An Equity Profile of Orange County: Summary

March 2019
Acknowledgments

PolicyLink and the Program for Environmental and Regional Equity (PERE) at the University of Southern California are working to highlight the potential corrosive impact of inequity on growth and the particular way in which persistent racial disparities may threaten future prosperity. Our research illustrates that equity is the path to inclusive growth and prosperity. This equity profile of Orange County is part of a series of reports specific to the six-county Southern California region.

We would also like to thank members of the working group convened by Orange County Grantmakers for helping to provide feedback and additional local data sources for this report: Association of California Cities - Orange County, AT&T, The California Endowment, CalOptima, Children & Families Commission, Disneyland Resort, JPMorgan Chase, Orange County Department of Education, Orange County Health Care Agency, Orange County Business Council, Orange County Community Foundation, OneOC, Samueli Foundation, Social Services Agency, St. Joseph Health Community Partnership Fund, Tarsadia Foundation, Orange County United Way, Weingart Foundation, and Wells Fargo Foundation. Special thanks to Taryn Palumbo and Jason Lacsamana from Orange County Grantmakers for their guidance and support on this project.

We would also like to thank leaders from the following community-based organizations for taking the time to speak with the PERE research team about this project: Jonathan Paik from the Korean Resource Center; Miguel Hernandez from Orange County Congregation Community Organization; Richard Calvin Chang from Pacific Islander Health Partnership; and Shakeel Syed, Karen Romero Estrada, and Clara Turner from Orange County Communities Organized for Responsible Development.

We would also like to acknowledge, with gratitude and appreciation, that the land that is now known as Orange County is the traditional land of the Tongva and Acjachemen people past and present.

This profile, including data, charts, and maps, was prepared by Edward-Michael Muña, Sabrina Kim, Joanna Lee, and Jennifer Ito at PERE. Many thanks to the PERE team for their support in producing this report: Arpita Sharma and Justin Scoggins who assisted with checking the myriad of data points presented; Stina Rosenquist for copyediting; Lauren Perez for assistance with gathering photos; and Gladys Malibiran for coordinating printing. Special thanks to Sarah Treuhaft of PolicyLink for her thoughtful feedback.

Sponsors

PolicyLink and PERE are grateful to Orange County Grantmakers for partnering with us on this report and thank the following organizations for their generous support:

Presenting Sponsor:

Gold Sponsor:

Silver Sponsors:
Wells Fargo Foundation
Allergan Foundation
JPMorgan Chase
A Foreword from Orange County Grantmakers and St. Joseph Health Community Partnership Fund

Orange County is often seen as the sleepy suburb of Los Angeles where residents enjoy beautiful weather, beautiful beaches, and a strong economy with a wealth of community assets. And it is! But not all residents have been equal beneficiaries of the county’s economic growth. In fact, over the next couple of years Orange County will face social and physical challenges that leaders must be aware of and ready to address. The 2019 Equity Profile of Orange County highlights what Orange County must do to lead the way on racial and economic equity, strategies to ensure accountability, and ways the community as a whole can prepare for any challenges along the way.

Orange County offers a great opportunity to promote a new narrative around equity that can bring together diverse stakeholders, including business leaders, and reach advocates who are rooted in the communities that most need to be part of the public policy dialogue. Rising inequality and changing demographics can be compelling to many who recognize that we need to address disparities in order to achieve economic sustainability.

Orange County Grantmakers represents a community of philanthropic leaders committed to inclusivity, fairness, and equal advantages for all residents. Through the work of our members, we are committed to building an equitable Orange County, today and in the future. The 2019 OC Equity Report represents an opportunity to identify and better understand the challenges that await us as we look ahead.

The St. Joseph Health Community Partnership Fund believes that in order to bring about real and lasting positive impact, we must have a more complete understanding of the various needs that exist in our community. This report will provide a deeper understanding for our leaders and community partners working in collaboration to develop a comprehensive, equitable, and long-term strategy to address the root causes of such disparities.

Thank you for being a part of this shared commitment.

Taryn Palumbo
Executive Director
Orange County Grantmakers

Gabriela Robles
Vice President, Community Partnerships
St. Joseph Health Community Partnership Fund
Overview

Across the country, regional planning organizations, local governments, community organizations and residents, funders, and policymakers are striving to put plans, policies, and programs in place that build healthier, more vibrant, more sustainable, and more equitable regions.

