


Avoiding Failure To Launch



A Grown Children Benchmark For Projecting Future Housing Needs

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Key Questions

- **Should grown children live with their parents?**



Failure To Launch

A popular new movie

Have you seen it?

How old was that guy?

At What Age Should Children Have a Separate Housing Unit?

18

25

21

?

30

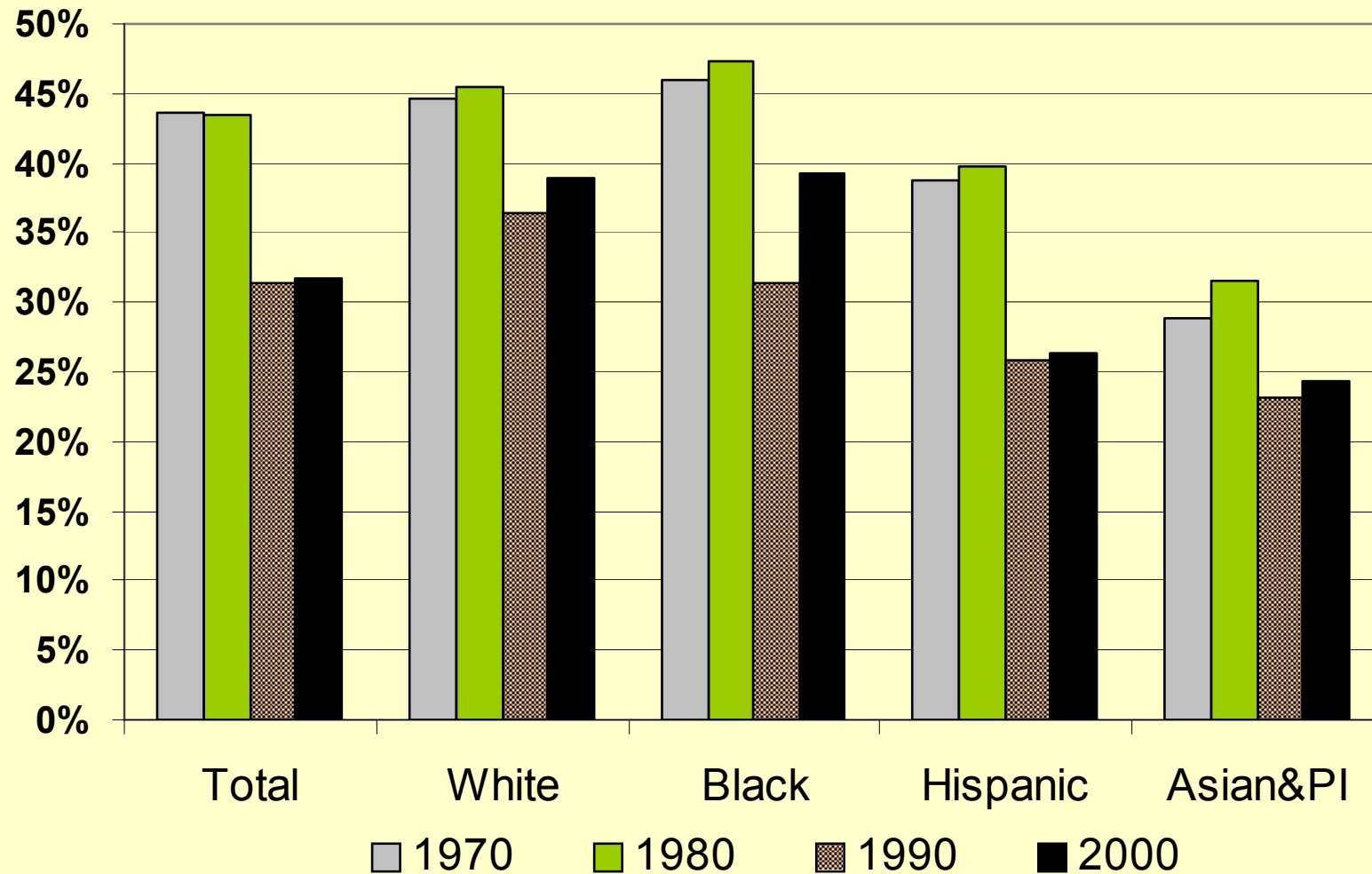
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40

Key Questions

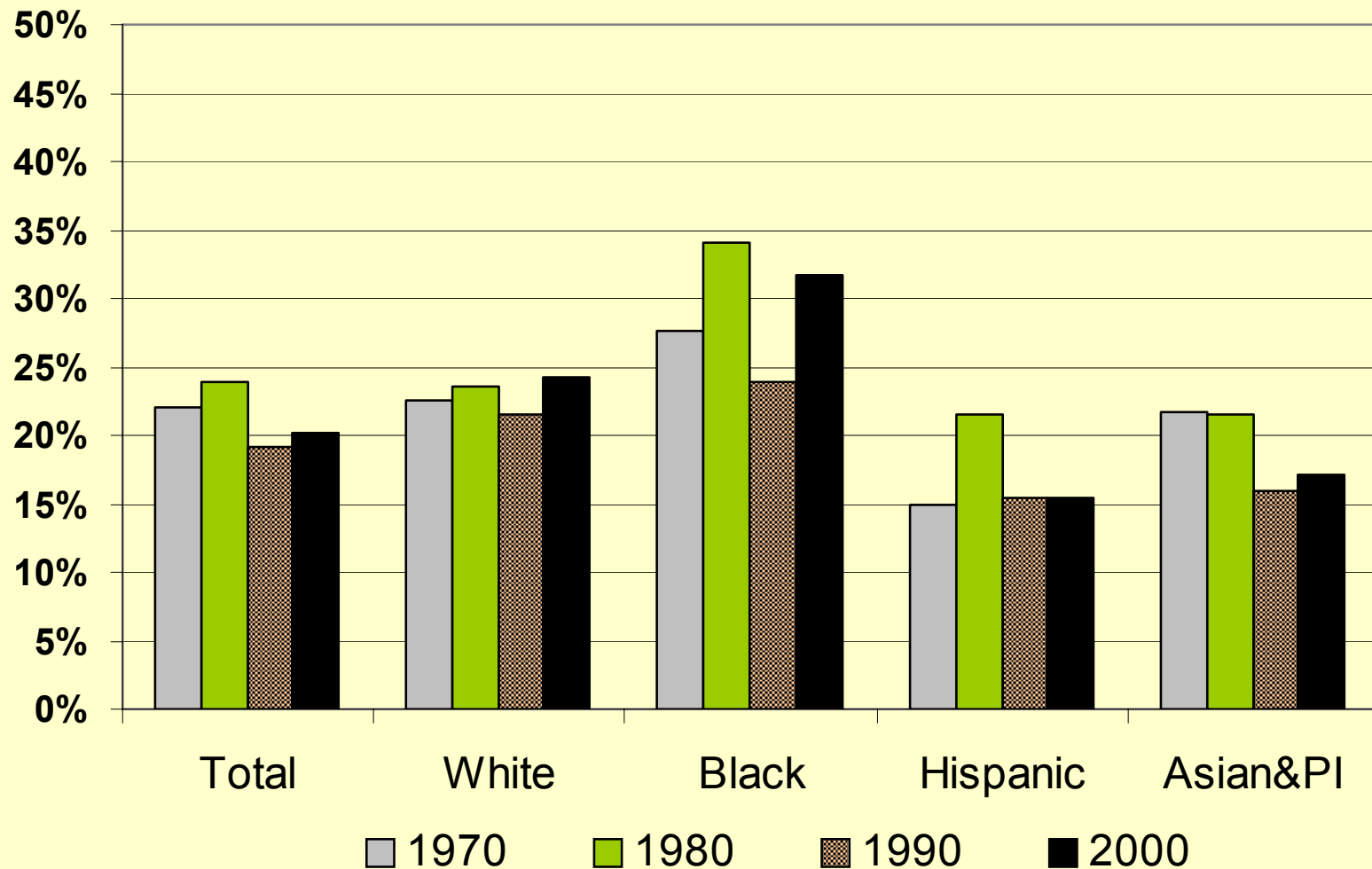
- **Should grown children live with their parents?**
- **What ratio of housing units is needed?**
- **How fast is the number of children growing?**
- **How does this translate into housing needs?**
- **How much must housing construction increase?**

Ratio of Housing Units Occupied per Person Age 25



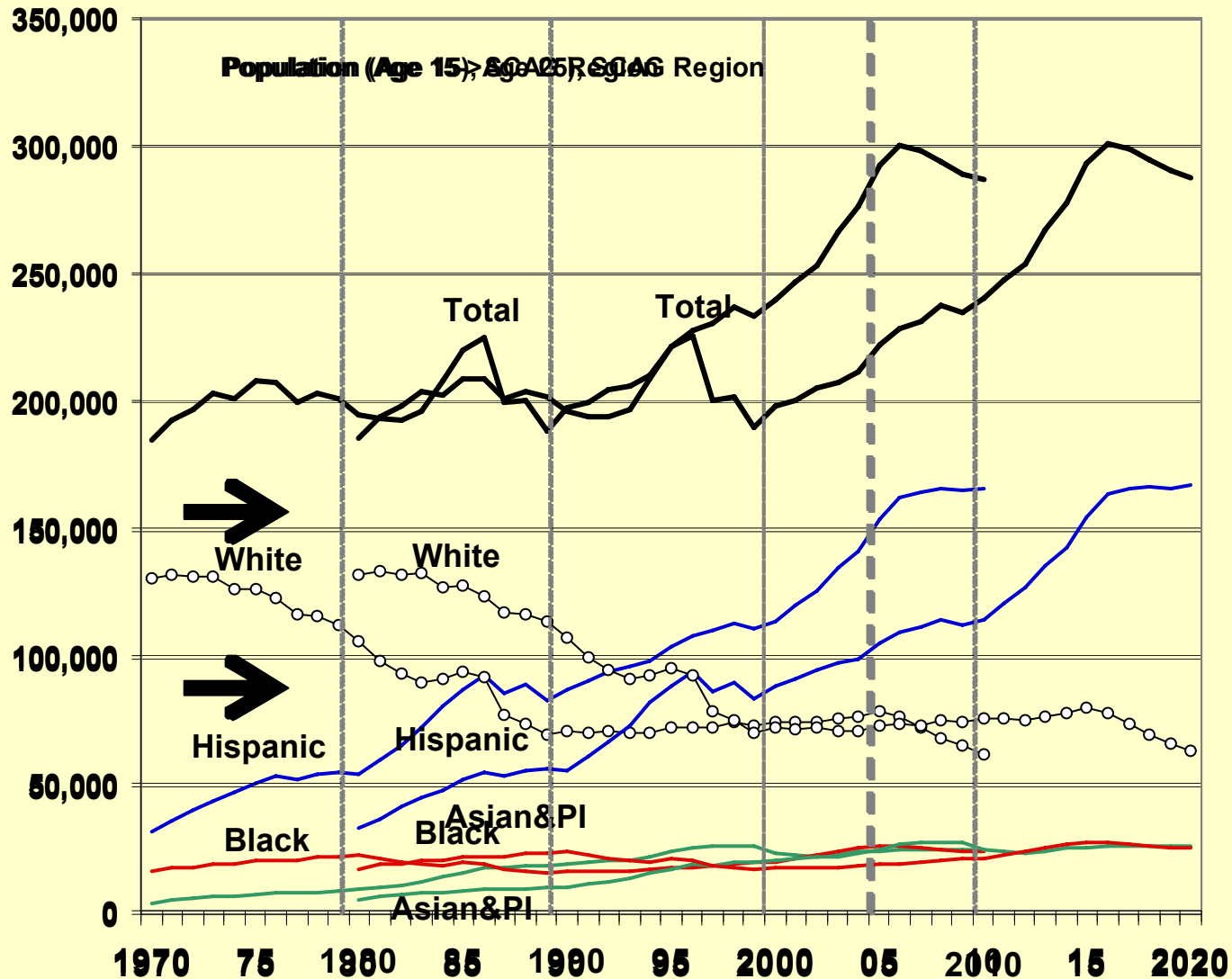
Data Source: Decennial Census PUMS 5% for 1970, 1980, 1990 and 2000

Multifamily Ratio of Housing Units Occupied per Person Age 25



Data Source: Decennial Census PUMS 5% for 1970, 1980, 1990 and 2000

Number of Children Age 15 Turning 25



Data Source: State of California, Department of Finance, *Race/Ethnic Population with Age and Sex Detail, 1970-2050*. Sacramento, CA, May 2004

How Many Housing Units Will Be Needed?

Number of People

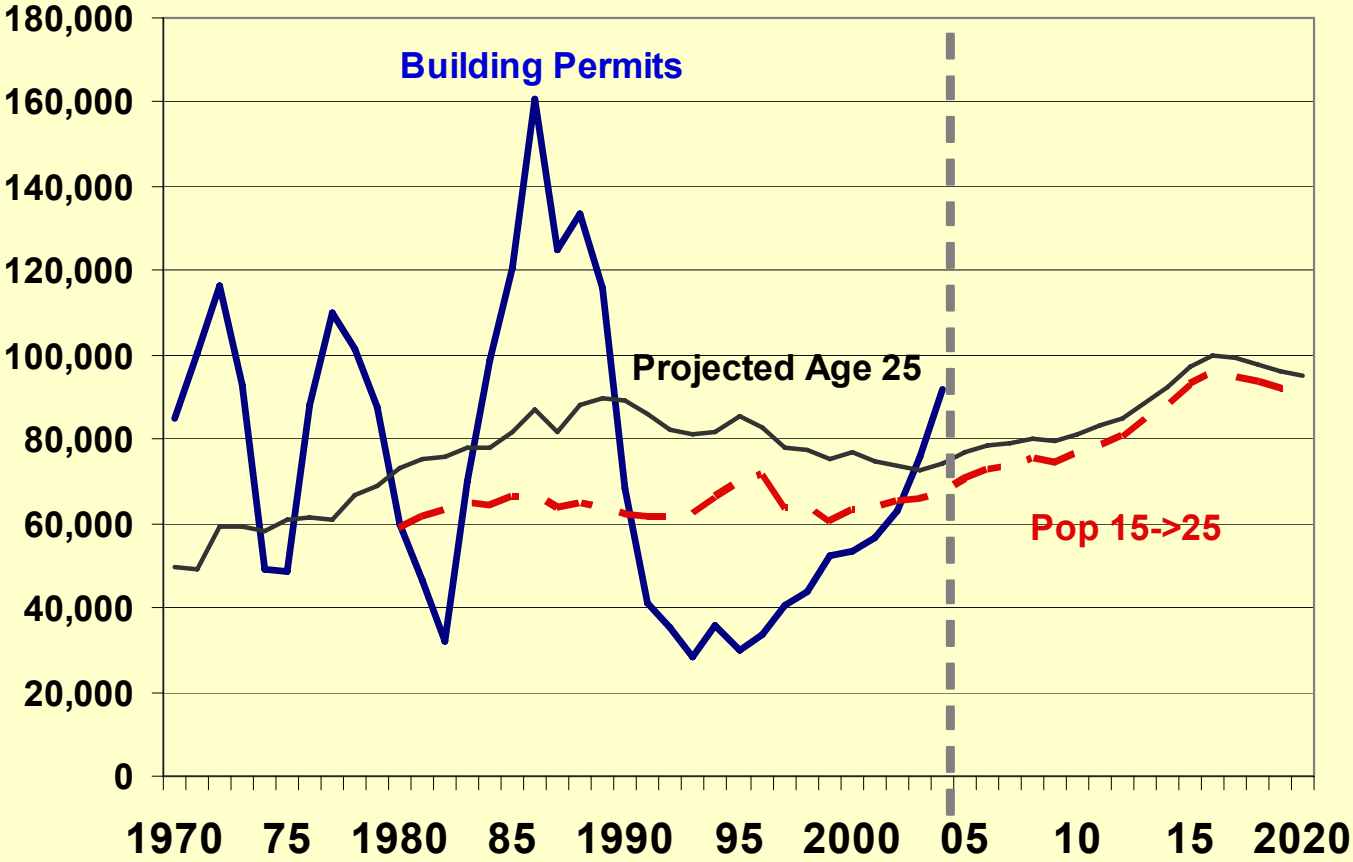
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Ratio of Housing Units

