

The New California

Post-Recession Challenges in a Mature State

Hans Johnson

26th Annual Demographic Workshop

June 2015



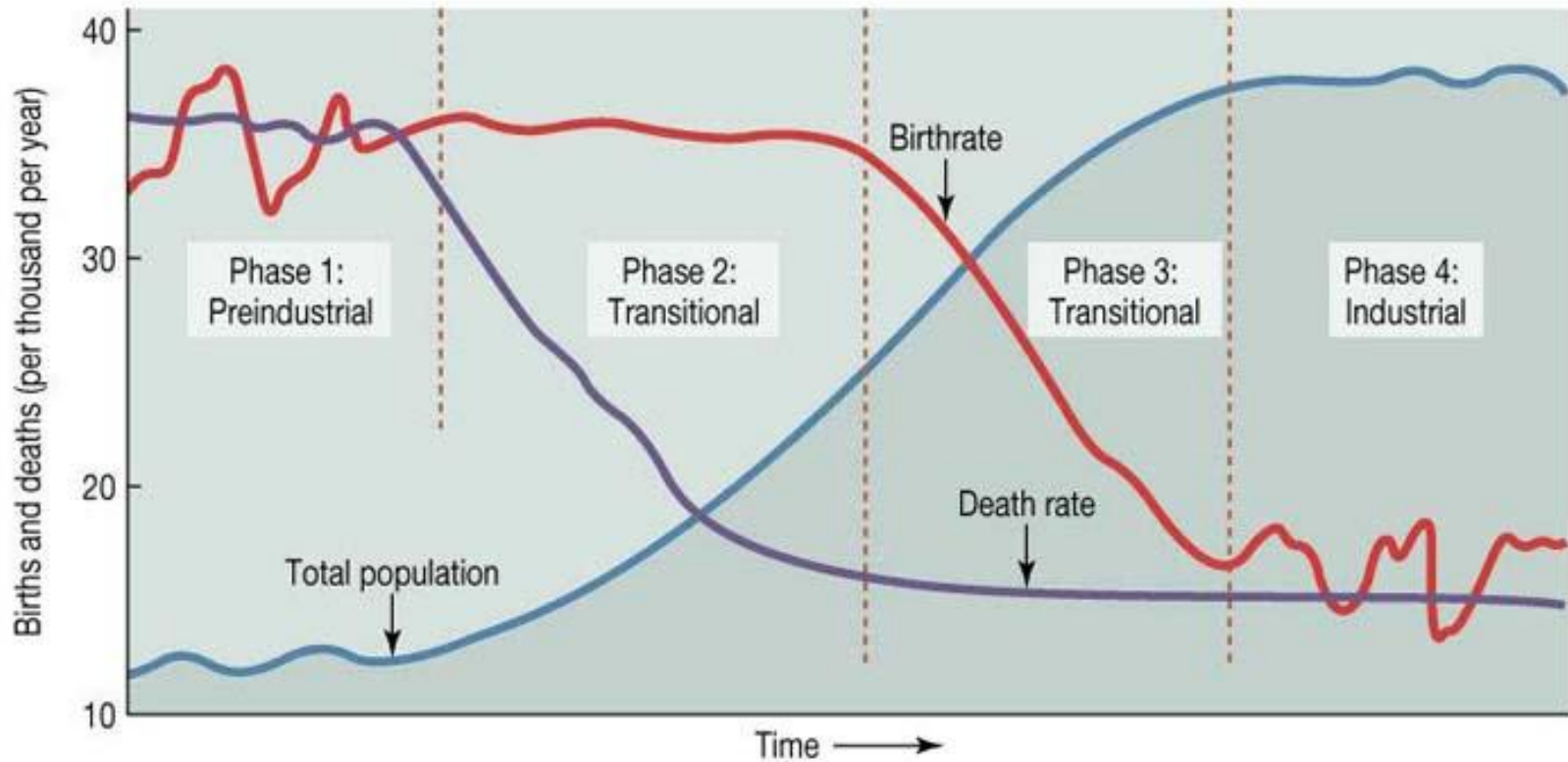
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Outline

