

ORANGE COUNTY
2022 | 2023 | **COMMUNITY INDICATORS**



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DEAR COMMUNITY PARTNER

Orange County Business Council, First 5 Orange County, Orange County United Way, CalOptima Health, and the Orange County Community Foundation are pleased to present the *2022–23 Orange County Community Indicators* report.

An informed indicator reveals a region’s performance, showing whether key areas are improving, declining, or maintaining. The indicators in this report track a comprehensive range of issues important to Orange County’s long-term stability and prosperity, highlighting areas where the county is performing well and making progress, as well as those areas where improvement is needed. We also compare Orange County to “peer” counties in California and across the nation based on shared characteristics. While this format has worked well since the first annual report was published in 2010, some adjustments have been made to address the impact of the COVID-19 pandemic.

This year’s report examines the almost overnight transformation of Orange County education at every level from kindergarten to graduate school, the consequences of high home prices, and more. The special feature section this year focuses on remote work trends and how its adoption affects employers and employee recruitment and retention.

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 *2022–23 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 are committed to a sustainable future for the nation’s sixth largest county.

Sincerely,



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PARKS**

President and CEO
*Orange County
United Way*



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ORANGE COUNTY PROFILE



PLACE/LAND USE

— 799 land area
(square miles)

— 42 miles of
coastline

— 3,967 persons per
square mile

— 34 cities and several large
unincorporated areas

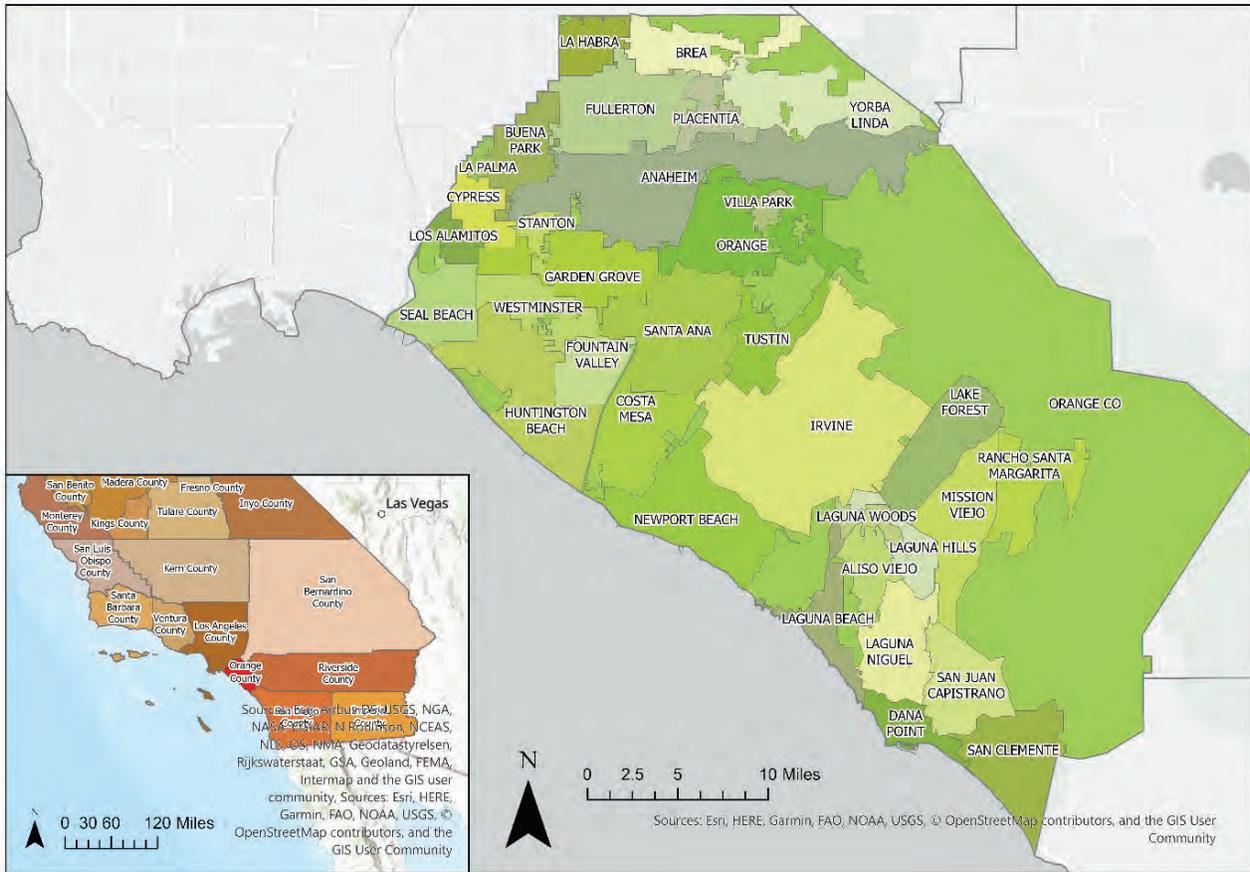
Orange County
has
8%
of California's population
but only
0.5%
of its land area.

Southern California, encompassing more than 42,000 square miles, 209 cities, and 22 million residents, has to a great extent recovered from the economic repercussions of the COVID-19 pandemic.

While Orange County remains the region's economic engine, it faces both old and new problems. Long before the pandemic, Southern California's high and rising cost of living priced many residents out of the region. This cost of living increase has been accelerated by the highest levels of inflation since 1981, not to mention skyrocketing prices at the pump. Many economists predict an economic slowdown in either late 2022 or early 2023, one that certain counties may be better able to weather than others.

While unemployment rates remain at near-record lows, some employers have instituted hiring freezes to prepare for a potential recession. With inflation continuing to wreak havoc on finances, serving to negate any wage or income growth enjoyed over the past several years, especially for low- and middle-income communities, local stakeholders and policymakers must understand all of these realities in order to best plan for the short- and long-term future.

SOUTHERN CALIFORNIA AND ORANGE COUNTY CITIES, 2022



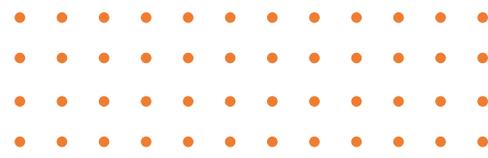
Orange County’s population declined from 3,169,542 in 2021 to 3,162,245 in 2022. This decline, which represents less than one percent of the county population, does reflect increasing outmigration due to the county’s increasing cost of living. While the COVID-19 pandemic has subsided in recent months, its impacts on global supply chains continue to be felt — impacts which have been exacerbated by the Russia-Ukraine war and continue to make everyday products and services more expensive. Moving forward, it is imperative the region undertakes innovative strategies to better attract and retain young workers and families or else it risks losing one of its primary competitive advantages — a skilled, well-educated workforce able to fill a broad range of technical and specialized occupations.

POPULATION DENSITY

Orange County has an average population density of 3,967 residents per square mile, 5.7 percent more than in 2010. Orange County is significantly denser than neighboring counties, as seen to the right.

COUNTY POPULATION PER SQUARE MILE, 2022	
COUNTY	POPULATION PER SQUARE MILE
Orange	3,967
Los Angeles	2,447
Riverside	336
San Bernardino	109
San Diego	834
California (Statewide)	251

Sources: California Department of Finance, Demographic Research Unit



PEOPLE/ DEMOGRAPHICS/ DIVERSITY

— 3,162,245 2022 Population

— 3,166,309 2060 Population

— 0.13% Percent Growth

POPULATION CONTINUES TO CHANGE

As previously mentioned, Orange County lost a net 7,000 residents between 2021 and 2022. Despite this loss, it remains California’s third largest county, after Los Angeles and San Diego, with a population larger than that of 18 states including Arkansas, Mississippi, and Kansas.

INCREASINGLY OLDER AND MORE DIVERSE

Orange County’s median age increased from 38.1 years in 2019 to 38.3 years in 2020. California’s median age was 36.7 years, while the national median age was 38.1 years. The numbers of Asian, Latino, and African American residents have all increased, by 31.3 percent, 7.3 percent, and 12.1 percent, respectively, while the number of White county residents has declined by 9.8 percent since 2010.

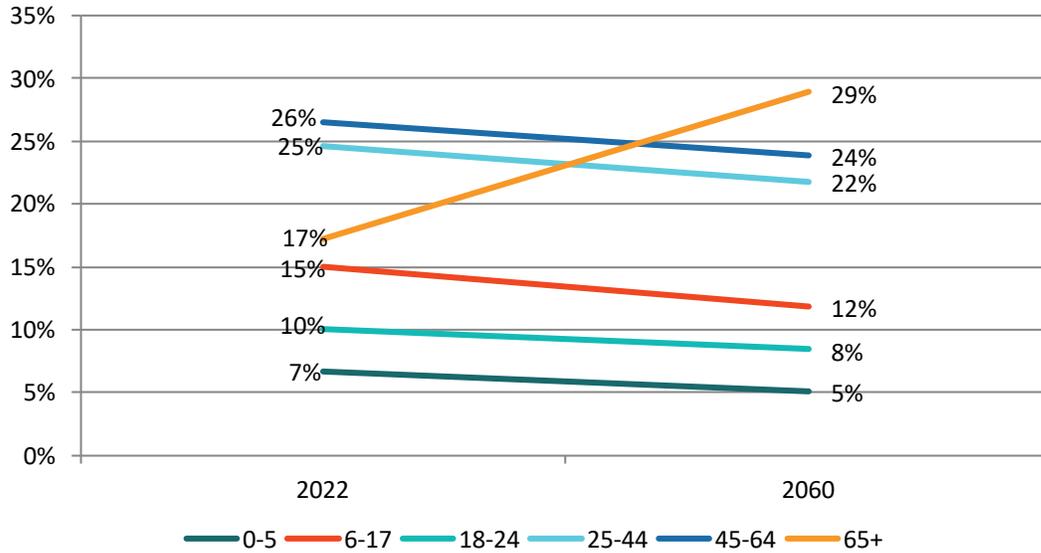
NATURAL INCREASE TRENDING DOWN IN ORANGE COUNTY

From 2020 to 2021, Orange County added an estimated 2,770 international immigrants while losing 30,251 residents to domestic migration for a total net migration of -27,481. Population growth from natural increase — births minus deaths — continues to decline, from 12,875 in 2019-2020 to 4,649 in 2020-2021. In the context of plummeting natural increase, Orange County must make concentrated efforts to better attract and retain young workers and professionals into the region. This will allow sustainable population growth, which in turn supports a strong, diverse labor force.

OLDER AGE GROUPS CONTINUE TO GROW

Older residents over the age of 65 are the only segment expected to see population growth from 2022 to 2060, growing from 17 percent of the population to 29 percent of the population by 2060.

PROJECTED CHANGE IN AGE GROUP PROPORTIONS OF TOTAL ORANGE COUNTY POPULATION, 2022 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

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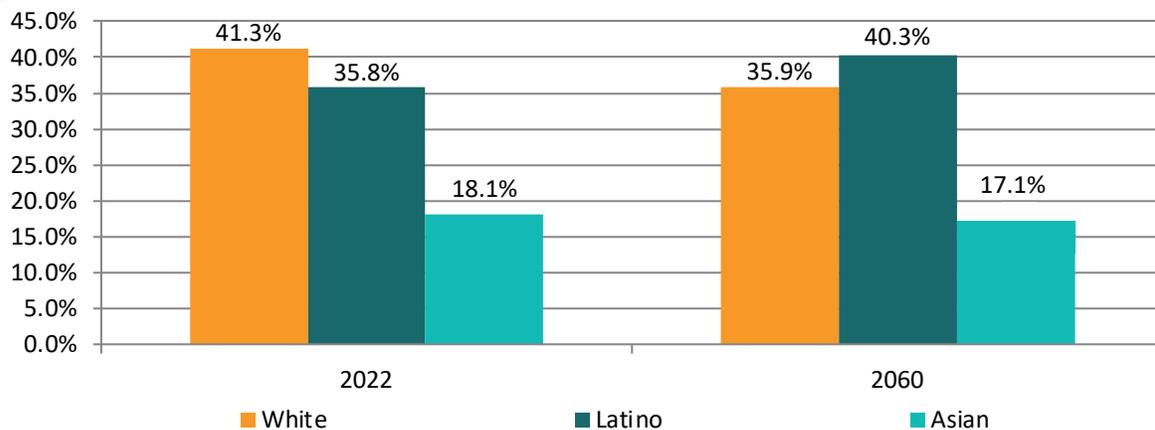
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DIVERSITY: ORANGE COUNTY'S DIVERSE COMMUNITIES ARE A KEY STRENGTH

As a proportion of the overall county population, Orange County's White and Asian communities are expected to decline by 5.4 percentage points and 1.0 percentage point, respectively, from 2022 to 2060. The proportion of Latino residents is expected to increase by 4.5 percentage points over the same time period.

WHITE AND ASIAN COMMUNITIES EXPECTED TO DECLINE IN NUMBERS OVER NEXT FEW DECADES

PROJECTED CHANGE BY RACIAL AND ETHNIC GROUPS AS PROPORTIONS OF THE TOTAL ORANGE COUNTY POPULATION, 2022 AND 2060



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% of county residents were born in other countries

45% of all residents over age five speak a language other than English at home

Orange County is home to approximately 939,029 foreign-born residents as of 2020, accounting for 2.1 percent of all foreign-born residents of the United States and 9.0 percent of foreign-born California residents.

ORANGE COUNTY FOREIGN-BORN POPULATION DECLINES SLIGHTLY

TOP 10 COUNTRIES OF ORIGIN	
COUNTRY	POPULATION IN ORANGE COUNTY
Mexico	308,008
Vietnam	150,880
China	69,897
Korea	65,332
Philippines	54,347
India	34,105
Iran	27,745
Taiwan	24,035
El Salvador	18,607
Canada	13,324

Source: U.S. Census Bureau, American Community Survey, 5-year Estimates

FOREIGN-BORN POPULATION METRICS BY SOUTHERN CALIFORNIA COUNTY		
COUNTY	FOREIGN-BORN POPULATION	% FOREIGN-BORN POPULATION
Los Angeles	3,386,618	33.7%
Orange	939,029	29.6%
San Diego	762,260	22.9%
Riverside	523,352	21.5%
San Bernardino	447,124	20.7%

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

ORANGE COUNTY CONTINUES TO OUTPERFORM REGIONAL PEERS

BY-THE-NUMBERS SNAPSHOT: ORANGE COUNTY CHARACTERISTICS COMPARED TO REGIONAL PEERS, 2022					
COUNTY	MEDIAN HOUSEHOLD INCOME	MEDIAN AGE	POVERTY LEVEL (%)	MEAN COMMUTE TIME (IN MINUTES)	FOREIGN-BORN POPULATION (%)
Orange	\$94,441	38.3	10.1%	28.0	29.6%
San Diego	\$82,426	36.1	10.9%	26.5	22.9%
Los Angeles	\$71,358	36.7	14.2%	31.7	33.7%
Riverside	\$70,732	35.8	12.5%	34.1	21.5%
San Bernardino	\$65,761	33.6	15.0%	32.3	20.7%
California (Statewide)	\$78,672	36.7	12.6%	29.8	26.6%

Source: U.S. Census Bureau, American Community Survey, 5-year Estimates

EDUCATION

ORANGE COUNTY IS HIGHLY EDUCATED

— **13.9%** of adults over age 25 have less than a high school diploma

— **41.2%** of adults over age 25 have a Bachelor's or higher

**ORANGE COUNTY EDUCATIONAL ATTAINMENT
COMPARED TO PEER REGIONS**

REGION	BACHELOR'S DEGREE OR HIGHER	PERCENT GRADUATE OR PROFESSIONAL DEGREE
Orange County	41.2%	14.9%
San Diego County	39.5%	15.3%
California	34.7%	13.1%
Los Angeles County	33.5%	11.7%
United States	32.9%	12.7%
Riverside County	23.2%	8.3%
San Bernardino County	21.4%	7.4%

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

ECONOMY/BUSINESS COMMUNITY/LABOR MARKET

ORANGE COUNTY'S ECONOMY DEMONSTRATING
RESILIENCE IN THE FACE OF UNCERTAINTY

UNEMPLOYMENT RATES STEADILY DECLINE INDICATING
A SUSTAINABLE RECOVERY

\$94,441 Median household income (2020)

\$1,265,000 Median existing single-family
home price (June 2022)

2.9% Unemployment rate (June 2022)

EMPLOYMENT

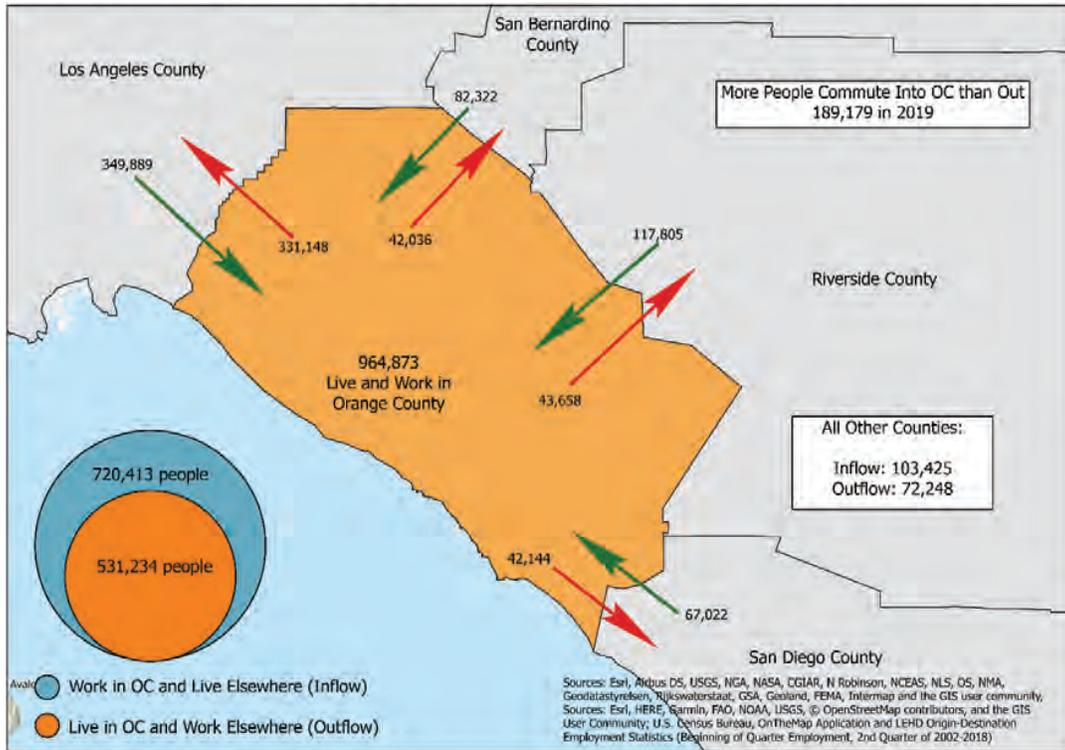
SOUTHERN CALIFORNIA UNEMPLOYMENT RATES
LOWER THAN NATIONAL AVERAGES

ORANGE COUNTY INCOME AND UNEMPLOYMENT RATE REGIONAL COMPARISON		
REGION	MEDIAN HOUSEHOLD INCOME	UNEMPLOYMENT RATE (JUNE 2022)
Orange	\$94,441	2.9%
Los Angeles	\$71,358	5.3%
Riverside	\$70,732	4.0%
San Bernardino	\$65,761	4.0%
San Diego	\$82,426	3.2%
California	\$78,672	4.0%
United States	\$64,994	3.8%

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates; California Employment
Development Department

NEARLY 190,000 MORE WORKERS COMMUTING INTO ORANGE COUNTY THAN OUT

INFLOW/OUTFLOW PATTERNS OF ORANGE COUNTY WORKERS AND RESIDENTS, 2019



Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics

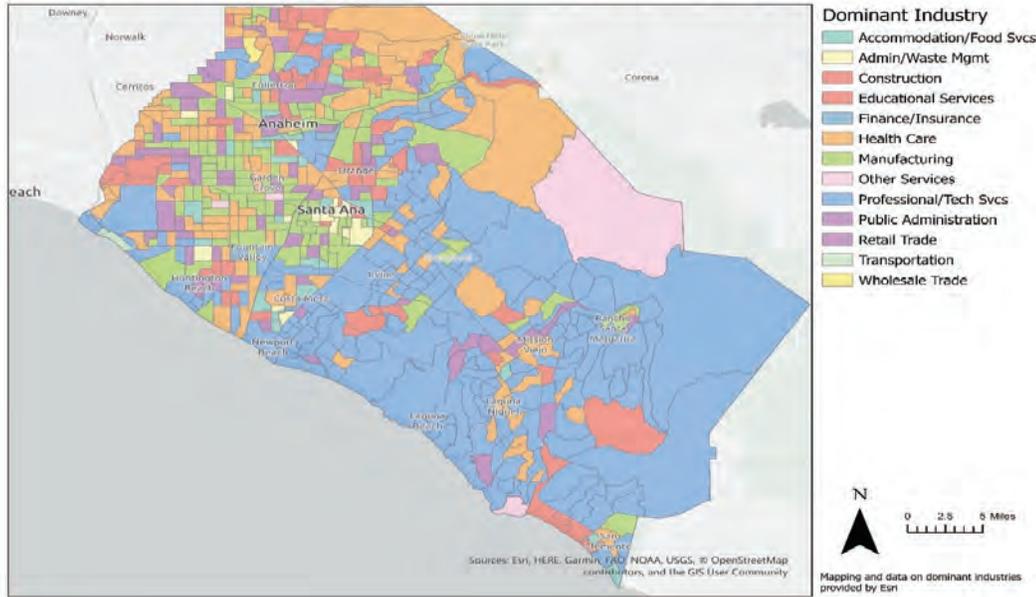
UC IRVINE OVERTAKES DISNEY AS LARGEST EMPLOYER IN 2022

LARGEST EMPLOYERS IN ORANGE COUNTY, 2022			
COMPANY	EMPLOYMENT IN ORANGE COUNTY	COMPANY	EMPLOYMENT IN ORANGE COUNTY
University of California, Irvine	26,182	Allied Universal	4,887
The Walt Disney Co.	25,000	Boeing Co.	4,880
County of Orange	18,139	Bank of America Corp.	4,800
Providence Southern California	13,079	Edwards Lifesciences Corp.	4,745
Kaiser Permanente	8,800	CHOC (Children's Hospital of Orange County)	4,558
Albertsons Southern California Division	7,853	Costco Wholesale Corp.	4,303
Hoag Memorial Hospital Presbyterian	7,051	Home Depot Inc.	4,300
Walmart Inc.	6,300	California State University, Fullerton	4,182
Target Corp.	6,000	LoanDepot Inc.	4,000
MemorialCare	5,490	Automobile Club of Southern California	3,700

Source: Orange County Business Journal, 2022 Book of Lists

NORTH ORANGE COUNTY SEES DIVERSE INDUSTRY BASE; SOUTH ORANGE COUNTY REMAINS FOCUSED ON PROFESSIONAL AND TECHNICAL SERVICES

DOMINANT INDUSTRY BY CENSUS TRACT IN ORANGE COUNTY, 2022



Orange County's diverse, specialized industry sectors provide a number of advantages, including an increased concentration of innovative businesses, high levels of collaboration, and above-average wages. The following tables highlight the county's most concentrated industries as measured by location quotients, which indicate how concentrated an industry is in a specific region compared to the national average. For instance, an industry with a location quotient of five means that it is five times more concentrated in that specific region than in the nation as a whole.

TOP ORANGE COUNTY INDUSTRIES BY LOCATION QUOTIENT, 2022

INDUSTRIES	LOCATION QUOTIENT	INDUSTRIES	LOCATION QUOTIENT
Dental Laboratories	9.97	Plumbing Fixture Fitting & Trim Manufacturing	6.54
Nonferrous Forging	9.43	Other Lighting Equipment Manufacturing	6.35
Other Apparel Knitting Mills	9.26	Family Planning Centers	5.85
Industrial Design Services	9.03	Electronic Connector Manufacturing	5.29
Computer Storage Device Manufacturing	8.77	Biomass Electric Power Generation	5.21
Electromedical and Electrotherapeutic Apparatus Manufacturing	8.70	Computer Terminal and Other Computer Peripheral Equipment Manufacturing	5.16
Amusement and Theme Parks	8.49	Bolt, Nut, Screw, Rivet, and Washer Manufacturing	4.95
Bare Printed Circuit Board Manufacturing	7.38	Audio and Video Equipment Manufacturing	4.91
Surgical & Medical Instrument Manufacturing	7.35	Ophthalmic Goods Manufacturing	4.82
Men's and Boys' Cut & Sew Apparel Manufacturing	6.93	Mortgage and Nonmortgage Loan Brokers	4.63
Dental Equipment & Supplies Manufacturing	6.71	Credit Bureaus	4.50
Fluid Power Pump & Motor Manufacturing	6.70	Software and Other Prerecorded Compact Disc, Tape, and Record Reproducing	4.43

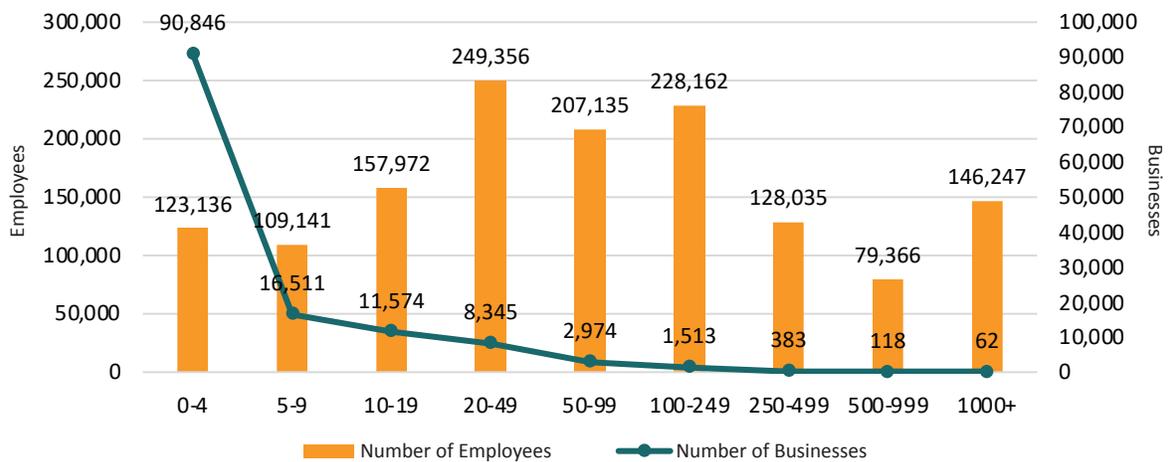
Source: Economic Modeling Specialists International

BUSINESSES OF ALL SIZES THRIVE IN ORANGE COUNTY

Small businesses employing less than 50 workers account for 96 percent of all Orange County businesses and employ approximately 44 percent of the county's workforce. Approximately 180 businesses in the region employ more than 500 workers, 12 more than the previous year, while 62 businesses employ more than 1,000 workers.

96%
of all OC businesses
are considered
small businesses

NUMBER OF BUSINESSES AND EMPLOYEES, BY SIZE OF BUSINESS, 2021



Source: California Employment Development Department, Size of Business Data 2021

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

OC GROSS REGIONAL PRODUCT INCREASES BY 5 PERCENT OVER THE PAST YEAR

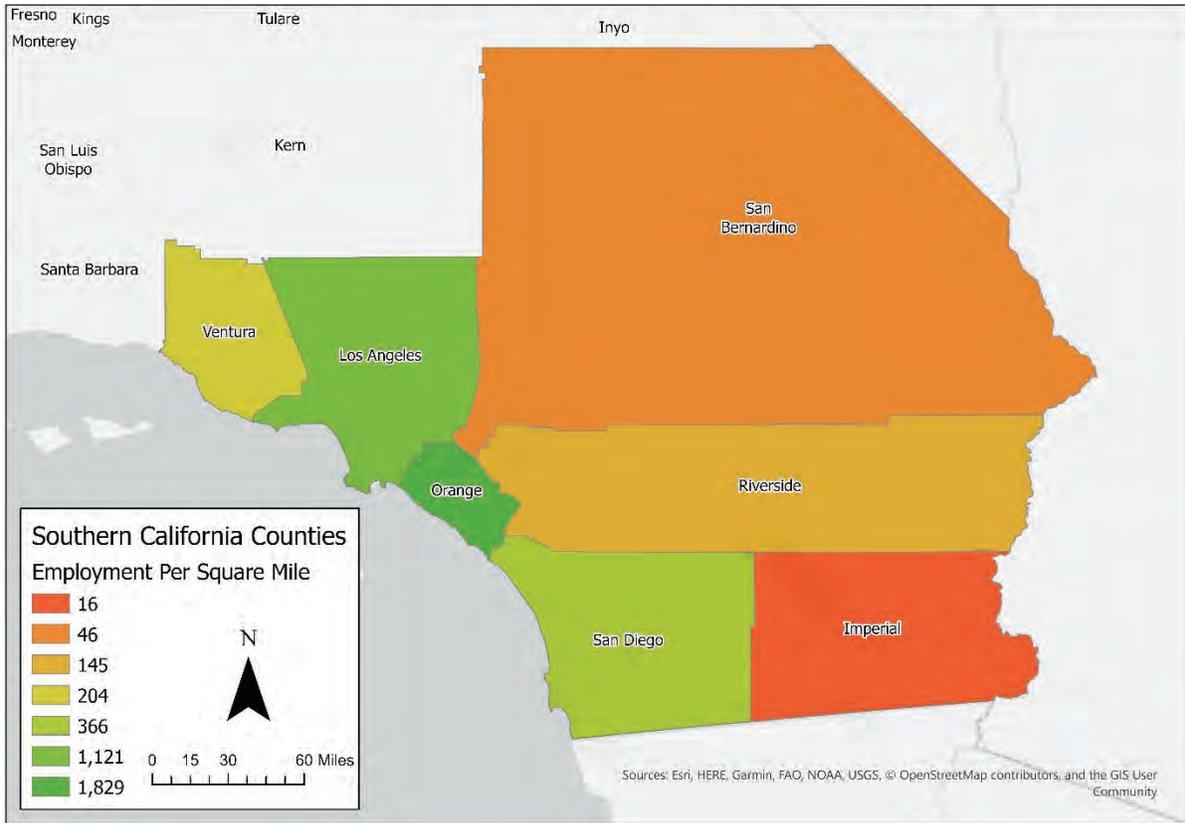
Orange County's gross regional product (GRP), a county-level equivalent of gross domestic product (GDP), increased from \$262 billion in 2020 to \$275 billion in 2021. The region's GRP remains larger than that of 27 states, including Oregon and Louisiana.

GROSS REGIONAL PRODUCT AND EMPLOYMENT COMPARISON BY SOUTHERN CALIFORNIA COUNTY, 2020

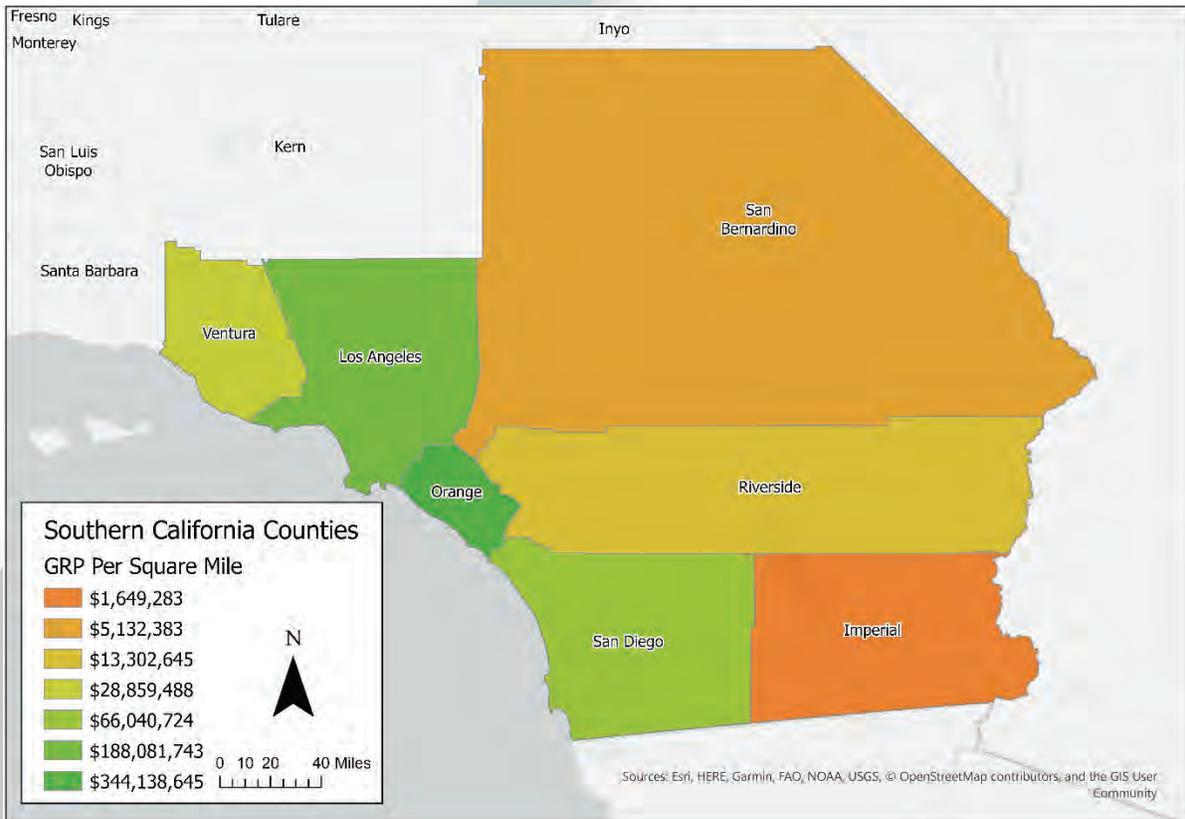
COUNTY	TOTAL POPULATION	TOTAL EMPLOYMENT	TOTAL REGIONAL PRODUCT (\$ IN B)	EMPLOYMENT PER CAPITA	GRP PER CAPITA	GRP PER SQUARE MILE	EMPLOYMENT PER SQUARE MILE
Orange	3,169,542	1,461,200	\$275	46%	\$86,753	\$344,138,645	1,829
San Diego	3,288,503	1,443,800	\$260	44%	\$79,164	\$66,040,724	366
Los Angeles	9,931,338	4,548,900	\$763	46%	\$76,851	\$188,081,743	1,121
San Bernardino	2,182,343	915,100	\$103	42%	\$47,170	\$5,132,383	46
Riverside	2,424,587	1,046,700	\$96	43%	\$39,536	\$13,302,645	145

Source: Economic Modeling Specialists International; California Department of Finance, California Employment Development Department

EMPLOYMENT PER SQUARE MILE BY SOUTHERN CALIFORNIA COUNTY, 2022



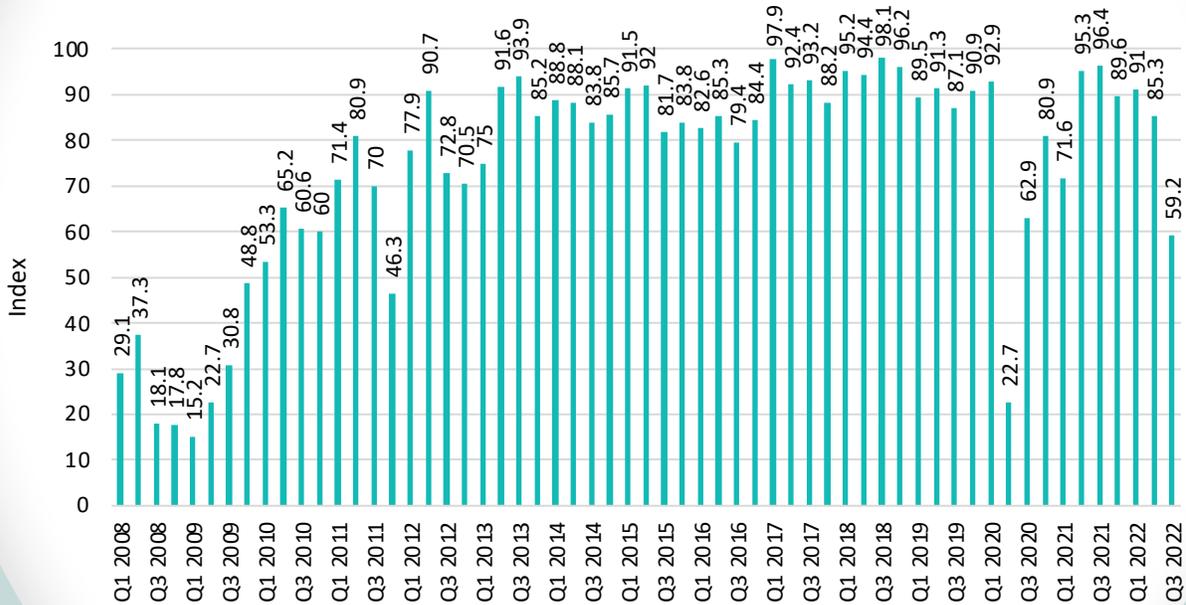
GROSS REGIONAL PRODUCT (GRP) PER SQUARE MILE BY SOUTHERN CALIFORNIA COUNTY, 2022



OC BUSINESS EXPECTATIONS INDEX FALLS DRAMATICALLY IN Q3 2022

Despite recovering significantly in 2021, California State University, Fullerton’s Orange County Business Expectations Index (OCBX) experienced a significant drop in Q3 2022, falling to 59.2 from 85.3 in Q2 2022. The main causes for this decline include expectations of reduced economic activity or even recession due to continued high levels of inflation, rising interest rates, and the Russia-Ukraine war.

