

POPULATION OUTLOOK FOR THE PORTLAND-VANCOUVER METROPOLITAN REGION

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While many people both inside and outside Oregon envision the state as a place of picturesque coastal bluffs, mountain ranges, the Columbia River Gorge, and old-growth forests, the population is primarily urban. It has been for many decades. In 2000, three-quarters of Oregon's 3.4 million residents lived in towns and cities. Almost one-half of Oregon's population lived in the metropolitan Portland area.

This paper offers an overview of population dynamics in the Portland-Vancouver metropolitan area, which includes five of Oregon's thirty-six counties—Clackamas, Columbia, Multnomah, Washington, and Yamhill—and Clark County in the state of Washington. It refers to the "metropolitan Portland-Vancouver area" as the total area including the Oregon and Washington counties and to the "metropolitan Portland area" when limiting discussion to the five Oregon counties. It describes current trends for population growth; the effect of births, deaths, and migration on population growth; how the age, sex, and ethnic composition are changing; and where residents live. Finally, the paper discusses the dynamics for future growth and their implications.

Population Growth

Population growth in metropolitan Portland-Vancouver historically has exceeded growth for the United States, but the differential in growth rates has declined over time. Between 1990 and 2000, the United States grew by about 13% and metropolitan Portland-Vancouver increased by almost 27%. The ratio of population growth for metropolitan Portland-Vancouver compared to the United States from 1990 to 2000 exceeded 2.0, meaning that the metropolitan area grew at more than twice the national average.

Recent Growth

Metropolitan Portland-Vancouver has steadily increased its population since 1990, growing from 1.5 million in 1990 to 1.9 million in 2000, an increase of 400,000 people or 27%. About 1.6 million or 82% of the total metropolitan Portland-Vancouver population resided in Oregon in 2000. By 2005, the estimated population for the metropolitan area was nearly 2.1 million, an increase of more than 153,000 since 2000, or 8%.

Net migration provided about 5% of the population growth in the Portland-Vancouver region from 2000 to 2005, compared to almost 75% of overall growth from 1990 to 2000.

The metropolitan Portland population grew from 1.3 million in 1990 to almost 1.6 million in 2000, an increase of 23%. Clark County, Washington experienced the most rapid population growth during the 1990 to 2000 period, considerably greater than Washington state's population increase of 13%. The higher rate of growth in Clark County affected the total Portland-Vancouver growth rate. The total metropolitan growth rate of 27% reflects the growth rate of 23% for the five Oregon counties and the 45% for Washington's Clark County.

During the same 1990-2000 period, Oregon's state population increased at a slightly lower rate of 20%. Because the metropolitan Portland population expanded more rapidly than the Oregon population, an increasing proportion of the Oregon population was in the metropolitan Portland area; 45% in 1990 and 46% in 2000.

Population growth can be viewed in either absolute or relative terms. Washington County was Oregon's fastest growing county in metropolitan Portland in both absolute and relative terms. Washington County added 134,000 new residents to

the metropolitan area from 1990 to 2000, an increase of 43%. Yamhill County was the second fastest growing county in relative terms, increasing 30% and adding 19,000 residents. Multnomah County added 77,000 residents during the same period, although its 13% growth was the smallest change in relative terms of metropolitan Portland counties.

Since 2000, population growth has slowed in all of metropolitan Portland-Vancouver. Washington County is still the fastest growing among Oregon counties, but its mid-decade growth rate is only 10% and the 44,443 additional persons represent only one-third of the 1990-2000 population growth numbers. The other metro counties continue to grow also, but do so in reduced absolute and relative terms (see Figure 1).

