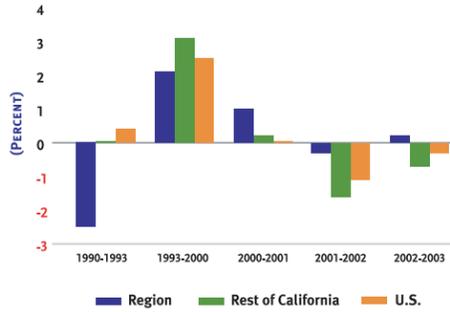


THE STATE OF THE REGION 2004

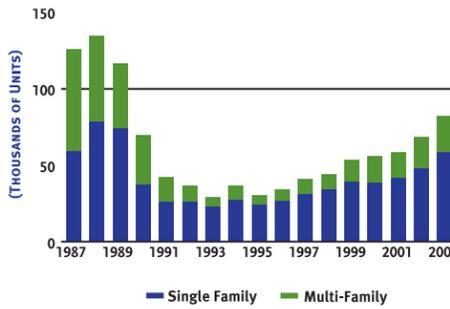
Grade: A: excellent • B: moderately well • C: average • D: potential failure • F: failing

Employment Change (Annual Average)



Source: California Employment Development Department; Council of Economic Advisers

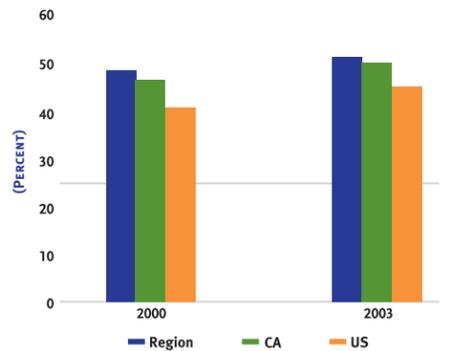
Residential Building Permit Activity in the SCAG Region



Source: Construction Industry Research Board

Rental Cost Burden

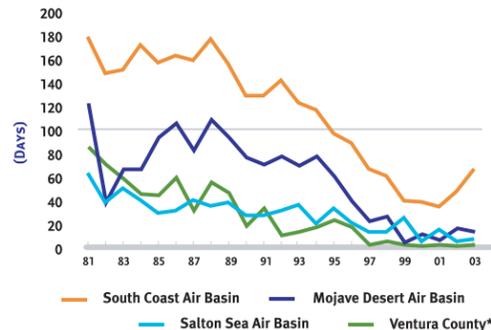
(Renters Paying 30 Percent or More of Household Income on Rent)



Source: U.S. Census Bureau

Ozone Pollution in Non-attainment Air Basins

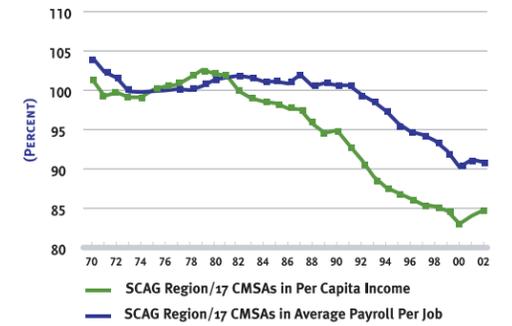
(Number of Days Exceeding Federal One-hour Standard)



* Ventura County is part of the South Central Coast Air Basin
Source: California Air Resources Board and South Coast Air Quality Management District

