Forces

As many fight to enter or remain in today’s shrinking middle class, the road to opportunity is littered with hurdles hardworking Americans are expected to clear with varying levels of assistance. These are exacerbated by what the the Bell Policy Center identifies as “forces.”

This guide provides insight on some of the specific forces impeding Coloradans’ ability to get ahead and stay ahead. The examination of these forces offers the necessary lens to understand where we are and how we got here, but also sheds light on the unfair challenges Coloradans face due to outdated practices that can be solved with progressive and inclusive policymaking.

Demographics: A Changing Colorado

Colorado’s changing demographics have far-reaching implications for our state’s economic growth. A key indicator in determining prosperity and need across the state, demographics help us understand demands for housing, transportation, schools, and other public services. Because demographics affect so much of how Colorado operates, it’s imperative to recognize how these elements play into the vision of economic opportunity.

Population Growth

Overall, Colorado is growing faster than most states — it was the eighth fastest state in absolute population growth in 2016 — but our population is increasing more slowly than it has in the past. In recent years, Colorado has seen a 1.6 percent annual uptick in population, nearly half the 3 percent annual growth in the 1990s. Still, Colorado’s population is projected to grow from 5.6 million people in 2017 to 8.7 million in 2050, driven overwhelmingly by newcomers moving to the state.

Between 2010 and 2015, Colorado’s population grew by about 400,000, almost all of whom settled along the Front Range. Although the rate of net in-migration slowed in 2016, another 460,000 people are expected in Colorado by 2020, most of them headed to the Front Range.

Outside of the Front Range, the population in 25 counties declined between 2010 and 2015. With more people moving out than in and deaths outnumbering births, these counties will struggle to sustain their population over the long run.

Growing and declining populations both have attributes that may encourage or discourage economic growth. Growing areas spin off lots of economic opportunities that attract people, which means greater demand for housing, transportation, and other resources. If supply does not or cannot keep pace, these areas become congested, expensive, and less attractive.

While stagnant and declining areas have fewer jobs and economic opportunities, they often have lower living costs and are less crowded, which can be enticing and spur growth. Since Colorado has several communities that are growing while others are declining, helping the latter prosper from statewide growth is important to promoting economic opportunities throughout Colorado.

One of the critical resources needed to generate growth in rural parts of Colorado is broadband internet access. While many rural towns located along major highways have broadband access, almost one-quarter of rural residents don’t, including many living in large portions of the Eastern Plains and mountains. The lack of high-speed internet affects how
schools, hospitals, and businesses operate and can make a difference in an area’s growth. The Bell met with members from several Colorado communities during the summer of 2017, and those on the Western Slope and in northwestern Colorado shared the importance of broadband access. The Governor’s Office of Information Technology is leading the efforts to increase coverage and capacity of broadband throughout Colorado, including mapping the availability of service and pursuing strategies to expand access. Ensuring all parts of Colorado have access to broadband is one strategy to help all communities benefit from Colorado’s economic growth.

**Colorado Is Getting Older**

Historically, Colorado has had a relatively low share of residents 65 and older; in 2015, Colorado was the 13th youngest state in the nation with a median age of 36.5.

During the same time, Colorado’s growth rate in the 65-and-over and 85-and-over population was the third and 15th fastest in the country, respectively. This is largely due to the number of baby boomers (born between 1946 and 1964) in the state.

Baby boomers account for 1 out of every 4 Coloradans and as they get older, so too does our overall population. Soon, our “young state” will be similar in age to the rest of the nation. As this happens, economic output throughout the state will be affected.

Four out of every 10 workers in Colorado are baby boomers and as they retire, our workforce will undergo a major transformation.

Approximately 1 million workers are projected to age out of the workforce by 2030, with most expected to leave between 2020 and 2030. Education, health, utilities, mining, and government are industries with a larger number of older workers and will rely on replacing retiring workers; this will open the door for new workers to find their place in Colorado’s workforce.

In addition, senior spending on health care and other services is projected to drive an almost 70 percent increase in jobs such as personal care aides, retail sales persons, and registered nurses over the coming decade.

If there are not enough new workers with the appropriate skills to fill the jobs vacated by retiring employees, Colorado runs the risk of constraining economic growth. Further limitation may come from the decline in incomes as Coloradans retire and live on pensions and savings.

With less spending from households headed by 65-and-older Coloradans comes reduced overall demand and slower economic growth. The drop in income and overall household expenditures also puts downward pressure on state tax revenues: The Colorado Futures Center projects state income taxes and state sales taxes will grow at a slower rate due to the aging of Colorado’s population.

When combined with the greater demand seniors place on public services such as health care, long-term care, income support, and property tax rebates, there will likely be a smaller share of public resources available in the future to be spent on services promoting opportunity, such as higher education, K-12 education, preschool, child care, housing, health care, and transportation.

**A More Diverse Colorado**

The number and share of racial and ethnic minorities in Colorado are projected to increase over the next two decades, growing from 1.8 million in 2017 to 4.0 million in 2050.
Colorado’s Hispanic Population is Expected to Increase

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<th>Year</th>
<th>White</th>
<th>Hispanic</th>
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Racial and ethnic minorities are predicted to comprise about 46 percent of Colorado’s population in 2050, compared to about 30 percent in 2015. Hispanics will comprise the largest share of Colorado’s racial and ethnic minority population — over one-third — by 2050.

Colorado’s minority population tends to be younger and Hispanics will comprise over 60 percent of the growth in our working-age population between 2017 and 2020 and each decade through 2050. However, minorities in Colorado currently face numerous barriers to economic mobility.

For example, they currently have lower incomes, higher poverty rates, higher unemployment rates, less assets, lower educational attainment levels, more at-risk students, lower homeownership rates, and poorer health outcomes than the majority white population. We must address current gaps in educational and skills attainment if we want to ensure qualified workers fill the jobs of the future and find opportunity themselves.

To effectively address these challenges, Colorado must confront these disparities.