

California Demographic Futures

The Los Angeles Projections

The Generational Future of Los Angeles: Projections to 2030 and Comparisons to Recent Decades

USC
Price

Sol Price School
of Public Policy

DOWELL MYERS
JOHN PITKIN

MARCH 2013

Suggested citation

Dowell Myers and John Pitkin. 2013. The Generational Future of Los Angeles: Projections to 2030 and Comparisons to Recent Decades. Produced by the Population Dynamics Research Group, Sol Price School of Public Policy, University of Southern California. Text and supporting materials are published at: <http://www.usc.edu/schools/price/research/popdynamics>

A short descriptive title for the projection series is:
Pitkin-Myers 2012 Los Angeles Generational Projections.

About the Projections

The first projection report in the series on California Demographic Futures was issued in 2001, followed by a second in 2005. Additional generational projections that follow this general model have been prepared for the United States and selected subareas of California. This specialized program of research is conducted through the USC Population Dynamics Research Group. A number of reports and supporting special studies carried out in preparation for the post-2010 census series of projections can be found on the project website: <http://www.usc.edu/schools/price/futures>

About the Authors

Dowell Myers, professor of policy, planning, and demography in the USC Price School of Public Policy, is director of the Population Dynamics Research Group. He is author of the books *Analysis with Local Census Data* and also *Immigrants and Boomers: Forging a New Social Contract for the Future of America*.

John Pitkin, demographer, is a senior research associate in the Population Dynamics Research Group of the USC Price School of Public Policy. He also is President of Analysis and Forecasting, Inc., located in Cambridge, Mass. He is the principal designer of the population projection models.

Acknowledgements

The research underlying this report on the Los Angeles population projections was conducted with principal sponsorship by First 5 LA. Additional background research was supported by the Haynes Foundation, and report production and dissemination was assisted by the USC Price School of Public Policy. The authors gratefully acknowledge these organizations for their generous support. Michelle Decker provided outstanding research assistance and managed the report production. Additional contributors were Ying Mao, Susie Choi, and Sarah Mawhorter.

The Generational Future of Los Angeles: Projections to 2030 and Comparisons to Recent Decades

Executive Summary

This report reveals a dramatic generational change in the Los Angeles population. Comparing the last 20 years to the next 20 years, sweeping changes are found on many fronts. Explicit comparison to past decades highlights the magnitude of transition now under way. These include major changes in the immigrant origins of the population and rapidly slowing rates of racial and ethnic change. Of greatest importance are changes in the age mix of the residents, including shrinking numbers of children and dramatically higher numbers of seniors.

These demographic changes reverse some long-established trends and overturn old assumptions about Los Angeles and its residents. The reversals have already begun and can be observed in census data of 2010. But they are best understood when viewed over both a 20-year historical and 20-year future horizon.

Foresight on the current decade and coming years is drawn from detailed demographic projections newly developed after the 2010 census and presented in this report. The new Pitkin-Myers 2012 Generational Projections for Los Angeles are benchmarked to related projections completed in 2012 for California as a whole. This projection series, under development for more than a decade, includes details about immigrants and residents born in California that are not reported in other projections.

Ten major findings emerge from the 2012 Los Angeles generational projections. They reflect population dynamics whose changes may be surprising and which have very consequential impacts. (All data are for the greater Los Angeles population that resides in Los Angeles county.)

1. Continuing Low Population Growth. Much slower population growth is foreseen in these projections than was expected in the early 2000s. In fact, we now expect total population growth in each of the coming decades to resemble what was experienced in 4 of the last 5 census decades. The lone exception of high growth in the 1980s is increasingly viewed as an anomaly that has confused many observers about what is normal for a county as large and fully settled as Los Angeles.

2. Declining Number of Children. From 1990 to 2000, the number of children under age 10 had grown by 11.4%, but after 2000 the numbers of children turned steeply downward, falling 16.9% by 2010. The projection for the current decade is a further decline of 14.6% by 2020, with only a small further decline (4.0%) by 2030. Birth data show this decline commenced well prior to the onset of the recession in 2007, and in fact births in Los Angeles county in 2011 are fully 35% lower than in their peak year of 1990.

3. Annual Flow of New Immigrants is Plunging. Whereas the flow of new immigrants into Los Angeles soared upward in the 1970s and 80s, peaking in 1990 with a volume that is 234% higher than in 1970, after 1990 the inflow began to turn downward. In the last

AUTHORS

DOWELL MYERS,
JOHN PITKIN

SPONSORS

FIRST 5
LOS ANGELES

HAYNES
FOUNDATION

MARCH 2013

USC
Price

Sol Price School
of Public Policy

POPULATION DYNAMICS RESEARCH GROUP

decade the immigrant inflow has plunged to a level that is only 61% higher than in 1970. This drop-off has been much steeper in Los Angeles than in the whole of California.

4. Foreign-Born Peaked or Declining. What most distinguishes the Pitkin-Myers 2012 Generational Projections is the rich detail added about the immigrant or California-born origins of the population. The total foreign-born share of the Los Angeles population peaked at 36.2% in 2000 and is expected to remain stabilized at that level or slightly lower through 2030. This closely mirrors the trend foreseen for the whole of California. The expectation in earlier decades had been for a much larger foreign-born share in the population, although the 2001 edition of the Pitkin-Myers projections projected a leveling off, as has since occurred.

5. Long-Settled Foreign-Born. At the same time that the foreign-born have ceased growing as a share of the Los Angeles population, relatively fewer are newcomers and many more of the foreign-born will be long settled (20 or more years of residence in the U.S.). The share of local residents who are long-settled is expected to rise in 2030 to 22.5% of all foreign-born, compared to 17.3% in 2010 and 5.9% in 1990. Conversely, the share of foreign-born who are arrived in only the last decade is expected to fall from 9.2% in 2010 to 6.1% in 2030 (compared to 17.2% in 1990). The highpoint for the share that are newcomers was reached in 1990.

6. Rise of the Immigrant Second Generation. Barely 5% of children in Los Angeles are foreign-born, and yet the majority of children (60%) have immigrant parents. Thus a new second generation is being raised in Los Angeles, accounting for 21.5% of the local residents in addition to the 36% who are first-generation immigrants.

7. Slower Racial and Ethnic Change. Given the reduced rate of immigration, lower fertility, and slower overall population growth, the pace of racial and ethnic change is rapidly slowing. The growth of the Latino population was extremely rapid in the 1980s, increasing its share of Los Angeles residents by 10.2 percentage points, but that rate of increase sharply decelerated after 1990, so that the Latino share of the total population only rose 6.8 percentage points in the 1990s and even less, 3.2 percentage points, in the 2000s. Nonetheless, Latinos are still destined to

achieve a majority of the county's population, but that date has been substantially delayed from what might have been expected back in 1990. Los Angeles will continue in a prolonged period of racial balance when all groups are minorities.

8. A Soaring Senior Ratio. At the same time as children are declining in number, the ranks of those aged 65 and older are growing dramatically after 2011 when the baby boomers began aging past 65. Growth in the number of seniors in the coming 20 years amounts to 867 thousand in Los Angeles county, quadruple the growth in the previous 20 years (212 thousand). Meanwhile, with the ranks of young adults depleted by shrinking numbers of grown children, the ratio between seniors ages 65 and older and adults in prime working ages (25 to 64), is expected to rise dramatically. After remaining virtually constant in Los Angeles for 30 years at 18 or 19 seniors per 100 working age, the ratio is projected to soar from 18.7 in 2000 to 26.2 in 2020 and 36.4 by 2030. The senior ratio doubles in Los Angeles by 2030.

9. The Homegrown Revolution. The number of residents who are native-Californians is rising, as opposed to residents born in other states or immigrants from outside the U.S. These homegrown sons and daughters are already a majority of residents age 20 or younger and they are projected to play a rapidly growing majority role in the future of Los Angeles and California. That future will depend on children who are being raised here today, a smaller group than before, and a group that is the product of our state's education system.

10. A Rising Index of Children's Importance. Children already have taken on a dramatically increased importance, due to their fewer numbers relative to the greater social and economic burdens they will carry as adults. The Index of Children's Importance began to rise for children born in Los Angeles after 1985 (children who reached age 25 in 2010), for whom the Index stood at 1.00. When new children are born in 2015, the Index is expected to have reached 2.20, indicating that these children will carry twice the social and economic responsibility when they are grown as did children born before 1985.

The overarching conclusion reached in this study is that the 10 major dynamics of change require dramatic rethinking of old assumptions about Los Angeles. Through these data trends we come to

realize how greatly the generations depend on one another, and especially how much more Los Angeles will depend on its smaller number of grown children to replace the aging baby boomers. The boomers are beginning to retire from the most productive period of their lives, creating enormous replacement needs in the workforce, among the taxpayers, and in the housing market. The data presented here provide foresight on the epic transition ahead that deserves to be broadly shared. The future of the city, region and state will depend on how well we manage the inter-generational partnership that is so greatly magnified.

1 Introduction and Overview: New Data for Los Angeles

This report describes the changing people of greater Los Angeles, looking forward 20 years from 2010 to 2030, and comparing that to the decades before. New information is summarized from the census and from our recently completed projections of population change, the Pitkin-Myers LA 2012 Generational Projections. The new trends suggest a major change is required in how we should think about the people of Los Angeles. Throughout this report, “Los Angeles” refers to the broad realm of Los Angeles county and its nearly 10 million residents.

Much of the current thinking about Los Angeles follows from the dramatic changes in earlier decades, centering on the explosive growth of the 1980s, which included a large influx of immigrants and rapid ethnic change. Local governments were hard-pressed to keep up, and both scholars and critics decried the emergence of great disparities in wealth and growing racial divisions. Inequality persists in Los Angeles today but its form has changed. And looking ahead, we foresee new and greater challenges ahead, more between generations than between races.¹

Today, at the beginning of 2013, we stand at a moment of historic change that is overturning many longstanding perceptions about Los Angeles and its problems. The boom period that peaked in the 1980s created a lasting impression about the nature of Los Angeles as a place with a great many newcomers, but now as a place being transformed by immigration and full of children and young adults who were ethnically different. The older residents were especially reluctant to pay the higher taxes required to support their growth.

That was the Los Angeles of the late-twentieth century, but how well do those trends describe our current decade?

Today we have entered a new era that is revolutionizing our assumptions and expectations about immigrants—there are many fewer new arrivals and many more who are long settled. Today, our outlook on the generations in Los Angeles also is in revolution—the numbers of children are declining and those of the elderly are multiplying. Even the notions of rootedness and belonging in Los Angeles are being transformed. Our city has shifted from a place of transplants to a home where the majority are native Californians, a new homegrown generation on which the future will rest. What is revolutionary is not the change in behavior, because the city, region and whole of California have steadily entered this new era of demographic maturity.² What is new is the change in outlook that may be triggered by this radical demographic realignment.

The review of past and future trends offered in these pages identifies 10 major findings, as summarized in the Executive Summary. But all these can be described as elements of the growing demographic maturity of Los Angeles, characterized by a pervasive slowdown in population growth and ethnic change. Three specific, major transformations are reshaping the population for the future. First is the surprising downturn in immigration toward many fewer new arrivals and a steady upturn in the foreign-born presence made up of long-settled residents. Second is a multifaceted generational transformation, including changes among both young and old. And third is a homegrown revolution that increases urgency and the sense of responsibility and dependence.

Certainly these major transformations create new problems, even as they solve old ones, but they also yield new opportunities, even as they pose new challenges. What is essential is that we grasp the scope of the change, so that we might gain the greatest advantage for building a better city and a better future for all the residents.

NEW TRENDS AND NEW CHALLENGES

The surest sign of the growing maturity of greater Los Angeles is that children are a declining presence. Their numbers are shrinking even more rapidly than they are statewide. Children may not be disappearing, but after decades of rapid growth it is jolting to see their numbers in such decline. Whereas before we may have taken for granted an ample supply of children who would grow up to be our future workers, taxpayers, and consumers, today we face the prospect of a shortage that could make the local economy much less attractive to business.

A second alarming change—a burgeoning elderly population—underscores the urgency of the children shortage. Dramatic increases in the senior population began when the first of the massive Baby Boom generation reached age 65 in 2011. The ratio of seniors to working age residents has held constant for nearly 40 years, but now it is slated to nearly double and continue to grow larger when today's children reach their adult years.

