Immigrants and Boomers

Building a New Social Contract

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School of Policy, Planning, and Development
The Big Questions

How can the problems of aging and immigration be better understood?

Is there a way to turn the problems into solutions for each other?

How can we rekindle a sense of common purpose and foster a new civic integration?
Defining Social Contract

the underlying shared social understandings that structure cooperation within a world of self-interested people possessing unequal resources. — Beth Rubin, 1996

A. shared social understandings

B. structure cooperation

C. self-interested people

D. unequal resources
Our Evolving Social Contract

Five Eras

1. Rugged individualism and immigrant incorporation (pre-1930)
2. The New Deal and World War II (1930 to 1950)
3. Middle class entitlement (1950 to 1975)
4. Limiting government (1975 to 2010)
5. The new immigration and an aging society (2010–?)
The Politics of Discouragement
Our Historic and Future Transition

**TURMOIL**
Post 1970

- Loss of Common Purpose
- Despair about Trends
- Rediscovery of Interdependence
- Rediscovery of Hope
- Common Investment for a Better Future
Turmoil and Dismay

1. Economic disappointment post-1973
2. Vietnam and Watergate--loss of trust
3. Cultural fragmentation
   – counter-culture; multiculturalism; and more
4. Concentrated calamities in California, 1990-94
   – natural disasters
   – social disruptions
   – deep recession & house price collapse
and now

the Crisis of the Two Demographic Challenges

5. Revival of immigration
   – amplifies all the other fears

6. Baby boomer retirements
   – fiscal and economic disaster
illegal
Unauthorized
Undesirable
Not invited
NOT WANTED
How can we reframe this outlook on our social changes?

IN JEOPARDY

Without which support for public services for all, both Young and Old is
Spending and Taxes in California
By Age, 2000

Source: Immigrants and Boomers, Figure 9.1; Ron Lee et al. (2003)
<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberals</td>
<td>40</td>
<td>29</td>
<td>-11</td>
</tr>
<tr>
<td>Conservatives</td>
<td>54</td>
<td>64</td>
<td>+10</td>
</tr>
<tr>
<td>Gap (L – C)</td>
<td>-14</td>
<td>-35</td>
<td>+21</td>
</tr>
</tbody>
</table>

Source: PPIC Statewide Survey; Immigrants and Boomers, Chapter 7 & Table B.3
### Perceived Immigrant Burden Undermines Tax Support for All

Prop 55 Statewide School Bond Issue in 2004

<table>
<thead>
<tr>
<th>Factor Description</th>
<th>Support Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Conservative rather than Liberal</td>
<td>18% LESS support</td>
</tr>
<tr>
<td>Plus If believe taxes are wasted a lot</td>
<td>8% even LESS support</td>
</tr>
<tr>
<td>Plus If believe immigrants a burden</td>
<td>9% even LESS support</td>
</tr>
</tbody>
</table>

*Holding all other factors equal: controlling for differences in race, age, gender, children presenting the family, nativity, education, income, and homeownership*

*Source: Immigrants and Boomers, Chapter 7, Table B.5*
Surviving The Baby Boomer Tsunami

Double decades of 30% increase
IT’S NEVER TOO LATE!
The Growing Weight of Seniors

Ratio of Seniors per 1000 Working-Age Residents, ages 25-64

67% increase in 20 years, 2010-30

Source: Immigrants and Boomers, Figure 3.2
Percent Rise in Senior Ratio in Next Two Decades, by State

Source: Dowell Myers, USC
Labor Force Slow Down

Annual Percentage Growth

Source: Immigrants and Boomers, Figure 3.3
A Coming Decline in the Skilled Workforce

Percent of Residents with a BA or Higher in California

Source: *Immigrants and Boomers*, p. 210
Three Presumed and One that Works
Alternative Solutions

• Do nothing different—let decline happen
• Encourage higher non-Latino achievement to offset the growing numbers of Latinos
• Poaching workers from other states and nations
• Homegrown investment in California’s school children
Share with a BA Among Each Racial and Ethnic Group

Among all adults ages 25 to 64

Non-Hispanic Whites 37%

Non-Hispanic Blacks 18%

Latinos 8%

Asian & Pacific Islanders 45%

Source: Immigrants and Boomers, Table 10.1
Growing Achievement Gap in Percent with BA or Higher Degree
Ages 25 to 64, California. 1995-2005

Non-Hispanic +8.9%
Total +5.1%
Hispanic +1.4%

Widened Gap to 45 points in 2020 from 25 points in 1995

Source: Immigrants and Boomers. Figure 10.1. Current Population Survey data.
# California-Born Share of the College-Educated Workforce

<table>
<thead>
<tr>
<th>Pattern</th>
<th>Age Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old pattern</td>
<td>Age 55-64</td>
<td>26%</td>
</tr>
<tr>
<td>New pattern</td>
<td>Age 25-34</td>
<td>40%</td>
</tr>
<tr>
<td>Future pattern</td>
<td>Age 25-34</td>
<td>70% ??</td>
</tr>
</tbody>
</table>

*Source: Immigrants and Boomers, Table 10.2*
Financial Sense
Returns on Educational Investment to Public Sector

Rand Corp. (2000) 2-to-1
Goal of doubling BA share
Among Latinos in US

UC Berkeley (2005) 3-to-1
Henry Brady et al for the Campaign for College Opportunity
+ $3 billion lifetime per HS grad class; payback by age 35

Source: Immigrants and Boomers, Chapter 10
Aging – the Mother of Many Crises

• Social Security Crisis
• Medicare/Health Insurance Crisis
• Workforce Replacement Crisis
• Taxpayer Replacement Crisis
• The Home Seller Crisis
• Community Investment Crisis
Growing Federal Deficit Reflects Old Age Burdens

Federal Budget Allocation as a Percentage of Projected Federal Revenue

End of discretionary funding

GAO, August 2006 analysis “More Realistic Simulation.” Source: Immigrants and Boomers, Figure 9.2
Community Investment Replaced by Retirement Entitlements

End of housing subsidies (beginning 1980s)
End of environmental programs
End of transportation funding
Forget infrastructure--more bridges dropping
End of education support for workforce development
End of wars -- no funding for defense
(Okay -- maybe that’s not going to happen)
The Rediscovery of Hope

about

Immigration

and the

Future
The Ultimate Question is What Future Do We Believe?