Equity—ensuring full inclusion of the entire region’s residents in the economic, social, and political life of the region, regardless of race, ethnicity, age, gender, neighborhood of residence, or other characteristics—is an essential element of the plans.

Understanding how a region measures up in terms of equity is a critical first step to planning for greater equity. To assist communities with that process, PolicyLink and the Program for Environmental and Regional Equity (PERE) developed an equity indicators framework that communities can use to understand and track the state of equity in their regions.

A profile of Orange County examines demographic trends and indicators of equitable growth, highlighting strengths and areas of vulnerability in relation to the goal of building a strong, resilient economy. It was developed by PolicyLink and the Program for Environmental and Regional Equity (PERE) to support Orange County Grantmakers, other funders, advocacy groups, elected officials, planners, business leaders, and others working to build a stronger and more equitable region. This summary document highlights key findings and implications from the larger profile.

Unless otherwise noted, all of the data and analyses presented in this profile are the product of PolicyLink and the USC Program for Environmental and Regional Equity (PERE).

Equitable Growth Indicators

This profile draws from a unique Equitable Growth Indicators Database developed by PolicyLink and PERE. This database incorporates hundreds of data points from public and private data sources, such as the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, and Woods & Poole Economics, Inc. The database includes data for all 50 states, the largest 150 metropolitan regions, and the largest 100 cities, and includes historical data going back to 1980 for many economic indicators as well as demographic projections through 2050. It enables comparative regional and state analyses as well as tracking change over time. Many of the indicators included in this profile can also be found online in the National Equity Atlas at www.nationalequityatlas.org.

Defining the region

For the purposes of this equity profile and data analysis, the Orange County region is defined as Orange County.
Profile Highlights

Orange County leads the nation in demographic change

Over 3.1 million residents call Orange County home and about 58 percent of these residents are people of color. Orange County has actually been majority people of color since 2004, foreshadowing the demographic shift now occurring across the nation, which is predicted to become majority people of color by 2044. In reality, people of color have been a part of the fabric of Orange County since before its inception, beginning with the Acjachemen and Tongva people who inhabited the area thousands of years ago and are still a part of the community today. By 1980, 78 percent of the region's population was white but now Orange County is the 18th most diverse region among the 150 largest regions in the country. Today, just over a third of the population is Latino and nearly one-fifth are Asian American or Pacific Islander (API).

Between 2000 and 2016, Orange County's Asian American and Pacific Islander (API) population grew by 55 percent (212,139 residents). Meanwhile the Latino population grew by 22 percent (199,723 residents) and the Black population by 13 percent (6,379 residents). During this time period, immigration spurred the growth of the API population: 55 percent of the growth in the Asian American and Pacific Islander population between 2000 and 2016 was from foreign-born APIs. About 64 percent of the API population are immigrants. In contrast, the growth in the Latino population has been solely due to U.S.-born Latinos. About 39 percent of the Latino population are immigrants. But these broad racial and ethnic categories only tell part of the story of the county’s diversity. For example, the Asian population includes residents who are Vietnamese, Korean, Chinese, Filipino, Indian, Japanese, Taiwanese, and Cambodian, among others. The Pacific Islander population includes Native Hawaiians, Samoans, Tongans, and other ethnic groups.

Orange County's demographic change is projected to outpace the nation through 2050

Racial/Ethnic Composition, 1980 to 2050

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. % white</th>
<th>Mixed/other</th>
<th>Native American and Alaska Native</th>
<th>Asian or Pacific Islander</th>
<th>Latino</th>
<th>Black</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>15%</td>
<td>10%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>78%</td>
</tr>
<tr>
<td>1990</td>
<td>23%</td>
<td>14%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>64%</td>
</tr>
<tr>
<td>2000</td>
<td>2%</td>
<td>31%</td>
<td>3%</td>
<td>3%</td>
<td>20%</td>
<td>23%</td>
<td>51%</td>
</tr>
<tr>
<td>2010</td>
<td>2%</td>
<td>34%</td>
<td>3%</td>
<td>3%</td>
<td>36%</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>2020</td>
<td>2%</td>
<td>38%</td>
<td>2%</td>
<td>4%</td>
<td>40%</td>
<td>42%</td>
<td>32%</td>
</tr>
<tr>
<td>2030</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>27%</td>
<td>2%</td>
<td>27%</td>
</tr>
<tr>
<td>2040</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>26%</td>
</tr>
<tr>
<td>2050</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau; Woods & Poole Economics, Inc.
In addition, the “racial generation gap,” which is the difference between the share of people of color among young and old, has grown in the region since 1980, as it has in many other parts of the country. Today, 70 percent of Orange County’s youth (under age 18) are people of color, compared with only 36 percent of the region’s seniors (age 65 and older). Orange County’s 34 percentage point racial generation gap is higher than the national average (27 percentage points), ranking the region 25th among the 150 largest regions on this measure.

