

**SCAG's Role in Southern California's Regional Growth:
Demographic Perspective of Sustainability and Global Collaboration**

*SCAG-KRIHS Workshop
Strategies of Sustainable Metropolitan Development*

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*Research & Analysis
Southern California Association of Governments*

November 8, Los Angeles, CA



Presentation Outline

- Introduction
 - Southern California or SCAG Region
 - Southern California Association of Governments (SCAG)
- Major Demographic Trends
 - Aging
- Two Simulations
 - Projected future job growth
 - Impact on Income, expenditures, and taxes Paid
- Implications and Policy Responses

Overview of SCAG Region



Characteristics associated with SCAG Region or Southern California

- Happiest place on the earth, Hollywood, Movie & Stars, Earthquake, Weather, Beaches,
- The motion picture/television, music, fashion, popular culture, and entertainment capital of the world
- Gateway between the Pacific Rim countries and rest of world
- Racial/ethnic diversity: largest Asian immigrants and business centers in the US, including Chinese, Korean & others
- Diversity of community types, interests and needs—The best Chinese food is in LA not in Taiwan, Hong Kong or China
- Largest manufacturing, defense and defense-related high tech industry base in the US and in the world
- World class universities, research institutes (UCLA/USC, Cal Tech/ JPL), and university/professional sports teams
- Polycentric development patterns, automobile capital of the world

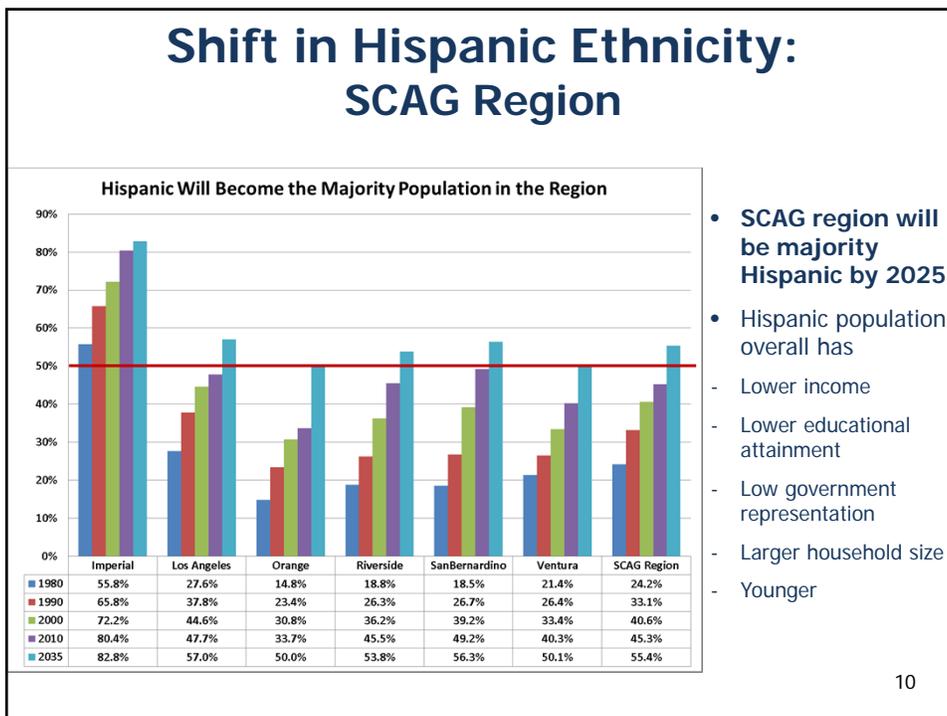
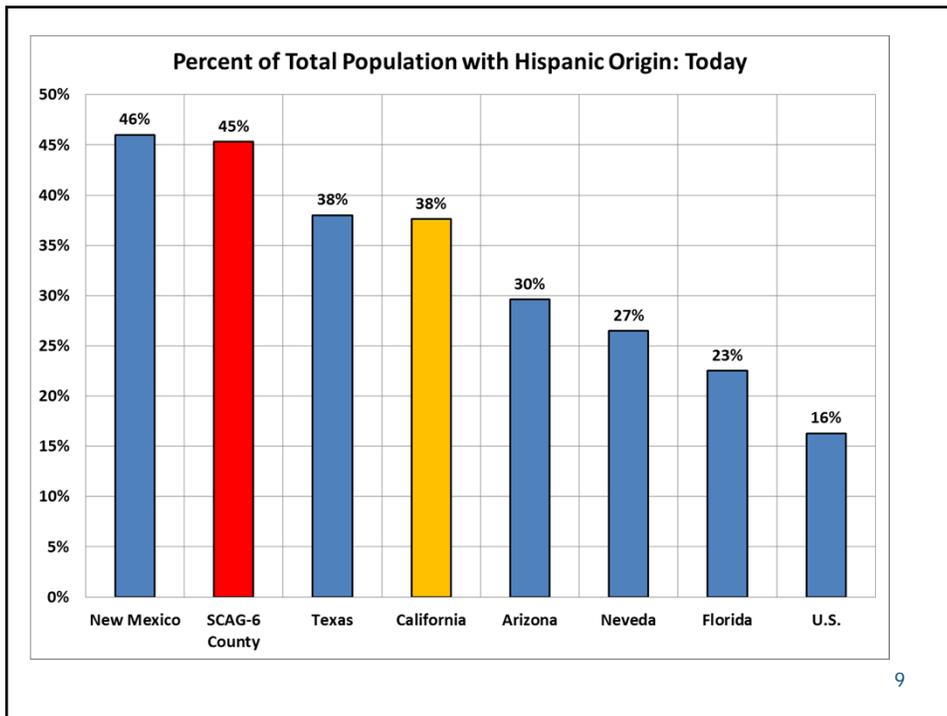


