

Regional Best Practice Projection Methodology Application to SBCAG County Projections

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Best Practice Methodology

- Regional job projections depend on assumptions about U.S. job growth and the regional share of U.S. jobs. The region and nation are connected.
- Regional population projections depend on job growth and the proportion of regional workers living in the region.
- Regional household projections depend on population growth, age and ethnic composition, behavioral factors and assumptions about housing supply.
- Variations of this methodology are used by ABAG, SACOG, SANDAG, SCAG and national firms.

SBCAG Job Growth-1

- SBCAG job growth depends on the number (POOL) of jobs created in the U.S. and the SHARE of U.S jobs locating in the region.
- The POOL of U.S. jobs depends on the amount population growth, the age profile of the population and labor force participation rate trends.
- The amount of U.S. population growth depends on assumptions about immigration and birth rates. Used conservative immigration projections

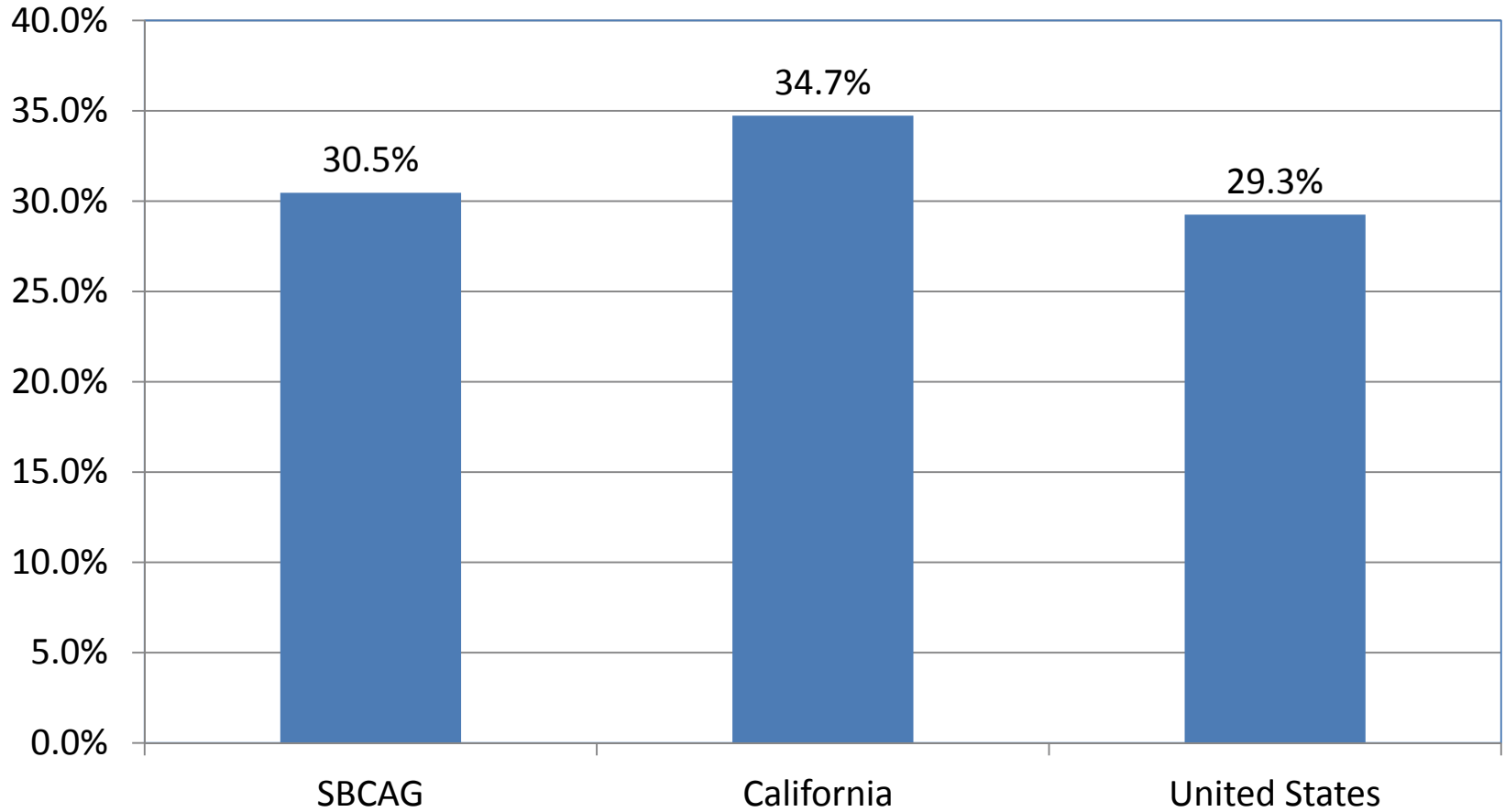
SBCAG Job Growth-2

- The SHARE of U.S. jobs locating in the region depends on the composition of U.S. job growth and the competitive position of the region.
- CCSCE includes an additional projection step—projecting CA jobs first and the region as a share of CA.
- The share of job growth is primarily determined by growth in the region's economic base—those sectors that sell a majority of goods and services to customers across the state, nation and world.

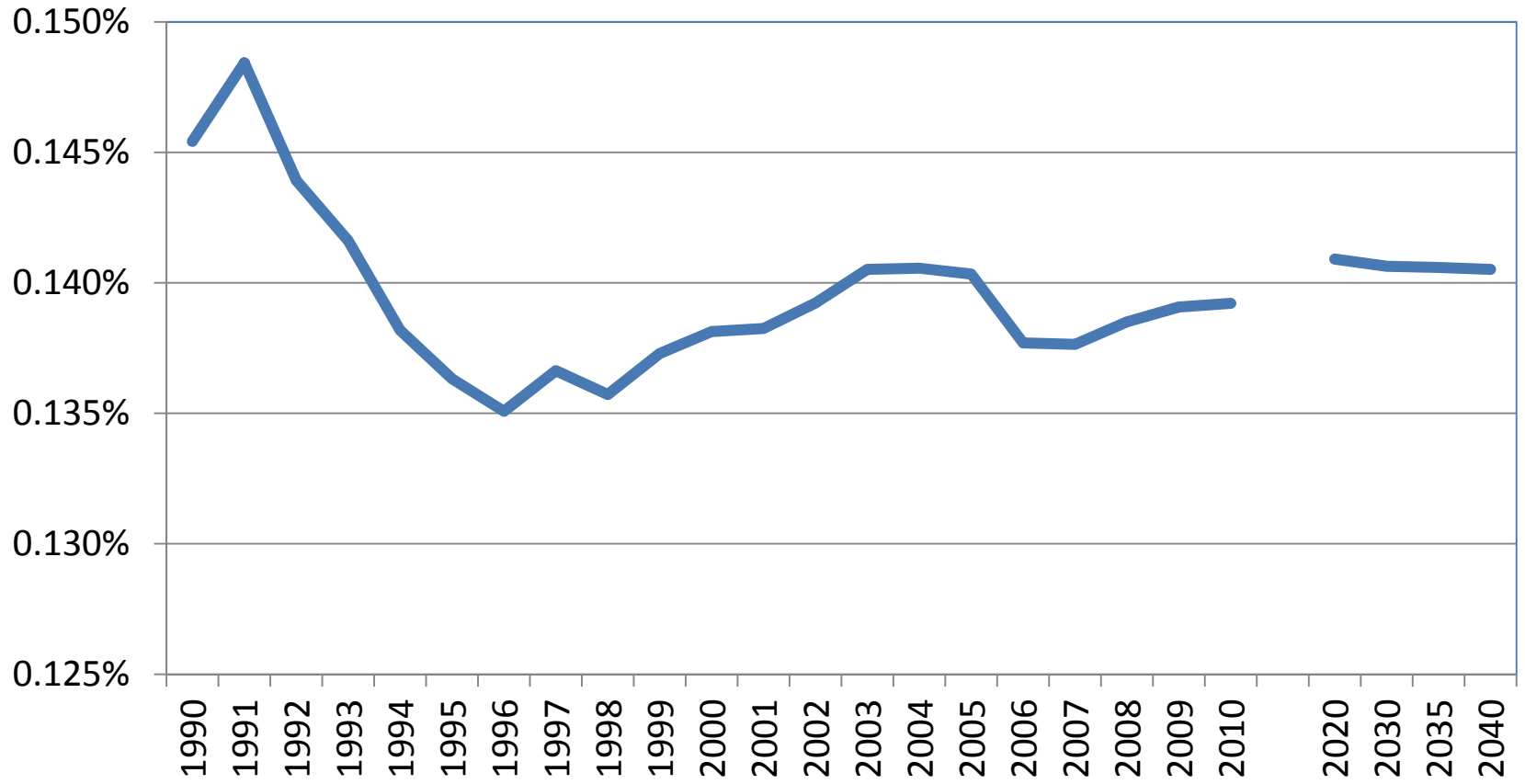
Adaptation of Methodology to SBCAG

- The starting point was a detailed set of U.S. and California industry job projections developed by CCSCE in the late fall of 2011.
- Projections for SBCAG were developed at the major industry level as shown in a later slide.
- The SBCAG region was assumed to follow the major industry job trends projected for the U.S. and California.
- CCSCE projections were comparable to earlier Caltrans projections in terms of job growth.

