

# Ventura County's Declining Economic Condition: Restoring Ventura County's Triple Bottom Line Balance

by Bruce Stenslie, President/CEO, Economic Development Collaborative—Ventura County

Fifteen years ago, the highly regarded Milken Institute's Best Performing Cities Index ranked Ventura County at number four in the nation for economic growth. By that index and others, for the next several years our economic performance remained solidly in the top 10% of the nation's largest 200 urban areas. We excelled in wage gains and job growth and in the concentration of high tech industries.

## Ventura County Trails the State & Surrounding Counties in Private Sector Job Creation

From 9/18/2016, [www.labormarketinfo.edd.ca.gov/LMID/Employment\\_by\\_Industry\\_Data.html](http://www.labormarketinfo.edd.ca.gov/LMID/Employment_by_Industry_Data.html)

Region	% Change 2011-2016	% Change 2006-2016
Ventura County	7.6%	-2.4%
California	16.1%	8.4%
Los Angeles County	12.3%	4.6%
Santa Barbara County	13.7%	6.6%
San Luis Obispo County	19.1%	15.2%
Kern County	12.2%	11.4%

However, beginning in 2008 with the Great Recession, we fell precipitously, as measured by a wide variety of economic indicators, and our recovery has been far weaker than our regional and national peers and competitors.

By key measures including median wages, job growth, labor force participation and productivity, the Ventura County economy tanked in the Recession, stalled after an early and promising recovery, then faded again, now trending dangerously downward relative to our surrounding counties, California and the nation.

Many of us haven't recognized the decline, undeniable as it's been. To be fair, to the folks that

own a home and have a job, or sought out our great communities for retirement, our condition looks great. From those viewpoints, the landscape suggests we remain a comfortable, competitive region. However, using a broader assessment that includes economic performance and social equity on an even par with environmental preservation, our declining condition tells a different story, with an uncertain future.

### ECONOMIC DEVELOPMENT COLLABORATIVE - VENTURA COUNTY

## Measuring Quality of Life:

### Categories & Definitions

Brookings Metro Monitor

- **Growth:**
  - Measures change in total size of the local economy
- **Prosperity:**
  - Measures wealth & income, per worker, per capita
- **Inclusion:**
  - Measures whether economic benefits are broadly shared

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## How are we doing, over 10 yrs?

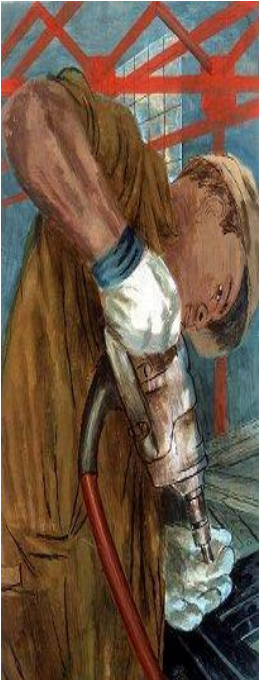
- We're falling behind
- Not in top half in any measure last 5 years

	1 Yr	5 Yr	10 Yr
➤ <b>Growth:</b>	62 <sup>nd</sup>	57 <sup>th</sup>	58 <sup>th</sup>
➤ <b>Prosperity:</b>	76 <sup>th</sup>	81 <sup>st</sup>	34 <sup>th</sup>
➤ <b>Inclusion:</b>	95 <sup>th</sup>	61 <sup>st</sup>	36 <sup>th</sup>

An important way for assessing our actual condition is to consider that we've lost our balance and concentration on a triple bottom line set of values, that is, for committing our stewardship equally to the environment, the economy and social equity. While we've done well in environmental stewardship—a value to which we need to remain true—we've been less effective in assuring a sound economy that contributes to a broadly shared prosperity.

On the positive side, and to our enduring benefit, Ventura County leadership has long held its focus on quality of life. We've benefitted enormously from land use policies dating back to the 1950's, contributing to our retention of farm land and open space and holding off the urban sprawl that has blighted our neighbors to the south. That priority remains strong today, with a popular vote solidly behind SOAR measures that assure tight urban boundaries through the next generation.

