

U.S. Census Population Projections Through 2030

State's Aging Will Affect Future Labor Force Availability

The U.S. Census Bureau released the State-level interim population projections in April 2005. These projections forecast the growth of each state's population by sex and age through 2030. This Santee-Lynches study uses U.S. Census age data to track the projected growth of South Carolina's population based on 2000 Census data. The major elements used in the Census Bureau's methodology are Census-based projections of birth rates, life expectancy, death rates, international migration data, and individual State net migration levels. The Census Bureau projections are for individual States and do not include data on Counties or Metropolitan Areas in the United States. To put the State's population increases in perspective; the study will compare increases in South Carolina's (SC) various age groups with those of the two neighboring States of Georgia (GA) and North Carolina (NC).

Overall Population Growth

Before starting our analysis of projected aging growth in South Carolina, it is important to take a brief look at the overall projected population increases in these three Southern States. The United States total population is projected to increase by 82,162,000 from 2000 to 2030. This is a thirty-year growth rate of 29.2% or approximately 0.97% annually. The State of South Carolina's growth over this same 30-year period is just slightly lower than the national rate; however, Georgia and North Carolina's total populations are projected to grow at significantly higher rates during this same time period.

Number & Percent of Total Population Growth for SC, GA, & NC (2000-2030)

	2000 Pop.	2030 Pop.	Pop. Growth 2000-2030	% Growth 2000-2030	Avg. Annual % of Growth
S. Carolina	4,012,012	5,148,569	1,136,557	28.3%	0.94%
Georgia	8,186,453	12,017,838	3,831,385	46.8%	1.54%
N. Carolina	8,049,313	12,227,739	4,178,426	51.9%	1.73%

Source: US Census Bureau Population Projections (2005)

While South Carolina's projected growth was slightly below the national average from 2000 to 2030, it is still projected to increase its ranking in total population by State. The projected growth of Georgia's and North Carolina's populations move them into in the top 10 most populace States by 2030.

Actual & Projected Rankings for GA, NC, and SC in 2000 & 2030

	2000 Actual Ranking	2030 Projected Ranking	States Projected to be Replaced in Rankings for 2030
S. Carolina	26	23	Kentucky, Louisiana, Alabama
Georgia	10	8	Ohio, Michigan, New Jersey
N. Carolina	11	7	Ohio, Michigan, New Jersey, Georgia

Source: US Census Bureau Population Projections (2005)

The Aging of the Population

While the Census Bureau projects South Carolina's population growth at about the national average through 2030, the bulk of the State's population increase will be in the senior citizen age group. The aging of the population is a source of economic and social concern at all levels of government; state, national, and international. The major aging population factor facing the United States is the impending senior status of the "baby boomer" generation. Baby boomers are that portion of the population that were born between 1946 and 1963 with the first year group of "boomers" reaching 65 years of age in 2011. In 2028, this generation will all be in the senior citizen category and this will double the 2010 senior population. As more "baby boomers" become eligible for Social Security, the Federal government faces a growing cash flow dilemma. While the growing economic imbalance of Social Security falls mainly under the purview of the Federal government, there are several other aging concerns that must be dealt with by the individual states and municipalities. A major concern of many of these governmental jurisdictions is how to maintain a viable workforce in the face of this dynamic shift in the population profile; youth vs. seniors. Other challenges facing both the private and public sectors are the growing healthcare demands for the elderly, the need for long-term managed and/or home care for this aging population, and how the different levels of government can meet the requirements of their residents with a growing portion of the population living on fixed incomes. These and other questions make the aging of America one of the major challenges facing the Country and individual States in the 21st Century.

While South Carolina's life span continues to increase, there is a corresponding decrease in the percentage of the working age population within South Carolina. This situation is, in part, the result of major breakthroughs in healthcare for the older generation, while South Carolina has a birth rate that is slightly below two (2) children per family. This birth rate barely maintains a replacement rate for the parents of a current four person family. By 2030 the projected increase in the number of South Carolinians 65 and over will force various governmental levels to deal with the prospect of providing government transfer payments and other supportive services (Social Security, Medicare, Medicaid, etc.) to almost one-quarter of the State's population.

