The STEPHEN S. FULLER INSTITUTE for Research on the Washington Region's Economic Future

SCHAR School of Policy and Government
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Young Adults in the Washington Region: 2010-2017

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Executive Summary

This report examines two measures of young adults in the Washington region: the one-year changes in 25-34 year olds between 2010 and 2017, and the five-year change in the oldest members of the Millennial generation, those born between 1983 and 1992, between 2012 and 2017.

The one-year changes in 25-34 year olds measure the relative attractiveness of the Washington region for young adults in this age group:

- This age group has now had two consecutive annual gains.
- The region has fully pivoted away from the slowing trend in prior years.
- However, the region continues to underperform the nation and the other large metros.
- The pattern of the one-year changes in 25-34 year olds differs by demographic:
    - The losses that occurred around 2015 were driven by 25-29 year olds, women, and Hispanic and white, non-Hispanic people.
    - The acceleration in gains in 2017 was driven by 25-29 year olds, men, and a smaller decrease in white and not Hispanic people.

The oldest Millennials include people born between 1983 and 1992. This birth cohort was between 20 and 29 years old in 2012 and between 25 and 34 years old in 2017. As this cohort "aged up," the Washington region had a net gain in the number of these oldest Millennials living in the region:

- The number of the oldest Millennials living in Washington increased 12.2% between 2012 and 2017.
- The increase in the oldest Millennials was smaller compared to the change in the youngest Generation Xers (+17.0%) as they entered their late 20s and early 30s.

Even though the annual changes suggest that the region was relatively more attractive to young adults in recent years, it appears the oldest Millennials have had subdued growth relative to both the historic patterns and the other large metros. The smaller increase may have a lasting effect, as the region is less likely to be a net importer of this generation as they age into their late 30s and beyond.

Young Adults in the Washington Region: 2010-2017

This report is divided into two parts: an examination in the one-year changes in 25-34 year olds and an examination of the five-year change of Millennials born between 1983 and 1992. The one-year changes in 25-34 year olds do not directly correspond to changes in the Millennial population; these fixed age groups do not reflect the "aging up" of Millennials. Instead, the one-year changes are used to indicate the potential shifts in the relative attractiveness of the Washington region for young adults as they reach the 25-34 year old age group. The five-year change in the oldest Millennial birth cohort are used to examine the overall trend, and its implications, of the presence of older Millennials in the Washington region.

Trends in 25-34 Year Olds: 2010-2017

The number of 25-34 year olds in the Washington region increased significantly in 2011. These gains moderated in the following years and, in 2015, the region was home to fewer 25-34 year olds compared to 2014. This slowing trend reversed in both 2016 and 2017, and the increase in 2017 was the largest since 2013. Despite the strong gain relative to prior years, the Washington region's growth continued to lag that in the U.S. and the other large metros.

The change in 25-34 year olds were driven by different demographic groups. The losses that occurred around 2015 were driven by 25-29 year olds, women, and Hispanic and white, non-Hispanic people. During this period, the region had continued increases in 30-34 year olds, men, and not Hispanic people who were either Black/African American, Asian or multi-racial. The acceleration in gains in 2017 was driven by relatively large increases in 25-29 year olds and men, and a smaller decrease in white and not Hispanic people.

The Washington Region

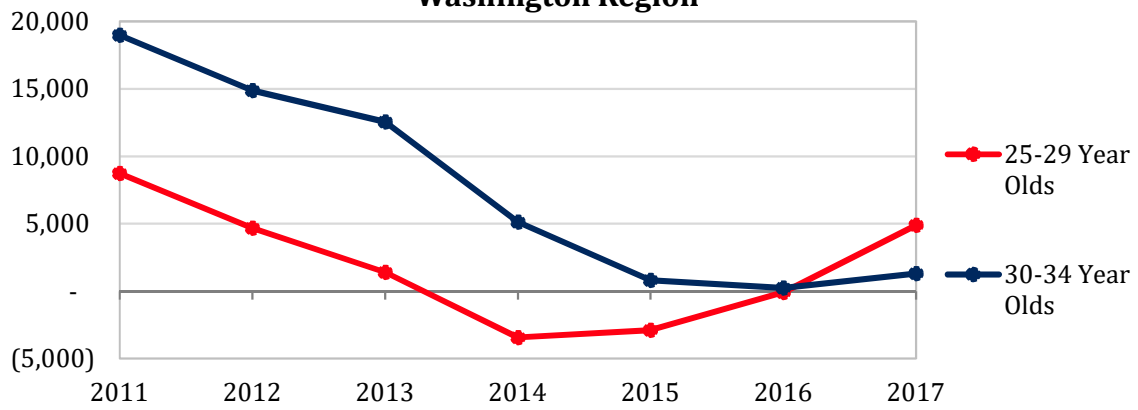
According to the newest data, the number of 25-34 year olds living in the Washington region increased 0.7 percent and by 6,190 people in 2017. While the growth in this age group lagged the total population growth (+1.1%), this is the largest gain since 2013. It also appears that the region has fully pivoted away from the slowing trend that occurred in prior years, in part due to revisions to these data.

