What if the Population in Colorado Increases by 3 Million by 2050... What if it doesn’t?

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Colorado Department of Local Affairs
Demography.dola.colorado.gov

State Demography Office Mission and Products

• Produce Data and Information to Improve Local Decision Making
• Department of Local Affairs – Work with State Agencies and Local Governments
• Population
  • Year-by-year Estimates – state, planning regions, county, muni, special districts
  • Projections (out to 2050) - county
  • Characteristics – age, household formation, ethnicity, etc.
• Economy – State, Planning Regions, Counties
  • Employment estimates on an annual basis
  • Job Forecasts (out to 2040)
  • Base Industry analysis – Economic Drivers, Direct, Indirect, & Induced jobs
• Geographic Information Systems (GIS) mapping & analysis
• Census state data center – Census 2020!
Why Does Economics / Demographics Matter?

- **What, Why, When, How Much, Where?**
- **People** - anticipate age, race, labor force participation, etc. to understand who will demand what public services
- **Housing demand / supply** - prices, types, locations
- **Job numbers / Characteristics** - Types, Skills, secondary effects
- **Incomes** - Salaries & Wages, pensions, social transfers
- **Economic Drivers** - What will the State, Regions, & Counties’ economic profiles resemble in 10, 20, 30 years?
- **Schools, Healthcare, Transport** - What infrastructure will be needed? Where will the revenues come from?

Main Elements of a Region

[Diagram showing main elements of a region]

- **PEOPLE**
- **SYSTEMS**
  - Community Services
  - Building & Construction
  - Business Services
  - Basic Industries
- **HUMAN RESOURCES**
- **PHYSICAL & ENVIRONMENTAL RESOURCES**

Rest of World
Transitions to Watch

- Migration - attracting and retaining the best and brightest. Can we continue to do it? Do we want to? And where do we put them?
- Disparate growth across the state.
- Changes to industries - retail, manuf., construction
- Aging - impacts everything... including the economy.
- Increase racial and ethnic diversity.
- Slowing income growth
- Growing at a slowing rate - national factors

Big Picture - 2015-2016 Pop Change

- US - 323.1 million, + 2.2 million or .7%
- Colorado - 5,540,500
- Ranked 7th fastest 1.7% - UT, NV, ID, FL, WA, OR
- 8th absolute growth 91,700 - TX, FL, CA, WA, AZ, NC, GA
- Range in Colorado
  - +14,000
  - -50
PERCENT CHANGE IN BIRTH RATE BY AGE 2009-15
Colorado State to State Migration

2015 State to State Migration

<table>
<thead>
<tr>
<th>In</th>
<th>Out</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>Texas</td>
<td>California</td>
</tr>
<tr>
<td>Texas</td>
<td>California</td>
<td>Illinois</td>
</tr>
<tr>
<td>Florida</td>
<td>Arizona</td>
<td>Wisconsin</td>
</tr>
<tr>
<td>Illinois</td>
<td>Florida</td>
<td>Virginia</td>
</tr>
<tr>
<td>Arizona</td>
<td>Wyoming</td>
<td>Florida</td>
</tr>
</tbody>
</table>
### Employment by Sector

