

# Planning and Policy Implications of Growth in the SCAG Region

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# The Bottom Line—What Will Happen and What is Needed

- Baby boomer aging and retirement will occur in the context of regional growth and have major implications for housing, transportation and land use AND workforce
- The job growth forecast depends on success in implementing the RTP/SCS policies AND success in developing regional and state economic prosperity strategies
- The growth forecast is about the future, not the next two years

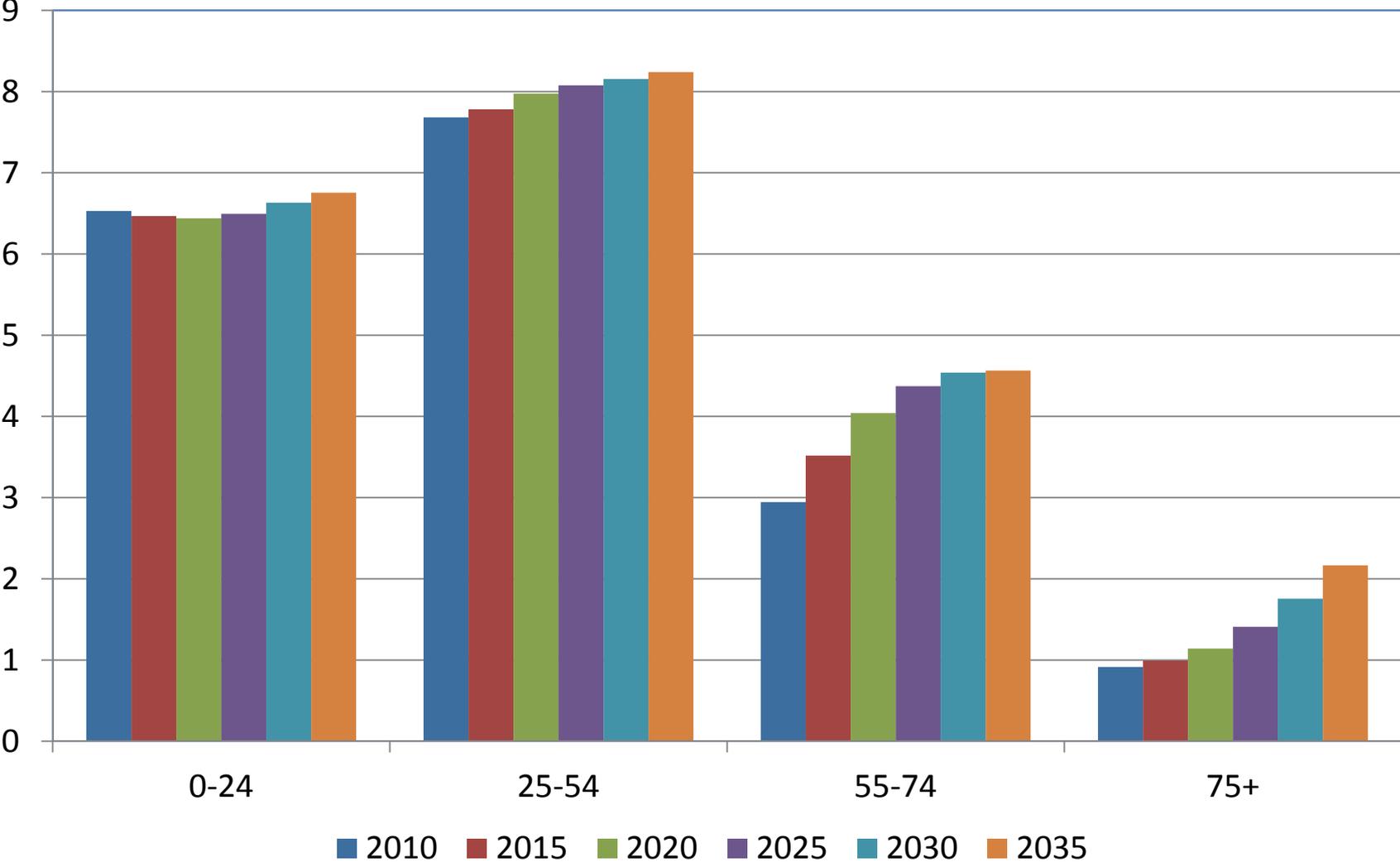
# Major Topics

- Planning and Policy Implications of the 2012 RTP/SCS Growth Forecast—What is Likely to Happen and What Needs to be Done
- Related Issues
  - New Information from the 2016 growth forecast preparation including new DOF population forecast
  - The planned SCAG population aging and policy implications conference in September will provide insight from around the state and world on planning for regional growth

