



# CATHEDRAL CITY

# ECONOMIC REPORT 2016



LOWE INSTITUTE  
OF POLITICAL ECONOMY  
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The Inland Empire Center for Economics and Public Policy provides independent expertise and in-depth analysis to promote economic prosperity and good governance in the Inland Empire.

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# CATHEDRAL CITY ECONOMIC REPORT 2016

NOVEMBER 2016

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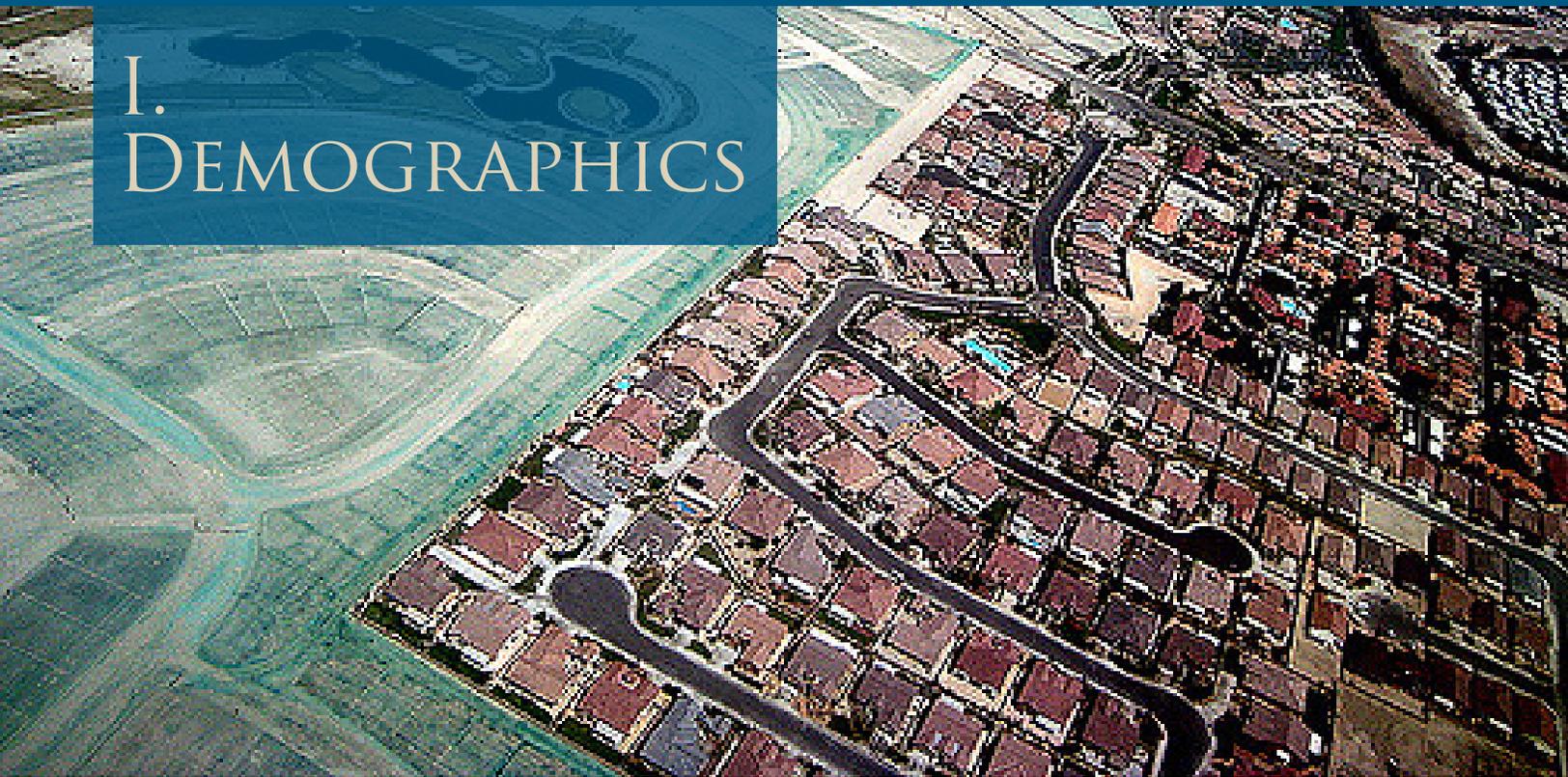


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# I. DEMOGRAPHICS



*Photo Credit: Joe Wold*

Population in the Coachella Valley consists of residents living in the nine major cities and those residing in smaller entities including unincorporated areas. When we refer to “Coachella Valley Total Population” in the City Report, we list the total number of people living in

- Cathedral City,
- Coachella,
- Desert Hot Springs,
- Indian Wells,
- Indio,
- La Quinta,
- Palm Desert,
- Palm Springs.
- Rancho Mirage

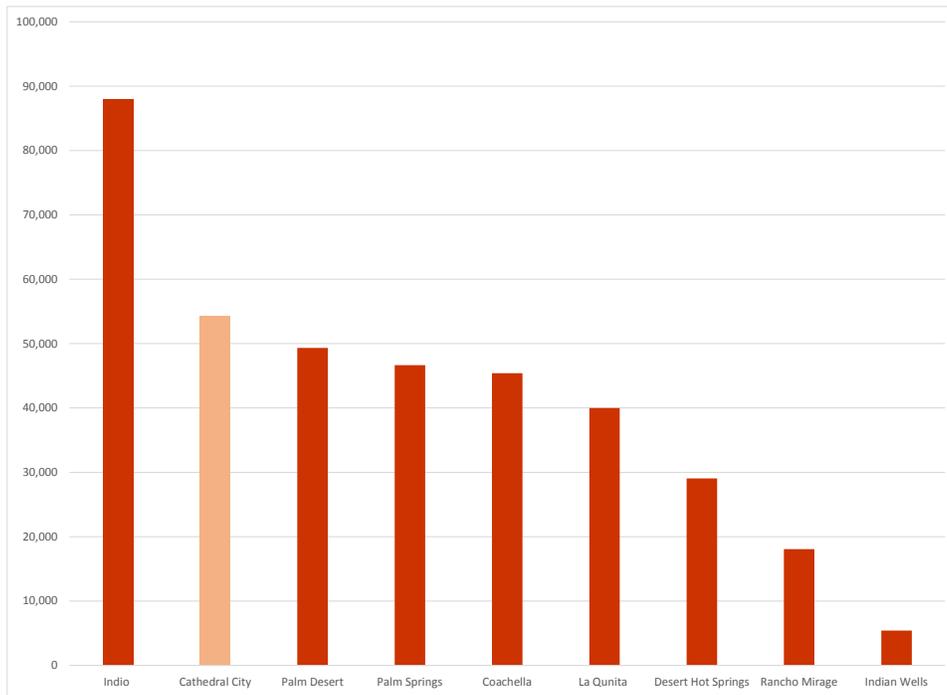
For 2016, this gives us a total of roughly 376,000. This number, the “Nine City Population,” differs from the Coachella Valley total population, which includes other areas, by a non-trivial 20%. Using this smaller number, we find that approximately 16% of the Riverside County population resides in

the Coachella Valley.

Compared to 2015, the total population grew by close to 1.2%, or by almost 4,300 individuals. This growth rate is very similar to the 1.3% experienced by the Coachella Valley from the onset of the Great Recession (2007-2016). However, it is substantially lower than the average growth increase from 1990 to 2007. Over that time period it was closer to 9,000 individuals per year or approximately 3.4%.

Such a relatively high population growth rate (3.4%) is hardly sustainable in the long run since it implies that the population doubles roughly every 20 years; it is unreasonable to assume that this amount of in-migration will occur again from here on. Indeed, if it did, there would be approximately 600,000 people living in the Coachella Valley by 2030, and cities such as Indio and Palm Springs would see their number of residents rise close to 140,000 and 75,000 respectively.

CITY POPULATION, COACHELLA VALLEY,  
2016 (ESTIMATE)



**Figure 1** Cathedral City is the second largest city in the Coachella Valley in 2016. Source: California Department of Finance.

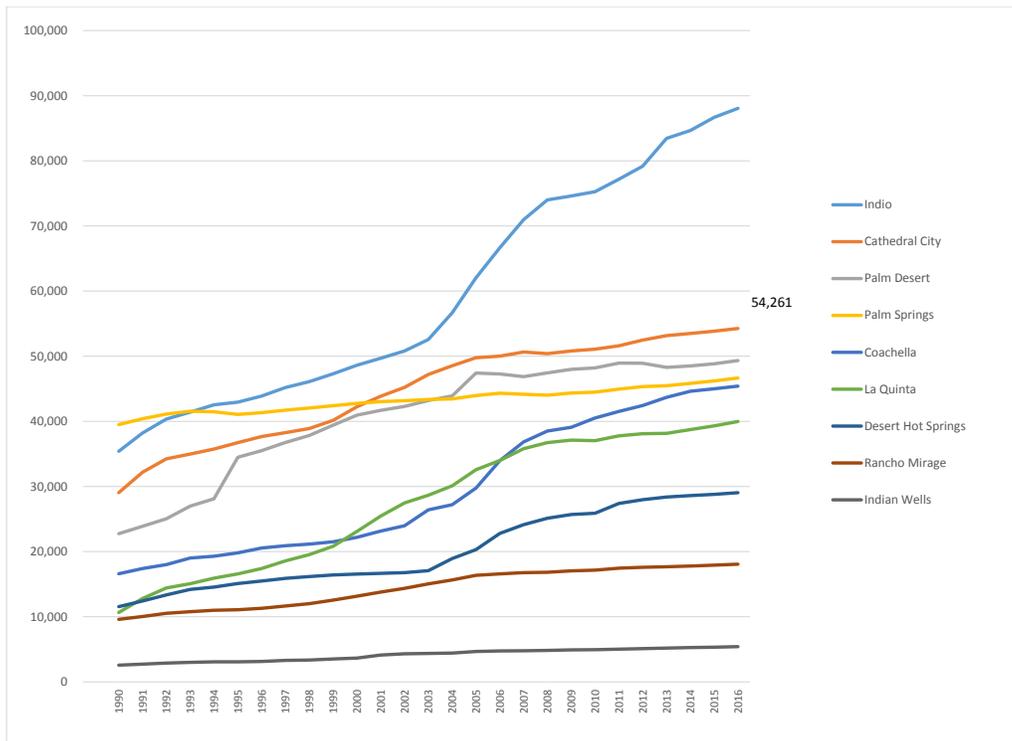
The U.S. population as a whole grows at a rate of roughly 1% a year. We forecast the Coachella Valley population to increase at a similar rate in the long-run. While we base our projection on only the last decade of data and hence cannot be absolutely certain of this new trend to be permanent, we will use the “new growth rate” for our forecasts. Our best guess is therefore that the entire population in the nine cities will stay below 400,000 by 2020. Our point estimate is 396,000. By comparison, if you added today’s population of City of San Bernardino and Ontario together, you would get a similar number. The bottom line is, we are looking at a relatively large number, representing both economic and political power.

Figure 1 presents the current population of the nine cities. Cathedral City is the second largest city with roughly 54,200 residents. Approximately 14% of the total Coachella Valley population live in Cathedral City.

While Figure 1 gives you a snapshot of city population size (a cross section for 2016), Figure 2 shows the progress over time of Cathedral City relative to that of the other municipalities. Note that in 1990, Cathedral City was the third largest city in the Coachella Valley, but has since become the second largest city.

