

SECTION 1

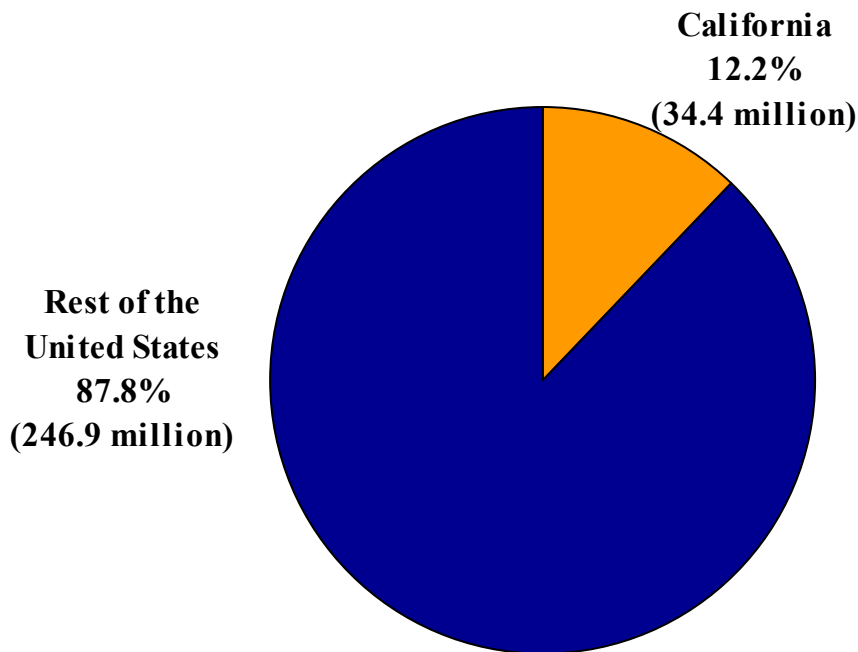
Demographic and Economic Profiles of California's Population

California's population has special characteristics compared to the United States as a whole. Section 1 presents data on the size of the populations of California compared to the United States, including their projected growth and birth rates. Demographic characteristics of the populations are provided, such as race and ethnicity, educational attainment, and citizenship status. Economic characteristics of the population such as median family income, poverty rates, and family work status are also included.

Exhibit 1.1

California's Share of the United States Population, 2002

Approximately one in eight people in the United States live in California. In 2002, California's population was 34.4 million individuals, representing 12.2% of the 281.3 million people living in the United States. California has a younger population than the United States as a whole. In 2002, people under age 19 accounted for 30% of the total California population vs. 27% in the United States, while those age 65 and older accounted for only 9% of Californians compared to 12% of the United States population. The gender split in 2002 was similar in California (50% female) and the United States (51% female). The percentage of individuals living in non-metropolitan areas differed in California from the U.S. overall, however. In 2002, only 1% of Californians resided in non-metropolitan areas, compared to 18% of people across the nation.



Total United States Population = 281.3 million

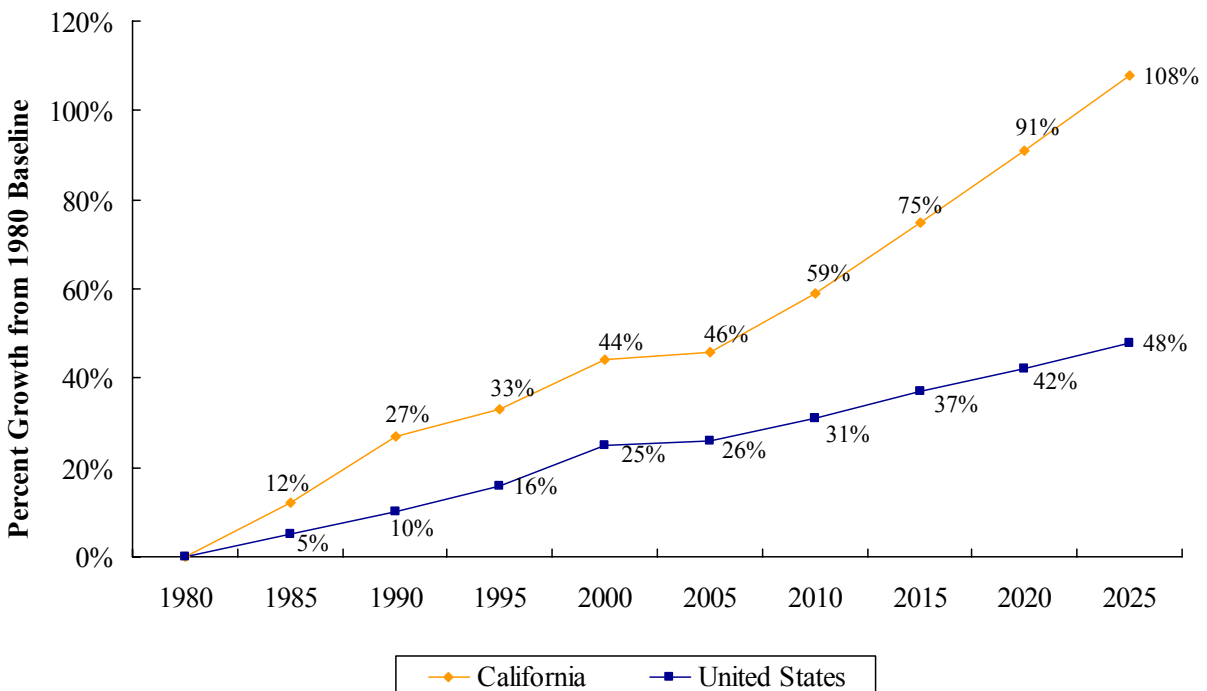
Notes: Population excludes institutionalized individuals and non-civilians.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.2