Yet another trend deplored by some is that Los Angeles is drawing much less migration from other states and nations than it once did. This decline in newcomers is said to reflect the lowered attractions of Los Angeles, and it implies that residents hold a position in a diminished asset. The new arrivals also keep us young, and without them we have aged. Without them our city has fewer new workers and fewer potential parents to raise a new generation. Previously, when migration was booming, we disparaged newcomers for crowding our lives and raising our cost of living. Now that growth has subsided we wish it were back.

Certainly the scarcity of children is not unique to LA, even if it may be more extreme here than in most other places. The number of babies is declin-

ing statewide, nationwide, and even more rapidly in other parts of the globe. Only part of the downturn is attributable to falling birth rates. A larger portion of the downturn is due simply to a declining number of young women in the prime ages for childbearing. The slowdown in immigration and the maturing of the baby bust generation that followed the baby boomers have both reduced the number of potential parents. Now that the children of the baby boomers, the baby boom “echo” (who also are called the millennial generation), are coming of age, the number of potential parents is increasing. If they are willing and able to take on the responsibilities of parenthood, and if parenting lifestyles are made easier in Los Angeles, it is possible that the population of children will rebound.

Here lies another trend that could prove even more challenging. For its continued economic success, Los Angeles is going to have to make the most of all its children, with no one ever again allowed to drop out of school, and with all the youth trained to their maximum capabilities. In the new state of demographic maturity, the challenge for Los Angeles is that the majority of growth in workers, taxpayers and home buyers will be coming from within, by virtue of children who are born here and who we have raised in our own schools and communities.

This homegrown revolution is changing the political and economic calculus in the entire state. Historically in this land of the Gold Rush, the majority of residents have always been transplants from afar. A statewide majority of native Californians emerged for the first time only in the last decade. Today we find that Los Angeles county is also on the threshold of joining this homegrown majority. Los Angeles can no longer be so reliant on new residents imported from other states and nations. Instead, the greater Los Angeles area is becoming increasingly dependent on its homegrown workforce. Policy makers and the voter-taxpayers have yet to recognize the implications: Nurturing the next generation is now a matter of urgent necessity.

THE NEW GENERATIONAL PROJECTIONS FOR LOS ANGELES

A close examination of the trends, past and future, has rarely been so necessary or revealing. All of the trends that shape the future were already visible by

2010. Yet it is difficult to fully appreciate emerging trends until we see them played out over a period of decades and contrast those changes to earlier decades. In this regard, population projections can help us see and understand our situation much more clearly.

Population projections may seem to some like dry statistics needed to estimate the total population at future dates. But those projections also contain details of age, race and sex, revealing changes that contain a lot of drama in many places. Our study of Los Angeles, defined broadly as the county, is made even more relevant by additional rich detail revealed in the Pitkin-Myers 2012 Generational Projections for Los Angeles. This new edition of projections is an extension of a series on California's demographic future, first initiated in 1999, and publically tested against the results of two censuses with considerable success.³

Crucial elements added by the Pitkin-Myers series of projections are not reported by the standard method of population projections used by the Census Bureau, the State of California Department of Finance, and other demographers. Whereas standard population projections are restricted to age, sex, and race or Hispanic origin, the Pitkin-Myers projections also break out population groups based on immigrant generation—foreign-born, the second generation (children of immigrants), and the third or higher generation (native-born whose grandparents or distant ancestors were immigrants). These demographic categories have rich significance and they are especially meaningful in a place as diverse as Los Angeles.

The new Los Angeles projections provide other details that may also prove meaningful. For the native-born, we can distinguish those born in California from those born in other states. Neglected by other population researchers, the native Californians have added policy significance. These homegrown, native sons and daughters of California, when grown to adults in future years, will be the products of California, of our schools, and of our communities and local cultures. Native Californians are more locally rooted, bound in networks of parents, siblings, and school friends, and they are less likely to migrate away from the state.

Further, the new Los Angeles projections include added details about the foreign-born. They detail the future population by decade of arrival in the U.S. With these data it is possible, for example, to distinguish within the growing Latino population,

how many are recently arrived immigrants or longer-settled immigrants, how many are native Californians and how many are other U.S. born. Additional explanation about the model and assumptions used to make the new projections can be found in the report prepared on the statewide California projections.⁴

We juxtapose the projections with trends recorded by census data for past decades to draw vividly detailed portraits of past and future changes in the people of Los Angeles. Recent changes are substantially different from what is remembered from 1990, and the changes foreseen in coming decades are even more striking. Many of the changes summarized in following sections are extraordinary, almost a complete reversal of the recent past.

The new projections and their comparisons with the past provide a vital antidote to the limitations of presentism. Our human consciousness and all our judgments reside in the present. Too easily we focus on present-day differences, to the neglect of changes that are evident in the life of every family. The new data on normal life changes over time helps us to craft a narrative that links the children of one decade to the young adults 20 years later. Those who were once dependent grow up and enter their most productive adult years. In turn, those who were once fully employed and major taxpayers, rotate to a new position as retirees, enjoying their pensions and other earned entitlements. Although the projections cannot trace individuals over time, they do estimate the future of groups, and by comparing these changes to what has occurred before we can learn much about the new realities of Los Angeles.

The State of California Department of Finance (DOF) has newly released its own set of projections for the state and all its counties, a very substantial revision from the last series they released in 2007. Although these have limited content coverage, the DOF projections are very professionally executed and they are the official projections for state policy making. In portions of the analysis that follow, we will compare the overall growth projections issued by the DOF and also make use of some of the age data they provide for future dates.

In sections that follow, we first describe how much the population growth and ethnic change have slowed in Los Angeles. After that we examine the declining numbers of children and explore the homegrown

revolution that is making the majority of residents native Californians. Next we delve into the changing nature of the foreign-born in Los Angeles—fewer new arrivals and more longer-settled, also older in age. Finally we consider how the surging senior ratio implies new importance for today’s children. The conclusion takes up the meaning of Los Angeles’s maturing population and its implications for setting policy priorities.

2 Slowing Population Growth & Ethnic Change

Population growth and change in Los Angeles has been inconsistent over the decades, proceeding by fits and starts. Decades of slow growth have been followed by decades of high growth, and vice versa. This has proven a major challenge to demographic forecasts, as shown in Exhibit 1. The mounting population total in Los Angeles county since 1950 serves as the base for a series of alternative projections, one prepared in 2007 by the State of California Department of Finance (DOF), their revised projection issued in January 2013, and the Pitkin-Myers 2012 LA Generational Projections. As can be seen, the 2007 projections foresaw much higher population growth than justified after 2000. In fact, the 2010 census count for Los Angeles county was well below what had been projected just three years earlier. The census count of 9,818,605 was only 299,267 higher than the census in 2000. In contrast, the DOF had expected a 2010 population with three times the growth

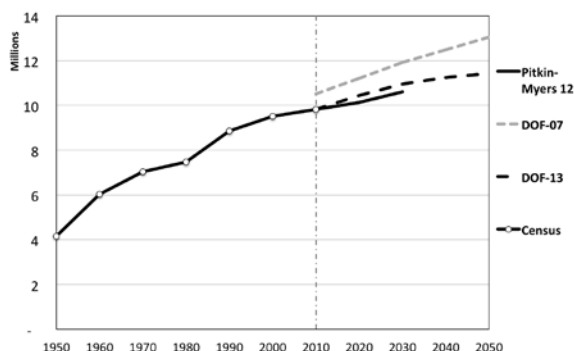
(995,325) in the decade just completed.⁵ Accordingly, the DOF issued new projections in 2013 that revised their projections substantially downward.⁶ These new projections are still higher than what is foreseen in the Pitkin-Myers 2012 projections.

The outcome of greatest interest to businesses, government, and citizens alike is projected population growth, which has been extraordinarily volatile over the decades, with rapid increases in some decades and slow increases in others (see Exhibit 2). Growth of 1.9 million in the 1950s fell by half in each of the next two decades, falling to 993 thousand and then 445 thousand, before rebounding to 1.4 million growth in the 1980s. Thereafter, population growth plunged again, falling to 656 thousand and then 299 thousand. In fact, the extraordinary growth of the 1980s stands out as a single anomaly in the last 5 decades, although it often seems that some observers cling to that decade's boom as a wishful standard to be repeated. What now should be expected, realistically, for coming decades?

The projections revised by the DOF in 2013 make a sharp correction compared to their 2007 series for the decade just completed, but the revised projections then continue through 2030 at much the same growth rate as in the 2007 projections. In contrast, the new Pitkin-Myers projections foresee continued slow growth until 2030, the end date for this series of projections.

This slower rate of population growth results from many factors, including principally lower birth rates and reduced migration to Los Angeles, as described

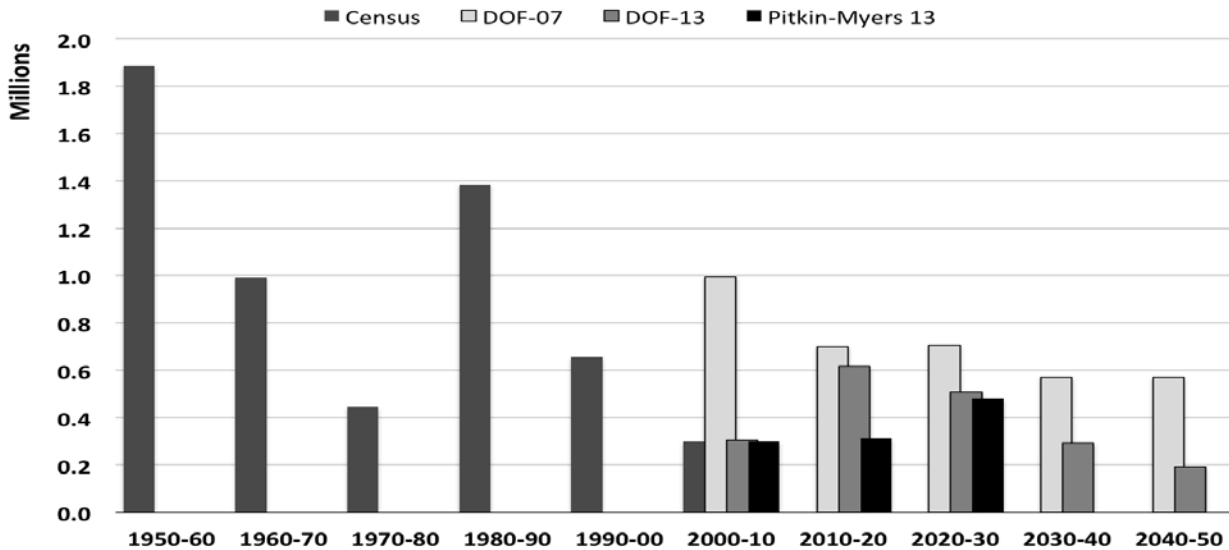
Exhibit 1 LA County population projections, 1950 to 2050



Source: US Census Bureau, CA Department of Finance, Pitkin-Myers LA 2012 Generational Projections

Exhibit 2

Recorded and expected growth each decade



Source: US Census Bureau, California Department of Finance, Pitkin Myers LA 2012 Generational Projections

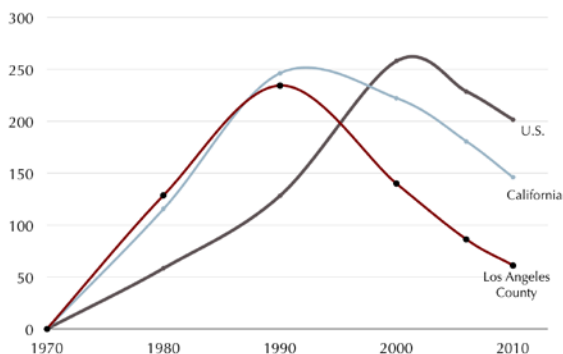
in the explanation of the Pitkin-Myers projections.⁷ More than just a reduced total population, the slower growth also contributes to other important demographic changes, all of which were already visible by 2010 and will continue or intensify in coming decades. These changes include rapid aging of the overall population, much reduced immigration into Los Angeles county, greater reliance on homegrown members of the population, and also slower rates of racial and ethnic change.

