

North Carolina's Population: Short-term Challenges, Long-term Growth Factors



May 2021

Executive Summary

- There were 10.4 million people living in North Carolina in 2020 – the ninth largest state in the nation.
- North Carolina had the sixth largest state population gain over the last decade.
- North Carolina gained one additional congressional seat as a result of population growth.
- The COVID-19 pandemic slowed North Carolina's population growth over the last year but the State Demographer expects the growth to return to higher rates of growth once more of the population is fully vaccinated.
- Net migration has been a key component of the state's growth and is likely to remain a driver of population growth over the next decade.
- NC's rural population remains significant, but most growth has occurred in or around larger cities, with more than half of 2010-19 growth occurring in just six counties.
- The population is aging and the fastest growth of the 65+ population is in urban areas.
- North Carolina is becoming more diverse, with children of color comprising almost half of the under 18 population by 2019.
- OSBM will provide technical expertise and training opportunities so local governments and state agencies understand how to access and use 2020 Census data.

This report was prepared by the State Demographer of North Carolina. All population projections included in the report were created prior to the release of the Census 2020 results. For more information on the demographics of North Carolina, visit: www.osbm.nc.gov/facts-figures/population-demographics

NORTH CAROLINA CONTINUES TO LEAD POPULATION GROWTH

The 2020 Census results are out and once again, North Carolina leads in population—surpassing population growth in all but five states. Over the last decade, North Carolina added roughly 904,000 people. This is the **sixth largest numeric gain** among states.

This growth propelled North Carolina to the **ninth most populous state** in the nation in the past decade, with a resident population of 10.4 million in 2020. As a result, the state gained one additional congressional seat after the 2020 Census apportionment numbers were reported on April 26, 2021.

Even as the global pandemic has challenged the social fabric and economy of North Carolina, the state continues to grow, albeit at a slower rate. The State Demographer projects the state's population will increase by just 71,000 people from July 1, 2020 to July 1, 2021, in comparison with the pre-pandemic trend of roughly 110,000. As vaccinations become more widespread and the economy recovers, population growth will likely recover to pre-pandemic levels. The State Demographer projects that North Carolina's population will reach 11.7 million people by July 1, 2030.

COVID-19 CHALLENGES TO POPULATION GROWTH

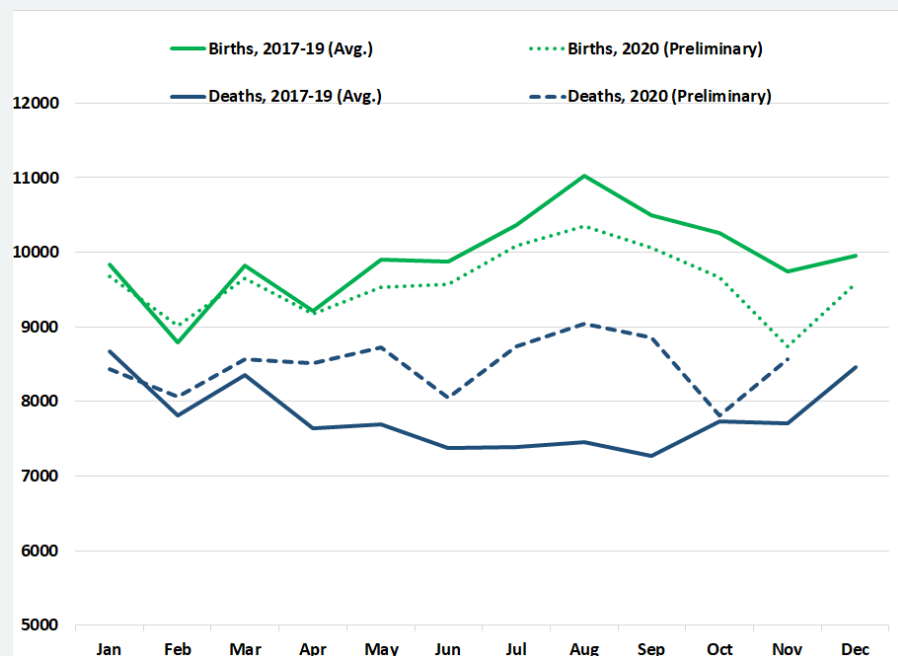
It will be at least another year before we understand the full impacts of COVID-19 on mortality, fertility, and migration and on the resulting population change. Because of these unknowns, there is more uncertainty in projections of population change for the short term than would normally be the case.

