

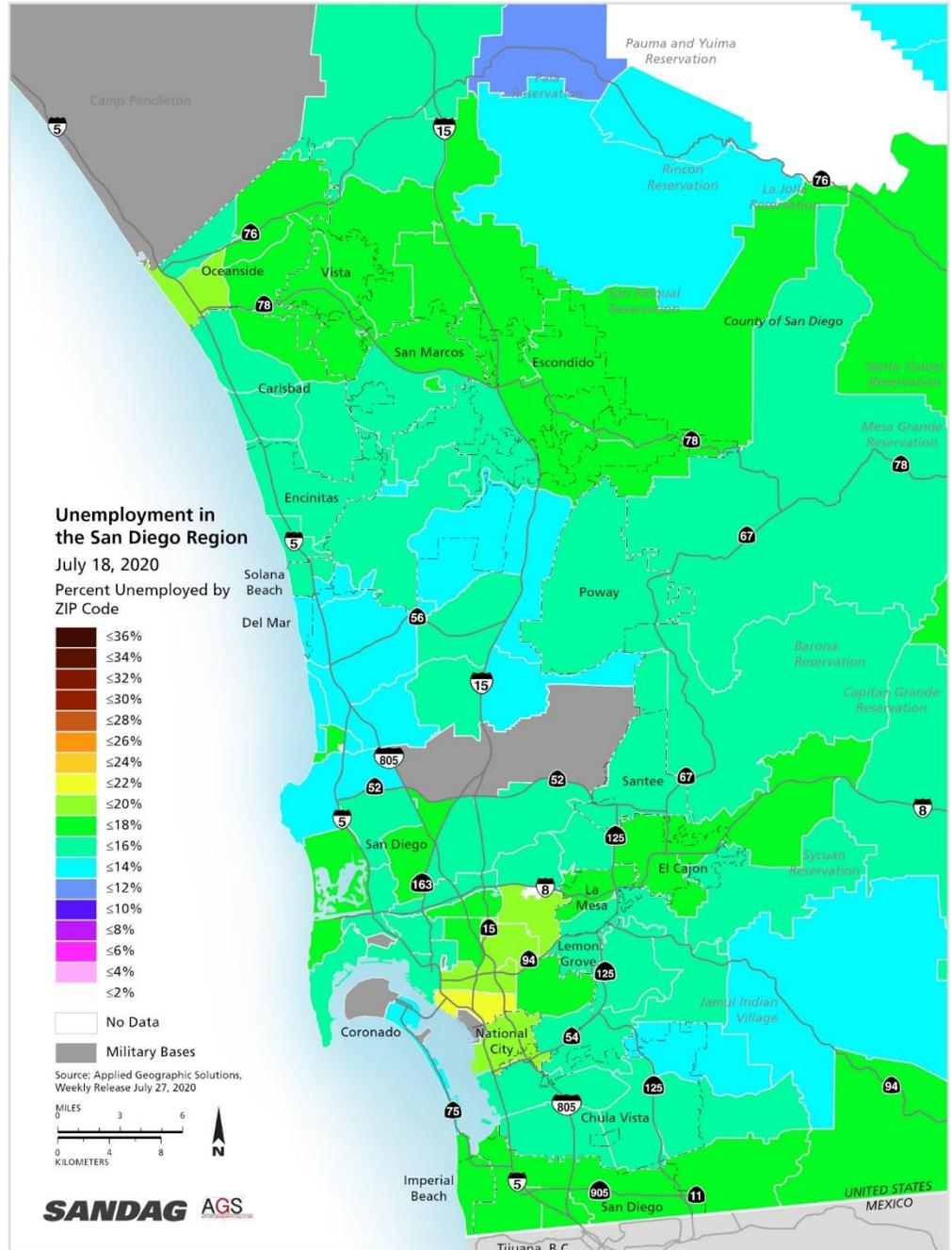
EMPLOYMENT ANALYSIS

SANDAG continues to monitor the economic downturn in the San Diego region. Unemployment increased sharply through mid-May in the COVID-19 recession. The unemployment rate in the region has stabilized around 16%, with over 250,000 workers still without jobs.

As of July 18, the most affected ZIP Codes are those in the southern and central parts of the region, and along the 78 corridor. The five ZIP Codes experiencing the highest unemployment rates are Logan Heights, Golden Hill, College, City Heights and Oceanside S. Logan Heights has the highest unemployment rate, where more than 1 in 5 workers are still without a job.

As the economy reopened between mid-May and mid-June, approximately 25,000 to 30,000 workers were returning to work every week. The rollback of the reopening plan announced in early July put an end to this trend.

