Department of Local Affairs State Demography Office www.colorado.gov/demography

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## Aging in Colorado

## Introduction

The older population in Colorado is an important and growing segment of its population. Colorado has the $4^{\text {th }}$ lowest share of its population over the age 65 yet between 2000 and 2010 its population 65 and over grew by $32 \%(133,552)$ compared to the state as a whole which grew by $17 \%$. Colorado's growth in its 65 plus population was $4^{\text {th }}$ fastest in the US. Historic migration to Colorado has lead to a current age distribution with very few people over the age 65 (11\%) and a larger share younger than 65. However, aging of the younger population, especially the "Baby Boomers" born between 1946 and 1964 is forecast to increase the population over 65 by $150 \%$ between 2010 and 2030. This report describes the population age groups in Colorado, focusing primarily on the over 65 population. The data for this report are based on the 2010 Census Summary File 1.

## Total Population Snapshot

In 2010 Colorado's population was $5,029,196$. The population increased by $17 \%$ over the decade or by 727,935 . Throughout the state, county growth rates ranged from an increase of $60 \%$ to declines of $17 \%$. Seventeen counties, primarily along the Easter Plains lost population. The fastest growing region was the North Front Range (Larimer and Weld Counties) at 27\% followed by the Western Slope at 20\%.


Chart 1 shows the population by single year of age for 2000 and 2010. The black vertical line is drawn at 65 years. The chart shows the relatively small population over the age 65 and the large group age 46-65 pushing up against the black line. Over the next decade (2010-2020) this large share of "Baby

Boomers" will age into the over 65 age group. It is important to note that Colorado is a sum of its counties and each county has a unique age distribution that does not necessarily match the state. County age data is available at: www.colorado.gov/demography

Population Change by Age


Chart 2 below shows the change in age group between 2000 and 2010.
For all age groups younger than 45 , the population grew at or below the state growth rate of $17 \%$ shown dark horizontal line. The fastest growing 5 year age group was the 60-64 increasing by $86 \%$ or 124,695. The chart also shows there was a decline in the population 35-44. This decline is due to both the "Baby Boomers" aging out of the age cohort and the "Baby Bust" following the "Baby Boom".

Table 1
Colorado Population by Age

|  | $\mathbf{2 0 0 0}$ | $\mathbf{2 0 1 0}$ | Abs. Ch. | Pct Change |
| :--- | ---: | ---: | ---: | ---: |
| Under $\mathbf{5}$ | 297,505 | 343,960 | 46,455 | $15.6 \%$ |
| $\mathbf{5}$ to $\mathbf{9}$ | 308,428 | 348,603 | 40,175 | $13.0 \%$ |
| $\mathbf{1 0}$ to $\mathbf{1 4}$ | 311,497 | 332,654 | 21,157 | $6.8 \%$ |
| $\mathbf{1 5}$ to $\mathbf{1 9}$ | 307,238 | 339,475 | 32,237 | $10.5 \%$ |
| $\mathbf{2 0}$ to $\mathbf{2 4}$ | 306,238 | 348,615 | 42,377 | $13.8 \%$ |
| $\mathbf{2 5}$ to $\mathbf{3 4}$ | 664,027 | 726,278 | 62,251 | $9.4 \%$ |
| $\mathbf{3 5}$ to $\mathbf{4 4}$ | 736,823 | 699,644 | $-37,179$ | $-5.0 \%$ |
| $\mathbf{4 5}$ to $\mathbf{5 4}$ | 614,125 | 742,698 | 128,573 | $20.9 \%$ |
| $\mathbf{5 5}$ to $\mathbf{5 9}$ | 194,722 | 328,364 | 133,642 | $68.6 \%$ |
| $\mathbf{6 0}$ to $\mathbf{6 4}$ | 144,585 | 269,280 | 124,695 | $86.2 \%$ |
| $\mathbf{6 5}$ to $\mathbf{7 4}$ | 226,310 | 309,960 | 83,650 | $37.0 \%$ |
| $\mathbf{7 5}$ to $\mathbf{8 4}$ | 141,547 | 170,052 | 28,505 | $20.1 \%$ |
| $\mathbf{6 5 +}$ | 416,073 | 549,625 | 133,552 | $32.1 \%$ |
| $\mathbf{8 5}+$ | 48,216 | 69,613 | 21,397 | $44.4 \%$ |
| Total pop. | $4,301,261$ | $5,029,196$ | 727,935 | $16.9 \%$ |

Colorado's population over 65 increased by $32 \%$ or 133,552 (shown by the horizontal line at $32 \%$ in Chart 2). The growth in the 65+ population was faster than the total state population and is the first time in Colorado's history where the population over 65 grew at a faster rate than the state population.

Colorado had the $4^{\text {th }}$ fastest growth in the 65+ population in the US. Of the population over 65, the population over 85 was the fastest growing age group growing by $44 \%$ or 21,397 . The total population over 85 is 69,613 and is $1.3 \%$ of the population. Colorado had the $7^{\text {th }}$ fastest growing population over 85 in the US. Table 1 shows the population change by age group. Although Colorado has a fast growing population over the age 65, it also has the $4^{\text {th }}$ smallest share of its population over 65 in the US.

