COLORADO ECONOMIC & POPULATION TRENDS

State Demography Office
Colorado Department of Local Affairs
www.colorado.gov/demography
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State Demography Office Overview

• Embedded within a State agency
  • Responsible for acquiring, warehousing, and disseminating population data needed by state agencies and other public entities

• Department of Local Affairs
  • Prepares data, information, and technical & financial assistance tailored to account for local perspectives, needs, and pressing issues

• 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 – numbers convey little without context.
State Demography Office’s Core Competencies

- Population
  - Year-by-year Estimates
  - Projections (out to 2040)
  - 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
Why Does Economics / Demographics Matter to Public Administrators?

- **Planning for public services provision** – anticipate age, race, etc. to understand who will demand public services
- **Housing demand / supply** – prices, types, locations
- **Job Figures / Characteristics** – Types, Skills, Ripple effects
- **Incomes** – Salaries & Wages, pensions, social transfers
- **Marketplace** – What will the State, Planning Regions, & Counties’ economic profiles resemble in 10, 20, 30 years?
- **Schools, Healthcare, Transport** – What infrastructure will be needed? Where will the revenues come from?

*State Demography Office* provides an analytical framework and numerical parameters upon which to contextualize current conditions and prepare for future needs, wants, and constraints.
State Demography Office
Jobs Estimates

• Comprehensive in Scope – inclusive of wage & salary, proprietor, income-based employment
• Consists of:
  • Wage and salary employment from BEA
    • Current year estimate based on QCEW growth rate
  • Proprietors - Census Non-Employer Statistics
    • Current year estimate based on QCEW growth rate
  • Agriculture (Census of Agriculture)
  • Railroad (United States Railroad Retirement Board)
  • Household employment (population based) – Employment that arises from government transfers, passive income (rent, dividends, interest), retirement income, commuter flows
Job Estimates Highlights

- Colorado is estimated to have 2,901,554 total jobs comprised of:
  - 2,455,333 wage and salary (W&S) jobs
  - 446,221 self-employed proprietor jobs.

- The 2012 total jobs figure is an increase of 2.4%, or 67,195 jobs - the second instance of year-over-year job growth since 2007-2008.

- Of the 67,195 increase in jobs, 61,660 are attributable to W&S employment gains and 5,535 jobs to proprietor gains.
  - Equivalent to just under 2.6% growth in W&S almost 1.3% growth in Proprietor Jobs
  - 2011-12 W&S increase alone exceeded total job growth from 2010-11
2012 total jobs estimate is 18,716 jobs shy, or equivalently, 99.4% of the 2008 employment peak.
Economic and Demographic Trends to Watch

- Economic Drivers
- Migration
- Aging of the Baby Boomers
- Household Formation
- Housing
- Diversity
- Labor Force Changes – participation rates
- Income

The 2012 proprietor job number is the highest the state has seen.

State Demography Office
Proprietor’s Proportion of Jobs (2012)
In absolute terms, the largest job growth occurred in the Administrative & Support Services Sector - 9,040 total jobs or 13.4% of the total job growth in 2012.

Second largest total jobs growth came in the Professional & Technical Services category, which added 8,127 jobs.

Recovery in these industries is significant, as Administrative & Support Services Sector and Professional & Technical Services lost - in peak-to-trough terms – 12,206 jobs and 7,154 jobs, respectively.
Economic Drivers
- Migration
- Aging of the Baby Boomers
- Household Formation
- Housing
- Diversity
- Labor Force Changes – participation rates
- Income

Largest % Job Growth by Industry 2012

- ISPs, search portals, and data processing: 10.9%
- Support Activities for Mining: 9.8%
- Oil & Gas Extraction: 7.1%
- Ground Passenger Transport: 6.9%
- Mgmt of Enterprises: 6.2%
2012 Employment as a Percentage of Pre-Recession Peak

- < 85%
- 85% - 90%
- 90% - 95%
- 95% - 100%
- > 100%

Colorado State Demography Office, 08/27/2013
Sources: Esri, USGS, NOAA
Colorado Job Trends 2001-2012

