

LAEDC Economic Forecast Conference
September 30, 2015

Dramatic Trend Reversals in Los Angeles

What Now for Millennials and the Aging
Baby Boomers?

Dowell Myers

USC Sol Price
School of Public Policy

Discovery of the New
Generational Future of Los Angeles
and its important trend reversals

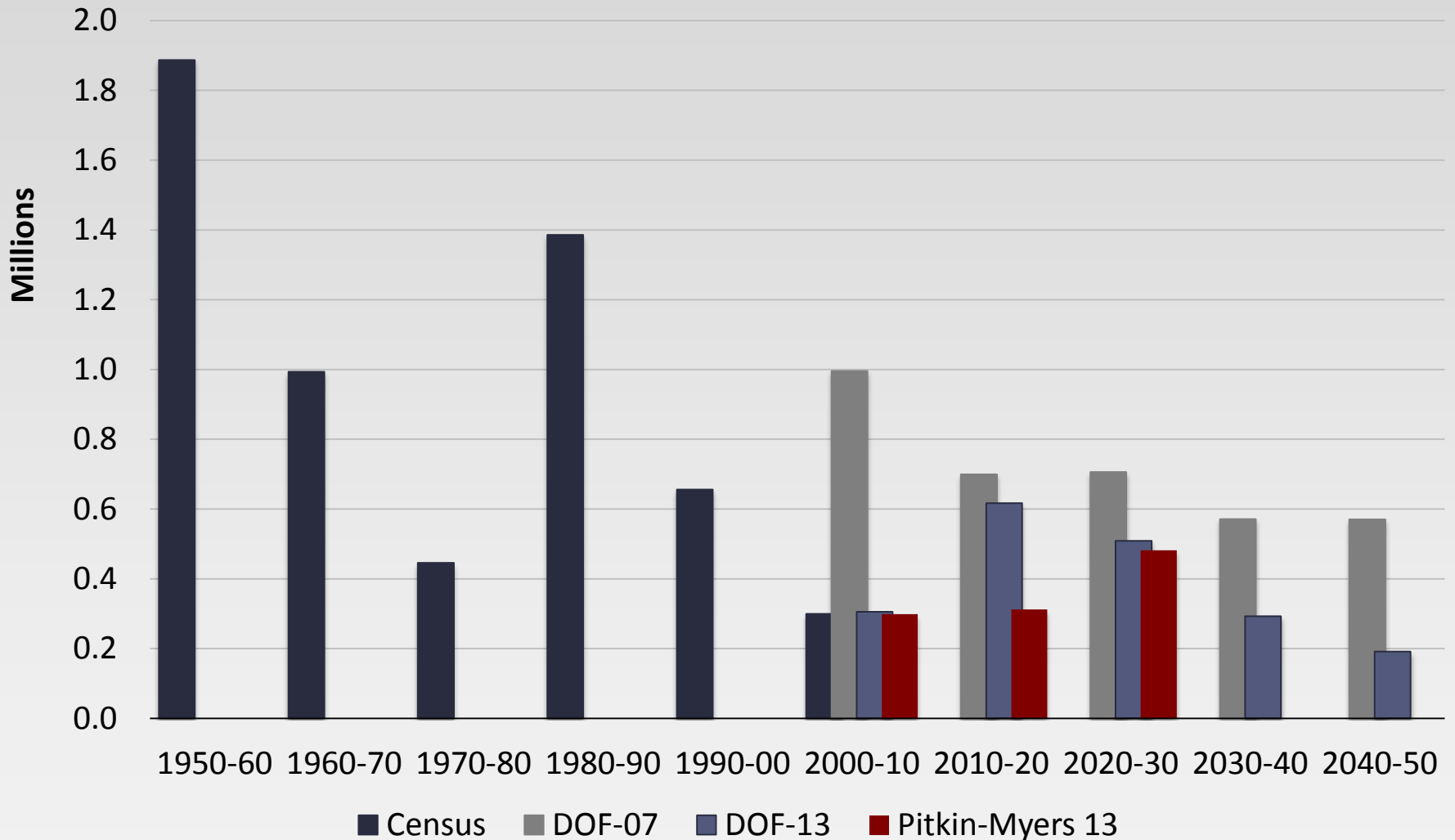
Importance for workforce & housing

Spotlight on the Millennials and the aging
Baby Boomers

New Normal of Low Population Growth

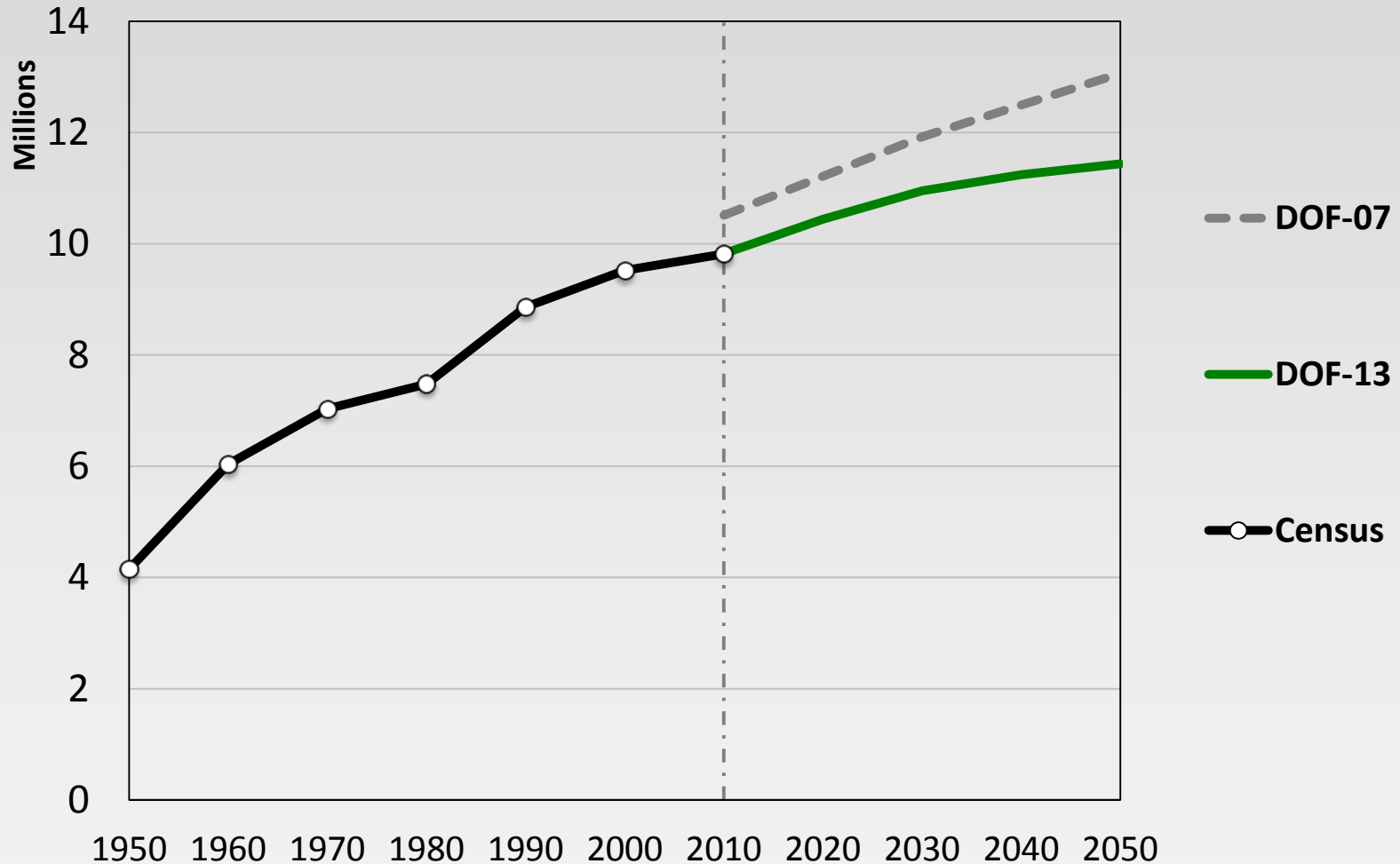
Observed and Expected Population Growth

In Los Angeles Each Decade from 1950-2050



Total Population of Los Angeles County

How Much Will Growth Resurge?



What Year Does LA County Reach 12 Million Population?

- Old Expectation = 2030
- New Outlook = **maybe never**

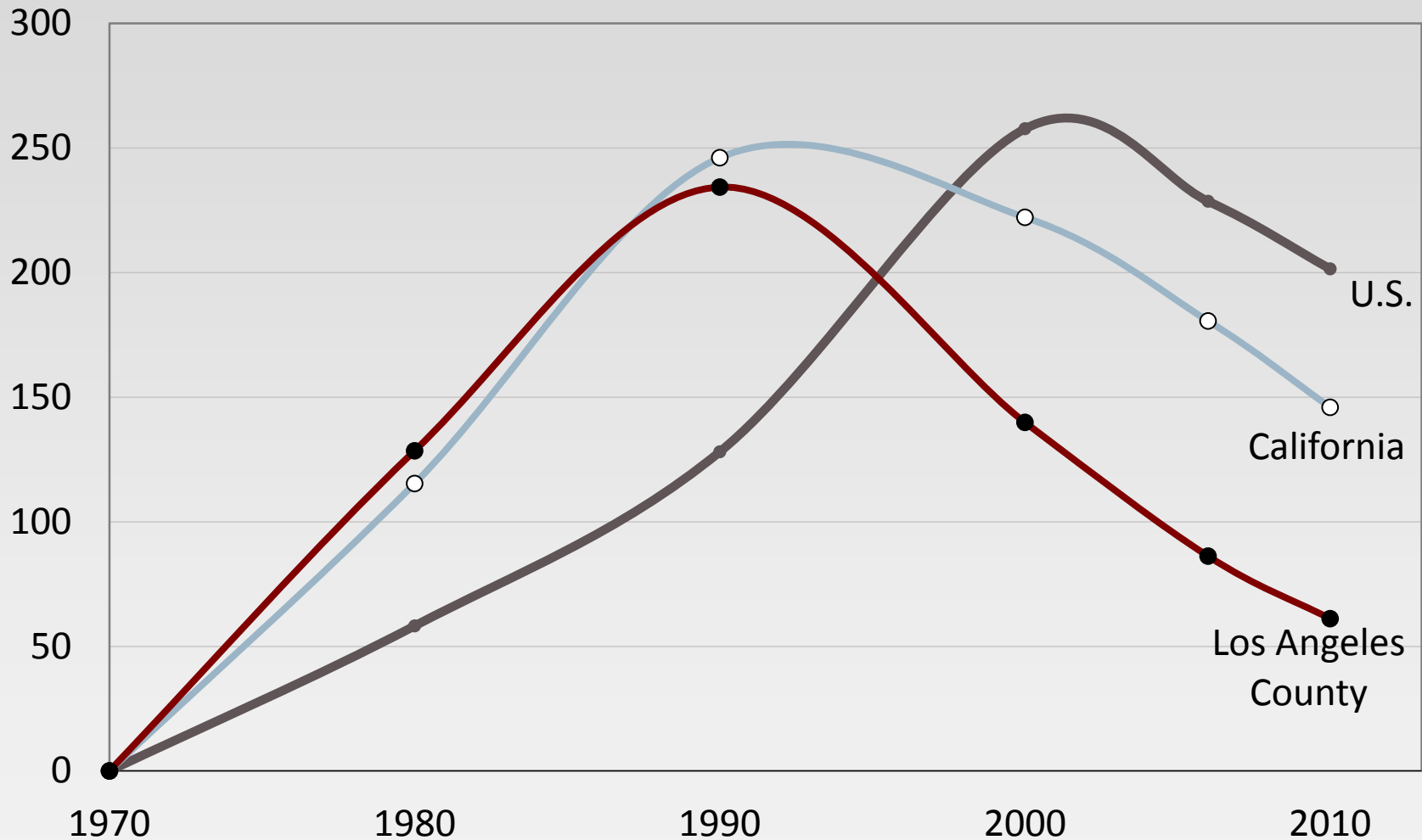
Source:

California Department of Finance, 2007 and 2014

**Immigration Slowdown,
Settling in,
and More Stable Racial Mix**

Annual Immigrant Arrivals

Percentage Change in Net Flow Since 1970



Source: U.S. Census 1970, 1980, 1990, 2000; American Community Survey 2006, 2008

Dowell Myers, USC Price

Demographic Projection Content

Conventional

Age

Gender

Race or Hispanic Origin

Pitkin-Myers Model

Age

Gender

Race or Hispanic Origin

Native or Foreign Born

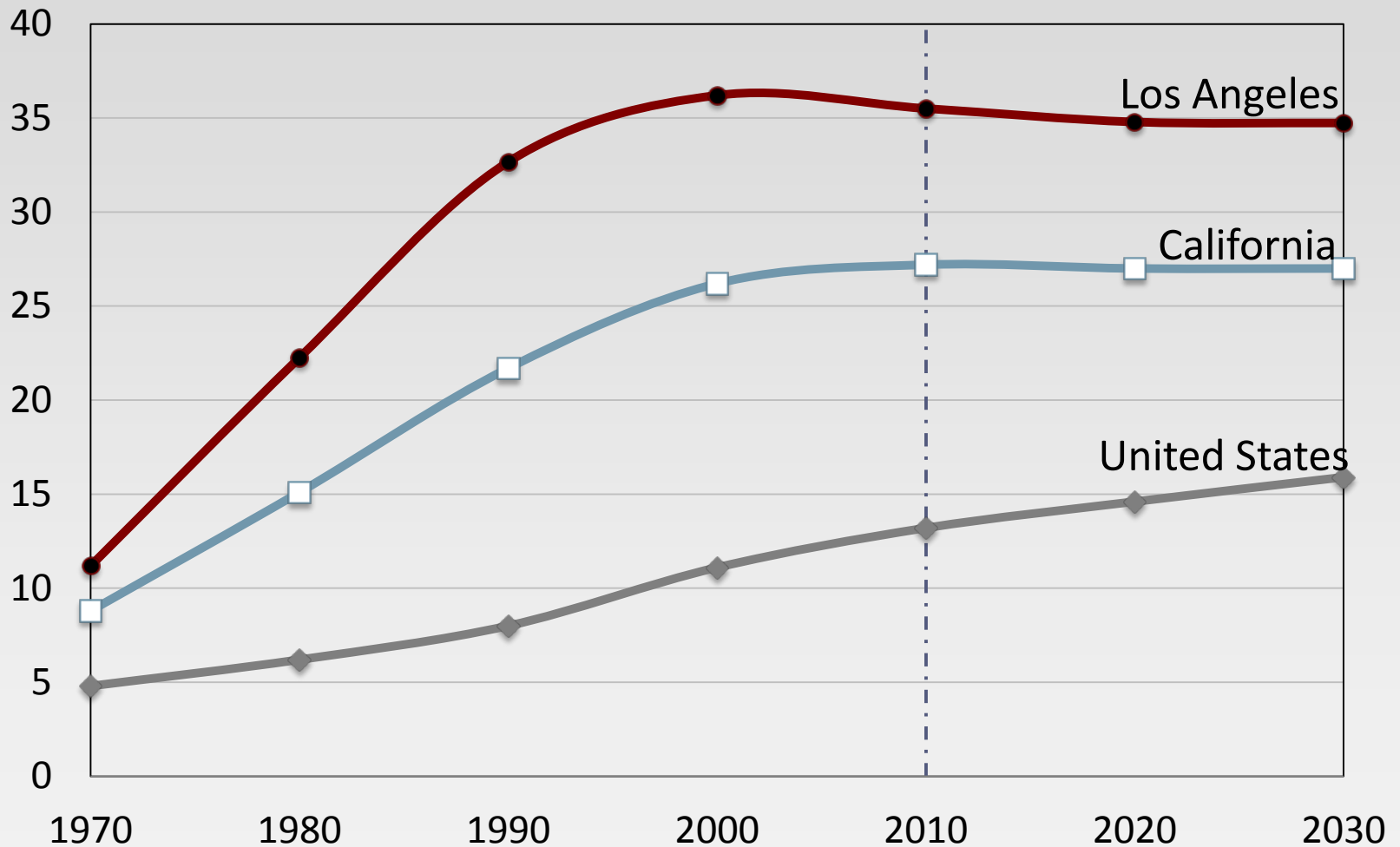
Year of Entry of Foreign Born

Generation of Native Born

California or Other Birth State

Foreign Born Share of The Population

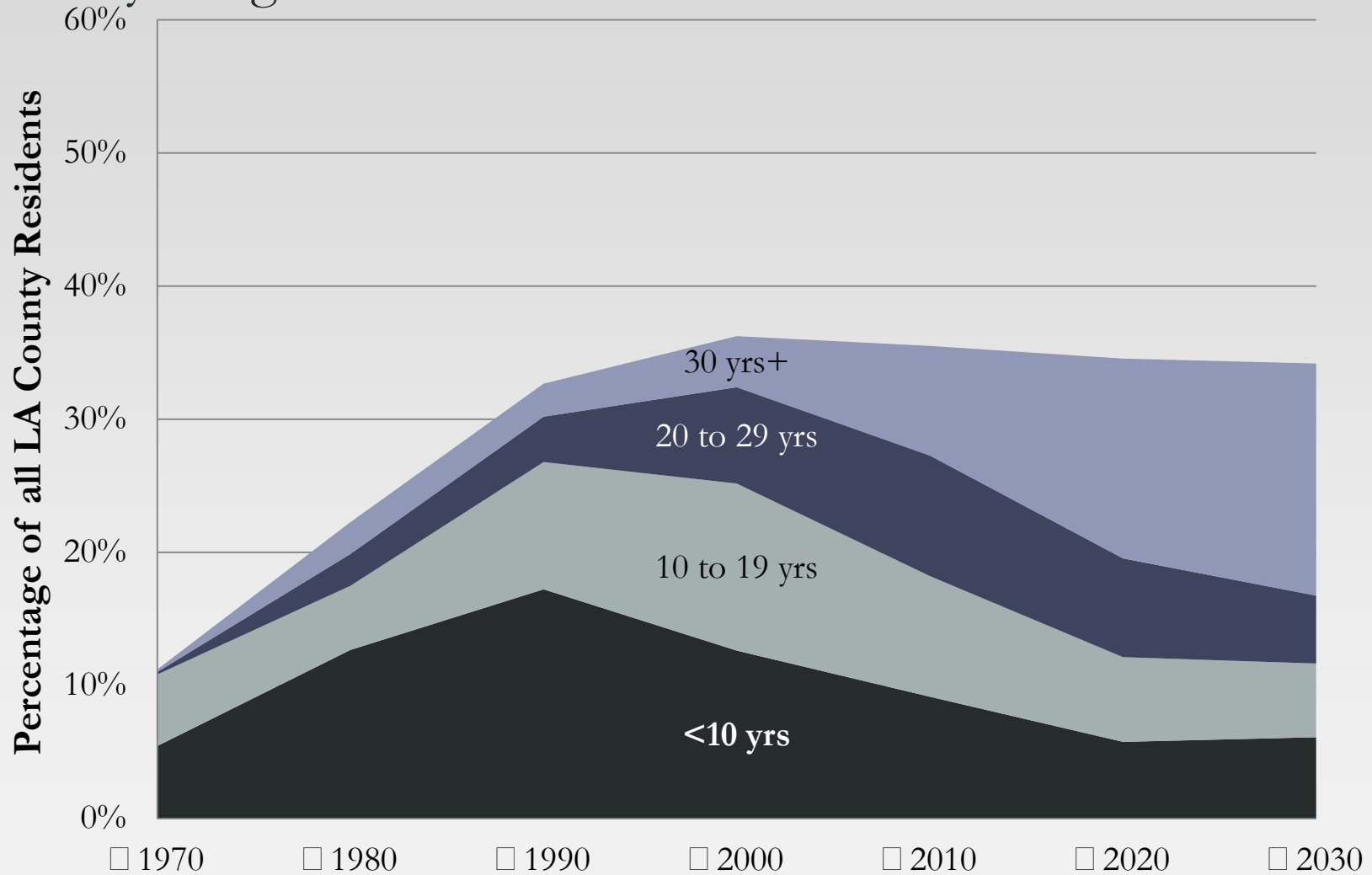
Leveling Off



Longer Settled Immigrant Share Rises

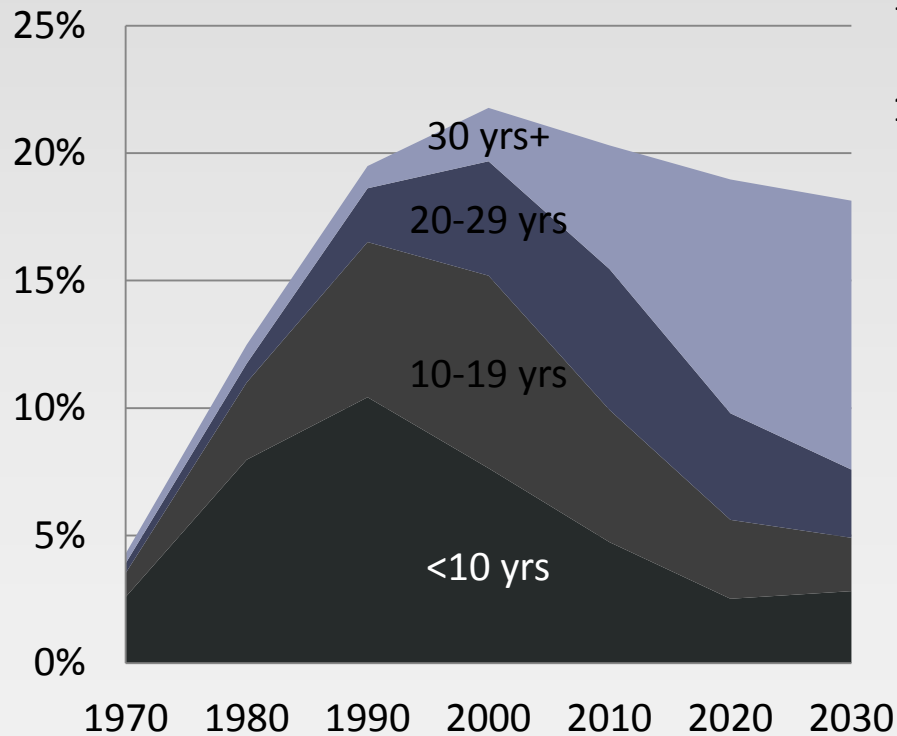
Foreign Born Share of All LA Residents

By Length of Time in U.S.

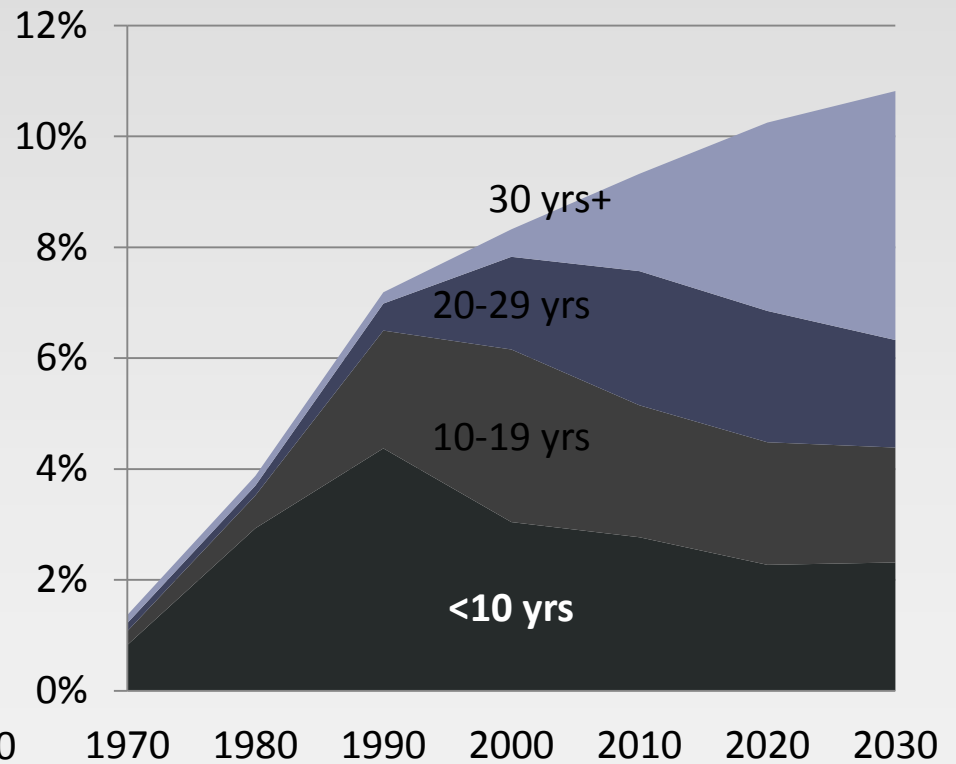


Immigrant Shares of Total LA Residents by Their Length of Time in U.S.