The trends differ slightly by five-year age group (Figure 1). The gains in the population aged 25-29 years old slowed between 2011 and 2013 and became negative in 2014. The loss in 2014 was the largest during this time period: -3,430 people and -0.7 percent. The losses moderated in 2015 (-2,890 people) and flattened in 2016 (-100 people). The increase of 4,900 people in 2017 was the largest since 2011 and reflects an acceleration in the upward trend from prior years.

By contrast, the region added 30-34 year olds during every year since 2010, although the gains slowed between 2011 and 2014 and flattened in 2015 (+800 people) and 2016 (+230

people). In 2017, the region added 1,295 people aged 30-34 years old. While this is the largest increase since 2014, it reflects only a modest shift from the prior two years.

Figure 1. Change in Population Aged 25-34 Years Old
Washington Region

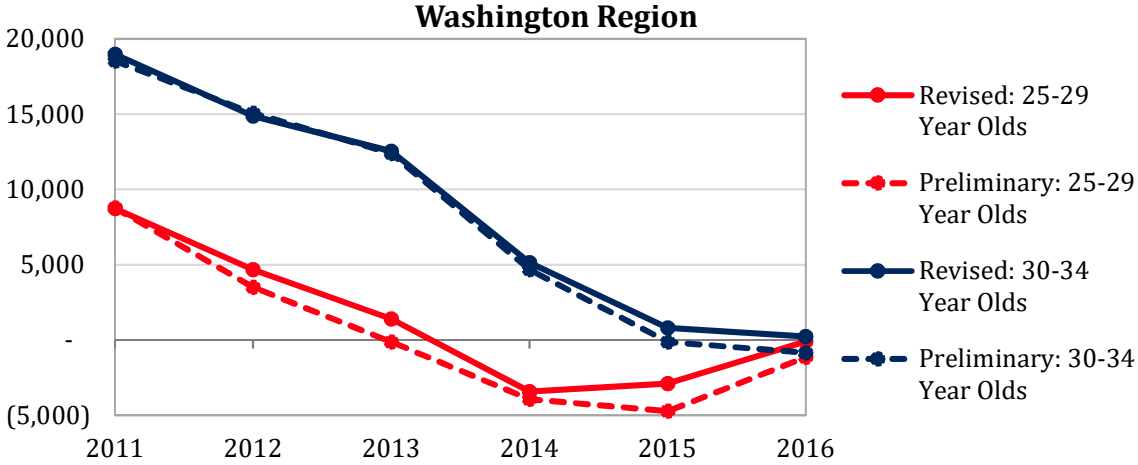


Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

The newest data have been revised from last year's release, which showed four consecutive decreases (2013, 2014, 2015 and 2016) for the 25-29 year old age group and the two consecutive declines (2015 and 2016) for the 30-34 year old age group.

Even though the magnitude of the revisions was relatively small, they alter the overall pattern of changes for these age groups. The revised data show that the losses in both five-year age groups were somewhat smaller and reached their trough earlier. The upward revisions further indicate that both age groups are now following an upward pattern of growth.

Figure 2. Change in Population Aged 25-34 Years Old:
Preliminary (2016) & Revised (2017) Releases
Washington Region



Source: U.S. Census Bureau (Vintage 2016 & 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

Altogether, it appears that slowing pattern of growth in 25-34 year olds that resulted in losses in 2015 has reversed. This reversal was more pronounced for 25-29 year olds and the shift for 30-34 year olds was somewhat weaker.

