

## A CHANGING POPULATION

California has averaged around 5 million growth in population per decade and this is expected to continue for the foreseeable future. Such enormous growth not only imposes obvious burdens on the state's housing delivery system, as well as on state and local government services, but also creates potential for major changes in the composition of the population.

Dynamic changes in population composition can be observed along several dimensions. The simplest is total population growth, but that includes faster or slower growth rates for different race-ethnic groups, which in turn are leading to rapid changes in the racial and ethnic makeup of the population. Also important is the aging of the population, as featured most prominently in the advancing life cycle status of the large baby boom generation. In California, special importance is assumed by the immigrant history of residents, including both the foreign-born share of the population and, more specifically, the share that has resided in the US for less than a decade.

Adding to the complexity of these dynamics, the several dimensions of change interact with one another. Most simply, the patterns of change for the non-Latino white population, or for African Americans, draw less upon immigration and reflect the aging of an older, baby boomer dominated population. In contrast, the patterns for Asians and Latinos include an infusion of immigrants and greater dominance by young adults and their children.

### ***A. Race-Ethnic Composition and Growth***

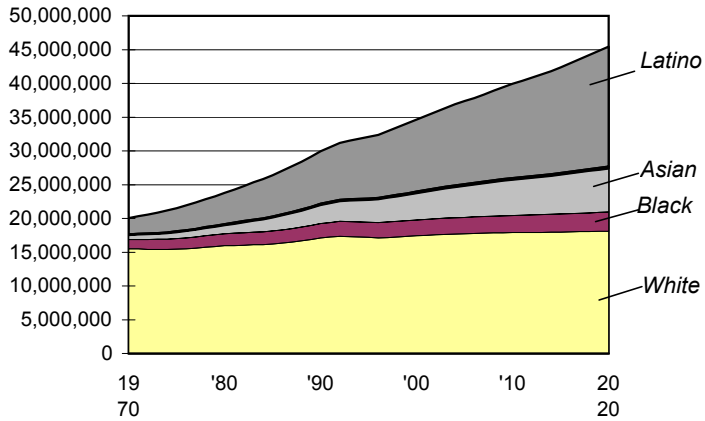
A summary of racial and ethnic changes is portrayed in Exhibit 3, a composite of graphs depicting population change in California from 1970 to 2020. The upper left graph shows the mounting total population, rising from 20 million in 1970 and 30 million in 1990 to 45 million by 2020. As shown, the white and black populations exhibit relatively little growth. Instead, almost all of the population increase stems from Asian and Latino population growth.

The lower left figure in Exhibit 3 shows how much of the growth each decade is attributable to each of the major race-ethnic groups. The 1980s were unusual, both because the total overall growth of 6 million exceeded the long-term average, and also because of the unusually large number of white residents that were added. It also signified the first decade in which Asian population growth was truly substantial.

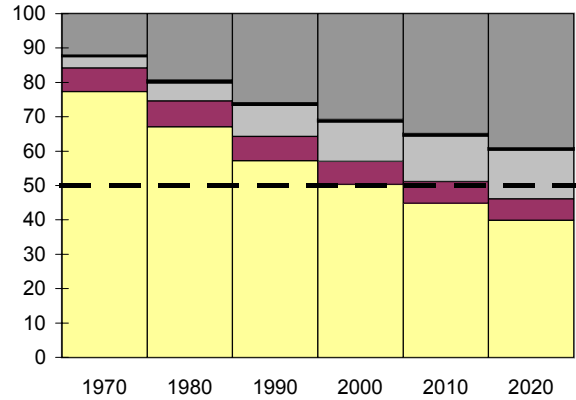
## Exhibit

# The Changing California Population

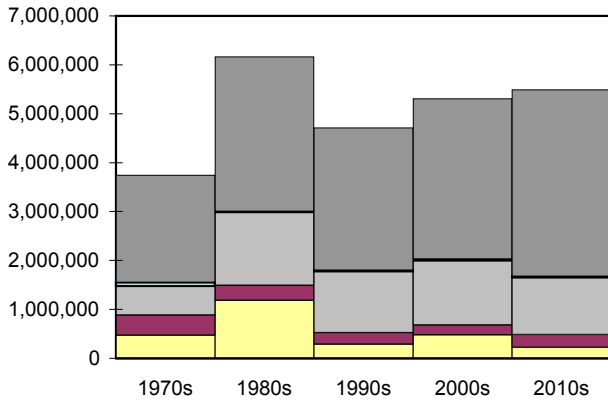
**The Mounting Total Population:  
Ethnic Growth 1970 to 2020**



