The declining proportion of African Americans in the state's urban cores led to an unexpected diminishing of black political power. Journalist A. G. Block commented in 1998 that black Californians were "on the verge of being marginalized politically, economically, and socially." The slippage was most evident in Los Angeles, where Mayor Tom Bradley, an African American, decided not to seek reelection in 1993 after an unprecedented five terms as leader of the nation's second-largest city. The city's black population dipped from 14 percent in 1990 to just 10 percent in 2005. The most prominent leader in northern California was Willie L. Brown, Jr., elected San Francisco's first African American mayor in 1995 after serving as assembly speaker longer than anyone in the history of California. Yet the political influence of black San Franciscans was steadily being eclipsed by that of Asian and Latino voters. "We as black people are used to being the number one minority," commented San Francisco attorney Eva Paterson. "We're going to have to deal with new realities."

Among those new realities were such dramatic reversals as the University of California's decision to dismantle affirmative action in 1995 and passage the following year of the anti-affirmative action initiative, Proposition 209. Enrollment of blacks and Latinos at UC professional schools plummeted. Likewise, only about 100 African Americans were among the 3600 freshmen at UC Berkeley in 2004; not a single black freshman enrolled in the College of Engineering. The new Berkeley chancellor noted "the situation for African Americans is truly at the crisis point," and the president of the Silicon Valley branch of the National Association for the Advancement of Colored People (NAACP) labeled the state of affairs dire. "We must be more aggressive and we must be less patient," said the leader of the Oakland branch of the NAACP. "This rap generation is not going to be a patient group of people singing 'We Shall Overcome."

The fastest-growing ethnic group in California was the category described by the Census Bureau as "Asian or Pacific Islander." California's Asian American population grew by more than a third during the 1990s; by 2005 about 12 percent of California's population was of Asian descent, and 40 percent of all Asians in the United States lived in California. The influx of Asians was encouraged by the Immigration Reform Act of 1990, which substantially raised the annual number of immigrants allowed into the United States and tripled the number of openings for skilled workers. The composition of California's Asian American community was transformed by the continuing arrival of educated professionals with marketable skills from the Philippines, Korea, Hong Kong, and Taiwan. To meet the growing demand for additional skilled workers, Congress in 2000 agreed to nearly double the number of temporary visas for skilled high-tech workers. Most of the new workers came from India and China.

The growing diversity within the Asian American community manifested itself in a variety of ways. By the 1990s nearly three-quarters of all Asian Americans were immigrants, whereas 20 years earlier less than half were foreign-born. The newcomers to California came from more than 30 separate cultures. The single largest Asian group continued to be Filipinos, followed by Chinese, Japanese, Koreans, Vietnamese, Cambodians, and Laotians. To encompass also those who came from

Guam, Tonga, and other islands of the Pacific, many came to prefer the term "Asian Pacific Americans."

Asian Americans continued to gain additional political power, but their dispersal throughout the state undercut their strength. San Francisco was an exception. By 2000 Asian Americans held top positions in city government, including the chief of police and three spots on the Board of Supervisors. "In the last half of the 1990s," observed David Lee of the Chinese American Voter Education Committee, "Asians have made more gains than they have in 150 years in San Francisco." Asian Americans tended to be considerably more conservative than other minorities, and they often supported candidates who appealed to their interests as homeowners and operators of small businesses. The highest-ranking Asian American officeholder was Republican Ming Chin, son of a Chinese immigrant potato farmer, appointed to the state supreme court in 1996. Former congressman Norman Mineta, who spent part of his boyhood in a wartime relocation camp, became the first American of Asian descent to serve in a president's cabinet when Democrat Bill Clinton appointed him secretary of commerce in 2000. The following year, Republican George W. Bush named Mineta to the post of secretary of transportation.

One of the areas in which Asian Americans continued to excel was higher education. In the fall of 1991, Asian American students became the largest ethnic group among freshmen at the Berkeley and Los Angeles campuses of the University of California. Nearly all of the Asian Americans were admitted on the basis of their academic merit; half had straight-A averages in high school. "Asian success is a tribute to their hard work and the fact they took difficult courses and made an extra effort," commented one UC regent. Chang-Lin Tien, chancellor of the Berkeley campus in the 1990s, pointed out that Asian American high school graduates were more than twice as likely as their white counterparts to meet the UC's tough admissions requirements. The high level of educational and economic achievement of Asian Americans led some demographers to see them as part of "an Anglo-Asian overclass that will dominate California's two-tier society of the 21st century."

Ethnic tensions in the state and nation increased following the terrorist attacks of September 11, 2001. Living in California were more than a million Muslims, including 250,000 whose roots lay in the Middle East. Federal authorities arrested and detained hundreds of individuals of Middle Eastern descent; the State Department tightened visa applications for 26 Arab and Muslim nations. Harassment and despicable hate crimes directed against Arab Americans and Muslim Americans were reported across the nation, including arson attacks in San Jose, beatings in Los Angeles, the shooting of Yemeni shopkeepers in Fresno and Tulare counties, and the vandalizing of Afghan and Iranian businesses in San Francisco. President George W. Bush issued a stern rebuke: "No one should be singled out for unfair treatment or unkind words because of their ethnic background or religious faith."

The largest number of new Californians in recent decades were Latinos, most of whom were of Mexican origin. The state's Hispanic population grew by more than 3 million during the 1990s; by 2005 about 35 percent of Californians were Latinos. Heralding the arrival of "the Latino Century," demographers estimated that as early as 2011 Latinos would compose the largest ethnic group in the state, and by 2040