



California Energy Commission

Economic & Demographic Forecast Updates

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Relevance

- **Economic & Demographic Projections**
 - Primary inputs to the demand forecast
 - Key drivers of energy consumption
- **Demographics**
 - Statewide population and household changes
 - Forecasting by zone requires data on demographic shifts and regional differences
- **Economics**
 - Economic trends measured with multiple variables
 - Selection of variables depends on sector model



Background

- **Single Baseline Forecast Set**
 - “Mid” case only
- **Demographic Variables from CA DOF – July 2024**
 - Population
 - Households
- **Economic Variables from Moody’s – May 2024**
 - Per Capita Personal Income (PCPI)
 - Gross State Product (GSP)
 - Manufacturing Output
 - Commercial Employment



DOF vs Moody's

- **CA Department of Finance (DOF) Demographic Research Unit**
 - The state's leading expert in demographic projections, as well as revenue and some economic projections.
 - Created to serve as the single official source of demographic data for state planning and budgeting.
 - Used by various state, local, federal, and private sector entities.
 - Vetted with two "listening sessions" with county planners, COG representatives, and members of academia/consultancies.
- **Moody's Analytics**
 - Full suite of economic variables.
 - Also forecasts demographics.



Key Findings for 2024

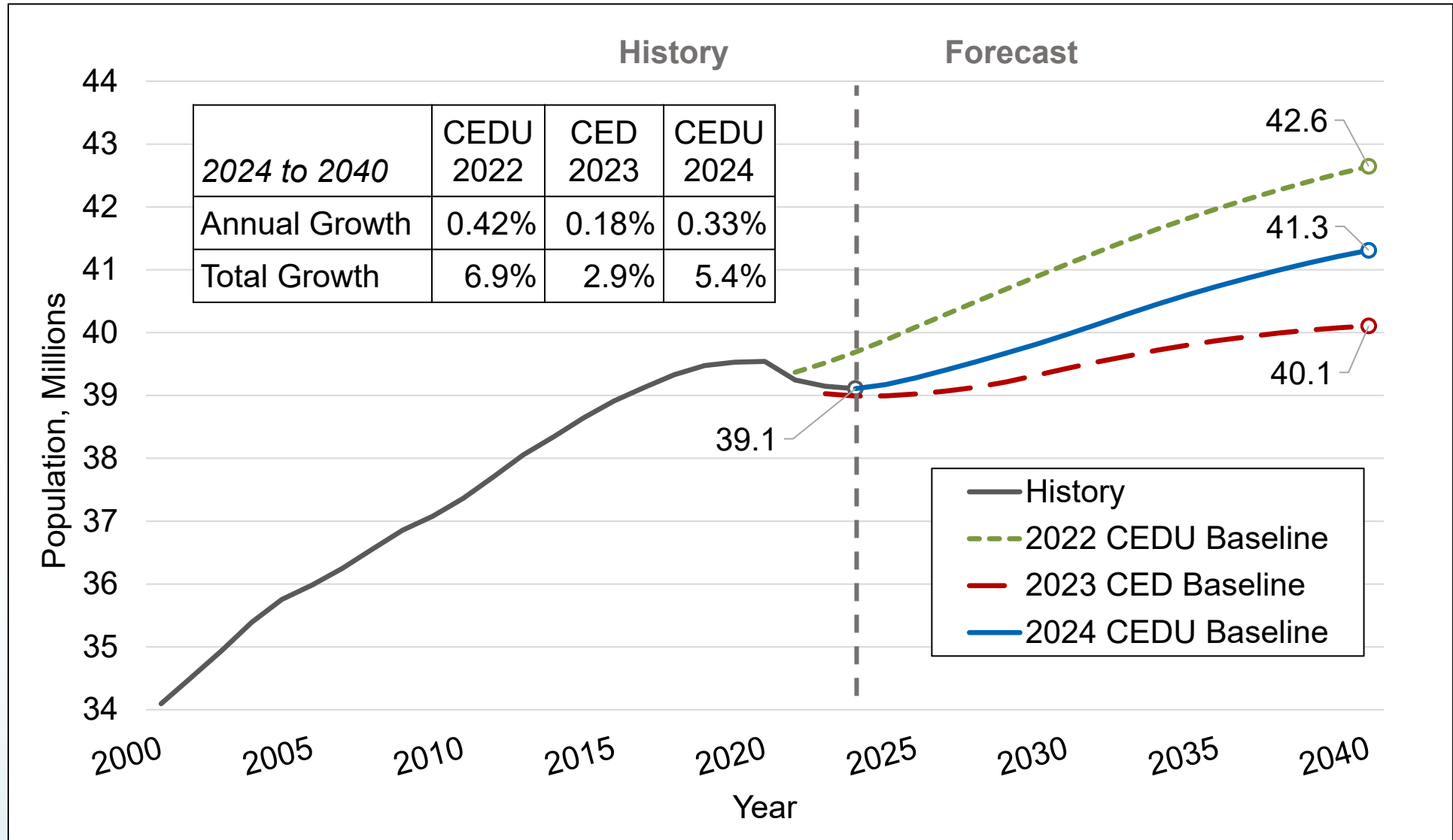
- **Demographic Variables:**
 - CEDU 2024 higher than CED 2023, but lower than CEDU 2022.
 - Return to positive population growth
- **Economic Variables:**
 - CEDU 2024 generally lower than CED 2023
 - US Bureau of Labor and Statistics (BLS) and the US Bureau of Economic Analysis (BEA) made downward revisions, which included revisions to their historical estimates
 - High uncertainty
- **Implications for the Forecast:**
 - *TBD*