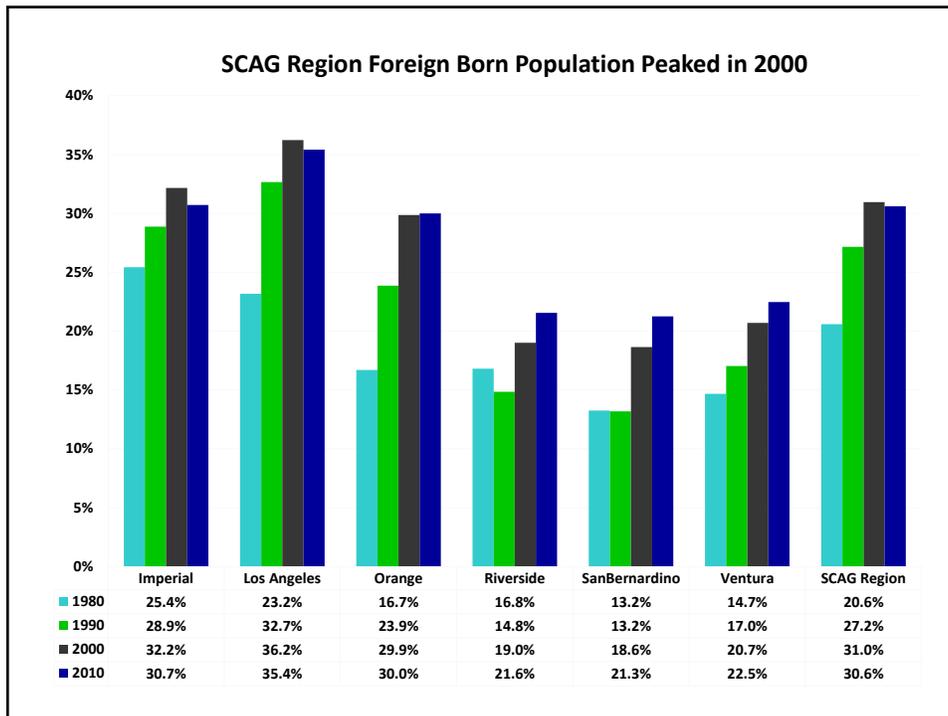


Most socially & culturally diverse region in the world



18 million people now...
22 million by 2035



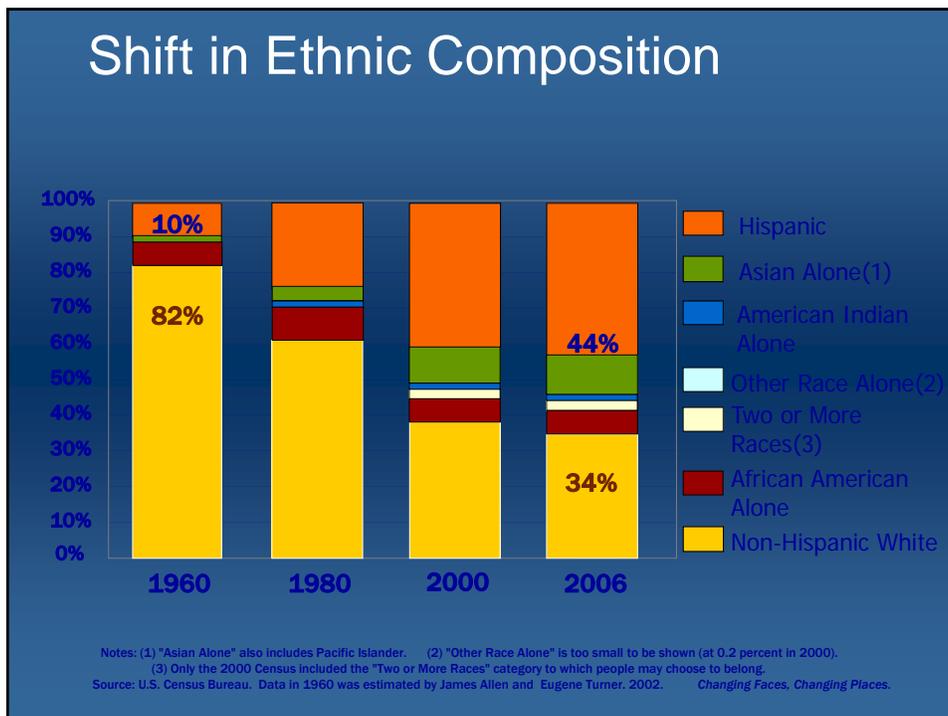
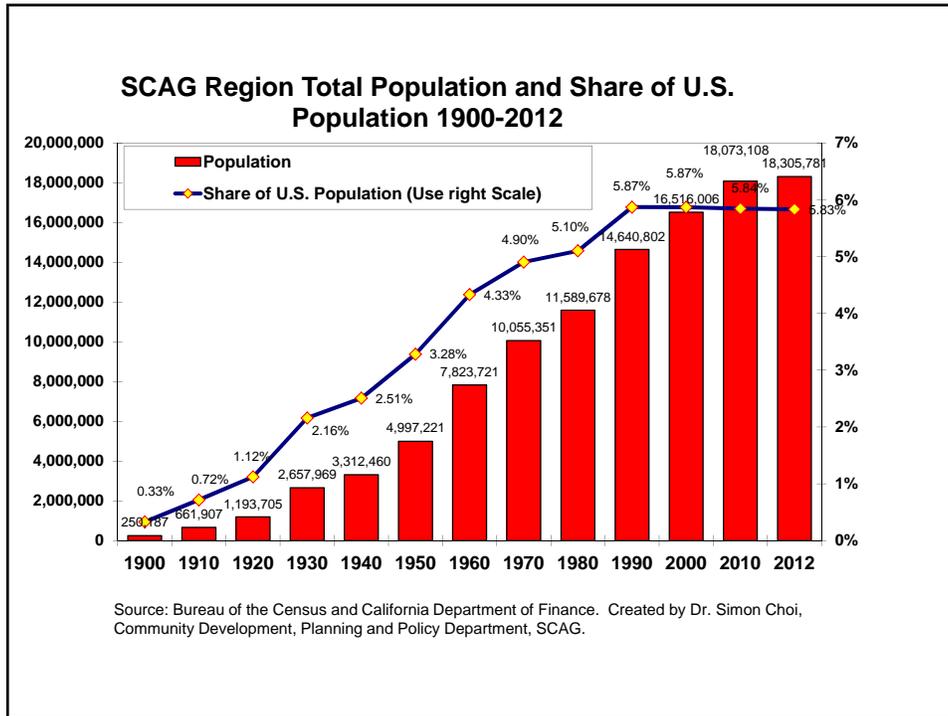


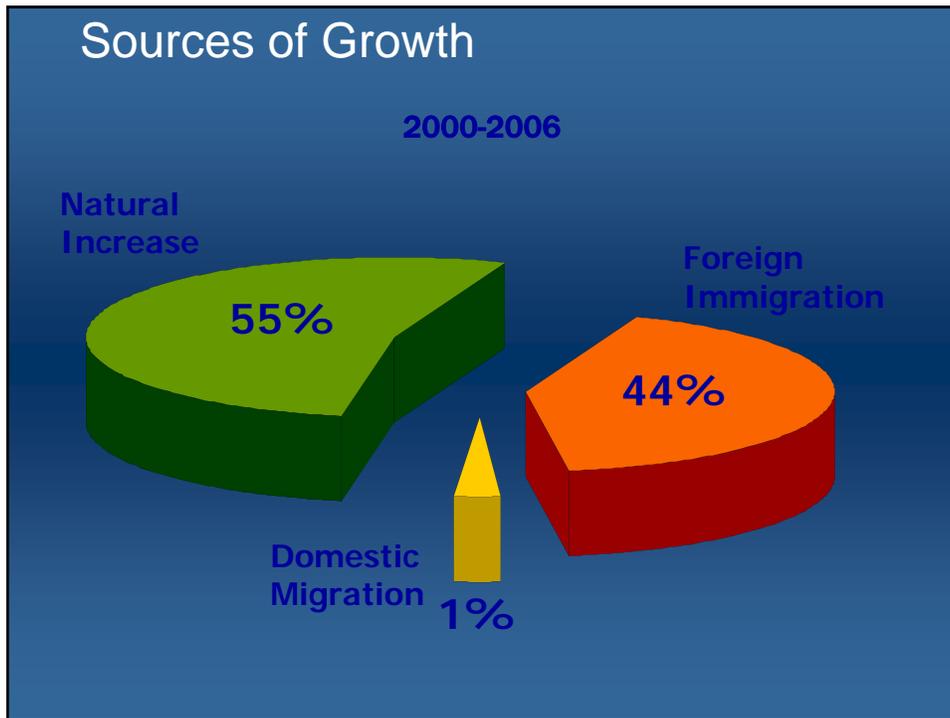


Diversity

<u>Population</u>	<u>Region's Share of U.S. Total</u>
Total Population	5.8%
Mexican	20.5%
Korean (341,960)	23.4%
Vietnamese	19.8%
Filipino	31.7%
Japanese	19.3%
Chinese	15.1%
Other Hispanic	7.4%

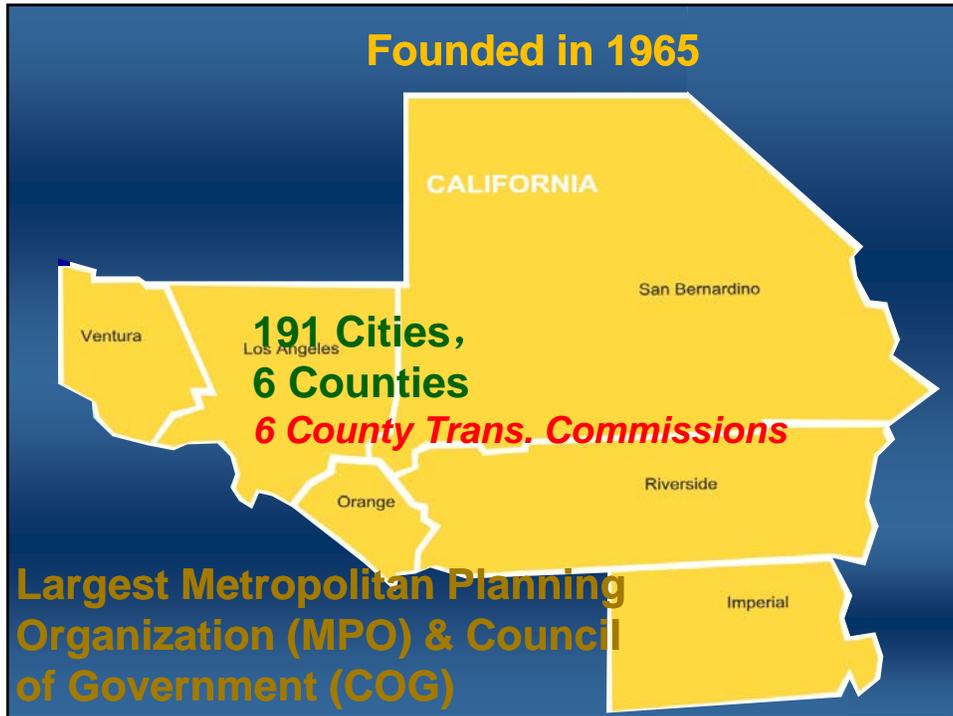
Source: 2010 Census





Population by City

- Largest cities
 - Los Angeles: 3.8 million
 - Long Beach: 468K
- Smallest cities
 - City of Vernon: 112
 - City of Industry: 222
- Average city population: **64K** (excluding LA and LB)
 - 19 cities < 10,000 (10%)
 - 134 cities < 100,000 (70%)
 - 29 cities - 200,000 (15%)
 - 7 cities - 400,000 (4%)