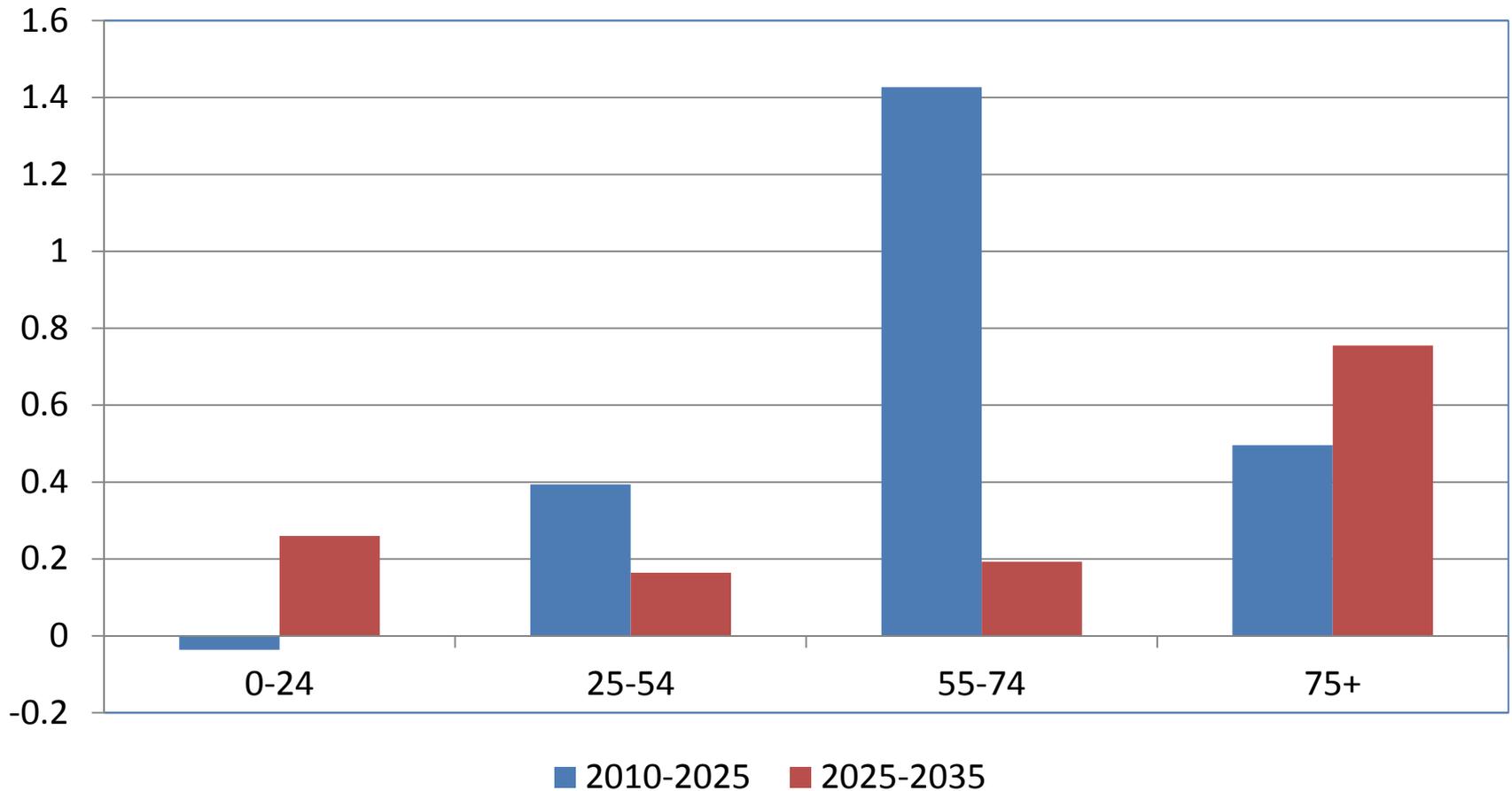
# Major Findings of the 2012 Growth Forecast

