DEMOGRAPHY AND THE ECONOMY

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Colorado.gov/demography
Demography

- Powerful
- Big changes often predictable
- Informative

Today
- Information about us
- Role of the economy
- Recent population changes
- Aging
State Demography Office

• State agency
  • Responsible for population data needed by state agencies

• Department of Local Affairs
  • Prepare data and information in ways that account for local perspectives, needs

• Public information
  • Make data and information readily available to the public, including citizens, businesses and non-profit agencies

• Outreach
  • Work with local governments and others to understand what the numbers are saying
State Demography Office

- Population
  - Estimates
  - Projections
  - Characteristics
- Economics
  - Estimates
  - Projections
  - Base analysis
- GIS-Cartography
  - Special districts
  - Support to Census, municipalities, etc.
- Census state data center
Economy and migration

Source: US Census
Population changes

• Natural change: Births – deaths
• + Migration (domestic, international)
  • Census, IRS records

• Distributed within counties according to change in housing stock
• Challenge process
Colorado population change

Net Migration
Natural increase

[Bar chart showing population change from 1970 to 2034, with blue bars for net migration and orange bars for natural increase.]
Migration, employment

Source: State Demography Office
Statewide, 2000 to 2010

- Colorado 9th fastest growth in the nation
- Denver metro area still has largest portion of state population (55.4%)
- Denver’s portion of state population declining – down 0.4 percentage points from 2000
- Northern Colorado (Larimer + Weld) increased its share by 0.7 percentage points
- Colorado Springs area increased its share by 0.3 percentage points
Population change, 2000 to 2010

Average Annual Growth
- Less than 0
- 0 to 1.0%
- 1.1% to 2.0%
- 2.1% to 3.0%
- Greater than 3.0%

Source: US Census Bureau
Domestic migration, 2000 to 2010

Source: State Demography Office, US Census
Domestic migration of 65+ population

Source: US Census Bureau
Economic development
Economic impacts

- Job growth can utilize existing population or cause in-migration
- Economic benefits and costs associated with industry and population
- Population itself can act as an industry and cause economic expansion (i.e. retirees)
- Broad picture
How a region works

People
Households
Families

Businesses
Base Industries
Spinoffs or
Local resident services

Local Expenditures
Labor

Taxes

Wages

Government
Services, Infrastructure
Industry looks at demographics

• Does a suitable labor force exist? How large is this labor force?
  • Geography
  • Characteristics
  • Example: Call centers in Larimer County
  • Example: Silicon Valley

• Can I recruit people or get them to relocate here?
  • Momentum within occupations
  • Example: Software engineers in Weld County

• IEDC data standards
  • http://www.iedconline.org/?p=data_standards
Migration not simple

- Characteristics can have big fiscal, social impacts
- For example...
  - High salary jobs that draw in population can push up property values but can push down wages in other sectors due to other household members relocating
  - Lower or average wage jobs that draw from the population can increase wages (or cost, depending on your perspective) at other local businesses that draw from the same labor pool, but won’t have as big of an effect on property values or government revenue
- Have to consider implications and balance priorities
Application: Aging

• Population by age part of our projections
• A few changes:
  • Age distribution of population
  • Labor force
  • Industry demand
  • Occupational mix
  • Income
  • Household size
  • Housing demand
  • Government budgets
Baby boomers

- Born 1946 – 1964
  - Colorado has 6th highest concentration among all US states
- Starting to reach retirement age
- Colorado hasn’t ever had a large population over age 65
  - Colorado has the 4th lowest among all US states
- Ages differ by county
Age of population

Source: State Demography Office
Population by age, 1970

Source: State Demography Office
Population by age, 1980

Source: State Demography Office
Population by age, 1990

Source: State Demography Office
Population by age, 2000

Source: State Demography Office
Population by age, 2010

Source: State Demography Office
Population by age, 2010 - 2030

Source: State Demography Office

+789,373 (143%)
Percentage point change of 65+ share of population, 2010 - 2030

Source: State Demography Office
Aging baby boomers and labor

- **37%** of state labor force
- Well educated – high human capital
- Retirees support approx. 0.2 to 0.3 jobs
- Colorado has had high labor force participation in the past due to its relatively young population
Migration, employment

Source: State Demography Office
Jobs!!

- Jobs are great
- Keep in mind that these are relatively slow employment projections, so overall, employment won’t grow much (all things constant)
- The population changes associated with job growth and aging are not going to be what we’re used to in Colorado

- Income growth will not be as rapid
- Taxable expenditures will probably decline
- Increasing demand for public services
End of the demographic dividend

Source: US Census Bureau, State Demography Office; “working age” defined as 20-64
Average federal income tax paid by age

Average annual taxable expenditures

Population and housing

Source: US Census Bureau, State Demography Office
Households

- Overall, household sizes decreasing
- Factors pushing household sizes down
  - “Echo boomers moving out”
  - Young people delaying marriage, children
  - Increasingly common to see elderly single person households
- Factors pushing household sizes up
  - Minorities tend to have larger households
  - Older households starting to consolidate to pool in-home health services
Thank you

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