

Immigrants and Boomers

*Discovering a New Partnership for  
the Future for America*

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## The Big Questions

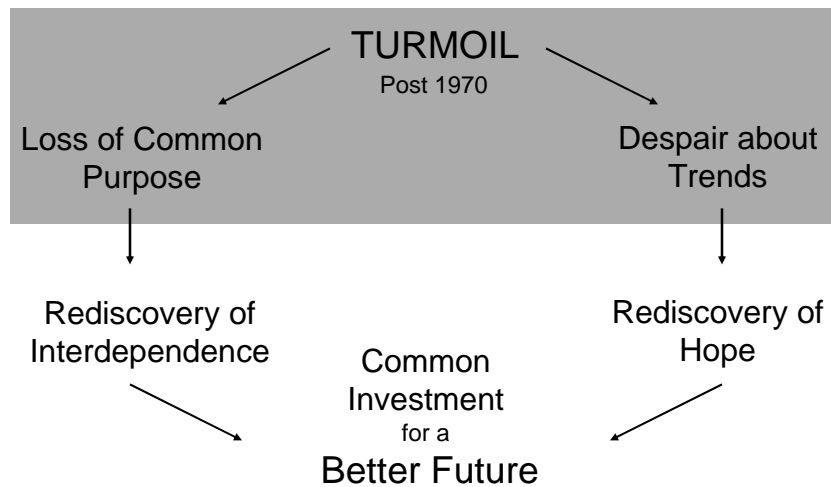
*The generational crisis posed by the aging Baby Boomers and the quandary over immigration*

*What does it mean for the **workforce**,  
for the **housing crisis**, and for  
**voters and taxpayers** today?*

*How can we rekindle a **sense of common  
purpose** needed for renewed investment?*

# The Politics of Discouragement

## Our Historic and Future Transition



## 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**

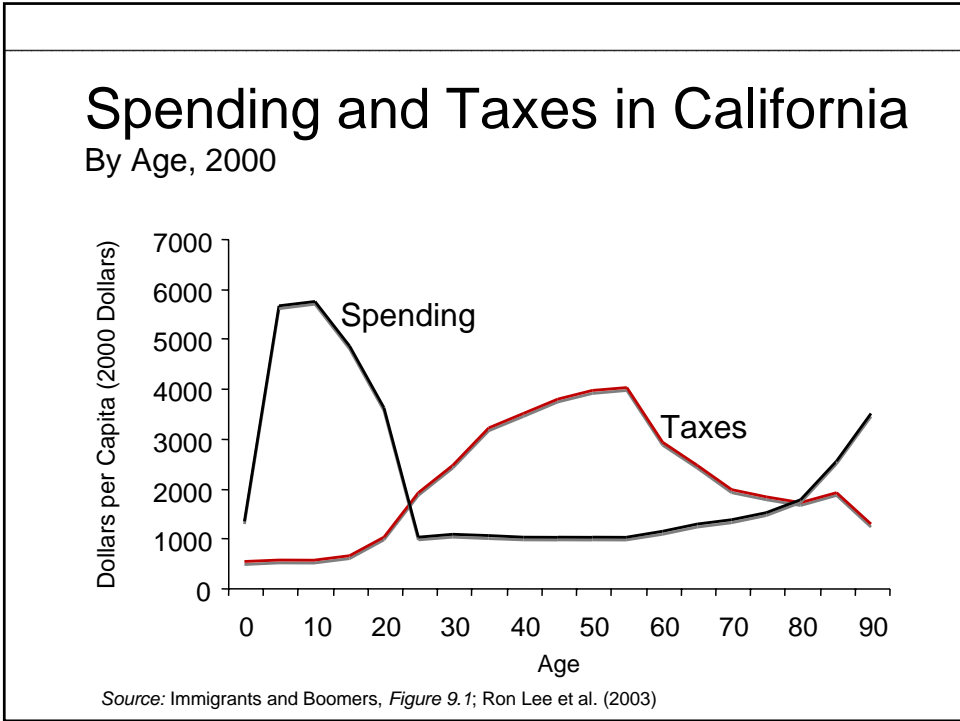
**Not invited**

**NOT WANTED**

**How can we reframe this  
outlook on our social  
changes?**

**... and turmoil continues**

**support for public services  
for all,  
both Young and Old,  
is in jeopardy**



### Immigrants a Burden or a Benefit?

Percent of White Voters who Believe Immigrants a Burden

	1998	2004	Change
Liberal	40	29	-11
Conservative	54	64	+10
Gap (L – C)	-14	-35	+21

