

California's Aging Population

Anticipating Dramatic Growth
in the Number of Older Californians

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Policy context: California's Master Plan on Aging

- **Goal 1: Housing for All Ages & Stages**

“We will live where we choose as we age in communities that are age-, disability-, and dementia-friendly and climate- and disaster-ready.”

- **Goal 2: Health Reimagined**

“We will have access to the services we need to live at home in our communities and to optimize our health and quality of life.”

- **Goal 3: Equity & Inclusion, Not Isolation**

“We will have lifelong opportunities for work, volunteering, engagement, and leadership and will be protected from isolation, discrimination, abuse, neglect, and exploitation.”

- **Goal 4: Caregiving That Works**

“We will be prepared for and supported through the rewards and challenges of caring for aging loved ones.”

- **Goal 5: Affording Aging**

“We will have economic security for as long as we live.”

Goals of the report

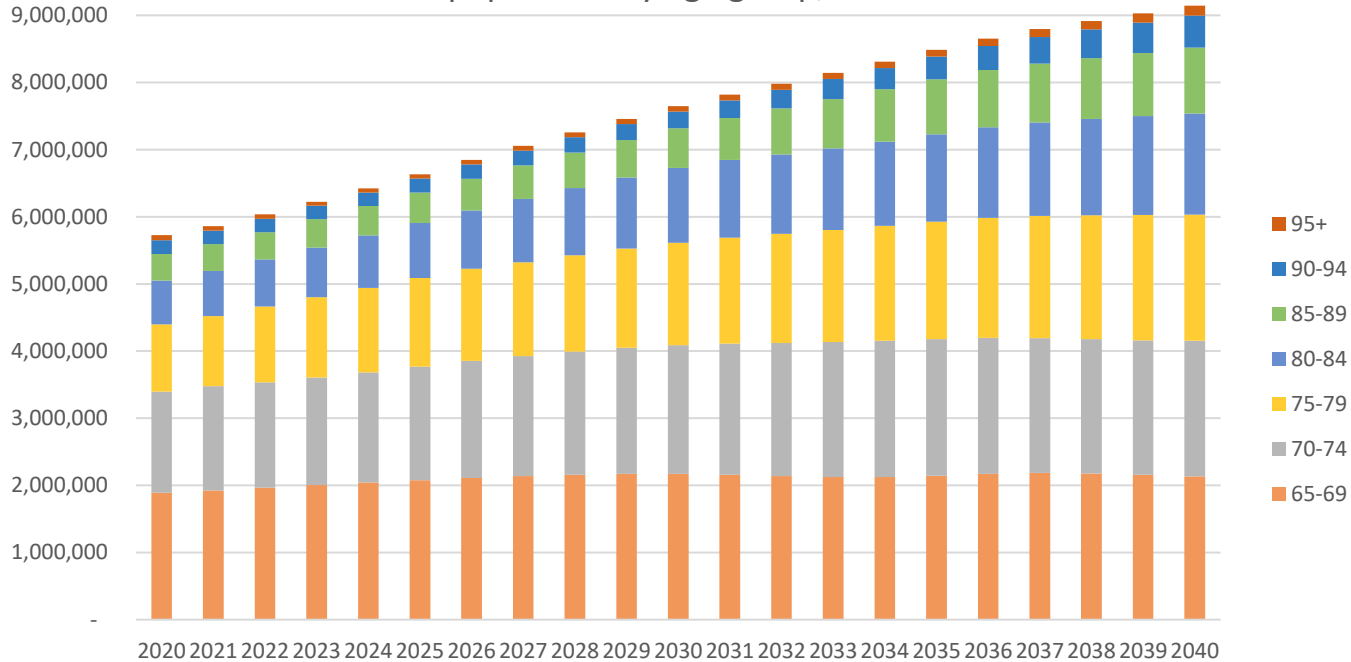
- Motivation
 - California is on the cusp of an unprecedented demographic shift: its older adult population is projected to increase dramatically by 2040
 - This report examines and projects key characteristics of the state's older population to help state leaders and stakeholders plan for this shift
- Method
 - Use California Department of Finance projections by race/ethnicity, age, and gender from 2020 to 2040
 - Use the American Community Survey to develop trends in key population characteristics from 2006 through 2023
 - Develop projections to 2040 using Gradient Boosting Models

