

SADDLEBACK COLLEGE

2016

South Orange County

ECONOMIC REPORT

A Data and Market Analysis for the Cities of

*Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel,
Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente,
San Juan Capistrano and South Orange County unincorporated areas*

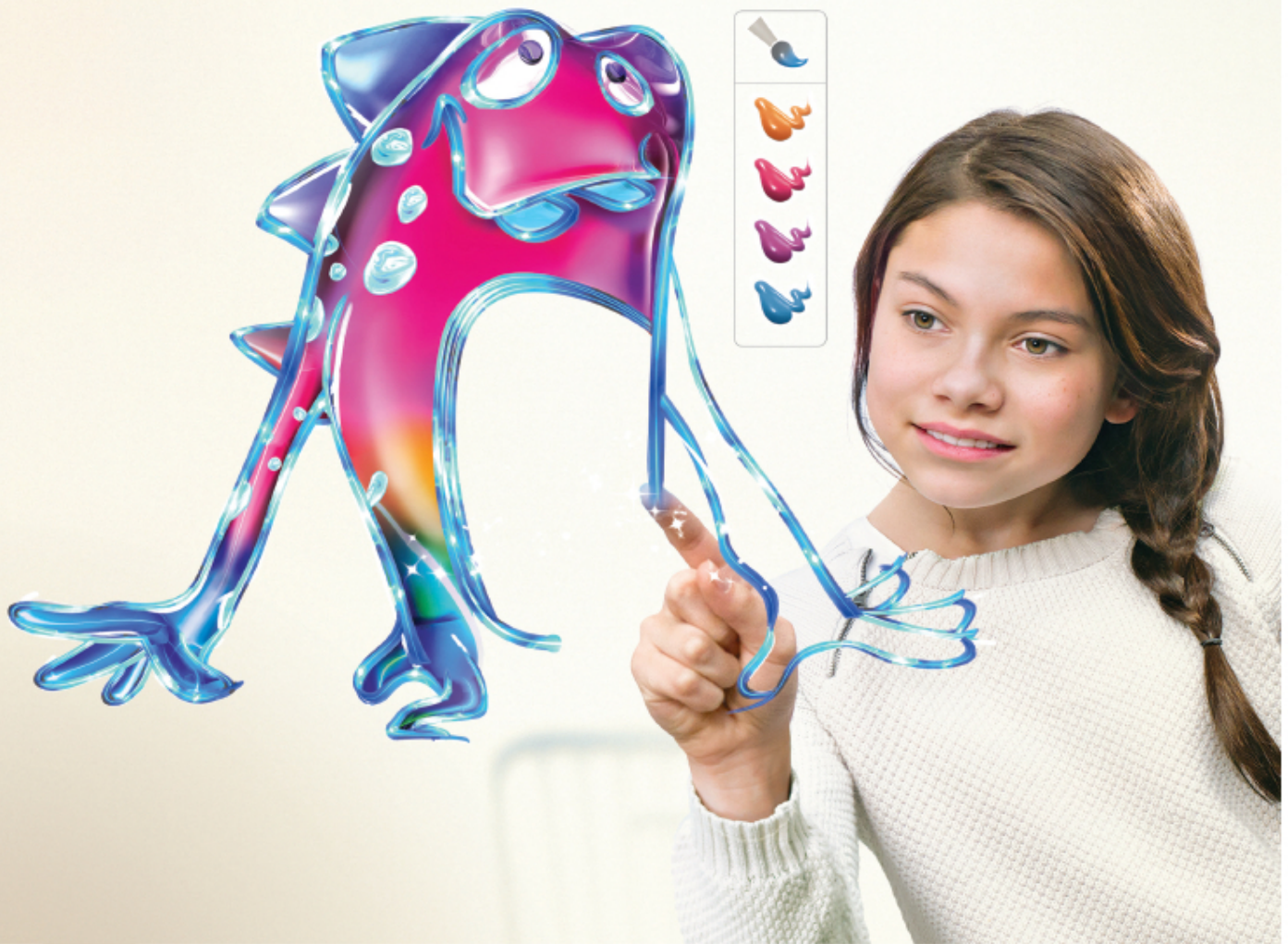


**South Orange County
Economic Coalition**
Advocacy • Education • Representation • Progress



Thank you to our Title Sponsor

How will you live the **GIG LIFE?**



G1GABLASTsm

Do anything you imagine, like paint with light. Introducing Gigablast Internet from Cox. With nearly 100x the power, it won't just change the Internet, it will change the way we live. How will you live the Gig Life?

Visit cox.com/GigLife **COX**

©2015 Cox Communications, Inc. All rights reserved. Available in select Cox service areas. Speed comparison based on maximum download speed of Cox Gigablast service (1 Gbps) vs. U.S. average DSL speed (10.6 Mbps) per www.dslreports.com/speedtest/results/country as of 08/08/2015. Actual speeds may vary. Check cox.com/GigLife for service availability in your area and other information. Other restrictions may apply.



Saddleback College is South Orange County's First Choice

Saddleback College is pleased to present the second annual edition of the South Orange County Economic Report. Last year we received overwhelmingly positive feedback on our inaugural economic report. We also received several suggestions for improvement, many of which we incorporated in this year's edition.

The report provides economic information specifically for the south Orange County area, including the cities of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, and San Juan Capistrano, as well as unincorporated communities. The report should be read in conjunction with economic data provided by other institutions for the county, region, state, and nation.

Saddleback College is a proud member of the South Orange County community, and honored to be the leading provider of higher education and training. Each year the college educates over 40,000 students, awarding more than 5,000 degrees and certificates and transferring over 3,500 students to the nation's top four-year colleges and universities.

Saddleback College has been the first choice in South Orange County since 1968. Over 500,000 alumni can attest to the quality of our academic and career training programs that enable students to successfully achieve their educational, professional, and personal goals. Our rich academic traditions and strong reputation make Saddleback College an ideal place for students seeking associate degrees and certificates, transferring to four-year colleges and universities, preparing for the workforce, or pursuing lifelong learning opportunities.

Our 1,250 faculty, staff, and administrators are all part of the fabric of the South Orange County community, along with hundreds of thousands of current and former students. We value this important partnership and strive to continue to make south Orange County the place where businesses want to grow and people want to live, and where everyone prospers through our combined efforts.

The South Orange County Economic Report is one of the many ways that Saddleback College strives to support South Orange County. We want to be your college of first choice, and we want to be your partner in furthering the economic prosperity of our community.

Thank you!

Tod A. Burnett, Ed.D.
President
Saddleback College

Thank you to our sponsors



CJ Segerstrom & Sons, LLC



Table of Contents

Introduction	1
Summary Key Findings	2
South Orange County Demographics	4
South Orange County Economic Overview	7
Regional Employment	9
Unemployment	12
Where is the Regional Economy Going?	13
Key Industry Sectors	
Healthcare	14
Retail	16
Manufacturing	18
Hospitality	20
Real Estate	22
Economic Opportunity Gaps	24
Infrastructure	24
Housing	24
Workforce	25
Real Estate Update	26
Saddleback College Education and Workforce Training	28
Economic and Workforce Development	28
Cooperative Work Experience/Work Based Learning	28
Adult Education	28
Partnering with the Community	29
Manufacturing	29
Healthcare	30
Business and Entrepreneurship	30
Career Technical Education Programs	31
Career Pathways	34
Veterans	35
South Orange County City Profiles	38

Introduction

Research institutions have traditionally provided economic forecasts for the nation, state and county. Each provides their predictions for growth or decline of the economy based upon extensive data analysis. Unfortunately, the data related to South Orange County had not been as extensive and, in many cases, blended in with the rest of Orange County. The objective of this report is to provide the reader with relevant information related to the economy of South Orange County. Historical and trend data have been presented to show that the economy of the region meets, and in many cases exceeds, the performance of the state and county.









The Great Recession brought severe hardships to the nation's economy and the South Orange County region suffered the effects along with the nation. The years 2013 through 2015 have been identified as modest recovery years and many economists are being careful in their predictions for the future.

At a broad level, economists are forecasting moderate growth in the overall 2016 economy. The Federal Reserve is winding down its expansionary fiscal policy and there is a historical level of credit available to fuel investment spending and consumer credit growth. For the first time since June 2006, the Federal Funds Rate has been increased. The current bullish stock market and higher housing prices are pushing household wealth to its highest levels ever. A debate has occurred as to whether the economy is expected to continue a moderate pace or will it eventually lose steam. Chapman University forecasts consumer spending to grow just under 2.8 percent in 2016, which is close to the same pace as the last three years. The decline in oil prices has made an impact on consumer confidence. The real estate market has heated up throughout the region thanks to moderate interest rates and lower inventories; even though high housing prices in the region affect the affordability index. This level of growth is considered moderate and likely to be sustainable for many years.

The South Orange County economy should experience similar growth to Orange County overall. This report anticipates that economic growth will continue. Areas such as technology, health care, advanced manufacturing, real estate and services will lead the region for the upcoming periods. Unemployment rates will remain in the same rate, which will be slightly better than Orange County or California as a whole.

The following pages provide a snapshot as to how the South Orange County economy was performing at the end of 2015 and how it is expected perform in the near future. The data herein has been obtained from many sources and has been credited accordingly.

Summary Key Findings

Regional Indicator	2015	2014	Change	Impact
Gross Regional Product	\$26.2B (17.7% of OC)	\$25.6B (13.9% of OC)	+ \$600M	
Population Growth	601,296 (20.8% of OC)	598,654 (18.6% of OC)	+ 2,642	
Employment	297,983	289,535	+ 8,448	
Unemployment	3.6% (10,700)	3.1% (9,800)	+ 0.5% (+ 900)	
Average Earnings	\$56,116	\$54,561	+ \$1,555	
Residential Median Home Price	\$825,000	\$814,000	+ \$11,000	Neutral
Residential Days on Market	90	87	+ 3	
Commercial Office – Average Rent Rate	\$2.38/sq. ft.	\$2.10/sq. ft.	+ \$0.28/sq. ft.	
Commercial Office – Vacancy	10.8%	11.0%	- 0.2%	Neutral
Industrial – Average Rent Rate	\$0.86 NNN	\$0.82 NNN	+ 0.04 NNN	
Industrial – Vacancy	4.6%	6.1%	- 1.5%	Neutral

Key Economic Sectors

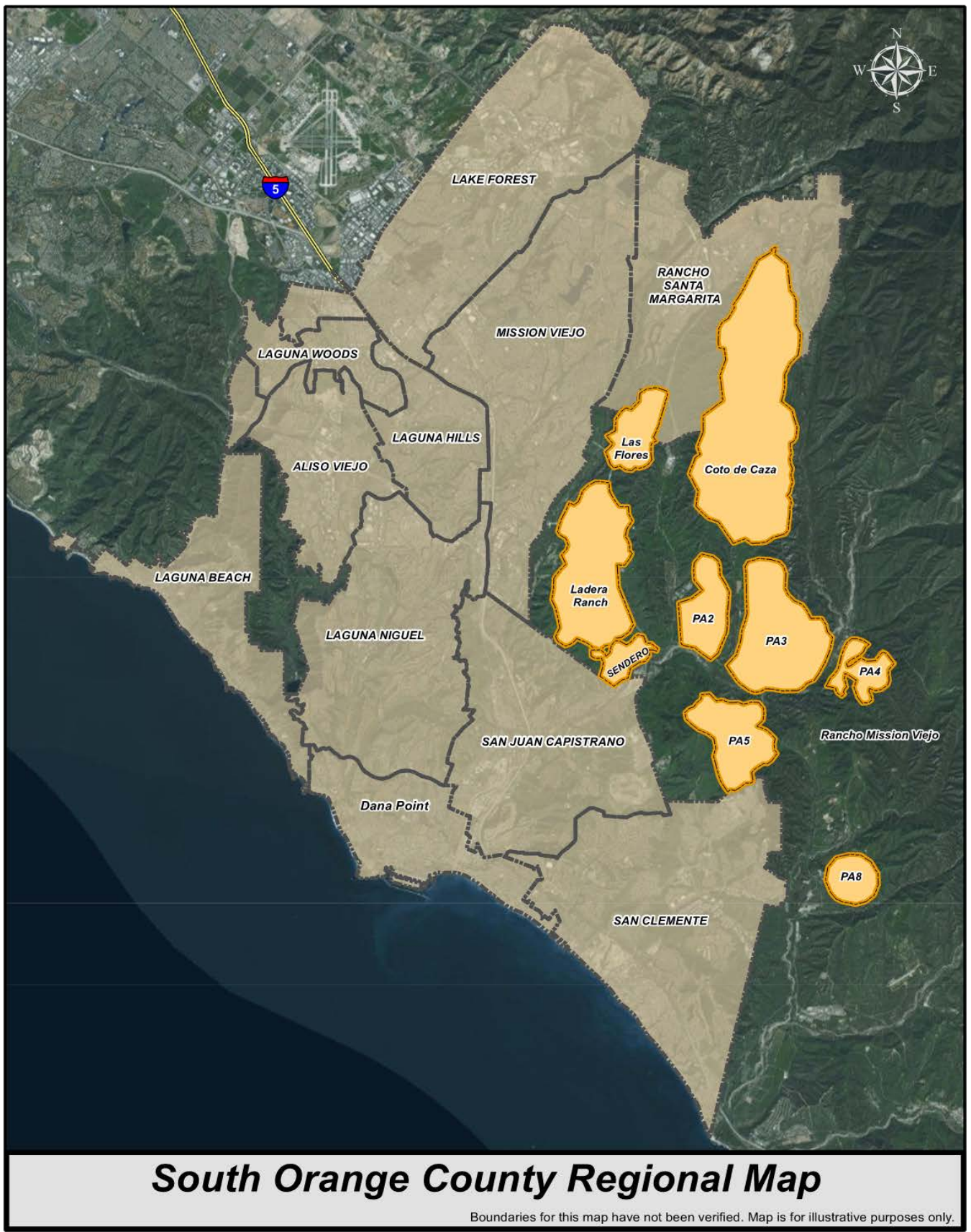
Healthcare - Support of growing and aging population
Retail - Indicator for consumer confidence
Manufacturing - Foundation for economic sustainability
Hospitality - Leading sector supplying jobs and promoting economic growth
Real Estate - Growth fuels economy but makes it harder to support workforce

Opportunity Gaps

Workforce - Middle skilled jobs cannot find enough workers
Housing - Cost of living (purchase or rental) in the region is limiting future economic growth
Transportation - Region needs multiple transportation options to support economic growth

Bottom line

- **Economic growth** should range from 2.0 to 2.5 percent
- **Real estate** prices will continue to rise but inventory will be down
- **Transportation infrastructure** needs to support economic growth
- **Population** is getting older which will affect workforce
- Younger adults cannot **afford** to live in South Orange County
- Tomorrow's **workforce needs training** to meet middle and high end jobs



South Orange County Demographics

The incorporated cities that comprise South Orange County cover approximately 126 square miles. Some of the unincorporated areas in the region are included in the incorporated cities' statistics while others are reported as part of Orange County overall.

