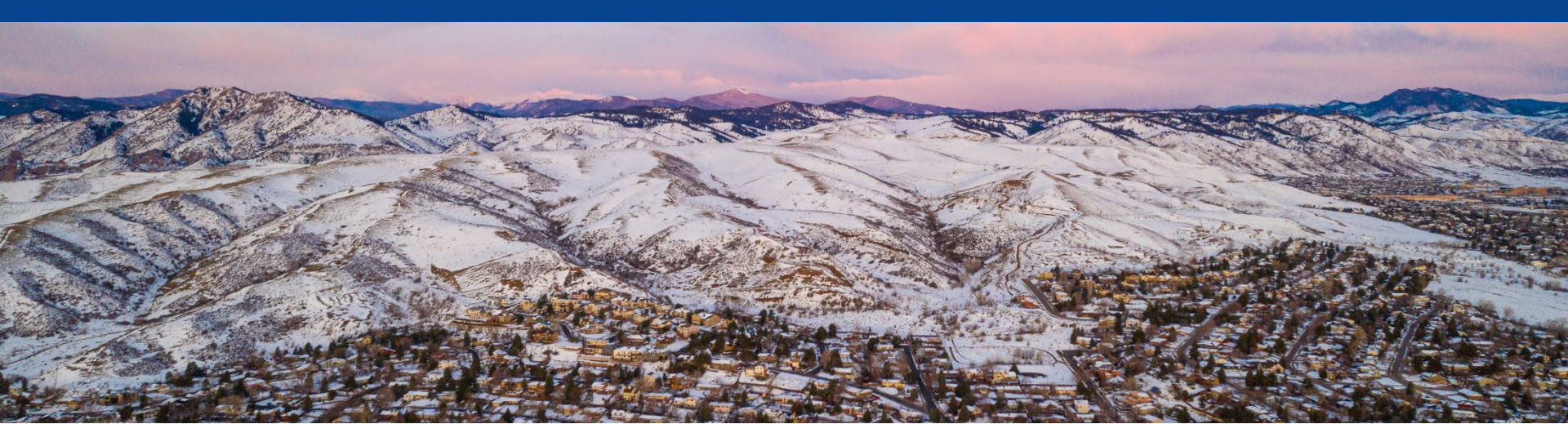




Planning for Colorado's Demographic Future

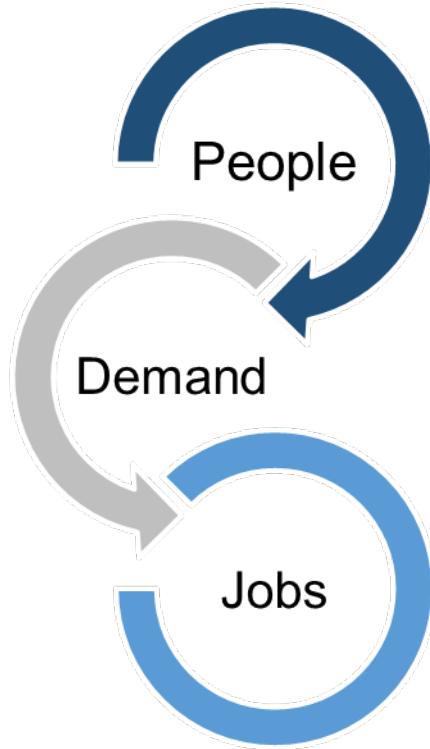
Kate Watkins, PhD
State Demographer

Vectra Bank
Economic Forecast
April 16, 2025



COLORADO
Department of Local Affairs
State Demography Office

People and the Economy



“Jobs are people”

“Houses are where those jobs go to sleep”

Key Population Trends



- Lower fertility rates = Fewer births
- Aging = More deaths
 - Slower population growth
- Net migration a key population growth driver
- Increasingly more diverse



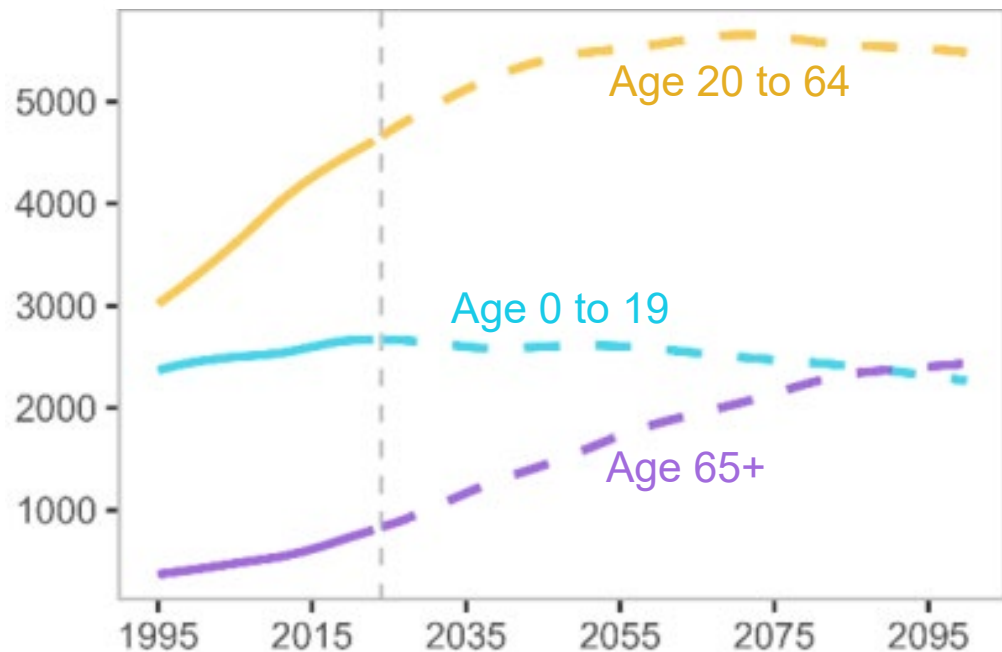
Global Trends



The global population is slowing and aging



World Population by Age



- Strongest growth in the 65+ population
- School-age population in decline
- Near-term rise in the working-age population



Source: United Nations *World Population Prospects 2024*.

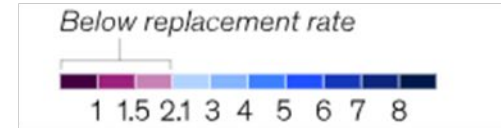
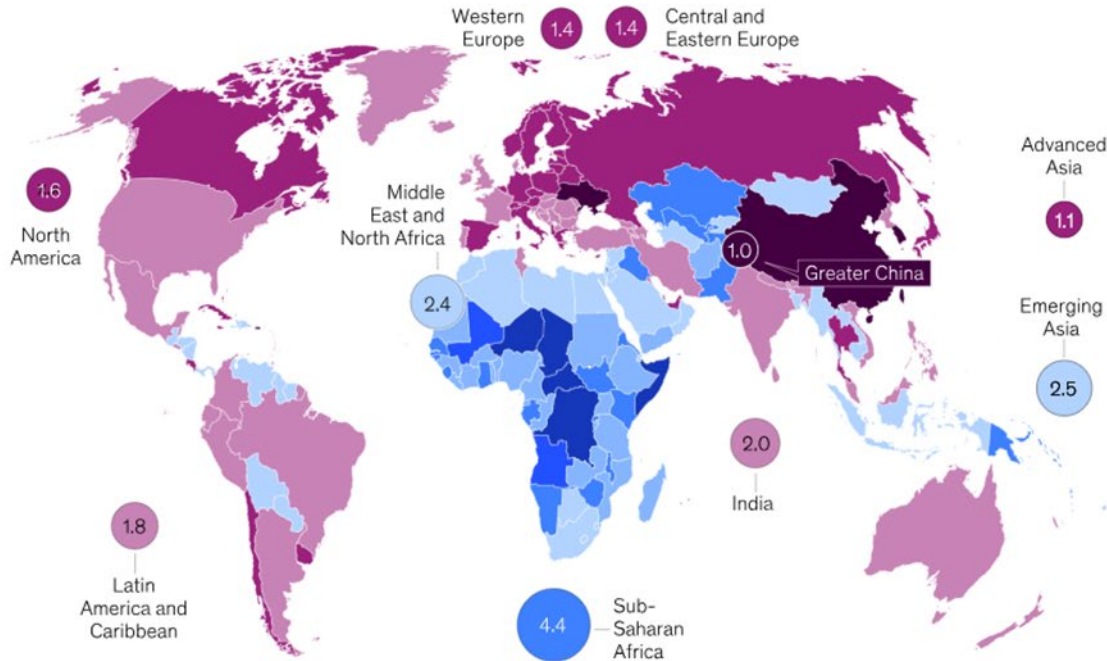
https://population.un.org/wpp/assets/Files/WPP2024_Summary-of-Results.pdf

