# Cumberland Advisors Market Commentary — Census Update

According to the Brookings Institution,

"Newly released Census Bureau population estimates through mid-year 2020 reveal record lows in U.S. population growth, both annually and for the 2010-to-2020 decade….

"The new estimates indicate that over the period from July 1, 2019 to July 1, 2020, the nation grew by just 0.35%. This is the lowest annual growth rate since at least 1900. The new data also shows that when the 2020 census numbers are announced, the 2010-to-2020 decade growth rate could be the lowest in any decade since the first census was conducted in 1790.

"These statistics paint a portrait of a nation that is experiencing unprecedented growth stagnation, even before the COVID-19 pandemic hit."

Figure 1. US annual population growth: 1900 to 2020*
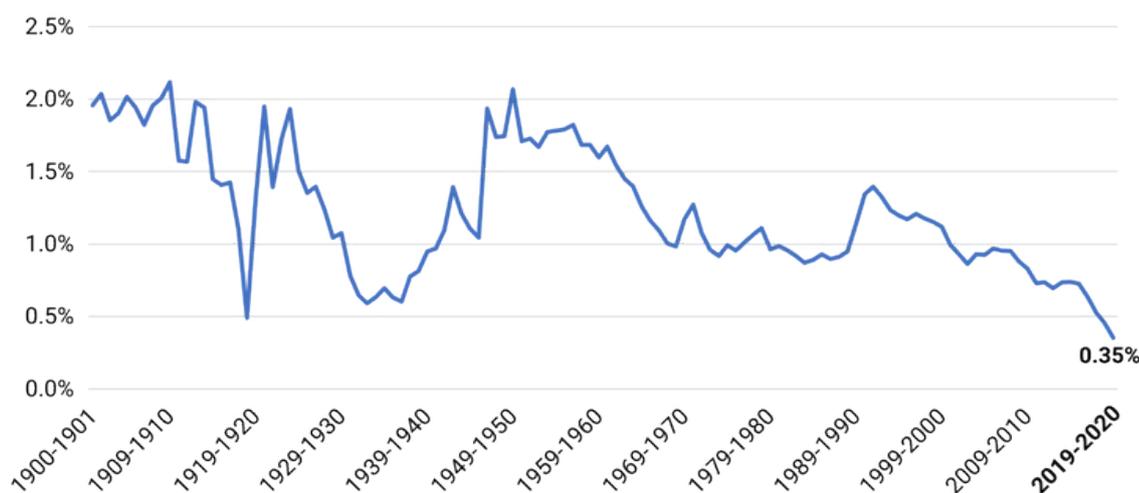
* From July 1 of beginning year to July 1 of end year from U.S. population estimates.
Source: William H. Frey analysis of U.S. Census Bureau historical estimates including 2010-2020 annual estimates released December 22, 2020.

B | Metropolitan Policy Program
at BROOKINGS

("The 2010s saw the lowest population growth in U.S. history, census estimates show," https://www.brookings.edu/blog/the-avenue/2020/12/22/the-2010s -saw-the-lowest-population-growth-in-u-s-history-new-census- estimates-show/)

Wanting to do a deeper dive into this surprising data, we turned to Ken Simonson, the chief economist for the Association of General Contractors. He is also a member colleague of the National Business Economic Issues Council. He shared the following briefing on the census, including the spreadsheet linked at the end of the briefing, which is packed with details. The decennial census becomes the official count to apportion the House of Representatives. It also determines the allocation of many payments of varied types. Notice the shifts in population. The implications for credit analysis are important. States that gain population add to their tax base while those losing people face shrinking tax revenues. We thank Ken for sharing his efforts with our readers.

Analysis of U.S. and State Population Estimates, July 1, 2010- July 1, 2020

Ken Simonson, Chief Economist, AGC of America

On December 22, the Census Bureau posted tables showing annual population estimates for the United States, each state, and the District of Columbia as of July 1, 2020, along with revised estimates back to 2010. These estimates are based on births, deaths, and migration information dating back to the **2010** census, **not the 2020** census estimates, which will be issued sometime in 2021 and will be used to apportion seats in the House of Representatives, allocate federal spending for scores of programs, and other purposes. Nevertheless, these annual estimates are a useful indicator of population change.