Cumulative and Projected Population Growth Since 1980, California and the United States, 1980-2025

The populations of both California and the United States are expected to increase significantly between 1980 and 2025. The population in California is projected to more than double during this time period, from 23.7 million people in 1980 to 49.3 million people in 2025, while the population in the United States is projected to increase from 226.5 million people to 335.1 million people. Potential explanations for California's faster growth rate include higher overall birth rates in California (Exhibit 1.3a) and a higher rate of immigration to California compared to the United States overall (Exhibit 1.6).



Notes: 1980 to 2000 are actual increases. 2005 to 2025 are projected increases.

Source: U.S. Census Bureau, Population Division. See Detailed Notes and Sources at the end of Section 1 for exact references.

Exhibit 1.3

Trends in Birth Rates California and the United States

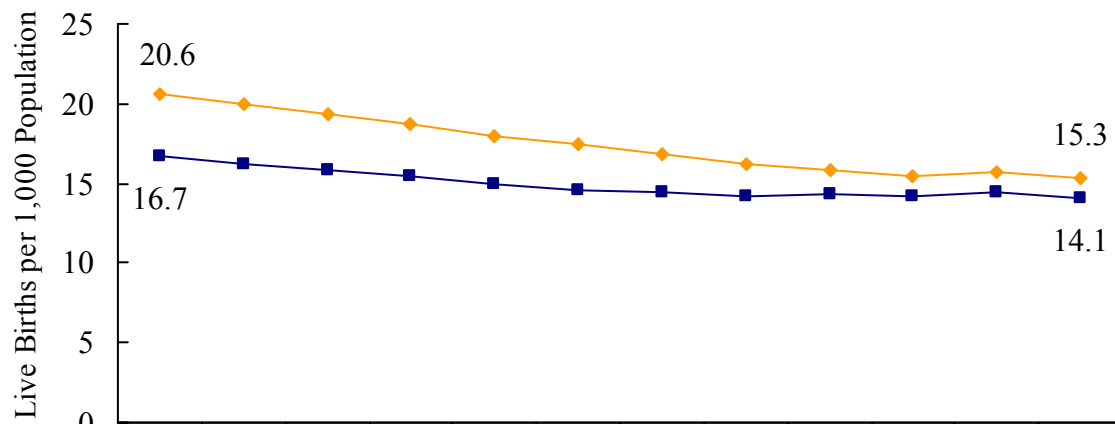
From 1990 through 2001, birth rates in California were consistently higher than those in the United States. During this eleven-year period, a sharper drop in birth rates has occurred in California than in the United States, which has brought California's rates closer in the line with the nation's birth rates as a whole. In California, the birth rate dropped from 20.6 to 15.3 from 1990 to 2001, while the rate across the United States dropped from 16.7 to 14.1. (Exhibit 1.3a)

One explanation for the higher birth rates in California compared to the United States is that the proportion of Hispanics in California is over 2 ½ times that in the United States as a whole (34.6% vs. 13.3% in the U.S., Exhibit 1.4), and the birth rates for Hispanics are significantly higher than those of other racial/ethnic groups in the state. Birth rates for California Blacks and Asian/Pacific Islanders are lower than rates for Hispanics, and birth rates for California Whites are lower still. (Exhibit 1.3b)

