

## **Demographic Characteristics Based on Census Interim Population Projections**

The Interim population projections released by the Census in April 2005 projected Arkansas population growing from its 2000 enumeration of 2,673,400 to 3,240,208 in 2030.<sup>1</sup> This is a 21% increase in the projected state population over this 30 year period. This reflects an approximate 0.6% annual growth rate in the population of Arkansas. By contrast, the U.S. population projection increases by 29% over this period (282,125,000 in the 2000 to 391,946,000 in the 2030 projection), and its annual growth rate is 0.8%. As a result, Arkansas' share of the U.S. population is projected to decline slightly.

Although, the projected growth in Arkansas population lags behind the nation, Arkansas gains in the ranking of states by population. Arkansas moves up one position in the ranking from the 33 largest state to the 32 second largest state. It surpasses Mississippi, Kansas, and Iowa in the 2030 rankings; these states were immediately ahead of Arkansas in the 2000 Census.<sup>2</sup>

### **Aging Population**

Over the 2000-2030 period, Arkansas population will age as the baby boomers move through their life cycle. The median age in Arkansas is projected to rise from 36 in 2000 to 39.8 in 2030. As the accompanying chart shows, Arkansas' dependency ratios will also be increasing. Dependency ratios are measures of a dependent age group to another age group supposedly providing support to the dependent group. The dependency ratio shown in this chart is the ratio of the sum of the number of people under 16 and over 64 to the number of people in the age cohort 16 to 65. This latter group of people represents the labor pool available to support the population under 16 and the population over 64 years. The dependency ratio in 2000 was 73.7 (100 workers in the labor pool for every 74 people under 16 or over 64 years), and it increases to 88.6 in 2030. This increase is due to the increasing number of aged people and not the number of youth. The old age dependency ratio (over 64 population to the 16 to 65 population) accounts for this increase. In 2000, this ratio was 24.3 and by 2030, it is projected to be 38.2.

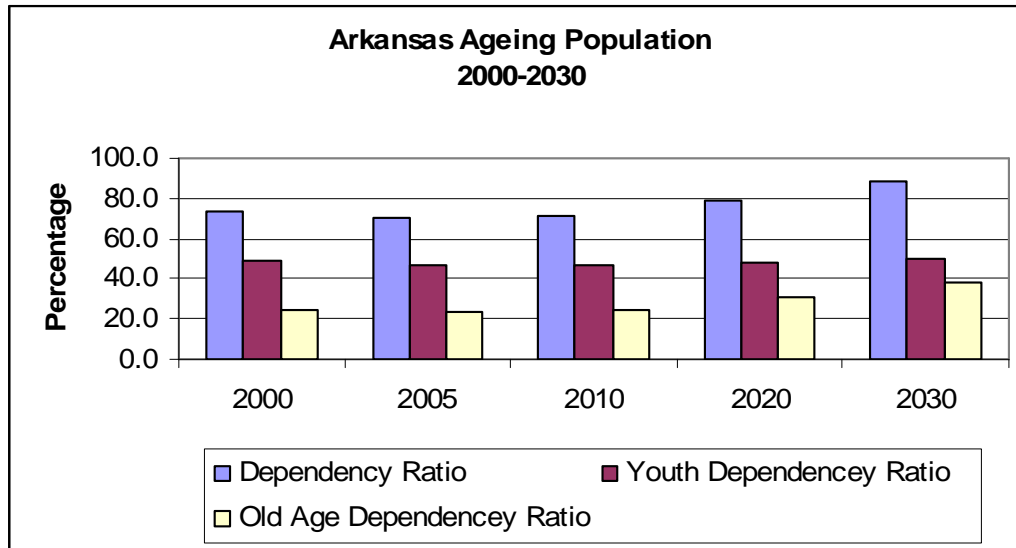
A growing retired population in Arkansas and shrinking labor pool to support that population could have significant economic consequences. An aging population will place increase pressures on social security, retirement, and health care systems within the state. At the same time, an increasing dependency ratio means a smaller labor pool to support the aged population, and this could adversely affect the living standard in the state. Tax revenues may prove to be inadequate to support future public spending, resulting in budget shortfalls and eventually reduction in public services.

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<sup>1</sup> U.S. Census Bureau, Population Division, Interim State Population Projections, 2005.

<sup>2</sup> Table 1: Ranking of census 2000 and projected 2030 state population and change, <http://www.census.gov/population/www/projections/projectionsagesex.html>.

However, a shrinking labor pool does not necessarily imply a lower living standard for the state. Although, there may be fewer workers to support the aged population, workers could be more productive. Enhanced worker productivity can provide a means to circumvent a projected labor shortage and prevent a decline in the state's standard of living.



### Sex Ratio

The ratio of number males to the number females does not change significantly over the 2000-2030 period. However, the age composition of this ratio does have some significant and interesting projections. For the over 64 population, the sex is project to increase significantly. In the 65-84 age-cohort, the sex ratio is projected to increase from the 75.5 males per 100 females to 83.7 males per 100 females. For the over 84 cohort, the sex ratio is projected to go from its 2000 level of 41.2 males for every 100 females to 52.1 males to 100 females in 2030. This is a result of improving life expectancy for males in Arkansas.

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