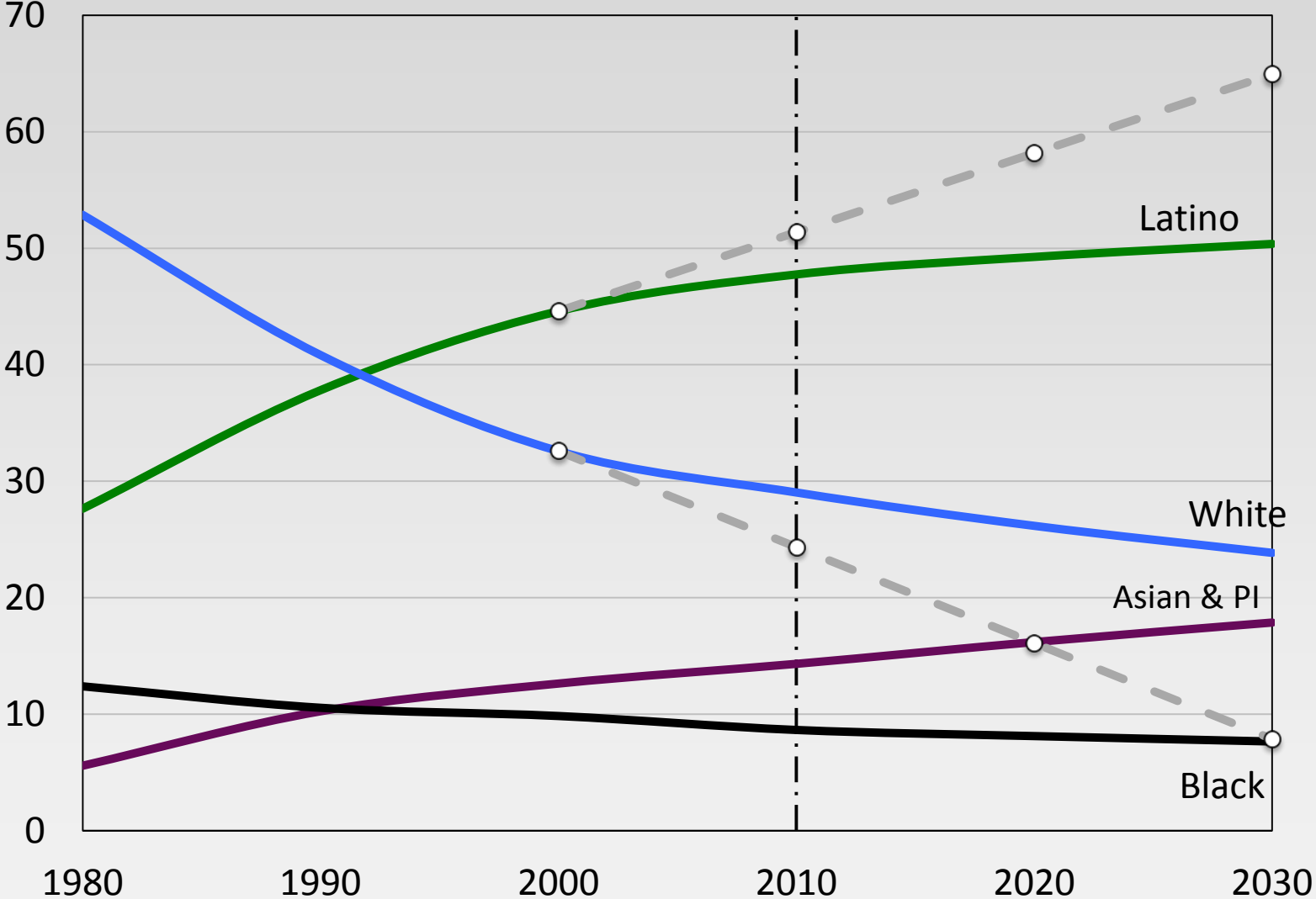
% Latinos of LA County Residents



% Asians of LA County Residents



Racial Change is Stabilizing

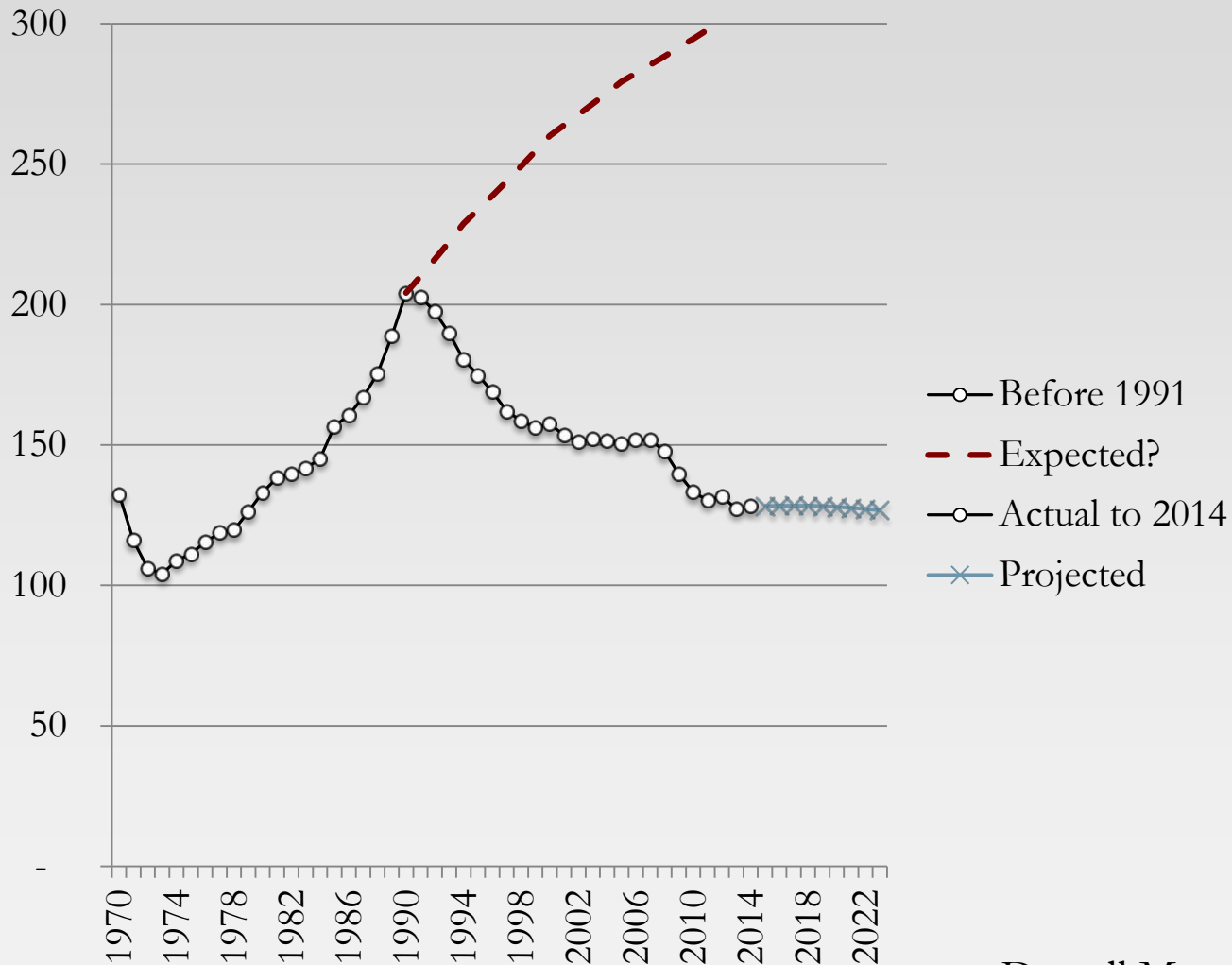


Generation Imbalance

Declining Numbers of Children
Surging Numbers of Retirees

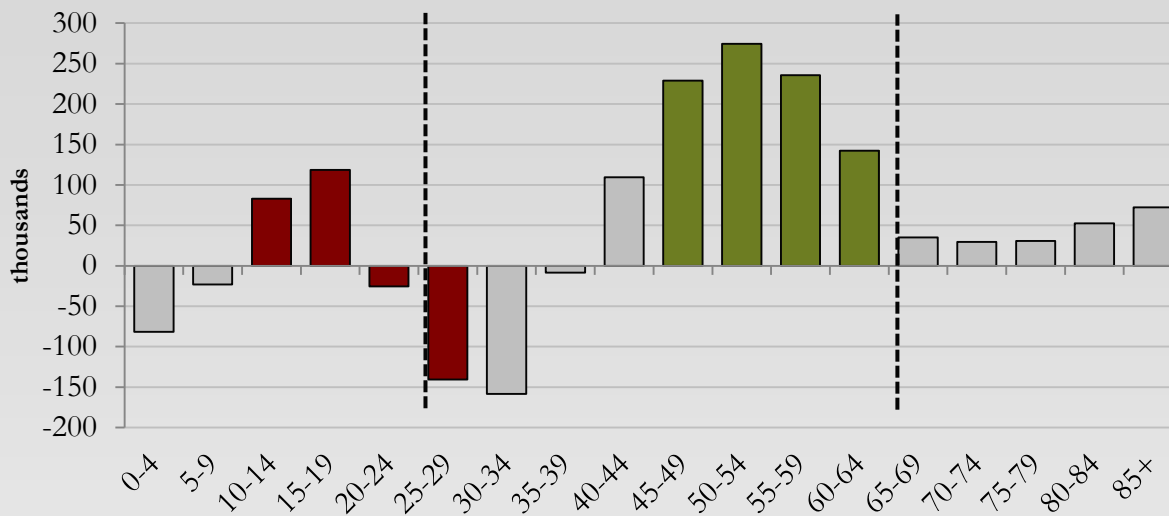
Annual Births in Los Angeles County

No Longer Trending as Once Expected

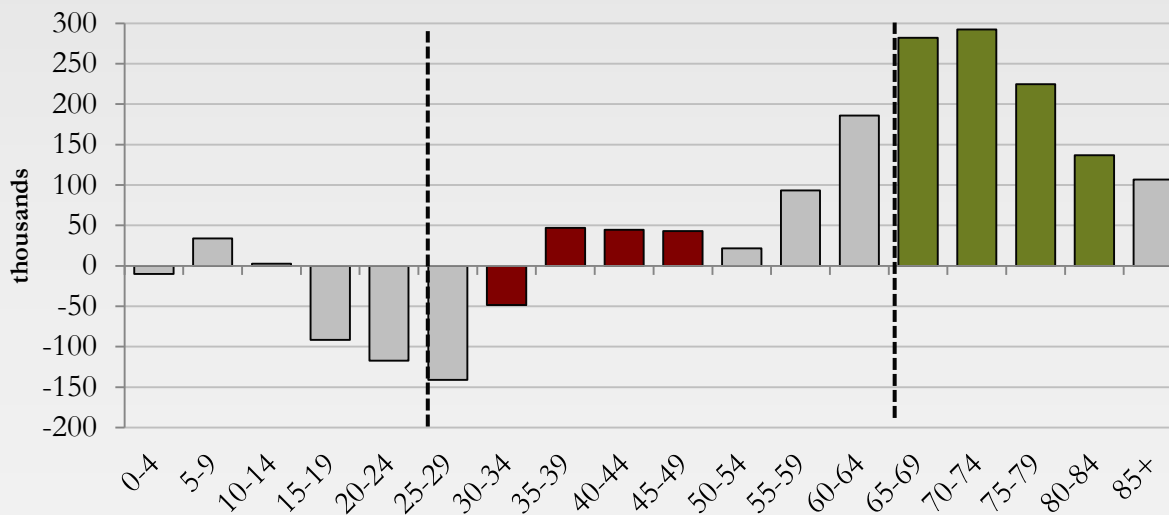


Growth of Age Groups in LA County, Then and Now

1990-2010

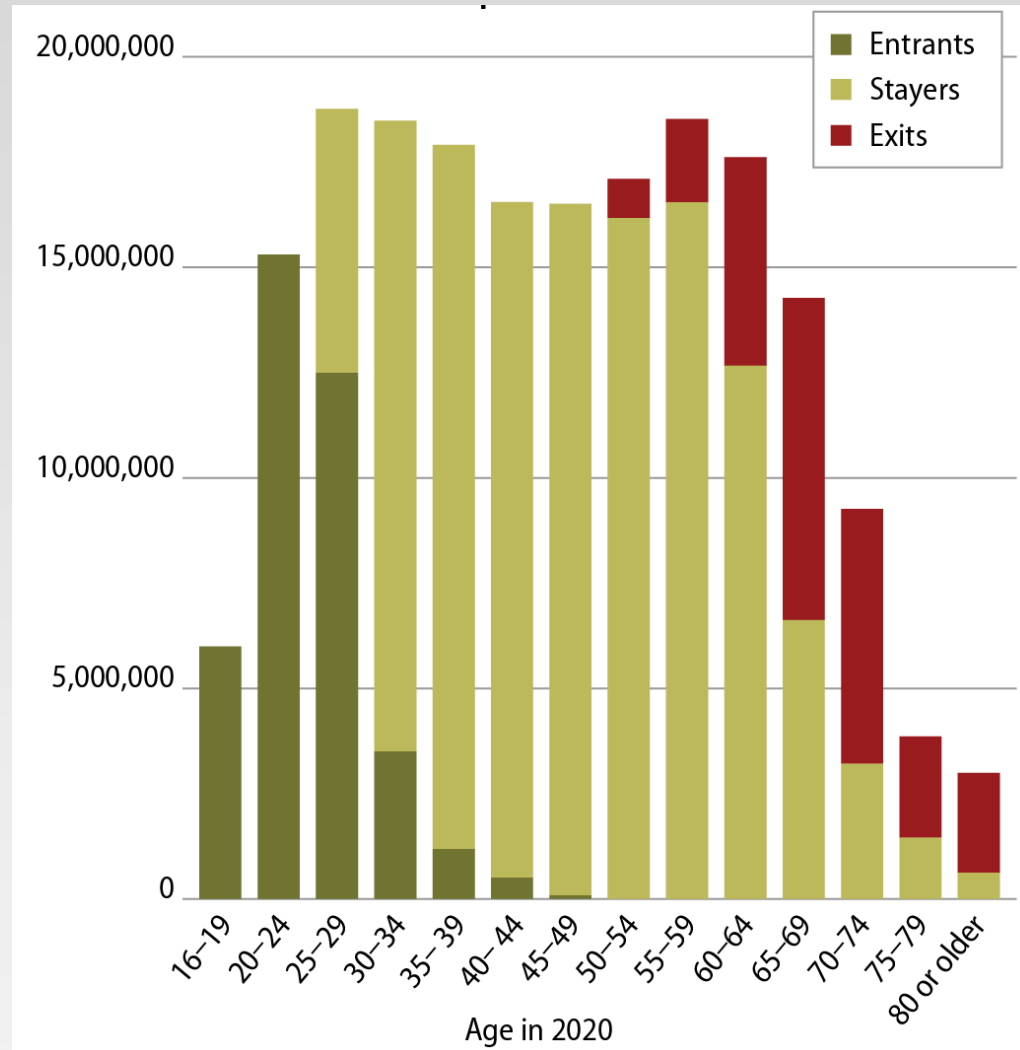


2010-2030

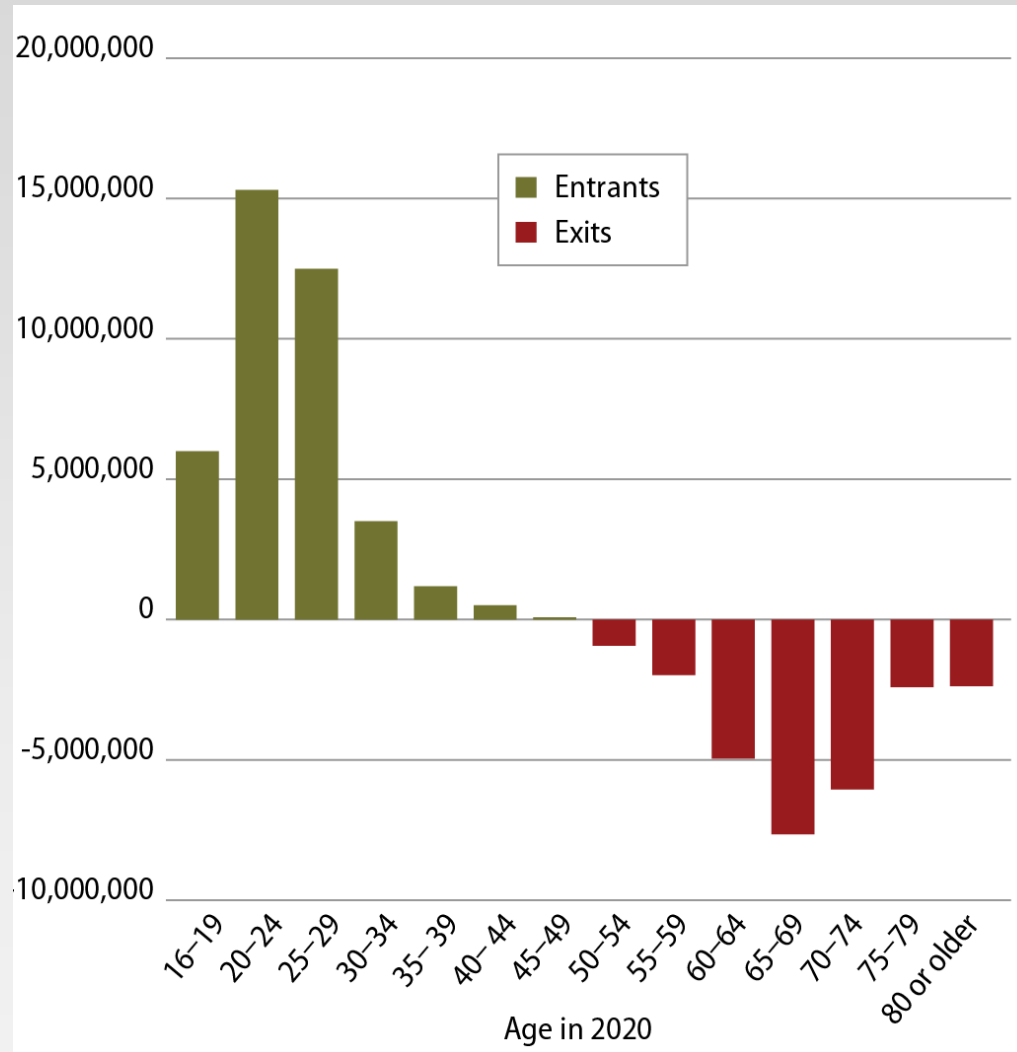


2010 and 2020 Workforce Compared for the U.S.