By March 2021, there were over 11,000 reported deaths attributed to COVID-19, and preliminary monthly statistics for 2020 show deaths overall in excess of pre-pandemic expectations (Figure 1)

While the coronavirus death rate has decreased, we will continue to see higher than expected rates of mortality until a large portion of the population receives the vaccine.

Monthly birth data, though incomplete, also indicate that 2020 births are lower than pre-pandemic expectations. During uncertain times, fertility rates typically decline as couples delay major decisions, including having children. The pandemic's full effect on fertility would not be seen until the last quarter of 2020 and continuing into 2021. Thus, due to more deaths and fewer births, natural increase was lower last year than in the recent past, and it will likely remain so until the pandemic is under control.

Figure 1
Pandemic Caused Fewer Births and More Deaths in North Carolina
Births and Deaths by Month Compared



Source: North Carolina Department of Health and Human Services, Division of Public Health, State Center for Health Statistics (preliminary data as of April 26, 2021)

COVID-19 has challenged migration too. While people move for a variety of reasons, chief among them is job opportunities. Even relocating retirees depend upon economic stability. Prior to the pandemic, the state's migration rate was gradually recovering from the Great Recession. National surveys and other indicators point to fewer permanent state-to-state moves during the pandemic. International migration, which accounts for a quarter of North Carolina's net migration, virtually stopped due to international travel restrictions, limits on legal immigration processes, and limited economic opportunities.


As the state recovers from the pandemic, pre-pandemic patterns are likely to return. Post-pandemic, North Carolina may also benefit from additional migration from other areas as employers and employees re-think flexible work options and relocate to areas with natural and other amenities.

MIGRATION REMAINS A CRITICAL COMPONENT OF RECENT AND FUTURE POPULATION GROWTH

Beginning in the 1970s, net migration became a more important factor in North Carolina's population growth, reaching two-thirds of growth in the last decade. Three of every four migrants moved here from other states (the remainder having moved here from abroad). The Census Bureau estimated that 639,000 more people moved to North Carolina than left between April 1, 2010 and July 1, 2019, more than any of our neighboring states (Figure 2).

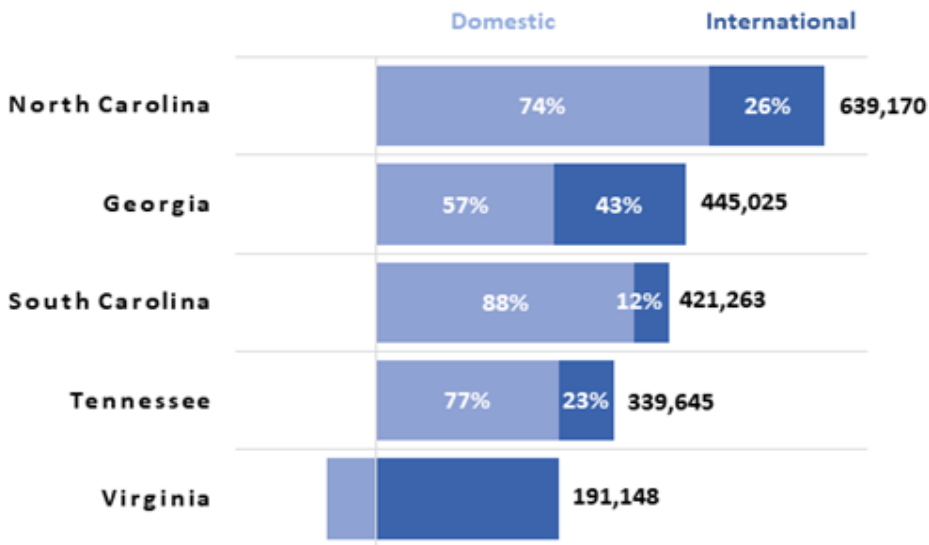
Of all 50 states, only Florida (+1.3 million net domestic migrants) and Texas (+1.1 million net domestic migrants) had more net domestic migrants than North Carolina. The importance of net migration for population growth is projected to continue, with the State Demographer projecting that 84% of the state's growth will be derived from net migration.