Demographics



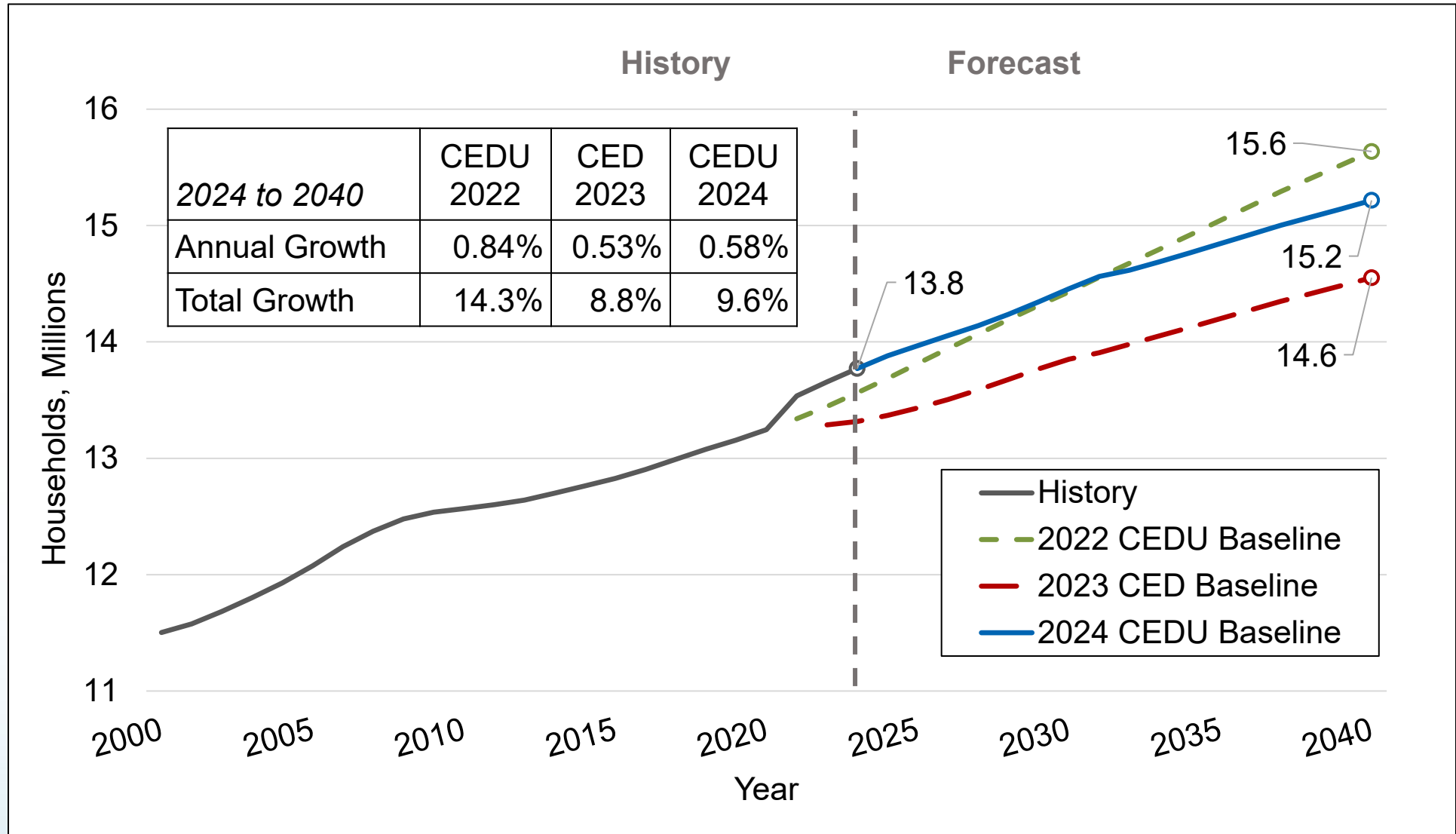
Population



Source: DOF