ORANGE COUNTY BUSINESS EXPECTATIONS INDEX, Q1 2008 – Q3 2022



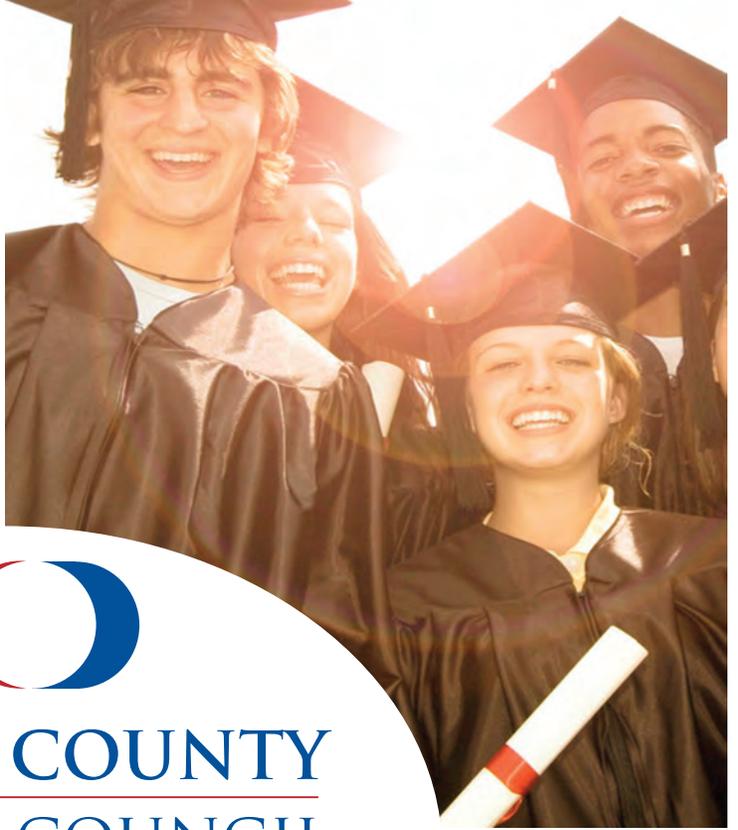
An index above 50 indicates expansion

Source: California State University, Fullerton

ECONOMIC DEVELOPMENT



WORKFORCE DEVELOPMENT



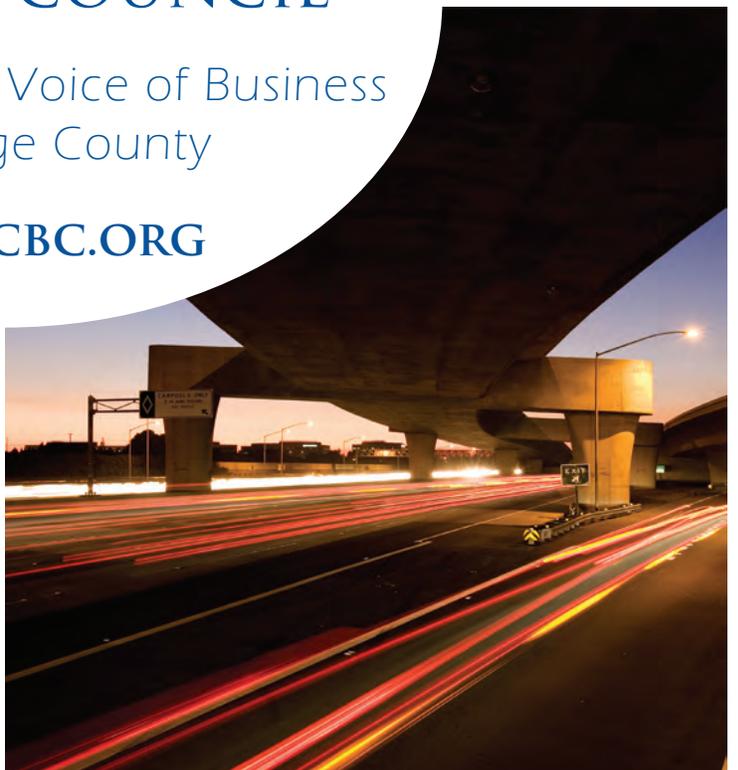
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WORKFORCE HOUSING



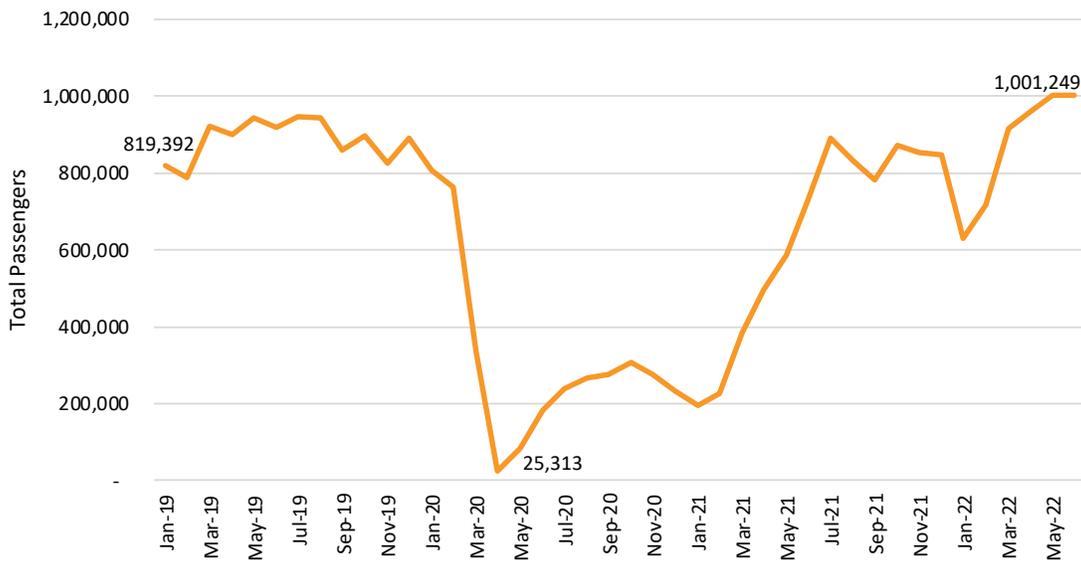
INFRASTRUCTURE

TRAVEL AND TOURISM

MONTHLY PASSENGERS AT JWA SURPASS 1,000,000

John Wayne Airport’s monthly passenger traffic has completely recovered from its sharp pandemic decline, as seen in the chart below. Total monthly passenger traffic reached 1,001,249 as of June 2022, well above pre-pandemic totals. While the cost of air travel has increased, largely due to the cost of fuel jumping due to the Russia-Ukraine war, pent-up demand from the pandemic years continues to fuel airline traffic.

TOTAL MONTHLY PASSENGERS SERVED AT JOHN WAYNE AIRPORT, JANUARY 2019 – JUNE 2022

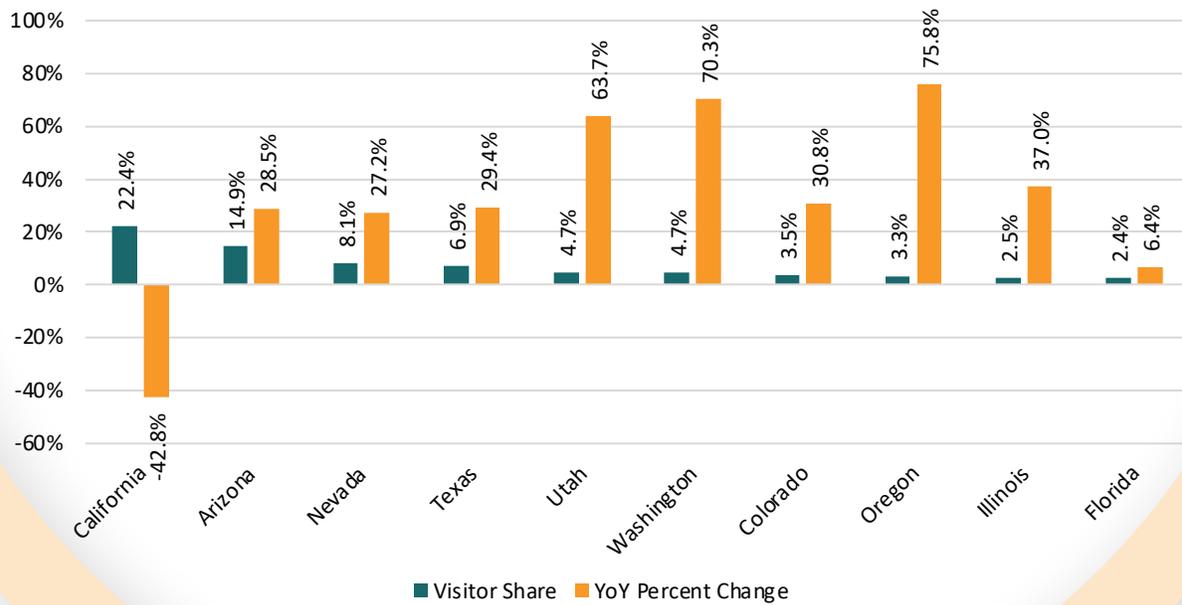


Source: OCair.com

In Q1 2022, approximately 22.4 percent of visitors to Orange County came from within California, followed by Arizona (14.9 percent) and Nevada (8.1 percent). The number of in-state visitors declined by 42.8 percent over the past year while the number of visitors from Arizona and Nevada increased by 28.5 percent and 27.2 percent, respectively. The largest increase came from Oregon; total Oregonian visitors to Orange County increased by 75.8 percent over the past year.

The majority of visitors from in-state in Q1 2022 came from San Francisco (26.5 percent), followed by Sacramento (19.7 percent) and San Diego (13.0 percent). San Francisco, Sacramento, and Chico-Redding saw the largest increase in visitors to Orange County (28.4 percent, 24.9 percent, and 20.7 percent, respectively). Of out-of-state visitors, 16.6 percent came from Phoenix, AZ, more than any other city, followed by Las Vegas, NV (8.5 percent) and Salt Lake City, UT (6.1 percent). The largest increase over the past year in visitors from out-of-state regions included Portland, OR (52.6 percent), Seattle-Tacoma, WA (36.8 percent), and Salt Lake City, UT (26.7 percent).

ORANGE COUNTY VISITOR SHARE BY STATE AND YEAR-OVER-YEAR CHANGE, Q1 2022



Source: VisitCalifornia.com, Domestic Visitor Profiles, Q1 2022

ORANGE COUNTY VISITORS SHARE AND YEAR-OVER-YEAR CHANGE BY METRO REGIONS, Q1 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	26.5%	28.4%	Phoenix, AZ	16.6%	1.2%
Sacramento, CA	19.7%	24.9%	Las Vegas, NV	8.5%	-8.1%
San Diego, CA	13.0%	-24.0%	Salt Lake City, UT	6.1%	26.7%
Los Angeles, CA	11.8%	-20.7%	Seattle-Tacoma, WA	4.7%	36.8%
Fresno-Visalia, CA	10.0%	7.9%	Denver, CO	3.7%	4.2%
Bakersfield, CA	5.9%	-25.8%	Portland, OR	3.3%	52.6%
Santa Barbara, CA	4.8%	-5.4%	Dallas-Ft. Worth, TX	3.2%	2.3%
Palm Springs, CA	3.9%	-28.4%	Chicago, IL	2.7%	6.9%
Monterey-Salinas, CA	2.3%	11.4%	New York, NY	2.6%	-1.8%
Chico-Redding, CA	1.6%	20.7%	Houston, TX	2.3%	10.2%

Source: VisitCalifornia.com, Domestic Visitor Profiles, Q1 2022

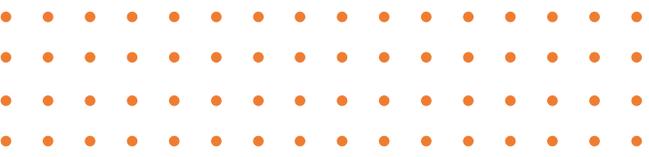
QUALITY OF LIFE

ORANGE COUNTY SEES SMALL BUMP IN CRIME INDEX

VIOLENT AND PROPERTY CRIME RATES IN SOUTHERN CALIFORNIA

ORANGE COUNTY CRIME INDEX REMAINS WELL BELOW STATE AND NATIONAL LEVELS

Despite its Total Crime Index increasing from 82 to 85 over the past year, Orange County still had the second lowest Crime Index when compared to neighboring and regional peers; its score remains well below the national average of 100. Orange County's Personal Crime Index increased from 52 to 61 but remains lower than that of any of its peers and neighbors.



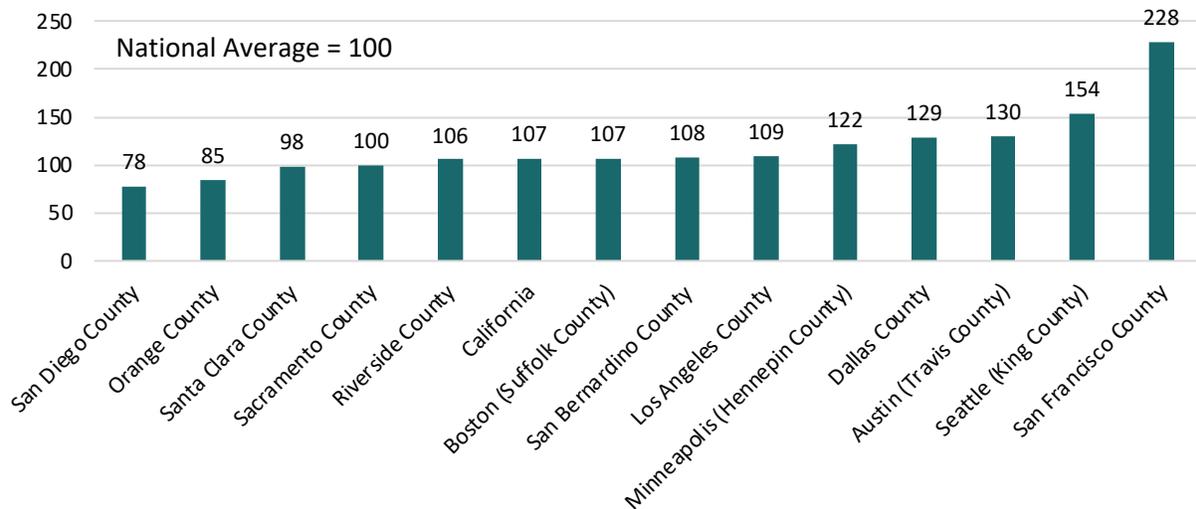
ORANGE COUNTY AND REGIONAL CRIME INDEXES, 2022			
REGION	TOTAL CRIME INDEX	ASSAULT CRIME INDEX	PROPERTY CRIME INDEX
San Diego County	78	84	77
Orange County	85	61	89
Santa Clara County	98	77	101
Sacramento County	100	112	98
Riverside County	106	88	109
California	107	113	106
Boston (Suffolk County)	107	175	96
San Bernardino County	108	130	105
Los Angeles County	109	136	104
Minneapolis (Hennepin County)	122	109	124
Dallas County	129	132	129
Austin (Travis County)	130	94	137
Seattle (King County)	154	88	165
San Francisco County	228	177	237

Source: Esri Crime Index Data

NOTE

An index value of 100 represents the national average.

CRIME INDEX COUNTY COMPARISON, 2022



Source: Esri Crime Index Data

WalletHub ranked Irvine as the third best city in which to raise a family due to its strong scores in Health & Safety (2nd) and Childcare (3rd). Thanks to its master-planned communities and thriving business centers, Irvine attracts diverse groups of well-educated residents and families — as well as businesses from innovative entrepreneurs to Fortune 500 companies. Huntington Beach, Garden Grove, Anaheim, and Santa Ana all fell down the rankings despite seeing improvements in their Socio-economic scores, which measures two-parent families, separation rates, poverty, unemployment, food stamps, underemployment, debt, wealth gaps, and foreclosure rates.

WALLETHUB'S BEST PLACES TO RAISE A FAMILY – ORANGE COUNTY CITIES AND SCORES, 2022

RANK	CITY	TOTAL SCORE	FAMILY FUN	HEALTH & SAFETY	EDUCATION & CHILD CARE	AFFORDABILITY	SOCIO-ECONOMICS
3	Irvine, CA	68.43	20	2	3	59	4
15	Huntington Beach, CA	62.41	76	29	5	99	6
55	Garden Grove, CA	55.36	34	24	14	170	26
99	Anaheim, CA	50.25	32	38	91	174	39
137	Santa Ana, CA	46.66	92	37	84	180	42

Source: WalletHub

Data Notes: The racial and ethnic categories presented are meant to represent the three single largest ethnic and racial groups in Orange County. This includes Hispanic or Latino individuals only, the Asian individuals alone (Not Hispanic or Latino), and White individuals alone (Not Hispanic or Latino).

Sources:

Place, Land Area: County of Orange Public Works Density: U.S. Census Bureau, GHT-PH1-R: Population, Housing Units, Area, and Density, Census 2010 (land area) and State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2022. Sacramento, California, May 2022.

People: 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; 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.

Foreign Born, Language: U.S. Census Bureau, 2020 American Community Survey, 5-Year Estimates, Table DP02; Education – Educational Attainment: U.S. Census Bureau, 2020 American Community Survey, 5-Year Estimates, Table S1501 Economy – Median Household Income: U.S. Census Bureau, 2020 American Community Survey, 5-Year Estimates, Table B19013; State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2022. Sacramento, California, May 2022; Unemployment Rate: California Employment Development Department Labor Market Information, June 2022; Median Existing Single-Family Home Price: California Association of Realtors, Current Sales and Price Statistics.

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California Community College students pay the lowest fees in the nation and credits are fully transferable to all public, 4-year universities in California. By staying local, your student can save money, and be job-ready in two years or less!

Career Education programs...

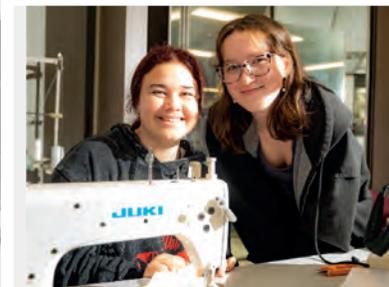
- Provide practical and professional skills training in high-demand fields!
- Are designed to lead directly to high-paying careers!
- Can be completed in two years or less!

Great Support Systems

From financial aid and scholarships to career counseling and internship opportunities, Orange County's community colleges are committed to making your child's journey a success.

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In Orange County, many first-time college students are eligible for two years of free tuition, textbooks, and more! That's right, it is possible to attend college for zero dollars! Find out more about California's Promise Program.



OC career education students are succeeding in careers like these...

AND SO CAN YOU!

Average Salary

Biological Technicians	\$36,999 - \$59,432
Architectural Drafters	\$55,430 - \$78,616
Commercial Pilots	\$79,495 - \$191,826
Fabric Patternmakers	\$33,098 - \$85,140

Source: Orange County Center of Excellence

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SPECIAL FEATURE



REMOTE WORK – TRENDS AND IMPLICATIONS

INTRODUCTION

“Remote work clearly reduces socialization and collaboration; companies are struggling to identify the optimal model for their organizations and workforces. But despite its flaws, remote work has helped make labor markets more competitive and empowered workers.”

— Christos A. Makridis and Adam Ozimek, “Remoting,” *City Journal*

Multiple commentators have described the past two and a half years as a massive, forced experiment in remote work — almost overnight, COVID-19 replaced cubicles with improvised home offices, conferences with Zoom meetings, and office banter with helping children get ready for online classes.

Without discounting the challenges and complications of working at home during a pandemic, it is important to note that this experiment was a major success for millions of people. McKinsey’s third American Opportunity Survey found that, as of spring 2022, **58 percent** of American workers had the option of working from home at least once per week, and **87 percent** of them took this option. Extrapolating their survey results to the entire U.S. workforce, McKinsey estimates that 80 million Americans are currently working remotely at least part of the time. As Derek Thompson writes in *The Atlantic*, “remote work seems fully entrenched in American life.”

Indeed, a July 8th Bureau of Labor Statistics report found that only 7.1 percent of Americans were working remotely due to the pandemic in June; in other words, the vast majority were doing so by choice.

Other surveys have found that remote workers report significant benefits. Pew’s February 2022 study *COVID-19 Pandemic Continues to Reshape Work in America*, for instance, found that 61 percent of U.S. remote workers did so by choice in February 2022, compared to only 36 percent in October 2020. Approximately 64 percent of surveyed remote workers reported that remote work made it easier to maintain a healthier work-life balance, with 78 percent reporting that they would like to continue remote work after the pandemic ends. Only 10 percent reported that remote work lowered productivity, compared to the 44 percent who reported that it increased productivity.

Of course, remote work has created challenges as well. For instance, 60 percent of remote workers surveyed by Pew mentioned feeling disconnected from their coworkers, potentially impacting performance and collaborative efforts. Just as important, many remote workers have had to balance computer time and internet bandwidth with family members or roommates also working remotely, or children or younger siblings taking online classes. The pandemic years have underscored the critical importance of broadband and high-speed internet access as key business, academic, and civic infrastructure. Additionally, the shift to remote work has necessitated new organizational processes which can impact how connected workers, especially new employees, are to their company culture, image, or brand.

Writing in *The Atlantic*, Thompson notes the particular challenges of remote work for new hires:

“First, remote work is worse for new workers. Many inexperienced employees joining a virtual company realize that they haven’t joined much of a company at all. They’ve logged into a virtual room that calls itself a company but is basically a group chat. It’s hard to promote a wholesome company culture in normal times, and harder still to do so one misunderstood group Slack message and problematic fire emoji at a time.”

Thompson proposes a new managerial role for the post-COVID labor market, the ‘Synchronizer’ who can effectively manage remote workers who may be in different time zones. He is not alone in stressing the new challenges that remote work presents for managers; in a recent article, “How to Lead in a Hybrid Environment,” McKinsey authors Sandra Scharf and Kirsten Weerda argue that

“Leaders face an atmosphere of ambiguity while managing in a hybrid environment. They have limited visibility into workloads and processes. They have fewer opportunities for impromptu two-way conversations. They fight the feeling of losing control as they track progress toward goals. They struggle to recreate the cohesiveness, collaboration, and comradery of the office as they encourage the freedom and flexibility of remote work.”

The Synchronizer, which would have been a projected “job of the future” a few years ago, is a perfect symbol of the current transitional situation. Not exactly a radical departure from the pre-pandemic old normal (Thompson himself refers to the synchronizer as a kind of middle manager), the Synchronizer represents an adaptation, a change of gears rather than a change of vehicles, an application of tested managerial skills to new challenges.

This special feature analyzes some of remote work’s most important trends, impacts, and implications, especially differential impacts on workplaces in different industries and settings. This section will take a broader view, taking into account challenges that policymakers and the county as a whole may face.



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CHANGING EMPLOYEE PREFERENCES

76% of survey respondents predicted that working remotely after the pandemic would make them happier

78% describe virtual meetings as less stressful than in-person meetings

83% say that their productivity has improved or stayed the same while working remotely

74% report that remote work has improved their mental health

While “getting back to the office” became a catchphrase last year, poll after poll shows that a majority of American workers do not want to return to the pre-pandemic normal. According to Owl Labs’ *State of Remote Work 2021 Report*, for instance, 70 percent of surveyed workers would like to continue working remotely after the end of the pandemic.

Important to note is that the decision between remote and in-person work is not necessarily an either/or decision. A recent McKinsey article used the phrase “flexible work” instead of “remote work”; while 35 percent of surveyed remote/flexible workers reported working remotely for the entire workweek, a larger number (57 percent) reported working remotely between one and four days per week. The average remote worker surveyed by McKinsey worked remotely 3.3 days per week, meaning that they also worked in-person at the workplace part of the time.

As remote work took hold in the depths of the pandemic, businesses began to re-examine their needs for physical office space — especially in high-priced markets and metro areas. According to Owl Labs, more than 20 percent of employers downsized their physical spaces in 2020 or 2021. The national office vacancy rate increased from 9.7 percent to 12.2 percent from the end of 2019 to end of 2021 with Green Street Advisors, an independent commercial real estate research and advisory firm, estimating that hybrid work will cause a 15 percent drop in demand for office space as more businesses adopt flexible work schedules due to employee demand.¹ Additionally, an estimated 243 million square feet worth of leases are set to expire in 2022, representing nearly 11 percent of the nation’s total leased office space; indicating potentially more office space could go unfilled later this year. As indicated by Jeffery Peck, Vice Chairman at Savills, “I don’t think the landlords have felt the pain yet....Now they’re going to start feeling the pain.”² Despite these significant trends, others feel remote or hybrid work will likely only reduce long-term office space demand by one or two percent. The authors of an October 2021 *Harvard Business Review* survey analyzing these results propose three main reasons why remote work has not slashed brick-and-mortar office space demand.

¹ <https://www.greenstreet.com/insights/blog/global-office-the-long-shadow-of-covid#:~:text=As%20a%20result%2C%20Green%20Street,accelerated%20WFH%20in%20early%202020.>

² <https://www.wsj.com/articles/record-high-office-lease-expirations-pose-new-threat-to-landlords-and-banks-11649764801>

1. As discussed by McKinsey, only a small minority of workers want to completely switch to remote work and never visit the office. Instead, most prefer a flexible, hybrid schedule. *Harvard Business Review* predicts the increasing acceptance of working from home on Mondays and Fridays and in the office during the rest of the workweek. In this scenario, employers would not be able to dramatically reduce their physical footprint.
2. A combination of shifting employee preferences and lingering fears of infection have fueled demand for lower-density workplaces. In the words of the *Harvard Business Review* writers, “tightly packed cubicles are out.”
3. Due to increased competition from remote work, “employers are reshaping offices to become more inviting social spaces that encourage face-to-face collaboration, creativity, and serendipitous interactions.”

On top of the shift in office leasing behaviors and trends, commercial real estate sales have also been impacted by the COVID-19 pandemic. In order to match the shifting consumer preferences, real estate investors focused on purchasing warehouses and fulfillment centers to capitalize on continuously increasing e-commerce sales; apartment buildings to capture record high rents across many markets; as well as resorts and vacation hotels to benefit from the turnaround in the tourism industry. In the words of a recent *Wall Street Journal* article, “the surge in activity reflects investors’ views that work and lifestyle changes brought on by COVID-19 aren’t fleeting. They are wagering hundreds of billions of dollars on that belief.”³

THE BIGGER PICTURE

The remote work revolution has impacts beyond the employer-employee relationship. “Big cities,” Makridis and Ozimek write,

“...must realistically assess the value they provide residents. Over recent decades, superstar cities have benefited greatly from technological and economic conditions that fostered a dense population of knowledge workers. But remote work enables highly skilled people to work at profitable companies in specialized roles without having to pay the high housing costs or embark on the lengthy commutes that characterize many cities.”

Airbnb CEO Brian Chesky made a similar comment to *Bloomberg* earlier this year. “The most talented people aren’t in San Francisco anymore,” he argued, “and they’re not here in New York...that if you limit your talent pool to community radius, you’re probably at a disadvantage.”

This has obvious ramifications for Orange County. While not quite as expensive as, say, Silicon Valley, Orange County is one of the nation’s most expensive places to live. As mentioned elsewhere in this report, the median existing Orange County home price reached \$1.295 million in May 2022, more than \$400,000 over the state average. Only 28 percent of new Orange County homebuyers can afford an entry-level home in 2022, compared to 39 percent in Los Angeles County, 49 percent in Riverside County, 59 percent in San Bernardino County, and 66 percent in the United States as a whole.

³ <https://www.wsj.com/articles/covid-19-fuels-best-ever-commercial-real-estate-sales-11643115601>

How will long-term remote work affect Orange County's home prices? Now that many lucrative white collar jobs can be performed at home, which could potentially be anywhere, how can expensive economic hotspots like Orange County continue to attract new residents?

Orange County might be in a better position compared to tech hubs such as Silicon Valley because some of its most important industries create jobs that cannot be performed remotely from any location. A software engineer or marketing manager could work from home, but a Disneyland cast member certainly could not. Some key Orange County industries have relatively low remote work adoption rates, according to Ladders' *Q1 2022 Quarterly Remote Work Report*:

- Hospitals & Medical Centers (9.0 percent)
- Real Estate & Construction (11.0 percent)
- Energy & Utilities (11.9 percent)

Similarly, some of Orange County's most in-demand occupations have relatively low remote work adoption rates. As mentioned elsewhere in this report, Orange County's most in-demand occupation is Registered Nurse, which has a remote work adoption rate of 3.27 percent as of Q1 2022. Orange County had 17,617 job postings for Retail Salespersons between March 2021 and March 2022; the Retail & Consumer Goods industry had a remote work adoption rate of 15.86 percent in Q1 2022. However, it is equally important to note that many of the county's most in-demand occupations can be and are performed at home. Software Developers, Orange County's second most in-demand job, had a remote work adoption rate of 33.44 percent in Q1 2022.

Another advantage is that Orange County's strong job market is only one factor in the tremendous demand to live here. Orange County is a world-famous tourist destination renowned for its beaches, sunny weather, luxury retail centers, and overall high quality of life. In other words, the county's strong housing market is likely less dependent on the county's status as a jobs hotspot than is the case for many other peer regions.

A 2018 World Economic Forum study found that job opportunities are not always the primary motivations for relocating to a new city:

"...when deciding in which city to live and work, people rank human factors as the most important. They rate life satisfaction as two times more important than employers realize...when deciding on a neighborhood, people place equal importance on all four pillars and care about proximity to supermarkets, banks, public transportation, schools, and healthcare."

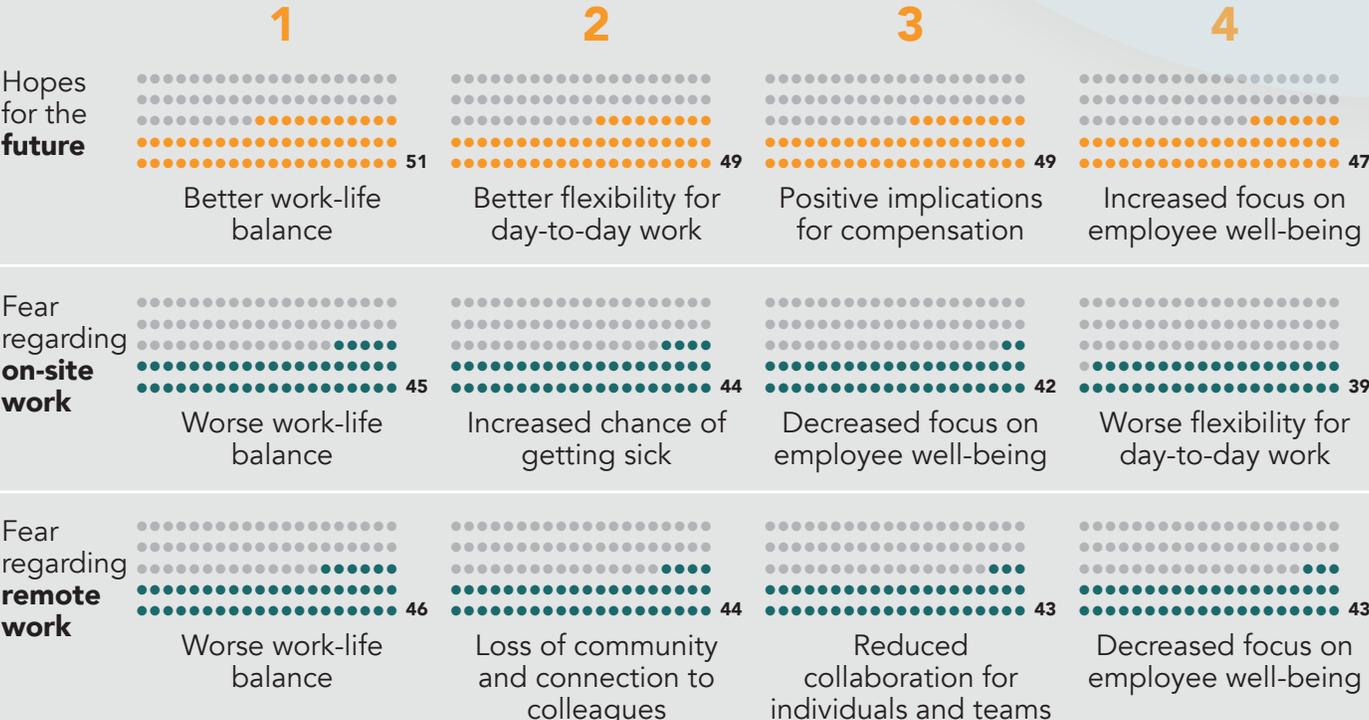
While Orange County's high priced housing market may push some remote workers out of the area, the region's high quality of life and significant amenities are likely to offset some of these losses. With work-life balances becoming increasingly important to workers across the nation, regions with exceptional qualities of life and public amenities are likely to see an increasing number of remote workers moving in.

According to a recent Pew Research Center report, 76 percent of remote workers cite a better work-life balance and increased productivity as their primary reason for working remotely.⁴ This improved work-life balance enables workers to trade long commutes for more leisure time with family or other recreational pursuits while also helping to save money by reducing transportation costs and even some childcare costs, thereby increasing the overall quality of life. Quality of life can be measured through a number of economic and social metrics including access to labor markets, industry clusters, affordability, safety, health, public transportation, and local amenities ranging from tourist attractions to museums and other recreational activities.

During the recovery from the Great Recession, strong labor markets with above-average wages attracted residents. In recent years, however, the cost of living in these metro areas has outpaced wage growth; and, furthermore, this influx of new residents often lowered quality of life through traffic congestion and other issues. With remote work beginning to separate jobs and workplaces, quality of life may become a key driver, if not the key driver, of relocation. According to a recent McKinsey study, for instance, an improved work-life balance is the primary reason for switching to remote work, much more so than fears of COVID-19 infection.⁵ It should be noted that this study also revealed that on-site workers fear a reduction in community and collaboration between colleagues — an unintended consequence of workers not spending full working days together.

EMPLOYEE HOPES AND FEARS FOR THE FUTURE REFLECT A FOCUS ON FLEXIBILITY, WELL-BEING, AND COMPENSATION

Employees' top 4 hopes and fears, % survey participants



Source: Reimagine Work: Employee Survey (Dec 2020-Jan 2021, n=5,043 full-time employees who work in corporate or government settings)

⁴ <https://www.pewresearch.org/social-trends/2022/02/16/covid-19-pandemic-continues-to-reshape-work-in-america/>

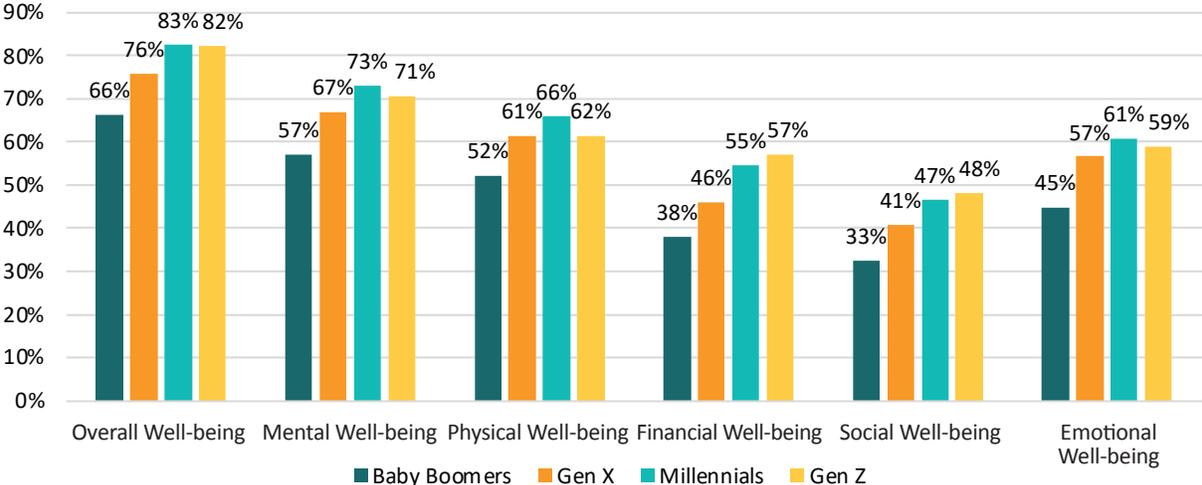
⁵ <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/what-employees-are-saying-about-the-future-of-remote-work>

With the increase in mobility provided by remote work and quality of life being increasingly important to these workers, geographic regions with higher qualities of life are likely to attract more remote workers. This increase in demand to work from home can be exemplified by LinkedIn, whose analysis revealed an almost three-fold increase in the rate of remote work application activity from August 2020 to August 2021, where applications for remote work opportunities increased from 9.8 percent to 30.2 percent.⁶ With an increasing number of workers seeking out remote work opportunities and work-life balance or an improvement in quality of life listed as the primary driving factor, remote workers are likely to seek out geographic regions or cities which provide a higher quality of life.

Educators must also adjust to the post-pandemic remote work world. In the short- and medium-term, educators from kindergarten to graduate school had a trial by fire in 2020, as the pandemic forced them to immediately and almost completely transform from in-person to virtual education. The skills developed through these experiences will help a long-term — as opposed to ad hoc and emergency-driven — transition to hybrid models. In the long-term, educators must prepare their students for a hybrid workplace that may involve very different skillsets compared to the pre-COVID workplace. Cybersecurity provides one obvious example — the world of remote and hybrid work creates more cybersecurity vulnerabilities than ever before, thus creating an increased demand for cybersecurity workers that educators must address.

Finally, the rise of remote work has underscored generational differences. The *Cisco Global Hybrid Work Study 2022* includes a survey of remote workers on how remote work has impacted their well-being in a number of areas. The survey found that, while all generations report significant remote work benefits, these benefits tend to be more significant for the two youngest generations. Interestingly, improved well-being does not directly or perfectly coordinate with youth; Millennials are more likely than members of Gen Z to report improved overall physical, financial, and emotional well-being due to remote work.

PERCENT OF GENERATIONS WHICH SAW AN IMPROVEMENT IN WELL-BEING DUE TO HYBRID WORK



Source: Cisco Global Hybrid Work Study 2022

⁶ <https://www.linkedin.com/pulse/americas-new-remote-work-havens-20-cities-pursue-faraway-anders/>

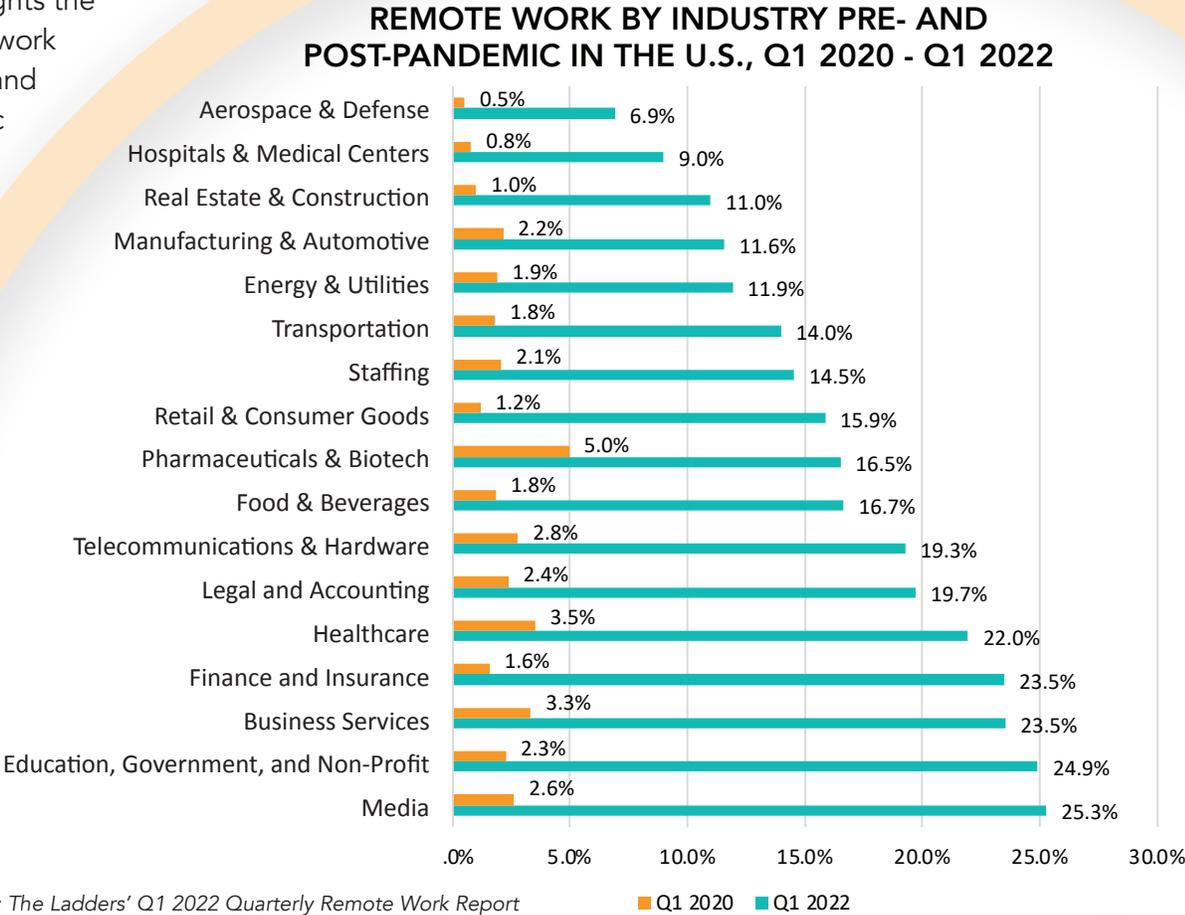
As younger generations move to fill now open positions and older generations retire, perhaps taking in-person work preferences with them, new organizational structures and hierarchies are likely to form as businesses look to streamline employee schedules and organizational processes. Thus, productivity — which has already increased due to initial work from home policies — is likely to continue to increase as processes, strategies, and technologies are more refined to better reflect the evolving work culture.

To sum up, the job and commercial real estate market is in a period of transition between the forced remote work of COVID-19 lockdowns and a flexible future that can hopefully combine some of the best aspects of remote and in-person work. In the words of a recent McKinsey article, "Returning to the Office Can be a Choice, Not a Challenge," this shift has already "introduced more complexity to workplace choices. The questions of when, where, and how to work now have more dimension than we ever imagined."

VARYING IMPLICATIONS FOR WORKPLACES DEPENDS ON INDUSTRY

The remote work revolution has had uneven impacts across the economy. There are obviously a number of jobs that simply cannot be performed remotely, such as construction workers, truck drivers, heavy machine operators, surgeons, nurses, and farmers. In general, the ability to remote work positively correlates with both higher income and higher educational attainment, which meant that already disadvantaged individuals saw a disproportionate amount of disruption from COVID-19 lockdowns and shutdowns.

