FRANK HAWKINS KENAN INSTITUTE OF PRIVATE ENTERPRISE REPORT

AMERICA'S SHIFTING DEMOGRAPHIC LANDSCAPE: IMPLICATIONS FOR HIGHER EDUCATION

URBAN INVESTMENT STRATEGIES CENTER

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In an increasingly-diverse world where the new normal—geo-politically and economically—is "certain-uncertainty," we believe our ability to thrive, prosper, compete, and co-exist as a diverse nation will hinge on the extent to which we effectively understand and adapt to our own demographic change.

America's demographic make-up is changing and, in the process, dramatically transforming the nation's workforce, workplaces, and consumer markets, as well as all other social, economic, and political institutions. Moreover, our shifting demographics are changing both the composition and complexion of the nation's school-age population—the next generation that will fill seats in higher education institutions, compete for jobs in our dynamic and ever-changing economy, and fuel economic growth through their consumer purchasing power. In an increasingly-diverse world where the new normal—geo-politically and economically—is "certain-uncertainty," we believe our ability to thrive, prosper, compete, and co-exist as a diverse nation will hinge on the extent to which we effectively understand and adapt to our own demographic change.

Our first goal in this paper is to illustrate how shifting demographics are changing our nation. To do so, we draw upon U.S. census data from the American Community Survey, Annual Census Bureau Estimates of components of demographic change, and the Current Population Survey which provide the latest and most-accurate information on America's changing demographics. Given the strategic role talent development must play in maintaining our global competitiveness, our second goal is to outline what we think higher education institutions in particular must do to respond to both the opportunities and challenges that undergird our shifting demographics.

THE GREAT DEMOGRAPHIC DISRUPTIONS

Major shifts are occurring in the geographic distribution, race/ethnic mix, age composition, and living arrangements of the U.S. population. We believe demographic shifts in these domains will change America forever. Accordingly, we have organized our discussion around three themes that illustrate the societal impacts of the nation's shifting demographics.

THE SOUTH RISES AGAIN

A major geographical redistribution of the American population is underway with growth in the South outpacing all other regions (Figures 1A-1D).

For the first three quarters of the 20th Century, the South was economically backwards and racially oppressive. As a consequence, it was the place to leave as opposed to a migration destination as evidenced by the massive African American exodus in the great migrations following World War I and World War II. To the extent that the region grew during this period, it was largely due to natural population increase—an excess of births over deaths. The South accounted for only about 30% net national population growth in each decade between 1910 and 1970 (Figure 1A).

However, in a dramatic demographic reversal of fortune, the South has captured over half of net national population growth in every decade since 1970. Between 2010 and 2017, for example, the South's population grew by 9.2 million, an absolute increase that represented 55% of the nation's total net growth of 16.7 million (Figure 1A).

Most of this growth was due to migration from other regions of the country, especially the Northeast (572,000) but also the Midwest (299,000) and the West (257,000), as well as abroad (153,000) (Figure 1B). Moreover, the South was the only region to experience net in-migration from all of the major demographic groups during this period, including whites, blacks, Asian, Hispanics, older adults, and the native- and foreign-born (Figure 1C).

Some newcomers to the South are attracted to the region's warmer climate, natural and cultural amenities, and lower cost of living. Others are coming to take advantage of education, business, and employment opportunities in the region's emerging hotspots of entrepreneurialism and innovation. And still others were born in the region and are returning as retirees or caregivers for family members.

However, population growth is not evenly distributed throughout the region. Continuing a nearly two-decade trend, over three quarters of the region's net population growth between 2010 and 2017 (77.5% or 7.1 million) was concentrated in five migration magnet states—Texas, Florida, Georgia, North Carolina, and Virginia. The other thirteen southern states combined captured the remaining one-fifth (22.5% or 2.0 million) of the region's net growth (Figure 1D).

"Browning" is the term used to describe changes in the race/ethnic composition and complexion of the U.S. population. Over the past quarter century, the change has been driven by immigration to the United States, especially from Asia, Latin America, and the Middle East

THE BROWNING AND GREYING OF AMERICA

Two colorful demographic trends accompany the geographical redistribution of the U.S. population. The first is the "browning" (Figures 2A-2D) and the second is the "greying" (Figures 3A-3D) of America.