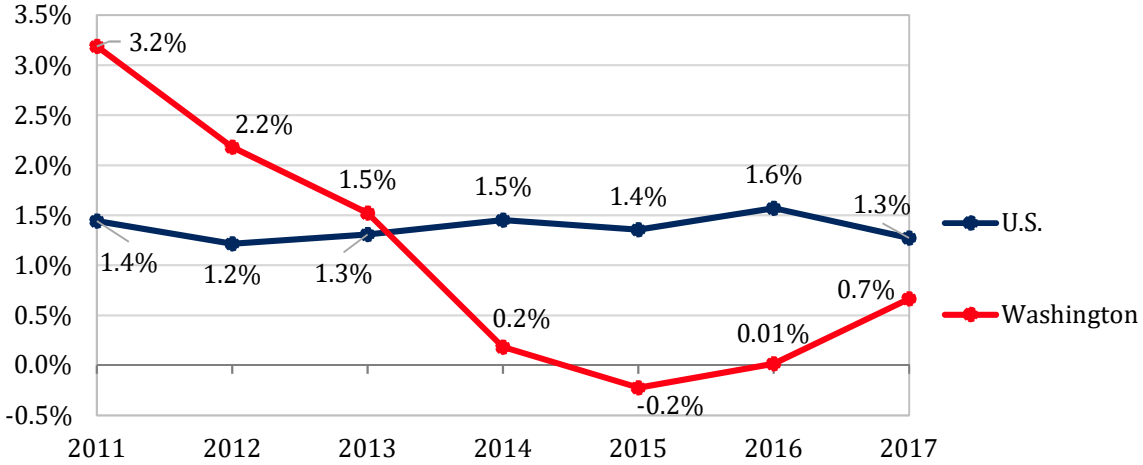
The U.S. and 15 Largest Metros

Even with this reversal from the prior years' trend, the Washington region underperformed the growth in 25-34 year olds in both the U.S. and the other large metros in 2017.

As shown in Figure 3, the Washington region had significantly faster growth in the number of 25-34 year olds living in the region than in the nation during 2011 and 2012. In 2013, the growth in the region was only modestly larger than the nation's and, by 2014, the region significantly underperformed the national gains in this age group. This underperformance continued in both 2015 and 2016; the nation's annual growth in 25-34 year olds exceeded the region's by 1.6 percentage points for both years.

In 2017, the number of 25-34 year olds in the Washington region increased 0.7 percent compared to the national increase of 1.3 percent. While the region's growth was only about one-half (52.3%) that of the nation's, the region performed relatively better compared to the prior three years.

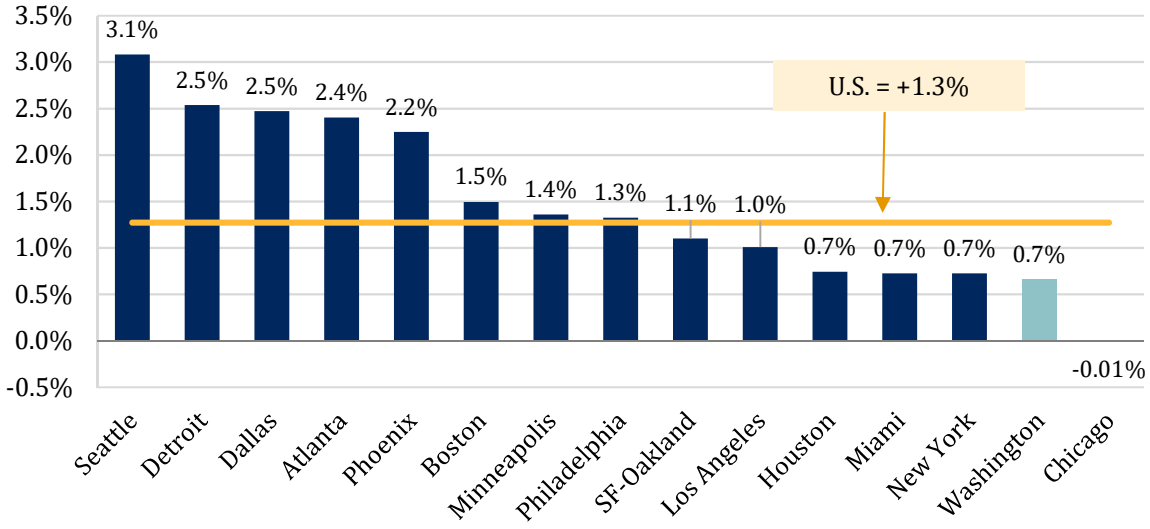
Figure 3. Percent Change in 25-34 Years Old U.S. and the Washington Region



Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

Similarly, the region continues to underperform its peer metros. The Washington region ranked 14th of the 15 largest metros in terms of growth in 2017. Chicago ranked 15th and had an absolute decline in 25-34 year olds compared to 2016. The Washington region has ranked 14th in every year between 2014 and 2017. In 2011, it ranked first.

Figure 4. Percent Change in 25-34 Years Olds 2016 - 2017



Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

Altogether, the number of 25-34 year olds in the region increased 7.7 percent between 2010 and 2017. Of the 15 largest metros, the Washington region had the 14th smallest seven-year growth in 25-34 year olds, in spite of the strong gains early in the period.

Additionally, this age group has fallen modestly as a share of the Washington region's population. In 2010, 15.3 percent of all residents in the region were between 25 and 34 years old, the largest share of the largest 15 metros. In 2017, just 15.1 percent of the region's population were in this age group. As of 2017, 25-34 year olds were more concentrated in Seattle (16.7%), San Francisco-Oakland (16.3%), and Los Angeles (15.7%) than in the Washington region.