=

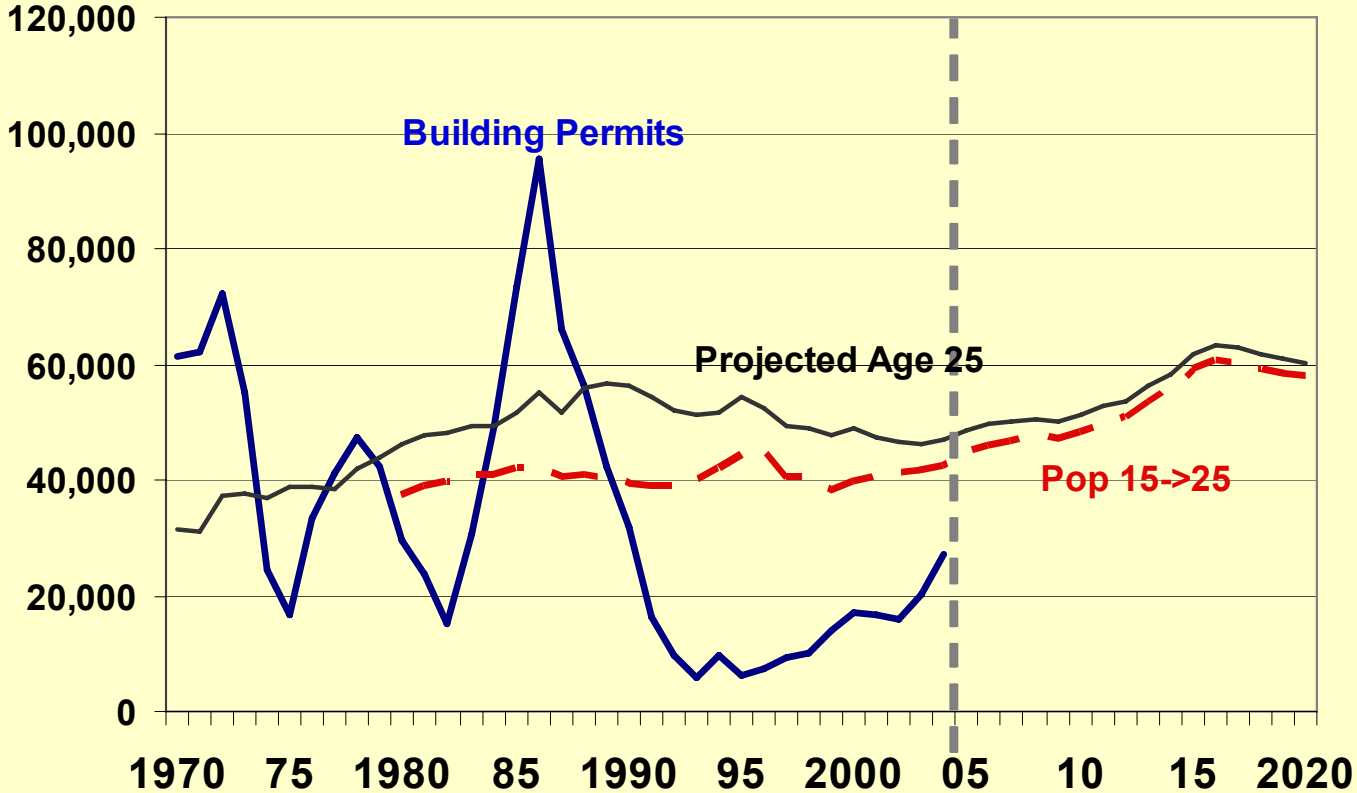
Number of Housing Units

Comparing Household Formation and Total Construction in SCAG Region



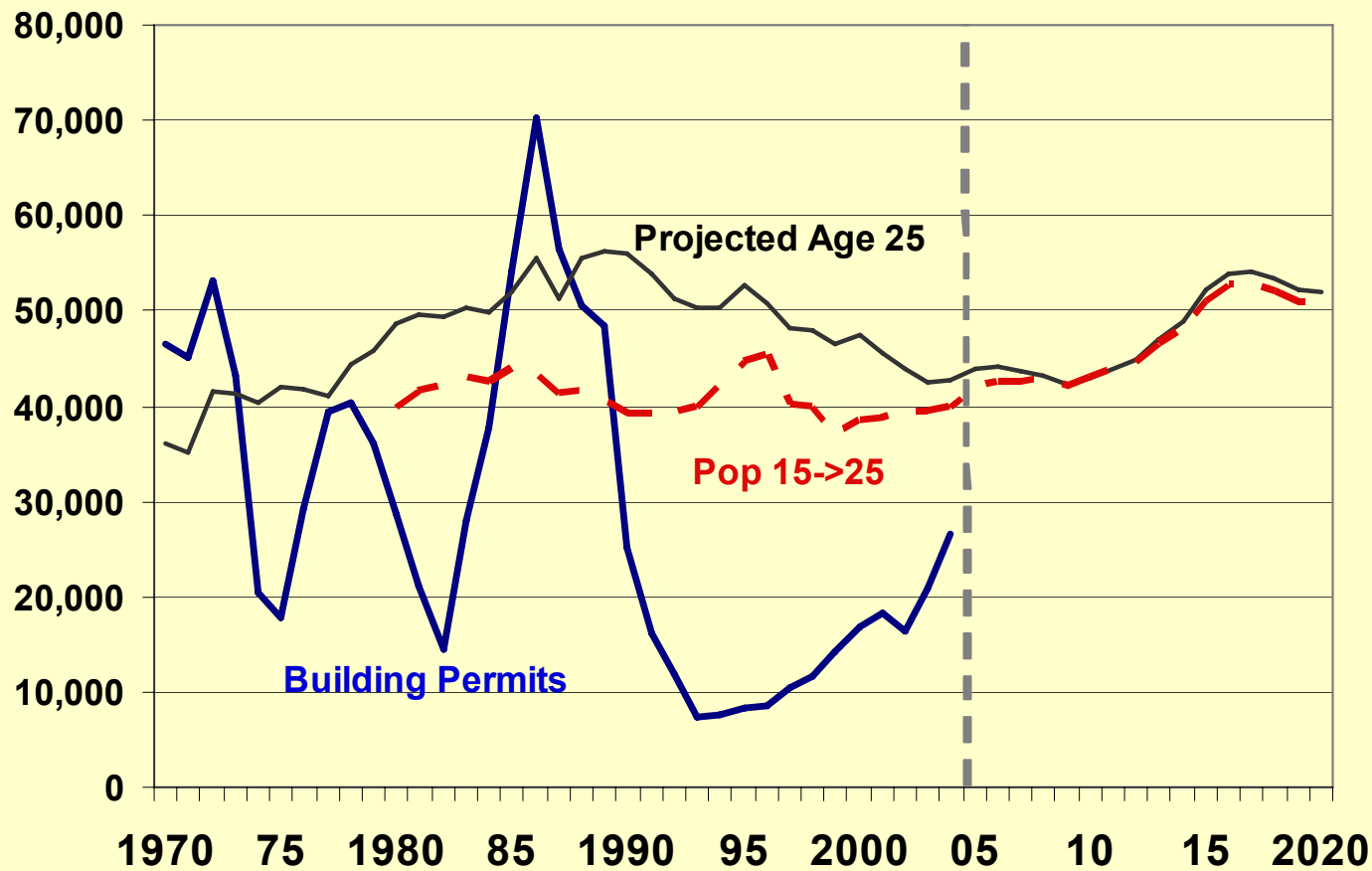
Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Multifamily Construction in SCAG Region



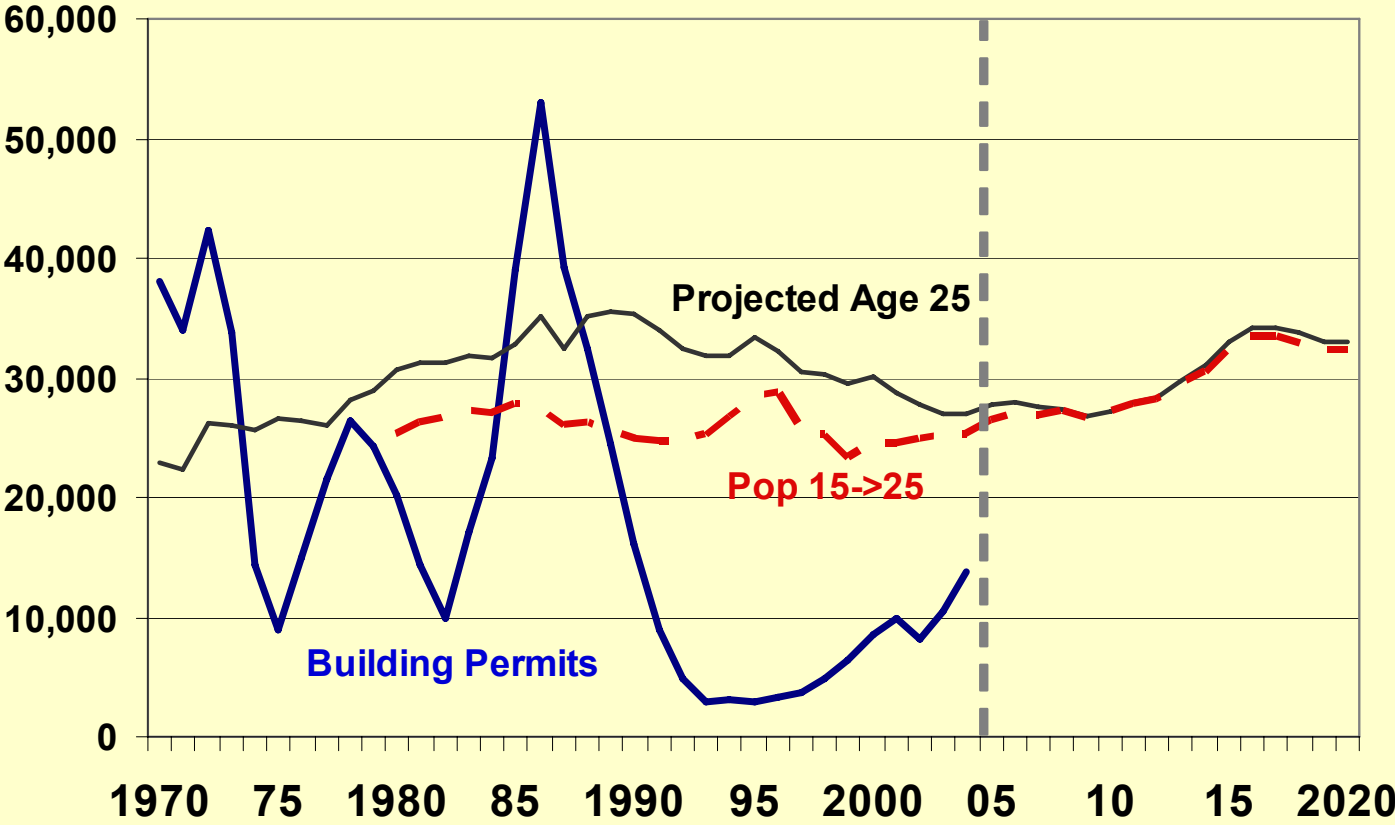
Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Total Construction in Los Angeles County



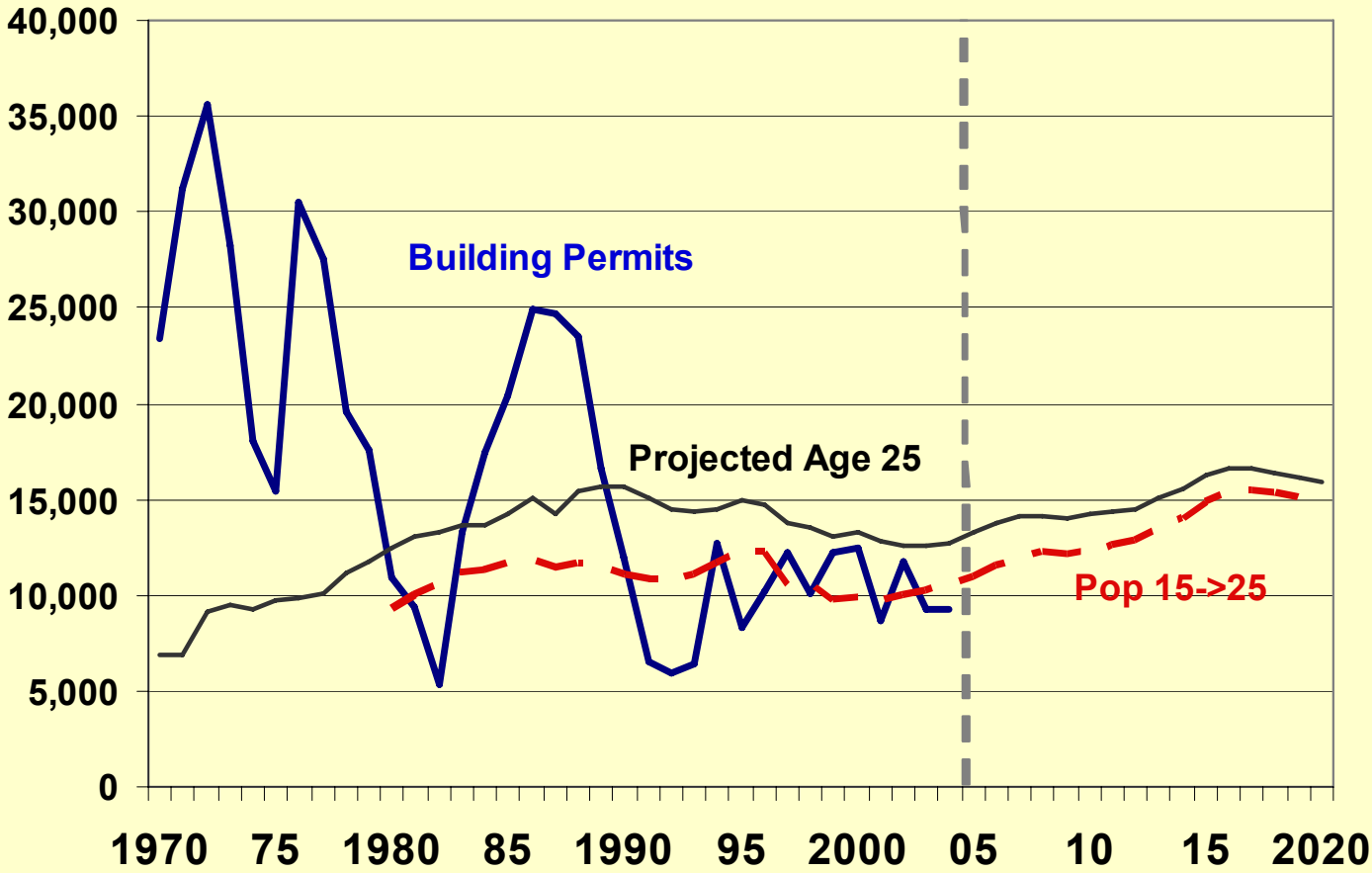
Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Multifamily Construction in Los Angeles County



