

# The Long-Term Impacts of COVID on the SCAG Regional Economy— Factors to Consider and an Opportunity to Pursue

Stephen Levy, Center for Continuing  
Study of the California Economy  
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# An Opportunity to Pursue

- Distinguishing mitigating the immediate economic pain from getting back to “normal” and the more ambitious goal of strengthening and broadening prosperity—goals of the SCAG regional plans
- There is already talk in California leadership circles of a “recovery bond” which is really new stimulus funding in contrast to simply replacing lost wages.

# Outline of a Major State Stimulus Effort

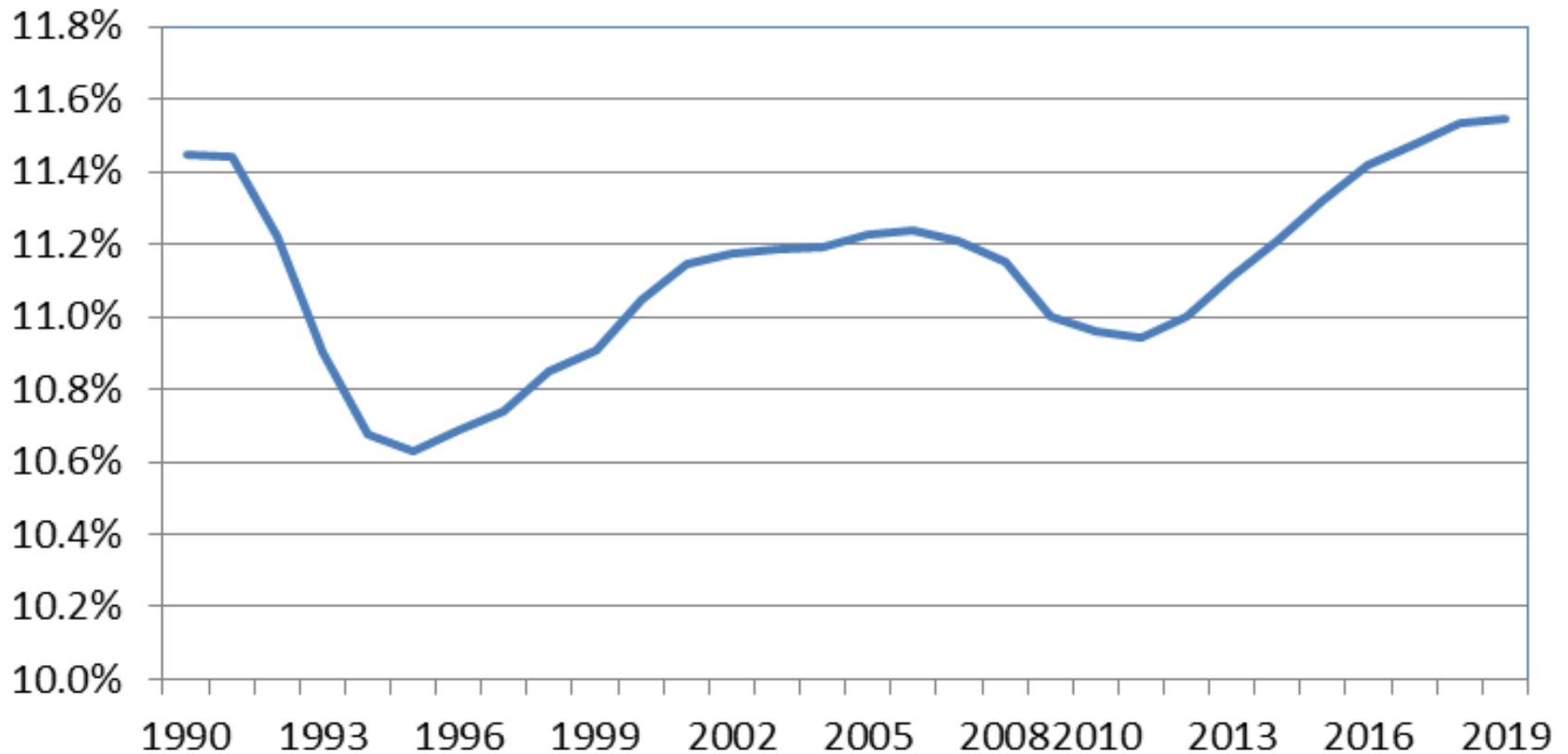
- How to make it a triple bottom line set of investments
- Accelerate funding for low income housing
- Accelerate funding of existing backlogs of transportation investments
- Accelerate energy saving and GHG emission reduction investments
- These investments create jobs, build and repair our infrastructure and are climate friendly