Themes for today

- **California's growing older adult population**
- Changes in key demographic characteristics
- Implications for the future

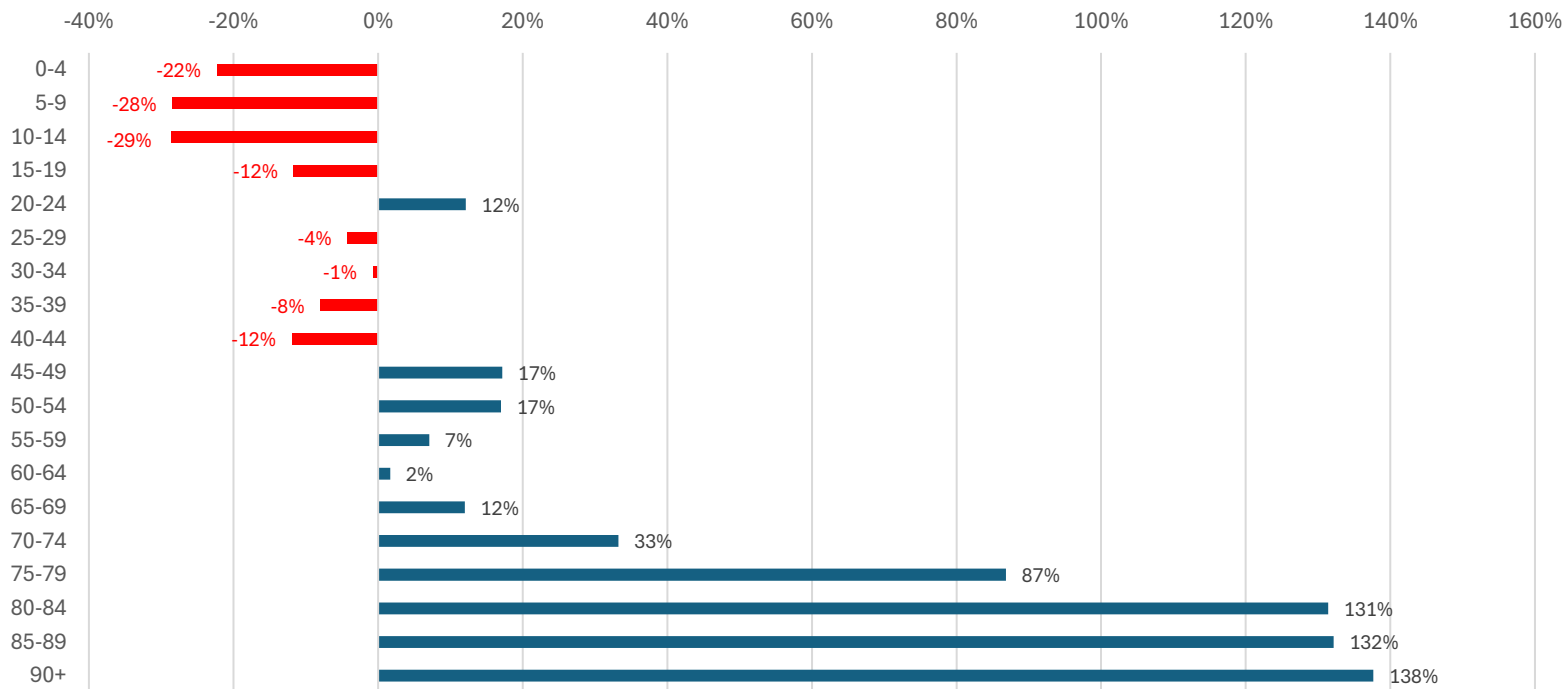
The older population will grow dramatically

