ORANGE COUNTY

2023 | COMMUNITY
2024 | INDICATORS

ORANGE COUNTY
BUSINESS COUNCIL

CalOptima Health

United Way
Orange County United Way

FIRST 5
ORANGE COUNTY

Orange County
Community
Foundation

TABLE OF CONTENTS

DEAR COMMUNITY PARTNER,

Orange County Business Council, in collaboration with CalOptima Health, First 5 Orange County, Orange County Community Foundation, and Orange County United Way, is pleased to present the *2023–24 Orange County Community Indicators* report.

An informed indicator reveals a region's performance, showing whether key areas are improving, declining, or maintaining. Since its first release in 2010, the indicators in this report track a comprehensive range of issues important to the stability of the region. The report highlights areas where the county is performing well and making progress, as well as areas where improvement is needed. We also compare Orange County to "peer" counties in California and across the nation based on shared characteristics.

The 2023–24 report focuses on how California's housing crisis impacts the Orange County economy and job market. While construction for housing continues, there is still not enough development happening to meet demand. This year's special feature looks at the barriers that prevent certain housing development and what needs to be done so that employers can attract and retain a well-trained workforce in order for Orange County to continue to thrive economically.

It's our earnest desire that the insights of this report help shape informed responses and highlight areas where Orange County can best focus its resources and efforts.

As always, the findings in the report are intended to serve as a starting point for further dialogue and collaboration. We hope that you will use the *2023–24 Orange County Community Indicators* report as an engaging resource and guide, ultimately positioning Orange County as a leader in addressing the challenges facing communities across the country. We encourage you to share it with others who call Orange County home and who are committed to a sustainable future for the nation's sixth largest county.

JEFFREY BALL
President and CEO
Orange County Business Council

KIMBERLY GOLL
President and CEO
First 5 Orange County

SHELLEY M. HOSS
President and CEO
Orange County Community Foundation

MICHAEL HUNN
Chief Executive Officer
CalOptima Health

SUSAN B. PARKS
President and CEO
Orange County United Way

ACKNOWLEDGEMENTS

ORANGE COUNTY PROFILE

PLACE/LAND USE

799 land area (square miles)

42 miles of coastline

3,926 persons per square mile

34 cities and several large unincorporated areas

Orange County has **8%** of California's population but only **0.5%** of its land area.

Southern California has 209 cities and 22 million residents in an area of 42,000 square miles. The overall region continues to adapt and evolve as new regional and global trends impact the area. Despite shifting trends, Orange County remains an economic powerhouse within the Southern California region, albeit with several significant challenges of both a national and local nature.

While inflation growth has mitigated over the past year, costs remain elevated, which is a significant factor in national credit card debt rising to nearly $1 trillion as of Q1 2023. Since Q1 2021, credit card debt has increased by a quarterly average of 2.2 percent compared to 2.0 percent for mortgage debt, 1.4 percent for auto loan debt, and 0.3 percent for student loan debt.[1] Housing, perhaps the most significant element of cost of living, remains a primary challenge across the nation but especially in Orange County. While the regional labor market has proven surprisingly resilient following the pandemic months, the pace of economic growth is expected to slow as the Federal Reserve signaled the potential for additional interest rate increases in 2023 to further temper inflation.[2]

According to the June 2023 jobs report by the U.S. Bureau of Labor Statistics, the pace of hiring slowed across the nation. Nonfarm payrolls increased by 209,000 jobs instead of an expected 240,000. Though still positive, this represents the lowest job creation rate since December 2020. While one of the primary unintended consequences of the Fed's interest rate increase strategy was a decline in employment, it is important that policymakers and stakeholders keep a watchful eye on the labor market and consumer trends to ensure market stability. As the average person continues to struggle with increasing financial hardship, which is likely to be exacerbated by the decision to restart student loan payments, local county and industry leaders must rethink outdated policies and craft impactful strategies and programs aimed at better supporting local residents and workers.

[1] https://www.newyorkfed.org/microeconomics/hhdc

[2] https://www.usatoday.com/story/money/2023/06/14/fed-interest-rate-hike-live-updates/70313232007/

Orange County's population continues to decline, albeit at a slightly slower rate than in 2020 and 2021. The county lost approximately 20,000 residents between 2020 and 2021, just under 15,000 between 2021 and 2022, and 14,782 between 2022 and 2023. Overall, Orange County has lost just under 50,000 residents (about 1.6 percent of its population) between 2020 and 2023. This same trend occurred at the state level — California lost almost 600,000 residents, 1.5 percent of its total population, between 2020 and 2023.
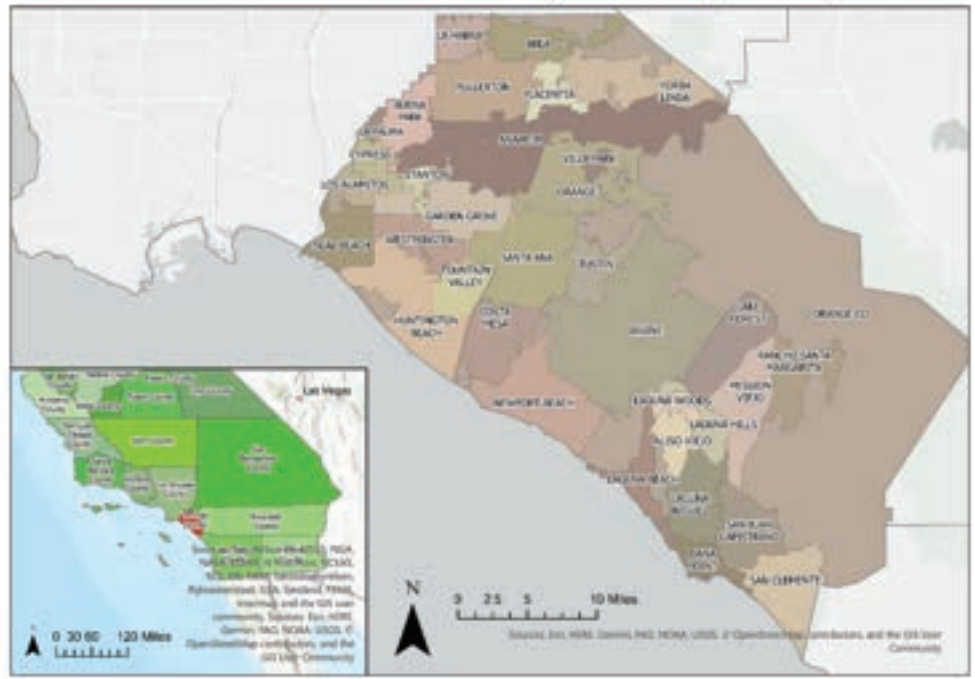
Overall, Orange County remains the third most populated county in California, the sixth most populated county in the nation, and remains larger than 17 states including Arkansas, Mississippi, and Kansas.

The combination of increased interest rates and prolonged remote work has begun to significantly affect the commercial real estate market. So far, San Francisco has been ground zero for these trends, with one office building seeing an 80 percent decline in valuation compared to before the pandemic.[3] Orange County's office space vacancy rate reached 13.6 percent in Q1 2023 compared to 12.4 percent in Q4 2022 and 11.9 percent in Q1 2022. Over the last quarter alone, office lease volume in the county experienced a 12.3 percent drop.[4] As these trends continue to evolve, it is important to keep a watchful eye on how they will impact the region, its labor market, and the county's over 104 million square feet of rentable office space.

POPULATION DENSITY

Orange County has an average population density of 3,926 residents per square mile, 4.2 percent more than in 2010 but 1.0 percent less than in 2022. Orange County remains significantly denser than neighboring counties, as seen to the right.

COUNTY POPULATION PER SQUARE MILE, 2023	
COUNTY	POPULATION PER SQUARE MILE
Orange	**3,926**
Los Angeles	2,405
Riverside	829
San Bernardino	339
San Diego	238
California (Statewide)	109

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2023. Sacramento, California, May 2023. Esri.

---

[3] https://www.businessinsider.com/san-francisco-office-building-sale-discount-commercial-real-estate-crisis-2023-4

[4] https://www.cbre.com/insights/figures/orange-county-office-figures-q1-2023

DEMOGRAPHICS/ DIVERSITY

— 3,137,164 2023 Population

— 3,166,309 2060 Population

— 0.93% Percent Growth

INCREASINGLY OLDER AND MORE DIVERSE

Orange County's median age increased from 38.6 in 2019 to 39.2 years in 2021. At the state level, the median age increased from 37.0 to 37.6 over the same time period. Since 2010, the county's median age has increased by 4 years or by 11.4 percent.

In addition to growing older, Orange County is also growing more diverse. While the number of White and Pacific Islander residents in Orange County has declined since 2010 by 10.2 percent and 15.5 percent, respectively, all other races or ethnicities have seen increases in the proportion of residents. The number of residents who self-identified as 'some other race' increased from 4,755 to 13,003 from 2010 to 2021, an increase of 173.5 percent, followed by residents who self-identify as 'two or more races' which increased by 92 percent. Asian residents increased 27.9 percent, while Black, Native American, and Hispanic/Latino residents increased by 15.5 percent, 14.5 percent, and 6.0 percent, respectively.

NET DOMESTIC MIGRATION DECLINES YEAR-OVER-YEAR

From 2021 to 2022, Orange County is estimated to have lost a net 14,847 residents. While natural increase (births minus deaths) served to increase the population by 7,542 and net immigration brought in 8,135 international immigrants, a total of 30,524 county residents moved from Orange County to other locations domestically. Orange County lost a net 23,338 residents between 2020 and 2021 due to decreased levels of both natural increase and international migration. Net domestic migration, in this case residents leaving for other parts of the U.S., increased over the past year from 26,402 to 30,524 or 15.6 percent. This trend is indicative of the housing affordability crisis pushing workers and families out of the region.

Residents over the age of 65 are the only age group expected to increase in proportion over the next several decades, growing from 18 percent of the population in 2023 to 29 percent in 2060.

PROJECTED CHANGE IN AGE GROUP PROPORTIONS OF TOTAL ORANGE COUNTY POPULATION, 2023 AND 2060
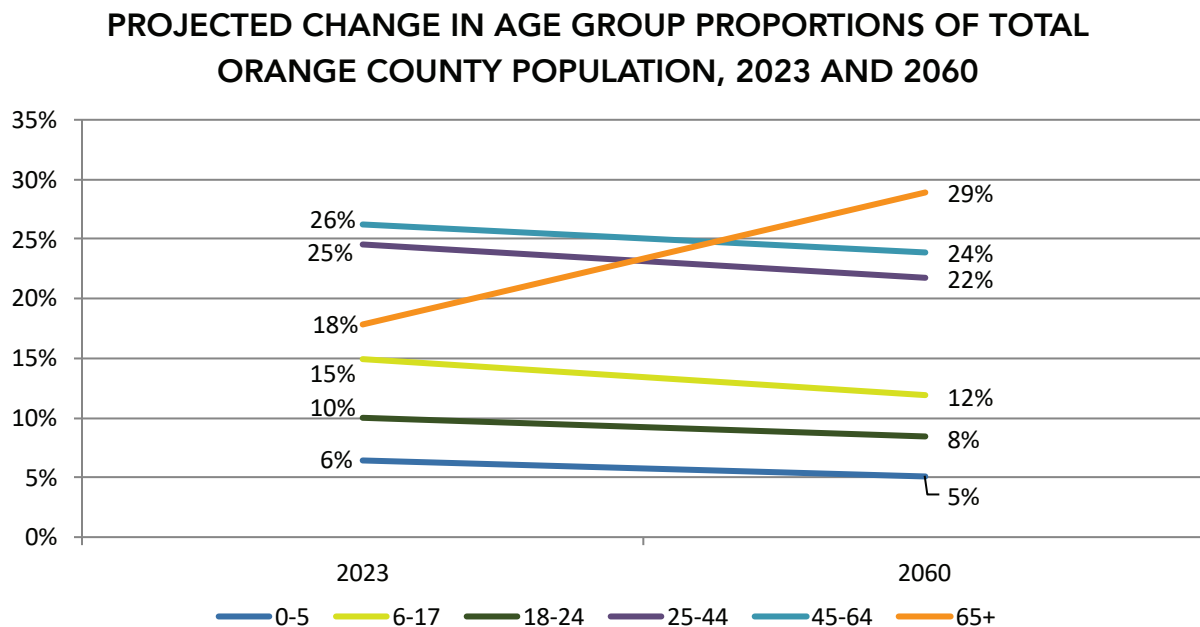
Source: California Department of Finance. Demographic Research Unit. Report P-2B: Population Projections by Individual Year of Age, California Counties, 2010-2060 (Baseline 2019 Population Projections; Vintage 2020 Release). Sacramento, California, July 2021.

DIVERSITY: ORANGE COUNTY CONTINUES TO GROW INCREASINGLY DIVERSE

While the proportion of White residents is expected to shrink from 41.1 percent in 2023 to 35.9 percent in 2060, the proportion of Hispanic/Latino residents will increase from 36.0 percent to 40.3 percent. The proportion of multiracial residents will increase from 2.7 percent to 4.2 percent. Asian residents are expected to see a slight decline from 18.1 percent of the population to 17.1 percent, and African American residents will see a slight increase from 1.6 percent to 1.9 percent of the population. Pacific Islander residents are expected to remain steady at 0.3 percent of the population while the Native American population will see a slight bump from 0.2 percent to 0.3 percent.

PROJECTED CHANGE BY RACIAL AND ETHNIC GROUPS AS PROPORTIONS OF THE TOTAL ORANGE COUNTY POPULATION, 2023 AND 2060

2023
- Hispanic/Latino: 36.0%
- White: 41.1%
- Asian: 18.1%
- Multiracial: 2.7%
- African American: 1.6%
- Pacific Islander: 0.3%
- Native American: 0.2%

2060
- Hispanic/Latino: 40.3%
- White: 35.9%
- Asian: 17.1%
- Multiracial: 4.2%
- African American: 1.9%
- Pacific Islander: 0.3%

Legend: ■ Hispanic/Latino ■ White ■ Asian ■ Multiracial ■ African American ■ Pacific Islander ■ Native American
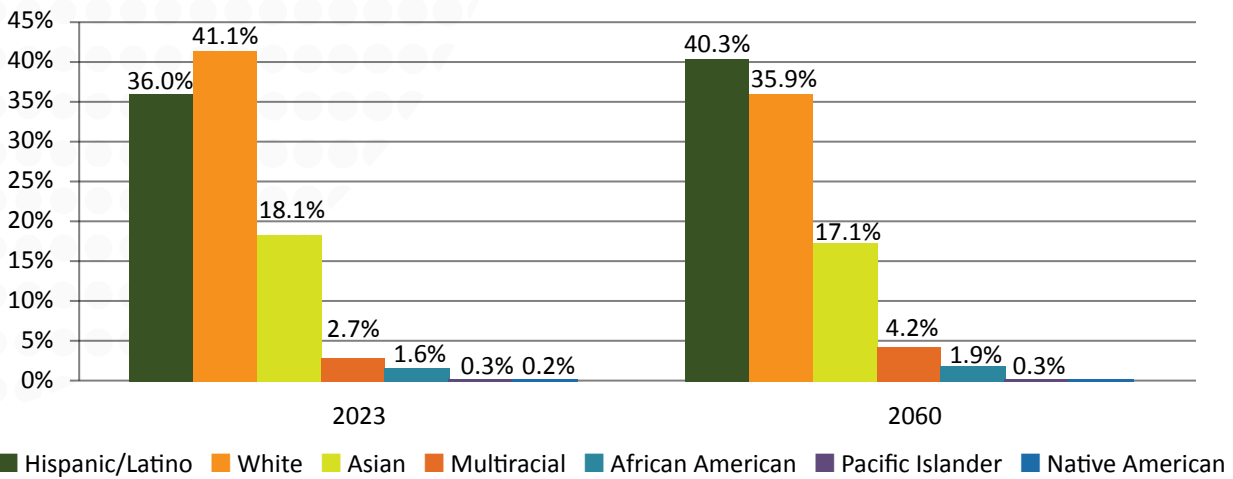
Source: California Department of Finance. Demographic Research Unit. Report P-2D: Population Projections by Total Hispanic and Non-Hispanic Race, California Counties, 2010-2060 (Baseline 2019 Population Projections; Vintage 2020 Release). Sacramento, California, March 2021.

INTERNATIONAL RESIDENTS

30.4% of county residents were born in other countries

45.8% of all residents over age five speak a language other than English at home

Orange County is home to approximately 961,638 foreign-born residents as of 2021. This accounts for 2.1 percent of all foreign-born residents in the United States and 9.2 percent of foreign-born California residents. Despite an overall declining population, the number of foreign-born residents in the county increased by 11,813 residents from 2019 to 2021 or by 1.2 percent.

ORANGE COUNTY FOREIGN-BORN POPULATION INCREASES OVER THE PAST YEAR

FOREIGN-BORN POPULATION METRICS BY SOUTHERN CALIFORNIA COUNTY, 2021

COUNTY	FOREIGN-BORN POPULATION	% FOREIGN-BORN POPULATION
Los Angeles	3,269,494	33.3%
Orange	**961,638**	**30.4%**
San Diego	737,696	22.4%
San Bernardino	466,683	21.3%
Riverside	541,362	22.0%

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

TOP 10 COUNTRIES OF ORIGIN, 2021

COUNTRY	POPULATION IN ORANGE COUNTY
Mexico	294,594
Vietnam	159,887
Korea	65,486
Philippines	53,288
China*	45,529
India	34,692
Iran	28,638
El Salvador	26,046
Taiwan	23,002
Canada	13,519

*Note - Foreign-born population from China excludes residents from Hong Kong and Taiwan.
Source: U.S. Census Bureau, American Community Survey, 1-year Estimates

ORANGE COUNTY CONTINUES TO OUTPERFORM REGIONAL PEERS

BY-THE-NUMBERS SNAPSHOT: ORANGE COUNTY CHARACTERISTICS COMPARED TO REGIONAL PEERS, 2023

COUNTY	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	POVERTY LEVEL (%)	MEAN COMMUTE TIME (IN MINUTES)	FOREIGN-BORN POPULATION (%)
Orange	**$100,559**	**39.2**	**9.9%**	**26.1**	**30.4%**
San Diego	$91,003	36.9	10.6%	24.5	22.4%
Los Angeles	$77,456	37.8	14.2%	29.2	33.3%
Riverside	$79,024	36.6	11.6%	32.1	22.0%
San Bernardino	$74,846	34.3	13.2%	32.2	21.3%
California (Statewide)	$84,907	37.6	12.3%	27.6	26.6%

Source: U.S. Census Bureau, American Community Survey, 1-year Estimates

EDUCATIONAL ATTAINMENT

ORANGE COUNTY LEADS PEER REGIONS IN EDUCATIONAL ATTAINMENT

— **12.7%** of adults over age 25 have less than a high school diploma

— **43.1%** of adults over age 25 have a Bachelor's or higher

ORANGE COUNTY EDUCATIONAL ATTAINMENT COMPARED TO PEER REGIONS, 2021		
REGION	BACHELOR'S DEGREE OR HIGHER	PERCENT GRADUATE OR PROFESSIONAL DEGREE
Orange County	**43.1%**	**16.3%**
San Diego County	42.0%	16.4%
California	36.2%	14.0%
Los Angeles County	35.1%	12.5%
United States	35.0%	13.8%
Riverside County	24.0%	8.6%
San Bernardino County	23.3%	8.0%

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

LABOR MARKET / BUSINESS COMMUNITY

MEDIAN HOUSEHOLD INCOME CLIMBS TO OVER $100,000 IN ORANGE COUNTY

LABOR MARKETS REMAIN STRONG ACROSS THE COUNTY

$100,559 Median household income (2021)

$1,256,500 Median existing single-family home price (May 2023)

3.2% Unemployment rate (May 2023)

EMPLOYMENT

ORANGE COUNTY UNEMPLOYMENT RATES BELOW CALIFORNIA AND THE NATION

ORANGE COUNTY INCOME AND UNEMPLOYMENT RATE REGIONAL COMPARISON		
REGION	MEDIAN HOUSEHOLD INCOME	UNEMPLOYMENT RATE (MAY 2023)
Orange	**$100,559**	**3.2%**
Los Angeles	$77,456	4.8%
Riverside	$79,024	4.4%
San Bernardino	$74,846	4.3%
San Diego	$91,003	3.5%
California	$84,907	4.5%
United States	$69,717	3.4%

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates; California Employment Development Department

DISNEY BECOMES OC'S LARGEST EMPLOYER IN 2023

LARGEST EMPLOYERS IN ORANGE COUNTY, 2023			
COMPANY	**EMPLOYMENT IN ORANGE COUNTY**	**COMPANY**	**EMPLOYMENT IN ORANGE COUNTY**
The Walt Disney Co.	34,000	Edwards Lifesciences	4,872
University of California, Irvine	24,867	Boeing Co.	4,800
County of Orange	18,000	CHOC (Children's Hospital of Orange County)	4,442
Providence Southern California	13,037	Home Depot Inc.	4,300
Kaiser Permanente	9,592	Costco Wholesale Corp.	4,038
Hoag Memorial Hospital Presbyterian	7,888	California State University, Fullerton	3,953
Albertsons Southern California Division	7,633	Applied Medical Resources Corp.	3,759
Target Corp.	6,000	Ralphs and Food 4 Less, Divisions of The Kroger Co.	3,700
Allied Universal	5,929	Automobile Club of Southern California	3,600
Walmart Inc.	5,900	CVS Health	3,400

Source: Orange County Business Journal, 2023 Book of Lists

HEALTH CARE AND MANUFACTURING HEAVY IN NORTH OC; PROFESSIONAL AND TECHNICAL SERVICES DOMINANT IN SOUTH OC

DOMINANT INDUSTRY BY CENSUS TRACT IN ORANGE COUNTY, 2023
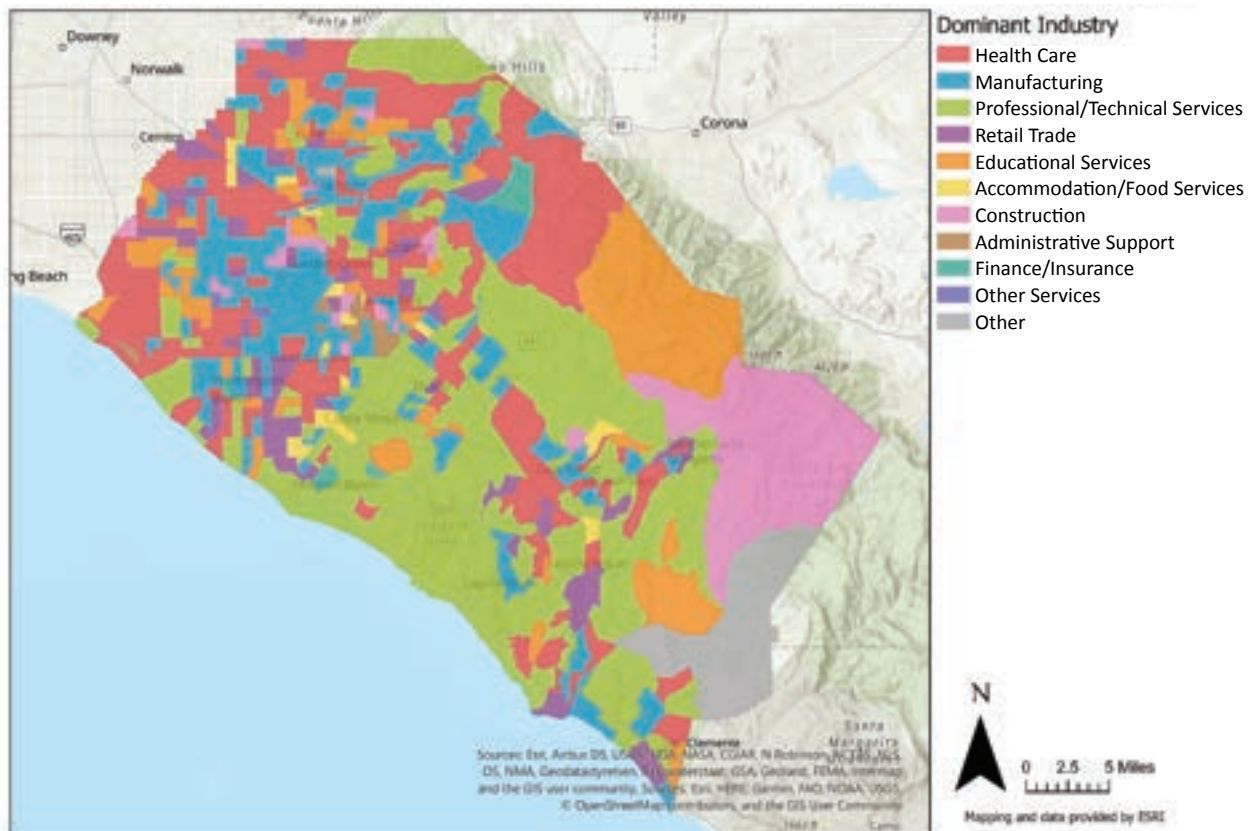
Orange County has several concentrated industry sectors which help support the region's well-educated and diverse labor force while providing significant competitive advantages. While industry clusters will be explored later in this report, the following table provides the top regional industries by location quotient. Location quotients indicate how concentrated an industry is in a given geographic region compared to the national average. For example, an industry with a location quotient of '2' is twice as concentrated in that region compared to the national average. Location quotients can help:

- identify regional specializations and industry sectors of opportunity for leaders to better leverage local advantages, workforce talent, and investments; and

- identify industries that are most resilient to economic shocks in need of support.

| TOP ORANGE COUNTY INDUSTRIES BY LOCATION QUOTIENT, 2023			
INDUSTRIES	LOCATION QUOTIENT	INDUSTRIES	LOCATION QUOTIENT
Amusement and Theme Parks	13.00	Plumbing Fixture Fitting and Trim Manufacturing	6.62
Dental Laboratories	9.59	Other Lighting Equipment Manufacturing	6.10
Nonferrous Forging	9.18	Military Armored Vehicle, Tank, and Tank Component Manufacturing	6.08
Other Apparel Knitting Mills	8.87	Industrial Design Services	5.89
Electromedical and Electrotherapeutic Apparatus Manufacturing	8.81	Guided Missile and Space Vehicle Manufacturing	5.69
Men's and Boys' Cut and Sew Apparel Manufacturing	7.51	Ophthalmic Goods Manufacturing	5.48
Bare Printed Circuit Board Manufacturing	7.34	Nail Salons	5.41
Surgical and Medical Instrument Manufacturing	6.98	Business and Secretarial Schools	5.34
Dental Equipment and Supplies Manufacturing	6.86	Electronic Connector Manufacturing	5.34
Fluid Power Pump and Motor Manufacturing	6.82	Electric Lamp Bulb and Part Manufacturing	5.05

Source: Lightcast

BUSINESSES OF ALL SIZES THRIVE IN ORANGE COUNTY

Overall, 96.2 percent of businesses in Orange County employ less than 50 workers and are thus considered small businesses. These small businesses employ 43.6 percent of the total county workforce. Orange County had 187 businesses with more than 500 workers in 2022, an increase of seven from the previous year. The number of county businesses employing more than 1,000 workers also increased, from 62 to 67.

96%
of all OC businesses are considered small businesses

NUMBER OF BUSINESSES AND EMPLOYEES, BY SIZE OF BUSINESS, 2022
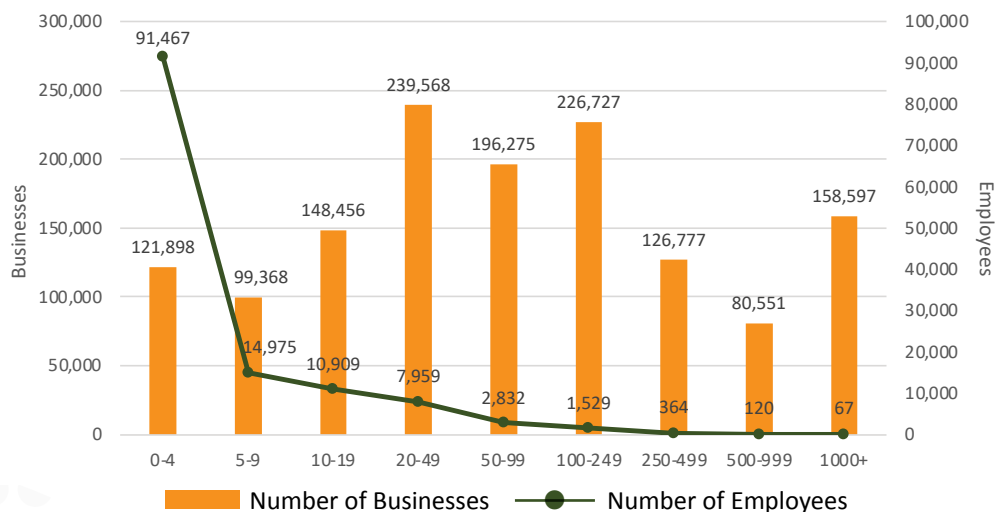
Source: California Employment Development Department, Size of Business Data 2022

ORANGE COUNTY CONTINUES TO BOAST HIGHEST GRP PER CAPITA AND PER SQUARE MILE

GROSS REGIONAL PRODUCT IN OC INCREASES BY 3.2 PERCENT OVER THE YEAR

Orange County's gross regional product (GRP), a county-level equivalent of gross domestic product (GDP), increased from $275 billion in 2021 to $284 billion in 2022. The county's GRP remains larger than that of 25 states, including Louisiana, Alabama, and Kentucky.

GROSS REGIONAL PRODUCT AND EMPLOYMENT COMPARISON BY SOUTHERN CALIFORNIA COUNTY, 2022-2023							
COUNTY	TOTAL POPULATION (2023)	TOTAL EMPLOYMENT (MAY 2023)	2022 TOTAL REGIONAL PRODUCT ($ IN B)	EMPLOYMENT PER SQUARE MILE	EMPLOYMENT PER CAPITA	GROSS REGIONAL PRODUCT PER SQUARE MILE	GROSS REGIONAL PRODUCT PER CAPITA
Orange	**3,137,164**	**1,543,500**	**$284**	**1,932**	**0.49**	**$355,319,654**	**$90,496**
San Diego	3,269,755	1,539,600	$271	391	0.47	$68,750,815	$82,886
Los Angeles	9,761,210	4,728,500	$818	1,165	0.48	$201,461,550	$83,753
San Bernardino	2,182,056	956,200	$105	48	0.44	$5,249,930	$48,256
Riverside	2,439,234	1,091,600	$95	151	0.45	$13,149,047	$38,845

Source: Lightcast; California Department of Finance, California Employment Development Department

EMPLOYMENT PER SQUARE MILE BY SOUTHERN CALIFORNIA COUNTY, 2023
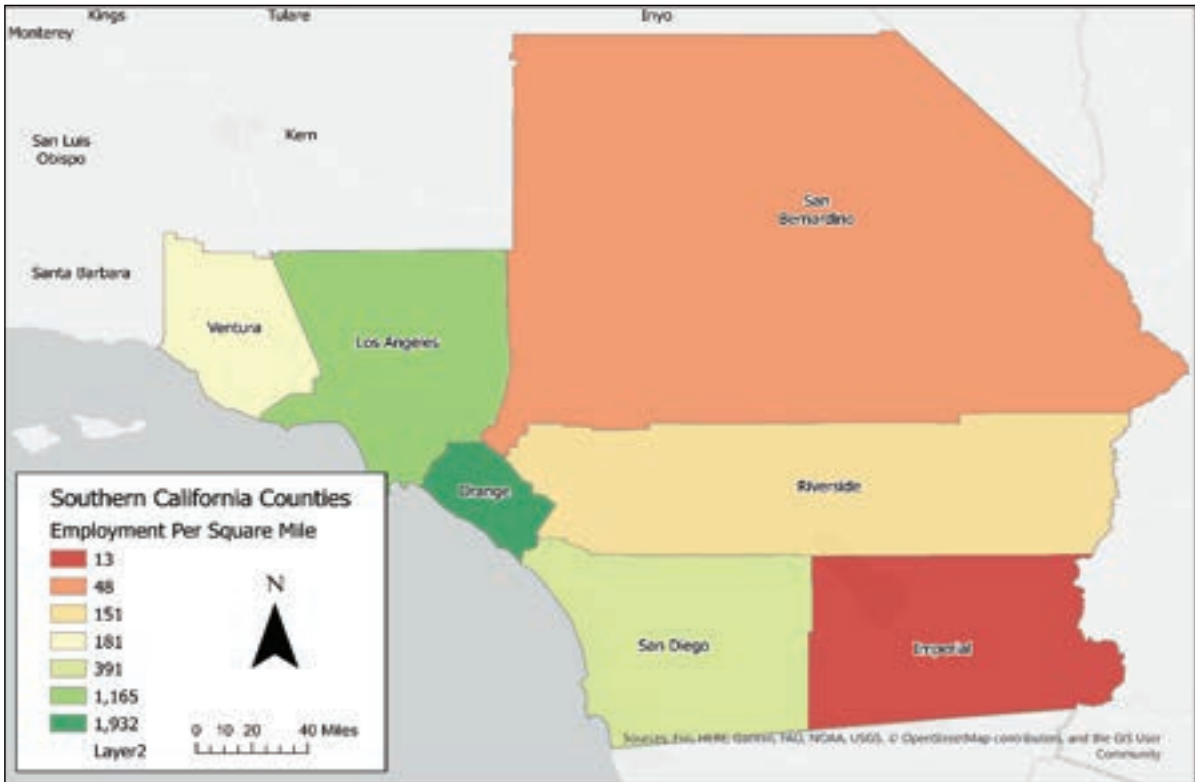
GROSS REGIONAL PRODUCT (GRP) PER SQUARE MILE BY SOUTHERN CALIFORNIA COUNTY, 2023
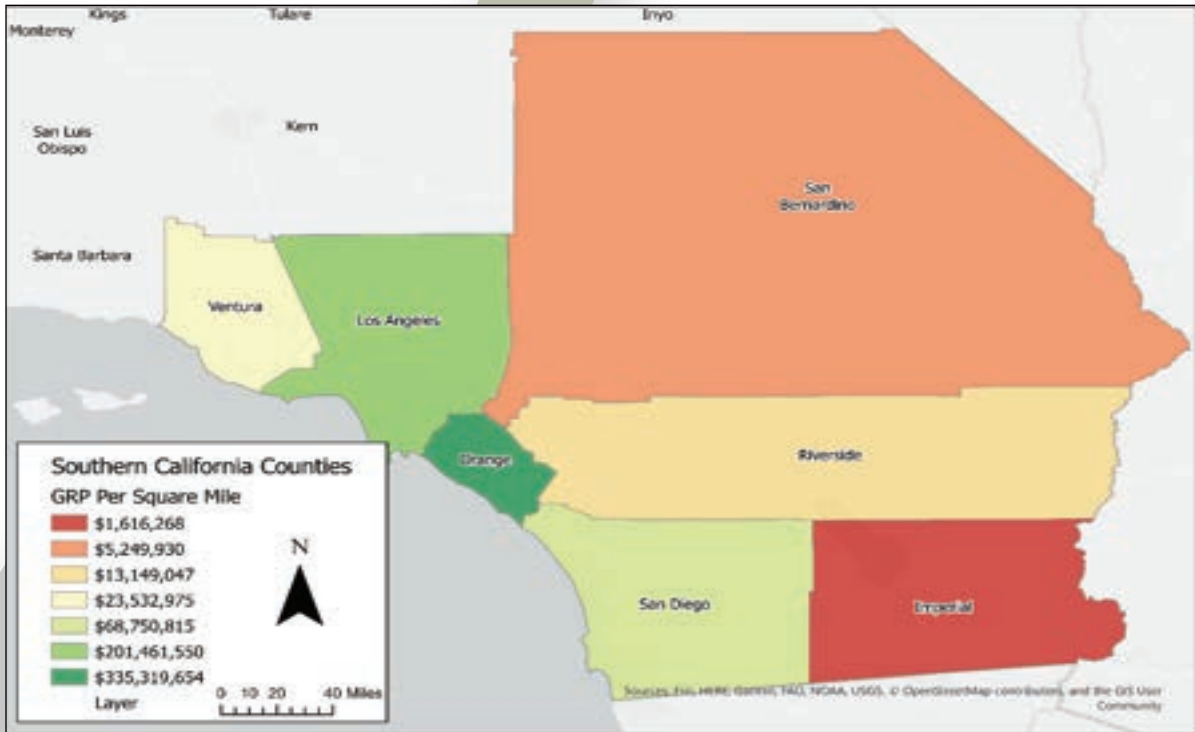
OC BUSINESS EXECUTIVES ARE CAUTIOUSLY OPTIMISTIC

California State University Fullerton's Orange County Business Expectations Index (OCBX) measures business sentiment through surveys of Orange County business executives. After a significant recovery following the massive pandemic-related drop, the OCBX has been more tempered, increasing from 60.5 in Q4 2022 to 66.9 as of Q1 2023. While 18.6 percent of executives surveyed expected regional business activity to increase somewhat, 42.4 percent expected business to remain stable while 39.0 percent expected business to decrease somewhat. Currently, inflation continues to remain the most important concern for executives at 44.1 percent, followed by labor/supply shortages at 22.0 percent and government deficits at 10.2 percent. Overall, 45.8 percent of executives surveyed expected a recession in the second half of 2023.

ORANGE COUNTY BUSINESS EXPECTATIONS INDEX, Q1 2010 – Q2 2023
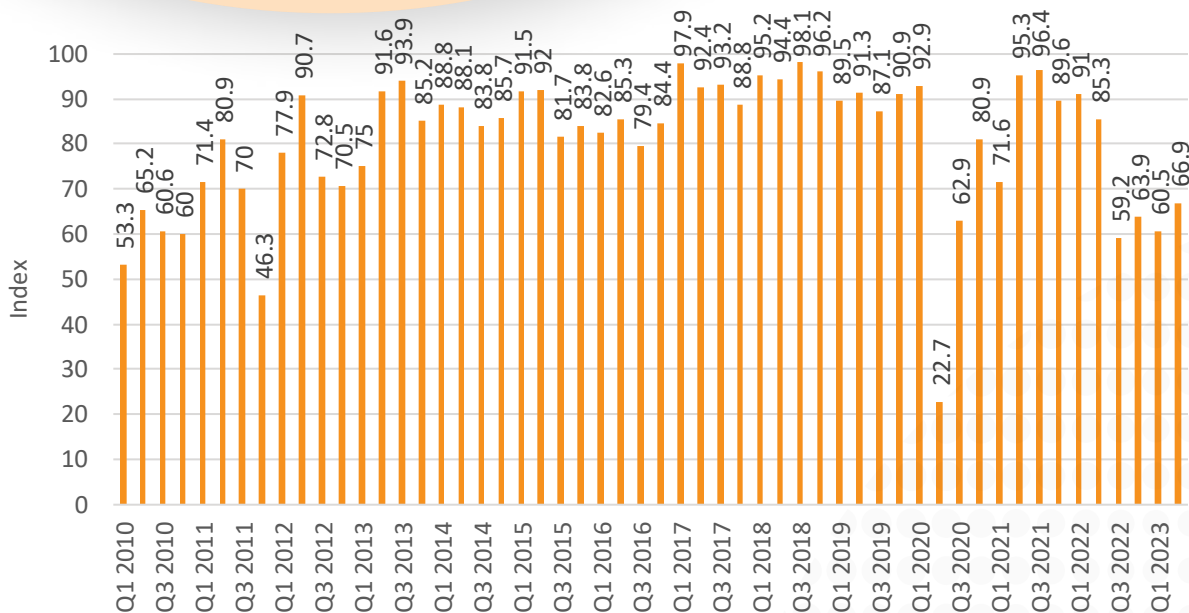
An index above 50 indicates expansion

Source: California State University, Fullerton

TRAVEL AND TOURISM

PASSENGER VOLUME AT JWA STEADILY CLIMBING

Total passenger volume at John Wayne Airport (JWA) totaled 992,569 in April 2023, a 3.5 percent year-over-year increase. While the cost of air travel remains somewhat elevated, post-pandemic t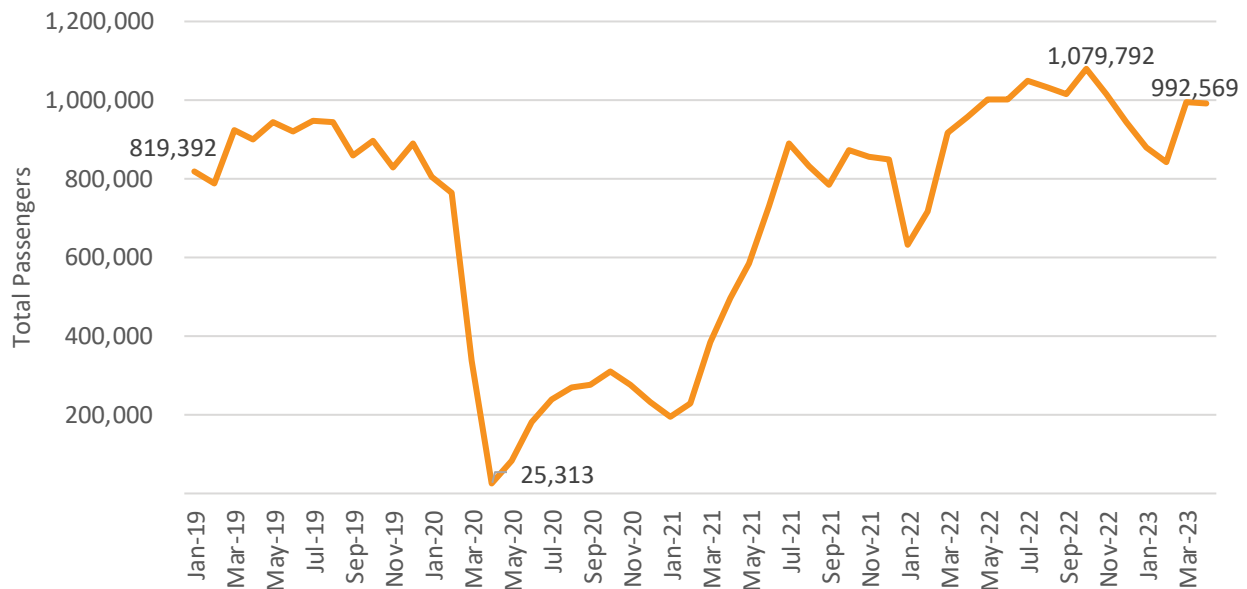ravel through JWA has steadily increased since it collapsed to only 25,313 in April 2020. As summer travel ramps up, passenger volume at JWA is likely to increase as travelers arrive to enjoy Orange County's unique coastal beauty and world-class tourist attractions.

TOTAL MONTHLY PASSENGERS SERVED AT JOHN WAYNE AIRPORT, JANUARY 2019 – APRIL 2023

Source: OCair.com

In Q4 2022, approximately 25.8 percent of visitors to Orange County came from within California; 14.0 percent were from Arizona and 6.6 percent were from Nevada. Over the past year, total visitors into Orange County from different parts of California have declined by 16.4 percent. Similarly, the number of visitors from Nevada declined by 16.7 percent year-over-year. Florida, which accounted for 3.1 percent of visitors to the county, had the highest year-over-year percentage increase in visitors to Orange County at 36.8 percent.

Looking at in-state metro regions, visitors from San Francisco once again represented the majority of Orange County visitors at 25.6 percent, followed by Sacramento (17.6 percent) and San Diego (13.6 percent). However, San Francisco also represented the largest decline in visitors to Orange County over the past year, shrinking by 14.4 percent. It was followed by Sacramento (-10.7 percent) and Fresno-Visalia (-3.8 percent). Visitors from Palm Springs, Chico-Redding, and Santa Barbara saw the largest increase over the past year, growing by 63.2 percent, 64.3 percent, and 22.9 percent, respectively. Approximately 15.9 percent of visitors from out-of-state metro regions originated from Phoenix, AZ, followed by 7.4 percent from Las Vegas, NV, and 4.8 percent from Salt Lake City, UT. While visitors from Las Vegas, NV, into Orange County shrank the most over the past year at -23.4 percent, visitors from Chicago, IL, increased the most at 12.4 percent.

