

How is Colorado Changing? Socioeconomic Trends in Colorado

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Colorado Department of Local Affairs**

www.dola.state.co.us/dlg/demog/index.html

Outline

- **What does our office do and why?**
- **Population Forecast**
- **Key economic and Demographic Trends**
- **Relationship between Demographics and Income.**
- **Trends in Income**
- **Poverty and Other Measures of “Well Being”**

State Demography Office

- **Demography –**
 - The study of population size, growth and age structure, and of the forces (fertility, mortality, migration) that lead to population change.

State Demography Office

- **State Agency**
 - Responsible for population data needed by state agencies.
- **Department of Local Affairs**
 - Prepares data and information in ways that account for local perspectives, needs.
- **Public Information**
 - Makes data and information readily available to the public, including citizens, businesses and non-profit agencies.
- **Outreach**
 - Work with local governments to understand what the numbers are saying

State Demography Office

Types of Population Data

- **Census**

- Counts, surveys of the existing population every ten years (ending in zero) reported by block. New American Community Survey (ACS) data.

- **Estimates**

- Determination of “current” population totals based on data indicative of the population or population change by county, municipality, and Title 32 special districts.

- **Forecasts**

- Expected population totals and those by age and gender in the future by county.

Economic and Demographic Overview

- Key Economic and Demographic Trends to Watch
 - Economic Drivers
 - Service oriented
 - Occupational mix
 - Migration
 - Aging of the Baby Boomers
 - Household Formation
 - Persons per household
 - Housing
 - Type and location.
 - Worker vs. non worker housing
 - Labor Force Changes – participation rates

Population Forecasts

County Only

- **Population change tied to understandings of both economic and demographic change.**
 - Economic forecast establishes demand for labor.
 - Demographic cohort-survival model indicates supply of labor provided by existing populations.
 - Differences in labor demand vs. labor supply resolved by the net migration of populations / households.

Forecasts of the State's Economies

Factors Considered in Forecasting the Economy

- Understanding of the economic base: the industrial or market “drivers”.
- National and regional conditions in general, and the market potentials for specific drivers.
- Local attitudes, public orientations, toward growth and growth management.

Population Forecasts

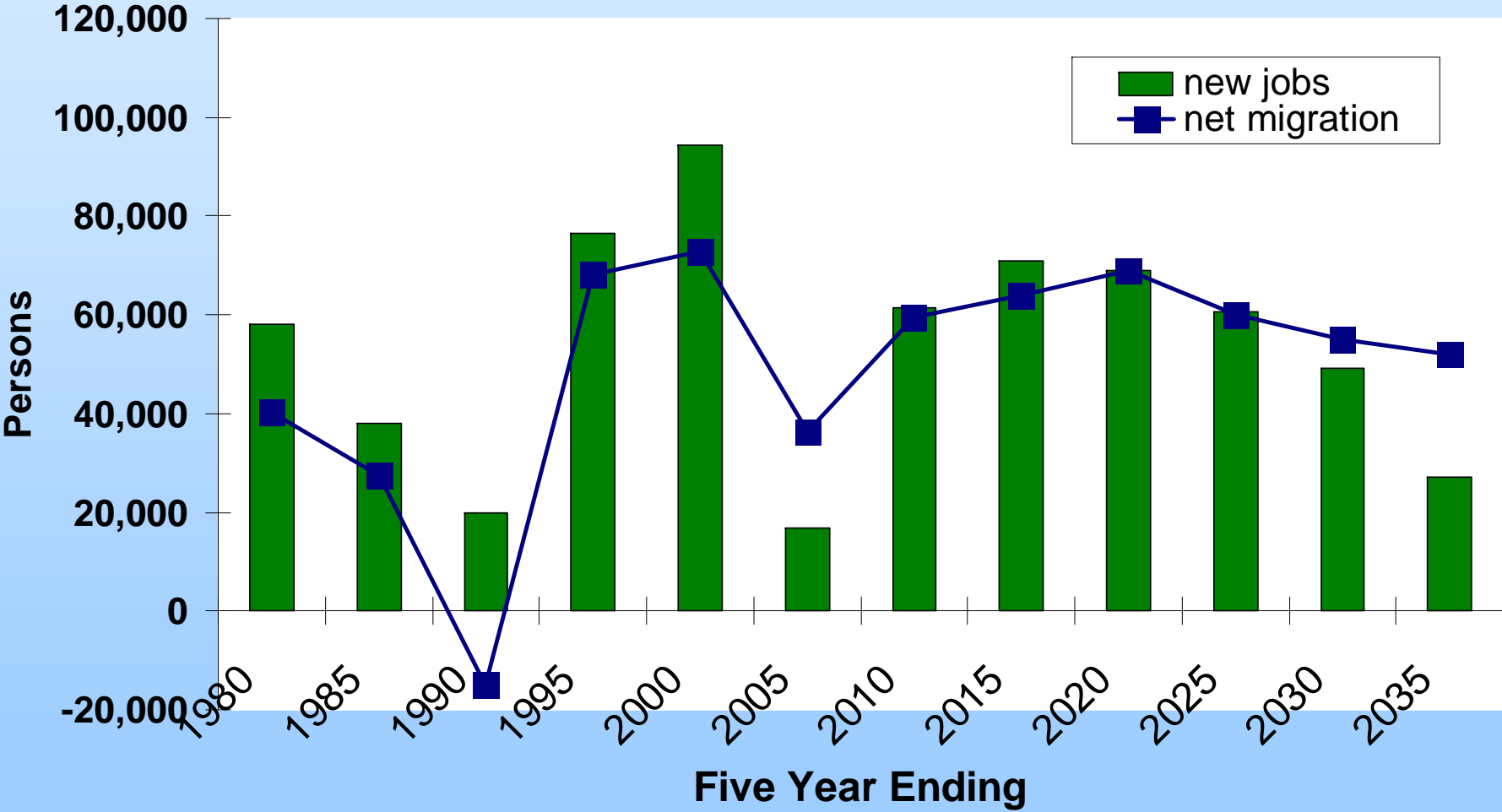
County Only

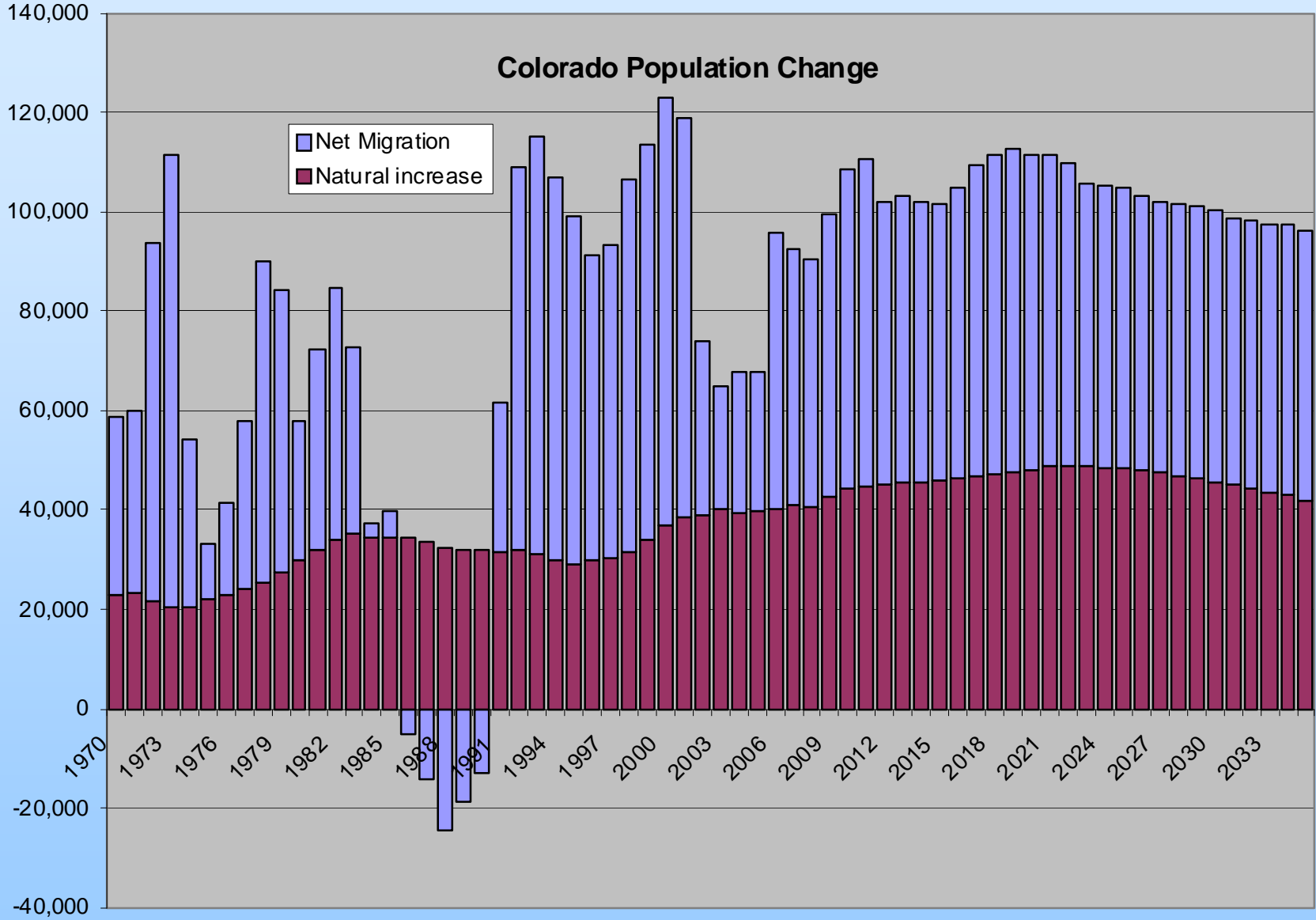
- **Demographic cohort-survival model**
 - **Current population and age them through time.**
 - **Forecast births and deaths based on rates by age and ethnicity.**
 - **Social migration – prisons, colleges, young adults (arriving without jobs).**

Population Forecasts

- Medium to long term – 5 to 30 years
- Every County
- Single year of age and gender
- Related variables
 - Jobs by industry by county
 - Labor force and participation rate by age and gender.
 - Race/Ethnicity
 - Households
 - Household income – 10 year

