
News Release

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LA County should see steady economic growth through 2022 *Local, regional forecasts to be unveiled Thursday at SCAG Economic Summit*

The next five years represent a period of economic recovery and transition for Los Angeles County as it continues to overcome the challenges posed by the COVID-19 pandemic, a new forecast shows.

The report, prepared for the Southern California Association of Governments (SCAG) by top economists, offers a promising, but cautious post-pandemic forecast for Southern California as a whole, noting that the strength, resilience and diversity of the regional economy helped avoid what could have been a far more serious downturn.

For Los Angeles County, the recovery is complicated by labor market shifts and socioeconomic inequities that were exacerbated by the pandemic, the analysis shows. Employment is projected to grow by about 91,000 jobs annually from 2020-2025. The highest number of new jobs will be in occupations that require a high school diploma or less, which are often lower-paying and lower-skilled.

At the same time, as is the case throughout the SCAG region, housing is becoming more and more expensive, with the average price for a new detached home rising to nearly \$1.2 million.

“We continue to face challenges on multiple fronts – a pandemic unlike anything we’ve experienced in our lifetimes, a resulting economic downturn worse than anything we’ve seen since the Great Depression and an equity gap that has reached historic levels. Moving forward – to 2022 and beyond – creating an environment where everyone has the opportunity to succeed is essential to building a strong, resilient, sustainable economy,” said Rex Richardson, Vice Mayor of Long Beach and Past President of SCAG.

For Southern California as a whole, most of the economists who participated in the SCAG study expect that the region will regain all pre-pandemic employment losses by mid-2023. Today, the six counties that comprise SCAG are more than a half million (507,000) jobs below their February 2020 totals, even after having added 1.21 million over the past 19 months. As a result, the region’s unemployment rate – 7.2% in September – has remained above both the state and national averages.

“We are starting to see what the post-COVID economy will look like, and it’s clear that we have significant challenges and opportunities ahead,” said Clint Lorimore, President of SCAG and an Eastvale City Councilmember. “On the plus side, Southern California’s role as a supply chain leader has never been more important. We’re also seeing remarkable advances in technology and innovation across

multiple industry sectors. At the same time, our tourism industry was essentially shut down for months, while staffing shortages have hurt many of our retailers, restaurants, manufacturers, trucking operations and small businesses.”

The report will be released Thursday, December 2, during SCAG’s 12th Annual Southern California Summit, “From Inclusive Recovery to Inclusive Growth.” More than 400 leaders in business, public policy, housing and education are expected to participate in the virtual summit.

“Across our region, COVID-19 has provided clarity on the strengths and weaknesses within our economic structure. While we are optimistic about 2022 and beyond, we also have our work cut out for us to ensure that we grow the right way, with a resilient and inclusive recovery,” said Kome Ajise, SCAG Executive Director.

The Los Angeles County portion of the economic outlook was prepared by Shannon Sedgwick, Director of the Institute for Applied Economics at the Los Angeles County Economic Development Corp. For a copy of the complete report for the six-county region, please [click here](#).

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About SCAG

SCAG is the nation’s largest metropolitan planning organization, representing six counties, 191 cities and more than 19 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG, please visit: www.scag.ca.gov.