ORANGE COUNTY VISITOR SHARE BY STATE AND YEAR-OVER-YEAR CHANGE, Q4 2022
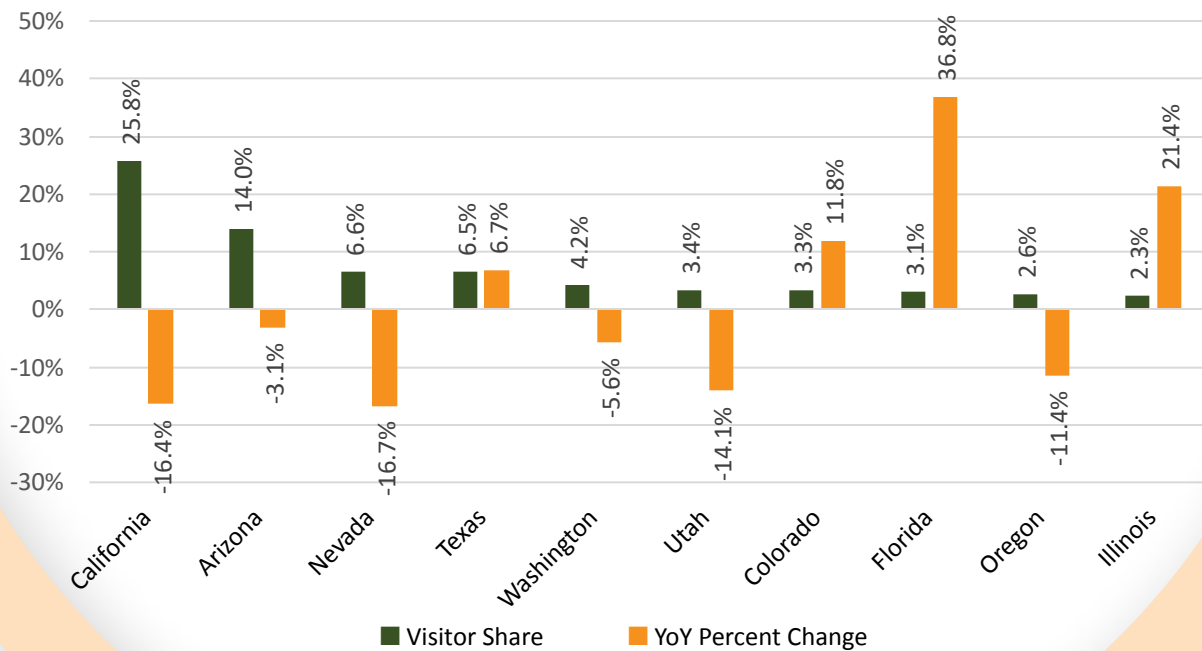
Source: VisitCalifornia.com, Domestic Visitor Profiles, Q4 2022

ORANGE COUNTY VISITORS SHARE AND YEAR-OVER-YEAR CHANGE BY METRO REGIONS, Q4 2022					
IN-STATE METRO REGIONS			**OUT-OF-STATE METRO REGIONS**		
REGION	**VISITOR SHARE**	**YOY PERCENT CHANGE**	**REGION**	**VISITOR SHARE**	**YOY PERCENT CHANGE**
San Francisco, CA	25.6%	-14.4%	Phoenix, AZ	15.9%	-10.4%
Sacramento, CA	17.6%	-10.7%	Las Vegas, NV	7.4%	-23.4%
San Diego, CA	13.6%	-2.3%	Salt Lake City, UT	4.8%	-18.0%
Los Angeles, CA	12.7%	18.1%	Seattle-Tacoma, WA	4.3%	-11.9%
Fresno-Visalia, CA	8.2%	-3.8%	Denver, CO	3.6%	7.9%
Palm Springs, CA	6.7%	63.2%	Dallas-Ft. Worth, TX	3.1%	0.2%
Bakersfield, CA	5.5%	5.7%	Portland, OR	2.7%	-17.4%
Santa Barbara, CA	5.3%	22.9%	Tucson (Sierra Vista), AZ	2.6%	-1.7%
Monterey-Salinas, CA	2.3%	15.3%	Chicago, IL	2.5%	12.4%
Chico-Redding, CA	2.0%	64.3%	New York, NY	2.4%	-5.4%

Source: VisitCalifornia.com, Domestic Visitor Profiles, Q4 2022

QUALITY OF LIFE

CRIME INDEXES CLIMB ACROSS MAJORITY OF NATION

PERSONAL CRIME REMAINS LOW IN OC DESPITE RISE IN TOTAL CRIME INDEX

Crime indexes across the nation saw increases from 2022 to 2023, with Dallas and Travis (Texas) counties seeing their crime index increase from 129 to 138 and 130 to 133, respectively. King County (Washington) jumped from 154 to 170, and California's overall statewide crime index increased from 107 to 111. Two regions, Suffolk County (Massachusetts) and San Francisco County, saw their crime indexes decline over the past year, shrinking from 107 to 92 and from 228 to 144, respectively. Despite the increase in Orange County's total crime index from 85 to 107, its personal crime index remained one of the lowest among peer regions. Overall, while Orange County's total crime index is 7 points above the national average of 100, it remains 4 points below the state's index of 111.

ORANGE COUNTY AND REGIONAL CRIME INDEXES, 2023			
REGION	TOTAL CRIME INDEX	PERSONAL CRIME INDEX	PROPERTY CRIME INDEX
Boston (Suffolk County)	92	155	81
San Diego County	97	82	100
Santa Clara County	97	74	101
Sacramento County	99	101	98
Orange County	**107**	**83**	**112**
Riverside County	109	119	107
San Bernardino County	110	132	106
California	111	114	111
Minneapolis (Hennepin County)	122	88	128
Austin (Travis County)	133	103	138
Los Angeles County	137	144	135
Dallas County	138	140	138
San Francisco	144	116	149
Seattle (King County)	170	88	185

Source: Esri Crime Index Data

NOTE

An index value of 100 represents the national average.

CRIME INDEX COUNTY COMPARISON, 2023

County	Crime Index
Boston (Suffolk County)	92
San Diego County	97
Santa Clara County	97
Sacramento County	99
Orange County	107
Riverside County	109
San Bernardino County	110
California	111
Minneapolis (Hennepin County)	122
Austin (Travis County)	133
Los Angeles County	137
Dallas County	138
San Francisco	144
Seattle (King County)	170
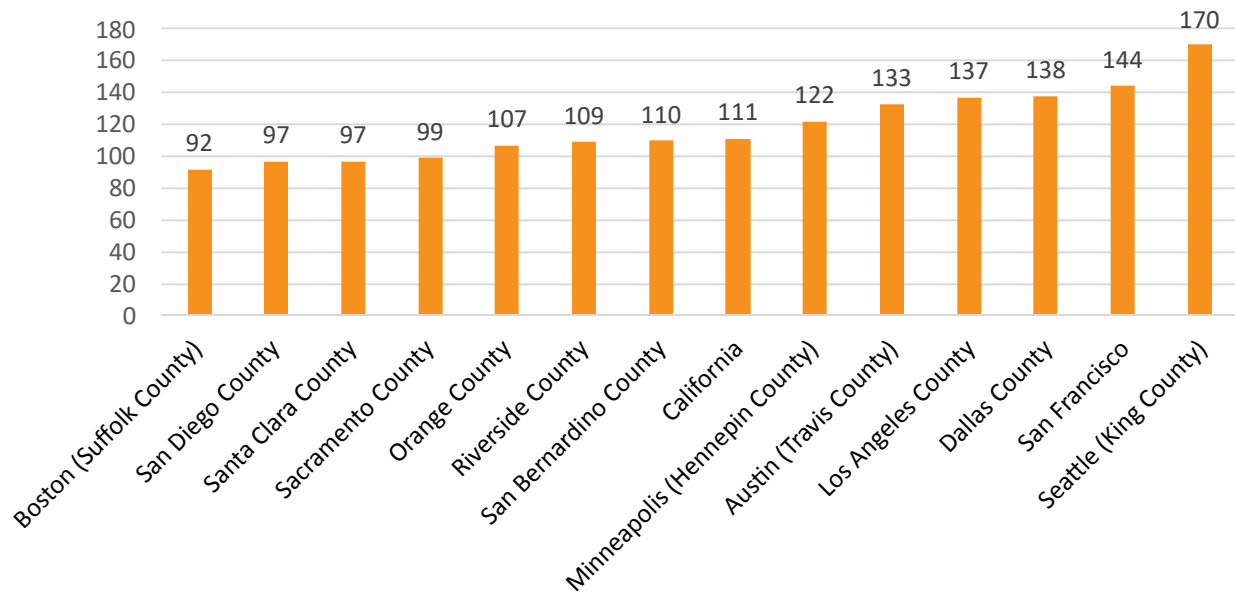
Source: Esri Crime Index Data

Irvine finished third in WalletHub's ranking of the Best Places to Raise a Family in 2023. Irvine, which held the same rank in last year's list, finished 1st in Health & Safety and 5th in Socioeconomics. As seen in the chart below, four other Orange County cities finished in the top 150.

Huntington Beach reached 14th on the list due to improvements in Education & Child Care as well as Affordability, while Anaheim jumped from 99th to 95th with its Education & Child Care ranking improving from 91st to 65th. Garden Grove and Santa Ana both saw their overall rankings decline with Garden Grove falling from 55th to 72nd and Santa Ana from 137th to 144th. Garden Grove suffered from a large decline in Health & Safety, from 24th to 49th, while Santa Ana saw its Education & Child Care category rank drop from 84th to 123rd.

WALLETHUB'S BEST PLACES TO RAISE A FAMILY – ORANGE COUNTY CITIES AND SCORES, 2023						
RANK	CITY	FAMILY FUN	HEALTH & SAFETY	EDUCATION & CHILD CARE	AFFORD-ABILITY	SOCIO-ECONOMICS
3	Irvine, CA	22	1	3	48	5
14	Huntington Beach, CA	79	31	4	82	9
72	Garden Grove, CA	32	49	19	171	43
95	Anaheim, CA	39	47	65	172	37
144	Santa Ana, CA	104	60	123	179	26

Source: WalletHub

At Experian,® we believe in data for good, that it has the potential to transform lives and create a better tomorrow. Every consumer deserves access to fair and affordable credit, and Experian's United for Financial Health program helps educate communities about how they can improve their financial health.

www.experian.com

ECONOMY
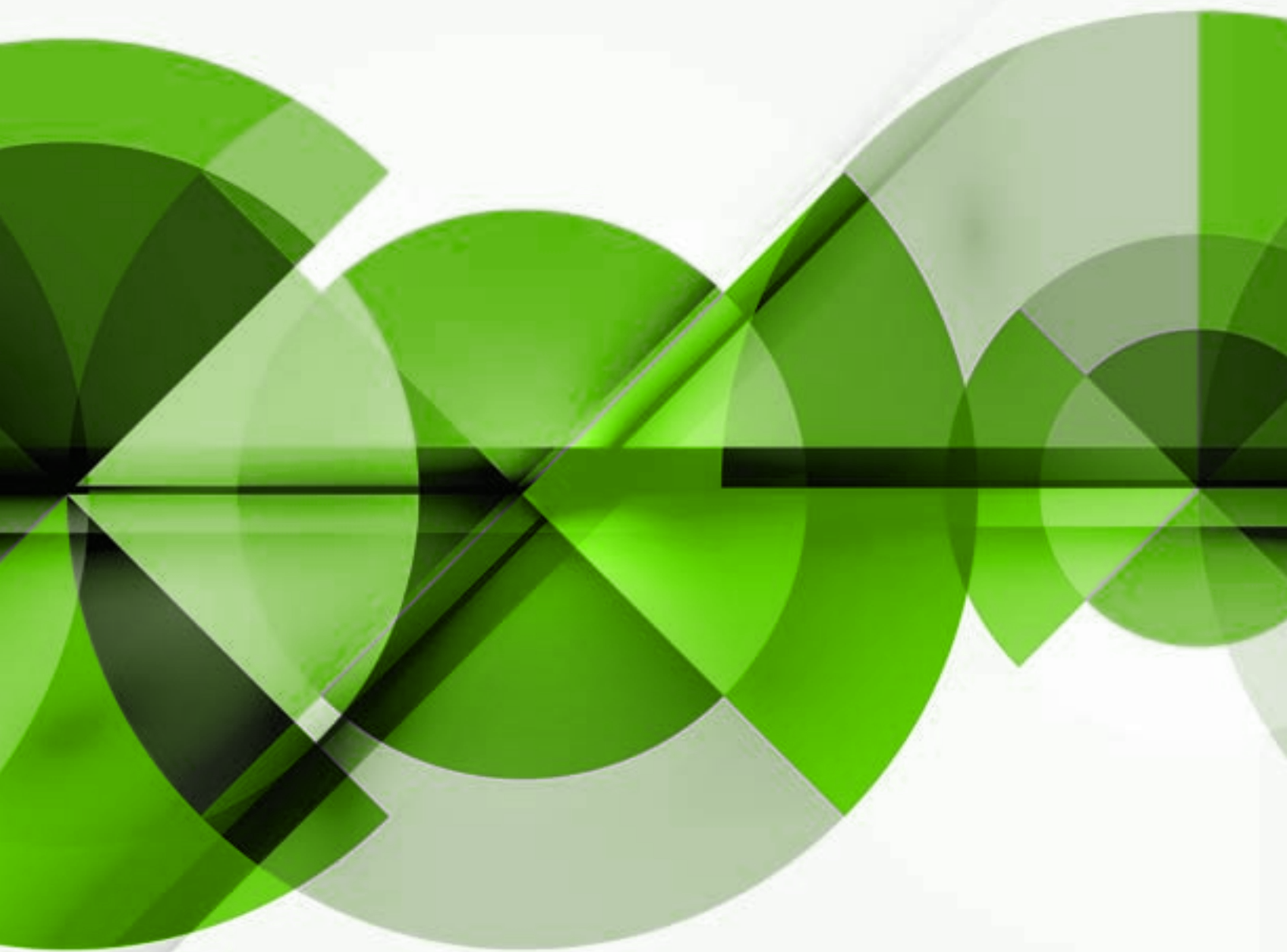
EMPLOYMENT

Orange County's unemployment rate was 3.2 percent in May 2023, a 0.2 percentage point increase over the previous month and a 0.5 percentage point year-over-year increase. Orange County's unemployment rate is 0.2 percentage points below the national rate of 3.4 percent and 1.3 percentage points below the state rate of 4.5 percent. While the county and state unemployment rates have increased slightly over the past year, the national unemployment rate has remained steady at around 3.4 percent.

Within Orange County, the Financial Activities industry saw the largest employment decline, losing 1,100 jobs over the past year. Leisure and Hospitality, on the other hand, saw the largest job growth, adding 13,100 jobs since May 2022. At the state level, the Information industry had the most jobs lost over the past year (14,700 jobs) while Private Education and Health Services had the largest increase of 163,800 jobs.

Orange County added a net 45,600 nonfarm jobs between May 2022 and May 2023, a 2.7 percent increase which brings total nonfarm employment to 1,716,100. Over the same period, the total number of unemployed persons in the region increased from 42,400 to 51,200, an increase of 8,800 or 20.8 percent, due to an increasing labor force participation rate. Looking forward, a potential economic slowdown later in 2023 could slow job growth and increase unemployment.

COUNTY OUTPERFORMS STATE AND NATIONAL UNEMPLOYMENT RATES

UNEMPLOYMENT RATE IN ORANGE COUNTY, CALIFORNIA, AND UNITED STATES 2010 – JAN 2023
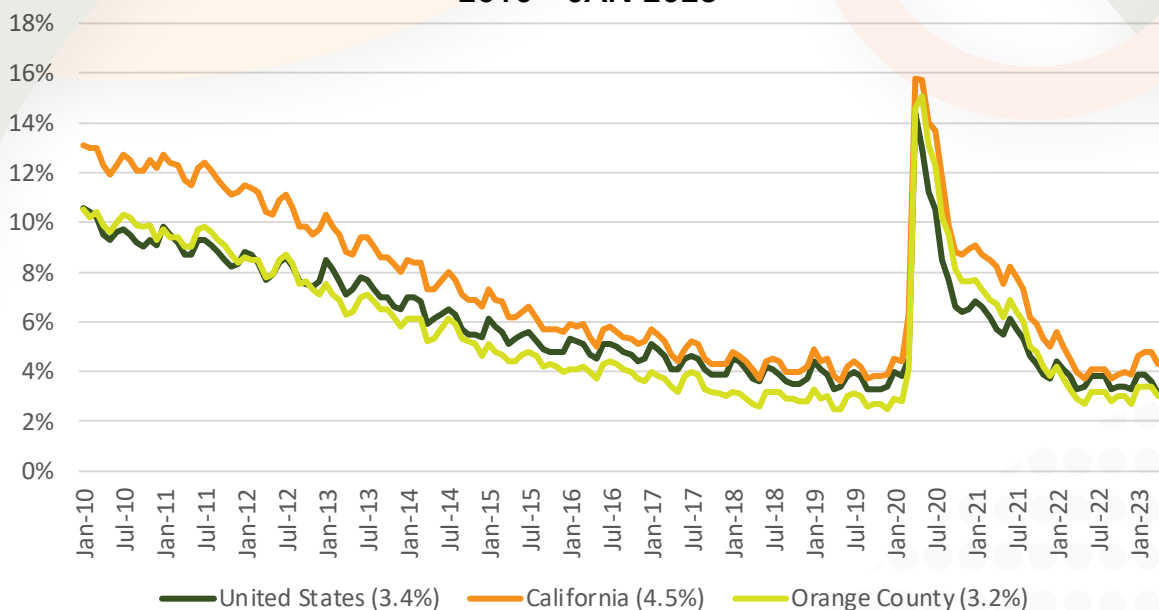
Source: California Employment Development Department, Bureau of Labor Statistics

There were 40,706 job postings in Orange County for the month of May 2023, representing a decline of 36.5 percent since May 2022. Over the past year, county job postings totaled 614,598 with a median post duration of 29 days and a median advertised salary of $48,800. While 50 percent of job postings had no required education level listed, 27 percent required a Bachelor's degree, 21 percent required a High School Diploma or GED, and only 11 percent required a Master's or Ph.D. or professional degree.

Local employers who posted the most job postings over the past year included the University of California (10,561 job postings), Providence (7,263 job postings), and Aerotek (4,065 job postings). Over the same time period, the Orange County city with the most job postings was Irvine with 134,948 job postings, followed by Anaheim at 60,274 and Orange at 51,063.

Orange County's most in-demand occupations between May 2022 and May 2023 were Registered Nurses with 28,787 job postings, followed by Retail Salespersons (16,912 job postings) and Sales Representatives, Wholesale (14,874 job postings).

EMPLOYMENT DEMAND DECLINES IN 2023

TOTAL JOB POSTINGS IN ORANGE COUNTY, MAY 2019 – MAY 2023
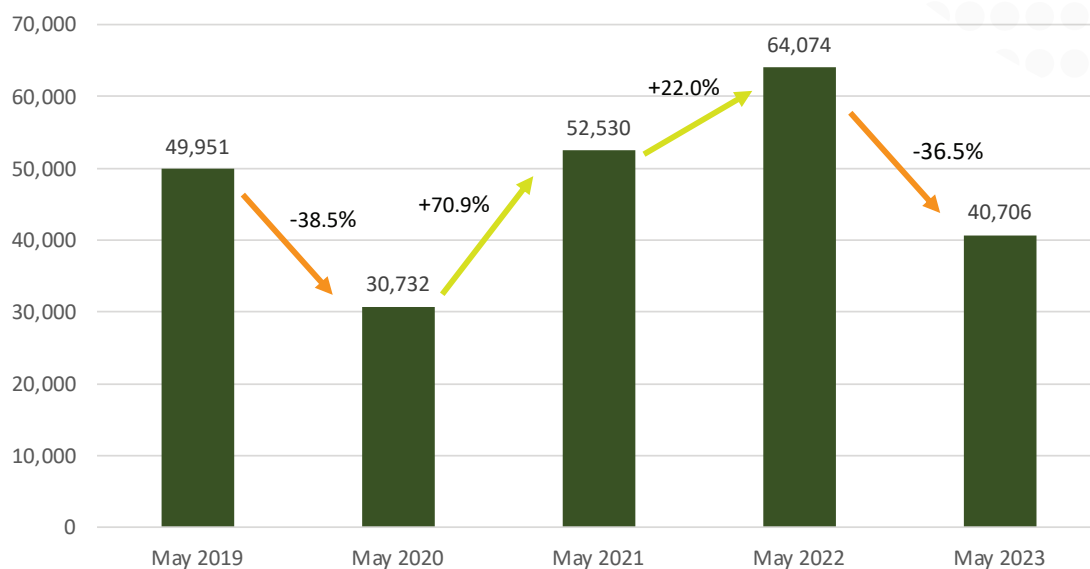
Source: Lightcast

REGISTERED NURSES IN HIGH-DEMAND IN OC

MOST IN-DEMAND OCCUPATIONS IN ORANGE COUNTY BY JOB POSTINGS, MAY 2022 – MAY 2023
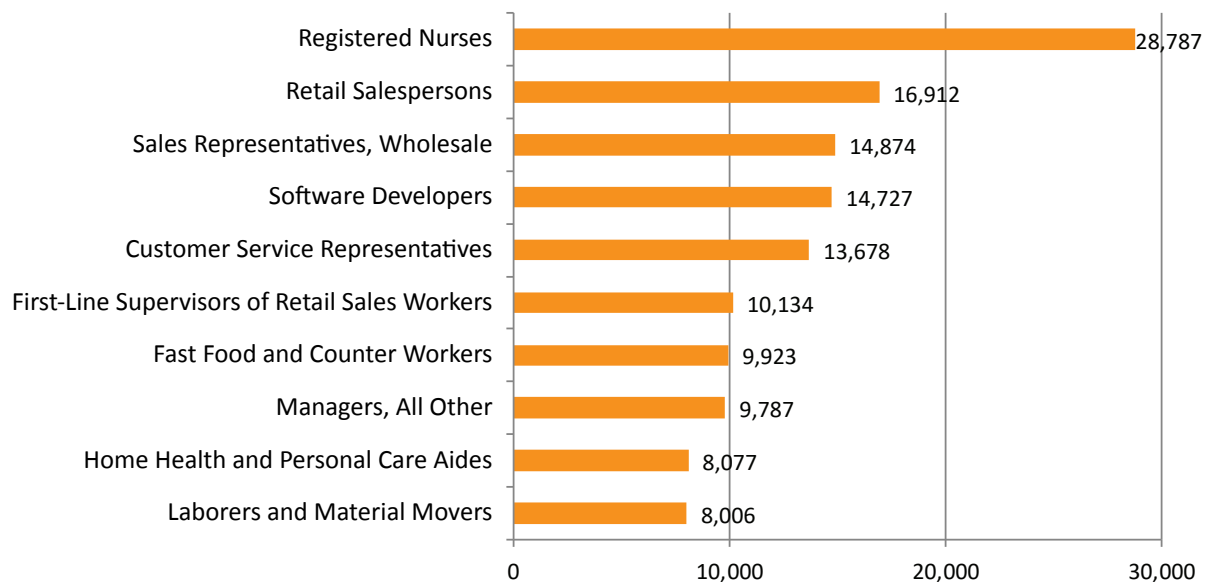
Source: Economic Modeling Specialists International

From Q4 2019 to Q4 2020, Orange County's industry clusters shed 77,848 jobs during the COVID recession, representing a decline of 10.1 percent, before recovering to 753,188 as of Q4 2022, remaining 2.4 percent below its Q4 2019 peak of 771,782. Health Services is the only industry cluster to have completely recovered or surpassed its Q4 2019 total, expanding by 4.2 percent as of Q4 2022.

The following industry clusters saw the largest growth over the past year:

Tourism	Defense and Aerospace	Energy and Environment	Health Services	Construction	Biomedical
+7%	+5.9%	+4.6%	+1.8%	+1.4%	+0.6%

Four industry clusters have seen employment declines from Q4 2021 to Q4 2022:

Computer Software	Communication	Computer Hardware	Business and Professional Services
-22.4%	-11.6%	-9.1%	-1.0%

Over the past year, industry clusters with the largest growth in wages included:

Communication	Health Services	Business and Professional Services	Tourism
+4.5%	+1.6%	+0.7%	+0.6%

EMPLOYMENT AND AVERAGE SALARIES IN ORANGE COUNTY CLUSTERS WITH MORE THAN 50,000 JOBS, Q4 2010 – Q4 2022
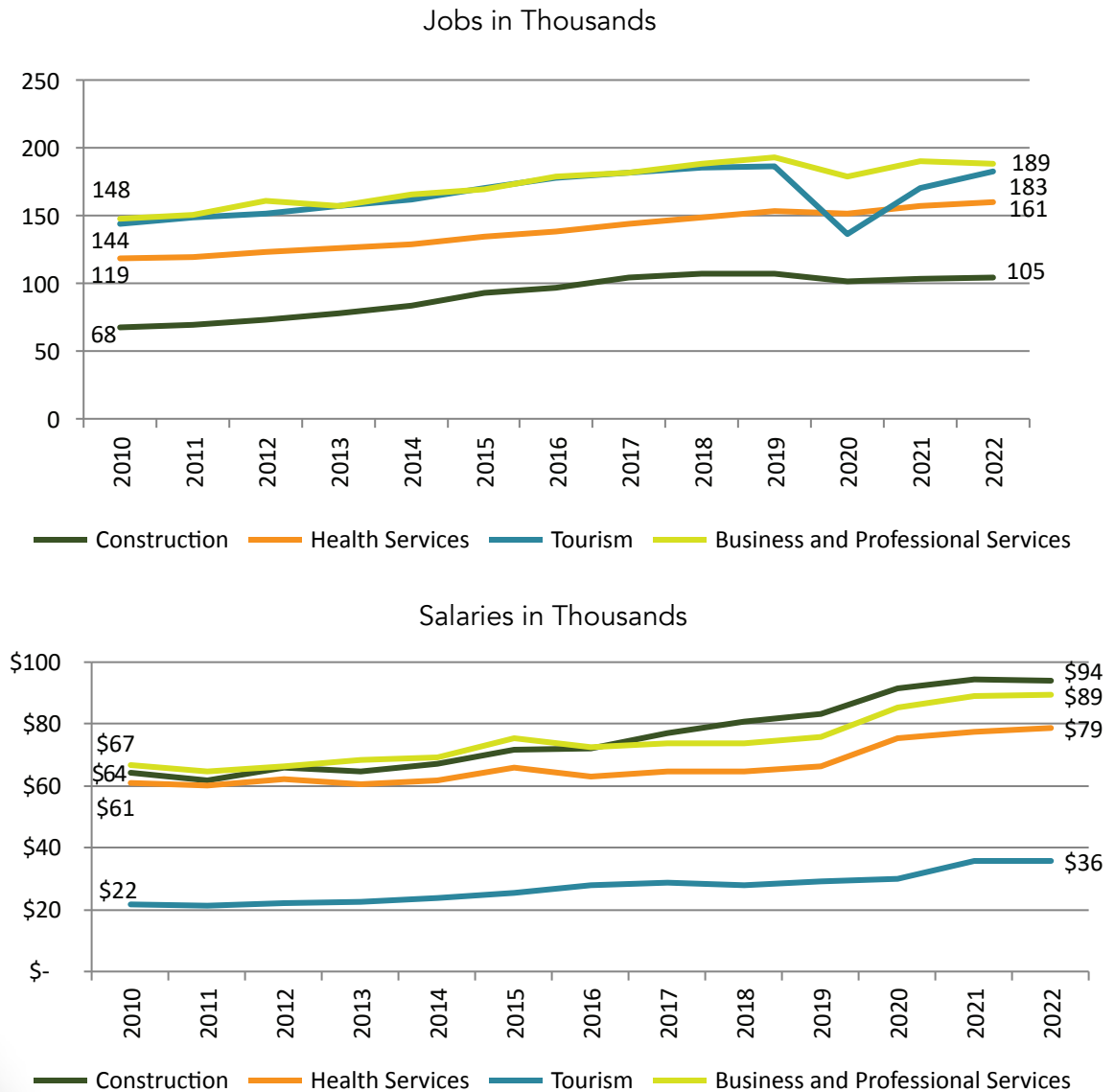
Jobs in Thousands

Construction 68 → 105

Health Services 119 → 161

Tourism 144 → 183

Business and Professional Services 148 → 189

Legend:
- Construction
- Health Services
- Tourism
- Business and Professional Services

Salaries in Thousands

Construction $64 → $94

Business and Professional Services $67 → $89

Health Services $61 → $79

Tourism $22 → $36

Legend:
- Construction
- Health Services
- Tourism
- Business and Professional Services

Sources: California Employment Development Department

29

EMPLOYMENT AND AVERAGE SALARIES IN ORANGE COUNTY CLUSTERS WITH 50,000 JOBS OR FEWER, Q4 2010 – Q4 2022

Jobs in Thousands

Legend:
- Computer Software
- Biomedical
- Communication
- Computer Hardware
- Energy and Environment
- Defense and Aerospace

Starting values (2010): 29, 23, 20, 16, 13, 11
Ending values (2022): 41, 26, 18, 13, 10, 7

Salaries in Thousands

Legend:
- Computer Software
- Biomedical
- Communication
- Computer Hardware
- Energy and Environment
- Defense and Aerospace

Starting values (2010): $106, $97, $94, $84, $77, $71
Ending values (2022): $173, $148, $114, $111, $104, $89

Sources: California Employment Development Department

30

IRVINE, SANTA ANA, ANAHEIM, AND COSTA MESA REMAIN JOB CENTERS

Irvine, with its master-planned communities and expansive office centers, had more jobs than any other Orange County city in 2022, totaling 305,274. Approximately 47.5 percent of these jobs were held by city residents, with 52.5 held by commuters into the city. Anaheim, the city with the second largest number of jobs at 186,605, had more resident workers than available jobs, resulting in 14,137 Anaheim residents commuting to other cities for employment. Santa Ana had the highest proportion of resident workers, workers who live and work in the same city, at 94.9 percent.

ORANGE COUNTY TOTAL JOBS BY ZIP CODE, 2022
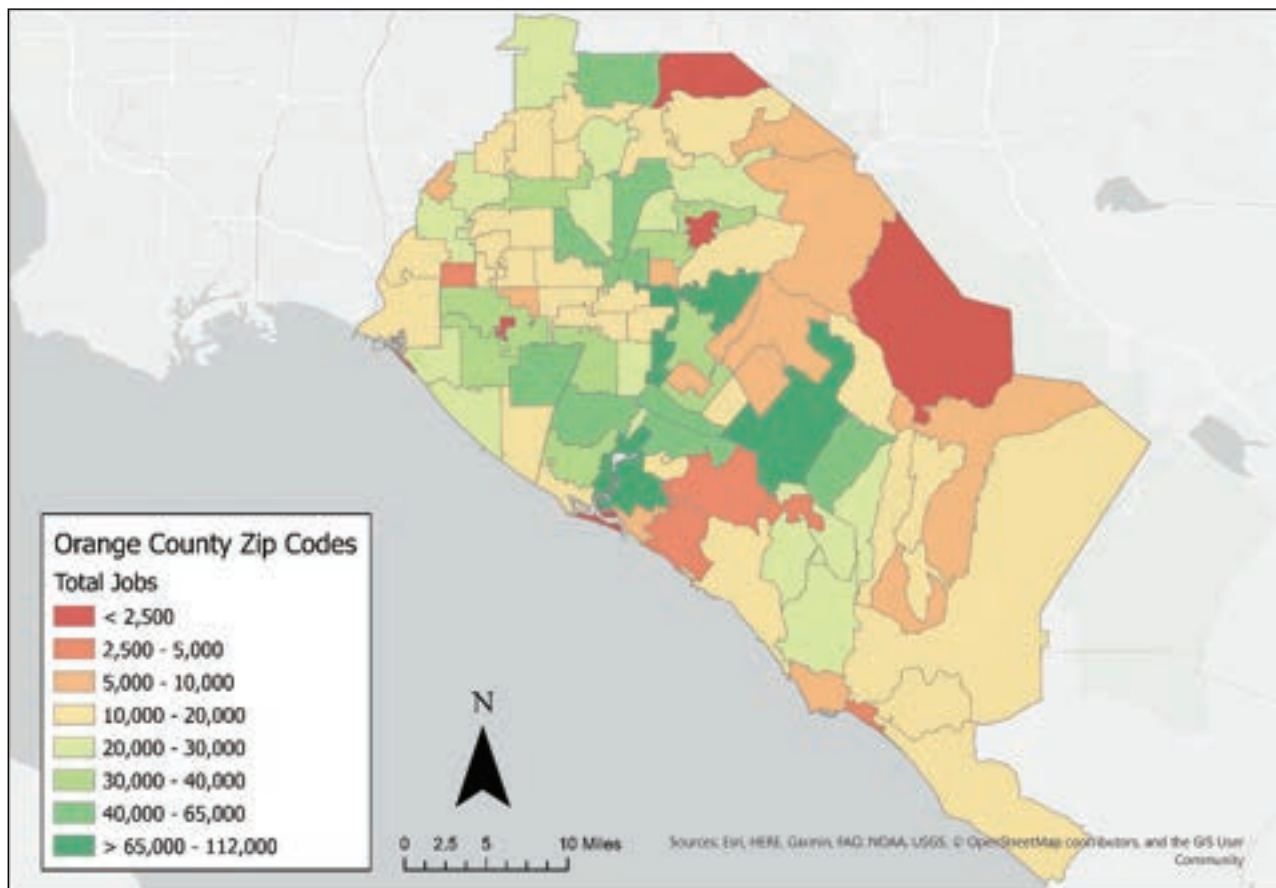
HIGH-TECH DIVERSITY AND GROWTH

Orange County's ranking in the Milken Institute's Best Performing Cities report improved from 69th in 2022 to 56th in 2023. It was ranked first in Location Quotient Count, being the region with the largest number of high-tech industries with a gross domestic product (GDP) share above the national average. This placed Orange County ahead of Oakland, San Diego, San Jose, and San Francisco. On the other hand, Orange County's high-tech GDP growth ranking fell from 45th to 76th. This concerning trend is regional as both Los Angeles (5th to 39th) and San Diego (6th to 47th) saw similar declines.

ORANGE COUNTY RANKS 1ST IN LOCATION QUOTIENT COUNT

RANKINGS FOR LOCATION QUOTIENT COUNT IN ORANGE COUNTY COMPARED TO PEER METRO AREAS, 2023			
REGIONS	RANKINGS	REGIONS	RANKINGS
Orange County, CA	**1**	Austin, TX	12
Oakland, CA	2	Dallas, TX	33
San Diego, CA	2	Seattle, WA	49
San Jose, CA	5	Boston, MA	49
Los Angeles, CA	7	Minneapolis, MN	76
San Francisco, CA	11	Riverside/San Bernardino, CA	106

Source: Milken Institute, 2023 Best Performing Cities Report

OC HIGH-TECH GDP RANKING DECLINES TO 76TH

RANKINGS OF HIGH-TECH GDP OUTPUT IN 2020-2021 FOR ORANGE COUNTY AND PEER REGIONS			
REGIONS	RANKINGS	REGIONS	RANKINGS
San Francisco, CA	12	Seattle, WA	73
Austin, TX	18	Oakland, CA	75
San Jose, CA	34	**Orange County, CA**	**76**
Los Angeles, CA	39	Dallas, TX	82
San Diego, CA	47	Boston, MA	89
Riverside/San Bernardino, CA	60	Minneapolis, MN	168

Source: Milken Institute, 2023 Best Performing Cities Report

Orange County's rank in the high-tech industry concentration subsector declined slightly, from 14th to 15th. This was offset by improvements in year-over-year wage growth (from 69th to 58th) and year-over-year job growth (from 177th to 123rd). Orange County's broadband access ranking saw an even larger improvement, from 143rd in 2020 to 10th in 2021. Despite a slight improvement, Orange County's housing affordability ranking remains near the bottom at 191st.

ORANGE COUNTY FALLS SLIGHTLY FROM 14TH TO 15TH FOR HIGH-TECH CONCENTRATION

REGIONAL RANKINGS FOR HIGH-TECH INDUSTRY CONCENTRATION FOR ORANGE COUNTY AND PEER REGIONS, 2023			
REGIONS	RANKINGS	REGIONS	RANKINGS
San Jose, CA	1	**Orange County, CA**	**15**
San Francisco, CA	2	Los Angeles, CA	17
Seattle, WA	3	Dallas, TX	25
San Diego, CA	7	Boston, MA	39
Oakland, CA	9	Minneapolis, MN	58
Austin, TX	12	Riverside/San Bernardino, CA	105

Source: Milken Institute, 2023 Best Performing Cities Report

DIVERSITY IN BUSINESS

The number of women-owned businesses per 100,000 residents in Orange County increased by 9.5 percent from 2022 to 2023. While the percentage of minority-owned business also increased by 6.9 percent, the percentage of minority women-owned businesses actually declined by 5.0 percent. Santa Clara County was the only other region to see an increase in the number of women-owned businesses per 100,000 residents over the past year. All California regions saw declines in the number of minority women-owned businesses, with the largest decline occurring in Los Angeles County (21 percent). As uncertainty continues to impact the national economy, it is important that regions continue to support more inclusive economic growth and activity to ensure improved economic equity outcomes across the county and nation.

MORE WOMEN-OWNED BUSINESSES IN OC THAN REGIONAL PEERS

REGIONAL WOMAN-OWNED, MINORITY-OWNED, AND MINORITY WOMAN-OWNED BUSINESSES PER 100,000 PEOPLE, 2023

Region	Woman-Owned	Minority-Owned	Minority Woman-Owned
San Francisco	551	172	55
Orange County	448	127	47
San Diego	414	137	51
Santa Clara	381	126	48
Los Angeles	370	118	41
San Bernardino	259	102	39
Riverside	246	94	34

■ Woman-Owned ■ Minority-Owned ■ Minority Woman-Owned
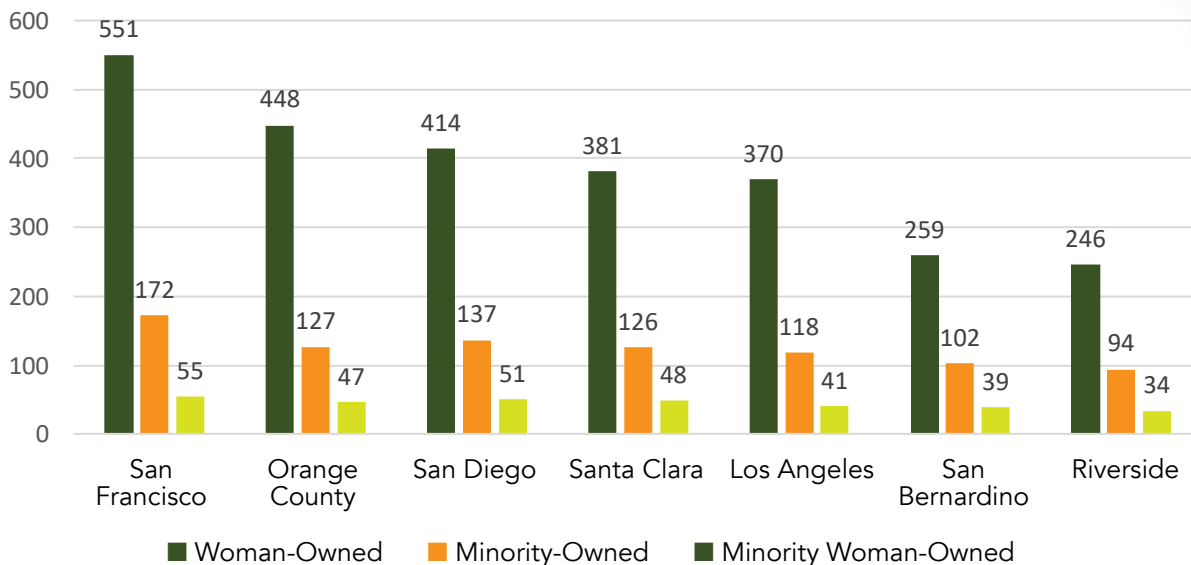
Source: Dunn and Bradstreet, Market Insight

HOUSING
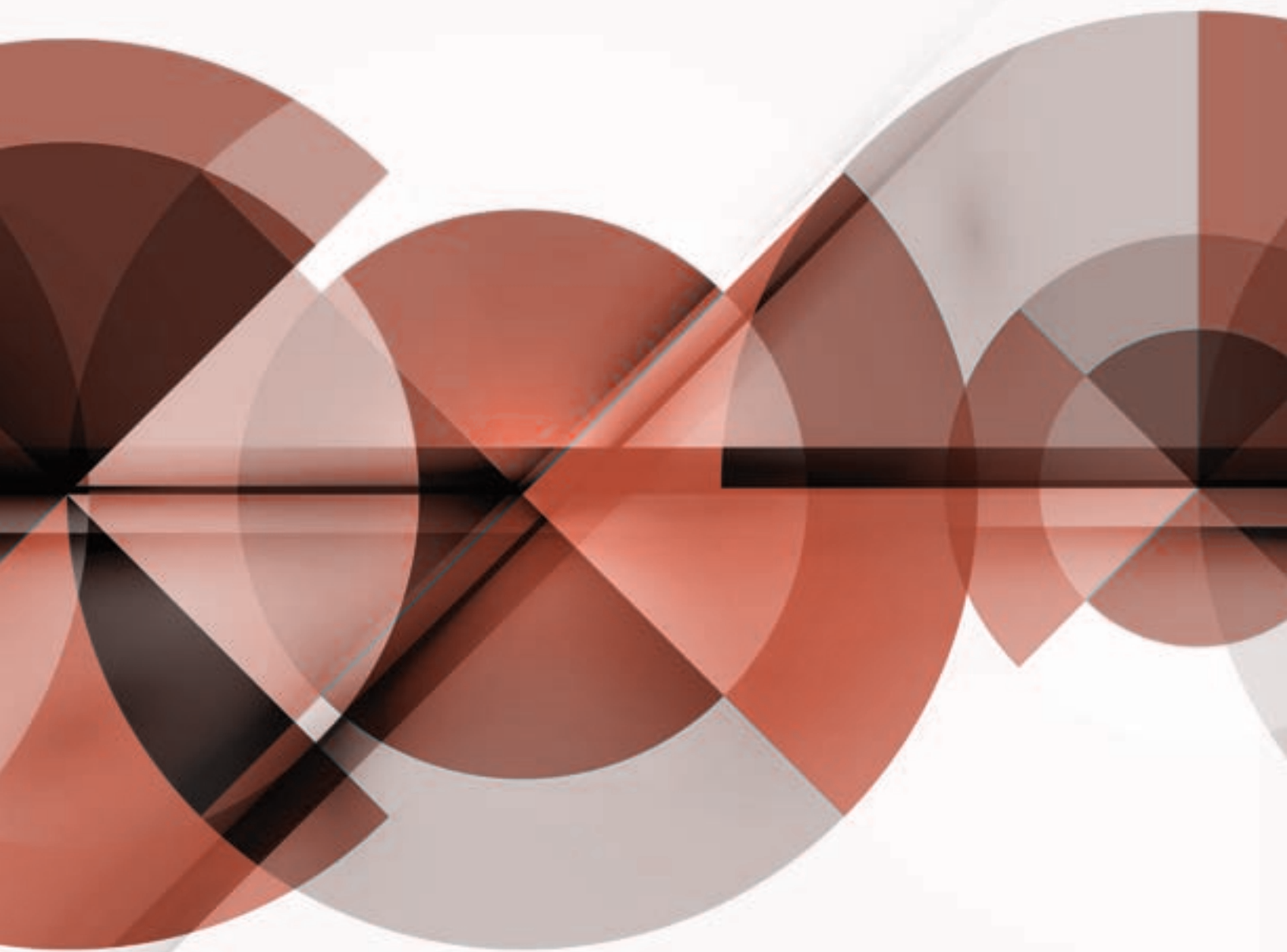
HOUSING LANDSCAPE

In Orange County, the number of housing structures with 5+ units per structure increased by more than 6,000 units between 2022 and 2023, a 2.1 percent increase that brought the total to 309,290 structures. As of 2023, 5+ unit structures make up 26.9 percent of all housing units in the county.

While more than 4,000 single-family units were built between 2022 and 2023, single-family units actually declined as a proportion of the total county housing supply (from 49.9 percent to 49.6 percent). Overall, 14,469 new housing structures were built in Orange County over the past year, with the largest increase occurring in single attached structures (6,863 or 5.0 percent) and the largest decrease in mobile homes (a decline of 1,551 or 4.6 percent).

Housing supply continues to lag demand in Orange County, leading to high home prices and the need for significant investment in all forms of housing, particularly multi-unit housing.

OC SEES INCREASE IN PROPORTION OF 5+ UNIT STRUCTURES

HOUSING STRUCTURES BY TYPE FOR PEER CALIFORNIA REGIONS, 2023
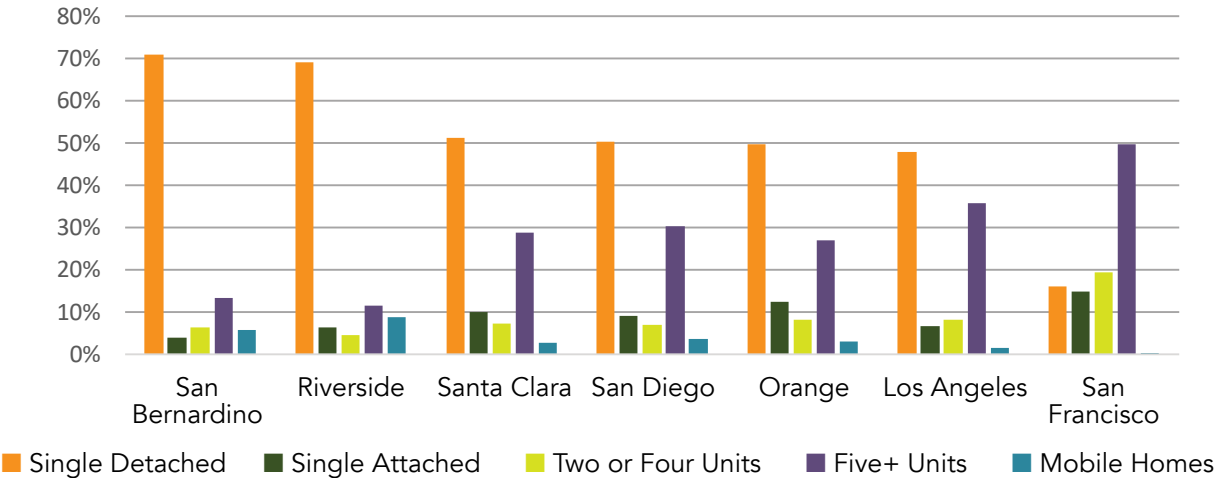
Legend: Single Detached, Single Attached, Two or Four Units, Five+ Units, Mobile Homes

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2023. Sacramento, California, May 2023

Orange County's 2021 homeownership rate was 56.5 percent in 2021, a decline of 0.6 percentage points from 2019; the rate of renter-occupied homes saw a corresponding increase. White residents had the highest rate of homeownership at 64.0 percent, followed by Asian residents at 63.2 percent and Pacific Islander residents at 42.3 percent. African American residents had the highest rate of renter-occupied units at 66.8 percent, followed by residents that identified as 'some other race' at 64.2 percent and Native American and Hispanic/Latino residents at 61.9 percent and 61.5 percent, respectively. The importance of homeownership in terms of investment and wealth creation as a lifelong investment means that addressing these gaps through housing equity should remain a priority for local policymakers and stakeholders.