- The New California
- Why the slow down?
- Challenges for the future

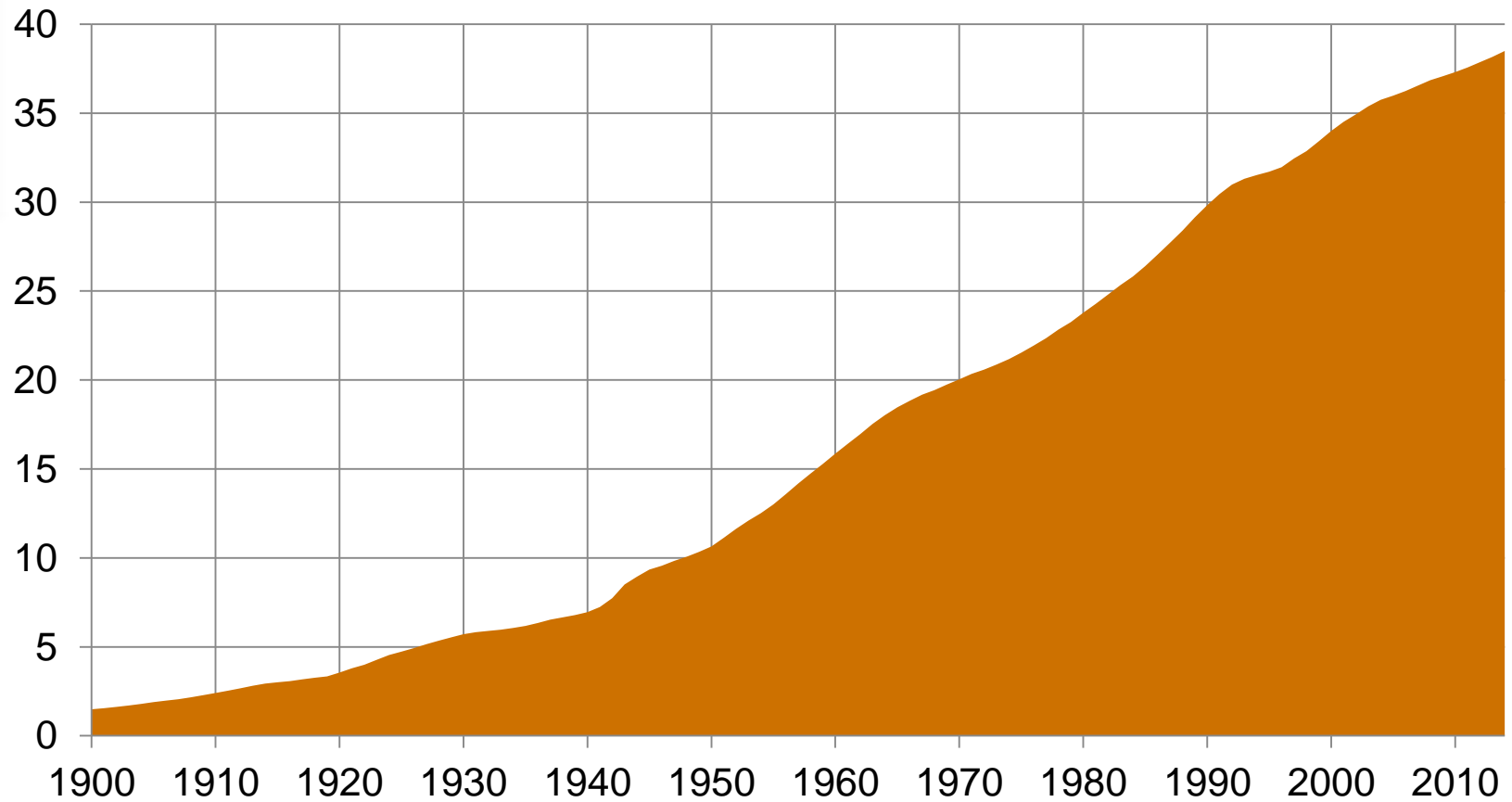
The demographic transition



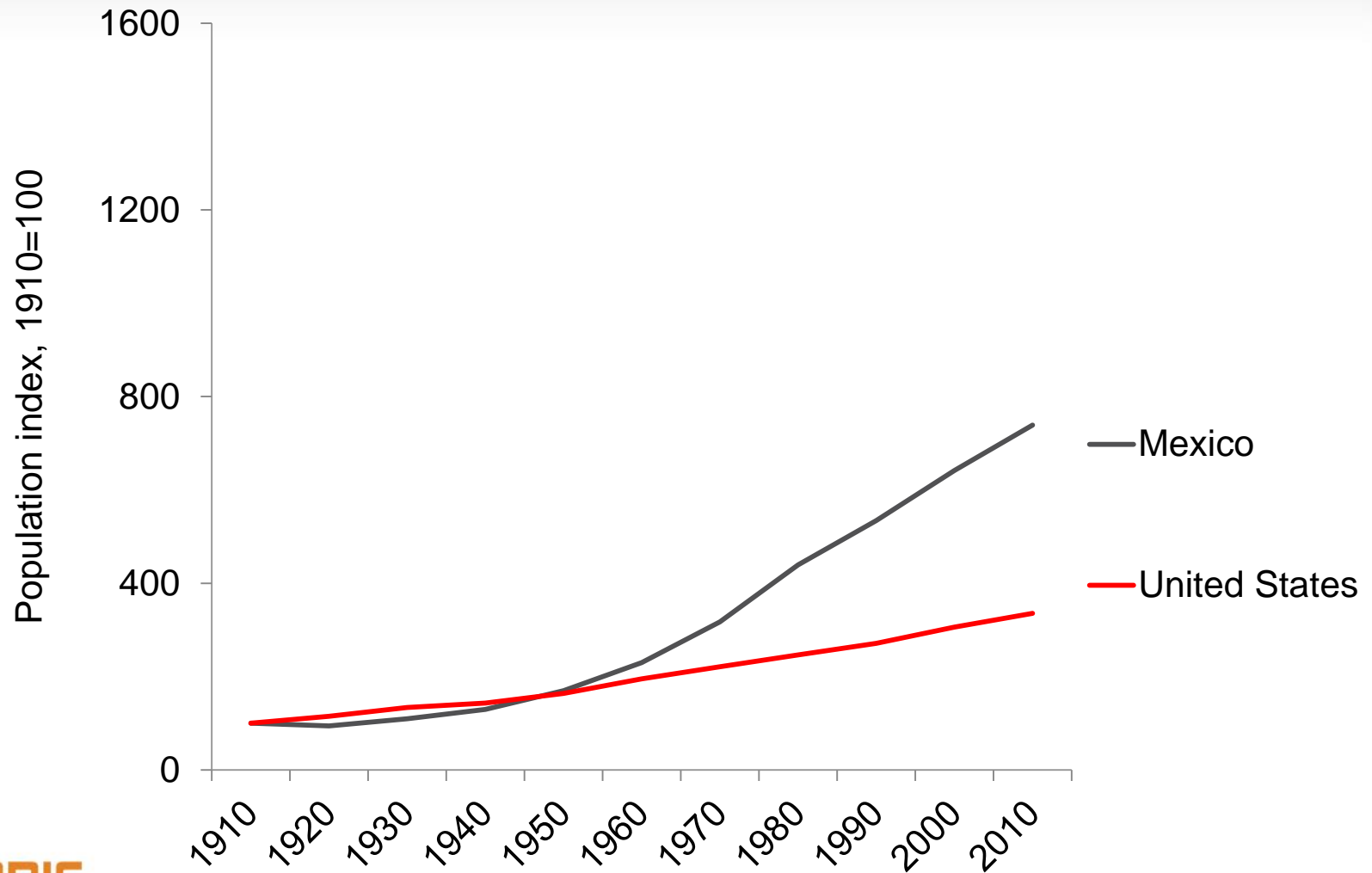
Source: Creative Commons

Rapid population growth has defined California

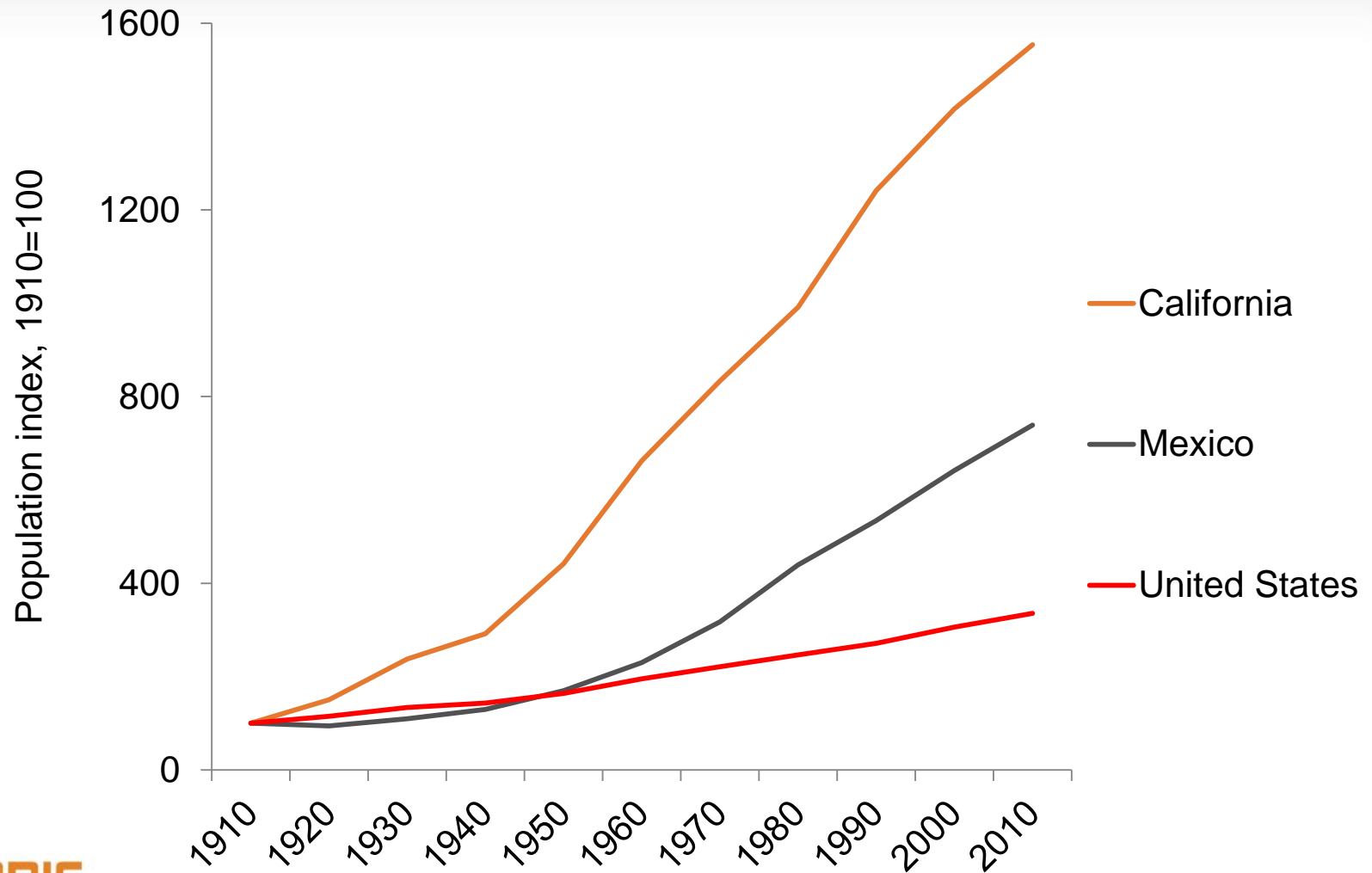
California Population, 1900-2014 (in millions)



California's growth has been extraordinary



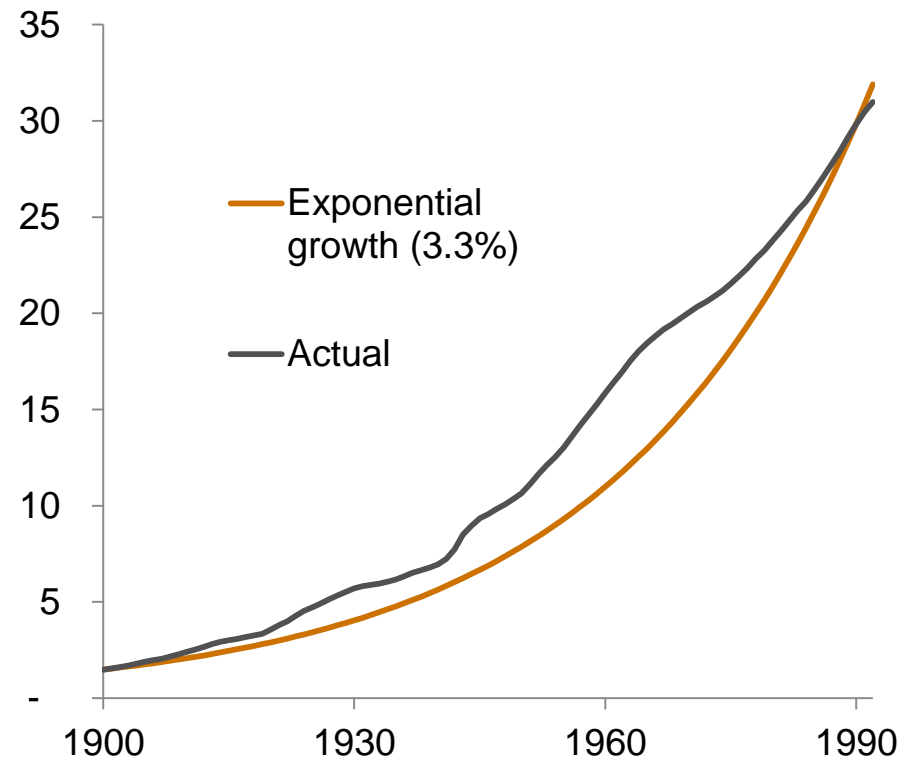
California's growth has been extraordinary



Rapid growth rates cannot be sustained indefinitely

If exponential growth continued:

California population (millions)

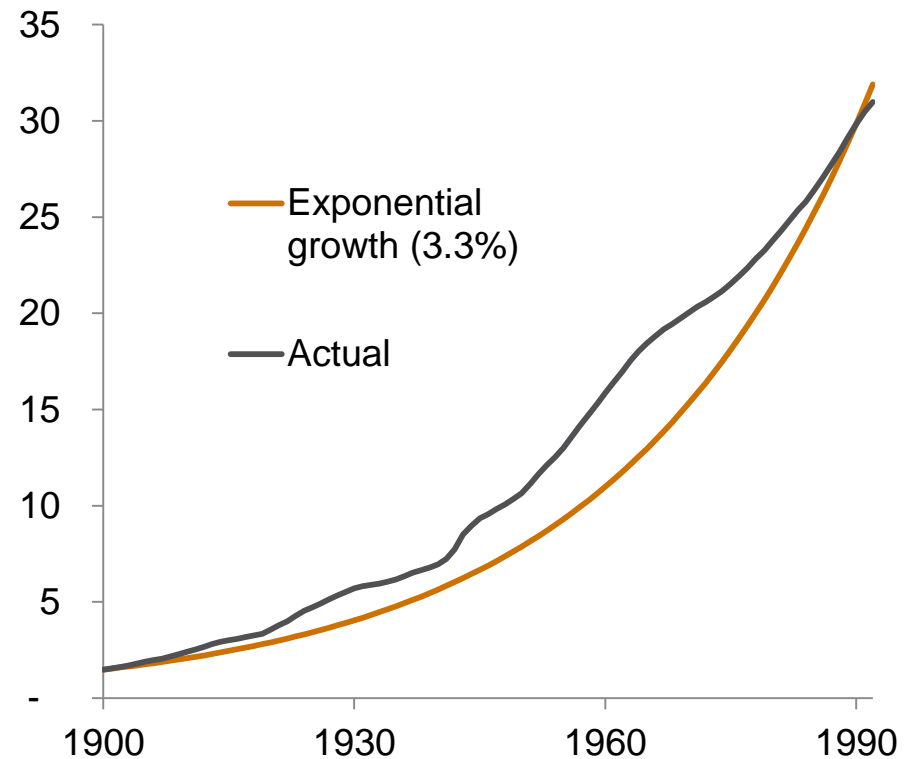


Rapid growth rates cannot be sustained indefinitely

If exponential growth continued:

