

The Brown and The Gray: Demographic Contradictions and the New Challenges for Real Estate

by
Cruz C. Torres

**Hispanic Research Program
Dept. of RPTS
Texas A&M University
April 28, 2005**

Major Demographic Trends Affecting the Future

- **Change in Rates and Sources of Population Growth**
- **Increase in the Non-Anglo Population**
- **Change in Household Composition**
- **Aging of the Population**

Total Population and Percent Population Change in Texas and the United States, 1850-2003

Year*	Total Population		Percent Change	
	Texas	U.S.	Texas	U.S.
1850	212,592	23,191,876	---	---
1860	604,215	31,443,321	184.2	35.6
1870	818,579	39,818,449	35.5	26.6
1880	1,591,749	50,155,783	94.5	26.0
1890	2,235,527	62,947,714	40.4	25.5
1900	3,048,710	75,994,575	36.4	20.7
1910	3,896,542	91,972,266	27.8	21.0
1920	4,663,228	105,710,620	19.7	14.9
1930	5,824,715	122,775,046	24.9	16.1
1940	6,414,824	131,669,275	10.1	7.2
1950	7,711,194	150,697,361	20.2	14.5
1960	9,579,677	179,323,175	24.2	19.0
1970	11,196,730	203,302,031	16.9	13.4
1980	14,229,191	226,545,805	27.1	11.4
1990	16,986,510	248,709,873	19.4	9.8
2000	20,851,820	281,421,906	22.8	13.2
2002	21,779,893	288,368,698	4.5	2.5
2003	22,118,509	290,809,777	6.1	3.3

* All values for the decennial dates are for the indicated census year. Values for 2003 are as estimated by the U.S. Bureau of the Census.

Projected Population Change: 2000-2030

Total Population

Percent Change from 2000

Year	Texas	U.S.	Texas	U.S.
2030	20,851,820	363,584,453	59.8	29.2

Total Population and Components of Population Change in Texas, 1950-2003

Year*	Population	Numerical Change	Natural Increase	Net Migration	Percent Change	Percent Change Due to	
						Natural Increase	Net Migration
1950	7,711,194	—	—	—	—	—	—
1960	9,579,677	1,868,483	1,754,652	113,831	24.23	93.91	6.09
1970	11,196,730	1,617,053	1,402,683	214,370	16.88	86.74	13.26
1980	14,229,191	3,032,461	1,260,794	1,771,667	27.08	41.58	58.42
1990	16,986,510	2,757,319	1,815,670	941,649	19.38	65.85	34.15
2000	20,851,820	3,865,310	1,919,281	1,946,029	22.76	49.65	50.35
2003	22,118,509	1,266,689	715,464	551,225	6.07	56.48	43.52

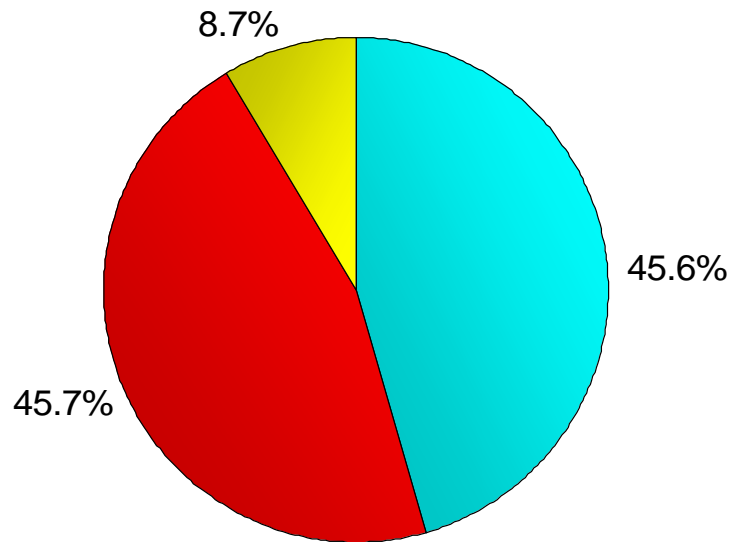
* All values for the decennial dates are for the indicated census year. Value for 2003 is as estimated by the U.S. Bureau of the Census.

Residential Patterns of Population

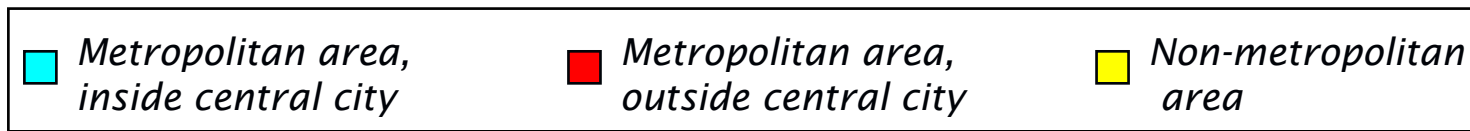
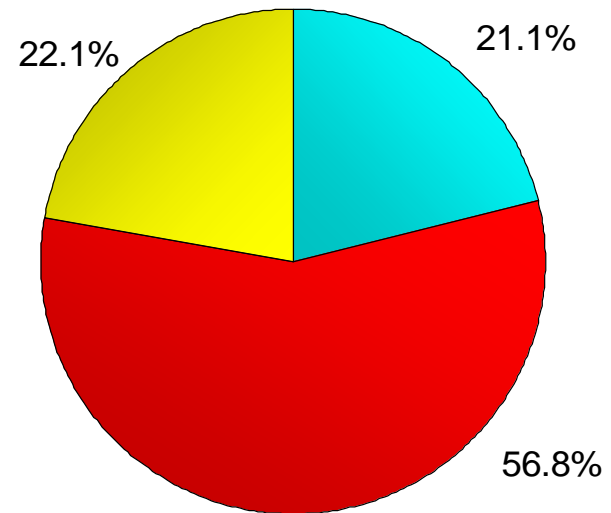