- Most population growth will be in residents 55 years of age and older. After 2025 the 75+ population will surge.
- Very slow growth in the number of residents aged 0-24 as DOF and Census Bureau project lower fertility rates for all groups. A new finding!!
- Also slow growth in the 25-54 age groups
- Continuing ethnic change with population gains concentrated in Hispanic and Asian residents

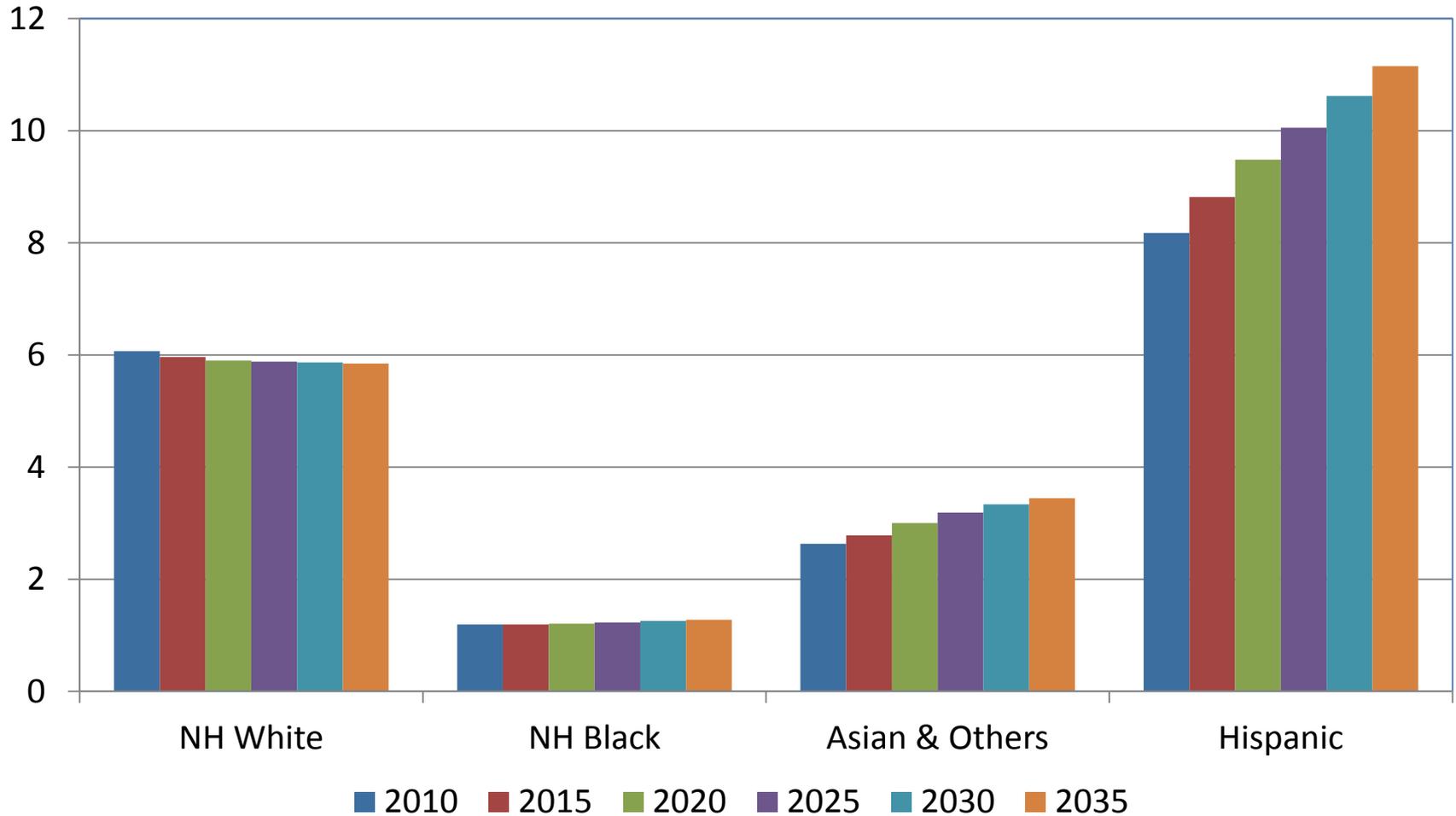
# SCAG Region Population (Millions)



