

DEMOGRAPHY AND THE ECONOMY

David Keyser
State Demography Office
September 22, 2011

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

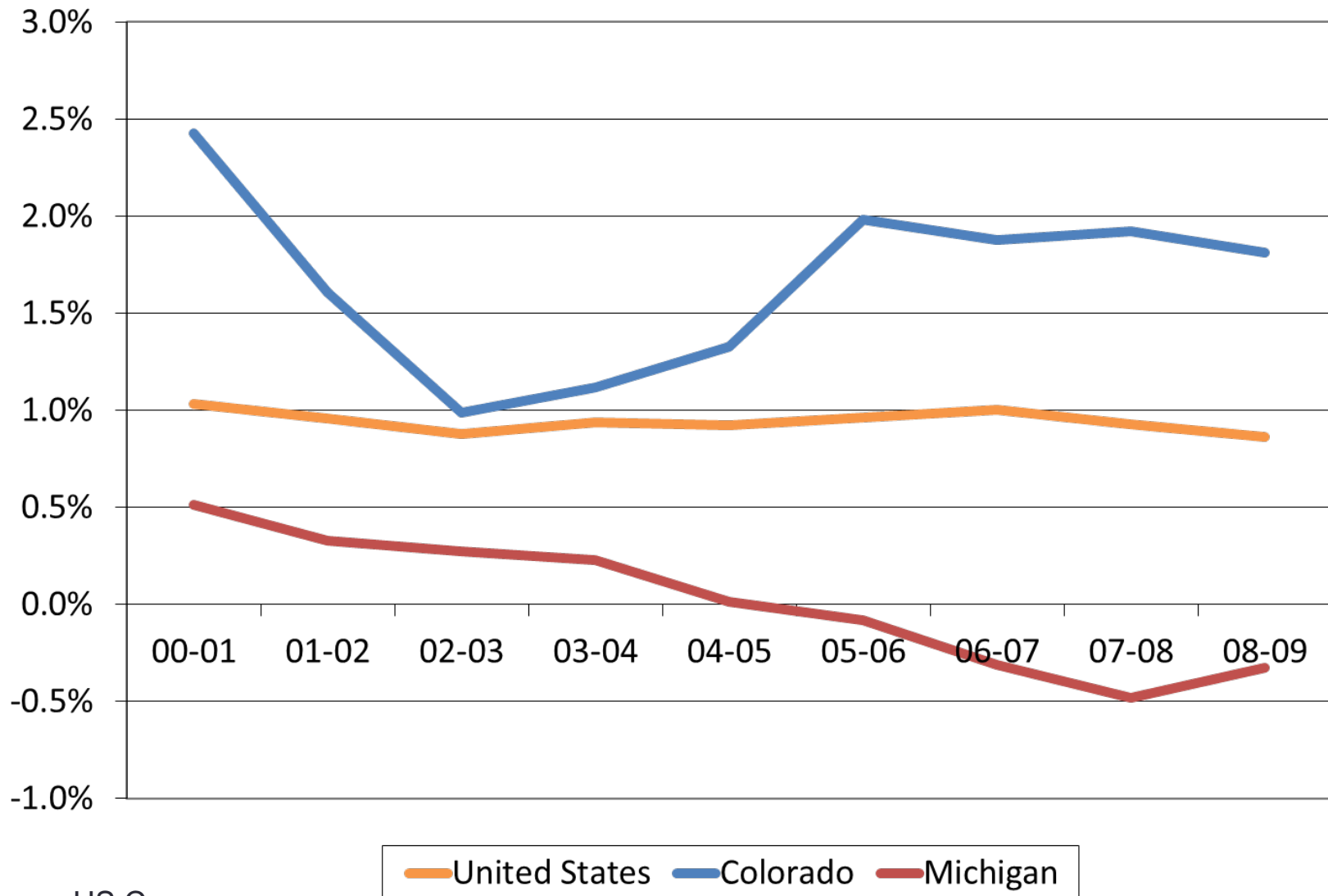


State Demography Office

- 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

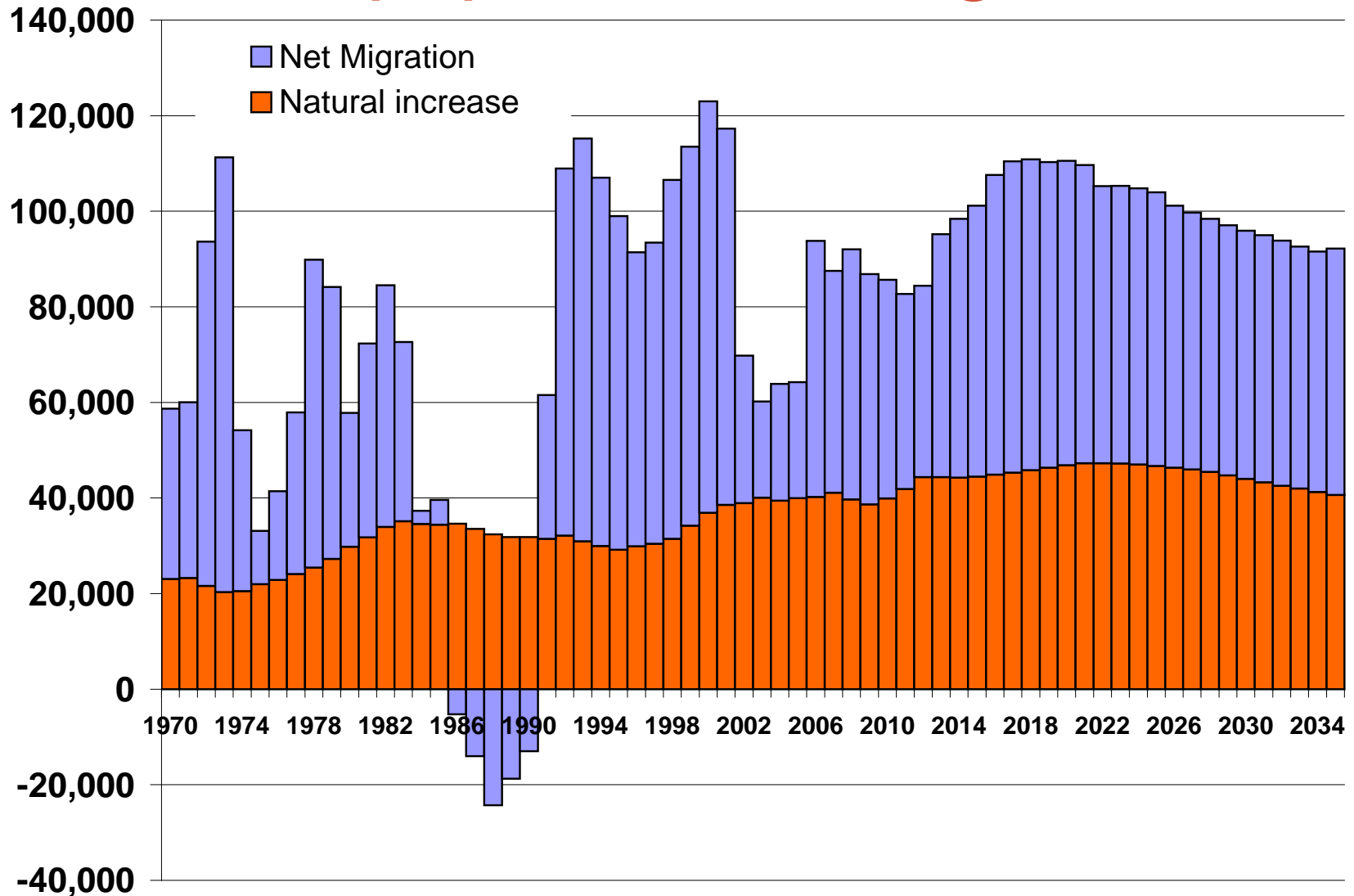


Population changes

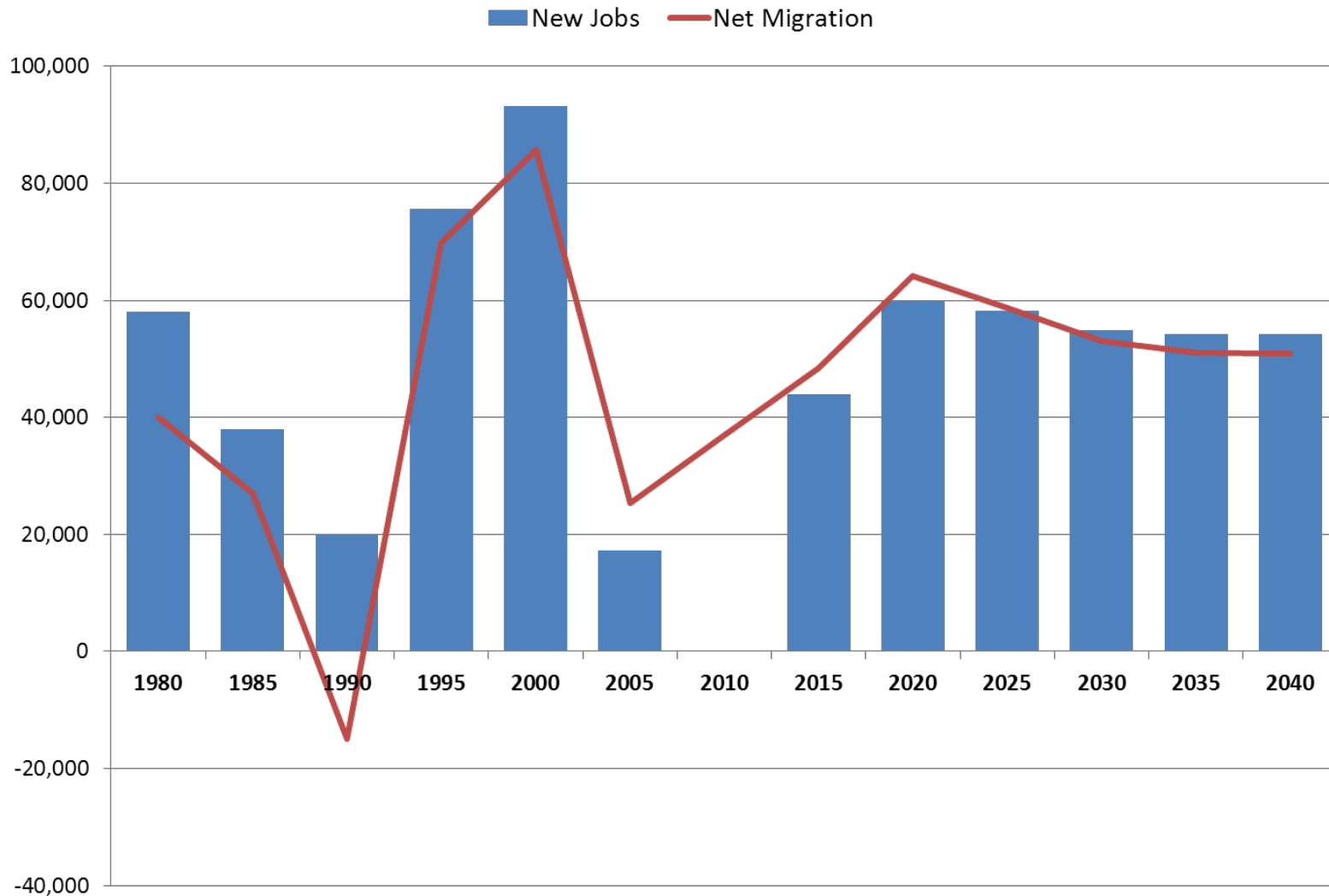
- Natural change: Births – deaths
- + Migration (domestic, international)
 - Census, IRS records
- Distributed within counties according to change in housing stock
- Challenge process