Type of Residence : 2002

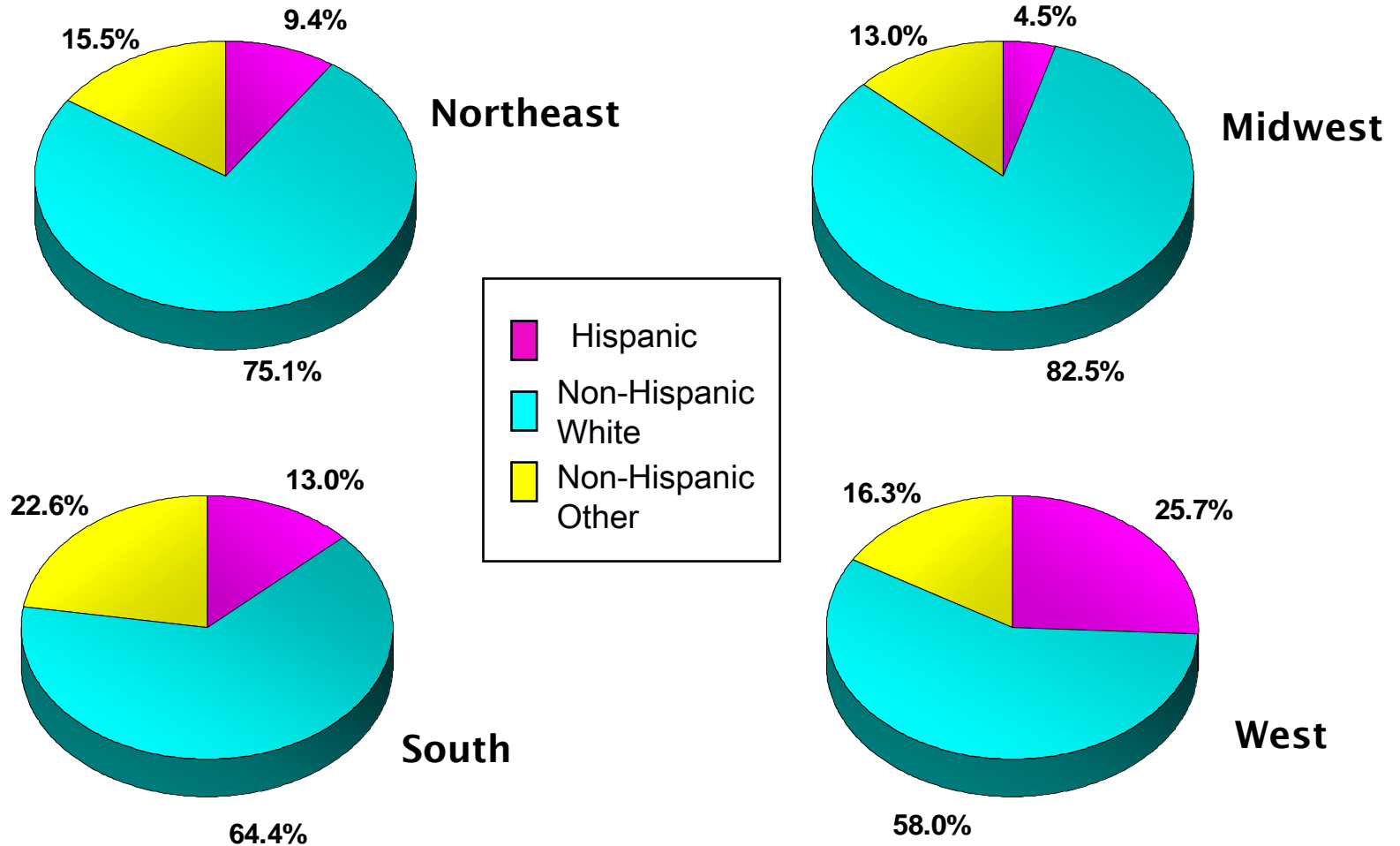
Latino



Non-Hispanic White

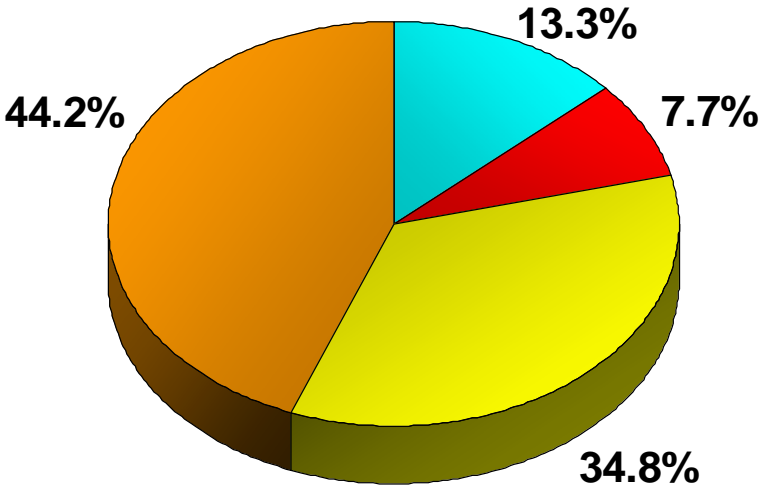


Regional Distribution of Populations:2002

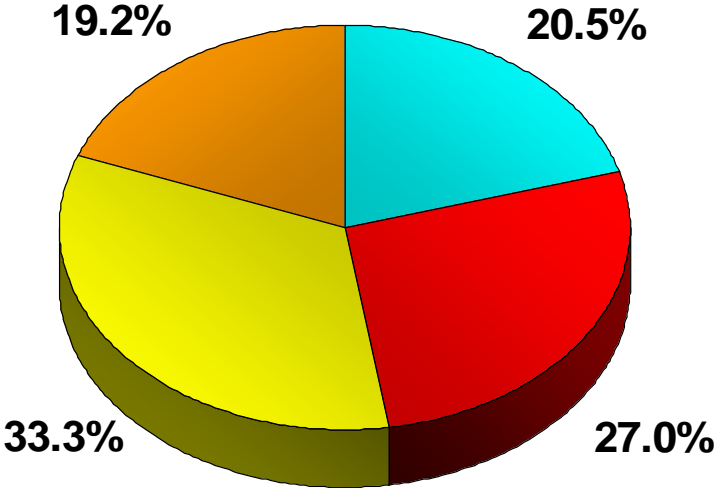


Regional Distribution of Populations: 2002

Hispanic



Non-Hispanic White

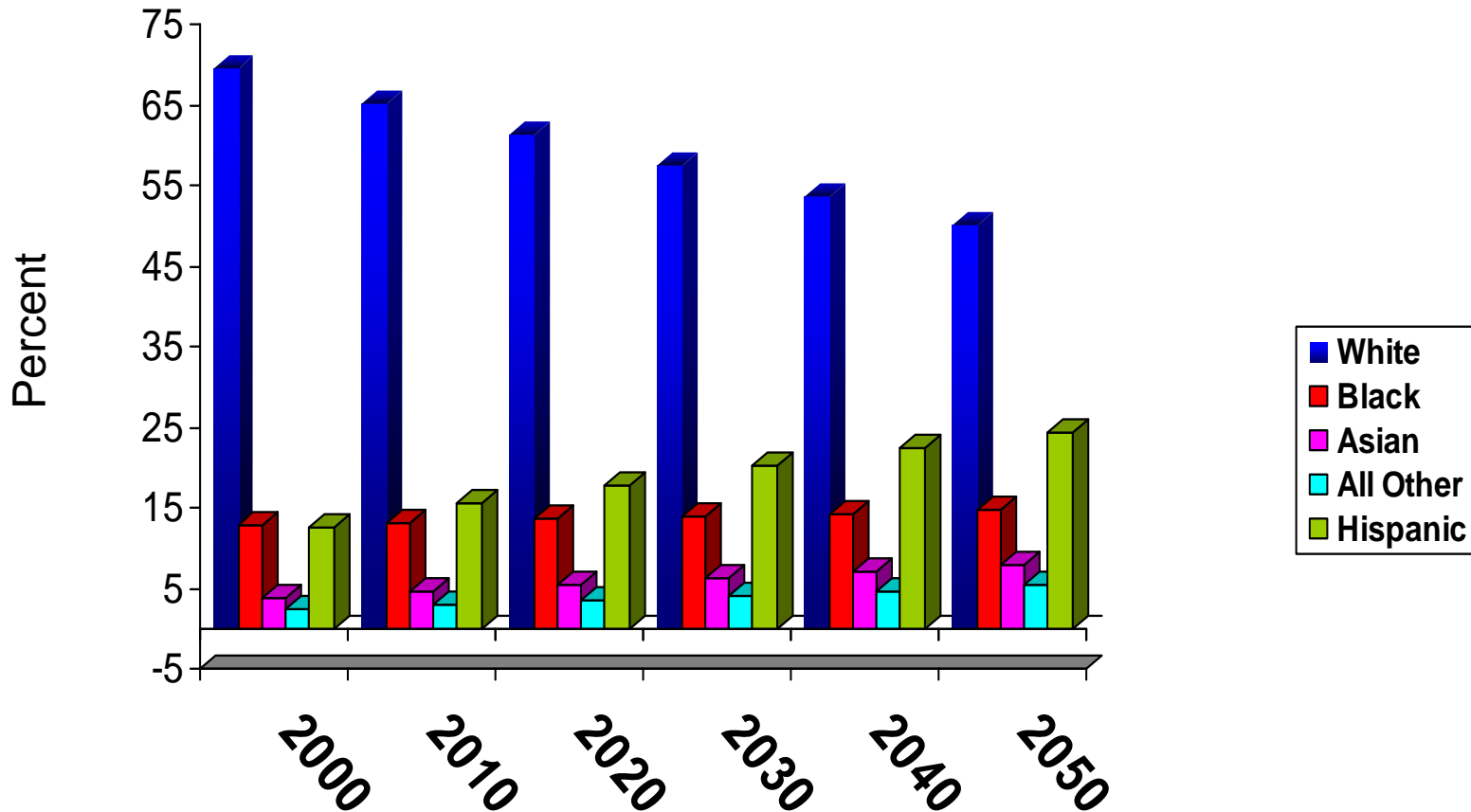


Source: Current Population Survey, March 2002, PGP-5

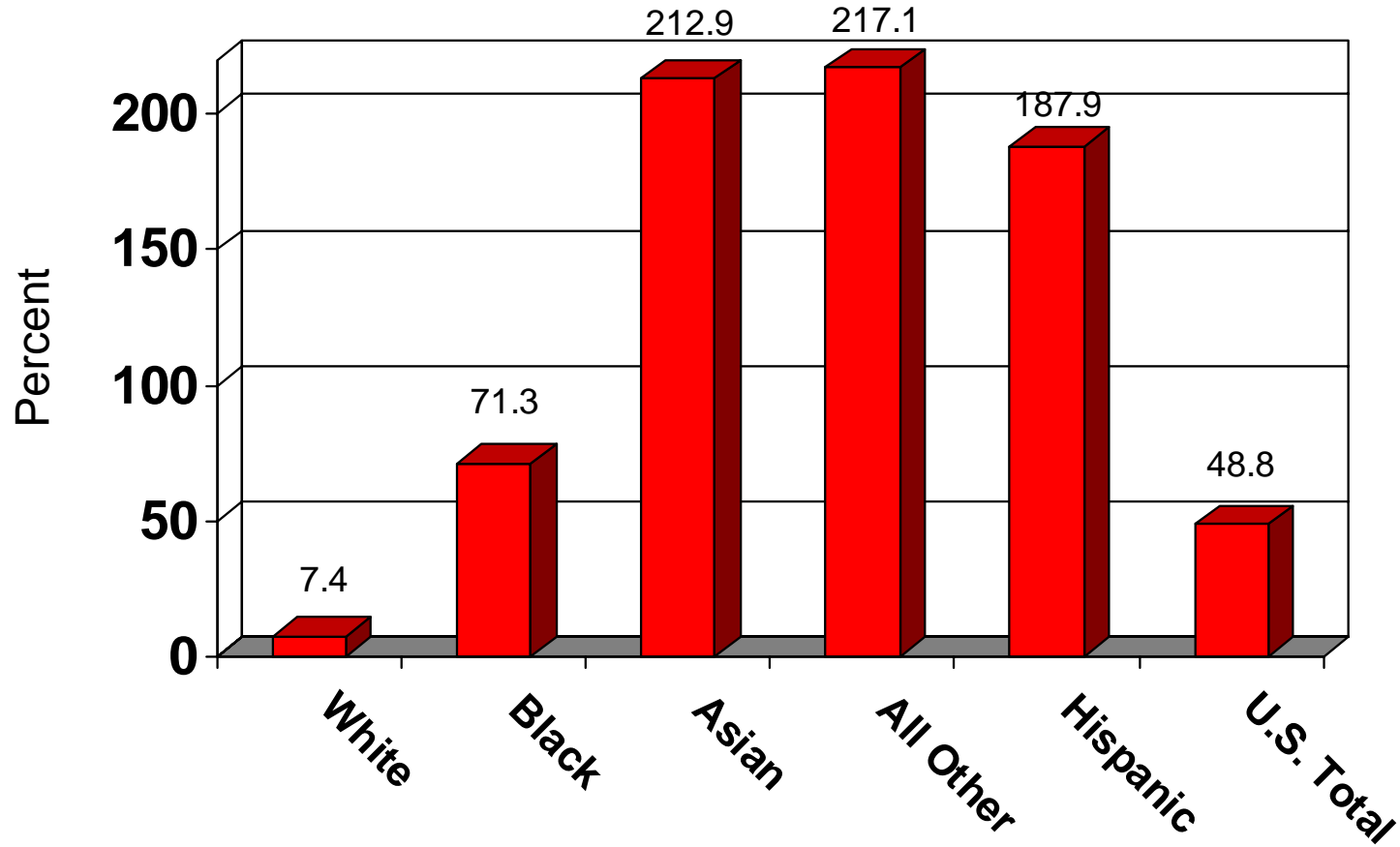
Ethnic Population Change



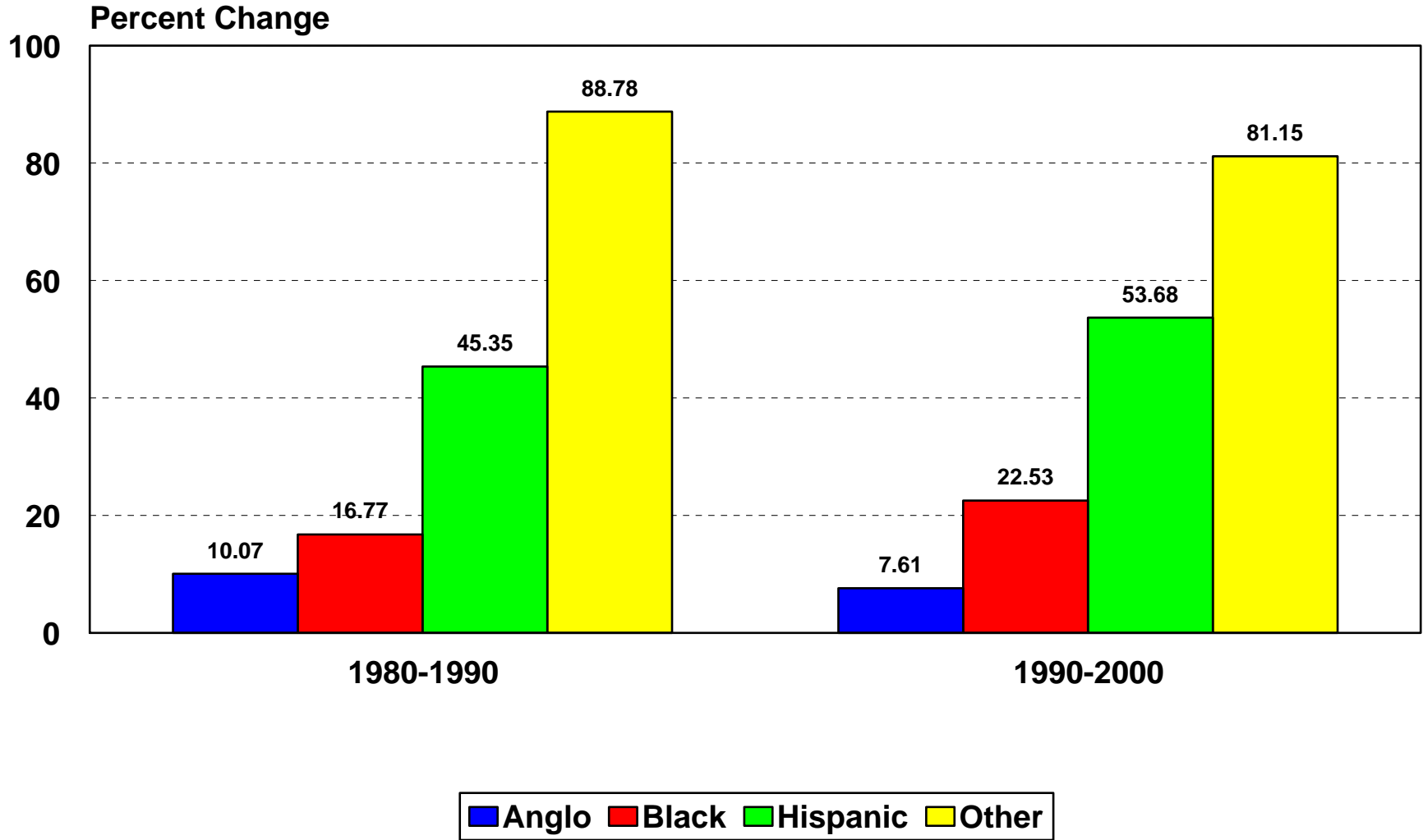
Projected Percent U.S. Population by Ethnic/Racial Groups



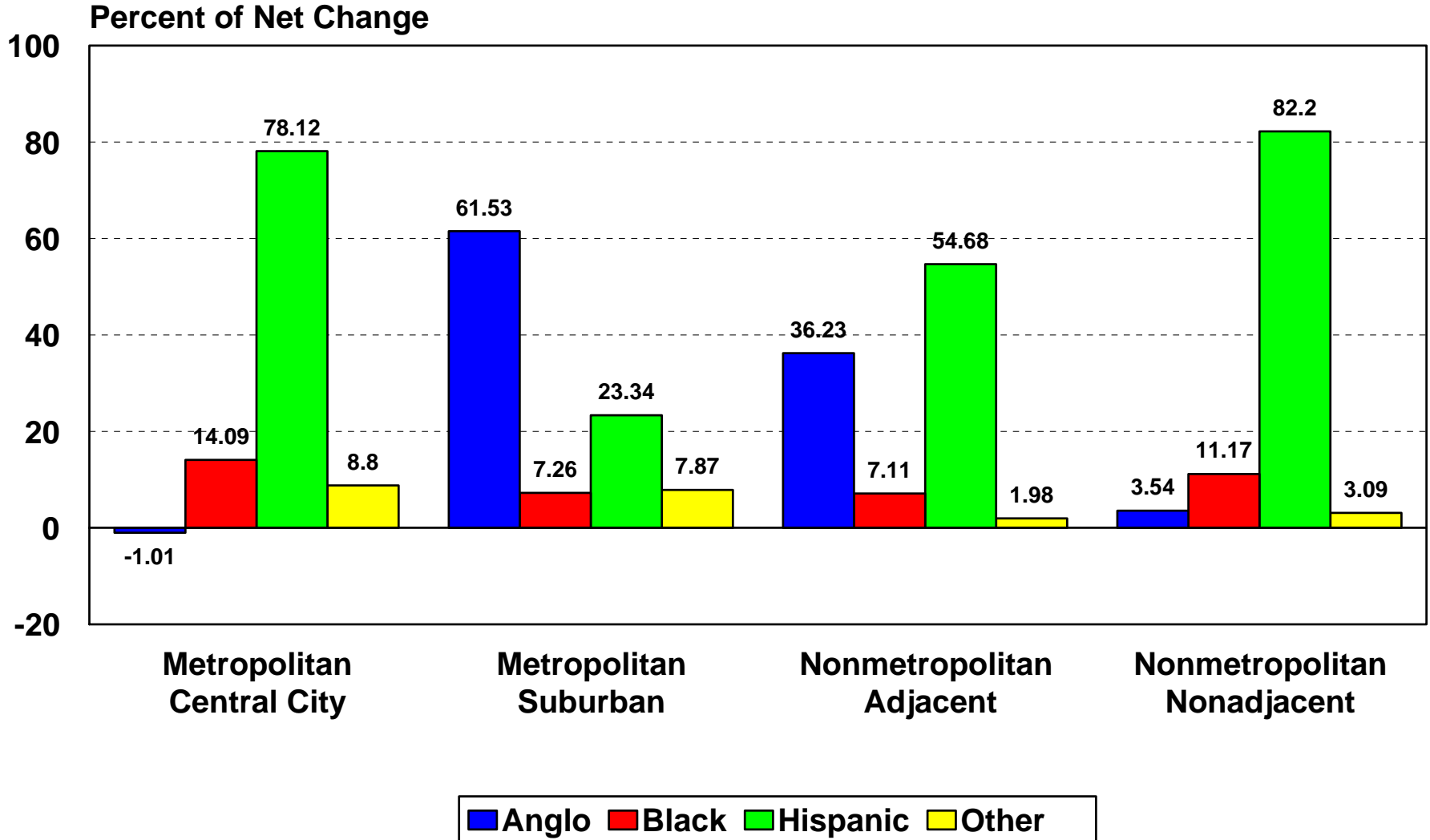
Projected U.S. Population Change by Race and Hispanic Origin: 2000-2050



