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Children's Doubled Importance in the New Generational Future of California

Dowell Myers

USC Sol Price
School of Public Policy

Demographic Assumptions Focused on Children

are Core to Public Beliefs about
Services and Taxation
and about

Priorities for California Policy

**Are assumptions outdated?
How valid are they?**

**These Assumptions Underpin
Public Belief in**

the Social Contract

that California Voters Rule By

Simple Theory

What IS a Social Contract?

A Social Contract
is formed of

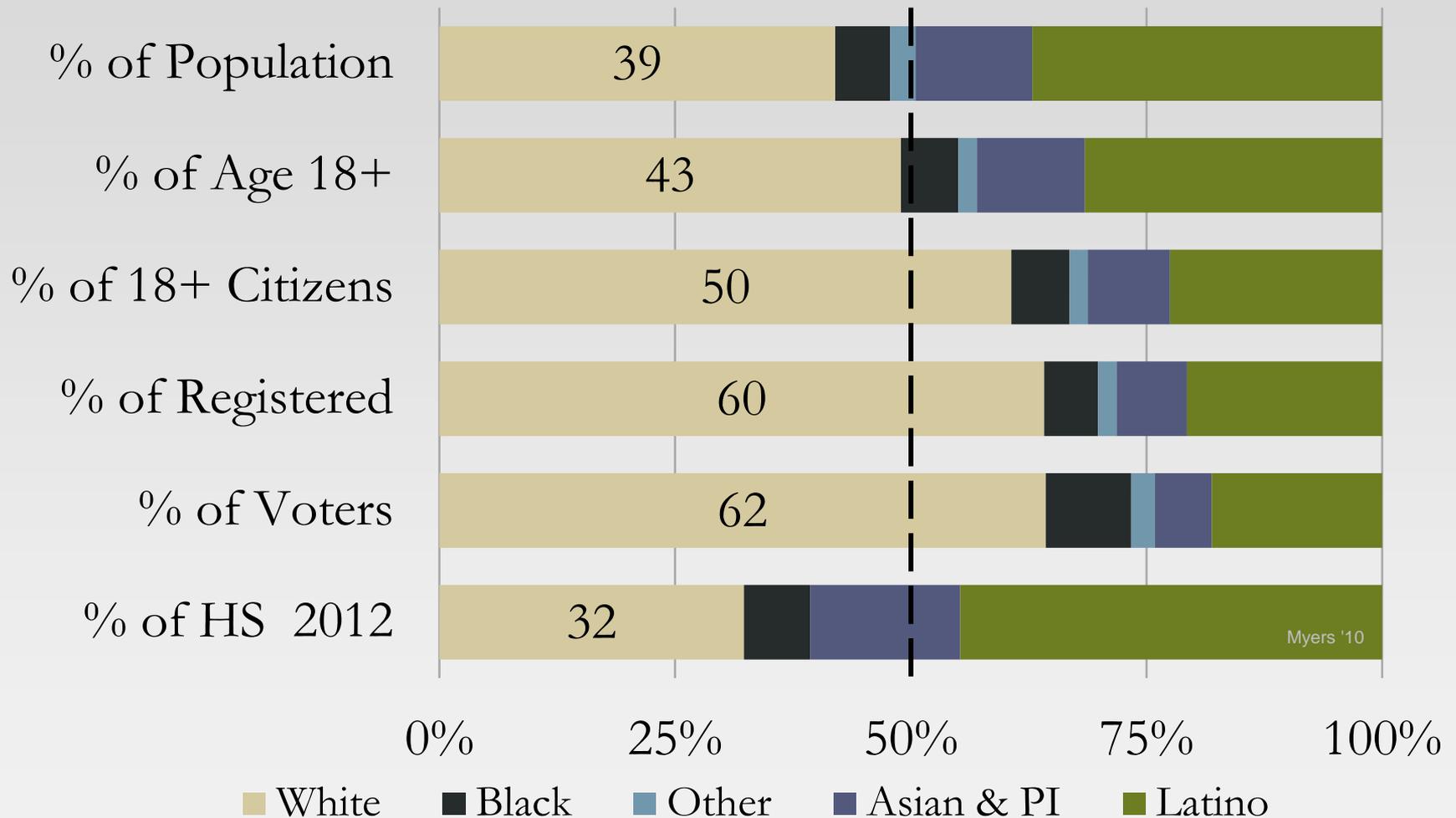
The shared social understandings
that support **cooperation** among
self-interested people who
possess unequal resources.

Formulation originally proposed by Beth Rubin

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Political Lag of Demographic Change

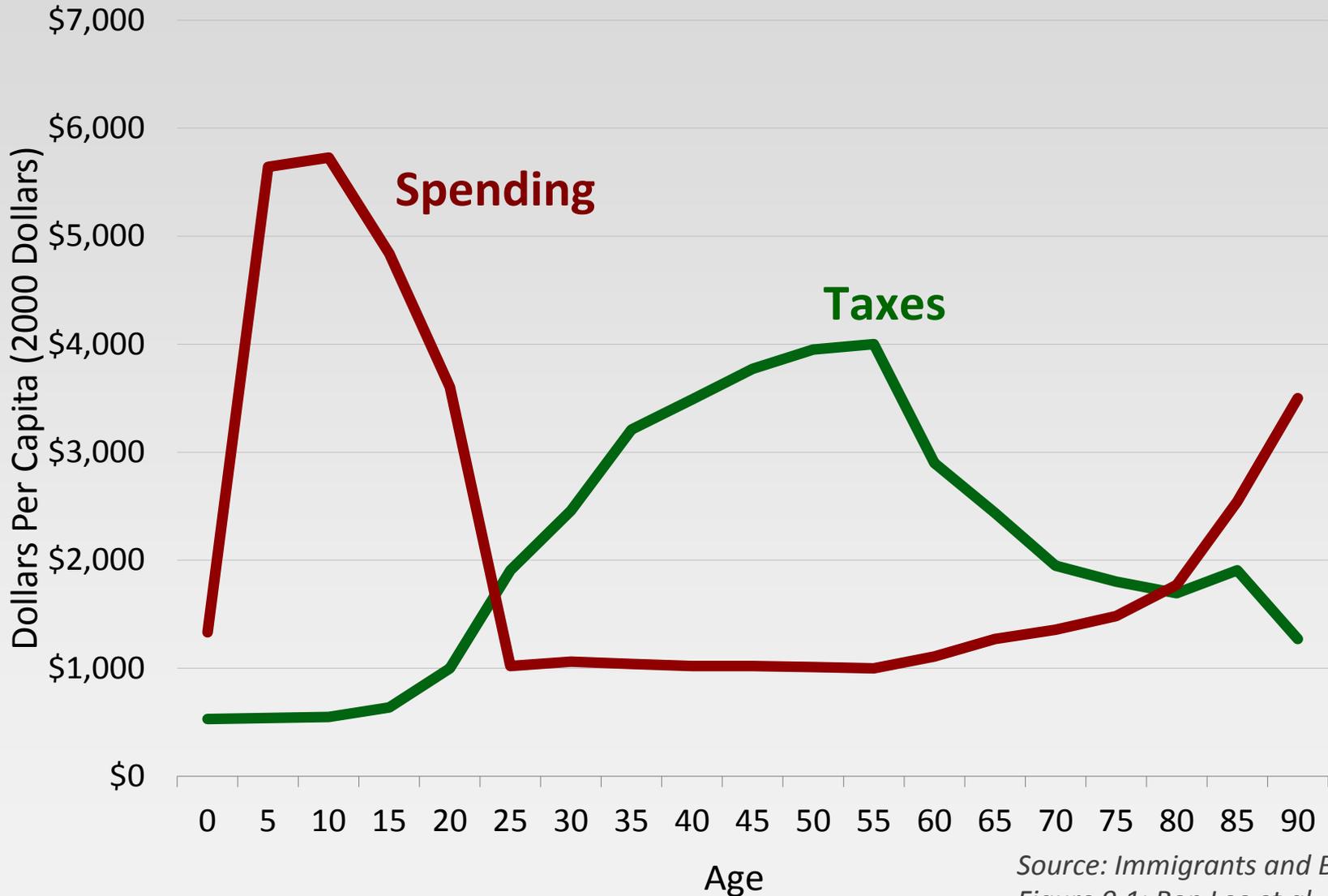
State of California, 2013, Ethnic Composition



Source: Author's Compilation of California Department of Finance data, PPIC Likely Voters, and Census Bureau ACS 2013 B05003

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Spending and Taxes in California by Age



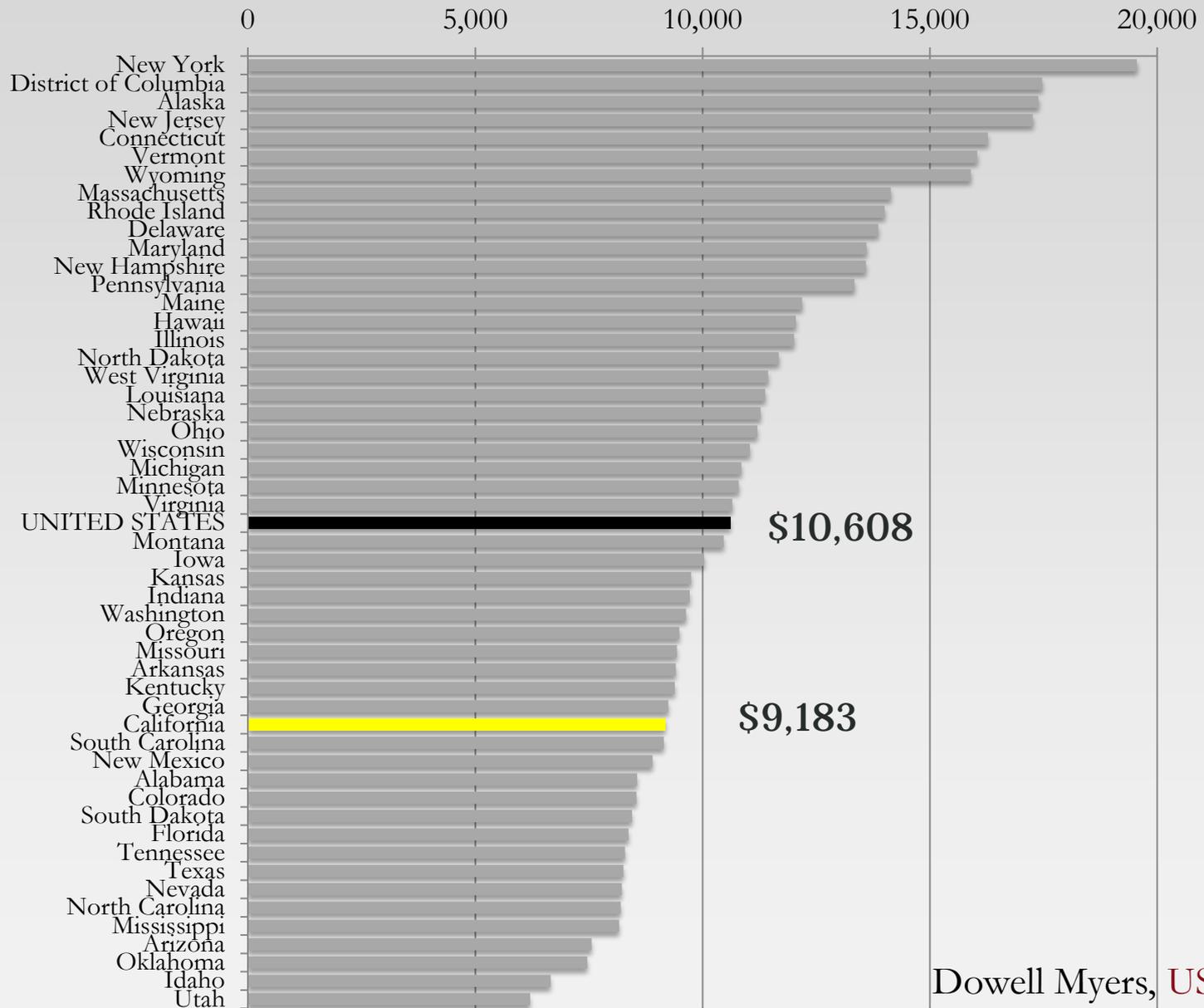
Source: *Immigrants and Boomers*,
Figure 9.1; Ron Lee et al. (2003)

