SAN GABRIEL VALLEY ECONOMIC PARTNERSHIP

Enrich the quality of life and economic vitality of the San Gabriel Valley

San Gabriel Valley ECONOMIC FORECAST & REGIONAL OVERVIEW

APRIL 2015

Prepared for the San Gabriel Valley Economic Partnership
by the Kyser Center for Economic Research
Los Angeles County Economic Development Corporation

LAEDC

The LAEDC, the region's premier business leadership organization, is a private, non-profit 501(c)3 organization established in 1981.

As Southern California's premier business leadership organization, the mission of the LAEDC is to attract, retain, and grow businesses and jobs for the regions of Los Angeles County.

Since 1996, the LAEDC has helped retain or attract more than 200,000 jobs, providing over $12 billion in direct economic impact from salaries and over $1.1 billion in property and sales tax revenues to the County of Los Angeles.

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About the Kyser Center for Economic Research

The Kyser Center for Economic Research was named in November 2007 in honor of the LAEDC's first Chief Economist, Jack Kyser. The Kyser Center's economic research encompasses the Southern California region, which includes the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura. The center also tracks developments and produces forecasts, studies, and reports on the California, national and international economies.

The economy of the greater Los Angeles region is driven by more than its famed entertainment industry. The region's broad economic base also includes aerospace, automotive, biotechnology, fashion, manufacturing and international trade. The Kyser Center conducts research on the individual industries of the region to gain a better understanding of ongoing changes in the economy.

The Kyser Center is highly regarded for its accurate and unbiased assessment of the economy. Kyser Center economists are also sought-after public speakers and frequent contributors to media coverage of the economy. At the heart of the Kyser Center is its mission to provide information, insights and perspectives to help business leaders, government officials and the general public understand and take advantage of emerging trends.

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EXECUTIVE SUMMARY

The San Gabriel Valley is named for the river that flows southward through its center, which itself was named for the Spanish mission San Gabriel Archangel. Covering 385 square miles, the San Gabriel Valley is defined by its namesake mountains to the north, the cities of Pasadena, South Pasadena and Monterey Park to the west, the crest of the foothills that parallel the Pomona (SR-60) freeway to the south, and the Los Angeles/San Bernardino county line to the east. Its population of 1.77 million is larger than that of 52 of California's 58 counties. Its 31 incorporated cities represent more than a third of the municipalities in Los Angeles County and its population and industries are as diverse as any geographic area in California.

The **San Gabriel Valley Economic Forecast and Regional Overview** offers a snapshot of the region's resources, tracks its recent economic performance, and summarizes the economic outlook over the forecast period of 2015 and 2016. The findings contained in this report serve as a valuable tool for business people, government officials and households as they make spending and investment decisions for the forecast period and beyond.

Over the course of 2014, as the recession receded further from view, the San Gabriel Valley economy made notable progress against a wide array of indicators. Although a few weak spots remain, the valley's growing economy reflects many of the improvements taking place in the whole of Los Angeles County. Armed with a renewed sense of optimism, the focus in the San Gabriel Valley has shifted decidedly to expansion and new possibilities.

The ethnic composition of the San Gabriel Valley's population has undergone significant changes over the past two decades but it has been quite stable in terms of total numbers. Since 2000, the valley's population has grown by 2.2%. Beginning 2005 and lasting through 2010, population in the valley declined on a year-to-year basis. Following the recession, growth returned and is expected to continue on an upward trend through the forecast period (2016). Population growth rates of 0.5% and 0.4% are forecast for this year and next.

Stronger population growth last year was accompanied by more robust gains in jobs and worker payrolls. In 2014, employment in the San Gabriel Valley increased by an estimated 1.7% to 655,300 payroll jobs. That number is still short of prerecession peak employment (2008) by nearly 19,100 jobs, but with further improvements anticipated this year and next, job counts are expected to reach 676,300 in 2016, finally surpassing the previous peak.

Likewise, worker payrolls in 2014 totaled an estimated $30.7 billion, up by 3.9% from 2013. Most of the growth was the result of higher job counts as opposed to wage increases which, with the exception of some high-demand occupations, have been relatively flat. Total nonfarm payroll is projected to increase by 3.8% to $31.8 billion in 2015 and climb to nearly $33.1 billion in 2016.

Ten of the fourteen major industry sectors in the San Gabriel Valley added jobs in 2014. Payrolls in the leisure and hospitality sector posted the largest gain in both percentage (5.3%) and numerical terms (nearly 3,600 jobs). Employment in professional business services was up by 3.2% or over 2,700 jobs. Health services, transportation and utilities, and construction were also major sources of employment growth.

Although the growth rate of total taxable sales in the San Gabriel Valley faltered in 2013 (as was also the case for Los Angeles County), taxable sales in the valley have made an impressive comeback and are close to regaining all the ground lost during the recession. In 2014, the LAEDC estimates taxable sales in the San Gabriel Valley increased by 3.2% compared with 2013, reaching $21.2 billion. By the end of 2016, taxable sales in the valley are expected to climb to $22.5 billion, exceeding of the prerecession peak (2007) of $22.2 billion.

Recovery in the housing market continues but it has been slow and obstacles remain. Median prices for existing homes continue to rise in response to limited supply and increased demand, but after three years of price increases and little wage growth, affordability has become an issue for many would-be home buyers. At the same time, although mortgage interest rates are extremely low, lending standards remain restrictive. New home construction generally has been even slower to recover, but rising median prices and a lack of inventory are finally providing builders with the incentive to initiate new development projects. In 2014, permits for new homes in the San Gabriel Valley exceeded the national and state trend and shot up by 61.2% to 2,892 units. Permits are expected to fall back to trend this year (approximately 2,200 units). Growth will continue in 2016, with new home construction rising by about 23% to 2,700 new housing units.

The San Gabriel Valley regional economy will see a faster pace of growth in 2015 and 2016. The growth trajectory of the region’s economy will depend largely on the performance of the wider regional economy and, given the importance of international trade to the valley, the performance of the nation’s largest trading partners as well.

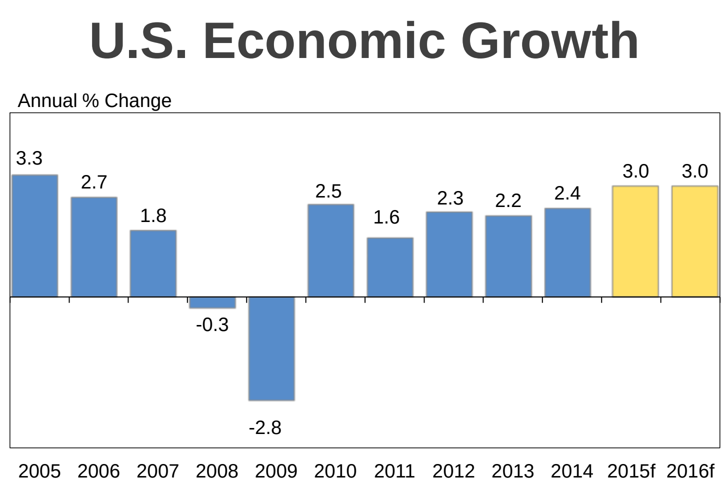
The San Gabriel Valley has made significant progress since the end of the recession and should soon be able to declare a full recovery. Despite the challenges that remain, the San Gabriel Valley has the assets to move beyond them: an ethnically diverse pool of human capital; world-class institutions of higher learning and research facilities; respected arts and cultural organizations; and a well-developed trade network. The San Gabriel Valley also benefits from a growing transit infrastructure. The second phase of the Gold Line extension from Pasadena to Azusa, scheduled to begin operation in 2016, brings new opportunities for economic development in the valley. The Gold Line will increase connectivity between the San Gabriel Valley's centers of education, research and technology, facilitating new growth and development opportunities for the region's residents, educational institutions and businesses.

Forward momentum is building in the private sector. Household and business confidence is rising. After years of budget shortfalls and job cuts, even the public sector is on a more stable footing and is once again adding jobs. If the national economy accelerates more quickly than expected in 2015, the San Gabriel Valley should experience faster growth as well.

THE ECONOMIC ENVIRONMENT

The U.S. Economy

The U.S. economy largely moved out of the shadow of the Great Recession in 2014. The year was marked by solid economic gains and the fastest growth rate in the past four years. The labor market added jobs at a pace not seen in over 15 years, driving the unemployment rate to its lowest in six years and giving the average wage increase a slight edge over inflation. Every major industry finished the year with year-to-year job gains, reflecting the breadth of the recovery.



Sources: Bureau of Economic Analysis, forecasts by LAEDC

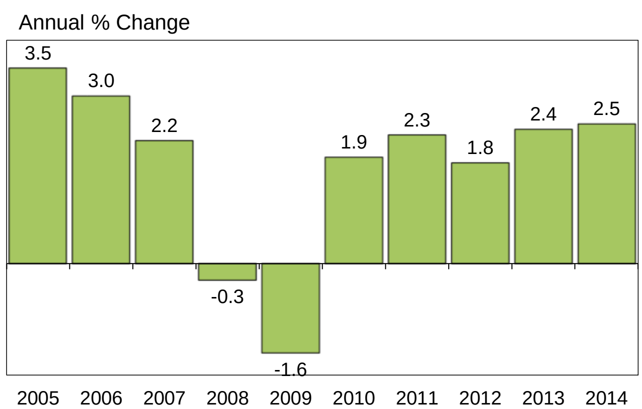
While the just completed first quarter of 2015 was marked by weak growth, expectations are for faster growth during the balance of the year, spurred by a surge in residential construction and buoyed by increases in consumer and business spending. The unemployment rate will fall to its long-run natural rate, and stronger wage gains will materialize. Global weakness may take the edge off U.S. growth but will not halt it.

The **Consumer sector** typically accounts for about two-thirds of activity in the U.S. economy, making it the largest of the economy's four sectors. Consumer spending grew at a rate of 2.5% in 2014 in response to a similarly modest 2.4% increase in disposable personal income. Purchases of durable goods rose by 6.9% in 2014 with impressive increases in spending on vehicles, household goods and recreational items, while spending on nondurable goods and services increased by a more modest 1.8% and 2.1% respectively.

With improved incomes and higher consumer confidence, households have relied increasingly on credit to finance purchases. Credit of all types rose by 2.7% from the fourth quarter of 2013 to the fourth quarter of 2014.[1] Continued increases in household wealth have also led to higher levels of spending. Household net worth surpassed the pre-recession peak as of July 2012 and has climbed steadily since the end of the recession. Initially, gains in household wealth were the result of higher returns in the financial markets, but over the last two years, increases in residential property values have made a significant contribution.

Consumer spending should accelerate over the next two years, with a 3.1% surge in 2015 and growth of 2.7% during 2016. Increased spending on durable goods will be led by higher expenditures on vehicles and other discretionary purchases, while purchases of both nondurable goods and services will show steady gains in the three-percent range. Housing put in a disappointing performance in 2014 but demographic trends suggest more new household formation over the next few years and with more households in a position to buy, the near-term outlook is more upbeat. This will be a good development, not just for households but also for the entire economy. As households see their economic circumstances improve over the next two years, consumer spending will make incrementally larger contributions to GDP growth, thus increasing the momentum of the overall economy.

U.S. Personal Consumption



Source: Bureau of Economic Analysis

[1] "*Quarterly Report on Household Debt and Credit*", Federal Reserve Bank of New York, February 2015

Investment spending has grown consistently in recent years, making steady contributions to GDP growth since the end of the Great Recession. In 2014, business investment increased by 6.1% over 2013, led by an 8.0% increase in structures with equipment purchases showing a 6.3% gain and intellectual property products rising by 4.6%. Much of the increase in equipment purchases took the form of industrial and transportation equipment.

Business investment will grow somewhat more slowly over the next two years, with increases of approximately five percent expected for both 2015 and 2016. Business investment in equipment should rise by about seven percent in both years, as firms ramp up purchases of IT and industrial equipment. Business investment in structures overall will be flat or up slightly, but commercial/health care and manufacturing facilities will show impressive gains over the next two years. Aircraft and power and mining structures, all of which grew last year, will face a mixed outlook over the next two years.

Government spending had a slight negative impact on the overall economy last year with a 0.2% decrease from 2013. A 0.9% increase in state and local government purchases last year was more than offset a 2.0% decline at the federal level, brought on, in part, by sequestration budget cuts. With Congress and the Administration reaching agreement on less draconian cuts for the current budget year, federal spending will be approximately flat, and increases at the state and local level will result in a slight uptick in overall government spending this year, with next year showing a slight increase as well.

While the domestic U.S. economy may be dominated by services, the nation's **international trade** sector is more heavily tilted toward goods. In inflation-adjusted terms, exports have grown in each of the last five years. However, the growth trajectory has flattened in the last two years from 6.9% in 2011 to 3.1% last year. Despite concerns about the global economy, the economies of the United States' closest trading partners will improve over the next two years, and should trigger modest increases of about three percent in U.S. exports, both in goods and in services. On the import side, gains in household incomes and a brighter picture for businesses drove imports to a record high last year. Import growth will accelerate this year and next from just under four percent last year to the 5.0% to 5.5% range over the next two years. With the U.S. economy growing more quickly than its trading partners, imports will grow faster than exports, and the nation's trade gap will worsen this year and next, as it did in 2014.

Job gains in most sectors of the economy contributed to a decline in the unemployment rate throughout the year. Nonfarm jobs increased at a rate of 1.9% annually in 2014, the fastest annual growth rate since the year 2000. This modest but consistent rate of job creation has driven the annual unemployment rate down from 7.4% in 2013 to 6.2% last year. As of March 2015, the monthly unemployment rate stood at 5.5%, a figure that is at the top of the range (5.2% to 5.5%) for the natural rate of unemployment (or full employment).

Although headline numbers such as these suggest the **labor market** is nearly back to normal, other indicators suggest otherwise. The share of part-time workers is coming down slowly, but at 19% in 2014, it is still high compared to an average of 18% since 1990. In addition, wages barely rose above the rate of inflation last year, and it is not entirely clear whether the drop in the labor force participation rate is mostly due to demographics (retiring Boomers), or if it is due to cyclical forces that must still play out. Beyond-the-headline analysis such as this has prompted the Federal Reserve Bank to proceed at a cautious pace in normalizing its monetary policy.

With continued growth in the overall economy, the labor market should experience job gains of slightly less than two percent both this year and next. Job counts will increase across most of the economy, but the largest improvements will be in professional and business services, leisure and hospitality, and trade, transportation and utilities. Other notable gains will be achieved in health care and construction. It should also be a year of stronger wage growth as the labor market tightens.

Inflation has been low in recent years, a trend that is expected to continue this year and next, in part because of the plunge in oil prices and weakness in the prices of other commodities. With the labor market approaching full employment, wages should rise more quickly but will not ignite higher inflation. Moreover, there is still slack elsewhere in the economy. Capacity utilization, which measures the share of the industrial production in use, came in at 78.9% in February, still under the 83% to 85% range that corresponds to full utilization of the nation's productive capacity. Inflation based on the Consumer Price Index (CPI) was 1.6% last year, and is projected to be 1.3% this year and 2.3% in 2016, while other measures of inflation should remain similarly low.

U.S. Forecast and Risks

The U.S. economy should see somewhat faster growth over the next two years, in part because of acceleration in housing and construction, and improvement in the state and local government picture. Gross domestic product is projected to accelerate from a 2.4% growth rate in 2014 to 3.0% over the next two years. Broad-based job growth will continue across most sectors of the economy and the labor market should achieve full employment.

Risks to the forecast mainly come from elsewhere in the world. Europe and Japan have struggled to achieve sustained growth within their economies, while China's economy has downshifted from double-digit growth during the last few years to growth in the seven percent range. Political and security concerns in the Middle East, between Ukraine and Russia, and elsewhere in the world have raised both political and economic uncertainty, both of which can stifle economic activity.

For the first time in decades, the threat of high energy prices is not a near-term risk. However, low oil prices are partly the result of underlying weakness in the global economy, while also stemming from the current supply glut.

The California Economy

California has a large and fast-growing economy. The state accounts for over 13% of U.S. GDP, by far the largest of any state. California's gross product grew by an estimated 3.3% in 2014, outpacing the national growth rate of 2.4%.

California is a national leader in the technology, aerospace and life sciences industries as well as entertainment, tourism and agriculture. In recent years, California firms have attracted venture capital funding that has equaled or exceeded the amount received by firms in the other 49 states combined.[2] Since 2012, the state has added jobs at a faster rate than the nation as a whole and in June 2014, recovered all the wage and salary jobs that were lost during the recession – just one month behind the nation. Although California's unemployment rate is still elevated, it has fallen steadily over the past three years and is presently below its average long-run annual rate.

Nearly every industry sector added jobs in 2014, but the gains were mainly concentrated in just five. Over the past year, more than seventy percent of California's new jobs occurred in: health care and social assistance; leisure and hospitality; administrative, support and waste services; professional, scientific and technical services; and construction. Only the financial services industry recorded a decline in jobs last year. The government sector finally saw a modest addition to payrolls in 2014 following five consecutive years of losses.

Aerospace and Technology

California's technology sector consists of a combination of manufacturing and service industries in aerospace, information technology and biomedical technology. Together, these industries make up the core of the state's information, technology and innovation economy. They also receive a majority of the venture capital dollars that flow into California.

During 2014, total technology employment grew by 3.6% (36,700 jobs) to 1.1 million workers. Over half of the new jobs came from computer systems design (19,400 jobs) with management, scientific and technical consulting services contributing 10,900 jobs. Smaller increases occurred in pharmaceuticals manufacturing, software design, data processing and scientific research and development. Employment declined slightly in two of California's tech industries: electronic products manufacturing (-325 jobs), and aerospace parts and products manufacturing (-600 jobs). Similar trends are anticipated in the foreseeable future, with the largest gains occurring in technology services while employment in technology manufacturing remains flat or down marginally.

[2] "*Cal Facts*" Legislative Analysts' Office, December 2014

The aerospace and technology industries are strategically important to California because their high levels of employment and compensation, and for the export and tax revenues they generate.

Agriculture

Agriculture accounted for about 1.4% of California's gross state product in 2014 and employed 417,200 workers comprising about 2.4% of total civilian employment in the state, an increase of 1.4% over 2013. California's 80,500 farms and ranches generated cash receipts of $43.7 billion (in real terms) in 2013, up by 2.4% compared with 2012 and a new record high. California was the number one state in cash farm receipts in 2013 with 10.4% of the total for the U.S. In 2013, California also ranked first among the 50 states in terms of net real farm income at $12.5 billion.