*Source: PPIC Statewide Survey; Immigrants and Boomers, Chapter 7 & Table B.3*

## Perceived Immigrant Burden Undermines Tax Support

Percent Support for Prop 55 Statewide  
School Bond Issue in 2004

If Conservative rather  
than Liberal 18% LESS support

*plus*

If believe taxes are  
wasted a lot 8% even LESS support

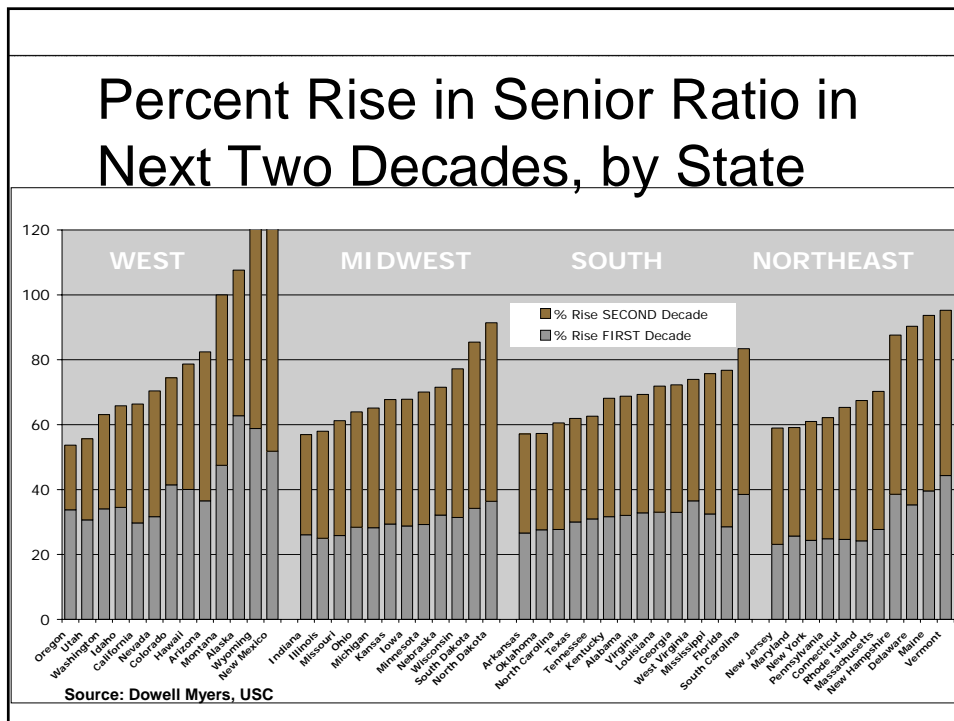
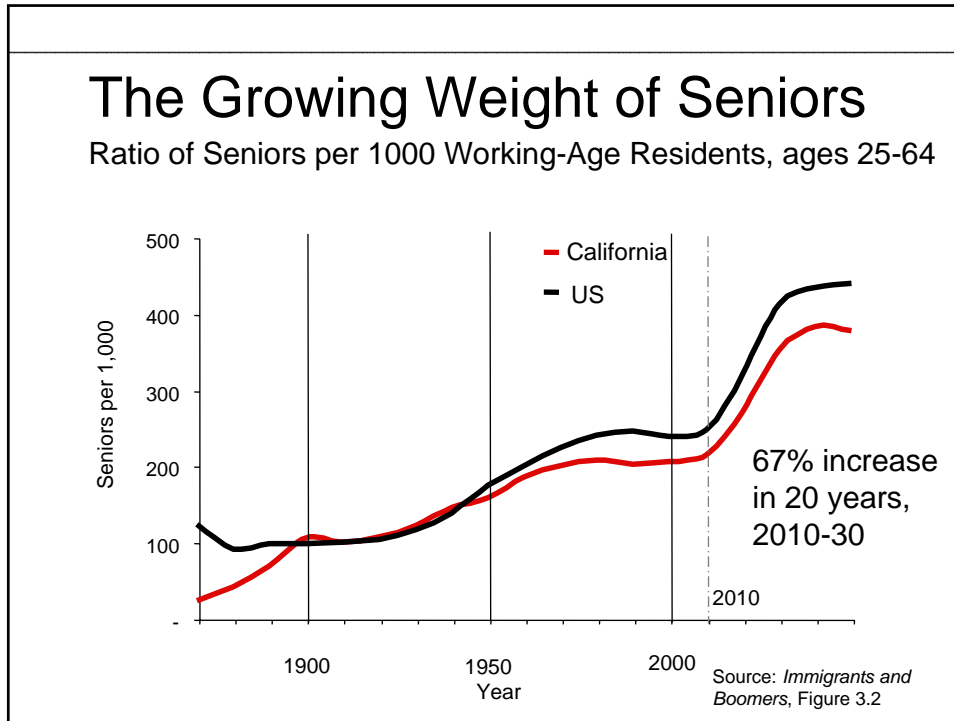
*plus*

