



Industry Overview: Impact of the Eaton Fire

This section provides an overview of the business, industry, and economic impacts of the Eaton Fire.¹ The Eaton Fire encompassed 14,021 acres and resulted in the destruction of 6,116 residences, 3,144 infrastructure, 98 commercial, and 55 schools and churches. Included in this overview is a breakdown of the business affected, and the predominant industries within the area. Locations affected by the fire were identified based on the geographic boundaries of the Eaton Fire Impact Zone. These were selected based on the geographic boundaries of the Eaton Fire Impact Zone. Additional information on businesses in the region was obtained from EconoVue.²

The Eaton Fire has introduced severe short-term economic disruptions and worsened pre-existing challenges, including small business vulnerability and population decline. Successful recovery will depend on rapid rebuilding efforts, financial assistance programs, and strategic workforce planning to restore stability and economic resilience in the affected communities. Summary findings include:

- **Economic and Business Impacts**
 - The Eaton Fire Area generated \$252 million in annual business revenue, compared to \$2.3 billion when including the surrounding buffer zone.
 - Employment losses are concentrated in small businesses, with 4,285 jobs at risk in the fire zone.
 - Many affected businesses are small-scale, service-oriented enterprises, making them more financially vulnerable.
 - Businesses requiring in-person interaction (e.g., retail, hospitality, personal services) face the greatest disruptions, while remote-capable businesses have more resilience.
- **Key Industries Affected**
 - Health Care and Social Assistance (17,031 jobs) was the largest sector in the fire zone, with substantial growth having been expected in outpatient and home health services.
 - Accommodation and Food Services (7,546 jobs) faces significant uncertainty due to reduced consumer activity, property damage, and economic downturns.
 - Government Employment (8,345 jobs) remains stable, but local budgets may be strained due to declining tax revenues.
- **Regional Economic Trends**
 - The fire may accelerate existing issues, including population decline and employment uncertainty.
 - Between 2018 and 2023, population contracted by 14,955 residents, and, prior to the fire, based on 2023 data, population projections anticipated an additional decline of 12,716 residents.
 - Job growth was anticipated in the region (an increase of as many as 3,600 new jobs through 2028), but the fire may delay or reverse these trends.
- **Recovery and Policy Concerns**
 - Housing costs may rise in unaffected areas, leading to potential affordability crises.
 - Government intervention is anticipated, including expediting insurance claims, small business relief, and temporary housing solutions.
 - Health care and construction sectors may drive economic stabilization, with increased demand for medical services and rebuilding efforts.
 - Workforce retention strategies and business support programs will be critical to long-term recovery.

¹ The Eaton Fire area used for these analyses includes the following zip codes: 91001 (Altadena), 91104 (Pasadena), 91107 (Pasadena), 91006 (Arcadia), 91103 (Pasadena), and 91024 (Sierra Madre).

² The EconoVue platform uses ZIP Code Tabulation Areas (ZCTAs), geographic approximations of ZIP Codes created by the U.S. Census Bureau for data analysis. Unlike ZIP Codes, which the USPS assigns for mail delivery, ZCTAs may combine multiple ZIP Codes based on population density and census block boundaries.

Damage to Structures

The Eaton Fire burned approximately 14,021 acres, causing significant damage to various types of structures. The destruction of 6,116 residential buildings represents a significant housing loss, exacerbating an already tight housing market in the region. With 780 additional residences affected to varying degrees, displacement is a major concern. Even minor structural damage can make homes uninhabitable due to smoke, water damage, or utility failures. This is likely to have significant impacts on current jobs as well as job growth in the immediate and wider area.

The significant damage and loss of 3,405 major infrastructure facilities and 201 affected structures suggests additional strain on major utilities. Commercial structures also saw substantial impacts, with over 100 properties suffering major damage or destruction. Many of Altadena's businesses along Lake Ave were affected by the fires. Businesses with lower cash reserves will struggle and extended closures will only exacerbate their circumstances. Larger businesses with multiple locations may be more resilient to economic repercussions due to closure of these satellite locations.

