

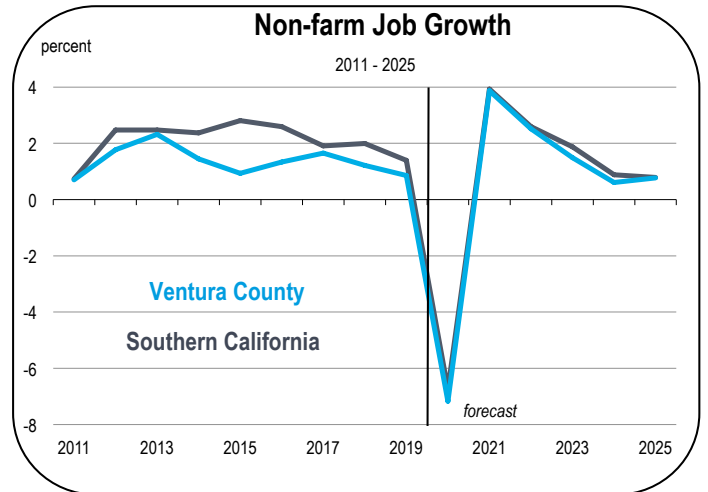
# Ventura County Economic Forecast

## Forecast Summary

- On an annual average basis, approximately 24,000 to 27,000 jobs will be lost in Ventura County during 2020, with heavy job losses in the first half of the year.
- Employment losses will be largest in leisure services, professional business services, government, and retail trade.
- The unemployment rate averaged 3.6 percent in 2019. It will average between 9 and 11 percent for the 2020 calendar year.
- The Ventura County population declined in 2019 and is expected to decline again in 2020 and 2021.
- Housing production will fall sharply in 2020 but should rebound robustly in 2021.
- Home prices are not expected to change much during 2020 or 2021.

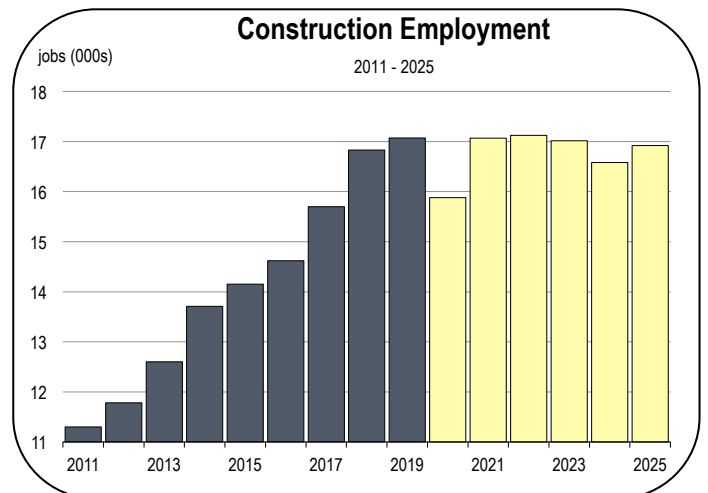
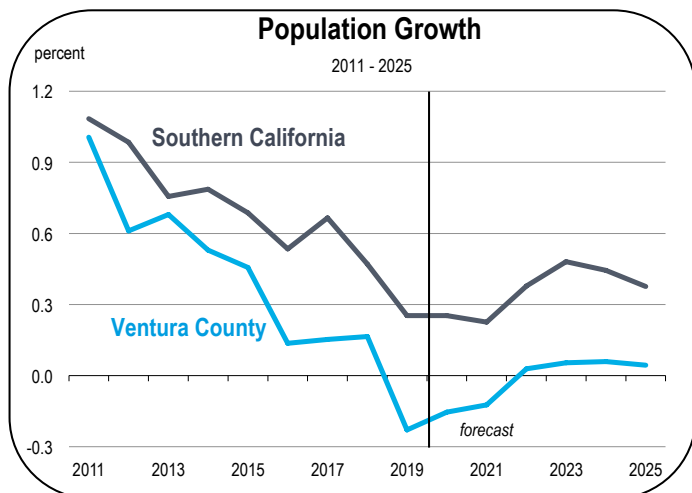
## Job Growth

- Total employment in Ventura County will decline by 7 or 8 percent in 2020. This is an annual average change from 2019.
- In 2021, the county is expected to re-gain many of the jobs lost during the Coronavirus Recession.

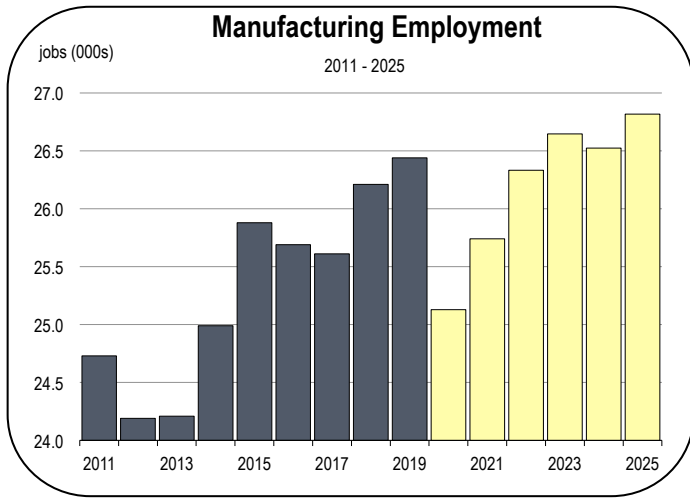


## Construction Employment

- The construction sector is expected to lose at least 1,000 jobs in 2020.
- Most California construction activity was deemed non-essential for several weeks in March and April, leading to significant construction layoffs that average down total employment in 2020.
- Construction employment will expand in 2021 and may return to pre-recession levels relatively quickly.



