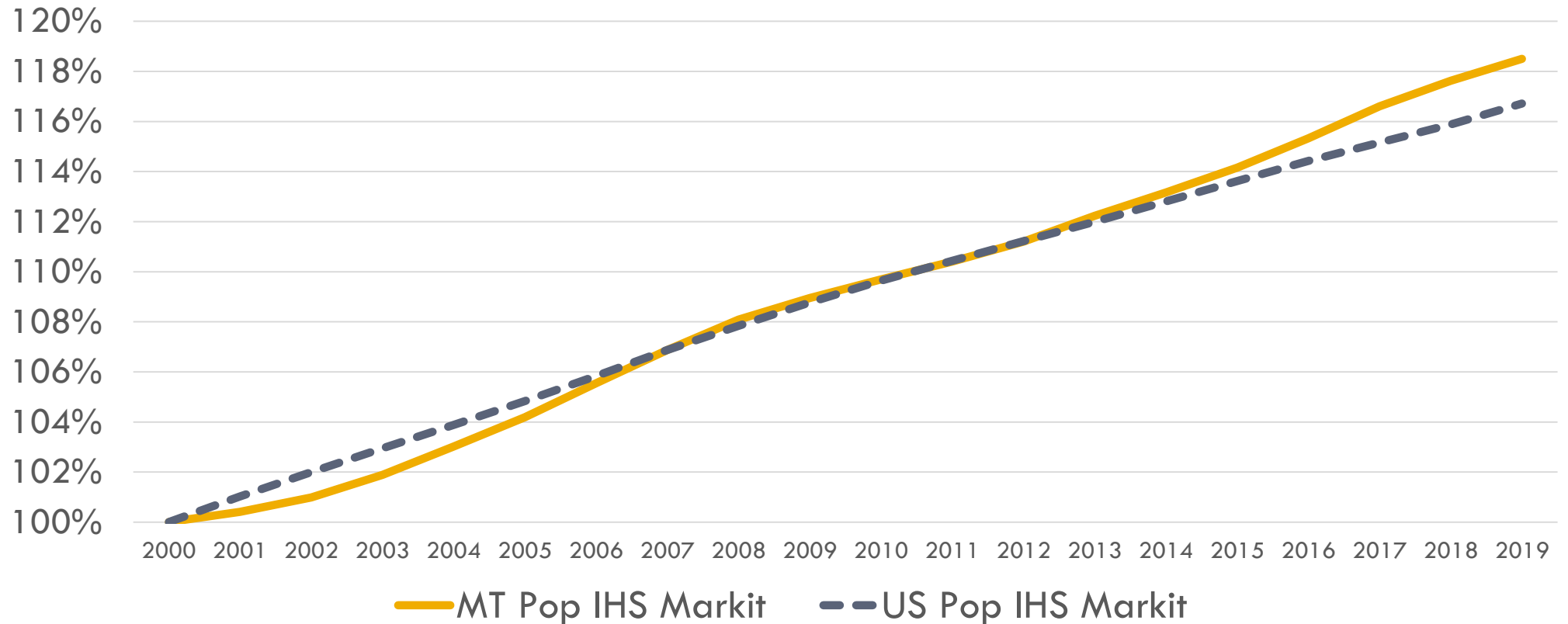


DEMOGRAPHIC CHANGES & POTENTIAL IMPACTS

Josh Poulette LFD

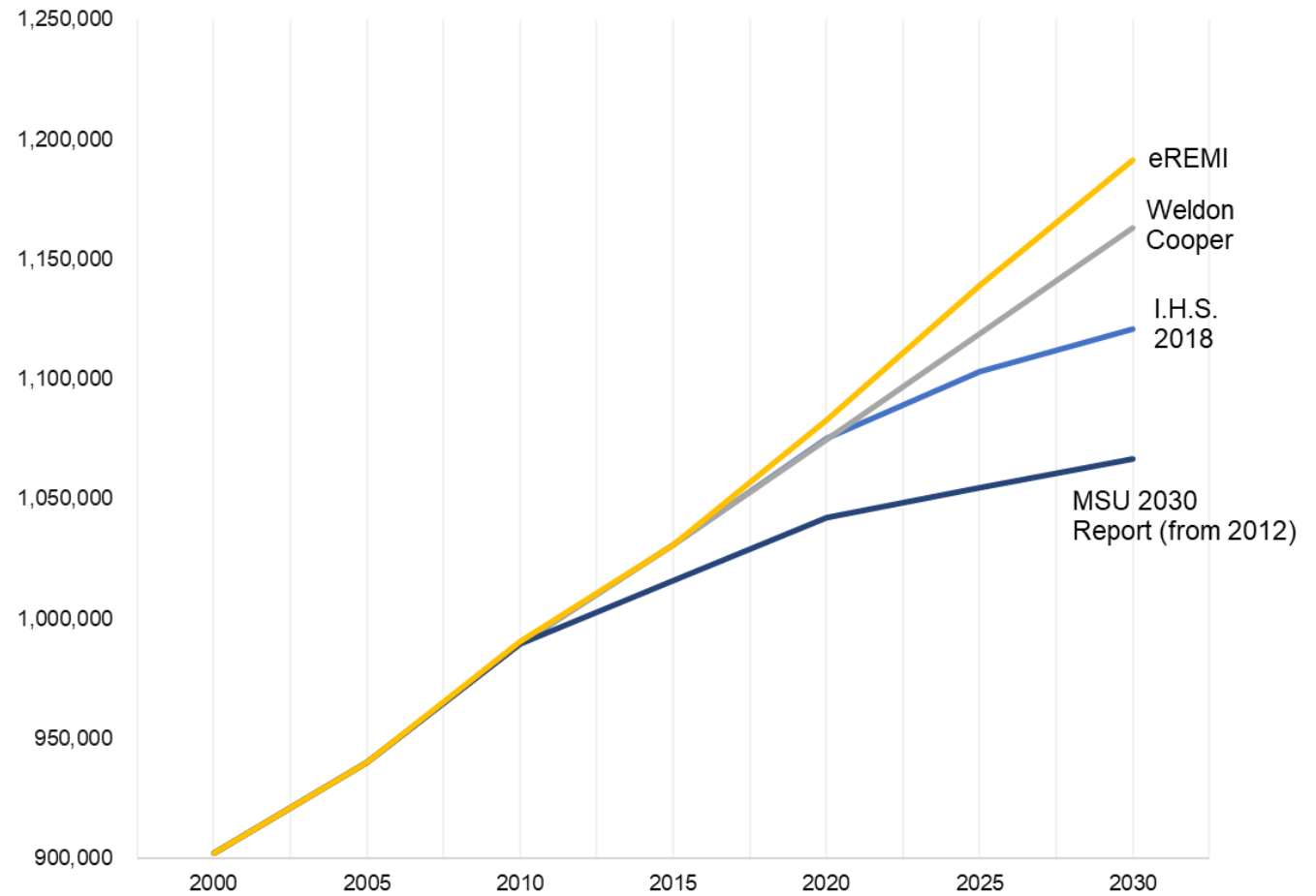
Sam Schaefer LFD

MONTANA AND US POPULATION GROWTH



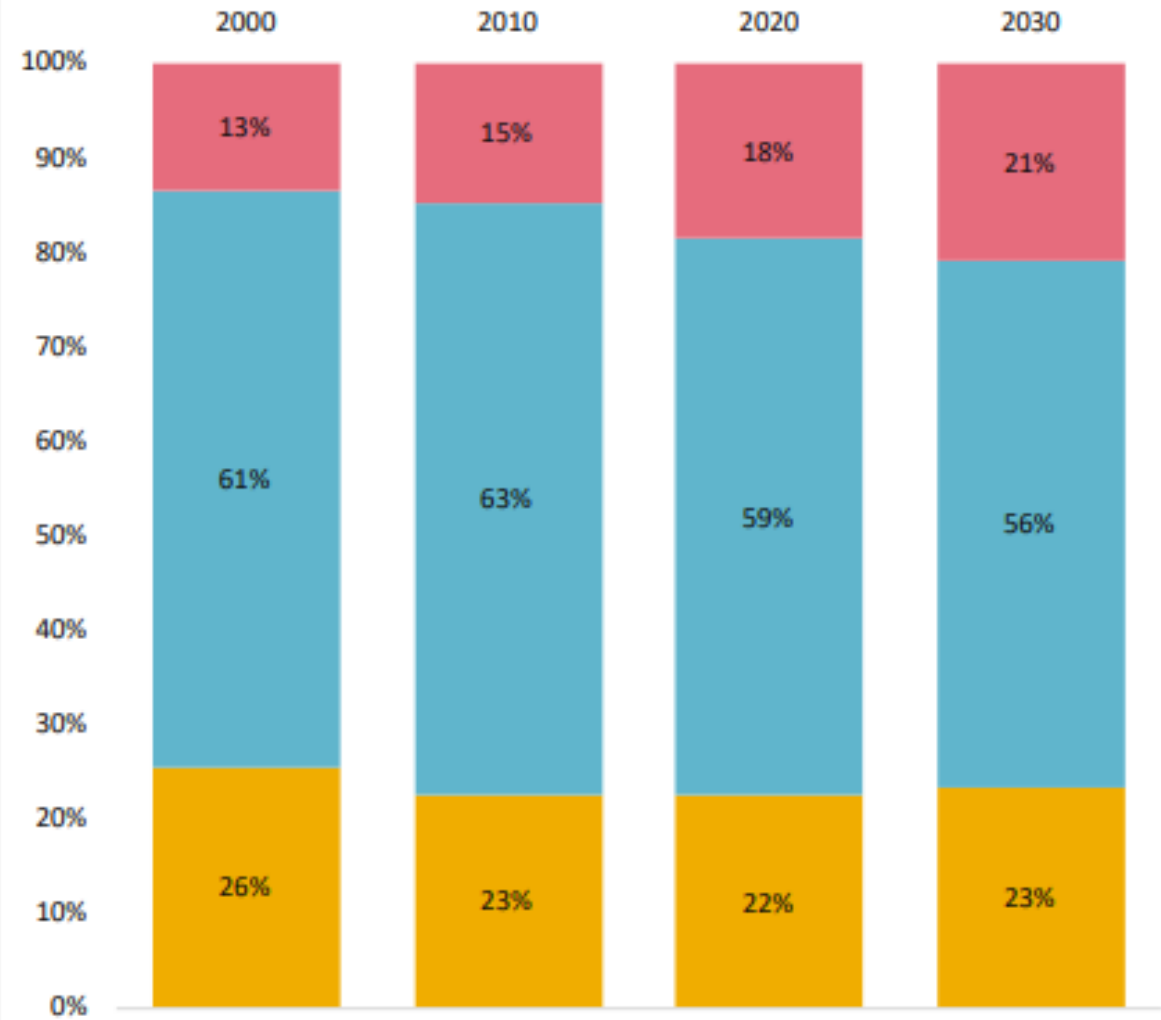
VARIOUS POPULATION GROWTH ESTIMATES