Reduced immigration. The slowing pace of immigration to Los Angeles deserves special attention.

Immigration was a major driver of the rapid population growth of the 1980s, but it has slowed markedly in recent years. In fact, immigration has dropped off more rapidly in Los Angeles county than in the whole of California, and more than in the whole of the United States. Exhibit 3 traces the expanding and shrinking flow of new immigrant arrivals, comparing the rate of newcomers each year to the rate observed in 1970. The increase in the nation as a whole was much delayed behind the rise in Los Angeles and California, peaking in 2000 and falling thereafter. In Los Angeles, the peak rate of inflow was achieved by 1990, dropping markedly thereafter. In fact, by 2010,

Exhibit 3

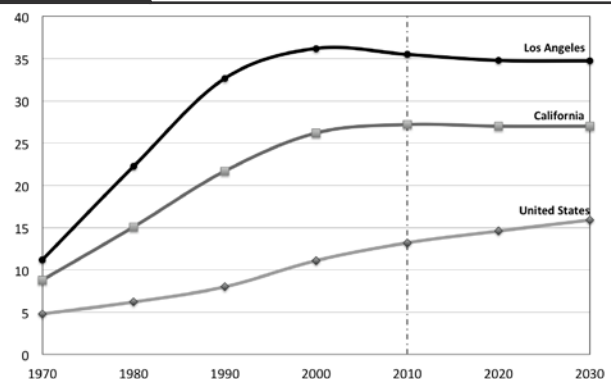
Percentage Change Since 1970 in Annual Immigrant Arrivals



Source: U.S. Census, 1970, 1980, 1990, 2000; American Community Survey, 2006, 2010

Exhibit 4

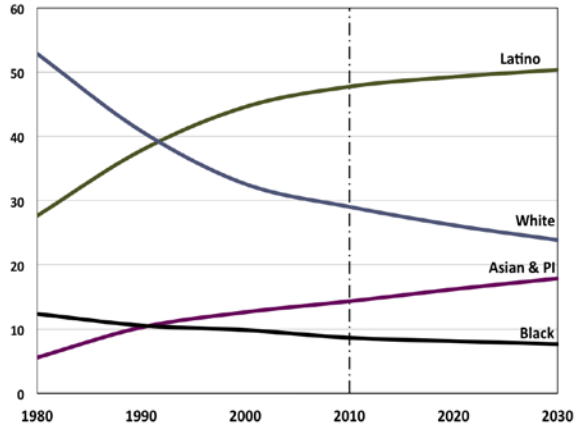
Percent Foreign Born from 1970-2030



Source: US Census Bureau; Pitkin-Myers Generational Projections for LA, California, and US

Exhibit 5

Racial Composition of Los Angeles Residents



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

the estimated rate of inflow by new immigrants had fallen back to a level last seen in Los Angeles in the mid-1970s.

Fewer foreign-born residents. As a result of the slowing rate of immigrant arrivals, the total share of the population that is foreign born has stopped rising and may even be declining in Los Angeles. This trend is displayed in Exhibit 4, showing that the foreign born share peaked in 2000 at 36.2% of the population in Los Angeles county. The Los Angeles trend closely matches that for California, while the foreign born share in the United States continues to rise from a much lower level.

Reduced ethnic change. Another consequence of the slowing population growth, and of the slower pace of immigration, is much reduced racial and ethnic change in Los Angeles. During the 1980s, rapid changes in racial/ethnic shares of the total population were witnessed, but those slowed in the 1990s, and slowed even more in the 2000s (Exhibit 5). In particular, the growth of the Latino population was extremely rapid in the 1980s, increasing its share of Los Angeles residents by 10.2 percentage points, but that rate of increase sharply decelerated after 1990, so that the Latino share of the total population only rose 6.8 percentage points in the 1990s and even less, 3.2 percentage points, in the 2000s. Growth in the Latino share tapers even further in coming decades, rising only 2 percentage points per decade.

Latinos are still destined to achieve a majority of the county's population, but that date has been substantially delayed from what might have been expected after the rapid growth and change of earlier decades. A similar slowdown in rates of change are observed in Exhibit 5 for every race and ethnic group.⁸ The slowdown has already occurred and is projected to continue in the next two decades. Simply stated, Los Angeles is continuing in a period of prolonged racial balance when all groups are minorities.

Next we address the declining population of children, which heightens their expected future importance to the region's economy and communities when they are adults.

3 Declining Numbers of Children

Evolving changes for age groups living in Los Angeles could be even more consequential than the slowdown in growth and ethnic change. The decline in the children's population is the greatest social and economic impact related to slower growth. The number of births has declined since 1990, with the number of children of all ages peaking around 2000. Thereafter the total number of children has declined and their share of the population is expected to continue falling through 2030 or beyond. Later in this section we compare the lagging growth in children to the swelling numbers in each of the older age groups.

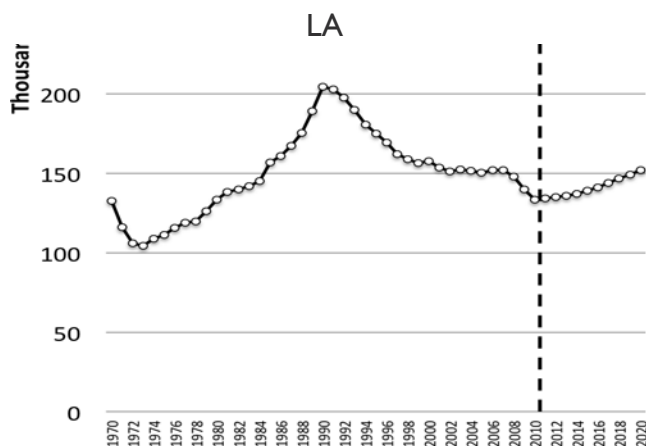
ONE-THIRD FEWER BIRTHS

One view of the declining number of children is provided through a count of births delivered in Los Angeles county, compared here to births in

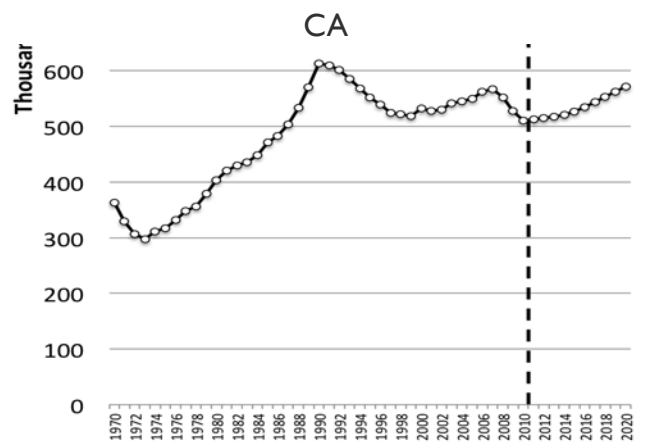
California over the same time span, 1970 to 2020 (see Exhibit 6).⁹ The number of babies born in Los Angeles roughly doubled in number between 1970 and 1990, peaking that year at 204 thousand. Local residents had grown accustomed to a steady increase in the number of children born and their burgeoning demand for new schools and other services. It may have been natural to assume this growth trend would continue, but it sharply reversed after 1990.

By 2010, the number of births had fallen to 133 thousand, 35% lower than at the peak. The drop off escalated after 2006 due to the recession effects, but the California Department of Finance does not project substantial recovery by 2020. Births in California also peaked in 1990, but the subsequent decline was not as deep as in Los Angeles. The cumulative effect after so many years of low births is a reduced number

Exhibit 6 Annual Births in Los Angeles County and California, 1970-2020



Source: CA Department of Finance



Source: CA Department of Finance

	Los Angeles Co.	California	U.S.
Children percent foreign born	5.9	5.4	3.5
Parents percent foreign born	59.5	49.6	24.3
Percent of children who are native born and with foreign born parents	53.8	44.4	21.2

Source: 2011 American Community Survey

of children of all ages, because the losses incurred at young ages steadily work their way into teen years. The loss of children is a direct product of two demographic factors. First is the declining birth rate in every ethnic group, defined as the ratio of children born per woman of each age. This decline has been very gradual, but it takes on added impact when the lower per capita rates of fertility are applied to smaller numbers of women in the key ages for having babies. That has been the second and more important factor in the declining number of children.

Since 1990 there have been fewer women in their 20s, due to the arrival of the “baby bust” generation (born after the baby boomers) in these prime ages for childbearing. In addition, as will be described in a later section, the number of newly arrived immigrant women also has been reduced, so that further depletion has been absorbed among potential mothers in their 20s. These two demographic factors may have been further aggravated by local economic conditions that discouraged young adults from raising families in Los Angeles. Those deterrents include the high rental and purchase costs of housing that have prevailed since the late 1990s, together with high unemployment rates that prevailed in the early 1990s and late 2000s. However, those factors are beyond the scope for consideration in this study.

NATIVITY OF PARENTS AND THEIR CHILDREN

We note here that immigrant parents have been extremely important to maintaining a sustained

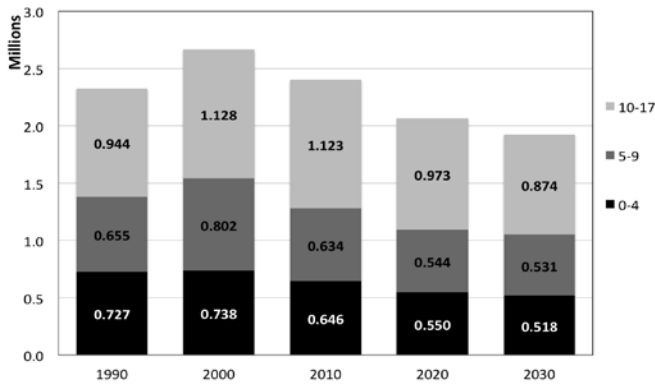
population of children. The majority of children in Los Angeles as of 2011 have at least one parent who is foreign born (59.5%). That frequency is higher than in the whole of California (49.6%) and more than twice as high as in the nation as a whole (24.3%). At the same time, almost all these children with foreign-born parents are U.S.-born themselves (Exhibit 7). Thus we see that the children of Los Angeles are 94.1% native-born, even though 59.5% of all the children have foreign-born parents. A crucial discovery is that without the contributions of immigrant parents, the declining number of children in Los Angeles and California would be much more severe than it is.

SHRINKING NUMBERS AND DECLINING SHARE OF CHILDREN

The 2010 census clearly revealed how much the number of children had declined. At that time, a total of 2,325,773 children under the age of 18 resided in Los Angeles, of which 646,145 were under age 5. From 1990 to 2000, the number of children had grown by 14.7%, but after 2000 the numbers of children turned steeply downward, falling by 10.0% for all children under age 18, declining by 12.4% for children under 5 and plunging by 21.0% among children ages 5-9. These absolute declines are summarized in Exhibit 8. The percentage share of the population that is comprised of children has declined even more than the absolute number, given that the total population has continued to grow while the number of

Exhibit 8

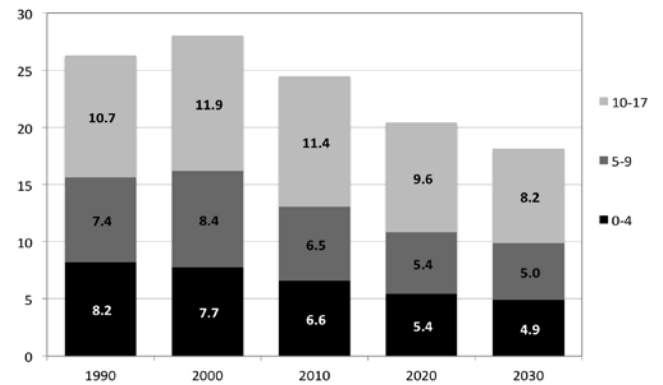
Declining Number of Children By Age Group (in millions)



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Exhibit 9

Declining Share of Children By Age Group In the Los Angeles Population



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

children has declined in each age group (Exhibit 9). Projections are that the children’s share will be only roughly two-thirds as large in 2030 as it was in 2000. The cumulative losses in each age group add up to a population share under age 18 in 2030 that is 10 percentage points lower than the 28% children’s share of the total population in 2000.

