

WHY POPULATION MATTERS  
**NOT THE WORLD WE  
REMEMBER: A CHANGING  
AMERICA**

Hazel H. Reinhardt

# WHY DEMOGRAPHICS?

- Broad trends projectable (quite accurately)
  - Can know something about the future
    - “If we know the present well, we can know the future.”. .  
Peter Drucker

# DEMOGRAPHIC TRENDS

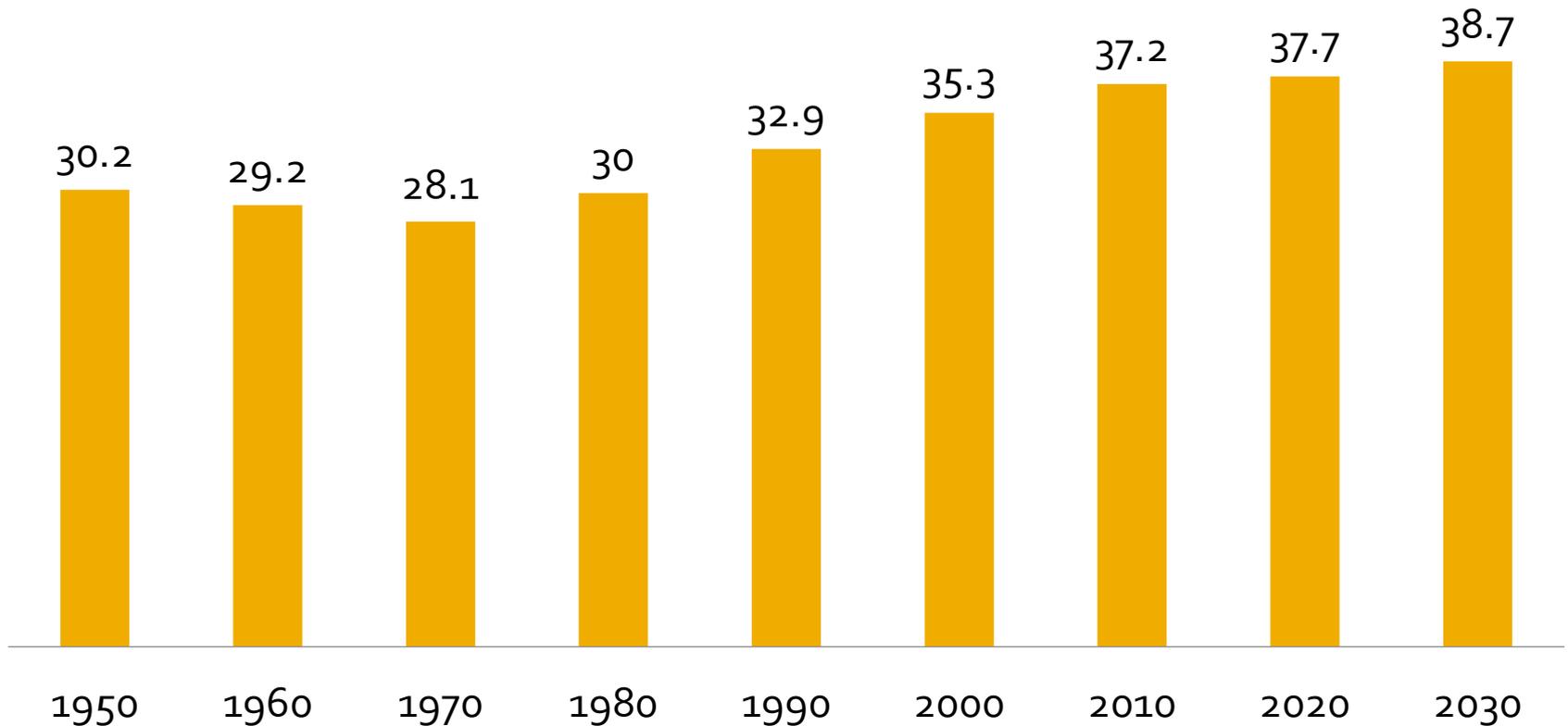
- Four major trends in the United States
  - Aging of the population
    - Life Stage
    - Generation (cohort)
  - More ethnic/racial diversity
    - Immigrants
  - Income/education gap increasing
    - Growing gap between educated/higher income households and less educated/lower income households; by household type
  - Changing geographic distribution
    - Concentration of population characteristics by geography

# WHY POPULATION AGING MATTERS

- Population aging is unprecedented
  - Population has been young historically
- Population aging is pervasive
  - A global phenomenon affecting every man, woman and child
- Population aging is enduring
  - We will not return to the young populations that our ancestors knew
- Population aging has profound implications for many facets of human life