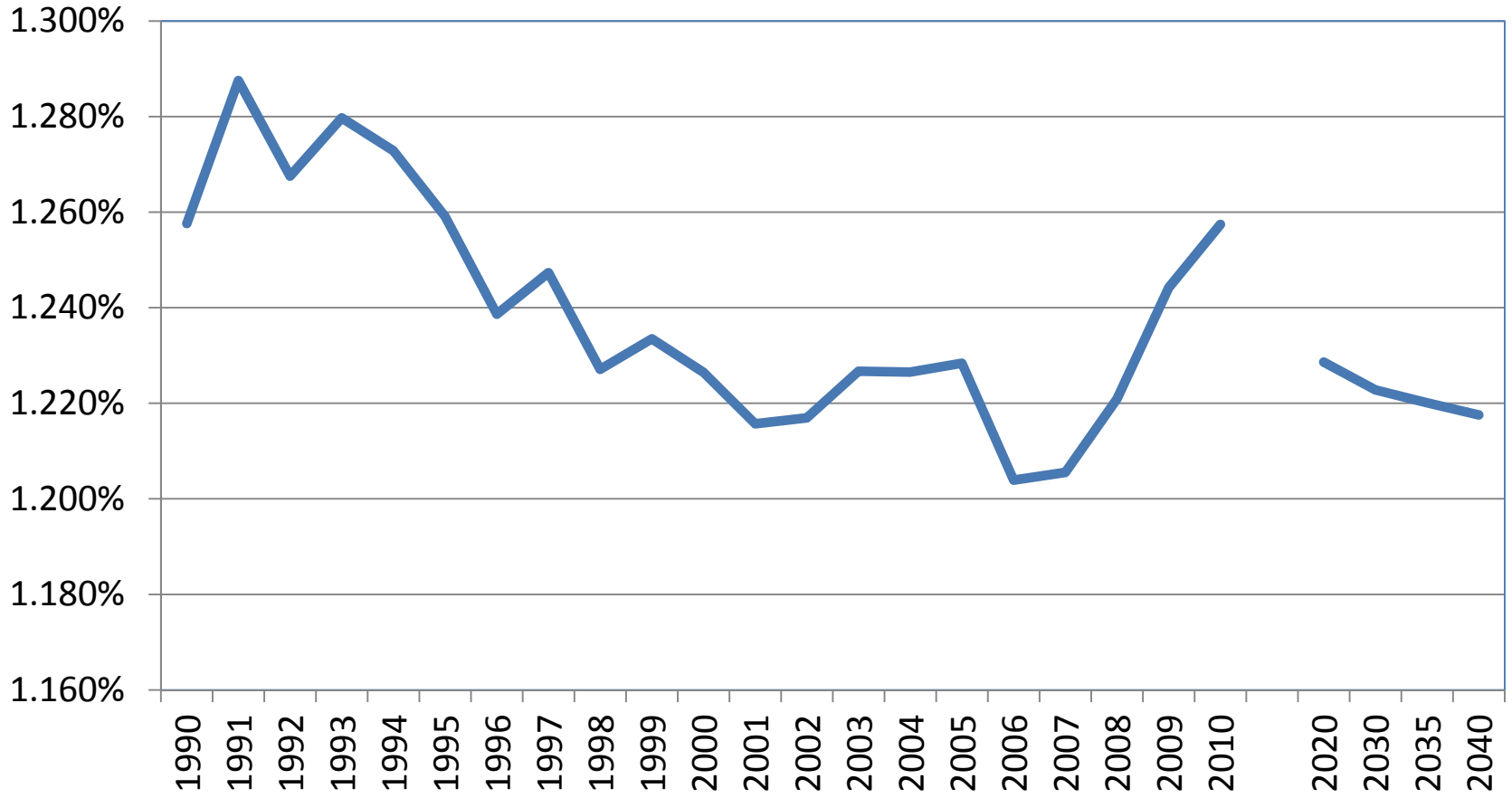
Job Growth 2010-2040