The following table provides a comparison of the geographic area covered by the region's incorporated cities.

City	Area (sq. miles)	%
Aliso Viejo	6.9	5.5%
Dana Point	6.8	5.4%
Laguna Beach	7.8	6.2%
Laguna Hills	6.6	5.3%
Laguna Niguel	14.7	11.6%
Laguna Woods	3.3	2.6%
Lake Forest	16.8	13.3%
Mission Viejo	17.5	13.9%
Rancho Santa Margarita	13.1	10.4%
San Clemente	18.3	14.5%
San Juan Capistrano	14.5	11.5%
Total	126.3	100.0%

Source: CSU Fullerton, 2014 Orange County Progress Report

Population

The South Orange County population has experienced an approximate 2 percent growth rate over the last five years. This moderate growth is lower than Orange County and the state, which could be a result of the cost of existing housing and the limited construction of low cost housing in the region.

Comparative Population

	2015	2014	% Change	2011	5-year % Change
South Orange County	601,296	598,654	0%	592,017	2%
Orange County	2,884,662	2,857,091	1%	2,778,720	4%
California	39,154,786	38,802,570	1%	37,701,675	4%
United States	321,252,743	318,857,056	1%	311,721,632	3%

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 and 2014.3 Class of Worker

City growth has been slow mainly due to the lack of new construction over the last five years. The Great Recession and the collapse of the housing market in 2008 brought regional population growth nearly to a halt. As a region we now face a pervasive problem, each city must determine how it will attract economic and population growth in a region where wages are competitive with the county but housing costs are high.

Comparative Population by City

	2015	2014	% Change	2011	5-year % Change
Aliso Viejo	48,932	48,603	1%	48,325	1%
Dana Point	25,833	25,697	1%	25,697	1%
Laguna Beach	24,052	23,967	0%	23,967	0%
Laguna Hills	28,922	28,771	1%	28,771	1%
Laguna Niguel	63,404	63,294	0%	62,692	1%
Laguna Wood	17,472	17,131	2%	17,131	2%
Lake Forest	59,203	58,893	1%	57,943	2%
Mission Viejo	98,350	97,812	0%	95,890	3%
Rancho Santa Margarita	42,454	42,401	0%	42,652	0%
San Clemente	66,107	65,904	0%	65,995	0%
San Juan Capistrano	35,511	35,184	1%	34,154	4%
Unincorporated areas	76,922	77,021	0%	76,610	0%
Total	601,296	598,654	0%	592,017	2%

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 and 2014.3 Class of Worker

As with many parts of Orange County, the population of South Orange County is getting older. Because of the high cost of living in the region, younger families may not be able to afford to purchase homes and may move out of the region, move in with family, or choose to rent. Despite the increase in the average age of the regional population, the school age population (5-19 years) has shown a decline over the last five years. This decrease, a concern for many education and social services providers, is being experienced in many parts of Orange County areas where housing costs are prohibitive.

The young adult population (20-34 years) of South Orange County has increased over the last five years. This group has joined the workforce and many have moved out on their own. With the cost of living of the region, it appears that this group may work in the area and would rather rent (and save for purchase) instead of commute. Many of these young adults may have returned to live with their parents until they can afford to purchase their own residence. Additionally, South Orange County is the northern border of Camp Pendleton. Veterans who are re-entering civilian life find living in the region appealing.

2015 Age Cohort Demographics



South Orange County Population by Age

Age Cohort	2015	2014	% Change	2011	5-yr % Change
Under 5 years	34,564	34,128	1%	34,139	1%
5 to 9 years	36,835	37,066	-1%	38,118	-3%
10 to 14 years	38,350	38,839	-1%	40,279	-5%
15 to 19 years	36,856	36,814	0%	38,929	-5%
20 to 24 years	32,442	32,457	0%	32,072	1%
25 to 29 years	34,288	33,833	1%	32,552	5%
30 to 34 years	36,651	35,942	2%	34,068	8%
35 to 39 years	36,728	36,959	-1%	37,722	-3%
40 to 44 years	43,648	44,652	-2%	47,764	-9%
45 to 49 years	47,798	48,667	-2%	51,279	-7%
50 to 54 years	49,145	49,546	-1%	48,927	0%
55 to 59 years	45,081	44,212	2%	40,755	11%
60 to 64 years	37,189	36,324	2%	35,197	6%
65 to 69 years	29,159	28,442	3%	24,191	21%
70 to 74 years	20,868	19,789	5%	17,111	22%
75 to 79 years	14,901	14,420	3%	13,337	12%
80 to 84 years	11,888	11,725	1%	11,684	2%
85 years and over	14,906	14,839	0%	13,893	7%
Total	601,296	598,654	0%	592,017	2%

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 and 2014.3 Class of Worker. Saddleback College analysis.

South Orange County is continuing to become more ethnically diverse. Hispanic, Asian, and multi-cultural ethnic groups are increasing in size and are contributing to the economic growth of the region.

Population by Race/Ethnicity

Race/ Ethnicity	2015	2014	% Change	2011	5-year % Change
White, Non-Hispanic	390,342	392,045	0%	397,956	-2%
White, Hispanic	111,433	109,496	2%	103,987	7%
Asian, Non-Hispanic	60,365	58,903	2%	54,307	11%
Two or More Races, Non-Hispanic	18,379	17,885	3%	16,713	10%
Black, Non-Hispanic	7,781	7,631	2%	7,062	10%
Two or More Races, Hispanic	3,242	3,122	4%	2,843	14%
American Indian or Alaskan Native, Hispanic	3,099	3,036	2%	2,917	6%
Asian, Hispanic	2,074	2,009	3%	1,874	11%
Black, Hispanic	1,935	1,897	2%	1,792	8%
Native Hawaiian or Pacific Islander, Non-Hispanic	1,153	1,142	1%	1,119	3%
American Indian or Alaskan Native, Non-Hispanic	1,051	1,057	-1%	1,040	1%
Native Hawaiian or Pacific Islander, Hispanic	441	432	2%	406	9%
Total	601,296	598,654	0%	592,017	2%

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 and 2014.3 Class of Worker. Saddleback College analysis.

South Orange County Economic Overview

South Orange County contributes \$26.3 billion (approximately 17.7 percent) of the total Orange County economy of \$148.4 billion. This contribution is especially significant when one considers that the population (approximately 601,000) is significantly lower than the Orange County population as a whole (approximately 2,885,000).

The regional job market growth rate surpassed the Federal levels with a 10.3 percent increase in the workforce for the last five years. This increase is in line with California and surpasses the national increases of 10.4 percent and 7.2 percent, respectively. The growth in jobs is reflected in a corresponding decline in the unemployment rate. The current South Orange County unemployment rate is 3.6 percent compared to the overall county rate of 4.2 percent.

The South Orange County region imports more goods and services than it exports. This difference may be due to the region's lack of large corporations (in comparison to Los Angeles or Orange County as a whole), which produce exportable goods and services. South Orange County does have a diverse business base that contributes to the Orange County economy, though. Regional goods and services exported from the region (approximately \$32 billion) account for about 24.5 percent of the exports of the total county exports of \$130.7 billion. Goods and services brought in to the region (approximately \$41.5 billion) account for about 27.5 percent of the county imports that total \$151.1 billion.

Data	South Orange County	Orange County	Percent
Population (2015)	601,296	2,884,662	20.8%
Jobs (2015)	297,983	1,673,917	17.8%
Average Earnings (2015)	\$56,116	\$58,297	N/A
Unemployed (11/2015)	3.6% (10,700)	4.2% (67,400)	15.9%
Higher Education Completions (2014)	3,816	34,682	11.0%
Gross Regional Product (2013)	\$26,280,899,047	\$148,427,424,161	17.7%
Exports (2013)	\$31,979,125,970	\$130,743,482,128	24.5%
Imports (2013)	\$41,514,189,306	\$151,081,553,259	27.5%

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 Class of Worker and CA EDD

The economic engine of South Orange County continues to be balanced and does not rely on any specific industry. Overall, economy is supported by industries that require skilled labor that are competent in STEM and customer focused disciplines.

South Orange County Gross Regional Product (GRP)

Earnings	Property Income	Taxes on Production	Total GRP
\$14,382,342,808	\$9,463,223,761	\$2,256,078,207	\$26,280,899,047

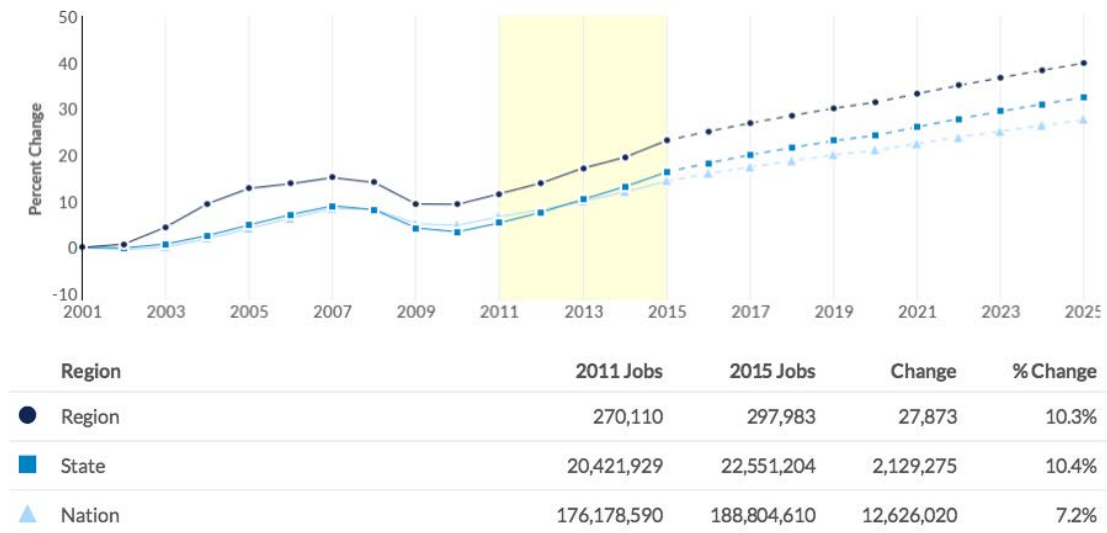
NAICS*	Industry	GRP (2013)	% of Total
11	Crop and Animal Production	\$29,992,824.23	0%
21	Mining, Quarrying, and Oil and Gas Extraction	\$42,955,299.68	0%
22	Utilities	\$835,614,792.06	3%
23	Construction	\$1,135,082,240.61	4%
31	Manufacturing	\$2,328,357,072.35	9%
42	Wholesale Trade	\$2,172,790,696.88	8%
44	Retail Trade	\$1,713,705,839.53	7%
48	Transportation and Warehousing	\$160,865,644.64	1%
51	Information	\$1,015,243,329.03	4%
52	Finance and Insurance	\$2,009,869,692.27	8%
53	Real Estate and Rental and Leasing	\$1,885,915,507.82	7%
54	Professional, Scientific, and Technical Services	\$2,511,898,369.39	10%
55	Management of Companies and Enterprises	\$358,780,519.88	1%
56	Administrative and Support and Waste Management and Remediation Services	\$1,211,931,336.97	5%
61	Educational Services	\$239,345,546.59	1%
62	Health Care and Social Assistance	\$2,043,474,884.01	8%
71	Arts, Entertainment, and Recreation	\$199,806,457.98	1%
72	Accommodation and Food Services	\$915,909,444.58	3%
81	Other Services (except Public Administration)	\$555,158,577.92	2%
90	Government	\$638,159,554.73	2%
	Other Non-Industries	\$4,276,041,416.16	16%

*North American Industry Classification System (classification standard used by federal statistical agencies)

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 Class of Worker

Regional Employment

Over the last ten years, the region has maintained positive job growth (10 percent) and has outpaced the national average or 7.2 percent. When considered with the regional unemployment decline, the job growth trend is very encouraging; more workers are finding employment. The challenge for the region will be the preparation of future workers and training to increase skills of incumbent workers to develop and update the skills necessary to keep pace with the needs of employers. High skilled jobs require workers to be ready to enter and compete in the job market with fundamental technology skills as well as soft skills such as communications and customer service.



As the population of the region gets older, health care becomes more important. In many of the cities in the region, medical and social assistance providers are the largest and growing employers. Nurses, medical assistants, technicians and personal care aides are in high demand throughout the region. Employees in all sectors that serve mature residents will benefit from the study of normal aging changes, a field known as gerontology. The Affordable Care Act is also creating jobs in this sector.

Real estate related employment has been a key indicator in the growth of South Orange County. Commercial and residential construction, real estate sales, and property management positions have continued to grow over the last ten years and the Orange County Register has reported a continuing uptrend.

The retail trade continues to be a strong employer with the broad mix of larger shopping malls, retail centers, and individual storefronts. New retail employers are opening up throughout the region. The newly opened Outlets at San Clemente should become a major economic contributor for the area as more store and restaurants open throughout 2016.

Industry	2015 Jobs
Health Care and Social Assistance	39,283
Retail Trade	33,199
Professional, Scientific, and Technical Services	32,245
Accommodation and Food Services	27,808
Real Estate and Rental and Leasing	24,223
Administrative and Support and Waste Management and Remediation Services	22,492
Other Services (except Public Administration)	20,493
Construction	17,032
Finance and Insurance	16,736
Manufacturing	16,443
Wholesale Trade	10,993
Educational Services	7,441
Government	7,380
Arts, Entertainment, and Recreation	7,020
Information	4,716
Management of Companies and Enterprises	3,476
Transportation and Warehousing	2,669
Utilities	1,319
Mining, Quarrying, and Oil and Gas Extraction	1,222
Unclassified Industry	912
Crop and Animal Production	881
Total Regional Jobs	297,983

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 and 2014.3 Class of Worker

In 2015, the region added approximately 9,000 new jobs (3 percent). A large number of the annual job openings are for lower wage (less than \$20 per hour). However, high skilled, higher wage jobs that require competency in science, technology, engineering, and mathematics (STEM) show strong increases in annual openings.