SCAG is Structured to Resolve Regional Issues

State Too BIG

The Solution

Cities Too
Small

A Regional Forum
that fosters
collaboration and
cooperation to
compete globally
and flourish locally



City Hall



State of California

SCAG Deals With Various Regional Planning Topics/Issues



- Sustainable Communities Strategy (SCS) and Land Use
- Transportation
- Goods Movement
- Housing
- Air Quality
- Funding
- Long Term Growth Forecast
- Water
- and More...¹⁹

Regional Challenges:

CONGESTION

ECONOMY

ENVIRONMENT

GLOBAL WARMING & CLIMATE CHANGE

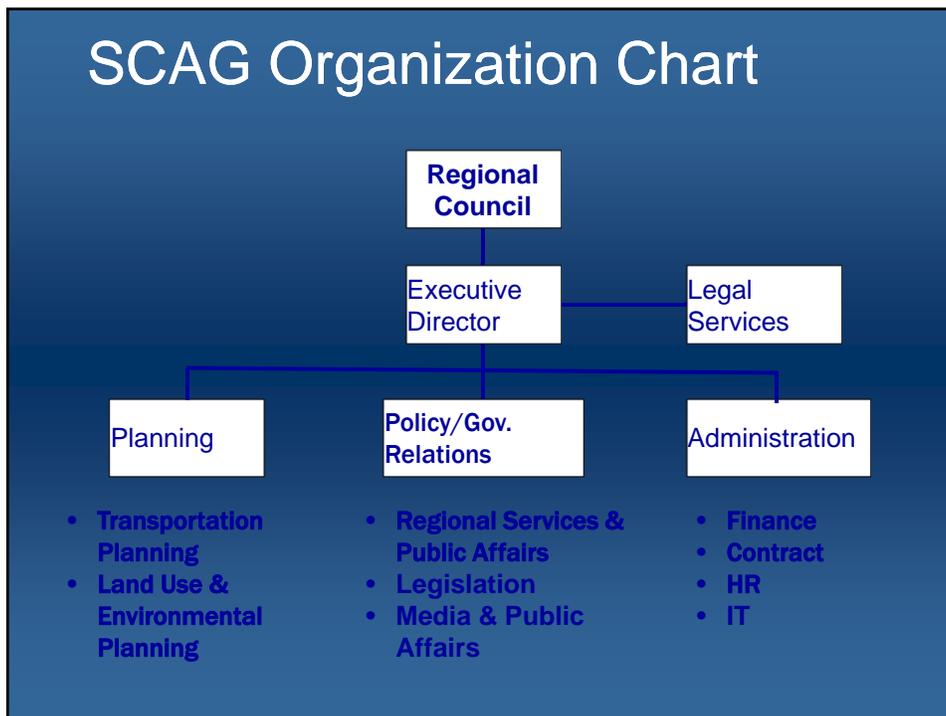
AGING INFRASTRUCTURE

COMPETITIVENESS

QUALITY OF LIFE

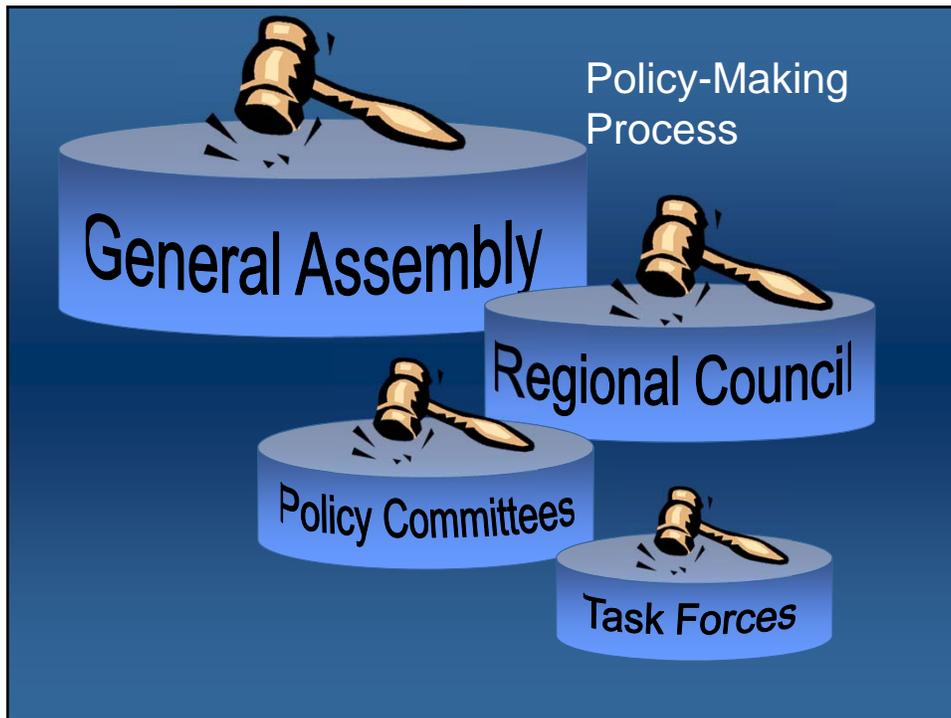
- The Education Factor
- The Health and Safety Factor
- The Spiritual Factor
- The Family Factor
- The Work Factor
- The Stress Factor
- The Psychological Factor

SCAG Organization Chart



Team Work

- **150 SCAG staff**
- **Collaborate and team up with universities, top consultants, and stakeholders**
- **Partnership with automobile manufacturers and technology developers, and local/regional business leaders**



General Assembly

- **Meets once a year:**
 - **Set the agency's planning and policy priorities**
 - **Adopt SCAG's General Fund budget**
 - **Elect SCAG president**
 - **Approve changes in bylaws**

Meets once a month

- Composed of:
 - Elected Officials from 65 Districts
 - 6 County Representatives
 - 6 County Transportation Commission Representatives
 - Mayor of Los Angeles
 - Tribal Nations
- Receives Advice from Policy Committees



Policy Committees

Transportation Committee

Community, Economic & Human Development

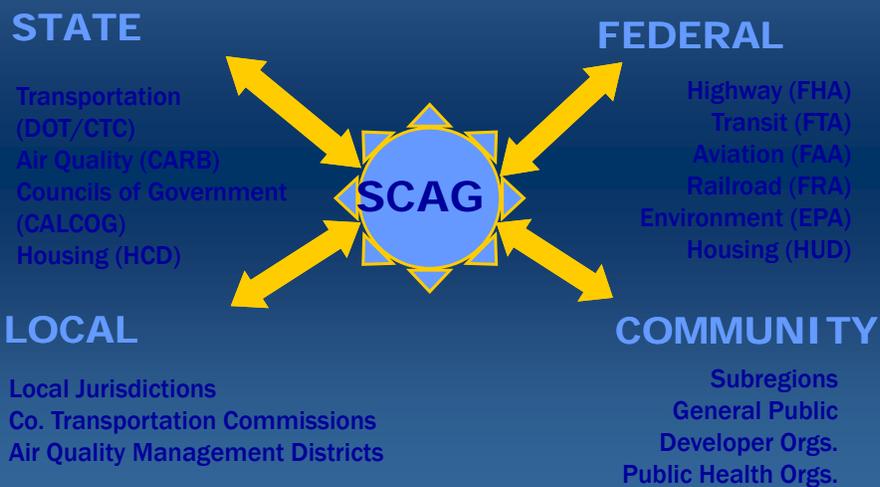
Energy & Environment Committee

Executive Administration Committee

SCAG Staff Facilitates Policy & Decision Making



Collaboration with Partner Organizations



Planning Functions & Activities Are Funded By



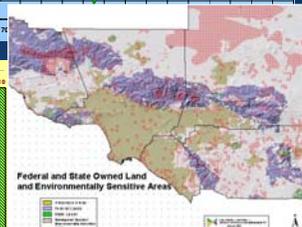
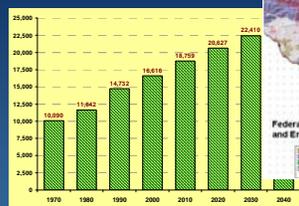
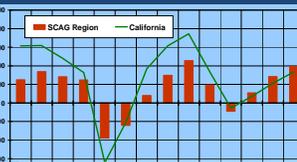
Federal & State Transportation and Other Planning Grants (over 90%)



Membership Dues

Regional Council Activities
Annual General Assembly
Legislation Coordination

SCAG Also Acts As



An Information Clearing House

GIS/Mapping

Forecasting

Regional Statistics

Data/Analysis

Leadership

Vision

& Progress

Which promote economic growth, personal well-being, and livable communities for all Southern Californians

