



Economic Impact Analysis of Connect SoCal: Economic and Environmental Implications

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Agenda

- Introduction to SCAG
- SCAG Economic Update
- Economic Impact Analysis of Connect SoCal

The SCAG Region

191
CITIES

6
COUNTIES

18.7M
RESIDENTS



38,618
SQUARE MILES

\$1.6T
REGIONAL GDP

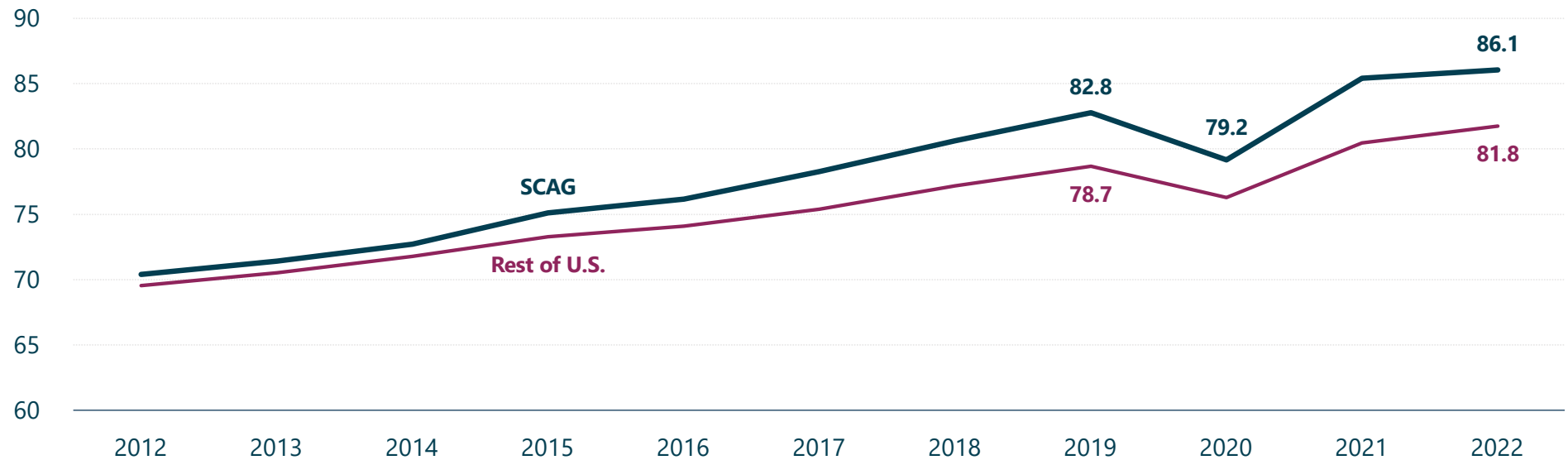
15TH
LARGEST
ECONOMY
WORLDWIDE

47.6%
OF STATE
POPULATION

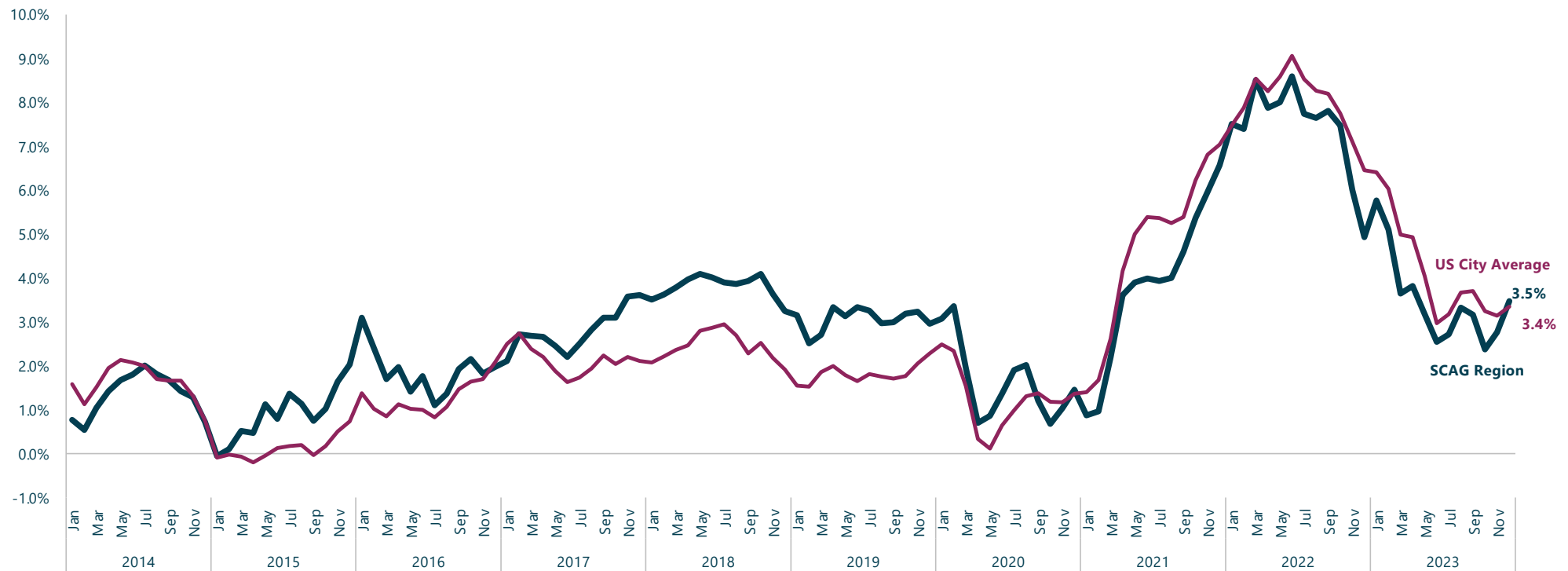
SCAG Real Per Capita GDP Exceeds U.S. Per Capita GDP

SCAG region's standard of living is back on the pre-pandemic growth trend and consistently higher than in the rest of the U.S.