Long-term economic recovery is predicated on how quickly businesses and homeowners can rebuild, with the timeline being influenced by insurance claims, government assistance, and availability of construction labor. Governor Gavin Newsom has spoken about the recovery process, stating cleanup could take nine months to a year to complete³ and which must be done before any substantial rebuilding can begin. Other officials report the cleanup process could take longer to complete.⁴

Exhibit 1. Estimated Damage to All Structures⁵

Eaton Fire Area	Destroyed	Major Damage	Minor Damage	Affected	No Damage
Residential	6,116	39	111	630	5,291
Infrastructure & Utility	3,144	26	34	201	2,373
Commercial	98	4	3	20	145
Schools & Churches	55	1		3	85
Total, All	9,413	70	148	854	7,894

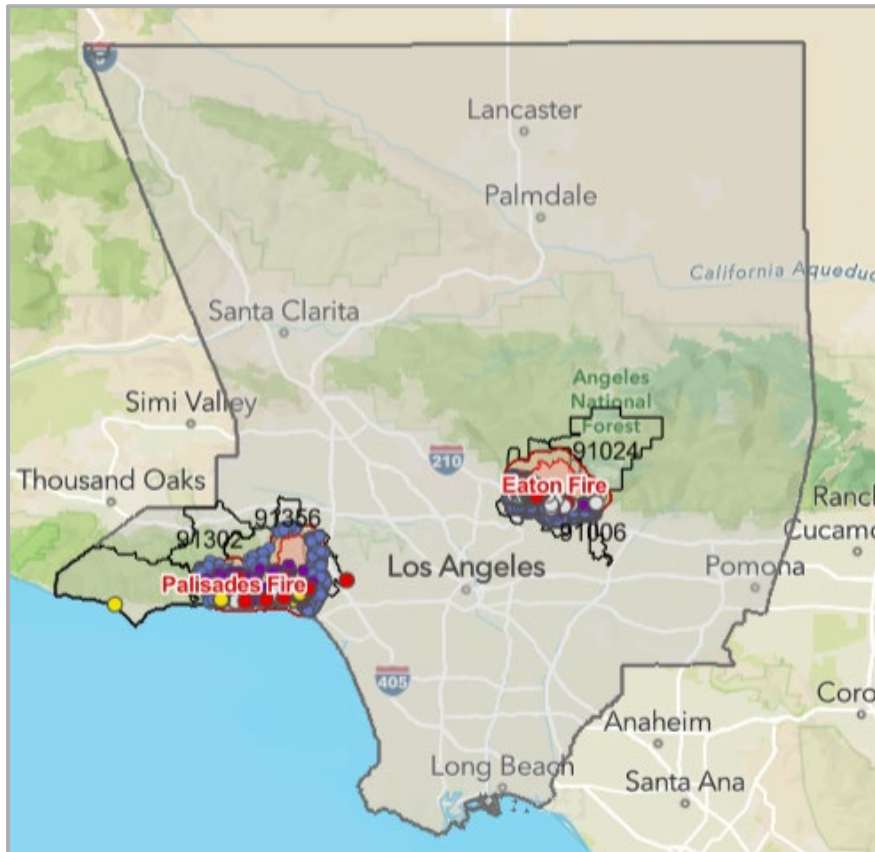
³ NBC News. (2025, February 3). Clearing debris after California wildfires could take 'nine months to a year' [Video]. YouTube. <https://www.youtube.com/watch?v=1BeKMGpca5E>.

⁴ Chad Terhun, "Environmental workers race to clear toxic debris left by LA fires," Reuters, January 31, 2025, <https://www.reuters.com/world/us/environmental-workers-race-clear-toxic-debris-left-by-la-fires-2025-01-31/>.

⁵ Sean Greene, Sandhya Kambhampati, Colleen Shalby & Noah Haggerty, "Mapping the damage from the Eaton and Palisades fires," LA Times, January 27, 2025, <https://www.latimes.com/california/story/2025-01-16/mapping-los-angeles-damage-from-the-eaton-and-palisades-fires-altadena-pasadena>; UPDATED 9:03pm 1/27/25.

Exhibit 2. Map of the Eaton Fire Area

Click on the map image below to view the online, interactive version.⁶



Impact on Altadena Business Community

The Eaton Fire that swept through Altadena left a devastating mark on the community, destroying numerous iconic businesses and cultural landmarks. This tragic event not only altered the physical landscape but also erased decades of history and cherished memories for residents. The destruction leaves a void in Altadena, challenging the community to preserve its history as it looks toward rebuilding. Notable losses include:⁷

- **Fox's:** Beloved diner that had been serving the community since 1955, known for its classic breakfast and representing a cornerstone of Altadena's culinary heritage.
- **Side Pie:** Popular pizzeria celebrated for its artisanal pizzas which had become a favorite among locals.
- **Pizza of Venice:** Well-loved eatery that contributed to Altadena's diverse food scene.
- **Pasadena Jewish Temple & Center:** Century-old synagogue that served as a spiritual center for the community.
- **The Bunny Museum:** Known as "the world's only museum about everything bunny," this Guinness World Record-certified landmark was a unique attraction.