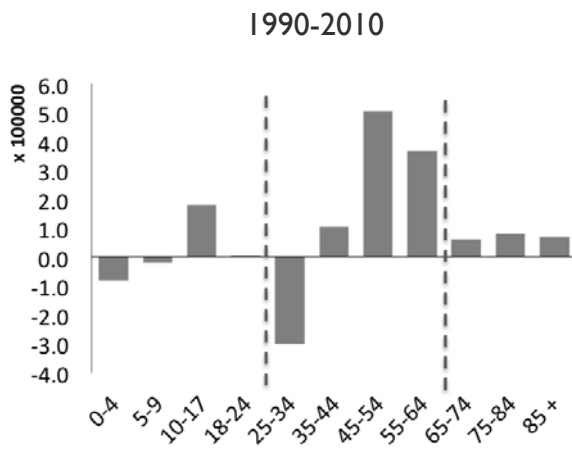
REVERSALS IN GROWTH TRENDS IN SPECIFIC AGE GROUPS

What especially makes the decline in children stand out is that other age groups are swelling in number.

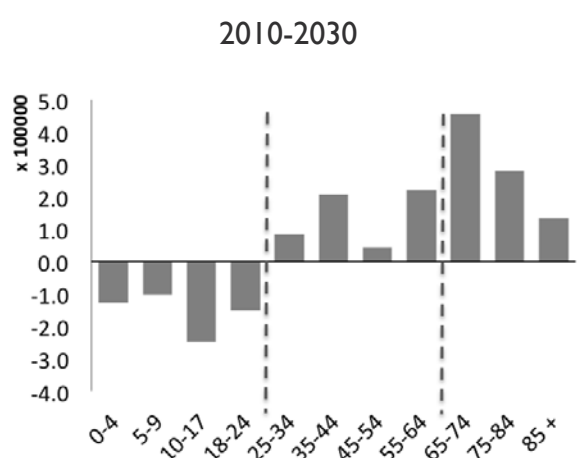
The diminishing presence of children in the county’s population is best seen in comparison to older age groups. Even more stark is the comparison of growth in each age group in the coming 20 years to growth observed in the preceding 20 years (Exhibit 10). The small declines in children that were already observed from 1990 to 2010 are now expected by the Pitkin-Myers projections to deepen to losses of nearly half a million (478 thousand) spread across all children’s ages in the decades ahead. It should be acknowledged that these losses are greater than those foreseen in the recent projections prepared for Los Angeles county by the California Department of Finance. The most likely explanation for this difference is that

Exhibit 10

Growth in Age Groups, Last 20 Years versus Next 20 Years



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

the DOF projections address each ethnic group as a whole, while the Pitkin-Myers projections separate the immigrant and native-born components.¹⁰ Of all the age groups younger than 35, only teenagers experienced any growth between 1990 and 2010, and, in fact, a deep decline of 300 thousand was registered among young adults ages 25-34. Looking ahead, we observe some recovery in the number of young adults who are potential parents, but the large decline of those ages 18 to 24 may be more disrupting. Compounding this weak growth in adults of parent ages, continued low birth rates will lead to a lower number of births than in 1990 or 2010.

The overwhelming feature of growth in Los Angeles over the coming 20 years will be losses of 630 thousand people under age 25, contrasted at the opposite end of the age spectrum by gains of 867 thousand elderly. This age imbalance will dominate all of the policy issues in Los Angeles for the coming decade and longer. Indeed, this problem will plague the state and nation as a whole. We return later to these concerns and a discussion of how children can be assisted to provide greater help.

4 The Senior Ratio and the New Importance of Children

The most direct indicator of the evolving new maturity of Los Angeles is the aging of its population. What was once in the early post-WWII era a youthful population of settlers from the Midwestern states and the west south central region (Texas, Oklahoma, and Louisiana) has now grown much older. Their early post-war children, comprising the baby boom generation, have also grown older and now are passing into their 60s. The immigrant newcomers of the 1970s, 80s, and 90s have also aged the longer they reside in California. Now that migration into Los Angeles has been reduced from all sources, fewer young adults are moving in to replace the thinning numbers of young adults.

Not only is the number of seniors now rapidly growing, but the children are declining in number. Thus we find that the importance of children is being magnified by their increasing scarcity. The growing population of retirees will depend on the grown children whose numbers are dwindling. Two indicators are described that help to highlight this long-term continuing shift in the relationship between older and younger generations older and younger generations.

THE “SENIOR RATIO”

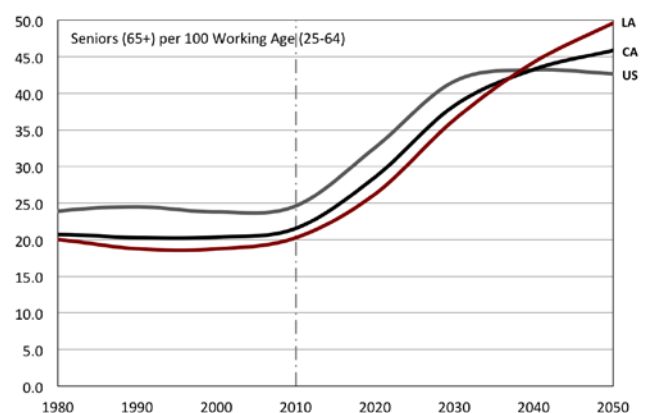
The proportion of the Los Angeles county population that is comprised of people ages 65 and older, sometimes referred to as seniors, elders or elderly, is anticipated to nearly double from 9.7% in 2000 to 18.2% in 2030. The importance of this rising share is better captured by a ratio between elders and the working age adults who are the principal taxpayers, workers, and home buyers. The “senior ratio” is derived from a traditional demographic measure, a “dependency ratio,” that contrasts the number of elders, ages 65 and older, with prime working age

residents, assumed to be ages 25 to 64. Even though some people may be working before or after these ages, the ratio defined here better captures the main relationship between people of entitlement ages and their principal supporters.¹¹

The crucial importance for our society and economy is this ratio between the number of seniors and the working age people who will support them in different ways, as replacement workers, taxpayers to fund pensions and health care, and as home buyers that support the value of seniors’ homes.¹² More significant may be the fact that the ratio is now rising after many decades of remaining at a relatively constant level. For lack of experience with such a top-heavy age structure, there is a serious question whether society will be prepared to adjust as quickly as needed.

The long-expected rapid increase in elderly has finally commenced. As displayed here for Los Angeles county, all of California, and the whole of the United

Exhibit 1 | The Rising Senior Ratio



Source: US Census Bureau, Department of Finance 2013 Projections, Pitkin-Myers LA 2012 Generational Projections

States, the senior ratio is now beginning to escalate because the baby boomers (oldest born in 1946) began to reach age 65 in 2011 (Exhibit 11). Because the presence of the baby boom generation is so pervasive, similar changes are underway nationwide. In California, what had been 20.4 seniors per 100 working-age residents in 2000 is projected to climb to 28.6 in 2020 and then to 38.3 in 2030. Los Angeles had a somewhat lower ratio, only 18.7 in 2000, but this also will climb steeply to 26.2 in 2020 and 36.4 by 2030. In California the senior ratio increases by more three-quarters from 2000 to 2030, and in Los Angeles the senior ratio nearly doubles.¹³

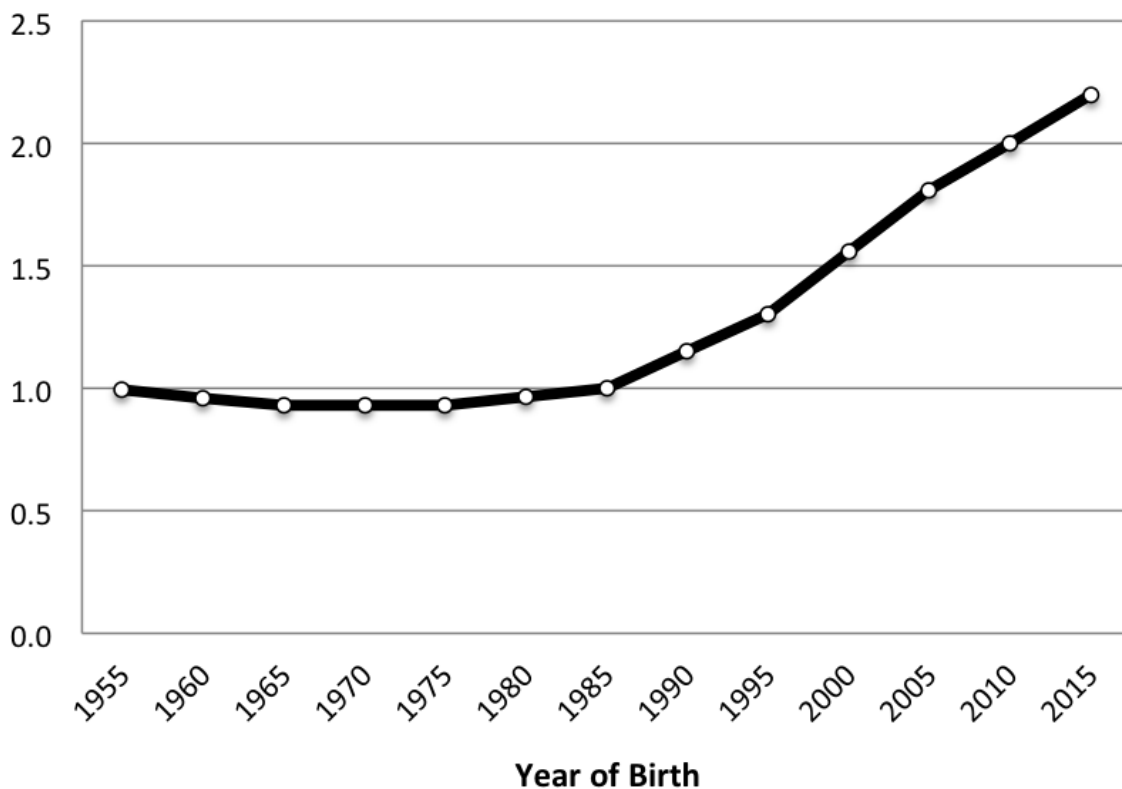
The three-quarters increase in the senior ratio by 2030 reflects the rising burdens of elderly needs placed on working age residents. This includes support for the old-age “entitlements” of pensions, Social Security, and Medicare, as well as the rising need to find adequate replacement workers for retirees. The old-age burden also includes the need to find

young home buyers who can offer good prices to a rising number of older sellers. Given that older people have stored much of their wealth and retirement savings in their home equity, a substantial threat is posed by the swelling ratio of potential older sellers relative to the smaller ranks of potential home buyers. A lot is riding on the shoulders and wallets of the new generation of young adults.

MEASURING CHILDREN’S GROWING IMPORTANCE

Today’s declining number of children is thinning the ranks of future supporters for the giant retiring generation. As the senior ratio rises, the number of children grows more important. Even at birth, each child enters the world with some heavy expectations already waiting. The relative importance ascribed each child depends on the relative scarcity of their fellow children, a fact established by the number born

Exhibit 12 Index of Children’s Importance in Los Angeles



Source: Authors’ construction (see text)

in the same birth year, some 25 years before they will grow up to become supporters of the senior ratio. Thinking ahead to this future role, how can we best measure children's importance today?

The method developed for highlighting the statewide importance of children in California proves useful in Los Angeles as well.¹⁴ Benchmarked on the birth year of 1985, marking children who would reach age 25 in 2010, when the senior ratio in Los Angeles county stood at 20.1 seniors per 100 working age, we can measure the growing importance of children by the proportionally higher senior ratio expected in future years when today's children come of age and also reach 25. The results calculated for the index are displayed in Exhibit 12. This Index of Children's Importance (iCi) shows that a child born in 2010 in Los Angeles (destined to reach age 25 in 2035) carries fully twice the importance (index of 2.20) of a child who was born in 1985 (index of 1.00) or earlier.¹⁵

The implication of this increased importance is that each child cannot escape carrying more of the load—a heavier per capita share—of supporting the growing number of seniors. This echoes a prescient observation made a quarter century ago by David Hayes-Bautista and associates at UCLA, who stressed that a burden of aging population, largely white, would be thrust upon the shoulders of youth who are largely Latino.¹⁶ The new iCi measurement can be said to reflect that growing burden. The index also can be interpreted to represent the growing intensity of investment needed to enhance the skills and future productivity of each child so that he or she might carry this heavier economic load. In essence, we need to redouble our efforts to invest in the education of children of all ethnicities. None can be allowed to drop out of school and none can be afforded to be neglected. In a more general interpretation, the Index of Children's Importance also can be viewed as depicting the magnified importance of the intergenerational partnership linking children, adults of working age, and the seniors of entitlement age.

