A Reprint from Tierra Grande

Texas Population Slow Growth Ahead

ownturns in the Texas and U.S. economies have been obvious to anyone watching television or nervously monitoring dwindling balances in retirement accounts. The effects of the slowdown are now showing up in Texas population growth rates.

Population changes more slowly in response to economic downturns than do other factors. This is understandable considering that people who lose their jobs and are forced to relocate need time to sell their homes. They also may have children who need to finish school, spouses who are still employed or other circumstances that delay the response to economic change. As a result, population growth rates tend to lag such change.

In addition, population growth is not determined solely by economic growth. Texas' population grows by about 100,000 persons per year just as a result of natural increase (more births than deaths). Rates of natural increase are influenced much less by the economy than is the other driver of population growth — migration. In areas such as retirement communities where growth results largely from noneconomic factors, economic trends have less direct and immediate effects on population growth.

look at the numerical population growth in the state seems to indicate that the economic slowdown has had no effect. Average annual growth in the 1990s was approximately 387,000 persons per year. From 2000 to 2001 it was (according to Census Bureau estimates) 415,000 and from 2001 to 2002, 409,000.

Measured in annualized percentage terms, however, population growth is showing signs of slowing. The state's annualized rate of population change declined from 2.3 percent during the 1990s to 2 percent from 2000 to 2001 and to 1.9 percent from 2001 to 2002. This is a 17.4 percent decline in the growth rate from the 1990s to 2000 to 2002.

The slowdown becomes more evident when the trends for metropolitan areas, council of government regions and counties for 2000–2002 are compared with those for 1990–2000. In 23 of Texas' 27 metropolitan areas and in 22 of 24 council of government regions, annualized

Population growth is likely to slow in the short term, although high rates of natural increase will mean growth will not stop altogether.

growth rates for 2000 to 2002 are slower or equal to those for the 1990s.

In the 1990s, 68 counties lost population; between April 1, 2000, and July 1, 2002, 114 lost population. Of the state's 254 counties, 197 showed slower growth rates (when rates are annualized) from 2000 to 2002 than from 1990 to 2000.

Although continuing to grow substantially, annualized growth rates decreased for some of the state's fastest growing counties from 2000 to 2002. For example, Collin County, the fastest growing county in Texas in the 1990s, is growing at an annualized rate of 6.8 percent, nearly 21 percent less than its 8.6 percent growth rate during the 1990s.

Williamson County's population increased at an annualized rate of 7.1 percent

from 2000 to 2002 compared with 7.9 percent in the 1990s, and Montgomery County increased at an annualized rate of 5.2 percent from 2000 to 2002 compared with 6.1 percent during the 1990s. One of the state's largest counties, Travis County, posted the most marked change in annualized rate of growth, declining from 4.1 percent in the 1990s to 2.1 percent from 2000–2002.

Declines in growth rates are particularly noticeable in relatively rural counties. Of the 24 counties with 2 percent or more decreases in absolute annualized growth rates, only Travis is an urban county. The remaining counties are largely rural, such as Hartley, Concho, Live Oak, Mitchell, and Jones Counties.

Care must always be taken in making generalizations based on data from any source for a relatively short period, such as a single year or even a couple of years. However, available data clearly show sufficiently pervasive trends to suggest that the demographic clouds of slower growth are gathering.

population growth is likely to slow in the short term, although high rates of natural increase will mean growth will not stop altogether. Because population change tends to lag economic change, growth will continue to be slower than it has been in the past, even after the economy begins to recover.

In the long run, however, Texas' history of rapid population growth and high rates of natural increase suggest that the state's future will likely be characterized by substantial population growth.

Dr. Murdock (smurdock@tamu.edu) is a research fellow with the Real Estate Center and chief demographer of the Texas State Data Center, Department of Rural Sociology, at Texas A&M University.



MAYS BUSINESS SCHOOL

Texas A&M University 2115 TAMU College Station, TX 77843-2115 http://recenter.tamu.edu 979-845-2031 800-244-2144 orders only

Director, Dr. R. Malcolm Richards; Associate Director, Gary Maler; Chief Economist, Dr. Mark G. Dotzour; Senior Editor, David S. Jones; Associate Editor, Nancy McQuistion; Assistant Editor, Kammy Baumann; Assistant Editor, Ellissa Brewster; Art Director, Robert P. Beals II; Graphic Designer, J.P. Beato; Circulation Manager, Mark W. Baumann; Typography, Real Estate Center; Lithography, Sprint Press, Fort Worth.

Advisory Committee

Celia Goode-Haddock, College Station, chairman; Nick Nicholas, Dallas, vice chairman; Joseph A. Adame, Corpus Christi; David E. Dalzell, Abilene; Tom H. Gann, Lufkin; Joe Bob McCartt, Amarillo; Catherine Miller, Fort Worth; Jerry L. Schaffner, Dallas; Douglas A. Schwartz, El Paso; and Larry Jokl, Brownsville, ex-officio representing the Texas Real Estate Commission.

Tierra Grande (ISSN 1070-0234), formerly *Real Estate Center Journal*, is published quarterly by the Real Estate Center at Texas A&M University, College Station, Texas 77843-2115. Subscriptions are free to Texas real estate licensees. Other subscribers, \$20 per year.

Views expressed are those of the authors and do not imply endorsement by the Real Estate Center, Mays Business School or Texas A&M University.