



AD-A152 535

2

THE SLOW-GROWING ORANGE
A Demographer's Look at
Future Los Angeles

Kevin F. McCarthy

April 1984

DTIC FILE COPY

DTIC
ELECTE
APR 17 1985
E

P-6974

This document has been approved
for public release and sale; its
distribution is unlimited.

85 4 15 103

The Rand Paper Series

Papers are issued by The Rand Corporation as a service to its professional staff. Their purpose is to facilitate the exchange of ideas among those who share the author's research interests; Papers are not reports prepared in fulfillment of Rand's contracts or grants. Views expressed in a Paper are the author's own and are not necessarily shared by Rand or its research sponsors.

The Rand Corporation, 1700 Main Street, P.O. Box 2138, Santa Monica, CA 90406-2138

THE SLOW-GROWING ORANGE
A Demographer's Look at
Future Los Angeles

Kevin F. McCarthy

April 1984

Accession No.	
ITLS	<input checked="" type="checkbox"/>
File #	<input type="checkbox"/>
Language	<input type="checkbox"/>
Classification	<input type="checkbox"/>
Ex.	
Distribution/ Availability Codes	
Avail and/or Dist. special	
A-1	



I. THE SLOW-GROWING ORANGE

A Demographer's Look at Future Los Angeles¹

Both the City of Los Angeles and Los Angeles County, along with the rest of the nation, are undergoing several revolutionary demographic changes that affect the way we form families, distribute ourselves among various regions, and divide our time between work and other activities. The fertility rate is down, half of all marriages may end in divorce, half of all married women work for pay, the population is graying, the "average" family has all but disappeared, and most major metropolitan areas are losing population to outlying areas--even remote rural areas.

These facts are familiar to readers of newspapers and magazines, but people in Los Angeles may be only dimly aware of the curious demographic goings-on there, especially those relating to the matter of sheer growth--the focus of this paper. To cite but a single dramatic example: Had it not been for immigration--mostly from Latin American and Asian countries--the City of Los Angeles would have lost about 250,000 residents between 1970 and 1980; instead, it gained 150,000. We are speaking here only of net figures: 250,000 native-born Americans actually *did* move out of the city--and 675,000 moved out of Los Angeles County. They were however, more than replaced by immigrants.

That sort of thing will not go on indefinitely, however. Indeed, the central fact about Los Angeles' demographic future is that it can no longer expect the rapid growth that it enjoyed in the past. The city and the county are now integrated into a mature metropolis, where population growth will be slow for the rest of the century.

¹This paper is a revised version of the author's speech at the "Futureshape L.A." Conference sponsored by the Central City Association of Los Angeles that was held in Los Angeles in February 1984. The author would like to thank Rand colleagues Will Harriss and Gwen Shepherdson for their assistance. The paper draws on research supported by Center Grant P50-HD12639 from the Center for Population Research, National Institute of Child Health and Human Development, DHHS.

The most optimistic estimates suggest that the county's population will be 23 percent larger in the year 2000 than its current 7.5 million. The most pessimistic estimates see only 8 percent growth. The most plausible estimate is 10 percent to 12 percent, which would translate into a population of 8.4 million for the county and perhaps 3.3 million for the city. The ultimate answer will depend on many factors, perhaps the most important being how successfully Los Angeles will compete for economic growth with other areas both within California and in other states. Furthermore, international events will affect Los Angeles, often in ways that have not been immediately important in the past: political stability or instability in Mexico and Central America, the pace of economic development in Asia and Latin America, and the rate of population growth in those areas.

Growth and decline will not affect all parts of the county equally. Whatever the average growth rate, some communities--and even some downtown Los Angeles neighborhoods, through "gentrification"--will grow rapidly at the expense of others.

A second dramatic aspect of growth in the Los Angeles area is the new set of forces that are generating growth within the Basin. The end result of this shift will be--and perhaps already is--a transformation of the Los Angeles Basin into the first continental multiracial and multiethnic metropolis in the United States--that is, where whites are no longer the predominant majority. (Honolulu is the prototype.)

Historically, Los Angeles owed its rapid growth to in-migration from the rest of the country. That growth was almost 50 percent per decade during the 1940s and 1950s--over 4 percent per year--with in-migration accounting for two-thirds to three-fourths of the total. But in the 1960s, in-migration fell off precipitously, accounting for less than 10 percent of total growth, whereupon natural increase assumed the leading role--the difference between births and deaths. Many of these births were to earlier in-migrants, of course, and therefore could be considered by-products of earlier migration. In the 1970s, the residual effects of that migration abated and immigration became so numerically important that it saved Los Angeles from the net losses of population that have afflicted the older metropolitan areas of the

Northeastern and North Central states. Meanwhile, the area has been losing longer-term residents, especially among the white non-Hispanic population.

