

A narrative of mutual benefit

**Children's Doubled Importance
to All Generations in California**



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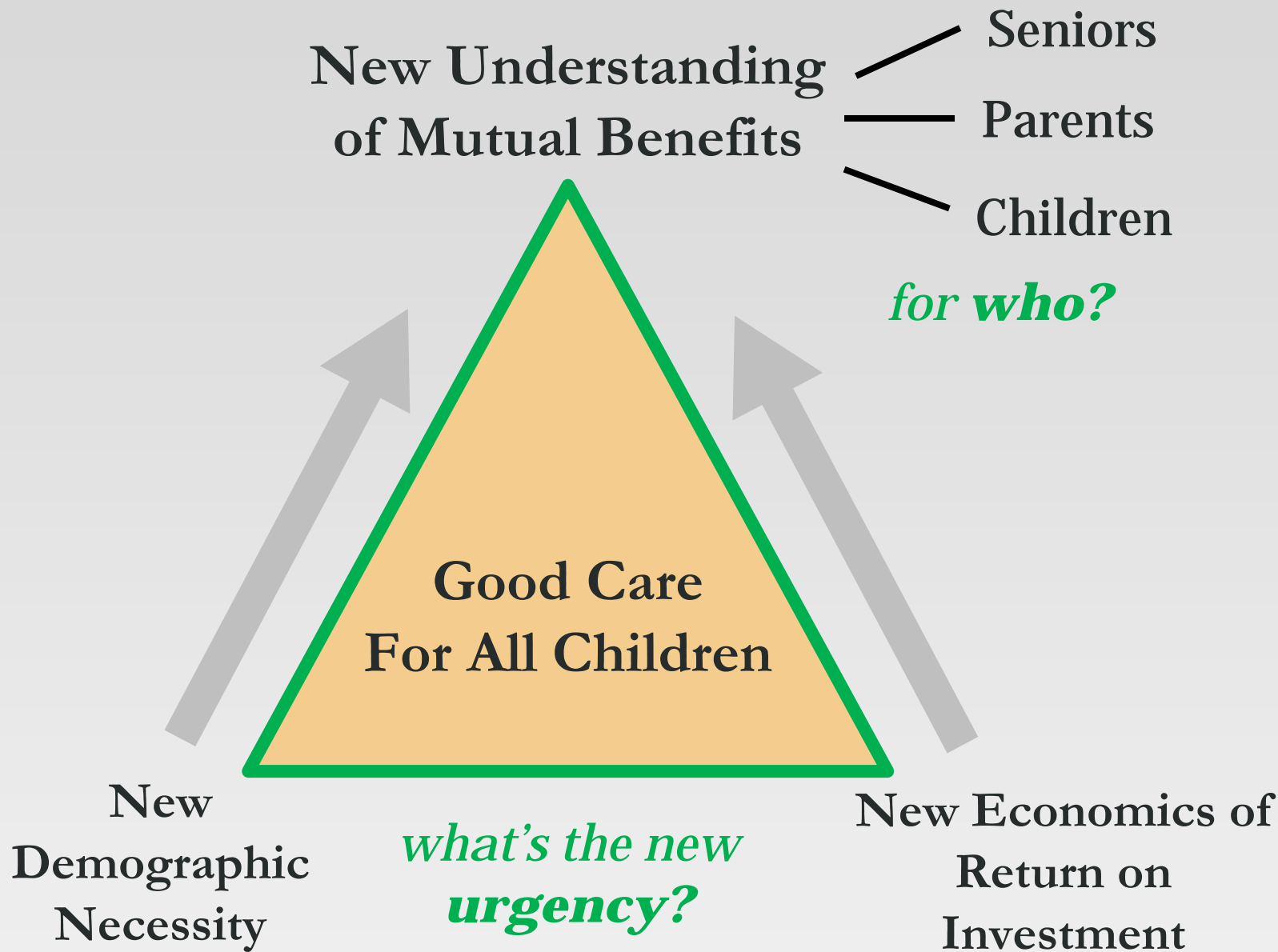
Our Most Precious Resource

- All age groups nurture and support the **youngest** members of society who will carry the future, including not only the hopes and dreams, but the necessities
- Children are the **most precious** resource, because **society depends on them** when they are grown
- But the **children depend on us now** to help prepare them for the **most successful lives** possible

**Always true -- but not well
respected**

**How Can We Help the Public
FEEL this Importance?**

**Is there anything new and
urgent?**



Demographic Assumptions Focused on Children

are Core to Public Beliefs about
Services and Taxation
and about

Priorities for California Policy

**Are Assumptions Outdated?
What's New?**

**How these Assumptions
Get Bundled Together is Often Called**

the Social Contract

that California Voters Are Guided By

First, Some Simple Theory:

What IS a Social Contract?

A Social Contract
is formed of

The shared social understandings
that support **cooperation** among
self-interested people who
possess unequal resources.

— After Beth Rubin

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So really then

**What IS the Social
Understanding?**

Revisiting the Old Narratives and Assumptions

- Demographic Change is Threatening Us
- Children are Too Numerous
- Children are a Burden on the Taxpayers
- We Don't Need Other People's Kids
- We Really Just Can't Afford It

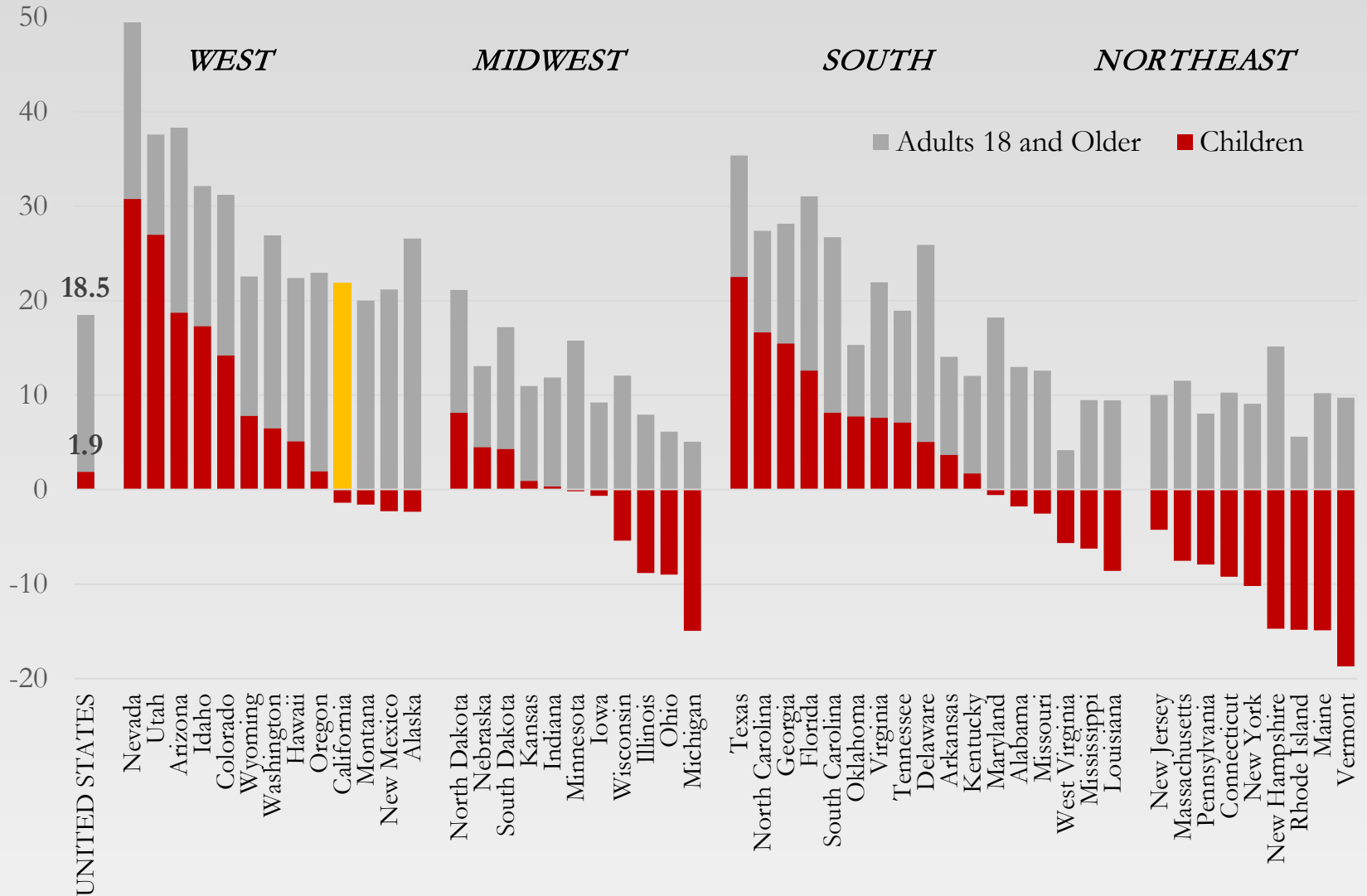
Too Many Children?