Fertility rates are declining everywhere



Total fertility rate by country,
live births per woman

2023



Source: McKinsey Global Institute analysis of the United Nations *World Population Prospects 2024*.
<https://www.mckinsey.com/mgi/our-research/dependency-and-depopulation-confronting-the-consequences-of-a-new-demographic-reality>

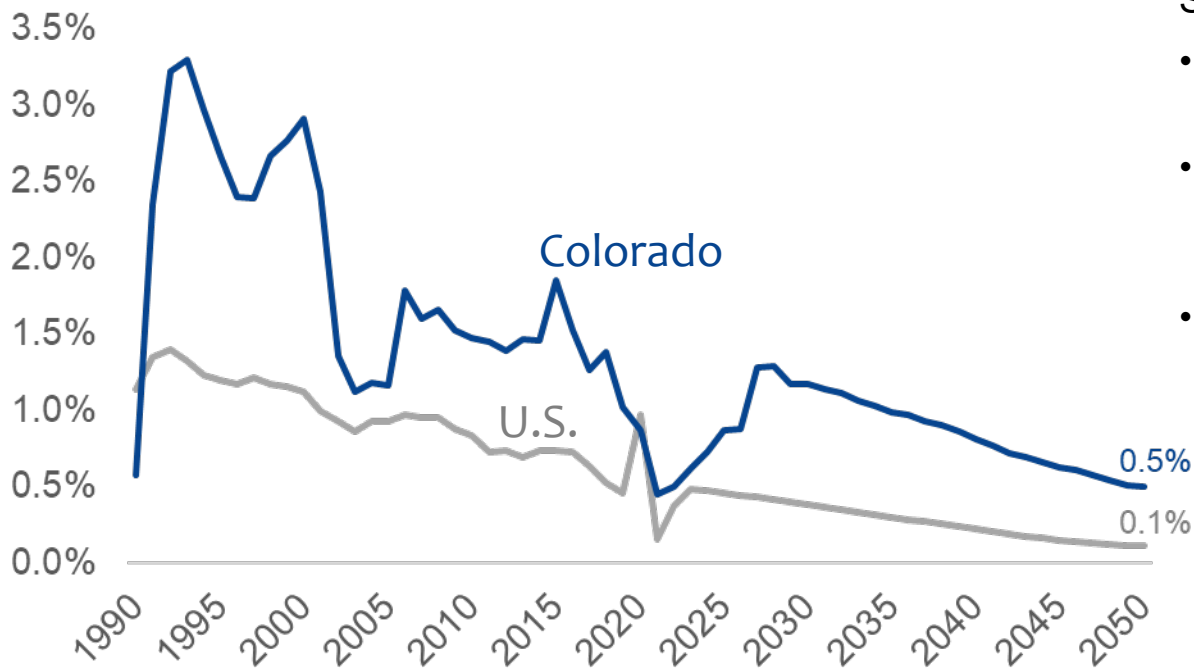
Colorado Trends



Population growth rates are slowing



Annual Population Percent Change



Slowing U.S. Population Growth

- Some states and areas within states are already shrinking
- U.S. expected to enter natural decline (more deaths than births) in 2032
- Slower U.S. growth will impact Colorado's growth

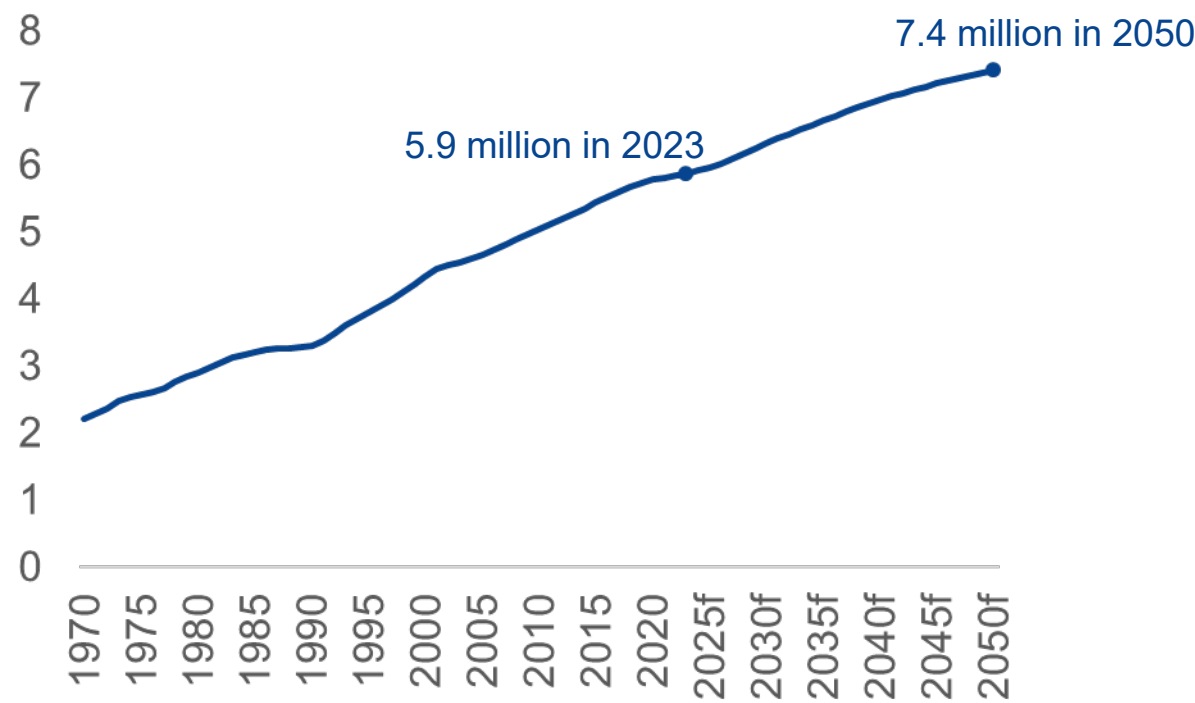


Source: State Demography Office, vintage 2023 estimates and projections; U.S. Census Bureau population projections, main series 2022-2100.

