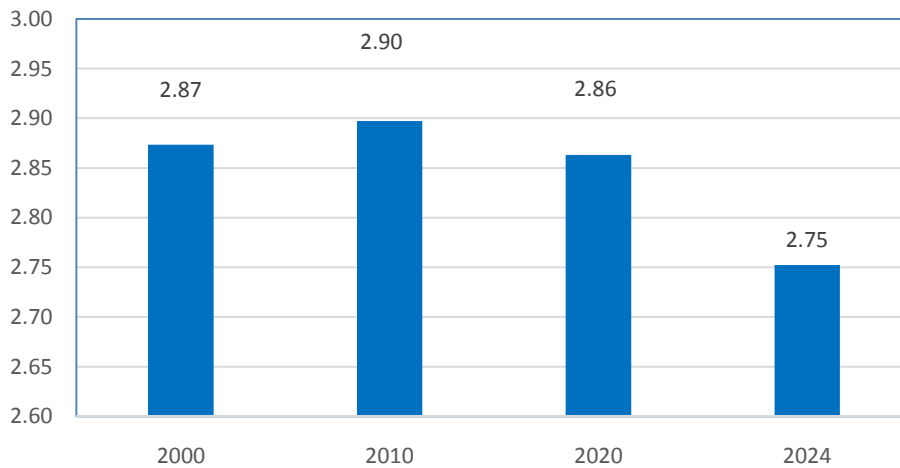


Demographic Trends, Household Size, Implications for Housing

Household size has been declining across California despite the pressures for residents to combine into one housing unit to save costs. The decline has continued even during the recent rise in housing costs.

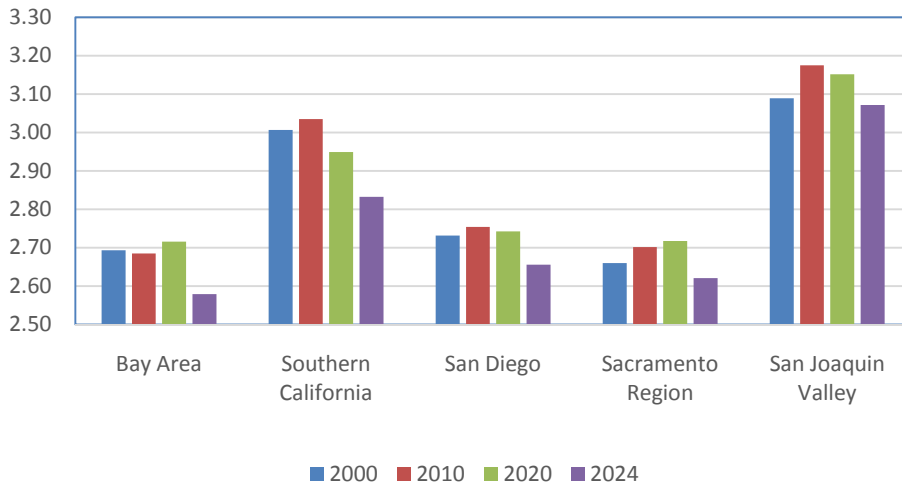
Household size statewide was relatively stable between the 2000 and 2020 Censuses and then dropped steadily between 2020 and 2024.

