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**2020 San
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**Economic
Forecast
Report**
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“As a Senior Director of Public Affairs with Union Pacific Railroad, and as Chair for the San Gabriel Valley Economic Partnership, keeping an eye on both the thirty-thousand foot view and the granular details of our regional and national economy is a must. This report addresses both the big and small picture, and gives a snapshot of the people and businesses that make up the San Gabriel Valley. I hope you enjoy reading about how our region relates to Los Angeles County, California, and the world.”

Lupe Valdez

Chair of the Board of Directors
San Gabriel Valley Economic Partnership

EXECUTIVE SUMMARY

Covering two-hundred square miles, the San Gabriel Valley continues to prosper alongside the greater Southern California area. Comprised of thirty-one cities and five unincorporated areas, this once agricultural area stands urbanized mirroring the neighboring City of Los Angeles in amenities, culture and economic strength.

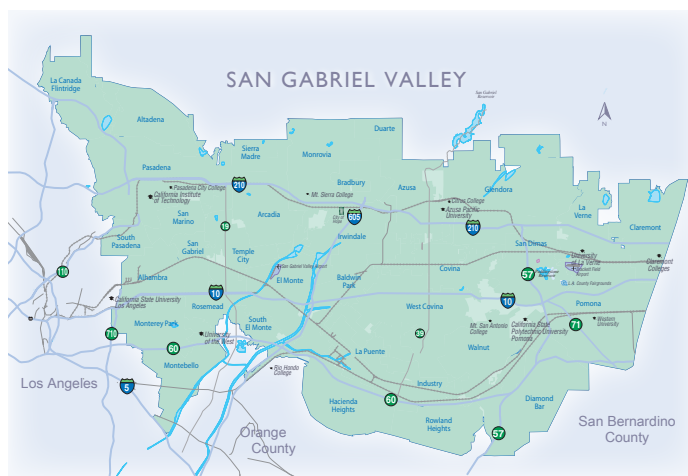
This forecast report offers a broad overview of the region's assets, tracks its recent economic performance, and details the economic outlook over the forecast period of 2020 and 2021. The findings contained in this report serve as a valuable tool for businesses, policymakers and individuals as they make spending and investment decisions for the forecast period and beyond.

Although regional growth moderated in 2019, local and national economics continued to expand, and the San Gabriel Valley has followed the same trends. With the exception of the dramatic backdrop of housing affordability, the region is otherwise economically strong.

Ethnically, the San Gabriel Valley has diversified since 2000. The valley is home to primarily Hispanics, Asians, and Whites, but no race accounts for a majority of the population. In terms of population, the valley has grown 3.9% since 2010. This is forecasted to drop to 0.8% the next two years, primarily due to constraints on housing availability.

Just as with the sustained population growth last year, wage and salary employment and payrolls grew as well. In 2019, employment in the San Gabriel Valley increased to an estimated 711,000 payroll jobs. Due to the existing strength of the economy, job growth is expected to continue over the next couple of years. Wage and salary payrolls in 2019 equaled an estimated \$37.2 billion, up by 1.2% from 2018. Total non-farm payroll is projected to increase by 3.2% to \$38.4 billion in 2020 and climb to \$39.6 billion in 2021 on the back of a tightening labor market driving real wage growth.

The San Gabriel Valley housing market continues to improve, but California's housing crisis looms. Median prices for existing homes continue to rise in response to limited supply and increased demand. Housing permits have risen in the past few years, but after years of lopsided demand and a lack of hefty real wage growth, affordability remains a key issue for potential home buyers. Despite the construction of new homes, lacking growth in prior years rising median prices and a lack of inventory are finally providing builders with the incentive to initiate new development projects despite



high construction costs and legislative barriers. Residential building permits are expected to increase to 2,270 in 2020.

Taxable sales, another key indicator, continue their growth trajectory. In 2019, it is estimated that taxable sales in the San Gabriel Valley increased to \$24.0 billion. By the end of 2021, taxable sales in the valley are expected to climb to \$25.1 billion.

The San Gabriel Valley economy should benefit from a moderate but steady pace of growth in 2020 and 2021. The trajectory of the valley's economy will depend largely on the performance of the wider regional economy as well as the national economy. Overall, the fundamentals are strong, but there are substantial risks in terms of the broader housing crisis, as well as regional demographic challenges as the county seems set to lose population.

Regardless, the San Gabriel Valley has the resources, workforce, and assets to continue to strengthen and better the region economically. Hosting top educational institutions, state-of-the-art medical facilities, business establishments, trade relationships, and a strong workforce, the San Gabriel Valley should continue on its current course barring an economic crisis on a regional or global scale.

2020 San Gabriel Valley Economic Forecast and Regional Overview



This report was commissioned for the San Gabriel Valley Economic Partnership.

President and CEO: **Bill Manis**

Layout and Design by **Paul Thomas**, Director of Marketing and Communications

4900 Rivergrade Road, Suite B130
Irwindale, CA 91760

(626) 856-3400
info@sgvpartnership.org

www.sgvpartnership.org



This report was written by:

LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Advancing Opportunity and Prosperity for All

Eric Hayes
John Ramsey
Shannon Sedgewick

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Institute for Applied Economics
Los Angeles County Economic Development Corporation
444 S. Flower Street, 37th Floor
Los Angeles, CA 90071
(888) 4-LAEDC-1
www.LAEDC.org

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The LAEDC Institute for Applied Economics provides objective economic and policy research for public agencies and private firms. The group focuses on economic impact studies, regional industry analyses, economic forecasts and issue studies, particularly in workforce development, transportation, infrastructure and environmental policy.

Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and they are believed to be reliable.

The report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, endorsements, representations or warranties of any kind whatsoever.

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1 THE ECONOMIC ENVIRONMENT

Defying Expectations: A Growing United States in 2020

Stepping over the threshold into the next decade, the United States continues to make economic history by foreseeably extending 126 months of continuous growth even further. Though this expansion has been one of the slowest on record, with an average growth rate of 2.3% over the period, it may well be that slow and steady wins the economic race. Despite the ominous overhang of the ongoing trade conflict between the U.S. and the People's Republic of China (PRC or "China"), growth continued solidly in 2019 at an annualized rate of 2.3%. The LAEDC expects growth to continue at or slightly below the 2% mark. Though this leaves less breathing room between an expanding economy and a contracting one, a

recession in 2020, predicted by many in 2018, or even in 2021 is not preordained.¹

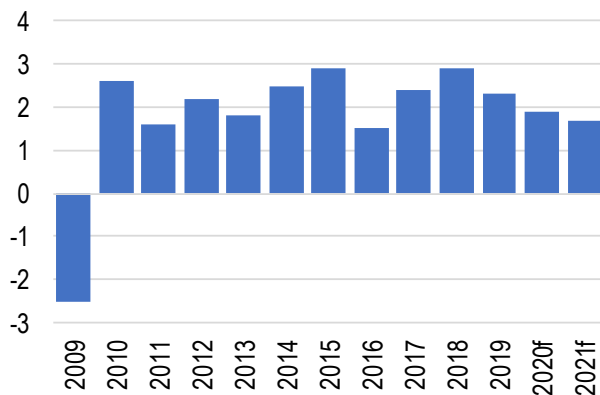
Still, 2020 may represent a crossroads for the U.S. and global economies. Despite continued growth, certain indicators reveal uneasiness among American businesses, especially manufacturers. The Purchasing Managers' Index (PMI), produced by both IHS Markit (IHS) in the United Kingdom and the Institute for Supply Management (ISM) in the United States, serves as a key indicator of business sentiment. While both the IHS and ISM surveys are used to assess the opinion of private sector manufacturing executives, the IHS survey applies heavier weights to its forward-looking components. Moreover, ISM data focuses on larger multinational corporations while the IHS sample includes a wider variety of company sizes.² Since August 2019, the ISM and IHS indices have diverged in their outlook, with the ISM index suggesting contractionary activity in manufacturing, whereas the IHS index implies continued expansionary activity. Indeed, the ISM PMI reading in December 2019 was the lowest since 2009, whereas the IHS index had recovered relative to a three-year low in September 2019. The differences in the two indices suggest manufacturers remain cautious at present, but with longer-term optimism.

This caution blended with longer-term confidence is borne out in fixed private investment data from the Bureau of Economic Analysis. Fixed investment is new investment in capital assets not consumed in the production process. The three major categories of nonresidential fixed investment are structures, equipment and

Exhibit 1-1

U.S. Real GDP Growth

Source: BEA; LAEDC

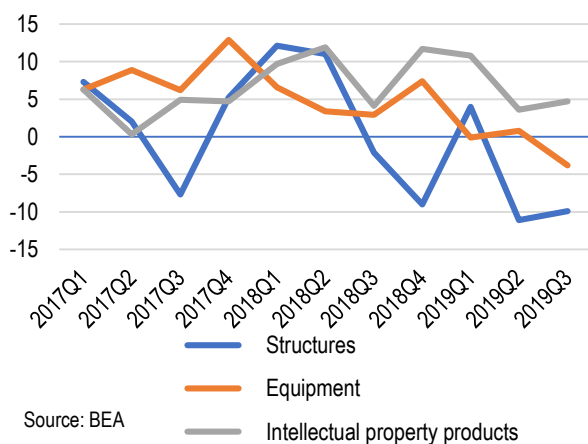
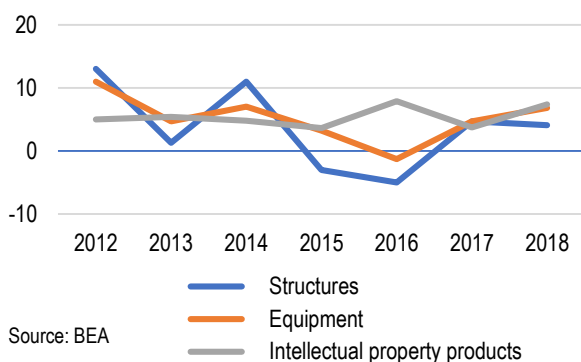
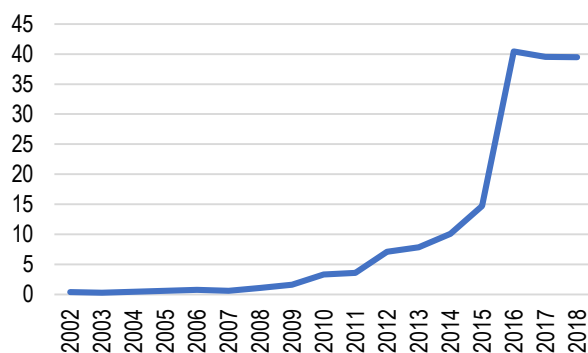


1 Klebnikov, Sergei. "All the Experts Say the U.S. Will Enter a Recession by 2020 – Just as Trump Seeks Re-Election." *Money*. 13 December 2018. <<https://money.com/experts-recession-2020/>>.

2 Burnson, Patrick. "IHS explains U.S. manufacturing PMI survey divergences." *Logistics Management*. 7 October 2019. <https://www.logisticsmgmt.com/article/ihs_explains_u.s._manufacturing_pmi_survey_divergences>.

A local branch of Bank of the West



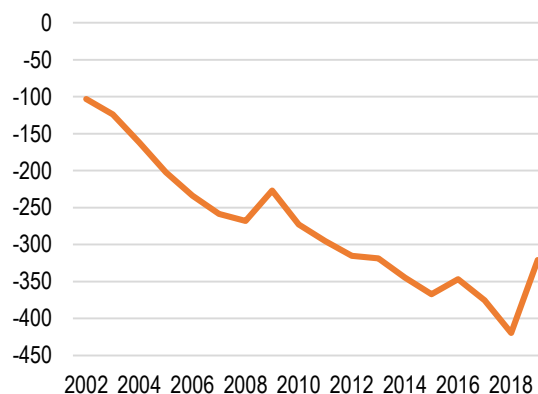
Exhibit 1-2**Real Private Fixed Investment, % Change (Quarterly)****Exhibit 1-3****Real Private Fixed Investment, (y/y % Change)****Exhibit 1-4****Chinese FDI in the U.S. (\$billion)**

intellectual property (IP). Of these, only investments in IP increased from the first quarter of 2017 to third quarter of 2019. The same is true of annual investment figures from 2012 to 2019. In the first three quarters of 2019, investment in IP was the only area of nonresidential investment not to see a reduction at any point in the period. This would imply companies are scaling investment in additional production capacity while continuing to pursue new technologies and processes.

Though not solely responsible for this softening in business confidence, the trade conflict between the United States and PRC has certainly contributed its share to national and global economic uncertainty. Until October 2019, President Trump had

Exhibit 1-5**Trade Balance with China (\$billion)**

Source: BEA



threatened tariffs on \$300 billion worth of Chinese goods imports by December 15th – apart from the \$250 billion already subject to additional import duties. Additionally, the 25% already levied against the \$250 billion worth of Chinese imports would have been subject to a 30% levy by mid-October. However, on October 11th the United States and China announced a truce, allowing for a cessation of further tariff imposition.³ This truce culminated in an announcement of a “phase one” deal between the U.S. and China on December 13th, forestalling the tariffs on mainly consumer goods slated for implementation on December 15th.⁴ As of early January 2020, the deal was ready for signature by representatives of both sides. In addition to halving the 15% tariff on \$120 billion worth of Chinese imports levied in September 2018, the Trump Administration has pledged to cancel, rather than merely postpone, the threatened tariffs against \$156 billion worth of Chinese goods originally intended for implementation in December. For its part, the Chinese government has agreed to increase its purchases of U.S. agricultural products, to open its financial sector further, to end currency devaluation and to increase protections for American IP.⁵ For the time being, this source of uncertainty appears headed for at least a temporary resolution.

This de-escalation of tariffs and threats may be coming at an ideal time for the United States. Notwithstanding its intent, the trade spat with China has not improved the trade balance. As of 2018, the trade deficit between the U.S. and China was roughly \$420 billion. However, the trade conflict has had the effect of dissuading Chinese foreign direct investment (FDI) in the United States. Indeed, Chinese FDI declined (0.1%) for the first time since 2017.

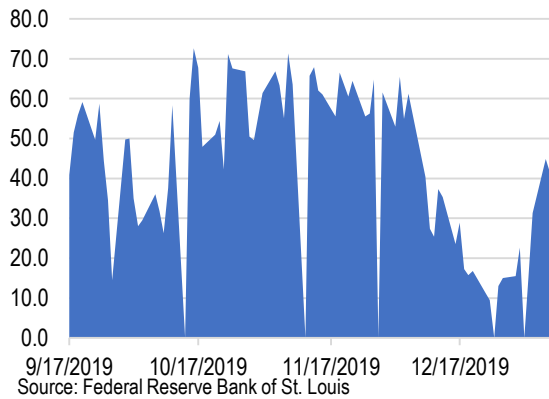
Domestically, monetary authorities have also adopted a stance of watchful patience since the Federal Reserve Board enacted the third and final interest rate reduction of 2019 in October. As of the end of the year, the effective Federal Funds Rate was 1.55%. Going into 2020, the Federal Reserve Board foresees no additional interest rate hikes in the near-term.⁶ However, the Federal Reserve

3 Mauldin, William; Deng, Chao; and Vivian Salama. “U.S., China Agree to Limited Deal to Halt Trade War.” *The Wall Street Journal*. 12 October 2019. <<https://www.wsj.com/articles/trump-strikes-upbeat-notes-on-trade-talks-11570804097>>.

4 Mauldin, William; Wei, Lingling; and Alex Leary. “U.S., China Agree to Limited Deal to Halt Trade War.” *The Wall Street Journal*. 14 December 2019. <https://www.wsj.com/articles/us-china-confirm-reaching-phase-one-trade-deal-11576234325?mod=article_inline>.

5 Wei, Lingling. “China to Send Chief Trade Negotiator to U.S. to Sign Phase-One Deal.” *The Wall Street Journal*. 9 January 2020. <https://www.wsj.com/articles/china-to-send-chief-trade-negotiator-to-u-s-to-sign-phase-one-deal-11578561834?mod=article_inline>.

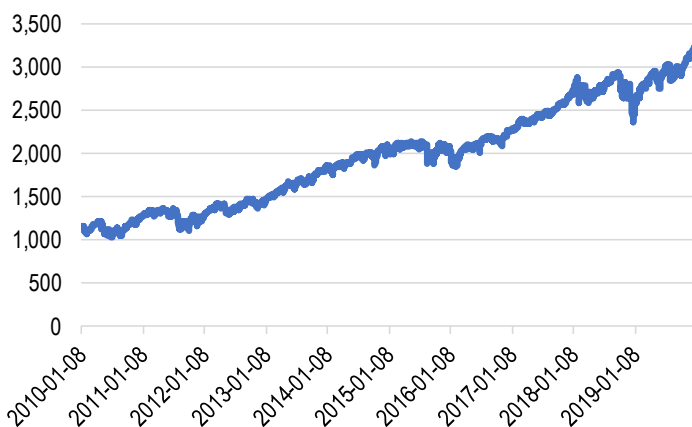
6 Torres, Craig, and Boesler, Matthew. “Fed Leaves Rates on Hold; Forecasts Show No Change Through 2020.” *Bloomberg*. 11 December 2019.

Exhibit 1-6
Federal Reserve Overnight Repurchase Agreements, \$ billions


has embarked on additional interventions in monetary policy by reopening its overnight repurchasing (repo) facility for the first time since the 2008 financial crisis. Due to a financial system liquidity shock in mid-September, the Board lent banks almost \$60 billion in September. The repo facility reached peak activity in October with over \$72 billion lent to the financial system through overnight repo agreements. Despite attempts at mild deleveraging early in 2019, the Federal Reserve balance sheet reached \$4.15 trillion by the end of 2019 as a result of these smaller injections of liquidity into the financial system.⁷

In response to relaxed monetary policy, the financial markets have remained buoyant despite a shock at the end of 2018 and two smaller shocks at the beginning of 2019. Indeed, both the S&P 500 and the Dow Jones Industrial Average opened 2020 at record highs, with the S&P 500 at a record of closet to 3,258 points and the Dow Jones at a record of almost 28,869 points on January 2nd. The positive developments now coloring the trade relationship between the United States and China will presumably augment the enthusiasm in the stock markets.

Looking beyond 2020, the United States will contend with larger structural issues in order to maintain economic growth and vitality. Among the largest barriers to future economic success will be the demographic hurdle currently faced by all developed nations and many developing nations. By 1970, American families were

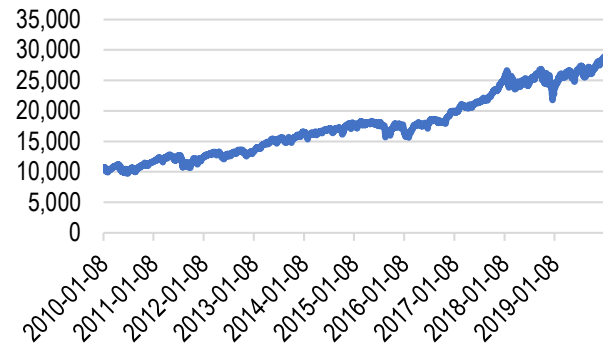
Exhibit 1-7
S&P 500 Index


Source: Federal Reserve Bank of St. Louis

⁷ Federal Reserve Bank of St. Louis.

Exhibit 1-8
Dow Jones Industrial Average

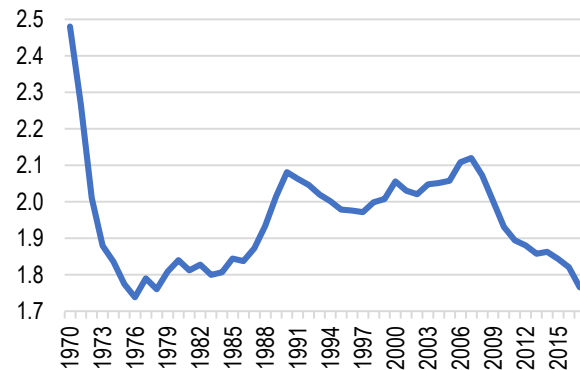
Source: Federal Reserve Bank of St. Louis



choosing to have fewer children, meaning the U.S. total fertility rate collapsed from 2.5 to roughly 1.7 by 1976, which is below the replacement-level fertility rate of 2.1.⁸ By 1991, it had recovered to just under 2.1. Since 2007, however, the U.S. total fertility rate has consistently declined.

Though in part due to positive developments in gender equity, the continued American struggle for balance between work and family means an eventual “demographic time bomb” as the population continues to age beyond prime productivity.