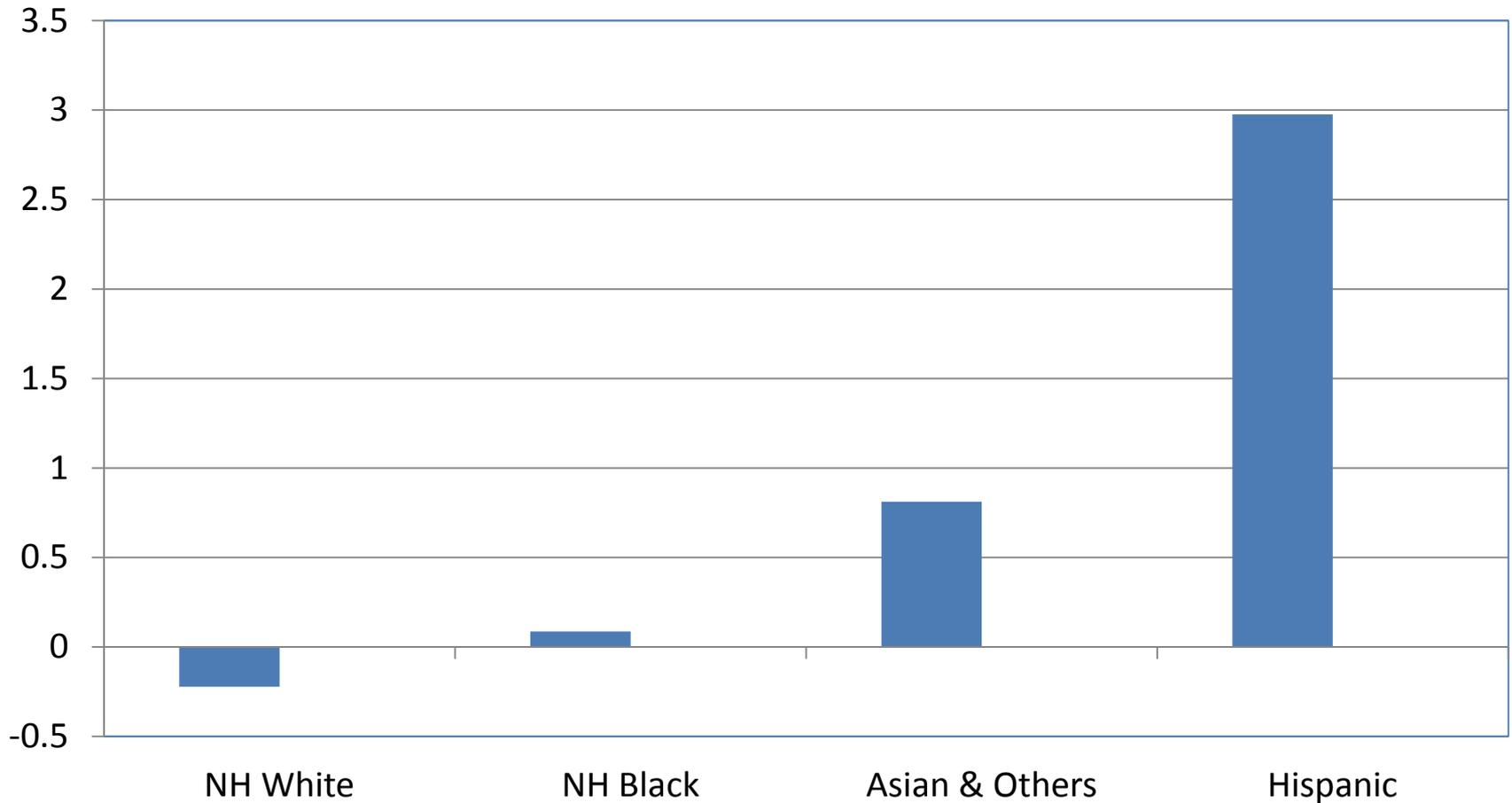
# SCAG Region Population Growth 2010-2035 (Millions)