Thousands 2023\$ per capita

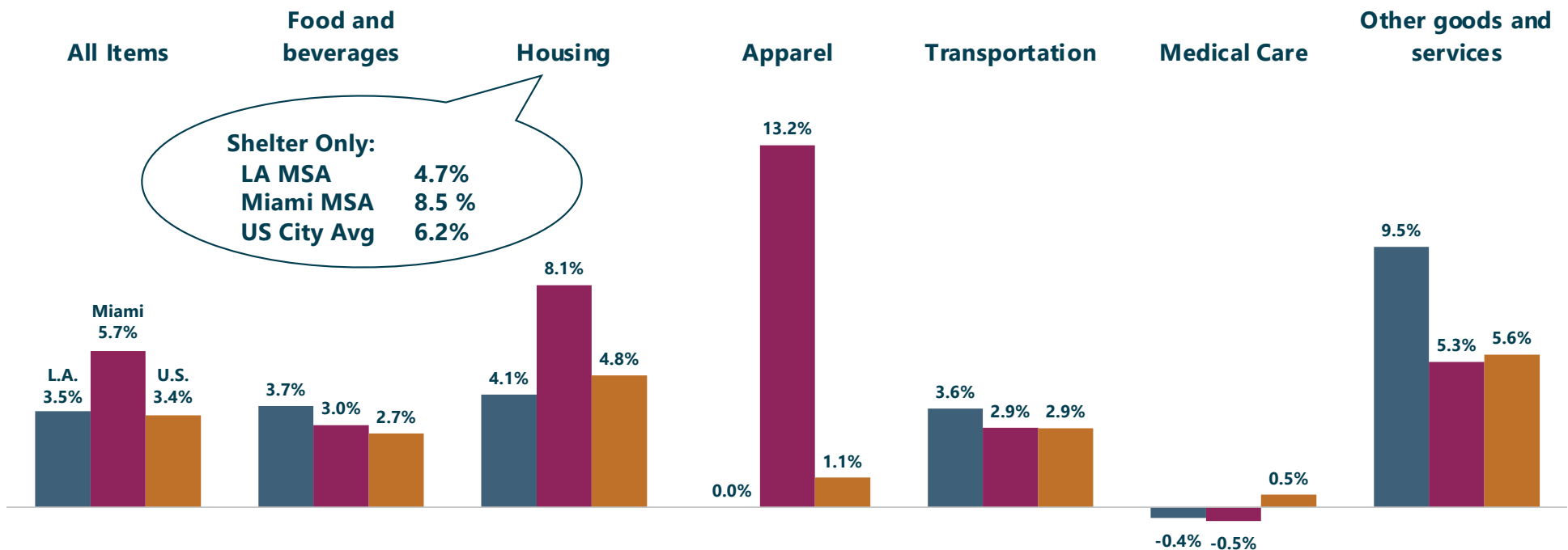


Inflation is Cooling Off



Inflation Varies by Expenditure and Location

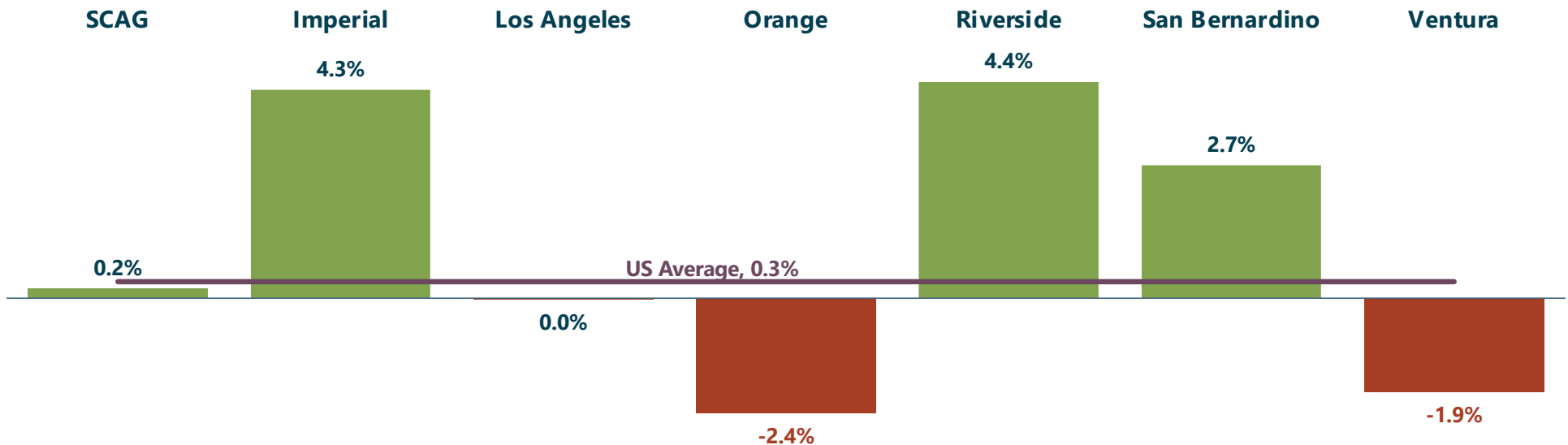
Year-over-year Inflation (Percent) as of December 2023



Real Household Income Up in Inland Counties

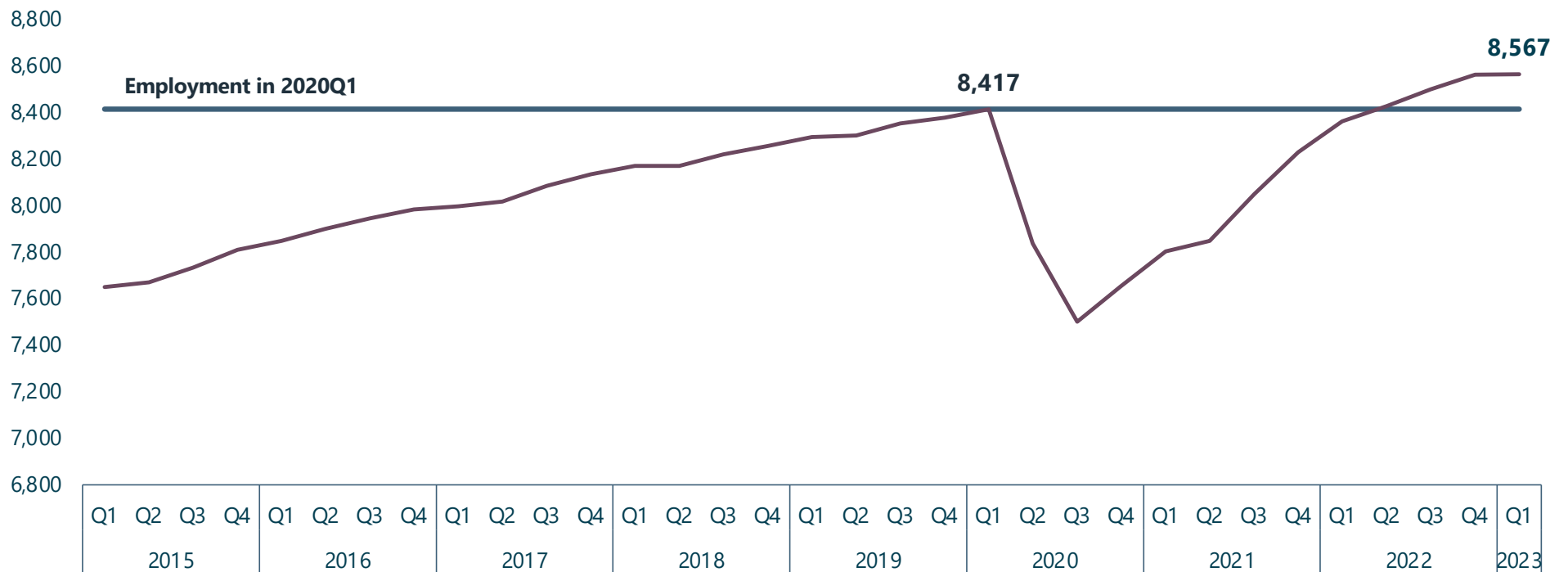
SCAG 2022 real household incomes are slightly higher than before the pandemic. Imperial, Riverside and San Bernardino see large increases.