Old Social Understandings in California

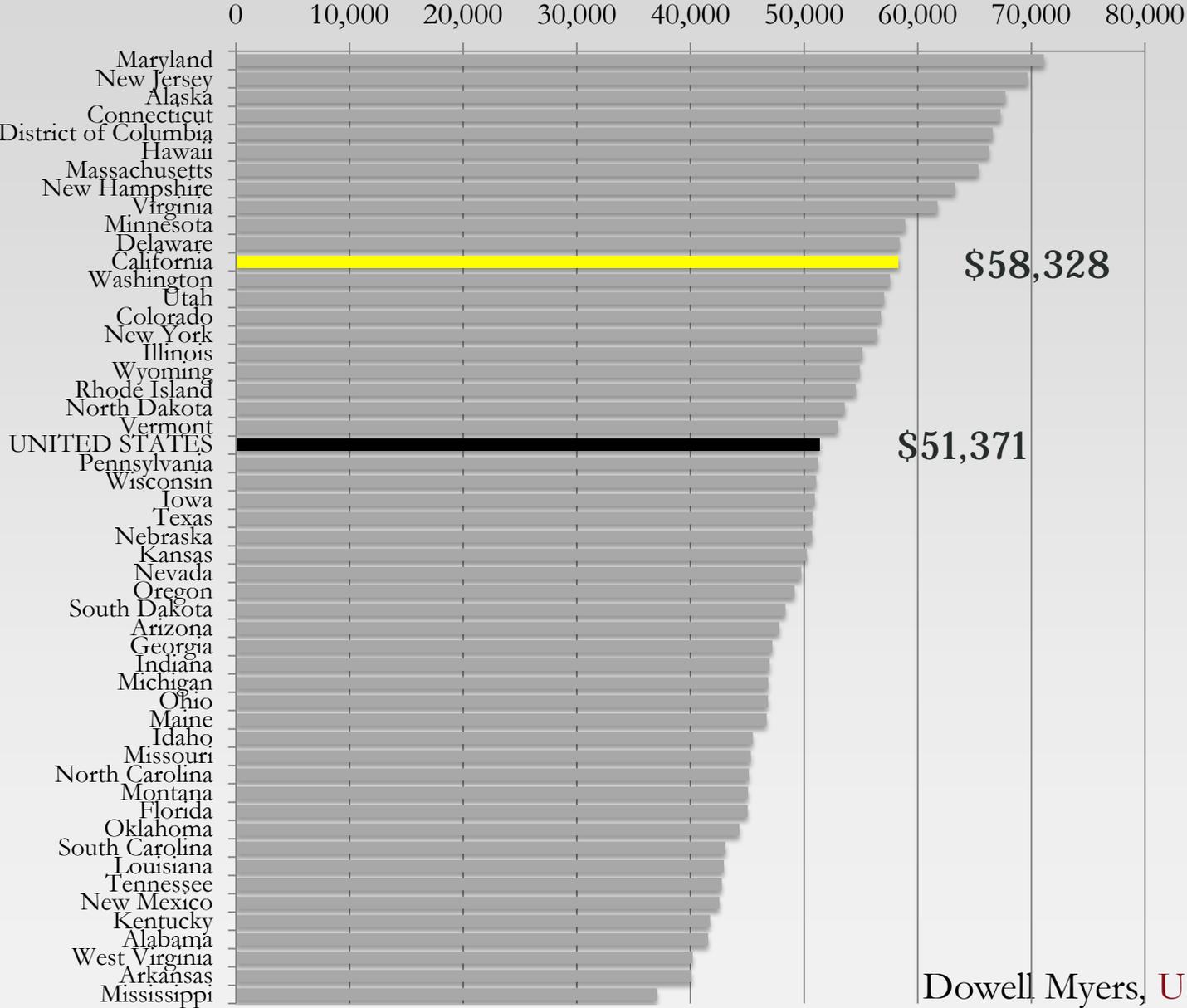
- Children are Too Numerous
- Children are a Burden on the Taxpayers
- We Don't Need Other People's Kids
- We Don't Want to Support Them –
especially if they are ethnically different
- We Really Can't Afford It

**How Does
California Compare on Spending
to Other States?**

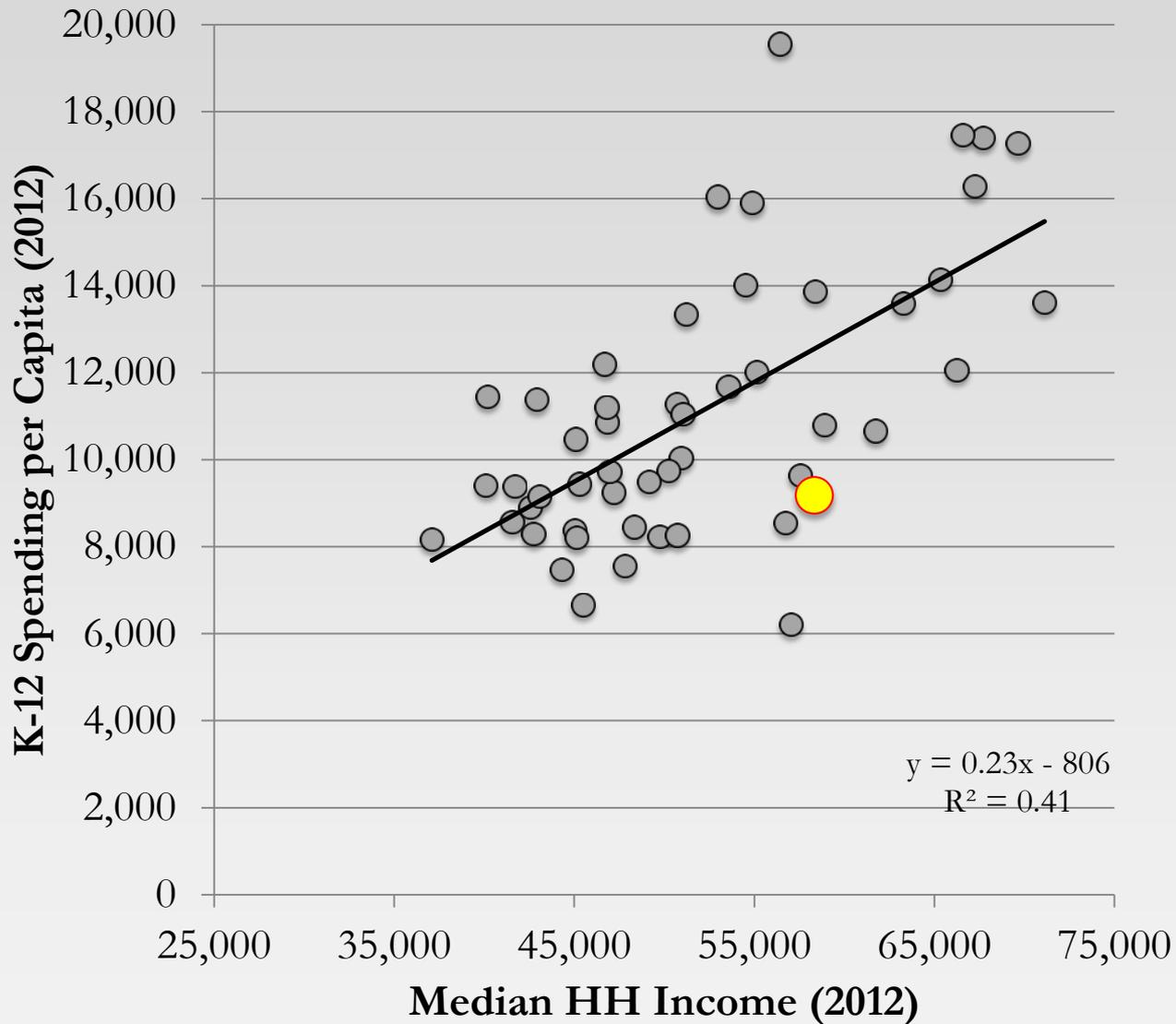
K-12 Spending per Capita, by State (2012)



