# 2021 Regional Progress Report

How the Greater Sacramento region is tracking on key measures of economic prosperity, vibrant places, and connected communities

**SACOG**

# Who We Are

The six-county Sacramento region exemplifies physical, cultural, and economic diversity. Its landscapes range from fertile agricultural lands to the high Sierra Nevada mountains, encompassing a vibrant collection of small towns, established and emerging suburbs, and an urban core that houses the capital of the fifth largest economy in the world. The people that call this region home and the communities where they live are a further reflection of the growing diversity of the state and nation. The Progress Report opens by looking at who we are and what makes this region unique, delving into recent demographic trends as well as how the region situates within the larger state.

**Who We Are key findings:**

- Growth in the state has shifted from the coast to valley and foothills: Sacramento and San Joaquin are now the fastest growing regions in the state, both on a percentage and absolute level. But these inland regions continue to lag the coast in multifamily and attached housing production, as key barriers for infill persist. Efforts like Green Means Go are needed to ensure growth in the region is consistent with the state's climate and other broader goals.

- The region continues to become more diverse in its population and demographics, and is now almost 50 percent people of color.

- Yet disparities by race/ethnicity persist and will likely only widen unless the region addresses head on. Key disparities by race/ethnicity highlighted in the progress report include educational attainment and household income.

- Over one third of the Sacramento region is housing-cost burdened, with the rate even higher for Black and Hispanic households.

## *Region's population growing…but rate of growth slowing*

The 2017 Regional Progress Report showed population growth in the Sacramento region had dropped from its high (over 50,000 a year) to less than 20,000 a year during the Great Recession.

In the last five years, the region's population growth has steadied, adding between 25,000 to 30,000 new residents per year.

### Who We Are Figure 1. Total Population by County, 2000 to 2020

6-County Sacramento Region
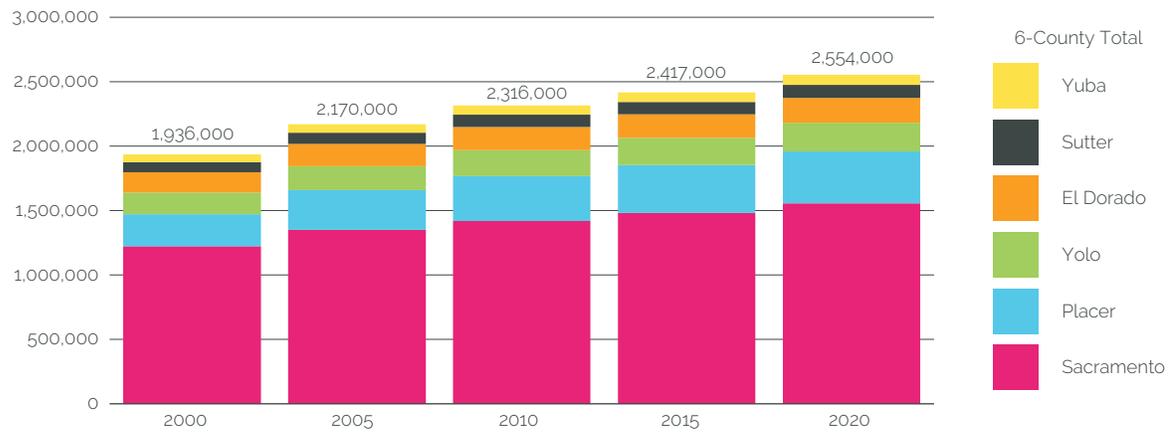


Source: SACOG, December 2020. Based on population estimates from the California Department of Finance.

