

THE BROOKINGS INSTITUTION

DIVERSITY EXPLOSION:  
HOW NEW RACIAL DEMOGRAPHICS ARE REMAKING AMERICA

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## P R O C E E D I N G S

MR. KATZ: So I'm Bruce Katz; I'm Vice President at Brookings and with Amy Liu, I'm the Co-Director of the Metropolitan Policy Program. I want to say welcome to everyone in the audience, to everyone watching by the webcast.

So before I turn it over to Bill Frey who is the real star of the show today, I just want to take a moment and place this important book, *Diversity Explosion*, #DiversityExplosion, in the context of metropolitan areas and metropolitan policy. So here at Brookings Metro our goal is to help city and metropolitan leaders and give them the data, the tools, the strategies they need to build more prosperous, more inclusive cities and metropolitan areas in the face of hugely disruptive dynamics. Those dynamics obviously include from a good portion of our other work the massive economic restructuring underway in the United States, which despite continued job growth remains a struggle for many cities and many people around this country. We also take a look at climate change and the disruption which is occurring really at the street level, whether it's devastating droughts, the punishing hurricanes and floods, that cities need to commit to building communities that are resilient and sustainable. Today we're going to talk about how cities and metropolitan areas are on the front lines of demographic transformation, which is the simultaneous aging and diversification of our population that will bring a host of challenges and frankly a host of opportunities from building cities that allow the baby boom generation to comfortably age in place, to ensuring that we're providing an equitable education to the minority groups that are going to form the base of the next economy and our workforce. So it's this final dynamic that we're going to talk about. And without stealing too much of Bill's thunder I'll just say that in this book, Diversity Explosion -- you can buy a copy right outside -- Bill has put together really the most clear-eyed assessment about the scope of the demographic transformation as well as the litany of

the impacts it's going to have transforming our economy or society and our politics, the rapid aging of our white population, the growth of new minorities, our shift to a no majority nation. It's hard to understate the impact that these trends will have over the next half century, and frankly they're already having in cities and metropolitan areas because these are the places that are on the front lines of this transformation.

So with that I'm going to turn over to Bill. He's going to present some key findings, then we're going to have a panel discussion with Bill, again my Co-Director at Metro, Amy Liu, and the treat for today, Ron Brownstein, who is really the most knowledgeable journalist in this country who covers these demographic trends.

Bill, just a quick intro, he's been with Metro for over a decade, he is one if not the leading demographers in the country, his insights and analysis are so sought after that I'd be surprised if he is not the most quoted scholar here at the Brookings Institution.

Again, thanks to everyone for coming out this morning. And for those of you either here in the room or watching by webcast, Tweet your questions to us #DiversityExplosion. Amy will take a look at that then we'll try to answer them as we go.

Bill Frey. (Applause)

MR. FREY: Bruce, thank you very much. Before I start I first want to thank the Metropolitan Policy Program and all the people there for all the help they've given me in putting this book together. And I also want to thank the Population Study Center at the University of Michigan's Institute for Social Research, which with help from Brookings was able to help me really in great ways with this book. I also want to thank all of you for being here today. You know, it takes a little bit of extra effort to come and here someone talk about their book on demography. (Laughter) They always say demographers are people who really aspire to be accountants, but lack the personality. (Laughter)

So in talking about this book today I'm going to try to enliven it a little bit, but I do think this is a very important demographic time for us as a country. After I've looked at the results of the 2010 census, of the projections that come out from the Census Bureau, the results of the 2012 presidential election, it became very clear to me that we're in a very key transformative period with respect to racial change in the United States. And I titled the book Diversity Explosion just to give a little bit of emphasis to all of this. I'm not trying to scare anybody because I don't think we need to be scared; I think it's actually something that's going to help us as a country over the next decade and decades to come. But I wanted people to understand that this diversity boom that we're now experiencing in the United States will be every bit as important in the first half of the 21st century that the baby boom was in the second half of the 20th century. It's going to affect us in all kinds of way. And I am a baby boomer; I'm one of the older baby boomers around and, you know, our generation were the Woodstock generation; we changed the way families were formed, we changed women's roles in society and, you know, now a lot of us are moving toward the older ages and that's gone. Now we're talking about a new boom in the United States that when we get to the year 2050 people are going to look back at this period and call it the pivotal period of demographic change in the United States. And I think all these census and election results and so forth show us that.

I have a graph here, the book has lots of nice charts and maps if you like charts and maps. And this is the white and the minority population from 1970 projected up to 2050, and you can see the gray bar is the white population, the orange bar is the minority population. And we were pretty much a white society for, you know, several decades before we are sitting here now. But when we get up to 2040, between 2040 and 2050 the Census Bureau says 2044 is the year we're going to have more minorities in the United States than whites. And I think this is something that some people realize, but

they're not really absorbing.

I want to talk about some of the major trends that are driving these shifts in the United States. First is the rapid growth of new minorities. And by new minorities I mean Hispanics, Asians, multiracial person. These three groups will grow, they'll double their size in the next 40 years. And in fact among them they accounted for three-quarters of the population growth in the United States since 2000. Now a lot of people immediately think oh, we're going to have all this immigration and that's why that's going to be happening. Well, it's why we've had some growth in the minorities in the last several decades, but going forward most of the growth in the Hispanic population and the minorities in general will come from natural increase, the excess of births over deaths rather than immigration. Immigration will contribute, but we already are in this mode where we're becoming more minority. And a lot of people will think well, maybe that's because Hispanics have all these children. That's not true either. The reason that there is this growth and natural increase for the Hispanic population is because it's a much younger population than the white population and that's a good thing. In a younger population there are more women in their childbearing years. They have somewhat higher fertility than the other groups, but it's mostly because they are a young population.

The second big trend is the slow growth and the aging of the white population. Now this is something people don't really absorb right away and it takes them a while to think about it, but in about 10 years, a little more than 10 years, we're going to have an absolute decline in the nation's white population, an absolute decline. So all the kids that are born right now are going to live their lives in the scenario where for most of their lives there's going to be a decline in the white population and growth in these minority populations. And I always say it's important, especially important that we have this minority growth because it's happening just in time to counter this decline in the

white population and it's going to help us in all kinds of ways which I will portray.

Now it's not all about new minorities. The largest minority for a long time in the United States were African Americans. And while there's a long way for the African American population to go to be able to be on equal par to the white population in many respects, they've done improvement in the last 40 or 50 years. And what's really important is the new population shifts that the African American are approaching, some of which is the more well off of the African American population on the vanguard of these shifts, and I'll talk about those later too.

And lastly we're moving towards a country where there's a no racial minority population. It's nothing really to fear, but it's something to be prepared for. And we need to prepare for it because it's coming. And that's why I wrote this book, because know a lot of people don't realize how imminent this is and how important it is, and how many possibilities there are with it. And in order to understand that a little better I think it's important to understand the demographic dynamics of this change. From one perspective is to look at the diversity by generation. We're becoming more diverse from the younger ages to the older ages, or from the bottom up as they say. We're also becoming more diverse from the melting pot regions spreading out to the rest of the country.

So I'm going to first going to talk about the demographic change by generations from the bottom up. And here you see a chart which shows a racial composition of different ages, going from the younger ages at the top down to the older ages at the bottom. You can see the younger ages are very diverse. The under age five population is about half minority and half majority, down to the 85 and over population it's about 85 percent white. And when you look at this, you know, there are a couple of reasons why this is occurring. I said the white population will start declining in about 10

years, but already we have a decline in the population that's underage 30, again because of this aging of the white population. And we're lucky to have these new minorities filling in so that we see as we move forward this younger population will increasingly become minority. In fact by the year 2027 everyone under age 30 will be -- the ages under age 30 will be majority minority. Before 2020 everyone under age 18 will be majority minority, and it will continue to move up that way.

