



**PPIC
STATEWIDE
SURVEY**

DECEMBER 2004

**Special Survey
of Orange County**
in collaboration with the
**University of California,
Irvine**

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**Public
Policy
Institute of
California**

The Public Policy Institute of California (PPIC) is a private operating foundation established in 1994 with an endowment from William R. Hewlett. The Institute is dedicated to improving public policy in California through independent, objective, nonpartisan research.

PPIC's research agenda focuses on three program areas: population, economy, and governance and public finance. Studies within these programs are examining the underlying forces shaping California's future, cutting across a wide range of public policy concerns, including education, health care, immigration, income distribution, welfare, urban growth, and state and local finance.

PPIC was created because three concerned citizens – William R. Hewlett, Roger W. Heyns, and Arjay Miller – recognized the need for linking objective research to the realities of California public policy. Their goal was to help the state's leaders better understand the intricacies and implications of contemporary issues and make informed public policy decisions when confronted with challenges in the future. PPIC does not take or support positions on any ballot measure or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

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Preface

The Orange County Survey – a collaborative effort of the Public Policy Institute of California and the School of Social Ecology at the University of California, Irvine – is a special edition of the PPIC Statewide Survey. This is the fourth in an annual series of PPIC surveys of Orange County. Mark Baldassare, director of the PPIC Statewide Survey, is the founder and director of the Orange County Annual Survey at UCI and a former UCI professor. The UCI survey was conducted 19 times from 1982 to 2000; thus, the Orange County Survey collaboration between PPIC and UCI that began in 2001 is an extension of earlier survey efforts. The special survey of Orange County is co-sponsored by UCI with local support received for this four-year series from Deloitte and Touche, Pacific Life Foundation, Disneyland, *Los Angeles Times*, Orange County Business Council, Orange County Division of League of California Cities, *Orange County Register*, The Irvine Company, and United Way of Orange County.

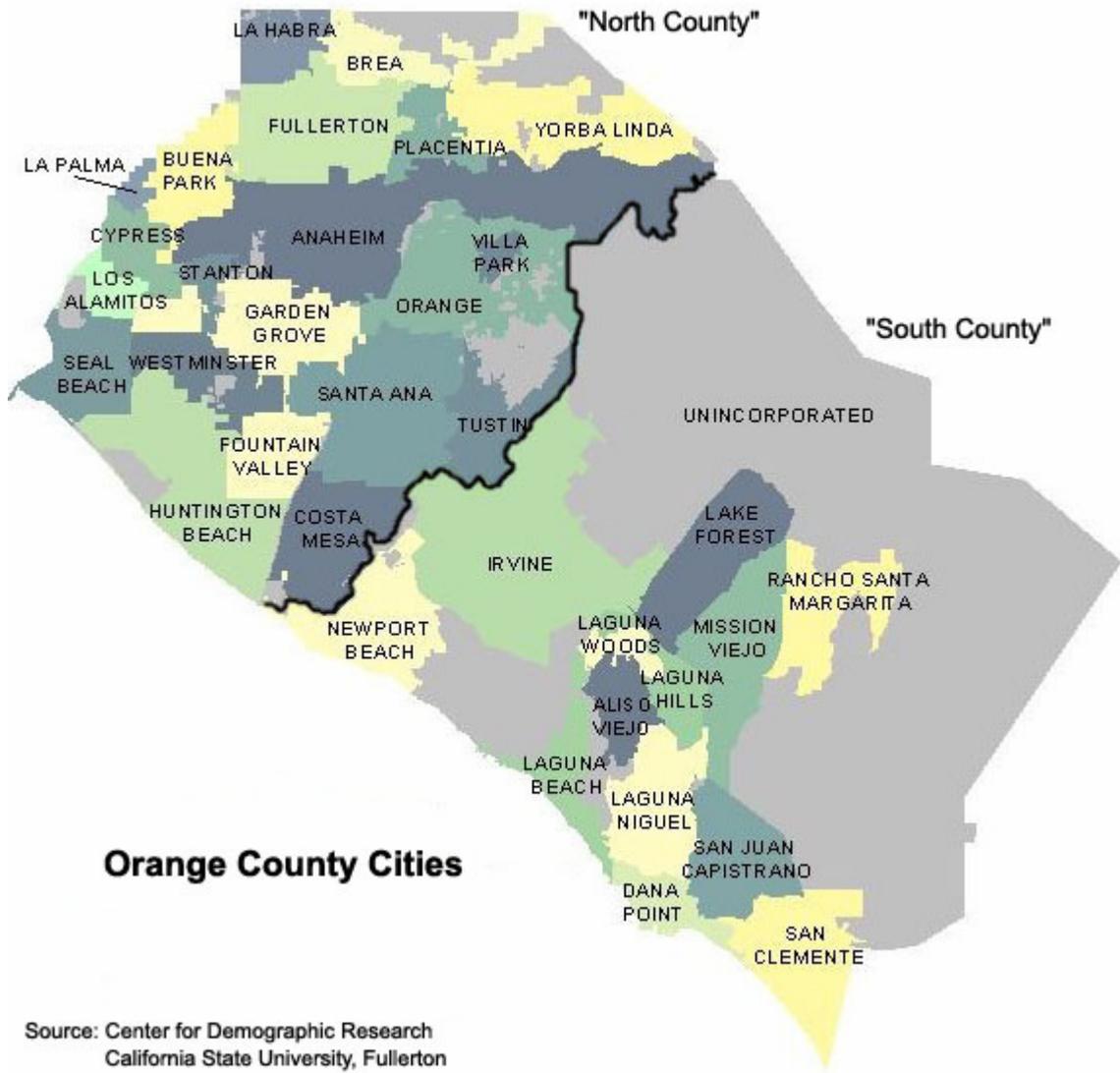
Orange County is the second most populous county in the state and one of California's fastest growing and changing regions. The county is home to three million residents today, having gained approximately one million residents since 1980. Three in four residents were white and non-Hispanic in 1980; today, nearly half are Latinos and Asians, and more population growth and racial/ethnic change are projected for the next several decades. The county's dynamic economy has become one of the leaders in the high-technology industry. The county is a bellwether county in state and national politics and the site of many important local governance issues, including a county government bankruptcy that occurred 10 years ago in December 1994. There are also housing, transportation, land use, and environmental concerns related to development.

Public opinion findings are critical to informing discussions and resolving public debates on key issues. The purpose of this study is to inform policymakers, the media, and the general public by providing timely, accurate, and objective information about policy preferences and economic, social, and political trends.

To measure changes over time, this survey of 1,008 adult residents includes questions from earlier Orange County Annual Surveys. It also includes key indicators from the PPIC Statewide Survey for comparisons with the state and regions of California. We also consider racial/ethnic, income, and political differences. The following issues are explored in this Orange County Survey:

- Orange County Issues – What are the trends over time in consumer confidence and the public's ratings of the quality of life and the economy in Orange County? Do residents recall the Orange County government bankruptcy in 1994, how do they perceive its impacts today, and have attitudes toward the county government recovered in the past 10 years? How satisfied are residents with their local public services and city governments? What are the most important issues facing the county and how do residents rate the problems in their regions? What are their perceptions of commuting and transportation plans and preferences for local transportation taxes?
- Housing Issues – How satisfied are residents with their homes and neighborhoods and how do they perceive their opportunities for buying a home in Orange County? How many residents feel the financial strain of housing costs, perceive the benefits of rising home values, or are seriously considering moving? What housing and neighborhood options are they willing to consider?
- State and National Issues – What is the overall outlook for California and U.S. conditions? How do residents rate the job performances of Governor Arnold Schwarzenegger and President George W. Bush? What are their perceptions of the national election and the second term of the Bush presidency? Has the partisan divide in trust in the federal government increased over time?

Copies of this report may be ordered by e-mail (order@ppic.org) or phone (415-291-4400). Copies of this and earlier reports are posted on the publications page of the PPIC web site (www.ppic.org). For questions about the survey, please contact survey@ppic.org.



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Press Release

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<http://www.ppic.org/main/pressreleaseindex.asp>

SPECIAL SURVEY OF ORANGE COUNTY

WHAT A DIFFERENCE A DECADE MAKES! TEN YEARS AFTER BANKRUPTCY, THE OC LOVES GOVERNMENT

Homeownership a Double-Edged Sword — Source of Satisfaction, Anxiety

SAN FRANCISCO, California, December 1, 2004 — It took ten years, but the anger, distrust, and downright dislike that Orange County residents heaped on their elected officials in the wake of the county's bankruptcy have given way to forgiveness and satisfaction, according to a new survey released today by the Public Policy Institute of California (PPIC) in collaboration with the University of California, Irvine.

The share of residents who rate their county government's performance positively has more than doubled from 24 percent in 1996 – when the county was still emerging from bankruptcy – to 49 percent today. A mere 7 percent today say the county is performing poorly, while 20 percent held this view in 1996. Moreover, about two-thirds (64%) feel that county leaders pay attention to what people think when they make policy decisions. Is this a case of time healing all wounds? Certainly, memories of the bankruptcy are fading: 81 percent of residents – including 64 percent of those who have lived at their address for 20 or more years – say they know little or nothing about the crisis.

“For years, Orange County residents have had a rocky relationship with government,” says PPIC Statewide Survey Director Mark Baldassare. “So to hear residents today saying that government works for them is, frankly, astonishing.” In addition to their positive assessment of county government, majorities of residents in both the North (55%) and South (59%) County believe their city government is doing an excellent or good job of solving problems in their municipality.

Bolstering this positive view of local government is an overwhelmingly upbeat attitude about the county's quality of life: Nine in 10 residents say things are going well today – a 19-point increase since 1994 and the seventh straight year in which these ratings have been about or above the 90 percent mark. Majorities say their parks and beaches (84%), freeways and roads (64%), and schools (64%) are excellent or good. Even the commute fails to produce anxiety: Most residents (81%) say they are at least somewhat satisfied with their commute, with nearly half (49%) saying they are very satisfied. Finally, a rosy view of the economy only fuels the positivity: Over two-thirds of residents (69%) rate the local economy as excellent or good, up 12 points from last year and a full 41 points from a decade ago.

