

DEMOGRAPHIC OUTLOOK

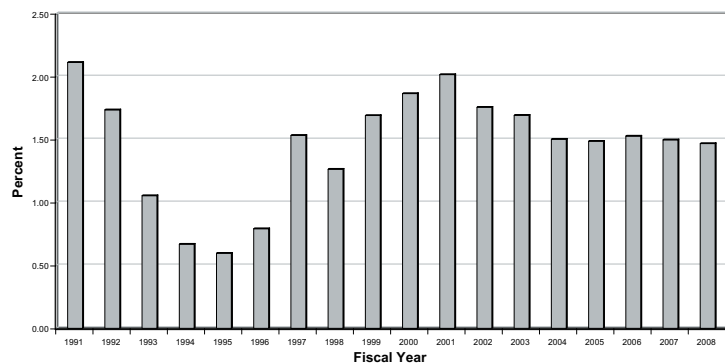
Population Overview

At nearly 36 million people as of mid-2003, California's population continues to experience strong growth. Despite a slowdown in the mid-1990s, the state has experienced population growth in excess of 1 percent per year since 1997 (see Figure DEM-1).

- The July 1, 2003, estimate of the population is 35,934,000. It is forecast to be 36,474,000 in 2004 and over 37 million in 2005. This reflects a short-term annual growth rate of just over 1.5 percent.
- Through the next five years, the state will grow by an average of 553,900 people each year. The state's growth in the first decade of this century is about equally attributable to natural increase (more babies being born than people dying) and net migration (people moving to California from other states and other countries, less those moving out)—53 percent and 47 percent, respectively.
- By July 2008, California will add nearly 3 million people to reach 38,703,000, a five-year growth rate of 7.7 percent. This compares to the 9.3 percent overall population growth since 1998.

FIGURE DEM-1

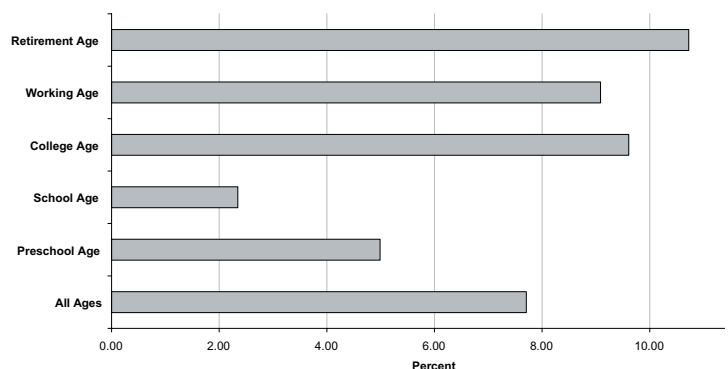
California's Annual Population Growth Rate



- Population growth rates vary significantly by age group. The state's total population growth of 7.7 percent contrasts with 5.0 percent growth in the pre-school age group and 2.3 percent growth in the school age group. On the other hand,

FIGURE DEM-2

California Population Five-Year Growth Rate by Age





the college-going age group will grow 9.6 percent while the working and retirement-age populations will grow in excess of 9 percent and 10 percent, respectively (see Figure DEM-2). The population in the working ages will increase by 1.7 million.

- In fall 2002, K-12 public school enrollment stood at over 6.2 million. Starting in 2000 and continuing through the decade, school enrollment growth will be slower than that of the general population because the number of births in the state declined in the 1990s.