5 Homegrown Revolution: Changes in Place of Birth

Underscoring the fresh importance of making these investments in the next generation is that the majority of California's future workers will be homegrown, raised and educated in California. This was not always the case. Los Angeles area has always been a city of transplants, people who have decided to strike out for adventure in a new economy with better opportunities and in a place with less inclement weather and a more pleasant style. The whole of California has been a magnet for migrants from other states and nations ever since the days of the Gold Rush. The explosive growth of the population in the state and in Los Angeles during the 20th century was fueled by migration from outside.

Even though the number of children born in the state rose with the growing population, the great majority of the population, especially adults who were middle-aged and older, were born elsewhere. Over time, as Los Angeles has matured as a community, less of the growth has been from migration and more from children born to those previous migrants.

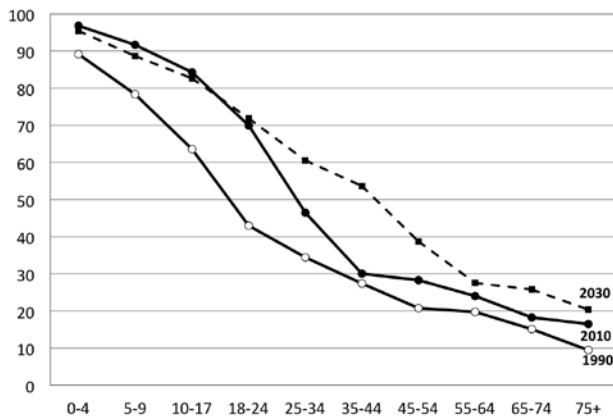
A homegrown transition is now underway. One of the clearest indicators of the new maturity of Los Angeles is found in the birthplace origins of residents in the census. Residents can be classified as California-born, born elsewhere in the U.S., or foreign born. In the last decade we have discovered that a majority of Californians are native sons and daughters, first reported by the USC Population Dynamics Research Group.¹⁷ A subsequent study investigated the counties of Southern California, finding that all had crossed into homegrown majority status save Los Angeles.¹⁸

We now anticipate that Los Angeles county will have advanced to majority homegrown status in the present year—2013.¹⁹

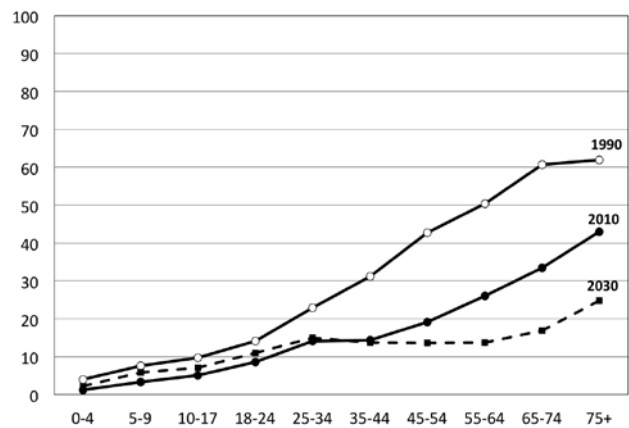
IMPORTANCE OF HOMEGROWN OR OUT-OF-STATE STATUS

The significance of native Californian or Angeleno status is many-fold. Certainly all who grow up in Los Angeles and experience life here from a young age can feel at home regardless of their parents' place of birth or origin. And those who migrate as young adults also grow deep attachments. However, the native Angelenos have deeper family roots, with parents and siblings also likely to share residence. They have networks of school friends and others with shared lifelong commitments. As evidence of their deeper attachments, statistical data show that the native Californians are one-third as likely to migrate out of state as are other U.S.-born residents.²⁰

Homegrown residents carry a special political significance, first, because their development from birth is assisted by state taxpayers, through education and other services. Second, in return, when grown to adulthood the homegrown children will repay the taxpayers through future tax payments, repaying the public investment in higher education 4-to-1.²¹ Living their full lives in the state, the homegrown not only are the major recipients of state and local tax dollars, but they also are destined to be the workers, taxpayers, and home buyers on whom all will rely. Indeed, Hans Johnson and colleagues at the

Exhibit 13Percentage California Born by Age
1990, 2010, and 2030

Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Exhibit 14Percentage Other US Born, By Age,
1990, 2010, and 2030

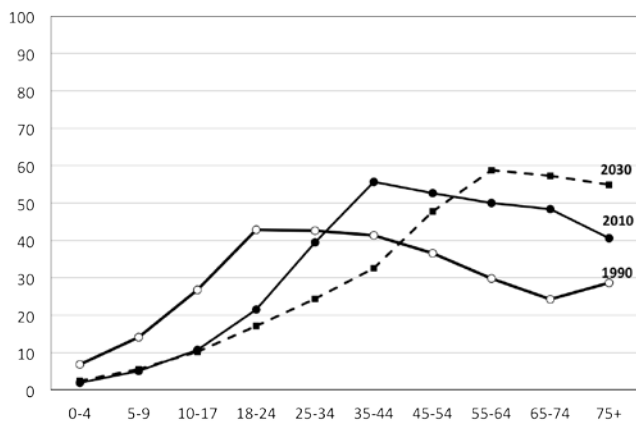
Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Public Policy Institute of California have concluded that California cannot import all the skilled workers that the state's economy will demand and that there is likely to be a one million shortfall in college educated workers unless education opportunities are expanded.²²

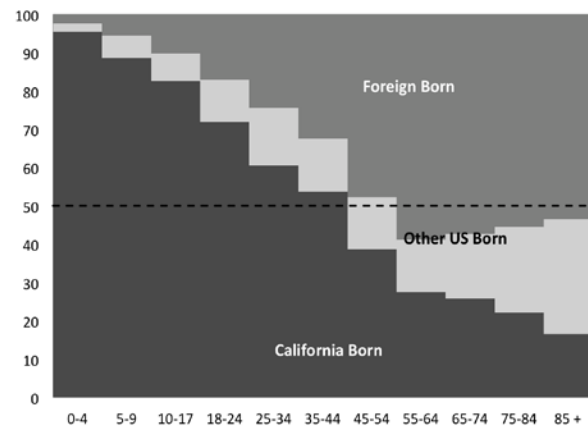
Thus we can imagine how the homegrown revolution portends a new conception of self-reliance for a state that must increasingly depend on its own children. As the California population becomes more self-contained, we discover new responsibilities. Unlike before, the state now has to make it on its own, relying more on the people it already has in residence.²³

Homegrown share of age groups. The share of the Los Angeles population that is homegrown, always high among children, has markedly increased among middle-aged and older residents. As shown in Exhibit 13, the homegrown share at age 25 to 34 has rapidly increased since 1990, rising from 34% to 46% in 2010, with 61% expected to be homegrown in 2030. Similar large increases are seen at older ages.

Share born in other states. Meanwhile the percentage of the population that was born in other parts of the U.S. and later migrated to California is plunging at older ages. In 1990, fully half (50%) of all residents in Los Angeles age 55 to 64 had migrated from some

Exhibit 15Percentage Foreign Born by Age
1990, 2010, and 2030

Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Exhibit 16LA County Residents by Age Group
& Birthplace, 2030

Source: Pitkin-Myers LA 2012 Generational Projections

other state. By 2010, this share had fallen to 26% and in 2030 we expect it could be only 14% (Exhibit 14). This remarkably low number is foretold by the equally low number 20 years earlier in the age group 20 years younger. That cohort already is composed of very few migrants from other states and, unless migration heats up in highly unusual ways at older ages, it is unlikely that many migrants will be added. In fact, the opposite is occurring. As the cohort grows older it is slowly losing members who are migrating out of California, likely back to states from which they came or where they have contacts from earlier in their lives.

Foreign-born share of age groups. The changes among the foreign-born population are most dramatic and complex. The share of younger age groups that are composed of immigrants is falling (Exhibit 15). Leading up to 1990 the flow of immigrants reached its peak volume, mostly concentrated in ages 18 to 24 and 25 to 34. In 2020, the cohort formed by that peak flow was now aged 35 to 44 (with 56% foreign-born), and in 2030 it will be aged 55 to 64. As a result, the foreign born share is rising at older

ages, such as 55 to 64, from 30% in 1990 to 50% in 2010, and 59% in 2030. But at young ages the foreign born share is shrinking, to be replaced by the growing homegrown generation, a majority of whom are the children of immigrants.

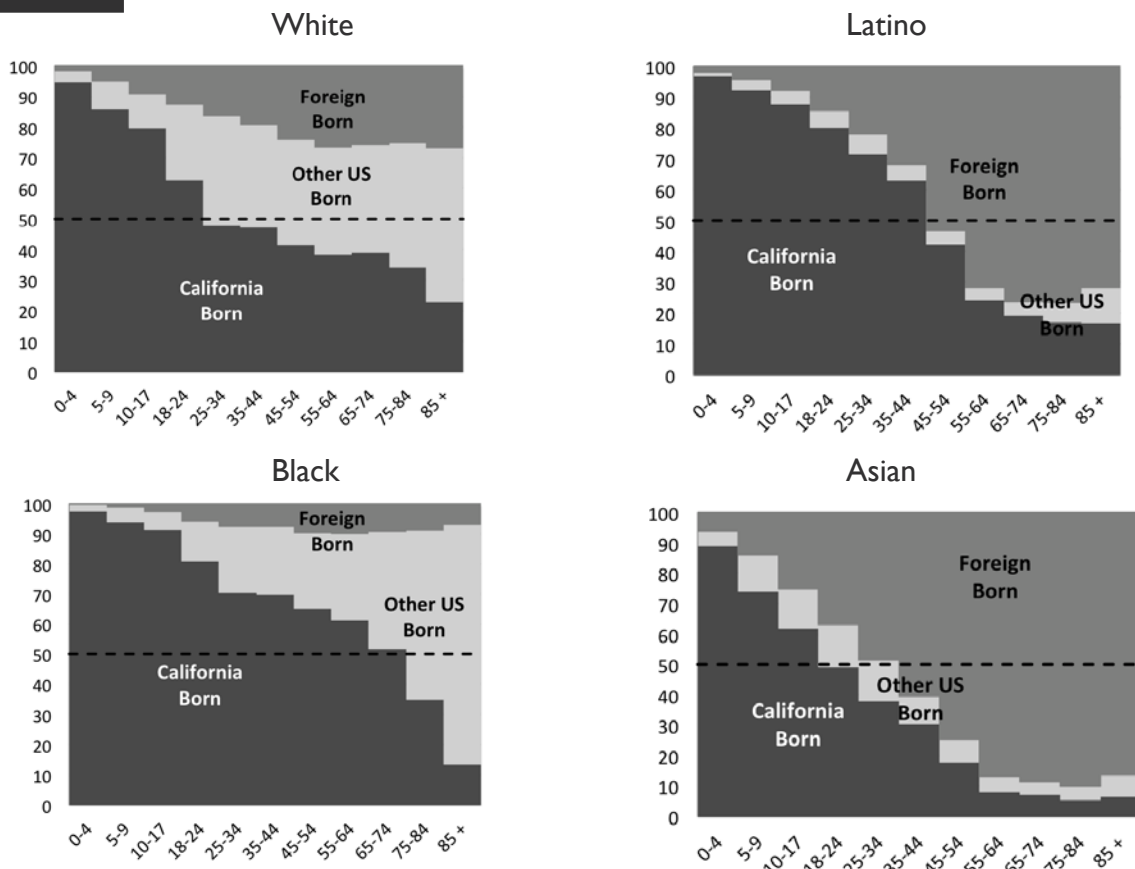
COMBINED PLACE-OF-BIRTH PROFILES OF AGE GROUPS

How this all stacks up in 2030 is presented in a combined profile (Exhibit 16). Within each age, the homegrown share is at the bottom, comprising more than half of all residents for the age groups under 45. The small segment displayed in the middle represents the other U.S.-born migrants, only appreciably large among residents over the age of 65. And the foreign-born residents are at the top, with the largest shares, all exceeding 50%, confined to ages older than 55.