<table>
<thead>
<tr>
<th>Sector Name</th>
<th>Jobs 16</th>
<th>Change 08-16</th>
<th>Growth Pct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>486,959</td>
<td>49,578</td>
<td>10%</td>
</tr>
<tr>
<td>Health Services</td>
<td>325,193</td>
<td>70,548</td>
<td>22%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>308,537</td>
<td>14,893</td>
<td>5%</td>
</tr>
<tr>
<td>Prof. and business services</td>
<td>296,668</td>
<td>45,721</td>
<td>15%</td>
</tr>
<tr>
<td>Accommodation and food</td>
<td>277,400</td>
<td>42,760</td>
<td>15%</td>
</tr>
<tr>
<td>Construction</td>
<td>212,782</td>
<td>(9,868)</td>
<td>-5%</td>
</tr>
<tr>
<td>Admin and waste</td>
<td>192,735</td>
<td>14,582</td>
<td>8%</td>
</tr>
<tr>
<td>Other Services</td>
<td>188,543</td>
<td>16,889</td>
<td>9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>149,868</td>
<td>(1,030)</td>
<td>-1%</td>
</tr>
<tr>
<td>Finance activities</td>
<td>129,570</td>
<td>3,981</td>
<td>3%</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>112,177</td>
<td>4,108</td>
<td>4%</td>
</tr>
<tr>
<td>Real estate</td>
<td>111,649</td>
<td>8,247</td>
<td>7%</td>
</tr>
<tr>
<td>Transport and warehousing</td>
<td>95,734</td>
<td>13,243</td>
<td>14%</td>
</tr>
<tr>
<td>Arts</td>
<td>81,795</td>
<td>12,555</td>
<td>15%</td>
</tr>
<tr>
<td>Information</td>
<td>78,200</td>
<td>(5,963)</td>
<td>-8%</td>
</tr>
<tr>
<td>Education</td>
<td>66,215</td>
<td>15,875</td>
<td>24%</td>
</tr>
<tr>
<td>Agriculture</td>
<td>46,111</td>
<td>5,564</td>
<td>12%</td>
</tr>
<tr>
<td>Mgmt of Companies</td>
<td>36,781</td>
<td>7,767</td>
<td>21%</td>
</tr>
<tr>
<td>Mining</td>
<td>27,185</td>
<td>(4,974)</td>
<td>-18%</td>
</tr>
<tr>
<td>Utilities</td>
<td>8,543</td>
<td>57</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,232,643</td>
<td>304,532</td>
<td>9%</td>
</tr>
</tbody>
</table>

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### Incomes Trends

- [https://demography.dola.colorado.gov/economy-labor-force/](https://demography.dola.colorado.gov/economy-labor-force/)
- [https://demography.dola.colorado.gov/CO_BaseIndustries/](https://demography.dola.colorado.gov/CO_BaseIndustries/)

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### San Miguel Base Industries, 2016

- **Tourism: Resort**: 39%
- **Tourism: 2nd Home**: 15%
- **Traveler**: 19%
- **Retiree**: 14%
- **Regional Service**: 10%
- **Other Household**: 8%
- **Tourism: Other**: 5%
- **Other**: 4%
- **Agriculture**: 3%
- **Other***: 2%

*Other includes: Transfer Payment, Manufacturing, Mining, Government*
Do You Know Your Age?

Today? .... 10 years from now?
Why does age matter?

- Housing
- Income
- Services - Education, Health, Infrastructure
- Transportation
- Industries - driven off of spending

Millennials Driving Growth for Housing?

![US Births By Year Chart]

*Source: State Demography Office*
**We are Aging Fast**

- Currently very few people over the age 65.
  - 3rd Fastest Growth in the 65+
  - 6th lowest share of all states in US (13%) in 2015
- Baby Boomers
  - Born 1946 - 1964
  - 1,360,000 Boomers in Colorado (25% of pop. in 2015)
- By 2030, Colorado’s population 65+ will be 77% larger than it was in 2015 growing from 719,000 to 1,270,000. (primarily from aging)
- Transition age distribution from “young” to more US average between 2015 and 2030.
Growth in young adults due to migration

Demographic Dividend

Aging

Colorado Population by Age 1990-2030

Colorado Population by Age and % Change

2030

2010

1990

2015

2030

20%

20%

77%

25%

13%

0 to 17

18 to 24

25 to 44

45 to 64

65 +
Aging Issues

- Numbers
- Economic Driver - wealthier .... depends
  - Impact on occupational mix. Growing at 6% per year
- Labor Force
- Housing
- Income - Downward Pressure
- Health
- Disabilities
- Transportation
- Public Finance - Downward Pressure
### Movers & Ownership by Age in CO