Colorado population change



Migration, employment



Source: State Demography Office

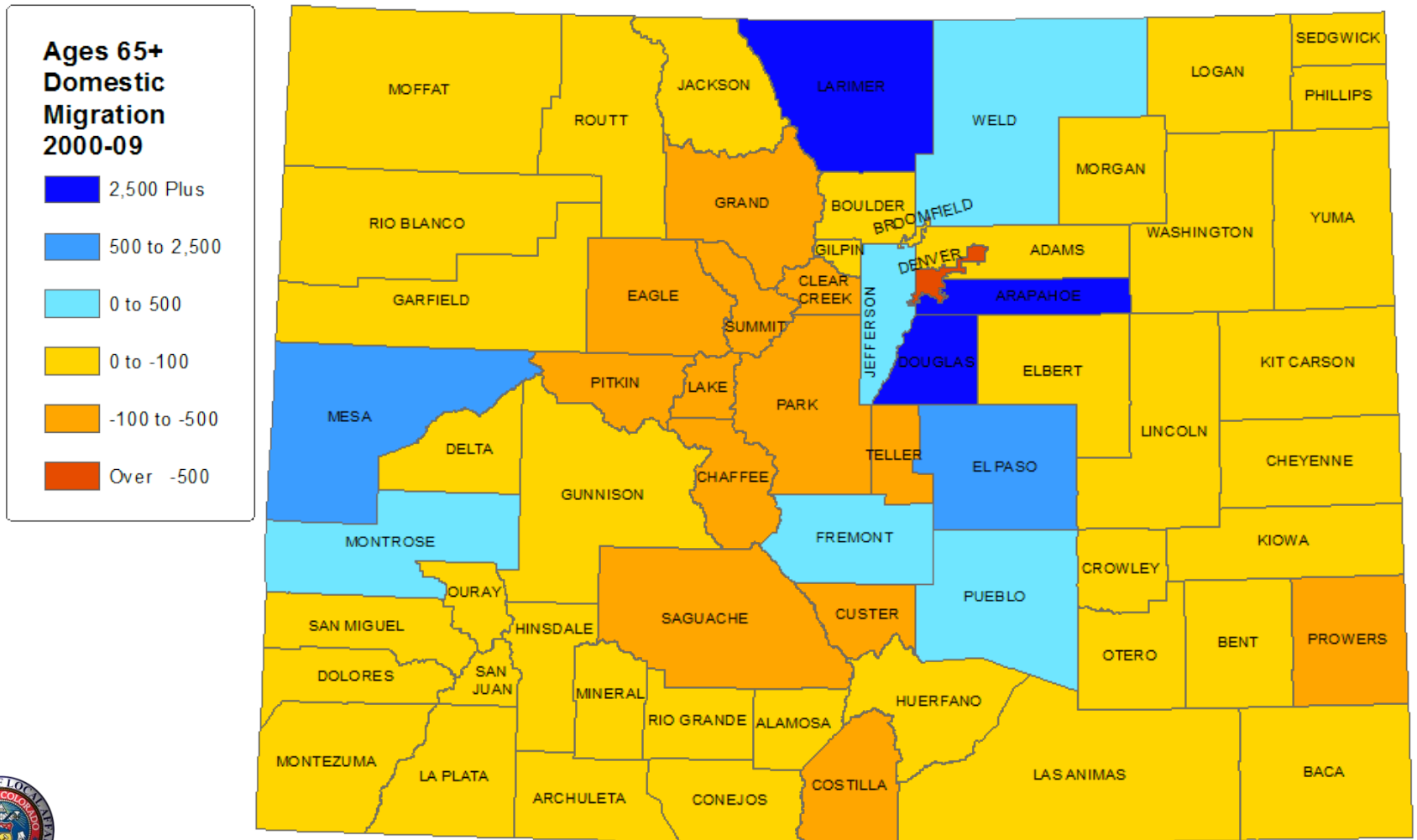


Statewide, 2000 to 2010

- 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

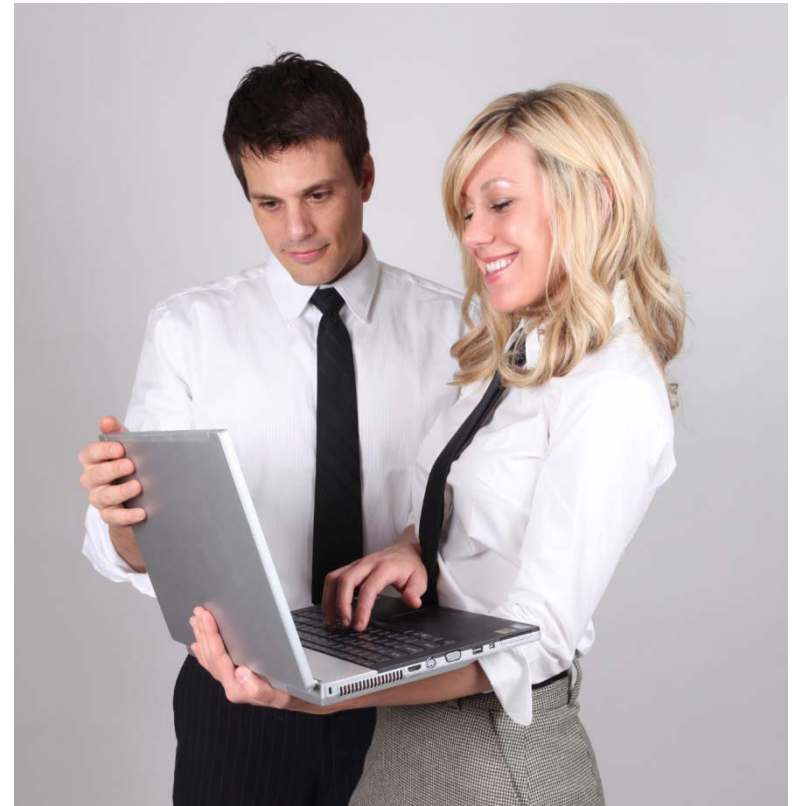


Domestic migration of 65+ population



Source: US Census Bureau