In order to adequately deal with these and other concerns associated with the aging of the population, it is important to quantify the growth of the older population. For purpose of this paper, youth is defined as under 18 years of age, working age adults are those persons 18 years old to 64 years old, and seniors are those who are 65 years of age and older.

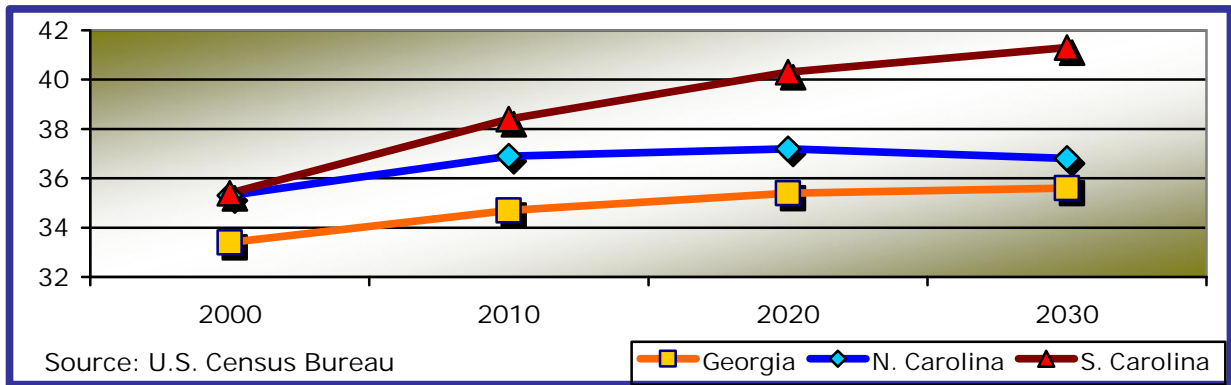
Median Age

One measurement standard for determining the age increase in the population is the median age. This measurement identifies the mid-point of

the total population's age; i.e. one-half of population under and the other half of the population over the median age. Therefore, the median age is a key element in determining not only the degree of aging increase, but also the rate at which a particular population is growing.

In the 2000 Census, the South Carolina and North Carolina median age was basically the same. Georgia's median age was about two years lower than that of the two Carolinas. By 2030, South Carolina's projected median age is expected to increase by almost six years to over 41 years of age. The two neighboring states of Georgia and North Carolina will increase by less than one-half of South Carolina's median age growth.

MEDIAN AGE TRENDS: S.C., GEORGIA, & N.C. (2000-2030)



Youth vs. Senior Citizens

Another gauge of the impact of aging on the economic viability of a State is a comparison of the percent of the population under 18 years old and the percent of the population 65 years and over. The youth depend on county and state governments to provide the financial resources for public education to include facilities, personnel, and even in many cases free and reduced breakfast and lunch. Many seniors are dependent on government to subsidize their low fixed income. As the senior citizen population and the youth population equalizes, a situation develops where these two age groups are forced into competition for a fixed amount of government's financial resources.

Projected Under 18, 65 & Over Population (2030)

	Under 18 Population	Under 18 Percent of Total Population	65 & Over Population	65 & Over Percent of Total Population	Percent Difference Under 18 & 65 & Over
Georgia	3,146,624	26.2%	1,907,837	15.9%	10.3%
North Carolina	3,080,611	25.2%	2,173,173	17.8%	7.4%
South Carolina	1,143,807	22.2%	1,134,459	22.0%	0.2%