- By 2125, state density would equal SF density today
- By 2348, there would be one person for every square foot of land in the state

California population (millions)

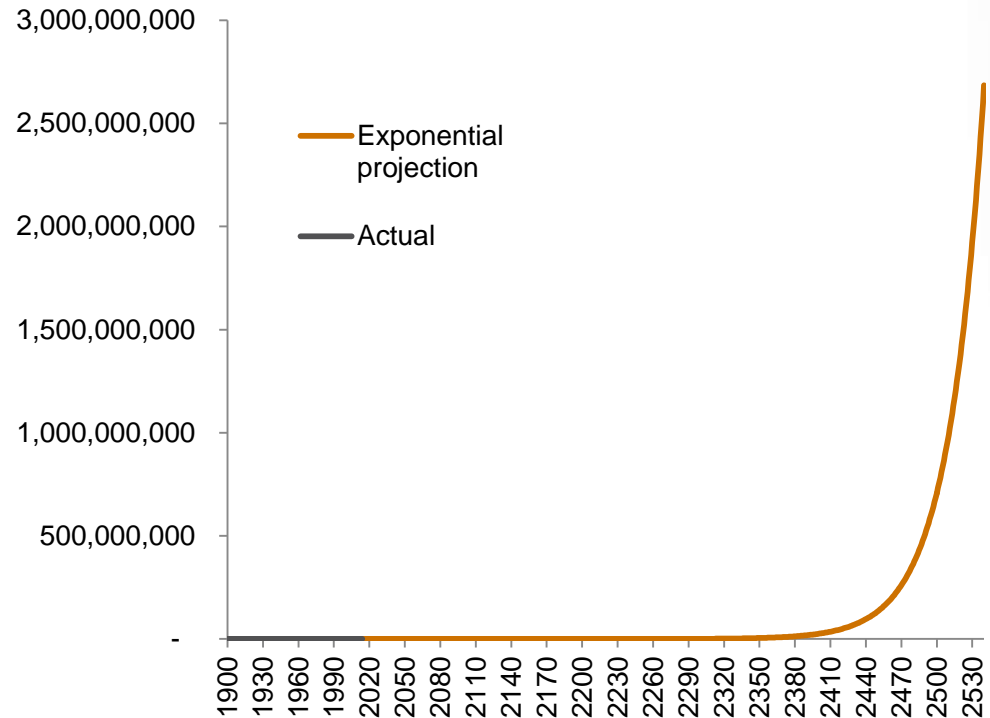


Rapid growth rates cannot be sustained

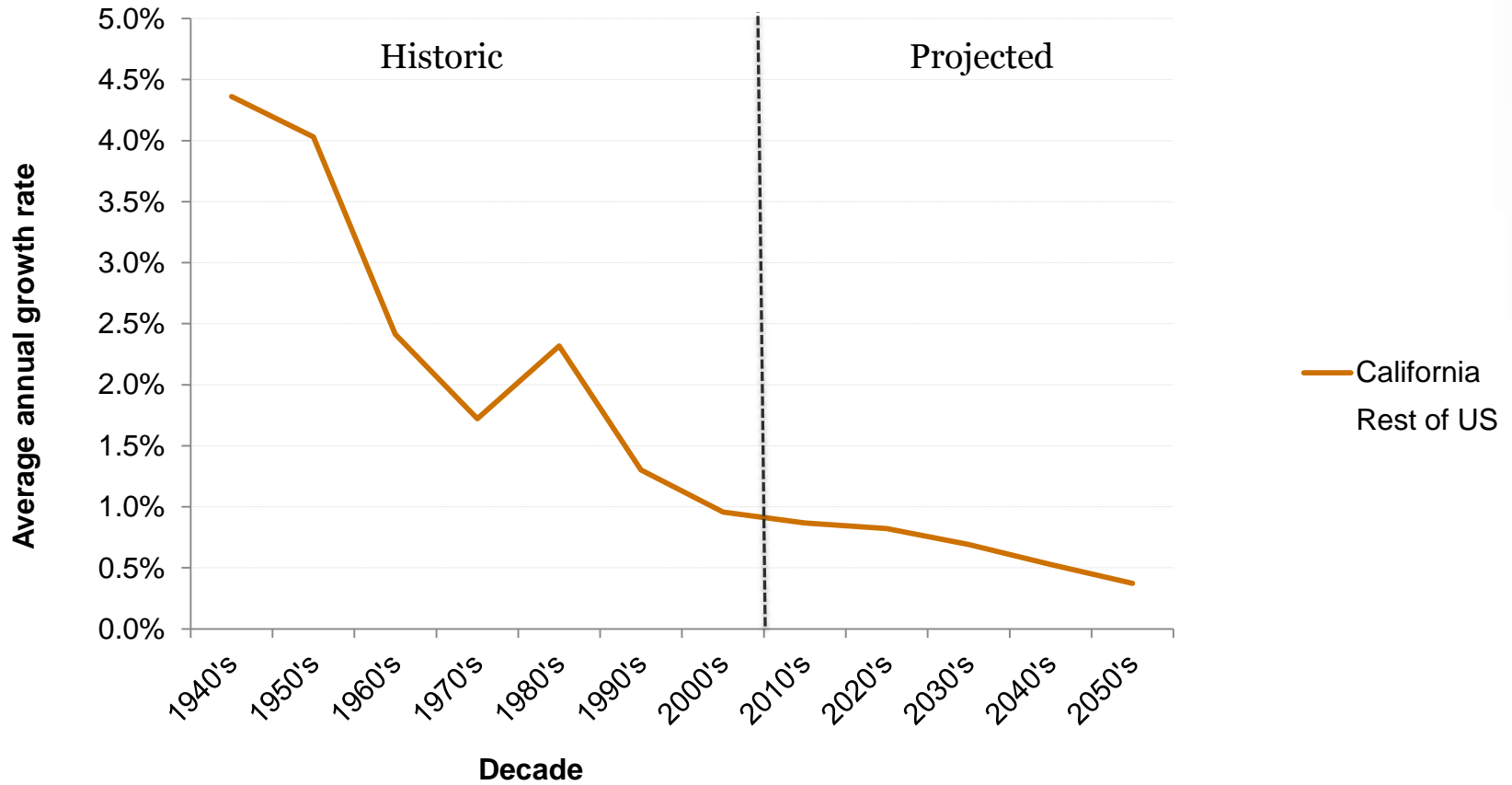
If exponential growth continued:

- By 2125, state density would equal SF density today
- By 2348, there would be one person for every square foot of land in the state
- By 2540, Californians would be expanding into space at the speed of light

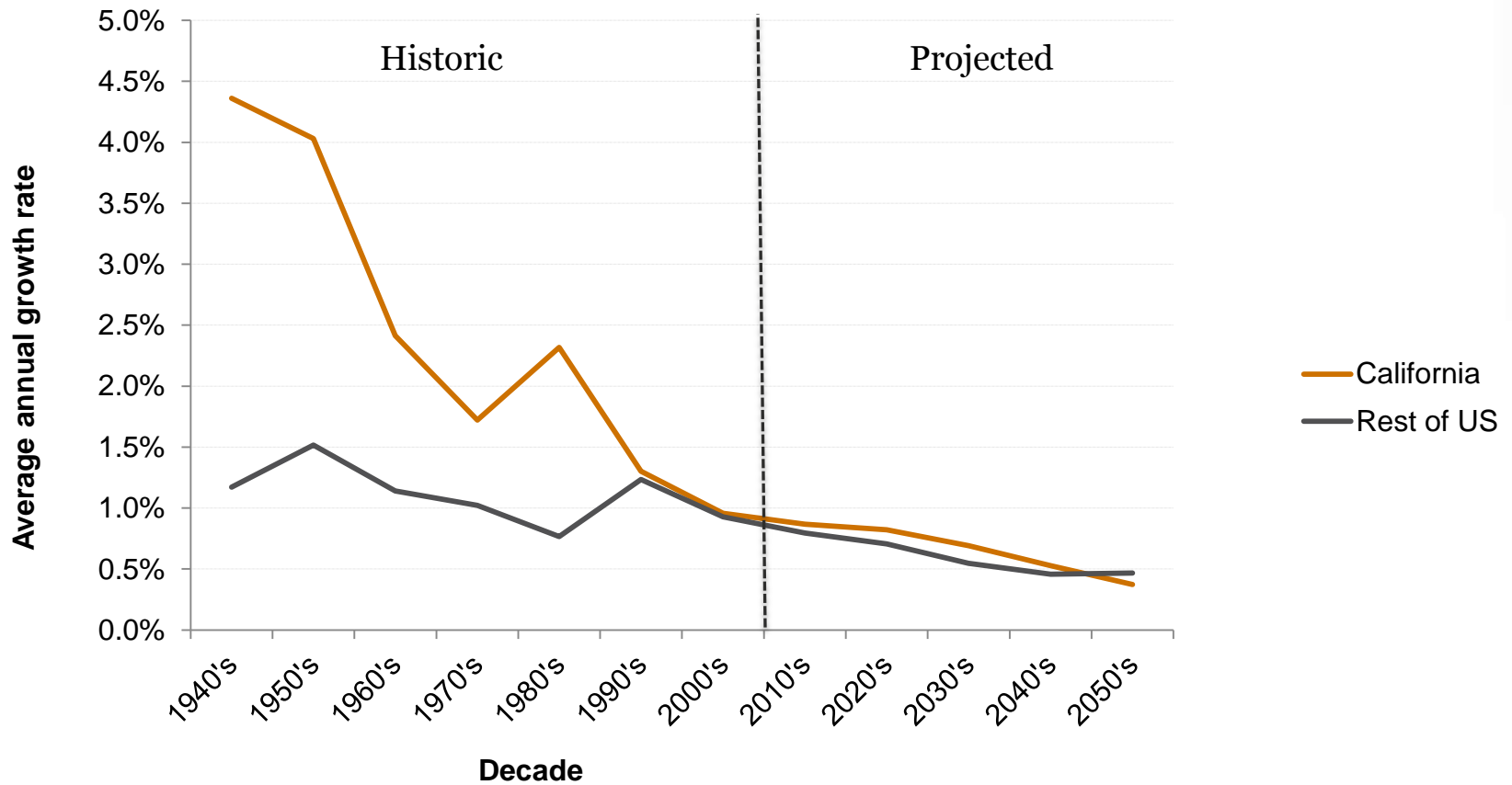
California population (millions)