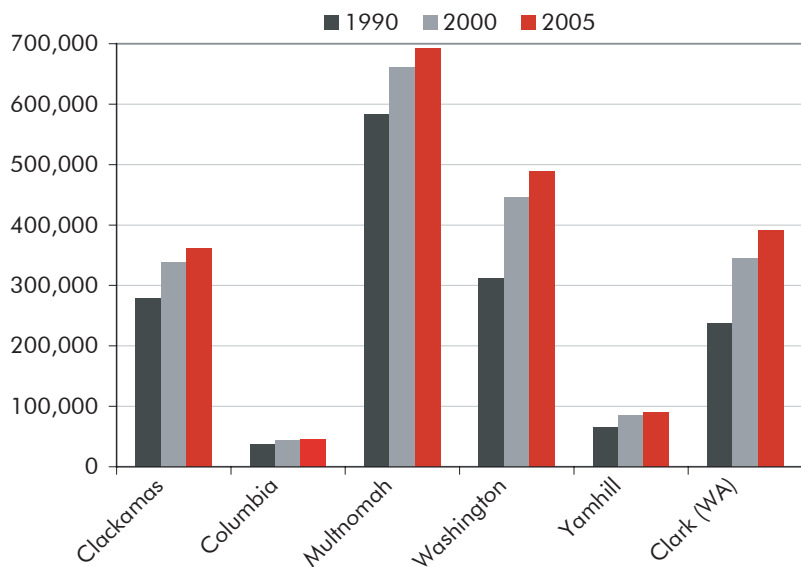


Figure 1: Population of Metropolitan Portland-Vancouver by County, 1990-2005

Source: US Census Bureau, Census of Population 1990 and 2000, Population Estimates, 2005, www.census.gov

Natural Increase

Population growth depends on changes in three factors: births, deaths, and migration. The difference between births and deaths is called natural increase. In most populations there are more births than deaths, and the population grows from natural increase. If in-migration is insufficient to counter-balance natural decrease, the population declines. In most cases, however, both natural increase and net in-migration contribute to a growing population.

Both mortality and fertility levels have remained fairly steady in the metropolitan Portland-Vancouver area for the past two decades. The crude death rate (the number of deaths per 1,000 residents) has remained at about 8 per 1,000 since 1980. In 2000, life expectancy at birth in Oregon was 74.6 years for men and 80.6 years for women, slightly higher than the U.S. national average for men and women.

At present fertility levels, the average couple in the metropolitan Portland-Vancouver area has about two children by the end of their childbearing years. In order to exactly replace the population, couples need to have 2.1 children. Present metropolitan fertility levels are slightly less than the replacement level. In the long run, the metropolitan population would decrease at a very slow rate if there were no net in-migration.

Natural increase contributed about 18% of the metropolitan Portland-Vancouver area’s growth from 1990 to 2000. The area’s overall population growth of 403,000 was comprised of a natural increase of 130,000 and an estimated net in-migration of 273,000.

The metropolitan Portland-Vancouver area population is relatively young, with a sufficient number of people in the childbearing years to produce a sizeable number of births, offsetting fertility levels that are somewhat less than the long-term replacement level. Since 1990, there have been about 26,000 births and 13,000 deaths annually in the metropolitan area, adding about 13,000 people each year through natural increase.

Fertility and mortality levels do not vary greatly among the six Oregon and Washington counties. The annual number of births and deaths, however, is affected by modest differences in the age composition of the residents of the different counties. Overall, there are only slight differences in the rates of natural increase for the metropolitan counties.

Net Migration

Migration is the main factor affecting population growth in the metropolitan Portland-Vancouver area. Net migration into the metropolitan area has been positive since 1980, except for an estimated out-migration of about 10,000 people during the economic downturn in 1982-1983. Economic conditions and employment opportunities were especially strong from 1988 to 1998 as evidenced by net migration levels at 20,000 and above. There were particularly high levels of net in-migration to the metropolitan area from 1990 to 1992 with annual net migration exceeding 40,000. Net in-migration for 2003-2004 decreased to a decade low of about 9,000 persons. With the exception of that year, net in-migration has been in the 15,000 to 25,000 range.

Migration accounted for more than two-thirds of the area's population increase from 1990 to 2000 and provided more than half of the increase for each of the area's counties. Clark County, Washington experienced a net gain of about 79,000 from migration during 1990 to 2000, with migration accounting for almost three-fourths of its overall growth. Four other counties—Clackamas, Columbia, Washington and Yamhill—derived more than two-thirds of their growth in the 1990s from migration. In the past five years (see Figure 2), the metropolitan population has grown by more than 150,000, with about 55% of the population increase due to net in-migration. Net in-migration has slackened somewhat in recent years, with the result that its proportionate contribution to overall population growth has decreased. Net migration, however, remains the dominant factor in the population growth of the Portland-Vancouver metropolitan area.