The California teen birth rate has fallen steadily in the past decade, and as a result, the gap between the teen birth rates in California and the United States has nearly disappeared. In 1990, the rate of teen births in California was higher than in the United States (70.6 vs. 59.9 births per 1,000 women ages 15-19). Between 1991 and 2001, rates in both California and the United States began to decline, but rates in California fell more rapidly. By the mid 1990s, the rates became and have remained similar. (Exhibit 1.3c)

Exhibit 1.3a

Trends in Birth Rates, California and the United States, 1990-2001



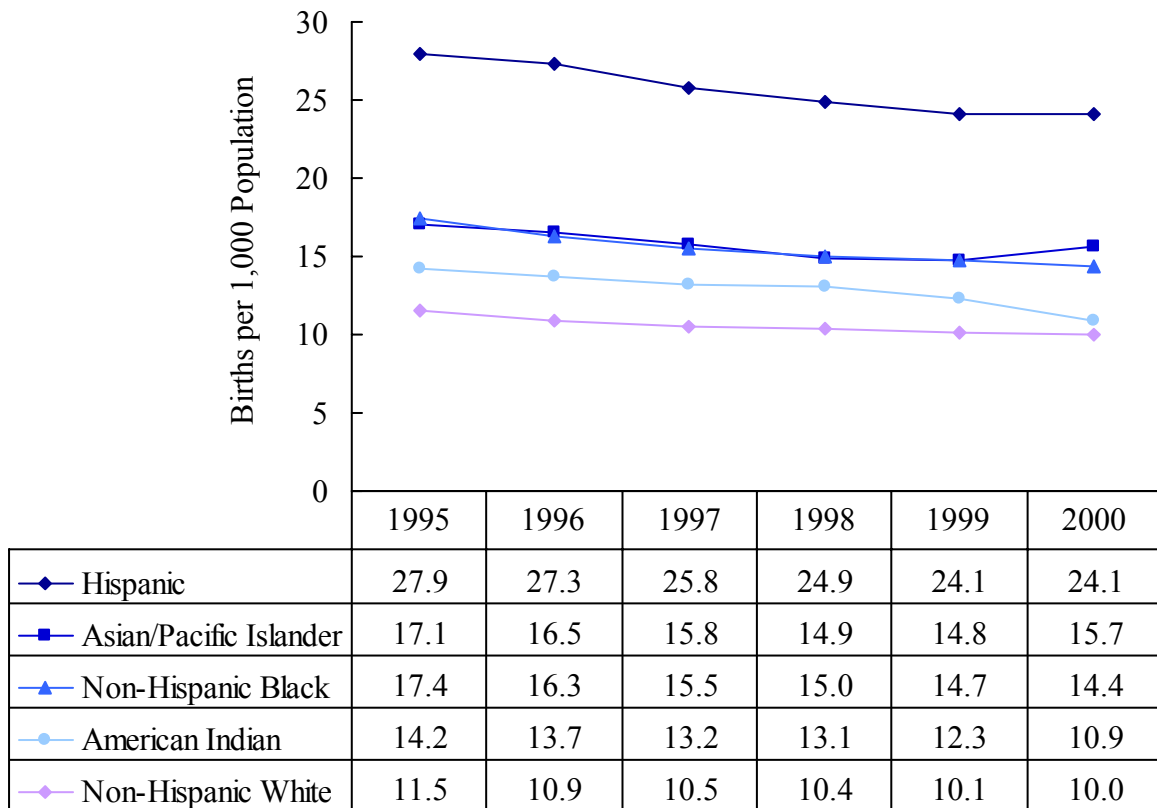
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
—◆— California	20.6	20.0	19.4	18.7	18.0	17.4	16.8	16.2	15.8	15.5	15.7	15.3
—■— United States	16.7	16.2	15.8	15.4	15.0	14.6	14.4	14.2	14.3	14.2	14.4	14.1

Notes: The birth rate is defined as the number of live births per 1,000 population.

Source: B.E. Hamilton, P.D. Sutton, and S.J. Ventura, "Revised Birth and Fertility Rates for the 1990s and New Rates for Hispanic Populations, 2000 and 2001: United States," *National Vital Statistics Reports*, 51, no.12 (August 4, 2003), Table 10, pp. 59-70.