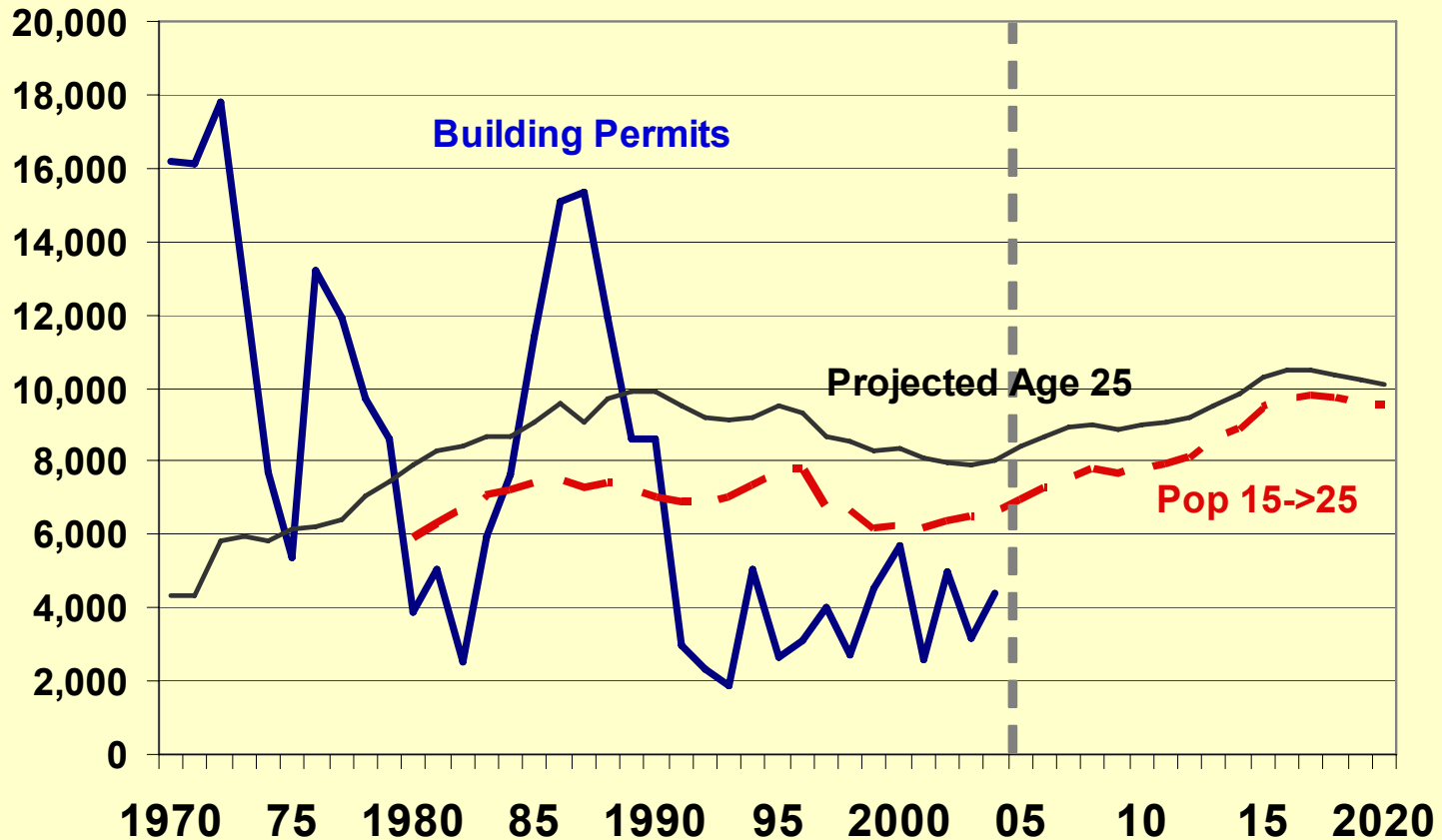
Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Total Construction in Orange County



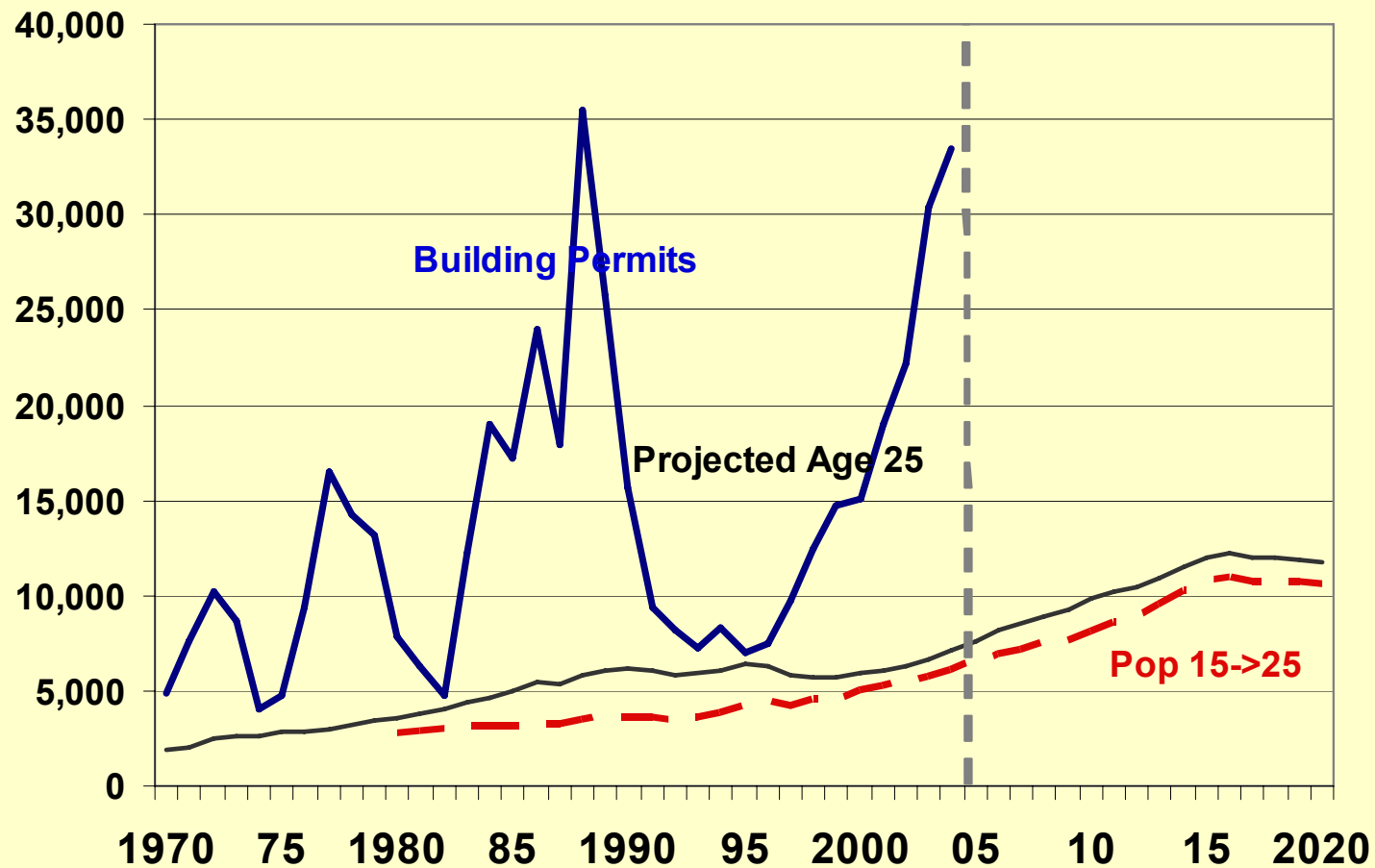
Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Multifamily Construction in Orange County



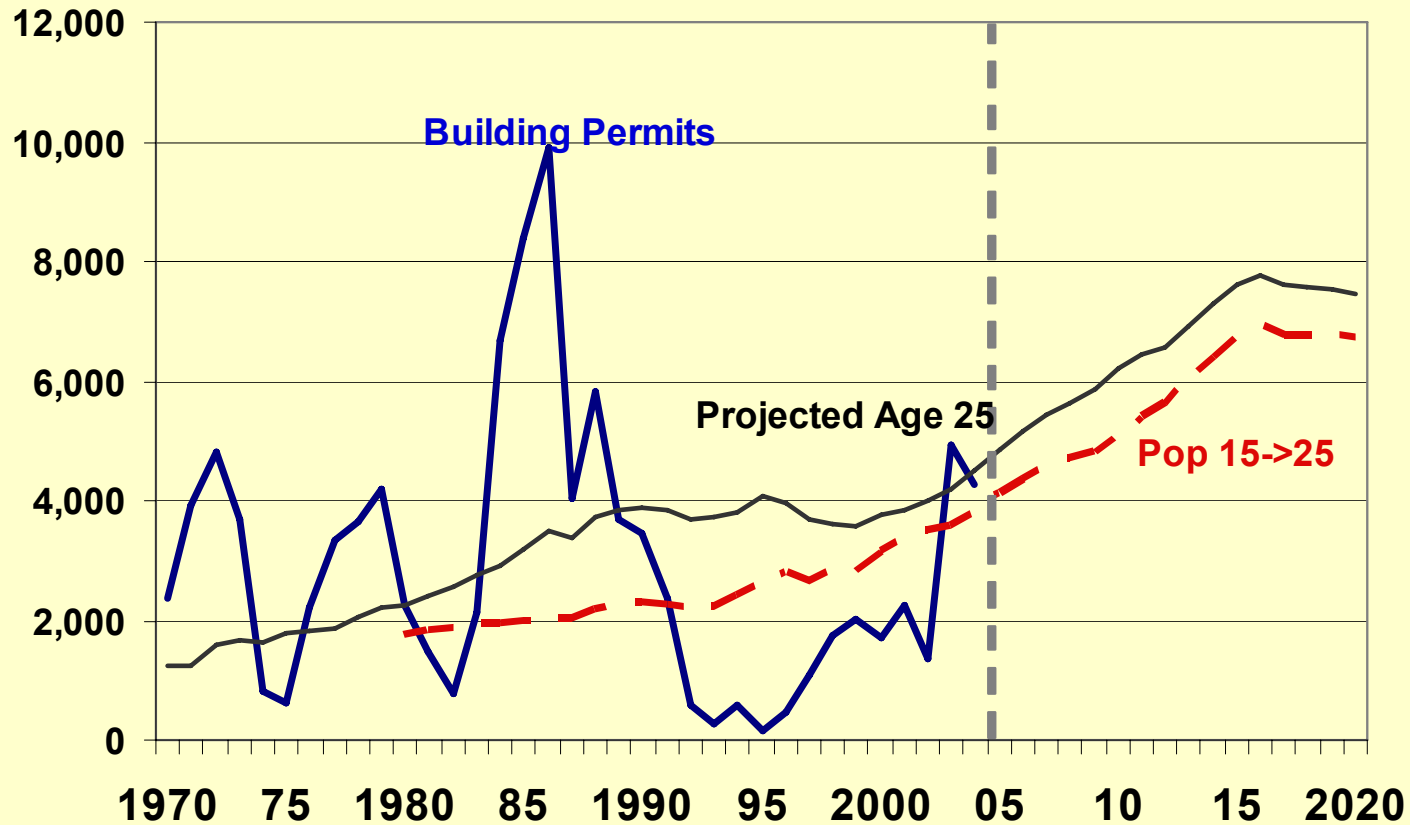
Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Total Construction in Riverside County



Data Source: CA Department of Finance and Construction Industry Research Board

Comparing Household Formation and Multifamily Construction in Riverside County



Data Source: CA Department of Finance and Construction Industry Research Board

Annual Construction Compared to Housing Needs of Grown Children Passing from Age 15 to Age 25 in SCAG Region

Year	Total: Age15->Age25					
	Households*	Vacant units**	Housing Need	Building Permits***	Shortfall	% Shortfall
1980-84	62,404	1,930	64,334	61,384	-2,950	(4.6)
1985-89	64,941	2,008	66,949	131,126	64,177	95.9
1990-94	62,779	1,942	64,721	41,715	-23,005	(35.5)
1995-99	65,885	2,038	67,922	40,000	-27,922	(41.1)
2000-04	64,872	2,006	66,879	68,028	1,149	1.7
2005-09	73,252	2,266	75,517	68,028	-7,489	(9.9)
2010-14	81,639	2,525	84,164	68,028	-16,136	(19.2)
2015-19	93,798	2,901	96,698	68,028	-28,670	(29.6)

Notes:

* Households= Population (Age 15->25) * Headship Rate (Age25, CA, 2000)

** Vacant housing rate: 3.0% total housing; 5.0% multifamily

*** Building permits post 2004 assumed = Average Annual Growth (2000-04)

Source: Calculation by author using data from Census and Construction Industry Research Board

Annual Construction Compared to Housing Needs of Grown Children Passing from Age 15 to Age 25 in Los Angeles County

Total: Age15->Age25						
Year	Households*	Vacant units**	Housing Need	Building Permits***	Shortfall	% Shortfall
1980-84	41,765	1,292	43,057	25,987	-17,070	(39.6)
1985-89	42,133	1,303	43,436	55,947	12,510	28.8
1990-94	39,923	1,235	41,158	13,605	-27,553	(66.9)
1995-99	41,413	1,281	42,693	10,658	-32,036	(75.0)
2000-04	39,191	1,212	40,403	19,830	-20,573	(50.9)
2005-09	42,360	1,310	43,670	19,830	-23,840	(54.6)
2010-14	45,154	1,397	46,551	19,830	-26,721	(57.4)
2015-19	51,850	1,604	53,454	19,830	-33,624	(62.9)

Notes:

* Households= Population (Age 15->25) * Headship Rate (Age25, CA, 2000)

** Vacant housing rate: 3.0% total housing; 5.0% multifamily

*** Building permits post 2004 assumed = Average Annual Growth (2000-04)

Source: Calculation by author using data from Census and Construction Industry Research Board

Annual Construction Compared to Housing Needs of Grown Children Passing from Age 15 to Age 25 in Orange County

Total: Age15->Age25						
Year	Households*	Vacant units**	Housing Need	Building Permits***	Shortfall	% Shortfall
1980-84	10,457	323	10,781	11,302	521	4.8
1985-89	11,594	359	11,953	22,017	10,065	84.2
1990-94	11,059	342	11,401	8,709	-2,692	(23.6)
1995-99	11,050	342	11,392	10,620	-772	(6.8)
2000-04	10,028	310	10,338	10,286	-52	(0.5)
2005-09	11,731	363	12,094	10,286	-1,808	(14.9)
2010-14	13,019	403	13,422	10,286	-3,136	(23.4)
2015-19	15,213	471	15,684	10,286	-5,398	(34.4)

Notes:

* Households= Population (Age 15->25) * Headship Rate (Age25, CA, 2000)

** Vacant housing rate: 3.0% total housing; 5.0% multifamily

*** Building permits post 2004 assumed = Average Annual Growth (2000-04)

Source: Calculation by author using data from Census and Construction Industry Research Board

Annual Construction Compared to Housing Needs of Grown Children Passing from Age 15 to Age 25 in Riverside County

Total: Age15->Age25						
Year	Households*	Vacant units**	Housing Need	Building Permits***	Shortfall	% Shortfall
1980-84	2,956	91	3,047	10,025	6,977	229.0
1985-89	3,308	102	3,411	24,052	20,641	605.2
1990-94	3,599	111	3,711	9,756	6,045	162.9
1995-99	4,332	134	4,466	10,286	5,820	130.3
2000-04	5,476	169	5,645	24,018	18,373	325.5
2005-09	7,114	220	7,334	24,018	16,684	227.5
2010-14	9,033	279	9,313	24,018	14,706	157.9
2015-19	10,731	332	11,062	24,018	12,956	117.1