Migration was important for all counties in the metropolitan region. Although Multnomah experienced the slowest overall growth rate, increasing 13% from

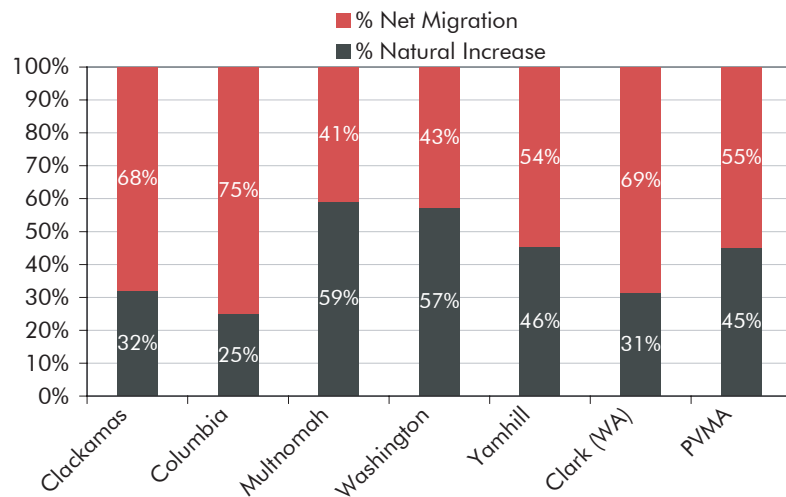


Figure 2: Metropolitan Portland-Vancouver Population Growth, 2000-2005

Source: Population Research Center, PSU; Oregon Department of Human Services, Center for Health Statistics; Office of Financial Management, Washington State

1990 to 2000, it received 42,000 net migrants, and migration accounted for more than one-half of its total population increase. Since 2000, the contribution of net migration has decreased for all counties. In Multnomah County, only 13,000 net migrants arrived during 2000 to 2005. Net migration accounts for about 40% of Multnomah and Washington county population growth. In Yamhill County, net migration provided more than 50% of population increase, similar to the metropolitan Portland-Vancouver average. And in Clackamas, Columbia, and Clark counties, net migration made up two-thirds or more of population growth.

Immigration

International migrants to the state of Oregon represented nearly 27% of the total population increase from 1990 to 2000. However, the immigrants to Oregon throughout the 1990s represented about 1% of the total immigrants to the United States. Since 2000, immigrants represent just over 1% of the United States total, and about 30% of the total population change for the Portland-Vancouver metro area.

In metropolitan Portland about two-thirds of the immigrants reported by the Immigration and Naturalization Service in 2000 came from only seven areas: Russia and other countries of the former USSR (18% of all immigrants), Mexico (17%), China (7%), Vietnam (8%), India (5%), Korea (3%), and the Philippines (3%). The most unique aspect about the metropolitan area's immigration is the relatively high proportion of immigrants from the former USSR—primarily from Russia. The proportion of Russians among Portland's immigrants is more than twice the national average. Since immigrants to the metropolitan area are generally younger than residents, they contribute to a somewhat younger age composition in addition to affecting the ethnic composition.

But immigration does more than change the age or ethnic mix of the population. The presence of migrants with different skills affects economic growth, adding new workers to the metropolitan labor force and, in some cases, providing needed skilled employees for local industries with job shortages.

Although foreign-born men are somewhat more likely to be in high-education, high-paying jobs, they are also far more common in low-education, low-paying jobs. Compared with native-born men, immigrants are found in some occupations requiring high levels of education, such as college teachers and engineers, as well as some occupations requiring little schooling, such as tailors, waiters, and unskilled service occupations. The picture for immigrant women is similar. Foreign-born women in the metropolitan area are disproportionately employed in a few high-education occupations, such as foreign-language teachers and physicians, but they also make up a large share of employment in many occupations that require little formal schooling: dressmakers, graders and sorters of agricultural products, waitresses, and private household service workers.