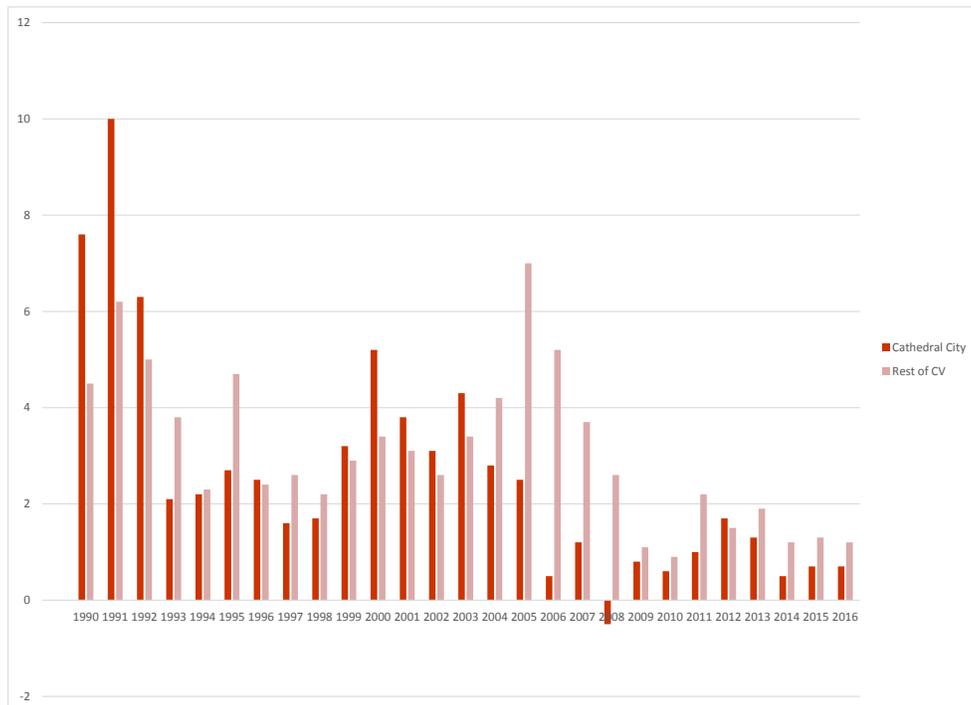
Figure 3 shows the population growth rate of Cathedral City. The city has seen some variation over time, with a shrinking population (net outmigration) for 2008. Note that population growth patterns for Cathedral City correlate closely to the population growth patterns in the rest of the Coachella Valley. We should stress here that population growth is of relatively minor importance for the economic well-being of a city - employment growth, sales, and the state of the local housing market are much more relevant.

### CITY POPULATION, COACHELLA VALLEY 1991-2016 (ESTIMATE)



**Figure 2** Cathedral City consistently remains one of the largest cities in Coachella Valley. Source: California Department of Finance.

### POPULATION GROWTH RATES, CATHEDRAL CITY, 1990-2016



**Figure 3** Cathedral City had higher growth rates than the rest of Coachella Valley until 2004. Source: California Department of Finance.

Figure 3 also explains why we see a somewhat steady increase in the total population of Cathedral City in Figure 2: growth rates vary by ten points (from -.5% to +10%). Still, the Great Recession of 2007-2009 did have a significant effect. Note that the population started to significantly shrink in 2006, while the national recession did not start until December of 2007. Economic activity in the Inland Empire was at a decline from as early as 2007, with employment in construction starting to shrink as early as 2006.

More recently (since 2011) population growth has averaged 1%. Compared to a year ago, the population of Cathedral City has increased by 402 people or .7% percent. Growth rates in Cathedral City along with the rest of the Coachella Valley, with the exception of Palm Springs, have seen large declines in population growth rates since 2007. This suggests that Cathedral City will not see increased population growth rates as it

and the other cities recover from the economic downturn.

Figure 4 compares the average growth rate of Cathedral City for the pre- and post-2008 period with that of the other eight Coachella Valley cities. It becomes immediately clear that there has been a break in the pattern of growth rates over the two periods for the rest of the Coachella Valley. All other cities, save for Palm Springs, experienced a significant decline in population growth rates, including Cathedral City.

CITY POPULATION PERCENTAGE GAIN, COACHELLA VALLEY, 1999-2016 (ESTIMATE)

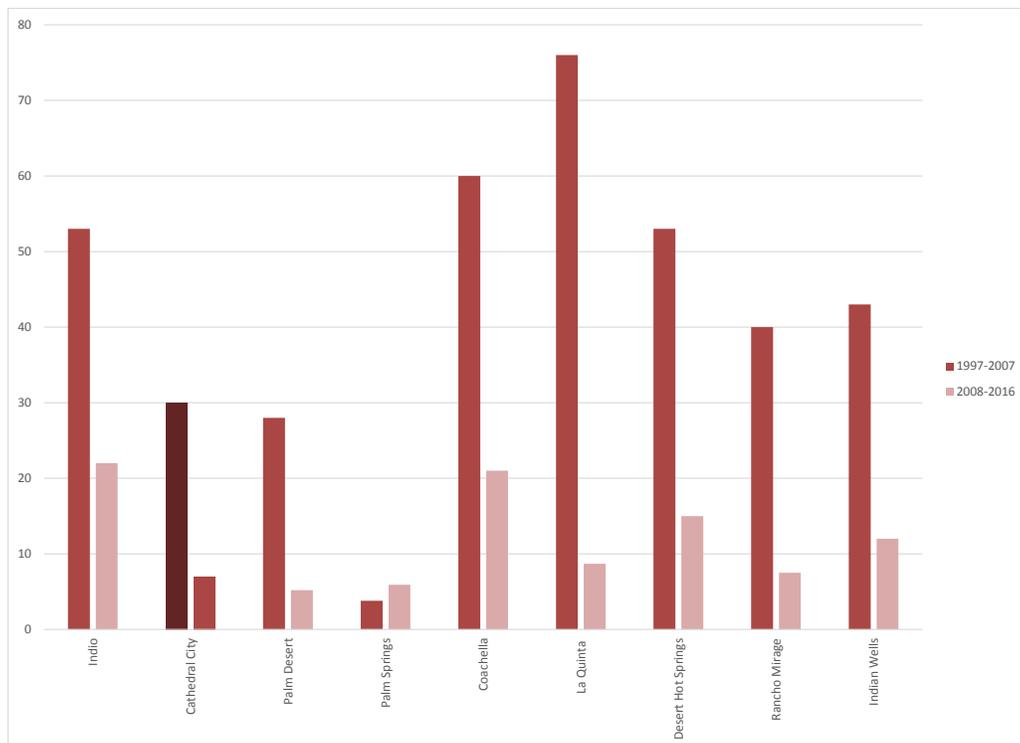


Figure 4 Consistent with other cities, Cathedral City has a lower population growth rate for the post-recession period. Source: California Department of Finance.

AGE DISTRIBUTION, RIVERSIDE COUNTY, REST OF COACHELLA VALLEY, CATHEDRAL CITY , 2016

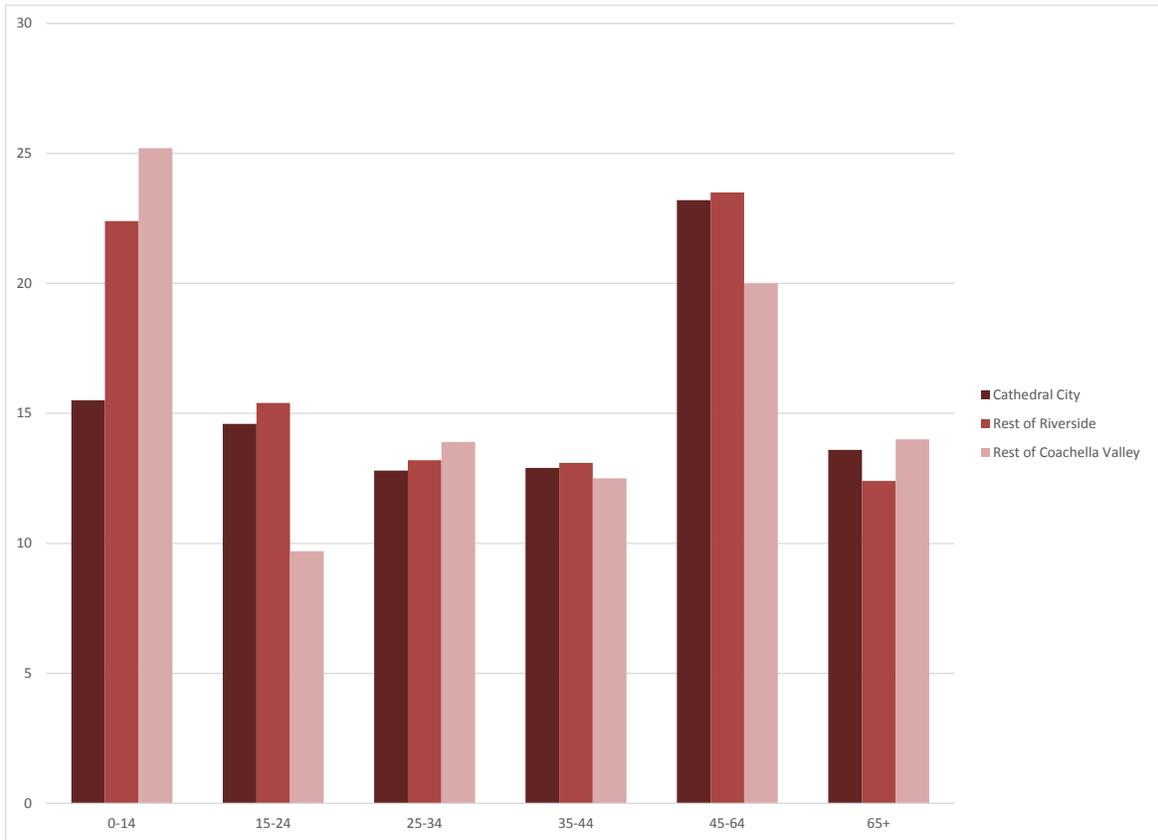


Figure 5 Cathedral City displays a population distribution largely consistent with the rest of Coachella Valley. Source: California Department of Finance.

Figure 5 presents the age distribution for Cathedral City, and, for comparison purposes, also shows the data for the Rest of the Coachella Valley and the Rest of Riverside County. Not surprisingly, the age distribution for Cathedral City is somewhat similar to that of Riverside County: there are almost equal numbers of citizens above the age of 45. Furthermore, though Cathedral City has less children under the age of fourteen, it does not have a significantly lower population of young people than the rest of Riverside County. Also note the differences of the under 20 age category when it comes to the Rest of the Coachella Valley.



# II. INCOME



Photo Credit: Randy Heinitz

Total annual household income in Cathedral City was almost \$981 million in 2014, or 9% of the total household income in the Coachella Valley. Cathedral City was ranked sixth from the top by this measure.

Note, however, that this calculation does not take into account wealth in general, or retirement savings; nor does it tell a story about the income distribution between the households residing in the location.