Occupations	2015 Jobs	2014 Jobs	2014 - 2015 Change	2014 - 2015 % Change	Avg. Hourly Earnings	Annual Openings
Sales and Related Occupations	47,368	46,364	1,004	2%	\$19.44	2,189
Office and Administrative Support Occupations	40,492	39,386	1,106	3%	\$19.27	2,015
Food Preparation and Serving Related Occupations	25,313	24,575	738	3%	\$11.83	1,685
Management Occupations	22,552	21,956	596	3%	\$42.65	1,118
Business and Financial Operations Occupations	21,099	20,520	579	3%	\$32.67	1,025
Personal Care and Service Occupations	16,218	15,848	370	2%	\$12.45	710
Healthcare Practitioners and Technical Occupations	14,652	13,930	722	5%	\$43.76	1,033
Production Occupations	13,693	13,234	459	3%	\$16.19	763
Construction and Extraction Occupations	12,777	12,043	734	6%	\$22.24	955
Arts, Design, Entertainment, Sports, and Media Occupations	11,317	11,047	270	2%	\$20.37	525
Building and Grounds Cleaning and Maintenance Occupations	11,118	11,003	115	1%	\$13.08	375
Transportation and Material Moving Occupations	10,644	10,333	311	3%	\$14.76	610
Computer and Mathematical Occupations	9,229	8,907	322	4%	\$40.04	489
Healthcare Support Occupations	9,159	8,671	488	6%	\$15.70	663
Installation, Maintenance, and Repair Occupations	8,156	7,927	229	3%	\$22.35	436
Education, Training, and Library Occupations	7,083	6,804	279	4%	\$25.64	432
Architecture and Engineering Occupations	4,989	4,772	217	5%	\$41.23	336
Life, Physical, and Social Science Occupations	3,127	2,998	129	4%	\$37.54	221
Community and Social Service Occupations	2,950	2,843	107	4%	\$24.35	178
Legal Occupations	1,818	1,774	44	2%	\$44.26	76
Protective Service Occupations	1,697	1,654	43	3%	\$21.87	92
Unclassified Occupation	965	975	(10)	(1%)	\$17.76	25
Military occupations	937	918	19	2%	\$18.02	41
Farming, Fishing, and Forestry Occupations	628	682	(54)	(8%)	\$11.62	21
	297,983	289,164	8,819	3%	\$23.33	16,012

Source: QCEW Employees, Non-QCEW Employees, Self-Employed & Extended Proprietors – EMSI 2015.3 and 2014.3 Class of Worker

Unemployment

Since 2010, the unemployment rate has been decreasing throughout the country. This has been a result of an improved economy where businesses are looking for qualified, skilled labor. The current official US employment rate (U-3) is 4.9 percent which is higher than Orange County's 4.2 percent. South Orange County has outperformed the federal, state and county rates.

South Orange County Unemployment

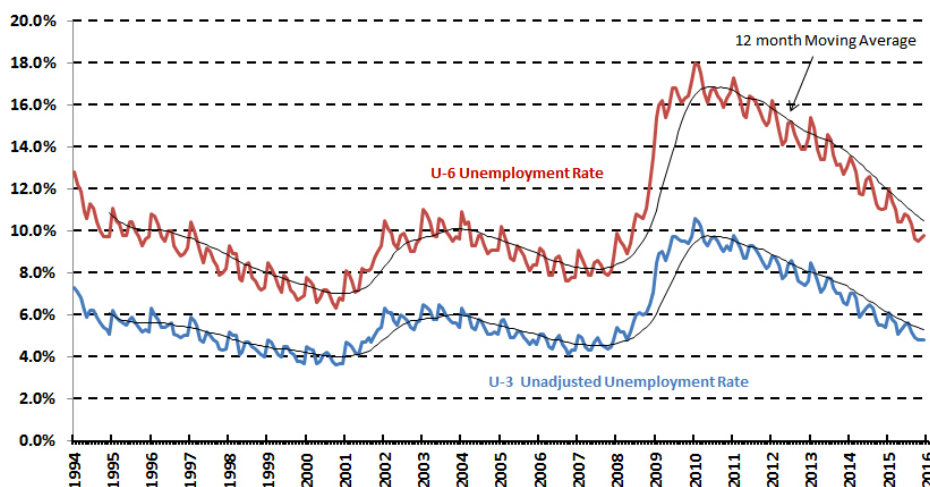
	2015*	2014	2013	2012	2011
Orange County	4.2%	4.4%	6.2%	7.6%	8.7%
Aliso Viejo	3.3	2.3	3.3	4.0	4.6
Coto de Caza	3.2	1.9	2.6	3.2	3.8
Dana Point	3.9	3.2	4.5	5.5	6.3
Laguna Beach	3.2	3.2	4.6	5.5	6.4
Laguna Hills	3.8	3.7	5.3	6.4	7.4
Laguna Niguel	3.8	3.4	4.8	5.9	6.8
Laguna Woods	4.2	6.2	8.6	10.4	12.0
Lake Forest	3.0	3.0	4.3	5.2	6.1
Mission Viejo	3.9	3.2	4.5	5.5	6.3
Rancho Santa Margarita	2.4	2.8	4.0	4.8	5.6
San Clemente	3.5	3.5	5.0	6.1	4.1
San Juan Capistrano	4.6	3.9	5.5	6.7	7.7

*November 2015

Source: State of California EDD, Monthly Labor Force Data for Cities and Census Designated Places

The U-3 unemployment rate provides a consistent view of eligible workers who are unable to find any work during the reporting period. This rate does not take into account workers who have had to seek alternative work arrangements such as multiple part-time positions or jobs in order to survive. These "discouraged workers" are considered employed even though they are not working in positions that they are skilled. The U-6 unemployment rate is a broader measure of unemployment including discouraged workers and is considered the "real" unemployment rate.

Current US Unemployment (U-6) vs Official Unemployment Rate (U-3)



Source: Unemploymentdata.com, 2016

Where is the Regional Economy Going?

Most economists point to late 2008 as the bottom of the economic decline that was labeled the Great Recession. Since 2008, the economy has slowly been recovering at a rate of 2-3 percent per year. Unfortunately, at this pace, the national gross domestic product (GDP) has yet to return to 2007 levels. In other words, we are doing better but we have not fully recovered. This sluggish economy has generated mixed signals. For the last seven years, the economy has been getting better but slower than typical economic recovery periods. Consumer confidence is showing signs of recovery with the increase in sales of large consumer goods. Affordable housing has not improved and available middle-skilled jobs have not been filled. The current slow growth lends some doubt of the sustainability of the recovery. Here are some of the regional strengths and weaknesses of this recovery:

Strengths

- Consistent Gross Regional Product growth for the last seven years
- Regional jobs continue to increase; especially higher wage jobs
- Wages are starting to increase for new and existing jobs
- New construction of affordable housing has started even though there are not enough units
- Technology focused business establishing footprint in region
- Consumer spending has increased

Weaknesses

- Shortage of affordable housing
- Orange County building permit activity has been decreasing at the end of 2015
- Aging population could create a smaller workforce
- Historical wage increases over the last seven years are too low to stimulate the recovery
- Shortage of larger businesses located in the region that can provide opportunities for growth
- Transportation infrastructure cannot support significant economic growth
- Affect of international economic fluctuations on the region
- Domestic and international financial markets volatility

Economists are forecasting 2.0 to 4.0 percent economic growth for Orange County. South Orange County will follow the county with a growth rate between 2.0 – 2.5 percent.

Healthcare

As our population continues to increase and age, the health care and social assistance sector grows. The demand for health care services include medical (all facets), dental, home health, social and human service workers, both professional and paraprofessional. Technological advances in health care and the demand to reduce health care costs have created challenges for this sector. Efficiencies achieved by adopting technologies have changed the ways in which services are provided and how providers manage their operations. Providers have recently been required to adopt electronic health records and move their patient information online. Workers in this sector must be able to work with the technology to ensure that patient information is recorded accurately and securely maintained.

Nursing and medical assistants have always been in demand in the region and, with the changing demographic of the region, the demand will continue to increase. Skilled positions are commanding average salaries of nearly \$55,000 per year, with nurses and healthcare managers earning from \$90,000 to \$106,000 on average. Nurses and home health aides have the highest projected employment demand. Over 82 percent of home health aide positions will be a result of newly created positions, while nursing and other health providers will be evenly split between new positions and replacements of existing positions. Pharmacists and pharmacy technicians are also expected to have workforce growth. These two areas are expected to grow 26.3 percent and 35.4 percent from 2010 – 2020, respectively.

Educational requirements in this sector vary depending on the level and type of service provided. At an entry level, a pharmacy technician is required to have a minimum of a high school diploma or GED, approved preparation training (community college or accredited education provider), and state licensure. Pharmacists and nurses are required to have four-year to advanced degrees and licenses prior to serving their patients.

South Orange County Health Care Firms by Size and Type

Employees/Firm	Firms	%	Employment	%
1-4	1,247	64.8%	3,453	14.7%
5-9	361	18.7%	2,330	9.9%
10-19	201	10.4%	2,506	10.7%
20-49	70	3.6%	1,989	8.4%
50-99	22	1.1%	1,533	6.5%
100-249	15	0.7%	2,177	9.3%
250-499	3	0.1%	1,115	4.7%
500+	5	0.2%	8,300	35.4%
Total	1,924	100.0%	23,403	100.0%
Site Type	Firms	%	Employment	%
Single locations	1,736	90.2%	9,434	40.3%
Headquarters	41	2.1%	4,898	20.9%
Franchises	5	0.2%	164	0.7%
Divisions	9	0.4%	993	4.2%
Branches	133	6.9%	7,914	33.8%
Total	1,924	100.0%	24,403	100.0%

Top Five Healthcare Firms

Firm	City	Approx. # Employees
Saddleback Memorial Medical Center (H)	Laguna Hills	2,500
Mission Hospital (B)	Mission Viejo	2,500
Quest Diagnostics (B)	San Juan Capistrano	1,400
Mission Hospital (B)	Laguna Beach	1,200
Ensign Group (H)	Mission Viejo	700

Totals By City

City	Firm	%
Aliso Viejo	118	6.1%
Capistrano Beach	7	0.3%
Dana Point	93	4.8%
Foothill Ranch	42	2.1%
Laguna Beach	102	5.3%
Laguna Hills	330	17.1%
Laguna Niguel	185	9.6%
Laguna Woods	36	1.8%
Lake Forest	164	8.5%
Mission Viejo	366	19.0%
Rancho Santa Margarita	93	4.8%
San Clemente	204	10.6%
San Juan Capistrano	126	6.5%
Trabuco Canyon	20	1.0%
Total	1,924	100.0%

Source: Inside Prospects, 2016

Retail

The retail industry is a major contributor to the South Orange County community. Regional sales and use tax revenues to cities exceeded \$64.2 million (14.7 percent of Orange County) and regional retailers generated over 41,000 jobs. Retail establishments are typically clustered in commercial and retail areas throughout the region with the higher concentrations along the Interstate 5 corridor and major roads in the region's cities.

South Orange County continues to show its entrepreneurial spirit in 2015-2016. Nearly 70 percent of the retail firms in the region are single location businesses that employed over 13,000 workers. 94.4 percent of the retailers hired less than 50 employees, which accounted for over 23,000 jobs (56.5 percent). Over the last five years, retail sales employment has grown over 6 percent and is expected to continue to grow as retail in the region creates opportunities. Pay rates for retail workers range average from \$13 to \$20 per hour with the median retail manager hourly rate as high as \$50 per hour.

Retail in South Orange County is expected to grow over the next two to three years with the major renovation of the Laguna Hills mall, opening of the Outlets at San Clemente, construction of several mixed use properties throughout the region, and additional improvements to existing retail properties.

South Orange County Retail Firms by Size and Type

Employees/Firm	Firms	%	Employment	%
1-4	1,619	50.6%	3,579	8.6%
5-9	618	19.3%	3,934	9.5%
10-19	399	12.4%	5,162	12.4%
20-49	380	11.8%	10,668	25.7%
50-99	132	4.1%	8,739	21.1%
100-249	41	1.2%	5,958	14.4%
250-499	5	0.1%	1,461	3.5%
500+	2	0.0%	1,850	4.4%
Total	3,196	100.0%	41,351	100.0%
Site Type	Firms	%	Employment	%
Single locations	2,229	69.7%	13,026	31.5%
Headquarters	31	0.9%	2,452	5.9%
Franchises	359	11.2%	7,899	19.1%
Divisions	1	0.0%	2	0.0%
Branches	576	18.0%	17,972	43.4%
Total	3,196	100.0%	41,351	100.0%

Top Five Retail Firms

Firm	City	Approx. # Employees
Del Taco Restaurants (H)	Lake Forest	1,250
Nordstrom (B)	Mission Viejo	600
Walmart (B)	Foothill Ranch	300
Walmart (B)	Laguna Niguel	300
Macy's (B)	Laguna Hills	300
Walmart (B)	San Clemente	300

Totals By City

City	Firm	%
Aliso Viejo	154	4.8%
Capistrano Beach	43	1.3%
Dana Point	189	5.9%
Foothill Ranch	82	2.5%
Laguna Beach	347	10.8%
Laguna Hills	277	8.6%
Laguna Niguel	302	9.4%
Laguna Woods	36	1.1%
Lake Forest	377	11.7%
Mission Viejo	511	15.9%
Rancho Santa Margarita	151	4.7%
San Clemente	417	13.0%
San Juan Capistrano	213	6.6%
Trabuco Canyon	50	1.5%
Total	3,196	100.0%

Source: Inside Prospects, 2016

Manufacturing

Manufacturing has been a major contributor to the fabric of the American economy. The definition of manufacturing is very broad and crosses many industry sectors. In essence, if you make, assemble, or modify a product, you are a manufacturer. For many years, the manufacturing sector, facing foreign and domestic competition and challenged to adapt to fast moving technology, was assumed to be in a dramatic decline.

Now, however, the manufacturing sector has been recognized as a growing and priority sector for the first time in many years. Advanced manufacturing has been the catalyst for a good portion of the sector's growth. By definition, advanced manufacturing engages in the extensive use of computer, high precision, and information technologies integrated with a high performance workforce capable of creating products in both small and large quantities to meet the supply demands of a competitive global economy.

For South Orange County businesses, the cost of entry, retooling, and expansion continues to decrease. Technology advancements have reduced the required capital investment and physical footprint for prototype and production equipment. While the need for some capital-intensive equipment still exists, developing technologies are empowering companies to innovate and prototype products using desktop and small format additive and subtractive technologies. Major technology providers are bringing 3D printers, CNC mills, and multi-function commercial printers into the market at very attractive price points.

Advanced manufacturing plays an important role in the economic growth of Orange County and is growing in South Orange County. Advanced high-tech sectors, such as computer and electronic products and medical devices, feature the highest average manufacturing salaries. These positions require four-year degrees (or higher) at the advanced levels and two-year degrees and certificates as a minimum at entry levels. Overall job growth in this sector is predicted to be approximately 47 percent, with many positions requiring training in the use of new and emerging technologies. Incumbent workers will also need to re-train in order to keep pace with the advancements in manufacturing technologies.