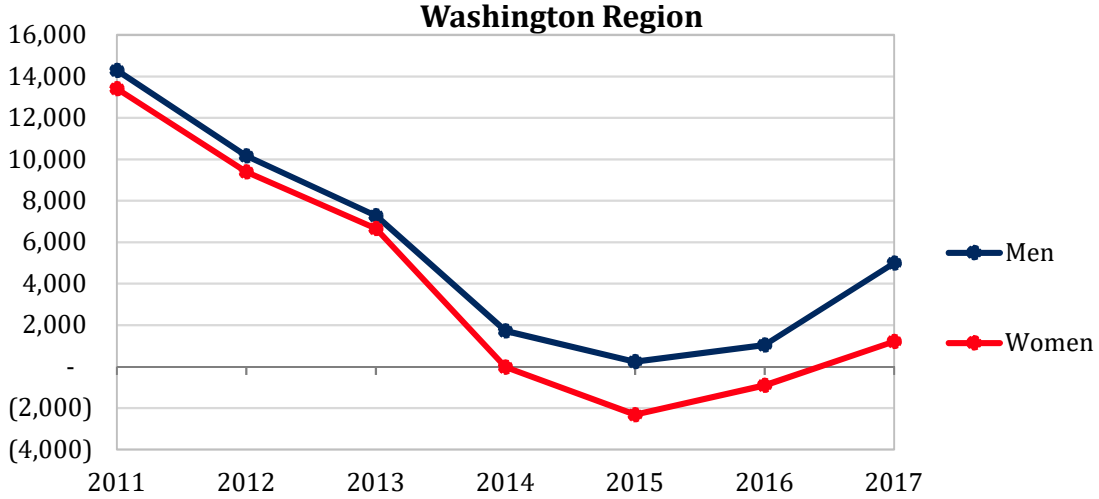
While the Washington region had stronger gains in 25-34 year olds compared to the region's prior performance, these gains were not large enough to improve the region's performance relative to the other large metros.

Trends by Sex in the Washington Region

As shown in Figure 5, the trends in 25-34 year olds differed for men and women. The change in the number of women was consistently smaller than the change in men. As a result, the overall losses in this age group was disproportionately driven by women.

The absolute increases in the number of women aged 25-34 years old lagged that of men in 2011, 2012 and 2013. Because women account for a slightly larger share of this age group (51.2% in 2010), the difference was somewhat larger on a percentage basis.

Figure 5. Percent Change in 25-34 Years Old by Sex Washington Region



Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

The number of women aged 25-34 years old decreased minimally in 2014 (-20 people and -0.004%), while the number of men continued to increase, albeit at a slower rate than in prior years (+1,730 people and +0.4%). In 2015, the number of people in the 25-34 age group decreased, with the losses driven entirely by women, and predominantly by women aged 25-29 years old.

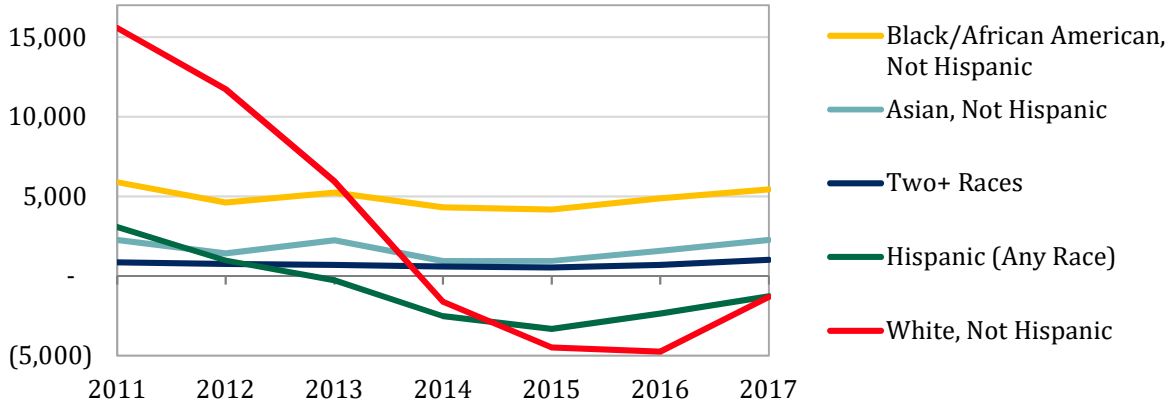
Trends by Race and Ethnicity in the Washington Region

Figure 6 shows the change in 25-34 year olds by select race and ethnicity. The overall trend in 25-34 year olds was driven by white and not Hispanic people and Hispanic people of any race. All other races and ethnicities had annual gains throughout the period.

The annual population change in 25-34 year olds was relatively stable for non-Hispanic people who were either Black/African American, Asian or multi-racial. The population in these groups had consistent growth and accounted for a net gain in this age group for each year during this time period.

The losses in 25-34 year olds were driven entirely by people who were either Hispanic (of any race) or white and not Hispanic. The number of 25-34 year olds who were Hispanic decreased starting in 2013. The losses accelerated through 2015, and the Washington region had 3,315 fewer Hispanic residents aged 25-34 in 2015 compared to 2014 (-2.0%). In 2016 and 2017, the losses moderated. In 2017, the region was home to 1,310 fewer Hispanic residents aged 25-34 compared to 2016 (-0.8%). The overall Hispanic population in the region had continuous gains during this period and the losses in the 25-34 year old age group were offset by larger increases in other ages.