How aging out of workforce requires replacements who “age in”



Workforce Entrants & Exits from 2010 to 2020, U.S.

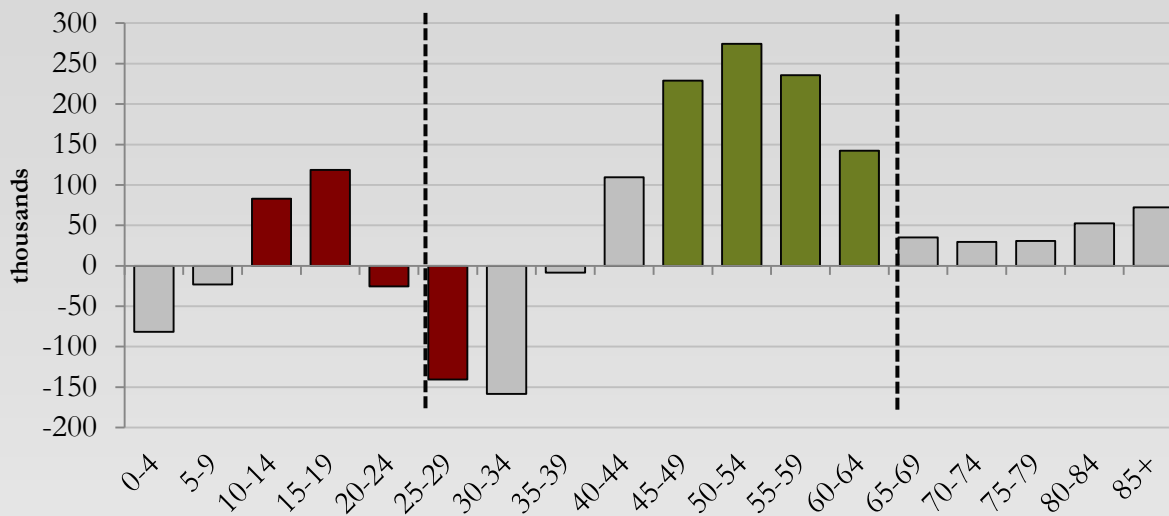


Source: Center for American Progress

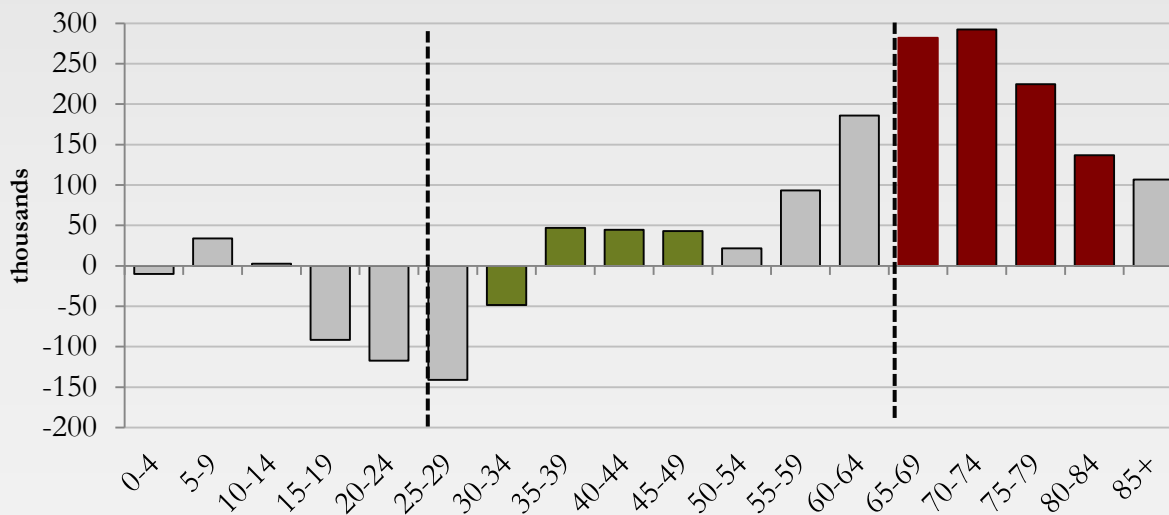
Myers / Levy / Pitkin

Growth of Age Groups in LA County, Then and Now

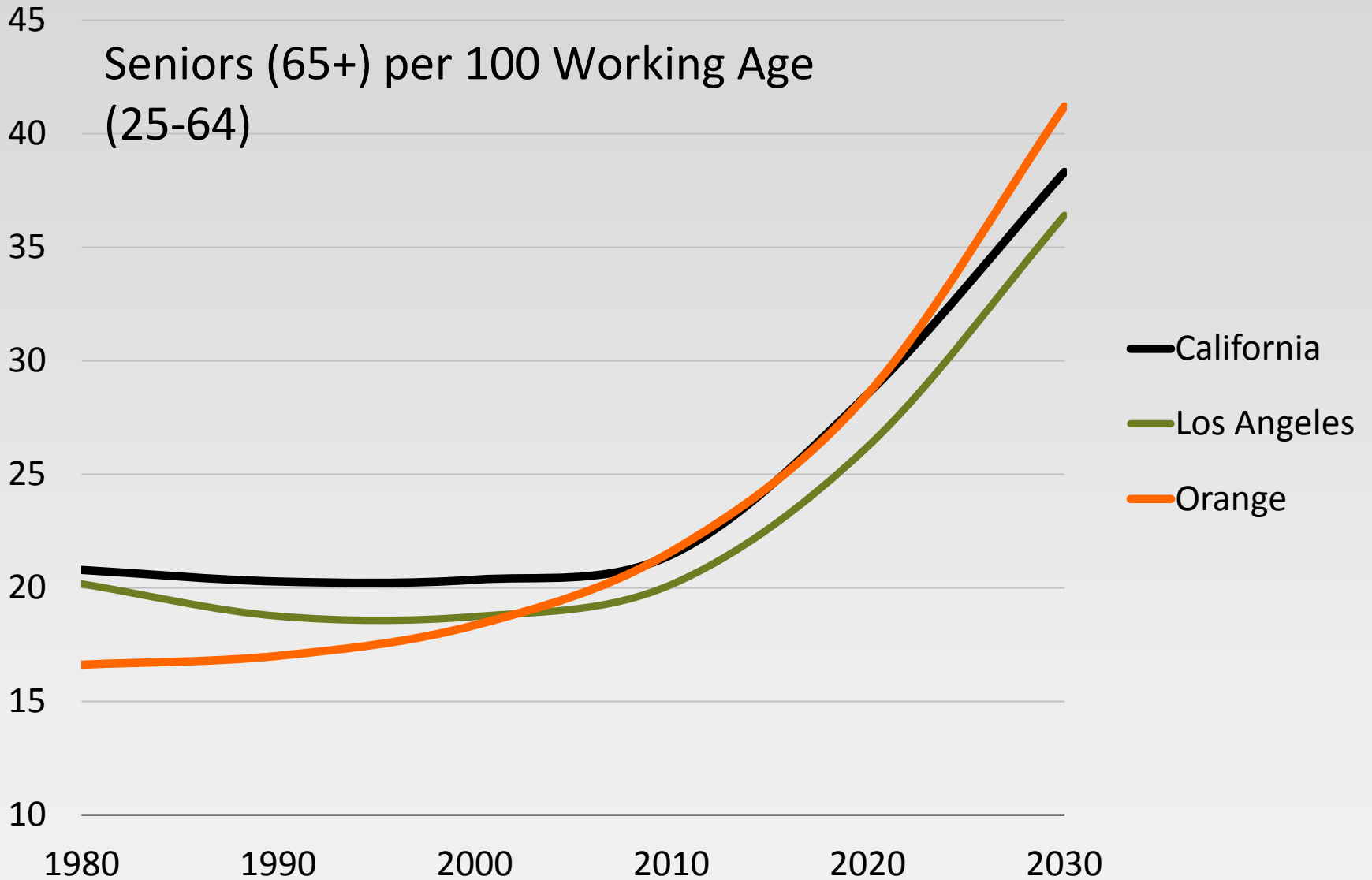
1990-2010



2010-2030



Senior Ratio Soars



Reversal of Outlooks

1990 Outlook

Too many children

A growing tax burden

Very few elderly

2010 and beyond

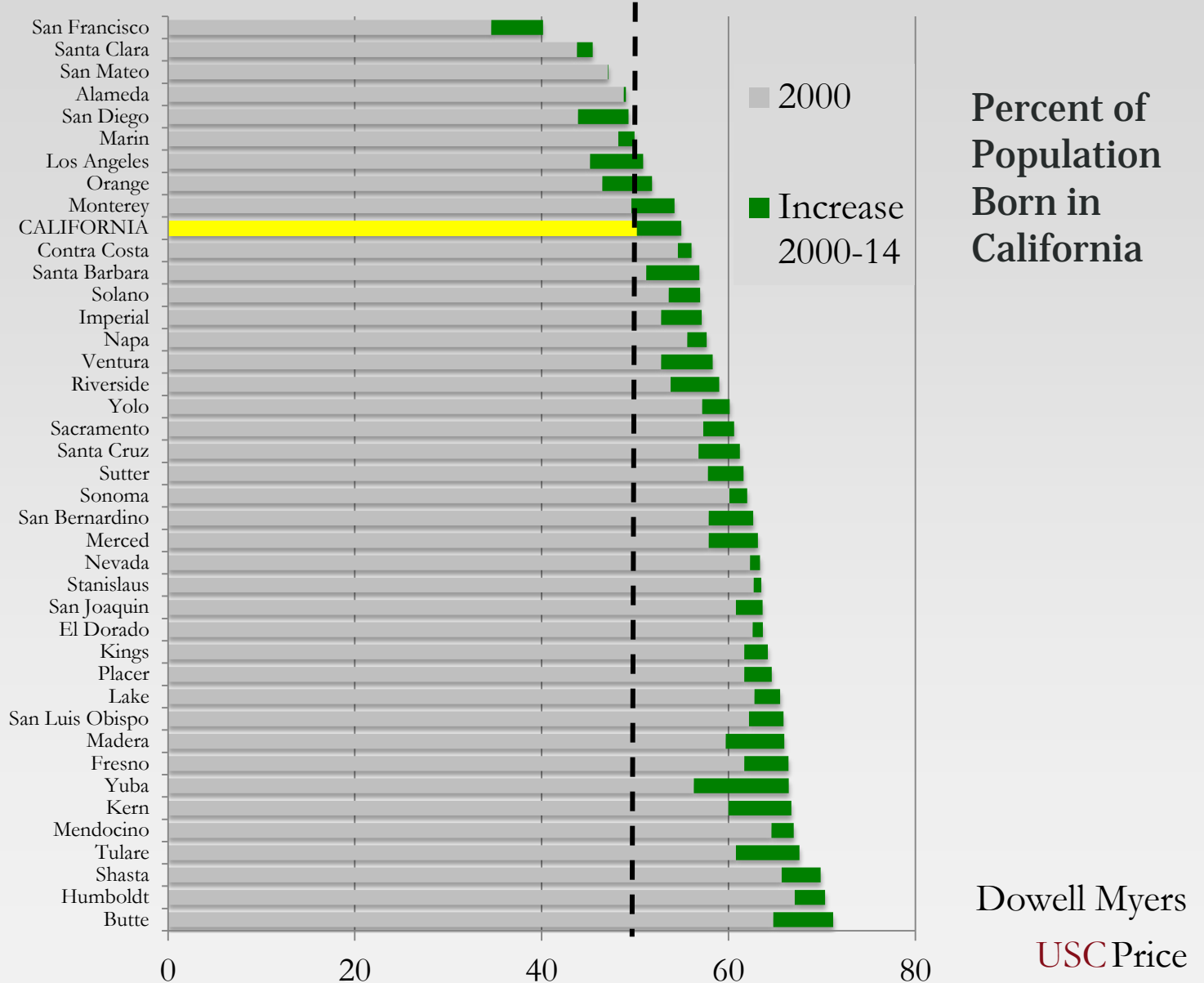
A shortage of children

Not enough taxpayers
Not enough workers