Last year, California's agricultural industry endured the third driest year on record. The drought could cost California $2.2 billion in lost output through 2015 and as many as 17,000 jobs could be lost.[3] While agricultural output is a relatively small share of California's total gross product, water shortages are already causing hardship in many farm communities and sectors that support farming or process farm products.

Health Care

The health care and social assistance industry in California has been a reliable source of employment growth for a number of years. With just over two million workers, the industry accounts for slightly more than 13% of the state's wage and salary jobs making it the largest of the major industry sectors. During 2014, health care added nearly 68,000 jobs, an annual growth rate of 3.9%.

Within the broadly defined industry, the largest job gains in 2014 occurred in individual and family services, with an increase of 44,100 (up by 8.4%). Doctors' and dentists' offices added 13,200 jobs (2.9%) and nursing and residential care facilities contributed another 9,600 jobs (3.6%). In the long-term, the health care industry must respond to the state's growing population, a larger share of older residents and increased longevity due to better diet and health care. As with the nation, the challenge for the state will be to manage the ongoing costs associated with these developments and expanded access to health care.

International Trade

The international trade sector is a significant part of California's economy and a vital link in the nation's trade network. Statewide two-way trade hit a record high of $608 billion in 2014 and is expected to increase to $626 billion by the end of 2015. California is the second largest goods exporting state in the country just behind Texas (which is heavily dependent on energy-related exports).

[3] "*Economic Analysis of the 2014 Drought for California Agriculture*". Howitt, R. et al, UC Davis (July 2014)

California's largest exports are computer products, transportation equipment (mainly aerospace-related), machinery, agricultural products and chemicals (pharmaceuticals). Imports outweigh exports by a two-to-one margin.

Global trade is expected to increase modestly in 2015, despite the appreciation of the U.S Dollar and declines in the price of oil and other raw materials. In real terms, world trade growth in recent years has been weak due to subpar global demand and the lack of progress in international trade negotiations. Slower growth in China, the euro zone and elsewhere have not yet had much of an impact on trade volumes in California, but could begin to weigh more heavily on the state's economy in the future.

Tourism

The multi-billion dollar travel and tourism industry has achieved a prominent position in California's economy. In 2013, (latest figures available), the gross product generated by California's travel industry was $51.6 billion or approximately 2.5% of total state gross product. California also had the largest market share of domestic travel among all 50 states with 10.5% of the total.[4]

Total visitor counts were up by 3.4% on an annual basis in 2014 and are expected to increase by 2.3% in 2015. International visitor counts grew at an even faster pace in 2014, rising by 4.7% over the year. Expenditures by business and leisure travelers to the state totaled $116.6 billion in 2014, an increase of 6.3% compared to 2013. Domestic travelers accounted for $93.9 billion, while international visitors spent $22.7 billion on California's travel-related goods and services. On average, statewide hotel occupancy rates approached 75% in 2014. Increased demand, a lack of new hotel construction and high occupancy rates drove revenue per room growth past 11% last year.

Leisure and hospitality employment grew by 4.8% in 2014 to nearly 1.8 million jobs, following a 4.9% gain in 2013. All of California's major tourism markets are expected to see gains in 2015. Improvements in the labor markets, income growth and rising consumer confidence will support higher household spending, which in turn suggests strong near-term growth for the state's travel and tourism industry.

Housing

As of February 2015, the statewide median price for existing single-family homes in California was $428,970, up by 5.5% from a year earlier. Likewise, condo prices are also on the rise with a 6.4% annual increase in the median price recorded in February.

[4] "*California Travel Impacts by County*"; Dean Runyan Associates, VisitCalifornia.com (May 2014)

California home sales rose by 2.4% in February on a year-to-year basis, the largest increase since December 2012. This was only the second time home sales posted an increase since July 2013. Initially, the decline in sales was the result of institutional investors pulling out of the market. More recently, the problem has been supply constraints – too few people listing their homes for sale coupled with several years of very little new home construction. On the demand side, with the rise in home prices, declining affordability has become a factor hindering many potential buyers. As for new home construction, larger gains in housing permits are expected this year and next, but it will be at least another year or two before construction returns to normal long-run levels.

Looking Ahead

While progress in the national and state economies has boosted confidence, optimism on the part of both consumers and businesses is still tempered by caution. Following a 3.0% increase in 2014, nonfarm jobs are expected to increase by 2.5% in 2015, slowing slightly to 2.0% in 2016. The unemployment rate will fall from 7.5% in 2014 to 6.5% this year and to 6.3% in 2016. With continued improvement in the labor market, both personal income and total taxable sales should increase by four percent this year, accelerating to six percent in 2016.

In addition to improvements in the labor market, California has recently made headway against a number of other problems that have plagued the state for years, if not decades. California's finances have stabilized and after years of deficits, the General Fund closed the 2013-14 fiscal year with a cash surplus. In the area of water policy, with the state suffering under the worst drought in decades, significant reforms were enacted to improve the sustainable management of the state's ground water resources. At the same time, some seemingly intractable problems persist. The unfunded liability of state retiree health care costs grew to $71.8 billion last year, critical infrastructure projects continue to be deferred and there is a severe shortage of affordable housing, particularly in the metro areas that are experiencing the fastest rates of job growth.

Based on a number of indicators, California's economy is booming. Many regions in the state are close to regaining all of the jobs lost during the recession. Expanding these gains to a larger share of the population is the next big step. Meeting this challenge will require attracting skilled workers to the state, increasing college enrollment and completion rates, upgrading the state's physical infrastructure and careful management of the state's finances and water resources.

The Los Angeles County Economy

The economy of Los Angeles County is enormous and complex. If it were a nation, it would be the twenty-first largest economy in the world. Last year saw continued growth and steady increases in employment. Moreover, because of revisions to official job market numbers earlier this year, the county actually created jobs at a much faster pace than earlier estimates had suggested. The number of jobs added was revised up from 78,700 to 96,600, which equated to a change in the annual rate of increase from 1.9% to 2.3%. Most of the county's major industries added jobs last year, and as a result, the unemployment rate fell to 8.2%, the lowest in six years. While still high, the unemployment rate should improve to 7.2% this year and fall to 6.6% in 2016. By comparison, the unemployment rate in Los Angeles County has averaged 8.0% since 2000.

The top five industries in terms of employment gains in 2014 were health care and social assistance (25,500 jobs); leisure and hospitality (25,300 jobs); administrative and support services (8,600 jobs); retail trade (8,500 jobs); and transportation, warehousing and utilities (5,200 jobs). These five industries accounted for 76% of the jobs created in the county last year. Manufacturing, financial activities and information together lost 5,800 jobs in 2014.

In addition to employment growth, other indicators also suggest the county economy is continuing to improve:

- On-location film and video production in the county rose last year for the fifth year in a row, growing by 6.4% over 2013 with increases in television and commercial production and a decrease in film production.

- Container activity at the San Pedro Bay ports rose by 3.8% to 15.2 million containers last year. The ports began 2015 on a weak note due to the West Coast labor dispute, which resulted in a backlog of ships waiting to unload. In 2015, container throughput is expected to reach 15.1 million TEUs, just shy of the 2014 total, mainly due to the lingering effects from the slowdown in port operations late last year and early this year. Although imports should increase this year due to a more robust U.S. economy, exports face a tougher environment due to weaker growth abroad and the strong U.S. Dollar.

- Los Angeles County hotels and tourism venues benefited from an increase in tourism and business travel last year as the number of overnight and day visitors hit a new high of 43.4 million, an annual increase of 3.0%.

While there is still room for improvement, these numbers suggest Los Angeles County is much healthier than it was just a year ago. Nonfarm jobs are expected to grow by 2.0% this year, with another 1.9% gain to come in 2016. Los Angeles should finally recover its pre-recession peak (4.23 million) with 4.31 million jobs in 2015. Job gains in 2015 will occur in nearly all private industry sectors, led by health care, leisure and hospitality, and professional scientific and technical services. State and local government employment will also increase, driven by the improved fiscal health of state and local governments.

Looking Ahead

Los Angeles County has seen real improvement over the past three years, both in terms of job gains and decreases in its unemployment rate. A handful of industries were the source of most job creation in 2014, a pattern that will continue over the next few years. Long-awaited but modest wage increases should factor into the picture as well as the local labor market tightens. It will be some time before middle-wage job growth catches up with gains that have been seen among high-wage and low-wage occupations.

SAN GABRIEL VALLEY ECONOMIC INDICATORS

Demographics

Population

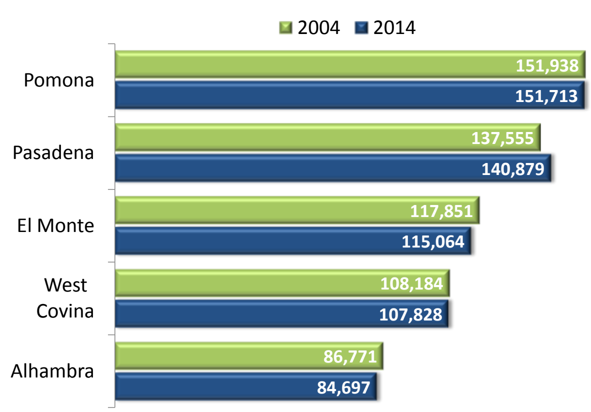
There were 1.52 million people residing within the 31 incorporated cities of the San Gabriel Valley in 2014. There were also approximately 250,000 additional persons living in the unincorporated regions of the valley. Including the unincorporated areas, if the San Gabriel Valley was a county in its own right, it would be the seventh largest in California, just behind Santa Clara County.

At one time predominately agricultural, the San Gabriel valley today is almost entirely urbanized and is an integral part of the Great Los Angeles metropolitan area. It is one of the most ethnically diverse regions in the country.

Over all, population in the San Gabriel Valley has changed little over the last 15 years. Since 2000, the population has grown by 2.2% in the incorporated cities, compared with 5.5% in Los Angeles County and 13.2% in California. From 2005 to 2010, population in the valley declined on a year-to-year basis. In the aftermath of the recession, population growth returned, slowly at first but reaching an annual growth rate of 0.6% in 2014 on par with the growth rate for the county.

The most populous cities in the San Gabriel Valley in 2014 were Pomona (151,713 residents), Pasadena (140,870 residents), El Monte (115,064 residents) and West Covina (107,828 residents). The population in Pomona peaked in 2006, but has since experienced a slight decline (-0.3%). Pasadena experienced a brief decline in population during 2007 and 2008, but has since grown past the previous peak reached in 2004. West Covina's population is 0.3% below the peak reached in 2004, while the population count in El Monte is down by 2.7% compared with 2004.

SGV Ten-Year Population Change
Five Largest Cities



Source: California Department of Finance

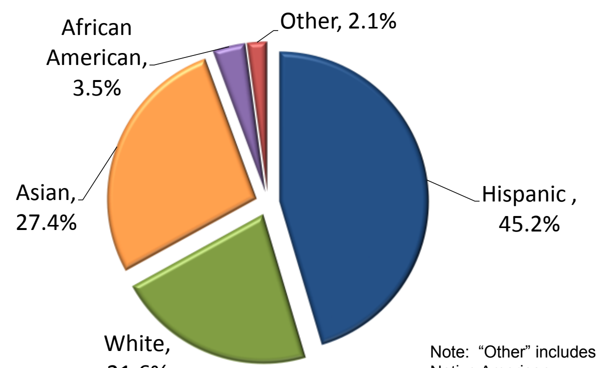
In comparing 2014 population estimates with population counts from the 2010 Decennial Census, the fastest growing cities in the valley were Azusa (4.4%), La Verne (3.8%), Bradbury (3.2%), Walnut (3.2%) and Irwindale (3.1%). While Bradbury and Irwindale have small populations, much larger Claremont and Pasadena also experienced relatively strong population growth, 2.8% and 2.7% respectively. Only one city posted a decline in population over the five year period, the City of Industry (-2.9%). The remaining cities experienced moderate growth ranging from 1.4% to 2.5%. *(See* Table 2 *in the Appendix for additional detail)*

Chinese, Japanese, Filipino and South Asian pioneers and settlers first came to the San Gabriel Valley in the mid-19th century. These early settlers worked the fields, picked grapes and citrus fruit, and built part of the infrastructure of today's San Gabriel Valley.

Race/Ethnicity

The San Gabriel Valley's population is diverse in race and ethnicity. Hispanics/Latinos make up the largest ethnic group with a total population of 690,600. There are ten cities where Hispanic/Latinos constitute the majority of the population, and while they are most heavily concentrated in Irwindale, South El Monte, La Puente, Baldwin Park and Montebello, Hispanics and Latinos are well represented in most communities throughout the region.

2014 Population of the SGV by Race/Ethnicity



Note: "Other" includes Native American, Hawaiian/Pacific Islander and "two or more races"

Source: U.S. Census Bureau, California Dept. of Finance

Asians are the next largest ethnic group in the San Gabriel Valley with a total population of nearly 417,400. There is a large ethnic Chinese population that largely began with the arrival of an influx of Taiwanese in the 1970s and more recently, mainland Chinese. There are nine cities in the San Gabriel Valley where Asians are a majority, including Monterey Park, Walnut, San Gabriel and Rosemead.

Whites made up the third largest group in the valley with a population of 329,000, followed by African Americans (52,700). The balance of the population (32,000) includes Native Americans, Hawaiians/Pacific Islanders, and persons who identified as "other" or of two or more races. *(See* Table 3 *in the Appendix for additional detail)*

Educational Attainment

The San Gabriel Valley is home to numerous highly-educated workers. Businesses in the region benefit from this industrious, talented and diverse workforce. Excellent higher education is provided by numerous institutions including Caltech, the Claremont Colleges, Cal Poly Pomona, California State University Los Angeles and the region's community colleges. However, there are a number of communities within the valley where educational attainment is suboptimal. Improved educational outcomes in these cities would help insure that businesses in the San Gabriel Valley have access to an adequate supply of skilled workers and that the residents of these communities are fully prepared to participate in the region's dynamic economy.

The overall level of educational attainment in the San Gabriel Valley is about on par with that of Los Angeles County. For the valley as a whole, 77.8% of the population (25 years and older) has a high school diploma (or equivalent) and 30.2% has achieved a Bachelor's degree or higher. The cities with the largest percentage of adults holding a Bachelor's degree or higher are La Cañada Flintridge, San Marino, South Pasadena, Sierra Madre and Claremont. Additionally, over 92% of the adult population in these cities has a high school diploma.

At the other end of the spectrum, there are ten cities where the percentage of the adult population with a high school diploma is less than average for the valley as a whole. In Baldwin Park, El Monte and South El Monte, less than 60% of the adult population has a high school diploma. (*See* Table 4 *in the Appendix for additional detail)*

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 – 88% versus 12% who commuted to work outside the county. The average one-way commute to work for people living in the San Gabriel Valley was 30.0 minutes, while the average commute time nationally was 25.5 minutes. Similarly, 13.2% of residents in San Gabriel Valley spent at least one hour commuting to work, while nationally the rate was lower at 8.1%.

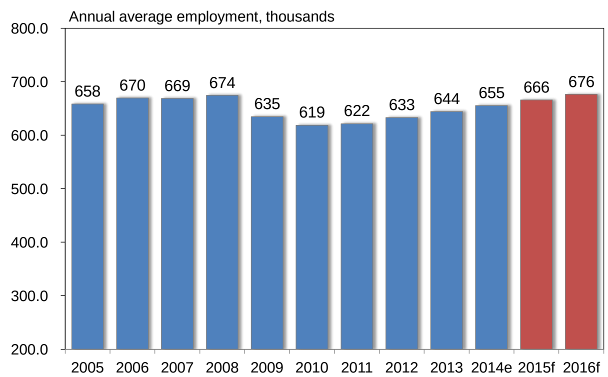
A greater understanding of the commuting patterns of workers in the San Gabriel Valley would provide insight into several important economic development issues for the region. For example, economic developers working to recruit and retain businesses must understand the available labor force of the region. Infrastructure needs are in part determined by worker commuting patterns (the debate over the route of the eastside extension of the Gold Line is an example), and several local governmental services require information about commuting patterns (e.g. law enforcement, health services, and evacuation or emergency planning). Finally, local governments need to understand how the region is interconnected with surrounding areas to develop effective long-term strategic plans. *(See* Table 5 *in the Appendix for additional detail)*

Employment

In 2014, wage and salary employment in the San Gabriel Valley increased to an estimated 655,300 jobs, up by 1.7% from 2013. However, employment is still below the 2008 pre-recession peak by 19,111 jobs (-2.8%). Based on LAEDC estimates, eleven of the fourteen industries in the San Gabriel Valley added jobs in 2014 with the exception of financial activities, education, and natural resources and mining. Financial activities experienced a decline of 600 jobs or a drop of 1.6%, and education contracted by 400 jobs or 2.1%.

Employment in leisure and hospitality increased the most, adding almost 3,600 jobs (5.3%) and health services contributing over 3,400 jobs (3.0%) in 2014. Professional and business services was the third major source of employment gains last year, with employment in the industry increasing by over 2,700 jobs (3.2%). These three industries combined accounted for 77% of employment gains in 2014. Retail trade added 800 jobs, while construction, manufacturing and transportation and utilities also experienced net gains.

San Gabriel Valley Employment Trends

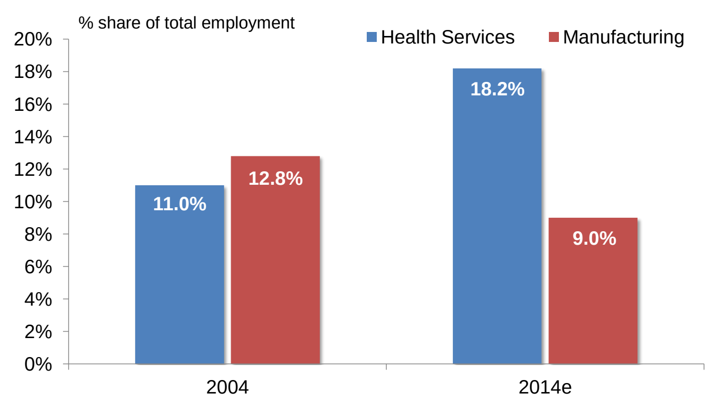


Sources: California EDD., LMID ES202 data

Total employment in 2014 was near 2004 levels, but industry employment composition has shifted over the intervening decade. In 2004, the professional and business services, manufacturing, and retail trade industries were the top three sectors by employment in the San Gabriel Valley. These three industries accounted for 251,065 workers or nearly 39% of total wage and salary employment in the valley. By 2014, the industry landscape had changed considerably. While professional and business services and retail trade remain in similar positions from a decade ago, the health services and leisure and hospitality sectors have captured a growing share of wage and salary employment. These two industries combined have seen their share of employment rise from 94,719 workers (20.1%) in 2004 to 189,900 workers (29.0%) in 2014, while manufacturing has steadily declined from 83,100 workers (12.8%) in 2004 to 58,900 workers (9.0%) last year.