Net migration accounted for **68%** of population growth 2010-20



Net migration is expected to account for **84%** of population growth 2020-30

Figure 2
North Carolina Gained More Migrants Than Neighbors 2010 to 2019
Number of Net Migrants and Percent Domestic/International



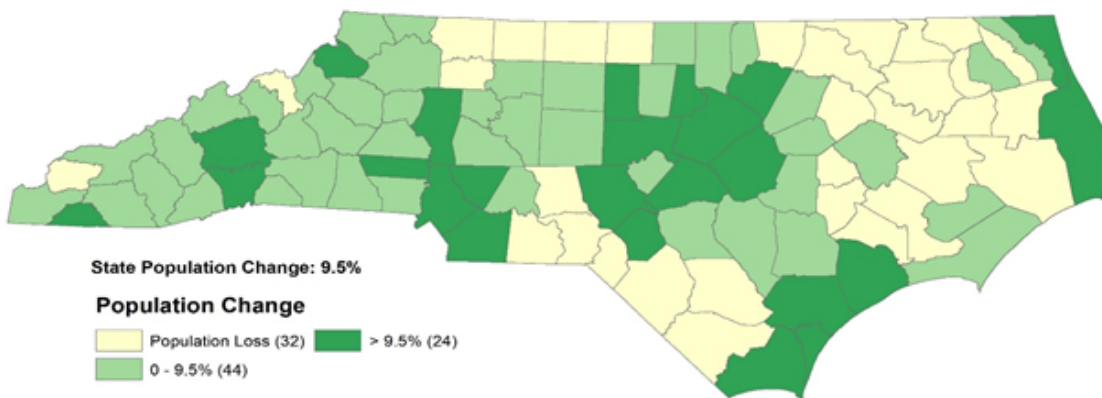
Note: International migration accounted for all of Virginia's net gain as more Virginians leave for other states and D.C. than people move to VA.

Source: US Census Bureau, State Population Estimates, Vintage 2019

RURAL POPULATION SIGNIFICANT, BUT MOST GROWTH IS IN URBAN COUNTIES

Rural areas and small towns are an important part of North Carolina’s history and culture. By 2019, 40% of the state’s total population lived in a rural county (as defined by the North Carolina Rural Center) and 85% of North Carolina’s municipalities had populations of less than 10,000. That said, like the nation, most of North Carolina’s recent population growth has been in urban areas, with all urban and suburban counties growing between 2010 and 2019.

Figure 3
Population Change by County, April 1 2010–July 1 2019



Source: NC OSBM Population Estimates, Vintage 2019

- Population growth in six urban counties accounted for 54% of the 951,000 people added between 2010 and 2019. Mecklenburg and Wake Counties alone accounted for 38%.
- The 14 smaller urban regional city/suburban counties accounted for another 24% of population growth.
- The remaining 80 rural counties accounted for 22% of the state’s population growth.

- Of the 32 counties that lost population between 2010 and 2019, all were classified as rural (Figure 3).

- Two rural counties— Onslow and Johnston— have grown enough to be re-classified as regional cities/suburban counties, effective fall 2021.

- These same patterns of growth and decline are expected to continue over the course of the next decade.

CHANGES IN POPULATION GROUPS WILL IMPACT GOVERNMENT PROGRAMS

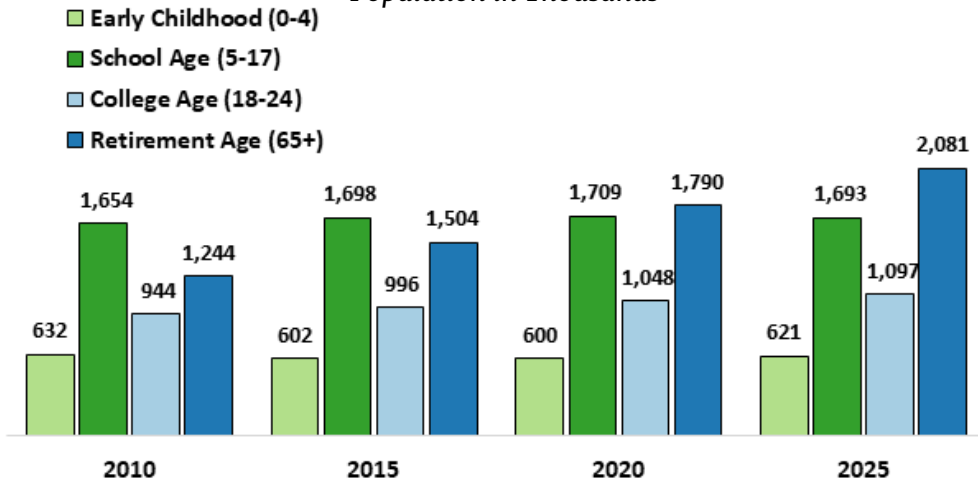
Much of North Carolina’s budget is devoted to education, from early childhood through higher education, and to medical and other support services for the aged population. Changes in key population groups have differential impacts on the demand for these budget areas.