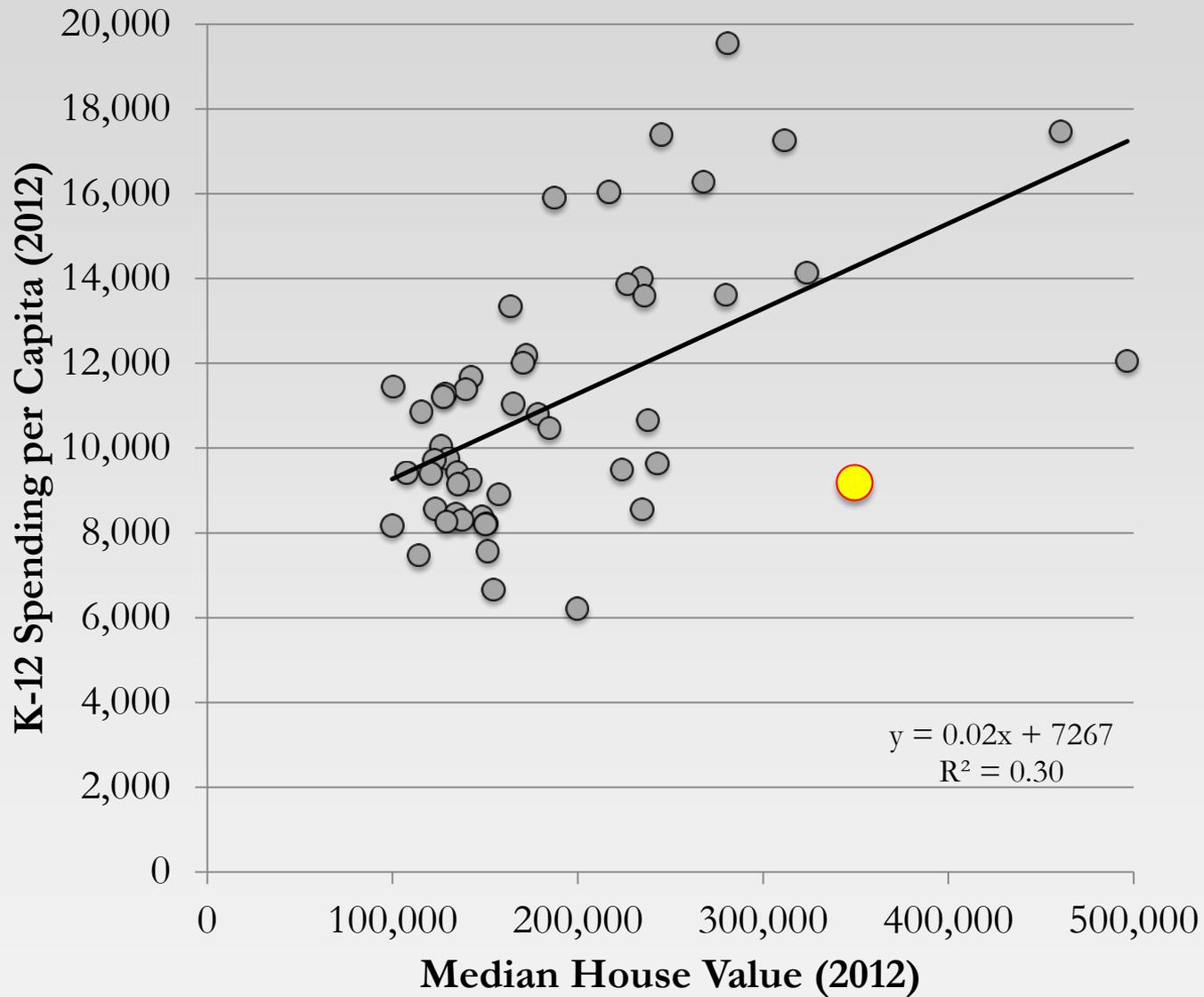
Median Household Income, by State (2012)



K-12 Spending and Median State Income



K-12 Spending and Median House Value



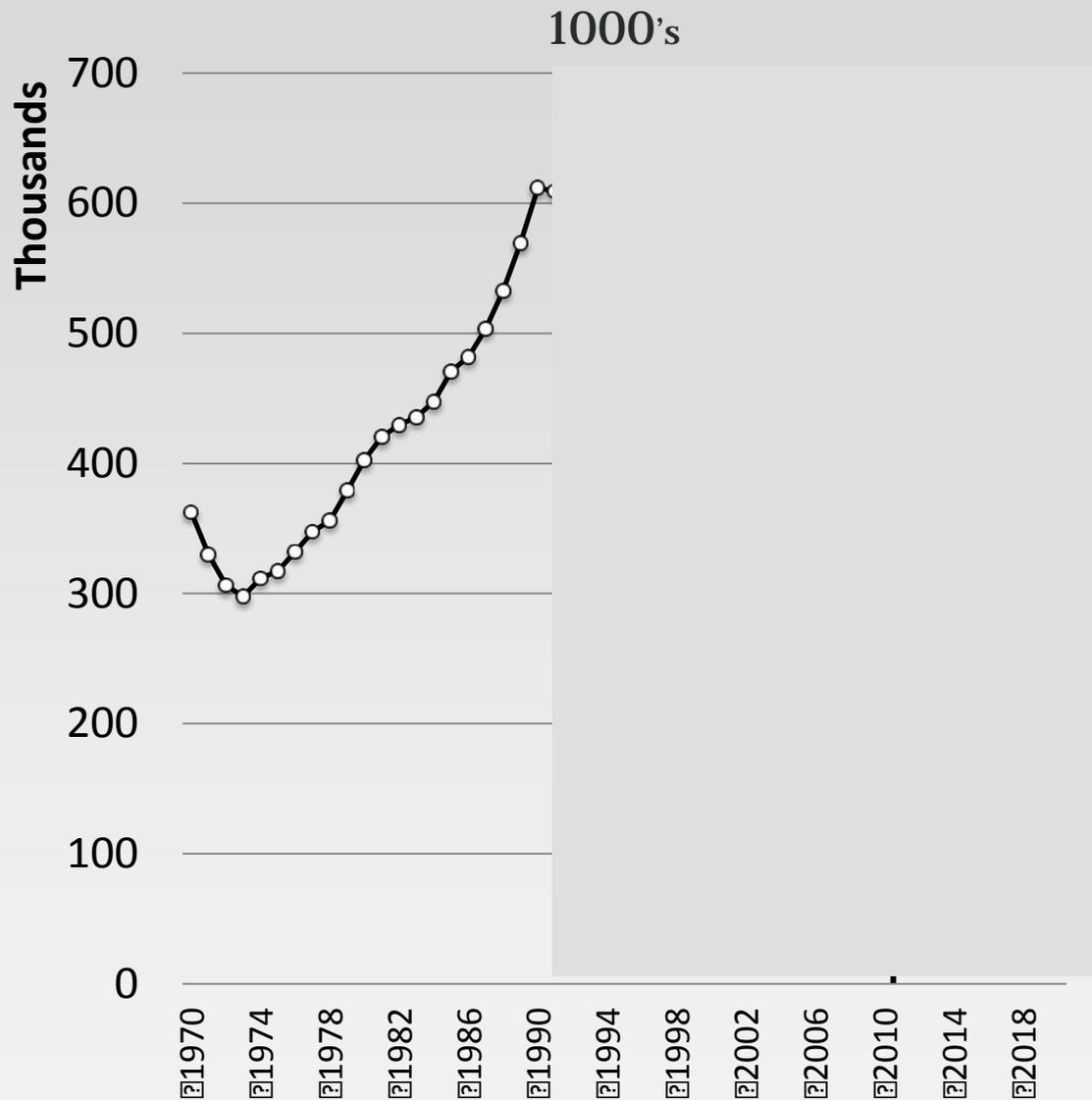
So, what IS the social understanding
about **spending on children**
that we are working under?

What IF our assumptions
are outdated

and our social understanding is
Now – All – Wrong?

High Fertility and Growing Numbers of Children

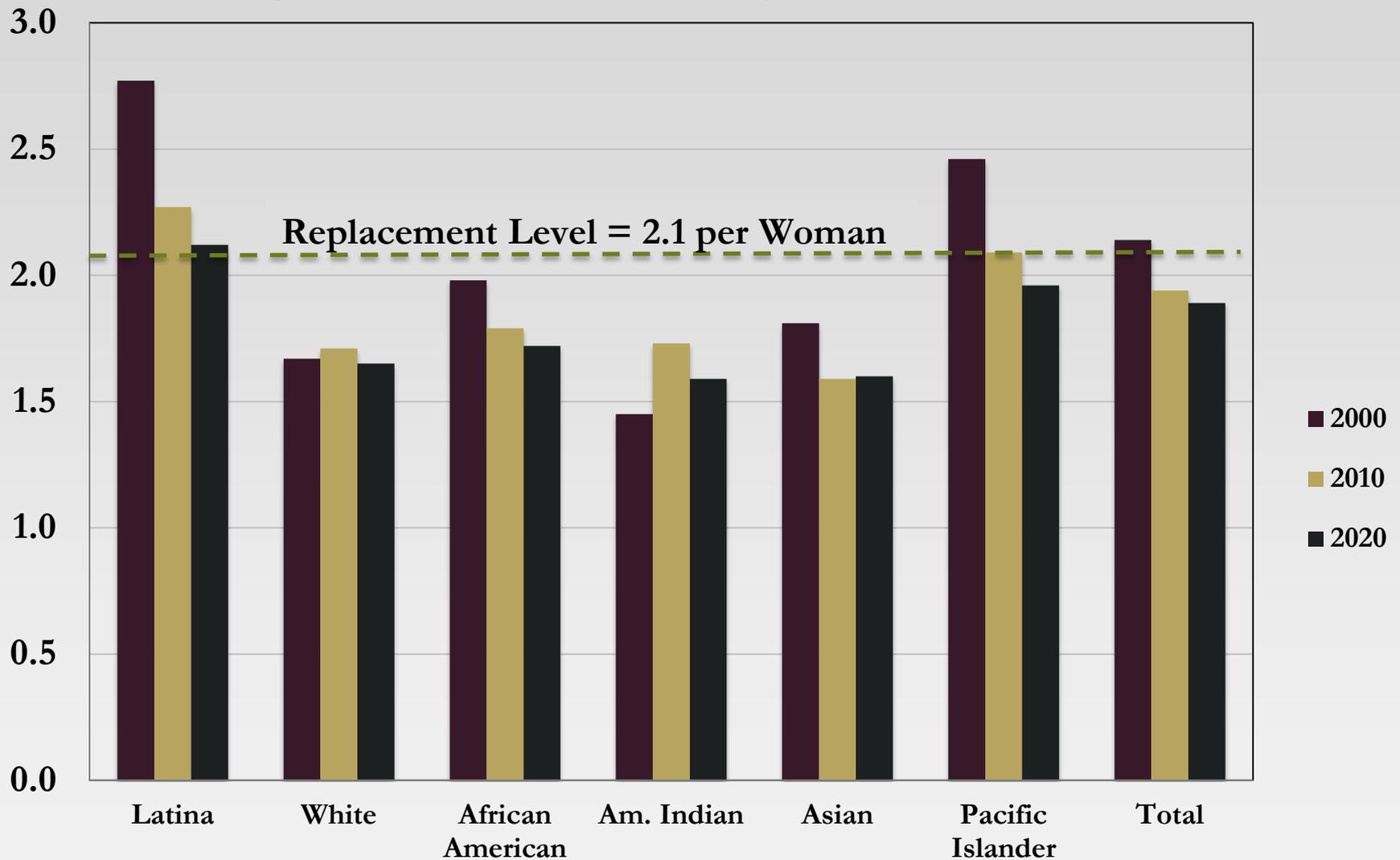
Annual Births in California Soar to 1990