Range of population estimates from different data sources.



MONTANA IS ALREADY OLDER THAN THE COUNTRY

Retirement age is expected to increase as a share of population, working age is expected to decrease through 2030, and youth share of the population is expected to remain flat.





E-REMI DATA FROM DEPARTMENT OF COMMERCE

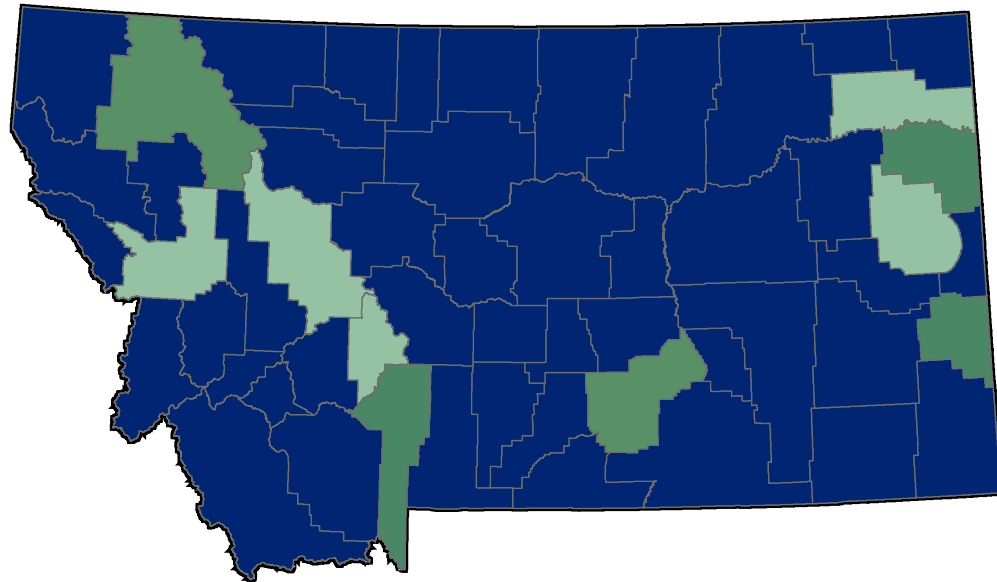
Licensed to allow details to be illustrated

Detailed enough to show migration patterns

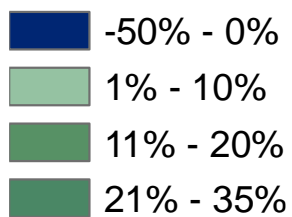
Has a population forecast that can be used for revenue and expenditure forecasts

