

14TH ANNUAL SOUTHERN CALIFORNIA ECONOMIC SUMMIT

ACCELERATING THE REGION

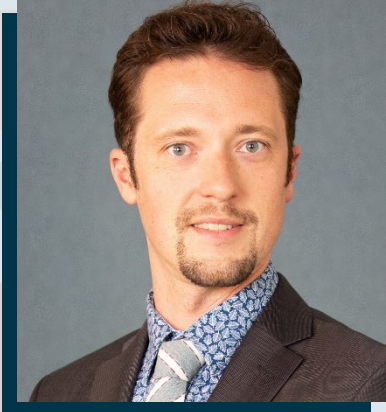
ECONOMIC UPDATE & OUTLOOK FOR 2024



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SCAG Economic Roundtable

IMPERIAL COUNTY

Michael Bracken, *Managing Partner & Chief Economist, Development Management Group, Inc.*

LOS ANGELES COUNTY

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

ORANGE COUNTY

Wallace Walrod, *Chief Economic Advisor, Orange County Business Council*

RIVERSIDE & SAN BERNARDINO COUNTIES

Manfred Keil, Robert Kleinhenz & Fernando Lozano, *Inland Empire Economic Council*

VENTURA COUNTY (AND SCAG REGION)

Mark Schniepp, *Director, California Economic Forecast*

SUSTAINABILITY

David Roland-Holst, *Managing Director, Berkeley Economic Advising and Research*

EQUITY

Karthick Ramakrishnan, *Professor of Public Policy, University of California, Riverside*



Economic Summit Resources

The Regional Briefing Book, Event Program Book and the Economic Update & Outlook presentation are available. Scan the QR code.



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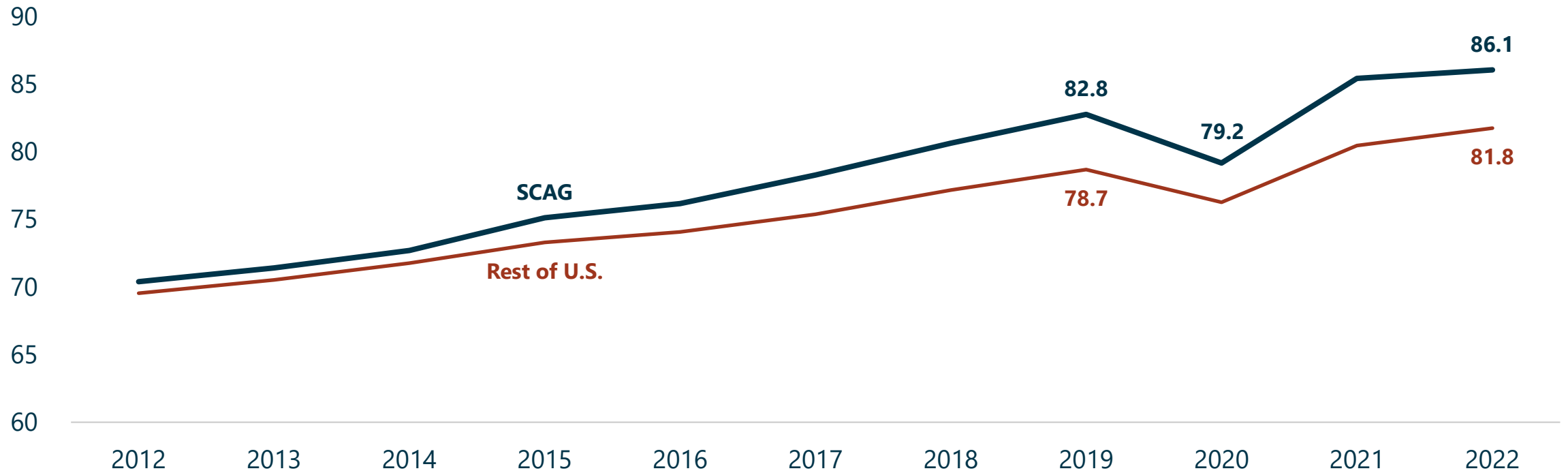


@SCAGmpo

SCAG REAL GDP PER CAPITA EXCEEDS U.S.

SCAG region's standard of living is back on the pre-pandemic growth trend and consistently higher than in the rest of the U.S.

Thousands 2023 Dollars Per Capita

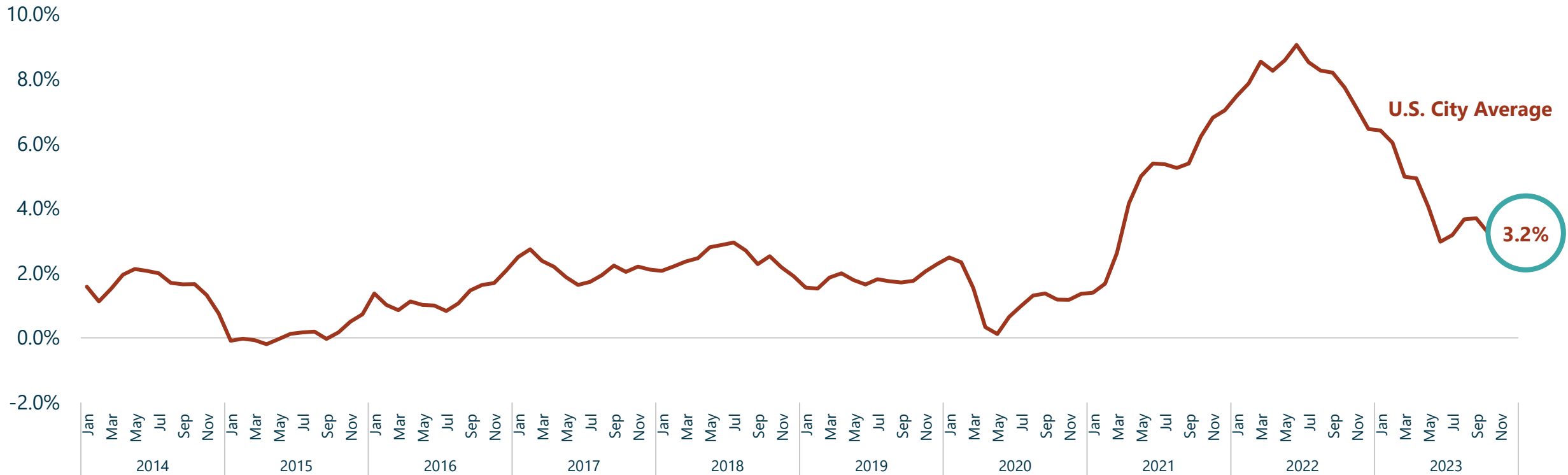


Notes: GDP for 2022 is projected. Based on data from Federal Reserve Economic Data and California Department of Finance.

INFLATION COOLING OFF

Inflation in the SCAG region is on a downward trend from 2022 highs and lower than average inflation for U.S. cities.

