

## DEMOGRAPHIC INFORMATION

Demographic trends have broad implications for California and the nation. They affect the economy, social and cultural norms, and the demand for government services. The demographic profile in developed nations and in the United States continues to evolve. In California and the United States, birth rates are now at some of the lowest levels on record. They are slightly below replacement level, which would lead to a slow decline in the population unless offset by net migration. While birth rates have declined, life expectancies have increased in most periods since 1900. For example, a baby born in the United States in 1900 lived an average of fewer than 50 years. The life expectancy for a baby born today is nearly 80 years.

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### DEMOGRAPHIC OUTLOOK

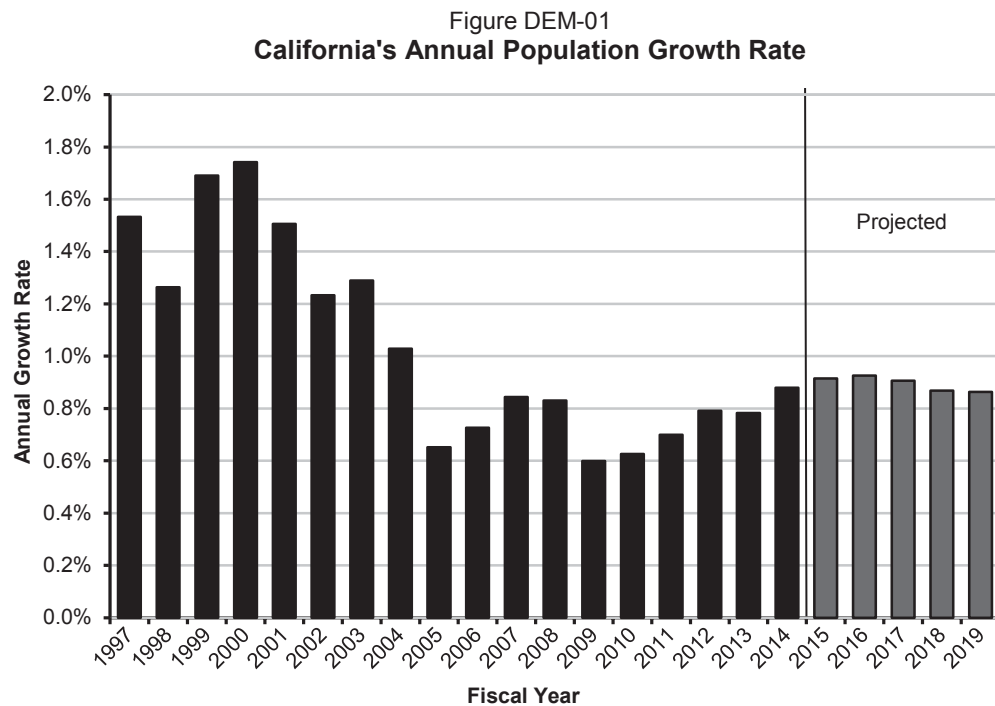
California continued to experience moderate population growth last fiscal year (0.9 percent). As of mid-2014, there were an estimated 38.5 million people residing in California. The population is projected to increase to 38.9 million by July 2015 and 39.2 million by July 2016, reflecting short-term growth rates of 0.9 percent in 2015 and 2016.

Over the next five years, the state will average growth of 351,000 residents annually. Although fertility rates have declined since 2007, natural increase (births minus deaths) will account for most of the growth during this time. Net migration (the difference between individuals moving into California from other states and countries and those moving out) is projected to remain positive over the next few years, but contributes a

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relatively small share of population growth. Late in 2018, California's population will hit 40 million and by July 2019, the state will grow to 40.3 million, a five-year growth rate of 4.6 percent.

Figure DEM-01 displays the growth rate of California's population from 1997 to 2019.