As mentioned earlier, Colorado is a sum of its counties. The counties vary by population size and growth rate as well as share of its population by age group. The median age in Colorado is 36.1 meaning that $50 \%$ of the population is older than 36.1 and $50 \%$ is younger than 36.1. The median age ranges by county from 53.3 in Custer to 32.4 in Adams County. Map 1 shows the percent of the population over 65 years old by county. The darkest shades of blue show the largest share of the population over 65. The Eastern Plains and San Luis Valley regions of the state have the largest share of their population over 65. However, over $45 \%$ of all Coloradans over 65 live in the four counties of Jefferson, Denver, El Paso and Arapahoe. The share of the population over 65 ranges from a high of $25 \%$ in Huerfano County to a low of $5 \%$ in Eagle County. Colorado's share of the population over 65 is $11 \%$ and the US average is $13 \%$.

Map 1


There were 5 counties experiencing over 100\% growth in the population over 65 shown by the darkest red color in Map
2. Most the counties were in the mountains except for Douglas County. Interestingly, most of these counties also have the smallest share of their population over 65. This indicates that their small base is increasing rapidly. Eagle County has the smallest share of its population over 65 in the state and over the decade it increased by $135 \%$ or by 1,689 . Some counties on the Easter Plains experienced a decline in the population over 65, due to both aging of the already older population and out migration from the area.

Table 2. Population Totals and by 65+ by County in Colorado.

