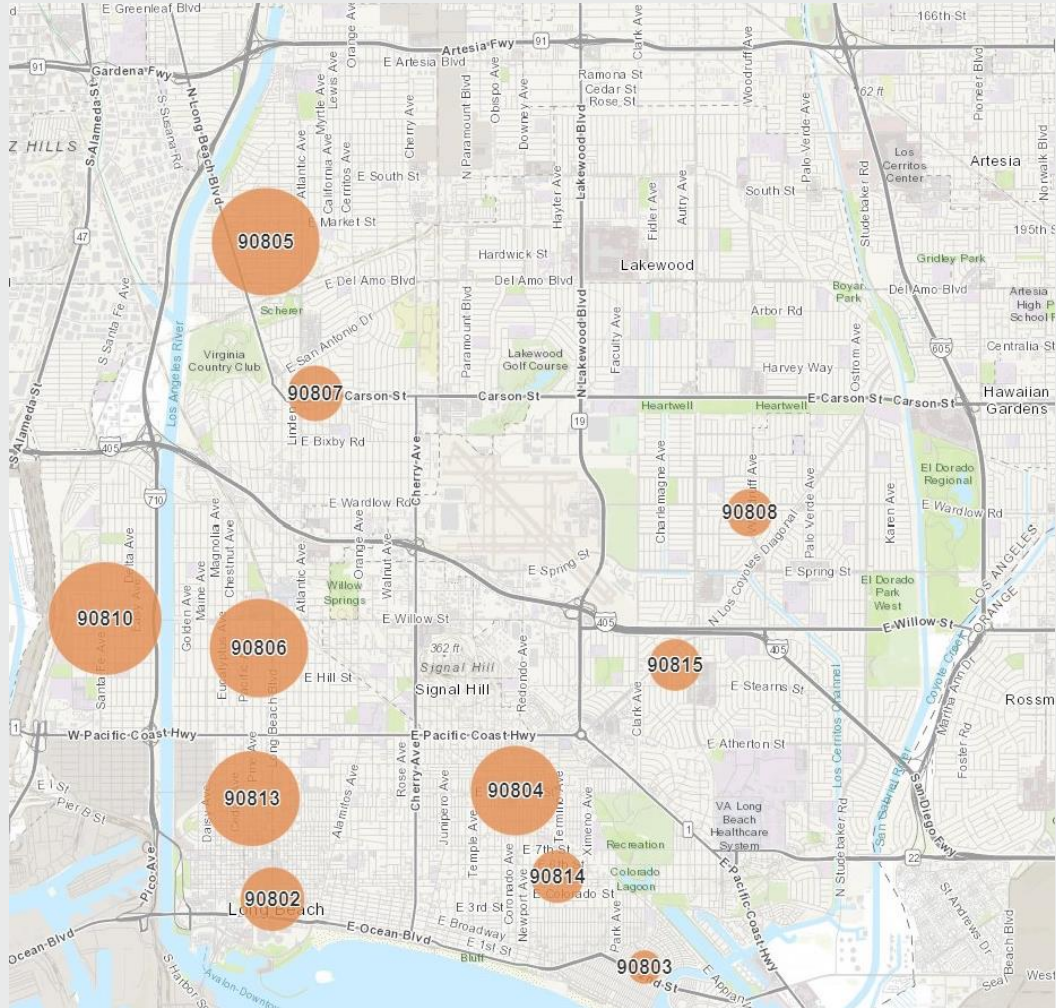


Unemployment Insurance Claims per Household by Long Beach Zip Code January 2020 – Feb 2021