Year-Over-Year Inflation Rate

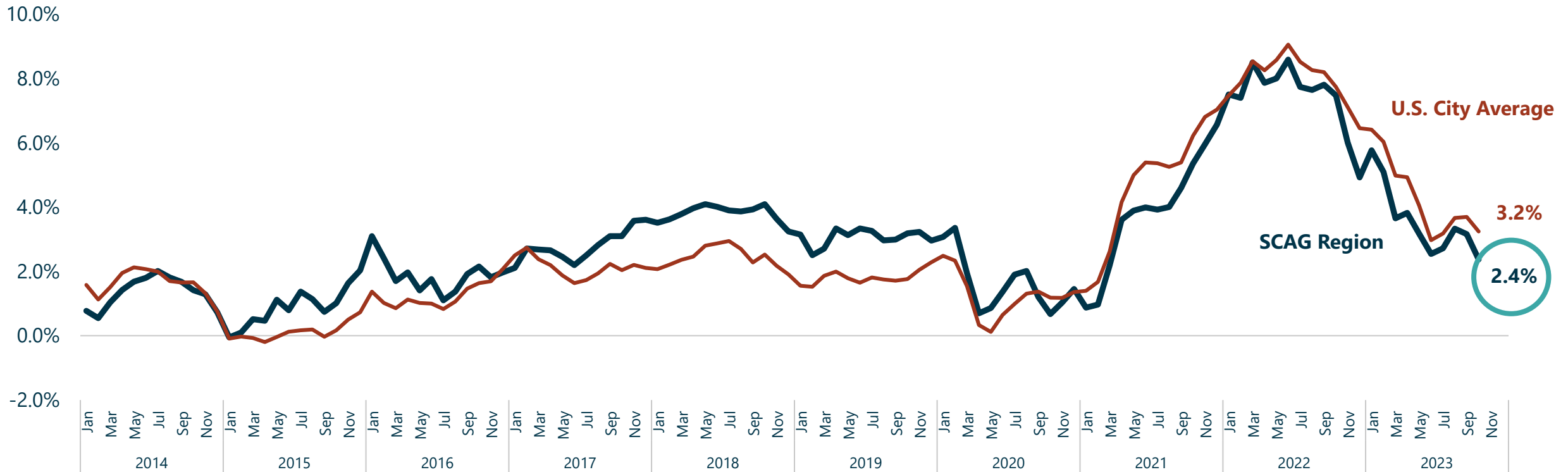


Notes: Inflation computed as year-over-year percent change in monthly CPI as of October 2023. Los Angeles MSA CPI used for SCAG Region. Data from the Bureau of Labor Statistics.

INFLATION COOLING OFF

Inflation in the SCAG region is on a downward trend from 2022 highs and lower than average inflation for U.S. cities.

Year-Over-Year Inflation Rate

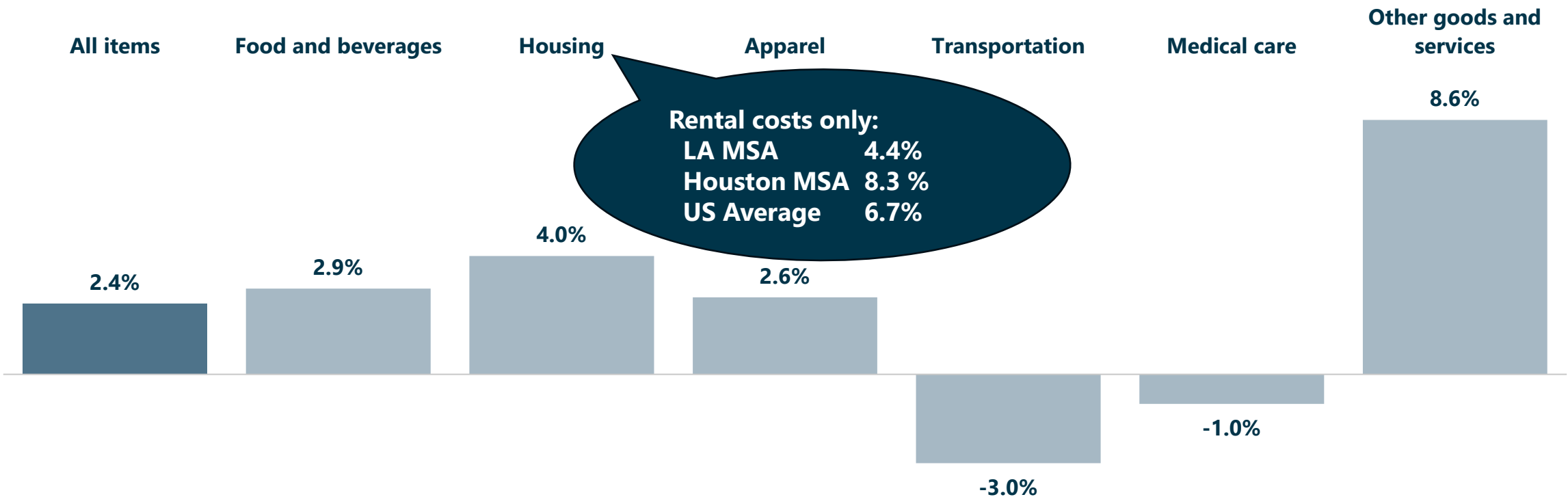


Notes: Inflation computed as year-over-year percent change in monthly CPI as of October 2023. Los Angeles MSA CPI used for SCAG Region. Data from the Bureau of Labor Statistics.

SCAG INFLATION VARIES BY EXPENDITURE

Price inflation for housing and other goods and services is driving the SCAG region's overall inflation.

Year-Over-Year Inflation (Percent)

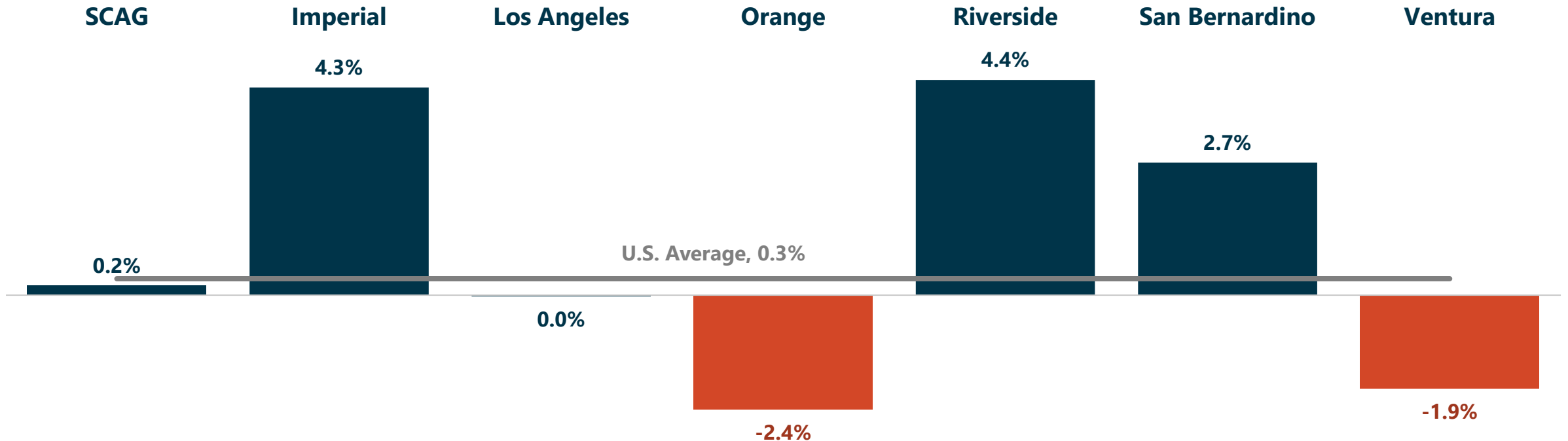


Notes: Inflation computed as year-over-year percent change in monthly CPI as of October. Los Angeles MSA CPI used for SCAG Region. Data from the U.S. Bureau of Labor Statistics.

