The Changing Demographic Profile of the United States

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Summary

The United States, the third most populous country globally, accounts for about 4.5% of the world’s population. The U.S. population—currently estimated at 308.7 million persons—has more than doubled since its 1950 level of 152.3 million. More than just being double in size, the population has become qualitatively different from what it was in 1950. As noted by the Population Reference Bureau, “The U.S. is getting bigger, older, and more diverse.” The objective of this report is to highlight some of the demographic changes that have already occurred since 1950 and to illustrate how these and future trends will reshape the nation in the decades to come (through 2050).

The United States Is Getting Bigger. U.S. population growth is due to the trends over time in the interplay of increased births, decreased deaths, and increased net immigration.

The United States Is Getting Older. Aside from the total size, one of the most important demographic characteristics of a population for public policy is its age and sex structure. This report illustrates how the United States has been in the midst of a profound demographic change: the rapid aging of its population, as reflected by an increasing proportion of persons aged 65 and older, and an increasing median age in the population.

The United States Is Becoming More Racially and Ethnically Diverse, reflecting the major influence that immigration has had on both the size and the age structure of the U.S. population. This section considers the changing profile of the five major racial groups in the United States. In addition, trends in the changing ethnic composition of the Hispanic or Latino Origin population are discussed.

Although this report will not specifically discuss policy options to address the changing demographic profile, it is important to recognize that the inexorable demographic momentum will have important implications for the economic and social forces that will shape future societal well-being. There is ample reason to believe that the United States will be able to cope with the current and projected demographic changes if policymakers accelerate efforts to address and adapt to the changing population profile as it relates to a number of essential domains, such as work, retirement, and pensions; private wealth and income security; the federal budget and inter-generational equity; health, healthcare, and health spending; and the health and well-being of the aging population. These topics, among others, are discussed briefly in the final section of this report. This report will be updated as needed.
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The United States, the third-largest population globally, accounts for about 4.5% of the world’s population. The U.S. population—estimated in the 2010 Census at 308.7 million persons—has more than doubled from its 1950 level of 152.3 million. More than just being double in size, the U.S. population has become qualitatively different from what it was in 1950. As noted by the Population Reference Bureau, “The U.S. is getting bigger, older, and more diverse.” The objective of this report is to highlight some of the demographic changes that have already occurred since 1950 and to illustrate how these and future trends will reshape the nation in the decades to come.

While this report will not discuss policy options, it is important to recognize that the inexorable demographic momentum will produce an increasingly older population in the United States. There is ample reason to believe that the United States will be able to cope with the current and projected changes if policymakers address and adapt to the changing demographic profile as it relates to a number of essential domains such as work, retirement, and pensions, private wealth and income security, transfer systems, and the health and well-being of the aging population. These topics are discussed briefly in the final section of this report.

Population Size and Growth—The United States Is Getting Bigger

The U.S. population has experienced remarkable growth since 1950. From a base of about 152 million Americans in 1950, an additional 156 million persons were added to the population between 1950 and 2009, with the number of additional women slightly outnumbering additional men (see Figure 1). This increase (of about 103%) in the size of the U.S. population was remarkable compared with other industrialized countries. Germany and Italy, for instance, grew by only 21% and 30% respectively during the same period. And, a number of countries, most notably in Eastern Europe, have recently experienced absolute reductions in the size of their populations.

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4 Through year 2050 is considered in this report.
Despite the growth of the U.S. population over this period, the United States’ share of the world’s population has been declining as less developed, higher fertility countries have grown more rapidly. Pakistan, Bangladesh and Nigeria, for instance, now rank #6, #7 and #8 in total population size, surpassing more developed countries—such as Germany, France, the United Kingdom, and Italy—that are no longer among the world’s 10 most populous countries.\(^8\)

The Census Bureau projects that the U.S. population will continue to grow, to almost 440 million persons by year 2050,\(^9\) albeit at a slower pace than the growth recorded over the past half-century. Note, however, that population projections, which rely upon assumptions about the future courses of mortality, fertility, and immigration are uncertain. More pessimistic growth projections are offered by the United Nations and the Social Security Administration, which estimate that the U.S. population will be 404 million or 411 million respectively in the same year.\(^10\)

\(^8\) U.S. Census Bureau International Data Base at http://www.census.gov/ipc/www/idb/ranks.php.


\(^10\) It is beyond the scope of this report to reconcile these differences. All projections are medium-variant, or what the agencies consider to be the most likely scenario. See (1) United Nations, World Population Prospects: The 2008 Revision; and (2) The 2010 Annual Report of the Board of Trustees of the Federal Old-Age and Survivor’s Insurance and Disability Insurance Funds. Washington DC: August 9, 2010, http://www.ssa.gov/OACT/TR/2010/trTOC.html.
Average annual growth rates\(^\text{11}\) for each 10-year intercensal period between 1950 and 2000 were positive, but have generally been declining over time (see Figure 2). Expressed as a percentage of the population at the beginning of the period, the average population growth rate in the 1950s, for example, was 1.7% per annum while it was only 0.9% per year during the 1980s. The Census Bureau assumes that the growth rate will remain positive through year 2050, but will fluctuate over the time period. The current level of 0.8% per annum will increase through 2030 to closer to 0.9% per annum. After 2030 the growth rate is expected to return to 0.8% per annum.

Trends in the size and growth of the U.S. population reflect the interactions of three underlying determinants:

- The role of human reproduction and the fertility behavior of American couples;
- Trends in disease risk and subsequent mortality, and,
- The net effect of international immigration to and from the United States.

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\(^{11}\) Population growth rate: the number of persons added to (or subtracted from) a population in a year due to natural increase (births minus deaths) and net immigration per 1,000 persons in the population. Alternatively, the measure can be expressed as the percentage change of the population at the beginning of the time period subtracted from the population at the end of the time period and then divided by the population at the end of the time period.
Figure 2 and the Appendix (at end of this report), in addition to highlighting the estimated and projected trends in population growth for the period 1950-2050, also highlight trends and projections for these three underlying components of population change. Characteristics of U.S. fertility, mortality, and immigration are discussed in the following sections.

Fertility

Average fertility in the United States reached a post-World War II maximum during the peak of the “baby boom” in the late 1950s. The highest observed number of annual births (4.3 million) and birth rates (25.3 births per 1,000 population) since 1950 were recorded in 1957. Steep declines were observed in the 1960s and early 1970s, a broad trend that was also observed in Europe, Canada, Japan, Australia, and New Zealand. U.S. birth rates since the early 1970s have remained remarkably constant, mostly fluctuating in the mid-teens, and reached an all-time low of 13.9 live births per 1,000 population in 2002. In 2008, the most recent year for which final data are available, there were 14.0 live births per 1,000 in the population and almost 4.25 million births were recorded. This represents a small decline from 2007 when the largest number of births were recorded in nearly 4 decades, though the birth rate remains lower than levels seen during the baby boom.

Characteristics of American Fertility

Highlights of American fertility behavior in 2008 include the following:

- There were approximately 4.25 million live births, a 2% decrease from the 2007 record high.
- The crude birth rate (CBR) was 14.0 live births per 1,000 total population, which represents a slight decrease since 2007, but is an increase from 2002, the year in which the lowest U.S. CBR was recorded.
- The general fertility rate (GFR), which relates births to the number of women in their childbearing ages, was 68.6 live births per 1,000 women aged 15-44 years, a 1% decline from 2007.
- Fertility rates, as measured by the GFR, declined for women below the ages of 40, but increased to the highest levels recorded in more than 40 years for women ages 40 to 44.

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12 The Crude Birth Rate (CBR) is the primary measure of fertility used in this section because of its value in indicating directly the contribution of fertility to the population growth rate. However, because the age and sex composition of a population has a strong influence on the level of the CBR, additional measures to understand the underlying fertility trends are also used.


