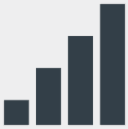
Los Angeles, CA

Headlines

- Job growth in the Los Angeles Metro Division has been lackluster and volatile thus far in 2026.
- The unemployment rate in the metro division was 5.5% in April, 1.2 percentage points above the U.S. rate of 4.3%.
- The April unemployment rate is down from the recent peak of 6.0% in September 2024 and is comfortably below the long-run average of 7.4% from 1990-2025.
- Average hourly earnings growth was 4.9% year-on-year in the metro division in April, well above the U.S. pace of 3.6%.

KEY FACTS

Population: 9.9 mil.
(ranked 2/411 MSAs)
Source: Bureau of Census; Moody's Analytics



GDP: 2.5%
(ranked 165/411 MSAs)
Source: Bureau of Economic Analysis; Moody's Analytics

Job Growth: -0.2%
(ranked 249/411 MSAs)
Source: Bureau of Labor Statistics

HPI Growth: -2.3%
(ranked 381/411 MSAs)
Source: CoreLogic, Inc.; Moody's Analytics

"Economic growth in the Los Angeles metro division is expected to get a temporary boost from the World Cup with eight matches being played in SoFi Stadium from June 12 through July 10."

Job growth in the Los Angeles Metro Division has been lackluster and volatile thus far in 2026. Growth started the year strong with nonfarm employment climbing 0.4% month-on-month in January but that was mostly offset by a 0.3% decline in February. More recently, nonfarm employment fell 0.1% in April compared to the U.S. average of 0.1%. Employment declined in nine of 11 sectors with the biggest drops in mining & logging (-1.3%), other services (-0.5%) and professional & business services (-0.5%). The only two sectors that added jobs in April were information (+1.3%) and trade, transportation & utilities (+0.2%). These two sectors were just over 21% of total employment in the metro division and could not offset the broad-based declines in the other nine sectors.

The modest monthly decline pushed the year ago growth rate down to -0.2% – the first drop since November 2025 – compared to the 0.2% advance for the nation. Losses were mostly concentrated in three sectors: construction (-3.4%, the eighteenth consecutive decrease), manufacturing (-3.0%) and information (-2.1%). Job losses were more moderate in financial activities (-1.4%, the forty second straight drop), government (-1.2%), trade, transportation & utilities (-1.0%) and professional & business services (-0.7%). Conversely, jobs increased in just four sectors in April: leisure & hospitality (+0.3%), other services (+1.6%), education & healthcare (+2.6%) and mining & logging (+12.5%, but just 0.04% of total employment in the metro division).

The extended lackluster pace of job growth kept the Los Angeles unemployment rate well above the U.S. average. **The unemployment rate in the metro division was 5.5% in April, 1.2 percentage points above the U.S. rate of 4.3%.** Moreover, the Los Angeles jobless rate has been above the national average since the inception of the data series at the metro level in January 1990. More encouragingly, **the April unemployment rate is down from the recent peak of 6.0% in September 2024 and is comfortably below the long-run average of 7.4% from 1990-2025.** The primary reason for the falling jobless rate is the 8.6% drop in the number of unemployed from the recent peak in August 2024.

Despite a higher unemployment rate in Los Angeles, wage growth has recently outpaced the U.S. average. **Average hourly earnings growth was 4.9% year-on-year in the metro division in April, well above the U.S. pace of 3.6%.** Furthermore, that is the fifth consecutive month in which wage growth has topped the national average. The recent solid wage growth should provide a near-term lift to consumer spending.

The Los Angeles residential housing market is showing tentative signs of perking up. After four straight month-on-month declines through January 2026, home sales advanced the last two months with the growth rate accelerating to 3.2% in March, the fastest pace since August 2025. The recent monthly increase drove the year-on-year growth rate up to 7.6% in March, well above the U.S. growth rate of -2.7% and the fastest pace since January 2025. Nonetheless, home sales are down by almost one-third from February 2020 compared to 28.3% nationwide amid low affordability. **According to the California Association of Realtors, only 18% of Los Angeles metro area residents could afford to purchase the median price home of $825,000 in the first quarter of this year**, up from 17% in the fourth quarter and 15% one year ago.