### Who We Are Table 1. Population Growth, 2000 to 2020

| County | Annual Average Growth Rate | | | |
|---|---|---|---|---|
| | 2000-2005 | 2005-2010 | 2010-2015 | 2015-2020 |
| Sacramento | 2.0% | 1.0% | 0.9% | 1.0% |
| Placer | 4.4% | 2.5% | 1.3% | 1.7% |
| Yolo | 2.0% | 1.5% | 1.0% | 1.0% |
| El Dorado | 1.9% | 1.1% | 0.2% | 1.1% |
| Sutter | 2.0% | 1.7% | 0.3% | 1.0% |
| Yuba | 2.0% | 1.7% | 0.5% | 1.3% |
| 6-County Total | 2.3% | 1.3% | 0.9% | 1.1% |

Source: SACOG, December 2020. Based on population estimates from the California Department of Finance.

## As coastal growth slows, Sacramento region becomes fastest growing in California

State-wide growth has shrunk significantly over the last several years: at 0.2% annually, population growth in the state has never been lower.

The Sacramento region's steady population growth the last five years places the region as the fastest growing in the state, as population growth has shifted inland: Sacramento and the San Joaquin Valley have reclaimed their status as the fastest-growing California regions, not only on a percentage but on an absolute basis.

**Who We Are Figure 2. Annual Population Growth, Sacramento Region and Other California Regions, 2000 to 2020**
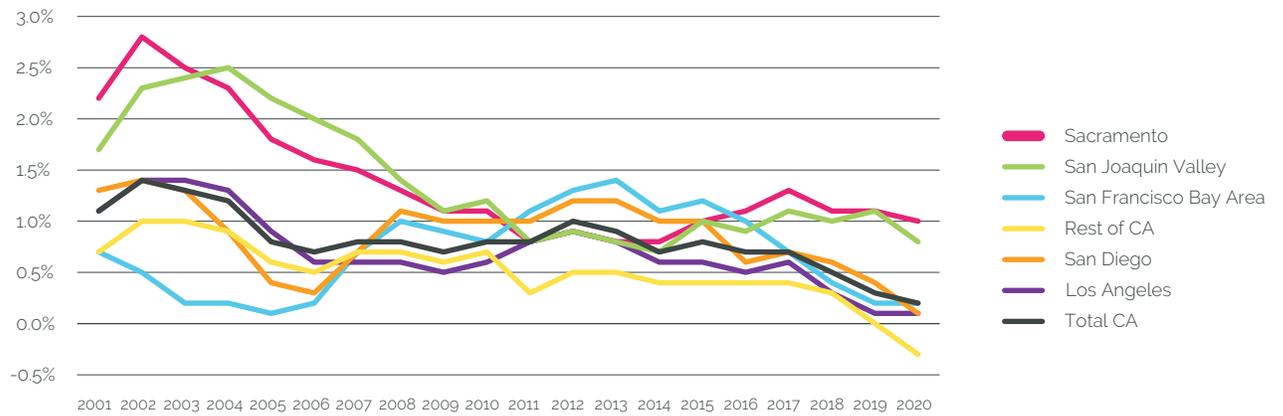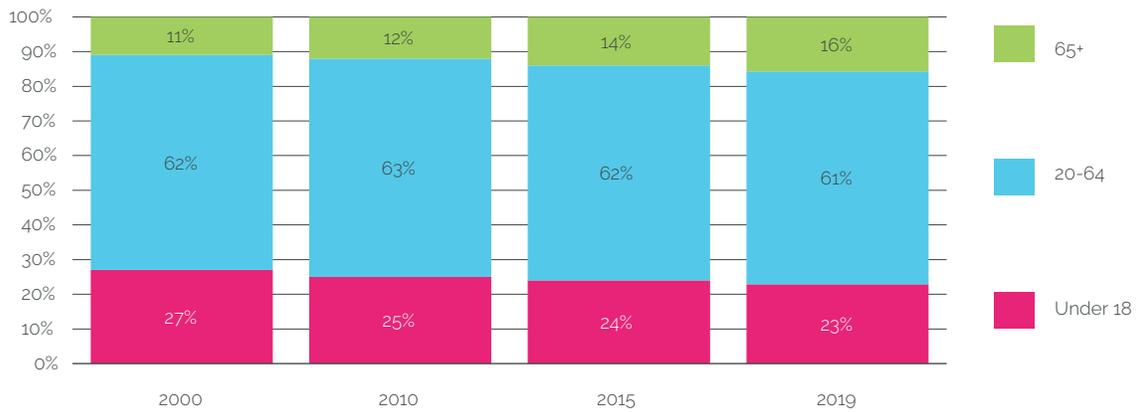


Source: SACOG, December 2020. Based on DOF/DRU E-5 series.