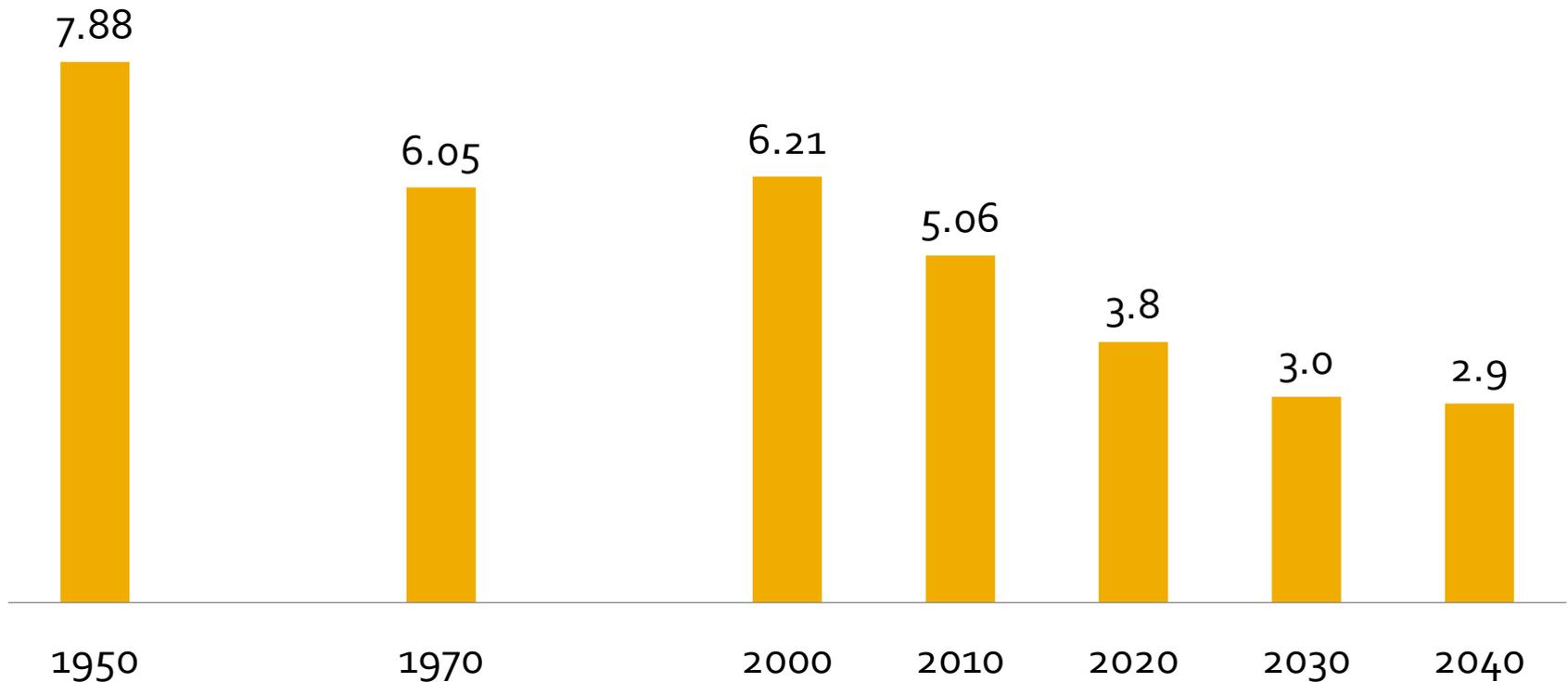
# INDICATORS OF AGING

## Median Age



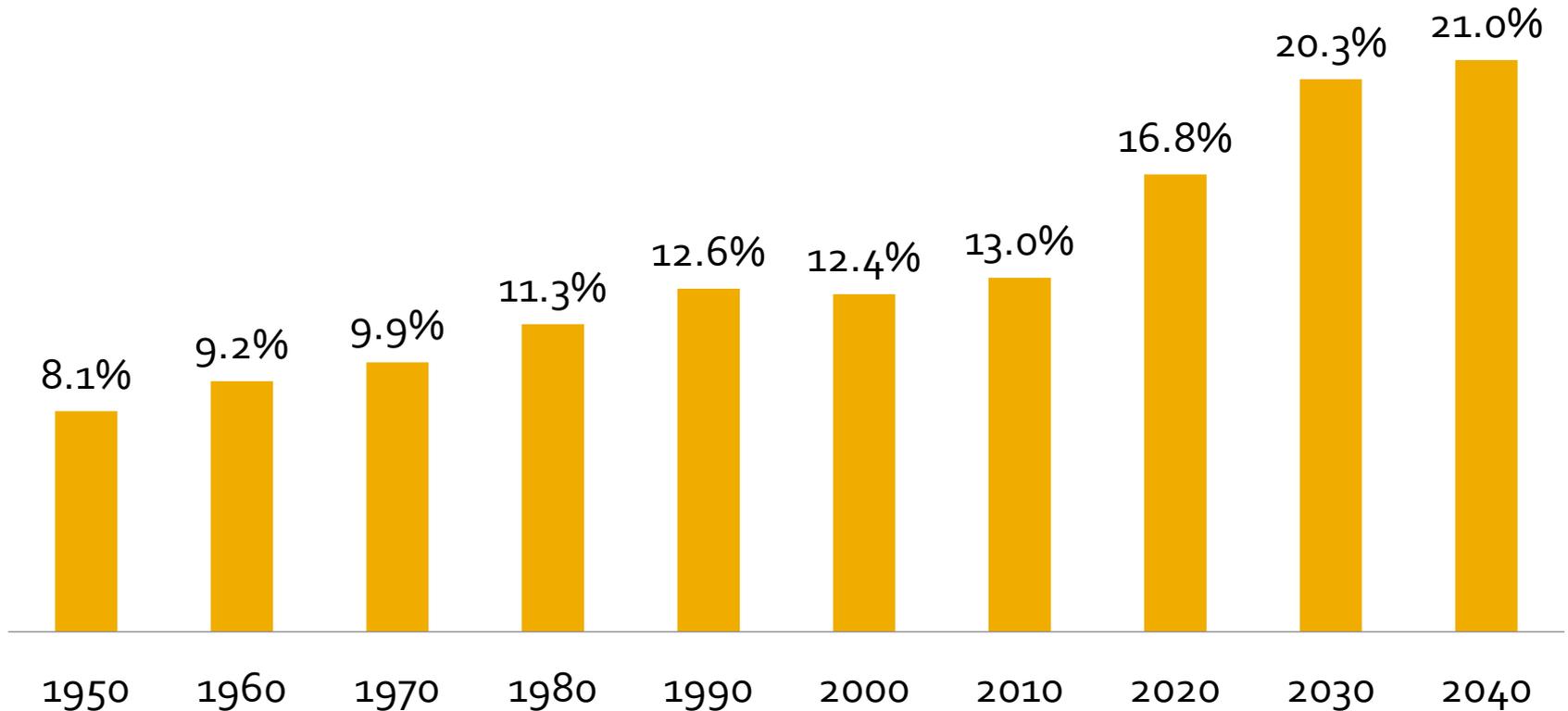
# INDICATORS OF AGE

**Dependency Ratio**  
**16-64 year-olds to 65+ year-olds**



# INDICATORS OF AGING

Percentage 65+ Years



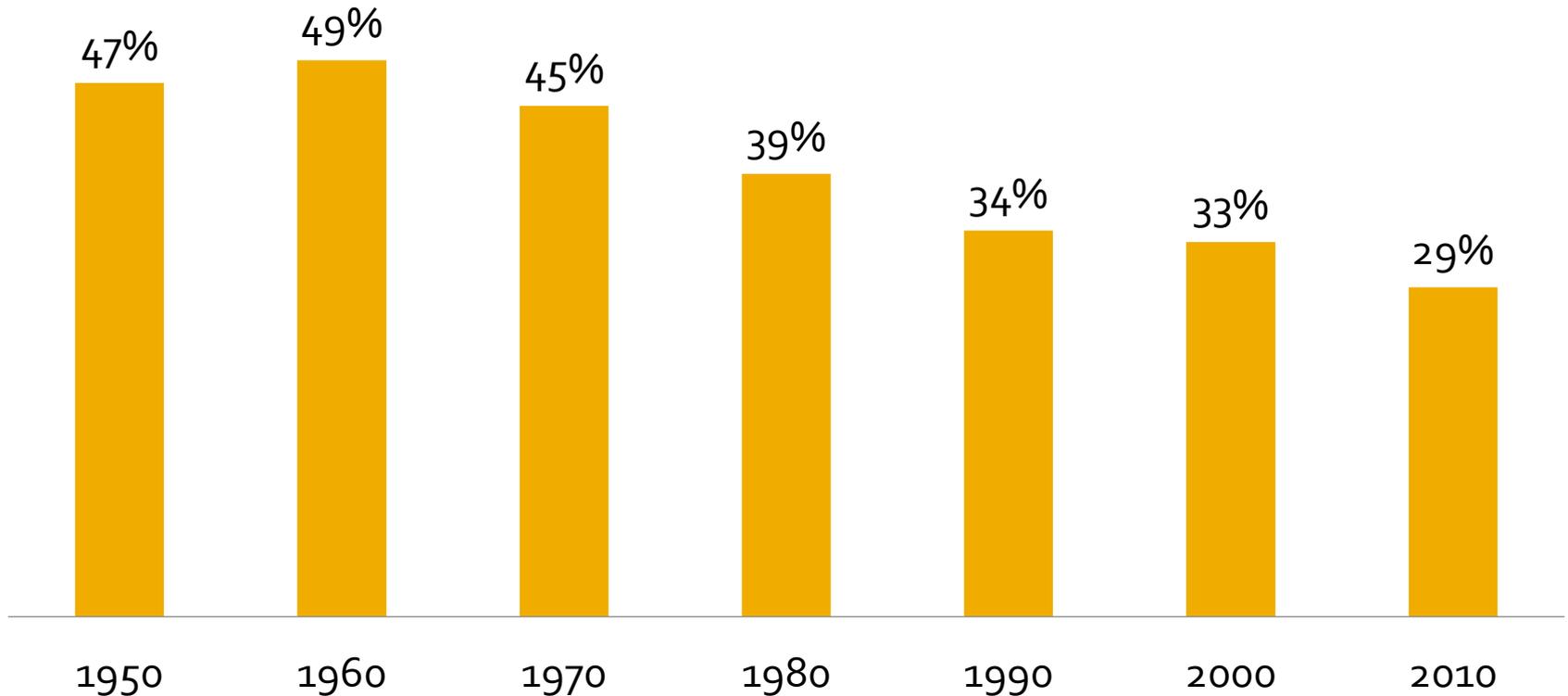
# INDICATORS OF AGING

## U.S. Population

	2000	2010	2020	2030	2040
65 years and over	34,991,753	40,267,984	55,969,000	72,774,000	79,719,000
85 years +	4,239,587	5,493,433	6,693,000	8,946,000	14,115,000
100 years +	50,454	79,000	106,000	168,000	230,000

# INDICATORS OF AGING

Percentage of Households with Children



# AGING PERVASIVE

- Highlights
  - Old-age dependency ratio increasing everywhere
  - Older population increasing faster in less developed regions of the world than in developed
    - The older population will be increasingly concentrated in the less developed regions
  - China will be the first nation to grow old before it grows rich

# AGING PERVASIVE

- Highlights (continued)
  - The older population itself is aging, i.e., increase in the very old. Life expectancy increasing even among the old
    - Number of centenarians growing
  - The concerns of the older population should be viewed primarily as the concerns of older women

# IMPLICATIONS OF AGING

- Key implications
  - Labor supply
    - Age of workers
    - Skill levels
  - Potential scarcity of capital
  - Potential lower housing values (potentially more sellers than buyers)
  - Pensions and retirement income needs to cover a longer period of life

# IMPLICATIONS OF AGING

- Key implications (continued)