Like much of California, Orange County experienced demographic change ahead of national shifts and will continue to do so through at least 2050.

### Latino and API populations are ethnically diverse

#### Latino and API Populations by Ancestry, 2016

<table>
<thead>
<tr>
<th>Ancestry</th>
<th>Population</th>
<th>% Immigrant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexican</td>
<td>743,102</td>
<td>42%</td>
</tr>
<tr>
<td>Salvadoran</td>
<td>22,907</td>
<td>65%</td>
</tr>
<tr>
<td>Guatemalan</td>
<td>16,089</td>
<td>68%</td>
</tr>
<tr>
<td>Peruvian</td>
<td>7,913</td>
<td>73%</td>
</tr>
<tr>
<td>Puerto Rican</td>
<td>7,570</td>
<td>0%</td>
</tr>
<tr>
<td>Cuban</td>
<td>6,610</td>
<td>33%</td>
</tr>
<tr>
<td>Colombian</td>
<td>6,414</td>
<td>60%</td>
</tr>
<tr>
<td>All other Latinos</td>
<td>260,005</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Total Latino</strong></td>
<td><strong>1,070,610</strong></td>
<td><strong>39%</strong></td>
</tr>
</tbody>
</table>

#### Asian or Pacific Islander (API)

<table>
<thead>
<tr>
<th>Ancestry</th>
<th>Population</th>
<th>% Immigrant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnamese</td>
<td>171,170</td>
<td>70%</td>
</tr>
<tr>
<td>Korean</td>
<td>88,266</td>
<td>71%</td>
</tr>
<tr>
<td>Chinese</td>
<td>76,951</td>
<td>66%</td>
</tr>
<tr>
<td>Filipino</td>
<td>67,494</td>
<td>62%</td>
</tr>
<tr>
<td>Indian</td>
<td>45,058</td>
<td>69%</td>
</tr>
<tr>
<td>Japanese</td>
<td>31,644</td>
<td>32%</td>
</tr>
<tr>
<td>Taiwanese</td>
<td>16,528</td>
<td>74%</td>
</tr>
<tr>
<td>Cambodian</td>
<td>7,052</td>
<td>56%</td>
</tr>
<tr>
<td>All other API</td>
<td>97,591</td>
<td>73%</td>
</tr>
<tr>
<td><strong>Total API</strong></td>
<td><strong>601,754</strong></td>
<td><strong>64%</strong></td>
</tr>
</tbody>
</table>

**Source:** Integrated Public Use Microdata Series.

**Note:** Data for 2016 represent a 2012 through 2016 average.

### Growth in many communities of color has created a “racial generation gap”

#### Growth Rates of Major Racial/Ethnic Groups, 2000 to 2016

- White: -10%
- Black: 13%
- Latino: 22%
- Asian or Pacific Islander: 55%
- Native American: -23%
- Mixed/other: 26%

**Source:** U.S. Census Bureau.

**Note:** Data for 2016 represent a 2012 through 2016 average.

#### Percent People of Color (POC) by Age Group, 1980 to 2016

- Percent of youth who are POC:
  - 70%
- Percent of seniors who are POC:
  - 36%

**Source:** Integrated Public Use Microdata Series.

**Note:** Data for 2016 represent a 2012 through 2016 average.
Inequalities threaten the region’s long-term economic prosperity

As Orange County experiences dramatic demographic change, its regional economy continues to outpace national growth. Since the 1990s, the unemployment rate in Orange County has generally been lower than the national average. In addition, the number of jobs and the gross regional product (GRP) have both grown faster than the nation as a whole between 1979 and 2016.

However, data also show that the economic improvements are not benefiting everyone. Despite relatively low unemployment and strong job growth, Orange County ranks 58th in income inequality among the 150 largest regions, a ranking higher than the nearby San Diego metro area. And Orange County’s middle class is shrinking: since 1979, the share of households with middle-class incomes decreased from 40 to 33 percent. This change is related to differences in wage growth across income levels. After adjusting for inflation, wage growth for top earners in Orange County increased by 24 percent between 1979 and 2016. During the same period, wages for the lowest earners fell by 26 percent. Wages for these lower-wage workers fell at a greater rate in Orange County than at the national level. Meanwhile, low-wage jobs are growing at a much faster rate than both middle- and high-wage jobs (28 percent compared to 7 and 6 percent respectively).