Older population by age group, 2020-2040



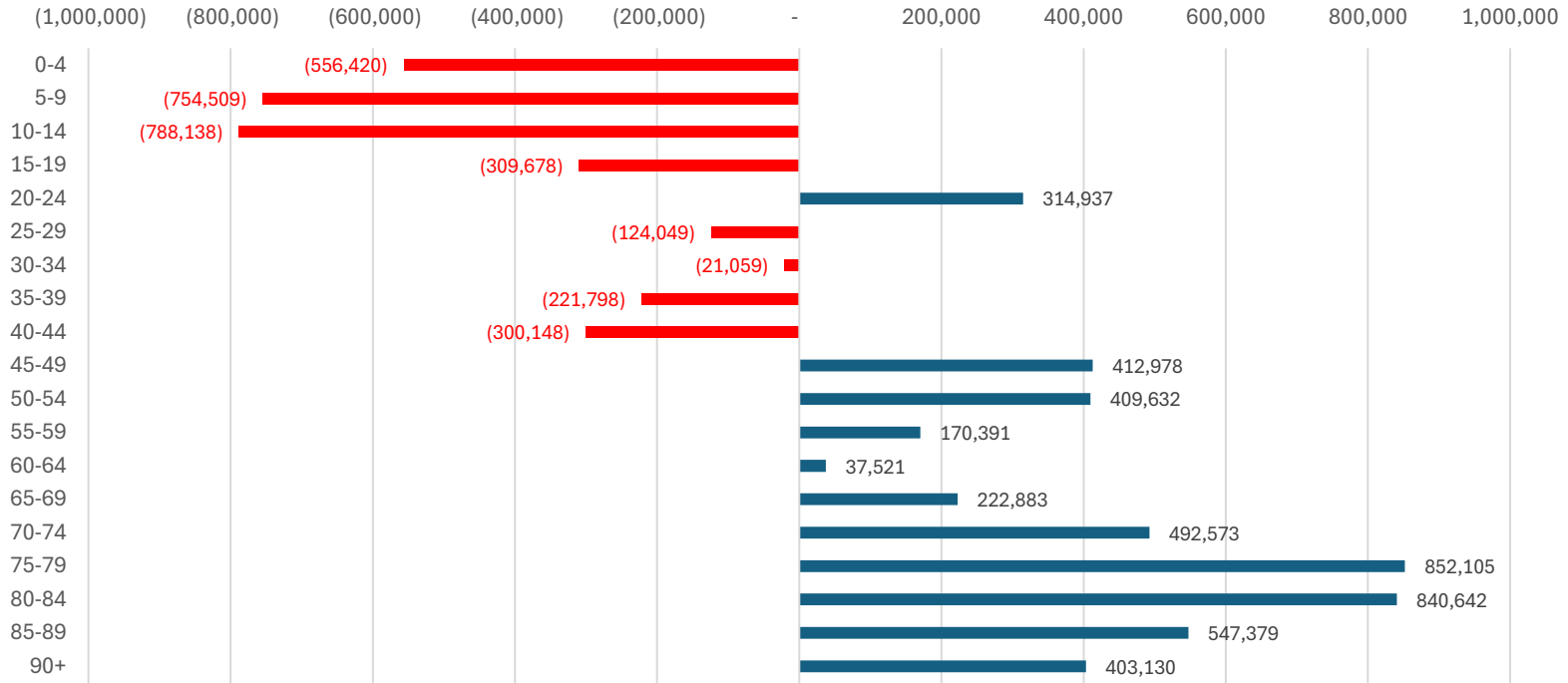
Rates of growth will be greatest among the oldest Californians

