







# How the Big Orange Index works

The index, compiled by Register columnist Jonathan Lansner, tracks six key sectors of the O.C. economy. This chart lists the components that make up the six sub-indexes. Five of the sub-indexes were pegged at 100 for the end of 1989. The Big Orange Index is derived from adding those five sub-indexes and then discounting the total by local payment strength as measured by the Banker Index. This chart tracks the past 12 months for each component, plus the percentage change from the previous three months and a year ago. Some figures are based on estimates from economic departments at Chapman University and California State University, Fullerton.

	Indicators	The buzz	Source	Latest reading	Latest vs. last qtr.	Latest vs. year ago
	<b>The Banker</b>					
	Notices of default	Start of foreclosure	FAR	8,017	30.7%	105.7%
	Foreclosures	Major mortgage woes	FAR	1,720	46.6%	467.7%
	Mortgage count	Lending activity	DQ	237,097	-2.8%	-20.1%
	Property-tax payment	Smaller homeowner woes	OCT	95%	-0.3%	-0.4%
	Bankruptcy filings	S. Calif. debt problems	BCC	21,924	22.7%	-69.6%
	Unemployment	Jobless can't pay bills	EDD	3.4%	0.7%	-3.1%
	<b>Index</b>	Dec. 1989=100		97.41%	-0.3%	-0.3%
	<b>The Boss</b>					
	Corporate profit index	How 10 key firms fared*	OCR	\$34.9	0.3%	8.4%
	All other jobs	Jobs outside services, building	EDD	460,250	0.1%	1.8%
	Nonhome building starts	Permits for business structures	CU	\$2.3 billion	1.0%	14.1%
	Business starts	Count of doing-business-as filings	OCC	41,058	0.2%	-5.3%
	Purchasing managers	Pulse of corporate buyers	CU	57.1	-3.1%	-6.5%
	<b>Index</b>	Dec. 1989=100		155.9	-0.3%	2.3%
	<b>The Consumer</b>					
	Consumer confidence	Psyche of local shoppers	I/CB	109	1.6%	10.9%
	Recession index	Register mentions of recession	OCR	75	0.0%	6.8%
	O.C./U.S. stock index**	Market key to savings, psyche	OCR	772	3.2%	5.1%
	Home-mortgage cost	Confident shoppers pay more	DQ	\$2,875	0.6%	5.8%
	All vehicle sales	Big purchases show strength	CU	\$9.49 billion	1.5%	6.2%
	<b>Index</b>	Dec. 1989=100		168.2	1.2%	4.7%
	<b>The Merchant</b>					
	Retail jobs	Healthy merchants will hire	EDD	146,133	-0.2%	-0.9%
	Personal income	What O.C. makes	CU	\$146.41 billion	1.4%	6.1%
	Price pressure index	Consumer minus wholesale index	DL	4.0%	-9.0%	-14.3%
	Taxable sales	Stale shopping activity	BE	2.1%	-16.8%	-59.6%
	Retail sales minus car sales	Core O.C. buying patterns	BE	\$31.67 billion	0.9%	4.9%
	<b>Index</b>	Dec. 1989=100		131.6	0.2%	0.8%
	<b>The Property Owner</b>					
	Construction/Fin/RE jobs	Industries driven by property	EDD	226,992	-0.4%	0.3%
	Home sales	Driving force for market	DQ	34,288	-8.1%	-28.3%
	Home values	Price change for O.C. homes	OF/R	4.8%	-45.7%	-72.8%
	Residential building permits	What builders are thinking	CU	\$1.98 billion	-3.7%	-17.1%
	Mortgage lending	Commercial home loans	DQ	\$85.06 billion	-0.5%	-14.5%
	Renting index	Monthly rent X occupancy rate	R/R	\$1,433	1.4%	6.3%
	<b>Index</b>	Dec. 1989=100		163.5	-1.7%	-7.9%
	<b>The Server</b>					
	All other service jobs	Excluding retailing, finance	EDD	696,150	0.2%	1.5%
	O.C. office-space index	Sq-foot rent X occupancy rate	GE	\$2.37	2.5%	10.7%
	Nonretail taxable sales	Key slice of service revenue	CU	\$19.45 billion	1.6%	6.8%
	Tourism index	Hotel rates X occupancy rate	PKF	\$108.44	1.5%	7.2%
	John Wayne traffic	Passenger count	JWA	9,708,747	0.8%	0.9%
	Regional leading indicators	How Southern California fares	CSF	119.77	0.1%	0.2%
		<b>Index</b>	Dec. 1989=100		149.4	1.0%
	<b>The Big Orange</b>	Dec. 1989=500		757.9	0.1%	0.8%

Sources codes:

BCC: Bankruptcy Court/Central District; BE: Board of Equalization; CSF: Cal State Fullerton; CU: Chapman University; DL: U.S. Dept. of Labor; DQ: DataQuick; EDD: Economic Development Department; FAR: First American/RES; GE: Grubb & Ellis; I/CB: UC Irvine and Conference Board; JWA: John Wayne Airport; LB: Cal State Long Beach; OCC: O.C. Clerk/Recorder; OCR: O.C. Register; OCT: O.C. Treasurer; OF/R: Office of Federal Housing Enterprise Oversight and Real Estate Research Council of S. California; PKF: PKF Consulting; R/R: Research Network and RealFacts.

\*Note: Profit index is 30% earnings of S&P 500 companies plus 70% of 10 O.C. companies constituting the profit index: Beckman, Ceradyne, Comarco, CKE, Downey, Fluor, PacifiCare, Quiksilver, Standard-Pacific, Western Digital \*\*O.C./U.S. stock index is 50% of an average of local stocks previously mentioned, 40% S&P 500 and 10% Nasdaq Composite 12/31/1987=100; NMF = nonmeaningful figure