Wages grew only for higher-wage workers and fell for middle- and low-wage workers

Real Earned Income Growth for Full-Time Wage and Salary Workers, 1979 to 2016

- Orange County
- United States

**Source:** Integrated Public Use Microdata Series. Universe includes civilian noninstitutional full-time wage and salary workers ages 25 through 64.

**Note:** Data for 2016 represent a 2012 through 2016 average.
Racial economic inequalities persist

Examining data by race reveals dramatic countywide disparities. For example, the median hourly wage for whites was more than double that of Latinos in 2016 ($32.00 compared with $15.60). This wage gap between Latinos and whites is much larger in Orange County than on the national level. Whites make around nine dollars more per hour in Orange County when compared to the national median for whites, while Latinos make around the same amount as the national median for their ethnic group.

People of color are also more likely to be struggling with poverty in the region. Nearly a fifth of the county’s Native Americans (19.5 percent) and Latinos (18.7 percent) live below the poverty level—compared with less than a tenth of whites (7.3 percent). Latinos are much more likely to be working poor (i.e. working full-time with an income below 150 percent of the federal poverty level) compared with all other groups. The working poverty rate for Latinos (11.7 percent) is about eight times as high as for whites (1.5 percent).

In general, higher educational attainment results in higher wages and lower unemployment. However, among full-time wage and salary workers in Orange County, there are racial gaps in median hourly wages at all education levels, with whites earning substantially higher wages than all other groups. Among college graduates with a BA or higher, Asian Americans/Pacific Islanders earn $3/hour less than their white counterparts while African Americans earn $9/hour less and Latinos earn $11/hour less. Across the board, women of color have the lowest median hourly wages. For example, college-educated women of color with a BA degree or higher earn $16 an hour less than their white male counterparts.

Median hourly wages for Black and Latino workers have stagnated since 2000

Median Hourly Wage by Race/Ethnicity, 2000 and 2016 (all figures in 2016 dollars)

Source: Integrated Public Use Microdata Series. Universe includes civilian noninstitutional full-time wage and salary workers ages 25 through 64. Note: Data for 2016 represent a 2012 through 2016 average.
Educational inequities threaten the region’s future

While educational outcomes have improved since 2000, there are still large disparities in educational attainment by race/ethnicity and nativity. These educational gaps can make workers less prepared for the future economy. Orange County ranks high (27th) among the 150 largest regions in terms of the share of residents with an associate’s degree or higher, but Latinos, Native Americans, Pacific Islanders, and African Americans are much less likely than whites to have this level of education. At the same time, the county ranks even higher (19th) in terms of the share of residents who lack a high school diploma. Latino immigrants are the most likely to have less than a high school diploma, followed by U.S.-born Latinos and Asian immigrants.

There is a wide educational gap among Asian immigrants. For example, 11 percent of Asian immigrants lack a high school diploma, a rate similar to U.S.-born Latinos and the second highest among racial groups. However, at the same time, Asian immigrants have one of the highest percentages of those with a bachelor’s degree or higher. Looking at disaggregated Asian American data by ethnicity show disparities within the racial group. About 88 percent of Taiwanese immigrants ages 25 to 64 have an associate’s degree or higher compared to 39 percent of immigrants from Vietnam and 40 percent of those from Cambodia.

Although there has been an overall decrease in the number of disconnected youth (16- to 24-year-olds who are neither in school nor working), the number remains high. Of the region’s 37,000 disconnected youth, 55 percent are Latino, 28 percent are white, 3 percent are Black, and 11 percent are API. Since 2000, the number of disconnected youth has decreased slightly. This is due to improvements among Latino youth (from 68 percent to 55 percent of all disconnected youth); all other groups have seen slight increases.

Data on children also illustrate racial disparities. For example, early childhood development indicators show that not all children in Orange County are ready for kindergarten. Latino children were more likely to be evaluated as being vulnerable or at risk than their peers in all other racial groups across five early childhood development indicator categories (physical health and well-being, social competence, emotional maturity, language and cognitive development, and communication skills and general knowledge). In addition, the Child Opportunity Index, which measures relative opportunity across neighborhoods in the region based on three categories of indicators (educational opportunity, health and environmental opportunity, and social and economic opportunity), shows that more racially diverse portions of the county have fewer opportunities for children.