Projected % change in California population by age group, 2020-2040



The greatest numeric increase will be among 75-to-84-year-olds

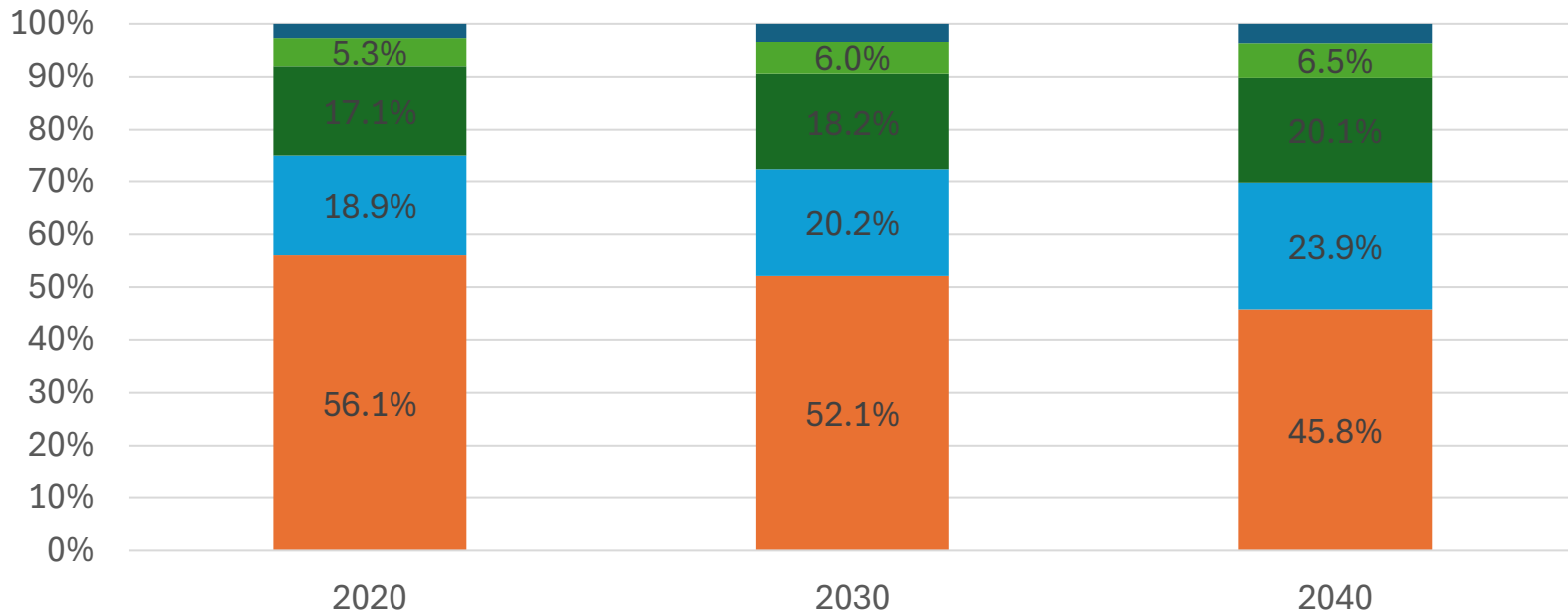
Projected change in California population by age group, 2020-2040