OWNER- AND RENTER-OCCUPIED RATES OF HOMEOWNERSHIP BY MAJOR ETHNIC GROUPS IN ORANGE COUNTY, 2021

	Owner-Occupied	Renter-Occupied
African American	33%	67%
Native American	42%	52%
Pacific Islander	42%	58%

White: 518,937 (Renter 36%, Owner 64%)
Hispanic/Latino: 271,489 (Renter 61%, Owner 39%)
Asian: 228,557 (Renter 37%, Owner 63%)
Two or More Races: 137,490 (Renter 56%, Owner 44%)
Some Other Race: 118,524 (Renter 64%, Owner 36%)
African American: 19,271
Native American: 8,171
Pacific Islander: 3,674

Legend: ■ Owner-Occupied ■ Renter-Occupied
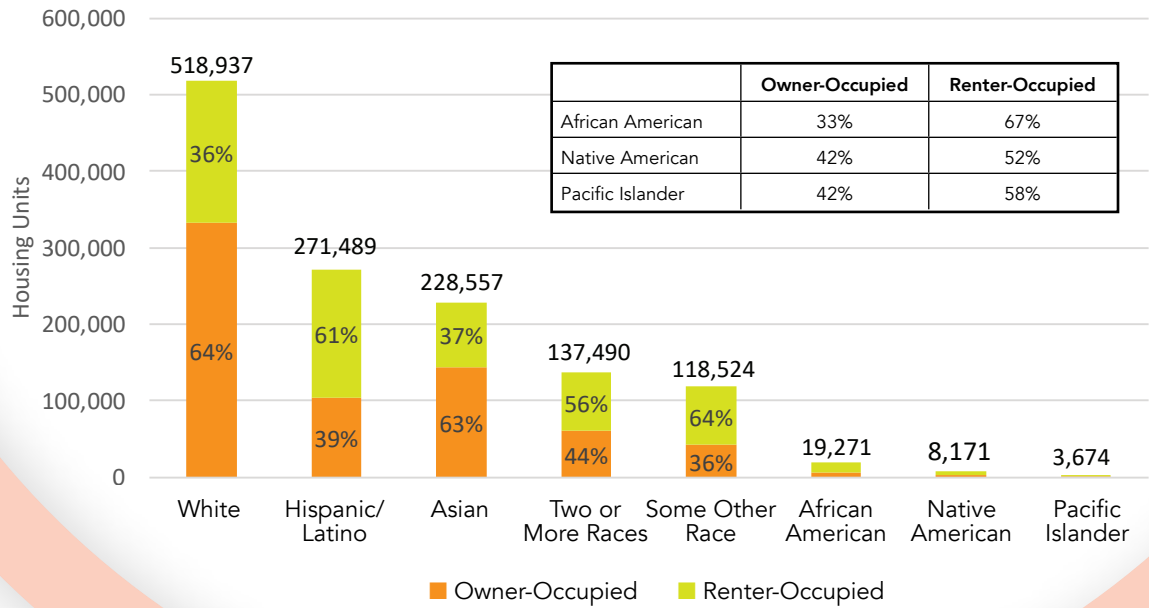
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

One significant housing supply indicator is the number of building permits, which shrank from 7,867 in 2021 to 5,938 in 2022, a decline of 24.5 percent to the lowest number since 2012, reflecting the significant rise in interest rates that started in the first half of 2022. Despite continued interest rate hikes in 2023, which many predicted would curb housing demand, housing in Orange County remains expensive and in short supply.

BUILDING PERMITS FALL TO DECADE LOW

ORANGE COUNTY BUILDING PERMIT YEARLY TRENDS, 2012-2022

Year	Permits
2012	6,082
2013	10,422
2014	9,291
2015	10,771
2016	11,523
2017	9,510
2018	7,515
2019	8,989
2020	6,027
2021	7,867
2022	5,938
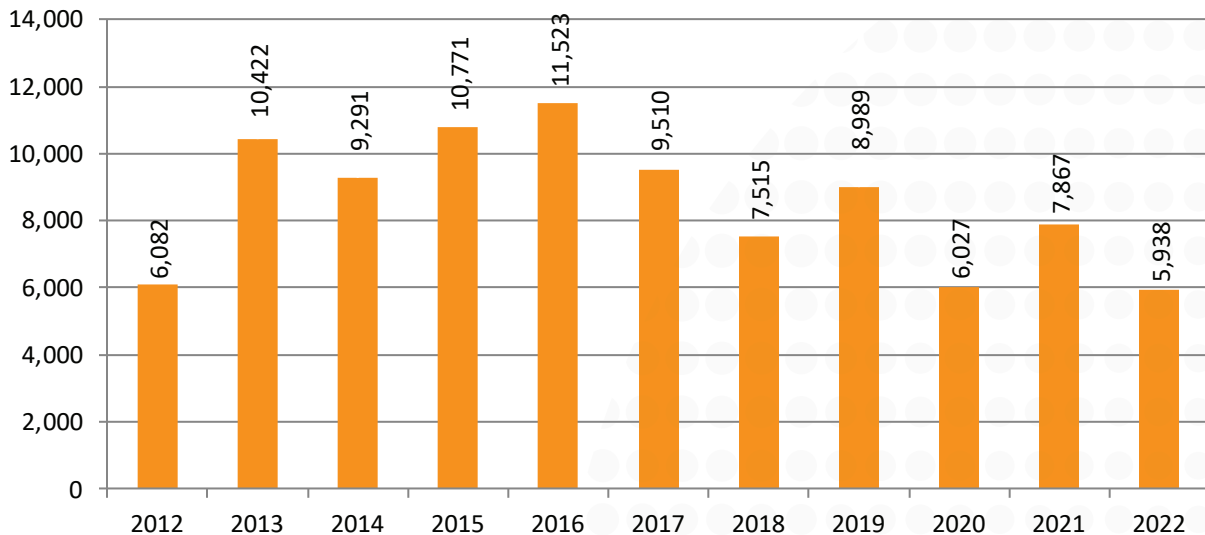
Source: U.S. Census Bureau's Building Permits Survey

Orange County's population density per square mile continues to decline alongside its shrinking population. Population density fell from 3,967 to 3,926 residents per square mile. Housing density, on the other hand, continues to increase, in this case from 1,421 to 1,439 structures per square mile. Riverside County, on the other hand, saw increased population density as a result of the ongoing shift away from expensive, coastal counties to more affordable inland areas.

ALL PEER COUNTIES SEE POPULATION DENSITY DECLINE EXCEPT INLAND EMPIRE
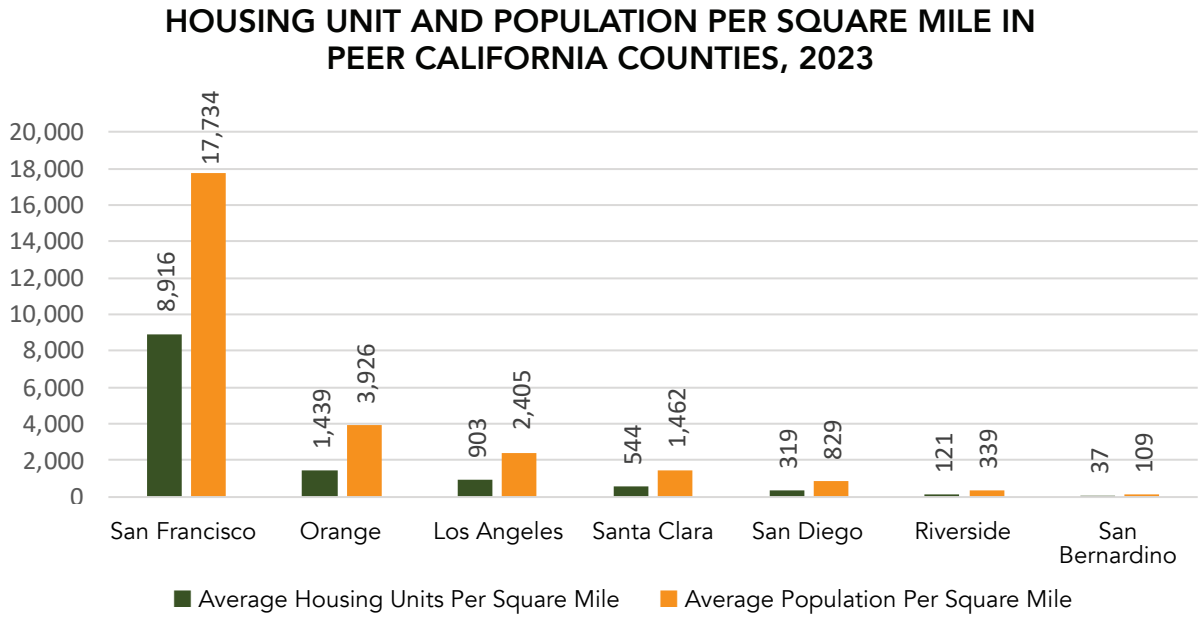
HOUSING UNIT AND POPULATION PER SQUARE MILE IN PEER CALIFORNIA COUNTIES, 2023

County	Average Housing Units Per Square Mile	Average Population Per Square Mile
San Francisco	8,916	17,734
Orange	1,439	3,926
Los Angeles	903	2,405
Santa Clara	544	1,462
San Diego	319	829
Riverside	121	339
San Bernardino	37	109

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2023. Sacramento, California, May 2023

HOUSING AFFORDABILITY

Multiple interest rate increases from the Federal Reserve have significantly impacted affordability, with 30-year fixed mortgage rates rising above 7 percent as of July 2023. Meanwhile, low supply continues to buoy home prices near all-time highs. As of May 2023, Orange County's median existing single-family home price was $1,265,500, a year-over-year decline of 3.0 percent. Over the past 10 years, home prices in Orange County have increased by 91.6 percent, yet remain 5.2 percent below their peak of $1,325,000 in April 2022. Both factors have a negative impact on housing affordability.

As of Q1 2023, Orange County home buyers would need a minimum qualifying income of $296,400 for a 'traditional' median priced home of $1,195,520. First-time home buyers would need a minimum qualifying income of $192,600 for a $1,016,190 'entry-level' home compared to $157,500 required for a $1,071,000 'entry-level' in Q1 2022. Despite price declines over the past year, the increased interest rates have pushed borrowing costs higher, further decreasing affordability.

In Q1 2023, only 22 percent of first-time home buyers in Orange County would be able to purchase an entry-level home, compared to 29 percent in Q1 2022. Orange County now has the second lowest first-time home buyer affordability rates in the state ahead of only Mono County (17 percent), an area with much lower population and average incomes.

Orange County's percentage is also lower than other high-income counties such as Santa Cruz (23 percent), Marin (26 percent), and San Mateo (27 percent), reflecting a significant challenge for continued economic development. While an expected economic slowdown in the second half of 2023 may reduce housing demand, a continued lack of supply in the region is expected to keep housing prices elevated. The combination of this short supply and high interest rates will likely continue to decrease housing affordability.

LIMITED HOUSING SUPPLY KEEPS HOME PRICES HIGH

MEDIAN EXISTING SINGLE-FAMILY HOME SALE PRICE IN ORANGE COUNTY AND CALIFORNIA, MAY 2013 – MAY 2023
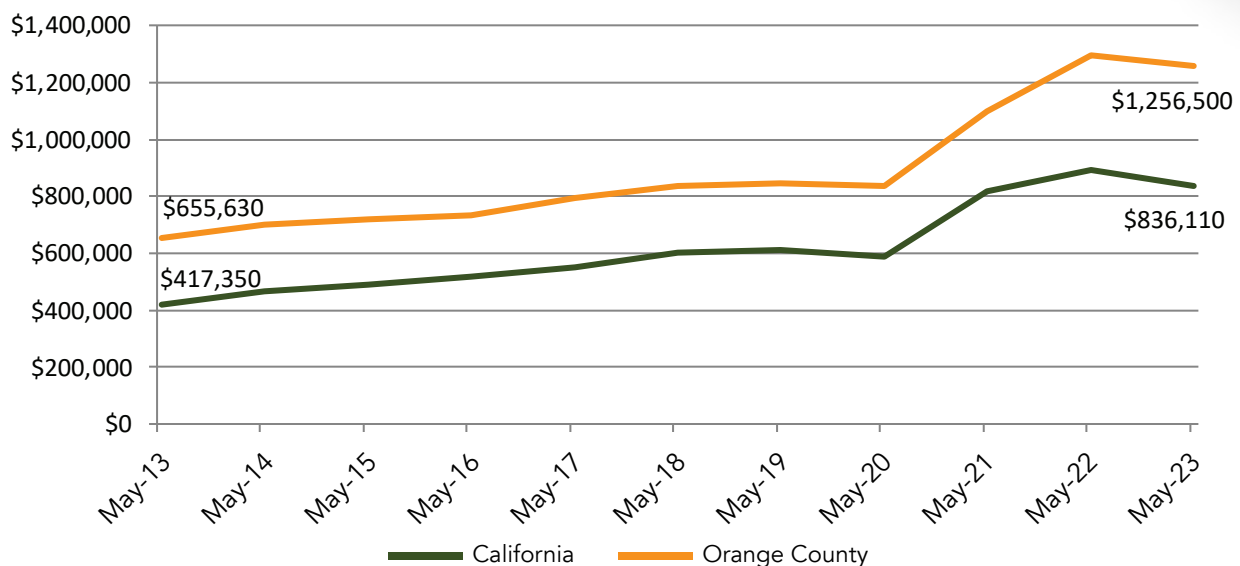
Source: California Association of Realtors, Current Sales & Price Statistics

ORANGE COUNTY SEES SECOND LOWEST AFFORDABILITY RATE FOR FIRST-TIME HOME BUYERS

REGIONAL COMPARISON OF THE PERCENTAGE OF FIRST-TIME HOME BUYERS ABLE TO AFFORD AN ENTRY-LEVEL HOME, Q1 2013 – Q1 2023

Legend: United States, San Bernardino, Riverside, California, Los Angeles, San Diego, San Francisco, Santa Clara, Orange County
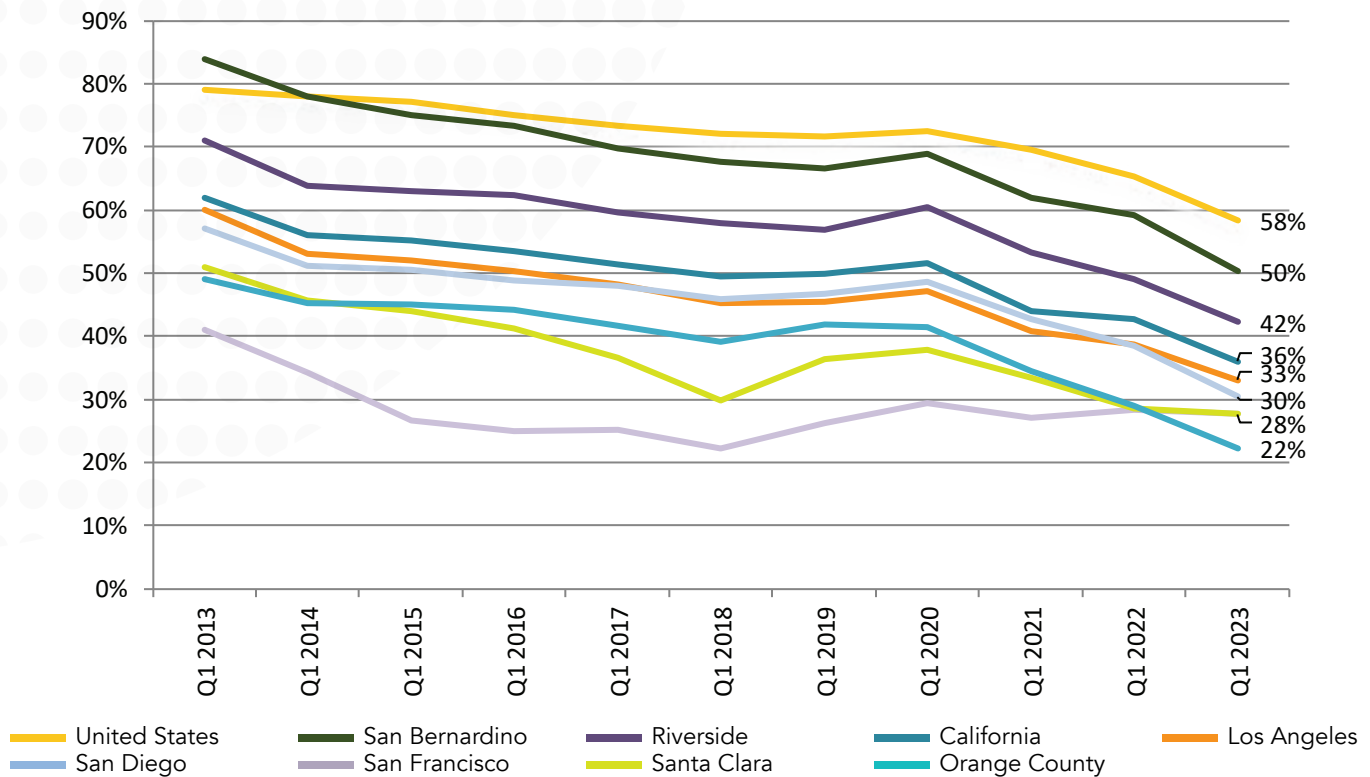
Source: California Association of Realtors, First-Time Home Buyer Affordability Index

Although home prices remain elevated and affordability rates continue to decline, homeownership equity in Orange County has experienced some transition. From 2019 to 2021, the homeownership rate for White residents declined by 1.3 percentage points while the homeownership rate for residents who identify as 'some other race' increased by 4.4 percentage points. The homeownership rates of Asian residents and Hispanic/Latino residents increased by 0.4 percent and 0.2 percent, respectively.

Other groups, however, saw significant declines. The homeownership rate for Pacific Islanders fell by 9.5 percentage points while the Native American homeownership rate fell by 7.3 percentage points. The gap of 30.8 percentage points between the African American homeownership rate of 33.2 percent (down 0.8 percent) and the White homeownership rate of 64.0 percent makes it clear that additional strategies and policies are essential to improve housing equity among Orange County residents.

ASIAN AND HISPANIC/LATINO RESIDENTS SEE IMPROVEMENT IN HOMEOWNERSHIP RATES

ORANGE COUNTY HOMEOWNERSHIP RATE BY RACE OR ETHNICITY, 2019 AND 2021
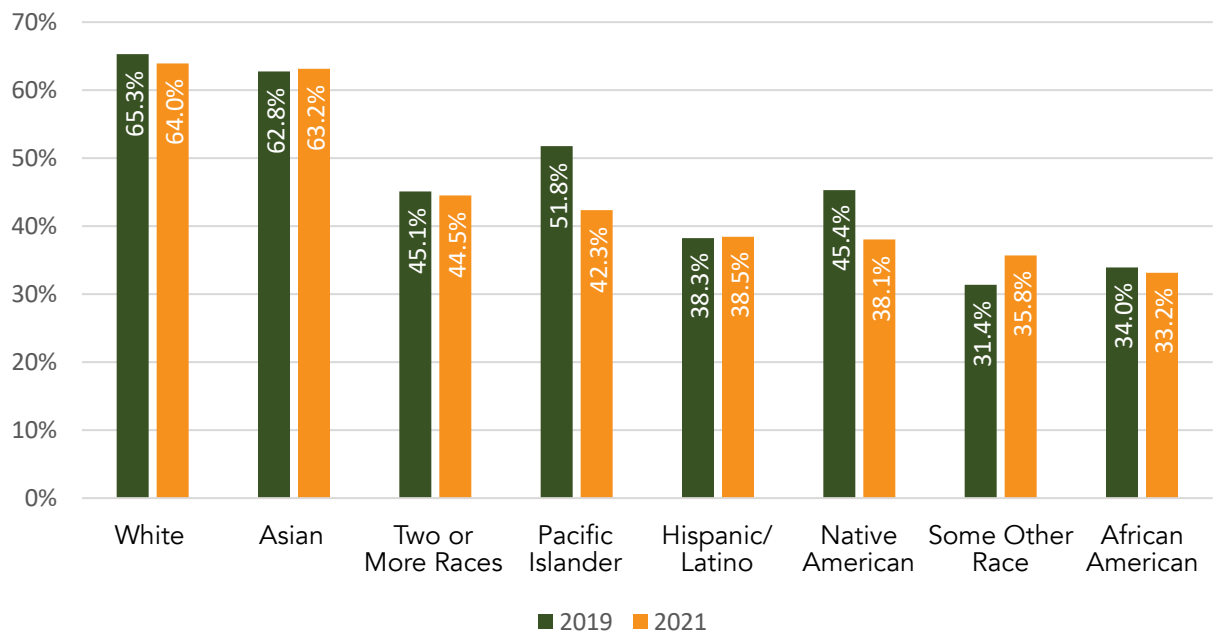
Race or Ethnicity	2019	2021
White	65.3%	64.0%
Asian	62.8%	63.2%
Two or More Races	45.1%	44.5%
Pacific Islander	51.8%	42.3%
Hispanic/Latino	38.3%	38.5%
Native American	45.4%	38.1%
Some Other Race	31.4%	35.8%
African American	34.0%	33.2%

■ 2019   ■ 2021

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates. Data not available for 2020.

INCREASED HOUSING COSTS HIT LOW-INCOME RESIDENTS HARDEST

Approximately 94 percent of residents making under $20,000 spend more than 30 percent of their incomes on housing costs, compared to just 20 percent of residents making $75,000 or more. As the affordability crisis worsens and consumers spend an increasingly large proportion of their pay on housing, discretionary spending is expected to decline, especially as student loan payments resume, potentially impacting economic activity and growth.

ORANGE COUNTY OWNER-OCCUPIED HOUSING COSTS AS A PERCENT OF INCOME, 2021

Percent of Households (y-axis)

Household Spending (legend)
- Less than 20%
- 20% to 29%
- 30% or More

Household Income	Less than 20%	20% to 29%	30% or More
Less than $20,000	2%	4%	94%
$20,000 to $34,999	9%	7%	84%
$35,000 to $49,999	14%	9%	77%
$50,000 to $74,999	17%	16%	67%
$75,000 or More	50%	30%	20%

Household Income (x-axis)
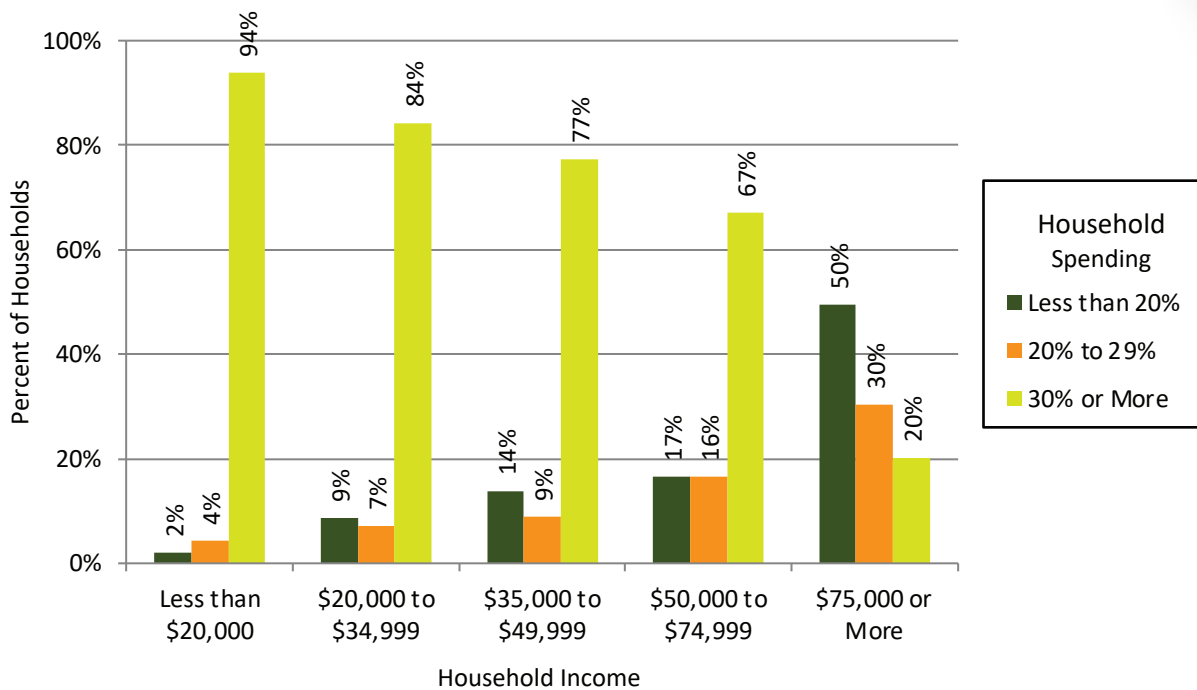
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates

RENTAL AFFORDABILITY

The hourly wage needed to afford a one-bedroom apartment in Orange County increased from $36.63 per hour ($76,190 per year) in 2022 to $40.63 per hour ($84,510 per year), a significant increase of 10.9 percent. An Orange County minimum wage worker would need to work 105 hours per week to afford a one-bedroom apartment in 2023, compared to 98 hours in 2022.

Fair market rent for a one-bedroom apartment in the region increased from $1,905 in 2022 to $2,113 in 2023, an increase of 10.9 percent. Meanwhile, fair market rents for two- and three-bedroom units increased by 9.3 percent and 8.5 percent, respectively. Along with inflation and high consumer costs, 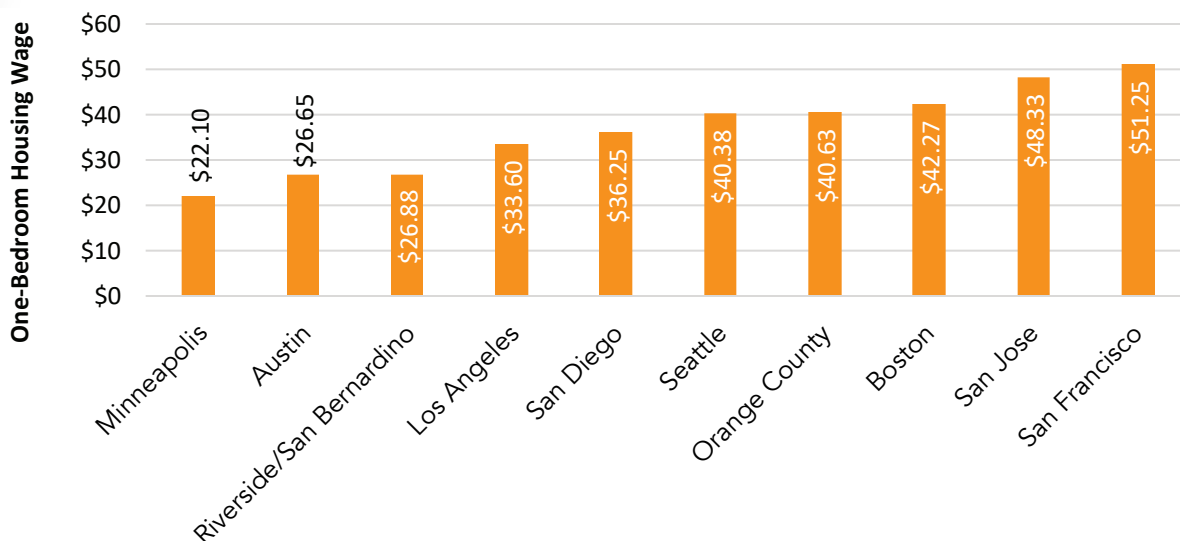these rental increases have offset recent wage increases, therefore increasing financial hardship for many county residents, especially impacting the county's disadvantaged communities. As demand to both live and work in the region remains high, policymakers and developers must focus and strategize on how to best improve the supply of housing — especially affordable workforce housing — in the county.

ORANGE COUNTY EXCEEDS REGIONAL PEERS IN HOUSING WAGE

REGIONAL COMPARISON OF THE HOURLY WAGE NEEDED TO AFFORD A ONE-BEDROOM UNIT, 2023

One-Bedroom Housing Wage

City	Wage
Minneapolis	$22.10
Austin	$26.65
Riverside/San Bernardino	$26.88
Los Angeles	$33.60
San Diego	$36.25
Seattle	$40.38
Orange County	$40.63
Boston	$42.27
San Jose	$48.33
San Francisco	$51.25

Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development using the methodology of the National Low Income Housing Coalition

REQUIRED WAGE FOR ONE-BEDROOM SURPASSES $40 PER HOUR

HOURLY WAGE NEEDED TO AFFORD A ONE-BEDROOM UNIT IN ORANGE COUNTY, 2016-2023
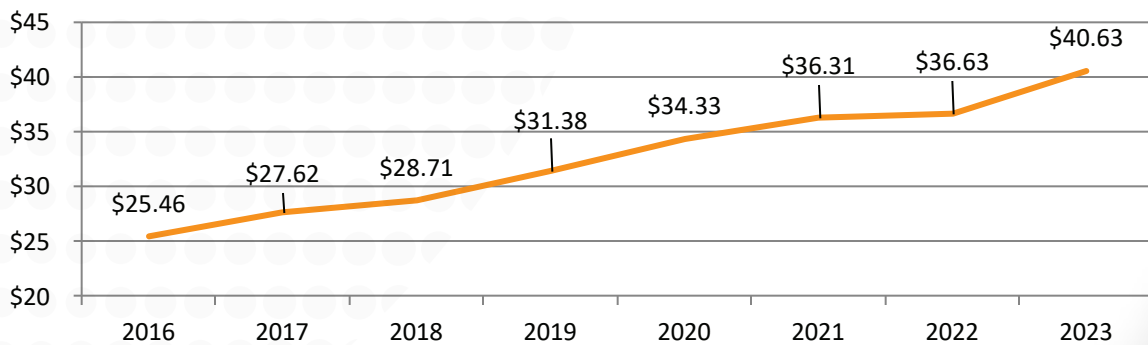
Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development using the methodology of the National Low Income Housing Coalition

MINIMUM WAGE WORK HOURS REQUIRED INCREASES TO 105 HOURS

RENTAL MARKET AFFORDABILITY IN ORANGE COUNTY, 2017-2023							
FAIR MARKET RENT (MONTHLY)	2017	2018	2019	2020	2021	2022	2023
One Bedroom	$1,436	$1,493	$1,632	$1,785	$1,888	$1,905	$2,113
Two Bedroom	$1,813	$1,876	$2,037	$2,216	$2,331	$2,324	$2,539
Three Bedroom	$2,531	$2,626	$2,862	$3,098	$3,227	$3,178	$3,448
Amount a household with one minimum wage earner can afford to pay in rent (monthly)	$546	$572	$624	$676	$728	$780	$806
Number of hours per week a minimum wage earner must work to afford a one-bedroom apartment	105	104	105	106	104	98	105

Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development using the methodology of the National Low Income Housing Coalition

As increased interest rates have reduced housing affordability dramatically in the past year, more residents have been pushed to renting, with the overall renter-occupied housing rate in the county increasing from 42.9 percent in 2019 to 43.5 percent in 2021. This trend is true of most racial and ethnic groups. The largest increase occurred for Pacific Islanders, whose rental rate increased by 9.5 percentage points, followed by Native American residents (+7.3 percentage points) and White residents (+1.3 percentage points). Despite this overall increase in the proportion of renters, residents who identify as 'some other race' saw their proportion of renters fall 4.4 percentage points, followed by the number of Asian residents, which declined by 0.4 percentage points, and the number of Hispanic/Latino residents, which declined by 0.2 percentage points.

HOUSING COSTS PUSHING INCREASED PROPORTION OF POPULATION TO RENTING

RENTER-OCCUPIED HOUSING RATES BY RACE OR ETHNICITY IN ORANGE COUNTY, 2019 AND 2021

Race or Ethnicity	2019	2021
African American	66.0%	66.8%
Some Other Race	68.6%	64.2%
Native American	54.6%	61.9%
Hispanic/Latino	61.7%	61.5%
Pacific Islander	48.2%	57.7%
Two or More Races	54.9%	55.5%
Asian	37.2%	36.8%
White	34.7%	36.0%
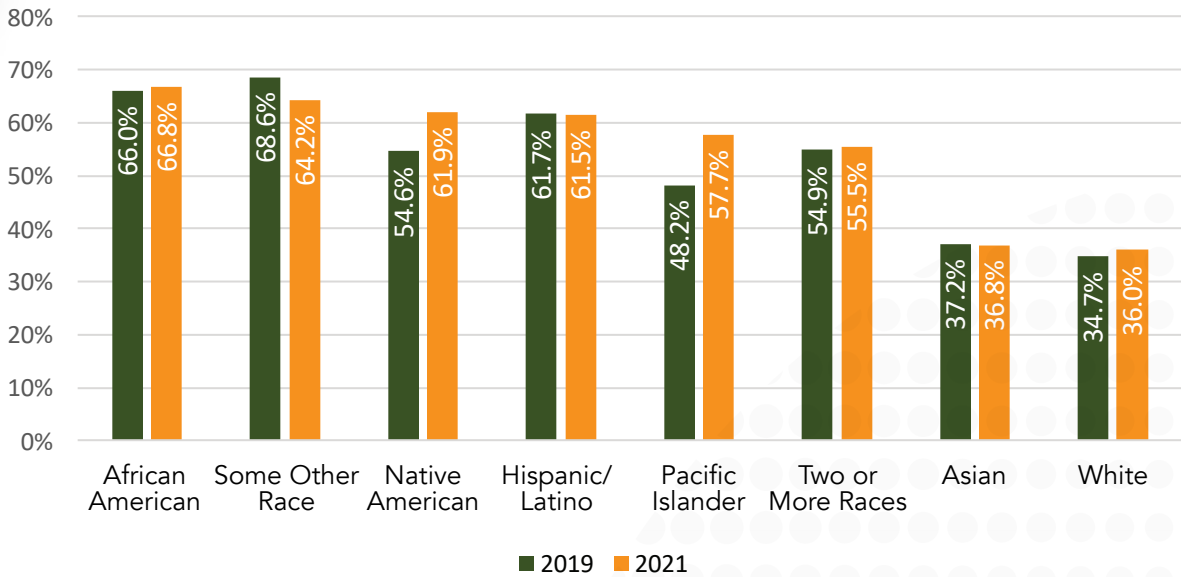
Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates

WORK HOUR REQUIREMENTS INCREASE ACROSS ALL HOUSING SEGMENTS

ORANGE COUNTY WORK HOURS REQUIRED BY HOUSING SIZE FOR MINIMUM WAGE WORKERS, 2023
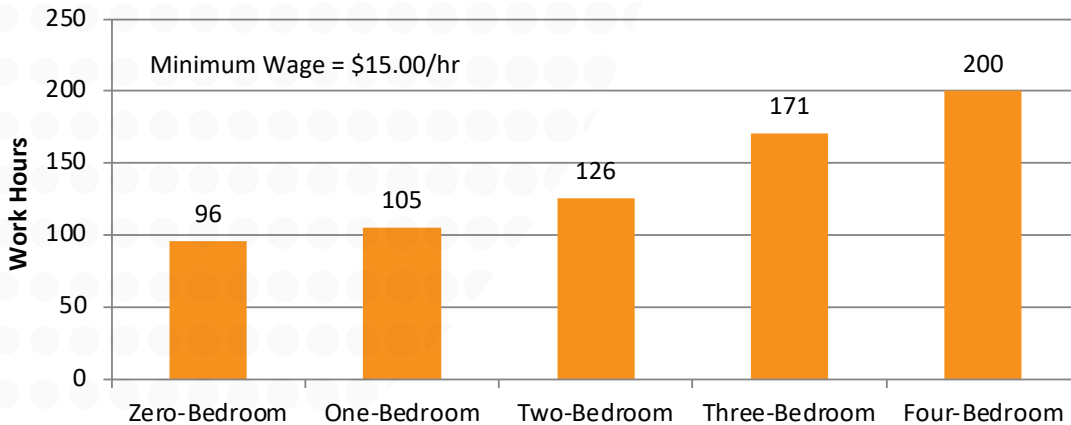
Minimum Wage = $15.00/hr

Housing Size	Work Hours
Zero-Bedroom	96
One-Bedroom	105
Two-Bedroom	126
Three-Bedroom	171
Four-Bedroom	200

Sources: Community Indicators Report analysis of Fair Market Rent data from the U.S. Department of Housing and Urban Development using the methodology of the National Low Income Housing Coalition

RENT BURDEN CONTINUES TO DISPROPORTIONATELY IMPACT LOW-INCOME RENTERS

ORANGE COUNTY RENTER-OCCUPIED HOUSING COSTS AS A PERCENT OF INCOME, 2021

Household Income	Less than 20%	20% to 29%	30% or More
Less than $20,000	1%	4%	95%
$20,000 to $34,999	4%	2%	95%
$35,000 to $49,999	1%	4%	94%
$50,000 to $74,999	3%	16%	81%
$75,000 or More	36%	40%	24%

Household Spending

Source: U.S. Census Bureau, 2021 American Community Survey 1-Year Estimate

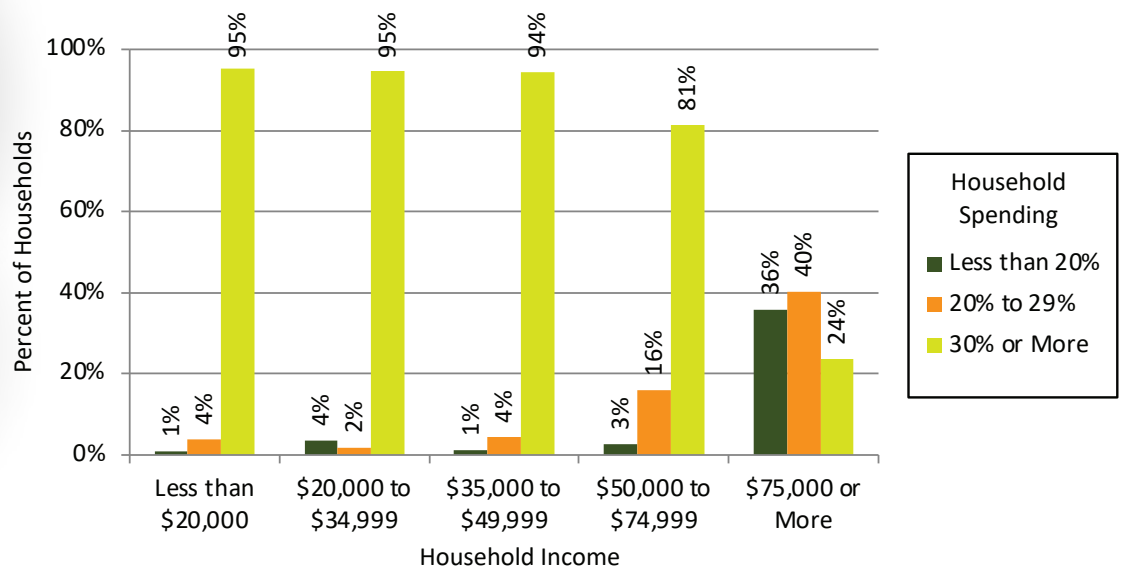A major illustration of the housing market's impact on renters is the fact that 95 percent of renters in both the under $20,000 and $20,000 to $34,999 household income ranges spent over 30 percent of their incomes on housing costs in 2021. The proportion of renters making $50,000 to $74,999 who spent more than 30 percent on housing increased from 74 percent in 2019 to 81 percent in 2021 while the same rate for households making $75,000 or more increased from 19 percent to 24 percent. This indicates that increased housing costs are beginning to impact household finances across all income levels.

HOUSING SECURITY

The number of Orange County residents living in sheltered homeless arrangements increased from 2,661 in 2022 to 2,993 in 2023, an increase of 12.5 percent. Sheltered homeless arrangements include residents in emergency shelters, transitional housing, and Safe Haven projects. Approximately 953 of these residents (or 31.8 percent) were 'adults and children,' representing a slight increase over the total of 950 measured in 2021. The number of homeless sheltered adults in Orange County increased from 1,704 to 2,029, an increase of 19.1 percent, while the number of homeless 'children only' increased. This increase in homelessness, which reflects the impact of declining affordability rates and other financial hardships, will be an ongoing concern in the near term. However, the increase in sheltered homeless arrangements also highlights there are more sheltered beds for homeless residents than ever before. This illustrates the significant efforts made over the past few years by local and regional organizations to better support and assist homeless residents.

As of 2023, the majority of Orange County's homeless sheltered population was White (78 percent). African Americans represented 11.0 percent of the homeless population, while Native Americans, Asians, and residents of multiple races each represented about 3.0 percent of the total. African Americans, who make up only 1.7 percent of the overall county population, are thus disproportionately likely to experience homelessness in Orange County.

PROPORTION OF SHELTERED POINT-IN-TIME HOMELESS BY RACE/ETHNICITY IN ORANGE COUNTY, 2023

- White
- African American
- Native American
- Asian
- Multiple Races
- Pacific Islander
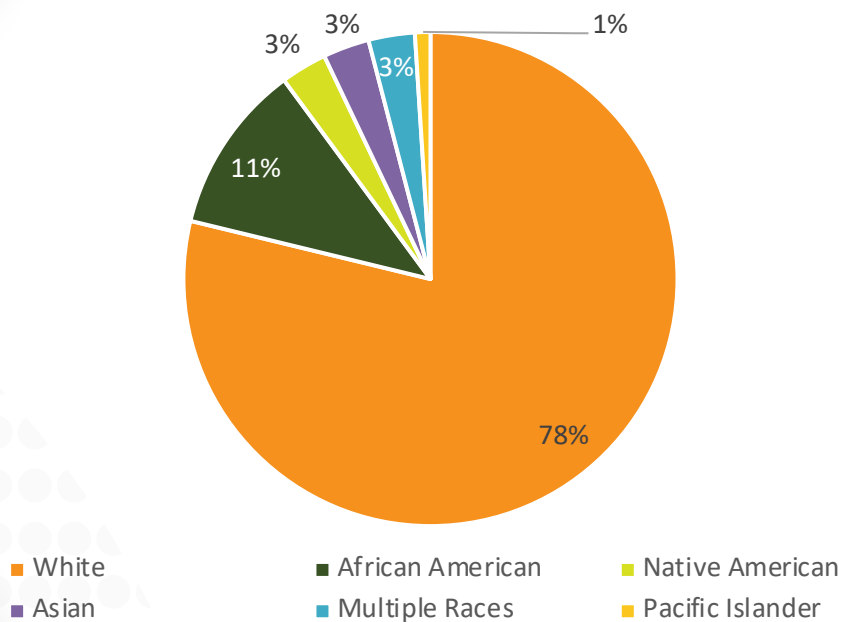
Source: Orange County 2-1-1, 2023 Sheltered Point in Time Count

While the number of sheltered homeless Veterans in Orange County registered another year-over-year decline, falling 31.1 percent from 2022 to 2023, all other groups saw increases. Chronically homeless sheltered individuals saw the largest year-over-year jump, with 97 more homeless sheltered residents. Overall, 2023 saw 20 more seniors, 13 more victims of domestic violence, and 7 more youth in homeless shelters than in 2022.