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- Fertility is slightly below “replacement level” in 2008 at 2.08. This rate is in contrast with the fertility rates recorded in 2006 and 2007, which were above replacement level for the first time since 1971. Although the U.S. fertility rate in 2008 was below replacement level, it remains higher than the rates observed in other developed countries. Specifically, the 10 countries with the lowest recorded fertility rates (Macao SAR, Hong Kong, Bosnia Herzegovina, Republic of Korea, Malta, Japan, Poland, Singapore, Slovakia, and Belarus) have reached historically unprecedented fertility rates with rates below 1.3 children per woman.

- Teenage childbearing declined by 2% in 2008, this is in contrast to increased rates found in 2006 and 2007. These increases followed a 14-year decline.

- Childbearing by unmarried women reached record levels in 2008. More than 1.7 million babies or 40.6% of all births were to unmarried women. Beginning in 1980, nonmarital births have become an important factor driving increasing fertility rates. However, since 1980, the age distribution of nonmarital births has changed—shifting away from teenager mothers. Recent increases in non-marital births have been driven by increased rates of non-marital births among women over the age of 30. There also continues to be wide variation in nonmarital birth rates by race and Hispanic origin, with the highest rates for black and Hispanic women.

- The mean age of all first-time mothers in the United States was 25.1 years, which is slightly higher than the rates observed in 2006 and 2007. This increase is driven by a decline in births to women under the age of 25. The mean age of first time mothers, reflects a continuing tendency for women to postpone childbearing and increased birth rates for women over the age of 35. Mean age at first birth varies considerably by race and Hispanic origin. Women of Asian and Pacific Islander descent had the highest age at first birth (28.7 years), whereas American Indian women had the lowest (21.9 years).

- U.S. fertility rates declined in 2008 for women below the age of 40, a change from prior years where rates had been increasing steadily (Table 1).

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16 The replacement level of fertility measures the level of fertility and mortality in a population at which women will replace themselves in a generation. It corresponds to a total fertility rate, or completed family size, of about 2.10 births per woman.


18 Data from 2009 indicate that the teen birth rate fell to the lowest levels ever recorded. See Stephanie J. Ventura and Brady E. Hamilton, U.S. Teen Birth Rate Resumes Decline, U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, NCHS Data Brief No. 58, Hyattsville, MD, February 2011.

Table 1. Trend in Birth Rates Between 2007 and 2008, by Age of Mother

<table>
<thead>
<tr>
<th>Age of Mother</th>
<th>Rate per 1,000 Women in Age Category in 2008</th>
<th>Trend Between 2007 and 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-14 years</td>
<td>0.6</td>
<td>Unchanged, but had declined in prior years</td>
</tr>
<tr>
<td>15-17 years</td>
<td>21.7</td>
<td>Declined by 2%, a change from the increase observed between 2005 and 2007. The rise from 2005 to 2007 interrupted a 45% decline in the teenage birth rate from 1991 to 2005.</td>
</tr>
<tr>
<td>18-19 years</td>
<td>70.6</td>
<td>Dropped 4%. The rate had declined by 26% since 1991, but then rose 6% from 2005 to 2007.</td>
</tr>
<tr>
<td>20-24 years</td>
<td>103.0</td>
<td>Declined by 3%. The birth rate for this group had generally been declining since 1990.</td>
</tr>
<tr>
<td>25-29 years</td>
<td>115.1</td>
<td>Declined by 2%. Rates for this age group have fluctuated since 1991.</td>
</tr>
<tr>
<td>30-34 years</td>
<td>99.3</td>
<td>Declined by 4%.</td>
</tr>
<tr>
<td>35-39 years</td>
<td>46.9</td>
<td>Declined by 1%. This the first decline for this age group in 3 decades.</td>
</tr>
<tr>
<td>40-44 years</td>
<td>9.8</td>
<td>Increased. Highest rate recorded since 1967; the birth rate for this age group increased by 32% since 1999.</td>
</tr>
<tr>
<td>45-49 years</td>
<td>0.7</td>
<td>Increased by 4%.</td>
</tr>
</tbody>
</table>


Beyond the current year estimates presented above, the Census Bureau uses demographic projection techniques to predict future trends in American fertility. They project that the total fertility rate will remain at or above replacement level (2.1 births per woman age 15-44) through 2050. This is in contrast to much of Europe and to Canada, where fertility rates are below replacement level and not expected to increase. The falling fertility rates are a result of societal changes, such as the increasing costs of raising a child, rising levels of women’s labor force participation, and delayed childbearing. While the U.S. has experienced these same societal changes, U.S. fertility remains higher because of societal adaptations such as increased access to child care and increased male involvement in household labor and childrearing. Additionally, differences in U.S. fertility rates may be in part driven by differential fertility rates by racial and ethnic groups. For example, the average fertility rates for women of Hispanic origin was approximately 2.9 in 2008, while the fertility rate for non-Hispanic whites was 2.0 or slightly below replacement level. Despite these projections, future trends in fertility are notoriously difficult to predict and specialists continually question the underlying assumptions of the models.

22 NVSR, Births: Final Data for 2008. This is the average for all women of Hispanic origin. Fertility rates differ among Hispanic groups, with women of Cuban origin on average having lower fertility rates than those of Mexican origin. In addition, fertility rates vary by generation in the U.S. with immigrant women having higher fertility rates than native born women.
Mortality

As is evident from Figure 2 and Figure 3, crude death rates (CDR) in the United States have been remarkably constant since 1950, fluctuating within the range of 8.1 to 9.7 deaths per 1,000 persons. The record low of 8.0 was attained in 2007, the most recent year for which final data are available. In general, crude death rates are referred to as crude because they are influenced by two underlying characteristics of a population, making it difficult to interpret trends in the CDR without disentangling trends in these two underlying components:

- The population's age structure. An older population generally has higher crude death rates because a higher proportion of persons are in the older age groups where death rates are higher.
- Mortality risk, or the likelihood of death at a particular age. The risk of mortality reflects the health and disease profile of the underlying population, public health and sanitation, the availability of and access to health care, the education of the population, and other factors.

Age-adjusted death rates are better indicators (than crude rates) to measure mortality risk across time or across populations. If age-adjusted rates are considered for the United States over time, a striking pattern of the mortality risk emerges (see Figure 3): age-adjusted death rates have exhibited a dramatic decline since 1950 (rather than being remarkably constant, as suggested by the crude death rates). Use of the age-adjusted rates has allowed a much more refined evaluation of trends in American mortality over time. Specifically, they show that, despite the fact that the U.S. population has been aging over the past half-century, the risk of mortality has actually been falling.

23 The crude death rate (CDR) is the primary measure of mortality used in this section to show the contribution of mortality to the population growth rate.


25 Note that age-adjusted rates have little meaning in themselves; they are constructs that show what the level of mortality would be if no changes occurred in the age composition of the population from year to year.

26 The age-adjusted rates are based on the year 2000 standard population. By definition, crude and age-adjusted death rates converge in this year.
Characteristics of American Mortality

Highlights of trends in American mortality in 2007 include the following:\footnote{NVSR, Deaths: Final Data for 2007.}

- More than 2.4 million resident deaths were registered in the United States in 2007.
- The crude death rate was about 7.6 deaths per 1,000 total population, a record low.
- Life expectancy at birth\footnote{Life expectancy at birth represents the average number of years that a group of infants would live if they were to experience the current observed age-specific death rates throughout their lives. See CRS Report RL32792, \textit{Life Expectancy in the United States}, by Laura B. Shrestha.} was 77.9 years, this continues a long-term trend of increasing life expectancy. Record high life expectancy was attained by the total population, as well as by both the black and white populations. Both males and females in both of the two major race groups attained record high levels. U.S. life expectancy continues to fall short of that attained by a number of other countries,
including Japan (82.7 years), Hong Kong (82.2), Iceland and Switzerland (81.8).  

