

CALIFORNIA

POPULATION



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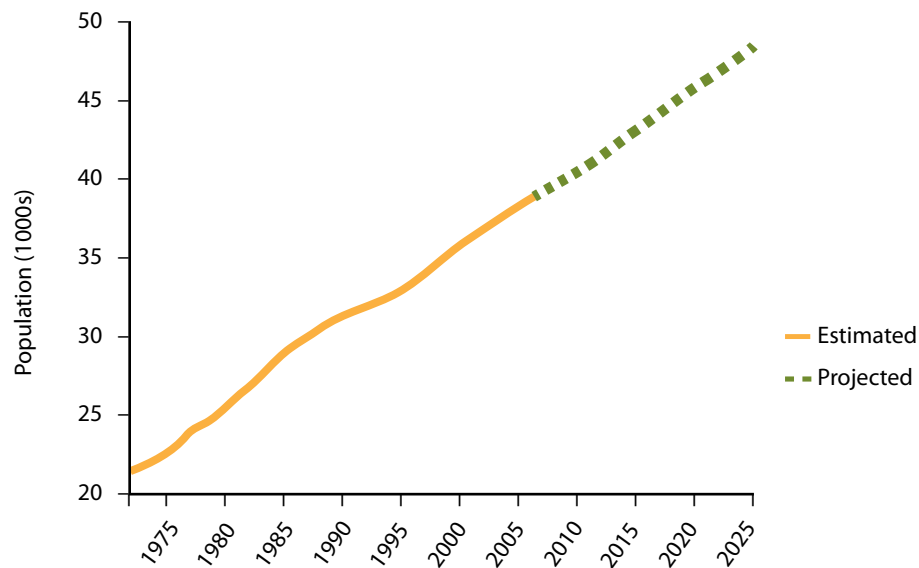
PUBLIC POLICY
INSTITUTE OF CALIFORNIA

GROWTH WILL PUT PRESSURE ON INFRASTRUCTURE

California has long been known for and even defined by its tremendous population growth. No other developed region of the world that is California's size has sustained so much growth over such a long a period. Equally remarkable has been the increasing diversity in the state's population. California is home to large groups of immigrants from more than 60 nations, and no race or ethnic group constitutes a majority of the state's population. Although growth rates have slowed during this decade, the state is still growing faster than the nation.

During the next 20 years, California's population will continue to increase, as millions of new residents are added each decade. In all areas of infrastructure and public services—including education, transportation, corrections, housing, water, health, and welfare—population growth will lead to new demands.

CALIFORNIA'S POPULATION WILL CONTINUE TO GROW



SOURCE: California Department of Finance.

GROWTH CONTINUES AS REGIONAL, RACIAL/ETHNIC, AND AGE GROUPS SHIFT

- **Large population gains are projected to continue.**

Between 2008 and 2025, California's population is projected to increase from 38.1 million to 46.7 million. Annual increases will be about 500,000 people, equivalent to adding a city the size of Long Beach to the state's population each year. Annual growth rates will average 1.2 percent, similar to growth experienced in the 1990s but slower than in earlier decades.

