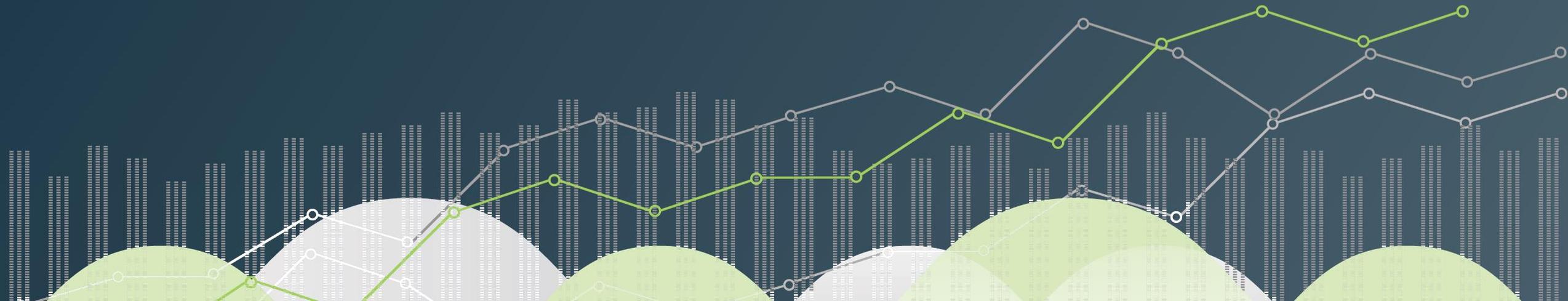


SOUTHERN CALIFORNIA ECONOMIC SUMMIT

Charting an Inclusive Regional Recovery



SCAG REGION ECONOMIC UPDATE

 @SCAGmpo

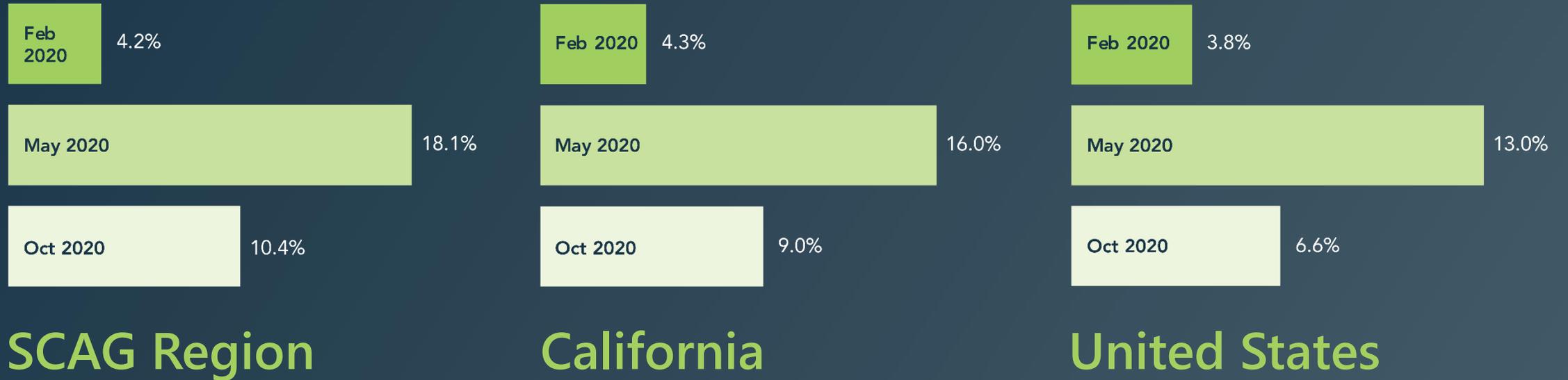
 @SCAGnews

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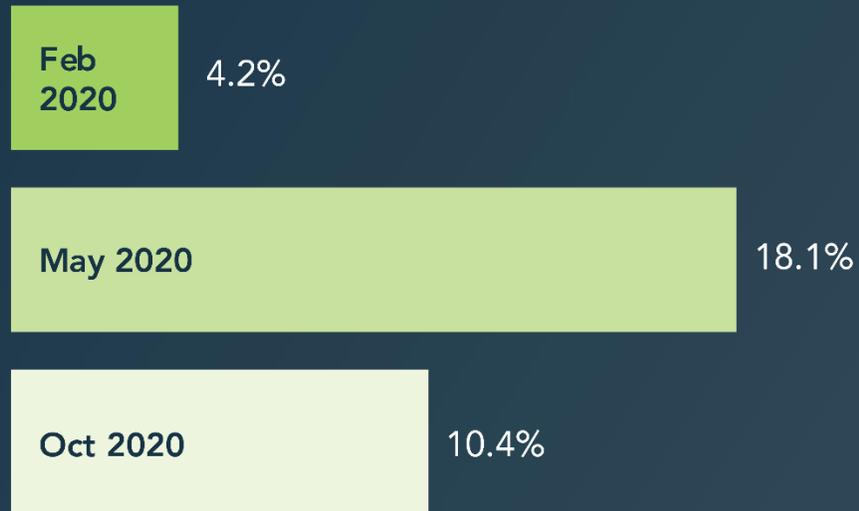