  - Shrinking ratios of workers to pensioners and people spending larger portion of their lives in retirement
    - Economic challenges for social entitlement programs
      - Strain on existing health and pension systems
    - May demand new fiscal approaches

# IMPLICATIONS OF AGING

- Key Implications (continued)
  - Increase in disability caused by increases in age-related chronic diseases, e.g., cardiovascular disease, dementia and Alzheimer's disease, cancer, arthritis, and diabetes
    - Today, of the 1 in 600 people who reach age 95, 40% of the men and 60% of the women qualify for a diagnosis of dementia

# IMPLICATIONS OF AGING

- Will all places age? Yes, but
  - Minneapolis
    - Median age
      - 2000 31.2 years
      - 2010 31.4 years
    - 75+ population
      - 1990 23,340
      - 2000 19,546
      - 2010 14,186
  - Role of public policy and housing stock

# GENERATIONS

- Different age groups belong to different generations
  - Correct technical term is cohort
  - Significance:
    - Attitudes and behaviors related to generations do not change as people age
    - Patterns of behavior at various life stages may be different in future

# ADULTS BY GENERATION

Population in oos

	2010			2020			2030		
	#	%	Age	#	%	Age	#	%	Age
Pre Boomers (1945 or before)	40,229	17	65+	22,492	9	75+	8,946	3	85+
Baby Boomers (1946-1964)	76,512	33	46-64	70,932	27	56-74	63,828	23	66-84
Gen X (1965-1976)	49,651	21	34-45	49,741	19	44-55	40,433	15	54-65
Gen Y (1977-1995)	68,624	29	18-33	85,719	33	25-43	87,372	31	35-53
Gen Z (1996- )	---			30,817	12	18-24	77,544	28	18-34
Total Adults	235,016	100		259,701	100		278,123	100	