## *Region is getting older*

The region continues to age. Those aged 65 or older consisted of 11% of the resident population in 2000 but were 16% of the population by 2019. In the meantime, the share of residents younger than 18 continues to shrink, from 27% in 2000 to 23% by 2019.

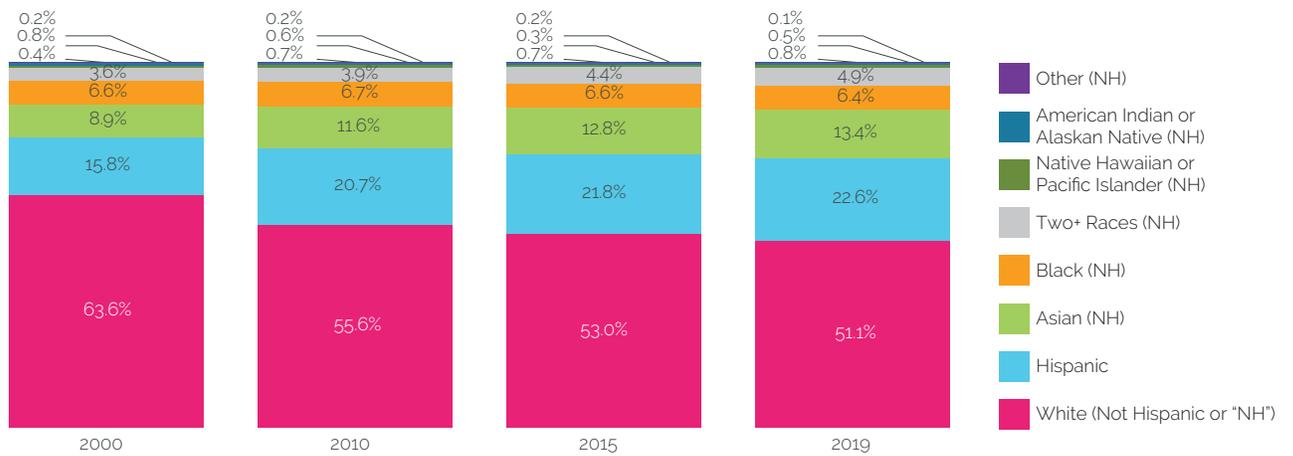**Who We Are Figure 3. Population Age Distribution in the Sacramento Region, 2000 to 2019**



Source: SACOG, December 2020. Based on year 2000 and 2010 Decennial Census, and American Community Survey 2015 and 2019 1-year sample.

## Region on the cusp of becoming more than 50 percent people of color

The Sacramento region continues to grow in diversity. In 2000, 64% of all residents in the region were non-Hispanic white. By 2019 this had shrunk to 51%. The region's Black population has remained around 6.5% the last 20 years. Hispanic and Asian populations continue to grow steadily.

### Who We Are Figure 4. Race and Ethnicity in the Sacramento Region, 2000 to 2019

6-County Sacramento Region



| | 2000 | 2010 | 2015 | 2019 |
|---|---|---|---|---|
| Other (NH) | 0.2% | 0.2% | 0.2% | 0.1% |
| American Indian or Alaskan Native (NH) | 0.8% | 0.6% | 0.3% | 0.5% |
| Native Hawaiian or Pacific Islander (NH) | 0.4% | 0.7% | 0.7% | 0.8% |
| Two+ Races (NH) | 3.6% | 3.9% | 4.4% | 4.9% |
| Black (NH) | 6.6% | 6.7% | 6.6% | 6.4% |
| Asian (NH) | 8.9% | 11.6% | 12.8% | 13.4% |
| Hispanic | 15.8% | 20.7% | 21.8% | 22.6% |
| White (Not Hispanic or "NH") | 63.6% | 55.6% | 53.0% | 51.1% |