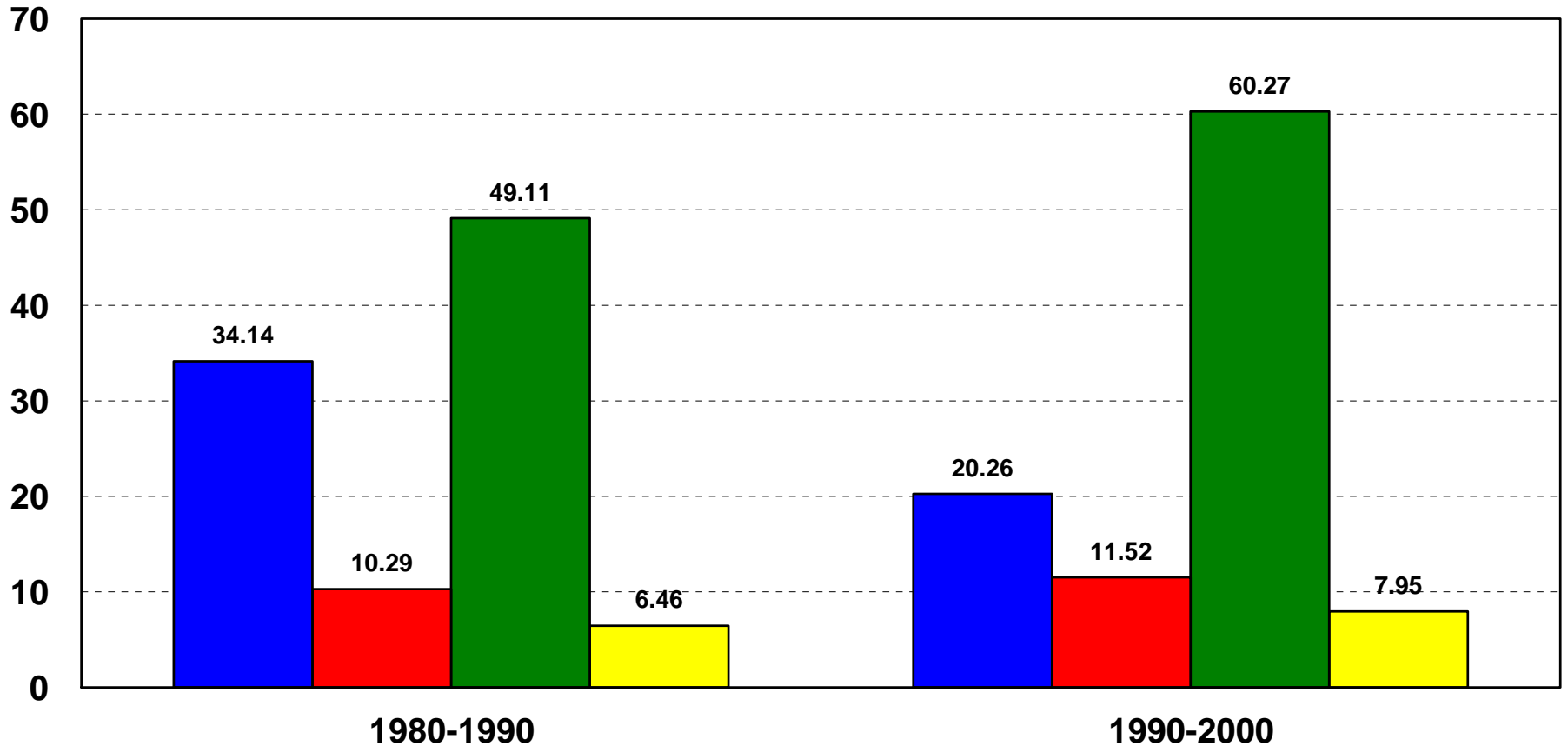
Percent Change in Population by Race/Ethnicity for 1980-1990 and 1990-2000 in Texas



Proportion of Net Population Change from 1990 to 2000 Attributable to Each Racial/Ethnic Group by Each Metropolitan Status Type in Texas

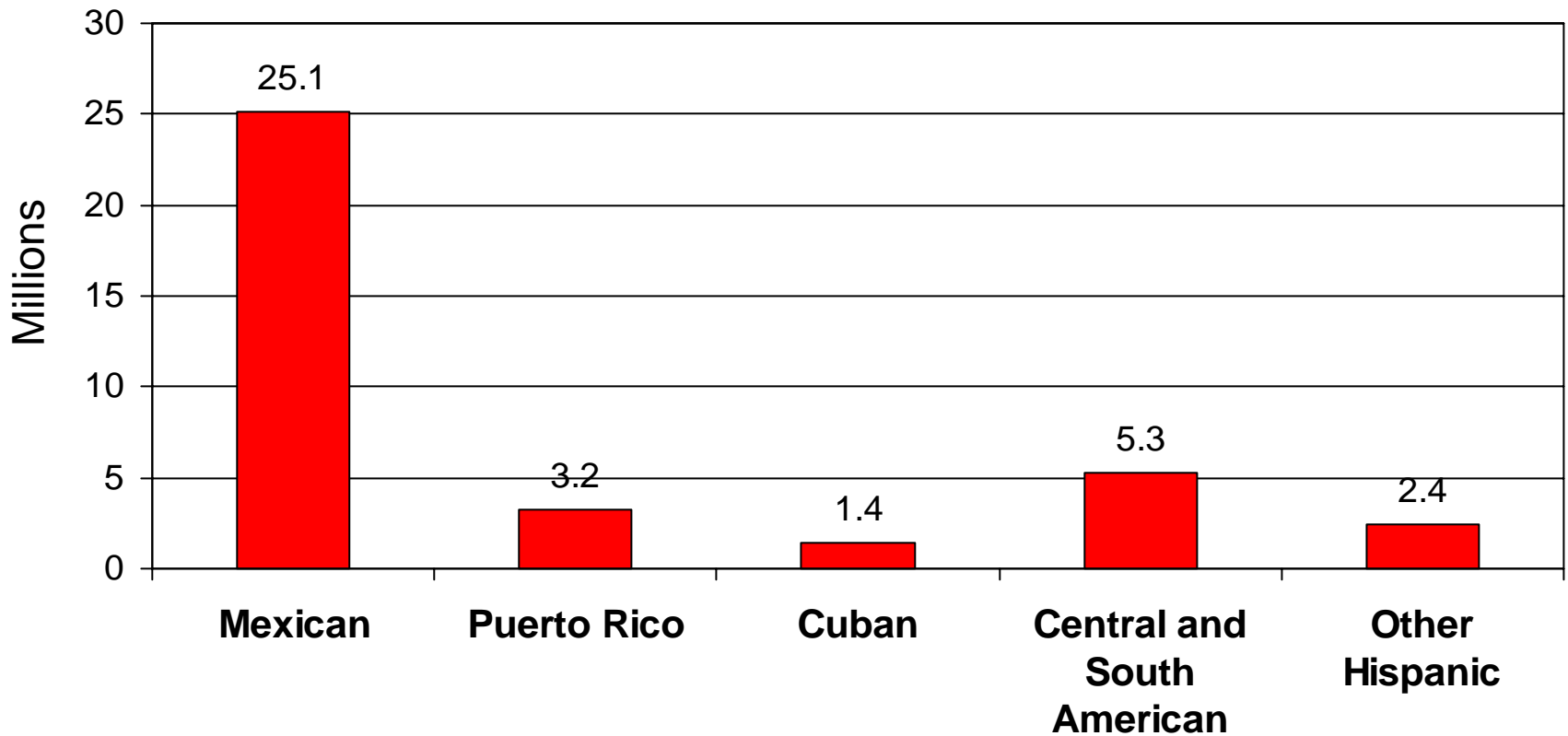


Proportion of Net Population Change Attributable to Each Race/Ethnicity Group in Texas for 1980-1990 and 1990-2000

