

DEMOGRAPHIC INFORMATION

The 2020 U.S. Census will provide a benchmark for a California in transition. The state's population growth slowed to 0.35 percent in fiscal year 2018-19, due to fewer births, increasing deaths, and lower net migration. Slower growth is projected to continue for the state, with a total population of 45 million by 2060.

2020 U.S. CENSUS

The U.S. Constitution requires that a decennial census be conducted, with the next enumeration on April 1, 2020. These counts are used to reapportion Congress. In accordance with federal law, they are not subject to adjustment for any census undercount. The federal government also uses census data as a base for many of its data collection efforts. The state uses the decennial census data along with birth, death and migration data to produce state population numbers that are used by other governmental and research agencies for resource allocation and to produce other statistics describing the state.

A complete and accurate count is essential to ensuring resources are allocated fairly. Some groups that have historically been undercounted are renters, foreign-born residents, non-white residents, and those under five years old, especially those less than one year old. To mitigate this risk, California has allocated \$187.2 million to assist the U.S. Census Bureau in accurately counting the state's population. The state is conducting an extensive outreach program with statewide media campaigns and neighborhood level programs to encourage Californians to participate in the census.

DEMOGRAPHIC OUTLOOK

California's population was estimated at 39.96 million as of July 1, 2019, up 0.35 percent over July 1, 2018. The state's annualized average rate of growth since 2010 of 0.76 percent, although lower than in preceding decades, is comparable to the national growth rate during the same period, and more than three times the European Union's population growth rate of 0.2 percent.

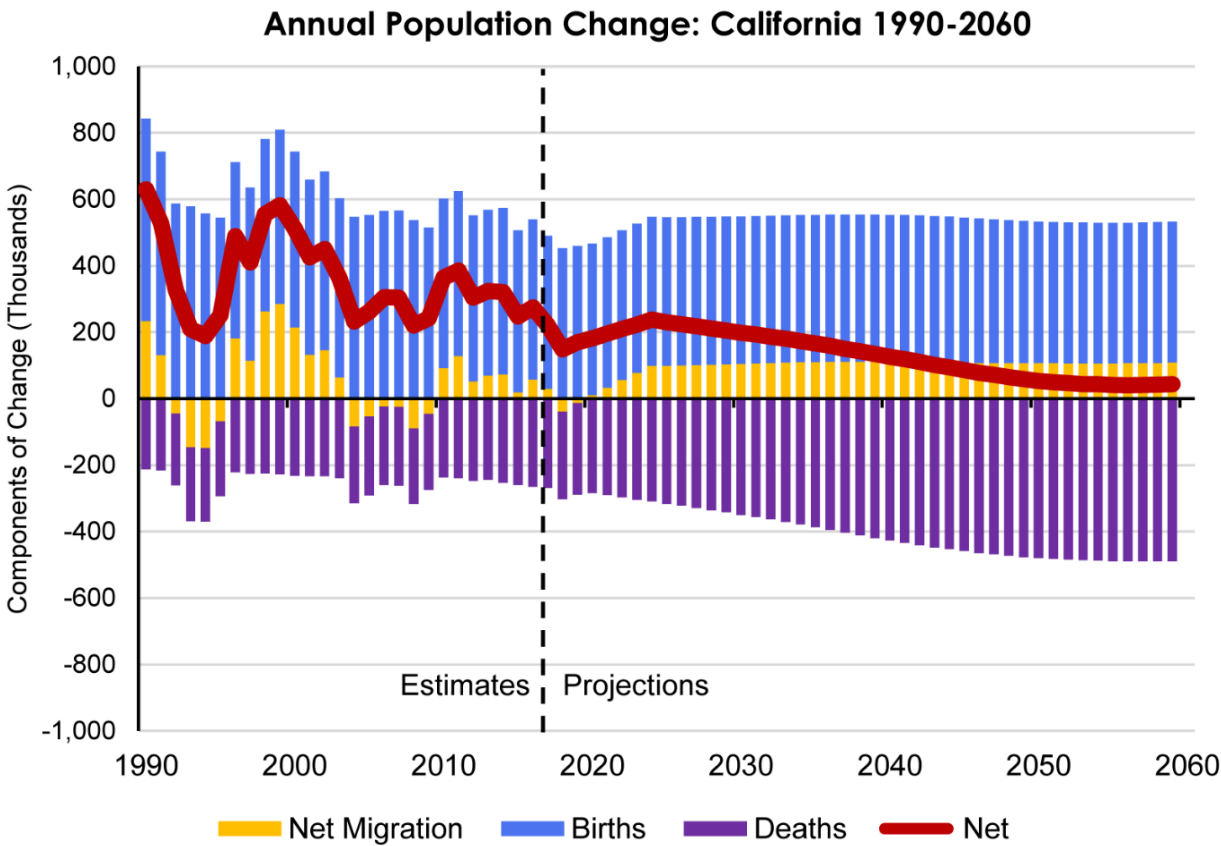
Regionally, inland counties continue to have the highest population growth rates, continuing a trend started in 2016. Most of the urban coastal counties have grown at a much slower pace and some have lost population. The smaller rural counties have lost population or grown very little with the exception of the counties surrounding Butte County due to the impact of the Camp Fire in 2018. The Camp Fire was the most destructive wildfire in California history and destroyed over 14,600 housing units, with a large number of people relocating to nearby counties.