Now one of the issues that have occurred as a result of this, and this is why I think people ought to read this book and understand this better, is we have something that I call a cultural generation gap. Now the cultural general gap is the inability I think to a lot of older baby boomers, and I'm an older baby boomer and I don't characterize myself this way necessarily, but a lot of older baby boomers to not look at this new minority in a helpful light or in a good light. In 2011 the Pew Hispanic Center did a poll and found that among white baby boomers and white seniors more than half thought the growing numbers of newcomers from other countries were a threat to traditional American values, a threat to traditional American customs. And I think that's something that's difficult. And you can somewhat explain it by the fact that when you look at this younger population they're so diverse, they're doing multiracial dating, multiracial marriages; it's much more open among these different groups. The older population, people that were born when I was born, grew up in the 1950s and 1960s, when we hardly had any immigration from outside of the United States, the only minorities in the United States we had back then were African Americans that lived in very segregated and discriminated parts of the country; didn't have a lot of interaction from the mainstream part of the population. So there's a little reason for all of this, but it also spills over into politics, something that Ron Brownstein I'm sure is going to talk about later where he talks about the gray and the brown and their different voting patterns. And

one thing that's symbolic of that is when a survey question is given to younger people and older people are would you like more government services, would you like a bigger government even if took more taxes, the older population says no, the younger population says yeah, we need more of that, we need more for our schools, we need more for our healthcare, we need more for young adults to be able to take care of their kids. And so that cultural generation gap takes over into politics. And I think all you have to do is look at the results of the mid-term election to see where the different groups had gone. And of course the older white population was much more energized in voting toward candidates who are for this smaller government kind of message.

There is however kind of a reason, a somewhat rational reason why Hispanics and whites take different views of how much support should be given to kids versus how much support should be given to older adults. Demographers have something called a dependency rate. You can look at the number of people who are not in the labor force ages compared to the people who are dependents, either children or seniors. You can have a separate younger dependency rate or youth dependency rate, and a separate old age dependency rate. Now if you look at Hispanics, and this is projected from 2010 up to 2040, that blue line shows the size of the youth dependency rate, how many the people in the labor force are going to have to be worried about their kids to support, and it's much higher than the senior dependency rate or the old age dependency rate which is the orange line there. Whites on the other hand which has a much older population, before 2020 the senior dependency rate, the old age dependency rate is going to eclipse the child dependency rate. So you can see there's a reason perhaps why older people are worried about themselves when they get hold and their parents when they get old, and younger people are more worried about their kids. But another way to look at it really is that if these older folks want to have a Social Security



system that is still flush, and if the Medicare system should be still flush, then we need to have people in the labor force who are productive, who are entering in the middle class, who are contributing to those taxes. And that means more investment in these younger people into things like formal education, English language training, removing barriers to post-secondary education and all that sort of things. And so I think that's really where we need to be headed and I think, you know, sooner or later, again as more people read this book they're going to understand that this is going to be important.

Now I'd like to talk about the other demographic dynamic which is diversity from the melting pot out. If you look at this schematic picture of the United States I've indicated in blue what I call "melting pot states", and these are states with big immigrant magnet areas like Los Angeles, New York, Miami and Texas metropolitan areas. These are places where Asian and Hispanic immigrants when they first started coming in the 1980s and in the early 1990s more or less stayed there and stayed put. And the reason is they had a lot of social support from enclaves that were already there, people who helped them get jobs, people who helped them, you know, just sort of acclimate themselves to the American way of life. And at the same time during that period a lot of the white population and the middle class population was moving somewhere else. They were moving to the southeastern states which were very robust economically and a good part of the mountain west. Those are the orange states which I call the "new Sun Belt states". Now I was looking at this at that time and I did a lot of analysis on migration in the early part of my career, and what I saw coming was kind of a Balkanization in the United States. The Balkanization being that in these melting pot states where the new minorities were tending to cluster there's not a moving out, there's not an assimilating into the rest of the country as these other areas were attracting the people who were some of them even leaving these places that were the "melting pot

states" because of the high cost of living among other reasons. And it looked like a bad scene in terms of integration of these new minorities in the United States. But as I looked at these numbers through the late '90s and especially in the last decade, there was a real dispersion of new minorities, not just their immigrants but their second and third degeneration folks out to the new Sun Belt states and even to that yellow group of states which I call the heartland. These are states that are not growing very rapidly at all. And as a result, you know, there is more integration going on. This is an economically driven migration as these new Sun Belt states got to be more prosperous. They needed the people to work in both low skill and high skill jobs. And as a result we had much more dispersion to these other places. Las Vegas for example in 1990 was 75 percent white and in the 2010 Census had it at 48 percent white. Now Las Vegas was attracting people of all races and all backgrounds, but the huge growth of the minority populations, Hispanics and Asians, as well as African Americans to Las Vegas changes the complexion of Las Vegas and lots of other parts of the southeast, lots of other parts of the mountain west made those kind of changes too.

Here's a chart or a map that looks at the different concentration and new destinations for Hispanics in the United States. Those green dots, those ones largely in the southeast and the Midwest are 145 metropolitan areas that I call "new destination metropolitan areas". These are areas that are growing very rapidly in their Hispanic populations. And they're the places where the new dispersion is really at their peak. In some places like Atlanta or Charlotte they are sort of adding to other population gains there, from whites and blacks and other groups across the country. But in places like Omaha or Scranton, Pennsylvania, they're coming in and they're the sole source of population gain. So this is really an important dispersion that people are going to need to get used to. The one issue thought which I note in the book is that the Hispanics that are

moving to these new destinations are not quite as well along in the assimilation road as the ones in the concentrated areas. They have lower educations, they're more likely to be foreign born, they're less likely to speak English very well. So that makes a real challenge and one that should be met by the people in these new destinations in order to make them successful.

So another part of the population shift which I alluded to before, not the old minorities, not the new minorities, but the old minority blacks, and this is a map which shows what parts, what counties in the United States have the greatest concentrations of different racial groups. And you can see the southeast, those red counties there, those are the places that have an overrepresentation of blacks. Well, of course most people know there are a lot of blacks in the south, but what a lot of people don't know is that the black migration to the south from the north has picked up dramatically in the last 20-25 years. The 2010 Census showed that in the 10 years between 2000 and 2010 there was an absolute loss of blacks in the States of New York and Michigan and Illinois and in California as this movement back to the south continued to rev up. And leading the way in the black movement back to the south are younger blacks, college graduate blacks, and retiree blacks. These are populations on the move and they're hoping to make these southern states black and white pretty much. I did an analysis in the book that shows there are only three southern states where blacks are not the major minority population, and those are of course Florida and Texas with their large Hispanic populations and Oklahoma with a large American Indian population. But in most of the other it is even three or more times as many blacks as there are Hispanics due to the existing black population, but also this new migration there. The State of Georgia for example, half of their growth is due to African Americans. So I think that's a really important thing to look at. For example, if you look at the relative sizes of the black population in Chicago

versus Atlanta between 1970 and 2010 the period of this black migration back to the south, back in 1970 Chicago had well over a million blacks, here on the left, the orange bar, and Atlanta had less than a half a million, only about 400,000 blacks. But you fast forward up to the year 2010 and especially in the last two decades, big gains in Atlanta's population, and their black population now surpassed Chicago. Chicago used to be the main magnet for blacks during the olden days when there was that migration out of the south 100 years ago, 50 years ago, but now Atlanta is the big gainer. And it's just emblematic of this.