**Major
Responsibilities,
Programs,
Projects**



New Programs and Subcommittees Implementation Assistance for SCS

- Expanded Compass Blueprint
- Green Region Initiative
- General Plan Update Assistance
- New Subcommittees in 6 focus areas
 1. Transit/High Speed Rail
 2. Active Transportation
 3. Goods Movement
 4. Transportation Finance
 5. Public Health
 6. Sustainability



Major Demographic Trends

Aging

Diversity

Focus on Aging,

Will discuss diversity/ethnicity impacts and implications in another slide presentation

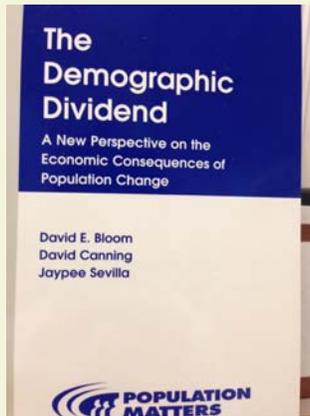
CSIS Global Aging Initiative

CSIS | CENTER FOR STRATEGIC & INTERNATIONAL STUDIES

Richard Jackson
Director and Senior Fellow,
Global Aging Initiative



Headwind/Drag or Penalty Instead of "Dividend"



Labor force supply (size)—maturing of young population, with accompanying public policies

- Public health
- Family planning
- Education
- Economic policies

CA's 3 Demographic Revolutions

Dowell Myers

School of Policy, Planning,
and Development
University of Southern California

For more information
Google "popdynamics"

IMMIGRANTS and BOOMERS



Forging a New Social Contract
for the Future of America

DOWELL MYERS

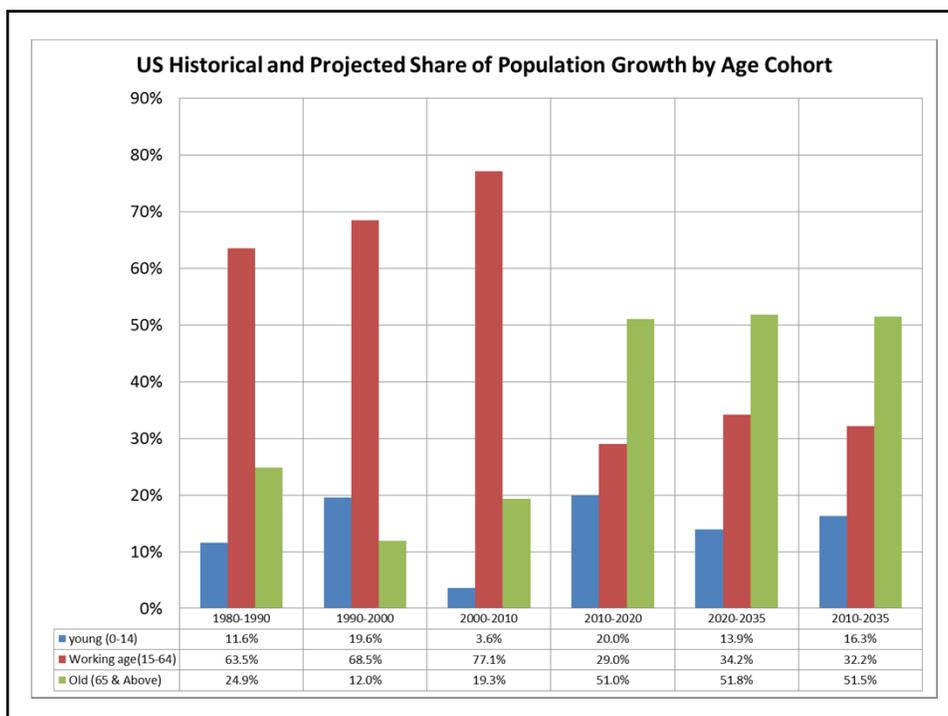
2007
Thomas & Znaniecki
Award

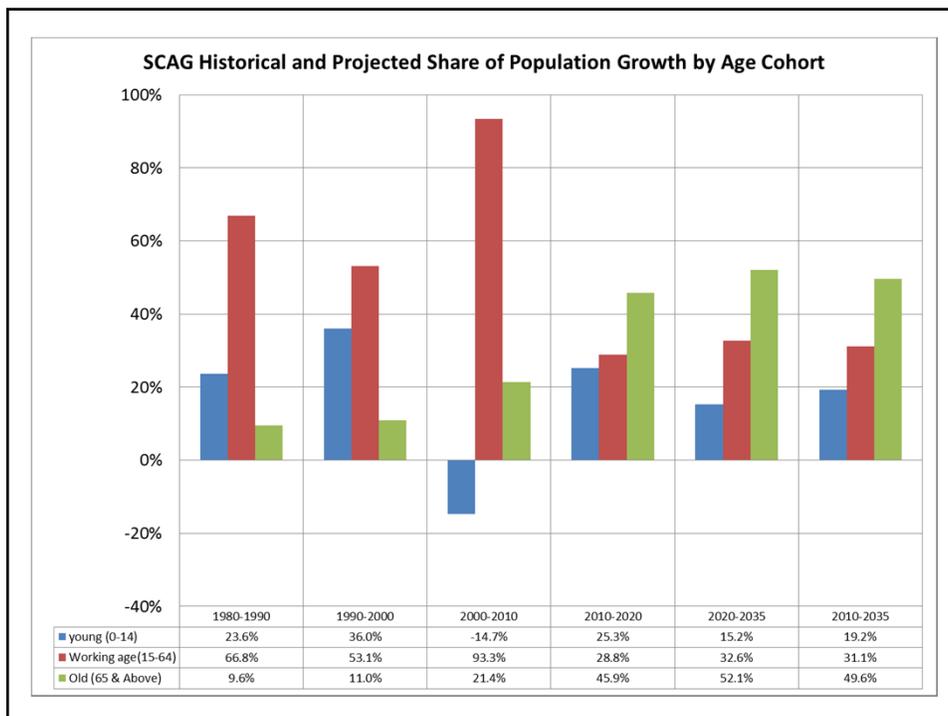
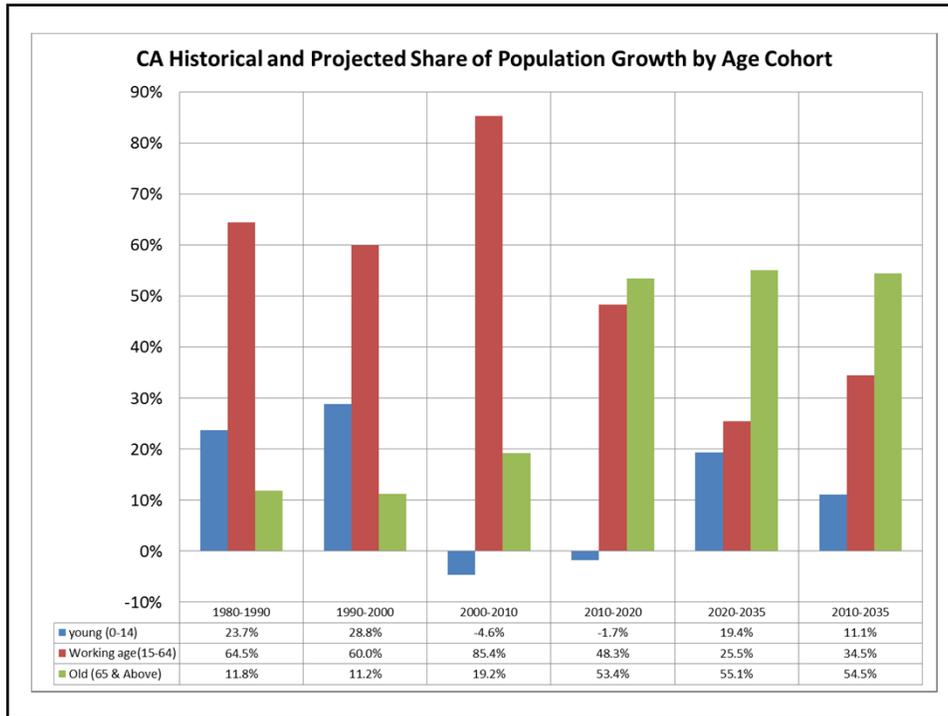
Aging and the Macroeconomy: Long-Term Implications of an Older Population