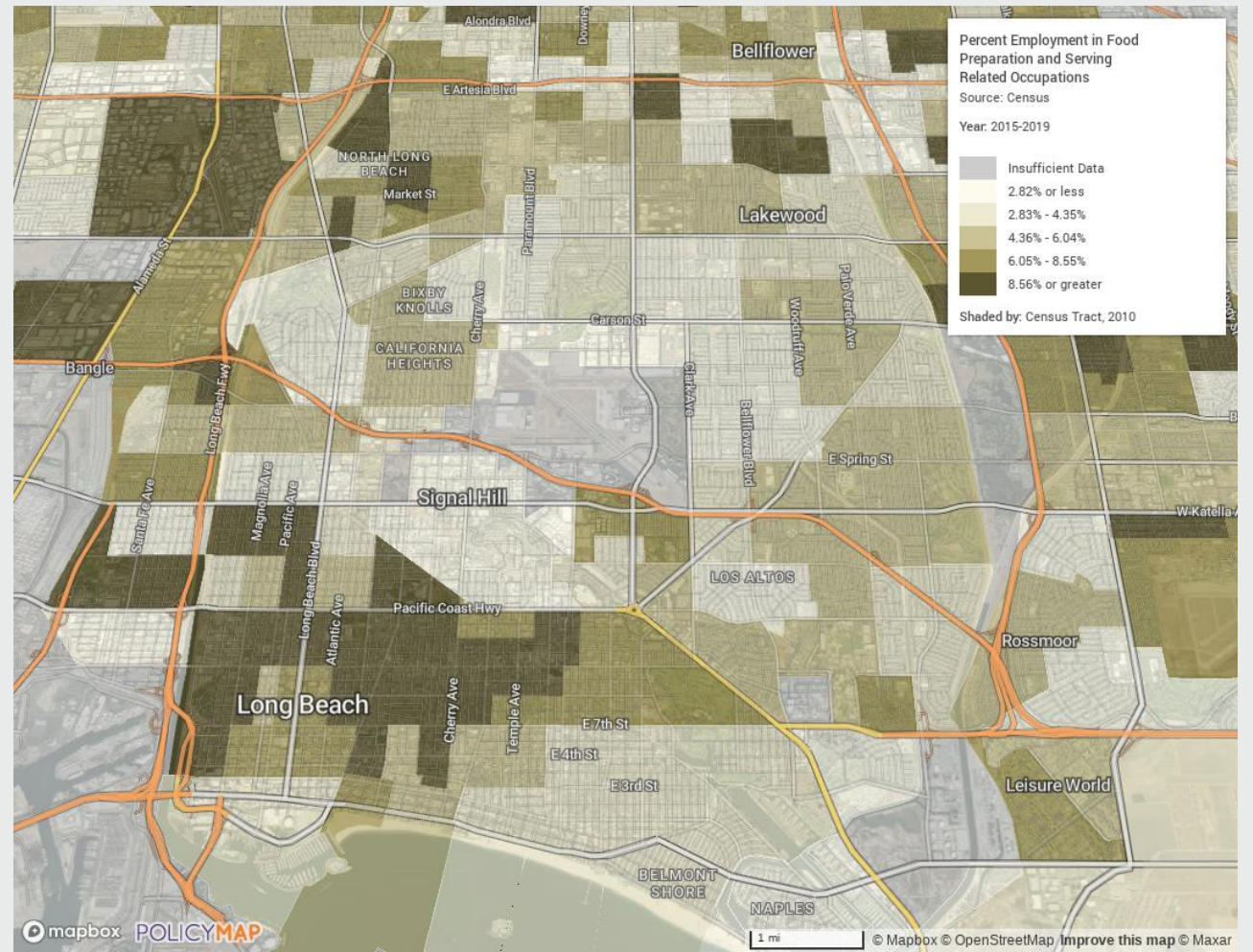
- Larger circles represent greater concentrations of unemployment
- Unemployment is especially concentrated in the City's Northwest, Southwest, and Southcentral Neighborhoods

Unemployment Insurance Claims

Unemployment Claims per Household by Zip Code



Residents Employed in Service Occupations



Source: CA EDD; Esri ArcGIS; US Census American Community Survey (2015-19); PolicyMap