Source: SACOG, December 2020. Based on Census and American Community Survey data.
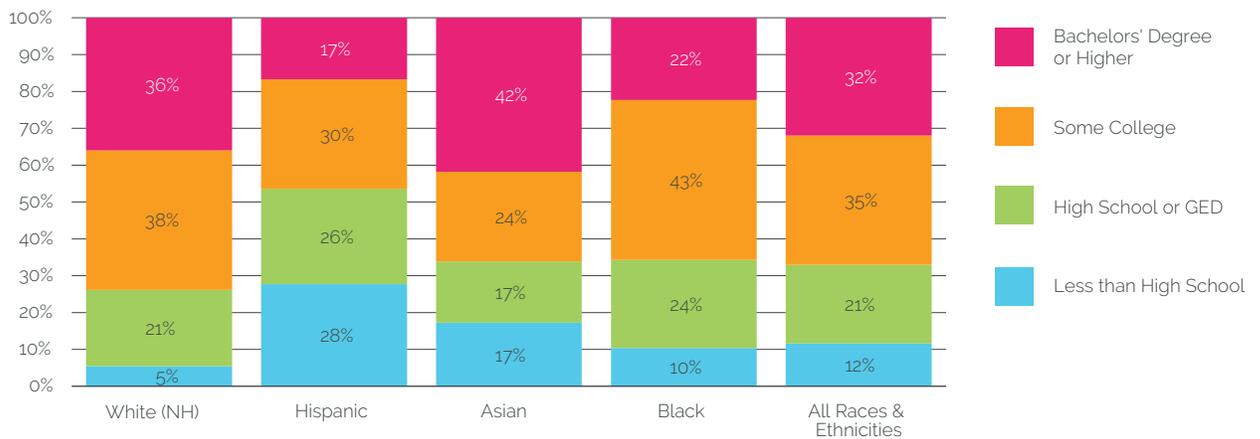
Notes: "NH" = non-Hispanic origin. Hispanic population includes population of all races that also reported Hispanic origin. See discussion in "About the Data" chapter of this report.

## *Education attainment illustrates disparity in Sacramento region*

There are significant differences in the highest level of educational attainment when the residents of the region 26 years-or-older are grouped by their reported race and ethnicity. Although there has been progress in closing the educational attainment gap (for example, the percentage of Hispanic residents aged 26+ with less than a high school education has dropped by 8 percentage points since 2010), white non-Hispanic and Asian populations make up the highest share with bachelor's degrees or higher. Higher educational attainment is correlated with higher incomes and labor force participation rates.

### Who We Are Figure 5. Education Attainment for Persons Aged 26+, 2018

6-County Sacramento Region



Source: SACOG, December 2020. Based on American Community Survey 2018 5-year sample. Statistic in the paragraph compares to the 2010 5-year sample.

Notes: "NH" = non-Hispanic origin. Data for American Indian, Alaskan Native, Native Hawaiian, Pacific Islander, Multi-Race, or the Census' other race/ethnicity categories is not included because of the high margin of error due to smaller sample sizes. See discussion in "About the Data" chapter of this report.