|  | 2000 Total | $\begin{aligned} & \hline 2000 \\ & 65+ \end{aligned}$ | $\begin{aligned} & \text { 2000 Share } \\ & 65+ \end{aligned}$ | $\begin{aligned} & 2010 \\ & \text { Total } \end{aligned}$ | $\begin{aligned} & 2010 \\ & 65+ \end{aligned}$ | $\begin{aligned} & \text { 2010 Share } \\ & 65+ \end{aligned}$ | $\begin{aligned} & \text { Total Ch. 2000- } \\ & 2010 \end{aligned}$ | $\begin{aligned} & \text { Pct Ch. 2000- } \\ & 2010 \end{aligned}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Colorado | 4,301,261 | 416,073 | 9.7\% | 5,029,196 | 549,625 | 10.9\% | 133,552 | 32.1\% |
| Adams | 363,857 | 28,382 | 7.8\% | 441,603 | 36,862 | 8.3\% | 8,480 | 29.9\% |
| Alamosa | 14,966 | 1,440 | 9.6\% | 15,445 | 1,752 | 11.3\% | 312 | 21.7\% |
| Arapahoe | 487,967 | 41,929 | 8.6\% | 572,003 | 57,580 | 10.1\% | 15,651 | 37.3\% |
| Archuleta | 9,898 | 1,178 | 11.9\% | 12,084 | 2,116 | 17.5\% | 938 | 79.6\% |
| Baca | 4,517 | 1,014 | 22.4\% | 3,788 | 911 | 24.0\% | -103 | -10.2\% |
| Bent | 5,998 | 954 | 15.9\% | 6,499 | 888 | 13.7\% | -66 | -6.9\% |
| Boulder | 291,288 | 22,670 | 7.8\% | 294,567 | 29,521 | 10.0\% | 6,851 | 30.2\% |
| Broomfield | NA | NA | NA | 55,889 | 5,508 | 9.9\% | NA | NA |
| Chaffee | 16,242 | 2,762 | 17.0\% | 17,809 | 3,523 | 19.8\% | 761 | 27.6\% |
| Cheyenne | 2,231 | 370 | 16.6\% | 1,836 | 328 | 17.9\% | -42 | -11.4\% |
| Clear Creek | 9,322 | 658 | 7.1\% | 9,088 | 1,132 | 12.5\% | 474 | 72.0\% |
| Conejos | 8,400 | 1,258 | 15.0\% | 8,256 | 1,254 | 15.2\% | -4 | -0.3\% |
| Costilla | 3,663 | 616 | 16.8\% | 3,524 | 807 | 22.9\% | 191 | 31.0\% |
| Crowley | 5,518 | 597 | 10.8\% | 5,823 | 614 | 10.5\% | 17 | 2.8\% |
| Custer | 3,503 | 517 | 14.8\% | 4,255 | 954 | 22.4\% | 437 | 84.5\% |
| Delta | 27,834 | 5,473 | 19.7\% | 30,952 | 6,239 | 20.2\% | 766 | 14.0\% |
| Denver | 554,636 | 62,426 | 11.3\% | 600,158 | 62,132 | 10.4\% | -294 | -0.5\% |
| Dolores | 1,844 | 316 | 17.1\% | 2,064 | 388 | 18.8\% | 72 | 22.8\% |
| Douglas | 175,766 | 7,322 | 4.2\% | 285,465 | 20,343 | 7.1\% | 13,021 | 177.8\% |
| Eagle | 41,659 | 1,249 | 3.0\% | 52,197 | 2,938 | 5.6\% | 1,689 | 135.2\% |
| Elbert | 19,872 | 1,192 | 6.0\% | 23,086 | 2,193 | 9.5\% | 1,001 | 84.0\% |
| El Paso | 516,929 | 44,787 | 8.7\% | 622,263 | 62,051 | 10.0\% | 17,264 | 38.5\% |
| Fremont | 46,145 | 6,729 | 14.6\% | 46,824 | 8,244 | 17.6\% | 1,515 | 22.5\% |
| Garfield | 43,791 | 3,840 | 8.8\% | 56,389 | 4,717 | 8.4\% | 877 | 22.8\% |
| Gilpin | 4,757 | 270 | 5.7\% | 5,441 | 514 | 9.4\% | 244 | 90.4\% |
| Grand | 12,442 | 968 | 7.8\% | 14,843 | 1,519 | 10.2\% | 551 | 56.9\% |
| Gunnison | 13,956 | 965 | 6.9\% | 15,324 | 1,351 | 8.8\% | 386 | 40.0\% |
| Hinsdale | 790 | 92 | 11.6\% | 843 | 147 | 17.4\% | 55 | 59.8\% |
| Huerfano | 7,862 | 1,338 | 17.0\% | 6,711 | 1,689 | 25.2\% | 351 | 26.2\% |
| Jackson | 1,577 | 206 | 13.1\% | 1,394 | 257 | 18.4\% | 51 | 24.8\% |
| Jefferson | 527,056 | 50,826 | 9.6\% | 534,543 | 67,411 | 12.6\% | 16,585 | 32.6\% |
| Kiowa | 1,622 | 285 | 17.6\% | 1,398 | 300 | 21.5\% | 15 | 5.3\% |
| Kit Carson | 8,011 | 1,171 | 14.6\% | 8,270 | 1,322 | 16.0\% | 151 | 12.9\% |
| Lake | 7,812 | 513 | 6.6\% | 7,310 | 647 | 8.9\% | 134 | 26.1\% |
| La Plata | 43,941 | 4,128 | 9.4\% | 51,334 | 5,979 | 11.6\% | 1,851 | 44.8\% |
| Larimer | 251,494 | 24,037 | 9.6\% | 299,630 | 35,541 | 11.9\% | 11,504 | 47.9\% |
| Las Animas | 15,207 | 2,732 | 18.0\% | 15,507 | 2,748 | 17.7\% | 16 | 0.6\% |
| Lincoln | 6,087 | 868 | 14.3\% | 5,467 | 918 | 16.8\% | 50 | 5.8\% |
| Logan | 20,504 | 2,965 | 14.5\% | 22,709 | 3,321 | 14.6\% | 356 | 12.0\% |
| Mesa | 116,255 | 17,642 | 15.2\% | 146,723 | 21,872 | 14.9\% | 4,230 | 24.0\% |
| Mineral | 831 | 144 | 17.3\% | 712 | 164 | 23.0\% | 20 | 13.9\% |
| Moffat | 13,184 | 1,233 | 9.4\% | 13,795 | 1,454 | 10.5\% | 221 | 17.9\% |
| Montezuma | 23,830 | 3,299 | 13.8\% | 25,535 | 4,269 | 16.7\% | 970 | 29.4\% |
| Montrose | 33,432 | 5,098 | 15.2\% | 41,276 | 7,349 | 17.8\% | 2,251 | 44.2\% |
| Morgan | 27,171 | 3,541 | 13.0\% | 28,159 | 3,965 | 14.1\% | 424 | 12.0\% |
| Otero | 20,311 | 3,342 | 16.5\% | 18,831 | 3,458 | 18.4\% | 116 | 3.5\% |
| Ouray | 3,742 | 457 | 12.2\% | 4,436 | 777 | 17.5\% | 320 | 70.0\% |
| Park | 14,523 | 1,059 | 7.3\% | 16,206 | 1,881 | 11.6\% | 822 | 77.6\% |
| Phillips | 4,480 | 867 | 19.4\% | 4,442 | 919 | 20.7\% | 52 | 6.0\% |
| Pitkin | 14,872 | 1,013 | 6.8\% | 17,148 | 1,964 | 11.5\% | 951 | 93.9\% |
| Prowers | 14,483 | 1,832 | 12.6\% | 12,551 | 1,835 | 14.6\% | 3 | 0.2\% |
| Pueblo | 141,472 | 21,456 | 15.2\% | 159,063 | 24,346 | 15.3\% | 2,890 | 13.5\% |
| Rio Blanco | 5,986 | 669 | 11.2\% | 6,666 | 827 | 12.4\% | 158 | 23.6\% |
| Rio Grande | 12,413 | 1,822 | 14.7\% | 11,982 | 1,945 | 16.2\% | 123 | 6.8\% |
| Routt | 19,690 | 992 | 5.0\% | 23,509 | 1,909 | 8.1\% | 917 | 92.4\% |
| Saguache | 5,917 | 641 | 10.8\% | 6,108 | 893 | 14.6\% | 252 | 39.3\% |
| San Juan | 558 | 39 | 7.0\% | 699 | 86 | 12.3\% | 47 | 120.5\% |
| San Miguel | 6,594 | 222 | 3.4\% | 7,359 | 517 | 7.0\% | 295 | 132.9\% |
| Sedgwick | 2,747 | 607 | 22.1\% | 2,379 | 569 | 23.9\% | -38 | -6.3\% |
| Summit | 23,548 | 770 | 3.3\% | 27,994 | 2,158 | 7.7\% | 1,388 | 180.3\% |
| Teller | 20,555 | 1,540 | 7.5\% | 23,350 | 3,023 | 12.9\% | 1,483 | 96.3\% |
| Washington | 4,926 | 898 | 18.2\% | 4,814 | 928 | 19.3\% | 30 | 3.3\% |
| Weld | 180,936 | 16,240 | 9.0\% | 252,825 | 24,235 | 9.6\% | 7,995 | 49.2\% |
| Yuma | 9,841 | 1,607 | 16.3\% | 10,043 | 1,623 | 16.2\% | 16 | 1.0\% |

NA = Broomfield became a county in 2001 therefore 2000 data does not exist.