Source: California Department of Finance

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Number of Children Born per Woman, by Race/Ethnicity, California

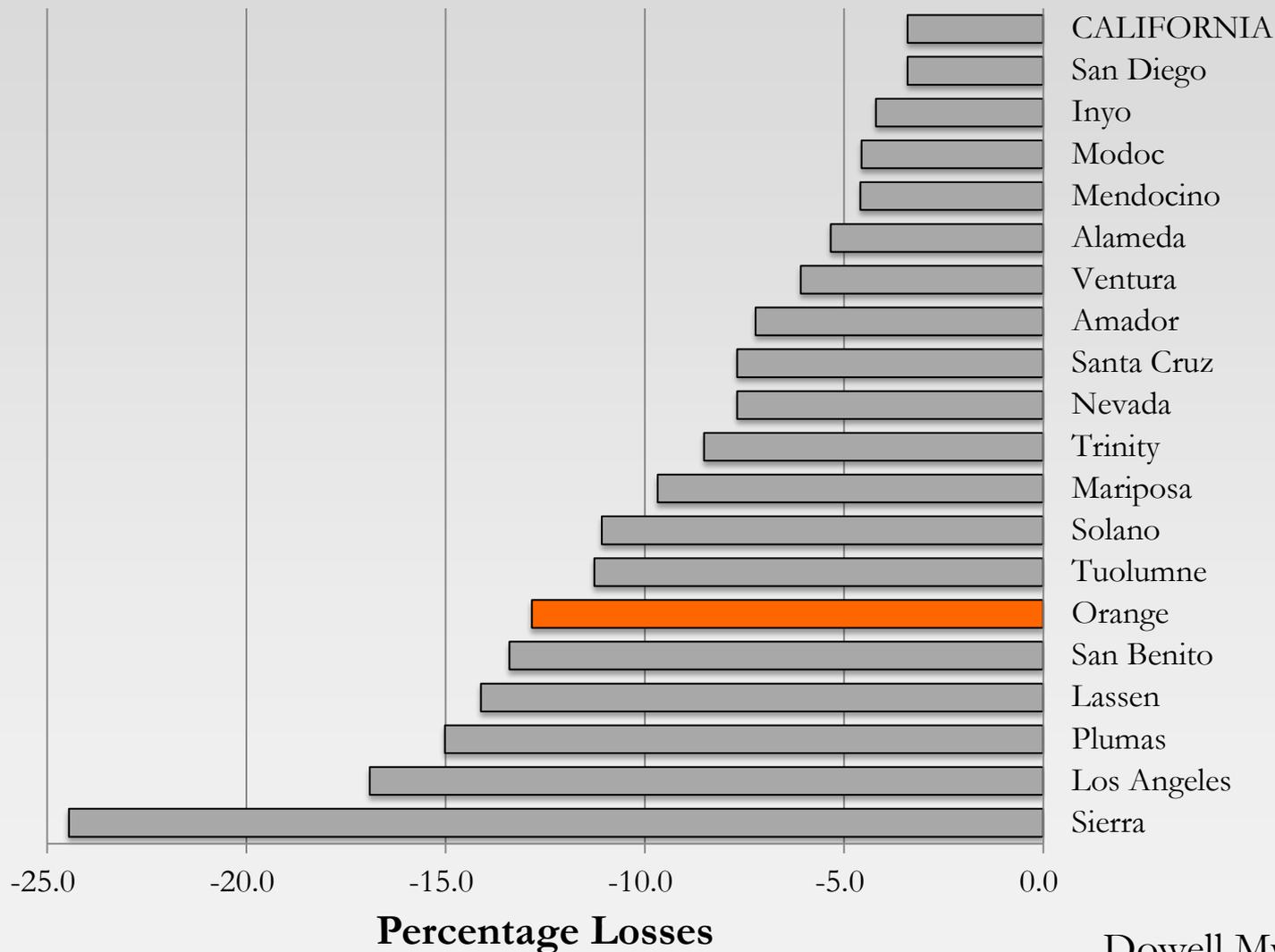


Source: California Department of Finance

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Losses of Children Under Age 10

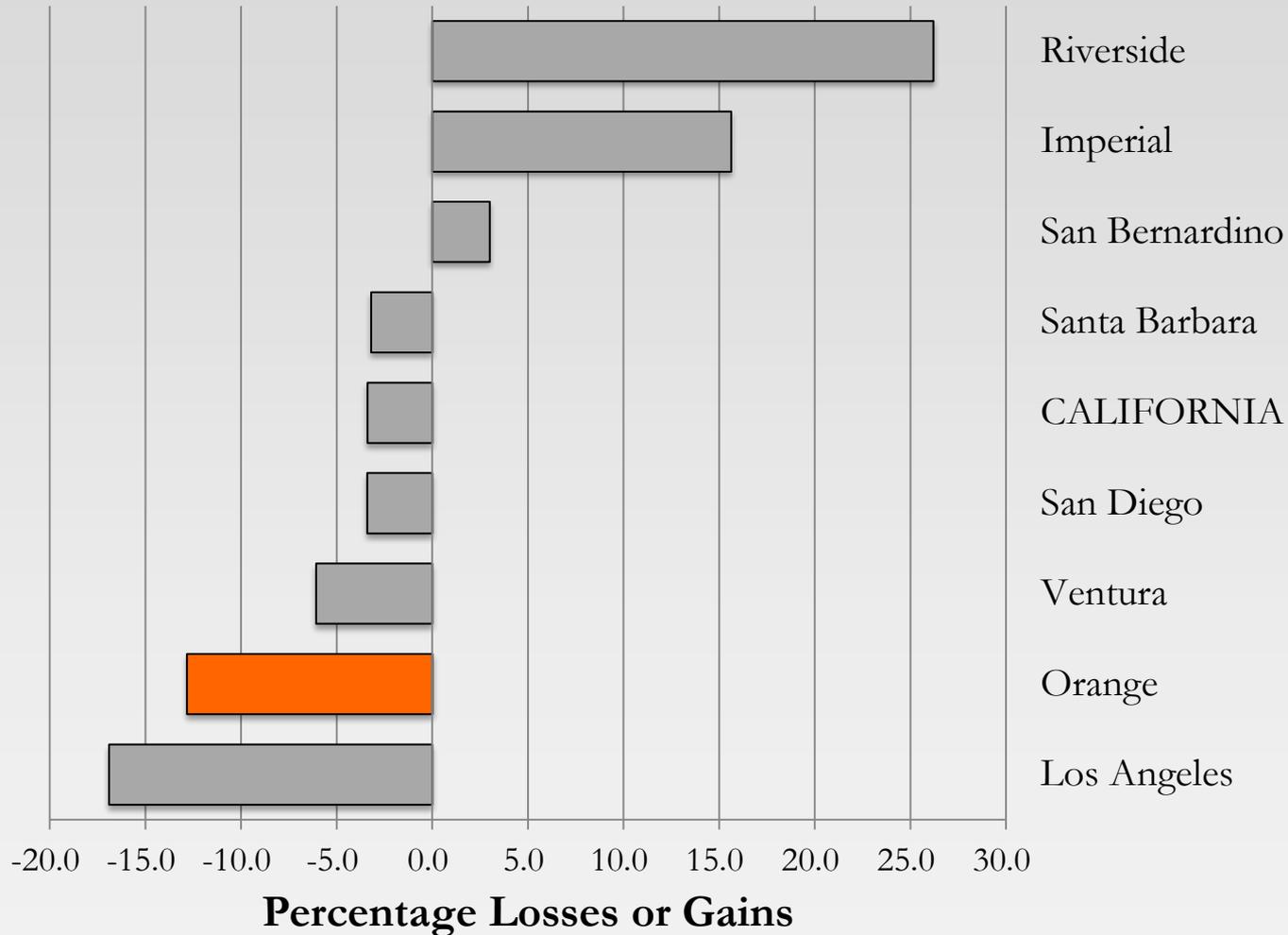
Among Counties with Losses Greater than the State Average
2000 to 2010



Losses of Children Under Age 10

Among Counties of Southern California

2000 to 2010



Generation Revolution

Population Slowdown and Aging

What Year Does California Reach 50 Million Population?

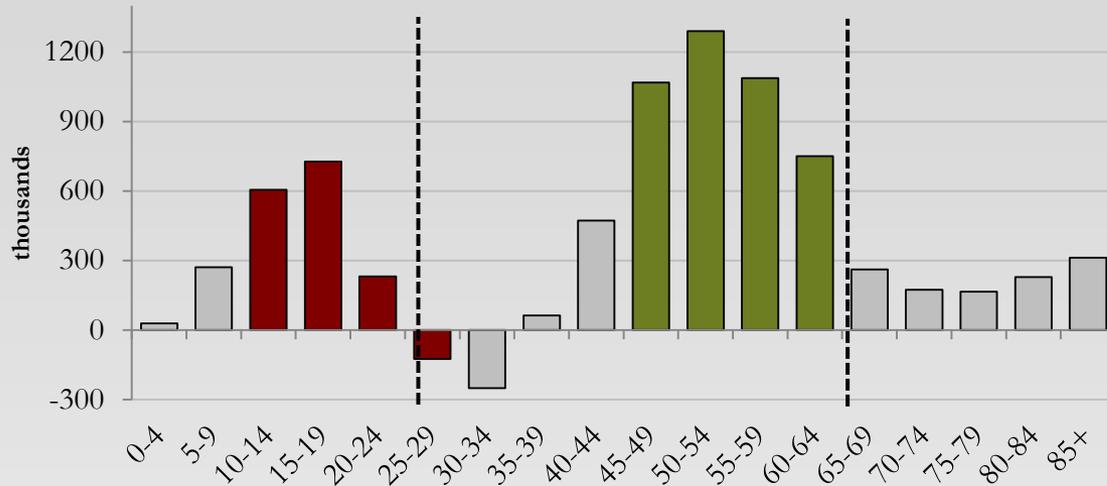
- Old Expectation = 2032
- New Outlook = 2051

Source:

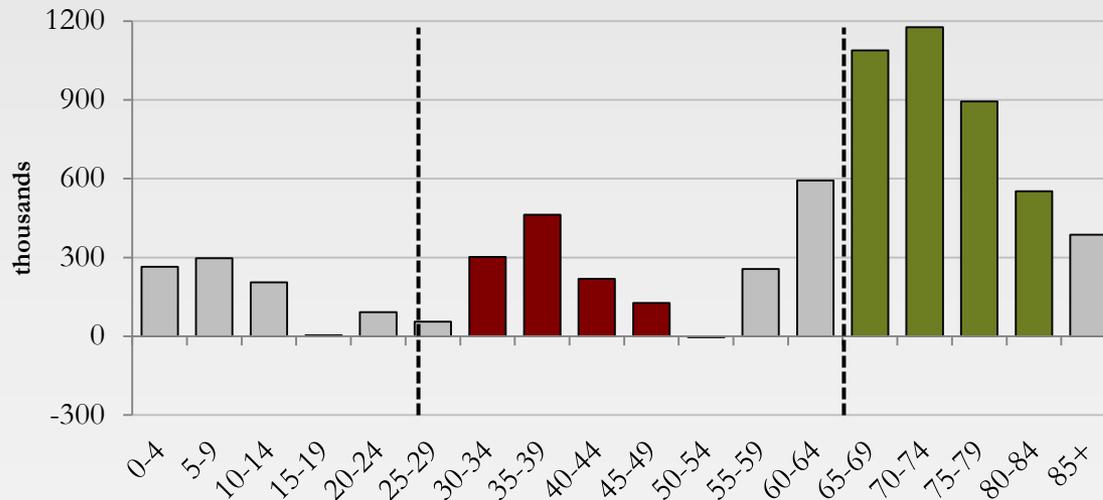
California Department of Finance, 2007 and 2014

Growth by Age in California: Then and Now

1990-2010



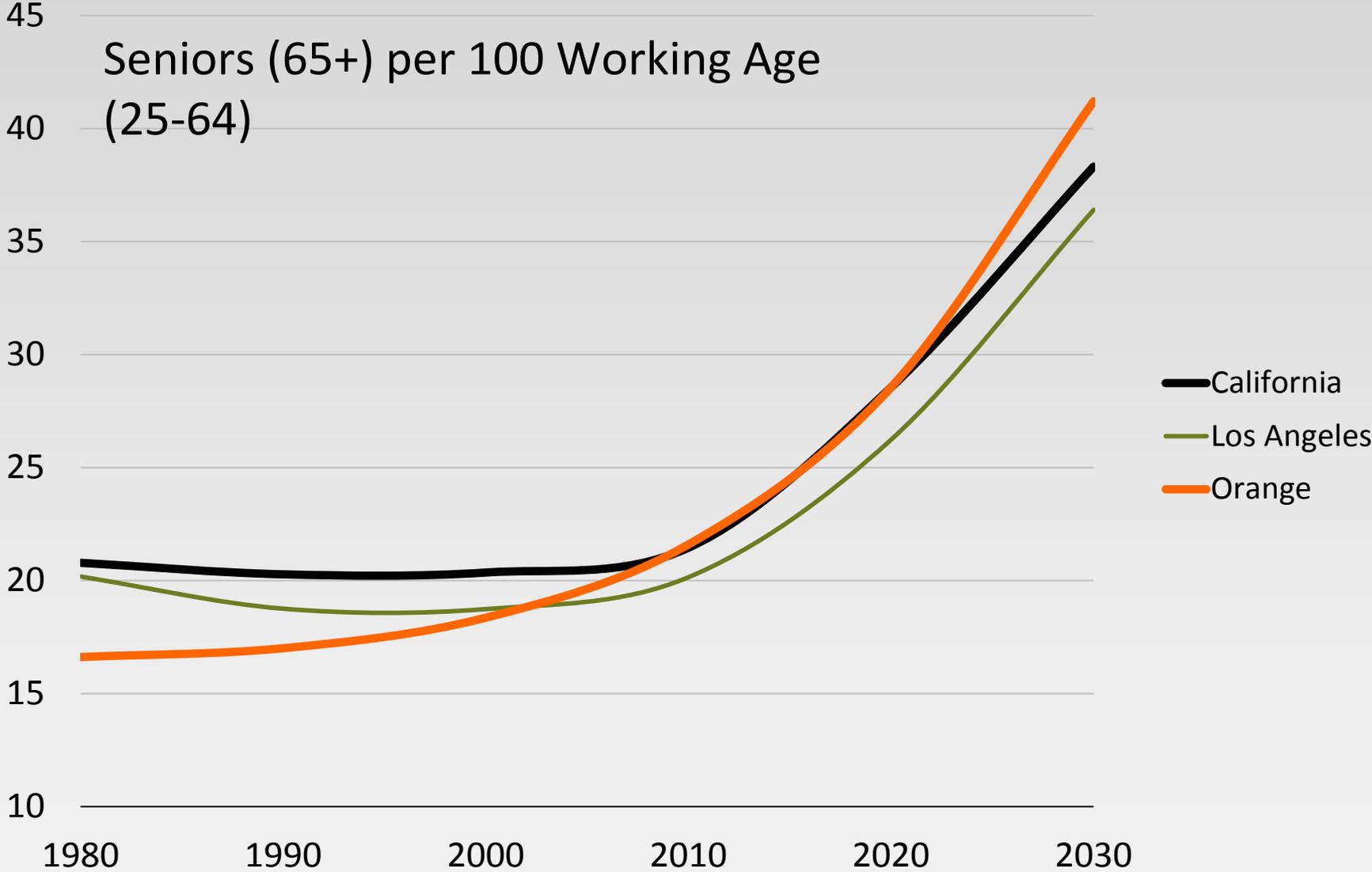
2010-2030



Source: Dowell Myers, Census Bureau decennial census of 1990 and 2010, and CA DOF 2014 vintage projections

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Senior Ratio Soars

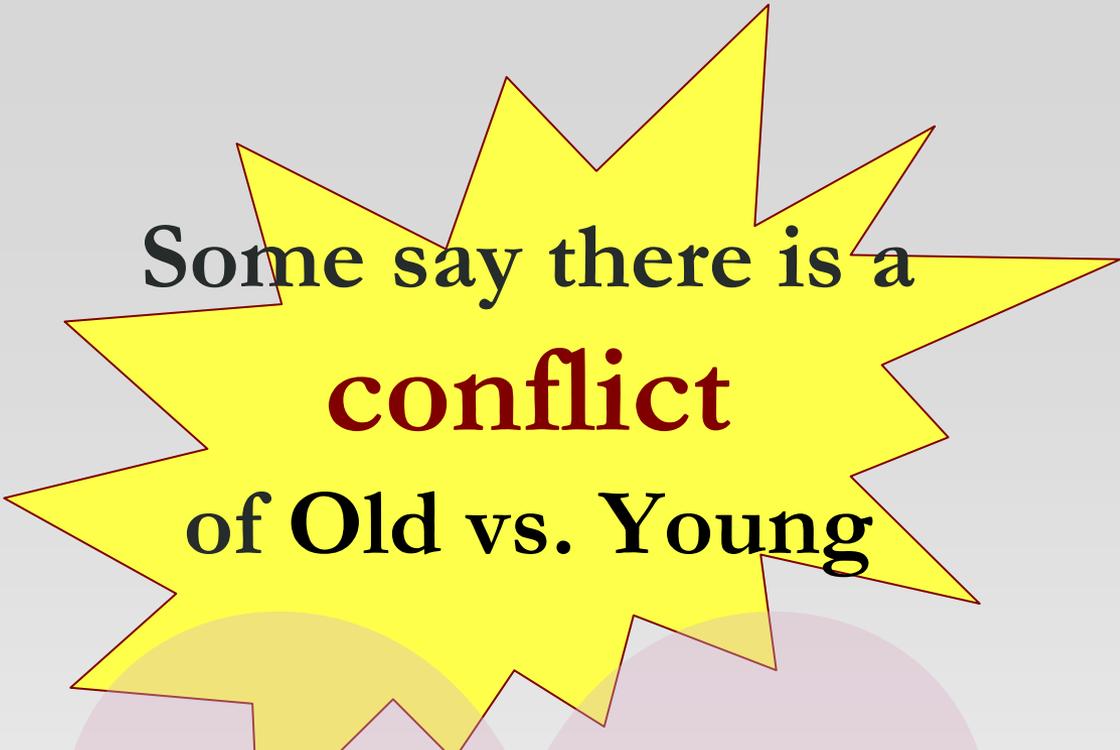


The Trigger of Many Crises

- Social Security & Pension Fund Crisis
- Medicare/Health Insurance Crisis
- Workforce Replacement Crisis
- Taxpayer Replacement Crisis
- Deficit Crisis
- The Home Seller Crisis

Likely Responses to Rising Senior Ratio

- Reduced growth in GDP
- Delayed retirement by seniors
- Reduced or delayed senior benefits
- Higher taxes on young and old
- **Young adults in supreme demand !**
- **Greater reliance on immigrant workers**
- **Rediscovery of neglected minority youth**