Colorado New Jobs and Net Migration





Source: State Demography Office

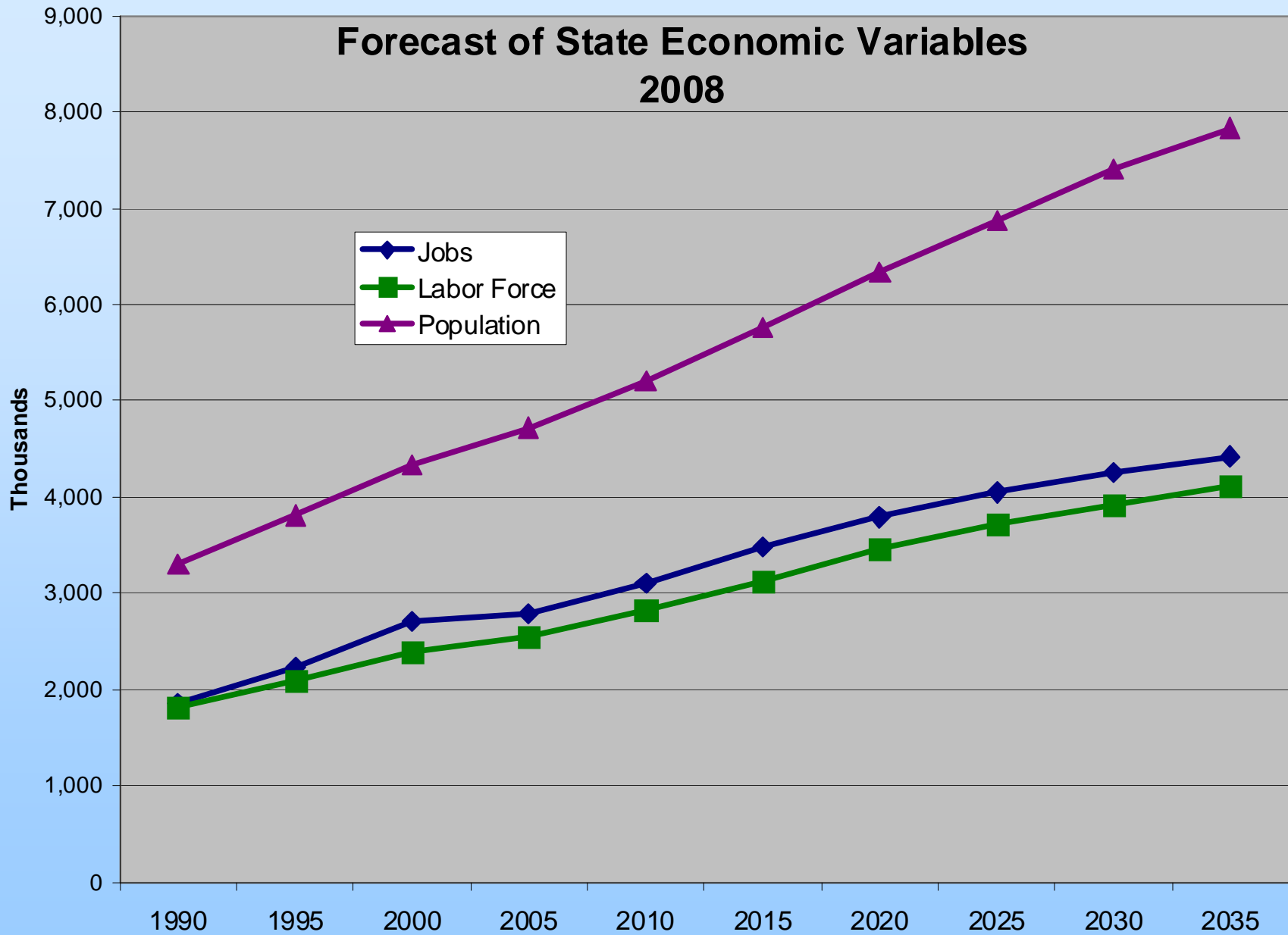
Forecasting Worksheet example

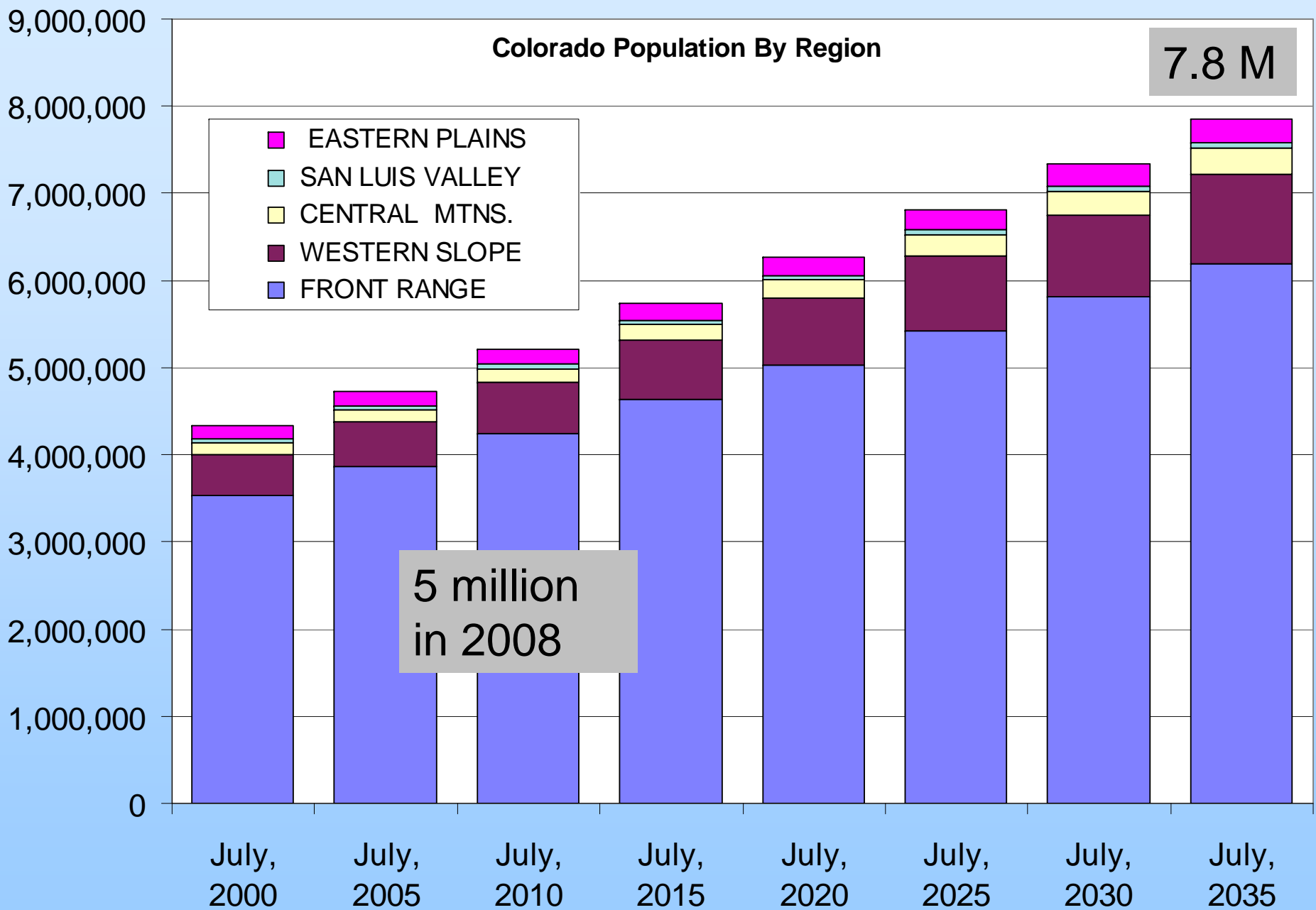
Relating jobs . . . to population

	2000	2005	2010
Jobs	34,000	37,000	45,000
Commuters (+ or -)	9,000	9,000	12,000
Employed persons	25,000	28,000	33,000
Labor force part.	72%	71%	69%
Population	43,000	51,000	63,000

Source: State Demography Office

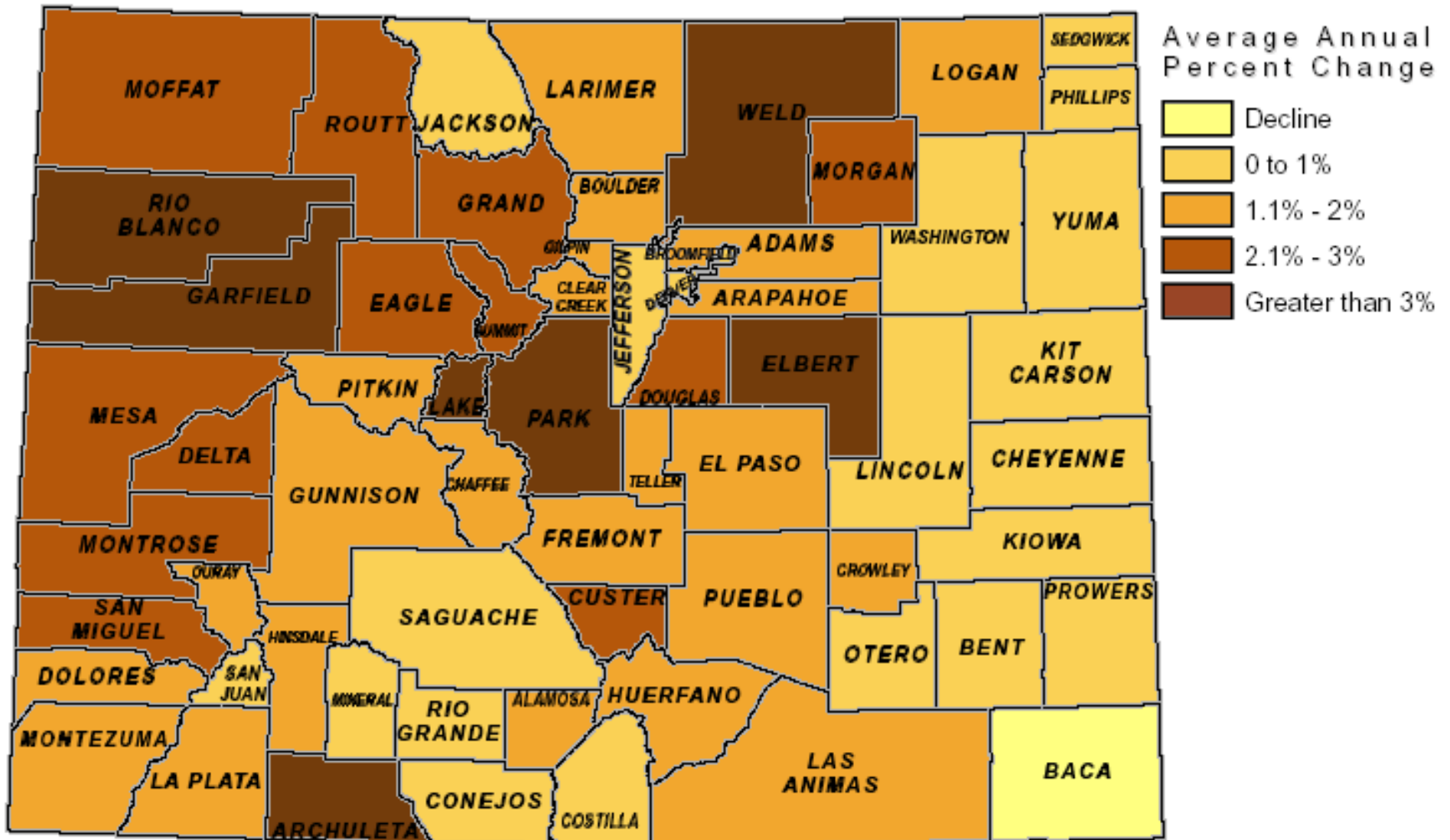
Forecast of State Economic Variables 2008





Source: State Demography Office

Average Annual Percent Change 2005-2035

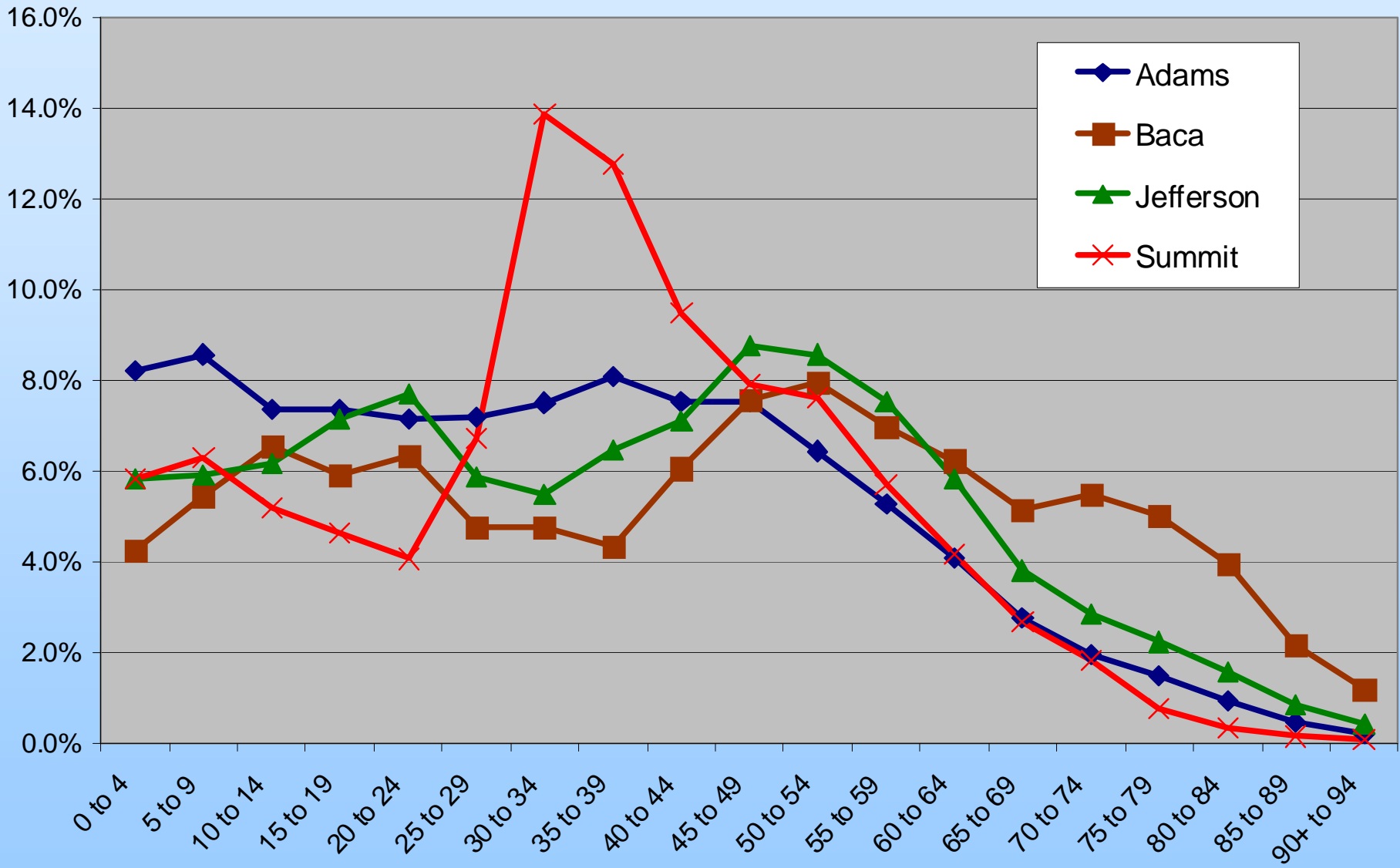


Source: State Demography Office
Data prepared: May, 2008

State Is Very Diverse

- **Different economic drivers will result in different demographics** (age, education etc.)
 - Tourism, Agriculture, Oil and Gas, Retirees National/Regional Services.
 - Environment – natural or built will facilitate different economic drivers.
- **Age distribution varies**
 - Economy – type of industry
 - Access to Education
 - Environment – natural or built will facilitate different demographic segments. (outdoor recreation, home prices/types, transportation)
- **Understanding your economic drivers will help to understand the demographic components of your area**

2008 Age Distribution by County



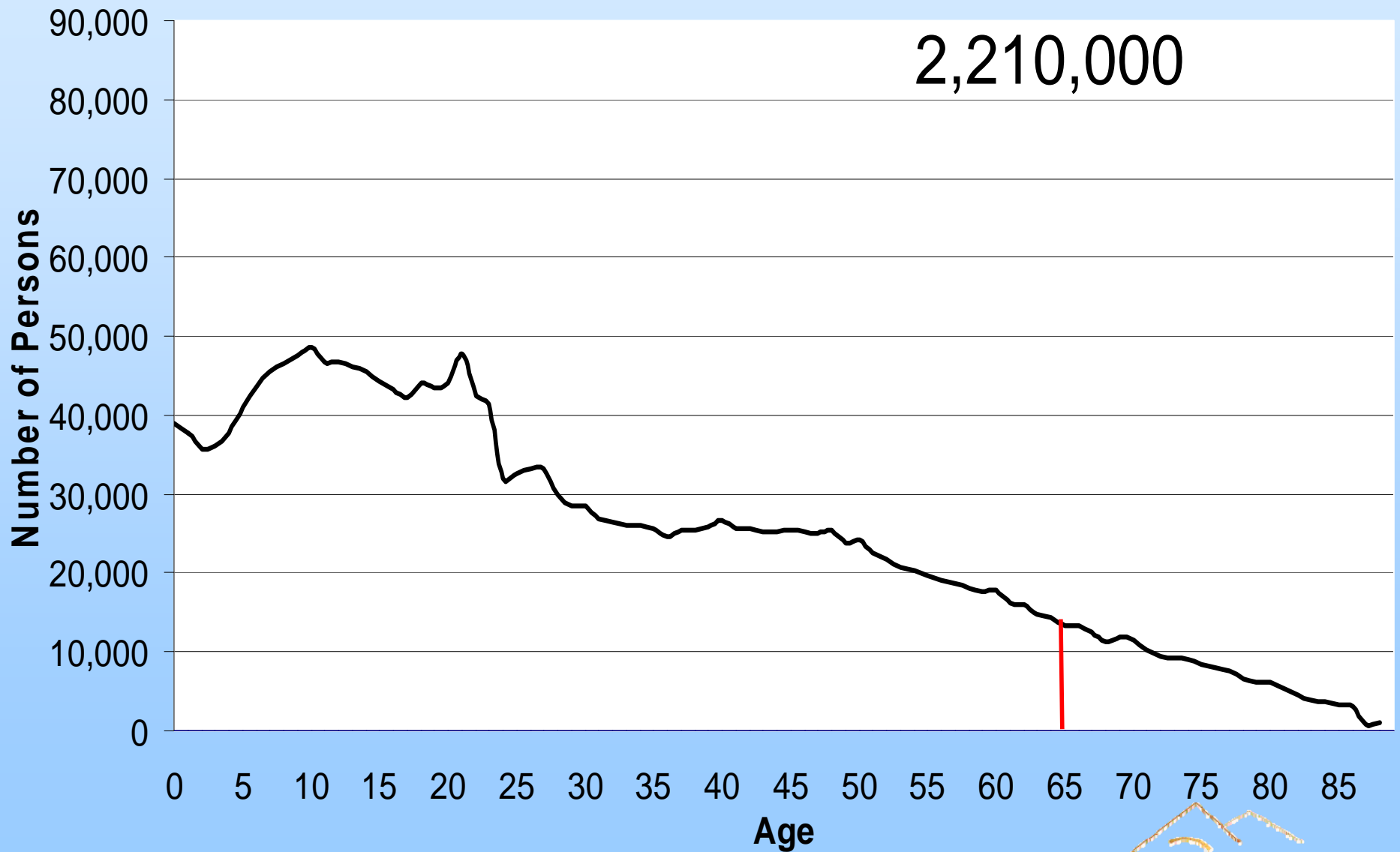
A Major Demographic Factor and Economic Factor Affecting the Growth of the Colorado Population:

**The “Aging” of Colorado’s
and the Western U. S.’s
Population of Baby Boomers**

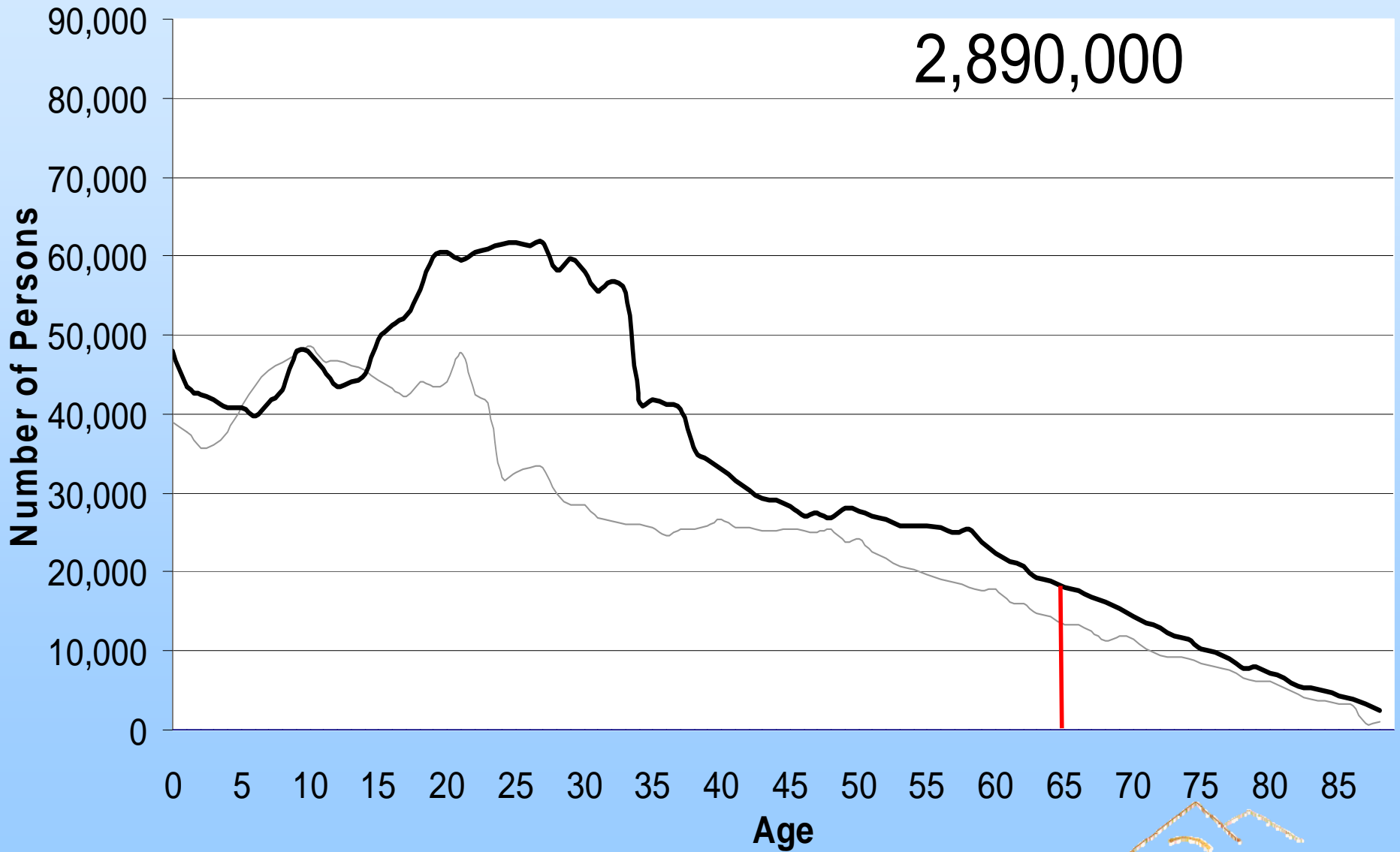
Aging of the Baby Boomers

- Born 1946 – 1964. (Ages 40 to 61 in 2006).
- In 2010 the first “Boomers” will reach 65.
- Between 2000 and 2010, Colorado’s population 55 – 64 will grow at 5.9% per year vs. 3.9% for this U. S. age group, and 1.8% for Colorado total
 - Increasing by over 75% from 342,000 to 607,000
- By 2030, Colorado’s population 65 and over will be 3 times that in 2000 growing from 400,000 to 1.2 million.