Health services employment in the San Gabriel Valley has grown to become the primary source of employment. There were 71,708 health services jobs (11.0% of total employment) in 2004, but by 2014, that number had swelled to almost 119,500 jobs due to both growth and a reclassification of in-home health care jobs from other services to health services in the official employment statistics. This represents an increase of 67% in health services employment in the San Gabriel Valley over the past decade exceeding the 62% county-wide increase and the state-wide increase of 53%.

The Shifting Industry Landscape of the San Gabriel Valley



Sources: California EDD., LMID ES202 data

As a result, cities in the San Gabriel Valley with a strong health services presence have performed relatively better. These cities include Duarte (5.8% unemployment rate in 2014), Pasadena (6.3%), and Monrovia (7.2%). The former two cities benefit from City of Hope, while the latter benefits from Huntington Memorial Hospital. In addition, cities like Covina (Citrus Valley), West Covina (Queen of the Valley), and Arcadia (Methodist Hospital) also have a substantial health services presence.

Total employment is expected to rise to 665,840 workers this year, equivalent to a 1.6% gain, and will similarly increase by 1.6% next year due to improvements in nearly all industry sectors and elsewhere in the region's economy. *(See* Table 7 *in the Appendix for additional detail)*

Trends in Labor Force Growth and Composition

The two most widely reported indicators of the health of the labor markets are the number of new jobs created and the unemployment rate. In recent years, an indicator new to most Americans, found its way into news reports about the labor markets with increasing frequency: *the labor force participation rate (LFPR)*.

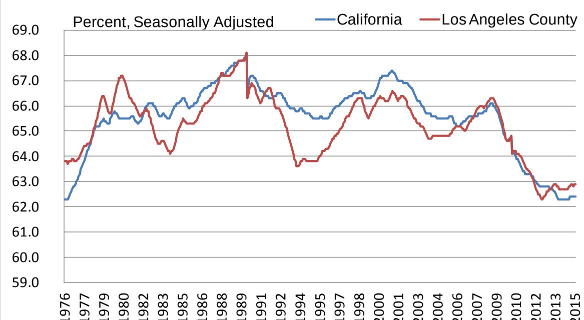
There are two reasons why the LFPR is important. First, the headline unemployment rate is found by dividing the number of unemployed by the labor force. But persons counted in the labor force are either *already employed or are actively looking for a job*. Therefore, the headline unemployment rate can move up or down based on individuals entering or exiting the labor force, independent of job creation.[5]

Labor force growth is also an important indicator of future economic growth – a decline in the labor force creates a labor supply constraint. During the 1970s and 1980s, the labor force expanded rapidly as the baby-boom generation, particularly women, entered the labor market. However, the demographic, economic and social forces that shaped the growth and composition of the labor force have changed since the turn of the century.

The LFPR of women, which peaked in 1999, has been on a trend decline. In addition, baby boomers are now retiring in large numbers and exiting the workforce. Moreover, accelerating technological change has caused further disruption in the labor markets. In the first 14 years of the 21st century, population growth has slowed and labor force participation rates have generally declined. The BLS projects the growth of the labor force over the next several years will be due entirely to population growth with the overall LFPR declining from 63.7% in 2012 to 61.6% in 2022.

Turning to the state and local situation, the LFPR in California peaked at 67.9% in late 1989 and in Los Angeles County at 68.1% at about the same time. Currently (as of February 2015), the LFPR for California stands at 62.4%, slightly below the national rate of 62.8%, while in Los Angeles County the LFPR is 62.9%. Given that the SGV has a similar demographic composition and nearly the same levels of educational attainment as Los Angeles County, labor force growth in the valley likely follows the general trends seen throughout the county as a whole and can be expected to track with the demographic and economic changes occurring across the nation during the coming years.

California and Los Angeles County Labor Force Participation Rates



Source: Bureau of Labor Statistics

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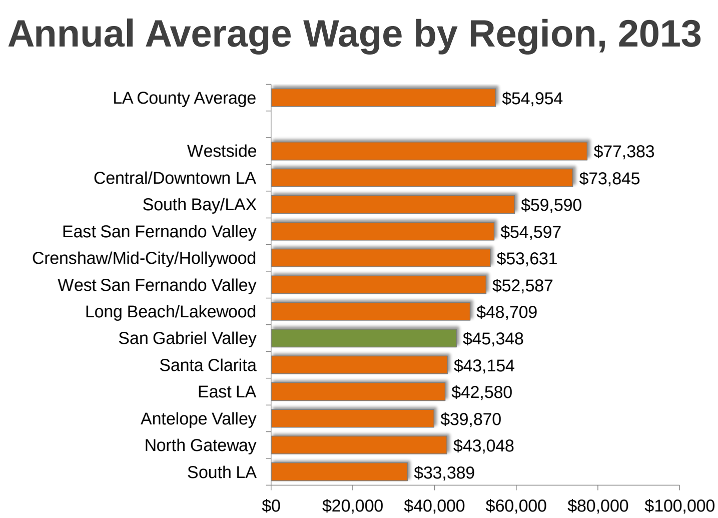
[5] Individuals who would like to work but have given up looking are not counted in the labor force. If those people were counted as part of the labor force, the unemployment rate would be higher. In fact, the Bureau of Labor Statistics does make this calculation, incorporating discouraged workers and those employed part-time but would like full-time work.

Income and Wages

San Gabriel Valley regional payrolls total an estimated $30.6 billion in 2014, up by 3.9%, or $1.1 billion from 2013, with most of this growth coming from higher job counts as opposed to rising wages. Total payrolls are projected to increase by 3.8% to $31.8 billion in 2015.

The average annual wage in 2013 in the San Gabriel Valley was $45,348. The San Gabriel Valley had the eighth highest average annual wage of the 13 regions of Los Angeles County tracked by the LAEDC. Average wages in the San Gabriel Valley remain lower than Los Angeles County as a whole in nearly all industries, with construction and transportation and utilities being the only exceptions.

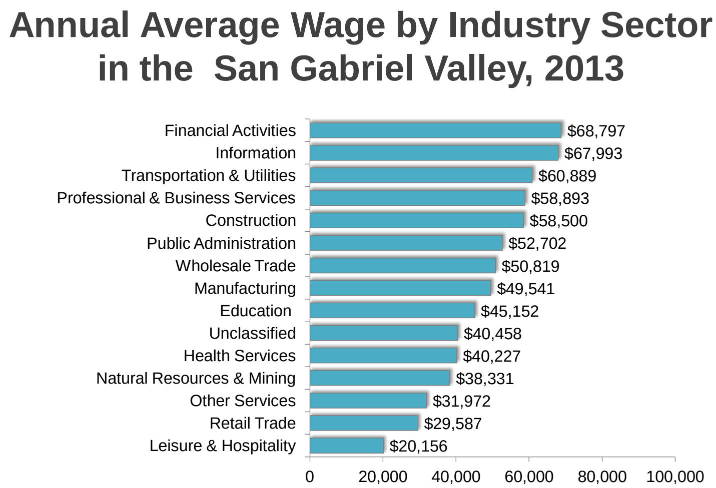


Source: California EDD., LMID, ES202 data

The average wage for the San Gabriel Valley education and health services industries was $40,986 in 2013, 2.9% lower than the Los Angeles County average. Los Angeles County wages in the education and health services industries ranged from roughly $23,000 in South Los Angeles to $54,000 in Crenshaw/Mid-City/Hollywood.

In professional and business services, the average annual wage for San Gabriel Valley workers was $58,893, 13.2% lower than the county average. Los Angeles County wages in professional and business services ranged from roughly $37,000 in the Antelope Valley to over $92,000 on the Westside.

Construction is one of the two industries where the San Gabriel Valley average wage of $58,500 in 2013 was higher than the Los Angeles County average wage of $54,859. Los Angeles County wages in construction range from $40,000 in South Los Angeles to $89,000 in Central/Downtown Los Angeles. *(See* Table 8 *in the Appendix for additional detail)*



Source: California EDD., LMID, ES202 data

Business Establishments

There were 71,953 business establishments in the San Gabriel Valley in 2013, equivalent to 17.0% of the county's 423,994 establishments. There are many entrepreneurial professionals in the San Gabriel Valley. The 7,027 professional and business services establishments include architects, engineers, and design related firms. The education and health services sector ranked first in number of establishments with 32,970. There are many physicians and dental offices, nursing and residential care facilities, and social assistance/child care facilities, as well as educational institutions in the San Gabriel Valley.

Several San Gabriel Valley industries account for a sizeable percentage of the Los Angeles County total. The San Gabriel Valley contained 4,763 wholesale trade establishments in 2013, 24.3% of the Los Angeles County total. Warehouses and distribution centers are conveniently located in cities near the intersection of the 60 and 605 freeways, and between the north end of the Alameda Corridor and eastbound railroad service.

San Gabriel Valley manufacturing and retail trade establishments represent 18.5% and 18.1%, respectively, of the total establishments in those industries in Los Angeles County. The construction industry in the San Gabriel Valley has 19.2% of the county's total construction industry business establishments. *(See* Table 9 *in the Appendix for additional detail)*

INDUSTRIES OF THE SAN GABRIEL VALLEY

The San Gabriel Valley has seven significant economic drivers: health care, higher education, international trade, manufacturing, professional and business services, retail trade and tourism. These industries are the foundation of the San Gabriel Valley's economic growth, drawing in dollars from outside the region, fostering innovation and creating wealth.

Housing and commercial real estate are also important components of the region's economy. Additionally, the San Gabriel Valley has a considerable number of people employed in public administration jobs and in the nonprofit sector, particularly hospitals and educational institutions.

Health Care

Health care is a large industry in the U.S. In 2013, national health care expenditures increased by 3.6% to $9,255 per person ($2.9 trillion in total) and accounted for 17.4% of GDP. Between 2012 and 2022, health care expenditures are projected to grow at an average rate of 5.8% per year. Efforts to contain costs are colliding with increased demand for health care services and more transparent pricing. Fiscal pressures, sweeping regulatory changes under the Affordable Care Act and more empowered consumers are creating a new health care economy.

In Los Angeles County, the health care industry employed over 625,000 workers in 2014. Over the last several years, health care employment has grown consistently, increasing by 4.3% in 2014. Job counts have increased at hospitals, doctors' offices, and nursing and residential care facilities. In the San Gabriel Valley, there were 119,500 individuals employed in the heath care sector (nearly 20% of the county total) in 2014, which was up by 3.0% compared with 2013, making health care by far the largest employment sector in the valley.

The health services industry is one of the major economic drivers of the San Gabriel Valley economy. Employment is expected to increase this year and again in 2016. This trend is being driven by demographics (population growth, an aging population, retiring baby boomers and increased life expectancy), and healthcare reform, which has expanded the number of individuals with access to health insurance coverage. Additionally, more households will be able to purchase additional health services as incomes rise along with the general improvement in the economy.

While 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. In addition to providing medical treatment, other important sources of economic growth are medical research and the production of medical instruments/devices, which have consistently been one of San Gabriel Valley's top exports over the last few years.

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 valley is home to a number of educational institutions (public and private) that play a central role in creating the next generation of skilled workers, professionals and entrepreneurs. This sector also includes a number of 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 new ideas to life and transforming them into commercial applications.

77.8% of San Gabriel Valley residents 25 years or older have a high school diploma.

30.2% have a Bachelor's degree or higher.

That compares with 76.6% and 29.7% for Los Angeles County as a whole.

Four-year postsecondary institutions include the California Institute of Technology (Caltech), the 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 three community colleges in the valley (Citrus College, Mt. San Antonio 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 stay in the area. Research and development activities support aerospace, technology, medical device and biomed firms. Spin-offs, particularly from Caltech and Cal Poly Pomona, have made important contributions to the green economy in areas of technology that include electric batteries, electric car charging stations, solar panels and nanotechnology.

In 2014, employment at private institutions edged down by 1.5% after remaining nearly flat in 2013. Payrolls are expected to increase marginally in 2015 and 2016. The outlook at the region's publically funded and nonprofit schools is also improving. California's financial footing is 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 and the region's community colleges.

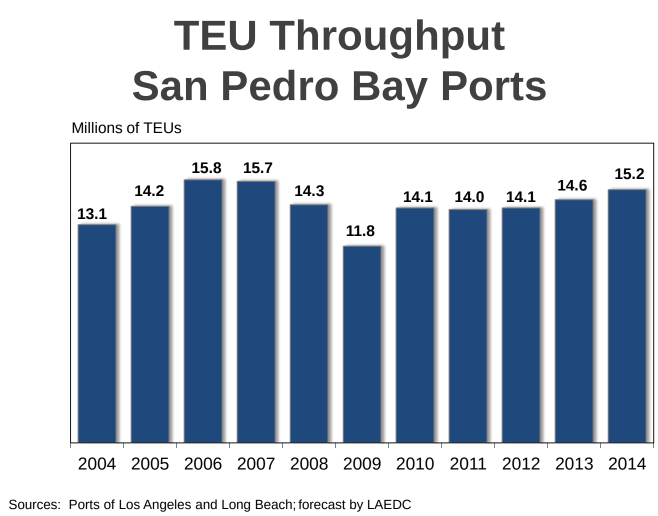
Nonprofit institutions that rely on federally funded contracts or grants continue to face an uncertain funding future. The Sequestration budget cuts that were put on hold for the 2014-2015 FY are set to restart beginning October 1, 2015. When first instituted in 2013-2014 FY, sequestration forced many universities to lay off research-related personnel, delay projects and admit fewer graduate students. Over the long-term, uncertainty about funding could prove detrimental to scientific discovery and the nation's economic competitiveness.

International Trade/Goods Movement

Similar to both Los Angeles County as a whole, and the neighboring Inland Empire, the health of the San Gabriel Valley economy depends in large part on the global economy and international trade flows. The LAEDC estimates that in 2013 there were 264,500 trade-related jobs across Los Angeles County (with a substantial number of those jobs located in the San Gabriel Valley). Trade-related employment includes occupations in the transportation, logistics, distribution services and wholesale trade industries.

The San Gabriel Valley has a higher concentration (6.5%) of people employed in wholesale trade than the overall county ratio of 5.3%. Among the sub-county regions in Los Angeles, the number of persons employed in the wholesale trade industry in the San Gabriel Valley is second only to the North Gateway region, which benefits from having both San Pedro Bay ports and the Alameda Corridor fall within its borders.

International trade and goods movement are an important part of the San Gabriel Valley economy. Truck traffic on the 710 and 60 freeways from the San Pedro Bay ports continues to increase. The rise in transportation activity is a positive sign for the San Gabriel Valley economy, and is expected to continue over this year and next as both employment and retail sales continue to improve.



The San Pedro Bay ports posted a solid year in 2014. Last year, 15.2 million containers were handled by the combined ports, an increase of 3.8% compared with 2013, despite labor negotiations that consumed much of the year. The rise in container traffic was mainly attributable to robust peak season volumes. Individually, total loaded cargo volume at the Port of Los Angeles was up by 5.2% in 2014, while total loaded volume at the Port of Long Beach edged down by 0.7%.

The Ports of Los Angeles and Long Beach rank number one and two in the nation in terms of container volume with over 40% of the nation's imported containers moving through the two ports. Additionally, the value of two-way trade flowing through the Los Angeles Customs District in 2014 was $418.0 billion, the highest in the U.S. and up by 0.8% over the previous year.

International airport cargo, which generally consists of small, lightweight, high-value products that require quick delivery, passes through both Los Angeles International (LAX) and Ontario International Airport. Freight tonnage passing through LAX increased by 3.8% in 2014, while at Ontario, freight tonnage increased by 3.6% over the year. Domestic freight passing through Burbank Bob Hope Airport increased by 6.4% in 2014.

The outlook for 2015 and into 2016 is mildly positive. The U.S. economy should achieve GDP growth in the three percent range this year and next, but many of the nation's top trading partners are experiencing slower growth, a potential dampener for U.S. exports. Total container traffic at the Ports of Los Angeles and Long Beach is projected to marginally contract to 15.1 million containers in 2015, a decrease of 0.7%.

Manufacturing

Manufacturing activity in the San Gabriel Valley is expected to increase in 2015. The region encompasses a whole gamut of manufacturing sectors; from computer and electronic products, to plastics and rubber, transportation equipment, chemicals, and furniture. Food, fabricated metal products and apparel are the three largest manufacturing sectors relative to both employment and business establishments.

A number of manufacturing industries in the valley have experienced employment growth in recent years. One is food processing. Most food-related firms are doing fairly well, especially those that have tapped into Southern California's enthusiastic embrace of Asian and Hispanic foods. The medical device and biomed industries are also benefiting from close proximity to major R&D facilities, particularly along the Interstate 210 high-tech corridor.

In addition, the valley has a large contingent of fabricated metal products manufacturing firms. These are primarily small machine shops employing on average 20 people doing contract work for aerospace, medical device and defense industries. Aerospace contractors that specialize in the manufacture of gears, fasteners, and circuits are experiencing challenging times with the uncertainty of sequestration and defense department budget cuts weighing heavily on orders and shipments.

There are a number of advantages for manufacturing firms in the San Gabriel Valley. One is the sheer size and diversity of the local market. Southern California is a great market testing ground for new products. In addition, high quality educational facilities and workforce development programs are a resource for businesses looking for skilled workers. The region also has significant geographic and infrastructure advantages. Finally, served by the region's freeways, rail and air links, the San Gabriel Valley functions as a major gateway to the local ports and the broader Southern California region.