# RACE/ETHNICITY

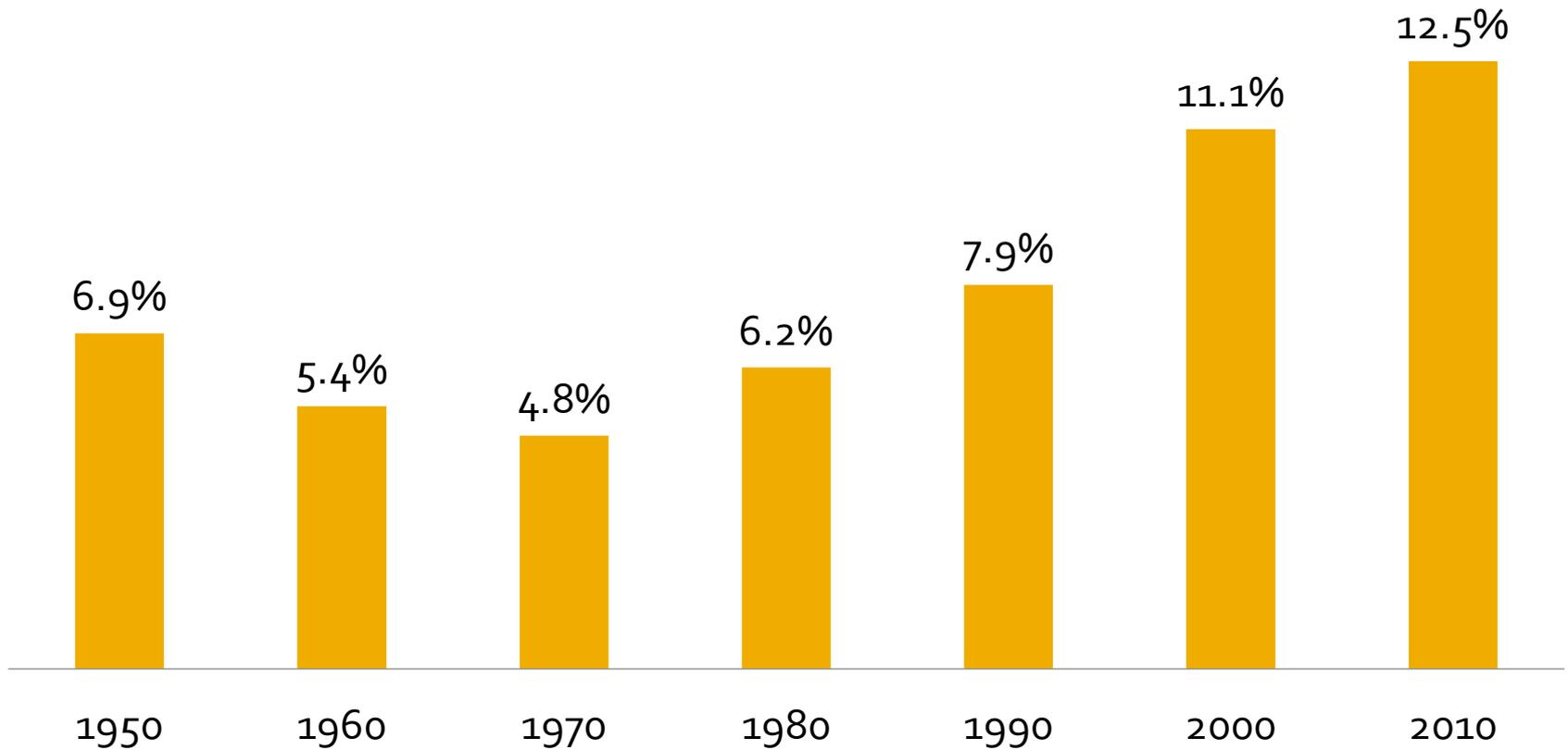
- Key concepts
  - Race is a social concept
    - Evolved over time in U.S.
      - In the 18<sup>th</sup> century, ethnicity was labeled race
      - Influence and legacy of slavery (role of skin color)
  - U.S. government treats Hispanic origin and race as separate and distinct concepts
  - The minority population is defined as anyone who indicated that they are either Hispanic or a race other than White alone

# RACE/ETHNICITY

- Increasing racial/ethnic diversity
  - 1950 88% of the population White not Hispanic
  - 2010 64% of the population White not Hispanic
- Role of immigration—growth in Hispanics and Asians; Black population share small
  - 1950 10% of the population Black
  - 2010 14% of the population Black