Economic development

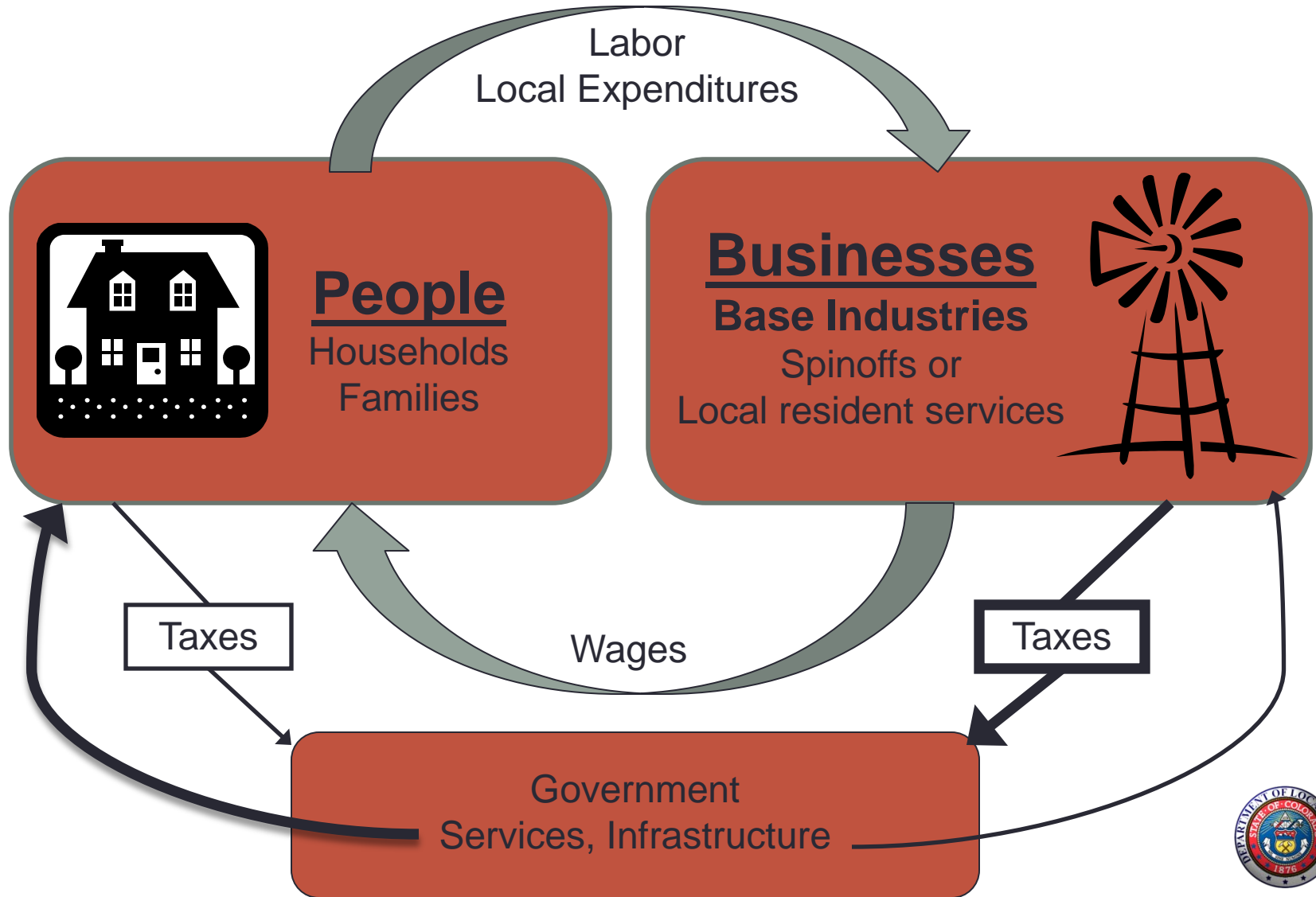


Economic impacts

- 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



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

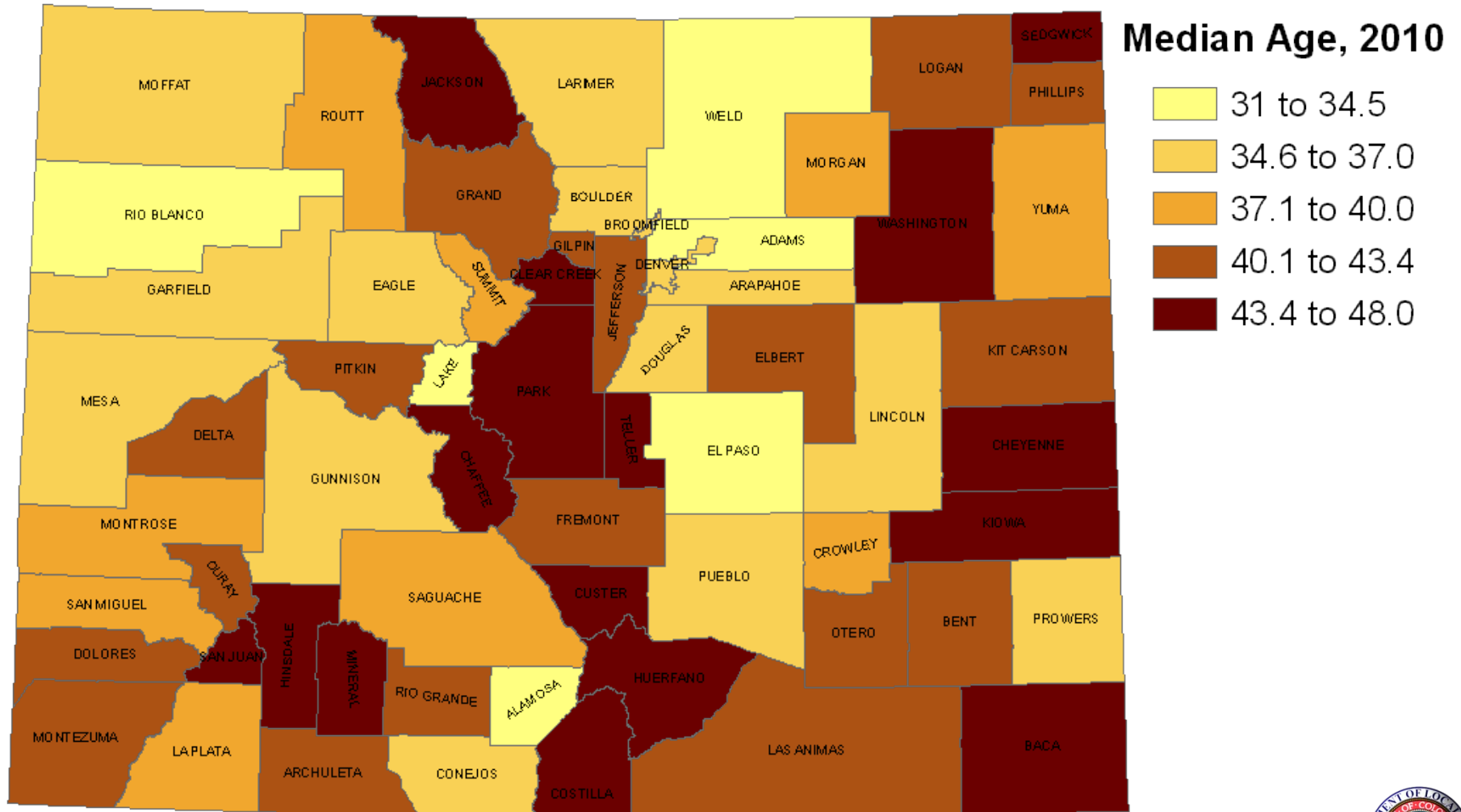


Baby boomers

- 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