Factors Affecting Metropolitan Population Growth

Unemployment rates decreased from their peak of over 6-7% in 1992 and remained below 5% between 1993 and 2000 (see Figure 3). Improved employment opportunities attracted in-migrants as well as reducing out-migrants who might have departed in search of jobs if attractive employment had not existed here. In recent years, the unemployment rates in Oregon and in metropolitan

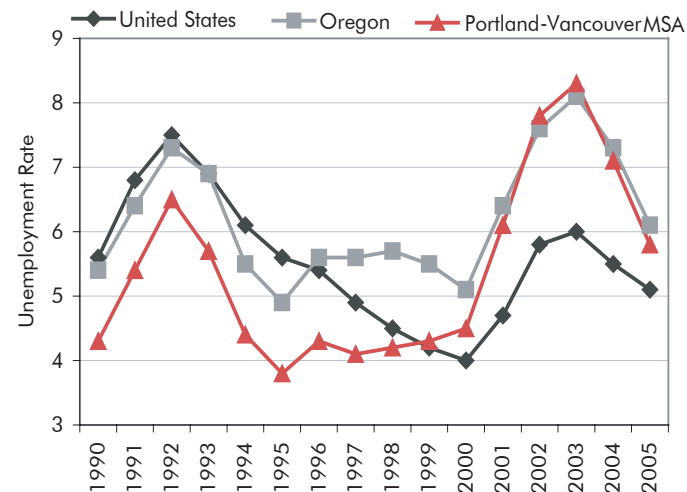


Figure 3: US, Oregon and Metropolitan Portland-Vancouver Unemployment Rates

Source: State of Oregon, Oregon Employment Department

Portland-Vancouver have increased, exceeding more than 8% in the state and in the metropolitan area by 2003, but falling to 6% by 2005.

There have been shifts in the major economic sectors for employment in the metropolitan area. The most noteworthy changes since 1980 have been increases in the service sector, substantial increases in high-tech, and decreases in lumber-related employment. Overall, more than two-thirds of all current employment in the metropolitan area is in services, trade, and government.

Factors Affecting Population Distribution

Population growth has been more rapid in the outlying areas of metropolitan Portland-Vancouver than in the central areas. From a demographic perspective, family and individual residential location is influenced by income, age and life cycle status, ethnicity, housing choices, location of employment, and transportation options and preferences. Given the employment decentralization observed in metropolitan Portland-Vancouver, population decentralization was certain to occur. The consequences of the other factors are more ambiguous.

Over the 1990 to 2000 period, per capita income increased more rapidly than median household income in metropolitan Portland-Vancouver. The difference between the two is attributable to the composition of households. The mix of households has changed since 1990 as the number of single-parent, childless couples and single-adult households increased. By and large this change amounted to a shift toward household types that traditionally had lower incomes. This shift retarded growth in household median income at the same time that earnings growth, while not as strong as in the 1950s and 1960s, remained robust. As a result, increases in income may have contributed more to decentralization of population than the median income figures would suggest.

Decentralization tendencies created by income change and employment dispersion have been partially offset by an influx of migrants and changing household size. For the area as a whole, over two-thirds of the population increase from 1990 to 2000 was attributable to net migration. Most of this migration is made up of people from elsewhere in the United States who presumably are attracted by our growing economy and job opportunities, the attractive environment/quality of life, or both. During the 1990s, about one-fourth of metropolitan Portland's migration is attributable to migration from abroad; post-2000 one-half of the migration comes from abroad.

Age Composition

Fertility and mortality levels and the volume and composition of migration affect the age composition of the metropolitan Portland-Vancouver population. If there were no migration, then the current population would become steadily older because fertility levels are relatively low. In the long run—again, assuming no migration—the median age of the metropolitan population would increase from its current level of about 35 years to about 41 years in 2050. Migration has the short-run effect of making the population slightly younger. In the long run, however, continued in-migration will increase the average age of the metropolitan population. This statement may seem counter-intuitive. But migrants eventually become older themselves. A steady stream of in-migrants, even if somewhat younger at the time of migration, will increase the number of people who become older and will, eventually, increase the number and proportion of elderly.

