

Research finds Orange County drives economic growth in Southern California

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Orange County has powered Southern California's economic engine for the past two decades with the greatest job growth, highest median home values and lowest unemployment rates in the region, according to a report to be released next week by UC Irvine.

The hub of employment in Orange County is unquestionably the Irvine area (including Irvine, Costa Mesa, Newport Beach, Laguna Beach, San Joaquin Hills and Newport Coast), which also boasts the lowest average commute time in the county. The study notes that available jobs combined with nearby, mixed housing has resulted in safer neighborhoods with stronger home values.

The inaugural Southern [California](#) Regional Progress Report was prepared by researchers with the School of Social Ecology's Metropolitan Futures Initiative, which aims to build a base of knowledge to guide policymakers in improving the overall quality of life in the Southland.

Five faculty members, 10 graduate students and six undergraduates collected data from 14 sources on the region's demographic, social, and economic landscape. It allows for systematic statistical analyses at the county, city, neighborhood and street-block levels.

The report draws on this unprecedented data set to examine the interrelationships among such community factors as racial/ethnic demographics, employment and economic welfare, housing density and

availability, crime and public safety, and land use.

It's intended to serve as a catalyst for evidence-based dialogue that will inform planning for the future. Subsequent biennial reports will continue to monitor trends and expand the domain of coverage to include, for example, health and welfare.

UCI Chancellor Michael Drake will host a breakfast event to release and discuss the Metropolitan Futures Initiative report on Thursday, June 14, at the UCI Student Center.

"This inaugural study provides a wealth of findings on the area's changing landscape – findings that constitute crucial considerations for successfully planning a future with healthy, sustainable, affordable, safe, economically vibrant and just communities in which residents enjoy the many benefits of Southern California," said Valerie Jenness, dean of UCI's School of Social Ecology.

"These reports will provide policymakers, businesses, residents and others with essential information and thoughtful analyses about our region for years to come."

The soon-to-be-released study examines data from the past 50 years to paint a broad yet incisive picture of Southern California. Researchers compiled the data in metropolitan clusters by grouping together cities that are geographically close and socially similar. Among the findings:

- Contrary to some perceptions, growth in immigration is associated with more stable home values, lower joblessness and less crime in most areas of Southern California.
- Those clusters in which commute times were shorter tended to be rich in jobs and available housing – a sign that mixed-use

neighborhoods are more convenient for residents. The Irvine cluster, a relatively jobs-rich area, had the lowest average commute time in the county (23 minutes). In all, seven of the 15 Orange County clusters saw commute-time decreases from 2000 to 2007.

- Nearly all of Orange County has enjoyed lower unemployment levels than the regional average. The Irvine cluster, for instance, has had the highest jobs per capita in the region for the past 20 years, surpassing the Santa Monica cluster. In 1970, just under half the clusters in Orange County had [unemployment rates](#) slightly above the regional average. By 1980, the figures for all these clusters had dropped below the regional average. In particular, the Rancho Santa Margarita cluster experienced a high level of unemployment in earlier years, but the rate dropped precipitously between 1990 and the end of the study period to 50 percent below the regional average.
- The Irvine cluster is the center of jobs in Orange County. Since 1994, the number of white-collar jobs in this cluster has dramatically increased relative to the region. In 2009, the Irvine cluster had more than 10 times the regional average for such jobs. It also had eight times the average number of blue-collar jobs and five times as many retail jobs.
- Elsewhere in Orange County, the La Habra and Orange clusters exceeded the regional average for white-collar jobs in 1999, 2004 and 2009. The Anaheim and Orange clusters also had more blue-collar and retail jobs than average across time.
- Southern California's ethnic makeup has changed radically over the past five decades, with the percentage of whites slowly decreasing, African Americans becoming concentrated within fewer communities, and Latino and Asian populations growing significantly.
- Orange County, long a predominantly white suburban county, has an increasing percentage of Latinos in all its cities, with two –

Santa Ana and Anaheim – now being majority Latino. All cities in the county have also seen a proportional gain in Asians.

- The foreclosure crisis has begun to abate but has had a sizeable impact on home values. Hardest hit were residents of San Bernardino and Riverside counties. Foreclosure rates also correlated strongly to falling home values throughout the region. A 1 percent increase in neighborhood foreclosures reduced home sale prices by 5.9 percent the following month.
- Many of the lowest foreclosure rates are found in wealthy Orange County communities. The hardest-hit Orange County clusters in 2008 and 2009 were Anaheim, Rancho Santa Margarita and Santa Ana. The Seal Beach cluster was the only one in Orange County below the regional average for foreclosures between 1995 and 2010.
- Home ownership corresponds to lower crime rates. Conversely, a higher number of vacant units equates to higher crime rates.
- Many of the areas with the least overcrowded housing are in suburban locales, including Mission Viejo, Seal Beach, Rancho Palos Verdes and Agoura Hills. In Orange County, only the Santa Ana cluster had significant overcrowding, with more than 30 percent of its housing units qualifying as such in 2007.
- Southern California air quality has improved dramatically during the past three decades, despite the increasing population.
- With a few notable exceptions, commute times rose steadily throughout Southern California over the last 30 years. Many [Orange County](#) clusters experienced constant increases in average commute times between 1980 and 2000. From 1980 on, the Yorba Linda cluster showed a jump in average commute time every study year, and in 2007 it had the highest average in the county (28.9 minutes).

"A number of findings took us by surprise," said John Hipp, associate professor of criminology, law & society who led the team of researchers

behind the Southern California Regional Progress Report. "We're looking forward to more extensively analyzing the data to better understand many of the changes that have shaped the region over time."

Provided by University of California, Irvine

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