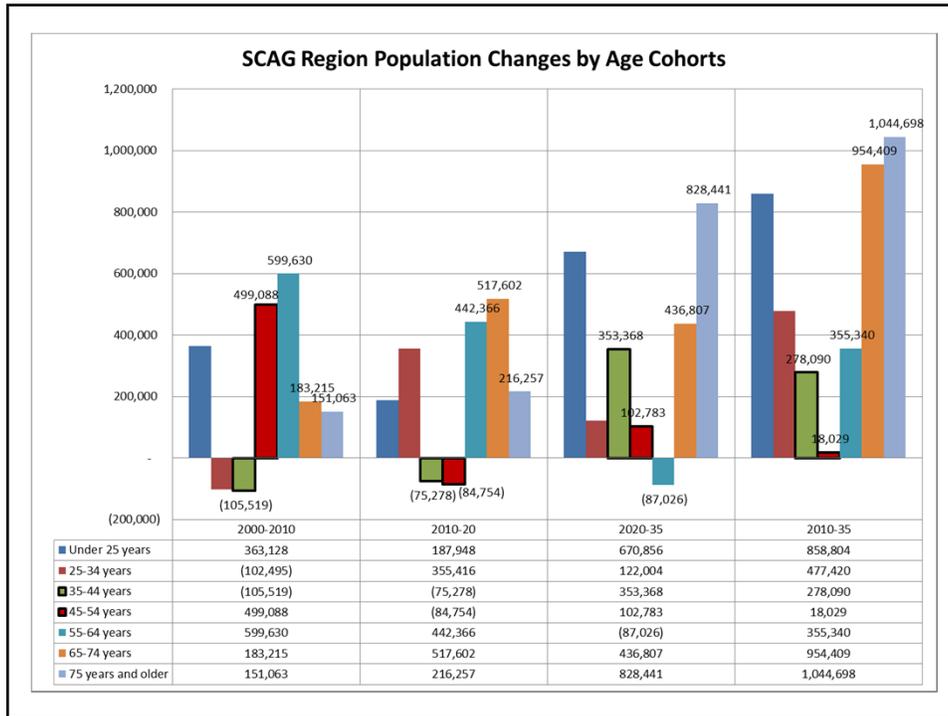
**Aging and the Macroeconomy:
Long-Term Implications of an
Older Population**

Committee on the Long-Run Macro-Economic Effects
of the Aging U.S. Population
Study requested by US Congress; funded by US
Treasury and NIA
Briefing
Co-Chair Ronald Lee
November 7, 2012

Ron Lee, Briefing on Pop Aging, 11/07/12 1



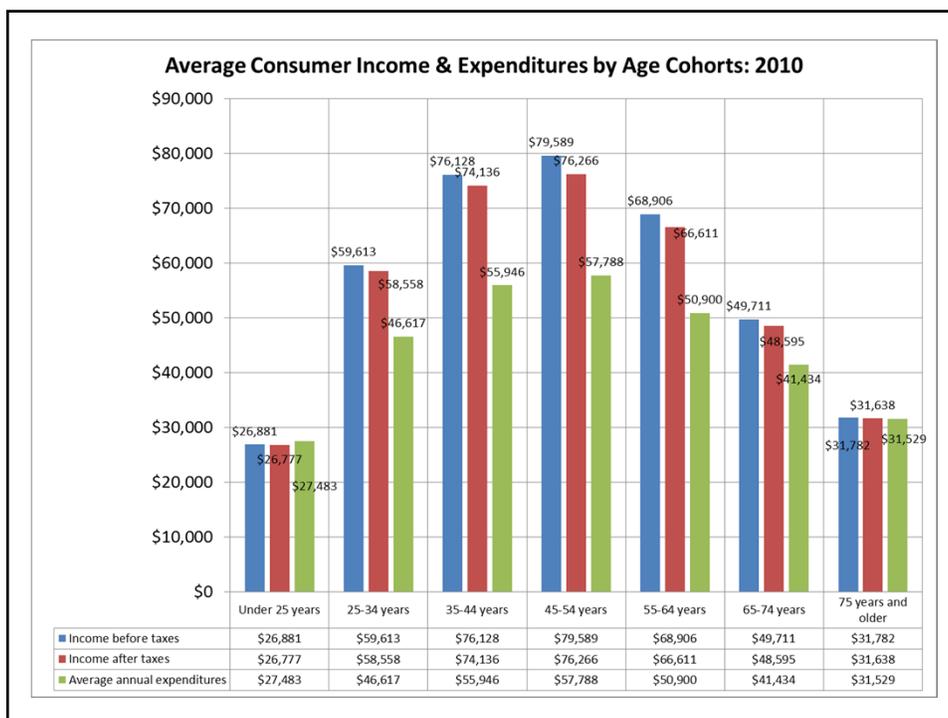
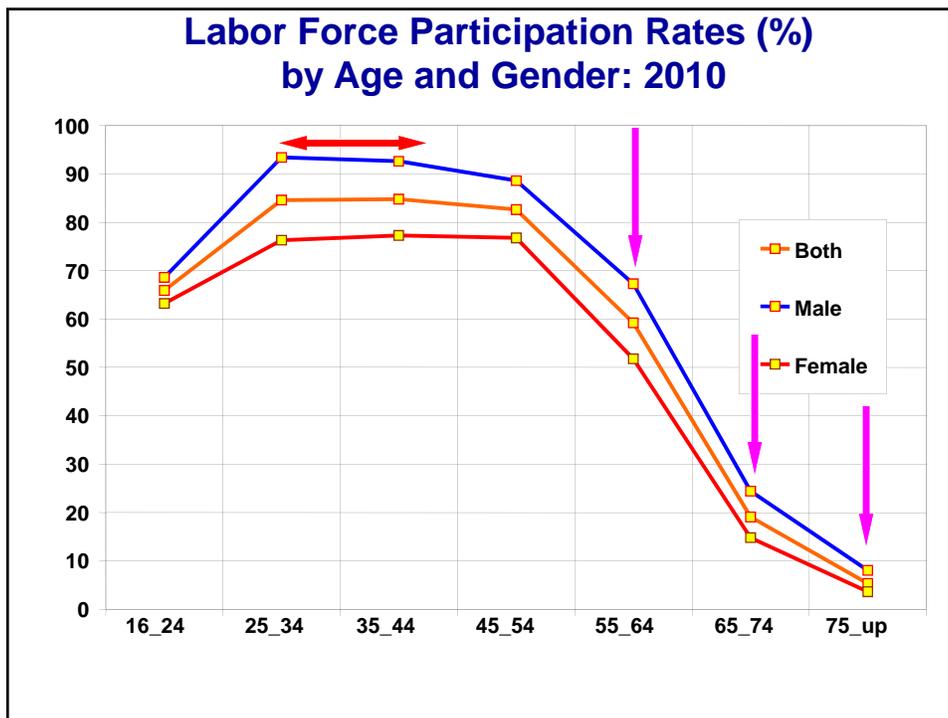


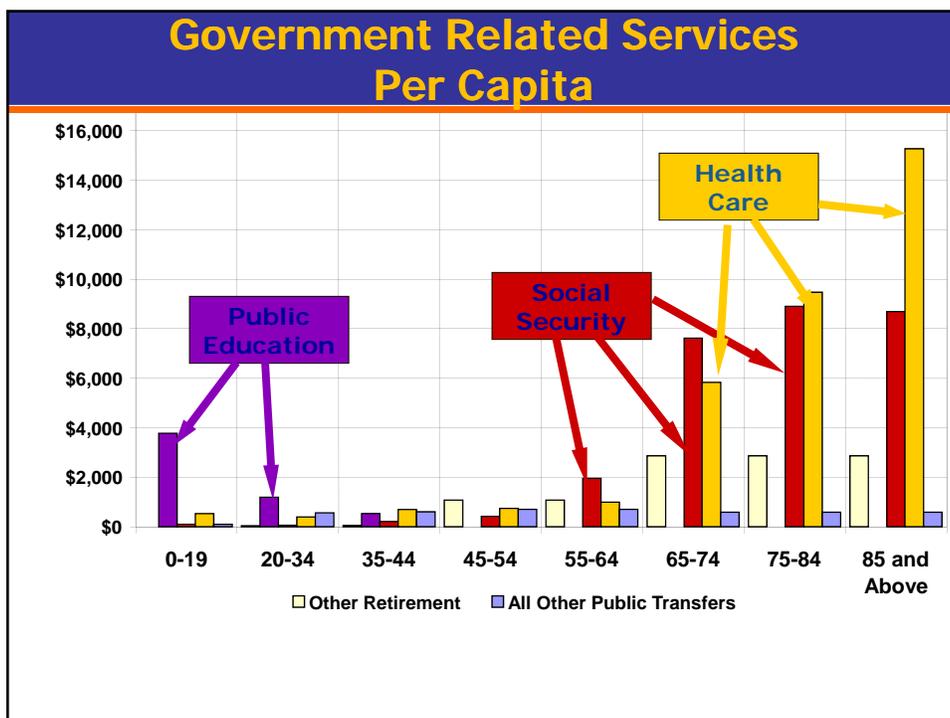
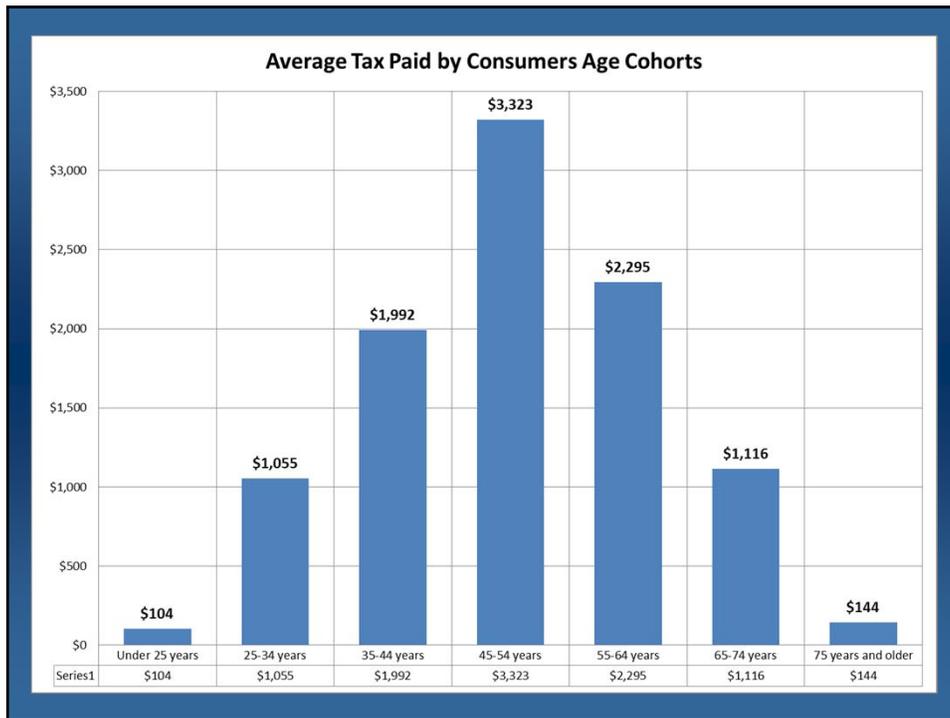