- The 10 leading causes of death were (1) heart disease, (2) malignant neoplasms (cancer), (3) cerebrovascular diseases (stroke), (4) chronic lower respiratory diseases, (5) accidents (unintentional injuries), (6) Alzheimer’s disease, (7) diabetes mellitus (8) influenza and pneumonia, (9) nephritis (kidney disease), and (10) septicemia. Age-adjusted death rates continued to decrease for the three leading causes. The top 10 causes of death did not change between 2006 and 2007; however, the Alzheimer’s disease and diabetes mellitus changed ranks.

- The infant mortality rate was 6.75 infant deaths per 1,000 live births, a slight increase from the 2006 rate. U.S. infant mortality rates are higher than many other developed countries. In 2005, the last year for which comparable international data was available, the U.S. ranked 30th compared to a number of developed countries, behind developed countries such as Japan, England, and Canada.

- Differences in mortality between men and women increased slightly from 2006 to 2007. In 2007, the age-adjusted death rate for men was 40.8% greater than it was for women. Life expectancy at birth for females was 80.4 years, while it was 75.4 years for men (both increased from the previous year). The sex gap in life expectancy is 5.0 years, a very slight decrease from 2006. This gap has narrowed since its late 1970s peak of 7.8 years.

- Differences in mortality between the black and white populations persist. The age-adjusted death rate for the black population was 1.3 times greater than for the white population. This means that the risk of dying is 30% higher for the black population than for the white population. This ratio has remained constant since 1997. In 2006, the infant mortality rate was 2.3 times greater, and maternal mortality rate was 2.7 times greater for the black population than for the white population. Average life expectancy is also 4.8 years higher for the white population than for the black population.

- There are also differences between the white and Hispanic populations with the Hispanic populations experiencing lower age-specific death rates than the white population. However, this may be due to underreporting of Hispanic origin on death certificates. The Asian Pacific Islander population and the American Indian and Alaska Native population both have age-adjusted death rates that are lower than the white population, 40% and 20% lower rates respectively. However, the low death rates of the American Indian and Alaska Native population is likely attributed to the underreporting of deaths.

As with the data for fertility, demographers use demographic projection techniques to predict the future trends in American mortality. The Census Bureau projects that (crude) death rates will

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remain low through 2050 in the narrow range of 8.6 to 9.7 deaths per 1,000 persons in the population. The rate will gradually increase, reflecting the Census Bureau’s assumption that the aging of the population will not be fully offset by continued reductions in the risk of dying. As with other demographic variables; however, future mortality and survival are difficult to predict and specialists disagree on not only the level but also the direction of future trends. Research suggests that current models may be too pessimistic in their assumptions about mortality and survival probabilities, i.e., Americans may live longer than currently projected.31 While some assert that life expectancy is approaching its natural limit, there has been a steady increase in life expectancy observed with an increase of three months per year for every year between 1840 and 2000.32 Projections of future life expectancy vary. For example, one optimistic assumption predicts that international life expectancy will increase to 91.6 years for women by 2050.33 Others argue that this projection is too optimistic because it does not take into account that declines in mortality in early life (which increase life expectancy the most) are slowing. Additionally, smoking and obesity-related mortality is slowing life expectancy gains.34 However, there have been gains in life expectancy at the oldest ages and evidence that social and medical interventions are still effective at extending life thereby demonstrating that life expectancy may still be increasing and mortality rates may still be declining.35

Net Immigration

Immigration has been an important component of population growth in the United States. The net immigration rate (Figure 2) has been and is projected to be positive (with in-migration exceeding out-migration) for the full century (1950 to 2050). It fluctuated in the low range of 1.5 to 2.4 net migrants per 1,000 resident population between 1950 and 1979. An increasing trend has been noted since 1980, and the annual rates in the 1990s were generally in the range of 3.0 to 3.9. The U.S. Census Bureau projects that net migration will continue to be an important component of population growth in the United States through 2050 with net immigration continuing at higher rates than currently observed.

Both gross immigration and gross emigration are important to consider when examining how immigration effects population growth and change. In general, the balance of gross immigration (of persons moving permanently to the United States) has exceeded gross emigration (of persons leaving) over the past century. A notable exception was observed during the Great Depression, when the number of out-migrants exceeded new immigrants (see Table 2). Reflecting fluctuations in economic conditions (in the United States and abroad) and U.S. immigration policies, the volume of immigrants flow to the United States has fluctuated over time. Starting in 1915,

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35 Ibid.
36 These figures refer to legal immigrants, or citizens of other countries who have been granted visas that allow them to (continued...)
immigration to the United States was curtailed because of World War I, the introduction of numerical limits (or “quotas”), the economic depression of the 1930s, and World War II.\textsuperscript{37} Starting in the 1950s, the volume of immigration flows to the United States has been steadily increasing. The average annual inflow was about 252,000 in the 1950s, about 332,000 in the 1960s, 449,000 in the 1970s, and jumped to 734,000 in the 1980s. More than 9 million foreigners were admitted as legal immigrants to the United States between 1991 and 2000, an average of almost 910,000 a year. The number of legal immigrants in the last decade has fluctuated, surpassing 1 million in 2001 and 2002, falling below 1 million annually for 2003 and 2004 and rising above 1.1 million for 2005 through 2009.\textsuperscript{38}

There are few timely and reliable estimates of emigration of persons who leave the United States to permanently take up residence elsewhere (whether native-born or foreign-born Americans). Partly because of inherent methodological difficulties, the collection of emigration statistics was discontinued in 1957 and no direct measure has been available since then.\textsuperscript{39,40} Using indirect demographic techniques, the Census Bureau estimated that the number of emigrants leaving the United States has been increasing over the past decades—reaching about 234,000 persons annually during the 1990s (compared to 910,000 annual immigrants during the same time period) (see Table 2) and increasing steadily through the first decade of the 21st Century. The Population Reference Bureau estimates almost 330,000 emigrants in 2009.\textsuperscript{41}


\textsuperscript{40} For example, the Congressional Budget Office attempted to estimate emigration using Social Security Administration data These estimates are not comparable with estimates from the Census Bureau because they were not tracking U.S. citizens who emigrated but only foreign nationals who emigrated. See Schwabish, JA. Identifying Rates of Emigration in the United States Using Administrative Earnings Records. March 2009 (at http://www.cbo.gov/fpdocs/100xx/doc10029/2009-01.pdf).

### Table 2. U.S. Immigration and Estimated Emigration, by Decade: 1931-2009

<table>
<thead>
<tr>
<th>Period</th>
<th>Immigrants to the United States (thousands, rounded)</th>
<th>Emigrants from the United States (thousands, rounded)</th>
<th>Estimated Net immigration (thousands, rounded)</th>
<th>Estimated Ratio: emigration/immigration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2009</td>
<td>9,458</td>
<td>2,802</td>
<td>6,656</td>
<td>0.30</td>
</tr>
<tr>
<td>1991-2000</td>
<td>9,081</td>
<td>2,338</td>
<td>6,743</td>
<td>0.26</td>
</tr>
<tr>
<td>1981-1990</td>
<td>7,255</td>
<td>1,600</td>
<td>5,655</td>
<td>0.22</td>
</tr>
<tr>
<td>1971-1980</td>
<td>4,399</td>
<td>1,176</td>
<td>3,223</td>
<td>0.27</td>
</tr>
<tr>
<td>1961-1970</td>
<td>3,322</td>
<td>900</td>
<td>2,422</td>
<td>0.27</td>
</tr>
<tr>
<td>1951-1960</td>
<td>2,515</td>
<td>425</td>
<td>2,090</td>
<td>0.17</td>
</tr>
<tr>
<td>1941-1950</td>
<td>1,035</td>
<td>281</td>
<td>754</td>
<td>0.27</td>
</tr>
<tr>
<td>1931-1940</td>
<td>528</td>
<td>649</td>
<td>-121</td>
<td>1.23</td>
</tr>
</tbody>
</table>


**Characteristics of Net Immigration**

Highlights of American immigration in FY2009 include the following:42

- Current U.S. policy on permanent immigration is based on four principles: the reunification of families, the admission of immigrants with special skills, the protection of refugees, and the diversity of admissions by country of origin.43

- The number of persons granted lawful permanent residence in the United States was relatively stable between 2008 and 2009 increasing from 1.11 million to 1.13 million.