YOUTH MAPS

2000 to 2015

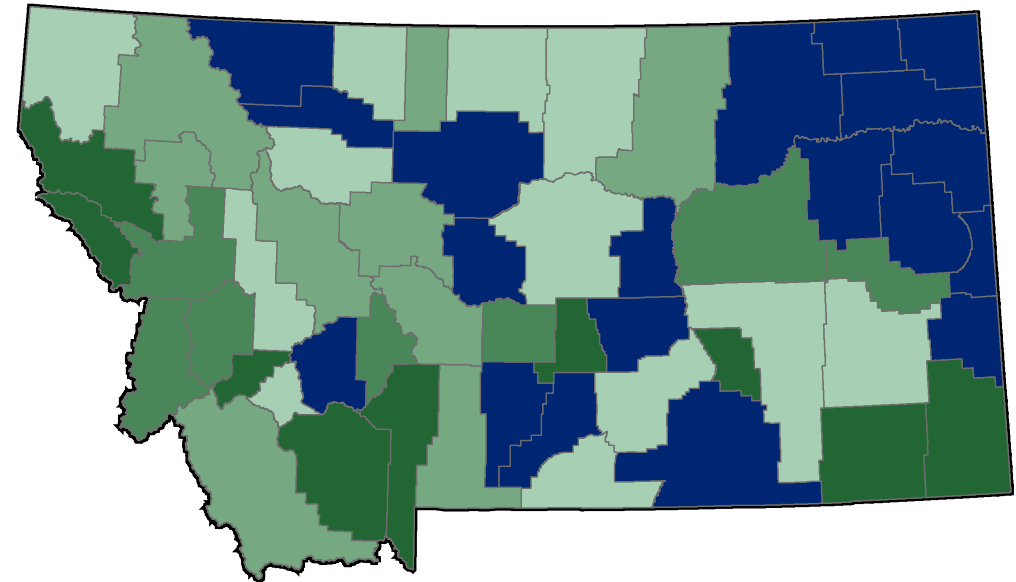


Growth

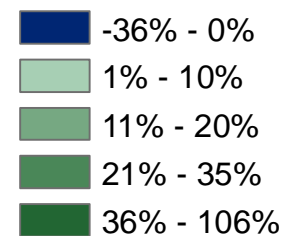


0-17 population
2000: 227,000
2015: 226,000

2015 to 2030



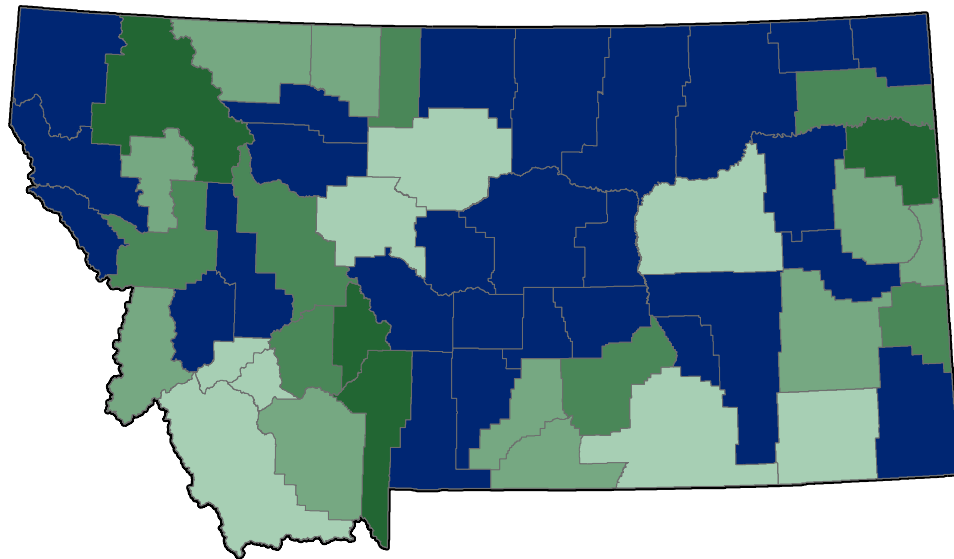
Growth



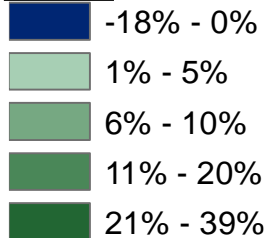
0-17 population
2015: 226,000
2030: 257,000