# Ventura County Economic Forecast

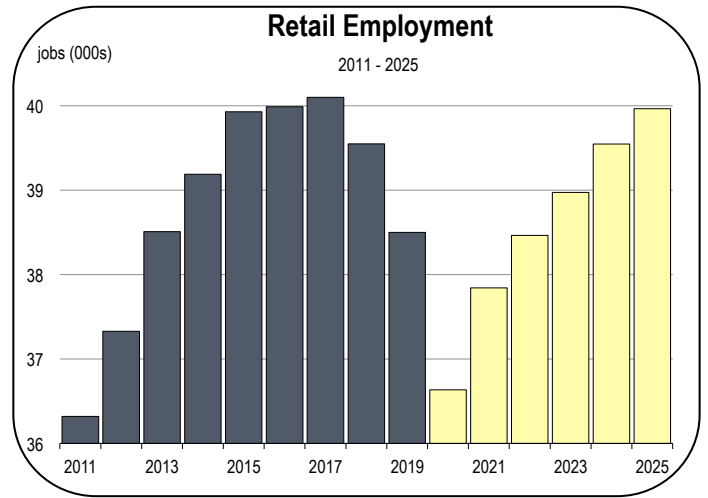
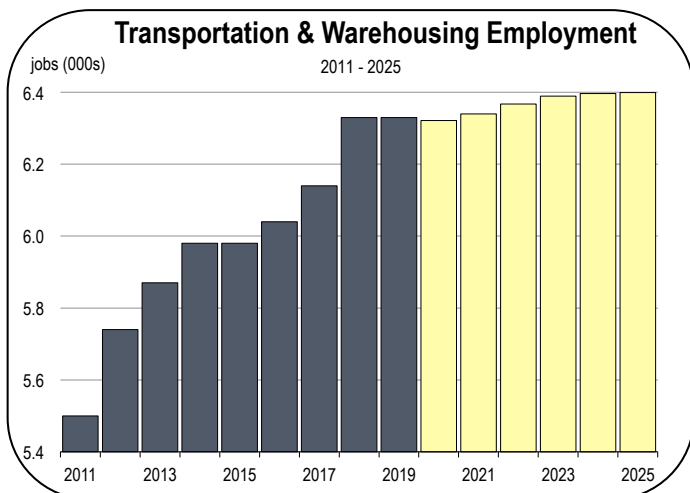


## Manufacturing Employment

- Manufacturing employment is expected to fall by 4 to 6 percent during 2020, a decrease of approximately 1,100 to 1,600 jobs.
- Manufacturing activity is forecast to rebound slowly and may not return to pre-recession employment levels for several years.

## Transportation and Warehousing Employment

- Most transportation jobs in Ventura County are in trucking, warehousing, and local delivery services.
- Job growth in local delivery services was rapid before the Coronavirus Recession, with overall employment levels increasing by 50 percent between 2009 and 2019.
- Local delivery is among the few corners of the labor market that could increase during the acute phase of the Coronavirus Recession.



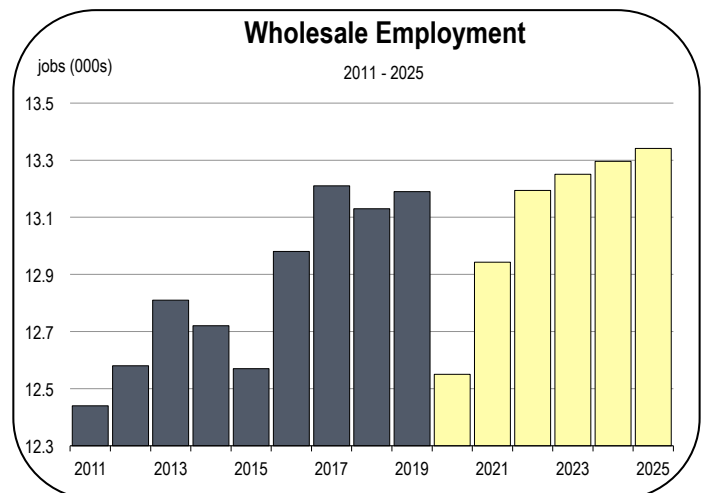
- Overall transportation and warehousing employment declined by a small amount in March and April of 2020 but began to expand again in May during Phase 2 of California’s restart.