for the future

Baby Boomer tsunami
creates soaring senior ratio

The Homegrown Revolution

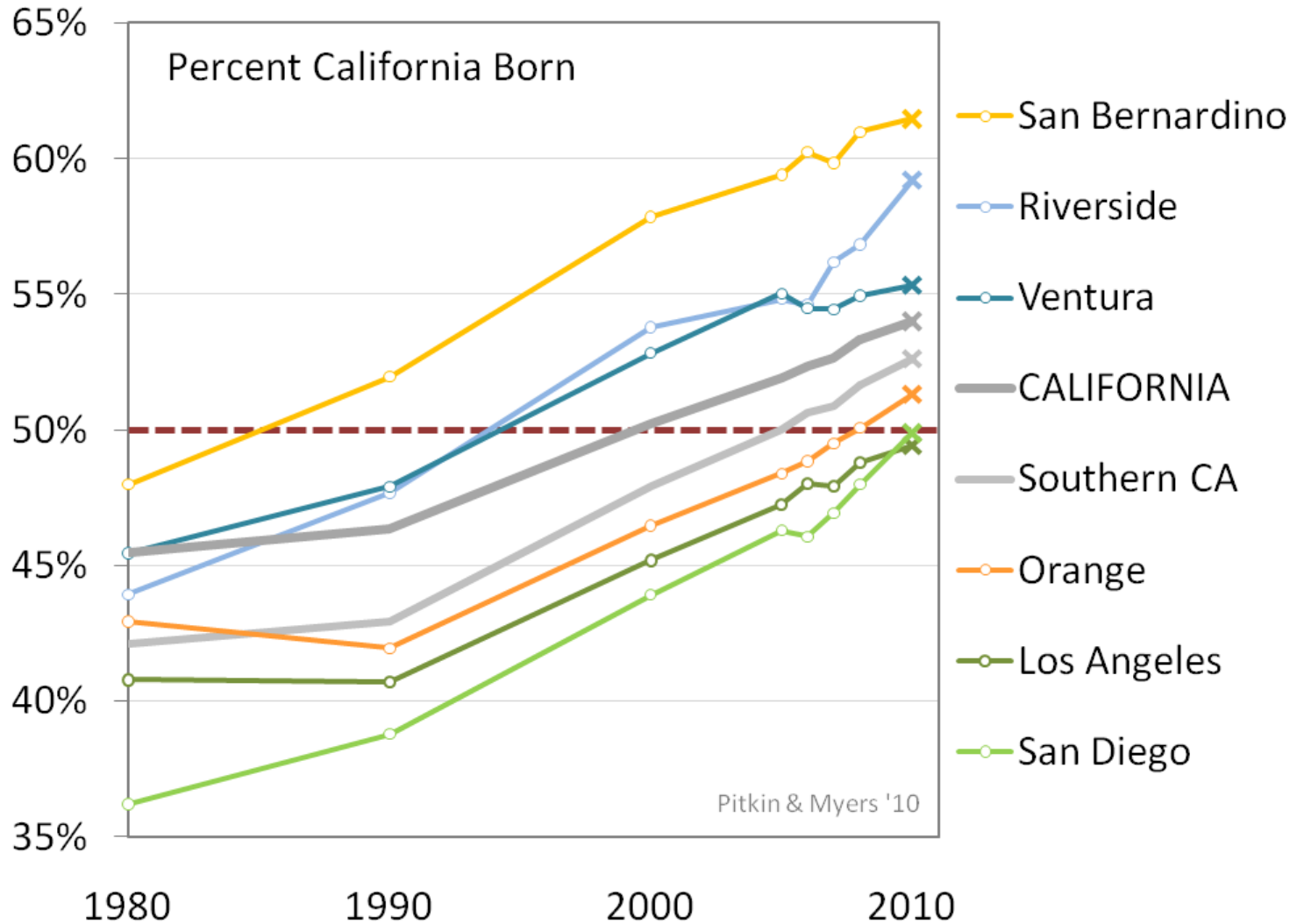
Rise of a Homegrown Majority, 2014



Dowell Myers

USC Price

Rise of a Homegrown Majority

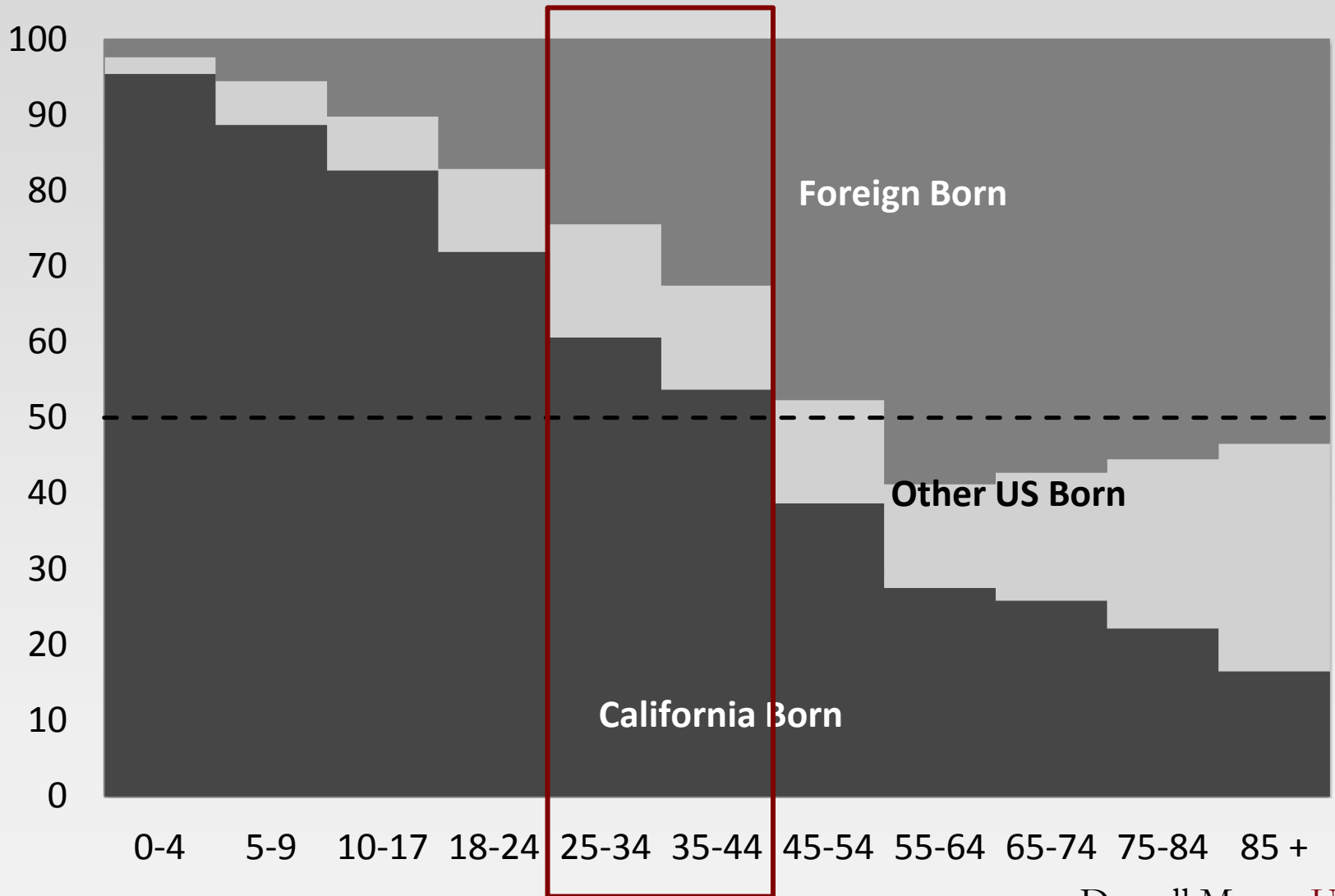


Source: Author's analysis of U.S. Census 1980-2000 and American Community Survey 2005-2008 data

Dowell Myers, USC Price

Birthplace of Young Compared to Old

LA Residents By Age and Birthplace, 2030

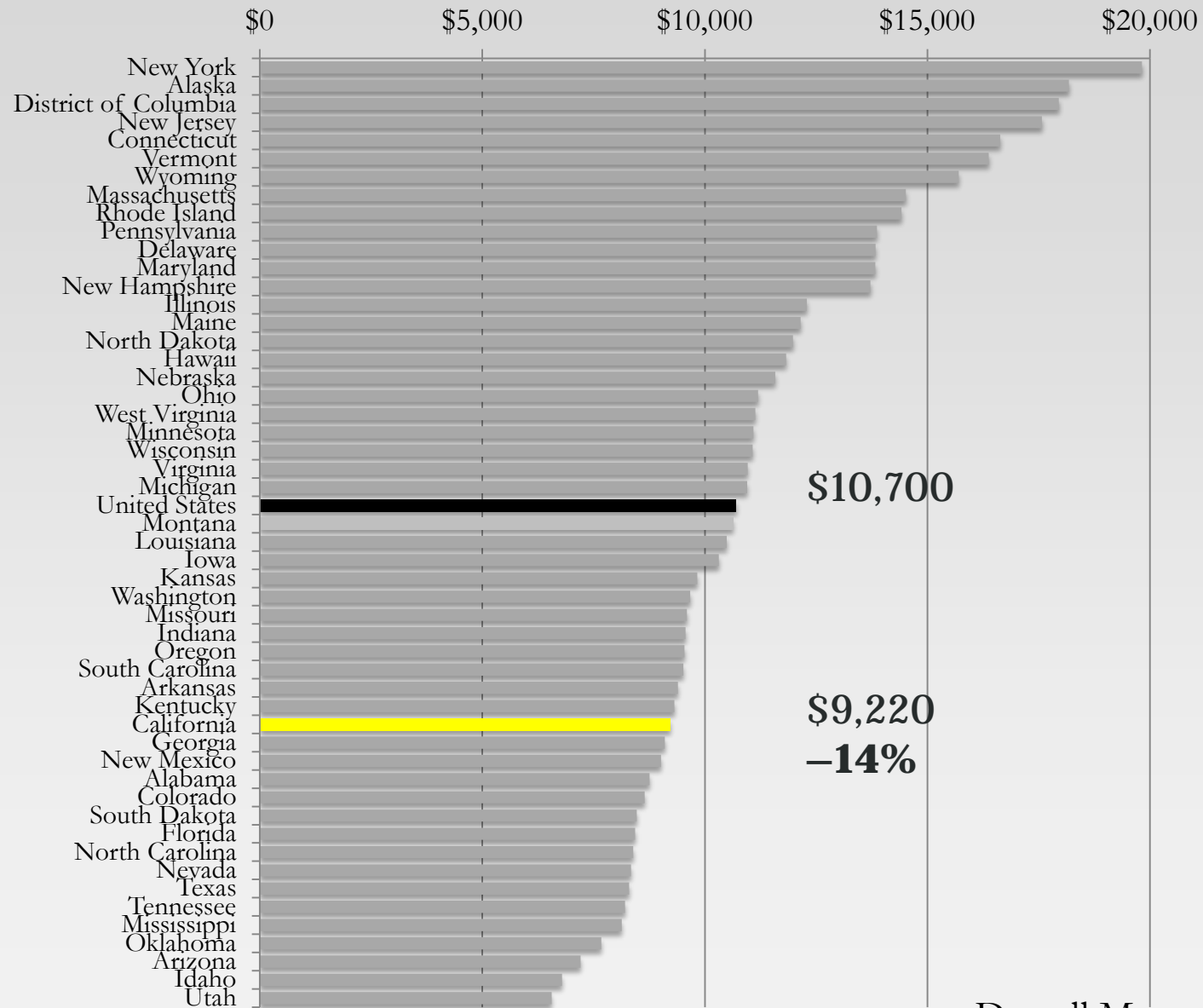


Now Dependent on Our Own

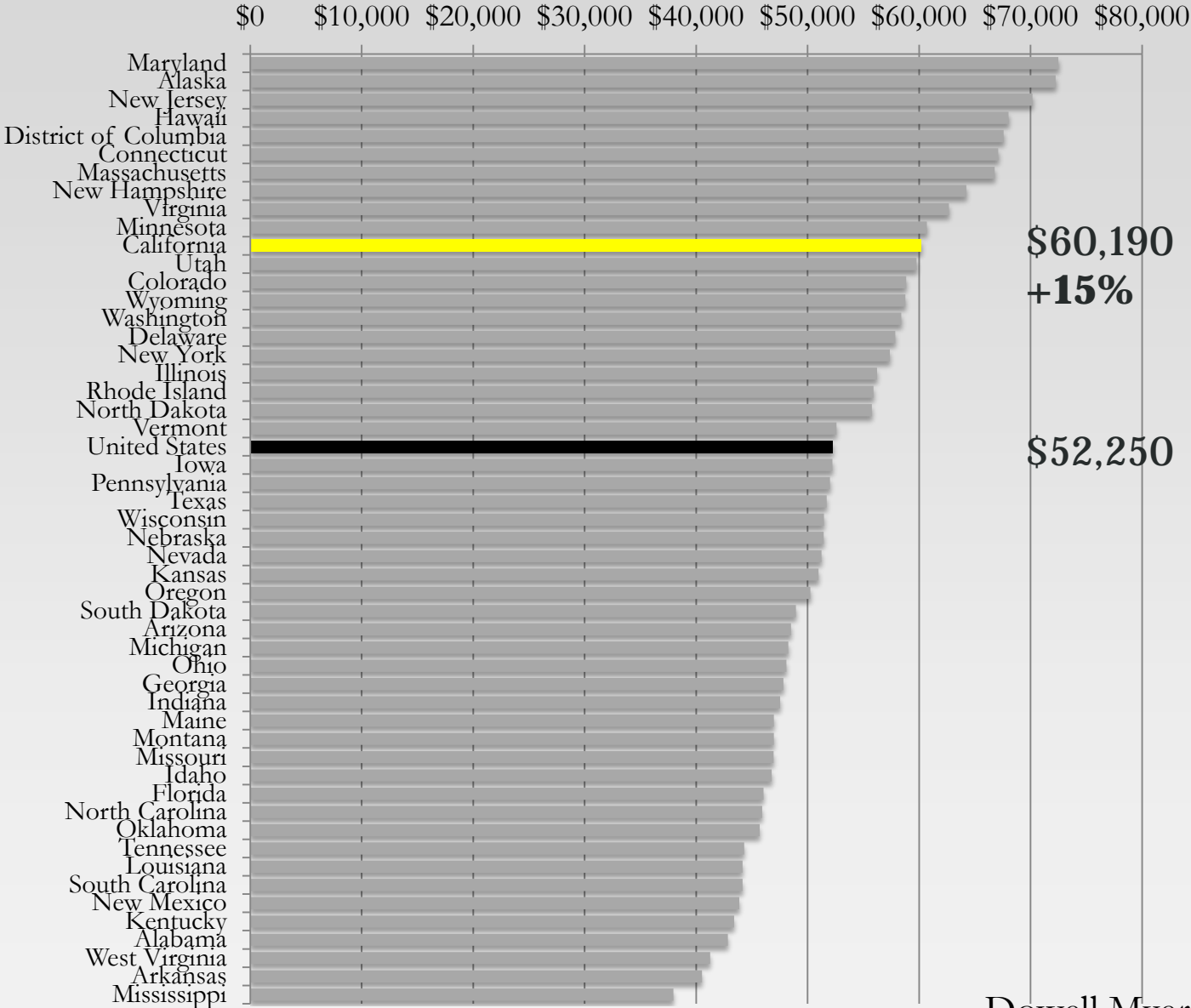
Good or Bad News?