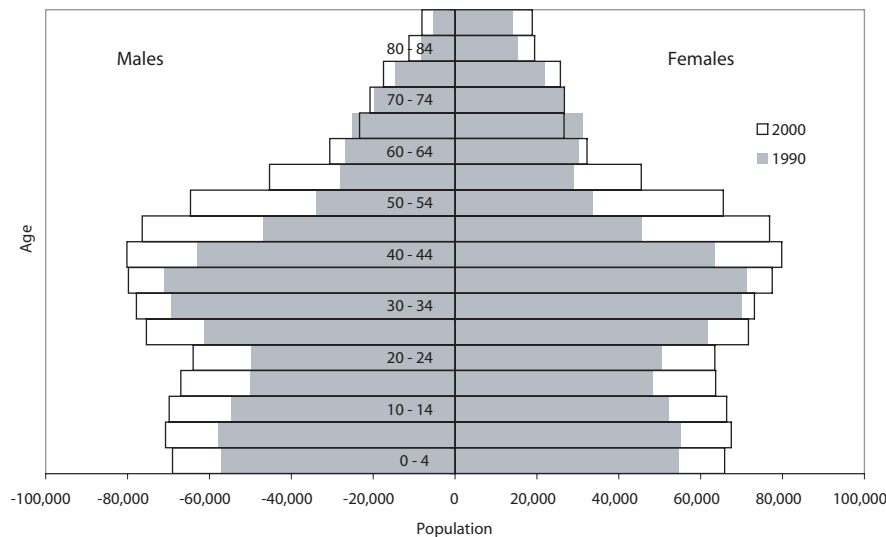


Figure 4: Changes in Population Age Structure in Metropolitan Portland-Vancouver, 1990-2000

Source: US Census Bureau

Figure 4 displays metropolitan Portland-Vancouver's population pyramid. Compared to Oregon and the United States, metropolitan Portland-Vancouver is slightly younger, reflecting the larger number of young adults who have arrived recently in the area. Post-Census 2000 reports list metropolitan Portland-Vancouver as one of the top destinations for young-college educated migrants.

Age composition is important for a variety of reasons. The number and proportion of people by age affects schools, the labor force, health care, and the demand for recreation, entertainment, and stores.

Children under the age of 5, although not yet attending school, determine the future needs of schools. The proportion of the population represented by this age group decreased from 7.6% to 7.0% despite an increase of 20,000 persons from 1990 to 2000.

Slightly less than one-fifth of metropolitan residents, or 18%, are between the ages of 5 to 17 years. In 2000, there were 354,000 metropolitan residents in these

school ages, an increase of 80,000 from 274,000 in 1990. This increase is reflected in the substantial growth of elementary, middle school, and high school students, particularly in school districts with rapid increases in younger couples.

Younger adults in the population, aged 18 to 24 years, are an important population group. They are the primary age group for the college population, for getting married, and for entering the labor force. The young adult population increased from 140,000 in 1990 to 178,000 in 2000, an increase of 38,000.

Despite an increase of 43,000 persons between the ages of 25 and 34, the age group's proportion decreased slightly, almost 2%, from 1990 to 2000. This group is very career mobile and is, therefore, affected by employment trends. However, once their young children become school age, they are less likely to migrate. The highest rates of net in-migration for the metropolitan area are for ages 20 to 34 years: more than one-half of younger in-migrants to Oregon settled in the metropolitan Portland area in the 1990s.

The working ages of 35 to 64 years are the main age group in the labor force. This age group also includes most parents in the metropolitan area. The population in the working ages grew from 530,000 to 754,000 during 1990 to 2000, and their representative proportion of the total population also grew nearly 4%.

The elderly population includes people who have a lower proportion in the labor force and are important users of health services. Although the number of elderly (ages 65 and over) increased by 15,000 from 1990 to 2000, growing from 183,000 to 198,000, their proportion of the total population decreased almost 2%; smaller depression-era cohorts joined the aged ranks during the latter half of the 1990s.