If believe immigrants  
a burden 9% even LESS support

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**

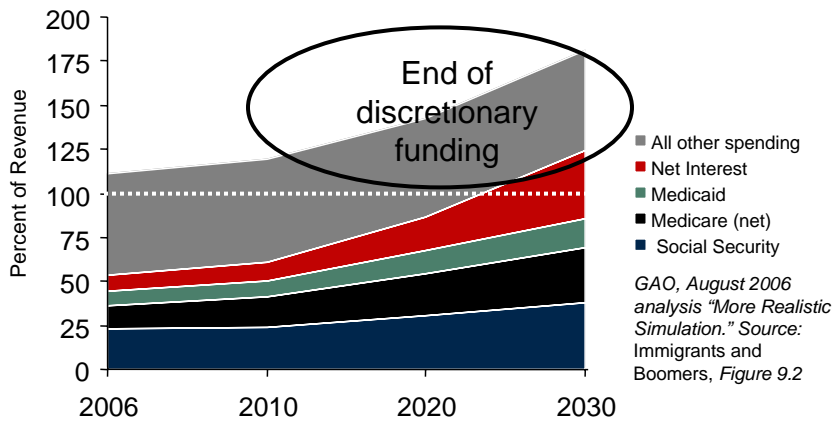


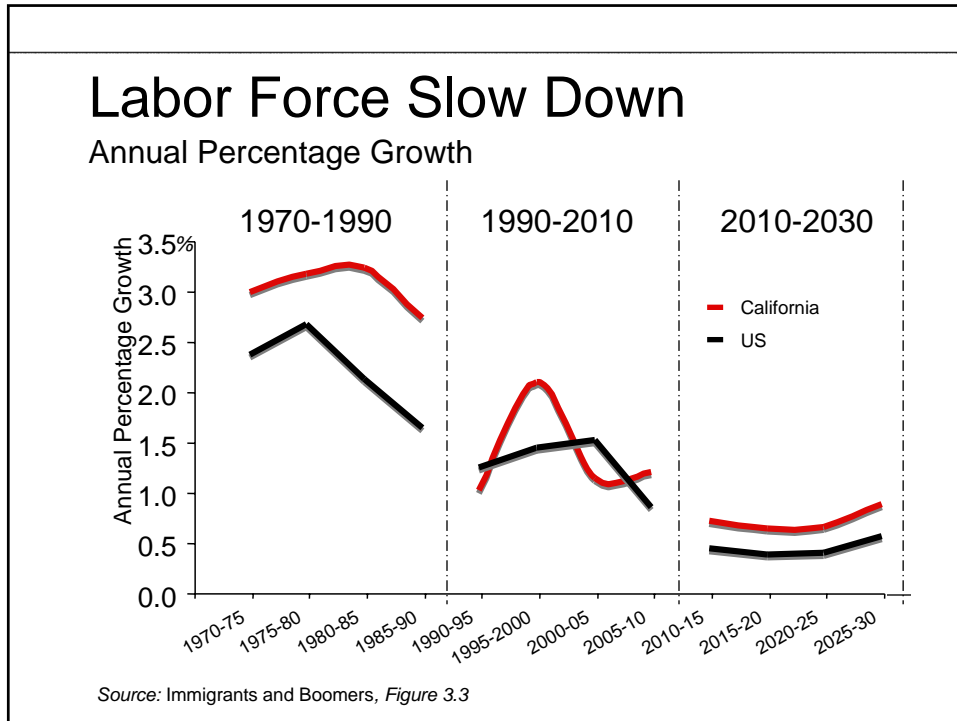
## The Mother of Crises

- Social Security Crisis
- Medicare/Health Insurance Crisis
- Workforce Replacement Crisis
- Taxpayer Replacement Crisis
- The Home Seller Crisis
- ~~Urban Investment Crisis~~