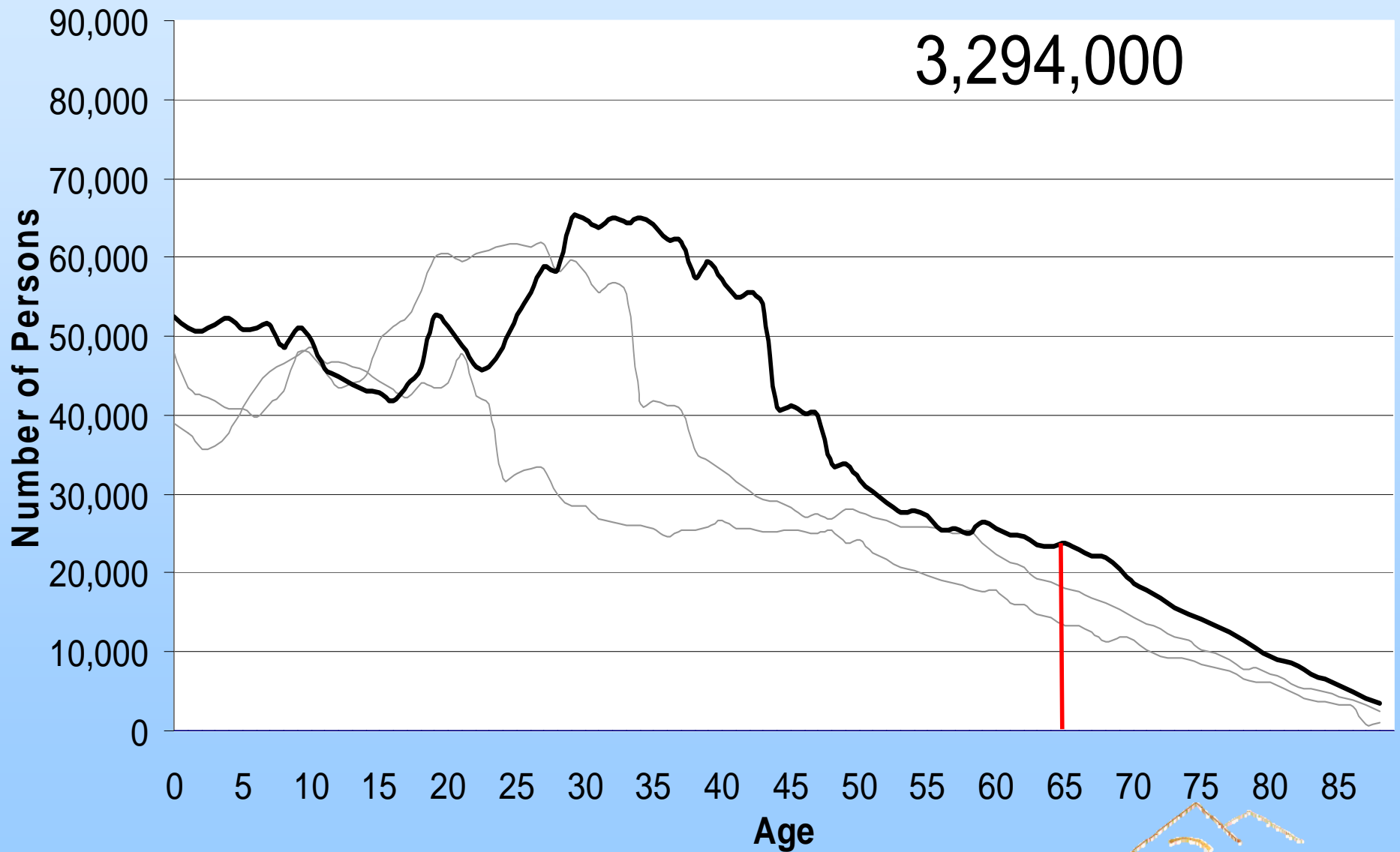
Colorado Population by Age 1970



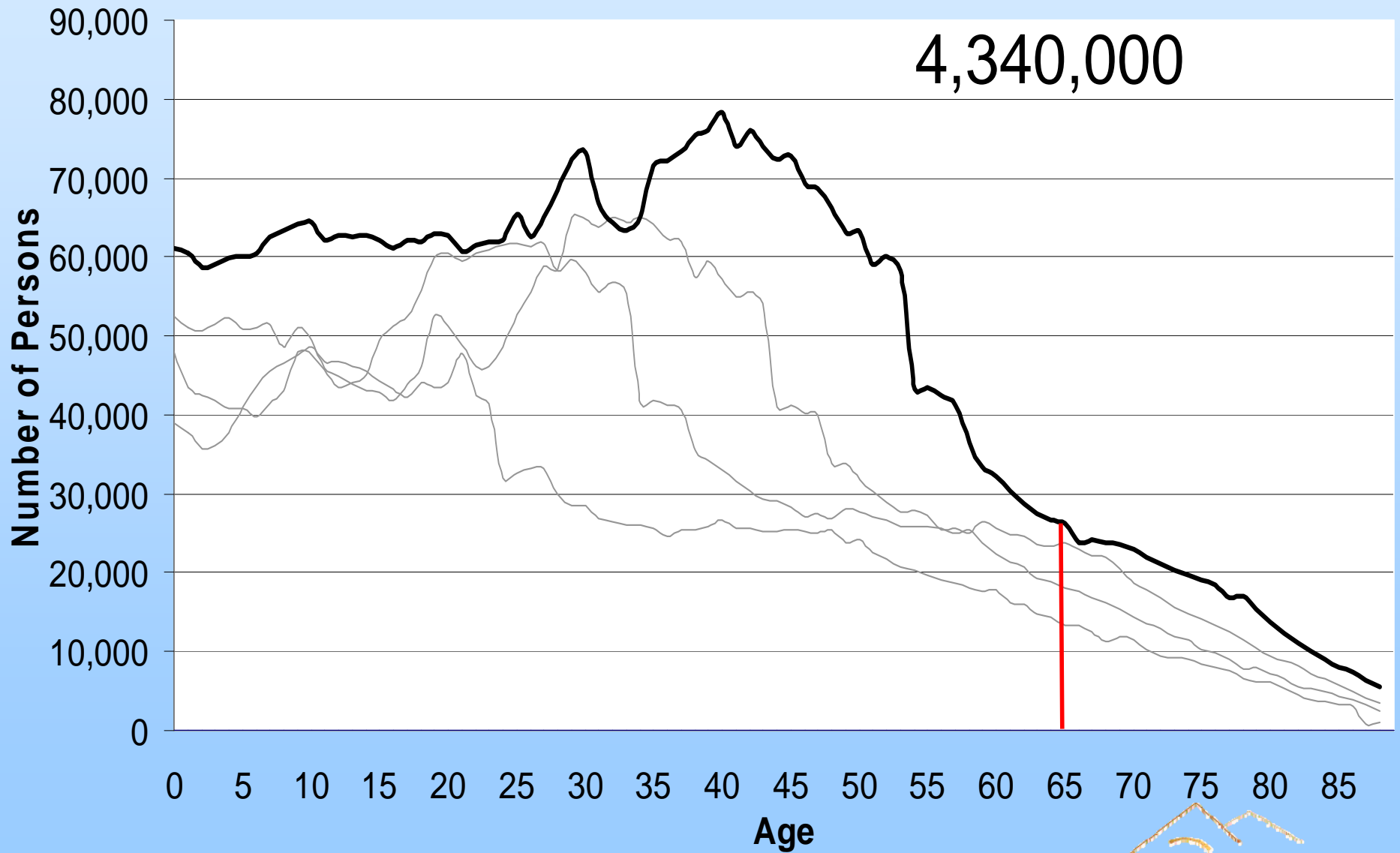
Colorado Population by Age 1980



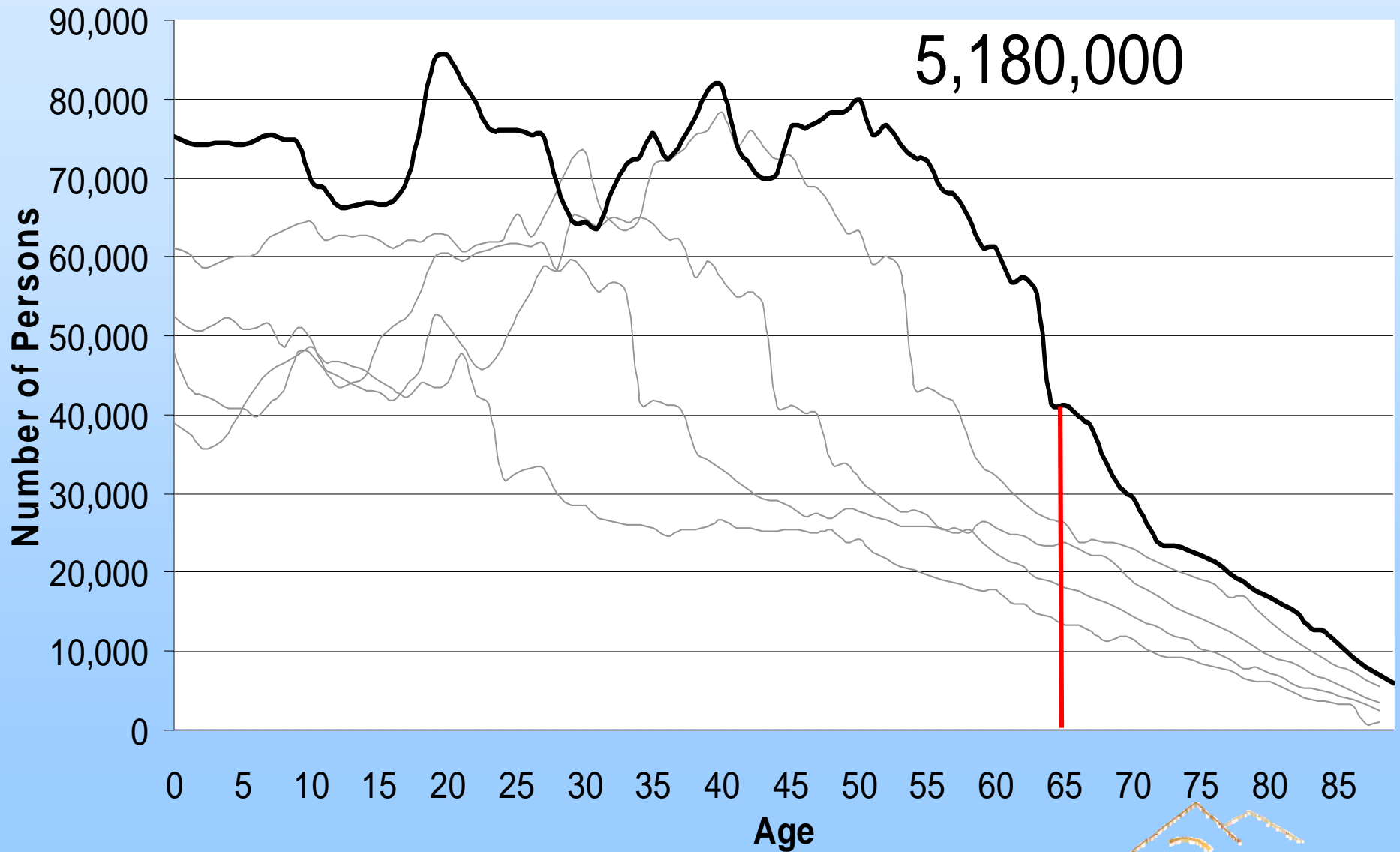
Colorado Population by Age 1990



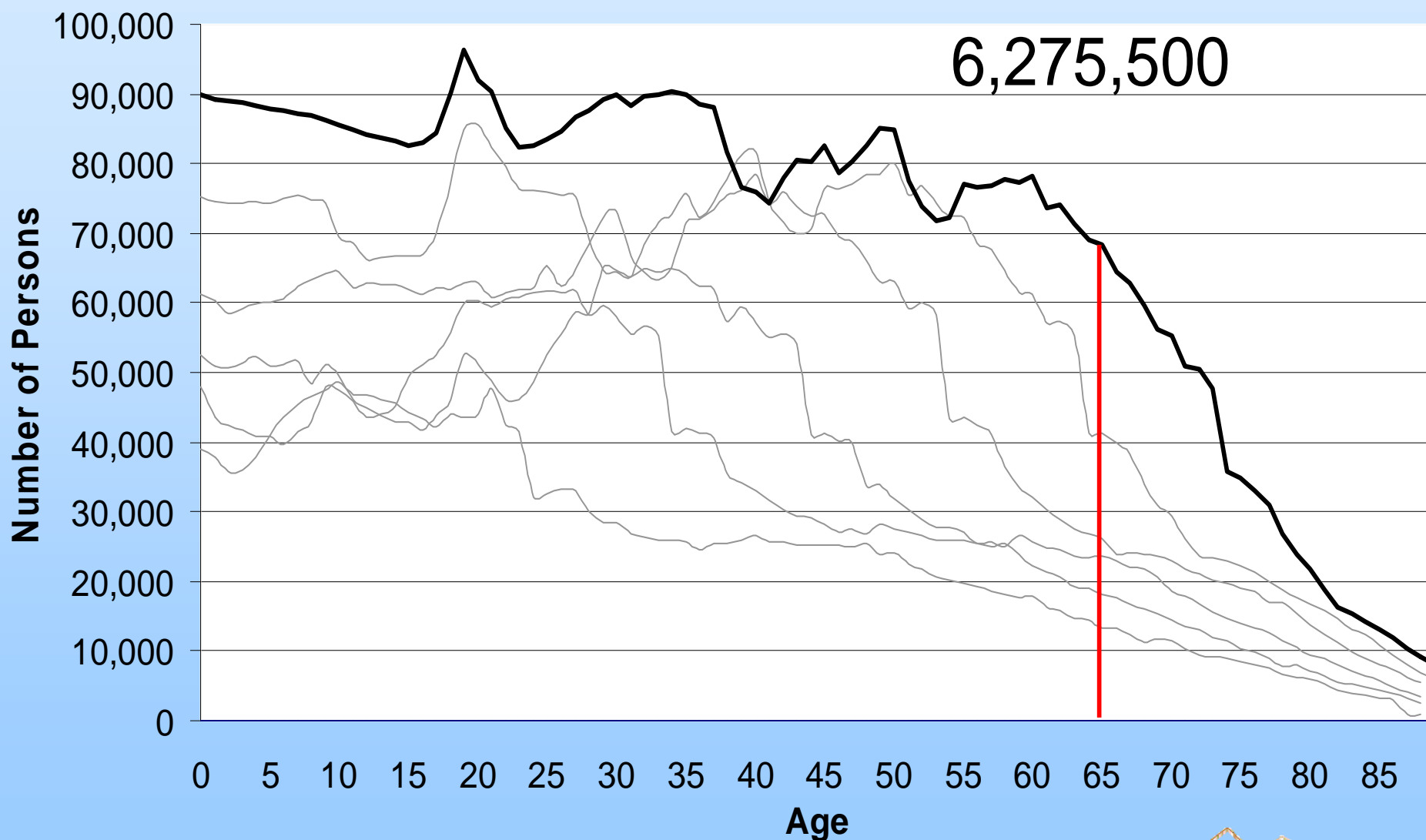
Colorado Population by Age 2000



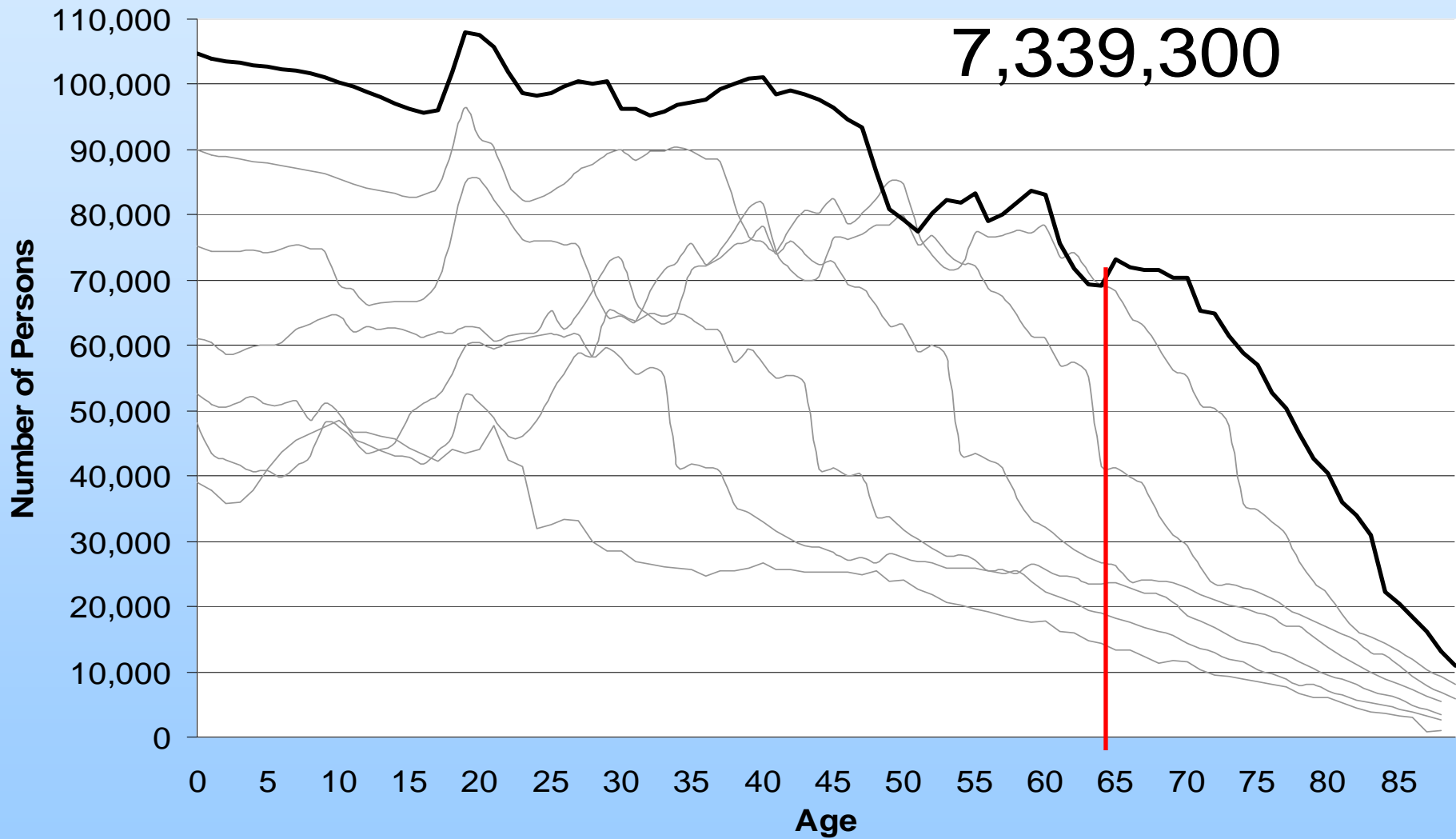
Colorado Population by Age 2010



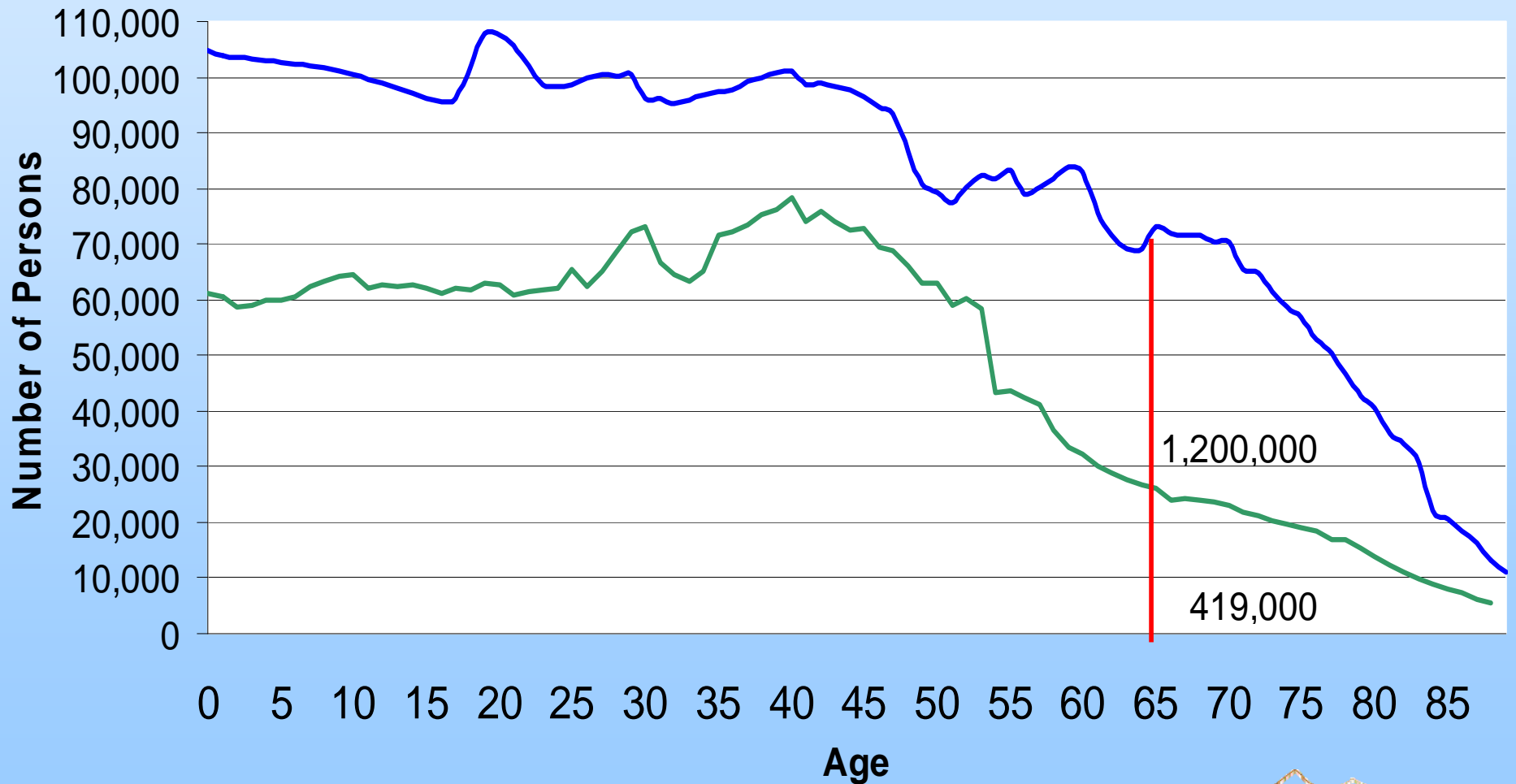
Colorado Population by Age 2020



Colorado Population by Age 2030

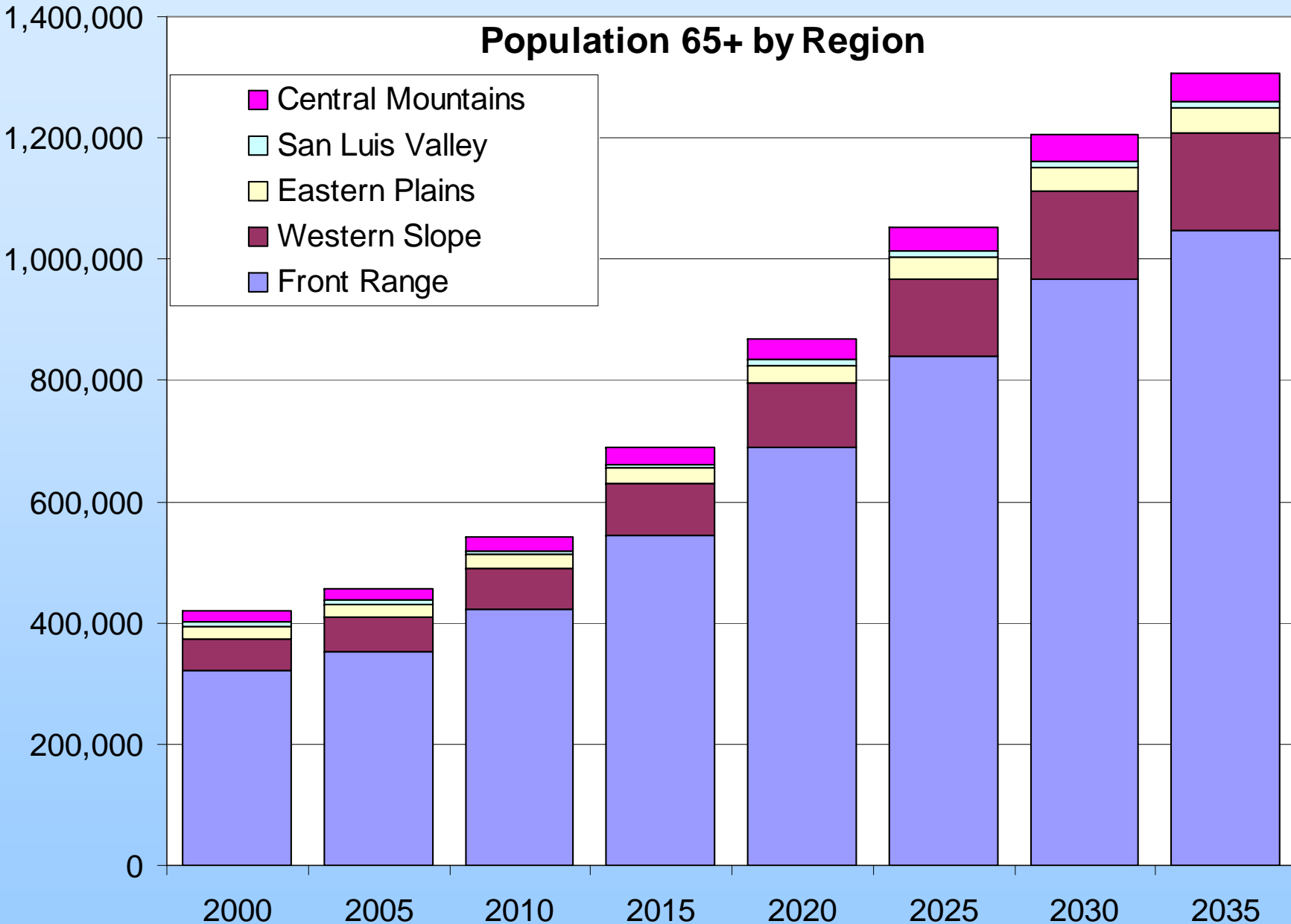


Colorado Population By Age 2000 and 2030



Population 65+ by Region

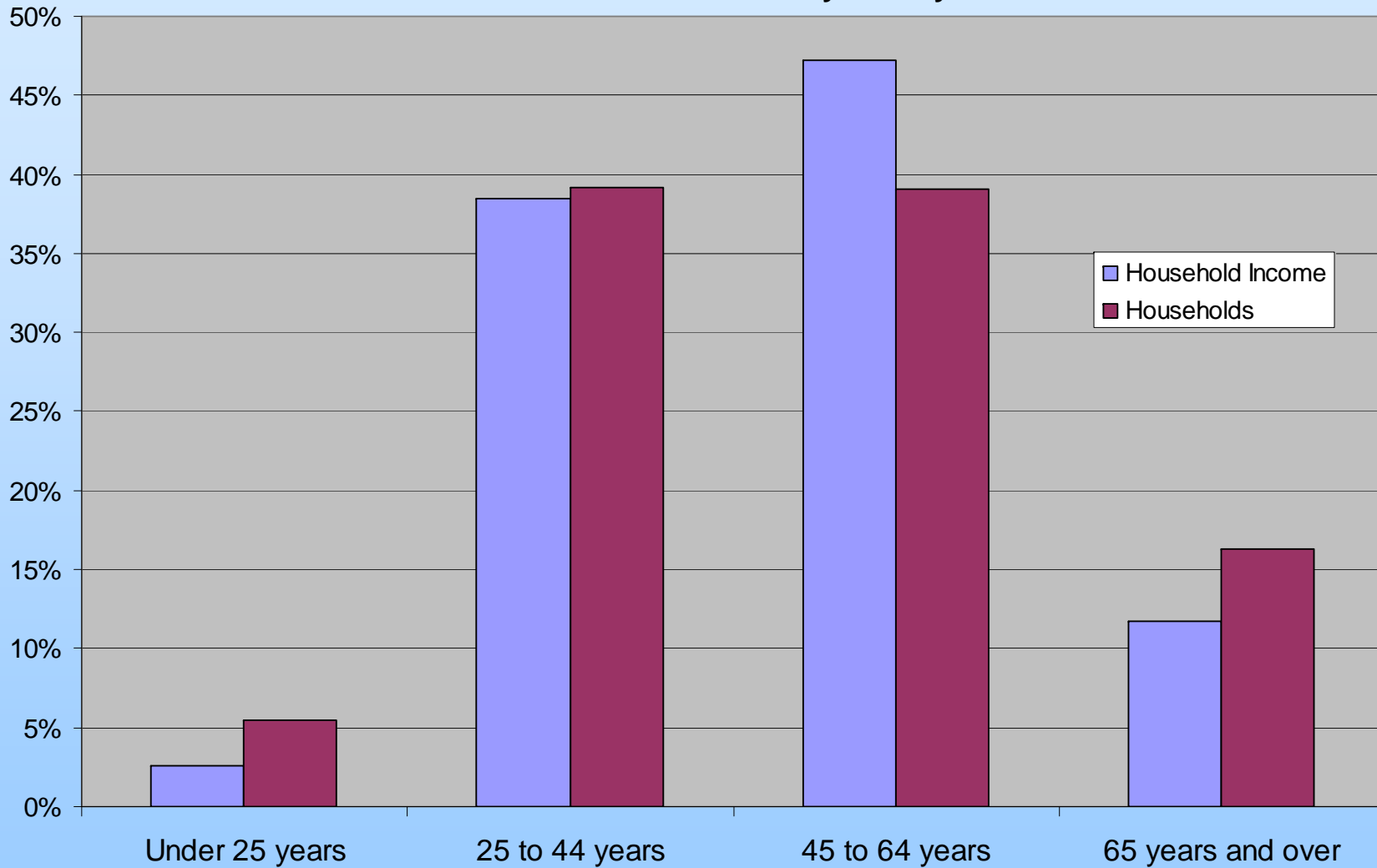
- Central Mountains
- San Luis Valley
- Eastern Plains
- Western Slope
- Front Range



Aging Issues

- Numbers
 - Colorado has never had many older people – migration brings people in at the young end.
- Economic driver – Not as much wealth due to drop in stock market but still a driver
- Healthier
 - Young Boomer – Active and staying in labor force
 - Older Boomer – Service Demands, New Issue
- Higher Educational Attainment
 - Resource
 - Expectations
- Aging “in place” – services and activities.
 - Function of income
 - Transportation

Colorado Share of Households and Income by Age American Community Survey 2007



Aging Issues

- Public Policy/ Public Finance
 - Ratio of 65+ per 20-64 year olds in CO
 - 15% in 2005 or 1 of every 6.7 people
 - 27% in 2030 or 1 of every 3.7 people
 - Workers vs. non workers
 - Civic Engagement
 - Sales Tax – people over 65 shop differently
 - Age Relationships