# SCAG Region Population (Millions)



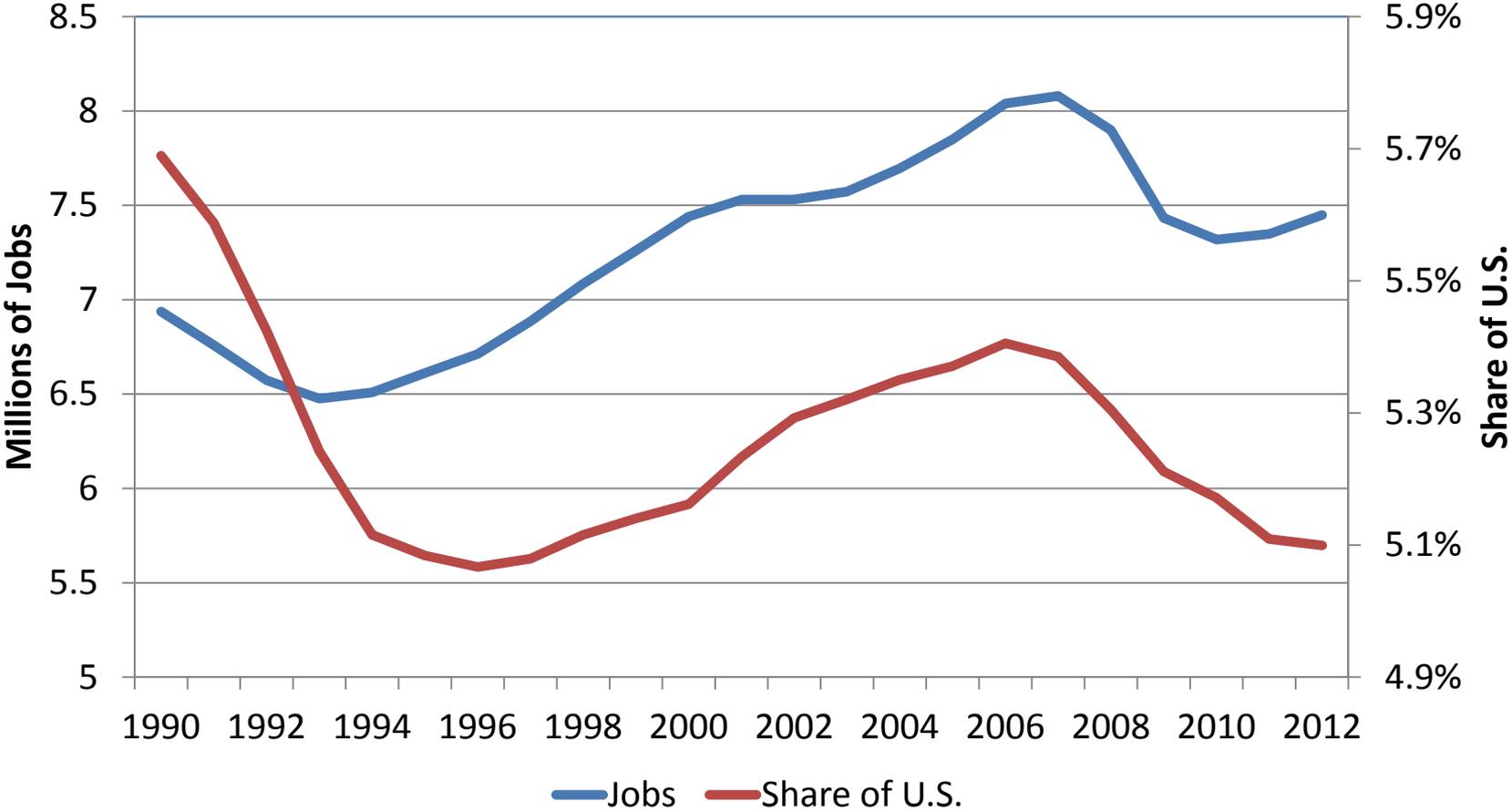
# SCAG Region Population Growth 2010-2035(Millions)