## Growing Federal Deficit Reflects Old Age Burdens

Federal Budget Allocation as a Percentage of  
Projected Federal Revenue





## Likely Responses....

Reduced growth in GDP

Delayed retirement by seniors

Reduced or delayed senior benefits

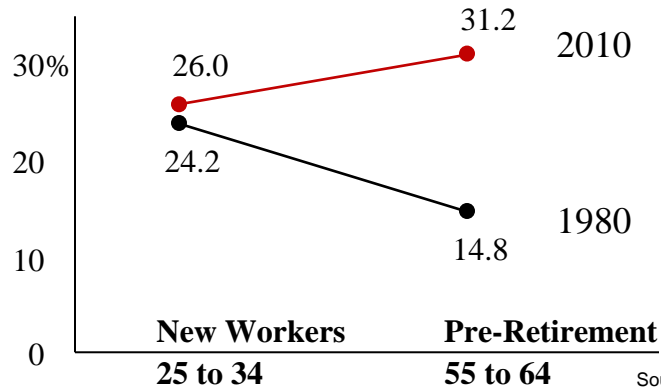
Higher taxes

Rediscovery of neglected minority youth

Greater reliance on immigrant workers

## A Coming Decline in the Skilled Workforce

Percent of Residents with a BA or Higher in California



Source: *Immigrants and Boomers*, p. 210

## 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

## California-Born Share of the College-Educated Workforce

Old pattern	Age 55-64	26%
New pattern	Age 25-34	40%
Future pattern	Age 25-34	70% ??