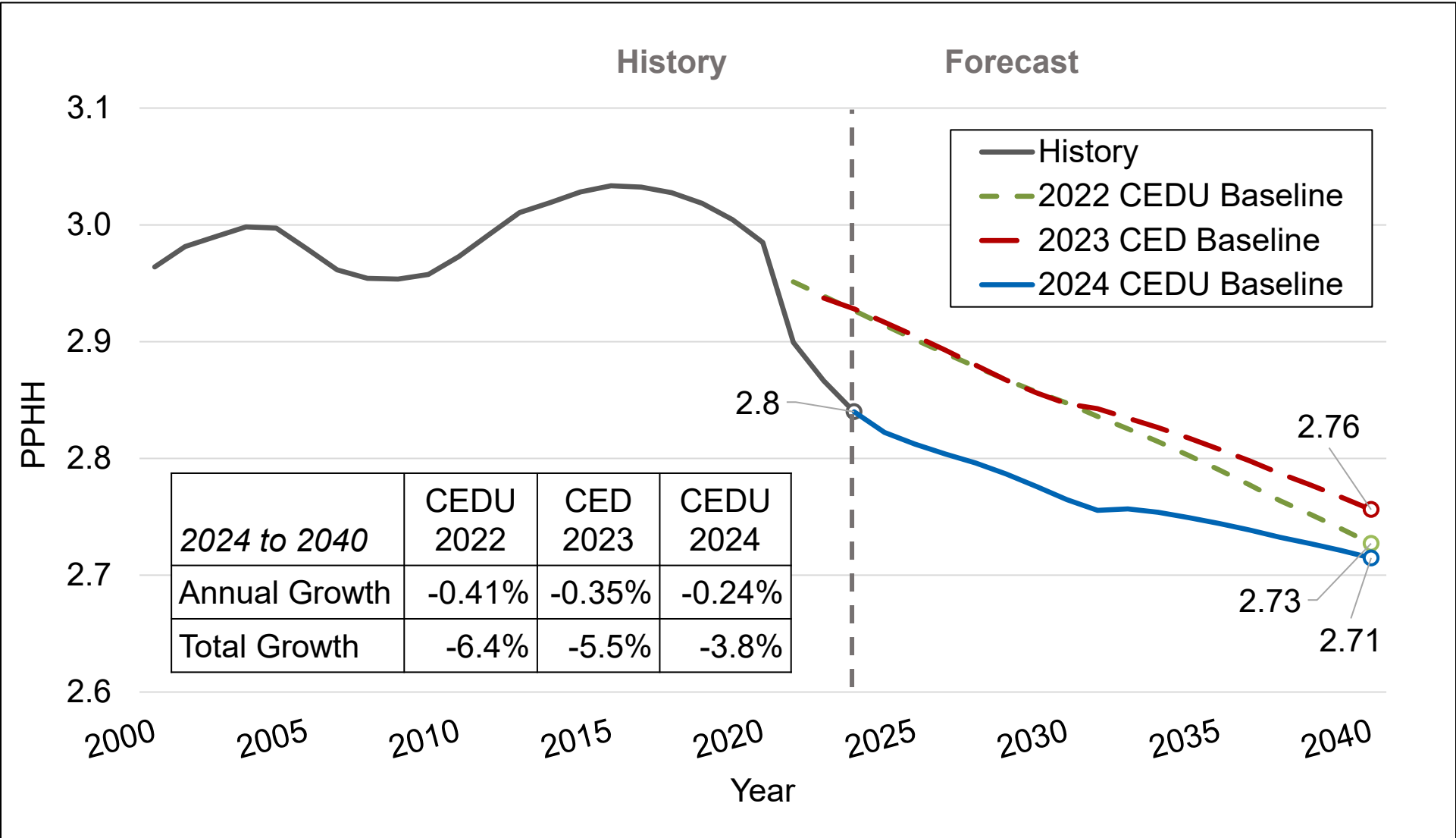
Households



Source: DOF



Persons per Household