There are wide racial/ethnic gaps in educational attainment

Educational Attainment by Race/Ethnicity and Nativity, 2016

- Bachelor’s degree or higher
- Associate’s degree
- Some college
- High school diploma
- Less than high school diploma

Source: Integrated Public Use Microdata Series. Universe includes all persons ages 25 through 64.

Note: Data represent a 2012 through 2016 average. In order to obtain more robust estimates of the Pacific Islander population the estimate includes all those who identified as Pacific Islander.
Community health and safety risks disproportionately affect people of color

Ensuring equitable growth includes ensuring all of the region’s residents are safe and healthy. Levels of pollution exposure are higher in Orange County for nearly all groups than in California or the United States overall. While all communities face risks, data show that there are inequities and disparities when it comes to exposure and health outcomes. Data by race show that whites in Orange County have lower air pollution exposure than people of color. These data also show that neighborhoods with high concentrations of low-income families and people of color are more likely to be exposed to environmental hazards, putting them at higher risk for chronic diseases and premature death.

Survey data show that communities of color throughout the region face greater health challenges. California Health Interview Survey data show that among all racial groups, Latinos are the most likely to lack a usual source of health care, view their health quality as fair or poor, and report experiencing serious psychological distress in the past year.

The region’s Latino population is also at a higher risk for being overweight or obese and having diabetes. Disaggregated health data for Asian Americans and Pacific Islanders also show disparities. For example, Filipinos have a very high rate of diabetes (19.5 percent). One 2010 study also showed that Native Hawaiians in Southern California are at higher risk for diabetes, obesity, and cardiovascular disease compared with other groups. African Americans and Native Americans also have high levels of many negative health outcomes, including the highest incidences of heart disease mortality in Orange County.

Communities of color face disproportional risks not only to their health but also their safety. For example, according to a 2017 report by the Human Relations Commission of Orange County, hate crimes targeting people of color have increased in the last few years. About 36 percent of hate crimes were motivated by race and ethnicity, 25 percent were motivated by religion, and 4 percent were motivated by sexual orientation. Muslim and Middle Eastern residents were the most frequently targeted communities for hate crimes in 2017 and crimes against these communities were higher than in recent years.

People of color above the poverty level face a higher pollution burden than white people below the poverty level

<table>
<thead>
<tr>
<th></th>
<th>Orange County</th>
<th>California</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Below poverty</td>
<td>Above poverty</td>
<td>Below poverty</td>
</tr>
<tr>
<td>White</td>
<td>62</td>
<td>71</td>
<td>57</td>
</tr>
<tr>
<td>People of color</td>
<td>58</td>
<td>69</td>
<td>54</td>
</tr>
</tbody>
</table>

Sources: U.S. Environmental Protection Agency, 2011 National Air Toxics Assessment; U.S. Census Bureau. Universe includes all persons not in group quarters.

Note: While data on people by race/ethnicity and poverty status reflect a 2011 through 2015 average, data on air pollution are from 2011. See the “Data and methods” section in the full profile for details on the pollution exposure index calculations.
Expanding affordable housing is critical to equitable growth

Orange County residents face a housing crisis. Orange County ranks 12th in rent-burdened households (defined as those that spend more than 30 percent of their household income on housing costs) among the 150 largest regions. Orange County has a slightly lower level of rent burden (57 percent) than Los Angeles County and the Riverside metro area (both at 59 percent), and a slightly higher level than the San Diego metro area (56 percent). Throughout the county there are neighborhoods with rent burden rates of 68 percent or higher but there are particular concentrations in neighborhoods in Anaheim, Santa Ana, Fullerton, and Garden Grove. Latino households are the most likely to spend a large share of their income on housing, whether they rent or own. In 2016, Black households and Latino immigrant households had the lowest homeownership rates at 32 percent and 34 percent, respectively. In contrast, white and API households had homeownership rates of 60 percent and higher.