<table>
<thead>
<tr>
<th>DESPAIR</th>
<th>HOPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Accelerating Immigration</td>
<td>• Steady Immigration</td>
</tr>
<tr>
<td>• Mostly New Immigrants</td>
<td>• Mostly Settled Immigrants</td>
</tr>
<tr>
<td>• Concentration of Newcomers’ Characteristics</td>
<td>• Concentration of Upwardly Mobile Characteristics</td>
</tr>
<tr>
<td>• Protection of Isolated Self Interest</td>
<td>• Shared Destiny and Common Interest</td>
</tr>
</tbody>
</table>
The Key Changes....

The end of immigration acceleration

More *long-settled* immigrants

Upward mobility after longer residence

Rediscovery of immigrant contributions
New Arrivals Finding New Homes
12 States with Largest Number of Immigrant Arrivals

Source: 2006 American Community Survey, average annual arrivals since 2000.
Annual Immigration Declining in Traditional Major Gateways
Foreign-Born Share of State Populations

- CA
- NY
- NJ
- FL
- TX
- AZ
- GA
- NC
Expectations of Foreign-Born Share in California

Source: Immigrants and Boomers, Figure 2.2
The Longer Settlement of the Immigrant Population

Percent of Total California Population

Source: Decennial census to 1970-2000; CDF 5.0 California Demographic Futures
Upward Mobility of Latinos in CA

**Homeownership U.S. Citizen Actual Voters**

- HS Diploma
- English Proficiency
- Above Poverty

- Recent Immigrants
- 10-19 Years
- 20-29 Years
- 30+ Years
- 2nd Generation
- 3rd Generation

Source: Immigrants and Boomers, Figure 6.1
Blinded by the Concentration of Newcomers
Share of Foreign-Born Who Are Recently Arrived

Los Angeles  53%    (1990)
Des Moines  61%    (2000)
Atlanta  61%
Charlotte NC  64%
Los Angeles  35%    (2000)

Source: Immigrants and Boomers, Chapter 6
Samuel Huntington’s Future America
Huntington’s Thesis
(from *Who Are We: The Challenges to America’s National Identity*)

- Fear of cultural bifurcation
- Due to growing use of Spanish
- California is epicenter
- New immigrants arriving faster than assimilation
• For assimilation, Huntington focuses on use of English instead of Spanish

• He views rising Spanish use as anti-assimilation and a cultural threat to America
Percent Spanish Users by Immigrant Generation
(for Latinos in the U.S., 2002)

Source: Pew Hispanic Center
Population Composition by Years in U.S. and Generation
(for Latinos age 25-34 in California)

- 2000:
  - 3rd: 16.0%
  - 2nd: 17.9%
  - 20+: 8.8%
  - 10-19: 29.2%
  - 0-9: 28.2%

- 2030:
  - 3rd: 26.3%
  - 2nd: 35.7%
  - 20+: 9.1%
  - 10-19: 13.5%
  - 0-9: 15.4%
## Percent of California Population that is Latino

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>32.6</td>
<td>46.8</td>
</tr>
<tr>
<td><strong>Age Group</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25-34</td>
<td>39.3</td>
<td>51.3</td>
</tr>
</tbody>
</table>
Percent Spanish Reliant Among Total Age 25-34

2000 2030

Myers

Huntington?
How Likely is Samuel Huntington’s Vision of the Future America Divided along Language Lines?
The Rediscovery of Common Purpose
Turning Demographics From Problem Into Solution

Rediscovery of the Hope Needed to Solve Our Shared Problems

- Immigration inflow no longer accelerating
- Greater benefits of settled immigrants
- Surprising upward mobility by immigrants
- Favorable return on education investments
Average Annual Rates of Buying and Selling
Per 100 People of Each Age in California

Source: Immigrants and Boomers, Figure 11.1
Just Do the Math

• A buyers’ market that will threaten seniors’ retirement investments

• California is one of more than several states that will face a massive, generational housing bubble before 2025

Add housing to our other crises

Source: Immigrants and Boomers, chapter 11; and forthcoming research
Who’s Going to Buy Your House?
Myers’ Projection for California in 2020

Source: Immigrants and Boomers, Figure 11.3
Intergenerational Social Contract

Children’s Education $$

Seniors’ Pensions
Health Care $$
Home-Sellers

Mature Adults: Maximum Financial $$

Replacement Workers
New Taxpayers $$
New Home Buyers

Source: Immigrants and Boomers, Chapter 9

the cycle of roles
The **New Story**

**TURMOIL**
Post 1970

- Loss of Common Purpose
- Despair about Trends

**Rediscovery of Mutual Support**

**New Desire for Common Investment in a Better Future**

**Rediscovery of Hope**
Thank You

For more information
Google “popdynamics”

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2007
Thomas & Znaniecki Award