So, you know, we've talked about the dispersion of Hispanics, the dispersion of Asians, the new black growth to the south. There's a little in the book about the white population too which is growing right now very tepidly until about 10 years from now when it's going to start to decline. What that means is when there are white migration shifts across the country those places that are gaining whites means they're taking whites from somewhere else that aren't going to have a lot of fertility or immigration to replace them. As a result about half of the 3100 counties in the United States are actually showing declines in their white populations. Many of them are in what I call "the heartland", slow-growing parts of the country, but some of them are counties in big metropolitan areas like Los Angeles County, or many of the counties in the New York metropolitan area. The white group population growth is tending to go to exurban places, tending to go to small metropolitan areas, but it's very, very scarce because there aren't that many whites to move around anymore given the older aging of the population and the fact that most people who do move tend to be younger.

Okay. We've talked about the demographic dynamics. Now I'd like to see where this is all headed in terms of integration. You know, for a while in our history we used to think there were certain stereotypes where people could live and couldn't live

depending on their race, who people could marry or could not marry depending on their race, or who could run for public office and win depending on their race. And all of that has changed to some degree. First I want to talk about melting pot cities, but more importantly melting pot suburbs. This chart here shows for the different racial groups in different colors there the percentage of metropolitan area residents that are living in the suburbs as compared to the city. Of course whites have long beat everybody to the suburbs. Between 1990 and 2010, more than 70 percent of whites are living in the suburbs. But that has crept up kind of slowly in the last decade or so. Where the real action is is among the other minority groups, and especially in the last decade the suburbanization of blacks; now 51 percent of blacks live in the suburbs. For the first time there are more blacks living in the suburbs than living in the city. Of the 10 cities with the largest black populations in the United States 9 of them showed absolute losses of blacks between 2000 and 2010, and that includes not only Detroit and Chicago, but also Atlanta and Dallas. We saw that Dallas is gaining a lot of black migrants, but all of Atlanta's black population growth is in the suburbs, not in the city. And so this is kind of what's going on. What also you can't see as vividly here is the biggest numeric growth in both the cities and the suburbs is now Hispanics. Hispanic will be probably the main contributor to growth in a lot of cities and suburbs as we move forward.

Another look at the integration that's going on is reduced neighborhood segregation. And here's a chart which looks at the segregation levels over time between whites and blacks from 1930 up to 2010. Now before I go through this chart I want to make very clear we are by no means looking anywhere close to the end of segregation in the United States. Segregation is very high between blacks and whites and has remained very high for a long time. But there is pervasive and modest decline which is continuing to occur. For those of you who aren't familiar with this index, it's an index that

shows if you look at the way blacks are distributed across neighborhoods, the way whites are distributed across neighborhoods. If they're each in separate neighborhoods, they don't intermingle at all an index would be 100. If they were exactly distributed the same way, the index would be zero. So we have a value of 60 which is a fairly high index for the segregation index. You can interpret that as 60 percent of the blacks in the whole metropolitan region would have to move somewhere else to be distributed the same way that whites are distributed. So that you can see up to about 1970 the black segregation in the United States was very, very high. This was a very unfortunate period in America's history, a period of redlining, exclusionary zoning, all kinds of nasty things were going on which I write about in that chapter in the book. But since 1970 there's been this I said a modest decline in the sense that we still have an average segregation level of somewhere around 40 or 50 in most metropolitan areas in the United States. But it's going down, and where it's going down the most tends to be in the growing parts of the country, places like Atlanta or Dallas that are gaining not only blacks from the new black migration of the south, but also gaining other racial and ethnic groups. When you have that mix of racial and ethnic groups it's not so much of the "us" versus "them" that we had many decades ago. So it's something we still have to deal with and pay a lot of attention to, but it's moving in the right direction.

The next one I want to look at in terms of trends toward integration is more multiracial marriage and identity. And this is something that really is going to bubble up over the next several decades in the United States. We look at multiracial marriages as a percent of all marriages. Back in 1960 it was less than a half a percent of all marriages were multiracial marriages. Now among new marriages it's 15 percent, one seventh of all new marriages, which is made up a lot of young people are multiracial marriages. One out of four new marriages among Hispanics and one out of four new

marriages among Asians are multiracial marriages. And in fact one out of eight total marriages among blacks are white and black marriages. Back in 1967 a white-black marriage would have been illegal in 16 states, but now we see that there's more diversity, and as a result of this we're having more multiracial children in the United States.

So let me just look at one more of these trends toward integration, and this is extending the political battleground, the topic a lot of people are interested in. You know, I think it could be said fairly certainly that Barack Obama can credit the minority population for winning his presidency both terms, especially in 2012. George Romney got one of the biggest white Republican margins that has been held by any Republican candidate, actually the biggest one since 1984 during the Romney-Mondale examination, and he still lost. And the reason he still lost is because he had very solid support from the minority population, a population that has become an increasing part of the eligible voter population, so it's the demography that's changed, it's the turnout that was bigger for Obama among the people who were able to vote, and of course the voting preference, the actual vote was very strong. Now will that continue? Well, we don't know if the next Democrat will still get the same kind of support that Obama would get among the minority population, but it's likely that they're going to be a much bigger player than minorities have ever been before and Republicans are going to have to sort of deal with that. But I want to talk about the geography of all of this. We know that minorities even today don't use their full population clout when it comes to the voting booth. Hispanics, many of them are too young to vote and when they start getting into their voting ages they're going to increase the number of Hispanic voters. And both Hispanic and Asians don't have turnout rates even though they had high turnout rates in 2012 near where they could be. They are still much lower than white turnout rates. So there's a great deal of minority potential that has not yet shown up. Even so when you look at the minorities as

a share of all eligible voters in 2012 you see that there is a whole slew of states where minorities are 35 percent or over the eligible voter population, many of them in the southeast, places like Nevada, Arizona, New Mexico, Texas, and the southwest as well as the southeast. So this increases the voting population, but where it really has happened, where they've shown their stuff was in Obama's election.

Let's go back to 2004 where George Bush won the election. Those red states of course are Republican states, states that George Bush took, and the blue states were the Democratic states. And this is kind of the breakdown we would have seen in the United States for almost any Republican win going back to, you know, the '80s. The Republicans took these fast-growing Sun Belt states as well as a good part of the middle part of the country there, the Great Plains states. And, you know, this was their bailiwick, this is where they really shined. The Democrats held onto these coastal minority urbanized states, and a lot of the industrial Midwest. So this is the classic game plan. But when we get into 2008 notice that those blue states shift down to the south and to the mountain west, those very states that are getting lots of new minorities. And the other thing to notice here is that I have two colors of blue, there are two shades of blue. The dark blue states are the ones where both minorities and whites voted for Obama, but the light blue states are the ones where only minorities votes for Obama and their clout was big enough to counter the white Republican vote. So in states like North Carolina or Virginia or Nevada, it really was the minorities that were important for Obama and it reflects the fact that we have this diversity moving to the new Sun Belt.