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 2014 (behind health services) with 87,400 payroll jobs, an increase of 3.2% compared with 2013. Although employment in business and professional services has been trending up, the industry has not quite regained all of the jobs that were lost during the recession, but was 6.4% shy of that mark last year.

The average annual salary in this sector in 2014 was $58,893, which was about 13.2% less than the county-wide average of $66,692. One reason for the wage differential could be the ratio of higher-paying professional jobs to lower-wage administrative jobs located in the San Gabriel Valley versus elsewhere in the county.

Peak employment occurred in 2006 with 93,900 jobs, but current job figures may be undercounting the actual number of people working in this sector. These figures are for wage and salary jobs only and do not count the self-employed, a fast growing part of the workforce. An increasing number of professionals are electing to establish their own firms. While this trend predates the recession, the downturn intensified the transition of many professionals from salaried workers to entrepreneurs, willingly or not. Supported by strong educational resources and facilitated by technology, these single-person firms are a potent force for new job creation in the professional, high-tech and creative industries. It remains to be seen whether this trend will reverse as the economy heats up and labor becomes more scarce.

With a mix of occupations that include a wide range of skill and income levels, this diverse sector will continue to be one of the largest and fastest growing in the region over this year and next.

Residential Real Estate

Although 2014 proved to be a disappointing year for Southern California's housing market, there are reasons to feel more optimistic about 2015. Stronger job growth has increased the number of qualified buyers, inventories are improving, mortgage interest rates are expected to remain low and household formation is projected to return to normal levels.

Obstacles remain, however. Southern California home sales in 2014 declined by 8.7% compared with 2013. Institutional investors have largely withdrawn from the housing market, but traditional first-time buyers have not returned in sufficient numbers to fill the void. While mortgage lending standards have eased marginally, they remain restrictive. Another roadblock is the sharp rebound in home prices, which have outpaced improvements in the labor market, particularly wage growth. Affordability is becoming more of an issue -- many potential buyers have already been priced out of the market. New and young households in particular either cannot afford to buy (even with today's exceptionally low interest rates) or cannot qualify for a mortgage loan.

At the same time, apartment rents are soaring even faster than home prices (and income) in Southern California. In the Los Angeles metro area, the share of income needed to make the monthly mortgage payment on a median priced home is 40.8%. The share of income needed to afford median rent in Los Angeles was 47.9%, the highest of any large metro area in the country.[6] With more income needed for rent, many renter households in the San Gabriel Valley cannot save for a down payment on a home.

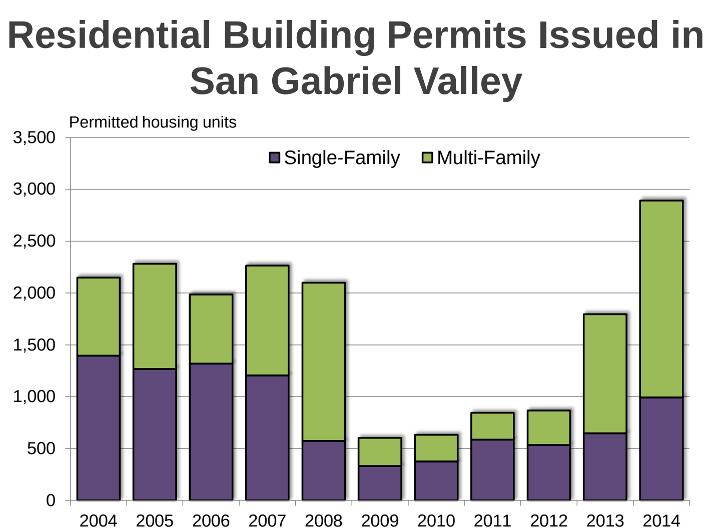
Although household formation is rebounding, the gains are mostly going to the rental market. Homeownership, on the other hand has not yet turned the corner. In California, the rate of homeownership peaked at 60.2% in 2006 and by 2013 had declined to 54.3%, the lowest rate since 1987. One reason for the decline is the slow pace of wage and salary growth since the end of the recession – homeownership tends to rise with income. Another reason may be that homeownership rates during peak years were unsustainable because of the easy lending practices that prevailed at the time.

Turning to the new home market, permits for new home construction in the San Gabriel Valley rebounded strongly last year, rising by 61% to 2,892 units. Since bottoming out in 2010 at 603 units permitted (from a peak of 3,125 reached in 2003), housing permits were up by nearly five-fold. *(See* Table 12 *in the appendix for permit data by city and historical figures).*

[6] "Renting is Twice as Expensive as Buying", Garrison, Trey. Zillow.com (December 2014)

Beginning in 2013 and continuing through 2014, new home construction began to tilt heavier to multi-family homes. Last year, 1,898 (65.6%) of the new construction permits issued in the San Gabriel Valley were for multi-family homes compared with 994 (34.4%) for single-family residences. Prior to 2013, the ratio of new home construction averaged 60% single-family versus 40% multi-family. The reversal of the long-run trend can be attributed to the diminishing supply of land available for new home construction and changing consumer preferences for centralized urban environments. Demand for high density housing (medium and high-rise condos and apartments) remains strong. A growing number of individuals and families are demonstrating a greater interest in living environments closer to their place of employment as well as shopping, entertainment venues and mass transit.

Currently, inventories of unsold new housing are extremely low, a situation that coupled with the lack of existing homes listed for sale, is fueling price gains. According to the Real Estate Research Council of Southern California, 95 new housing units were unsold in the San Gabriel Valley at the end of 2014 (compared with 67 units at the end of 2013). There were 63 unsold multi-family units (condos and townhouses) and 32 single-family homes. With home prices continuing to rise and improving consumer fundamentals, the pace of new home building is expected gain momentum over the next several years.



Source: CIRB, California Homebuilding Foundation

The LAEDC forecasts that homebuilders will pull permits for 2,200 new units in the San Gabriel Valley this year, a decline of 24% compared with 2014. Last year there was a surge in multi-family permits that pushed new housing construction far above trend especially compared with the countywide growth rate. The forecast for 2015 reverts to trend, while in 2016, the rate of growth will accelerate by about 23% or 2,700 new housing units.

The general trend for new home building in the San Gabriel Valley compared with the rest of Los Angeles County has been one of slower growth. As a result, the share of new homebuilding that takes place in the valley relative to the county total has declined. From 1990 to 2003, 13.3% of the new home permits pulled in Los Angeles County were for the San Gabriel Valley. Since 2004, the average share has fallen to 9.6% as new home construction in less developed parts of the county grew at a faster pace, notably Santa Clarita, Lancaster and Palmdale. However, with the shift in multi-family construction to more densely populated areas, especially development along the Gold Line extension, that ratio could begin to move back up again.

Median home prices have risen significantly throughout the San Gabriel Valley, boosted by lean inventories and strong demand. An influx of wealthy Chinese investors has also exerted upward pressure on prices, particularly in Arcadia, Walnut, Temple City, San Marino and parts of San Gabriel. The double digit percentage gains (many over 20%) recorded in many San Gabriel Valley cities in 2013 gave way to more moderate increases in 2014. With few exceptions, home prices are still well-below prerecession peaks. The cities that have passed their previous peak are the ones most popular with Chinese buyers.

The housing market in the San Gabriel Valley is slowly getting better. Increases in median prices are moderating and sales activity is occurring across a broader range of home prices – in indication the market has moved back to a more balanced position. Home prices will continue to rise through 2015 although at a pace that reflects market fundamentals of wage and job growth.

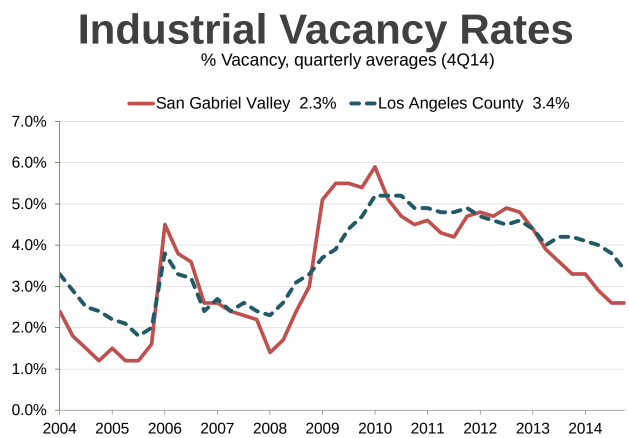
Further improvement this year and next will depend in large part on progress in the rest of the economy, including the housing credit market. As price increases continue to moderate, the San Gabriel Valley's housing market will rely more on job and income growth to support housing demand and prices. *(See* Tables 6, 12, 13 *and* 14 *in the Appendix for more detail related to the San Gabriel Valley housing market.)*

Nonresidential Real Estate

Industrial Space

As a major gateway market for consumer goods, Los Angeles County's industrial real estate markets have seen steady improvement since the end of the recession. An adequate supply of industrial land with ready access to the region's transportation infrastructure facilitates trade and enhances the competitiveness of the region. Maintaining an adequate supply of industrial zoned land is an important component of economic growth. Industrial real estate is job-producing land, offering employment opportunities for all skill and education levels; it supports jobs in many business sectors and generates taxes that sustain and improve the quality of life throughout the region.

By the close of 2014, the San Gabriel Valley's industrial real estate market completed its fifth year of growth. Combined user sales and leasing activity totaled 7.3 million square feet in 2014 while net absorption was 1.5 million square feet, bringing the five year total to 4.2 million square feet (net occupancy losses during 2008-2009 were 6.6 million square feet). Strong leasing and user sale activity in the San Gabriel Valley continue to exert downward pressure on the overall vacancy rate.



Source: Cushman & Wakefield

The San Gabriel Valley's industrial vacancy rate dropped steadily over the course of last year, ending 2014 at 2.6% making it the tightest submarket in the Los Angeles region. The county-wide industrial vacancy rate was 3.4%, almost a full percentage point higher.

Although construction activity slowed in 2012-2013, new development rebounded in 2014 - 1.5 million square feet of new industrial space was in the pipeline during the fourth quarter of 2014. Over 652,000 square feet of new inventory was completed in 2014 bringing the total inventory of industrial space in the San Gabriel Valley to nearly 192 million square feet.

Overall class A asking rents rose to $0.55 per square foot from $0.50 per square foot during the same period last year. Wholesale/distribution rents were marginally higher in the fourth quarter of 2014 at $0.56 per square foot.

The outlook for industrial space development is very encouraging, especially for warehouse and distribution facilities, data centers and R&D centers. Solid readings in the ISM manufacturing index, capacity utilization and regional purchasing manager surveys all point to a stronger outlook. Additional improvement in vacancy rates and asking rents will depend largely on increases in international trade, industrial production and e-commerce. Developers will also have to contend with rising construction costs and shortages of workers in some of the skilled construction trades.

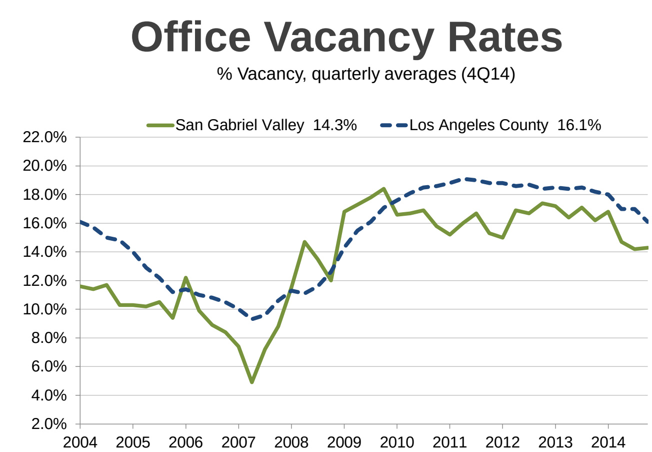
Office Space

The modest pace of economic growth over the past five years has led to slow improvements in both operating fundamentals and new construction for the San Gabriel Valley's office market. The market for office space in the San Gabriel Valley is experiencing a much slower turnaround than the industrial market but this is true throughout Los Angeles County. However, it now appears the region's office market may have reached an inflection point. Employment growth in industries that utilize office space is near prerecession levels but changes in technology and workplace organization have reduced the amount of office space utilized per worker. Much stronger employment growth is needed to offset this new reality.

Office market fundamentals strengthened in the final quarters of 2014 signaling a new state of growth for the region. Since peaking at 18.4% in 2009, the office vacancy rate has been trending down. During the final quarter of 2014, the office vacancy rate in the San Gabriel Valley was 14.2%, down from 16.2% during the fourth quarter of 2013 and was the lowest since 2008. The county-wide office vacancy rate at the end of 2014 was 16.1%. Class A asking rents declined from $2.33 to $2.26.

The 898,000 square feet of new leasing activity recorded in 2014 was flat compared with 2013 and net occupancy gains of 104,000 square feet were slightly lower compared with the 108,000 square feet of gains recorded in 2013. The City of Industry/Diamond Bar submarket alone posted leasing activity of 306,000 square feet, the largest amount in San Gabriel Valley during the year.

The most significant new leases in 2014 included City of Hope (nearly 168,000 square feet), United Nurses Association, Graybar Electric Company and Azusa Pacific University. With expectations for a strong economy in 2015, market fundamentals in the San Gabriel Valley are projected to strengthen over the next 12 to 18 months.



Source: Cushman & Wakefield

New Construction: Nonresidential construction experienced another strong year of growth. The value of total nonresidential construction in the San Gabriel Valley rose to $674.6 million in 2014. Prior to the recession (1990 to 2007) the annual average was $400.2 million. Most of the new construction permits appear to be for alterations to existing structures, but at year-end there were 1.5 million square feet of new industrial projects under way in the valley on top of the 652,000 square feet that had already been completed in 2014.

The largest new project under construction was the Mission 17 West Business Center in Pomona, a speculative project that was 14% (out of 495,000 square feet) leased as of the end of 2014 with an anticipated completion date of second quarter 2015. In the final quarter of 2014, Xebec Realty Partners broke ground on its Tenth Street Center development in Azusa, a 21.6 acre site with three buildings totaling 344,000 square feet.

As for new office space, there was 166,000 square feet in the pipeline (of which, 55.9% was leased) at the close of 2014 with 178,000 completions already delivered. 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 and manufacturing activity. *(See* Tables 15 *and* 16 *in the Appendix for more information related to nonresidential real estate in the San Gabriel Valley)*

Value of Nonresidential Permits Issued in San Gabriel Valley Cities

Source: CIRB, California Homebuilding Foundation **Montebello permits begin 2007*

The Gold Line in the San Gabriel Valley:

Transit, Transit Oriented Development and Economic Growth

The first segment of the Gold Line connecting downtown Los Angeles and Pasadena was completed in 2003. Now 12 years later, construction of the first extension of the Gold Line from Pasadena to Azusa is expected to be complete this year with operations projected to begin in 2016. The second phase of the extension will eventually carry the light rail line east from Azusa for another 12 miles before ending in Montclair.

In addition to improving mobility in the San Gabriel Valley, the Gold Line has also created economic development opportunities in the region. Densely populated and intensively developed, there is little room left in the valley for communities to expand or to build new roads to relieve congestion. As an alternative, the cities of the San Gabriel Valley have been busy creating and implementing ambitious transit-oriented plans around the Gold Line (in addition to other transit options) to redevelop city centers and urban neighborhoods.

Transit-oriented development (TOD) is usually understood as mixed-use developments that include housing, retail and/or commercial components. These developments are ideally located in walkable neighborhoods with access to high-quality public transportation. Successful TOD has the potential to:

- Increase land and property values
- Increase sales tax revenues from local shops and restaurants within walking distance of transit stations
- Reduce transportation costs for residents
- Reduce infrastructure costs for cities and counties compared with supporting suburban growth
- Enhance the quality of life for residents by reducing pollution and congestion, and creating a sense of community

Well planned TOD can also result in improved connections between people and jobs. Since trips to work account for nearly 60% of transit trips, in addition to Increasing the valley's housing stock, expanding employment opportunities near transit should also be a priority for the region's planners. Transit and TOD can support a strong regional economy by reducing travel times, lowering transportation costs and improving job access. Transit also facilitates greater job density, knowledge agglomeration and the exchange of ideas, which can spur innovation. As the Gold Line continues its expansion east to Montclair, it will provide a connection for the San Gabriel Valley's centers of education, research and technology, facilitating new growth and development opportunities for the region's residents, educational institutions and businesses.

Retail Trade

The retail sector occupies a prominent place in the economy at both the national and local levels. Because such a large portion of U.S. economic activity depends on consumer spending, sales of retail goods and services is an important economic indicator. Retailers also generate an enormous number of jobs that provide employment for individuals across a wide range of skill and income levels. Additionally, retail sales and use taxes are an important source of local government revenues.

Retailers have reason to be feeling more optimistic. Consumers remain cautious in their spending habits, but households are feeling moderately more secure about their financial footing. Rising home prices and equity values have contributed to increases in household wealth and the labor markets have shown steady improvement. One of the remaining trouble spots has been a lack of wage growth – wages are just keeping pace with inflation. The good news is wage and salary gains are expected to accelerate in 2015. Although consumers have been using credit cards sparingly, low interest rates have made it more affordable for American shoppers to finance the purchase of automobiles (which sold at prerecession rates last year) and other big ticket household goods.

As with so many industries, technology is transforming the retail industry. In-store innovations include self-checkout, payment via a mobile device in the hands of a sales associate and price checking scanners. Retailers are expanding social media channels to engage with and grow their customer base. Retailers are also collecting and using large amounts of data (raising privacy and security concerns in the process) in order to provide a more personal shopping experience for their customers. In turn, consumers are increasing their use of shopping apps on mobile devices to search for bargains, research products, locate stores, post reviews and pay for purchases. Consumers today are better informed, more discerning and more interactive.

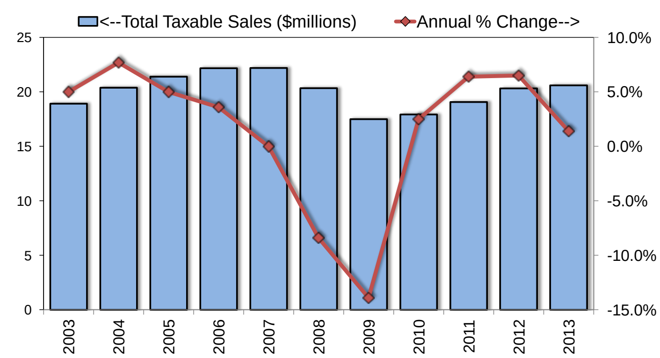
Retailers have had to adjust to rapidly evolving changes in consumer buying habits. It is not just how consumers are buying but what they are buying. People are spending an increasing share of their disposable income on goods and services like travel, movie downloads, concerts and sporting events. Experiences are becoming more important than the acquisition of things, especially among younger people.