Percent Change, 2019 to 2022

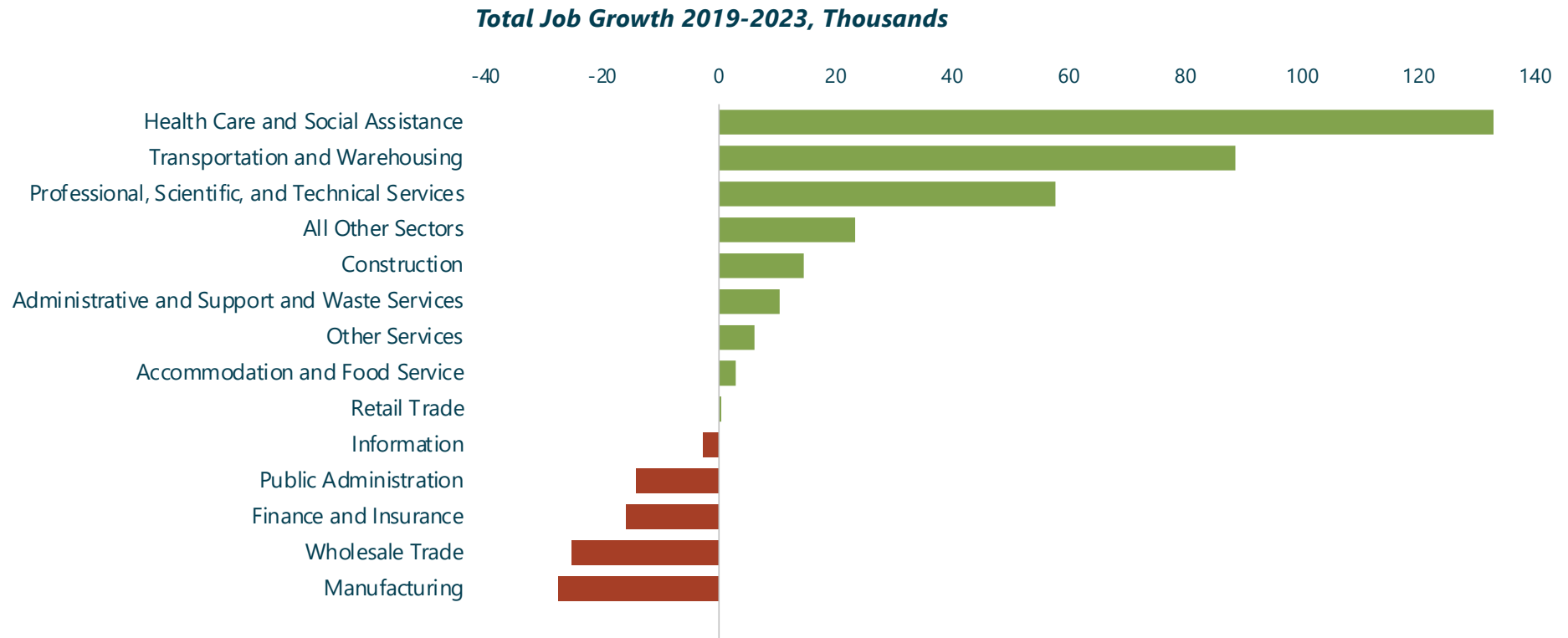


Number of SCAG Region Jobs Exceed Pre-Pandemic Jobs

Thousands of Jobs



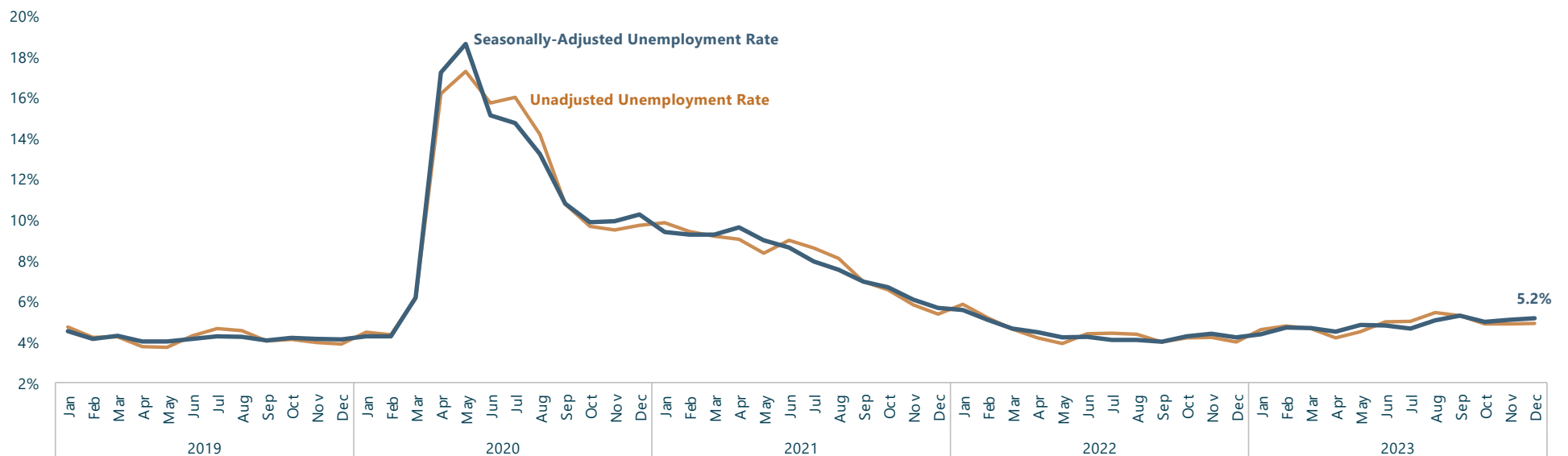
SCAG Region Healthcare & Social Assistance Sector Dominates Post-Pandemic Job Growth



Unemployment Stays Low Despite Headwinds

SCAG region's unemployment rate hovered around historically low rates of unemployment despite labor market disruptions in 2023.