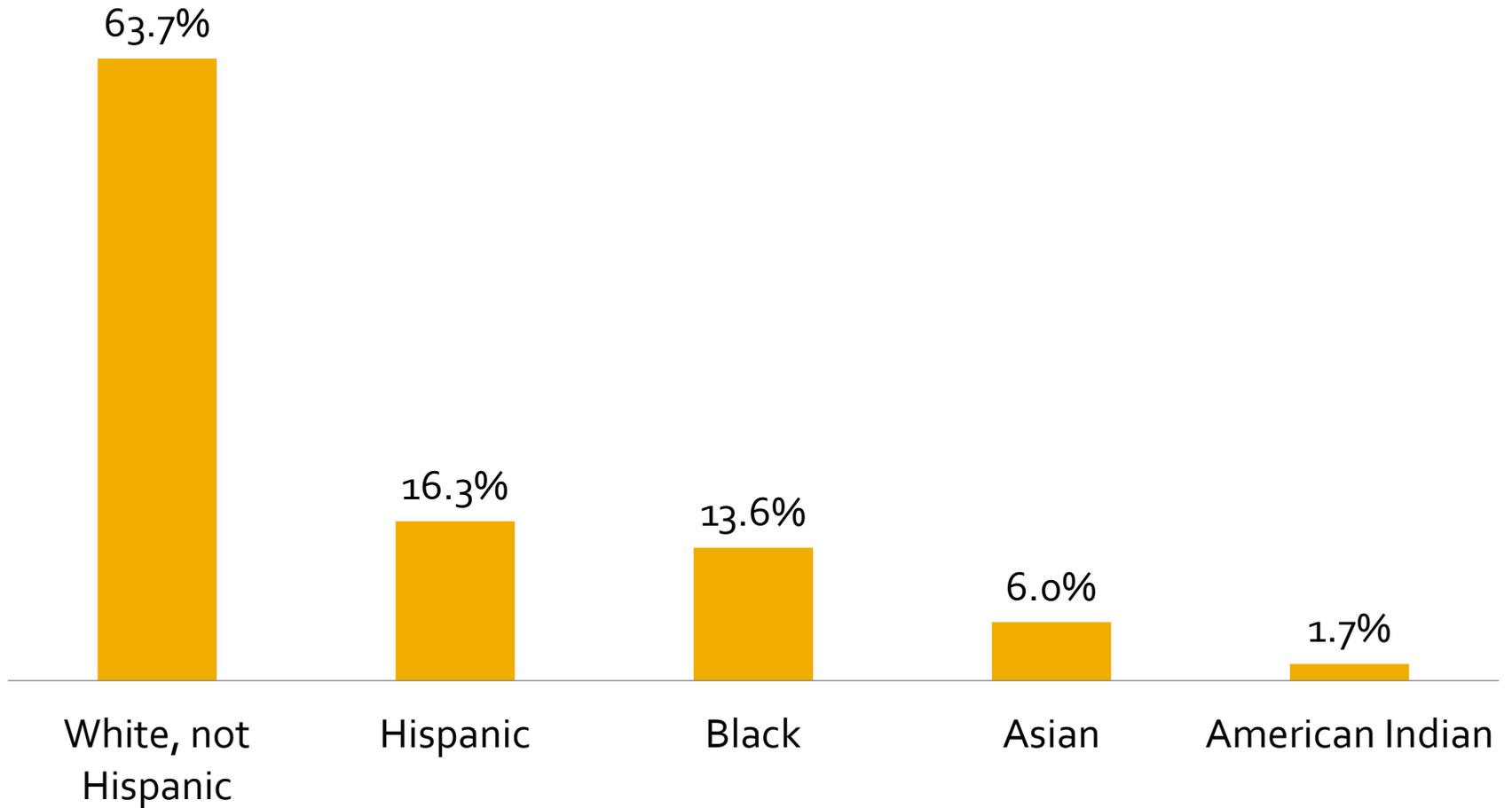
# RACE/ETHNICITY

Percent Foreign Born



# RACE/ETHNICITY

2010



# RACE/ETHNICITY

- Minority growth largely in the Hispanic population
- Hispanics
  - 2010 16.3% of population
  - 2040 25.0% of population
- Asians
  - 2010 6.0 % of population
  - 2040 9.3% of population
- Blacks
  - 2010 13.6% of population
  - 2040 16.4% of population

# RACE/ETHNICITY MEDIAN AGE

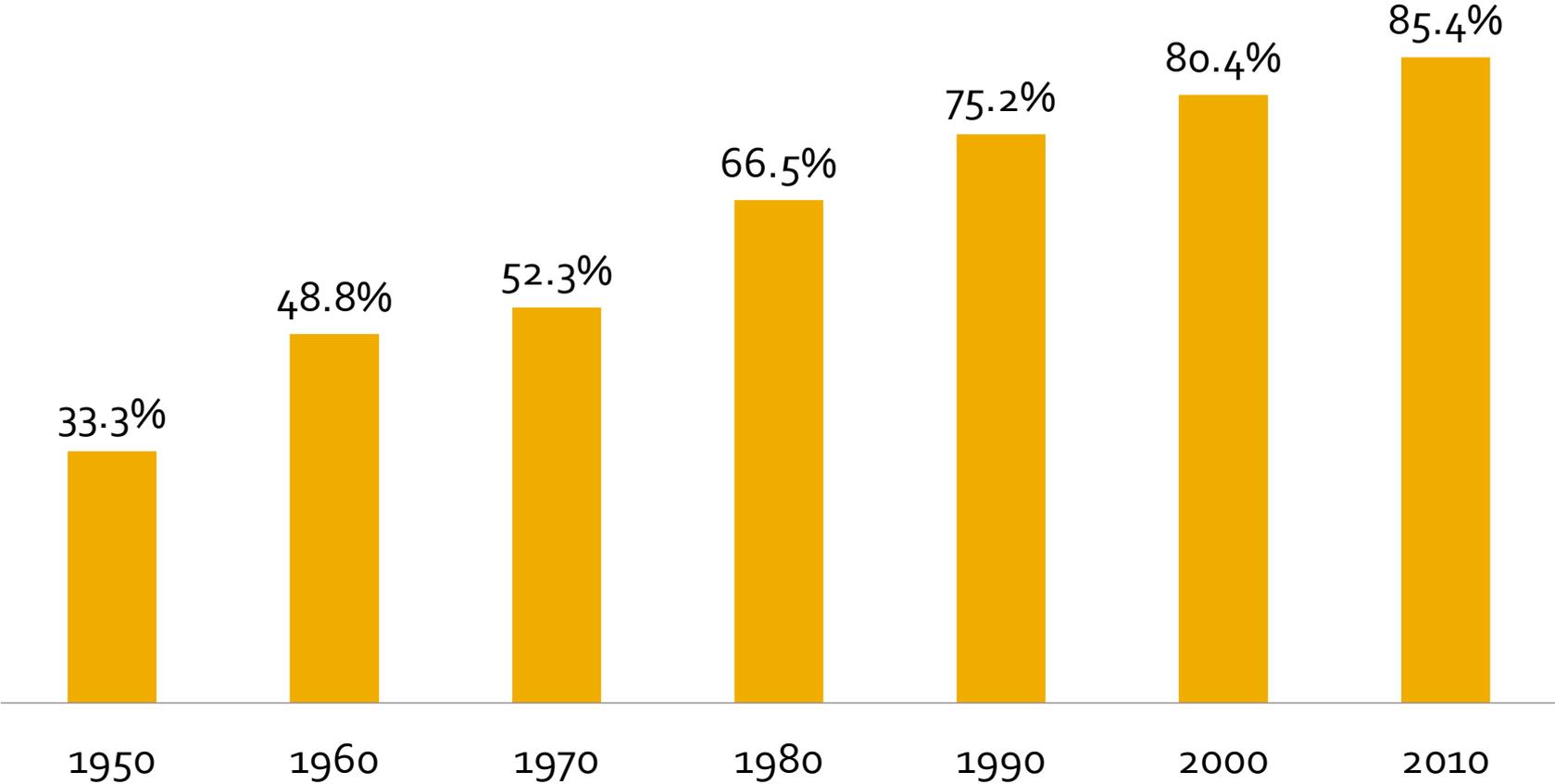
	Median Age	
	2000	2009
White, non-Hispanic	38.6 yrs	41.2 yrs
Black	30.2 yrs	31.3 yrs
Native American	28.0 yrs	29.5 yrs
Asian	32.7 yrs	35.3 yrs
Hispanic	25.8 yrs	27.4 yrs
Total	35.3 yrs	36.8 yrs