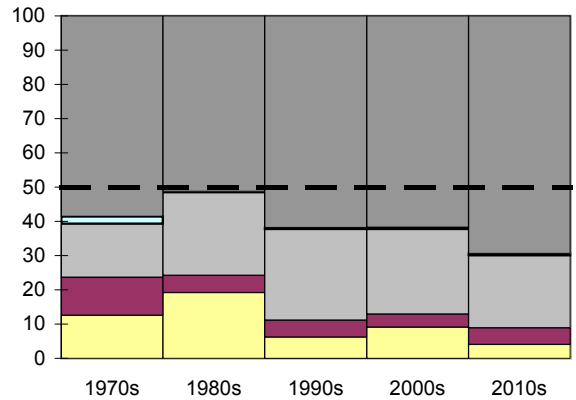
**Ethnic Share (%) of the Total Population**



**Net Growth in Population Each Decade**



**Ethnic Share (%) of the Total Growth**



Based on California Department of Finance, December 1998 projections by age and race/ethnicity

In every decade, Latinos account for more than 50% of the total growth (lower right figure). Combined with Asians, they amount to about 90% of all population growth. Thus, in a real sense, meeting future housing needs amounts to meeting the needs of Latinos and Asians.

### ***B. Aging and Cohort Advancement***

Aging of the population is a factor underlying growth in all four major race-ethnic groups. This is expressed in two broad dimensions, one reflecting the relative size of younger to older cohorts, and the other reflecting the rate of change within each cohort as it passes through successively older age groups. Changes within cohorts may be due to the inroads of mortality as cohorts advance through elderly years. However, a second impact begins at much younger ages and reflects the shrinkage or expansion of cohorts from 1990 through 2020 due to migration as they advance through successively older age groups. In some race-ethnic groups, the size of cohorts rapidly shrinks, reflecting net out-migration from the state. In others, the size of cohorts trends upward as they gain from in-migration in successive decades. All of these factors are visible in new Exhibit 4.

In Exhibit 4 we display the size of each cohort as its trajectory passes through successive age groups from 1990 to 2020. These data are drawn from the official state projections prepared by the Department of Finance's Demographic Research Unit in 1998. Enormous differences are found between the four major race-ethnic groups. The two largest groups – non-Latino whites and Latinos – are displayed in the top layer of the exhibit, while the two smallest groups are at the bottom. Observe that the vertical scale is set at 3.5 million for the top two groups and only 2.0 million for the bottom two.

Among Latinos, the size of the younger cohorts is far larger than those of the middle-aged. For example, in 2000 (white dots), Latinos aged 5-14 are more than twice as numerous as those aged 45-54. Among Asians and blacks, those aged 5-14 are only about a third more numerous than those aged 45-54. Among whites, however, the number of children age 5-14 is smaller than those age 45-54 in 2000. These data indicate that the Latino population is very youthful, while the whites on average are growing older.

The most noteworthy feature of the white population is the two largest cohorts, those aged 35-44 and 45-54 in 2000. These are the two baby boom cohorts born 1945-54 and 1955-64. The second half of the baby boom generation is somewhat larger, as reflected in the larger size of the group age 35-44 in 2000. As shown in the figure, the baby bust cohort that followed after 1964 was much smaller.

Within the trajectories of all the cohorts, their size increases as they advance up to age 25-34, reflecting net in-migration of young adults and children. After age 65 or so, all the cohorts decrease, reflecting a common experience of mortality. However, great differences are seen between the four major groups in the middle age ranges.

Among whites we see the cohorts are very large but the trajectories are downward sloping after age 25-34, reflecting substantial net out-migration. Among Latinos we see fairly flat trajectories into older years, indicating no substantial in or out migration. Among Asians we see much steeper growth of cohorts in the young ages, reflecting the greatest in-migration of any group, followed by flat trajectories through middle age. Finally, among African Americans, the very flat trajectories signify nongrowth as cohorts age forward in time.

Overall, the patterns of aging and cohort advancement suggest whites will be diminishing in the housing market at all ages while Asians and Latinos will increase markedly. The exact patterns at each age are important, because housing occupancy differs markedly between age groups.