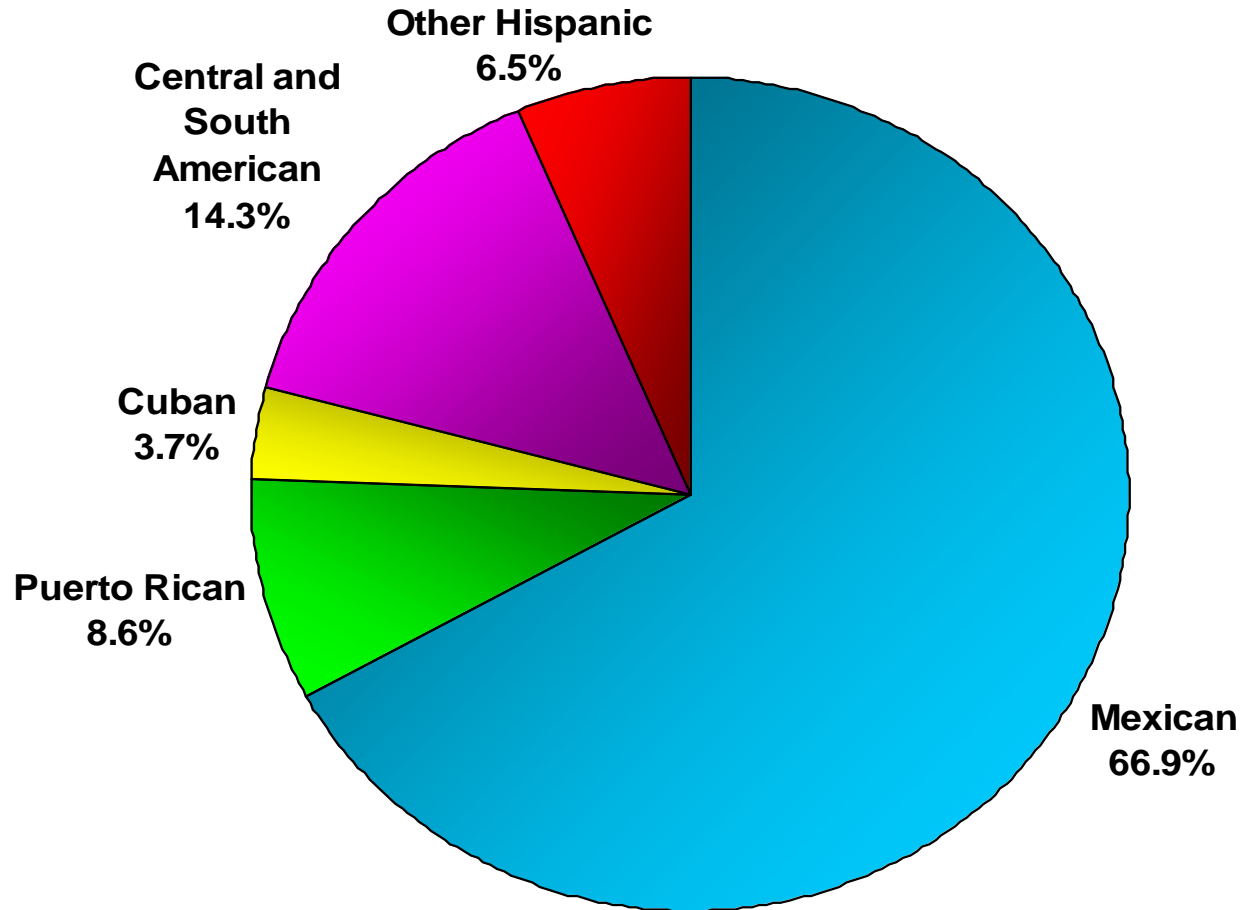


■ Anglo ■ Black ■ Hispanic ■ Other

U.S. Latino Population by Type



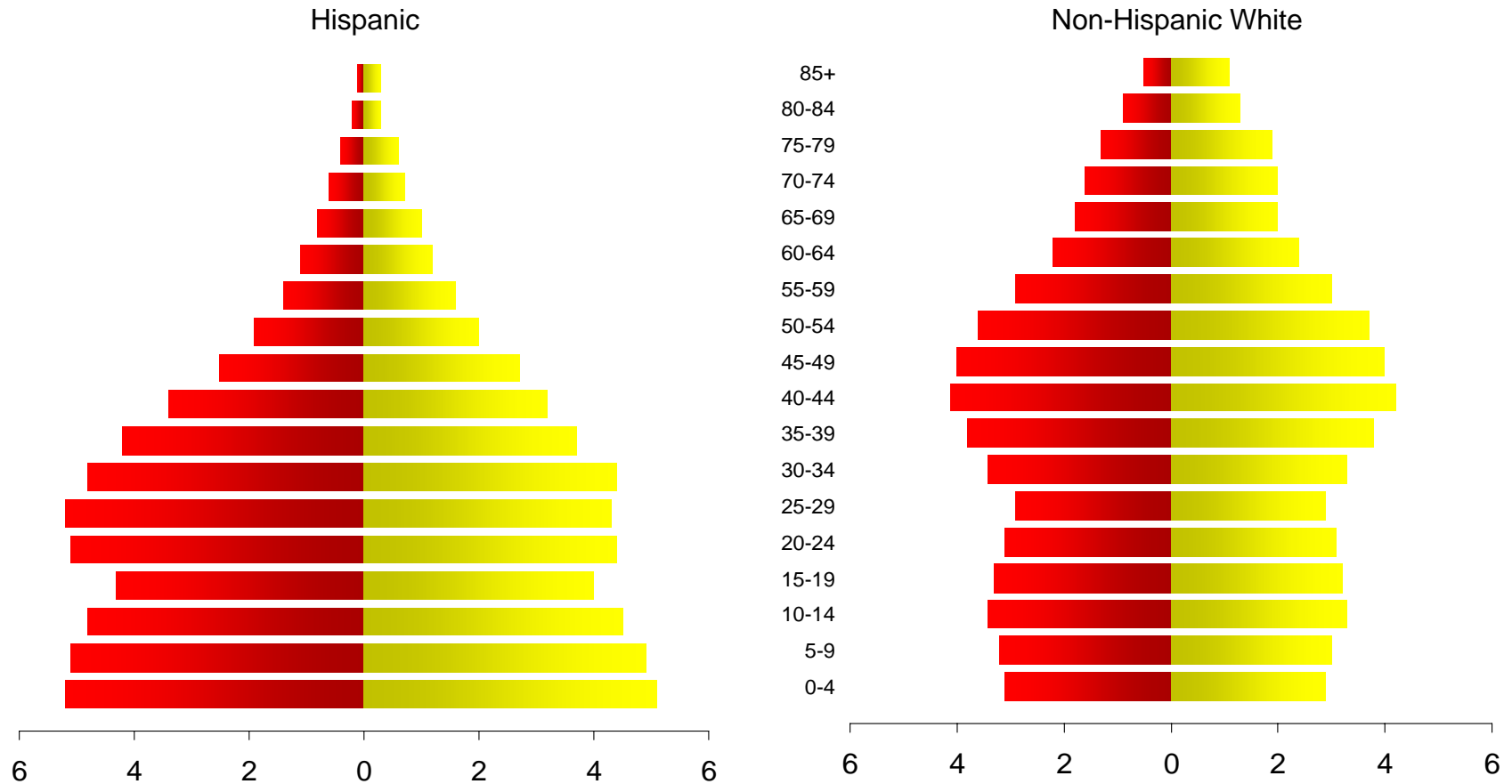
Percent Distribution of Hispanics by Type: 2002



Major Changes in Population:

Age Composition

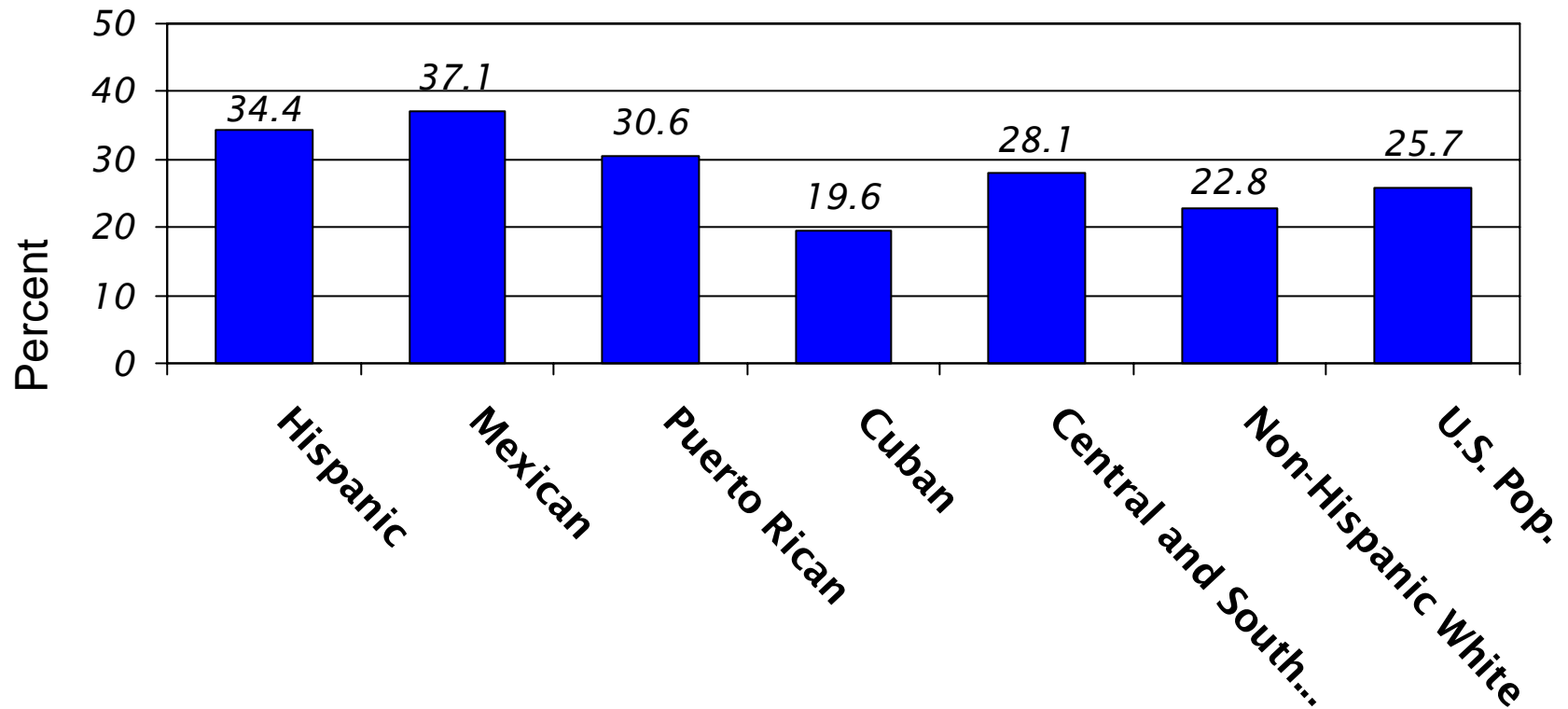
Age Distribution by Sex and Hispanic Origin: 2002



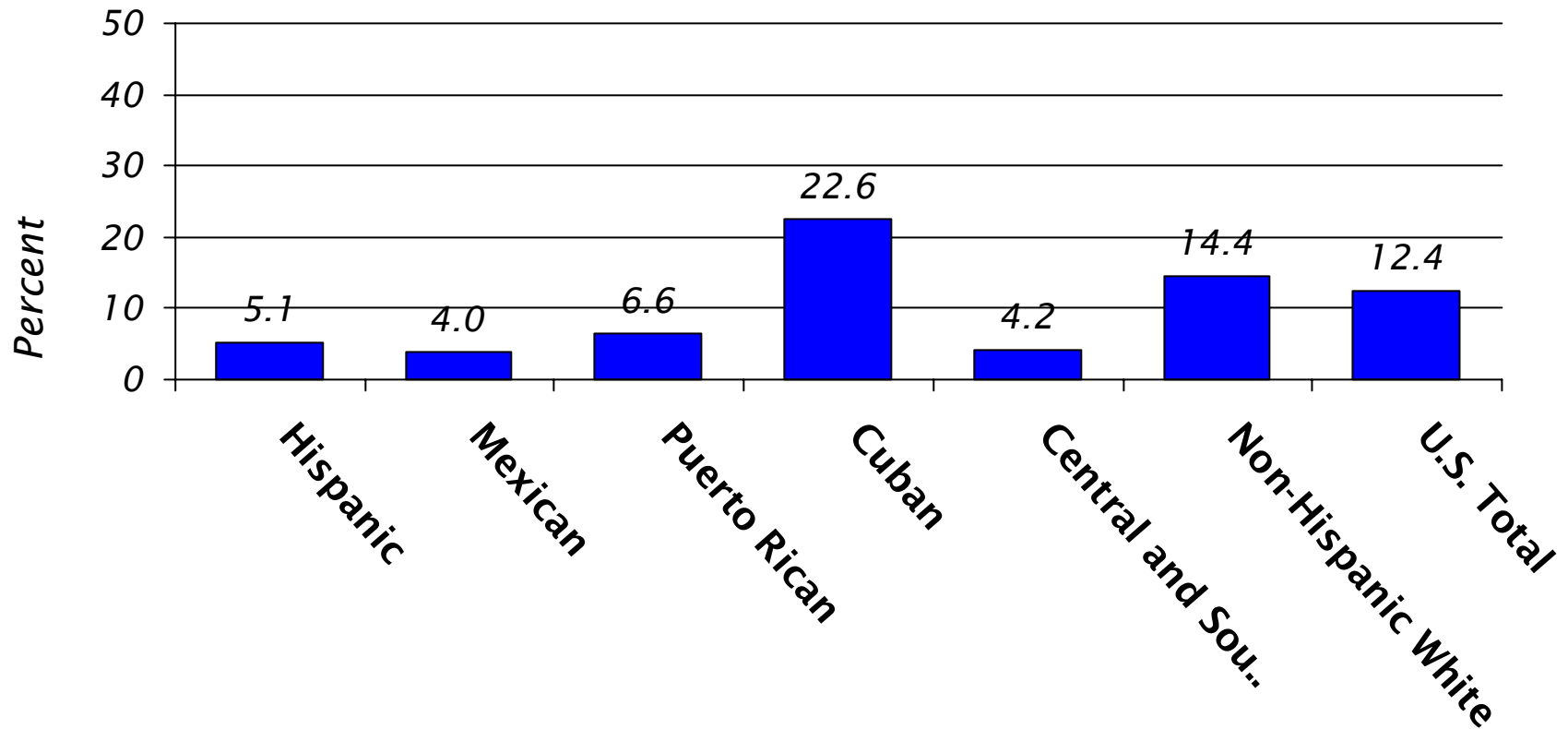
Source: U.S. Census, Current Population Survey, March 2002, PGP-5

Note: Each bar represents the percent of the Hispanic (non-Hispanic White) population who were within the specified age group and of the specified sex.