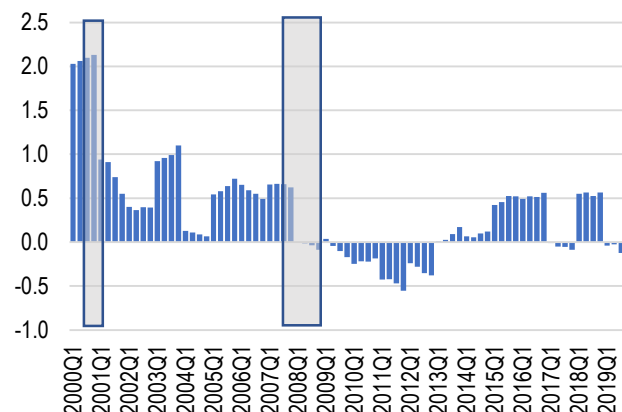
Adverse labor force effects due to this demographic trend have already occurred. In 2017 and again in 2019, the addition of new

Exhibit 1-9
U.S. Total Fertility Rate


Source: Federal Reserve Bank of St. Louis

Exhibit 1-10
U.S. Prime Working Age Population, % Change from a Year Ago

Source: Federal Reserve Bank of St. Louis



⁸ See, e.g., United Nations Population Division.

Historic yet growing downtown Pasadena

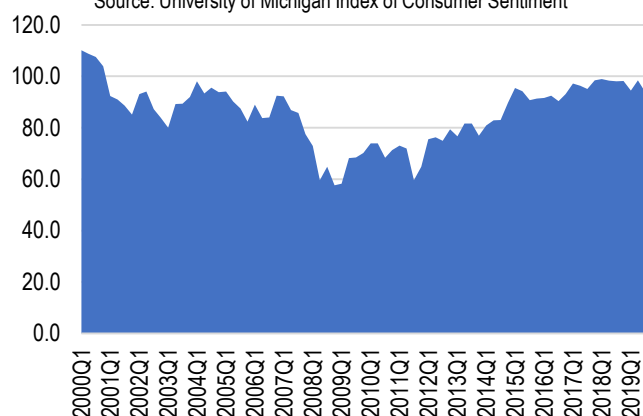
prime age workers, meaning those from age 25 to 54, slowed despite the economy expanding. This will likely worsen if Millennials and Generation Z continue the trend of family sizes below replacement level. Technology and improvements in worker productivity will assuredly substitute for some future shortfalls in the labor market. However, federal entitlements, such as Social Security, that rely on the taxes of the current working generation to provide for current beneficiaries will come under increasing pressure to increase revenues or reduce benefits. If this declining fertility rate trend continues, federal policymakers will likely need to investigate and implement policies, such as tax deductions or credits, that incentivize household formation.

Often said throughout 2019, one key word remains entering into 2020: uncertainty. Continued growth at the national level will rely on many key factors. One will be the ongoing thaw in relations between the United States and China with regard to trade. A successful implementation of a “phase one” deal will do much to renormalize the bilateral trade and investment relationship. A “phase two” deal, and any other subsequent deals, which replace tariffs with rules and threats with treaties and cooperation will help solidify domestic and international growth in the new year.

Vigilant monetary policy will also be a key ingredient in maintaining economic vitality in 2020. The overnight repo facility may well become a permanent fixture of the Federal Reserve’s policy toolkit. Providing this facility does more to empower the functioning of the financial system rather than merely cover its shortfalls, this facility will also be an instrument for continued growth.

Exhibit 1-11
Index of Consumer Sentiment

Source: University of Michigan Index of Consumer Sentiment



Beyond the uncertainties and caveats, the national economy remains a historic economy. Employment and real wages continued to grow through 2019 and are forecasted to expand through 2020. Inflation remains stable, even muted, given the gains in real wages. Finally, the American consumer is historically optimistic despite the anxiety exhibit in other indices. Indeed, the University of Michigan Index of Consumer Sentiment indicates that U.S. consumer optimism had recovered by the end of 2019 from a small dip in the third quarter. Like in 2019, 2020 looks to be a year of positive national economic developments. Despite challenges, ongoing growth is something to be lost rather than gained.

United States Headline Economic Statistics and Forecast

	2015	2016	2017	2018	2019	2020f	2021f
Real GDP Growth	2.9%	1.5%	2.4%	2.9%	2.3%	1.9%	1.7%
Real Personal Income Growth	4.6%	1.5%	2.9%	3.4%	3.2%	2.0%	2.1%
Total Employment Growth	2,867,200	2,439,100	2,072,800	2,206,300	2,090,700	2,116,200	1,674,900
Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.7%	3.5%	3.4%
Real Per Capita Income (\$2012)	\$47,485	\$47,869	\$48,940	\$50,296	\$51,601	\$52,337	\$53,142
CPI Change	0.1%	1.3%	2.1%	2.4%	1.8%	1.6%	1.7%

Stay Golden, California

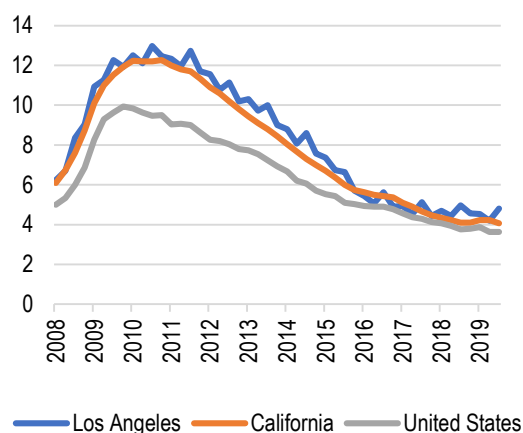
Affordability, Homelessness, Infrastructure and the Environment

Growth in the California economy has slackened substantially over the previous years, with real GDP growth only achieving about 2.6 percent in 2019, down from 3.4 percent in 2018. This deceleration comes amidst ongoing uncertainty in the national economy and as a result of more region-specific issues. The LAEDC expects this reduction in growth to continue for the state, with our statewide forecast suggesting real GDP growth of 2.0 percent for 2020 and 1.6 percent the following year. A major portion of this growth will come from the health services sector, as rising wages and an aging population continue to increase health care consumption. Another industrial driver of economic growth in the state will be in professional and business services, as the increased need for advanced technical and analytical skills expands throughout the state. Other industry sectors represent important economic drivers in the state's distinct regional economies, with information maintaining its role as a key economic engine of the Bay Area economy, and construction being particularly important for Los Angeles County.

Taken together, this slower, but continued, economic expansion should bring the unemployment rate from 4.1 percent in 2019 down

Exhibit 1-12
U3 Unemployment Rate

Source:
BLS



to 3.9 percent by the end of 2021, with the labor market eliminating the last of its slack. This labor market tightening will likely be met with real personal income growth above that of the growth of the economy, with projected real personal income increases of roughly 2.2 percent in both 2020 and 2021.

As of 2018, California still ranked among the top five states in terms of fastest growth. In 2014 and 2015, California was the fastest growing state in the Union by real gross state product (GSP). In 2018, California ranked only behind the state of Washington.

As of the third quarter of 2019, California appears more susceptible to the national slowdown relative to other states, ranking only 23rd in terms of quarterly growth. However, California's size and productivity relative to the other 49 states might in fact be driving some of the national slowdown. Indeed, California alone contributed 14.6 percent to the national GDP in 2018, having increased its share

Exhibit 1-13
Employment Forecast by Sector, 2019-2021

Source:
IHS, LAEDC

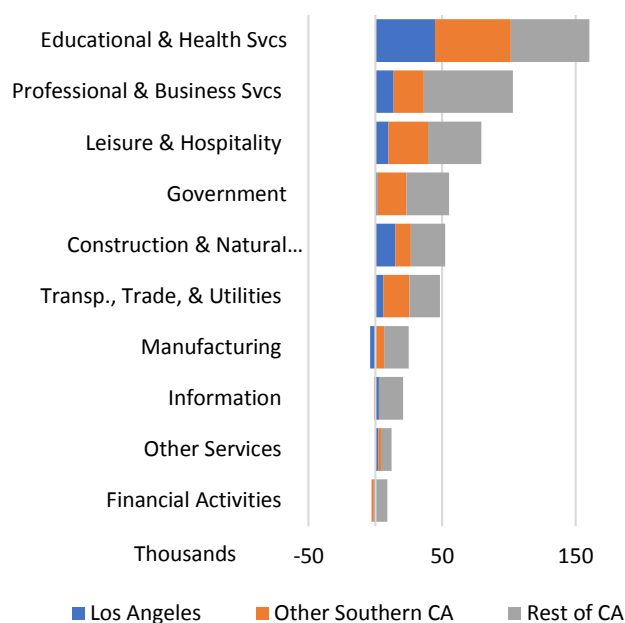
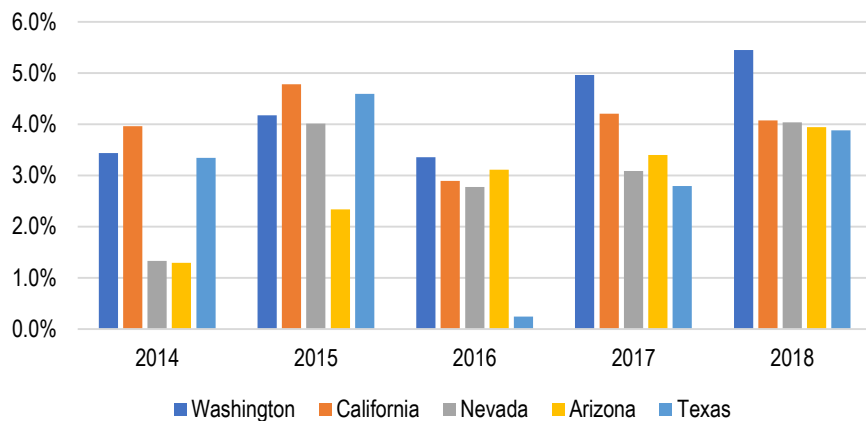


Exhibit 1-14
Top 5 Growth States by Real GDP

Source: BEA



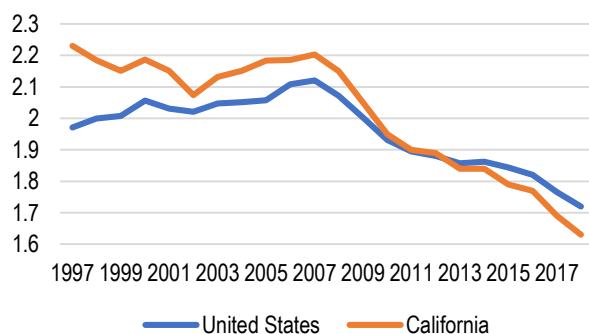
of the national output each consecutive year since 2012.¹

Chief among issues weighing on the California economy is the brewing of a demographic crisis for the state. Population growth has consistently slowed over the past few years, with population growth of less than half a percent for 2019. The causes of this are manifold, but a major reason is that, at a baseline, California has become a low fertility state. Prior to the 2008 financial crisis, California had a total fertility rate well above the national average, and often above the replacement level fertility rate of 2.1, causing increases in population apart from migration. On top of a generationally low fertility rate, California also suffers from a substantial amount of domestic migration, losing population to other states annually for the last 18 years. For most of this time period, international immigration substituted for the shortfall, but with an uncertain immigration policy environment emanating from Washington, immigration has not provided this supplement.

With this decline in population growth will come a commensurate decrease in political power, as projections for the 2020 census show the state is likely to lose a congressional seat. As far as the economy is concerned, economic growth is only possible through an increased labor stock or increased productivity, and with slowing population growth it will be difficult to achieve higher levels of economic growth. In addition, as fewer births occur and younger and middle-income Californians leave the state in search of economic opportunity and housing affordability, the population is rapidly aging, which also reduces economic growth as the share of prime working age population declines.

Exhibit 1-15
Total Fertility Rate

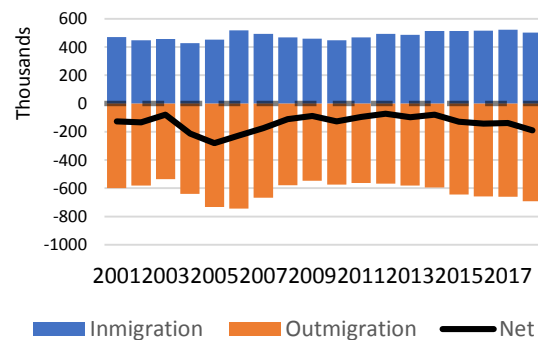
Source: CDC



¹ Bureau of Economic Analysis.

Exhibit 1-16
California Domestic Migration

Source: Census

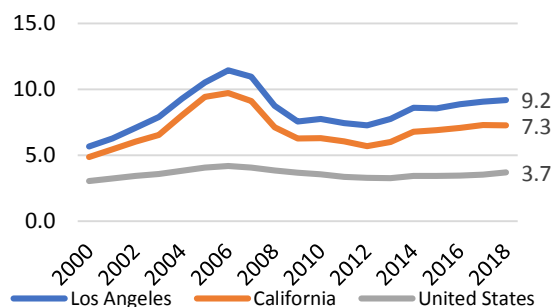


While there are any number of reasons why people choose to leave the state, or to put off having children, the dominant story is one of a housing markets so overheated that it is becoming increasingly less practical for those who do not already own a home to buy one.

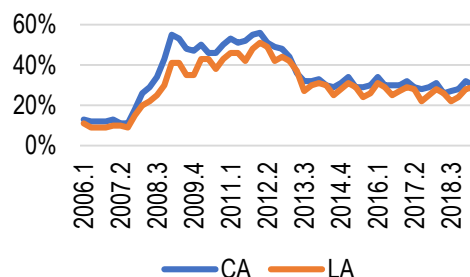
This can be most readily seen in examining the median home price to median household income ratio, which offers a snapshot of affordability in a single metric. In 2018, the median home in California was 7.3 times the median household income, in contrast to the median home in the United States, which was only 3.7 times the median household income. A common “rule of thumb” stipulates that a typical household should spend no more than three times its gross income on a mortgage; some urban planners suggest keeping this measure below four times a household’s gross annual income as a municipal target. As such, the fact that the median Californian household must pay more than seven times its income to afford a home should be grounds for grave concern regarding sustainable economic growth.

Exhibit 1-17
Median Home Price to Median Household Income Ratio

Source: Census


Exhibit 1-18
Housing Affordability

Source: C.A.R.





The Port of Los Angeles

Survey after survey suggests that the level of housing unaffordability is putting a strain on Californians and is responsible for driving people from the state,² and current construction trends mean this pattern is unlikely to abate in the near future. In its baseline forecast, the LAEDC predicts the level of housing permits falling from 107,433 in 2019 to roughly 92,000 in 2021 as the inherent regulatory difficulty in building is exacerbated by increasing material and labor costs. This failure to produce adequate housing supply will translate into higher median home prices, which are forecasted to approach \$600,000 in a base scenario where permits decline and wages rise.

On the trade front, California has been affected by the trade disputes at the federal level. As of 2018, Californian exports to its two largest partners, Mexico and Canada, had increased 14.9 percent and 5.1, respectively, year over year. Exports to China and Hong Kong, however, declined 0.6% and 18.2%, respectively, year over year. On the import side, imports from China increased minorly in 2018, whereas imports from Mexico, Japan and Canada, California's next largest import partners, all declined. With positive movements on USMCA and signs of a ceasefire with China, some of the negative two-way trade trends that began in 2018 and likely continued in 2019 will hopefully reverse in 2020. Since Californian companies rely on foreign markets for both product value-chain inputs and consumer markets, a normalization of trade relationships, especially with Mexico and Canada, will greatly benefit California's growth in 2020. An easement in tensions with China will hopefully improve not only trans-Pacific trade relations but also encourage renewed Chinese investment in Californian enterprises, intellectual property and real estate.

2 See, e.g., PPIC Statewide Survey, May 2019 (52% of Californians say the cost of their housing causes personal financial strain); and PPIC Statewide Survey, March 2019 (47% of Californians are seriously considering moving due to housing costs, including four in ten young adults age 18-34 who have seriously considered leaving the state due to housing costs).

Exhibit 1-19

Exports from California by Country, 2008-2018

Source: U.S. Department of Commerce

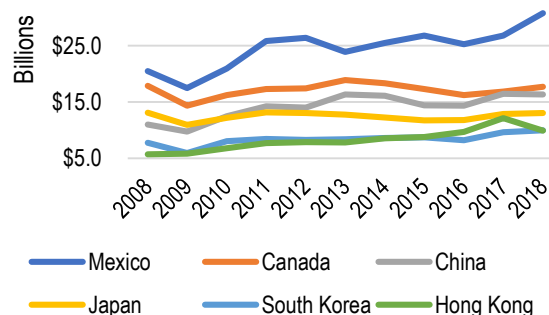
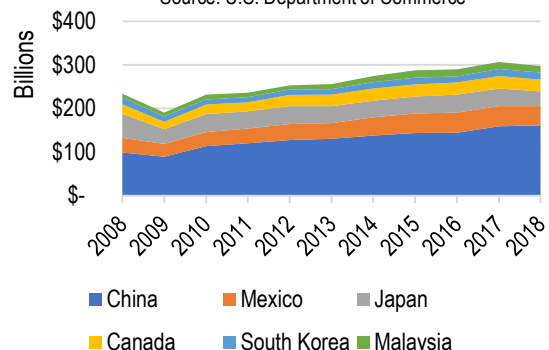


Exhibit 1-20

Imports to California by Country, 2008-2018

Source: U.S. Department of Commerce



California Headline Economic Statistics and Forecast

	2015	2016	2017	2018	2019	2020f	2021f
Real GSP Growth	5.0%	3.0%	4.4%	4.3%	2.6%	2.0%	1.6%
Real Personal Income Growth	7.2%	2.7%	2.6%	3.8%	3.6%	2.2%	2.2%
Total Employment Growth	474,700	429,600	356,200	344,700	283,200	283,200	274,700
Unemployment Rate	6.2%	5.5%	4.8%	4.2%	4.1%	4.0%	3.9%
Real Per Capita Income (\$2012)	\$47,655	\$48,593	\$49,499	\$51,088	\$52,672	\$53,523	\$54,533

Facing the Future Los Angeles County in 2020 and Beyond

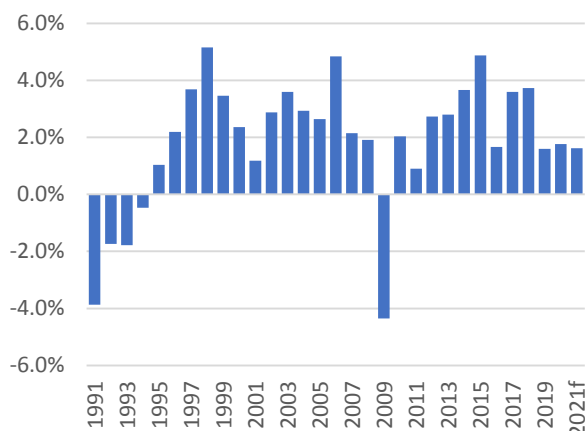
The County of Los Angeles is home to one quarter of Californians and produces over one quarter of its gross product. As such, the county is both a proxy for and driver of many of the economic trends occurring and predicted to occur at the state-level. Like the slowing economic growth trend for California, Los Angeles County real GDP growth is expected to have slowed to 1.6 percent in 2019 and only grow 1.8 percent in 2020, with an estimated 1.6 percent growth in the following year. This represents a marked slowdown from the brisk 3.7 percent growth rate in 2018. Much of this growth will be expansion in education and health services which are expected to account for roughly half of all new employment. In addition, construction employment is expected to increase considerably as transit expansion and development efforts are hurried to completion prior to the 2028 Olympics, although there will likely be greater demand for workers than can be met, especially in the short-term. Lastly, major employment growth is expected to be seen in the professional and business services sector, as the high demand for technical skills accelerates. In contrast, manufacturing employment is expected to continue to shrink as the regional shift from the 20th century production economy continues its transition to the more service-oriented reality of the 21st century. The unemployment rate is expected to decline further as more marginally-attached workers are pulled off the sidelines, dropping to 4.1 percent by the end of 2021. This tightening in the labor market should result in continued wage gains, with an estimated growth of 1.8 and 2.1 percent in real personal income in the next two years.

Much like the state, demographic and housing issues will represent significant barriers to growth in L.A. County. Population growth has slowed statewide, but in Los Angeles County it has in fact reversed. With negative growth in the past year, the population was in fact lower in 2019 than in 2018. This presents enormous risks for the region moving forward, as an aging and declining population will not be able to maintain economic growth without productivity gains. Moreover, the lack of labor force productivity thus far suggests that automation is unlikely to reverse this slowing in growth. Indeed, labor force productivity in Los Angeles County has not increased more than 4.1 percent since 2009, suggesting new workplace technologies are not radically transforming the workplace as much as expected. Furthermore, manufacturing workers in the county experienced greater productivity gains than those in services between 2013 and 2017 despite continual annual losses in manufacturing employment.