# “CLASS” IN THE U.S.

- Class usually based on income or wealth/net worth, occupation, education, and family background
- “Class” is difficult to categorize in the U.S.
  - Terms get muddled quickly
  - Some sociologists argue that “class” in the U.S. has more to do with lifestyle and social stratification than with income
    - Social networks connected to geography, race and religion and are huge factors in lifestyle divisions

# RISING LEVELS OF EDUCATIONAL ATTAINMENT

Percent High School Graduates



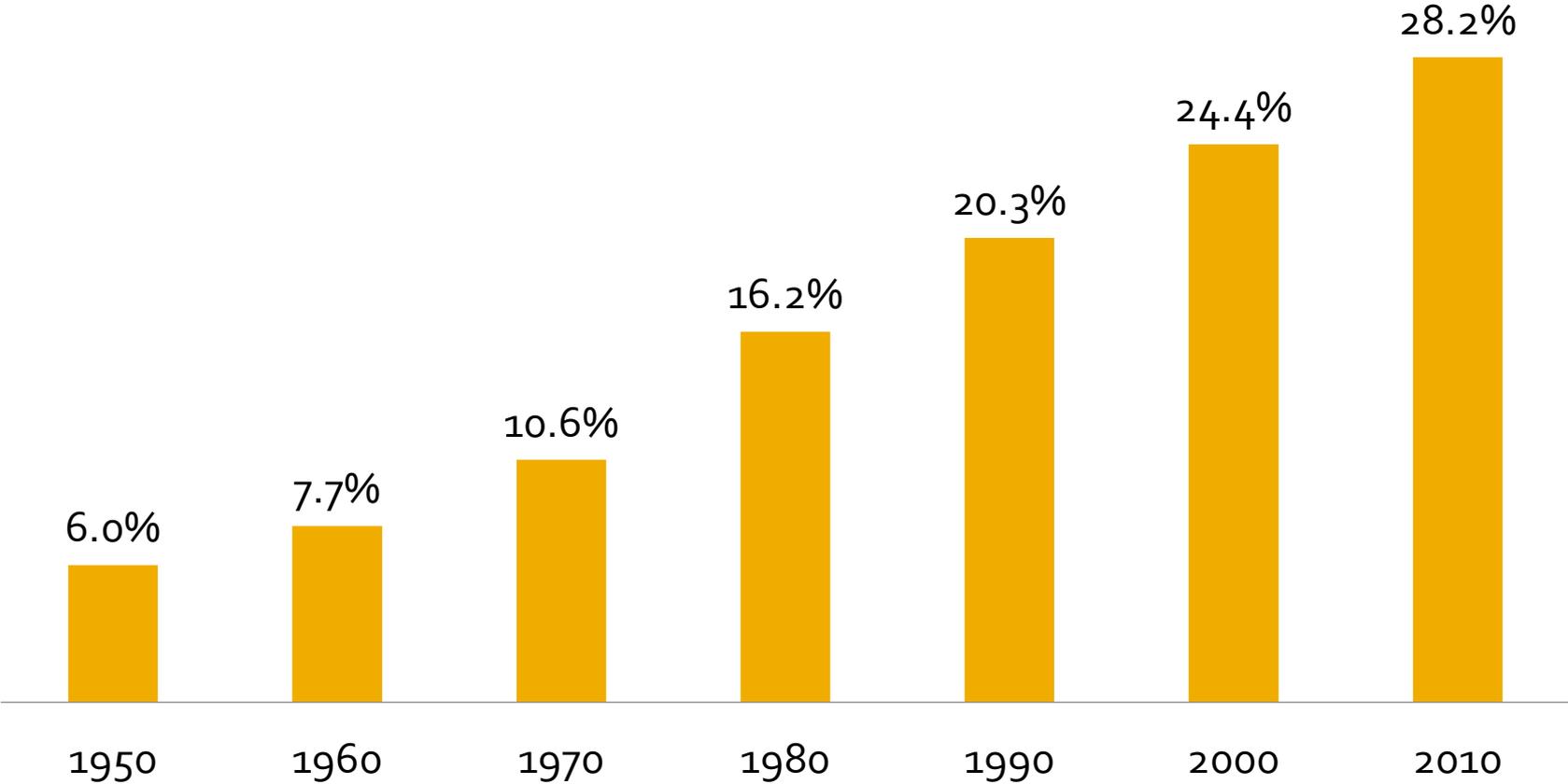
# CHALLENGES

- Large numbers of adults, 16 years of age and older, insufficient literacy and numeracy skills needed to fully participate in increasingly competitive work environment
- International surveys of student and adult populations show that our average performance is no better than mediocre, but our degree of inequality (the gap between our best and least proficient) is among the highest in OECD countries

