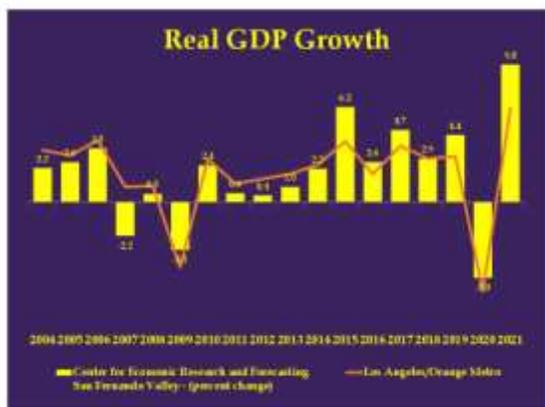


Dan Hamilton
February 24, 2022

Recent History

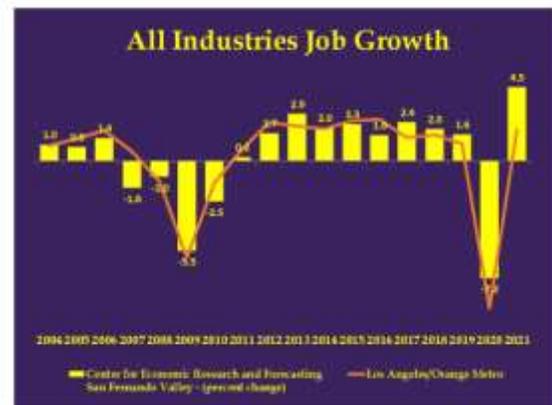
The updated datasets for the San Fernando Valley show that the Valley experienced a dramatic economic slowdown in 2020 due to the Pandemic. The Valley’s economy contracted five percent in 2020, which compares to a 5.8 percent contraction for the Los Angeles/Anaheim metro area, and a 2.8 percent contraction in California.

As with other geographies, the Valley’s economy bounced back in 2021, with an estimated GDP growth of nine percent. This compares with a 6.1 percent surge of growth in the Los Angeles/Anaheim metro area, and a 7.7 percent expansion in California.



The jobs data paint a similar picture. The Valley’s jobs contracted 7.2 percent in 2020 compared with a nine percent contraction in the Los Angeles/Anaheim

metro area, and a 7.4 percent contraction in California. Then in 2021 the Valley’s jobs bounced back at an estimated growth rate of 4.5 percent. This compares with 1.9 percent and 1.9 percent growth in the Los Angeles/Anaheim metro and in California, respectively.



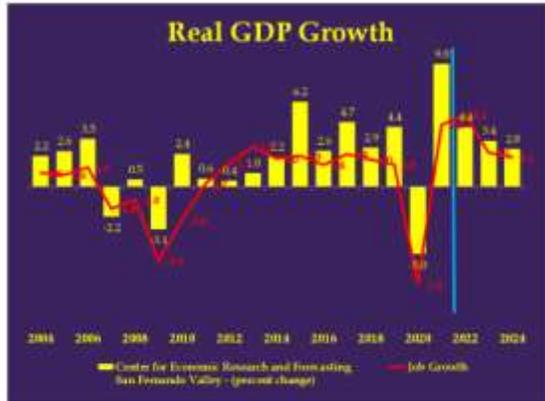
While the Valley experienced an unprecedented contraction in 2020 that was historic in speed, we see evidence that the Valley’s economy continues to generally outperform other regions.

The Forecast

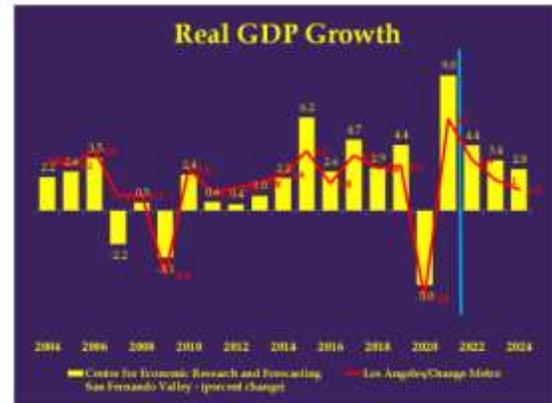
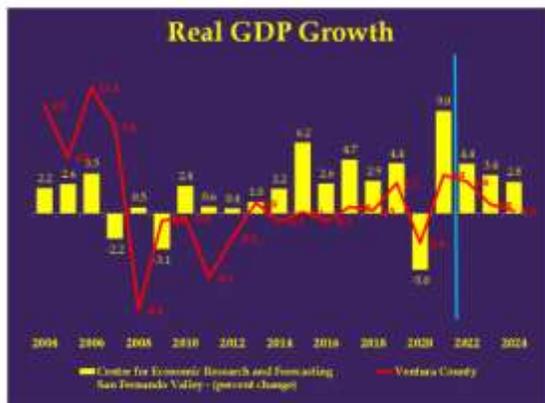
We forecast the San Fernando Valley will experience sustained growth for the 2022 through 2024 timeframe. As with other regions, growth is forecasted to slow as time moves farther on from the Pandemic.

As with the United States and other areas, the San Fernando Valley job recovery lags the GDP recovery. While sometimes jobs lag GDP growth during the business cycle for any given area, this recovery has seen

a particularly weak jobs response compared with previous business cycle recoveries. This is due to policy-driven disincentives to working as well as to long-term demographic trends, specifically population aging.



Our Valley forecast calls for more rapid growth in the Valley than the other areas that CERF forecasts, even including California which benefits from the rapid growth in technology and Silicon Valley economic performance.



The San Fernando Valley is expected to grow substantially faster than neighboring Ventura County, especially in 2023 and 2024. We forecast that the Valley will grow faster than the Los Angeles/Anaheim Metro area by at least a full percentage point during each of the years from 2022 to 2024.

As is the case with job growth, we forecast the Valley’s job growth will be more than a full percentage point faster than that of the Los Angeles/Anaheim Metro area during the years from 2022 to 2024.