Persons per Household California



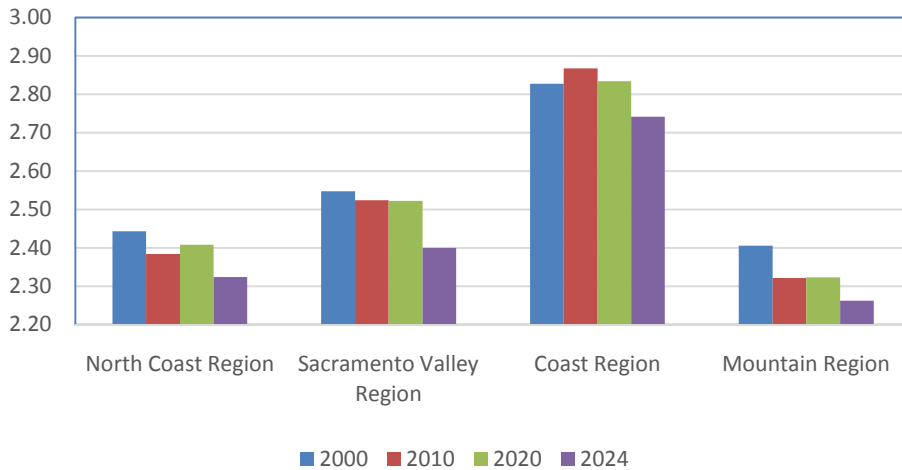
The decline has occurred in all the major state regions. The Bay Area has the lowest ratio of persons per household (2.58 in 2024) followed by the Sacramento Region (2.62) and San Diego County (2.66). Household size has also fallen sharply in Southern California from 3.03 in 2010 to 2.83 in 2024. The highest and most stable household sizes are in the San Joaquin Valley, which has had the highest % growth in residents. Excluding the Valley, statewide household sizes would have declined more sharply.

Persons per Household Large Regions



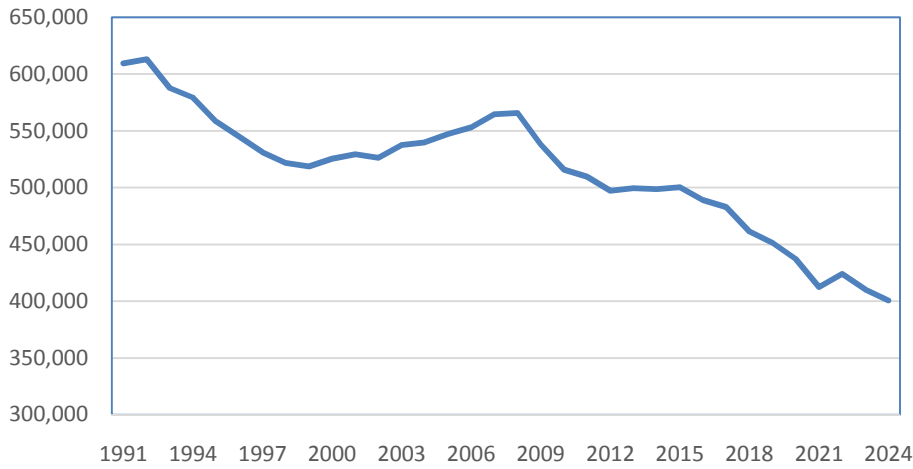
Household size also fell in all the state's smaller regions even though they had lower housing costs.

Persons per Household Smaller Regions



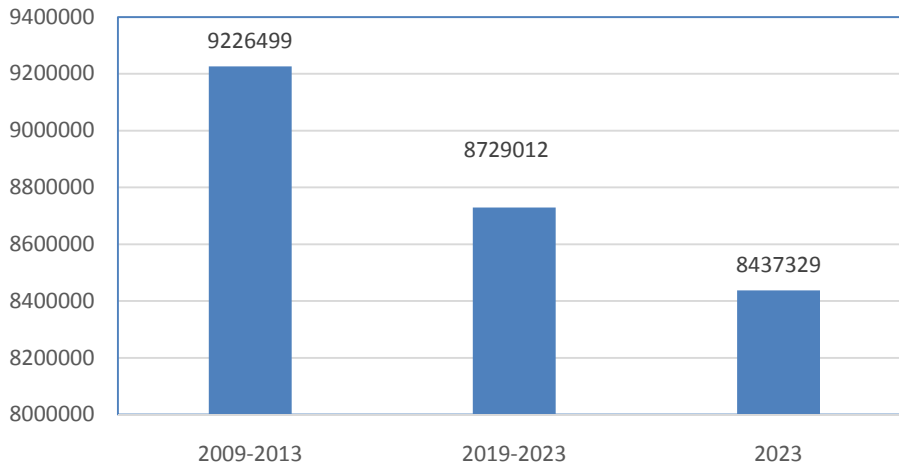
Two demographic trends, both of which will continue, pushed household sizes lower. The state and regions have seen steady declines in birth rates that have led to fewer children per household. Annual birth levels in California have fallen by 1/3 since 2001 going from around 600,000 to 400,000 in 2024. Besides the effect on household size, these declines have pushed school enrollment lower, which is leading to school closures in many areas.