The older adult population will be increasingly diverse

Racial/ethnic distribution of older Californians, 2020-2040

White Latino Asian Black Other

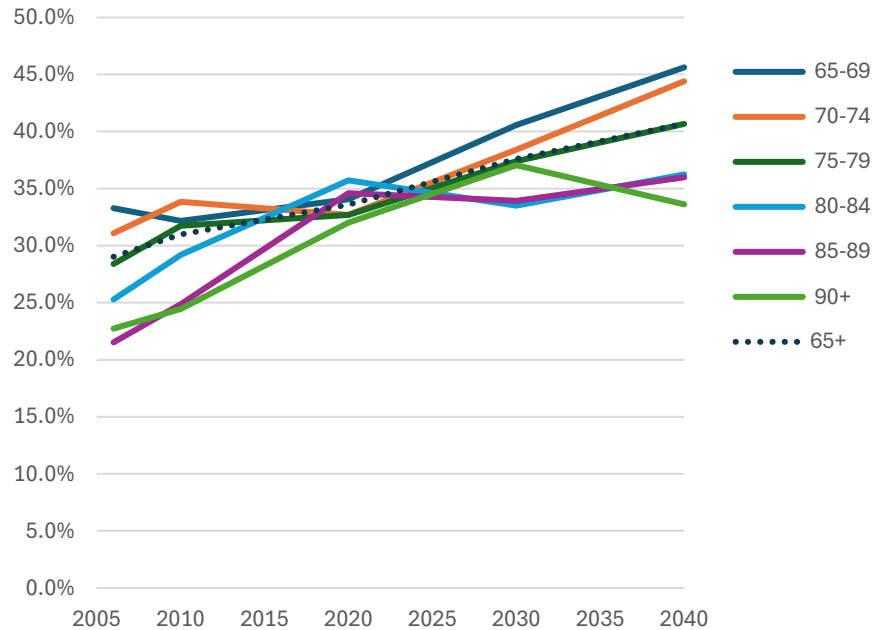


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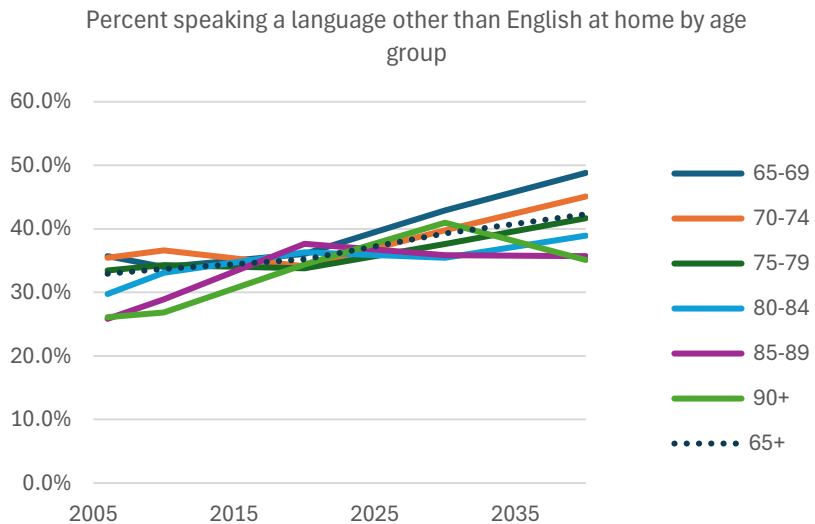
The share of older Californians who are foreign born will continue to increase

Percent foreign born by age group



- The number of foreign-born older Californians will increase from 2.0 million in 2020 to 3.7 million in 2040
- 65-to-74-year-olds are most likely to be foreign born
- Asians (80%) and Latinos (61%) are most likely to be foreign born
- The vast majority are naturalized citizens (78% in 2023)

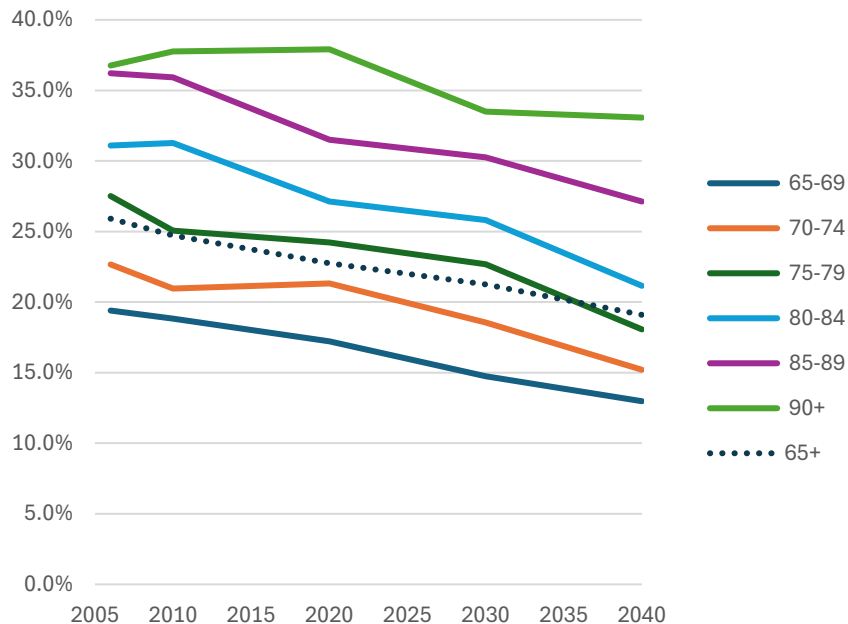
Growing shares of older Californians will speak a language other than English at home