Some say there is a

conflict

of Old vs. Young



But we can see

a Partnership

with mutual

benefits

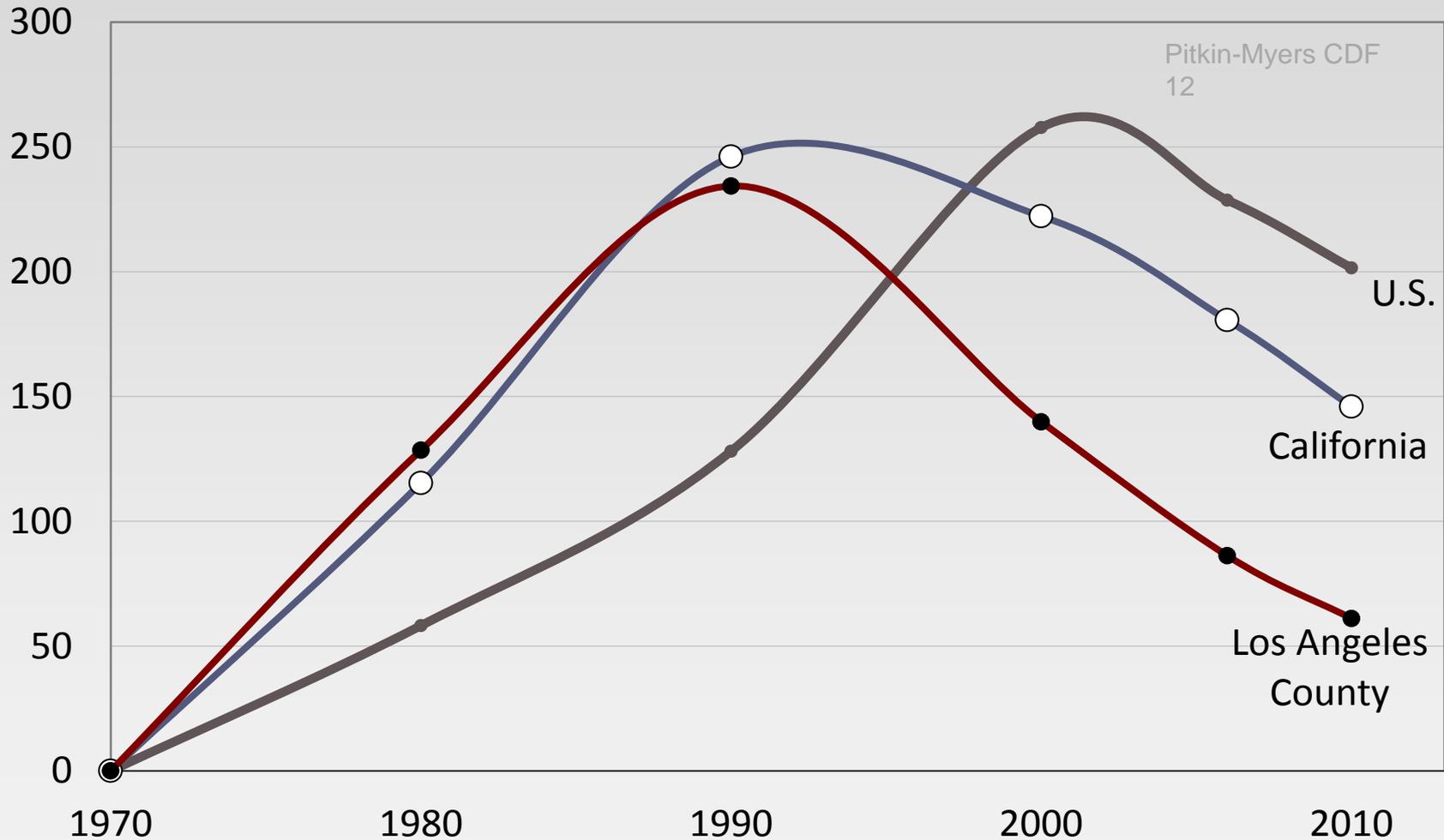
No Youth Can be Neglected

- Need all hands on deck
- No drop outs are acceptable
- College financial aid for all who need it
- **Universal pre-school and early childhood literacy – Lifetime benefits – for whom?**
- This is not just a nice thing to do:
The seniors need this to happen

Won't Immigration Help Us?

Annual Immigrant Arrivals

Percentage Change in Net Flow Since 1970

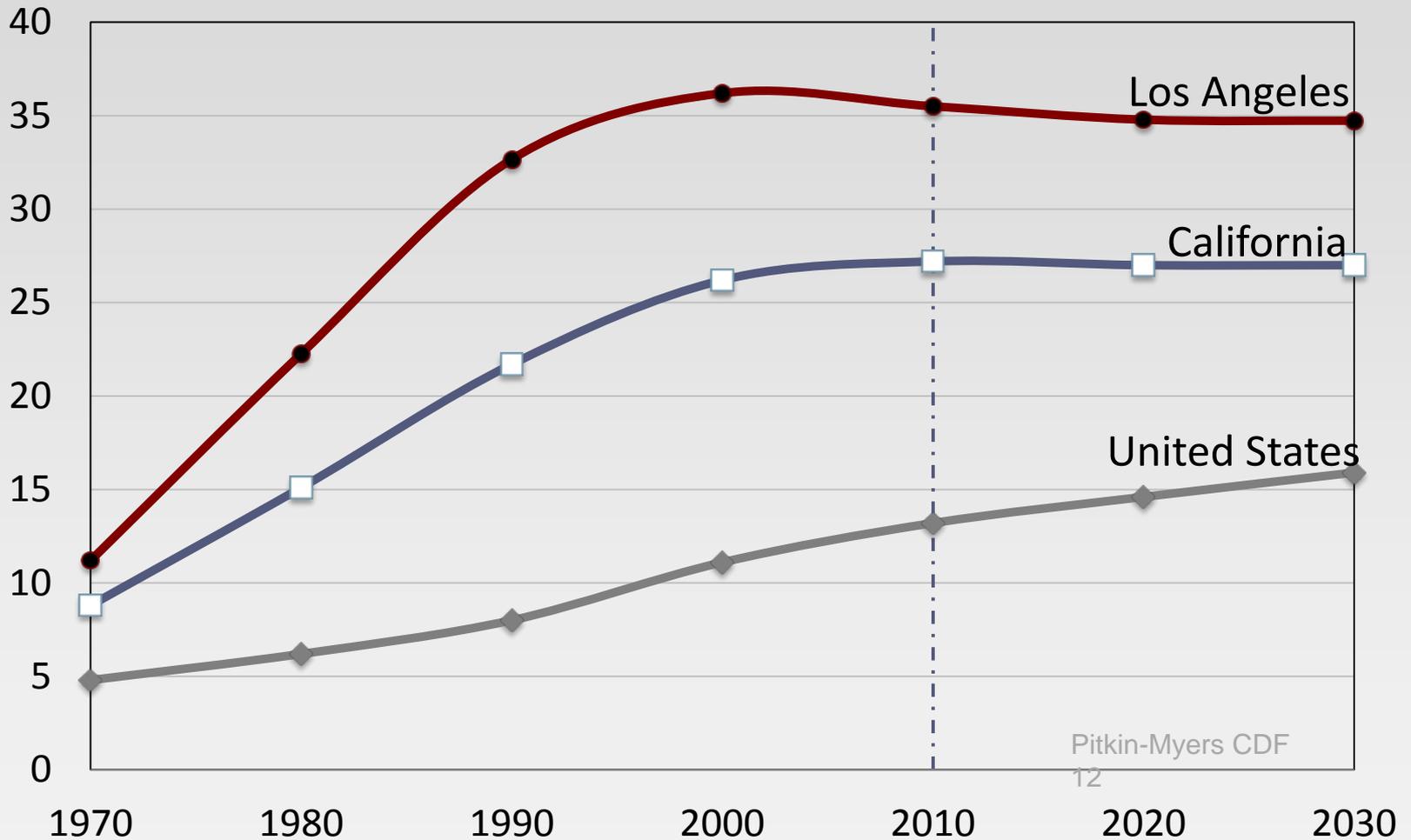


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Source: U.S. Census 1970, 1980, 1990, 2000; American Community Survey 2006, 2010

Foreign Born Share of The Population

Leveling Off

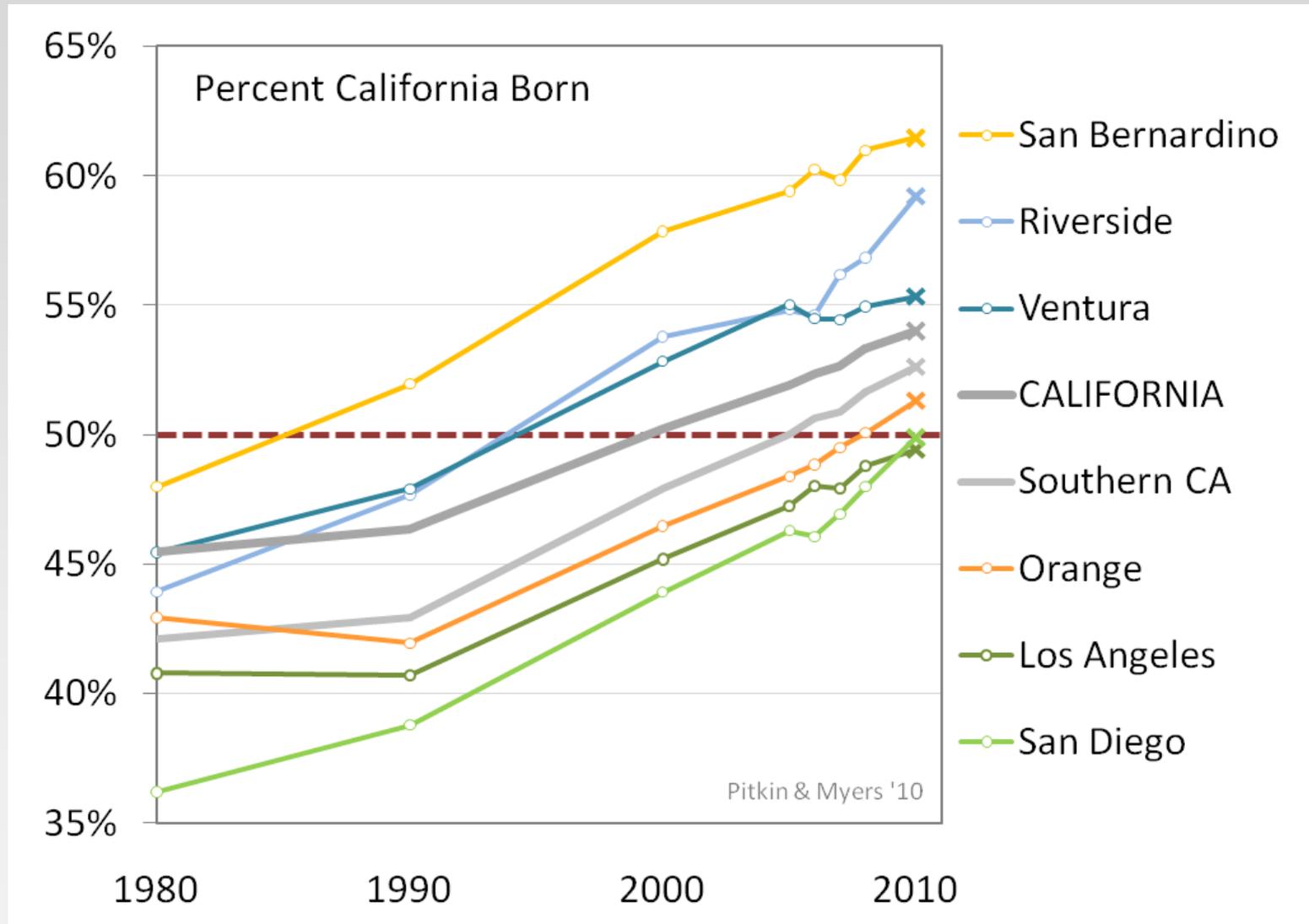


Pitkin-Myers CDF
12

Source: US Census Bureau, Pitkin Myers Generational Projections for LA, CA, and US