Does Trust in Government Ride on Political Winds?

Satisfaction with government doesn't stop at the offices of local supervisors: County residents have also done an about-face in terms of their feelings about federal and state government, reflecting the election of leaders who more closely share their views and values. Despite losing the state, President George W. Bush beat Democratic challenger Senator John Kerry by 60 percent to 39 percent among voters in Orange County. Today, 64 percent believe that Bush will be a capable leader in his second term. How have his victories altered perceptions of the federal government? In 1999, at the end of the Clinton Administration, just 21 percent of Orange County Republicans said they trusted federal government to do what is right always or

most of the time; that number has risen to 52 percent today. Also, the percentage of Republicans who believe government is run by a few big interests has fallen from 72 percent in 1999 to 43 percent today.

True to form, heavily Republican Orange County gives sky-high marks to California's Republican governor: 68 percent of residents say they approve of Arnold Schwarzenegger's job performance – a rating that is seven points higher than his statewide standing. Orange County residents (62%) are also substantially more likely than Californians as a whole (44%) to say the state is going in the right direction. A single, but significant, pocket of dissent concerning the governor's performance is evident in the county's Latino community. A majority of Latinos disapprove of the way Schwarzenegger is handling his job overall (52%), as well as his handling of jobs and the economy (51%) and the state budget and taxes (52%).

The Latino/White Divide

On many issues, differences between whites and Latinos persist. Whites are far more likely than Latinos to have a positive take on the region's quality of life (40% to 25%) and economy (77% to 51%). And standing in perfect contrast to each other, 16 percent of whites think traffic is the county's most important problem, compared to 8 percent of Latinos, while 16 percent of Latinos think jobs and the economy is the most important concern, compared to 8 percent of whites. "Differences in the perceptions and priorities of whites and Latinos is not new, but this divide has taken on heightened significance given the direction of population change in Orange County," says Baldassare. In 2004, Orange County became a majority-minority county, meaning no one ethnic group holds a majority of the population.

Home Is Where the Heart – And the Money – Is

Life is good in Orange County at the moment... especially if you're a homeowner. Virtually all county homeowners (98%) say they are satisfied with the homes they live in, and most (80%) are very satisfied. The satisfaction extends beyond their four walls – 96 percent of homeowners are also happy with their neighborhoods. These positive feelings stem from an appreciation of the comforts of home, but also the reality of the real estate market: Most homeowners (96%) say their home values have increased recently.

However, this positive assessment is accompanied by an element of angst. "Homeowners in Orange County feel like they are sitting on a pot of gold," says Baldassare. "But many also feel trapped by the run-up in prices because they know their home equity won't get them far in today's market." Indeed, only one in four homeowners (26%) say it is very likely they would be able to find and buy a new home they liked in Orange County today. In addition, homeowners are more likely to be very concerned than adults generally (59% to 54%) that the recent run-up in housing prices will prevent the younger generation in their family from buying a home in the county.

On a number of measures, a deep chasm exists between those who own their homes and those who do not. For example, renters are about half as likely as homeowners to be very satisfied with the home they live in (43% to 80%). Perhaps even more significantly, renters are far more likely than homeowners to say that housing costs are causing a financial strain (61% to 27%). Here again, a Latino-white divide is evident: Latinos are almost twice as likely as whites (58% to 31%) to say that housing costs place a hardship on them and their families.

Despite the lack of affordability, the dream of homeownership is alive and well in this optimistic county: 88 percent of renters hold out the hope of being homeowners in the region someday. The fact that seven in 10 renters (68%) say their rents are increasing likely adds a practical incentive to their aspirations.

But are they dreaming the impossible dream? Only 15 percent of renters believe it is very likely – but 43 percent believe it is at least somewhat likely – they will find a home in the county that they like and can afford.

Although both homeowners (81%) and renters (67%) believe buying a home in Orange County is an excellent or good investment today, the affordability and availability of housing is of paramount concern. Housing costs and availability (18%) share top billing with population growth and development (17%) on county residents' list of concerns, followed by traffic and transportation (13%) and jobs and the economy (10%). A majority of residents (55%) say housing affordability is a big problem in their area.

More Key Findings

- **OC consumer confidence barely budes** (page 3)

Orange County's consumer confidence index remains virtually unchanged from last year, dropping a single point from 97 to 96. The local index is far higher than the nation's, which registers at 88.

- **Measure M sales tax in good standing with residents** (page 6)

The vast majority of residents (71%) are at least somewhat satisfied with the way Measure M funds are being used for county transportation projects. Although a solid majority (56%) say they would vote to extend the tax another 20 years if an election were held today, support falls short of the two-thirds majority needed to pass the measure.

- **Short commute trumps the backyard BBQ** (page 12)

More residents say they would prefer a small home with a small backyard over a larger home with a large backyard if it meant a short commute to work (61% to 35%).

- **Bush the uniter?**(page 17)

Despite President Bush's high approval ratings in Orange County (57%), residents are divided on the question of whether or not he can unite the country behind him in his second term (47% each).

- **Waste not!** (page 22)

Despite favorable ratings for local government, fiscally conservative Orange County residents still believe that county government wastes at least some of the taxpayers' money (46% some, 29% a lot).

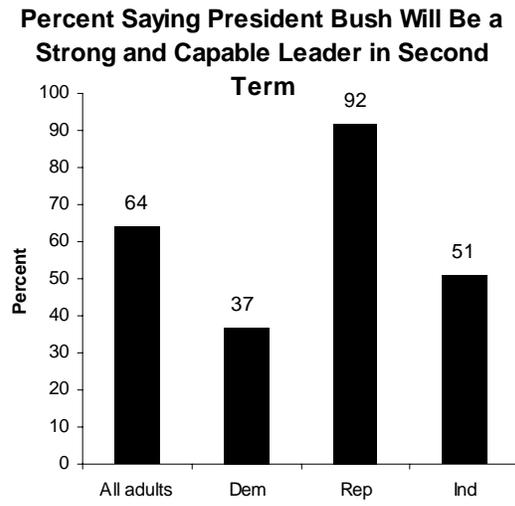
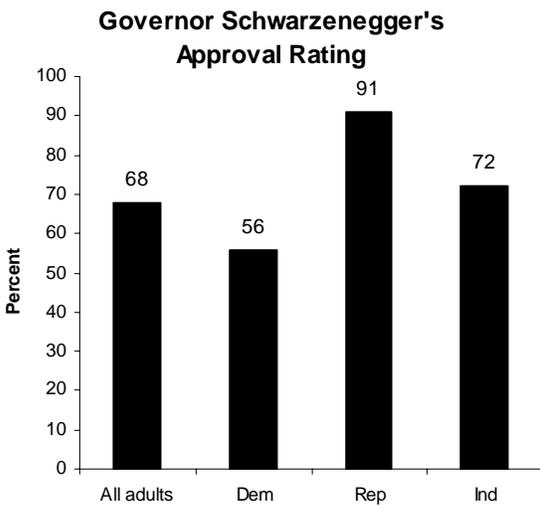
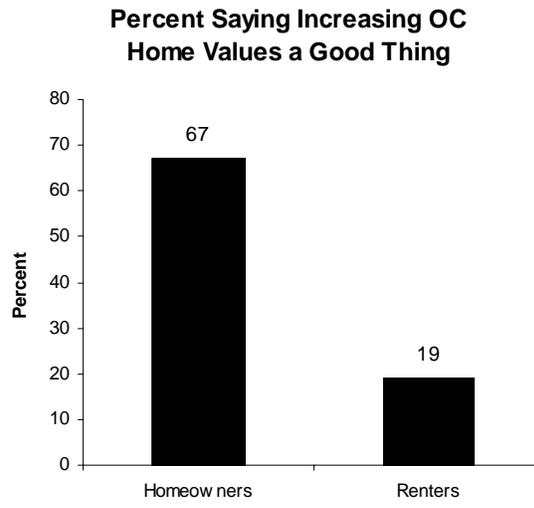
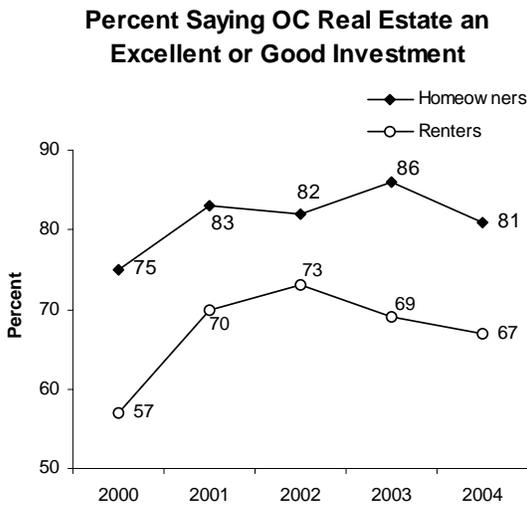
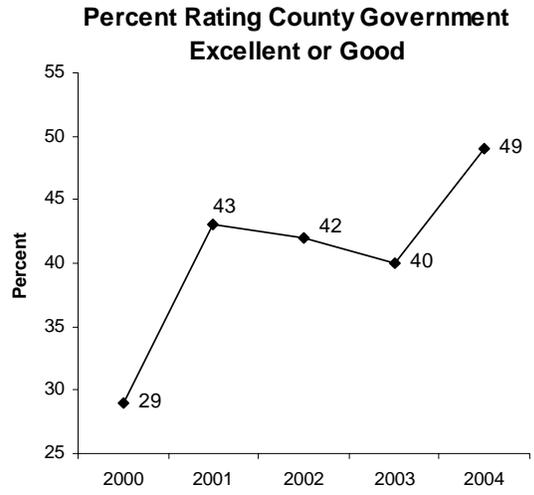
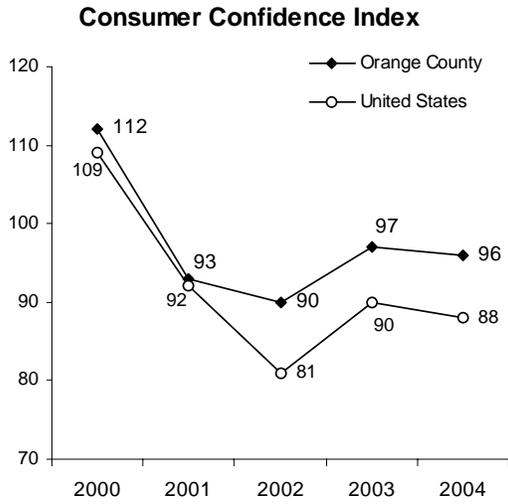
About the Survey