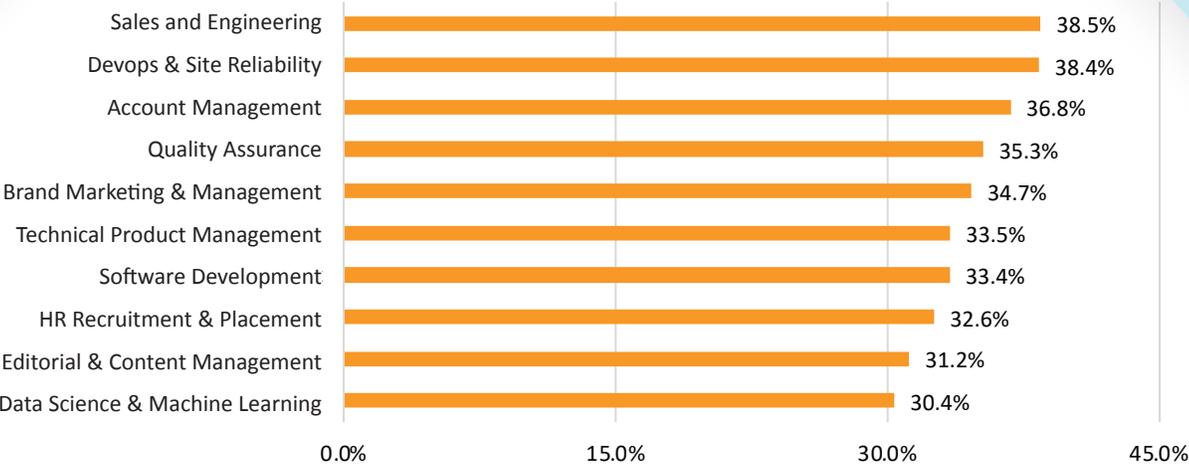
Ladders' Q2 2022 Quarterly Remote Work Report shows that every industry saw significant increases in remote work adoption between Q1 2021 and the present. Remote work was generally a small niche before the COVID-19 pandemic and has since skyrocketed. The chart below highlights the change in remote work adoption prior to and after the pandemic by industry.



Source: The Ladders' Q1 2022 Quarterly Remote Work Report

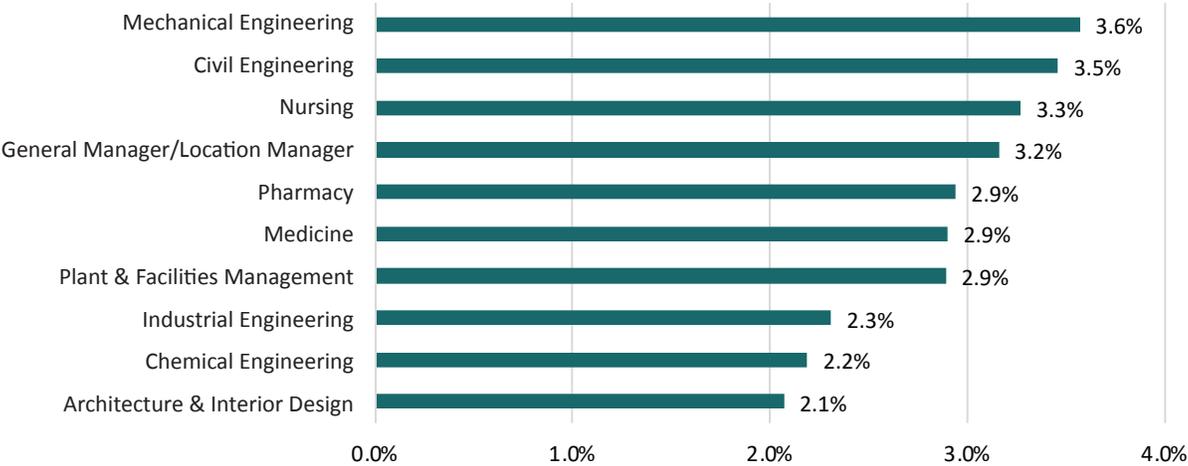
As seen on the prior page, fields with the lowest remote work adoption involve tasks which must be performed in a specific place ranging from movie sets or sound studios for media to innovative medical or chemical labs which have expensive materials, machines, or American workers had the option of working from home at least once per week, and other equipment on-site.

FIELDS WITH HIGHEST REMOTE WORK ADOPTION, Q1 2022



Source: The Ladders' Q1 2022 Quarterly Remote Work Report

FIELDS WITH LOWEST REMOTE WORK ADOPTION, Q1 2022



Source: The Ladders' Q1 2022 Quarterly Remote Work Report

Ladders' report also listed the top 50 occupations with the most remote work job postings in Q1 2022. Of these, the vast majority were in tech, with representative job titles such as Senior Software Engineer, Data Scientist, and Senior Product Marketing Manager. Similarly, the top 50 remote work employers (by Q1 2020 job postings) included many tech companies, such as Dell, Zillow, Coinbase, Stripe, Turing, Indeed, and Yelp. There were also a number of Healthcare and Health Sciences-related companies, notably the United Health Group, Oyster Point Pharma, PRA Health Sciences, and Evolent Health. Key remote work employers in neither industry included Deloitte, Ernst & Young, and Edward Jones.

The majority of industries analyzed by Ladders had remote work adoption rates between 10 and 20 percent, with five industries experiencing adoption rates of more than 20 percent. In other words, no industry can safely ignore the challenges and opportunities of remote work. Companies in every industry involve clerical and administrative job tasks that can be performed at home.

In terms of consumer demand, three of Orange County's largest and most important industries were heavily impacted by the pandemic and subsequently switched to remote work: Retail, Hospitality and Tourism, and Education.

- **Retail:** The COVID-19 pandemic accelerated the long-term shift toward e-commerce, with 2020 and 2021 seeing a second 'retail apocalypse.' 24 Hour Fitness, Ascena Retail Group, GNC, J. Crew, JCPenney, Neiman Marcus, Pier 1 Imports, and many other once successful retailers declared bankruptcy in 2020; Belk, Paper Source, L'Occitane and others declared bankruptcy in 2021.
- **Hospitality and Tourism:** After an almost completely disrupted lost year and a half, Orange County's Tourism and Hospitality industry has experienced a significant recovery. However, a combination of inflation, skyrocketing gas prices, and global political uncertainty could lead to further disruptions.
- **Education:** Nationwide college and university enrollment fell precipitously in 2020, with community colleges bearing the brunt of enrollment declines. It did not recover after the worst of the pandemic; it continued. In the state of California, for instance, there were 300,000 fewer enrolled community college students in fall 2021 than in fall 2019. Ninety-nine of California's 117 community colleges have seen enrollment declines since fall 2020.

How will the Orange County economy fare after COVID-19, in an era of mainstream remote work?

The 21st century thus far offers multiple examples of internet activities replacing brick-and-mortar businesses, physical products, or both, creating significant challenges for the industries involved. For instance, music, movies, and video games have, to a great extent, transformed from physical products — CDs, DVDs, and Blu-rays — into downloadable or streamable media, thus greatly decreasing the market for brick-and-mortar retailers of these products. The ubiquity and convenience of e-commerce has fueled the extinction of once-successful chains in a variety of niches, from toys (Toys "R" Us) to consumer electronics (RadioShack, Circuit City) to books (Borders, Waldenbooks).

The two big shifts of the pandemic — remote work and education — have been and are going to be even more complicated. While remote learning has undoubtedly made post-secondary education and training more accessible and more appealing to some potential students, it has likely alienated even more.

Fortunately, today's employers do not face quite the all-or-nothing decision that educators did during the pandemic. Current employee demand means that the remote work model going forward will likely involve flexible/hybrid work rather than complete remote work, as during various 2020 lockdowns. They can, in a sense, have the best of both worlds.

FINAL THOUGHTS

The current shift to remote work can seem utterly new and overwhelming. 'Business as usual' for the past several decades has changed almost overnight, with nearly every industry, occupation, and business forced to react, pivot, and chart a new course forward. The boundary between work and home life has become increasingly porous, if not nonexistent in some cases. And, despite a plethora of technological options, something is lost in the translation of face-to-face interaction in Zoom meetings.

There are two important points to keep in mind when thinking about the implications of these trends for the future of work.

First, remote work certainly creates problems of its own, from individual employees' feelings of isolation to a lack of a broader organization-wide esprit de corps to practical problems such as managing collaborators in different time zones. Remote work was not a perfect solution to the problems of working during the COVID-19 pandemic and is not a perfect solution to the problems of the post-pandemic era. But in-person work was and is just as imperfect. Few of today's remote workers have nostalgic memories of being stuck in rush hour traffic on morning commutes, or of having to leave work to deal with a family situation at home.

Second, the past several centuries have seen several previous massive transformations of the world of work, from the first industrial revolution in the late 18th century to more recent revolutions fueled by the electrical, digital, and AI revolutions. On a smaller scale, many of this report's readers have seen incredible technological transformations in their own lifetimes. In a very real sense there was no 'old normal,' no 'business as usual' before the pandemic. Even before COVID-19, emerging technologies such as AI, robotics, and big data pushed many economists and other commentators to identify the overall situation as that of a fourth industrial revolution (or Industry 4.0).

Seventy years ago, the United States had only a handful of computers in government and university labs: room-sized computers that lacked monitors and displayed results on punch cards or magnetic tape. Retail cashiers had no barcodes to scan, no credit cards to insert or swipe, no record-keeping software of any kind. Business executives could not send or receive emails, check their voicemail, or analyze their company's social media presence.

Twenty-five years ago, Amazon was only an online bookstore, today's social media sites did not even exist, cell phone users were in the minority, and smartphones and tablets were the stuff of science fiction. The last two decades have seen tremendous economic upheaval in multiple industries. Before the pandemic, the Business Council's report *Inside Orange County's Retail E-Volution* studied the 'retail apocalypse' which saw e-commerce and streaming sites take more and more market share away from brick-and-mortar retailers.

In other words, Orange County's business leaders and entrepreneurs have navigated an almost constant 'new normal' since the days when the county was an agricultural landscape of orange groves and cattle ranches. The county did not just survive the advent of new, futuristic technologies that transformed the workplace — it thrived and laid a strong foundation for continued success. While today's Orange County faces its own unique challenges, it will continue to thrive due to this historic resilience and innovation.



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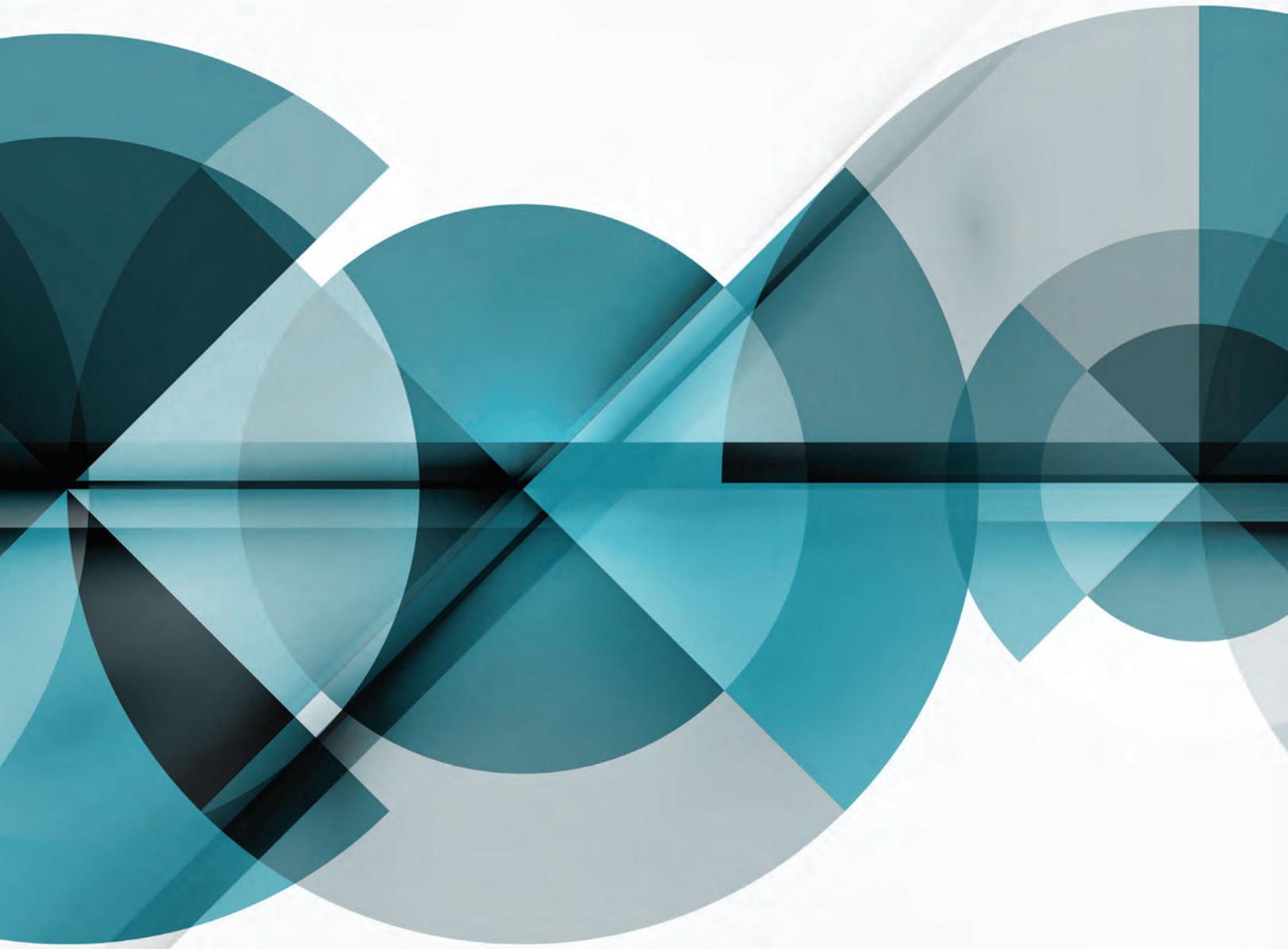


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ECONOMY



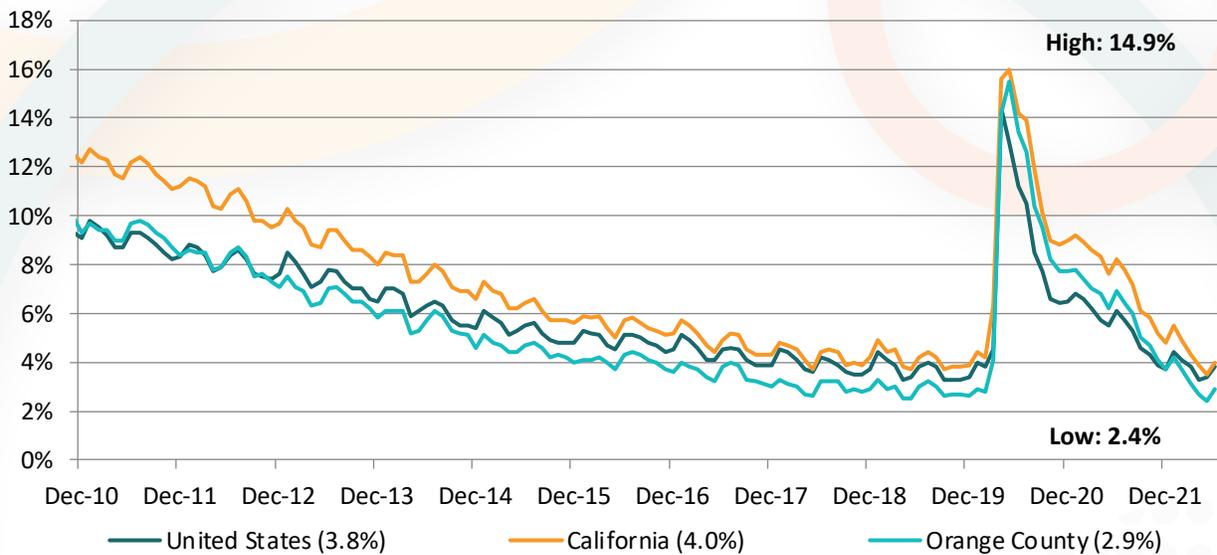
EMPLOYMENT

Orange County had an unemployment rate of 2.9 percent in June 2022, representing an increase of 0.5 percentage points from the previous months' reading of 2.4 percent. Orange County's unemployment rate has declined significantly, from 6.2 percent in May 2021 to 4.2 percent in January 2022 to a near record low of 2.4 percent in May 2022, before slightly increasing in June. This recent increase in unemployment in June is indicative of a nationwide slowdown in economic activity as inflationary pressures mount and employers look to reduce operating costs.

The county added 78,800 jobs over the past year, an increase of 4.9 percent that brought total nonfarm employment up to 1,657,600. While the number of unemployed residents remains 61,200 below the June 2021 reading of 106,400, unemployment did increase by 6,700 over May 2022 levels. Looking forward, employment growth will likely slow due to a variety of factors, including continued supply chain disruptions and the possibility of an upcoming recession.

COUNTY UNEMPLOYMENT RATE LOWER THAN STATE AND NATIONAL AVERAGES

COUNTY UNEMPLOYMENT RATE LOWER THAN STATE AND NATIONAL AVERAGES



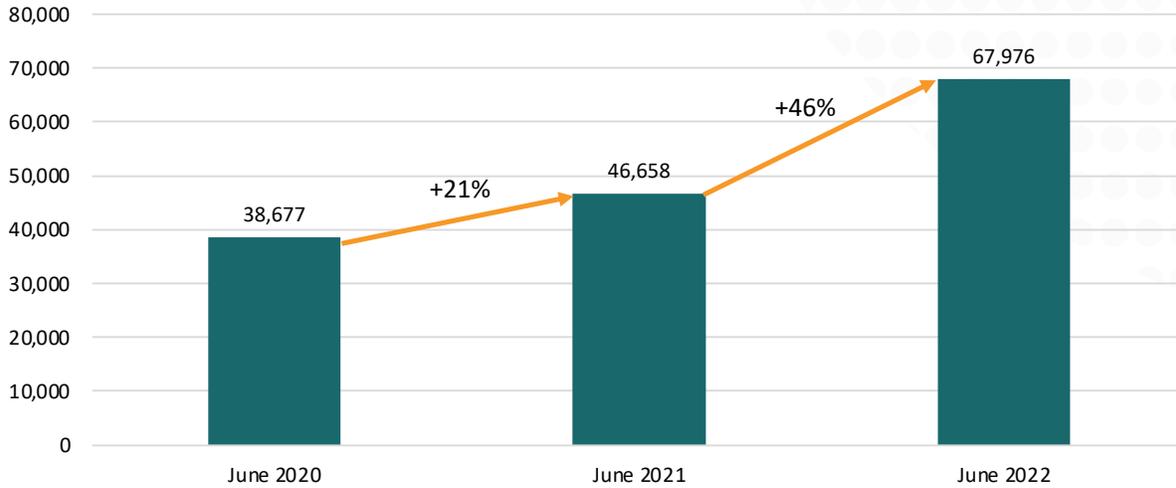
Source: California Employment Development Department, Bureau of Labor Statistics

Total Orange County job postings increased from 38,577 in June 2020 to 46,658 in June 2021, an increase of 21 percent. Job postings had climbed to 67,976 by June 2022, a 46 percent increase that clearly illustrates a robust economic recovery. As of June, Orange County had approximately 26,277 unique job postings with an average annual salary of \$48,000. Irvine continues to create more jobs than any other city (approximately 132,581 job postings over the past year) followed by Anaheim (59,206 job postings) and Santa Ana (47,196 job postings). The employers with the most job openings in the region included Amazon, Anthem Blue Cross, Allied Universal, University of California, Aerotek, and Marriott International.

The county's most in-demand occupations over the past year included Registered Nurses (21,902 job postings) followed by Software Developers (18,116 job postings) and Sales Representatives, Wholesale, and Manufacturing (16,900 job postings).

JOB POSTINGS REBOUND IN 2022

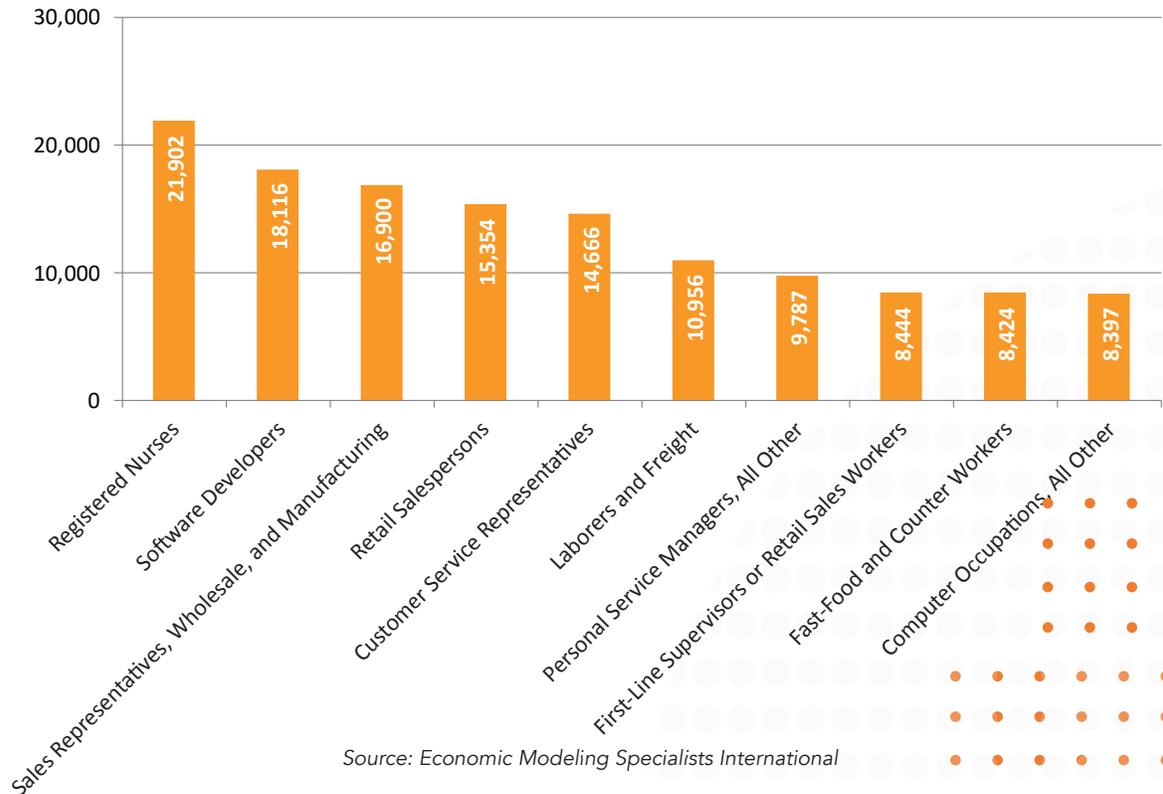
TOTAL JOB POSTINGS IN ORANGE COUNTY, JUNE 2020 – JUNE 2022



Source: Economic Modeling Specialists International

REGISTERED NURSES BACK AS MOST IN-DEMAND OCCUPATION

MOST IN-DEMAND OCCUPATIONS IN ORANGE COUNTY BY JOB POSTINGS, JUNE 2021 – JUNE 2022



Source: Economic Modeling Specialists International

After experiencing a decline of over 100,000 jobs from 2019 to 2020, Orange County industry clusters are well on their way to recovery; 56,357 industry cluster jobs were created from 2020 to 2021. Total cluster employment reached 725,482 in 2021, only 5.7 percent below the 2019 peak. The following industry clusters saw the fastest growth over the past year:

Tourism +23.5%	Business and Professional Services +9.3%	Biomedical +5.9%	Health Services +5.2%	Energy and Environment +4.6%
Computer Software +1.0%	Construction +0.7%	Computer Hardware +0.2%		

Only two industry clusters have seen employment declines since 2019:

Defense and Aerospace -5.8%	Communications -4.1%
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Industries which have completely recovered or surpassed their 2019 totals included:

Biomedical +1.6%	Health Services +1.3%	Computer Software +0.5%
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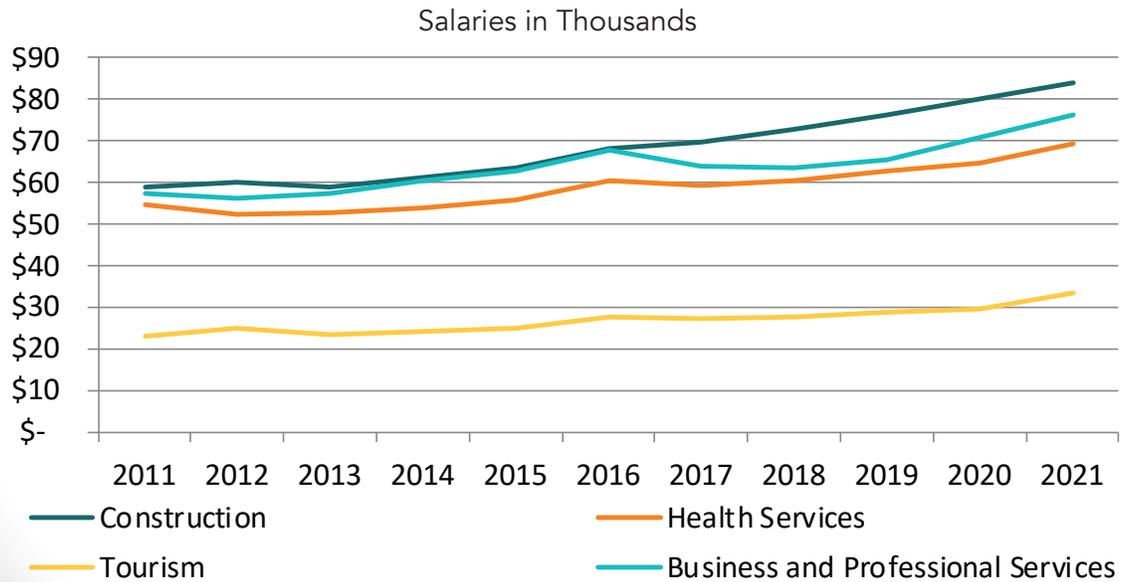
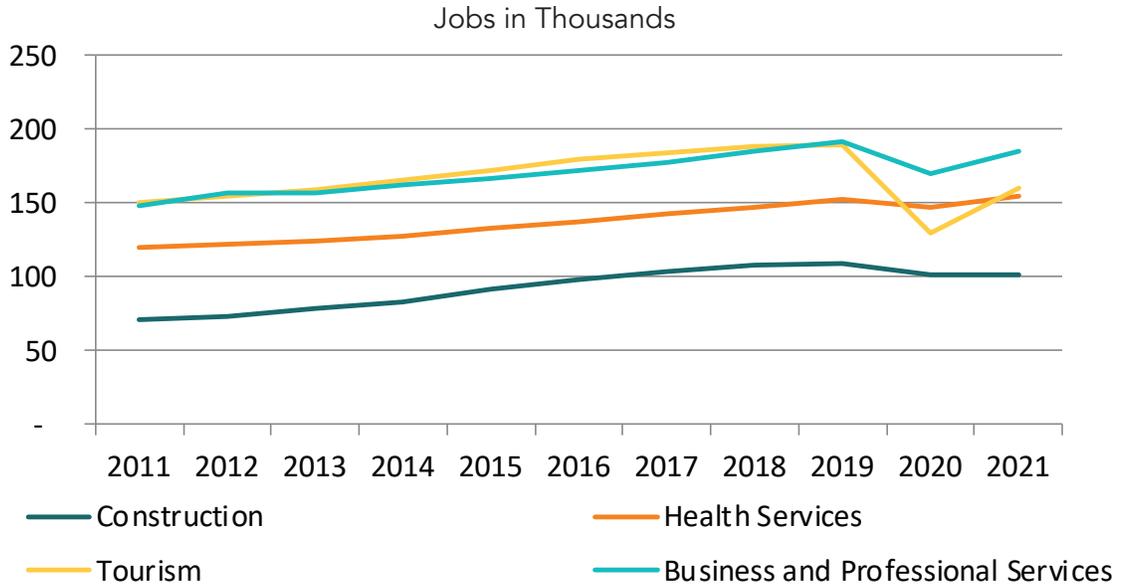
Since 2011, industry clusters with the largest growth in earnings included:

Computer Hardware +76.9%	Computer Software +62.3%	Biomedical +61.8%
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TOURISM AND BUSINESS AND PROFESSIONAL SERVICES REBOUND

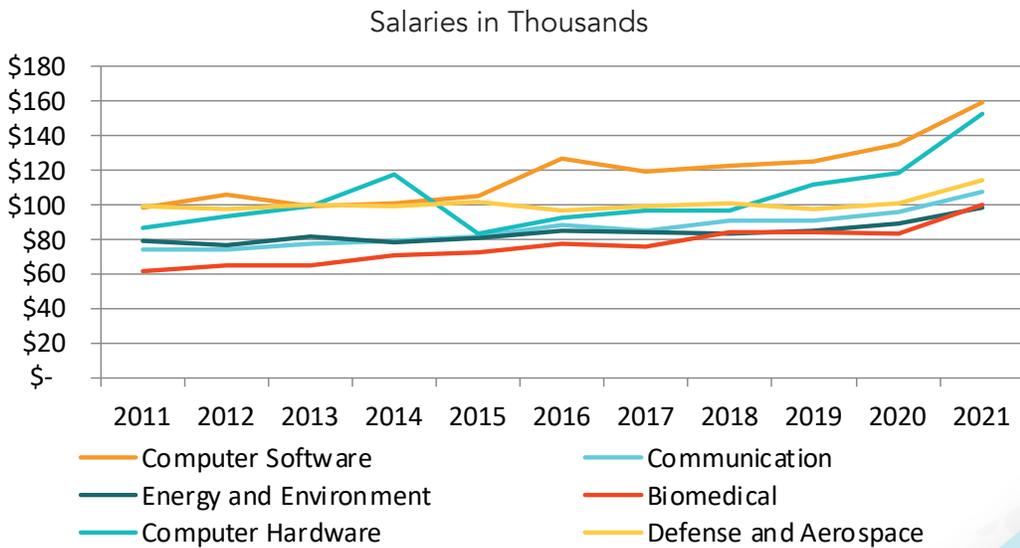
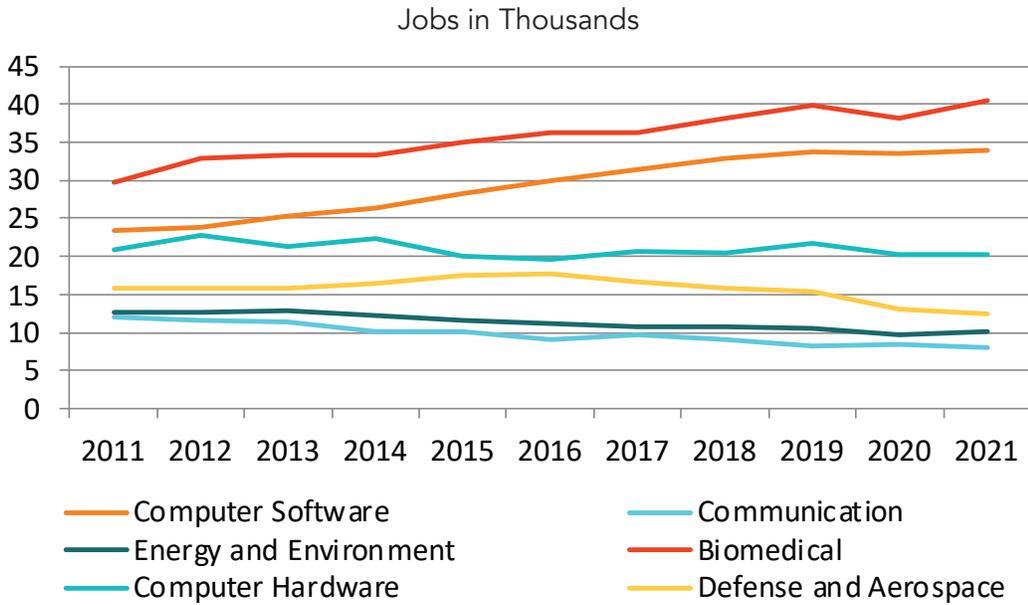
EMPLOYMENT AND AVERAGE SALARIES IN ORANGE COUNTY CLUSTERS WITH MORE THAN 50,000 JOBS, 2011-2021



Sources: California Employment Development Department; U.S. Inflation Calculator, reporting Consumer Price Index (CPI-U) data provided by the U.S. Department of Labor, Bureau of Labor Statistics (https://www.bls.gov/data/inflation_calculator.htm)

SALARIES ACROSS ALL SECTORS INCREASED IN 2021

EMPLOYMENT AND AVERAGE SALARIES IN ORANGE COUNTY CLUSTERS WITH 50,000 JOBS OR FEWER, 2011-2021



Sources: California Employment Development Department; U.S. Inflation Calculator, reporting Consumer Price Index (CPI-U) data provided by the U.S. Department of Labor, Bureau of Labor Statistics (https://www.bls.gov/data/inflation_calculator.htm)

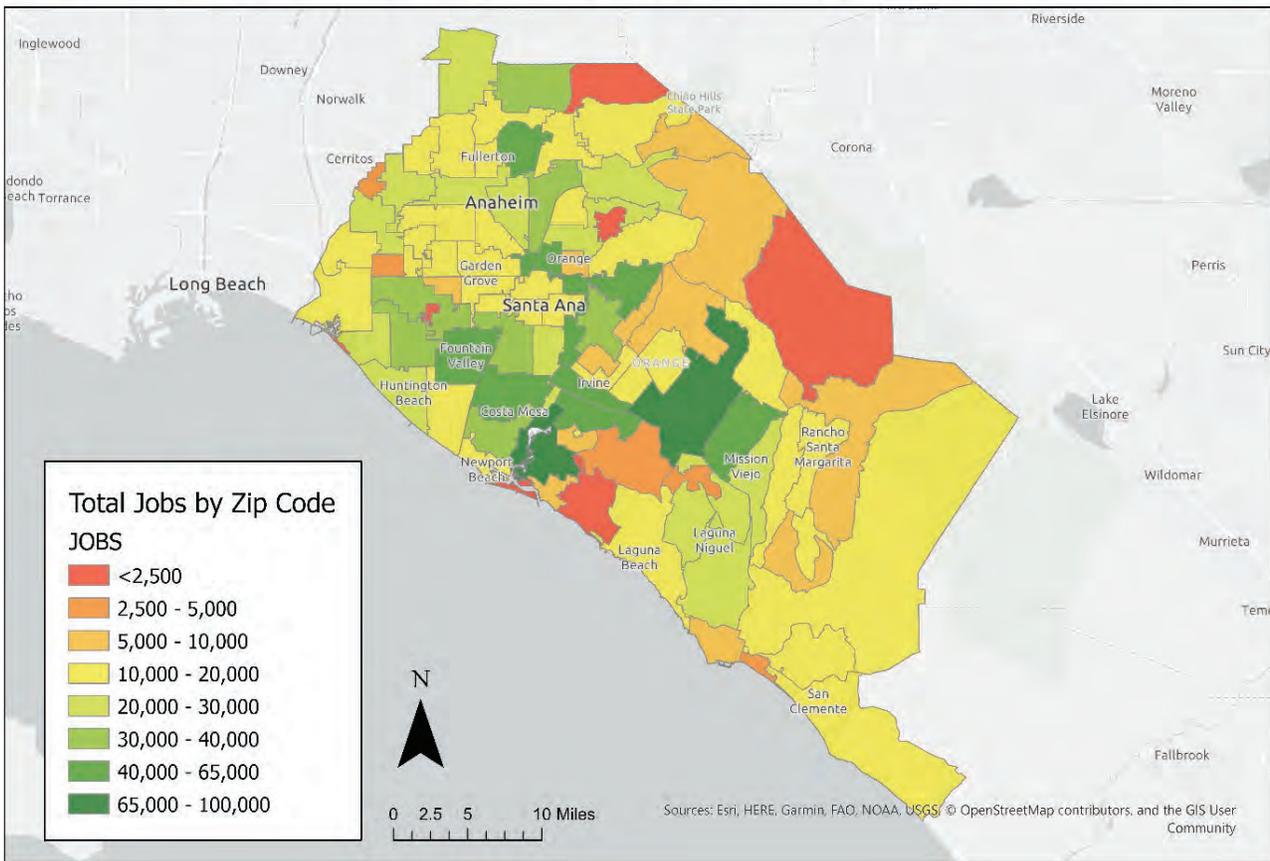
NOTE

Average salaries have been inflation-adjusted to 2021 dollars.

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

As a regional economic hub, Irvine’s labor market remained strong despite the pandemic and transition for many workers to remote working conditions. Irvine had 276,223 jobs in 2021; 44 percent of these jobs were held by Irvine residents with 56 percent held by commuters from other cities. Approximately 98 percent of Santa Ana’s 155,713 jobs were held by resident workers. Anaheim actually had more resident workers (194,803) than local jobs (168,183), meaning that almost 27,000 city residents had to leave the city to find employment. Anaheim, a tourist center due to the Disneyland Resort and other attractions, has had a slower post-pandemic recovery than many of its Orange County peers.

ORANGE COUNTY TOTAL JOBS BY ZIP CODE, 2021



HIGH-TECH DIVERSITY AND GROWTH

As of 2022, Orange County has the nation’s second most concentrated high-tech sector, second only to the Oakland-Hayward-Berkeley MSA next to Silicon Valley; Seattle, San Diego, San Jose, Los Angeles, and San Francisco all finished behind Orange County on this metric. Orange County’s high-tech GDP growth ranking saw a dramatic improvement from 2019 to 2020, jumping from 126th to 45th. Its high-tech industry concentration rank also improved over the same time period, rising from 18th to 14th.

ORANGE COUNTY’S HIGH TECH SECTOR EMPLOYMENT MORE CONCENTRATED THAN SEATTLE AND SAN DIEGO

RANKING FOR HIGH-TECH SECTOR EMPLOYMENT CONCENTRATION IN ORANGE COUNTY COMPARED TO PEER METRO AREAS, 2022

METRO REGIONS	RANK	METRO REGIONS	RANK
Oakland, CA	1	San Francisco, CA	10
Orange County, CA	2	Austin, TX	10
Seattle, WA	3	Dallas, TX	35
San Diego, CA	3	Boston, MA	51
San Jose, CA	4	Minneapolis, MN	83
Los Angeles, CA	6	Riverside/San Bernardino, CA	104

Source: Milken Institute, Best Performing Cities Report

OC HIGH-TECH GDP RANKING SEES SIGNIFICANT IMPROVEMENT

RANKING OF HIGH-TECH GDP OUTPUT IN 2019-2020 FOR ORANGE COUNTY AND PEER REGIONS			
METRO REGIONS	RANK	METRO REGIONS	RANK
Fort Smith, AR-OK	1	San Diego, CA	21
San Francisco, CA	2	Austin, TX	24
Seattle, WA	4	Orange County, CA	45
San Jose, CA	5	Los Angeles, CA	74
Boston, MA	6	Dallas, TX	88
Oakland, CA	17	Minneapolis, MN	99

Source: Milken Institute, Best Performing Cities Report

Despite these improvements, Orange County's overall rank in the 2022 *Best Performing Cities* report declined from 61st in 2021 to 69th in 2022. The biggest factor was a major decline in the rankings for year-over-year job growth from 98th in 2019 to 177th in 2020. The county's housing affordability ranking also fell, reflecting a long-term issue that has only been exacerbated by the pandemic and subsequent economic uncertainty.