Most low-wage workers in the region are not likely to find affordable rental housing. In Orange County, 23 percent of jobs are low-wage (paying $1,250 per month or less) and only 6 percent of rental units are affordable (defined as having rent of $749 per month or less, which would be 30 percent or less of two low-wage workers’ incomes). The growing affordability crisis is creating unstable housing for many in California and Orange County. According to 2017 U.S. Department of Housing and Urban Development (HUD) data, there were an estimated 4,792 people experiencing homelessness and 1,265 of them were in families with children. People of color make up a majority of the population experiencing homelessness (56 percent) in the county. The Black population is by far the most disproportionately affected by homelessness, making up only 2 percent of the total population in 2017 but 13 percent of the homeless population. A recent 2018 homeless population count in 13 north county cities found 1,837 people experiencing homelessness, a number higher than HUD’s estimate. Of the 13 cities, nine had a larger number of homeless people than previously estimated. This report also showed that about 80 percent were unsheltered.

**Latino households are the most rent-burdened**

<table>
<thead>
<tr>
<th>Household Rent Burden by Race/Ethnicity, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
</tr>
<tr>
<td>White</td>
</tr>
<tr>
<td>Black</td>
</tr>
<tr>
<td>Latino</td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td>Mixed/other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homeowner Housing-Cost Burden by Race/Ethnicity, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
</tr>
<tr>
<td>White</td>
</tr>
<tr>
<td>Black</td>
</tr>
<tr>
<td>Latino</td>
</tr>
<tr>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td>Mixed/other</td>
</tr>
</tbody>
</table>

Source: Integrated Public Use Microdata Series. Universe includes renter-occupied households with cash rent (excludes group quarters).

Note: Data represent a 2012 through 2016 average.
Racial and economic inclusion would strengthen the regional economy

Orange County stands to gain a great deal from addressing racial inequities. The county’s economy could have been nearly $83 billion stronger (a 32 percent increase) in 2016 if its racial gaps in income had been closed. The dollar value of this equity dividend is the 10th largest of any metropolitan region in the country and ranks 15th as a percentage of GDP.

We examined how much of the region’s racial income gap was due to differences in wages and how much was due to differences in employment (measured by hours worked). Nationally, 33 percent of the racial income gap is due to differences in employment. In Orange County, that share is only 23 percent, with the remaining 77 percent due to differences in hourly wages. These persistent inequalities are a threat to future prosperity.

Orange County's GDP would have been $83 billion higher if there were no racial gaps in income

A thriving community is also an engaged community

Equitable regions are places where all residents can participate in civic life. In Orange County, data show that growth in the number of both Latino and Asian American voters outpaced the growth in the number of total voters who cast ballots during recent elections. The number of Latino voters increased 131 percent, or by about 100,000 people, from the 2014 to 2018 midterm elections. The number of Asian American voters increased 82 percent, or by over 60,000 people, between these two recent elections as well. In comparison, the change in the number of total voters was about 54 percent between these two elections. Latinos accounted for 17 percent of the total votes cast in 2018 while Asian Americans accounted for 13 percent of votes. Meanwhile nearly 180,000 adult immigrants in Orange County are eligible to naturalize, which could lead to an increasing electorate composed of a larger proportion of people of color.

 Sources: Bureau of Economic Analysis; Integrated Public Use Microdata Series.
Note: The “equity dividend” is calculated using data from IPUMS for 2012 through 2016 and is then applied to estimated GDP in 2016. See the “Data and methods” section in the full profile for details.
Ten (plus one) steps to equity for Orange County

1. **Commit to reducing disparities and improving outcomes for all in Orange County.**
   Equity and growth have traditionally been pursued separately but both are needed to secure Orange County’s future. Economic growth must be linked to the economic well-being and mobility of those most at risk of being left behind. With shifting demographics and a strong economy, along with a strong network of civic leaders, philanthropic partners, and community-based organizations, Orange County is well-positioned to be a national example of how infusing strategies that promote regional equity can grow the economy.

2. **Use data for cross-sector dialogue.**
   Data in this profile and from other Orange County indicator reports should be used to anchor dialogue and discussion among the growing, dynamic, and diverse network of leaders who have a stake in the future of Orange County. Recent research has shown that what more equitable regions have in common is a diverse “knowledge community” in which members have a shared understanding of the region and are moving towards a common action-oriented agenda. By coming together repeatedly over time, relationships are built and consensus becomes more possible. As a result, the group is rooted in collective strength, rather than division and in-fighting.