TOTAL HOUSEHOLD INCOME, ANNUAL, COACHELLA VALLEY CITIES, 2014

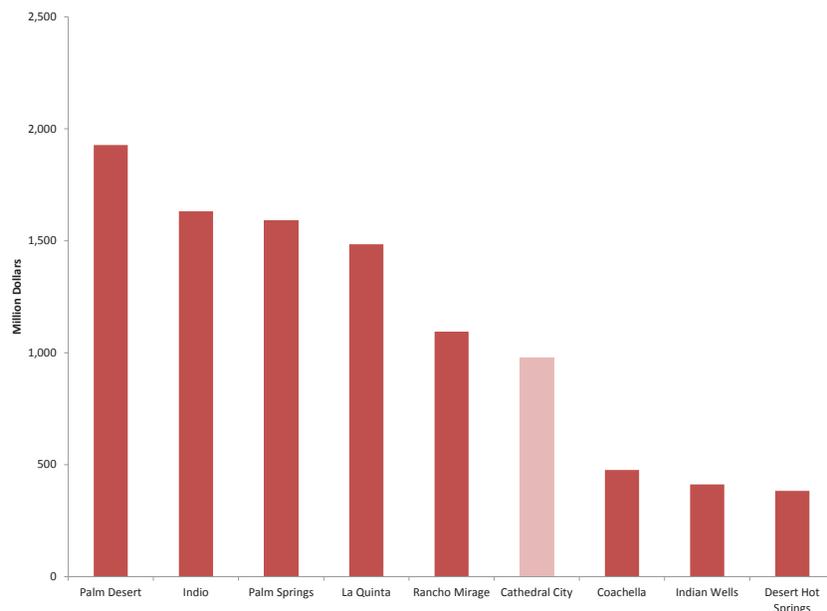


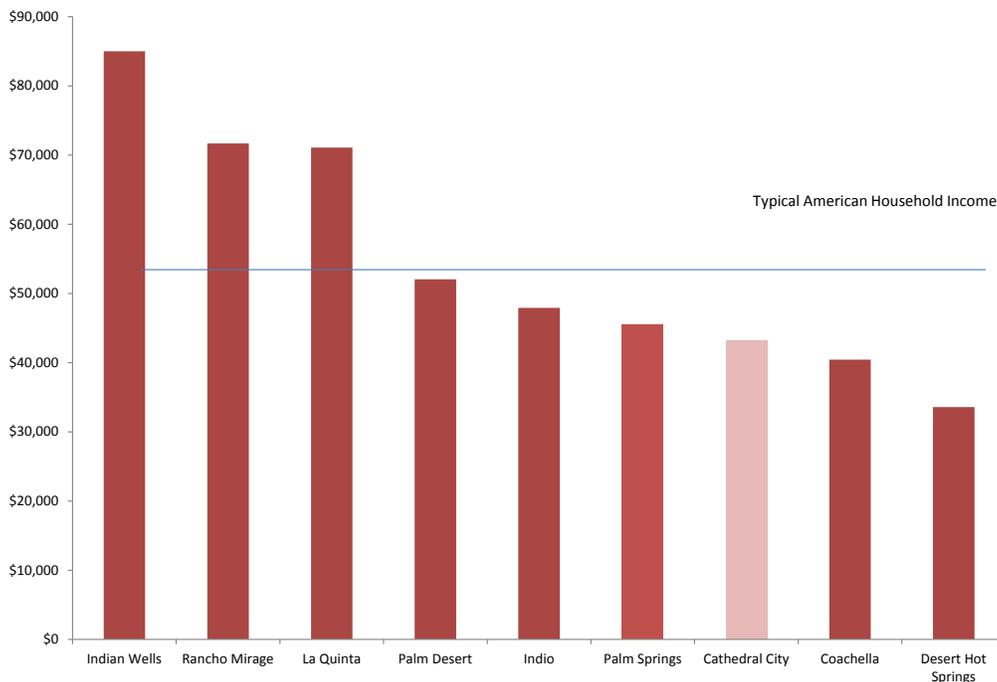
Figure 6. Cathedral City has the sixth highest total household income in the Coachella Valley. Source: American Community Survey.

Median household annual income provides a more objective measure of the typical household living standard in each city since it takes into account the number of households located in an area. Cathedral City remained in the sixth position for this metric with income of just above \$43,000. To put matters into perspective, this dollar amount is just over half of what the median household in Indian Wells makes (\$85,000). A typical U.S. household earned slightly more than \$53,500 in

2014, placing Cathedral City into the bottom half in the national household income distribution.

The income distribution of Cathedral City differs from that of Riverside County. There are more households in the categories between \$10,000 and \$50,000 while there are significantly less households in the categories between \$75,000 and \$200,000. This follows for the category from \$200,000 and above, where there are almost 2% less

### MEDIAN HOUSEHOLD INCOME, CATHEDRAL CITY AND REST OF COACHELLA VALLEY, 2014



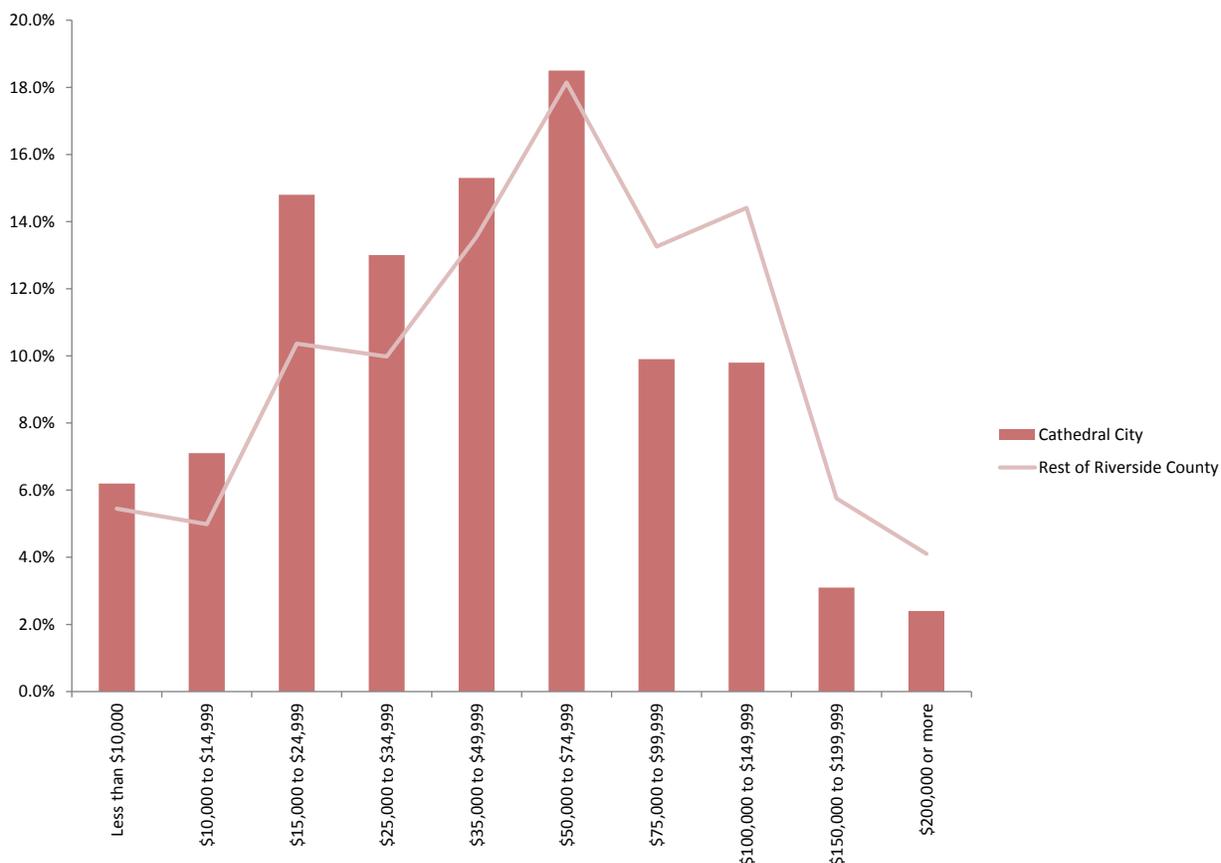
**Figure 7.** Cathedral City has the third lowest median household income in the Coachella Valley. Source: American Community Survey.

households in this category. The only similarity is that approximately the same amount of households make between \$50,000 and \$75,000.

The Pew Research Center defines the middle class in the U.S. as a 2-person household earning incomes between the 30-percentile and the 80-percentile. Table 1 shows that, by this measure, currently 41% of households in Cathedral City make less than \$36,000 a year and would therefore be counted as “lower class.” As can be seen from Figure 8, this is primarily due to the large share of households earning between \$15,000 and under \$25,000 a year. The upper class of households earning \$110,000 a year or more is 5% smaller than in the U.S. In Cathedral

City, 15% of the households fall into this category. The proportion of the middle class in Cathedral City is also lower, where 44% of the households are in this income bracket. Not only is there a smaller percentage of households earning between \$75,000 and \$100,000, but also less households are earning anything above \$100,000 (Figure 8). Finally, the poverty level in 2014 for a 2-person household was set at \$15,730. Just above 13 percent of the households in Cathedral City fall into this category. household was set at \$15,730. For comparison, roughly 14 percent of households in Palm Springs fall into this category.

### INCOME DISTRIBUTION, CATHEDRAL CITY AND REST OF RIVERSIDE COUNTY, 2014



**Figure 8.** Compared to the Rest of Riverside, more households have an income of less than \$50,000 and fewer have incomes greater than \$75,000. Source: American Community Survey

Household Income Classification				
Type	Household Income	United States Percentile	Inland Empire Percentile	Cathedral City Percentile
<b>Lower Class</b>	< \$ 36,000	0 - 29%	0 - 36%	1 - 41%
<b>Middle Class</b>	\$ 36,000 - \$110,000	29%- 80%	36%- 87%	41%- 85%
<b>Upper Class</b>	> \$ 110,000	80% and above	87% and above	85% and above



### III. EMPLOYMENT



*Photo Credit: Karla K. Marshall*

Figure 9 shows the recent employment history for Cathedral City. Employment actually increased steadily since 2005 and reached a peak in March 2008. This was followed by a steep 16% initial decline until 2010, after which the local economy started to recover.

The change of the unemployment rate is the difference between the growth rate of the labor force (employed plus unemployed) and the growth rate of employment. Without discouraged workers (those giving up looking for work and therefore leaving the labor force), the unemployment rate for Cathedral City would have increased by a stunning 16%. By comparison, employment in the Inland Empire fell by approximately 10% over the same period. However, note that peak employment in the Inland Empire was reached in 2007 and already declined by two percentage points by 2008: Cathedral City was hit later by the recession and did not suffer as many job losses as the Inland Empire did overall

The Coachella Valley depends to a large extent on tourism, and the recession for the U.S. and Canada was not as severe as it was in the Inland Empire. However, Cathedral City still has not recovered to pre-recession levels in terms of employment, narrowly missing 2008 levels by 7%. Note that this slightly pessimistic view of employment picture does not take into account population growth. The city currently employs more than 9,000 people, representing 17% of the total of Coachella Valley.

The unemployment rate in Cathedral City has remained the fourth lowest among the nine cities in Coachella Valley. Unemployment reached a peak in 2009 with an annual rate of 12.8%, which is high by historical standards and was close to the rate of that in California and even higher than the Inland Empire (see Figure 10). This makes sense since employment in Cathedral City depends heavily on tourism demand from areas outside of California, and also unemployment is measured by residency.

Let us clarify the latter part: if a worker, who resides in Cathedral City, say, loses her job in Palm Springs, then the unemployment rate in Palm Springs is unaffected, but that of Cathedral City increases.

By December 2015, the unemployment rate dipped below the U.S. rate, and is now below its extremely low pre-recession level.