**Top Heavy
with too few children**

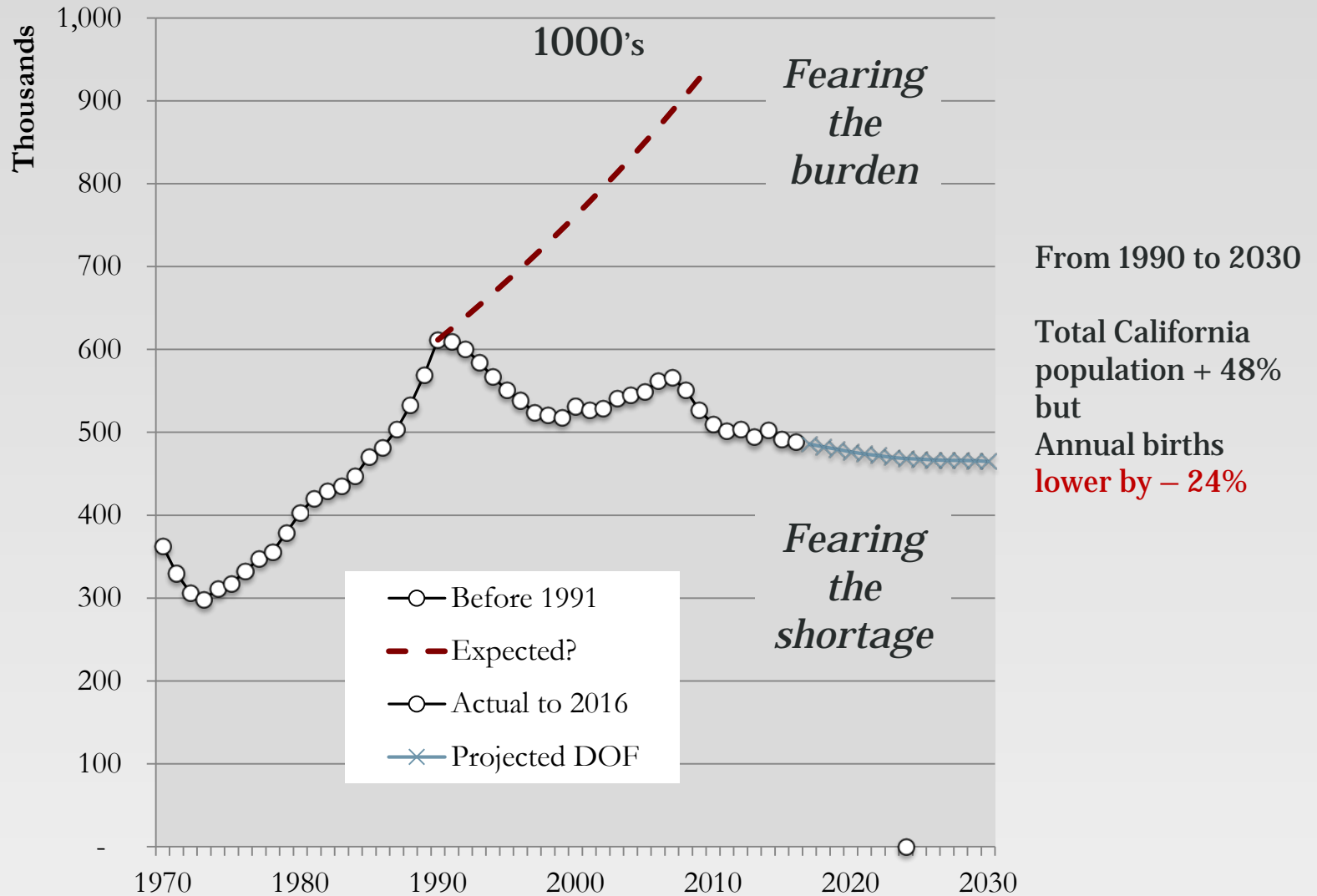


Growth of Children Compared to Adults

Percentage Increase in Number, 2000 to 2015



Annual Births in California Soar to 1990



Source: California Department of Finance
2018; analysis by Dowell Myers

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The New Demographic Realities

Population Slowdown

Aging of Baby Boomers

Top Heavy Age Structure

Undersized Number of Young

Enough Support to Enhance Capabilities?

Population Slowdown and Aging

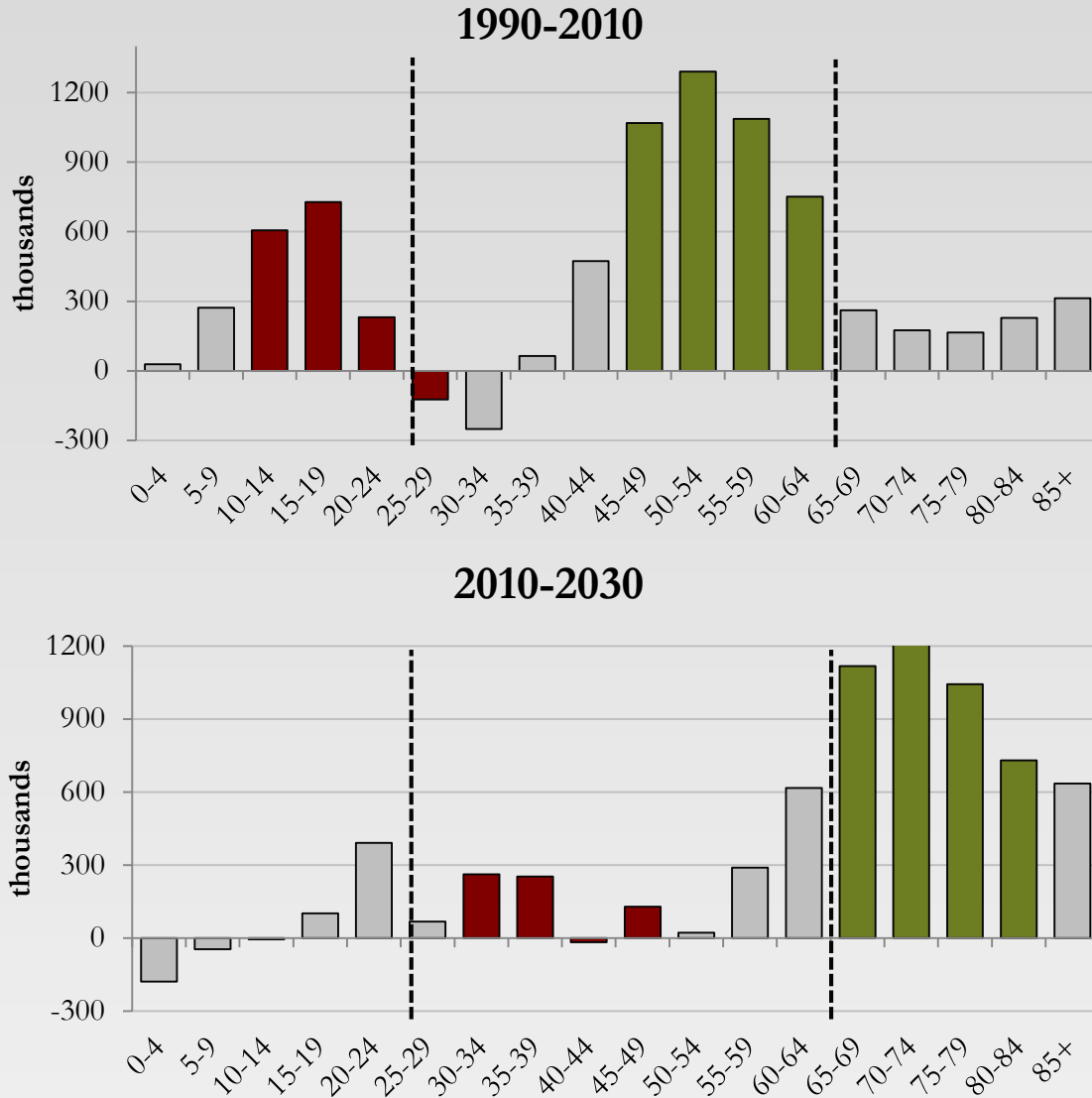
What Year Does California Reach 50 Million Population?