Now we move to 2012 and it's a similar picture to 2008; we don't have North Carolina in the picture that year but we have most of the others. But the other thing to notice here is that in 2012 a lot of those northern states, a lot of those Midwest states are won because of minorities, they're light blue rather than dark blue. And I would say



that, you know, this could be good news for the Democrats in the future, but it may not be because many of these older states in the Midwest and the northeast are having those baby boomers move into those older ages and they're going to be turning out to vote in large numbers. It could be that if the Republican old white share increases a little bit that may counter the much smaller minority shares of the votes in those northern states. But at the same time the Democrats are making inroads to the south. So the cultural general gap that we saw nationally may play out geographically, in that the south as it grows more rapidly with these new minorities may take more Democrat support and some of the older, whiter states may take more Republican support. But as I always say it's really the politicians are the best demographers and they're going to see this very clearly when we come along in the next election.

So I want to sort of stand back after looking at all this stuff. What we looked at is this diversity explosion, this big demographic shift in the United States. We've seen how it plays out in terms of from the bottom up, for the age distribution, and the melting pot in terms of the dispersion of minorities. And, you know, and we've seen how the population is becoming a little more integrated. But another part of the book I show there's still very large gaps between whites and blacks, whites and Hispanics, on measures of education, poverty, and income. We know that since the recession the wealth gap between blacks and whites has increased substantially. We know that unemployment has increased dramatically among minorities especially, and we also know that there are these flash points like Ferguson and in Staten Island a couple of weeks ago which show that just under the surface there are still these kind of racial animosities that are going on. And so the issue is, you know, where are we going given this very big demographic shift that the country is going to undertake. I think using this book we can find ways to help alleviate future problems. One is because we're moving from

the bottom up of the age structure we need to pay huge attention to the next generation's minorities in the United States. This means making a lot of effort in terms of making sure they get the right kind of education, that they get the right kind of pathway to the middle class, right kind of job training, and the right kind of both federal and local support to help the families of these young minority folks. I mean this is a priority. It's not just something that, you know, is off somewhere that's happening somewhere, this is going to be soon all over the United States and we really need to pay huge attention to this. The second is that we need to pay attention to new destinations for these minorities. We can avoid a Ferguson five years from now, ten years from now, where new minorities are moving to places, be they suburbs or small towns that there weren't minorities before is to be proactive about this, knowing that this is happening demographically. Unless we do this we're going to asking for trouble. But we can plan for this, we know it's happening. So I think we need to pay a lot of attention to it. Third I think we need to do something to close the cultural generation gap in the United States. This kind of idea where older whites vote one way which seemed to be not for the kinds of resources we need to help the younger generation along, and the younger minorities and also younger whites vote another way. I think that's something that needs to be made apparent to people and understand the consequences of it. I think that takes national leadership, it takes local community leadership, whether it be churches or local nonprofits and community groups, to stand up rather than use this as a wedge in politics, to overcome that and make people understand the importance of all of this. So I think there are opportunities to do this, you know, and I'm optimistic that we can do this. First of all I'm looking at these kinds of interracial marriages and interracial dating and declines in segregation that's going on, and I think that's important. It's especially important because it's the young people that are involved in this. When you looked at these demonstrations last weekend in New York

and Washington, D.C., who was out there? Young people and not just minorities. They're the ones that want to stop these kinds of divisions that are going on in the United States and I think that's a good sign. I also think there's a history in the United States, we're a melting pot country. It may have been for a period we didn't have a lot of immigration, but most of us have parents and grandparents who told us over the years how their predecessors came to the United States and made their way. And I think that's something that's really in our DNA as a way. We also have the legacy of the civil rights movement. Even though we haven't gotten where we want to with a lot of the initiatives of the civil rights movement it's changed us a lot about the way we think about inclusiveness in the United States. I also think that the globalization of commerce and communication is going to be very important, especially for the younger generation to be able to understand that people from different backgrounds have a lot to offer, to be able to communicate with them without any kind of bias or without any kind of prejudice. But the most important reason why I think that we're going to change in the future and be open to racial diversity is this sharp demographic transformation that we're undergoing. When the civil rights laws were passed in the 1960s only 15 percent of the population were racial minorities and they were mostly blacks and they were mostly living in segregated cities. When the 2020 census is taken more than 40 percent of the population are going to be racial minorities, they're going to be voting, they're going to be running for office themselves, they're going to become established members of different industries and different communities. And I think when we get to that stage there's so much that people are going to understand, not just in clusters somewhere else, but moving to all parts of the country, that they're going to have to take this seriously. At least I hope so.

Thank you. (Applause)

MS. LIU: Very cool. We also want to welcome Ron Brownstein back to Brookings. I think many of you all are very familiar with Ron. Ron is a two time finalist for the Pulitzer Prize for his coverage of the presidential elections, he's an Editorial Director over at the *Atlantic*, and he's a Senior Political Analyst at CNN. And I'm really looking forward to digging deeper on the trends that Bill laid out. We're going to have an exciting conversation about these trends, about the economic and political implications of them. And in fact these two finish each other's sentences, so this will be a really natural conversation.

So I'm going to start with Bill and, you know, Bill had often said that one of the reasons that he wrote this book is that even though he'd been seeing these numbers for a long time, the 2010 census in particular really escalated the level and scale of the change that's underway which really pushed him to write this book. Now that you've been on the speaking circuit can you say a little bit more about what's been the "a-ha" for your audiences? What's been stark for them as a result of what your, you know, what you've unveiled in this book?

MR. FREY: Well, you know, I think the magnitude of all of this is new to a lot of people even though it's a main message of the book, but of the magnitude I think the idea that the white population is soon going to decline and that it's aging so rapidly; I think that's something that people don't really realize and I think that's something they take to heart. Now they may react different ways to it, but, you know, it's something people need to understand.

The other thing is that, you know, there's a lot of discussion about immigration and immigration policy in the United States which is very important and I have a lot of opinions about that. But they're not what I wrote about in the book because I think the main message here is that irrespective of what our immigration is going to be

in the future, and I think we are going to have immigration, it's just a matter of who it is and where they're coming from, that this diversity explosion is still going to occur because it's already embedded in our population, it's already embedded in our demography. So, you know, this immigration is kind of a false argument when it comes to how we're going to deal with the youth of our country. Immigrant integration, that's something we should be paying attention to, the children of immigrants who are already here. But the future immigration part of it is a different kind of discussion than the kind of stuff that I've been talking about in this book.

MS. LIU: Great. Now before I turn over to Ron I did fail to mention that we are going to be able to go to questions from the audience and from all the viewers on the webcast and in fact we're going to take questions from folks from Twitter and the webcast, and the best way to do that is to ask your question via Twitter using #DiversityExplosion and we will try to pick up as many of those questions as possible. So keep those questions in mind as you listen to the conversation.

So, Ron, Bill already mentioned the big elephant in the room which is that this country at least in recent weeks have not really demonstrated its ability to adjust to this new reality. We've had Ferguson, we had a march this weekend in New York called, "justice for all", we even have had stalemate on immigration legislation including Senator Cruz really trying to stop spending on the President's Executive Order. Bill was just emphatic as you could see in the closing of his remarks that he is optimistic about the changes underway. You said you're less sanguine.

MR. BROWNSTEIN: Yes, I'm a little less optimistic. First of all --

MS. LIU: Can you say why?

MR. BROWNSTEIN: Yeah. First of all it is a double pleasure to be here because, you know, I've been writing about these trends and how they affect our political

dynamics for about 25 years now and there is literally no single individual I've learned more about the changing dynamics of America from than Bill Frey. And I'd also say there's no single institution that I learned more about how America is changing from the bottom up than the Metropolitan Studies Program. So it's really great to be here on both those fronts.