## Retail Trade Employment

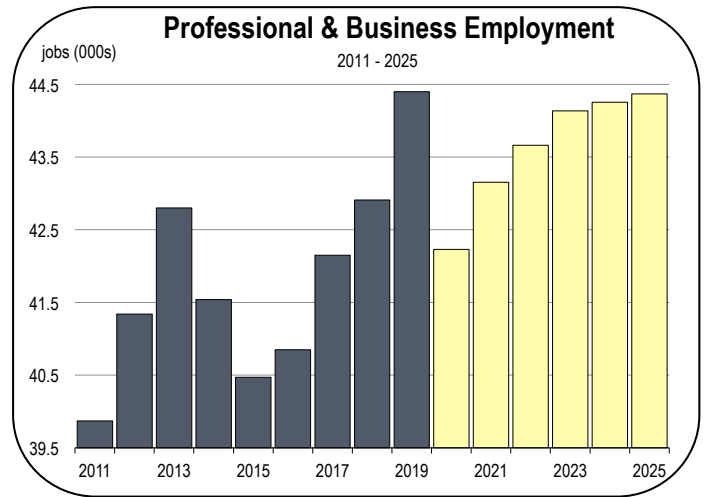
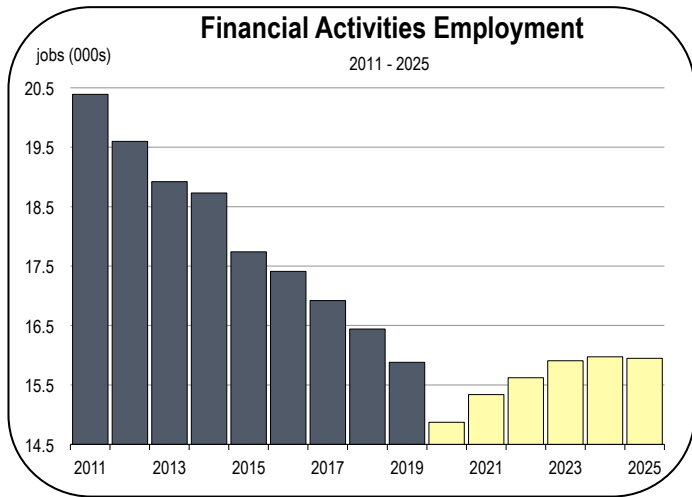
- The retail sector is expected to lose more than 1,500 jobs in 2020 on an annual average basis.
- Many retail chains chose to furlough their employees rather than lay them off completely, and furloughed workers are not considered to be unemployed. This is a technical detail that will mask the true number of work stoppages in the retail sector.
- Accounting for furloughed workers, more than 3,000 retail workers could be effectively not working, and not earning an income, on an annual average basis in 2020.

## Wholesale Trade Employment

- Wholesale trade employment is expected to fall by more than 4 percent on an annual average basis in 2020, a decline of at least 500 jobs.



# Ventura County Economic Forecast



## Financial Activities Employment

- Substantial job declines are expected this year because many employers closed, committing their employees to shelter-in-place for health reasons.
- The most prominent losses are expected in real estate sales and lending.
- There have been far fewer homes on the market in 2020 than in previous years, which should translate into fewer home sales, reducing the need for real estate agents and mortgage brokers.
- Banks reduced their head counts in 2020 due to a temporary reduction of in-person branch visits, but should return to higher levels of employment over the 2021-2025 period.

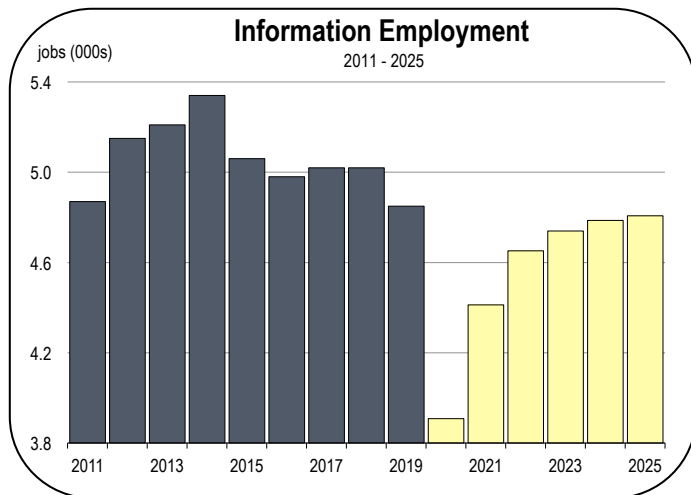
Financial Activities Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Banks and Mortgage Lending	7,200	45.1%
Insurance	3,500	21.7%
Real Estate	2,900	18.1%
Asset Management	500	3.2%
Other	1,900	11.9%

## Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each will be affected differently during the lockdowns and subsequent recovery.
- One of the largest subsectors—staffing agencies—had significant losses during the contraction, but may bounce back quickly once the economy shows more convincing signs of expansion.