SHELTERED HOMELESS COUNTS BY SPECIAL POPULATIONS IN ORANGE COUNTY, 2023
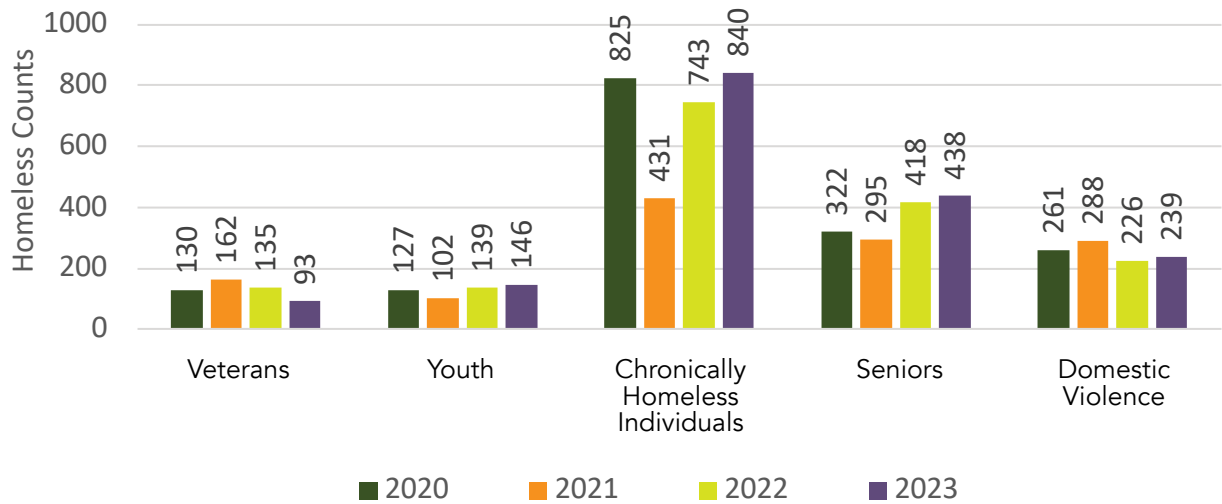
Source: Orange County 2-1-1, 2022 Sheltered Point in Time Count

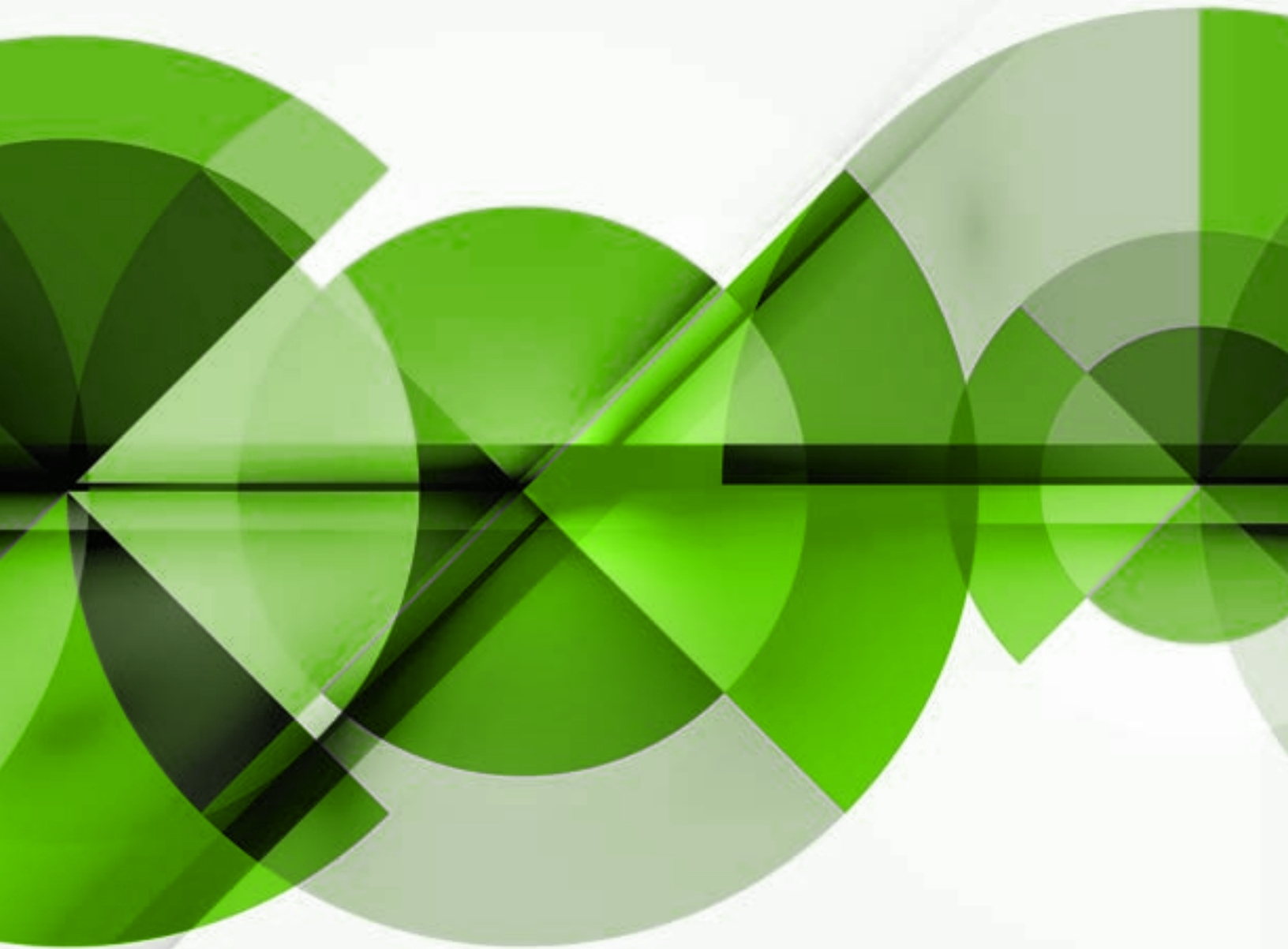## DISABILITIES REPORTED BY PERSONS SHELTERED IN ORANGE COUNTY, 2023

Source: Orange County 2-1-1, 2023 Sheltered Point in Time Count

48
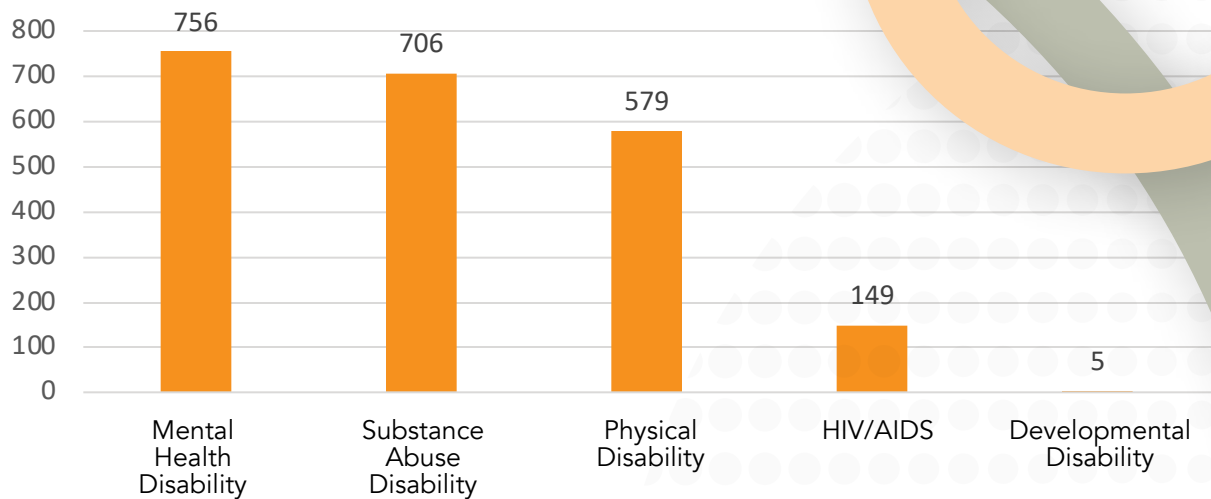
SPECIAL FEATURE:
HOUSING AFFORDABILITY CHALLENGES

ECONOMIC IMPACTS OF HOUSING SUPPLY AND AFFORDABILITY CHALLENGES

HOUSING REMAINS ONE OF ORANGE COUNTY'S TOP WORKFORCE DEVELOPMENT CHALLENGES

For decades, Orange County's beaches, shopping, tourist attractions, strong educational system, thriving economy, and overall high quality of life have attracted residents from around the world. This incredible demand to live in Orange County, however, has far exceeded available housing for well over a decade. This has resulted in a dearth of affordable housing options. As a result, workforce housing continues to be one of the major challenges businesses and their employees face in the region. This lack of housing supply has increased the difficulty in attracting and retaining both new businesses and employees in Orange County.

While Orange County had significant affordability issues before 2020, the COVID-19 pandemic further accelerated this trend. Like California as a whole, Orange County has experienced a net population loss in each of the past three years. High home prices push residents to move to more affordable areas, and the growing remote work trend makes this transition easier.

Recent Federal Reserve interest rate increases — intended to slow inflation — have also contributed to increased home prices. Many believed rising interest rates, and the associated decline in demand, would crater the red-hot housing market. But the impact was only a small decrease in home prices, which remain near record highs. Demand for housing purchases did fall due to the higher cost of borrowing, but low interest rates also served to hinder housing supply through low housing turnover. Homeowners with locked-in low interest rates are much less likely to sell their homes in a high interest rate environment. As an example, monthly payments for a $500,000 mortgage loan at an interest rate of 3.5 percent (February 2022) total $2,245, while the same loan using more recent interest rates of 7.58 percent (July 2023) results in a monthly payment of $3,496, which in this example would be an increase of 55.7 percent in just over a year.

Housing market dynamics are one of the purest supply-demand markets in the economy. Chronic undersupply of newly constructed housing units, paired with high demand from both renters and buyers to live and work in Orange County, has clearly created lack of affordability and population loss. What factors have put Orange County in this situation? This special feature discusses current workforce housing trends and the factors that have created Orange County's housing imbalance.

HOUSING SUPPLY AND DEMAND IN ORANGE COUNTY

While rising interest rates and remote work affect communities across the nation and the world, Orange County has several specific challenges of its own, beginning with an insufficient housing supply. According to the most recent Regional Housing Needs Assessment (RHNA) published by the Southern California Association of Governments (SCAG) in 2021, Orange County needs to plan for an additional 183,861 housing units. This forecasted need is comprised of 46,416 very low-income units, 29,242 low-income units, 32,546 moderate, income units, and 75,657 above moderate-income units.[5]

SOUTHERN CALIFORNIA REGIONAL HOUSING NEEDS ASSESSMENT ALLOCATION BY COUNTY, 2021					
	VERY-LOW INCOME	LOW INCOME	MODERATE INCOME	ABOVE MODERATE INCOME	TOTAL
Imperial	4,671	2,357	2,198	6,767	15,993
Los Angeles	217,273	123,022	131,381	340,384	812,060
Orange County	**46,416**	**29,242**	**32,546**	**75,657**	**183,861**
Riverside	41,995	26,473	29,167	69,716	167,351
San Bernardino	35,667	21,903	24,140	56,400	138,110
Ventura	5,774	3,810	4,525	10,343	24,452

Source: Southern California Association of Governments 6th Cycle Final Regional Housing Needs Assessment Allocation Plan

This lack of supply is exemplified by Orange County's unsold inventory index, which measures the months of housing supply at current rates of absorption, or the rate at which homes are sold. The county's index fell from a high of 7.0 in Q1 2011 (indicating 7 months of housing supply at the Q1 2011 pace of home sales) to a low of 1.6 in Q1 2022, the same year home prices peaked. While the inventory has improved slightly in 2023, it remains well below the 10-year average.

---

[5] https://scag.ca.gov/sites/main/files/fileattachments/6th_cycle_final_rhna_allocation_plan_070121.pdf?16 46938785

Affordability rates reached a decade low in 2023 with only 12 percent of Orange County residents being able to afford a median priced home and only 22 percent able to afford an 'entry-level' home. The lack of entry-level affordability in particular is a result of rising interest rates and their effects on first-time homebuyers. Combined with an aging population, the lack of housing options serves to limit both population attraction and retention, which is especially concerning for the regional business community. These issues put at risk one of the region's primary competitive advantages — a pool of well-educated, qualified workers from which they can hire.

ORANGE COUNTY FOR SALE HOUSING SUPPLY, AFFORDABILITY, AND MEDIAN HOME PRICE, Q1 2010 – Q1 2023				
	UNSOLD INVENTORY INDEX	TRADITIONAL HOME BUYER AFFORDABILITY INDEX	FIRST-TIME HOME BUYER AFFORDABILITY INDEX	MEDIAN HOME PRICE
Q1 2010	6.5	28%	50%	$550,420
Q1 2011	7.0	33%	58%	$523,610
Q1 2012	4.9	39%	62%	$485,300
Q1 2013	2.8	28%	49%	$619,430
Q1 2014	4.2	21%	45%	$675,540
Q1 2015	3.7	22%	45%	$696,060
Q1 2016	3.9	23%	44%	$720,200
Q1 2017	3.4	21%	42%	$760,000
Q1 2018	3.2	21%	39%	$824,450
Q1 2019	4.3	24%	42%	$809,500
Q1 2020	2.5	24%	41%	$882,000
Q1 2021	1.8	20%	34%	$1,025,000
Q1 2022	1.6	13%	29%	$1,305,000
Q1 2023	2.0	12%	22%	$1,250,000

Source: California Association of Realtors

Overall, the total number of housing units in Orange County has increased from 1,046,118 in 2010 to 1,149,943 in 2023, an increase of 103,825 units or just 9.9 percent over that 13-year period. But of those 103,825 new units, 46.8 percent were structures of 5 units or more while 36.1 percent were single detached and 15.4 percent were single attached units. This additional supply of multiple unit structures has reduced Orange County's persons per household from 3.0 to 2.8. While this shift towards building more multi-unit structures is a step in the right direction, Orange County's high demand for workforce housing is not close to being met.
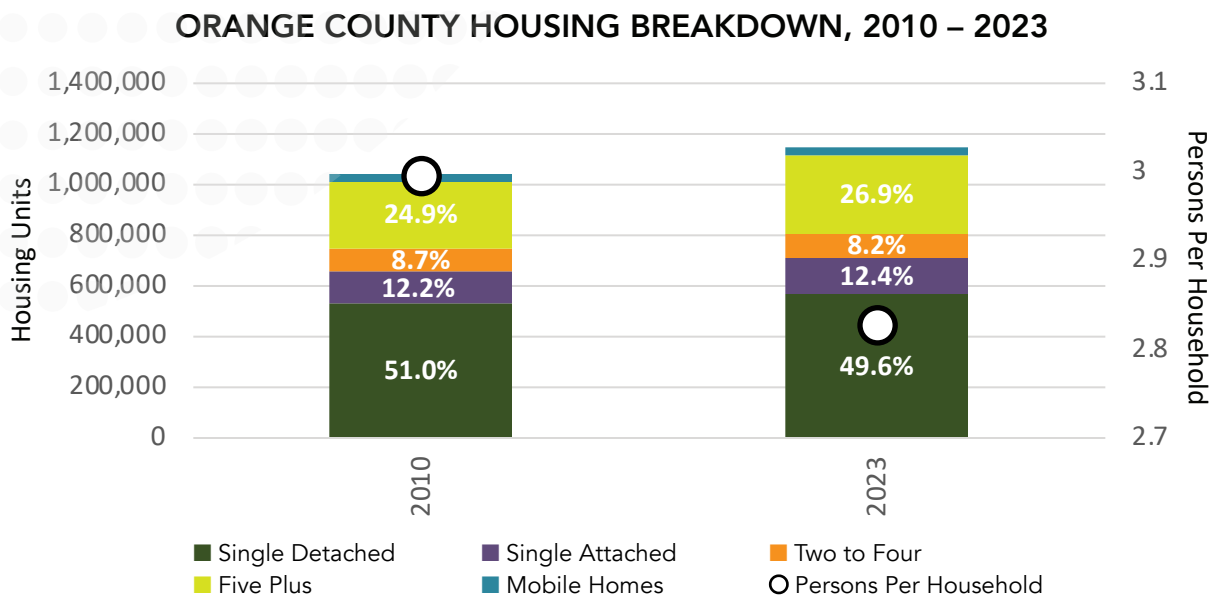
ORANGE COUNTY HOUSING BREAKDOWN, 2010 – 2023

In 2019, OCBC released its *Orange County Housing Scorecard*, which detailed Orange County's housing landscape and emphasized the importance of maintaining a healthy jobs-to-housing ratio (the ratio of new jobs to new housing units in a given time period). This report, built on research led by Dr. John Landis, former University of California, Berkeley City and Regional Planning Department Chair, found the ideal workforce housing jobs per home ratio to be 1.5. This section offers brief updates to the data in the 2019 Scorecard.

While Orange County had an overall jobs-to-housing ratio of 1.54 between 2010 and 2023, it has seen two much more imbalanced periods within that timespan: 5.49 between 2010 and 2015 and 5.27 in the period from 2021 to 2023. Both of these are periods of dramatic economic recovery following significant job loss. The pandemic erased years of county job growth in months, completely altering this ratio.
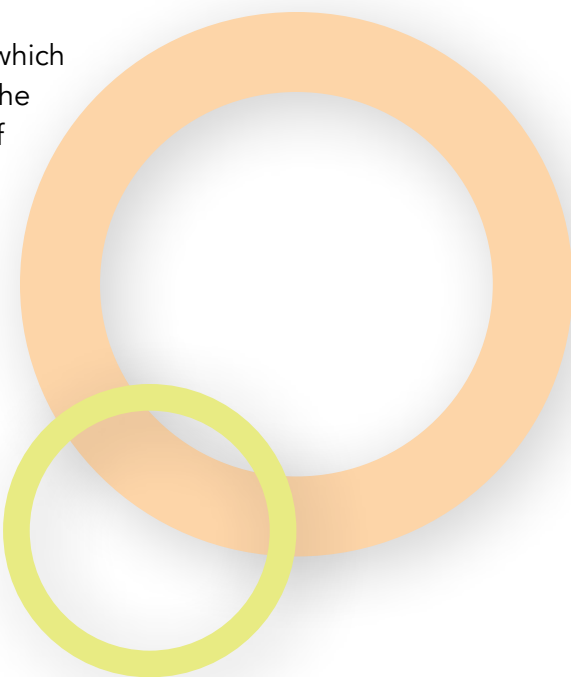
HOUSING UNITS, JOBS, AND THE JOBS-TO-HOUSING RATIO FOR ORANGE COUNTY
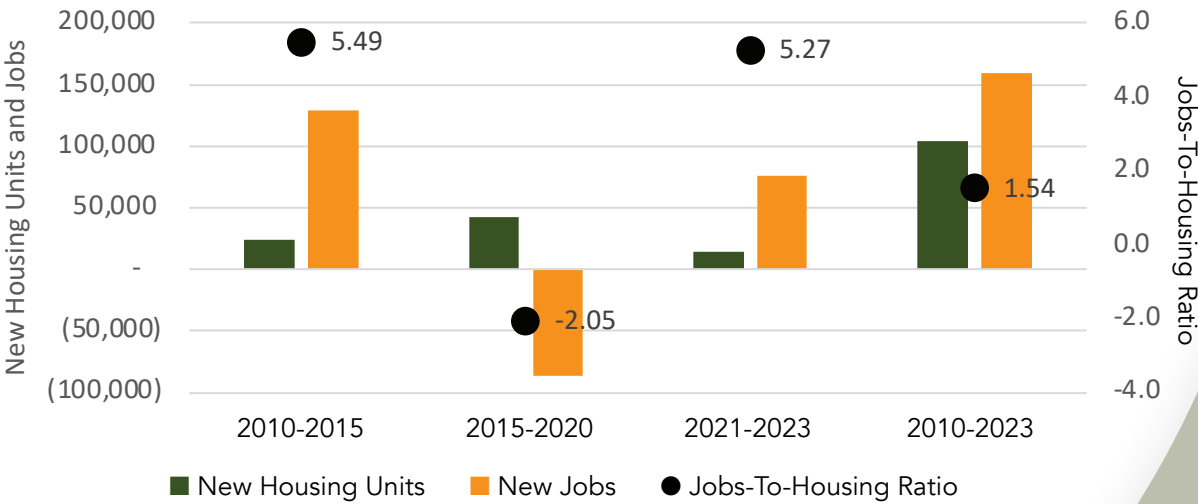
Irvine, which consistently tops city rankings such as WalletHub's "Best Places to Raise a Family" and "Happiest Cities in America," saw the largest housing unit growth over the past five years at 22.2 percent, followed by Brea at 14.3 percent and Lake Forest and Laguna Niguel tied at 7.5 percent. Cities which saw the largest home value growth, according to Zillow's Home Value Index estimates, included San Clemente where prices jumped 63.3 percent, followed by San Juan Capistrano (50.4 percent) and Dana Point and Newport Beach (tied at 49.4 percent). The significant price growth indicates that housing in these four cities might be particularly in-demand, yet these cities exhibited relatively low housing growth of 1.4 percent (San Clemente), 1.5 percent (San Juan Capistrano), 2.8 percent (Dana Point), and 0.7 percent (Newport Beach).

HOUSING UNITS AND HOME PRICE GROWTH BY ORANGE COUNTY CITY, 2018-2023

	2018-2023 HOUSING UNIT GROWTH	2018-2023 HOME VALUE GROWTH
Irvine	22.2%	42.6%
Brea	14.3%	33.3%
Lake Forest	7.5%	41.7%
Laguna Niguel	7.5%	46.1%
Stanton	6.4%	41.7%
Orange	5.2%	36.0%
Santa Ana	5.1%	40.1%
County Total	5.1%	38.1%
Placentia	5.0%	38.7%
Anaheim	3.8%	37.5%
Cypress	3.8%	37.1%
Costa Mesa	3.3%	44.6%
Los Alamitos	3.3%	44.2%
Buena Park	3.3%	34.7%
La Habra	2.9%	39.4%
Dana Point	2.8%	49.4%
Garden Grove	2.8%	38.1%
Fountain Valley	2.7%	35.6%
Laguna Woods	2.6%	41.2%
Fullerton	2.4%	36.2%
Huntington Beach	1.7%	40.1%
San Juan Capistrano	1.5%	50.4%
Rancho Santa Margarita	1.5%	39.3%
San Clemente	1.4%	63.3%
Westminster	1.3%	31.5%
Laguna Hills	1.2%	46.5%
Yorba Linda	1.1%	36.9%
Tustin	1.0%	40.3%
Seal Beach	1.0%	45.8%
Aliso Viejo	1.0%	39.1%
Newport Beach	0.7%	49.4%
La Palma	0.7%	29.7%
Mission Viejo	0.6%	39.5%
Laguna Beach	0.4%	42.7%
Villa Park	0.2%	43.0%

Overall, Orange County's lack of housing supply remains the most important factor behind its high home prices. While recent economic disruptions — including materials shortages exacerbated by pandemic-caused supply chain issues, the war between Russia and Ukraine, and aggressive monetary policies — are all impacting the county's housing market, supply and demand remains central. While there has been no shortage of proposed developments in the region, a number of barriers serve to slow the pace of new unit construction, including but not limited to state and local regulations, legislation, zoning issues, construction-related labor shortages, and NIMBYism (Not In My Backyard) attitudes among local residents.

The following section of the report surveys both the major barriers to new housing construction and how local governments and developers are navigating these challenges to create new housing units in Orange County.

STATE, REGIONAL, AND LOCAL BARRIERS TO HOUSING

WELL-INTENTIONED REGULATIONS HINDER HOUSING SUPPLY

While many state and local regulations are implemented to provide a benefit to residents, some may have unintended consequences on the housing supply. For example, city-level efforts to create affordable housing by imposing rent control or inclusionary zoning ordinances can have the opposite effect and actually discourage new housing development. With housing developers increasingly facing tighter margins as the cost of labor and some building materials remain elevated, well-intentioned state and local regulations can further shrink profit opportunities and decrease a region's attractiveness to home builders and developers for investment.

The California Environmental Quality Act (CEQA) was signed into law by Governor Ronald Reagan in 1970 and "is intended to inform government decision makers and the public about the potential environmental effects of proposed activities and to prevent significant, avoidable environmental damage."[6]

While well-intentioned, CEQA throttles new housing construction in two ways. First, the time- and resource-consuming CEQA compliance process greatly discourages new housing development. In the words of a recent *Orange County Register* article,

> At the center of California's infrastructure challenges is CEQA. The Pacific Research Institute's new report "The CEQA Gauntlet" reflects the axiom that a picture is worth a thousand words by providing a mind-boggling flowchart showing the labyrinthine CEQA review process and permits frequently needed before nearly anything can be built.

Second, CEQA is open to abuse. In June, California Chamber of Commerce CEO Jennifer Barrera told the *Orange County Register* that "for too long, special interest groups have weaponized CEQA to delay, scale back, or halt projects altogether for reasons unrelated to the environment." In a well-known example from last year, Olen Properties Corp. — owned by billionaire Igor Olenicoff — used environmental concerns as a pretext in an attempt to prevent the development of a new residential property near John Wayne Airport. According to a Public Policy Institute of California poll, approximately 59 percent of Californians support CEQA reform.[7]

---

[6] https://www.opr.ca.gov/ceqa/

[7] https://www.ppic.org/press-release/majority-favor-changing-environmental-regulations-in-an-effort-to-make-housing-more-affordable/

On top of CEQA, some local governments have adopted more combative stances on state housing goals. The most prominent example is the City of Huntington Beach recently refusing to comply with state housing goals and voting to reject its own housing element which mandates the construction of 13,368 new homes, including 5,845 affordable units.[8] Certain city officials view these mandates as the state meddling in local affairs of cities and have, as such, entered into a complicated dispute with the state which has resulted in a number of lawsuits and few new housing units. While it is important that cities retain "local control" of land use decisions so that new developments are in line with local city development strategies and goals, it is equally important that these cities understand the housing needs of their residents and effectively plan and develop enough workforce housing to meet demand. This helps to highlight the importance of collaboration between state and local governments on finding strategic ways to offer new housing opportunities in communities.

ZONING AND NIMBYism

While the building area for new developments in Orange County is becoming increasingly scarce, especially in older cities that were developed early with a heavy focus on single-family detached homes, broader trends in the economy have provided a potential solution. As highlighted in the 2018 OCBC Report titled *Inside Orange County's Retail E-Volution*, the emergence of e-commerce has decreased the demand for physical brick-and-mortar locations. As a result, existing structures in the county could be redeveloped into mixed used or dedicated multifamily housing structures. Mixed-use structures, providing both housing units and retail or entertainment options such as restaurants, are popular for young families and professionals. These demographic groups are becoming increasingly important as the region continues to experience an aging population.
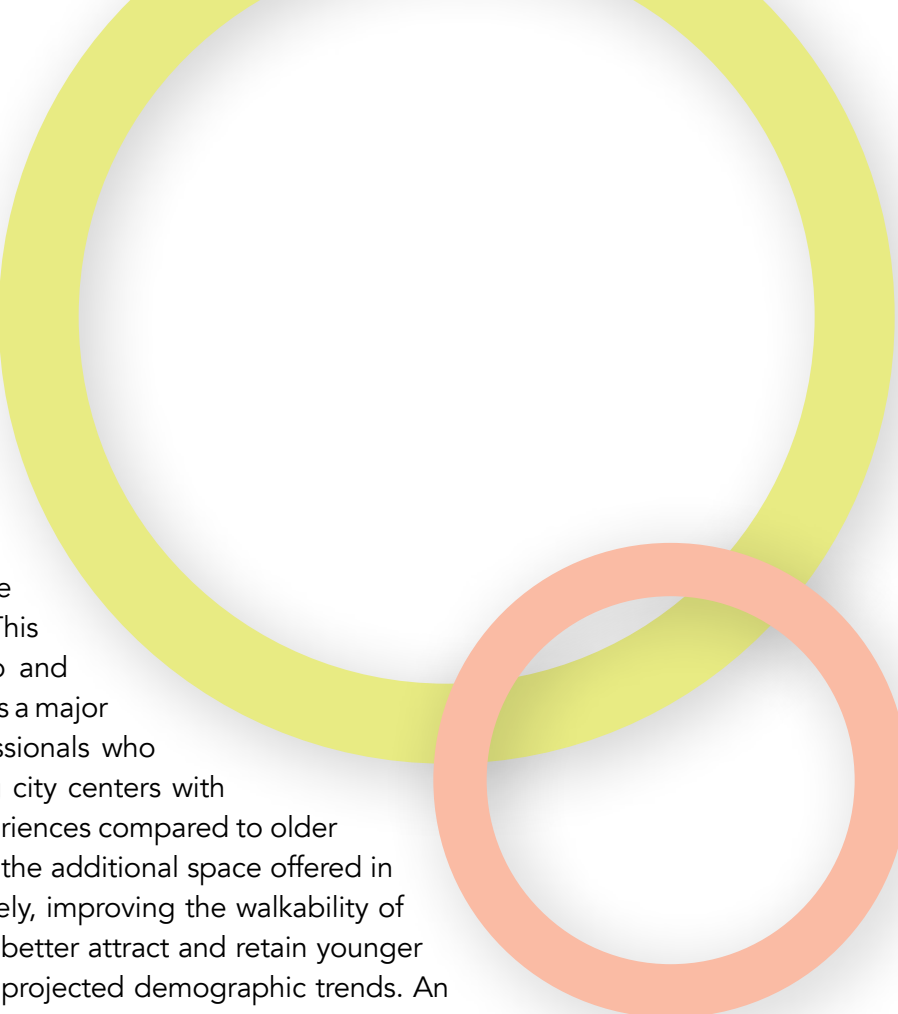
Of course, these developments involve changes to local zoning ordinances, a process which can be challenging and time-consuming. Nonetheless, it offers perhaps the most promising potential solution to Orange County's affordable housing crisis.

In some cases, when zoning may not be an issue, local residents looking to maintain property values or 'quality-of-life' in a neighborhood also stand in the way of new developments. These challenges especially focus on multifamily units. NIMBY (Not in My Backyard) residents often feel that affordable housing developments may lower coveted property values or increase crime rates in their areas. Yet, research may actually indicate the opposite. A 2021 University of California, Irvine Livable Cities Lab report entitled *The Impact of Affordable Housing on Housing & Crime in Orange County* found that new affordable housing developments actually increase local neighborhood property values.[9]

Two possible reasons for this are that affordable housing developments often repurpose space that adds nothing to the local economy, such as defunct or abandoned stores or vacant lots. They also increase overall neighborhood economic activity by providing more customers for local businesses. The UCI study found that this increase is true for both high-income and low-income neighborhoods. Similarly, the report's authors found no evidence that new affordable housing developments increase violent crime in the surrounding area and that these developments actually led to slight decreases in robberies and burglaries.

---

[8] https://www.ocregister.com/2023/04/10/newsom-bonta-strike-back-at-huntington-beach-decision-to-reject-housing-plan/

[9] https://bpb-us-e2.wpmucdn.com/sites.uci.edu/dist/5/4337/files/2021/03/LCL-22-Impact-Study.pdf

Another major NIMBY-related concern is traffic congestion. However, one of the key benefits of mixed-use developments is that they put shopping and dining within walking distance of housing, which encourages the walkability of cities. Costa Mesa, known for its unique shopping centers such as The Lab and The Camp which are tucked into neighborhoods, received the highest walkability score of any city in Orange County at 77 out of 100 by Walk Score. This ranking ties with cities such as Chicago and Washington, D.C.[10] Increased walkability is a major attraction for younger adults and professionals who prefer to live in more lively, entertaining city centers with easy access to restaurants and retail experiences compared to older adults who may have families and prefer the additional space offered in more rural or suburban settings. Effectively, improving the walkability of cities and downtown areas may serve to better attract and retain younger residents, helping to reverse recent and projected demographic trends. An important component for developing an expanded workforce.

OTHER FACTORS IMPACTING HOUSING SUPPLY IN ORANGE COUNTY

While more related to general economic performance, housing supply can also be impacted by labor shortages and cost pressures on labor and materials. Labor shortages can have a disproportionate impact on the construction industry. According to Associated Builders and Contractors (ABC), the American construction industry has a shortage of approximately 546,000 workers. In February, ABC Chief Economist Anirban Basu notes that the aging construction workforce — approximately 25 percent of which are 55 or older — will likely exacerbate this problem in the near future.[11]

The speed of new housing unit growth, the cost of development, and eventually the cost to rent an apartment are also impacted by construction industry wages and salaries that have been increasing in recent years. Adding to the cost of labor, unprecedented increases in the price of materials can also add to the cost of an apartment, pushing units from 'affordable' to 'luxury' fairly quickly. While material costs have retreated since the supply-chain crisis induced highs, they remain high. The price of every major construction commodity has remained elevated since February 2020 including Concrete Products by 28.6 percent; Lumber and Wood Products by 28.8 percent; Copper Wire and Cable by 39.6 percent; Iron and Steel by 60.3 percent.[12]

---

[10] https://www.walkscore.com/cities-and-neighborhoods/

[11] https://www.abc.org/News-Media/News-Releases/entryid/19777/construction-workforce-shortage-tops-half-a-million-in-2023-says-abc

[12] https://www.abc.org/News-Media/News-Releases/entryid/19859/abc-construction-materials-prices-up-04-in-february

ORANGE COUNTY CITIES MAKING PROGRESS

Despite all these challenges, local civic leaders, housing developers (both for-profit and non-profit), and other stakeholders continue to think creatively and successfully collaborate on new market-rate and affordable housing. While there is still tremendous work to do to keep up with the incredible demand to live in Orange County, these projects represent a powerful way forward that can be emulated by other communities. As previously mentioned, many of these projects are mixed-used development renovations or replacements of retail properties such as malls or shopping centers which no longer provide the highest and best use.

A LIST OF RECENT ORANGE COUNTY PROJECTS IS IMPRESSIVE

- **Anaheim:** The 102-unit affordable housing complex Finamore Place opened earlier this year. Named after former Jamboree Housing executive Marcy Finamore, the complex is a $61 million investment and is located on Orangewood Avenue near the 5 freeway.[13]

- **Brea:** Earlier this year, the Brea City Council approved a plan by Simon Property Group to transform the Brea Mall into a mixed-use development incorporating 380 new housing units and green space. 38 of these units will be set aside for affordable housing. Like many of the developments mentioned in this section, this redevelopment project will repurpose a defunct Sears store.[14]

- **Buena Park:** Another vacant Sears store at the Buena Park Mall will be redeveloped by Merlone Geier Partners into a 1,300-unit housing complex called The Village at Buena Park. 167 of these units will be set aside for affordable housing.[15]

- **Costa Mesa:** A struggling Motel 6 is currently being transformed into an 87-unit affordable housing project intended for the county's most vulnerable residents, such as veterans, low-income senior citizens, and the homeless. The project is being led by developer Community Development Partners, with onsite services provided by The Mercy Project.[16]

- **Fullerton:** In May, a unanimous Fullerton City Council voted to approve a new affordable housing project on city property at 1600 W. Commonwealth Avenue. The project, which will be developed by Meta Housing Corp., is expected to begin construction in spring 2024. According to the *Voice of OC*, it will be ready for residents by the end of 2025.[17]

[13] https://www.ocregister.com/2023/06/23/anaheim-unveils-new-affordable-apartments-near-resort-district/

[14] https://voiceofoc.org/2023/05/380-apartments-new-retail-and-dining-coming-to-brea-mall/

[15] https://voiceofoc.org/2023/06/old-sears-building-at-buena-park-mall-to-be-turned-into-1300-housing-units/

[16] https://voiceofoc.org/2023/03/from-motel-6-to-affordable-housing-conversion-underway-in-costa-mesa/

[17] https://therealdeal.com/la/2023/05/25/meta-housing-to-build-65-unit-affordable-complex-in-oc/

- **Irvine:** Irvine will see multiple new housing projects in the near future. Developer FivePoint is currently adding to its Great Park Neighborhoods, releasing 100 units for purchase in a new subdivision in June 2024.[18]

- **The Irvine City Council** has approved a deal with the Irvine Company to transform multiple underused infill sites into more than 4,500 housing units, with more than 1,000 of those reserved for affordable housing. These redevelopment projects will include new apartments at Discovery Park, The Marketplace, the Irvine Spectrum, and Los Olivos.[19]

- **Laguna Hills:** After closing in 2018, Laguna Hills Mall sat vacant for months before a demolition project was completed in spring 2023. Developer Merlone Geier will use the space to build a new mixed-use community called the Village at Laguna Hills, which will include retail and dining space, a hotel, a park, and 1,500 residential units. (It replaces a previous redevelopment project called Five Lagunas.)[20]

- **Lake Forest:** Affordable housing developer National CORE is currently finishing an affordable housing development called Mountain View. Projected to open later this year, it will provide 71 affordable housing units, including eight specifically allocated for the homeless or those at risk of homelessness.[21]

- **Santa Ana:** WISEPlace, a nonprofit focused on housing vulnerable women, is collaborating with affordable housing nonprofit Jamboree Housing to build a $30 million, 47-unit affordable housing project in Santa Ana.[22]

- **Westminster:** Shopoff Realty Investments plans to redevelop the defunct Westminster Mall into a mixed-use property that will include 1,065 rental units, 102 townhomes, and a new hotel.[23]

Despite the high volume of under construction and planned housing developments in Orange County, the demand to both live and work here is expected to remain well above the potential supply thanks to the region's strong and resilient labor market. As housing prices hover near record highs, interest rates further reduce affordability, and the inflationary environment remains challenging. Residents are experiencing increased financial hardships that reduce their quality of life, pushing many to lower cost-of-living areas. If not addressed, recent annual population declines may accelerate the risk factors that are challenging Orange County's competitive advantages. With increased rules and regulations continuing to hinder potential housing supply at both the state and regional levels, additional scrutiny must be placed on the potential benefit versus cost of these regulations and how they are impacting the housing landscape. Removing barriers and instead providing incentives for innovative housing or mixed-use developments would serve to dramatically benefit both the state and the county in closing the housing gap. Additionally, improving the communication and collaboration between the state, counties, and cities on housing needs and supply would help to streamline approval processes and accelerate new developments.

Overall, while Orange County continues to make significant strides to improve access to workforce housing for its residents, there remain significant barriers which must be addressed in order to preserve the county's place as the economic powerhouse of Southern California.

[18] https://www.fivepoint.com/elements/community/rise-community-makes-its-debut

[19] https://www.ocregister.com/2023/03/16/irvine-approves-plan-for-4536-new-apartments/

[20] https://theregistrysocal.com/merlone-geier-to-redevelop-former-laguna-hills-mall-as-2-9mm-sqft-mixed-use-district%EF%BF%BC/

[21] https://nationalcore.org/communities/mountain-view/

[22] https://voiceofoc.org/2023/06/nonprofits-break-ground-on-47-new-affordable-homes-in-santa-ana/

[23] https://www.ocregister.com/2023/06/15/malls-becoming-homes-jigsaw-puzzle-of-moving-parts-california-developer-says/

Your Health Is Everything to Us

Focused on healthy futures

◆ **Access to Care**   ◆ **Support Services**   ◆ **Whole Person Health**

As the largest health plan in Orange County, we know healthy futures depend on more than medical care. No matter your age, life circumstances affect health. We remove barriers that hold health back, supporting members in need with access to preventive care, housing services, food security and much more. Because your health is everything to us.

caloptima.org
CalOptima Health, A Public Agency

CalOptima Health
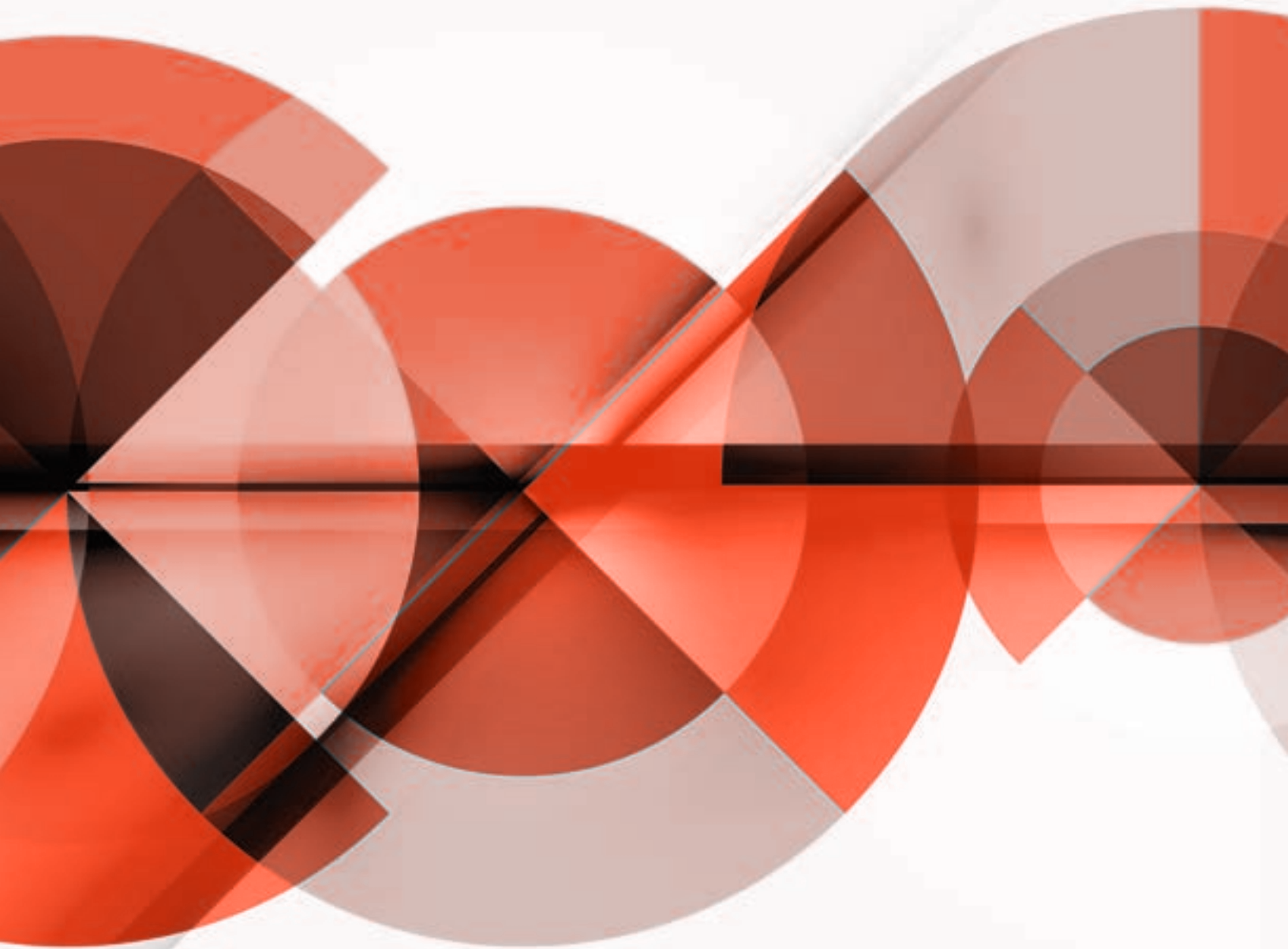
INCOME

HOUSEHOLD INCOME

9.9% Percentage of Orange County residents living in poverty

10.8% Percentage of Orange County children living in poverty

1.6% Working poor: percentage of residents living in poverty who work full-time or part-time **10.1%**

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

Orange County's median household income reached $100,559 in 2021, representing a decline of $1,519 or 1.5 percent from the inflation-adjusted 2019 median of $102,078. The county's median household income is $15,652 (18.4 percent) above the state median of $84,907 and $30,842 (44.2 percent) above the national median of $69,717.

Approximately 4.9 percent of Orange County households are in the "very low" (less than $10,000) income classification. While this percentage is below state (5.3 percent) and national (6.0 percent) averages, it still represents a significant number of county residents. Orange County households with incomes over $200,000 increased from 17.0 percent in 2020 to 19.2 percent in 2021, well above both the state and national rates of 15.5 percent and 9.8 percent, respectively. Overall, 50.2 percent of Orange County households make over $100,000, above the state (43.1 percent) and the nation (34.0 percent).

DISTRIBUTION OF HOUSEHOLDS BY MEDIAN HOUSEHOLD INCOME, ORANGE COUNTY, CALIFORNIA, AND THE UNITED STATES, 2021

Income Group	United States	California	Orange County
Very Low (Less than $10,000)	6.0%	5.3%	4.9%
Low ($10,000-$24,999)	11.4%	9.5%	7.0%
Low-Moderate ($25,000-$49,999)	19.1%	15.2%	12.3%
Moderate ($50,000-$99,000)	29.6%	26.9%	25.4%
High ($100,000-$199,999)	24.2%	27.6%	31.0%
Very High ($200,000 or More)	9.8%	15.5%	19.2%

■ United States ■ California ■ Orange County
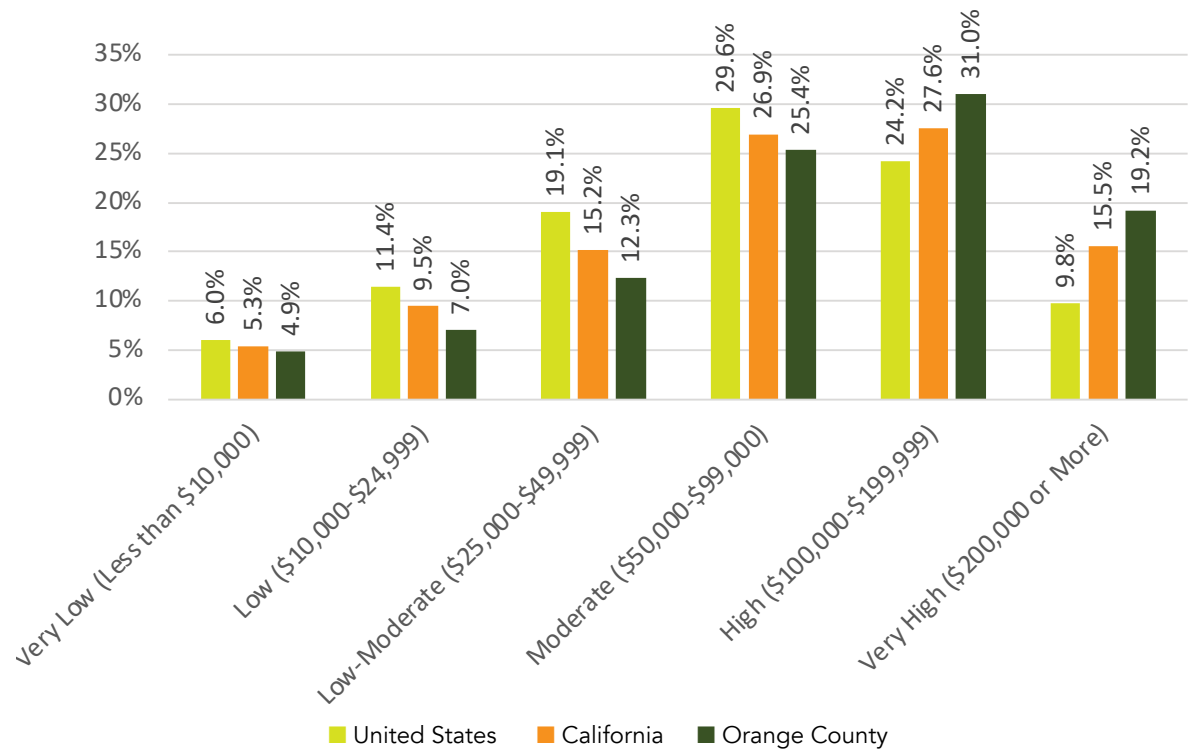
Number of Orange County households in the "Very Low" income group: **52,782**	Approximate 2022 U.S. poverty threshold for a 4-person household: **$29,678**	Eligibility for many support services begins at **<185%** of poverty, or for a 4-person household roughly **$54,904**	2021 median household income in Orange County: **$100,559**	Minimum qualifying income for a first-time homebuyer in Orange County in 2022: **$192,600**	The number of Orange County households grew **9.2%** between 2010 and 2021, while the number of households in the "Very High" group grew **149.6%**

Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates, 2010 through 2022; U.S. Census Bureau, Poverty Thresholds for 2022; California Association of Realtors, First-Time Buyer Housing Affordability Index

While external factors continue to impact the national and global economies such as the ongoing war in Ukraine and fluctuating levels of inflation, the domestic labor market remains surprisingly strong. Despite significantly reduced supply chain restraints, consumer prices remain high, putting additional strain on lower income residents and families. While the pace of inflation has begun to slow, consumer finances remain tight. While volatility in the financial sector seems to have subsided in the near-term, considerable weakness in the commercial office sector suggests that more economic hardships may be on the horizon.