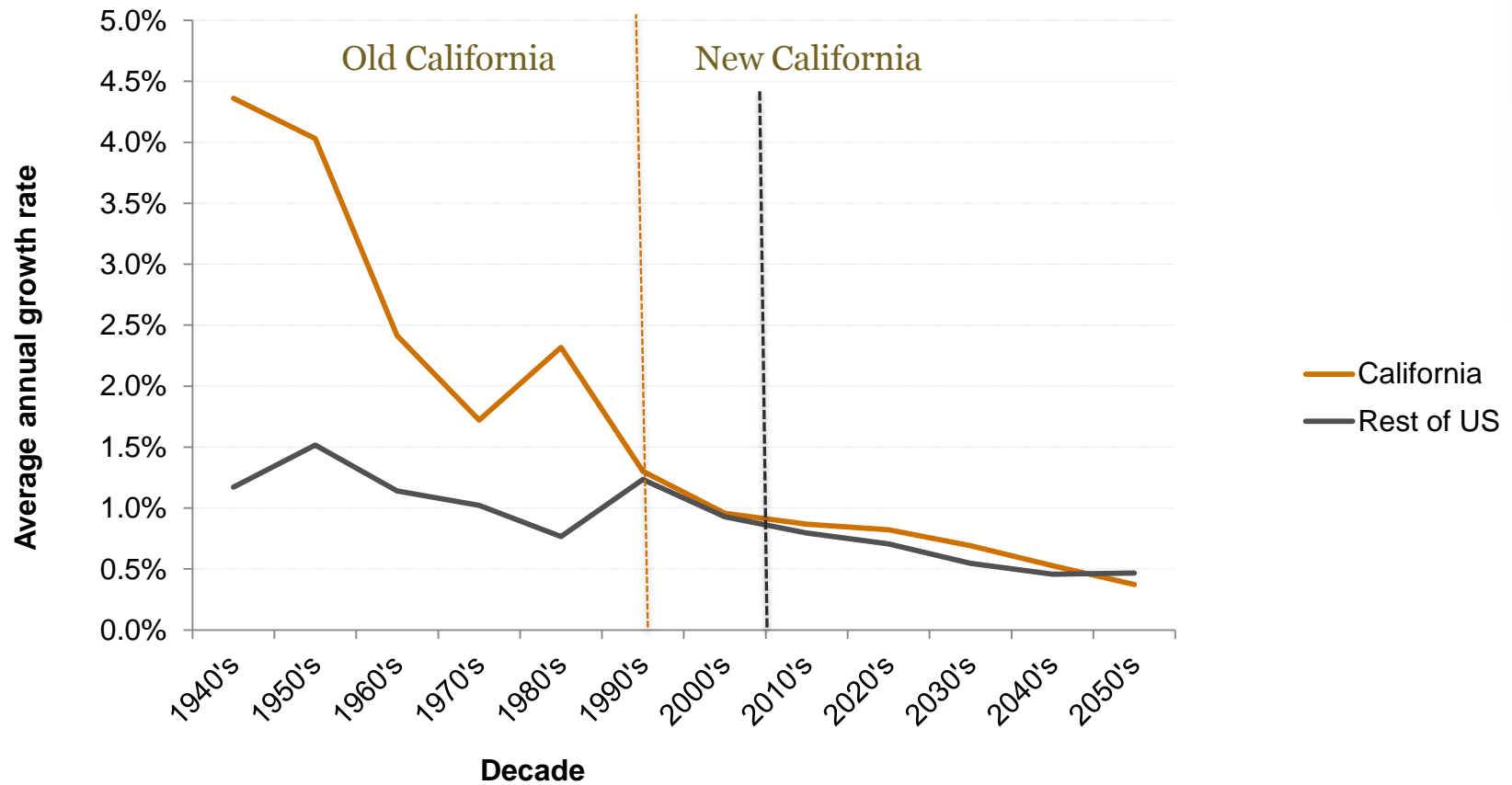
Growth rates have fallen...



... and are now similar to the rest of the U.S.



The New California is defined by slow growth rates



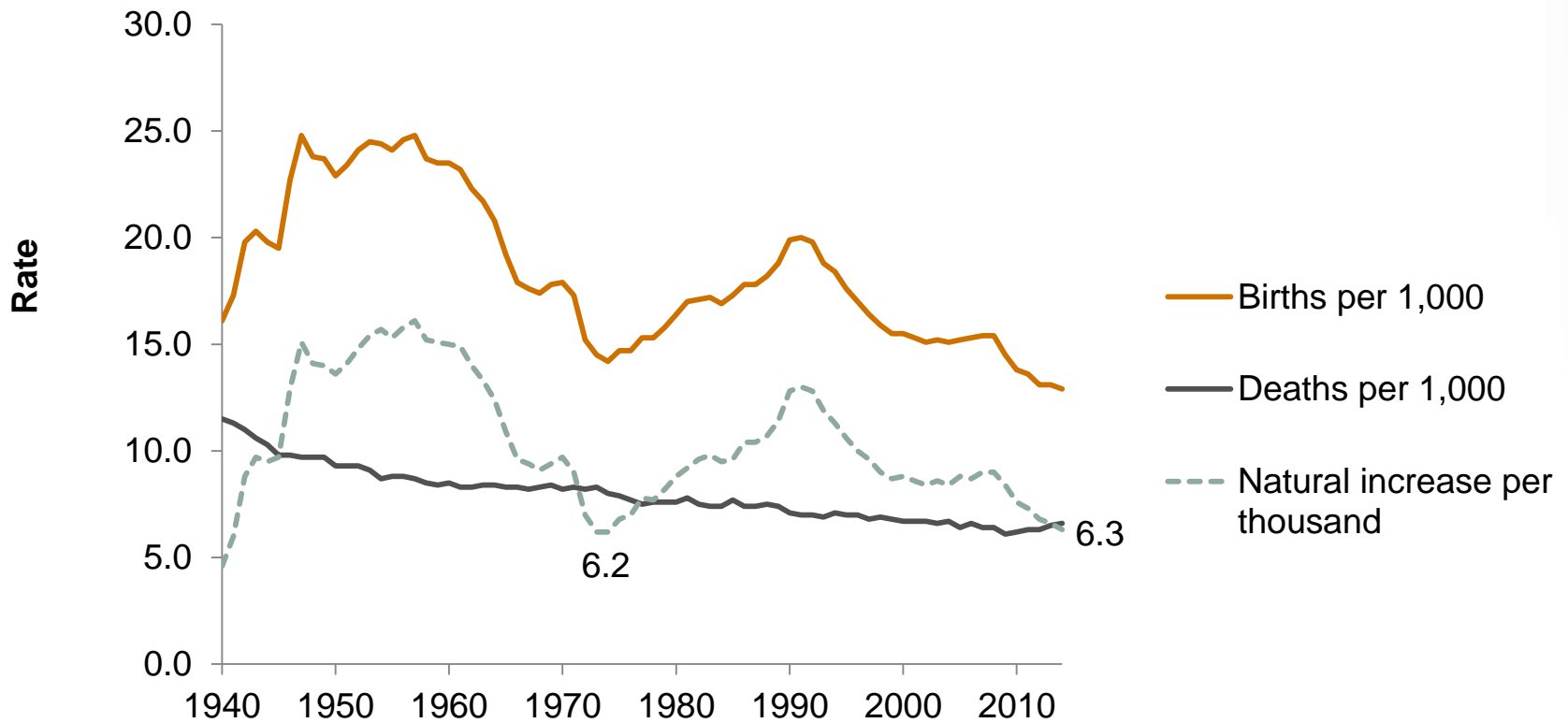
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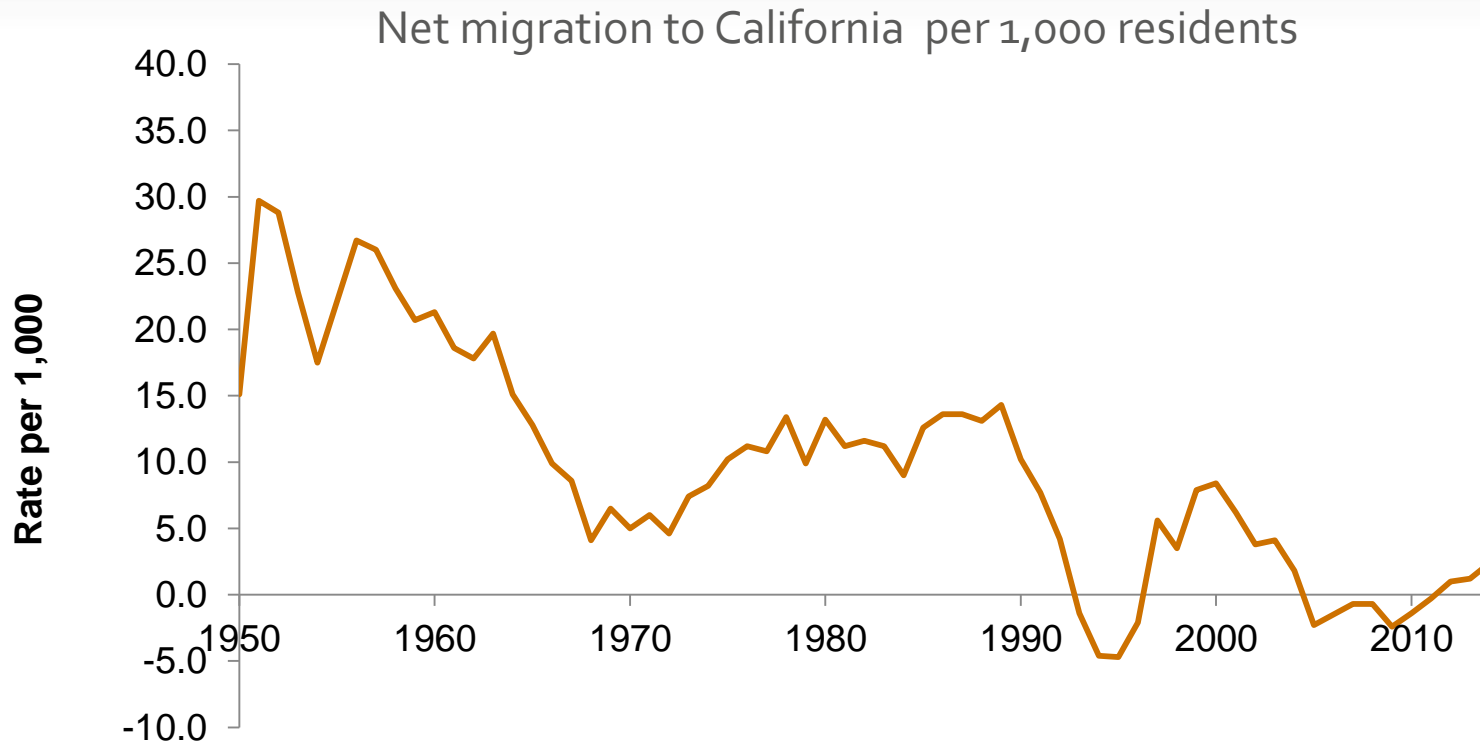
Why has growth slowed?