AVERAGE MONTHLY TOTAL EMPLOYMENT, CATHEDRAL CITY, 2005-2015

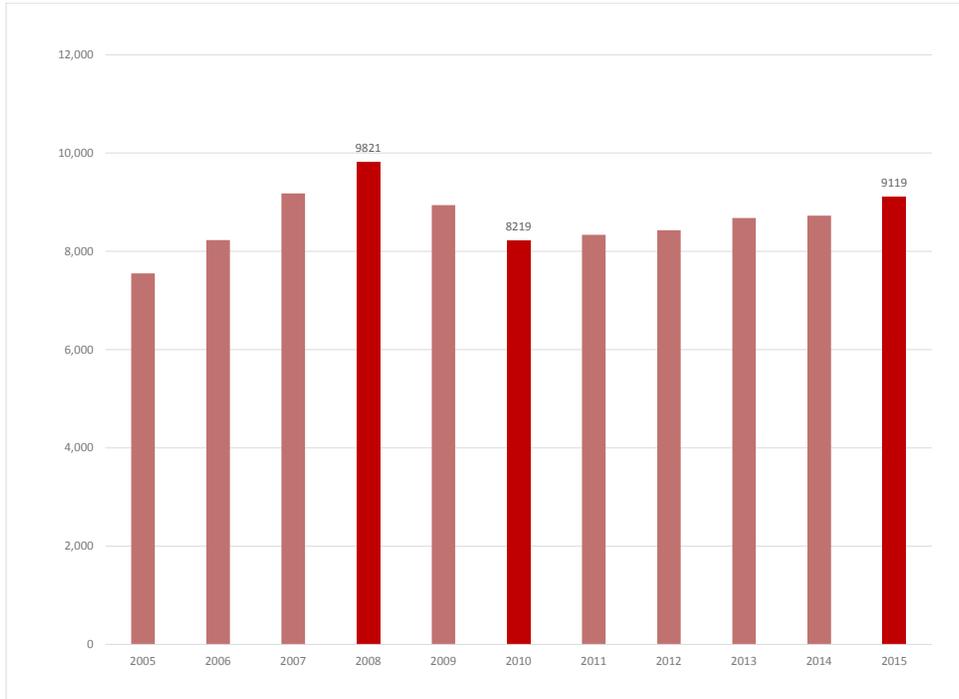


Figure 9. Cathedral City is on its way to recovering the jobs lost during the Great Recession. Source: Employment Development Department.

UNEMPLOYMENT RATE, CATHEDRAL CITY, INLAND EMPIRE, CALIFORNIA, U.S., 2006-2016

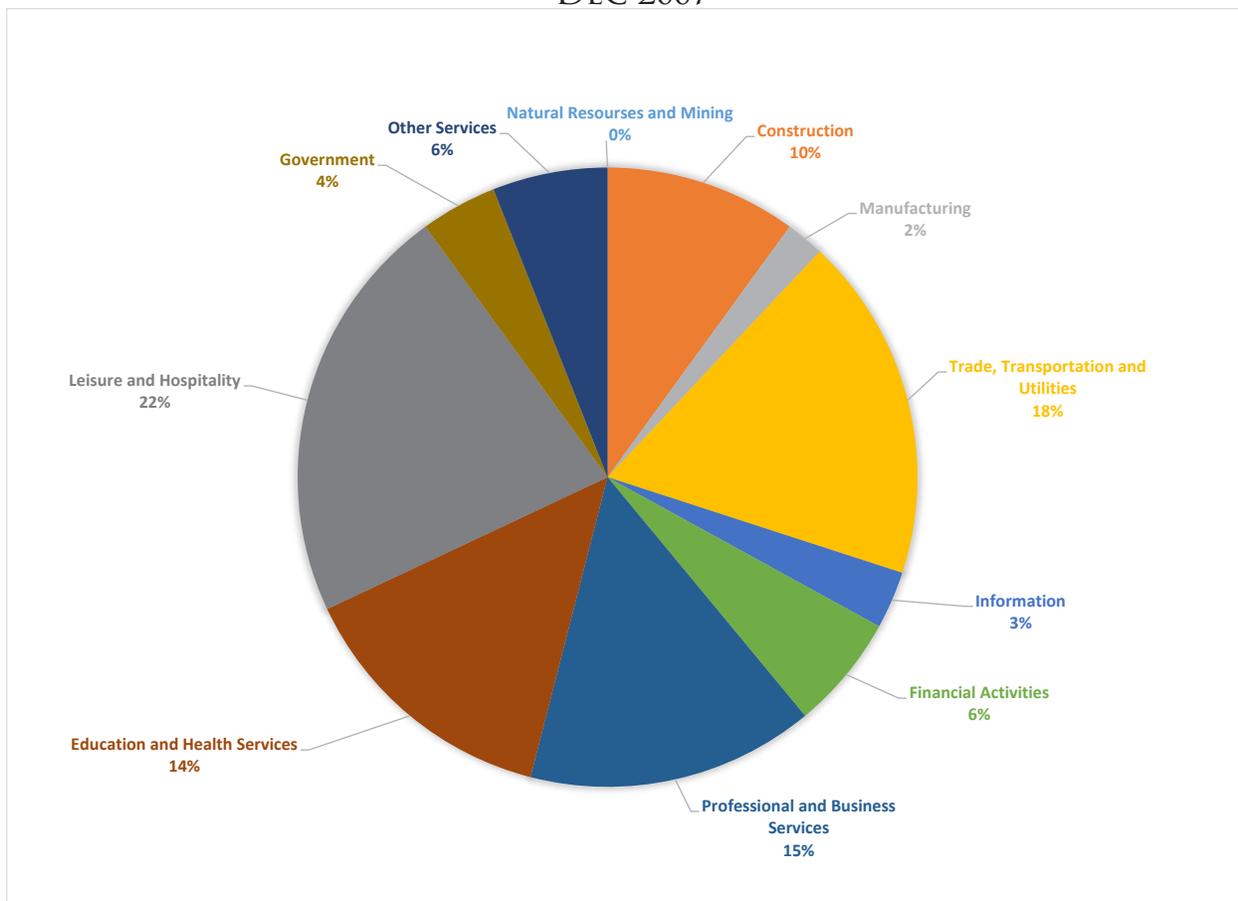


Figure 10. Cathedral City's unemployment rate has returned to levels below the national rate. Source: Employment Development Department.

At the pre-recession peak, the three largest employment sectors for Cathedral City were Leisure and Hospitality (22%), Trade and Transportation and Utilities (18%), and Professional and Business Services (15%) (see Figure 11). The three largest sectors together generated 55% of employment in Cathedral City. Construction and Manufacturing, the sectors most impacted by the recession (“mancession”) nationally, only generated 10% and 2% of employment in the city.

This picture is significantly different from that of the Coachella Valley as a whole. Education and Health Services for the Coachella Valley only made up 8% of employment in 2006. Trade and Transportation, and Utilities played a slightly smaller role with 18%, and Leisure and Hospitality was similarly large with 20%. The biggest difference is that Construction was much more important for the area for the pre-recession period with 12% of the employment generated in this sector. Government also was a significantly larger employer.

EMPLOYMENT COMPOSITION AT EMPLOYMENT PEAK, CATHEDRAL CITY, DEC 2007



**Figure 11.** Leisure and Hospitality, followed by Trade, Transportation, and Utilities, and Professional and Business Services were the three largest employment sectors prior to the Recession. Source: Employment Development Department.

The current (2016) picture shows that the three largest sectors now occupying almost 54% of employment (see Figure 12). Leisure and Hospitality has slipped into second place (17%), and Trade, Transportation, and Hospitality has gone into first place (26%). Construction has stayed consistent at 10%.

The development in Cathedral City since the beginning of the recession mirrors that of the Coachella Valley as a whole for 2016, where the order of the top three sectors is the same, with the exception that Government is one of the smallest employers.

Figure 13 shows that the job recovery has not been even across industries. The graph appears to be more complicated than it is because of the color coding of each bar. If the

bar ends up above the horizontal axis (red), then employment has recovered from its pre-recession level. The numbers listed above the bar indicate workers employed in that sector for the most recently available data.

The following sectors have generated the job recovery:

- Education and Health Services,
- Financial Activities,
- Professional and Business Services,

The remaining sectors have not recovered to their pre-recession levels. The lower bound of each green part of the bar indicates the maximum job loss the sector experienced before

EMPLOYMENT COMPOSITION, CATHEDRAL CITY, MAR 2016

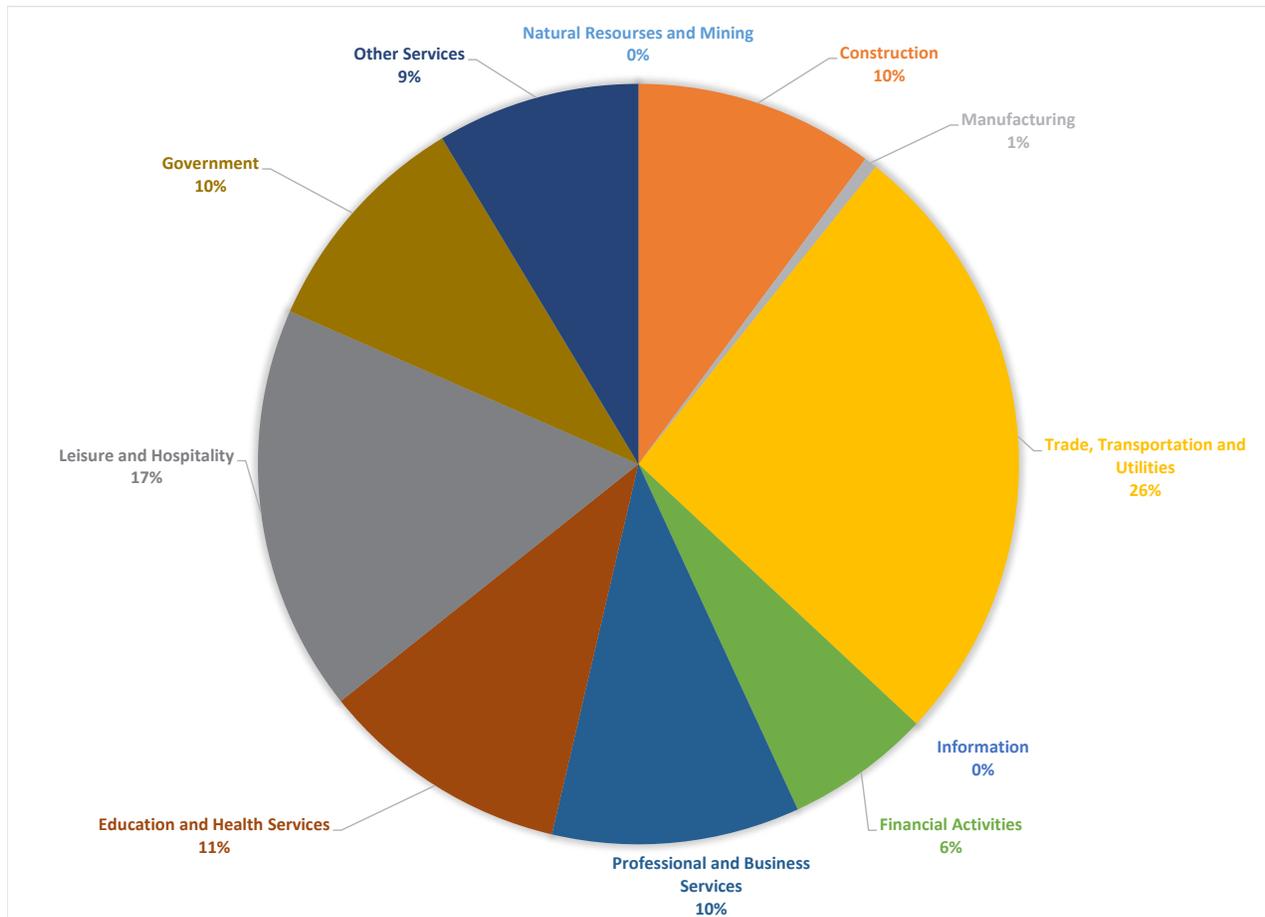


Figure 12. Trade, Transportation, and Utilities, Leisure and Hospitality, and Education and Health Services were the three largest employment sectors after the Recession. Source: Employment Development Department.