How Does California Compare to Other States on Education Spending?

K-12 Spending per Pupil, by State (2013)



Median Household Income, by State (2013)



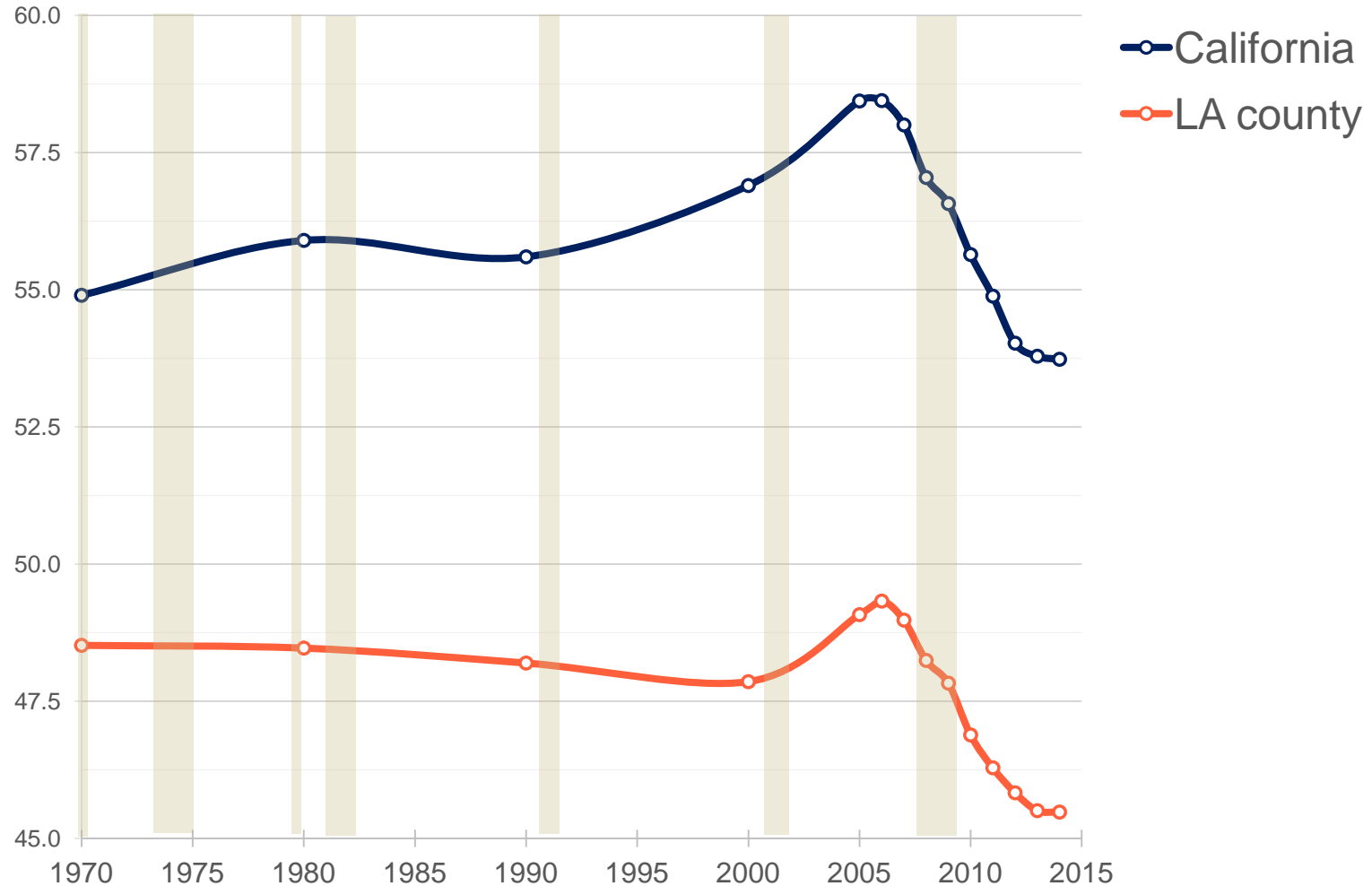
We could make this work better
if we thought it was important

The Housing Question of Millennials

**Are they a solid foundation for
the housing market?**

A Half Century of Homeownership Rates

Homeownership per 100 Households (%), 1970-2014

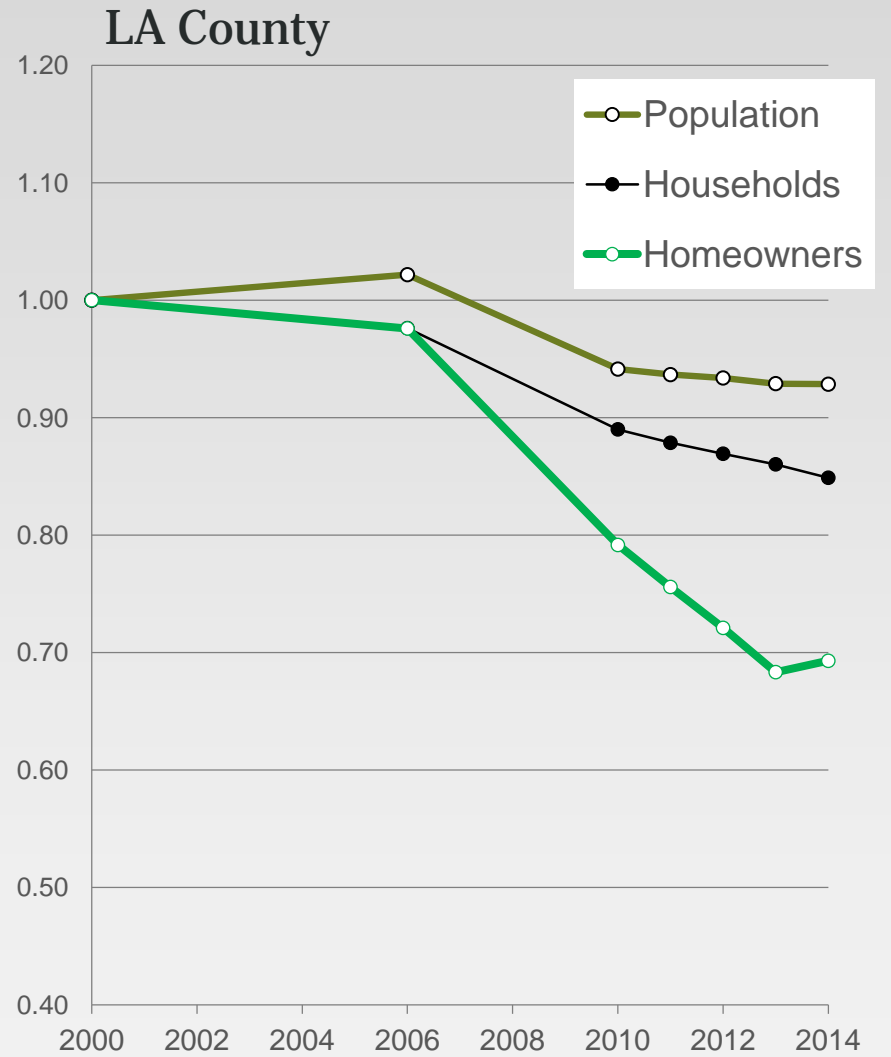
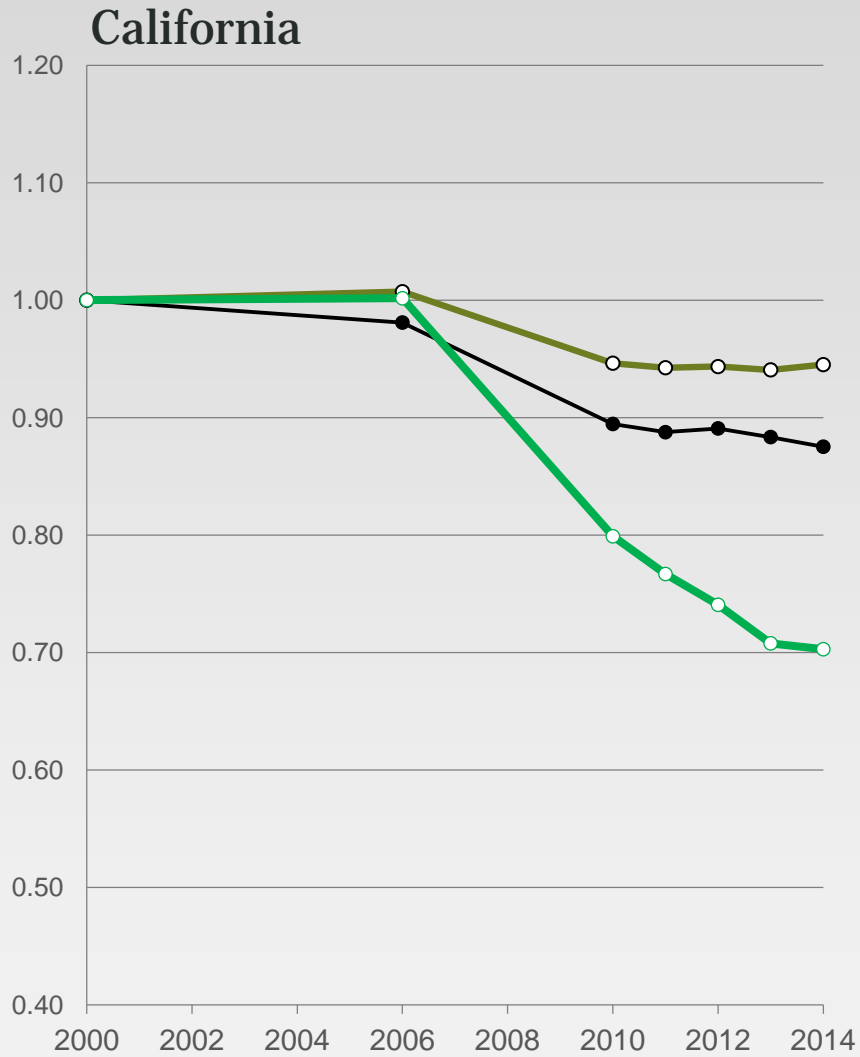


Note: Shaded areas indicate US recessions. Refer to 2015 research.stlouisfed.org.