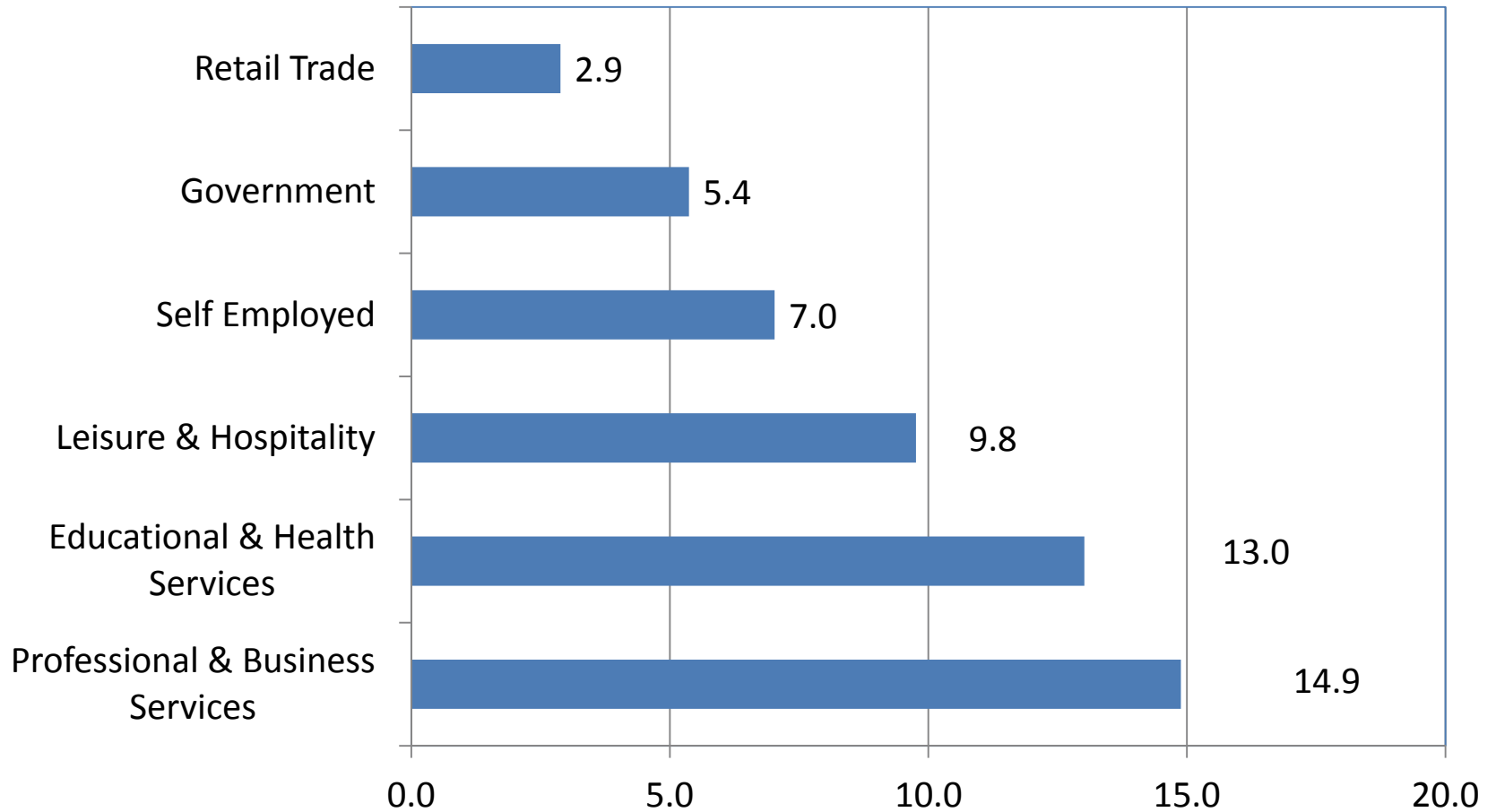
SBCAG Jobs as % of U.S.