- Old Expectation = 2032
- New Outlook = 2054

Source:

California Department of Finance, 2007 and 2017

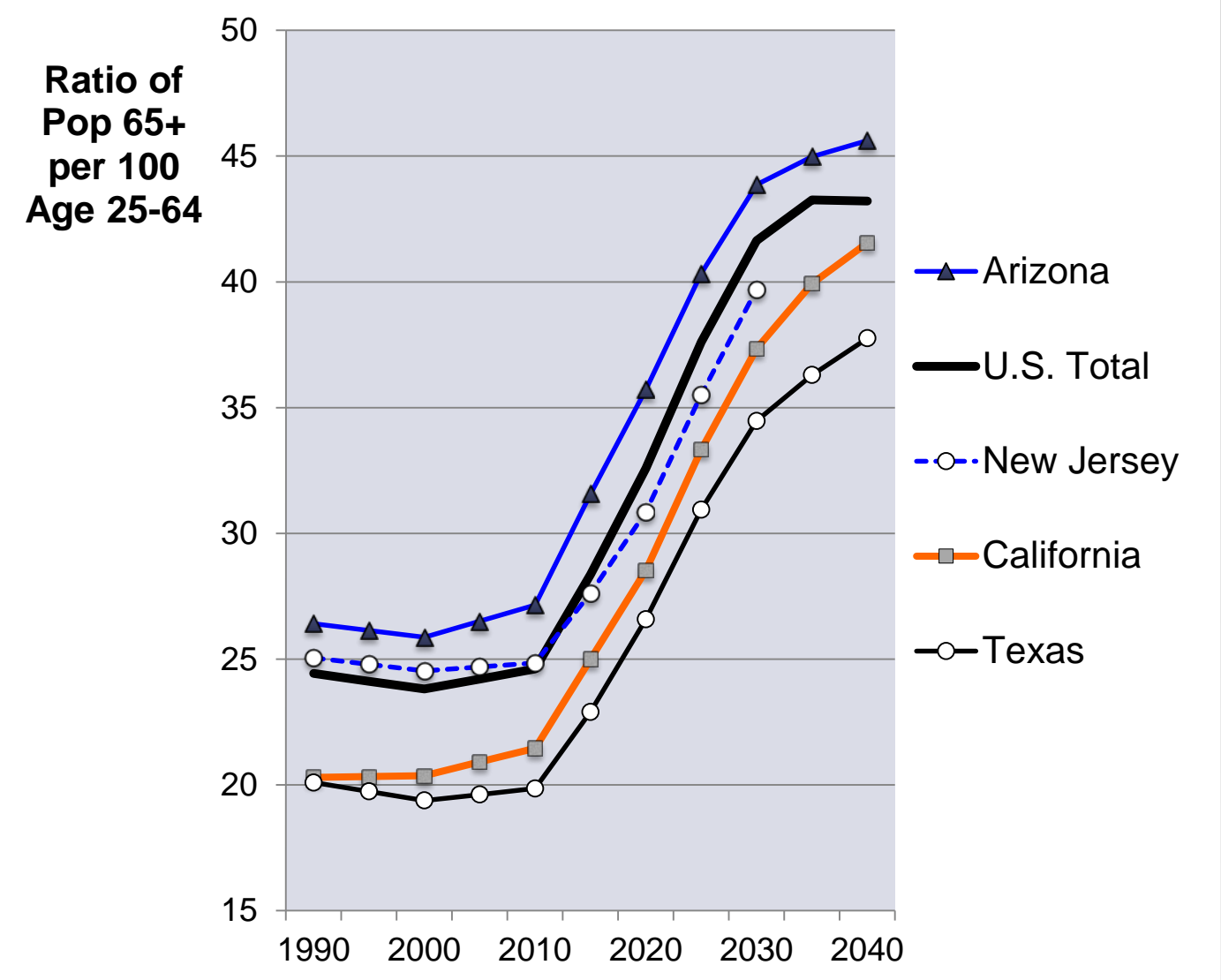
Growth by Age in California: Then and Now



Source: Dowell Myers, Census Bureau decennial census of 1990 and 2010, and CA DOF 2017 vintage projections

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Senior Ratio Soars—after flat since 1970



The Trigger of Many Crises

- Social Security & Pension Fund Crisis
- Medicare/Health Insurance Crisis
- Workforce Replacement Crisis
- Taxpayer Replacement Crisis
- Deficit Crisis
- The Home Seller Crisis

Likely Responses to Rising Senior Ratio

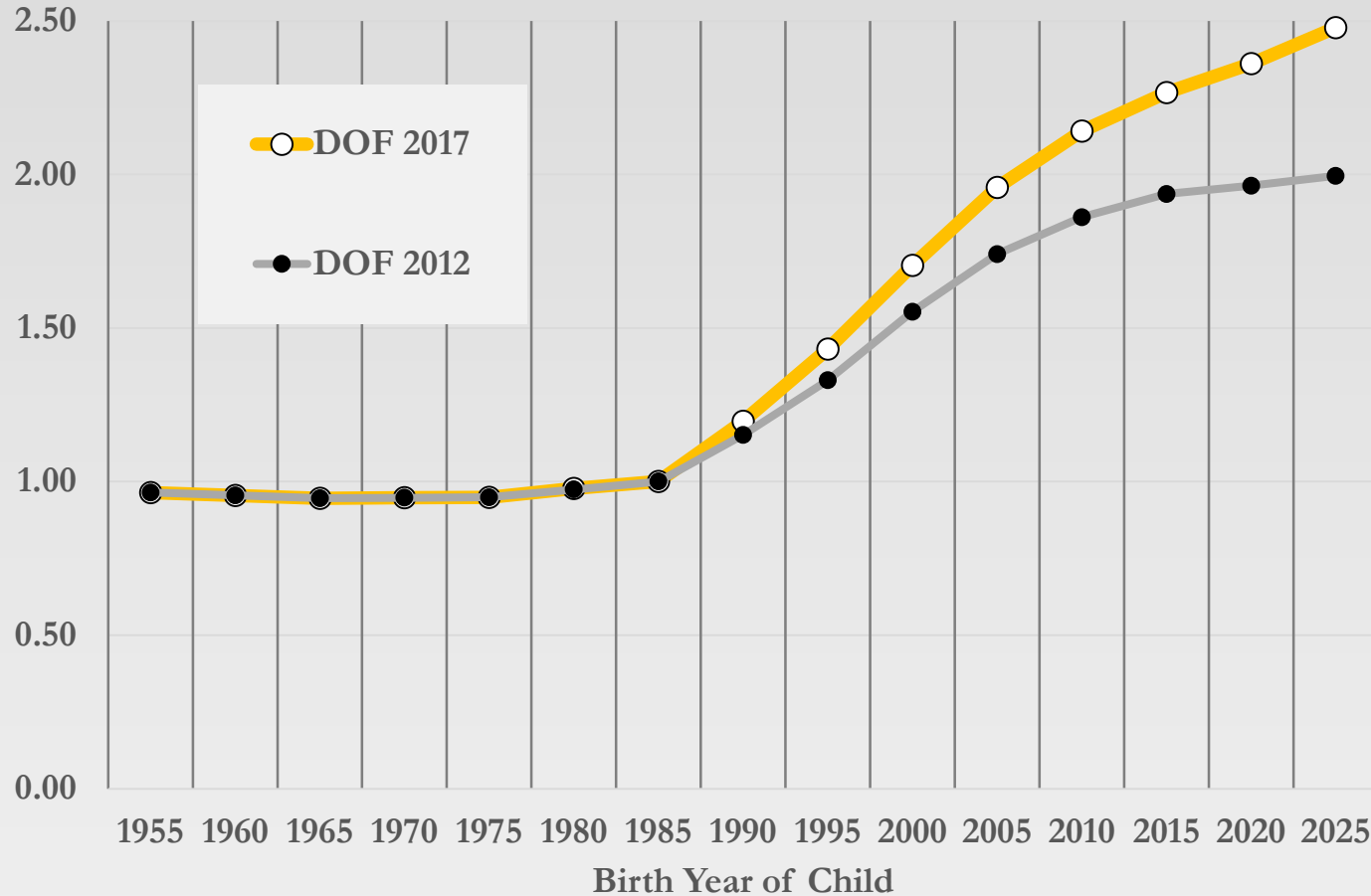
- Reduced growth in GDP
- Delayed retirement by seniors
- Reduced or delayed senior benefits
- Higher taxes on young and old
- **Young adults in supreme demand !**
- **Greater reliance on immigrant workers**
- **Rediscovery of neglected minority youth**