More intriguing may be how this age pattern of birthplace differs by race and Hispanic origin. Each of the major population groups in Los Angeles has a different migration history, which is imprinted in

Exhibit 17

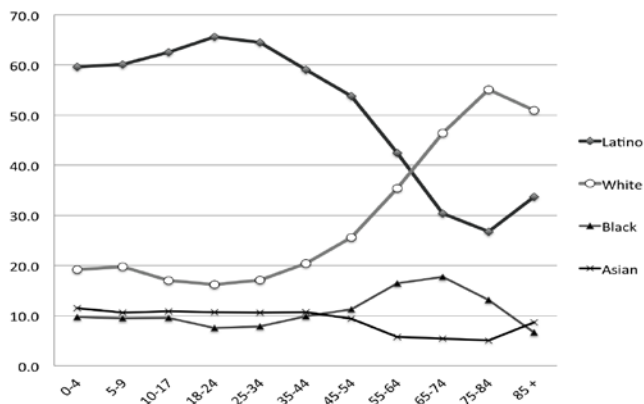
Birthplace of Age Groups by Race and Hispanic Origin, 2030



Source: Pitkin-Myers LA 2012 Generational Projections

Exhibit 18

Ethnic Share of the Homegrown at Each Age, 2030



Source: Pitkin-Myers LA 2012 Generational Projections

their birthplace profile. Looking ahead to 2030, what can we expect to find? We choose this time point because it combines both the new patterns, visible among the young, and the earlier patterns, visible among the old.

Separate profiles of birthplace by age have been prepared for each race/ethnic group in Exhibit 17. Whites and blacks have very large shares that were born in other states, especially among older ages. Latinos and Asians have very large shares that are foreign born, also more concentrated at older ages. But the homegrown comprise the dominant share of younger ages among all race/ethnic groups. The native, California-born are the majority of all African-Americans younger than 75, among all Latinos younger than 45, among all whites younger than 25, and among all Asians younger than 18.

African-Americans. The outstanding feature of African-Americans is their high proportions homegrown, despite birth rates nearly as low as for whites. Black migration into Los Angeles and California is extremely low, dropping abruptly after 1980 and the end of the Great Migration from the south. Traces of the old migration are still visible in the high proportion of people born in other states among blacks older than 75 in 2030 (accordingly, people who in 1980 and earlier were in the prime migration ages of 20 to 35).

Whites. The reason that the homegrown are not more prominent among whites above age 25 is that Los Angeles is continuing to draw high migration

among whites, largely from other states, but also including white foreign-born, such as Armenians, Iranians, and Canadians. In addition, the lower birth rates of whites means that they have not generated as many homegrown children in the past, so there are relatively fewer who would carry their homegrown status into middle age and beyond.

Asian & Pacific Islanders. Residents of Asian or Pacific Islander descent have an even smaller proportion homegrown among those over age 25, due to very high rates of immigration and also due to low birth rates in this country. And there are relatively few in-movers from other states. Instead, the foreign-born share of middle-aged Asians is extraordinarily high—at age 45-54, in 2010, 87.9%, with 74.7% still anticipated in 2030.

Latinos. The place of birth profile of Latinos is less migration heavy than for Asians and Pacific Islanders but much more so than for whites or blacks. And very few Latinos were born in other states. Instead, it is the homegrown share of Latinos that is growing very large, especially among younger adults.

Latinos, in fact, account for a very large share of the homegrown population in Los Angeles. This stems from the large size of the Latino population combined with their high propensity to be California-born (Exhibit 18). In 2030, 60% or more of native Californians at all ages under 35 are expected to be Latinos. Whites are more numerous at older ages and will comprise the majority of the homegrown in elderly age groups. At younger ages, whites are expected to account for just under 20% of the homegrown, while blacks and Asians each contribute about 10%.

6 A Longer Settled and Older Immigrant Population

The immigrant population of Los Angeles county is comprised of all residents who are foreign born (and not born to U.S. citizens abroad). Immigrants include all of the foreign born, whether or not they are citizens, legal permanent residents, or foreign-born with unauthorized residence status. The Los Angeles immigrant population grew tremendously for three decades and then leveled off at about 3.5 million after 2000. In 1970, only 788 thousand foreign-born individuals resided in Los Angeles county, but that number nearly quadrupled to 2,895 thousand (2.90 million) by 1990. As shown previously in Exhibit 3, the annual rate of immigrant inflow to Los Angeles surged to a peak in the late 1980s, more than 200% greater than in 1970, before the inflow of new arrivals plunged sharply in the 1990s. Nonetheless, the immigrant population still expanded slowly, reaching 3.45 million in 2000, after which it grew by only 40 thousand more, reaching 3.49 million in 2010.

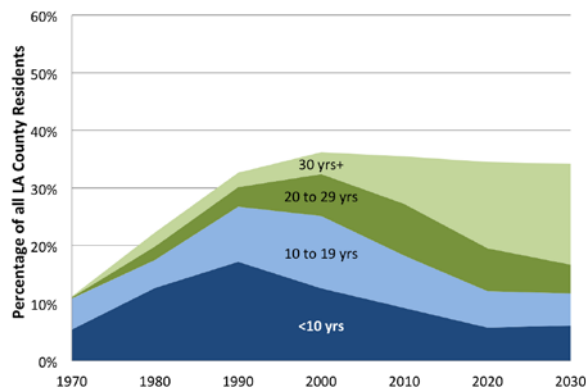
Looking ahead, we project the foreign-born population will slowly increase to 3.71 million by 2030. Of course, it needs to be emphasized that projections of immigrant arrivals in future decades are highly uncertain. Even if those projections are benchmarked to a consensus of expert opinion, there is still great uncertainty. Major immigration policy changes in the U.S. or unforeseen disruptions in source countries are two of the many factors that could cause expansion or reduction of immigration flows. What is more certain is the aging of immigrants who are already resident in Los Angeles, and most of the future population of foreign-born is composed of those who have already arrived.

IMMIGRANT SHARES OF THE LOS ANGELES POPULATION

Not all immigrants arrive in the same year, and at any point in time the foreign-born population is a composite of new arrivals and longer-settled residents, as shown in Exhibit 19. The most effective way to understand the prominence of immigrants in Los Angeles is as a percentage of all the local residents. The total foreign-born share of the population peaked at 36.2% in 2000, but the share of all Los Angeles residents who were recently arrived (within the last 10 years) peaked a decade sooner, with 17.2% of county residents. In 1990, 1-in-6 residents of Los Angeles was a new immigrant, an extraordinarily high ratio.

The subsequent slowdown in immigrant arrivals meant that, by 2010, the new immigrant share of the county's total residents had fallen to 9.2%, little more than half of the 1990 peak share. Instead, what was

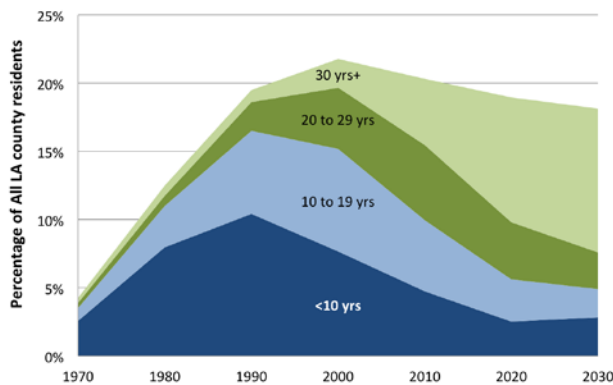
Exhibit 19 All LA County Residents by Duration of Residence in US



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Exhibit 20

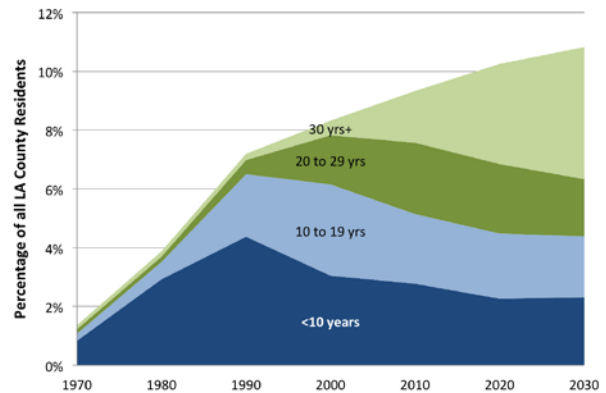
Latino Foreign Born Share of All LA County By Duration of Residence in US



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Exhibit 21

Asian Foreign Born Share of All LA County By Duration of Residence in US



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

outstanding in 2010 was the large share of residents who were immigrants who had resided for more than 20 years in the U.S., 17.3%, compared to only 5.9% in 1990. At the same time that the inflow of newcomers had subsided, the previous immigrants were settling in and filling the ranks of long-settled Angelenos.

This settlement dynamic is underway among all groups, as highlighted for Latinos (Exhibit 20) and Asian and Pacific Islanders (Exhibit 21). Latinos represent such a large share of the foreign-born (57.2% in 2010) that their pattern of duration of residence closely mirrors that of all foreign born. Nonetheless, the peak and decline of the Latino foreign-born share of Los Angeles population is more pronounced: the Latino new arrivals' share fell from 10.2% of total Los Angeles population in 1990 to only 4.7% in 2010, and the total Latino foreign-born share also slumped more noticeably between 2000 and 2010, declining from 21.8% to 20.3% of the total Los Angeles population.

Asian and Pacific Islander foreign born are responsible for upholding more of the foreign born growth in the last decade. Their new arrivals' share of total county population only fell from 4.4% in 1990 to 2.8% in 2010, with a projected share of 2.3% in 2030. As a result their total foreign-born share of all county residents continued to grow from 8.3% in 2000 to 9.3% in 2010, with further increase to 10.8% projected in 2030. Meanwhile, the long-settled share (20 or more years) increased from only 0.7% in 1990 to 4.7% in 2010, then growing to a projected 6.3% of all Los Angeles residents in 2030.

AGE WAVES OF LONG-SETTLED IMMIGRANTS

As time passes and immigrants reside longer in Los Angeles, they also grow older in age. Any children born after settling in the U.S. are not classified as foreign-born or immigrants. They become members of the immigrant second generation, as discussed below. Thus the age wave formed by new arrivals is capped at the lower end by their date of arrival and can never fill in behind, only grow older. And since most immigrants arrive in their 20s or 30s, the age wave is compressed into a narrow age range. As time passes, the former new arrivals grow older at the same time as they reach a longer duration of residence.

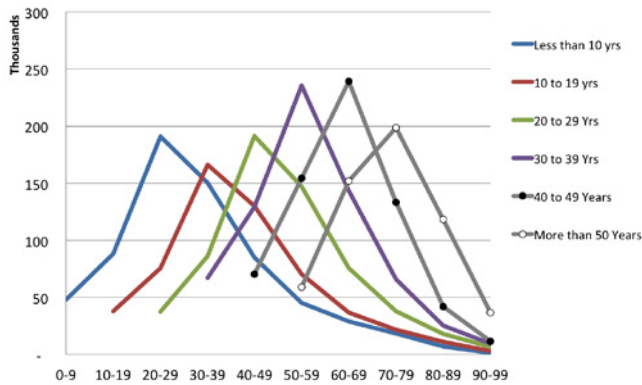
The result of this aging in place is that members of immigration waves from further in the past become concentrated in older age brackets. This is illustrated in Exhibit 22, a projection of the number of foreign born in 2030 by their age, based on their period of arrival and length of time in the United States.