Source: U.S. Census Bureau Projections

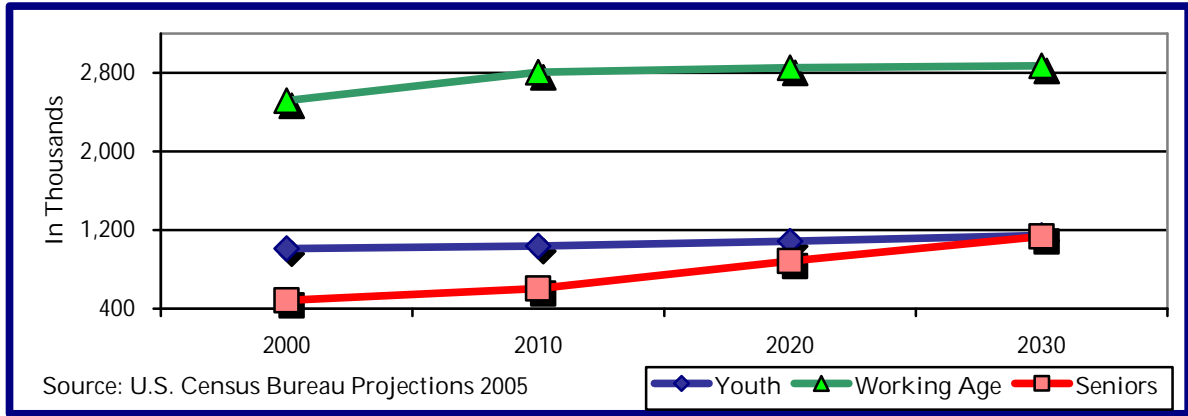
Another effect of narrowing the gap between the number of seniors and youth in a County or State is the requirement to import working age adults. Without a growing population of workers, preferably educated or highly skilled, the economic development of a County or State is at severe risk. These 2030 totals indicate that over the next twenty-five years, South Carolina's birth rate, combined with a preponderance of retiree in-migration, will adversely affect the workforce/senior citizen balance within the State.

Another means of measuring the increase of seniors in South Carolina is to weigh the State's national ranking of the percentage of the 65 and over age group of South Carolina's total population. In 2000, South Carolina was ranked thirty-second (32nd) in the nation in percent of the 65 and over population. The U.S. Census Bureau projects South Carolina will be ranked fifteenth (15) nationally by 2030. If this projection holds, it will mean that with the exception of West Virginia and Florida, South Carolina will have the highest percentage of seniors within the historic Southern States. Conversely, our neighboring States of Georgia and North Carolina are projected to be ranked 47th and 44th respectively in 2030.

Impact on the Working Age Population

A final area to be evaluated is the projected population mix of youth, working age adults, and older Americans in the future.

South Carolina Age Group Trends 2000 to 2030

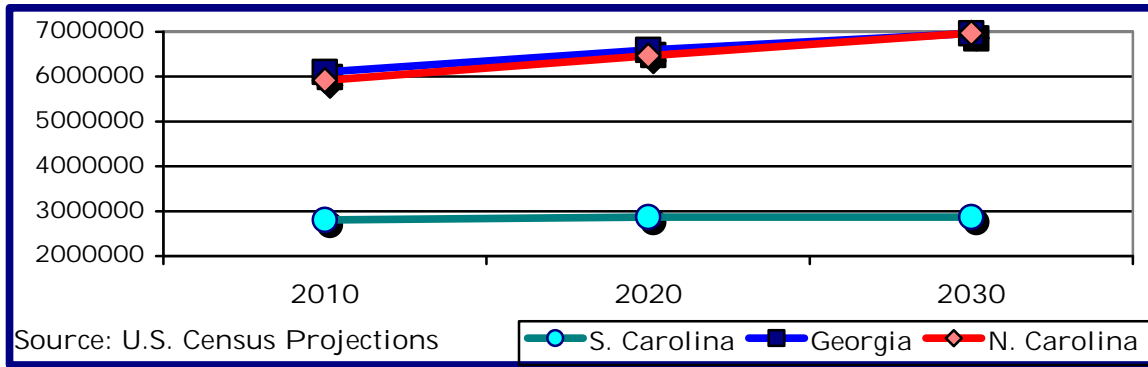


Note: These numbers used in this graphic are rounded to the nearest thousand.

The above graphic identifies the relative stagnation of the South Carolina working age adult population between 2010 and 2030. In this twenty-year period the State's working age population is projected to increase by a mere 65,000 people. The projected youth population for South Carolina increases by 108,000 over this same period of time. Finally and most significantly during this same twenty-year period, the senior population of the State is projected to grow by 528,000 or over 800% of the working age adults' growth.

The projected increase of only 65,000 working age adults for this twenty year period would severely limit South Carolina's economic growth potential. This is especially the case, when the two neighboring states are projected to experience working age adult growth of 858,000 to 1,006,000 during this same period of time.