Percent of Population Under Age 18 by Hispanic Origin: 2002



Percent of Population Aged 65 and Over by Hispanic Origin: 2002

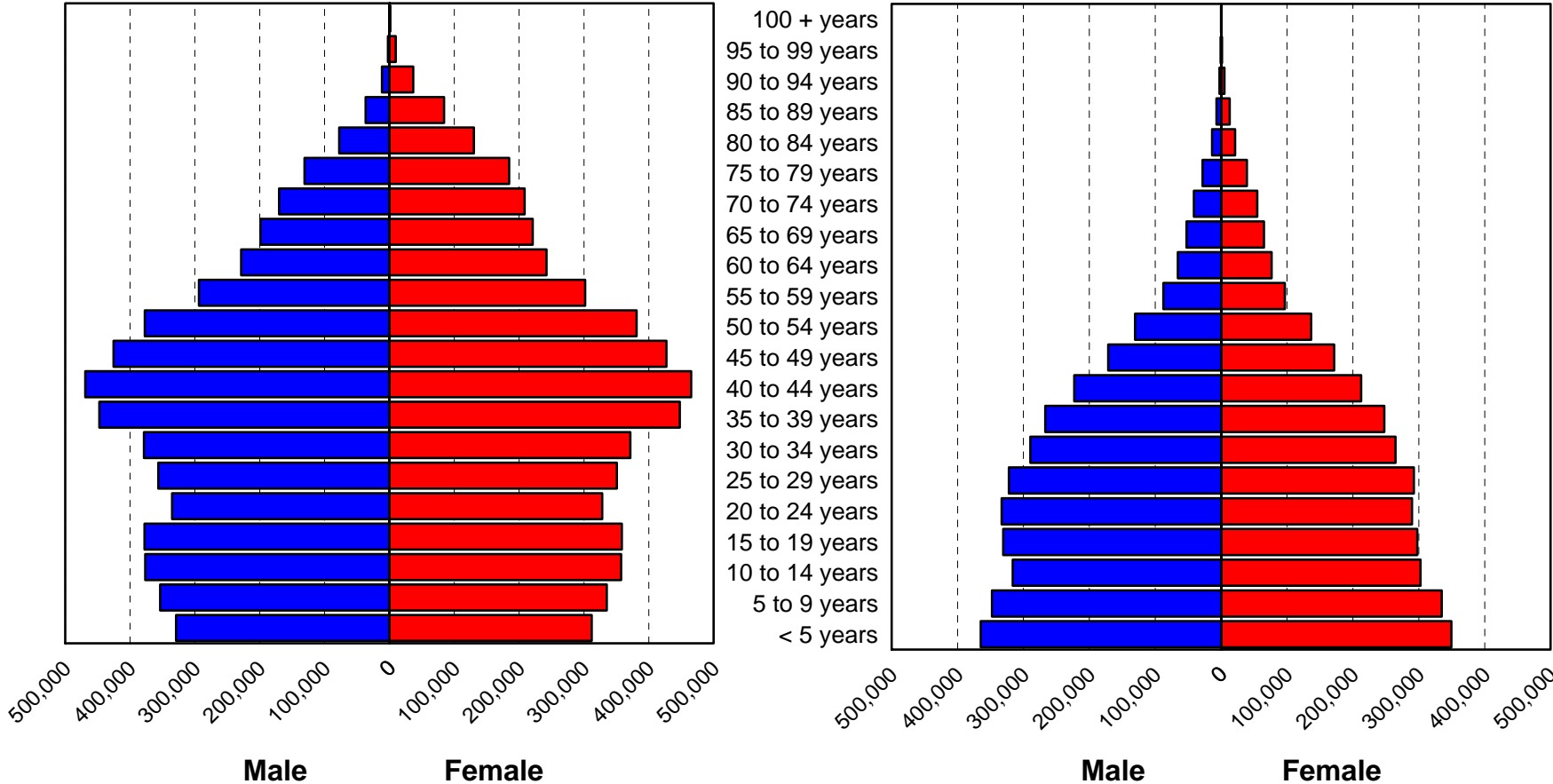


Population Pyramids for Anglo and Hispanic Ethnic Groups in Texas, 2000

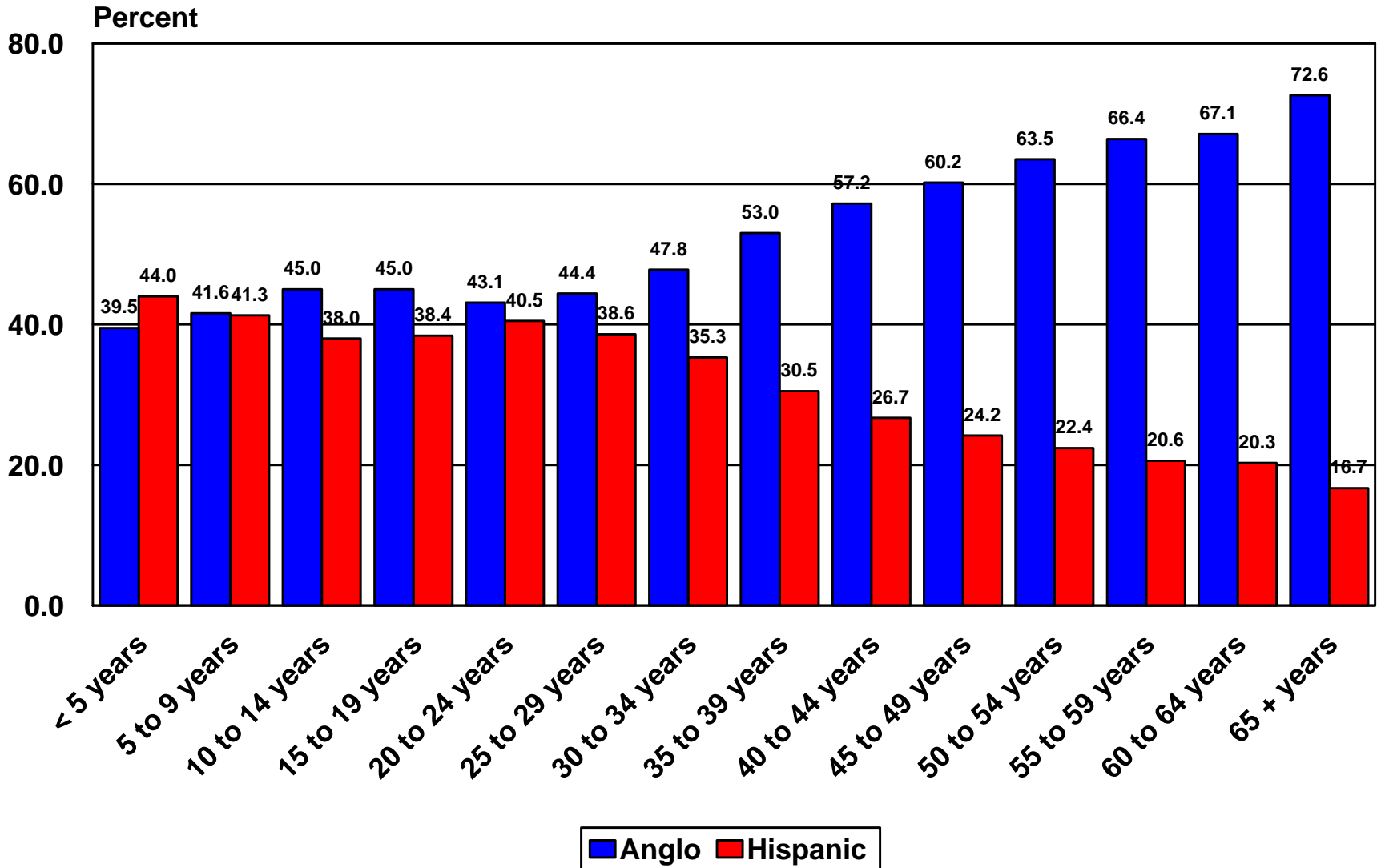
Anglo

Hispanic

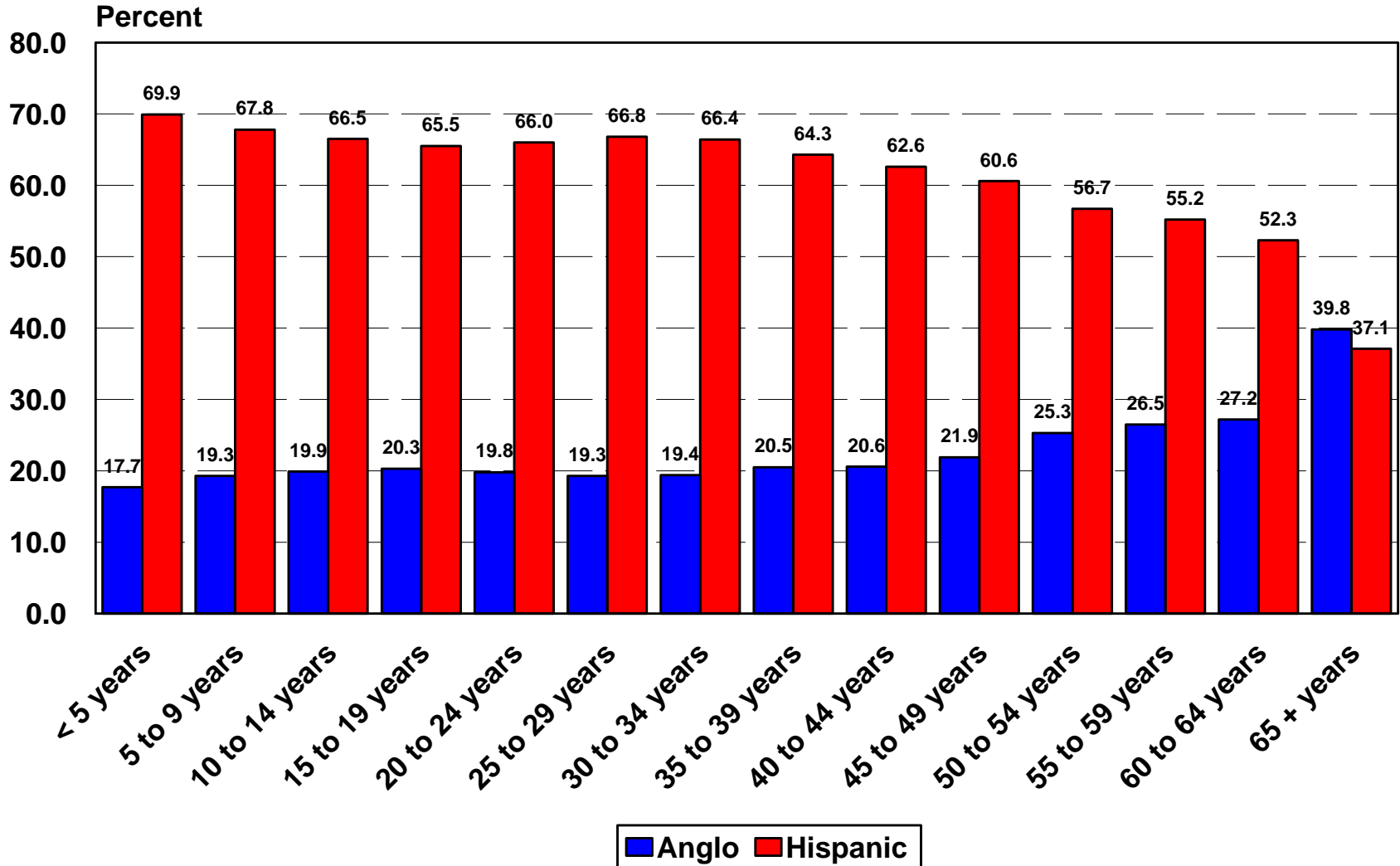
Age



Percent of Texas Population by Age Group and Ethnicity, 2000



Percent of Texas Population by Age Group and Ethnicity, 2040*



* Projections are shown for the 1.0 scenario

Major Changes in Population:

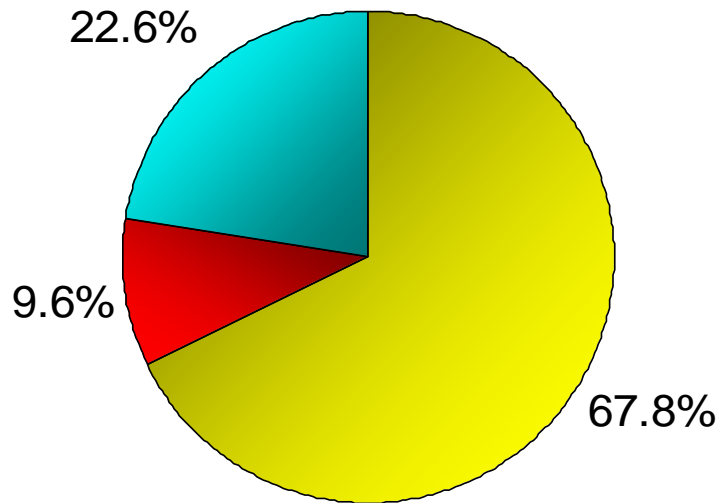
**Household and Family
Composition**

Household and Family Composition

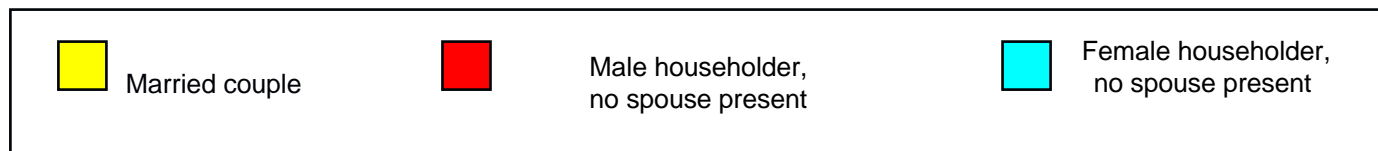
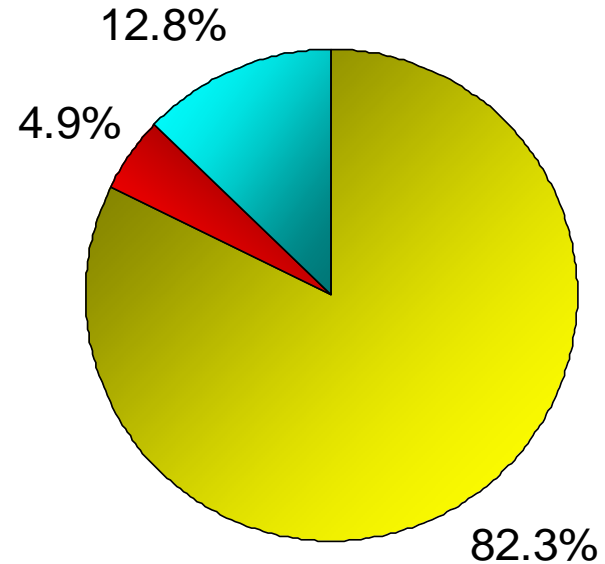
- **Decrease in family size**
 - From 3.41 in 1950 to 2.74 in 2000
- **1990-2000 change in type of households**
 - Family households 20.8% increase
 - Nonfamily households 24.2% increase
- **1990-2000 change in family households**
 - Married couples 16.1% increase
 - Male householder 55.2% increase
 - Female householder 33.6% increase
 - Unmarried partners 87.5% increase