Here is how the duration recorded in 2030 corresponds to the decade of arrival:

Duration in 2030	Decade of Arrival
Less than 10 years	2020 to 2029
10 to 19 years	2010 to 2019
20 to 29 years	2000 to 2009
30 to 39 years	1990 to 1999
40 to 49 years	1980 to 1989
50 years or longer	Before 1980

Exhibit 22

Older Age of Longer Settled Immigrants 2030



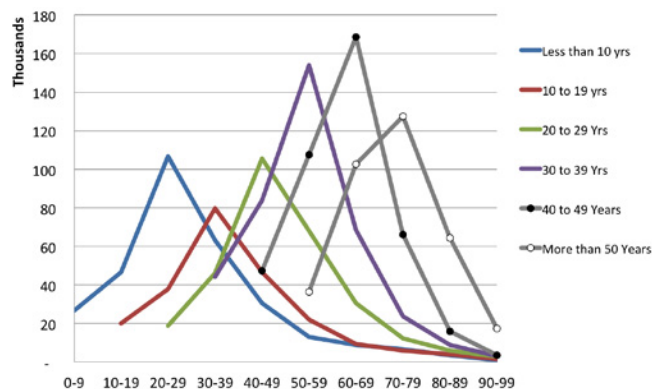
Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

The peak decade for immigration—the 1980s—remains visible in the large number of older Angelenos who have resided for 40 to 49 years as of 2030. Likewise, the very low decade for immigration in the 2010s is also reflected in the low numbers of residents—concentrated in their 30s—who are projected in 2030 to have resided for 10 to 19 years.

The aging profiles of Latinos and Asian and Pacific Islanders are very different (Exhibit 23 and Exhibit 24). First, the size of the immigrant waves are much larger for earlier decades of Latino arrivals than for more recent decades. That means that in 2030, the elderly age groups will contain many more Latino immigrants than the middle aged or younger groups. In contrast, the waves of Asian immigrants are more evenly sized over time, even growing in size rather than shrinking.

Exhibit 23

Older Age of Latino Immigrants Who Are Longer Settled in 2030



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

GROWTH OF THE SECOND AND THIRD IMMIGRANT GENERATION

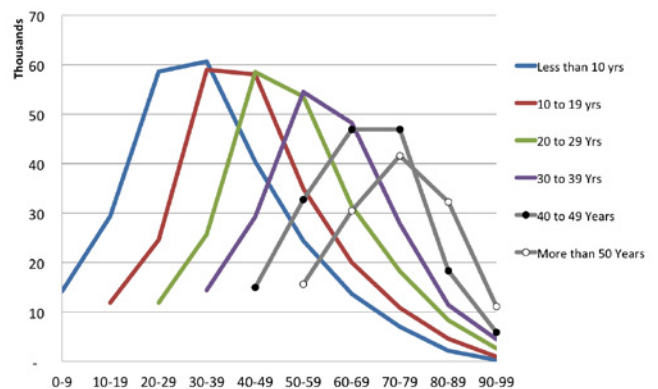
The foreign-born are the first generation of their families to live in the United States. Children who were born outside the United States are also first generation. However, children born in the U.S. after their foreign-born parents assume residence become members of the second generation.

As reported earlier, very few young children living in Los Angeles are foreign born. The great majority are native Californians (see the previous Exhibit 16). Roughly half of children under age 10 in 2010 belong to the second generation, given that they have a foreign-born parent (Exhibit 25).²⁴ At ages 25 to 34, barely 20% belong to the second generation; only 10% at ages 35 to 44. Instead, the peak foreign-born share in 2010 is found at ages 35 to 44. By 2030, it is anticipated that the peak foreign-born share will have shifted 20 years older, then situated at ages 55 to 64. Meanwhile at younger ages the foreign-born share will have declined.

Instead, by 2030, second generation status will have increased markedly among young adults. These children of today's immigrants will be filling one-third or more of the ranks at ages 35 to 44 and among those that are younger (see Exhibit 25). The change from 2010 to 2030 is particularly striking at ages 25 to 34, a near doubling from 20.4% to 35.7% that are second generation.

Exhibit 24

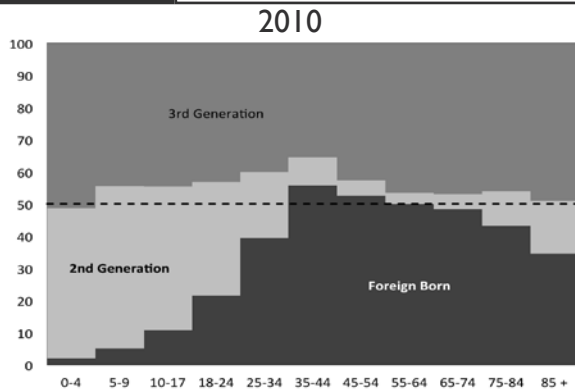
Older Age of Asian Immigrants Who Are Longer Settled in 2030



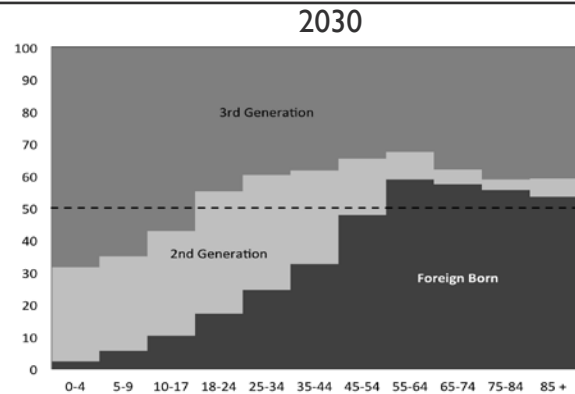
Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections

Exhibit 25

Immigrant Generations in Los Angeles, 2010 and 2030



Source: US Census Bureau, Pitkin-Myers LA 2012 Generational Projections 2012



Source: Pitkin-Myers LA 2012 Generational Projections 2012

What might be surprising to find in 2030 is that the second generation is expected to decline among children and teens. What is growing instead is the third or higher generation, for example, expanding from 44.5% of children ages 5 to 9 in 2010 to 65.4% in 2030. This expansion of the third generation is a direct consequence of the second-generation growth in 2010, because the new third generation is formed by the children born to parents who themselves belong to the second generation.

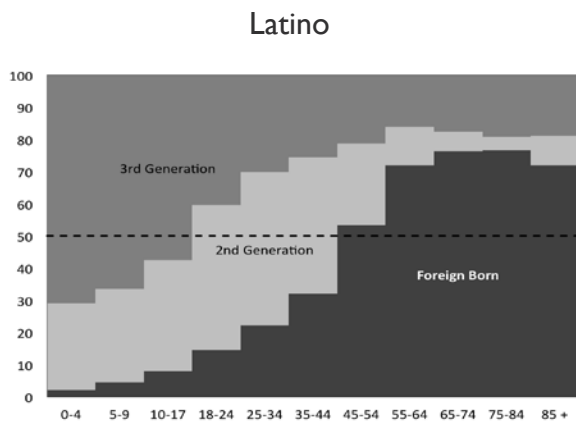
In sum, the overall picture from the Pitkin-Myers Los Angeles generational projections is one of an aging population of immigrants and children. At the same time as the high concentration of foreign-born is shifting into elderly years, the second generation

is spreading into middle age, and their children are forming a new third generation. This true third generation is merged with other Los Angeles residents who are of fourth or higher generation descent, forming a broad category of third or higher generation that is composed of people who have immigrant grandparents, great-grandparents, and even longer descent.

Although following a similar process, some important differences exist between the Latino and Asian immigrant generations. The second generation in 2030 will be a much smaller share among Latino children than it is among children of Asian and Pacific Islanders (Exhibit 26 and Exhibit 27). For example, among children under age 10, roughly 30% of Latinos and

Exhibit 26

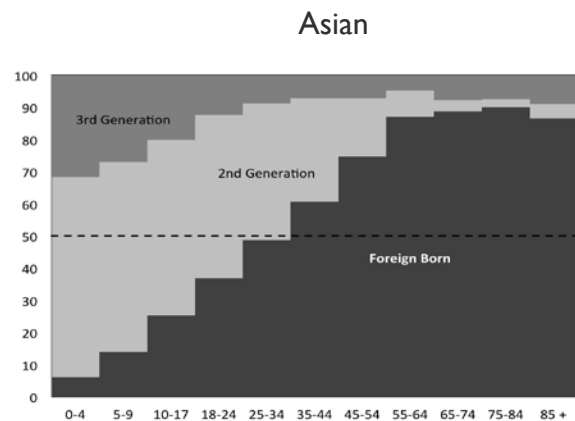
Latino Immigrant Generations in Los Angeles, 2030



Source: Pitkin-Myers LA 2012 Generational Projections 2012

Exhibit 27

Asian Immigrant Generations in Los Angeles, 2030



Source: Pitkin-Myers LA 2012 Generational Projections 2012

just over 60% of Asians are members of the second generation. Instead, the third generation in these ages has grown to account for more than two-thirds of Latinos, but less than one-third of Asians. This pattern reverses in the middle age range: Latinos still hold a larger share in the second generation than is true of Asians. Instead, the latter are much more likely to be foreign born.

A clear pattern of generational settlement is evident from the succession of parents and children by 2030. High concentrations of foreign-born Asian and Pacific Islanders in middle age are matched to the large concentration of second-generation residents among those who are younger by 30 years or more. In the case of Latinos, however, immigrant settlement has progressed to later generations, thanks in large part to their early average age of child bearing. We find a high concentration of foreign-born in senior years matched to a large concentration of second generation in middle age, and, in turn, those second generation residents are responsible for the burgeoning growth of the third generation among children.

7 Conclusions and Policy Implications: Intergenerational Partnership For The Future

The generational future of Los Angeles is marked by a new demographic maturity, many of whose trends appear to be a reversal of what we are accustomed to. Unprecedented in living memory, the trends are as yet only dimly understood. Yet, when viewed in future perspective, the ongoing changes can be better understood for the historic transformation that is under way.

An older view of the Los Angeles population, one dated from 1990, near the end of the great boom in population growth and change, must now give way to the new outlook. By 2010, many of the older trends had already been completely played out. Yet, only by looking forward to 2030 can we begin to understand where the new trends might lead, and only then can we appreciate how our policy priorities must shift today if we are to capture the benefits of the emerging opportunities.

The outlook ahead is for slower and more deliberate growth in Los Angeles, something more akin to the 1960s and 70s, rather than the boom years of the 1980s. With that slower growth, many of the rapid changes in demographic make-up that took off in the 1980s, such as rapid increases in immigration or racial change, have settled down to a more gradual pace of change. Latino and Asian groups are still increasing their presence, but the slower pace of change lends a greater stability of ethnic balance for the coming decades.

With slower growth also we may find it easier, certainly less frantic, to keep up with public needs for new services and private demands for new development. With more time to plan and prepare, we can focus better on building the highest quality of life in Los Angeles.

This slower pace of growth is important in its own right, but the character of the residents in Los Angeles is being reshaped by three key transformations. Together these are revolutionizing the outlook for the future of Los Angeles.

The most surprising transformation highlighted in this study may be with regard to immigration. Whereas once it seemed that the immigrant numbers in the city were doubling and that newcomers filled a large share of the population, today we find a much smaller inflow. Our immigrant residents have not left the Los Angeles area but rather have settled in, set down roots, and achieved much greater success. The transformation of the foreign-born population has been from mostly newcomers to mostly older and long-settled residents.

A second, more-sweeping transformation pertains to generations and is many faceted. This includes the rise of a new “second” generation born to immigrant parents, but more acutely it also embodies a precipitous decline in the number of children. Today we find that one-third fewer children are born in Los Angeles

each year than at the peak of the boom in 1990. And the last census showed major declines in the number of children living in Los Angeles, a 20% loss in the last 10 years in some age groups. Similar declines are occurring statewide, and in a few other states like New York and Illinois, but none as intensively as in Los Angeles. Certainly we must wonder what has happened to children in Los Angeles.

At the same time, the generation revolution also includes an unprecedented rise in the number of residents older than 65. Although this transformation has yet to occur, it is one change about which we can be absolutely certain. The massive baby boom generation will grow 20 years older between 2010 and 2030, when all will have aged past 65, so many in fact that the ratio of seniors to working age residents will have doubled. This trend is nationwide and will dominate the policy agenda at all levels of government for the next two decades. Yet we should not lose sight that part of the solution for the senior problem rests with children.

Who are the future working age residents of Los Angeles who will need to support twice as many seniors as before? The children of today will also be 20 years older in 2030 and they will comprise the great majority of new workers, taxpayers, and housing consumers. The younger generation is a multi-ethnic blend, the majority Latino. Their energy can be a tremendous boost to the economic fortunes of the city, if the children are well-groomed for their future roles. Given the urgency of the changes ahead, has enough been done to prepare?