And in all the statistics that you gave there's one other that you did not give that I think it really underscores the urgency of this conversation because, you know, this fall is a true tipping point in American history, this is the first school year ever, the one that began in September, where a majority of our K-12 public school system nationwide, not just Dallas and Miami and LA where I now live, but nationwide a majority of our K-12 public school system is non white. And, you know, last June was the last time ever in American history that a majority of the K-12 public school system was white, you know, assuming that had been true through all of American history. But I think our politics are challenged by this. You know, my version of Bill's great insight about the cultural generation gap has been to talk about the brown and the gray and that we are living through two demographic revolutions simultaneously, diversifying primarily in our youth population, at least at the forward edge, and then aging in a baby boom that is 80 percent white and that number goes down very slowly over time. I completely agree with the underlying conclusion that there are more common interests between these two generations than our politics allows because ultimately to support the retirement safety net that the baby boom needs we have to do a better job at moving more of this future work force into the middle class. But that's not where our politics is today. Our politics today is that we are living through an overlapping generational, racial, and geographic realignment that is leaving us with two coalitions that are utterly divergent in who they represent, where they live, and what they want. I've described our coalitions essentially

today as separate but equal coalitions. I mean the reality is that no Democratic presidential candidate since Lyndon Johnson has won a majority of whites. Since 1988 the total variation of the Democratic share among white voters has been between 38 percent to 44 percent according to the exit polls. Barack Obama lost whites, became in 2008 the first candidate ever to lose whites by double digits and win. In 2012 as Bill alluded to he lost whites by 20 points. Mitt Romney won a higher share of the white vote than Ronald Reagan did in 1980 and he lost by five million votes. And he lost of course because the minority share of the voters doubles, essentially doubled from when Bill Clinton was first elected. And every Democratic nominee since 1976 has won between 78 and 82 percent of the combined minority vote. This translates down to the Congress; four-fifths of the House Republicans today represent districts that are more white than the national average. Two-thirds of remaining Democrats represent districts that are more non white than the national average. There are exceptions. Democrats still are competitive with white voters particularly in the upper Midwest where's there's kind of that populist kind of, you know, who's on your side tradition. We saw that in places like Ohio. But the reality is that there are only four senate races of the twenty-two with exit polls in this year where Democrats ran even even among white voters.

So today I think our challenge is that, you know -- I wrote a book several years ago called *The Second Civil War* which is an attempt to explain how we've become so polarized and, you know, it's almost a metaphysical question whether we are more divided than we used to be, whether there are greater divisions in our society today than there were in say the 1960s, much less the 1860s. It's very hard to answer. What you can answer is that the political system now sorts out these divisions in a way in which makes them much tougher to resolve, because what we essentially see is not only a partisan and ideological realignment -- and I will kind of stop on this point -- but

increasingly a racial component to that. You know, even in a country that is now 40 percent non white 90 percent of Mitt Romney's votes came from whites. Ninety percent of the voters in 2012 Republican primaries were white, whereas President Obama now relied on minorities for over 40 percent of his total vote. And I don't think it's inconceivable we'll see a Democratic nominee in my lifetime get a majority of their vote from minorities. And the challenge as you have these two coalitions that are literally separated; how do you find common cause between them? I think that's the big challenge for our politics for the next decades to come.

MS. LIU: Well, one of the things I really find interesting about your brown and your gray is the policy collision that they're also heading towards beyond just the politics, and you talk about the entitlement versus investment. Can you say more about that battle?

MR. BROWNSTEIN: Sure. Those are not the only irons in the fire. There are several dimensions to, you know, federal budgeting, but there's no question that, you know, part of the challenge we face is we have a growing senior population, the number of seniors are going to double over the next roughly 25 years, and that will demand more resources for entitlement programs. But you also have this enormous youth population that I think correctly feels as Bill noted that it needs investment in education and healthcare in particular. And finding ways to balance those two -- you know, in 1969 if you look at the OMB figures they classified one-third of the federal budget as investment in the future and one-third as transfer payments to individuals. Today the transfer payments to individuals are over 60 percent and the investment in the future is down to 1/6th. Now when you add to that, you know, this kind of racial overlay of like who are the principal beneficiaries, look at the politics of the healthcare law. The healthcare law has been unique to me in my time in Washington as one of the only laws



ever, whatever else it did, it explicitly sought to transfer resources down the generational ladder. It slowed the growth of Medicare spending to fund increased coverage for the working age uninsured, right. And that working age uninsured is a much more diverse population than those who are now on Medicare which again are 80 percent white. You know, you saw the politics of that. I remember the Mitt Romney in 2012, you know, which was showing all of these anxious white seniors, you are counting on that Medicare, President Obama is taking it away to fund a program. And the last three words of the ad were that's "not for you". Those were the last three words. And, you know, the reality is older whites hate the Affordable Care Act by and large. And so there is -- this is not the only thing in play. There's obviously defense spending, there's obviously tax revenue, but there is a real tension between how much we're investing in the productivity of the next generation versus how much we're spending to support, you know, kind of the needs of the retiring generation.

MS. LIU: So let's take that need for investment in people and work force and all that and talk about the economy and the middle class. You know, in the midst of this diversity boom is also a simultaneous concern now in Washington and in cities and states around the country that the economy is coming back but a lot of workers are not gaining. We've seen increased income disparities, we're seeing racial disparities as well. Bill, again give me a sense of why you feel that all of these trends will have an eventually positive impact on employment and opportunity. And I want Ron to comment on, you know, given your look around the country what if anything are the positive policies or programs coming up across the country that's trying to raise this diversity explosion in a way that's going to prepare the next generation of workers.

MR. FREY: Sure. Well, I think you have to separate different time periods, and also different contexts. The time periods -- this is probably the worst

possible time to look at inequality between whites and minorities in the United States as a result of the recession and the very slow comeback for the reasons you mentioned, to the extent there is a recovery it's a jobless recovery and the people getting the jobs are not the minority people when they're getting the jobs. So that's very important.

The other issue you talk about is opportunity. I think opportunity will become linked with demography once all of the people both in the Democratic side of the aisle, all the nonprofit groups, all the union groups, all of the people who are fighting very hard to have economic opportunity get to tell the rest of the population what the demographic situation is going to be, that they're not going to have their Social Security unless they do something about these younger people. And so I think these demographic forces will give fuel to those arguments. It's not going to happen magically. You're not going to have a situation that's just because the demography is changing things are going to get better, but it's going to give more fuel to those arguments to those people who are trying very hard to make that opportunity possible. And that includes people being elected to office with this larger number of minorities who are able to vote.

