Growth Trends in the Sacramento Region
Jobs, Population and Households
1950-2050

October 18th, 2002

Center for Continuing Study of the California Economy
(CCSCE)
DB Consulting
What We Will Do Today

- DESCRIBE the Expected Growth of the Sacramento Region
- EXAMINE the Impact of Expected Growth on Land Use Assuming Current Land-Use Trends Continue
- BEGIN a Process of Discussion About Regional Growth Choices
Major Sacramento Region Trends to 2050

- Substantial Future Growth – 1 Million Jobs, 1.7 Million Residents, 800,000 Households
- The Pace of Growth Will Slow Compared to the Past Fifty Years
- For the Next Thirty Years, a Large Share of Population and Household Growth Will Come From Residents Aged 55 and Over
- Average Household Size Will Fall
National Economic and Demographic Trends

• The U.S. Will Add 150 Million Residents and 70 Million Jobs by 2050
• Immigration Will Account for a Larger Share of Population Growth
• Population 55+ Will Expand Rapidly as Baby Boomers Age
• Labor Force Growth Will Slow After 2010, Even as More Workers Postpone Retirement
• Productivity Gains Will Boost Real Incomes and the Standard of Living
The Power of Rising Income and Opportunity

Over the Past 40 Years in the Nation

- Real Per Capita Income Rose by 227% (2%/Yr)
- The National Poverty Rate Fell From 22% to 12%
- Poverty for Seniors Fell From 35% to 10%
- Poverty for Children Fell From 27% to 16%
Points to Think About

• California’s Population Has More Than Tripled Since 1950 and Air Quality is Better in Most Regions

• Between 1950 and 2000 Population in the Sacramento Region Grew More Than 800%. In the Next 50 Years, Population Growth Will be Less than 100%

• In the Next Fifty Years, the Number of Children in the Region Will Grow by 42%. Between 1950 and 1960, the Number of Children in California Doubled

• People Can Change Their Behavior in Response to Clear Evidence. Consider Smoking and Cancer
World Population Growth Trends

Growth Rate

- 1963: 2.19%
- 2001: 1.20%
- 2050: 0.43%

Growth (Millions)

- 1986: 87
- 2001: 74
- 2050: 39

Balancing the Region's Needs
California’s Share Of National Growth — Key Determinants

- Which Industries are Growing?
- California Competitive Position by Industry
- Economic Base Industries Critical to Job Growth Rate
California Share of U.S. Jobs

- 7.2% in 1950
- 11.6% in 1990
- 10.9% in 1995
- 11.3% in 2000
- 12.5% in 2030
- 12.7% in 2050

Data from Regional Forum 2002
Sacramento Region Share of CA Job Growth—Key Determinants

- Which Industries are Growing?
  - Sacramento Region Competitive Position by Industry
  - Economic Base Industries Critical to Job Growth Rate
<table>
<thead>
<tr>
<th>Economic Sector</th>
<th>Jobs (Thousands)</th>
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<tbody>
<tr>
<td>High Tech Manufacturing</td>
<td>17.9</td>
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<tr>
<td>Diversified Manufacturing</td>
<td>35.5</td>
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<tr>
<td>Aircraft, Space, Defense</td>
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<tr>
<td>Resource Based</td>
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<tr>
<td>Transportation and Wholesale Trade</td>
<td>50.6</td>
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<tr>
<td>Basic Service Industries</td>
<td>155.6</td>
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<tr>
<td>Entertainment and Tourism</td>
<td>24.6</td>
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<tr>
<td><strong>Total Basic Jobs</strong></td>
<td><strong>309.7</strong></td>
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<tr>
<td><strong>Total Jobs</strong></td>
<td><strong>920.6</strong></td>
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### Basic Industry Services in the Sacramento Region
(Thousands of Jobs in 2000)

<table>
<thead>
<tr>
<th>Service</th>
<th>Jobs</th>
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<tr>
<td>State Government</td>
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<tr>
<td>State Education</td>
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<tr>
<td>Engineering &amp; Management Services</td>
<td>22.8</td>
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<tr>
<td>Federal Government</td>
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<tr>
<td>Computer Services</td>
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<tr>
<td>Legal Services</td>
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<tr>
<td>Total Basic Service Jobs</td>
<td>155.6</td>
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Sacramento Region
Competitive Advantages