The Special Survey of Orange County – a collaborative effort of the Public Policy Institute of California and the School of Social Ecology at the University of California, Irvine – is a special edition of the PPIC Statewide Survey. Inaugurated in fall 2001, this is the fourth in an annual series of PPIC surveys on Orange County. Findings of this survey are based on a telephone survey of 1,008 Orange County adult residents interviewed between November 3 and November 9, 2004. Interviews were conducted in English or Spanish. The sampling error for the total sample is +/- 3%. The sampling error for subgroups is larger. For more information on methodology, see page 19.

Mark Baldassare is research director at PPIC, where he holds the Arjay and Frances Fearing Miller Chair in Public Policy. He is founder of the PPIC Statewide Survey, which he has directed since 1998. From 1982 to 2000, Dr. Baldassare directed the Orange County Annual Survey for UC Irvine. His most recent book, *A California State of Mind: The Conflicted Voter in a Changing World*, is available at www.ppic.org.

PPIC is a private, nonprofit organization dedicated to improving public policy through objective, nonpartisan research on the economic, social, and political issues that affect Californians. The institute was established in 1994 with an endowment from William R. Hewlett. PPIC does not take or support positions on any ballot measure or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

This report will appear on PPIC's website (www.ppic.org) on December 1. ###



Orange County Issues

County Conditions Today

With the county's economy on the mend, and memories of the 1994 bankruptcy long behind them, Orange County residents are overwhelmingly upbeat about their quality of life. Nine in 10 say things are going well in Orange County today, with 36 percent saying *very well* and 54 percent saying *somewhat well*. This is the seventh straight year in which quality of life ratings have been at or above the 90 percent mark, and this year's rating represents a 19-point gain over the ratings given after the bankruptcy 10 years ago. Whites remain considerably more likely than Latinos to say things are going very well (40% to 25%). However, optimism among Latinos has increased 6 points since 2003. The outlook is more positive in the South County than in the North (46% to 32%).

Economic confidence in Orange County has rebounded, with about seven in 10 residents now rating the local economy as *excellent* (15%) or *good* (54%)—a 12 point rise from last year. Confidence in the county's economy has returned to the level it was at during the boom years of 1998-2001, and positive ratings stand a sizeable 41 points higher than they were a decade ago.

Whites are more positive than Latinos about the county's economy (77% to 51%), but confidence has risen about 10 points in both groups since 2003. South County residents are more positive than North County residents about the county's economy (80% to 64%). Economic confidence rises with income, and homeowners are significantly more upbeat than renters (75% to 59%).

“Thinking about the quality of life in Orange County, how do you think things are going?”

<u>All Adults</u>											
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Going well	71%	68%	82%	88%	91%	92%	91%	90%	89%	90%	90%
Going badly	29	32	18	12	9	8	9	10	11	10	10

“In general, how would you rate the economy in Orange County today?”

<u>All Adults</u>											
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Excellent / Good	28%	19%	44%	63%	76%	78%	79%	74%	58%	57%	69%
Fair	54	50	45	32	20	19	17	21	34	33	25
Poor	17	30	10	4	3	2	2	4	6	8	5
Don't know	1	1	1	1	1	1	2	1	2	2	1

Source for Orange County from 1994 to 2000 is the Orange County Annual Survey at UCI by Mark Baldassare and Cheryl Katz.

County Government Bankruptcy Anniversary

Memories of the bankruptcy have faded considerably over the decade. Today, 10 years after Orange County became the largest U.S. municipality ever to declare bankruptcy, just over half of Orange County adults (53%) have any knowledge of the event. One in five say they know *a lot*, and one in three say they know *a little*, but 47 percent have not heard about or don't recall the bankruptcy.

Older people and residents who have been in their current homes longer are considerably more likely than people younger than 35 or those who have moved to their homes within the past 10 years to say they know a lot about the county's days in Chapter 9. Men are more likely than women (26% to 13%) and whites are much more likely than Latinos (26% to 6%) to say they know a lot about the bankruptcy. Knowledge also increases with income and education.

Confidence in county officials has recovered from the blow dealt by the bankruptcy. Today, nearly half of adult residents feel that their county government is doing an excellent or good job at solving problems in Orange County. In 1996, while the county was still struggling to emerge from the bankruptcy, only 24 percent of residents expressed similar confidence in the county government. County government ratings are continuing to improve, with the proportion of residents saying the government is doing an excellent or good job climbing 9 points since 2003.

Still, three in 10 residents think the bankruptcy has had a bad effect on the quality of life in Orange County today, and about one in three (35%) say it has hurt the economy. Among those who are highly aware of the bankruptcy, about four in 10 think it has left a negative legacy for the county's economy and quality of life. Relatively few residents feel this unusual episode had a good effect on the economy or quality of life.

"Ten years ago, the Orange County government declared bankruptcy, in December 1994. Do you happen to know anything about this event?"

	All Adults	<u>Length of Residency at Current Address</u>		
		Under 10 Years	10 to 19 years	20 years or more
Yes, a lot	19%	14%	24%	36%
Yes, a little	34	29	41	44
No/ Don't know	47	57	35	20

"How would you rate the performance of county government in solving problems in Orange County?"

	<u>All Adults</u>								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
Excellent / Good	24%	26%	38%	40%	29%	43%	42%	40%	49%
Fair	52	50	46	44	50	38	38	41	33
Poor	20	20	10	12	17	14	12	11	7
Don't know	4	4	6	4	4	5	8	8	11

Consumer Confidence

The Consumer Confidence Index in Orange County registers 96—down a single point from last year. Despite residents’ optimism about the local economy, expectations for their personal finances and for the national economy are the same as they were in 2003. Nationally, the consumer confidence index is 88.

The Consumer Confidence Index for Orange County is calculated using a formula provided by the University of Michigan, which computes scores for each of five questions and then adjusts for the 1966 base period. A score above 100 is considered very good. The average national score over the past 50 years is 85. These are the findings for the individual items that make up the Orange County index:

- More than half of county residents (51%) feel they are better off financially now than they were a year ago, while 27 percent are worse off and 21 percent are the same. This is similar to 2003, when 53 percent felt they were better off than in the previous year.
- Four in 10 (41%) expect to be better off next year, 48 percent expect to be the same, and just 7 percent think they will be in worse financial shape. These numbers are virtually unchanged from last year.
- Six in 10 (62%) anticipate good business conditions nationally next year, and 29 percent expect bad times—nearly identical to 2003.
- Over the next five years, 49 percent think national economic conditions will be good, while 41 percent expect periods of unemployment and depression. In 2003, 47 percent thought good conditions were ahead, and 42 percent expected bad financial times.
- Orange County residents are almost as sanguine as they were last year about present indicators for shopping. Six in 10 (61%) think that now is a good time to make major household purchases, similar to the 62 percent giving this response in 2003, while just 26 percent think it is a bad time.

Economic confidence is greatest among higher-income residents: 61 percent of those making more than \$80,000 a year say they are better off now than they were last year, compared to just 43 percent of those making less than \$40,000. Whites are more likely than Latinos to say they are better off this year (53% to 46%), but Latinos are more confident about making financial gains in the year ahead (46% to 39%). As for the nation’s five-year outlook, Republicans are far more likely than Democrats to think there will be good economic times ahead (73% to 28%).

Five-Question Consumer Confidence Index

	<u>All Adults</u>										
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Orange County	89	90	101	110	105	111	112	93	90	97	96
United States	92	94	95	107	100	105	109	92	81	90	88

Source for Orange County from 1993 to 2000 is Orange County Annual Survey at UCI by Mark Baldassare and Cheryl Katz. Source for the United States is the University of Michigan; October 2004 figures were the most current at time of publication.

County Problems

Housing costs and availability (18%) and population growth and development (17%) emerge as the top issues on county residents’ minds this year. Traffic and transportation issues are named third (13%), followed by jobs and the economy (10%). A range of other issues—such as immigration, education, crime, and the environment—are mentioned less. Concern about housing costs appears to be on the rise (up 5 points since last year), while qualms about jobs and the economy have declined somewhat (down 3 points).

Housing costs and population growth are mentioned more frequently in the South than in the North County, while traffic and economic issues are noted by similar percentages. Whites are more concerned than Latinos about population growth and traffic, and Latinos are more concerned than whites about jobs and the economy.

“What do you think is the most important issue facing Orange County today?”

Top four county issues mentioned	All Adults	Region		Race/Ethnicity	
		North	South	Whites	Latinos
Housing costs and availability	18%	16%	24%	18%	15%
Population growth and development	17	15	22	22	7
Traffic and transportation	13	13	11	16	8
Jobs and the economy	10	10	9	8	16

As for problems in their part of Orange County, traffic congestion and housing costs again top the list. Fifty-seven percent say traffic on freeways and major roads is a *big* problem in their region; 55 percent say the same about affordable housing. In contrast, only one in three sees population growth and development, and one in five sees lack of good job opportunities, as a significant regional problem. North County residents are more likely than South County residents to consider traffic congestion (60% to 49%) and lack of good jobs (24% to 10%) as big regional problems. Lack of jobs is also a significantly greater concern among Latinos than whites (38% to 13%). The availability of affordable housing concerns all demographic groups to a similar degree but is especially vexing to renters compared to homeowners (63% to 50%).