Professional & Business Services Sub-Sectors 2019	Jobs in Subsector (000s)	Subsector's Share of Overall Industry
Staffing Agencies	8.2	18.5%
Corporate Headquarters	7.4	16.8%
Building Maintenance	5.9	13.2%
Engineering & Architecture	3.9	8.8%
Custom IT Services	2.8	6.3%
Accounting & Bookkeeping	1.9	4.4%
Law	1.8	4.1%
Business Consulting	1.8	4.0%
Corporate Security	1.5	3.3%
Scientific Research	1.1	2.4%
Other	8.1	18.2%

# Ventura County Economic Forecast

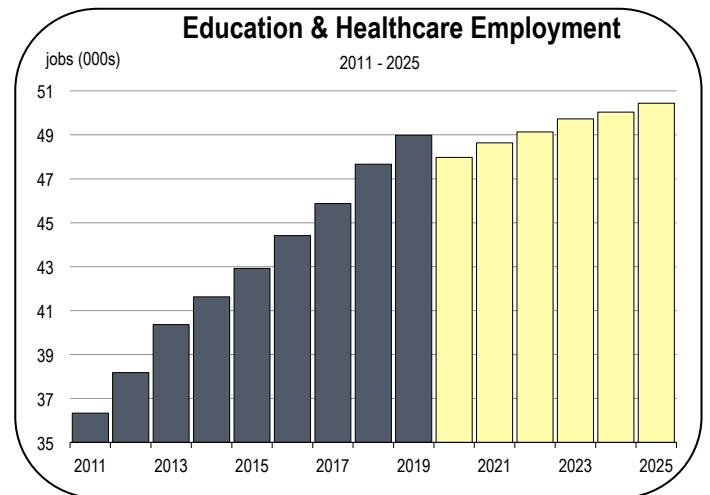


- Staffing agencies primarily employ temp workers. Temp workers are usually laid off first during a downturn but hired back first during a recovery.
- Corporate security and building maintenance jobs also declined substantially, but most workers in other subsectors were able to work from home and were less affected by the recession.

## Information Employment

- In Ventura County, the information sector is dominated by telecommunications firms and movie theaters.
- Telecommunications jobs were classified as essential and these workers largely remained in their jobs during the downturn.
- Losses were heavy at movie theaters, and movie theater jobs could return much more slowly than the rest of the labor market because social distancing requirements will prevent movie theater revenues from returning to normal levels quickly.
- A small number of job losses are expected in newspaper and magazine publishing, both in print and online.

Information Sub-Sectors 2019	Jobs in Subsector	Subsector's Share of Overall Industry
Telecommunications	1,500	31.6%
Movie Theaters	1,200	24.4%
Newspaper / Magazine / Book Publishing	700	14.3%
Data & Internet Services	400	7.7%
Software Publishers	400	7.2%
Movie / TV / Sound Production	200	4.4%
Other	500	10.3%



- Many newspaper and magazine workers were allowed to remain in their jobs, but advertising revenues shrank with the rest of the economy, giving employers little choice but to issue layoff notices.
- There are very few software and data/Internet jobs in Ventura County, but most were largely unaffected by the recession.

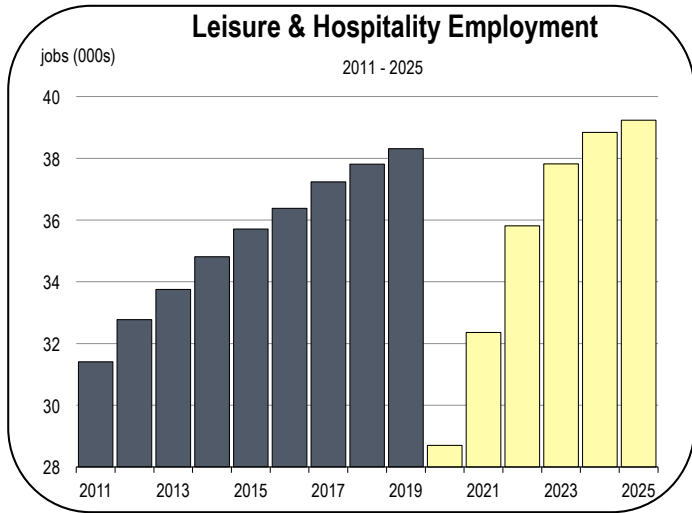
## Private Education and Healthcare Employment

- There were 30,000 healthcare jobs in Ventura County in 2019, representing more than half of all jobs in the broader private education and healthcare sector.
- Healthcare jobs were recession proof during the 2008-2009 financial crisis. However, some non-essential medical offices had to close in 2020, and hospitals reduced their employment levels because resources were not utilized as envisioned to support Coronavirus patients.
- There were approximately 12,000 social assistance jobs in 2019, including industries like childcare, housing shelters, and non-medical care for senior citizens.
- There were also 5,000 jobs in private schools and colleges, tutoring services, vocational schools, and other educational organizations.
- Jobs in social assistance and education were mostly classified as essential, but there are still likely to be layoffs at institutions with revenue shortfalls.

## Leisure and Hospitality Employment

- Leisure and hospitality firms were impacted by the lockdowns more than almost any other sector of the labor market in 2020.
- In 2019, Ventura County had 33,000 jobs in restaurants, hotels, and bars. Our research indicates that most were laid off, furloughed, or had their hours cut in the months of March and April.