ORANGE COUNTY IMPROVES FROM 18TH TO 14TH FOR HIGH-TECH CONCENTRATION

REGIONAL RANKING FOR HIGH-TECH INDUSTRY CONCENTRATION FOR ORANGE COUNTY AND PEER REGIONS, 2022			
METRO REGIONS	RANK	METRO REGIONS	RANK
San Jose, CA	1	Orange County, CA	14
San Francisco, CA	2	Los Angeles, CA	16
Seattle, WA	3	Dallas, TX	28
San Diego, CA	7	Boston, MA	42
Austin, TX	10	Minneapolis, MN	58
Oakland, CA	11	Riverside/San Bernardino, CA	113

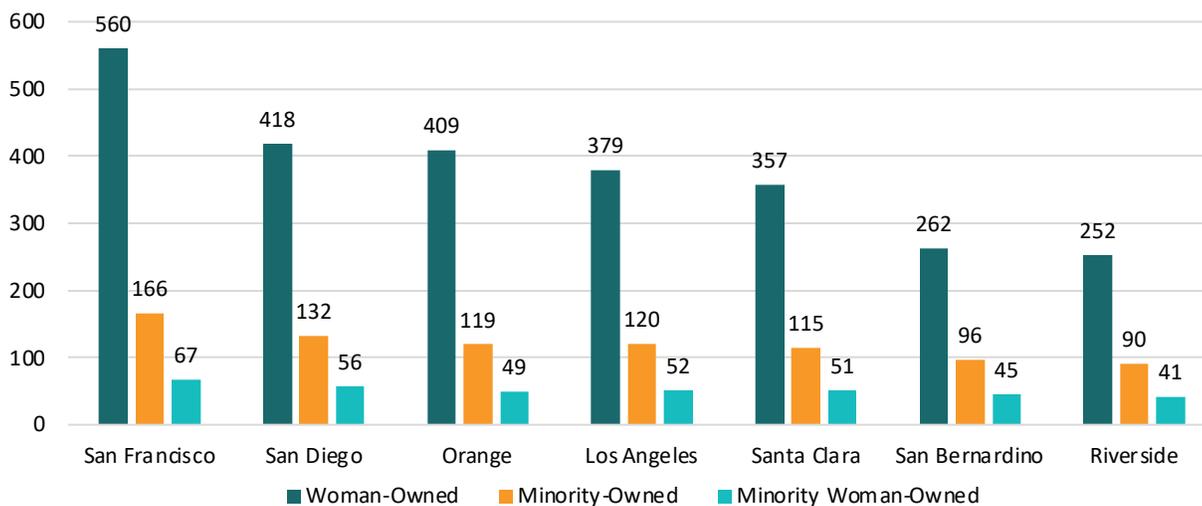
Source: Milken Institute, Best Performing Cities Report

DIVERSITY IN BUSINESS

The number of women-owned businesses per 100,000 county residents increased by 1.2 percent between 2021 and 2022; the number of minority-owned businesses increased by 2.0 percent while the number of minority women-owned businesses increased by 5.2 percent. While more work needs to be done yet, these are promising signs of Orange County's inclusive recovery from the COVID-19 pandemic and accompanying economic downturns.

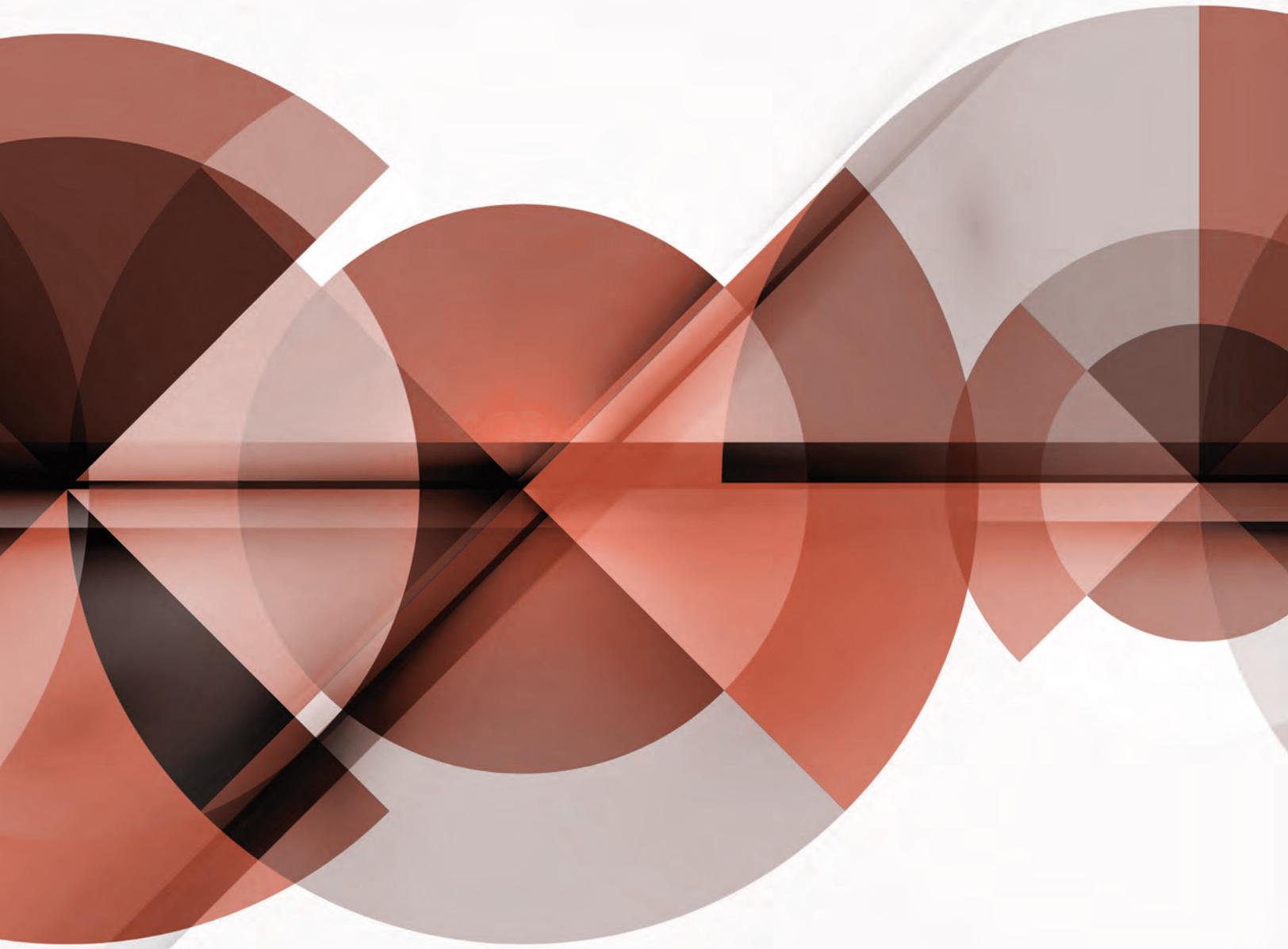
OC SEES INCREASE IN WOMEN-OWNED AND MINORITY-OWNED BUSINESSES

REGIONAL WOMAN-OWNED, MINORITY-OWNED, AND MINORITY WOMAN-OWNED BUSINESSES PER 100,000 PEOPLE, 2022



Source: Dun and Bradstreet, Market Insight

HOUSING

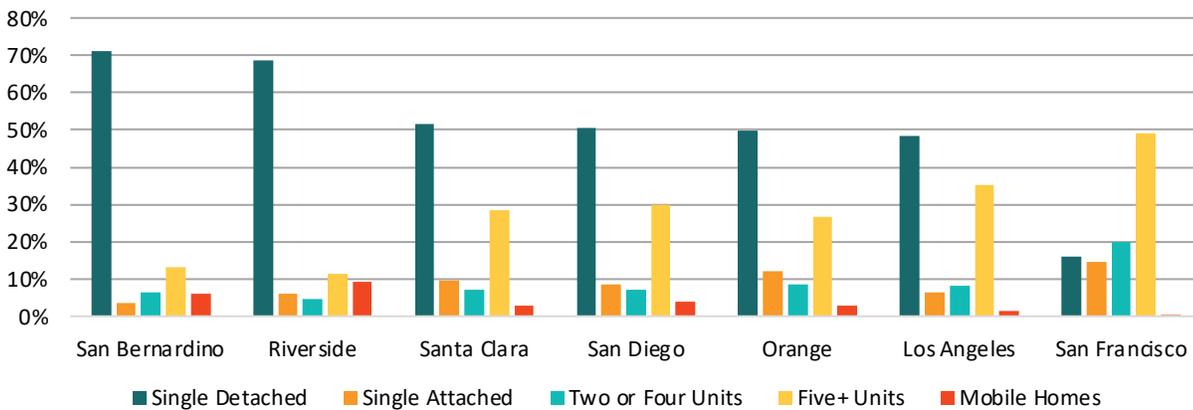


HOUSING LANDSCAPE

As of 2022, 50 percent of Orange County structures were single detached homes, while 26.7 percent were multi-family structures with five or more units. The slight year-over-year decrease in single detached structures and corresponding increase in multi-unit structures reflects efforts by builders and developers in the region to offer more housing units to current and prospective residents. Similar trends are observed across Southern California counties as demand to both live and work in the region requires a continuous increase of affordable workforce housing.

MULTI-UNIT HOMES GROW IN IMPORTANCE AS SINGLE-FAMILY HOUSING SUPPLY STAYS TIGHT

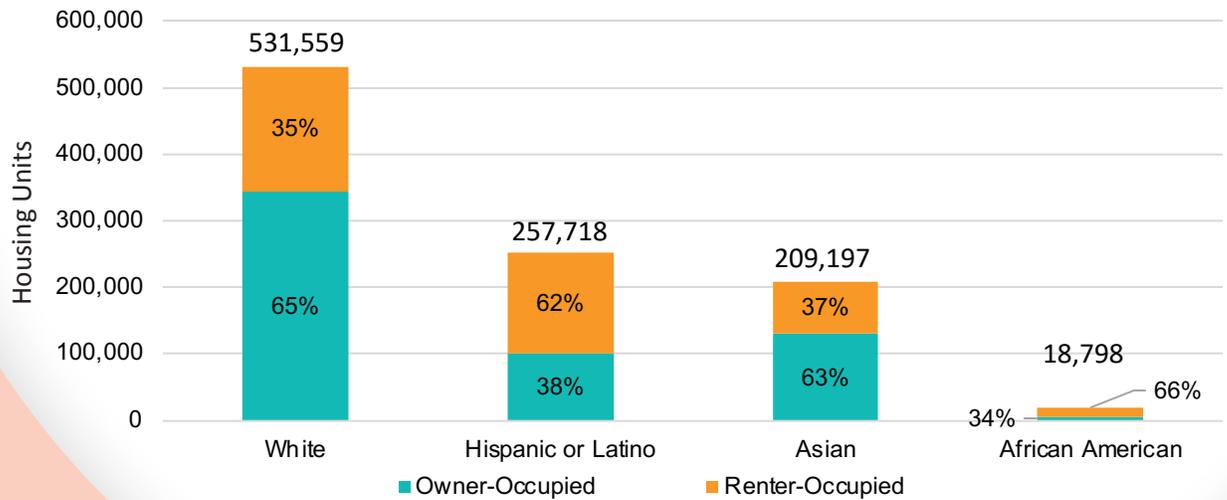
HOUSING STRUCTURES BY TYPE FOR PEER CALIFORNIA REGIONS, 2022



Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2022. Sacramento, California, May 2022.

Orange County’s homeownership rate remained unchanged at 57 percent in 2020, below the national rate of 64 percent but above the state rate of 55 percent. White residents had the highest homeownership rate, 65 percent, followed by Asian residents (63 percent). Hispanic or Latino and African American residents had homeownership rates of 38 percent and 34 percent, respectively, indicating that significant additional efforts need to be made to increase housing equity in the region.

OWNER- AND RENTER-OCCUPIED RATES OF HOMEOWNERSHIP BY MAJOR ETHNIC GROUPS IN ORANGE COUNTY, 2020

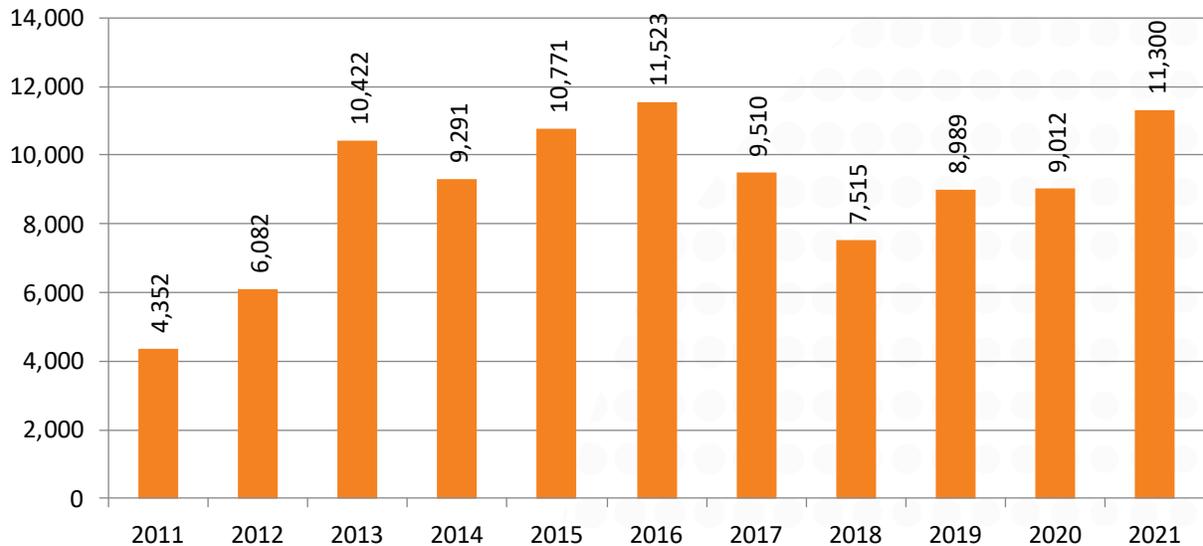


Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

Orange County had a total of 11,300 building permits in 2021, just below the 2016 high of 11,523 and a 25.3 percent increase over the previous years' total of 9,012. This large increase in 2021 is due to both a renewed focus on increasing the county's housing supply and the backlog of developments placed on hold during the pandemic and resumed after vaccination rates increased and regulations relaxed.

BUILDING PERMITS SEE LARGE JUMP IN 2021

ORANGE COUNTY BUILDING PERMIT YEARLY TRENDS, 2011-2021

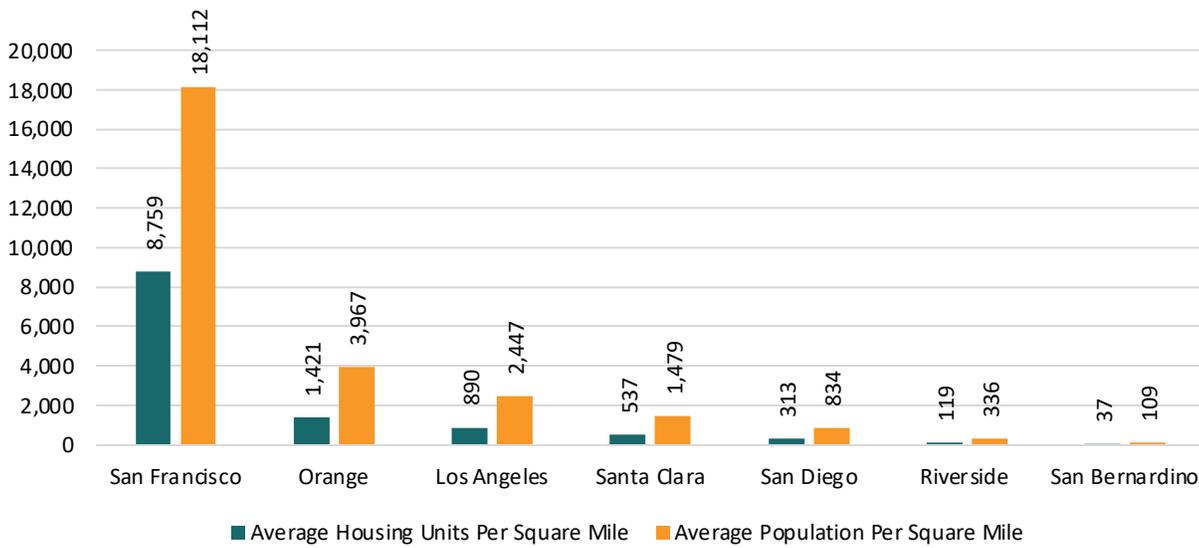


Source: U.S. Census Bureau's Building Permits Survey

Following recent demographic trends, Orange County's population density per square mile decreased from 4,040 to 3,967 residents per square mile. The county's housing density per square mile actually increased from 1,391 to 1,421, reflecting recent efforts to accelerate housing developments in the region.

ORANGE COUNTY HOUSING DENSITY INCREASES WHILE POPULATION DENSITY DECLINES

HOUSING UNIT AND POPULATION PER SQUARE MILE IN PEER CALIFORNIA COUNTIES, 2022



Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State — January 1, 2021-2022. Sacramento, California, May 2022.

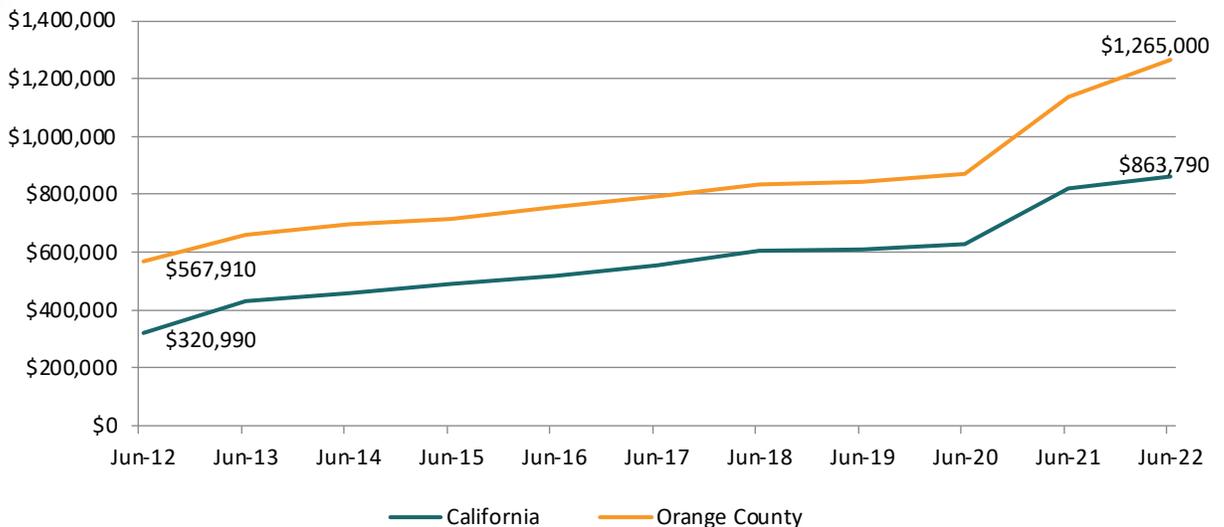
HOUSING AFFORDABILITY

While constrained supply, low interest rates, and steady demand have increased home prices across the nation, few places have seen Orange County's dramatic increases. Since June 2012, home prices in Orange County increased by 123 percent, reaching \$1,265,000 in June 2022. This means that an Orange County homebuyer would need a minimum qualifying income of \$250,000 in the first quarter of 2022, while first-time home buyers would need a minimum qualifying income of \$157,500 for a home with a median price of \$1,071,000. In a potential sign of a softening market, home prices in Orange County have started to trend downward falling 4.5 percent from a high of \$1,325,000 in April 2022.

As of the first quarter of 2022, only 29 percent of first-time home buyers in Orange County would be able to purchase an entry-level home, as many as in Santa Clara and only slightly more than in San Francisco. The pandemic exacerbated the county's affordability crisis, with first-time home buyer affordability declining from 41 percent in Q1 2020 to 29 percent in 2022. While recent skyrocketing home prices may lead to fears of a bubble, the county's current housing market has much stronger fundamentals than in the years leading up to the Great Recession; a correction is much more likely than a repeat of the mortgage crisis.

HOUSING PRICES REACH NEW HIGHS BUT SHOW SIGNS OF SLOWING

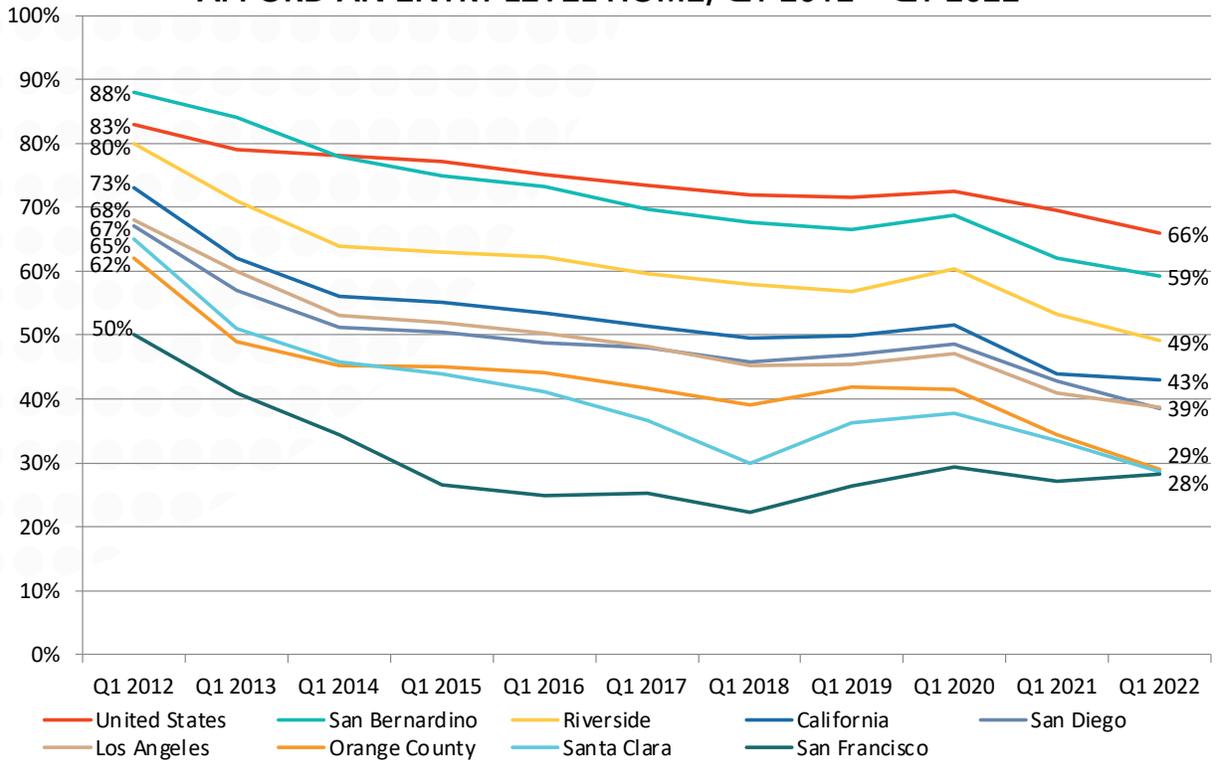
MEDIAN EXISTING SINGLE-FAMILY HOME SALE PRICE IN ORANGE COUNTY AND CALIFORNIA, JUNE 2012 – JUNE 2022



Source: California Association of Realtors, Current Sales & Price Statistics

AFFORDABILITY SHRINKS ACROSS THE STATE

REGIONAL COMPARISON OF THE PERCENTAGE OF FIRST-TIME HOMEBUYERS ABLE TO AFFORD AN ENTRY-LEVEL HOME, Q1 2012 – Q1 2022



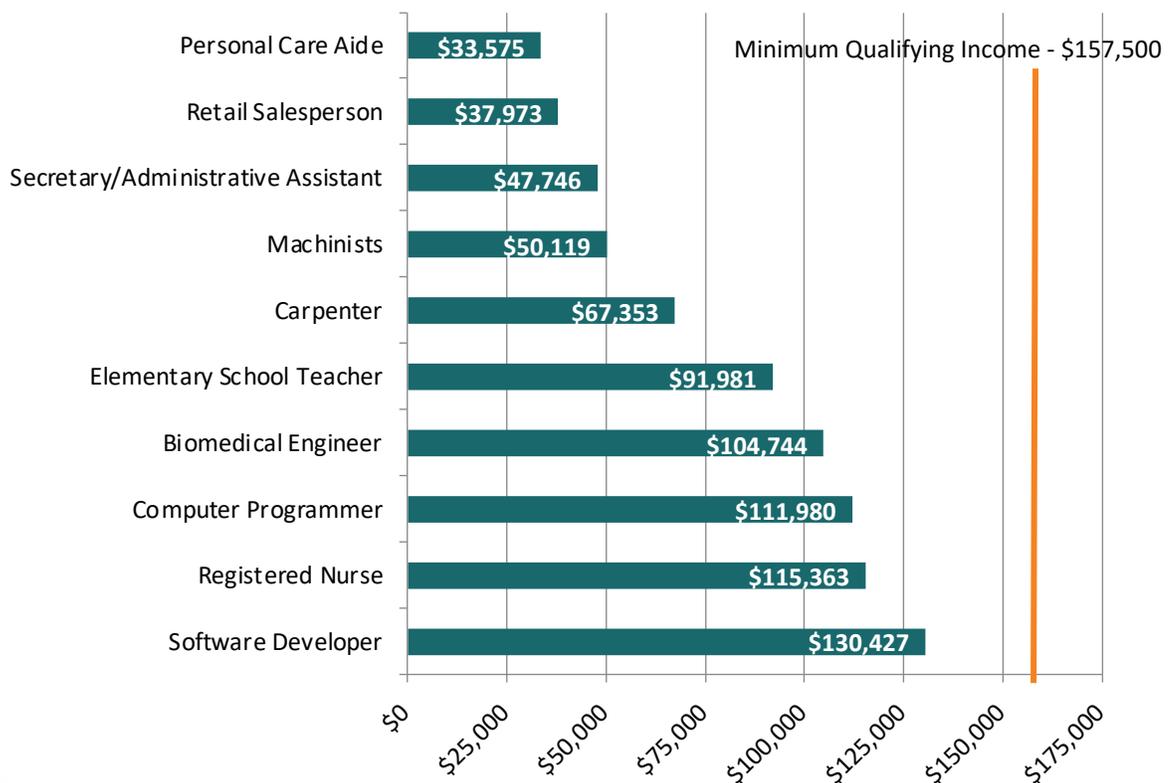
Source: California Association of Realtors, First-Time Home Buyer Affordability Index



Orange County's extremely high home prices mean that all of the selected occupations analyzed in this report have an annual salary less than the minimum required qualifying income for an entry-level home in the region. Even Software Engineers, who have an average annual salary of over \$130,000, cannot meet the minimum qualifying income. While the rise in home values has been an equity boon to existing homeowners, it has made the county increasingly unaffordable for young professionals and their families, a trend that could have serious long-term impacts.

ORANGE COUNTY HOMES BECOMING LESS AND LESS AFFORDABLE

MINIMUM INCOME NEEDED TO AFFORD AN ENTRY-LEVEL HOME COMPARED TO MEDIAN SALARIES IN SELECTED OCCUPATIONS IN ORANGE COUNTY, 1ST QUARTER 2022

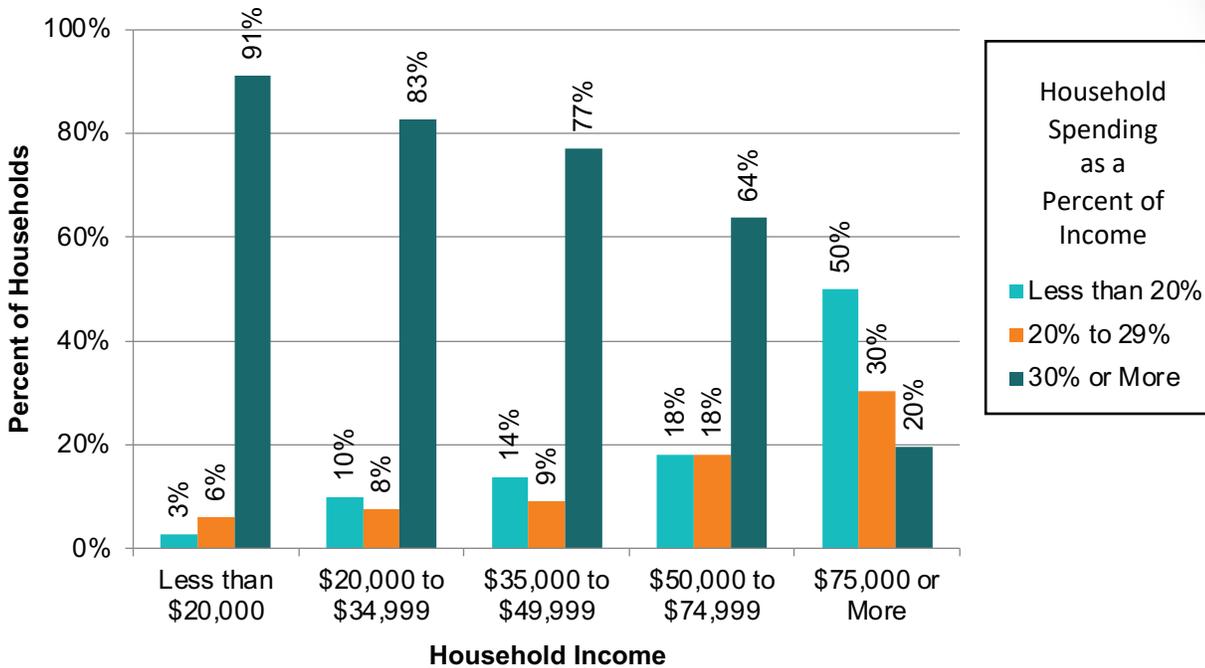


Sources: California Association of Realtors; Economic Modeling Specialists International; California Employment Development Department

LOW-INCOME RESIDENTS STRUGGLE WITH AFFORDABILITY

As expected, low-income residents struggle the most with Orange County's high cost of living. Over 90 percent of residents making under \$20,000 spend more than 30 percent of their income on housing, compared to just 20 percent of residents making \$75,000 and over. This means that low-income county residents will have a much tougher time building their savings or making large-item purchases.

ORANGE COUNTY OWNER-OCCUPIED HOUSING COSTS AS A PERCENT OF INCOME, 2020



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates

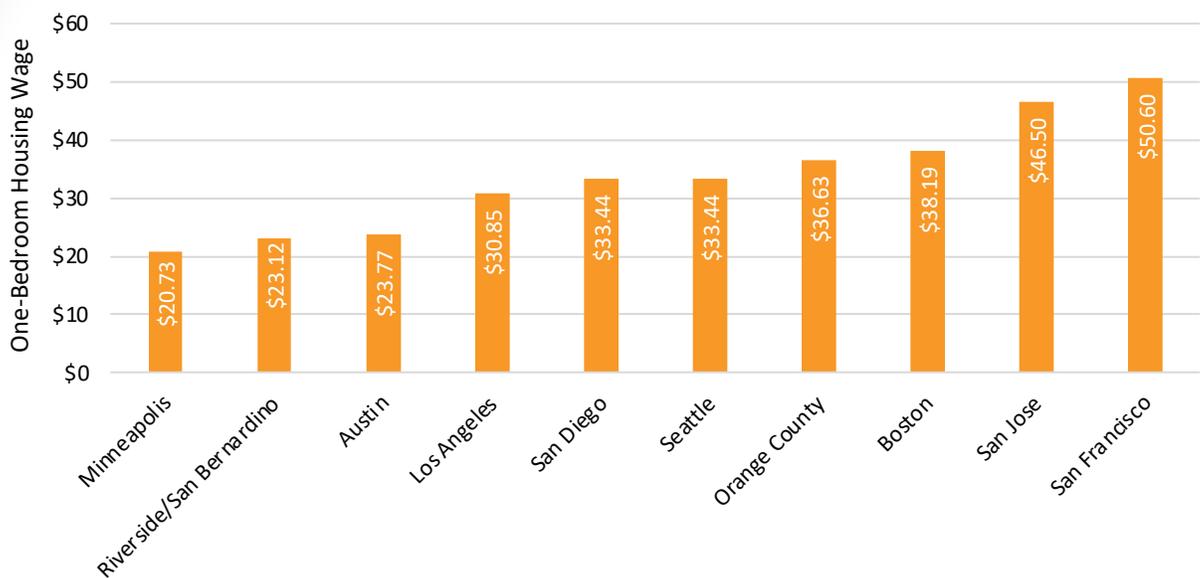
RENTAL AFFORDABILITY

The wage needed to afford a one-bedroom apartment in Orange County increased from \$36.31 an hour or \$75,525 a year, to \$36.63 or \$76,190 in 2022; this represents an increase of 1.0 percent. While this increase is lower than last year's increase of 9.4 percent, it still helps to highlight the continued affordability issues impacting the region. Overall, a minimum wage worker would need to work 98 hours per week to afford a one-bedroom apartment, a decrease over 104 hours required the year before.

Rent for a one-bedroom Orange County apartment reached \$2,200 in May 2022 with rental prices in Irvine, Mission Viejo, and Laguna Niguel increasing by more than 20 percent over the past 12 months. Due to this unsustainable increase, rent increases will be capped at 10 percent according to the Fair Housing Council of Orange County; cities including Santa Ana have already passed ordinances which cap rent increases at 3 percent or 80 percent of inflation. With families already financially stretched due to increased grocery and fuel costs, rapidly rising rents are becoming serious concerns for a significant portion of residents and, without additional support, many expect evictions to rise in the near-term.

ORANGE COUNTY HAS FOURTH HIGHEST HOUSING WAGE OUT OF PEER REGIONS

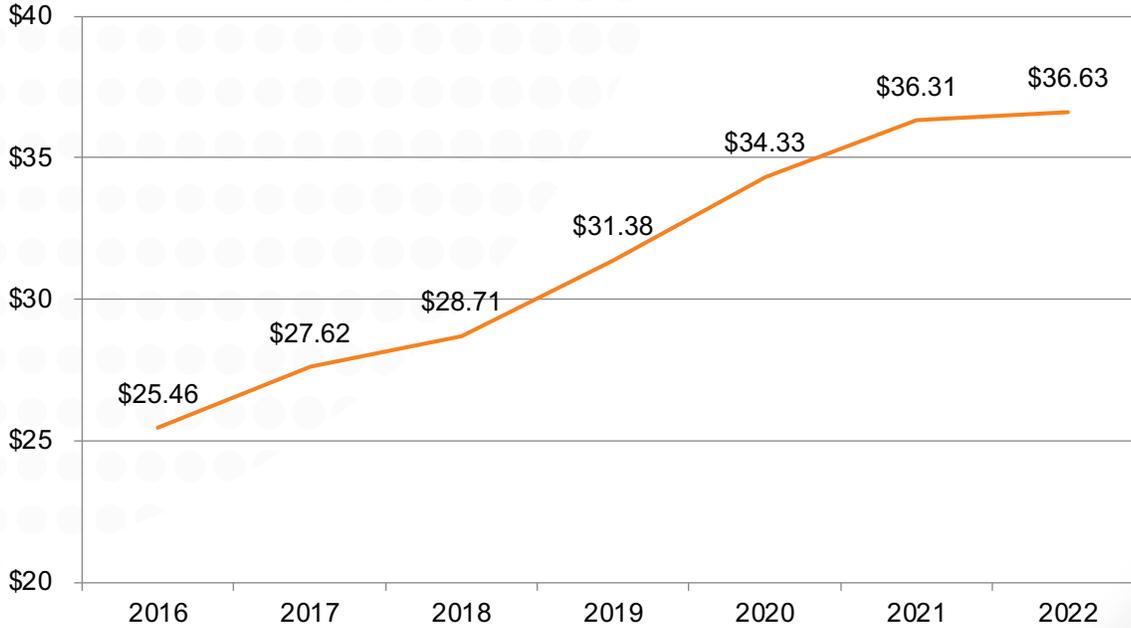
REGIONAL COMPARISON OF THE HOURLY WAGE NEEDED TO AFFORD A ONE-BEDROOM UNIT, 2022



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 REACHES \$36.63 PER HOUR

HOURLY WAGE NEEDED TO AFFORD A ONE-BEDROOM UNIT IN ORANGE COUNTY, 2016-2022



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 SHRINKS TO 98

RENTAL MARKET AFFORDABILITY IN ORANGE COUNTY, 2017-2022

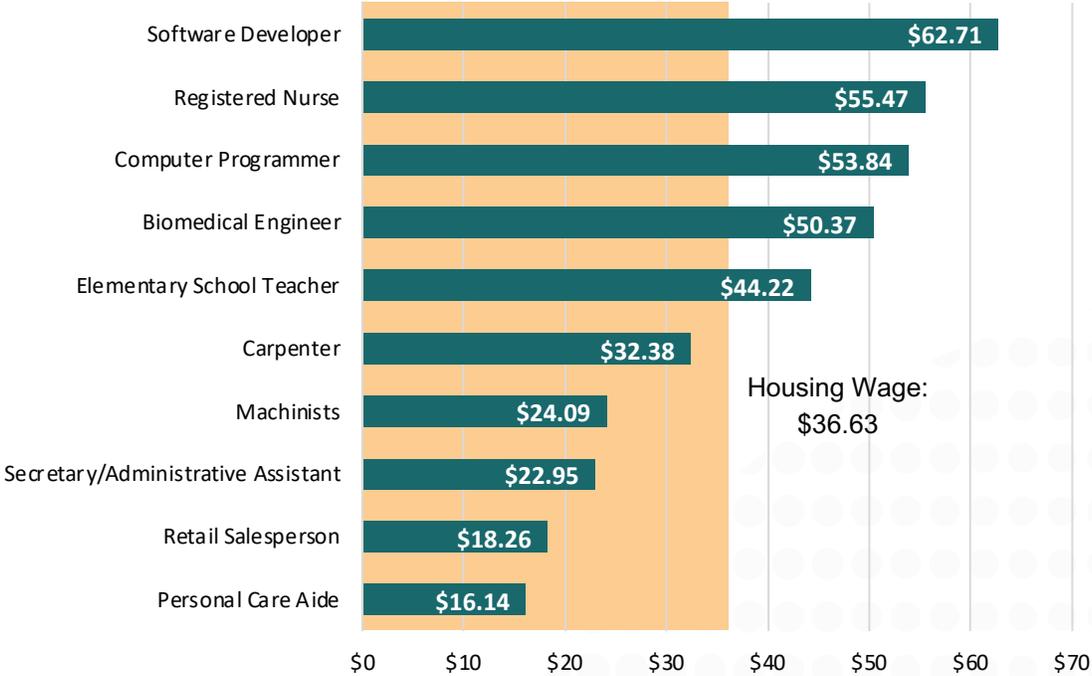
FAIR MARKET RENT (MONTHLY)	2017	2018	2019	2020	2021	2022
One Bedroom	\$1,436	\$1,493	\$1,632	\$1,785	\$1,888	\$1,905
Two Bedroom	\$1,813	\$1,876	\$2,037	\$2,216	\$2,331	\$2,324
Three Bedroom	\$2,531	\$2,626	\$2,862	\$3,098	\$3,227	\$3,178
Amount a Household with One Minimum Wage Earner Can Afford to Pay in Rent (Monthly)	\$546	\$572	\$624	\$676	\$728	\$780
Number of Hours per Week a Minimum Wage Earner Must Work to Afford a One-Bedroom Apartment	105	104	105	106	104	98

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

Many of some of the largest occupations in the county earn less than the \$36.63 per hour necessary to afford a one-bedroom apartment, a clear illustration of the affordability crisis. While the housing market has begun to cool, with home prices beginning to plateau and even shrink, the rental market continues to climb as demand for apartments remains high. With high housing prices serving to reduce demand and increasing interest rates pricing potential buyers out of the market, a significant portion of existing and new residents are and will continue to rent, suggesting continued high rental prices until supply significantly increases.

HOUSING WAGE REMAINS ELEVATED

HOURLY WAGE NEEDED TO AFFORD A MEDIAN ONE-BEDROOM UNIT IN ORANGE COUNTY (2022) COMPARED TO MEDIAN LOCAL WAGES IN SELECTED OCCUPATIONS (1ST QUARTER 2022)



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 (2022 housing wage); California Employment Development Department Occupational Employment Statistics (1st Quarter 2022)

WAGE INCREASE PROVIDES RENTERS WITH SOME AFFORDABILITY RELIEF

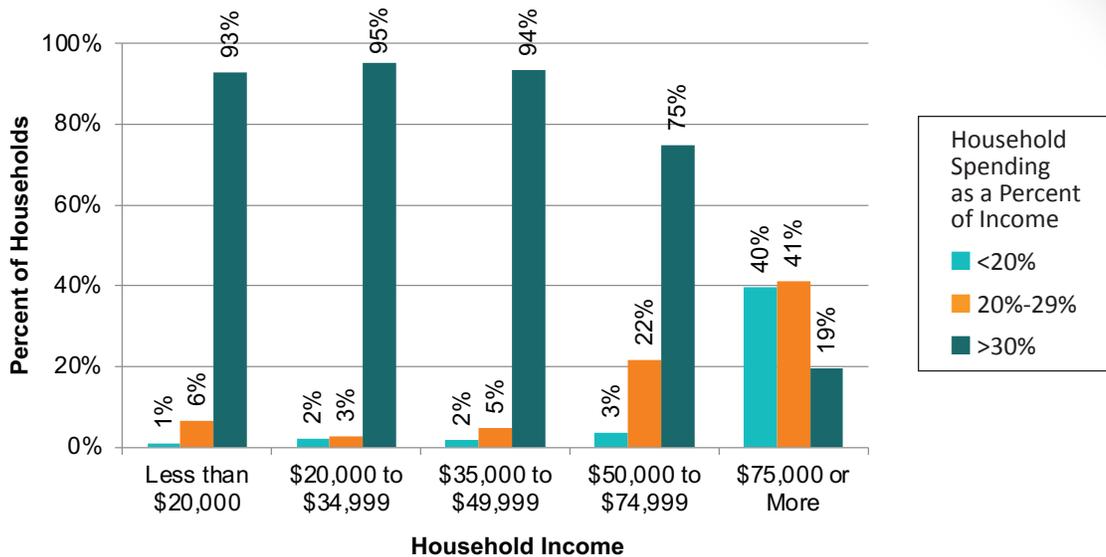
ORANGE COUNTY WEEKLY WORK HOURS REQUIRED BY HOUSING SIZE FOR MINIMUM WAGE WORKERS, 2022



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

LOW-INCOME RENTERS CONTINUE TO SEE THE MOST SIGNIFICANT RENT BURDEN

ORANGE COUNTY RENTER-OCCUPIED HOUSING COSTS AS A PERCENT OF INCOME, 2020



Source: U.S. Census Bureau, American Community Survey 5-Year Estimate

Even more than homeowners, renters spend a disproportionate amount of their income on housing costs. More than 90 percent of Orange County renters making less than \$50,000 per year are spending more than 30 percent of their income on housing. This further illustrates the county's lack of affordability, which continues to encourage residents to relocate to less expensive areas.