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Figure 1: The South Rises Again

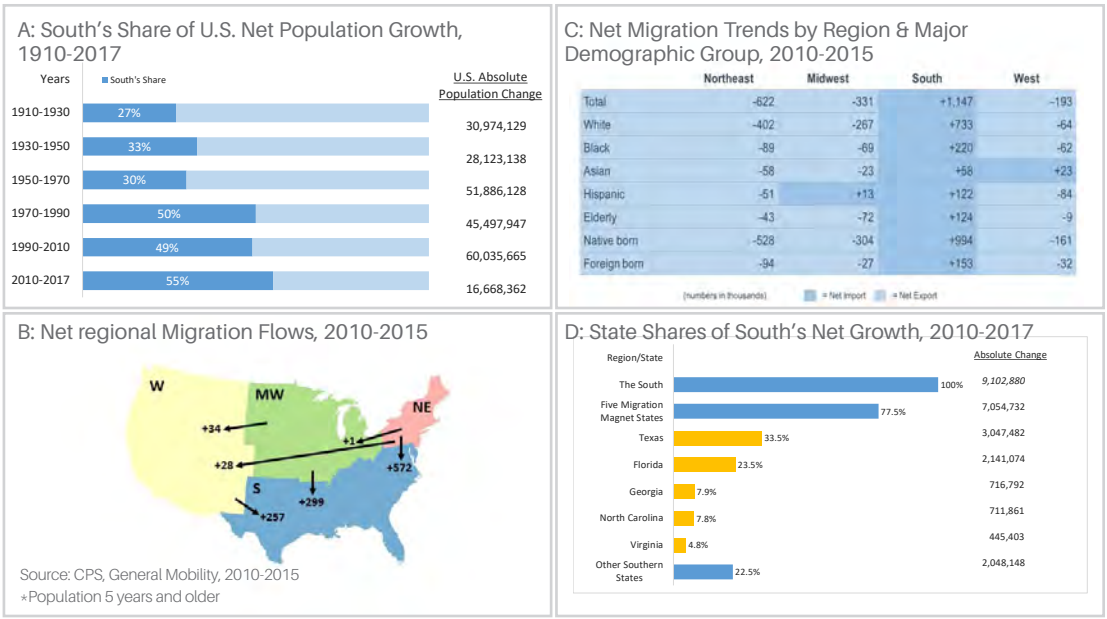
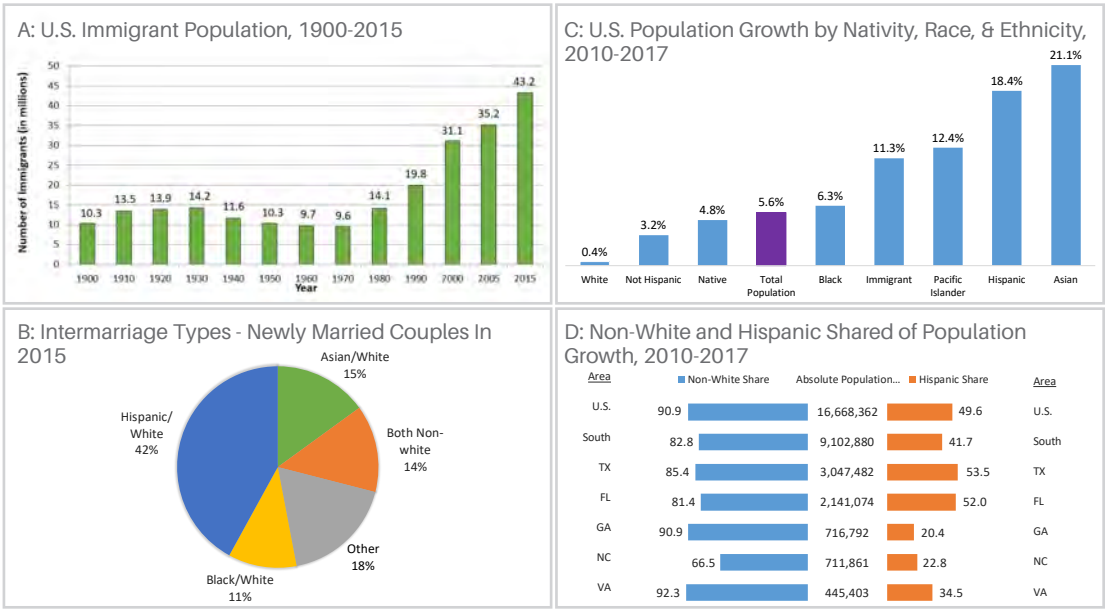


Figure 2: The Browning of America



Middle East (Figure 2A); sharp increases in inter-marriage rates among foreign- and native-born individuals of various race/ethnic backgrounds (Figure 2B); and slow growth among the white population (see Figure 2C).