REAL HOUSEHOLD INCOME UP IN INLAND COUNTIES

SCAG 2022 real household incomes are slightly higher than before the pandemic. Imperial, Riverside and San Bernardino see large increases.

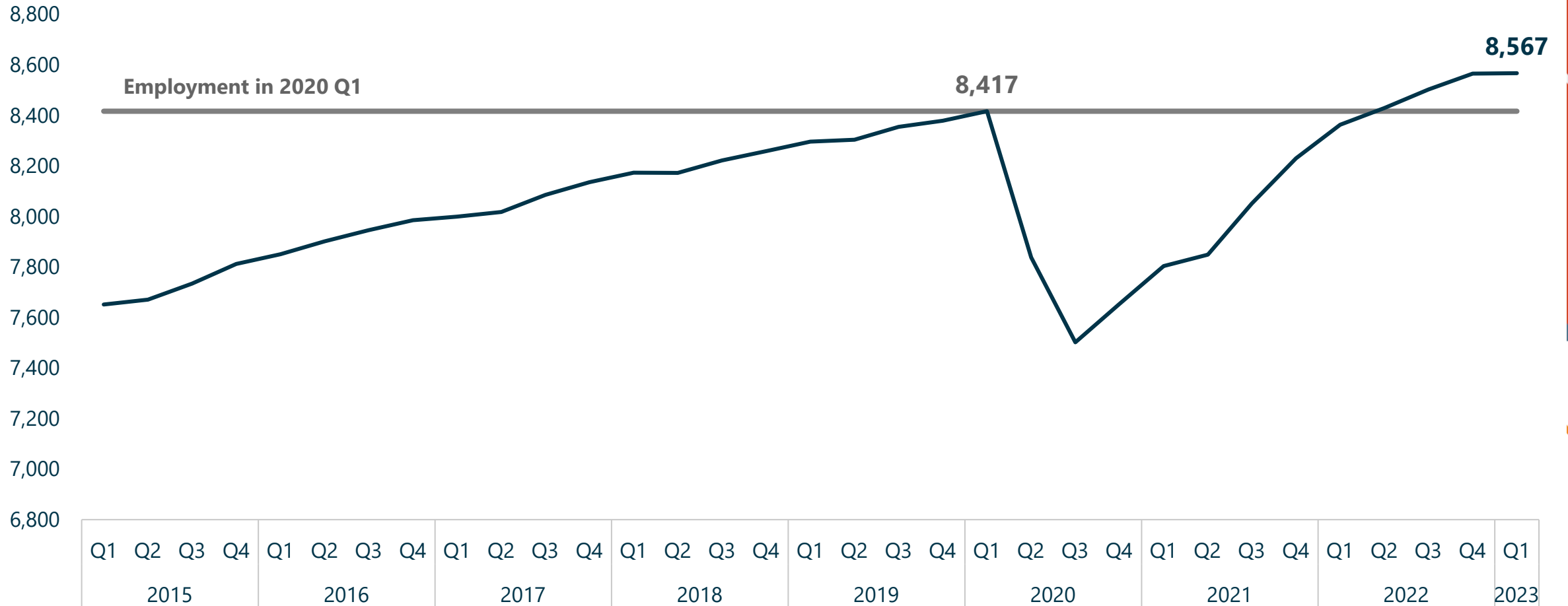
Percent Change, 2019 to 2022



Notes: Median household income reported for individual counties. SCAG income is the population-weighted average of household income in member counties. LA MSA CPI used to inflate to 2023 dollars. Data from American Community Survey 1-year Sample, 2019 and 2022. CPI from the Bureau of Labor Statistics.

NUMBER OF SCAG REGION JOBS EXCEED PRE-PANDEMIC JOBS

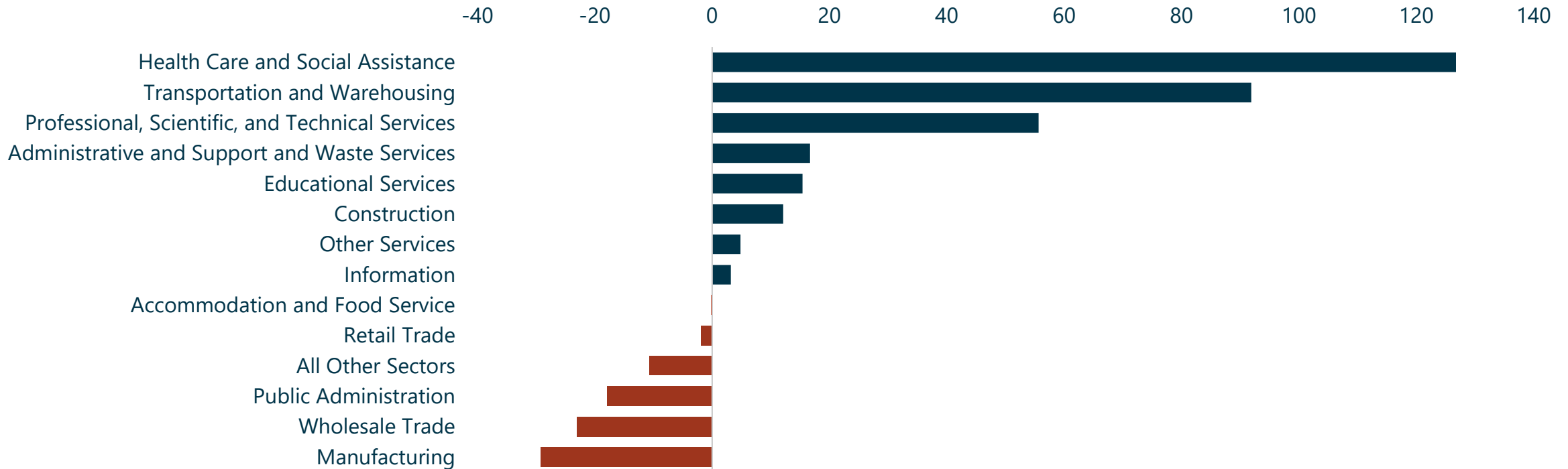
Thousands of Jobs



HEALTH CARE SECTOR DOMINATES POST-PANDEMIC JOB GROWTH

SCAG region's largest **job growth** in Health Care, Transportation and Warehousing, and Professional Services. Largest **job losses** in Manufacturing and Wholesale Trade.