3. **Link inclusion with innovation.**
   Changes in the economy have, and will, bring both job growth and job “disruption.” Collaborations among workforce development programs, educational institutions, worker organizations, and employers are more critical now than ever before. As workplace changes and innovations reshape the labor market, workers will need new skills and supports to be able to navigate the future of work. The future of work will also largely be in the caring economy, so attention needs to be given to training, improved wages, and caregiver support programs for domestic workers, home-care workers, and those caring for aging family members.

4. **Invest in early childhood education and other early interventions.**
   There are long-term benefits to ensuring a child is on a path to opportunity early in life. Targeted investments in high-quality, early childhood education in those neighborhoods with “very low” and “low” Child Opportunity Index scores will help increase school readiness among kindergarteners. Because a parent’s resources greatly shape the development of a child, investing in the county’s youngest residents also means investing in their parents.

5. **Ensure affordable housing for all.**
   Equitable growth strategies need to ensure that all residents—renters, homeowners, and home-seekers—can afford to live in Orange County and contribute to the local economy. Santa Ana and Anaheim rank fifth and sixth, respectively, in rent-burdened households among the 100 largest cities in the country. Given the scale of homelessness and housing unaffordability, multiple tools are needed to address the problem—and specific tools are needed for renters, homeowners, potential home buyers, and people who are homeless. Possible policy and program solutions range from early interventions to prevent chronic homelessness to tenant protections, rent stabilization, affordable housing bonds, and community land trusts.

6. **Embed and operationalize a prevention-oriented approach to advance health equity.**
   Emerging strategies intended to improve the collective health of Orange County’s residents must include a more intentional focus on upstream prevention. This means explicitly tackling the social determinants of health and well-being, rather than primarily engaging in efforts that emphasize increased availability and coordination of clinical services and treatment. To eliminate health disparities and create a landscape that fosters health and wellness, Orange County should take a comprehensive approach with strategies that bridge social, physical, and economic factors through new policies, stronger systems, and improved organizational practices.
Promote immigrant integration.
To improve outcomes for all, Orange County must look at ways to ensure that immigrants are welcomed, gain economic mobility, and participate in local civic decisions. One approach to promoting immigrant integration is to institutionalize a commitment within county and city governments by establishing an office or position that is tasked with integrating services across multiple departments and developing and maintaining relationships with immigrant-serving nonprofits. Encouraging naturalization among those who are eligible is also an important way to garner greater security for immigrant families—in addition to broader economic and civic benefits to society.

Build civic health among underrepresented voices.
The region’s health is tied to its civic health. Increasing community engagement among racial/ethnic groups that have been historically underrepresented in decision-making brings in the voices of those who are often most impacted by policy change. Supporting non-profit organizations and other trusted local institutions who are most attune to the needs and concerns of the community can ensure policies are truly addressing equity.

Build a culture in which racial equity is discussed and is a shared goal.
Discussing issues of race and racism can be uncomfortable, but this is a necessary step in working towards equity. To improve outcomes for all, Orange County should acknowledge the history that led to today’s racialized gaps, develop partnerships that center on the perspectives of vulnerable populations, and keep an eye towards mitigating future inequities. Rooting the conversation in data can help business leaders, funders, government officials, and community-based organizations create a sustained dialogue around race and racial equity.

Partner with peer regions pursuing similar goals.
Orange County is not alone in facing the imperatives of equity and growth. Regions across the country are facing the challenge of balancing economic prosperity with inclusion—and overcoming political polarization and social divides in doing so. For example, in Oklahoma City, a diverse regional collaboration—with leadership from Republican mayors and a conservative Chamber of Commerce—committed to turn around the region’s trajectory of economic decline in the 1980s and early 1990s. They did so by gaining consensus on the importance of taxes in supporting public expenditures on quality of life and educational improvements. Peer exchanges with other regions could be helpful in educating and inspiring Orange County leaders.

Develop a regional equity strategy, indicators of progress, and a data system for measuring progress.
Looking forward, Orange County is poised to develop a county-wide strategy that centers racial and economic equity practices. The region’s relative prosperity means that it can pursue a bold strategy that addresses inequities in order to set the stage for decades of equitable growth. Developing an ongoing system for tracking progress over time can help to keep equity as a county-wide goal. What is not measured will not be achieved—yet measurement and data alone are not enough. Now is the time for bold leadership and first steps to ensure Orange County is on a path to prosperity, inclusion, and improved outcomes for all.
Notes


Photo Credit

Cover: Santa Ana residents walk to a community meeting headphotos, https://flic.kr/p/S5F6ou, Creative Commons Attribution 4.0.