- The number speaking a language other than English will increase from 2.1 million in 2020 to 3.9 million in 2040
- Asians and Latinos are most likely to speak a language other than English

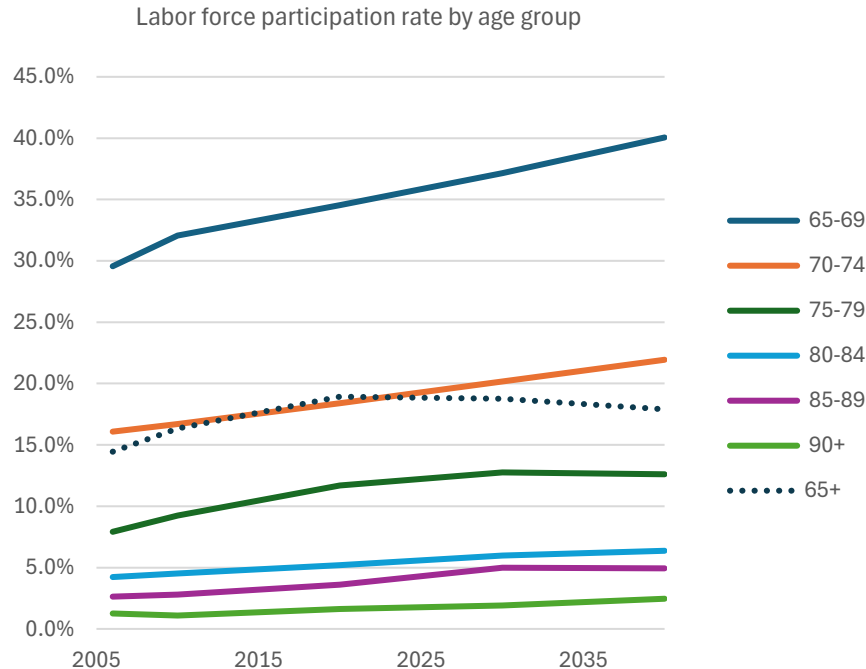
The share of older adults living alone will decline, but the number will increase

Percent living alone by age group



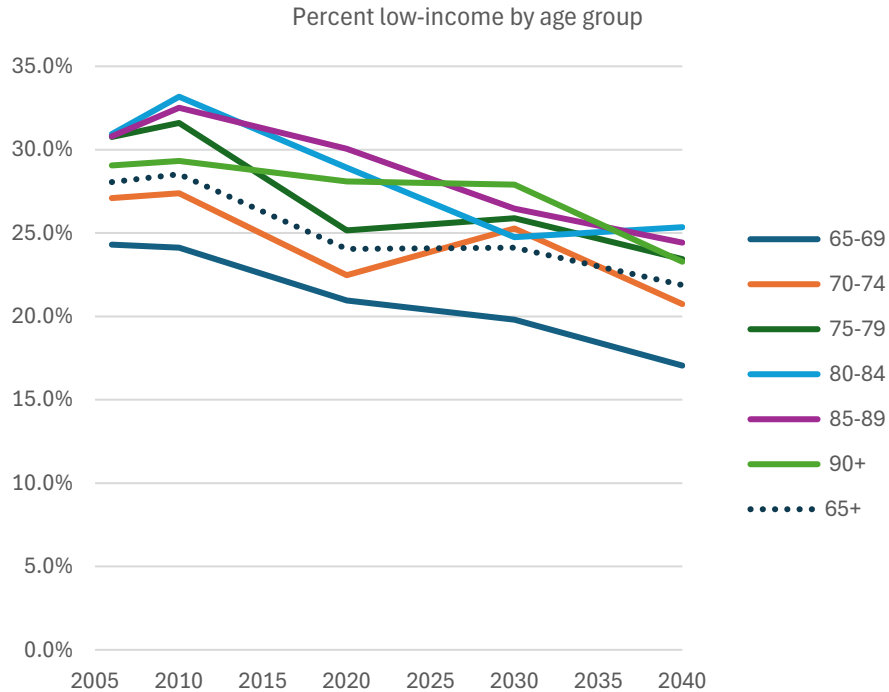
- Due to increases in life expectancy, older married couples will live longer together
- The number of older adults living alone will increase from 1.4 million to 1.7 million
- Black (28%) and white (26%) older adults are most likely to live alone
- Only 13% of Asian and 12% of Latino older adults will live alone