• The Center of State Government
• A Growing Manufacturing Base
• A Critical Link in the I-80 Freight Corridor
• The Regional Center for Adjacent Counties
• A Lower-Cost California Location for Industry and People
Sacramento Region Total Jobs

Balancing the Region's Needs
Sacramento Region Share of California Jobs

1950: 3.1%
1990: 5.2%
2000: 5.7%
2030: 6.4%
2050: 6.8%
Sacramento Region Job Growth

Balancing the Region's Needs
Sacramento Region Population Projections

- Total Population Growth is Determined by Job Growth
- How Many People are Needed to Fill Projected Jobs
- Start with 2000 Census Population and Labor Force by Age, Sex and Ethnic Groups
- Fertility, Mortality and Migration Assumptions
- Labor Supply Based on Projected Labor Force Participation Rates
Sacramento Region Population Projections

• Labor Supply Based on Projected Labor Force Participation Rates

• Labor Demand Base on Projected Job Growth, Unemployment Rates and Double Jobbing

• Labor Supply and Population are Adjusted to Meet Labor Demand

• Adjustment is from Changes in Migration
Sacramento Region Population Growth

1950-2000: 1522
2000-2050: 1704

Balancing the Region's Needs
Sacramento Region Population Growth

- 356% growth from 1950-2000
- 87% growth from 2000-2050

Balancing the Region’s Needs
Ethnic Population Trends in the Sacramento Region

- The City of Sacramento has a Majority of Minorities; One of the Most Diverse Cities in the Nation
- The Sacramento Region has the Highest Non-Hispanic White Share Among Major California Regions
- The Share of Hispanic and Asian Residents Will Rise Slowly Over the Next Fifty Years
Sacramento Region Population in 2000

- Under 25: 709 (Thousands)
- 25-54: 834 (Thousands)
- 55+: 271 (Thousands)

Balancing the Region’s Needs
Sacramento Region Household Projections

- Derived from Population Projections by Age and Ethnic Group
- Based on Projections of Household Formation Rate Trends
- Household Formation Rates Show the Number of Households Formed in Each Age and Ethnic Group Or the Number of Adults per Household
Sacramento Region Households per 1000 Persons 20+ 2000

- 25-34: 495
- 45-54: 572
- 65-74: 605

Balancing the Region's Needs
Sacramento Region Adults per Household 2000

- 25-34: 2.02
- 45-54: 1.75
- 65-74: 1.65

Balancing the Region’s Needs
Sacramento Region HH Growth

Balancing the Region's Needs
Sacramento Region Household Type in 2000 and 2050

- Family with children under 18: 34% (2000) vs. 28% (2050)
- Family with no children under 18: 33% (2000) vs. 37% (2050)
- Living Alone: 25% (2000) vs. 28% (2050)
- Non-Family: 8% (2000) vs. 7% (2050)
Sacramento Region Household Projections

- Older Households Will be Major Market Force in Next 30 Years
- Older Households Will Continue to Increase Market Share After 2030
- Regional Household Size Will Shrink Over Time
- The Demand for Rental Housing Will Greatly Exceed Current Construction Levels
Sacramento Region Household by Age Group 2000

- Under 55: 485
- 55+: 228

Balancing the Region's Needs
Sacramento Region Household Growth by Age Group 2000-2030

- Under 55: 139
- 55+: 340
Sacramento Region Persons per Household

Balancing the Region’s Needs
Sacramento Region Persons per Household

- Under 20: 0.82 (2000), 0.54 (2050)
- 20+: 1.86 (2000), 1.79 (2050)
- All HH: 2.68 (2000), 2.33 (2050)

Balancing the Region’s Needs
The Paradox of a High Quality of Life

- Regions That Have a High Quality of Life are Attractive to New Firms and Residents and Face Growth Pressures
- Regions That Have a Low Quality of Life Face Fewer Growth Pressures But Residents Suffer
The Paradox of A High-Wage Economy or Why Regions Can’t Have Only High-Wage Jobs

- Regional Economies That Generate Substantial Numbers of High-Wage Jobs Have More Residents With the Income to Pay for Services That Employ Lower-Wage Workers
- Regional Economies With Few High-Wage Jobs Will Have Less Income to Support Service Jobs