Discovering the New Critical Importance of Children

Children's Index of Critical Importance (iCi)

- Assigned at birth, the iCi is based on the increase in the senior ratio expected at the time the child reaches age 25 (number of seniors per 100 working age).
- With growth in seniors, today's children assume critical importance due to the added economic and social weight carried by our children when grown.
- A child born in 2015 in California is fully **twice as important** (index of 2.27) as a child who was born in 1985 (index of 1.00).

Children's Critical Importance is Growing



**Fewer in Number
and
Twice as Critical to Meeting
Our Societal Needs...**

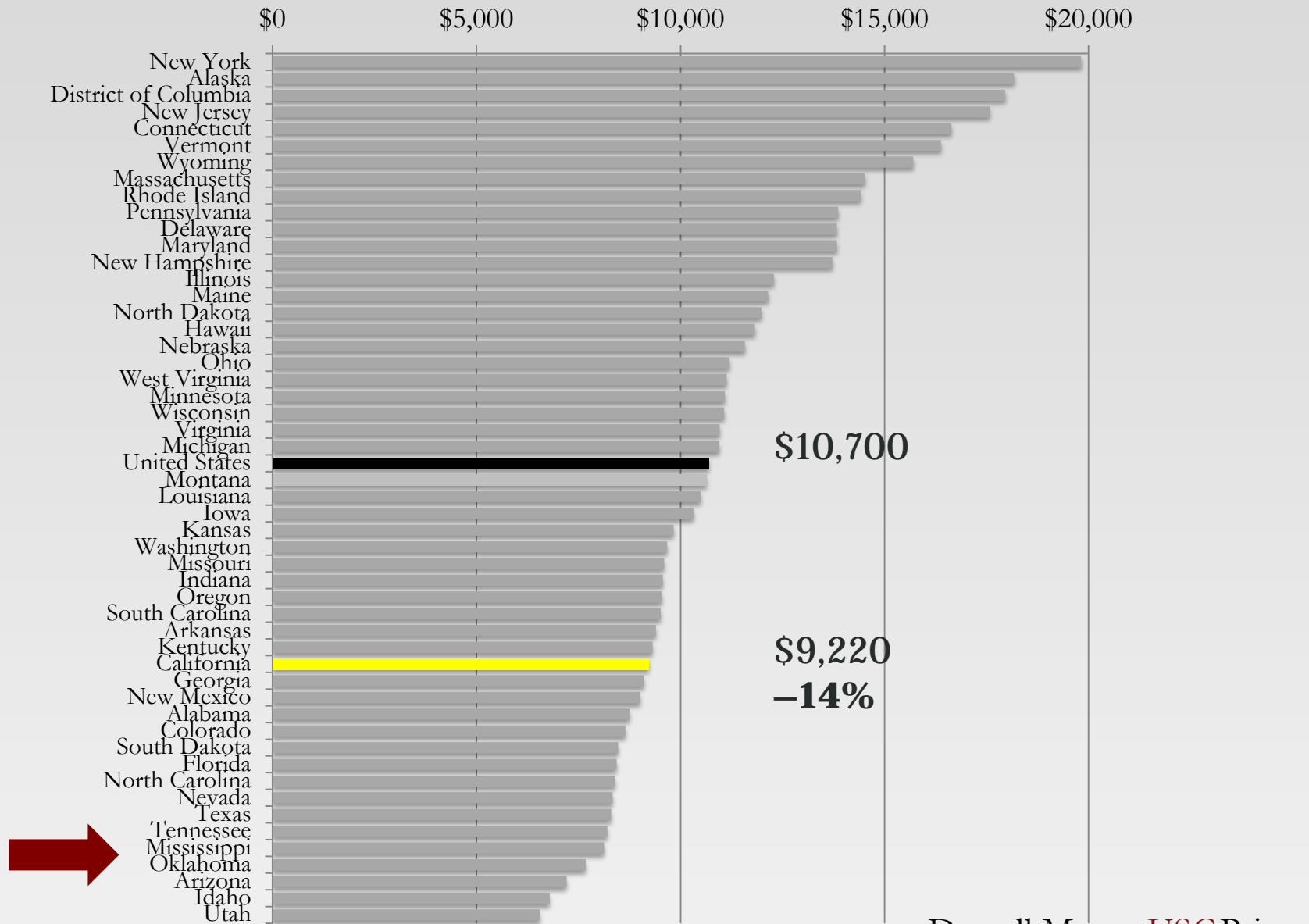
**Each Youth
Needs to Grow Into His or Her
Strongest Capabilities**

A thick red underline is positioned beneath the word "Strongest" in the second paragraph.