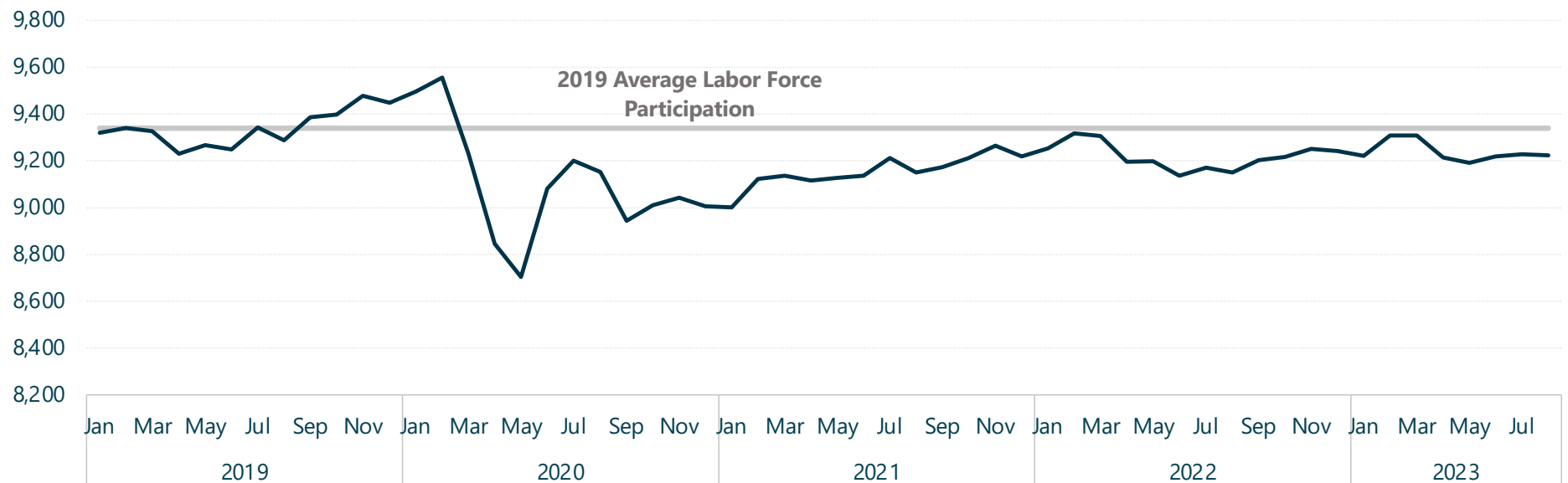
Seasonally Adjusted and Unadjusted Unemployment Rate, SCAG Region



Smaller Labor Force Brings Opportunities

Population shocks shrink labor force and bring opportunities to increase participation from historically excluded groups

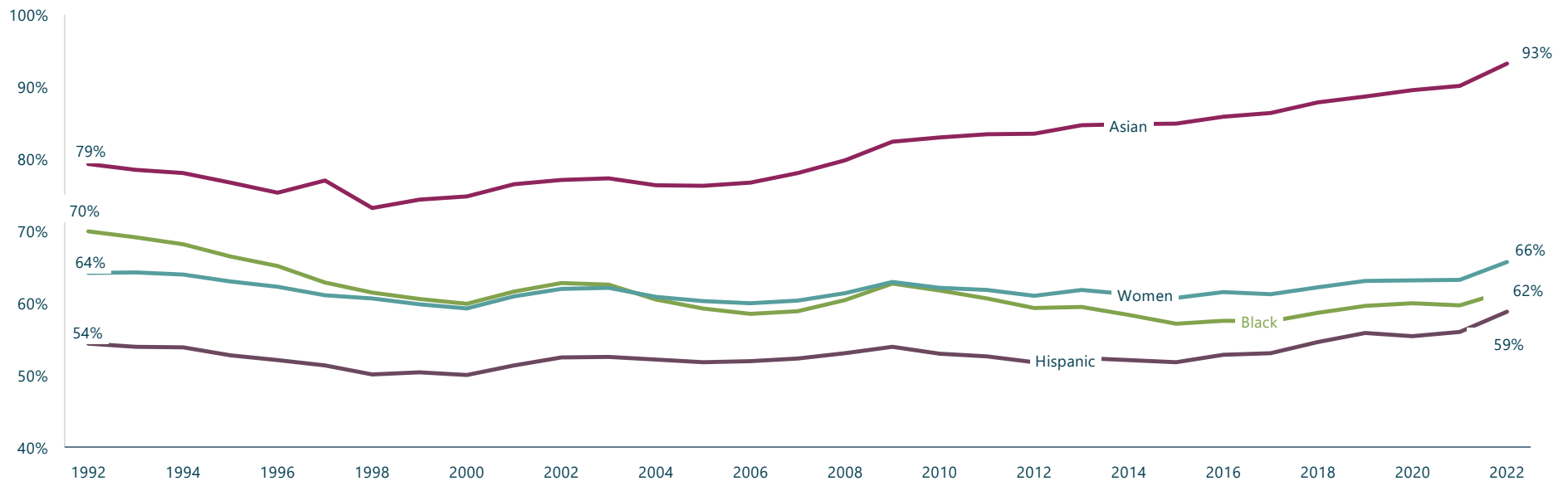
Thousands of Labor Force Participants



Equity Challenges and Opportunities

Race and gender wage disparities are large and persistent, but post-pandemic reduction in the gap across all groups offers hope.