- Direct determinants
 - Natural increase
 - Migration
- Indirect determinants
 - Aging
 - Housing costs
 - Geographic constraints
 - Regulatory constraints
 - Economic growth

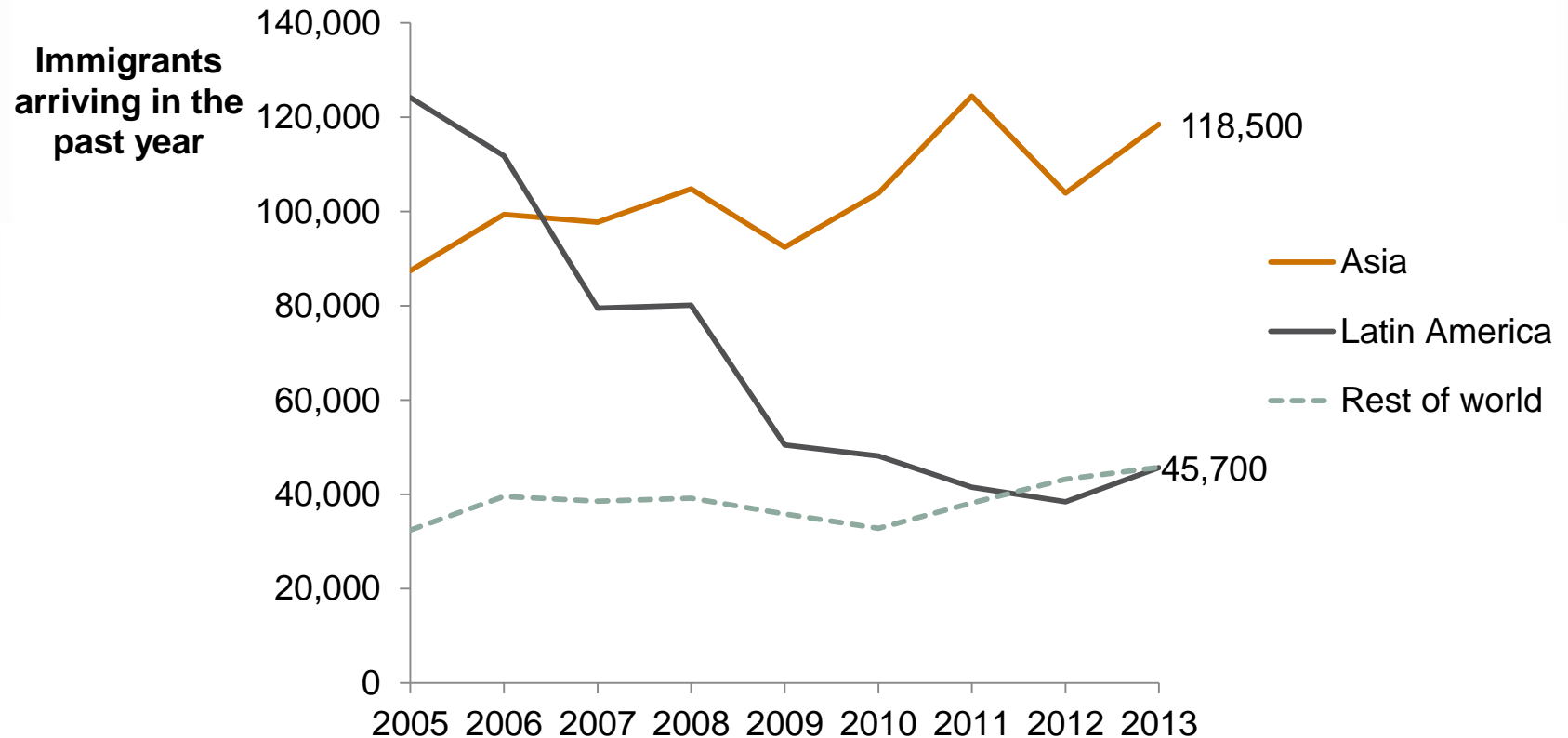
Rates of natural increase are at low levels