In absolute terms the population over 65 increased by 133,552 between 2000 and 2010. The 5 fastest growing counties in absolute terms for the population over 65 were: El Paso, Jefferson, Arapahoe, Douglas and Larimer representing $55 \%$ of the increase in the population over 65.

The counties shaded blue in Map 3 declined in population. Interestingly, Denver County lost population over 65. The decline was due primarily to an
 out-migration of the population 75-84.

## Why is Colorado Aging So Fast?

Colorado is aging fast (represented by a growth rate of the 65+) primarily due to the current relatively small share of the population over the age 65 and the large group of Baby Boomers and pre Baby Boomers aging into the 65+ age group. Migration and aging (birthdays and death) are the two factors leading to change in the population over 65 . Net in-migration was only responsible for approximately 6,000 of the 133,552 increase Colorado's population over 65 , the rest was due to aging of the population.

Chart 3.


Chart 3
illustrates
Colorado net migration by age. The red line is drawn at age 65 .
The largest share of net migration ("in" minus "outs") was for ages 2335. Colorado has a historical pattern for attracting this age group which has
impacted Colorado's age distribution for decades. Since the majority of the migrants to Colorado are young, Colorado has back filled its age distribution resulting in a small share of its population over 65 (See Chart 1). It has taken decades for the large group of young migrants in the 1970 s to age to 65 . Migration was responsible for $70 \%$ of the population increase in Colorado from 1970 to 1980. Again they were primarily aged 25-35 and many of them were "Baby Boomers".

People migrate to Colorado from all age groups but there is a relatively small share migrating to Colorado over the age 65 compared to other age groups. There is a small spike around 64-65 and then slightly positive for most ages over 65.

Migration by age varies by county as well. Not all counties attract and retain the population over 65. Map 4 shows net migration of the population over 65 from 2000-2010. Shades of orange and yellow indicate net out-migration where shades of blue indicate net in-migration. Net inmigration to a county can be from be moving from out of state into Larimer County for example, or moving from Denver County to Larimer County.

Denver is highlighted as a county with net out migration for the $65+$ population and using both the migration information and total population change, we can calculate that out-migration is the largest factor for the decline in the population over 65 (see Map 3), rather than a large number of deaths.

Map 4


## Aging Forecast

The aging of Colorado is a significant change for two primary reasons: 1 . Colorado currently does not have a large share of its population over 65 due to its migration pattern and 2. the "Baby Boomers" age 46-64 in 2010 are 1.3 million strong in Colorado and will be entering the over 65 age cohort over the next 20 years.. As mentioned earlier, Colorado has the $4{ }^{\text {th }}$ smallest share of its population over $65,11 \%$ vs $13 \%$ for the US. Take a current relatively small number of $65+$, 549,629 and add 1.3 million "Baby Boomers" and you get a significant shift. Contrary to some beliefs, Colorado does not have a disproportionately large share of "Baby Boomers'. They are $26 \%$ of the population and number 1,346,000 strong but their share of the state’s population ranks 21 in the US.

Chart 4


Between 2010 and 2020 Colorado’s $65+$ population is forecast to increase by $61 \%$ growing from 549,629 (Chart 4) to 891,970. This current decade will be the fastest growing decade for the population over 65. By 2030 the population over 65 is forecast to be $1,242,000$. Majority of the increase in the population over 65 will be due to aging rather than migration as discussed earlier. After 2030 the growth rate for the 65+ is expected to slow to a similar rate as the total population, an annual average rate of $1.5 \%$

The leading edge of the "Baby Boomers" (aged 55-64 in 2010) will be aging into the 65-74 age cohort by $7 \%$ per year or $70 \%$ between 2010 and 2020. The US population of the same age will be increasing by $4.2 \%$ per year, again demonstrating that Colorado is different than the US average.

Map 5. Percentage point change of 65+ share of population, 2010-2030


## Point Change <br> $\square$ Less than 0 $\square 0$ to 2.9 $\square 3.0$ to 4.9 5.0 to 7.9 - 8 or more

The forecast growth by county will depend on its current age structure and the migration by age pattern. The current (2010) youngest counties (fewest people over 65) are forecast to age the fastest where the older counties (larger share over 65) will change the least. Map 5 shows from darkest to lightest the fasting growing
counties for the 65+ population from 2010 to 2030. Forecast of the population by age by county are in Appendix 1.

The fastest growth for the 65+ population will be along the Front Range and Resort Counties in the Western Slope increasing from $10 \%$ to $18 \%$ of the population. The change for the Eastern Plains and San Luis Valley will be smaller, increasing from an estimated $15 \%$ to $18 \%$ of the population. Chart 5 below shows the change in share of the population $65+$ by decade by region. Interestingly, by 2040 the Front Range is forecast to have a larger share of its population over 65 compared to the Eastern Plans and San Luis Valley which are regions that have historically had an older population compared to the state and Front Range.

Chart 5
Percent of the Population 65+


## Implications

The significant growth in the population over 65 from 2010 through 2030 will impact Colorado in multiple ways primarily because the 65+ age group on average, buys, works, lives and receives services differently than other age groups. Growth in the 65+ population will impact the labor force, economic development, housing, transportation, health services and public finance just to name a few. Below is a discussion of some of these impacts.

## Labor Force

The labor force will be impacted by the aging of Colorado in three primary ways.