Since 1975, California's population has grown from 21 million to almost 40 million—nearly doubling in 40 years. At its current rate of growth, the next doubling in population size would take around 200 years. People are having fewer children, correlated with changes in education, marriage, and work decisions. The state has also been experiencing lower net migration, with a sustained deficit in domestic net migration, and recent decreases in net foreign migration.

Births have declined from almost 510,000 in 2010-11 to just over 450,000 in 2018-19. As a consequence, enrollment and average daily attendance at California public schools have declined since the 2013-14 academic year. Deaths have increased from under 240,000 in 2010-11 to over 270,000 in 2018-19, as the share of the population over age 65 has grown from 11.5 percent in 2010 to 15 percent in 2019.

California continues to have positive international immigration, but both lower international migration and higher domestic out-migration led to a net outflow of almost 40,000 in 2019, marking the first time since 2010 that more people moved out of California than into the state. The state also experienced net outflows from 1993 to 1996 and from 2005 to 2010, offset by more births than deaths. (See figure on Components of Population Growth.)

Recently updated population projections reflect decreased expectations for future population growth. The net annual population increase is expected to fall to less than 100,000 by 2045, and close to zero net growth by 2060. Fewer births lead to fewer adults, which compounds the slowing growth over time. The current projections series



reach a total population of 45 million by 2060, rather than 50 million in the previous iteration.

The total fertility rate is projected to decline gradually from its current level of 1.65 children per woman to 1.55 by 2030. With a changing age structure, this leads to around 445,000 births in 2030, declining to around 425,000 by 2060. This reduction in births will continue to impact school enrollment as birth cohorts get smaller. Slowing improvements in life expectancy at birth since 2010, mostly as a result of stalled mortality improvements at young adult ages, have translated to a projection of modest increases in life expectancy in the coming decades. California’s current life expectancy at birth is estimated at 81.5 years and is projected to increase to 82.0 years by 2025. Deaths will continue to increase from 340,000 in 2030 to 490,000 by 2060. After around 2040, there will be more deaths than births each year.