Notes:

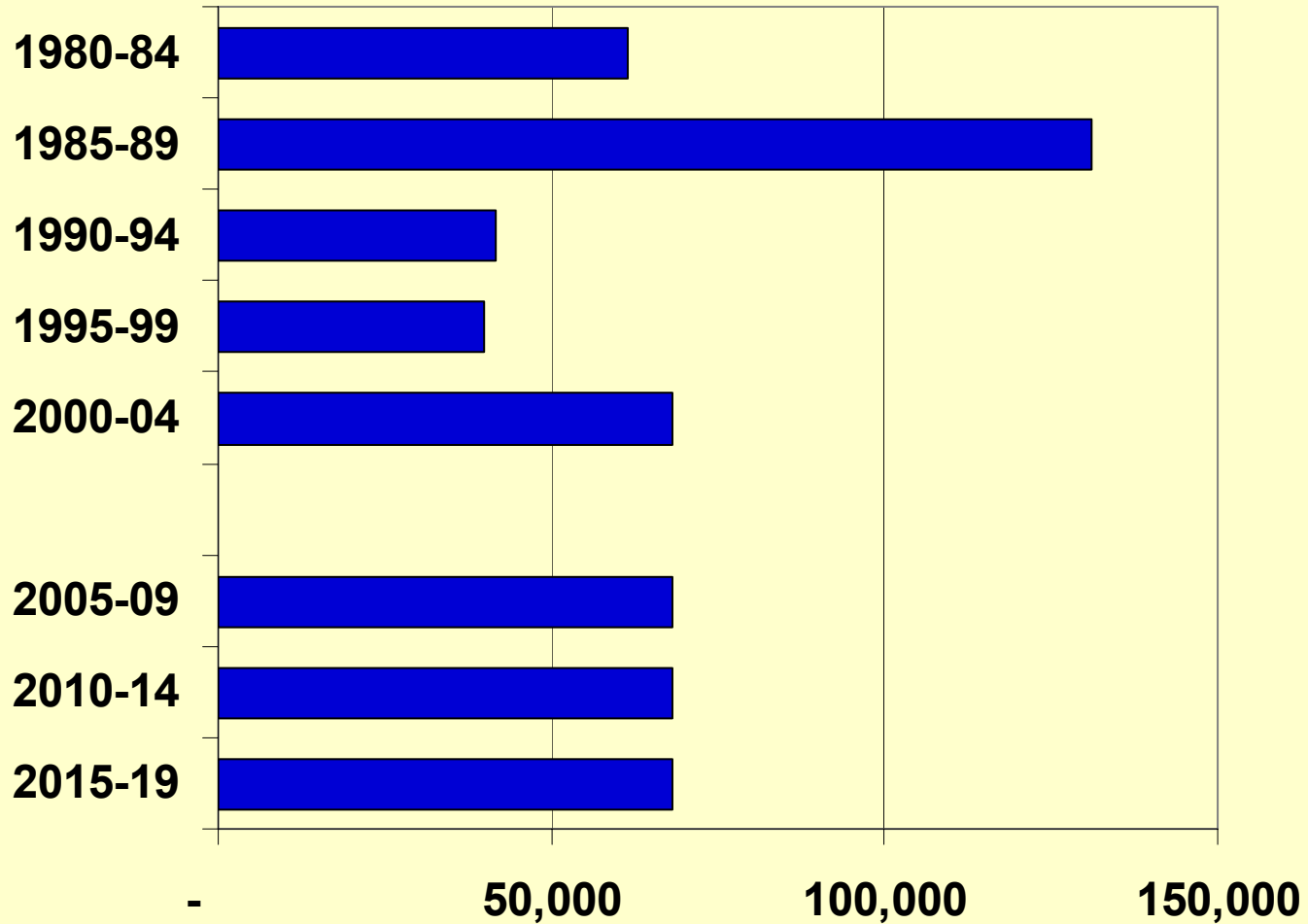
* Households= Population (Age 15->25) * Headship Rate (Age25, CA, 2000)

** Vacant housing rate: 3.0% total housing; 5.0% multifamily

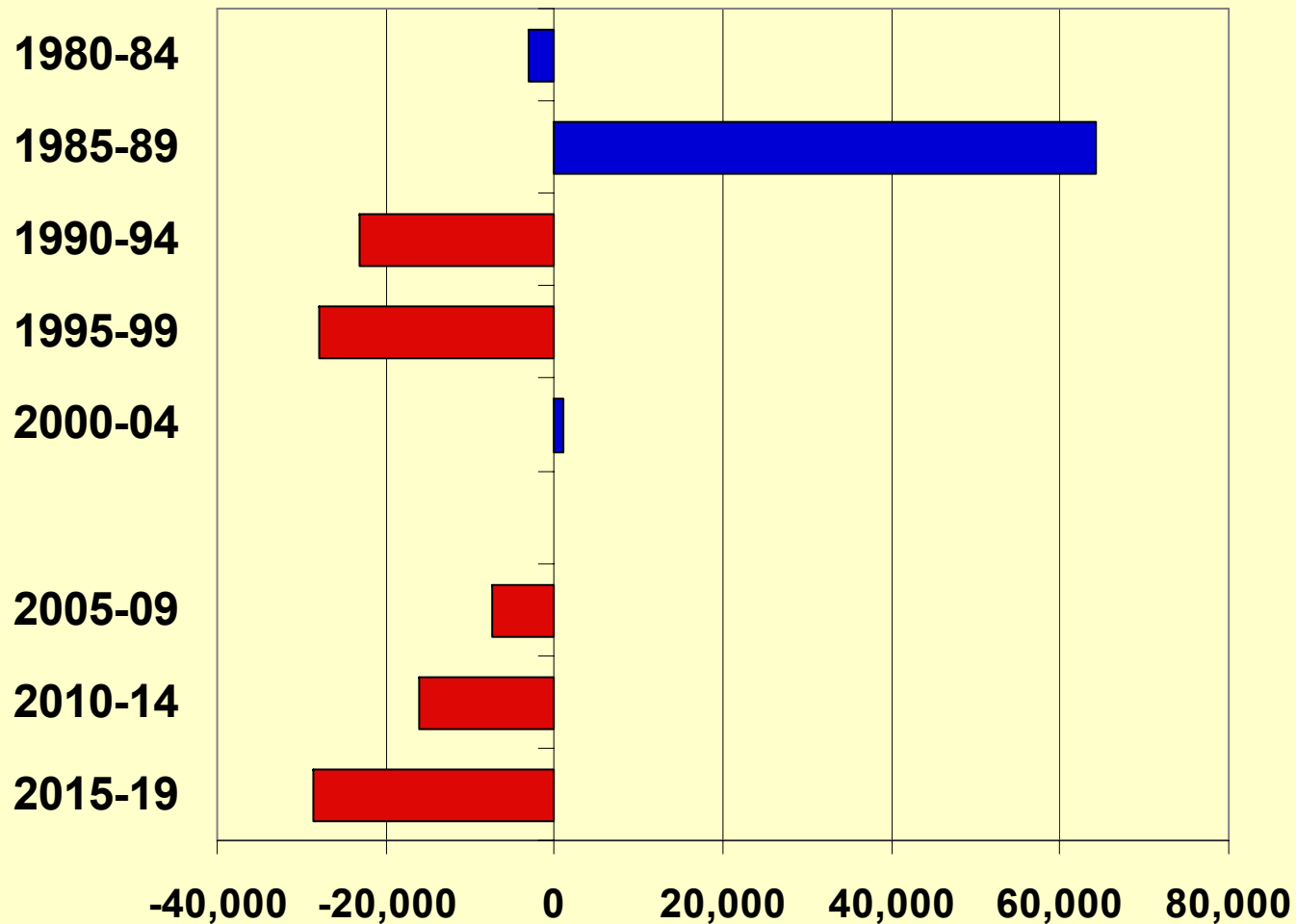
*** Building permits post 2004 assumed = Average Annual Growth (2000-04)

Source: Calculation by author using data from Census and Construction Industry Research Board

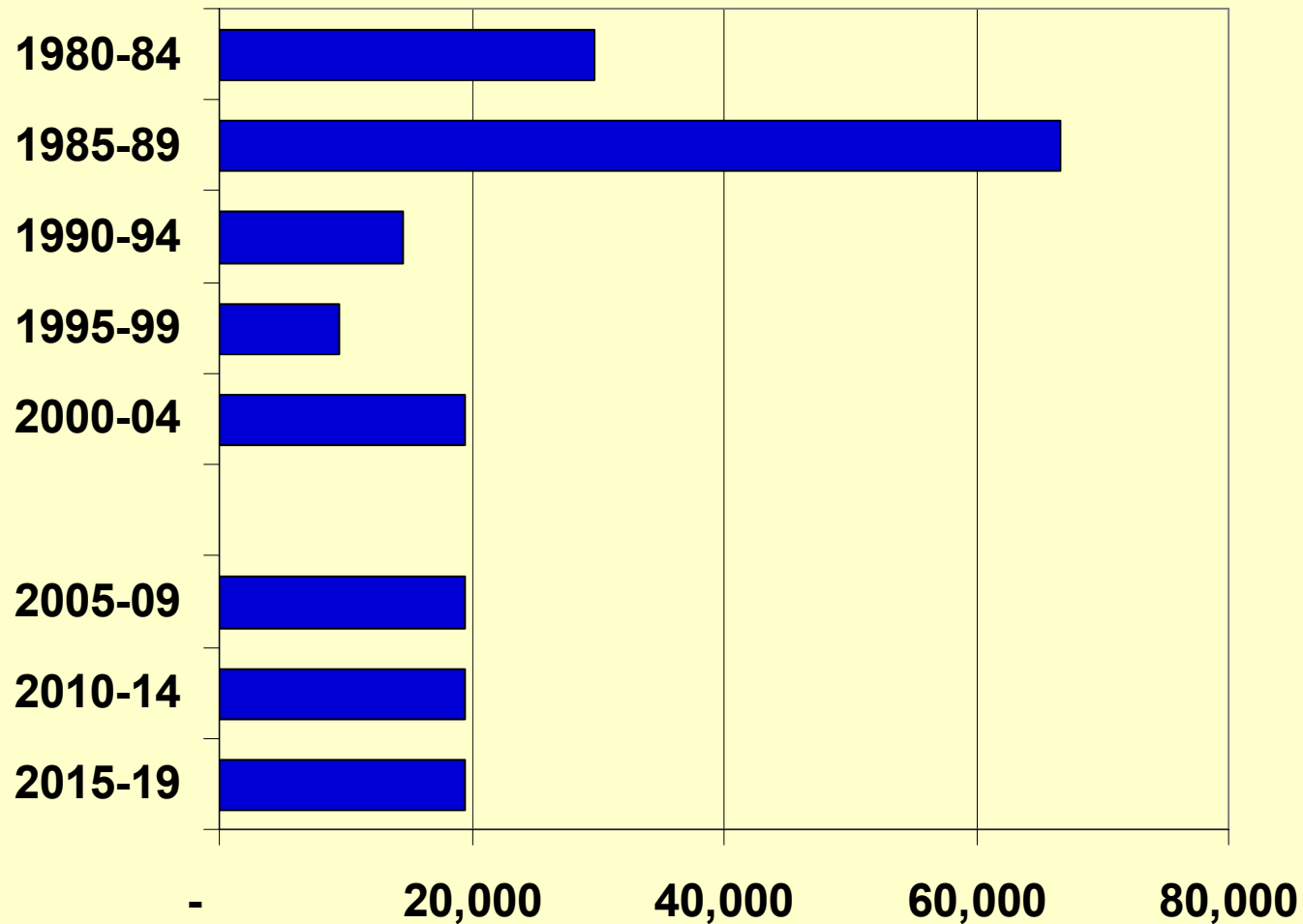
Total Annual Building Permits, SCAG Region



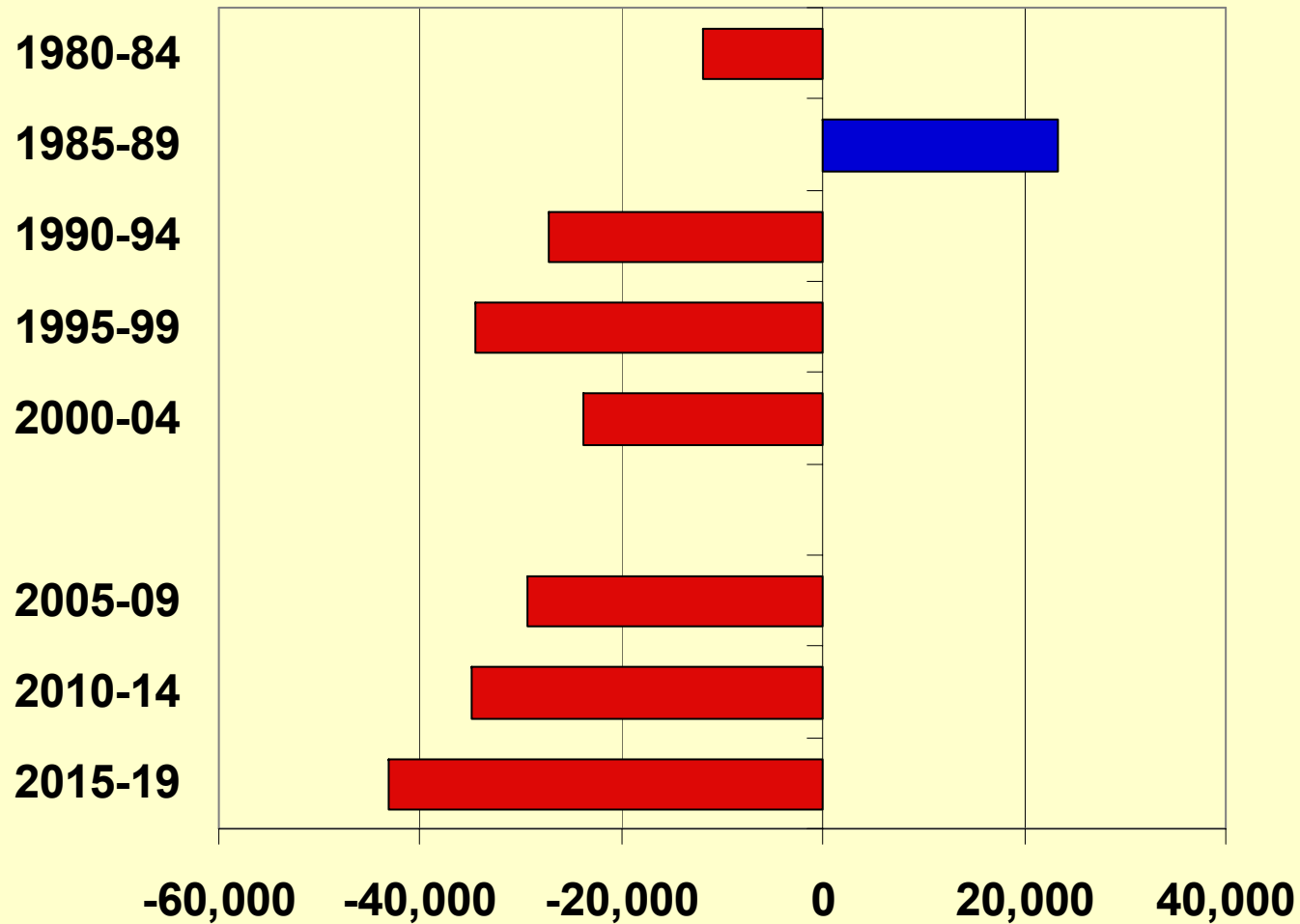
Excess or Shortage of Total Housing, SCAG Region