According to our November PPIC Statewide Survey, Orange County residents are similar to Californians as a whole in mentioning traffic congestion (59%), housing affordability (55%), and population growth (35%) as big problems in their region. However, Californians overall are much more likely to see the lack of jobs (35%) as a big regional problem.

The percentage of residents who consider the lack of affordable housing a big regional problem has increased 4 points since last year (51%), and 7 points since 2002 (48%). Those saying lack of job opportunities is *not a problem* in their own region rose from 28 percent in 2003 to 35 percent today.

How big a problem is _____ in your part of Orange County? (percent saying “a big problem”)	All Adults	Region		Race/Ethnicity	
		North	South	Whites	Latinos
traffic congestion on freeways and major roads	57%	60%	49%	60%	51%
the availability of housing that you can afford	55	55	52	56	50
population growth and development	33	32	35	38	24
the lack of opportunities for well-paying jobs	21	24	10	13	38

Local Public Services and Government

Orange County residents are as satisfied or more so with local public services, generally, than they were last year. Eight in 10 residents give high marks to their local parks and recreational facilities (84%) and police protection (83%). More than six in 10 also rate their local freeways and roads (64%) and public schools (64%) as *excellent* or *good*. Since 2003, ratings have risen slightly for parks (+3 points), police (+4 points), and schools (+6 points), while ratings for freeways and roads have dropped slightly (-3 points).

South County residents are more positive than North County residents about their local roads (76% to 59%) and parks (93% to 80%) but rate police and schools about the same. Whites give higher ratings than Latinos to their local recreational facilities (86% to 79%) and police protection (86% to 79%), while Latinos are more positive about local schools (76% to 59%).

How would you rate _____ in your local area? (percent saying "excellent" or "good")	All Adults	Region		Race/Ethnicity	
		North	South	Whites	Latinos
Local parks, beaches, and other public recreational facilities	84%	80%	93%	86%	79%
Local police protection	83	82	84	86	79
Local freeways, streets, and roads	64	59	76	65	65
Local public schools	64	64	63	59	76

Orange County residents also express confidence in their city government, with 56 percent saying it does an *excellent* or *good* job solving problems in their city. These are similar to the positive ratings for city government in 2003 (53%) and 2002 (58%). Residents today give higher ratings to city government than to county government (56% to 49%). The public's ratings of city government are similar in all regions and demographic groups.

"How would you rate the performance of city government in solving problems in your city?"

	All Adults	Region		Race/Ethnicity	
		North	South	Whites	Latinos
Excellent/Good	56%	55%	59%	56%	56%
Fair	26	27	25	27	24
Poor	7	8	6	6	9
Don't know / Don't live in a city	11	10	10	11	11

Ratings of county government efficiency and responsiveness have improved over time. Residents today are less inclined to think county government wastes a lot of money (29%) than when we first asked the question in 1996 (39%), or in 2000 (42%) and 2002 (35%). About two in three (64%) think that county leaders pay attention to what the people think when they make public policy decisions—a higher percentage than in 1996 (59%), or in 2000 (54%) and 2002 (61%).

Whites are more likely than Latinos to think that county leaders pay at least some attention to them (68% to 52%); however, they are also more likely to think their county government wastes tax dollars (80% to 67%).

Local Transportation

Although traffic congestion is considered a top issue in the county and a major problem in its regions, most employed Orange County residents are at least somewhat satisfied, and almost half (49%) are *very satisfied*, with their commute to work. Orange County commutes seem to be improving over time, with 81 percent of employed residents saying they are at least somewhat satisfied today, up from 77 percent in 2002 and 79 percent in 2003.

Workers from the South County are more satisfied with their commutes than those in the North County (54% to 47%), and white commuters tend to be more satisfied than Latinos (53% to 45%). Eight in 10 county residents who are employed drive alone to work—a number that has held steady since the first Orange County Annual Survey in 1982. Half of these solo drivers are *very satisfied* with their commute.

“Overall, how satisfied are you with your commute to work?”

	All Employed Adults	Region		Race/Ethnicity	
		North	South	Whites	Latinos
Very satisfied	49%	47%	54%	53%	45%
Somewhat satisfied	32	33	30	28	37
Not satisfied	19	20	16	19	18

Despite their concern about local government wasting some of the money it receives in taxes, most Orange County residents continue to be satisfied with the way the Measure M sales tax funds are being used in county transportation projects. Overall, seven in 10 are satisfied with Measure M. Although majorities in all groups are at least somewhat satisfied with the measure, Latinos are more satisfied than whites (82% to 68%).

A majority (56%) would vote yes on a ballot measure to extend the Measure M sales tax, which is currently set to expire in 2011. Among registered voters, 54 percent would vote yes—short of the two-thirds majority needed. Extending Measure M is favored more strongly by Democrats than Republicans (64% to 50%) and by Latinos than whites (61% to 55%), but is favored equally in the North and South County.

		All Adults	Region		Race/Ethnicity	
			North	South	Whites	Latinos
<i>In general, how satisfied are you with the way the Measure M funds are being used for transportation projects in Orange County?</i>	Very satisfied	14%	13%	17%	14%	17%
	Somewhat satisfied	57	58	54	54	65
	Not satisfied	18	19	15	19	12
	Don't know	11	10	14	13	6
<i>If an election were held today, would you vote yes or no on an Orange County ballot measure to extend the half-cent sales tax another 20 years to fund transportation projects in Orange County?</i>	Yes	56	56	56	55	61
	No	34	33	35	36	26
	Don't know	10	11	9	9	13

Housing Issues

Residential Satisfaction

For most Orange County residents, their homes have been a consistent source of satisfaction. Nine in 10 report being satisfied with their housing today, and two in three report that they are *very satisfied*. The proportion of very satisfied residents is the same as reported in our first survey in 1982 (67%) and is virtually unchanged from our 2001 (67%), 2002 (65%), and 2003 (62%) surveys.

Indeed, Orange County residents report higher levels of satisfaction than California residents as a whole (59%) or residents in the San Francisco Bay Area (58%) or Los Angeles (59%), according to our November 2004 survey. While most groups across Orange County report that they are satisfied with their housing, there are important differences between North and South County residents. Also, Latinos are less satisfied than whites with their housing, and homeowners are more satisfied than renters. Those living in single-family dwellings (80%) are much more likely than apartment dwellers (39%) to report that they are very satisfied with their homes. Housing satisfaction also increases sharply with age, education, and income.

Satisfaction with neighborhood life in Orange County is similarly high and consistent over time: Nine in 10 residents say they are satisfied with the neighborhoods they live in, with two in three reporting that they are *very satisfied*. We found similar proportions of very satisfied residents when we first asked this question in 1982 (64%) and later in our 2001 (68%), 2002 (66%), and 2003 (62%) surveys.

Once again, satisfaction with one's neighborhood in Orange County outpaces satisfaction in California as a whole (56%) and in the San Francisco Bay Area (55%), Los Angeles (52%), and Inland Empire (54%) regions. Neighborhood ratings do vary somewhat between the North and South regions of the county, and between whites and Latinos, and homeowners and renters. While there are differences in their overall levels of satisfaction, majorities of those living in single-family dwellings (77%) and apartments (50%) both report that they are very satisfied with the neighborhoods they live in. Satisfaction with one's neighborhood in Orange County increases with age, education, and income.

“How satisfied are you with ...”

		All Adults	Region		Race/Ethnicity		Home	
			North	South	Whites	Latinos	Own	Rent
<i>the house or apartment you live in</i>	Very satisfied	66%	64%	71%	73%	52%	80%	43%
	Somewhat satisfied	28	30	24	23	38	18	44
	Not satisfied	6	6	5	4	10	2	13
<i>the neighborhood you live in</i>	Very satisfied	68	64	77	73	57	76	55
	Somewhat satisfied	25	27	19	22	31	20	33
	Not satisfied	7	9	4	5	12	4	12

Housing Costs

While most residents like the homes they live in, four in 10 Orange County residents report that their housing costs place a financial strain on their households. Two in 10 residents rate the financial strain as substantial. Renters feel more strain than homeowners (61% to 27%). Half of those under age 35 complain about their housing costs (54%), compared with just one in five residents age 55 and older (20%).

Latinos (58%) are nearly twice as likely as whites (31%), and residents with incomes under \$40,000 (53%) are more than twice as likely as those with incomes of \$80,000 or more (24%) to say that housing costs place either a lot or a little strain on their household finances. These costs create a financial strain for about half of Orange County residents with children living at home, residents in their current dwelling for less than five years, and those without any college education.

Many Orange County residents are also concerned about potential consequences of the high cost of housing. Three in 10 say the cost of their housing is making them seriously consider moving away from Orange County. Of those, two in three say they would opt to move outside of the state. Among the most likely to seriously consider moving out of the county are renters, residents under age 35, Latinos, parents with children in the home, those with incomes under \$80,000, those without a college education, and those who have lived at their current residence for less than five years.

What about the long-term effects of the recent run-up in housing prices? Eight in 10 residents say they are at least somewhat concerned that the younger generation in their family will not be able to buy a home in Orange County, and over half are *very concerned* about this possibility. Whites (61%) are more likely than Latinos (42%) to express a high level of concern about this possibility. The degree of concern is highest among homeowners, older residents, those with at least some college education, and upper-income residents. Interestingly, there are no significant differences between parents with children and adults without children.

“Does the cost of your housing place a financial strain on you and your family today?”

