Demographic Information

California has long been a destination state for both domestic and international migrants. Growth due to migration, combined with natural increases (more births than deaths), has historically resulted in substantial population gains. California added more residents than any other state in every decade between 1920 and 2000. The phenomenal growth that occurred in California between 1980 and 1990 was the largest for any state in the history of the United States, both in additional residents (6.1 million) and in terms of the state’s share of US growth for a single decade; California accounted for 27.5 percent of total US population growth that decade. California also had the second largest numerical growth in a decade for any state in the country, when the state added 5.1 million people during the 1950’s. Between 2000 and 2010, California’s population growth slowed somewhat, but still added the second largest number of people, 3.4 million, behind Texas, which added 4.3 million.

The population growth in the United States also slowed between 2000 and 2010 compared to the previous decade, as demographic and economic issues contributed to slower growth rates. Although interstate migration does not affect the total US population, a national decline in interstate migration contributes to less growth in some states, including California. The reduction in interstate migration is especially noticeable among young adults between 18 and 34 years of age, who are traditionally the largest segment of interstate migrants. The decline in housing-related employment also had a ripple effect on domestic and international migration, affecting California and other states where reduced construction was most severe. The influence of some of these recent factors contributing to slower growth may already be waning, but other issues may be
more structural and long-term. The economic downturn has reversed, unemployment is gradually shrinking and employment is growing. These factors will reduce out-migration and increase net in-migration; however, declines in the “total fertility rate” (average births per woman) have led to fewer total births each year in California since 2007. Given the lower rates and the aging population structure in the United States and California, any future periods of rapid growth will likely depend on increases in migration. Nevertheless, California continues to experience overall population growth and maintains its potential for more growth relative to most other states in the coming years.

Part of California’s population growth is connected to its location. The state not only has a common border with Mexico, but shares space on the Pacific Rim with several countries which have been key in California’s historical development and continue as a source of immigration. Immigration contributes to California’s racial and cultural diversity and will help infuse the labor force as baby-boomers retire.

**Population Forecast**

There were an estimated 37.8 million people residing in California as of mid-2012. California continues to experience a moderate growth rate, adding 0.7 percent in the last fiscal year. During the year, the United States also added 0.7 percent to the population. Half of all states grew 0.6 percent or less, with nine either losing population or growing by less than 0.2 percent. Although the rate of growth was not large in comparison with California’s historical rates, the state experienced the second largest total population increase of any state in the nation:

- The estimate of the population on July 1, 2012 is 37,826,000.
- The population is projected to be 38,118,000 by July 2013 and 38,452,000 by July 2014, reflecting short-term growth rates of 0.8 percent in 2013 and 0.9 percent in 2014.

The forecast assumes that through the next five years, the state will grow at a slightly higher rate than over the last few years, averaging 340,000 residents annually through 2017. Natural increase will account for most of the growth during this time. Net migration (people moving to California from other states and countries, less those moving out) is projected to gradually increase as economic conditions continue to improve. By July 2017, California will have added 1.7 million people and have a population of over 39.5 million, a five-year growth rate of 4.5 percent.
Figure DEM-01 displays the projected annual growth rates through 2017.

As the state’s growth patterns change, the age and race distribution of California’s population continue to transform. It is projected that in July 2013, the non-Hispanic White and the Hispanic population will each represent 39 percent of California’s population. Later in the fiscal year, for the first time since California became a state, the Hispanic population will become the largest group in California. This shift is due primarily to variations in demographic patterns, including fertility, age structure, and migration. In July 2013, of the non-Hispanic White population, 43 percent will be at least 50 years of age, while 19 percent of Hispanics will be 50 or older.

Figure DEM-02 shows the racial/ethnic composition in California in 2013.
Population growth rates vary significantly by age group. The state’s projected total five-year growth rate of 4.5 percent is lower than the anticipated 6.2 percent growth in the preschool-age group. The school-age group will decline by 0.9 percent, and the college-age group will increase by 0.2 percent. The working-age population will grow by 700,000 or 3.6 percent. The population of the retirement-age group, those 65 and older, will expand rapidly (19.3 percent). The retirement-age growth will be concentrated in the 65 through 74 year olds, with a growth rate of 27 percent.

Figure DEM-03 shows the projected cumulative growth by age group through 2017.

**California’s Demographic and Economic Futures Are Linked**

The United States is beginning to undergo some of the most dramatic demographic changes since the nation was founded. Increasing life expectancies and declining birth rates are changing the age structure of the population. Growth patterns and aging will vary by race and ethnicity. Immigration and the somewhat higher birth rates of
immigrants will prevent a declining population, but will not stop the effect of the aging of the baby-boomers. As baby-boomers entered schools and then the workforce, society adapted to their requirements and boomers helped frame the current workforce and culture. Further adaptations will be necessary to accommodate an increasingly large number of retirees.

The demographic shifts California is experiencing are significant and part of the demographic evolution of the United States. As the primary gateway to the United States, California enjoys a younger population than most states. In 2010, only five states had a lower percentage of the population who were at least 65 years old. Despite this relative youth, California’s first baby-boomers turned 65 in 2011 and the state is growing older. The age structure of the workforce has aged along with the baby-boomers.

California is still the agricultural capital of the United States, but agricultural employment is a smaller part of California’s occupational picture than 50 years ago. Manufacturing is a vital part of California, but many manufacturing jobs require far more training because of technological innovations. The economy and demography in California are linked and sustaining economic progress will require that all components of the workforce be prepared for the jobs that will drive California’s economic future.
As a substantial proportion of Californians enter their retirement years, baby-boomers will benefit from medical research and training of the younger population. The future age distribution will not be evenly split between races or those of Hispanic origin. One of the positive attributes of California’s cultural diversity is that not everyone gets old at once. That also means the workplace will change, as many in the non-Hispanic White population retire, they will be replaced by a more diverse workforce. For California to continue its role as the gateway to America and to continue to attract migrants seeking a better future, California policies must maintain leadership in developing employment and educational opportunities.