1. An increasing number of people aging out of the labor force (replacement),
2. Varying impact by industry. Some industries have a larger share of older workers than others including utilities, government, education, health services.
3. Increase in demands by retirees creating new jobs (health services, tourism etc.).
"Boomers" are $37 \%$ of the labor force and over the next 20 years approximately 1 million workers will be aging out of the labor force even with workers staying in the labor force longer. Labor force participation rates (share of the population actively in the labor force) for the 65+ have been increasing both because they want and need to stay in the labor force longer. The labor force participation rate in 2010 for workers over 65 in Colorado is $18 \%$ in compared to the national rate of $16 \%$. In comparison, the labor force participation rate for $55-59$ years olds is 78\%.

It is forecast that the largest growth of leavers from the labor force will occur around the year 2020-2022 - basically when the peak of the "Baby Boom" generation reaches 65 years of age. Between 2010 and 2025 the annual numbers of leavers (retirees) are forecasts to increase from 33,000 to 58,000 a $74 \%$ increase compared to only a $27 \%$ increase in the labor force over the same time period.

It is difficult to imagine now in 2012 with high unemployment that by 2020 Colorado could be facing tight labor markets simple due to aging. Typically employment opportunities are created by both people exiting the labor force and by the creation of new jobs. As the number of people aging out of the labor force increases, more employment opportunities will be created through retirements than through "new" jobs. In 2005 it was estimated that "new jobs" created about $60 \%$ of the employment opportunities in the state. "New jobs" are forecast to provide $43 \%$ of the employment opportunities by 2025.

Understanding that Colorado could be facing a tight labor market in 2022 gives us an opportunity to plan and take the most advantage of an increased demand for labor. Current research has shown that there are not enough Long Term Care workers as well as Gerontologists. Additional research on future labor force demands and skills will help to identify education and skills that will be needed by Colorado workers. The increase in leavers (retirees) and subsequent increase in demand for labor will also occur nationally. A prepared and skilled labor force will be critical to maintain Colorado's competitive edge.

Growth in employment opportunities from both retirements and "new jobs" should also be balanced or compared to the growth of potential "new entrants" into the labor force. If employment opportunities grow faster than potential "new entrants", increased immigration could occur which brings with it its own set of challenges. Net migration is forecast to be larger than new jobs created from 2015-2025 due to aging of the labor force. This means that for every new job created, Colorado is forecast to need to migrate in a person from out of state.

## Economic Impact

Retiree spending is an important economic driver or base industry in Colorado. An economic driver is an industry that brings in money from outside of the area. It is estimated that spending of savings, pensions, 401 Ks , etc. by people over the age 65 supported approximately 137,000 jobs in 2010. This equates to approximately one job supported by every 4 people over the age 65. By 2030 it is forecasted that 346,000 jobs will be supported through retiree spending. In specifically the Health Services industry, it is estimated that one job is supported by the spending of every 10 people over the age 65. Jobs in the Health Services industry supported by spending of those over 65 (often Medicare dollars) is forecast to increase from 55,000 in 2010 to 124,500 in 2030 in Colorado.

There is a large growth potential for products, services, entertainment, housing etc. demanded by people over 65 years of age. The market segment of $65+$ is forecast to increase by $6 \%$ per year from 2010 through 2020 followed by 4\% per year from 2020 through 2030. Rarely do businesses have an opportunity to create and provided products and services for a segment growing by $6 \%$ per year when the entire population is only increasing by $1.5 \%$ per year.

## Housing

The fastest growing household by age over the next twenty years will be households over the age 65 as shown below in Chart 6. Reviewing the historical growth in households by age helps to explain housing construction by type especially in the 1990s. There is no forecast decline in any
household age group, however growth in all but the 65+ households will be hovering around 1\% per year compared to the 65+ at over $7 \%$ per year.
Chart 6


Location choices for the $65+$ will vary by age and disability. Other factors heavily influencing housing choices include location to amenities and health services, availability of health services, costs of housing, transportation, and family. If a community has a shortage of doctors accepting Medicare, they will have a difficult time attracting and retaining the 65+ population.

According to the 2010
American Community Survey, 92\% people over the age 65 lived in the same house one year ago. $80 \%$ of the $65+$ live in owner occupied units and $26 \%$ of the owners are cost burdened and $54 \%$ of the renters are cost burdened (spending more than $30 \%$ of their income on housing).

## Health Care

Demand for health services increases with age. The Health Care industry has been one of the only industries to continue to add jobs during the recession in part due to an aging population. Below in Table 3, data from the Consumer Expenditure Survey show the considerable increase in annual heath care expenditures by age. Colorado’s 1.3 million "Baby Boomers" entered the 45-64 age group from 2000 to 2010, partially explaining the increase in health care demand. The demand will continue to increase as "Baby Boomers" enter the 65+ age group where health care expenditures are estimated to increase by $18 \%$ to $\$ 4,843$ annually.

Table 3
Average annual health care expenditures by age, Consumer Expenditure Survey, 2010

| All consumer <br> units | Under 25 <br> years | $25-34$ years | $35-44$ years | $45-54$ years | $55-64$ years | 65 years and <br> older |
| ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| $\$ 3,157$ | $\$ 775$ | $\$ 1,800$ | $\$ 2,583$ | $\$ 3,261$ | $\$ 3,859$ | $\$ 4,843$ |

The increase in demand for health care will flow through to increased demand in health care workers. These workers will vary from highly skilled gerontologist and cardiologists to lower skilled home health aides. In order for Colorado to benefit from the growth in this sector, it will be important for Colorado to have a skilled workforce. Most states will also be confronting growth in the health care industry due to aging of the "baby boomers" and Colorado will be competing with these states to attract and retain quality health care workers.