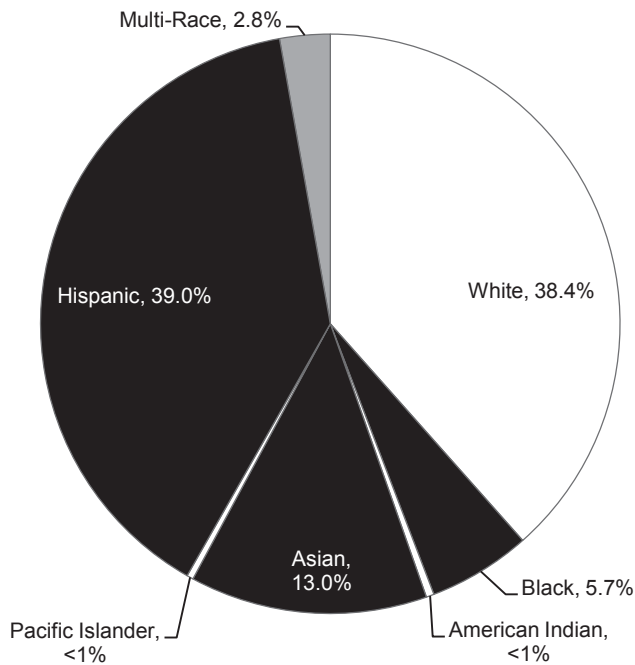


### RACE AND ETHNIC DISTRIBUTION

As of early 2014, California is the first large state and only the third overall (after Hawaii and New Mexico), without a white, non-Hispanic plurality. The Hispanic population is now the largest race or ethnic group in the state, with a population of over 15 million or 39 percent of California's population; the white non-Hispanic population is just under 15 million (38 percent). Asians are the third largest race or ethnic group in California at over 5 million (13 percent).

Figure DEM-02 displays the racial/ethnic composition of California in 2015.

Figure DEM-02  
**Race & Ethnicity Distribution** □  
**July 2015** □□



**POPULATION GROWTH BY AGE GROUP**

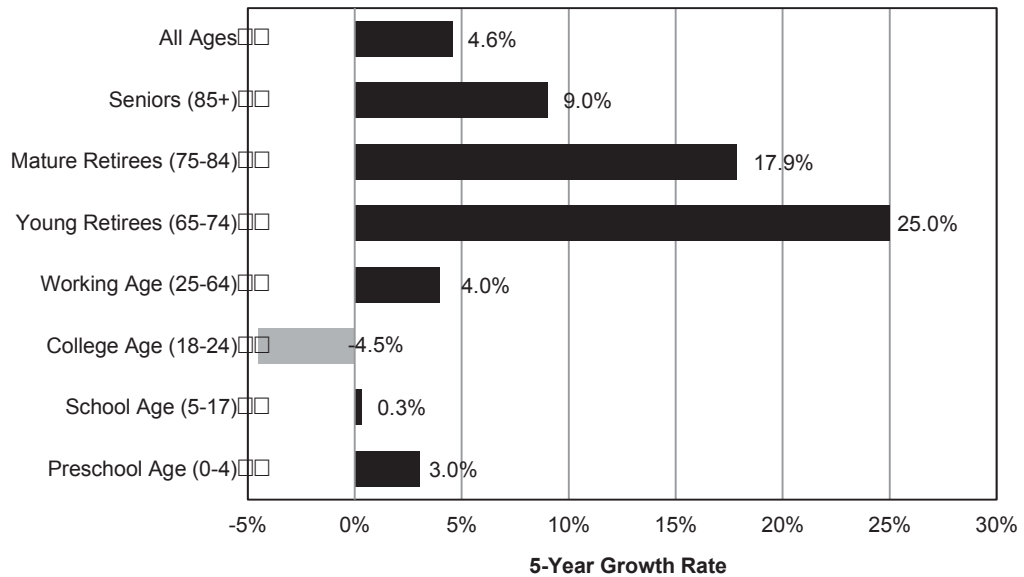
The California population continues to grow in all large age groups, except college age. The fastest growing cohort is 65 to 74 year-olds due to baby boomers reaching this milestone. Those advancing into the 75 to 84 year-old group were born during a period of low birth rates—the Great Depression or just prior to the beginning of World War II.

Figure DEM-03 shows the projected cumulative growth by age group through 2019.

**AGE STRUCTURE**

In parts of the world, swings in the age structure of the population have coincided with economic challenges or civic unrest. California’s age structure is substantially more balanced than much of the world. During the baby boom (1946 – 1964), there were 6 million babies born in California. In 1990, there were nearly 10 million baby boomers living in California. This phenomenal growth in baby boomers residing in California,