- The leading regions of origin of legal immigrants were North America and Asia. These regions accounted for 36% and 33%, respectively, of all legal immigrants in 2009.

- The leading source countries (of birth) for legal immigrants in 2009 were Mexico (164,067 persons or 14.6%), followed by China (6.0%), the Philippines (5.3%), India (5.1%), Dominican Republic (4.4%), Cuba (3.4%), and Vietnam (2.6%).

- The primary destination states in 2009, as in every year since 1971, were California, New York, Texas, Florida, Illinois, and New Jersey.44 Sixty-two

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percent of all (legal) persons immigrating to the United States in 2009 lived in these six states.

- In 2009, ten metropolitan areas were the intended residence of 57% of all legal immigrants. The leading destinations were New York-Northern New Jersey-Long Island, NY-NJ-PA; Los Angeles-Long Beach-Santa Ana, CA; Miami-Fort Lauderdale-Pompano Beach, FL; Washington-Arlington-Alexandria, DC-VA-MD-WV; Chicago-Naperville-Joliet, IL-IN-WI; and the San Francisco-Oakland-Fremont, CA metro area.

- Unauthorized foreigners, also referred to as illegal aliens, deportable aliens, or undocumented workers, are persons in the United States in violation of U.S. immigration laws. Researchers at the Pew Hispanic Center estimated that there are more than 11.1 million unauthorized foreigners currently living in the United States which is approximately 4% of the population. The resident unauthorized foreigner population decreased between March of 2007 and March of 2009, the first reversal in growth in two decades. These researchers also found that this decline is driven by fewer unauthorized immigrants coming from Latin Americans countries other than Mexico, whereas the number of illegal aliens peaked in 2007 (at 7 million) and has since leveled off.

The Changing Age Profile—The United States Is Getting Older

Aside from its total size, one of the most important demographic characteristics of a population for public policy is its age and sex structure. In general, a “young” population structure is seen in countries experiencing high fertility and rapid population growth, and the relevant policy considerations are whether there are sufficient schools and, later, enough jobs and housing to accommodate them. On the other hand, critical policy challenges in countries with “old” population structures are to develop retirement and health systems to serve the older population, often with simultaneous reductions in the number of working-age persons to support them.

The population of the United States had been relatively “young” in the first half of the 20th century, a consequence of a history of three demographic trends acting in concert—relatively high fertility, declining infant and childhood mortality, and high rates of net immigration to the United States by young workers and families. Since 1950, the United States has been in the midst of a profound demographic change: rapid population aging, a phenomenon that is replacing the earlier “young” age-sex structure with that of an older population. As seen in Table 3, the population aged 65 and older has been increasing as a percentage of the total U.S. population. The older population represented 8.1% of the total population in year 1950. That percentage increased to 12.8% in 2009 (not in table), and is projected to reach 20.2% in 2050. Stated another way, one in five persons in 2050 will be aged 65 or older.

(...continued)

44 There has been some fluctuation in the order within those six states.
46 Ibid.
47 Aging (of a population) is a process in which the proportions of adults and elderly increase, while the proportions of younger persons decrease, resulting in a rise in the median age of the population.
### Table 3. U.S. Population, by Age Group: 1950-2050

<table>
<thead>
<tr>
<th>Age/year</th>
<th>1950</th>
<th>1975</th>
<th>2000</th>
<th>2025</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>152,272</td>
<td>215,972</td>
<td>282,171</td>
<td>357,452</td>
<td>439,010</td>
</tr>
<tr>
<td>0-19</td>
<td>51,673</td>
<td>75,646</td>
<td>80,576</td>
<td>94,254</td>
<td>112,940</td>
</tr>
<tr>
<td>20-64</td>
<td>88,202</td>
<td>117,630</td>
<td>166,522</td>
<td>199,290</td>
<td>237,523</td>
</tr>
<tr>
<td>65-65+</td>
<td>12,397</td>
<td>22,696</td>
<td>35,074</td>
<td>63,907</td>
<td>88,547</td>
</tr>
</tbody>
</table>

#### Percent in Age Group (rounded)

<table>
<thead>
<tr>
<th>Age/group</th>
<th>1950</th>
<th>1975</th>
<th>2000</th>
<th>2025</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td>33.9</td>
<td>35.0</td>
<td>28.6</td>
<td>26.4</td>
<td>25.7</td>
</tr>
<tr>
<td>20-64</td>
<td>57.9</td>
<td>54.5</td>
<td>59.0</td>
<td>55.8</td>
<td>54.1</td>
</tr>
<tr>
<td>65-65+</td>
<td>8.1</td>
<td>10.5</td>
<td>12.4</td>
<td>17.9</td>
<td>20.2</td>
</tr>
</tbody>
</table>

**Source:** CRS computations based on data in the U.S. January 21, 2011 based on the Census Bureau’s December 2010 data release. These data do not include results from the 2010 census.

**Figure 4** graphically displays three population pyramids of the United States population at three points in time—in census years 1950 and, 2000, and projected to year 2050. The figure shows the proportion of persons in each five-year age and sex group in these three selected years. Note the increasing numbers on the x-axis, which highlights the increasing size of the U.S. population over time.

---

48 A population pyramid is a bar chart, arranged vertically, that shows the distribution of a population by age and sex. By convention, the younger ages are at the bottom, with males on the left and females on the right.
Figure 4. Age-Sex Structure of the United States in Years 1950, 2000, and 2050

<table>
<thead>
<tr>
<th>Male</th>
<th>United States - 1950</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85 +</td>
<td></td>
</tr>
<tr>
<td></td>
<td>80 - 84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>75 - 79</td>
<td></td>
</tr>
<tr>
<td></td>
<td>70 - 74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>65 - 69</td>
<td></td>
</tr>
<tr>
<td></td>
<td>60 - 64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>55 - 59</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50 - 54</td>
<td></td>
</tr>
<tr>
<td></td>
<td>45 - 49</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40 - 44</td>
<td></td>
</tr>
<tr>
<td></td>
<td>35 - 39</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30 - 34</td>
<td></td>
</tr>
<tr>
<td></td>
<td>25 - 29</td>
<td></td>
</tr>
<tr>
<td></td>
<td>20 - 24</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15 - 19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10 - 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 - 9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0 - 4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Male</th>
<th>United States - 2000</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100 +</td>
<td></td>
</tr>
<tr>
<td></td>
<td>95 - 99</td>
<td></td>
</tr>
<tr>
<td></td>
<td>90 - 94</td>
<td></td>
</tr>
<tr>
<td></td>
<td>85 - 89</td>
<td></td>
</tr>
<tr>
<td></td>
<td>80 - 84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>75 - 79</td>
<td></td>
</tr>
<tr>
<td></td>
<td>70 - 74</td>
<td></td>
</tr>
<tr>
<td></td>
<td>65 - 69</td>
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<td></td>
<td>60 - 64</td>
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</tr>
<tr>
<td></td>
<td>55 - 59</td>
<td></td>
</tr>
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<td></td>
<td>50 - 54</td>
<td></td>
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<tr>
<td></td>
<td>45 - 49</td>
<td></td>
</tr>
<tr>
<td></td>
<td>40 - 44</td>
<td></td>
</tr>
<tr>
<td></td>
<td>35 - 39</td>
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<tr>
<td></td>
<td>30 - 34</td>
<td></td>
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<tr>
<td></td>
<td>25 - 29</td>
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<tr>
<td></td>
<td>20 - 24</td>
<td></td>
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<tr>
<td></td>
<td>15 - 19</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10 - 14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 - 9</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0 - 4</td>
<td></td>
</tr>
</tbody>
</table>
The Changing Demographic Profile of the United States