Unemployment Insurance Claims

Racial or Ethnic Group	Unemployment Claims Long Beach Residents Jan 2020 – Feb 2021	% Unemployment Claims Long Beach Residents Jan 2020 – Feb 2021	% Long Beach Workers
Asian	40,418	16.1%	12.5%
Black	48,125	19.2%	10.4%
Hispanic	90,370	36.1%	42.2%
Native American/Alaskan	1,322	0.5%	0.7%
White	70,306	28.1%	31.1%
Total	250,541		

Most Impacted Neighborhoods

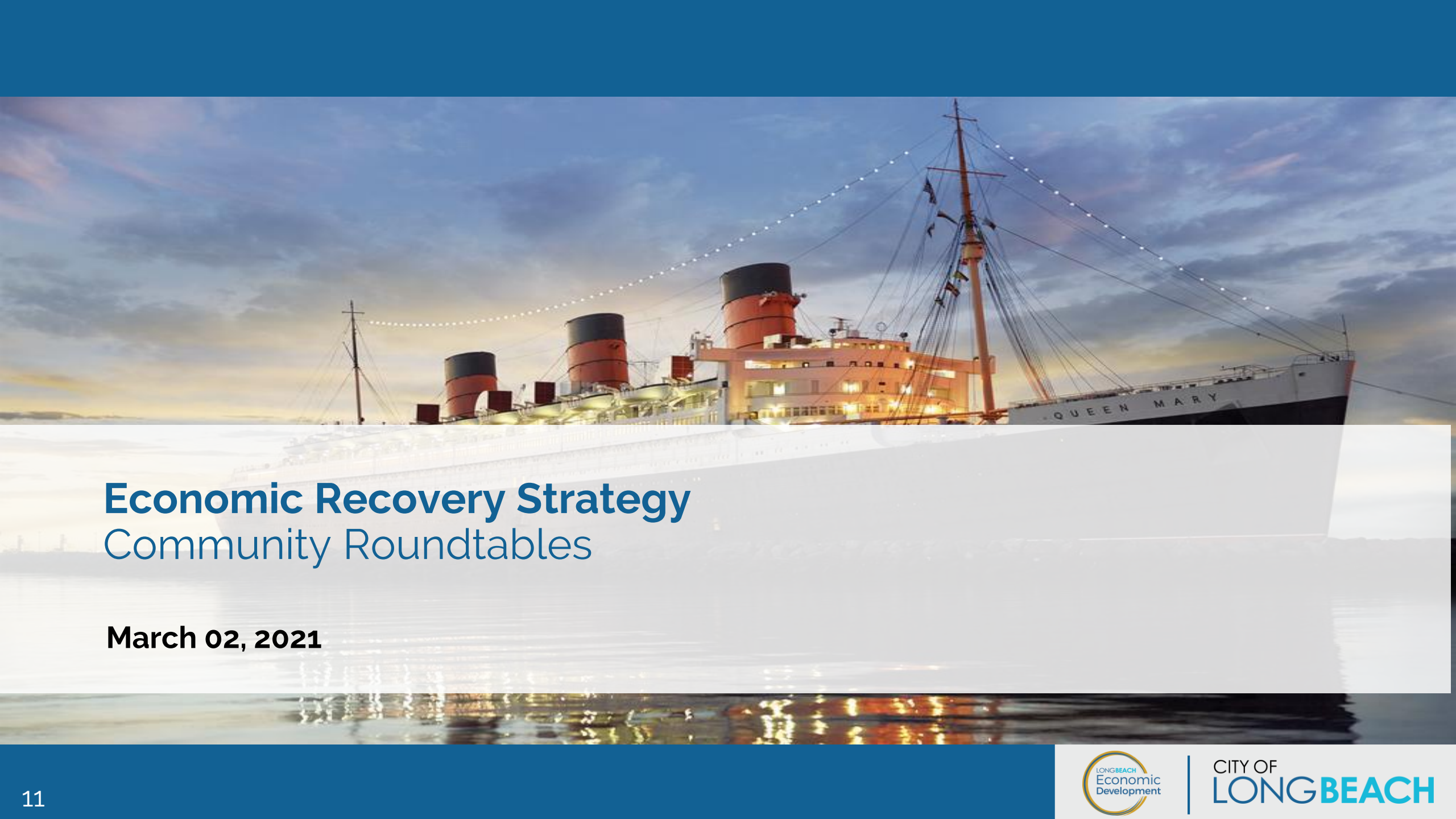
- Unemployment is especially concentrated in Long Beach neighborhoods with greater shares of:
 - Residents working in service occupations
 - Families living in poverty
 - Severely cost-burdened renters
 - Racial or ethnic minorities
 - Households without Internet access
- Lack of Internet access may have understated unemployment claims rates in disadvantaged areas because claims are typically filed online
- There is a correlation between neighborhoods with high unemployment claims rates and high rates of COVID-19 cases
 - COVID-related illness may be exacerbating unemployment among disadvantaged populations