Retail trade is an important economic driver for the San Gabriel Valley. The region's retail sector was the valley's third largest industry in 2014, employing over 75,400 individuals. The San Gabriel Valley has a marginally higher concentration of retail workers than the county as a whole – nearly 11.5% of wage and salary jobs versus 9.8% for all of Los Angeles County. At the same time, the average annual wage for retail trade workers in the San Gabriel Valley was $29,587 in 2014, which was 7.5% lower than the county average of $31,995.

The retail sector in the San Gabriel Valley has improved steadily since 2009 when taxable sales fell to their lowest point in the current economic cycle. While a handful of cities in the valley surpassed their prerecession taxable sales peak in 2013 (most current data available), most are still working toward reaching that milestone. In 2013, the region accounted for 14.7% of total taxable sales[7] in Los Angeles County. The share of taxable sales in the valley relative to the county as a whole has been on a trend decline. In 2002, the share was 17.5%. At the same time, the share of population has declined more moderately, from 15.5% to 15.1% over the same period.

Total taxable sales in the incorporated cities of the valley peaked in 2007 at $22.2 billion (about 79% of total taxable sales in the valley are taxable *retail* sales). Taxable sales trended down over the next two years, falling to $17.5 billion in 2009 before reversing course and climbing up to $20.6 billion in 2013. In 2014, the LAEDC estimates taxable sales in the San Gabriel Valley will reach $21.2 billion and by 2016, climb to $22.5 finally surpassing the prerecession peak.

San Gabriel Valley Total Taxable Sales



Source: California State Board of Equalization (2001-11), LAEDC (2012-13)

Ranking the cities in the San Gabriel Valley by total taxable sales, Pasadena was first in 2013 with total taxable sales of $2.9 billion, an increase of 1.4% over the year. Next was the City of Industry with total taxable sales of $2.7 billion (down by 9.1%). Following Pasadena and Industry were West Covina ($1.33 billion, up by 5.9%), El Monte ($1.30 billion, up by 3.4%), and Alhambra ($1.28 billion, up by 6.4%).

As of 2013, there were eight cities in the valley that exceeded pre-recession taxable sales levels compared with just three reported in last year's report. Those cities were Alhambra (surpassing the previous peak by 8.4%); Arcadia (4.0%); Azusa (4.0%); Glendora (4.5%); La Cañada-Flintridge (21.0%); Rosemead (6.7%); and South Pasadena (4.7%). Bradbury also passed its previous peak, growing from $295 million in 2007 to $459 million in 2013. *(See* Table 17 *in the Appendix for additional information)*

[7] Total taxable sales are composed of retail and food services, and "all other outlets" which are taxable sales to businesses for goods and services that are for their own use e.g. equipment and software.

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.

In 2014, Los Angeles County alone hosted a record 43.4 million visitors (day and overnight), an increase of 3.0% over the previous year. Visitation in 2015 is expected to reach 44.2 million, an increase of 1.8% over 2014. That would make 2015 the fifth consecutive year in which Los Angeles County achieved record breaking visitor volume.[8]

International visitation is especially strong in Los Angeles County. In 2014, 6.5 million international visitors arrived in Los Angeles, nearly 15% of the total, and a 5.6% uptick over 2013. While Mexico and Canada sent the largest number of international visitors, China (excluding Hong Kong) was Los Angeles County's number one overseas market for the third year in a row and is positioned to overtake Canada to become the largest international market after Mexico. China is also the region's fastest growing market with 20.4% more visitors in 2014 than in 2013. Rounding out the top five international visitor markets for Los Angeles County are Australia and the United Kingdom.

Of the 85% of Los Angeles County overnight visitors who are U.S. residents, 20% originate from the Los Angeles five-county region, followed by the San Francisco Bay area (11.8%), San Diego (8.0%), the New York City area (7.4%) and Phoenix (4.7%).

The Los Angeles Tourism and Convention Board reports that all Los Angeles County business and leisure travelers spent a total of over $18 billion in 2013, a new record, and up 5.5% from $17.4 billion in 2012. Of this spending, U.S. origin visitors spent $12.4 billion or 66%, while international visitors spent $6 billion, or 33% of the total, more than double their corresponding 15% share of visitor volume, showing the importance of international visitors to the market.

The San Gabriel Valley attracts a large 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. The average Chinese visitor to California spends over $2,900 per trip. This benefits every corner of the San Gabriel Valley's tourism industry.

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

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[8] *Los Angeles County Tourism by Numbers 2014 Quick Facts*, (January 2015) Los Angeles Tourism and Convention Board

The metrics used to measure the health of the lodging market indicate it has recovered from the recession, achieving record high levels in occupancy rates and daily room rates. The average hotel occupancy rate for the San Gabriel Valley in 2014 was an estimated 78.5%, which was up from 76.9% in 2013. During the recession, occupancy rates in the valley fell from an average of 73.6% (2006) to 61.0% (2009). The average daily room rate increased to $141.72 from $130.8 in 2013, surpassing the prerecession (2008) peak of $136.18. The most critical measure to hoteliers is revenue per available room (RevPAR). In 2014, this was an estimated $111.27, which was up by 10.7% compared 2013, reaching a record high level.

Looking at the various sub-markets in the valley, the best performance last year in terms of RevPAR was once again turned in by Pasadena at $150.39. This was up by 9.5% from 2013, and from the previous peak of $128.66 reached in 2006. The 2014 occupancy rate in Pasadena was 84.3% compared with 84.6% in 2013 and the average daily room rate increased by 9.8% to $178.33. While Pasadena is a popular destination in its own right, it is often used by both business and leisure travelers as a base from which to explore the San Gabriel Valley and Southern California. *(See* Table 18 *in the Appendix for additional information)*

Hospitality and tourism payrolls in the San Gabriel Valley are continuing to expand. In 2014, total sector employment increased by nearly 4,000 jobs (a 5.9% annual gain), raising the total number of people employed in the industry to 70,800.

Driving domestic demand for travel-related goods and services were gains in the U.S. labor markets and stronger personal income growth, both of which point to an increase in consumer spending. While the global economy still looks lackluster, overseas markets are expected to outperform the overall visitor market in 2015. The national and Southern California lodging markets have recovered faster than the general economy since the end of the recession. Much of this is related to solid growth in international visitation, which started during the recession years when many foreign currencies strengthened relative to the U.S. Dollar. Rising demand together with few additions to supply have helped improve lodging fundamentals to the point where a number new hotel properties are currently in development.

Looking ahead to 2015, the San Gabriel Valley lodging sector will continue to benefit from stronger corporate spending, personal income growth and international visitation. Transient-occupancy taxes, an important revenue source for local governments, will also increase.

APPENDIX: STATISTICAL TABLES

Table 1: San Gabriel Valley Economic Indicators

Year	Population*	Total Employment	Payroll of Workers ($millions)	Housing Permits (Units)*	Total Taxable Sales ($millions)*
2004	1,520,909	649,825	24,894	2149	20,382
2005	1,518,465	658,094	26,124	2282	20,191
2006	1,507,869	669,625	27,682	1985	22,179
2007	1,498,382	668,561	28,630	2265	22,187
2008	1,493,891	674,411	28,805	2100	20,330
2009	1,493,187	634,642	27,173	603	17,499
2010	1,491,404	618,613	27,066	632	17,936
2011	1,496,272	621,505	27,881	844	19,076
2012	1,502,669	632,763	28,674	867	20,316
2013	1,512,865	644,125	29,527	1794	20,592
2014e	1,521,636	655,339	30,672	2,892	21,244
2015f	1,529,751	665,840	31,849	2,200	21,490
2016f	1,535,678	676,344	33,063	2,700	22,458

*Incorporated Cities Only

Note: Housing permits begin including Montebello in 2007

2004	0.1%	0.9%	5.9%	-31.2%	7.7%
2005	-0.2%	1.3%	4.9%	6.2%	-0.9%
2006	-0.7%	1.8%	6.0%	-13.0%	9.8%
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	0.4%	1.8%	2.8%	2.7%	6.5%
2013	0.7%	1.8%	3.0%	106.9%	1.4%
2014e	0.6%	1.7%	3.9%	61.2%	3.2%
2015f	0.5%	1.6%	3.8%	-23.9%	1.2%
2016f	0.4%	1.6%	3.8%	22.7%	4.5%

Sources: California Dept. of Finance, Demographic Research Unit
California EDD, Labor Market Information Division, ES202 data;
Construction Industry Research Board; California Homebuilding Foundation
California Board of Equalization; forecasts by LAEDC

Table 2: Population of Incorporated Cities of the San Gabriel Valley

City	Census 2000	2004	2005	2006	2007	2008	2009	Census 2010	2011	2012	2013	2014
Alhambra	85,757	86,771	86,541	84,944	84,096	83,551	83,221	83,089	83,368	83,704	84,290	84,697
Arcadia	53,054	55,388	55,521	55,473	55,607	55,707	55,975	56,364	56,488	56,576	56,901	57,500
Azusa	44,712	46,808	46,642	46,279	46,133	46,117	46,227	46,361	46,351	46,641	47,614	48,385
Baldwin Park	75,837	77,516	77,383	76,765	76,264	76,066	75,666	75,390	75,584	75,870	76,362	76,715
Bradbury	855	962	974	978	977	999	1,017	1,048	1,058	1,066	1,074	1,082
Claremont	33,998	35,116	34,981	34,856	34,903	34,850	35,259	34,926	35,022	35,316	35,768	35,920
Covina	46,837	48,137	48,147	47,924	47,871	47,701	47,726	47,796	47,881	48,063	48,387	48,619
Diamond Bar	56,287	57,082	56,703	56,110	55,789	55,610	55,379	55,544	55,706	55,848	56,133	56,400
Duarte	21,488	21,764	21,726	21,775	21,617	21,356	21,409	21,321	21,358	21,421	21,567	21,668
El Monte	115,965	117,851	118,295	116,901	115,996	114,920	114,434	113,475	113,664	113,970	114,503	115,064
Glendora	49,415	50,630	50,490	50,195	50,055	49,775	49,840	50,073	50,208	50,387	50,697	51,290
Industry	777	661	626	589	553	541	481	451	439	436	437	438
Irwindale	1,446	1,372	1,345	1,377	1,437	1,480	1,461	1,422	1,424	1,416	1,455	1,466
La Cañada Flintridge	20,318	20,912	20,892	20,562	20,412	20,313	20,249	20,246	20,279	20,345	20,452	20,535
La Puente	41,063	41,468	41,199	40,784	40,419	40,139	39,990	39,816	39,887	40,008	40,245	40,478
La Verne	31,638	31,916	31,702	31,333	31,035	31,449	31,234	31,063	31,122	31,476	32,059	32,228
Monrovia	36,929	37,299	37,114	36,754	36,548	36,369	36,407	36,590	36,647	36,746	36,966	37,162
Montebello	62,150	63,574	63,359	62,972	62,621	62,505	62,463	62,500	62,725	62,890	63,222	63,527
Monterey Park	60,051	61,761	61,647	61,140	60,622	60,304	60,441	60,269	60,371	61,185	61,482	61,777
Pasadena	133,936	137,555	137,501	136,411	135,424	135,305	136,502	137,122	138,771	139,293	140,102	140,879
Pomona	149,473	151,938	152,106	152,166	150,513	150,865	149,935	149,058	149,456	150,027	151,032	151,713
Rosemead	53,505	54,880	54,677	54,405	54,045	53,849	53,877	53,764	53,979	54,200	54,497	54,762
San Dimas	34,980	35,166	34,906	34,516	34,153	33,789	33,596	33,371	33,433	33,516	33,706	34,072
San Gabriel	39,804	40,440	40,365	40,109	39,974	39,870	39,798	39,718	39,797	39,946	40,178	40,313
San Marino	12,945	13,397	13,397	13,220	13,163	13,136	13,107	13,147	13,170	13,202	13,254	13,341
Sierra Madre	10,578	10,932	10,939	10,820	10,785	10,881	10,881	10,917	10,937	10,970	11,030	11,094
South El Monte	21,144	21,026	20,982	20,690	20,497	20,257	20,326	20,116	20,152	20,201	20,325	20,426
South Pasadena	24,339	25,264	25,376	25,312	25,324	25,358	25,486	25,619	25,665	25,738	25,874	26,011
Temple City	33,377	34,965	35,087	34,979	35,024	35,098	35,284	35,558	35,635	35,767	35,974	36,134
Walnut	30,004	30,174	29,887	29,879	29,540	29,305	29,285	29,172	29,408	29,677	29,966	30,112
West Covina	105,080	108,184	107,955	107,651	106,985	106,426	106,231	106,098	106,287	106,768	107,313	107,828
Total	**1,487,742**	**1,520,909**	**1,518,465**	**1,507,869**	**1,498,382**	**1,493,891**	**1,493,187**	**1,491,404**	**1,496,272**	**1,502,669**	**1,512,865**	**1,521,636**

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011- 2014. Sacramento, California, May 2014

Table 3: Ethnicity and Race in the San Gabriel Valley

City	Hispanic or Latino	White	Black or African American	Native American and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander	Other	Two or more races
Alhambra	34.9%	10.6%	1.4%	0.1%	51.7%	0.1%	0.3%	1.1%
Arcadia	11.6%	26.3%	0.9%	0.1%	58.6%	0.2%	0.2%	2.1%
Azusa	65.9%	20.4%	3.1%	0.1%	8.8%	0.0%	0.1%	1.5%
Baldwin Park	80.0%	4.2%	0.8%	0.3%	14.1%	0.1%	0.0%	0.5%
Bradbury	16.6%	47.4%	2.4%	0.2%	31.0%	0.0%	0.0%	2.2%
Claremont	22.4%	54.6%	4.7%	0.3%	14.5%	0.1%	0.1%	3.3%
Covina	55.4%	28.0%	3.1%	0.1%	10.9%	0.3%	0.1%	1.9%
Diamond Bar	20.0%	20.3%	3.8%	0.3%	53.0%	0.4%	0.2%	1.9%
Duarte	44.0%	29.4%	6.3%	0.1%	17.8%	0.0%	0.1%	2.3%
El Monte	66.3%	4.9%	0.5%	0.1%	27.6%	0.2%	0.0%	0.5%
Glendora	30.4%	57.5%	2.0%	0.3%	7.1%	0.0%	0.1%	2.4%
Industry	45.5%	37.8%	6.1%	0.0%	10.1%	0.0%	0.0%	0.5%
Irwindale	93.7%	4.2%	1.6%	0.0%	0.5%	0.0%	0.0%	0.0%
La Cañada Flintridge	6.7%	63.8%	0.2%	0.1%	27.3%	0.0%	0.1%	1.8%
La Puente	85.3%	4.2%	1.3%	0.0%	8.6%	0.1%	0.1%	0.4%
La Verne	30.2%	52.6%	4.0%	0.3%	9.9%	0.0%	0.1%	2.8%
Monrovia	40.5%	38.2%	5.8%	0.2%	12.7%	0.0%	0.5%	2.0%
Montebello	76.9%	9.4%	1.0%	0.2%	11.7%	0.0%	0.2%	0.7%
Monterey Park	29.3%	4.2%	0.4%	0.1%	63.6%	0.4%	0.3%	1.8%
Pasadena	32.7%	39.1%	10.9%	0.1%	14.1%	0.1%	0.4%	2.6%
Pomona	69.0%	12.9%	7.5%	0.2%	9.0%	0.2%	0.1%	1.2%
Rosemead	32.0%	4.4%	0.3%	0.2%	61.7%	0.5%	0.0%	0.9%
San Dimas	29.1%	50.5%	2.9%	0.3%	13.0%	0.0%	0.3%	3.9%
San Gabriel	24.3%	11.3%	0.6%	0.2%	61.8%	0.1%	0.2%	1.7%
San Marino	8.5%	39.2%	0.0%	0.0%	50.6%	0.0%	0.9%	0.9%
Sierra Madre	15.4%	69.5%	1.0%	0.1%	10.9%	0.0%	0.4%	2.7%
South El Monte	86.8%	2.7%	0.0%	0.4%	9.7%	0.2%	0.1%	0.0%
South Pasadena	20.3%	42.2%	2.2%	0.1%	31.1%	0.1%	0.1%	3.9%
Temple City	17.9%	22.5%	0.7%	0.0%	56.3%	0.0%	0.3%	2.2%
Walnut	17.7%	12.5%	3.5%	0.1%	63.4%	0.0%	0.2%	2.7%
West Covina	54.2%	14.1%	5.1%	0.1%	25.0%	0.0%	0.2%	1.4%

Source: U.S. Census Bureau, 2009-2013, 5-year Estimates, American Community Survey