	All Adults	Home		Race/Ethnicity	
		Own	Rent	Whites	Latinos
Yes, a lot	21%	13%	36%	16%	32%
Yes, a little	18	14	25	15	26
No	61	73	39	69	42

“How concerned are you that the cost of housing will prevent the younger generation in your family from buying a home in Orange County?”

	All Adults	Home		Race/Ethnicity	
		Own	Rent	Whites	Latinos
Very concerned	54%	59%	47%	61%	42%
Somewhat concerned	25	21	30	23	32
Not too concerned	9	9	10	7	10
Not at all concerned	9	8	11	7	12
No younger generation in family / Don't know	3	3	2	2	4

Real Estate Market

After several back-to-back years of strong gains in average home values, is the “housing bubble” about to burst in Orange County? Most county residents think not. The percentage of homeowners saying that buying a home in the county is an excellent or good investment is down from its peak level of 86 percent last year. Nevertheless, eight in 10 continue to believe the time is still right to buy a home in Orange County. The current evaluations by homeowners are much more bullish than a decade ago and in line with the proportion of excellent and good ratings that have been recorded since 2001. Only 7 percent of homeowners today think real estate in Orange County is a *poor* investment.

Although two in three renters still believe that buying a home in the county is an excellent or good investment, the percentage has been dropping. The percentage, however, is still higher than it was a decade ago. Today, only 15 percent of renters think that buying a home in Orange County is a poor investment.

Regionally, among homeowners and renters combined, confidence in home-buying today is similar in the North and South County regions (75% to 77%). Latinos are nearly as likely as whites to say buying a home in Orange County is an excellent or good investment (76% to 78%)—even though Latinos have much lower rates of homeownership than do whites (36% to 75%).

“Do you think that buying a home in Orange County is an excellent, good, fair, or poor investment?”

<i>Homeowners</i>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Excellent / Good	57%	50%	60%	70%	75%	75%	75%	83%	82%	86%	81%
Fair	28	31	30	23	18	19	18	11	11	9	11
Poor	14	18	8	6	5	5	5	5	6	2	7
Don't know	1	1	2	1	2	1	2	1	1	3	1

<i>Renters</i>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Excellent / Good	47%	41%	45%	56%	61%	56%	57%	70%	73%	69%	67%
Fair	30	32	34	29	25	27	25	17	15	15	15
Poor	20	25	17	9	12	13	15	11	11	13	15
Don't know	3	2	4	6	2	4	3	2	1	3	3

Source for Orange County from 1994 to 2000 is the Orange County Annual Survey at UCI by Mark Baldassare and Cheryl Katz.

The Dream of Homeownership

Orange County homeowners overwhelmingly believe they are sitting on a virtual pot of gold: Ninety-six percent say that the value of their own home has increased in recent years—85 percent say it has increased a lot and 11 percent say it has increased at least somewhat. In fact, Orange County homeowners are more likely than all California homeowners (76%) to believe that their home values have increased a lot in the past few years.

How much confidence do homeowners have that they can take the equity they have built up and find a dream home in the current Orange County housing market? Apparently, not much. Although half say it is at least somewhat likely they could find a home that they could afford and would like to buy in Orange County, just one in four say it is *very likely*. Confidence tends to diminish with age and increase with income. Among homeowners in the \$80,000 or more income bracket, one in three say it is very likely.

Eighty-eight percent of renters in Orange County hold out the hope of being homeowners someday. The desire to own a home is strongly felt across all regions and racial/ethnic groups, although it tends to decline sharply among renters in the 55 and older age group. The fact that seven in 10 renters say their rents are increasing—33 percent reporting *a lot*—adds a practical incentive to the homeownership dream.

Despite their hope, how realistic do renters think it is that they could acquire an Orange County home they could afford and would like to buy? Many are skeptical. Fewer than half (43%) say it is at least somewhat likely, while only 15 percent think it is very likely. More than half rate their chances of homeownership as slim to none. The expectations for finding a home are highest among the youngest age group and the highest income group. Still, only 23 percent of renters in the \$80,000 or more income bracket say the chances are highly likely that they can find a home that they can afford and would like to buy in Orange County today.

“If you decided to buy a new home in the near future, how likely is it that you would be able to find a home that you can afford and would like to buy in Orange County?”

<i>Homeowners Only</i>	All Homeowners	Household Income		
		Under \$40,000	\$40,000 to \$79,999	\$80,000 or more
Very likely	26%	21%	11%	34%
Somewhat likely	30	25	31	31
Not very likely	24	26	30	22
Not at all likely	18	25	25	12
Don't know	2	3	3	1

<i>Renters Only</i>	All Renters	Household Income		
		Under \$40,000	\$40,000 to \$79,999	\$80,000 or more
Very likely	15%	17%	10%	23%
Somewhat likely	28	32	18	29
Not very likely	29	20	42	39
Not at all likely	25	29	25	9
Don't know	3	2	5	0

Housing Appreciation

Ninety-six percent of Orange County residents recognize that average home values in Orange County have been rising in recent years, and 90 percent say that they have been increasing *a lot*. But what do they think it means for them and their families? For the most part, Orange County residents are more likely to believe that this housing trend has been a good thing (50%) rather than a bad thing (43%) for their households. However, that perception varies considerably across categories of residents. Two in three *homeowners* see the rising home values in Orange County as a good thing, but three in four *renters* believe it has been a bad thing for their households. Whites (57%) are more likely than Latinos (32%) to see rising home values as beneficial for them. The perception that rising home values are bad is most evident among younger, less educated, and lower-income residents. South County residents (57%) are more likely than North County residents (47%) to see rising home prices as a good thing.

Although four in 10 Orange County residents complain that housing costs are placing a financial strain on their households, and a similar proportion say that rising home values have been a bad thing for them, there is a nearly universal belief in the regional benefits of higher home values. Eight in 10 residents say that increasing average home values are at least somewhat important to the quality of life and economic vitality of Orange County, and four in 10 describe this trend as a *very important* factor. Despite their different experiences with housing conditions and their varying perceptions of the personal effects of rising home values, renters and homeowners, younger and older residents, lower-income and upper-income residents, recent and long-term residents, Latinos and whites, and noncollege and college educated residents all share the belief that rising home values have been a positive for Orange County.

“Overall, do you think increasing average home values in Orange County is a good thing or a bad thing for you and your family?”

	All Adults	Home		Race/Ethnicity	
		Own	Rent	Whites	Latinos
Good thing	50%	67%	19%	57%	32%
Bad thing	43	25	77	36	61
No difference	4	5	2	4	3
Don't know	3	3	2	3	4

“In general, how important are increasing average home values to the quality of life and economic vitality of Orange County?”

	All Adults	Home		Race/Ethnicity	
		Own	Rent	Whites	Latinos
Very important	41%	39%	45%	37%	53%
Somewhat important	44	47	40	47	38
Not too important	8	8	7	9	3
Not at all important	4	4	5	4	3
Don't know	3	2	3	3	3

Residential Choices

Orange County residents face a number of tradeoffs in choosing the best place to live in a region where traffic congestion on freeways and finding affordable housing are both perceived as big problems. Some people opt for long commutes inside the county or from the Inland Empire in order to have their dream home, while others prefer an Orange County location close to work, even if the home is not their ideal. What would residents prefer if given the choice between living in a large home and having a long commute to work or living in a smaller home and having a shorter commute—other things being equal? By a wide margin, they choose a small home and a short commute (61%) over a large home and a long commute (35%). Indeed, Orange County residents are more likely than Californians as a whole (53%), and as likely as San Francisco Bay Area residents (61%), to say that they would choose the small home option if it means a short commute, all else being equal. They are also more likely than Los Angeles residents (54%) and Inland Empire residents (50%) to choose that option. Older residents, lower-income residents, and those without children are among the most likely to choose the small home option.

The “smart growth” advocates in California have been promoting new housing developments in which high density and mixed land use encourage walking from home to stores and amenities, rather than continuing the “suburban” pattern of residential-only communities with their heavy reliance on automobiles. How appealing is the more “urban” scenario for Orange County residents? While a slight majority would prefer the “suburban” model, 46 percent actually prefer the mixed-land use neighborhood. In fact, a majority of renters and younger residents express a preference for living in a mixed-use neighborhood. The desire for residential-only areas—even if it requires driving to local stores—is higher among whites (56%) than Latinos (35%) and increases with education and income.

“How do you feel about the following tradeoffs? Other things being equal, would you choose to live in a ...”

	All Adults	Home		Age		
		Own	Rent	18-34	35-54	55 or older
Small home with a small backyard if it means you have a short commute to work	61%	60%	63%	54%	60%	70%
Large home with a large backyard, even if it means you would have a long commute to work	35	35	34	44	37	23
Don't know	4	5	3	2	3	7

	All Adults	Home		Age		
		Own	Rent	18-34 years old	35-54 years old	55 years or older
Residential-only neighborhood, even if it means you have to drive to stores, schools, and services	50%	58%	38%	44%	54%	53%
Mixed-use neighborhood if it means you can walk to stores, schools, and services	46	39	58	53	43	41
Don't know	4	3	4	3	3	6

State and National Issues

California Conditions Today

Orange County residents are feeling considerably more optimistic about the state of their state than they were a year ago when we asked about conditions in California in the wake of the governor’s recall. By a two-to-one margin (62% to 31%), Orange County residents today believe the state is headed in the right direction rather than the wrong direction. A year ago, 50 percent of county residents described the state as going in the right direction while four in 10 said it was on the wrong track.

Californians as a whole are not as upbeat as Orange County residents about the state: In our PPIC Statewide Survey in October, only 44 percent of state residents thought that California was headed in the right direction, while a similar 44 percent said it was headed in the wrong direction.