The effects of these dynamic drivers can be seen in the patterns of U.S. population growth by nativity, race, and ethnicity between 2010 and 2017 (Figure 2C). The U.S. population

grew by 5.6% during this period. The native born (4.9%), not Hispanic (3.2%), American Indian/Alaskan Native (2.4%), and white (0.4%) populations grew much slower than the total population. By contrast, the mixed race (34%), Asian (21%), Hispanic (18%), Native Hawaiian/Pacific Islander (12%), foreign born (11.3%), and black (6.3%) populations all grew more rapidly than the nation as a whole. These most rapidly growing demographic groups are mainly people of color.

As a consequence of this pattern of growth, non-whites accounted for 91 percent and Hispanics accounted for 50 percent of U.S. net population growth between 2010 and 2017. And in the five migration magnet states in the South, the non-white share of total growth ranged from 66 percent to 92 percent. And the Hispanic share ranged from 20 percent to 54 percent of net regional growth (Figure 2D).

At the same time that America is browning, it is also greying (Figures 3A-3D). It is greying as a consequence of the maturing of the post-WWII baby boom cohort, increased life expectancy among the nation's senior population, and declining fertility rates, especially among white females (Figure 3A).

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Boomers—a group that is disproportionately white—are defined as the 81 million people born between 1946 and 1964 (Figure 3B). Boomers began turning 65 at the rate of 10,000 per day in 2011 and will continue to do so at that rate through 2031. Moreover, they will live on average another 18.7 years from age 65. Despite this extending life expectancy at 65, deaths exceeded births among whites between 2010 and 2017, setting the stage for a major race/ethnic transition in American population.

In part, deaths now exceed births among whites because fertility rates have declined for the past quarter century, especially among native born, white women. The decline is related largely to the growing role of women in the paid workforce. Many women have responded to being in the labor force by delaying marriage and childbearing until they are well established in their careers. For others, career goals and aspirations have overshadowed marriage and childbearing altogether. Whatever the reason, the fact remains that the percentage of women between the ages of 40 and 44 who have chosen not to have children doubled between 1976 and 2006, rising from 10% to 20%, and has likely continued to grow.

As a consequence of this demographic dynamic, the white total fertility rate—a statistical measure of the expected number of births each woman will have—has been below the replacement level (2.1 births per woman) for almost two decades, and is currently at 1.7 births (Figure 3C). Further, white females (median age 45) are aging out of the childbearing years much more rapidly than Black, Hispanic, Asian, and other women of color—who

are much younger with larger proportions still in their childbearing years. Differences in the median ages of white versus women of color creates a huge white/non-white fertility gap, which means that children of color constitute an increasing share of births and by extension an increasing share of the school age population (Figure 3D).

Figure 3: The Greying of America

A: Key Drivers

- Changes in Longevity
- Declining Fertility
- Aging of Boomer Cohort

C: Total Fertility Rates for U.S. Women by Race/ Ethnicity, 2016

Race/Ethnicity	Total Fertility Rate
All Races	1.8
Hispanic	2.1
Non-Hispanic White	1.7
Blacks	1.8
Asian	1.7
Native American	1.8

B: U.S. Population Change by Age, 2000-2010

2010 Population			Absolute Change 2000-2010
308,745,538	All Ages	9.7%	27,323,632
104,853,555	<25	5.4%	5,416,289
82,134,554	25-44	-3.4%	-2,905,697
81,489,445	45-64	31.5%	19,536,809
40,267,984	65+	15.1%	5,276,231

D: Median Age of U.S. Population by Race, Hispanic Origin & Gender, 2017

Race	Total	Male	Female
United States	38.1	36.8	39.4
White Alone	40.7	39.4	42.1
White, Non-Hispanic	43.5	42.0	45.0
Black Alone	34.2	32.3	35.9
AI/AN Alone	33.5	34.5	35.5
Asian Alone	37.1	35.6	38.3
NH/PI Alone	32.2	31.5	33.1
Two or More Races	20.2	19.6	20.7
Hispanic	29.2	28.7	29.8

Most school age children live in households with one or both of their biological parents (90%). But, in 2017, 7.6 million children lived in a household where one or both grandparents were present.

