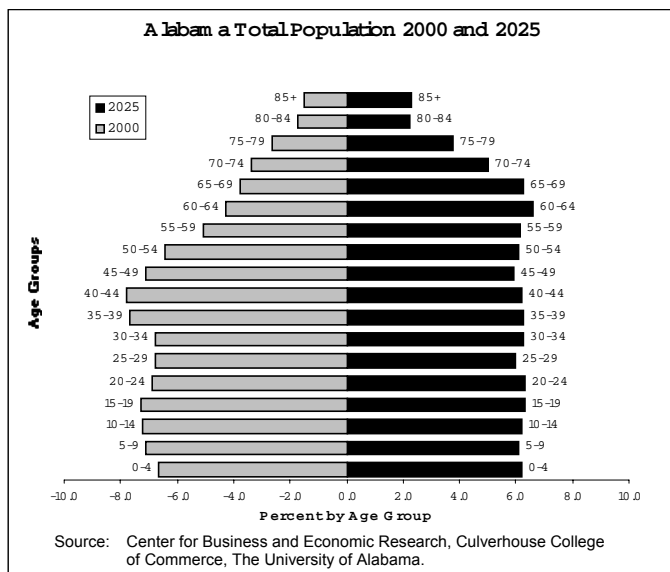


Alabama's Changing Population, 2000 to 2025

Alabama's population totaled 4,447,100 on April 1, 2000, an increase of 10.1 percent since the 1990 census. Population gains are expected to continue during the 25 years from 2000 to 2025, although the rate of growth will be gradually slowing. Projections by the Center for Business and Economic Research at The University of Alabama indicate that Alabama will be home to almost 4.84 million residents in 2010, a gain of 8.8 percent since 2000. By 2025, Alabama's population is expected to approach 5.39 million, an increase of 11.3 percent during the 15 years after 2010. Altogether, there should be about 939,000 more Alabamians in 2025 than there were in 2000.

Population growth is driven by the age structure of the state's residents, which affects births and deaths, and by the pull exerted to attract new residents through economic opportunity, retirement living options, etc. The aging of the baby boom generation (the oldest boomers turn 65 in 2011) will push up the state's death rate and slow the rate of natural increase, despite a gradual rise in the number of women of childbearing age and a resulting increase in births. Statewide, migration is expected to contribute approximately the same number of new residents over each five-year period from 2000 to 2025 as it did on average during the five-year intervals between 1990 and 2000.

The projection series covers the state and its 67 counties. Detail is available by five-year age groups and sex for racial categories white and nonwhite.



Projections are generated by a cohort-component methodology that is driven by measured demographic change—population growth between 1990 and 2000, birth

and death rates, and residual migration. Although assumptions have been made for the state and each county concerning migration patterns, these projections are closely tied to population trends between 1990 and 2000. Future economic-based changes that alter the rate of population growth cannot always be anticipated.

Age Distribution

In 2000 individuals from the post-World War II baby boom ranged from 36 to 54 years old. The age structure of Alabama's population will change slightly through 2010, with the number of residents aged 55 to 64 increasing most rapidly. From 2011 forward, however, strongest population growth will be in the 65 and over age group. This aging swell

Alabama Population by Age Group 2000 and Projected 2010 and 2025						
Age Group	2000		2010		2025	
	Number	Percent	Number	Percent	Number	Percent
0-4 years	295,992	6.7	310,512	6.4	332,677	6.2
5-19 years	960,177	21.6	967,839	20.0	1,000,398	18.6
20-64 years	2,611,133	58.7	2,890,407	59.7	2,999,839	55.7
65+ years	579,798	13.0	670,054	13.8	1,053,083	19.6
85+ years	67,301	1.5	87,438	1.8	122,605	2.3
Total	4,447,100	100.0	4,838,812	100.0	5,385,997	100.0

Note: 85+ population is also counted in 65+ group.
Source: Center for Business and Economic Research, The University of Alabama.

will impact all aspects of the Alabama economy, from housing to consumer spending to health care needs, as a large segment of the population shifts from work to retirement. Alabama counted 579,798 residents 65 and over in 2000. By 2010, this number is expected to reach 670,054, a 15.6 percent gain. During the 15 years from 2010 to 2025, the number of Alabamians aged 65 and above is expected to increase by over 383,000, a 57.2 percent gain. More than a million residents will be 65 and over in 2025 and the age group's share of total population will approach 20 percent. The number of very old Alabamians will increase steadily, reaching almost 123,000 in 2025. The oldest boomers will not enter the 85 and over group until 2031.

While the original baby boom lasted 19 years, the echo boom that occurred from 1977 to 1994, when many of the baby boomers had children, lasted 18 years and produced almost as many offspring. Members of this generation will be having their

own children during the projection period. Consequently, while the number of women of child-bearing age will drop slightly between 2000 and 2010, it will increase steadily from 2010 to 2025. Coupled with a gradual increase in birthrates in line with national projections, the number of births in Alabama is expected to rise through 2025.