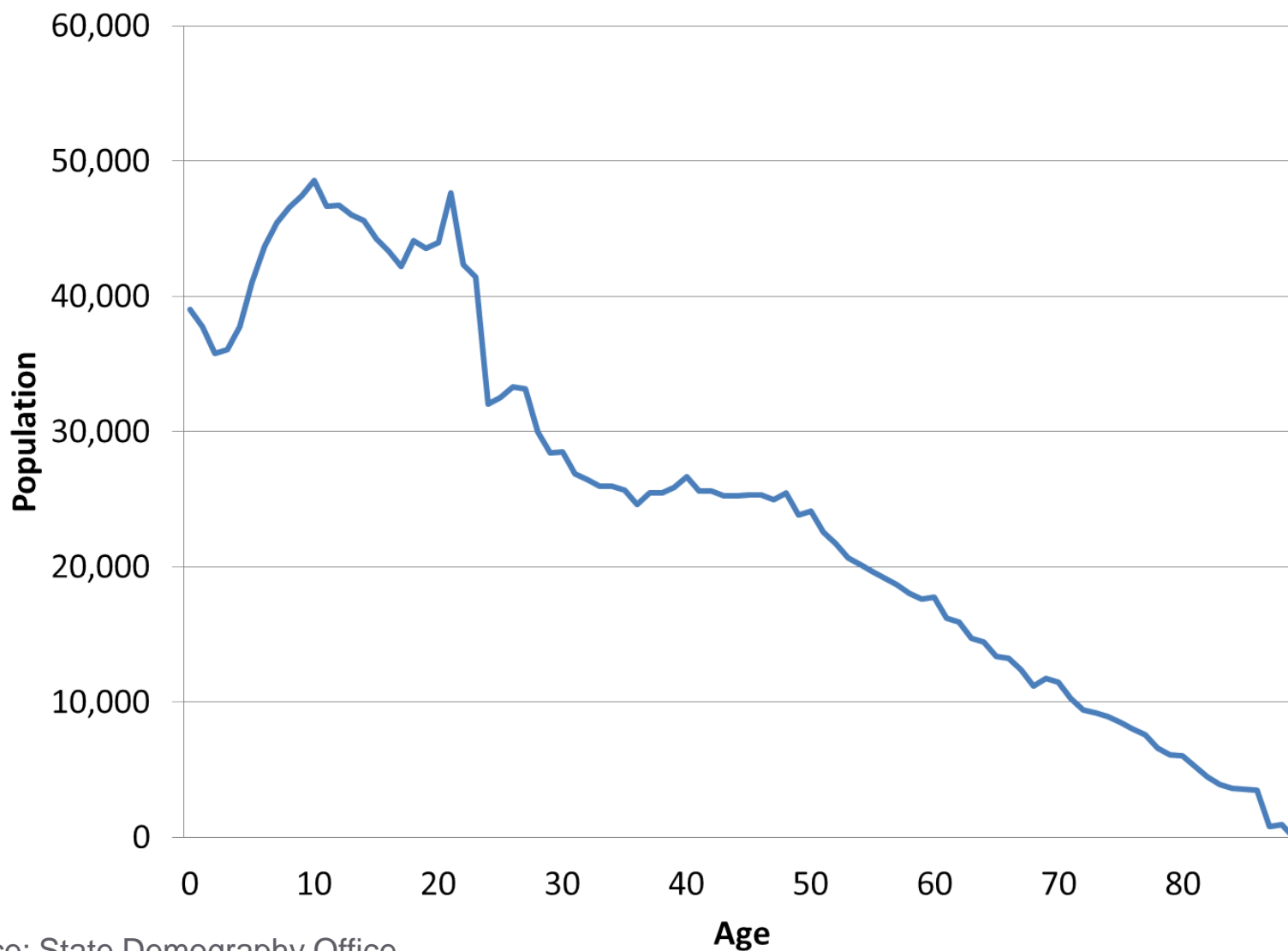
Age of population



Source: State Demography Office



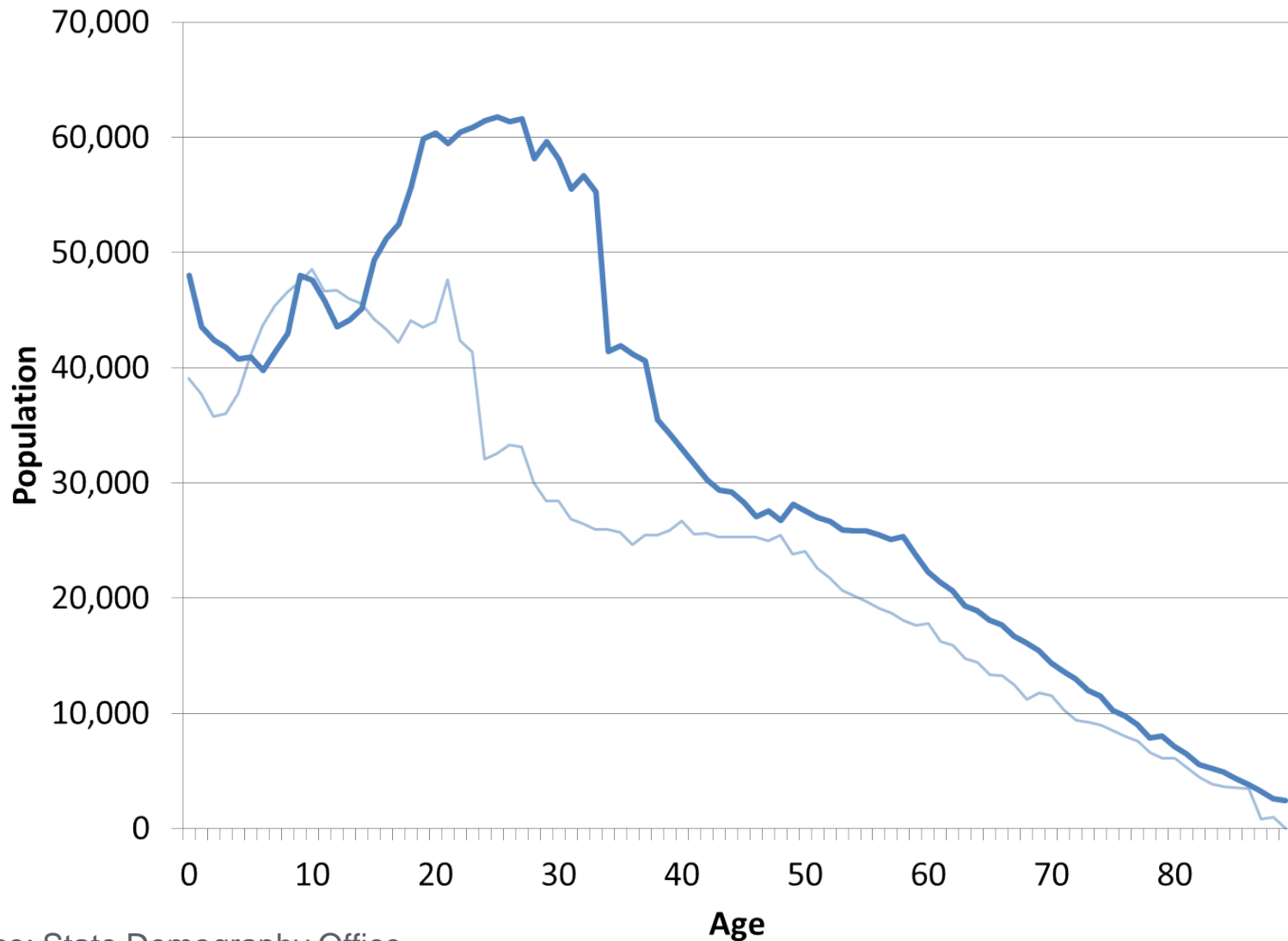
Population by age, 1970



Source: State Demography Office



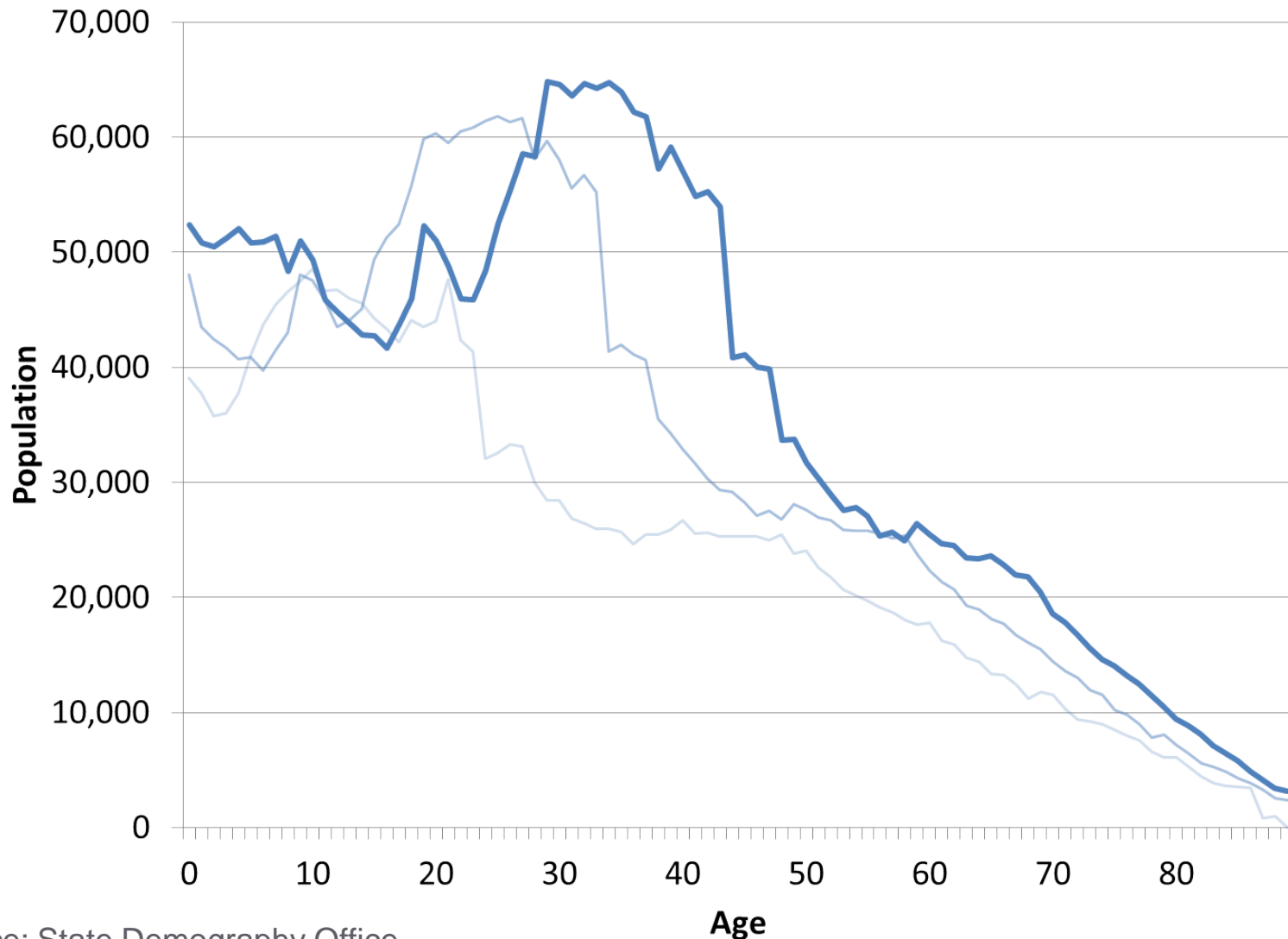
Population by age, 1980



Source: State Demography Office



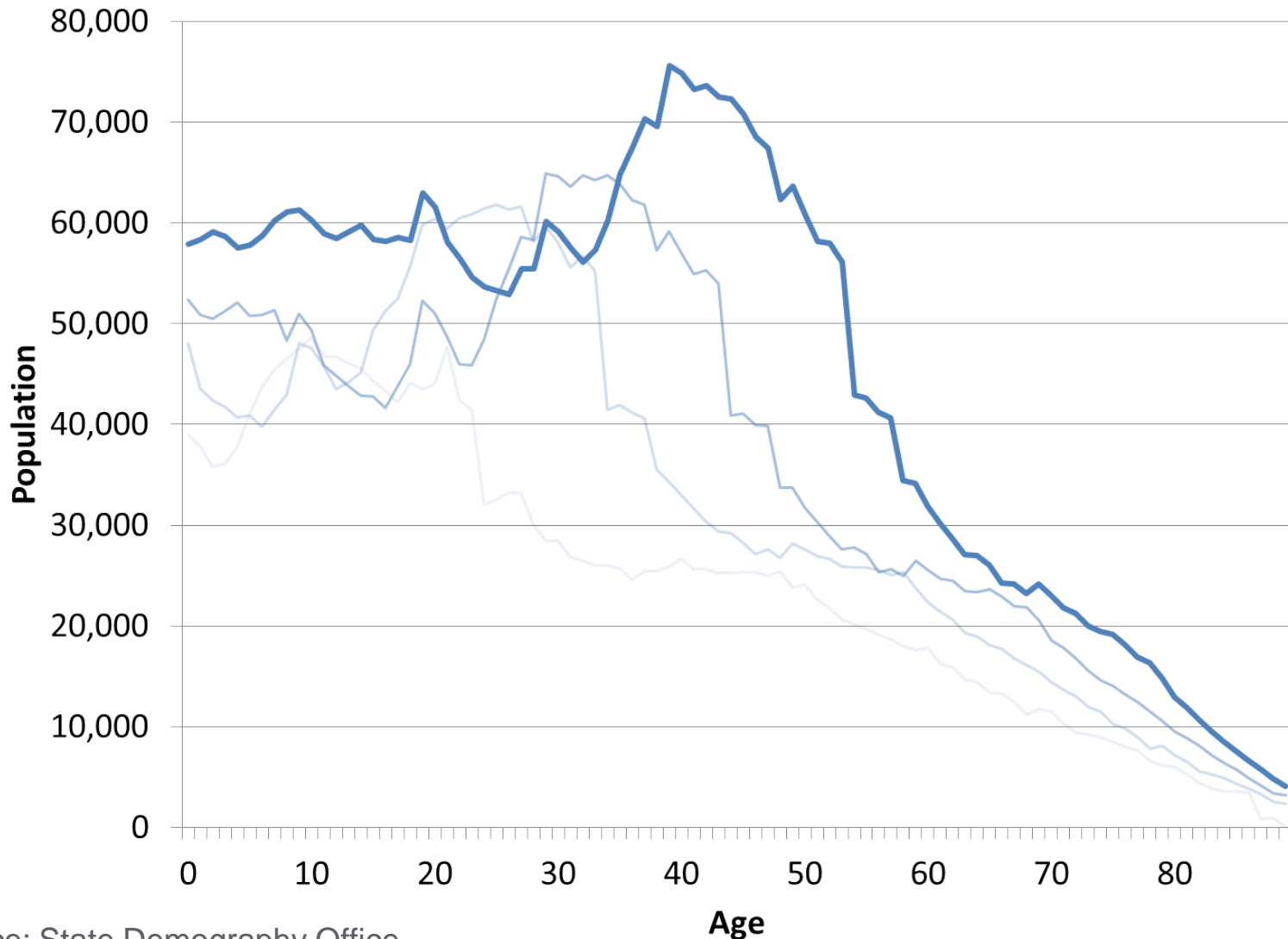