Colorado's Population



Millions



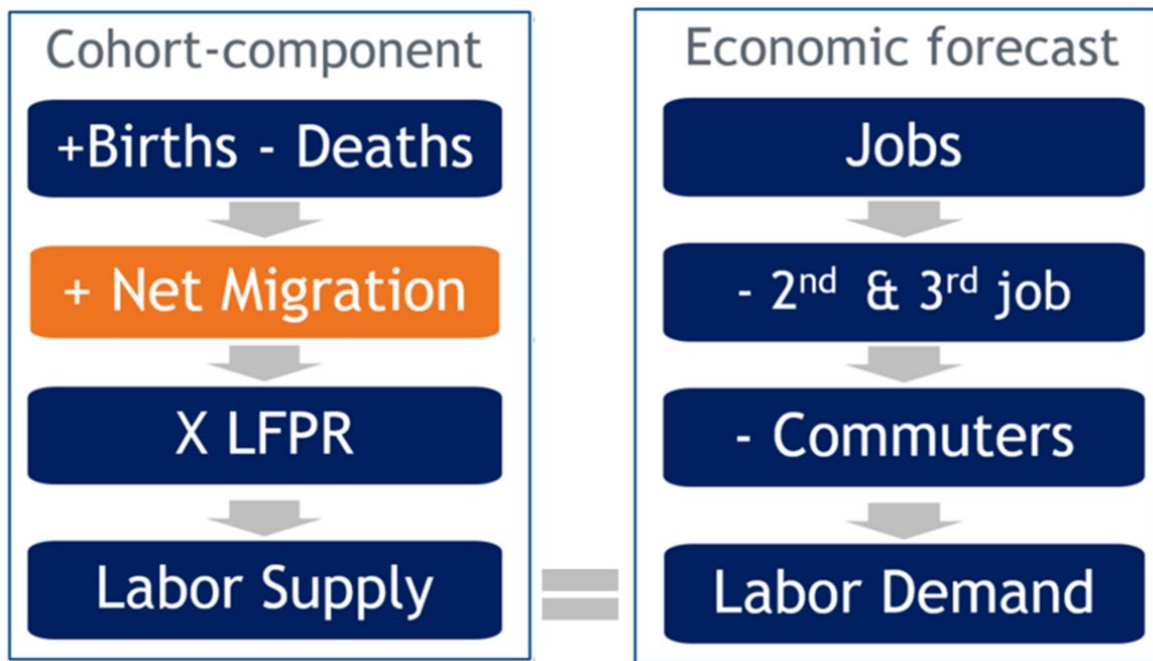
Average Annual Growth by Decade

1970s	68,000	2.7%
1980s	40,000	1.3%
1990s	104,000	2.8%
2000s	71,000	1.5%
2010s	73,000	1.4%
2020s	54,000	0.9%
2030s	65,000	1.0%
2040s	45,000	0.6%



Source: State Demography Office, vintage 2023 estimates and projections.

Colorado Population Forecast Methodology



Differences between supply and demand
resolved by net migration

U.S. growth is important

Jobs are people

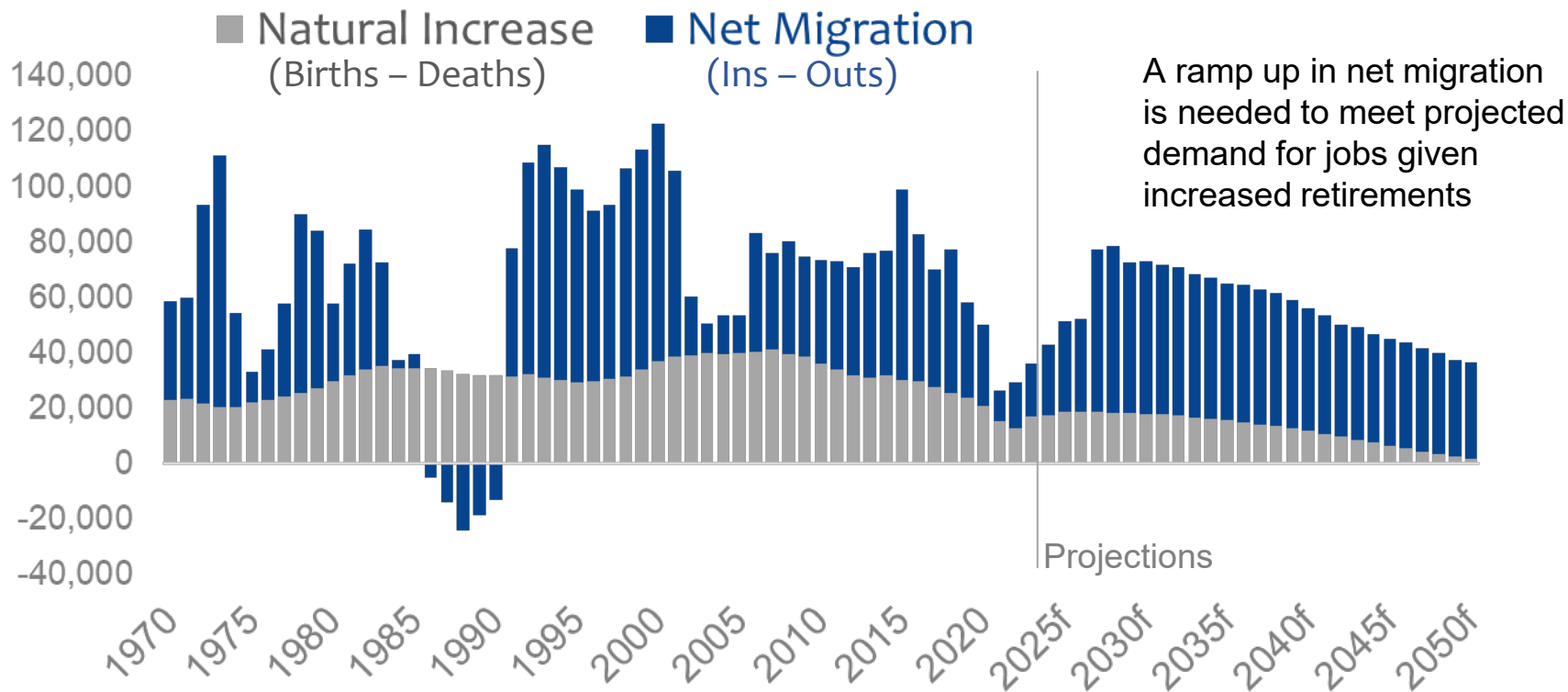
Age matters

Job demand and
expected retirements
drive migration



Colorado Components of Population Change

CO

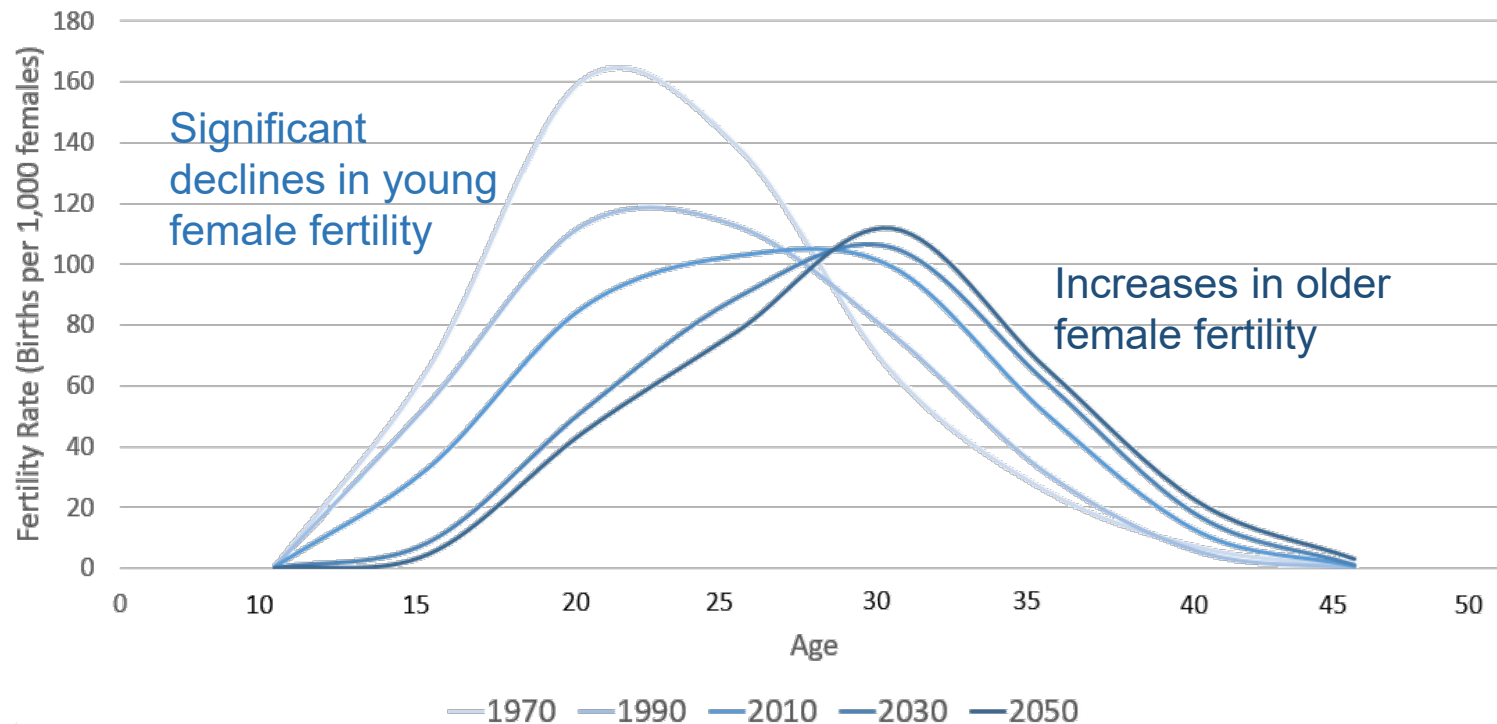


Source: State Demography Office, vintage 2023 estimates and projections.