Source: Immigrants and  
Boomers, Table 10.2

## The Rediscovery of Hope *about* Immigration *and the* Future

## The Key Changes....

The end of immigration acceleration

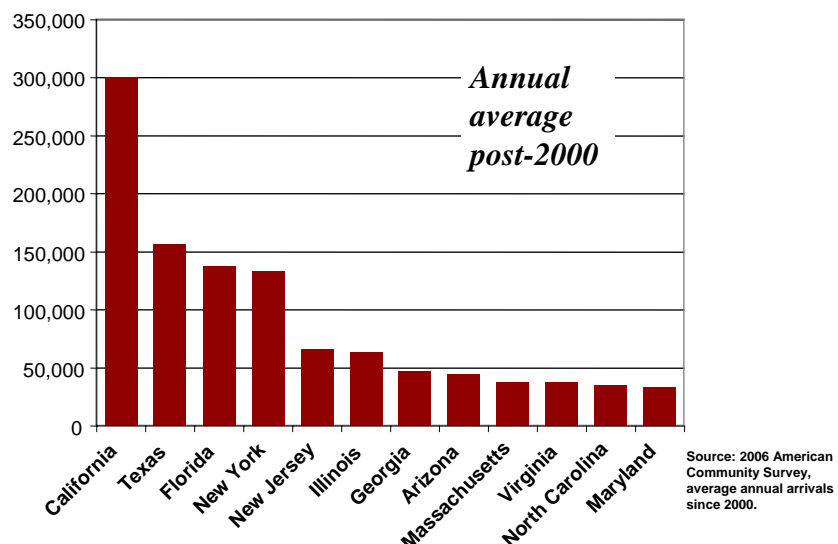
More **long-settled** immigrants

Upward mobility after longer residence

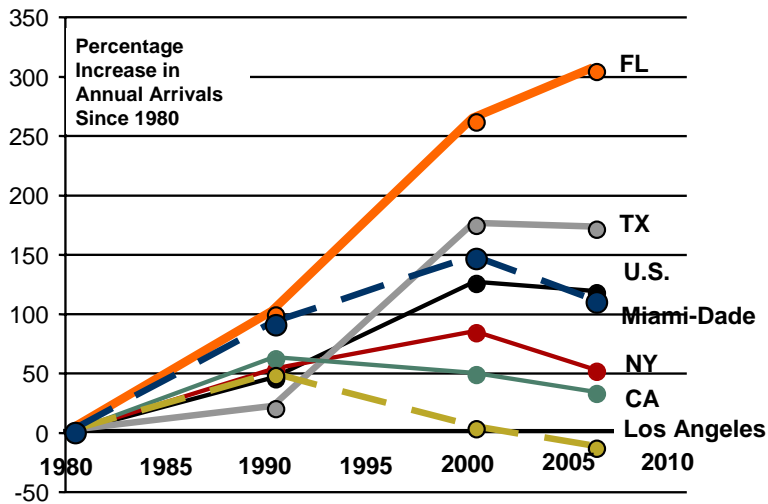
Rediscovery of immigrant contributions

## New Arrivals Finding New Homes

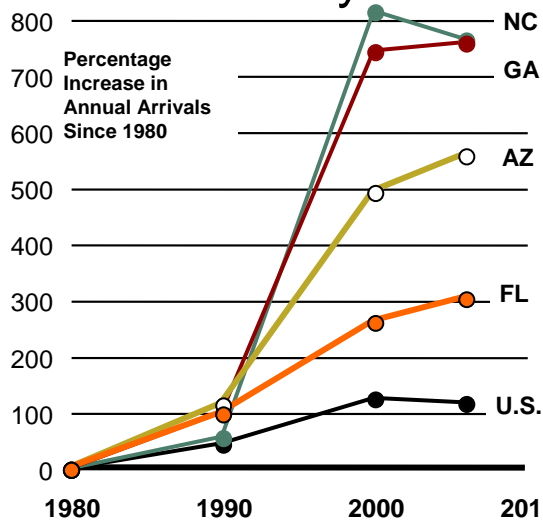
12 States with Largest Number of Immigrant Arrivals