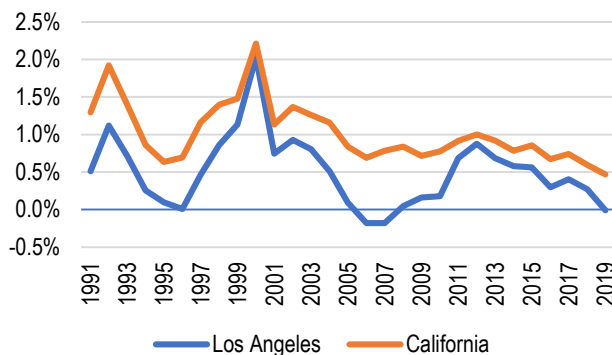
On the housing front, Los Angeles is responsible for a

Exhibit 1-21**Los Angeles County GCP Growth**

Source: IHS, LAEDC

**Exhibit 1-22****Year-over-Year % Change In Population**

Source: CA DoF

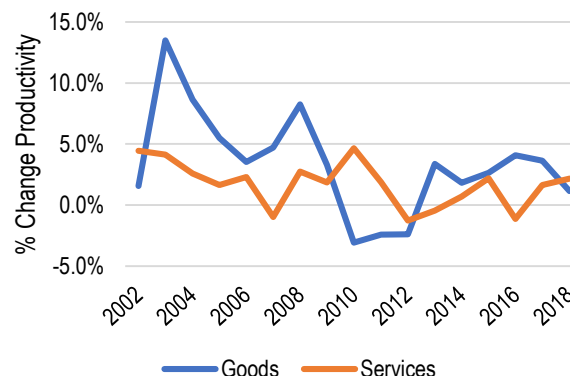


significant part of SCAG's Regional Housing Needs Assessment (RHNA) goal of 1.3 million new homes over eight years. At current levels of housing production, it would take nearly 30 years to produce that much, and if the region is to meet this goal, it will require more than tripling current levels of housing production. Indeed, the six counties in the SCAG region would have to produce around 150,000 units a year, as opposed to the roughly 45,000 the region currently produces. Tripling production in Los Angeles County would imply over 60,000 units a year, likely an impossibility under current regulatory and cost restrictions. LAEDC forecasts estimate permits in Los Angeles County at around 21,000 for both 2020 and 2021, far from the 60,000 needed to achieve regional ambitions. All of this means that housing costs are likely to stay high in the near-term, driving continued migration to the Inland Empire, as well as to more affordable states.

Los Angeles County is also facing a softer labor market than the state and nation. In headline unemployment levels, the county sits a full

Exhibit 1-23**Productivity vs. Employment Share in LA County**

Source: BEA

**Exhibit 1-24****Housing Permits Issued**

Source: Census

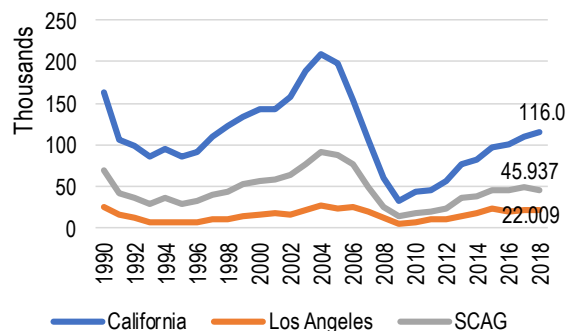
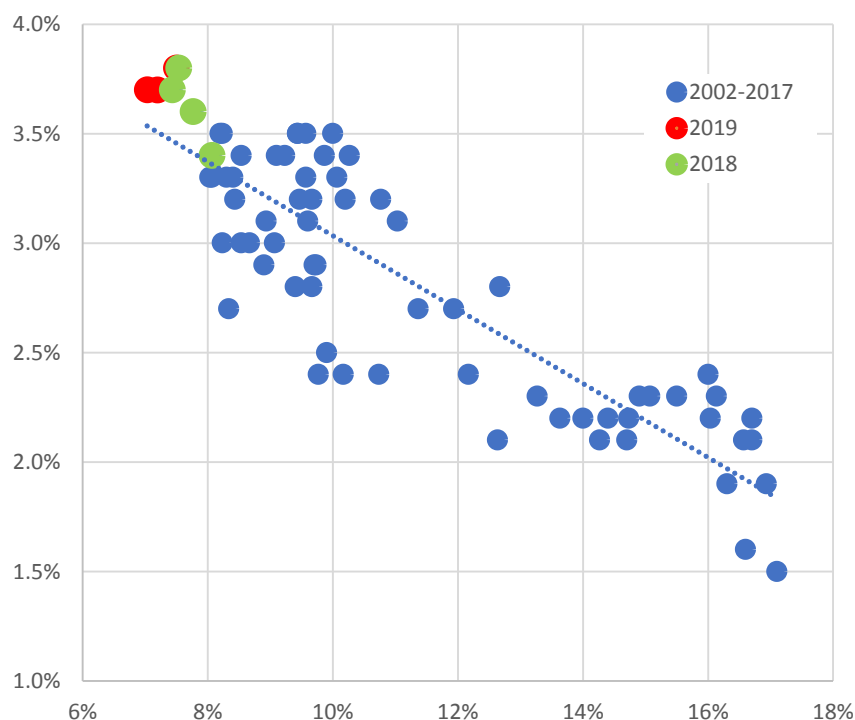


Exhibit 1-25
Total Compensation Growth vs U6 Unemployment (National)

Source:
 St Louis
 Fed



point above the nation at 4.5 percent, but the situation is significantly worse when examining U-6 (unemployment) rate, which includes marginally-attached and part-time workers. Although this measure, which includes underemployment, has continued to improve for the nation, in Los Angeles County underemployment has remained just over 10 percent for the last several years, remaining stubbornly high despite broadly improving economic conditions. This is an important risk to the regional economy since reducing labor market slack is key to driving wage growth, and the greater looseness in the Los Angeles County labor market means that wages are not going to rise as rapidly as they might otherwise.

Another key barrier to long-term regional growth and economic dynamism is transportation infrastructure and the efficient movement of people and goods. Aware of the need to improve, the Los Angeles Metropolitan Transportation Authority (LA Metro) enacted in 2018 its Vision 2028 plan to increase access, to reduce waiting times and to improve mass transit speeds.¹ As part its Land Access Modernization Program, Los Angeles World Airports broke ground in March 2019 on its LAX Automated People Mover.² Combined with its new intermodal parking facility, consolidated car rental facility and general roadway improvements, this important node is driving activity in the tourism sector, easing access for the over 50 million visitors who visit Los Angeles annually.³ In addition, Metrolink is moving forward on a decade-long, \$10 billion overhaul of its passenger and freight rail network. This public transportation expansion should help grow the economy not only through the direct fiscal impacts of billions of dollars in capital investment, but also through the productivity gains that come from increasing worker connectivity to the regional labor market and nodes of commerce. This should also help to reduce underemployment by helping expand access to jobs for those who cannot afford, or would prefer not, to use automobiles. In the short-term, more efficient

and affordable in-county and intercounty travel options might also alleviate some housing pressures.

These multi-billion-dollar capital investments to increase efficiency and boost ridership come at an opportune time for public transit passengers within LA County. Indeed, LA Metro ridership declined on a month-to-month basis throughout 2019. This was most notably the case for LA Metro rail ridership; however, much of this decline can be attributed to the mid-year closures of the Blue Line, which connects Downtown Los Angeles to Downtown Long Beach, and the Expo Line, which connects Downtown Los Angeles to Downtown Santa Monica. LA Metro bus ridership, on the other hand, experienced an increase in usage from May until October in 2019.

This same trend was not seen for the Southern California Regional Rail Authority's (Metrolink) ridership. Indeed, Metrolink reported a record-setting nearly 12 million boardings for fiscal year 2018-2019, an increase of 247,000 from the previous year.⁴ In concert with the proposed Southern California Optimized Rail Expansion slated for completion by 2028, Metrolink's ridership gains are coming at a critical moment for county transportation. Despite a 1.3 percent decline in vehicle miles traveled in Los Angeles between 2018 and 2019, vehicle hours traveled increased by 0.5 percent. This continues a longer trend of Angelenos

Exhibit 1-26
% Change in LA Metro Rail Ridership, 2018 to 2019 MTM

Source: LA Metro

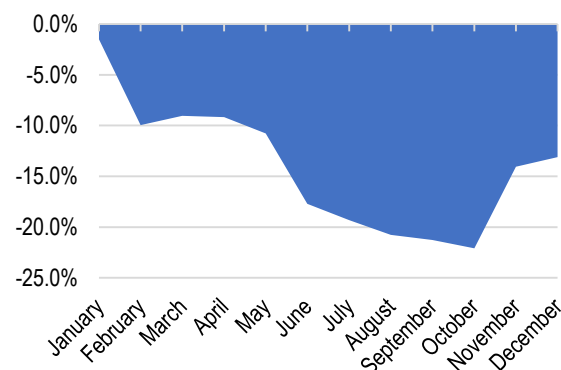
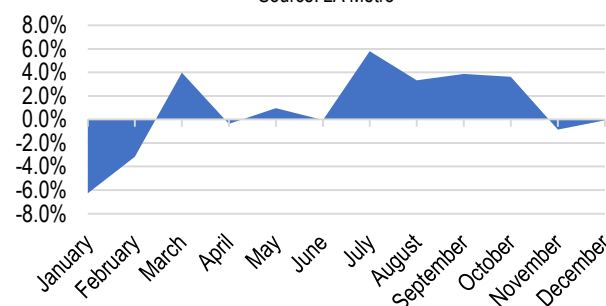


Exhibit 1-27
% Change in LA Metro Bus Ridership, 2018 to 2019 MTM

Source: LA Metro



1 "Metro's Vision for the Future of Transportation in LA County." *Metro Vision 2028*, pg. 8.

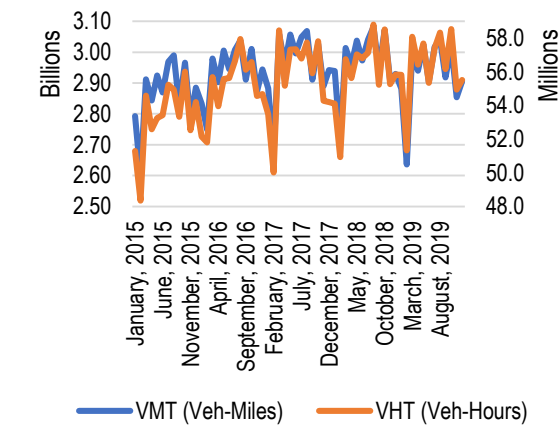
2 "Connecting LAX." Los Angeles World Airports.

3 Los Angeles Tourism and Convention Board.

4 "Metrolink Hits Record Ridership of Nearly 12 million in Fiscal Year 2018-2019." Metrolink News. 13 August 2019.

Exhibit 1-28
LA County VMTs and VHTs, 2015-2019

Source: Caltrans PeMs



taking longer to travel smaller distances by car. Given adequate alternatives, Los Angeles residents might finally begin the long-awaited transition from the automobile to mass transit and other alternative mobility options.

Regional transportation and infrastructure development ambitions and targets portend long-term optimism for the county's economic future in the medium- to long-term. However, in the short-term, housing supply and affordability issues must be addressed as essential to Los Angeles County's economic success. Local policymakers truly keen on ensuring sustainable and inclusive economic growth will need to focus not only on making Los Angeles ready for technology- and service-oriented work (and shielding them from the worst ravages of automation), but they must also focus their efforts on measure that help more Angelenos afford decent domiciles for themselves and their families.

Los Angeles County Headline Economic Statistics and Forecast							
	2015	2016	2017	2018	2019	2020f	2021f
Real GCP Growth	4.9%	1.7%	3.6%	3.7%	1.6%	1.8%	1.6%
Real Personal Income Growth	7.1%	2.1%	1.2%	2.8%	2.8%	1.8%	2.1%
Total Employment Growth	93,000	109,800	54,000	63,100	49,700	48,400	42,200
Unemployment Rate	6.6%	5.3%	4.8%	4.7%	4.5%	4.3%	4.1%
Real Per Capita Income (\$2012)	\$45,994	\$46,842	\$47,210	\$48,395	\$49,775	\$50,615	\$51,596



Passengers board the Metro Gold Line in Monrovia.

2 SAN GABRIEL VALLEY ECONOMIC INDICATORS



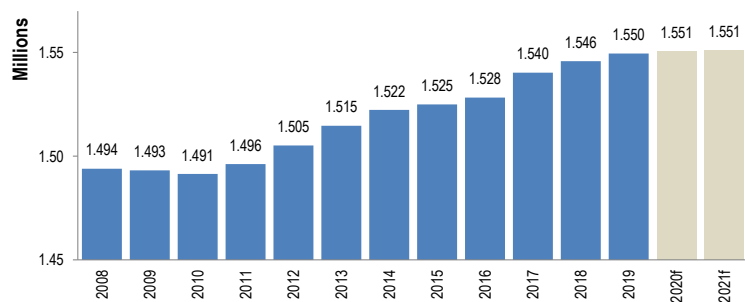
The San Gabriel Valley differs distinctly from the greater Los Angeles County in terms of demographic composition, industry employment, wages and income and industry concentration of business establishments. These indicators are explored here.

Demographics

Demographics of the resident populations in the San Gabriel Valley provide context into both the strengths of the region as well as the challenges it faces. Key indexes include the overall population and its urban-rural concentration, distributions of race and ethnicity within the region and educational attainment.

Exhibit 2-1

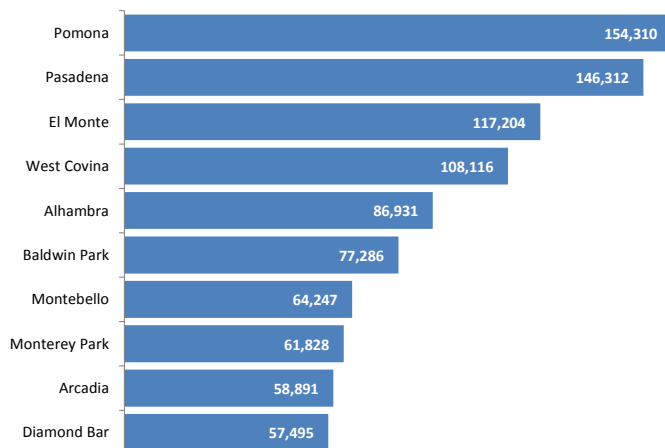
Population in San Gabriel Valley
(millions)



Source: California Department of Finance

Exhibit 2-2

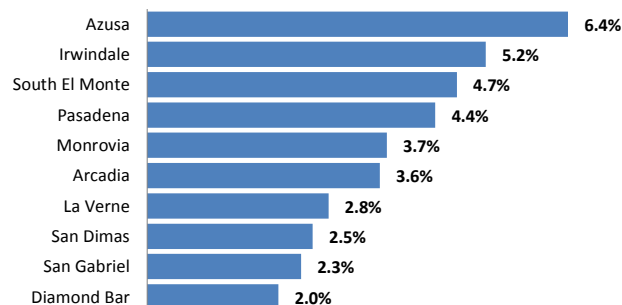
Ten Largest Cities in San Gabriel Valley
Population 2019



Source: California Department of Finance, Demographic Research Unit

Exhibit 2-3

Five-Year Population Change
Ten Fastest Growing Cities in SGV



Source: California Department of Finance

Population

There were around 1.55 million people residing within the 31 incorporated cities of the San Gabriel Valley in 2019.

Overall, the regional population has changed little in the past decade, as Exhibit 2-1 illustrates steady but minor annual population growth. Since 2010, the total population has increased by roughly 3.9% in the incorporated cities, compared with 4.4% in Los Angeles County and 7.2% in California.

From 2005 to 2010, population in the valley had declined on a year-to-year basis. In the years following the recession, growth slowly resumed and eventually settled at an annual growth rate of around 0.5% before sliding to 0.2% from 2018 to 2019. Although this represents a minimal increase in population, it remains a positive sign for avoiding the trend of depopulation that has been concerning for the greater Los Angeles County, which lost population in 2019.

In 2019, the most populous cities in the San Gabriel Valley were Pomona (154,310 residents), Pasadena (146,312), El Monte (117,204) and West Covina (108,116).

The fastest growing cities in the valley over the past five years were Azusa (6.4%), Irwindale (5.2%), South El Monte (4.7%), Pasadena (4.4%), Monrovia (3.7%), Arcadia (3.6%) and La Verne (2.8%). Four cities posted a decline in population over the five-year period, Bradbury (-2.0%), Industry (-0.9%), La Canada Flintridge (-0.2%) and Covina (-0.02%); however, the first two are smaller cities with populations of less than 1,100 and the latter two are large enough that the decreases are negligible compared to the overall population. Due to current Los Angeles County trends of low fertility and out-migration resulting from high housing costs, population growth should generally remain low over the next few years. More details can be found in Exhibit A-2 in the Appendix (online version only).

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- New material science
- Port logistics & technology service
- Manufacturing (alternative fuel vehicles)
- High-level transportation equipment

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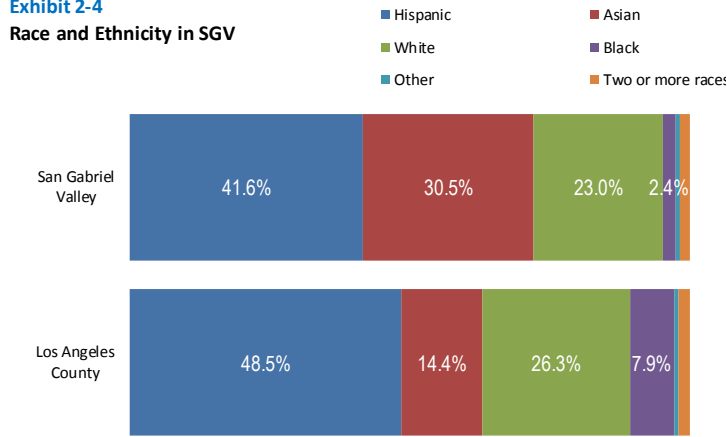
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Focus

- Connects Jiangsu Province to the U.S.A.
- See power transformed & traditional industries upgraded
- Science and technology, Culture, Finance, Education, Health, Medical care, New agriculture



Exhibit 2-4
Race and Ethnicity in SGV



NOTE: Other Race includes American Indian and Alaskan Native, Native Hawaiian or Pacific Islander and Some Other Race
Source: U.S. Census Bureau, 2018 ACS 5-year estimates

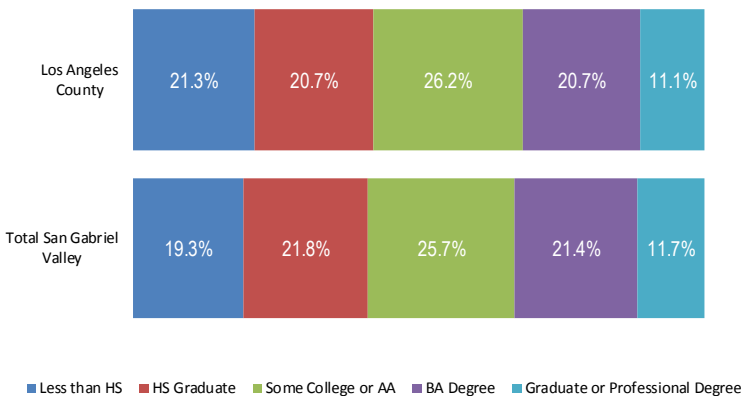
Race and Ethnicity

The San Gabriel Valley features a population that is more racially and ethnically diverse than the greater Los Angeles County. Hispanics and Latinos make up the largest ethnic group with a total population of roughly 650,000 in incorporated cities in the region. Their concentration is greatest in Irwindale, La Puente, South El Monte, Montebello and Baldwin Park, but they are well represented in all the major regional communities.

Asians are the next largest ethnic group in the San Gabriel Valley with a total population of around 470,000. There is a large ethnic Chinese population that began with an influx of Taiwanese in the 1970s; more recently, mainland Chinese immigration has greatly contributed to the growth of this community. There are ten cities in the San Gabriel Valley where Asians are a majority, including Monterey Park, Walnut, Temple City, Arcadia and Rosemead. The substantial population of Asian residents in the valley distinguishes it from the rest of Los Angeles County, which has roughly half the proportion of Asian residents with respect to the larger Angeleno population.

Whites comprise the third largest group in the valley with a population of 350,000, followed an African American population numbering around 37,000. The balance of population includes Native Americans, Hawaiians/Pacific Islanders, and persons who identified as “other” or of two or more races. More details can be found in Exhibit A-3 in the Appendix (online version only).