it recovered. Clearly the hardest hit sectors in Cathedral City were

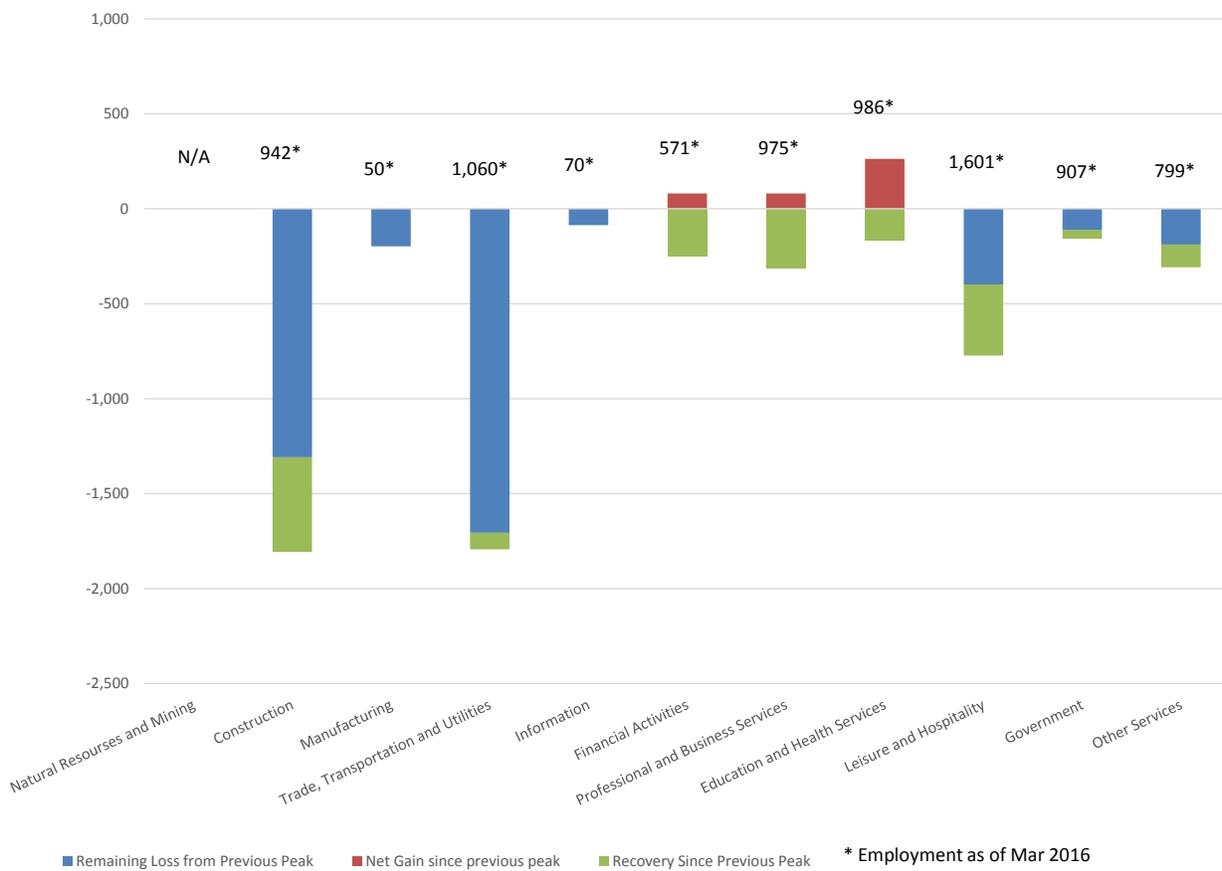
- Trade, Transportation, and Utilities,
- Leisure and Hospitality,
- Construction

- Construction,
- Manufacturing
- Information
- Government,
- Other Services

The lower bound of the blue part of the bar indicates where the sector stands today, if it has not recovered all jobs lost since the pre-recession level. As you can see from the graph,

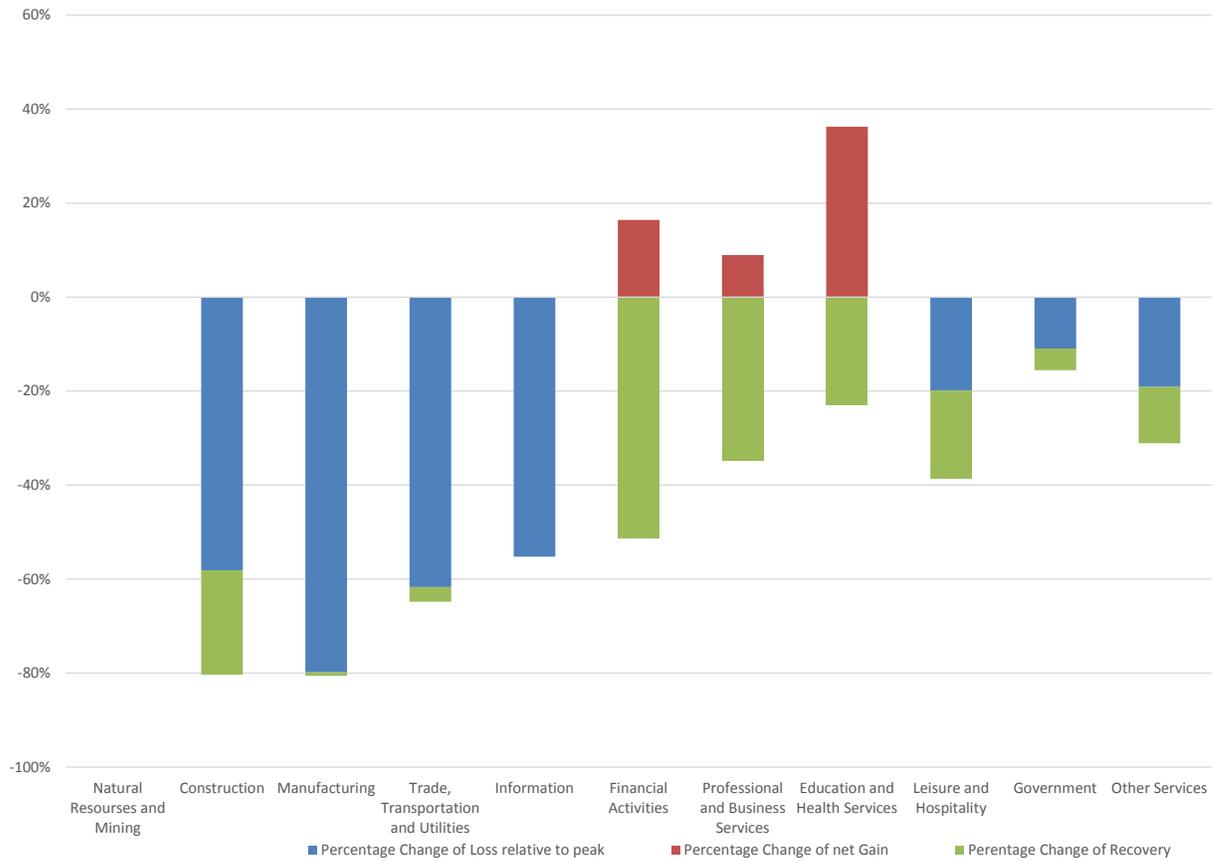
have hardly seen a recovery in terms of number of employees when compared to pre-recession levels.

### CHANGE IN EMPLOYMENT FROM PREVIOUS PEAK BY SECTOR, CATHEDRAL CITY, 2016 M3



**Figure 13.** Trade, Transportation, and Utilities, Leisure and Hospitality, and Education and Health Services were the three largest employment sectors after the Recession. Source: Employment Development Department.

PERCENTAGE CHANGE IN EMPLOYMENT FROM PREVIOUS PEAK BY SECTOR, CATHEDRAL CITY, 2016 M3



**Figure 14.** Similar to changes in level, Education and Health Services, Professional and Business Services, and Financial Activities had the largest percent increase in employment after the Recession. Source: Employment Development Department.

Figure 13 is potentially misleading in the case of different sector sizes. For example, losing 500 workers when the entire sector only employs 1,000 people represents a loss of 50% of all jobs for that industry. Figure 14 tries to correct for this missing information by displaying the job losses in percent of the labor force employed before the recession.

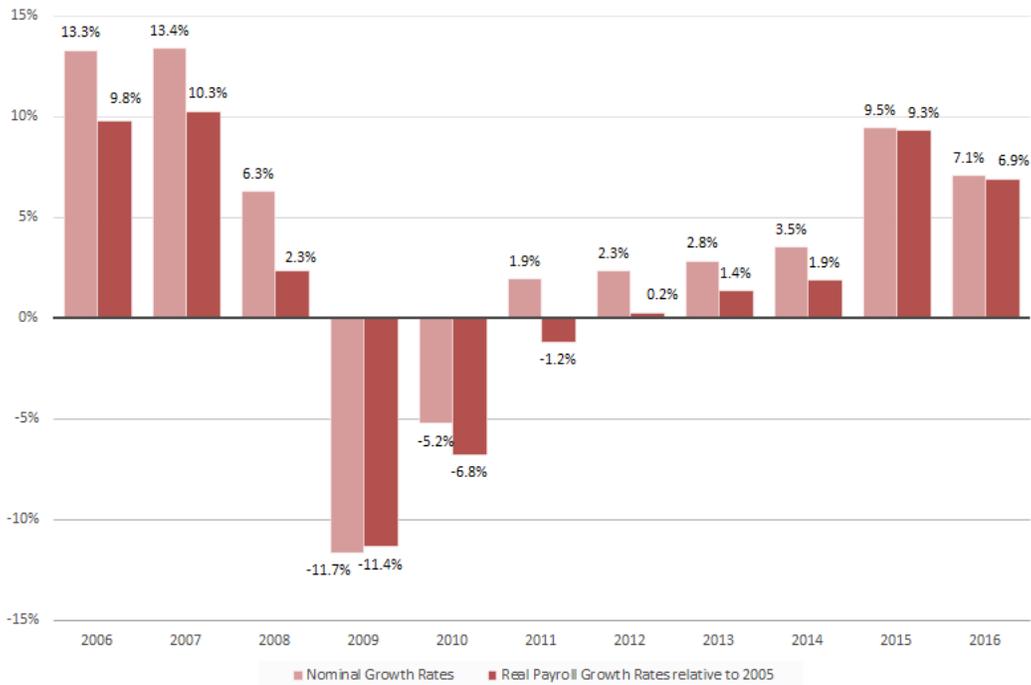
The construction industry, for example, lost around 80% of its workers when compared to previous peak employment, and is currently still 60% below that level. Manufacturing has also lost 80% of jobs, but due to the small size of the sector in Cathedral City, this does not translate into a large number of jobs. A positive development for Cathedral City has been the relatively large percentage increase in jobs for Financial Activities and Professional and Business Services, since these, on average, are

higher paying positions.

The next figure (Figure 15) shows the year-to-year growth in payroll for Cathedral City from 2006-2016, both in terms of nominal gains and after eliminating the effect of inflation. Note that higher employment does not necessarily imply higher payroll numbers if you replace well paying jobs, say in construction, with low wage equivalents, say in Leisure and Hospitality.