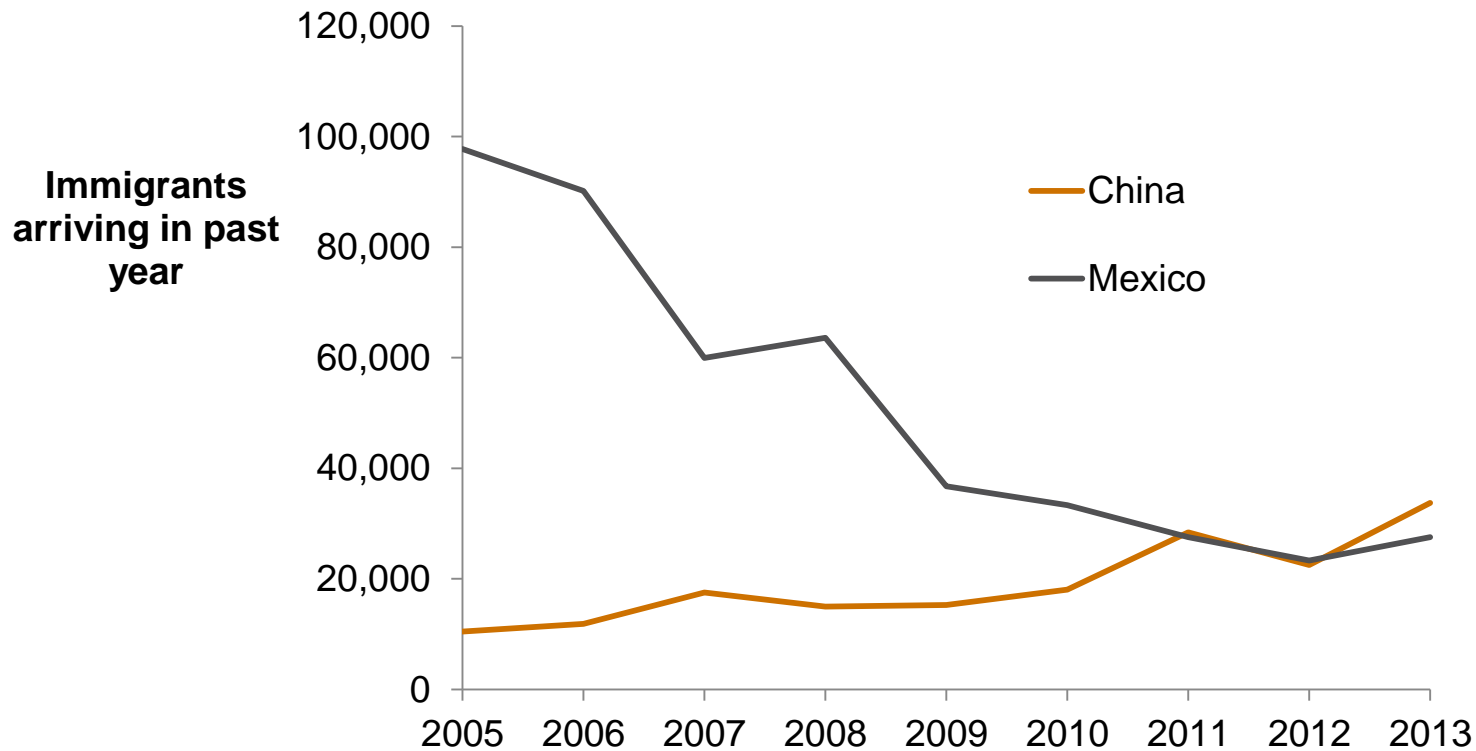
Migration has been at record lows



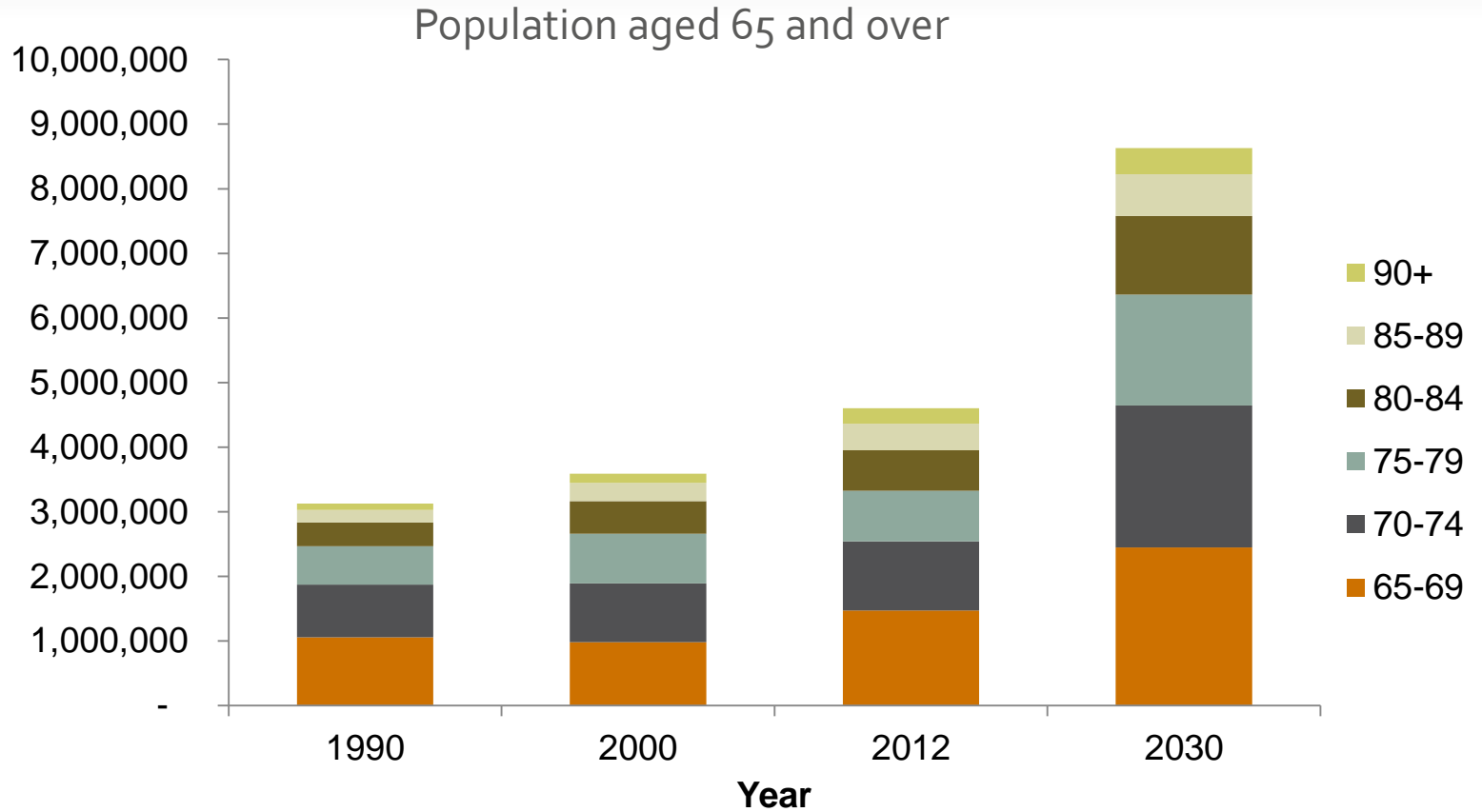
Asia has replaced Latin America as the leading source of immigrants