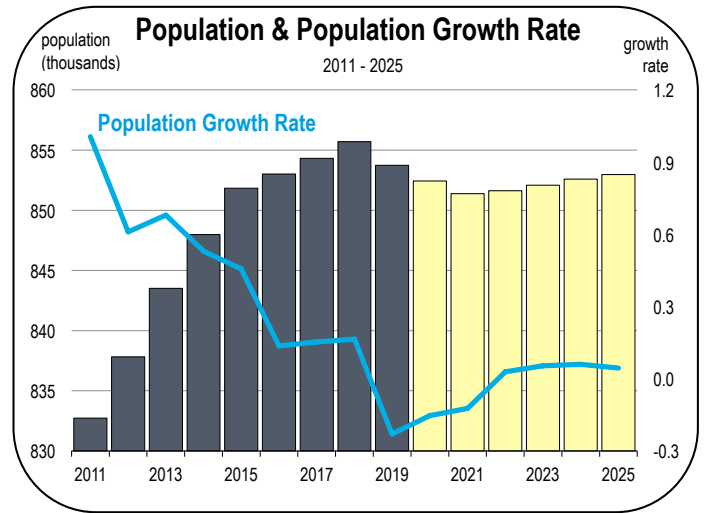
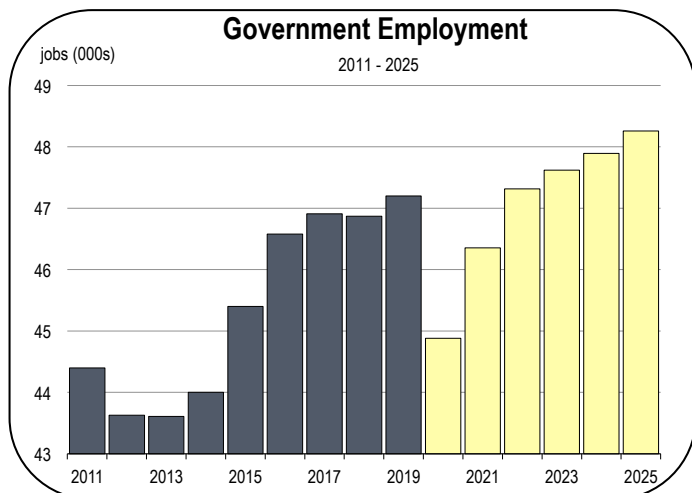
# Ventura County Economic Forecast



- Jobs in this sector are not expected to reach re-recession levels for several years.

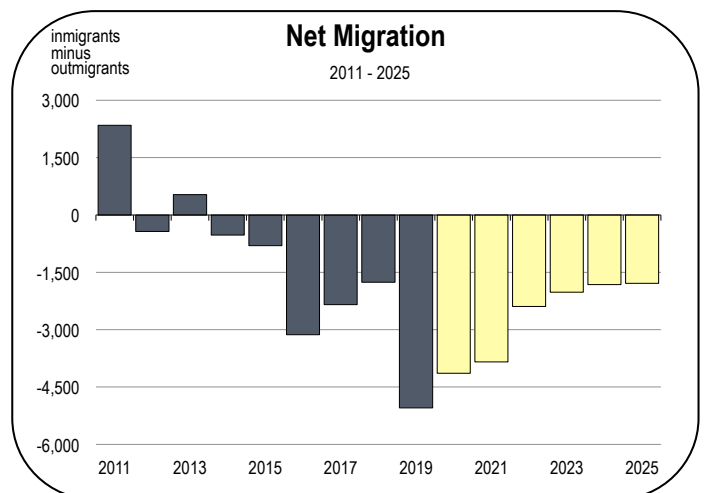
## Government Employment

- Government agencies are expected to lose revenue from taxes and fees in 2020, and these revenue shortfalls will likely persist into 2021 and 2022.
- When government agencies need to reduce expenditures on salaries, many workers are expected to be given unpaid furlough days that are distributed throughout the year, and many staffing reductions could be the result of hiring freezes rather than layoffs.
- However, if revenue shortfalls are severe and Congress does not appropriate funding to mitigate these shortfalls, government agencies may have no choice but to issue layoffs.

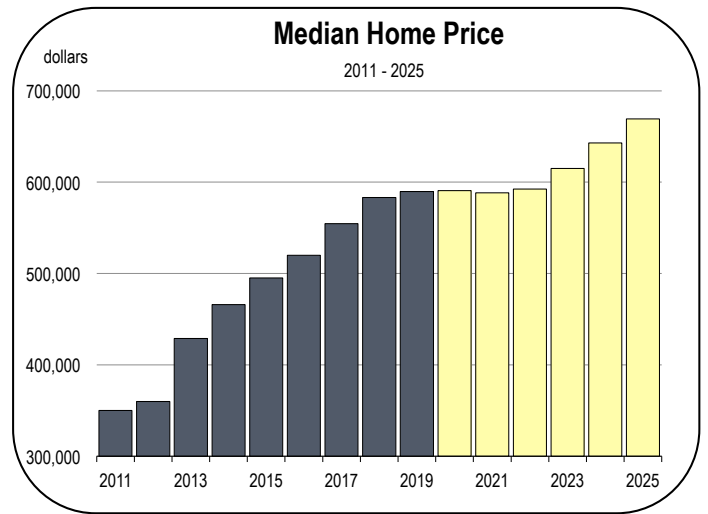
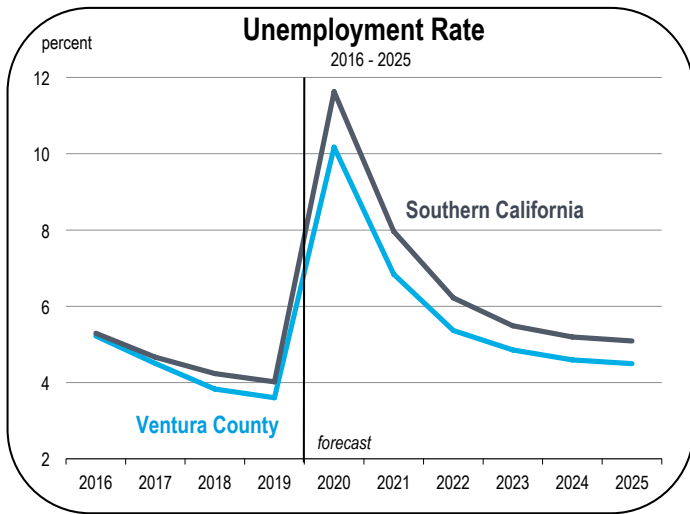