Positive assessments about the state of the state are higher among whites (64%) than Latinos (56%) and tend to increase with income, education, and homeownership. South County residents (67%) are more likely than North County residents (60%) to offer positive assessments. Perceptions are fairly similar among young and older residents. The most significant differences in evaluations of the state of the state are partisan in nature: Republicans (70%) are the most likely to say that the state is headed in the right direction, followed by independents (62%) and Democrats (55%).

Orange County residents are also optimistic about the state’s economy: Those who expect good economic times outnumber those who are expecting bad financial times by a more than two-to-one margin (65% to 28%). Once again, Orange County residents have a more positive outlook than Californians as a whole: In our October PPIC Statewide survey, expectations of state residents were evenly mixed (42% good times, 43% bad times), with 15 percent saying they were unsure.

Older residents are more optimistic than younger residents, and whites (69%) are more optimistic about the economy than Latinos (55%). The perception that good economic times lie ahead also tends to increase with age, education, income, and homeownership. Republicans are much more upbeat than Democrats or independents about the near-term future of the California economy.

“Do you think things in California are generally going in the right direction or the wrong direction?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Right direction	62%	55%	70%	62%	56%
Wrong direction	31	37	25	30	35
Don't know	7	8	5	8	9

“Turning to economic conditions in California, do you think that during the next 12 months we will have good times financially or bad times?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Good times	65%	52%	79%	65%	55%
Bad times	28	42	16	28	35
Don't know	7	6	5	7	10

Governor’s Approval Ratings

One year after he was sworn into office as the “replacement” in a governor’s recall election, Arnold Schwarzenegger is receiving sky-high approval ratings in Orange County. Seven in 10 Orange County residents approve of his overall performance in office, while 25 percent disapprove of the way he is handling his job. Only 7 percent express no opinion.

The governor’s approval ratings in Orange County exceed his statewide ratings by 7 points—his approval rating stood at 61 percent in our October PPIC Statewide Survey. One of the reasons for Schwarzenegger’s high marks in Orange County is the strong representation of the GOP in that county, where the governor scores a 91 percent approval rating among Republican voters. Nonetheless, his popularity among Democrats and independents in Orange County is also impressive, and he receives higher marks from these groups in the county than he does in our statewide surveys.

Schwarzenegger’s approval ratings in Orange County tend to increase with age, education, income, and homeownership. However, his supporters outnumber his detractors across all of these demographic groups. The only group within which a majority express disapproval of the governor is Latinos—a trend also found statewide. In Orange County, 81 percent of whites approve of Schwarzenegger’s performance in office, while a majority of Latinos (52%) say they disapprove of the way he is handling his job.

In terms of his specific performance on important California issues—the state budget and taxes and jobs and the economy—the governor’s approval ratings are highly positive. Two in three Orange County residents approve of the way the governor is handling these issues. Republicans are overwhelmingly favorable in their assessment of his performance in these two specific domains. Equally notable, about half of the county’s Democrats and about two in three independents rate Schwarzenegger favorably in his handling of fiscal and economic issues. Across almost all demographic groups, there are more county residents who say they approve than disapprove of the governor’s performance on fiscal and economic issues. His support increases with age, education, income, and homeownership. Once again, it is among Latinos that we find majorities expressing disapproval of Schwarzenegger’s performance in these areas, while three in four whites say they approve of the job he is doing on both the economy (75%) and state budget (76%).

“Overall, do you approve or disapprove of the way that Arnold Schwarzenegger is handling ...”

		All Adults	Party Registration			Latinos
			Dem	Rep	Ind	
<i>his job as governor of California</i>	Approve	68%	56%	91%	72%	37%
	Disapprove	25	35	6	21	52
	Don't know	7	9	3	7	11
<i>the issue of jobs and the economy in California</i>	Approve	63	52	89	59	35
	Disapprove	25	36	5	25	51
	Don't know	12	12	6	16	14
<i>the issue of the state budget and taxes</i>	Approve	63	49	85	65	35
	Disapprove	27	39	10	23	52
	Don't know	10	12	5	12	13

U.S. Conditions Today

With the presidential election now behind them, Orange County residents are upbeat about the direction in which the nation is headed: Fifty-seven percent say the United States is going in the right direction, while 38 percent think it is headed the wrong way. County residents' assessment of the state of the nation was almost the same a year ago, (56% right direction, 38% wrong direction).

Orange County residents are much more optimistic than state residents about the course of the nation: Fifty-four percent of Californians said the nation was on the wrong track, and only 42 percent said it was headed in the right direction when we asked this question in our September statewide survey.

The belief that the nation is headed in the right direction is shared by majorities of Orange County residents across age, education, and income groups and among whites (60%) and Latinos (51%). As is the case in our statewide surveys, and as was evident in Orange County last year, Republicans (80%) are much more likely than Democrats (30%) to believe that the nation is headed in the right direction.

Orange County residents are also very optimistic about the national economy over the next year: By a two-to-one margin (62% to 29%) they anticipate good rather than bad fiscal conditions over the next 12 months. This view is almost identical to the assessment that county residents offered a year ago. By comparison, Californians are much less positive in their perceptions of the U.S. economy: In our September statewide survey, only 47 percent expected good times for the U.S. economy over the next 12 months, while 41 percent expected unpromising times.

The perception that the U.S. economy is headed toward good times over the next year is similar across age, education, income, and racial/ethnic groups in Orange County. However, Democrats (39%) and independents (53%) are much less likely than Republicans (82%) to expect the U.S. economy to perform well over the next year.

Orange County residents are more optimistic today than a year ago about the state's direction and economy. They are more likely today to believe that the state—but not the nation—is headed in the right direction, while ratings of the state and national economy have now pulled about even.

“Do you think things in the United States are generally going in the right direction or the wrong direction?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Right direction	57%	30%	80%	49%	51%
Wrong direction	38	66	16	46	41
Don't know	5	4	4	5	8

“Turning to business conditions in the country as a whole, do you think that during the next 12 months we will have good times financially or bad times?”

	All Adults	Party Registration			Latinos
		Dem	Rep	Ind	
Good times	62%	39%	82%	53%	63%
Bad times	29	52	11	36	27
Don't know	9	9	7	11	10

President's Approval Ratings

President George W. Bush was heavily preferred over Senator John Kerry in the November presidential election in GOP-leaning Orange County (60% to 39%), even as the state of California supported the Democratic over the Republican candidate by a 10-point margin (54% to 44%). After the election, Orange County residents reaffirmed their support for President Bush: Fifty-seven percent said they approved of the president's overall performance in office, while 40 percent said they did not.

Bush's approval ratings in Orange County were similar in 2003 (59%) and during his first year in office in 2001 (57%), but higher in 2002 in the wake of the September 11th terrorist attacks (68%). The president's overall approval ratings are much lower among all California adults: In our October statewide survey, 42 percent approved and 55 percent disapproved of his performance in office.

As might be expected, the perception of the president's overall performance varies sharply across party lines and political ideologies: A majority of Orange County Democrats (72%) and liberals (69%) disapprove of Bush, while a majority of Republicans (87%) and conservatives (77%) approve of him; independent voters are almost evenly divided (45% approve; 50% disapprove). Among those most likely to vote, 61 percent approve and 38 percent disapprove of the way Bush is handling his job.

A majority of residents in both the North and South county regions and across age, education, gender, and income categories say they approve of Bush's overall job performance, and approval of the way he is handling his job tends to increase with age and homeownership. However, Latinos (49%) are less likely than whites (61%) to voice their approval of the president's overall performance in office.

Approval ratings for Bush's job performance on economic issues is somewhat lower than his overall approval ratings—largely because lower-income residents give him especially low ratings in this realm. By contrast, the president receives higher approval ratings for his handling of terrorism and security issues, primarily because Democrats rank the president the highest in this dimension of his job. The president's ratings on terrorism and security, as well as on economic issues, were about the same a year ago as they are today.

“Overall, do you approve or disapprove of the way that George W. Bush is handling ...”

		All Adults	Party Registration			Latinos
			Dem	Rep	Ind	
<i>his job as president of the United States</i>	Approve	57%	26%	87%	45%	49%
	Disapprove	40	72	13	50	46
	Don't know	3	2	0	5	5
<i>economic issues</i>	Approve	53	21	83	42	46
	Disapprove	42	75	16	53	47
	Don't know	5	4	1	5	7
<i>terrorism and homeland security issues</i>	Approve	62	40	87	46	55
	Disapprove	35	57	12	49	41
	Don't know	3	3	1	5	4

2004 Presidential Election

What are the hopes and expectations for the second term of the Bush presidency, with the president this time having experienced a definitive win in both the Electoral College and the popular vote, unlike the 2000 election?

About two in three Orange County residents believe that Bush will be a strong and capable president in his second term, and 45 percent *strongly agree* with this outlook over the next four years. Likely voters hold a similarly positive perspective. However, there is a sharp partisan divide, with more than half of Democrats saying that they do not think Bush will be a strong and capable president in his second term, and three in four Republicans holding the opposite view. As for independent voters, about half have a positive perception of his performance over the next four years, while four in 10 do not think Bush will be a strong and capable president.

What about the possibility of the nation coming together after a bitter and divisive presidential campaign? On this issue, Orange County is split. Half of the county's residents say that the nation will be able to unite behind Bush and that he will be able to accomplish a lot; half say that the nation will be divided and that it will be hard for the president to accomplish much in the coming four years. Again we see a partisan divide: Two in three Republicans expect that the country will unite behind President Bush, while two in three Democrats believe that the country will be divided and that it will be hard to accomplish anything. Among independents, more believe that the country will be divided than expect it to be united. And finally, by a slight edge, likely voters expect the country to unite behind President Bush.

“President Bush won re-election on November 2nd. Do you agree or disagree that George W. Bush will be a strong and capable president in his second term?”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Strongly agree	45%	17%	76%	29%	51%
Somewhat agree	19	20	16	22	16
Somewhat disagree	9	12	3	10	7
Strongly disagree	24	48	5	34	24
Don't know	3	3	0	5	2

“Which of these statements comes closer to your point of view ...”