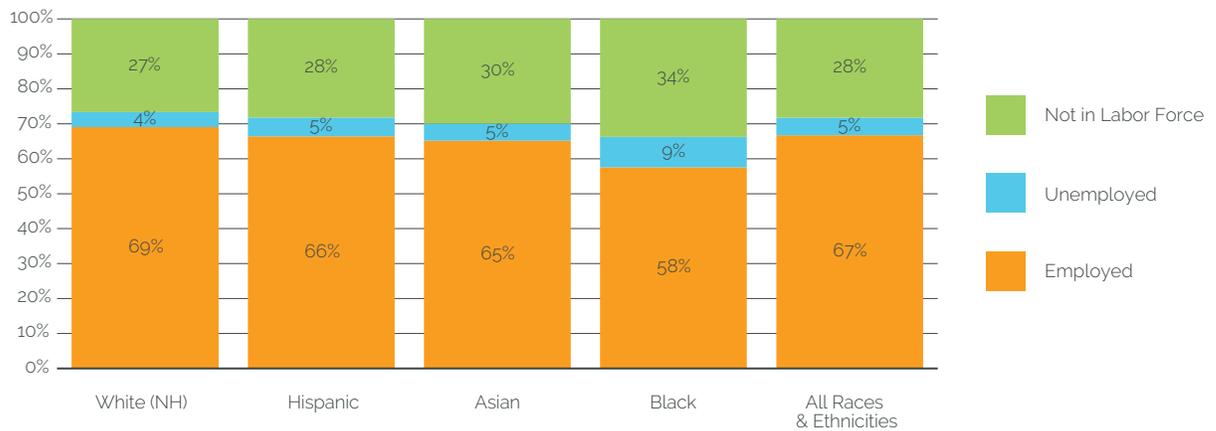## *Disparity also seen in labor force participation*

Census data organizes the working age (aged 16 to 64) labor force into three components:

- Employed (those currently employed)

- Unemployed (those not employed but actively looking for work), and

- Not in labor force (not actively seeking employment or are employed outside the official labor market)

The Brookings study "Charting a course to the Sacramento region's future economic prosperity" noted employment rates (ratio of employed to working age population) differ by race/ethnicity, a finding also seen in the last five years of labor force data in the Sacramento region.

The reasons individuals are not participating in the formal labor force vary greatly. Some are pursuing educational or training opportunities while others are involved in work that occurs outside of the official labor market (home maker, family care, etc.). Many though are discouraged workers — those who want to work but have given up trying to find employment due to repeated unsuccess or unequal access to opportunities.

**Who We Are Figure 6. Working Age (Age 16-64) Labor Force in Sacramento Region by Race/Ethnicity, 2018**



| | Employed | Unemployed | Not in Labor Force |
|---|---|---|---|
| White (NH) | 69% | 4% | 27% |
| Hispanic | 66% | 5% | 28% |
| Asian | 65% | 5% | 30% |
| Black | 58% | 9% | 34% |
| All Races & Ethnicities | 67% | 5% | 28% |

Source: SACOG, December 2020 based on the 2018 American Community Survey 5-year sample. Data for American Indian, Alaskan Native, Native Hawaiian, Pacific Islander, Multi-Race, or the Census' other race/ethnicity categories is not included because of the high margin of error due to smaller sample size. See discussion in "About the Data" chapter of this report.

## *Disparities in education attainment and labor force participation reflected in income*

Non-Hispanic white and Asian households in the region have higher median incomes compared to Black and Hispanic households. Put another way, the median income of Black households in the region is only 70% of total households, while median incomes of white households exceed 110% of the regional level.

### Who We Are Figure 7. Median Annual Household Income by Race and Ethnicity in Sacramento Region, 2018

6-County Sacramento Region
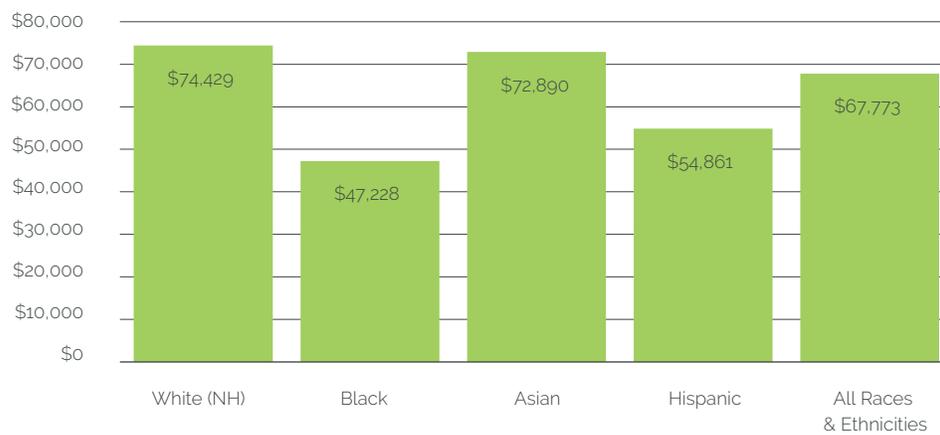


Source: SACOG, December 2020. Based on American Community Survey 2018 5-year sample data.