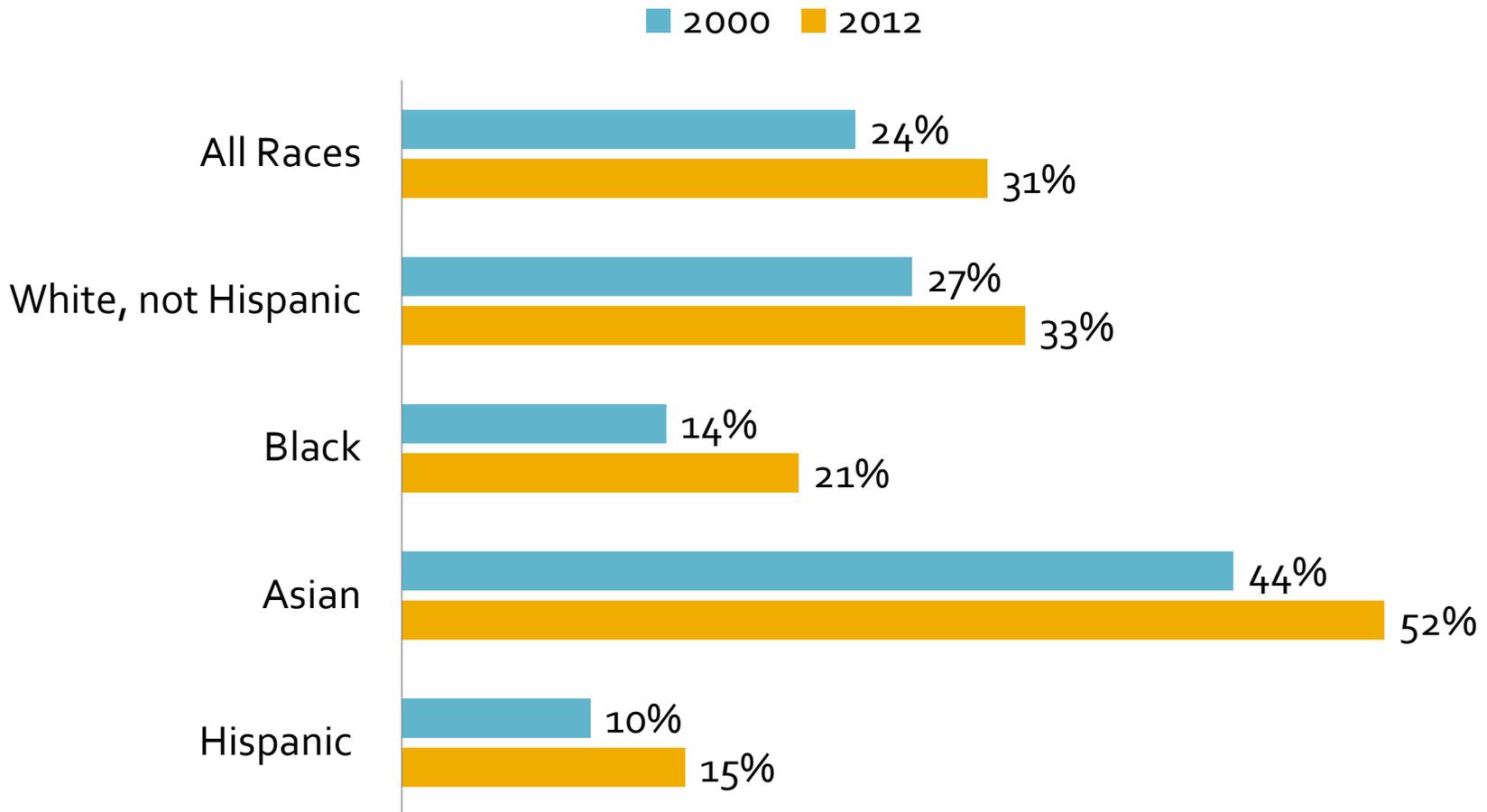
*Source: Educational Testing Service, America's Perfect Storm, Three forces Changing Our Nation's Future, 2007*

# RISING LEVELS OF EDUCATIONAL ATTAINMENT

Percent Bachelor's Degree or Higher



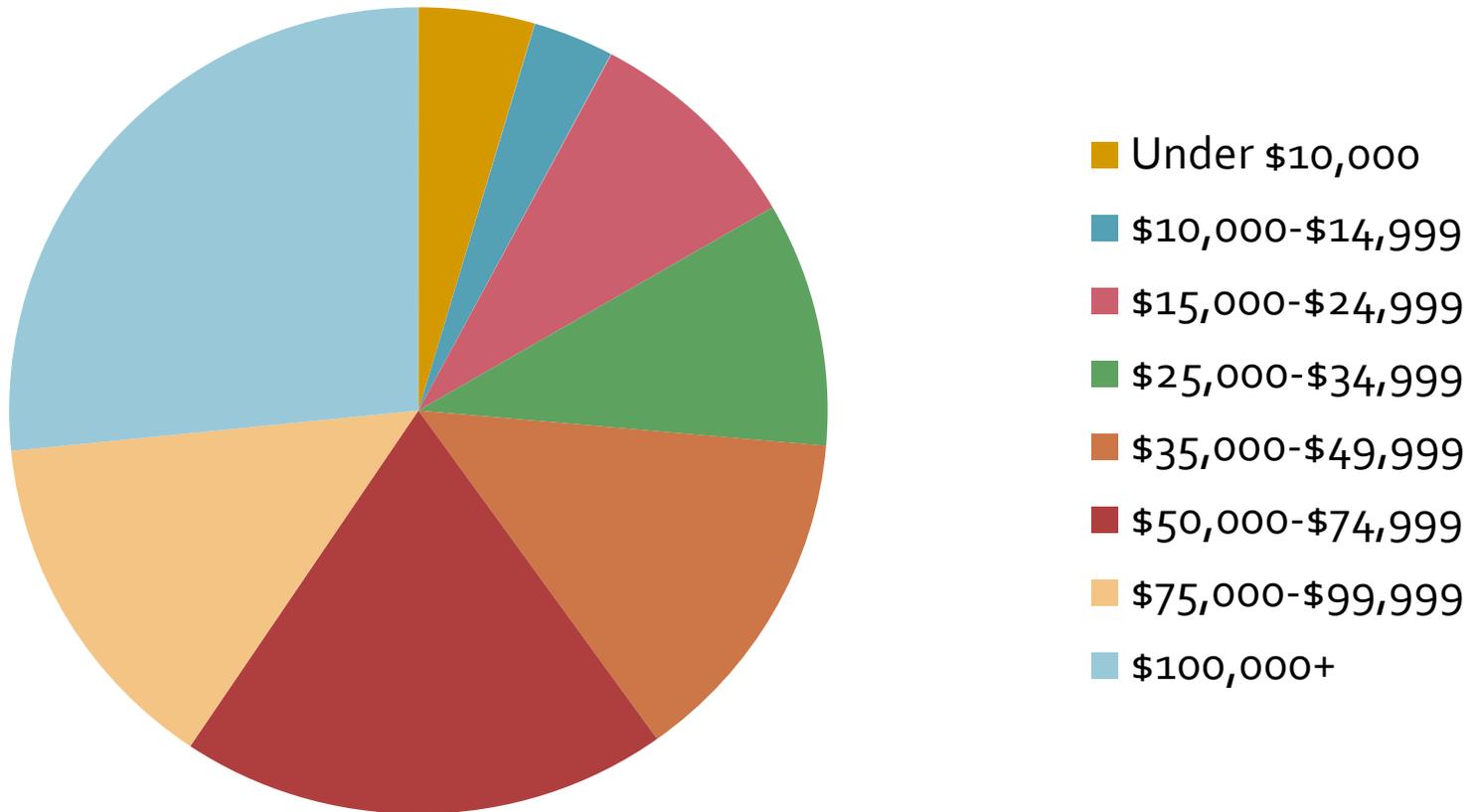
# EDUCATIONAL ATTAINMENT RELATED TO RACE/ETHNICITY