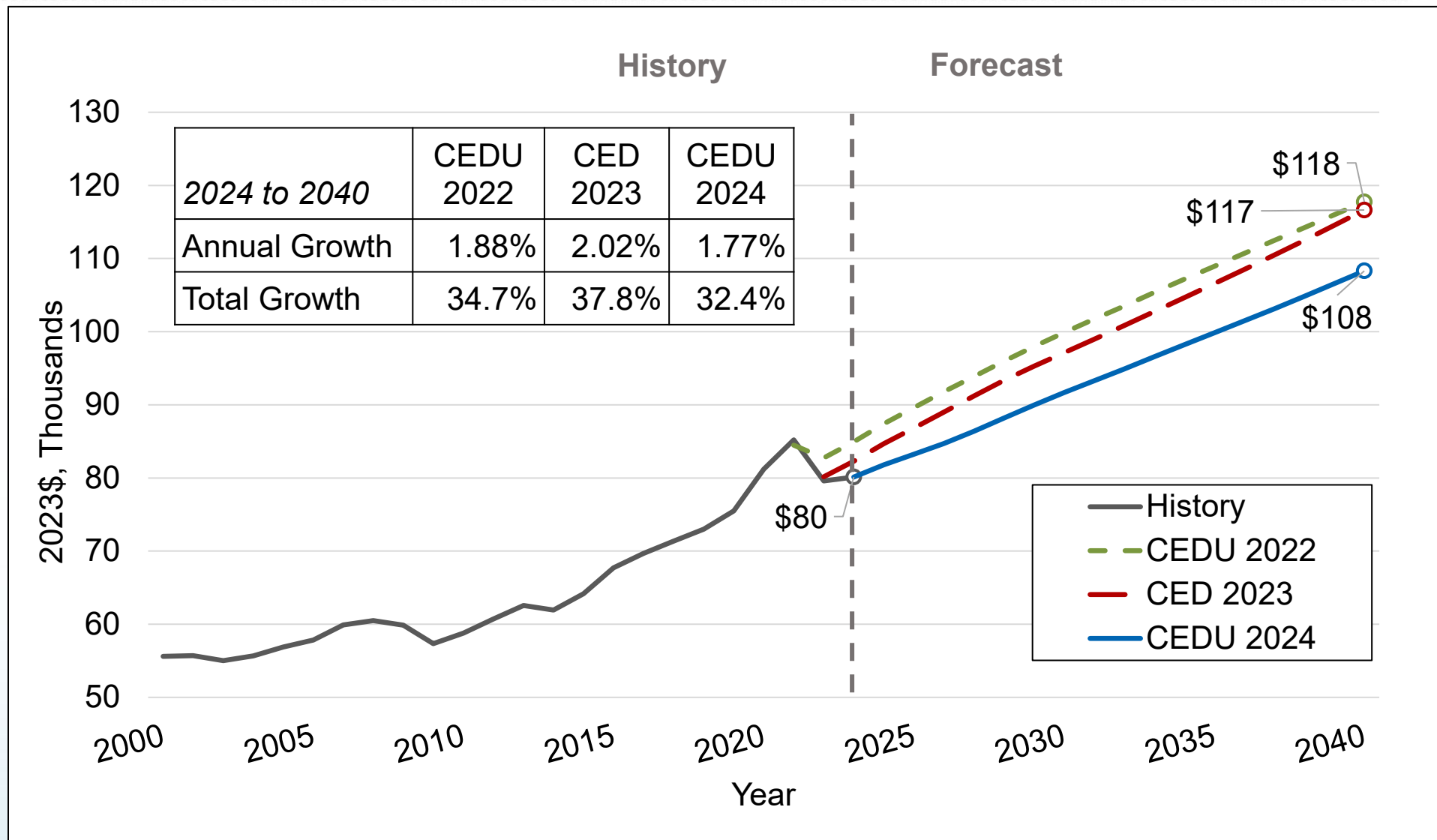




Economics

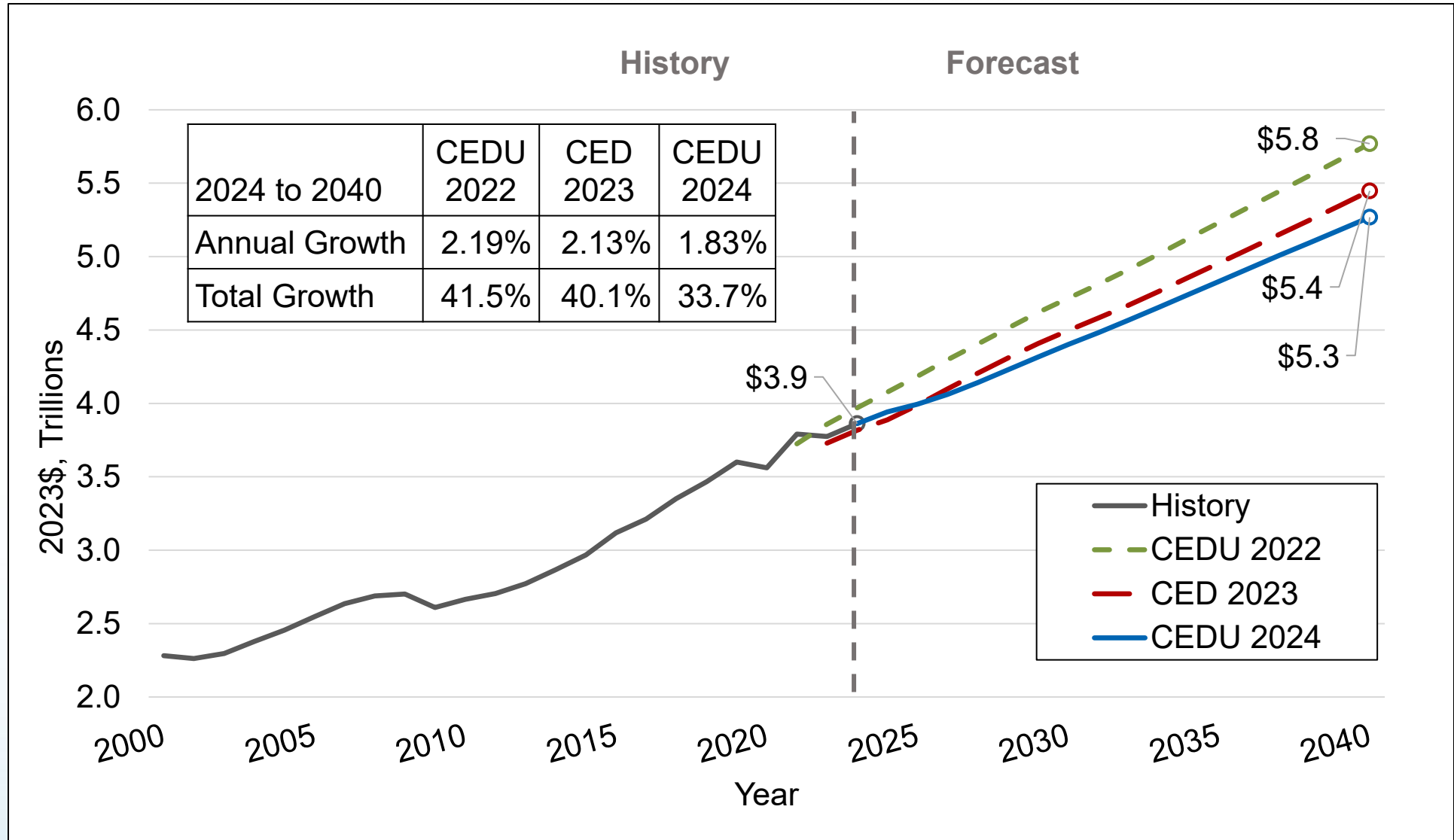