# Key Growth Forecast Assumptions

- The regional economy will recover and grow in line with the national economy to 2035
- The investments and plans incorporated in the 2012 RTP/SCS/RES will be, for the most part, successfully funded and implemented
- The forecasted growth will not, by itself, solve longstanding challenges of poverty and equity

# The Region has Recovered from a Deep Recession Before



# Major SCAG Planning and Policy Initiatives

- The 2012 Regional Transportation Plan (RTP)
- The 2012 Sustainable Communities Strategy (SCS)
- Ongoing Regional Economic Strategy Initiatives (RES)
- Bottom Line: All of these initiatives are important for economic competitiveness as well as transportation, land use, air quality and other goals. These plans and policies make the region a better place to live and work.

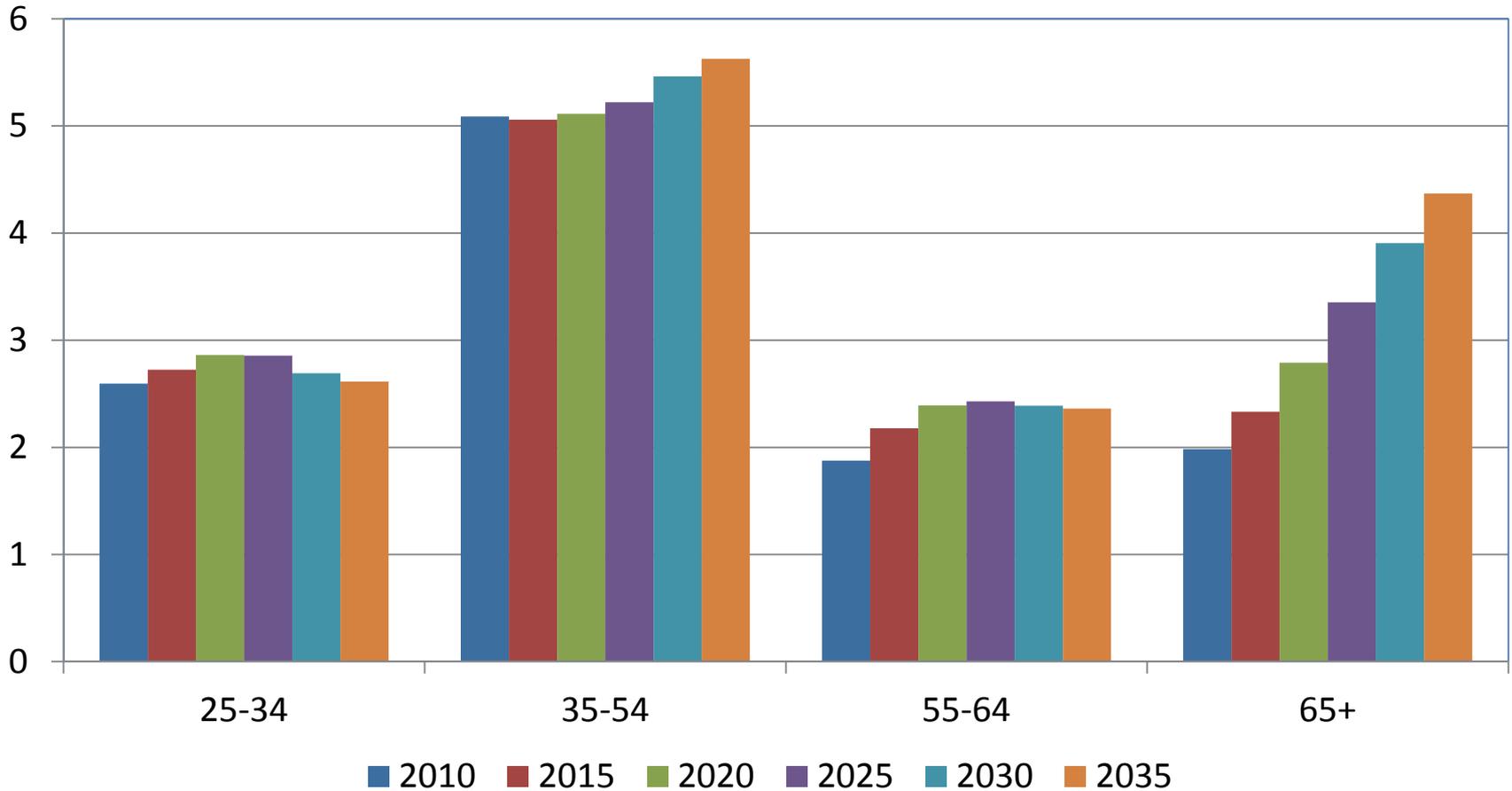
# Implications of Demographic Change

- Demand for housing and city design
- Implications for transportation demand
- Implications for labor force and the economy
- Impact on government revenues and spending
- Implications for education and training
- Implications for immigration
- Land use
- Energy and climate change

# Implications for Housing-- A Reversal in Growth for Large Homes at the Edge of the Region??

- 2010-2025
  - Growth in 25-34, 55-64 and 65+ age groups
- 2025-2035
  - Growth in 35-54 and 65+ age groups
- Fewer children and smaller households
- A lot depends on what older HHs choose to do
- But demand for smaller units in high amenity areas should grow, facilitating SCS planning and policies. Expect market demand to follow demographic trends.

# Key Housing Age Groups (Population in Millions)



# Implications for the Economy of the RTP/SCS Plans

- The RTP investments are crucial to improving the movement of people and goods and thus important for attracting many of the jobs in the growth forecast. Full funding is not yet in place. SCAG has documented the economic gains from these investments. And RTP investments are a part of the regional air quality plan.
- SB 375 requires the region to provide housing to match job growth while reducing GHG emissions. Adequate housing is critical to regional economic competitiveness. The climate change study identified specific SCAG land use, housing and transportation policies as the most cost effective strategies to reduce greenhouse gas emissions while having a positive economic impact