Population changes over time are a major contributor to demand for numerous types of construction, funding for public

construction, and supply of potential construction workers.

U.S. population growth slowed for the fifth year in a row to an all-time low of 0.35% between July 1, 2019 and July 1, 2020, from 0.46% (initially estimated at 0.48%) the year before. The slowing in the growth rate resulted from a continuing slowdown in the number of births; an increase in deaths (due both to rising numbers of very old people and more deaths of younger adults from suicide and drug overdoses, with a small increment as of July 1 attributable to covid-affected deaths); and a decline in net immigration.

Idaho was the **fastest-growing state in 2020** for the third time in four years, with a growth rate each time of about 2.1%, as it added 37,853 residents. **Arizona** was the second-fastest growing state in 2020 (1.78%, 129,558 more residents).

Texas had the **largest numerical increase in 2020** (637,965; 1.29%, third-fastest). **Florida** added the second-largest number of residents in 2020 (241,256; 1.12%, seventh-fastest).

D.C. and 16 states had larger population growth in 2020 than in 2019. **Texas** added 11,735 more residents in 2020 than in 2019, the **largest acceleration in residents** of any state. **Wyoming** had the **largest acceleration in its growth rate** (0.20 percentage points) for the second year in a row.

A record 16 states lost population in 2020, compared to 14 in 2019 (previously estimated as 10). **New York lost population for the fifth year in a row and had the steepest percentage loss** (-0.65%) and the **largest numerical decline** (-126,355). New York and Illinois are the only states to experience slower growth (or steeper loss) of population each year this decade.

A total of 34 states had smaller growth or larger losses in 2020 than in 2019. The **largest numerical decline in growth** occurred in **California**, which lost population for the first time in its history (-69,532, -0.18%). California's

growth rate in the years 2011-2015 was slightly above the national rate (approximately 0.8% vs. 0.7%) each year. But the state's growth has slowed for the past six consecutive years.

Nevada's growth rate slowed the most this year, from 1.98% in 2019 to 1.54% in 2020, a decline of 0.44 percentage points (**more than any state**) this year. Nevertheless, Nevada's growth rate exceeded every state's except Idaho and Arizona (1.78%).

Two states in addition to California lost population in 2020 for the first time in the past decade: **Massachusetts** (-1,309 residents, -0.02%) and **Ohio** (-3,290 residents, -0.03%). **Kansas** was the only state to add residents in 2020 (1,170, 0.04%) after losing residents in 2019 (-113, -0.004%).

For the decade, **D.C. grew faster than any state** (17.77%, 107,534 more residents). However, D.C.'s growth rate has slowed from around 2.5% annually in 2011-2013 (first in the nation in 2011 and 2012, second in 2013-2015) to around 0.6% in 2019 and 2020.

Among states, **Utah was the fastest-growing state from 2010 to 2020** (17.10%, 474,466 more residents), followed by **Texas** (16.32%, 4,118,862 more residents). **Texas had the largest numerical increase from 2010 to 2020**, followed by **Florida** (2,887,169, 15.32%).

Illinois had the largest numerical decline over the decade (-253,015, -1.97%) and lost population in each of the past seven years. **West Virginia had the largest percentage decline over the decade** (-3.75% -10,476 residents) and lost population in each of the past eight years.

Three states in addition to New York, Illinois, and West Virginia lost population over the decade: **Connecticut** (-22,167 residents, -0.62%, seven consecutive declines), **Mississippi** (3,829 residents, -0.13%, three consecutive declines), and **Vermont** (-2,539 residents, -0.41%, three consecutive declines).

Spreadsheet: Census — State Population Trends 2010-2020 (Author, Ken Simonsen).pdf
Analysis: Census — State Population Trends 2010-2020 Analysis (Author, Ken Simonsen).pdf

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