Fertility rates continue to decline

CO

Colorado Fertility Rate by Age

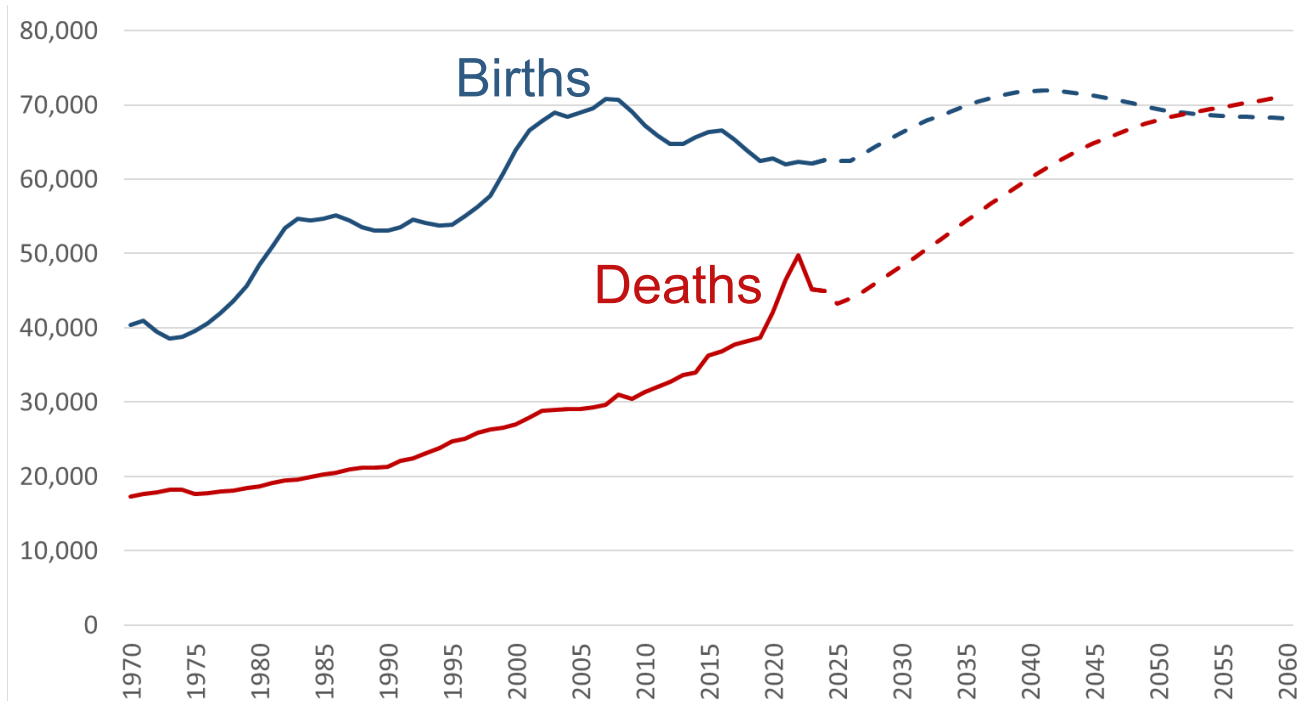


Source: Colorado Demography Office vintage 2023 estimates and projections; Colorado birth estimates from Colorado Department of Public Health and Environment, 2024.

Colorado deaths expected to overtake births in 2053

CO

Colorado Births and Deaths



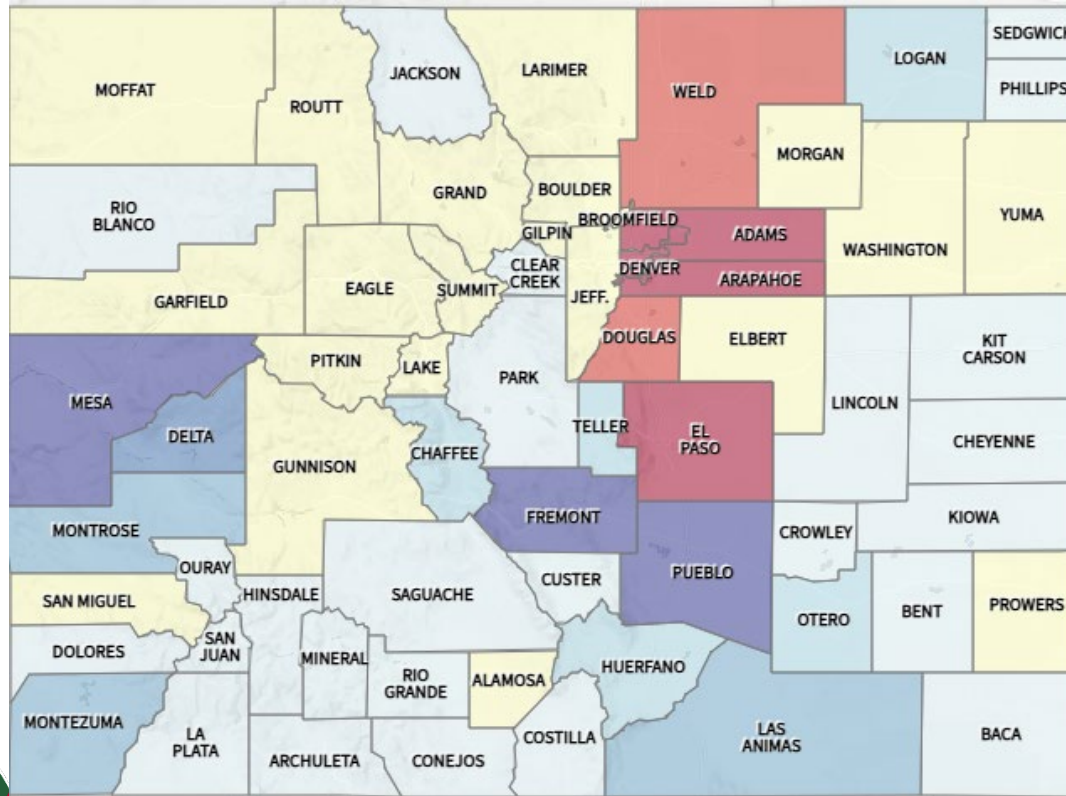
- Births expected to increase as Millennials reach peak fertility age
- More deaths due to population aging
- Colorado enters natural decline in 2053 vs. the U.S. in 2032



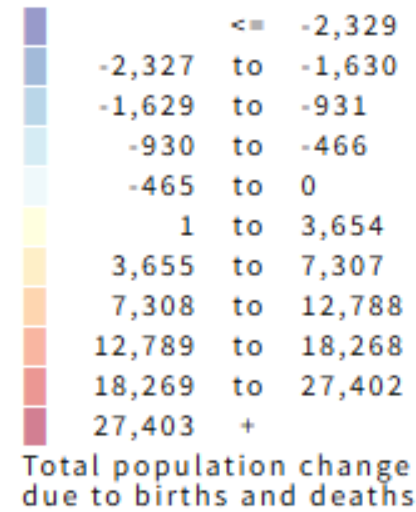
Source: Colorado Demography Office vintage 2023 estimates and projections.
<https://demography.dola.colorado.gov/assets/html/netmighist.html>