# The Regional Economic Strategy has Important Short AND Long-Term Policies

- Transportation investments and other policies in support of foreign trade
- Expediting project review and other policies to improve customer service
- Exploring public-private partnerships, lowering voter thresholds and other policies for better infrastructure funding
- Exploring development of sector strategies

# The Tsunami of Baby Boomer Retirements

- The region's labor force was 8.8 million in 2012
- By 2020 900,000 baby boom workers will retire
- Between 2020 and 2030 another 1.5 million baby boomers will retire
- The region will add 2.2 million jobs by 2035 (500,000 to replace remaining recession losses) while needing to replace 2.4 million retiring baby boomers

# Workforce Implications of the Growth Forecast

- Near term there will be delayed retirements and still unemployed workers available
- Starting soon, though, the region will need skilled workers for the new jobs and to replace the more educated and experienced retirees
- Additional considerations are the smaller number of children expected as well as ongoing increases in skill requirements for many jobs

# Workforce Implications (cont'd)

- Educating ALL children is both an economic prosperity and equity imperative
- There will be job openings at ALL skill levels
- High school graduation AND something beyond will be needed by most. Community colleges are a critical resource for the economy and businesses
- The smaller number of children will make it important to ease and target immigration to focus more on labor market needs

# The 2016 RTP Growth Forecast

- Key issue is assessing the region's competitive position for job growth, which will determine how fast the region grows.
- The age and ethnic changes described above will continue. There will be fewer children than previously anticipated.
- Immigration and labor force participation trends will be revisited.
- The links to SCAG policies will be identified.

# The Upcoming Population Aging and Policy Implications Conference

- Will explore the implications of demographic change in the region
- Will have guests from around the state and world to share experiences of planning for growth in large urban regions like SCAG
- Will identify best practices with regard to transportation, land use, housing and energy/climate change
- Will be an input to 2016 cycle plans and policies