COOLING WATER FROM GRANDMA'S WELL…AND GRANDPA'S TOO

We are also witnessing a profound shift in living arrangements in the United States. Nowhere is this more apparent than in households where children are present (Figures 4A-4D). To paraphrase the title of a gospel song by the Williams Brothers, an increasing number of youth are relying on Cooling Water from Grandma's Well…and Grand Pa's Too! That is, they are growing up in households where one or both grandparents are present and oftentimes responsible for their wellbeing.

Most school age children live in households with one or both of their biological parents (90%). But, in 2017, 7.6 million children lived in a household where one or both grandparents were present. Slightly over a third (2.7 million) lived in a household where one or both grandparent(s) were present but not solely responsible for their care and wellbeing. One or both of the biological parents were also present in these households (Figure 4A).

But nearly two-thirds (4.9 million) were in households where one or both grandparents were present and solely responsible for their care and wellbeing. Close to half were being raised by both grandparents, 42% by their grandmother only, and 7% by their grandfather only.

Between 2010 and 2017, children raised in grandmother only and grandfather only households increased by 7% and 10%, respectively, while the number raised by both grandparents declined by -4.5%. Children raised by one or both of their biological parents with no grandparent present decreased by 1.1 million (-1.6%) during this period (Figure 4A).

The geography of grandparents raising grandchildren illustrates shifts in children's living arrangements (Figure 4B). More than half of grandparents in twenty two states and more than 40% of grandparents in ten additional states were responsible for raising their own grandchildren in 2017. In all but five of the remaining states, at least one-third of grandparents were raising their own grandchildren.

Notably, more than half of these grandparents were between the ages of 30 and 59. Except for Asians, this was the case for grandparents in all race/ethnic groups (Figure 4C). Moreover, close to half had been responsible for their grandchildren for five or more years. Only 40% fit the stereotypical image of a grandparent, that is, someone who is over sixty and taking care of their grandchildren (Figure 4D).

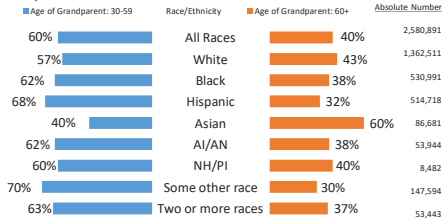
Figure 4: Grandparents Raising Grandchildren

A: Absolute & Percent Change in Living Arrangements of Children, 2010-2017

Living Arrangement	2017 Population	Absolute Change 2010-2017	41Percent Change 2010-2017
All Children	73,781	-937	-1.2
No Grandparent present	66,114	-1,095	-1.6
Grandparent Living with Grandchildren	2,755	96	+3.6
➢ Grandmother & Grandfather	716	81	+1.3
➢ Grandmother only	1,668	4	+0.2
➢ Grandfather only	317	11	+3.0
Grandparents Responsible for Grandchildren	4,891	41	+0.8
➢ Grandmother & Grandfather	2,491	-119	-4.5
➢ Grandmother only	2,051	129	+6.7
➢ Grandfather only	349	31	+9.7