Population by age, 1990



Source: State Demography Office



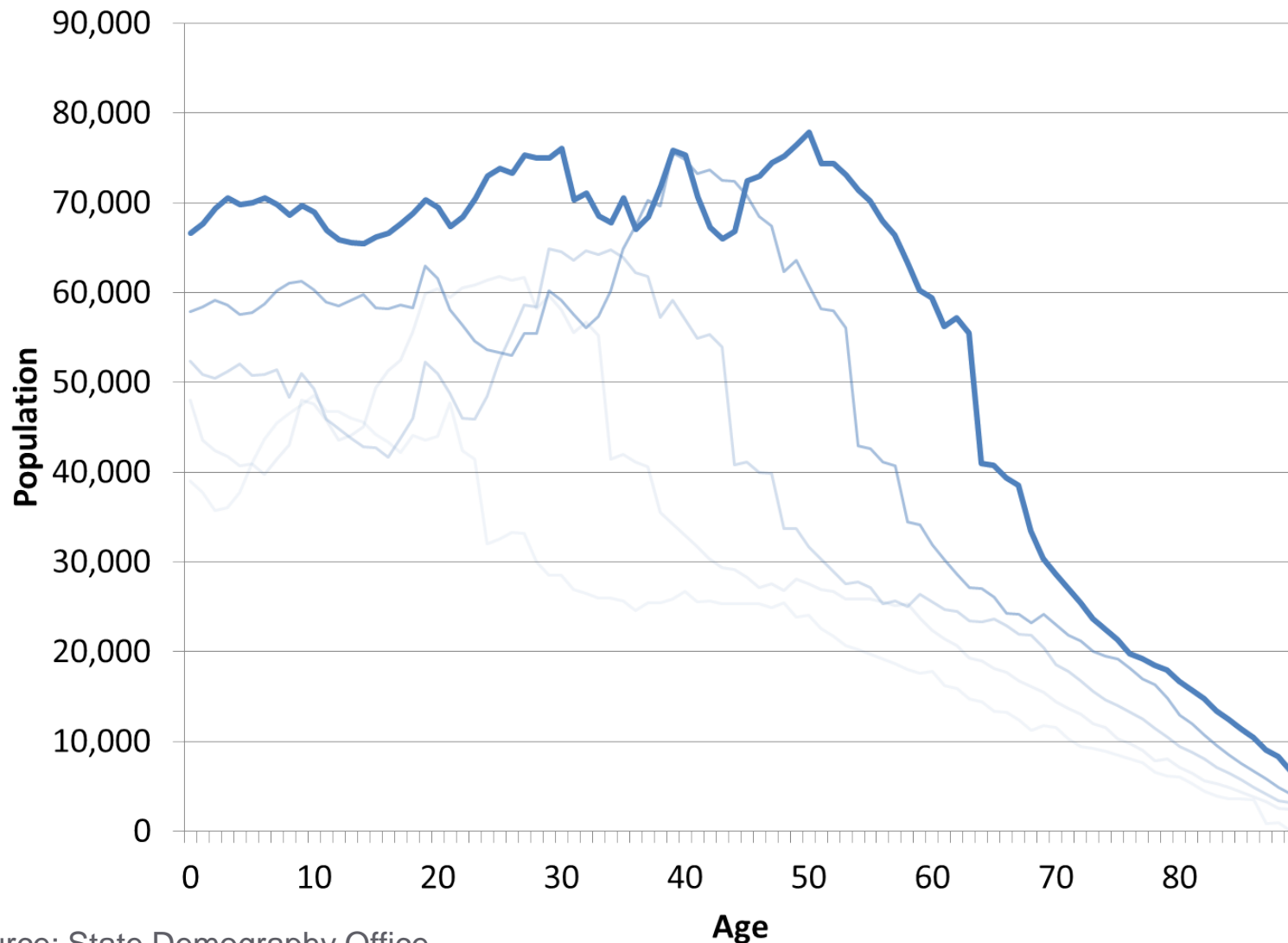
Population by age, 2000



Source: State Demography Office



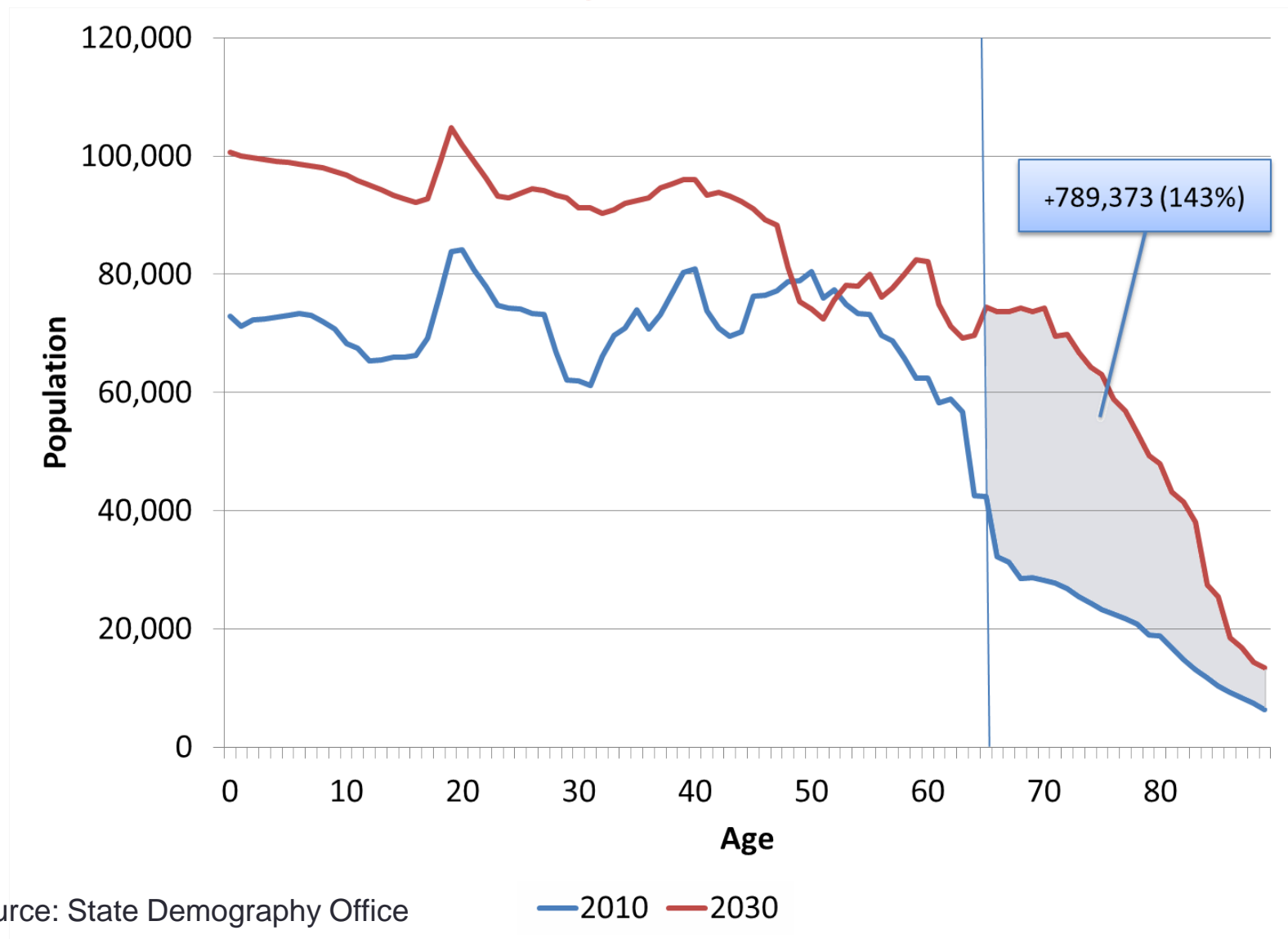
Population by age, 2010



Source: State Demography Office



Population by age, 2010 - 2030