MR. BROWNSTEIN: You know, by the way, if you have extra copies of the screen feel free to share because it's pretty amazing. But, you know, despite your one chart showing the Hispanic growth notwithstanding that, you know, I often feel like essentially we're living through a period where you have one America that is part of this change and one in which hit is something happening on television, right. And in many ways our politics follows that line. I mean Barack Obama as I said won by five million votes, he won fewer than 700 counties. He won fewer counties in winning than Dukakis won in losing. He won fewer counties than any winner in the last 100 years, okay. So there's a kind of an urban culturally cosmopolitan racially diverse America that is kind of voting one way and an America that's sort of less directly affected that is overwhelmingly

voting the other way. If you look at the districts that are more white than the national average as we're going to be reporting, Republicans now hold about three-quarters of them in the House, right. If the white population is above the national average, three-quarters of those -- and those tend to be places that are somewhat removed from the urban reality, but in terms of like what we can be optimistic about is I think that the biggest thing that is a cause for optimism is the awareness in much of the civic and certainly business communities that this is the future work force. You know, that not only is the share of younger whites declining, but the absolute number so that all of the net growth in the work force anticipated through 2030 is non white. In fact, it's more than 100 percent, right, Bill? It's like 120 percent because the white number is actually going to go down not only by share. And so what that's producing kind of episodically and sporadically are programs that kind of address it. You're seeing cities not waiting for Washington and beginning to fund their own preschools, San Antonio, I think Seattle is one. The emergence of the hybrid high school post secondary model to try to get more people over the hump. You know, things like Ptech in New York or the Alamo Academies in San Antonio, less developed but funded again by the Affordable Care Act in this transfer resources. Parenting programs, you know, trying to help young parents. You know, things like the projects that are underway on the word gap that Univision is doing with the Clinton Foundation and others. I mean, you know, there are gains, I mean we are seeing gains. I mean the share of the entering college class that is non white is double what it was 20 years ago, but as Anthony Carnavale at Georgetown has done this great work, that huge channel of new kind of talent is being directed toward the institutions with the least resources. If you look at the most selective institutions, the 468 colleges that are listed as the most selective, they are essentially as white as they were 20 years ago. And all of the growth is going toward community college and the least

selective four year public schools which creates big challenges in terms of completion, in terms of life outcomes. So everything that helps you along that pathway and even I would put down the states like Virginia is one of them that are making it easier to transfer to two year to four year schools, because understanding that the two year school is where a lot of this future work force is going to start because of their economic situation, but that continuum really, right, from early childhood intervention to a preschool to, you know, education all the way to hybrid schools, to programs to help move more people from the two year to the four year schools, I think that is the area that I see the most reason for optimism, but there's a lot more that has to be done.

MS. LIU: You know, a lot of the new minorities that Bill talks about, he talks about it coming from the bottom up, but I think some of the most interesting trends are the ones where it's from the inside out, the new destinations. And so I want to talk about the suburbs for a minute. And, Bill, you had one slide about the increasing racial presence in the suburbs, but, you know, suburbs are not just the political battlegrounds but they're now increasingly the place where a lot of the social and economic fortunes of America are being played out. And in fact or program has done a lot of work about the rise in poverty in the suburbs. In fact if you haven't read it you should read Confronting Suburban Poverty, but Bill's book adds another dimension which is beyond income is racially who's there. And I think that there are -- I just wanted to flag two findings that add real texture to the fact that we no longer have the Ozzie and Harriet suburbs anymore. One is Bill's book said it's something new which is the dramatic slowdown in white population gains in the suburbs, you know. And the second is there's a massive black flight from the central cities. In fact from places like Detroit, Chicago, New Orleans there's been a huge shift of the black population out of the central cities and increasingly into the suburbs. So I wanted to ask Bill first tell us more about why these changes in the

suburbs and even, you know, maybe say more about what they mean about the improvements for African Americans in the U.S.

MR. FREY: Sure. I mean one of the biggest findings I found in pouring over the 2010 census results and, you know, they come out a couple of states every week and you're there looking at the computer trying to look at all this. In state after state when I got to cities with a black population those black populations declined and the suburb populations gained. Now it's all not a rosy story because there are highly segregated suburbs just like there are highly segregated cities, and some of it just kind of spills over on the boundary. But when you look at the actual demographic to the people who are moving to the suburbs they tend to be the more well off of the African American population in terms of educational attainment. They also will be more likely to be married couple families, or married couple families with children rather than single parent families. So it's kind of a selective movement in some ways, and it's more of the same in other ways. It's not an unadulterated good, it's not an unadulterated bad, but as the other studies we've done here at Brookings show the suburbs are become more like America in all kinds of ways, increased poverty, more racial diversity, different kinds of family types, and so forth. I think on the whole it's a step up and it shows greater opportunity for interaction with other racial groups because it's not just African Americans that are moving to the suburbs, now all the other racial groups are going there too. But I think on the whole it's a good thing, but we do have to keep our eye in looking at those same problems in some suburbs that we've had to deal with in cities in the past.

MS. LIU: And, Ron, I mean Bill's slide basically said -- I mean we all know that the majority of Americans now live in the suburbs today so some of this should not be a surprise, but every single ethnic racial group predominantly lives in the suburbs. What does that mean for the parties, what does it mean for elections, what does it mean

for the issues that are emerging in the suburbs?

MR. BROWNSTEIN: I think that the issue of concentration versus dispersal of the minority population is really critical to the future of American politics. You know, sometimes I say that American politics now can be summed up in one sentence, Republicans can't win enough non whites to win the White House consistently, and Democrats can't win enough whites to win the House or the Senate consistently. I mean the fact is that Democrats have now won the popular vote in five out of six presidential elections and that doesn't happen by accident, it doesn't happen because you have more charismatic candidates or technology, the only way that happens as it did for Republicans from '68 to '88 when they won it five out of six, is when blocks have aligned in a lasting way that provides an advantage to one side or the other. On the other hand, the likelihood is by 2020 the Republicans will have held the house, what, for, you know, all but four years since 1994. And a big part of the reason for that is because this minority population which has become absolutely essential to the Democratic coalition remains very heavily concentrated in urban areas. And ultimately I think, you know, to compete for the House, I mean Democrats need two things; they need to improve among whites. You know, the reality is you can win 39 percent of whites and win the White House, but you cannot control the House given population distribution with only 39 percent of whites which is roughly where they have been for the last three cycles in the House races. So you need the minority population to disperse also. I think both of those things have to happen for Democrats to be in a position to consistently compete for the House. And the Senate is kind of like in between. The Senate is very much of a jump ball I think between the parties, but right now you'd have to say because of the demographic dynamics in particular, there is a kind of the possession arrow at the presidential level kind of points to the Democrats and it points to the Republicans at the House level until we see much

further I think dispersal than we've seen so far.

MS. LIU: Yeah. And I think that's interesting because you're basically saying the suburbs are really about a battleground for the House.

MR. BROWNSTEIN: Yeah. Well, yes. And, you know, I mean what's happened -- I mean politically, you know, the two things that have happened that took us from the world where Republicans won the popular vote five out six, from '68-'88, to a world where Democrats won the popular vote, is growing minority population and Democratic improvement in white collar white suburbs outside the south. Basically suburban whites who are culturally liberal, right? All across the country places like that flipped in '92 and have stayed flipped. So there is a -- you know, that is an important part of the Democratic equation, but again it is still concentrated in that metro area. And once you get outside of it, boy, it is red.

MS. LIU: So let me ask you, Ron, about the black migration to the south. And Bill had a very compelling map there where the states and the places the largest black population was literally this big southern belt that stretched from Louisiana to Virginia. But what's so interesting politically is that Senator Mary Landrieu just lost.

MR. BROWNSTEIN: Every one, yeah.

MS. LIU: And in fact there is now no longer a statewide Senate Democrat in any of the Deep South. So explain to us this trend where there's a black migration to the south, you'd think that it would lean a certain way, but yet there has not been a Democratic stronghold in that region.