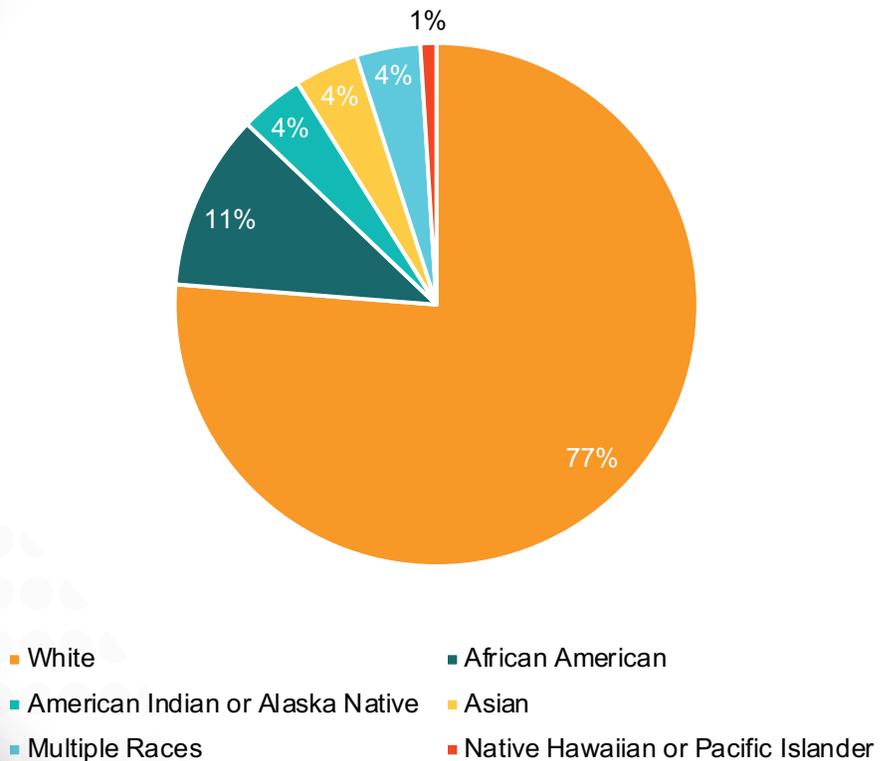
HOUSING SECURITY

Approximately 2,661 Orange County residents lived in sheltered homeless arrangements in 2022, nine percent more than in 2021. Nearly 950 of these individuals (36 percent) are adults with children. The number of adults only living in sheltered arrangements increased from 1,379 in 2021 to 1,704 in 2022, an increase of 23.5 percent and a reflection of financial hardships sustained by individuals due to the pandemic.

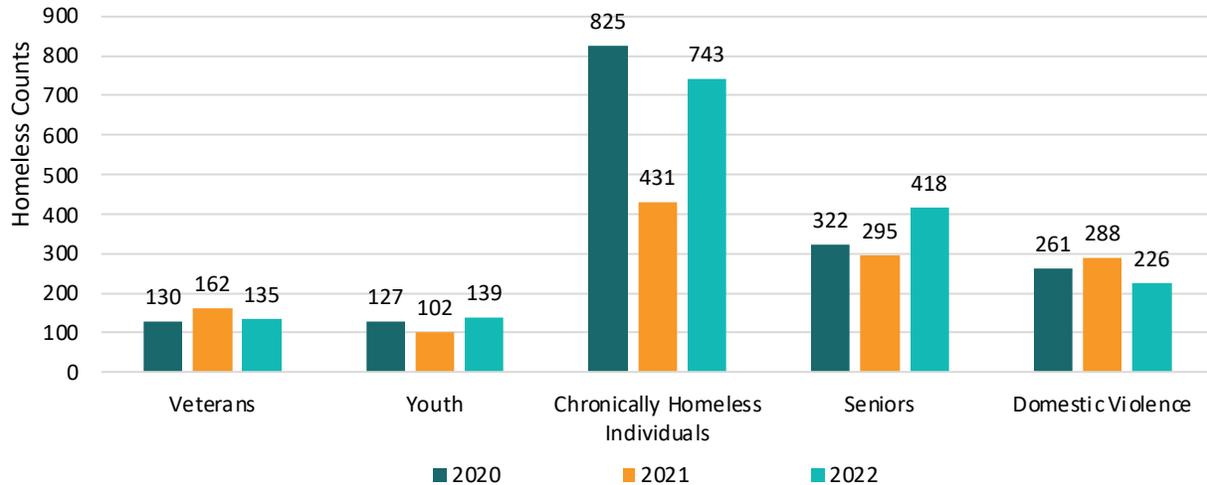
About 77 percent of Orange County's homeless residents were White, while 11 percent were African American. African American county residents experience homelessness at much higher rates than other groups, while Asian residents experience much lower rates.

Orange County had more sheltered homeless youth (139) in 2022 than in 2021 despite improvements the previous year. Other groups, such as seniors and chronically homeless individuals, saw a similar trend, reflecting generous pandemic-era government support that has since dried up.

PROPORTION OF SHELTERED POINT-IN-TIME HOMELESS BY RACE/ETHNICITY IN ORANGE COUNTY, 2022



SHELTERED HOMELESS COUNTS BY SPECIAL POPULATIONS IN ORANGE COUNTY, 2022



Source: Orange County 2-1-1, 2022 Sheltered Point in Time Count

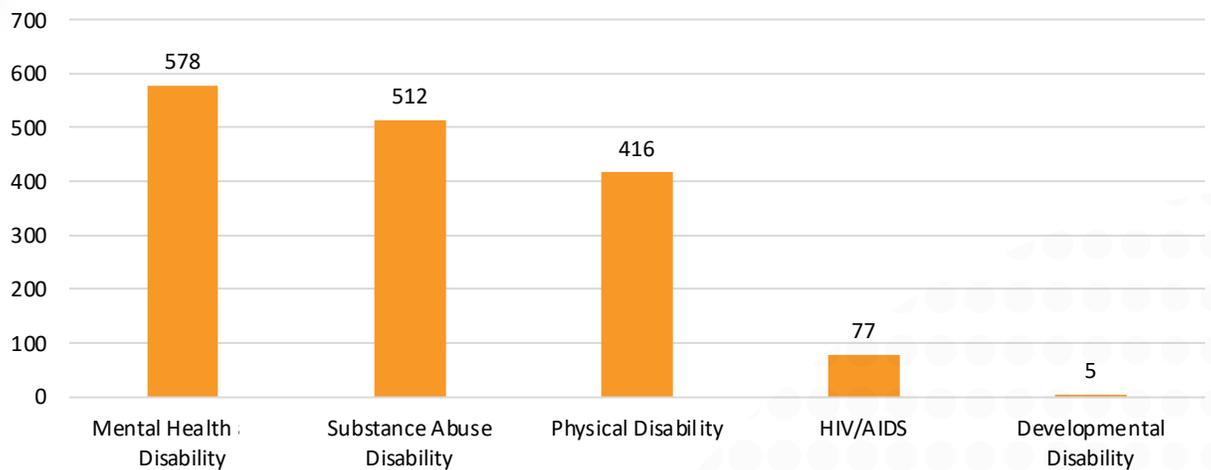
While the 2022 Sheltered Point-in-Time count indicates a 17 percent decline in the number of homeless people in Orange County over the last three years, some advocates and community leaders are concerned that the new statistics may not be a reliable measure of actual conditions. According to Maura Mikulec from housing advocacy group Housing as a Human Right OC, there were 16 percent fewer volunteers doing counts than in 2019, and these volunteers were directed to ‘hot spots’ which likely could have left many individuals uncounted. Mikulec pointed to CalOptima’s 2019 count of homeless people of 10,000, nearly 3,000 more than the Point-in-Time count for that period. These deficiencies also extend to counting specific populations, especially transitioned-aged youth between 16 and 25 years old. Additionally, while Point-in-Time counts rely on maps which specify homeless encampment locations, families often move around, staying in their vehicles, sheds, or even storage units. In the words of Family Solutions Collaborative Executive Director Nikki Buckstead,

“Homeless families are really good at being invisible. They’re very resourceful. They don’t want to be seen. They want to make sure that their children are safe, and sometimes encampments aren’t the safest place for anyone to be in ... So if the volunteers are being deployed to where the encampments are, there’s going to be a huge opportunity for families to get missed.”¹

Ensuring homeless people are accurately counted in the region should be priority of local stakeholders and community leaders as it is crucial in getting Orange County’s fair share of funding from the federal government for homeless services. Additionally, undercounting the homeless may result in this problem not being addressed appropriately and effectively.

¹ <https://www.latimes.com/socal/daily-pilot/entertainment/story/2022-06-02/advocates-and-nonprofit-leaders-question-the-accuracy-of-orange-county-homeless-count>

DISABILITIES REPORTED BY PERSONS SHELTERED IN ORANGE COUNTY, 2022



Source: Orange County 2-1-1, 2022 Sheltered Point in Time Count

NOTE

The Point-in-Time (PIT) count is a count of sheltered and unsheltered homeless persons on a single night during the last 10 days of January 2022. The sheltered count must occur on an annual basis and include clients in Emergency Shelter, Transitional Housing, and Sage Haven Projects.

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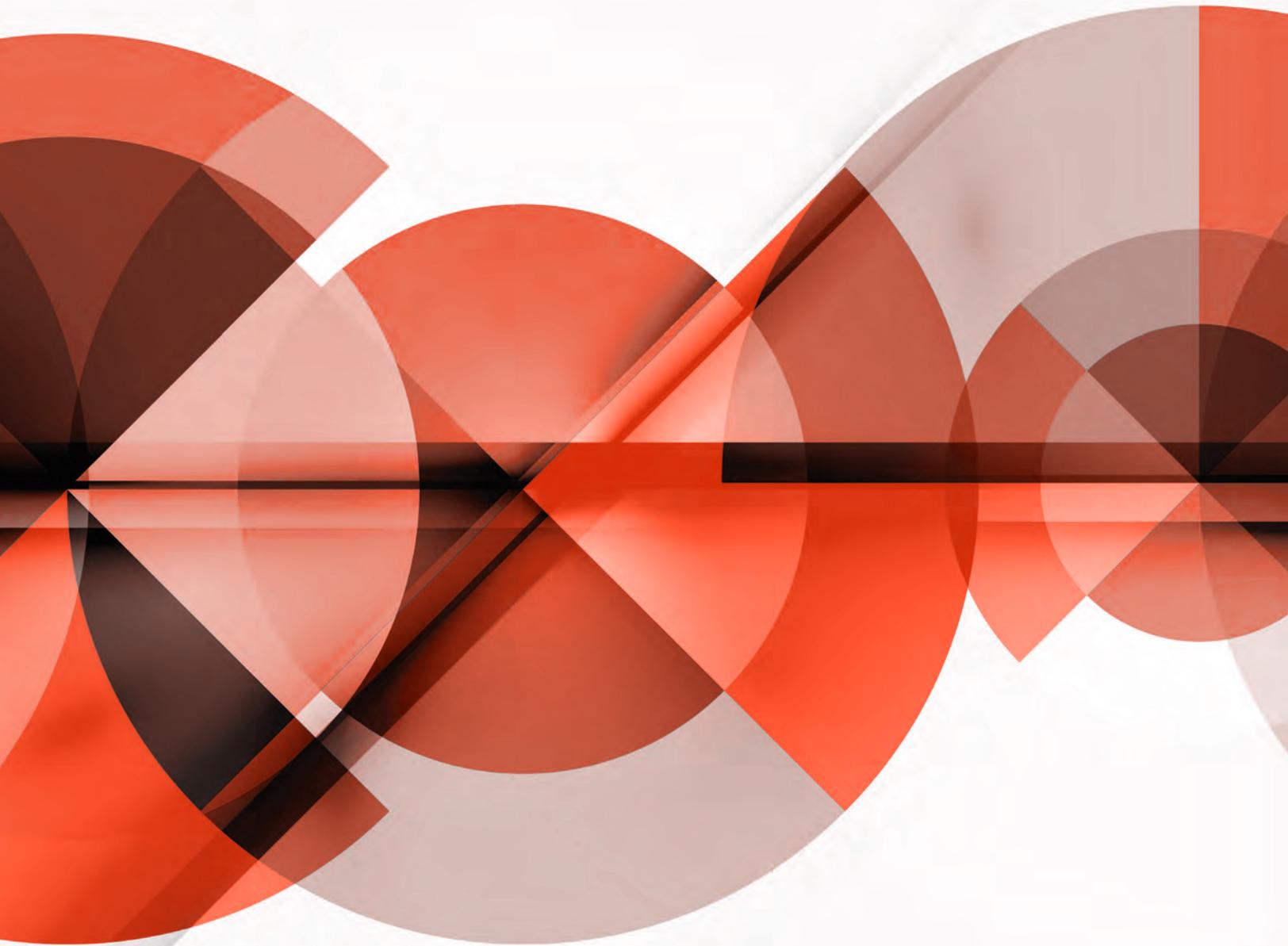
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WELLS
FARGO

INCOME



HOUSEHOLD INCOME

10.1% Percentage of Orange County residents living in poverty

12.9% Percentage of Orange County children living in poverty

9.5% Working poor: percentage of residents living in poverty who work full-time or part-time
28.3%

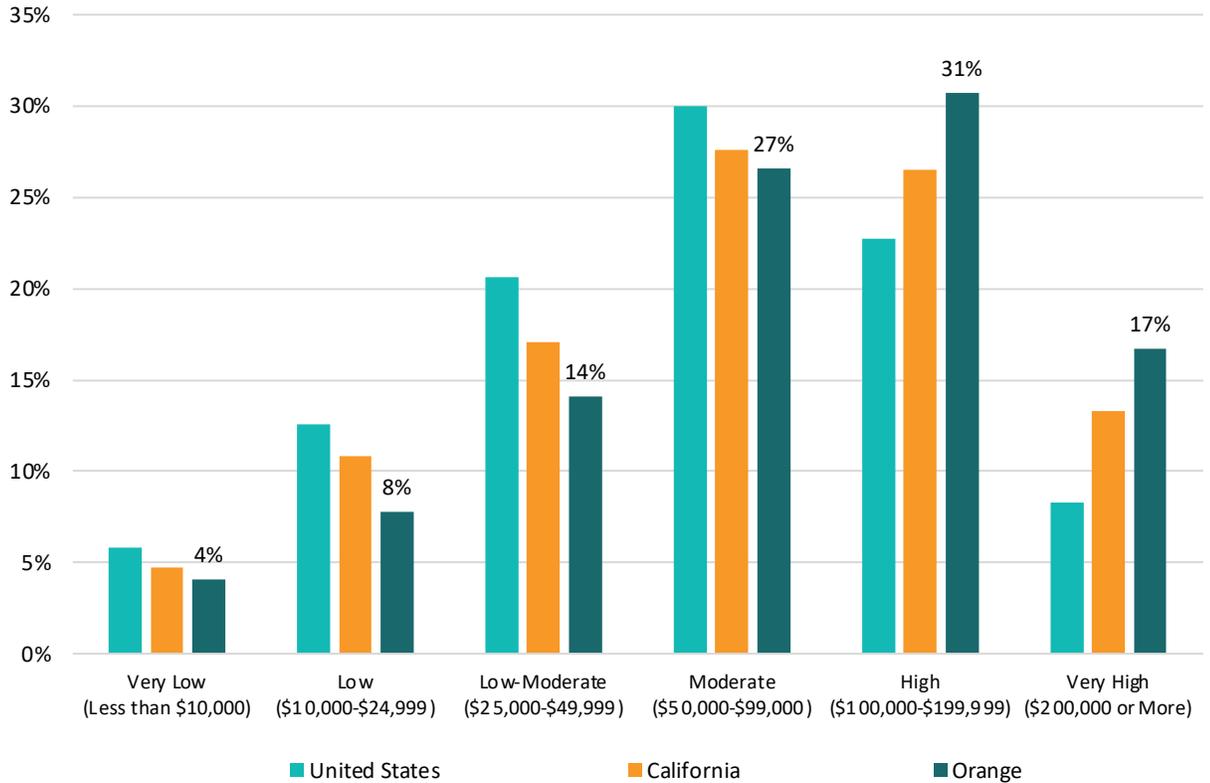
Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

The median household income in Orange County increased by \$3,625 or by 4.0 percent from 2019 to 2020, faster than increases at the state (3.9 percent) and national (2.8 percent) levels. Orange County's 2020 median household income was \$94,441, 45 percent higher than the national median of \$64,994 and 20 percent higher than the state median of \$78,672.

Only 4 percent of Orange County households are in the "very low" income category, compared to 5 percent at the state level and 6 percent at the national level; 17 percent of Orange County households are in the "very high" income category compared to only 13 percent at the state-level and 8 percent at the national level, highlighting the above-average earnings provided by the region. Overall, 47 percent of households in Orange County make over \$100,000, significantly more than at the state (40 percent) and national (31 percent) levels. Despite the high proportion of residents earning above-average incomes, 10.1 percent of Orange County residents were living below the poverty line in 2020 as well as 12.9 percent of children. Additionally, 28.5 percent of part-time workers lived below the poverty line compared to 9.5 percent of full-time workers, highlighting the importance of gainful employment in the region.

MORE OC HOUSEHOLDS JOIN "VERY HIGH" INCOME CATEGORY

DISTRIBUTION OF HOUSEHOLDS BY MEDIAN HOUSEHOLD INCOME, ORANGE COUNTY, CALIFORNIA, AND THE UNITED STATES, 2020



<p>Number of Orange County households in the "Very Low" income group:</p> <p>42,640</p>	<p>Approximate 2019 U.S. poverty threshold for a 4-person household:</p> <p>\$27,750</p>	<p>Eligibility for many support services begins at <185% of poverty, or for a 4-person household roughly</p> <p>\$51,000</p>	<p>2020 median household income in Orange County:</p> <p>\$94,441</p>	<p>Minimum qualifying income for a first-time homebuyer in Orange County in 2022:</p> <p>\$157,500</p>	<p>The number of Orange County households grew 5.6% between 2010 and 2020, while the number of households in the "Very High" group grew 90%</p>
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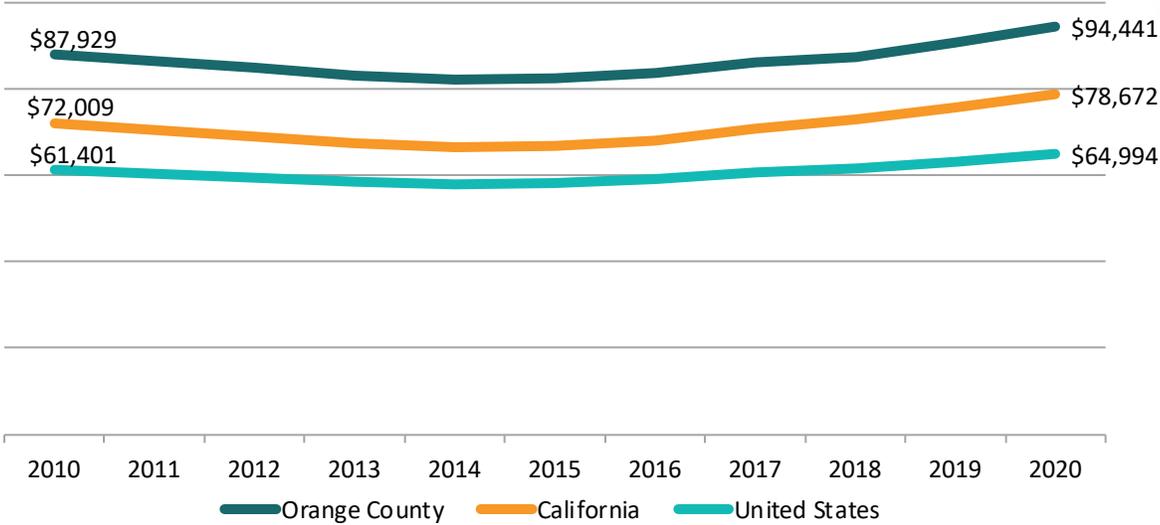
Sources: U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2010 through 2020; U.S. Census Bureau, Poverty Thresholds for 2020; California Association of Realtors, First-Time Buyer Housing Affordability Index

As the national, regional, and local economies continue their recovery from the pandemic, a combination of pent-up demand and a tight labor market have driven up wages. In recent months, however, accelerated inflation has outpaced these wage increases due to a variety of external factors, most notably supply chain constraints and Russia's invasion of Ukraine. Despite the recent strong labor market, many employers have begun laying off workers in anticipation of a recession or slowdown in late 2022 or early 2023, serving to potentially impact future wage growth.



MEDIAN HOUSEHOLD INCOME INCREASES 4% IN OC

MEDIAN HOUSEHOLD INCOME (INFLATION ADJUSTED TO 2020 DOLLARS), ORANGE COUNTY, CALIFORNIA, AND UNITED STATES



Sources: U.S. Census Bureau, American Community Survey, 5-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 (https://www.bls.gov/data/inflation_calculator.htm)

FAMILY FINANCIAL STABILITY

FAMILY FINANCIAL STABILITY DECLINED SLIGHTLY IN 2020

The 2020 Family Financial Stability Index for Orange County (FFSI-OC) shows that 19 percent of county neighborhoods had high levels of family financial instability (scores of 1, 2, 3, and 4 out of a maximum score of 10). 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. FFSI-OC tracking began in 2012, when 39 percent of neighborhoods received “unstable” FFSI-OC scores of 4 or less. While this level of instability rose to include 41 percent of neighborhoods in 2013, family financial stability had steadily improved each year between 2013 through 2019, when 18 percent of neighborhoods had high levels of family financial stability.

Data from 2020 provides a first glimpse into the impact of the COVID-19 global pandemic disruptions. It includes results from Orange County residents surveyed in 2016 through 2020, so the 2020 data are only partly reflective of the pandemic.

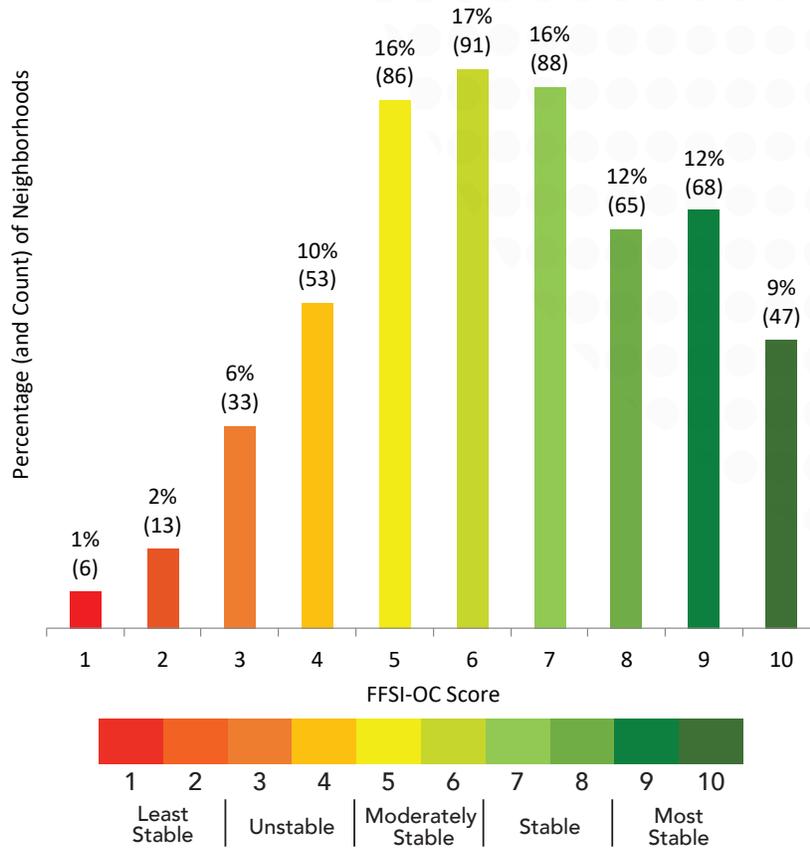
Three cities (Santa Ana, Los Alamitos, and Westminster) had the highest concentrations of family financial instability with scores of 4 on the 2020 FFSI-OC. While some neighborhoods had scores of 1, 2, and 3, no city or unincorporated area scored below a 4 in 2020.¹



¹ Data are estimates based on samples of the Orange County population surveyed between 2016 and 2020. As with all sample data, results have a margin of error where the true result is assumed to be within the margin of error. Therefore, estimates should be interpreted accordingly.

MAJORITY OF NEIGHBORHOODS MODERATELY STABLE OR STABLE

FFSI-OC SCORES: PERCENT (AND COUNT) OF ORANGE COUNTY NEIGHBORHOODS, 2020



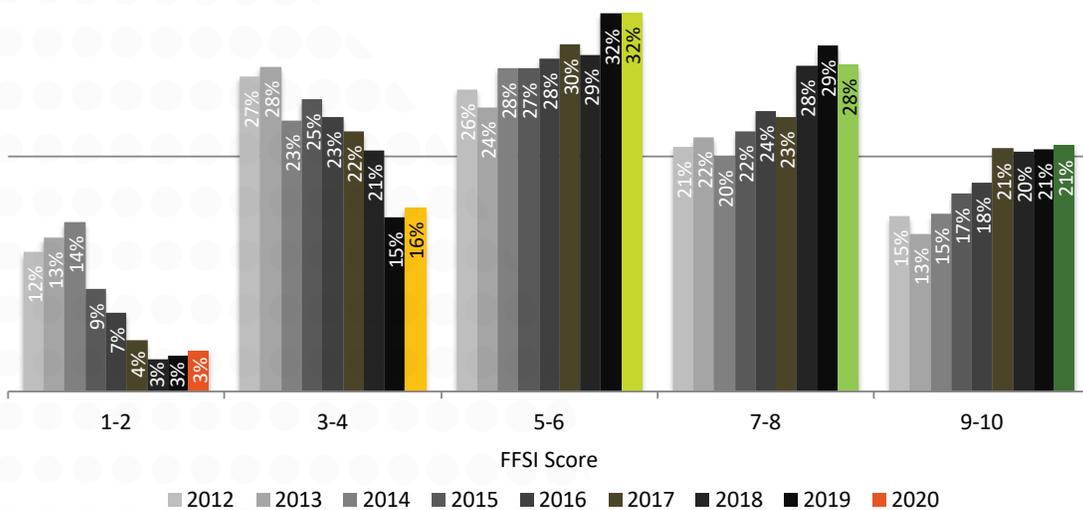
Source: Parsons Consulting, Inc. for Orange County United Way

NOTE

Percentages have been rounded. The number of neighborhoods falling within each FFSI-OC index score is provided in the parentheses following the percentage.

FAMILY FINANCIAL INSTABILITY INCREASES SLIGHTLY IN 2020

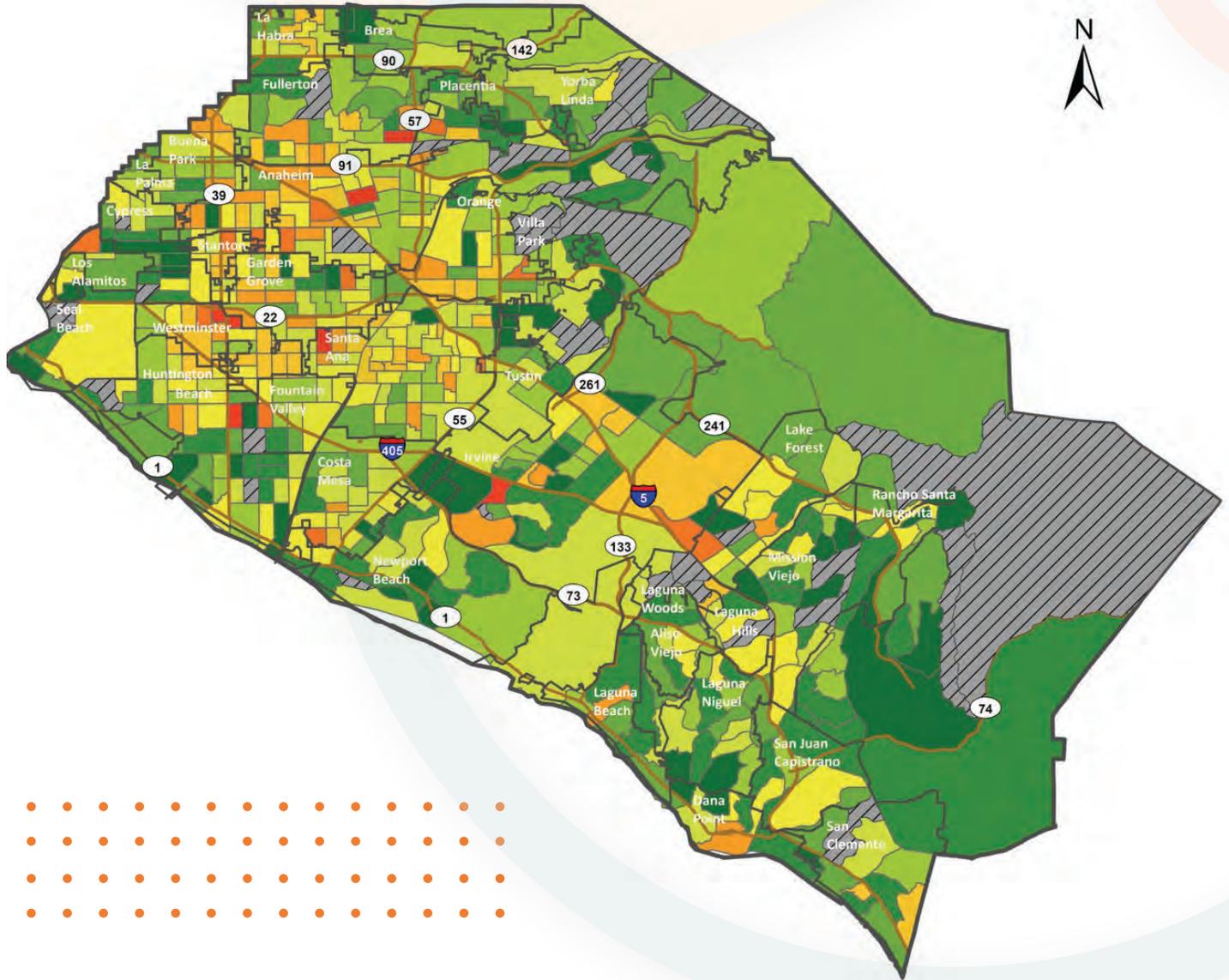
PERCENTAGE OF ORANGE COUNTY NEIGHBORHOODS BY FFSI-OC SCORE, 2012-2020



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

19 PERCENT OF NEIGHBORHOODS HAVE LOW LEVELS OF FAMILY FINANCIAL STABILITY

FAMILY FINANCIAL STABILITY INDEX – ORANGE COUNTY: 2020 NEIGHBORHOOD-LEVEL RESULTS



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.



“Educating the mind
without educating the heart
is no education at all.”

– Aristotle



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EDUCATION



KINDERGARTEN READINESS

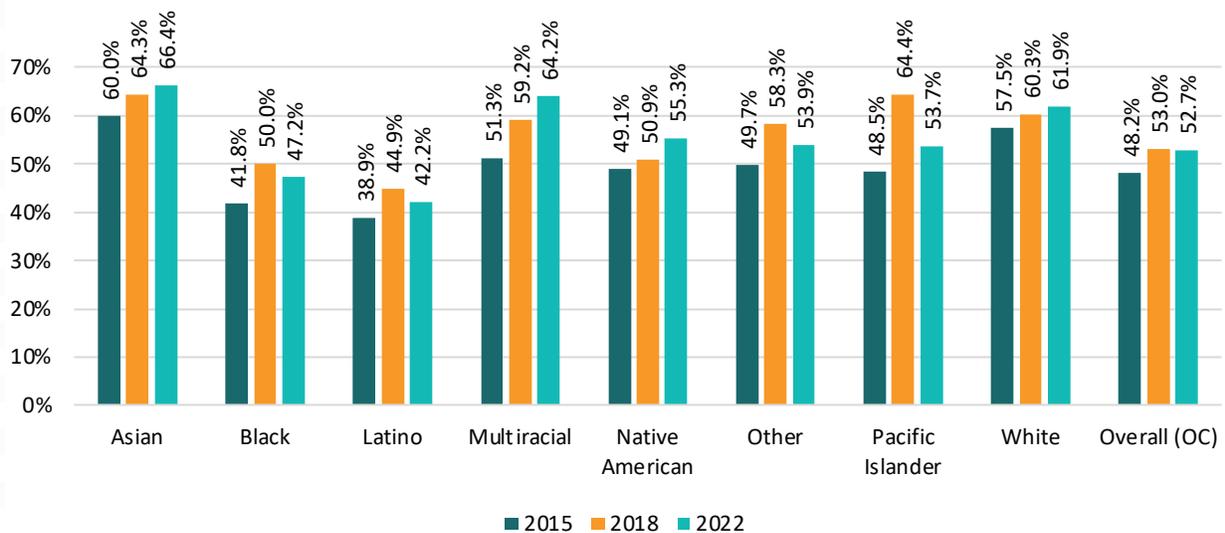
PERCENTAGE OF STUDENTS READY FOR KINDERGARTEN REMAINS STEADY

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 on 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.¹ 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 or Latino/a 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



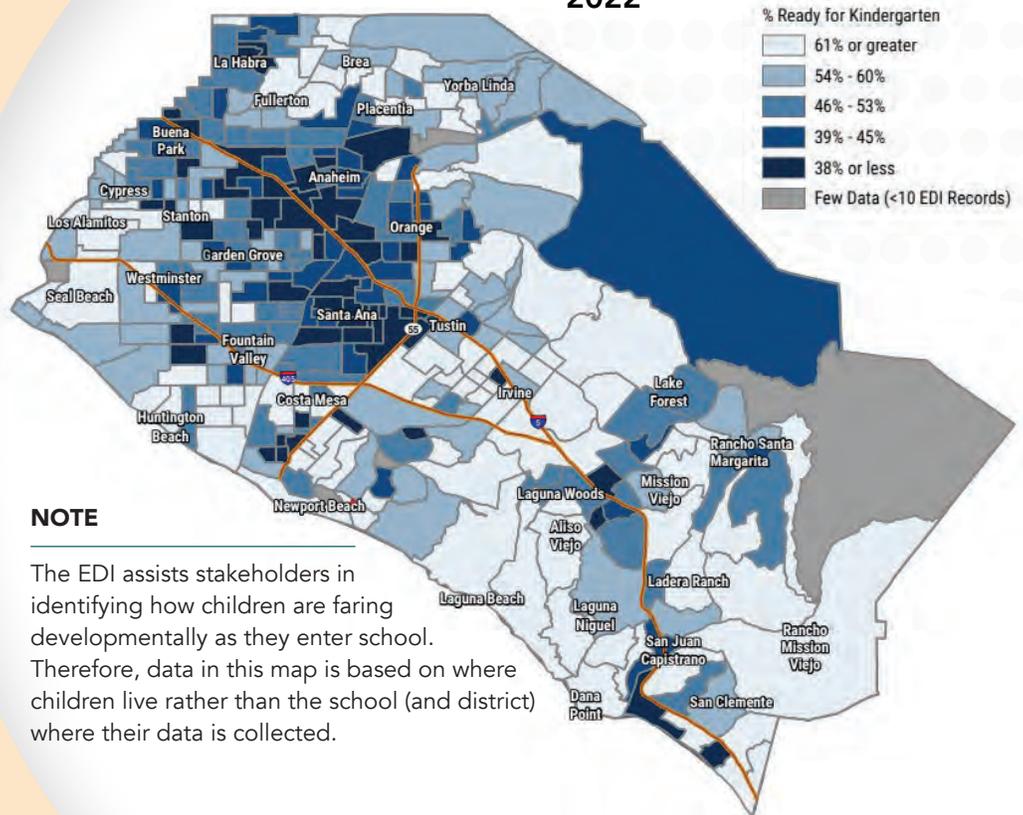
Source: First 5 Orange County, Early Development Index

¹ 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 overall considered ready for kindergarten.

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



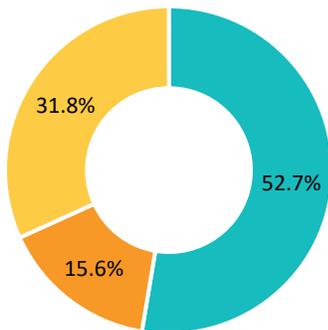
Source: First 5 Orange County, Early Development Index

The five areas of a child’s development are divided into 16 sub-areas, as listed on the following page. 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, fully 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 can help maximize the number of students who are developmentally ready for kindergarten.

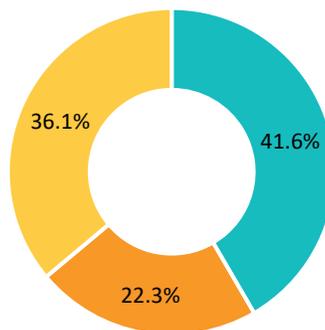
PERCENT OF STUDENTS READY FOR KINDERGARTEN BY FOUR MAJOR SUB-AREAS, 2022

GROSS & FINE MOTOR SKILLS



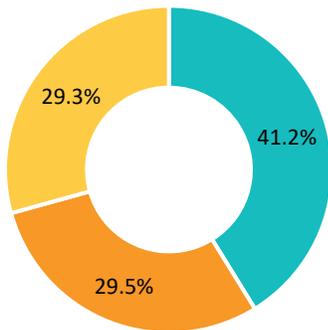
Ready Somewhat Not Ready

COMMUNICATION SKILLS & GENERAL KNOWLEDGE



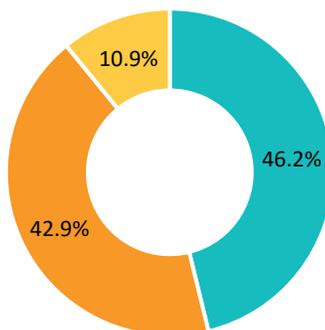
Ready Somewhat Not Ready

PROSOCIAL & HELPING BEHAVIOR



Ready Somewhat Not Ready

OVERALL SOCIAL COMPETENCE WITH PEERS



Ready Somewhat Not Ready

Source: First 5 Orange County, Early Development Index

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



HIGH SCHOOL GRADUATION RATE

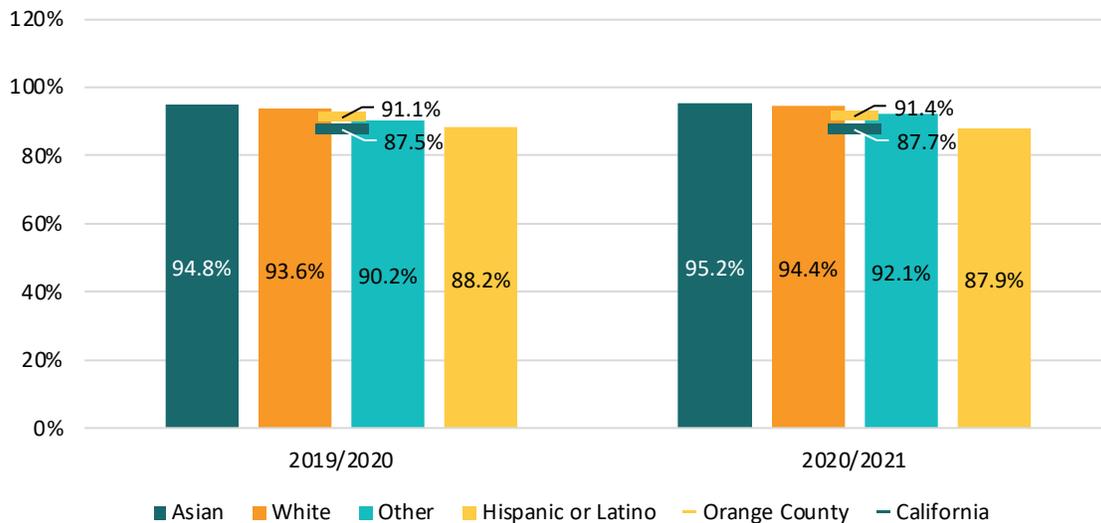
Approximately 91.4 percent of Orange County students who entered 9th grade in 2017 graduated on time four years later in 2021; this represents a slight improvement over the class of 2020, which had a graduation rate of 91.1 percent. The graduation rate for “Other” students, which includes American Indian or Alaska Natives, African Americans, students of Two or More Races, and students who have not reported a race or ethnicity increased from 90.2 percent to 92.1 percent, the largest year-over-year increase for any group. White students’ graduation rates increased from 93.6 percent to 94.4 percent, while Asian students’ graduation rates increased from 94.8 percent to 95.2 percent.