## Annual Immigration Declining in Traditional Major Gateways

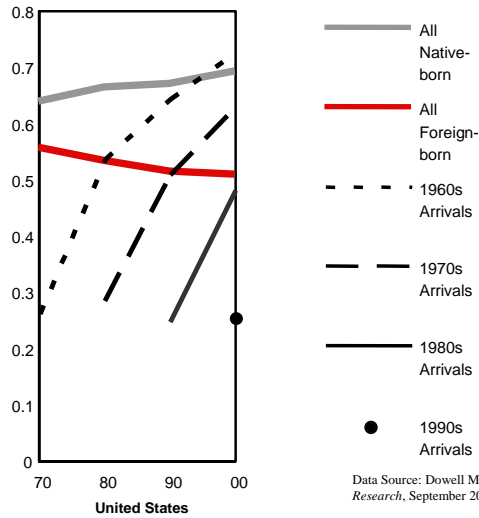


## Annual Immigration Slows in Newer Gateways after 1990s



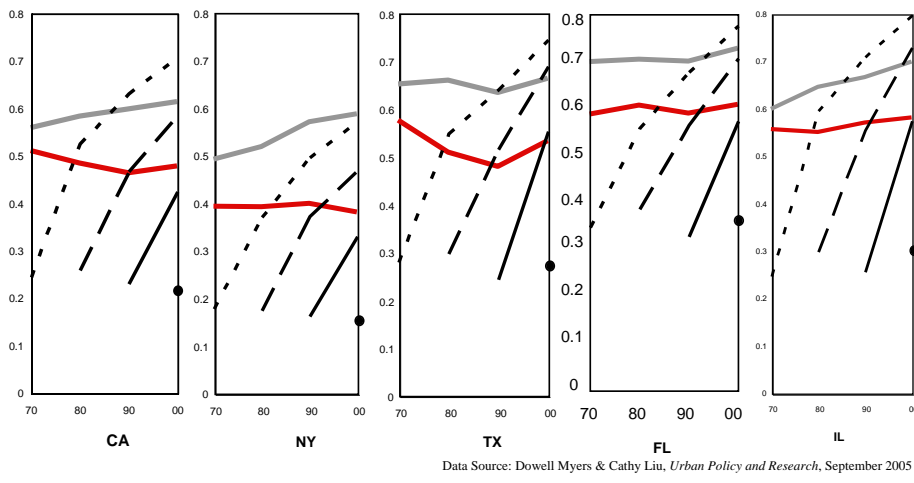
## Soaring Homeownership

For Each Immigrant Wave Arriving Before 1970, 80, 90, 2000

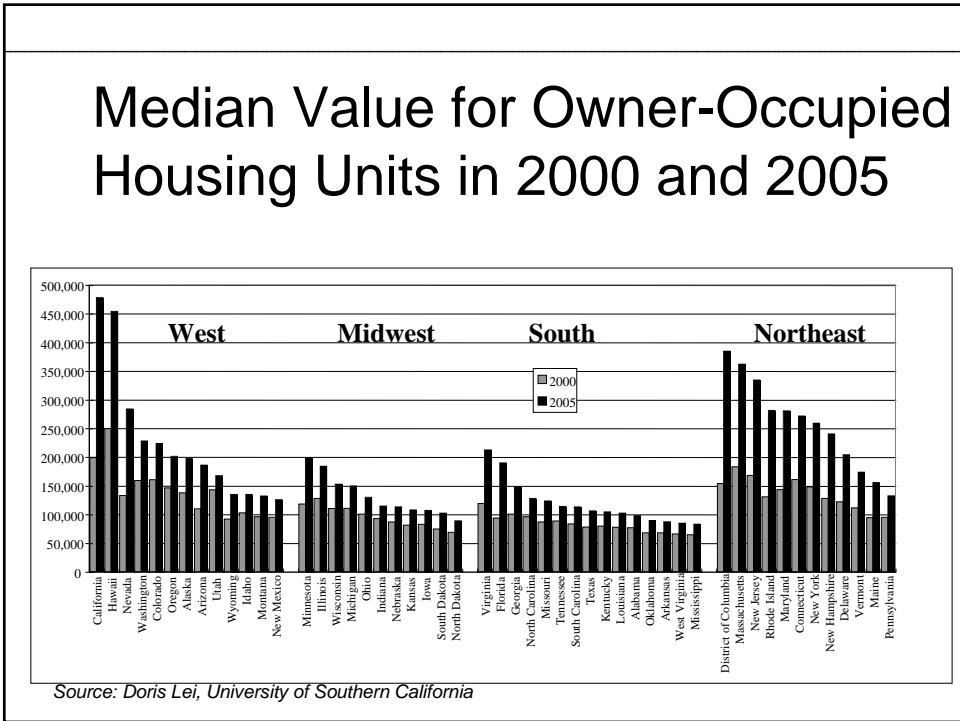


## Change in Homeownership

For Successive Waves of Immigrants Arriving Before 1970, 1980, 1990, or 2000

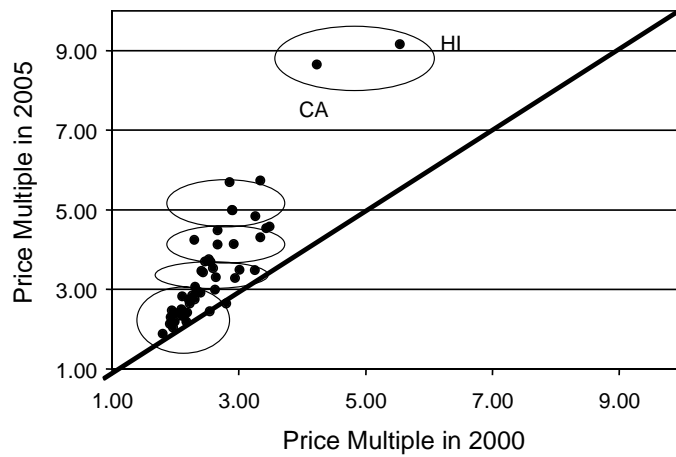


# The Longer Outlook for Housing



## The Soaring Generational Hurdle 2005 vs. 2000

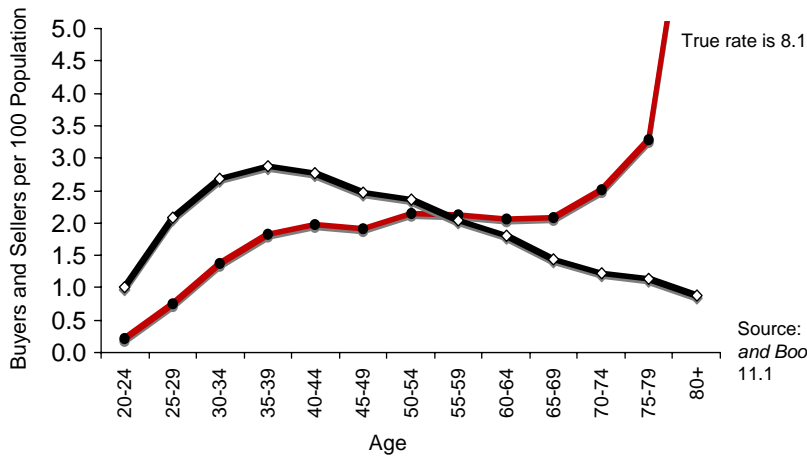
Median House Value to Median Income of **Age 30-34**