Family Households by Type and Hispanic Origin: 2002

Hispanic



Non-Hispanic White

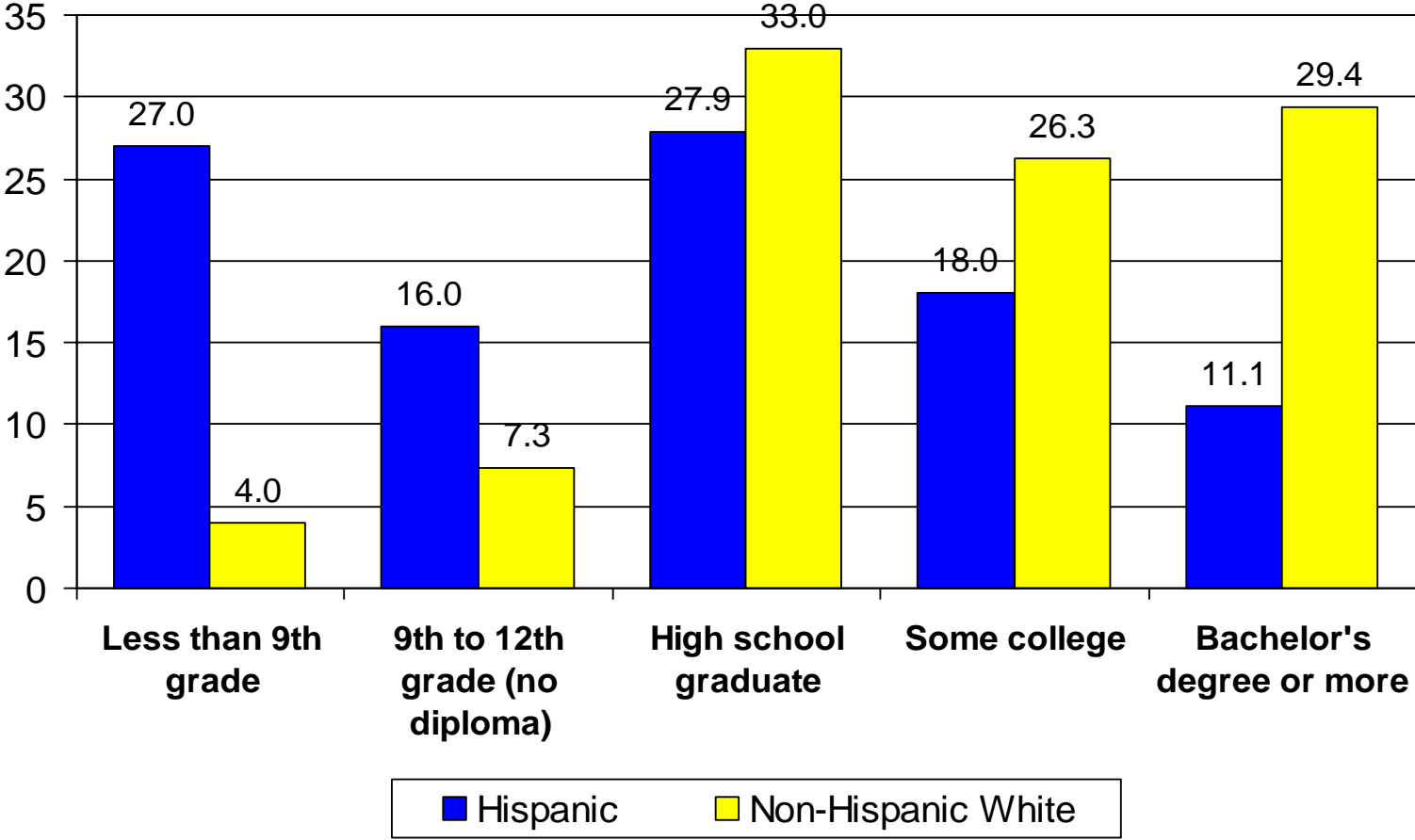


Education Attainment



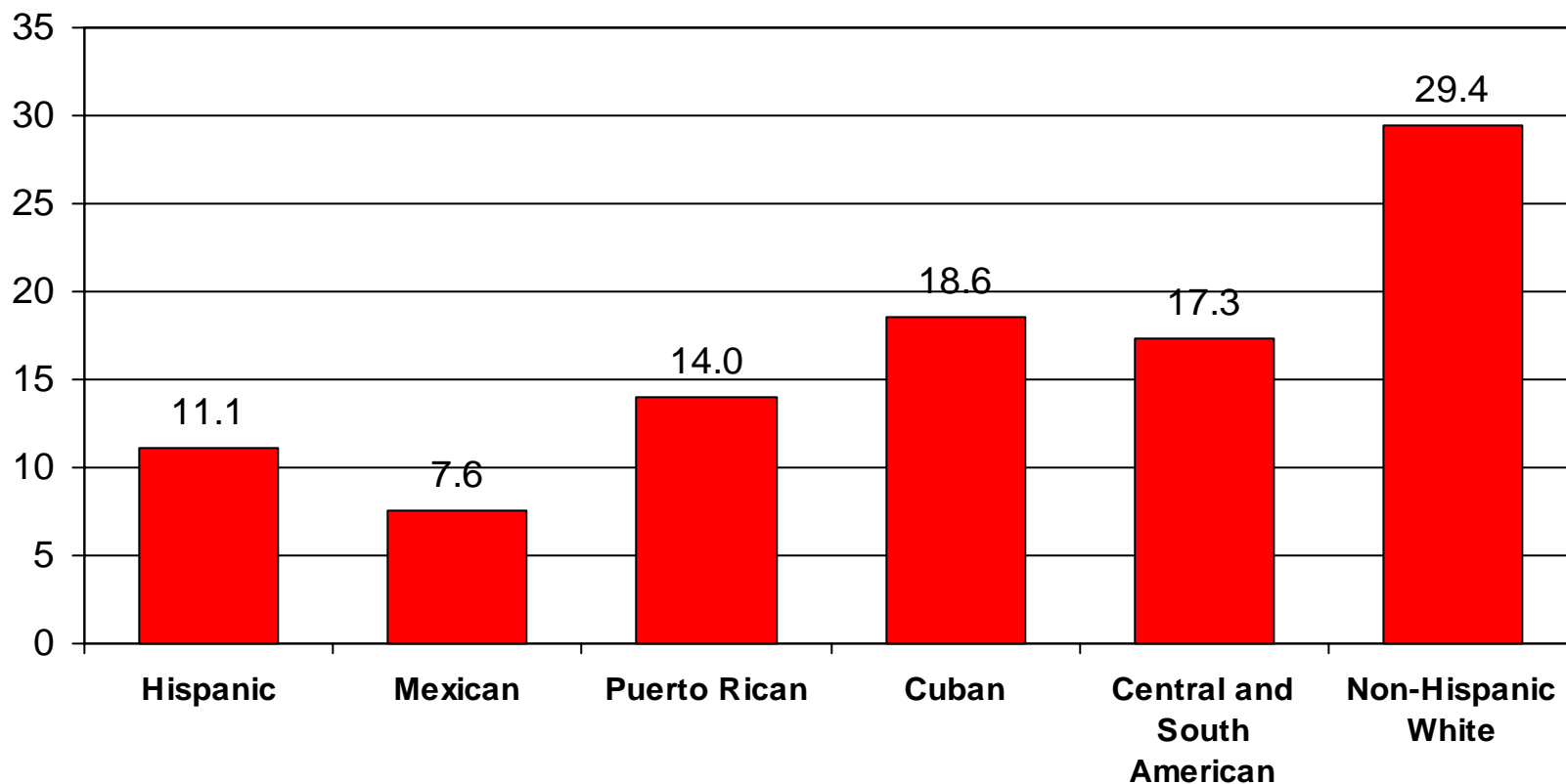
Educational Attainment by Hispanic Origin: 2002

(Population 25 years and over)

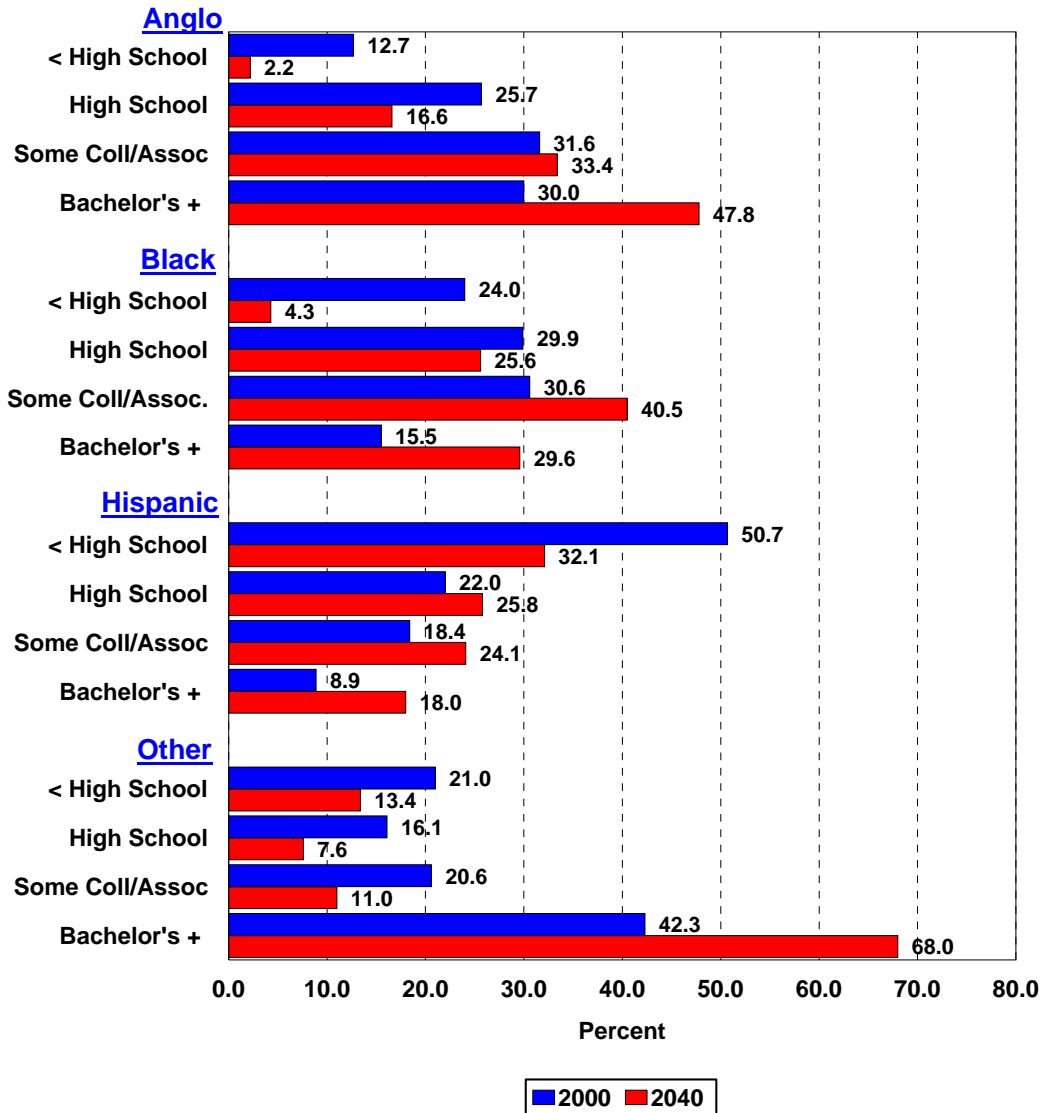


Percent of Population with a Bachelor's Degree or Higher by Hispanic Origin: 2002

(Population 25 years and over)



Percent of Persons 25 Years of Age or Older by Level of Educational Attainment and Race/Ethnicity in 2000 and Projected to 2040* Assuming 1990-2000 Trends in Educational Attainment Rates



*Projections are shown for the 1.0 scenario

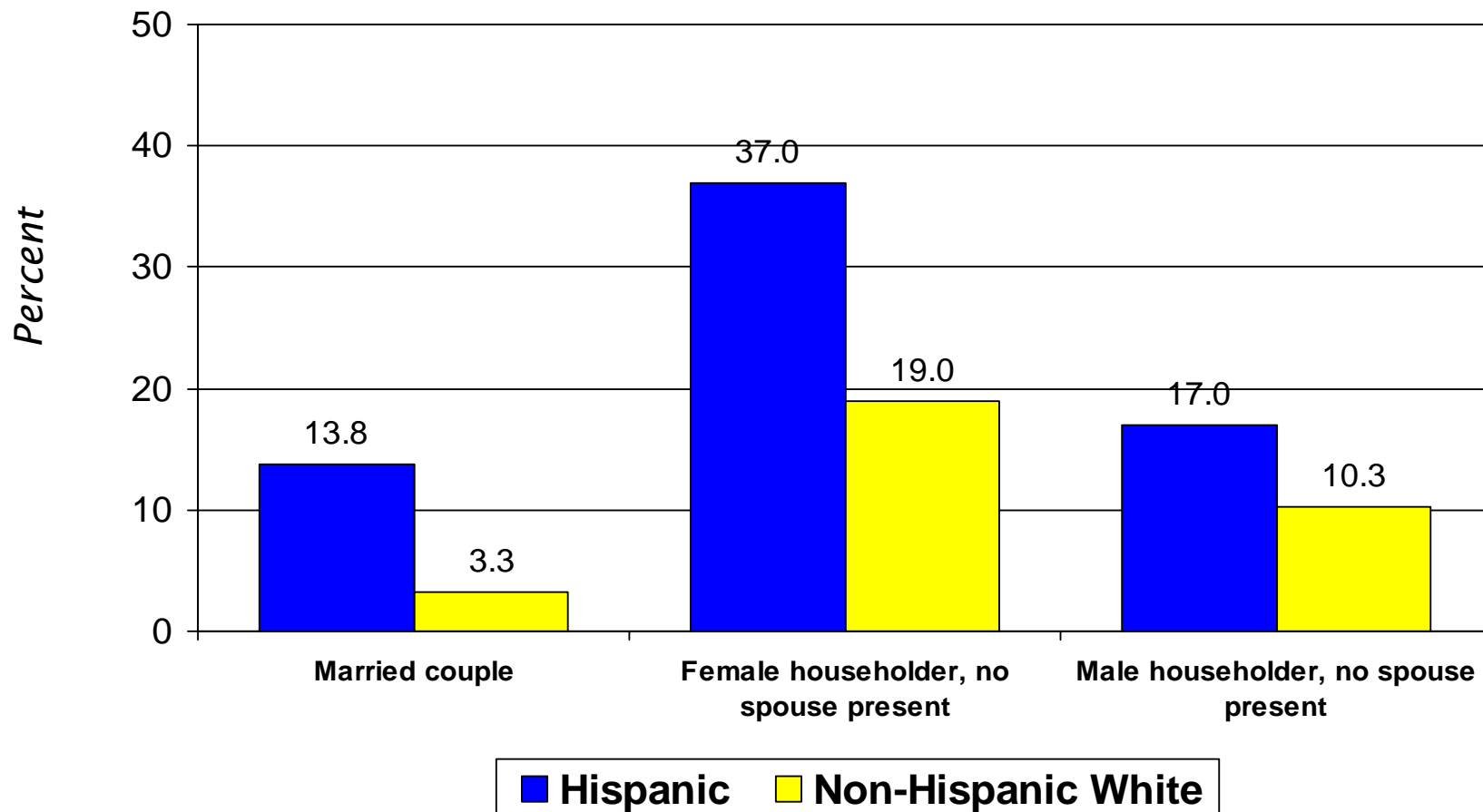
Implications of Low English Proficiency & Education Attainment