### ***C. Immigrant History***

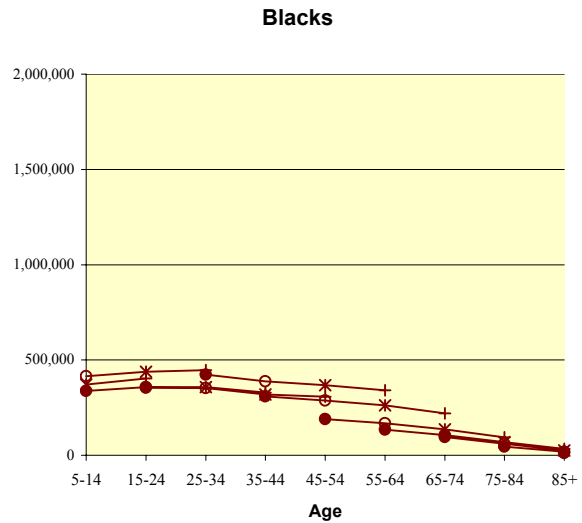
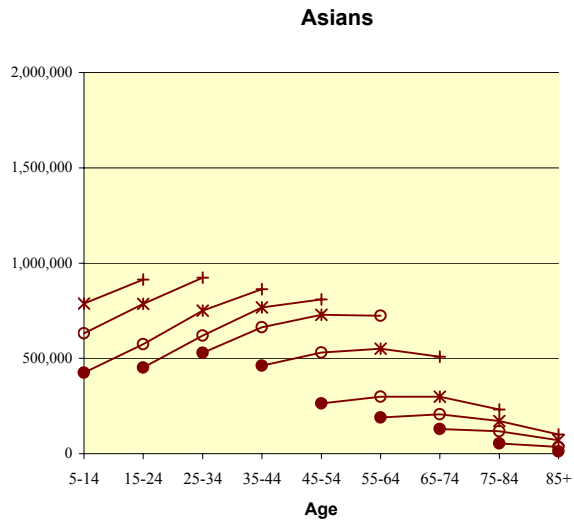
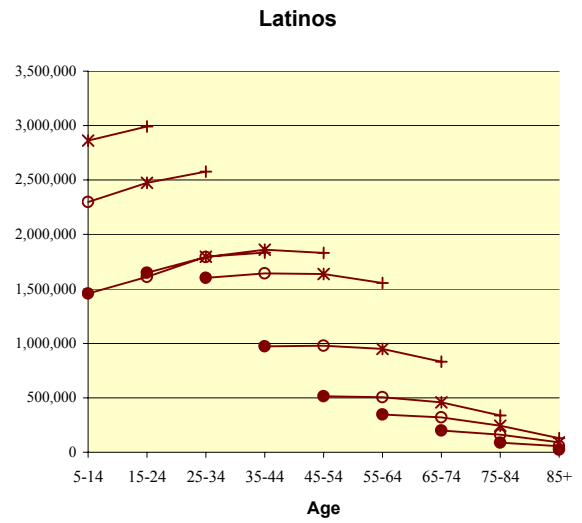
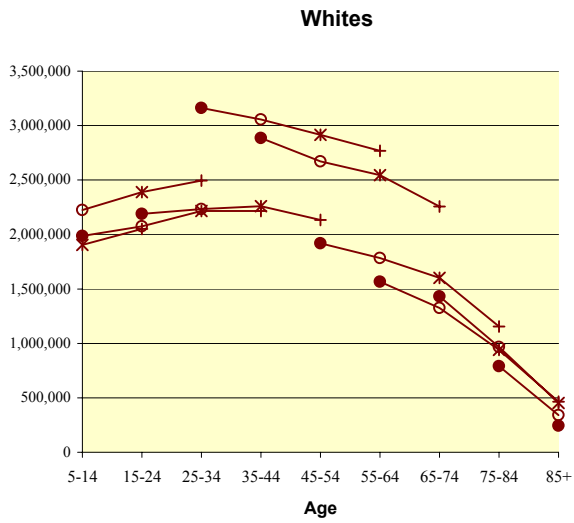
A special distinction of the Latino and Asian population is how many are foreign-born. As of 1990, 46.5% of Latinos and 68.5% of Asians living in California were foreign-born. In contrast, only 7.8% of whites and 4.2% of blacks were foreign-born. Thus, we need to pay special attention to the immigration history of the population only for the Asians and Latinos in California.

A key concern is how many Californians are new immigrants and how many are longer-settled. As shown in Exhibit 5, the overall percentage of the state's population that is foreign born is expected to level off at around 25%. Of particular interest is the declining share of the overall population that will be immigrants of less than 10 years residence. That component peaked in 1990 at 11% of the total state population (half of all the foreign-born), but this will decline to 6% by 2020, amounting to about one-quarter of all the foreign born at that time. Thus a much larger number of immigrants will be longer settled, and these longer residents will tend to be economically more advantaged and better integrated into both society and the housing market. These effects of residential assimilation need to be accounted for in projections of housing needs.

Assimilation is by definition a dynamic process, and given the large number of foreign born among Latinos and Asians, our estimates of needs are greatly complicated by this 'moving target.' As long as the housing occupancy patterns of Latinos and Asians are very different from those of whites and blacks, we

## Exhibit

# Projection of Cohorts of Population in California



Year of Observation    ●    1990    ○    2000    \*    2010    +    2020

must take close account of the changing compositional mix in the population. The old rules of thumb and old standards used for estimating housing needs were based on the average population in the past which was white dominated. The changing ethnic mix, and the shifting share of old and new immigrants, forces us to examine the housing needs calculations much more closely. Whereas some might be tempted to say that immigrants simply have lower housing needs than longtime residents, alternatively, others might claim that all groups have equal needs. When looking forward in time, it is possible that immigrant groups are assimilating toward native-born standards of housing occupancy and that differences within the population could be narrowing. However, these changes are not occurring over night and we need to plan for housing needs in the coming decade. Thus it is important to track changes over time in the housing patterns of each group if we are to make some reasonable projections.

Exhibit

# Immigrant Population in California