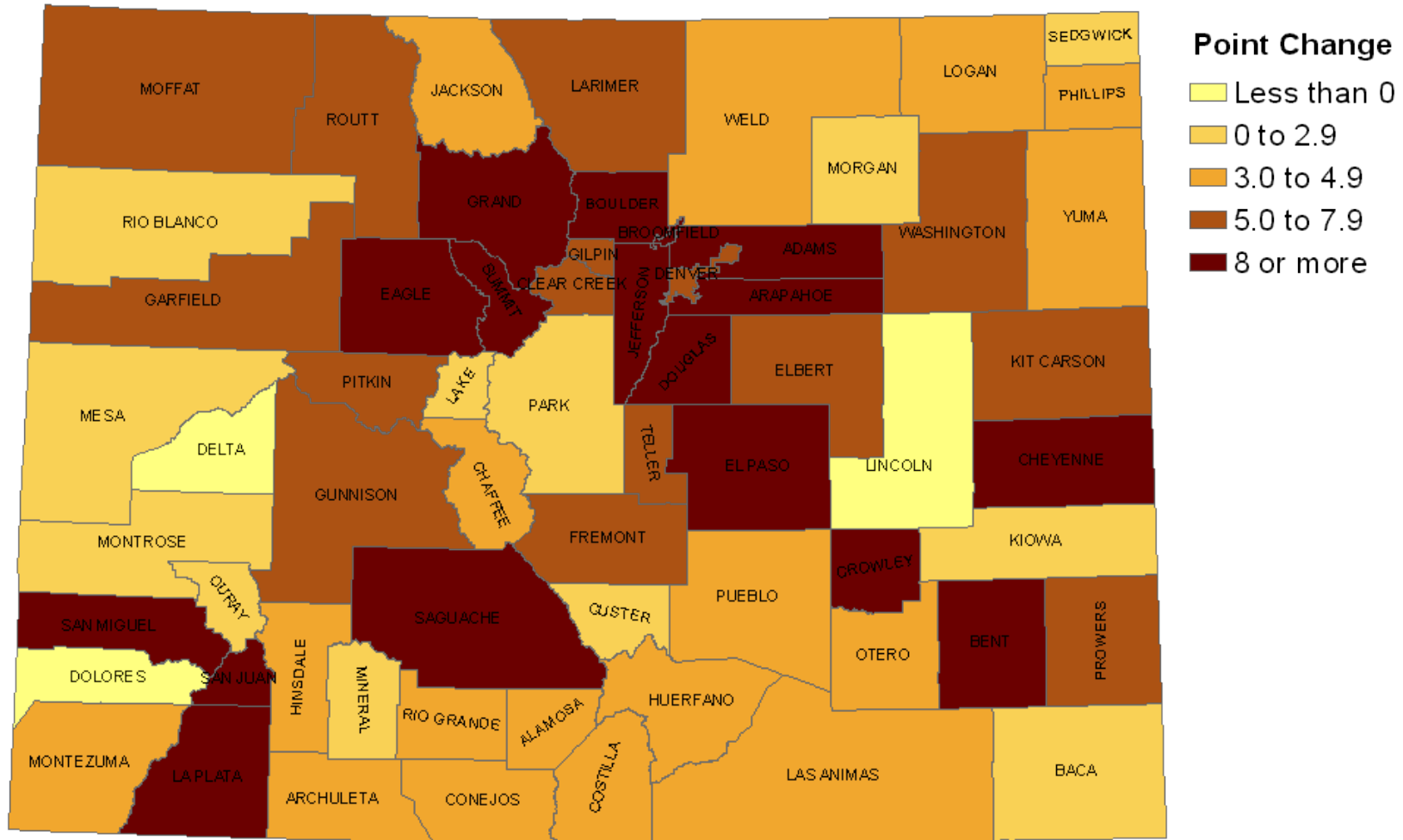


Source: State Demography Office

— 2010 — 2030



Percentage point change of 65+ share of population, 2010 - 2030



Source: State Demography Office



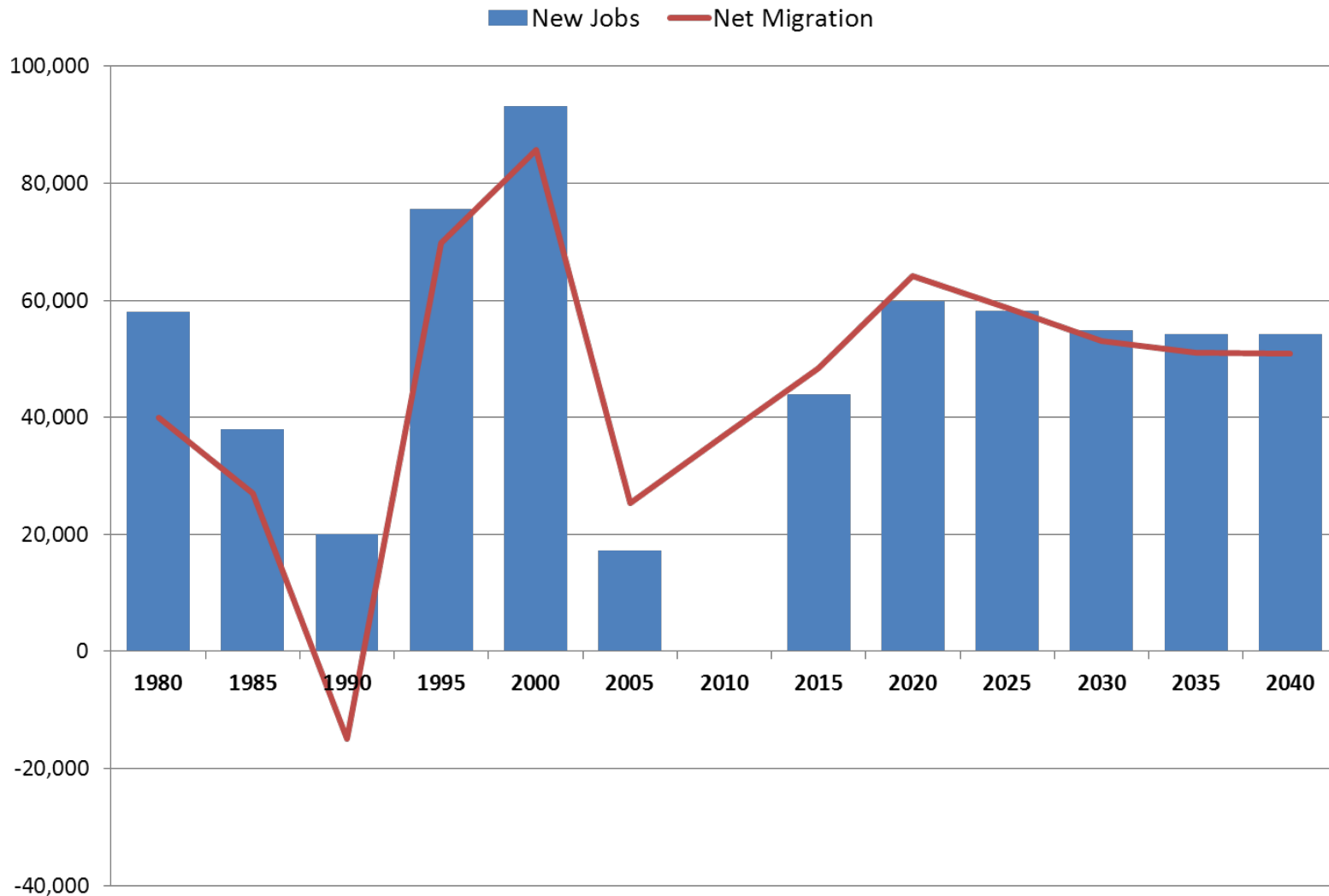
Aging baby boomers and labor

- **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

37%