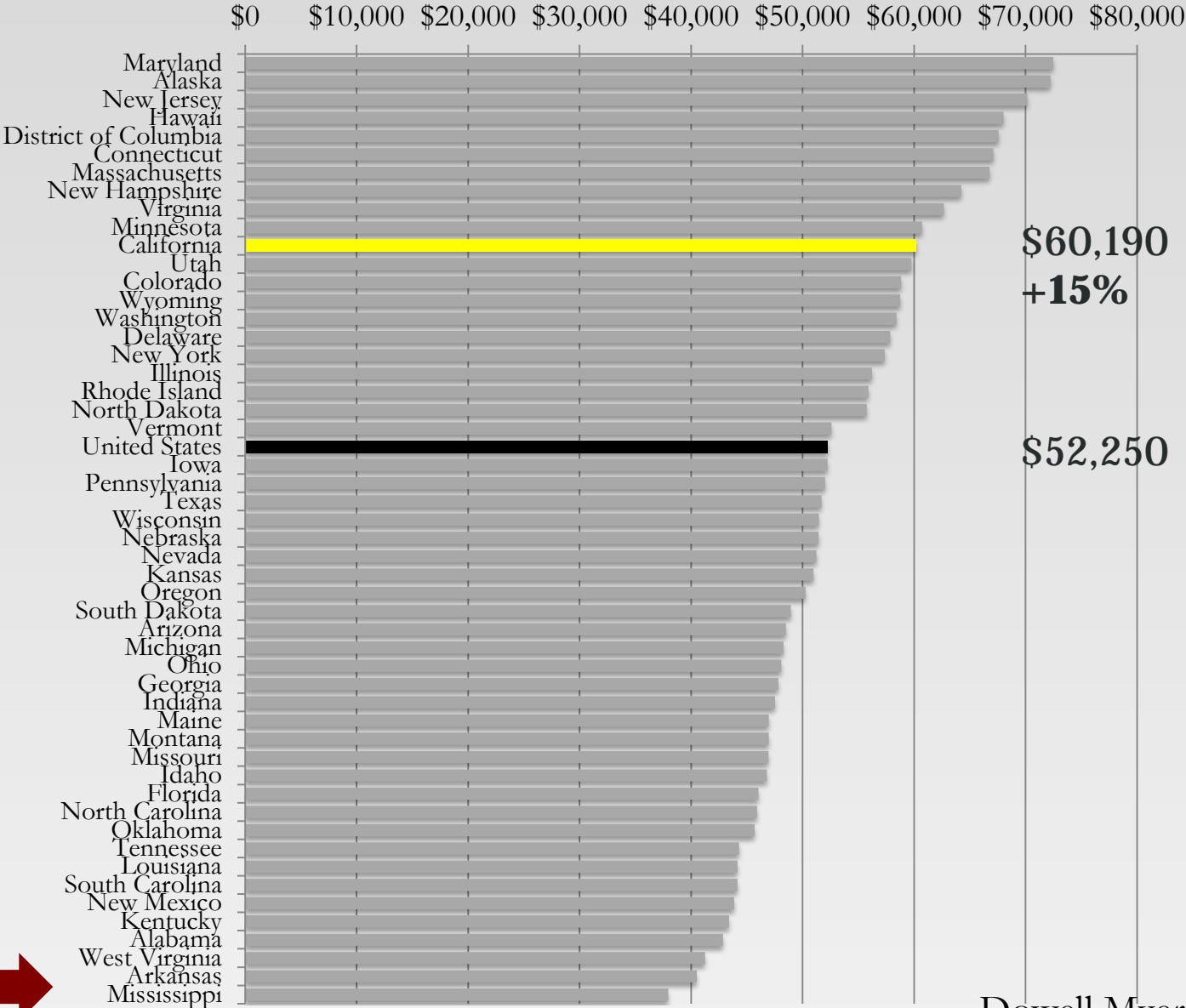
**How Well Are States Preparing
their Most Critical Resource?**

**For example, is California's
Education Spending
Keeping Up with the Rest?**

K-12 Spending per Pupil, by State (2013)

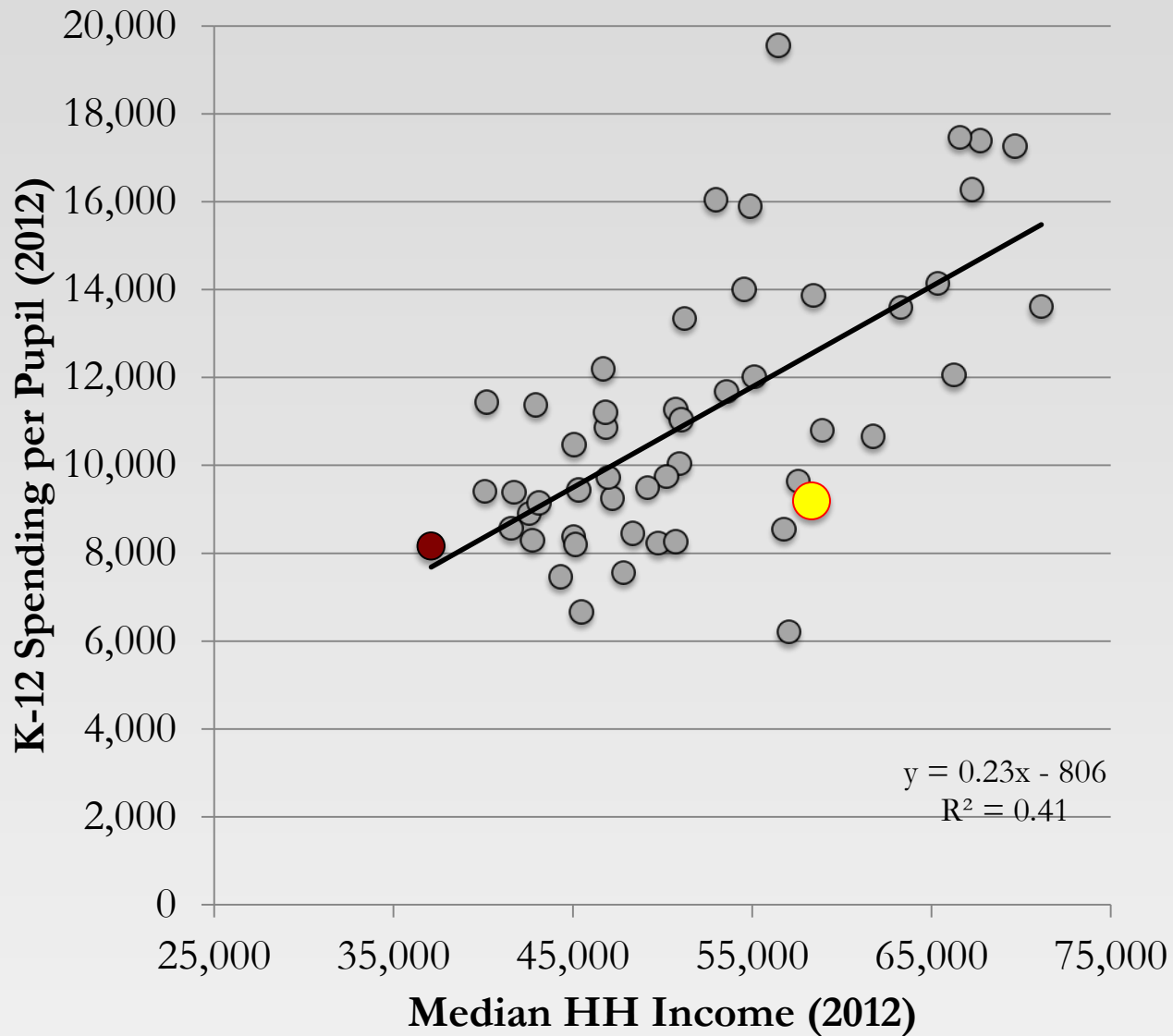


Median Household Income, by State (2013)



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K-12 Spending and Median State Income



**What about Immigrant
Workers?**

Won't They Help Us?