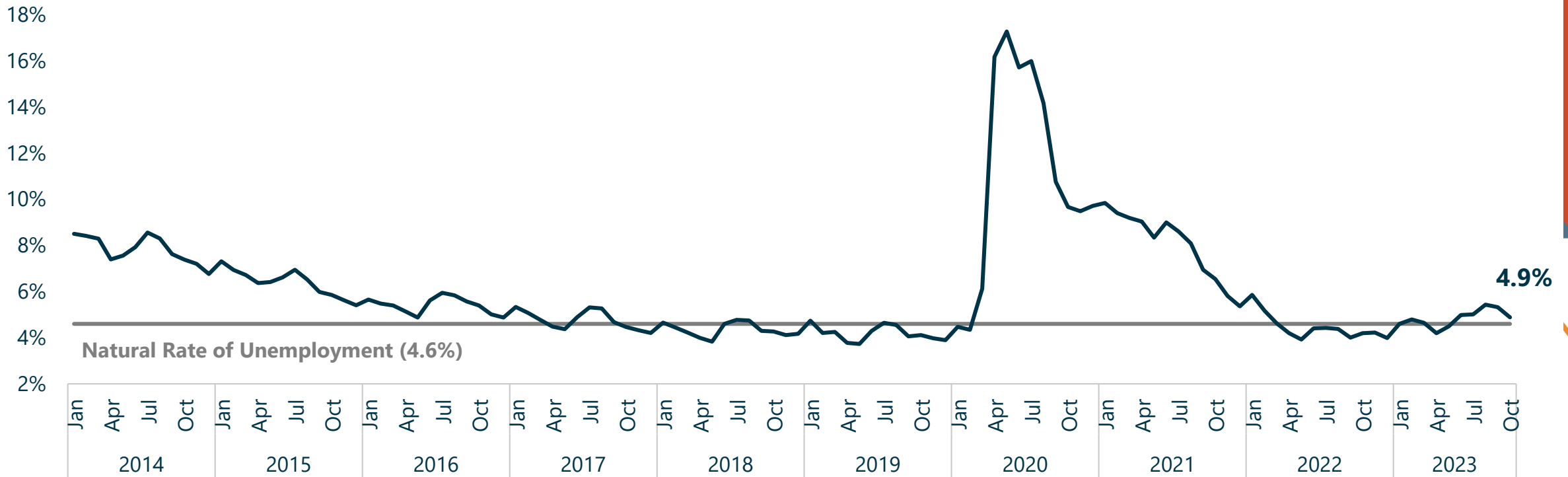
Total Job Growth 2019-2023, Thousands



UNEMPLOYMENT STAYS LOW DESPITE HEADWINDS

SCAG region's unemployment rate hovering around a normal rate of unemployment despite labor market disruptions.