WAGE GROWTH MODERATES

MEDIAN HOUSEHOLD INCOME (INFLATION ADJUSTED TO 2021 DOLLARS), ORANGE COUNTY, CALIFORNIA, AND UNITED STATES

Orange County — California — United States
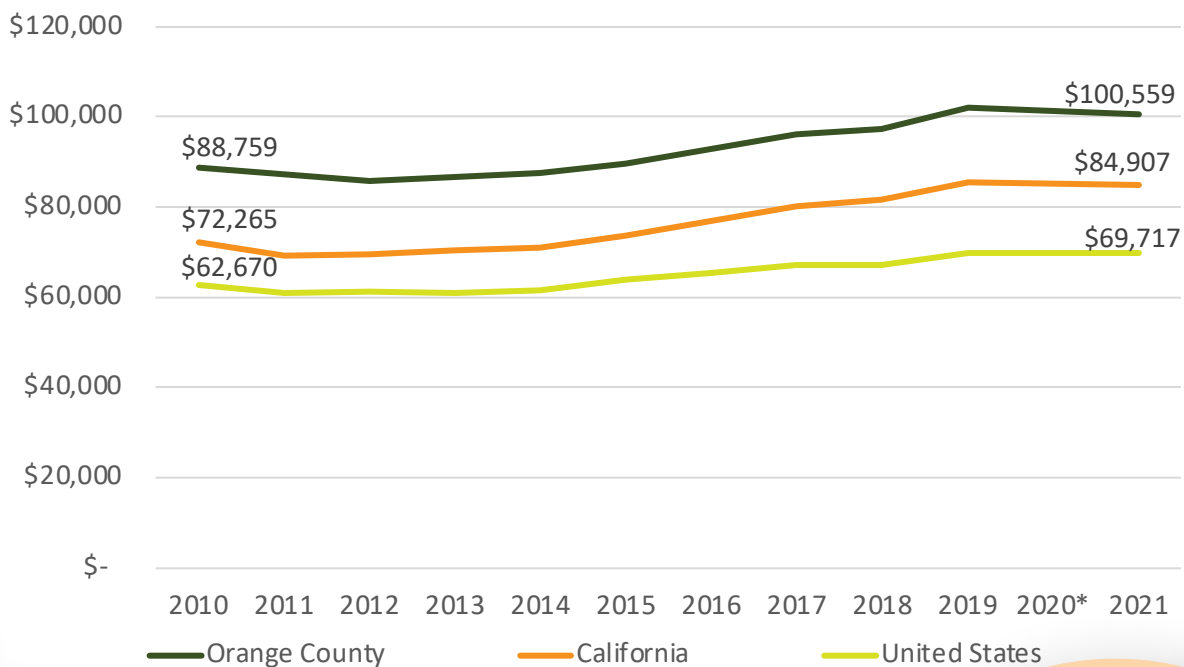
Sources: U.S. Census Bureau, American Community Survey, 1-Year Estimates, (http://factfinder.census.gov/); U.S. Inflation Calculator, reporting Consumer Price Index (CPI-U) data provided by the U.S. Department of Labor, Bureau of Labor Statistics.
*Data not available for 2020 due to COVID-19-related impacts.

The following chart illustrates the need for further investments in financial equity in Orange County. As seen below, there is a significant gap between the highest-earning groups (Whites and Asians, who both make an average of over $100,000 per year) and the lowest-earning groups, such as Pacific Islanders, residents identifying as 'some other race,' and Native Americans. Ensuring that residents across racial backgrounds from lower-income households have ready access to, and knowledge of, programs or policies which may help or improve their financial situations can help shrink this concerning income gap.

MEDIAN HOUSEHOLD INCOMES VARY BETWEEN RACE/ETHNICITIES

MEDIAN HOUSEHOLD INCOME BY RACE/ETHNICITY IN ORANGE COUNTY, 2021

Race/Ethnicity	Median Household Income
White	$110,482
Asian	$103,291
Two or More Races	$92,563
African American	$88,536
Hispanic/Latino	$81,606
Native American	$81,025
Some Other Race	$75,885
Pacific Islander	$68,226
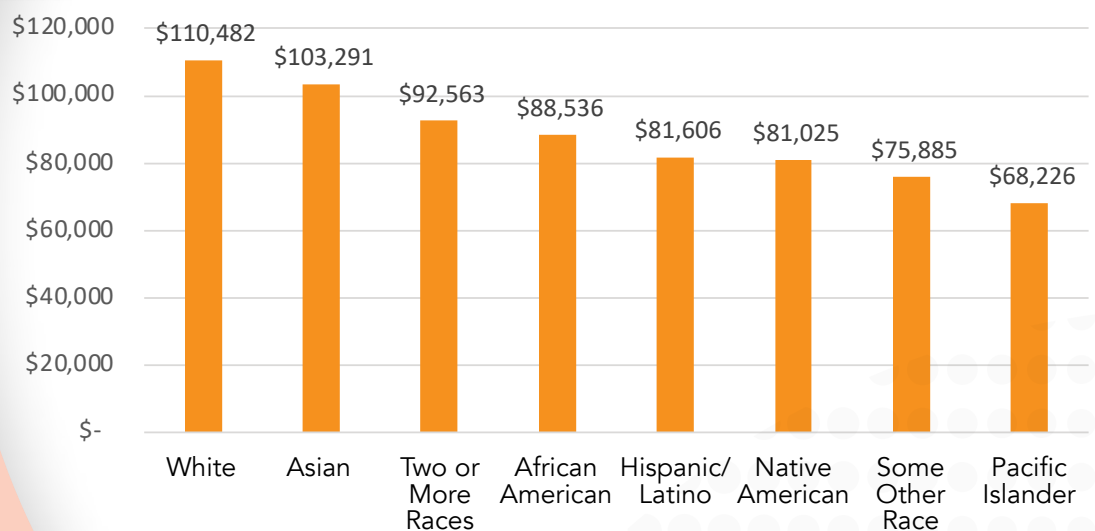
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

FAMILY FINANCIAL STABILITY

The 2021 Family Financial Stability Index for Orange County (FFSI-OC) shows that 20 percent of neighborhoods had high levels of family financial instability (scores of 1 to 4 out of a maximum score of 10, where 1 is the least stable and 10 is the most stable). The FFSI-OC measures the financial stability of families with children under 18 by Orange County neighborhood and is a composite of three metrics: family income, employment status, and the proportion of household income spent on rent.

MAJORITY OF NEIGHBORHOODS MODERATELY STABLE OR STABLE

FIGURE 1: FFSI-OC SCORES, PERCENT (AND COUNT) OF ORANGE COUNTY NEIGHBORHOODS, 2021
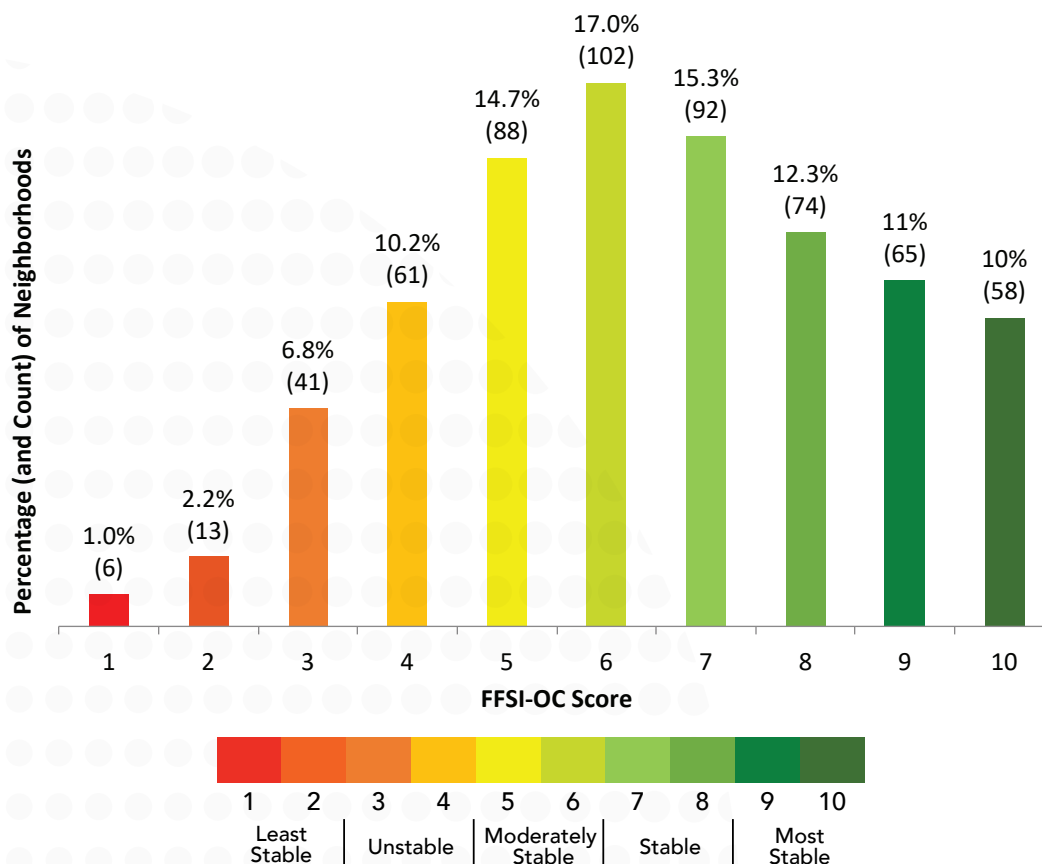
Source: Parsons Consulting, Inc. for Orange County United Way

NOTE

Data displayed in Figure 1 are based on 2020 census tract boundaries. Percentages have been rounded. The number of neighborhoods falling within each FFSI-OC index score is provided in the parentheses following the percentage.

FFSI-OC tracking began in 2012, when 39 percent of neighborhoods received "unstable" FFSI-OC scores of 4 or less. While instability rose to include 41 percent of neighborhoods in 2013, family financial stability steadily improved each year between 2013 through 2019, when only 18 percent of neighborhoods had comparable levels of family financial instability.

COVID-19, however, interrupted these positive trends. Instability rose to 19 percent in 2020 and 20 percent in 2021. While the 2020 results ended a steadily improving trend, the percentage of neighborhoods with FFSI scores of 4 or less remains low compared to historical FFSI-OC results.

FAMILY FINANCIAL STABILITY DECLINES AGAIN IN 2021

FIGURE 2: PERCENTAGE OF ORANGE COUNTY NEIGHBORHOODS BY FFSI-OC SCORE, 2012-2021
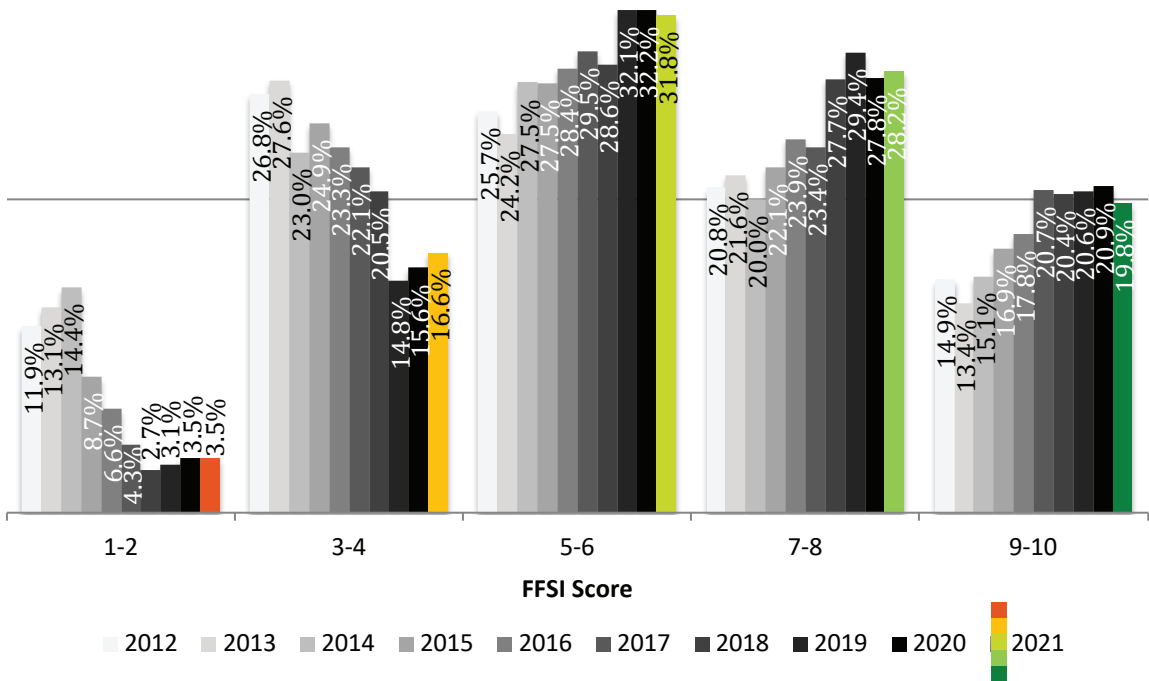
Source: Parsons Consulting, Inc. for Orange County United Way

NOTE

Data displayed in Figure 2 are based on 2010 census tract boundaries.

Data for the FFSI are derived from the U.S. Census Bureau American Community Survey 5-Year Estimates. The 2021 results are estimates based on samples of the Orange County population surveyed between 2017 and 2021. As with all sample data, results have a margin of error where the true result is assumed to be within the margin of error.

For the 2020 Census, the U.S. Census Bureau revised census tract boundaries, creating a net of 30 additional tracts as population increases necessitated the splitting of certain tracts. The single year displays of FFSI results (Figures 1 and 3) are based on the analysis of data using the 2020 census tract boundaries; however, to enable ongoing trend analysis, trend displays (Figures 2 and 4) are based on recombining data into 2010 census tract boundaries.

Pockets with the highest levels of instability (scores of 1 or 2) can be found in Fullerton, Santa Ana, Irvine, Laguna Hills, Placentia, Costa Mesa, Anaheim, Stanton, Garden Grove, Westminster, Los Alamitos, Tustin, and Buena Park.

20 PERCENT OF NEIGHBORHOODS HAVE HIGH LEVELS OF FAMILY FINANCIAL INSTABILITY

FIGURE 3: FAMILY FINANCIAL STABILITY INDEX – ORANGE COUNTY, 2021 NEIGHBORHOOD-LEVEL RESULTS

Source: Parsons Consulting, Inc. for Orange County United Way

NOTE

Data displayed in Figure 3 are based on 2020 boundaries.

Red or dark orange areas on the map represent neighborhoods with low levels of family financial stability. Families with children in these neighborhoods are more likely to have a low income (less than 185 percent of the poverty level), spend 50 percent or more of household income on rent, and/or have one or more unemployed adults seeking employment. Green areas, on the other hand, have a higher proportion of families that are financially stable. Gray hatch marked areas represent neighborhoods with no data available due to small numbers of families with children in those neighborhoods and thus data has been suppressed to protect privacy.

The FFSI-OC is used as a proxy to track Orange County United Way's progress toward their Fund Advocate Collaborate Educate (FACE) 2024 goal: "reduce the percentage of financially unstable families by 25 percent."[24] For this purpose, "financially unstable" is defined at the neighborhood level as an FFSI-OC score of 4 or lower for a census tract. There has been a 48 percent improvement between 2012 and 2021 in the percentage of neighborhoods scoring as financially unstable.[25]

DESPITE RECENT INCREASES IN FAMILY FINANCIAL INSTABILITY, OCUW IS STILL ON TRACK TO ACHIEVE THE *FACE 2024* GOAL

FIGURE 4: PROGRESS TOWARD ORANGE COUNTY UNITED WAY FACE 2024 GOAL; CHANGE IN PERCENTAGE OF NEIGHBORHOODS WITH FFSI-OC SCORES OF 1 THROUGH 4, 2012-2021
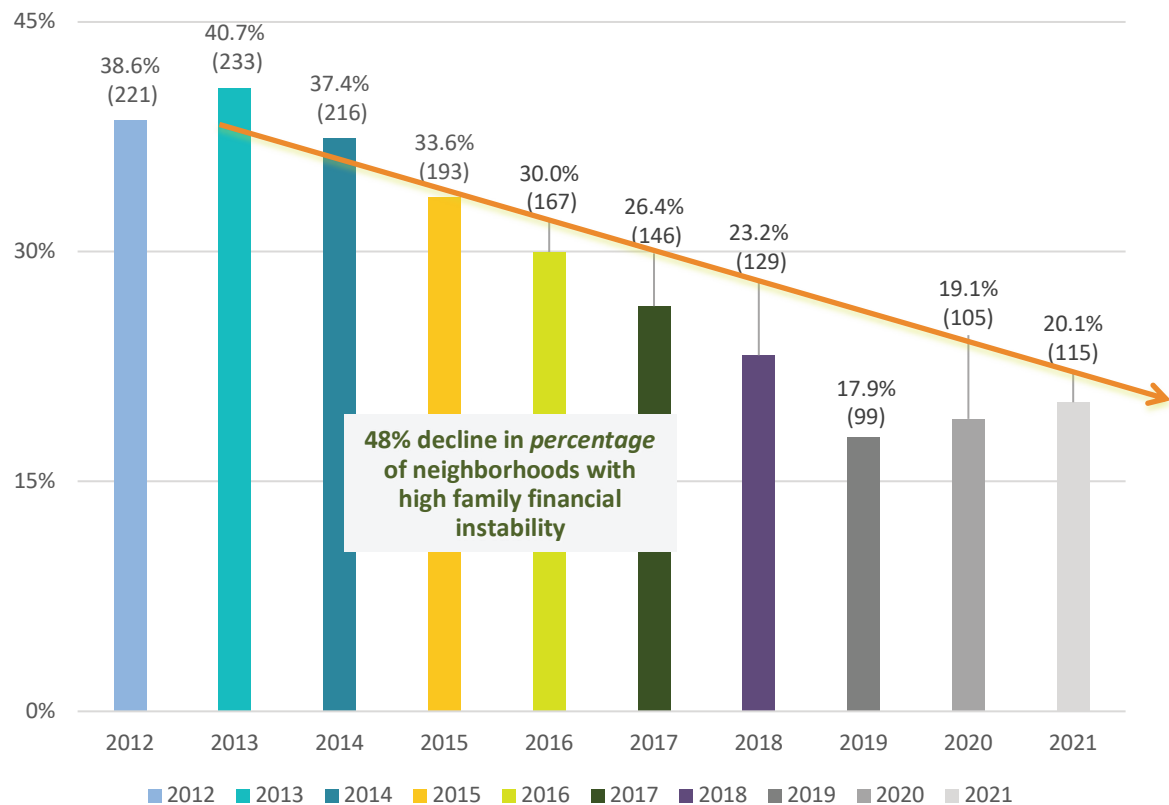
Source: Parsons Consulting, Inc. for Orange County United Way

NOTE

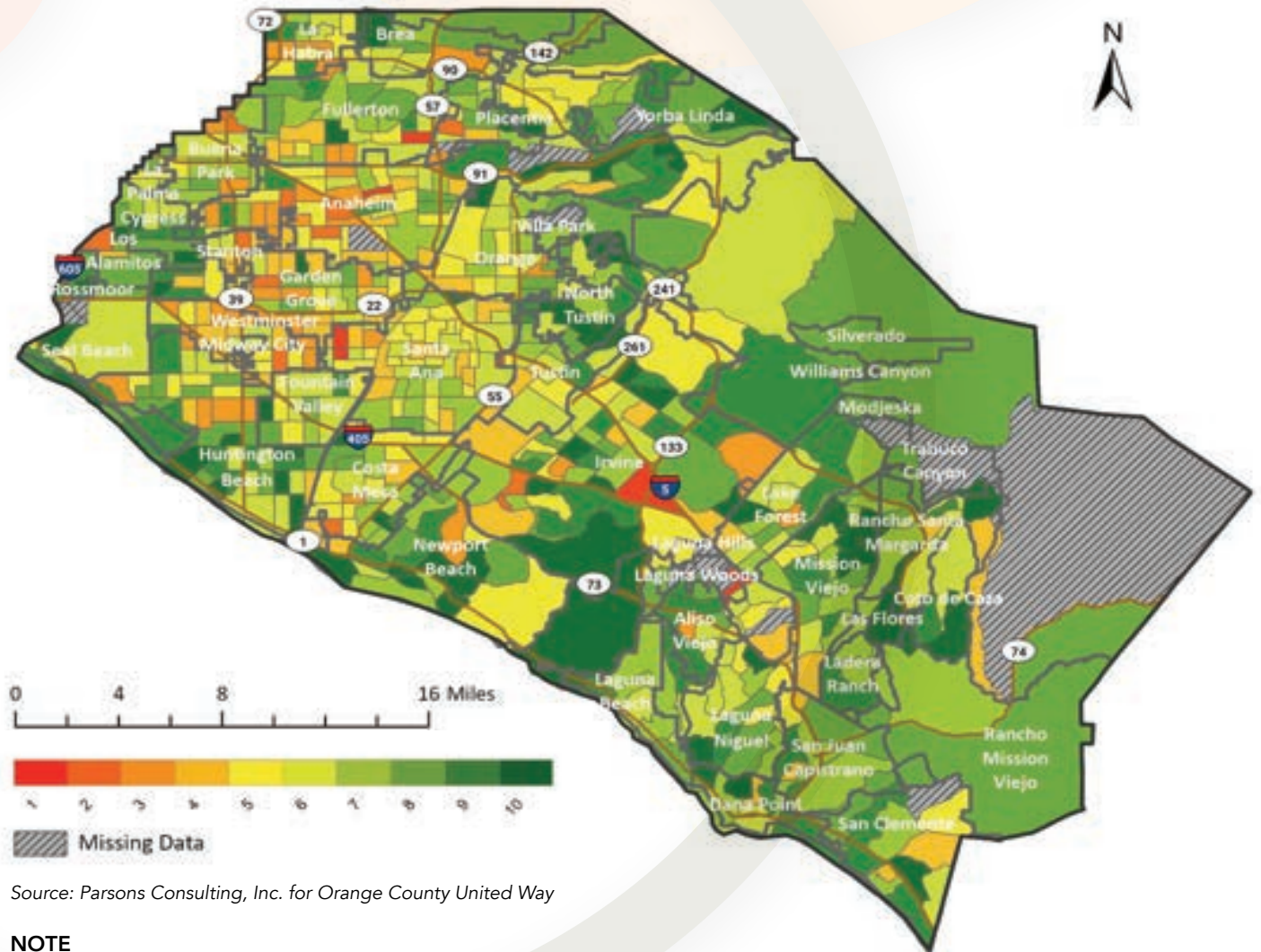Data displayed in Figure 4 are based on 2010 census tract boundaries. Numbers of census tracts with FFSI-OC scores of 4 or less are displayed in parentheses. The total number of census tracts included in the analysis changes from year-to-year due to variation in Census Bureau data suppression to protect confidentiality in tracts with small numbers of households.

---

[24] The OCUW FACE 2024 goal aims to reduce the percentage of financially unstable *families*, while the FFSI-OC measures the percentage of *neighborhoods* that have high (or low) concentrations of families experiencing financial instability. The FFSI-OC does not provide a family count, so it cannot provide a precise calculation of change in the number of families that are financially unstable. However, the change in count and percentage of neighborhoods experiencing family financial instability acts as a proxy for a family count.

[25] Due to the variable number of census tracts with data in each year, and because the overall number of census tracts has declined over time due to data suppression on the part of the U.S. Census Bureau to protect privacy, change is calculated on the percentage of neighborhoods scoring 1-4 instead of the on the count of neighborhoods scoring 1-4.

EDUCATION
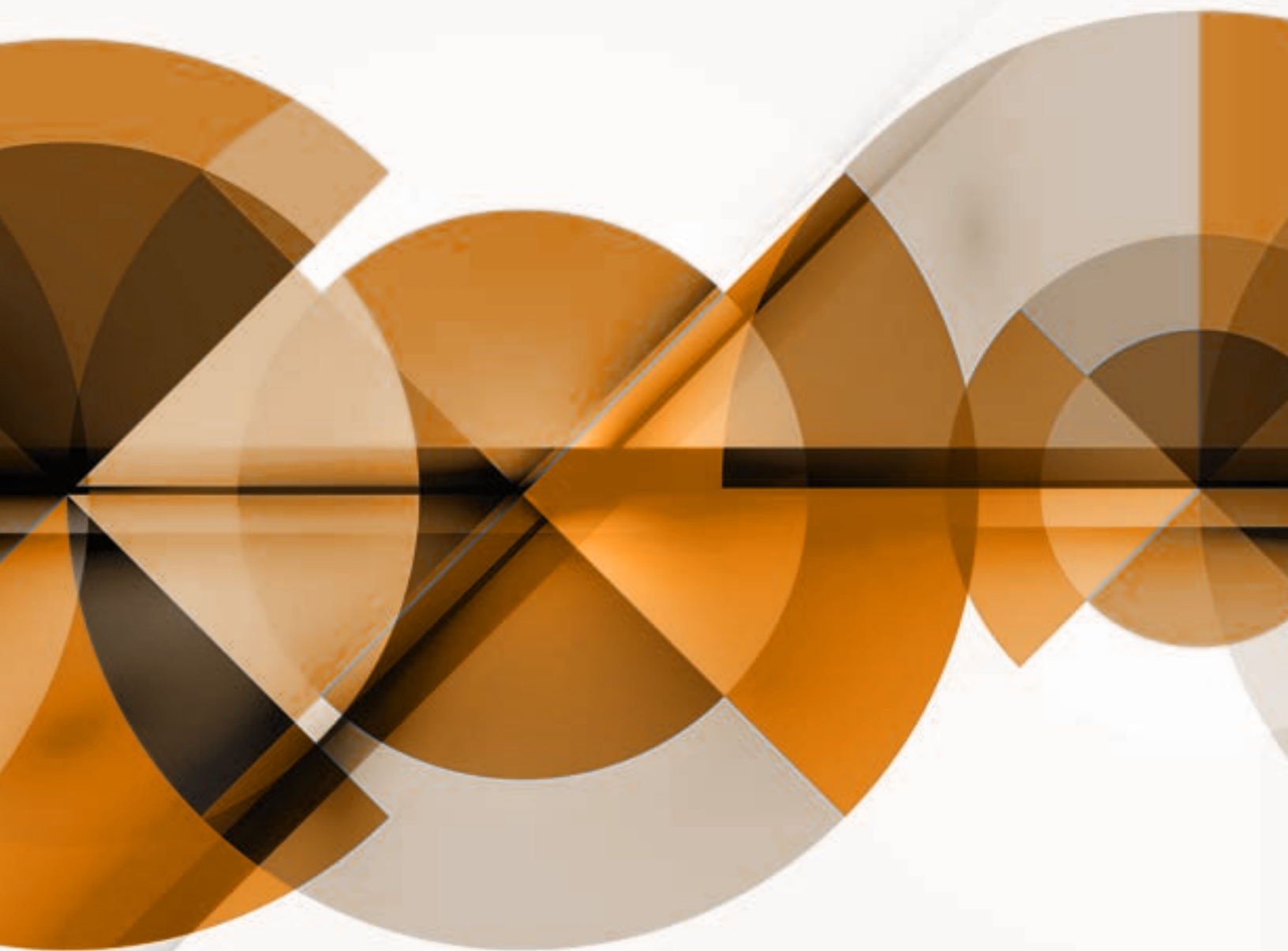
KINDERGARTEN READINESS

PERCENTAGE OF STUDENTS READY FOR KINDERGARTEN REMAINS STEADY

Supported by First 5 Orange County, the Early Development Index (EDI) measures five areas of children's development: physical health and well-being, communication skills and general knowledge, social competence, emotional maturity, and language and cognitive development. Children are considered developmentally ready for school if they are on track in all five areas, or on all four areas if only four were completed. Kindergarten readiness serves as a predictor of future performance as it provides a strong foundation for academic and career growth.

The chart below shows EDI scores by race and ethnicity for the 2015, 2018, and 2022 data collection waves.[26] Overall, 52.7 percent of students were considered ready for kindergarten in 2022. This represents a small decline from 2018 — likely due to the impact of the COVID-19 pandemic and subsequent lockdowns. At 66.4 percent, Asian students had the highest rate of kindergarten readiness, followed by Multiracial students at 64.2 percent and White students at 61.9 percent. Approximately 42.2 percent of Hispanic/Latino students were considered ready for kindergarten in 2022, compared to 44.9 percent in 2018 and 38.9 percent in 2015.

PERCENT OF STUDENTS READY FOR KINDERGARTEN BY RACE AND ETHNICITY, 2015, 2018, AND 2022

	2015	2018	2022
Asian	60.0%	64.3%	66.4%
Black	41.8%	50.0%	47.2%
Latino	38.9%	44.9%	42.2%
Multiracial	51.3%	59.2%	64.2%
Native American	49.1%	50.9%	55.3%
Other	49.7%	58.3%	53.9%
Pacific Islander	48.5%	64.4%	53.7%
White	57.5%	60.3%	61.9%
Overall (OC)	48.2%	53.0%	52.7%
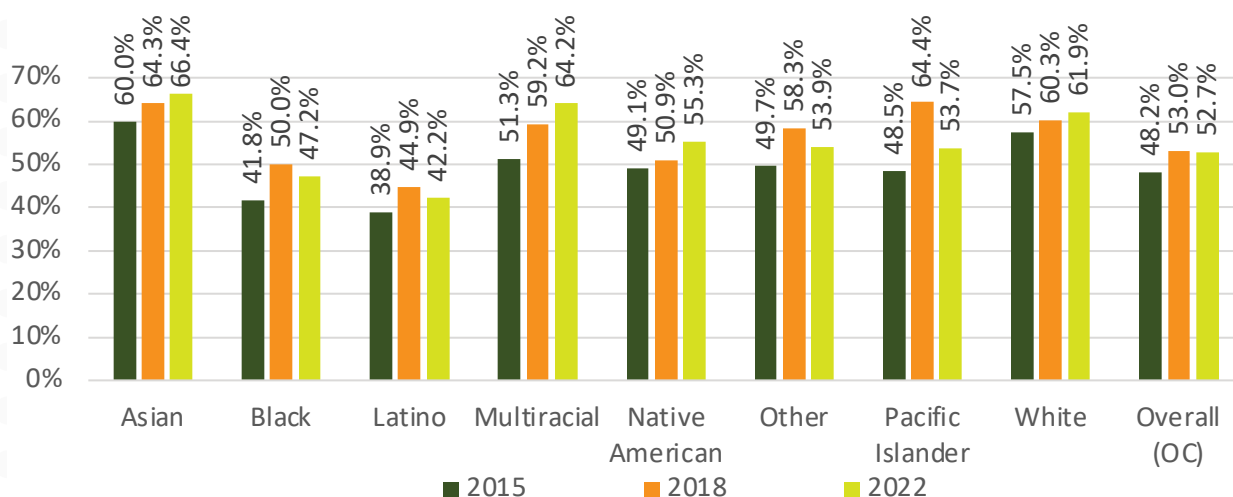
Source: First 5 Orange County, Early Development Index

---

[26] 2015 data collection includes data collected in 2013, 2014, and 2015; 2018 data collection includes data collected in 2016, 2017, and 2018. In 2022, EDI data were collected in one "wave," meaning all the districts and schools participated in the same year. 2015, 2018, and 2022 data waves reflect 100% school participation.

DIFFERENCES IN KINDERGARTEN READINESS EXIST ACROSS ORANGE COUNTY NEIGHBORHOODS

In 2022, over half (52.7 percent) of young children in Orange County were considered ready for kindergarten. This rate varies across the county, with neighborhoods in central Orange County having fewer children considered ready for kindergarten overall.

PERCENTAGE OF STUDENTS READY FOR KINDERGARTEN, EARLY DEVELOPMENT INDEX, 2022

% Ready for Kindergarten
- 61% or greater
- 54% - 60%
- 46% - 53%
- 39% - 45%
- 38% or less
- Few Data (<10 EDI Records)
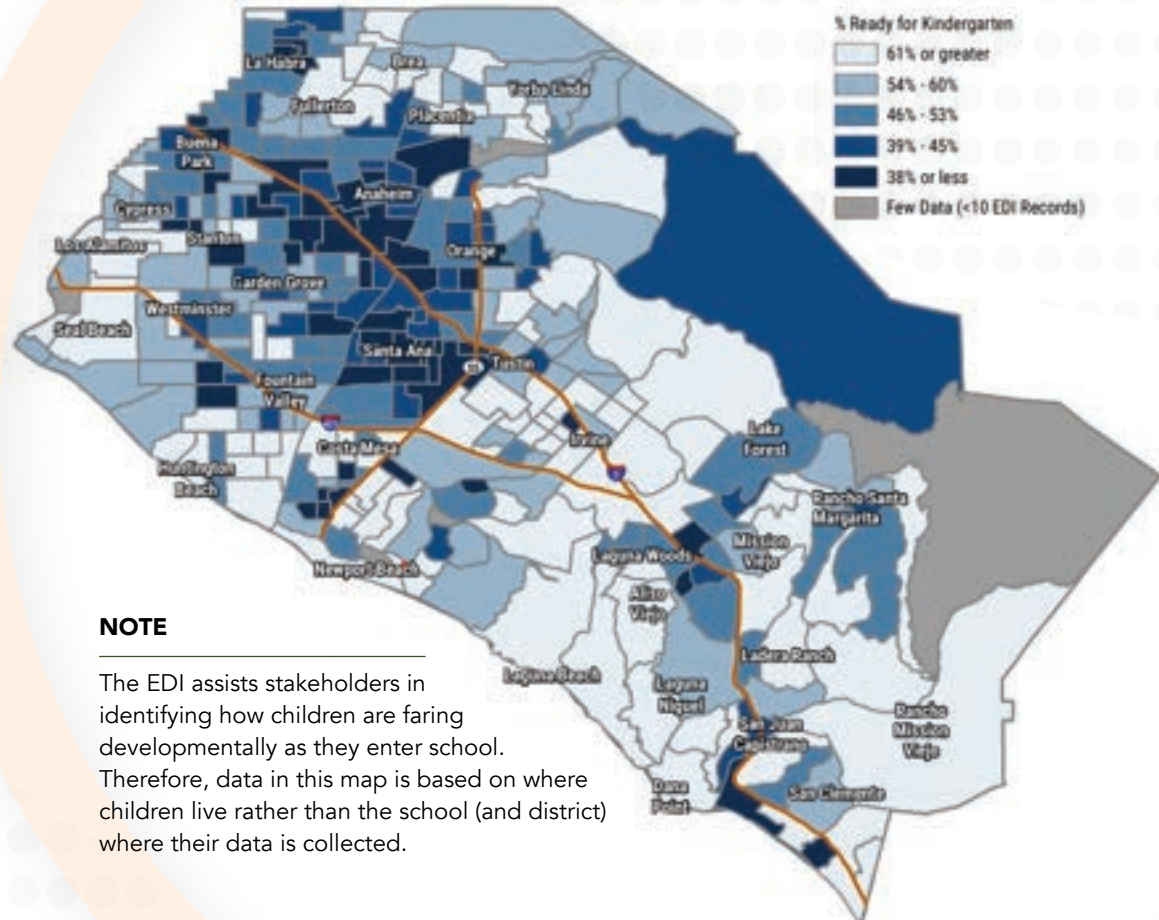
NOTE

The EDI assists stakeholders in identifying how children are faring developmentally as they enter school. Therefore, data in this map is based on where children live rather than the school (and district) where their data is collected.

Source: First 5 Orange County, Early Development Index

The five areas of a child's development are divided into 16 sub-areas, as listed below. Orange County EDI data from 2022 indicates that communication skills and general knowledge and gross and fine motor skills had the highest percentage of children "not ready for school" at 36.1 percent and 31.8 percent, respectively. While only 10.9 percent of children were not ready on overall social competence with peers, 42.9 percent of the children were somewhat ready on this sub-area.

Children who are "somewhat ready" could benefit from developmentally appropriate activities and interventions to help them become ready for kindergarten. In addition, providing young children with additional support in these sub-areas through developmentally appropriate activities can help maximize the number of students who are developmentally ready for kindergarten.

PERCENT OF STUDENTS READY FOR KINDERGARTEN BY FOUR MAJOR SUB-AREAS, 2022

GROSS & FINE MOTOR SKILLS

31.8%
52.7%
15.6%
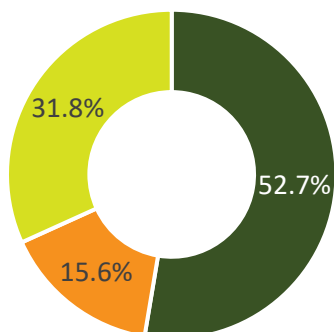
■ Ready ■ Somewhat ■ Not Ready

COMMUNICATION SKILLS & GENERAL KNOWLEDGE

36.1%
41.6%
22.3%
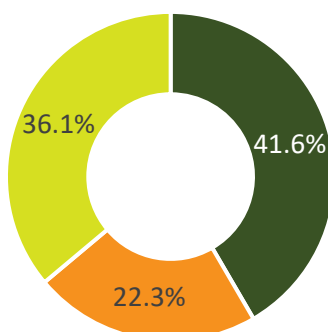
■ Ready ■ Somewhat ■ Not Ready

PROSOCIAL & HELPING BEHAVIOR

29.3%
41.2%
29.5%
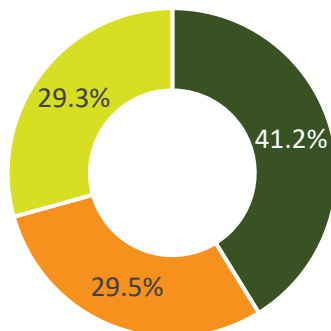
■ Ready ■ Somewhat ■ Not Ready

OVERALL SOCIAL COMPETENCE WITH PEERS

10.9%
46.2%
42.9%
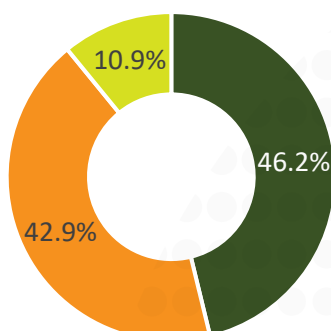
■ Ready ■ Somewhat ■ Not Ready

Source: First 5 Orange County, Early Development Index

BELOW IS A TABLE HIGHLIGHTING THE 5 MAJOR AREAS AND 16 SUB-AREAS WHICH HELP TO ASSESS HOW READY STUDENTS ARE FOR KINDERGARTEN

Language & Cognitive Development

Basic Numeracy Skills

Advanced Literary Skills

Interest in Literacy/Numeracy and Memory

Basic Literacy Skills

Communication Skills and General Knowledge

Social Competence

Readiness to Explore New Things

Responsibility and Respect

Approaches to Learning

Overall Social Competence

Physical Health & Well-Being

Physical Readiness for School Day

Physical Independence

Gross and Fine Motor Skills

Emotional Maturity

Anxious and Fearful Behavior

Aggressive Behavior

Hyperactive and Inattentive Behavior

Prosocial and Helping Behavior

HIGH SCHOOL GRADUATION RATE

Approximately 92.7 percent of Orange County students who entered 9th grade in 2018 graduated on time four years later in 2022, a 1.3 percentage point increase over the previous year. Graduation rates improved for nearly all racial and ethnic groups in the county; the largest improvements were seen in Hispanic/Latino and Pacific Islander students, both of whose graduation rates increased by 2.4 percentage points. Graduation rates for African American students and students who did not report their race/ethnicity fell by 1.0 and 3.2 percentage points, respectively.

While Orange County's overall graduation rate was above the statewide rate of 90.4 percent, the racial disparities within the county still need to be addressed.

GRADUATION RATES IMPROVE IN COUNTY AND STATE

GRADUATION RATE BY RACE/ETHNICITY IN ORANGE COUNTY, 2019/2020-2020/2021

Race/Ethnicity	2019/2020	2020/2021	2021/2022
African American	88.3%	90.2%	89.2%
Asian	94.7%	95.3%	96.1%
Filipino	96.5%	95.5%	96.1%
Hispanic / Latino	88.2%	87.9%	90.3%
Native American	88.8%	88.2%	88.5%
Not Reported	83.9%	86.3%	83.1%
Pacific Islander	90.6%	88.0%	90.4%
Two or More Races	92.3%	94.3%	94.5%
White	93.6%	94.4%	94.7%
Orange County	91.1%	91.4%	92.7%
California	87.5%	87.7%	90.4%
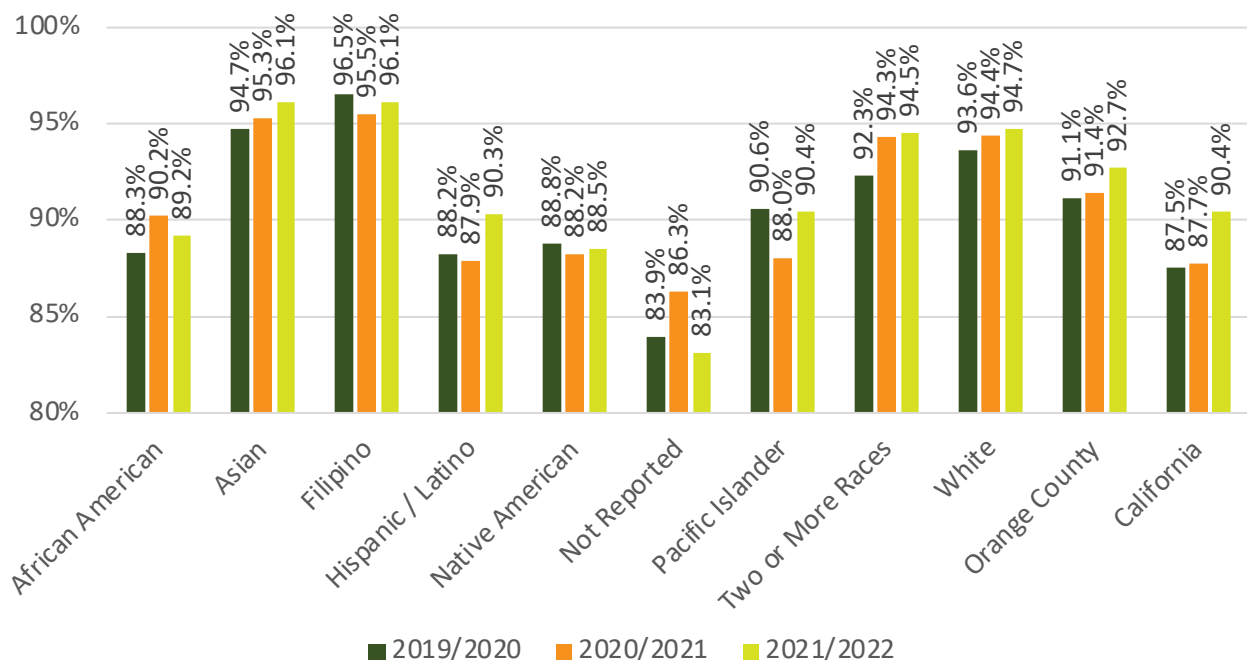
Source: California Department of Education, DataQuest

Laguna Beach Unified continues to boast the highest graduation rate in Orange County at 98.0 percent, followed by Los Alamitos Unified at 97.9 percent and Tustin Unified at 96.3 percent. Despite having the highest graduation rates, both Laguna Beach Unified and Los Alamitos Unified have seen slight decreases in their graduation rates over the past year.

Santa Ana Unified, which had the lowest graduation rate at 88.1 percent in 2020/2021 saw the largest year-over-year improvement (4.2 percentage points), followed by Fullerton Joint Union High (4.0 percentage points) and Saddleback Valley Unified (3.6 percentage points). Garden Grove Unified had the highest dropout rate at 6.8 percent, followed by Brea-Olinda Unified at 6.3 percent and Fullerton Joint Union High at 5.3 percent. The county's overall dropout rate was 3.8 percent, a slight year-over-year increase but still well below the state average of 5.6 percent.

NORTH COUNTY SCHOOL DISTRICTS SEE GRADUATION RATES RISE

HIGH SCHOOL STUDENT OUTCOMES BY ORANGE COUNTY SCHOOL DISTRICT, 2021/2022

District	Graduation Rate	Dropout Rate
Laguna Beach Unified	98.0%	0.8%
Los Alamitos Unified	97.9%	1.3%
Tustin Unified	96.3%	2.3%
Capistrano Unified	96.1%	1.1%
Orange Unified	95.4%	2.6%
Huntington Beach Union High	95.1%	2.2%
Irvine Unified	94.6%	2.7%
Placentia-Yorba Linda Unified	94.3%	2.7%
Saddleback Valley Unified	94.1%	3.9%
Fullerton Joint Union High	92.9%	5.3%
Newport-Mesa Unified	92.8%	4.3%
Anaheim Union High	92.4%	3.6%
Santa Ana Unified	92.3%	3.6%
Brea-Olinda Unified	92.2%	6.3%
Garden Grove Unified	91.4%	6.8%

Legend: ■ Graduation Rate (%) ■ Dropout Rate (%) ■ Still Enrolled ■ Other Completers or Transfers

Source: California Department of Education, DataQuest

One highlight of recent county efforts to improve educational equity across the region is its declining graduation gap between students of different socioeconomic statuses. This gap declined from 8.4 percentage points to just 5.5 over the past year. Overall, the graduation rate for students who are not socioeconomically disadvantaged totaled 96.0 percent in 2021/2022, compared to 90.5 percent for students who are socioeconomically disadvantaged.