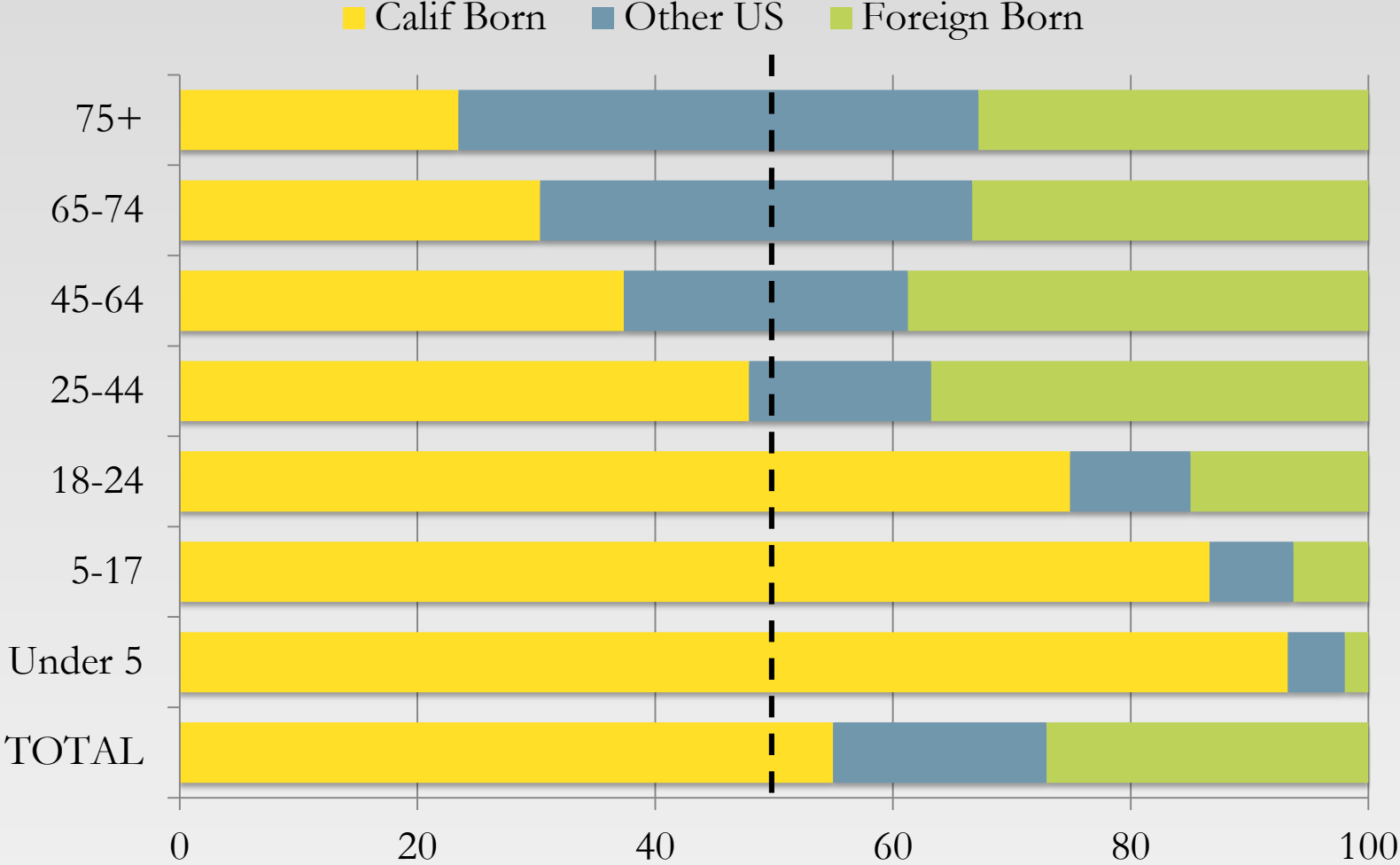
Or Do They Hurt Us?

Either way....

