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Economic Outlook

Data indicate that Ventura County is experiencing a prolonged period of economic weakness. The county's population peaked in 2016 and has declined every year since. The county's labor force peaked in 2012. Real GDP peaked in 2007, prior to the Great Recession, and has not recovered. Net domestic migration data indicate a sustained outflow of people.

Total economic activity (GDP) in Ventura County has declined in 9 of the past 16 years. While the county's real GDP grew weakly in 2023, total economic activity currently sits 9 percent below the peak in 2007. The Non-Durable Manufacturing and Enterprise Management (NDU-MGM) sectors have contributed in an out-sized way to the County's GDP decline. While Ventura County real GDP declined by \$6.6 billion from 2007 to 2023, the NDU-MGM sectors declined by \$20.1 billion.

In 2023, Ventura County's GDP grew by a relatively slow 0.7 percent, whereas the overall U.S. economy expanded by 2.9 percent.

Jobs growth remains positive although relatively weak. Ventura County's non-farm job growth averaged just 1.1 percent across 2023 and 2024. Ventura County's job growth is highly concentrated in a single sector. From 2007 to 2023, Education & Health Services saw an impressive 22,600 new jobs, without which Ventura County's total jobs would have declined by 4,400. The average salary in the Education & Health Services is \$57,000, inadequate to support the county's extremely high cost of living.

The net migration of people out of Ventura County has averaged negative 6,900 people per year since the County's population peaked in 2016. Since 2005, more than 100,000 people, on net, have left the county for other locations in the U.S., representing a 12 percent reduction in population.

Ventura County's population at the end of 2023 was 823,860, about 2,100 residents lower than a year earlier. At this level, the county's population sits nearly 26,000 people below the 2016 peak.

In July 2024, Ventura County's median home price hit \$972,000, an all-time high. Considering both home prices and incomes, the National Association of Realtors currently ranks Ventura County as the second least affordable major metropolitan area in the nation. While this is an improvement from last year, when the county ranked as the single least affordable, a severe housing affordability crisis continues to be a primary driver of the net flight of individuals and economic activity.

Following the standard assumption that 30 percent of gross income should be spent on housing, it would take an annual salary of \$172,000 to afford the average rent for a 2-bedroom apartment in Ventura County. Even more shockingly, it would take an annual income of \$360,000 to afford to own the median home.

Ventura County's Forecast

CERF's Ventura County home price forecast anticipates an overall 11 percent price rise from 2024 to 2027. With the baseline assumption that high housing costs will continue driving households and economic activity out of the county, CERF forecasts that domestic migration will continue to be a net outflow. Our forecasted average outflow of 6,740 persons per year through 2027 is less than the recent average of 8,000 persons per year over the past 3 years. Average annual real GDP growth since the peak of activity in 2007 has been a contraction of 0.6 percent. CERF's forecast of average annual growth from 2024 to 2027 is an improvement, but not hugely so, at an expansion of only 0.1 percent.