The Homegrown Revolution in California

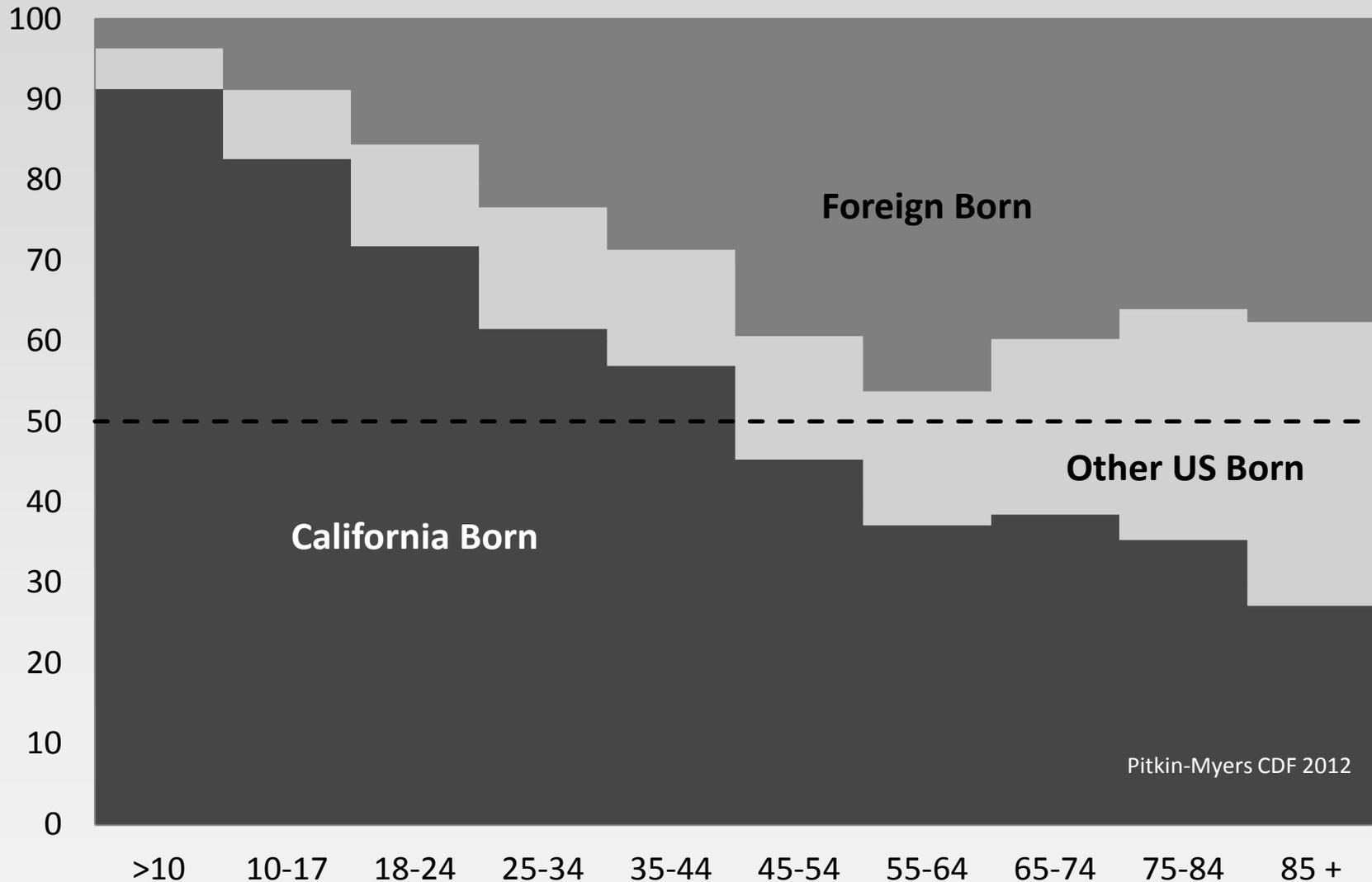
Rise of a Homegrown Majority



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

Birthplace of Young Compared to Old

CA Residents By Age and Birthplace, 2030



Pitkin-Myers CDF 2012

Measuring the Growing Importance of Children

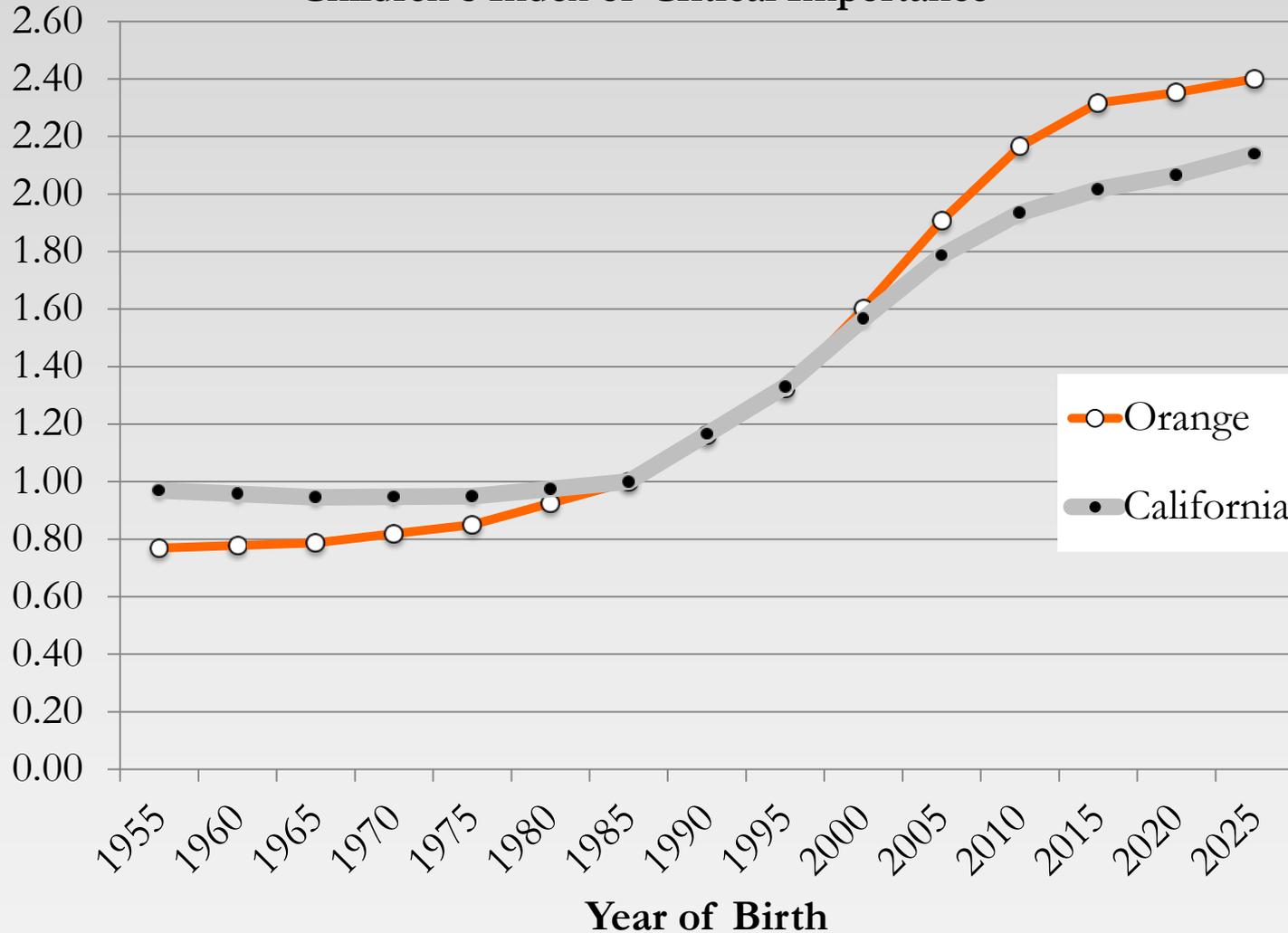
Children's Index of Critical Importance (iCi)

- Assigned at birth, the iCi is based on the increase in the senior ratio expected at the time the child reaches age 25 (number of seniors per 100 working age).
- With growth in seniors, today's children assume critical importance due to the added economic and social weight carried by our children when grown.
- A child born in 2015 in California is fully **twice as important** (index of 2.02) as a child who was born in 1985 (index of 1.00).