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Unemployment at a Glance



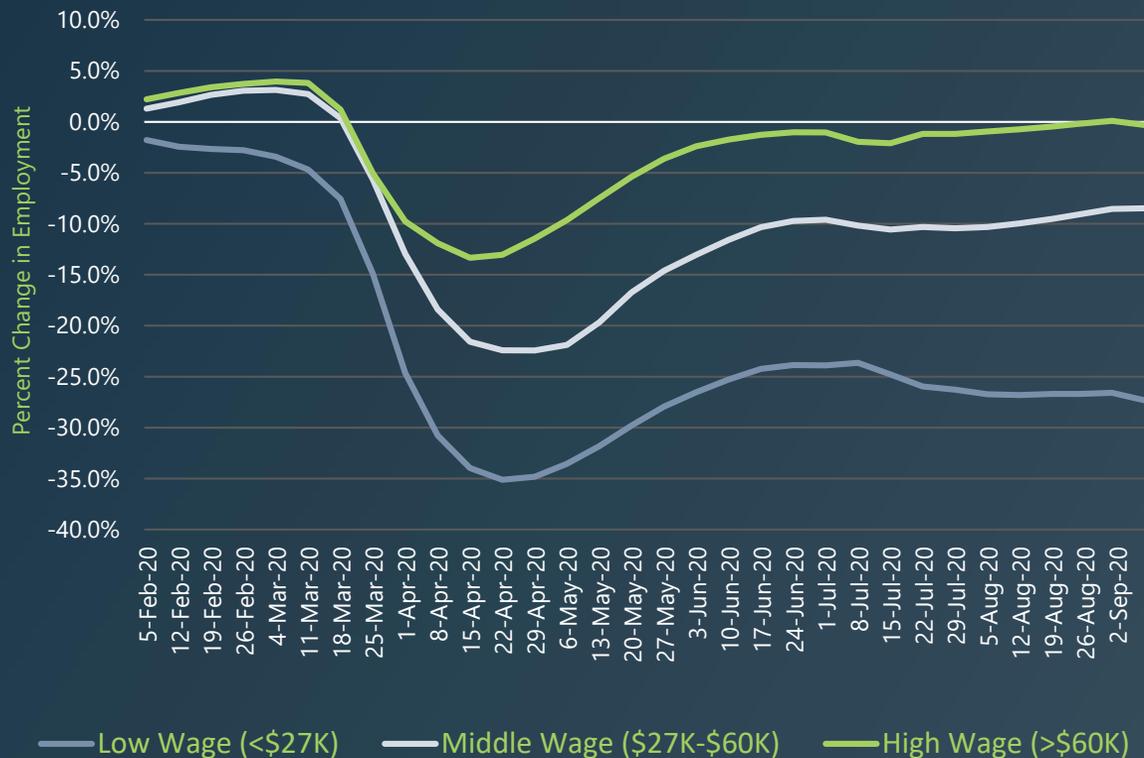
SCAG Region Overview



Unemployment

- Sectors with the largest employment losses between February and April 2020:
- Leisure and Hospitality: -45.4%
 - Other Services: -27.3%
 - Information: -22.7%
 - Nondurable Goods Manufacturing: -17.4%
 - Retail Trade: -17.2%
- The Beginnings of a Recovery — SCAG region recovered 1,100,600 jobs between April and October 2020, led by:
 - Leisure and Hospitality: +36.3%
 - Construction: +15.0%
 - Retail Trade: +14.7%

SCAG Region Economic Performance



- Before the pandemic, SCAG median household incomes region grew to \$76,981 by 7.1% in 2019, faster than the national rate.
- Lower-income SCAG residents saw higher employment losses between January and April and will likely see a slower recovery.
 - Low Income (<\$27,000) saw jobs losses of 35.1%
 - Middle Income (\$27,000-\$60,000): -22.4%
 - High Income (>\$60,000): -13.0%