In 1950, the U.S. population, which numbered 152 million persons, was relatively young and its population pyramid generally resembled a Christmas tree. The widest portion, representing the most populous age group, was at the base—where 16.4 million new births and children under age 5 accounted for 10.8% of the total population. Bars representing persons at older ages gradually narrow as deaths occur. The median age was 30.2 years\(^{49}\) and births outnumbered deaths by a margin of 2.5 to 1.0.\(^{50}\) Three characteristics of the 1950 pyramid are especially worth noting:

- The only significant departure from a pyramidal shape is notches representing persons aged 10-24 years. Unusual bulges or bites in population pyramids are

\(^{49}\) Extraction from U.S. Census Bureau, International Data Base.

usually caused by short-term fluctuations in birth and death rates that can be traced to such historical events as wars, epidemics, economic booms, or depressions. In this case of persons aged 10-24 years in this population pyramid, these persons were born primarily during the economic depression of the 1930's when birth rates were comparatively low.

- Early “baby boom” births are evident in the youngest age group.51
- The number of persons aged 65 and older in the population was still relatively low—12.4 million persons, representing 8.1% of the U.S. population.

The population pyramid in year 2000, the most recent year in which the U.S. population was enumerated by the decennial census,52 is typical of a population experiencing slow growth. Reflecting lower fertility, fewer people entered the lowest bars of the pyramid, and as life expectancy has increased, a greater percentage of persons have survived until old age. As a result, the population has been aging. By 2000, the median age of the population had risen to 35.3 years while infants and children under the age of five numbered 19.2 million, accounting for only 6.8% of the population. Important characteristics of the U.S. population in year 2000 included:

- The U.S. population grew by roughly 85% between 1950 and 2000—from 152 million to 282 million persons. The pyramid, which is significantly larger in all age groups, reflects this fact (see x-axis scaling in Figure 4).
- The bulge of the baby-boom generation, those born between 1946-1964, can be seen in the pyramid for ages 35-54 years in 2000. After 1964, birth rates moved downward until the late 1970s. As the last members of the baby boom approached their childbearing years during the 1980s, the number of births rose again, peaking in 1990. These children, the youngest generation, are represented by the slightly widening base of the pyramid. Even though the number of births per woman had been near an all time low, the population continued to grow in part because of the children and grandchildren of the huge baby-boom generation.53
- The number of persons aged 65 and older had been steadily increasing and reached 35.1 million persons, representing 12.4% of the U.S. population.
- The fact that female survival chances exceed those of men, especially at the older ages, becomes noticeably more evident in the 2000 pyramid. About 4.3% of the total female population was aged 80 and above in 2000 compared to only 2.2% of men.

By year 2050, projections of the U.S. population suggest that the population “pyramid” will no longer resemble a Christmas tree; rather, it will be increasingly rectangular.

51 In the post-war years, Americans were marrying and starting families at younger ages and in greater percentages than they had during the Great Depression. The surge in births in the 19-year period between 1946 and 1964 resulted from a decline in childlessness combined with larger family sizes (more women had three or more children). See C.L. Himes, Elderly Americans, Population Bulletin, Washington, DC: Population Reference Bureau, December 2001 (hereinafter cited as C. Himes, Elderly Americans).

52 Census 2010 has been completed and preliminary data were released in December 2010; however, population projections have not yet been updated with these data. (See http://www.census.gov/ipc/www/idb/country.php).

• In this population of 439.0 million persons, the most striking feature is the projected number of people who will be aged 65 and older—88.5 million, just over one in every five persons in the total U.S. population. To put these figures into perspective, the “oldest” state in 2009 was Florida with 17.2% of the state’s population in the age category 65 years and older.\(^5\)

• By year 2050, the percent elderly in the national population will surpass the figures observed in the “oldest” states today. The oldest-old, those aged 80 and above and including the youngest of the baby boomers, will be the most populous age group—32.5 million persons or 7.4% of the entire U.S. population. The oldest-old women of the same age will account for 8.5% of all women.

• The “baby boom” generation will have accelerated population aging, but aging will continue to be one of the most important defining characteristics of the population, even after the youngest of the “baby boom” population has passed away. This reflects projections of continuing low fertility coupled with improving survival in the United States.\(^5\)

Race and Ethnicity—The United States Is Becoming More Diverse

The U.S. population is becoming more racially and ethnically diverse. This reflects two forces. First, immigration has been a major influence on both the size and the age structure of the U.S. population. Although most immigrants tend to be in their young adult ages, when people are most likely and willing to assume the risks of moving to a new country, U.S. immigration policy has also favored the entry of parents and other family members of these young immigrants.\(^5\) Second, major racial and ethnic groups are aging at different rates, depending upon fertility, mortality, and immigration within these groups.

Federal standards for collecting and presenting data on race and Hispanic origin were established by the Office of Management and Budget (OMB) in 1997.\(^5\) Race and Hispanic origin are considered to be two separate and distinct concepts and are considered separately in this report.

Race

The OMB standards require federal agencies to use a minimum of five race categories in their data collection and presentation efforts. The new standards were required to be used by the Census Bureau for the 2000 decennial census and by other federal programs “as soon as possible, but not later than January 1, 2003.”\(^5\)

\(^5\) The “youngest” state was Alaska with 7.6% of the population over the age of 65. See U.S. Census Bureau, Geographic Comparison Table, Percent of the Total Population Who are 65 Years and Over (geographic ranked by estimate), 2009 Population Estimates, http://factfinder.census.gov.

\(^5\) See CRS Report RL32981, Age Dependency Ratios and Social Security Solvency, by Laura B. Shrestha.


\(^5\) OMB, ibid.
The Changing Demographic Profile of the United States

- **White** refers to people having origins in any of the original peoples of Europe, the Middle East, or North Africa.

- **Black or African American** refers to people having origins in any of the Black racial groups of Africa.

- **American Indian and Alaska Native** refers to people having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.

- **Asian** refers to people having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent.

- **Native Hawaiian and Other Pacific Islander** refers to people having origins in the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

For respondents unable to identify with any of these five race categories, the OMB approved including a sixth category—"some other race."

Going beyond the minimum standards set by OMB, the American Community Survey question on race included 15 separate response categories and three areas where respondents could write in a more specific group. Individuals were instructed to mark "one or more races to indicate what this person considers himself/herself to be." The response categories and write-in answers were combined by the Census Bureau to create the five minimum OMB race categories, as seen in Table 4. Based on data from the 50 states and the District of Columbia, the overwhelming majority of the U.S. population—almost 98%—reported only one race. The most prevalent group, accounting for about 74% of the U.S. population, was those who reported that they are white alone, followed by those who are Black or African American alone (12%). The smallest race group was the Native Hawaiian and other Pacific Islander alone population, with 448,000 members, representing less than 0.2% of the U.S. population.

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59 The American Community Survey (ACS) is the Census Bureau’s ongoing population estimates program that produces annual population, demographic, and housing unit estimates. For more information, see CRS Report R41532, *The American Community Survey: Development, Implementation, and Issues for Congress*, by Jennifer D. Williams.