Per Capita Personal Income



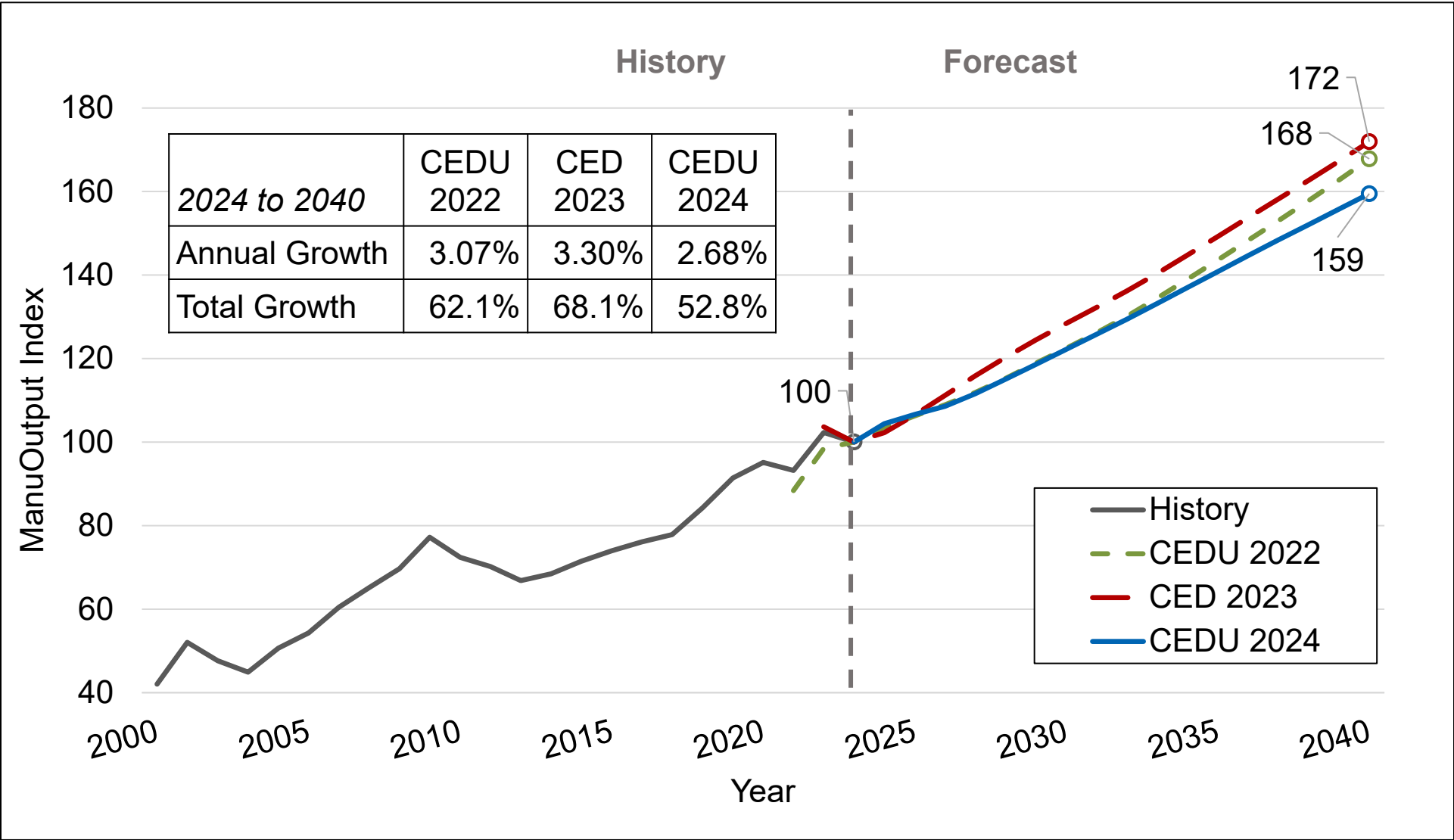


Gross State Product



