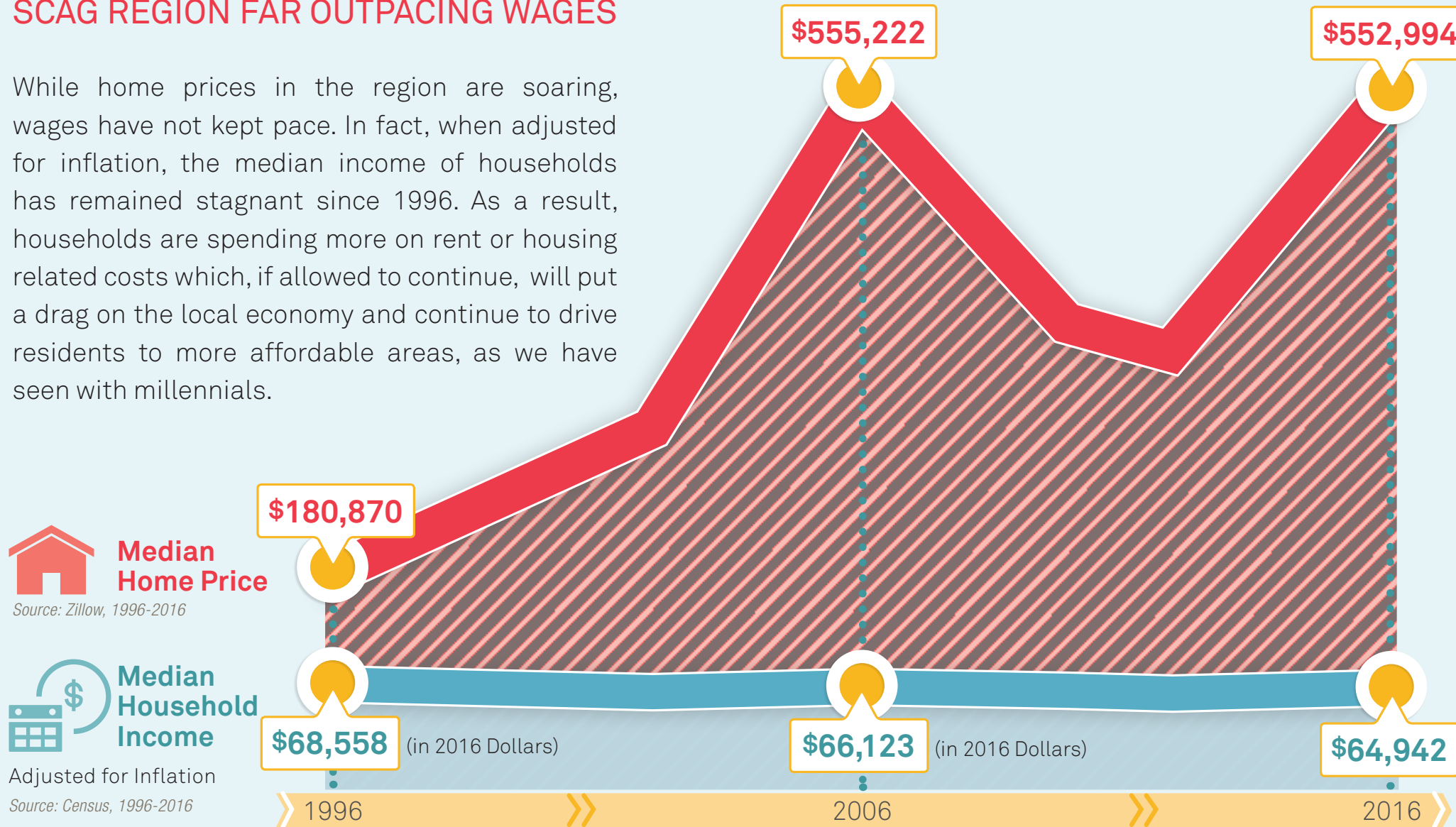


THE EIGHTH ANNUAL
Southern California Economic Summit
The Cost of Not Housing


BROUGHT TO YOU BY:
 

RISING HOME PRICES IN THE SCAG REGION FAR OUTPACING WAGES


While home prices in the region are soaring, wages have not kept pace. In fact, when adjusted for inflation, the median income of households has remained stagnant since 1996. As a result, households are spending more on rent or housing related costs which, if allowed to continue, will put a drag on the local economy and continue to drive residents to more affordable areas, as we have seen with millennials.



 **Median Home Price**
 Source: Zillow, 1996-2016

 **Median Household Income**
 Adjusted for Inflation
 Source: Census, 1996-2016

THE SITUATION TODAY



55% of SCAG renter households are paying over **30%** of their income to housing costs.

In L.A. County, one-third of renters spend more than **50%** of their income on housing.

Source: Census, 2016

HIGHER HOUSING COSTS IMPACT THE LOCAL ECONOMY



\$43 to \$83 Billion
Lost Construction Activities



\$27 to \$32 Billion
Lost Expenditures on Activities Outside Rent and Mortgage Payments

Source: McKinsey Global Institute, A Tool Kit to Close California's Housing Gap, October 2016



Millennials Priced Out
 Nearly **50%** of all households leaving Los Angeles and Orange counties are millennials.

Source: Trulia, Priced Out: Big Cities Are Becoming Too Costly For Lower-Income Residents, April 2016

SCAG FACTS

6 COUNTIES

191 CITIES

38,618 SQUARE MILES

19M PEOPLE