Figure 6. Change in 25-34 Year Olds by Select Race/Ethnicity*



Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU *Excludes American Indian & Native Alaskan, not Hispanic

The change in the white and not Hispanic population was similar to the overall pattern of growth in 25-34 year olds during this period. Gains in 2011 and 2012 were relatively large, but slowed quickly. By 2014, the region had losses in the number of white, non-Hispanic people aged 25-34. These losses accelerated through 2016, when the region had 4,750 fewer white, non-Hispanic residents aged 25-34 compared to 2015 (-1.1%). The losses moderated to -1,310 (-0.3%) in 2017. The 25-34 year old age group mirrors the overall pattern of change for all white, non-Hispanic residents in the Washington region. Overall, growth in white, non-Hispanics slowed between 2011 and 2013, turning negative in 2014.

Change in the Oldest Millennials: 2012-2017

The oldest Millennials are a birth cohort including people who were born between 1983 and 1992. In 2017, this birth cohort was between 25 and 34 years old and included 936,360 people living in the Washington region. In 2012, this cohort was between 20 and 29 years old and only included 834,460 people in the Washington region. This 12.2 percent increase primarily reflects a net five-year in-migration (both international and domestic) as these oldest Millennials reached their late 20s and early 30s.

The Washington region has historically been a net importer of young adults as they "age up" from their early and late 20s into their late 20s and early 30s. The increase in the oldest Millennials that occurred between 2012 and 2017 was somewhat smaller than the increase that occurred in prior generations as they reached the same age. The youngest Generation Xers, including people born between 1971 and 1980, experienced the same "aging up" between 2000 and 2005. The increase in these youngest Gen Xers was 17.0 percent, 4.8 percentage points larger than the comparable increase in the oldest Millennials.

The Washington region was a net importer of adults as they reached their 30s and early 40s, but the rate of gains slowed considerably. The region had net losses on a five-year

basis of adults once they reached their late 40s. Going forward, these trends indicate that the Washington region will be less able to capture the members of the oldest Millennial generation as they all reach their 30s and beyond.

Defining Millennials

The number of the oldest Millennials living in the Washington region has increased as this generation reaches their late 20s and early 30s. Between 2012 and 2017, the number of the oldest Millennials, those born between 1983 and 1992, increased 12.2 percent in the Washington region. However, the Washington region has historically been a net importer of young adults, so an increase occurs regardless of the generational cohort. Compared to the increase in the youngest Generation Xers as they reached their late 20s and early 30s, the increase in comparably aged Millennials was relatively small.

The Millennial generation is a birth cohort, so the change in the number of 25-34 year olds between 2016 and 2017 is not entirely indicative of the change in Millennials. Because the Millennial generation is aging, a correct comparison of the same birth cohort of Millennials would be between the number of 25-34 year olds in 2016 compared to 26-35 year olds in 2017; in other words, the age groups would need to "age" with generation to reveal if the region were gaining/losing this birth cohort. Because these data are not available, this report will do the next best thing: look at the changes over a five-year period.

The Millennial generation typically refers to people born between 1982 and 2000. In 2017, this cohort was between 17 and 35 year old. The Washington region has historically been a net importer of people after they enter their 20s, so this report will continue to focus on Millennials older than 25. Similarly, these data are limited to five-year age groups, so this report defines the oldest Millennials as those born between 1983 and 1992.

Change in the Oldest Millennials in the Washington Region

In 2012, the region was home to 834,460 people who were born between 1983 and 1992 and were then between 20 and 29 years old. In 2017, this same birth cohort was five years older (between 25 and 34 years old) and included 936,360 people living in the Washington region. The net change of these oldest Millennials between 2012 and 2015 was an increase of 101,900 people and 12.2 percent.