South Orange County is often overlooked as an advanced manufacturing supplier. However, several of its large and many medium-to-small companies contribute to the regional economy and workforce. Manufacturing in the region contributes nearly \$2.3 billion to the regional economy each year, which is approximately 10 percent of the gross regional product

South Orange County Manufacturing Firms by Size and Type

Employees/Firm	Firms	%	Employment	%
1-4	310	44.4%	749	3.6%
5-9	105	15.0%	662	3.2%
10-19	106	15.1%	1,344	6.6%
20-49	103	14.7%	2,938	14.4%
50-99	40	5.7%	2,546	12.5%
100-249	26	3.7%	3,538	17.4%
250-499	4	0.5%	1,450	7.1%
500+	4	0.5%	7,069	34.8%
Total	698	100.0%	20,296	100.0%
Site Type	Firms	%	Employment	%
Single locations	570	81.6%	6,693	32.9%
Headquarters	74	10.6%	11,464	56.4%
Franchises	6	0.8%	50	0.2%
Divisions	12	1.7%	949	4.6%
Branches	36	5.1%	1,140	5.6%
Total	698	100.0%	20,296	100.0%

Top Five Manufacturing Firms

Firm	City	Approx. # Employees
Oakley (H)	Foothill Ranch	2,219
Applied Medical Resources Corp. (H)	Rancho Santa Margarita	2,200
Panasonic Avionics Corp. (H)	Lake Forest	2,000
QLogic Corp (H)	Laguna Beach	650
Bal Seal Engineering Inc. (H)	Foothill Ranch	450

Totals By City

City	Firm	%
Aliso Viejo	50	7.1%
Capistrano Beach	6	0.8%
Dana Point	26	3.7%
Foothill Ranch	38	5.4%
Laguna Beach	37	5.3%
Laguna Hills	93	13.3%
Laguna Niguel	38	5.4%
Lake Forest	122	17.4%
Mission Viejo	70	10.0%
Rancho Santa Margarita	41	5.8%
San Clemente	119	17.0%
San Juan Capistrano	46	6.5%
Trabuco Canyon	9	1.2%
Total	698	100.0%

Source: Inside Prospects, 2016

Hospitality

In Orange County, Hospitality and Food Services rank in the top ten high growth industries and in the top ten industries in terms of number of job openings. Job growth is expected to be favorable due to the high job replacement rate, popularity of dining out, and increased demand for prepared meals-to-go from grocery, specialty food, or convenience stores. Also, institutional food programs in schools, hospitals, and residential care facilities for the elderly are projected to open new or expanded food service operations. Formal training is likely to help workers to start or be promoted to advanced positions. Advanced positions can also be achieved by internal promotion and experience working up from entry-level positions as well.

South Orange County expects to have nearly 25,500 jobs in the food service industry in 2016. These positions range from entry level, minimum wage level to sustainable to high wage management positions. The industry average salary of \$27,263 reflects the high number of lower level positions required in the industry.

The Los Angeles/Orange County region is one of the “hot spots” for the hospitality sector and accounts for over one-third of hospitality jobs (575,565) in the state. It is one of the fastest growing industries and employs many young workers and first-time jobholders in part-time and seasonal jobs. Service occupations such as housekeeping, food preparation and serving, baggage porters and grounds maintenance workers comprise a majority of the jobs in demand; other high-demand positions in this sector include office and administrative support, engineering, maintenance, security, information technology, accounting, marketing, finance, human resources, and planning and analysis. For most entry-level positions, on-the-job training is provided and the expected job growth rate for these positions is very high. These positions require strong interpersonal and communication skills, multi-cultural awareness and sensitivity, and customer service skills, also known as “soft skills.” Traditional, first-level manager positions were being filled by promoting staff from within. While such promotions are still possible, lodging chains have started to hire candidates with four-year college degrees for junior management positions. Applicants with bachelor’s or master’s degrees in hotel, restaurant and hospitality management are highly sought after.

The lodging industry is shifting towards building more limited-service hotels and fewer full-service properties. Furthermore, some lodging properties are streamlining operations by either eliminating or scaling back the number of managers. For example, chain hotels are increasingly assigning a single manager to oversee multiple properties. However, in Orange County, experienced managers will be in demand at large full-service hotels that provide a wide range of services to a larger customer base. The employment growth rate is projected to be approximately 25 percent for lodging managers.

South Orange County Hospitality Firms by Size and Type

Employees/Firm	Firms	%	Employment	%
1-4	157	15.8%	439	1.9%
5-9	245	24.7%	1,544	7.0%
10-19	234	23.6%	3,143	14.2%
20-49	272	27.4%	7,609	34.5%
50-99	66	6.6%	4,136	18.7%
100-249	12	1.2%	1,682	7.6%
250-499	2	0.2%	825	3.7%
500+	3	0.3%	2,650	12.0%
Total	991	100.0%	22,028	100.0%
Site Type	Firms	%	Employment	%
Single locations	546	55.0%	9,600	43.5%
Headquarters	20	2.0%	2,165	9.8%
Franchises	266	26.8%	5,656	25.6%
Divisions	0	0.0%	0	0.0%
Branches	159	16.0%	4,607	20.9%
Total	991	100.0%	22,028	100.0%

Top Five Hospitality Firms

Firm	City	Approx. # Employees
Ritz-Carlton Laguna Niguel (L)	Dana Point	750
Montage Laguna Beach (L)	Laguna Beach	650
Laguna Cliffs Marriott Resort (L)	Dana Point	425
St. Regis Monarch Beach Resort (L)	Dana Point	400
Residence Inn Dana Point (B)	San Juan Capistrano	208

Totals By City

City	Firm	%
Aliso Viejo	56	5.6%
Capistrano Beach	9	0.9%
Dana Point	76	7.6%
Foothill Ranch	39	3.9%
Laguna Beach	107	10.7%
Laguna Hills	58	5.8%
Laguna Niguel	80	8.0%
Lake Forest	142	14.3%
Mission Viejo	124	12.5%
Rancho Santa Margarita	57	5.7%
San Clemente	139	14.8%
San Juan Capistrano	64	6.4%
Trabuco Canyon	11	1.1%
Total	991	100.0%

Source: Inside Prospects, 2016

Real Estate

South Orange County has been known for its real estate. New home construction has been growing for the last three years and sales have been brisk in spite of an economic recession. According to the Orange County Register, Orange County has a shortfall of 30,000 to 60,000 housing units while home values continue to rise. While developers are building new homes, the high cost of land, construction and plan approvals have boosted the average cost of new homes in excess of \$822,000. The median price for existing Orange County homes is \$562,000. The South Orange County market has maintained higher values than the majority of the county.

Construction is one of the key indicators for economic growth. The Associated General Contractors of America reported Orange County as the third largest region in the creation of new construction jobs. According to the State of California Employment Development Department, construction jobs have been increased approximately 9 percent this year, which is the highest increase in five years. Specialty trade workers have been particularly scarce; approximately 86 percent of the new jobs are specialty construction jobs, such as electricians, carpenters, plumbers and other trades.

Real Estate sector employment is expected to grow over the next ten years and will be driven by

- Population and job growth
- Demand for residential and rental housing
- Demand for commercial space
- Demand for nursing homes and healthcare facilities
- Demand to maintain and update existing structures and related infrastructure

Real estate sales will generate demand for licensed and certified real estate personnel, although this workforce fluctuates as the real estate market changes.

South Orange County Real Estate Firms by Size and Type

Employees/Firm	Firms	%	Employment	%
1-4	436	64.8%	990	17.1%
5-9	120	17.8%	745	12.8%
10-19	52	7.7%	644	11.1%
20-49	37	5.5%	1,115	19.2%
50-99	23	3.4%	1,690	29.2%
100-249	4	0.5%	600	10.3%
250-499	0	0.0%	0	0.0%
500+	0	0.0%	0	0.0%
Total	672	100.0%	5,784	100.0%
Site Type	Firms	%	Employment	%
Single locations	573	85.2%	2,740	47.3%
Headquarters	10	1.4%	287	4.9%
Franchises	35	5.2%	1,708	29.5%
Divisions	2	0.2%	45	0.7%
Branches	52	7.7%	1,004	17.3%
Total	672	100.0%	5,784	100.0%

Top Five Real Estate Firms

Firm	City	Approx. # Employees
Laguna Woods Village (B)	Laguna Woods	200
Century 21 Award (F)	Rancho Santa Margarita	150
Laguna Hills Mall (B)	Laguna Hills	120
Berkshire Hathaway (F)	Dana Point	98
Berkshire Hathaway (F)	Laguna Beach	97

Totals By City

City	Firm	%
Aliso Viejo	38	5.6%
Capistrano Beach	12	1.7%
Dana Point	55	8.1%
Foothill Ranch	7	1.0%
Laguna Beach	68	10.1%
Laguna Hills	55	8.1%
Laguna Niguel	79	11.7%
Laguna Woods	14	2.0%
Lake Forest	51	7.5%
Mission Viejo	86	12.7%
Rancho Santa Margarita	34	5.0%
San Clemente	91	13.5%
San Juan Capistrano	44	6.5%
Trabuco Canyon	18	2.6%
Total	672	100.0%

Source: Inside Prospects, 2016

Economic Opportunity Gaps

Infrastructure Gap

The primary transportation corridors for South Orange County are Interstate 5 and the toll roads; San Joaquin Hills (SR 73), Foothill (SR 241) and Eastern (SRs 241/261/133). These routes bring economic activity and resources to and from the region. While the 2015 usage of the toll roads has trended upwards to levels similar to 2011, the primary roadway for transportation and commerce remains Interstate 5, which passes through the region connecting the north and south. This reliance on one transportation thoroughfare places the region at risk in the event of any road closure or major traffic congestion. The 5.7-mile improvement of Interstate 5 between San Clemente and San Juan Capistrano will improve traffic flow upon its completion in late 2017. However, this project does not solve the problem of having only one major thoroughfare connecting the north to the south. The San Joaquin Hills (SR 73) does relieve some congestion by providing an alternative route from South Orange County (at San Juan Capistrano) to North Orange County (at Costa Mesa). The Foothill and Eastern toll roads (SRs 241/261/133) do provide access to the north but it is unfortunate that it does not continue through to Interstate 5 in the south.

Alternative means of transportation through the region include bus and rail service. According to the Orange County Transportation Authority and the Southern California Regional Rail Authority, bus ridership has been steadily decreasing throughout the county each year while rail ridership has been increasing. The combined decreased ridership of the two transportation alternatives suggests that our transportation infrastructure may hinder future economic growth.

Housing Gap

Regional Home Values and Sales - Home values in South Orange County continue to increase as high as 6 percent in 2015; primarily due to lack of inventory. Overall demand for housing has decreased slightly. However, the shortage of available affordable housing continues to be a concern. The average listing price for homes in Orange County is approximately \$1.4 million with South Orange County median home values ranging from \$650,000 to \$1.85 million (excluding Laguna Wood), which places home ownership outside the reach of a majority of the population. In 2014, the California Association of Realtors estimated that more than 44 percent of Orange County households could not afford the \$592,430 median home value, which South Orange County was significantly higher.

With a lack of inventory, South Orange County housing continues to sell. Homes below \$750,000 are selling fast. However, homes over \$1 million are taking longer on the market. This suggests that affordable housing is harder to find and many members of the workforce and potential employers have to find house out of the region.

Rents - 2015 average rent for housing in South Orange County increased approximately 4.5 percent. Even though rental rates are increasing, vacancy rates have dropped to under 3 percent. Several new apartment and mixed-use properties will be coming available in 2016 but the anticipated rental rates will be on the higher end. This is good news for landlords but bad for renters. At current rental rates, a minimum wage worker needs to work over 110 hours per week to afford a one-bedroom unit. The average full time worker needs to earn over \$25.50 an hour in order to afford a one-bedroom unit in South Orange County.

Commercial real estate - In order to encourage business growth in the region, businesses require available commercial real estate that meets their operational and financial needs. Current commercial real estate has not grown in the region with no new major construction; while rates have increased and vacancies decreased. While this situation is good for landlords, current and future tenants have less motivation to locate their businesses in South Orange County. This impacts job creation and revenue generation for cities.

Workforce Gap

Workforce skills - The Orange County Business Council recently wrote that middle-skill jobs (those requiring a high school diploma but not a 4 year university degree) accounted for 54 percent of the US labor market. Unfortunately, only 44 percent of US workers are able to fill these positions. South Orange County faces a similar dilemma. Regional Employers are looking for skilled workers who have the training and experience to be able to step into available middle-skill job openings. This is especially true in such sectors as information technology, advanced manufacturing, and healthcare.

Workforce wages - The Orange County Community Indicators 2015 report noted that the county is experiencing an increasing wage gap where higher wage/high skilled wages (requiring education and experience) are increasing while lower wage/lower skilled wages (requiring a high school diploma or less) are not keeping pace. This impacts the workforces' ability to live and work in the region.

The combination of the skills and wage gaps in the regional workforce will impact the region's ability to sustain the current economic recovery or encourage future growth.

Education is key - In order to encourage and sustain economic growth in South Orange County, the region needs a skilled workforce that will meet the needs of current and future employers. The need for these workers starts as early as middle and high school and continues to the adult population that needs to maintain technical proficiency or new skills in order to be competitive in the job market. A coordinated effort at all levels of education, working in partnership with the business community, is critical to the sustaining and growth of the regional economy.

Real Estate Update

Residential Market

In 2015, the residential real estate market had an unusual recovery. Fueled by reduced inventory, low interest rates, and an improved job market, real estate values recovered most of the losses experienced in the bubble market of 2008. Real estate values may be up but inventory and sales have declined. Residential real estate is taking longer to sell, especially properties listed for greater than \$1 million.

City	Median Home Price 2015	Average Listing Price 2015	Market Time (in months) 2015	Market Time (in months) 2014
Orange County	\$695,000	\$1,400,000	2.70	1.02
Aliso Viejo	\$800,000	\$606,000	1.60	0.96
Dana Point	\$912,200	\$3,200,000	6.32	1.42
Laguna Beach	\$1,850,000	\$5,700,000	8.43	0.84
Laguna Hills	\$765,900	\$1,200,000	2.33	1.27
Laguna Niguel	\$815,000	\$1,300,000	3.50	1.06
Laguna Woods	\$213,750	\$277,000	2.89	0.99
Lake Forest	\$650,000	\$616,000	1.72	0.75
Mission Viejo	\$650,000	\$746,000	1.49	0.90
Rancho Santa Margarita	\$695,000	\$519,000	1.35	0.70
San Clemente	\$940,000	\$1,500,000	3.82	1.24
San Juan Capistrano	\$1,345,000	\$1,700,000	4.35	0.97

Source: California Regional Multiple Listing Service, Cavanaugh Real Estate Report, Market Trends

Residential real estate analysts predict continued sales price increases in the 2.0 – 4.8 percent range.