China has replaced Mexico as the leading country of origin

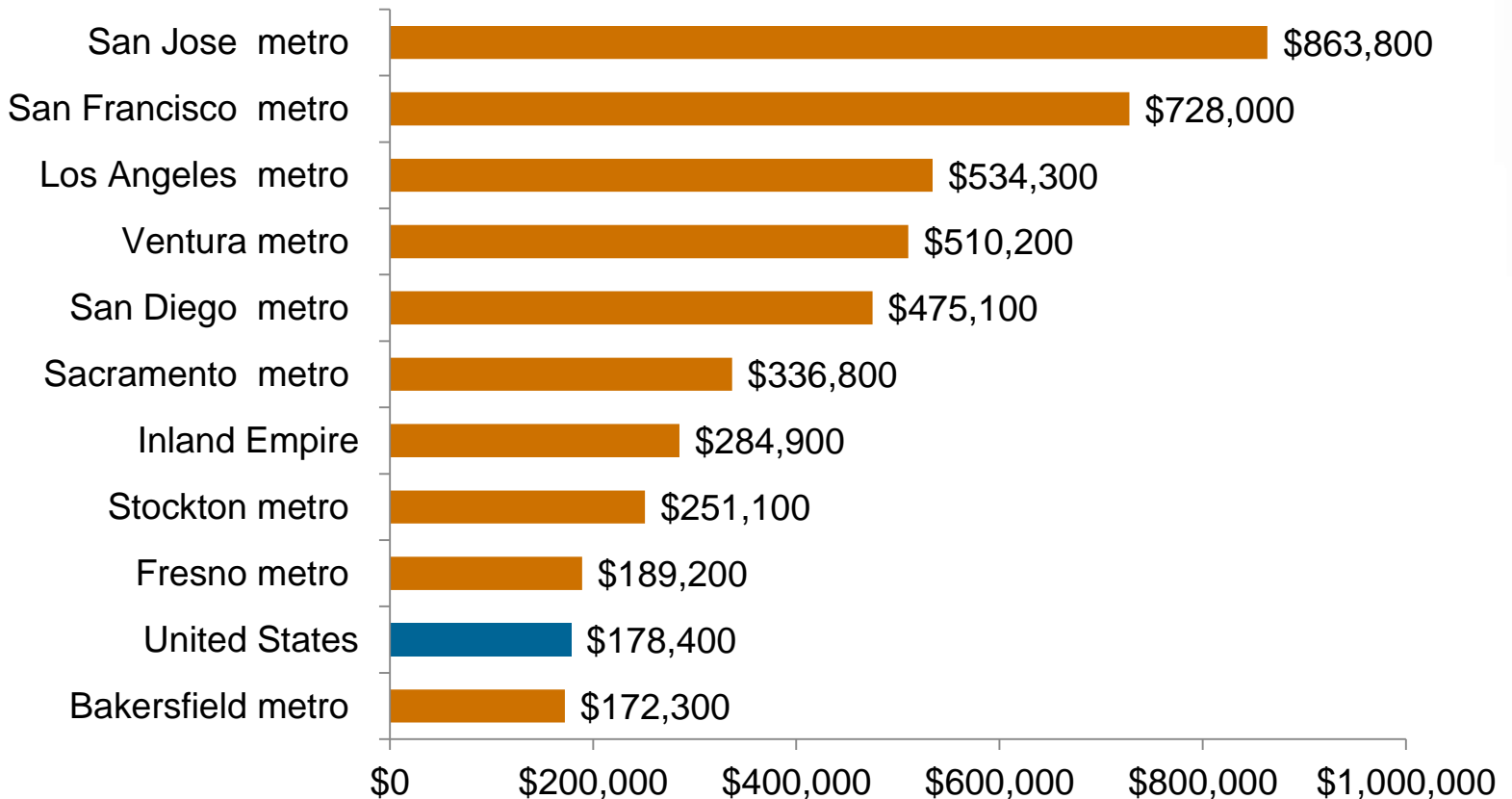


California's population is aging

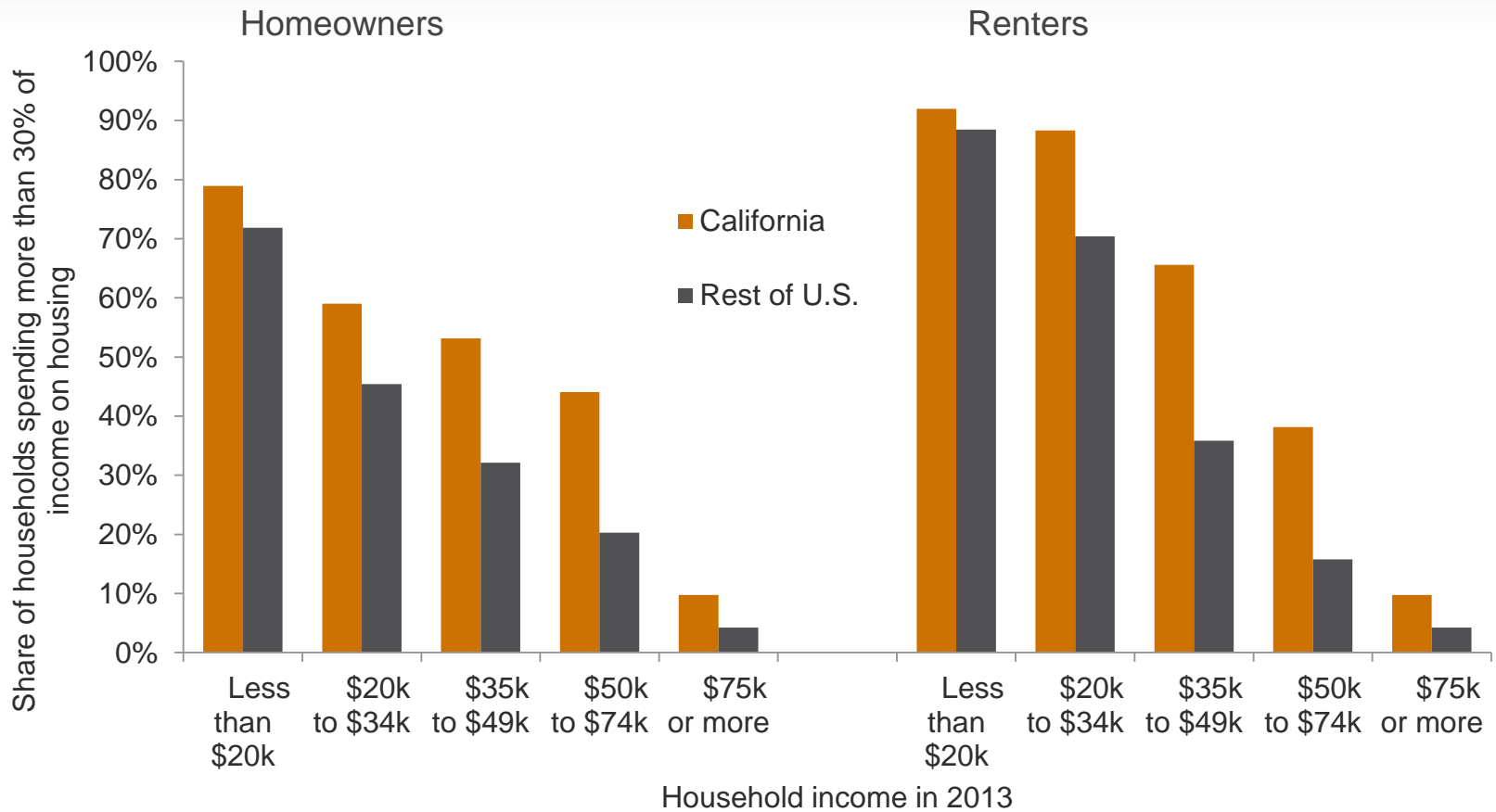


Lack of housing restricts population growth, increases costs

Median housing value, March 2015



More California households spend a large share of their income on housing costs



Many left the state because of housing

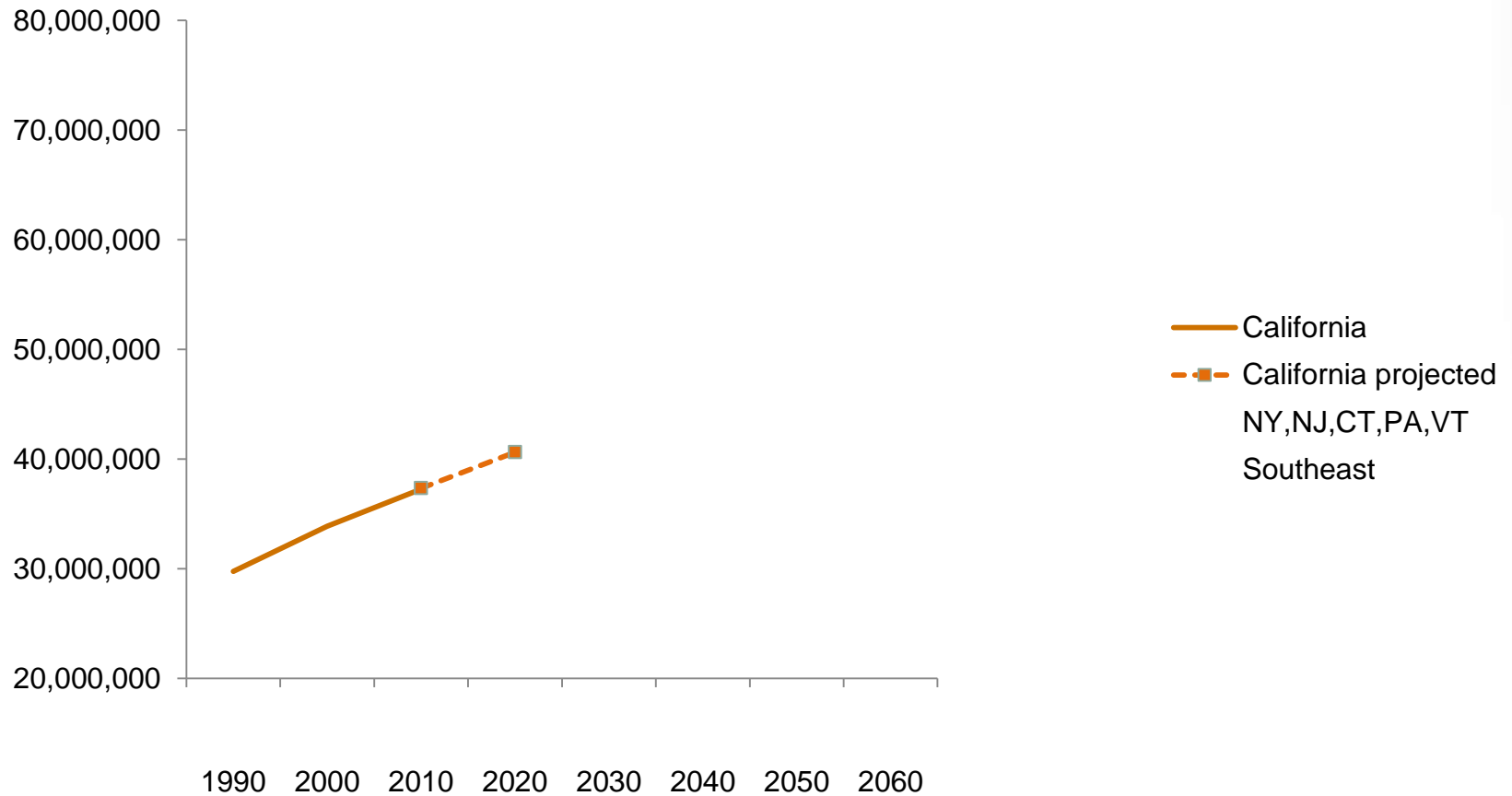
Reason for moving to or from California
CPS march supplements, 1999-2014

	To California	From California	Net domestic flow	
Negative flow	Other family reason	1,202,853	1,548,394	-345,541
	For cheaper housing	186,158	477,222	-291,064
	To look for work or lost job	309,340	500,151	-190,811
	Other job-related reason	218,879	362,499	-143,620
	Retired	38,987	118,725	-79,738
	Change in marital status	244,405	319,063	-74,658
	Wanted better neighborhood	87,331	148,234	-60,903
	To establish own household	213,163	267,481	-54,318
	Wanted to own home, not rent	142,497	179,453	-36,956
Positive flow	For easier commute	150,238	134,004	16,234
	New job or job transfer	2,303,116	2,283,274	19,842
	Attend/leave college	342,230	320,545	21,685
	Other housing reason	413,528	372,492	41,036
	Health reasons	141,615	95,978	45,638
	Change of climate	161,997	77,599	84,399
	Wanted new or better housing	367,659	279,367	88,292

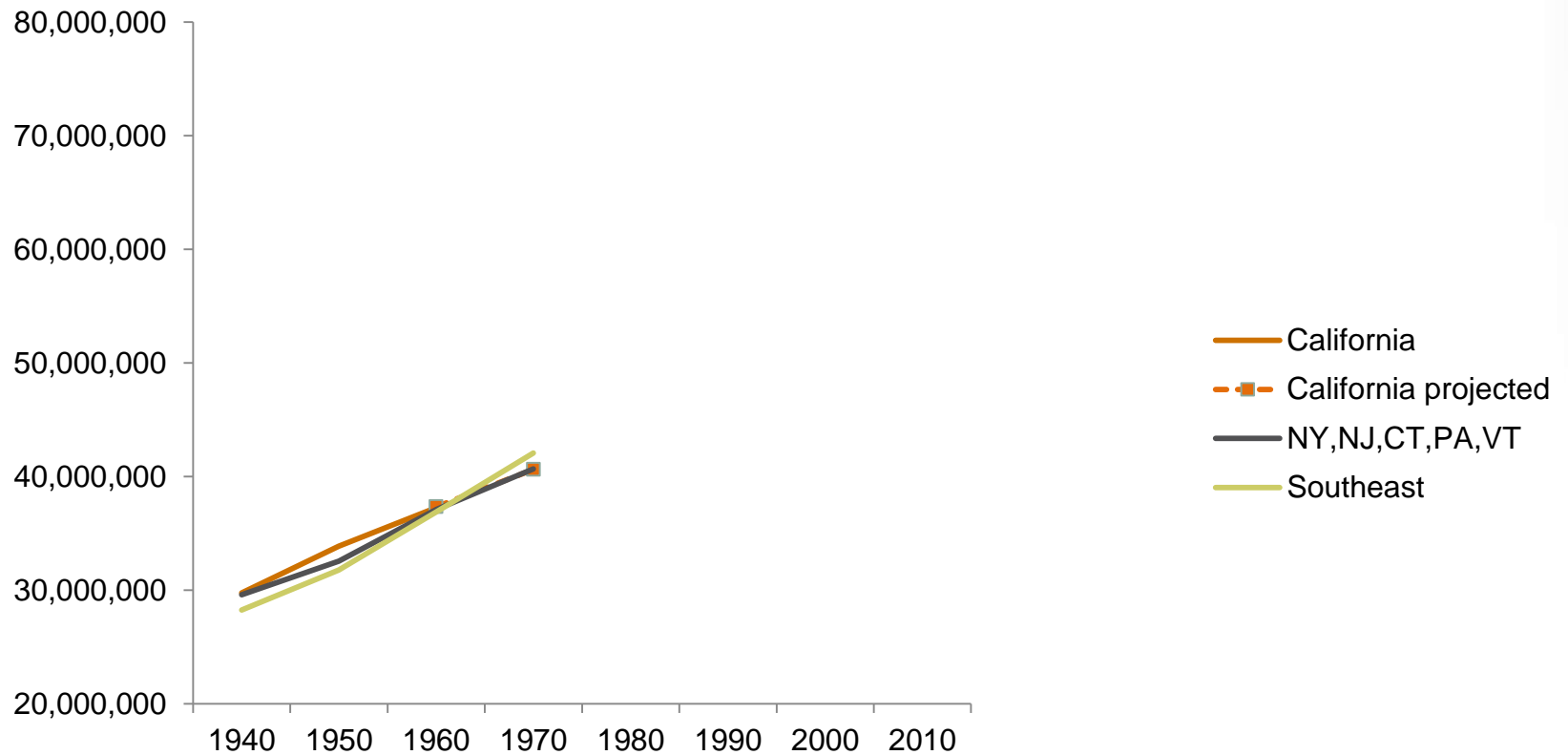
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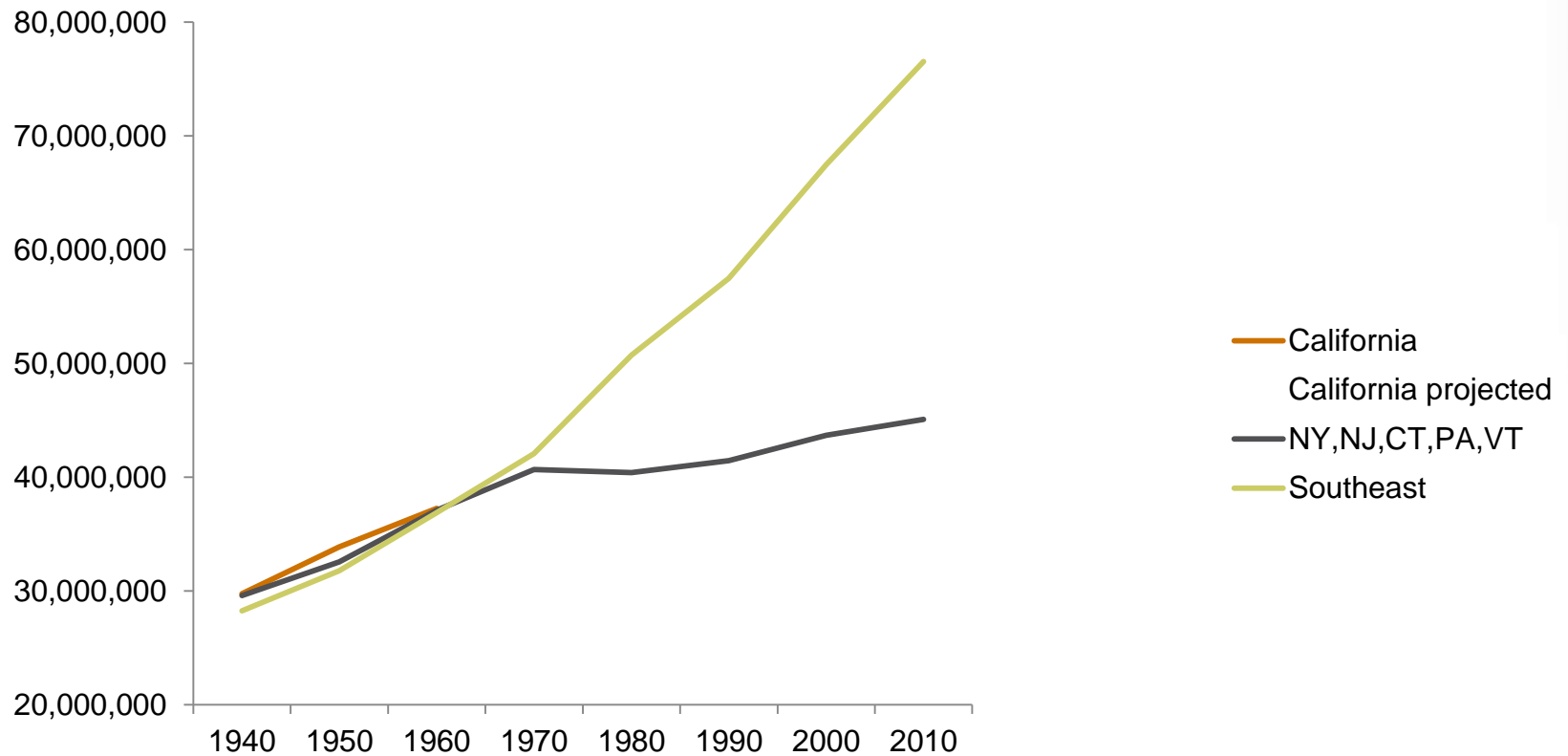
Projections are uncertain