WORKING AGE MAPS

2000 to 2015



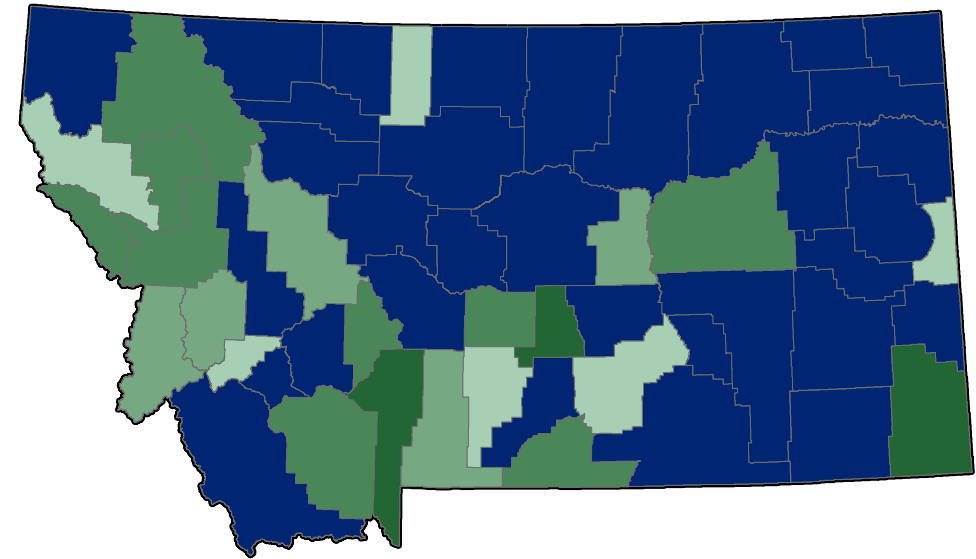
Growth



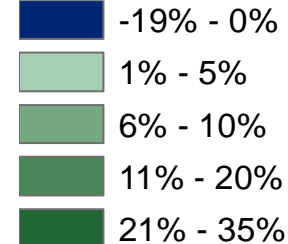
18-64 population

2000: 557,000
2015: 626,000

2015 to 2030



Growth

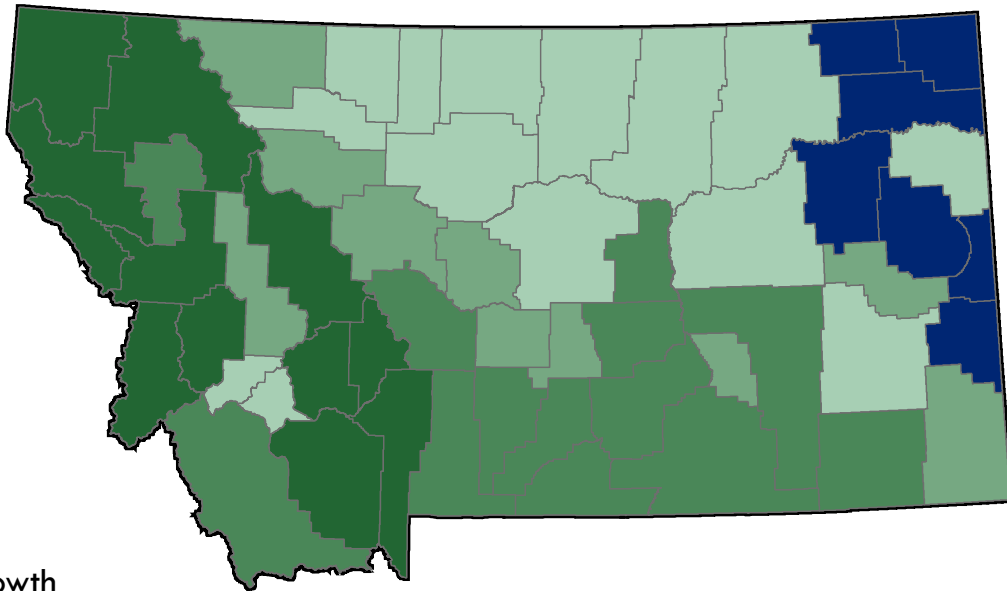


18-64 population

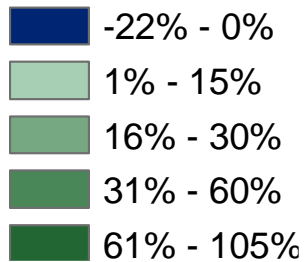
2015: 626,000
2030: 668,000

RETIREMENT AGE MAPS

2000 to 2015



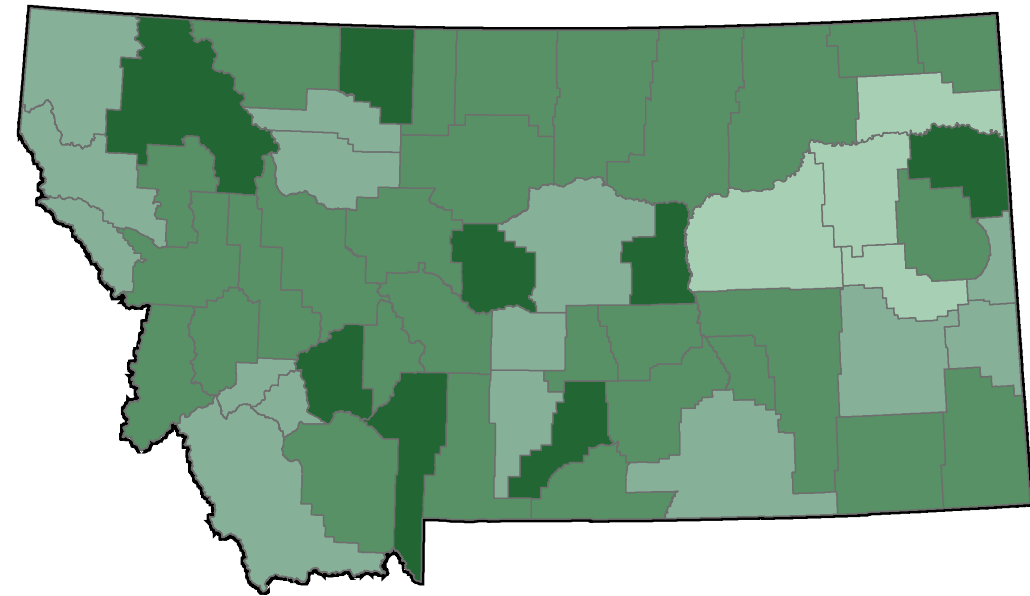
Growth



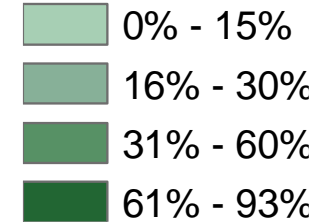