Table 4: Educational Attainment in the San Gabriel Valley

Population 25 years and older

City	>9th Grade	Grade 9-12, No Diploma	HS Graduate	Some College, No Degree	AA Degree	BA Degree	Graduate or Professional Degree	% of Population w/BA or Higher	% of Population HS Graduate or Higher
Alhambra	11.6%	8.0%	20.5%	19.5%	7.6%	21.8%	10.9%	80.4%	32.8%
Arcadia	5.0%	3.7%	14.8%	15.3%	8.7%	32.1%	20.4%	91.3%	52.5%
Azusa	15.0%	9.8%	29.6%	18.7%	7.4%	13.5%	5.9%	75.2%	19.5%
Baldwin Park	25.3%	16.4%	28.2%	15.0%	3.8%	8.7%	2.5%	58.3%	11.3%
Bradbury	1.7%	4.7%	10.3%	20.7%	8.7%	28.5%	25.3%	93.6%	53.9%
Claremont	3.4%	3.9%	10.5%	20.3%	7.0%	26.3%	28.7%	92.7%	55.0%
Covina	6.5%	7.7%	23.7%	28.2%	9.6%	17.2%	7.0%	85.8%	24.2%
Diamond Bar	4.0%	4.0%	16.5%	17.5%	9.5%	31.1%	17.3%	92.0%	48.4%
Duarte	11.0%	7.3%	25.9%	19.1%	8.8%	18.3%	9.7%	81.8%	28.0%
El Monte	26.2%	16.9%	27.2%	13.5%	4.2%	9.8%	2.1%	56.8%	12.0%
Glendora	3.7%	6.0%	20.1%	28.2%	11.5%	18.8%	11.8%	90.4%	30.6%
Industry	11.9%	10.0%	10.7%	35.2%	5.2%	21.9%	5.2%	78.1%	27.0%
Irwindale	17.6%	14.2%	33.1%	21.6%	5.4%	6.5%	1.6%	68.2%	8.1%
La Cañada Flintridge	1.2%	0.8%	6.0%	12.4%	4.4%	39.7%	35.5%	98.1%	75.2%
La Puente	23.0%	17.0%	29.2%	15.8%	5.6%	6.9%	2.6%	60.0%	9.4%
La Verne	2.9%	5.6%	19.0%	27.6%	9.4%	22.4%	13.0%	91.5%	35.4%
Monrovia	6.9%	4.6%	21.6%	21.4%	10.0%	22.4%	13.1%	88.5%	35.5%
Montebello	16.7%	13.5%	27.1%	18.3%	6.4%	12.5%	5.5%	69.8%	18.1%
Monterey Park	14.9%	8.3%	24.1%	17.0%	7.4%	19.4%	8.9%	76.8%	28.3%
Pasadena	8.6%	5.6%	13.4%	17.0%	6.7%	26.8%	21.9%	85.8%	48.7%
Pomona	19.9%	13.8%	24.3%	18.7%	6.7%	11.6%	4.9%	66.3%	16.5%
Rosemead	24.5%	12.6%	25.9%	16.2%	6.3%	11.1%	3.3%	62.9%	14.4%
San Dimas	3.3%	4.4%	20.9%	26.4%	10.6%	21.6%	12.8%	92.3%	34.4%
San Gabriel	13.2%	10.0%	25.5%	16.4%	7.0%	19.7%	8.2%	76.8%	28.0%
San Marino	2.7%	2.5%	6.1%	12.0%	4.0%	37.2%	35.5%	94.8%	72.7%
Sierra Madre	2.0%	1.2%	8.9%	19.8%	9.0%	30.5%	28.6%	96.8%	59.1%
South El Monte	34.6%	16.5%	26.8%	10.9%	3.3%	6.4%	1.6%	49.0%	8.0%
South Pasadena	1.8%	2.0%	8.6%	17.3%	7.4%	33.3%	29.7%	96.3%	63.0%
Temple City	7.9%	6.2%	20.3%	18.2%	10.5%	24.1%	12.9%	85.9%	37.0%
Walnut	3.8%	3.0%	13.4%	16.4%	11.1%	36.4%	16.0%	93.2%	52.3%
West Covina	7.5%	9.9%	23.0%	24.8%	8.7%	20.0%	6.1%	82.6%	26.1%

Source: U.S. Census Bureau, 2009-2013 American Community Survey; population 25 years or older

Table 5: Travel Time to Work in the San Gabriel Valley

City	Workers 16 years and over	Mean Travel Time to Work Minutes	>10 minutes	10-24 minutes	25-34 minutes	36-59 minutes	<60 minutes
Alhambra	40,743	29.3	5.5%	38.4%	28.5%	17.1%	10.4%
Arcadia	25,596	29.3	9.1%	37.0%	22.5%	20.5%	11.1%
Azusa	20,728	28.4	15.1%	34.9%	19.1%	17.7%	13.2%
Baldwin Park	30,551	31.4	8.5%	38.6%	21.9%	16.1%	14.9%
Bradbury	382	31.2	8.3%	30.4%	18.1%	25.3%	17.8%
Claremont	14,493	27.4	20.6%	37.1%	14.4%	14.8%	13.2%
Covina	20,948	31.4	9.3%	35.7%	19.1%	19.6%	16.3%
Diamond Bar	27,009	33.9	4.3%	35.3%	18.6%	23.3%	18.5%
Duarte	9,234	28.1	11.5%	39.8%	18.8%	16.9%	13.1%
El Monte	45,365	30.3	6.3%	38.3%	25.2%	17.9%	12.3%
Glendora	22,167	31.5	12.7%	32.7%	19.2%	19.0%	16.5%
Industry	105	22.8	7.6%	71.4%	1.9%	9.5%	9.5%
Irwindale	591	23.8	22.7%	42.6%	9.2%	14.8%	14.2%
La Cañada Flintridge	8,668	26.3	11.5%	41.4%	18.9%	21.0%	7.2%
La Puente	16,996	31.3	5.8%	36.9%	23.7%	20.6%	13.0%
La Verne	13,702	29.3	11.1%	38.4%	19.5%	19.0%	11.9%
Monrovia	18,409	28.3	10.4%	38.1%	21.8%	16.9%	12.9%
Montebello	25,625	33.6	5.8%	29.6%	25.2%	22.4%	17.0%
Monterey Park	26,006	28.8	4.2%	39.8%	29.4%	18.3%	8.2%
Pasadena	67,603	26.1	11.5%	43.7%	19.5%	16.5%	8.8%
Pomona	58,782	29.1	9.6%	42.8%	18.0%	15.6%	14.1%
Rosemead	22,251	27.8	6.5%	42.9%	25.1%	15.9%	9.7%
San Dimas	15,594	32.6	12.4%	30.5%	16.6%	21.1%	19.5%
San Gabriel	18,548	28.1	7.5%	40.1%	26.2%	16.9%	9.8%
San Marino	5,284	28.0	12.0%	39.9%	21.5%	16.9%	9.7%
Sierra Madre	5,377	30.2	10.2%	39.0%	19.6%	16.6%	14.6%
South El Monte	8,381	32.3	6.6%	31.4%	21.0%	27.4%	13.5%
South Pasadena	12,772	28.3	10.8%	37.4%	21.1%	19.8%	10.9%
Temple City	15,995	29.3	6.2%	39.8%	23.9%	19.3%	10.8%
Walnut	14,216	34.6	3.7%	35.1%	19.7%	20.1%	21.3%
West Covina	46,550	34.3	5.5%	32.3%	21.7%	21.8%	18.7%

Source: U.S. Census Bureau, 2009-2013 American Community Survey

Table 6: Housing Stock of the San Gabriel Valley, 2014

	-------- Population --------			-- Housing Units --								
City	Total Population	In Households	Group Quarters	Total	Single Detached	Single Attached	Two to Four	Five or More	Mobile Homes	Total Occupied	Vacancy Rate	Persons per Household
Alhambra	84,240	83,626	614	31,074	13,778	3,854	3,708	9,704	30	29,367	5.5%	2.85
Arcadia	56,866	56,004	862	20,692	12,614	2,124	1,125	4,829	0	19,598	5.3%	2.86
Azusa	47,586	44,784	2,802	13,643	6,268	1,810	1,419	3,592	554	12,960	5.0%	3.46
Baldwin Park	76,315	75,909	406	17,799	12,735	1,226	597	2,926	315	17,250	3.1%	4.40
Bradbury	1,074	1,074	0	406	388	7	0	11	0	360	11.3%	2.98
Claremont	35,749	30,303	5,446	12,253	8,126	1,209	1,007	1,888	23	11,700	4.5%	2.59
Covina	48,357	47,922	435	16,627	9,652	1,516	822	4,091	546	15,904	4.3%	3.01
Diamond Bar	56,099	55,970	129	18,478	13,310	1,699	1,055	2,046	368	17,902	3.1%	3.13
Duarte	21,554	21,147	407	7,271	4,668	937	235	1,269	162	7,030	3.3%	3.01
El Monte	114,436	113,356	1,080	29,063	16,267	3,732	1,467	6,097	1,500	27,808	4.3%	4.08
Glendora	50,666	49,901	765	17,836	13,140	1,412	662	1,851	771	17,196	3.6%	2.90
Industry	437	200	237	68	58	0	6	0	4	64	5.9%	3.13
Irwindale	1,454	1,404	50	396	355	10	4	21	6	380	4.0%	3.70
La Cañada Flintridge	20,441	20,414	27	7,095	6,519	186	96	250	44	6,855	3.4%	2.98
La Puente	40,222	40,179	43	9,775	6,763	483	401	2,098	30	9,465	3.2%	4.25
La Verne	32,041	30,942	1,099	11,796	7,615	931	660	721	1,869	11,367	3.6%	2.72
Monrovia	36,943	36,787	156	14,487	8,366	1,736	1,099	3,128	158	13,775	4.9%	2.67
Montebello	63,184	62,784	400	19,812	9,821	1,542	2,466	5,717	266	19,055	3.8%	3.30
Monterey Park	61,445	61,215	230	21,074	12,054	1,993	2,119	4,844	64	20,177	4.3%	3.03
Pasadena	140,020	136,527	3,493	60,314	26,411	4,155	5,231	24,387	130	55,978	7.2%	2.44
Pomona	150,942	146,717	4,225	40,832	24,725	2,995	3,502	7,632	1,978	38,617	5.4%	3.80
Rosemead	54,464	54,051	413	14,869	11,183	1,436	855	1,229	166	14,309	3.8%	3.78
San Dimas	33,686	33,146	540	12,516	7,312	1,621	312	1,820	1,451	12,040	3.8%	2.75
San Gabriel	40,153	39,701	452	13,268	7,482	1,425	775	3,578	8	12,571	5.3%	3.16
San Marino	13,246	13,165	81	4,472	4,417	15	0	40	0	4,325	3.3%	3.04
Sierra Madre	11,023	11,022	1	5,118	3,553	324	337	904	0	4,842	5.4%	2.28
South El Monte	20,312	20,255	57	4,716	3,431	173	241	421	450	4,574	3.0%	4.43
South Pasadena	25,857	25,694	163	11,125	4,963	644	1,397	4,121	0	10,474	5.9%	2.45
Temple City	35,952	35,530	422	12,147	9,796	890	345	1,009	107	11,635	4.2%	3.05
Walnut	29,947	29,913	34	8,908	8,510	57	35	303	3	8,685	2.5%	3.44
West Covina	107,248	106,574	674	32,775	21,167	3,116	1,235	6,912	345	31,664	3.4%	3.37
Total of Incorp. Cities	1,511,959	1,486,216	25,743	490,705	295,447	43,258	33,213	107,439	11,348	467,927	4.50%	3.19
County Total	9,958,091	9,778,396	179,695	3,463,382	1,719,724	229,155	283,959	1,172,254	58,290	3,258,265	5.9%	3.00
SGV % of County	**15.2%**	**15.2%**	**14.3%**	**14.2%**	**17.2%**	**18.9%**	**11.7%**	**9.2%**	**19.5%**	**14.4%**	**-**	**-**

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2011- 2014. Sacramento, California, May 2014

Note regarding group quarters:
Institutionalized: corrections, juvenile, nursing, other
Noninstitutionalized: college, military, other

Table 7: Employment by Major Industry Sector in the San Gabriel Valley

Industry Sector	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014e
Natural Resources & Mining	2,994	2,936	2,815	2,758	2,225	1,713	1,558	1,510	1,530	1,604	1,300
Construction	29,278	32,205	34,120	32,948	29,338	23,747	21,558	21,839	21,330	21,862	22,300
Manufacturing	83,100	79,337	76,696	74,155	71,467	63,322	59,271	59,259	58,175	58,796	58,900
Wholesale Trade	41,060	41,325	43,434	44,826	43,629	38,785	38,940	39,986	41,044	42,309	42,800
Retail Trade	77,119	79,992	82,443	82,767	81,138	74,603	73,695	72,781	74,434	74,598	75,400
Transportation & Utilities	19,244	20,280	20,809	22,003	23,117	22,746	20,568	21,379	21,741	21,259	21,600
Information	15,645	15,308	15,275	13,894	12,050	10,675	9,877	9,891	9,952	10,379	10,500
Financial Activities	42,435	45,232	46,576	46,406	43,078	39,165	36,679	35,937	36,834	36,599	36,000
Professional & Business Services	90,846	90,333	93,853	91,170	89,148	81,221	81,547	80,636	83,433	84,655	87,400
Education	23,011	23,426	23,533	21,526	19,784	20,208	20,372	22,208	21,161	21,140	20,700
Health Services	71,708	71,884	73,492	78,980	79,843	83,081	86,387	87,730	88,858	116,073	119,500
Leisure & Hospitality	59,114	61,200	63,352	63,253	64,087	61,096	59,397	60,687	63,494	66,834	70,400
Other Services*	22,498	22,935	22,697	22,844	40,764	42,353	40,069	39,791	43,560	23,152	23,600
Public Administration	71,641	71,552	70,489	70,585	71,407	69,619	66,680	64,424	63,760	62,149	62,300
Unclassified	132	149	41	446	3,336	2,308	2,015	3,447	3,457	2,716	2,600
San Gabriel Valley Total	**649,825**	**658,094**	**669,625**	**668,561**	**674,411**	**634,642**	**618,613**	**621,505**	**632,763**	**644,125**	**655,300**
Los Angeles County Total	**4,079,100**	**4,119,900**	**4,194,500**	**4,229,000**	**4,185,400**	**3,951,000**	**3,890,000**	**3,911,600**	**4,010,500**	**4,129,800**	**4,226,400**
% Share of Los Angeles County	**15.9%**	**16.0%**	**16.0%**	**15.8%**	**16.1%**	**16.1%**	**15.9%**	**15.9%**	**15.8%**	**15.6%**	**15.5%**

% Change From Prior Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014e
Natural Resources & Mining	-3.4%	-1.9%	-4.1%	-2.0%	-19.3%	-23.0%	-9.0%	-3.1%	1.3%	4.8%	-18.9%
Construction	7.4%	10.0%	5.9%	-3.4%	-11.0%	-19.1%	-9.2%	1.3%	-2.3%	2.5%	2.0%
Manufacturing	-3.3%	-4.5%	-3.3%	-3.3%	-3.6%	-11.4%	-6.4%	0.0%	-1.8%	1.1%	0.2%
Wholesale Trade	1.0%	0.6%	5.1%	3.2%	-2.7%	-11.1%	0.4%	2.7%	2.6%	3.1%	1.2%
Retail Trade	2.6%	3.7%	3.1%	0.4%	-2.0%	-8.1%	-1.2%	-1.2%	2.3%	0.2%	1.1%
Transportation & Utilities	-2.5%	5.4%	2.6%	5.7%	5.1%	-1.6%	-9.6%	3.9%	1.7%	-2.2%	1.6%
Information	1.2%	-2.2%	-0.2%	-9.0%	-13.3%	-11.4%	-7.5%	0.1%	0.6%	4.3%	1.2%
Financial Activities	4.8%	6.6%	3.0%	-0.4%	-7.2%	-9.1%	-6.3%	-2.0%	2.5%	-0.6%	-1.6%
Professional & Business Services	-0.4%	-0.6%	3.9%	-2.9%	-2.2%	-8.9%	0.4%	-1.1%	3.5%	1.5%	3.2%
Education	3.4%	1.8%	0.5%	-8.5%	-8.1%	2.1%	0.8%	9.0%	-4.7%	-0.1%	-2.1%
Health Services	1.5%	0.2%	2.2%	7.5%	1.1%	4.1%	4.0%	1.6%	1.3%	30.6%	3.0%
Leisure & Hospitality	3.3%	3.5%	3.5%	-0.2%	1.3%	-4.7%	-2.8%	2.2%	4.6%	5.3%	5.3%
Other Services*	0.9%	1.9%	-1.0%	0.6%	78.4%	n/a	-5.4%	-0.7%	9.5%	-46.9%	1.9%
Public Administration	-1.2%	-0.1%	-1.5%	0.1%	1.2%	-2.5%	-4.2%	-3.4%	-1.0%	-2.5%	0.2%
San Gabriel Valley Total	**0.9%**	**1.3%**	**1.8%**	**-0.2%**	**0.9%**	**-5.9%**	**-2.5%**	**0.5%**	**1.8%**	**1.8%**	**1.7%**
Los Angeles County Total	**2.4%**	**1.0%**	**1.8%**	**0.8%**	**-1.0%**	**-5.6%**	**-1.5%**	**0.6%**	**2.5%**	**3.0%**	**2.3%**

Notes:

1. Figures for 2008 forward are not directly comparable with earlier years due to industry coding changes

2. Beginning with the first quarter of 2013, the Bureau of labor Statistics reclassified NAICS code 814 Private Households (that engage in employing in-home health care workers into NAICS code 62410 Services for the elderly and Persons with Disabilities. This resulted in an increase in the Health care sector and a decrease in “other services”.

