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

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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

<table>
<thead>
<tr>
<th>Year*</th>
<th>Total Population</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Texas</td>
<td>U.S.</td>
</tr>
<tr>
<td>1850</td>
<td>212,592</td>
<td>23,191,876</td>
</tr>
<tr>
<td>1860</td>
<td>604,215</td>
<td>31,443,321</td>
</tr>
<tr>
<td>1870</td>
<td>818,579</td>
<td>39,818,449</td>
</tr>
<tr>
<td>1880</td>
<td>1,591,749</td>
<td>50,155,783</td>
</tr>
<tr>
<td>1890</td>
<td>2,235,527</td>
<td>62,947,714</td>
</tr>
<tr>
<td>1900</td>
<td>3,048,710</td>
<td>75,994,575</td>
</tr>
<tr>
<td>1910</td>
<td>3,896,542</td>
<td>91,972,266</td>
</tr>
<tr>
<td>1920</td>
<td>4,663,228</td>
<td>105,710,620</td>
</tr>
<tr>
<td>1930</td>
<td>5,824,715</td>
<td>122,775,046</td>
</tr>
<tr>
<td>1940</td>
<td>6,414,824</td>
<td>131,669,275</td>
</tr>
<tr>
<td>1950</td>
<td>7,711,194</td>
<td>150,697,361</td>
</tr>
<tr>
<td>1960</td>
<td>9,579,677</td>
<td>179,323,175</td>
</tr>
<tr>
<td>1970</td>
<td>11,196,730</td>
<td>203,302,031</td>
</tr>
<tr>
<td>1980</td>
<td>14,229,191</td>
<td>226,545,805</td>
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<tr>
<td>1990</td>
<td>16,986,510</td>
<td>248,709,873</td>
</tr>
<tr>
<td>2000</td>
<td>20,851,820</td>
<td>281,421,906</td>
</tr>
<tr>
<td>2002</td>
<td>21,779,893</td>
<td>288,368,698</td>
</tr>
<tr>
<td>2003</td>
<td>22,118,509</td>
<td>290,809,777</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Percent Change from 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Texas</td>
<td>U.S.</td>
</tr>
<tr>
<td>2030</td>
<td>20,851,820</td>
<td>363,584,453</td>
</tr>
</tbody>
</table>
## Total Population and Components of Population Change in Texas, 1950-2003

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

* 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

- Metropolitan area, inside central city: 45.6%
- Metropolitan area, outside central city: 45.7%
- Non-metropolitan area: 8.7%

Non-Hispanic White

- Metropolitan area, inside central city: 56.8%
- Metropolitan area, outside central city: 22.1%
- Non-metropolitan area: 21.1%

Regional Distribution of Populations: 2002

**Northeast**
- Hispanic: 15.5%
- Non-Hispanic: 9.4%
- White: 75.1%

**Midwest**
- Hispanic: 13.0%
- Non-Hispanic: 4.5%
- White: 82.5%

**South**
- Hispanic: 22.6%
- Non-Hispanic: 13.0%
- White: 64.4%

**West**
- Hispanic: 16.3%
- Non-Hispanic: 25.7%
- White: 58.0%

Regional Distribution of Populations: 2002

Ethnic Population Change
Projected Percent U.S. Population by Ethnic/Racial Groups
Projected U.S. Population Change by Race and Hispanic Origin: 2000-2050
Proportion of Net Population Change from 1990 to 2000 Attributable to Each Racial/Ethnic Group by Each Metropolitan Status Type in Texas

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Anglo</td>
<td>34.14</td>
<td>49.11</td>
</tr>
<tr>
<td>Black</td>
<td>10.29</td>
<td>20.26</td>
</tr>
<tr>
<td>Hispanic</td>
<td>6.46</td>
<td>11.52</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>7.95</td>
</tr>
</tbody>
</table>
U.S. Latino Population by Type

Percent Distribution of Hispanics by Type: 2002

- Mexican: 66.9%
- Puerto Rican: 8.6%
- Cuban: 3.7%
- Central and South American: 14.3%
- Other Hispanic: 6.5%

Major Changes in Population:

Age Composition
Age Distribution by Sex and Hispanic Origin: 2002


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
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**
- Male householder, no spouse present: 9.6%
- Married couple: 67.8%
- Female householder, no spouse present: 22.6%

**Non-Hispanic White**
- Male householder, no spouse present: 4.9%
- Married couple: 82.3%

Educational Attainment by Hispanic Origin: 2002

(Population 25 years and over)

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Hispanic (%)</th>
<th>Non-Hispanic White (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 9th grade</td>
<td>27.0</td>
<td>4.0</td>
</tr>
<tr>
<td>9th to 12th grade (no diploma)</td>
<td>16.0</td>
<td>7.3</td>
</tr>
<tr>
<td>High school graduate</td>
<td>27.9</td>
<td>18.0</td>
</tr>
<tr>
<td>Some college</td>
<td>33.0</td>
<td>26.3</td>
</tr>
<tr>
<td>Bachelor's degree or more</td>
<td>29.4</td>
<td>11.1</td>
</tr>
</tbody>
</table>

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

- **Married couple**: 13.8%
- **Female householder, no spouse present**: 37.0%
- **Male householder, no spouse present**: 17.0%

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

Age of Householder

Thousands

<$25 25-34 35-44 45-54 55-64 65-74 75+

$0 $10 $20 $30 $40 $50 $60

$0 $10 $20 $30 $40 $50 $60

<25 25-34 35-44 45-54 55-64 65-74 75+
Median Household Income In 1999 in Texas by Race/Ethnicity of Householder

- Anglo: $47,162
- Black: $29,305
- Hispanic: $29,873
- Asian: $50,049
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*

* 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

- <18 years: 83.6%
- 18 to 24 years: 109.4%
- 75+ years: 302.0%
Projected Percent of Net Change Attributable to Each Race/Ethnicity Group in Texas for 2000-2040*

- Hispanic: 78.2%
- Anglo: 3.9%
- Black: 5.3%
- Other: 12.6%

* 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!

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Muchas Gracias