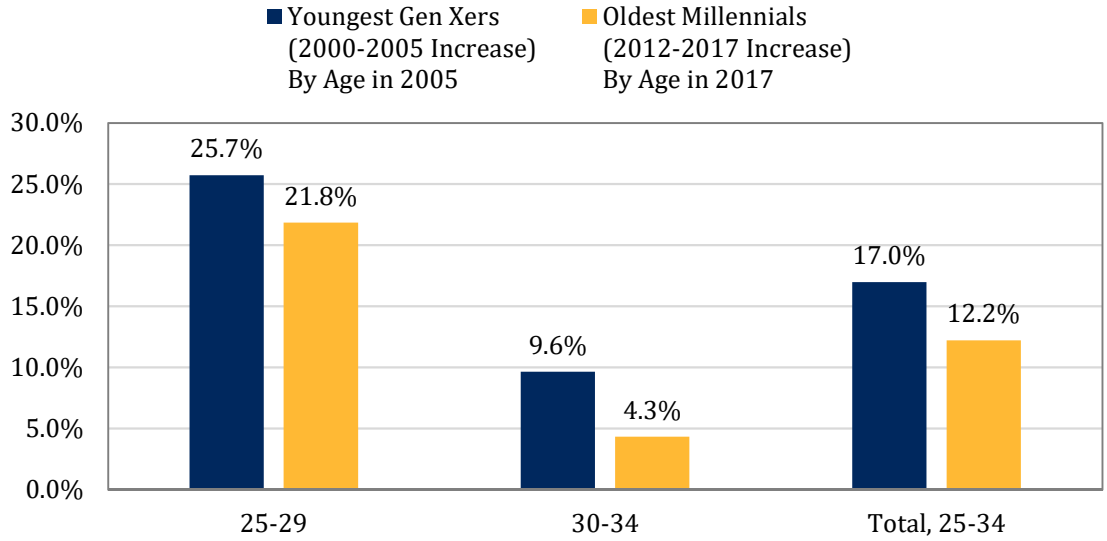
Figures 7 and 8 show the change by birth cohort in five-year groups. These oldest Millennials are shown as 25-29 year olds and 30-34 year olds in 2017. The increase in the number of the oldest Millennials living in the region was driven by those who were 25-29 years old in 2017 and born between 1988 and 1992. This birth cohort increased 21.8 percent between 2012 and 2017. The number of residents born between 1983 and 1987 and were 30-34 years old in 2017 increased 4.3 percent from 2012 to 2017.

When compared to prior increases in the number of 25-29 year olds and 30-34 year olds of other generations, this five-year gain from the oldest Millennials is relatively small. For

example, the youngest Generation Xers includes people born between 1971 and 1980. In 2005, this birth cohort was between 25 and 34 year old (the same age as the oldest Millennials examined here).

Figure 7 compares the recent increase in the oldest Millennials (born 1983-1992) and the prior increase in the youngest Gen Xers (born 1971-1980) as both cohorts "age up" from being 20-29 years old to being 25-34 years old. For the oldest Millennials, this occurred between 2012 and 2017. For the youngest Gen Xers, this occurred between 2000 and 2005. The label in the graph shows the age at the end of each time frame.

Figure 7. Five-Year Change by Birth Cohort



Source: U.S. Census Bureau (Vintage 2017 & 2000-2010 Intercensal Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

The Washington region was a net importer of the youngest Gen Xers as they reached their late 20s and early 30s. Overall, the number of youngest Gen Xers living in the Washington region increased 17.0 percent between 2000 and 2005, corresponding to this birth cohort "aging up" from being 20-29 to 25-34 years old. This increase was 4.8 percentage points larger compared to the same "aging up" of the oldest Millennials that occurred between 2012 and 2017.