Aging: Who Are Baby Boomers? A Snapshot as of 2000 & 2010

Who Are Baby Boomers (Born between 1946-64)?

	As of 2000	As of 2010
Age ranges	36-54	46-64
Population size	83,484,000	81,489,455
Share of total population	30%	26%
Number of employed workers	63,633,700	54,827,000
Share of employed workers	46%	39%
Share of total income	54%	46%
Share of expenditures	50%	43%
Share of taxes paid	57%	60%





If Demography is Destiny...

Age 65+ Population Growing--Impact on:
Workforce/Job/Economy, Health Care Services, Public/Private Finance

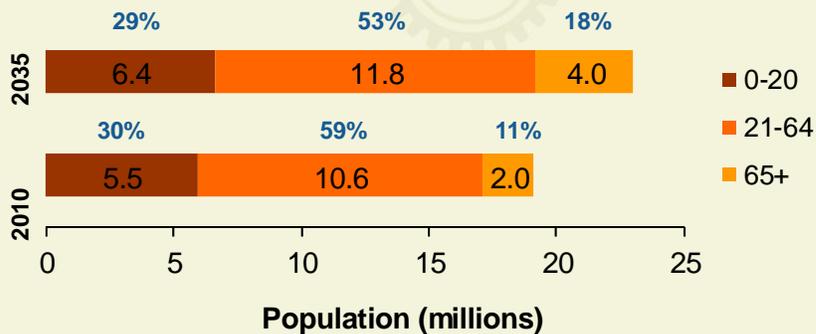


Source: State of California, Department of Finance, *Race/Ethnic Population with Age and Sex Detail, 1970-2040*. Sacramento, CA, December 1998.

Shift in Ages of the Population (2010 & 2035)

SCAG Region

Historic and Projected Population By Age Group



Source: US Census Bureau, SCAG

Alternative View Point: Growing Debate About Dwindling Innovation

Will we ever
invent anything this useful
again?

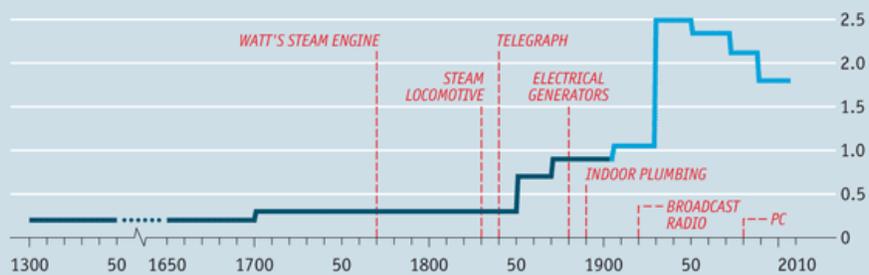


A Slower Productivity Growth in Place?