Unemployment Rate

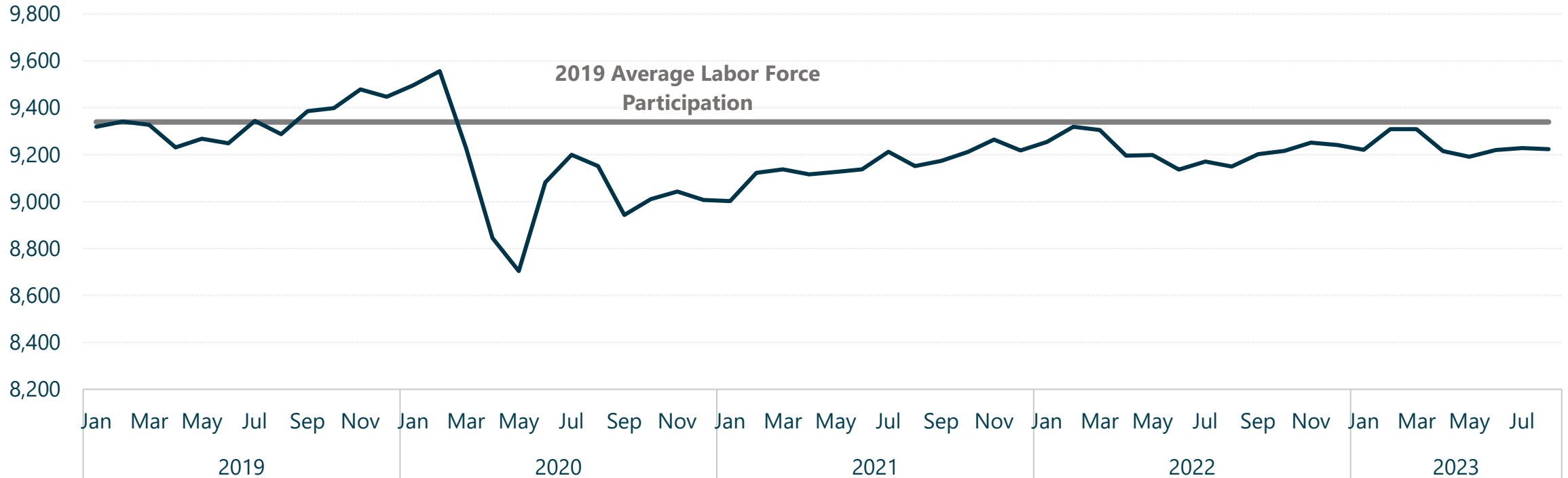


Data from California Employment Development Department

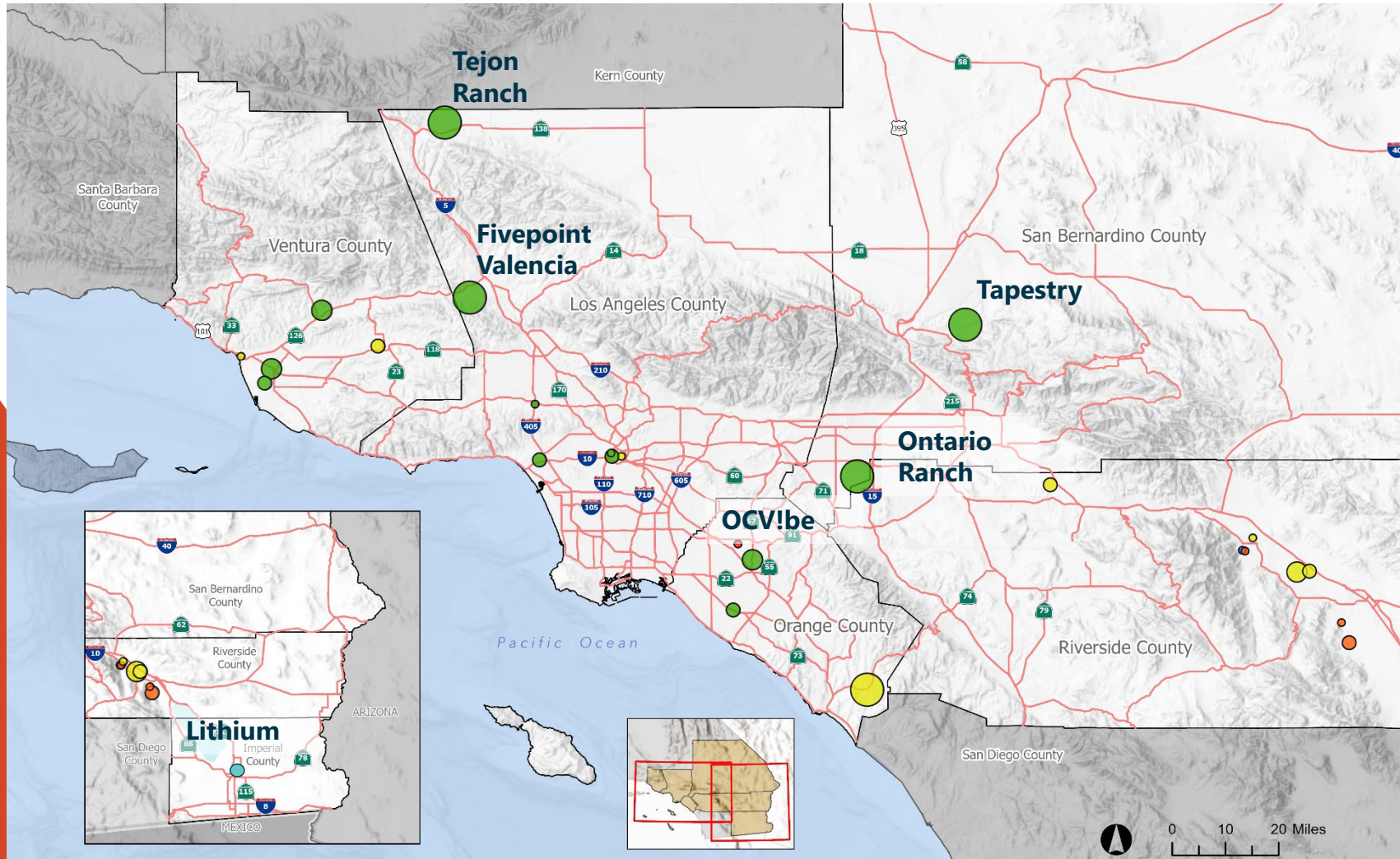
SMALLER LABOR FORCE BRINGS OPPORTUNITIES

Population shocks shrink labor force and bring opportunities to increase participation from historically excluded groups.

Thousands of Labor Force Participants



KEY DEVELOPMENTS DRIVING GROWTH



Project Type

- Mixed Uses
- Housing
- Hotel and Housing
- Retail
- Hotel
- Energy
- Freeway

Total Housing Units

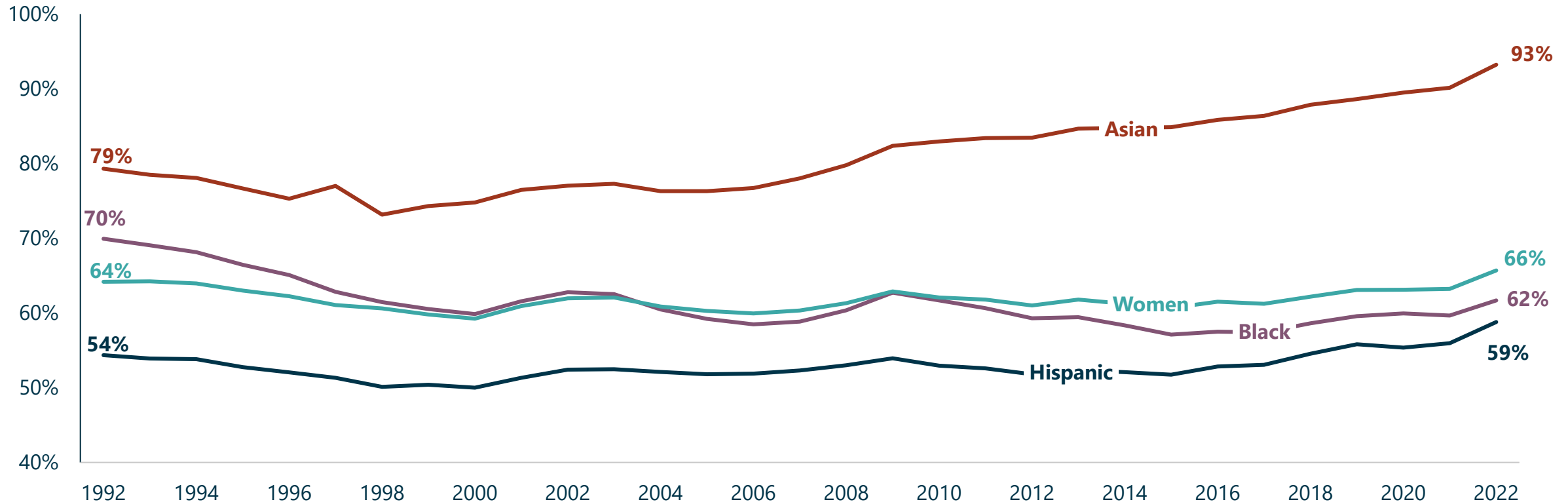
- Less than or equal to 475
- 475.01 - 1,069
- 1,069.01 - 1,900
- Greater than 1,900

Source: SCAG 2023

EQUITY CHALLENGES AND OPPORTUNITIES

Race and gender wage disparities are large and persistent, but post-pandemic reduction in the gap across all groups offers hope.

Percent of White Men's Wages

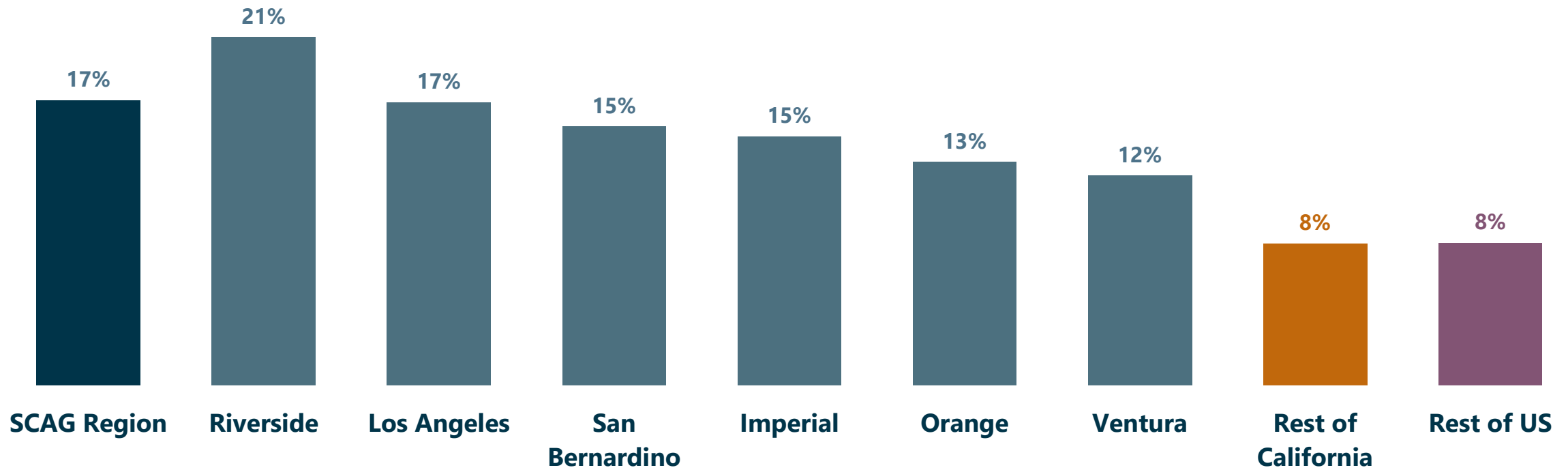


Notes: Includes wage and salary workers only. Hispanic include all races. Based on data from the U.S. Census Bureau, Quarterly Workforce Indicators (1990-2022).