Several factors have contributed to that loss. First, the Los Angeles Basin has begun to lose some of its economic advantage over the rest of the Sunbelt, including other areas in California. For example, between 1970 and 1980, the Basin's share of the state's high-growth industries, including high-tech industries, began to decline. Secondly, by 1980 the cost of living had become more than double the national average. In particular, the high cost of housing has not only discouraged potential in-migrants to Los Angeles, but also has impelled many current residents, including many of the most productive younger ones, to leave the county in search of housing they can afford in surrounding counties or far away. Thirdly, changing family patterns--delayed marriage, high divorce rates, smaller desired family size, and the like--have sharply reduced the rate of natural increase. The reduction is most notable among the Anglo population which, in 1979, actually registered fewer births than deaths. Finally, legislative changes have removed obstacles to immigration from less-developed countries, from which 80 percent of our immigrants now come; those changes, together with indigenous demographic and political pressures in those countries, have greatly increased the numbers of immigrants who are willing and able to come to our shores. Modern developments in communications and transportation, which have enabled us to expand trade with Asia and Latin America, have also facilitated this process.

The net result is that Los Angeles is following the example of Honolulu in becoming a multiethnic, multiracial metropolis. White non-Hispanics now make up less than half of the city's population, and the relative size of the black population has declined as well. The absolute numbers of black residents barely changed between 1970 and 1980, but their percentage dropped a notch from 18 percent to 17 percent. Meanwhile, the city's and county's Hispanic and Asian populations have boomed; they now constitute over one-third of the population and could easily become a majority by the year 2000. (Even the Thai population has risen sharply, and it is appropriate irony that Krungtheb--which is what the Thais call their capital-- also means "City

of the Angels".) Over the past twenty years, Los Angeles has even acquired 10,000 Egyptian Copts. As a consequence, Los Angeles is becoming a more interesting, culturally richer, place to live but it is also facing some increasingly difficult challenges at the same time.

The emergence of a Hispanic and Asian majority will present some new challenges to the Los Angeles Basin. The trend is already beginning to tax the resources of the public and private sectors: In the Los Angeles School District, for example, enrollment has shifted from majority Anglo to majority Hispanic in the last ten years. And as the populations of foreign-born children and native-born children of foreign parents mature, they will certainly make their presence felt in the health system, the political system, social service agencies, and the courts. We may even see a brand of ethnic politics arise that will rival the old turn-of-the-century Eastern political machines.

Notable benefits should accrue to the Basin at the same time. Many immigrants bring valuable skills with them, and those who lack skills make up for that with motivation. Studies have found that, after a period of adjustment, immigrants generally do very well in our society, equaling or outstripping native-born residents of similar characteristics. That may be particularly true for many recent immigrants to the Basin, especially the Asian-born, who are among the highest-skilled in the nation's history. These skills represent a gift of human capital to the nation. Regardless of how immigrants are classified when they enter, they come to the United States to work, and we as a society enjoy the fruits of their labor without first having to pay the full price of their initial education or training. The entrepreneurial energy they infuse into their new culture is evident in the numerous new businesses they open.

The effects of slower growth and a sharply different composition of the population will be compounded by changes that are certain to occur in the age structure of the Basin's population. Most notably, the alternating cycles of baby boom and baby bust are changing the Basin's age structure in some remarkable ways. The most noticeable change will be a sharp decline in the number of teenagers and young adults in the next ten years--something like 10 to 15 percent in absolute numbers. In contrast, the absolute number of prime-age workers (35 to 49 years old)

will increase 35 percent between 1980 and 1990 and 56 percent between 1980 and 2000.

These changes, which are beginning to be felt only now, could have profound effects on the Basin because behavior patterns vary substantially over the life cycle. For example, the shrinking ranks of teenagers and young adults could reduce crime rates, because young people commit a disproportionate share of all crimes. Besides, steadily improving job prospects for young people will make crime less attractive. The weekly wages of high school graduates, for example, could improve almost 20 percent by 1990 and 35 percent by 1995, simply because of the relative shortage of entry-level workers. And if employment growth averages 1 percent per year, as it is projected to do, the result could be a general labor shortage that would raise wages and encourage further immigration. Meanwhile, the growth in the numbers of prime-age workers should generate an increase in purchasing power, since earnings are at their peak in those years, and thereby promote a resurgence in the housing market and other consumer markets.

Overall, Los Angeles seems certain to face a host of demographic, economic, and social changes that will challenge both the public and private sectors. How Los Angeles responds to those challenges (especially with a population increasingly composed of immigrants and their offspring) remains to be seen.

END

FILMED

5-85

DTIC