



**For Immediate Release**

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**Major L.A. Employers Raise Concerns That High Cost of Living Is a Barrier to  
Attracting and Retaining Top Talent**  
***New USC survey finds region's escalating home prices hindering senior-level recruitment***

LOS ANGELES (April 11, 2017)— Housing costs are deterring top-talent from entering the Los Angeles job market, and leading to higher costs in recruiting and retaining employees, according to a new survey released today by Raphael Bostic, a USC Price School of Public Policy Professor and the newly appointed head of the Atlanta Federal Reserve. Bostic led a team of USC researchers in surveying major L.A. employers accounting for nearly 200,000 jobs in key sectors including utilities, healthcare, education, government, engineering and finance. The resulting report, [\*The Affordable Housing Crisis in Los Angeles: An Employer Perspective\*](#), released in partnership with the Los Angeles Business Council, focuses on how the high cost of housing in the region has affected employers and puts forth key recommendations.

“This study shows that high housing costs are burdening our leading employers, either by having to develop special hiring packages, or subsidizing transportation and relocation costs,” said Bostic. “Though we have yet to see a critical mass of businesses priced out of the region, this is an area of concern. There’s ample evidence to show that the time is now to implement strategies to reduce housing costs.”

Nearly 60% of employers surveyed cite the region’s high cost of living as impacting employee retention, and 75% cite housing costs specifically as an area of concern. The impact of high housing costs is most apparent when employers try to recruit top talent: 64% of employers report that they include cost of living when negotiating hiring packages for high-level employees.

“It’s concerning that high housing costs could lead to Los Angeles losing its competitive edge in recruiting top talent. That would be devastating to our economy,” said Mary Leslie, president of LABC. “This survey underscores the need to think outside the box and tackle our city’s high cost of living problem.”

To address the strain on L.A.’s limited housing supply, the report recommends examining successful employer-sponsored housing projects, such as the LAUSD affordable housing apartments completed in 2016. It also makes a strong case for investing in higher-density housing at a range of prices near key transit centers. Other recommendations include: reducing parking requirements for new development, identifying single-story buildings that could be modified to support housing, exploring innovative transportation solutions, and encouraging employers to engage with community and government groups around housing construction projects that could benefit their workers.

“This report provides compelling evidence for the need of well-designed, affordable homes connected to quality transportation, education and jobs,” said Jacqueline Waggoner, Vice President and Southern California market leader of Enterprise Community Partners, Inc. “The burden of high housing costs not only impacts our quality of life, it threatens our economic foundation. With affordably-priced homes, employers will have a greater ability to recruit senior employees and retain current employees at all levels.”

The problem is not unique to Los Angeles— nearly every metropolitan area is burdened by high housing

costs. According to the report, nationwide, over 10 million households pay more than half their income in housing costs.

Besides impacting employers' bottom lines, housing costs negatively affect employee's satisfaction and productivity. Pushed out of housing markets closer to jobs, workers have to undergo long and taxing commutes. Nearly every employer surveyed reported that more than 25% of their employees spent more than 90 minutes getting to and from work.

"This is further evidence that L.A.'s housing crisis is dire, and provides more reasons for business, civic, and community groups to work together to tackle this serious problem," said Erin Rank, President and CEO of Habitat for Humanity of Greater Los Angeles.

While the negative impact of high housing costs on lower and middle-income families has been long studied, this report is one of the first to look at housing costs from an employer perspective.

"This report should be seen as a call to action," said Ann Sewill, Vice President, Housing and Economic Opportunity, of California Community Foundation. "We need to do all that we can to increase people's access to affordable housing by incentivizing new affordable housing and preserving existing stock."

The Los Angeles Business Council and USC conducted the study in partnership with JPMorgan Chase, California Community Foundation, Enterprise Community Partners, Federal Home Loan Bank of San Francisco and Habitat for Humanity. The report is a follow-up to LABC's influential *Los Angeles Employer Assisted Housing Handbook* released in 2009.

#### **About the LABC Institute**

The LABC Institute is a forward-thinking research and education organization dedicated to strengthening the sustainable economy of California, particularly the Southern California region. Founded in 2010, the LABC Institute provides a bridge between the business, government, environmental, labor and nonprofit communities of Southern California to develop policies and programs that promote investment, jobs and business development. We are the research and education arm of the Los Angeles Business Council, one of the most respected business advocacy organizations in Southern California.

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