Commercial Market

The commercial market continues to be a concern as we consider the factors that could limit economic growth throughout the region. Rents continue to rise while vacancies fall. While this may be good news for landlords, new businesses entering the region have little choices to establish office or industrial locations. The average rental rate has increased to \$2.26 FSG for office space and \$0.70 NNN per month for industrial space. While vacancies have decreased by 12.6 percent and 2.5 percent, respectively.

New construction for office space has been nearly non-existent with the only large Class A structure being built in the Irvine Spectrum. With the overall South Orange County office vacancy rate approximately 10 percent, new businesses are less likely to move into the region.

South Orange County Office Overview, 2015 Q3

Class	# Buildings	Total Inventory (SF)	Direct Vacancy	Sublease Vacancy	Total Vacancy	Total Vacancy Prior Quarter	Under Construct (SF)	Average Asking Lease Rate
A	19	3,239,005	6.4%	3.5%	9.9%	8.2%	425,004*	\$2.98
B	214	11,623,965	9.1%	1.1%	10.2%	10.9%	0	\$2.29
C	17	752,857	24.6%	0.1%	24.7%	26.8%	0	\$2.18
Regional Total	250	15,615,827	9.3%	1.6%	10.8%	11.1%	425,044	\$2.38
Orange County Total	1,016	81,637,047	11.8%	0.7%	12.6%	13.5%	497,387	\$2.26

*Irvine Spectrum

Source: Colliers International, Market Report Q3 2015

Industrial space is scarce in all of Orange County where the vacancy rate is 2.5 percent. South Orange County has a higher vacancy rate but the availability of industrial space will be a problem. Similar to office space, there is little construction in process in the region to support economic growth.

South Orange County Industrial Overview, 2015 Q3

Size (SF)	# Buildings	Total Inventory (SF)	Vacancy	Total Vacancy Prior Quarter	Under Construct (SF)	Average Asking Lease Rate
1 – 9,999	226	1,458,221	1.4%	1.5%	0	\$1.04
10,000 – 39,999	393	7,513,960	3.6%	3.8%	26,382	\$1.03
40,000 – 69,999	46	2,305,415	2.6%	3.4%	0	\$0.83
70,000 – 99,999	17	1,388,276	15.0%	15.0%	0	\$0.71
100,000 +	43	8,385,775	4.8%	4.8%	0	\$0.83
Regional Total	725	21,051,647	4.6%	4.7%	26,382	\$0.86
Orange County Total	6,572	190,793,115	2.5%	2.8%	94,572	\$0.70

Source: Colliers International, Market Report Q3 2015

Saddleback College Education and Workforce Training

During the current economic recovery, jobs for workers with some college to 4-year university (or better) education increased across the county. Jobs for workers with a high school diploma or less did not come back as well during the recovery. This gap in job recovery illustrates employers' looking for a stronger, better-educated workforce.

Economic and Workforce Development

Saddleback College and all of California's community colleges recognize that the growth and stability of the state's economy rely on a highly skilled workforce. For over 45 years, Saddleback College has educated and prepared the citizens of Orange County to enter the workforce in well-paying careers in industries that fuel our regional economy.

Serving local business and industry, city governments, economic development agencies, chambers of commerce, regional workforce groups and the community at large, the college works to cultivate and promote positive and substantive partnerships and relationships throughout the region. The Saddleback College Economic and Workforce Development (EWD) Division facilitates a variety of solutions for employment development and workforce training.

Saddleback College provides customized training solutions to train or retool the workforce of South Orange County employers. The provided solutions are flexible and can be customized to meet the needs of specific employers. These programs are provided either at the employer's location or at other convenient locations. The programs are cost effective performance focused.

Cooperative Work Experience/Work Based Learning

Cooperative Work Experience (CWE) is an opportunity where students, employers and Saddleback College work together to provide relevant, quality education and valuable work-related experiences for the student. It is called CWE because it is dependent upon employers and educators cooperating to form a more complete educational program for the students.

The program helps maintain a flow of trained personnel into the occupational field reducing the cost of employee turnover by employing people who are on a career path. The CWE student develops work objectives with his or her supervisor, which furthers the employer's goal and the employee's work performance. The employer is provided with the opportunity to communicate business and industry needs to the college thus helping the college to remain current with industry standards.

Adult Education

In order to address the adult education needs of the region, Saddleback College works with the Saddleback Valley Unified School District and the Capistrano Valley Unified School District to provide adult education classes in the areas of ESL (English as a second language) and Citizenship, basic skills and high school equivalency, career technical education, and pre-apprenticeship programs. This grant-funded initiative is focused on preparing and qualifying adults into the workforce.

Partnership with the Community

Saddleback College is the largest higher education institution in South Orange County with a student headcount of nearly 40,000 students per year. The student body attends the college from throughout the county; however, the majority of the students are from South Orange County.

Student Headcount*	
Aliso Viejo	2,137
Dana Point/Capistrano Beach	1,797
Lake Forest/El Toro	2,229
Ladera Ranch	870
Laguna Beach	611
Laguna Hills	1,705
Laguna Niguel	3,305
Laguna Woods	2,223
Mission Viejo	7,547
Rancho Santa Margarita	2,198
San Clemente	3,128
San Juan Capistrano	1,914
Subtotal	29,664
Other Cities	10,154
Total	39,818

* 2013-14 Academic Year

Saddleback College works with its neighboring high schools in order to prepare students for further education at 4-year universities and future careers that support the economy. The college has one of the most comprehensive selections of career technical education (CTE) programs in the region with over 100 degree, certificate and award options in 45 program areas. Working with community and industry-based advisory groups, the college works to ensure the education and training is up-to-date and relevant for jobs today and into the future.

Manufacturing

Manufacturing has been the cornerstone of the US economy and continues to influence the current economic recovery. Technology has transformed manufacturing from a manual, relatively low pay, job to a high wage/high skilled career. Computer based manufacturing training is now being introduced in middle schools and enhanced in high school and community college. Manufacturing workers now need to be trained on technology as well as manufacturing fundamentals.

Economic forecasts indicate that within the next decade, the local need for a trained manufacturing workforce will far exceed the supply of skilled workers. Data show that many job seekers in the region do not have the basic skills needed to qualify for these positions. Recognized as one of the most effective training methods, registered apprenticeship programs (RAPs) combine classroom instruction with work-based learning. Saddleback College recognizes this need and is proposing to build a strong foundation with the development of the Manufacturing Pre-Apprenticeship Consortium (M-PAC) to prepare students for future apprenticeship opportunities. A review of local registered apprenticeship

programs indicates that, despite the county's prominence as a manufacturing base, no manufacturing apprenticeship programs exist in the region.

Healthcare

Saddleback College's Health and Human Services division provides diverse training opportunities in the healthcare sector. The college's Nursing program is rated as one of the top programs in the country with one of the highest California NCLEX pass rates. The department is currently implementing a 2+2+2 Nursing program where a student can obtain a Bachelors of Science degree in Nursing by completing two years of high school identified classes, plus two years at Saddleback College's Nursing program, and two years at CSU Fullerton's Nursing program. This program fast tracks students into the nursing profession by partnering secondary and post secondary education.

The Saddleback College Health Information Technology associate degree program is now fully accredited by the Commission on Accreditation for Health Informatics and Information Management Education (CAHIIM). The national accreditation makes Saddleback College the eighth community college in California, and one of only 14 colleges in the state, to offer an accredited program in health information technology, an increasingly growing field that helps health care providers better manage patient care through the secure use of electronic health records.

In the Southern California region, job growth in the health information technology field is projected to grow 30 percent over the next 10 years. In Orange County alone, there were 1,596 jobs reported in 2015, an increase of 6.68 percent in two years.

Occupations in health information technology include revenue cycle management/billing/clinical coding; health information management, practice management, patient care registrar, health information education, insurance claims specialist, patient portal education/liaison, medical office administration, quality improvement analyst, help desk, release of information, and medical transcription. Health information technology professionals are employed by hospitals, ambulatory care centers, physician offices, long-term care facilities, dialysis centers, public health agencies, pharmaceutical companies, medical supply companies, rehabilitation centers, managed care organizations, behavioral and mental health facilities, law firms, and insurance firms. One hundred percent of employers surveyed stated they would hire Saddleback College Health Information Technology program graduates if openings were available.

Other career-focused programs include emergency medical technician (EMT), medical assisting, medical laboratory technician, foster & kinship care, and American Sign Language.

Business and Entrepreneurship

Business and entrepreneurship concepts are in every part of today's economy. No matter if a person enters the workforce as an employee or starts his own business, the economy and business are intimate partners. Saddleback College's Business program provides training in the areas of accounting and finance, marketing, human resources, global trade, and management. The program is designed to work with students entering the workforce or mid-career professionals who need to update their skills. With the region's focus on entrepreneurship, the department provides a solid curriculum to start a business. The Orange County Social Entrepreneurship Competition recently joined entrepreneurs, investors, and students in an international showcase.

Career Technical Education Programs

Career Technical Education (CTE) programs offer a sequence of courses directly related to high demand skills needed to gain employment in current or emerging occupations. Students can earn a Saddleback College (SC) certificate or occupational skills award preparing them for an entry-level position in less than 1 year and up to 2 years. All SC programs are fully accredited with classes offered during the day, at night and online.

Program	Associate's Degree	Certificate of Achievement	Occupational Skills Award
Accounting	✓	✓	
Tax Preparation	✓	✓	
Computerized Accounting Specialist	✓	✓	
Tax Preparation Specialist	✓	✓	
Administrative Assistant	✓	✓	
American Sign Language Interpreter	✓	✓	
Architectural Drafting	✓	✓	
Automotive Technology			
Alternative Fuel Vehicle Specialist	✓	✓	
Automotive Chassis Specialist	✓	✓	
Automotive Engine Performance Specialist	✓	✓	
Automotive Engine Service Specialist	✓	✓	
General Automotive Technician	✓	✓	
Business			
Business Administration	✓		
Business Leadership	✓	✓	
Business Management	✓		
Entrepreneurship	✓	✓	✓
Global Business	✓	✓	
Marketing	✓	✓	
Professional Retailing	✓	✓	
Retail Management	✓	✓	
Human Resource Management			✓
Project Management			✓
Child Development			
Associate Teacher			✓
Early Childhood Education	T		
Early Childhood Teacher	✓	✓	
Infant Toddler Teacher	✓	✓	
Master Teacher	✓	✓	
School Age Care and Recreation	✓	✓	
Site Supervisor	✓	✓	
Cinema/Television/Radio			
Cinema	✓	✓	✓
CTVR-Critical Studies	✓	✓	✓
Post Production	✓	✓	✓
Radio	✓	✓	✓
Screen Acting and Voice Performance	✓	✓	✓
Television	✓	✓	✓

CA: Certificate of Achievement Vocational Program or other area approved by the State System Office (18 or more units)

OSA: Occupational Skills Award – Vocational program (6-17.9 units)

Computer Information Management			
Applications Developer	✓	✓	
E-Commerce Specialist	✓	✓	
Network Administrator	✓	✓	
Software Specialist	✓	✓	
Web Designer	✓	✓	
Webmaster	✓	✓	
Information Security: Security			✓
Office and Computer Skill			✓
Computer Maintenance Technology	✓	✓	
Computer Science	✓		
Construction Inspection	✓	✓	
Consumer Services	✓	✓	
Cosmetology			
Cosmetician			✓
Culinary Arts			
Catering	✓	✓	
Culinary Arts	✓	✓	
Food Service	✓	✓	
Drafting	✓	✓	
Ecological Restoration		✓	
Electronic Technology			
Analog and Digital Circuit Electronic Technology	✓	✓	
Digital Electronic Technology	✓	✓	
General Electronic Technology	✓	✓	
Basic Analog and Digital Electronics			✓
Emergency Medical Technology			✓
Engineering	✓		
Environmental Studies	✓		
Sustainable Studies			✓
Family & Consumer Sciences	✓	✓	
Fashion Design			
Fashion Design			
Advanced Fashion Design and Apparel Manufacturing	✓	✓	
Accessory Design			✓
Basic Costume Construction and Sourcing			✓
Fashion Technology			✓
Sustainable Fashion and Social Entrepreneurship			✓
Fashion Merchandising			
Fashion Merchandising	✓	✓	
Visual Fashion Merchandising	✓	✓	
Event Planner			✓
Fashion Stylist			✓
Geography	T		
Gerontology		✓	
Graphics			
Computer Graphics	✓	✓	
Graphic Communications	✓	✓	
Graphic Design	✓	✓	
Illustration/Animation	✓	✓	
Health Information Technology	✓	✓	
Horticulture	✓	✓	
General Horticulture			✓
Plant Identification			✓

CA: Certificate of Achievement Vocational Program or other area approved by the State System Office (18 or more units)

OSA: Occupational Skills Award – Vocational program (6-17.9 units)

Human Services			
Alcohol and Drug Studies	✓	✓	
Community-Based Corrections	✓	✓	
Human Service Generalist	✓	✓	
Mental Health Worker	✓	✓	
Interior Design			
Interior Design Assistant		✓	
Interior Design Professional	✓	✓	
Interiors Merchandising		✓	
Journalism	✓	✓	
Kinesiology	✓		
Athletic Training			✓
Coaching			✓
Recreation Administrator			✓
Landscape Design	✓	✓	
General Landscape Design			✓
Marine Science Technology			
Marine Science	✓		
Marine Science Technician	✓	✓	
Seamanship	✓	✓	
Medical Assistant			
Administrative Medical Assistant	✓	✓	
Clinical Medical Assistant	✓	✓	
Comprehensive Medical Assistant	✓	✓	
Medical Insurance Coding			✓
Medical Laboratory Technician	✓	✓	
Nursing			
Registered Nurse	✓	✓	
Licensed Vocational Nurse to Registered Nurse	✓		
Licensed Vocational Nurse to RN (30 Units)		✓	
Nutrition	✓	✓	
Paramedic	✓	✓	
Phlebotomist/Laboratory Assistant			✓
Political Science	✓		
Rapid Digital Manufacturing	✓	✓	
Real Estate			
Real Estate Appraisal	✓	✓	
Real Estate Escrow	✓	✓	
Real Estate Sales/Broker	✓	✓	
Theatre Arts Performance and Acting	✓		
Theatre Arts Entertainment and Theatre Technology		✓	
Scenic Art and Painting			✓
Theatre Arts Technical Theatre	✓		
Travel & Tourism	✓	✓	

CA: Certificate of Achievement Vocational Program or other area approved by the State System Office (18 or more units)

OSA: Occupational Skills Award – Vocational program (6-17.9 units)

Career Pathways

The state of California has encouraged the development of a skilled workforce by increasing budget allocations for career technical education in the K-12 and community colleges. The state has emphasized the need for K-12, community colleges, 4-year universities, and the business community to work together as a region. The development of career pathways that provide a clear roadmap (with multiple exit points) is being developed to develop the workforce.