# Factors in the Long-Term Growth of the SCAG region

- SCAG region growth depends on the size and composition of national growth and how the region is poised to compete for a share of national job growth
- Has COVID changed any of the long-term growth trends

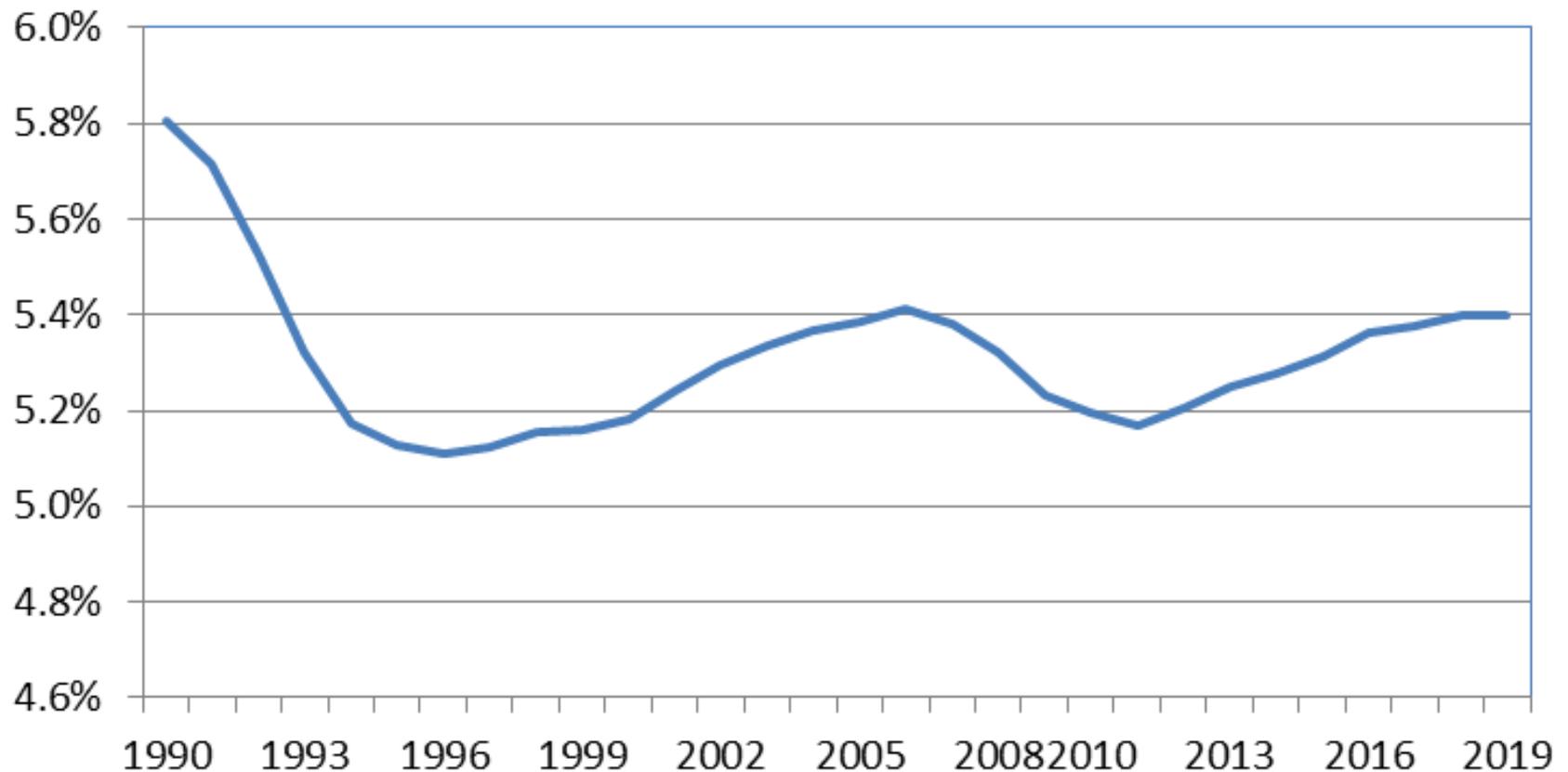
# The State Share of U.S. Jobs Has Been Increasing

## California Share of U.S. Jobs



# The Regional Share of U.S. Jobs Has Been Increasing

## SCAG Region Share of U.S. Jobs



# National Trends

- U.S. population growth is determined primarily by birth rates (have been declining) and mostly in the future by immigration. A continuation of recent immigration levels would reduce U.S. population by approximately 6-7%. A continuation for that long is very unlikely.
- U. S. Job levels are determined by population growth and labor force participation and unemployment rates (both of which have trended positive for job growth relative to population).