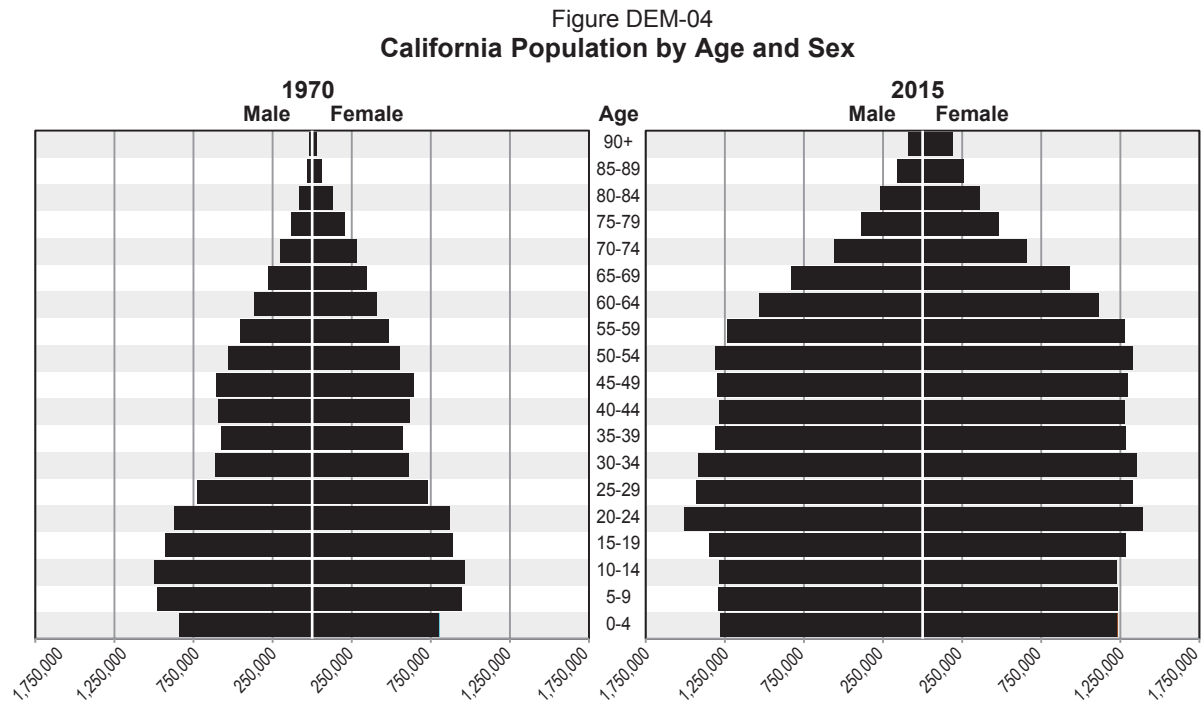
Figure DEM-03  
**Projected California Population Growth Rate  
 by Age Group (2014-2019)**



compared to those born in California, was fueled by both domestic and international migrants who moved here as children or young adults. On average, over 1,000 California baby boomers turn 65 years old every day.

Currently, nearly 9.2 million Californians are less than 18 years old. California has a younger population than the remainder of the United States, with a slightly higher percentage of the population younger than 18 years old, a lower percentage 65 and older, and a younger median age. A key cohort for California’s future is comprised of those born as part of the “baby echo,” generally born to one or both parents from the baby boom. The largest five-year cohort in California and in the U.S. is the 20 to 24 year-old age group. As the baby boomers reach retirement, economic opportunities for these young adults will increase.

The two population pyramids in Figure DEM-04 compare the age and gender distribution of California’s population between 1970 and 2015. In these graphs, males are displayed



on the left hand side and females on the right hand side. The youngest birth cohorts are shown at the bottom and successively older cohorts are one step up on the pyramid with the oldest group (90 and older) at the top.

In 1970, the baby boomer population (in cohorts ages 6 through 24 years old) were the largest groups. By comparison, the pyramid on the right shows the 2015 age structure and how California’s baby boom population has grown and aged since 1970, specifically the cohorts for ages 50 through 69 years.

The age structure of a population is important because it helps determine societal demands; for example, baby boomers drove demand for school construction and new teachers in the 1960s and 1970s. Lifestyle, healthcare, and civic improvements have increased the life expectancy, not just for infants, but for retirees as well. In 1900, a 65 year-old could expect to live an average 11 more years; by 2009, that had grown to 19 more years. The extension of life reflects scientific and social progress, but also creates pressure for many families as a greater share of the population encounters the diseases and disabilities associated with the elderly. Demographic shifts will continue to shape social challenges, but it will be the response to these challenges that helps define the success of society, and shape California’s economy.

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