
News Release

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Contact: Steve Lambert, The 20/20 Network
(909) 841-7527/ steve@the2020network.com



Lower net migration, housing crisis, fundamental shifts in how we do business and live our lives create challenges in a post-COVID world

Los Angeles – More than 500 attendees gathered online Thursday to get an inside take on COVID-19’s impact on housing, the economy and how Southern Californians live their lives.

Part 2 of the 31st Annual Southern California Demographic Workshop, held virtually by the Southern California Association of Governments (SCAG) and the USC Sol Price School of Public Policy, brought together some of the region’s leading researchers, demographers and policy analysts to talk about the immediate and long-term effects of the global pandemic on the six-county region.

Among the major takeaways: Population trends, the housing crisis and fundamental shifts in the way we do business and live our lives will create significant challenges as Southern California and the state as a whole begin to recover from COVID-19.

Somjita Mitra, Chief of Economic Research for the California Department of Finance, noted that while California’s economy seemed to be on a roll before the pandemic hit – with unemployment at record lows and a projected state budget surplus of \$5.6 billion – the past three months have exacerbated underlying challenges that will likely temper the recovery process. These include lower net migration, a shortage of housing and wage disparity. Couple that with significant job losses, particularly in lower-wage positions, the state is looking at a recovery that will “gradual, measured and restrained,” Mitra said.

Steven Levy, from the Center for Continuing Study of the California Economy, encouraged a major state stimulus effort that would accelerate funding for low-income housing, backlogged transportation investments and projects and initiatives that would save energy and reduce greenhouse gas emissions. “These investments create jobs, build and repair our infrastructure and are climate friendly,” Levy said.

SCAG President Rex Richardson said the workshop underscored his call for government systems and processes that are more inclusive, equitable and effective.

“Our communities are facing a crisis on three fronts: a public health crisis caused by COVID-19, an economic crisis with unprecedented levels of unemployment, and a social justice emergency as a result of longstanding racial inequities,” Richardson said. “There’s no going back to the way we were before the COVID-19 hit, and our communities are looking to us for innovative and forward-thinking leadership. The Demographic Workshop is designed to help cities make better decisions based on data and not politics.”

Thursday's session was the second of two Demographic Workshops sponsored by SCAG and the Sol Price School during the past week. Among other takeaways from the two sessions:

- The pandemic and the shift to at-home work is forcing a rethinking among many businesses and schools with regard to how they operate long term. This also is impacting residential planning, with home offices, access to outdoor spaces and internet connectivity becoming even more important.
- With critical resources for public education, affordable housing, transportation and more all at stake, COVID-19 has put an even greater emphasis on accurate 2020 Census counting
- As significant as the economic impact of COVID-19 has been on our region, Southern California should maintain its strong competitive position in industries such as logistics and trade, tourism, and technology and innovation.

The workshops follow an earlier SCAG analysis that projected "severe and long-lasting" economic impacts from COVID-19, with Great Depression-level unemployment, supply chain interruptions and significant drops in taxable sales.

"We're in unprecedented times with unprecedented challenges in front of us," said Kome Ajise, SCAG's Executive Director. "We have ~~both a unique~~ opportunity ~~and a need~~ to work together, as stakeholders and regional partners, to determine the most effective recovery strategy moving forward."

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About SCAG

SCAG is the nation's largest metropolitan planning organization, representing six counties, 191 cities and more than ~~18-19~~ 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's regional efforts, please visit www.scag.ca.gov.