# Composition of Job Growth

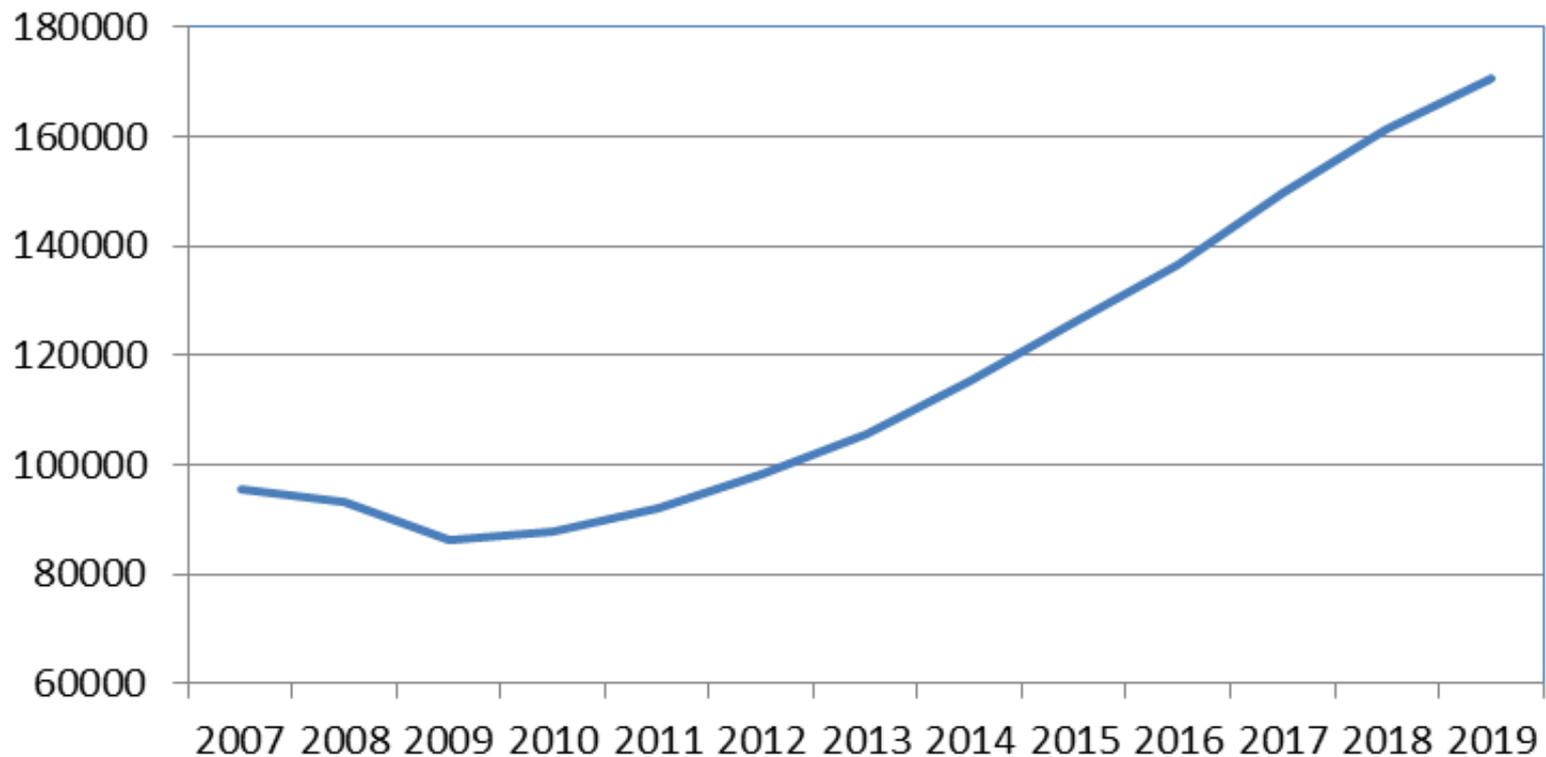
- There is always uncertainty regarding job trends far into the future.
- But the question for the impact of COVID on the region's long-term growth is whether any impacts are long lasting and whether they favor or hinder **relative** growth in the SCAG region.