65+ population

2000: 122,500
2015: 176,000

2015 to 2030



Growth



65+ population

2015: 176,000
2030: 266,500

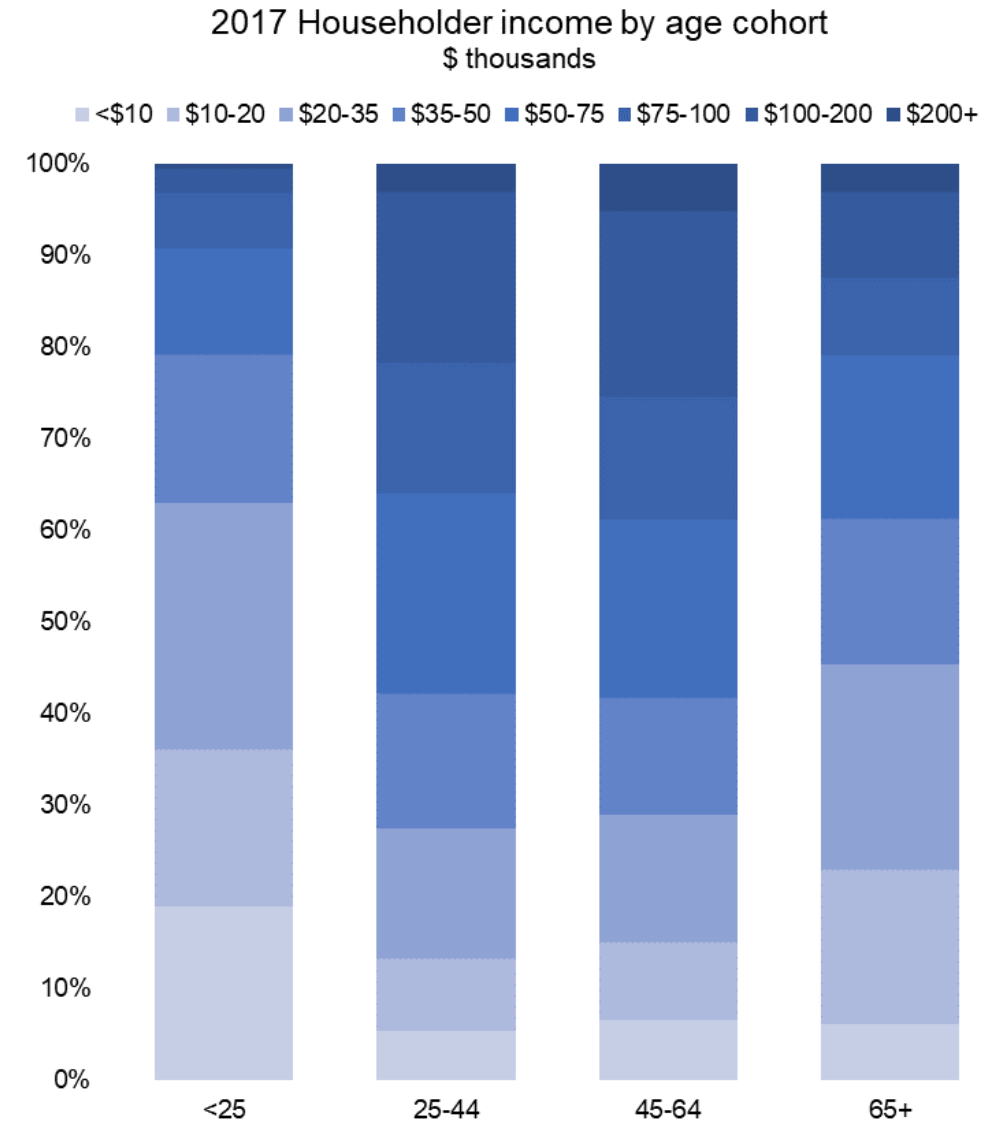
AGE AND INCOME

Young adults have relatively low incomes

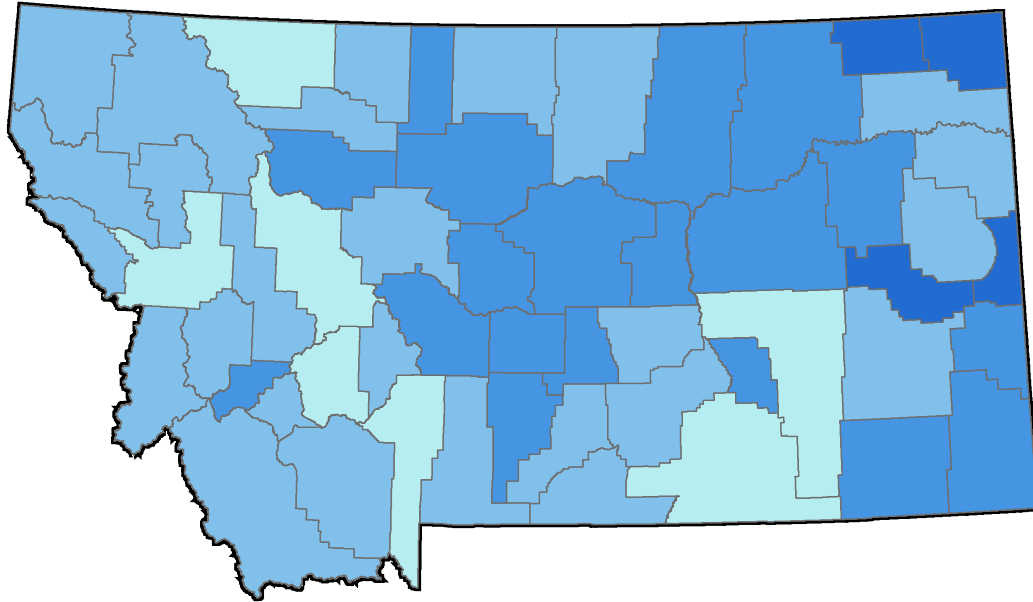
Income grows throughout working career

Wealth is gained during working years and is held to some extent

Data from American Community Survey



AGING VARIES BY COUNTY



2000 (actuals)

