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BTC Brief

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One Million More: Population Growth Alters NC's Demographics, Intensifies Need for Key Public Investments

One million. That is the number of people North Carolina gained between 2000 and 2007, according to the U.S. Census Bureau. This 13-percent net increase not only has altered the state's demographics but also has intensified the need for key public investments and the revenues to adequately finance them.

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Population Change in North Carolina, 2000-2007

North Carolina's population added one million people between 2000 and 2007. Over that period, North Carolina netted more new residents (+one million) than all but five states; in relative terms, the state grew faster (+13 percent) than all but eight states. With nine million people, North Carolina has surpassed New Jersey to become the nation's 10th largest state.

The movement of people into North Carolina has been the primary driver of growth (**Table, over**). Over an eight-year period, 491,000 more people moved into North Carolina from other states than moved away. And 189,000 more people moved to the state from international locations than moved abroad. Together, domestic and international migration account for two-thirds of the recent population change. (Natural growth contributed the rest, though some natural growth results from births to recent migrants.)

If the 680,000 recent migrants to North Carolina gathered in one place, they would form the state's most populous city, ahead of Charlotte. Similarly, if all one million new Tar Heels assembled in one location, they would constitute a metropolitan area more populous than Raleigh-Cary.

A Changing Population: More Diverse, Older, More Metropolitan

In terms of racial groups, the state added 705,000 white individuals and 214,000 black individuals between 2000 and 2007. Nevertheless, the state's racial composition held fairly constant. White persons still account for about three-fourths of the state's population, black persons about 22 percent.

In terms of ethnic groups, North Carolina saw its Hispanic population grow by 69 percent between 2000 and 2007. The state's 638,000 Hispanic residents now constitute seven percent of the total population, up from five percent in 2000.

The state's median age also rose to 36.8 years from 35.3 years over last eight years. Yet despite gaining 515,000 people between the ages of 45 and 64, the state's age composition held fairly constant. As was the case in 2000, about 25 percent of Tar Heels are minor children, 12 percent are ages 65 and older and the remaining 64 percent are working-age adults.

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Geographically, growth has been concentrated in just a few metropolitan counties. Between 2000 and 2007, Wake County netted the most people in absolute terms (+205,000 persons), Union County the most in relative terms (+49 percent). Altogether, nearly two-thirds of recent population growth occurred in nine metropolitan counties. Meanwhile, 20 counties – virtually all rural ones – posted zero or negative rates of population growth.

Changing Investments for a Changing Population

Adding the equivalent of a major metropolitan area over an eight-year period has intensified the demand for such key public investments as school construction and transportation networks. However, the state has struggled to meet those demands, due largely to its reliance on a dated tax system that is unable to generate revenues adequate to meet needs. This has led to the use of short-term strategies that undercut the fairness of the tax system while failing to generate appropriate amounts of revenue.

Absent a comprehensive reform of its tax system, North Carolina will be unable to make the investments needed to respond to recent growth, let alone prepare for future growth. The result of inaction: a less prosperous state with a diminished quality of life.

Table: Estimated Net Changes in the North Carolina Population, 2000-2007		
	Numerical Change	Percentage Change
A) Total Population Change		
Net Change	1,014,541	12.6%
B) Components of Change		
Net Gain: Domestic Migration	490,907	##
Net Gain: International Migration	188,925	##
Net: Gain: Natural Change	352,899	##
C) Net Changes in Select Demographic Groups		
White Persons	704,946	11.8%
Black Persons	214,489	12.2%
Hispanic Persons	259,537	68.5%
Non-Hispanic Persons	755,004	9.8%
Persons < age 18	253,669	12.9%
Persons ages 18-64	626,473	12.3%
Persons ages 65+	134,399	13.9%
D) Net Changes in Five Fastest Growing Counties (Numerical)		
Wake	205,124	32.7%
Mecklenburg	171,697	24.7%
Union	60,903	49.2%
Guilford	44,883	10.7%
Johnston	35,537	29.2%
Note: Definition of racial groups is based on people who report belonging to only one racial group. Source: Budget & Tax Center analysis of U.S. Census Bureau Population Estimates available at http://www.census.gov/popest/datasets.html		