- Colorado was buffeted by two major recessions
  - 2001 “dotcom bust” induced recession acutely hurt technology-oriented firms along the Front Range
  - 2007-09 Recession more broad-based, with Construction sector bearing a disproportionate burden

- From 2001-2012 Total Job growth was just 7.5%
  - Added just 199,385 jobs from 2001-2012
  - Population grew by almost 17% over the same period

- Proprietor Jobs, as a Share of Total Jobs, has grown incrementally since 2001
  - Share has grown from 13.1% to 15.4% while W&S Jobs proportion has dipped from 86.9% to 84.6%

- Job growth by Industry over the period led by what was a relatively dormant sector in past decades
Oil & Gas / Mining averaged growth of 12% per year from 2001-2012 with Manufacturing declining by 2.4% per annum over the same timeframe.
Job Growth by Industry 2001-12

• In absolute terms, the Healthcare industry added just over 77,500 jobs

• Second largest total jobs growth came in the Professional Business Services added 47,300 jobs

• Oil & Gas Sector, buoyed by high mineral & energy prices over the last decade and the introduction of advanced extraction techniques, added more than 19,300 jobs
Sizing up Colorado’s Population

- April 2010 population estimate of 5 million constituted 9th fastest growth rate at 16.9% in the US from 2000.
  - US as an aggregate grew at 9.7%
- Annual average growth rates within the state since 2000 range from 5.6% to (-1.4%), depending on county
- The 7 county metro area has an estimated 2010 population of 2.79 million or 55.4% of the total state population.
- Since 2000 the fastest growing part of the state has been the North Front Range with an annual average growth rate of 2.7% followed by the Western Slope at 2.2%.
  - Weld County grew from a population of 183,076 in 2000 to 254,270 in 2010, an annual increase of 3.3% since 2000.
## Top 5 Counties for Population Growth
### Population Change 2000-2010

<table>
<thead>
<tr>
<th>Percent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>16.92%</td>
</tr>
<tr>
<td>Douglas</td>
<td>62.41%</td>
</tr>
<tr>
<td>Weld</td>
<td>39.73%</td>
</tr>
<tr>
<td>Garfield</td>
<td>28.77%</td>
</tr>
<tr>
<td>Mesa</td>
<td>26.21%</td>
</tr>
<tr>
<td>Eagle</td>
<td>25.30%</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Percent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>727,935</td>
</tr>
<tr>
<td>Douglas</td>
<td>109,699</td>
</tr>
<tr>
<td>El Paso</td>
<td>105,334</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>84,036</td>
</tr>
<tr>
<td>Adams</td>
<td>77,746</td>
</tr>
<tr>
<td>Weld</td>
<td>71,889</td>
</tr>
</tbody>
</table>

Source: Census 2010
# Municipal Population Change

## Population Change by Municipality 2000-10

<table>
<thead>
<tr>
<th>Growth</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Springs city</td>
<td>Wheat Ridge city</td>
</tr>
<tr>
<td>55,537</td>
<td>-2,747</td>
</tr>
<tr>
<td>Aurora city</td>
<td>Englewood city</td>
</tr>
<tr>
<td>48,685</td>
<td>-1,472</td>
</tr>
<tr>
<td>Denver city</td>
<td>Lakewood city</td>
</tr>
<tr>
<td>45,522</td>
<td>-1,146</td>
</tr>
<tr>
<td>Thornton city</td>
<td>Walsenburg city</td>
</tr>
<tr>
<td>36,388</td>
<td>-1,114</td>
</tr>
<tr>
<td>Castle Rock town</td>
<td>Lamar city</td>
</tr>
<tr>
<td>28,007</td>
<td>-1,065</td>
</tr>
<tr>
<td>Firestone town</td>
<td>South Fork town</td>
</tr>
<tr>
<td>431.81%</td>
<td>-36.09%</td>
</tr>
<tr>
<td>Severance town</td>
<td>Garden City town</td>
</tr>
<tr>
<td>430.15%</td>
<td>-34.45%</td>
</tr>
<tr>
<td>Frederick town</td>
<td>Genoa town</td>
</tr>
<tr>
<td>251.80%</td>
<td>-34.12%</td>
</tr>
<tr>
<td>Erie town</td>
<td>Campo town</td>
</tr>
<tr>
<td>188.27%</td>
<td>-27.33%</td>
</tr>
<tr>
<td>Monument town</td>
<td>Hartman town</td>
</tr>
<tr>
<td>180.57%</td>
<td>-27.03%</td>
</tr>
</tbody>
</table>