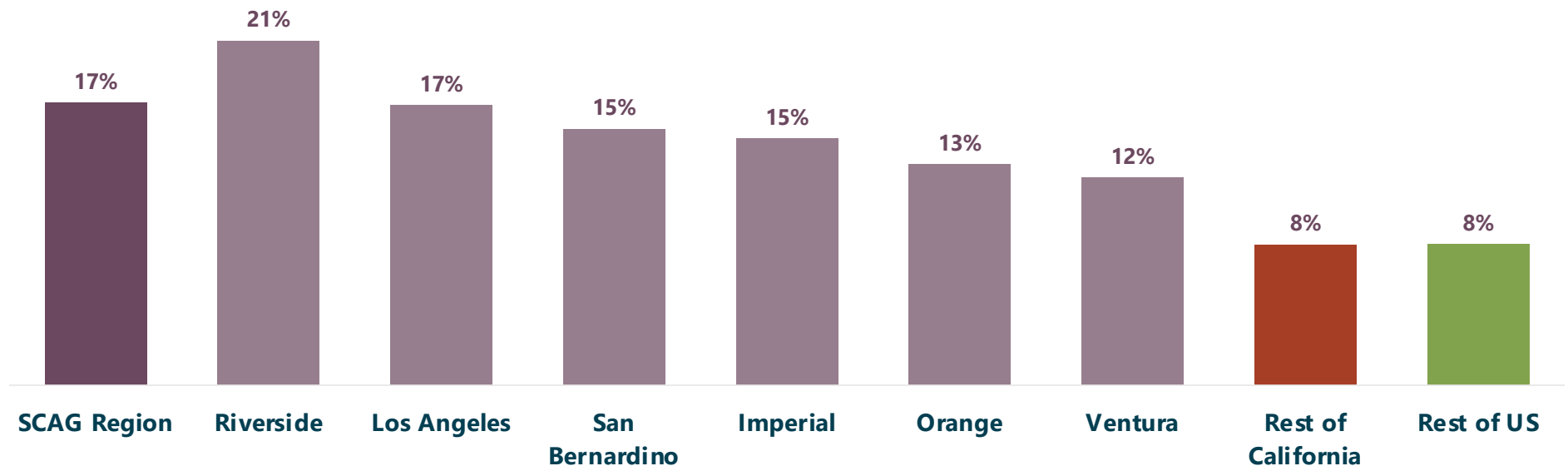
Percent of White Men's Wages



Equity Challenges and Opportunities

Region and county economic output would be significantly larger by eliminating race and gender wage inequity.

Percent of GDP, 2021



2023 SCAG Regional Briefing Book



https://scag.ca.gov/sites/main/files/file-attachments/23-3135_scag_2023-briefing-book_120723.pdf

scag.ca.gov

Connect SoCal: SCAG's Comprehensive Long-Range Plan

- Regional Transportation Plan federally required long-range regional transportation plan
- Sustainable Community Strategy plan for reducing greenhouse gas emissions under California Senate Bill 375



**Connect SoCal 2024 Read The Draft Plan
- Southern...**

scag.ca.gov

Economic Impact Analysis of Connect SoCal

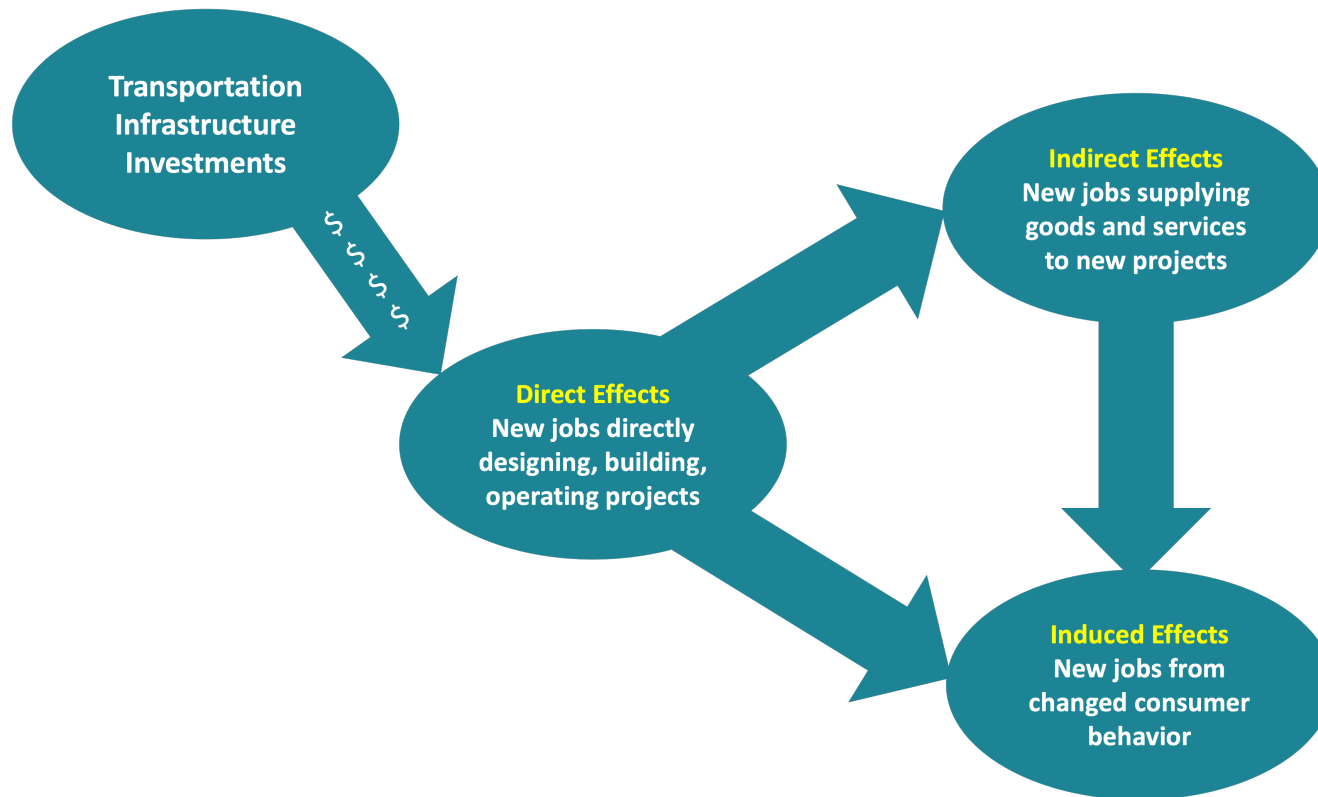
- Mobility: Build and maintain a robust transportation network
- Communities: Develop, connect and sustain livable and thriving communities
- Environment: Create a healthy region for the people of today and tomorrow
- Economy: Support a sustainable, efficient and productive regional economic environment that provides opportunities for all people in the region