SOCIOECONOMIC STATUS GAP SHRINKS SUBSTANTIALLY

FOUR-YEAR ADJUSTED COHORT GRADUATION RATE BY SOCIOECONOMIC STATUS, 2018/2019-2021/2022

	Point Gap: 9.8	Point Gap: 8.2	Point Gap: 8.4	Point Gap: 5.5
2018/2019	95.3% / 85.5%			
2019/2020		95.1% / 86.9%		
2020/2021			95.7% / 87.3%	
2021/2022				96.0% / 90.5%

■ Not Socioeconomically Disadvantaged ■ Socioeconomically Disadvantaged
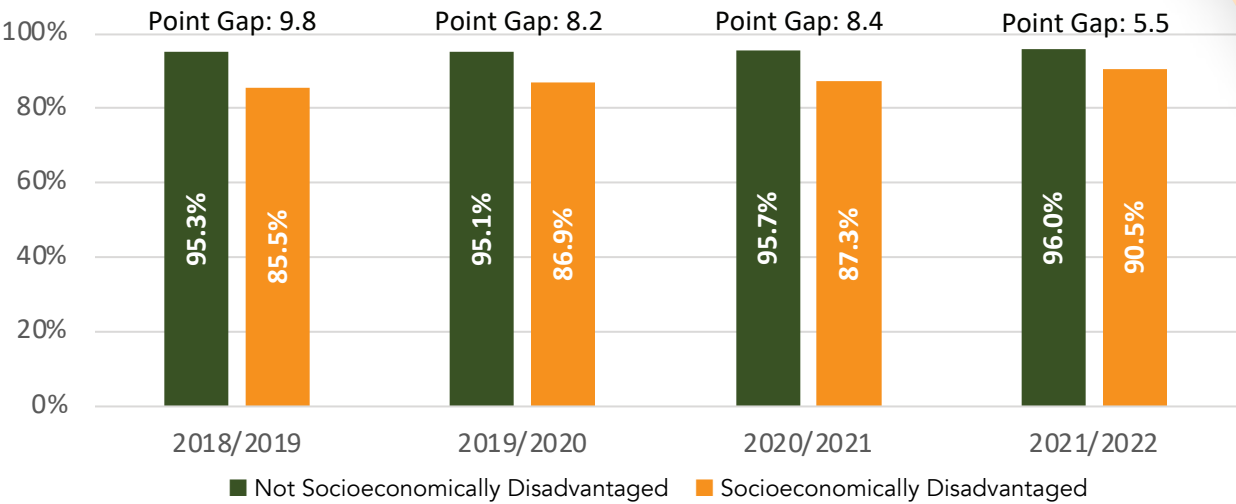
Source: California Department of Education, DataQuest

NOTE

The graduation rate measures the percentage of students who receive a diploma in four years. Data are for non-charter schools only, with the exception of the analysis by socioeconomic status, which includes all schools. A student is considered socioeconomically disadvantaged if both parents have not received a high school diploma; the student is eligible for Free or Reduced-Price Meals; or the student is a migrant, homeless, or foster youth.

COLLEGE READINESS

Effectively preparing students for college helps reinforce one of Orange County's key competitive advantages, its deep talent pool. The percentage of University of California (UC) or California State University (CSU) eligible high school graduates increased from 56.8 percent in 2020/2021 to 57.3 percent in 2021/2022, an increase of 0.5 percentage points. At the state level, on the other hand, UC/CSU eligibility actually declined from 51.8 percent to 51.1 percent.

UC/CSU ELIGIBILITY CONTINUES TO IMPROVE

PERCENTAGE OF HIGH SCHOOL GRADUATES THAT ARE UC/CSU ELIGIBLE IN ORANGE COUNTY, 2009/2010-2021/2022

Year	Orange County
2009/2010	38.3%
2010/2011	42.8%
2011/2012	43.3%
2012/2013	46.6%
2013/2014	48.9%
2014/2015	50.4%
2015/2016	51.1%
2016/2017	52.0%
2017/2018	54.6%
2018/2019	55.3%
2019/2020	55.8%
2020/2021	56.8%
2021/2022	57.3%

Legend: ■ Orange County — California
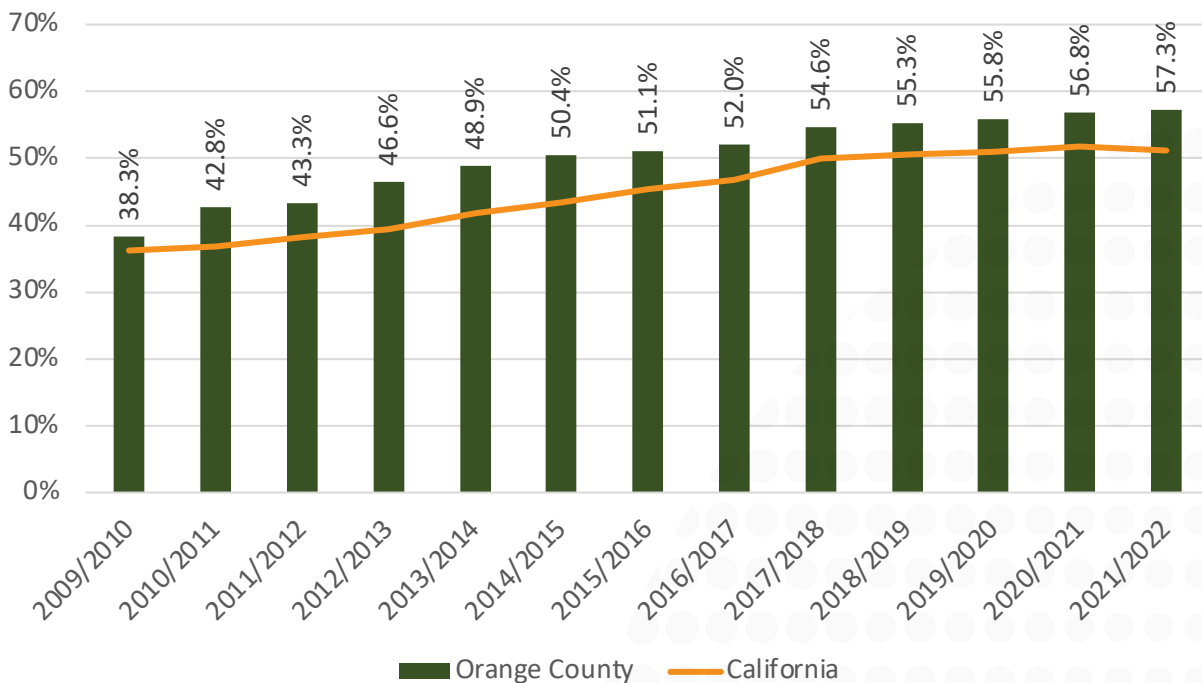
Source: California Department of Education, DataQuest

Orange County has significant racial disparities in UC/CSU eligibility, as seen in the chart below. The gap between the highest-performing (Asian students) and lowest-performing (Hispanic/Latino students) groups increased by four percentage points over the past year. Asian students continue to enjoy Orange County's highest UC/CSU eligibility rate at 81.1 percent, followed by Filipino students at 71.3 percent and students who identify as 'two or more races' at 67.9 percent. Hispanic/Latino students had the lowest UC/CSU eligibility rate at 42.1 percent, followed by Pacific Islander students at 44.2 percent and Native American students at 49.3 percent.

UC/CSU ELIGIBILITY GAP BETWEEN ASIAN AND HISPANIC/LATINO STUDENTS WIDENS

PERCENTAGE OF HIGH SCHOOL GRADUATES ELIGIBLE FOR UC/CSU BY RACE/ETHNICITY IN ORANGE COUNTY, 2016/2017-2021/2022
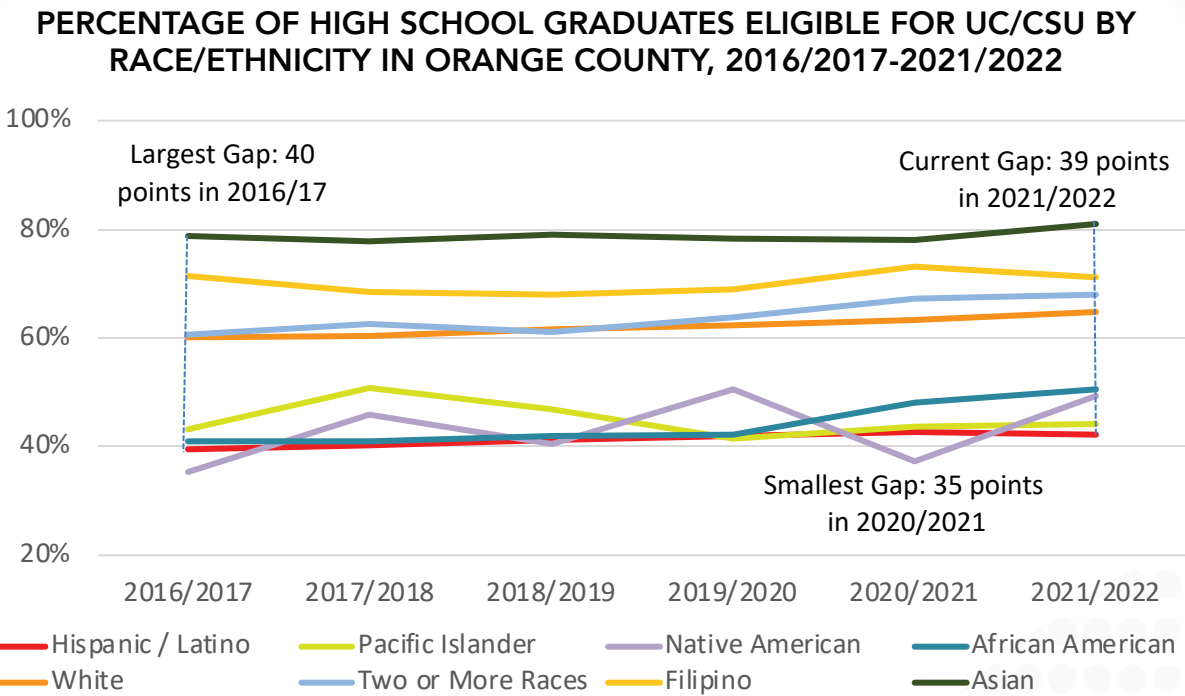
Source: California Department of Education, DataQuest

ACADEMIC PERFORMANCE: LITERACY

The percentage of Orange County 3rd graders meeting or exceeding state standards for English Language Arts (ELA) significantly improved between 2020/2021 and 2021/2022, jumping from 32 percent to 52 percent. The performance of 8th graders also improved, with the percentage of students meeting or exceeding standards increasing from 49 percent to 56 percent. The performance of 11th graders, on the other hand, declined from 67 percent to 64 percent. Overall, across all grades, less than two-thirds of students met or exceeded standards, indicating significant room for improvement.

LITERACY IMPROVES FOR 3RD AND 8TH GRADERS; DECLINES FOR 11TH GRADERS

PERCENT OF STUDENTS MEETING OR EXCEEDING STATE STANDARDS ENGLISH LANGUAGE ARTS AND LITERACY, 2014/2015-2020/2021
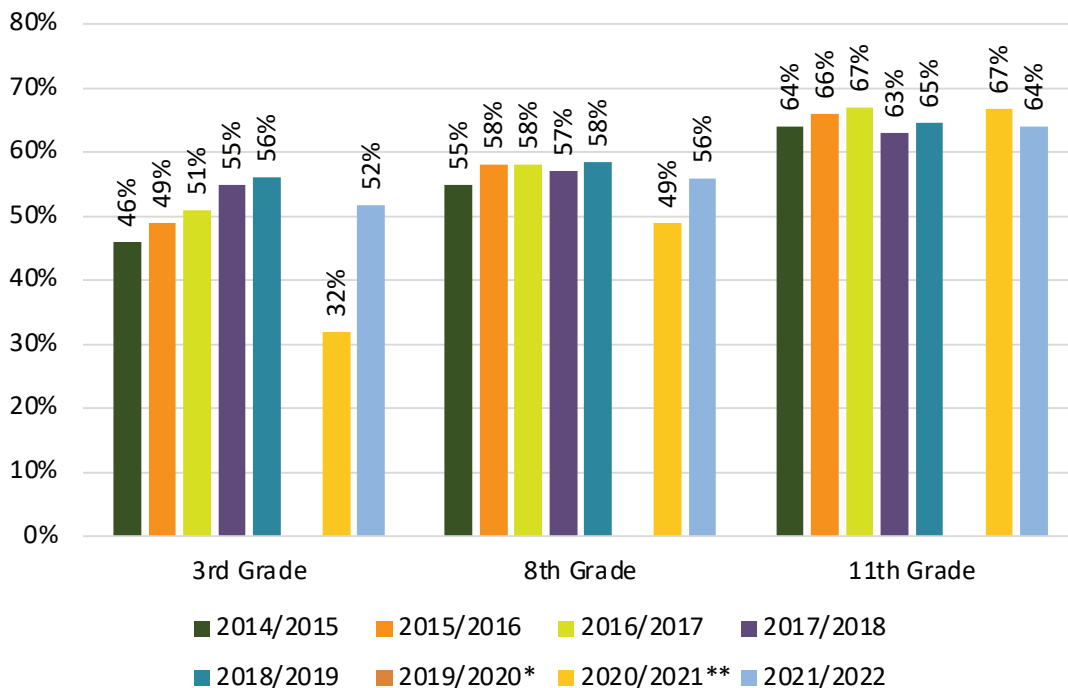
Grade	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020*	2020/2021**	2021/2022
3rd Grade	46%	49%	51%	55%	56%		32%	52%
8th Grade	55%	58%	58%	57%	58%		49%	56%
11th Grade	64%	66%	67%	63%	65%		67%	64%

* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).

** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020/2021 varied. Care should be used when interpreting results.

Source: California Department of Education; CAASPP

There were significant disparities in performance among Orange County's ethnic groups. Native American students saw the largest year-over-year decline in ELA performance, from 53 percent to 43 percent. African American students' performance declined by 8 percentage points, and Hispanic/Latino students' perfomance declined by 6 percentage points; no racial or ethnic group saw an improved ELA performance over the past year.

ELA PERFORMANCE DECLINES ACROSS ALL RACIAL/ETHNIC GROUPS

PERCENTAGE OF ORANGE COUNTY STUDENTS MEETING OR EXCEEDING ELA STANDARDS BY RACE/ETHNICITY, 2018/2019-2021/2022

Race/Ethnicity	2018/2019	2020/2021**	2021/2022
Asian	84%	86%	83%
Filipino	77%	78%	78%
Two or More Races	78%	75%	73%
White	74%	72%	71%
Native American	55%	53%	43%
Pacific Islander	51%	50%	50%
African American	48%	51%	44%
Hispanic / Latino	42%	45%	40%

Legend: ■ 2018/2019 ■ 2019/2020* ■ 2020/2021** ■ 2021/2022
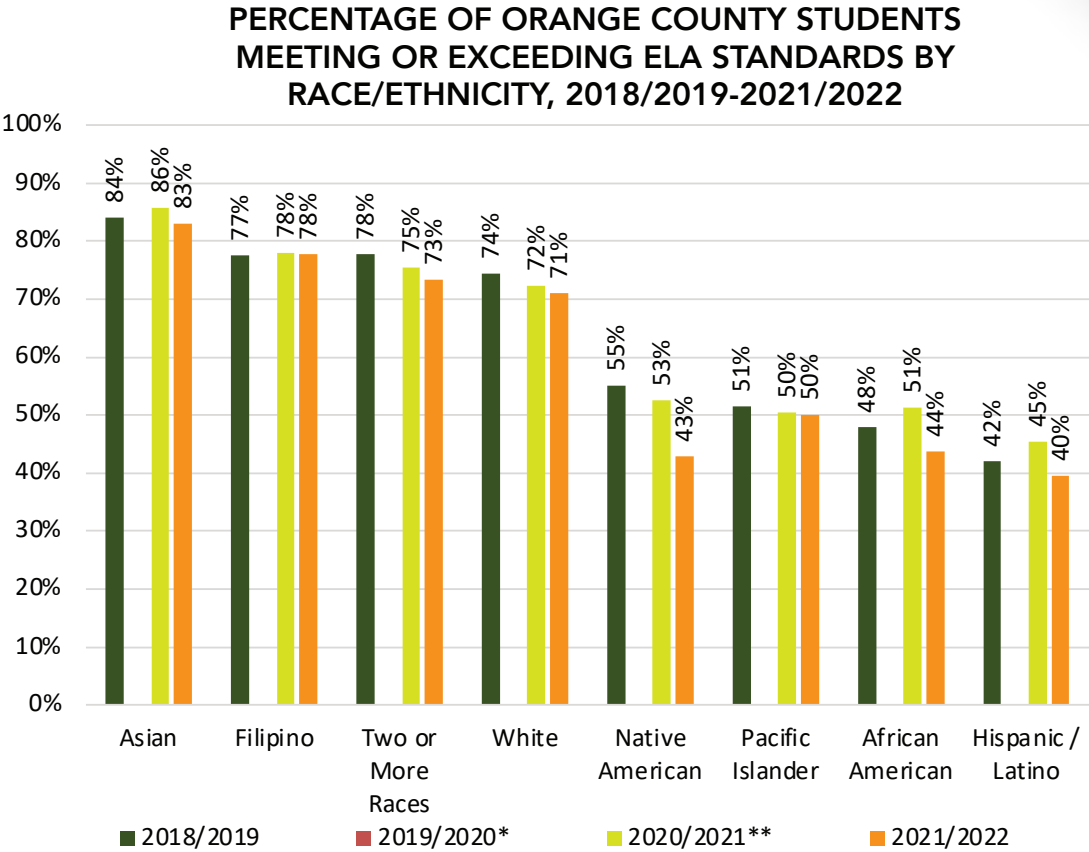
Italic * 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).

** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020/2021 varied. Care should be used when interpreting results.

Source: California Department of Education; CAASPP; Data is for all grades.

Overall, K–12 students in Orange County saw ELA performance fall from 61 percent in 2020/2021 to 57 percent in 2021/2022. Performance varied significantly by socioeconomic demographics, with economically disadvantaged students seeing ELA performance slip 6 percentage points while English Learners saw an improvement of 5 percentage points from 12 percent to 16 percent. Students with disabilities also registered improved performance in ELA standards, with the percentage meeting or exceeding standards increasing from 17 percent to 21 percent as of 2021/2022. All of these numbers speak to significant room for improvement and the need for additional investment in the education of Orange County's most disadvantaged students.

ENGLISH LEARNERS AND STUDENTS WITH DISABILITIES SEE ELA PERFORMANCE IMPROVE

PERCENTAGE OF ORANGE COUNTY STUDENTS MEETING OR EXCEEDING ELA STANDARDS BY ECONOMIC STATUS, DISABILITY, AND ENGLISH LEARNERS, 2018/2019–2021/2022

All Students
- 2018/2019: 60%
- 2020/2021**: 61%
- 2021/2022: 57%

Not Economically Disadvantaged
- 2018/2019: 77%
- 2020/2021**: 75%
- 2021/2022: 72%

Economically Disadvantaged
- 2018/2019: 43%
- 2020/2021**: 48%
- 2021/2022: 42%

Students with Disabilities
- 2018/2019: 22%
- 2020/2021**: 17%
- 2021/2022: 21%

English Learners
- 2018/2019: 18%
- 2020/2021**: 12%
- 2021/2022: 16%

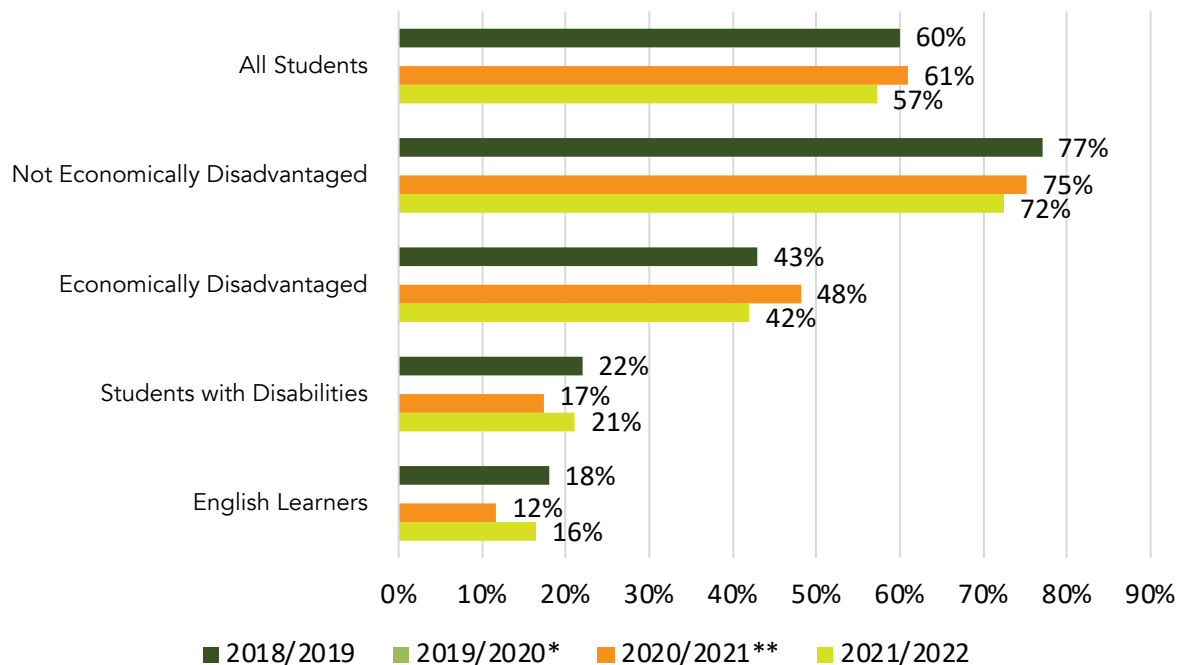■ 2018/2019 ■ 2019/2020* ■ 2020/2021** ■ 2021/2022

* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).

* Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020/2021 varied. Care should be used when interpreting results.*

Source: California Department of Education; CAASPP.

ACADEMIC PERFORMANCE: MATHEMATICS

As with English Language Arts (ELA), both 3rd and 8th graders saw significant improvements in Mathematics from 2020/2021 to 2021/2022. The percentage of 3rd graders meeting or exceeding standards increased from 46 percent to 54 percent, while the percentage of 8th graders increased from 33 percent to 41 percent. The performance of 11th graders declined from 46 percent meeting or exceeding standards to only 38 percent.

ORANGE COUNTY 3RD AND 8TH GRADERS SEE MATH PERFORMANCE IMPROVE; 11TH GRADERS SEE DECLINES

PERCENTAGE OF ORANGE COUNTY STUDENTS MEETING OR EXCEEDING MATHEMATICS STANDARDS, 2014/2015-2021/2022

Year	3rd Grade	8th Grade	11th Grade
2014/2015	51%	44%	39%
2015/2016	55%	47%	43%
2016/2017	56%	48%	43%
2017/2018	58%	48%	41%
2018/2019	59%	49%	42%
2020/2021**	46%	33%	46%
2021/2022	54%	41%	38%

Legend: 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021**, 2021/2022*

* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).

** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020/2021 varied. Care should be used when interpreting results.
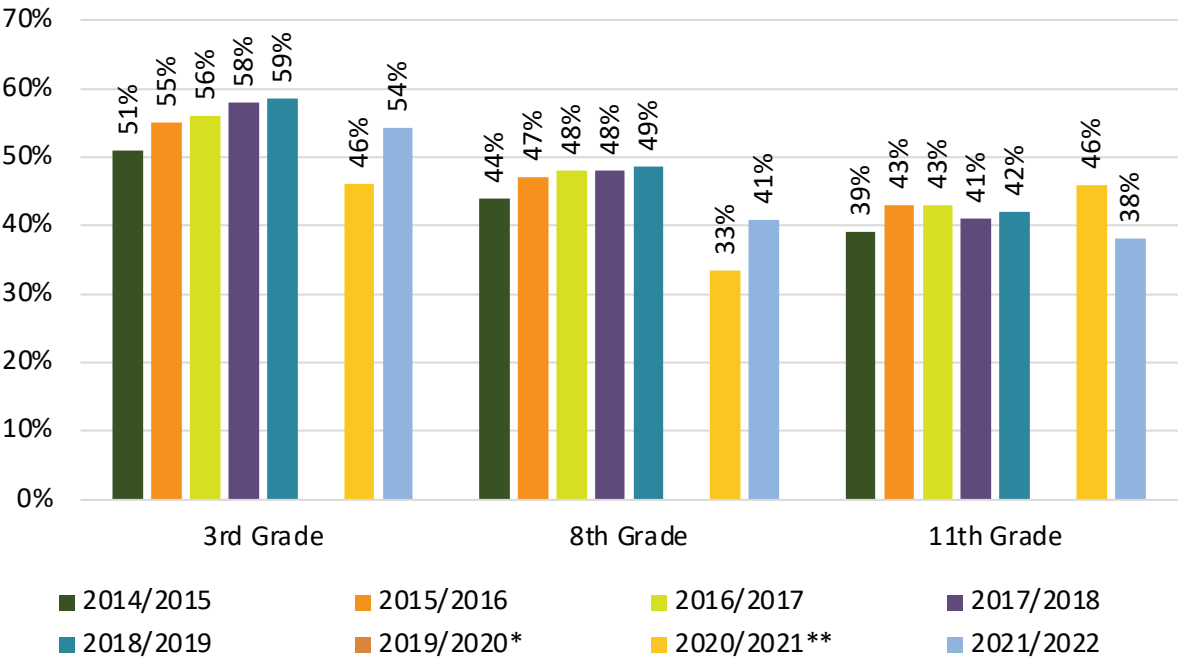
Source: California Department of Education; CAASPP.

Most Orange County K–12 racial or ethnic groups saw improvements in the percentage of students meeting or exceeding Math standards between the 2020/2021 and 2021/2022 school years. However, the performance of Native American and African American students fell by 2 percentage points and 1 percentage point, respectively. Filipino students saw the largest improvement over the past year, with the percent of students meeting or exceeding standards increasing from 59 percent to 65 percent.

FILIPINO STUDENTS SEE LARGEST IMPROVEMENT IN MATH PERFORMANCE

PERCENTAGE OF ORANGE COUNTY STUDENTS MEETING OR EXCEEDING MATHEMATICS STANDARDS BY RACE/ETHNICITY, 2018/2019-2021/2022

	2018/2019	2019/2020*	2020/2021**	2021/2022
Asian	83%		78%	79%
Filipino	67%		59%	65%
Two or More Races	69%		62%	63%
White	65%		55%	59%
Native American	39%		35%	33%
Pacific Islander	44%		33%	35%
African American	34%		28%	27%
Hispanic/Latino	30%		24%	25%

* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19)
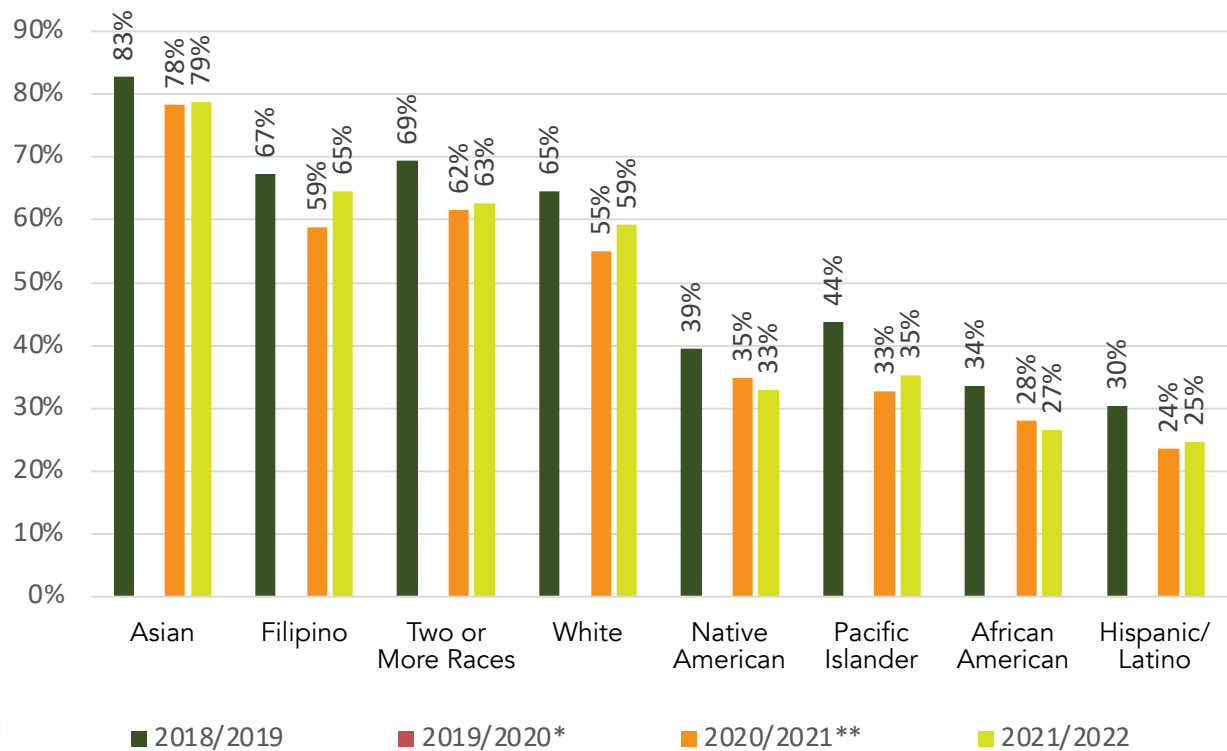
** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020/2021 varied. Care should be used when interpreting results.

Source: California Department of Education; CAASPP; Data is for all grades.

Looking at specific student group performance for all grades from 2020/2021 to 2021/2022 in Math standards, students with disabilities saw the largest improvement, from 10 percent to 17 percent. English Learners also peformed higher, with scores increasing by 6 percentage points.

MATH PERFORMANCE IMPROVES YEAR-OVER-YEAR IN CRUCIAL STUDENT GROUPS

PERCENTAGE OF ORANGE COUNTY STUDENTS MEETING OR EXCEEDING MATHEMATICS STANDARDS BY ECONOMIC STATUS AND ENGLISH LEARNERS, 2018/2019-2021/2022

All Students
- 50%
- 43%
- 45%

Not Economically Disadvantaged
- 69%
- 60%
- 62%

Economically Disadvantaged
- 33%
- 27%
- 29%

Students with Disabilities
- 18%
- 10%
- 17%

English Learners
- 18%
- 8%
- 14%

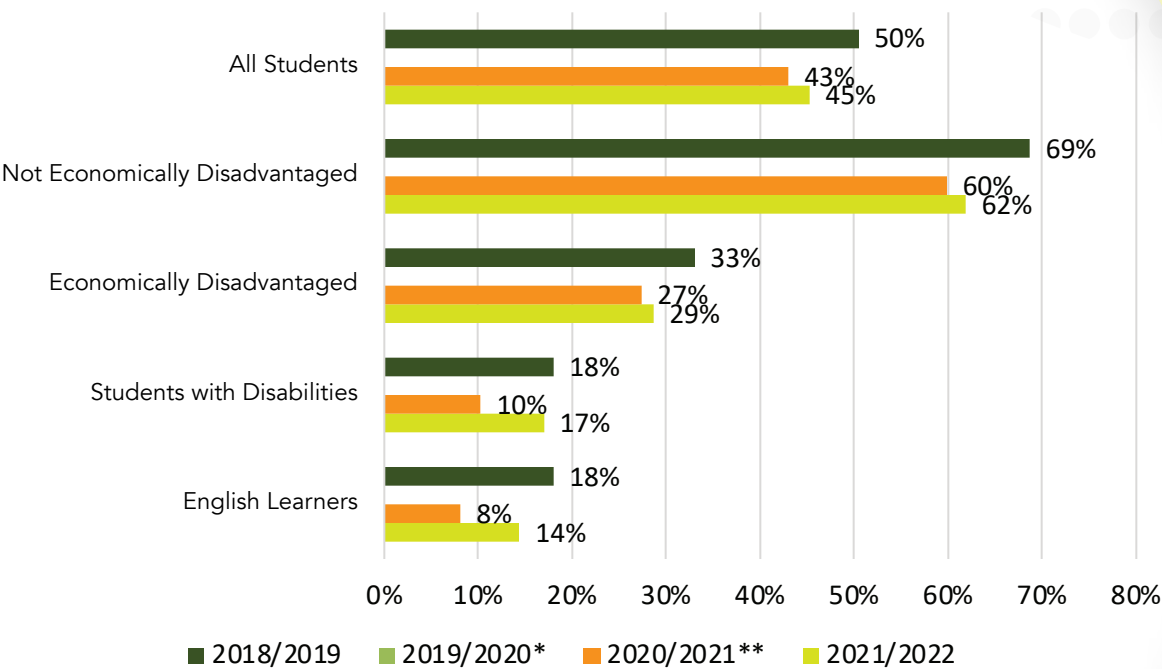Legend: ■ 2018/2019 ■ 2019/2020* ■ 2020/2021** ■ 2021/2022

* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease 2019 (COVID-19).

** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020/2021 varied. Care should be used when interpreting results.

Source: California Department of Education; CAASPP

STEM-RELATED DEGREES

The number of STEM-related degrees granted by Orange County colleges and universities increased by 4.3 percent from 2020 to 2021, from 14,524 to 15,146. STEM-related degrees saw much faster growth than the total number of degrees granted by Orange County colleges and universities, which increased by less than 1 percent (from 60,707 to 60,873). Over the past decade, STEM-related degrees have seen a 76.4 percent growth rate compared to only 53.0 percent for all degrees.

The number of STEM-related Bachelor's degrees increased from 7,743 in 2020 to 8,126 in 2021, a 4.9 percent increase. Graduate degrees saw a larger increase over the same period, from 3,138 to 3,337, or growth of 6.3 percent. The number of STEM-related Associate's degrees increased by only 1 percent.

Mathematics has seen the largest growth in Bachelor's degrees since 2010. A total of 398 Bachelor's degrees in Mathematics were granted in 2021, compared to only 142 in 2010. Engineering (137 percent) and Information Science (116.1 percent) have also seen significant growth since 2010. The largest increases in graduate degrees occurred in Mathematics (254 percent), Engineering (54.8 percent), and Health Professions (47.1 percent).

Overall, the number of STEM-related Bachelor's degrees has increased by 80.1 percent since 2010; the number of STEM-related graduate degrees has increased by 46.4 percent.
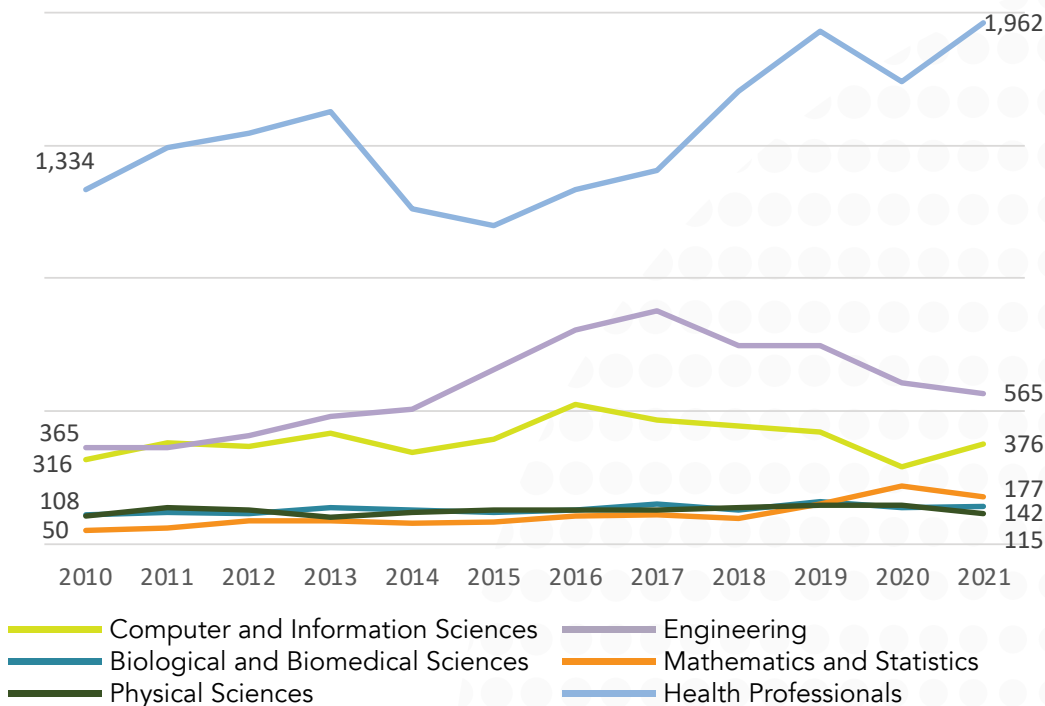
STEM-RELATED BACHELOR'S DEGREES CONFERRED AT ORANGE COUNTY COLLEGES AND UNIVERSITIES, 2010-2021
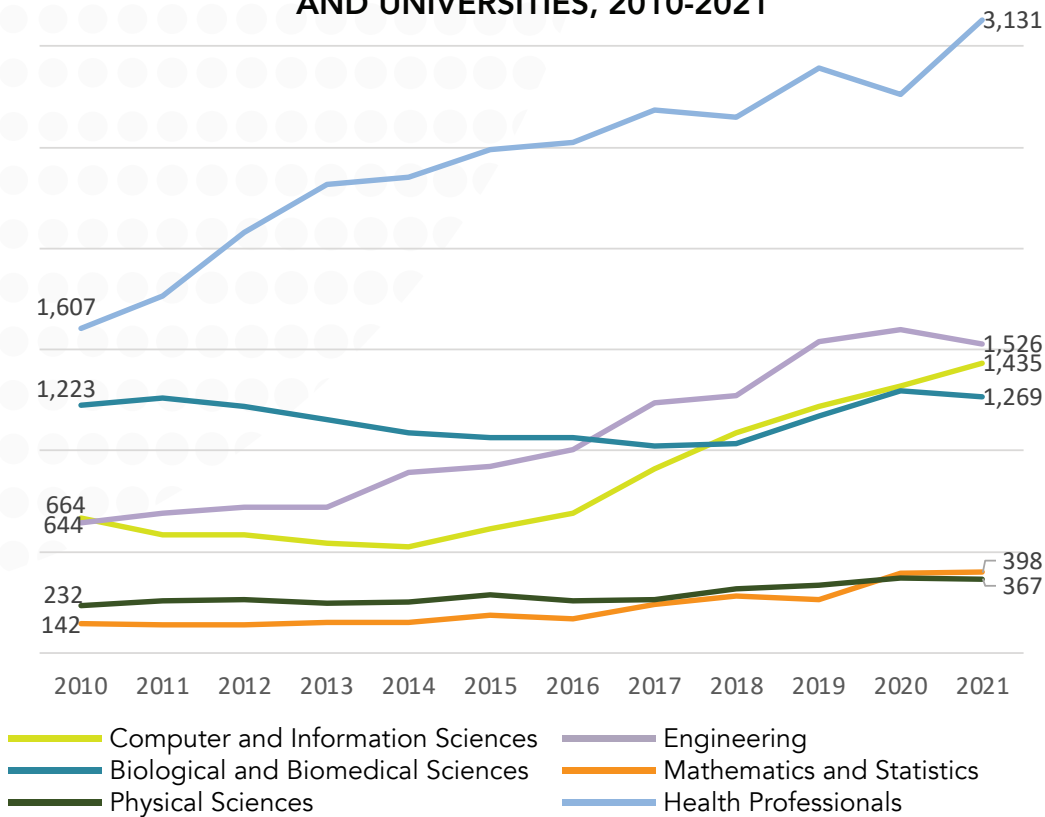
Source: Lightcast

STEM-RELATED GRADUATE DEGREES CONFERRED AT ORANGE COUNTY COLLEGES AND UNIVERSITIES, 2010-2021

Source: Lightcast

TOTAL DEGREES GRANTED IN OC SAW LITTLE CHANGE OVER LAST YEAR

BACHELOR'S AND GRADUATE DEGREES GRANTED AND PROPORTION OF STEM-RELATED IN ORANGE COUNTY, 2010-2021

Legend:
- STEM-Related Degrees Granted
- All Degrees Granted
- Percentage of All Degrees Granted that are STEM-Related

Source: Lightcast

NOTE

"STEM" degrees are those granted in the fields of science, technology, engineering, and mathematics. Data are inclusive of Associate's, Bachelor's, Master's, and Doctorate degrees granted at public, private, and for-profit 4-year degree granting institutions in Orange County. Data for 2019 and 2020 should be interpreted with caution due to the impact of COVID-19.

HEALTHIER COMMUNITIES FOR ALL

Everyone deserves an affordable place to live, enough money to pay the bills, healthy food to eat, meaningful social connections, and easy access to care.

At Kaiser Permanente, we're driven by our mission to improve the health and well-being of the people who live in the communities we serve.

kp.org/community

kp.org/orangecounty
@kpocthrive
@kaiserpermanenteoc
kaiser.oc

MAGNET
RECOGNIZED

AMERICAN NURSES
CREDENTIALING CENTER

A
LEAPFROG
HOSPITAL
SAFETY GRADE

KAISER PERMANENTE.
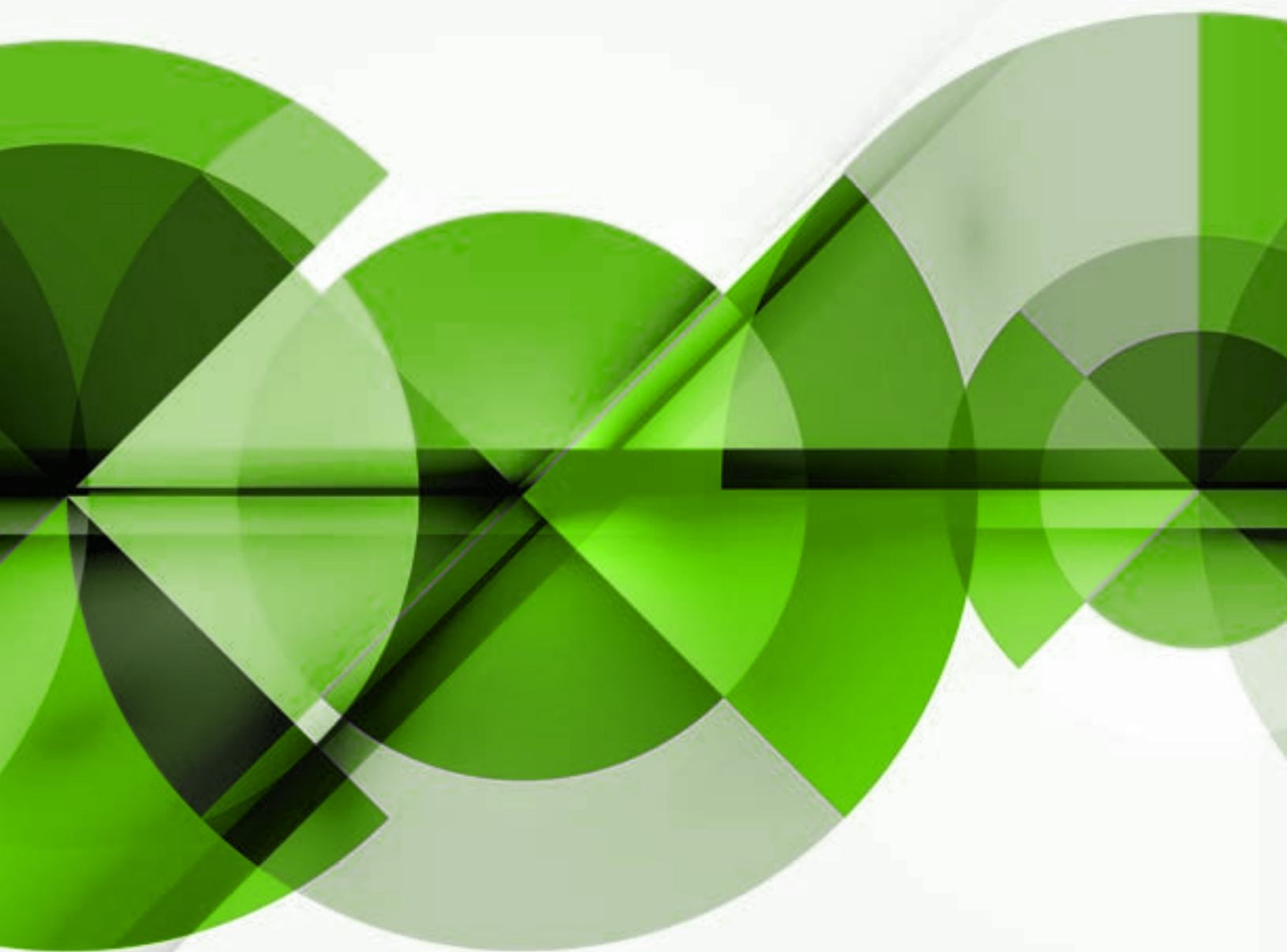
HEALTH

HEALTH CARE ACCESS

Approximately 6.9 percent of Orange County residents lacked health insurance in 2021, a 0.8 percentage point improvement over 2019 levels and a significant improvement over 2012, when 17.2 percent of county residents lacked health insurance. When compared to peer and neighboring regions, Orange County had the fourth lowest rate of uninsured residents, just behind San Diego County (6.7 percent) and well ahead of Riverside County (8.2 percent), San Bernardino County (8.9 percent), and Los Angeles County (9.0 percent).