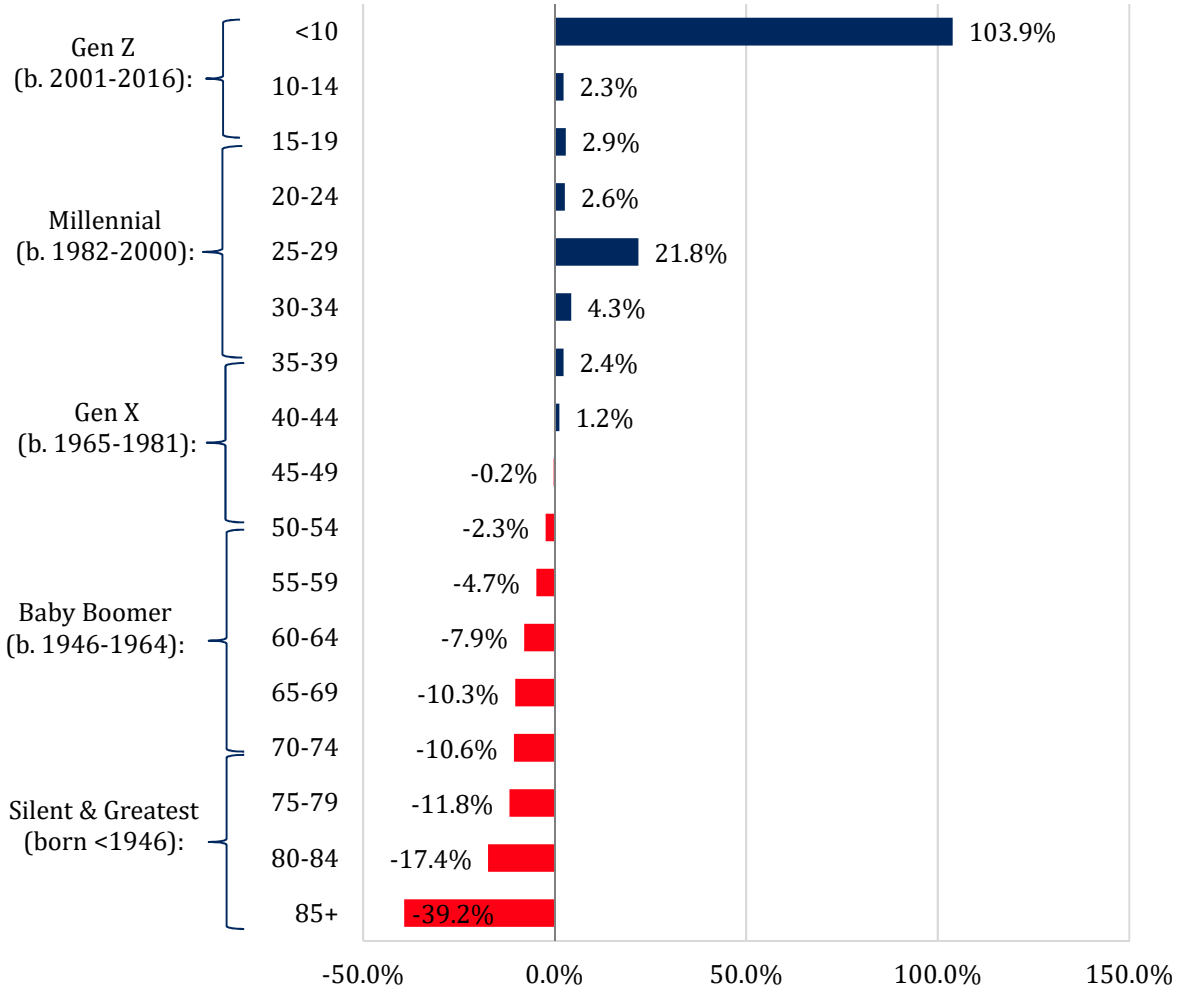
Altogether, the Washington region had a net increase in the number of the oldest Millennials living in the region between 2012 and 2017. This gain, however, is somewhat smaller than for prior generations. Other research suggests that Millennials are leaving the Washington region at greater rates to live elsewhere in the nation, at least during part of this five-year period. That could mean that the total five-year gain was driven entirely by international migration, but the an equally likely explanation is that the domestic migration patterns contributed to some of this increase including some years with net gains and some years of net losses.

Change in All Generations in the Washington Region

Even with the net gains on a five-year basis of the oldest Millennials, the fact that the increase is weaker than for past generations will continue to have implications for the Washington region.

Figure 8 shows the change by birth cohort in five-year groups between 2012 and 2017. The largest gains by generation were from Generation Z, many of whom were born during the 2012-2017 period. The largest decrease was from the Silent and Greatest generations; the majority of this decrease was likely the result of deaths. The other five-year changes by generation primarily reflect migration patterns (both domestic and international), although death rates play a larger role for the cohorts in the older age groups.

Figure 8. Population Change Between 2012 and 2017
By Birth Cohort and Age in 2017



Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU

Aside from the large increase in the Millennials who were aged 25-29 in 2017, the growth for all other working-age generations during this five-year period was small. The region continued to be a net importer of adults as they reach their 30s and early 40s, but the region had net losses once people reach their late 40s.

This means that the magnitude of the change as young adults reach 25-29 and 30-34 years old has a lasting importance. The Washington region has been historically less likely to be a net importer of adults as they reach their late 30s. The smaller gain in the oldest Millennials in recent years is unlikely to be reversed as this cohort ages.

Conclusion

The one-year changes in 25-34 years is an important indicator of the Washington region's attractiveness to young adults. The recent trends show that the slowdown that occurred in 2014 and 2015 has passed and the number of 25-34 year olds is following an upward trajectory. Even so, the region continued to underperform both the nation and the other large metros in 2017, suggesting that the region remains relatively less attractive than it was in 2011 and 2012.