Exhibit 1.3b

Trends in Birth Rates by Race/Ethnicity, California, 1995-2000

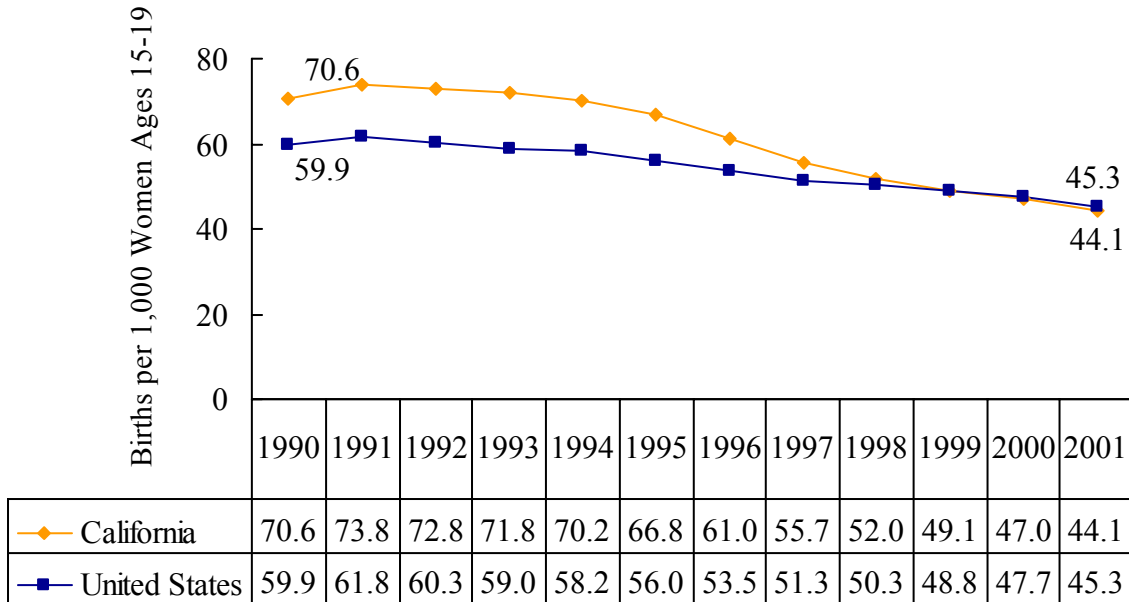


Notes: The birth rate is defined as the number of live births per 1,000 population in each racial/ethnic group. The race/ethnicity categories represent the race/ethnicity of the mother. American Indian, Asian/Pacific Islander, Black, and White exclude Hispanic ethnicity. Hispanic category may include individuals of any race.

Source: California Department of Health Services. "Advance Report: California Vital Statistics (1999 & 2000)." See Detailed Notes and Sources at the end of Section 1 for exact references.

Exhibit 1.3c

Trends in Teenage Birth Rates, California and the United States, 1990-2001



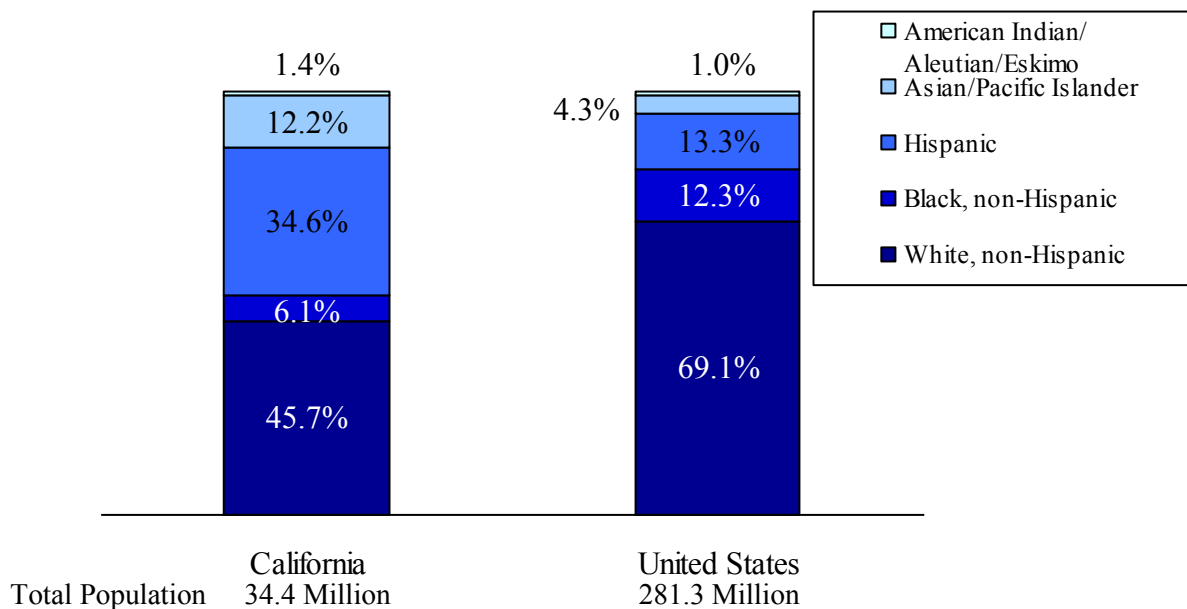
Notes: The birth rate is defined as the number of live births per 1,000 women aged 15-19.