Sources: California Employment Development Department, Labor Market Information Division, ES202 data

Table 8: Average Annual Wages by Major Industry Sector, 2013

Industry Group	SGV	LA County	% Difference SGV to LAC
Natural Resources & Mining	$38,331.5	$86,101.7	124.6%
Leisure & Hospitality	20,156.5	33,789.9	67.6%
Information	67,993.0	98,969.4	45.6%
Unclassified	40,457.7	58,426.5	44.4%
Financial Activities	68,796.6	87,302.7	26.9%
Manufacturing	49,541.3	59,905.5	20.9%
Public Administration	52,686.9	63,327.9	20.2%
Wholesale Trade	50,819.4	58,274.4	14.7%
Professional & Business Services	58,892.6	66,692.4	13.2%
Education	45,151.7	50,922.2	12.8%
Retail Trade	29,587.4	31,995.4	8.1%
Other Services	31,972.3	34,109.7	6.7%
Health Services	40,227.1	40,643.2	1.0%
Construction	58,499.8	56,364.2	-3.7%
Transportation & Utilities	60,888.7	58,003.3	-4.7%
Total	**$45,347.7**	**$54,953.8**	**21.2%**

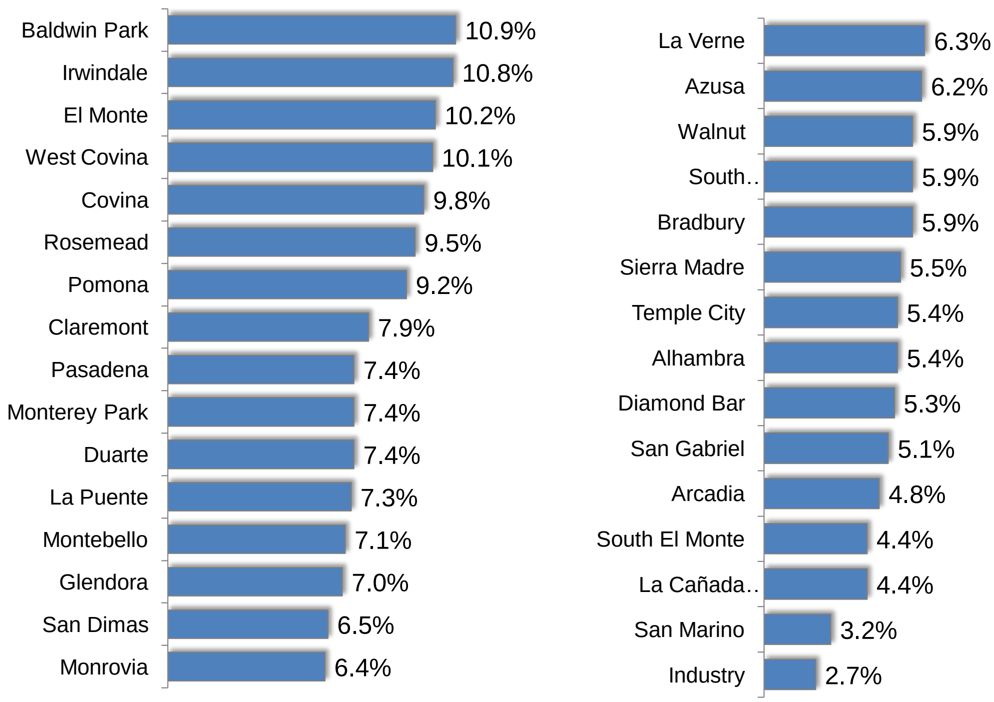
Source: California Employment Development Department,
Labor Market Information Division, ES202 data

Table 9: Establishments by Major Industry Sector, 2013

Industry Group	SGV	LA County	SGV % of LAC
Wholesale Trade	4,763	19,604	24.3%
Education	654	3,037	21.5%
Transportation & Utilities	1,150	5,820	19.8%
Construction	2,353	12,229	19.2%
Natural Resources & Mining	88	456	19.2%
Manufacturing	2,291	12,385	18.5%
Retail Trade	4,744	26,175	18.1%
Financial Activities	4,026	22,514	17.9%
Health Services	32,017	189,173	16.9%
Public Administration	953	5,759	16.6%
Unclassified	3,524	21,336	16.5%
Professional & Business Services	7,027	43,766	16.1%
Other Services	3,748	25,176	14.9%
Leisure & Hospitality	4,064	28,098	14.5%
Information	554	8,468	6.5%
Total	**71,953**	**423,994**	**17.0%**

Source: California Employment Development Department,
Labor Market Information Division, ES202 data

Table 10: Unemployment Rates of Incorporated Cities of the San Gabriel Valley, 2014 Annual Averages



Note on Methodology: The EDD derives city unemployment rates and other labor force data by multiplying current estimates of county employment and unemployment by the employment and unemployment shares (ratios) of each city at the time of the 2010 Census.

This method assumes that the rates of change in employment and unemployment since 2010 are exactly the same in each city as at the county level (i.e., that the shares are still accurate). If this assumption is not true for a specific city, then the estimates for that area may not represent the current economic conditions. Since this assumption is untested, caution should be employed when using these data.

Table 11: Business Revenues in the San Gabriel Valley (2007)

See explanatory note on next page

($Thousands)

City	Retail Trade	Manufacturing	Health Care & Social Asst.	Prof'l, Scientific & Tech Srvs.	Hospitality & Leisure	Admin, Support & Waste Mgmt.	Real Estate	Other Services	Total by City/Area
Industry	$3,572,436	$6,965,773	$85,923	$162,778	D	$235,104	$189,405	$37,669	$11,249,088
Pasadena	2,707,765	327,097	1,919,361	3,847,190	812,203	554,593	421,772	482,994	11,072,975
El Monte	2,140,421	806,705	190,337	72,096	83,954	97,938	46,590	60,437	3,498,478
San Dimas	542,022	1,850,885	173,471	343,565	96,503	59,307	70,481	66,782	3,203,016
Irwindale	65,718	2,562,719	D	94,542	34,123	174,600	37,442	D	2,969,144
Montebello	819,971	955,155	D	75,587	15,511	105,783	133,614	50,460	2,916,684
West Covina	1,563,918	0	705,123	101,855	196,729	201,240	78,649	40,259	2,887,773
Arcadia	900,050	192,453	579,937	388,606	389,042	67,385	135,794	98,017	2,751,284
Alhambra	1,491,486	393,713	418,234	D	151,857	81,282	66,086	50,582	2,653,240
Monrovia	907,215	501,868	166,252	373,150	105,916	159,630	106,081	82,619	2,402,731
Azusa	426,971	1,444,554	24,729	6,989	47,255	98,985	30,948	27,886	2,108,317
Covina	765,297	393,679	280,340	79,455	100,424	90,938	75,747	75,507	1,861,387
Baldwin Park	643,851	383,007	590,416	9,091	66,504	63,889	20,864	16,284	1,793,906
Glendora	727,611	388,761	300,061	89,688	68,343	48,666	49,219	77,181	1,749,530
Monterey Park	477,170	165,829	440,820	181,881	109,299	180,964	58,954	58,617	1,673,534
Diamond Bar	391,890	319,455	110,214	199,233	76,150	334,260	53,734	68,466	1,553,402
South El Monte	329,807	908,879	81,439	18,606	25,248	19,144	7,473	47,473	1,438,069
Claremont	442,775	118,296	138,020	370,077	86,688	12,463	D	11,694	1,180,013
San Gabriel	440,444	0	285,719	40,118	79,686	34,583	75,248	44,724	1,000,522
Rosemead	453,872	191,395	108,331	26,234	105,089	13,959	13,493	33,715	946,088
La Verne	288,253	294,583	62,413	30,927	68,489	29,250	20,846	30,455	825,216
All Other Cities & Unincorporated Areas	2,431,462	189,340	618,817	382,314	536,354	347,835	308,203	185,067	4,999,392
Sector Totals:	**$22,530,405**	**$19,354,146**	**$7,279,957**	**$6,893,982**	**$3,255,367**	**$3,011,798**	**$2,000,643**	**$1,646,888**	**$66,733,789**

D: Withheld to avoid disclosing data for individual companies
*Note: Retail Trade sector sales in Industry include 36 "Nonstore" retail business establishments with revenues of about $1.75 billion
These are primarily "electronic shopping and mail-order houses"

Source: U.S. Census Bureau, 2007 Economic Census

BUSINESS SALES AND REVENUES[9]

The LAEDC used the most recent (2007) Economic Census to identify the key industry sectors, measured by dollar value of sales or shipments, and their role in the cities of the San Gabriel Valley. Concentrating only on employment as a measure of the health of an industry can be misleading. Gains in productivity, whether through technological progress or by employing more highly skilled workers, can result in fewer employees, but more output and higher revenues.

The 2007 Economic Census provided information on the following sectors:

- Administrative support and waste management
- Health care and social assistance
- Hospitality and leisure
- Manufacturing
- Other services
- Professional, scientific and technical services
- Real estate
- Retail trade

Based on these eight sectors, total business revenues for the San Gabriel Valley in 2007 were $66.7 billion. While this figure predates the recession, it is reasonable to assume a decline in total revenues during the downturn with varying degrees of improvement amongst the industry sectors over the course of the recovery period. At the same time, it is likely the distribution of business revenues across industries and cities has remained largely intact.

The highest sales figures were found in the retail trade and manufacturing sectors, which represented nearly 63% of the total available San Gabriel Valley figures. The next most prominent sectors were health care and social assistance, and professional, scientific and technical services followed by hospitality and leisure, and administrative support and waste management.

The City of Industry had the highest business revenues ($11.2 billion) of all the cities in the San Gabriel Valley. Not surprisingly, manufacturing and retail trade were the two leading sectors in the City of Industry. Pasadena was a very close second with total business revenues of $11.1 billion, with revenues mainly coming from professional, scientific and technical services, followed by retail trade and health care. Together, these two cities (with about 9.0% of the total population) represented 33.4% of total business revenues in the San Gabriel Valley. El Monte, San Dimas, Irwindale, Montebello, West Covina, Arcadia and Alhambra led amongst the remaining cities in the Valley.

[9] Note: This section is based on results from the 2007 Economic Census, which included data for business sales, shipments and revenues for the cities and unincorporated areas of the San Gabriel Valley. Because the Economic Census is conducted on a five-year cycle by the U.S. Census Bureau, the next economic census will cover the year 2012, but results will be released over the course of 2014. Thus, the information on the sales, shipments and revenues of the region's businesses is unchanged from last year, but will be updated in the 2016 edition of this report.

Table 12: Number of Residential Building Permits Issued in the San Gabriel Valley

Number of building permits issued for new housing units, total single- and multi-family

City	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Alhambra	44	211	30	119	92	67	57	92	6	159	13
Arcadia	97	153	102	84	133	55	63	140	146	192	248
Azusa	11	4	53	170	4	3	35	129	110	193	303
Baldwin Park	136	31	79	28	11	24	10	62	23	5	18
Bradbury	2	0	6	6	5	1	3	2	3	1	2
Claremont	132	35	93	273	5	39	78	3	2	24	111
Covina	46	87	29	10	0	0	0	32	45	56	39
Diamond Bar	17	26	123	56	5	3	1	4	4	7	48
Duarte	8	21	1	4	32	1	0	37	13	57	0
El Monte	401	199	141	136	33	26	9	89	53	35	184
Glendora	20	84	24	44	346	161	22	3	103	1	284
Industry	6	1	0	0	3	2	4	0	0	0	0
Irwindale	0	33	9	1	0	1	0	0	0	1	1
La Cañada Flintridge	23	21	18	22	17	15	11	17	10	8	8
La Puente	35	25	20	23	15	11	9	0	7	11	8
La Verne	13	5	43	3	102	6	2	2	1	219	78
Monrovia	35	104	57	124	181	4	8	0	9	2	11
Montebello	---	---	---	11	16	4	59	4	0	1	54
Monterey Park	57	159	68	56	227	3	19	7	7	11	30
Pasadena	327	520	548	412	549	24	56	25	155	101	537
Pomona	328	194	162	351	112	5	1	47	44	255	44
Rosemead	74	50	87	74	30	37	18	12	22	8	11
San Dimas	10	9	9	5	27	3	1	1	5	199	2
San Gabriel	44	102	54	44	10	11	11	1	7	54	50
San Marino	5	6	5	2	7	2	3	4	8	10	16
Sierra Madre	58	2	6	19	0	0	1	0	1	0	1
South El Monte	7	18	52	5	3	1	3	1	6	2	61
South Pasadena	23	67	26	25	5	2	1	7	7	6	3
Temple City	69	68	87	68	51	37	38	35	25	143	209
Walnut	11	4	13	52	35	34	44	84	44	21	18
West Covina	110	43	40	38	44	21	65	4	1	13	500
Total Incorporated Cities	**2,149**	**2,282**	**1,985**	**2,265**	**2,100**	**603**	**632**	**844**	**867**	**1,795**	**2,892**

Source: CIRB, California Homebuilding Foundation

Table 13: Median Price of Homes Sold by Community

$ Thousands

City	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Alhambra	400.0	453.0	505.0	512.0	438.0	402.0	417.5	388.0	399.0	440.0	477.0
Altadena	447.0	620.0	705.0	644.0	540.0	440.3	465.0	434.0	439.0	550.0	595.0
Arcadia	575.0	770.0	665.0	700.0	626.5	663.0	715.0	750.0	758.5	890.0	980.0
Azusa	323.5	393.0	410.0	425.0	305.0	257.0	275.0	250.0	279.3	335.0	353.3
Baldwin Park	307.5	380.0	440.0	398.5	280.0	230.0	232.5	235.5	235.0	280.0	320.0
Claremont	520.5	612.0	602.5	601.8	549.5	465.0	480.0	426.0	427.5	500.0	555.0
Covina	386.5	438.5	502.0	499.0	360.0	310.0	340.0	300.0	300.0	360.0	395.0
Diamond Bar	465.0	532.5	568.0	560.0	470.0	453.5	449.5	412.0	420.0	505.3	541.0
Duarte	330.0	460.5	505.0	435.0	378.0	283.5	309.5	280.0	300.0	350.0	408.0
El Monte	348.5	415.0	467.0	431.5	352.5	275.0	300.5	281.0	300.0	340.0	379.0
Glendora	415.0	525.0	551.0	560.0	452.5	405.0	350.0	370.0	360.8	435.0	460.0
Hacienda Heights	502.0	496.5	550.0	605.0	340.0	322.5	430.0	342.0	380.0	469.0	463.0
La Cañada Flintridge	1,075.0	1,250.0	---	1,400.0	---	---	1,170.0	1,050.0	1,082.5	1,200.0	1,295.0
La Puente	325.0	405.0	460.0	461.0	295.0	222.0	279.0	240.0	250.0	308.0	350.0
La Verne	434.5	509.0	542.0	570.0	457.0	440.3	419.0	382.0	400.0	460.0	530.0
Monrovia	435.0	506.0	599.0	542.0	490.0	465.0	435.0	402.5	405.0	485.0	550.0
Montebello	---	---	---	---	---	---	---	---	310.0	353.5	385.0
Monterey Park	422.0	478.0	543.0	557.5	478.5	405.0	497.0	410.0	410.0	473.0	490.0
Pasadena	520.5	603.0	632.5	666.8	534.0	510.0	499.0	500.0	510.3	560.0	625.0
Pomona	300.0	377.8	415.0	395.0	257.0	175.0	200.0	195.3	215.0	268.0	310.0
Rosemead	368.0	452.5	489.0	458.5	400.0	380.0	385.0	355.0	350.0	405.0	441.0
Rowland Heights	490.0	500.0	590.0	522.5	519.0	375.0	410.0	387.5	403.0	496.5	530.0
San Dimas	428.0	514.5	535.0	485.0	422.3	410.0	380.0	371.5	350.0	405.5	475.0
San Gabriel	497.5	526.0	628.5	662.0	562.5	478.0	515.0	500.0	500.0	549.0	630.0
San Marino *	1,200.8	---	---	---	---	---	1,510.5	1,420.0	1,625.0	1,850.0	2,010.0
Sierra Madre *	---	---	---	---	---	---	768.0	639.0	611.8	735.0	787.0
South El Monte	311.5	---	---	---	---	---	250.0	280.0	286.0	337.0	387.5
South Pasadena *	---	---	---	850.0	750.0	625.5	622.0	657.0	690.0	788.5	912.5
Temple City	465.0	600.0	588.0	599.0	545.0	545.0	562.5	510.0	690.0	615.0	655.0
Walnut	546.0	600.0	575.0	622.0	522.5	567.0	650.0	560.0	562.0	625.0	670.0
West Covina	389.0	468.0	530.0	485.0	385.0	350.0	350.0	320.0	317.0	378.0	430.0

Note: Many factors influence the prices of homes sold in a given period. For areas with small sample size, fluctuations in prices may reflect more of the difference in quality of the units sold rather than changes in market conditions.

Source: DataQuick

Table 14: Annual Percent Change of Median Price of Homes Sold by Community

% change from prior year

City	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Alhambra	38.4%	13.3%	11.5%	1.4%	-14.5%	-8.2%	3.9%	-7.1%	2.8%	10.3%	8.4%
Altadena	2.1%	38.7%	13.7%	-8.7%	-16.1%	-18.5%	5.6%	-6.7%	1.2%	25.3%	8.2%
Arcadia	17.8%	33.9%	-13.6%	5.3%	-10.5%	5.8%	7.8%	4.9%	1.1%	17.3%	10.1%
Azusa	33.1%	21.5%	4.3%	3.7%	-28.2%	-15.7%	7.0%	-9.1%	11.7%	20.0%	5.4%
Baldwin Park	37.3%	23.6%	15.8%	-9.4%	-29.7%	-17.9%	1.1%	1.3%	-0.2%	19.1%	14.3%
Claremont	25.6%	17.6%	-1.6%	-0.1%	-8.7%	-15.4%	3.2%	-11.3%	0.4%	17.0%	11.0%
Covina	40.5%	13.5%	14.5%	-0.6%	-27.9%	-13.9%	9.7%	-11.8%	0.0%	20.0%	9.7%
Diamond Bar	31.0%	14.5%	6.7%	-1.4%	-16.1%	-3.5%	-0.9%	-8.3%	1.9%	20.3%	7.1%
Duarte	26.4%	39.5%	9.7%	-13.9%	-13.1%	-25.0%	9.2%	-9.5%	7.1%	16.7%	16.6%
El Monte	-4.5%	19.1%	12.5%	-7.6%	-18.3%	-22.0%	9.3%	-6.5%	6.8%	13.3%	11.5%
Glendora	20.3%	26.5%	5.0%	1.6%	-19.2%	-10.5%	-13.6%	5.7%	-2.5%	20.6%	5.7%
Hacienda Heights	58.4%	-1.1%	10.8%	10.0%	-43.8%	-5.1%	33.3%	-20.5%	11.1%	23.4%	-1.3%
La Cañada Flintridge	28.7%	16.3%	----	----	----	----	----	-10.3%	3.1%	10.9%	7.9%
La Puente	33.9%	24.6%	13.6%	0.2%	-36.0%	-24.7%	25.7%	-14.0%	4.2%	23.2%	13.6%
La Verne	15.1%	17.1%	6.5%	5.2%	-19.8%	-3.7%	-4.8%	-8.8%	4.7%	15.0%	15.2%
Monrovia	24.1%	16.3%	18.4%	----	-9.6%	-5.1%	-6.5%	-7.5%	0.6%	19.8%	13.4%
Montebello	---	---	---	---	---	---	---	---	---	14.0%	8.9%
Monterey Park	45.5%	13.3%	13.6%	2.7%	-14.2%	-15.4%	22.7%	-17.5%	0.0%	15.4%	3.6%
Pasadena	22.5%	15.9%	4.9%	5.4%	-19.9%	-4.5%	-2.2%	0.2%	2.1%	9.8%	11.6%
Pomona	39.5%	25.9%	9.9%	-4.8%	-34.9%	-31.9%	14.3%	-2.4%	10.1%	24.7%	15.7%
Rosemead	35.0%	23.0%	8.1%	-6.2%	-12.8%	-5.0%	----	-7.8%	-1.4%	15.7%	8.9%
Rowland Heights	45.0%	2.0%	18.0%	-11.4%	-0.7%	-27.7%	9.3%	-5.5%	4.0%	23.2%	6.7%
San Dimas	69.5%	20.2%	4.0%	-9.3%	-12.9%	-2.9%	-7.3%	-2.2%	-5.8%	15.9%	17.1%
San Gabriel	34.5%	5.7%	19.5%	5.3%	-15.0%	-15.0%	7.7%	-2.9%	0.0%	9.8%	14.8%
San Marino *	32.0%	----	----	----	----	----	----	-6.0%	14.4%	13.8%	8.6%
Sierra Madre *	----	----	----	----	----	----	----	-16.8%	-4.3%	20.1%	7.1%
South El Monte	----	----	----	----	----	----	----	12.0%	2.1%	17.8%	15.0%
South Pasadena *	----	----	----	----	----	----	-0.6%	5.6%	5.0%	14.3%	15.7%
Temple City	25.7%	29.0%	-2.0%	1.9%	-9.0%	0.0%	3.2%	-9.3%	35.3%	-10.9%	6.5%
Walnut	32.5%	9.9%	-4.2%	8.2%	-16.0%	8.5%	14.6%	-13.8%	0.4%	11.2%	7.2%
West Covina	29.7%	20.3%	13.2%	-8.5%	-20.6%	-9.1%	0.0%	-8.6%	-0.9%	19.2%	13.8%