⁶ Note: This map details the region impacted by the Eaton Fire. It contains the Fire Impact Zone as well as a 1-mile buffer zone of the surrounding area. Businesses are shown within this region. <https://arcg.is/ODWrWi>

⁷ Daniel Miller, "In 'a mass erasure of heritage,' numerous historic landmarks lost in LA," LA Times, January 12, 2025, <https://www.latimes.com/california/story/2025-01-12/landmarks-lost-palisades-and-eaton-fires>; Gab Chabrán, "Many iconic LA restaurants, coffee shops and bars have been lost to the fires. Here's how to help them," LAist, January 10, 2025, <https://laist.com/news/food/malibu-and-altadena-communities-face-the-loss-of-much-loved-eateries>.

- **Zorthian Ranch:** An iconic 45-acre artistic and cultural site established by Armenian American artist Jirayr Zorthian and a haven for the creative community for more than 70 years.
- **A 1915 Spanish Revival House:** An historic property that represented Altadena’s architectural heritage.

To arrive at these estimates fire maps from www.fire.gov were compared to the most current Google Maps listing businesses in the Eaton Fire Area based on business location and photographic evidence of fire damage. Some of the identified impacted buildings were matched with business records from EconoVue’s data set to provide additional contextual information.⁸ Additional information was compiled through local news articles.

Business Activity

The Eaton Fire disrupted both local businesses and the broader regional economy, with varying degrees of impact depending on industry type and business size. Businesses in the Fire Area generated \$252 million in annual gross sales. By comparison, when including the buffer zone (one mile outside the fire zone) businesses generated \$2.3 billion. Additionally, the average gross sales per business were \$205,630 in the fire zone and \$395,216 in the buffer zone. The dramatic difference highlights how major commercial hubs were spared from direct fire damage. However, businesses within the fire zone may be more likely to be small, locally owned establishments, making them financially vulnerable.

Exhibit 3. Gross Sales for Businesses⁹

Gross Sales	Eaton Fire Area	Buffer Zone
Sum	\$252 million	\$2.3 billion
Avg	\$205,630	\$395,215
Min	\$7,609	\$1,588
Max	\$7.1 million	\$77.5 million
Median	\$108,354	\$117,761

Industry Employment

The Eaton Fire Area employed 4,285 workers, with an average of 3.4 employees per business, while there were 31,813 in both the impact and buffer zone. The small average company size (3-4 employees per business) may suggest that many businesses in the zone were independently owned shops, service providers, or small offices. This is further emphasized due to there being 401 single-person businesses (sometimes referred to as owner-operated), 167 businesses with three employees, and only one company with more than 100 employees. The majority of these businesses were founded within the last 20 years, making them relatively newer.

The destruction of small businesses means displaced workers may struggle to find new jobs locally. Many employees in retail, restaurants, and personal services (such as salons and repair shops) may face extended unemployment if rebuilding efforts take too long.

Exhibit 4. Count of Firms by Size of Employment

Employees Per Firm	Eaton Fire Area	Buffer Zone
0 employees	3	27
1 person	401	1,686
2 employees	483	2,157

⁸ Request the “Compiled List of Impacted Businesses” file for full business listings from the COE.

⁹ Source: EconoVue, Dun & Bradstreet, www.dnb.com, January, 2025. Buffer zone expands one mile beyond Fire Impact Zone; totals represent Zone plus buffer.

Employees Per Firm	Eaton Fire Area	Buffer Zone
3 employees	167	845
4-10 employees	179	1,043
11-100 employees	38	290
>100 employees	1	26
Total, All Firms	1,272	6,074

Total Jobs	4,285	31,813
Average # of Jobs per Firm	3.4	5.2
Share of Firms with 0-10 Jobs	97%	95%
Share of Firms with more than 10 Jobs	3%	5%

Exhibit 5. Age of Businesses¹⁰

Year Founded	Age	Eaton Fire Area	Buffer Zone
1882-1922	102+ years old	3	19
1923-1960	65-102 years old	20	90
1961-1994	31-64 years old	154	733
1995-2004	30-21 years old	162	683
2005-2011	20-14 years old	314	1525
2012-2017	13-18 years old	384	1802
2018-2024	>7 years old	191	905
No Date		44	316

Commuting and Remote Work

Industries in the zone are likely to be affected differently based on their operational nature. A combined 543 businesses are either in a location that requires contact or has a workforce that must be in a central location, which could pose challenges due to fire related evacuations and recovery efforts. However, 566 businesses allow for remote work, which may help reduce the overall direct fire-related disruptions.