At the state level, graduation rates improved by only 0.2 percentage points, from 87.5 percent in 2020 to 87.7 in 2021.



ORANGE COUNTY’S GRADUATION RATE SEES LARGER IMPROVEMENT THAN AT STATE-LEVEL

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

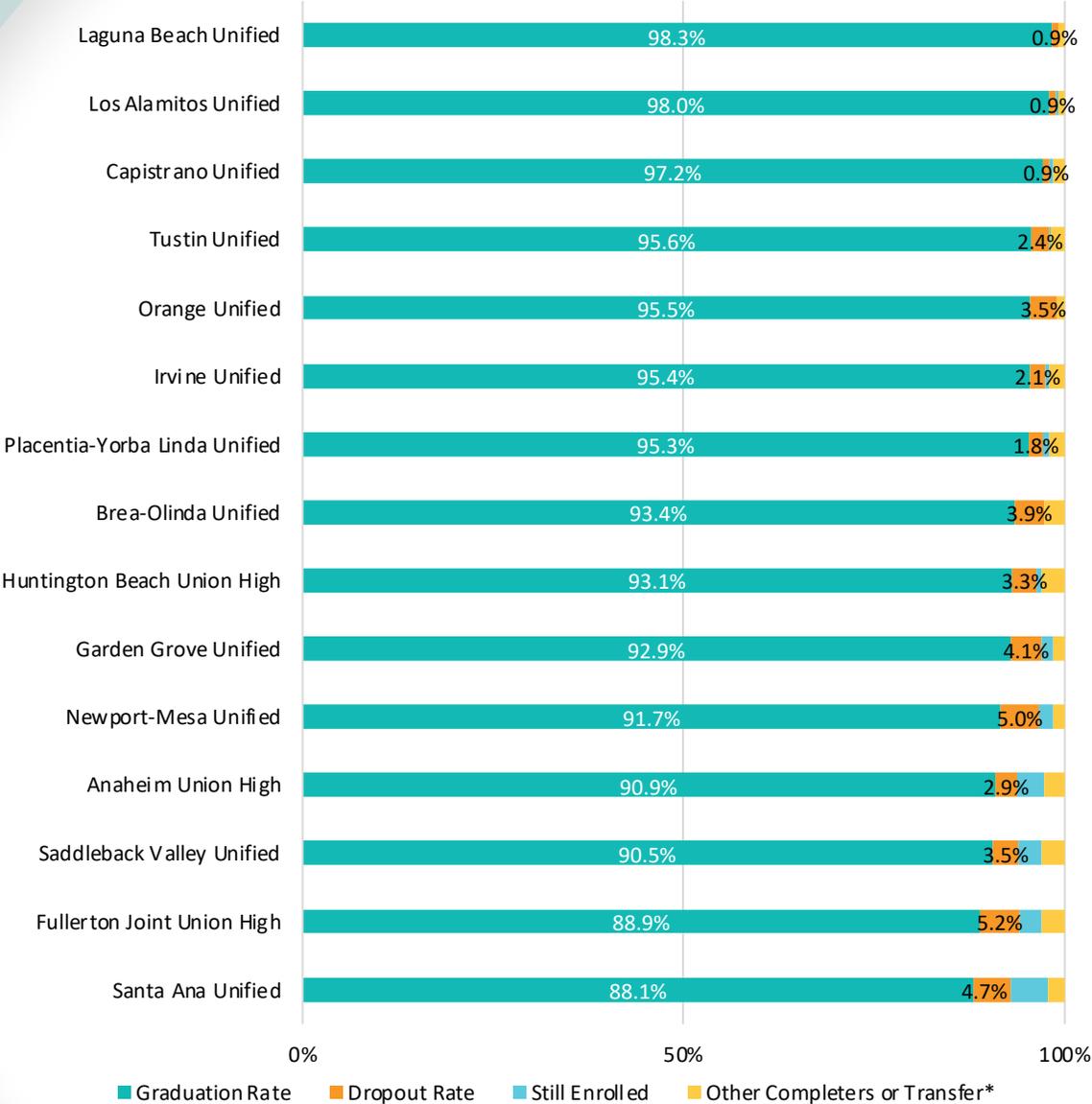


Source: California Department of Education, DataQuest

Laguna Beach Unified had Orange County's highest graduation rate (98.3 percent) while Los Alamitos Unified finished second at 98.0 percent. Santa Ana Unified, which had the county's lowest graduation rate, did see a slight improvement, from 88 percent in 2020 to 88.1 percent in 2021. Laguna Beach Unified, Los Alamitos Unified, and Capistrano Unified school districts tied for the county's lowest dropout rate (0.9 percent) while Fullerton Joint Union High had the highest rate (5.2 percent). Overall, the county-wide dropout rate fell to 4.0 percent in 2020/2021 from a revised reading of 5.0 percent the year before.

GRADUATION RATES IMPROVE ACROSS ALL DISTRICTS

HIGH SCHOOL STUDENT OUTCOMES BY ORANGE COUNTY SCHOOL DISTRICT, 2020/2021

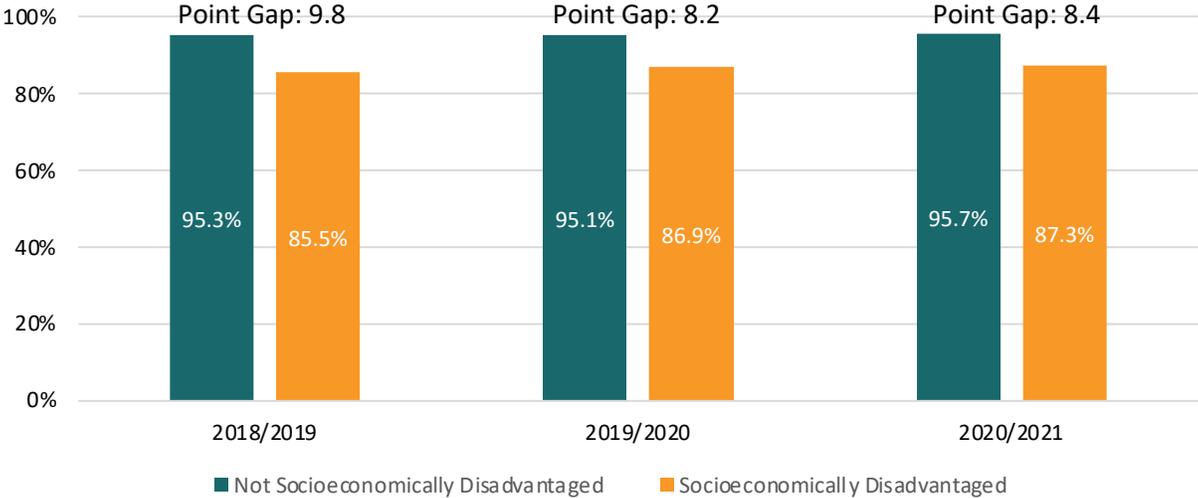


Source: California Department of Education, DataQuest

The percentage point gap between the graduation rate of students who are and are not socioeconomically disadvantaged increased slightly, from 8.2 percent in 2019/2020 to 8.4 percent in 2020/2021. Despite this small increase, this point gap remains well below the high of 10.7 percent measured in 2016/2017.

SOCIOECONOMIC STATUS GAP INCREASED SLIGHTLY IN 2020/2021

FOUR-YEAR ADJUSTED COHORT GRADUATION RATE BY SOCIOECONOMIC STATUS, 2018/2019-2020/2021



Source: California Department of Education, DataQuest

NOTE

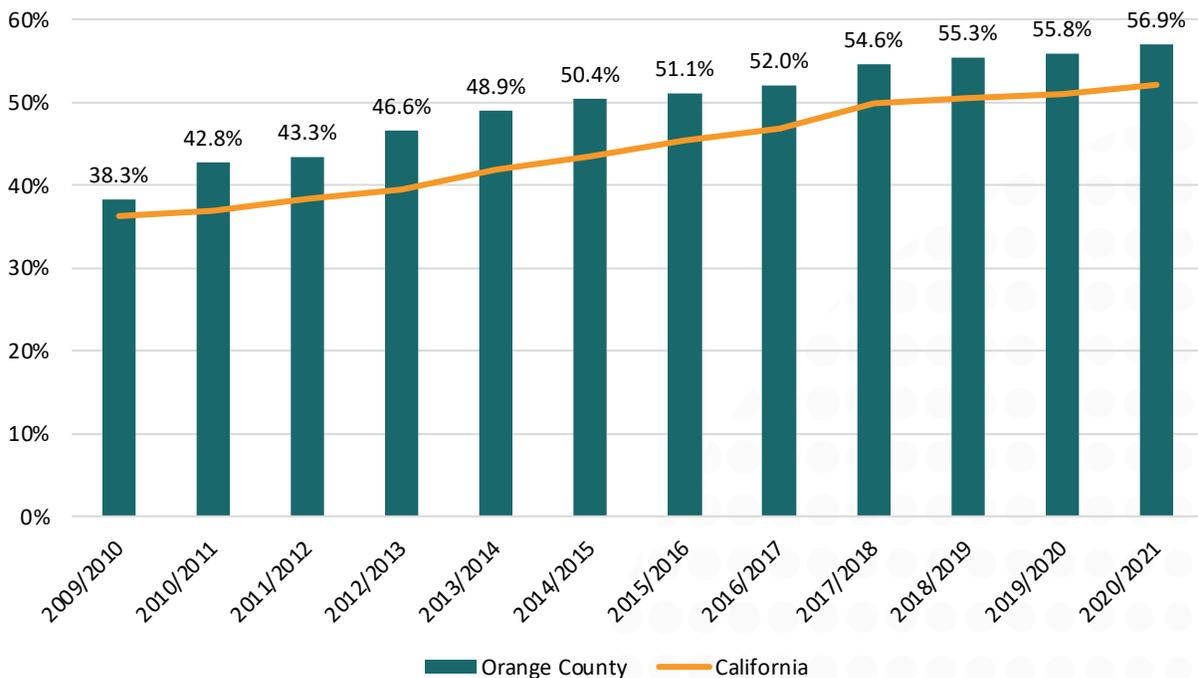
The graduation rate measures the percentage of students who receive a diploma in four years. Due to changes in methodology, four-year adjusted cohort graduation rate data are only available for the 2016/17, 2017/18, 2018/2019, 2019/2020, and 2020/2021 school years. Data are for non-charter schools only, with the exception of the analysis by socio-economic status, which includes all schools. "Asian" includes Asian, Pacific Islander, and Filipino. "Other" includes Native American/Alaskan Native, African American, Two or More Races, or not reported. 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

An important sign of Orange County students' resilience is their increasing college readiness despite pandemic upheavals. The percentage of University of California (UC) or California State University (CSU) eligible graduates increased from 55.8 percent in 2019/2020 to 56.9 percent in 2020/2021. County UC/CSU eligibility has continually improved over the past decade, increasing by more than 14 percentage points since 2010/2011 in a reflection of the significant progress made by students and educators.

UC/CSU ELIGIBILITY SEES BUMP IN 2020/2021

PERCENTAGE OF HIGH SCHOOL GRADUATES THAT ARE UC/CSU ELIGIBLE IN ORANGE COUNTY, 2009/2010-2020/2021

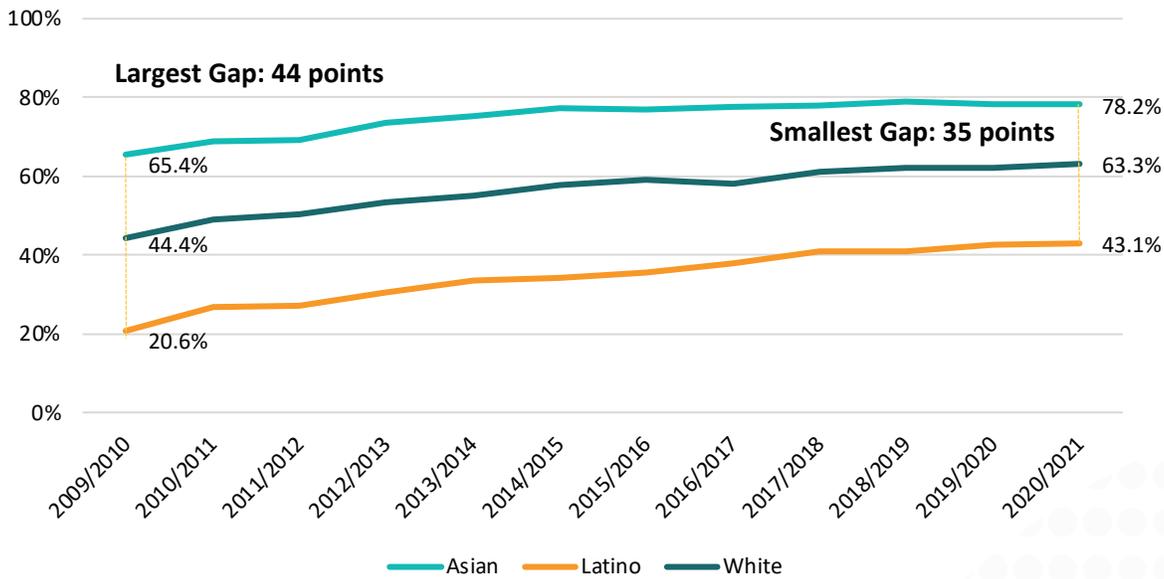


Source: California Department of Education, DataQuest

The gap between Asian and Latino UC/CSU eligibility fell to its smallest level in over a decade — shrinking from a high of 44 percentage points in 2009/2010 to only 35 percentage points in 2020/2021. Asian students continue to enjoy Orange County’s highest UC/CSU eligibility rate (78.2 percent), while 63.3 percent of graduating White students are UC/CSU eligible, as are 43.1 percent of Latino students.

UC/CSU ELIGIBILITY GAP BETWEEN ASIAN AND LATINO STUDENTS SHRINKS TO SMALLEST IN OVER A DECADE

PERCENTAGE OF HIGH SCHOOL GRADUATES ELIGIBLE FOR UC/CSU BY RACE/ETHNICITY IN ORANGE COUNTY, 2009/2010-2020/2021



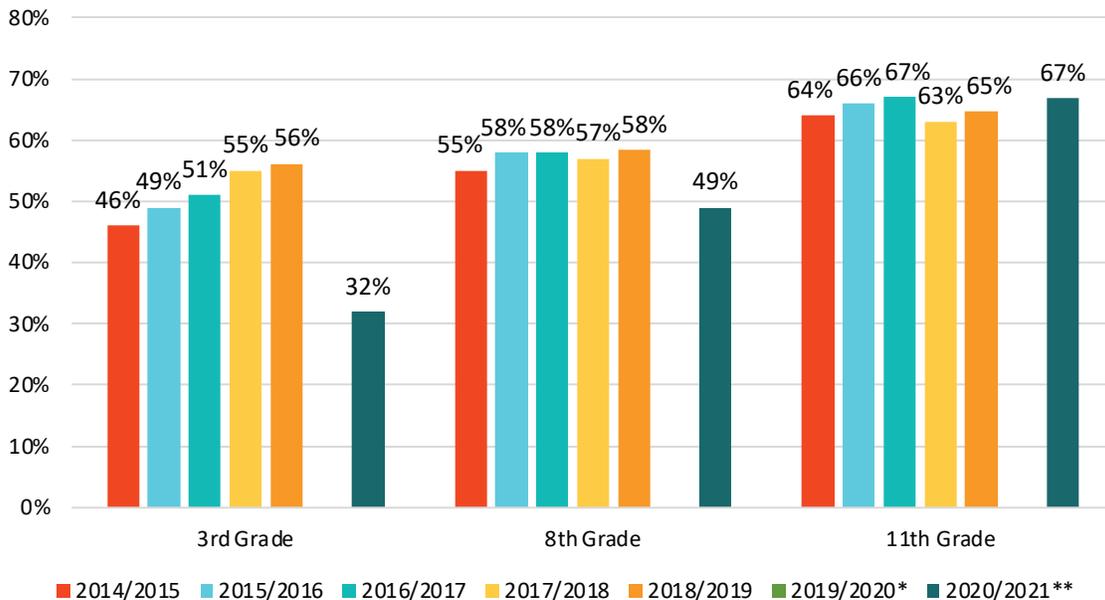
Source: California Department of Education, DataQuest

ACADEMIC PERFORMANCE: LITERACY

Likely due to pandemic-related disruptions to the school year, Orange County 3rd graders saw a significant decline in meeting or exceeding statewide English Language Arts (ELA) standards; 32 percent in 2020/2021 compared to 56 percent in 2018/2019. Orange County 8th graders also saw a decline, from 58 percent to 49 percent, during the same time period, while 11th graders' performance improved, with the percentage of students meeting or exceeding standards increasing from 65 percent in 2018/2019 to 67 percent in 2020/2021.

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

PERCENT OF STUDENTS MEETING OR EXCEEDING STATE STANDARDS ENGLISH LANGUAGE ARTS AND LITERACY, 2014/2015-2020/2021



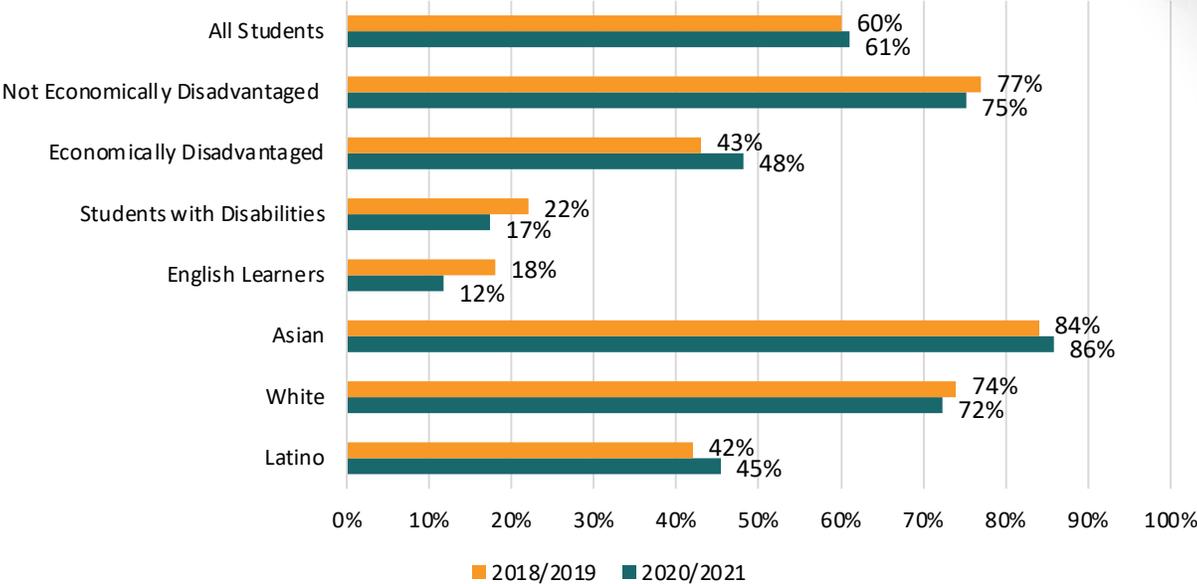
* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease (COVID-19)

** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020-2021 varied. Care should be used when interpreting results. Please see text box below for a fuller explanation. Source: California Department of Education (<https://caaspp-elpac.cde.ca.gov/caaspp/>)

Together, Orange County K-12 students¹ saw a small improvement in ELA performance between 2018/2019 and 2020/2021, with the percentage of students meeting or exceeding standards increasing from 60 to 61 percent. Performance varied greatly among different groups. As seen in the chart below, students with disabilities and English language learners both saw declines in performance, as did White students (a small decline from 74 to 72 percent). On the other hand, Asian and Latino students' ELA performances improved, rising from 84 and 42 percent, respectively, in 2018/2019 to 86 and 45 percent in 2020/2021.

COVID DISRUPTS ELA ACROSS SEVERAL GROUPS

ORANGE COUNTY STUDENT ELA PERFORMANCE BY ECONOMIC STATUS, ENGLISH LEARNERS, AND RACE/ETHNICITY, 2018/2019 AND 2020/2021



Source: California Department of Education (<https://caaspp-elpac.cde.ca.gov/caaspp/>)

NOTE

Due to the COVID-19 pandemic and ensuing lockdowns, most Orange County students learned from home for much of the 2020-21 school year, creating significant problems for both teachers and administrators regarding testing and statewide assessments. As such, the California Assessment of Student Performance and Progress (CAASPP) data results for the 2020-2021 school year are very limited in scope and are not a fully representative sample of Orange County students. For more information on issues with the most recent CAASPP testing and reporting data, please see the California Department of Education's news release here: <https://www.cde.ca.gov/nr/ne/yr22/yr22rel03.asp>.

We report these data as they still provide some measure of academic progress during COVID, but they should be interpreted carefully as a significant portion of children from each grade level were not tested.

¹ Grades tested include 3rd, 4th, 5th, 6th, 7th, 8th, and 11th grades.

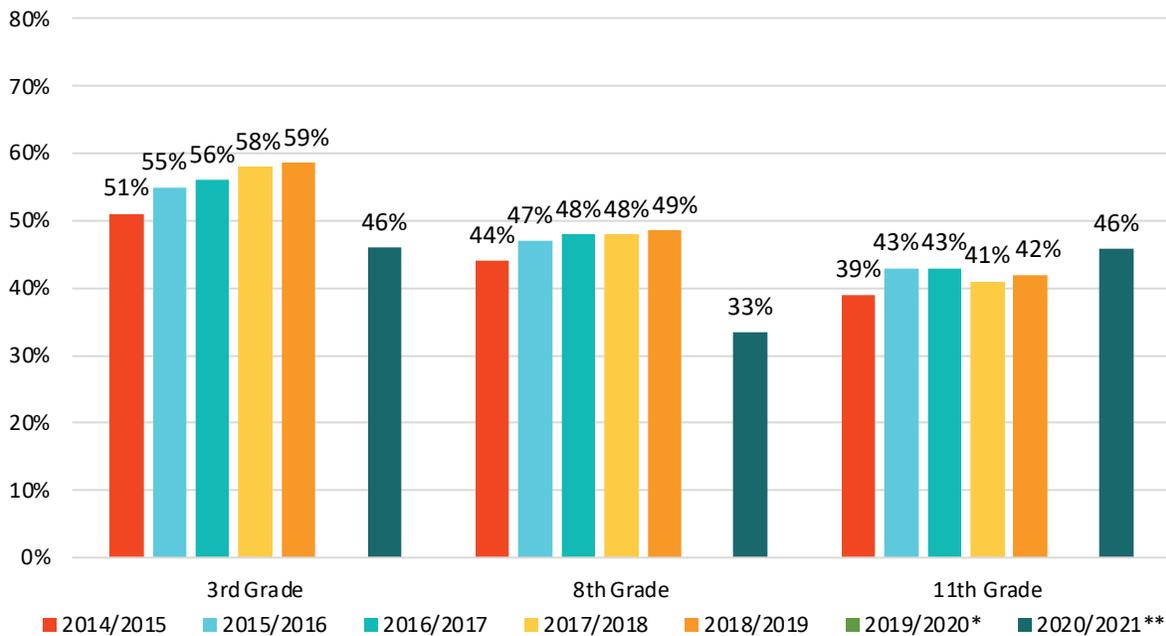
ACADEMIC PERFORMANCE: MATHEMATICS

Many Orange County K-12 students saw significant declines in their Mathematics performance, which may be due to pandemic-related disruptions. Approximately 59 percent of third graders and 49 percent of eighth graders met or exceeded standards in the 2018/2019 school year, compared to only 46 and 33 percent, respectively, in 2020/2021.

11th graders, on the other hand, saw an increase in performance: from 42 percent meeting or exceeding standards in 2018/2019 to 46 percent in 2020/2021. Overall, less than half of tested students met statewide standards, indicating significant room for improvement.

MATH SCORES IMPROVE FOR 11TH GRADERS; DECLINE FOR 3RD AND 8TH GRADERS

PERCENT OF STUDENTS MEETING OR EXCEEDING STATE STANDARDS MATHEMATICS, 2014/2015-2020/2021



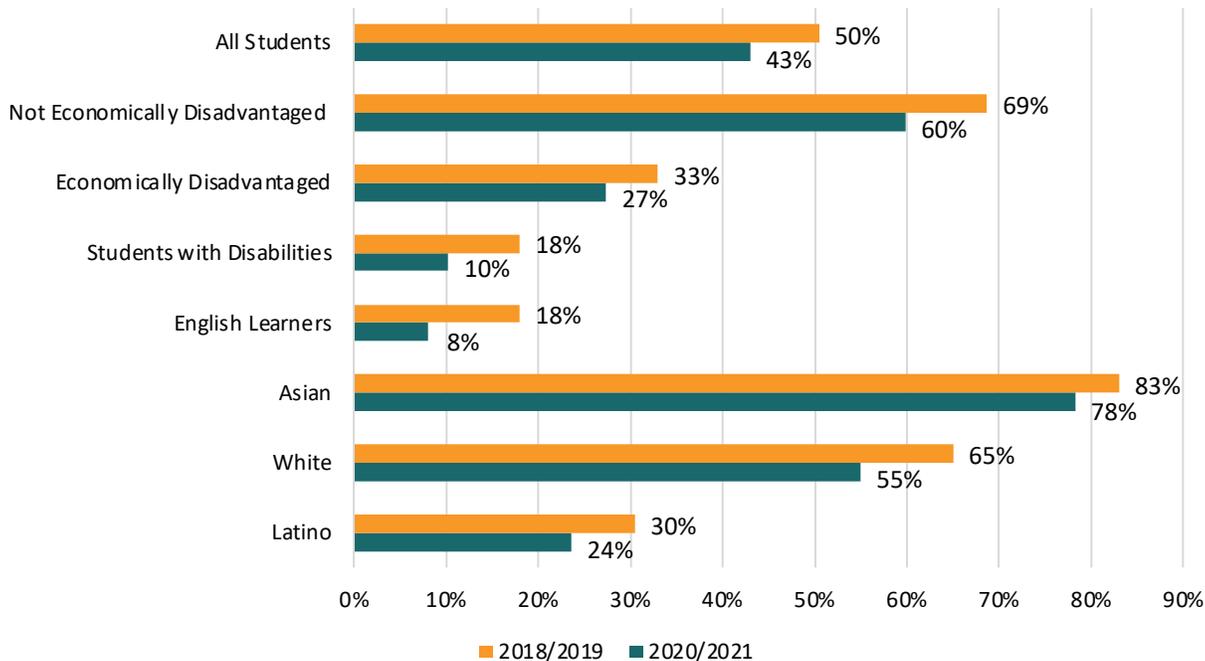
* 2019/2020 results are not available due to the suspension of testing as a result of the novel coronavirus disease (COVID-19)

** Due to factors surrounding the novel coronavirus (COVID-19) pandemic, testing participation in 2020-2021 varied. Care should be used when interpreting results. Please see text box on next page for a fuller explanation. Source: California Department of Education (<https://caaspp-elpac.cde.ca.gov/caaspp/>)

All measured groups saw performance declines, with the most significant occurring in English language learners (from 18 percent to 8 percent) and White students (from 65 to 55 percent).

PERCENTAGE OF STUDENTS MEETING OR EXCEEDING MATHEMATICS STANDARDS TAKES SIGNIFICANT HIT

ORANGE COUNTY STUDENT MATHEMATICS PERFORMANCE BY ECONOMIC STATUS, ENGLISH LEARNERS, AND RACE/ETHNICITY, 2018/2019 AND 2020/2021



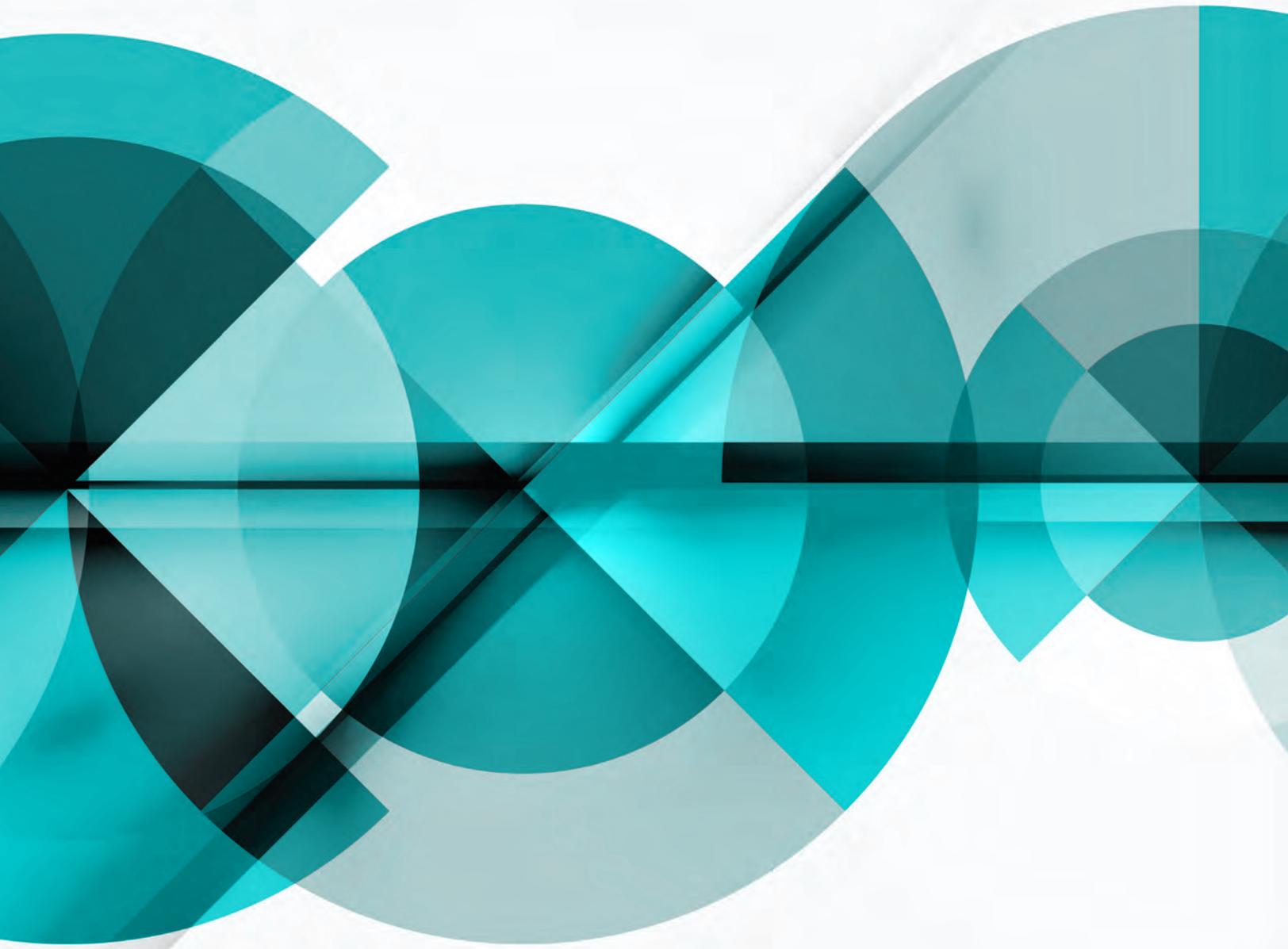
Source: California Department of Education (<https://caaspp-elpac.cde.ca.gov/caaspp/>)

NOTE

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We report these data as they still provide some measure of academic progress during COVID, but they should be interpreted carefully as a significant portion of children from each grade level were not tested.

HEALTH



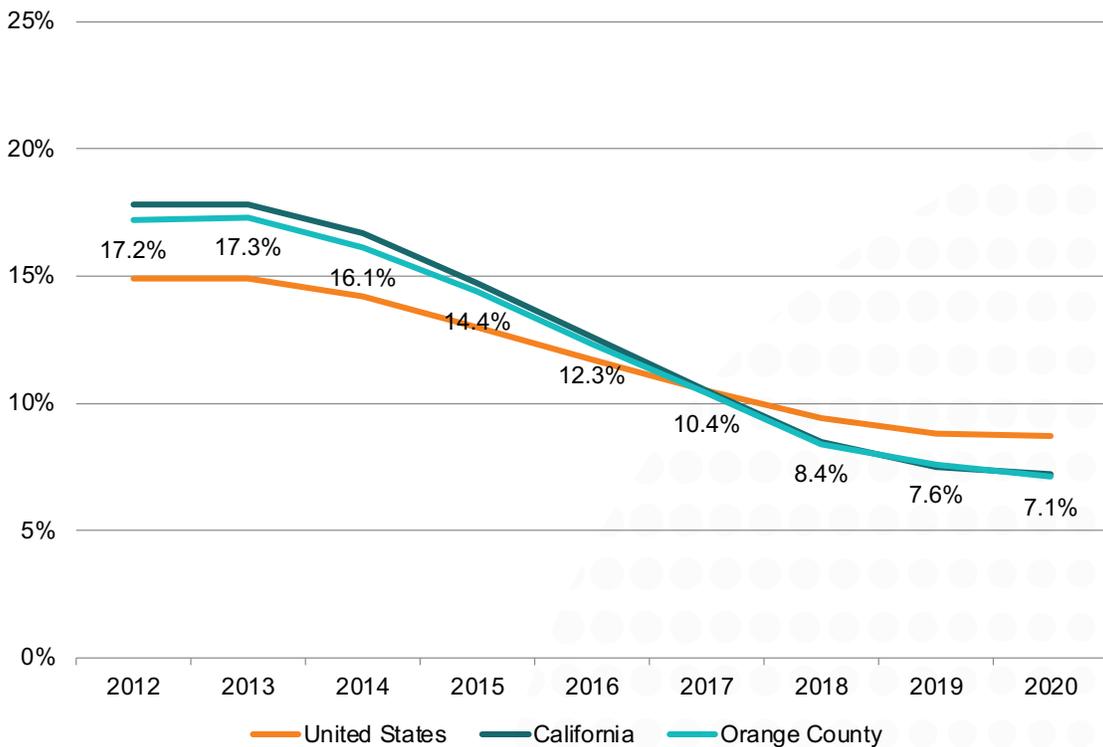
HEALTH CARE ACCESS

The proportion of Orange County residents lacking health insurance continued to decline in 2020, falling from 7.6 percent in 2019 to 7.1 percent in 2020. The county's 2020 rate was just below the state average of 7.2 percent and was well below the national average of 8.7 percent. When compared to its peers, Orange County had the third lowest rate of uninsured residents, behind San Francisco (3.6 percent) and Santa Clara (4.2 percent), but finished ahead of San Diego (7.6 percent), San Bernardino (8.3 percent), Riverside (8.5 percent), and Los Angeles (9.2 percent) counties.



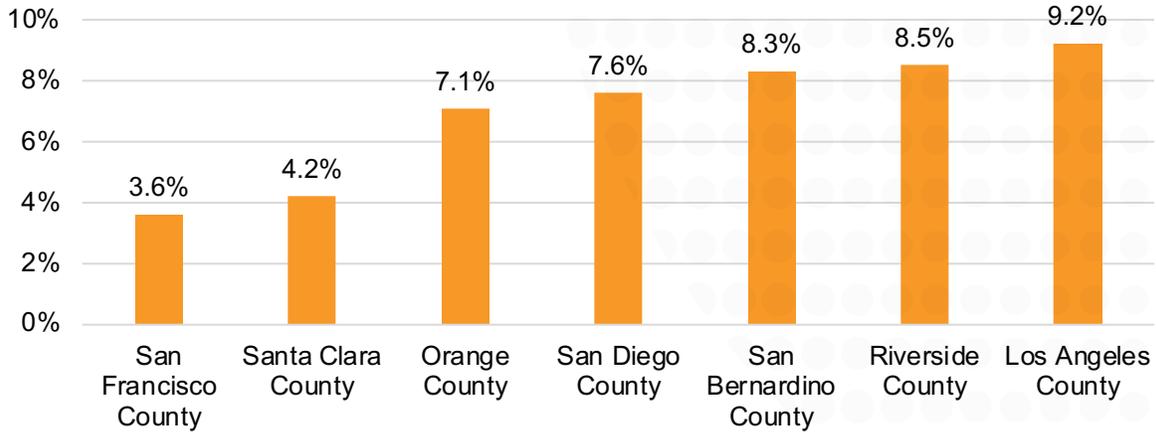
PROPORTION OF UNINSURED RESIDENTS DROPS IN 2020

UNINSURED (ALL AGES) IN ORANGE COUNTY, CALIFORNIA, AND UNITED STATES, 2012-2020



Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

UNINSURED (ALL AGES) IN ORANGE COUNTY AND PEER REGIONS, 2020

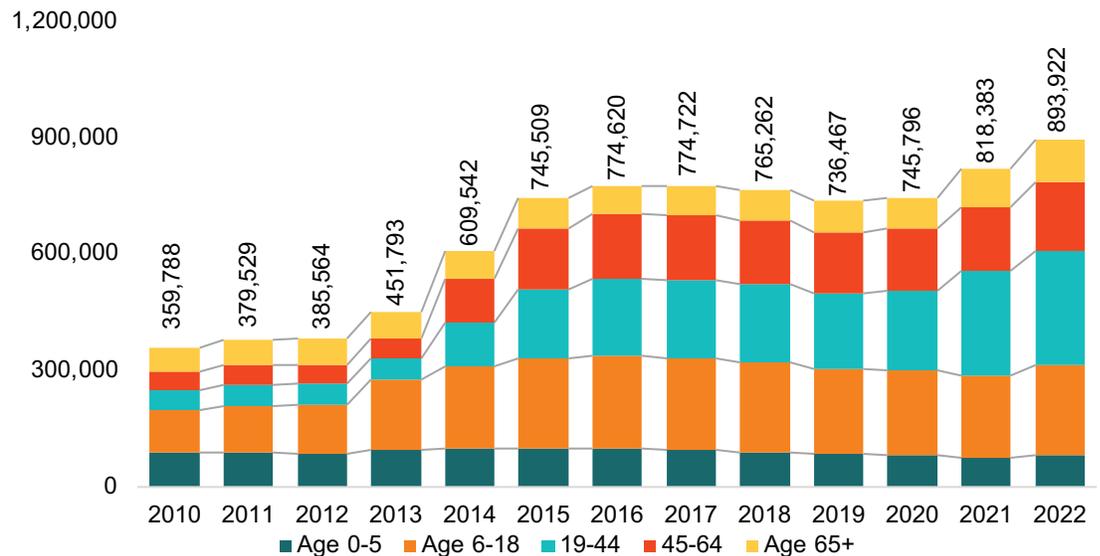


Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

Medi-Cal membership through CalOptima Health has exploded in recent years, jumping from 745,796 in 2020 to 818,383 in 2021 and further to 893,922 as of May 31, 2022, for a total increase of approximately 20 percent over the past three years. All age groups saw increases in their membership over the past year. The COVID-19 pandemic was likely a major factor as a clear demonstration of the importance of health insurance.