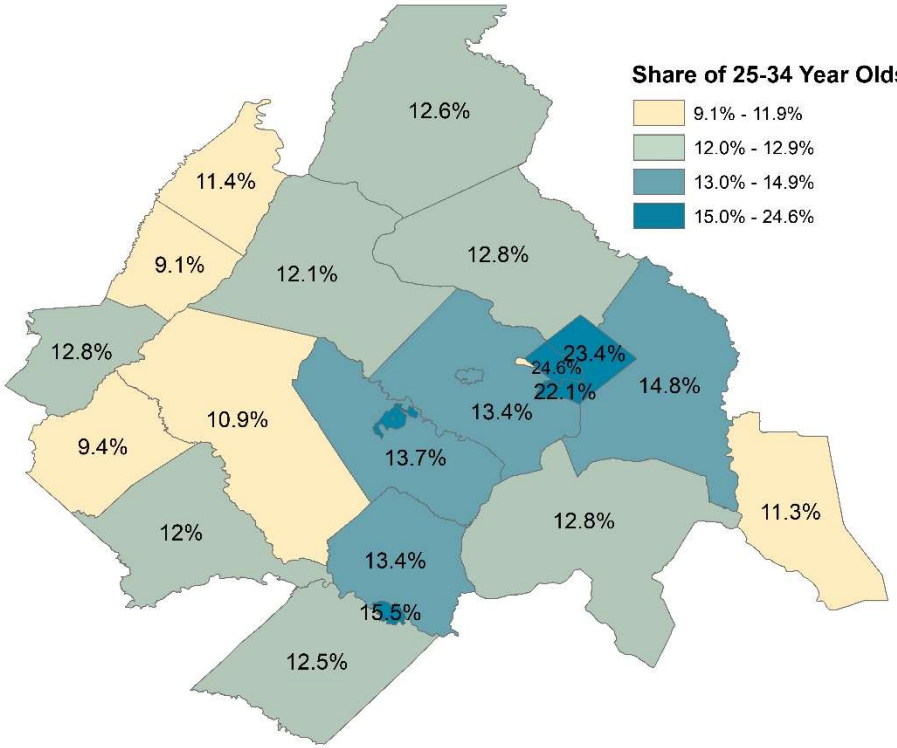
The number of the oldest Millennials living in the Washington region increased between 2012 and 2017, but this increase was somewhat smaller than for past generations when they were in their late 20s and early 30s. The one-year declines in 25-34 year olds were not indicative of a longer-term decline in the oldest Millennials, but may reflect a temporary weakness that subdued the overall gains during the five-year period. As all of the oldest Millennials enter their 30s, it will be increasingly unlikely that this older cohort of this generation will increase significantly.

About These Data

These data are from the Vintage 2017 County Population by Characteristics Estimates from the U.S. Census Bureau released June 21, 2018, the Vintage 2016 County Population by Characteristics Estimates released June 22, 2017, and the 2000-2010 Intercensal Population Estimates by Characteristics released September 2011. All data are estimates as of July 1 of each year. The 2013 metropolitan statistical area delineations are used throughout for all metros and all years. The largest metros are measured by Gross Regional product in 2016.

The current data are estimates based on 2010 Census counts and administrative data and will be revised in 2020, after the release of the 2020 Census. The Population Estimates data examined in this report are used as controls in both the American Community Survey and other major surveys. For more about the population estimate methodology, see https://www.census.gov/programs-surveys/popest/technical-documentation/methodology.html.

Additional Maps by Jurisdiction



Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
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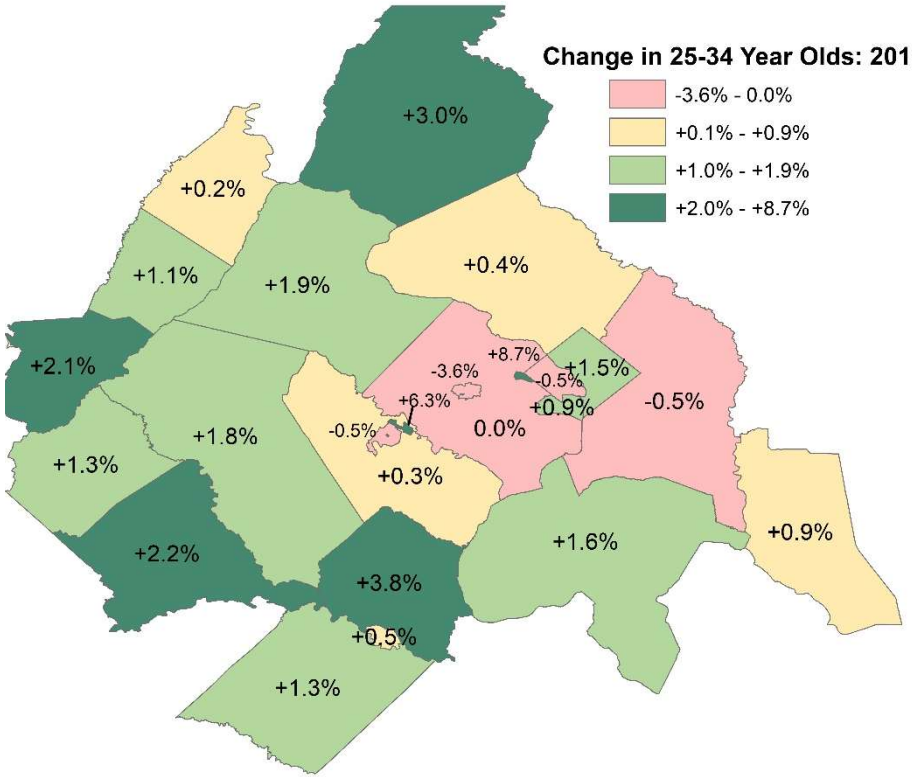

Source: U.S. Census Bureau (Vintage 2017 Population Estimates);
The Stephen S. Fuller Institute at the Schar School, GMU