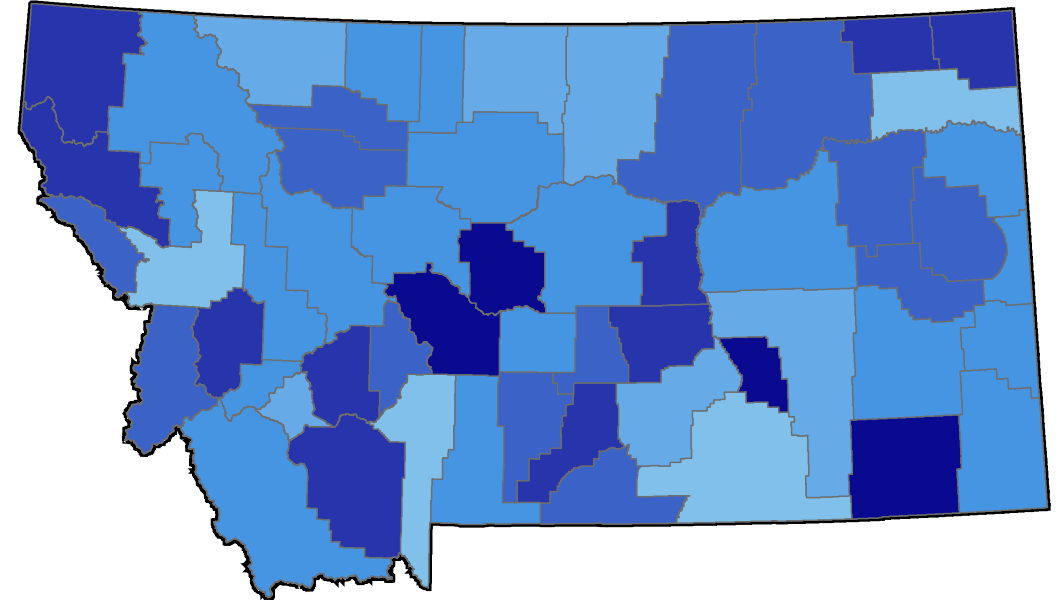
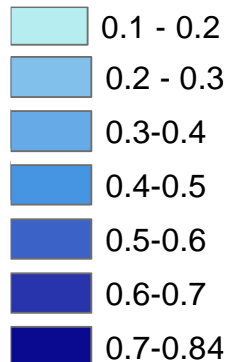
Working Age: 552,400

Retirement Age: 121,300

Overall Ratio: 0.22

Lowest County: Gallatin, 0.12

Highest County: Sheridan, 0.44



2030 (estimate)

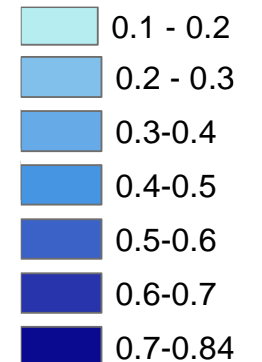
Working Age: 667,900

Retirement Age: 266,400

Overall Ratio: 0.40

Lowest County: Roosevelt, 0.22

Highest County: Judith Basin, 0.84



DEMOGRAPHIC POWER BI (DASHBOARDS 9-10)