60 Q: what is this person’s race? (1) White; (2) Black or African Am., or Negro; (3) American Indian or Alaska Native—print name of enrolled or principal tribe; (4) Asian Indian; (5) Chinese; (6) Filipino; (7) Japanese; (8) Korean; (9) Vietnamese; (10) Other Asian—print race; (11) Native Hawaiian; (12) Guamanian or Chamorro; (13) Samoan; (14) Other Pacific Islander—print race; and (15) Some other race—print race.

61 Identification of both race and Hispanic origin are based on self-identification in the U.S. census and the American Community Survey.

62 Note that the percentage of the population that reported being White alone declined from Census 2000 to 2009 from 81% to 74%.

<table>
<thead>
<tr>
<th>Race</th>
<th>Number (in thousands)</th>
<th>Percentage of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>301,461</td>
<td>100.00</td>
</tr>
<tr>
<td>One race</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>224,470</td>
<td>74.46</td>
</tr>
<tr>
<td>Black or African American</td>
<td>37,265</td>
<td>12.36</td>
</tr>
<tr>
<td>Asian</td>
<td>13,201</td>
<td>4.38</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>2,423</td>
<td>0.80</td>
</tr>
<tr>
<td>Native Hawaiian and other Pacific Islander</td>
<td>448</td>
<td>0.15</td>
</tr>
<tr>
<td>Some other race</td>
<td>16,986</td>
<td>5.63</td>
</tr>
<tr>
<td>Two or more</td>
<td>6,669</td>
<td>2.21</td>
</tr>
</tbody>
</table>

Sources: CRS compilation based on: U.S. Census Bureau, 2005-2009 American Community Survey 5-year Estimates.

Referring to Table 5, while about 81% of the population was white in 2000, that figure is projected to fall to 74% by year 2050. Increases will be most dramatic for Asians and for persons in the “other races” category (which includes American Indians and Alaska Natives, Native Hawaiians and other Pacific Islanders, and individuals who identify with two or more races). Between 2000 and 2050, the number of Asians is expected to increase by 23.7 million persons, an increase of 220%, while the number in the “all other races” (which includes persons who identify with two or more races) category will increase by almost 15.8 million, or 223%.

63 Comparisons with earlier censuses are not provided as the Census Bureau cautions that “the Census 2000 data on race are not directly comparable with data from the 1990 census or earlier censuses. Caution must be used when interpreting changes in the racial composition of the U.S. population over time.” E.M. Crieco and R.C. Cassidy, Overview of Race and Hispanic Origin, U.S. Census Bureau: Census 2000 Brief, C2KBR/01-1, issued March 2001. Table 4 presents the U.S. population by race in 2009. The table shows that the 2009 population was more diverse than had been projected using Census 2000 data.
### Table 5. Projected U.S. Population, by Race: 2000-2050
(numbers in thousands)

<table>
<thead>
<tr>
<th>Population</th>
<th>2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>282,125</td>
<td>310,233</td>
<td>341,387</td>
<td>373,504</td>
<td>405,655</td>
<td>439,010</td>
</tr>
<tr>
<td>White alone</td>
<td>228,548</td>
<td>246,630</td>
<td>266,275</td>
<td>286,109</td>
<td>305,247</td>
<td>324,800</td>
</tr>
<tr>
<td>Black alone</td>
<td>35,818</td>
<td>39,909</td>
<td>44,389</td>
<td>48,728</td>
<td>52,868</td>
<td>56,944</td>
</tr>
<tr>
<td>Asian alone</td>
<td>10,684</td>
<td>14,415</td>
<td>18,756</td>
<td>23,586</td>
<td>28,836</td>
<td>34,399</td>
</tr>
<tr>
<td>All other racesa</td>
<td>7,075</td>
<td>9,279</td>
<td>11,967</td>
<td>15,081</td>
<td>18,704</td>
<td>22,867</td>
</tr>
</tbody>
</table>


**Notes:** In thousands, except as indicated. As of July 1. Resident population. Numbers may not add due to rounding.

a. “All other races” includes American Indian and Alaska Native alone, Native Hawaiian and Other Pacific Islander alone, and persons of Two or More Races.

### Hispanic Origin

OMB defines Hispanic or Latino as “a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.” Federal agencies are required to use a minimum of two ethnicities: “Hispanic or Latino” and “Not Hispanic or Latino” in data collection and presentation. The new standard was used by the Census Bureau in the 2000 decennial census; other federal programs were expected to adopt the standards no later than January 1, 2003.

Beginning with census 2000, respondents of all races were asked if they were Spanish, Hispanic, or Latino, and were given the opportunity to differentiate between: (1) Mexican, Mexican American, Chicano; (2) Puerto Rican; (3) Cuban; and (4) other Spanish/Hispanic/Latino. Based on this definition, in 2009, almost 45 million persons, or about 15.1% of the U.S. population, identified themselves as Hispanic. The remaining 256 million people, or 84.9%, were not Hispanic.

As mentioned earlier, OMB and the U.S. Census Bureau consider race and Hispanic origin to be distinct concepts. The results from census 2000, however, suggest that such a distinction is not made by persons of Hispanic origin themselves. The most commonly reported race for Hispanics was white alone—almost 17 million persons or almost 48% of the Hispanic population. But, a staggering 14.9 million Hispanics—or 42.2%—reported that they belonged to “some other race.”

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64 E.M. Crieco and R.C. Cassidy, ibid.
indicating that they did not identify with any of the 14 other categories offered on the census questionnaire.\textsuperscript{66}

Table 6 presents modified estimates of the Hispanic and non-Hispanic populations of the United States. The modification reconciles the census 2000 race categories with those race categories that appear in the data from administrative records, which are used to produce population estimates and projections.\textsuperscript{67} These are also consistent with the recommended set of five categories by OMB.

<table>
<thead>
<tr>
<th>Race</th>
<th>Hispanic or Latino</th>
<th>Not Hispanic or Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (in 000s)</td>
<td>Percent of Hispanics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number (in 000s)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>35,306</td>
<td>100.00</td>
</tr>
<tr>
<td>One race</td>
<td>34,814</td>
<td>98.61</td>
</tr>
<tr>
<td></td>
<td>242,710</td>
<td>98.62</td>
</tr>
<tr>
<td>White</td>
<td>32,529</td>
<td>92.13</td>
</tr>
<tr>
<td></td>
<td>195,576</td>
<td>98.46</td>
</tr>
<tr>
<td>Black</td>
<td>1,391</td>
<td>3.94</td>
</tr>
<tr>
<td></td>
<td>34,313</td>
<td>3.94</td>
</tr>
<tr>
<td>Asian</td>
<td>232</td>
<td>0.66</td>
</tr>
<tr>
<td></td>
<td>10,357</td>
<td>0.66</td>
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<tr>
<td>American Indian</td>
<td>566</td>
<td>1.60</td>
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<td></td>
<td>2,097</td>
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<td>Hawaiian</td>
<td>95</td>
<td>0.27</td>
</tr>
<tr>
<td></td>
<td>367</td>
<td>0.37</td>
</tr>
<tr>
<td>Two races</td>
<td>434</td>
<td>1.23</td>
</tr>
<tr>
<td></td>
<td>3,144</td>
<td>1.23</td>
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<tr>
<td>Three or more races</td>
<td>57</td>
<td>0.16</td>
</tr>
<tr>
<td></td>
<td>262</td>
<td>0.16</td>
</tr>
</tbody>
</table>

\textbf{Source:} U.S. Census Bureau, Modified Race Data Summary File. More recent data, including Census 2010 data, examining race and ethnicity simultaneously are not available.

With the release of the results of the 2000 census, the growing role of Hispanics in the United States became apparent.\textsuperscript{68} Numbering over 35 million at that time—and growing by more than 1.5 annually from both immigration and natural increase—Hispanics are now the nation’s largest minority.\textsuperscript{69} If current demographic trends continue, the population of Hispanic or Latino origin is projected to steadily increase as a percentage of the total U.S. population through 2050, rising from 12.6% in 2000 (or about one in seven persons) to 30.2% in 2050 (approaching one in every three persons) (see Figure 5).