Natural change, 2020 to 2030

CO



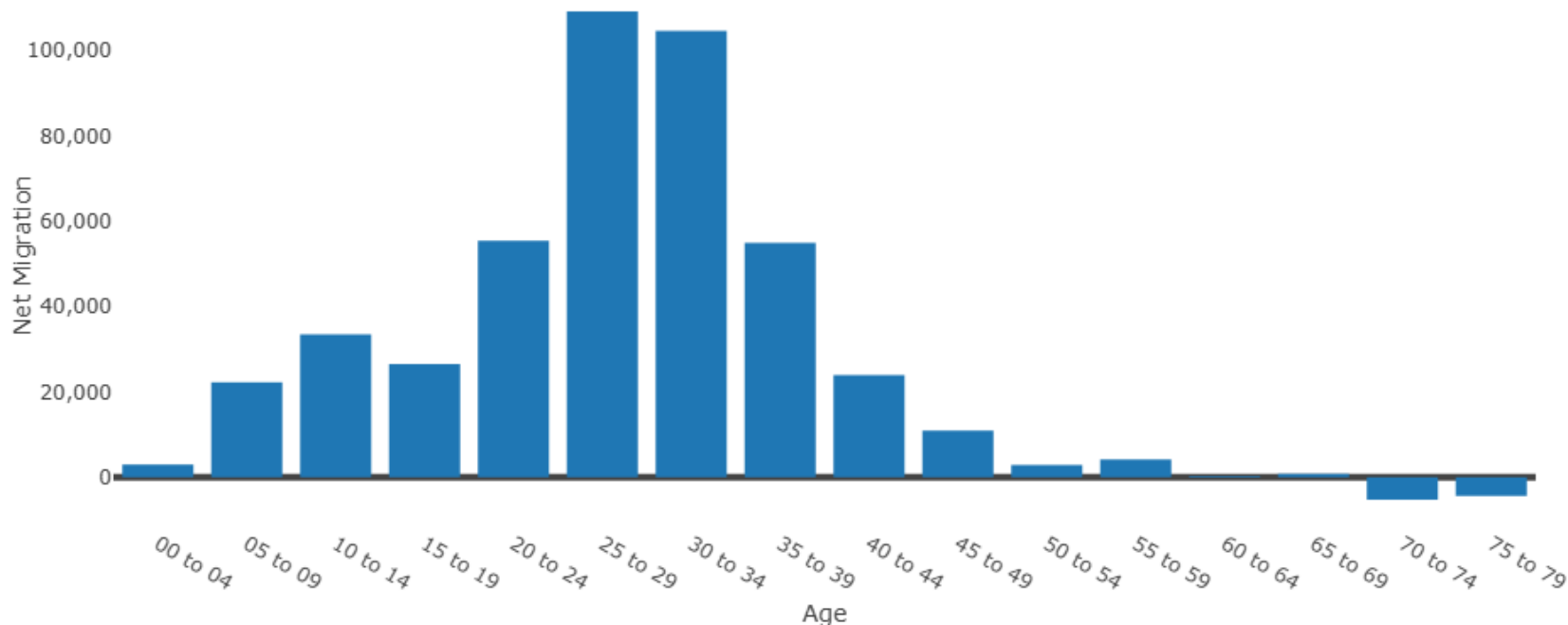
From 2020 to 2030,
35 counties expected to
experience natural decline



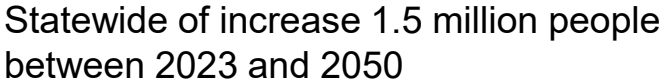
Colorado Net Migration by Age

CO

Net Migrants, 2010 to 2020



Source: State Demography Office analysis of U.S. Census Bureau 2020 and 2010 data.
<https://demography.dola.colorado.gov/assets/html/netmigcomp.html>



1.4 million along the Front Range (90%)

- 768,800 Denver-Boulder (50%)
- 339,177 North Front Range (22%)
- 260,500 South Front Range (27%)

Net migration to the state is needed to support this growth

Source: State Demography Office, vintage 2023 estimates and projections.

Aging Matters



Why Aging Matters

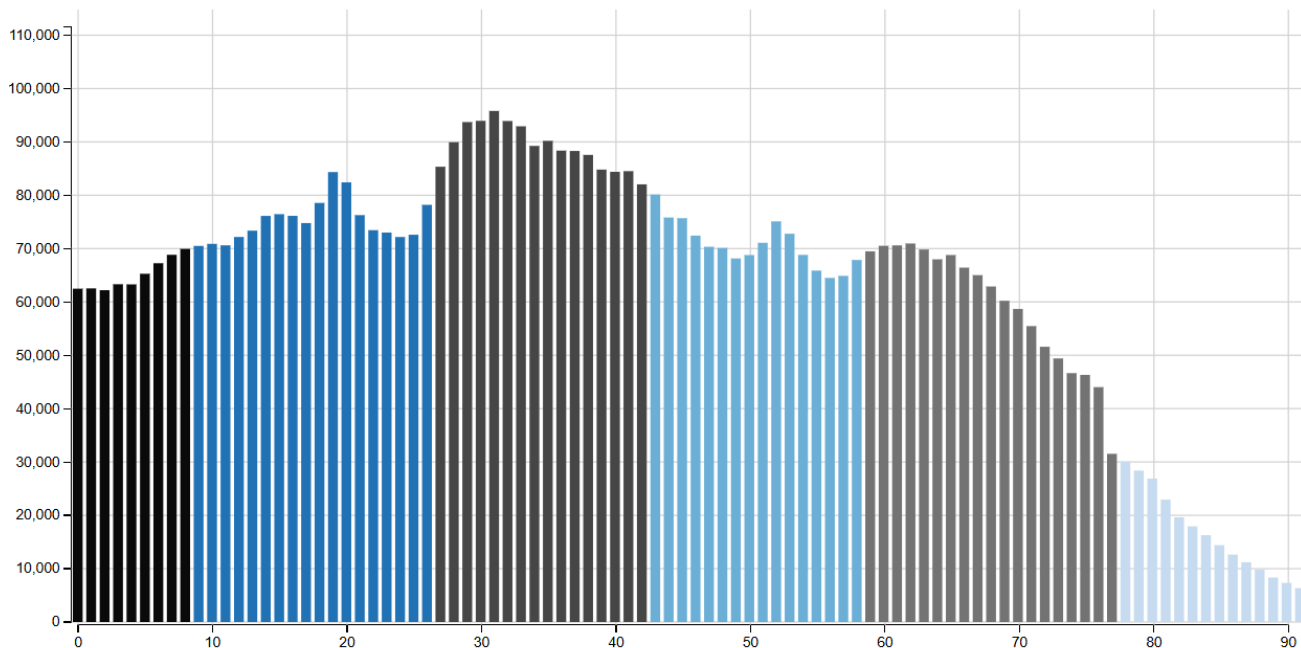
- Lower labor force participation mean **more competition for talent**
- **Shifts in demand** for goods and services
- Supply and demand for **housing** (near-term pressure)
- **Income** sources and amounts evolve as we age
- Downward pressure on federal, state, and local **government tax** revenue; upward pressure on **government expenditures**



Colorado's population by age and generation, 2023

CO

2023



Future Generations
(2030 -)

Generation Alpha
(2015 - 2029)

Generation Z
(1997 - 2014)

Millennials
(1981 - 1996)

Generation X
(1965 - 1980)

Baby Boomers
(1946 - 1964)

Silent Generation
(1928 - 1945)