Racial/Ethnic Composition

The metropolitan Portland area population has a less diverse population than do other major population areas in the United States or on the West Coast. Metropolitan Portland's minority population constituted 20% of the metropolitan population in 2005. For metropolitan areas with population greater than one million, the U.S. average was 36%. Moreover, the metropolitan Portland

population is considerably less diverse than such other metropolitan areas as Seattle, San Francisco, San Jose, Los Angeles, or San Diego.

New Ethnic Categories

In 1998, the U.S. Office of Management and Budget directed the U.S. Census Bureau and other federal agencies to begin the transition to a revised federal classification scheme for racial and ethnic data. The new scheme affected 2000 census data and will gradually become common for other federal statistical data. There are two major changes in the new scheme. First and foremost, the census, surveys, and federal data collection forms allow respondents to report two or more race or ethnic groups if they wish. Second, native Hawaiians and other Pacific Islanders report themselves separately from Asian Americans.

Prior to the 2000 Census, we lacked accurate estimates for the number of Oregonians and metropolitan Oregonians who might report themselves as having multiple racial origins—that is, as identifying with two or more racial/ethnic groups. The majority of residents in Portland and Oregon reported themselves as white (80%) in the 2000 census. However, 3.3% of the population (53,480 in the metropolitan Portland area) identified themselves as having two or more races in the 2000 census.

The Portland-Vancouver metropolitan area's racial/ethnic composition, however, has experienced a recent dramatic increase in the minority population (see Figure 5). There have been gains in the minority population in every county in the metropolitan area since 1990. The overall minority population—including Asian Americans, Hawaiians and Pacific Islanders, Hispanics, African Americans, American Indians, and persons reporting two or more races—increased from 140,000 in 1990 to 307,000 in 2000, an increase of 119% (more than four times the rate of increase for the overall metropolitan increase of 23% during the same period).

The Portland-Vancouver minority population increased 119% from 1990 to 2000 and continued to rise by over 26% from 2000 to 2005 — over 3 times the overall population growth rate of 8%.

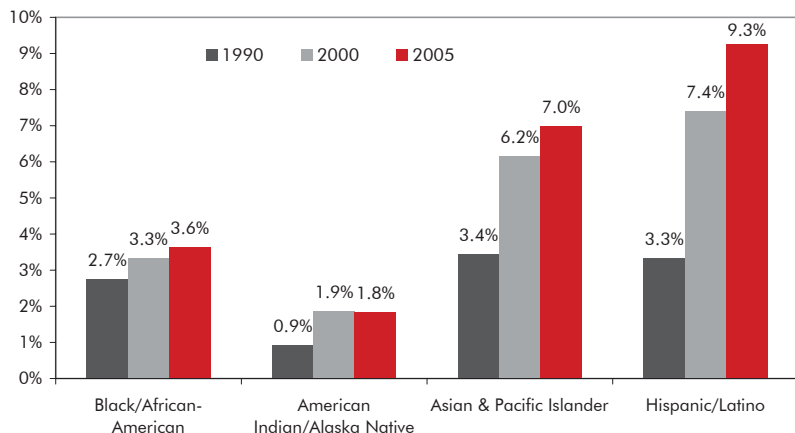


Figure 5: The Proportion of Minorities in Metropolitan Portland–Vancouver

Source: US Census Bureau, www.census.gov

Data for 2005 are based on U.S. Census Bureau estimates for the racial/ethnic composition of counties. The 2005 population estimates indicate that there has been continued growth for the Hispanic and Asian and Pacific Islander population.

The sources of the growth of the minority population vary. Almost all the African American and American Indian residents in metropolitan Portland are native-born. Many Asian American and Hispanic residents, however, are foreign-born, although native-born children often accompany them.

Fueled by internal and international migration, as well as fertility levels above the Oregon state average, Hispanics are the fastest growing minority population. The Hispanic/Latino population increased from 50,600 in 1990 to 142,400 in 2000, an increase of 181% during the period. Hispanics are currently the largest of the various minority groups in the Portland metropolitan area. U.S. Census Bureau estimates suggest that the Hispanic/Latino population numbers 195,000 in 2005, an increase of more than 52,000 since 2000.