Annual births in California



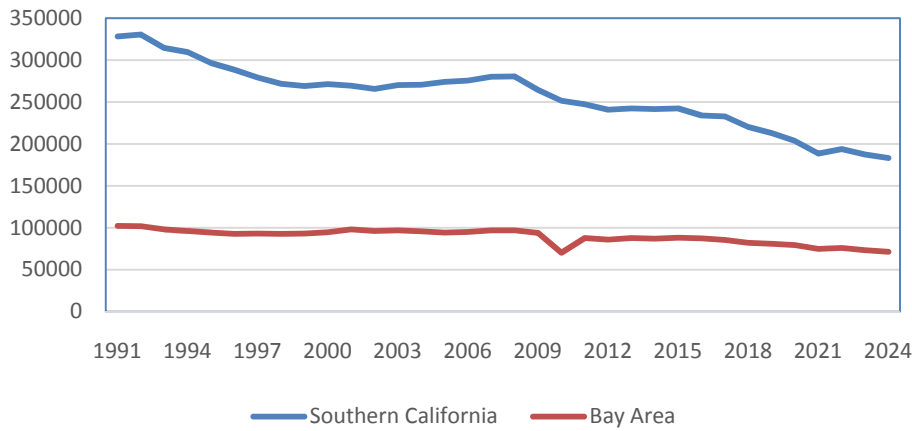
The decline in annual births as it works its way through the age distribution has led to a decline in residents under 18 years of age according to the five-year averages from the American Community Survey for 2009-2013 and ten years later for the 2019-2023 period and even further in 2023.

California Population 0-17



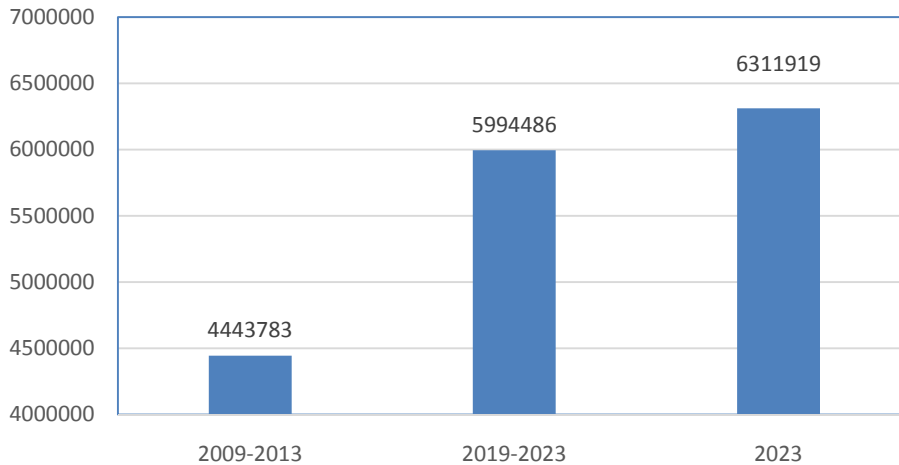
Most of the decline in the number of births occurred in Southern California with a smaller amount of decline in the Bay Area.

Annual Births in Southern California and Bay Area



The other demographic trend pushing average household size lower was the increase in the number of older residents and their share of the state population. As shown below, the number of residents aged 65 and above rose from almost 4.5 million in the 2009-2013 period to nearly 6 million ten years later and to 6.3 million in 2023 according to American Community Survey data.