During the last half of the previous decade, the older adult population (65+) increased by 16% every year and this rate of growth will increase to 19% annually over the course of the current decade as new cohorts of the baby boom generation enter retirement ages. There were 1.2 million North Carolinians age 65+ in 2010, 1.8 million in 2020, and the State Demographer projects them to be 2.1 million by 2025 (see Figure 4).

While not as dramatically as the older age group, the college age population (18 to 24) has also grown over this same period. Since the population reaching 18 over the next several years was born prior to the Great Recession, when fertility rates were higher, this age group will continue to increase by about 10,000 people per year for most of this decade.

As fertility rates declined following the Great Recession leading to fewer births, the early childhood and school age populations grew at a lower rate. Over the past decade, the school age population remained relatively stable at around 1.7 million children, and this population expected to remain at this level through 2025 – with slight decreases in some years.

Figure 4
Historical and Projected Age Group Populations
Population in Thousands



Source: NC OSBM Population Projections, Vintage 2019 and Population Projections, Vintage 2020

Meanwhile, the early childhood age group (0-4) is projected to grow by only 1,000 over the biennium, with most of the growth occurring during the last year, assuming full recovery from the pandemic.

Once the state is fully recovered from the pandemic, annual births are projected to increase over the course of this decade with concomitant growth in the number of women of childbearing age (and especially growth in women in the ages of 25 to 44).

The changes in these key population groups highlight the fact that North Carolina’s population, like the population of the United States as a whole, is becoming older. By 2028, the State Demographer projects that one in five North Carolinians will be at least 65 years old, and by 2031 there will be more older adults (ages 65+) than children (ages less than 18).

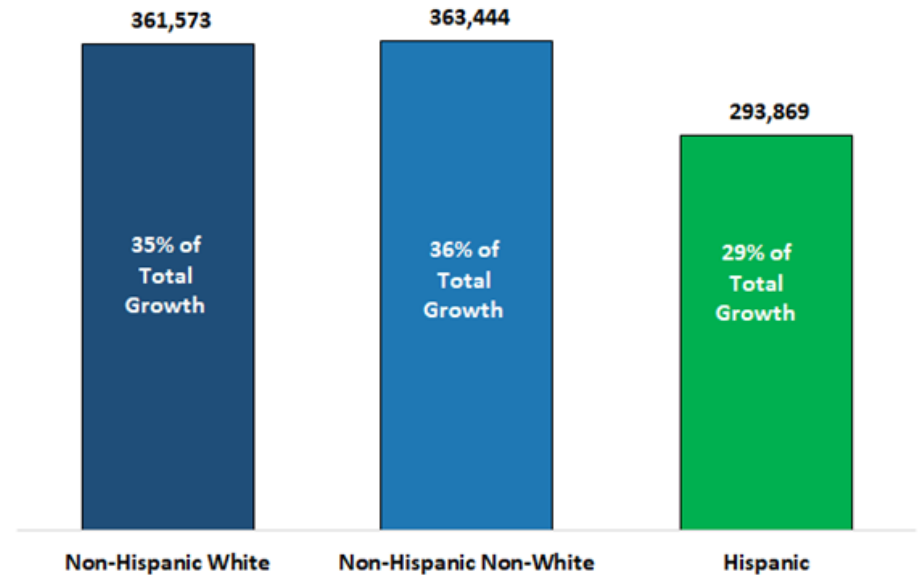
NORTH CAROLINA IS BECOMING MORE DIVERSE

In addition to an aging population, North Carolina, like the nation, is becoming more racially and ethnically diverse.

At least 38% of North Carolinians are Black, Hispanic, Asian, American Indian, or multiracial. These race/ethnic groups have accounted for almost two-thirds of total population growth since 2010 and will account for approximately two of every three persons added between now and 2030 (Figure 5).

The latest population projections suggest that by 2030, 41% of North Carolinians will be a person of color (4.8 million of 11.7 million total people). This transformation can be seen in the diversity of our schools. By 2019, close to half of the under 18 population was a child of color, and Hispanic, Asian, and multiracial children accounted for all the growth in the childhood population since 2010.