Framework for Economic Impacts of Connect SoCal



Simulating Market-Based Impacts with REMI TranSight



Economic Impact Analysis Assumptions



- Current industry distribution of employment approximates future distribution
- Economic changes induced by Plan occur gradually.
- Impacts from the Plan make a small share of the total regional economy.
- The fundamental supply and demand relationships remain stable during the study period

TranSight Model Transportation Expenditures Draft Plan

SCAG Region 2024 Plan Expenditures (2023 Dollars, Billions)							
Expenditure Category	NAICS Codes	FY2025-FY2029	FY2030-FY2034	FY2035-FY2039	FY2040-FY2044	FY2045-FY2050	Total
Highway Construction	23	\$12.7	\$8.9	\$8.7	\$10.6	\$10.3	\$51.2
Highway Design	54	\$2.3	\$1.9	\$2.7	\$2.5	\$3.0	\$12.4
Highway Operation and Maintenance	23	\$7.0	\$7.2	\$8.5	\$8.6	\$10.3	\$41.5
Local Streets and Roads Construction	23	\$6.3	\$4.0	\$3.4	\$1.6	\$1.5	\$16.7
Local Streets and Roads Operation & Maintenance	23	\$6.7	\$6.8	\$12.6	\$10.7	\$11.0	\$47.9
Multi Modal Construction	23	\$18.9	\$18.7	\$14.7	\$11.5	\$12.8	\$76.5
Multi Modal Design	54	\$1.3	\$1.1	\$2.3	\$2.2	\$2.2	\$9.1
Multi Modal Operation & Maintenance	48, 33	\$26.3	\$26.7	\$33.3	\$32.6	\$39.0	\$157.9
Total Expenditures		\$81.43	\$75.2	\$86.2	\$80.3	\$90.1	\$413.3

Note: Assumes a real discount rate of 4.0%. Based on CalTrans B/C model assumption.

Jobs Impacts from Plan Transportation Investments

Draft Plan

Region	Average Annual Jobs Created (Thousands of Jobs)					Planning Period Average
	FY2025 – FY2029	FY2030 – FY2034	FY2035 – FY2039	FY2040 – FY2044	FY2045 – FY2050	
SCAG Region	308.8	263.1	308.6	290.4	235.1	277.8
Imperial County	0.2	0.7	0.5	0.2	0.1	0.3
Los Angeles County	214.8	195.4	220.0	203.3	169.5	198.3
Orange County	27.4	28.3	34.7	29.0	26.1	28.9
Riverside County	34.0	21.3	28.6	33.0	19.3	26.7
San Bernardino County	27.8	13.0	19.3	19.6	12.2	17.9
Ventura County	4.7	4.5	5.5	5.2	7.9	5.7

GDP Impacts from Plan Transportation Investments

Draft Plan

Region	Average Annual GDP Change (Billions 2023 Dollars)					
	FY2025 – FY2029	FY2030 – FY2034	FY2035 – FY2039	FY2040 – FY2044	FY2045 – FY2050	Planning Period Average
SCAG Region	20.0	17.0	20.9	21.2	18.4	19.4
Imperial County	0.0	0.1	0.1	0.0	0.0	0.1
Los Angeles County	9.9	9.1	10.0	9.8	9.2	9.6
Orange County	3.2	3.5	4.5	4.0	3.8	3.8
Riverside County	3.4	2.4	3.3	4.1	2.6	3.1
San Bernardino County	2.9	1.5	2.4	2.6	1.7	2.2
Ventura County	0.5	0.5	0.7	0.7	1.1	0.7

Travel Demand Impacts

- Connect SoCal projects improves transportation efficiency
- SCAG modeling team projects improvements
- TranSight is customizable to reflect custom travel demand



Total Impacts from Plan Investments and Efficiency Gains (Jobs)

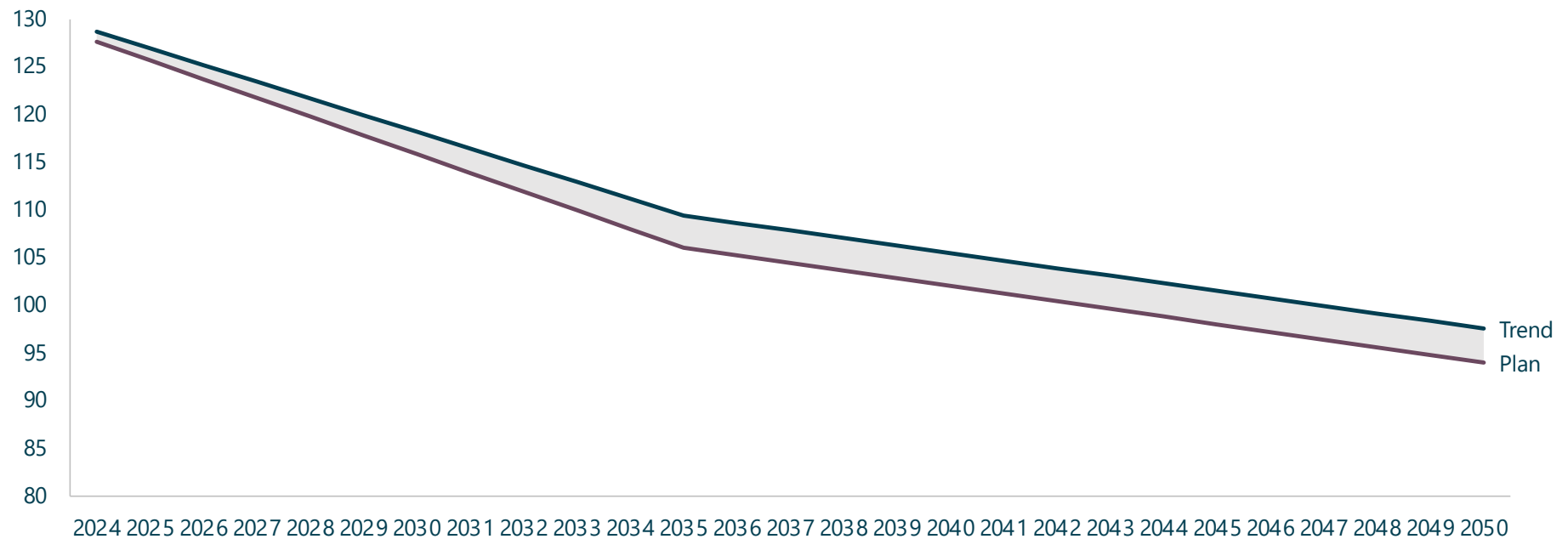
Region	Average Annual Jobs Created (Thousands of Jobs)					Planning Period Average
	FY2025 - FY2029	FY2030 - FY2034	FY2035 - FY2039	FY2040 - FY2044	FY2045 - FY2050	
SCAG Region	372.6	409.5	527.8	543.2	528.1	480.1
Imperial County	0.3	1.0	0.8	0.4	0.5	0.6
Los Angeles County	261.9	301.0	370.3	356.0	323.5	322.6
Orange County	35.3	47.1	65.7	70.2	80.4	61.3
Riverside County	39.8	34.8	50.5	65.4	64.5	52.0
San Bernardino County	31.1	20.4	32.3	42.5	46.9	35.5
Ventura County	4.3	5.2	8.2	8.8	12.3	8.1