One big wave

GDP per person, % increase on previous year

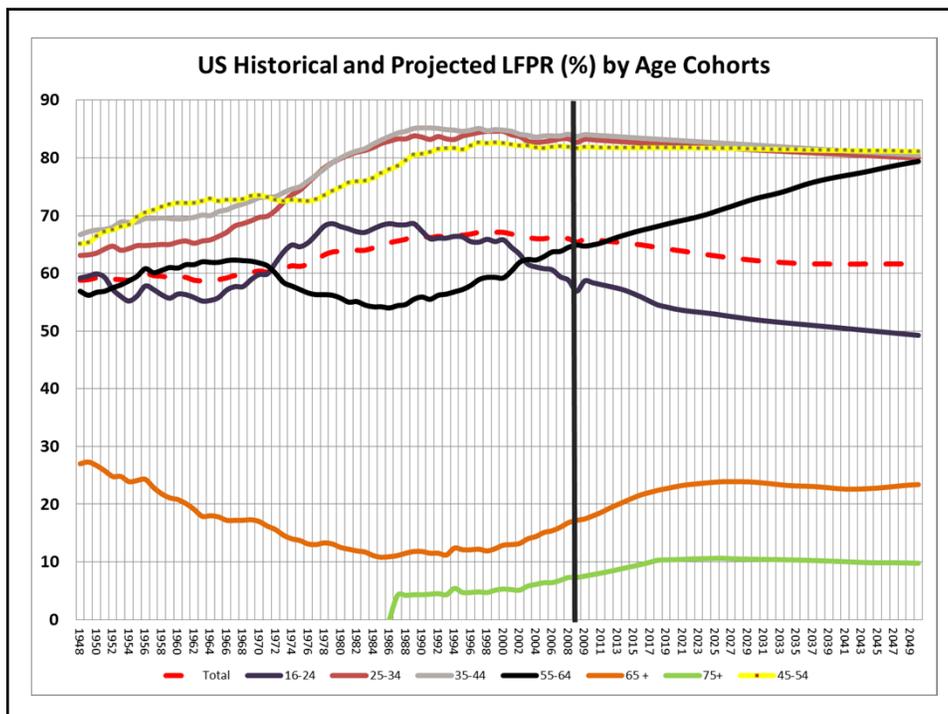
— Britain — United States

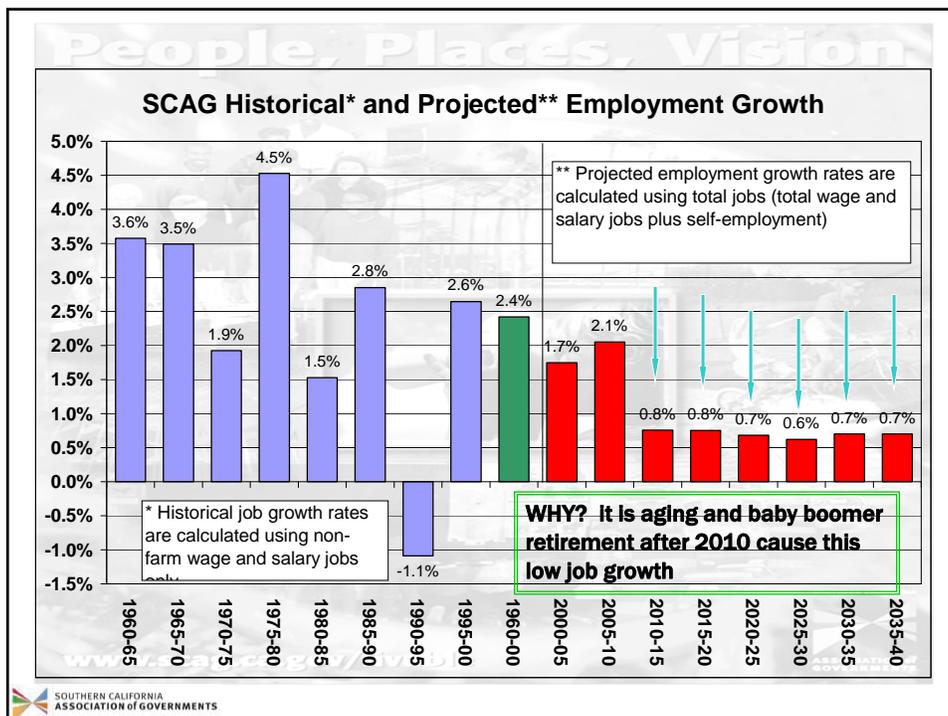
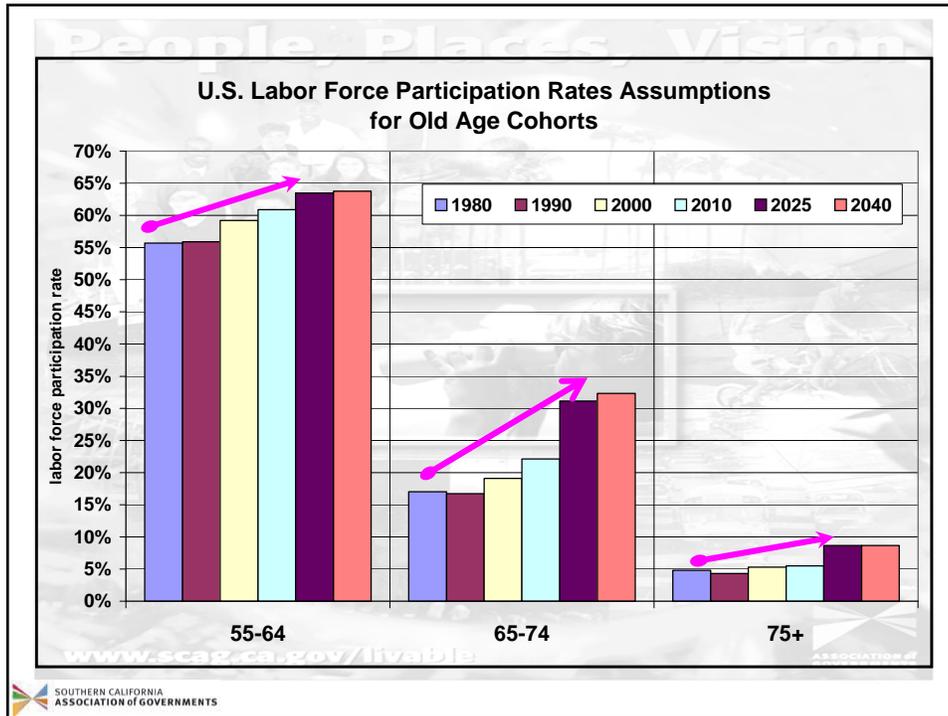


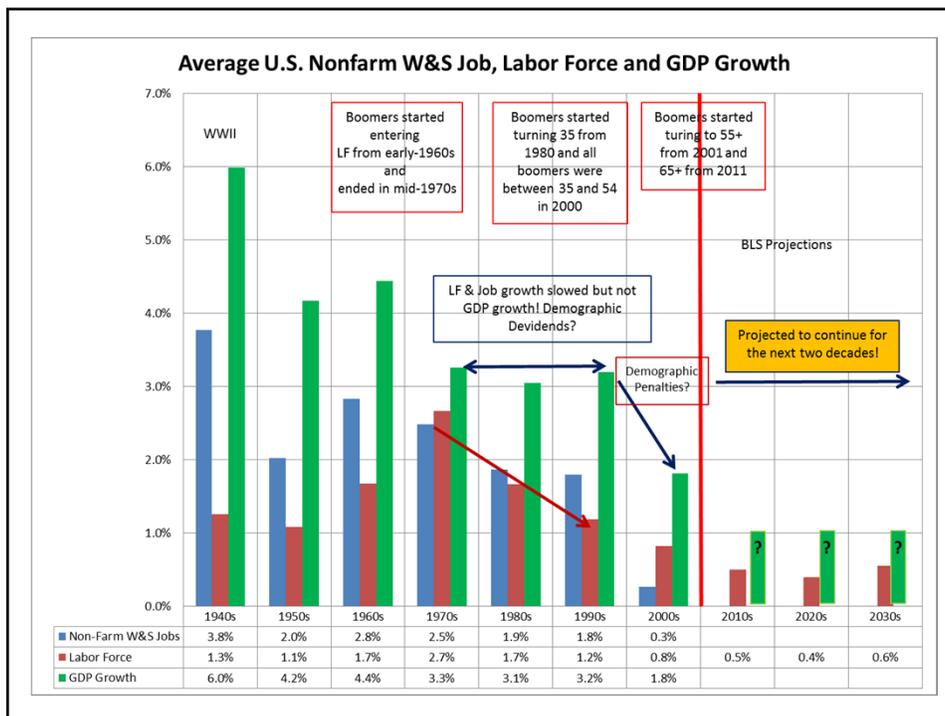
Sources: "Is US Economic Growth Over?", by Robert Gordon, NBER Working Paper, 2012; *The Economist*

A simulation: Projected Job growth

1. Use projected population growth by age cohorts
2. Apply assumptions of future labor force participation rates by age
3. Derive the growth in labor force

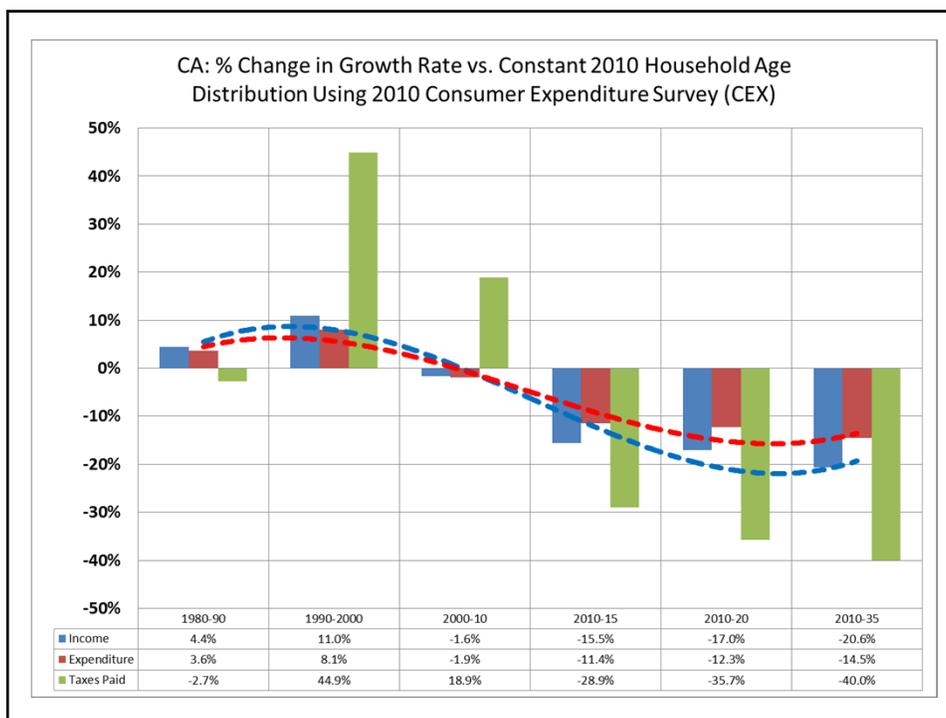
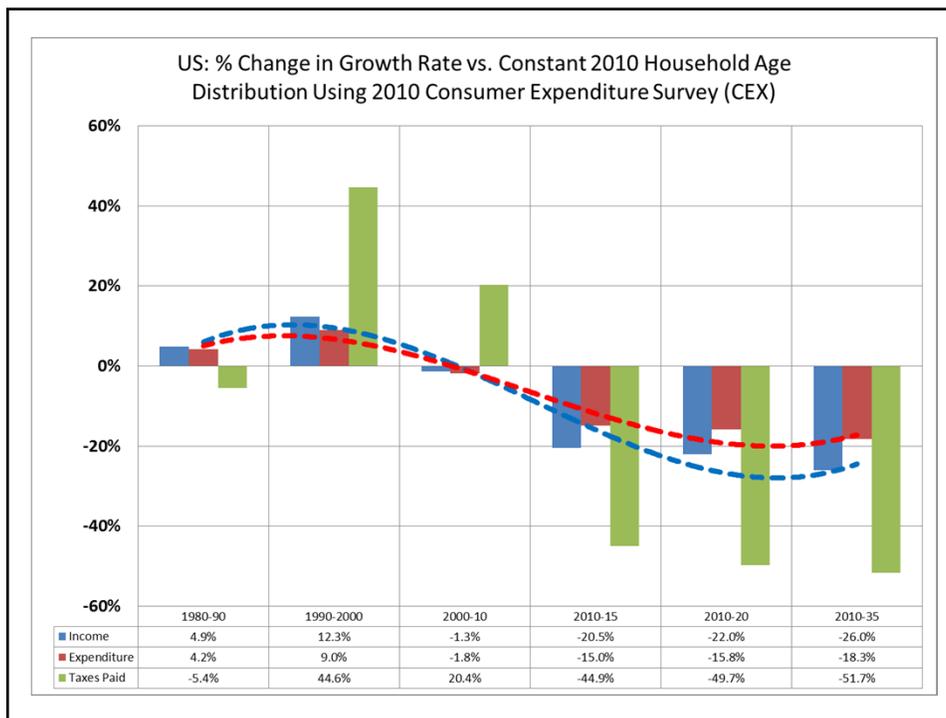