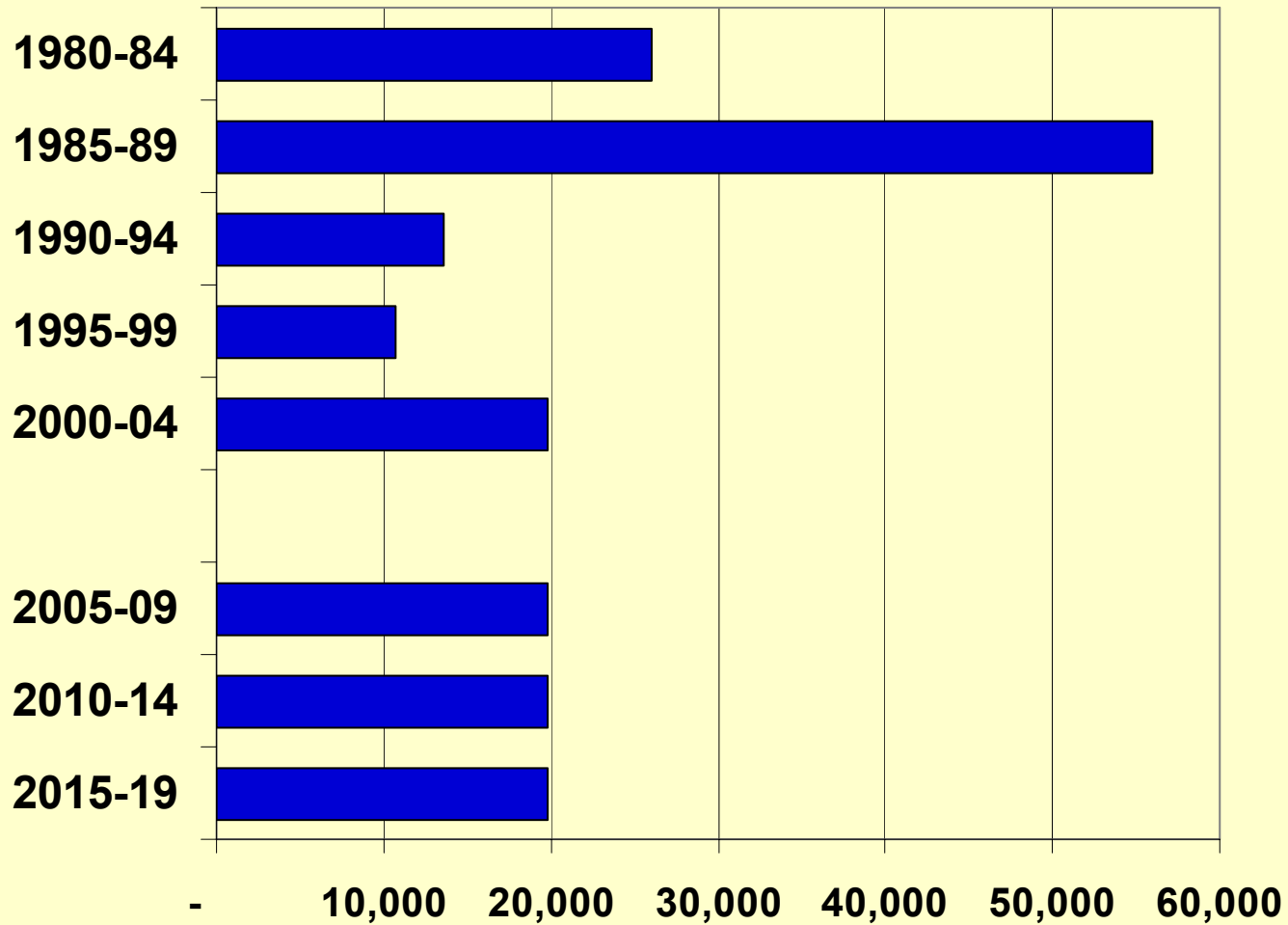
Multifamily Building Permits, SCAG Region



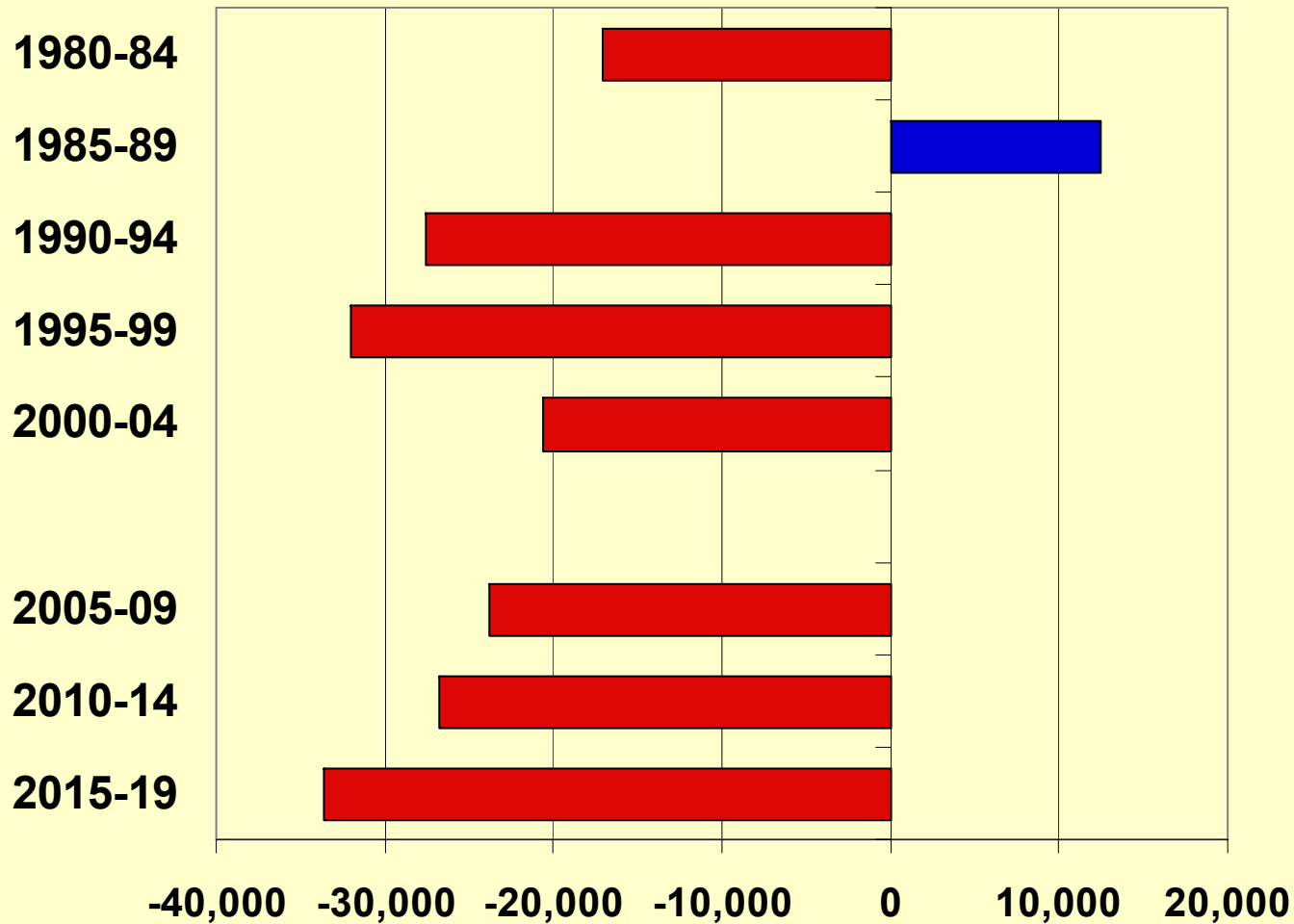
Excess or Shortage of MF Housing, SCAG Region



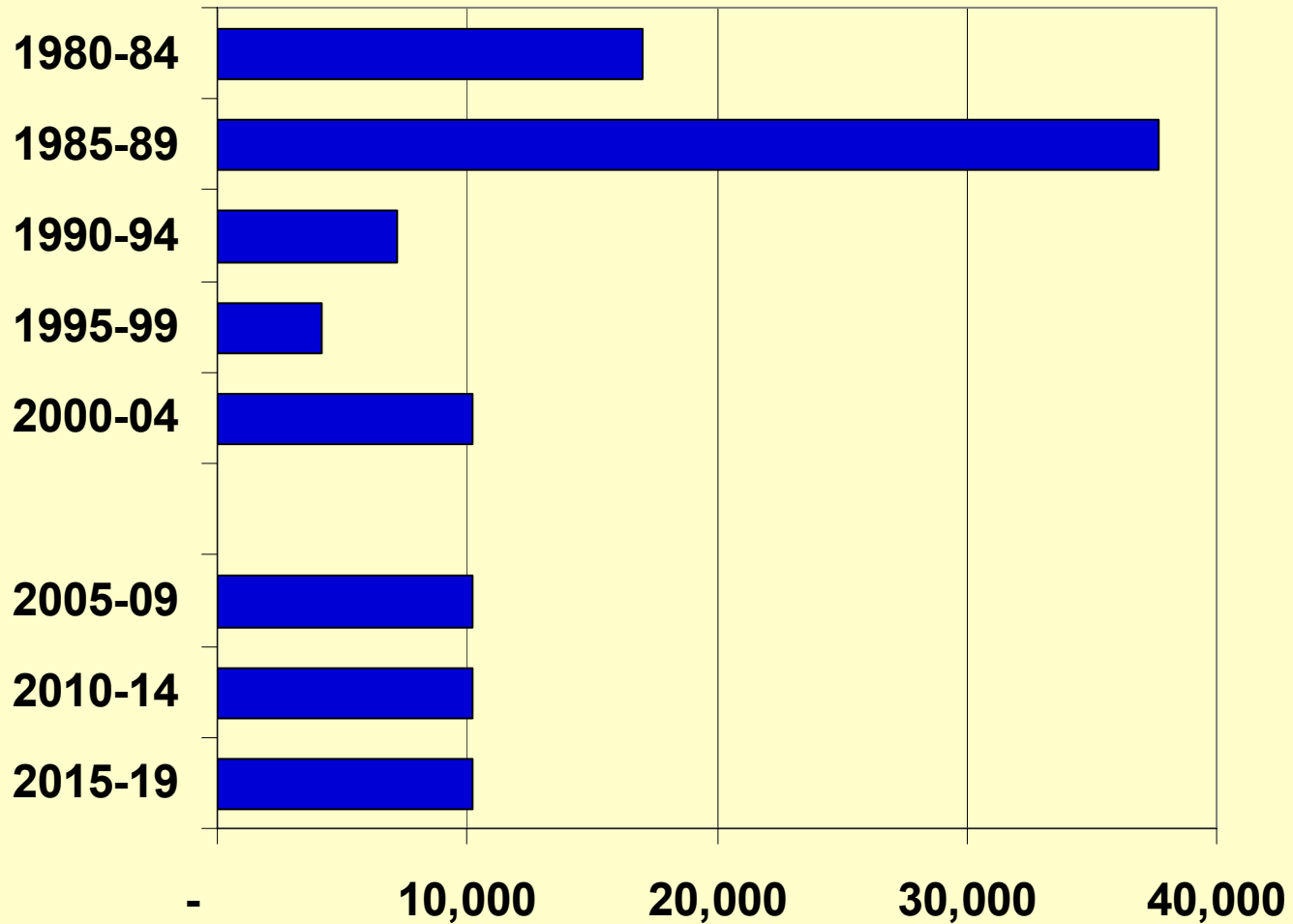
Total Annual Building Permits, Los Angeles County



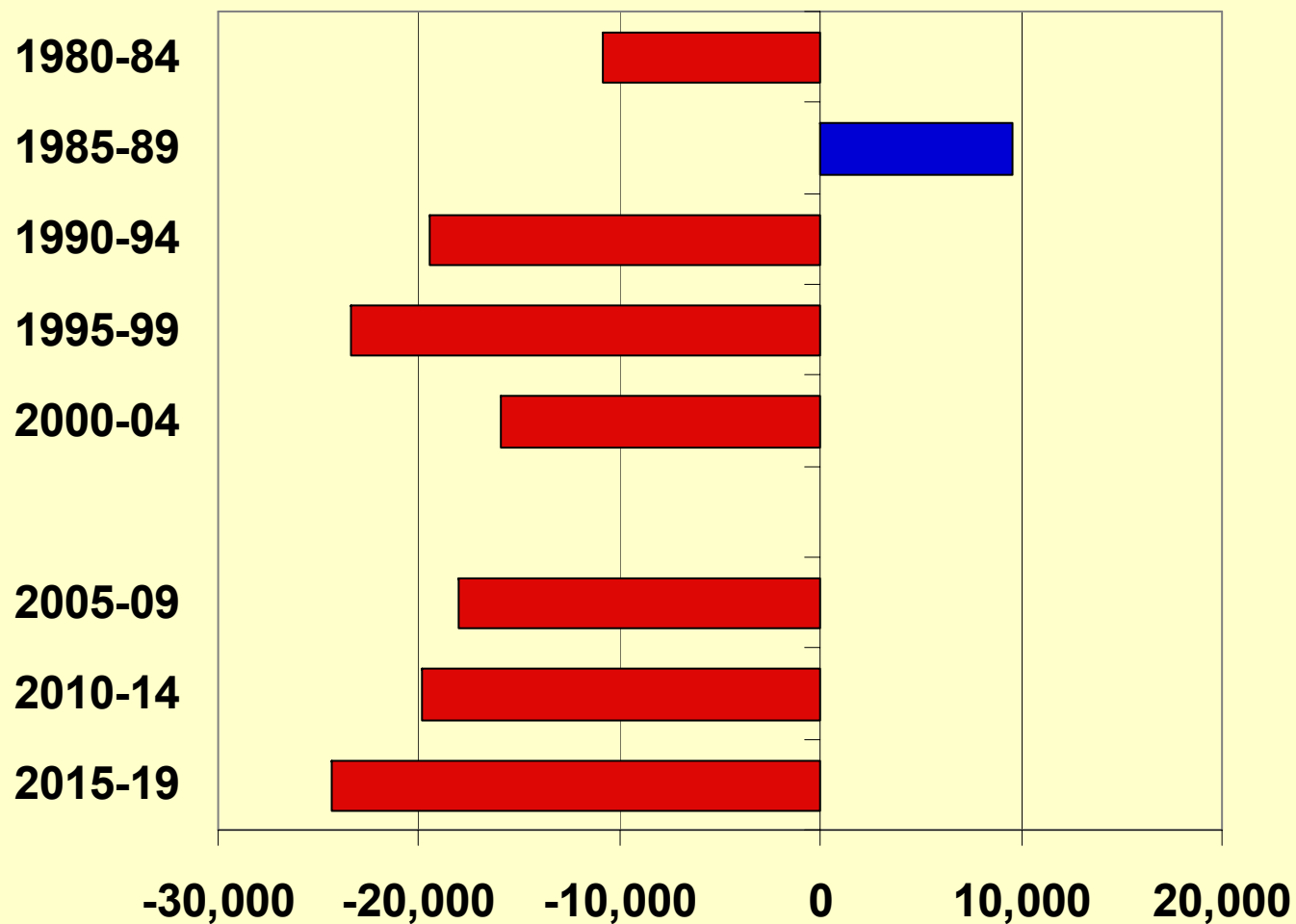
Excess or Shortage of Total Housing, Los Angeles County