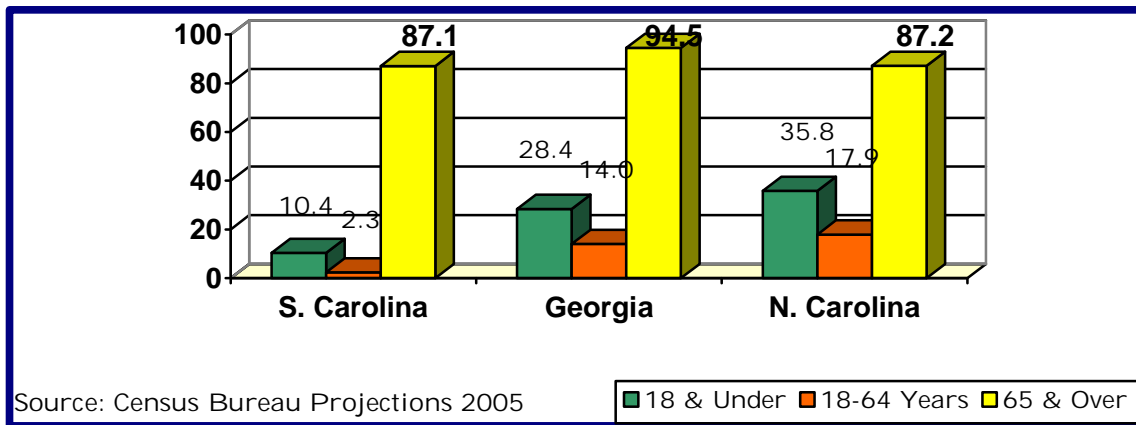
Working Age Adult Growth Trends for S.C., GA, & N. C. 2010 - 2030



While Georgia's senior citizen growth will exceed its working age adult growth by 70,000 from 2010 to 2030, this is significantly lower than South Carolina's senior/working age adult differential of 463,000. North Carolina's projected growth for these same two population groups will actually see a net increase in working age adults over seniors during this same twenty year time frame. From 2010 to 2030, North Carolina's working age adult population will grow by 46,000 more persons than its senior population.

All three of these States are experiencing exceedingly high growth rates in their senior age bracket; the difference is that the growth rates of the youth and working age adult categories in South Carolina are much lower than in the two neighboring States.

Projected Growth Percentages by Age Categories -- 2010 to 2030



The Census Bureau has not released a detailed explanation of their 2005 interim projection methodology; therefore, only limited explanations are given of South Carolina's low population growth in the youth and working age

adult categories. The data provided does show that South Carolina has a lower life expectancy than either Georgia or North Carolina. Based on the 2000 Census, South Carolina has the fifth lowest life expectancy rate in the fifty states and the District of Columbia. The fertility rate for South Carolina women is also lower than either of the two neighboring States. But the key element in the projected growth of these three states is net in-migration. Net in-migration is the product of the number of people moving into a State, minus those who leave the same State in a given year.

There are two elements of net in-migration; international (the number of people who relocate to a State from outside the U.S. borders) and domestic (migration between a particular State and the four major regions of the United States). South Carolina's net international in-migration is well below the levels of both North Carolina and Georgia. This is, in some part, due to the two neighboring States' larger metropolitan areas which usually draw more immigrants. In addition, these larger cities often have a more vital economy and therefore offer higher-level employment opportunities to educated immigrants due to a concentration of universities, technology centers, and research facilities. While important, international migration plays a relatively small part in the overall in-migration growth of the Southern Region of the United States.

The U.S. Census Bureau divides the United States into four Regions: the Northeast, Midwest, South and West. Each of these Regions is further subdivided into Divisions. The South is the most populous region of the Country and continues to grow at a rate that exceeds the United States average. The key element of population growth in the South is domestic migration. While migration to the South is normally thought of in terms of retirees moving to a warmer climate, domestic migration actually involves Americans of all age groups. As the American economy undergoes a continuing modification, many businesses are either moving to or expanding their physical plants in the South. The Census data's projected low growth of working age adults in South Carolina from 2010 to 2030 would indicate that business growth will be significantly lower in South Carolina than in either Georgia or North Carolina. The possibility of lower business growth is corroborated by Census data that shows; of these three States, South Carolina has the lowest in-migration from other Southern States.