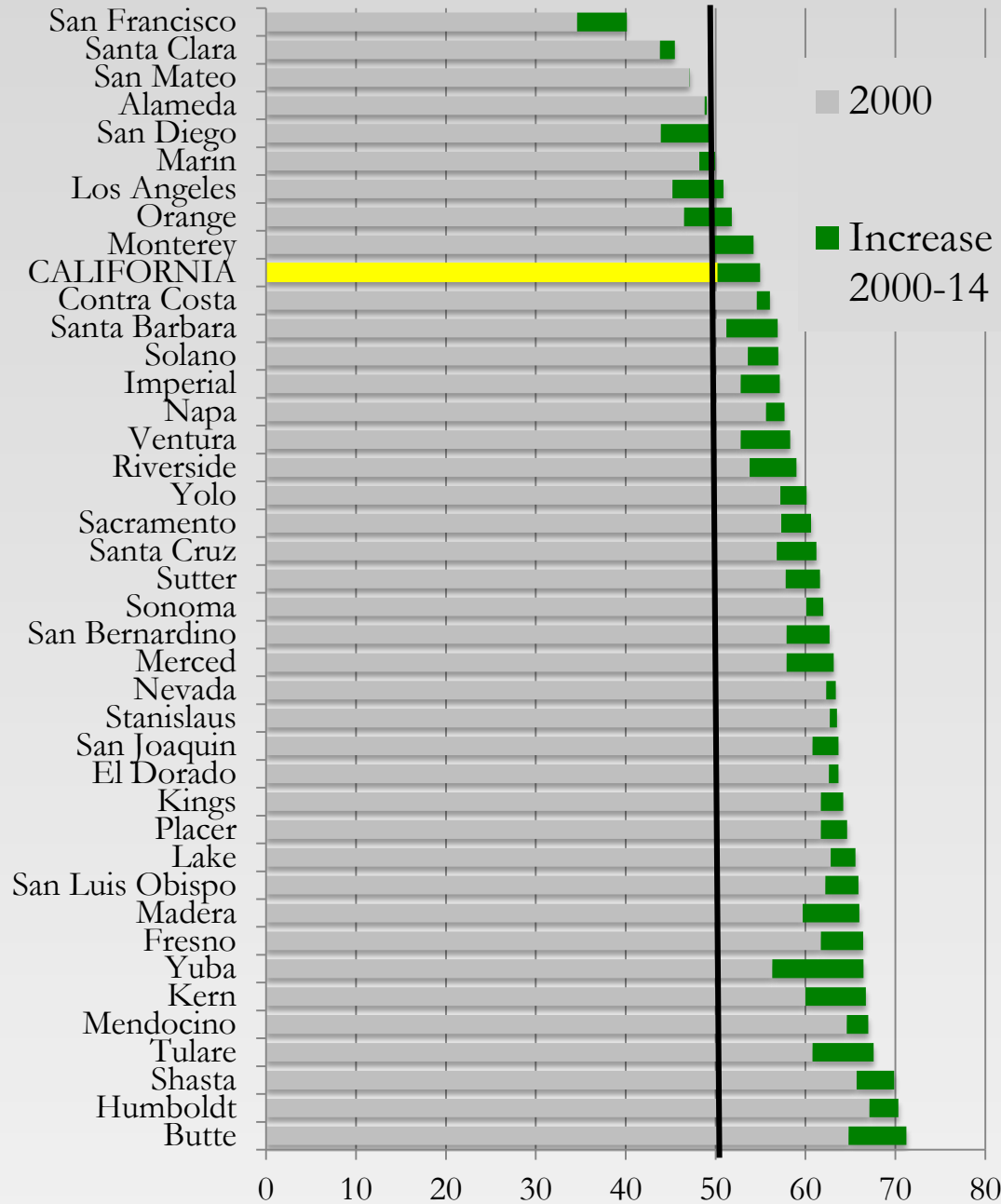
**NOT as much
as people think**

**Now We Really Are Dependent
on Native Californians
...Our Homegrown**

Birthplace Origins of California Residents, by Their Age in 2014

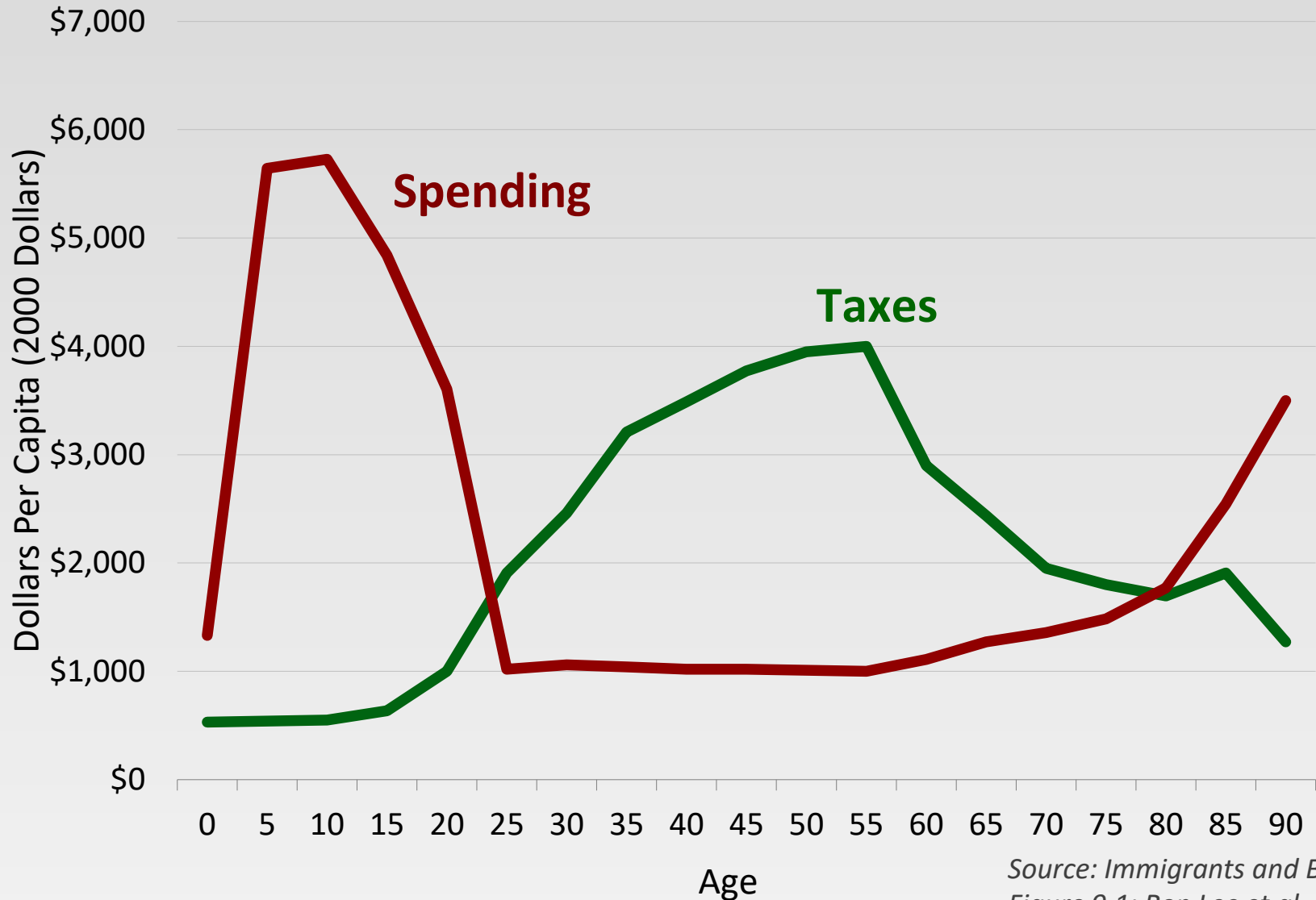


Percent California Born in 2010 and the Recent Increase, Larger Counties



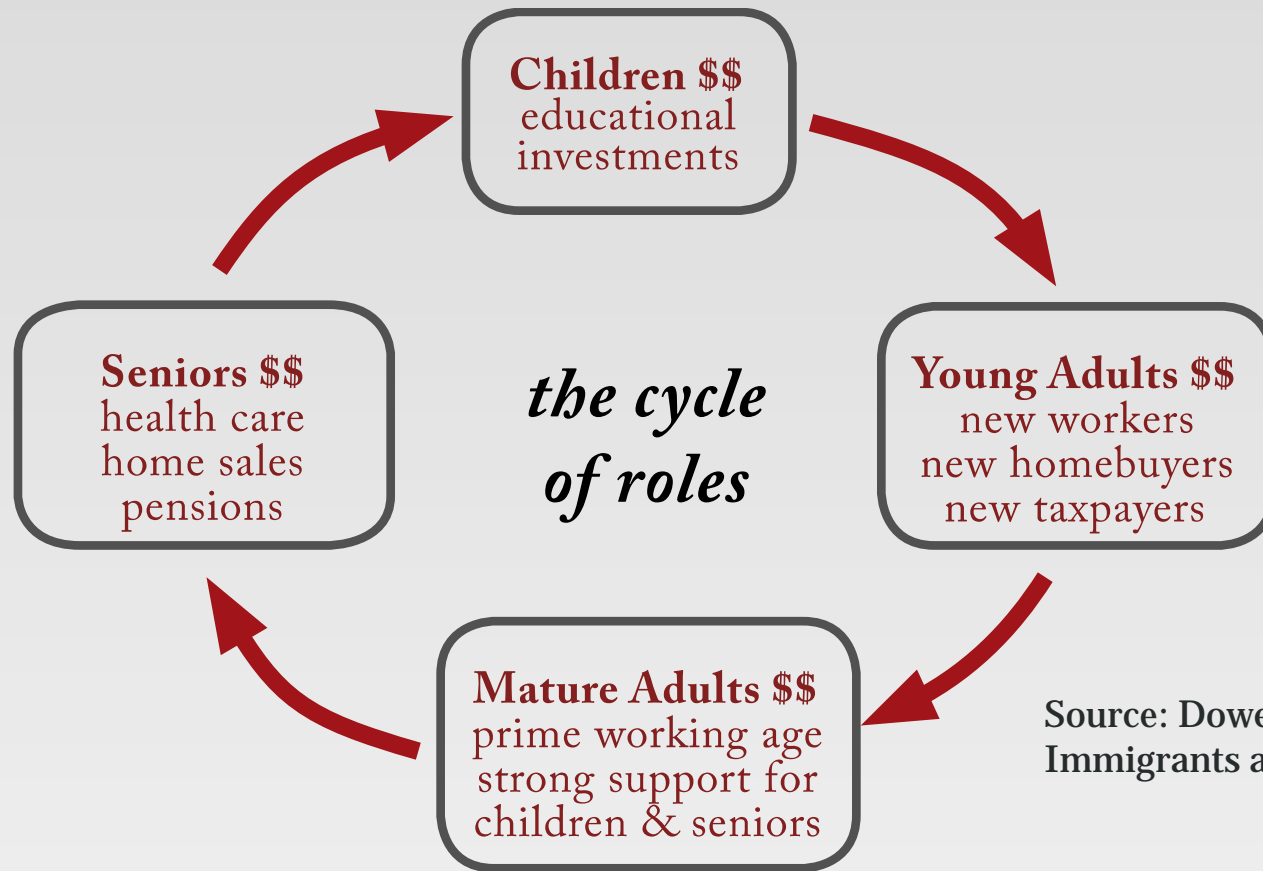
**The Homegrown Revolution
means we are
dependent on investing in the
state's own children**

Spending and Taxes in California by Age



Source: *Immigrants and Boomers*,
Figure 9.1; Ron Lee et al. (2003)