EQUITY CHALLENGES AND OPPORTUNITIES

Region and county economic output would be significantly larger by eliminating race and gender wage inequity.

Percent of GDP, 2021

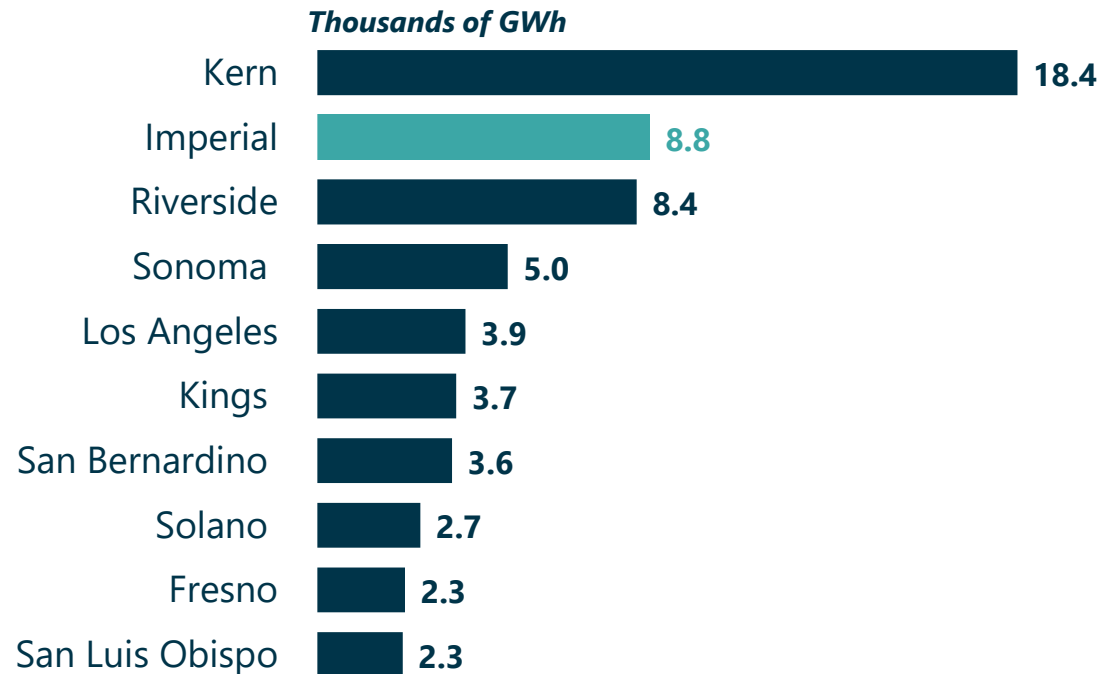


Notes: Based on methods in Buckman, et al. (2021) using data from American Community Survey 1-year Survey PUMS (2021).

IMPERIAL COUNTY HIGHLIGHTS

Imperial County is a leader in renewable energy production in California.

Top 10 Renewable Energy-Producing Counties in California



Key Indicators for Imperial County

October 2023 Unemployment Rate

19.3%

Change from last month

Up 0.8 percentage points

Change from last year

Up 2.4 percentage points

2022 Real Median Household Income

\$58,974

Change from last year

Up 3%

Change from 2019

Up 4.3%

New Housing Units from Permits, 2023

14,148

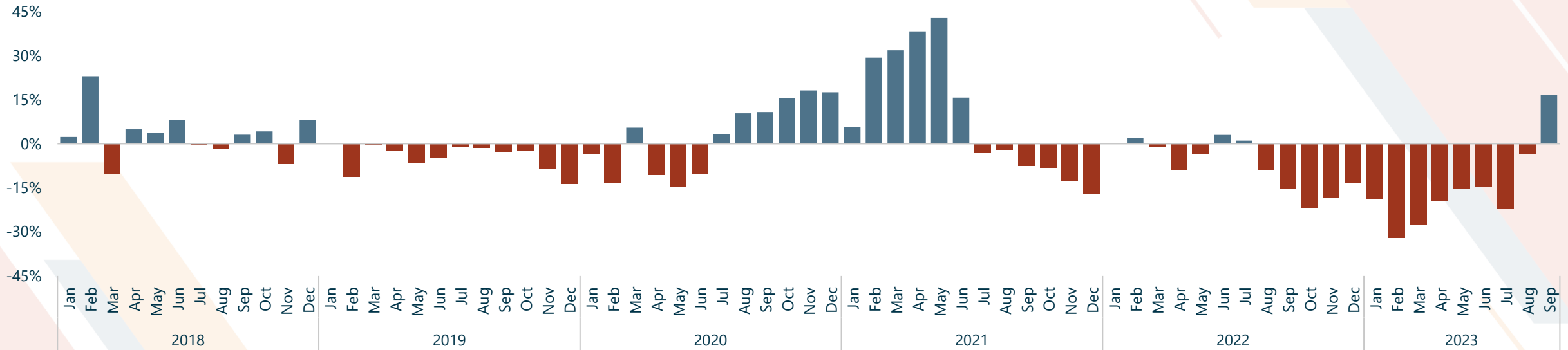
Change from last year

Up 1.2%

LOS ANGELES COUNTY HIGHLIGHTS

Los Angeles County port container traffic is on the rebound.

Year-Over-Year Percent Change in Container Traffic at Ports of Los Angeles and Long Beach



Key Indicators for Los Angeles County

October 2023 Unemployment Rate

5.0%

Change from last month

Down .8 percentage pt

Change from last year

Up .5 percentage pt

2022 Real Median Household Income

\$84,911

Change from last year

-0.9%

Change from 2019

On par

New Housing Units from Permits, 2023

15,816

Change from last year

Down 39.2%

ORANGE COUNTY HIGHLIGHTS

Robust job growth is projected for Orange County, with lower- and mid-wage jobs dominating growth.