Source: Census 2010
Domestic migration, 2000 to 2010

Source: State Demography Office, US Census
## Population Change Under 18 years

### Change in the Population Under 18

<table>
<thead>
<tr>
<th>County</th>
<th>Growth</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas</td>
<td>31,535</td>
<td>-798</td>
</tr>
<tr>
<td>Adams</td>
<td>22,167</td>
<td>-941</td>
</tr>
<tr>
<td>El Paso</td>
<td>20,196</td>
<td>-1,293</td>
</tr>
<tr>
<td>Weld</td>
<td>19,368</td>
<td>-4,083</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>16,970</td>
<td>-14,396</td>
</tr>
</tbody>
</table>

### Change in the Population Under 18 as Percentage

<table>
<thead>
<tr>
<th>County</th>
<th>% Change</th>
<th>Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas</td>
<td>56.8%</td>
<td>-26.4%</td>
</tr>
<tr>
<td>Weld</td>
<td>38.0%</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Eagle</td>
<td>30.8%</td>
<td>-29.9%</td>
</tr>
<tr>
<td>Garfield</td>
<td>28.1%</td>
<td>-35.5%</td>
</tr>
<tr>
<td>San Miguel</td>
<td>24.4%</td>
<td>-40.6%</td>
</tr>
</tbody>
</table>

Source: Census 2010
## Population Change 2000-2010 65+

<table>
<thead>
<tr>
<th>Growth</th>
<th></th>
<th>Decline</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>El Paso</td>
<td>17,264</td>
<td>Sedgwick</td>
<td>-38</td>
</tr>
<tr>
<td>Jefferson</td>
<td>16,585</td>
<td>Cheyenne</td>
<td>-42</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>15,651</td>
<td>Bent</td>
<td>-66</td>
</tr>
<tr>
<td>Douglas</td>
<td>13,021</td>
<td>Baca</td>
<td>-103</td>
</tr>
<tr>
<td>Larimer</td>
<td>11,504</td>
<td>Denver</td>
<td>-294</td>
</tr>
<tr>
<td>Summit</td>
<td>180%</td>
<td>Sedgwick</td>
<td>-6%</td>
</tr>
<tr>
<td>Douglas</td>
<td>178%</td>
<td>Bent</td>
<td>-7%</td>
</tr>
<tr>
<td>Eagle</td>
<td>135%</td>
<td>Baca</td>
<td>-10%</td>
</tr>
<tr>
<td>San Miguel</td>
<td>133%</td>
<td>Cheyenne</td>
<td>-11%</td>
</tr>
<tr>
<td>San Juan</td>
<td>121%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Census 2000, 2010
Overview of Demographic Trends

- Most of Colorado’s population change is related to in-state developments and processes occurring outside the state... Namely net migration.
  - Sustaining net migration is a key challenge in the decades ahead
- Aging of the Baby Boomers changes face of Colorado
- Implications for labor markets, business opportunities, and government revenues and expenditures
Colorado Components of Population Change

- Net Migration
- Natural increase
Migration, Jobs, inextricably tied to one another

Source: State Demography Office
Reasons for continued in-migration

- CO unemployment rate relative to U.S.
- Jobs mismatch
- Aging out of labor force
- Denver Metro ranked #1 net migration young adults 2008-2010. (Net Migration aged 25-34, U.S. Census Bureau ACS, Brookings Institution)
Net Migration by Age 2000-2010

Source: Census Bureau, State Demography Office
Why Are We Getting Old Fast?

