

Progress 2050

New Ideas for a Diverse America

Vanessa Cárdenas, Julie Ajinkya and Daniella Gibbs Léger October 2011



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Progress 2050, a project of the Center for American Progress, seeks to lead, broaden, and strengthen the progressive movement by working toward a more inclusive progressive agenda—one that truly reflects our nation's rich ethnic and racial diversity. By 2050 there will be no ethnic majority in our nation and to ensure that the unprecedented growth of communities of color also yields future prosperity, we work to close racial disparities across the board with innovative policies that work for all.

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Introduction and summary

The results of the 2010 U.S. Census project that the racial and ethnic makeup of the United States will undergo dramatic changes over the next few decades. In particular, by the year 2050 there will no longer be any clear racial and ethnic majority because the most rapidly growing number of residents in our nation today are of Hispanic and Asian descent.

This demographic shift will hold important policy implications, particularly if current racial and ethnic disparities in education, employment, health, and other social services continue. If we do not ensure the success of the most vulnerable among us moving forward, then we will prevent the United States from fully capitalizing on the global economic advantages we can derive from our increasingly diverse population.

In short, we need to chart a course toward 2050 that underscores American ideals of fairness, equity, and opportunity, recognizing that our country's greatest strength has always been our people.

Why Progress 2050 and why now

The United States is undergoing a remarkable and profound demographic shift. Today, in eight states across our union, the majority of children are children of color. This by itself is not significant, but what is worth noting is that the very communities that are growing are the ones that are experiencing significant obstacles and disparities. Sadly, this too is unsurprising. For too long we have been watching the racial and ethnic disparities in education, employment, health, and wealth widen.

We know the stories well. Communities of color suffer from high dropout rates, economic insecurity, and lack of health care while wealth gaps rise to record highs between whites and communities of color—the largest gap, in fact, since the government began publishing such data. We know so much about these challenges

in part because of the comprehensive work by groups that focus on closing these gaps and in part due to the work of demographers who outline the urgency of reducing these disparities before we reach a point in American history when communities of color together make up a numerical majority.

But there is a pressing need today to analyze the implications of the demographic change for local and national policy. We need to better understand how local communities are managing these changes in the face of daunting obstacles so that ultimately we can outline a positive vision of what our country could look like in 2050 if we truly work to close the gaps that exist over the next 40 years. Doing so will enable our nation to harness the full talent and drive of all our people. Progress 2050, a project of the Center for American Progress, seeks to do just that by:

- Working with the Center's policy teams to create a more informed and inclusive policy agenda
- Exploring the implications of this demographic change for our economic, political, and cultural landscape
- Fostering a localized dialogue about the challenges and opportunities of diversity in communities across our country
- Helping craft a policy framework and narrative squarely focused on the opportunities of diversity for the future prosperity and well being of our nation

Without open and frank discussion about the opportunities and challenges of diversity, anxieties about where our country is headed combined with the coming demographic change may generate more division and disturbing stories that counter the fundamentals of American democracy. We as a nation have been down this road before many times as wave upon wave of new immigrants, new Americans, arrived on our shores—often to face brutal discrimination and hardship. We triumphed each time, sometimes after many decades of discrimination, enabling the latest generations of Americans to assimilate and thrive, breathing new life into our economy and our democracy. But the stakes are even higher today.

Today, discrimination abounds. Escalation in voter suppression tactics. Hate crimes. Anti-immigrant sentiment. And a general sense across the country that our federal, state, and local governments and social and economic institutions are failing to provide the leadership needed to move us meaningfully beyond the economic crisis of the Great Recession.

Progress 2050 is uniquely positioned to counter these challenges by offering an alternative. Certainly a progressive voice is needed now. We cannot allow the conversation about the future of this country to be dominated by voices on the right who advocate a very narrow definition of the American ideal. The demographic shift is a reality we must accept and embrace. And a clear vision of where we want our country to be in 2050 and how to get there is urgently needed.

Working in collaboration with progressive and civil rights organizations, Progress 2050 will help devise that path forward.

Why the Center for American Progress?

CAP and its sister organization, the Center for American Progress Action Fund, are uniquely positioned to provide this analysis and shape this vision. We are armed with deep expertise across a range of issues. We boast a reporting and communications arm with a proven track record of driving the progressive agenda. And our influential external outreach teams know their way around Capitol Hill and statehouses around the country, working with an array of progressive allies. All of these mechanisms enable Progress 2050 to move our ideas in ways other organizations cannot.