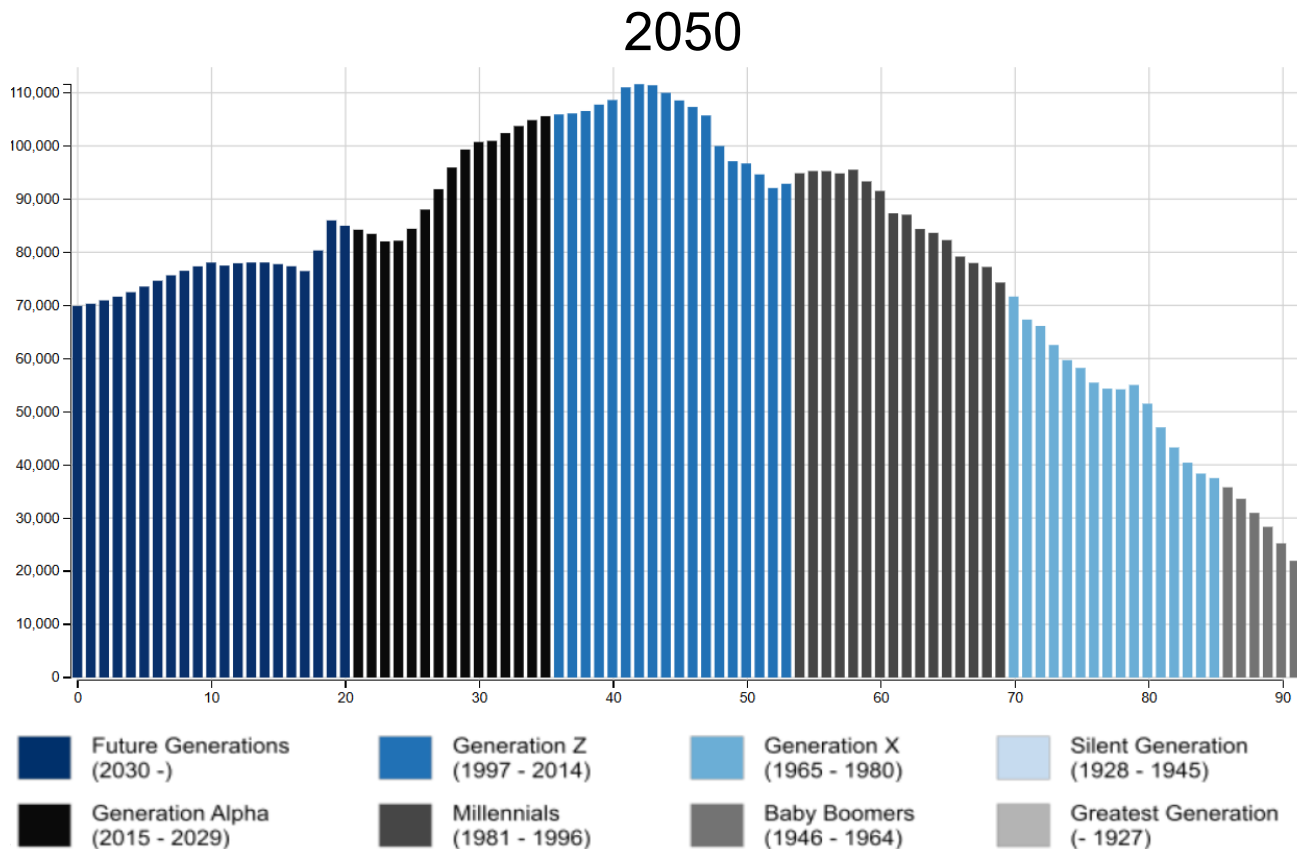
Greatest Generation
(- 1927)

View animated changes in
populations over time:
[https://gis.dola.colorado.gov/
Age-Animation-Bars/](https://gis.dola.colorado.gov/Age-Animation-Bars/)

Source: State Demography Office,
vintage 2023 estimates and projections.

Colorado's population by age and generation, 2050

CO

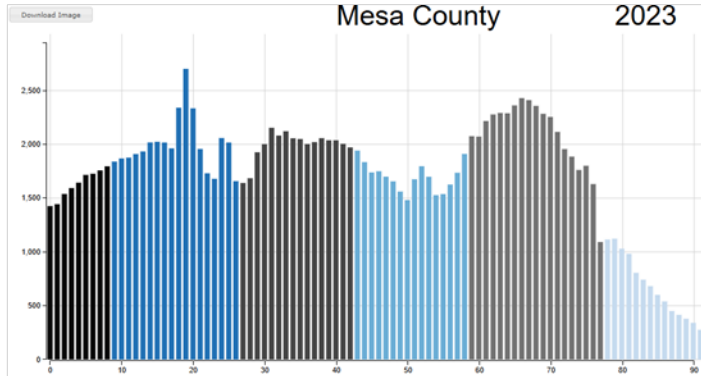
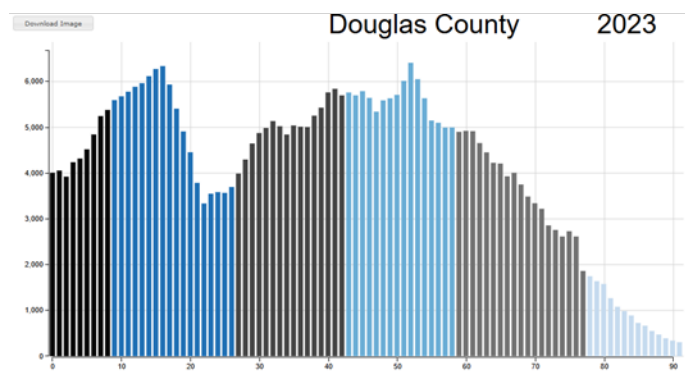
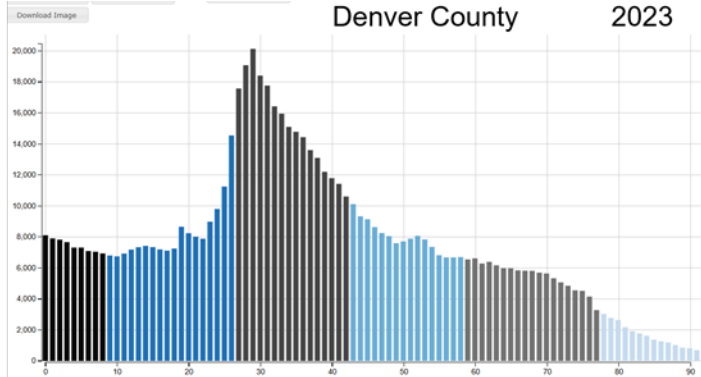
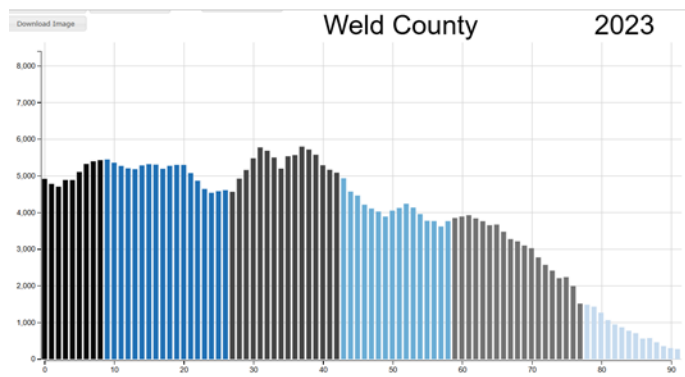


View animated changes in populations over time:
<https://gis.dola.colorado.gov/Age-Animation-Bars/>

Source: State Demography Office, vintage 2023 estimates and projections.

Every county has a unique age composition

CO



- Generation Alpha (2015 – 2029)
- Generation Z (1997 – 2014)
- Millennials (1981 – 1996)
- Generation X (1965 – 1980)
- Baby Boomers (1946 – 1964)
- Silent Generation (1928 – 1945)

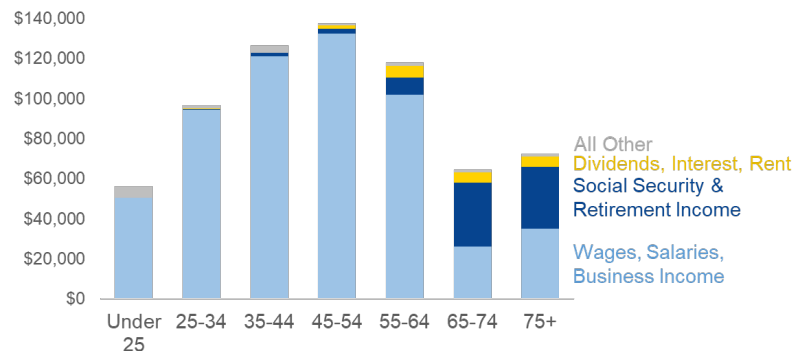


Source: State Demography Office, vintage 2023 estimates and projections.
Interactive visuals available at: <https://gis.dola.colorado.gov/Age-Animation-Bars>