California Population 65+



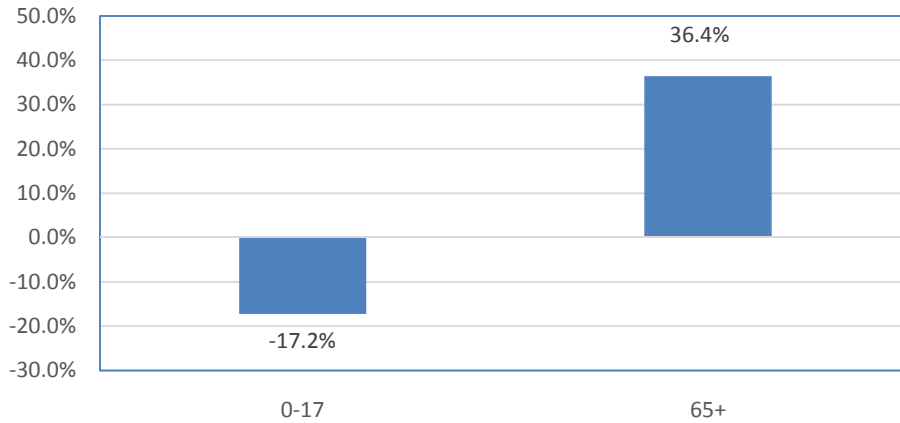
Shown as %s of the state population, the share of 0-17 aged residents fell and the share of 65+ residents rose during these years.

Share of California Population

	2009-2013	2019-2023	2023
0-17	24.5%	22.2%	21.7%
18-64	63.7%	62.5%	62.1%
65+	11.8%	15.3%	16.2%

These demographic trends are projected to continue according to the most recent California Department of Finance projections as shown below. The state population under 18 is projected to decline by 17.2% between 2023 and 2035 while the number of residents aged 65 and over is projected to increase by 36.4% during the same period.

Projected Change in State Population 2023-2035

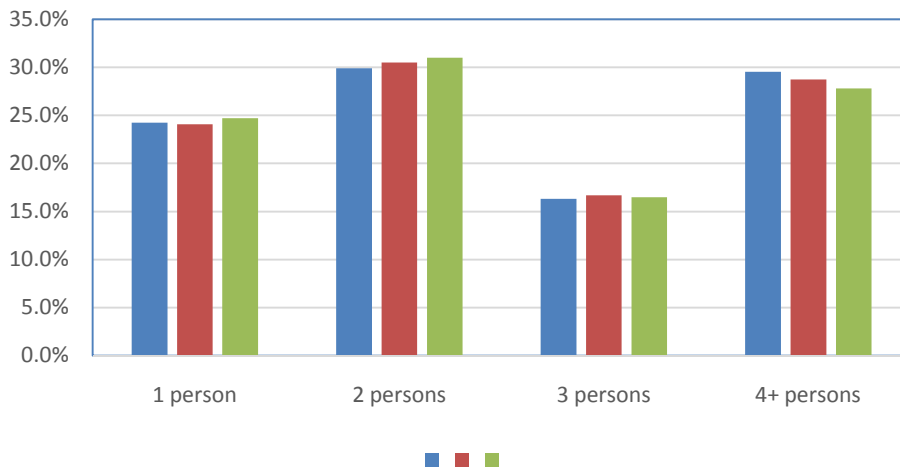


Trends in Household Size

The share of households by size has changed little in the past 15 years as shown below. The share of 1 and 2 person households has increased slightly while the share of households with 4 or more persons has decreased also slightly.

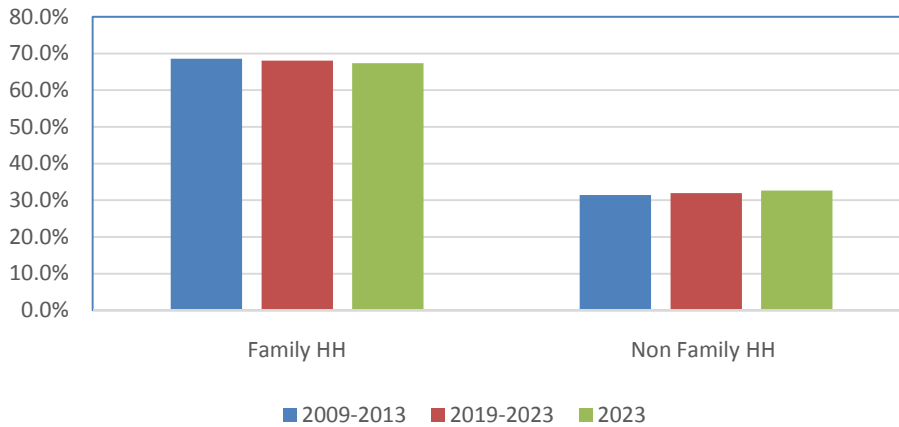
During the same period, the share of family and non-family households also changed little as shown below.