By having an organization of CAP's influence delve into the area of demographic analysis, we will lift up and add weight to issues that often get shoved into separate policy silos. Moreover, it is crucial that the progressive movement have a proactive and affirming voice on the issues that communities of color care about, not only because communities of color are inherently progressive but because the progressive agenda needs the active support of communities of color.

This paper's main objectives are to describe the demographic changes our nation will experience over the next four decades and to argue that a progressive vision is urgently needed to ensure we take advantage of diversity as one of our greatest assets. We will also outline the work that Progress 2050 has already undertaken—both in collaboration with CAP's policy teams and in collaboration with other organizations inside and outside the Beltway—and draw a map of where we want to go in the future.

We believe it is important to raise awareness about serious disparities in communities of color, but we also firmly believe that these negative stories can and should be turned around to formulate a positive vision of where we want our country to be in the year 2050.

CAP's Progress 2050 will lift up and add weight to demographic issues that often get shoved into separate policy silos.

The coming demographic change

By the year 2050 there will be no clear racial or ethnic majority in the United States. Our nation's non-Hispanic whites will drop to 46 percent of the U.S. population while blacks will stay constant at 13 percent, and Hispanics and Asian Americans will rise to roughly 30 percent and 8 percent, respectively, according to U.S. Census Bureau projections. Nearly one in five Americans (19 percent) will be foreign born, surpassing the historic peaks for immigrants as a share of the U.S. population (14.8 percent in 1890 and 14.7 percent in 1910).

In addition to the vast majority of population growth coming from Hispanics and Asian Americans, the new demographic shifts are going to include a rapidly growing mixed-race population. The percentage of Americans of mixed race is growing significantly among people under 18, with some projections suggesting that as many as one in five Americans (20 percent) may identify with two or more races by 2050.³

There are two important standout stories in demographic shifts that have already begun and will intensify over the next few decades. First, the number of new children born in our country will be mostly Hispanic and Asian American while the number of older Americans will grow and become more racially and ethnically diverse. Second, the geographic relocation of African Americans from the Northeast and inner cities toward the South and the suburbs will continue apace.⁴

Let's turn first to the new youth in our nation. The U.S. population under age 18 grew by less than 3 percent over the past decade. There was an absolute decline of white young people over this period, as well as a somewhat similar decline in black youths. Hispanics, Asians, and multiracial children accounted for all the net growth in the under-18 population. In 2010, for the first time since national data on children and school enrollment have been released, fewer than half of all children (49.9 percent) in the youngest age group of 3-year-olds were white.

The nation's elderly (65 years or older) will grow more rapidly than the overall population, growing to about 20 percent of the population in 2050. This increase

means the dependency ratio (the number of people of working age, compared with the number of young and elderly) will rise sharply. Yet while 8 in 10 older Americans today are non-Hispanic whites, one-third of Americans under the age of 65 are people of color, making the future's older Americans a more racially and ethnically diverse group.6

In 2050 one in three children (34 percent) will be foreign born or will be the U.S.born son or daughter of an immigrant. The number of Hispanics in the elderly population will nearly triple, from 6 percent in 2005 to 17 percent in 2050, but will still be substantially less than the proportion of Hispanics in younger age groups.⁷

Accompanying this broad demographic shift will be the new geographic migration of African Americans. Reversing the "Great Migration" of the 20th century out of the segregationist South, there will be a pronounced shift "back" to the South. Economic progress, cultural ties, and an emerging black middle class have made cities such as Atlanta, Dallas, Houston, and Raleigh attractive to greater numbers of blacks. There is also the phenomenon of "black flight" from big cities to suburban areas, due to newer generations of African Americans with fewer ties to the segregated city neighborhoods of their parents and grandparents.8

All of these changes will not alter our nation's third-place ranking in global population. We will stay at this rank in 2050, behind China and India. The U.S. fertility rate is projected to stay at or above replacement level (2.1 births per woman age 15-44) through 2050.9 Low fertility rates in other countries, in conjunction with rapidly graying populations, mean that other developed countries such as much of Western Europe, Japan, and other advanced economies in Asia are struggling with a shrinking labor force and the implications that will hold for their economic growth.¹⁰

In contrast, the labor force in the United States is projected to continue to grow, largely due to immigration and the children of immigrants. Between 2000 and 2050 new immigrants and their children will account for 83 percent of the growth in the working-age population. 11 What this means for our economy, our society, and our democracy is the subject of the next section of our paper.