# Does the SCAG Region Have a Competitive Set of Industries

- The region benefits from trade from the fast-growing Pacific Rim
- The region is a tourism center
- The region has specialized design firms
- The region is building a tech base
- These sectors performed well in the years since the growth forecast was completed
- While COVID will negatively impact these strengths in the short term, that is unlikely for the 2025—2045 period?

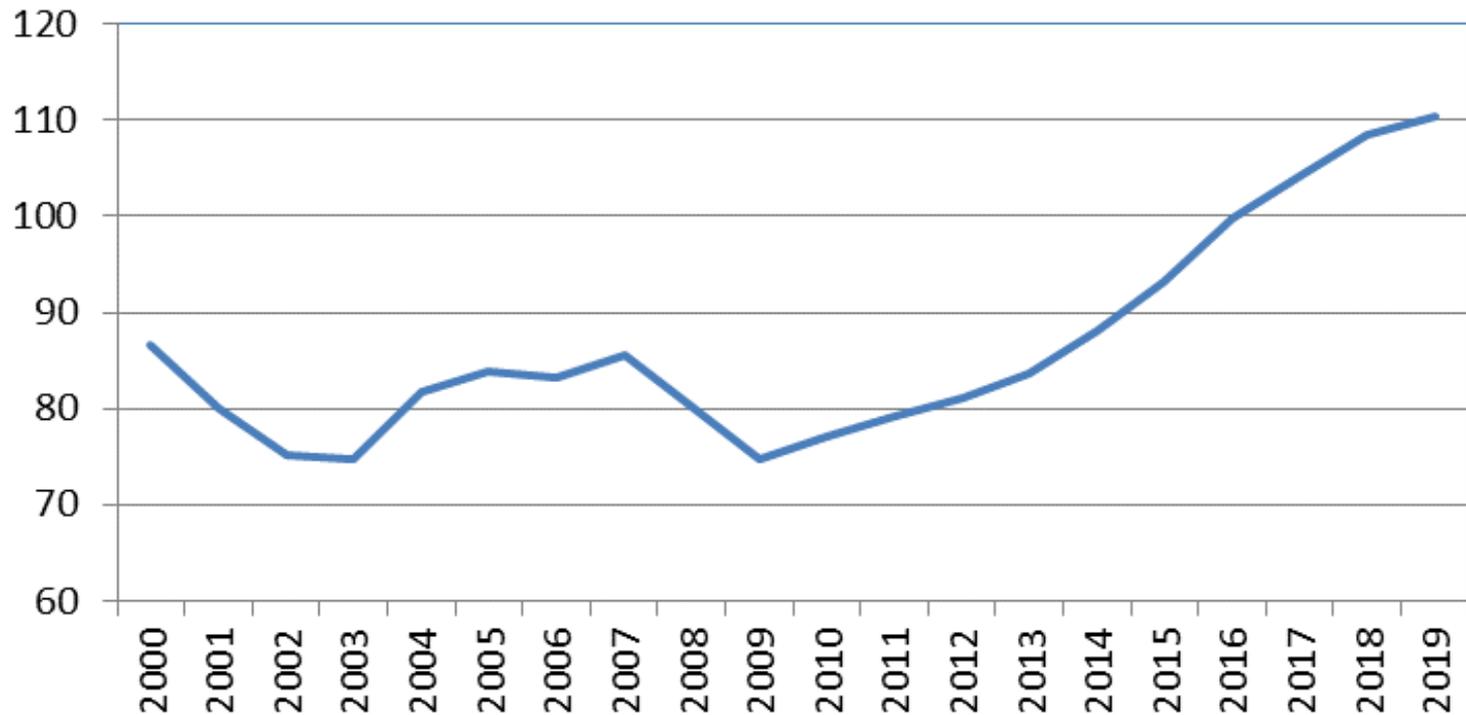
# A Surge in Logistics Jobs

## Logistics Jobs in Riv--SB Metro Area



# Air Travel on the Rise

## Passengers at Major SCAG Region Airports (Millions)



# Regional Challenges and Responses

- Major challenges continue to be housing that is sufficient and affordable and expanding mobility options
- The Connect SoCal regional plan addresses these challenges directly
- In addition the state has and continues to adopt policies and funding in support of more housing that is broadly affordable
- The response to COVID can accelerate these positive responses

# Final Thoughts

- As previous panelists showed, the short-term impacts of COVID are painful in human and economic terms
- Yet the region's strengths shown by strong performance for 2015-19 remain solid and can grow with Connect SoCal successes
- COVID economic stimulus efforts directed at the region's transportation, housing and climate challenges would be an added bonus