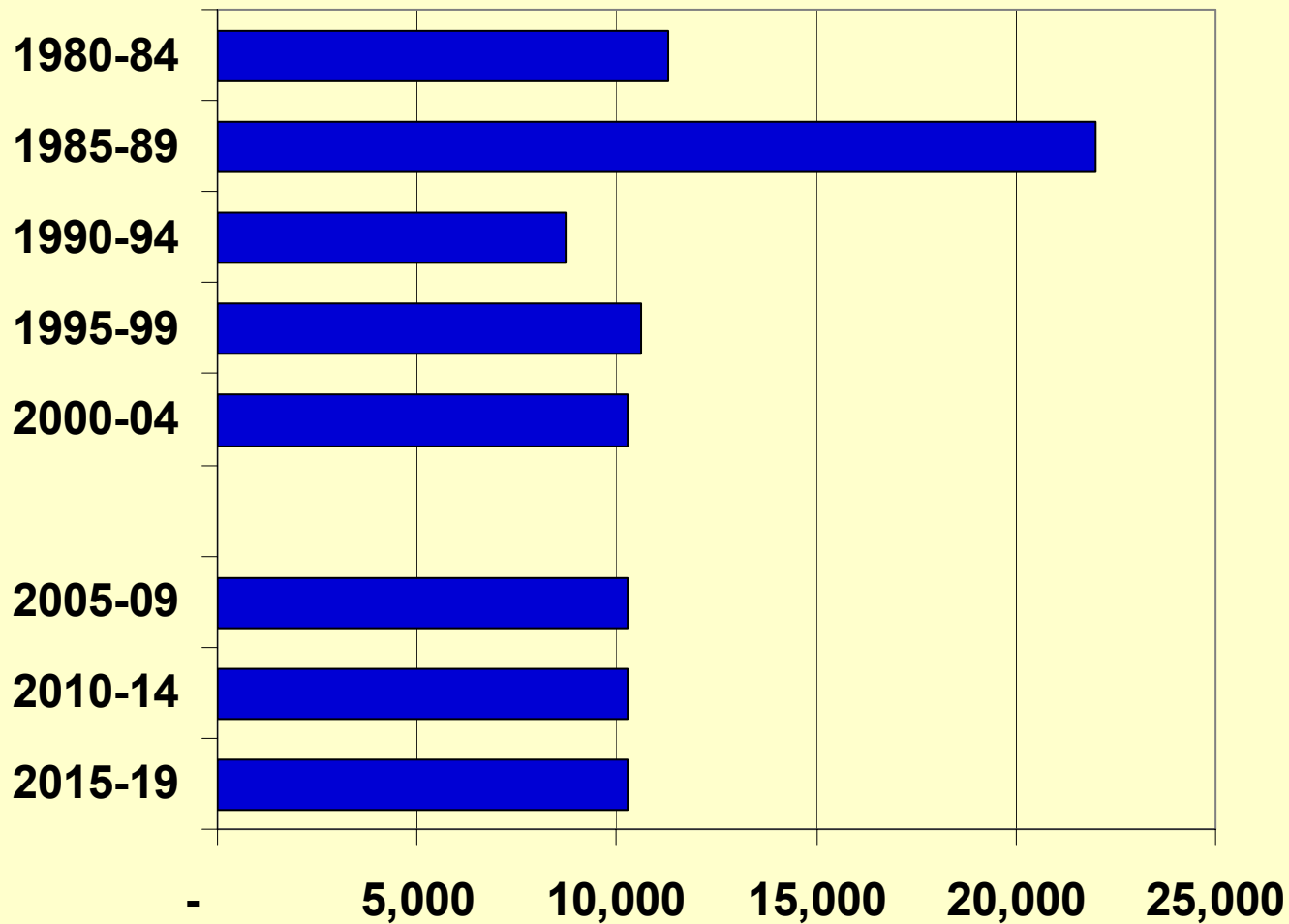
Multifamily Building Permits, Los Angeles County



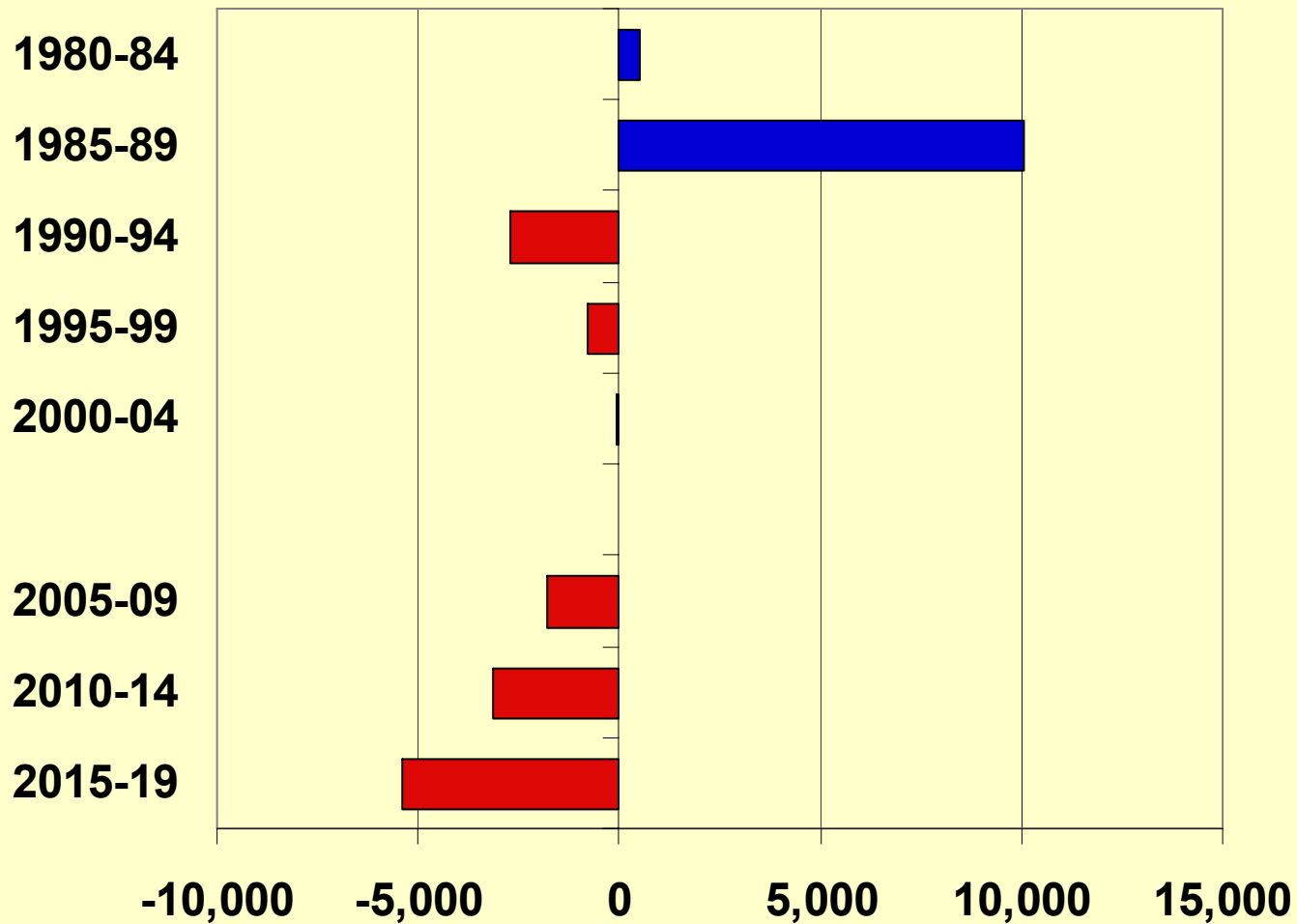
Excess or Shortage of MF Housing, Los Angeles County



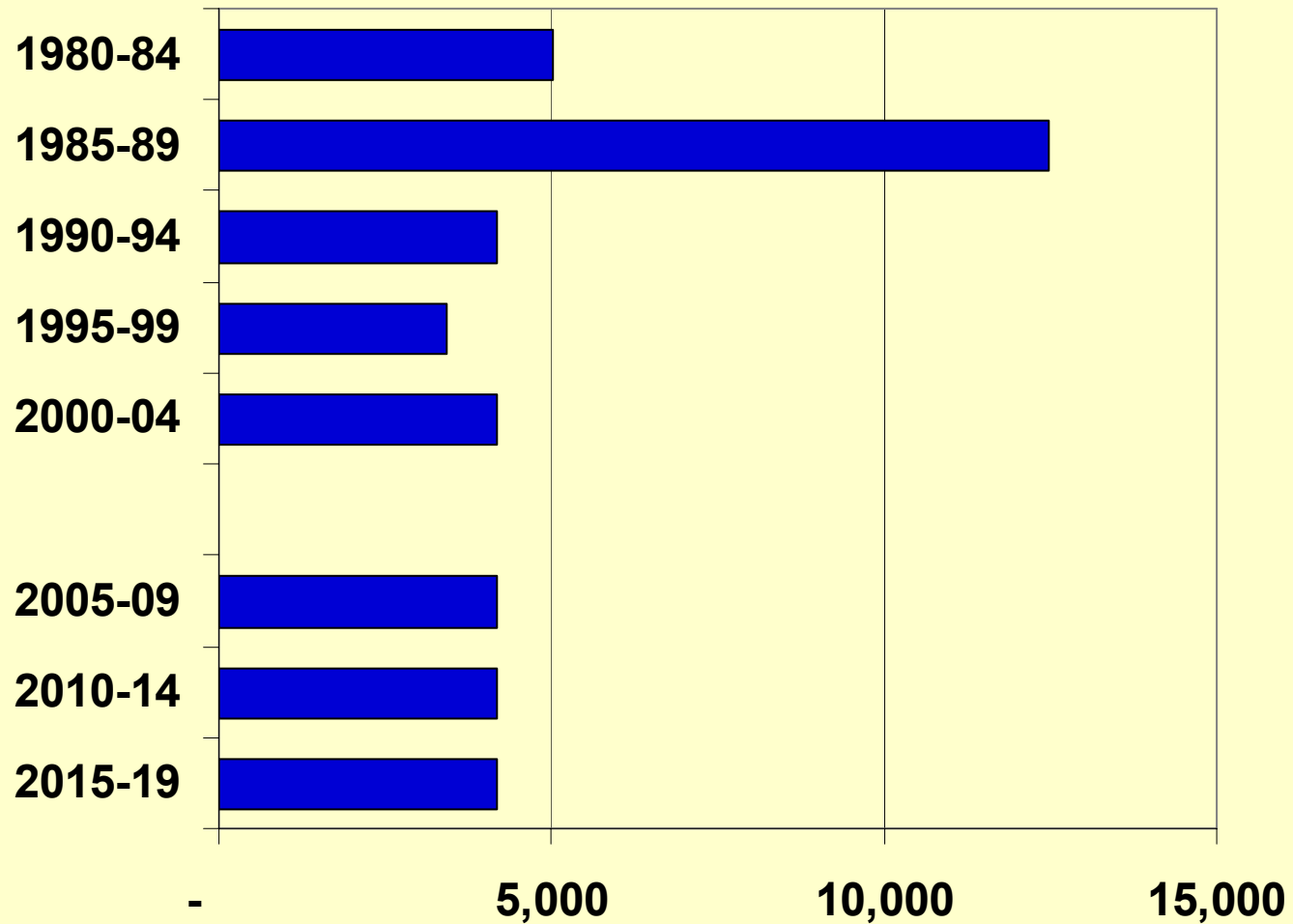
Total Annual Building Permits, Orange County



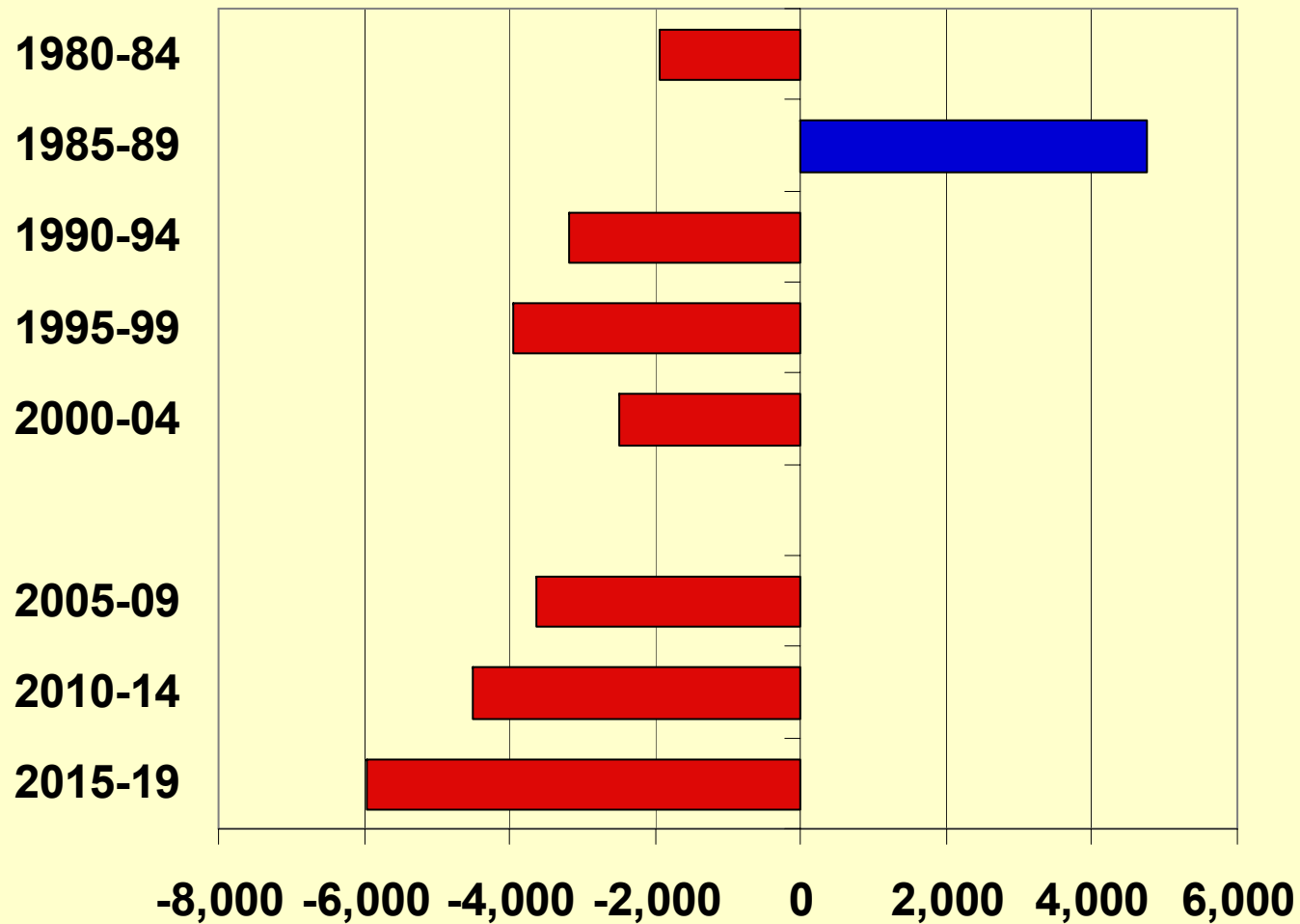
Excess or Shortage of Total Housing, Orange County