Exhibit 2-5
Educational Attainment in SGV
Population 25 years and over



Source: U.S. Census Bureau, 2018 ACS 5-year estimates

Educational Attainment

The San Gabriel Valley is home to many highly-educated workers. Excellent higher education is provided by numerous institutions including Caltech, the Claremont Colleges, Cal Poly Pomona, California State University Los Angeles, University of La Verne, Azusa Pacific University and the region’s community colleges. However, there are also several communities within the valley that struggle with educational attainment.

The overall level of educational attainment in the San Gabriel Valley is slightly higher than that of Los Angeles County. Within the valley, 80.7% of the population 25 years and older has attained a high school diploma (or equivalent) and 33.1% has earned a Bachelor’s degree or higher as opposed to 78.7% with a high school diploma and 31.8% with a Bachelor’s in the greater county.

The cities with the largest percentage of adults holding a Bachelor’s degree or higher are San Marino (75.6%), La Canada Flintridge (73.2%), South Pasadena (64.8%), Sierra Madre (62.4%), and Bradbury (58.4%).

At the other end of the spectrum, there are eleven cities where the percentage of the adult population with a high school diploma is lower than average for the valley as a whole. For example, in both El Monte and South El Monte less than 60% of the adult population has attained a high school diploma. More details can be found in Exhibit A-4 in the Appendix.

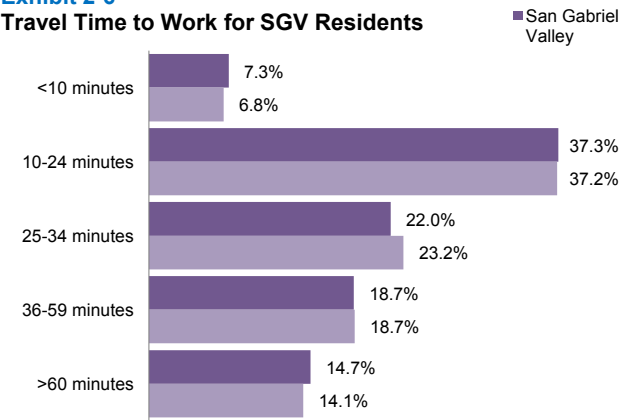
Commuting Patterns

Worker commuting patterns show that the majority of residents of the San Gabriel Valley (aged 16 and older) worked somewhere in Los Angeles County – 86% versus 14% who commuted to work outside the county.

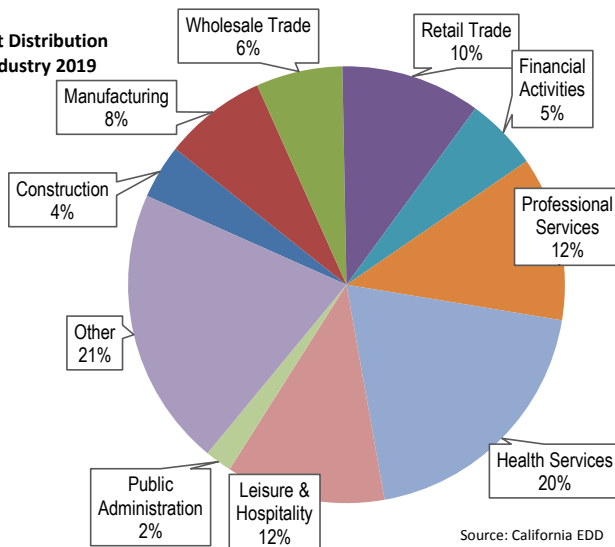
Travel times to work for San Gabriel Valley residents are very similar to the distribution of commute times found in Los Angeles County as a whole.

The average one-way commute to work for people living in the San Gabriel Valley was 31.6 minutes, while the average commute time in the United States was 26.9 minutes. Similarly, 14.7% of residents in San Gabriel Valley spent at least one hour commuting to work, while countywide 14.1% did; the national share was lower at 9.3%.

Exhibit 2-6
Travel Time to Work for SGV Residents



Source: U.S. Census Bureau, 2017 ACS 5-year

Exhibit 2-7**Employment Distribution in SGV by Industry 2019**

Employment and Unemployment

The distribution of jobs by industry in the San Gabriel Valley is similar to the overall distribution for Los Angeles County. The largest share of employment lies in health care services, which accounts for 19.6% of wage and salary jobs, followed by professional and business services which hold a 12.2% share. Other large industry sectors in the valley are retail trade and leisure and hospitality. Most of these industries will be discussed in the following section.

In 2019, wage and salary employment in the San Gabriel Valley increased by around 1.2% from 2018 to an estimated 711,000 jobs. Based on LAEDC estimates, 9 of the 14 major industry sectors in the San Gabriel Valley added jobs in 2019. Total employment is currently at an all-time high, and we project that the region will continue to add jobs through 2021, given that we still see substantial slack in the Los Angeles County labor market.

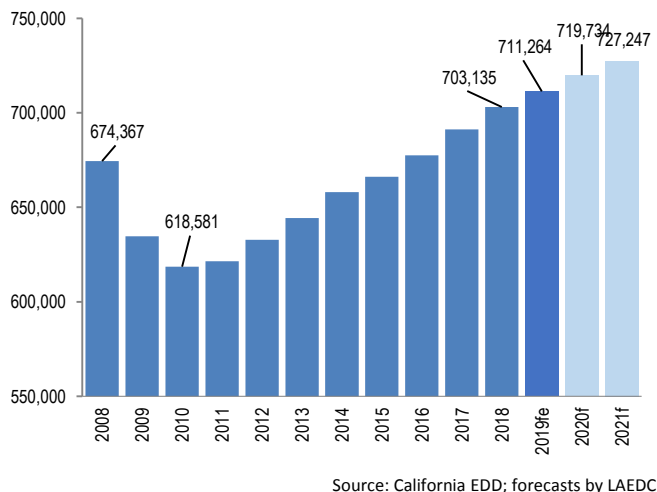
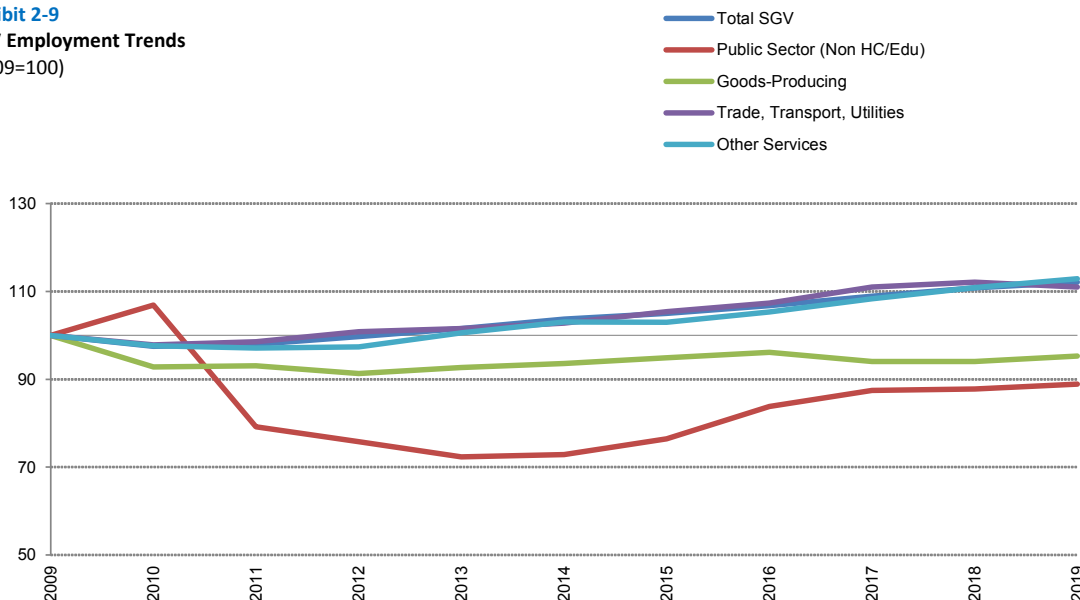
As a result, the total employment of the San Gabriel Valley is expected to reach nearly 720,000 jobs this year, equivalent to a 1.2% annual gain, with an additional projected gain of 1.0% in 2021 bringing total wage and salary employment up to 727,000 jobs.

At the industry level, employment in Health Services posted the largest gain in 2019, adding over 3,200 jobs for an annual increase of 2.4%. After this, professional and business services and leisure and hospitality posted gains of roughly 2,900 and 1,400, respectively.

There were five sectors that recorded estimated declines in employment over the year: wholesale trade, retail trade, manufacturing, natural resources and other services. Most of these declines were insubstantial and reflect the difficulty of adding more jobs to robust full employment situation. The only substantial decline was in retail trade (-1,500), which is part of the continued shift away from retail trade employment in the face of e-commerce. This trend is not unique to the San Gabriel Valley, as it is currently playing out at the national industry level.

More details can be found in Exhibit A-5 in the Appendix.

Goods-producing industries have lost employment and stagnated over the past decade, as has the non-healthcare and education public sector, but there has been some recovery in recent years. In

Exhibit 2-8**Employment in San Gabriel Valley****Exhibit 2-9****SGV Employment Trends (2009=100)**

contrast, the shift from manufacturing to a services economy and the growing importance of logistics have increased employment in these areas.

Unemployment rates in the San Gabriel Valley, similarly to those of the county and state, have been leveling off after substantial declines in recent years. The current rate of unemployment in the San Gabriel Valley is 4.2%, slightly lower than the 4.5% of Los Angeles County.

San Gabriel Valley cities enjoying the lowest unemployment rates are La Canada Flintridge (1.9%), San Marino (2.1%) and Bradbury (2.9%). Cities with the highest rates of unemployment are Industry (7.0%), Irwindale (6.9%) and Duarte (5.1%).

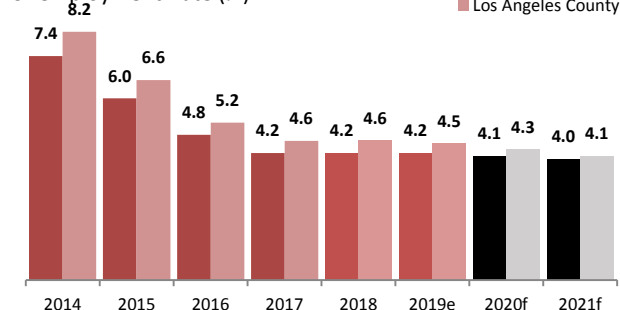
Unemployment is projected to continue its slight decline over the next two years as the labor market continues to tighten.

More details can be found in Exhibit A-6 in the Appendix.

Exhibit 2-10

Unemployment in San Gabriel Valley

Unemployment Rate (%)



Source: California EDD; forecasts by LAEDC

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It notifies me of health concerns, like the local typhus outbreak last winter and the current Aedes mosquito invasion.

It keeps me informed about rising rents, and the daunting overall high cost of living here.

It addresses my concerns about crime, public transportation, safety as well as the environmental issues my generation cares about.

Most of all, I value my local paper because it's an essential part of the community.

—Charlotte (subscriber)

Income and Wages

The distribution of total payroll by industry in San Gabriel Valley is shown below. Professional and business services account for the largest single share of payroll, equaling 16.3% of all payrolls paid in San Gabriel Valley. However, just behind it is the Health Services sector at 15.0%, reflecting the increasing importance of workers in the healthcare industry to the San Gabriel economy.

The total value of wage and salary payrolls in the San Gabriel Valley reached an estimated \$37.2 billion in 2019, up by 2.8%, or \$1.05 billion compared with 2018. Some of this rise is due to increases in payroll employment, but the tightening labor market is also creating wage increases, particularly for low wage industries. Total payrolls are projected to increase by 3.3% to \$38.4 billion in 2020, as new records in prime age employment rates create competition for workers and force businesses to raise wages.

The average annual wage in 2018 in the San Gabriel Valley was an estimated \$56,188.

Average wages in the San Gabriel Valley remain lower than Los Angeles County across all industries, with one striking difference in the information sector, due to the spectacularly high wages offered by tech companies located primarily in the Silicon Beach area.

More large divergences are found in wholesale trade and financial activities. In contrast, industries such as construction and healthcare are much more equal to their peers across the county, likely because these industries are oriented towards the regional economy rather than exports.

More details can be found in Exhibit A-7 in the Appendix.

Exhibit 2-11

Total Payroll Distribution by Industry Sector 2018

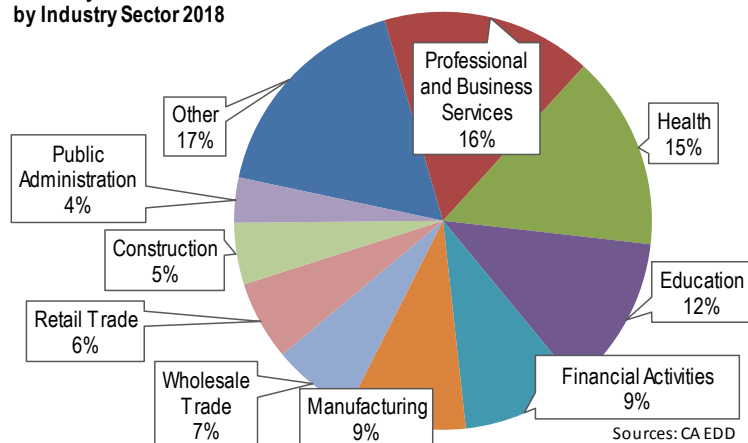
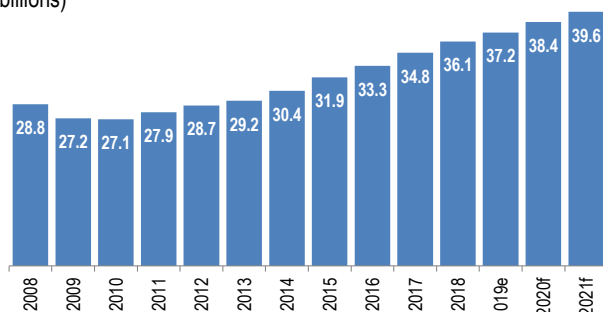


Exhibit 2-12

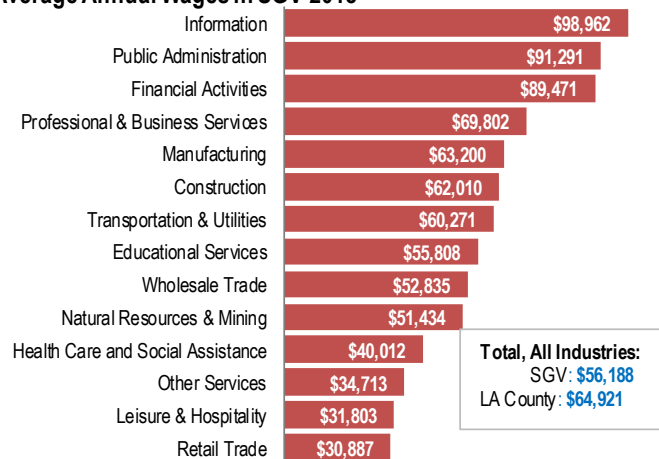
Total Payroll in San Gabriel Valley (billions)



Source: California EDD; forecasts by LAEDC

Exhibit 2-13

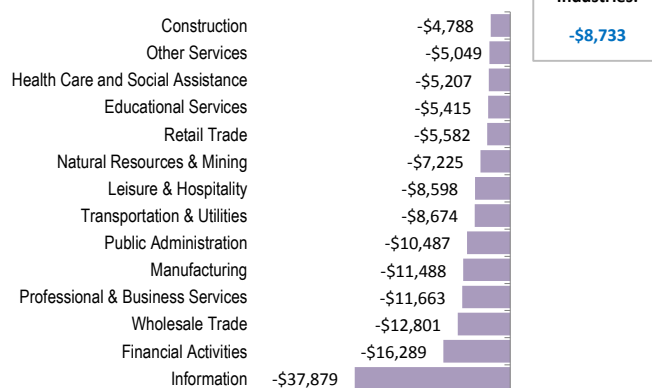
Average Annual Wages in SGV 2018



Source: California EDD

Exhibit 2-14

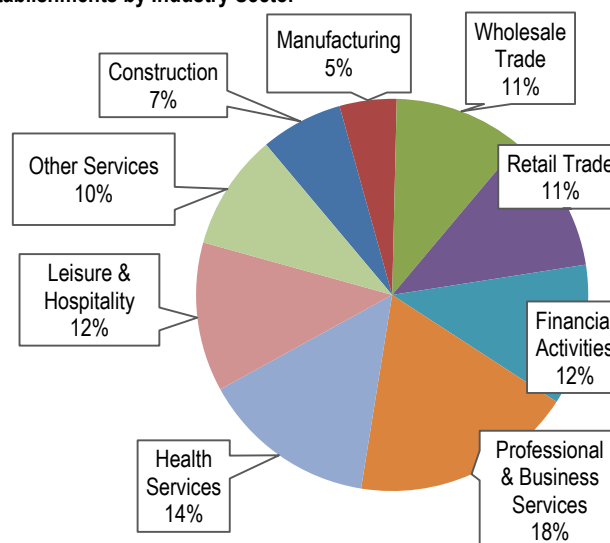
Wage Differential in SGV versus LA County 2018



Source: California EDD

Exhibit 2-15

Establishments by Industry Sector



Sources: CA EDD

Business Establishments

There were an estimated 94,000 business establishments in the San Gabriel Valley in 2019, equivalent to 19.2% of the county’s 490,000 establishments. The largest share were professional and business services with 17.2% of all establishments. This sector includes accountants, architects, engineers, lawyers, consultants, temporary employment services and janitorial services. Health services ranked second in terms of establishments by industry sector, with 13.5% of all establishments, not including home health care providers. This number results from the many hospitals and clinics, as well as the numerous physicians’ and dental offices, nursing and residential care facilities, and social assistance/child welfare facilities in the San Gabriel Valley.

Several San Gabriel industries account for a sizeable percentage of all establishments in Los Angeles County. The San Gabriel Valley was home to 22.8% of Los Angeles County’s health services establishments. It also holds 21.9% of wholesale trade establishments and 18.8% of those in construction. More details can be found in Exhibit A-8 in the Appendix.

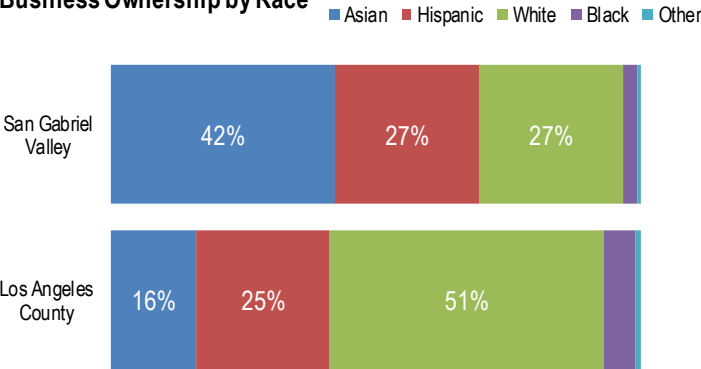
One notable difference between the business establishments in the San Gabriel Valley and those in the broader Los Angeles County is that companies in the valley have a much more diverse group of owners. Businesses in the greater county are majority owned by white owners, whereas in the valley the Asian demographic group owns the most businesses, and there is a much more equal share of ownership between the Hispanic and White communities. This difference in ownership is reflective of the diversity of the San Gabriel Valley, as well as the uniquely important Asian-American population.

Exhibit2-16
SGV Share of LA County Establishments



Sources: CA EDD

Exhibit2-17
Business Ownership by Race



Source: U.S. Census Bureau, 2012 Survey of Business Owners



Shared open-plan workspace in Pasadena

Foreign Direct Investment

Los Angeles is one of the largest recipients of foreign direct investment (FDI) in the country, behind only New York City. In particular, strong ties between the regional Asian- American community and major East Asian trading partners result in a heavy degree of business investment by major international firms.

The three largest contributors of foreign direct investment, by number of establishments, are Japan at 18.3%, China at 15.6% and Taiwan at 8.2%, for a combined share of 42.1% of all firms. In terms of industries, foreign direct investment is heavily weighted towards trade and manufacturing with Wholesale Trade, Retail Trade and Manufacturing accounting for 55.3% of all firms. Foreign investment also maintains a significant presence in finance and insurance establishments.