 - Demands of 65+ vs. demands <65.
 - Different Priorities

Labor Force Trends

- Labor Force
 - 45% of the labor force is a “boomer”
 - Labor force participation rate forecast to increase through 2015 and then start dropping as the baby boomers completely leave the labor force by 2035 (+/-)
 - Staying longer in workforce – health, interest, need.
 - Increase demands (replacement and new service)
 - 2020-2025 largest growth in leavers

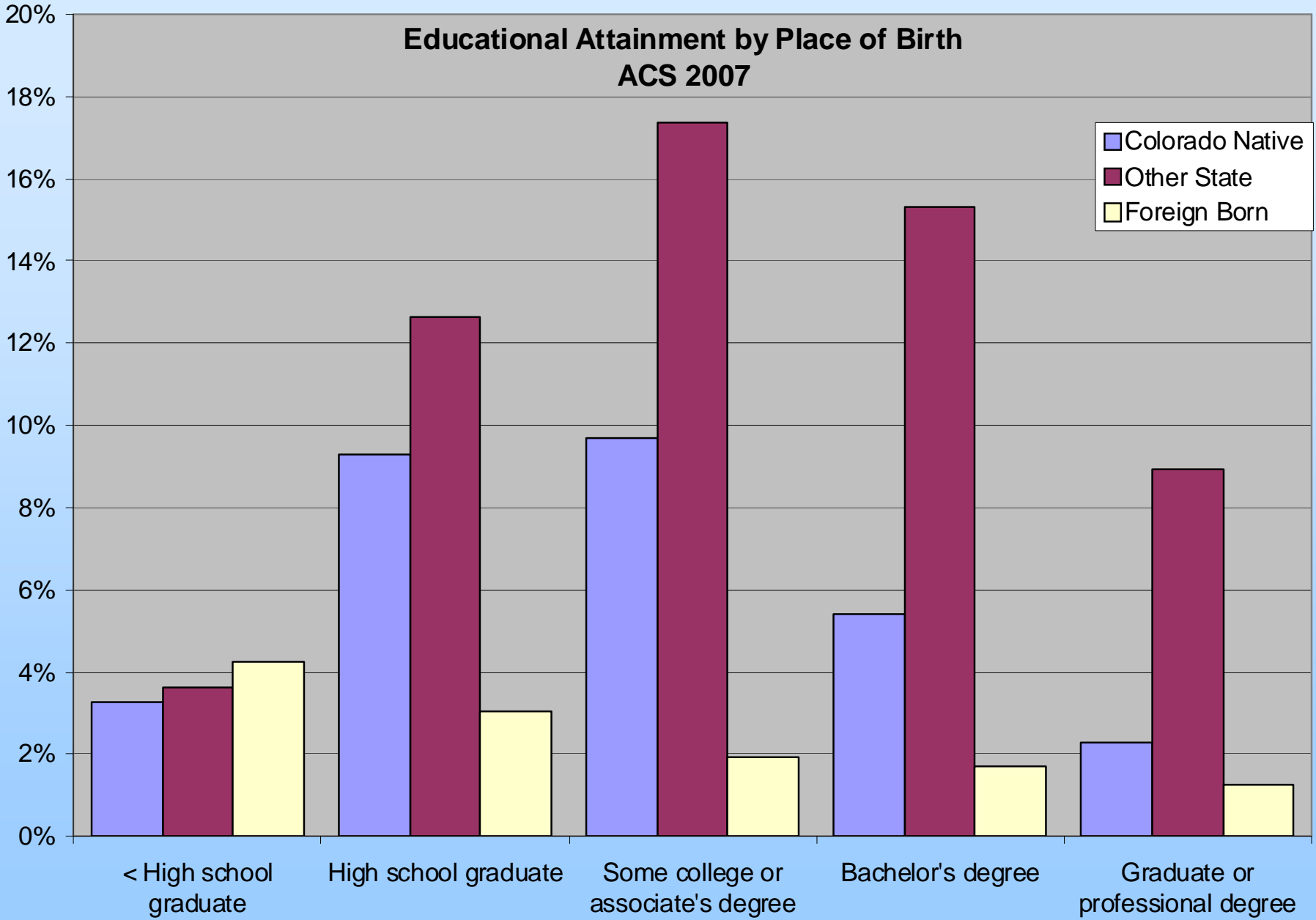
Housing and Household Trends

- Persons per household are forecast to shrink
 - Baby boomers – kids are leaving
 - Changes in household formation – single person households
- Retirees – will they stay or go? – where will they go?
- Type of housing – single floor condo, etc.
- Location – amenities, health services, transportation.
- Worker vs. non worker housing

Growing Racial and Ethnic Diversity

- Racial and Ethnic minorities growing at a faster rate – 2.9% vs 1.7%
 - Hispanics and Asians tend to be younger and therefore tend to have higher birth rate.
 - Immigrants tend to be younger
 - Tendency to return to retire – depends on country of origin.
- 33% of the population 20 and under are ethnic and racial minorities compared to 23% over the age of 20.
- Immigrant population is more disperse than ever – big cities, small towns, suburbs, rural areas, coasts, interior America.
 - Cost of living, jobs
- Education – coming with less education, need to assimilate, direct correlation between education and income.
- Between 2006 and 2007 ACS data indicate decline in foreign born population.