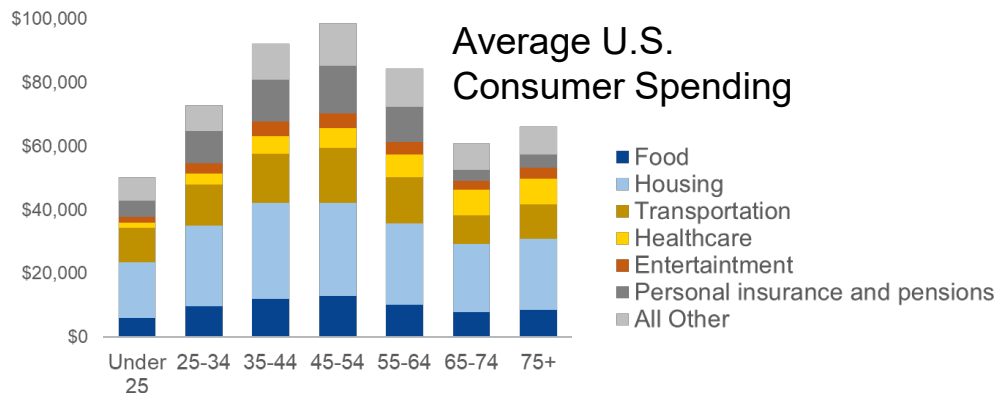
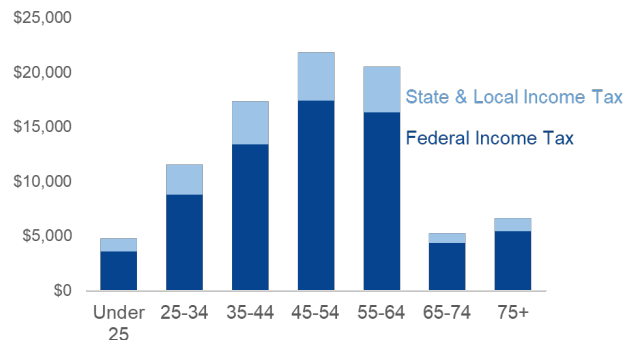
Income and spending rises and then falls with age



Average U.S. Income



Average U.S. Income Tax



Aging will...

- Impact our labor markets
- Impact our tax base
- Shift consumer activity

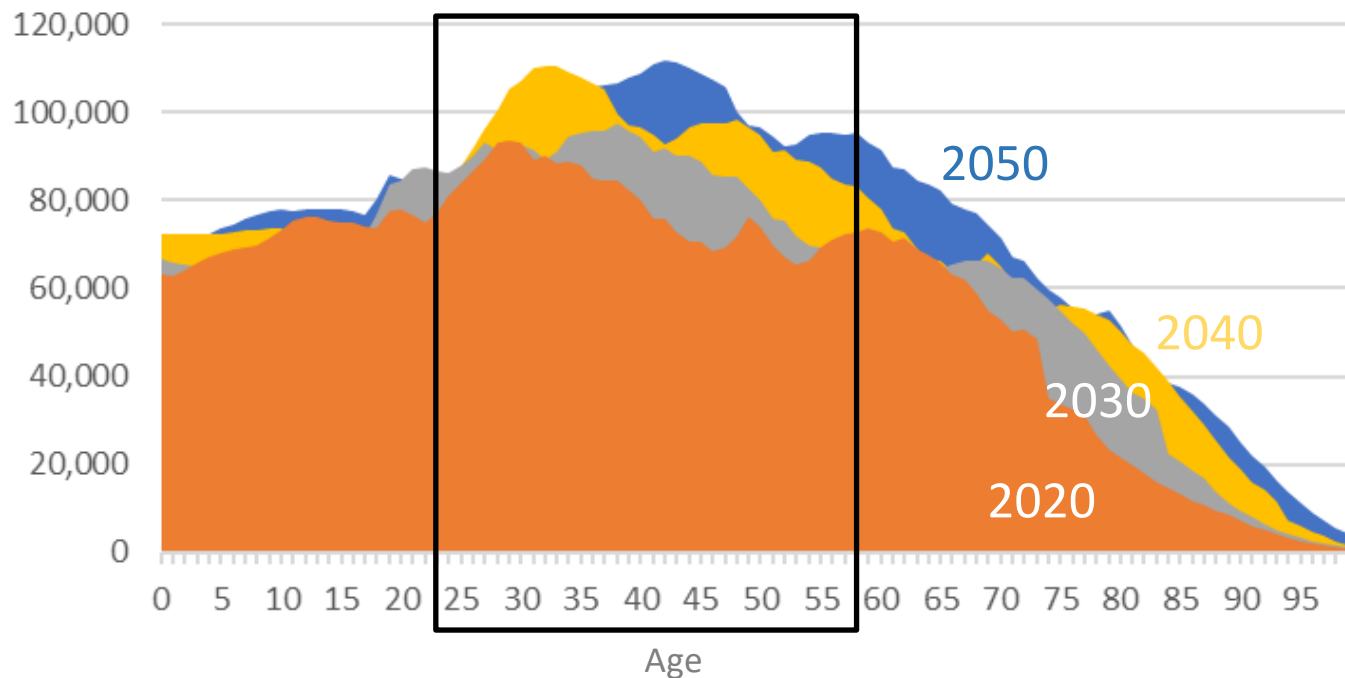


Source: U.S. Bureau of Labor Statistics, 2023 Consumer Expenditure Survey.

Colorado's population by age over time

CO

Population



Populations aged 25 to 54 projected to grow through 2050

However, we need positive net migration to support this growth

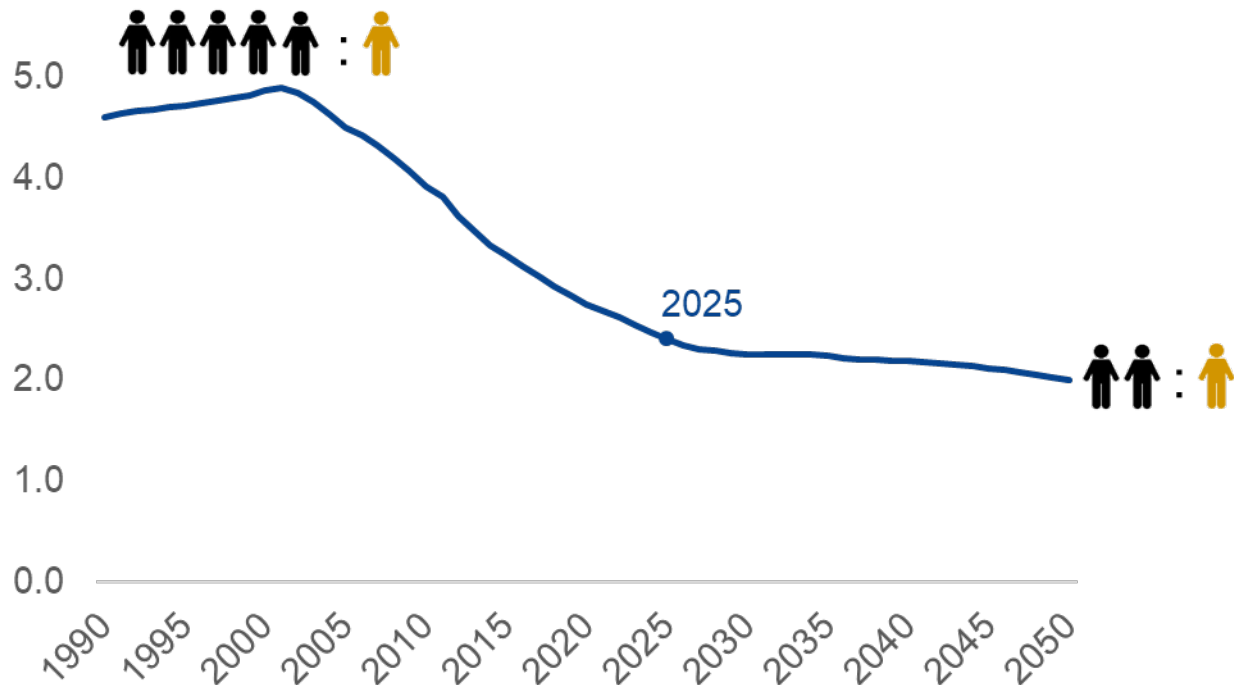


Source: State Demography Office, vintage 2023 estimates and projections.
<https://demography.dola.colorado.gov/assets/html/population.html>

Workers vs. Retirees in Colorado

CO

Ratio of those Age 25 to 54 to those 65+



Economic impacts of aging will depend on several factors, including:

- Wealth, retirement saving, spending patterns
- Labor force participation among those 65+