Exhibit 2-18

Share of FDI Establishments by Country

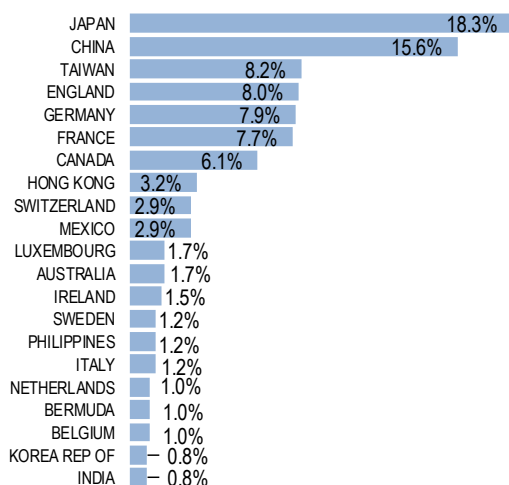
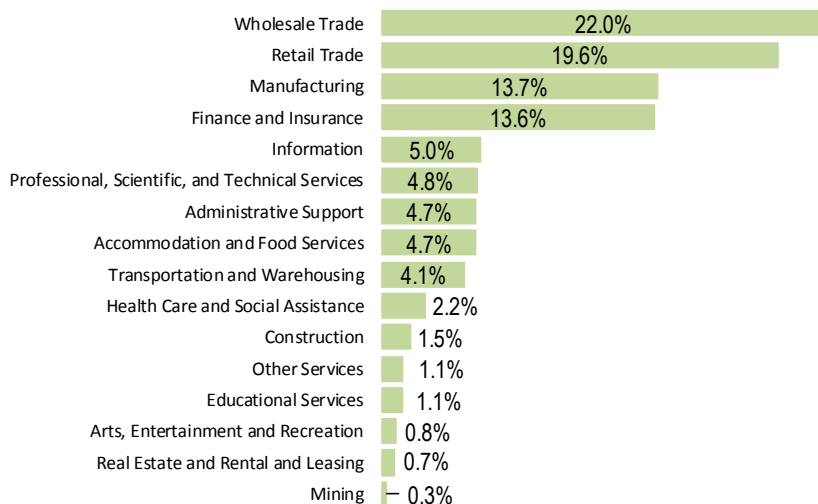


Exhibit 2-19

Share of FDI Establishments by Industry

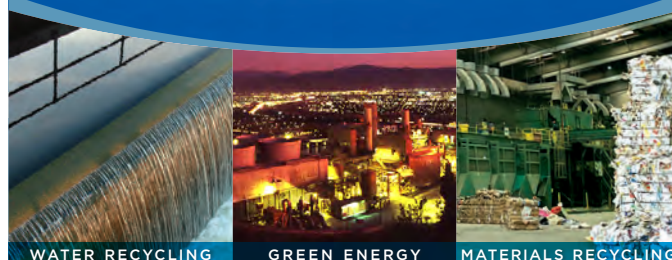


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Business Sales and Revenues

A new Economic Census, consisting of data from 2017, is scheduled for release by 2021; despite being slightly dated, the most recent data from 2012 still gives insight into the structure and success of businesses in the San Gabriel Valley. Focusing solely on employment data to measure the strength of an industry can be wildly misleading as it can easily mask critical information about productivity shifts and capital investment that are key to the future success and health of key industries.

The 2012 Economic Census provided information on the following sectors:

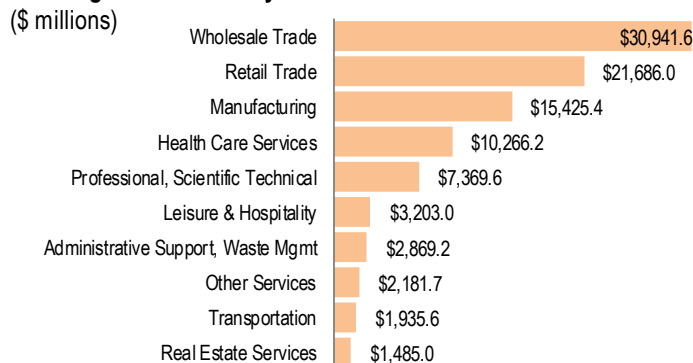
- Administrative support and waste management services
- Health care and social assistance services
- Leisure and hospitality
- Manufacturing
- Other services
- Professional, scientific and technical services
- Real estate services
- Retail trade
- Transportation
- Wholesale trade

Based on these ten sectors, total business revenues for the San Gabriel Valley in 2012 were \$98.6 billion. The highest revenue figures were found in wholesale and retail trade and manufacturing, which represented 69% of the total for the San Gabriel Valley. The next most prominent sectors were health care, professional scientific and technical services, and leisure and hospitality.

The City of Industry had the highest business revenues (\$27.1 billion) of all cities in the San Gabriel Valley in 2012. Not surprisingly, wholesale trade and manufacturing were the two leading sectors in the City of Industry. Pasadena was a distant second with total business revenues of \$14.1 billion, coming mainly from professional, scientific and technical services. Together, these two cities (with about 9.0% of the total population) represented 42% of total business revenues in the San Gabriel Valley. Irwindale, Arcadia, El Monte, Montebello, Alhambra, West Covina and Azusa led amongst the remaining cities in the Valley.

Exhibit 2-20

Business Revenues in SGV Ten Largest Industries by Revenue 2012



Source: U.S. Census Bureau, 2012 Economic Census

Meet Crystal
Crystal Sin has a dream -- and is making it happen.

She joined the Pomona Health Career Ladder at WesternU as a Palomares Academy of Health Sciences student.

Today she's in the WesternU College of Optometry Class of 2023.

The nine colleges at WesternU have more than 1,000 students, including Crystal, in the 2019-20 academic year.

Each one has a dream. Each one is making it happen.

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College of Pharmacy
College of Graduate Nursing
College of Veterinary Medicine
College of Dental Medicine
College of Optometry
College of Podiatric Medicine
Graduate College of Biomedical Sciences

Western University
OF HEALTH SCIENCES

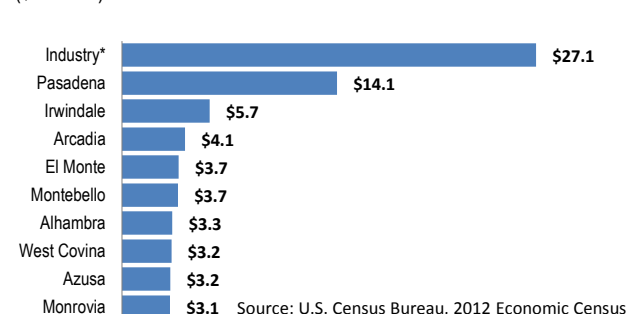
47516-2/20-R

More details can be found in Exhibit A-9 in the Appendix.

The reader is cautioned that while this is the most recent data available on shipments by industry, changes in industry composition of each city may have had significant impacts on these relative positions since 2012.

Exhibit 2-21

Business Revenues in SGV Ten Largest Cities in SGV 2012



Source: U.S. Census Bureau, 2012 Economic Census

INDUSTRIES OF THE SAN GABRIEL VALLEY

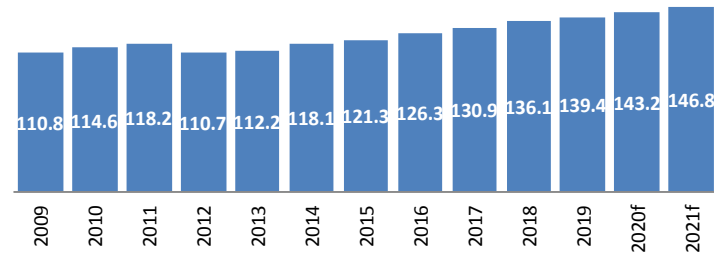
The San Gabriel Valley economy is driven by a number of valuable sectors including: health care, higher education, international trade, retail trade, manufacturing, professional and business services and tourism. These main industries, along with other notable components such as housing and commercial real estate, are the foundation of regional economic growth, drawing in dollars from outside the valley, fostering innovation and creating wealth.

Health Care

Health care is a critically important industry in the U.S. In 2018, national health care expenditures were \$11,348 per person (\$3.6 trillion in total) growing at a rate of 4.6% over the previous year,

Exhibit 3-1

**Employment in San Gabriel Valley
Health Care and Social Assistance
(000s)**



Source: California EDD; forecasts by LAEDC

below nominal GDP growth of 5.4%. Expansions in healthcare access, an aging population and accelerating wages are all responsible for broad increases in healthcare consumption that are helping drive the industry both nationally and regionally.

In Los Angeles County, the health care industry employed nearly 770,000 workers in 2019. Employment figures in the sector have grown at a rapid pace, with an estimated 2.4% increase last year. Jobs are being added in both public and private healthcare, in all areas of the county.

Within the San Gabriel Valley, nearly 140,000 workers were employed in the health care sector in 2019, including both public and private employment, making health care by far the largest sector in the valley in terms of employment. The average annual wage in the health care sector is an estimated \$40,012, below the figure of \$45,219 for the broader Los Angeles County. This average wage figure has artificially declined in recent years due to a dramatic increase in low paid aide and assistant positions that now exist in the sector.

Employment is expected to continue increasing both this year and in 2021. In fact, health care is expected to add the most jobs of any sector in the region. This trend is being driven by demographics (population growth, an aging population, retiring baby boomers and increased life expectancy), employment growth (health care is a consumer good) and healthcare reform, which has expanded the number of individuals with access to health insurance coverage.

While the many medical professionals in the region serve the local population, facilities such as the City of Hope and Huntington Memorial also attract patients from outside the area (i.e. medical tourism). In addition to providing treatment, other important related sources of economic activity are medical research and the production of medical instruments/devices.

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Higher Education

The San Gabriel Valley's universities and community colleges are among the region's most valuable assets and figure prominently in the valley's nonprofit sector. The San Gabriel Valley is home to several educational institutions (public and private) that play a leading role in creating the next generation of skilled workers, professionals and entrepreneurs. This sector also includes many highly regarded community colleges that provide a stepping stone to four-year universities or vocational training. In this age of rapidly evolving technology, where ideas play a key role in growing the economy, education and skills acquisition are essential to bringing innovative ideas to life and transforming them into commercial applications.

Four-year postsecondary institutions include the California Institute of Technology (Caltech), Harvey Mudd College, University of

La Verne, Azusa Pacific University, California State Polytechnic University Pomona, California State University Los Angeles and the Claremont Colleges. The Art Center College of Design in Pasadena has an international reputation for automotive design and is strong in other creative disciplines as well. There are five community colleges serving the valley (Citrus College, Mt. San Antonio College, Rio Hondo College, East Los Angeles College and Pasadena City College) offering academic and vocational training programs.

The presence of major centers of learning and research in the valley creates opportunities for business start-ups, many of which choose to locate themselves in the area. Research and development activities support aerospace, technology, medical device and biomedical firms. Spin-offs, particularly from Caltech and Cal Poly Pomona, have made important contributions to the "green" economy in areas of technology that include batteries, electric car charging stations, solar panels and nanotechnology. In addition, Caltech's partnership with NASA and the Jet Propulsion Lab is responsible for broadly important scientific research in the region, and maintains an array of expertise and highly educated workforce.

In 2019, employment in education increased by around 800 after a chaotic past decade and reached the highest level since 2009. The outlook for the region's publicly-funded and nonprofit schools is also improving. California's financial footing has become much stronger and more funds for higher education have been allocated in the current state budget, easing (but not eliminating) the financial strain on CSU Los Angeles, Cal Poly Pomona and the region's community colleges.

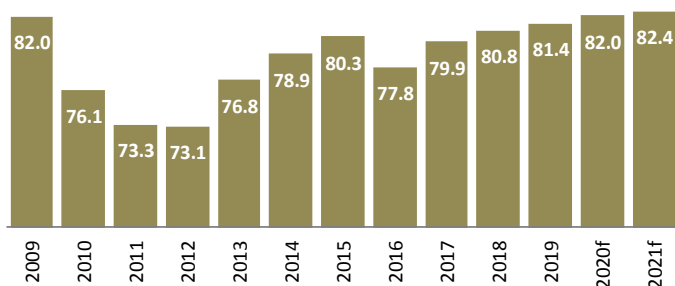
The education sector boasts an average wage in the San Gabriel Valley of around \$55,808 per year, as opposed to the county wide number of \$61,223.

Exhibit 3-2

Employment in San Gabriel Valley

Private Educational Services

(000s)



Source: California EDD; forecasts by LAEDC

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International Trade and Goods Movement

As with both the overall Los Angeles County and neighboring Inland Empire, the San Gabriel Valley economy depends in large part on domestic and international trade flows. Trade-related employment includes occupations in the wholesale trade, transportation, logistics and distribution services.

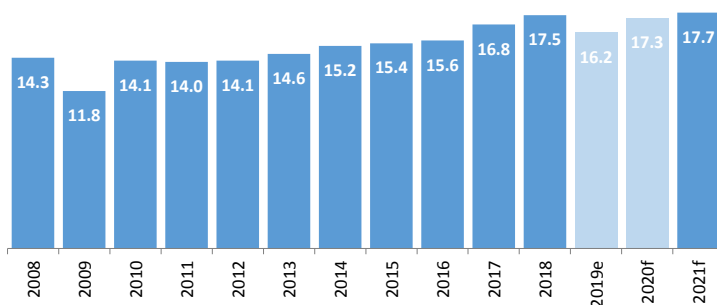
In 2018, the wholesale trade industry in the San Gabriel Valley employed an estimated 42,300 workers and an additional 23,200 workers in transportation, warehousing and utilities. The valley has a relatively high concentration of wholesale trade employees, with 6.1% of the region employed in the sector.

About 40% of the nation's imported containers enter the United States through ports in San Pedro Bay. Los Angeles and Long Beach rank number one and two, respectively, in total container throughput of any port in the Western Hemisphere. In 2019, the Ports of Los Angeles and Long Beach handled 16.2 million containers, a substantial decrease over the previous year due to rising trade tensions and a slowing global economy.

Although there is still substantial uncertainty in regards to the

Exhibit 3-3

TEU Throughput - San Pedro Bay Ports
Millions of TEUs

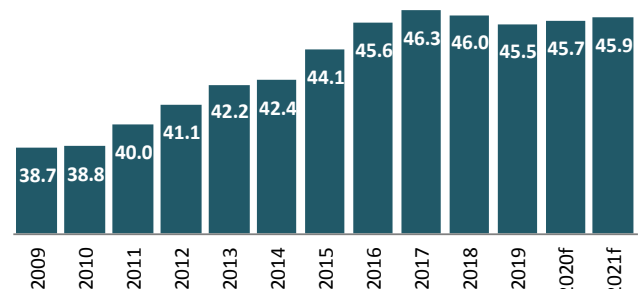


Sources: Ports of Los Angeles and Long Beach; forecast by LAEDC

pushback against global trade, we expect a recovery in container traffic and trade more generally, which should particularly help employment in the transportation sector. Although we expect an increase over 2019, 2020 should still have lower container traffic than its record high in 2018.

Exhibit 3-4

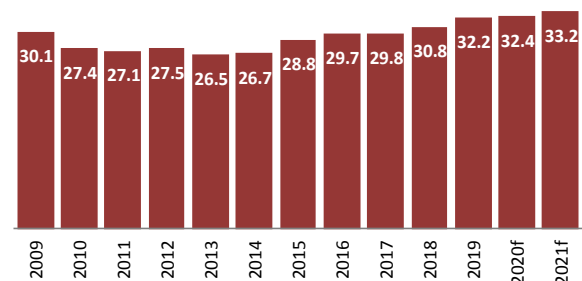
Employment in San Gabriel Valley
Wholesale Trade (000s)



Source: California EDD; forecasts by LAEDC

Exhibit 3-5

Employment in San Gabriel Valley
Transportation and Utilities (000s)



Source: California EDD; forecasts by LAEDC



**Senator Ling Ling Chang visits
Proterra in the City of Industry**

Manufacturing

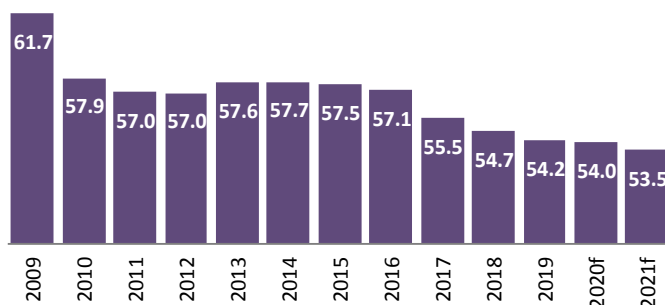
The San Gabriel Valley is home to a diverse set of manufacturing sectors including computer and electronic products, plastics and rubber products, transportation equipment, chemicals and furniture. In addition, the valley has a large contingent of fabricated metal products manufacturing firms. These are primarily small machine shops doing contract work for aerospace, medical device and defense industries, employing twenty or less workers on average.

Since 2002, the total manufacturing employment in the San Gabriel Valley has been steadily decreasing, following the broader Los Angeles County trend. In 2019, an estimated 54,200 workers were employed by the valley's manufacturing firms. The average annual wage was an estimated \$63,200, compared to the countywide average of \$74,688. This figure results from both a broad increase due to wage growth but also the increasingly technical nature of manufacturing employment as lower skill jobs are lost to automation and only higher-level occupations remain.

Although companies having moved production overseas or to other states accounts for some of the employment decline, automated capital is increasingly replacing labor, while the remaining labor itself has become more productive. As a result, the value of manufacturing output has increased even as manufacturing employment levels have fallen throughout the county.

Exhibit 3-6

Employment in San Gabriel Valley Manufacturing (000s)



Source: California EDD; forecasts by LAEDC

Professional and Business Services

The professional and business services sector includes a diverse set of industries including professional, scientific and technical services; management of companies and enterprises (corporate headquarters); and administrative, support and waste services.

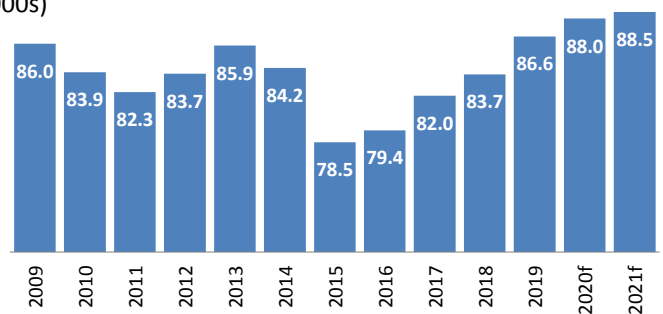
In the San Gabriel Valley, this industry employed the second largest number of workers in 2019 (behind health services) with an estimated 86,600 payroll jobs, an increase of 3.5% compared to 2018.

Wage and salary employment in business and professional services has increased since 2011, and the industry has finally returned to its pre-recession level of aggregate employment.

The average annual salary in 2018 in professional and business services was an estimated \$69,802 as compared to a county-wide average of \$81,465.

Exhibit 3-7

Employment in San Gabriel Valley Professional and Business Services (000s)



Source: California EDD; forecasts by LAEDC

Residential Real Estate

In 2019, Southern California's real estate market continued to set record highs for prices even as sales faltered in the face of such stratospheric costs.

Housing costs continue to be the single most important issue to the economy, as increasingly unaffordable housing is an overwhelming drag on an otherwise strong economy.

Median Home Prices

Median home prices have risen significantly throughout the San Gabriel Valley, boosted by strong demand and lean inventories. An influx of wealthy foreign investors has also exerted upward pressure on prices. The double-digit percentage gains recorded in many San Gabriel Valley cities in 2013 and 2014 have largely given way to more moderate price increases, but some areas have posted continued substantial gains. In 2019 most cities continued to see home prices rise, with Monterey Park increasing the most at 8.0%, followed by Rosemead at 6.3% and Altadena at 4.7%. In contrast, the largest decline was in El Monte which saw prices fall 5.2%.

New Construction

New home construction is still at very low levels, but the next two years should bring a moderate acceleration of building activity. Beginning in 2013 and continuing through 2015, new home construction in the San Gabriel Valley began to tilt towards multi-family homes, primarily apartments. The reversal of the long-run trend of an industrial focus on single family over multifamily residential construction can be attributed to the diminishing supply of land available for new home construction and changing consumer preferences for centralized urban environments.

Last year, the total number of permits issued for new residential construction in the San Gabriel increased to 2,082 units permitted. This is a strikingly low number for a region of 1.5 million people and is less than 10% of the overall 22,000 permits pulled for the county as a whole. This will mean that affordability continues to remained elusive for most residents.

LAEDC forecasts that homebuilders will pull permits for 2,462 new single and multi-family units in the San Gabriel Valley this year, a substantial acceleration over the number in 2019, while an increase to 2,616 units is anticipated for 2021.

With SCAG's Regional Housing Needs Assessment (RHNA) process producing a target of 1.3 million homes over 8 years for the region, home building will have to more than triple to reach this goal and guarantee enough housing to prevent displacement and population decline.

Please see Exhibits A-10 through A-13 for more detailed information related to the San Gabriel Valley housing market.