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Harnessing the talent of all Americans

One of the most remarkable aspects of this coming demographic shift is the fact that the U.S. population is projected to expand even in the midst of a global demographic slowdown. Importantly, low fertility is historically linked to socioeconomic decline, which now plagues most of the developed world, where the combination of rapidly aging and decreasing populations does not bode well for societal or economic health. Population growth is needed for expanding domestic markets, new workers, and entrepreneurial innovation. Even China faces this problem with its rapidly aging population and its low birth rate due to its prolonged one-child policy.¹²

Given the population growth that the United States will experience over the next four decades, our country will be in a strong position of global competitive advantage because of its growing labor force. But in order to ensure this global competitive advantage, it will be necessary that all of our citizenry is prepared and ready to invest in our growing population.

There is evidence that diversity and human capital is an economic asset for our nation. For instance, despite the recent recession and historic levels of unemployment, economic census data reveal that between 2002 and 2007 minority-owned firms outpaced the growth of nonminority firms in gross receipts, employment, and number of firms.¹³ University of California, Santa Cruz, economist Robert Fairlie's research on immigrant contributions to the U.S. economy further demonstrates the positive impact this population has on the nation's economic growth. He demonstrates that immigrants are 30 percent more likely to start a business than are nonimmigrants and make significant contributions to business income. 14

Numerous studies on diversity also demonstrate that diversity is simply good for business. Just one case in point: A 2008 study that compares the financial performance of DiversityInc's Top 50 Companies for Diversity to a matched sample of competing firms demonstrates that the median net profit margins of the Diversity 50 firms were higher than their less-diverse counterparts. 15

Research by University of Michigan professor Scott E. Page, director of the university's Center for the Study of Complex Systems, also establishes that diversity has a positive impact on systems and organizational performance, particularly because people from different backgrounds have different tools or ways of looking at problems. 16 This research indicates that the United States could improve its global competitive advantage by embracing diversity as one of its greatest assets.

Finally, there is the Millennial generation—Americans born between 1978 and 2000. They will play a key role in America's diverse future. As the generation that will take the reins of our economy and society over the next few decades, the increasingly progressive views of young people on issues of race and ethnicity holds promise for a more tolerant and inclusive future.

Why? Because Millennials tend to be far more progressive than earlier generations.

Case in point: "New Progressive America: The Millennial Generation," a 2009 report by the Center for American Progress, detailed the progressive values of this generation through the lens of public opinion polls and voting patterns. 17 Millennials, the report found, "are tolerant of religious and family diversity [and] have an open and positive attitude toward immigration." And a telling 2006 Gallup poll showed that 95 percent of young people (ages 18 to 29) approved of interracial dating—compared with only 45 percent of respondents over the age of 64.18

Given that this generation will help shape U.S. policy and identity for years to come, it will be important to follow its understanding of demographic change and Millennials' positive outlook for the future.

How does Progress 2050 work?

Informing CAP's policy agenda

Progress 2050 works with CAP's policy teams to ensure our common policy agenda incorporates the perspectives of communities of color. Examples of our products include:

- Doing What Works: "A Better, More Diverse Senior Executive Service in 2050." Progress 2050 teamed up with CAP's Doing What Works team to release projections about the diversity of the federal government's Senior Executive Service over the next few decades. The report argues that Hispanics will remain significantly underrepresented, and includes recommendations to improve the ability of our government to represent all of our citizens more effectively.¹⁹
- Economy: "The State of Communities of Color in the U.S. Economy." Joined by Rep. James E. Clyburn (D-SC), assistant leader of the Democrats in the House of Representatives, and the National Council of La Raza, the National Congress of American Indians, the National Urban League, and the National Coalition for Asian Pacific American Community Development, the Center for American Progress released a snapshot of economic indicators and their implications for communities of color. This annual report makes policy recommendations to alleviate the economic hardship that disproportionately affects these communities, among them the long-term extension of unemployment insurance, comprehensive immigration reform, quality job creation, paycheck fairness, fair taxes for low-wage workers, and sustainable pathways to homeownership.²⁰
- Progressive Studies Program: "Latino Attitudes About Women and Society." The Center for American Progress, in conjunction with Maria Shriver's A Woman's Nation, the Rockefeller Foundation, and Time magazine, conducted a landmark study into public attitudes about women, society, and the workplace. Women hit the historic milestone of constituting half of the workforce, and the study sought to determine how Americans felt about a range of changes in the

nature of modern family life and work. Analysis of the survey delved deeply into the Latino population to show that they accept and welcome the rising status of women in American life, and report many of the same needs as others in terms of balancing work and family life.²¹

• Immigration: "All Immigration is Local." Historically, immigrant integration has focused on immigrants, but positive community relations require the concerted action of both immigrant and native-born residents. This report is a call to action for such engagement—for reorienting discussions around immigration to local integration challenges and for proactively bridging the gaps between native and newcomer. ²²