Dowell Myers, USC Price

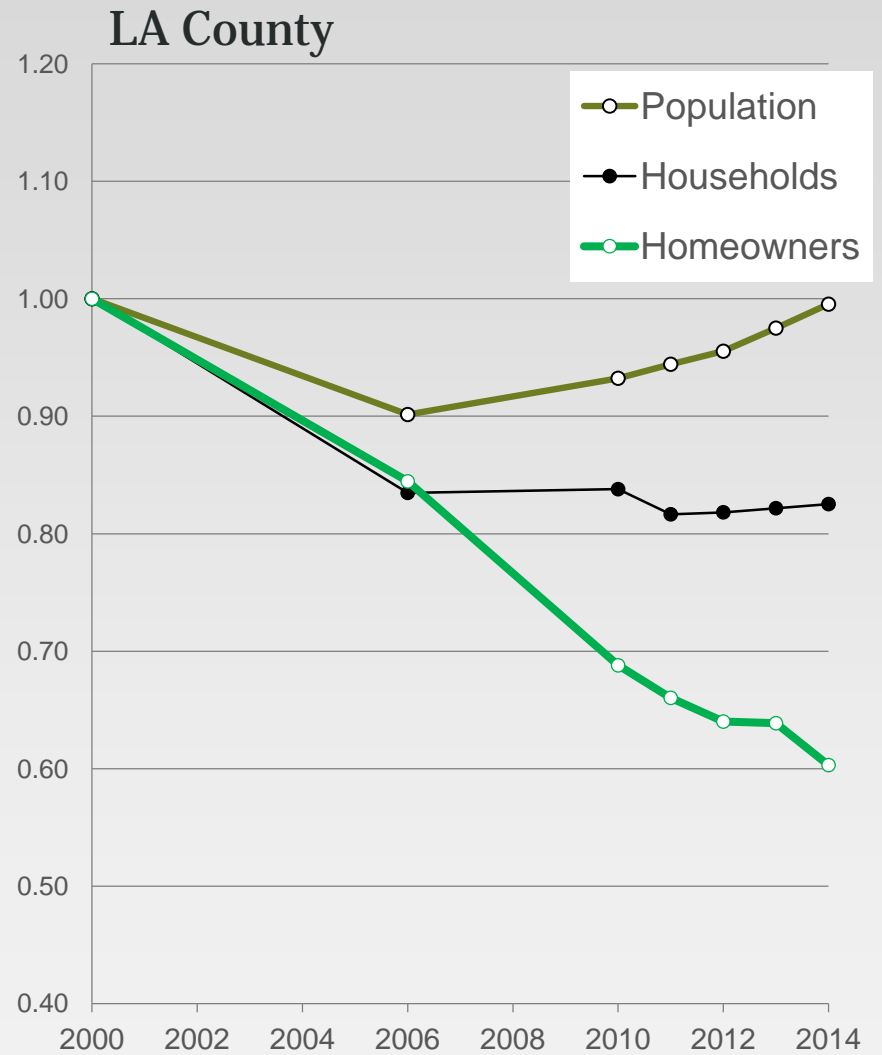
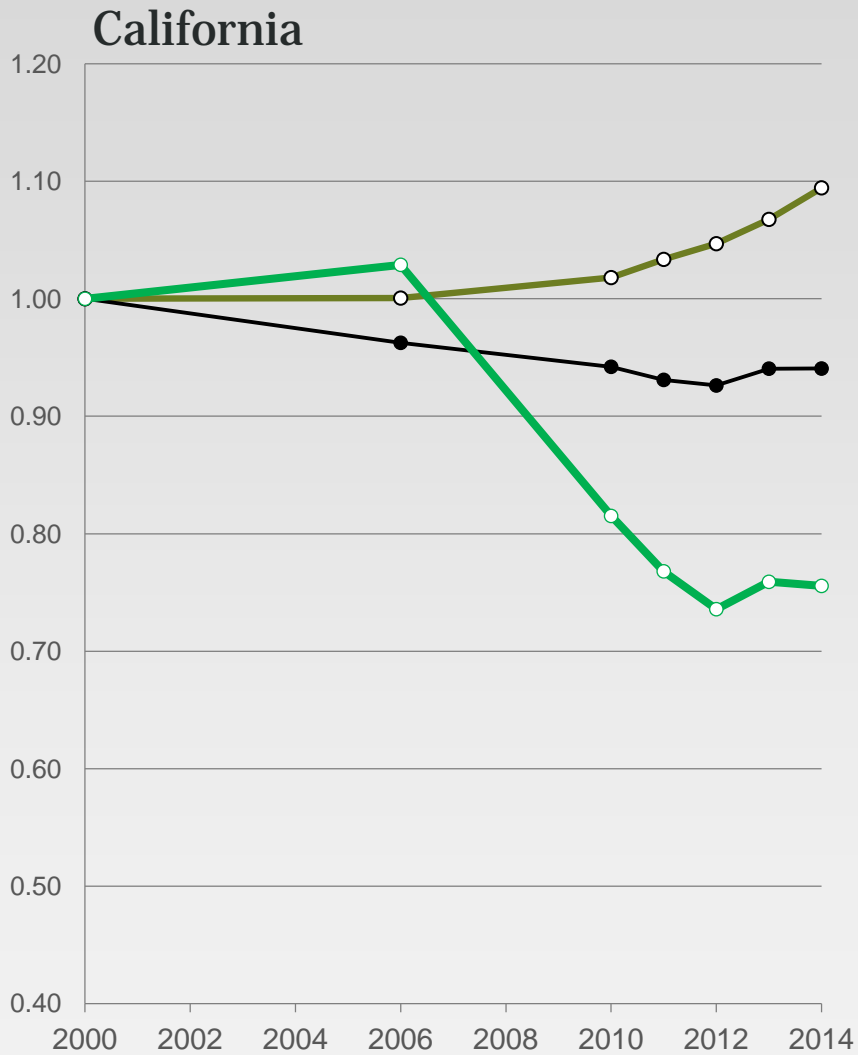
Ages 35-44

Aggregate Trend Ratio based on 2000



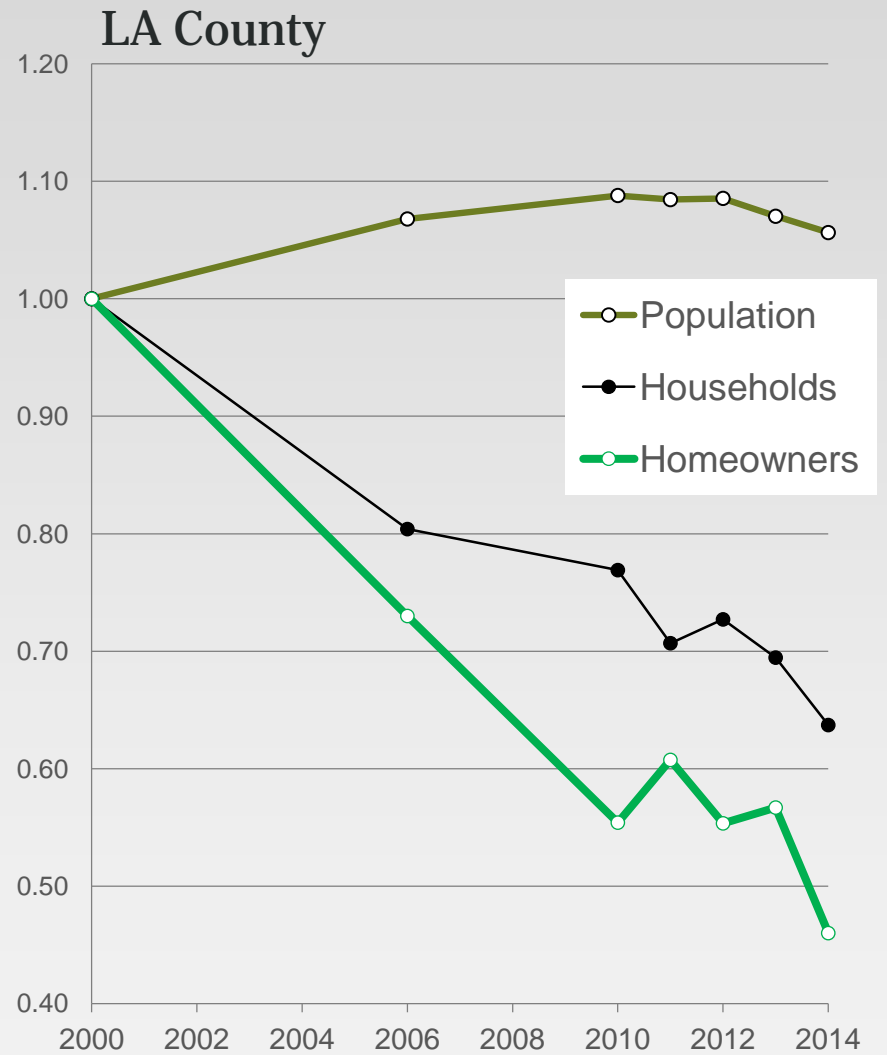
Ages 25-34

Aggregate Trend Ratio based on 2000



Ages 15-24

Aggregate Trend Ratio based on 2000

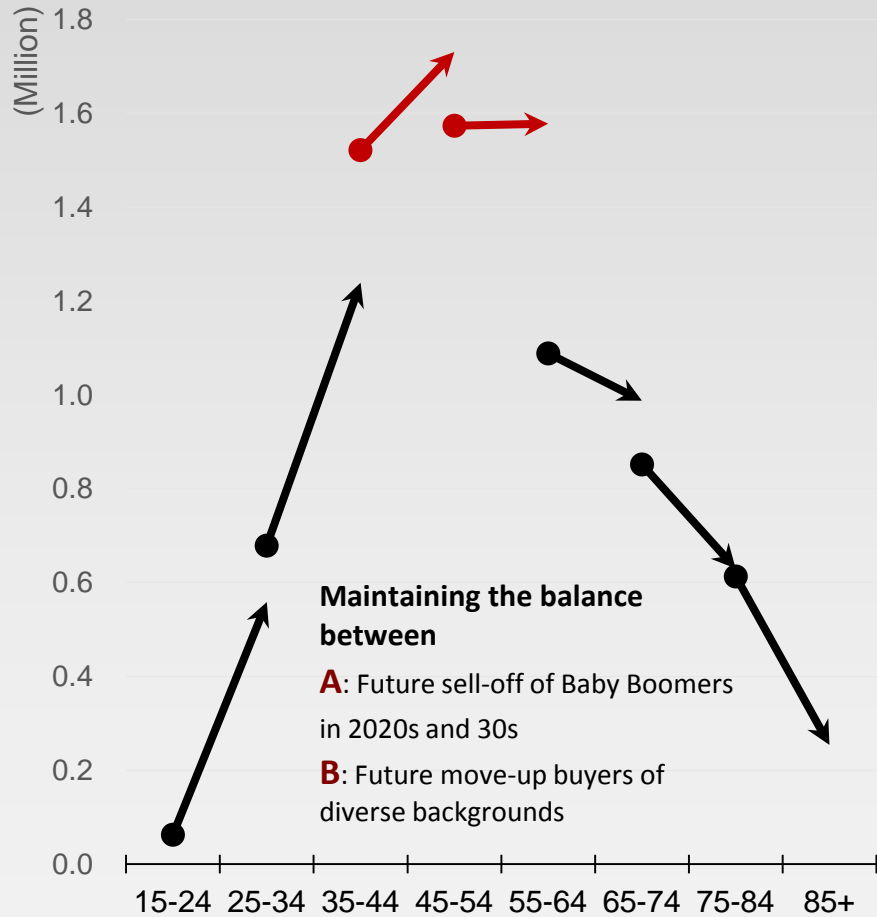


**Meanwhile Aging Baby Boomers are
Moving Along**

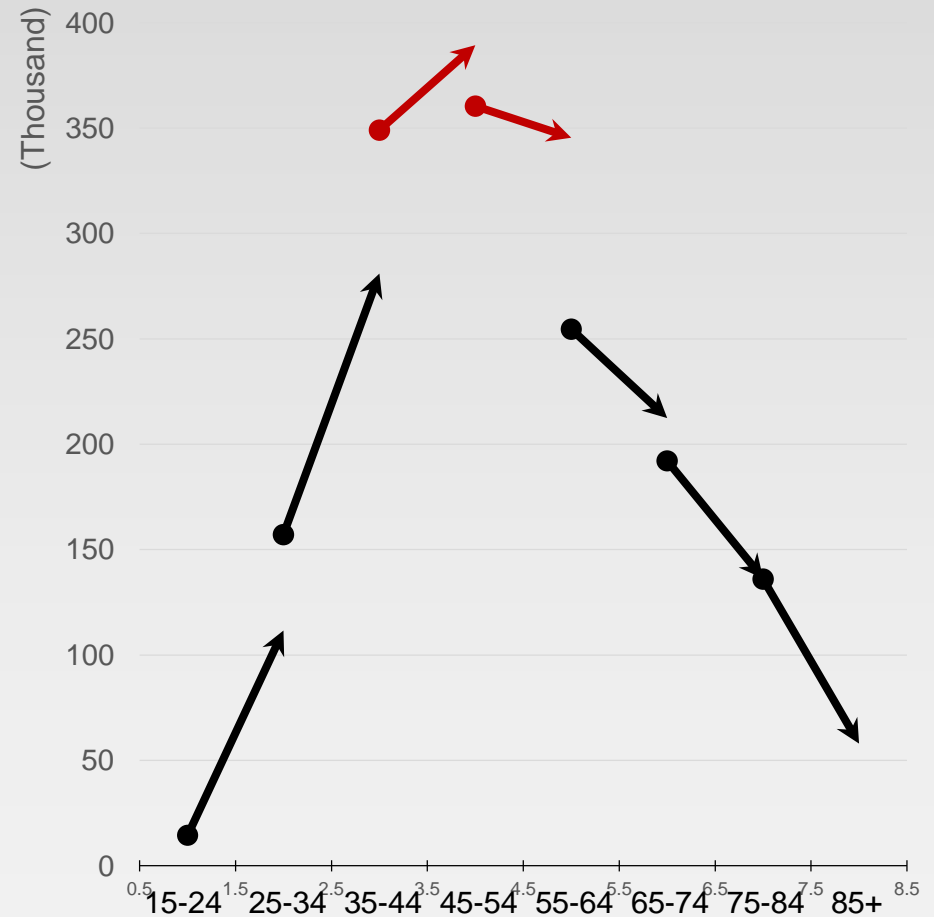
Number of Homeowners by Age, 2000 to 2010

Cohort Trajectories of Absolute Numbers (Baby Boomers in red)

