

Print This Article

[Strong growth seen for state's economy Infrastructure, traffic make California less desirable as a home](#)

- Carolyn Said, Chronicle Staff Writer

Tuesday, November 14, 2006

California's economy is positioned for strong growth in the next decade, but the state's infrastructure problems could weaken its allure as a place to live, according to a report to be released today.

"You hear all this talk about whether California is losing it and if we're getting bypassed," said Stephen Levy, executive director of Palo Alto's Center for Continuing Study of the California Economy, which issued the report.

"When we look at the industries we have in the state, they are a set that any state would dream to have. China is the United States' fastest-growing trade partner and we've got 50 percent of that trade flow. We still have 34 percent of the country's venture capital and 25 percent of its patents. We're sitting with an industry mix that's wonderful."

But the challenge will be to convert this business success into success at attracting workers who want to live in the state, he said.

"We concentrate on being a great place to work and forget about being a great place to live, which means housing, schools, congestion, infrastructure. I think California is in danger of losing the 'great place to live' " appellation, he said.

The report projected that California will add 3 million jobs, 5 million residents and 2 million households by 2015.

The new residents will be concentrated in two age groups, he said. As the Baby Boomers age, more than half the population growth will be among people 55 and older. The rest will be those 20 to 35 -- the children of Baby Boomers.

Both groups tend to have smaller families, which will affect the housing required, Levy said.

"This screams to me that we're entering a decade of smaller apartments, condos, urban in-fill housing," he said.

The demographic composition of the workforce will change dramatically as well. Immigrants and their offspring will account for all of the new workers over the next 20 years, Levy said.



"That's a net figure," he said. "There will be a lot of Anglo kids and fifth-generation kids, but they will be offset by all the Baby Boomers retiring. The net growth will come from immigrants, and mainly their children and grandchildren."

That means the state's immigration policies will be crucial.

"California's economy 10 years from now will depend on how welcoming we are to immigrants, what kind of education their children get, and can they afford to live here," Levy said.

One underappreciated side of Boomer retirement is that job openings will span a diverse range of professions and skill levels, so people without college degrees and at all different skill levels will still have employment opportunities.

"There will be jobs everywhere, for welders, machinists, repair people, foreign trade, all sorts of jobs," Levy said.

California outlook

-- California will add 3 million jobs, 5 million residents and 2 million households by 2015.

-- Population growth will be concentrated among people over age 55 and those 20 to 35.

-- Immigrants and their offspring will account for the state's net workforce growth.

-- As Baby Boomers retire, job openings will be diverse, so there will be many opportunities for workers at all levels of education and skill.

Source: Center for Continuing Study of the California Economy

E-mail Carolyn Said at csaid@sfgate.com.

Page C - 1

URL: <http://sfgate.com/cgi-bin/article.cgi?file=/c/a/2006/11/14/BUGMMMC1NI1.DTL>

[©2006 San Francisco Chronicle](#)