Educational Attainment by Place of Birth ACS 2007



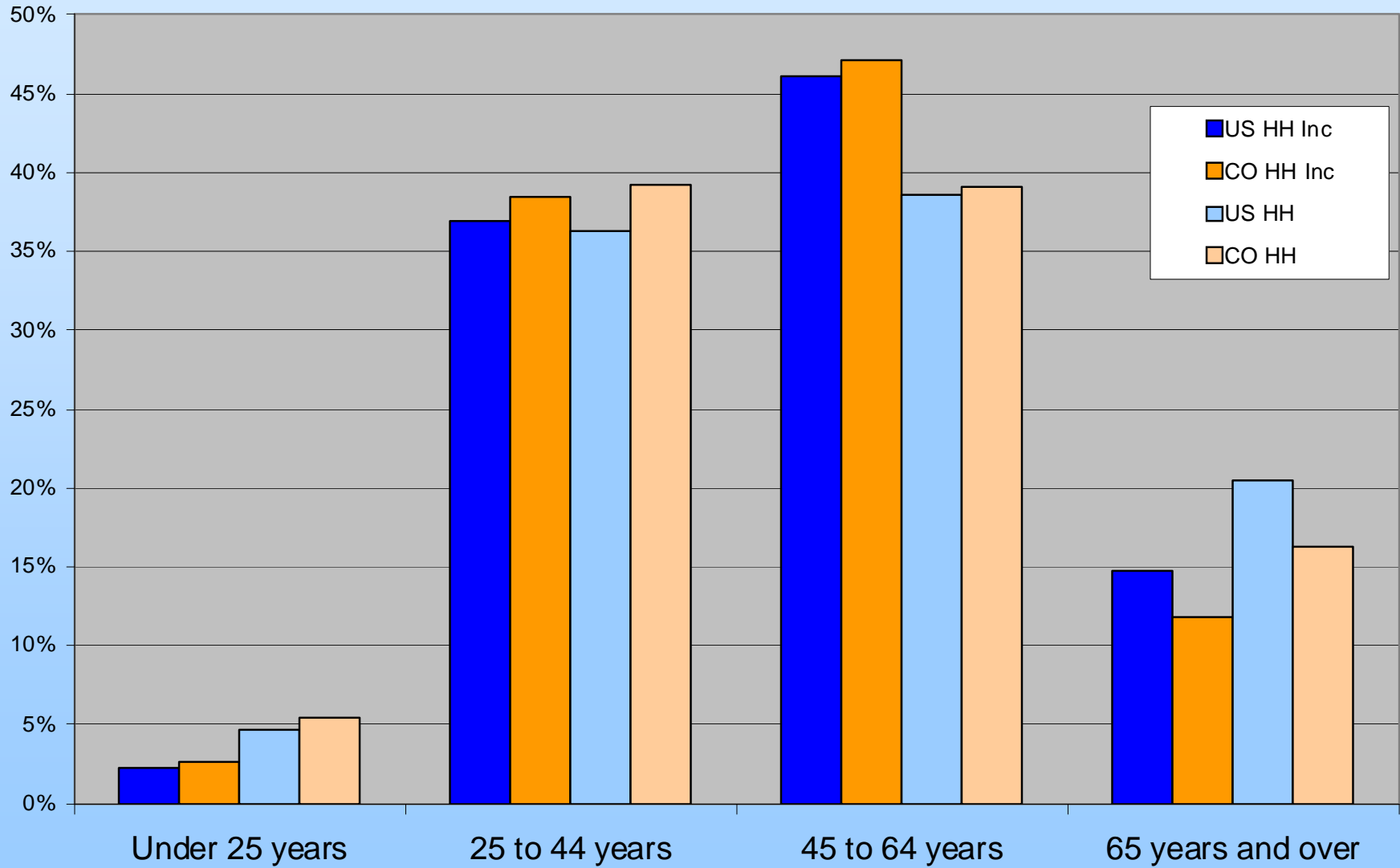
Summary of Trends

- Most of Colorado's population change is related to economic growth.. net migration.
- Economy and physical environment impact population characteristics like age, gender, educational attainment, household formation, income.
- Aging of the Baby Boomers
- Labor force
- Housing type
- Household formation
- Growing racial and ethnic diversity

Demographics and Income

- **People form households.**
- **Income is usually measured as a household or family (sub-group of household).**
- **Household Income can be influenced by:**
 - **Age distributions**
 - **Household type – 1 or 2 adults, with or without kids**
 - **Race/ethnicity and gender of householder**
 - **Occupational Structure**
 - **Educational attainment**
 - **Other variables**

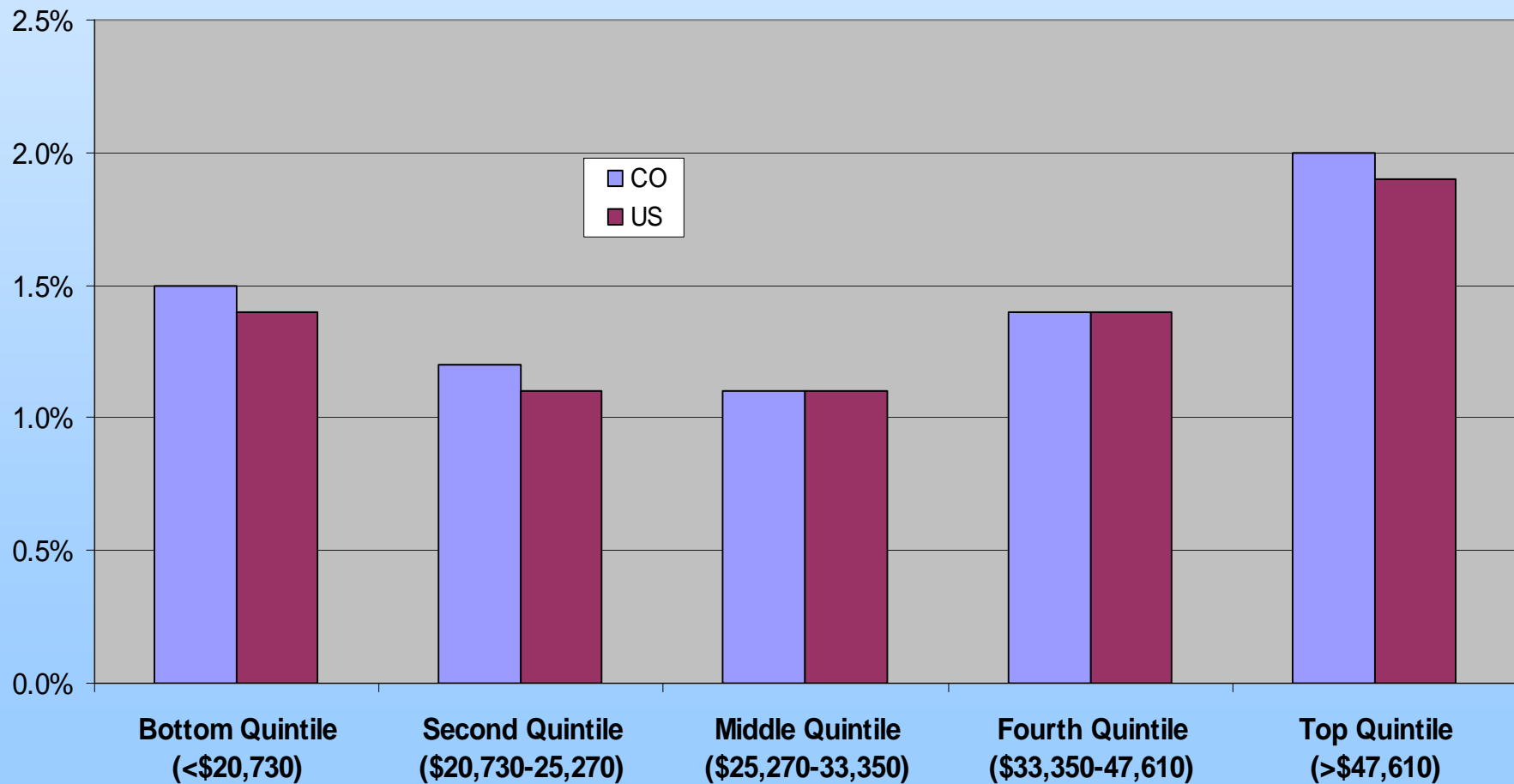
Share of Income and Households By Age ACS 2007



Occupational Structure

Projected Annual State Job Growth, 2002-2012,
by Average Pay in 2002

Source: Federal Reserve Bank of Kansas City, 2005



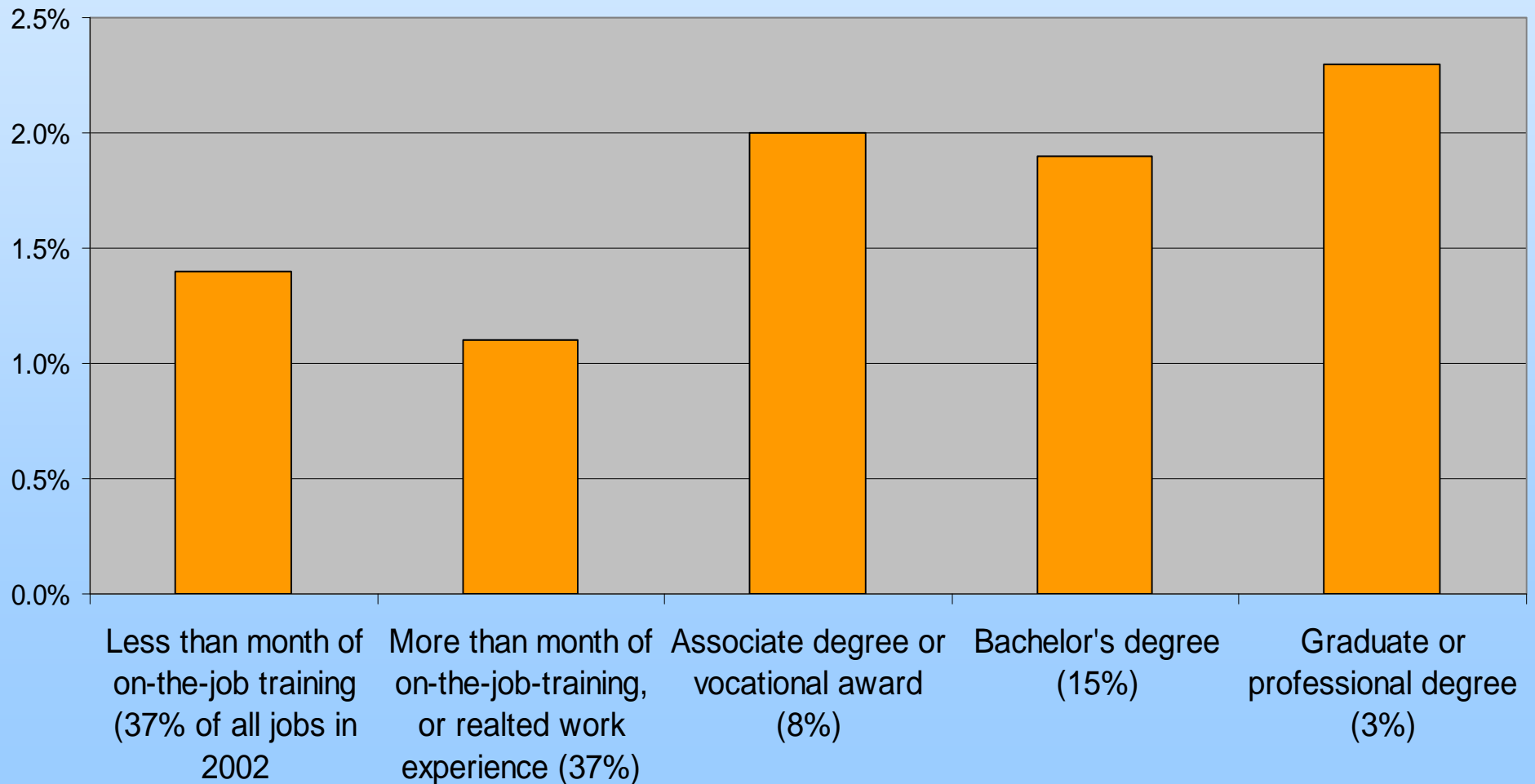
Occupational Structure

- Continue shift out goods-producing into service producing
 - High tech.
 - Business services
 - Health and social services
- Growth projected at both the higher and lower ends of pay range.
 - Software and computer design industries
 - Tourism
- High wage jobs create low and middle wage jobs
- Potential to increase income inequality