Figure 1: Estimated Unemployment Rate by ZIP Code as of July 18, 2020



Source: Applied Geographic Solutions, Inc., Thousand Oaks, California, Weekly Release July 27, 2020

COVID-19 Impact on the San Diego Regional Economy

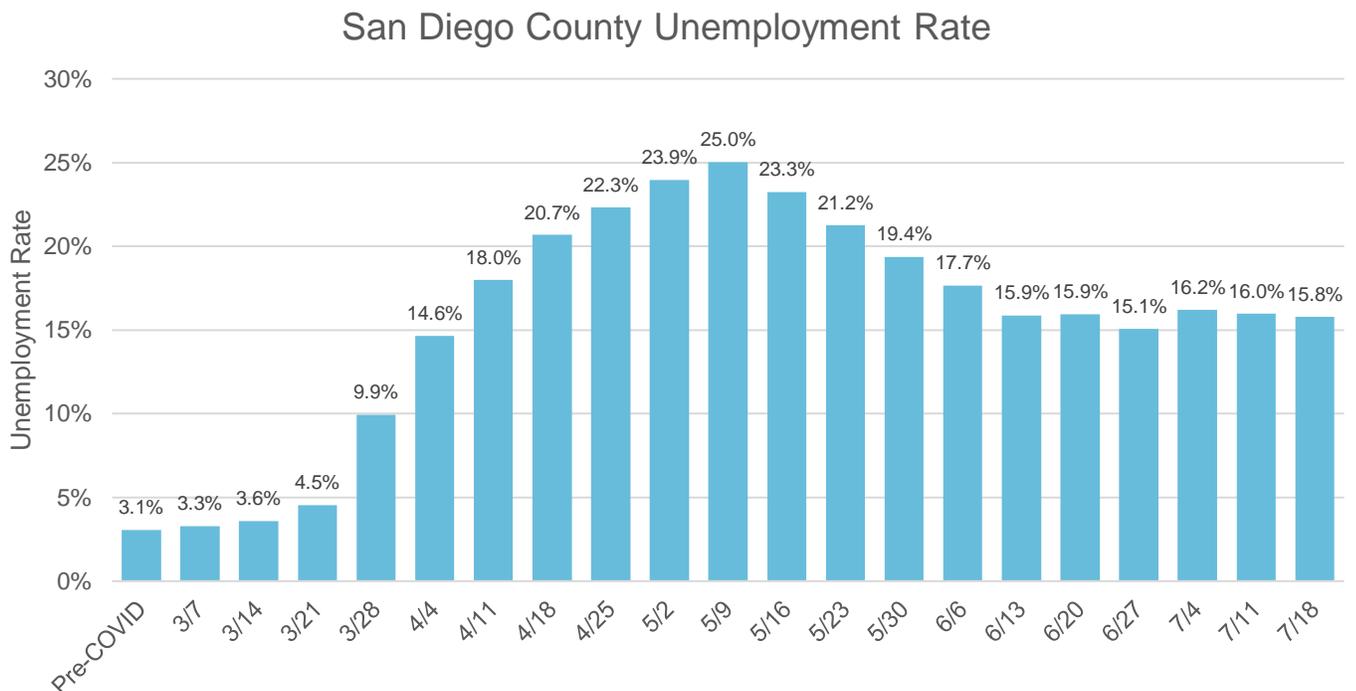
Unemployment trends have been impacted by a number of County of San Diego orders throughout the month of July, including: bars, breweries, and wineries not serving food were ordered to close on July 1; restaurants, bars, and entertainment places were ordered to stop indoor operations on July 7; and gyms and fitness centers, places of worship, offices for non-essential sectors, hair salons and barbershops, personal care, and indoor malls were ordered to close on July 13. Many of these businesses, however, have been allowed to expand their activities outdoors, which has likely helped contain layoffs.

The increase in the number of COVID-19 cases and the reopening roll backs are negatively affecting consumer confidence. At the national level, the Conference Board Consumer Confidence Index showed a decline in consumer confidence from 98.3 in June to 92.6 in July.¹ California was mentioned among the states with the largest decline in consumer confidence during the same period.

The unemployment estimates are based on new unemployment insurance claims, the number of people receiving unemployment insurance payments, and other official unemployment statistics from the Bureau of Labor Statistics. This is the best available data and will be revised as new federal and state data become available. Other data sources, such as job postings from Burning Glass Technologies, or number of employees working in small businesses from Homebase, confirm the pause in employment improvements in July, though also show absence of a major reversal.

It will take a long time for the unemployment rate to fall back to pre-COVID levels, especially if the full reopening of the economy continues to be delayed for public health reasons.

Figure 2: Estimated Unemployment Rate in the San Diego Region as of July 18, 2020



Source: Applied Geographic Solutions, Inc., Thousand Oaks, California, Weekly Release June 23, 2020 (for data until June 13) and Weekly Release July 27, 2020 (after June 13)

¹<https://conference-board.org/data/consumerconfidence.cfm>