\textsuperscript{66} U.S. Census Bureau, “U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin,” at http://www.census.gov/ipc/www/usinterimproj/, internet release date: March 18, 2004. For comparison, only 0.2% of non-Hispanics chose the “some other race” category.

\textsuperscript{67} U.S. Census Bureau, “Modified Race Data Summary File.


\textsuperscript{69} Ibid.
The National Research Council (2006) characterizes the Hispanic population in the U.S. as having “a youthful age structure; a large number of foreign born, including many ‘undocumented’; [with] low levels of education; and a disproportionate concentration in low-skill, low-wage jobs. Of particular policy interest is the Hispanic second generation, the children of Spanish-speaking immigrants, who are coming of age as the white majority population is aging.”

Some Policy Considerations

The changing demographic profile will impact upon a wide range of social and economic issues in the United States. The following section presents a short discussion of some major policy considerations that are related to these changes. Neither the list nor the discussions are comprehensive.

Work, Retirement, and Pensions

The increasing financial pressure faced by public pension systems, such as Social Security, is often attributed to demographic trends that have led to aging populations. However, beyond the
simple mathematics of the worsening age dependency ratio,\(^{70}\) decreasing labor force participation rates have contributed to financial imbalances within pension programs, further increasing the number of retired persons relative to those in the workforce.

The declining labor force participation of older men is one of the most dramatic economic trends of the past four decades in the United States. Between 1963 and 2008, labor force participation rates declined from 90\% to 76\% among men aged 55-61. Over this period, labor force participation rates dropped from 76\% to 53\% for men aged 62-64 and from 21\% to 15\% for men aged 70 and over.\(^{71}\) For all of these groups, most of the declines occurred prior to the early 1980s.

An individual’s decision of whether to stay in the workforce or to retire is based on the complex interaction of a number of factors including, but not limited to the following:

- Eligibility for Social Security benefits.
- Availability of and benefits under an employer-financed pension plan.
- Work incentives to stay in the labor force (such as continued benefit accrual after attaining the early retirement age, options for phased retirement or to work reduced hours, etc.).
- The physical and cognitive health of the worker and potentially other family members (spouse, an aging parent, an adult child with a disability).
- Availability (and eligibility for) disability and unemployment insurance programs.
- The worker’s relative preference for “leisure” compared to employment.\(^{72}\)

Policy levers are, however, available to influence labor force participation and retirement decision-making. For instance, the federal government influences employers’ decisions about whether to offer benefits like pensions and health insurance through direct legislation, such as ERISA and the Age Discrimination Act; through social insurance programs, such as Social Security and Medicare; and through the financial incentives created for both employers and employees by the Internal Revenue Code.\(^{73}\)

**Private Wealth and Income Security\(^ {74}\)**

Income security during retirement, coupled with an increase in the number of post-retirement years during which individuals can enjoy family and leisure, is one of the primary social

\(^{70}\) The ratio of the number of “dependent” persons in a population (children and older persons) to the number of persons of “working age.” See CRS Report RL32981, Age Dependency Ratios and Social Security Solvency, by Laura B. Shrestha, Age Dependency Ratios and Social Security Solvency, by Laura B. Shrestha.


\(^{73}\) CRS Report R41557, Older Unemployed Workers Following the Recent Economic Recession, by Janemarie Mulvey.

The Changing Demographic Profile of the United States

achievements of the 20th century. At the same time, this accomplishment has introduced some fundamental public policy challenges associated with population aging. From an individual’s perspective, the two most basic challenges are to ensure that they have sufficient income security during their retirement years and that they have protection against the increasing risk of experiencing periods of poor health and/or disability.

For policy-makers, there are fundamental questions with respect to what the federal role should be in helping individuals meet these objectives. A major domestic political challenge of the 21st century will be how to adapt our old-age income security and health insurance systems to ensure financial solvency while ensuring that there is an adequate safety net to protect the most vulnerable in the population. One option that is likely to be considered involves relying on individual private savings and wealth accumulation to offset any reductions that may take place in the level of public-tier support. The underlying question is how realistic it is to assume that individuals will save sufficiently over their lifetimes to contribute significantly to their own income needs during retirement. Another central question regarding income security for older persons is whether individuals and families will assume greater responsibility for their own retirements if current government programs are scaled back because of budgetary pressures.

The Federal Budget and Inter-generational Equity

Several decades of population aging have occurred in the United States wherein the proportion of young persons has declined while the number of older persons has expanded dramatically. The changing age structure has raised philosophical questions around the theme of inter-generational equity. Many analysts might expect such demographic changes to have favorable consequences for children and troubling ones for older persons. Fewer children should mean less competition for resources in the home as well as greater availability of social services earmarked for children, especially public schooling. The sharp rise in the number of elderly should put enormous pressure on resources directed towards the older ages, such as medical care facilities, nursing homes, and social security funds. However, Preston, in his 1984 presidential address to the membership of the Population Association of America documented that exactly the opposite had occurred: conditions for children had, in fact, deteriorated while they had improved dramatically for older Americans.

Now, over two decades later, the issue continues to be one of considerable debate. Analysts have argued that, without an overhaul of entitlement programs (which largely favor older persons) or tax-revenue reform, the ever-expanding Social Security, Medicare, and Medicaid budgets will tighten the squeeze on other domestic spending (including programs for children, welfare, education, the environment, community development, housing, energy, and justice—programs that reach the majority of all Americans.) But, others argue that there are potentially catastrophic outcomes associated with the redistribution of federal resources among age categories. For instance, the safety nets for the most vulnerable may be interrupted. Costs might be transferred to the states, with limited capacity to absorb the additional expenditures. Individuals may be unable to assume the additional responsibilities asked of them.

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There is no generally accepted rule in welfare economics for how an age group’s interests ought to be represented in public decision-making. As noted by Preston, however, we are continually faced with two questions. First, do we care about our collective future—the commonwealth—or only about our individual futures? And, if we have collective concerns, we face an even more difficult decision about what mix of private and public responsibilities will best serve the needs of the generations.

Health, Healthcare, and Health Spending

Health policy is interrelated with population change. Changes in the population size, racial and ethnic composition, and age structure affect the healthcare resources needed, spending levels, and health conditions observed. For example, recent fertility changes with more births occurring to women at the beginning and end of childbearing years—to teenagers and women over 40 respectively—could have profound consequences on the health of the children born to these mothers. Specifically, there have been large increases in the birth rate of women over the age of 40. Children born to mothers at later ages are at greater risk for a number of health conditions including Downs Syndrome. Infants born to women at later ages are also more likely to be low birth weight which is associated with higher infant mortality rates, premature birth, and a number of other health problems. Increasing numbers of women delaying childbearing past age 40 may increase the number of children born with health conditions which may, among other things, increase health spending and increase the need for specific health resources such as neonatal intensive care. At the other end of the age spectrum, babies born to teenage mother are also at increased risk for a number of health conditions. Babies born to teenage mothers are more likely to be premature and low birth weight. Additionally, teenage mother receive less prenatal care than women giving birth at later ages which may exacerbate or cause adverse outcomes.

Changes in the racial and ethnic composition of the population will also have profound effects on the health and healthcare needs of the population. There are observed differences in how different groups use health services with non-Hispanic whites more likely to visit physicians in an office-setting while non-Hispanic blacks more frequently seek care in emergency rooms. There are also differences in the types of care sought and utilized by race and ethnicity, differences in health conditions experienced, and differences in both mortality rates and mortality rates for specific conditions. These differences, which are in part related to socioeconomic differences across racial and ethnic groups could mean that there will be a growing proportion of the population in poorer health, with higher incidence of certain health conditions, less access to health insurance and health services, and higher mortality rates at certain ages. Current racial and ethnic differentials coupled with future population growth create challenges for healthcare planning in

terms of the services needed and the workforce required to best serve an increasingly diverse population.