COVID HELPS DRIVE MEDI-CAL MEMBERSHIP IN 2021 AND 2022

MEDI-CAL MEMBERSHIP IN ORANGE COUNTY, 2010-2022

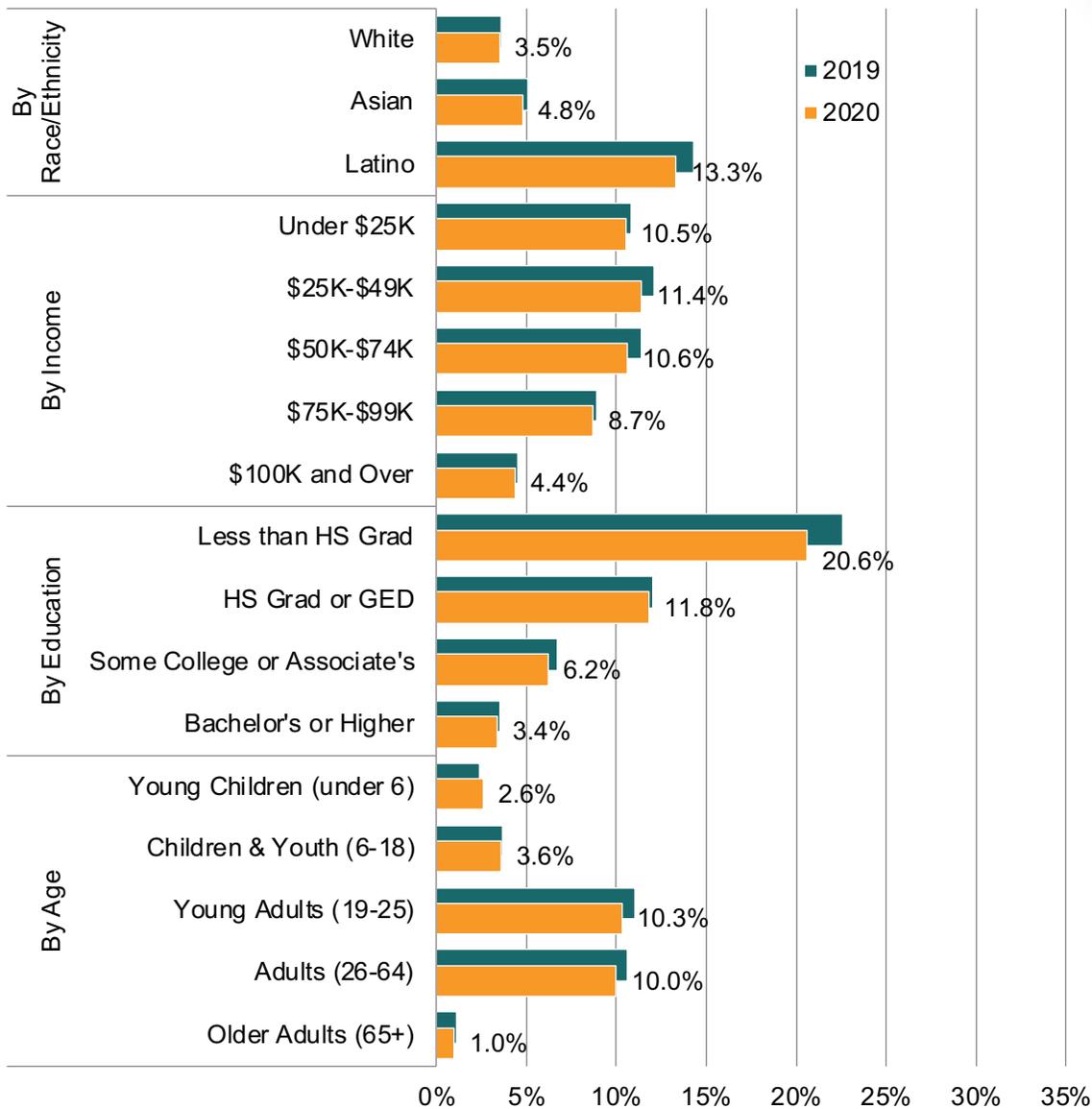


Source: CalOptima Health

As previously indicated, uninsured rates fell across almost every demographic over the past year. While young children (under 6 years old) saw a small increase in uninsured rates, they continue to have one of the lowest rates of any demographic. While residents without a high school diploma continue to experience the county's highest uninsured rate, this rate did decrease from 22.6 percent in 2019 to 20.6 percent in 2020.

YOUNG CHILDREN ONLY GROUP TO SEE UNINSURED RATE INCREASE

UNINSURED IN ORANGE COUNTY BY RACE/ETHNICITY, INCOME, EDUCATION, AND AGE, 2019 AND 2020



Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates

CHRONIC DISEASE

The COVID-19 pandemic had consequences for more diseases than COVID-19 itself. Between 2019 and 2020, Orange County deaths related to diabetes and strokes increased by 1.0 and 0.4 percentage points; diabetes prevalence increased from 13.9 percent to 14.9 percent. There were some positive developments, as deaths related to heart disease declined by 4.6 percentage points, and deaths related to chronic lower respiratory disease dropped by 2.5 percentage points. The prevalence of heart disease and chronic lower respiratory disease decreased by 3.3 percentage points and 2.2 percentage points, respectively.

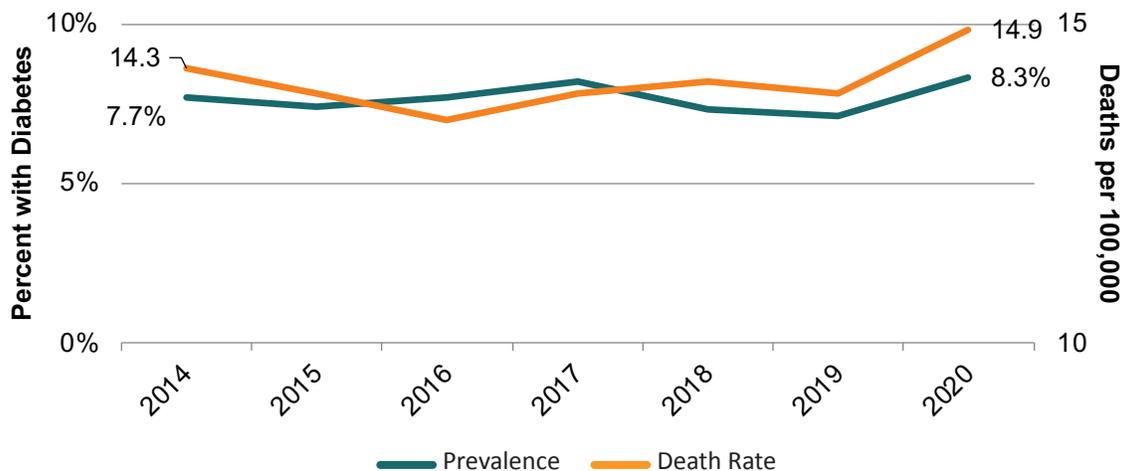
The post-COVID era has stressors of its own, such as rapid inflation and potential loss of job security, stressors which can lead to sedentary lifestyles, poor nutrition, tobacco use, and excessive alcohol consumption, all of which are large contributors to chronic diseases.

DIABETES AND STROKE DEATHS INCREASE; HEART DISEASE AND ASTHMA DEATHS DROP

DIABETES

The rate of adults with diabetes in Orange County increased from 7.1 percent in 2019 to 8.3 percent in 2020, while the death rate increased from 13.9 to 14.9 over the same time period, reaching a seven-year high.

DIABETES PREVALENCE AND DEATH RATE IN ORANGE COUNTY, 2014-2020

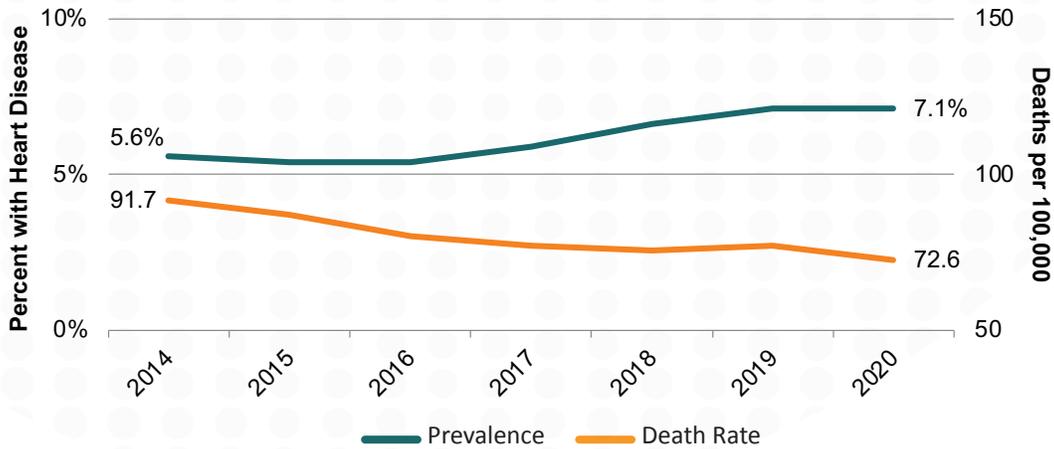


Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles

HEART DISEASE

The prevalence of heart disease in Orange County remained steady between 2019 and 2020 at 7.1 percent. The county's age-adjusted death rate for heart disease declined from 77.2 to 72.6 over the same period.

HEART DISEASE PREVALENCE AND DEATH RATE IN ORANGE COUNTY, 2014-2020

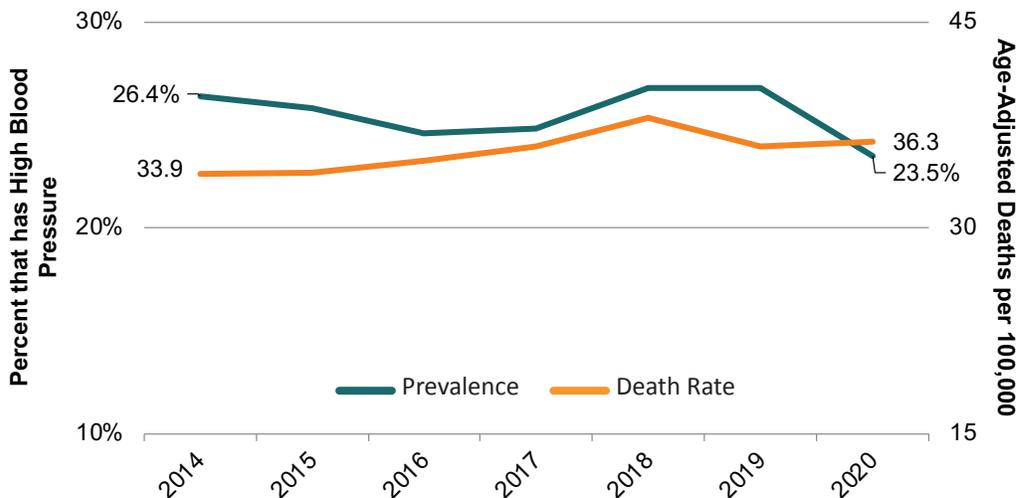


Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles

HIGH BLOOD PRESSURE/STROKE

While the incidence of high blood pressure or strokes in Orange County declined from 26.8 percent to 23.5 percent between 2019 and 2020, the death rate actually increased from 35.9 to 36.3 over the same time period.

HIGH BLOOD PRESSURE PREVALENCE AND STROKE DEATH RATE IN ORANGE COUNTY, 2014-2020

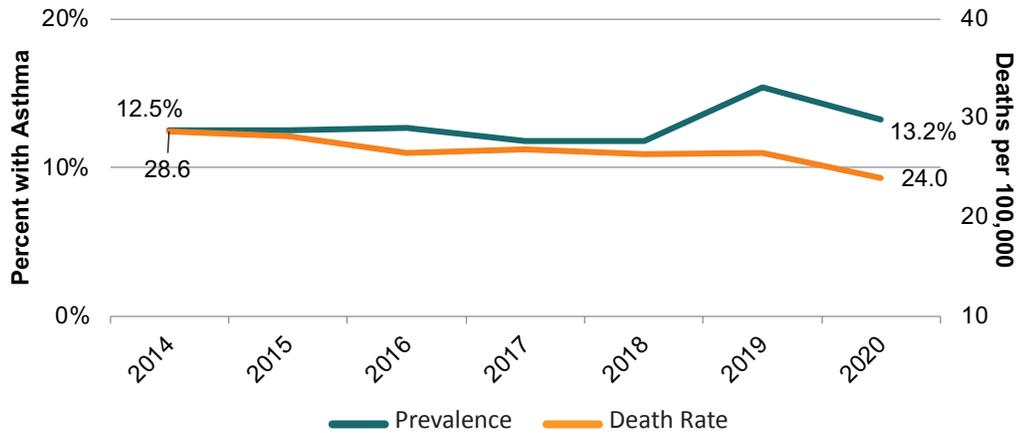


Sources: California Health Interview Survey; California Department of Public Health, County Health Status Profiles

ASTHMA/CHRONIC LOWER RESPIRATORY DISEASE

The percent of Orange County residents with asthma declined from 15.4 percent in 2019 to 13.2 percent in 2020; the age-adjusted death rate experienced a decline from 26.5 to 24.0 over the same time period. These declines are especially encouraging as individuals with respiratory illnesses can see severe COVID-related medical complications.

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

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. Due to the disruptions caused by the COVID-19 pandemic, healthcare data may undergo future revisions.



MENTAL HEALTH AND SUBSTANCE USE

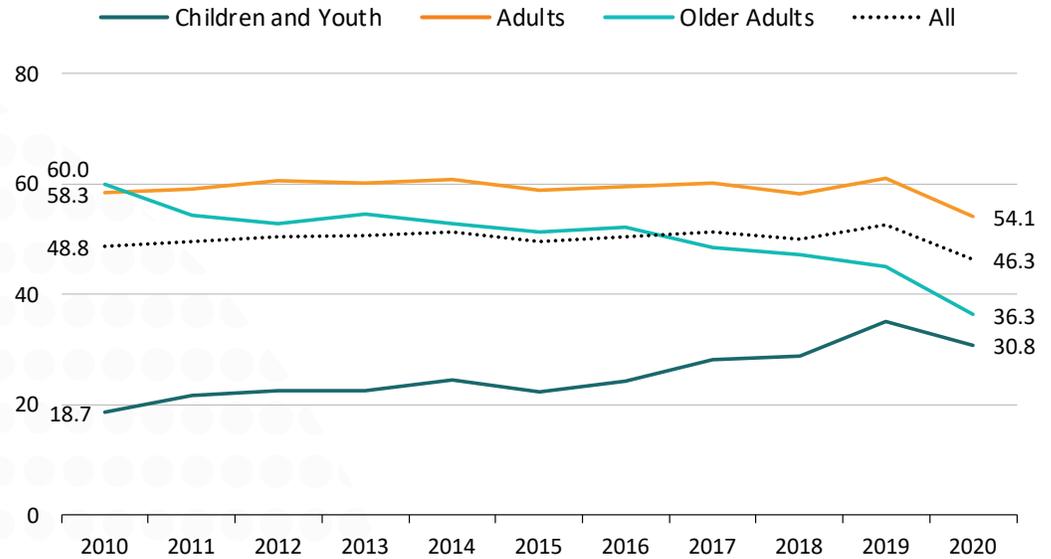
Mental health and substance use hospitalizations per 10,000 Orange County residents declined from 52.7 in 2019 to 46.3 in 2020. The largest decline in mental health and substance use hospitalizations per 10,000 residents occurred for older adults aged 65 and older, which declined by 19.5 percent, followed by children and youth (aged 0-17), which declined by 12.4 percent. Adults aged 18 to 64 saw mental health hospitalizations decline by 11.3 percent. This decline can largely be attributed to disruptions caused by the COVID-19 pandemic, which discouraged many from going to hospitals or other medical settings.

Despite a significant jump in opioid and other overdose deaths, substance use hospitalizations declined in 2020 but remain 8.5 percent above 2018 levels. Substance use hospitalizations for children and youth (-7.1 percent), adults (-0.6 percent), and older adults (-7.2 percent) all saw declines from 2019 to 2020, again likely due to less hospital access during the COVID-19 pandemic. These circumstances also played a major role in declining mental health hospitalizations from 2019 to 2020; hospitalizations shrank by 12.5 percent for children and youth, 16.7 percent for adults, and 21.8 percent for older adults. Similarly, hospitalizations for major depression and mood disorder fell by 15.7 percent for children and youth, 26.8 percent for adults, and 29.7 percent for older adults.

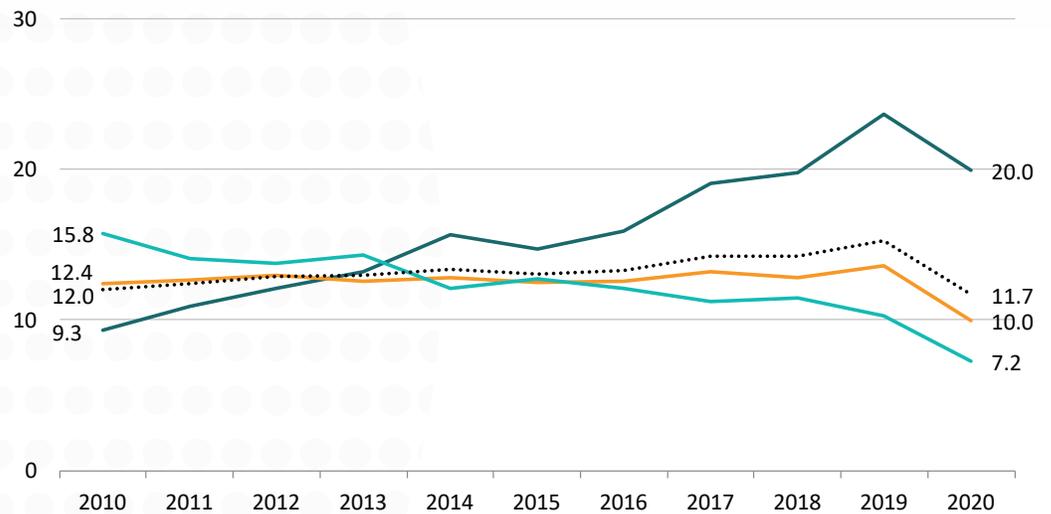


YOUTH MENTAL HEALTH AND MOOD DISORDERS INCREASED BEFORE PANDEMIC

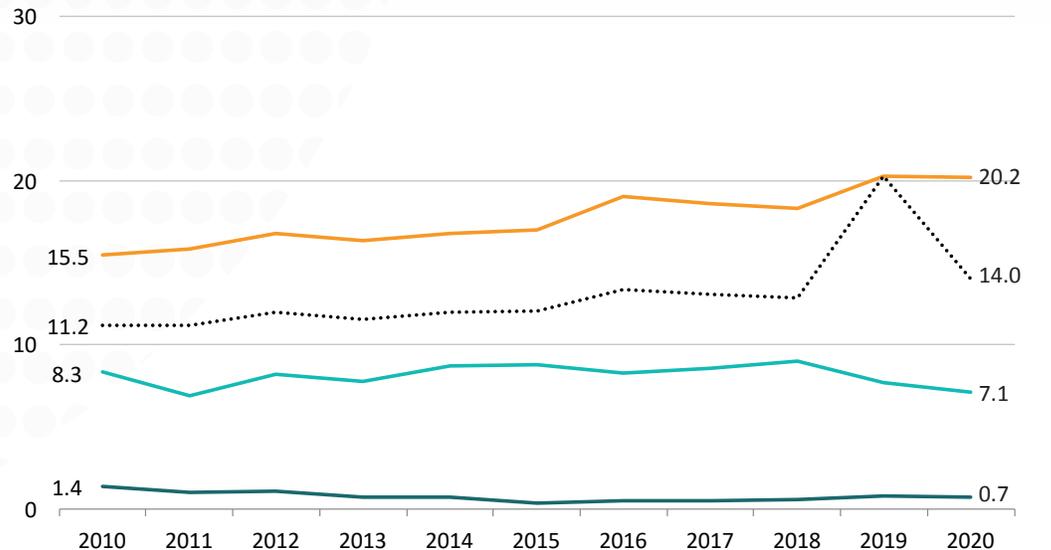
OVERALL MENTAL ILLNESS HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2010-2020



MAJOR DEPRESSION AND MOOD DISORDERS HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2010-2020



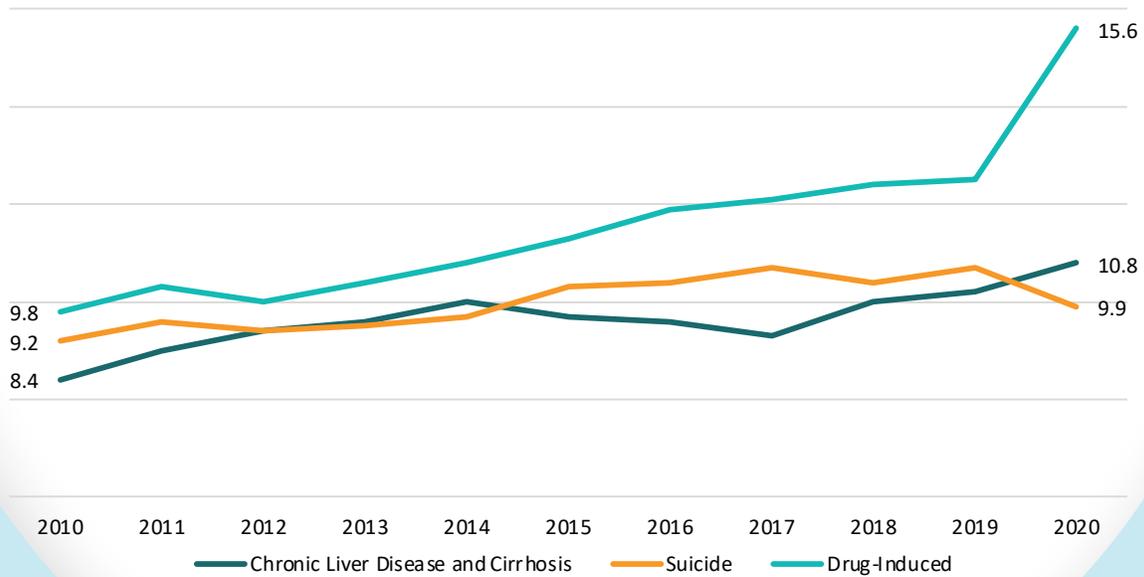
SUBSTANCE USE HOSPITALIZATIONS PER 10,000 BY AGE IN ORANGE COUNTY, 2010-2020



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

SUBSTANCE-RELATED DEATH RATES CONTINUE TO RISE

MENTAL HEALTH AND SUBSTANCE USE-RELATED DEATHS PER 100,000 IN ORANGE COUNTY, 2010-2020



Source: California Department of Public Health, County Health Status Profiles

CHILDREN'S HOSPITAL OF ORANGE COUNTY BREAKS GROUND ON PEDIATRIC MENTAL HEALTH

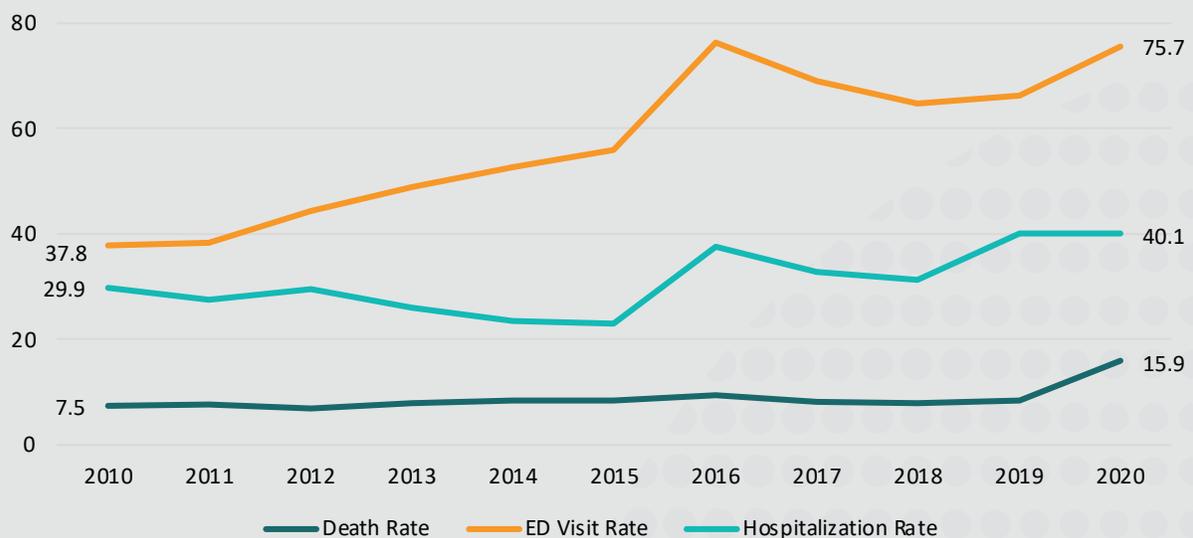
Approximately 150,000 children in Orange County suffer from a mental health condition. Orange County currently has just one mental hospital bed for every 22,000 children and no beds for children under 12, which prevents a large number of them from accessing important treatment options. In late 2021, CHOC began a transformative mental health initiative on what is now a completed 18-room secure and healing environment that provides children ages 3 to 18 with a safe, nurturing place for recovery; it also includes specialty programming for children younger than 12. In the words of CHOC Chief Psychologist Heather Huszti, "Families with children under 12 years no longer will have to hospitalize them in another county... and they won't have waits of five to seven days in emergency departments for appropriate treatment when they are in a psychiatric crisis. When this center opens, we can better coordinate after-hospital care for the children and their families, as we know the resources available in Orange County. Parents will be able to participate more completely in their child's treatment since they won't have to travel to Los Angeles or San Diego."

Source: Orange County Community Foundation, "CHOC Children's Breaks Ground on Pediatric Mental Health", November 1, 2021

OPIOIDS IN ORANGE COUNTY

- The national opioid death rate jumped by a staggering 38 percent between 2019 (15.5) and 2020 (21.4) as Americans struggled with the direct and indirect impacts of the pandemic.
- Synthetic opioids continue to be the main driver of overdose deaths, accounting for 83.2 percent of overdose deaths nationwide.
- Opioids were involved in 68,630 overdose deaths in 2020: 74.8 percent of all drug overdose deaths nationwide.
- California’s drug overdose death rate was 21.8 (per 100,000), a dramatic increase from its death rate of 15 the previous year.
- Over the past year, emergency department (ED) visits for opioid overdose or abuse increased by 14 percent, while the hospitalization rate declined by 0.2 percent.
- Orange County’s overall opioid-related death rate increased from 8.4 to 15.9, an increase of 89.3 percent since 2019.
- Since 2010, the ED visitation rate and hospitalization rates have increased by 100 percent and 34.1 percent, respectively; the death rate has increased by 109.2 percent.

RATE OF OPIOID-RELATED EMERGENCY DEPARTMENT (ED) VISITS, HOSPITALIZATIONS, AND DEATHS IN ORANGE COUNTY, 2010-2020



Sources: California’s Office of Statewide Health Planning and Development Emergency Department and Patient Discharge Data (ED/hospitalization data); CDC Wonder (death data)

Top-Rated Care Eight Years in a Row



For eight years in a row, CalOptima Health is proud to be recognized as a top Medi-Cal plan in California by the National Committee for Quality Assurance (NCQA).

As Orange County's largest health plan, serving 1 in 4 residents, our community is healthier thanks to the outstanding care from our providers and partners.



CalOptima Health

CalOptima Health, A Public Agency
NCQA's Medicaid Health Plan Ratings 2022

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The South Orange County Community College District Board of Trustees is proud to introduce the district's new Chancellor, Dr. Julianna Barnes.

Please join us in welcoming Dr. Barnes to the Orange County community. Visit socccd.edu to learn more.

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 Orange County, 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

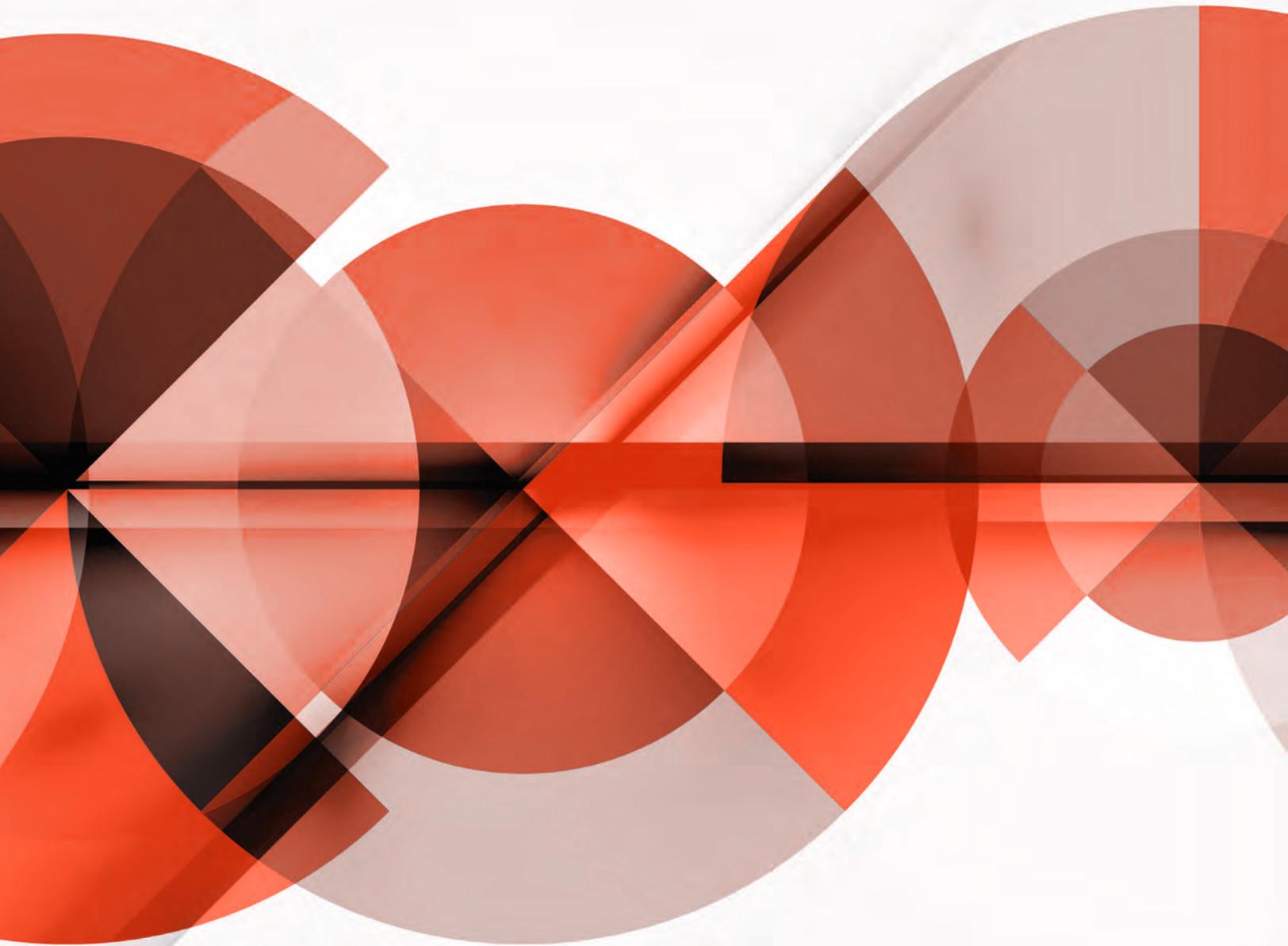
[f kaiser.oc](https://www.facebook.com/kaiser.oc) [@kpocthrive](https://twitter.com/kpocthrive) [@kaiserpermanenteoc](https://www.instagram.com/kaiserpermanenteoc)



kp.org/orangecounty

KAISER PERMANENTE **thrive**

INFRASTRUCTURE



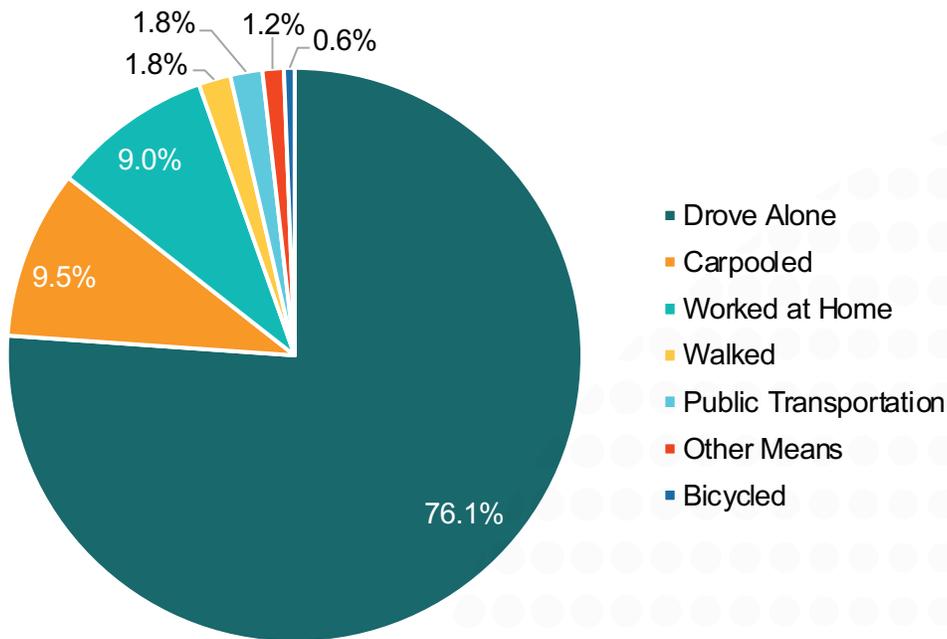
TRANSPORTATION

In 2020, approximately 76.1 percent of Orange County residents ages 16 and older drove alone to work, 2.2 percent fewer than the previous year. As might be expected, the percentage of residents working from home increased significantly during the pandemic, from 6.4 percent in 2019 to 9.0 percent in 2020; this trend is expected to accelerate into 2021 and 2022 as more and more workers indicate a preference for remote working. (The discrepancy between this rate and many other estimates of remote work adoption is likely due to how the census collects and classifies data on remote workers, as well as general pandemic uncertainties.) On the other hand, the percentage of residents who used a bicycle, walked, or used public transportation decreased slightly in 2020.



PROPORTION OF RESIDENTS DRIVING ALONE DECLINES

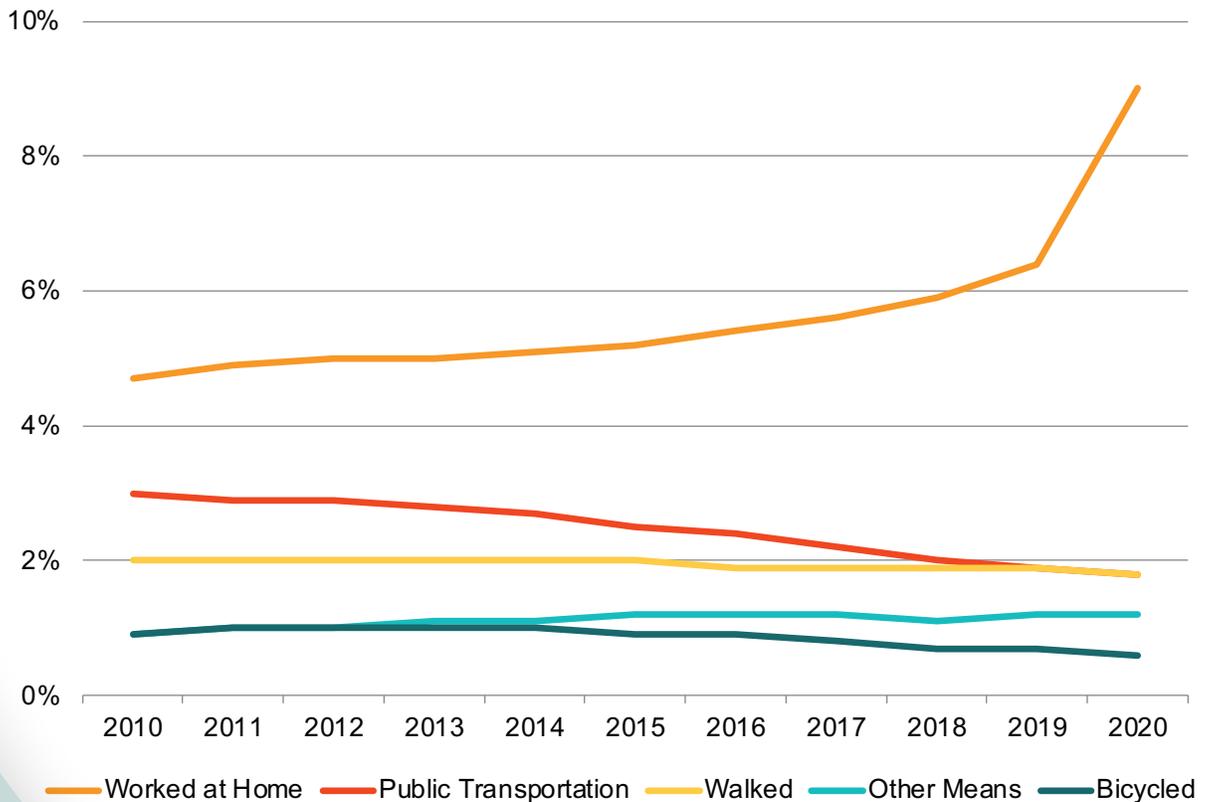
MODE OF TRAVEL TO WORK IN ORANGE COUNTY, 2020



Source: U.S. Census Bureau, 2020 American Community Survey, 5-Year Estimates

STEEP RISE IN RESIDENTS WORKING FROM HOME

SELECTED MODES OF TRAVEL TO WORK IN ORANGE COUNTY, 2010-2020



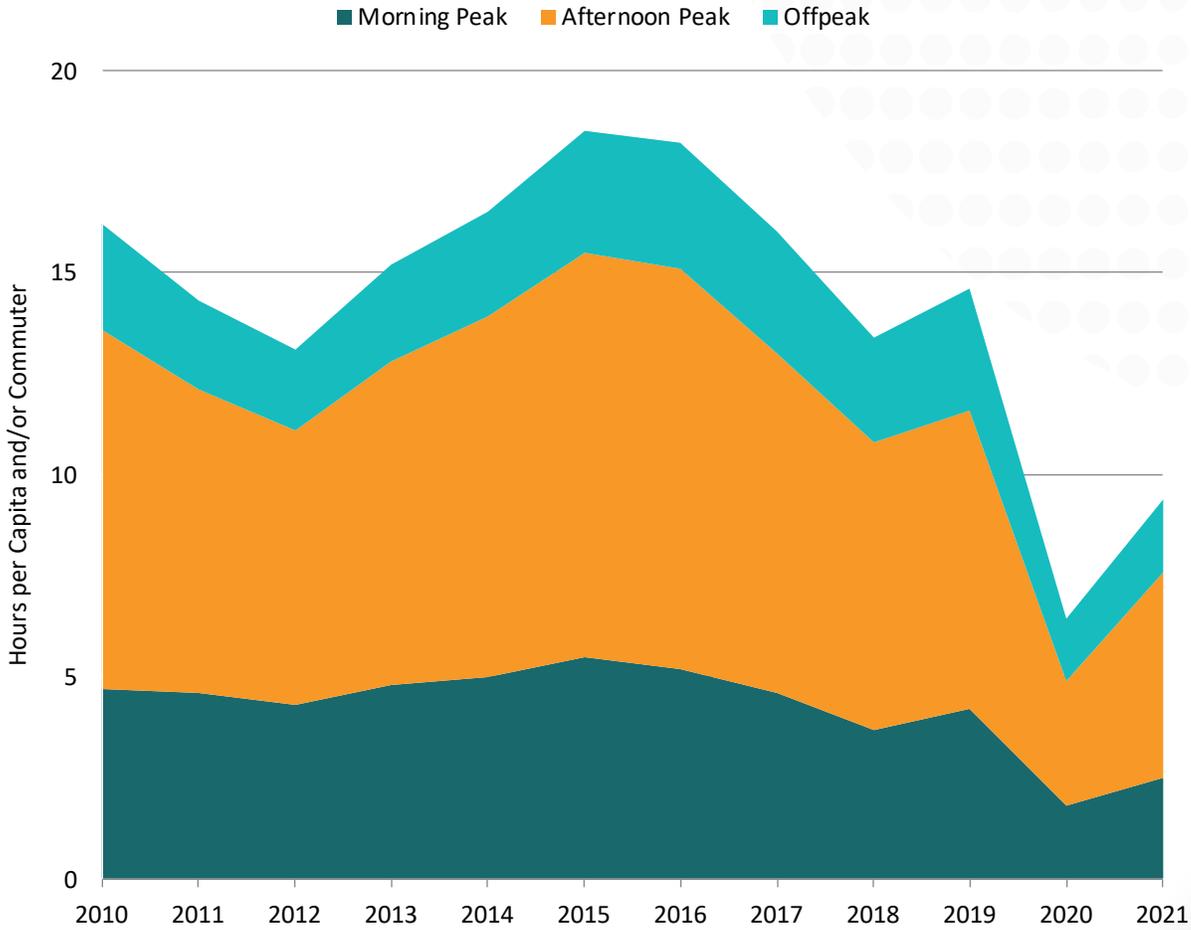
Source: U.S. Census Bureau, 2010-2020 American Community Survey, 5-Year Estimates

While more and more county residents have returned to work, the continued popularity of remote work means that Orange County traffic congestion remains below pre-pandemic levels. In 2021, the average county resident experienced 9.4 hours of congestion per year, well above 2020's average of 6.5 hours but well below 2019's average of 14.6 hours. In fact, Orange County tied San Diego County for the second lowest congestion in measured peer regions. With remote work likely to outlast the COVID-19 pandemic, county residents can expect slightly lower levels of traffic congestion going forward.

