Issue Brief: Using Data Tools to Compare Regional Economic Well-Being in California

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Executive Summary

This Issue Brief surveys 11 data tools that measure and analyze how people and places are doing across California based on various indicators for economic, social, physical, and environmental well-being. Commission staff developed this resource to support state leaders, who will need to utilize objective metrics and data tools as they implement the Community Economic Resilience Fund (CERF), a statewide initiative to encourage inclusive regional economic planning and development, and address broad issues of regional equity.

The data tools identified and compiled in the Brief include the Governor's Office of Business and Economic Development's Community and Place-Based Data Tool, the Economic Innovation Group's Distressed Communities Index, and the Office of Environmental Health Hazard Assessment's CalEnviroScreen.

In addition to identifying existing data tools that provide insight into the health of regional economies, this Brief also discusses how these tools can shape perceptions of regions' economic well-being and how they can offer different—even contrasting—depictions of how places are faring.

Although the tools discussed in this Brief all provide thorough information about the well-being of California's regions, they also vary in key ways, including the number of individual metrics used (ranging from four to 37), the specificity of geographic areas covered (ranging from census tracts to large regions), whether they focus on a single topic or compile data on multiple topics, and whether they ultimately produce an overall score or simply a compilation of individual metrics.

In analyzing these tools, the Commission illustrates five ways in which data tools can shape how we perceive regional economic well-being:

- **How regions are defined:** Perception of the overall well-being of regions can vary significantly based on how regions are delineated. An example is the state's southern border, which is sometimes viewed as one region, or is sometimes bifurcated into a coastal region focused on San Diego County and an inland region consisting of Imperial County. The Southern Border region performs relatively well when viewed as a single area. However, when viewed independently, San Diego and Imperial Counties perform notably differently than each other, sometimes even on opposite ends of the spectrum. Similar differences can be found elsewhere in the state, depending on regional definitions.

- **Which metrics are used:** Which metrics are used and differences in how similar metrics are calculated can play a big role in changing our perception of areas. For example, the federal poverty rate, California Poverty Measure, and Real Cost Measure all seek to capture similar concepts, but the outputs of these metrics vary considerably across tools.
- **Number of metrics used:** While single metrics can offer a simple and standardized way to compare progress over time, they lack nuance and only account for one of the many aspects that contribute to the well-being of individuals and societies. Alternatively, data tools that combine a wide range of metrics have the potential to provide a more comprehensive picture of the well-being of an area. However, when pulling metrics from a variety of domains—such as environmental quality and economic prosperity—differences in how regions perform across domains can be masked.
- **Granularity of the geography covered:** Analyzing well-being across wider geographies can obscure disparities that exist within communities in the same region. Data tools that allow users to compare and contrast based on census tract, zip code, and city level open up the opportunity to explore some of the variations in well-being that exist among communities within the same region.
- **Time of data collection:** Accuracy-related concerns arise when pulling data from anomalous time periods, such as the COVID-pandemic. When comparing regional performance in anomalous eras it can be helpful to examine changes over time (looking at whether the trajectory of disparities is widening or narrowing), as opposed to focusing solely on snapshot comparisons.