Educational Attainment

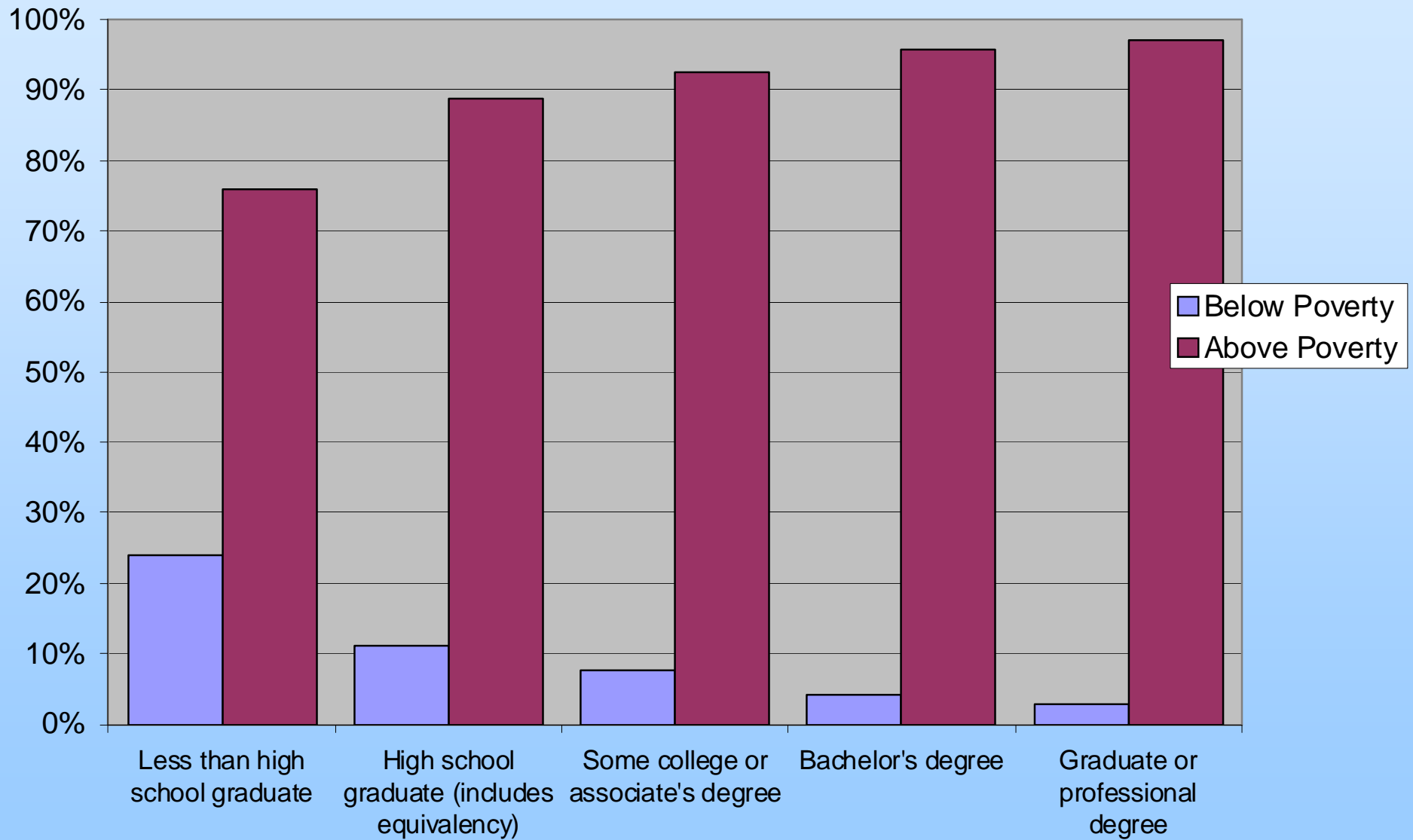
- Colorado continues to be ranked in the top 3 to 4 states for the percent of the population over 25 with a bachelors degree.
- Higher education - higher wage.
- Future Demand – Bureau of Labor Statistics
 - Complex thinking
 - Complex communication skills
 - 9 of 15 occupations projected to grow fast require a vocational award or higher

Projected Annual US Job Growth, 2002-12, By Primary Ed. Requirements of Jobs in 2002



Source: US Bureau of Labor Statistics

Colorado Population over 25 in Poverty by Educational Attainment American Community Survey 2007



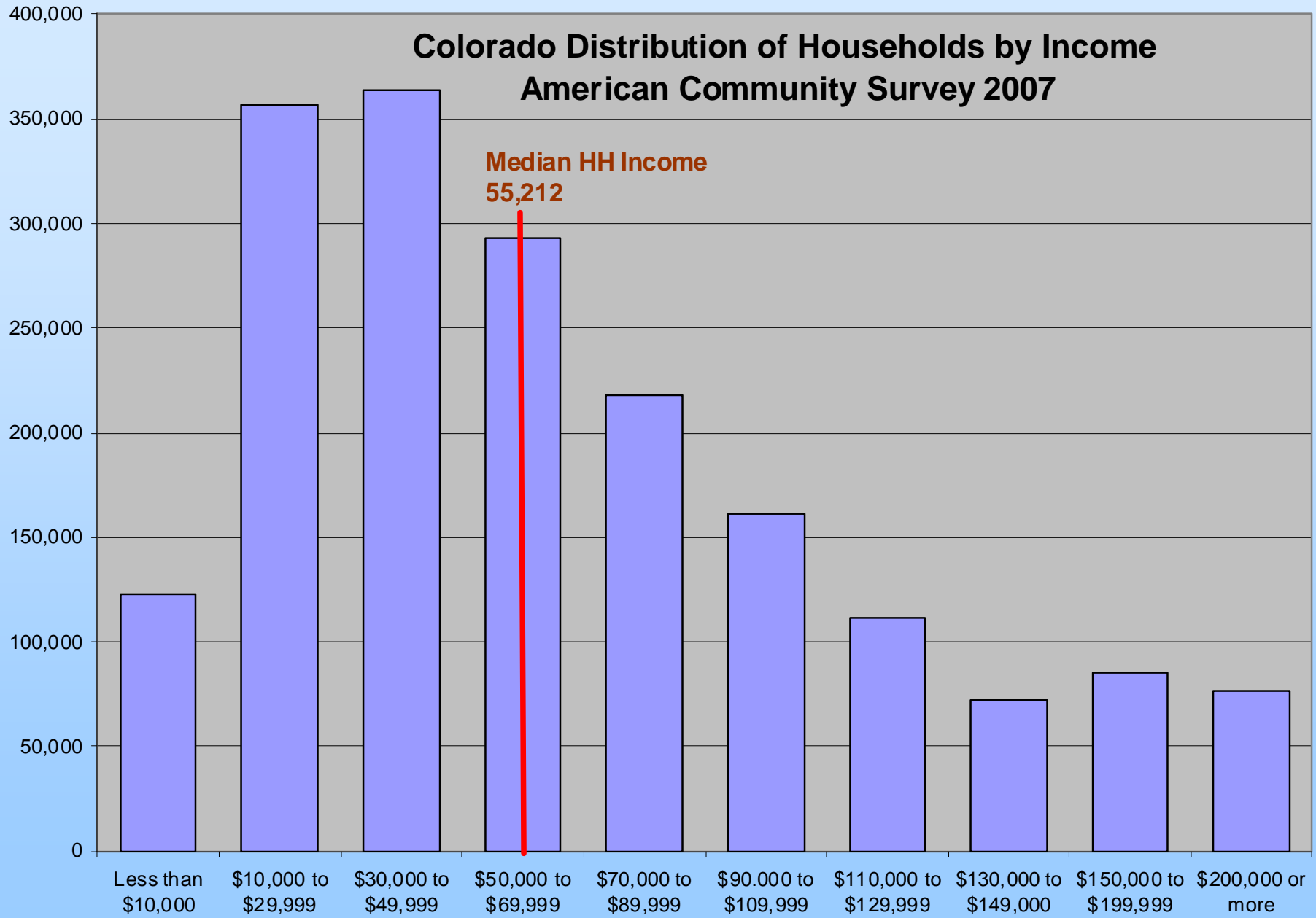
Measures of “Well Being” using Income

- Median Household or Family Income
- Distribution of Income
 - Income Inequality
- Poverty Rate or Level
- Cost of Living Index
- Self Sufficiency Standard

Median Household Income

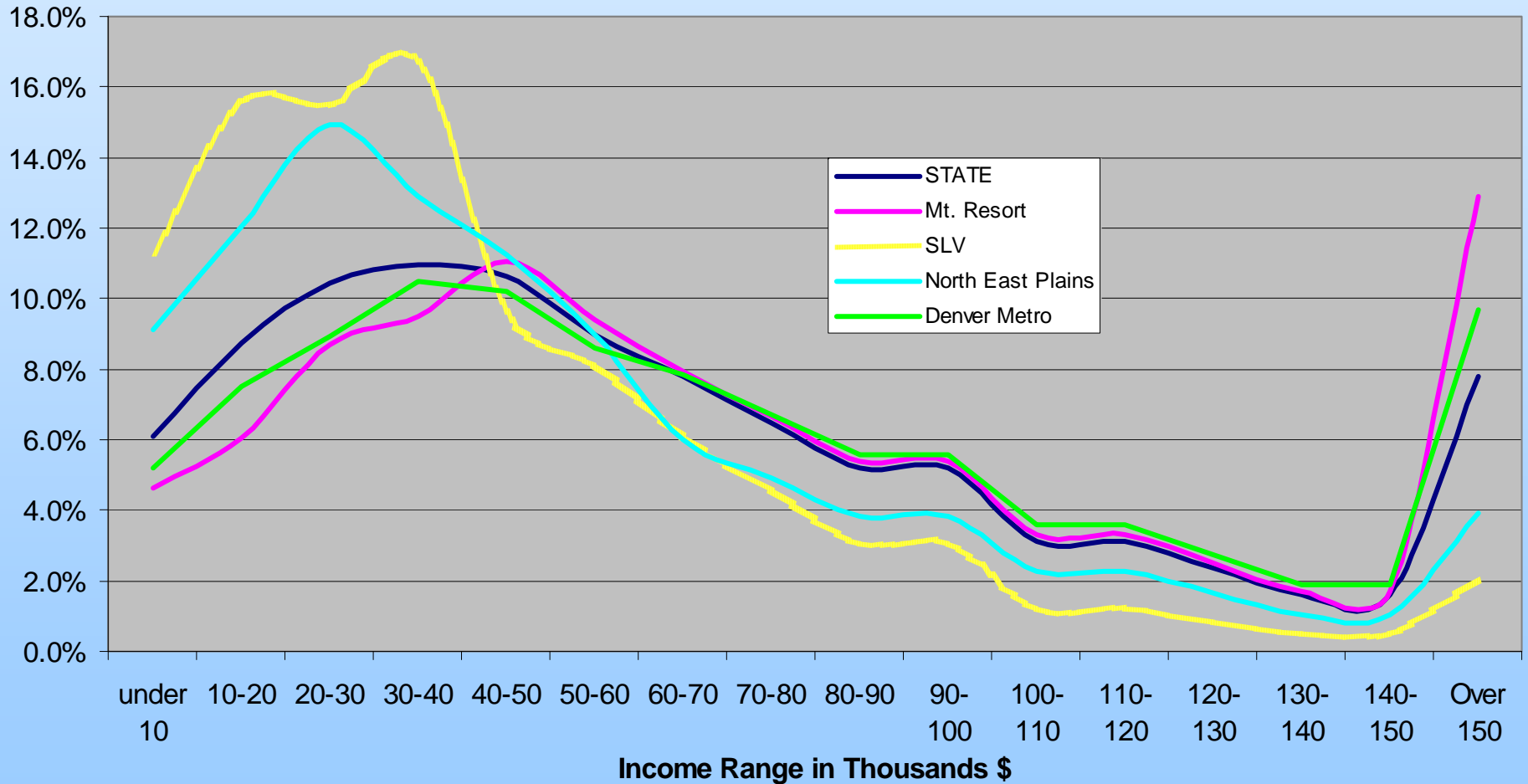
- \$55,212 in Colorado for 2007
- Ranked 11th in the US
- Ranged between 10th and 13th since 2000
- Gives you the mid-point, half of the households make less than \$55K and half make more.