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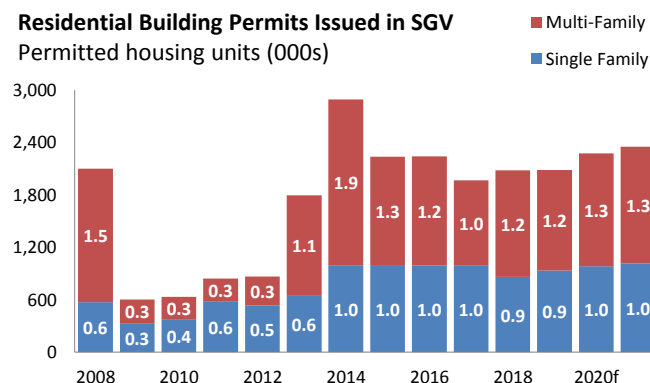
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Exhibit 3-8

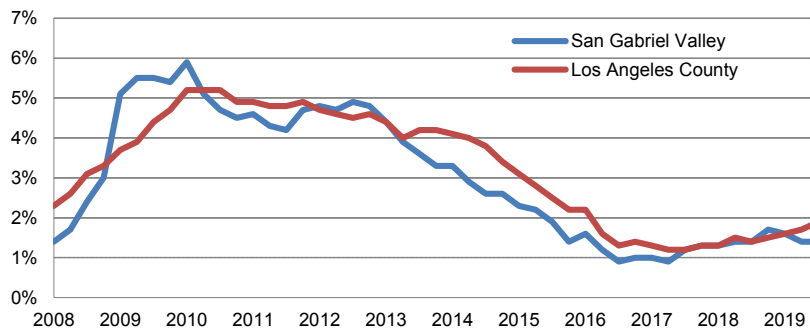
Residential Building Permits Issued in SGV
Permitted housing units (000s)



Sources: CIRB, California Homebuilding Foundation

Exhibit 3-9**Industrial Vacancy Rates**

Vacancy, quarterly averages (4Q17)



Source: Cushman & Wakefield

Nonresidential Real Estate

The fundamentals of commercial (offices, retail and hotel) and industrial real estate are strong, supported by employment growth and stronger economic activity.

Industrial Space

As a major gateway market for consumer and business goods, Southern California's industrial real estate markets have seen several years of steady improvement. The region is a hub for manufacturing, international trade and logistics, and entertainment, all of which use industrial space. Right now, the primary concern for the region's industrial market is not demand, but supply.

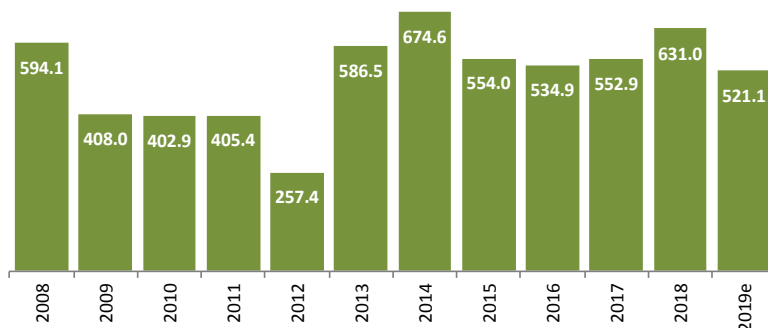
By the end of 2019, the San Gabriel Valley's industrial real estate market had begun to reverse its weakening trend, with vacancy rates falling in direct contrast to the continued rise seen in the rest of the county. Thus far, this county-wide softening has not extended to the San Gabriel Valley.

Overall warehousing and distribution asking rents maintained at a rate of \$.86 per square foot, an increase over \$.83 the year before. Manufacturing asking rents also maintained from \$.83 to \$.85. Rental rates should remain in this region as vacancies appear to have stabilized.

Leasing activity in 2019 in the San Gabriel Valley totaled an estimated 5 million square feet, over 1 million less than the previous year. By the end of 2018, there were 2.5 million square feet of new product in the pipeline, as well as roughly 684,000 square feet of new completed industrial construction.

Exhibit 3-11**Value of Nonresidential Permits Issued in San Gabriel Valley Cities**

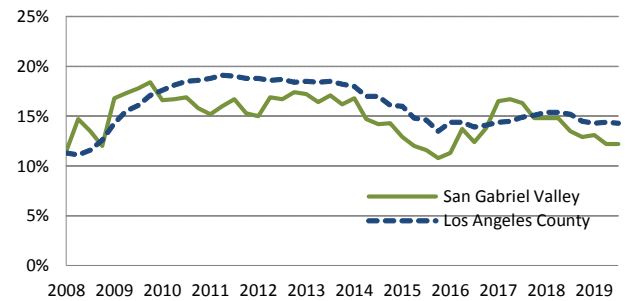
All nonresidential construction (\$ millions)



Sources: CIRB, California Homebuilding Foundation

Exhibit 3-10**Office Vacancy Rates**

Vacancy, quarterly averages (4Q17)



Source: Cushman & Wakefield

Los Angeles County's previously high demand for industrial space has declined, and construction has broadly slowed in the face of this new reality.

Office Space

Office occupancy across Los Angeles had been on a consistent, if slow, upward trend up until the end of 2015, at which point it began to stagnate and vacancies began to rise. In the third quarter of 2019 the overall vacancy rate in Los Angeles was 14.3%, a decrease from 14.5% in 2018. Year to date net absorption (occupancy gains) was 1.6 million square feet, a significant decrease from 3 million for 2018 total. Across the region, the average direct class A asking rent increased from \$3.58 per square foot in the final quarter of 2018 to \$3.68 per square foot.

Office market fundamentals in the San Gabriel Valley have been stronger than the county as a whole in for the past two years. From a high of 16.7% mid-2017 they have dropped to 12.2% at Q3 2019. Class A asking rents in the San Gabriel Valley increased from \$2.48 per square foot in the final quarter of 2018 to \$2.59 per square foot during the third quarter of 2019.

Leasing activity decreased in 2019 to an estimated 459,624 square feet from 765,312 square feet leased in 2018. This resulted in net absorption being 205,413 square feet, below the 230,960 square feet absorbed in 2018. We expect stagnating demand to keep leasing activity around this number for the coming year.

New Construction

Nonresidential construction experienced a very strong year of growth. The value of total nonresidential construction permits in the San Gabriel Valley fell to an estimated \$521 million in 2019, well below the previous year's \$631 million but still substantially above the pre-recession average of \$400.2 million. Most of the new construction permits appear to be for alterations to existing structures, but strong demand for state-of-the-art warehouse and distribution facilities is prompting new development. Stronger employment growth and the lack of new construction over the last several years will help drive the region's eventual office market recovery. The outlook for industrial space is more positive, but ongoing improvements will depend on expanding trade, e-commerce and manufacturing activity.

Please see Exhibits A-14 through A-15 for more detailed information related to nonresidential real estate in the San Gabriel Valley.

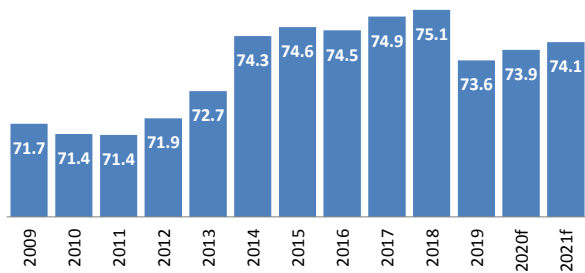
Retail Trade

Although retail trade has been damaged in recent years due to the dramatic shift into e-commerce and more digital forms of consumption, it is still a major source of employment and economic activity in Los Angeles County and the San Gabriel Valley. This sector is also a key source of local tax revenues, as high retail consumption buoys local coffers through critical sales taxes.

Despite increasing uncertainty in the global economy, consumer confidence has remained high in the United States, and with credit card balances still at reasonable levels, consumption shows no signs of halting.

Measured by job counts, the retail sector was the San Gabriel Valley’s fifth largest industry in 2019, employing over 74,000 workers. The average annual wage of retail trade workers in the San Gabriel Valley was \$30,887 in 2018, which was lower than the county average of

Exhibit 3-12
Employment in San Gabriel Valley
Retail Trade (000s)



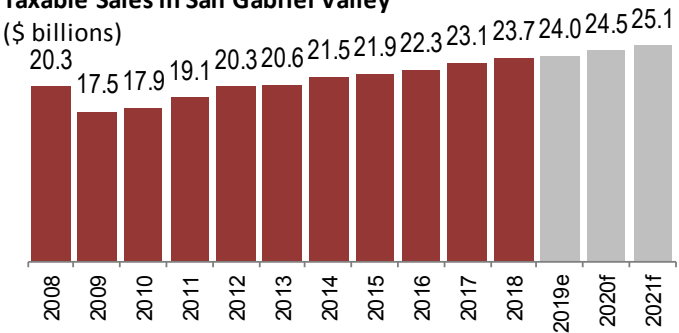
Source: California EDD; forecasts by LAEDC

\$36,469.

The retail sector in the San Gabriel Valley has improved steadily from 2009, when taxable sales fell to their lowest point in the current economic cycle, to 2018 before falling last year. Overall, 2019 estimates of total taxable sales, at \$24 billion, are well above the previous pre-recession peak set in 2007. Taxable sales in the San Gabriel Valley are forecast to reach \$24.5 billion in 2020 and \$25.1 billion in 2021.

The share of taxable sales in the valley relative to the county as a whole had been on a declining trend. In 2002 (when the LAEDC began tracking this data), the share was 17.5%. In 2016 (the latest for which actual annual data is available), the region accounted for 15.0% of total taxable sales in Los Angeles County. However, with newly released data this trend has reversed, and the valley now accounts for roughly 17% of the county total as of 2018.

Exhibit 3-13
Taxable Sales in San Gabriel Valley
(\$ billions)



Source: California BOE; forecasts by LAEDC



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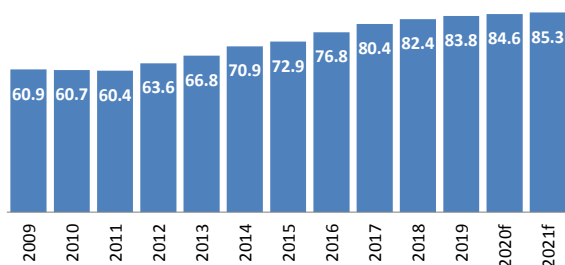
Tourism and Hospitality

Tourism and hospitality is one of Southern California's largest, most visible and valuable industry sectors, employing thousands of people and generating billions of dollars in economic activity. While a significant part of leisure and hospitality activity is associated with tourism, many of these jobs serve the local population more so than the region's tourists and business travelers. Jobs in this industry include lodging, food services, the performing arts, museums, amusement parks and gambling establishments.

Employment in leisure and hospitality industries is estimated to have reached 83,800 in 2019, making it the third largest industry supersector in the San Gabriel Valley. There are a large number of low wage occupations in these industries, such as food preparation and servers, which pulls the average annual wage in the supersector below the San Gabriel Valley average. The average annual wage for leisure and hospitality industries in San Gabriel Valley in 2018 is estimated at \$31,803.

Exhibit 3-14

Employment in San Gabriel Valley Leisure and Hospitality (000s)



Source: California EDD; forecasts by LAEDC

Tourism

Driving domestic demand for travel-related goods and services last year were gains in the U.S. labor markets and stronger real wage growth, both of which point to an increase in consumer spending. International visitation is expected to remain strong in 2020.

In 2018, Los Angeles County hosted a record 50 million visitors, an increase of 3.1% over the previous year and the eighth consecutive year in which Los Angeles County achieved record breaking visitor volume. This activity is estimated to result in roughly \$36.6 billion in economic impact, and support over 500,000 jobs according to

analysis by the Los Angeles Tourism and Convention Board.¹

International visitation is especially strong in Los Angeles County. In 2018, 7.5 million international visitors arrived in Los Angeles, nearly 15% of total visitation, and a 3.6% uptick over 2017. While Mexico sent the largest number of international visitors at 1.8 million, China (excluding Hong Kong) was Los Angeles County's number one overseas market, up to over 1.2 million visitors. China is also the region's fastest-growing market, with consistent double-digit year-over-year growth in recent years. Other major international visitation came from Canada, the United Kingdom and Japan.

The San Gabriel Valley attracts a substantial number of these visitors. Chinese tourists, in particular, are drawn to the region due to the large ethnic Chinese population that has settled in the valley since the 1970s.

Accommodation

The lodging market in the valley is supported by strong fundamentals. The region is home to world-renowned cultural attractions, a wide range of entertainment options and several large and influential corporations. Transient-occupancy taxes are also a significant revenue source for local governments.

The metrics used to measure the health of the lodging market indicate a healthy and expanding industry, continuing to achieve record high levels in occupancy rates and daily room rates. The average hotel occupancy rate for the San Gabriel Valley (Except Pasadena) in 2019 was an estimated 79.5%, which was up from 77.5% in 2018. The average daily room rate increased to \$131.5 from \$130.4 in 2018, part of a continued strengthening of the market. The most critical measure to hoteliers is revenue per available room (RevPAR). In 2019, this was \$104.7.

In Pasadena the average occupancy rate was 81.4%, down from 82.8% a year earlier. Average daily rates edged down slightly from \$196.39 in 2018 to \$195.01 and RevPAR increased to \$158.67 from \$157.4

One major risk to the lodging industry is economic weakness from China and Europe which may cause a decline in international travelers that will be difficult to make up for.

More details can be found in Exhibit A-17 in the Appendix (online version only).

¹ *Los Angeles 2018 Tourism Quick Facts*. Los Angeles Tourism and Convention Board.

Appendix

Exhibit A-1

Summary Statistics of the San Gabriel Valley

Year	Population*	Total Employment	Payroll of Workers (\$millions)	Housing Permits (Units)*	Total Taxable Sales (\$millions) *
2005	1,518,465	658,016	26,123	2,282	21,401
2006	1,507,869	669,563	27,681	1,985	22,179
2007	1,498,382	668,519	28,629	2,265	22,187
2008	1,493,891	674,367	28,805	2,100	20,330
2009	1,493,187	634,602	27,172	603	17,499
2010	1,491,404	618,581	27,065	632	17,936
2011	1,496,172	621,475	27,880	844	19,076
2012	1,505,125	632,723	28,673	867	20,316
2013	1,514,654	644,233	29,219	1,794	20,592
2014	1,522,325	658,079	30,387	2,892	21,512
2015	1,525,026	666,210	31,941	2,237	21,863
2016	1,528,209	677,565	33,304	2,240	22,347
2017	1,540,307	691,143	34,813	1,965	23,095
2018	1,545,781	703,135	36,119	2,082	23,709
2019	1,549,554	711,264	37,164	2,219	24,013
2020f	1,550,763	719,734	37,591	2462	24,548
2021f	1,551,022	727,247	37,936	2616	25,124

*Incorporated Cities Only

Note: Housing permits begin including Montebello in 2007

Year	Population*	Total Employment	Payroll of Workers (\$millions)	Housing Permits (Units)*	Taxable Retail Sales (\$millions) *
2005	-0.2%	1.3%	4.9%	6.2%	5.0%
2006	-0.7%	1.8%	6.0%	-13.0%	3.6%
2007	-0.6%	-0.2%	3.4%	14.1%	0.0%
2008	-0.3%	0.9%	0.6%	-7.3%	-8.4%
2009	0.0%	-5.9%	-5.7%	-71.3%	-13.9%
2010	-0.1%	-2.5%	-0.4%	4.8%	2.5%
2011	0.3%	0.5%	3.0%	33.5%	6.4%
2012	0.6%	1.8%	2.8%	2.7%	6.5%
2013	0.6%	1.8%	1.9%	106.9%	1.4%
2014	0.5%	2.1%	4.0%	61.2%	4.5%
2015	0.2%	1.2%	5.1%	-22.6%	1.6%
2016	0.2%	1.7%	4.3%	0.1%	2.2%
2017	0.4%	1.7%	3.8%	-12.3%	2.7%
2018	0.2%	1.2%	2.9%	6.0%	1.3%
2019	0.1%	1.2%	1.1%	6.6%	2.2%
2020f	0.0%	1.0%	0.9%	11.0%	2.3%

Exhibit A-2

Population of Incorporated Cities and Unincorporated Areas of San Gabriel Valley

City	2012	2013	2014	2015	2016	2017	2018	2019
Azusa	46,772	47,534	48,216	49,107	49,424	49,606	49,954	51,313
Monrovia	36,923	37,030	37,170	37,312	37,411	38,735	38,787	38,529
Pasadena	139,600	139,663	140,149	140,310	140,960	143,379	144,388	146,312
La Verne	31,658	32,177	32,307	33,045	33,058	33,169	33,260	33,201
San Dimas	33,517	33,456	33,732	34,238	34,215	34,471	34,507	34,584
South El Monte	20,253	20,273	20,332	20,679	20,798	20,864	20,882	21,293
Glendora	50,861	51,243	51,822	51,914	51,928	52,452	52,703	52,122
Diamond Bar	56,095	56,189	56,367	56,476	56,919	57,245	57,460	57,495
Arcadia	56,554	56,432	56,872	56,908	57,194	57,506	57,704	58,891
Alhambra	84,337	84,892	85,231	85,908	86,237	86,420	86,665	86,931
Claremont	35,420	35,742	35,839	36,109	36,165	36,293	36,446	36,511
San Gabriel	40,096	40,168	40,234	40,318	40,339	40,781	40,920	41,178
Montebello	63,121	63,196	63,391	63,779	63,792	64,142	64,327	64,247
Pomona	151,580	152,957	153,629	154,135	154,151	154,718	155,687	154,310
Walnut	29,778	29,936	30,027	30,081	30,106	30,151	30,457	30,551
El Monte	114,922	115,487	116,012	116,472	116,927	116,942	117,204	117,204
Duarte	21,584	21,724	21,808	21,937	22,038	21,999	22,013	21,952
Irwindale	1,401	1,431	1,432	1,435	1,391	1,414	1,450	1,506
Monterey Park	61,346	61,553	61,722	61,870	61,796	62,154	62,240	61,828
Rosemead	54,427	54,670	54,850	54,988	54,926	54,940	55,267	55,097
Baldwin Park	75,683	75,944	76,022	76,183	76,116	76,463	76,708	77,286
Temple City	35,961	36,082	36,080	36,140	36,220	36,236	36,411	36,583
La Puente	40,154	40,343	40,505	40,629	40,576	40,640	40,686	40,795
West Covina	107,062	107,454	107,753	108,083	108,250	108,289	108,245	108,116
South Pasadena	25,776	25,864	25,938	26,045	26,018	26,026	26,047	26,245
Covina	48,408	48,698	48,886	49,041	48,905	48,901	49,006	48,876
La Cañada Flintridge	20,482	20,583	20,648	20,661	20,673	20,638	20,683	20,602
San Marino	13,204	13,227	13,276	13,319	13,251	13,255	13,272	13,352
Industry	436	436	436	436	435	437	437	432
Sierra Madre	10,954	10,985	11,012	11,028	10,972	10,973	10,896	11,135
Bradbury	1,079	1,091	1,099	1,103	1,110	1,068	1,069	1,077
Total	1,509,444	1,516,460	1,522,797	1,529,689	1,532,301	1,540,307	1,545,781	1,549,554