Projected Employment Growth in Orange County's Largest Sectors, 2020-2030

Thousands of Jobs



Key Indicators for Orange County

October 2023 Unemployment Rate

3.7%

Change from last month

on par

Change from last year

Up 1 percentage point

2022 Real Median Household Income

\$111,183

Change from last year

Down 1.7%

Change from 2019

Down 2.4%

New Housing Units from Permits, 2023

14,148

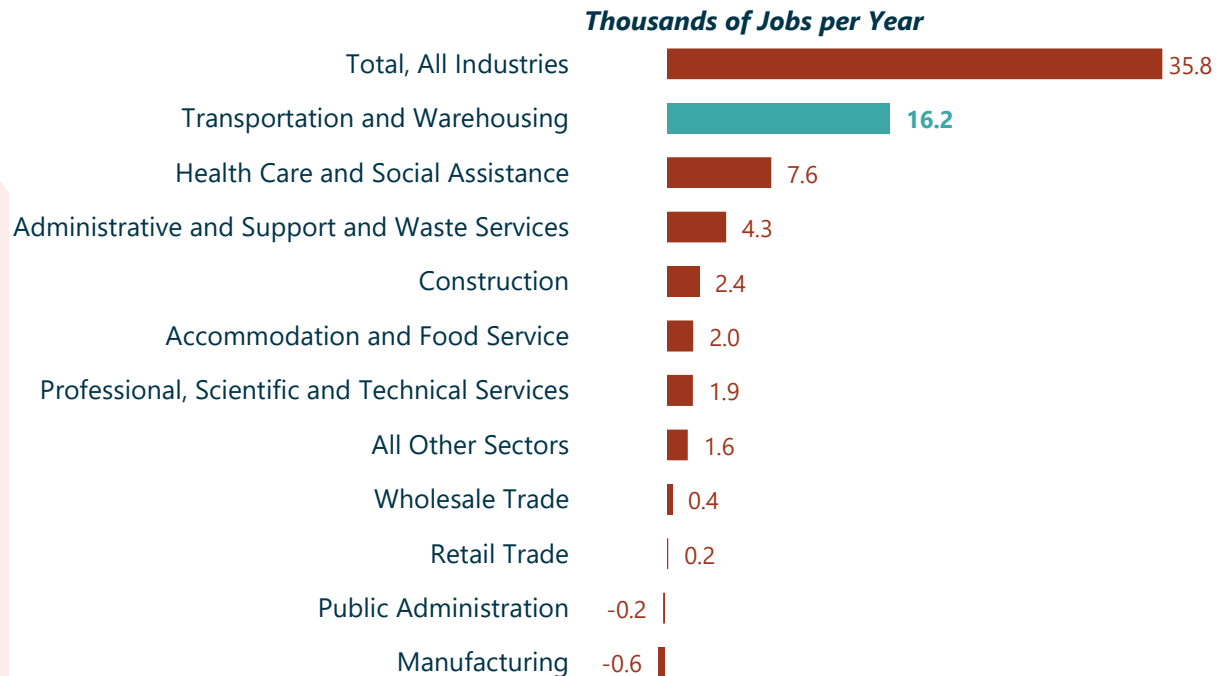
Change from last year

Up 1.2%

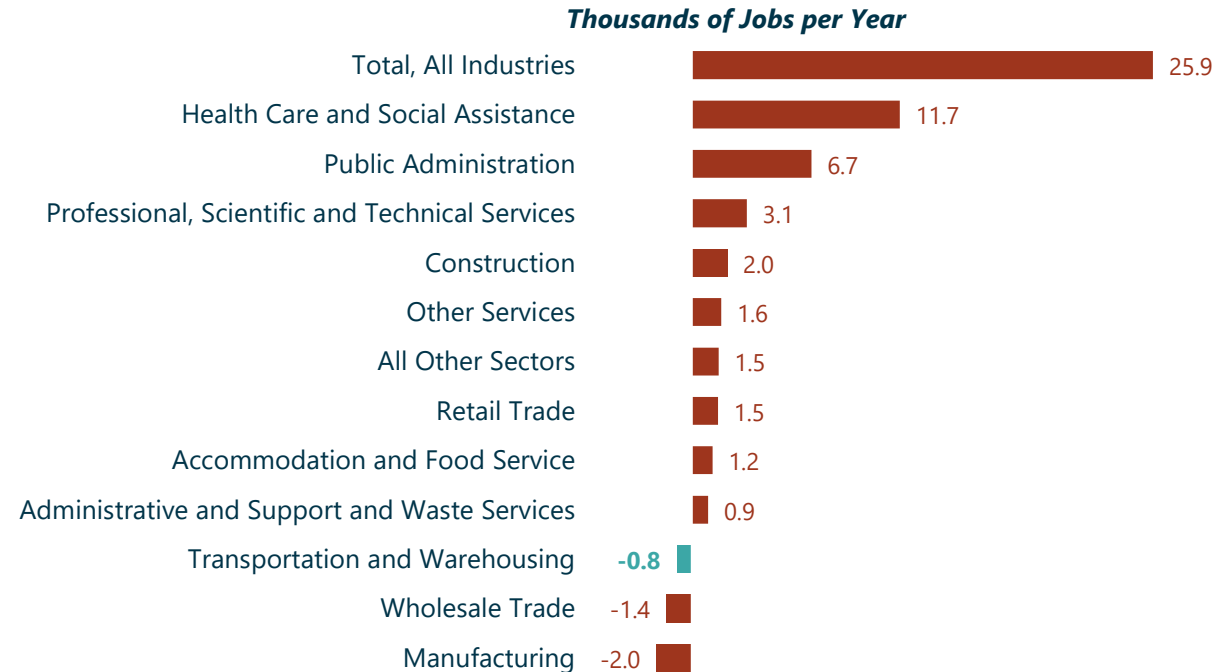
RIVERSIDE AND SAN BERNARDINO HIGHLIGHTS

The Transportation and Warehousing sector has been a driver of job growth over the past 5 years but faces contraction in 2023.