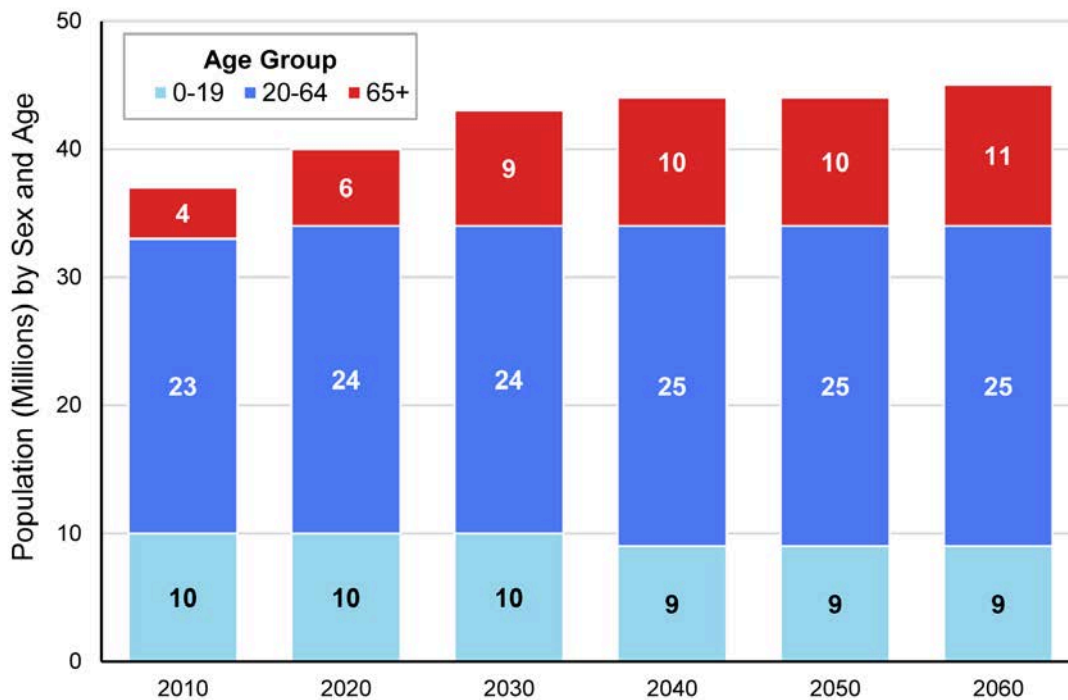
The new projections assume the state reverts to net migration flows of around 100,000 per year in the long term, in line with the average during 2010 through 2019, but significantly lower than levels observed during the period before 2005. In a scenario with zero net migration, the state’s population peaks at 42 million in 2038 and thereafter declines to 40 million by 2060. Other advanced countries, such as Japan, have already

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begun losing population due to more deaths than births and historical patterns of low immigration.

The age structure of the population is also projected to change. (See Figure of Population by Age Group.) In the past, California has been a relatively young state, with one of the lowest percentages of the population aged 65 and over. This is due to its disproportionate share of baby boomers, those born 1946 to 1964. However, now that this cohort is entering retirement, the ratio of Californians over 65 to those ages 20-64—called the Old Age Dependency Ratio (OADR)—is increasing from around 19 per 100 in 2010 to 35 per 100 in 2030. The United States population according to latest Census Bureau projections will see similar trends to the state: the national OADR is projected to increase from 22 per 100 in 2010 to 37 per 100 by 2030.