Source: DataQuick

Table 15: Nonresidential Vacancy Rates

		Office Vacancy Rates (%)		Industrial Vacancy Rates (%)	
Year	Qtr	San Gabriel Valley	Los Angeles County	San Gabriel Valley	Los Angeles County
2004	Q1	11.6	16.1	2.4	3.3
	Q2	11.4	15.7	1.8	2.9
	Q3	11.7	15.0	1.5	2.5
	Q4	10.3	14.8	1.2	2.4
2005	Q1	10.3	14.0	1.5	2.2
	Q2	10.2	12.9	1.2	2.1
	Q3	10.5	12.2	1.2	1.8
	Q4	9.4	11.2	1.6	2.0
2006	Q1	12.2	11.4	4.5	3.8
	Q2	9.9	11.0	3.8	3.3
	Q3	8.9	10.8	3.6	3.2
	Q4	8.4	10.5	2.6	2.4
2007	Q1	7.4	10.0	2.6	2.7
	Q2	4.9	9.3	2.4	2.4
	Q3	7.2	9.6	2.3	2.6
	Q4	8.8	10.6	2.2	2.4
2008	Q1	11.5	11.3	1.4	2.3
	Q2	14.7	11.1	1.7	2.6
	Q3	13.5	11.6	2.4	3.1
	Q4	12.0	12.6	3.0	3.3
2009	Q1	16.8	14.3	5.1	3.7
	Q2	17.3	15.5	5.5	3.9
	Q3	17.8	16.1	5.5	4.4
	Q4	18.4	17.1	5.4	4.7
2010	1Q	16.6	17.6	5.9	5.2
	2Q	16.7	18.1	5.1	5.2
	3Q	16.9	18.5	4.7	5.2
	4Q	15.8	18.6	4.5	4.9
2011	1Q	15.2	18.8	4.6	4.9
	2Q	16.0	19.1	4.3	4.8
	3Q	16.7	19.0	4.2	4.8
	4Q	15.3	18.8	4.7	4.9
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

Source: Cushman and Wakefield

Table 16: Value of Nonresidential Building Permits Issued in the San Gabriel Valley

All nonresidential construction, $millions

City	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Alhambra	$24.3	$21.5	$10.2	$31.0	$21.4	$8.3	$6.4	$39.9	$16.5	$24.2	$33.0
Arcadia	27.1	12.0	32.0	19.1	42.3	28.1	9.0	22.3	24.5	26.7	45.8
Azusa	1.1	1.1	0.4	0.5	6.9	1.2	3.1	1.6	2.2	26.8	5.0
Baldwin Park	8.5	5.1	4.8	2.1	5.2	1.6	0.9	0.6	0.2	4.7	19.7
Bradbury	0.3	0.4	0.5	0.3	0.8	0.5	0.1	0.1	0.0	0.5	1.0
Claremont	12.7	16.5	27.5	11.8	20.3	42.7	36.3	31.0	5.2	49.8	41.5
Covina	10.4	4.9	6.0	20.2	11.3	6.9	20.4	7.1	8.1	6.4	5.7
Diamond Bar	3.8	19.6	10.3	13.1	5.0	6.0	6.9	7.8	1.1	7.8	8.9
Duarte	5.5	4.0	3.2	10.3	31.1	36.9	6.3	7.2	2.6	4.2	6.2
El Monte	98.7	9.3	14.9	28.9	28.8	14.6	21.9	10.0	3.7	14.3	8.5
Glendora	9.4	11.4	22.4	36.0	28.2	11.2	7.6	8.6	4.2	6.5	15.1
Industry	67.6	81.8	110.5	61.1	101.1	40.4	56.1	51.4	39.6	33.6	90.9
Irwindale	11.3	23.5	26.6	9.7	18.7	9.9	36.8	15.4	6.3	16.1	16.7
La Cañada Flintridge	5.1	11.9	7.4	16.8	10.5	6.8	7.2	9.3	6.0	6.6	6.4
La Puente	4.8	2.2	0.9	1.5	7.1	3.2	0.5	0.4	0.1	5.5	10.8
La Verne	4.9	7.2	18.4	10.7	13.8	3.5	6.7	22.2	4.0	15.3	19.0
Monrovia	9.0	8.6	7.2	12.1	17.6	5.7	3.7	2.6	0.1	0.3	1.1
Montebello	---	---	---	9.9	9.9	11.8	8.8	6.1	10.6	18.3	11.4
Monterey Park	9.1	13.3	6.3	7.8	6.6	11.5	9.2	6.9	5.5	4.7	4.4
Pasadena	70.5	100.0	88.8	140.6	67.8	53.7	67.7	83.0	64.8	96.7	103.7
Pomona	22.4	33.5	28.9	36.2	47.2	10.2	8.4	14.2	3.9	71.0	46.1
Rosemead	10.4	8.8	20.5	9.8	10.6	7.6	28.3	12.1	15.9	13.0	12.9
San Dimas	7.8	22.3	15.1	21.3	6.2	4.9	7.2	4.2	0.5	11.3	11.5
San Gabriel	45.6	5.6	6.9	7.5	3.6	5.1	2.4	1.5	0.1	24.4	3.8
San Marino	0.6	0.6	0.6	0.3	3.7	1.9	2.5	6.6	0.5	44.4	3.1
Sierra Madre	0.7	0.5	0.4	0.3	0.8	0.4	0.2	0.2	0.0	0.1	0.5
South El Monte	5.8	5.2	4.3	12.3	12.9	16.5	6.0	5.2	3.7	6.2	7.1
South Pasadena	1.9	2.8	3.9	9.6	4.6	3.0	1.9	2.0	2.1	2.7	13.6
Temple City	2.3	2.3	2.7	3.6	1.6	4.9	2.5	1.5	3.9	17.2	3.6
Walnut	1.4	0.9	1.0	2.7	1.0	5.3	0.6	0.4	0.2	3.2	3.2
West Covina	12.2	13.4	51.6	67.8	47.4	43.7	27.4	24.0	21.0	24.1	114.6
Total Incorporated Cities	**495.1**	**450.2**	**534.3**	**615.0**	**594.1**	**408.0**	**402.9**	**405.4**	**257.4**	**586.5**	**674.6**

Source: CIRB, California Homebuilding Foundation

Table 17: Total Taxable Sales in the San Gabriel Valley

Annual averages in $millions

City \ Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Pasadena	2,632.4	2,746.2	2,933.5	3,022.3	3,084.3	3,153.6	2,973.2	2,625.2	2,647.0	2,724.2	2,817.6	2,858.4
Industry	2,431.9	2,487.1	2,667.9	2,810.0	2,989.3	3,067.2	2,758.6	2,362.5	2,434.0	2,663.3	2,998.5	2,725.1
West Covina	1,202.6	1,248.8	1,279.9	1,344.1	1,361.2	1,353.4	1,251.5	1,081.3	1,088.8	1,156.4	1,260.4	1,334.6
El Monte	1,506.0	1,568.6	1,662.5	1,752.1	1,782.9	1,700.1	1,336.2	1,075.3	1,050.0	1,125.9	1,258.5	1,301.3
Alhambra	$1,077.6	$1,088.7	$1,157.1	$1,172.4	$1,184.4	$1,184.8	$1,129.3	$1,024.9	$1,045.6	$1,091.5	$1,206.1	$1,283.9
Pomona	1,072.4	1,133.8	1,228.9	1,344.5	1,437.5	1,434.1	1,243.4	979.8	1,055.4	1,100.7	1,191.6	1,239.0
Montebello	859.8	889.9	976.9	1,061.8	1,132.3	1,087.8	1,004.8	828.4	901.80	955.87	970.8	1,026.2
Arcadia	638.1	701.6	760.0	826.5	844.5	856.7	823.9	752.6	761.9	813.0	842.4	891.0
Monrovia	700.2	726.7	783.5	797.4	812.6	782.0	725.7	627.9	661.9	740.0	760.0	769.0
Glendora	548.5	604.3	648.5	651.8	654.0	660.0	628.9	568.3	567.7	614.6	658.2	690.0
Covina	625.7	700.3	771.5	804.9	808.7	790.6	701.3	581.9	581.0	628.2	693.7	676.4
Baldwin Park	380.8	409.6	479.9	530.8	557.8	566.9	529.0	462.8	481.3	524.6	537.5	513.1
San Dimas	354.0	422.9	472.3	519.9	561.2	563.6	551.2	500.4	511.1	532.9	501.4	489.1
Azusa	339.2	359.8	399.4	415.9	444.2	443.1	429.0	348.1	370.3	416.9	444.3	462.2
Duarte	368.6	381.3	413.0	444.1	458.2	417.5	365.2	357.1	385.5	393.4	421.7	445.5
Monterey Park	399.6	414.0	424.5	436.3	449.2	432.0	397.0	354.5	359.2	395.5	410.9	444.6
Rosemead	263.9	281.5	288.5	303.0	297.6	351.2	364.6	338.6	340.8	356.7	368.4	389.1
South El Monte	285.4	312.7	347.2	367.4	395.0	420.5	426.8	353.7	334.5	353.0	378.2	387.9
San Gabriel	308.8	312.4	338.5	342.2	353.1	346.8	325.3	279.8	294.1	323.8	347.7	353.0
La Verne	256.5	283.2	318.1	328.9	338.7	372.4	366.4	299.2	315.0	337.1	344.0	341.5
Irwindale	319.4	329.7	395.3	414.8	477.9	457.6	432.9	347.4	355.4	325.2	327.8	336.8
Diamond Bar	260.8	275.1	310.1	337.5	346.9	352.0	311.3	272.0	286.4	305.8	311.4	315.5
Claremont	358.1	408.0	431.9	447.0	441.7	401.7	306.0	238.4	233.1	266.9	301.7	308.5
La Cañada-Flintridge	161.6	166.1	176.3	180.5	183.2	193.1	192.1	175.6	183.4	201.1	212.4	233.7
La Puente	232.2	225.0	222.2	222.0	231.0	219.9	200.7	179.4	199.5	208.9	209.4	215.3
South Pasadena	135.1	135.1	144.5	159.7	168.3	167.5	164.4	145.7	147.7	155.6	165.7	176.1
Walnut	116.0	133.8	154.3	160.3	172.2	186.2	168.7	142.2	147.0	159.0	167.8	168.5
Temple City	128.4	125.9	134.3	138.9	145.4	155.5	152.6	135.9	140.6	148.5	150.9	153.7
San Marino	36.5	36.7	39.3	40.5	39.6	42.2	43.4	36.6	33.4	34.1	33.9	38.0
Sierra Madre	20.2	20.3	22.1	24.0	25.6	26.3	26.0	23.3	22.2	23.6	22.7	24.8
Bradbury*	0.2	0.2	0.1	n/d	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.5
Total Incorporated Cities	**$18,020.5**	**$18,929.1**	**$20,381.9**	**$21,401.4**	**$22,178.7**	**$22,186.6**	**$20,329.8**	**$17,499.0**	**$17,935.6**	**$19,076.4**	**$20,315.9**	**$20,592.2**

*Note: For years marked “n/d”, Bradbury had too few firms to allow reporting without revealing confidential information.

Source: California State Board of Equalization

Table 18: San Gabriel Valley Hotel Occupancy & Room Rates

San Gabriel Valley (excluding Pasadena, Arcadia, and Monrovia)

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2008	892,060	551,155	61.8%	109.84	1.8%	67.87	-5.5%
2009	898,265	499,315	55.6%	100.53	-8.5%	55.88	-17.7%
2010	898,265	542,505	60.4%	97.29	-3.2%	58.76	5.2%
2011	921,625	596,307	64.7%	99.07	1.8%	64.10	9.1%
2012	938,780	654,145	69.7%	102.35	3.3%	71.32	11.3%
2013	935,860	654,429	69.9%	107.37	4.9%	75.08	5.3%
2014e	936,955	674,060	71.9%	114.74	6.9%	82.55	9.9%

Pasadena

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2008	604,805	446,357	73.8%	169.20	2.7%	124.88	0.2%
2009	602,615	391,667	65.0%	152.94	-9.6%	99.40	-20.4%
2010	602,615	423,556	70.3%	150.14	-1.8%	105.53	6.2%
2011	602,615	461,742	76.6%	149.62	-0.3%	114.65	8.6%
2012	602,615	505,862	83.9%	155.85	4.2%	130.83	14.1%
2013	602,615	509,699	84.6%	162.44	4.2%	137.39	5.0%
2014e	631,450	532,526	84.3%	178.33	9.8%	150.39	9.5%

Arcadia/Monrovia

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2008	355,875	249,992	70.2%	135.31	0.6%	95.05	-3.6%
2009	355,875	241,362	67.8%	118.87	-12.1%	80.62	-15.2%
2010	355,875	267,441	75.2%	111.60	-6.1%	83.87	4.0%
2011	355,875	277,661	78.0%	115.71	3.7%	90.28	7.6%
2012	355,875	288,585	81.1%	122.47	5.8%	99.31	10.0%
2013	355,875	292,045	82.1%	128.07	4.6%	105.10	5.8%
2014e	355,875	304,176	85.5%	137.43	7.3%	117.47	11.8%

Total San Gabriel Valley

Year	Annual Room Supply	Annual Occupied Rooms	Occupancy Rate	Average Daily Rate	Annual % Change	RevPAR	Annual % Change
2008	1,852,740	1,247,504	67.3%	136.18	2.3%	91.70	-2.6%
2009	1,856,755	1,132,344	61.0%	122.57	-10.0%	74.75	-18.5%
2010	1,856,755	1,233,502	66.4%	118.54	-3.3%	78.75	5.4%
2011	1,880,115	1,335,710	71.0%	120.00	1.2%	85.26	8.3%
2012	1,897,270	1,448,592	76.4%	125.04	4.2%	95.47	12.0%
2013	1,894,350	1,456,173	76.9%	130.80	4.6%	100.54	5.3%
2014e	1,924,280	1,510,762	78.5%	141.72	8.4%	111.27	10.7%

Source: PKF Consulting

Table 19: NAICS Codes Definitions

NAICS Code	Description	Examples
21	Natural Resources and Mining	Oil and gas extraction; nonmetallic mineral mining and quarrying; support activities for mining
23	Construction	Residential/nonresidential building construction; land subdivision; foundation, structure, and building exterior contractors
31-33	Manufacturing	Food products manufacturing; fabricated metal products, aerospace parts, apparel, chemicals, petroleum products
42	Wholesale Trade	Motor vehicle and motor vehicle parts and supplies merchant wholesalers; paper and paper product merchant wholesalers
44	Retail Trade	Automobile dealers; furniture and home furnishings; electronics and appliance stores; builidng material and garden suppy dealers; food and beverage stores; health and personal care; gasoline stations; clothing and accessories; sporting goods, hobby, book and music stores; general merchandise stores; food services and drinking places; nonstore retailers
48-49	Transportation and Warehousing	Scheduled air transportation; urban transit systems; support activities for air transportation
22	Utilities	Electric power generation, transmission and distribution; water, sewage and other systems
51	Information	Newspaper, periodical, book, and directory publishers; motion picture and video industries; wired telecommunications carriers
52	Financial Activities	Monetary authorities-central bank; securities and commodity contracts intermediation and brokerage; insurance carriers
54-56	Professional and Business Services	Accounting, tax preparation, bookkeeping, and payroll services; management of companies and enterprises; office administrative services
61	Education	Private education (e.g. Caltech, DeVry University); elementary and secondary schools; business schools and computer and management training; educational support services
62	Health Services	Offices of physicians; general medical and surgical hospitals; nursing care facilities; individual and family services
71	Leisure and Hospitality	Performing arts companies; museums, historical sites, and similar institutions; amusement parks and arcades
81	Other Services	Automotive repair and maintenance; death care services; religious organizations; private households
92	Public Administration	Executive, legislative, and other general government support; national security and international affairs; space research and technology; includes public K-12, community colleges, UC/CSU systems

Source: U.S. Census Bureau

San Gabriel Valley

Cultural and Infrastructure Assets

Education

California Institute of Technology
University of La Verne
Azusa Pacific University
California State Polytechnic University
Claremont Colleges
Art Center College of Design
Citrus College
Mt. San Antonio College
Pasadena City College

Research

Jet Propulsion Lab (JPL)
City of Hope Medical Center

Cultural & Entertainment

Norton Simon Museum
Huntington Library
Descanso Gardens
Los Angeles County Arboretum
San Gabriel Mission
Santa Anita Park
Tournament of Roses

INFRASTRUCTURE

San Bernardino Freeway (I10)
Pomona Freeway (SR60)
Orange Freeway (SR57)
Long Beach Freeway (I710)
Foothill Freeway (I210/SR210)

Union Pacific Railroad
Metrolink San Bernardino
Metrolink Riverside
Metro Gold Line

Served by: Los Angeles International Airport
L.A. Ontario International Airport–
Burbank Bob Hope Airport