Major Themes

1. Economic Equity. The economic impacts of COVID-19 recession have been unequal and have impacted specific sectors, business owners, workers, property owners, non-profit organizations, geographic areas, and racial groups differently. The economic impacts of the COVID-19 recession were not shared equally and exacerbated several economic disparities based on income, geography, and race. An effective and efficient economic response needs to be targeted, data-driven, and equitable.
2. Public Health. Vaccination is essential to reopening and recovery of workers, customers, and consumer spending at the local level. Workers who provide face-to-face service have been most impacted by the health orders and business closures designed to prevent the spread of COVID-19. Promoting the vaccination of all service sector workers who come into contact with consumers is the most important step to protect both workers and consumers; catalyze consumer spending at local small businesses; and recover the most jobs that have been lost by the COVID-19 recession.
3. Revenue Generation. Revenue generation is essential for business reopening and job recovery. Unfortunately, Long Beach small business revenue is down by approximately 34% since January 2020 and has fallen most in the sectors that support the greatest number of jobs. Leisure & Hospitality sector small business revenue is down 68% since January 2020; and, despite spending gains in Retail and Health Services, small business revenue has fallen considerably in Retail & Transportation and Education & Health Services.
4. Customer Generation. Small businesses are struggling to capture gains in consumer spending and need technical assistance to vaccinate workers, implement public health protections, connect with new and existing consumers, generate consumer spending, bring back workers, and sustain operations in the recovery. Local small businesses need technical assistance to transition business models, incorporate information technology, and conduct more business with customers online.

Major Themes

4. Consumer Spending. Overall, consumer spending has recovered to 4% below pre-pandemic levels, but small business revenues are still 34% below pre-pandemic levels. Throughout the COVID-19 recession consumer spending has been unequal. Consumer spending on Grocery, Retail, and Health Care have made strong recoveries, with sales now exceeding pre-pandemic levels, however, consumer spending on Restaurants, Hotels, Entertainment, and Recreation, is well-below pre-pandemic levels; but, consumer spending on the Leisure and Hospitality sectors are clearly struggling the most to recover; and, Transportation spending is down over 50% since January 2020, which is directly tied to reduced spending on Leisure and Hospitality.
5. Leverage. The amount of spending needed to help service sector business reopen and recover cannot be provided by the government alone. Leveraging private sector consumer-to-business and business-to-business spending presents the greatest opportunity for local small business reopening and job recovery. Recovery programs should focus on catalyzing consumer spending, customer generation, and private investment.
6. Digital Connectivity. During COVID-19, increases in consumer spending and retail revenue have been mostly captured by large retailers with a substantial online presence. COVID-19 has accelerated the use of technology and online transactions across many sectors which may be a problem for local small businesses and local job recovery in these sectors. Recovery programs should focus on technical assisting for local small businesses in the most impacted sectors to increase the use of technology and the Internet for generating customers and revenue.



Economic Recovery Strategy

Community Roundtables

March 02, 2021

Purpose & Objectives

Develop a comprehensive Economic Recovery Strategy to accelerate the economic recovery of Long Beach businesses and workers from COVID-19.

Community Outreach

Conduct a robust community outreach program to solicit input and feedback regarding the Strategy from local business owners and workers.