Migration, employment



Source: State Demography Office

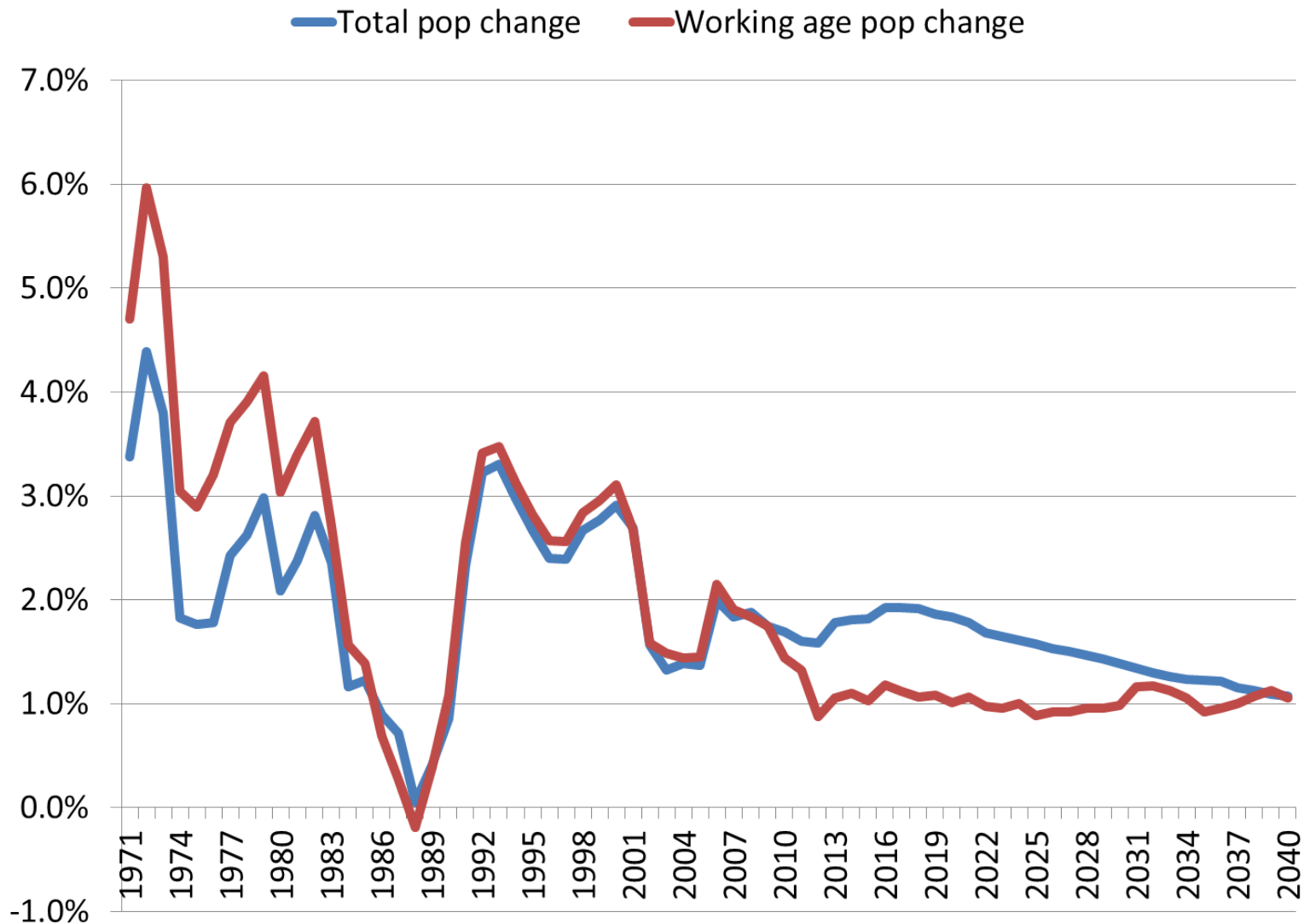


Jobs!!

- 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



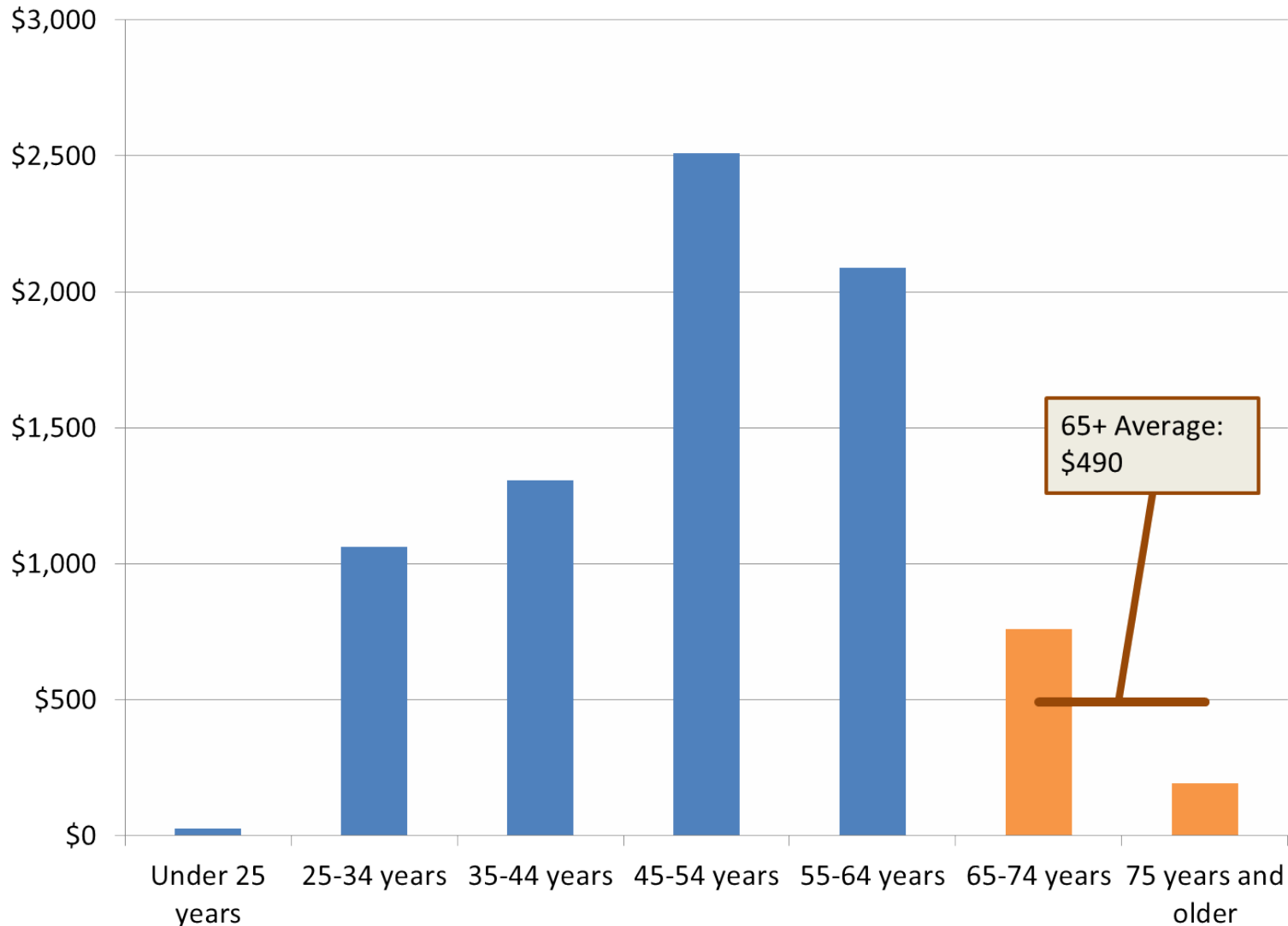
End of the demographic dividend



Source: US Census Bureau, State Demography Office; "working age" defined as 20-64