Source: B.E. Hamilton, P.D. Sutton, and S.J. Ventura, "Revised Birth and Fertility Rates for the 1990s and New Rates for Hispanic Populations, 2000 and 2001: United States," *National Vital Statistics Reports*, 51, no. 12 (August 4, 2003), Table 10, pp 59-70.

Exhibit 1.4

Population by Race/Ethnicity, California and the United States, 2002

The California's population reflects greater racial and ethnic diversity than the United States as a whole. In 2002, less than half of California's population was White, non-Hispanic (46%) compared to more than 69% of the United States population. A notable difference between California and the nation as a whole is the proportional size of the Hispanic population, which is over 2 ½ times as large in California (35%) as in the United States as a whole (13%). Another key difference is the percentage of Asians and Pacific Islanders, which is 3 times larger in California than in the United States (12% vs. 4%). In contrast, California has about half the proportion of Blacks compared to the United States as a whole (6% vs. 12%).



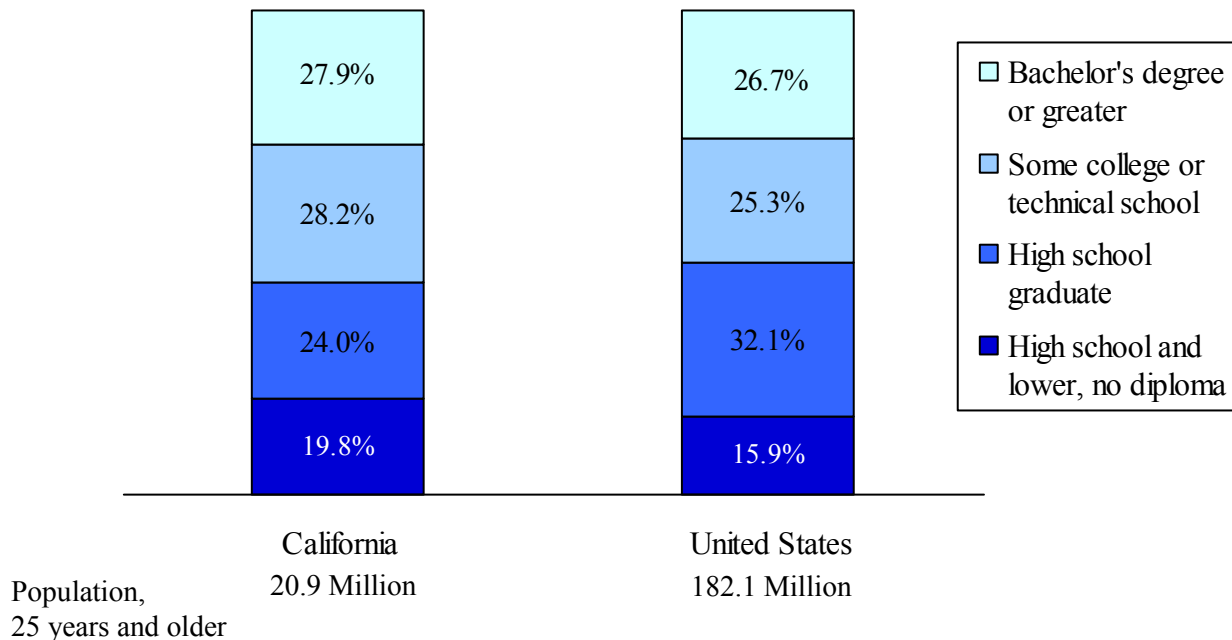
Notes: American Indian/Aleutian Eskimo, Asian/Pacific Islander, Black, and White exclude Hispanic ethnicity. Hispanic includes any race category. The population included in this chart is the civilian, non-institutionalized population.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.5

Educational Attainment, California and the United States, 2002

Compared to the total United States, California has a higher percentage of individuals who have not graduated from high school (20% vs. 16%), but also a higher percentage of individuals who have attended some college, graduated from college with a Bachelor's degree, or received graduate or professional degrees (56% vs. 52%). Higher levels of education are generally associated with better health status.