Exhibit A-3

Ethnicity and Race in the San Gabriel Valley

City	Hispanic or Latino	White	Black or African American	Native American & Alaska Native	Asian	Native Hawaiian & Other Pacific Islander	Other	Two or more races
Alhambra	35.90%	9.04%	1.96%	0.30%	50.84%	0.29%	0.04%	1.63%
Arcadia	12.26%	21.88%	1.65%	0.29%	60.56%	0.30%	0.23%	2.84%
Azusa	63.64%	18.83%	3.06%	0.22%	12.09%	0.12%	0.15%	1.89%
Baldwin Park	74.19%	3.96%	1.82%	0.17%	18.85%	0.67%	0.15%	0.18%
Bradbury	14.74%	42.58%	0.87%	0.00%	40.94%	0.00%	0.00%	0.87%
Claremont	25.31%	50.22%	4.95%	0.49%	14.38%	0.04%	0.49%	4.13%
Covina	58.72%	22.43%	3.41%	0.29%	12.90%	0.01%	0.29%	1.95%
Diamond Bar	19.28%	18.99%	3.78%	0.30%	54.86%	0.56%	0.09%	2.14%
Duarte	49.90%	24.01%	6.37%	0.45%	16.83%	0.04%	0.34%	2.07%
El Monte	65.76%	4.00%	0.46%	0.12%	28.50%	0.53%	0.08%	0.55%
Glendora	33.93%	49.17%	1.90%	0.47%	10.41%	0.17%	0.32%	3.63%
Hacienda Heights CDP	45.33%	11.87%	1.00%	0.14%	40.38%	0.04%	0.34%	0.89%
Industry	63.08%	24.42%	0.87%	0.00%	8.43%	0.00%	0.00%	3.20%
Irwindale	92.46%	6.48%	0.00%	0.00%	0.71%	0.00%	0.36%	0.00%
La Cañada Flintridge	8.85%	56.04%	0.62%	0.00%	30.26%	0.00%	0.22%	4.01%
La Puente	84.21%	3.44%	0.86%	0.15%	10.57%	0.28%	0.12%	0.38%
La Verne	36.70%	48.77%	3.12%	0.21%	9.18%	0.03%	0.13%	1.87%
Monrovia	40.70%	35.24%	5.64%	0.04%	13.86%	0.58%	0.16%	3.77%
Montebello	77.94%	7.17%	1.01%	0.19%	13.08%	0.05%	0.00%	0.56%
Monterey Park	26.88%	3.89%	0.37%	0.40%	66.22%	0.69%	0.07%	1.47%
Pasadena	34.84%	35.39%	9.27%	0.09%	16.84%	0.17%	0.42%	2.98%
Pomona	71.55%	10.96%	5.62%	0.20%	9.72%	0.09%	0.33%	1.53%
Rosemead	34.48%	3.81%	0.17%	0.23%	60.53%	0.03%	0.02%	0.73%
Rowland Heights CDP	26.19%	8.38%	1.53%	0.36%	61.77%	0.28%	0.11%	1.38%
San Dimas	33.36%	45.87%	3.17%	0.47%	14.37%	0.06%	0.10%	2.61%
San Gabriel	26.28%	11.92%	0.68%	0.16%	59.58%	0.28%	0.10%	1.00%
San Marino	4.27%	30.49%	1.99%	0.00%	59.45%	0.35%	0.05%	3.39%
Sierra Madre	16.10%	65.60%	1.09%	0.06%	12.34%	0.19%	1.31%	3.31%
South El Monte	84.02%	2.84%	0.19%	0.07%	12.79%	0.00%	0.03%	0.07%
South Pasadena	19.51%	42.45%	2.57%	0.23%	29.73%	0.08%	0.70%	4.73%
Temple City	19.90%	15.44%	0.55%	0.30%	61.87%	0.38%	0.00%	1.56%
Walnut	20.14%	11.16%	3.32%	0.05%	62.97%	0.00%	0.11%	2.25%
West Covina	53.16%	11.29%	3.99%	0.11%	29.26%	0.32%	0.18%	1.67%
San Gabriel Valley	41.62%	22.97%	2.36%	0.20%	30.46%	0.20%	0.21%	1.98%
Los Angeles County	48.46%	26.33%	7.88%	0.20%	14.37%	0.25%	0.30%	2.21%

Exhibit A-4

Educational Attainment in the San Gabriel Valley

City	Less than HS	High School	Some college or AA	BA Degree	Graduate or Professional Degree	% of Population HS Graduate or Higher	% of Population w/ BA or Higher
Alhambra	11411	14872	15405	14378	6949	81.89%	33.84%
Arcadia	3309	6474	9823	14115	8122	92.09%	53.14%
Azusa	6019	7616	8718	4285	1948	78.94%	21.80%
Baldwin Park	16560	15254	11601	5240	1060	66.69%	12.67%
Bradbury	62	58	176	263	153	91.29%	58.43%
Claremont	1366	2618	6210	5887	7364	94.17%	56.52%
Covina	4562	7895	11371	6273	2323	85.93%	26.51%
Diamond Bar	2507	6027	10403	14216	7273	93.80%	53.16%
Duarte	2506	3229	5070	2703	2018	83.86%	30.41%
El Monte	32040	20257	14828	7044	1793	57.82%	11.63%
Glendora	3584	6977	12777	7874	5074	90.12%	35.68%
Hacienda Heights CDP	5237	9378	11358	9439	4095	86.74%	34.26%
Industry	30	59	53	49	2	84.46%	26.42%
Irwindale	235	255	301	68	25	73.42%	10.52%
La Cañada Flintridge	307	893	2528	5062	5095	97.79%	73.15%
La Puente	9825	7667	5307	2324	532	61.70%	11.13%
La Verne	1788	4042	8386	5158	3182	92.07%	36.97%
Monrovia	2781	5093	8662	5776	3707	89.31%	36.45%
Montebello	11563	11987	10662	5938	2231	72.72%	19.28%
Monterey Park	10072	10945	10716	10487	4329	78.36%	31.83%
Pasadena	12273	14728	23235	28150	24602	88.08%	51.22%
Pomona	28818	22418	24622	11949	4405	68.75%	17.74%
Rosemead	13265	10242	8063	5401	1528	65.54%	18.00%
Rowland Heights CDP	5117	8173	9052	10999	3485	86.10%	39.33%
San Dimas	1711	4301	9327	5762	3239	92.97%	36.98%
San Gabriel	6158	7869	5845	7227	2249	79.02%	32.29%
San Marino	217	645	1515	3459	3912	97.77%	75.62%
Sierra Madre	113	1059	2021	3066	2237	98.67%	62.42%
South El Monte	6025	3831	2224	991	339	55.07%	9.92%
South Pasadena	699	1762	3992	6020	5870	96.19%	64.82%
Temple City	3957	5400	6511	6984	3013	84.70%	38.65%
Walnut	1723	3042	5634	8420	3244	92.19%	52.87%
West Covina	10927	19397	21842	15436	5686	85.09%	28.82%
Total San Gabriel Valley	216767	244463	288238	240443	131084	80.66%	33.14%
Los Angeles County	1460718	1416482	1790808	1416842	760639	78.66%	31.81%

Exhibit A-5**Employment by Major Industry Sector in the San Gabriel Valley**

Industry Sector	2012	2013	2014	2015	2016	2017	2018	2019e	2020f	2021f
Natural Resources & Mining	1,674	1,718	1,664	1,641	1,752	1,884	1,419	1,328	1,200	1,100
Construction	21,258	21,990	23,322	24,690	25,309	26,276	27,819	28,571	29,819	31,348
Manufacturing	56,984	57,626	57,675	57,470	57,133	55,466	54,689	54,168	54,031	53,549
Wholesale Trade	41,091	42,218	42,421	44,097	45,577	46,265	46,006	45,524	45,713	45,854
Retail Trade	71,896	72,697	74,312	74,580	74,482	74,889	75,084	73,603	73,909	74,136
Transportation & Utilities	27,476	26,521	26,707	28,790	29,717	29,793	30,836	32,223	32,357	33,164
Information	10,273	10,790	10,843	9,848	10,488	8,917	8,590	8,889	8,924	8,995
Financial Activities	35,833	35,831	35,735	36,045	37,688	38,024	38,245	38,279	38,610	38,337
Professional & Business Services	83,726	85,893	84,173	78,467	79,365	82,028	83,683	86,599	87,968	88,469
Education	73,124	76,825	78,935	80,282	77,838	79,875	80,813	81,373	81,955	82,363
Health Services	110,670	112,247	118,094	121,269	126,348	130,893	136,132	139,403	143,189	146,765
Leisure & Hospitality	63,632	66,830	70,879	72,875	76,840	80,438	82,431	83,833	84,632	85,332
Other Services*	20,882	22,704	22,683	22,339	22,241	22,697	23,420	23,328	23,281	23,651
Public Administration (Non HC/Edu)	12,058	11,510	11,596	12,158	13,332	13,912	13,967	14,144	14,145	14,184
San Gabriel Valley Total	630,576	645,401	659,038	664,551	678,111	691,357	703,135	711,264	719,734	727,247
Los Angeles County Total	4,035,125	4,112,075	4,187,833	4,279,792	4,393,017	4,448,717	4,511,817	4561538.176	4,609,936	4,652,104
% Share of Los Angeles County	15.6%	15.7%	15.7%	15.5%	15.4%	15.5%	15.6%	15.6%	15.6%	15.6%

% Change From Prior Year	2012	2013	2014	2015	2016	2017	2018	2019	2020f	2021f
Natural Resources & Mining	7.6%	2.7%	-3.2%	-1.4%	2.5%	7.5%	-24.7%	-6.4%	-9.7%	-8.3%
Construction	-0.3%	3.4%	6.1%	5.9%	-0.6%	3.8%	5.9%	2.7%	4.4%	5.1%
Manufacturing	-0.1%	1.1%	0.1%	-0.4%	3.4%	-2.9%	-1.4%	-1.0%	-0.3%	-0.9%
Wholesale Trade	2.7%	2.7%	0.5%	4.0%	-0.1%	1.5%	-0.6%	-1.0%	0.4%	0.3%
Retail Trade	0.7%	1.1%	2.2%	0.4%	3.2%	0.5%	0.3%	-2.0%	0.4%	0.3%
Transportation & Utilities	1.4%	-3.5%	0.7%	7.8%	6.5%	0.3%	3.5%	4.5%	0.4%	2.5%
Information	2.5%	5.0%	0.5%	-9.2%	4.6%	-15.0%	-3.7%	3.5%	0.4%	0.8%
Financial Activities	2.8%	0.0%	-0.3%	0.9%	1.1%	0.9%	0.6%	0.1%	0.9%	-0.7%
Professional & Business Services	1.7%	2.6%	-2.0%	-6.8%	-3.0%	3.4%	2.0%	3.5%	1.6%	0.6%
Education	-0.2%	5.1%	2.7%	1.7%	4.2%	2.6%	1.2%	0.7%	0.7%	0.5%
Health Services	-6.4%	1.4%	5.2%	2.7%	5.4%	3.6%	4.0%	2.4%	2.7%	2.5%
Leisure & Hospitality	5.4%	5.0%	6.1%	2.8%	-0.4%	4.7%	2.5%	1.7%	1.0%	0.8%
Other Services*	15.2%	8.7%	-0.1%	-1.5%	9.7%	2.1%	3.2%	-0.4%	-0.2%	1.6%
Public Administration	-4.3%	-4.5%	0.8%	4.8%	9.7%	4.4%	0.4%	1.3%	0.0%	0.3%
San Gabriel Valley	0.4%	2.4%	2.1%	0.8%	2.0%	2.0%	1.7%	1.2%	1.2%	1.0%
Los Angeles County	2.3%	1.9%	1.8%	2.2%	2.6%	1.3%	1.4%	1.1%	1.1%	0.9%

Exhibit A-6

Unemployment Rate of Incorporated Cities in the San Gabriel Valley

City	2012	2013	2014	2015	2016	2017	2018	2019	% Point Change '18 - '19
Alhambra	7.2%	6.4%	5.4%	4.4%	3.4%	3.0%	3.9%	3.9%	0.0%
Arcadia	6.4%	5.7%	4.8%	3.9%	3.0%	2.6%	3.4%	3.5%	0.1%
Azusa	8.3%	7.4%	6.2%	5.1%	3.9%	3.4%	4.4%	4.2%	-0.2%
Baldwin Park	14.2%	12.8%	10.9%	8.9%	7.0%	6.1%	4.8%	4.8%	0.0%
Bradbury	7.9%	7.0%	6.1%	4.9%	3.8%	3.4%	2.0%	2.9%	0.9%
Claremont	10.4%	9.3%	7.8%	6.4%	5.0%	4.4%	4.2%	4.3%	0.1%
Covina	12.9%	11.5%	9.8%	8.0%	6.3%	5.5%	4.8%	4.6%	-0.2%
Diamond Bar	7.1%	6.3%	5.3%	4.3%	3.3%	2.9%	3.6%	3.8%	0.2%
Duarte	9.9%	8.8%	7.4%	6.1%	4.7%	4.1%	5.4%	5.1%	-0.3%
El Monte	13.3%	11.9%	10.2%	8.3%	6.5%	5.7%	4.6%	4.3%	-0.3%
Glendora	9.3%	8.3%	7.0%	5.7%	4.5%	3.9%	4.2%	4.0%	-0.2%
Industry	3.7%	3.6%	1.8%	1.8%	1.8%	1.7%	1.5%	7.0%	5.5%
Irwindale	14.1%	12.7%	10.8%	8.8%	7.0%	6.1%	5.0%	6.9%	1.9%
La Canada Flintridge	4.2%	3.8%	4.4%	3.4%	2.8%	2.4%	2.0%	1.9%	-0.1%
La Puente	9.7%	8.6%	7.3%	5.9%	4.6%	4.1%	4.6%	4.4%	-0.2%
La Verne	8.4%	7.5%	6.3%	5.1%	4.0%	3.5%	4.3%	4.4%	0.1%
Monrovia	8.4%	7.5%	6.3%	5.2%	4.0%	3.5%	3.9%	3.8%	-0.1%
Montebello	9.4%	8.4%	7.1%	5.7%	4.5%	3.9%	4.9%	5.0%	0.1%
Monterey Park	9.7%	8.7%	7.3%	6.0%	4.7%	4.1%	4.1%	4.3%	0.2%
Pasadena	9.7%	8.7%	7.3%	6.0%	4.7%	4.1%	3.9%	3.8%	-0.1%
Pomona	12.1%	10.8%	9.2%	7.5%	5.9%	5.1%	5.0%	5.1%	0.1%
Rosemead	12.5%	11.2%	9.5%	7.7%	6.1%	5.3%	4.2%	4.4%	0.2%
San Dimas	8.7%	7.7%	6.5%	5.3%	4.1%	3.6%	4.2%	4.3%	0.1%
San Gabriel	6.8%	6.0%	5.1%	4.1%	3.2%	2.8%	3.6%	3.7%	0.1%
San Marino	4.3%	3.8%	3.2%	2.6%	2.0%	1.7%	1.8%	2.1%	0.3%
Sierra Madre	7.4%	6.5%	5.5%	4.5%	3.5%	3.1%	2.9%	3.6%	0.7%
South El Monte	5.9%	5.2%	4.4%	3.6%	2.8%	2.4%	3.4%	4.0%	0.6%
South Pasadena	7.8%	6.9%	5.8%	4.7%	3.7%	3.2%	3.9%	3.9%	0.0%
Temple City	7.2%	6.4%	5.4%	4.4%	3.4%	3.0%	3.7%	3.8%	0.1%
Walnut	7.9%	7.0%	5.9%	4.8%	3.7%	3.1%	3.5%	3.7%	0.2%
West Covina	13.2%	11.8%	10.0%	8.2%	6.4%	5.7%	4.5%	4.4%	-0.1%
San Gabriel Valley	9.0%	8.0%	6.8%	5.5%	4.3%	3.8%	3.9%	4.2%	0.3%

Exhibit A-7

Average Wages by Major Industry Sector, 2018

Industry Group	SGV	LA County	% Difference SGV to LAC
Leisure & Hospitality	\$31,803	\$40,401	27.0%
Other Services	\$34,713	\$39,762	14.5%
Retail Trade	\$30,887	\$36,469	18.1%
Health Care and Social Assistance	\$40,012	\$45,219	13.0%
Natural Resources & Mining	\$51,434	\$58,659	14.0%
Educational Services	\$55,808	\$61,223	9.7%
Wholesale Trade	\$52,835	\$65,636	24.2%
Manufacturing	\$63,200	\$74,688	18.2%
Public Administration	\$91,291	\$101,778	11.5%
Construction	\$62,010	\$66,798	7.7%
Transportation & Utilities	\$60,271	\$68,945	14.4%
Professional & Business Services	\$69,802	\$81,465	16.7%
Information	\$98,962	\$136,841	38.3%
Financial Activities	\$89,471	\$105,759	18.2%
Total	\$56,188.00	\$64,921.00	15.5%

Exhibit A-8

Establishments by Major Industry Sector, 2018

Industry Group	SGV	LA County	SGV % of LAC
Natural Resources & Mining	93	509	18.3%
Construction	2,976	15,871	18.8%
Manufacturing	2,065	12,750	16.2%
Wholesale Trade	4,718	21,524	21.9%
Retail Trade	5,007	28,720	17.4%
Transportation & Utilities	1,488	8,074	18.4%
Information	649	12,022	5.4%
Financial Activities	5,111	28,976	17.6%
Professional & Business Services	8,060	53,752	15.0%
Education	815	8,391	9.7%
Health Services	53,514	234,844	22.8%
Leisure & Hospitality	5,404	36,911	14.6%
Other Services	4,204	28,602	14.7%
Total	94,105	490,946	19.2%

Exhibit A-9

Business Sales Revenues in the San Gabriel Valley in 2012 (\$ millions)

City	Manufacturing	Wholesale Trade	Retail Trade	Transportation	Real Estate Services	Prof. & Technical Services	Admin Support, Waste Mgmt.	Health Care Services	Leisure & Hospitality	Other Services	Total by City/Area
Industry*	6,765	15,486	3,195	655	172	172	201	93	193	78	27,080
Pasadena	172	2,272	2,701	139	320	3,928	485	2,643	617	464	14,056
Irwindale	2,458	1,745	202	118	26	45	139	981	23	D	5,744
Arcadia	194	527	860	43	98	444	66	582	220	869	4,120
El Monte	515	809	1,677	120	52	86	83	215	91	51	3,710
Montebello	754	1,167	818	145	77	41	137	365	101	44	3,659
Alhambra	307	477	1,637	52	66	92	86	329	170	46	3,298
West Covina	104	204	1,476	58	55	125	153	796	184	31	3,237
Azusa	1,505	883	471	10	14	64	104	32	48	25	3,155
Monrovia	720	545	779	18	32	595	78	159	109	96	3,143
Monterey Park	89	879	400	81	53	150	278	535	149	40	2,704
Baldwin Park	286	374	535	74	18	12	136	873	74	D	2,382
Diamond Bar	D	1,360	312	84	D	210	78	119	75	50	2,304
Covina	344	143	671	15	64	131	148	359	99	16	2,001
Glendora	363	163	688	21	47	77	38	331	75	65	1,958
San Dimas	D	304	538	31	67	353	62	180	72	77	1,713
San Gabriel	56	220	473	50	45	49	64	352	106	42	1,469
La Verne	205	527	356	31	21	38	28	73	65	D	1,363
Claremont	115	48	380	6	25	231	11	214	91	15	1,158
Rosemead	D	246	461	33	15	35	45	166	112	23	1,151
South El Monte	D	159	196	3	D	99	16	80	46	17	676
All Other Cities & Unincorporated Areas	473	2,405	2,859	149	219	392	431	788	483	133	8,503
Sector Totals:	15,425	30,942	21,686	1,936	1,485	7,370	2,869	10,266	3,203	2,182	98,584

Exhibit A-10

Housing Stock in the San Gabriel Valley

City	Total	Single Detached	Single Attached	Two to Four	Five or More	Mobile Homes	Total Occupied	Vacancy Rate	Persons per Household
Alhambra	31,760	13,814	3,856	3,716	10,344	30	30,132	5.1%	2.87
Arcadia	21,235	12,829	2,125	1,322	4,959	0	20,140	5.2%	2.88
Azusa	14,594	6,768	1,985	1,463	3,824	554	13,816	5.3%	3.51
Baldwin Park	18,003	12,845	1,238	599	3,006	315	17,367	3.5%	4.43
Bradbury	408	390	7	0	11	0	358	12.3%	3.01
Claremont	12,507	8,205	1,336	1,055	1,888	23	11,923	4.7%	2.61
Covina	16,708	9,708	1,528	835	4,091	546	15,980	4.4%	3.03
Diamond Bar	18,781	13,547	1,765	1,055	2,046	368	18,239	2.9%	3.15
Duarte	7,339	4,690	940	235	1,312	162	7,117	3.0%	3.03
El Monte	29,544	16,381	3,733	1,473	6,452	1,505	28,238	4.4%	4.11
Glendora	18,345	13,284	1,412	699	2,280	670	17,592	4.1%	2.92
Industry	68	58	0	6	0	4	62	8.8%	3.15
Irwindale	410	369	10	4	21	6	383	6.6%	3.80
La Canada Flintridge	7,105	6,526	189	96	250	44	6,869	3.3%	3.00
La Puente	9,848	6,830	487	403	2,098	30	9,543	3.1%	4.27
La Verne	12,167	7,777	932	660	929	1,869	11,722	3.7%	2.74
Monrovia	15,043	8,463	1,738	1,106	3,578	158	14,283	5.1%	2.69
Montebello	20,048	9,821	1,656	2,499	5,806	266	19,260	3.9%	3.32
Monterey Park	21,159	12,150	1,993	2,123	4,829	64	20,182	4.6%	3.05
Pasadena	62,653	26,393	4,225	5,269	26,636	130	57,955	7.5%	2.46
Pomona	41,647	25,083	3,080	3,530	7,976	1,978	39,323	5.6%	3.82
Rosemead	14,964	11,216	1,452	853	1,277	166	14,389	3.8%	3.80
San Dimas	12,798	7,361	1,673	312	2,001	1,451	12,293	3.9%	2.77
San Gabriel	13,551	7,470	1,689	775	3,609	8	12,818	5.4%	3.18
San Marino	4,493	4,438	15	0	40	0	4,334	3.5%	3.06
Sierra Madre	5,122	3,553	328	337	904	0	4,862	5.1%	2.29
South El Monte	4,882	3,541	221	249	421	450	4,749	2.7%	4.47
South Pasadena	11,176	4,980	662	1,404	4,130	0	10,567	5.4%	2.47
Temple City	12,321	9,919	941	345	1,009	107	11,759	4.6%	3.08
Walnut	9,046	8,594	111	35	303	3	8,805	2.7%	3.47
West Covina	32,910	21,253	3,117	1,235	6,960	345	31,729	3.6%	3.39
Total of Incorp. Cities	500,635	298,256	44,444	33,693	112,990	11,252	476,789	4.77%	3.22
County Total	3,546,853	1,726,593	232,359	288,033	1,241,589	58,289	3,338,658	5.9%	3.03
SGV % of County	14.1%	17.3%	19.1%	11.7%	9.1%	19.3%	14.3%	-	-