Source: State Demography Office, vintage 2023 estimates and projections.
<https://demography.dola.colorado.gov/assets/html/population.html>

Aging and the Economy



Housing & Wealth

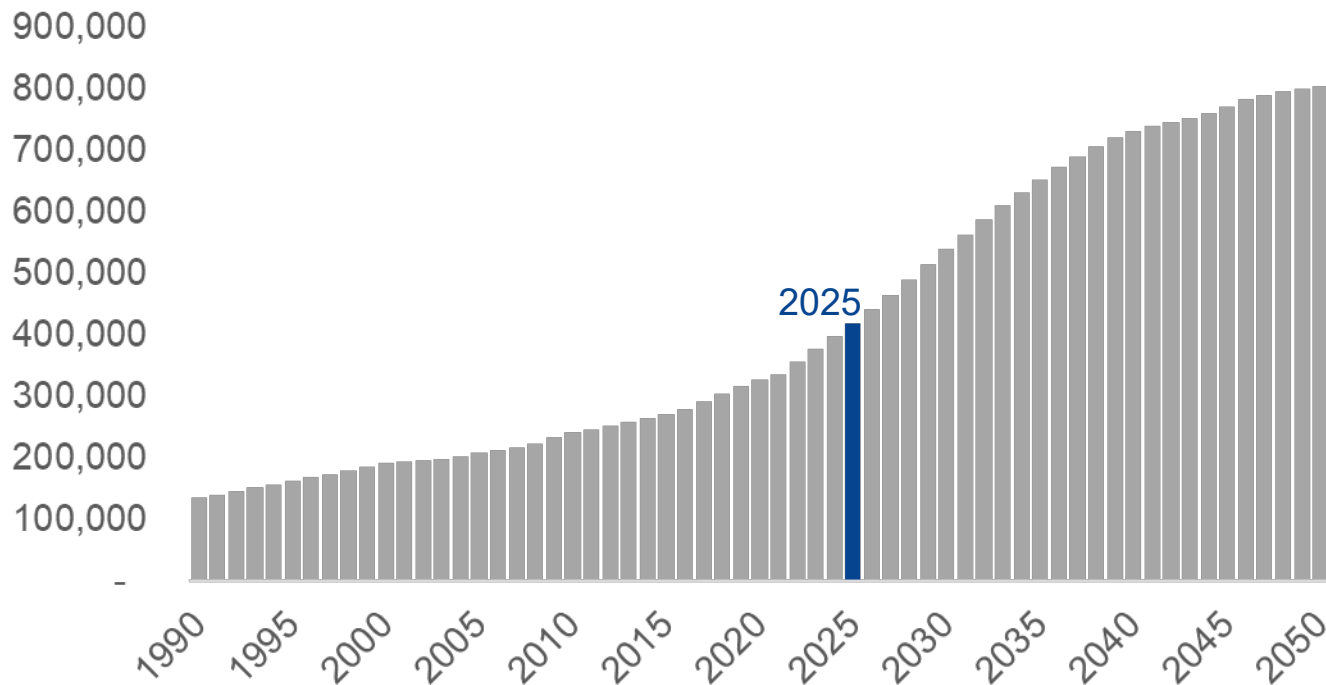
- Slower growth among young adults moving forward (less demand for housing?)
 - Retirees aging in place
 - 82% of those 65+ are homeowners
 - Living longer
 - Moving less
 - 42% of those 65+ live alone
 - More demand for rehab/re-model to age in place?
- } Pressure on the housing stock
- **Housing transition and wealth transfer**
 - Age 80-84 primary age group aging into needing care or moving into care communities
 - What will happen to these homes?
 - Where will wealth be transferred?



The 75+ population is the fastest growing cohort

CO

Colorado Population Aged 75+



- Health issues and need for assistance tend to increase at age 80+
- 230,000 new 75+ year olds expected over the next 10 years (56% increase)
- Additional pressure on the state budget for Medicaid

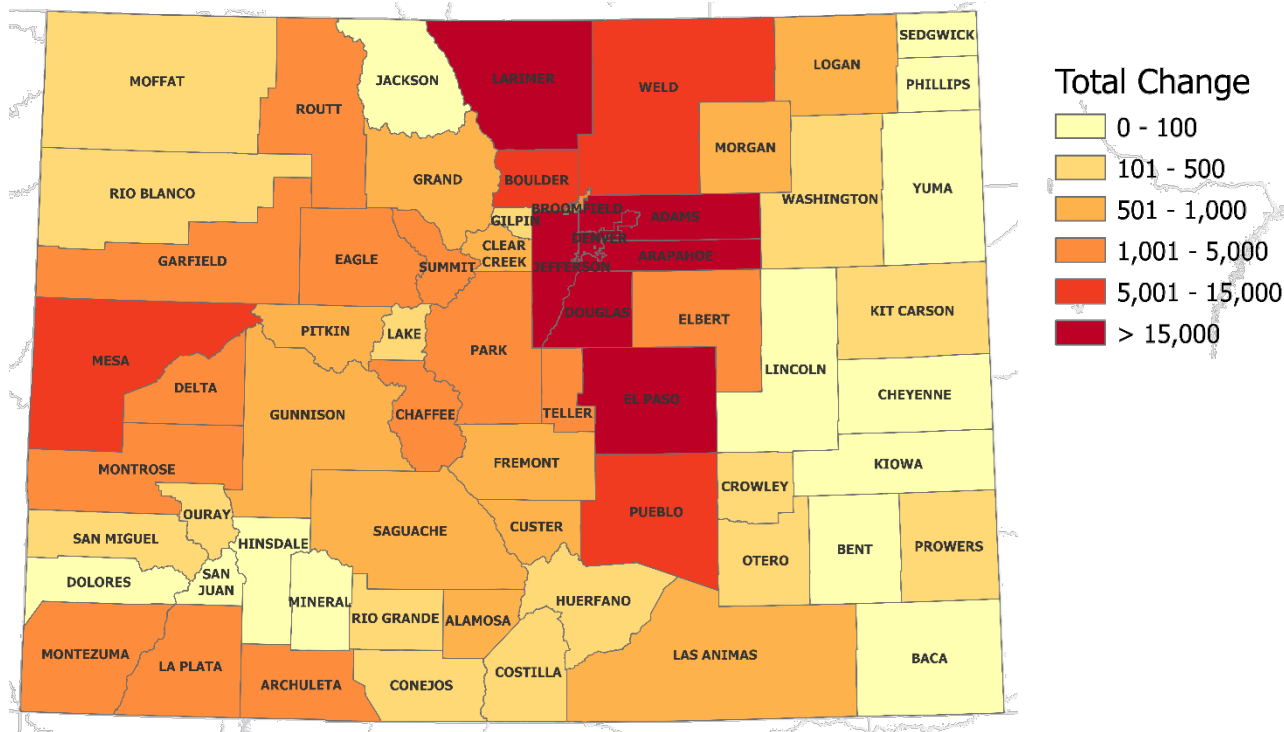


Source: State Demography Office, vintage 2023 estimates and projections.
<https://demography.dola.colorado.gov/assets/html/population.html>

Change in the Age 75+ Population

CO

Forecast Change in 75+ Year Old Population, 2020 to 2030



Source: State Demography Office, vintage 2023 estimates and projections.
<https://gis.dola.colorado.gov/AgeMap/>

Risks to the Forecast

Plan and invest with resiliency (many possible futures) in mind.

- **National population growth**
 - Immigration policy
 - Geopolitical events
- **Push/pull relative to other states, counties**
 - Housing affordability
 - Competition for labor
 - Natural disasters, water availability
- **Economic activity**
 - Net migration tied to the business cycle
- **Remote/hybrid work:** Less concentrated growth or return to work?
- **Housing turnover:** Will more retirees move out freeing up supply?
- **Automation & AI:** Will AI impact labor markets?



Strategic Growth *and* Strategic Aging

- How can businesses continue to attract and retain talent?
- How can we better meet the needs and wants of our aging populations?
- How can we better leverage the talents of our aging populations?
- How do we grow economies (or rethink economic growth) when our population or labor force shrinks?
- How might we better leverage technology to meet our labor force needs?

There's no better time than now to plan for what our
changing demographics will bring.



Questions?

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