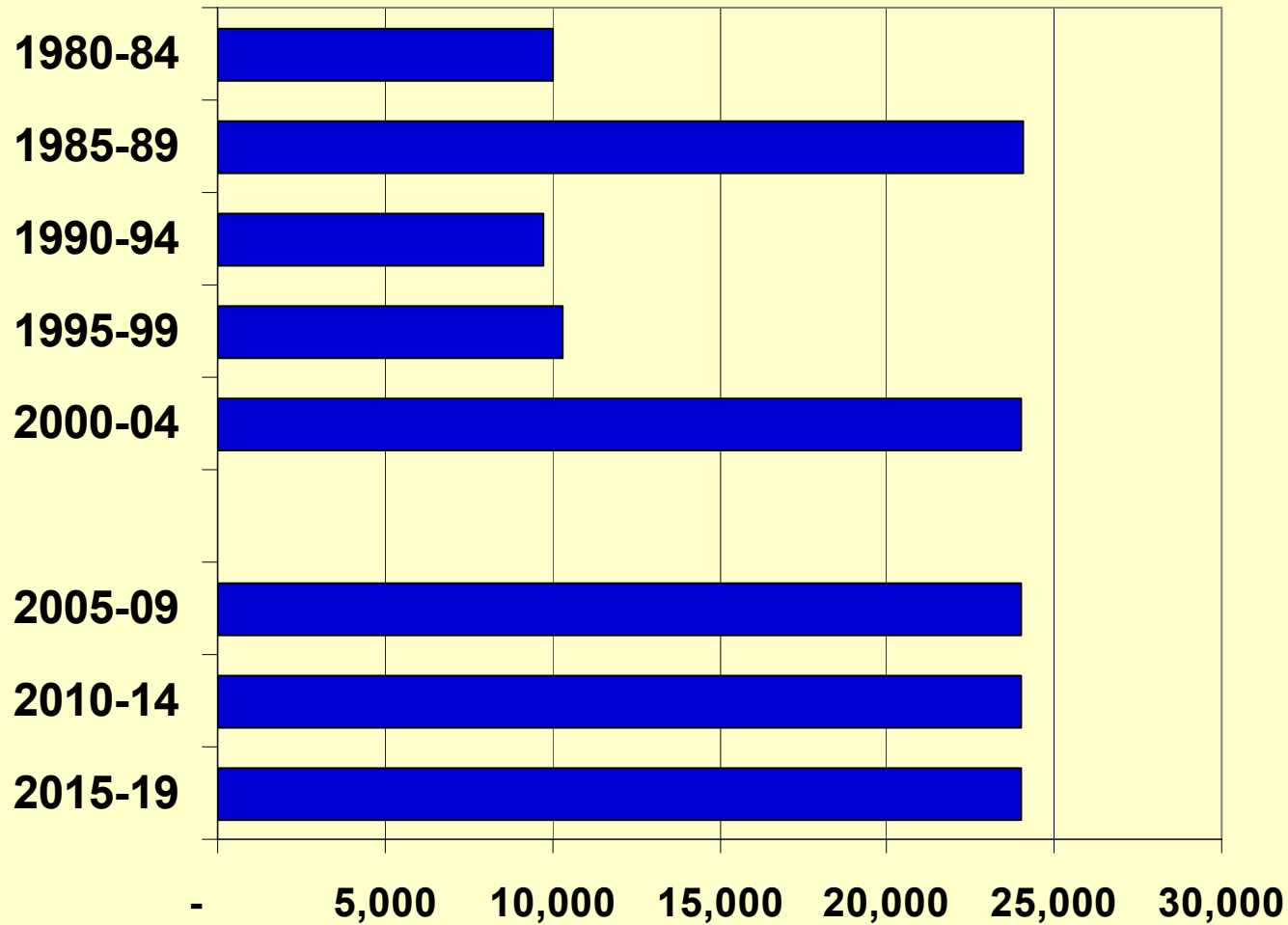
Multifamily Building Permits, Orange County



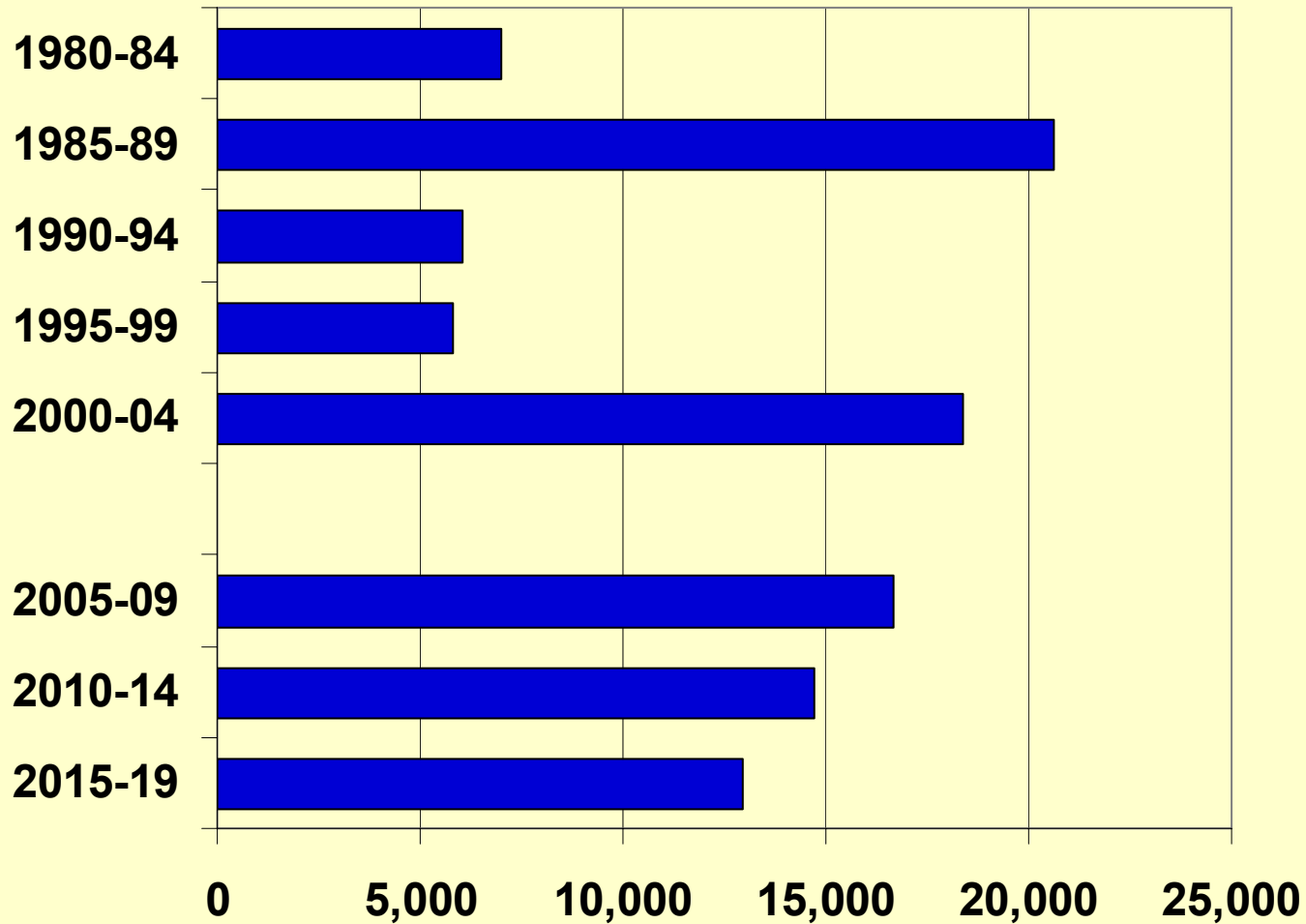
Excess or Shortage of MF Housing, Orange County



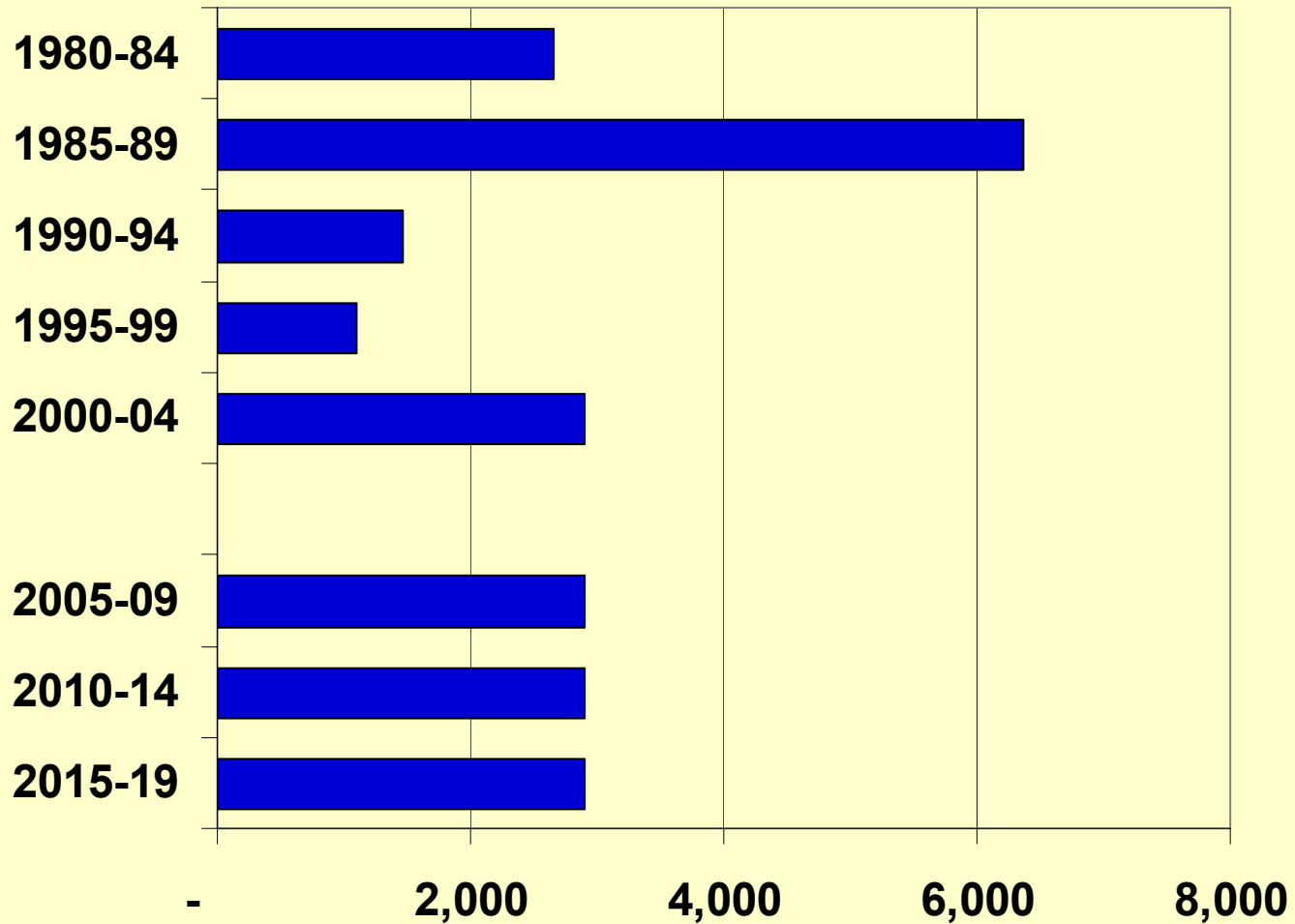
Total Annual Building Permits, Riverside County



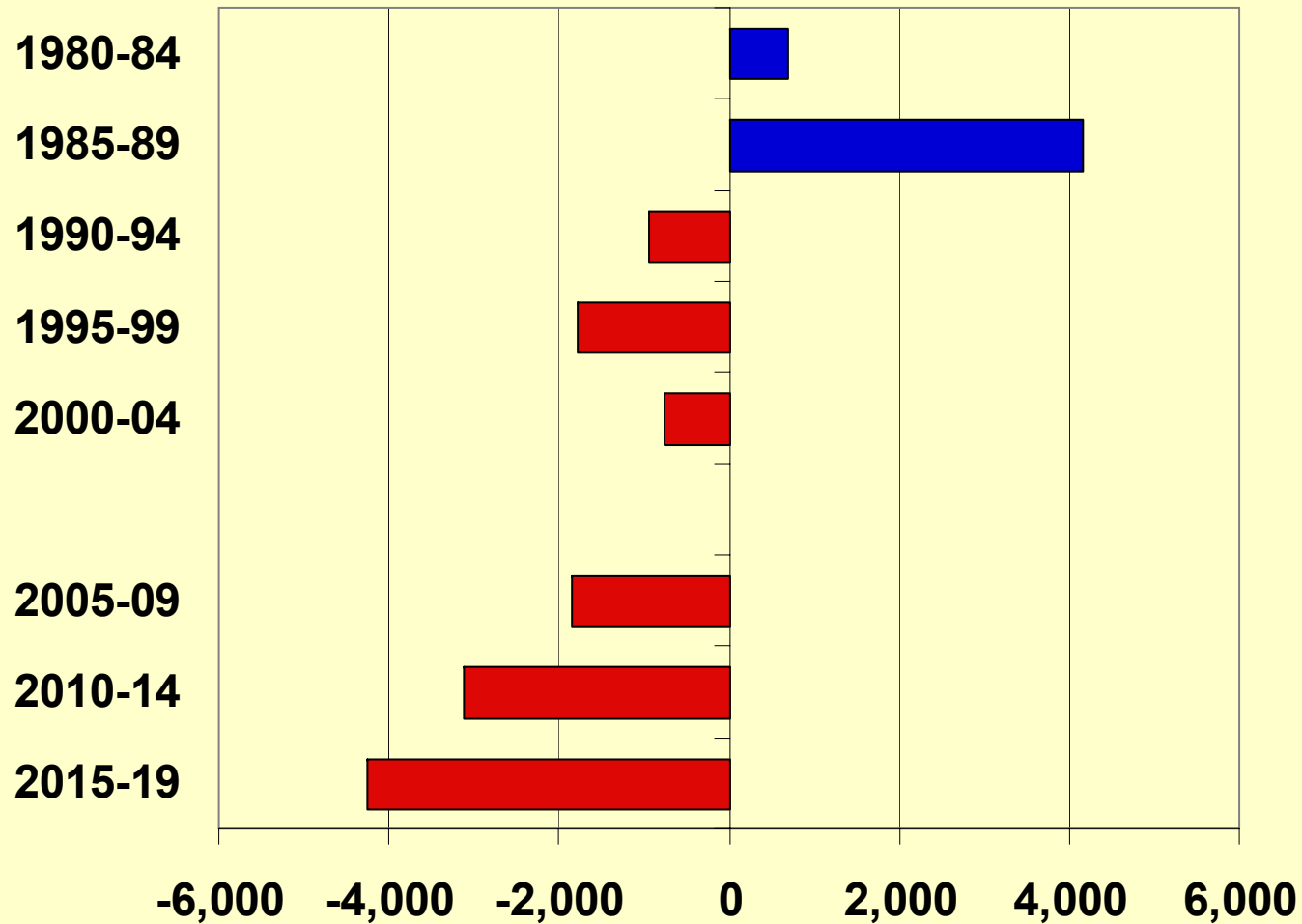
Excess or Shortage of Total Housing, Riverside County