An example of collaborative efforts in the development of career pathways is **OC Pathways**. Led by the Orange County Department of Education and Saddleback College, OC Pathways was initiated through a 2014 grant from the California Department of Education. The collaborative now comprises 14 school districts, nine community colleges, multiple universities, numerous regional agencies and scores of industry and community partners working together to prepare Orange County students for high-demand, high-skill and high-wage careers. The partners are coordinating curriculum, promoting work based learning, and providing an education/training roadmap that starts in the middle schools and ends with providing opportunities for high wage/high skilled careers.

Additional development of career pathways are being pursued by area K-12 school districts as part of their career technical education (CTE) programs and regional occupation programs (ROP).

Veterans

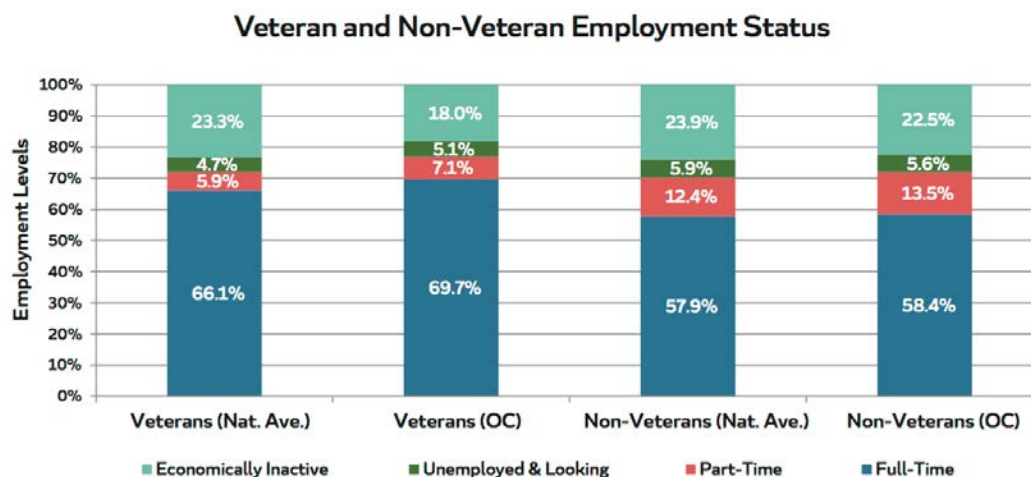
South Orange County has long served as a valued partner and supporter of the men and women who serve our country in the military. Historically, several military bases bordered the region. While some of the bases have since closed, South Orange County is the northern neighbor for Camp Pendleton and hosts important support services for active and former military personnel.

South Orange County is now home for many veterans. Demographically, the region's veteran population is different than the national average. This group is slightly older and more educated.

South Orange County Veterans Compared to Orange County and National Veterans			
	% National Average	% Orange County	% South Orange County
Veterans as Proportion of Population	6.9	4.0	5.2
Among Veterans:			
Post-9/11 Vets	14.0	10.5	13.7
Age (in years)	48.9	49.8	50.1
Female	9.7	6.3	6.5
Education Attainment			
Less than HS	4.9	3.5	1.8
High school grad	29.8	17.3	12.3
Some college	30.6	31.5	28.9
Associate's degree	10.9	11.8	10.9
Bachelor's degree	15.1	21.9	28.1
Graduate degree	8.7	14.1	18.0

Source: South Orange County Veterans Report, OCBC, Orange County Workforce Investment Board 2015

As these men and women return to civilian life, they must face challenges in establishing careers, economic status, and lifestyles, which they deserve. Some of the challenges may be associated with the impact of the Great Recession; however, the overall objective is to provide them with the tools to succeed.

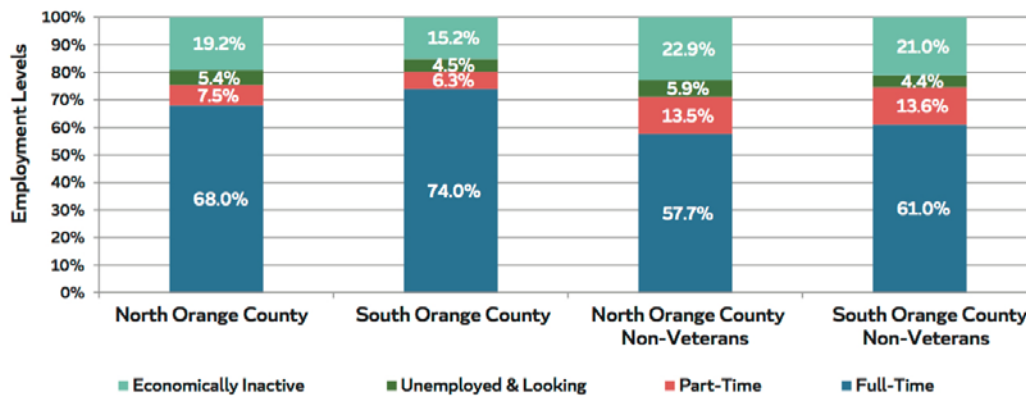


Source: American Community Survey, Public-Use Microdata Sample; OCBC Analysis. Weighted to represent respective populations. Part-time work classified as those working 30 hours or less, while full-time workers work 31 hours or more per week.

Source: South Orange County Veterans Report, OCBC, Orange County Workforce Investment Board 2015

In Orange County, veterans are performing better than their counterparts across the country and non-veterans overall. This is probably due a strong work ethic, skills learned while in service, and a greater amount of education. South Orange County veterans have been able to obtain full time employment more successfully than their North Orange County counterparts.

**Veteran and Non-Veteran Employment Status:
North and South Orange County**

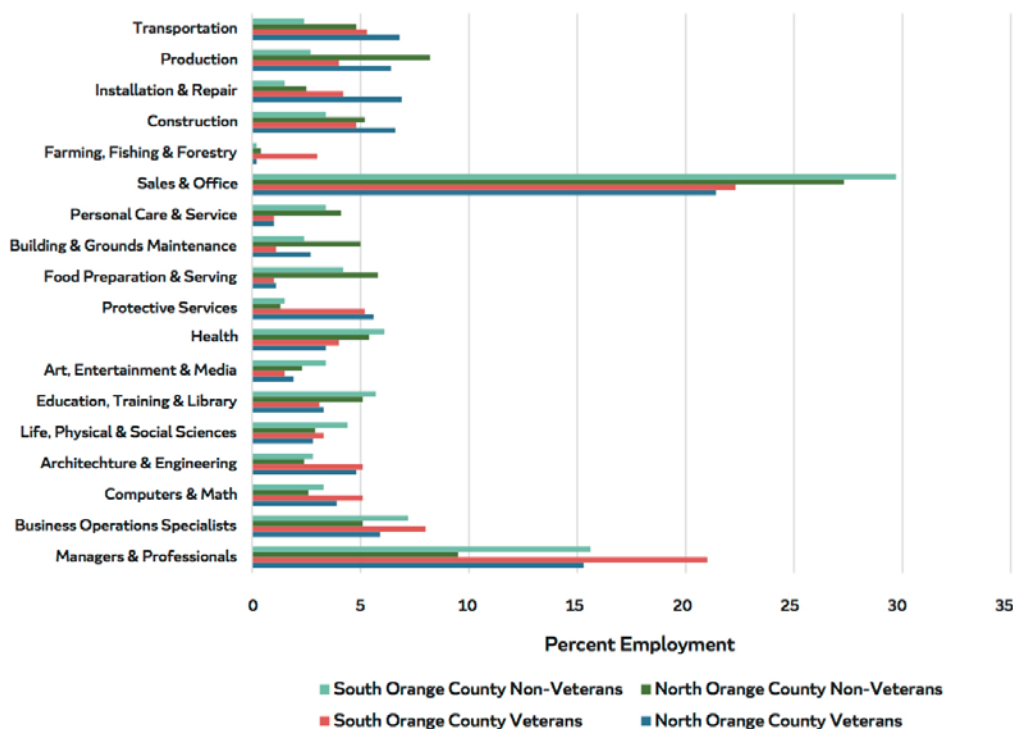


Source: American Community Survey, Public-Use Microdata Sample; OCBC Analysis. Weighted to represent respective populations. Part-time work classified as those working 30 hours or less, while full-time workers work 31 hours or more per week.

Source: *South Orange County Veterans Report, OCBC, Orange County Workforce Investment Board 2015*

Veterans have been able to obtain employment in a broad spectrum of available jobs. Notable strengths are positions in sales and office, business operations, and management. These types of positions typically require a more educated workforce to fill positions.

Veteran Employment by Occupation: North vs. South County

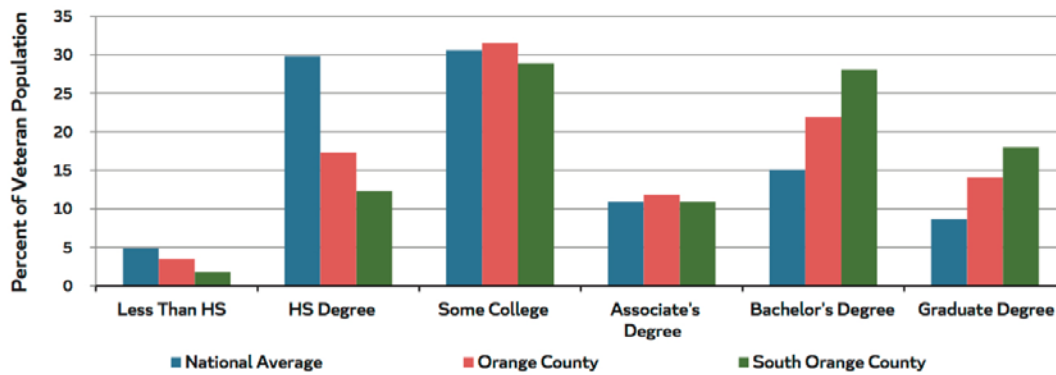


Source: American Community Survey, Public-Use Microdata Sample; OCBC Analysis. Weighted to represent respective populations. Military occupations excluded from figure.

Source: *South Orange County Veterans Report, OCBC, Orange County Workforce Investment Board 2015*

Higher education provides a valuable foundation for the attainment of higher skilled, higher wage jobs. As our veterans obtain higher levels of education and training, job opportunities are better. According to the South Orange County Veterans Report, veterans in South Orange County have achieved a higher level as compared to their counterparts.

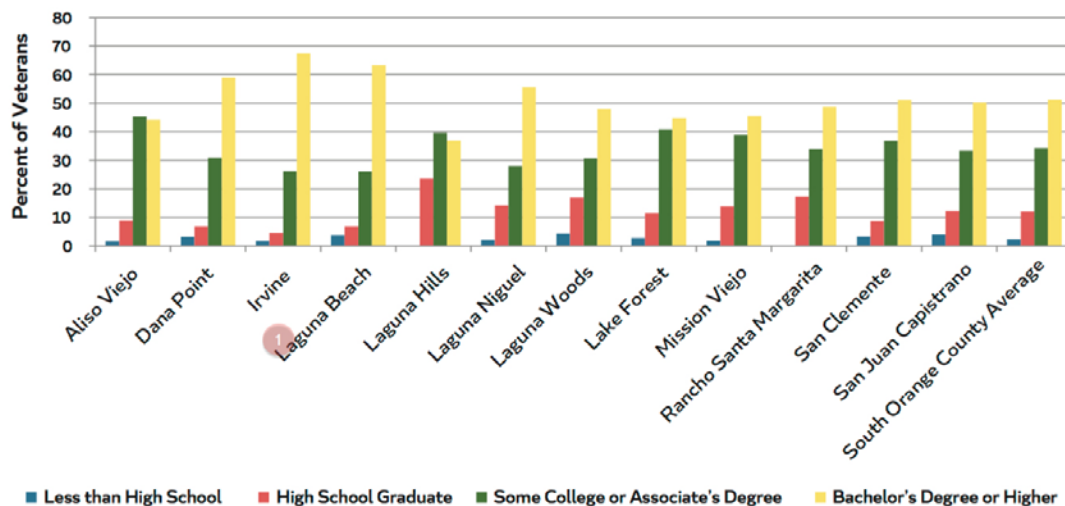
Veteran Educational Attainment in the Nation, Orange County and South County



Source: American Community Survey, Public-Use Microdata Sample; OCBC analysis

Source: South Orange County Veterans Report, OCBC, Orange County Workforce Investment Board 2015

Educational Attainment of South Orange County Veterans by City, 2013



Source: American Community Survey, Public-Use Microdata Sample; OCBC Analysis

Source: South Orange County Veterans Report, OCBC, Orange County Workforce Investment Board 2015

South Orange County

City Profiles

*Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel,
Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita,
San Clemente, San Juan Capistrano*

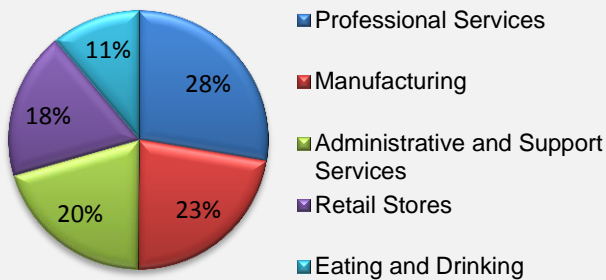
Courtesy of

*Orange County Workforce
Investment Board*



DEMOGRAPHICS • Aliso Viejo has a population of **50,231** and contributes 29,500 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Aliso Viejo is 2,948

Top Five Industry Sectors In Aliso Viejo By Employment



Employment In Aliso Viejo



LARGEST COMPANIES (based on number of employees) in **Aliso Viejo**

Company	# of Employees
Fluor Industrial Services Inc	1,500
Qlogic Switch Products Inc	900
Dell Software Inc	600
Safeguard Health Enterprises	355
Shea Properties MGT Co Inc	347
Sunstone Ocean Lessee Inc	275
Star Real Estate South County	250
Pacific Crossing LLC	225
Fluor Enterprises Inc	200
Pepsi-Cola Metro Btlg Co Inc	200

GROWING/DECLINING occupations in **Aliso Viejo**

Occupations	<i>Change in Jobs (2015-2020)</i>
Real Estate Sales Agents	156
Software Developers, Applications	81
Physical Therapists	76
Carpenters	(6)
Loan Interviewers and Clerks	(7)
Loan Officers	(16)

GROWING/DECLINING industries in **Aliso Viejo**

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	717
Professional, Scientific, and Technical Services	672
Real Estate and Rental and Leasing	294
Manufacturing	(14)
Government	(16)
Management of Companies and Enterprises	(32)

ORANGE COUNTY Business Council Workforce Housing **SCORECARD: 2012-2025**

- The **Aliso Viejo** rank of **21st** of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