Asian Americans, including Hawaiians and other Pacific Islanders, have the second fastest rate of growth of minority groups, increasing from 52,000 in 1990 to 119,000 in 2000, a growth of 127%. In 2005, an estimated 147,000 Asian

Americans and Pacific Islanders lived in the metropolitan area, an increase of 28,000 since 2000. Asian Americans have fertility levels similar to the Oregon state average. Metropolitan Portland receives a large number of immigrants from Vietnam, Hong Kong, Taiwan, Korea, Philippines, and Japan as well as Asian Americans who move here from other states. Asian Americans are the second largest minority population in the metropolitan area.

Pacific Islanders are a very small population group in Oregon in 2000, numbering only 8,000 – of whom 4,500 lived in metropolitan Portland. Although we lack data on net movements from Pacific Island areas, especially Hawaii, American Samoa and Guam, it is likely that migration of Pacific Islanders from Hawaii and other Pacific Island areas added to the metropolitan population in the 1990s. However, Pacific Islanders are likely to remain the smallest of Oregon’s and metropolitan Portland’s minority populations for the foreseeable future.

African Americans are the third largest minority population in the metropolitan area, numbering 44,000 in 2000, and increasing 16% from 1990. There is a net migration of African Americans into the metropolitan area, but at a considerably lower level than for Hispanics or Asian Americans. U.S. Census Bureau estimates for 2005 indicate that there has been overall change of almost 12,000 in the number of African Americans in the metropolitan area since 2000, or 18%.

The metropolitan Portland-Vancouver area included almost 36,000 American Indians and Alaskan Natives (AIAN) in 2000. This is a large increase from the 1990 population of 14,000. The large increase is due to the multi-racial identification of the AIAN population. In Census 2000, one-half of the AIAN population identified as solely AIAN and the other half identified as AIAN in combination with another racial group, mostly the white population. There is modest net migration of American Indians into the metropolitan area, from Oregon and nearby states, but the metropolitan American Indian population remains relatively small and does not appear to have changed significantly since 2000, increasing by 3,000.

Influence of Immigration

The size of the international migration influx to the United States in the 1990s rivaled the great waves of immigration experienced at the beginning of the century.

Taking illegal immigration into account, the best available estimate is that the total inflow amounted to about 1.1 million persons per year, or about 11 million during the 1990s decade. During 2000, California received about 26% of these newcomers, and another 40% went to the other five major immigrant-receiving states of New York, Texas, Florida, New Jersey, and Illinois.

While the flow of immigrants into Oregon may not be large, other evidence suggests that many immigrants, especially from Mexico, originally settled elsewhere before moving to Oregon.

Oregon's share of total U.S. immigration has been relatively modest. Oregon received about 1%, or 8,000 to 9,000 persons annually, of the total immigrant population arriving during 1990 to 2000. Over 80% of immigrants arriving annually in Oregon, or about 6,000 to 7,000, went to the metropolitan Portland area.

While the flow of immigrants into Oregon may not be large, other evidence suggests that many

immigrants, especially those from Mexico, originally settled elsewhere before moving to Oregon. As a result, the growth of the foreign-born population includes an unknown number of foreign-born persons who moved here from other states. At the current time, economic conditions in Mexico and nearby Central American countries continue to produce a steady stream of migrants intent on relocating in the United States. A plausible assumption is that some of the new immigrants to the United States from Latin America may eventually settle in Oregon, even if they initially live in some other state. The large and growing Mexican-origin population in California guarantees a source of future migrants who find Oregon attractive if job opportunities exist.

The social, political, and economic consequences of the inflow of migrants, both native and foreign-born, are substantial. The major social consequence is that an area that has been ethnically homogeneous is becoming less so. While active

political participation for some ethnic groups will take time, general minority participation in city, state, and congressional campaigns increased in the past decade. Economically, the influx of new residents has increased younger minority workers in the metropolitan labor force, adding low and semi-skilled workers as well as managerial and professional workers.