Multifamily Building Permits, Riverside County



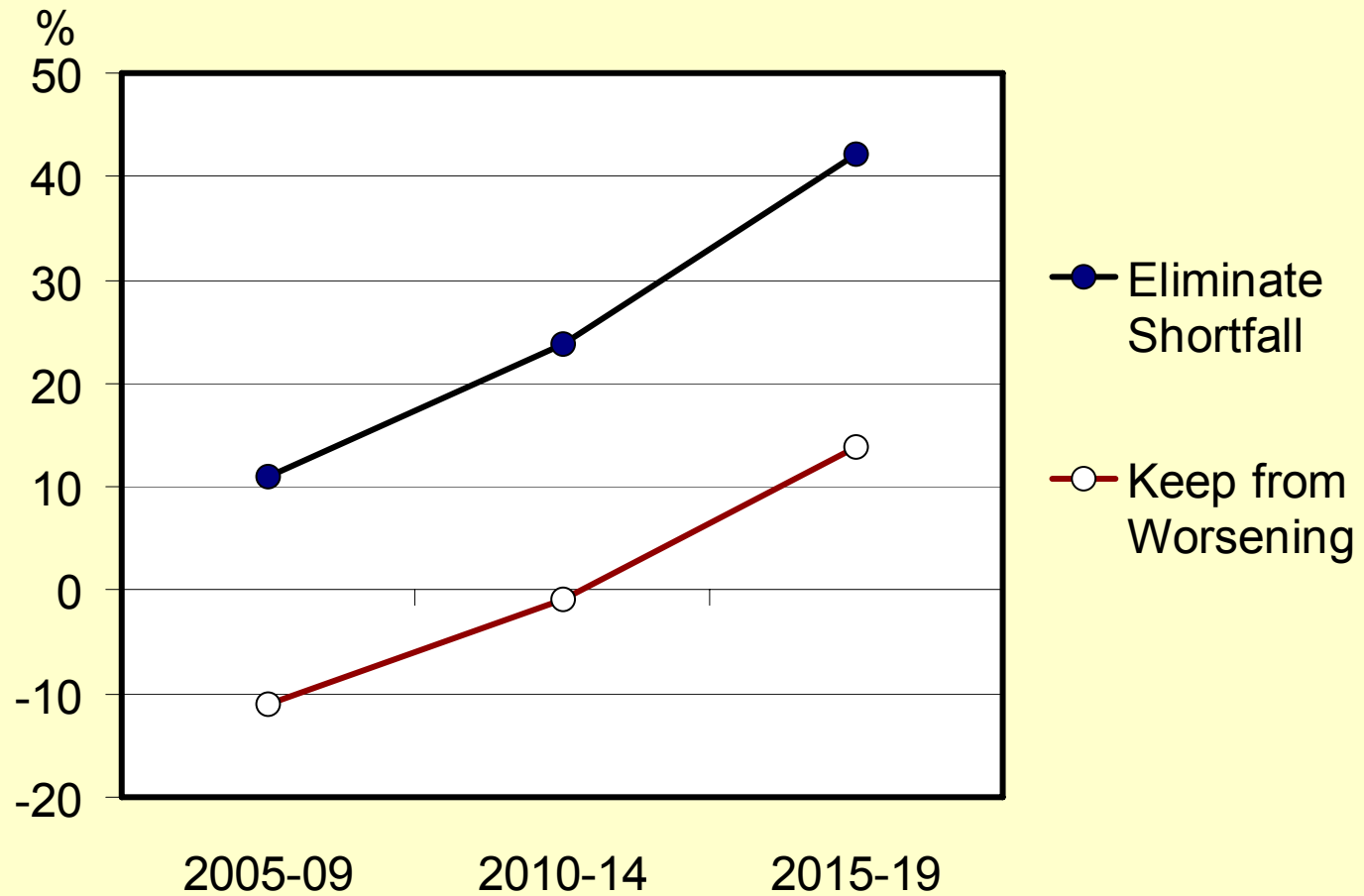
Excess or Shortage of MF Housing, Riverside County



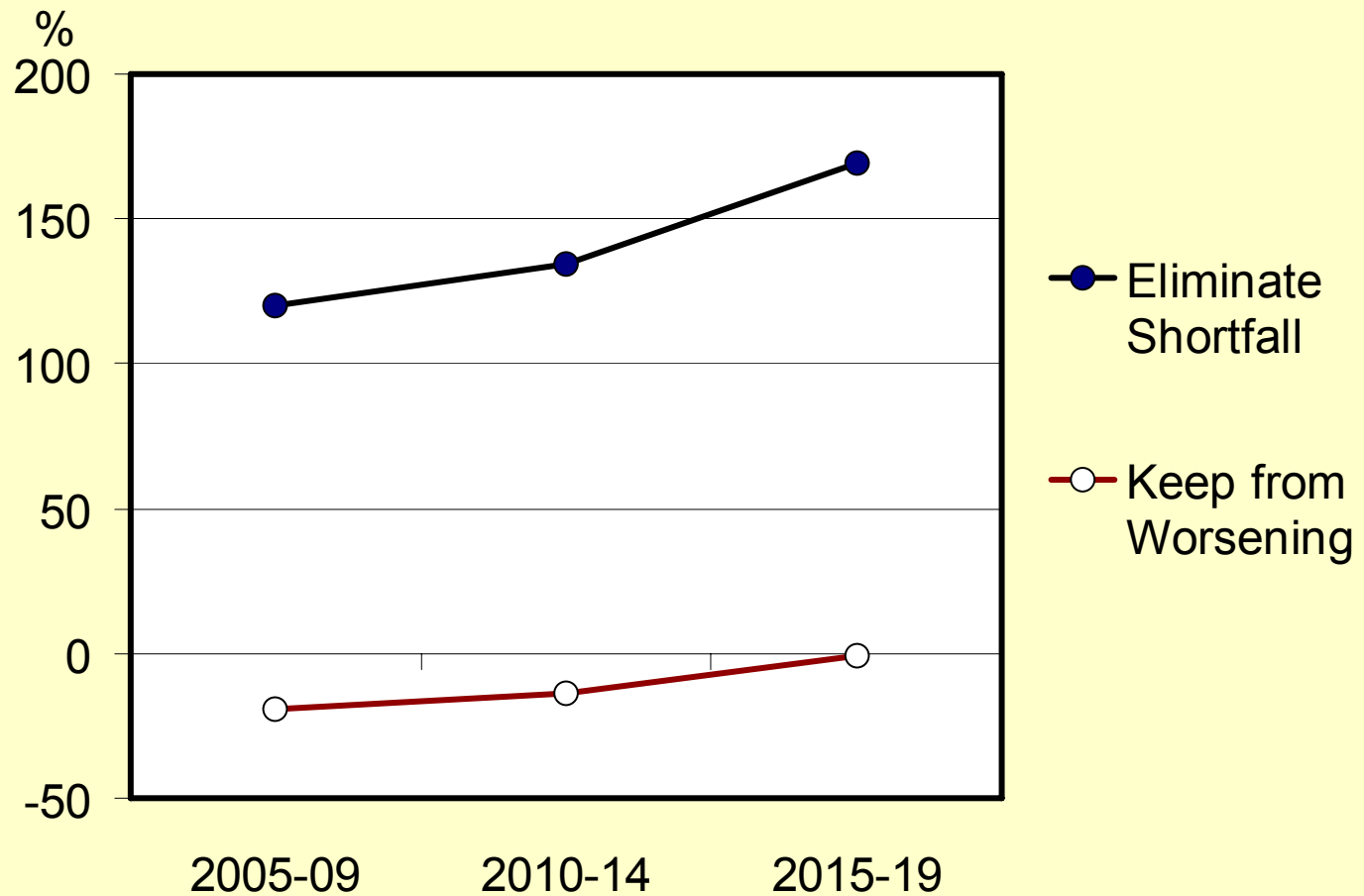
Bottom Line

**How much
will housing construction need
to increase, if we are to avoid
that growing shortage
and avoid failure to launch?**

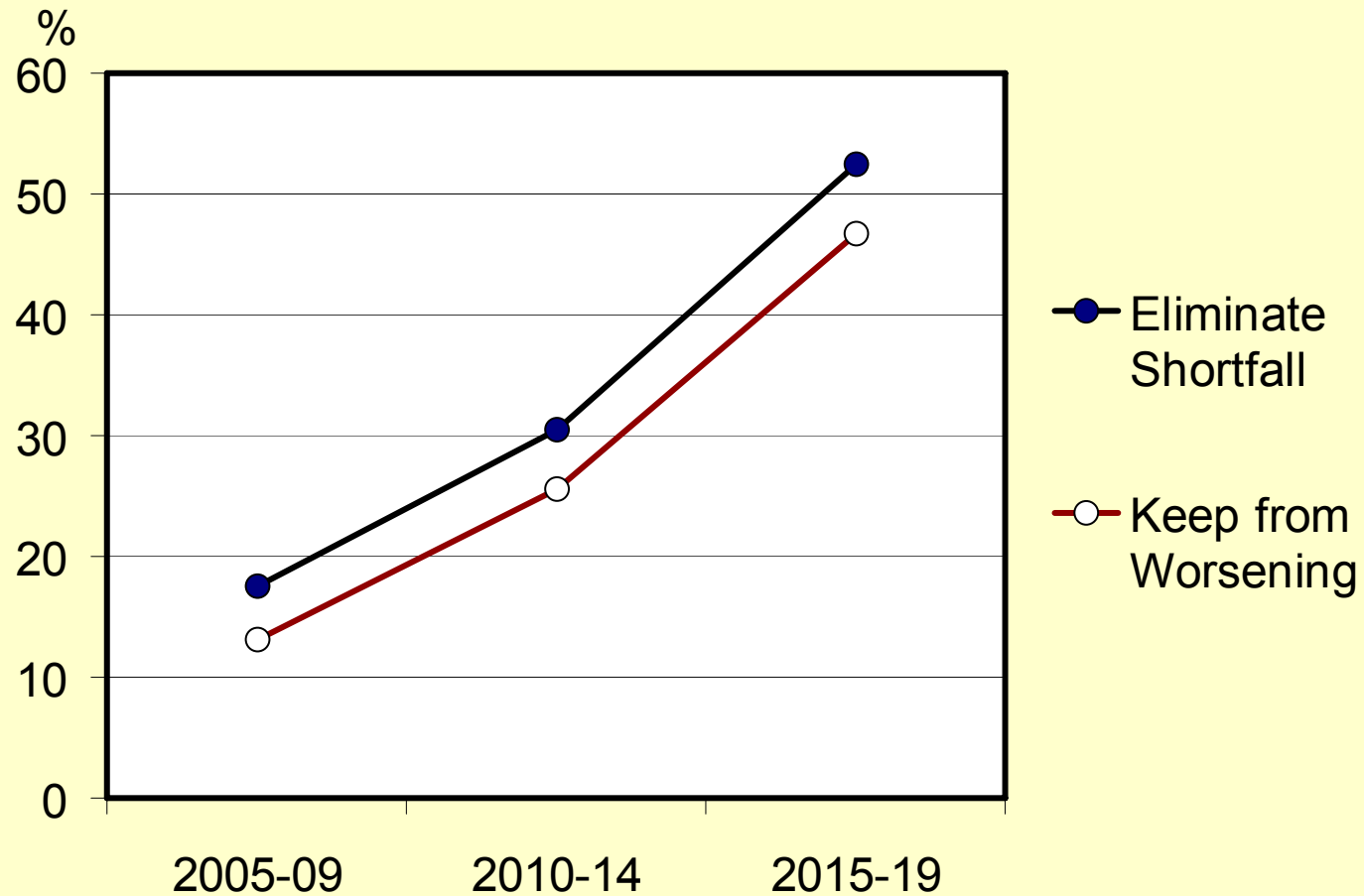
% Increase Required of Total Housing Construction, SCAG Region



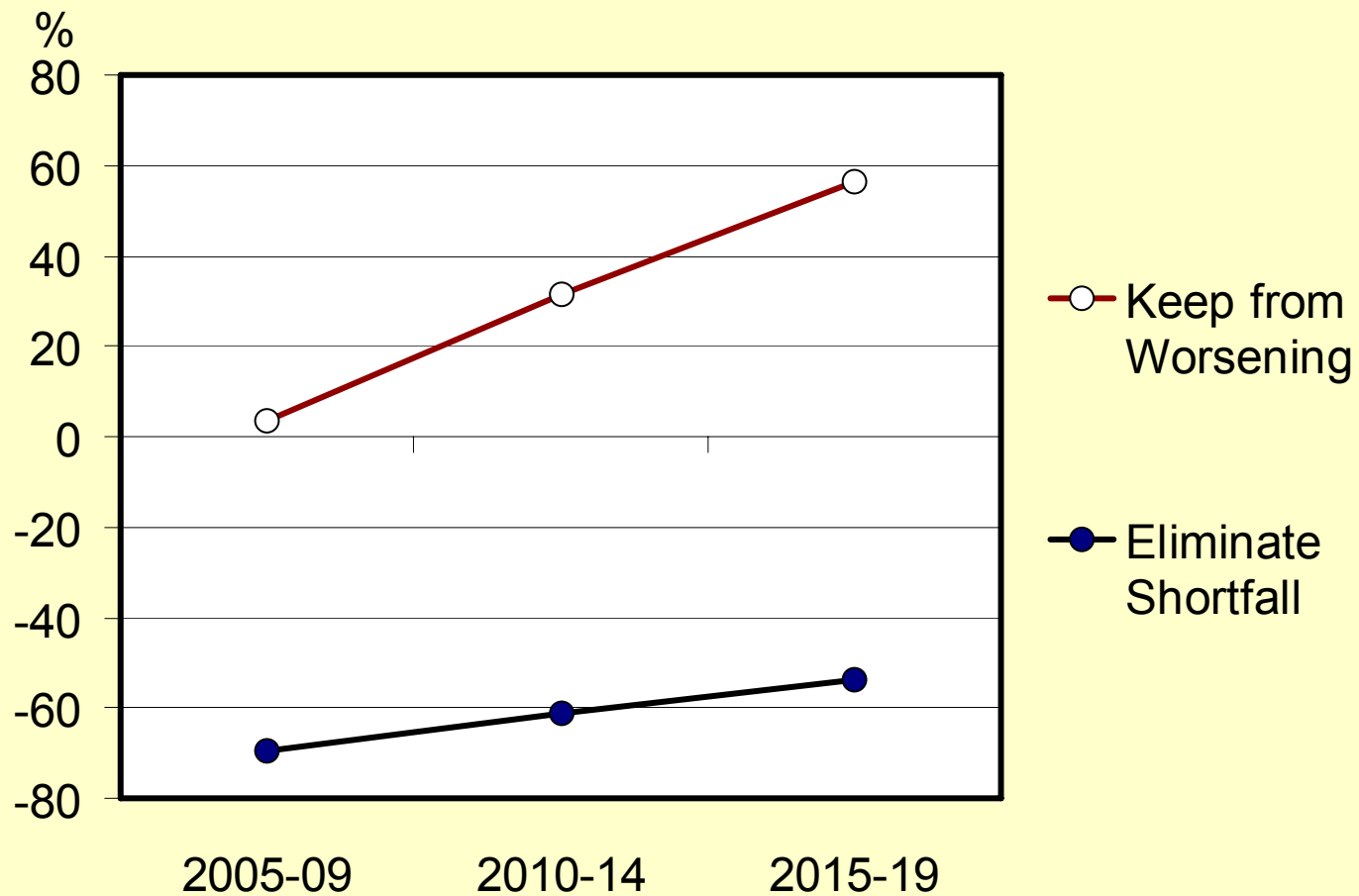
% Increase Required of Total Housing Construction, Los Angeles County



% Increase Required of Total Housing Construction, Orange County



% Increase Required of Total Housing Construction, Riverside County



Conclusion

- **The Grown Children Benchmark**
- **Other types of housing need are not considered here**
- **Its predictable-**
can anyone add 10 to 15?
- **If not here, where?**

For more information...

Please visit the
Population Dynamics Research Group
website at USC:

www.usc.edu/schools/sppd/research/popdynamics

“Google” one word: popdynamics

Thank You