(numbers in thousands) Source: CPS, 2000 & 2017

C: Grandparents Raising Grandchildren by Race & Age of Grandparent, 2017

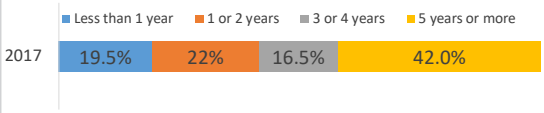


Source: 2012-2017 ACS 5-Year Estimates

B: Percent of Grandparents responsible for Raising their Grandchildren, 2017

Source: 2013-2017 ACS 5-Year Estimates

D: Length of Time Grandparents Responsible for Own Grandchildren, 2017



Source: 2006-2010 ACS 5-Year Estimates; 2013-2017 ACS 5-Year Estimates

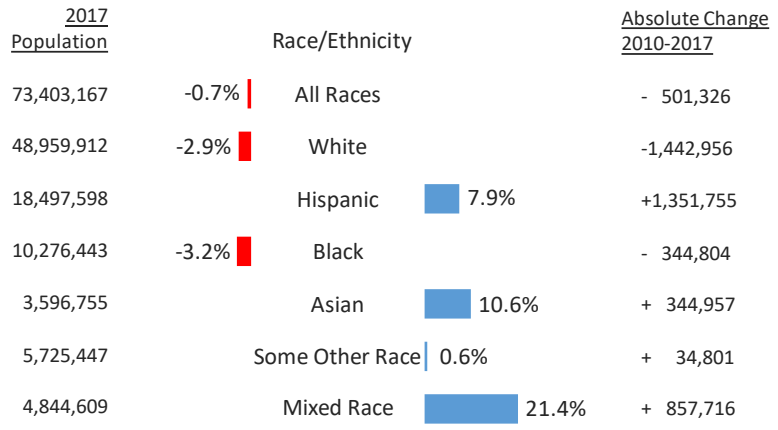
IMPLICATIONS FOR HIGHER EDUCATION INSTITUTIONS

Higher education institutions must be prepared to deal with the demographic changes both in how they think about future student recruitment and how they operate internally on a daily basis.

The school-age population in the United States declined between 2010 and 2017 (-0.7% or -501,326). The decline was driven in large measure by a decrease in white (-1.4 million or -2.9%) and black (-345,000 or -3.2%) youth. However, much of this decline was offset by rapid growth in the mixed race (+857,766 or 21%), Asian (+344,957 or 10.6%), and Hispanic (+1.3 million or 7.9%) youth, a pattern consistent with the browning of America thesis (Figure 5).

Moreover, the school age population is far more concentrated in the South today than in the past. And school age children are more likely today to live in multi-generational households with one or both grandparents.