Despite this improvement, additional efforts must be made to improve access to insurance across all groups in the region as significant racial disparities remain. As illustrated below, Native American, Hispanic/Latino, and residents who identify as 'some other race' have significantly lower rates of health insurance than the county as a whole.

PROPORTION OF UNINSURED IN ORANGE COUNTY REACH DECADE LOW

UNINSURED (ALL AGES) IN ORANGE COUNTY, CALIFORNIA, AND UNITED STATES, 2012-2021
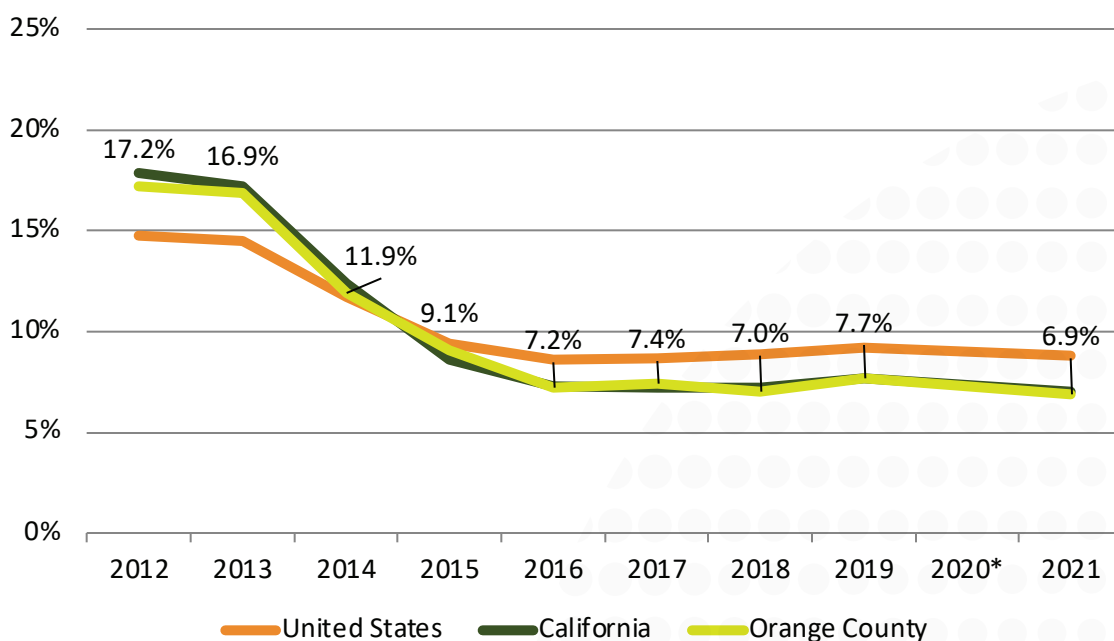
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates; Data for 2020 is unavailable due to COVID-19-related impacts.

UNINSURED (ALL AGES) IN ORANGE COUNTY AND PEER REGIONS, 2021

County	Percent
San Francisco County	3.1%
Santa Clara County	3.7%
San Diego County	6.7%
Orange County	6.9%
Riverside County	8.2%
San Bernardino County	8.9%
Los Angeles County	9.0%
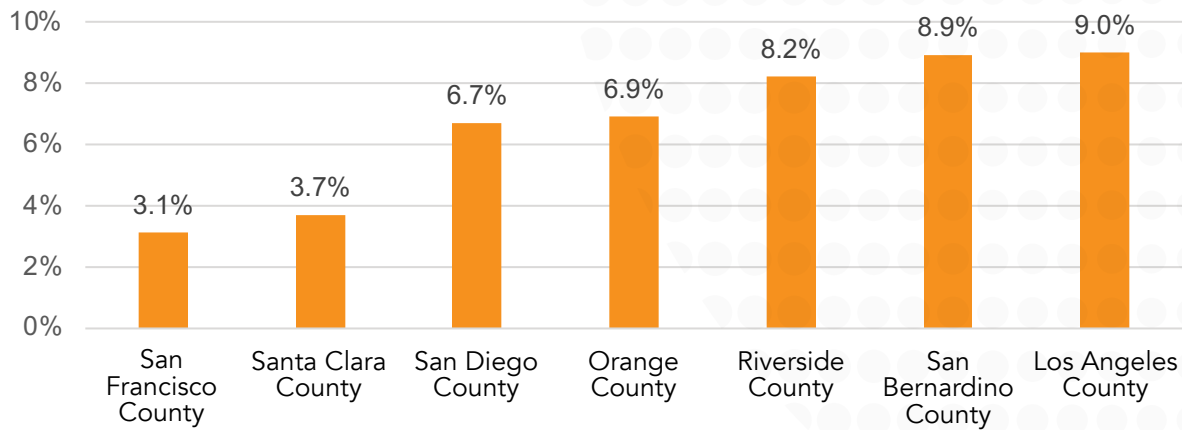
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

PERCENT UNINSURED IN ORANGE COUNTY BY RACE/ETHNICITY, 2019 AND 2021

Race/Ethnicity	2019	2021
White	4.1%	2.9%
African American	6.5%	3.0%
Asian	5.3%	4.2%
Pacific Islander	6.9%	5.0%
Two or More Races	3.9%	9.6%
Native American	13.1%	11.9%
Hispanic/Latino	13.7%	13.4%
Some Other Race	16.4%	17.2%

■ 2019 ■ 2021
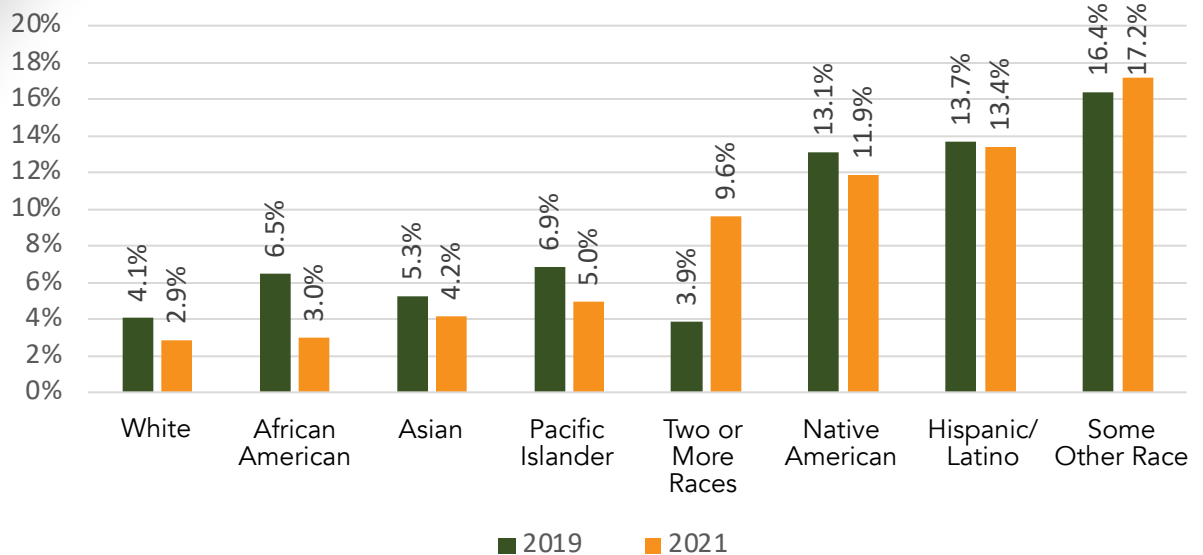
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

Medi-Cal membership from CalOptima Health continues its upward trend; membership has increased to 967,146 as of April 30, 2023, an 8.2 percent increase over the previous year. While the 19–44 year age group saw the largest increase in membership at 15 percent over the past year, the 0–5 age group saw membership shrink by 4 percent over the same time period. This was the only age group to see a membership decline.
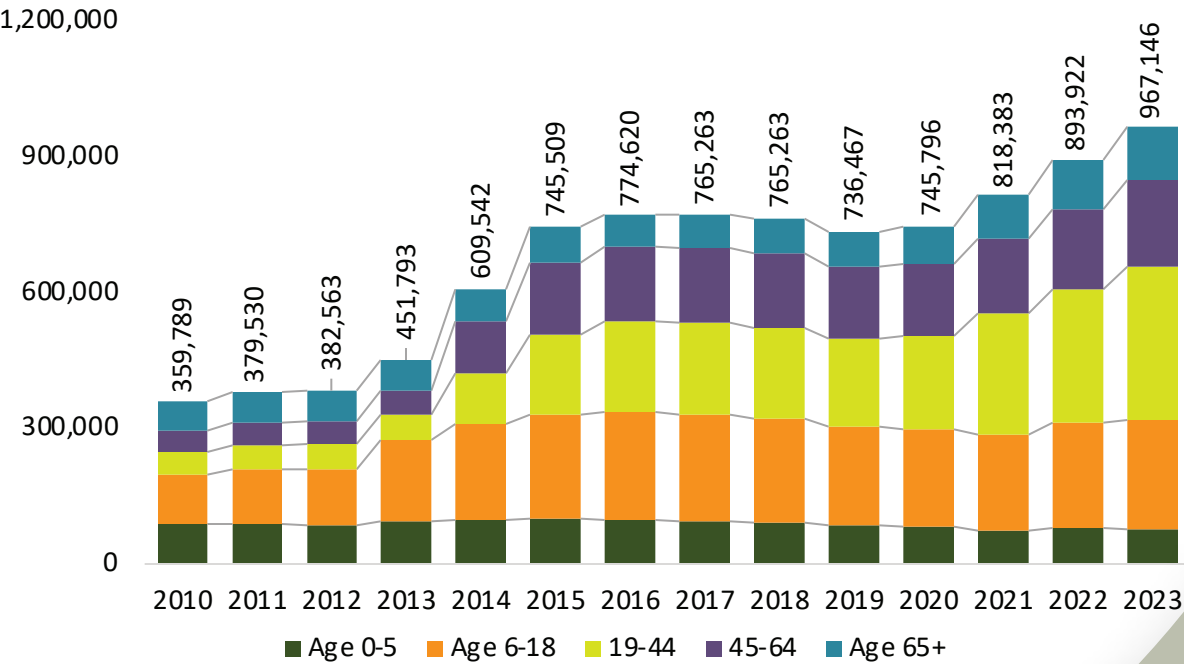
MEDI-CAL MEMBERSHIP HITS NEW HIGH

MEDI-CAL MEMBERSHIP IN ORANGE COUNTY, 2010-2023

Source: CalOptima Health

Uninsured rates increased for several groups between 2019 and 2021, including county residents aged 19–25 (from 10.4 percent to 10.6 percent) and residents who did not graduate high school (19.9 percent to 20.5 percent). Particularly concerning is the fact that households making under $25,000 and households making between $25,000 and $49,000 both became more likely to be uninsured. Their uninsured rates increased by 2.9 percentage points and 1.9 percentage points, respectively, over the past year. As housing affordability and a high overall cost of living continue to impact Orange County, especially lower-income residents, health care can become too expensive for many county residents and families.

LOW-INCOME GROUPS SEE UNINSURED RATE CLIMB

UNINSURED IN ORANGE COUNTY BY RACE/ETHNICITY, INCOME, EDUCATION, AND AGE, 2019 AND 2021
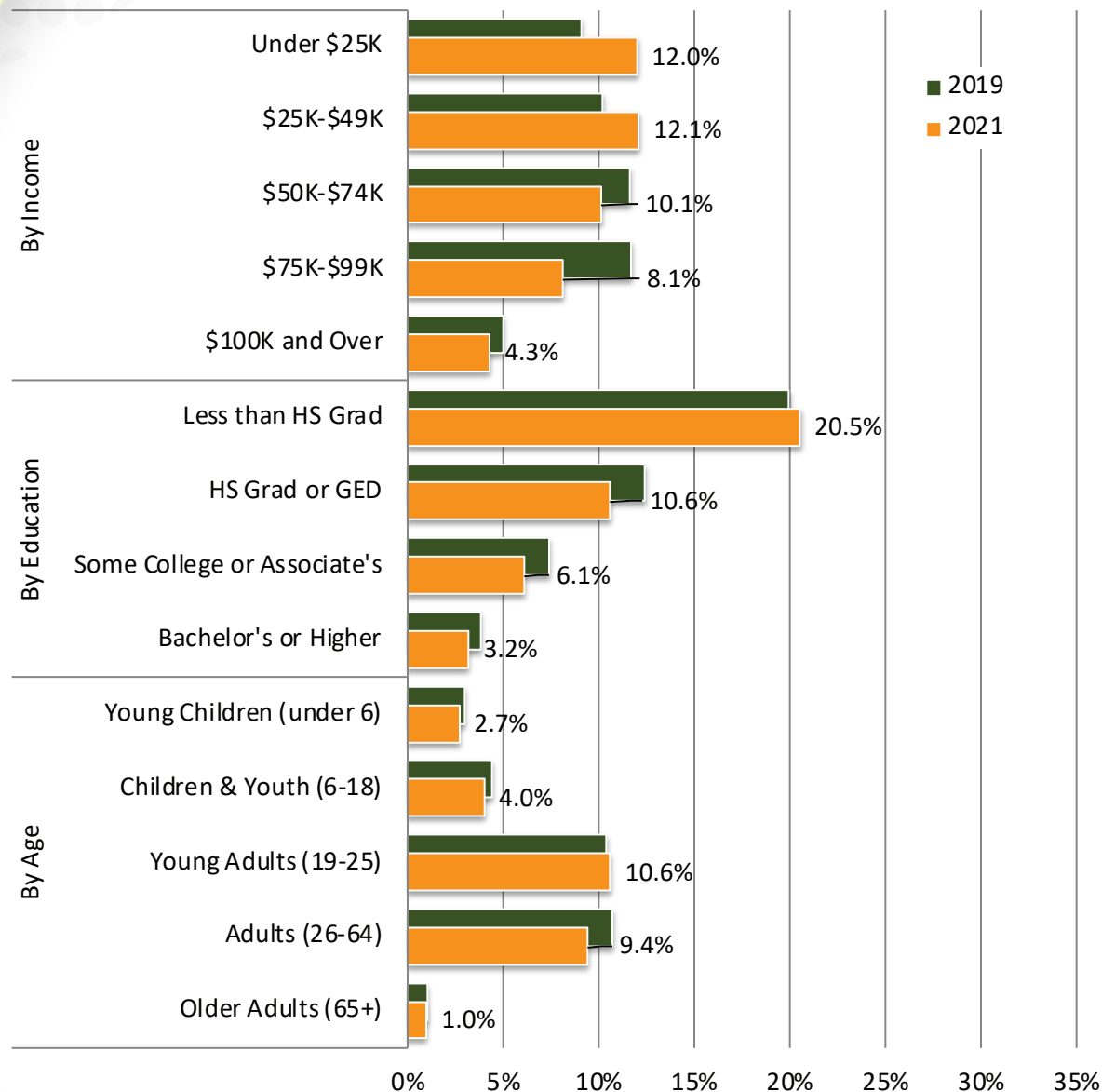
By Income
- Under $25K — 12.0% (2021)
- $25K-$49K — 12.1% (2021)
- $50K-$74K — 10.1% (2021)
- $75K-$99K — 8.1% (2021)
- $100K and Over — 4.3% (2021)

By Education
- Less than HS Grad — 20.5% (2021)
- HS Grad or GED — 10.6% (2021)
- Some College or Associate's — 6.1% (2021)
- Bachelor's or Higher — 3.2% (2021)

By Age
- Young Children (under 6) — 2.7% (2021)
- Children & Youth (6-18) — 4.0% (2021)
- Young Adults (19-25) — 10.6% (2021)
- Adults (26-64) — 9.4% (2021)
- Older Adults (65+) — 1.0% (2021)

Legend: ■ 2019 ■ 2021

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates; Data for 2020 is unavailable due to COVID-19-related impacts.

CHRONIC DISEASE

Orange County continues to experience significant public health challenges even after the end of the COVID-19 pandemic. Sedentary lifestyles, poor nutrition, tobacco use, alcohol consumption, and substance use can all contribute to chronic diseases which can be further exacerbated by daily stressors such rising costs and unemployment.

While Orange County's death rate from diabetes increased from 2020 to 2021, the death rate from all other chronic diseases declined. Over the same period, the prevalence of all chronic diseases except heart disease decreased. The death rate for diabetes increased by 8.4 percent while the death rate for lower respiratory disease, the disease with the largest declines in death rates, fell by 19.9 percent. While the prevalence of heart disease increased by 24.1 percent, the prevalence of asthma, which saw the largest year-over-year decline, shrunk by 14.6 percent.

DIABETES DEATHS INCREASE; HEART DISEASE, STROKE, AND ASTHMA DEATHS DECLINE

DIABETES

The prevalence of diabetes among Orange County's adult residents declined from 9.4 percent measured in 2020 to 8.4 percent in 2021. As previously mentioned, however, the diabetes death rate increased from 14.3 per 10,000 residents to 15.5, the largest increase over the past eight years.

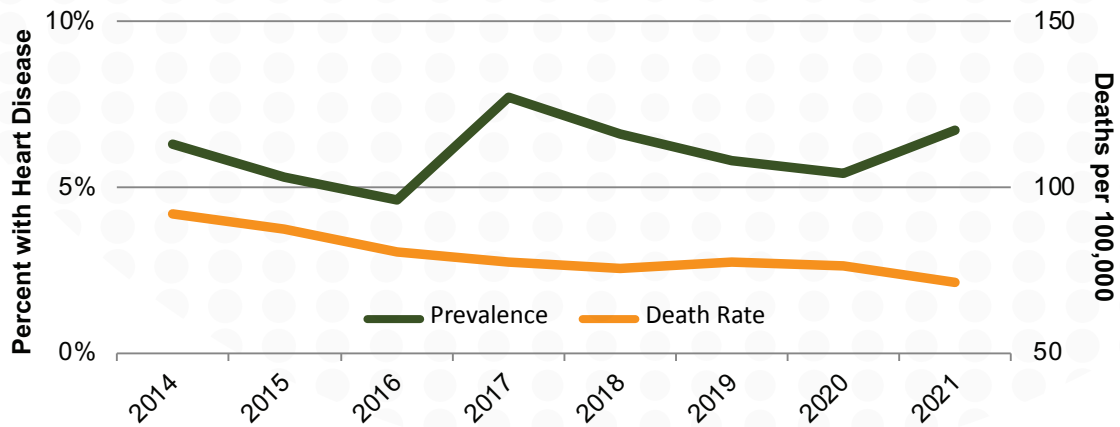**DIABETES PREVALENCE AND DEATH RATE IN ORANGE COUNTY, 2014-2021**
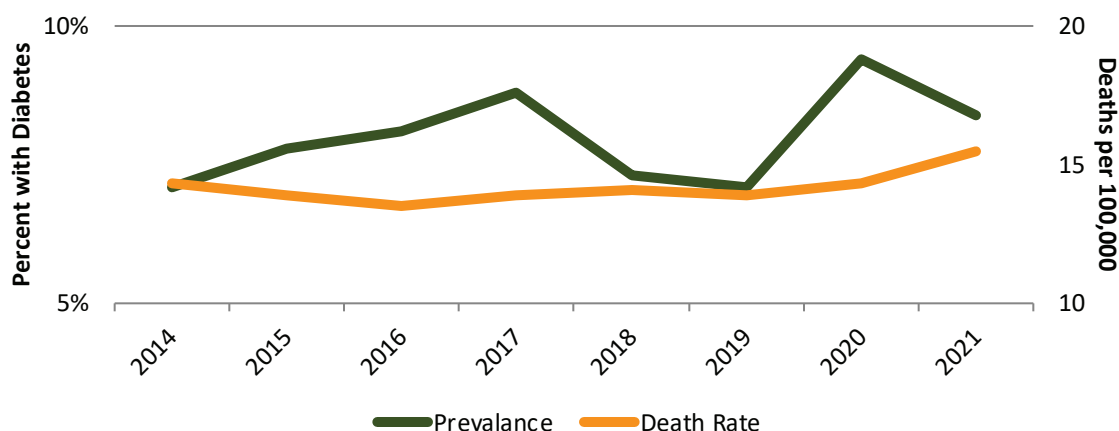
Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles

98

HEART DISEASE

From 2020 to 2021, the prevalence of heart disease in Orange County adults saw a slight rise, increasing from 5.4 percent to 6.7 percent. The death rate for adults with heart disease declined from 76.1 per 100,000 residents to 71.1 percent.

HEART DISEASE PREVALENCE AND DEATH RATE IN ORANGE COUNTY, 2014-2021

Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles

HIGH BLOOD PRESSURE/STROKE

Between 2020 and 2021, both the prevalence and death rate for high blood pressure diagnoses and death rate from strokes declined for Orange County adults. The prevalence for high blood pressure in the region shrunk from 23.5 percent to 22.6 percent while the death rate from stroke declined from 38.3 per 100,000 residents to 35.0.

HIGH BLOOD PRESSURE PREVALENCE AND STROKE DEATH RATE IN ORANGE COUNTY, 2014-2021

Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles

99

ASTHMA/CHRONIC LOWER RESPIRATORY DISEASE

As with high blood pressure and stroke, the prevalence of asthma and the death rate from lower respiratory disease for Orange County adults declined from 2020 to 2021. Asthma prevalence fell from 13.7 to 11.7 percent and the death rate fell by 19.9 percent from 26.6 per 100,000 residents to 21.3 per 100,000 residents.

ASTHMA PREVALENCE AND CHRONIC LOWER RESPIRATORY DISEASE DEATH RATE IN ORANGE COUNTY, 2014-2020

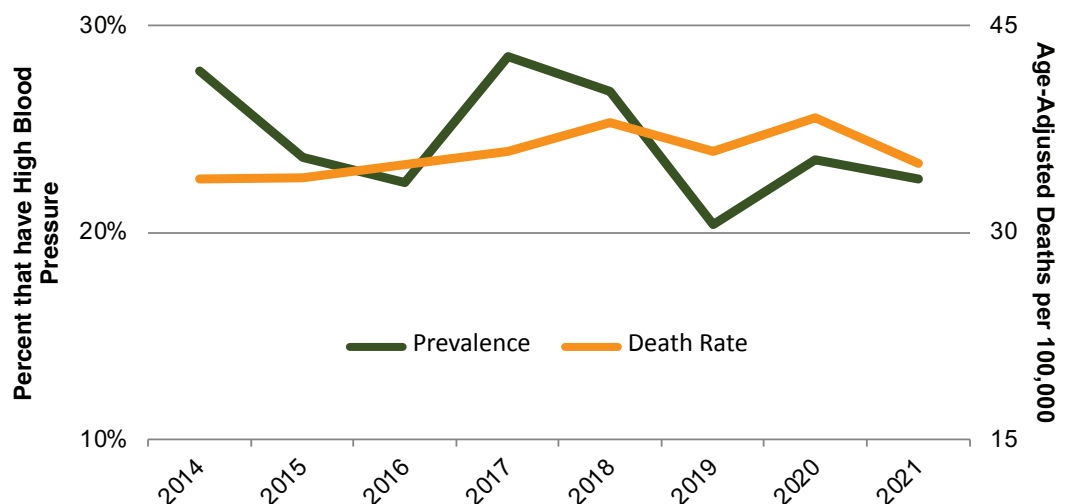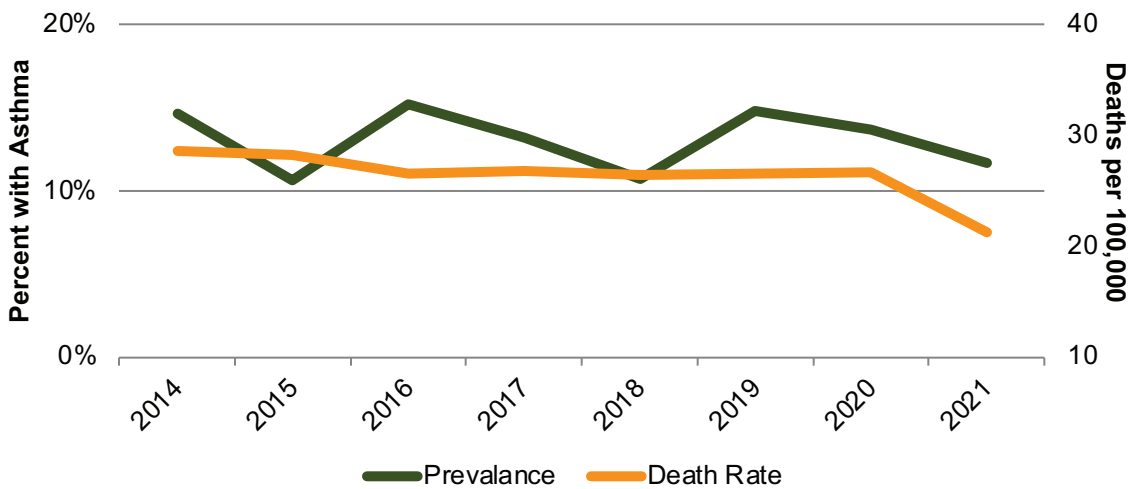*Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles*

NOTE

Asthma prevalence and death data reflect rolling (overlapping) three-year averages. For example, "2020" is an average of 2018, 2019, and 2020 data, and "2019" is an average of 2017, 2018, and 2019 data. The death data shown are age-adjusted rates, which controls for regional variability in age composition. Data points from 2014 to 2020 have been revised and as such should not be compared to data points from previous reports. Due to the disruptions caused by the COVID-19 pandemic, health care data may undergo future revisions. Death rates are age-adjusted.

MENTAL HEALTH AND SUBSTANCE USE

Mental health and substance use hospitalizations per 10,000 Orange County residents increased from 46.3 in 2020 to 47.6 in 2021, an increase of 2.8 percent. The largest increase occurred in adults aged 65 and older (6.8 percent) and children and youth aged 17 and under (6.3 percent). Adults aged between 18 and 64 saw a 2.2 percent increase in hospitalizations.

If isolated, substance use-related hospitalizations actually decreased between 2020 and 2021, falling from 14.0 per 10,000 residents in 2020 to 13.9 in 2021. While the hospitalization rates for adults (aged 18-64) and older adults increased by 0.8 percent and 15.7 percent, respectively, the hospitalization rate for children and youth saw a very encouraging 66.5 percent decline.

Mental health-related hospitalizations, however, increased by 4.2 percent: from 32.7 per 10,000 residents in 2020 to 33.7 in 2021. Children and youth saw the largest increase, increasing 8.1 percent from 30.0 to 32.4, followed by a 4.6 percent increase for older adults and 3.1 percent increase for adults. Hospitalizations for major depression and mood disorders increased by 7.5 percent overall, by 17.7 percent for older adults, and by 14.7 percent for children and youth.

SUBSTANCE USE DECLINES FOR CHILDREN AND YOUTH WHILE MENTAL HEALTH, MAJOR DEPRESSION, AND MOOD DISORDER HOSPITALIZATIONS INCREASE

Children and Youth — **Adults** — **Older Adults** ······ **All**

OVERALL MENTAL HEALTH AND SUBSTANCE USE HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2010-2021

MAJOR DEPRESSION AND MOOD DISORDERS HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2008-2021

Sources: Office of Statewide Health Planning & Development Patient Discharge Data prepared by Orange County Health Care Agency, Research and Planning; California Department of Finance; U.S. Census Bureau, American Community Survey

Legend

- Children and Youth
- Adults
- Older Adults
- All

SUBSTANCE USE HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2009-2021

Chart values (2009 → 2021):
- Adults: 15.3 → 20.3
- All: 11.1 → 13.9
- Older Adults: 8.2 → 8.3
- Children and Youth: 1.4 → 0.3

Y-axis: 0, 10, 20
X-axis: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021

MENTAL HEALTH-RELATED HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2008-2021

Chart values (2008 → 2021):
- Older Adults: 58.3 → 30.5
- Adults: 46.8 → 33.7
- All: 39.9 → 35.0
- Children and Youth: 15.0 → 32.4

Y-axis: 0, 10, 20, 30, 40, 50, 60
X-axis: 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021

Sources: Office of Statewide Health Planning & Development Patient Discharge Data prepared by Orange County Health Care Agency, Research and Planning; California Department of Finance; U.S. Census Bureau, American Community Survey

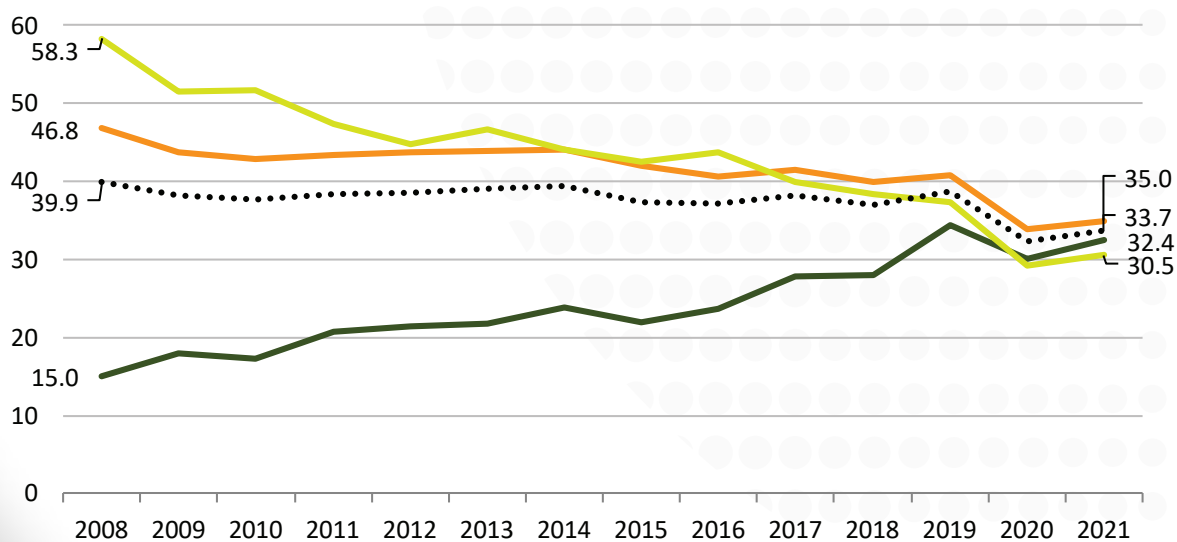# CHILDREN'S HOSPITAL OF ORANGE COUNTY BREAKS GROUND ON NEW TOWER ON ORANGE CAMPUS

Children's Hospital of Orange County (CHOC) is breaking ground on a new expansion, the 330,000 square foot Southwest Tower, which is scheduled to open in mid-2025. The tower will house a comprehensive outpatient imaging center, oncology infusion services, multiple specialty clinics, patient and family amenities, as well as an entire floor as a dedicated Research Institute. CHOC hopes that this new structure will act as a one-stop shop for patients and families who need to see a variety of specialty doctors. It will also enable patients who receive chemotherapy or other infusions to avoid overnight stays, as research has shown moving children to an outpatient basis can promote faster recovery times and enhanced well-being.

Source: Childrens Hospital of Orange County; Press Release, January 3, 2023

OPIOIDS IN ORANGE COUNTY

- While Orange County's opioid-related hospitalization rate remained consistent at 40.1 per 100,000 residents, its emergency department (ED) visits increased 22.2 percent.

- Orange County's overall opioid-related death rate increased from 8.4 to 15.9 from 2019 to 2020, an increase of 89.3 percent. It increased again from 15.9 to 23.2 in 2021, a jump of 45.9 percent.

- Over the past 10 years, the opioid-related death rate has increased by a staggering 205.3 percent while the ED visitation rate has increased 141.5 percent and the hospitalization rate increased by 46.4 percent.

RATE OF OPIOID-RELATED EMERGENCY DEPARTMENT (ED) VISITS, HOSPITALIZATIONS, AND DEATHS IN ORANGE COUNTY PER 100,000 RESIDENTS, 2011-2021
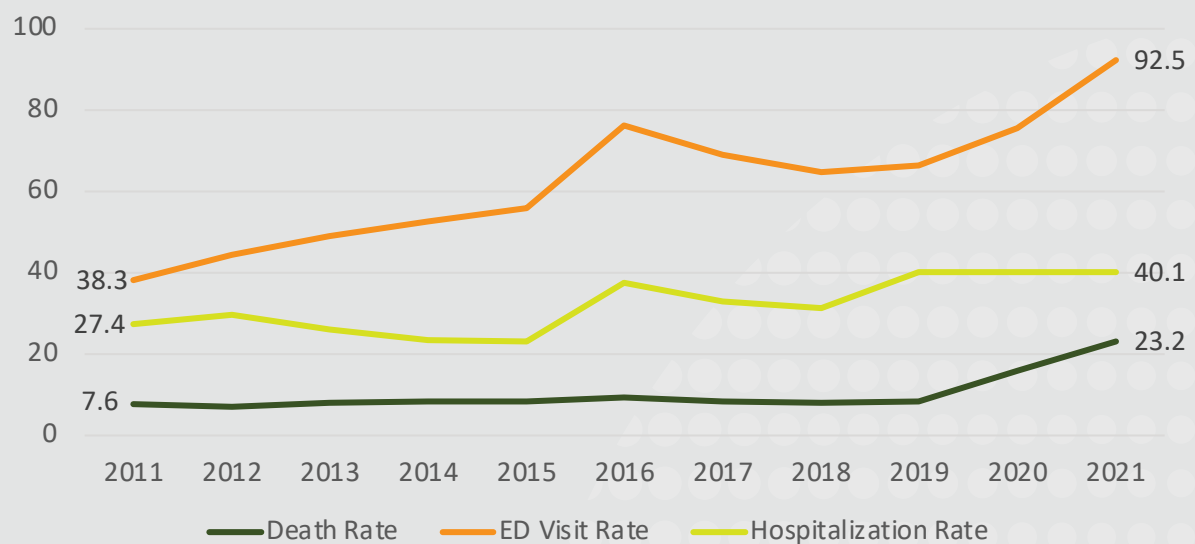
Sources: California's Office of Statewide Health Planning and Development Emergency Department and Patient Discharge Data (ED/hospitalization data); CDC Wonder (death data)

INFRASTRUCTURE
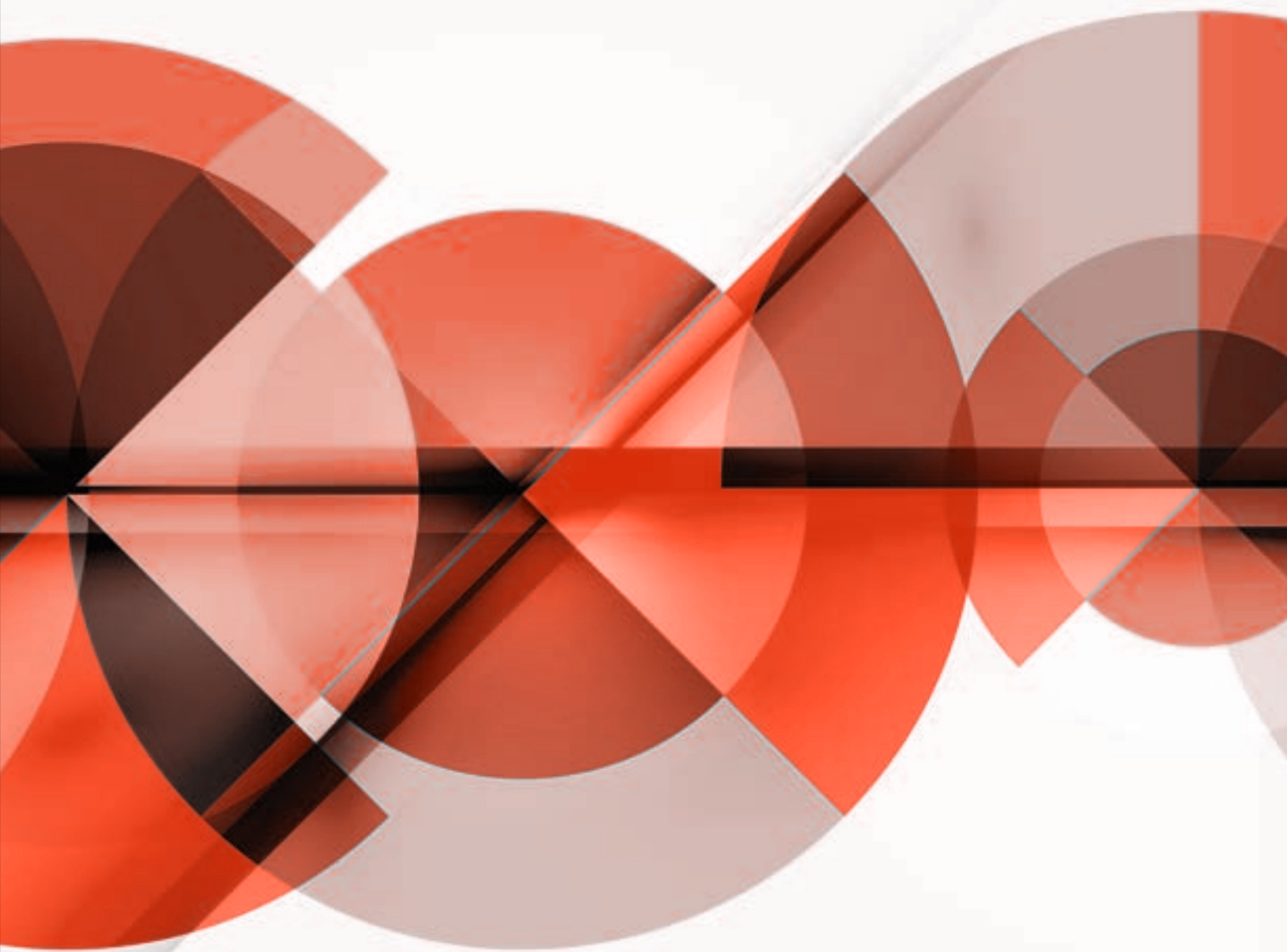
TRANSPORTATION

Accelerated by the COVID-19 pandemic, remote and hybrid work continue to disrupt traditional workplaces. In 2021, the proportion of residents who worked from home reached 22.2 percent, a significant jump over the 7.6 percent working from home in 2019. As a result, the percentage of county workers driving alone to work decreased by 12.4 percentage points over the same period. While many business leaders and executives have expressed concern over this new trend, especially its impact on office use and commercial real estate, an increasingly large proportion of workers favor remote or hybrid work for reasons such as better productivity and work-life balance.

RESIDENTS DRIVING ALONE HITS DECADE LOW

MODE OF TRAVEL TO WORK IN ORANGE COUNTY, 2021
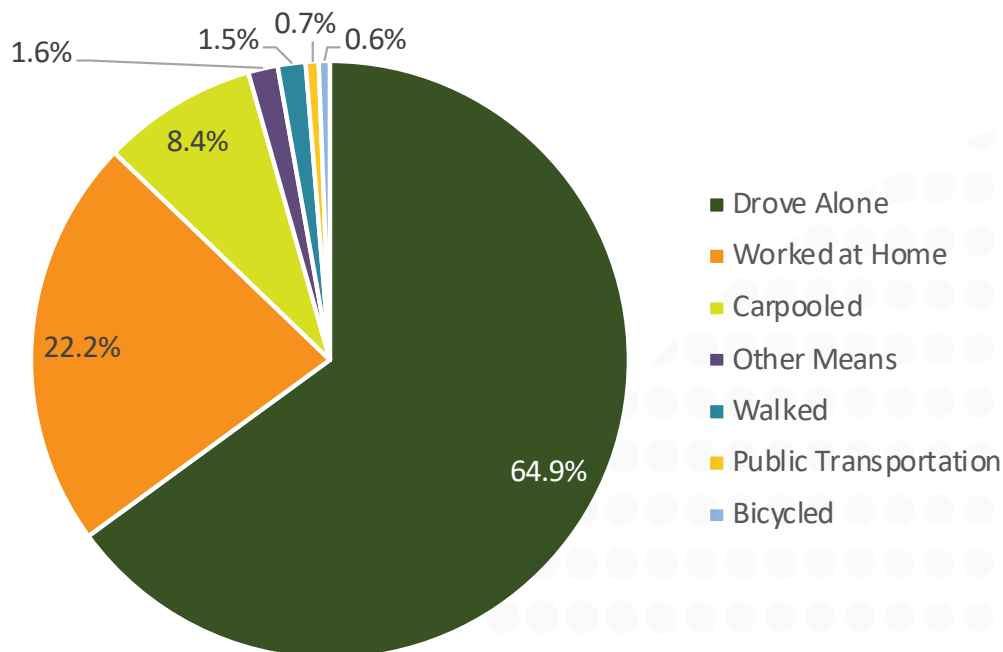
Drove Alone: 64.9%
Worked at Home: 22.2%
Carpooled: 8.4%
Other Means: 1.6%
Walked: 1.5%
Public Transportation: 0.7%
Bicycled: 0.6%

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

SELECTED MODES OF TRAVEL TO WORK IN ORANGE COUNTY, 2011-2021
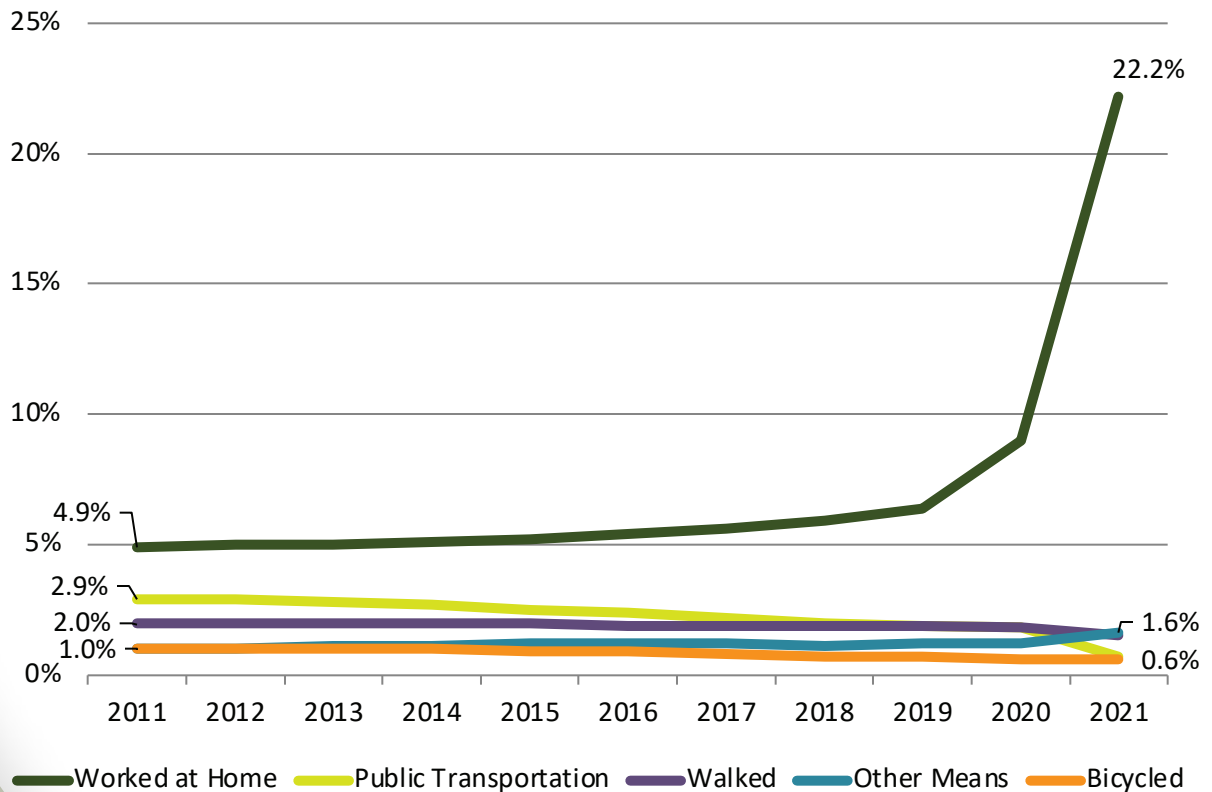
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

Despite increased remote work trends, congestion on Orange County freeways has returned to near pre-pandemic levels. In 2022, an Orange County resident experienced an average of 13.7 hours of congestion compared to 12.6 hours in 2021 and only 6.4 hours in 2020. However, congestion on Orange County freeways in 2022 during the combined morning peak, afternoon peak, and off-peak hours was lower than San Diego (14.2 hours) and Santa Clara (15.2 hours) counties. As remote work increases in adoption, congestion on local and regional freeways is likely to decline, especially during morning and afternoon peak commuting hours.