MR. BROWNSTEIN: Right. You know, look, I mean -- I think as I said -- the perfect segue from my previous answer, the two keys to the modern Democratic coalition are the growing minority population and their ability to win more culturally liberally whites than they did in the '70s and '80s. Every Democratic nominee from say

Adlai Stevenson through roughly Walter Mondale ran better among non-college than college whites, people who work with their hands. But as we've seen since the '70s this realignment of the white working class toward the Republican Party over 60 percent of non-college whites routinely vote Republican now. What's allowed Democrats to prosper despite that in places like New Jersey, and California, and Illinois, and increasingly Virginia is they win socially liberally college whites, okay. So since Gore every Democratic presidential nominee has run better with college whites than non-college whites. What's relevant in the south is that this doesn't happen, okay. So Democrats in the south run very poorly with non-college whites. They run very poorly with non-college whites everywhere. The difference is that elsewhere they can win 40-50 percent of the college whites because they're culturally liberal, but in the south that has not happened. They're in the 20s still in Texas and Georgia, and that makes it really hard because the minority population -- if you're counting on the minority population alone you're going to wait a really long time. If you look at the states that flipped in the '90s and then in this decade it was Colorado, Virginia, and to some extent North Carolina and Nevada, it's both things have to happen. And in the south the second one is not happening, you're not seeing the white collar suburban whites become more receptive to Democrats.

MS. LIU: Now we're going to go to questions in about five minutes or two minutes, and I wanted to just bring Bill back into this conversation and bring geography back, and talk a little bit about the battleground states as we go into 2016, because a lot of the battleground states have either changed dramatically demographically, or they have remained predominantly white. So I want to just walk through some states, have Bill -- because we ran through those maps so quickly in your presentation -- to say a few highlight of trends in each of these states. So let's talk about the west belt battleground, talk about Ohio, talk about Wisconsin, talk about



Pennsylvania. What are the big demographic trends that the parties need to be mindful of that's happening there and maybe Ron can comment on their implications.

MR. FREY: Well, you know, I think about at least two of those states are Ohio and Michigan, there's not a lot of demographic change going on there. You've got a lot of people getting older, a lot of white people getting older. There's some Hispanic gains, there's some at the margin. The major minority in those states is still African Americans and they vote very strongly Democratic, and as Ron said there are certain segments of the white population in those states are all from the old union days and maybe some of the culturally liberal folks are still going to not vote as strongly Republican as they may have in the past. But what's also happening there is increased aging of the white population and we know that old people, especially older whites turn out very strongly in elections. And so that very thin -- it's not that thin of a margin, but Ohio has been back and forth several times in the last several elections. That's up for grabs. Michigan, you know, it's at least possible. Pennsylvania is a little different because Pennsylvania is two states. Pennsylvania is the eastern part of the state which is more like New Jersey and the western part of the state which is more like Ohio.

MR. BROWNSTEIN: Yeah.

MR. FREY: And so I think the New Jersey part is winning.

MR. BROWNSTEIN: Population wise.

MR. FREY: Population wise and in terms of diversity and the culturally liberal white voters and suburbanites and so forth, suburban Philadelphia and so forth. So Pennsylvania was close last time, closer than I think a lot of people thought, but I think it's probably more trending Democratic. The other --

MR. BROWNSTEIN: Real quick. Yeah. So, you know, you have two sets of swing states now on presidential politics, the Rust Belt set and the Sun Belt set.

As you noted, Amy, the Rust Belt is basically Michigan, Ohio, Iowa, Wisconsin, Pennsylvania to some extent even though it's voted Democratic six straight, maybe Minnesota at the far edge in Republican hopes, and they are the great anomaly. This is the part of the country where Democrats run better with the white working class than anywhere else. Not vastly better, but just better enough than they do in other parts of the country to be able to compete or hold onto them. And, you know, the question is how long can that in a world where 60 percent nationwide, over 60 percent of whites over 45, over 60 percent of non college whites nationwide are voting Republican consistently now in presidential elections, in good years and bad. How long can Democrats have that anomaly in the Rust Belt states? And that is key to their competitiveness.

MS. LIU: Great.

MR. BROWNSTEIN: To maintain it.

MS. LIU: We're going to come back if we have time to the Sun Belt battleground, but we're going to go ahead and open up for Q & A. And again for those who are on the webcast or viewing from webcast please send your questions via #DiversityExplosion. And in all deference to the modern technology today I'm going to take the first question from Twitter. And this question is actually one that I really wanted to ask as well which is what will -- this is probably more directed at Bill -- what will multiracial marriages mean for the racial composition of the U.S. in 2050? I do think that it also challenges the way the Census Bureau is going to really categorize race in the future. Talk about the future of these categories really.

MR. FREY: Well, the short answer is nobody knows. I mean this is a huge change in our population dealing with people marrying people of other races, even within the Hispanic community marrying different Hispanics of different nationalities. After all most Hispanics in the United States didn't know they were Hispanic until they got

to the United States. (Laughter) They were other nationalities that when they came here, oh yeah, you're Hispanic, fill it out on the census. So these categories are somewhat a little bit artificial, but it's also the case that the Census Bureau tries to keep up and as a bureaucracy they try make things going on. And I think by the 2020 Census we're going to see some change in the race/ethnic classification that actually treats Hispanics as if it were a race although they may not actually say that. The only statistic I can tell you is that the median age of the United States population is 37, the median age of the multiracial population is 19. So that tells us something about where the future is going.

MS. LIU: Great. Questions from the audience. I'm going to take these two right here. Why don't you ask both of your questions so we can get in as many questions as possible? Thank you.

MR. ALTMAN: I'm Fred Altman. I just have a quick question. How long is it going to be before the audiences at Brookings become (inaudible) (laughter)?

MR. GLUCK: Thank you. I'm Peter Gluck. I have a quick question probably for Ron Brownstein about Michigan in particular. In this past election I believe it was the only state with an outgoing Democratic senator that elected a Democrat, and he ran against a Republican woman who was quite popular. She served as Secretary of State. Do you have anything to say to make sense of that?

MR. BROWNSTEIN: Well, she turned out to be kind of a weak candidate, you know, had a lot of problems. And Michigan has been at the federal level has been leaning -- part of what I've called the "blue wall", the 18 states the Democrats have won in at least the past six consecutive elections which is the most states they've ever won that often in the history of the party, 242 electoral college votes, many of them affected by the dynamics that we're discussing. Look, I mean the basic dynamic at the

federal level and the reason why you saw that wipeout is that the way states vote for Senate is lining up more precisely with the way they vote for president. You know, there are 22 states that voted against Obama both times. Republicans now have 40 of their 44 Senate seats. That's not all coincidence; those weren't all better candidates. Twenty-six states voted for Obama both times, democrats now have forth-one of their 52 Senate seats. So that is the basic trend. The Senate races follow the presidential. The governors can operate more independently. They have a little more ability to kind of escape that undertow, but I think that goes a long way to explaining what happened in Michigan.

MS. LIU: So for the webcast to know that we have more diverse folks in the Brookings room can I have -- there's a young Asian woman who had her hand up. (Laughter) You get the next question.

MS. ZHANG: Hi, my name is Christine Zhang; I'm a research analyst in the Brookings Global Program. And my mom is here with me and she has a question. (Laughter)

MS. LIU: Great.

SPEAKER: Thank you. Yes, I'm visiting here so I have a question for your second slide about the trend for the immigration. My question is given the current economic change in Latin American countries or Asian countries like China, the immigration may be changing in terms of the speed or maybe the immigration to the United States, the demographics of immigrants may be also different. So do you think that will change U.S. second slides? Thank you.

