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The New DOF Population Projections Have Serious Methodological Problems

Here are two of the most serious problems in the DOF methodology taken directly from their Population Projections Methodology PDF on the DOF website https://dof.ca.gov/wp-content/uploads/sites/352/2023/07/Projections_Methodology.pdf.

“Projection models heavily rely on trends and relationships observed in the past. Users are cautioned that projections may not accurately project the future population of the state or the counties when future events do not follow past trends.”

This statement is mostly false at the methodological level and at the practical level.

I have assisted regional planning agencies in California develop long-term economic and demographic projections as part of their regular regional transportation plans (RTP) and sustainable communities strategy (SCS) planning. It has been my principal work for the past 40 years.

The standard methodology for regional projections starts with job projections based on assumptions about the share of U.S. industry jobs captured in the region by detailed industry group. The U.S. projections are updated regularly by the U.S. Bureau of Labor Statistics (BLS) and are about the **future not past trends**.

The assumptions about key projection variables are reviewed by expert panels (I have organized and/or participated in several throughout the state) that focus on how key projection factors (e.g., job shares or household forming behavior **will change or not from past trends**).

Population growth is projected related to job growth projections and a series of technical factors. All regional planning agencies in California that I have consulted with or know about relate future population

growth to projections of future job growth. However, job growth is **not** an explicit part of the DOF population projection methodology.

The second key problem with the projection methodology in the current DOF projection series is quoted below from the DOF PDF.

“These projections assume economic stability throughout the forecast period. Changes in immigration, education, housing, or transportation policy could have significant effects and are not considered here.”

All the regional projections and plans find job growth continuing near the national level and project a strong increase in housing production.

So, the DOF projection of virtually no population growth statewide can only happen **if all the regional plans and projections fail miserably.**

We have state and regional plans with the explicit aim of **changing and increasing housing production from past trends.**

I will now share some summary data from the new DOF projections and identify what look to me like implausible results. The full DOF projection sets can be found here

<https://dof.ca.gov/forecasting/demographics/projections/>.

I first looked at regional trends for the Bay Area/ABAG region, the Southern California/SCAG region and for Sacramento/SACOG, San Diego/SANDAG, the 8 county San Joaquin Valley and the rest of the state. I looked at the growth projected for 2022-2030 and for 2030-2060.

Here are the results and some strange trends:

- The state is projected to add 402,300 residents by 2030 but only 77,621 in the next 30 years
- On the other hand, the Bay Area is projected to add only 43,620 residents by 2030 but 769,774 in the next 30 years
- San Diego County is projected to add 94,289 residents by 2030 and then lose 51,030 in the next 30 years.

- Southern California is projected to lose 14,192 residents by 2030 and then lose another 1,162,313 residents in the following 30 years

Yet, these and the other large regions are all projected to add jobs over the next 8 years and beyond though job and population growth will likely slow after 2040.

Region	Change in Total Population	
	Change 2022-2030	Change 2030-2060
Bay Area	43,620	769,774
Southern California	-14,192	-1,162,313
San Diego	94,299	-51,030
Sacramento	85,276	290,076
San Joaquin Valley	173,633	239,251
Rest of State	19,664	-8,137
California	402,300	77,621

Next, I will show data for selected counties.

First, for the Bay Area.

Some of these projections strike me as strange given that the Bay Area is expected to see continuing job growth throughout the region and all Bay Area counties and their cities are planning to add a substantial amount of new housing. DOF did not take housing or job growth into account in their new projections but that is not a reason for some of what seem to me are inconsistencies across jurisdictions.

Take for example, the different patterns of growth for two adjacent Silicon Valley counties, San Mateo and Santa Clara.

Or the different pattern of growth for Sonoma and Solano counties. I can see Solano growing faster as it could house commuters into both the Sacramento region and San Francisco but the DOF projections do not take job growth patterns into account.

Then there is the slow growth projected for San Francisco showing no recovery from recent losses even as the city is committing to plan for more than 80,000 new housing units in the current RHNA cycle.

Change in Total Population

	Change 2022-2030	Change 2030-2060
Alameda County	31,476	307,174
Contra Costa County	22,359	272,955
Marin County	-10,271	-2,223
Napa County	-3,454	-6,542
San Francisco County	2,975	7,906
San Mateo County	-18,813	-4,145
Santa Clara County	17,558	200,273
Solano County	6,220	60,885
Sonoma County	-4,430	-66,509
Bay Area	43,620	769,774

I have commented above on the San Diego County result that shows some near-term growth and then a loss of population after 2030 despite a strong economy and planned housing growth.

The next set of data is for the Southern California region

Los Angeles City and many other cities in the county have strong plans to added housing for all income groups. It seems clear that DOF continued recent out-migration trends without considering these plans or the continuing job growth in the county and region.

The Southern California region had out-migration of nearly 1 million residents after the defense/aerospace job losses after 1990. The

region also lost around 700,000 residents to out-migration after the recession and foreclosure challenges in 2008-2010. In both cases job and population growth resumed.

Change in Total Population

	Change 2022-2030	Change 2030-2060
Imperial County	5,935	6,175
Los Angeles County	-225,504	-1,282,468
Orange County	52,357	97,205
Riverside County	102,634	120,243
San Bernardino County	74,694	-16,357
Ventura County	-24,308	-87,111
Southern California	-14,192	-1,162,313