Total Impact from Plan Investments and Efficiency Gains Draft Plan (GDP)

	Average Annual GDP Change (Billions 2023 Dollars)					
Region	FY2025 - FY2029	FY2030 - FY2034	FY2035 - FY2039	FY2040 - FY2044	FY2045 - FY2050	Planning Period Average
SCAG Region	27.6	35.6	50.2	57.0	62.9	47.9
Imperial County	0.0	0.0	0.0	0.0	0.0	0.0
Los Angeles County	15.6	22.4	29.7	30.6	31.5	26.4
Orange County	4.4	6.5	9.8	11.1	13.8	9.5
Riverside County	4.0	4.0	6.1	8.4	9.1	6.5
San Bernardino County	3.3	2.4	3.9	5.5	6.6	4.5
Ventura County	0.4	0.4	0.9	1.3	2.0	1.1

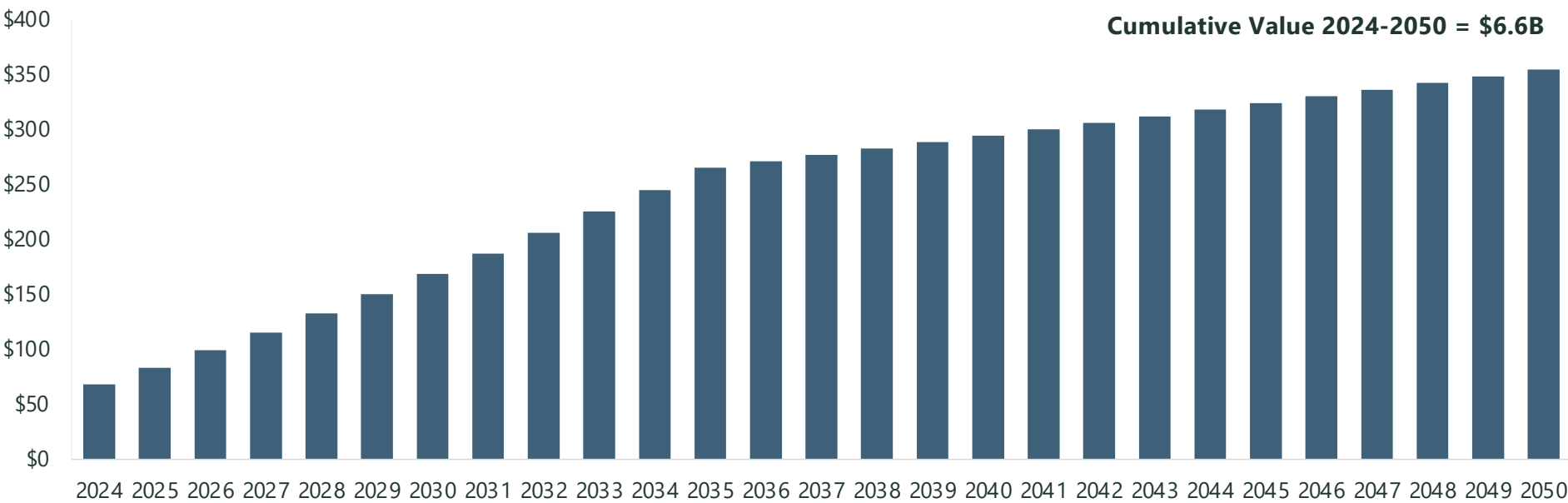
Climate Co-Benefits of Plan

Trend vs. Plan Greenhouse Gas Emissions, 2025-2050 (Million Metric Tons)



Climate Co-Benefits of Plan

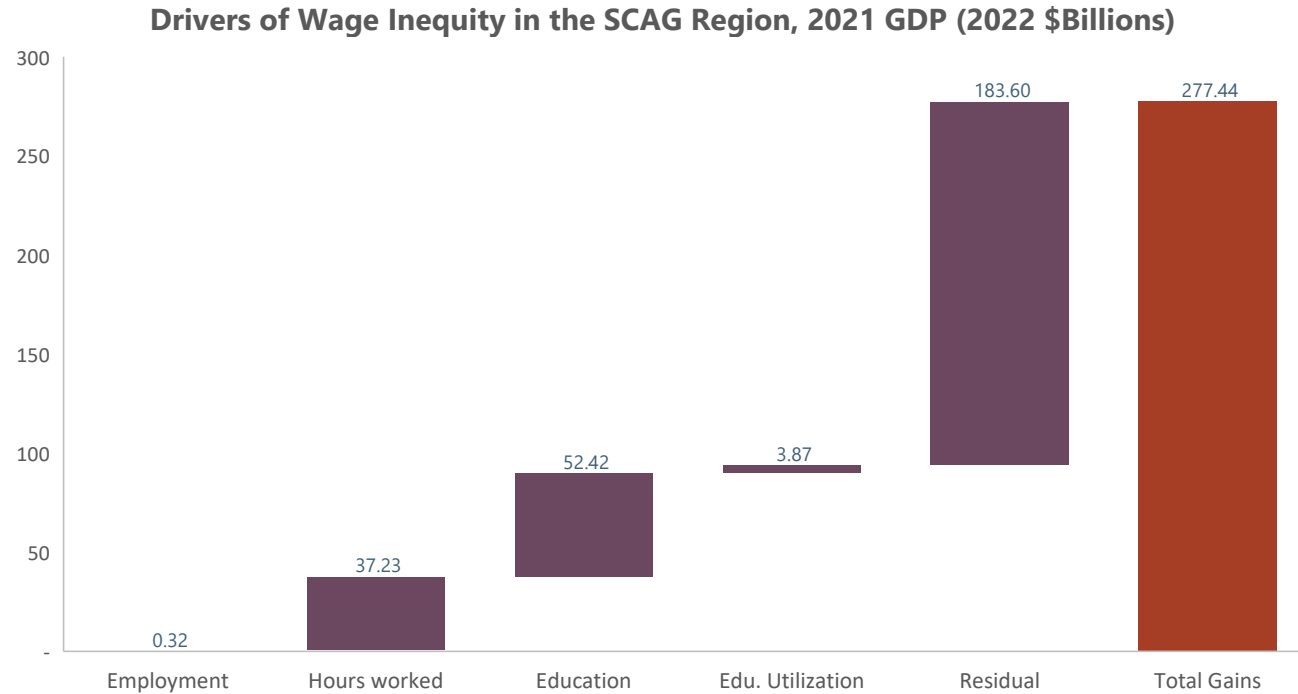
Annual Global Values of Reduced GHG Emissions under the Plan, 2025-2050 (Millions \$2023)