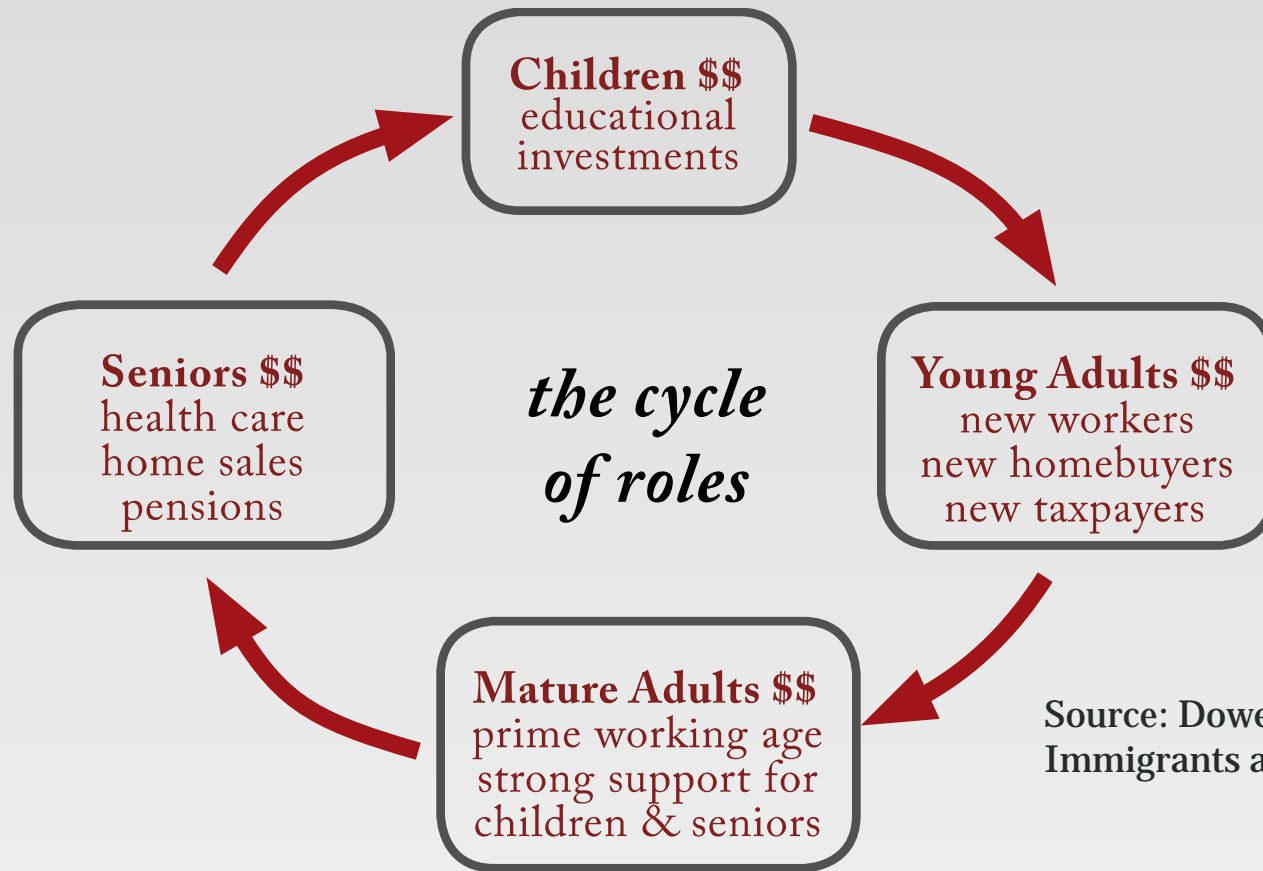
The Intergenerational Partnership Rediscovered



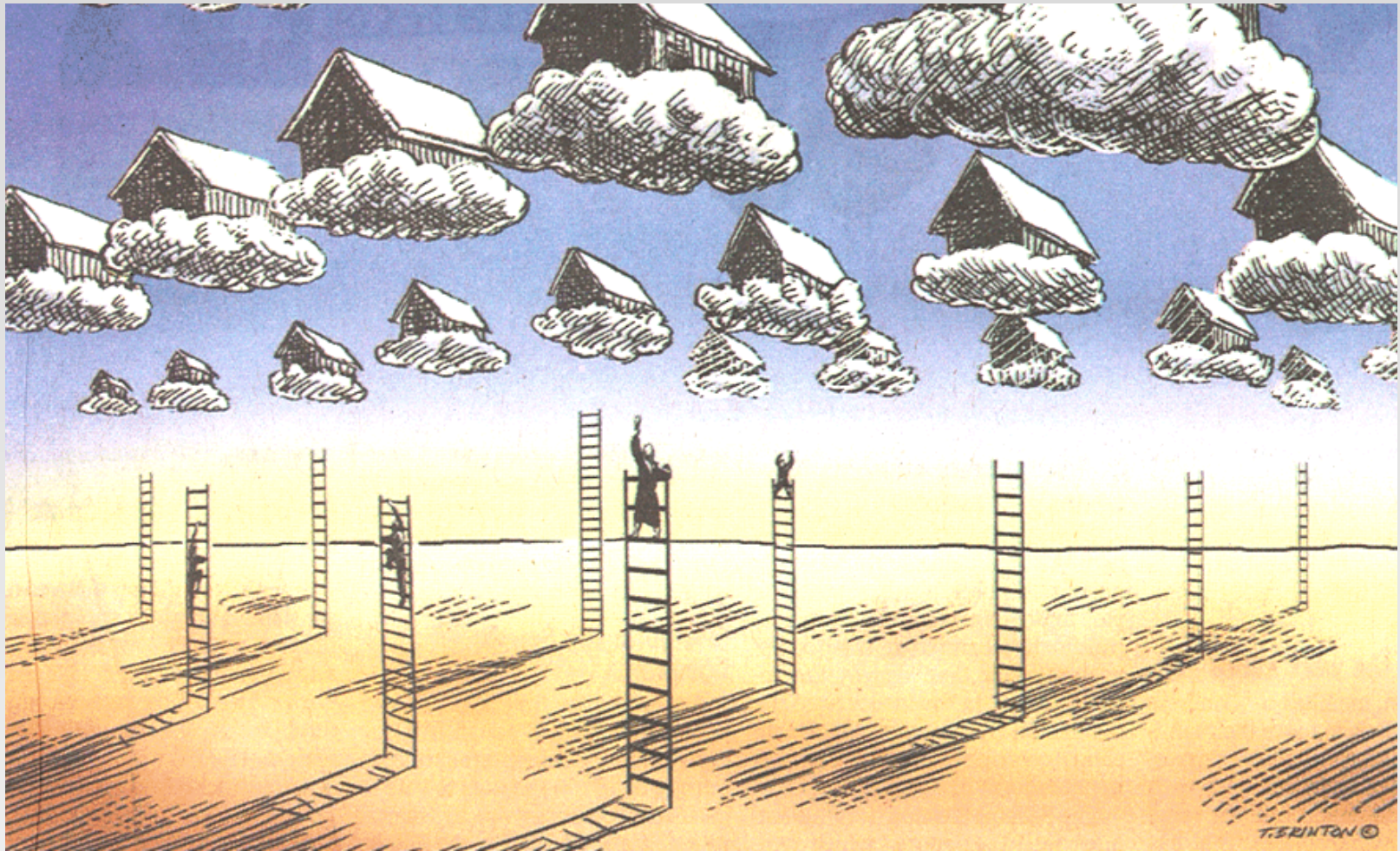
No Youth Can be Neglected

- Need all hands on deck
- No drop outs are acceptable
- College financial aid for all who need it
- **Early childhood interventions**-Universal pre-school, health screenings, connection to services
→ **major lifetime benefits**
- This is not just a nice thing to do: **its an economic boost for both younger and older Californians alike**

The Intergenerational Partnership Rediscovered



Old Folks Need the Young to Make It



© Tim Brinton, 2011

Dowell Myers, "Housing market links older whites, young Latinos," *Sacramento Bee*, July 31, 2011

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Conclusions on Mutual Benefits

- Children have become a **scarce** and even more valuable resource
- Our greatest problem is a top-heavy, aging population without enough workers and tax payers
- Children are a critical **benefit to older people**; we should help them now so they can help us later
- Children in poor families require greater investment to reach their fullest potential
- The biggest payoff comes from helping at the earliest age; failure to invest at early ages is a big loss
- **We TOTALLY need other people's kids**

Thank you

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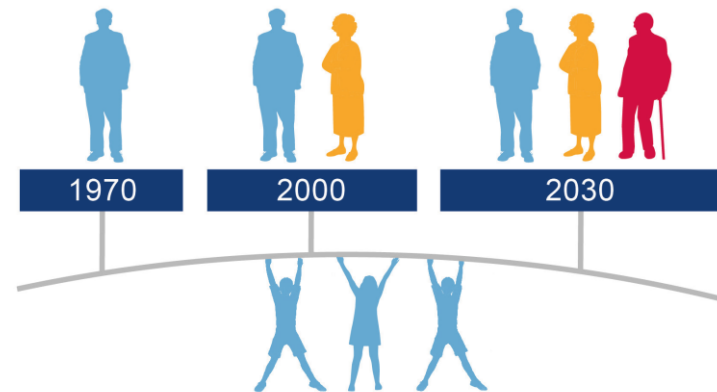
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Report

The New Importance of Children in America



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