The number of preschool children in Alabama should increase steadily, with the gain more rapid after 2010. While the state counted 295,992 children aged 0 to 4 in 2000, there should be almost 332,700 in 2025, a gain of 12.4 percent. Alabama's school-aged population, broadly defined as ages 5 to 19 due to the limitations of the cohort-component methodology, is expected to grow very slowly through 2010, adding about 7,700. A modest decline from 2010 to 2015 will result from a drop in

the 15 to 19 year-old group. After 2015, the school-aged population will grow more rapidly, increasing by about 36,600, or 3.8 percent between 2015 and 2025. For 2025 compared to 2000, there will be over 12,200 more Alabamians aged 5 to 9, about 12,400 more 10 to 14 year olds, and over 15,500 more 15 to 19 year olds.

Although the number of Alabama residents aged 20 to 64 will increase through 2025, the rate of increase will fall rapidly between 2010 and 2025. This trend, coupled with the surge in the state's elderly population and a modest increase in the number of children, will push up the dependency ratio. The dependency ratio measures the number of children and elderly for every 100 persons of working age, defined here as 20 to 64 year olds. This ratio, which stood at 70.4 in 2000, will fall to 67.1 in 2010. From 68.6 in 2015 it will rise rapidly, reaching 72.7 in 2020 and 77.8 in 2025. A rising dependency ratio indicates heavier demands on social security, health care, and other services that must be supported by working people. Also, slower growth in the working-aged population and an aging workforce will create increased demands for retraining, on-the-job education and training, and retirement benefits. Individuals aged 45 to 64 comprised 38.9 percent of Alabama's working age population in 2000; they will account for 44.3 percent in 2025.

Racial Composition

Race reporting became more complex in the 2000 census, with individuals allowed to mark more than one race. There were 44,179 Alabamians who chose this option. For the purpose of the population projections, these individuals were grouped in the nonwhite category. Population projections by race were further affected by the apparent confusion among Hispanics over Hispanic origin being regarded by the census as an ethnicity, not a race.

Alabama Population Change by Race						
1990 to 2000 and Projected 2000 to 2025						
Year	Total		White		Nonwhite	
	Number	Change	Number	Change	Number	Change
1990	4,040,389		2,980,489		1,059,900	
2000	4,447,100	10.1%	3,162,808	6.1%	1,284,292	21.2%
2005	4,644,503	4.4%	3,240,514	2.5%	1,403,989	9.3%
2010	4,838,812	4.2%	3,309,584	2.1%	1,529,228	8.9%
2015	5,028,045	3.9%	3,369,311	1.8%	1,658,734	8.5%
2020	5,211,248	3.6%	3,420,766	1.5%	1,790,482	7.9%
2025	5,385,997	3.4%	3,463,368	1.2%	1,922,629	7.4%

Note: Nonwhite category includes all races except white alone.
Source: Center for Business and Economic Research, The University of Alabama.

Responses to the race question suggest that many Hispanics do not know what to choose for race—26,375, or 34.8 percent of Alabama's Hispanic residents selected the category "some other race;" 48.8 percent chose white; and the remainder primarily selected black or two or more races. Alabama's nonwhite population category now reflects the state's increasing diversity, with 10 percent of residents in this group making a race selection other than black alone.

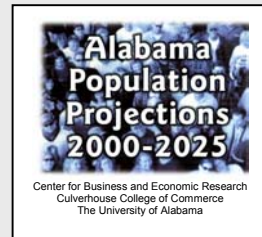
If we categorize all who did not mark white alone as being nonwhite, Alabama's population was 71.1 percent white and 28.9 percent nonwhite in 2000. From 1990 to 2000, the state's nonwhite population increased 21.2 percent compared to a white population gain of 6.1 percent. A number of factors contributed to the differential growth rates: a larger percentage of non-white women are of childbearing age and birth rates are higher; a larger share of the white population is 65 and over, resulting in more deaths; and nonwhites migrated into Alabama at higher net rates during this time. All of these trends are expected to continue throughout the projection period.

In 2010, Alabama's population is expected to be 68.4 percent white and 31.6 percent nonwhite. By 2025, the state should be home to over 3,463,000 whites, an increase of 9.5 percent since 2000, and almost 1,923,000 nonwhites, a gain of 49.7 percent during the 25 years. Population gains will be particularly affected by the age structure of the two racial groups. In 2025, 22.4 percent of the state's white residents will be 65 and over compared to 14.4 percent of nonwhite Alabamians. And while 22.6 percent of whites will be under 20, 28.6 percent of nonwhites are expected to fall into this age group. Alabama's population should be about 64.3 percent white and 35.7 percent nonwhite in 2025.

Carolyn Trent

Alabama Population Projections, 2000-2025

The Center for Business and Economic Research has just completed detailed population projections for Alabama and its 67 counties for five-year intervals from 2005 to 2025 and for single years from 2001 to 2004. Data from the 1990 and 2000 censuses drive the forecasts.



Projections are available on CD-ROM only. The CD-ROM contains an Excel workbook for the state and for each county. Each workbook has 11 sheets including census data for 1990 and 2000 and projections for 2001-2005, 2010, 2015, 2020, and 2025. The projections are detailed by five-year age groups broken down by race (white, nonwhite) and sex. Sheets are conveniently tabbed and the entire CD-ROM is menu-driven and easy to install. A summary file of total population and a description of the methodology are also included. Cost of the CD-ROM is \$55.

To order: Make check payable to The University of Alabama and send with name, complete mailing address, and telephone number to:

Center for Business and Economic Research
The University of Alabama
Box 870221
Tuscaloosa, Alabama 35487-0221
(205) 348-6191, FAX (205) 348-2951