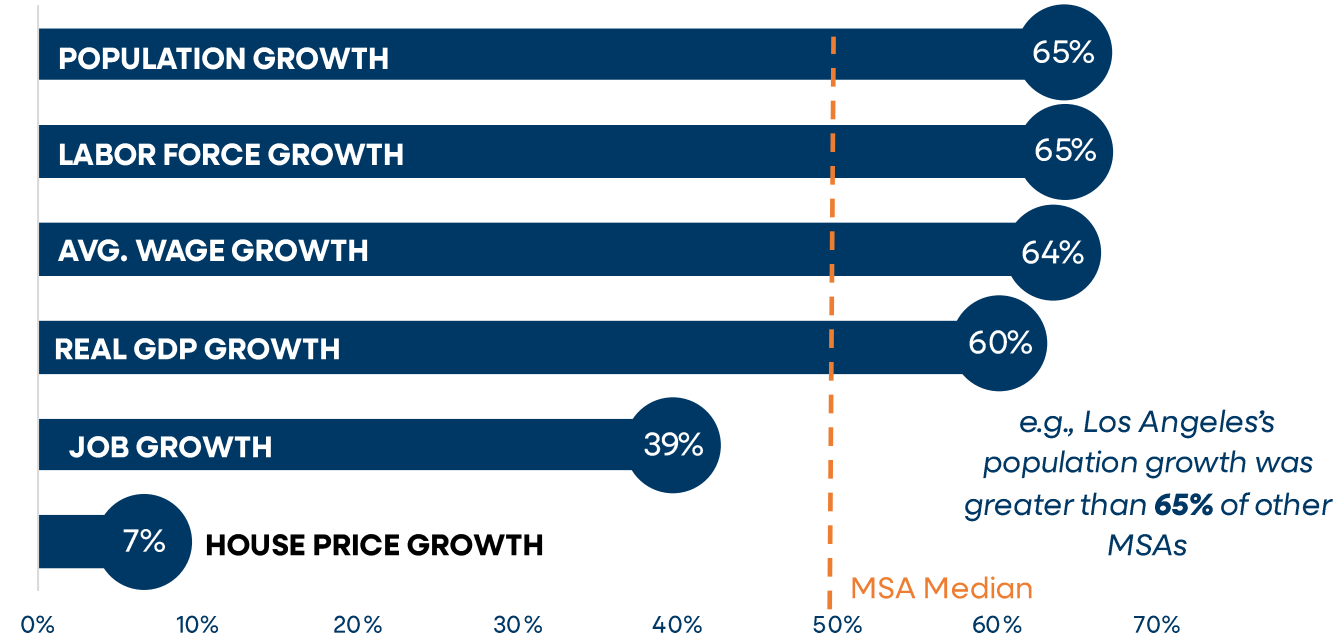
Despite the two-month rebound in home sales, home price growth has weakened and turned negative year-over-year in February 2026 for the first time since June 2023. Moreover, annual home price growth in Los Angeles has trailed U.S. growth for 12 consecutive months through March of this year. The primary reason for previously weak and now negative home price growth is a sharp rise in inventory for sale. **The number of homes for sale in the metro division in May**

is up nearly 60.0% from the pre-pandemic level in February 2020.

Economic growth in the Los Angeles metro division is expected to get a temporary boost from the World Cup with eight matches being played in SoFi Stadium from June 12 through July 10. The influx of people over the one month period will result in additional spending at hotels, restaurants, and bars and lift hiring in the leisure & hospitality sector. Longer term, high housing and other costs, congestion, and out-migration will result in average growth.

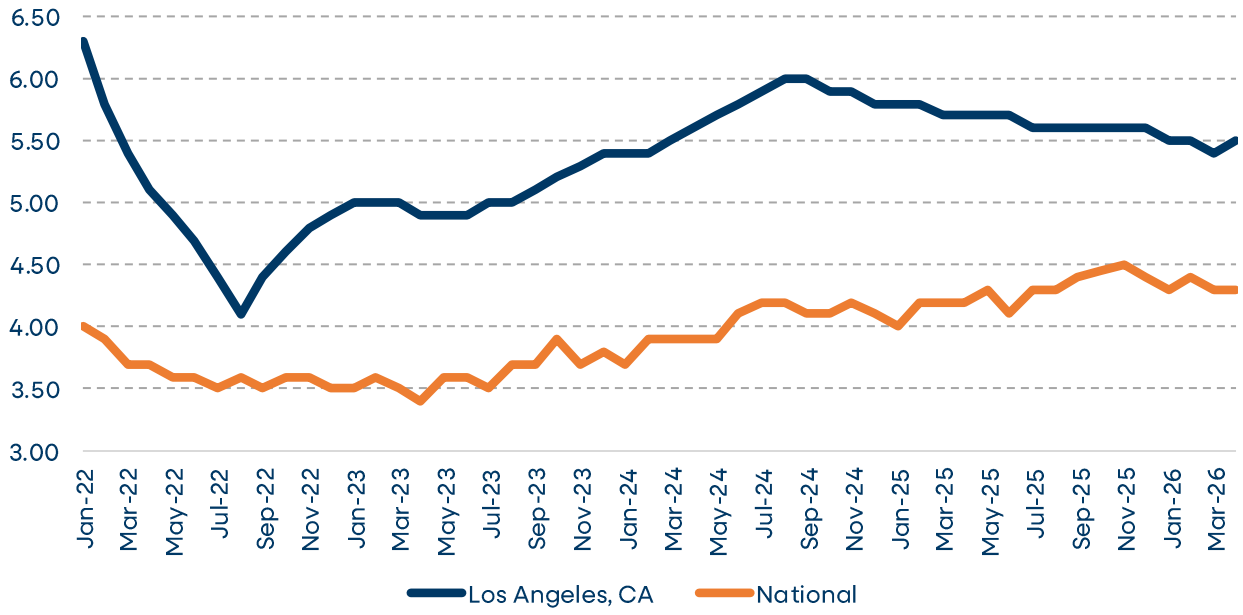
Key Charts and Figures

Figure 1: Key Metric Percentiles – Los Angeles, CA vs. the Rest of the Country



Sources: Bureau of Economic Analysis; Moody's; Bureau of Labor Statistics; CoreLogic, Inc.; U.S. Census Bureau

Figure 2: Unemployment Rate: Los Angeles, CA vs. National Average*



Sources: Bureau of Labor Statistics

*The October 2025 unemployment rates are an approximation. The official figures were not published due to the federal government shutdown during that month.

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