Implications for Future Growth

Population in the metropolitan Portland-Vancouver area grew from 1.5 million in 1990 to 1.9 million in 2000 and 2.1 million in 2005. Population is expected to grow to about 2.3 million by 2010. The metropolitan Portland-Vancouver population is expected to increase by 9.3% between 2000-2005 and will grow 9.0% between 2005-2010, an annual growth rate of 1.8% for the 2000-2010 period. Long-term forecasts project that the population will increase to 2.4 million in 2015, 2.6 million in 2020, and 2.8 million in 2025.

The age composition of the population will change as a result of low fertility, increasing life expectancy, and continued net in-migration (see Figure 6). Although all population age groups will increase between 2000 and 2025, the percentage distribution of the population by age will change.

- A slight increase is initially expected in the proportion of the population less than 18 years of age due to the high number of recent in-migrants of child-bearing age. As this in-migration pattern ceases, the proportion of children less than 18 years of age will decrease, reflecting a continuation of existing low fertility levels.
- The proportion of young adults, aged 18-to-24 years, will decrease slightly.
- The proportion of the population in the working ages of 25-to-64 years will increase modestly during the next 10 years, reflecting continued in-migration of younger persons, will peak in about 2010, and will then decrease between 2010 and 2025.

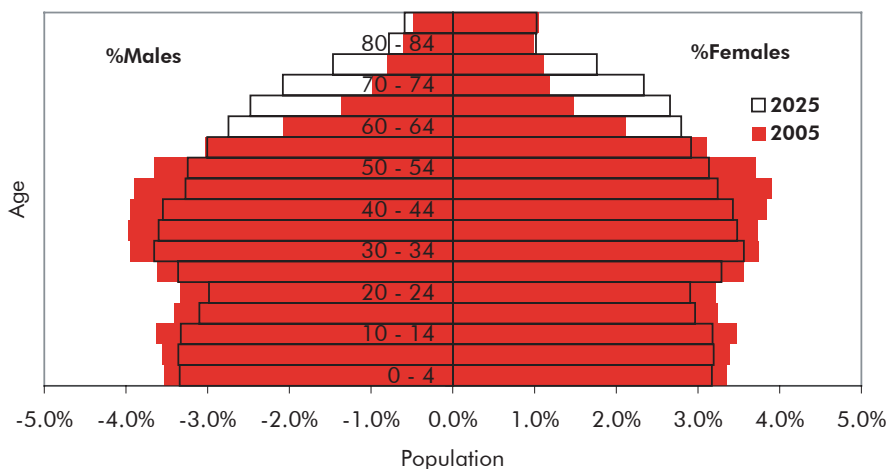


Figure 6: Projected Population Aging in Metropolitan Portland-Vancouver, 2005-2025
 Source: State of Oregon, Office of Economic Analysis; State of Washington, Office of Financial Management

■ Oregon’s population, similar to the U.S. population, will not experience rapid increase in the older population until the larger birth cohorts of the Baby Boomer era begin to retire. The first large group of Baby Boom births occurred in 1946 and will become 65 years of age in 2011. After 2010, therefore, Oregon’s older population will sharply and steadily increase in relative and absolute numbers for 20 years, from about 2010 to 2030.

■ The proportion of persons 65-years-of-age and older increased (unexpectedly) from 1995 to 2000, but decreased until about 2005. It will begin to increase as the Baby Boomers enter this age group.

The accuracy of these forecasts depends upon a series of assumptions concerning national, regional, and state trends, especially for the local metropolitan economy. Oregon’s Office of Economic Analysis prepares population forecasts for Oregon and its counties. Metro prepares population and related forecasts for the Portland-Vancouver metropolitan area.

The pace of population growth has slackened appreciably in the past several years, following strong economic and population growth throughout most of the 1990s. Although economic recession has resulted in decreased employment opportunities, prospects for future population increases are moderate.

Compared with trends of the previous decade, our forecasts for population growth in the next 10 years suggest that moderate growth will occur. In the past, metropolitan Portland-Vancouver has thrived in good times and, except for dramatic shifts in the regional economy in the 1980s, has survived fairly well in bad times. Despite currently higher unemployment rates, there is little evidence that metropolitan Portland-Vancouver has lost its favored status among West Coast metropolitan areas for future continued moderate population growth.