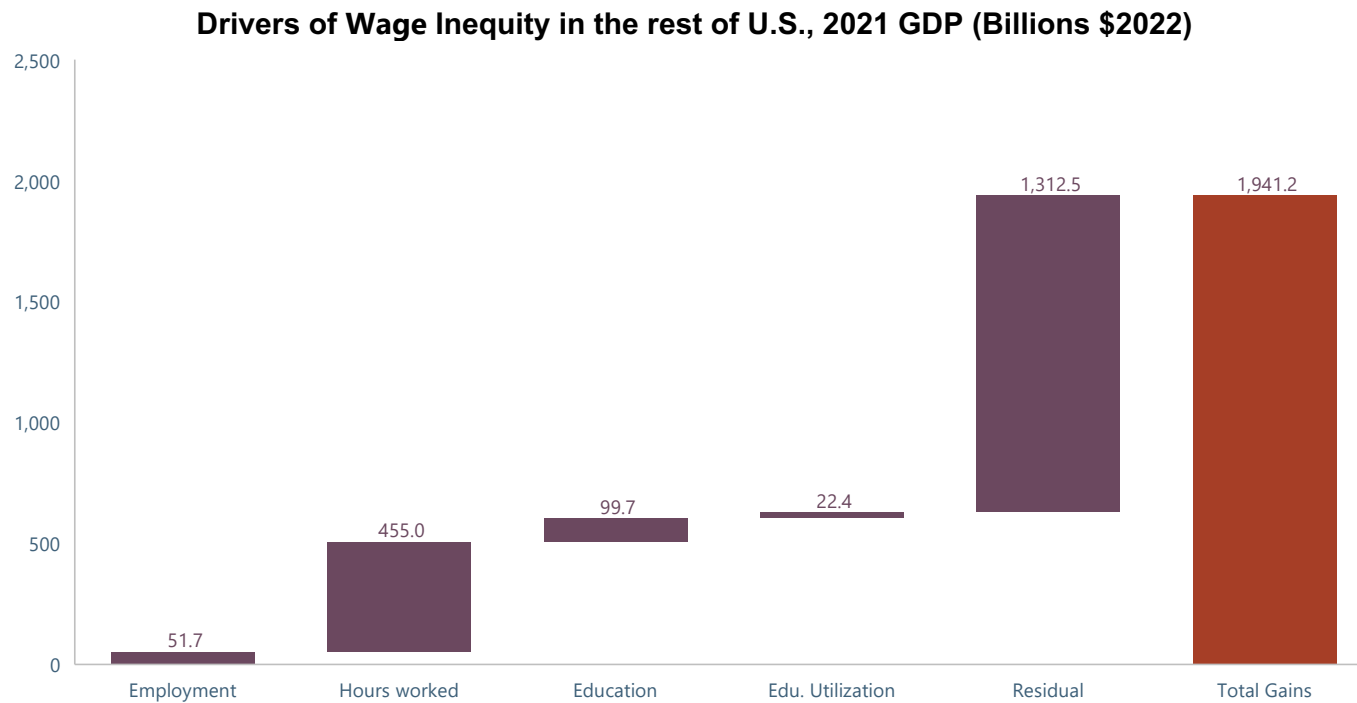
Inequity Leaves Money on the Table...

Group	Total Workers	Group Share of Sample	Actual in SCAG Region, 2021		Counterfactual: Full Equity			
			Group Average Annual Labor Income	Total Earnings Contribution to GDP (Billions 2022\$)	Group Average Annual Labor Income	Total Earnings Contribution to GDP (Billions 2022\$)	Incremental GDP Gains from Equity (Billions 2022\$)	Equity Gains as a Percent of SCAG GDP
White Men	7.1	16.2%	97,127	111.17	97,127	111.17		
White Women	7.1	13.1%	71,057	65.95	97,127	90.15		
Black Men	7.1	2.6%	65,764	12.01	97,127	17.74		
Black Women	7.1	2.7%	59,593	11.48	97,127	18.72		
Hispanic Men	7.1	26.8%	51,777	97.94	97,127	183.72		
Hispanic Women	7.1	20.4%	41,377	59.71	97,127	140.17		
Native Am Men	7.1	0.1%	62,092	0.33	97,127	0.52		
Native Am Women	7.1	0.1%	57,051	0.22	97,127	0.37		
Asian Men	7.1	7.4%	81,677	42.71	97,127	50.79		
Asian Women	7.1	7.4%	64,359	33.62	97,127	50.73		
Other Men	7.1	1.7%	84,471	9.88	97,127	11.35		
Other Women	7.1	1.6%	65,901	7.40	97,127	10.90		
Total	7.1			\$452.41		\$686.33	\$233.91	16.9%

Drivers of Wage Inequities in SCAG



Drivers of Wage Inequities in Rest of U.S.



Economic Impact Analysis Assumes Adequate Housing Supply

Employment Forecast by Housing Assumption (Millions)

Scenario	Employment
Regional Baseline, post-Local Data Exchange Scenario ("Mid")	10.2
Low Scenario: Secular Stagnation ("Low")	9.5
Difference (Mid - Low)	0.7
Percent Difference Relative to Low Scenario	7.4%

**Lost projected
employment if
housing inadequate.**



THANK YOU!

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