California



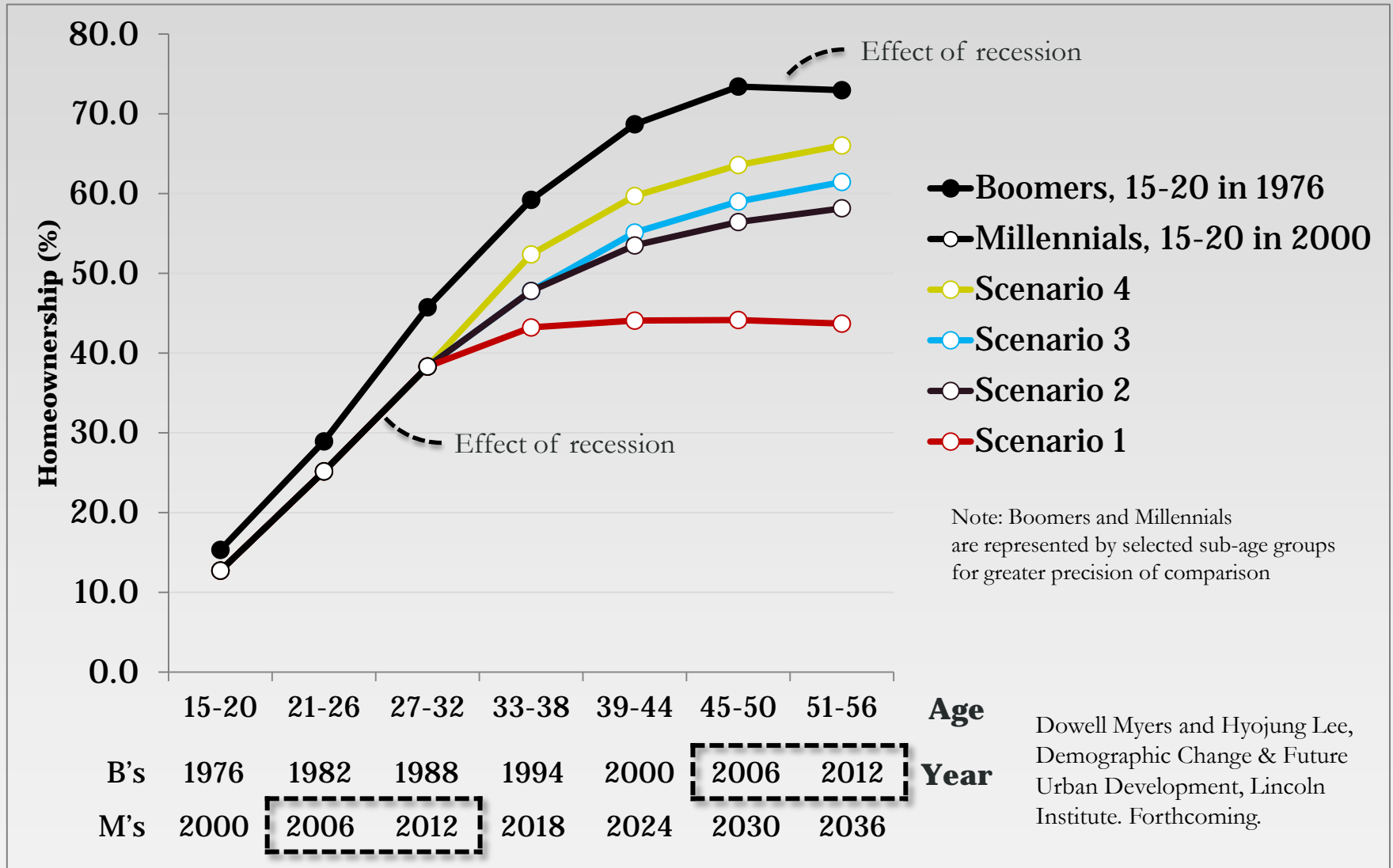
LA County



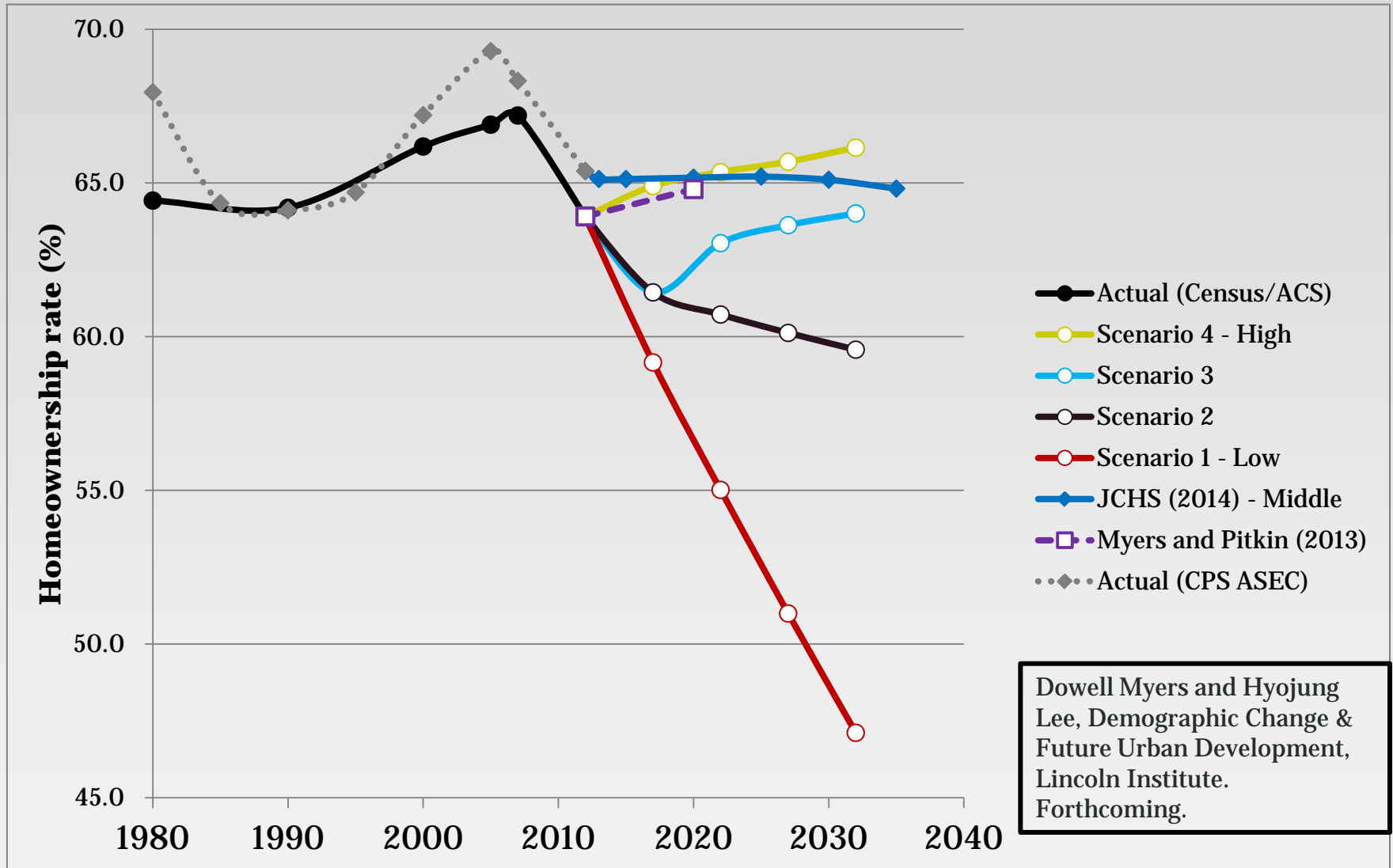
Source: Decennial Census; see Myers and Ryu, "Aging Baby Boomers and the Generational Housing Bubble"

Dowell Myers, USC Price

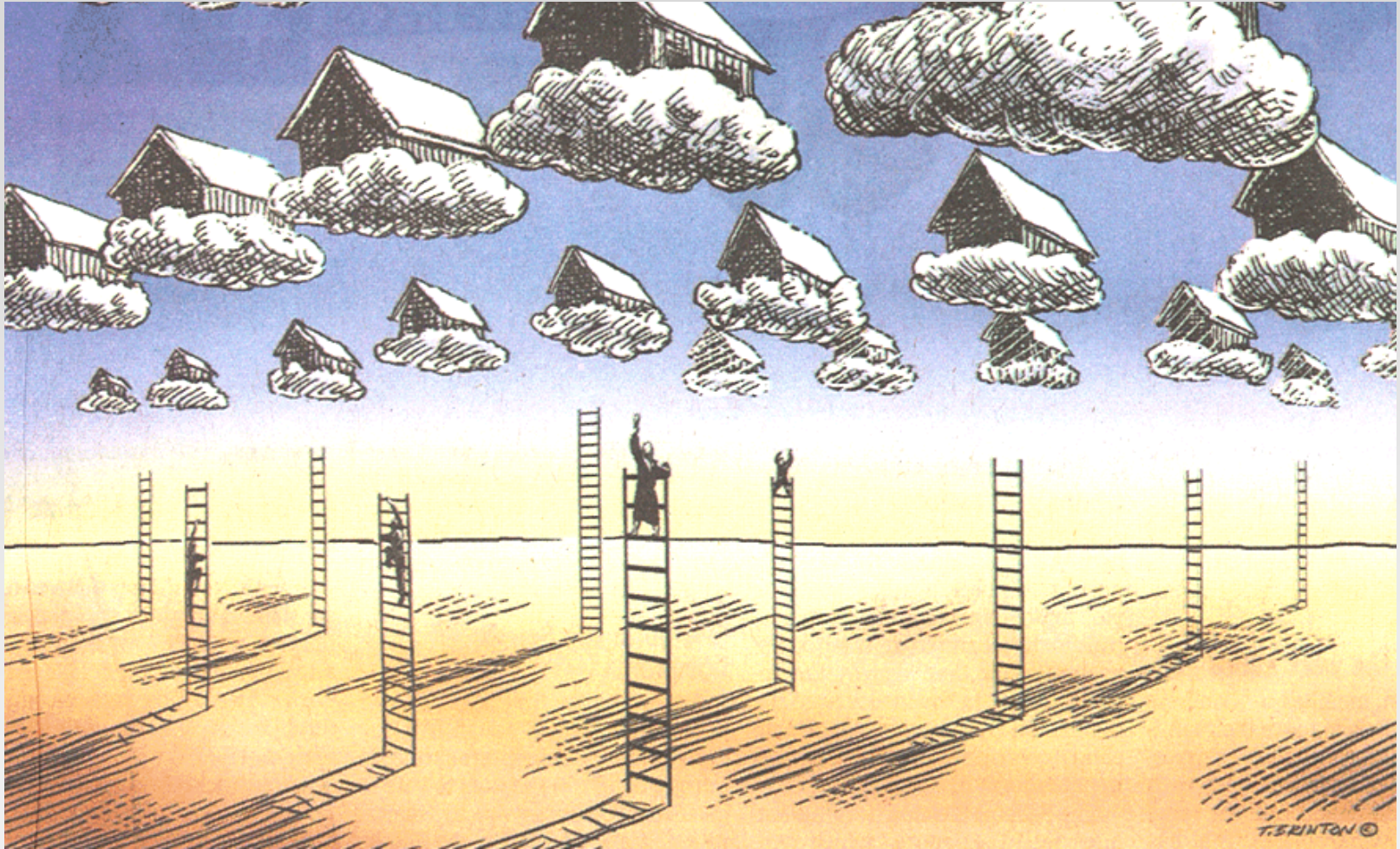
Comparison of Homeownership Rate Between the Boomers and the Millennials in the U.S.



Alternative Projections of Homeownership Rate 1980-2012 (actual), and 2012-2036 (projected)



Old Folks Need the Young to Make It

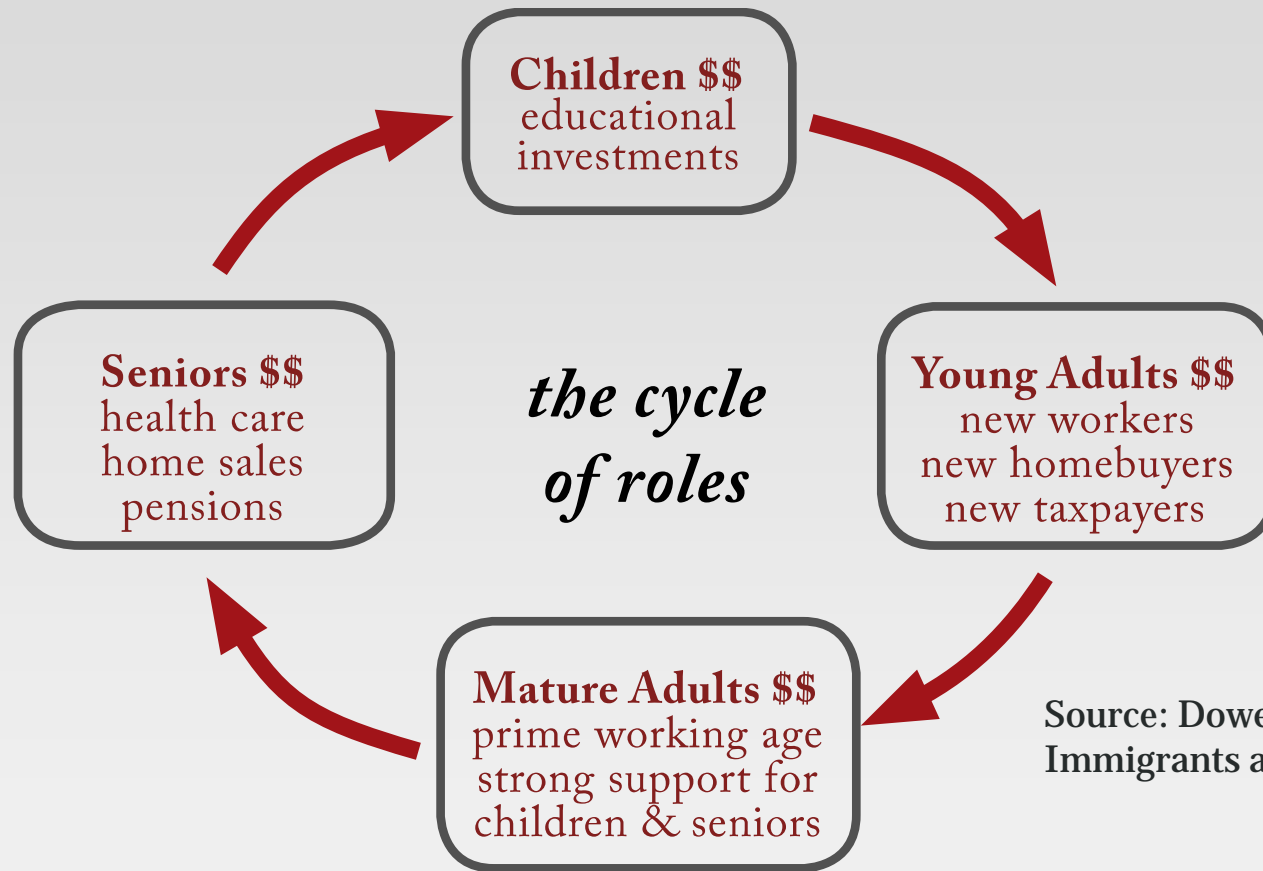


© Tim Brinton, 2011

Dowell Myers, "Housing market links older whites, young Latinos," *Sacramento Bee*, July 31, 2011

Dowell Myers, [USC Price](#)

The Intergenerational Partnership Rediscovered



Source: Dowell Myers,
Immigrants and Boomers

Conclusion

**Solutions for the housing problem
will go hand-in-hand
with solutions for
the workforce problem**

**The 21st century has arrived
and we can make it a good one!**

Thank you

**For more
Information on**

**Generational
futures**

**Visit USC
PopDynamics**

Dowell Myers