Notes: "NH" = non-Hispanic origin. Data for American Indian, Alaskan Native, Native Hawaiian, Pacific Islander, Multi-Race, or the Census' other race/ethnicity categories is not included because of the high margin of error due to smaller sample sizes. See discussion in "About the Data" chapter of this report.

## *Disparities in income reflected in housing-cost burden*

Well over one third of all households in the Sacramento region are housing-cost burdened, defined as those households that spend more than a third of gross monthly income on the cost of housing.

And there are clear disparities in housing-cost burden by race/ethnicity, given the differences in household incomes. Hispanic and Black households must contribute a higher share of income to cover basic housing costs compared to white and Asian households. Indeed, over half of all Black households in the region are housing-cost burdened (and over half of these households pay above 50 percent of gross income just to cover housing).

Contributing such a high percentage of gross income towards housing leaves little left over for saving or discretionary spending. The Economic Prosperity section of this Progress Report tracks the increasing housing costs in the region while the Vibrant Places section calls attention to underproduction of different housing product types.

### Who We Are Figure 8. Housing-cost burden by Race and Ethnicity, 2016

6-County Sacramento Region
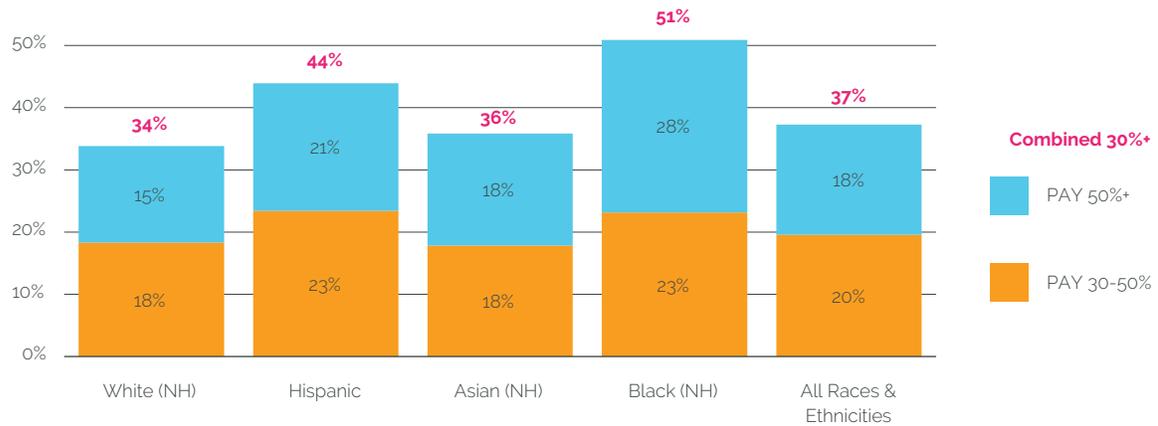


Source: 2016 Comprehensive Housing Affordability Strategy (CHAS) data, HUD. Data for American Indian, Alaskan Native, Native Hawaiian, Pacific Islander, Multi-Race, or the Census' other race/ethnicity categories is not included because of the high margin of error due to smaller sample sizes. See discussion in "About the Data" chapter of this report.

# About the Data

## Geography

The 2021 Regional Progress Report covers the six-county Sacramento region, which consists of El Dorado, Placer, Sacramento, Sutter, Yolo, and Yuba counties. Indicators, statistics, and charts in the Progress Report titled or referenced as the "Sacramento region" or "greater Sacramento" are for this six-county area, unless otherwise explicitly mentioned in the corresponding text/chart.