For more information on the impact of aging to the health care sector please see the document titled The Aging of the Baby Boomers in Colorado and Related Fiscal Impacts also posted on our website www.colorado.gov/demography under presentations.

## Public Finance

Aging of the "Baby Boomers" will also impact taxes raised through income taxes and sales taxes and potentially through property taxes. Average income taxes paid declines over age 65 as typically incomes are greater prior to retirement (It is acknowledged that not everyone retires at age 65). Taxable expenditures are lower over for the population over 65 and begin declining after at 55. Estimated market value of owned home also declines for the population over 65, primarily for the 75+ population where they may have downsized. The lower valued homes generate lower property taxes. Additionally, Colorado’s Homestead Act provides property tax abatements for several 65+ households resulting in lower property tax revenues to counties.

The impact on revenues results from a decline in the share of the population 18-64 and an increase in the share of the population 65+ as shown in Chart 7. The forecast for Colorado does not suggest an absolute decline in population 18-64, rather a decline in its relative share.

Chart 7


Chart 7 also displays the "Demographic Dividend" Colorado experienced between 1990 and 2010 with a growing share of its population aged 45-64. This age cohort tends to have highest incomes and highest expenditures. Colorado derived several benefits from this growth including growth in productivity and incomes. From 2010 through 2030 the population 18-64 (working age population) will be declining as a share of the total population from approximately $68 \%$ of the population to $59 \%$ and then holding relatively stable through the forecast period.

Total tax revenues to state and local governments are not forecast to decrease due to the aging in Colorado, primarily because population declines are not forecasted, especially those aged 25-64.

However, per capita tax revenues to the state and many local governments are forecasts to decrease due to the relative increase in the 65+ population.

## Illustrative Example of Tax and Expenditure Impact using Colorado Household Numbers

## Table 4.

Example of Potential Changes to Federal Taxes Paid

|  | Est 2010 | Est 2020 | Est 2030 |
| :--- | ---: | ---: | ---: |
| Households in CO | $2,005,046$ | $2,458,401$ | $2,905,180$ |
| Taxes Paid | 2.86 Billion | 3.31 Billion | 3.67 Billion |
| Per Household Taxes <br> Paid | 1,430 | 1,350 |  |

Example of Potential Changes to Taxable Expenditures

|  | Est 2010 | Est 2020 | Est 2030 |
| :--- | ---: | ---: | ---: |
| Households in CO | $2,005,046$ | $2,458,401$ | $2,905, \mathbf{1 8 0}$ |
| Taxable Expenditures | 29.4 Billion | 35.2 Billion | 39.2 Billion |
| Per Household <br> Taxable Expenditures | 14,673 | 14,345 | 13,499 |

Source: Households - State Demography Office, Federal Taxes Paid and Taxable Expenditures Consumer Expenditure Survey, BLS.

Table 4 is an illustrative example of the impact of household age structure on federal income taxes paid and taxable expenditures (in 2010 dollars) based on Colorado's households by age. The top line in each panel shows the forecasted increase in households from 2010 through 2030. Taxes paid is computed by taking expenditure data by age from the Consumer Expenditure Survey and applying it to Colorado's households by age group over time. Taxes paid are forecast to increase as are the number of households, however, due to the changing age structure of households and that households over the age of 65 pay less in federal taxes and spend less on taxable goods, per household taxes paid are forecast to decline.

## Conclusion

The older population in Colorado is an important and growing segment of its population. State and local governments need information on age to implement, evaluate and aid programs that plan services for older adults. It is important to understand the size of the growth itself and why it is so significant in some areas of the state. Baby Boomers have always been in Colorado, first impacting grade schools, then high schools, then universities and the labor force. Now the "boomers" will impact the concept of "retirement" and "aging". The labor force, economy, housing, transportation, health care and public finance will all be impacted by the aging in Colorado. The fastest growth in the 65+ population is this current decade 2010-2020. Colorado must be ready to confront both the challenges and opportunities this growth generates.

For additional Colorado demographic and economic data please visit the State Demography Office website at www.colorado.gov/demography or contact our office at 303-866-2156.