- Currently very few people over the age 65.
  - 4th lowest share of all states in US (10%)
- Baby Boomers
  - Born 1946 – 1964
  - 1,340,000 Boomers in Colorado (26% of pop. in 2010)
- By 2030, Colorado’s population 65+ will be 125% larger than it was in 2010 growing from 555,000 to 1,243,000. (just from aging)
- Transition age distribution from “young” to more US average between 2010 and 2030.

Source: Census 2010 and State Demography Office
Forecast for the Population 65+ in Colorado

Source: Census and State Demography Office

- 1990: 27%
- 2000: 32%
- 2010: 39%
- 2020: 61%
- 2030: 15%
- 2040: 15%
Annual Average Growth 2010-2020

Source: State Demography Office, Census Bureau
Colorado Population By Age, 1980

Source: State Demography Office, Dola

2,890,000
Colorado Population By Age, 1990

Source: State Demography Office, Dola

3,300,000
Colorado Population By Age, 2020
Source: State Demography Office, Dola

6,170,000
Percentage point change of 65+ share of population, 2010 - 2030

Source: State Demography Office
Households By Age
Source: Census Bureau (1990, 2000) and State Demography Office (2010-2030)
March 2011
Aging Issues & Opportunities

- **Numbers**
  - Colorado has never had many older people
    - 4th fastest growth rate in 65+ population (2010 Census)
    - 21st highest in proportion baby boomers - 26% (2010 Census)
  - Colorado migrates in people primarily aged 20-40

- **Healthier**
  - 65-75 – Active
  - 75+ – Service Demands, New Issue & Business Ventures

- **Economic Driver** - wealthier …. depends
  - Spending of people 65+ supported approximately 137,000 jobs in 2010. (0.25 jobs per person 65+)
  - Forecast to support 346,000 jobs by 2030
  - Impact on occupational mix & business opportunities
    - Health Services both high and low end
    - Growth potential for products and services demanded by 65+ population forecast to grow 4-6% per annum from 2010-30
Labor Force

- Boomers are 37% of the labor force (2010)
  - Staying longer in workforce – want and need to
  - Participation rates for ages 65+ increasing.
    - Flexible work schedules
  - Age relations in the workplace
  - Approx. 1,000,000 workers aging out in the next 20 years.

- Increase demands
  - Replacement and demands created by retiree needs
  - Largest increase in leavers between 2020-2025
    - 26,000 ann. ave. in 2000 to 58,000 in 2020
    - Leaver share of LF increasing from 5% to 9%

- Demands will vary by industry –
  - Education, Health, Utilities, Mining, Govt.
  - Current low numbers of Long Term Care Workers and Gerontologist
  - Doctors accepting Medicare
  - Increase in demand for caregivers – informal sector

- Metro/urban demands will impact rural areas
Aged Dependency Ratio: Population 65+ per person aged 18-64

- US
- State of Colorado
- Front Range
- Western Slope
- Eastern Plains
- San Luis Valley
- Central Mountains

2010
2040
Implications for Public Finance / Planning

The population changes associated with job growth and aging are not going to be what we are used to in Colorado:

- Modest long-term job growth rates
- Adjustments in labor markets

The impacts on public finance are inherently problematic:

- 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.
Average Income Before Taxes by Age Cohort, 2011-12

Average Income Taxes Paid by Age Cohort 2011-12

Average Property Taxes Paid by Age Cohort

Average Gasoline Purchases by Age Cohort, 2011-12

Medicaid – Long Term Care

- Long term care is expensive
- 2010 (actual):
  - Caseload of 38,487
  - Total expenditures: $982 million
- 2040:
  - Caseload of 110,755
  - Total expenditures: $3.9 billion, in real 2010 dollars
- Triples the amount spent on long term care per working age Coloradan

2010 data from the Colorado Department of Health Care Policy and Finance
2040 projections from the State Demography Office
Summary

- Demography is a powerful social force
- Economics and Demographics are inextricably tied to one another – both are inexorably changing Colorado
- “When will then be now?.......Soon.”
- Planning for the future becomes imperative.
- State Demography Office provides a framework and numerical parameters upon which to contextualize current conditions and prepare for future needs, wants, opportunities, and constraints.

Ask Us for Help!