Unemployment

If trends continue, the rapid changes in unemployment witnessed in the first quarter of this year suggest Orange County’s 2009 average unemployment rate will easily exceed the 20-year annual high of 6.9% in 1993. Orange County’s 2008 unemployment rate started at 4.4% in January and grew to 6.6% by December, an average increase of 0.2 percentage points per month. Comparatively, in the first quarter of 2009, the county’s unemployment rate grew an average of 0.6 percentage points per month. The preliminary unemployment rate of 8.5% in March 2009 is equivalent to 139,600 unemployed people in Orange County.

Employment Projections

Industry projections between 2006 and 2016 forecast total employment to reach almost 1.9 million in Orange County by 2016. This increase represents a gain of 224,600 jobs for a growth rate of just over 1.3% annually. This rate is slightly below the growth rate for California which is estimated at about 1.5% annually for the same forecast period.

Source: California Employment Development Department (www.labormarketinfo.edd.ca.gov)
Orange County’s Nonprofit Sector: Impact of the Economic Downturn

Orange County nonprofits rely heavily on donations from the community, and more than half anticipate fewer donations in the coming year. Other factors, including the uncertainty of receiving previously promised private grants or state funds, lead 20% of Orange County nonprofits to expect revenue declines of more than 20%, and another 38% anticipate revenue declines of between 1% and 19%. In response, 97% of nonprofits intend to increase fundraising efforts and apply for more grants, 94% plan to increase marketing, and 88% plan to reduce operating costs. In the meantime, 33% have already tapped into reserves and over 40% expect to tap into reserves in the coming 12 months. At the same time nonprofits are experiencing revenue challenges, as many as 67% of Orange County nonprofits have seen demand for services grow in the past 12 months. Still, not all nonprofits anticipate challenges. Among the 16% of nonprofits that expect increased revenue in 2009, 58% indicated this was due to the receipt of a new grant or contract.

Compared to 2008, what do you anticipate your budget will be in 2009?

What are the primary reasons you anticipate change?

Source: Orange County Funders Roundtable, February 2009