Appendix 1. Forecast Population Totals and 65+ by County 2010-2040

|  | 2010 65+ | $\begin{array}{\|l\|} 2010 \\ \text { Total Pop } \\ \hline \end{array}$ | 2020 65+ | $\begin{array}{\|l\|} 2020 \\ \text { Total Pop } \end{array}$ | $203065+$ | $\begin{array}{\|l} 2030 \\ \text { Total Pop } \end{array}$ | 2040 65+ | $\begin{aligned} & 2040 \\ & \text { Total Pop } \end{aligned}$ | $\begin{array}{\|l} \text { Pct Ch } \\ 2010-20 \end{array}$ | Pct Ch. 2020-30 | $\begin{array}{\|l\|} \text { Pct Ch. } \\ 2030-40 \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Adams | 36,862 | 441,603 | 62,915 | 544,258 | 94,384 | 645,884 | 121,570 | 742,459 | 71\% | 50\% | 15\% |
| Alamosa | 1,752 | 15,445 | 2,712 | 17,860 | 3,542 | 21,734 | 3,641 | 25,949 | 55\% | 31\% | 19\% |
| Arapahoe | 57,580 | 572,003 | 98,063 | 673,230 | 141,931 | 774,353 | 168,034 | 861,329 | 70\% | 45\% | 11\% |
| Archuleta | 2,116 | 12,084 | 3,882 | 17,127 | 4,851 | 23,462 | 4,951 | 29,892 | 83\% | 25\% | 27\% |
| Baca | 911 | 3,788 | 927 | 3,893 | 955 | 4,059 | 881 | 4,202 | 2\% | 3\% | 4\% |
| Bent | 888 | 6,499 | 1,073 | 6,832 | 1,375 | 7,011 | 1,676 | 6,876 | 21\% | 28\% | -2\% |
| Boulder | 29,521 | 294,567 | 51,236 | 332,107 | 74,066 | 366,960 | 85,227 | 391,834 | 74\% | 45\% | 7\% |
| Broomfield | 5,508 | 55,889 | 9,372 | 71,211 | 14,346 | 82,049 | 18,347 | 85,929 | 70\% | 53\% | 5\% |
| Chaffee | 3,523 | 17,809 | 5,325 | 23,052 | 6,302 | 27,700 | 6,314 | 30,208 | 51\% | 18\% | 9\% |
| Cheyenne | 328 | 1,836 | 390 | 2,082 | 463 | 2,263 | 465 | 2,391 | 19\% | 19\% | 6\% |
| Clear Creek | 1,132 | 9,088 | 2,005 | 10,710 | 2,395 | 12,969 | 2,360 | 15,198 | 77\% | 19\% | 17\% |
| Conejos | 1,254 | 8,256 | 1,661 | 9,253 | 1,919 | 10,048 | 1,926 | 10,584 | 32\% | 16\% | 5\% |
| Costilla | 807 | 3,524 | 1,004 | 3,871 | 1,018 | 4,128 | 883 | 4,335 | 24\% | 1\% | 5\% |
| Crowley | 614 | 5,823 | 898 | 6,643 | 1,213 | 7,563 | 1,333 | 8,443 | 46\% | 35\% | 12\% |
| Custer | 954 | 4,255 | 1,660 | 5,866 | 1,851 | 7,590 | 1,726 | 9,116 | 74\% | 11\% | 20\% |
| Delta | 6,239 | 30,952 | 8,749 | 41,311 | 10,371 | 52,713 | 10,646 | 61,274 | 40\% | 19\% | 16\% |
| Denver | 62,132 | 600,158 | 89,171 | 686,613 | 112,265 | 749,555 | 128,015 | 817,093 | 44\% | 26\% | 9\% |
| Dolores | 388 | 2,064 | 450 | 2,436 | 459 | 2,884 | 467 | 3,385 | 16\% | 2\% | 17\% |
| Douglas | 20,343 | 285,465 | 43,828 | 373,308 | 75,433 | 450,846 | 102,092 | 510,548 | 115\% | 72\% | 13\% |
| Eagle | 2,938 | 52,197 | 7,903 | 71,076 | 13,280 | 85,235 | 18,874 | 105,511 | 169\% | 68\% | 24\% |
| Elbert | 2,193 | 23,086 | 5,150 | 38,173 | 8,397 | 54,315 | 9,821 | 66,204 | 135\% | 63\% | 22\% |
| El Paso | 62,051 | 622,263 | 100,786 | 734,862 | 144,931 | 861,381 | 160,441 | 984,019 | 62\% | 44\% | 14\% |
| Fremont | 8,244 | 46,824 | 11,097 | 54,217 | 13,156 | 61,404 | 13,426 | 67,381 | 35\% | 19\% | 10\% |
| Garfield | 4,717 | 56,389 | 9,637 | 76,939 | 15,239 | 101,646 | 19,659 | 123,572 | 104\% | 58\% | 22\% |
| Gilpin | 514 | 5,441 | 1,138 | 6,519 | 1,466 | 7,578 | 1,506 | 8,639 | 121\% | 29\% | 14\% |
| Grand | 1,519 | 14,843 | 3,471 | 20,090 | 5,190 | 25,544 | 5,983 | 30,280 | 129\% | 50\% | 19\% |
| Gunnison | 1,351 | 15,324 | 2,253 | 17,895 | 2,729 | 20,189 | 3,123 | 22,034 | 67\% | 21\% | 9\% |
| Hinsdale | 147 | 843 | 205 | 1,027 | 211 | 1,228 | 190 | 1,418 | 40\% | 3\% | 16\% |
| Huerfano | 1,689 | 6,711 | 2,270 | 7,527 | 2,472 | 8,507 | 2,166 | 9,286 | 34\% | 9\% | 9\% |