Average Annual Job Growth between 2018 and 2023



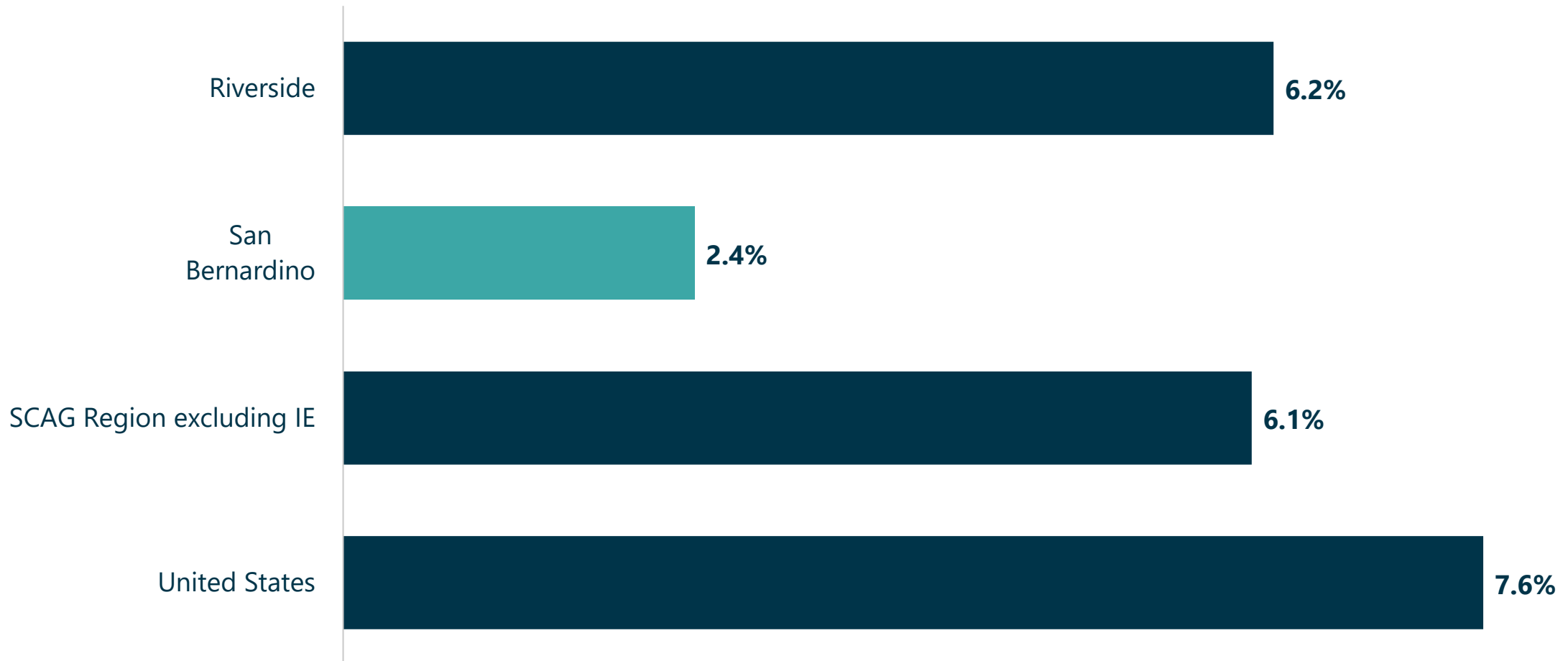
Average Annual Job Growth between 2022 and 2023



Notes: Includes wage and salary employment only. "All Other Sectors" includes sectors accounting for less than 10 percent of employment. Based on data from the California Employment Development Department (2018-2023).

RIVERSIDE AND SAN BERNARDINO HIGHLIGHTS

Growth in Educational Attainment, 2019 to 2022



RIVERSIDE HIGHLIGHTS

	Riverside
October 2023 Unemployment Rate	5.2%
Change from last month	Up 0.1 percentage pt
Change from last year	Up 1.1 percentage pt
2022 Real Median Household Income	\$89,266
Change from last year	Up 2.1%
Change from 2019	Up 4.4%
New Housing Units from Permits	12,754
Change from last year	Up 9.2 %

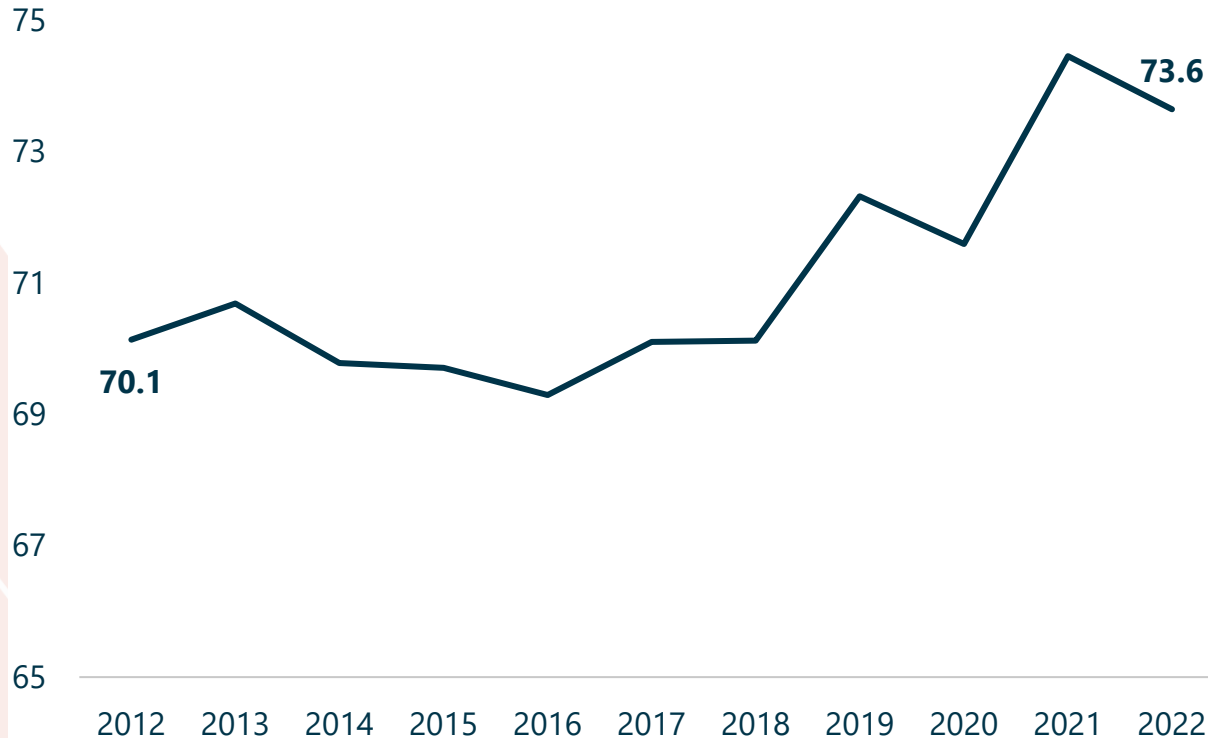
SAN BERNARDINO HIGHLIGHTS

	<u>San Bernardino</u>
October 2023 Unemployment Rate	5.0%
Change from last month	Up 0.2 percentage pt
Change from last year	Up 1.1 percentage pt
2022 Real Median Household Income	\$81,387
Change from last year	Down 1.7%
Change from 2019	Up 2.7%
New Housing Units from Permits	7,136
Change from last year	Up 37%

VENTURA COUNTY HIGHLIGHTS

Ventura GDP per capita is at a 10-year high.

GDP Per Capita, Thousands 2022 Dollars



Key Indicators for Ventura County

October 2023 Unemployment Rate

4.5%

Change from last month
Change from last year

Up 0.1 percentage point
Up 0.9 percentage point

2022 Real Median Household Income

\$105,546

Change from last year
Change from 2019

Down 1.0%
Down 1.9%

New Housing Units from Permits, 2023

912

Change from last year

Down 63%

Southern California has remained resilient, despite threats of a recession for more than a year. We're entering the new year with economic momentum.

WHAT TO DO WITH A SOFT LANDING?



- Celebrate solid economy in 2023 despite obstacles.
- Prepare for a slowing economy in 2024.
- Reduce obstacles for growth and nurture resilience.