Equity

Incorporate goals and objectives from the Framework for Racial Reconciliation report to promote a more racially inclusive and equitable economic recovery.

Legislative

Identify a legislative agenda to advocate for projects and to secure funding from State and Federal governments in future stimulus bills.

Final Report

Prepare and deliver to the City Council for approval no later than April 1, 2021, the Strategy final report for distribution to the community and partners.

Outreach

- Over (25) Community Roundtable Meetings
- Over (350) participants
- 90-minutes each
- Conducted via Zoom
- (6) standard questions slightly modified for appropriateness
- Verbal comments dictated by staff
- eComments captured by Zoom Chat
- Reports submitted by groups in advance
- Full report will be available as part of report
- Zoom recordings available for review

Community Roundtables

DATE	TIME	GROUP	LINKS TO RECORDING
Monday, February 1 st	4:00pm – 5:30pm	Long Beach Bar Coalition	Zoom Recording
Wednesday, February 3 rd	9:30am - 11:00am	Council of Business Associations	Zoom Recording
Wednesday, February 3 rd	2:00pm – 3:00pm	CVB Pleasure Travel Marketing Group	Audio Recording & Presentation
Wednesday, February 3 rd	4:00pm – 5:30pm	LB Chamber	Zoom Recording
Thursday, February 4 th	9:30am – 11:00am	DLBA Board	Zoom Recording
Thursday, February 4 th	1:00pm – 2:30pm	Labor: Trades & Construction Workers	Zoom Recording
Monday, February 8 th	10:00am – 11:30am	Economic Development & Finance Committee	WebEx Recording
Monday, February 8 th	1:00pm – 2:30pm	Long Beach Economic Partnership Board (1 of 2)	Zoom Recording
Monday, February 8 th	4:00pm – 6:00pm	Economic Development Commission	WebEx Recording
Tuesday, February 9 th	1:00pm – 2:30pm	LB Chamber – International Business Association	Zoom Recording
Wednesday, February 10 th	9:30am – 11:00am	LB Chamber – Small Businesses	Zoom Recording
Wednesday, February 10 th	1:30pm – 3:00pm	Barbershops & Salons	Zoom Recording
Wednesday, February 10 th	4:00pm – 5:30pm	Long Beach Restaurant Association	Zoom Recording
Thursday, February 11 th	9:30am – 11:00am	Long Beach Economic Partnership Board (2 of 2)	Zoom Recording
Thursday, February 11 th	9:30am – 11:00am	Long Beach Center for Economic Inclusion (LBCEI)	Zoom Recording
Thursday, February 11 th	1:00pm – 2:30pm	On-Demand Workers & Employers	Zoom Recording
Thursday, February 11 th	4:00pm – 5:30pm	Re-entry Recovery	Zoom Recording
Friday, February 12 th	9:30am – 11:00am	Non-Profit Business Recovery Plan	Zoom Recording
Friday, February 12 th	1:00pm – 2:30pm	Centro CHA (LatinX)	Zoom Recording
Friday, February 12 th	4:00pm – 5:30pm	Labor: Service Sector Workers	Zoom Recording
Thursday, February 18 th	9:30am – 11:00am	Long Beach Commercial Real Estate Council (LBCREC)	Zoom Recording
Thursday, February 18 th	1:00pm – 2:30pm	Service Clubs & Nonprofit Groups Roundtable	Zoom Recording
Thursday, February 18 th	3:00pm – 4:30pm	Cambodian Business & Worker Economic Recovery Plan Roundtable	Zoom Recording
Tuesday, February 23 rd	1:00pm – 2:30pm	Arts Community Roundtable	Zoom Recording
Tuesday, February 23 rd	3:00pm – 4:30pm	LBEP Bankers Roundtable	Zoom Recording
Thursday, February 25 th	4:00pm – 5:30pm	Economic Recovery Strategy Roundtable (CM Richardson)	Zoom Recording
Friday, February 26 th	1:00pm – 2:30pm	African American Cultural Center of LB	Zoom Recording
Tuesday, March 2 nd	1:30pm – 2:30pm	Meals on Wheels (1:1 w/Eric Romero)	Zoom Recording