	All Adults	Party Registration			Likely Voters
		Dem	Rep	Ind	
Country will be able to unite	47%	30%	67%	36%	51%
Country will be divided	47	66	30	58	45
Don't know	6	4	3	6	4

Trust in the Federal Government

State and national polls earlier this year reported a widening gap in political attitudes between Republicans and Democrats on a range of issues. To determine if the partisan divide with respect to government trust has increased over the past five years in Orange County, we compare attitudes on government performance, efficiency, and responsiveness today with results from the 1999 Orange County Annual Survey.

Four in 10 Orange County residents today say that they trust the federal government to do what is right just about always or most of the time, which reflects a substantial increase in trust in the federal government. Five years ago, it was Democrats who held more positive views of the federal government, while today, Republicans are the most likely to trust the federal government to do what is right. Over time, there has been a slight decline in trust among Democrats (-5 percentage points) and a sharp increase in the levels of trust among Republicans (+31), leading to a sharp reversal in attitudinal trends.

About half of Orange County residents believe that the federal government wastes a lot of money, a belief that has declined slightly over time. But underlying this seemingly small change is a highly significant trend: A sharp difference of opinions between Democrats and Republicans five years ago has disappeared. Democrats have moved in the direction of saying that the federal government wastes a lot of money (+6 points), while Republicans are much less likely to hold this view today compared to five years ago (-17).

About half of Orange County residents today believe that the federal government is run by and for special interests. This belief has declined over time, which results from a sharp drop in this perception among Republicans (-29 points), even though more Democrats hold this view today than five years ago (+9). Thus, we see a reversal of attitudes—Republicans were more cynical about government five years ago, and now it is the Democrats who have less trust in government.

<i>Percent who agree</i>		All Adults	Party Registration	
			Dem	Rep
Government in Washington can be trusted to do what is right just about always or most of the time	December 1999	28%	32%	21%
	December 2004	40	27	52

<i>Percent who agree</i>		All Adults	Party Registration	
			Dem	Rep
People in the federal government waste a lot of the money we pay in taxes	December 1999	55%	49%	69%
	December 2004	52	55	52

<i>Percent who agree</i>		All Adults	Party Registration	
			Dem	Rep
Government is pretty much run by a few big interests looking out for themselves	December 1999	63%	64%	72%
	December 2004	56	73	43

Survey Methodology

The Orange County Survey is a special edition of the PPIC Statewide Survey, which is directed by Mark Baldassare, research director at the Public Policy Institute of California, with assistance in research and writing from Jon Cohen, associate survey director; Renatta DeFever and Kristy Michaud, survey research associates; Kimberly Curry, survey intern; and Cheryl Katz, who was the co-director of the Orange County Annual Survey at the University of California, Irvine. The survey was conducted in collaboration with the School of Social Ecology at the University of California, Irvine; however, the survey methods, questions, and the content of this report were solely determined by Mark Baldassare.

The findings of this survey are based on a telephone survey of 1,008 Orange County adult residents interviewed from November 3 to November 9, 2004. Interviewing took place on weekend days and weekday nights, using a computer-generated random sample of telephone numbers, ensuring that both listed and unlisted telephone numbers were called. All telephone exchanges in Orange County were eligible for calling. Telephone numbers in the survey sample were called up to five times to increase the likelihood of reaching eligible households. Once a household was reached, an adult respondent (age 18 or older) was randomly chosen for interviewing by using the “last birthday method” to avoid biases in age and gender. Each interview took an average of 18 minutes to complete. Interviewing was conducted in English or Spanish. Schulman, Ronca & Bucuvalas, Inc. conducted the telephone interviewing.

We used recent U.S. Census and state figures to compare the demographic characteristics of the survey sample with characteristics of Orange County’s adult population. The survey sample was closely comparable to the census and state figures. The survey data in this report were statistically weighted to account for any demographic differences. The sampling error for the total sample of 1,008 adults is +/- 3 percent at the 95 percent confidence level. This means that 95 times out of 100, the results will be within 3 percentage points of what they would be if all Orange County adults were interviewed. The sampling error for subgroups is larger. Sampling error is just one type of error to which surveys are subject. Results may also be affected by factors such as question wording, question order, and survey timing.

Throughout the report, we refer to two geographic regions. North County includes approximately 71 percent of the county population and refers to cities and communities north of the 55 Freeway, including Anaheim, Anaheim Hills, Brea, Buena Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, Huntington Beach, La Habra, La Palma, Los Alamitos, Midway City, Orange, Placentia, Rossmoor, Santa Ana, Seal Beach, Stanton, Sunset Beach, Tustin, Villa Park, Westminster, and Yorba Linda. South County includes 29 percent of the county population and refers to cities and communities south of the 55 Freeway, including Aliso Viejo, Capistrano Beach, Corona del Mar, Coto de Caza, Dana Point, El Toro, Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Modjeska, Newport Beach, Portola Hills, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Trabuco, and Trabuco Canyon. We present results for non-Hispanic whites (referred to in the tables and text as “whites”) and Latinos because each group accounts for a substantial number of the county’s adult population. The sample sizes for the African American and Asian American subgroups are not large enough for separate statistical analysis. We also contrast the opinions of registered Democrats, Republicans, and “independents” (i.e., those who are registered as “decline to state”).

In some cases, we compare the Orange County Survey responses to responses in the 1982-2000 Orange County Annual Surveys at the University of California, Irvine; the PPIC Statewide Surveys, including the Special Survey of Orange County in 2001, 2002, and 2003 and the Special Survey on Californians and their Housing in November 2004; and the Index of Consumer Sentiment, Surveys of Consumer Attitudes, Survey Research Center, University of Michigan (October 2004).

**PPIC STATEWIDE SURVEY: SPECIAL SURVEY ON ORANGE COUNTY
NOVEMBER 3—NOVEMBER 9, 2004
1,008 ORANGE COUNTY ADULT RESIDENTS; ENGLISH AND SPANISH
MARGIN OF ERROR +/- 3% AT 95% CONFIDENCE LEVEL FOR TOTAL SAMPLE**

1. Is the place you currently live a single-family detached home, an attached home such as a condo, duplex, or townhome, an apartment, or another type of dwelling?

- 56% single-family detached home
- 18 attached home
- 24 apartment
- 2 other (specify)

2. Overall, how satisfied are you with the house or apartment you live in? Are you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?

- 66% very satisfied
- 28 somewhat satisfied
- 4 somewhat dissatisfied
- 2 very dissatisfied

3. Overall, how satisfied are you with the neighborhood you live in? Are you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?

- 68% very satisfied
- 25 somewhat satisfied
- 5 somewhat dissatisfied
- 2 very dissatisfied

Next, I'd like to ask how you would rate some of the public services in your local area.

[rotate questions 4 to 7]

4. How about local freeways, streets, and roads? Would you say they are excellent, good, fair, or poor?

- 19% excellent
- 45 good
- 25 fair
- 11 poor

5. How about local parks, beaches, and other public recreational facilities?

- 36% excellent
- 48 good
- 11 fair
- 2 poor
- 3 don't know

6. How about local police protection?

- 37% excellent
- 46 good
- 8 fair
- 3 poor
- 6 don't know

7. How about local public schools?

- 28% excellent
- 36 good
- 11 fair
- 4 poor
- 21 don't know

8. Overall, how would you rate the performance of city government in solving problems in your city—excellent, good, fair, or poor?

- 11% excellent
- 45 good
- 26 fair
- 7 poor
- 1 don't live in a city
- 10 don't know

Next, we are interested in your opinions about the region or broader geographic area that you live in. I am going to read you a list of problems other people have told us about. For each one, please tell me if you think this is a big problem, somewhat of a problem, or not a problem in your part of Orange County

[rotate questions 9 to 12]

9. How about traffic congestion on freeways and major roads?

- 57% big problem
- 32 somewhat of a problem
- 9 not a problem
- 2 don't know

10. How about population growth and development?

- 33% big problem
- 36 somewhat of a problem
- 28 not a problem
- 3 don't know

11. How about the availability of housing that you can afford?

- 55% big problem
- 26 somewhat of a problem
- 17 not a problem
- 2 don't know

12. How about the lack of opportunities for well-paying jobs?

- 21% big problem
- 34 somewhat of a problem
- 35 not a problem
- 10 don't know

13. Next, we are interested in your opinions about Orange County as a whole. First, what do you think is the most important issue facing Orange County today?
[code, don't read]

- 18% housing costs; housing availability
- 17 population growth; too much development; sprawl
- 13 traffic; transportation
- 10 jobs; economy; unemployment
- 8 immigration; illegal immigration
- 4 crime; gangs
- 4 education; schools
- 2 environment; pollution
- 1 drugs
- 1 government regulations
- 1 health care; health care costs; HMO reform
- 1 race relations; racial and ethnic issues
- 1 state budget; deficit
- 1 taxes
- 3 other (specify)
- 15 don't know

14. In general, how would you rate the economy in Orange County today? Would you say it is excellent, good, fair, or poor?

- 15% excellent
- 54 good
- 25 fair
- 5 poor
- 1 don't know

15. Do you think that buying a home in Orange County today is an excellent, good, fair, or poor investment?

- 35% excellent
- 40 good
- 13 fair
- 10 poor
- 2 don't know

16. Thinking about the quality of life in Orange County, how do you think things are going—very well, somewhat well, somewhat badly, or very badly?

- 36% very well
- 54 somewhat well
- 8 somewhat badly
- 2 very badly

17. On another topic, how would you rate the performance of county government in solving problems in Orange County—excellent, good, fair, or poor?

- 6% excellent
- 43 good
- 33 fair
- 7 poor
- 11 don't know

18. When your county government officials decide what policies to adopt, how much attention do you think they pay to what the people think—a lot, some, very little, or no attention?