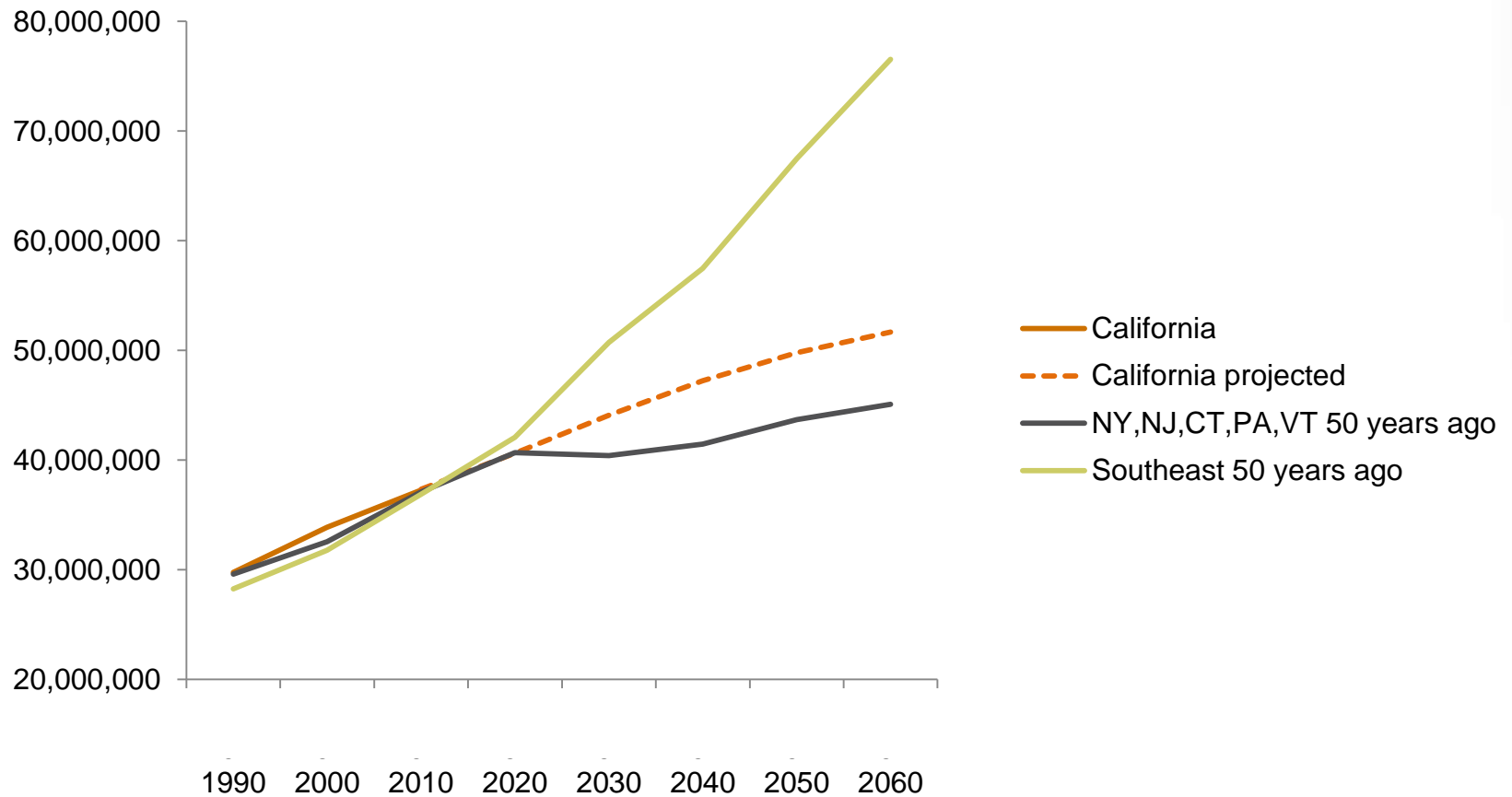
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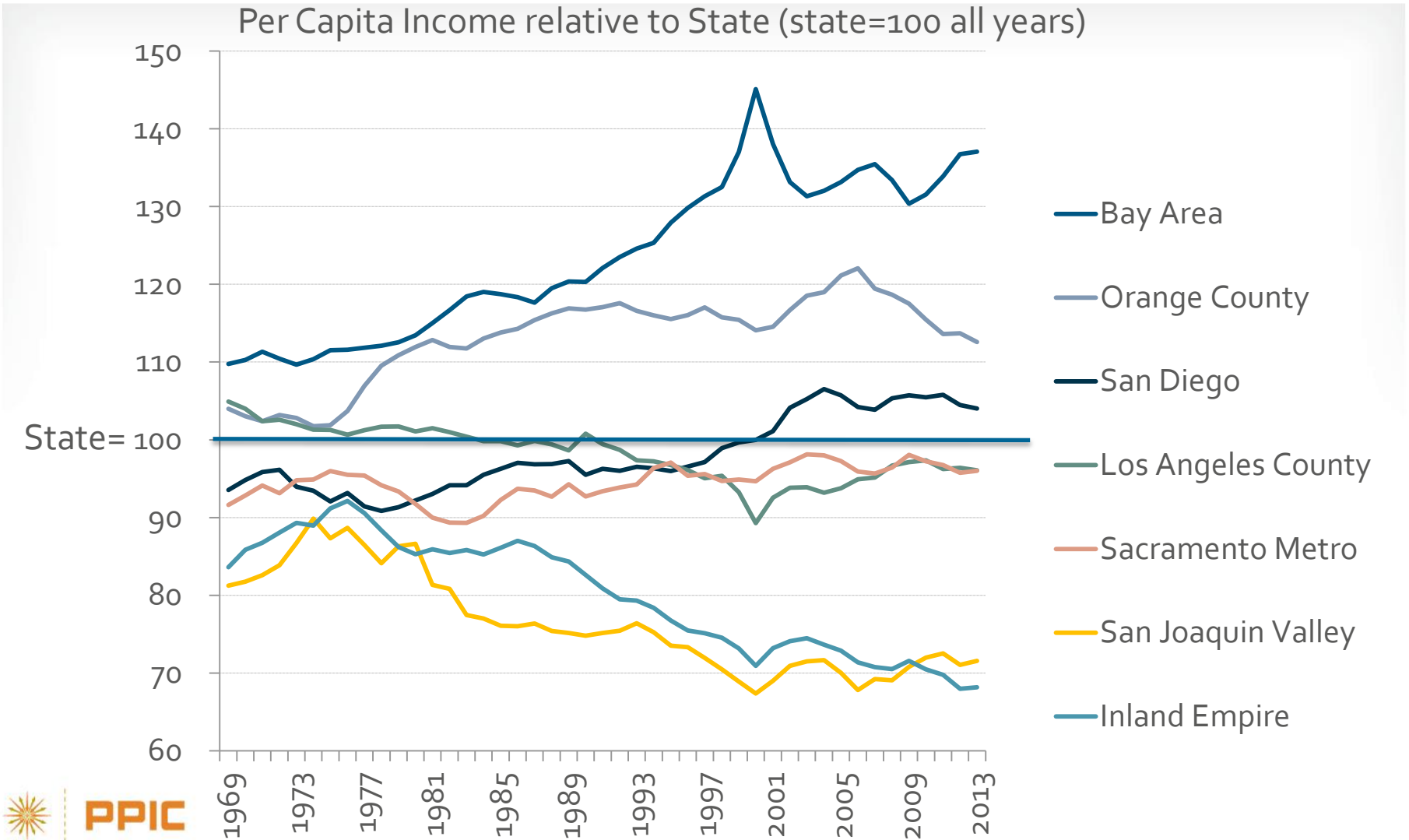
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Growing apart: regional inequality has increased



Key to economic success: Education

- Educational attainment is the primary determinant of economic well-being
- Regions with slow growth can be prosperous (New England) or poor (Appalachia, Mississippi Delta)

Policy implications

- California's political power is unlikely to increase
- Invest in solutions to cost and congestion problems
 - Reduce constraints to new housing development
 - Improve coordination of economic development and housing policies
- Improving educational attainment should be a central focus of state policy

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Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.

Sources of Growth Have Changed

Components of population growth 1999–2012