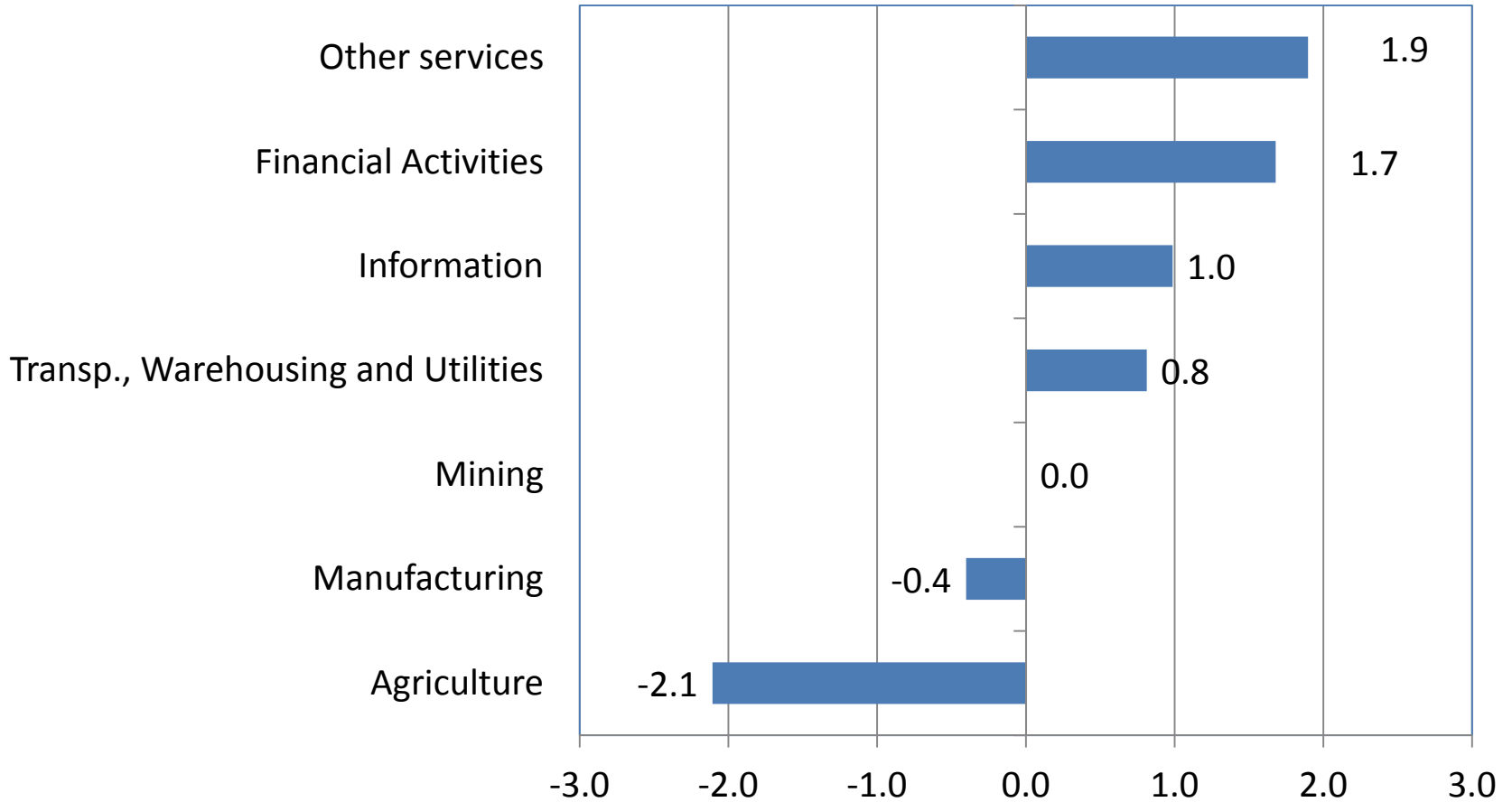
SBCAG Jobs as % of CA



Largest Job Growth



Slower Growing Sectors



Issues and Challenges

- These job projections reflect the likely growth pattern if the region maintains its competitive attraction for technology, trade and tourism and other driving industries.
- Being competitive includes facing the challenges of education, infrastructure, housing and quality of life that are well known in the region, state and nation. Job growth is never automatic.
- All long-term projections are subject to uncertainties in national and world demographic and economic trends.

Regional Population Growth

- Determined by the population needed to support the projected job growth
- Depends also on projected levels of in commuting
- Brian will discuss in commuting issues and the assumption used in today's projection
- Total population growth was projected first and then allocated to age and ethnic groups

Household Projection Methodology

- HH growth consistent with projected job and population growth
- Household formation rates by age and ethnic group developed with input from HCD
- Today I want to call attention to the age pattern of projected population and HH growth that Brian will show you shortly. It has important implications for housing and workforce trends and policies