## Population Growth

- The Ventura County population declined in 2019 and is expected to decline again in 2020.
- An estimated 5,000 net migrants left the county in 2019.
- Over the 2020-2025 forecast period, an average of 2,700 net migrants will leave the county each year.
- The Ventura County population is not expected to return to its 2019 level until after the year 2025.



# Ventura County Economic Forecast

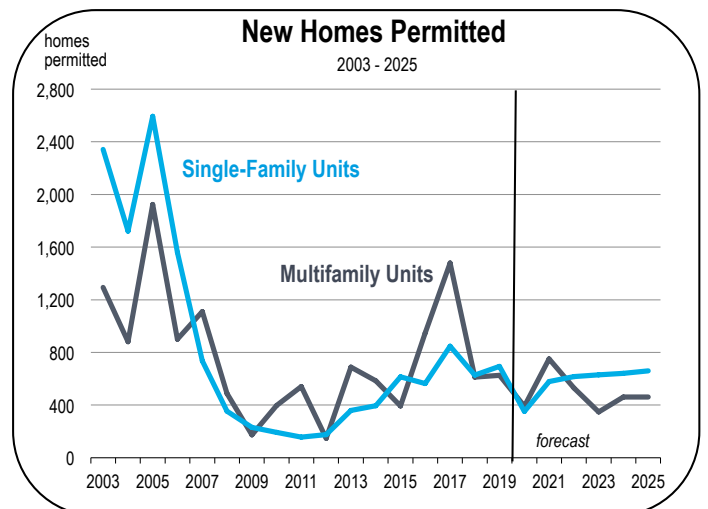
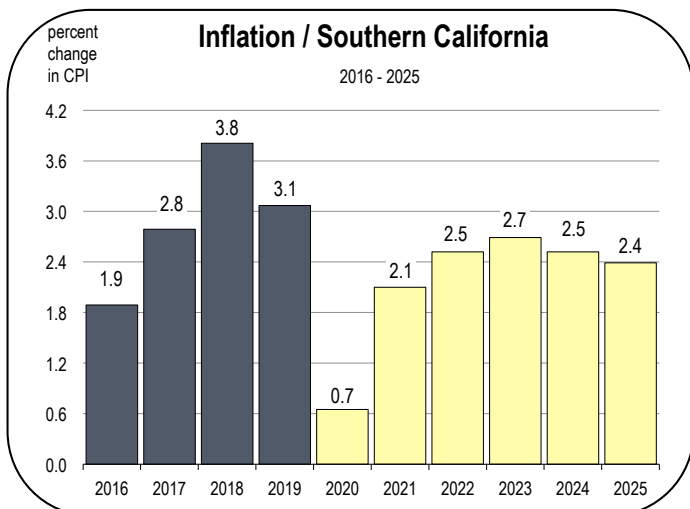


## Unemployment and Inflation Rates

- The unemployment rate in Ventura County averaged 3.6 percent in 2019, which was below the composite rate for Southern California.
- The unemployment rate is expected to average between 9 and 11 percent in 2020.
- The unemployment rate is expected to remain elevated for several years, but is likely to improve more quickly than after the 2008-2009 recession.
- Inflation decelerated in 2019 as energy prices declined and home prices increased more slowly than the previous year.
- Inflation is expected to be very low in 2020 but could accelerate in 2021 or 2022.

## Home Prices and New Housing Production

- The median home price was \$589,700 in 2019. Prices will not change much from 2020 to 2022.
- Housing affordability is becoming an issue in Ventura County because the supply of new units is not keeping pace with demand, and because few local jobs offer salaries that qualify residents for homeownership.
- Households in Ventura County frequently have to spend more than 35% of their pre-tax income on mortgage payments, which exceeds the recommendations of some affordability guidelines.
- From 2014 to 2019, an average of 1,400 new homes were authorized per year. Multifamily units accounted for more than half of all new units.
- Housing production will average 1,100 homes per year from 2020 to 2025.