% of Households by Size California

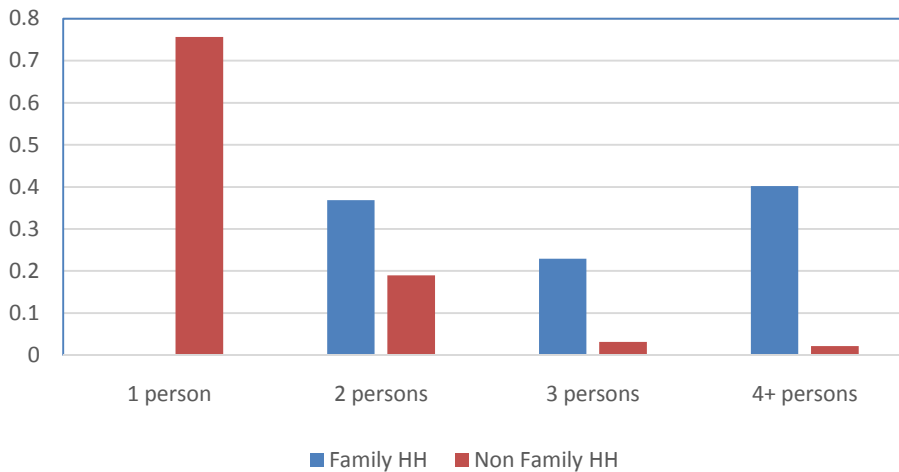


Family households include multi-generational households such as adult children living with their parents as well as other groups of family members and it is likely that these have increased in recent years adding to the number of 3 and 4+ person households.

Share of Family and Non Family HH in California



Share of HH by Size California 2023



Most non-family households are 1 person and the 76% share in 2023 is similar to the share 15 years ago. Most of the rest of non-family households are 2 persons. The largest share of family households is 4+ persons at 40% of family households.

Implications for Future Housing

Demographic trends will produce demand for smaller housing units over the next decade as the number of children per household declines and a higher share of residents are over the age of 65. Both trends will push average household size lower than today. Smaller units (studios, 1-bedroom homes and ADUs) will be less expensive than larger homes and that could help affordability.

While permit levels have remained low, population growth is even smaller, so some catch up and relief from rapid housing price and rent increases is likely.

Another positive trend will be an increasing number of older households vacating their single-family homes to move into condos/townhomes in walkable areas or into various forms of assisted living. This will free up single family homes without creating sprawl.

While most of this analysis has been at the state level, these trends and implications will occur in the state's large regions.

For cities working to meet their housing goals, local analyses of these trends will be necessary.

Of course, the future is uncertain, and much will depend on the ability of communities and home builders to produce more housing units.

Sources and Notes

The 2009-2013, 2019-2023 and 2023 population by age data is from table S101 from the American Community Survey (ACS) at <https://data.census.gov/>

The household by size data for those time periods is from table B11016 at the site above.

The state projections of population for key age groups comes from <https://dof.ca.gov/forecasting/demographics/projections/>
Table P-1B

Regional Structure

The Southern California, Bay Area, San Diego and Sacramento region boundaries match the related regional planning agencies—SCAG, ABAG, SANDAG and SACOG. The San Joaquin Valley region includes multiple regional planning agencies.

Southern California Counties

Imperial
Los Angeles
Orange
Riverside
San Bernardino
Ventura

Bay Area Counties

Alameda
Contra Costa
Marín
Napa
San Francisco
San Mateo
Santa Clara
Solano
Sonoma

San Diego Region

San Diego

Sacramento Region Counties

El Dorado
Placer
Sacramento
Sutter
Yolo
Yuba

San Joaquin Valley Counties

Fresno
Kern
Kings
Madera
Merced
San Joaquin
Stanislaus
Tulare