SCAG's Team of Independent Economists

IMPERIAL COUNTY

Michael Bracken, MPA, Development Management Group

LOS ANGELES COUNTY

Shannon Sedgwick, Director, Institute for Applied Economics, Los Angeles County Economic Development Corporation

Tyler Laferriere, Associate Economist, Los Angeles County Economic Development Corporation

ORANGE COUNTY

Wallace Walrod, Ph.D., Chief Economic Advisor, Orange County Business Council

RIVERSIDE & SAN BERNARDINO COUNTIES

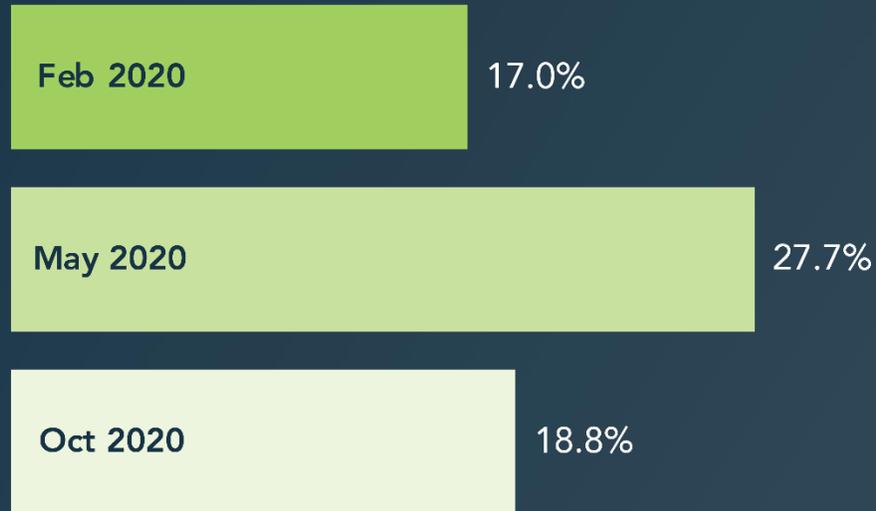
John Husing, Ph.D., Economics & Politics

VENTURA COUNTY

Matthew Fienup, Ph.D., Executive Director, Center for Economic Research & Forecasting, California Lutheran University

Dan Hamilton, Ph.D., Director of Economics, Center for Economic Research & Forecasting, California Lutheran University

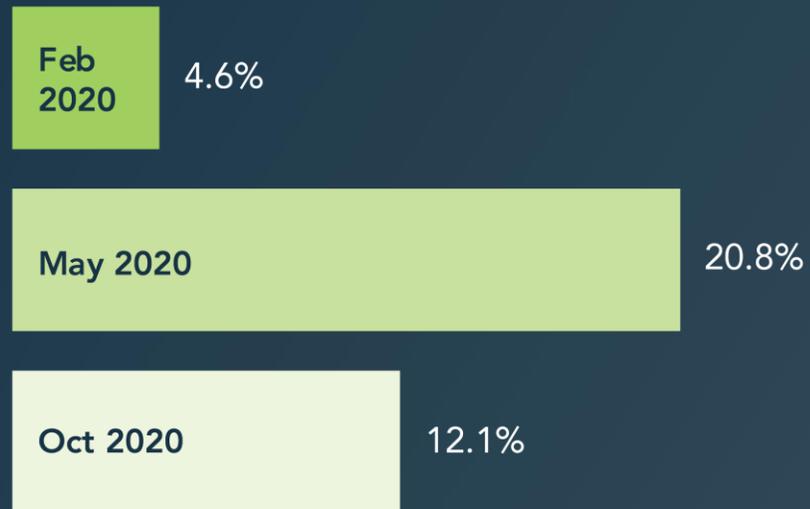
Imperial County



Unemployment

- Gross Domestic Product (GDP): \$7.84 Billion (2019)
 - \$41,530 Per Capita (Similar to ID, AR, WV, KY)
- Median Household Income Record High: \$46,633
- Total Employment 55,800. Unemployment Rate is 18.8% (13,000 unemployed)
- Job Losses Over Past Year:
 - Education (-1,600)
 - Government (-1,300)
 - Hospitality/Leisure (-900)
- Agriculture production in 2019: \$2.015 billion
- Renewable Energy: 3,390 MW Approved over 23,354 Acres + 2,000 MW Battery Storage Project in entitlement process.
- Median Home Price \$255,500 (most affordable in Southern California)