The Health and Healthcare Needs of an Aging Population

Beyond the increasing diversity of the population, the aging of the population can have profound impacts on the health and health services needed. Although population aging may or may not result in increasing proportions of older persons in poor health, the numbers experiencing that condition are almost certain to rise. Thus, as the U.S. population ages, the social and economic demands on individuals, families, communities, and the government will grow, with a substantial impact on the formal and informal health and social care systems and on the financing of medical services in general. A report issued by the Institute of Medicine in 2008 found that the U.S. healthcare workforce will be too small and not appropriately organized or trained to meet the health needs of a growing aging population. They cited both a lack of physicians and other providers who specialize in providing care for older adults and a lack of competence in providing care for older adults throughout the health workforce.82

In conjunction with, and driven by, the growing numbers of older persons, the United States faces secular change in health status, as reflected in rates and outcomes of various conditions and disabilities. Trends in cognitive impairment and dementia have enormous policy implications, but whether changes in disease and disability rates will alter the rates of long-term care in institutions or in other settings is unclear. The use of long-term care, because of cognitive impairment or other health conditions, is expected to increase as Americans live longer.83 The future need for long-term care has financial implications for states, and for the federal government as the majority—nearly three quarters—of long-term care expenses are funded by public programs most commonly Medicaid.84

While recognizing the necessity to address the changing health needs of the older population, critical questions remain regarding the best mechanisms for health system organization, delivery of and access to services, administration, and financing. The Patient Protection and Affordable Care Act (P.L. 111-148), recently enacted health reform legislation, may address some of these concerns, but critics contend that the law may exacerbate provider shortages85 and do little to control growing healthcare costs or reduce inefficiency.86

82 Committee on the Future Health Care Workforce for Older Americans, Institute of Medicine, Retooling for an Aging America :Building the Health Care Workforce, Institute of Medicine, Washington, DC, April 14, 2008, http://www.iom.edu/CMS/3809/40113/53452.aspx.
Immigration Policy

Immigration has historically been a major contributor to population growth in the United States. The number of foreign-born people residing in the United States is higher than at any point in U.S. history and at 12.5% (in 2008) has reached a proportion of the U.S. population not seen since the early 20th century. Of the 38 million foreign-born residents, approximately one-third are naturalized citizens, one-third are legal permanent residents, and one-third are estimated to be unauthorized (illegal) residents. The growing number of illegal immigrants has given rise to a consensus that the immigration system is seriously flawed. Despite this consensus, there are major disagreements over proposed solutions. U.S. policy on permanent immigration has been based on four principles: the reunification of families, the admission of immigrants with special skills, the protection of refugees, and the diversity of admissions by country of origin. The balance of these four principles and whether the balance changes has implications for the size and composition of the U.S. population. For example, those who immigrate under family reunification policies tend to be older; while those entering for employment reasons are generally younger. The number of immigrants seeking to enter the U.S. and the needs of businesses seeking workers are linked to economic conditions and trends. The current recession has lowered immigration levels, but companies still want an immigration policy that allows the entry of both highly skilled workers and low-skilled temporary workers. Other argue that immigration policies could adversely affect the economic well-being of the U.S population by creating competition for jobs in a context of high unemployment.

Immigration issues and potential reform have broad implications for a number of policy areas. Immigration may stimulate the economy by providing both low and high skilled workers. Pursuing an immigration strategy that favors workers entering for employment reasons may also slow U.S. population aging thus averting or delaying a number of the policy challenges that could arise from population aging. Immigration may also create a number of policy challenges. For example, immigrants are often concentrated in certain geographic areas which may strain local governments and infrastructure. The number and type of immigrants seeking to enter the U.S. may also impact areas such as homeland security, the workforce, and crime and law enforcement policy. The country of origin of immigrants will also affect the racial and ethnic composition of the U.S. population and contributes to the increasing diversity in the U.S. which, as discussed below, has a number of policy implications.

America’s Changing Color Lines

The U.S. population is becoming more racially and ethnically diverse. Once a mainly biracial society with a large white majority and relatively small black minority—and an impenetrable color line dividing these groups—the United States is now a society composed of multiple racial and ethnic groups. Along with increased immigration are rises in the rates of racial/ethnic
intermarriage, which in turn have led to a sizeable and growing multiracial population. These trends are projected to continue for the next decades.

This diversity presents policy challenges in a number of areas. For instance:

- **Assimilation.** Many Asian Americans speak their native languages at home and maintain their distinct ethnic cultures and values, signaling that they either face difficulties fully assimilating into the American mainstream or purposefully resist full assimilation. The continued flows of Latino immigrants ensure that the Spanish language and diverse Latino cultures will endure in the United States. The degree to which there are language barriers or lack of assimilation of immigrants has important implications for both entry into and achievement in the educational system and the labor force.

- **Income Disparities.** There are persistent differences in household incomes among racial/ethnic groups in the United States. For instance, in 2009, the real median income level for a black household—at about $33,000—was about $19,000 lower than that of a non-Hispanic white household (about $52,000). One consequence of this disparity had been that low-income/low-wealth persons had faced hurdles when attempting to become homeowners. Key findings from a study from the Department of Housing and Urban Development showed that subprime loans are three times more likely in low income neighborhoods than in high-income ones, and that predatory lending practices made homeownership far more costly for poor families.

- **Poverty.** The official poverty rate in 2009 was 14.3 percent, up from 13.2 percent in 2008; the most recent figure is the highest poverty rate since 1994. Nonetheless, it was still 8.1 percentage points lower than in 1959, the first year for which poverty estimates are available. In 2009, 43.6 million people were counted as poor—the third consecutive increase in the number of people in poverty. According to Gabe, the most recent increase in poverty reflects the worsening economic conditions since the onset of the economic recession in December 2007 and is expected to remain comparatively high even after the economy begins to recover.

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95 U.S. Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2009. Note that the comparable figures for Asians and Hispanics are $66,000 and $38,000, respectively.
99 Ibid.
America’s racial minorities continue to have disproportionately high poverty rates. In 2009, African Americans and Hispanics had poverty rates that exceed those of whites by several times. In 2009, 25.8% of blacks (9.9 million) and 25.3% of Hispanics (12.3 million) had incomes below poverty, compared to 9.4% of non-Hispanic whites (18.5 million) and 12.5% of Asians (1.8 million).\textsuperscript{101} Poverty and welfare receipt are inextricably linked. Government programs may help low-income persons meet their basic daily needs (through cash assistance programs such as TANF,\textsuperscript{102} Medicaid,\textsuperscript{103} or food stamps (now called the Supplemental Nutrition Assistance Program or SNAP),\textsuperscript{104} though some observers fear that welfare creates economic dependency and perpetuates the cycle of poverty.

\textsuperscript{101} Ibid.
\textsuperscript{102} CRS Report RL32748, \textit{The Temporary Assistance for Needy Families (TANF) Block Grant: A Primer on TANF Financing and Federal Requirements}, by Gene Falk.
\textsuperscript{103} CRS Report RL33202, \textit{Medicaid: A Primer}, by Elicia J. Herz.
\textsuperscript{104} CRS Report R40397, \textit{Child Nutrition and WIC Programs: A Brief Overview}, by Joe Richardson.

(per 1,000 population)

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<th>Birth Rate</th>
<th>Death Rate</th>
<th>Net Immigration Rate</th>
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Growth Rates: CRS computations based on data on birth, death, and net immigration rates above.


Notes: Data on 1980 births are based on 100% of births in selected states and on a 50% sample in all other states.
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