Source: Dowell Myers;  
2000 Census and  
2005 American  
Community Survey

## Average Annual Rates of Buying and Selling

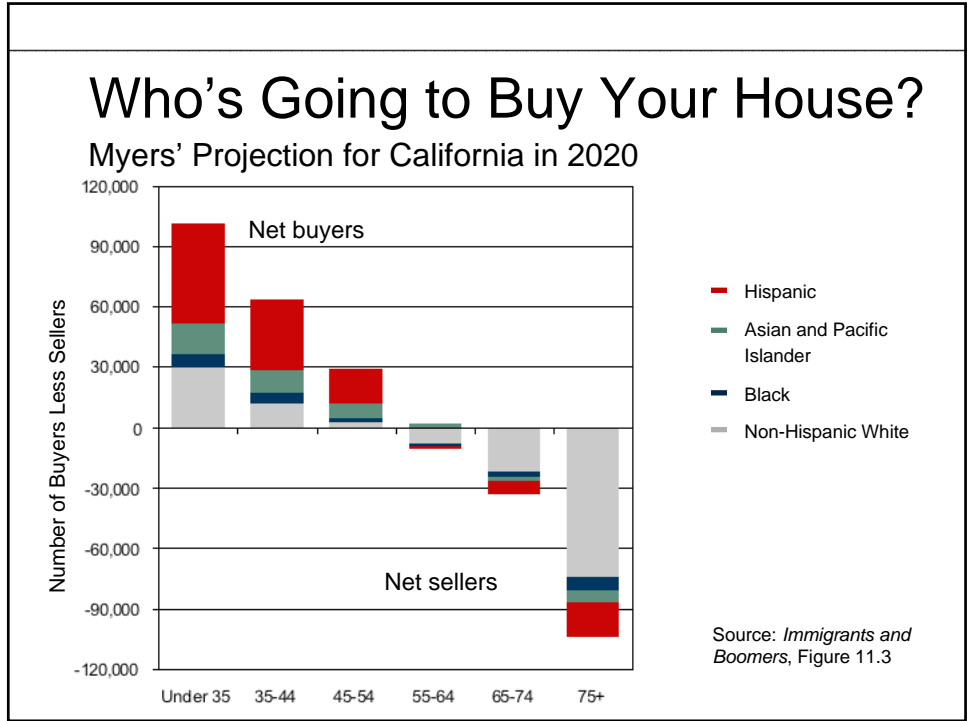
Per 100 People of Each Age in California



Source: *Immigrants  
and Boomers*, Figure  
11.1

<h2>Just Do the Math</h2>	
<ul style="list-style-type: none"> <li>• A buyers' market that will threaten seniors' retirement investments</li> <li>• California is one of more than several states that will face a massive, generational housing bubble before 2025</li> </ul>	
	<p>Source: <i>Immigrants and Boomers</i>, chapter 11; and forthcoming research</p>
<h3>Add housing to our other crises</h3>	

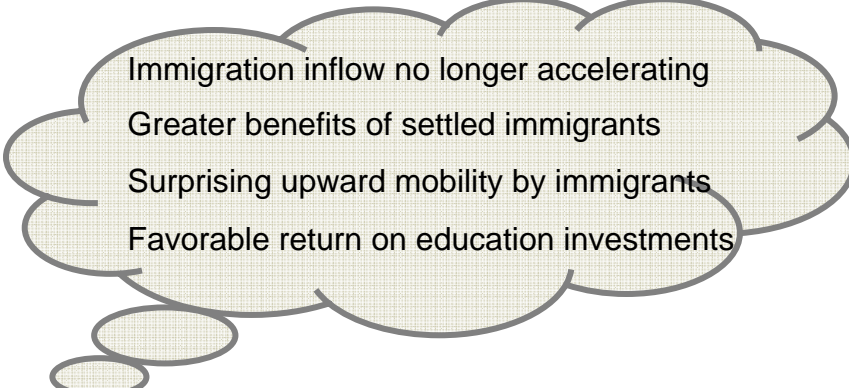
<h2>Five Most Common Surnames in California Transactions</h2>		
1997	2002	2005
Smith	Garcia	Garcia
Garcia	Nguyen	Lopez
Johnson	Lee	Hernandez
Lee	Smith	Martinez
Martinez	Lopez	Rodriguez
<p>Source: DataQuick</p>		