Major Themes

1. Service Sector Worker Vaccination: proactive vaccination outreach to business owners and employees in the most impacted sectors is the first step towards reopening, recovery of jobs, and customer generation.
2. Public Health and Safety: providing services to people experiencing homelessness and addressing issues that impact business, workers, and customer safety are critical to reopening.
3. Community-based Partnerships: delivering support programs through trusted community-based partners is the most effective ways to reach diverse communities with the most need.
4. Restoring Trust: restoring trust in the City and providing more certainty about the reopening process is critical to business owners considering the investment of reopening and workers considering the risks of returning to work.
5. Tenant and Property Owner Assistance: providing rent relief and navigational support for both tenants and property owners—including both residential and commercial properties—is critical to the stability of business owners, workers, and property owners after the eviction moratorium expires.

Top 10 continued...

6. Need-Based Decision Making: decisions about how to spend the federal Stimulus should be targeted, data driven, and based on the businesses, workers, and residents with greatest needs.
7. Revenue Generation: recovering customers and generating revenue are the most important measures of success for business owners and non-profits as they make decisions to reopen, rehire, and recover.
8. Inclusive Procurement: City procurement should target its spending of public dollars on local goods and services, particularly business owners who experienced greatest impacts.
9. Cutting the Red Tape: City procurement, grant, loan, and technical assistance programs should be easy to access, simplified, and streamlined to reduce barriers for the business owners, workers, and non-profit service providers they are trying to reach.
10. Incorporating Past Plans: the recovery plan should incorporate strategies from existing plans (e.g. Everyone In, Digital Inclusion, Framework for Racial Reconciliation, etc.), that have already been developed by the community and approved by the City Council.

Guiding Principles

1. Targeting resources to the areas of the economy that have been most impacted is the most efficient and effective way to recovery businesses and jobs lost to COVID-19.
2. Vaccinating the service sector workforce will have the single greatest impact on the speed and strength of the economic recovery.
3. Relaunching business sectors hardest hit by the pandemic is the most important strategy for recovering lost jobs and reducing unemployment.
4. Generating customers is the most important strategy for business to generate revenue and survive.
5. Leveraging private sector consumer spending in local services, preventing leakage, and attracting inbound visitor spending offers the greatest leverage for the City.
6. Preventing vacancies in both residential and commercial real estate will have the greatest impact on economic growth.
7. Activating community-based partnerships to deliver services in highly targeted, culturally specific ways will help reach sectors with the highest return on investment.

Stimulus Spending

SAMPLE Spending Categories

Direct Relief (businesses, non-profits, arts, and culture organizations)	55%
Economic Inclusion (Empowerment Zones, procurement, transparency)	15%
Digital Inclusion (connecting high-need households and businesses)	8%
Worker Support (childcare, vaccination, PPE, Youth engagement)	6%
Customer Generation (visitor attraction and revenue generation)	6%
Technical Assistance (thru community-based organizations)	5%
Real Estate Support (storefront activation, tenant relief, permitting)	5%

** Note: these categories and percentages are for discussion purposes only and do not reflect actual recommended amounts.*

Next Steps

- ✓ Community Roundtables
- ✓ Economic Development & Finance Committee
- ✓ Mayor Recovery Act Kickoff
- ✓ Summary Report Published
- ✓ Economic Development Commission
- ✓ Final Report to City Council
- ✓ Begin Implementation

Timeframe

(February 1st to 26th)
(March 2nd)
(March 8th)
(March 8th)
(March 8th)
(March 16th)
(April 1st)

A large cruise ship, the Queen Mary 2, is shown at sea during sunset or sunrise. The ship is white with three prominent red and black funnels. The name "QUEEN MARY" is visible on the side of the hull. The ship is illuminated with warm lights, and the sky is a mix of orange, yellow, and blue. The water reflects the lights and the ship's silhouette.

Stay Connected

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