Colorado Distribution of Households by Income American Community Survey 2007

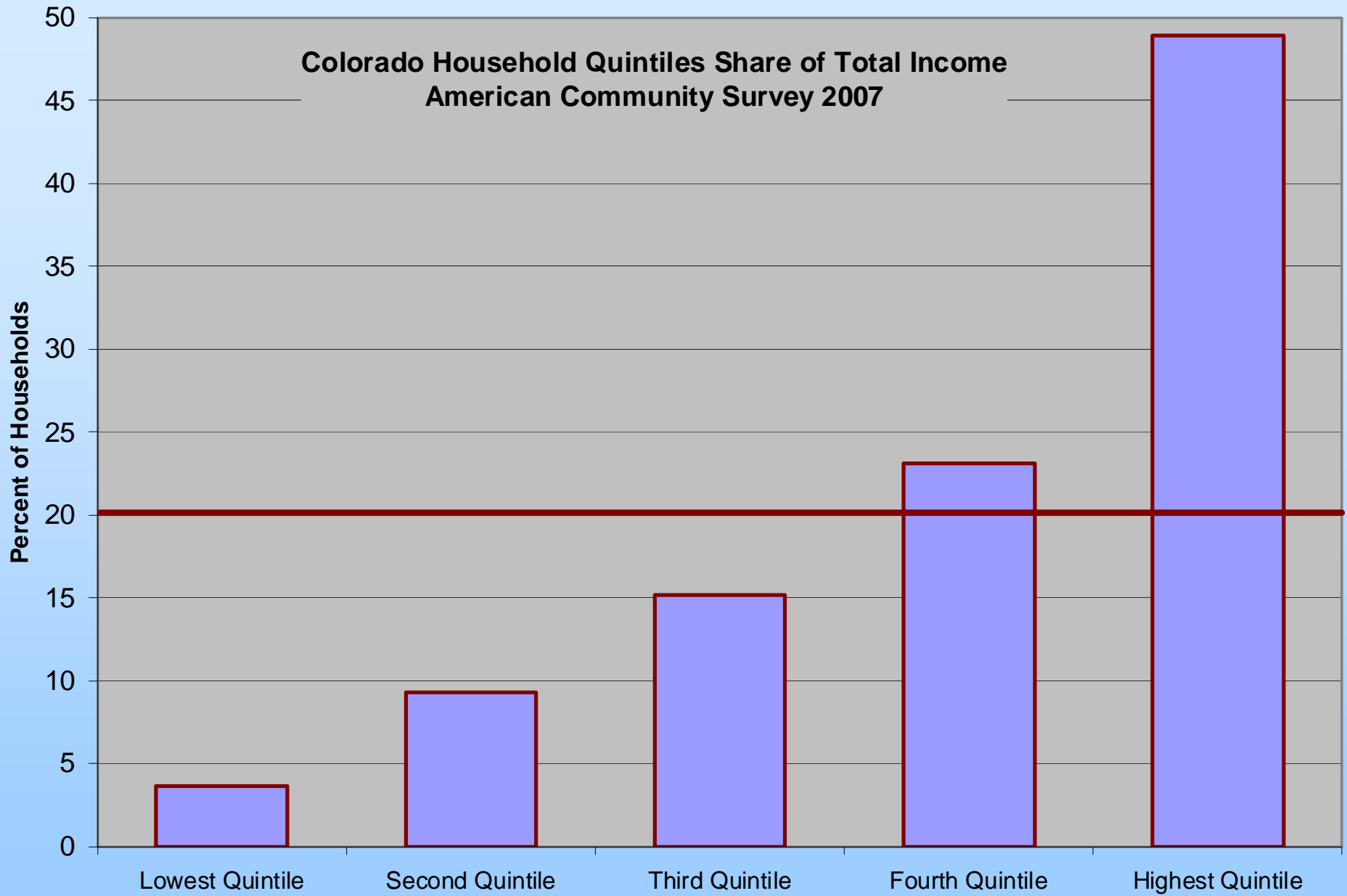


Distribution of Household Income by Region, 2005 Estimate

Source: Colorado Business and Economic Forecasting, 2005

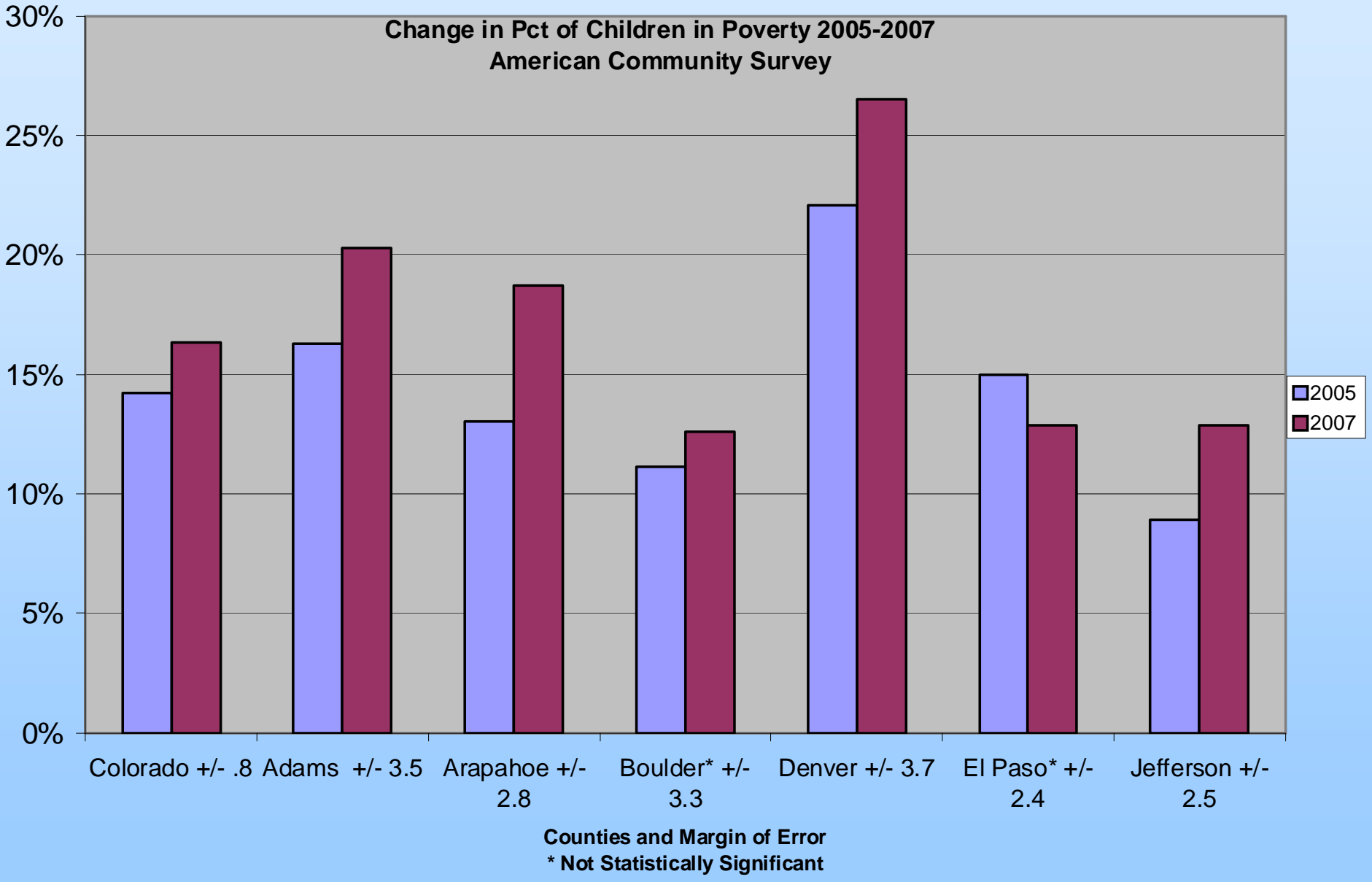


**Colorado Household Quintiles Share of Total Income
American Community Survey 2007**

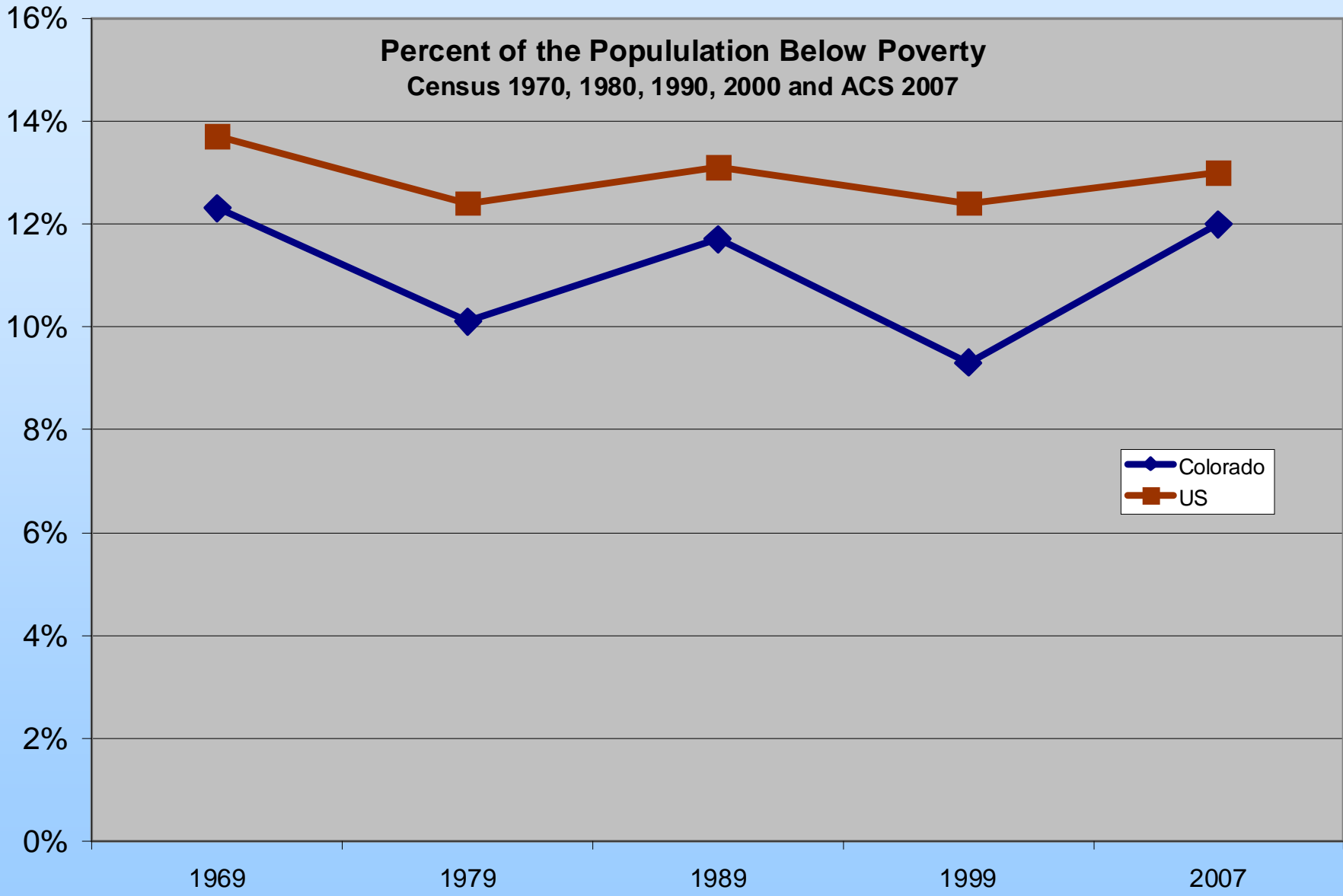


Federal Poverty Measure

- Poverty Thresholds – Census Bureau
 - Statistical yardstick, not intended as a complete description of what people and families need to live
- Poverty Guidelines – Department of Health and Human Services
 - Administrative Purposes
- Multiple sources of poverty data depending on geography and year.
 - Not easy but better than waiting a decade.
 - Tools will improve over time
 - ACS will begin providing poverty data for all geographies in 2010 as a 5 year moving average.
- Not the only measure available – Cost of Living Index, Self Sufficiency Index



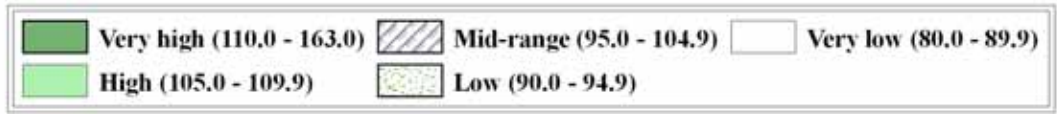
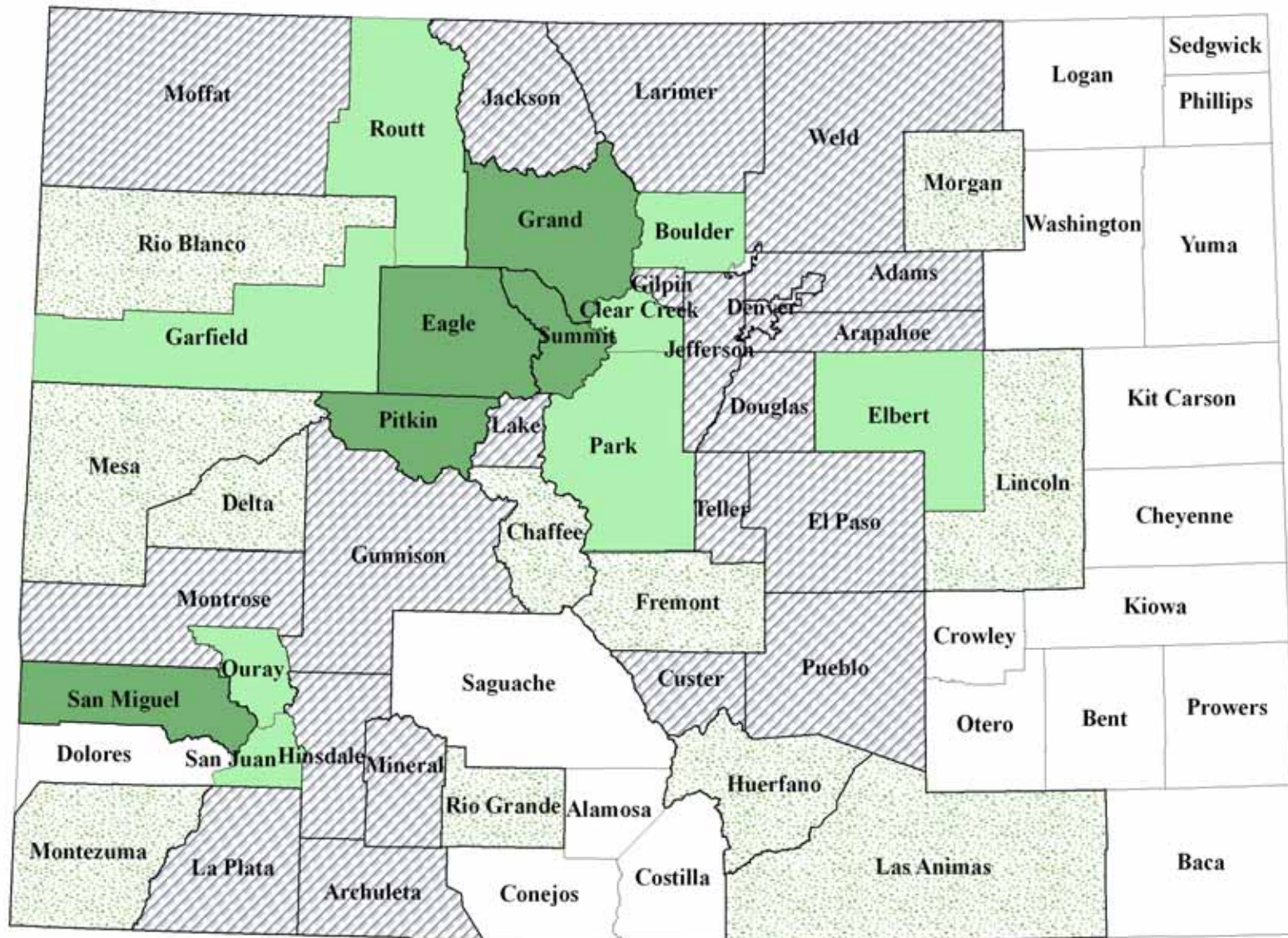
Percent of the Population Below Poverty
Census 1970, 1980, 1990, 2000 and ACS 2007



Cost of Living Index

- Produced by Colorado State University using data collected by Legislative Council for the Education Funding Formula.
- Creates an index based on costs by county. For example the Colorado average would be 100 and Douglas County is 102 meaning its costs are 2% greater than the Colorado Average.
- Can be used to normalize costs and income across the state.
- Website

www.dola.state.co.us/dlg/demog/publications.html



Self Sufficiency Standard

- Produced by Colorado Fiscal Policy Institute
- Created tables by county by family type with costs of basic needs and salary needed to support those costs.
- Great tool to work with clients, educators, policy makers
- Website:
www.dola.state.co.us/dlg/demog/publications.html

Summary

- Demographic factors will influence income
- Colorado could decline in income measures due to demographic changes and occupational structures.
- Median income does not provide a complete picture – need to see the distribution.
- Increase in income inequality.
- Poverty not easy to measure. Many sources but improving. All data is showing increases in poverty.
- Poverty is not the only measure to consider. Other tools available.