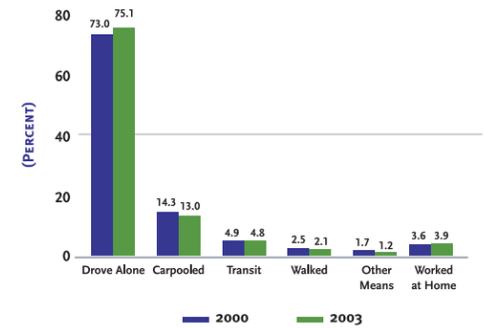
Sector	Condition	1999	2000	2001	2002	2003
Employment	After losing 21,000 jobs in 2002, the region achieved a slight increase of 14,000 payroll jobs in 2003 while the rest of the nation continued to suffer a job decline. The financial, health care and hospitality sectors led in job gains. Job losses were concentrated mostly in the manufacturing and information sectors. Due to a significant state budget shortfall, the government sector's performance reversed from the leading job generator of more than 25,000 in 2002 to a loss of almost 10,000 in 2003. In 2003, the region's unemployment rate of 6.2 percent was slightly higher than the national average of 6 percent. Hispanics and African Americans experienced significantly higher unemployment rates than Asians and non-Hispanic Whites. In 2002, the average payroll per job in the region decreased by 0.7 percent from 2001, following a decline of 0.3 percent during the previous period. Average payroll per job was likely to continue to decline in 2003 due to the significant job losses in sectors with higher than average payroll per job, such as manufacturing and information.	A-	B+	B	B-	B
Income	With an improved job market, the region's real personal income per capita in 2003 was estimated to stay at least at its 2002 level following that of the nation and the state. In 2002 (the most current data available), the region's real personal income per capita (with inflation adjustment) declined by 1.3 percent from 2001, following a 0.2 percent loss in the previous period. Nevertheless, the region performed a little better than the average of the nine largest metropolitan regions in the nation (-1.8%) and the state average (-2.1%). In 2002, per capita personal income in the SCAG region was only 85 percent of the average of the 17 largest metropolitan regions. Recent Census surveys indicated that the region experienced no growth in median household income between 2000 and 2003. Almost 15 percent of residents in the region lived in poverty in 2003. The region continued to have the highest poverty rate among the nine largest metropolitan regions in the nation. During the last two decades, the region had a slightly wider gap between the rich and the poor than the nation.	C+	C	C	C-	C-
Housing	In 2003, the region experienced the largest number of residential building permits issued (78,300 units) as well as the largest increase (10,000 units) in a one year period since 1989. Total valuation of the permits reached over \$15.5 billion, serving as an important stabilizing force to the regional economy. While homeownership rates in 2003 increased at both the national and state level, it remained unchanged in the region (56 percent) and continued to be significantly below the national level (68 percent). Continuing sharp increases in home prices and rents and lack of income growth offset gains from lower interest rates, making housing less affordable. In 2003, close to 43 percent of owner households had monthly housing costs at or greater than 30 percent of their household incomes, an increase from 39 percent in 2000. Close to 53 percent of all renters spent 30 percent or more of their incomes on rent. Among the nine largest metropolitan regions in the nation, the SCAG region continued to have the highest percentage of owner and rental households with monthly housing costs at or greater than 30 percent of household income.	C-	C-	D+	D+	D
Mobility	The region continued to experience the highest level of congestion among the largest metropolitan regions in the nation. Nevertheless, during the last decade, other large metropolitan regions experienced much larger increases in their congestion levels than the SCAG region. During the fiscal year ending June 30, 2003, total transit boardings in the region reached almost 660 million. This represented a decline of 2 percent from the previous year. Transit trips per capita also declined slightly from 38 in 2002 to 37 in 2003. Between 2000 and 2003, the average travel time to work remained almost unchanged at 28 minutes in the region. From 2000 to 2003, there was a decrease in the region's carpooling share (-1.5 percent) and an increase in the share of drive-alone commuting (2 percent). Between 2002 and 2003, highway fatalities increased significantly in the region, from 1,682 to 1,815, while the rest of the nation achieved a slight reduction. The region's highway fatality rate in 2003 was also significantly higher than the national average for urban areas.	D	D	D	D-	D-
Air Quality	In 2003, partly due to much hotter weather, ozone pollution worsened significantly in the South Coast Air Basin, with no major changes in the other three air basins in the region. In the most populous South Coast Air Basin, the number of days exceeding the federal one-hour ozone standard increased from 49 to 68 days from 2002 to 2003, more than any other air basin in the nation. This followed an increase from 36 to 49 days during the previous period. In the first 11 months in 2004, ozone pollution in the South Coast Air Basin improved significantly partly due to much milder weather, exceeding the federal standard only 28 days. As to PM10 pollution, both the South Coast and Salton Sea air basins continued to exceed the federal annual average standards in 2003. The annual average of PM2.5 in the South Coast Air Basin continued to far exceed the federal standard. Finally, the region continued to have no violation for carbon monoxide.	B-	B	B-	C	C-
Education	In 2003, 8th graders in the region continued to perform below the national median in reading and math test scores except in Orange and Ventura counties. Between 2002 and 2003, there were noticeable declines in reading scores throughout the region relative to the nation. African American and Hispanic high school students in the region, when compared with their White and Asian peers, had significantly higher dropout rates. In 2003, every county in the region had less than 40 percent of high school graduates complete courses required for University of California (UC) or California State University (CSU) admission. In 2003, there were slight improvements in educational attainment in the region following a similar trend at the national level. Among the nine largest metropolitan regions, the SCAG region remained in last place in the percentage of adults (76 percent) with at least a high school diploma, and second to last for at least a Bachelor's degree (27 percent).	D	D	D	D	D
Safety	Between 2002 and 2003, the violent crime rate in the region declined by almost 6 percent, larger than the 3 percent reduction between 2001 and 2002. However, the region continued to have a higher violent crime rate than the state as a whole. When compared with other metropolitan areas, while Ventura and Orange counties experienced the lowest violent crime rates, Los Angeles County still had one of the highest. From 2002 to 2003, there was a reduction of about 3 percent in the juvenile arrest rate in the region. Both Riverside and San Bernardino counties had higher juvenile felony arrest rates than Los Angeles County in 2003, reversing the status of much lower rates than that of Los Angeles County only a decade ago. The number of hate crime events and victims in the region decreased by about 12 percent between 2002 and 2003, following a 30 percent reduction during the previous period.	B+	B+	B	B	B