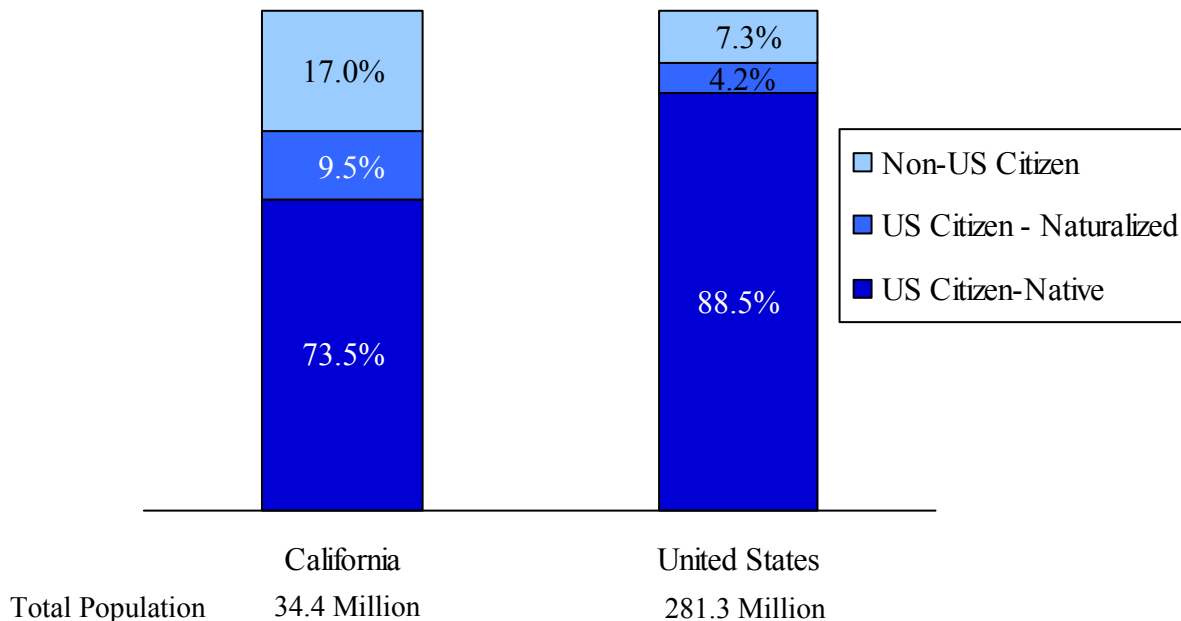
Notes: Educational attainment is reported for adults ages 25 and older. The population included in this chart is the civilian, non-institutionalized population. Figures may not total to 100% due to rounding.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.6

Citizenship Status, California and the United States, 2002

California has a much larger immigrant population compared to that of the United States as a whole. California's immigrant population, including naturalized citizens and non-citizens, comprised 26.5% of the state's total population, compared to 11.5% for the total U.S. in 2002. The percentage of naturalized citizens in California was more than double that of the United States (9.5% vs. 4.2%), and the percentage of non-citizens in California compared to the United States was even greater (17.0% vs. 7.3%). Only six other states had 10% or more non-citizens: New York, Arizona, Florida, Nevada, New Jersey, and Texas.



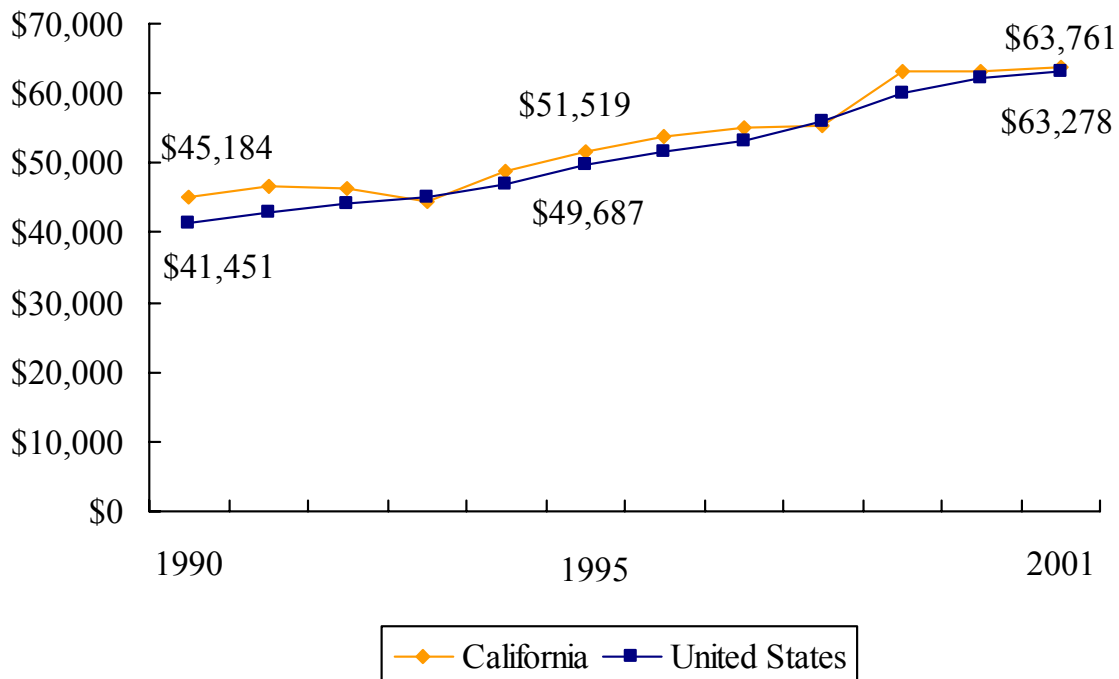
Notes: The population included in this chart is the civilian, non-institutionalized population.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Exhibit 1.7

