The Inland Empire should see steady economic growth through 2022
Local, regional forecasts to be unveiled Thursday at SCAG Economic Summit

The Inland Empire is poised for steady economic growth in 2022 as it moves past the “significant short-term pressures” brought on by the COVID-19 downturn, 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 recession.

For San Bernardino and Riverside counties, the strength of the logistics sector has and will continue to provide a competitive advantage, with the surge in e-commerce and goods movement generally since the start of the pandemic. The sector actually added 21,100 jobs in the Inland Empire in 2020 and is on track for at least another 26,800 this year. Overall, the IE should see a gain of 69,000 jobs in 2021, more than offsetting the 65,692 jobs lost in 2020.

As is the case throughout Southern California, the IE’s hospitality sector has not fared quite as well, as a result of pandemic-related closures for much of 2020 and into 2021. Restaurants, stores, entertainment venues and hotels “are slowly recovering, but the Delta variant has inhibited them due to a continuing need for masks and people’s fears,” the report states.

“As one of California’s fastest-growing population and economic centers before the pandemic, the Inland Empire has been well positioned to weather the downturn of the past 18 months. Even with the challenges COVID has created, we believe 2022 and beyond hold great promise for our two counties,” said Jan Harnik, Mayor Pro Tem for Palm Desert and First Vice 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 Inland Empire portion of the economic outlook was prepared by John Husing, Principal at Economics & Politics Inc. 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](http://www.scag.ca.gov).