Surging Importance of Children

iCi

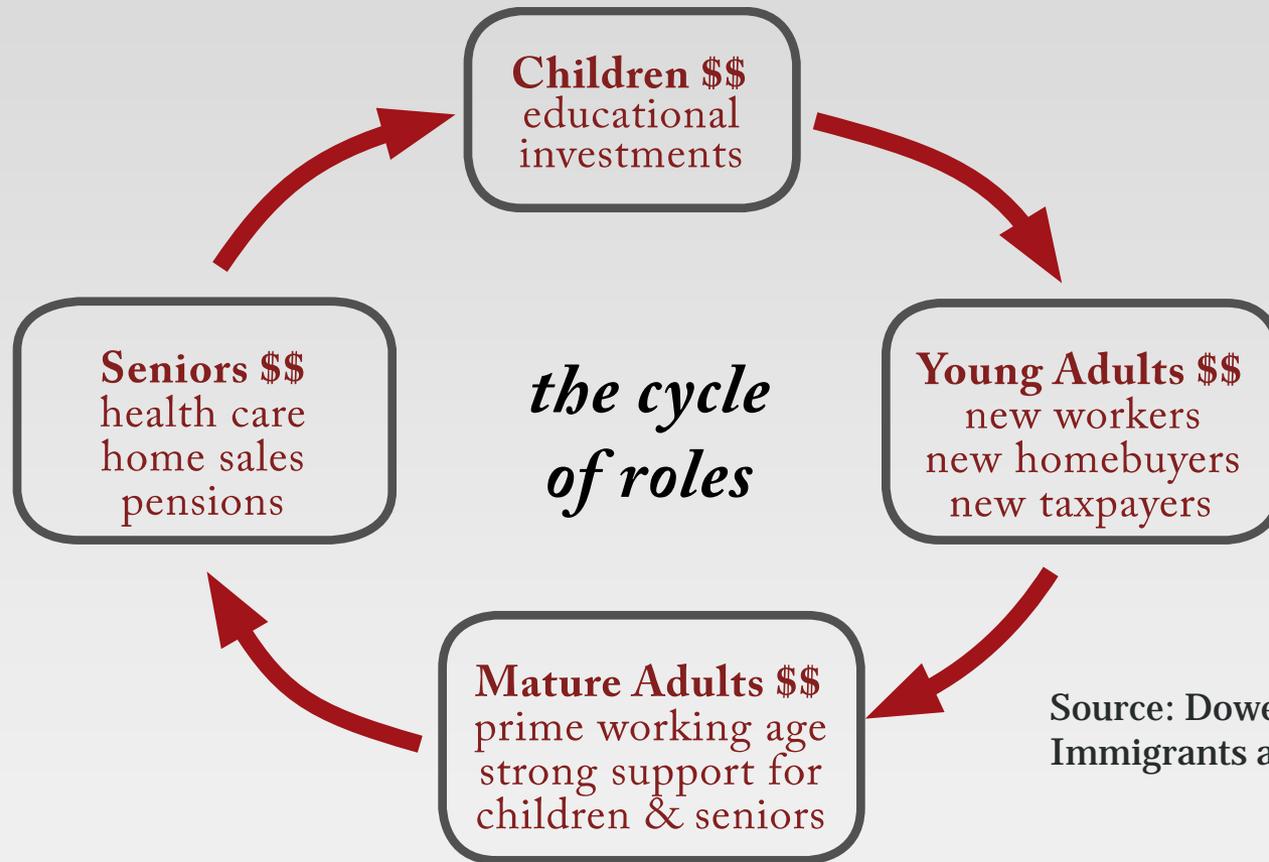
Children's Index of Critical Importance



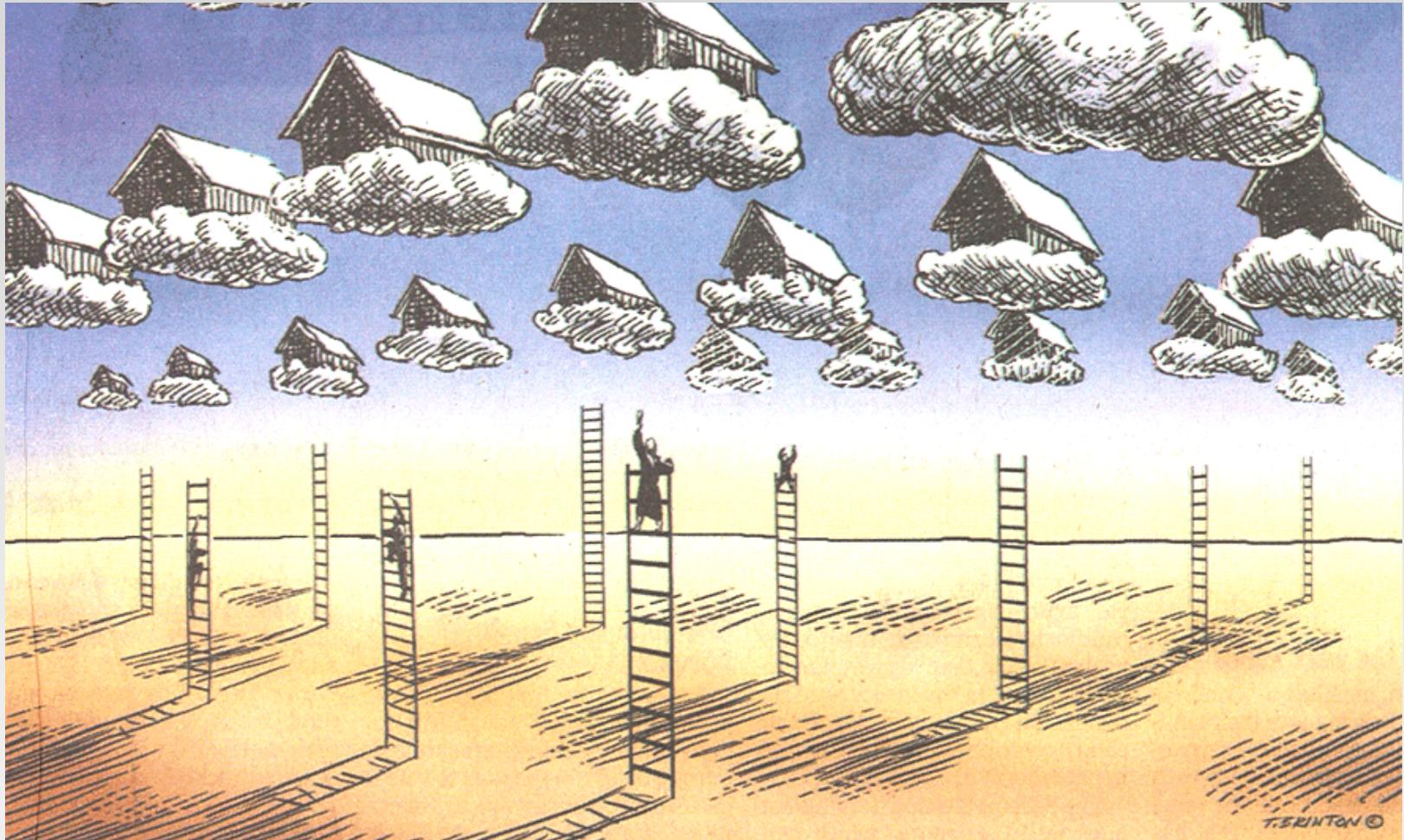
Source: Dowell Myers analysis of US Census and
DOF 2013 California projections

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The Intergenerational Partnership Rediscovered



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

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A New Social Contract

**for the New Generational
Future of California**

A New Social Understanding

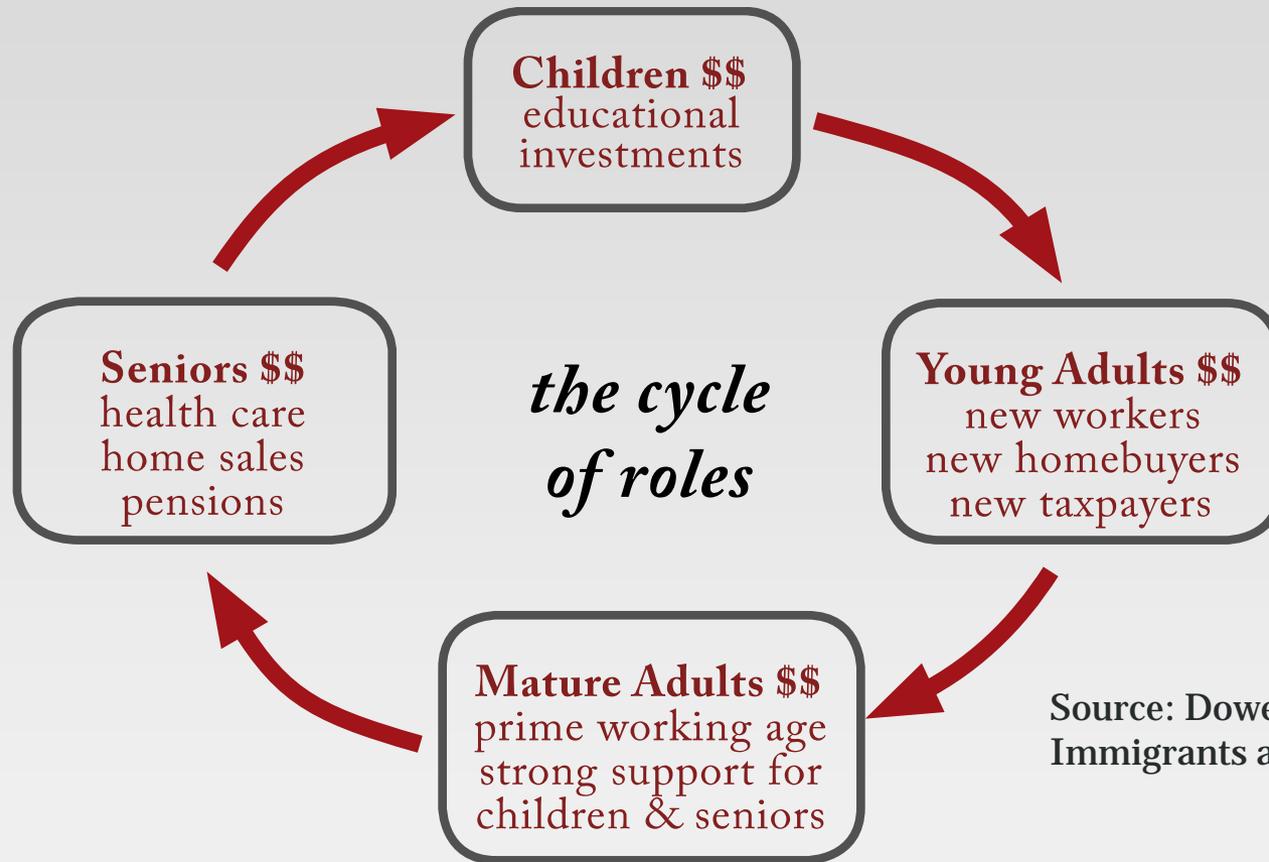
Old Understanding – Outdated and Misguided

- Children are Too Numerous
- Children are a Burden on the Taxpayers
- We Don't Need Other People's Kids
- We Really Can't Afford It
- We Wish these Children of Immigrants Weren't Imposed on Us

New Outlook on the Future – Generations are Connected

- Children are Declining and Becoming Scarce in Number
- Children are an Urgently Important Investment
- We Need More Children to Maintain Our Rising Senior Ratio
- We Should Invest More so that They Develop their Full Capacities as Adults
- We are Thankful for the Children Contributed by Immigrants and Every Parent

The Intergenerational Partnership Rediscovered



Conclusions

Kids are scarce and we must rely on our homegrown more than ever.

Twice as valuable as before, it is newly urgent that we nurture children to achieve their very best.

Major mutual benefits call for all Californians to step up their support of children in every way possible.

**Now can we just get
everyone
on the same page?**

We are connected.



Thank you

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Publications Referenced in this Presentation

Myers, Dowell, “California Futures: New Narratives for a Changing Society,” *Boom: A Journal of California*, July 2012.

Pitkin, John and Dowell Myers, “Generational Projections of the California Population: By Nativity and Year of Immigrant Arrival,” USC Population Dynamics Research Group, April 2012.

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Myers, Dowell, “Benefits for California and Its Growing Number of Seniors of Expanded Youth Access to Higher Education,” written testimony before the Joint Committee on the Master Plan for Higher Education, California State Legislature, February 2, 2010.

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Myers, Dowell, *Immigrants and Boomers: Forging a New Social Contract for the Future of America*. New York: Russell Sage Foundation, 2007.

NOTE: most publications are available at
<http://www.usc.edu/schools/price/research/popdynamics/>