Total payroll in Cathedral City saw steady growth in pre-recession years. The Great Recession resulted in a significant decline in payroll, and, in terms of inflation adjusted numbers, there were no gains in real payrolls until 2012. In the past two years, we see a high possibility for payroll growth to regain its pre-recession levels.

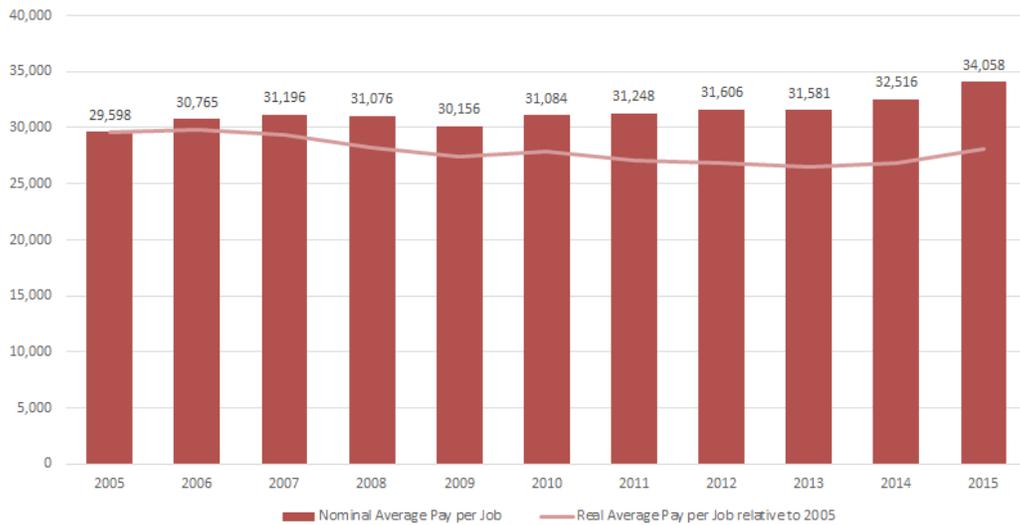
### TOTAL PAYROLL GROWTH RATE, CATHEDRAL CITY, 2006-2016



\* 2016 Growth Rate is estimated based on Q1 data

**Figure 15.** Following the large swings prior and following the recession, total payroll has seen healthy gains recently. Source: Employment Development Department.

### NOMINAL AND REAL AVERAGE PAY PER JOB, CATHEDRAL CITY, 2005-2015



\* 2016 is estimated based on Q1 data

**Figure 16.** The real average pay per job has not recovered to pre-recession levels. Source: Employment Development Department.

Total payroll can increase as a result of employment gains or increases in the average pay per job. Figure 16 indicates that there has been good news and bad news: the current average pay per job is slightly above \$34,000. This number is roughly \$3,000 higher than the pre-recession peak. However, once you take into account inflation, then the command over goods represented by that pay has actually not returned to pre-recession levels. At the national level, the average real wage similarly decreased following the Great Recession. In the past two years, however, the national average real wage has seen a slight uptick comparable to that in

Cathedral City.

Figure 17 shows the same calculations in terms of percentage changes. You get a similar impression as from the previous figure that Cathedral City took the hit from the Great Recession from 2008 in terms of average pay gains, both nominally and inflation adjusted. This was followed by roughly five years of decline, except for the slight rebound from 2010 to 2012. In the past two years, both nominal and real average pay per job shows healthy growth, even surpassing the pre-recession level in 2015.

PERCENTAGE CHANGE IN AVERAGE PAY PER JOB, CATHEDRAL CITY, 2006-2016

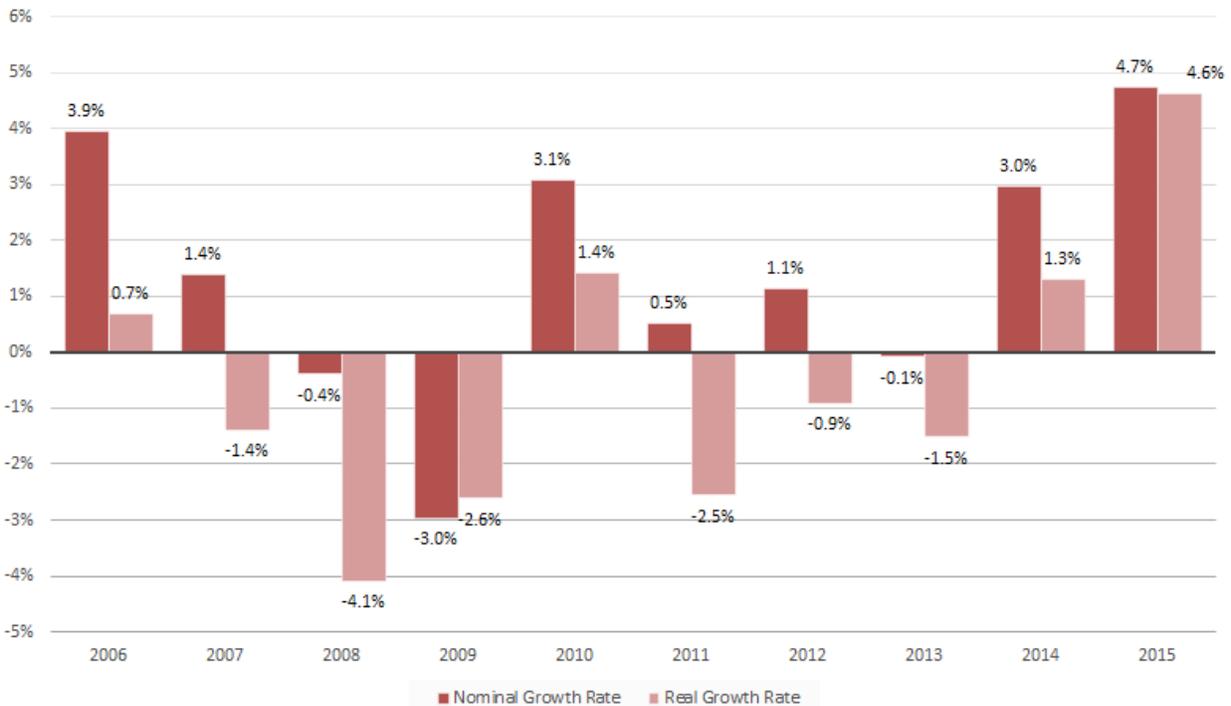


Figure 17. Nominal and real average pay per job has had healthy growth since 2014. Source: Employment Development Department.





## IV. TAXABLE SALES



*Photo Credit: George N. Cabill III*

Figure 18 shows retail sales per capita in Cathedral City since the turn of the millennium. Taxable retail sales per capita is one potential indicator of the “Wealth of a City,” since it is a proxy for the amount of tax revenue the local government can spend on each resident. However, the index only gives an incomplete picture of the tax revenue available per citizen, since the local government has other sources for its revenue. Because the index is calculated as a per capita figure, it excludes the increase in retail sales due to an expanding population. However, it does take into account higher sales due to an increase in clients from outside the community, both within the Coachella Valley and tourists from outside.

Sales were affected by the national recession at the beginning of the millennium but only slightly so. They then increased fairly steadily from 2002 to 2005 before dropping over the following three years (until 2009). Note that the retail sales per capita increased prior to the onset of the Great Recession in December 2007. Subsequently sales recovered

from this trough but have not surpassed the previous peak. By 2016, they exceeded this new peak by what seems to be a healthy 36%. However, this gain in retail sales is masked by increases in the overall price level over the last five years. Adjusting the numbers to take into account inflation, the “real” taxable retail sales per capita displays a different story: per capita taxable retail sales grew slowly after the 2009 trough but have not recovered to the previous 2005 peak.

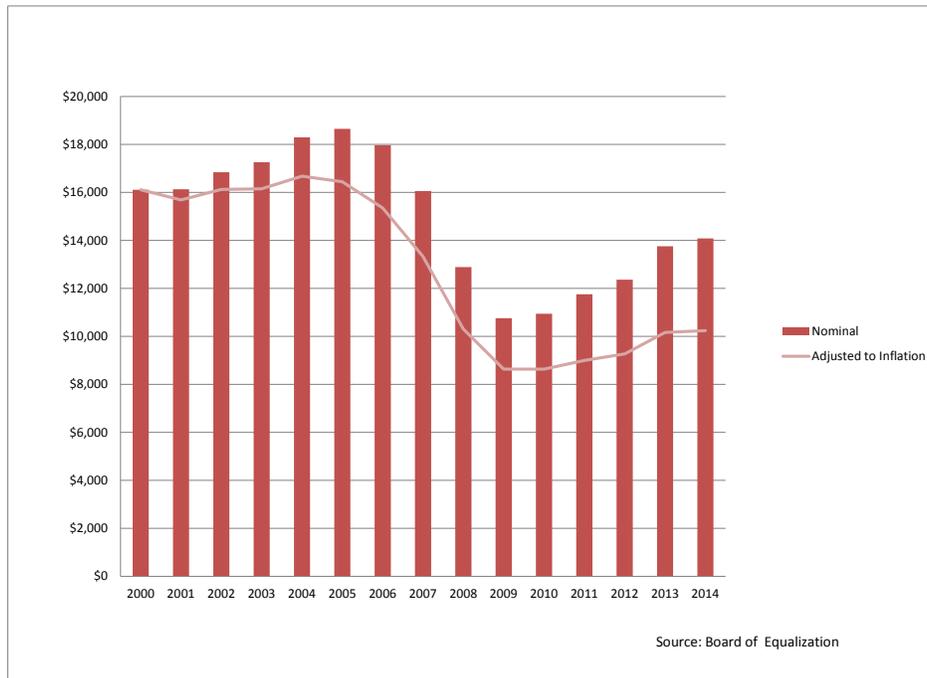
Figure 14 above showed that employment in the Trade, Transportation and Utility sector has not fully recovered. The sluggish retail sales figures to some extent explain the net loss of employment in the Trade, Transportation and Utility sector from the previous peak. In the absence of lower tax rates, the taxable retail sales decline suggests either a decline in tourism or tourist spending less per visit. Either way, these figures are somewhat worrisome. The shrinking taxable retail sales suggest a potential budget problem for the city, especially if it this is the result of

less vibrant economic activity.

The growth rates in taxable sales have been slowing down since 2013. 2014 only shows a small increase compared to the growth in 2013.

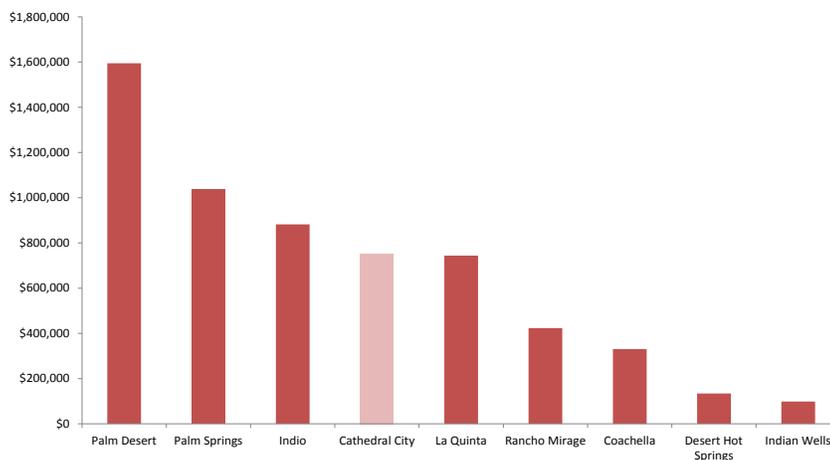
Figure 19 shows that Cathedral City is one of the top four recipients of retail sales in the Coachella Valley.