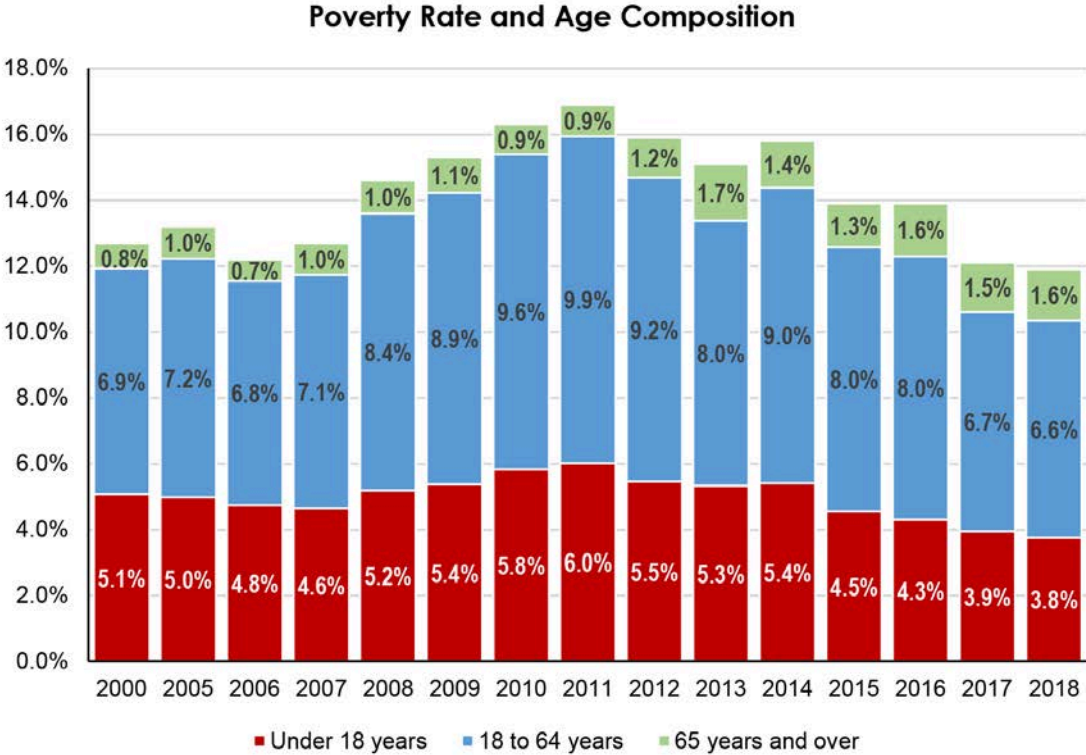
Population by Age Group: 2010-2060



HOUSING AND INCOME

The official poverty rate for California in 2018 was 11.9 percent, down from a peak of 16.9 percent in 2011. This was the first time after the Great Recession that California poverty had fallen below pre-recessionary levels.

A person is considered to be in poverty if they live in a household with an income below the official threshold for that household type. For example, the 2018 poverty threshold for a single adult was \$12,784 and the threshold for a single parent with two children was \$20,231. Improvements in the economy have affected different household types in different ways, and changes in poverty can differ by age group. For persons age 0 to 17 and age 18 to 64, poverty has been on a downward trend in California with poverty in 2018 for persons age 0 to 17 at 16.5 percent compared to 24.3 percent in 2011. For persons age 18 to 64, the poverty rate in 2018 was 10.6 percent compared to 15.6 percent in 2011. By contrast, the poverty rate for seniors has trended upwards since 2010—7.8 percent in 2010 compared to 10.5 percent in 2018. The figure on Poverty Rates by Age shows more detail.



The record-low unemployment rates in California mean more people have work, but more demand for higher-skilled jobs can also affect participation rates. Labor force participation rates for those between 25 and 64 years old have declined by nearly 3 percent since 2000 for individuals with less than a bachelor’s degree (from 76 to 73 percent) and 2 percent for those with a college degree and higher (from 86 to 84 percent). Overall labor force participation among the 25-64 year old population has dropped approximately 1.5 percent as the number of those with a college degree have increased. In 2000, only 28 percent of Californians ages 25-64 had a bachelor’s

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degree or higher, by contrast, in 2018 more than 34 percent fell in that group. For 25-64 year olds, among those with less than a bachelor's degree the poverty rate is 13.6 percent in contrast to those with a bachelor's degree or higher, where the poverty rate is 4.5 percent. The income gains to degree completion are seen also in tenure where a majority of those in California that own their homes have a bachelor's degree or better; likewise the majority of renters have less than a bachelor's degree.

In 2018, poverty rates ranged from 8.1 percent for the San Francisco metro area to 20.9 percent for the Fresno metro area. Poverty rates for five of the state's major metropolitan areas and the remainder of the state have fallen since 2010. However, the thresholds are set nationally, and do not take into account regional differences in the cost of living.

While overall rates of poverty are lower for most Californians in 2018, the housing shortfall continues to impact the overall ability of individuals to afford shelter. Among all Californians, 1 in 5 pay at least 50 percent of their income in housing costs. Among homeowners, this is as low as 13.4 percent. The young and old face the highest rent burdens with more than 30 percent of those 20 to 29 years old, and 39 percent of those over 65 paying more than 50 percent of their income for rent. For households earning below \$50,000, 62 percent are renters, and of those renters 57 percent pay more than 50 percent for housing, up from 54 percent in 2010. The trend continues among households earning between \$50,000 and \$100,000, where those paying more than 50 percent for rent has increased from 3.9 percent in 2010 to 6.4 percent in 2018.

The total housing stock in California consists of 9,186,000 single family housing units, 4,490,000 multi-family housing units and 560,000 mobile homes in 2019. Since the Great Recession, while housing growth has slowed overall, the state has also experienced increased multi-family housing growth not seen since the 1980's. As population growth diverges from housing growth the number of individuals in each household increases. While the two growth rates can differ over time, the state has consistently built less housing than needed for population growth since 2011. When the actual growth in the adult (25+) population of California is compared to the number of housing units historically necessary to accommodate that population's growth from 2000 through 2018, the two lines diverge, with a gap of almost 550,000 housing units at the end of the series in 2018. This gap is seen in the figure Actual Adult Households vs. Historical Adult Housing Demand.

Actual Adult Households vs. Historical Adult Housing Demand