- High levels of underemployment
 - Part-time
 - Seasonal
- High levels of unemployment
- Low-skilled occupations
- Low-wage occupations
 - Low/no benefits
 - Low/no security
- High sensitivity to economic downturns
 - Last hired – first fired

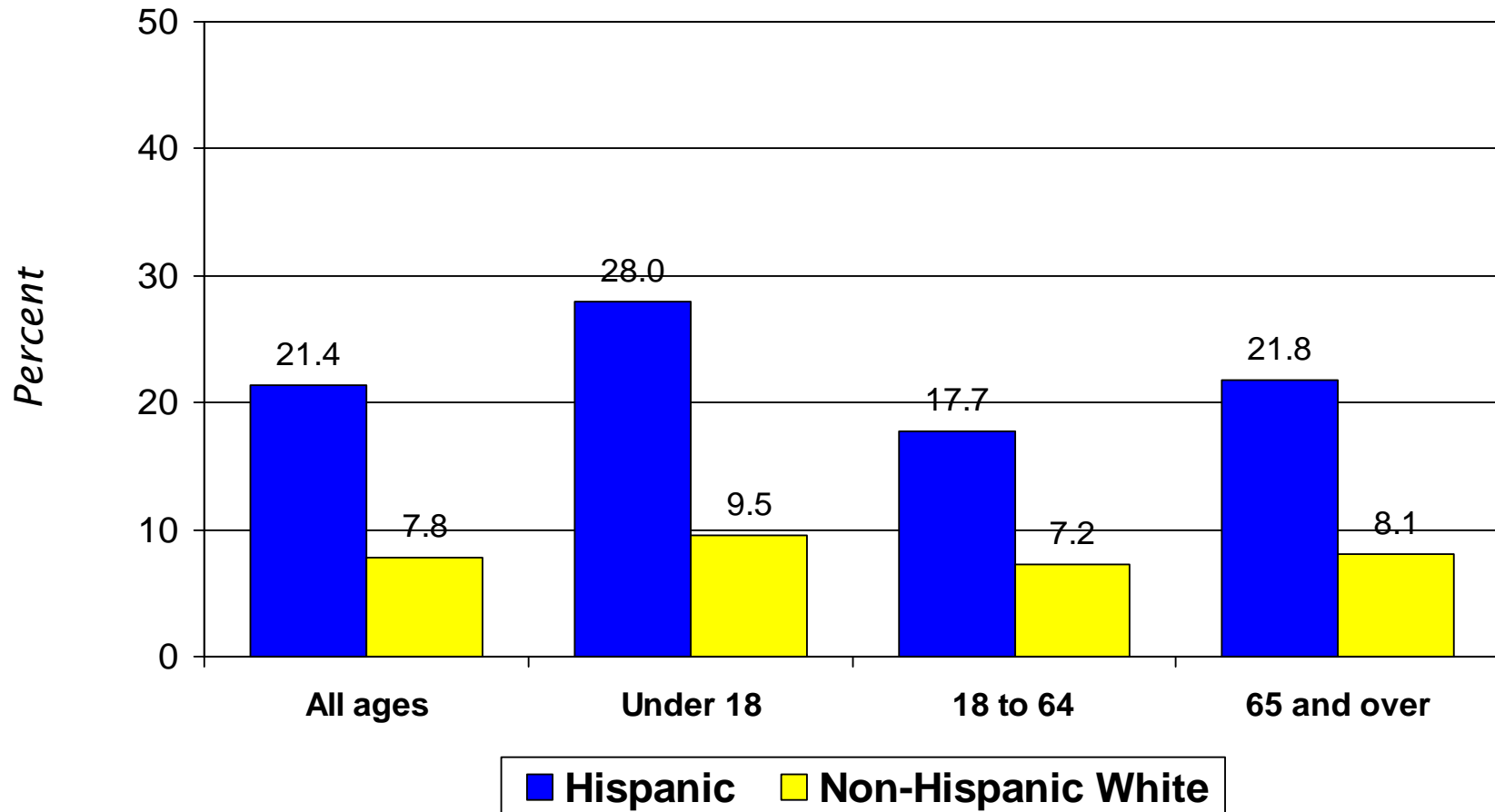
Socioeconomic Conditions



Percent of Families Below the Poverty Level in 2001 by Family Type and Hispanic Origin: 2002

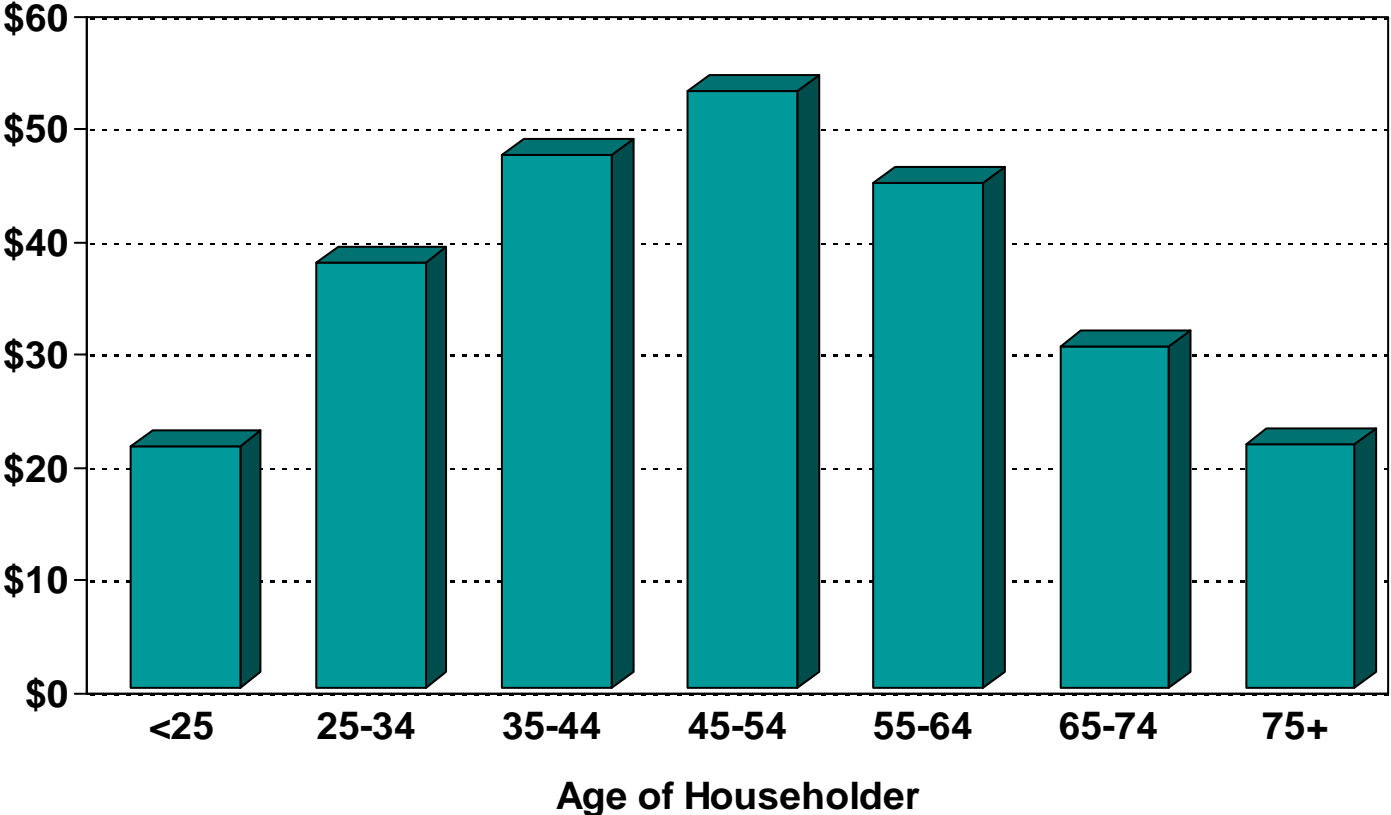


Percent of the Population Below the Poverty Level in 2001 by Age and Hispanic Origin: 2002

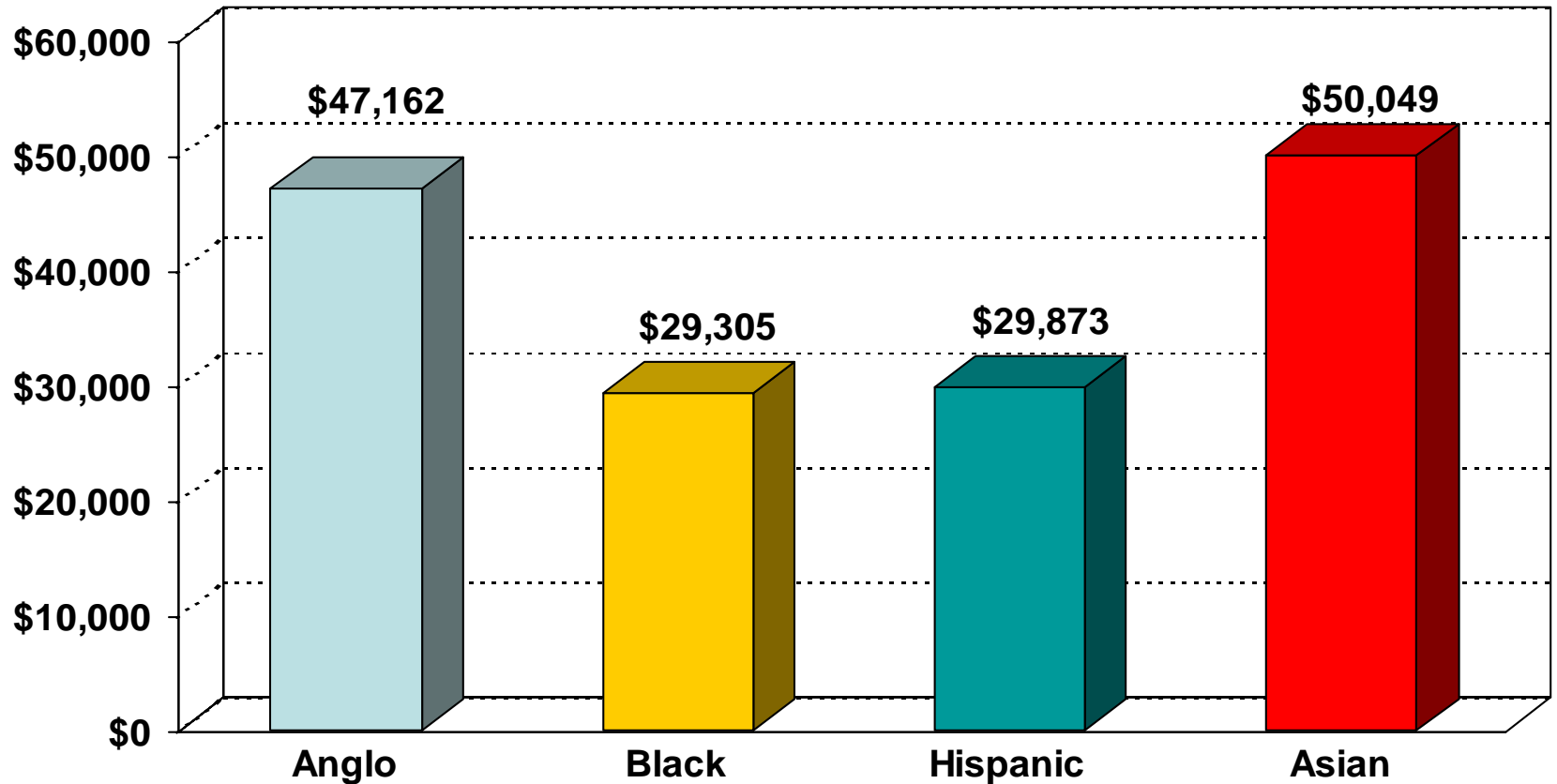


Median Household Income in 1999 in Texas by Age of Householder

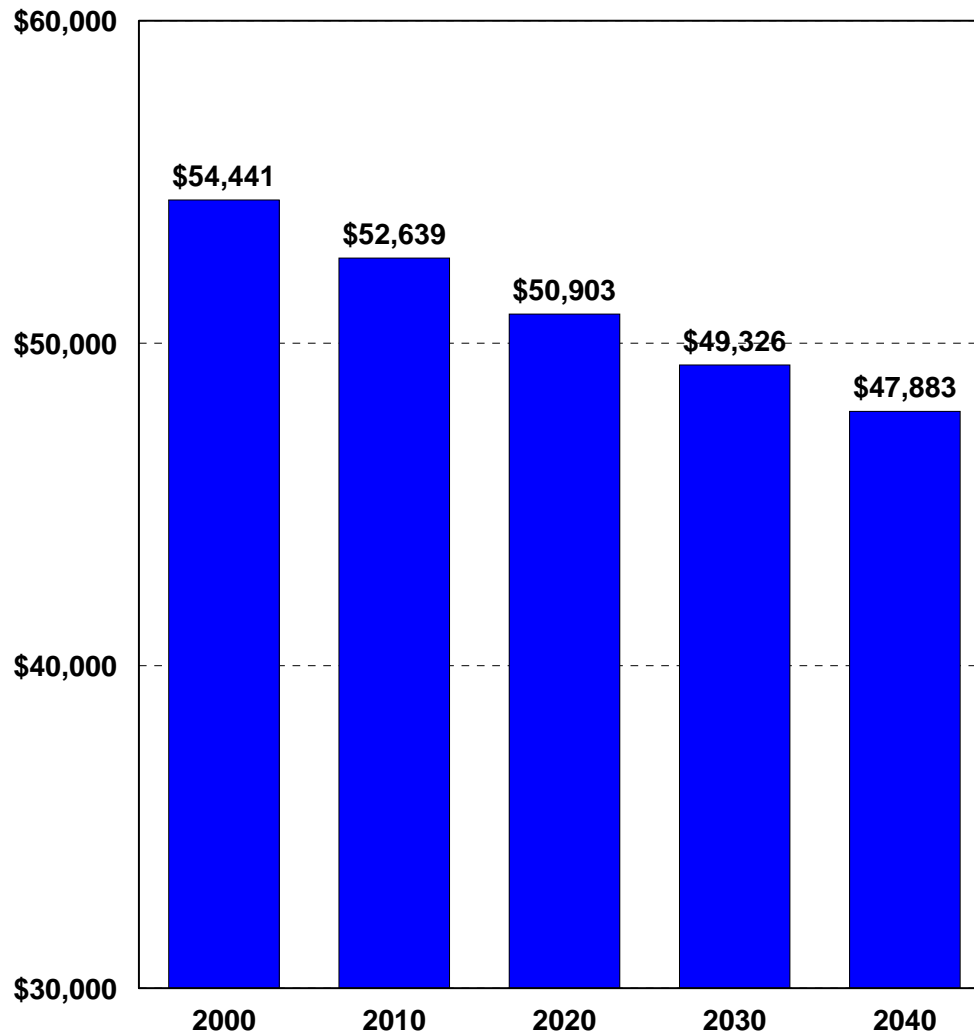
Thousands



Median Household Income In 1999 in Texas by Race/Ethnicity of Householder



Average Household Income in Texas, 2000-2040* (in 2000 Dollars)