# 2011 HOUSEHOLD INCOME

## Median \$50,054

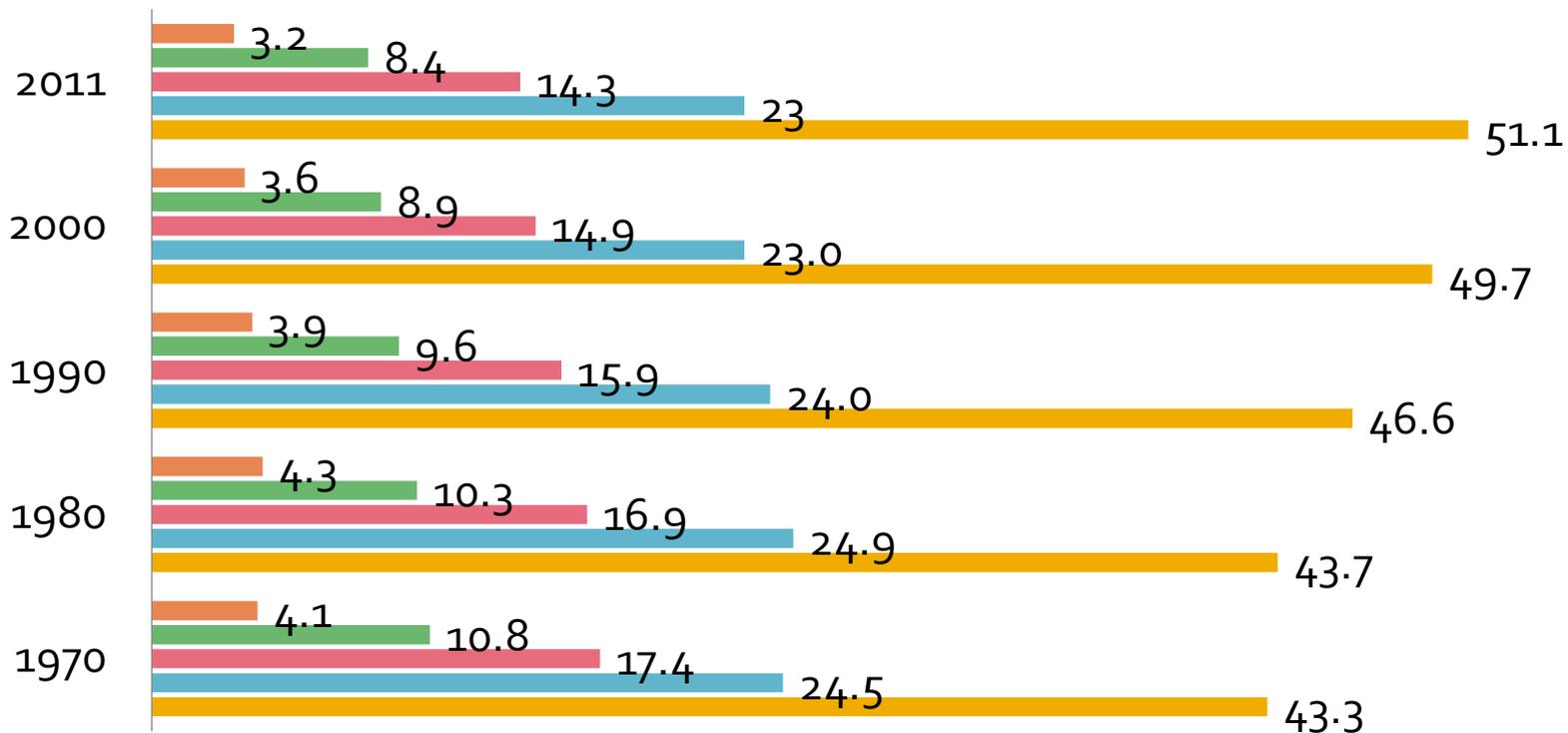
Percent



# INCOME DISPARITY HOUSEHOLDS

## Percent of All Income by Quintile

I II III IV V



# INCOME EQUALITY

- Today's distribution of household income by quintile similar to 1920
- Greatest household income equality in 1967
- Why greater inequality now?
  - Differential paid for a college degree versus and high school diploma has increased dramatically
  - College graduates marry other college graduates and both husband and wife work
    - Rising level of education of women and their labor force status
  - Household composition

# INCOME BY HOUSEHOLD TYPE

## 2011

	Median Household
All Households	\$50,054
Married-couple families	\$74,130
Female-headed families	\$33,637
Male-headed families	\$49,567
Nonfamily households	\$30,221
Female householder	\$25,492
Male householder	\$35,482

# GEOGRAPHIC DISTRICTION

- Geographic shifts in population
  - To South and West
  - Recession brought domestic migration to a halt now resuming
- Geographic concentration of population characteristics—race/ethnicity, foreign born, age, education
  - Differences in states, metro areas, and congressional districts

# GEOGRAPHIC DISTRICTION

- New 2012 population estimates show that 1 in 3 counties have more deaths than births—dying off (1,135 or 3,143 counties)
  - Up from 1 in 4 counties in 2009

# GEOGRAPHIC DISTRICTION

- Twin Cities Metro Area
  - More population growth in the core—Minneapolis and St. Paul—than in the outer suburban ring

# DATA SOURCES

- Unless otherwise noted, population data are from the decennial censuses, the Current Population Surveys or the American Community Surveys conducted by the Bureau of the Census

# CONTACT

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