| Jackson | 257 | 1,394 | 318 | 1,598 | 341 | 1,709 | 303 | 1,802 | 24\% | 7\% | 5\% |
| Jefferson | 67,411 | 534,543 | 109,193 | 571,753 | 150,232 | 612,885 | 156,902 | 630,029 | 62\% | 38\% | 3\% |
| Kiowa | 300 | 1,398 | 338 | 1,509 | 384 | 1,637 | 355 | 1,777 | 13\% | 14\% | 9\% |
| Kit Carson | 1,322 | 8,270 | 1,533 | 8,893 | 1,903 | 9,401 | 1,984 | 9,770 | 16\% | 24\% | 4\% |
| Lake | 647 | 7,310 | 1,108 | 9,642 | 1,354 | 12,368 | 1,586 | 13,958 | 71\% | 22\% | 13\% |
| La Plata | 5,979 | 51,334 | 11,343 | 66,714 | 15,741 | 81,544 | 17,849 | 94,191 | 90\% | 39\% | 16\% |
| Larimer | 35,541 | 299,630 | 57,592 | 360,274 | 78,491 | 427,926 | 87,730 | 487,114 | 62\% | 36\% | 14\% |
| Las Animas | 2,748 | 15,507 | 4,075 | 19,217 | 4,974 | 22,553 | 5,062 | 25,277 | 48\% | 22\% | 12\% |
| Lincoln | 918 | 5,467 | 1,024 | 6,193 | 1,337 | 7,084 | 1,305 | 7,885 | 11\% | 31\% | 11\% |
| Logan | 3,321 | 22,709 | 4,124 | 25,734 | 5,258 | 29,621 | 5,609 | 33,469 | 24\% | 27\% | 13\% |
| Mesa | 21,872 | 146,723 | 31,221 | 171,581 | 39,711 | 201,973 | 42,180 | 231,795 | 43\% | 27\% | 15\% |
| Mineral | 164 | 712 | 254 | 870 | 263 | 959 | 211 | 1,001 | 55\% | 3\% | 4\% |
| Moffat | 1,454 | 13,795 | 2,198 | 15,464 | 2,847 | 17,689 | 2,978 | 19,352 | 51\% | 30\% | 9\% |
| Montezuma | 4,269 | 25,535 | 6,542 | 31,171 | 8,032 | 37,623 | 8,343 | 43,522 | 53\% | 23\% | 16\% |
| Montrose | 7,349 | 41,276 | 10,350 | 54,718 | 12,954 | 69,252 | 14,273 | 80,114 | 41\% | 25\% | 16\% |
| Morgan | 3,965 | 28,159 | 4,762 | 32,209 | 6,095 | 38,348 | 6,845 | 45,292 | 20\% | 28\% | 18\% |
| Otero | 3,458 | 18,831 | 4,076 | 20,802 | 4,431 | 21,771 | 4,296 | 22,351 | 18\% | 9\% | 3\% |
| Ouray | 777 | 4,436 | 1,212 | 5,832 | 1,243 | 6,177 | 1,132 | 6,373 | 56\% | 3\% | 3\% |
| Park | 1,881 | 16,206 | 3,747 | 23,816 | 4,932 | 32,873 | 4,938 | 35,758 | 99\% | 32\% | 9\% |
| Phillips | 919 | 4,442 | 923 | 4,670 | 1,018 | 4,882 | 1,013 | 4,998 | 0\% | 10\% | 2\% |
| Pitkin | 1,964 | 17,148 | 3,331 | 21,929 | 4,032 | 26,952 | 4,477 | 31,725 | 70\% | 21\% | 18\% |
| Prowers | 1,835 | 12,551 | 2,355 | 13,633 | 2,770 | 14,682 | 2,817 | 15,456 | 28\% | 18\% | 5\% |
| Pueblo | 24,346 | 159,063 | 34,160 | 185,227 | 42,353 | 217,043 | 44,922 | 249,435 | 40\% | 24\% | 15\% |
| Rio Blanco | 827 | 6,666 | 1,180 | 9,056 | 1,576 | 11,503 | 1,731 | 13,390 | 43\% | 34\% | 16\% |
| Rio Grande | 1,945 | 11,982 | 2,600 | 13,887 | 3,037 | 15,520 | 3,059 | 16,492 | 34\% | 17\% | 6\% |
| Routt | 1,909 | 23,509 | 3,859 | 28,563 | 5,101 | 36,367 | 5,794 | 44,934 | 102\% | 32\% | 24\% |
| Saguache | 893 | 6,108 | 1,505 | 7,101 | 1,725 | 8,132 | 1,650 | 8,940 | 69\% | 15\% | 10\% |
| San Juan | 86 | 699 | 152 | 784 | 166 | 811 | 157 | 845 | 77\% | 9\% | 4\% |
| San Miguel | 517 | 7,359 | 1,227 | 10,367 | 1,741 | 13,561 | 2,177 | 16,512 | 137\% | 42\% | 22\% |
| Sedgwick | 569 | 2,379 | 630 | 2,689 | 650 | 2,913 | 601 | 3,087 | 11\% | 3\% | 6\% |
| Summit | 2,158 | 27,994 | 5,269 | 38,568 | 8,179 | 49,267 | 10,654 | 57,956 | 144\% | 55\% | 18\% |
| Teller | 3,023 | 23,350 | 5,336 | 28,142 | 6,351 | 33,058 | 5,813 | 37,499 | 77\% | 19\% | 13\% |
| Washington | 928 | 4,814 | 1,055 | 5,054 | 1,217 | 5,222 | 1,162 | 5,279 | 14\% | 15\% | 1\% |
| Weld | 24,235 | 252,825 | 42,228 | 331,341 | 63,347 | 448,215 | 81,766 | 570,463 | 74\% | 50\% | 27\% |
| Yuma | 1,623 | 10,043 | 1,914 | 11,001 | 2,230 | 11,934 | 2,371 | 12,638 | 18\% | 17\% | 6\% |