WORKING AGE PERSONS
ARE INCREASING

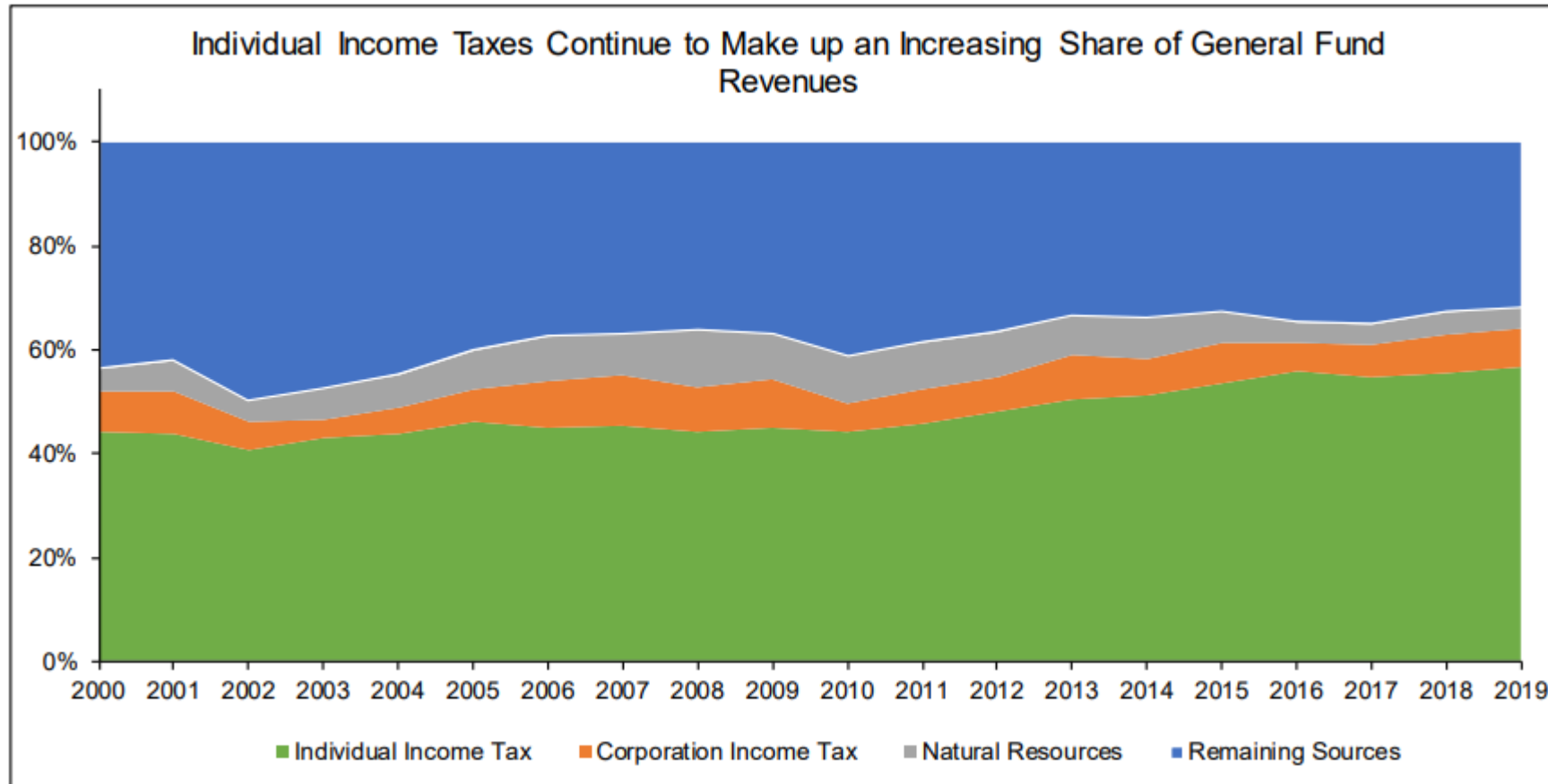


YOUTH POPULATION
DECREASED, BUT IS NOW
EXPECTED TO INCREASE



RETIREMENT AGE
POPULATION WILL
CONTINUE TO INCREASE

IMPLICATIONS: REVENUES



IMPLICATIONS: REVENUES

Potential Future Analysis

How does income change in retirement compared to working years?

Does Montana have enough in-migration to fill job openings?

What do the above findings mean for future income tax collections?

Do retirees outlive their savings?

IMPLICATIONS: SERVICE DEMAND

Demographic changes are important for public finance due to the presence of policies with intergenerational components

Transfers from younger to older

- Medicare
- Social Security

Transfers from older to younger

- K-12 Education
- Environmental Policy

As dependency ratios change these policies may experience pressures on either the revenue side or the expenditure side (or both)



IMPLICATIONS: SERVICE DEMAND

Population aging may lead to more demand for retirement-age health services, including Medicaid, as well as other senior services

Demand for K-12 education may increase or decrease depending on the specific region or county of interest

Counties and regions with rapid growth may require additional infrastructure and transportation expenditures



QUESTIONS?