* Projections are shown for the 1.0 scenario

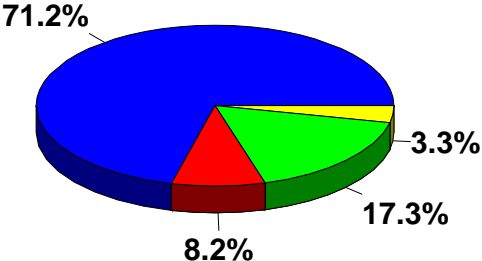
Latino Economic Profile

- Median Household Income > \$29,873
 - Non-Hispanic whites > \$47,162
- Median Family Income > \$30,840
 - Non-Hispanic whites > \$57,194
- Per Capita Income > \$10,770
 - Non-Hispanic whites > \$26,197

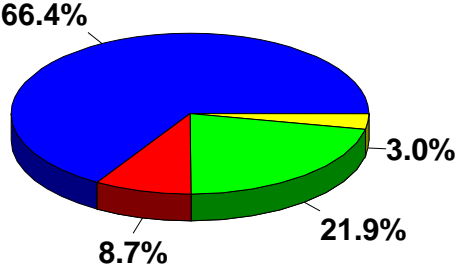
Latino Economic Profile: Poverty

- Hispanics make up 60% of working poor but 31.8% of state population
- 22.8% of Latino families below poverty level
 - Non-Hispanic white 5.2%
- 25.4% of Latino individuals below poverty
 - Non-Hispanic whites 7.8%
- 25.7% of Latino Elderly below poverty level
 - Non-Hispanic whites 8.0%
- 31.2% of Latino Children below poverty level
 - Non-Hispanic whites 8.3%

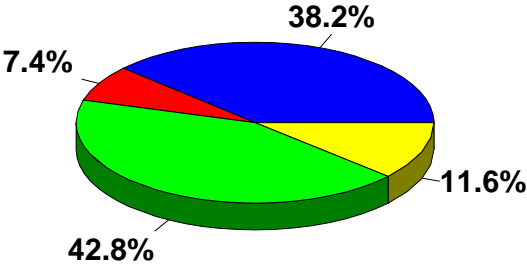
Ethnic Diversity of Household Income and Consumer Expenditures in Texas, 2000 and 2040*



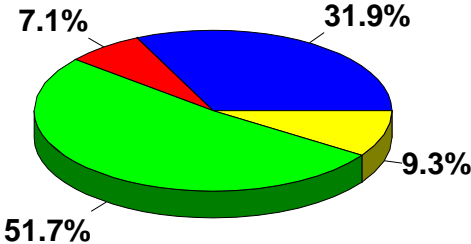
2000 Aggregate Household Income



2000 Consumer Expenditures



2040 Aggregate Household Income



2040 Consumer Expenditures

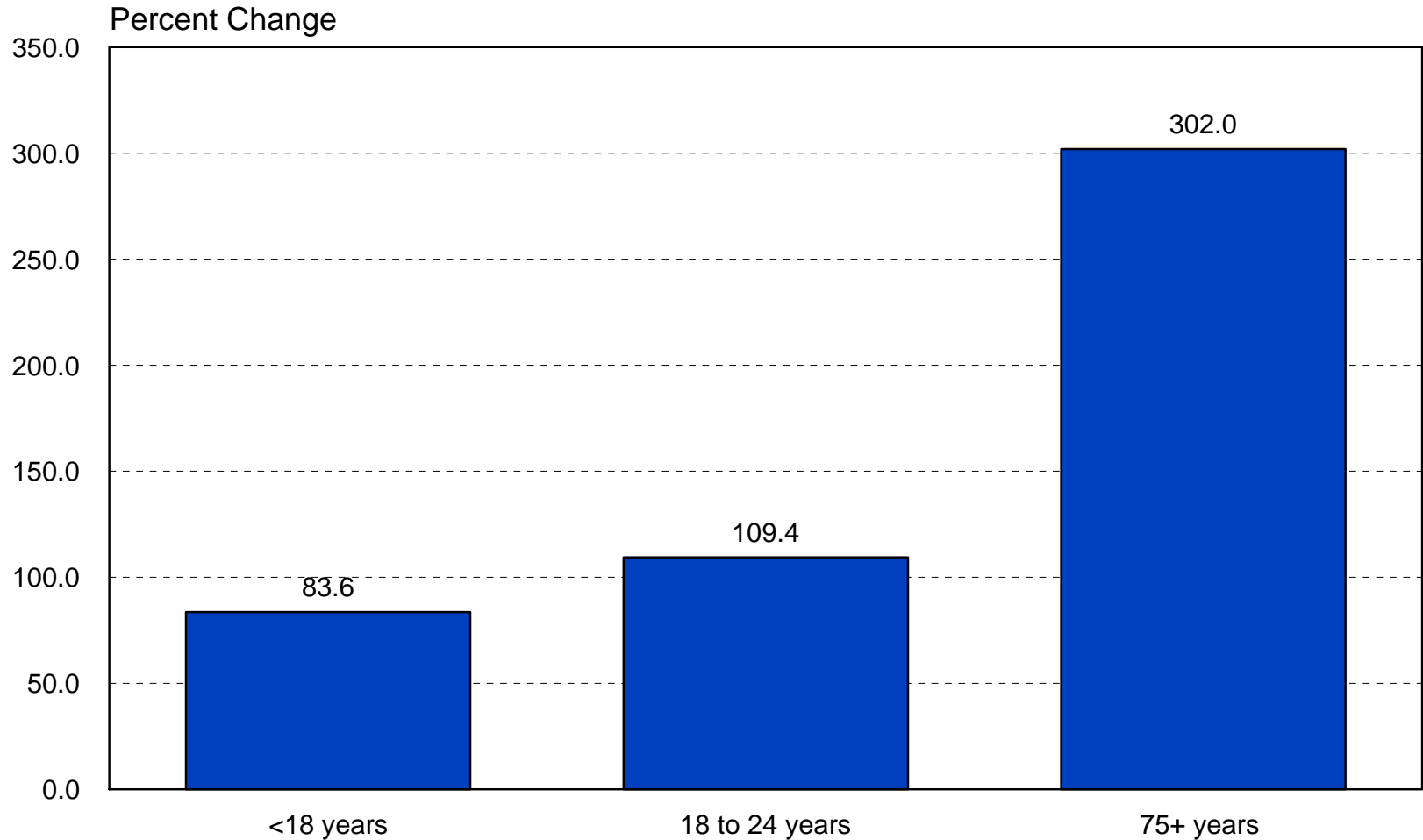


* Projections are shown for the 1.0 scenario

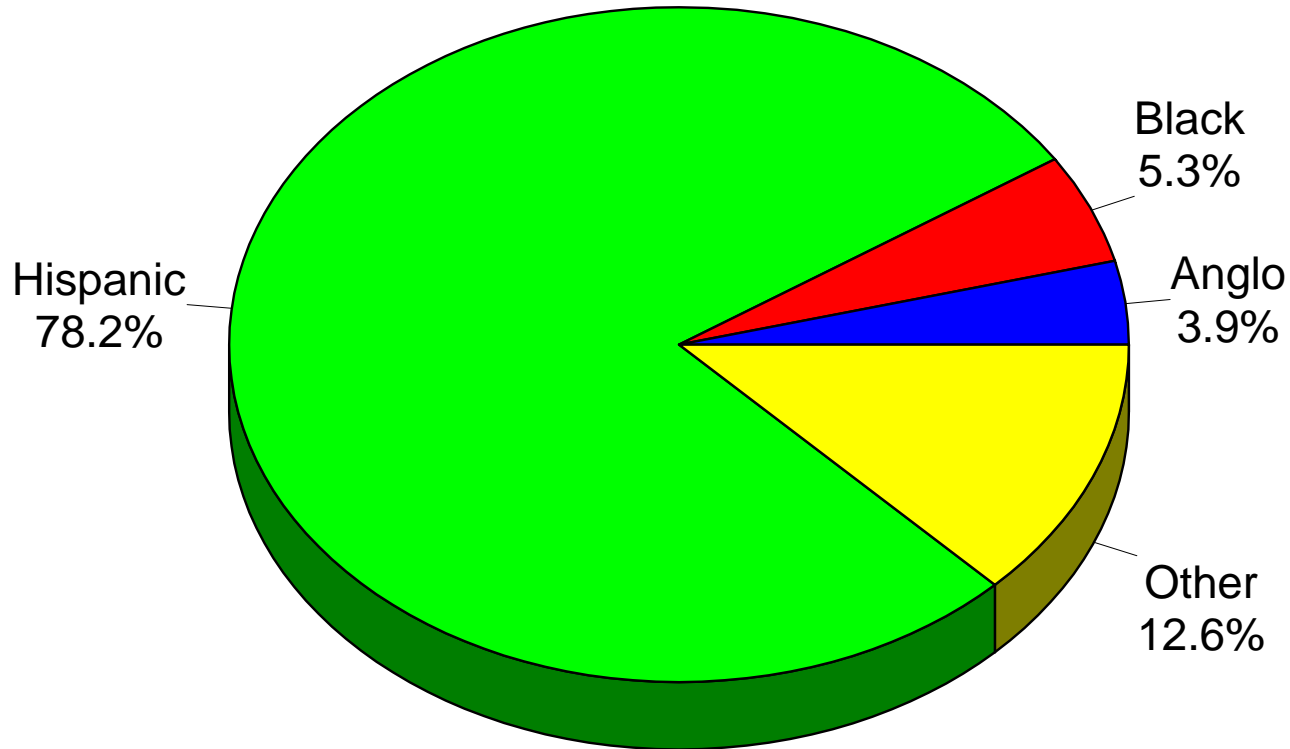
What does all this mean ?



Percent Change from 2000 to 2040 in Selected Age Groups in the Texas Population Under the 1.0 Scenario



Projected Percent of Net Change Attributable to Each Race/Ethnicity Group in Texas for 2000-2040*



* Using U.S. Census count for 2000 and Texas State Data Center 1.0 population projection scenario for 2040.

Shifts in Settlement Patterns

- Continued increase in population size
 - Especially in nontraditional Hispanic areas
- Change in the demographic, economic, political and cultural character of communities, places of worship, work, recreation and education
- Demographic change **can** disrupt social patterns and
- Add tension to social relations

Market Consequences

- Poorer, less educated workforce
- Reduced consumer expenditures
- Reduced per capita tax revenues
- Increased government costs
- Aging population's housing needs shift
 - Relocate or change housing preferences
 - Down size
- Youthful Latinos expand consumer base
 - Increased markets for owned housing
 - Young population has tremendous buying power
 - New market niches: media, specialty items
 - Reduced household net worth

Implications of Youthful Population

- Higher fertility rates
- Greater demand for employment opportunities
- Greater demand on educational services
- Greater demand for housing stock
- Less accumulated household wealth
- Home equity declining as homeowners raised \$ 37 billion by refinancing mortgages in 2001

Baby Boomers - Today & Tomorrow

- 78 million baby boomers in 2000
- Age range 39 to 57 years of age today
- Greatest generational passage of wealth to boomers (\$9 trillion)
- Higher % of childless boomers, fewer & later children, single boomers
- dual career couples
- Educational attainment greater than parents for all groups
- Median family income (age 45-54) \$61,833
- 8 in 10 plan to work at least part time during retirement
- 2 in 10 expect to move to new area
- 35% expect to scale back their lifestyle
- Aging workforce: 22% eligible to retire in 2005
- Percent of delinquent credit card payments increased by 1% in 2001
- Percent of delinquent credit card payments increased by 1% in 2001

Cautious Optimism is called for!

--- mi casa es su casa!

Muchas Gracias

Phone 979 - 845 - 8522
e-mail ctorres@tamu.edu
<http://www.rpts.tamu.edu>