Exhibit 6. Industry Disruption Category

	Eaton Fire Area	Buffer Zone
Delivery-based Retail	16	82
Essential Products/Services	147	938
Product/Service Requires Contact	285	1,405
Remote Work is Possible	566	2,495
Workforce Must be at a Central Location	258	1,154

¹⁰ Source: EconoVue dataset. Buffer zone expands one mile beyond Fire Impact Zone; totals represent Zone plus buffer.

Exhibit 7. NAICS for Buildings in Fire Area and Surrounding Area

NAICS	Industry	Eaton Fire Area	Buffer Zone
54	Professional, Scientific, and Technical Services	271	1,162
81	Other Services (except Public Administration)	143	707
56	Admin./Support/Waste Mgmt./Remediation	127	563
62	Health Care and Social Assistance	115	675
23	Construction	104	467
44-45	Retail Trade	81	505
53	Real Estate and Rental and Leasing	68	295
71	Arts, Entertainment, and Recreation	68	197
51	Information	64	261
52	Finance and Insurance	56	272
61	Educational Services	37	220
42	Wholesale Trade	34	149
31-33	Manufacturing	33	168
72	Accommodation and Food Services	29	200
48-49	Transportation and Warehousing	27	139
11	Agriculture, Forestry, Fishing and Hunting	6	22
55	Management of Companies and Enterprises	4	34
92	Public Administration	3	27
22	Utilities	2	8
21	Mining, Quarrying, and Oil and Gas Extraction	0	3

Economic Overview

The Eaton Fire compounded existing trends in the region. While employment and population had already been shifting, the fire accelerated certain economic pressures. The Eaton Fire Area had already lost 14,955 residents from 2018 to 2023, with a projected additional decline of 12,716 residents. Job numbers had declined by 845 from 2018 to 2023 but were projected to grow by 3,581 from 2023 to 2028. The fire could delay or reverse this trend.

Exhibit 8. Fire Area Compared to Other Regions¹¹

	Eaton Fire Area	LA Fire Region	LA County	Previous Expected Change in Eaton Area
Population (2023)	158,705	496,902	9,625,393	Population decreased by 14,955 from 2018 to 2023 and is projected to decrease by 12,716 over the next 5 years.
Total Regional Employment	82,670	248,783	5,199,126	Jobs decreased by 845 from 2018 to 2023 but are projected to grow by 3,581 over the next 5 years.
Avg. Earnings Per Job (2023)	\$83,7446	\$86,248	\$91,171	Regional average earnings per job are \$428 above the national average earnings of \$83,315 per job.

The Eaton Fire area's economy is shaped by several key industries, each facing unique challenges and opportunities in the aftermath of the disaster. Jobs in the area are led by these four industries:

¹¹ Data from Lightcast Economic Overview.

Health Care and Social Assistance (17,031 jobs)

As the largest sector in the affected region, health care services are expected to remain relatively stable despite the fire. The ongoing demand for medical care and social services ensures continued employment, though facilities may face operational disruptions.

Government Employment (8,345 jobs)

With a significant share of employment tied to government services, this sector may experience budgetary strain due to reduced tax revenues from lost businesses and property damage. Local governments may need to adjust spending or seek external funding to maintain public services.

Accommodation and Food Services (7,546 jobs)

Hotels and restaurants are particularly vulnerable to the economic impact of the fire, as temporary closures and reduced foot traffic could lead to financial instability. Some establishments may struggle to reopen, while others could see a surge in demand from displaced workers and emergency responders needing lodging and meals.

Retail Trade (6,914 jobs) and Professional, Scientific, and Technical Services (6,294 jobs)

Retail businesses face mixed prospects. Small retailers may struggle with slow insurance payouts and a declining customer base, while larger chains in less-affected areas could see increased business from displaced consumers. Professional services, including law firms, consulting agencies, and technical specialists, may experience disruptions but could recover as rebuilding efforts create new opportunities.

Other sectors with a strong employment presence include Education Services, Finance & Insurance, and Other Services (e.g., repair, personal care, and maintenance businesses). While unemployment may temporarily rise, reconstruction efforts are expected to generate a surge in construction jobs, helping offset some of the economic displacement.