- **Inland areas will see higher growth.**

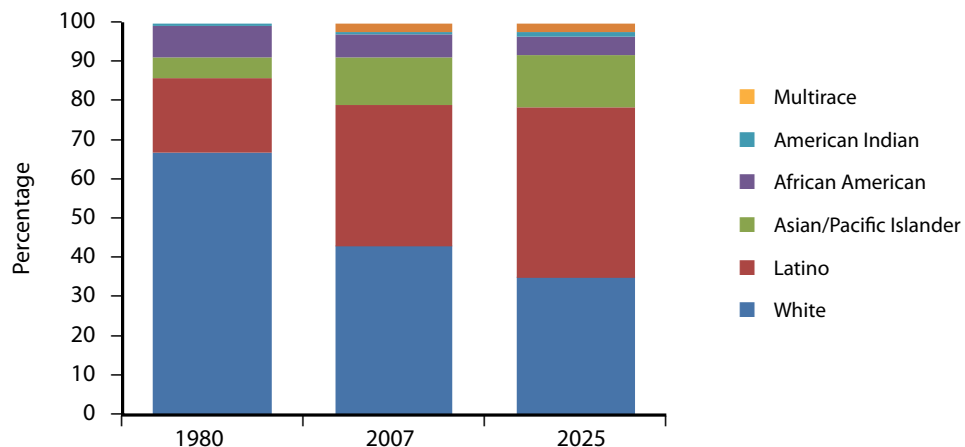
The inland areas of California have grown faster than the coastal areas for many decades, but coastal counties are still home to most of the state's population. Projections indicate that the Inland Empire, the Sacramento region, and the San Joaquin Valley will grow much faster than other areas of the state. The population will increase by 3.7 million in coastal counties (including the San Francisco Bay Area) and by 4.9 million in inland counties. Key milestones expected by 2025:

- ▲ Los Angeles County will reach 11.5 million residents.
- ▲ Riverside County will reach 3 million residents.
- ▲ Santa Clara County will reach 2 million residents.
- ▲ San Joaquin County will surpass 1 million residents.

- **California's population will continue to diversify.**

The 2000 Census found that no ethnic group in the state made up a majority of the population with non-Hispanic whites the largest group. The California Department of Finance projects that in 2016 Latinos will replace whites as the largest ethnic group. Among children ages 5 and under, Latinos already make up 52 percent of the population. Latino increases are due to both immigration and relatively high birth rates. Immigrants are projected to make up 29 percent of the state's population in 2025, a modest increase from 27 percent in 2007.

LATINOS WILL BECOME CALIFORNIA'S LARGEST ETHNIC GROUP



SOURCES: 1980 Census; 2007 American Communities survey; California Department of Finance projections.

- **Large numbers of Californians will soon reach retirement age.**

In 2008, about 11 percent of Californians were age 65 and over, compared to only 9 percent in 1970. By 2025, that share will grow to 16 percent. The total number of adults age 65 and over is projected to grow from 4.2 million in 2008 to 7.6 million in 2025.

- **The number of children will change very slowly.**

From 2008 to 2015, the number of children is projected to increase only 3 percent, from 10.0 million to 10.3 million. In contrast, during the 1990s, the number of children grew by almost 20 percent. Growth in the child population will resume from 2015 to 2025 but will not exceed overall population growth rates for the state.

LOOKING AHEAD

The state's growing and changing population will put pressure on a variety of infrastructure needs and public services. Key areas to watch:

Schools. The relatively slow growth in the number of school-aged children could give the state time to catch up on school infrastructure needs and a chance to adjust school budgets, perhaps increasing per student expenditures. Higher education enrollments should continue to increase in the near term but will subside around 2015.

Housing. After the elderly, adults in their late 20s and early 30s will be the fastest-growing age group. Between 2008 and 2025, the number of adults ages 25 to 35 will increase by almost one-third. This is the age at which young adults typically get married, start families, and establish their own households—driving up housing demand.

Health and human services. Meeting the needs of a large and growing elderly population will pose more challenges. For example, even though Medi-Cal enrolls a far larger share of children, elderly adults account for a much higher share of expenditures. Annual costs per enrollee are at least five times higher for adults over age 50 than for children. Nursing home care is especially expensive.

The 2010 Census. The California Department of Finance population estimates for 2008 are more than a million higher than U.S. Census Bureau estimates, which is the greatest discrepancy ever between the two agencies and equivalent to at least one additional seat in the House of Representatives. To date, the state has allocated only about \$1 million for 2010 Census efforts, compared to almost \$25 million for the 2000 Census. Given the potential resources at stake, California should step up its preparation for the upcoming Census.

We invite you to dig deeper at ppic.org. Related PPIC resources include:

California's Future Population

Immigrants in California

The Inland Empire in 2015

Contact a PPIC expert:

Hans Johnson

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CA2025

Supported with funding from the William and Flora Hewlett Foundation