## 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

## 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*

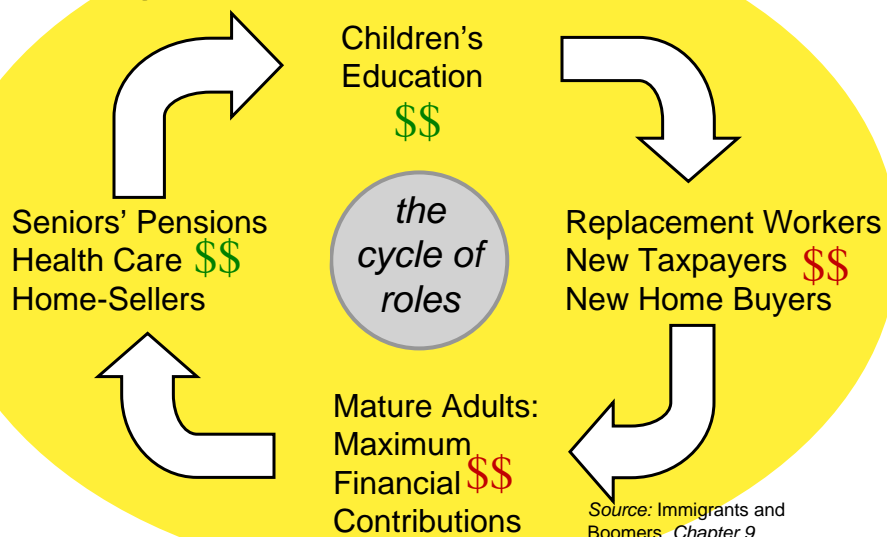
*D. unequal resources*

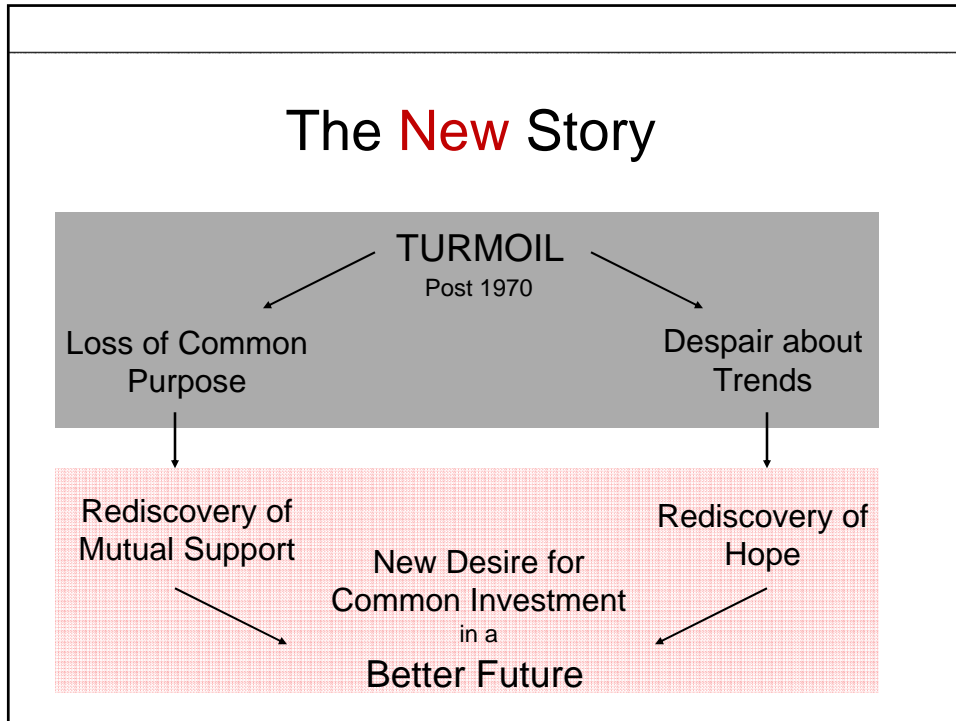
## Our Evolving Social Contract

### 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–?)

## Intergenerational Social Contract



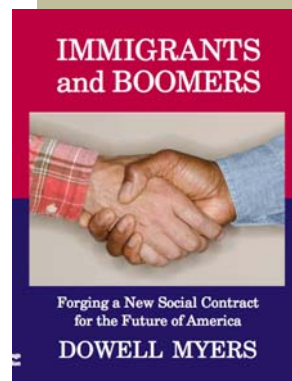


Thank You

For more information  
Google "popdynamics"

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2007  
Thomas & Znanecki  
Award

## Major Contributions of Immigrants and Boomers

1. Linking Baby Boomers and Immigrants in mutual self-interest: home buying, taxpayers, etc.
2. The politics of how people “know” the future: reasons for despair and hope
3. Effects of immigration *acceleration*, followed by *steady state* -- past and future
4. The surprising upward mobility of Latinos
5. A new theory of the changing social contract
6. A longer and more integrated view of immigration and society

....it's a  
new day for  
America