Several indicators/charts however are instead at the Metropolitan Statistical Area (MSA) level. There are two different MSAs in the Sacramento region—the Sacramento MSA (also referred to as the Sacramento metro area), consisting of El Dorado, Placer, Sacramento, and Yolo counties, and the Yuba City MSA (also referred to as the Yuba-Sutter metro area), consisting of Yuba and Sutter counties. Due to data restrictions some indicators only have data for the Sacramento MSA, not the Yuba City MSA; these will be noted in the source documentation. Finally, one transportation-related indicator uses the Sacramento Urbanized Area geography, a measure of the urbanized core of the region, while the indicators drawing on SACOG's regional permit database are just for the SACOG planning region (i.e., do not include the Tahoe Basin portion of Placer and El Dorado counties). Each of these unique geographies is referenced in the source documentation.

## Comparator regions

The 2021 Progress Report compares the Sacramento region to a variety of other metropolitan areas. First, the report compares greater Sacramento to fellow California regions: the Bay Area, greater Los Angeles, and San Diego are defined as the areas covered by their respective Metropolitan Planning Organizations (MTC, SCAG, and SANDAG), while the Progress Report defines the San Joaquin Valley as Fresno, Kern, Kings, Madera, Merced, San Joaquin, and Stanislaus counties.

Several indicators in the report include a comparison to other national mid-sized regions. Recent work by the Brookings Institution found these comparators share similar economic size, wealth, productivity, industrial structure, and competitiveness factors to the Sacramento region. To Brookings' list of 15 national comparators SACOG added two fellow state capitals (Austin and Salt Lake City) and another West Coast mid-sized region (Portland). In short, while regions in California are important points of comparison across many indicators (such as the population growth or housing cost measures), Brookings' work shows how benchmarking across fellow mid-sized regions instead of larger coastal areas can be an effective way to track other trends captured in the Progress Report. Comparator mid-sized regions are defined as their MSA.

## Race/ethnicity data

The Progress Report draws on a wide variety of data sources. Many on race and ethnicity come from the US Census Bureau based on the respondent's self-identification within Census categories. The Census recognizes race as a social construct, noting the racial categories used "generally reflect a social definition of race recognized in this country and not an attempt to define race biologically, anthropologically, or genetically." In the Census, the concept of Hispanic origin is separate from race. In other words, the Census asks respondents if they identify as being of Hispanic, Latino, or Spanish origin, and then a separate question on how they identify within Census racial categories of Alaskan Native or American Indian; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; White; Some Other Race. This two-question approach to race and ethnicity means there can be overlap between several of the reported categories in indicators that compare across groups. For example, a person who identified as being of Hispanic origin on the ethnicity question and as Black or African American on the race question would be included in both the Hispanic and Black reported categories in certain indicators. However, in other measures the data separates out Hispanic from non-Hispanic across all race categories. The Progress Report documents if the reported race/ethnicity category includes those that identify as of Hispanic origin or not, using (NH) to distinguish non-Hispanic. For example, an indicator for Black (NH) means the category covers those who selected Black or African American on the race question and 'not of Hispanic origin' on the ethnicity question. An indicator for Black (no 'NH' following in the legend) encompasses those who selected Black or African American on the race question regardless of how they answered the ethnicity question.

Because the Census is only conducted once every ten years, the bureau uses surveying techniques such as the American Community Survey (ACS) to gather important information about metropolitan regions, states, and the nation. Much of the race and ethnicity data in this Progress Report is from the ACS. The ACS source documentation details the scientific approach to these surveys, including margin of error. Data indicators on several Census racial categories in the region have high margins of error given the relatively small population and sampling size for these racial categories. As a result, outside of the total population indicator, the Progress Report does not report individual data on American Indian, Alaskan Native, Native Hawaiian, Pacific Islander, Multi-Race, or the Census' Other category. SACOG staff reviewed the available data and believe that it is not possible in the data for these categories to distinguish a true population value from a random sample error given the reported margins. However, ACS data for these racial categories can be found at  https://www.census.gov/programs-surveys/acs