Figure 5: Change in School Age Population, 2010-2017

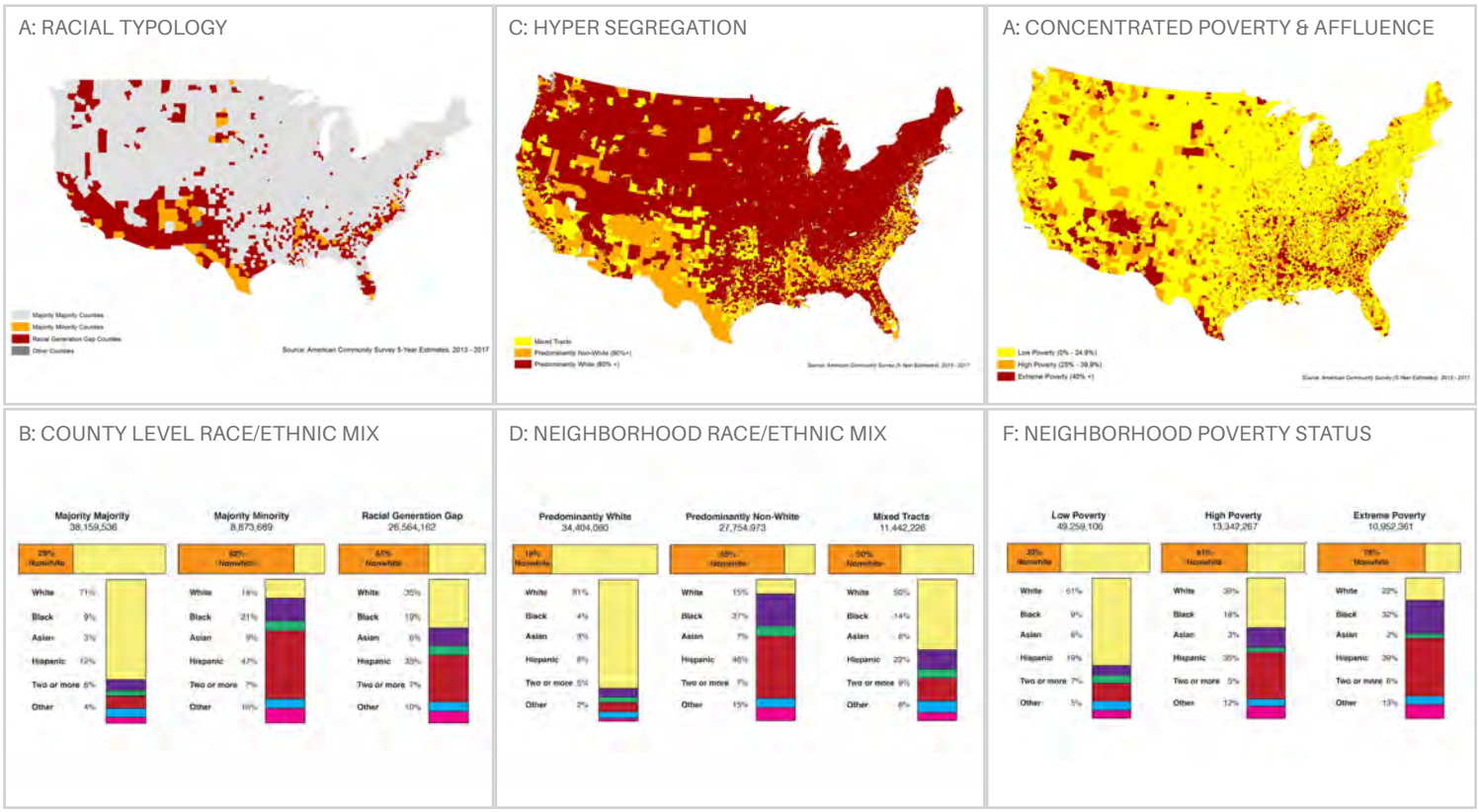


These shifts create both an opportunity and a challenge for higher education Institutions with regard to student recruitment. The challenge is rooted in the spatial sorting of the population that accompanies the browning and greying of America.

Today's nonwhite youth, through no fault of their own, face a triple whammy of geographical disadvantages (Figures 6A-6F)). They are highly-concentrated in counties where there is little or no political (racial generation gap counties and majority/majority counties) and/or financial (minority/majority counties) support for their education (Figures 6A & 6B) and in neighborhoods characterized by hyper-residential segregation (Figures 6C & 6D--60% or more nonwhite) and concentrated poverty (Figures 6E & 6F--household poverty rates of least 25% and typically above 40%). These circumstances and conditions place over

14 million mainly nonwhite youth at substantial risks of falling through the cracks of our nation's K-12 education system, reducing their odds of qualifying for admission to college and acquiring the requisite skills to compete in the unsparing global economy of the 21st century.

Figure 6: The Triple Whammy of Geographic Disadvantages



Given these conditions, a propitious opportunity exist for higher education institutions to be more engaged in K-12 education as a form of enlightened self-interest. That is, to ensure that a steady flow of talent from these disadvantaged environments not only qualifies for college admission but also successfully matriculates and graduates.

Activities can range from outreach programs designed to improve the quality of instruction to professional development for school administrators and teachers that address the barriers that children from disadvantaged circumstances face to university-sponsored and managed lab schools that serve as beta test sites for potentially scalable innovations that can transform entire K-12 education systems.

Within higher education institutions, major effort is required to reinvent the educational experience with an eye toward ensuring that admitted students from diverse cultural

backgrounds and triple whammy environments not only feel included but also that they belong in these institutions. Helping faculty and staff deal with their own implicit biases, establishing and enforcing a zero-tolerance policy for overt acts of discrimination, and redesigning the curriculum so that young people from diverse backgrounds see themselves in their educational experience will all go a long way toward creating a sense of inclusion and belonging for the next and succeeding generations of college students.

In current era of white nationalism and anti-immigrant sentiment, training also is required in both K-12 outreach and efforts to reinvent higher education to help administrators, staff, faculty, and students engage in courageous conversations around issues of diversity, inclusion, and belonging. Educational institutions must create a culture and climate where those conversations are encouraged, embraced, and anchored in mutual respect for diverse opinions and perspectives that span the political and ideological spectrum.

Finally, higher education institutions must review existing HR policies to effectively respond to two demographically driven issues: the caregiver challenges that existing personnel may face; and the impending wave of boomer faculty and staff retirements. Work-life integration polices likely will be in great demand moving forward as some university personnel, similar to trends in the general population, will have caregiving responsibilities not only for their grandchildren but also increasingly for aging family members. And given the significant shift in the composition of future generations of college students, succession plans to replace retiring faculty and staff must be fully anchored in a demographically-based firm understanding that the next generation of talent to fill critical university positions must be more diverse than the current generation.

Higher education institutions must be prepared to deal with the demographic changes both in how they think about future student recruitment and how they operate internally on a daily basis.

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