# Ventura County Economic Forecast

## Economic Indicators

## 2015-2019 History, 2020-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	851,843	270.9	-801	1,009	790	\$47.2	\$9.5	\$13.9	\$16.3	\$62,064	5.6	\$2.5	0.9
2016	853,006	272.4	-3,133	1,512	810	\$48.5	\$9.6	\$13.8	\$17.5	\$62,533	5.2	\$2.3	1.9
2017	854,309	273.5	-2,346	2,326	808	\$50.0	\$10.0	\$14.0	\$17.1	\$62,609	4.5	\$2.2	2.8
2018	855,713	274.0	-1,760	1,239	813	\$52.5	\$10.3	\$14.3	\$15.3	\$63,251	3.8	\$2.2	3.8
2019	853,747	275.2	-5,047	1,320	829	\$55.0	\$10.4	\$14.6	\$15.6	\$64,450	3.6	\$2.1	3.1
2020	852,435	276.1	-4,139	744	828	\$53.5	\$9.4	\$13.1	\$15.6	\$62,343	10.2	\$2.1	0.7
2021	851,380	276.8	-3,842	1,330	826	\$55.2	\$10.4	\$14.5	\$15.4	\$63,115	6.8	\$2.1	2.1
2022	851,625	278.1	-2,392	1,145	817	\$57.9	\$10.8	\$15.1	\$15.7	\$64,536	5.4	\$2.1	2.5
2023	852,084	279.1	-2,019	978	812	\$61.2	\$11.4	\$16.0	\$16.1	\$66,415	4.9	\$2.1	2.7
2024	852,591	280.1	-1,820	1,101	810	\$64.2	\$12.0	\$16.9	\$16.4	\$67,941	4.6	\$2.1	2.5
2025	852,970	281.1	-1,787	1,120	811	\$67.1	\$12.6	\$17.7	\$16.7	\$69,245	4.5	\$2.1	2.4
2026	853,194	282.2	-1,793	1,095	811	\$69.7	\$13.1	\$18.4	\$16.9	\$70,249	4.3	\$2.1	2.3
2027	853,223	283.2	-1,825	1,123	812	\$72.2	\$13.7	\$19.2	\$16.9	\$71,214	4.2	\$2.1	2.2
2028	854,042	284.3	-853	1,061	806	\$74.7	\$14.2	\$19.9	\$17.1	\$71,944	4.1	\$2.1	2.3
2029	854,950	285.3	-596	986	803	\$77.1	\$14.7	\$20.6	\$17.2	\$72,495	4.1	\$2.1	2.4
2030	855,659	286.2	-625	901	803	\$79.6	\$15.3	\$21.4	\$17.3	\$73,140	4.1	\$2.1	2.3
2031	856,082	287.0	-752	865	804	\$82.2	\$15.8	\$22.2	\$17.5	\$73,875	4.0	\$2.1	2.2
2032	856,305	287.9	-776	986	806	\$84.8	\$16.2	\$22.7	\$17.6	\$74,408	4.0	\$2.1	2.4
2033	856,228	288.8	-918	920	808	\$87.4	\$16.6	\$23.2	\$17.8	\$75,243	4.1	\$2.1	2.0
2034	855,969	289.6	-968	989	809	\$90.1	\$16.9	\$23.7	\$17.9	\$75,973	4.0	\$2.1	2.2
2035	855,376	290.6	-1,128	919	809	\$93.0	\$17.2	\$24.2	\$18.1	\$76,697	4.0	\$2.1	2.3
2036	854,503	291.4	-1,244	957	811	\$96.0	\$17.7	\$24.9	\$18.1	\$77,214	4.0	\$2.1	2.7
2037	853,357	292.3	-1,386	938	812	\$99.2	\$18.4	\$25.8	\$18.2	\$77,777	4.0	\$2.1	2.8
2038	851,879	293.2	-1,580	854	812	\$102.5	\$18.9	\$26.6	\$18.3	\$78,487	3.9	\$2.1	2.6
2039	850,400	294.0	-1,415	793	808	\$105.9	\$19.3	\$27.2	\$18.4	\$78,987	3.9	\$2.1	2.8
2040	848,967	294.8	-1,203	935	803	\$109.2	\$19.6	\$27.6	\$18.5	\$79,486	3.9	\$2.1	2.7
2041	847,536	295.7	-1,058	964	797	\$112.5	\$20.0	\$28.1	\$18.6	\$80,106	3.8	\$2.1	2.5
2042	845,955	296.6	-1,057	955	792	\$116.0	\$20.4	\$28.6	\$18.7	\$80,806	3.8	\$2.1	2.4
2043	844,085	297.5	-1,186	877	788	\$119.5	\$20.7	\$29.1	\$18.9	\$81,586	3.8	\$2.1	2.3
2044	842,003	298.3	-1,234	835	782	\$123.0	\$21.2	\$29.8	\$19.0	\$82,458	3.8	\$2.1	2.1
2045	839,519	299.1	-1,437	806	778	\$126.6	\$21.5	\$30.2	\$19.2	\$83,227	3.8	\$2.1	2.3
2046	836,795	299.9	-1,513	776	774	\$130.1	\$22.0	\$30.9	\$19.3	\$84,037	3.7	\$2.1	2.2
2047	833,855	300.6	-1,612	750	770	\$133.8	\$22.4	\$31.4	\$19.4	\$84,855	3.7	\$2.1	2.2
2048	830,798	301.3	-1,608	739	766	\$137.5	\$22.7	\$31.9	\$19.5	\$85,688	3.7	\$2.1	2.2
2049	827,720	302.0	-1,516	769	761	\$141.3	\$23.1	\$32.5	\$19.7	\$86,488	3.8	\$2.1	2.2
2050	824,721	302.7	-1,322	775	755	\$145.2	\$23.7	\$33.2	\$19.8	\$87,276	3.8	\$2.1	2.2