Labor force participation will increase among 65-to-74-year-olds



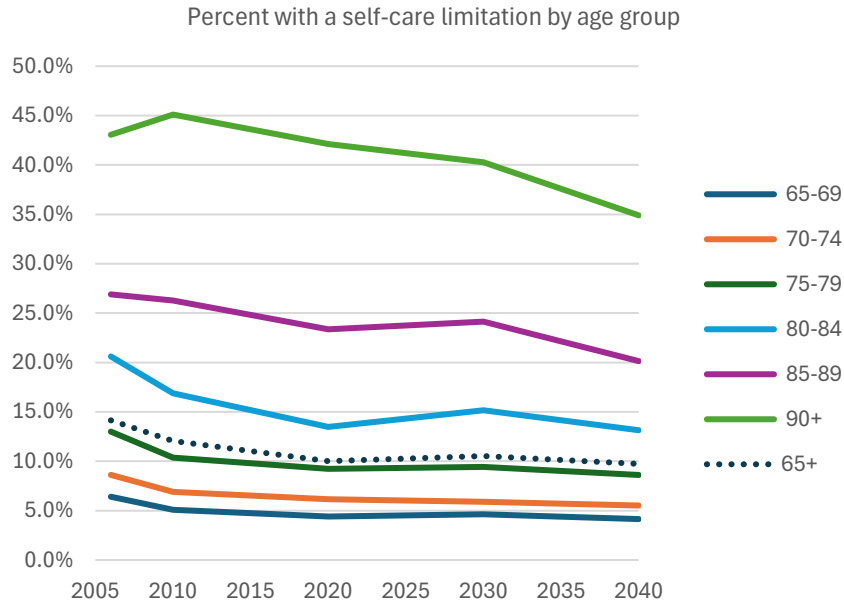
- Older workers will be the fastest growing component of the labor force increasing from 1.1 million in 2020 to 1.6 million in 2040
- Rates will increase for all older age groups but remain far higher for younger older adults
- Labor force participation rates will be similar across race and ethnic groups

The share of poor or near-poor older Californians will decline



- The share of older adults who are poor or near poor will decline only slightly by 2040 (from 24% to 22%)
- The number living in or near poverty will increase from 1.4 million in 2020 to 2.1 million in 2040
- Black older adults will be most likely to be low income (34% by 2040)

About one in ten older Californians will have self-care difficulties



- Self-care limitations increase with age, but the share of older Californians with self-care limitations will continue to decline
- The number of older Californians with a self-care limitations will increase from about 600,000 to over 900,000

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Key takeaways

- By some measures—such as living longer and living in their own homes—older Californians in the future will be better off than today's seniors
- But dramatic growth in the older adult population will push the state's dependency ratio to a historic high of 38 older adults per 100 working-age adults
- Both homeowners and renters will face housing challenges
 - 70% will own homes by 2040, but many will be "house rich, income poor"
 - Renters will face increasing cost burdens
- Substantial numbers of older Californians will have low incomes

Policy implications

- Growing diversity will require culturally competent care
 - There will be no racial/ethnic majority, and growth will be highest among Latino and Asian seniors -- many foreign born and multilingual
- Workplace adaptations may be needed as more older adults remain in the labor force
- Most seniors will age at home, highlighting the need for expanded in-home services
 - Only 3% expected in institutional settings (increasing the institutional population by 51%)
- Family caregiving needs will increase
 - While 59% will live with spouses, about 33% of those 80+ will need assistance to stay at home, and 20% will have self-care limitations

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.