Trends in Median Family Income, California and the United States, 1990-2001

The rate of growth for median incomes between 1990 and 2001 has been greater in the United States than in California. While median family income for a four-person family grew in California from \$45,184 to \$63,761, incomes rose in the United States as a whole from \$41,451 to \$63,278. California lost a disproportionate number of jobs during the recession of the early 1990's and loss of jobs continued in the state after the rest of the U.S. had already begun to recover. California ranked 20 out of 51 states (including the District of Columbia) for the highest median family income in 2001.

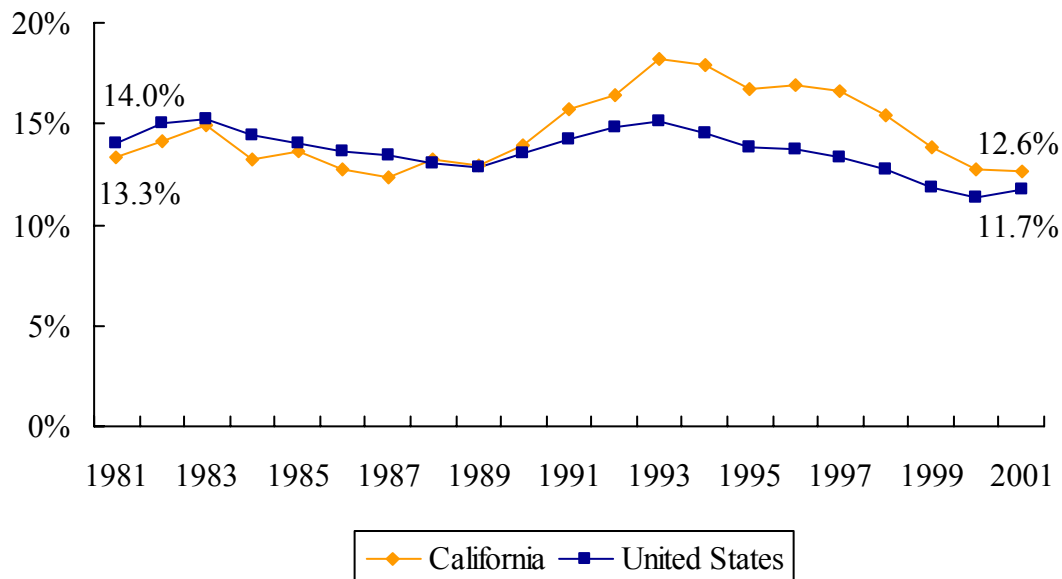


Source: U.S. Census Bureau, Housing and Household Economic Statistics Division, "Median Income for 4-Person Families, by State," www.census.gov/hhes/income/4person.html.

Exhibit 1.8

Trends in the Percentage of the Population Below Poverty, California and the United States, 1981-2001

During the 1980s, the percentage of the California population living in poverty was slightly below the U.S. average. By 1988, the rates were equal, with approximately 13% of the population living in poverty. The economic recession of the 1990's had a disproportionate impact on California, and led to a rise in the percentage of the state population living in poverty, which topped the U.S. poverty rate throughout the 1990's. By 2001, however, the rates were in closer range, with a poverty rate of 12.6% in California and 11.7% in the U.S.