Exhibit A-11

Residential Construction Permits

Number of Building Permits Issued for New Housing Permits

City	2012	2013	2014	2015	2016	2017	2018	2019
Alhambra	6	158	13	275	37	71	103	134
Arcadia	146	192	248	154	133	248	70	70
Azusa	110	193	303	111	108	162	154	332
Baldwin Park	23	5	18	56	27	57	62	12
Bradbury	3	1	2	0	14	2	10	0
Claremont	2	24	111	23	42	40	36	162
Covina	45	56	39	1	6	26	32	12
Diamond Bar	4	7	48	127	13	77	37	2
Duarte	13	57	0	0	0	1	39	348
El Monte	53	35	184	38	124	193	291	46
Glendora	103	1	284	98	192	101	50	68
Industry	0	0	0	0	0	0	0	0
Irwindale	0	1	1	3	13	6	0	0
La Cañada Flintridge	10	8	8	20	10	6	6	4
La Puente	7	11	8	0	1	2	57	46
La Verne	1	219	78	6	15	231	45	6
Monrovia	9	2	11	4	441	6	5	14
Montebello	0	1	54	48	6	51	2	94
Monterey Park	7	11	30	57	61	14	20	24
Pasadena	155	101	537	578	410	169	525	42
Pomona	44	255	44	159	214	181	290	158
Rosemead	22	8	11	29	60	60	97	162
San Dimas	5	199	2	8	18	6	2	24
San Gabriel	7	54	50	100	71	76	19	22
San Marino	8	10	16	19	9	8	15	6
Sierra Madre	1	0	1	0	1	0	1	0
South El Monte	6	2	61	59	31	4	2	96
South Pasadena	7	6	3	5	4	19	6	0
Temple City	25	143	209	141	82	92	64	96
Walnut	44	21	18	16	55	54	34	16
West Covina	1	13	500	102	42	2	8	90
Total Incorporated Cities	867	1,794	2,892	2,237	2,240	1,965	2,082	2,086

Exhibit A-12

Median Home Value by Community (\$ 000)

City	2012	2013	2014	2015	2016	2017	2018	2019
Alhambra	423.0	467.3	526.9	552.0	571.6	608.8	630.4	637.4
Altadena	524.5	593.6	634.6	667.6	711.8	777.6	832.4	872.0
Arcadia	777.9	900.3	1078.3	1106.0	1046.1	1121.2	1107.5	1050.6
Azusa	265.2	311.9	350.2	367.9	396.4	425.0	450.2	465.6
Baldwin Park	259.2	305.9	345.0	365.1	398.9	424.9	443.3	442.1
Claremont	459.4	510.6	577.6	617.1	633.7	658.0	652.3	671.0
Covina	328.3	373.9	419.5	440.6	469.3	505.6	525.2	524.1
Diamond Bar	450.7	529.0	582.3	610.1	625.7	665.2	695.5	681.2
Duarte	298.5	348.6	394.3	415.4	438.0	467.9	527.0	541.7
El Monte	314.9	362.0	403.1	426.0	451.1	485.6	507.9	481.6
Glendora	393.2	440.8	492.8	515.4	548.2	574.2	586.1	600.8
Hacienda Heights	461.6	529.9	571.8	597.7	614.4	644.9	624.1	612.4
La Cañada Flintridge	1076.0	1228.7	1361.8	1471.5	1587.0	1727.1	1783.2	1758.6
La Puente	265.8	312.5	352.0	374.0	400.4	431.2	450.5	466.4
La Verne	415.3	466.7	522.6	578.8	601.3	628.7	641.4	621.9
Monrovia	434.5	494.2	547.9	568.4	598.1	635.0	683.9	680.5
Montebello	337.7	379.8	421.4	444.6	479.8	521.2	504.6	524.0
Monterey Park	415.6	477.2	541.2	548.1	565.1	615.9	608.1	656.9
Pasadena	508.8	576.8	633.1	672.4	706.9	757.1	788.7	816.7
Pomona	226.2	269.1	314.1	331.0	355.2	390.7	419.7	424.9
Rosemead	367.1	416.7	451.4	484.2	515.1	550.7	574.2	610.5
Rowland Heights	419.8	483.2	531.3	568.9	583.3	612.3	643.0	640.1
San Dimas	399.6	443.3	508.3	547.6	579.9	600.0	593.7	603.2
San Gabriel	522.5	581.7	633.5	676.3	694.8	733.1	754.1	727.7
San Marino	1409.8	1648.3	1968.1	2200.0	2202.3	2309.5	2401.8	2477.8
Sierra Madre	640.6	726.3	796.1	847.6	916.1	964.1	1029.1	980.8
South El Monte	301.3	343.5	389.1	407.2	430.6	456.8	486.1	485.9
South Pasadena	772.9	862.9	934.4	1035.5	1073.5	1199.1	1124.3	1144.5
Temple City	524.4	590.9	664.9	687.7	721.6	760.1	796.0	762.9
Walnut	552.3	649.4	721.5	755.7	752.6	789.3	778.7	801.6
West Covina	346.1	395.0	441.9	462.9	489.9	530.4	547.4	564.2

Source: Zillow

Exhibit A-13

Annual % Change of Median Home Value by Community (Percent change from prior year)

City	2012	2013	2014	2015	2016	2017	2018	2019
Alhambra	-1.9%	10.5%	12.8%	4.8%	3.6%	6.5%	3.5%	1.1%
Altadena	2.2%	13.2%	6.9%	5.2%	6.6%	9.2%	7.0%	4.8%
Arcadia	1.3%	15.7%	19.8%	2.6%	-5.4%	7.2%	-1.2%	-5.1%
Azusa	-0.1%	17.6%	12.3%	5.1%	7.7%	7.2%	5.9%	3.4%
Baldwin Park	1.0%	18.0%	12.8%	5.8%	9.3%	6.5%	4.3%	-0.3%
Claremont	-4.5%	11.1%	13.1%	6.8%	2.7%	3.8%	-0.9%	2.9%
Covina	-1.5%	13.9%	12.2%	5.0%	6.5%	7.7%	3.9%	-0.2%
Diamond Bar	-0.8%	17.4%	10.1%	4.8%	2.6%	6.3%	4.6%	-2.1%
Duarte	-2.0%	16.8%	13.1%	5.4%	5.4%	6.8%	12.6%	2.8%
El Monte	0.5%	15.0%	11.4%	5.7%	5.9%	7.6%	4.6%	-5.2%
Glendora	-0.3%	12.1%	11.8%	4.6%	6.4%	4.7%	2.1%	2.5%
Hacienda Heights	0.4%	14.8%	7.9%	4.5%	2.8%	5.0%	-3.2%	-1.9%
La Cañada Flintridge	1.0%	14.2%	10.8%	8.1%	7.8%	8.8%	3.2%	-1.4%
La Puente	1.2%	17.6%	12.6%	6.3%	7.1%	7.7%	4.5%	3.5%
La Verne	-3.0%	12.4%	12.0%	10.8%	3.9%	4.6%	2.0%	-3.0%
Monrovia	0.3%	13.7%	10.9%	3.7%	5.2%	6.2%	7.7%	-0.5%
Montebello	-1.6%	12.5%	11.0%	5.5%	7.9%	8.6%	-3.2%	3.8%
Monterey Park	-2.5%	14.8%	13.4%	1.3%	3.1%	9.0%	-1.3%	8.0%
Pasadena	-0.5%	13.4%	9.8%	6.2%	5.1%	7.1%	4.2%	3.5%
Pomona	2.5%	19.0%	16.7%	5.4%	7.3%	10.0%	7.4%	1.2%
Rosemead	0.0%	13.5%	8.3%	7.3%	6.4%	6.9%	4.3%	6.3%
Rowland Heights	-0.9%	15.1%	10.0%	7.1%	2.5%	5.0%	5.0%	-0.5%
San Dimas	0.6%	10.9%	14.7%	7.7%	5.9%	3.5%	-1.1%	1.6%
San Gabriel	0.8%	11.3%	8.9%	6.8%	2.7%	5.5%	2.9%	-3.5%
San Marino	3.6%	16.9%	19.4%	11.8%	0.1%	4.9%	4.0%	3.2%
Sierra Madre	-0.2%	13.4%	9.6%	6.5%	8.1%	5.2%	6.7%	-4.7%
South El Monte	-0.2%	14.0%	13.3%	4.7%	5.7%	6.1%	6.4%	0.0%
South Pasadena	6.1%	11.6%	8.3%	10.8%	3.7%	11.7%	-6.2%	1.8%
Temple City	-0.1%	12.7%	12.5%	3.4%	4.9%	5.3%	4.7%	-4.2%
Walnut	-0.9%	17.6%	11.1%	4.7%	-0.4%	4.9%	-1.3%	2.9%
West Covina	-1.6%	14.1%	11.9%	4.8%	5.8%	8.3%	3.2%	3.1%

Source: Zillow

Exhibit A-14

Nonresidential Vacancy Rates

Year	Qtr	Office Vacancy Rates (%)		Industrial Vacancy Rates (%)	
		San Gabriel Valley ²	Los Angeles County ²	San Gabriel Valley	Los Angeles County
2012	1Q	15.0	18.8	4.8	4.7
	2Q	16.9	18.6	4.7	4.6
	3Q	16.7	18.7	4.9	4.5
	4Q	17.4	18.4	4.8	4.6
2013	1Q	17.2	18.5	4.4	4.4
	2Q	16.4	18.4	3.9	4.0
	3Q	17.1	18.5	3.6	4.2
	4Q	16.2	18.2	3.3	4.2
2014	1Q	16.8	18.0	3.3	4.1
	2Q	14.7	17.0	2.9	4.0
	3Q	14.2	17.0	2.6	3.8
	4Q	14.3	16.1	2.6	3.4
2015	1Q	12.9	16.0	2.3	3.1
	2Q	12.0	14.8	2.2	2.8
	3Q	11.6	14.6	1.9	2.5
	4Q	10.8	13.5	1.4	2.2
2016	1Q	11.3	14.4	1.6	2.2
	2Q	13.7	14.4	1.2	1.6
	3Q	12.4	13.9	0.9	1.3
	4Q	13.8	14.1	1.0	1.4
2017	1Q	16.5	14.4	1.0	1.3
	2Q	16.7	14.5	0.9	1.2
	3Q	16.3	14.9	1.2	1.2
	4Q	14.8	15.1	1.3	1.3
2018	1Q	14.8	15.4	1.3	1.3
	2Q	14.8	15.4	1.4	1.5
	3Q	13.5	15.2	1.4	1.4
	4Q	12.9	14.5	1.7	1.5
2019	1Q	13.1	14.3	1.6	1.6
	2Q	12.2	14.4	1.4	1.7
	3Q	12.2	14.3	1.4	1.9

Exhibit A-15

Nonresidential Construction Permits (All nonresidential construction, \$ millions)

City	2012	2013	2014	2015	2016	2017	2018	2019e
Alhambra	\$16.5	\$24.2	\$33.0	\$15.2	\$6.4	\$13.6	32.9	12.4
Arcadia	24.5	26.7	45.8	\$17.7	\$48.4	\$46.5	13.7	18.2
Azusa	2.2	26.8	5.0	\$34.5	\$27.6	\$12.3	19.2	4.5
Baldwin Park	0.2	4.7	19.7	\$10.5	\$10.0	\$2.7	6.5	0.9
Bradbury	0.0	0.5	1.0	\$0.4	\$3.9	\$1.9	4.6	0.0
Claremont	5.2	49.8	41.5	\$16.8	\$9.0	\$39.1	11.0	20.6
Covina	8.1	6.4	5.7	\$3.4	\$5.2	\$3.3	1.2	0.4
Diamond Bar	1.1	7.8	8.9	\$4.7	\$9.2	\$9.5	5.3	22.6
Duarte	2.6	4.2	6.2	\$2.9	\$4.7	\$7.2	6.4	15.5
El Monte	3.7	14.3	8.5	\$66.7	\$9.9	\$10.8	70.5	10.0
Glendora	4.2	6.5	15.1	\$8.3	\$14.7	\$13.5	6.7	8.5
Industry	39.6	33.6	90.9	\$37.7	\$50.8	\$63.8	31.3	17.1
Irwindale	6.3	16.1	16.7	\$12.0	\$18.8	\$55.7	17.3	74.2
La Cañada Flintridge	6.0	6.6	6.4	\$7.4	\$2.4	\$1.3	14.0	29.6
La Puente	0.1	5.5	10.8	\$5.4	\$4.3	\$4.4	2.2	0.1
La Verne	4.0	15.3	19.0	\$80.4	\$6.5	\$6.9	18.8	6.0
Monrovia	0.1	0.3	1.1	\$23.7	\$41.8	\$7.9	6.5	2.1
Montebello	10.6	18.3	11.4	\$9.5	\$5.7	\$4.3	2.6	5.2
Monterey Park	5.5	4.7	4.4	\$7.3	\$6.3	\$87.6	36.0	13.6
Pasadena	64.8	96.7	103.7	\$106.4	\$96.1	\$93.4	203.7	141.1
Pomona	3.9	71.0	46.1	\$13.8	\$52.6	\$6.6	31.9	33.2
Rosemead	15.9	13.0	12.9	\$10.8	\$19.2	\$6.6	19.6	10.4
San Dimas	0.5	11.3	11.5	\$9.3	\$10.8	\$1.9	13.5	21.1
San Gabriel	0.1	24.4	3.8	\$6.1	\$28.5	\$10.2	4.6	6.1
San Marino	0.5	44.4	3.1	\$15.0	\$3.9	\$2.5	1.9	4.1
Sierra Madre	0.0	0.1	0.5	\$0.1	\$0.5	\$0.4	0.2	0.4
South El Monte	3.7	6.2	7.1	\$4.0	\$7.4	\$10.2	3.9	2.5
South Pasadena	2.1	2.7	13.6	\$3.5	\$1.1	\$4.6	2.3	0.7
Temple City	3.9	17.2	3.6	\$4.4	\$4.0	\$2.0	2.4	1.6
Walnut	0.2	3.2	3.2	\$1.5	\$1.7	\$3.4	2.0	4.9
West Covina	21.0	24.1	114.6	\$14.8	\$23.5	\$18.9	38.6	33.2
Total Incorporated Cities	\$257.4	\$586.5	\$674.6	\$554.0	\$534.9	\$552.9	\$631.0	\$521.1

Exhibit A-16

Total Taxable Sales in the San Gabriel Valley (Annual averages, \$ millions)

City \ Year	2012	2013	2014	2015	2016	2017	2018
Pasadena	\$2,818	\$2,858	\$2,923	\$2,988	\$3,054	\$3,032	\$3,185
Industry	\$2,999	\$2,725	\$2,818	\$2,624	\$2,736	\$2,967	\$2,982
West Covina	\$1,260	\$1,335	\$1,441	\$1,523	\$1,549	\$1,545	\$1,531
El Monte	\$1,258	\$1,301	\$1,401	\$1,422	\$1,480	\$1,495	\$1,499
Pomona	\$1,192	\$1,239	\$1,332	\$1,354	\$1,395	\$1,453	\$1,538
Alhambra	\$1,206	\$1,284	\$1,328	\$1,356	\$1,387	\$1,418	\$1,468
Montebello	\$971	\$1,026	\$1,075	\$1,121	\$1,139	\$1,268	\$1,157
Arcadia	\$842	\$891	\$940	\$932	\$973	\$981	\$983
Monrovia	\$760	\$769	\$806	\$843	\$854	\$863	\$901
Covina	\$694	\$676	\$734	\$787	\$812	\$800	\$814
Glendora	\$658	\$690	\$711	\$734	\$733	\$770	\$796
San Dimas	\$501	\$489	\$507	\$487	\$485	\$549	\$574
Baldwin Park	\$538	\$513	\$506	\$517	\$523	\$538	\$569
Azusa	\$444	\$462	\$477	\$447	\$438	\$495	\$511
Monterey Park	\$411	\$445	\$479	\$515	\$518	\$523	\$615
Duarte	\$422	\$445	\$461	\$483	\$480	\$471	\$490
Rosemead	\$368	\$389	\$398	\$409	\$442	\$439	\$483
South El Monte	\$378	\$388	\$397	\$418	\$426	\$439	\$442
Irwindale	\$328	\$337	\$351	\$357	\$329	\$368	\$354
San Gabriel	\$348	\$353	\$355	\$335	\$349	\$347	\$368
La Verne	\$344	\$342	\$358	\$376	\$371	\$379	\$387
Claremont	\$302	\$308	\$329	\$331	\$323	\$368	\$396
Diamond Bar	\$311	\$315	\$329	\$408	\$434	\$443	\$489
La Cañada-Flintridge	\$212	\$234	\$240	\$240	\$233	\$235	\$246
La Puente	\$209	\$215	\$237	\$251	\$268	\$279	\$287
South Pasadena	\$166	\$176	\$191	\$192	\$189	\$194	\$196
Walnut	\$168	\$168	\$174	\$178	\$189	\$189	\$188
Temple City	\$151	\$154	\$162	\$165	\$169	\$178	\$187
San Marino	\$34	\$38	\$ 38	\$ 40	\$41	\$41	\$42
Sierra Madre	\$23	\$25	\$ 27	\$ 29	\$27	\$27	\$29
Bradbury*	0.2	0.5	0.4	0.4	0.4	0.7	0.1
Total Incorporated Cities	\$20,315.9	\$20,592.2	\$21,520.9	\$21,862.6	\$22,346.68	\$23,095.34	\$23,709.07

Exhibit A-17

Hotel Occupancy Data for the San Gabriel Valley (excluding Pasadena)

All San Gabriel Valley, excluding Pasadena

Year	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2000	62.9%	\$ 77.88			
2001	54.4%	85.65	10.0%		
2002	56.8%	86.09	0.5%	\$48.93	
2003	61.9%	85.96	-0.2%	53.18	8.7%
2004	65.1%	90.91	5.8%	59.19	11.3%
2005	68.9%	95.66	5.2%	65.94	11.4%
2006	70.3%	103.16	7.8%	72.49	9.9%
2007	66.5%	107.94	4.6%	71.82	-0.9%
2008	61.8%	109.84	1.8%	67.87	-5.5%
2009	55.6%	100.53	-8.5%	55.88	-17.7%
2010	60.4%	97.29	-3.2%	58.76	5.2%
2011	64.7%	99.07	1.8%	64.10	9.1%
2012	69.7%	102.35	3.3%	71.32	11.3%
2013	70.5%	109.59	7.1%	77.24	8.3%
2014	71.2%	116.14	6.0%	82.74	7.1%
2015	74.3%	122.63	5.6%	91.15	10.2%
2016	76.5%	128.19	4.5%	98.09	7.6%
2017	76.7%	132.30	3.2%	101.47	3.4%
2018	77.5%	130.44	-1.4%	101.07	-0.4%
2019	79.6%	131.48	0.8%	104.66	3.6%

Pasadena

Year	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2000	70.5%	\$ 154.10			
2001	70.2%	135.15	-12.3%		
2002	73.9%	133.40	-1.3%	\$98.58	
2003	74.1%	139.29	4.4%	103.18	4.7%
2004	78.6%	138.35	-0.7%	108.73	5.4%
2005	75.7%	155.83	12.6%	117.96	8.5%
2006	77.0%	167.11	7.2%	128.66	9.1%
2007	75.6%	164.83	-1.4%	124.57	-3.2%
2008	73.8%	169.20	2.7%	124.88	0.2%
2009	65.0%	152.94	-9.6%	99.40	-20.4%
2010	70.3%	150.14	-1.8%	105.53	6.2%
2011	76.6%	149.62	-0.3%	114.65	8.6%
2012	83.9%	155.85	4.2%	130.83	14.1%
2013	84.6%	162.44	4.2%	137.39	5.0%
2014	83.8%	179.93	10.8%	150.83	9.8%
2015	84.7%	183.65	2.1%	155.58	3.1%
2016	82.6%	199.61	8.7%	164.78	5.9%
2017	77.1%	209.31	4.9%	161.45	-2.0%
2018	82.8%	196.39	-6.2%	157.29	-2.6%
2019	81.4%	195.01	-0.7%	158.67	0.9%



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