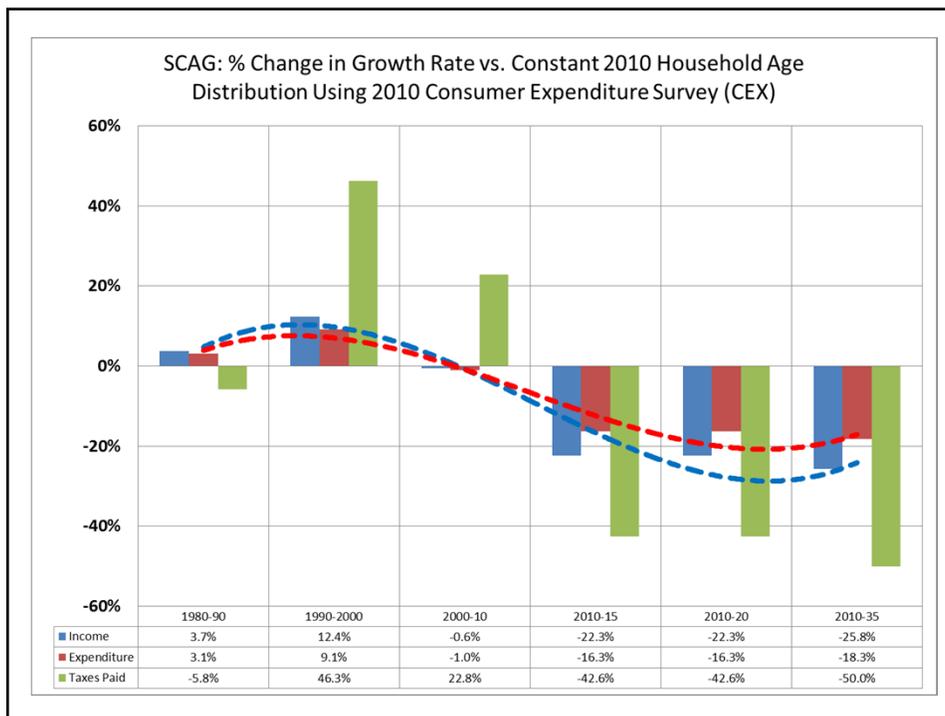




A simulation: Projected Impacts on Income/Expenditure/Taxes Paid

1. Use historical and projected population/household growth by age cohorts
2. Apply assumptions of household income, expenditures, and taxes paid by age cohorts
3. Derive the projected growth in income, expenditure, and taxes paid
4. Compare with a fixed household distribution by age cohorts as 2010.





Summary

- ❖ **Demography is destiny!?**
- ❖ **The region's population is aging and will be more diversified**
- ❖ **Population growth by age cohorts provides valuable information on timing and phasing of future growth challenges**
- ❖ **The slow growth of employment after 2010 is particularly worrisome, the region needs collectively to communicate this demographic trends, to build up consensus, and to assess the likely impacts in every aspects of our life and regional planning**
- ❖ **An aging society will also generate new opportunities--different growing industries, ethnic markets, and communities**
- ❖ **Population aging will post challenges and crisis, however, challenges and crisis can be met with a reasonable set of policy choices and early-on planning.**
- ❖ **Collectively we may need think out of the box for nonconventional solutions**

New Demographics?

- ❖ **Tomorrow's elderly will behave differently from today's elderly--Baby Boomers will be different from their parents. But how?**
- ❖ **Some of the elderly workers will stay longer in the labor force. But to what extent?**
- ❖ **Most baby boomers will age in place, but what are many boomers next move?**
- ❖ **Will the young behaves differently? The cheapest generation: They don't like to drive or too poor to drive or move out?**
- ❖ **Will the native born second generation immigrants fare better than baby boomers?**

New Demographics (Continued)?

- ❖ **Will immigrants continue to cram into crowded quarters as they come to the region for jobs?**
- ❖ **Will the different lifestyle and housing needs of aging Baby Boomers and young Hispanics shape development patterns and affect voting decisions on land use issues?**
- ❖ **Will there be an intergenerational agreement/contract or conflicts regarding how to fund the boomer retirements and health care demand and balance the government budget and support for that services**
- ❖ **International collaboration and cooperation, including immigration and assistance in developing countries a must in the future?**
- ❖ **The projected surge of the number of middle class in developing countries—How to attract them, both their investment and intellectual assets?**

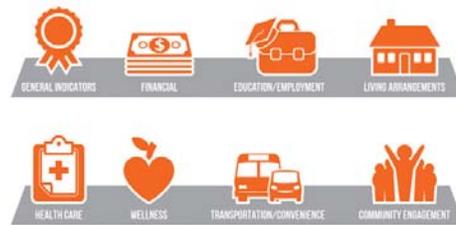
Milken Institute Population Aging Initiative



MILKEN INSTITUTE
CHANGING THE WORLD IN INNOVATIVE WAYS

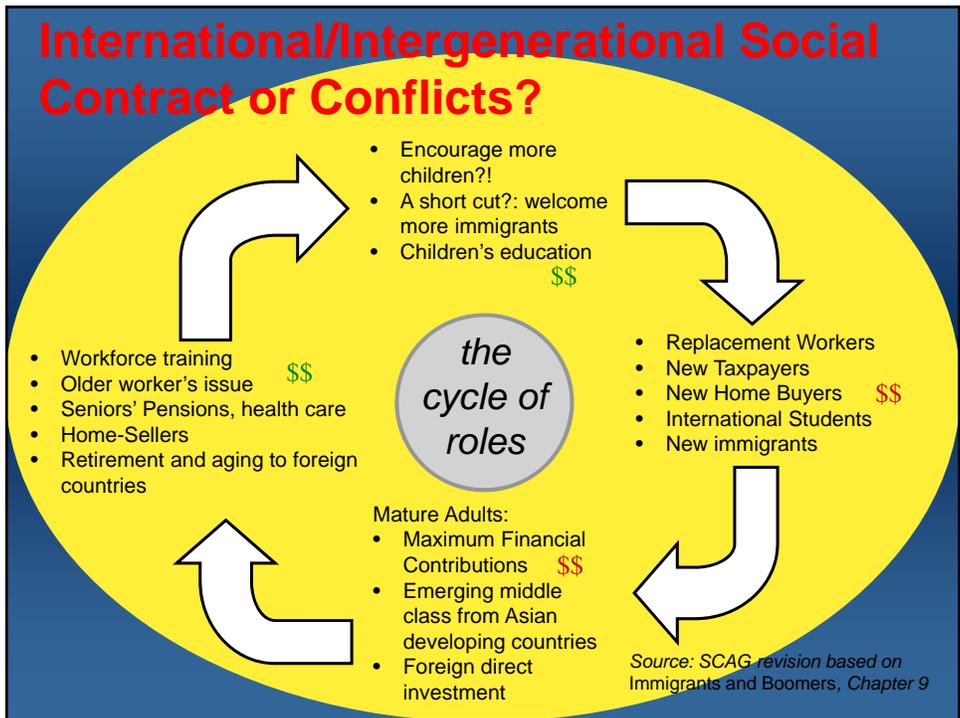


What Is Successful Aging?



Strategies/Solutions

1. **Market responses/new products: multiple-generation housing, share kitchen/bath dormitory style Apt or Condo (redefine overcrowding, housing with problems?)**
2. **New planning areas: Aging friendly cities/house, and neighborhood design or retrofit for an aging society**
3. **Institutional/legislature/economic incentives: delay retirement, raise ages for full retirement benefits, health care or retirement reform, budget cut, raise taxes**
4. **Innovation/productivity: Is an aging society less innovative and productive? Long term energy costs and sources from natural gas**
5. **Traditional fiscal stimulus/monetary policies-POMO*/Austerity: Are they feasible? Will they work? Political acceptable?**
6. **Encourage more kids? Currently unused/under utilized labor force?**
7. **Immigration/Foreign direct investment (How to attract them?)**
8. **Others?**
9. **Governance**



Thank you!

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Southern California Association of Governments