Orange County car ownership, measured through vehicle registrations at the Department of Motor Vehicles, increased by 27,261, or about one percent, from 2020 to 2021. As of 2021, Orange County has a total of 2,876,125 registered vehicles.

FREEWAY DELAYS RETURN IN 2021 BUT REMAIN BELOW PRE-COVID HIGHS

ANNUAL HOURS OF FREEWAY DELAY PER COMMUTER IN ORANGE COUNTY, 2010-2021



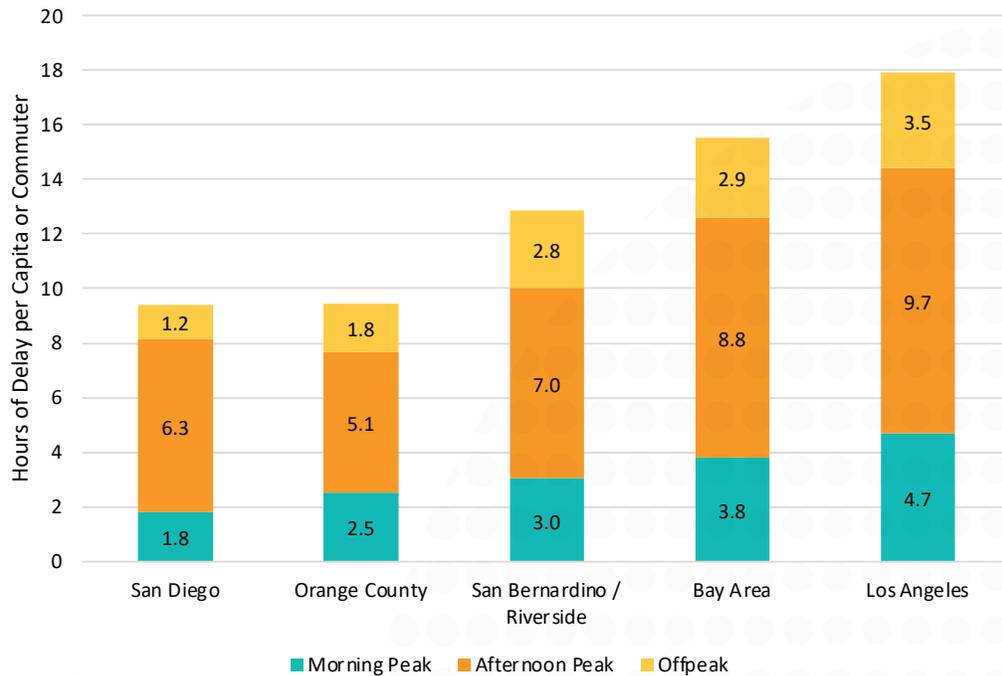
Source: Caltrans, Performance Measurement System; U.S. Census Bureau, American Community Survey, 5-Year Estimates; California Department of Finance, Population Estimates, Tables E-2 & E-4

NOTE

Data for peak hours reflect annual hours of delay per commuter at speeds 60 miles per hour on freeways in Orange County. Counts of commuters in 2021, 2020, and 2019 are projected estimates based on historical trends; consequently, morning and afternoon peak estimates of delay per commuter should be interpreted with caution.

ORANGE COUNTY AND SAN DIEGO TIED FOR FEWEST SOCIAL FREEWAY DELAYS

REGIONAL COMPARISON OF ANNUAL HOURS OF FREEWAY DELAY PER COMMUTER, 2021



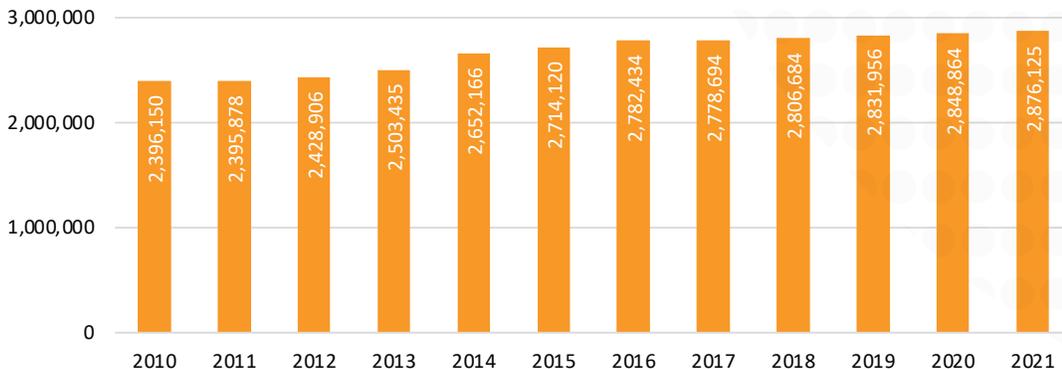
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Source: Caltrans, Performance Measurement System; U.S. Census Bureau, American Community Survey, 5-Year Estimates; California Department of Finance, Population Estimates, Tables E-2 & E-4

CAR OWNERSHIP GROWTH BEGINS TO SLOW

VEHICLE REGISTRATION IN ORANGE COUNTY, 2010-2021



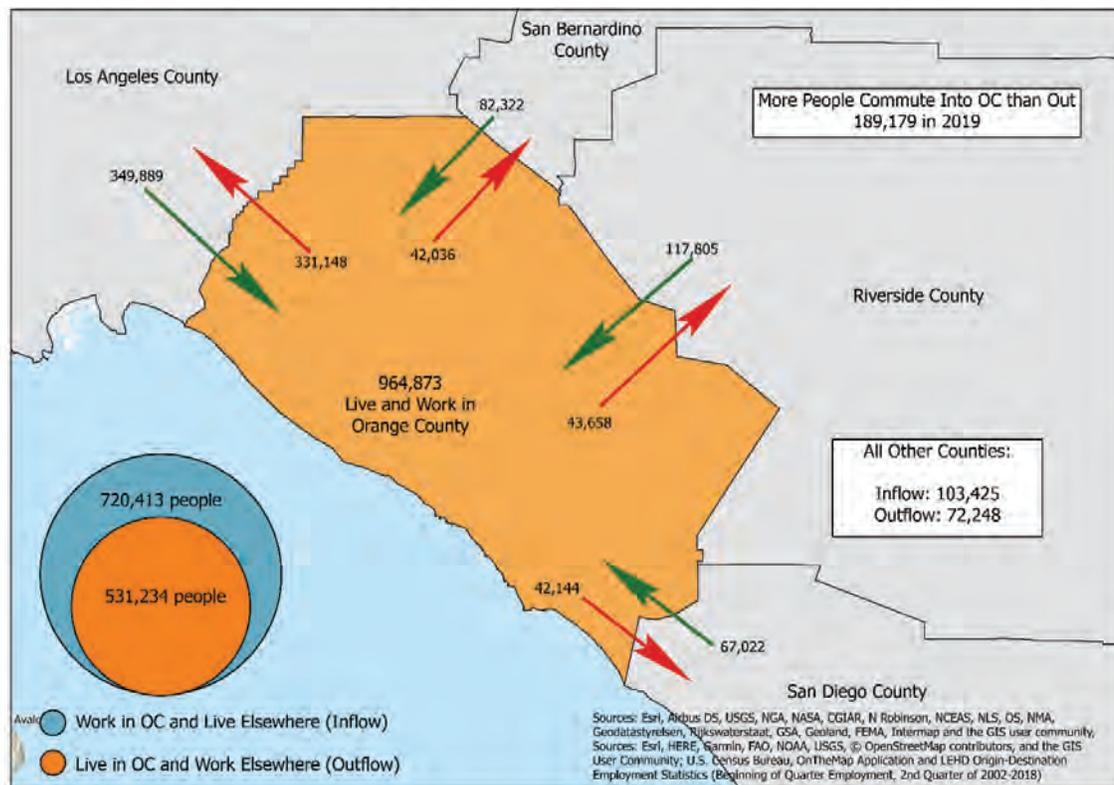
Source: California Department of Motor Vehicles, Forecasting Unit

Approximately 964,873 people both lived and worked in Orange County in 2019, compared to 961,259 in 2018. 531,234 county residents commuted to workplaces in other counties, while 720,413 commuted into the county. In other words, a net 189,179 workers commuted into Orange County.

Los Angeles County sees the most significant movement of workers, with 349,889 workers commuting from Los Angeles to Orange County and 331,148 commuting in the other direction. 117,805 Riverside County residents commuted into Orange County while only 43,658 Orange County residents commuted the other way, giving Orange County a net influx of 74,147. As seen in the chart below, Orange County also has a net inflow of workers from San Diego and San Bernardino counties; this long-term trend reflects Orange County's strong labor market and high cost of living.

OC CONTINUES TO ATTRACT WORKERS

INTERCOUNTY COMMUTING PATTERNS BETWEEN ORANGE AND NEIGHBORING COUNTIES, 2019

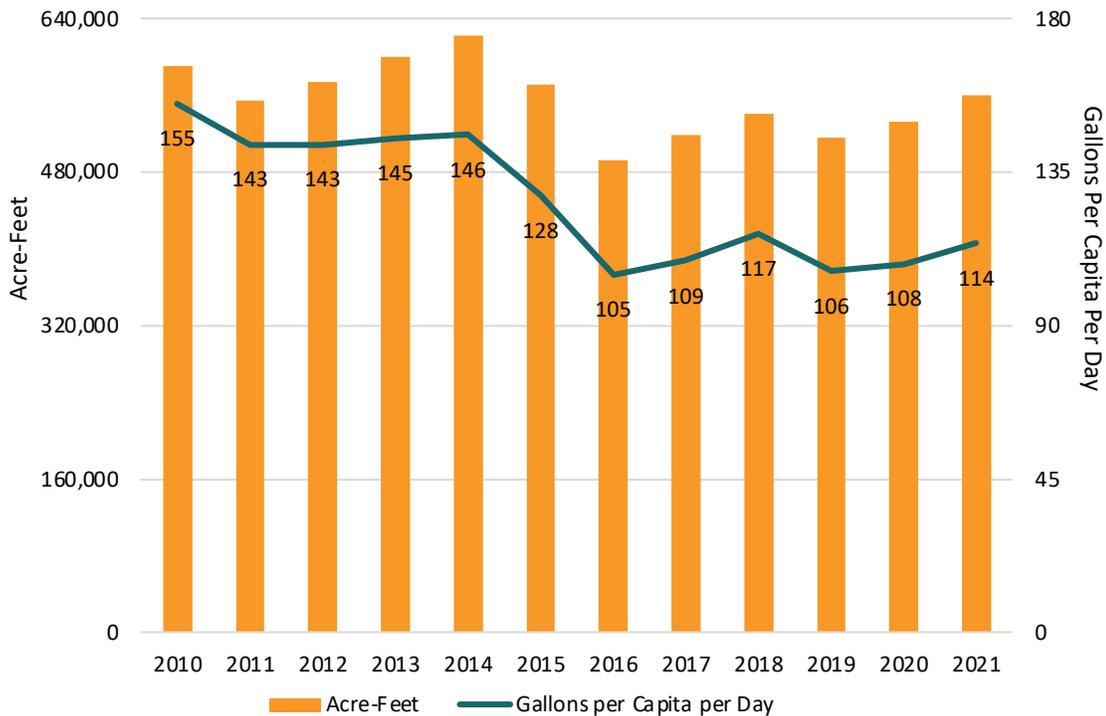


WATER USE AND SUPPLY

Orange County water consumption saw a large increase in 2021, jumping from 108 gallons per capita per day (GPCD) in 2020 to 114 in 2021, an increase of 5.5 percent. Despite this increase, 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 INCREASES IN THE FACE OF ANOTHER SEVERE DROUGHT

URBAN WATER USAGE IN ACRE-FEET AND GALLONS PER CAPITA PER DAY IN ORANGE COUNTY, 2010-2021

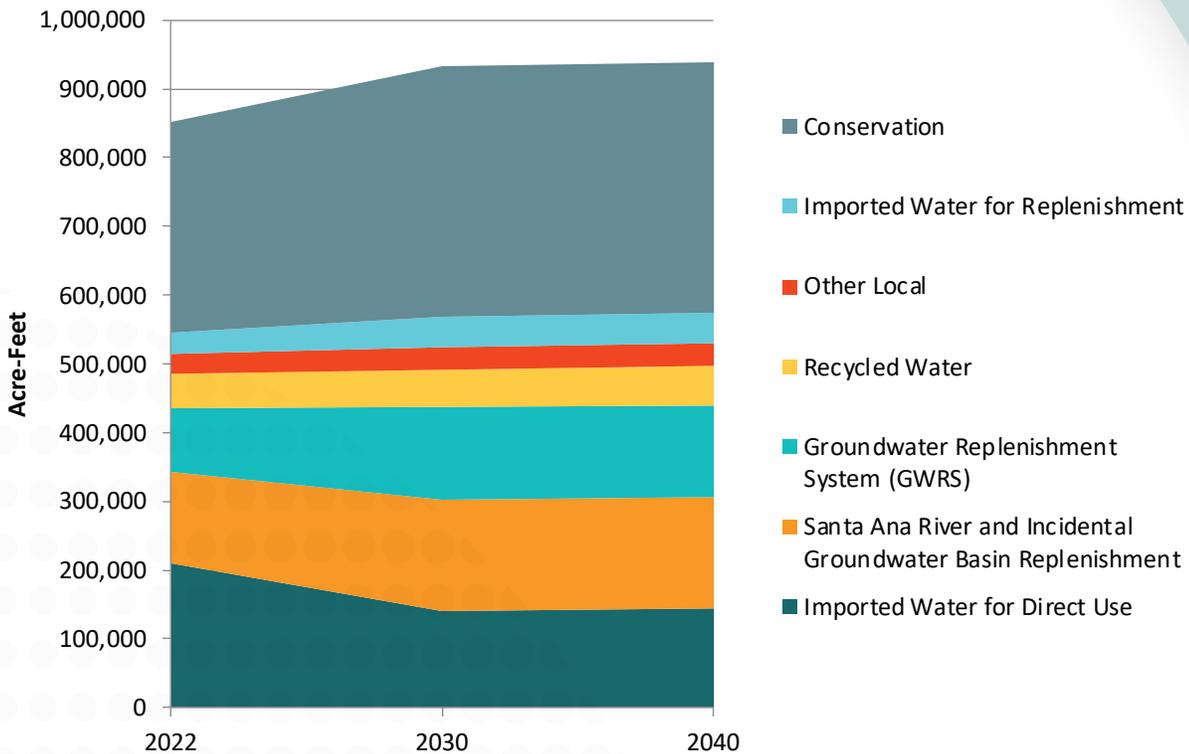


Source: Municipal Water District of Orange County

Total conservation efforts in Orange County are expected to reach 306,806 acre-feet in 2022, giving the region a total 'consumptive use' (or total water sourced after conservation efforts) of 544,574 acre-feet. Total conservation efforts are expected to grow to 365,277 acre-feet by 2030 and 364,360 acre-feet by 2040. Despite this increase in conservation efforts, consumptive use is expected to grow to 568,336 acre feet by 2030 and 574,532 acre feet by 2040.

ORANGE COUNTY REMAINS WELL PREPARED FOR DROUGHT CONDITIONS

ORANGE COUNTY WATER SOURCES PROJECTIONS, 2022-2040

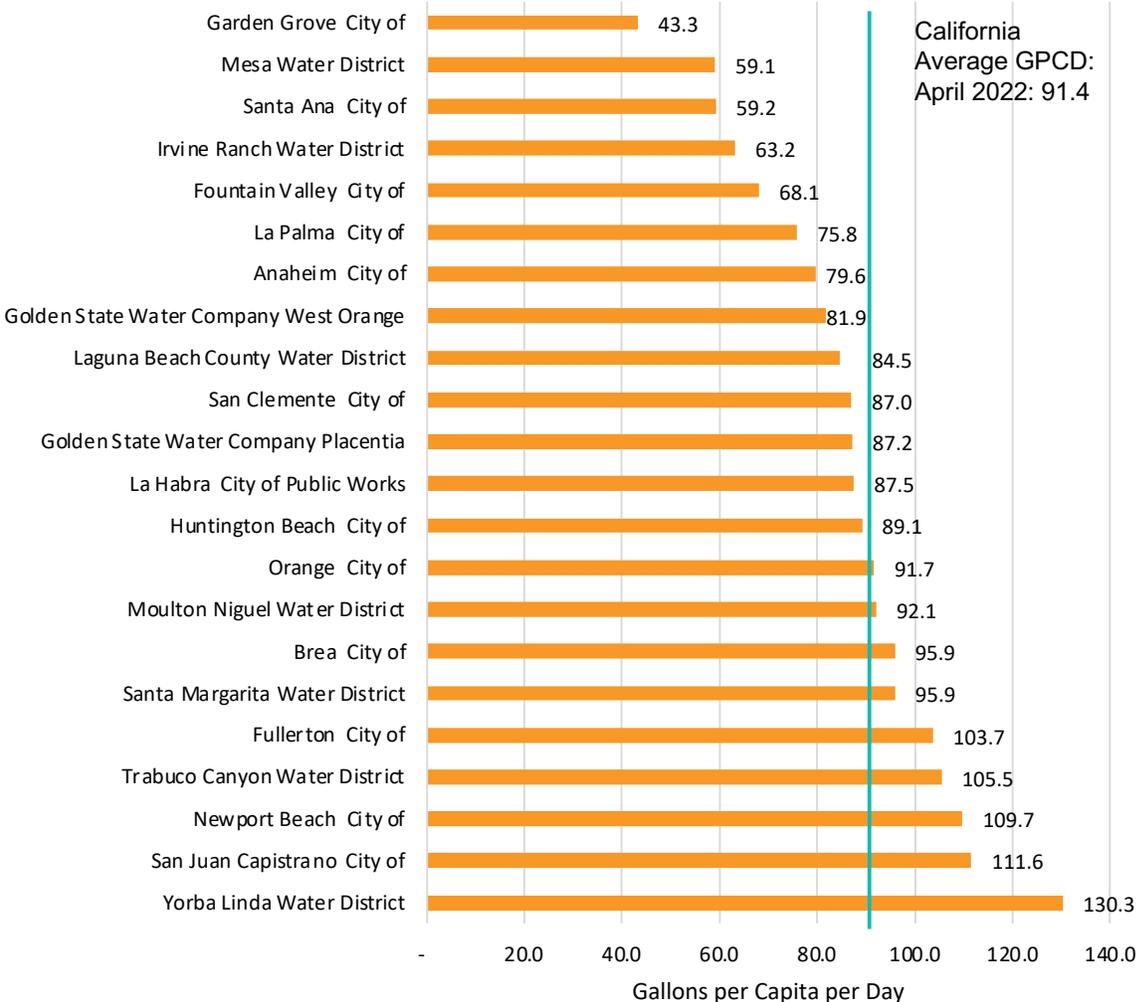


Sources: Municipal Water District of Orange County; Orange County Water District

As of April 2022, 13 of the 22 measured Orange County water districts reported lower per capita water consumption than the statewide average of 91.4 gallons per capita per day (GPCD). Garden Grove had the county's lowest consumption rate (43.4 GPCD), followed by the Mesa Water District (59.1) and Santa Ana (59.2). The Yorba Linda Water District remains the county's largest per capita water user (130.3 GPCD) but has registered a year-over-year usage decline of 8 percent.

MAJORITY OF OC WATER RETAILERS HAVE LOWER CONSUMPTION THAN STATEWIDE AVERAGE

WATER CONSUMPTION IN GALLONS PER CAPITA PER DAY BY ORANGE COUNTY WATER RETAILER, APRIL 2022



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 325851 Gallons = Annual Savings in Acre Feet].

DROUGHT STATUS

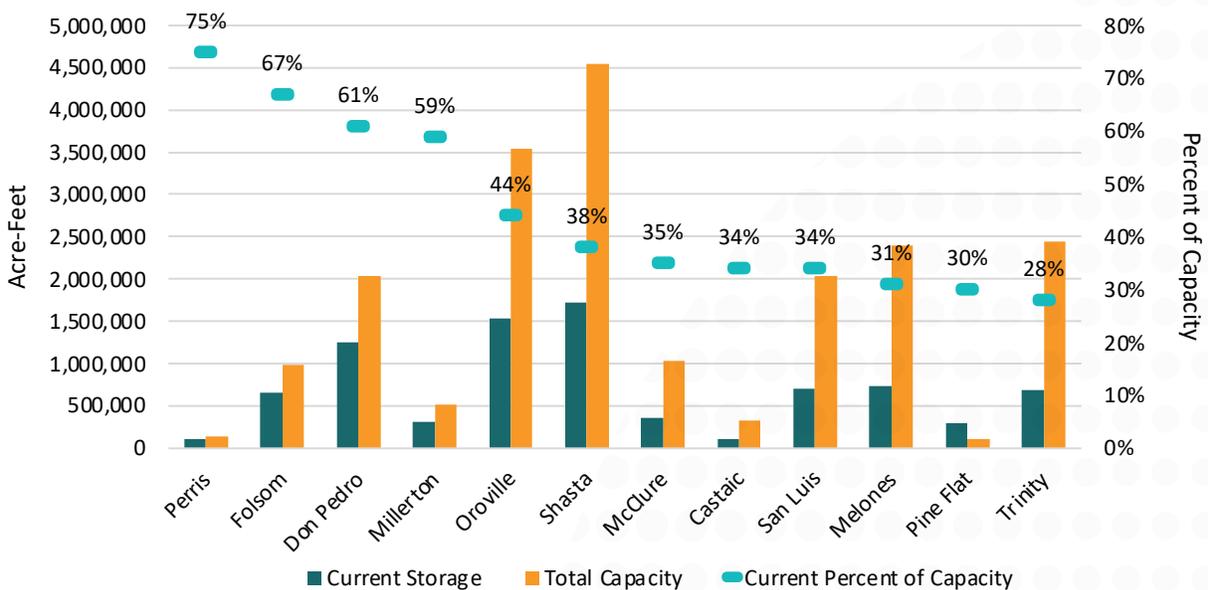
DESPITE CONTINUING DROUGHT, OC WATER SUPPLY REMAINS STRONG

As of July 19, 2022, approximately 44.6 percent of the U.S. was in a drought, an increase of 11.9 percent since the previous month. This drought currently impacts 119.5 million people and 225.4 million acres of crops.

As of the April 1st survey, California’s snowpack — which provides nearly a third of the state’s water supply — was measured at only 38 percent of the average, indicating a persistent drought likely to continue for the majority of the year. In the words of an April 2022 *CalMatters* article, “worse than last year, worse even than last month, this year’s snowpack is the worst its been in seven years and the sixth lowest measurement in state history.”

California’s major reservoirs are also at low capacity, with the majority at below 50 percent. Lake Shasta, which has a total capacity of over 4,500,000 acre-feet of water, is at only 38 percent of capacity; Lake Oroville, with a total capacity of 3,500,000 acre-feet, is at 44 percent of capacity.

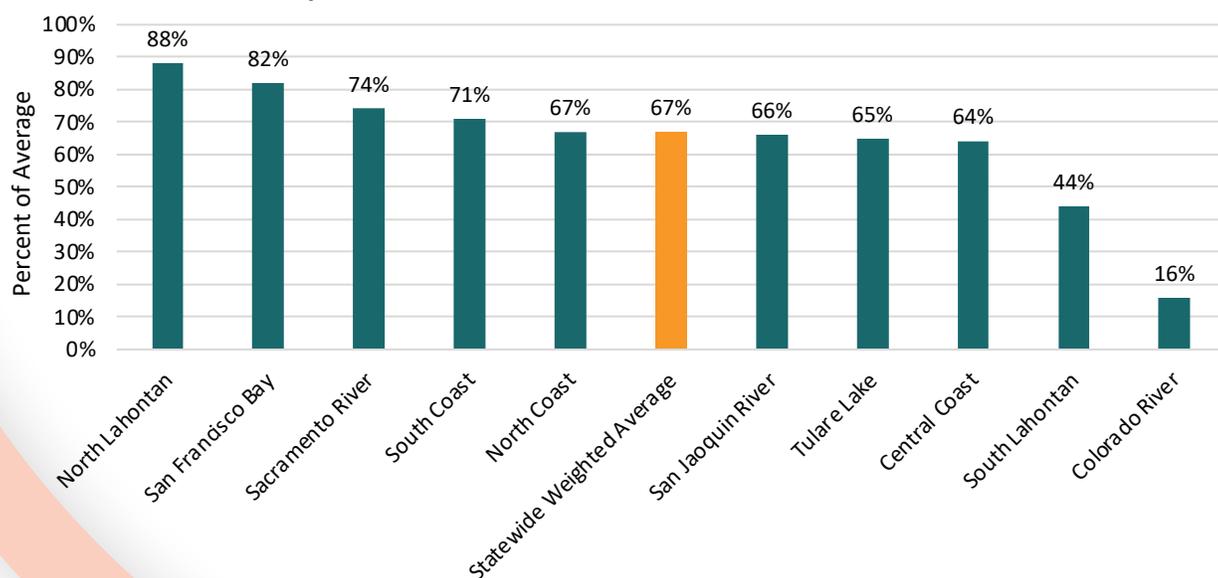
CURRENT TOTAL STORAGE AND CAPACITY FOR MAJOR RESERVOIRS IN CALIFORNIA, JULY 1, 2022



Source: California Department of Water Resources, Current Conditions for Major Reservoirs

For the October 2021 – June 2022 water year, precipitation for the state stood at 67 percent of the average, with the Colorado River region sitting at only 16 percent of its average. The South Coast hydrological region, where Orange County is located, saw 71 percent of its average precipitation during the same time period, slightly above the state average. This lack of rain has contributed to the decline in current capacity at major reservoirs.

PERCENT OF HISTORIC AVERAGE PRECIPITATION BY HYDROLOGICAL REGION IN CALIFORNIA, OCTOBER 2021 – JUNE 2022 WATER YEAR



Source: California Department of Water Resources, Statewide Precipitation Data

For another year in a row, drought conditions are said to be affecting 100 percent of Orange County residents; 2022 is the state’s third driest year over the past 128 years.¹ As a result, local restrictions have been placed on outdoor landscaping watering in cities such as Anaheim, Fullerton, Huntington Beach, Santa Ana, and Orange, as well as the Mesa Water District. While these regulations vary from city to city and district to district, conservation efforts are likely to increase as the drought is expected to persist.

County officials have stressed their ability to face these conditions, telling *The Orange County Register* that supply “remains strong despite drought and conservation demands...Districts have invested millions in ‘water banks,’ storage and resiliency projects. The Orange County Water District manages the vast groundwater basin, the Groundwater Replenishment System helps replenish that with recycled wastewater, and investments like the Mesa Water Reliability Facility ensure that customers have several years’ supply of 100% local groundwater available.”²

¹ <https://voiceofoc.org/2022/06/orange-county-cities-wrestling-with-southwest-drought-look-to-conservation-policies/>

² <https://www.ocregister.com/2022/06/13/prepare-to-use-less-water-in-oc-and-perhaps-pay-more-for-the-privilege/>

BROADBAND INTERNET ACCESS

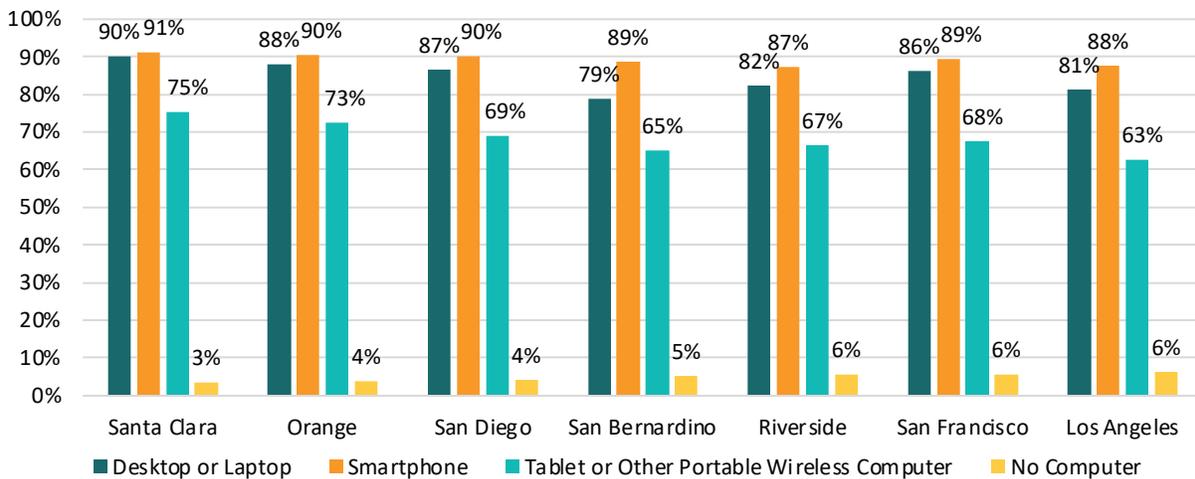
OC BEHIND ONLY SANTA CLARA IN PERCENTAGE OF RESIDENTS WITH AN INTERNET SUBSCRIPTION

The rise of remote work makes home internet access more important than ever before. As of 2020, only 4 percent of Orange County residents did not have a computer or internet-connected device, just behind Santa Clara’s rate of 3 percent but ahead of peers and neighbors including San Bernardino, Riverside, San Francisco, and Los Angeles. Overall, 92 percent of Orange County residents had an internet connection of some kind — as many as in San Diego and more than in San Francisco and Riverside counties.

While high-speed internet connections are less prevalent and less reliable in more rural regions of the nation, continued advancements from companies such as Starlink show promise to bring high-speed satellite internet access to regions which have traditionally had little to no internet providers or high-speed connections. This will in turn further expand access to online working and learning opportunities.

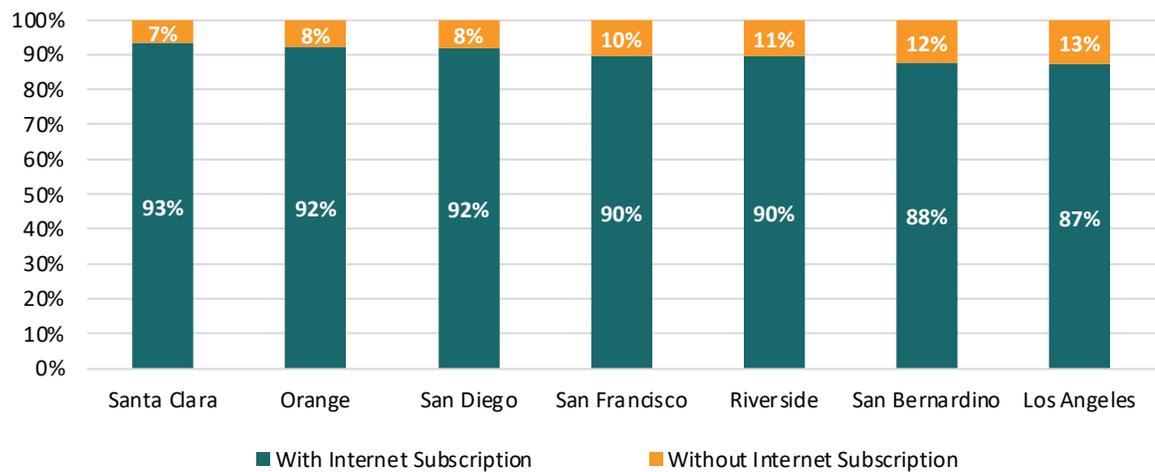


TYPES OF COMPUTERS IN HOUSEHOLDS BY COUNTY, 2020



Source U.S. Census Bureau, American Community Survey, 5-Year Estimates

PERCENTAGE OF HOUSEHOLDS WITH AND WITHOUT INTERNET SUBSCRIPTIONS BY COUNTY, 2020



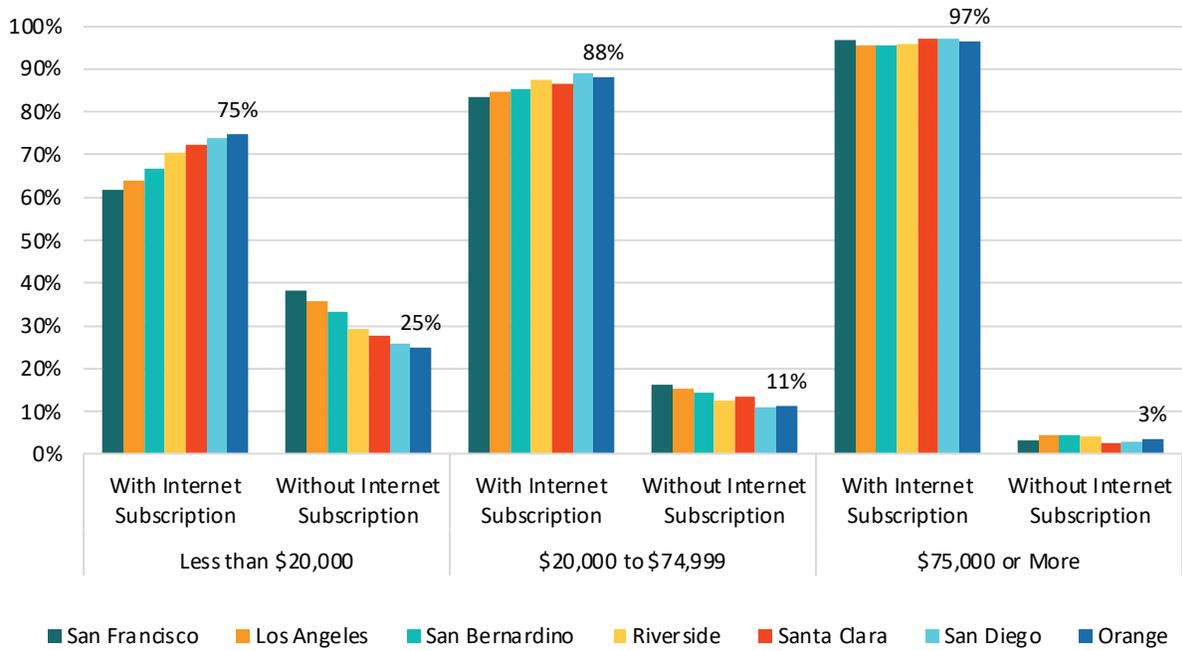
Source U.S. Census Bureau, American Community Survey, 5-Year Estimates

Ensuring equity in internet access should be a priority for local policymakers and regional stakeholders. Currently, low-income families have the highest rates of households without internet subscriptions, especially in San Francisco County where approximately 40 percent of residents making under \$20,000 lack internet. (Only 25 percent of Orange County residents making under \$20,000 lack internet access.) Having access to the internet enables individuals to more effectively find gainful employment as well as can impact academic performance, two major factors in improving income levels and quality of life.

Over the past year, the percentage of households without an internet subscription in Orange County declined from 4.2 percent in 2019 to 3.8 in 2020, representing an increase of 11,547 residents gaining internet access over the past year. Looking at specific groups in the region, only one measured group saw an internet access decline — the 65 years and older age group, which saw the percent of households without an internet subscription increase from 5.6 percent to 5.7 percent, an increase of 1,358 residents. The Latino community saw the largest percentage point decrease in residents without an internet subscription. It declined by 0.8 percentage points over the last year, followed by African Americans (-0.6 percentage points) and Other (-0.4 percentage points).

Internet access also correlates with educational attainment; only 2.4 percent of county residents with a Bachelor's or higher lack internet, compared to 8.5 percent without a high school diploma.

INTERNET SUBSCRIPTION ACCESS BY INCOME BY COUNTY, 2020



Source U.S. Census Bureau, American Community Survey, 5-Year Estimates



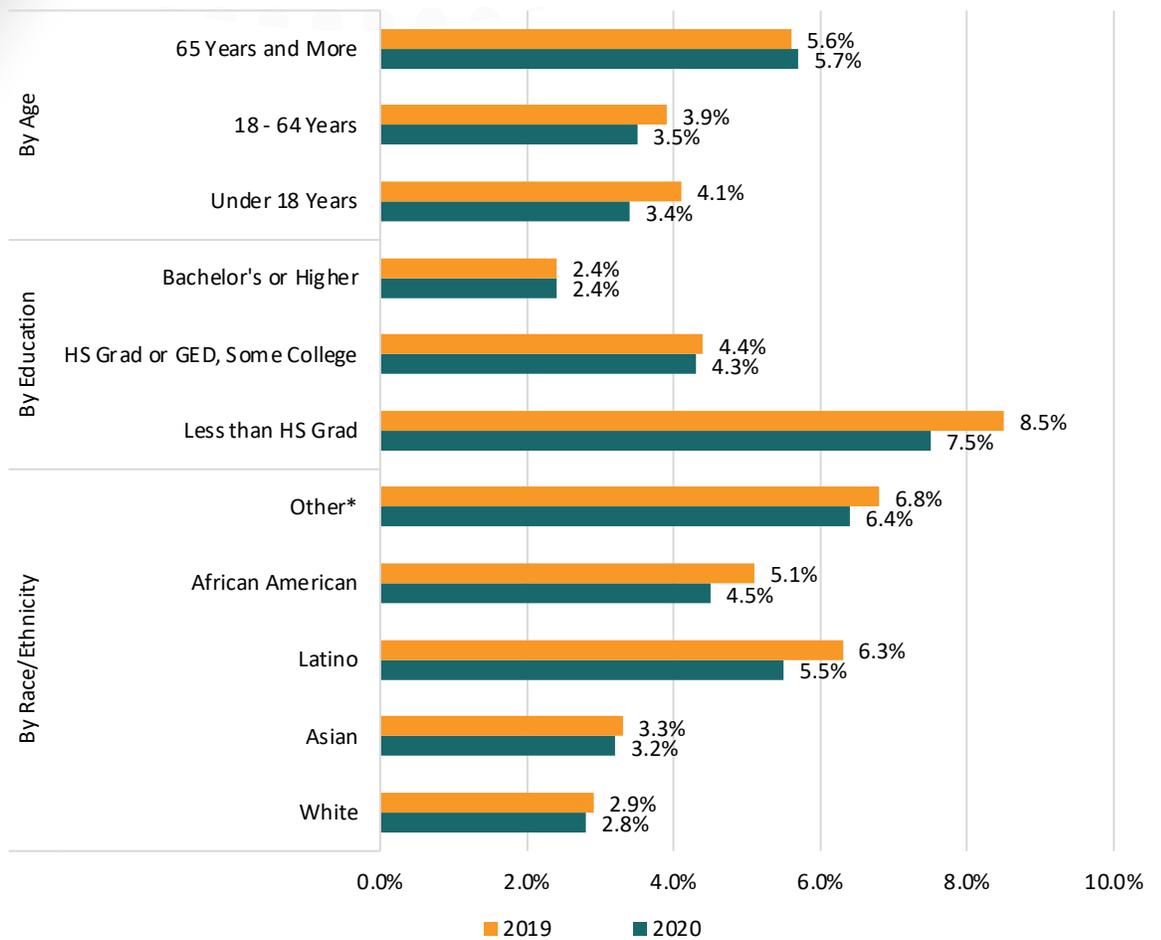
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PERCENTAGE OF HOUSEHOLDS WITHOUT INTERNET SUBSCRIPTION BY AGE, EDUCATION, AND ETHNICITY, 2020



*Other includes American Indian and Alaska Native; Native Hawaiian and Other Pacific Islander; Some Other Race; and Two or More Races
 Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates



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