MR. FREY: Yeah, I think that's true. I mean we never know from year to year, from decade to decade, you know, how the economic situation is going to be in Latin American or in the different Asian countries, but with the recession we had a decline

in the level of immigration from Latin American countries, especially Mexico, and we had an uptake in Asian immigration, especially from India. And as a result, you know, even the new census projections that came out last week have a different projected growth in the Asian population than it does in the Hispanic population, the former now growing more rapidly than the Asian population taking in these different immigration levels. So clearly economics has a lot to do with immigration. You know, in the past we had this immigration policy that was and still is very heavily associated with family reunification. But there's an increasing part of our immigration policy that deals with the economic pushes and pulls from other parts of the world, whether it be the actual immigration policy or the H1B Visas and those sorts of things. And irrespective of how we do our immigration policy there will still be this economic component to it and it will go back and forth depending on the rising and failing economy, how it goes in Latin America and how things change in Asia. But right now the Asian immigration is up and projected to stay up.

MS. LIU: There's one question I have from Twitter that asked what's the politics of the older minority population?

MR. BROWNSTEIN: Not much different than the younger. I mean it's interesting, you know, in a world where in the presidential -- as I said in every presidential race since 1976 Democrats have won between 78-82 percent, that's the total variation of the combined two party -- so separating out Perot, two party minority vote. The cuts aren't -- college, non college, male, female, younger, older, are not nearly as pronounced as they are among whites. You know, there are some. I think at points Republicans have run slightly better. Bush is the one candidate I should say -- 2004 was the one time that was not true. Bush held Kerry to 71 percent among minorities with a serious outreach, right. I mean he had a whole quiver of policies on immigration, on education,

on faith based charities, he tried to reach out and there was some more I believe -- I'm trying to remember off the top of my head -- he did slightly better among older I think. But the key there was actually it was more religion. He did better with the evangelical Latinos.

MS. LIU: Okay. More questions from the audience? Let's take two. Let's take the woman here and the gentleman -- yeah. Oh, why don't you take this too?

MS. BEVERLY: Good morning. My name is Alaina Beverly; I'm with the University of Chicago. So thank you for your book and for the presentation this morning. I appreciated your commentary on the growth of minority presence in the suburbs, and we've also seen additional research from Brookings about the increased level of suburbanization of poverty. We've talked a little bit about the implications for education policy; do you have thoughts on the implications of these demographic shifts for fair housing policy?

MR. FREY: Sure, I'll try at that. Fair housing is not my bailiwick, but I do know we need to continue to be vigilant about all of this and that the auditing studies that were done by HUD I guess it was last year still show a lot of informal discrimination in terms of, you know, these kind of audit studies that show that black couples and Hispanic couples are not shown the same kinds of places, not treating the same in giving them the information. This happens just as well in the suburbs as it does in the cities. All I can say is we need to be vigilant. Just because people are in the suburbs doesn't mean that things are necessarily going to be better.

MR. BROWNSTEIN: And in fact often in the suburbs there's less infrastructure to deal with kind of the need. You know, again in kind of the somewhat less optimistic camp, one statistic that really I think haunts me is this figure that we are now -- as I said this is the first year where a majority of our K-12 system is non white,

we're also approaching another tipping point which is sort of less, you know, less reason for optimism which is that almost the majority of the K-12 public school system attends schools in which a majority of their classmates are poor, qualify as low income. Three-quarters of African American and two-thirds of Hispanic public school students attend schools in which a majority of the kids are classified as low income under the federal guidelines. So that kind of concentration of poverty, whether it's in urban areas or now increasingly in suburban areas is just a huge hurdle for creating the inclusive economy that ultimately will provide the tax base to support all the aging baby boomers moving toward Social Security and Medicare.

SPEAKER: Here's my question quickly, can you talk about gerrymandering and how effective that will be in affecting elections in the future given the changing demographics of this country?

MR. BROWNSTEIN: I would just say real quickly that gerrymandering I think compounds the problem but doesn't create the problem. I mean the problem is kind of the separation of where people are living, and I think that there is even with similar demographic characteristics a white family that will stay in a diverse urbanized area are different in many way, in particular the political orientation, than someone who will move two counties further out get to a place that is more racially and religiously homogenous. And in fact if you saw the Pew Study last year -- this year I guess, earlier this year, found that among liberals put phrases like diversity as a high value in where they chose where to live and homogeneity was more important to conservatives, both religious and racial. So gerrymandering makes it worse, but as my friend Bill Bishop, you know, in his book The Big Sort, it's real. I mean there is a reality in terms of where people are living, and as politics divides more along cultural than economic lines, you know, the cultural values you express by where you live is really the predictor of kind of political preferences. So I

don't see gerrymandering as the core problem although clearly compounded the situation.

MS. LIU: Thank you. One question in the back and then we're going to -

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MR. KOMARTINUQUE: My name Slov Komartinuque and I'm a retired sociologist. Thank you for an extremely informative presentation; however, what I heard are two contradictory messages. On the one hand you say that the growth and diversity is reason for optimism and on the other hand I hear words like Balkanization and polarization of society. I was wondering, you know, what is the basis of optimism, is everywhere you look in the world, Africa, Europe, Asia, United States, diversity is nothing but a source of discord, friction, and endless trouble.

MS. LIU: Well, you know what, let me take that question because I was going to close with that sort of theme which is I want to close with a sense of optimism. I think as Bruce said at the very beginning of this program, you know, we think it's fundamentally important for the nation to embrace the reality of the rising minorities, the shift to what I heard Bill I think call the post white America because that is the future and it's going to predict how well we will continue to prosper economically, stay globally competitive, and really ensure that incomes continue. We have to embrace this reality. I really appreciate, Bill, your book pushing people to not deny the trends that are just automatically happening. But how do we make sure that the findings of the book really create a fuel for progress, a move towards greater consensus that as we diversify bottom up and out that it's going to bring people together versus around solutions, then divide.

MR. FREY: Yeah. Well, I think we have a history of I mean the idea that diversity is always going to cause complexity. Just to look at immigration to the United States 100 years ago from Italy and Poland, from Russia. Right now you can't tell --



somebody may remember that great-grandmother was Italian and that's important to them, but in fact it doesn't affect their life very much, their life chances very much, their ability to get ahead in the United States, who their friends are and so forth. That's happened because we have a history in this country of being a melting pot because we have this kind of in our genes so it's not the case that diversity always causes disparity. And I think that because of that, and more importantly this time because we are going to have an aging and declining population unless we understand, we embrace this diversity. And I think corporate leaders and political leaders, even if they don't read my book are soon going to understand that this is going to happen, and when they do I think people will become much more amenable to working together.

MR. BROWNSTEIN: I would only add I mean I like the question or I see the potential. I think we are living through the politics of a lot of friction around these issues already. I think we see very stark overlapping racial and geographic divides in our politics that reflect in many ways anxiety about what's happening. The reason for optimism I think is that ultimately it is self-interest. You know, the debate about a more inclusive society and particularly closing the gaps between whites and minorities have historically been framed in terms of fairness. If we are the country we say we are everybody should have an equal shot at fulfilling their potential. But in many ways the debate is moving as you suggest from fairness to competitiveness. I mean this is us, this is the future work force and there is a self-interest not only in the business community, but even in these older white populations, it is very resistant to investing in this next generation. Ultimately they need that next generation to succeed and, you know, as I said our politics are nowhere near reflecting that today but you've got to think that ultimately self-interest does count and that we can get to a better place. But like the questioner I think there's going to be a lot of rubbing and chafing and banging between

here and there.

MS. LIU: So I'm going to close with that great line you gave us which is Bill's book is really a reminder that this is us.

So thank you for joining us this afternoon and have a great day.

(Applause)

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