ANNUAL HOURS OF FREEWAY DELAY PER COMMUTER IN ORANGE COUNTY, 2010-2022
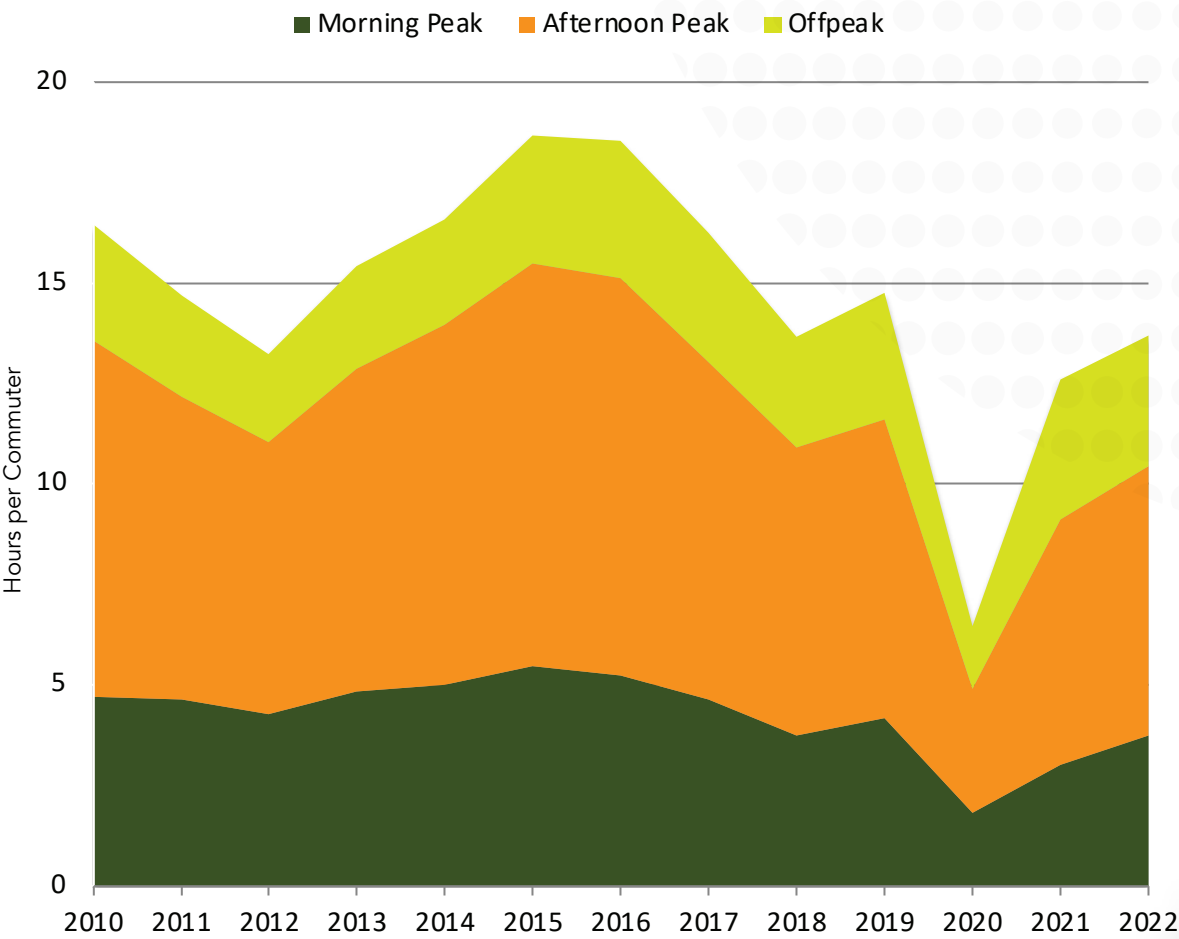
■ Morning Peak ■ Afternoon Peak ■ Offpeak

Source: Caltrans, Performance Measurement System; U.S. Census Bureau, American Community Survey, 1-Year Estimates

NOTE

Data for peak hours reflect annual hours of delay per commuter at speeds of 60 miles per hour on freeways in Orange County. Commuter data uses U.S. Census Bureau American Community Survey estimates of residents 16 and over who 'drove alone' and, as such, should not be compared to prior years.

REGIONAL COMPARISON OF ANNUAL HOURS OF FREEWAY DELAY PER COMMUTER, 2022
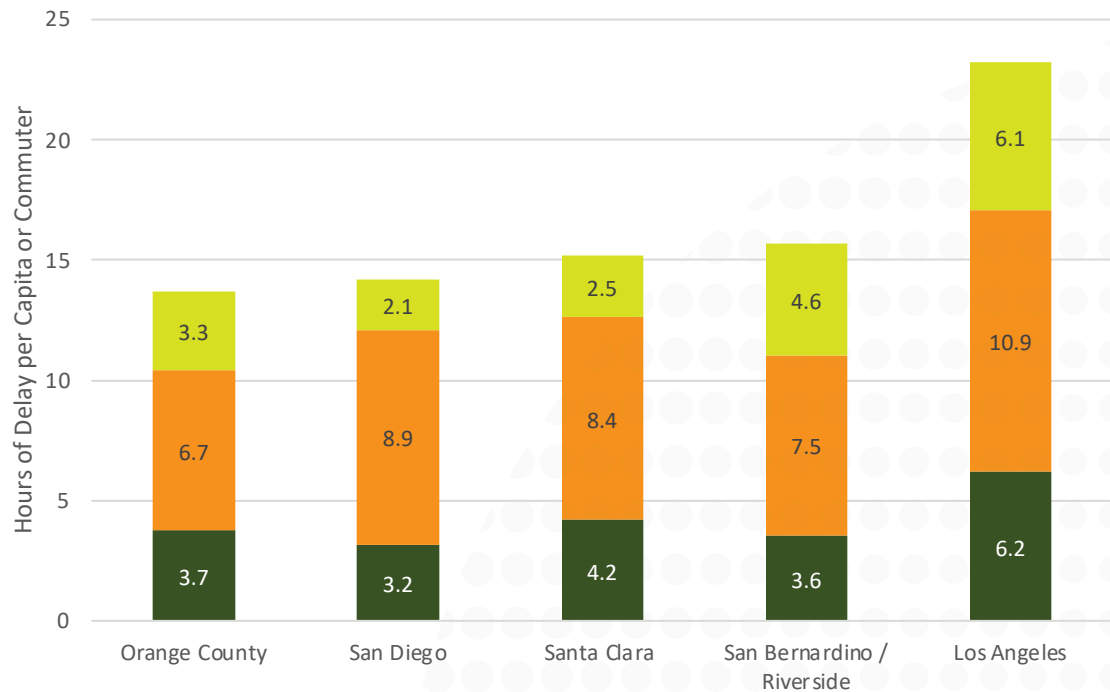
NOTE   ■ Morning Peak   ■ Afternoon Peak   ■ Offpeak

Data for peak hours reflect annual hours of delay per commuter at speeds of 60 miles per hour on freeways in Orange County. Commuter data uses U.S. Census Bureau American Community Survey estimates of residents 16 and over who 'drove alone' and, as such, should not be compared to prior years.

Source: Caltrans, Performance Measurement System; U.S. Census Bureau, American Community Survey, 1-Year Estimates

Commuting modes can vary widely depending on race or ethnicity. 71.3 percent of residents who used public transportation in 2021 were Hispanic/Latino, followed by 42.8 percent of residents who identify as 'some other race' and 22.2 percent of residents who identify as 'two or more races.' Hispanic/Latino residents were also the most likely to carpool with 50.6 percent of commuters, compared to 26.7 percent of commuters who identify as 'some other race' and 24.7 percent of Asian commuters.

PROPORTION OF RESIDENTS BY RACE OR ETHNICITY BY MODE OF TRANSPORTATION TO WORK, 2021
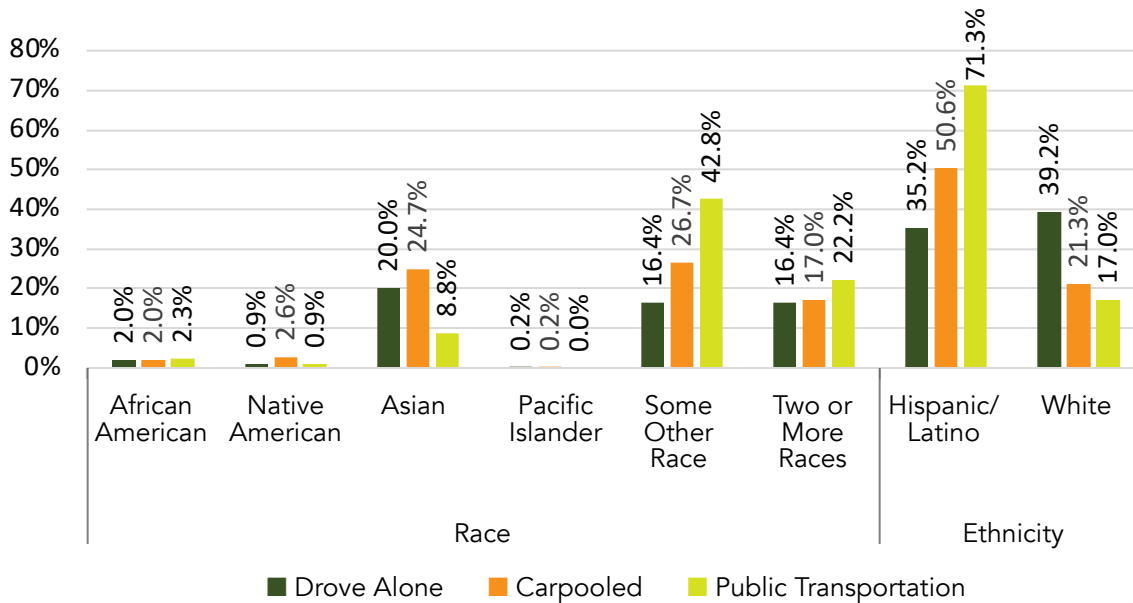
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates; Totals may not sum to 100 due to how the U.S. Census Bureau breaks down racial and ethnic groups.

In 2020, approximately 732,691 people both lived and worked in Orange County. About 414,460 people lived in Orange County and worked outside the county while 594,837 people worked in Orange County but lived outside the county.

Los Angeles continued to maintain the largest flow of workers commuting into and out of Orange County, with 280,789 workers traveling from Los Angeles to work in Orange County and 249,878 workers traveling from Orange County to Los Angeles. The largest divergence between workers occurred between those commuting to and from Riverside County; 99,315 Riverside County residents come to Orange County for work compared to only 35,715 commuting the other way, a tradeoff of 63,600 workers. While the shift to remote work is likely to further disrupt commuter trends between counties and even states, Orange County's broad range of industry clusters, strong labor market, and above average wages are likely to keep attracting workers commuting into the county from surrounding counties.

INTERCOUNTY COMMUTING PATTERNS BETWEEN ORANGE AND NEIGHBORING COUNTIES, 2020

San Bernardino County

Los Angeles County

70,273

More People Commute Into OC than Out
180,377 in 2020

280,789

249,878

34,828

99,315

Riverside County

732,691 Live and Work in Orange County

35,715

All Other Counties:

Inflow: 88,751
Outflow: 59,086

594,837 people

414,460 people

34,953

55,709

San Diego County

Work in OC and Live Elsewhere (Inflow)

Live in OC and Work Elsewhere (Outflow)

Sources: Esri, Airbus DS, USGS, NGA, NASA, CGIAR, N Robinson, NCEAS, NLS, OS, NMA,
Geodatastyrelsen, Rijkswaterstaat, GSA, Geoland, FEMA, Intermap and the GIS user community;
Sources: Esri, HERE, Garmin, FAO, NOAA, USGS, © OpenStreetMap contributors, and the GIS
User Community; U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination
Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2020)

WATER USE AND SUPPLY

After increasing by 5.5 percent from 2020 to 2021, Orange County water usage has declined for two consecutive years, falling from 114 gallons per capita per day (GPCD) in 2021 to 108 in 2022 to 96 in 2023. While estimates for 2023 water usage are based on year-end projections, water usage in the region has been near record lows, indicating improved water use efficiency. Overall, consumption remains well below both pre-2015 levels and the Water Conservation Act of 2009 (SB X7-7) target of 158 GPCD, which was enacted to increase water use efficiency and reduce urban water consumption by 20 percent statewide.

WATER USAGE DECLINES TWO YEARS IN A ROW

URBAN WATER USAGE IN ACRE-FEET AND GALLONS PER CAPITA PER DAY IN ORANGE COUNTY, 2013-2023

Acre-Feet values: 2013: 600,686; 2014: 621,506; 2015: 571,390; 2016: 492,347; 2017: 518,737; 2018: 540,622; 2019: 516,020; 2020: 532,713; 2021: 559,688; 2022: 543,688; 2023*: 503,856

Gallons per Capita per Day: 2013: 145; 2014: 146; 2015: 128; 2016: 105; 2017: 109; 2018: 117; 2019: 106; 2020: 108; 2021: 114; 2022: 108; 2023*: 96

Legend: Acre-Feet | Gallons per Capita per Day
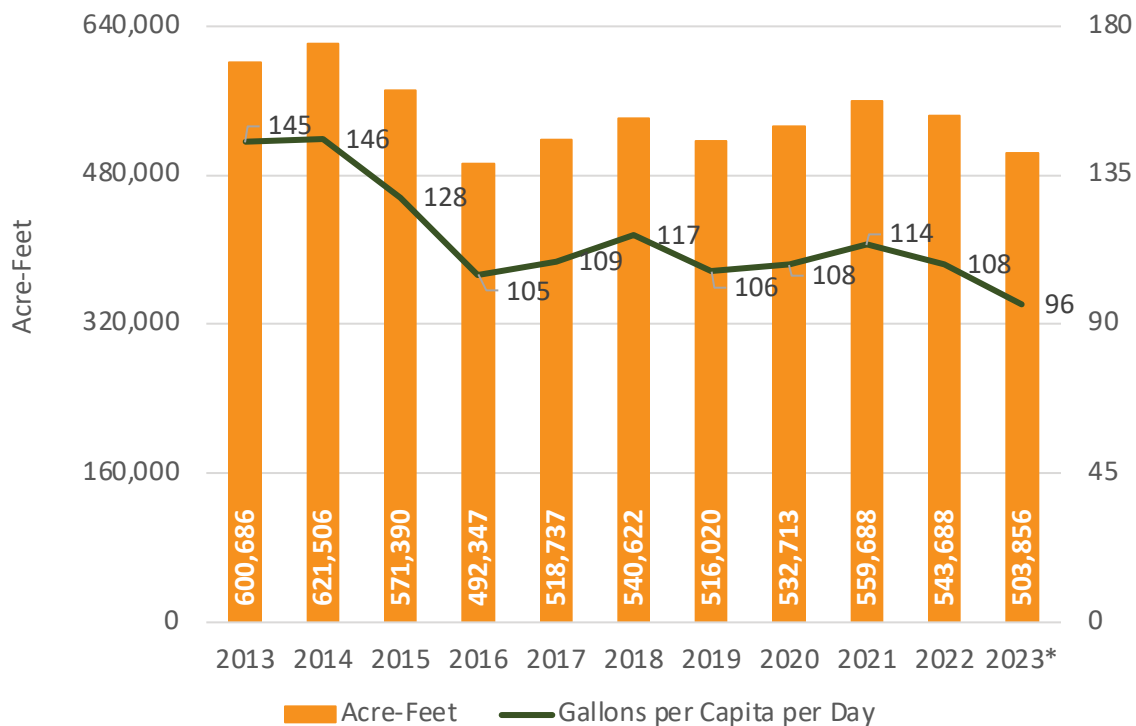
Source: Municipal Water District of Orange County
*Data for 2023 is based on end of year projections and may be subject to change or revision.

Total conservation efforts in the county are expected to increase from 306,806 acre-feet in 2022 to 341,908 acre-feet in 2023, an increase of 11.4 percent. As water use efficiency improves and better conservation habits are adopted, this figure is expected to increase to 365,277 acre-feet by 2030, an increase of 6.8 percent, and then fall slightly to 364,360 acre-feet by 2040.

CONSERVATION EFFORTS EXPECT CONTINUED IMPROVEMENT

ORANGE COUNTY WATER SOURCES PROJECTIONS, 2023-2040

Legend:
- Ocean Desalination
- Conservation (estimate)
- Imported Water for Replenishment
- Other Local
- Recycled Water
- Groundwater Replenishment System (GWRS)
- Santa Ana River and Incidental Groundwater Basin Replenishment
- Imported Water for Direct Use
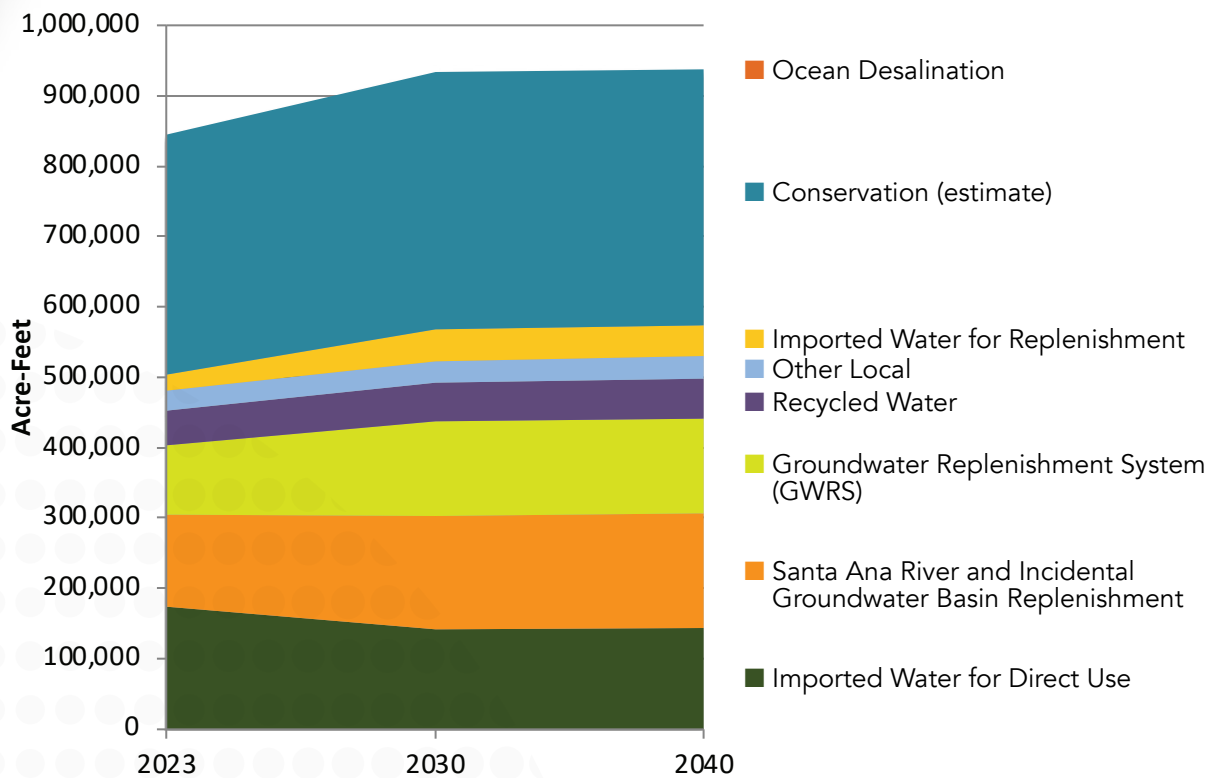
Sources: Municipal Water District of Orange County; Orange County Water District

Nine of 28 Orange County water districts had lower usage than the state average of 56 GPCD in March 2023. Garden Grove had the county's lowest consumption rate at 29.6 GPCD, followed by Mesa Water District at 34.8 GPCD and Santa Ana at 44.8 GPCD. East Orange County Water District had by far the highest GPCD measured in the county at 121.6 GPCD, followed by Fountain Valley (94.3 GCPD) and Newport Beach (82.3 GPCD).

MAJORITY OF OC WATER RETAILERS SEE HIGHER WATER USAGE THAN STATEWIDE AVERAGE IN MARCH
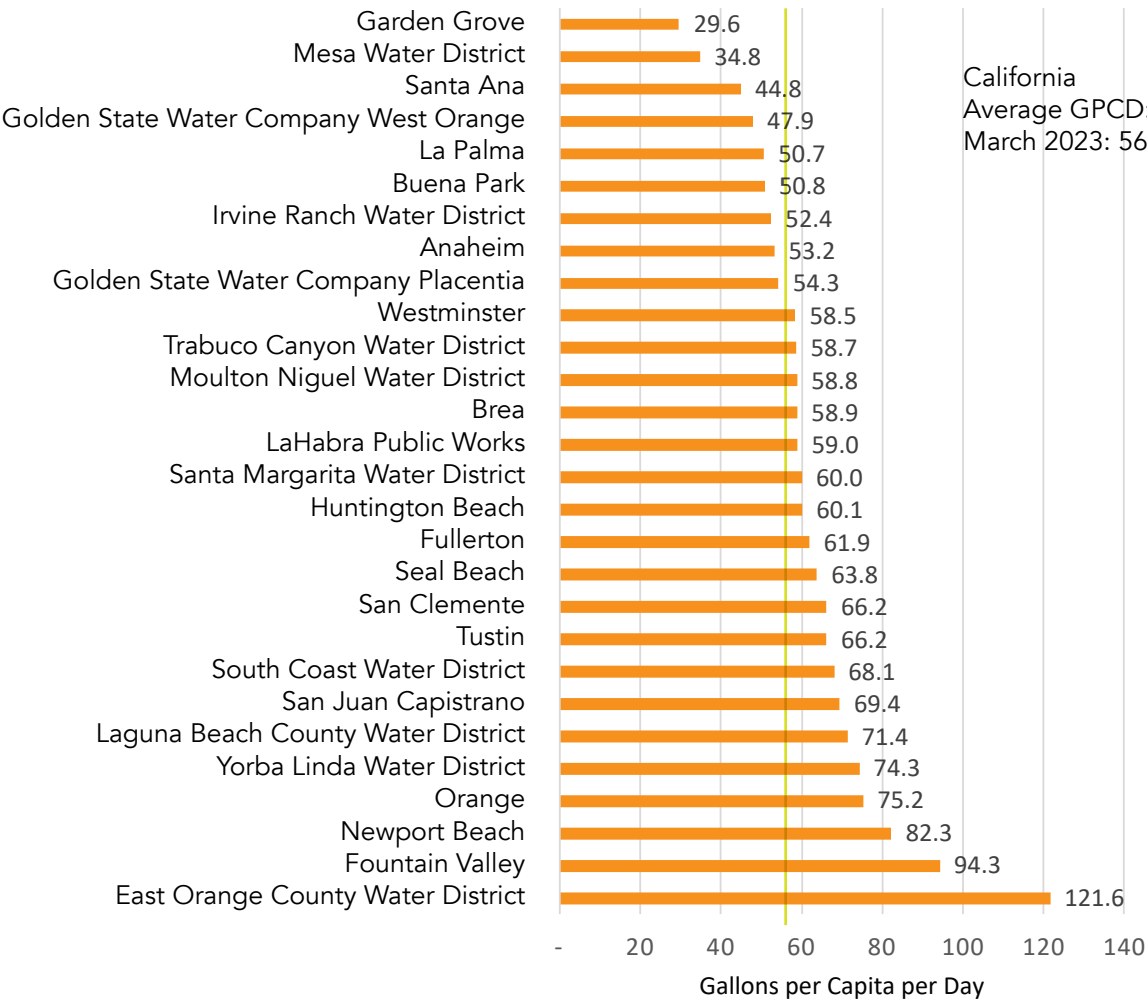
WATER USAGE IN GALLONS PER CAPITA PER DAY (GPCD) BY ORANGE COUNTY WATER RETAILER, MARCH 2023

California Average GPCD: March 2023: 56

Water Retailer	GPCD
Garden Grove	29.6
Mesa Water District	34.8
Santa Ana	44.8
Golden State Water Company West Orange	47.9
La Palma	50.7
Buena Park	50.8
Irvine Ranch Water District	52.4
Anaheim	53.2
Golden State Water Company Placentia	54.3
Westminster	58.5
Trabuco Canyon Water District	58.7
Moulton Niguel Water District	58.8
Brea	58.9
LaHabra Public Works	59.0
Santa Margarita Water District	60.0
Huntington Beach	60.1
Fullerton	61.9
Seal Beach	63.8
San Clemente	66.2
Tustin	66.2
South Coast Water District	68.1
San Juan Capistrano	69.4
Laguna Beach County Water District	71.4
Yorba Linda Water District	74.3
Orange	75.2
Newport Beach	82.3
Fountain Valley	94.3
East Orange County Water District	121.6

Gallons per Capita per Day

Source: State Water Resources Control Board

NOTE

Urban water usage data in acre-feet includes residential, industrial, and commercial water use in a fiscal year (July–June); data identified as 2018, for example, reflects water use in FY 2017/18. The gallons per capita per day (GPCD) calculations for Orange County overall, provided by the Municipal Water District of Orange County, are calculated to comply with SB X7-7. These GPCD calculations include potable water, less recycled water and indirect potable reuse water for the entire fiscal year. This measure of GPCD differs from GPCD reported in Community Indicators Reports prior to 2017. The GPCD figures by water supplier from the State Water Resource Control Board reflect residential water use only and report water usage for a single month. Reporting to the state is currently voluntary for water suppliers. Water conservation savings are calculated based on annual difference between the 240 average GPCD between the year 1980 to 1989 vs the present year [ex. (240 GPCD X – FY 2021 GPCD) X 365 Days X 325,851 Gallons = Annual Savings in Acre Feet).

DROUGHT STATUS

HEAVY RAINS FILL CALIFORNIA RESERVOIRS

After heavy winter and spring rains and the largest Sierra snowpack in three decades, California drought concerns have eased so much that governor Gavin Newson chose to end certain water restrictions that had been in place for years.[27] Overall, California's snowpack hit a record 40 million acre-feet in April 2023, 240 percent higher than the April average.[28]

Rainfall and meltwater from the 2022 to 2023 wet season has filled the Oroville Reservoir to capacity — 3.5 million acre-feet — as of June 25, 2023. Shasta, the largest reservoir in the state, is at 95 percent capacity. The San Luis Reservoir was at 99 percent capacity in June 2023, 175 percent of its annual average.

CURRENT TOTAL STORAGE AND CAPACITY FOR MAJOR RESERVOIRS IN CALIFORNIA, JUNE 25, 2023
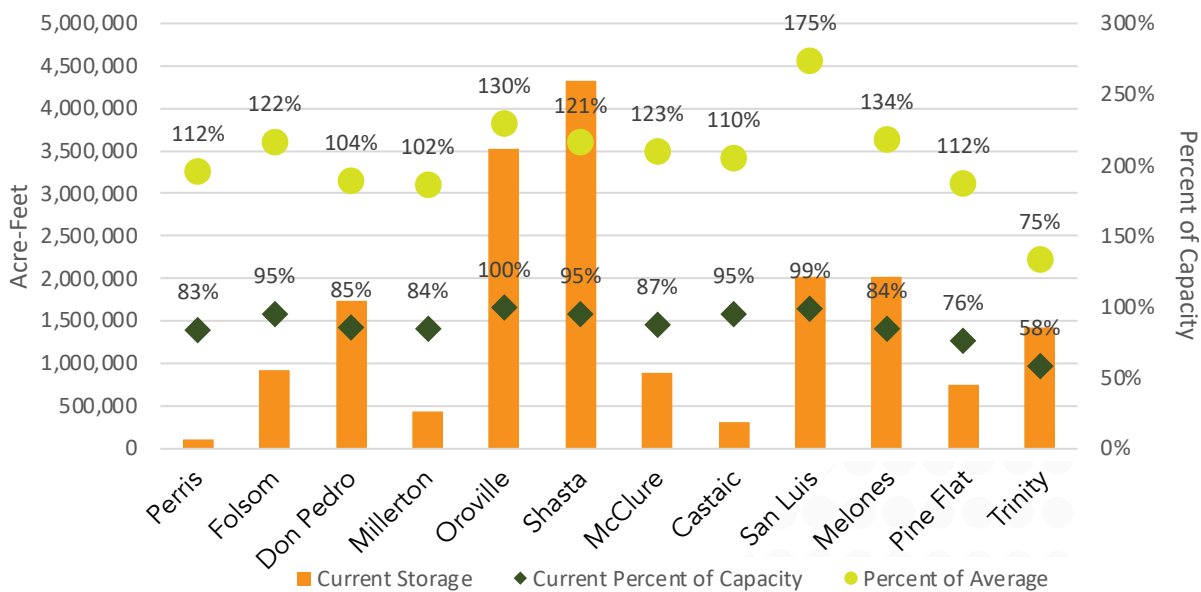
Source: California Department of Water Resources, Current Conditions for Major Reservoirs

For the October 2022 to April 2023 water year, the statewide weighted average for precipitation stood at a noteworthy 141 percent. The highest average precipitation was in Tulare Lake at 190 percent, followed by the South Coast hydrological region at 188 percent and the San Joaquin River at 176 percent.

---

27 https://www.gov.ca.gov/2023/03/24/governor-newsom-eases-drought-restrictions/

28 https://www.latimes.com/projects/california-snowpack-melting-water-supply-flood/

PERCENT OF HISTORIC AVERAGE PRECIPITATION BY HYDROLOGICAL REGION IN CALIFORNIA, OCTOBER 2022 – APRIL 2023 WATER YEAR
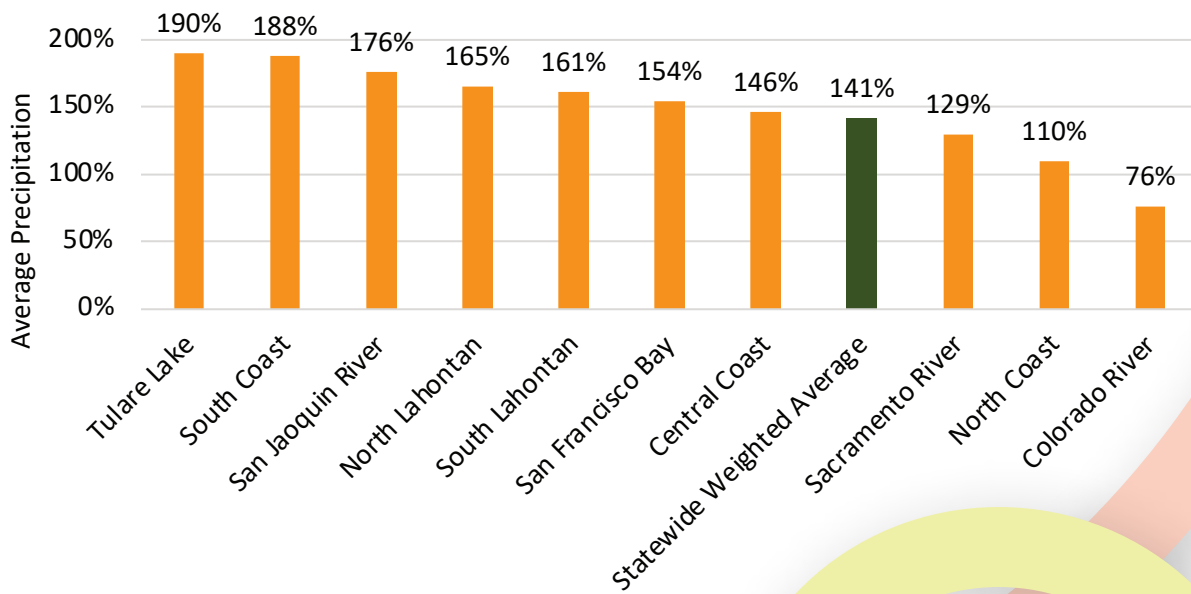
Source: California Department of Water Resources, Statewide Precipitation Data

After years of drought concerns, the near-historic rainfall and snowpack levels in 2022 provide significant relief for many concerned residents. Orange County has a history of wise water management as exemplified by the Groundwater Replenishment System (GWRS), a joint project between Orange County Water District and the Orange County Sanitation District (OC San) which is the largest advanced water purification system for potable reuse in the world. In April 2023, the GWRS completed a $284 million expansion that increases its daily capacity to 130 million gallons, enabling it to serve 1 million residents per day in the county.[29]

---

[29] https://www.ocregister.com/2023/04/14/the-worlds-biggest-water-recycling-facility-gets-bigger-in-oc/

BROADBAND INTERNET ACCESS

OC CONTINUES TO BE A LEADER IN HOUSEHOLDS WITH AN INTERNET SUBSCRIPTION

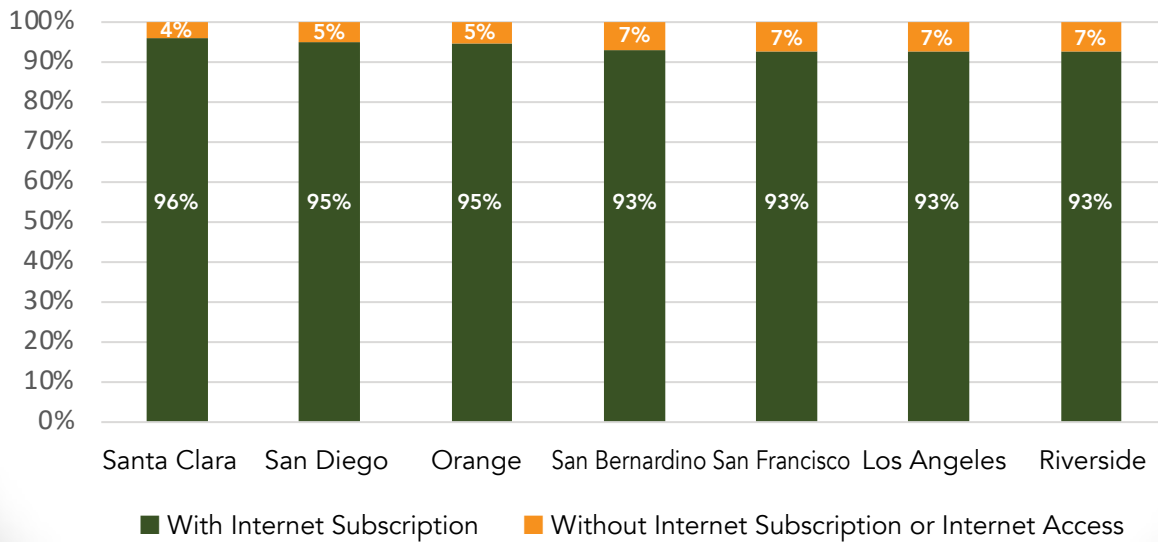Remote work and distance learning trends, accelerated by COVID-19, seem here to stay. Broadband internet access therefore has continued to emerge as a crucial piece of infrastructure. Approximately 98 percent of Orange County households have a home computer and 94.5 percent have internet access, more than in San Bernardino (92.9 percent), San Francisco (92.8 percent), Los Angeles (92.8 percent), and Riverside (92.8 percent) counties. Orange County trails only San Diego County in terms of online access and ranks highly in availability of internet-accessible devices.

TYPES OF COMPUTERS IN HOUSEHOLDS BY COUNTY, 2021

Legend:
- Desktop or Laptop
- Smartphone
- Tablet or Other Portable Wireless Computer
- Other Computer
- No Computer

County	Desktop or Laptop	Smartphone	Tablet or Other Portable Wireless Computer	Other Computer	No Computer
Santa Clara	92%	95%	75%	4%	2%
Orange	89%	94%	73%	3%	2%
San Diego	89%	94%	70%	3%	3%
San Bernardino	83%	93%	67%	4%	3%
Riverside	84%	92%	67%	4%	4%
San Francisco	88%	92%	69%	4%	4%
Los Angeles	83%	93%	66%	3%	4%
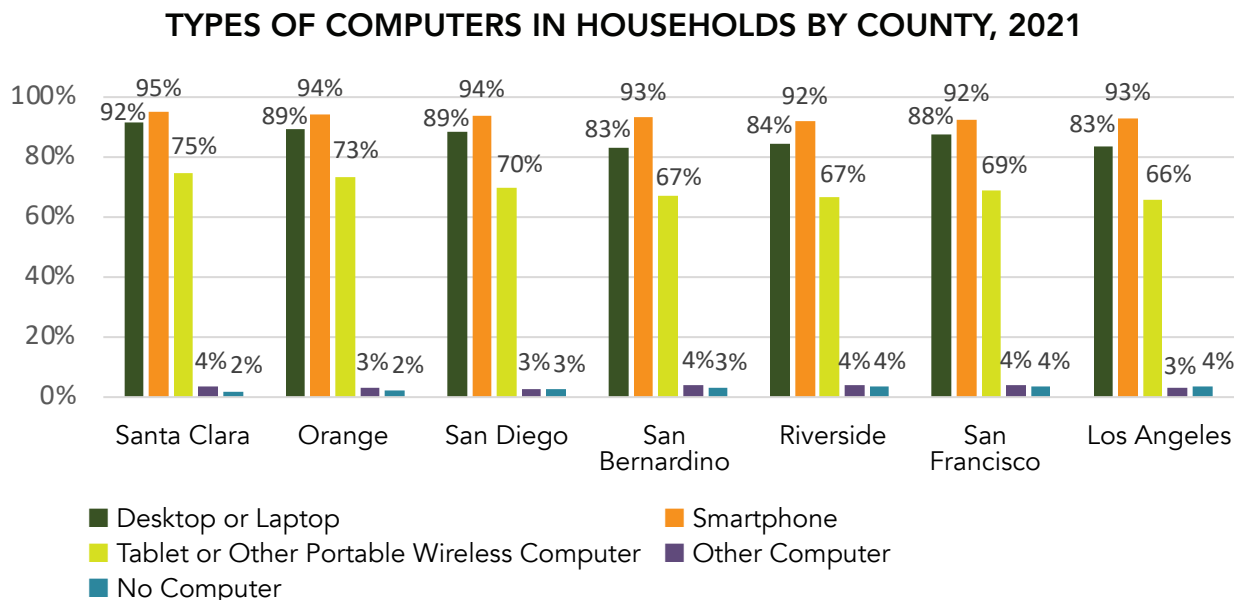
Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

PERCENTAGE OF HOUSEHOLDS WITH AND WITHOUT INTERNET SUBSCRIPTIONS BY COUNTY, 2021

County	Without Internet Subscription or Internet Access	With Internet Subscription
Santa Clara	4%	96%
San Diego	5%	95%
Orange	5%	95%
San Bernardino	7%	93%
San Francisco	7%	93%
Los Angeles	7%	93%
Riverside	7%	93%

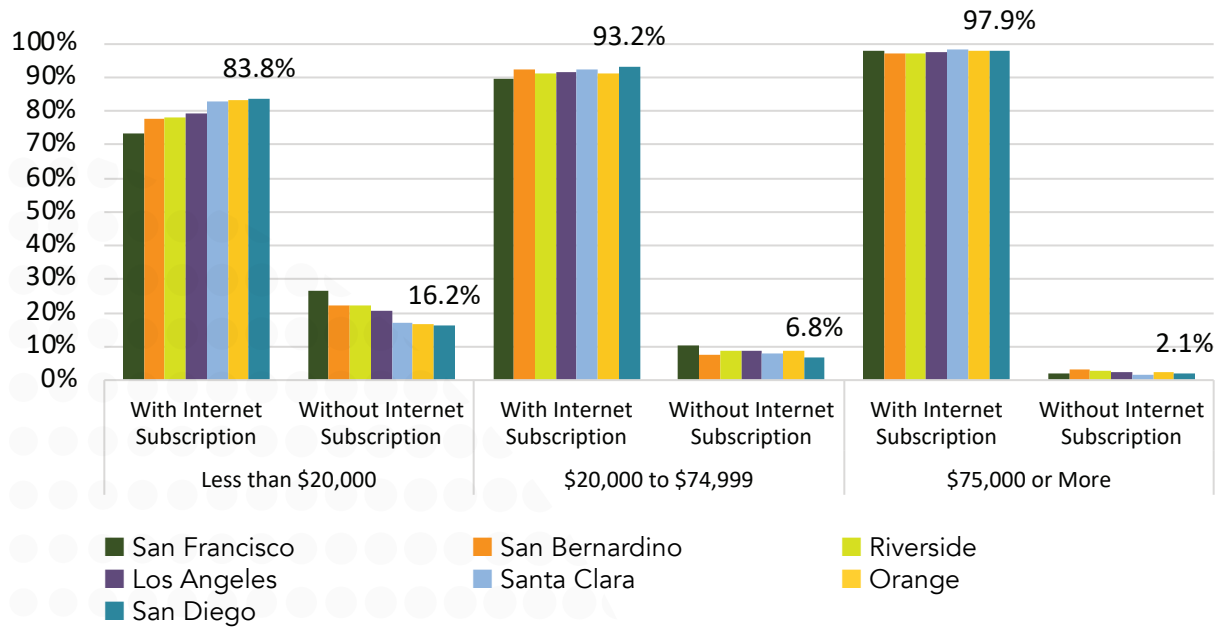■ With Internet Subscription ■ Without Internet Subscription or Internet Access

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

Remote work, online education, and other post-COVID realities mean that increasing robust internet access should remain a priority for local policymakers and stakeholders.

Within Orange County, internet access varies significantly among socioeconomic groups; only 2.2 percent of households making $75,000 or more lack internet access, compared to 16.7 percent of households making less than $20,000. Expanding internet access to lower-income households and residents can help improve access to important career and academic resources which can help drive upward economic mobility.

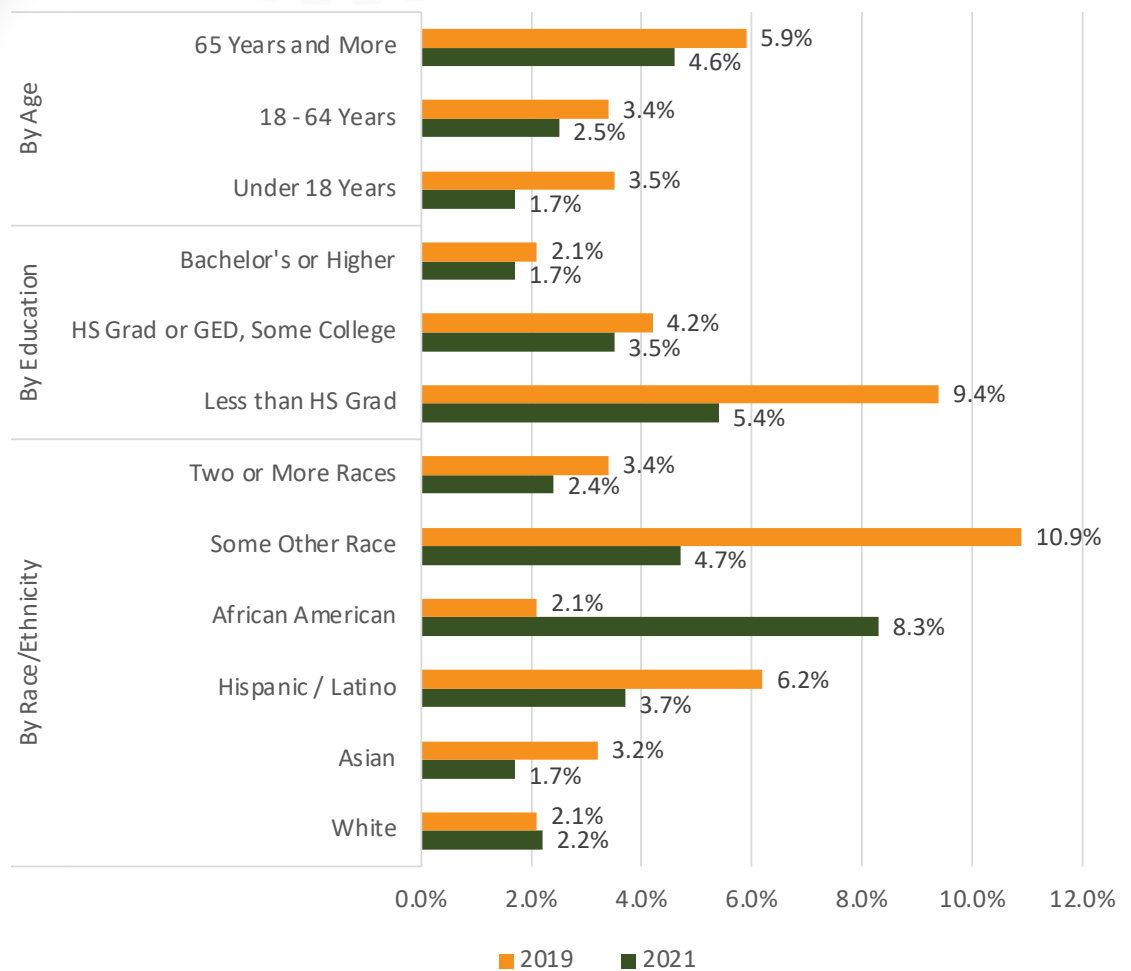## INTERNET SUBSCRIPTION ACCESS BY INCOME LEVEL BY COUNTY, 2021

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

Internet access has increased for all Orange County age groups since 2019, with the largest increases occurring in the under 18 and over 65 age groups. Furthermore, the percentage of households without an internet subscription where the head of household has less than a high school diploma also decreased, from 9.4 percent in 2019 to 5.4 percent in 2021.

This trend was unfortunately not true for all of Orange County's racial and ethnic groups. The percentage of African American households lacking internet access increased from 2.1 percent to 8.3 percent. While the percentage of 'some other race' households lacking internet access decreased from 10.9 percent to 4.7 percent, this figure remains higher than the county average. Racial disparities in internet access reflect the need for additional investment in this key piece of 21st century infrastructure that drives economic development.

PERCENTAGE OF HOUSEHOLDS WITHOUT INTERNET SUBSCRIPTION BY AGE, EDUCATION, AND ETHNICITY, 2019 AND 2021

Category	Group	2019	2021
By Age	65 Years and More	5.9%	4.6%
	18 - 64 Years	3.4%	2.5%
	Under 18 Years	3.5%	1.7%
By Education	Bachelor's or Higher	2.1%	1.7%
	HS Grad or GED, Some College	4.2%	3.5%
	Less than HS Grad	9.4%	5.4%
By Race/Ethnicity	Two or More Races	3.4%	2.4%
	Some Other Race	10.9%	4.7%
	African American	2.1%	8.3%
	Hispanic / Latino	6.2%	3.7%
	Asian	3.2%	1.7%
	White	2.1%	2.2%

■ 2019 ■ 2021

Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates; Data not available for Pacific Islander or Native American populations in Orange County. Data for 2020 not available due to COVID-19 related disruptions.