### TAXABLE RETAIL SALES PER CAPITA, CATHEDRAL CITY, 2000-2014



**Figure 18.** Nominal taxable retail sales have not recovered to pre-recession levels. Source: California State Board of Equalization.

### RETAIL SALES BY CITY, COACHELLA VALLEY, 2014



**Figure 19.** Cathedral City has the second largest retail sales in Coachella Valley. Source: California State Board of Equalization.





# V. HOUSING

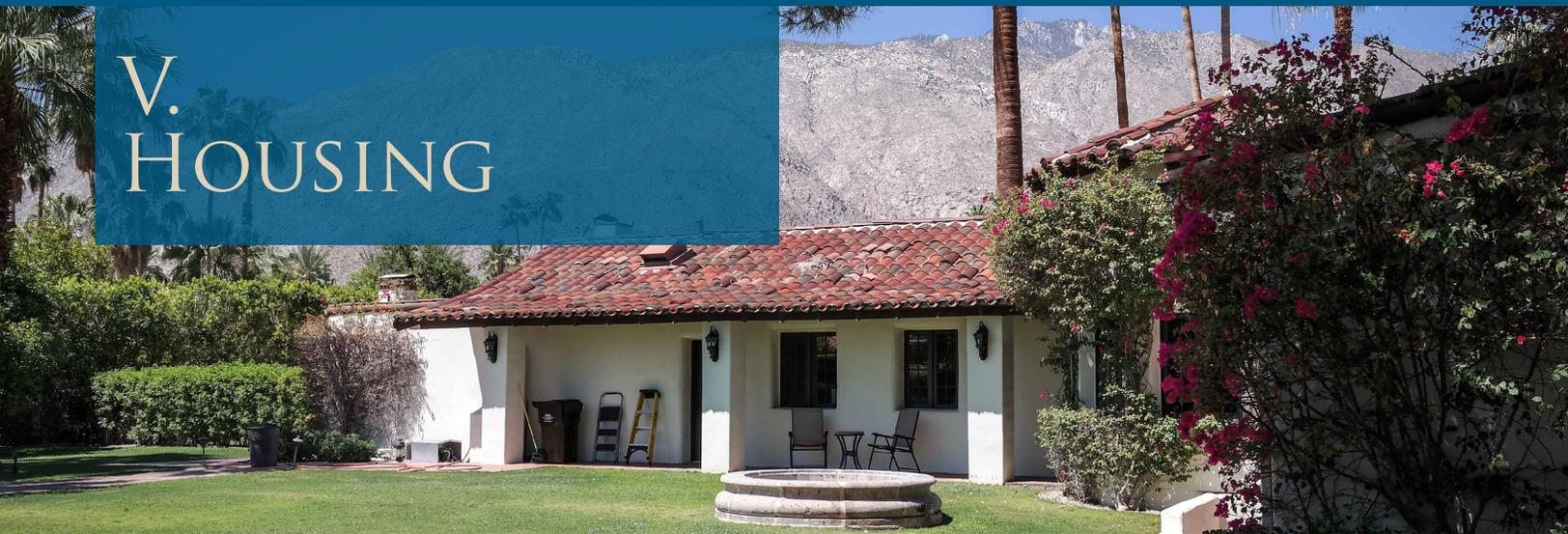


Photo Credit: Unknown

Contrary to the majority of the Inland Empire, housing sales in Cathedral City show a slight decrease from 2014 to 2015 (see Figure 20). We expect this trend to continue for 2016 based on the market behavior for the first two quarters of this year.

We have seen different cyclical patterns in the condo market and the single-family residence market in the Coachella Valley in the past. Traditionally, the housing market

has been driven by the single-family residence house, but the condo market has gained more weight in recent years. There seems to be little difference in Cathedral City in terms of sales over the last year. From 2014 to 2015, both markets show a slight decrease in sales, perhaps due to the rising median prices. Note that the Cathedral City experience is not duplicated everywhere in the Coachella Valley.

PERCENTAGE CHANGE IN SALES, COACHELLA VALLEY, 2014-2015

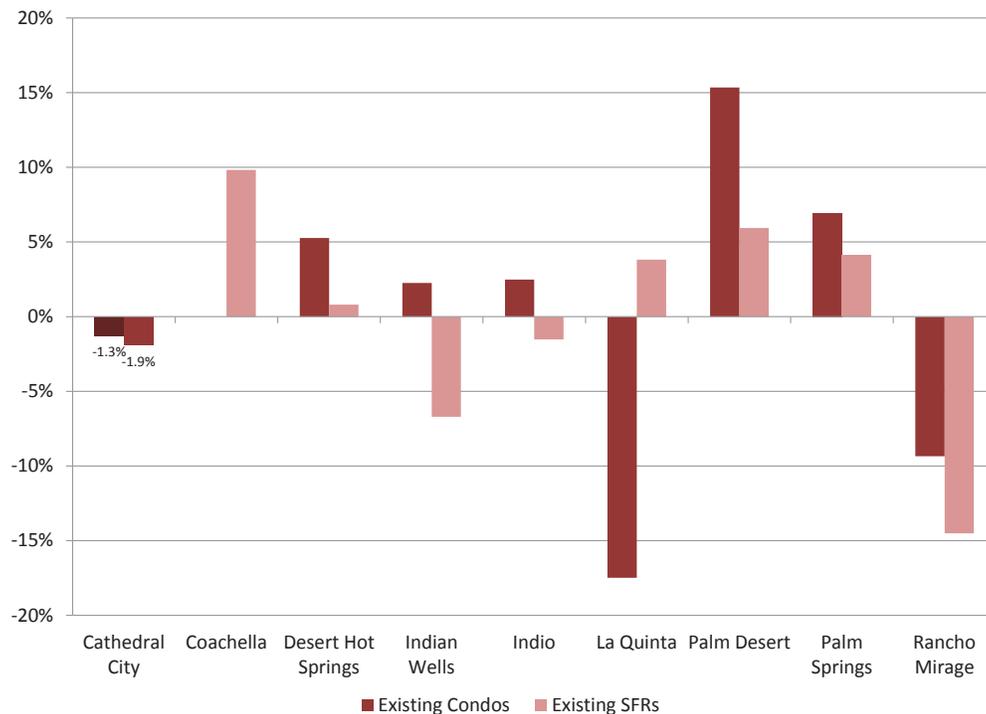


Figure 20. Housing sales in Cathedral City show a slight decrease for both existing condos and single-family residences. Source: DQNews.

PERCENTAGE CHANGE IN MEDIAN HOUSE PRICE, COACHELLA VALLEY, 2014-2015

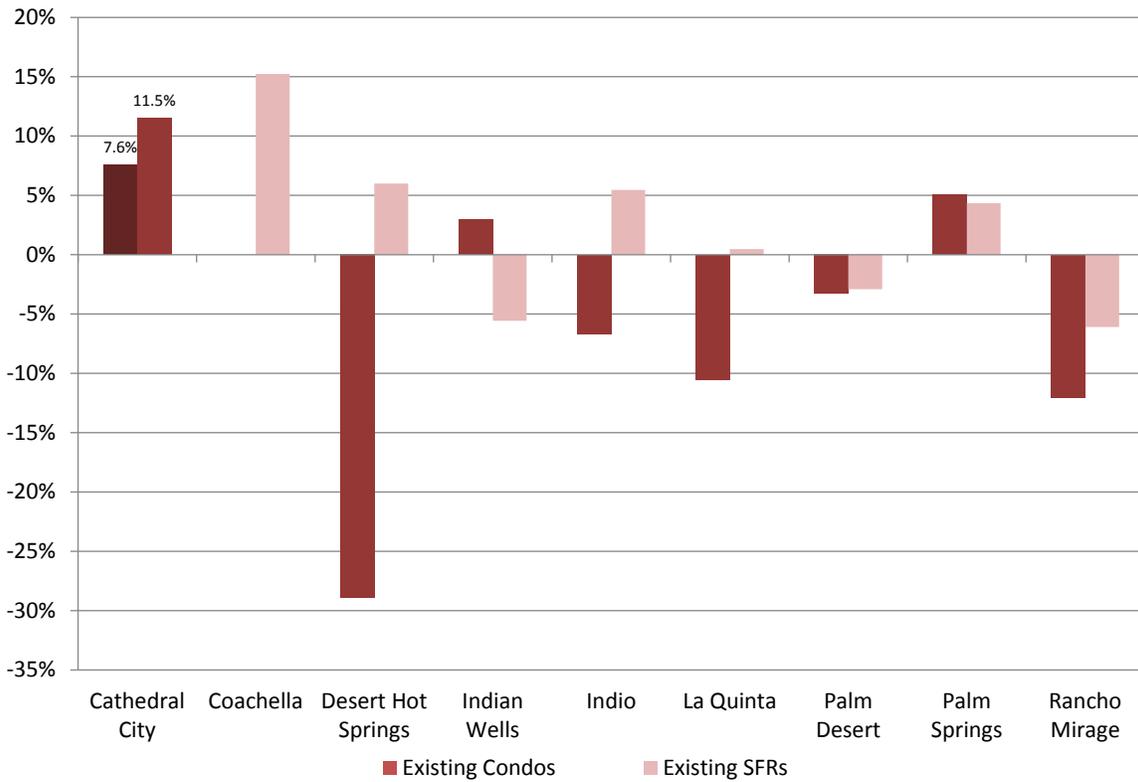


Figure 21. Cathedral City’s median price for both existing condos and single-family residence increased last year. Source: DQNews.

A recent pattern in the Inland Empire has been to observe falling housing prices coinciding with increases in sales, suggesting an increase in existing housing stock on the market without a matching increase in demand. This is not the case for Cathedral City where the median house price increased with a corresponding sales decrease. Different from the Inland Empire and some communities in the Coachella Valley, there has been an increase in price both for condos and single family units.

How do these figures compare over time for Cathedral City? From 2011 to 2016, existing single family residence sales slightly dominate the housing sales in Cathedral City. Overall sales have continued to decrease after a sizable drop between 2013-2014. We expect this trend to continue based on the transactions for the first two quarters of this year.