Going outside the Beltway

In conjunction with PolicyLink, Progress 2050 is holding roundtables nationwide to hold dialogues about the implications of demographic shifts in places that are on the forefront of such change. Through these localized conversations it is our hope to identify key themes for further research and analysis to find policy solutions to further inform CAP's policy agenda. Based on those dialogues the following are the recurring themes we intend to explore:

- Civic engagement. Despite the growing numerical strength of communities of color, they have not experienced proportionate growth in political strength and face an underdeveloped sense of civic engagement, both of which lead to lower levels of political participation. Renewing a commitment to civic engagement could ensure our nation's path forward includes all communities.
- Voter suppression. State governments are enacting laws across the country that will make it harder for people to vote. These restrictions are expected to disproportionately hurt communities of color. Instead of making it more difficult for citizens to participate in their democracy, we need to remove such hurdles at the voting booth.
- Incarceration. Racial disparities in the criminal justice system are at an all-time high, with more than 60 percent of the prison population coming from communities of color. These disparities undermine American values of justice and fairness and are often the result of disparate treatment in other areas, such as access to jobs, education, and affordable housing.

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• Multiracial coalition work to reduce interethnic tensions. Any honest discussion about the struggles communities of color face must address racial and ethnic tensions between these communities as well. Nonetheless, there are strong examples of multiracial coalition work that unite different groups behind common interests by creating a stronger, collective political voice.

Communications

Progress 2050 works to elevate the issues important to communities of color in the mainstream media while continuing to expand our reach directly to these groups. It seeks to bring attention to CAP's work as well as the work of organizations that work with underserved communities through traditional press outreach, podcasts, video, and original writing such as our "Race and Beyond" columns, written by Senior Fellow Sam Fulwood, a long-time journalist and observer of race relations in our nation.

To that end, we will continue working with the Center for American Progress Action Fund's blog ThinkProgress and the Center's new media teams to specifically cover issues from the perspective of communities of color. In addition, Progress 2050 hosts unique events at the Center that highlight new leaders representative of our diverse communities. Examples of some of our past events include:

- "The Moral Complexity of a Diverse Latino Community." In collaboration with CAP's Faith and Progressive Policy team, Progress 2050 brought together faith leaders and advocates for a panel in August 2011 that pushed back against the notion that Latinos are monolithic and socially conservative on key social issues such as gay and transgender equality and reproductive rights and justice.
- "The African American Vote in 2012 and Beyond." In August 2011 Progress 2050 also organized a dynamic conversation about African Americans and their importance and place in the electorate. The panel discussed the impact of the nation's first black president on the course of the civil rights movement and whether or not the increasing numbers of black immigrants and young biracial African Americans will have a dramatic effect on the policy agenda of the black community.

 "Asian American and Pacific Islander Voters in the Electorate." Progress 2050 hosted an event in May 2011 with Asian American and Pacific American leaders to discuss how integral voters from these communities of color are to election outcomes. This event highlighted political trends within these communities as well as the electoral impact of growing Asian American communities.

Leadership development

The Leadership Institute is the Center's response to the dearth of people of color in the public policy field. The nine-month fellowship program seeks to identify, equip, and advance a new generation of leaders from diverse backgrounds and communities to assume responsible roles in the development and implementation of progressive public policies. For more information please visit CAP's <u>Leadership</u> <u>Institute webpage</u>.

Conclusion

While the demographic shifts in the U.S. population present some challenges, we can and should implement policy solutions that address these problems today. If we close the economic and social gaps facing different racial and ethnic communities of color, then there is every reason to believe we will be better off as a nation in the year 2050. Diversity can strengthen our competitive global advantage and be our greatest asset moving forward. Progress 2050 will work in collaboration with other progressive organizations to establish a clear vision of where we want our country to be in 2050 and how to get there.

About the authors

Vanessa Cárdenas is the Director of Progress 2050, a project of American Progress which seeks to build a progressive agenda that is more inclusive of the rich racial and ethnic makeup of our nation. She came to American Progress from the National Immigration Forum, where she was a policy/communications associate and outreach coordinator. At the Forum, she participated in numerous local and national organizing and legislative campaigns including the efforts to pass immigration reform in 2006 and 2007, organizing in support of the Immigrant Workers Freedom Ride, and the campaign to defeat Proposition 200 in Arizona. Vanessa earned her B.A. in government and politics and a master's in public administration, both from George Mason University. She is a 2010 fellow of the National Hispana Leadership Institute and an alum of the Sorensen Institute for Political Leadership at the University of Virginia.

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