- 13% a lot
- 51 some
- 24 very little
- 5 no attention
- 7 don't know

19. In general, do you think the people who run county government waste a lot, some, very little, or none of the money we pay in taxes?

- 29% a lot
- 46 some
- 10 very little
- 2 none
- 13 don't know

20. Measure M, the one-half cent sales tax approved by Orange County voters, is funding freeway projects, public transit, and local street improvements. In general, how satisfied are you with the way the Measure M funds are being used for transportation projects in Orange County—very satisfied, somewhat satisfied, or not satisfied?

- 14% very satisfied
- 57 somewhat satisfied
- 18 not satisfied
- 11 don't know

21. The Measure M sales tax is currently set to expire in 2011. If an election were held today, would you vote yes or no on an Orange County ballot measure to extend the half-cent sales tax another 20 years to fund transportation projects in Orange County?

56% yes
34 no
10 don't know

22. On another topic, ten years ago, the Orange County government declared bankruptcy, in December 1994. Do you happen to know anything about this event? (if yes: Do you know a lot or a little about the Orange County bankruptcy?)

19% yes, a lot
34 yes, a little
47 no

[rotate questions 23 and 24]

23. Do you think that the Orange County government bankruptcy in December 1994 has had a good effect, bad effect, or no effect on the *quality of life* in Orange County today?

14% good effect
30 bad effect
37 no effect
19 don't know

24. Do you think that the Orange County government bankruptcy in December 1994 has had a good effect, or bad effect, or no effect on the *economy* in Orange County today?

14% good effect
35 bad effect
30 no effect
21 don't know

25. On another topic, would you say you (and your family) are financially better off or worse off than you were a year ago?

51% better off
27 worse off
21 same
1 don't know

26. Looking ahead, do you think that a year from now you (and your family) will be better off, worse off, or just about the same as now?

41% better off
7 worse off
48 same
4 don't know

27. Turning to business conditions in the country as a whole, do you think that during the next 12 months we will have good times financially or bad times?

62% good times
29 bad times
9 don't know

28. Looking ahead, in the country as a whole, will we have continued good times during the next five years, or will we have periods of widespread unemployment or depression?

49% good times
41 periods of unemployment or depression
10 don't know

29. How about the big things that people buy for their homes, such as furniture, a refrigerator, a stove, television, and things like that—generally speaking, do you think now is a good or a bad time for people to buy major household items?

61% good time
26 bad time
13 don't know

30. Does the cost of your housing place a financial strain on you and your family today? (if yes: Is that a lot of financial strain or only a little?)

21% yes, a lot
18 yes, a little
59 no
2 don't know

31. Does the cost of your housing make you and your family seriously consider moving away from Orange County? (if yes: Does it make you consider moving elsewhere in California, or outside of the state?)

9% yes, elsewhere in California
20 yes, outside of the state
2 yes, other
69 no

32. How concerned are you that the cost of housing will prevent the younger generation in your family from buying a home in Orange County—very concerned, somewhat concerned, not too concerned, or not at all concerned?

54% very concerned
25 somewhat concerned
9 not too concerned
9 not at all concerned
1 no younger generation in family
2 don't know

33. To the best of your knowledge, have average home values in Orange County been increasing in the past few years, or not? (*if yes*: Have they been increasing a lot or only a little?)

- 90% yes, have increased a lot
- 6 yes, have increased a little
- 2 no, have not increased
- 2 don't know

34. Overall, do you think increasing average home values in Orange County is a good thing or a bad thing for you and your family?

- 50% good thing
- 43 bad thing
- 4 no difference
- 3 don't know

35. In general, how important are increasing average home values to the quality of life and economic vitality of Orange County—very important, somewhat important, not too important, or not at all important?

- 41% very important
- 44 somewhat important
- 8 not too important
- 4 not at all important
- 3 don't know

On another topic, many people face tradeoffs when choosing a place to live—meaning that they have to give up some things in order to have other things. How do you feel about the following tradeoffs? Other things being equal ...

[rotate questions and pairs for 36 and 37]

36. (1) Would you choose to live in a small home with a small back yard, if it means you have a short commute to work *[or]* (2) Would you choose to live in a large home with a large backyard, even if it means you would have a longer commute to work?

- 61% small home, short commute
- 35 large home, longer commute
- 4 don't know

37. (1) Would you choose to live in a mixed-use neighborhood, if it means you can walk to stores, schools, and services *[or]* (2) Would you choose to live in a residential-only neighborhood, even if it means you have to drive to stores, schools, and services?

- 46% mixed-use neighborhood, walk to stores
- 50 residential-only neighborhood, drive to stores
- 4 don't know

38. On another topic, do you think things in California are generally going in the right direction or the wrong direction?

- 62% right direction
- 31 wrong direction
- 7 don't know

39. Turning to economic conditions in California, do you think that during the next 12 months we will have good times financially or bad times?

- 65% good times
- 28 bad times
- 7 don't know

40. Overall, do you approve or disapprove of the way that Arnold Schwarzenegger is handling his job as governor of California?

- 68% approve
- 25 disapprove
- 7 don't know

41. Do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of jobs and the economy in California?

- 63% approve
- 25 disapprove
- 12 don't know

42. Do you approve or disapprove of the way that Governor Schwarzenegger is handling the issue of the state budget and taxes?

- 63% approve
- 27 disapprove
- 10 don't know

43. On another topic, do you think things in the United States are generally going in the right direction or the wrong direction?

- 57% right direction
- 38 wrong direction
- 5 don't know

44. Overall, do you approve or disapprove of the way that George W. Bush is handling his job as president of the United States?

- 57% approve
- 40 disapprove
- 3 don't know

45. Overall, do you approve or disapprove of the way that President Bush is handling economic issues?

- 53% approve
- 42 disapprove
- 5 don't know

46. Do you approve or disapprove of the way that President Bush is handling terrorism and homeland security issues?

62% approve
35 disapprove
3 don't know

47. President Bush won reelection on November 2nd. Do you agree or disagree that George W. Bush will be a strong and capable president in his second term? (*if agree or disagree: Is that strongly or somewhat?*)

45% strongly agree
19 somewhat agree
9 somewhat disagree
24 strongly disagree
3 don't know

48. Which of these statements comes closer to your point of view: [*rotate*] (1) the country will be able to unite behind President Bush, who will be able to accomplish a lot in the next four years [*or*] (2) the country will be divided and it will be hard for President Bush to accomplish a lot over the next four years?

47% country will be able to unite
47 country will be divided
6 don't know

49. On another topic, people have different views about the government in Washington. How much of the time do you think that you can trust the government in Washington to do what is right—just about always, most of the time, or only some of the time?

7% just about always
33 most of the time
54 some of the time
4 none of the time [*volunteered*]
2 don't know

50. Do you think the people in the federal government waste a lot of the money we pay in taxes, waste some of it, or don't waste very much of it?

52% a lot
40 some
5 don't waste very much
3 don't know

51. Would you say the federal government is pretty much run by a few big interests looking out for themselves or is it run for the benefit of all the people?

56% few big interests
36 benefit of all the people
8 don't know

52. On another topic, generally speaking, how much interest would you say you have in politics—a great deal, a fair amount, only a little, or none?

31% great deal
41 fair amount
23 only a little
5 none

53. Some people are registered to vote and others are not. Are you absolutely certain that you are registered to vote?

79% yes [*ask q. 54*]
21 no [*skip to q.55a*]

54. Are you registered as a Democrat, a Republican, another party, or as an independent?

30% Democrat [*ask q. 55b*]
49 Republican [*ask q. 55c*]
18 independent [*ask q. 55a*]
3 other [*ask q. 56*]

55a. Do you think of yourself as closer to the Republican Party or Democratic Party?

27% Republican party
38 Democratic party
26 neither
9 don't know

[*go to question 56*]

55b. Would you call yourself a strong Democrat or not a very strong Democrat?

50% strong
48 not very strong
2 don't know

[*go to question 56*]

55c. Would you call yourself a strong Republican or not a very strong Republican?

69% strong
29 not very strong
2 don't know

[*go to question 56*]

56. How often would you say you vote—always, nearly always, part of the time, seldom, or never?

58% always
14 nearly always
7 part of the time
3 seldom
17 never
1 don't know

57. On another topic, would you consider yourself to be politically ...

[rotate order of ideology spectrum]

- 6% very liberal
- 18 somewhat liberal
- 30 middle-of-the-road
- 28 somewhat conservative
- 16 very conservative
- 2 don't know

D1. Do you own or rent your current residence?

- 63% own *[ask q. D2a]*
- 37 rent *[ask q. D2b]*

D2a. In the past few years, do you think the value of the home you live in has increased a lot, increased some, stayed about the same, or declined?

- 85% increased a lot
- 11 increased some
- 1 stayed about the same
- 1 declined
- 2 don't know

[go to D4]

D2b. In the past few years, has the rent on the home or apartment you live in increased a lot, increased some, stayed about the same, or declined?

- 33% increased a lot
- 35 increased some
- 27 stayed about the same
- 1 declined
- 4 don't know

D3. *[Renters only]* Do you hope to someday own a home?

- 88% yes
- 11 no
- 1 don't know

D4. If you decided to buy a new home in the near future, how likely is it that you would be able to find a home that you can afford and would like to buy in your part of California—very likely, somewhat likely, not very likely, or not at all likely?

- 22% very likely
- 29 somewhat likely
- 27 not very likely
- 20 not at all likely
- 2 don't know

D5. *[If employed]* How do you usually commute to work—drive alone, carpool, public bus or transit, or some other means?

- 80% drive alone
- 8 carpool
- 4 public bus or transit
- 4 some other means *[specify]*
- 4 work at home

D6. *[If employed]* Overall, how satisfied are you with your commute to work? Are you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied?

- 49% very satisfied
- 32 somewhat satisfied
- 12 somewhat dissatisfied
- 7 very dissatisfied

[D7 to D12: demographic questions]

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