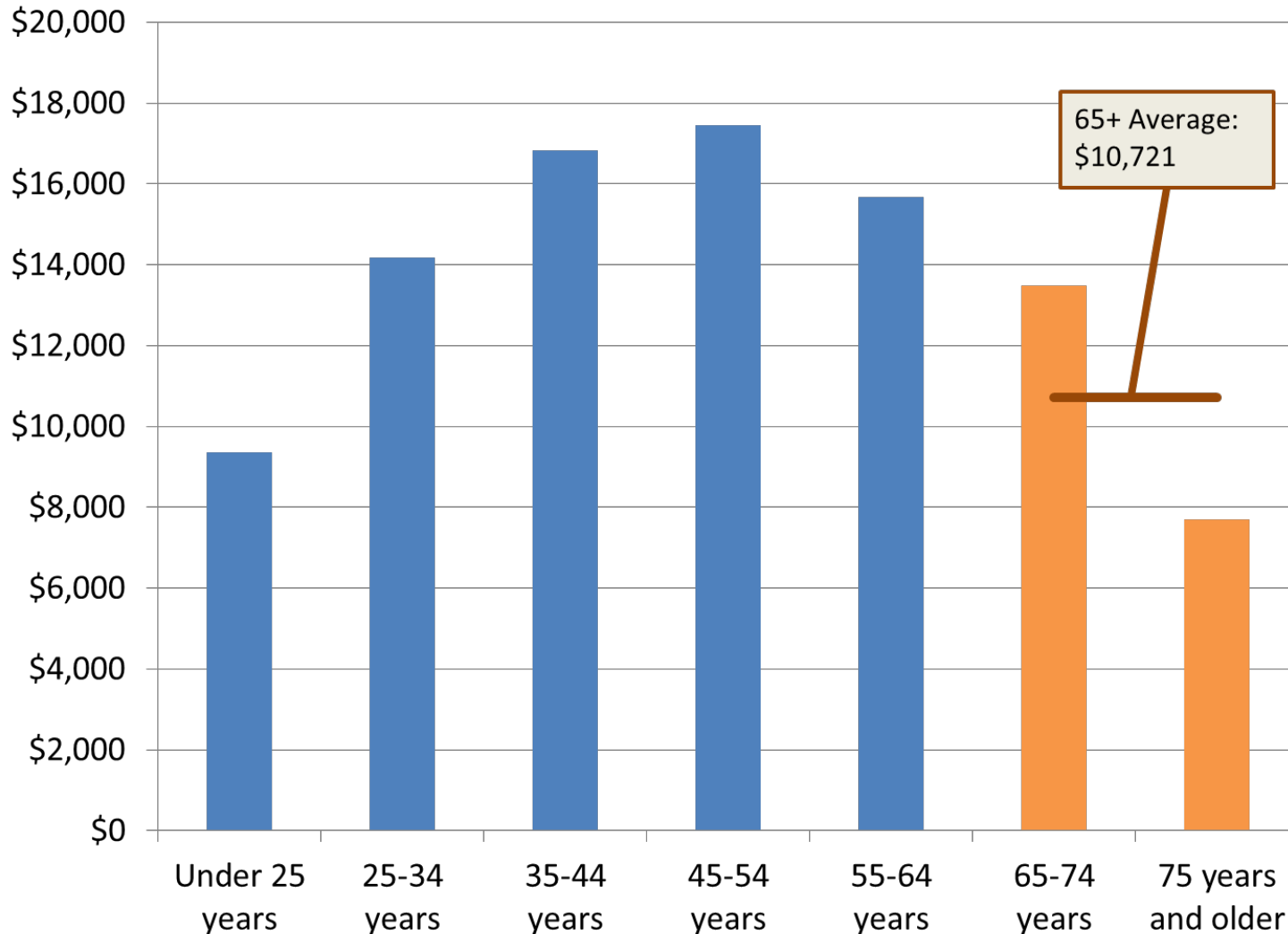
Average federal income tax paid by age



Source: Bureau of Labor Statistics Consumer Expenditure Survey, 2009



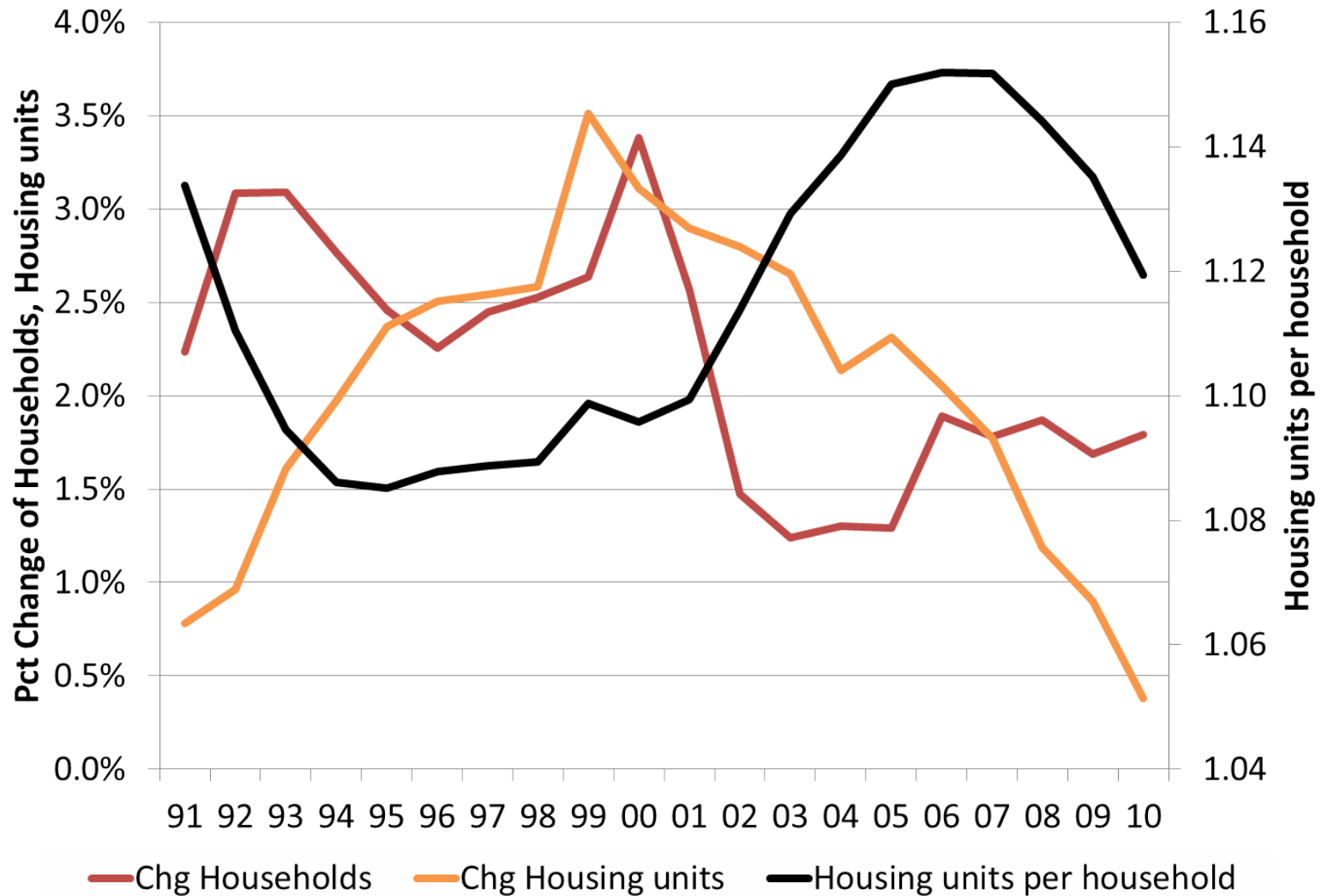
Average annual taxable expenditures



Source: Bureau of Labor Statistics Consumer Expenditure Survey, 2009



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

David Keyser

303-866-3925

david.keyser@state.co.us

Colorado.gov/demography