SCAG Region vs. 17 Largest Metropolitan Regions* (Average Payroll Per Job and Per Capita Personal Income)



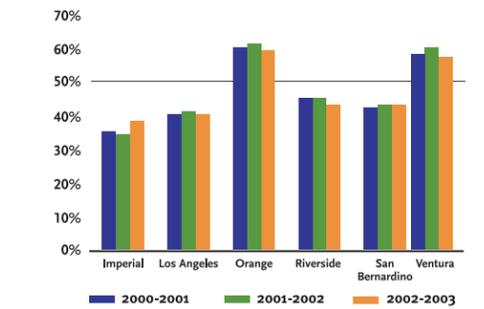
* Defined as the CMSAs (Consolidated Metropolitan Statistical Areas)
Source: U.S. Bureau of Economic Analysis

Mode Choice to Work in the SCAG Region (Workers 16 Years and Over)



Source: U.S. Census Bureau, American Community Survey

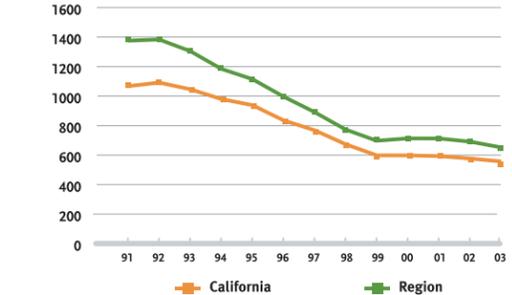
Math Test Scores for 8th Grade (Percent above National Median Score)*



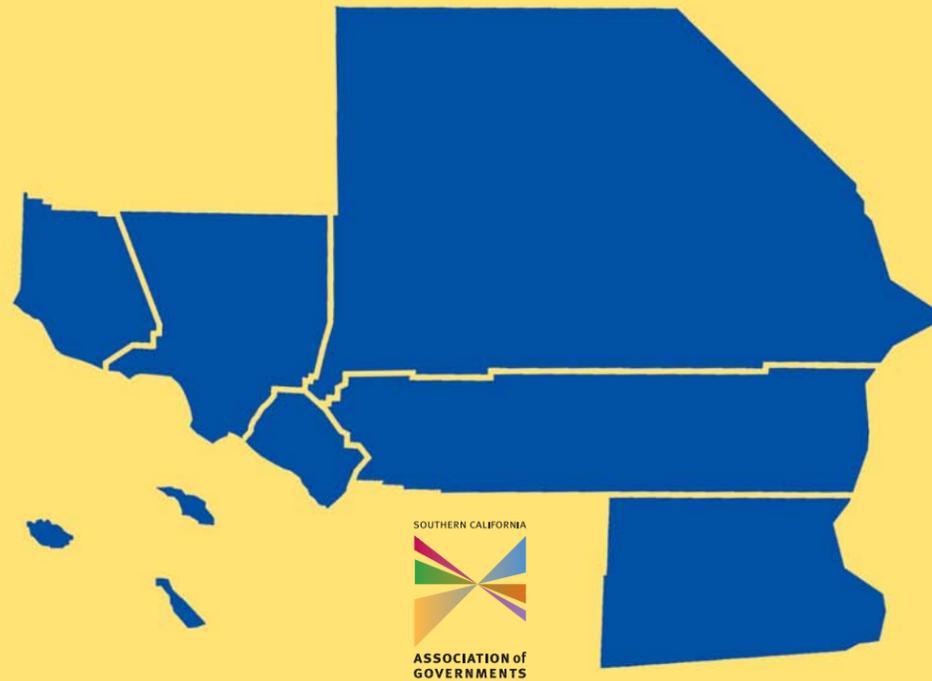
* Performed better than the nation if more than 50% students were above the national median score.

Source: California Department of Education

Violent Crimes (Per 100,000 Population)



Source: California Department of Justice



Resolving Regional Challenges

The Benchmarks Task Force, comprised of members from the public and private sectors and academia, rated the region's condition on the selected indicators. The data used for the various indicators was the most current at the time the report was prepared. The grades on this report card represent an average of the grades given by the Task Force members.

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The Southern California Association of Governments publishes the State of the Region, a report on Southern California. The complete report and report card are available at www.scag.ca.gov/publications. For questions on obtaining copies of the report, please contact SCAG staff at (213) 236-1929 or e-mail gutierre@scag.ca.gov.

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