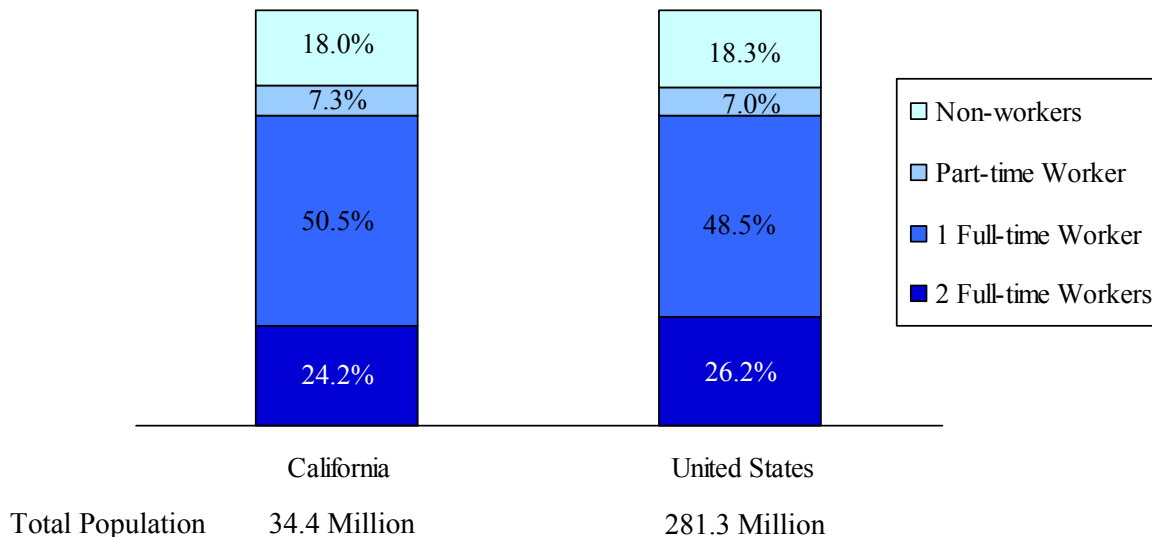
Notes: Persons in poverty are defined as those whose income is less than the Federal poverty threshold. The poverty threshold for an individual in 2001 was \$9,039 and \$14,128 for a family of three.

Source: U.S. Census Bureau, Current Population Survey. See Detailed Notes and Sources at the end of Section 1 for exact references.

Exhibit 1.9

Family Work Status, California and the United States, 2001

California and the United States are quite similar in the composition of their populations by work status. Approximately three-fourths (75%) of all people in both California and the United States are in families with at least one full-time worker, while 7% live in families with part-time workers. In both California and the United States, 18% of people live in families with no working adults.



Notes: Family is defined here in terms of “health insurance units” -- i.e., groups of related persons whose combined income would be counted in determining Medicaid eligibility in most states, which is similar to persons who would be able to jointly purchase private insurance. The population included in this chart is the civilian, non-institutionalized population.

Source: Urban Institute and the Kaiser Commission on Medicaid and the Uninsured estimates based on the March 2002 Current Population Survey.

Detailed Notes and Sources for Section 1

Exhibit 1.2

Years: 1980 and 1985

U.S. Census Bureau, Population Division, "Intercensal Estimates of the Total Resident Population of States: 1980 to 1990,"

www.census.gov/population/estimates/state/stts/st8090ts.txt .

Years: 1990 and 1995

U.S. Census Bureau, Population Division, "Population Estimates for the U.S. Regions and States by Selected Age Groups and Sex; Annual Time series, July 1, 1990 to July 1, 1999,"

www.census.gov/population/estimates/state/st-99-09.txt .

Year: 2000

U.S. Census Bureau, Population Division. "State Population Estimates: April 1, 2000 to July 1, 2002," <http://eire.census.gov/popest/data/states/tables/ST-EST2002-01.php> .

Years: 1995-2025

U.S. Census Bureau, Population Division, "Population Projections: States, 1995-2025,"

<http://www.census.gov/prod/www/abs/popula.html> .

Exhibit 1.3b

1995 Data

California Department of Health Services, *Advance Report: California Vital Statistics, 1999*. (Table 5), www.dhs.cahwnet.gov/hisp/chs/OHIR/Publication/Highlights/highlights.htm

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1996-2000 Data

California Department of Health Services, *Advance Report: California Vital Statistics, 2000*. (Table 5) www.dhs.cahwnet.gov/hisp/chs/OHIR/Publication/Highlights/highlights.htm

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Exhibit 1.8

CA Data

U.S. Census Bureau, "Number of Poor and Poverty Rate, by State: 1980 to 2001," *Historical Poverty Tables*, Table 21, www.census.gov/hhes/poverty/histpov/hstpov21.html .

US Data

U.S. Census Bureau, "Poverty Status of People by Family Relationship, Race, and Hispanic Origin: 1959 to 2001," *Historical Poverty Tables*, Table 2,

www.census.gov/hhes/poverty/histpov/hstpov2.html .