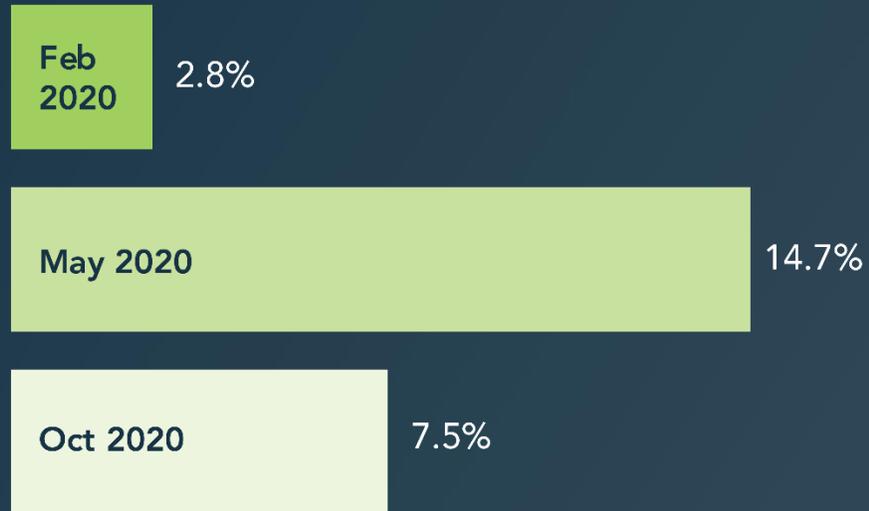
Los Angeles County



Unemployment

- Key Employment Industry Estimates (October 2020)
 - Construction (151,300)
 - Information (191,100)
 - Professional and Business Services (603,600)
 - Health Care and Social Assistance (695,800)
- Unemployment continues to exceed that of the great recession (only County in SCAG Region)
- Housing remains an issue for many in the County
 - New initiatives from government and non-government organizations look for innovative solutions

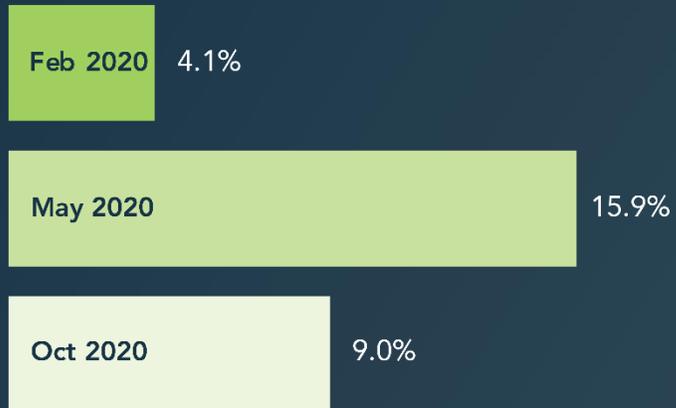
Orange County



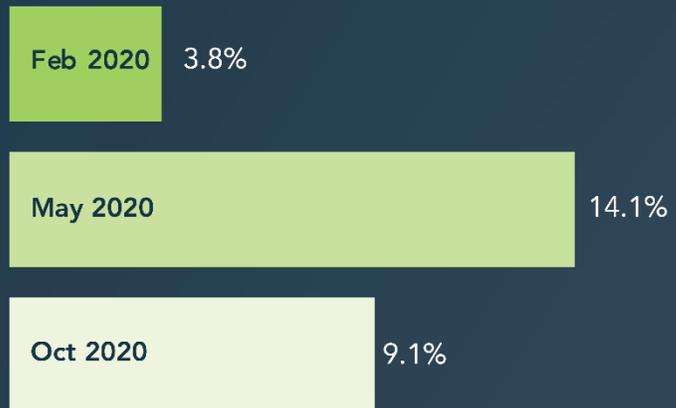
Unemployment

- **Economy Already Recovering**
 - Nearly 270,000 jobs lost between March – May 2020
 - Unemployment rate fell from 14.7% in May 2020 to 7.5% in October
 - Leisure and Hospitality saw the largest job loss
 - Construction has maintained and even gained jobs
- **Slower Recovery Persists for Hardest Hit**
 - Lower-wage and entry-level positions likely to see a much slower recovery than higher-skill, more technical positions
 - Disproportionate impact and slower recovery for lower-income families
- **Housing Market Remains Strong**
 - Median housing prices reached \$930,000 in September 2020
 - Low interest rate environment, low supply, and high demand continue to drive prices up