ANNUAL HOUSING SALES, CATHEDRAL CITY, 2011-2016

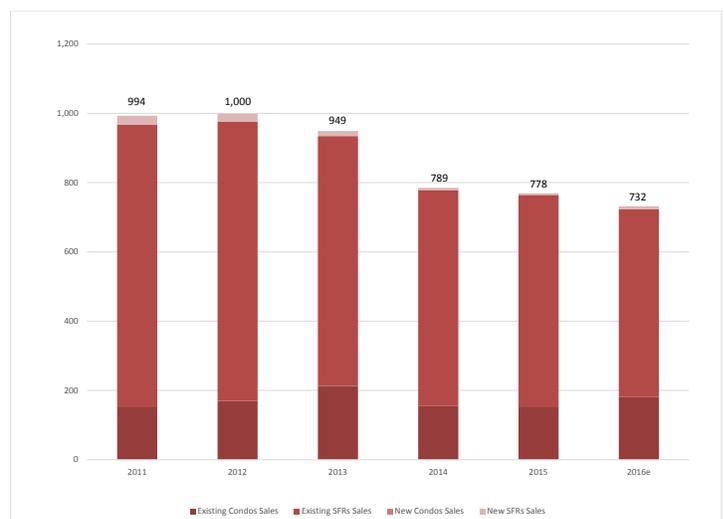
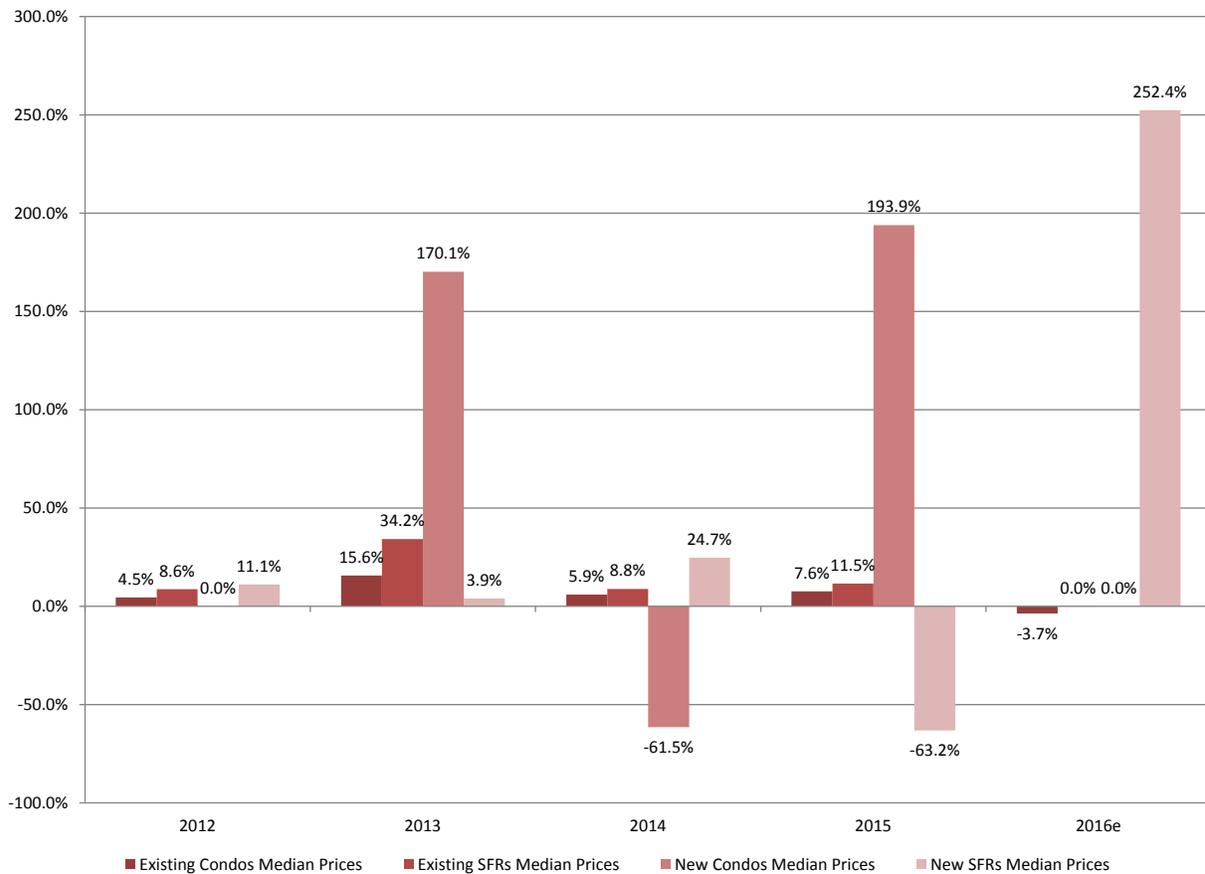


Figure 22. Sales have shown slight decreases over the last two years, not yet rebounding from the setback between 2013 and 2014. Source: DQNews.

Different from housing starts, which are a strong leading indicator of economic activity, we have considered new home sales as one of the coincident economic indicator. Note that sales in existing houses does not contribute to value added production, just as the sale of a stock in financial markets does not add to GDP (other than through the income of a broker). New housing sales are different, and hence more important in gauging the level of economic activity. Sales of new single family units remained stagnant from 2014 to 2015.

The housing price pattern is complicated in last five years. We do not place much weight on the relatively large swings in prices for new condos and single family units, since that market is not very thick: relatively few units go on sale every year when compared to existing housing stock. Housing prices in this category have had an upward trend in the past 5 years, especially in existing and new single family residences.

### ANNUAL PERCENTAGE CHANGE IN MEDIAN HOUSE PRICE, CATHEDRAL CITY, 2012-2016



**Figure 23.** There are large fluctuations in new housing sales due to the relatively small trade volume. Prices for new SFR units showed significant gains. Source: DQNews.



# VI. CRIME



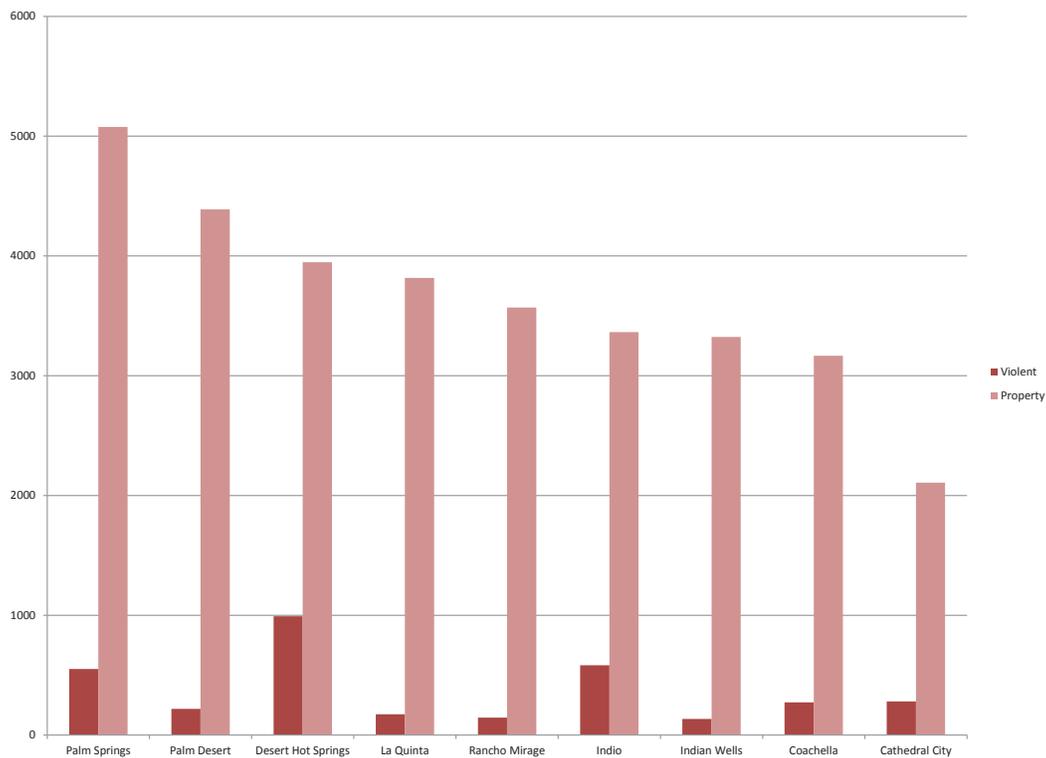
*Photo Credit: Tony Webster*

Figure 24 shows that Cathedral City has the lowest ranking among the nine cities in terms of the number of property crimes. This number is lower than the national average (2107 in Cathedral City compared to 2600 in the U.S.).

Violent crime, which accounts of roughly

10% of all crime, is lower relative to rates observed in Desert Hot Springs and Indio. However, the roughly 281 violent crimes per 100,000 population also lower than the U.S. average (almost 370 per 100,000). It is also lower than the average violent crime rate in California.

CRIME RATE PER 100,000 PEOPLE, COACHELLA VALLEY, 2013



**Figure 24.** Cathedral City has the lowest property crime rate and is close to the lower violent crime rates in the Coachella Valley. Source: FBI.



# VII. EDUCATION AND HUMAN CAPITAL



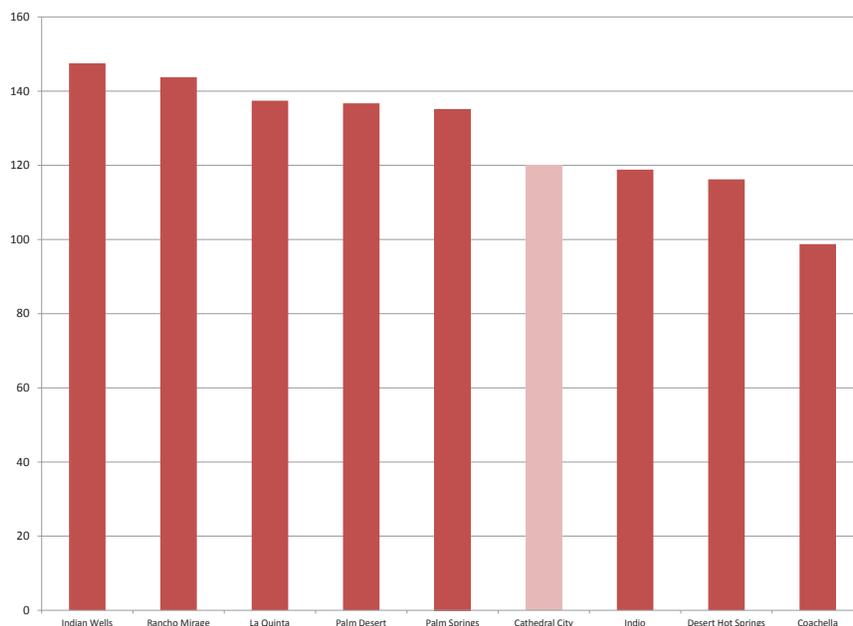
*Photo Credit: Laterjay Photography*

Human capital and the investment into it are a significant predictor of employment outcomes. We established elsewhere in the Coachella Valley report that high levels of human capital result in lower unemployment rates. Figure 25 shows our human capital index for the nine cities, which takes into account various levels of education.

Cathedral City ranks the fourth-lowest of the cities of the Coachella Valley’s.

About 74% of Cathedral City residents have completed high school and 24% have a college degree (associate’s, bachelor’s, or graduate). These numbers are slightly lower than those for the United States as a whole, indicating that Cathedral City’s residents have lower levels of educational attainment as the average American. Note that they are higher than for California and the Inland Empire.

HUMAN CAPITAL INDEX, CATHEDRAL CITY, 2014



**Figure 25.** Cathedral City has the 4th lowest “stock” of human capital.  
Source: American Community Survey



# VIII. HEALTH INSURANCE



Photo Credit: 401(K) 2012

The percentage of Cathedral City holding health insurance has fluctuated moderately over the past five years, dropping to 70.4% in 2011 before increasing to 71.0% by 2013 and 72.4 by 2014 (see Figure 26). This largely follows the trend for the United States and California as a whole, with a slight dip in 2011 followed by a subsequent increase attributable to the Affordable Care

Act (Obamacare). Health insurance coverage increased slightly from 2013 to 2014 in Cathedral City just as increasing, on average, in the rest of the United States and California. Health insurance coverage is proportionally lower in Cathedral City than the United States by about 12 percentage points and California by about ten percentage points.

## % OF POPULATION WITH HEALTH INSURANCE, COACHELLA VALLEY, 2010-2014



**Figure 26.** Proportionally fewer individuals hold health insurance in Cathedral City than both in California and in the United States. The slight increase in health insurance coverage may be attributable to the Affordable Care Act. Source: American Community Survey.



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