<table>
<thead>
<tr>
<th>Age</th>
<th>Owner</th>
<th>Renter</th>
<th>Non Movers</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Ages</td>
<td>64%</td>
<td>36%</td>
<td>82%</td>
</tr>
<tr>
<td>15 to 24</td>
<td>13%</td>
<td>87%</td>
<td>61%</td>
</tr>
<tr>
<td>25 to 34</td>
<td>38%</td>
<td>62%</td>
<td>69%</td>
</tr>
<tr>
<td>35 to 44</td>
<td>61%</td>
<td>39%</td>
<td>82%</td>
</tr>
<tr>
<td>45 to 54</td>
<td>72%</td>
<td>28%</td>
<td>88%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>78%</td>
<td>22%</td>
<td>91%</td>
</tr>
<tr>
<td>65 to 74</td>
<td>82%</td>
<td>18%</td>
<td>93%</td>
</tr>
<tr>
<td>75+</td>
<td>75%</td>
<td>25%</td>
<td>92%</td>
</tr>
</tbody>
</table>

ACS 2015 1-yr B25007 and B07001

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### Households by Age 2010 to 2050

![Graph showing household growth by age from 2010 to 2050](chart.png)

- **2010-2030**: 
  - 18 to 24
  - 25 to 44
  - 45 to 64
  - 65+

- **2030+**: 
  - 18 to 24
  - 25 to 44
  - 45 to 64
  - 65+

State Demography Office
Implications for Public Finance / Planning

- Per Capita income growth will not be as rapid
- Per capita taxable expenditures will likely decline
- Property tax collections per capita dip due to “down-sizing” by elderly population and “Homestead Act” Tax Abatements
- Increasing demand for public services due to aging population
- Policy-makers must plan public finance priorities and expenditure/tax mix accordingly.
Race and Ethnicity Increasing

![Chart showing population by race/ethnicity over time]

**Colorado Population by Race/Ethnicity**
- White not Hispanic
- Hispanic
- Black
- Asian
- American Indian

<table>
<thead>
<tr>
<th>Year</th>
<th>White not Hispanic</th>
<th>Hispanic</th>
<th>Black</th>
<th>Asian</th>
<th>American Indian</th>
</tr>
</thead>
<tbody>
<tr>
<td>2040</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1970</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Growing and Slowing

Population forecast methodology

Economic forecast
- Jobs
- 2nd & 3rd job
- Commuters
- Labor Demand

Cohort-component
+ Births - Deaths
+ Net Migration
X LFPR
Labor Supply
**Constraints/Risks**

*What if we don’t increase by 3 Million?*

- National Growth - National Policies - Intl’ immigration
- Water
- Housing - supply, price, type, location
- Infrastructure/Transportation
- State Budget/Policy
- Aging - labor force, prepared labor force
- Industry changes - downturn, bust, recession, competitiveness.

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**What if…..**

- we need some migration. How do we attract the best fit for the jobs and where do we house them?
- we improve linkages between Metro and Non-Metro Colorado and facilitate growth in areas that are shrinking or underutilized.
- we are prepared for a quickly aging state and are ready for the opportunities and changes to the labor force, income, industrial mix, housing, etc.
- we are prepared for a more racially and ethnically diverse population and our newest entrants to the labor force have the education and skills to fill future job demands.
- we understand what is driving population growth and we know those factors are slowing.
- we are prepared for the risks - recession, Federal Budget, China, Water, Industry Transition - facing Colorado.

**What if we don’t or aren’t …..**
Thank you

- Dola - Community Development Office Session at APA - Hazards, City Streets, Planning Commissions, Implementation.


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Home to Work in Denver Commuting

Source: OntheMap 2014

Colorado Share of Total

- 25 to 44
- <18
- 45 to 64
- 65 +
- 18 to 24

1990-2010 2010-2030 2030+

Source: State Demography Office
Average Household Income before Taxes by Age, 2015

Under 25 years: $31,606
25-34 years: $64,472
35-44 years: $84,938
45-54 years: $95,248
55-64 years: $75,262
65 years and older: $46,627