For moving forward, we're not suggesting a shift away from quality of life as our true north. Rather, by shining a light on our actual economic condition, particularly as it impacts our less advantaged residents, we're advocating for a more holistic definition of quality of life, one that is as effective in supporting an economy that assures a more broadly shared quality of life as it is in assuring an environment conducive to its long term sustainability.



Before we can begin that correction, however, we need to come to terms with our declining condition. The data is not ambiguous. Consider the following:

- Per data published by the California Labor Market Division, our rate of job creation over the last three years has us in the bottom quartile of California counties, ahead only of the more remote regions of the Sierra Nevada and California's long depressed inland valleys.
- Per data from the U.S. Bureau of Economic Analysis, our rate of growth in local GDP over the last three years has us 2<sup>nd</sup> to last among California's 25 ranked Metropolitan Statistical Areas.
- Resulting largely from the lack of jobs, and as shown by data recently published by the Brookings Institute, we rank 99<sup>th</sup> among the nation's 100 largest urban areas for declining labor force participation.
- What's more, we've quit attracting talent to our County. Matthew Fienup, Director of CLU's Center for Economic Research and Forecasting, points out that our net migration is negative, with more people moving out than moving in.
- Finally on the negative, the Brookings Institute, in its Metro Monitor set of indicators on the performance of the nation's 100 largest urban areas, ranked us 95<sup>th</sup> on a combination of measures on how the benefits of growth and prosperity are distributed among our residents.

What we've failed to recognize is the increasing difficulty of living in Ventura County for the larger share of our residents. We are on the extreme edge of a national trend, toward a hollowing middle class, fewer and fewer high wage jobs, with only an expanding service sector paying mostly less than livable wages relative to our high cost of living. Our kids are leaving for lack of opportunity. We've become as unaffordable as the rest of California's coastal communities, but without creating the economic opportunity to retain our youth and attract talent.

Once we've come to grips with the trends and the potential crisis they portend for our future, we can work with greater motivation, effectiveness and resolve on the correction. While definitive solutions will require our collective input, we're confident about several basic steps that will build on our existing assets.

- **Prioritize early child education**, which delivers extraordinarily high returns on investment, particularly for disadvantaged youth, through improved educational outcomes and lifetime earnings, and lower costs in social services and criminal justice.
- **Invest in our quality education pipeline**, pre-school through college, assuring that we're cultivating our own skills and talent. Twenty-first century competitiveness is first and foremost about innovation, critical thinking, deriving productivity through our diversity connected to global opportunity.



- **Embrace Infill & Density:** Expand investment in workforce housing by utilizing infill and density, accommodating moderate but strategic growth while we maintain tight urban boundaries.
- **Develop Industrial Land:** Commit to effective and efficient review processes that support opportunity for commercial and industrial property development, accommodating high wage job growth.
- **Energize Entrepreneurship:** Create and continue to evolve effective networks that engage our extensive resources in professional skills and capital in support of entrepreneurship and new business creation.
- **Retain and Grow Our Leading Industries:** Invest in the growth and diversification of our key legacy sectors, including manufacturing and technology, agriculture, biotech, defense, import/export trade and health services.
- **Invest in Infrastructure:** Commit to a greater investment in our infrastructure for today and tomorrow, with particular attention to transportation, water, and high-speed communication.



We are optimistic on all of these fronts. Restoring a broadly shared prosperity, however, will require that we collectively consider success in these priorities as just as important to quality of life as the preservation of our open space and agriculture.

At EDC-VC we don't believe we need to choose any of our triple bottom line values—environment, economy and social equity—over another. Let's expand our definition for quality of life to be inclusive of all these, without compromising stewardship of any of our core values.

If you haven't already, we encourage you to connect with EDC-VC and the Civic Alliance, and other leaders throughout Ventura County, to carry forward this work.