Riverside & San Bernardino Counties



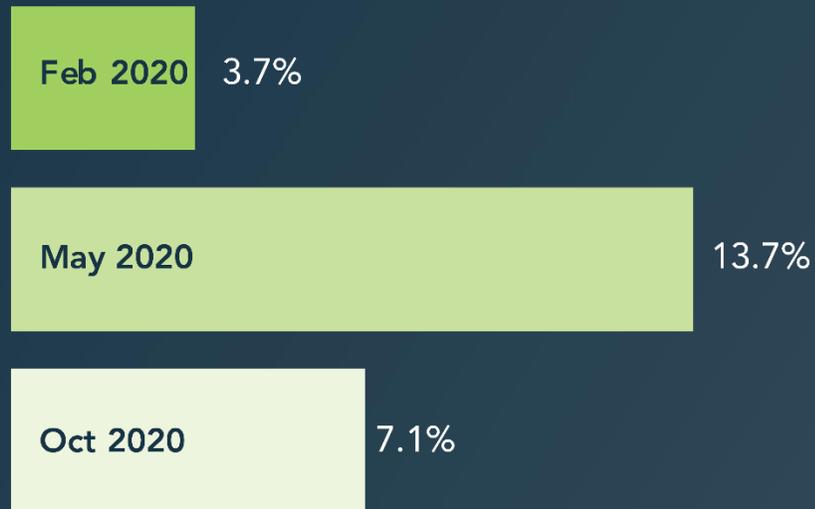
Riverside County Unemployment



San Bernardino County Unemployment

- Unemployment is now at 9.0% in October, down from 15.1% in May.
- Top Five Sectors Driving 2019-2020 Job Loss (-100,900 total)
 - Eating & Drinking: -33,518 (-24.5%)
 - Travel & Amusement: -11,894 (-31.1%)
 - Retail Trade: -13,407 (-7.4%)
 - Manufacturing: -9,121 (-9.0%)
 - Other Services: -8,194 (-17.9%)
- Major Issues
 - 2019 Poverty down to 13.3% (SB) & 11.3% (Riv).
 - 2019 High school/less schooling was 44.0% in 2019 down from 47.4% in 2010.
 - AQMD action may slow logistics growth that still powers the area's job expansion.
 - 2020 Median home prices well below coastal counties but above Pre-Recession levels.
 - 2020 Home sales still flat.

Ventura County



Unemployment

- Even before the onset of the pandemic, Ventura County was experiencing a prolonged period of weakness.
- The county's labor force shrank in each of the last 7 consecutive years.
- The county's population declined in 3 of the last 4 years, and net domestic migration has been negative since 2011.
- Ventura County GDP growth declined in 4 of the last 5 years.
- Job growth is dominated by low-paying sectors, while high paying sectors are in sustained decline. This divide is creating an increasingly bi-model distribution of incomes in Ventura County.
- Because the impacts of the pandemic are felt disproportionately among the economically vulnerable, we expect pre-pandemic compositional changes to accelerate.

Key SCAG Region Issues

- The Beginnings of a Recovery — Taxable sales and unemployment projections SCAG published in May 2020 have been updated and in today's event Briefing Book
- "Shape" of recovery now dependent on timing and efficacy of vaccines, any additional federal stimulus support
- Surging winter cases could trigger additional lockdowns, prolonging recovery timeline
- COVID-19's disproportionate impact on lower-income communities
- "Necessity is the mother of invention" — Innovations & Adaptations

Launching an Inclusive Economic Recovery Strategy

- SCAG has formed a Special Committee on Equity and Social Justice to support the centering of racial equity in its work program
- SCAG will lead the development of an Inclusive Economic Recovery Strategy.
- Preliminary work involves generating new sets of data that shed light on indicators of equity and inequity across the region.
 - In May 2020 SCAG published an interactive dashboard which includes indicators of potential vulnerability to COVID-19 for each of the 191 cities and six counties in the region. This data was updated in October 2020.
 - In early 2021, SCAG will publish a report of economic equity indicators based on a partnership with the National Equity Atlas.

Launching an Inclusive Economic Recovery Strategy

- Building on the work in this summit and the data provided today and in the coming National Equity Atlas report, in 2021 SCAG will lead the development of an Inclusive Economic Recovery Strategy. The process will involve convening leaders that reflect the diversity of our people, counties and industries to shape the strategy.
- We expect that the strategy may include:
 - Best practices
 - Policy recommendations
 - Resource Hub
 - State and Federal legislative strategy

THANK YOU!

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