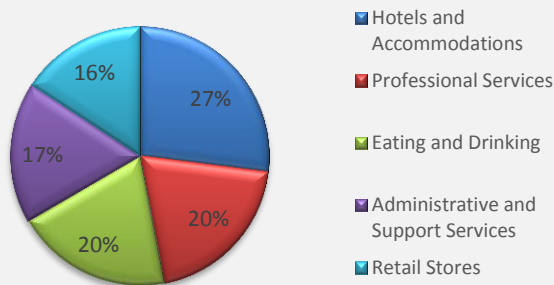
Topic	<i>Ranking</i>
Total Job Growth	22
Housing as a Percentage of Total OC Housing	23
Jobs-to-Housing Ratio	13
Change in Housing Density	17

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



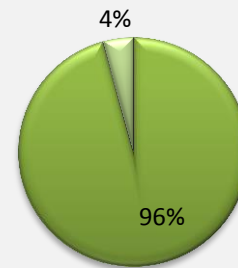
DEMOGRAPHICS • Dana Point has a population of **34,116** and contributes 19,400 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Dana Point is 1,582

Top Five Industry Sectors In Dana Point By Employment



Employment in Dana Point

■ Employment ■ Unemployment



LARGEST COMPANIES (based on number of employees) in **Dana Point**

Company	# of Employees
Ritz-Carlton-Laguna Niguel	970
St Regis-monarch Beach	800
Marriott-Laguna Cliffs Resort	250
Dana Hills High School	200
Dana Corp	175
Harpoon Henry's Seafood Restaurant	150
Wind & Sea Restaurant Inc	125
OC Lifeguards	101
Albertson's	100
Gelson's Market	100
Monarch Beach & Tennis Club	100
Salt Creek Grill	100

GROWING/DECLINING occupations in **Dana Point**

Occupations	<i>Change in Jobs (2015-2020)</i>
Real Estate Sales Agents	121
Maids and Housekeeping Cleaners	76
Waiters and Waitresses	73
Postal Service Mail Carriers	(4)
Drywall and Ceiling Tile Installers	(3)
Military occupations	(3)

GROWING/DECLINING industries in **Dana Point**

Industries	<i>Change in Jobs (2015-2020)</i>
Accommodation and Food Services	459
Real Estate and Rental and Leasing	241
Other Services (except Public Administration)	156
Wholesale Trade	(3)
Government	(12)
Manufacturing	(18)

ORANGE COUNTY Business Council Workforce Housing **SCORECARD: 2012-2025**

- The **Dana Point** rank of 19th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

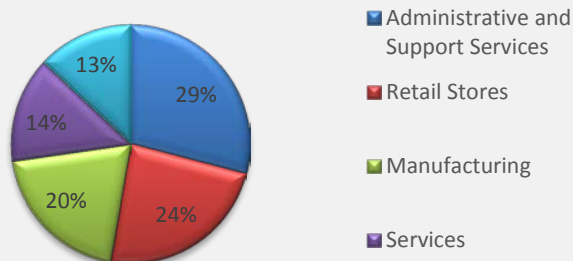
Topic	<i>Ranking</i>
Total Job Growth	24
Housing as a Percentage of Total OC Housing	19
Jobs-to-Housing Ratio	10
Change in Housing Density	14

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



DEMOGRAPHICS • Laguna Beach has a population of **23,341** and contributes 12,900 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Laguna Beach is 3,047

**Top Five Industry Sectors In
Laguna Beach By Employment**



Employment In Laguna Beach



LARGEST COMPANIES *(based on number of employees)* in Laguna Beach

Company	# of Employees
JC Resorts LLC	300
Laguna Playhouse	225
National Film Laboratories	157
Landmark Hotels LLC	150
Jeunique International Inc	110
Albertsons	100
City of Oakland	100
Laguna Housing Partners LP	99
City of Laguna Beach	89
C&B Delivery Services	85

GROWING/DECLINING occupations in Laguna Beach

Occupations	<i>Change in Jobs (2015-2020)</i>
Waiters and Waitresses	82
Maids and Housekeeping Cleaners	63
Cooks, Restaurant	52
Refuse and Recyclable Material Collectors	(5)
Packaging and Filling Machine Operators and Tenders	(6)
Team Assemblers	(8)

GROWING/DECLINING industries in Laguna Beach

Industries	<i>Change in Jobs (2015-2020)</i>
Accommodation and Food Services	411
Health Care and Social Assistance	145
Finance and Insurance	107
Art Dealers	(23)
Solid Waste Landfill	(30)
Frozen Specialty Food Manufacturing	(39)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **Laguna Beach** rank of 33rd of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

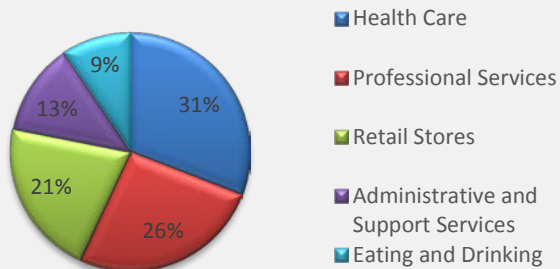
Topic	<i>Ranking</i>
Total Job Growth	27
Housing as a Percentage of Total OC Housing	33
Jobs-to-Housing Ratio	34
Change in Housing Density	34

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



DEMOGRAPHICS • Laguna Hills has a population of **30,972** and contributes 17,400 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Laguna Hills is 3,146

**Top Five Industry Sectors In
Laguna Hills By Employment**



Employment in Laguna Hills



LARGEST COMPANIES *(based on number of employees)* in Laguna Hills

Company	# of Employees
Saddleback Memorial Med Ctr	1,020
Veterans Affairs US Dept	260
Care Plus Home Care Inc	250
JC Penney Corporation Inc	250
Nordstrom Inc	218
Macy's Department Stores Inc	200
County of Orange	176
Support Associates Inc	170
Care Plus Nursing Services Inc	160
Saddleback Memorial Med Ctr	150

GROWING/DECLINING occupations in Laguna Hills

Occupations	<i>Change in Jobs (2015-2020)</i>
Personal Care Aides	267
Real Estate Sales Agents	118
Property, Real Estate, and Community Association Managers	106
Plasterers and Stucco Masons	(10)
Loan Officers	(16)
Drywall and Ceiling Tile Installers	(27)

GROWING/DECLINING industries in Laguna Hills

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	1,119
Real Estate and Rental and Leasing	343
Professional, Scientific, and Technical Services	271
Crop and Animal Production	(13)
Government	(16)
Manufacturing	(42)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

• The **Laguna Hills** rank of 26th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

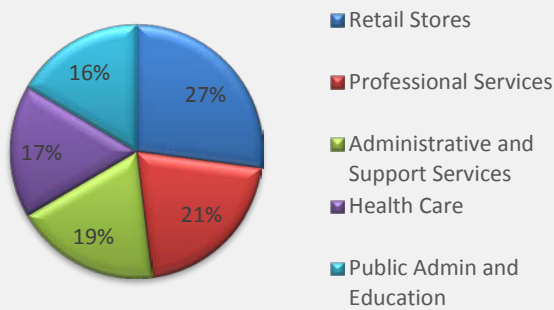
Topic	<i>Ranking</i>
Total Job Growth	32
Housing as a Percentage of Total OC Housing	26
Jobs-to-Housing Ratio	15
Change in Housing Density	24

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.

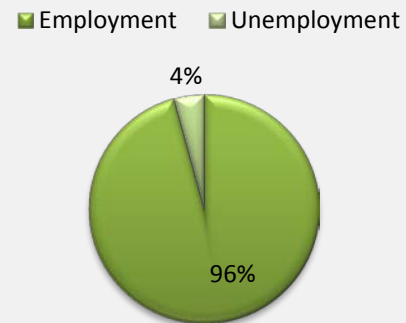


DEMOGRAPHICS • Laguna Niguel has a population of **65,448** and contributes 35,400 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Laguna Niguel is 4,029

**Top Five Industry Sectors In
Laguna Niguel By Employment**



Employment in Laguna Niguel



LARGEST COMPANIES (*based on number of employees*) in Laguna Niguel

Company	# of Employees
Citizenship Immigration Services US	480
Costco Wholesale Corporation	200
Home Depot USA Inc	200
Interface Associates Inc	175
First Team Realty - Orange County	140
Kohl's Department Stores Inc	123
Pacific Line Clean-Up Inc	120
Mercedes-Benz Laguna Niguel	115
Albertson's	110
County of Orange	110

GROWING/DECLINING occupations in Laguna Niguel

Occupations	<i>Change in Jobs (2015-2020)</i>
Retail Salespersons	130
Cashiers	99
Real Estate Sales Agents	96
Military occupations	(5)
Postal Service Mail Carriers	(7)
Loan Officers	(8)

GROWING/DECLINING industries in Laguna Niguel

Industries	<i>Change in Jobs (2015-2020)</i>
Retail Trade	500
Health Care and Social Assistance	389
Accommodation and Food Services	215
Crop and Animal Production	(8)
Information	(10)
Government	(23)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **Laguna Niguel** rank of 8th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

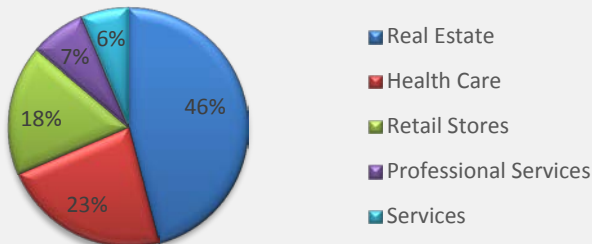
Topic	<i>Ranking</i>
Total Job Growth	17
Housing as a Percentage of Total OC Housing	10
Jobs-to-Housing Ratio	5
Change in Housing Density	12

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



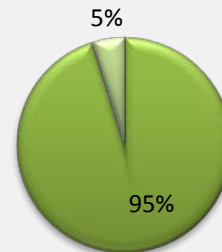
DEMOGRAPHICS • Laguna Woods has a population of **16,415** and contributes 4,100 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Laguna Woods is 301

**Top Five Industry Sectors In
Laguna Woods By Employment**



Employment in Laguna Woods

■ Employment ■ Unemployment



LARGEST COMPANIES (*based on number of employees*) in Laguna Woods

Company	# of Employees
Professional Cmnty MGT Cal Inc	134
Stater Bros Markets	80
Countryside Inn-Corona LP	60
Rainbow Realty Corporation	55
Ocb Restaurant Company LLC	49
Jonas Project	34
Bellafaire Enterprises Inc	33
Avalone Las Palmas	30
Wells Fargo Bank National Assn	25
Quest Diagnostics Incorporated	17

GROWING/DECLINING occupations in Laguna Woods

Occupations	<i>Change in Jobs (2015-2020)</i>
Home Health Aides	23
Personal Care Aides	18
Nursing Assistants	11
Tellers	(2)
First-Line Supervisors of Retail Sales Workers	(2)
Postal Service Mail Carriers	(3)

GROWING/DECLINING industries in Laguna Woods

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	115
Other Services (except Public Administration)	16
Professional, Scientific, and Technical Services	15
Management of Companies and Enterprises	10
Manufacturing	3
Government	57

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **Laguna Woods** rank of 28th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

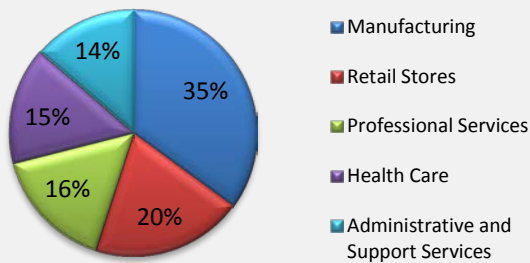
Topic	<i>Ranking</i>
Total Job Growth	26
Housing as a Percentage of Total OC Housing	28
Jobs-to-Housing Ratio	28
Change in Housing Density	23

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



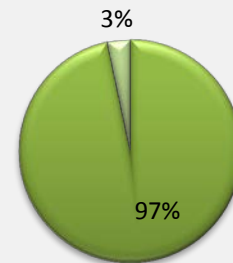
DEMOGRAPHICS • Lake Forest has a population of **80,148** and contributes 46,100 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Lake Forest is 5,287

Top Five Industry Sectors In Lake Forest By Employment



Employment In Lake Forest

■ Employment ■ Unemployment



LARGEST COMPANIES (*based on number of employees*) in Lake Forest

Company	# of Employees
Kaiser Aluminum Fab Pdts LLC	2,200
Hallmark Rehabilitation GP LLC	1,200
Oakley Inc	900
Baldwin Hardware Corporation	816
Price Pfister Inc	800
Kaiser Foundation Hospitals	593
The Black & Decker Inc	450
Apria Healthcare LLC	400
Panasonic Avionics Corporation	400
Wet Seal LLC	360

GROWING/DECLINING occupations in Lake Forest

Occupations	<i>Change in Jobs (2015-2020)</i>
Construction Laborers	173
Retail Salespersons	121
Combined Food Preparation and Serving Workers, Including Fast Food	89
Wellhead Pumpers	(27)
Loan Interviewers and Clerks	(31)
Loan Officers	(72)

GROWING/DECLINING industries in Lake Forest

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	619
Administrative and Support and Waste Management and Remediation Services	247
Construction	158
Crop and Animal Production	(43)
Finance and Insurance	(58)
Manufacturing	(313)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **Lake Forest** rank of 4th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

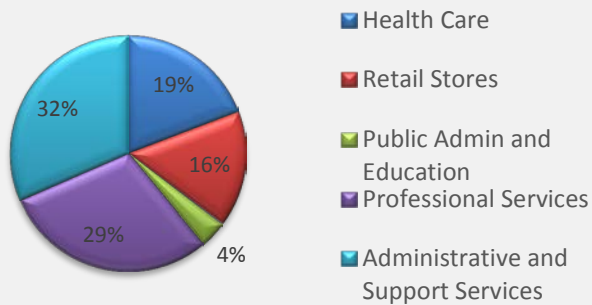
Topic	<i>Ranking</i>
Total Job Growth	6
Housing as a Percentage of Total OC Housing	5
Jobs-to-Housing Ratio	12
Change in Housing Density	5

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



DEMOGRAPHICS • Mission Viejo has a population of **97,209** and contributes 50,900 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Mission Viejo is 6,625

Top Five Industry Sectors In Mission Viejo By Employment



Employment In Mission Viejo



LARGEST COMPANIES *(based on number of employees)* in Mission Viejo

Company	# of Employees
Mission Hospital Regional Med Ctr	1,349
South Orange County Community College District	1,200
Boeing Company	895
Honeywell International Inc	694
Coldwell Banker Residential RE	410
Saddleback Vly Unified School Dist	400
Target Stores Inc	377
Nordstrom Inc	300
Macy's West Stores Inc	275
United States Postal Service	250

