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**Full report** available at <u>www.kidsdata.org/childpop</u> And <u>www.usc.edu/schools/price/research/popdynamics/</u>

## Shrinking California Child Population Signals Major Changes for State

An unprecedented decline in California's child population, coupled with a tidal wave of Baby Boom retirees, will pose significant challenges for the state's future prosperity, according to an analysis of census data released today by the <u>USC Price School of Public Policy</u> and the <u>Lucile Packard Foundation for</u> <u>Children's Health</u>.

In 1970, children made up 33 percent of California's population, but by 2030 they're expected to comprise just 21 percent, according to the report.

The growing imbalance between children and retirees means that the economic role of a child born in 2015 will be nearly twice as important as that of a child born in 1985, the report suggests.

"These trends are not yet widely recognized, but they should be a wake-up call for policymakers," said report author <u>Dowell Myers</u>, professor of policy and demography and director of the Population Dynamics Research Group at USC. "We will be increasingly dependent economically and socially on a smaller number of children. They are more important to the state's future success than ever before."

Why exactly is California's child population shrinking? Far-reaching demographic changes, including declining birth rates, fewer newcomers to the state and a smaller population of women of childbearing age all play a role, Myers said.

The state's birth rate has declined in every major racial and ethnic group since 2000 and has fallen below what demographers call the necessary "replacement level" of 2.1 births per woman. The loss of California's children coincides with the expected retirements of the state's over-65 population whom these children will replace as workers, taxpayers, voters and consumers.

California's demographic shift mirrors those in some other states, including New York, Illinois, Michigan and Massachusetts.

The report notes two additional child trends that may strongly influence the state's future. A rise in the "home grown" population – 90 percent of today's children under age 10 were born in the state -- is a sharp reversal from previous decades. While California historically relied on newcomers from other states and countries for its workforce, that trend is in decline, and the state will increasingly need to rely on the skills and abilities of its native-born children.

"The majority of the next generation of workers will have been shaped by California's health and education systems," Myers said. "It's essential that we nurture our human capital."

Many of those future workers, however, will have grown up in poverty. More than 20 percent of children in California now live below the federal poverty level. Poverty rates are twice as high among California children as adults, the report says. Poverty can limit children's access to food, housing, health care and education, hindering their development and restricting their potential.

For the report, commissioned by the Lucile Packard Foundation for Children's Health, Myers and his colleagues analyzed data from the 2010 U.S. Census, the American Community Survey and additional data sources. Their findings cover trends in the state's child population; the economic value of children as future workers; the state's growing racial and ethnic diversity; the birthplace origins of children; changes in family characteristics; and poverty levels among children.

## Other key findings from the report:

- Since 1970, California has averaged 21 seniors per 100 working age adults. By 2030, that ratio is projected to rise to 36 seniors per 100 working age adults;

- California's children are highly diverse, with the largest group being of Hispanic or Latino origin (51.2%), with non-Hispanic whites the second largest group (27.4%), followed by Asian and Pacific Islanders (10.7%), African Americans (5.6%), and all others (6.1%);

- Migration to the state has been greatly reduced over the past 20 years, and that pattern is expected to continue for the foreseeable future;

- Nearly half of children are being raised in households where English is not the primary language. Many of these children will have bilingual skills that will prove valuable, but in the short term they and their families may require tailored social, health, and educational services;

- In 2010, a quarter of children were living in households headed by a single mother, and were therefore more likely to experience economic hardship;

- Children are growing up in increasingly varied types of households. While nearly two-thirds of children live in households headed by married couples, that percentage has decreased in recent decades.

"All of these findings make a compelling argument that our policies and programs increasingly must support the health, education and well being of the state's children," said David Alexander, MD, president and CEO of the Lucile Packard Foundation for Children's Health, which funded the study. "In particular, we must address the growing rates of child poverty and the persistent child health disparities found in ethnic and racial groups."

Myers is the director of the <u>Population Dynamics Research Group</u> at USC and a specialist in California's demographic future. He is the author of *Immigrants and Boomers: Forging a New Social Contract for the Future of America*.

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About the Lucile Packard Foundation for Children's Health: The Lucile Packard Foundation for Children's Health is a public charity, founded in 1997. Its mission is to elevate the priority of children's health, and to increase the quality and accessibility of children's health care through leadership and direct investment. The Foundation works in alignment with Lucile Packard Children's Hospital and the child health programs of Stanford University.