Senior age group (retiree) in-migration is strong in all three of these Southeastern States. Due to its highly developed coastal areas, it is likely that South Carolina has a higher percentage of this age group than either Georgia or North Carolina. The relocation of large numbers of retirees to South Carolina is basically an economic plus, especially in certain portions of the State. A recent Kiplinger profile of the retirees moving to Southern States identifies them as: "Husband and wife are both 65 with an assumed annual income of \$60,000, of which \$24,000 comes from Social Security benefits, \$21,000 from private company pension, \$10,000 from IRA distribution and \$5,000 from taxable interest and dividends. Our hypothetical couple also owns their own home outright, so there's no mortgage interest to pay or to

deduct on their tax returns.” ([Carolina Living](#), Vol. 18, Number 2, 2006). Retirees meeting this profile have incomes much greater than the majority of South Carolinians. However, many retirees do not meet the financial level of this profile and most of these less affluent seniors are migrating to the more rural areas of South Carolina. Many of these less financially secure seniors are drawn to South Carolina based on its relatively low cost of living and per capita tax burden. The South Carolina per capita tax burden for the Kiplinger retired couple profiled above, living in Columbia S.C. is \$1,518. The corresponding per capita tax burden for this profiled retired couple living in Atlanta is \$2,434 and in Raleigh is \$3,330. ([Carolina Living](#), Vol. 18, Number 2, 2006). These tax savings are often even greater in the more rural areas of South Carolina and therefore draw the less affluent seniors to the State. With the continuing development of retiree-oriented communities in the State, the projected growth of both affluent and less-affluent seniors can be expected to increase at an accelerated pace.

Summary

The lower fertility rate, shorter life span and lower levels of domestic migration from other Southern States, combined with other factors, forecast South Carolina’s future population to be heavily weighted toward the 65 and over age group. The much lower youth and working age adult growth rates projected for South Carolina should be a source of concern to the State, in general, and especially to the local governments of both urban and rural counties in South Carolina.

The lower working age adult growth projections, if anywhere near accurate, show that South Carolina can not afford to lose any of its potential work force due to lack of employable skills. This situation dictates that every effort be made to significantly increase the State’s high school graduation rates. Unless the State makes strides in this area, its future work force will contain an inordinately high percentage of under educated/unskilled workers competing for a dwindling number of lower skilled jobs. When this paper refers to high school graduates, it means those who are awarded diplomas and not certificates. While there is an ongoing effort within the South Carolina education community to deal with this problem, the seriousness of the situation demands a more aggressive and innovative approach. This effort must be lead by the S.C. Department of Education in partnership with all the school districts in the State. Approaches such as innovative alternate high schools such as Magnate or Charter High Schools, an upgrading of our high school technical centers, and more accurate identification of potential dropouts are some areas worthy of investigation.

Simultaneously, the State must address the large number of current working age adults who do not have a high school diploma. With the current dropout rates in the State, the segment of working age adults continues to form a sizable percentage of the labor force. This situation calls not only for the expansion and aggressive marketing of adult education, but a true working partnership between the education and business community. The dynamic

tension that on occasion challenges the relationship between these two key societal components forms a barrier to improving the workforce skills of both new workers entering the labor market and the under skilled portion of the current work force.

Finally, a State-wide program is needed to emphasize the ultimate value of continuing education for current/future workers. This program must be targeted to the individual future/current worker or job seeker, but also include parents, school teachers/counselors, human resource directors, etc. As business and industry continue to rely more heavily on technological innovation, the requirement for workers to concurrently grow in skill level is evident. Until continuing education, sponsored by the employer business/industry, additional education initiatives, or a partnership between business and education, is embraced by the State's labor force, workers will face a competitive disadvantage in relation to the growth opportunities for new or existing business.

Unless the projected limited growth in South Carolina working age adults is either changed or dealt with, the State's economic future will be severely restricted.

Assuming the Census Bureau data is the best available to make these projections, they remain projections. Changes to valid projections are brought about by actions that affect the factors governing the projections. Therefore, South Carolina and its respective economic regions can take actions to affect the outcomes shown in these projections. Collectively, if the State and its regions want to seriously affect these projected outcomes, they must begin now to develop a coordinated strategic plan to positively alter the factors producing the current Census Bureau age projections.