Figure 5
Five of Eight People Added Through 2030 Will Be a Person of Color
Population Growth for Each Group (proportion of total growth), 2021-30



Note: Hispanic includes population of any race. Non-Hispanic Non-White includes Non-Hispanic Black, Asian & Pacific Islander, and American Indian, as well as those Non-Hispanics identifying as two or more races.

Source: North Carolina Office of State Budget and Management, Vintage 2020 Population Projections.

CONTINUED IMPORTANCE OF CENSUS 2020

The 2020 Census count is complete and the first results – the state apportionment counts – was reported April 26 2021. North Carolina’s apportionment count of 10.5 million people means our state will add one additional representative in Congress. The state apportionment counts include the resident population of North Carolina and military and federal workers (and their dependents) stationed overseas whose home of record is North Carolina.

The US Census Bureau will release redistricting data – the first that will show population counts, including data for race/ethnicity and age, for the state, counties, municipalities, and other geographic areas – in August 2021. The Census Bureau will publish additional datasets providing more demographic detail beginning in 2022.

The global pandemic disrupted the nation’s once a decade population count, delaying completion and reporting of results. With the increasing spread of the coronavirus, the Census Bureau was forced to close Area Census Offices, suspend field operations for over two months, and adjust operations and deadlines. These changes, as well as temporary moves of certain populations (such as college students) due to COVID-19, caused confusion on where and when to be counted.

Additionally, the US Census Bureau used the internet as a significant part of 2020 Census self-response. Many areas in North Carolina do not have broadband access, limiting access to the internet response form. While field operations were also part of reaching households, mostly in rural areas, controversy about counting noncitizen populations and eroding trust in government institutions led to reluctance to respond to the 2020 Census among some populations. Given all the challenges to the count, North Carolina’s 2020 Census self-response rate was 63%, below the national rate of 67%. The remaining households were completed using field staff, administrative records, and imputation. According to the US Census Bureau, 99.9% of North Carolina households were enumerated.

Every effort was made to obtain a full count of the population in every community, but there will likely be errors that will need to be corrected. Just as in previous censuses, the Count Question Resolution (CQR) program will provide a way for counties and municipalities to challenge (with limitations) the 2020 Census results. Because Census data are typically tied to many funding formulas, it is important that local communities review the 2020 Census results once they are reported.

All US Census Bureau produced data is prepared in a way that protects the privacy of all respondents. Except for the state apportionment counts, all 2020 Census data will use new methods to protect respondent privacy. The

new disclosure avoidance system will change the number of tables and eliminate some potential critical variables released when compared to most recent censuses. It is important for state agencies, local governments, and other data users to become familiar with these changes within the context of their data needs.

The Office of State Budget will continue to support local governments and state agencies by providing technical expertise and training opportunities. The first such training will occur on May 26 and will include several US Census Bureau experts on re-districting data, count question resolution program, and differential privacy.

Figure 6
State Population Change, 2000-2020
Resident Population

Geographic Area	April 1 Census Count			Change, 2000-10		Change 2010-20	
	2000	2010	2020	Number	Percent	Number	Percent
United States	281,424,603	308,745,538	331,449,281	27,320,935	9.7%	22,703,743	7.4%
Texas	20,851,790	25,145,561	29,145,505	4,293,771	20.6%	3,999,944	15.9%
Florida	15,982,824	18,801,310	21,538,187	2,818,486	17.6%	2,736,877	14.6%
California	33,871,653	37,253,956	39,538,223	3,382,303	10.0%	2,284,267	6.1%
Georgia	8,186,816	9,687,653	10,711,908	1,500,837	18.3%	1,024,255	10.6%
Washington	5,894,141	6,724,540	7,705,281	830,399	14.1%	980,741	14.6%
North Carolina	8,046,485	9,535,483	10,439,388	1,488,998	18.5%	903,905	9.5%
New York	18,976,821	19,378,102	20,201,249	401,281	2.1%	823,147	4.2%
Arizona	5,130,632	6,392,017	7,151,502	1,261,385	24.6%	759,485	11.9%
Colorado	4,302,015	5,029,196	5,773,714	727,181	16.9%	744,518	14.8%
Virginia	7,079,030	8,001,024	8,631,393	921,994	13.0%	630,369	7.9%

Census 2020 data release April 2021 shows states with the most growth