## Employment Sectors

## 2015-2019 History, 2020-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	322.8	26.3	14.2	25.9	6.0	52.5	17.7	40.5	5.1	42.9	35.7	45.4
2016	325.7	25.2	14.6	25.7	6.0	53.0	17.4	40.9	5.0	44.4	36.4	46.6
2017	329.2	23.8	15.7	25.6	6.1	53.3	16.9	42.2	5.0	45.9	37.2	46.9
2018	333.4	24.3	16.8	26.2	6.3	52.7	16.4	42.9	5.0	47.7	37.8	46.9
2019	336.5	24.7	17.1	26.4	6.3	51.7	15.9	44.4	4.9	49.0	38.3	47.2
2020	311.7	22.2	15.9	25.1	6.3	49.2	14.9	42.2	3.9	48.0	28.7	44.9
2021	325.3	24.7	17.1	25.7	6.3	50.8	15.3	43.2	4.4	48.6	32.4	46.4
2022	332.9	24.6	17.1	26.3	6.4	51.7	15.6	43.7	4.7	49.1	35.8	47.3
2023	337.3	24.5	17.0	26.6	6.4	52.2	15.9	44.1	4.7	49.7	37.8	47.6
2024	339.1	24.4	16.6	26.5	6.4	52.8	16.0	44.3	4.8	50.0	38.8	47.9
2025	341.4	24.2	16.9	26.8	6.4	53.3	15.9	44.4	4.8	50.4	39.2	48.3
2026	342.7	24.1	16.6	26.7	6.4	53.7	16.0	44.9	4.8	50.7	39.6	48.4
2027	343.9	24.0	17.0	26.5	6.4	54.2	16.1	45.1	4.9	50.8	39.8	48.5
2028	344.7	24.0	16.9	26.5	6.4	54.4	16.1	45.3	4.9	51.0	40.0	48.7
2029	345.9	24.0	17.0	26.5	6.4	54.7	16.0	45.5	4.9	51.2	40.2	48.8
2030	346.8	24.0	16.7	26.5	6.4	55.2	16.0	45.8	4.9	51.4	40.3	48.9
2031	347.7	24.0	16.6	26.6	6.4	55.6	16.0	45.9	4.9	51.6	40.5	49.1
2032	348.3	24.0	16.5	26.6	6.4	55.8	15.9	46.0	4.9	51.7	40.6	49.2
2033	349.3	24.0	16.7	26.6	6.4	56.0	15.8	46.2	4.9	51.9	40.7	49.3
2034	350.0	24.0	16.7	26.6	6.4	56.0	15.8	46.3	4.9	52.1	41.0	49.5
2035	350.6	24.0	16.7	26.6	6.4	56.0	15.7	46.4	4.9	52.3	41.2	49.6
2036	351.2	24.0	16.8	26.6	6.4	56.1	15.6	46.6	4.9	52.5	41.4	49.8
2037	352.3	24.0	16.9	26.6	6.4	56.3	15.5	46.7	4.9	52.6	41.6	49.9
2038	353.0	24.0	16.9	26.6	6.4	56.5	15.4	46.8	4.9	52.8	41.7	50.1
2039	353.3	24.1	16.8	26.6	6.4	56.4	15.2	47.0	4.9	53.0	41.9	50.2
2040	353.5	24.1	16.8	26.6	6.4	56.3	14.9	47.1	4.9	53.2	42.0	50.3
2041	353.9	24.1	17.0	26.7	6.4	56.3	14.7	47.2	4.9	53.4	42.2	50.5
2042	354.4	24.1	17.1	26.7	6.4	56.3	14.3	47.4	4.9	53.6	42.4	50.6
2043	354.6	24.1	17.1	26.7	6.4	56.3	14.0	47.5	4.9	53.8	42.5	50.7
2044	354.9	24.1	17.0	26.7	6.4	56.5	13.6	47.6	4.9	53.9	42.7	50.8
2045	354.8	24.2	16.9	26.7	6.4	56.4	13.1	47.8	4.9	54.1	42.8	51.0
2046	354.9	24.2	16.7	26.7	6.4	56.5	12.6	47.9	4.9	54.3	43.0	51.1
2047	355.0	24.2	16.5	26.7	6.5	56.5	12.3	48.0	4.9	54.5	43.1	51.2
2048	355.3	24.2	16.7	26.7	6.5	56.4	11.9	48.2	4.9	54.7	43.3	51.3
2049	355.5	24.3	16.6	26.7	6.5	56.5	11.6	48.3	4.9	54.9	43.4	51.4
2050	355.8	24.3	16.6	26.7	6.5	56.6	11.2	48.4	4.9	55.0	43.6	51.6

# Ventura County Economic Forecast

## Socioeconomic Indicators