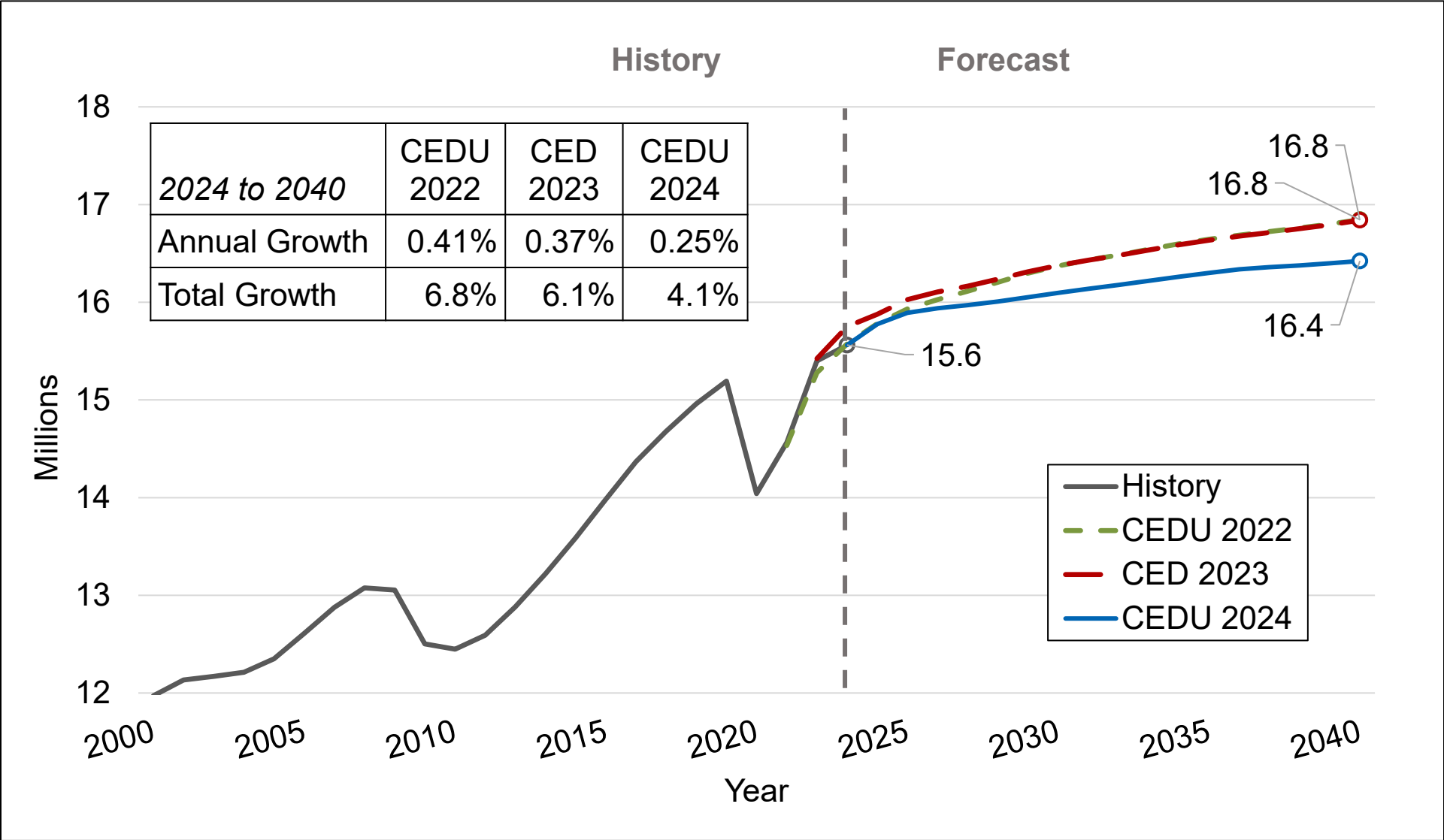


Manufacturing Output (Indexed)





Commercial Employment



Source: Moody's



Thank You!

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