GROWING/DECLINING occupations in Mission Viejo

Occupations	<i>Change in Jobs (2015-2020)</i>
Personal Care Aides	166
Combined Food Preparation and Serving Workers, Including Fast Food	121
Hairdressers, Hairstylists, and Cosmetologists	88
Carpenters	(9)
Postal Service Mail Carriers	(10)
Door-to-Door Sales Workers, News and Street Vendors, and Related Workers	(34)

GROWING/DECLINING industries in Mission Viejo

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	1,072
Other Services (except Public Administration)	407
Accommodation and Food Services	339
Government	(8)
Management of Companies and Enterprises	(12)
Manufacturing	(47)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **Mission Viejo** rank of 24th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

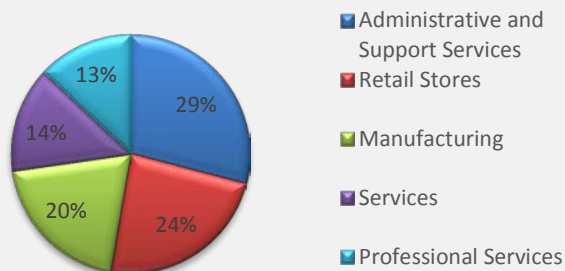
Topic	<i>Ranking</i>
Total Job Growth	28
Housing as a Percentage of Total OC Housing	21
Jobs-to-Housing Ratio	7
Change in Housing Density	26

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



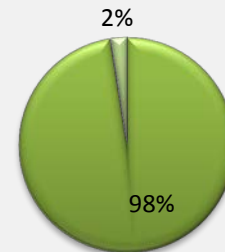
DEMOGRAPHICS • Rancho Santa Margarita has a population of **49,359** and contributes 28,300 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in Rancho Santa Margarita is 1,987

**Top Five Industry Sectors In
Rancho Santa Margarita By Employment**



Employment In Rancho Santa Margarita

■ Employment ■ Unemployment



LARGEST COMPANIES *(based on number of employees)* in Rancho Santa Margarita

Company	# of Employees
Applied Medical Resources Corp.	2,200
Jipc Management Inc	1,000
Park Landscape Maintenance	300
Lucas and Mercier Cnstr Inc	250
Control Components Inc	242
Foundation 9 Entertainment Inc	200
Padi Americas Inc	200
Roman Catholic Diocese of Orange	200
Capital Investments Ventures Corp	195
Padi Worldwide	180
Vons Companies Inc	180

GROWING/DECLINING occupations in Rancho Santa Margarita

Occupations	Change in Jobs (2015-2020)
Team Assemblers	87
Combined Food Preparation and Serving Workers, Including Fast Food	54
Dental Laboratory Technicians	53
Semiconductor Processors	(7)
Advertising Sales Agents	(14)
Unclassified Occupation	(38)

GROWING/DECLINING industries in Rancho Santa Margarita

Industries	Change in Jobs (2015-2020)
Manufacturing	740
Administrative and Support and Waste Management and Remediation Services	174
Accommodation and Food Services	171
Management of Companies and Enterprises	(6)
Government	(15)
Wholesale Trade	(36)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **Rancho Santa Margarita** rank of 29th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

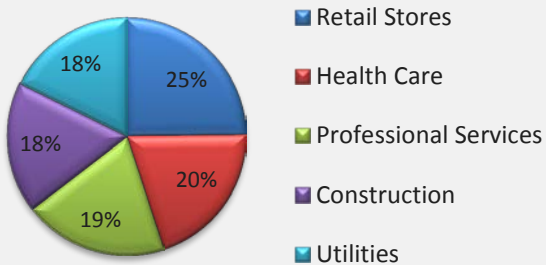
Topic	Ranking
Total Job Growth	21
Housing as a Percentage of Total OC Housing	29
Jobs-to-Housing Ratio	32
Change in Housing Density	31

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



DEMOGRAPHICS • San Clemente has a population of **65,326** and contributes 32,400 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in San Clemente is 5,360

Top Five Industry Sectors In San Clemente By Employment



Employment In San Clemente



LARGEST COMPANIES *(based on number of employees)* in San Clemente

Company	# of Employees
Southern California Edison Co	1,998
Bemus Landscape Inc	300
Lowes Home Centers LLC	300
San Clemente Medical Ctr LLC	300
American Corrective Counseling	297
HCA Inc	250
Beachfire LLC	200
Target Stores Inc	177
City of San Clemente	170
Wal-Mart Stores Inc	170

GROWING/DECLINING occupations in San Clemente

Occupations	<i>Change in Jobs (2015-2020)</i>
Combined Food Preparation and Serving Workers, Including Fast Food	69
Personal Financial Advisors	68
Personal Care Aides	49
Structural Iron and Steel Workers	(17)
Glaziers	(27)
Carpenters	(52)

GROWING/DECLINING industries in San Clemente

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	309
Accommodation and Food Services	233
Professional, Scientific, and Technical Services	222
Government	(27)
Manufacturing	(90)
Construction	(266)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **San Clemente** rank of 22nd of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

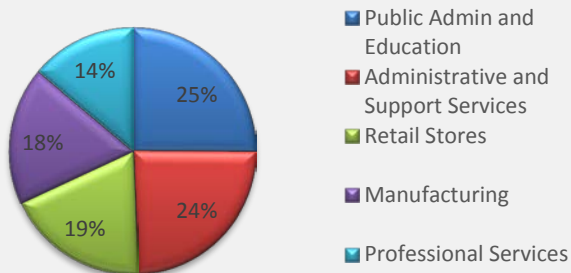
Topic	<i>Ranking</i>
Total Job Growth	14
Housing as a Percentage of Total OC Housing	20
Jobs-to-Housing Ratio	21
Change in Housing Density	25

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.



DEMOGRAPHICS • San Juan Capistrano has a population of **36,282** and contributes 17,600 workers to Orange County's workforce • The number of small businesses with fewer than 500 employees in San Juan Capistrano is 2,772

Top Five Industry Sectors In San Juan Capistrano By Employment



Employment in San Juan Capistrano



LARGEST COMPANIES *(based on number of employees)* in San Juan Capistrano

Company	# of Employees
Capistrano Unified School Dst	8,942
Techko Inc	1,000
Medusind Solutions Inc	900
Emerald Expositions LLC	650
Merit Integrated Logistics LLC	600
Fluidmaster Inc	400
Cox Communications Inc	250
St Margaret of Scotland Episcopal	250
Costco Wholesale Corporation	200
Sempra Energy	171

GROWING/DECLINING occupations in San Juan Capistrano

Occupations	<i>Change in Jobs (2015-2020)</i>
Personal Financial Advisors	67
Cashiers	51
Combined Food Preparation and Serving Workers, Including Fast Food	50
Door-to-Door Sales Workers, News and Street Vendors, and Related Workers	(19)
Farmworkers, Farm, Ranch, and Aquacultural Animals	(26)
Farmworkers and Laborers, Crop, Nursery, and Greenhouse	(119)

GROWING/DECLINING industries in San Juan Capistrano

Industries	<i>Change in Jobs (2015-2020)</i>
Health Care and Social Assistance	509
Administrative and Support and Waste Management and Remediation Services	253
Retail Trade	190
Mining, Quarrying, and Oil and Gas Extraction	(4)
Government	(13)
Crop and Animal Production	(259)

ORANGE COUNTY Business Council Workforce Housing SCORECARD: 2012-2025

- The **San Juan Capistrano** rank of 11th of 34 Orange County cities consists of 4 separate ranking factors that are summed up to derive an overall cumulative Scorecard ranking:

Topic	<i>Ranking</i>
Total Job Growth	18
Housing as a Percentage of Total OC Housing	13
Jobs-to-Housing Ratio	6
Change in Housing Density	13

This report uses data from the following sources: *Orange County Workforce Investment Board 2013-2018 Comprehensive Economic Development Strategy*; *U.S. Census Bureau, 2007-2011 American Community Survey*; *Employment Development Department, State of California UI Data*; *National Establishment Time Series Database (Dun and Bradstreet)*; *EMSI occupation employment data*.

Appendix A – Data Sources for this Report

CSU Fullerton, 2015 Progress Report

Economic Modeling Specialists International

Employment Development Department, State of California

Inside Prospects, Inc.

Orange County Business Council

Orange County Register

Orange County Workforce Investment Board

Appendix B – Cities Reported by Zip Code

Code	Description
92607	Laguna Niguel, CA (in Orange county)
92609	El Toro, CA (in Orange county)
92610	Foothill Ranch, CA (in Orange county)
92624	Capistrano Beach, CA (in Orange county)
92629	Dana Point, CA (in Orange county)
92630	Lake Forest, CA (in Orange county)
92637	Laguna Woods, CA (in Orange county)
92651	Laguna Beach, CA (in Orange county)
92653	Laguna Hills, CA (in Orange county)
92654	Laguna Hills, CA (in Orange county)
92656	Aliso Viejo, CA (in Orange county)
92672	San Clemente, CA (in Orange county)
92673	San Clemente, CA (in Orange county)
92674	San Clemente, CA (in Orange county)
92675	San Juan Capistrano, CA (in Orange county)
92677	Laguna Niguel, CA (in Orange county)
92678	Trabuco Canyon, CA (in Orange county)
92679	Trabuco Canyon, CA (in Orange county)
92688	Rancho Santa Margarita, CA (in Orange county)
92690	Mission Viejo, CA (in Orange county)
92691	Mission Viejo, CA (in Orange county)
92692	Mission Viejo, CA (in Orange county)
92693	San Juan Capistrano, CA (in Orange county)
92694	Ladera Ranch, CA (in Orange county)
92698	Aliso Viejo, CA (in Orange county)

Appendix C – Saddleback College Background

Saddleback College has been the first choice for higher education and training in South Orange County since 1968. Our more than 500,000 alumni can attest to the quality of our academic and career training programs that enable students to successfully achieve their educational, professional, and personal goals. Our rich academic traditions and strong reputation make Saddleback College an ideal place for students seeking associate degrees and certificates, transferring to four-year colleges and universities, preparing for the workforce, or pursuing lifelong learning opportunities.

Saddleback College is fully accredited, offering over 300 associate degrees, certificates, and occupational skills awards in 190 program areas taught by a faculty renowned for its expertise, experience, and commitment to student success. Study abroad, cooperative work experience, online learning, and honors are just some of the additional programs we offer for a well-rounded educational experience.

Economic and Workforce Development

Saddleback College has developed the first community college comprehensive economic and workforce development plan in the State. The strategic plan addresses the goals and action steps the college will implement in order to lead the economic and workforce development needs of the region. Partnering with its regional partners, the college works with the state, county, cities, and businesses to provide economic opportunities and a skilled workforce; encouraging growth throughout the region.

Transfer Success

Of the 113 California Community Colleges, Saddleback College ranks 8th in transfers to the University of California and 17th in transfers to the California State University. Of the nine community colleges in Orange County, Saddleback College ranks first in transfers to UC Santa Barbara, UC Santa Cruz, San Diego State University, Cal Poly San Luis Obispo, USC, and ASU and ranks second to UC Berkeley, UCLA, and UC San Diego.

Career Technical Education

Saddleback College offers Career Technical Education (CTE) programs that provide students with entry-level and advanced knowledge and skills critical for success in the work place. We offer a wide variety of CTE programs, certificates, and courses that may be all you need to get started down a rewarding career path.

Campus Life

Saddleback College offers a vibrant student life, with an active student government, more than 50 campus clubs, champion athletic teams, eclectic arts scene, and diverse cultural events.

Support Services

Prospective students, current students, and graduates enjoy excellent support services at Saddleback College. A full range of counseling, career planning and job placement services, and assistance for students with learning and physical disabilities are available daily. On-campus childcare, fully-staffed health center, financial aid, and services for re-entry men and women are available. We are especially proud of the support services provided to veterans. Our Veterans Education and Transition Services (VETS) center has resources and counselors to support students and their families transitioning from the military to college and civilian life.

Athletics

Saddleback College has hundreds of student athletes who compete on nine men's and 11 women's teams. The Gauchos are truly outstanding, having won three national championships, 24 state championships, 44 regional titles, and 155 conference titles. Our student athletes not only succeed on the field, they excel in the classroom as well. For the fall 2015 semester, nearly half of all student athletes made the Athletic Honor Roll—completing 2-or-more units with a 3.00 or higher grade point average and 83% of the sophomore athletes transfer to a four-year college or university.

Arts

For those interested in the arts, Saddleback College offers one of the most comprehensive and progressive programs in the nation including art, cinema-television-radio, music, photography, speech, and theatre. We boast state-of-the-art facilities and equipment and feature an on-campus television station (Channel 39), award winning radio station (KSBR 88.5 FM), and internet radio station (OCRockRadio.com) where students gain hands-on experience. Our 400-seat McKinney Theatre provides the largest performance space in the area, featuring recently upgraded state-of-the-industry lighting and sound technology.

Foundation and Alumni

The Saddleback College Foundation is a 501(c)(3) organization that enhances the quality of higher education by gaining financial support for academic, athletic, and cultural programs of Saddleback College. Guided by a group of dedicated community leaders, the foundation initiates and coordinates college and community fund-raising in support of the college and students. Saddleback College also values its more than 500,000 alumni who are important resources for the college and students. By joining the Saddleback College Alumni Association, students are not only forming lifelong bonds with their alma mater, they are connecting with thousands of fellow graduates who can help provide professional and social networking opportunities.

So whether you are seeking associate degrees and certificates, transferring to four-year colleges and universities, preparing for the workforce, or pursuing lifelong learning opportunities, we are happy you have made Saddleback College your first choice in higher education and we look forward to seeing you on campus!

Acknowledgements

Saddleback College

Anthony Teng, Dean – Advanced Technology and Applied Science

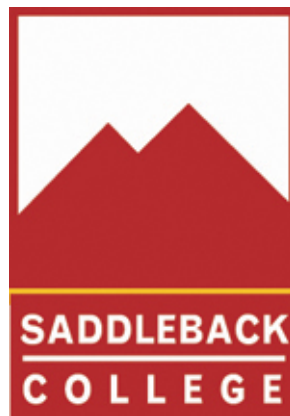
John Jaramillo, Dean – Economic and Workforce Development and Business Science

Israel Dominguez, Director – Economic and Workforce Development

South Orange County Economic Coalition

Inside Prospects, Inc.

Orange County Workforce Investment Board



SOUTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT BOARD OF TRUSTEES
Timothy Jemal, Dr. James R. Wright, David B. Lang, T.J. Prendergast III, Marcia Milchiker, Barbara Jay, Terri Whitt
Gary L. Poertner, *Chancellor*
SADDLEBACK COLLEGE: Dr. Tod A. Burnett, *President*