Exhibit 9. Fire Area Industry Comparisons

NAICS	Industry	Eaton Fire Area	% of LA Fire Region	% of LA County	LQ
62	Health Care and Social Assistance	17,031	43.7%	2.0%	1.58
90	Government	8,345	32.5%	1.4%	0.70
72	Accommodation and Food Services	7,546	32.9%	1.7%	1.10
81	Other Services (except Public Admin.)	7,128	35.8%	2.2%	1.75
44	Retail Trade	6,914	39.9%	1.6%	0.89
54	Professional, Scientific, & Tech. Services	6,294	27.8%	1.7%	1.08
23	Construction	5,092	31.0%	2.3%	1.07
61	Educational Services	4,784	41.6%	2.9%	2.37
52	Finance and Insurance	4,650	45.2%	3.3%	1.38
56	Admin./Support/Waste Mgmt./Remediation	3,316	19.3%	1.0%	0.67
31	Manufacturing	2,910	28.0%	0.9%	0.46
48	Transportation and Warehousing	2,045	39.9%	0.9%	0.57
42	Wholesale Trade	1,869	33.5%	0.9%	0.62
53	Real Estate and Rental and Leasing	1,696	22.9%	1.5%	1.16
71	Arts, Entertainment, and Recreation	1,337	15.5%	1.0%	0.91
55	Management of Companies and Enterprises	729	28.1%	1.2%	0.60
51	Information	616	11.6%	0.3%	0.40
11	Agriculture, Forestry, Fishing and Hunting	189	37.6%	3.4%	0.20
22	Utilities	147	51.1%	1.2%	0.52
21	Mining, Quarrying, & Oil and Gas Extraction	25	71.2%	1.5%	0.09
TOTAL JOBS		82,662	248,761	5,197,731	

Top 3 Growing Industries

NAICS 62 – Health Care and Social Assistance

The Health Care and Social Assistance sector (17,031 jobs) remains the largest employer in the region and is expected to experience continued growth. Several subsectors, including outpatient care centers (+34%) and home health services (+22.7%), are projected to expand as the population ages and seeks more accessible health care options.

NAICS 90 - Government

Despite being a major employer (8,345 jobs), government employment in the region is projected to decline slightly. Local government functions (police, fire services, public works) remain critical, but reduced tax revenues from business closures and declining property values could lead to budget shortfalls. The government sector will play a key role in coordinating disaster relief, infrastructure rebuilding, and economic recovery efforts.

NAICS 72 – Accommodation and Food Services

With 7,546 jobs before the fire, Accommodation and Food Services was one of the most impacted industries. Restaurants and hotels rely heavily on customer foot traffic, which has been disrupted due to evacuations, extended closures, property damage, and reduced local spending power. Restaurants, which make up the bulk of this industry, are projected to recover slowly. Restaurants and bars were expected to see growth, but much depends on consumer confidence and the return of displaced residents. Traveler accommodations may see a short-term boost from emergency response teams, insurance adjusters, and construction workers, but long-term sustainability will require rebuilding the area's tourism and local customer base.

Conclusion

The Eaton Fire has had a profound impact on businesses, industries, and the regional economy, with recovery timelines varying based on industry type, business size, and available resources.

One of the most immediate consequences is the intensifying housing crisis. The displacement of thousands of residents will drive increased demand for housing in surrounding areas, pushing rents and property values higher. This shift could make affordability an even greater challenge for both residents and businesses seeking to rebuild.

Retail, hospitality, and service-oriented businesses face the greatest risks. Many of these businesses are small-scale enterprises that lack the financial reserves to survive extended closures. The reliance on physical locations and in-person interactions means these industries have been hit hardest, with many facing an uncertain future.

Conversely, health care services and construction will play key roles in economic recovery. The growing demand for medical care, especially outpatient services and home health care, will help offset job losses in other sectors. At the same time, construction will benefit from rebuilding efforts, creating new employment opportunities that could support regional economic stabilization.

Government intervention will be essential for stabilizing the region. Expedited insurance claims, small business grants, and temporary housing assistance will be necessary to prevent prolonged economic downturns and mass business closures.

From an industry perspective, health care, government, and food services have historically been dominant in the region. While some businesses have flexibility for remote operations, many small service-oriented businesses remain highly vulnerable to disruption. Employment trends previously indicated a slow recovery, but the fire may reverse or delay those projections.

Ultimately, the Eaton Fire has accelerated existing economic challenges, including population decline and small business vulnerability. While the region's service-heavy industry mix provides a foundation for gradual recovery, long-term stability will depend on rapid rebuilding efforts, business support programs, and workforce retention strategies. Proactive policy interventions will be critical in ensuring that the local economy can recover and thrive.