Here is the importance of the third, major transformation, the homegrown revolution. Immigrant and native-born parents together are raising a new, California-born generation, accounting for more than 90% of all the children living in Los Angeles. Already, today, for the first time in recorded history, the majority of all California residents, including the young adults, are homegrown, and Los Angeles county is estimated to also reach majority homegrown in 2013.

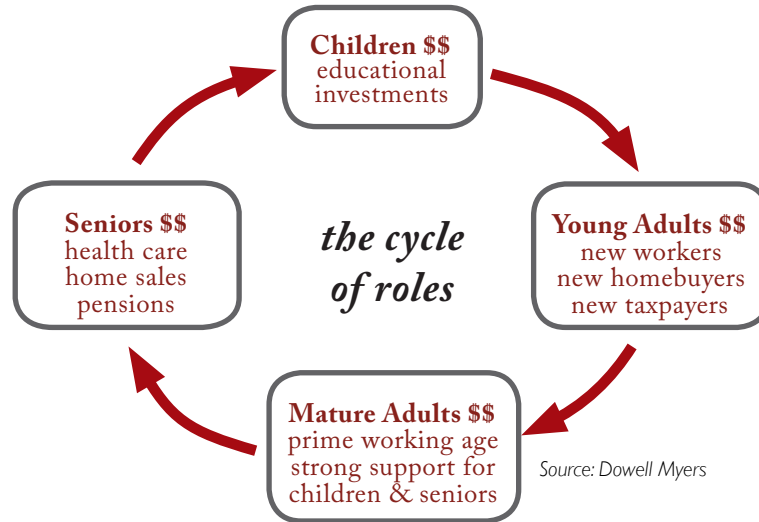
The reason for public urgency is that the downward trend in children is running opposite to the rising numbers of seniors who the children will need to grow up to support. With migration to Los Angeles so reduced from the high levels of earlier decades, the meaning of the homegrown revolution is a new

recognition that the children of today are the ones we will depend upon once they reach adulthood. The elected officials and citizen leaders of Los Angeles—the taxpayers and voters—need to care for our remaining children as if our future lives depended on it.

How well do Los Angeles residents recognize their mutual dependence? Certainly those of middle age may not feel as much interest in children, now that their own are grown. And these middle-aged residents are the peak earners and largest taxpayers we have. The children, for their part, are the greatest tax beneficiaries. It might seem that we can ill-afford them in this period of economic malaise and fiscal stress. In our present-focused debates, have we lost sight of the most basic truths? Over time everyone changes position, taking turns being economically dependent and highly productive. We should be reminded that the different stages of life are linked together in a life-cycle of roles, as illustrated by a simple diagram (Exhibit 28).²⁵ Certainly, we would be well advised to recognize the implicit partnership that ties the generations together, linking interest groups and spanning ethnic or immigrant divides. We are all in this together.

One of the most basic facts of life is that children grow up. The cycle of roles calls for adults who are the main economic earners to pay into support systems for both children (principally their education) and the elderly (pensions and health care). Those children in turn grow into the new adult taxpayers, workers, and home buyers. Young adults buy homes from older adults, passing economic benefits to their elders. Eventually the middle-aged adults become seniors themselves and draw benefits from others who are younger. These generational connections are vital to every person and to the economy as a whole. For their part, the seniors leave a lasting legacy through their support of the newest generation in a continuing cycle.

The new maturity of Los Angeles, as for all of California, underscores the critical importance of children. Because the number of elderly is growing so dramatically, each child will need to carry greater proportionate weight when he or she enters adulthood. Our Index of Children's Importance for Los Angeles doubles in magnitude between children born before 1985 and those born in 2010 and later. For our mutual success, society will want children to deliver their absolute fullest possible economic contribution



when they grow into adulthood. The clear conclusion is that we must redouble our efforts to nurture the children of Los Angeles and of all of California so that each child can develop to his or her fullest potential.

The one great uncertainty about the future of Los Angeles is whether our leaders and citizens will have the political maturity required to embrace their present responsibility both to the next generation and to their future selves. Better information might help shed light on the path ahead.

The great hope behind the present report is that better data describing the future can help local citizens and leaders to visualize more realistically how things are changing. By looking ahead, and then back to the present, it is possible for all to better assess what is at stake. The projection data illuminate both our generational responsibilities and also the great opportunities for building on the new generation. The future will depend on the past, but the possibilities today are better than before. The key question is whether we will choose to seize the opportunity and make the future better than today.

End Notes

1. The transition from a racial or immigrant outlook to a generational outlook on social problems and solutions was described in Dowell Myers, *Immigrants and Boomers: Forging a New Social Contract for the Future of America* (New York: Russell Sage, 2007). A recent statement of the generational strategy for California is offered by Steve Levy, "Workforce Challenges and Generational Connections," *Issues in the News*, Center for Continuing Study of the California Economy, Palo Alto, 2012; www.ccsce.com.
2. This demographic "new maturity" was first identified for the city of Los Angeles but its features can be seen more widely. Dowell Myers, Janna Goldberg, Sarah Mawhorter, and Seong Hee Min (2010), "Immigration and the New Maturity of Los Angeles," pp. 12-27 in Ali Modarres, ed., *Los Angeles 2010: State of the City*, Pat Brown Institute, California State University, Los Angeles.
3. The Los Angeles county projections were produced by using the California Demographic Futures (CDF) model, the chief designer of which is John Pitkin, a senior research associate in the USC Population Dynamics Research Group and president of Analysis and Forecasting, Inc., Cambridge, Massachusetts. The Los Angeles projections are also part of the "Generational Projections" series that includes California (Pitkin and Myers, 2012) and the U.S. (Pitkin and Myers, 2011). Earlier editions of the projections and a number of preliminary studies can be found on the project website: www.usc.edu/schools/price/research/popdynamics/projections.html.
4. John Pitkin and Dowell Myers (2012), "Generational Projections of the California Population by Nativity and Year of Immigrant Arrival," special report, USC Population Dynamics Research Group.
5. In fact, the over-projection was statewide, but the eventual California count fell in the middle of a target range that had been predicted by John Pitkin and Dowell Myers in 2010 before the Census Bureau announcement. See "A Predictive Estimate of the 2010 Census Count for California," http://www.usc.edu/schools/price/research/popdynamics/futures/2010_Pitkin-Myers_Predictive-Estimate-CA.pdf.
6. California Department of Finance (DOF), Demographic Research Unit, *State and County Total Population Projections, 2010-2060*. Sacramento, California, January 2013 (www.dof.ca.gov/research/demographic/reports/projections/view.php). The Demographic Research Unit has the difficult task of projecting all the counties in the state, not just Los Angeles.
7. General explanation of the innovative methodology behind the Pitkin-Myers Generational Projections can be found in Section 8 of the California projection report, with specific details about Los Angeles posted in a project memo, "Methods and Assumptions in the Population Projections of Los Angeles County by the California Demographic Futures Model," both of which may be found on the project website: www.usc.edu/schools/price/research/popdynamics/projections.html.
8. White decline in the share of total population has also slowed its pace. Whereas the share of the population made up of non-Hispanic whites fell 12.0 percentage points in the 1980s, that decline moderated to -8.2 points in the 1990s and -3.6 points in the 2000s. Decline continues in the next two decades by 2 or 3 percentage points per decade.
9. The birth projections to 2020 and the historical record of births are provided by the Department of Finance: "Historical and Projected State and County Births, 1970-2021, with Actual and Projected Fertility Rates by Mother's Age and Race/Ethnicity, 2000-2021," www.dof.ca.gov/research/demographic/reports/projections/births/.
10. The Pitkin-Myers projections model fertility separately for immigrant and native-born women within each ethnic group. Immigrants who generally have higher fertility are projected to be reduced in number, and many more young women are second generation, a group that has lower fertility than immigrants. Thus the total number of births is trending toward a much lower level than was common before 2000. The Department of Finance projections, like almost all others, do not segment the population in sufficient detail to detect these trends in childbearing. The total number of Latinas, for example, are all treated the same, without distinction between immigrants, second or third generations.
11. The "senior ratio" is adapted from a traditional demographic concept known as the "old age dependency ratio." That traditional measure includes people as young as 15 or 18 in the definition of working age, which is more appropriate for farm labor than a modern, information-based economy. Instead, young people ages 18-to-24 are not included in the prime working age population because they often are engaged in part-time work, schooling, apprenticeships or other training.
12. Dowell Myers and SungHo Ryu, "Aging Baby Boomers and the Generational Housing Bubble: Foresight and Mitigation of an Epic Transition," *Journal of the American Planning Association* 74, 1 (Winter 2008): 17-33.
13. Given the extreme policy significance of this trend, these calculations are based on the latest (2012) projections for the U.S. by the Census Bureau and on the 2013 projections for California and Los Angeles by the California DOF. Similar trends are yielded by the Pitkin-Myers series of projections, but the trend is so consequential that we rely here on the official government projections that are most accepted for policy making.
14. Dowell Myers, "California's Diminishing Resource: Children," special report, Lucile Packard Foundation for Children's Health, 2013.
15. The future burden on a newborn would be lessened, of course, if more young people migrated into Los Angeles to help carry the load. However, the future senior ratio is calculated based on all members of the age groups that are expected to reside in future years. Not enough young migrants are forecast to prevent the increase in the senior ratio, which after all is a statewide and nationwide event. Thus the child is born into a world that holds these expectations.
16. David Hayes-Bautista, Werner Schenk, and Jorge Chapa, *Burden of Support*, Stanford, CA: Stanford University Press, 1988.

17. Dowell Myers, John Pitkin and Ricardo Ramirez (2009), “The New Homegrown Majority in California: Recognizing the New Reality of Growing Commitment to the Golden State,” Special Report, Population Dynamics Research Group, University of Southern California. The milestone discovery of a first-time homegrown majority in California was reported in the Los Angeles Times, April 21, 2009, San Francisco Chronicle, April 21, 2009, and New York Times, April 28, 2009.

18. Dowell Myers and John Pitkin, with Sarah Mawhorter, Janna Goldberg, and Seong Hee Min (2010), “The New Place of Birth Profile of Los Angeles and California Residents in 2010,” Special Report, Population Dynamics Research Group, University of Southern California.

19. The most recent Census Bureau data, reported in fall 2012 and covering the year 2011, revealed that Los Angeles county remains just below majority status, with 49.9% California-born, 35.1% foreign-born, and 15.0% born elsewhere in the U.S. The comparable figures for California are 54.3% homegrown, 27.1% foreign-born, and 18.6% born in other states. Data are from American Community Survey, 2011, table B05002.

20. Comparison of these migration rates are controlled for age and race/ethnicity. Details are reported in Myers, Pitkin and Ramirez (2009).

21. Jon Stiles, Michael Hout, and Henry Brady (2012) “California’s Fiscal Returns On Investments In Higher Education,” Research & Occasional Paper Series: CSHE.15.12, Center for Studies in Higher Education, University of California, Berkeley, October 2012.

22. Hans Johnson and Ria Sengupta, “Closing the Gap: Meeting California’s Need for College Graduates,” San Francisco: Public Policy Institute of California, 2009; Deborah Reed, “California’s Future Workforce: Will There Be Enough College Graduates?” San Francisco: Public Policy Institute of California, 2008.

23. Joe Mathews and Mark Paul highlight the political significance of the new homegrown majority—creating a new self-reliance and responsibility—in their work on the dysfunctions of California politics and governance, *California Crackup*, Berkeley: University of California Press, 2010.

24. The Pitkin-Myers generational projections determine second-generation status based on the nativity status of the mothers. Birth records are more complete for mothers, and children are more likely to reside with mothers than with fathers, so that better precision of analysis is afforded by a mother-based definition. Nativity status of the mother is also a stronger influence than the father’s on the child’s cultural adaptation.

25. This model was introduced in Dowell Myers, *Immigrants and Boomers; Forging a New Social Contract for the Future of America* (New York: Russell Sage Foundation).



for more information...

Copies of all project reports are downloadable from the website of the Population Dynamics Research Group, Sol Price School of Public Policy

<http://www.usc.edu/schools/price/research/popdynamics/>

Questions on technical details should be directed to
Research Director, popdynam@usc.edu
