

# BUSINESS ALERT! GALE FORCE DEMOGRAPHIC WIND GUSTS AHEAD

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# Business Alert! Gale Force Demographic Wind Gusts Ahead

## Abstract

Seven powerful demographic trends—analogueous to gale force wind gusts in an adverse weather event—constitute potentially powerful disruptors of business and commerce in the years ahead. Four of the gale force demographic disruptors—slowing total and foreign-born population growth, white population loss, and declining fertility—have evolved over the past several decades. The remaining three—deaths of despair, involuntary retirements, and declining female labor force participation—are rooted in recent crises that created a major demographic depression in the U.S. Failure to address these forces has enormous implications for talent recruitment, development, and retention, prime drivers of U.S. business competitiveness in an ever-changing and increasingly diverse global marketplace.

## Introduction

Seven powerful demographic trends—analogueous to gale force wind gusts in an adverse weather event—constitute potentially powerful disruptors of business and commerce in the years of ahead. Business leaders must not only recognize and understand the nature and trajectory of these demographic wind gusts. As a form of enlightened self-interest in the hypercompetitive global marketplace, they also must have the foresight to develop preemptive

responses to how these demographic disruptors, individually and collectively, will likely affect their future workforce, workplaces, and consumer markets, as well as society generally.

In this essay, we describe the nature of the seven demographic gale force winds and conclude by highlighting the types of strategies, tactics, practices, and procedures business leaders will have to implement to recruit and retain talent as well as the types of policy changes they will have lobby government to enact to ensure their viability and competitiveness in an ever-changing global marketplace. Given increasing global demographic diversity and heightened concerns about systemic societal inequities, business leaders that successfully manage and develop strategic responses to these demographic gale force winds will generate greater reputational equity—and by extension, profitability for their enterprises.<sup>1</sup>

## Gale Force Demographic Disruptors

Four of the gale force demographic disruptors—slowing total and foreign-born population growth, white population loss, and declining fertility have been evolving over the past several decades. The other three—deaths of despair and declining life expectancies, involuntary retirements among the 55+ population, and declining female labor

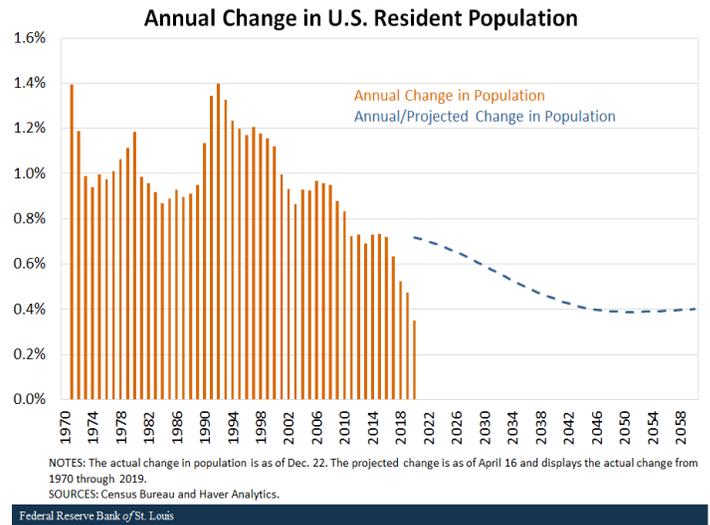
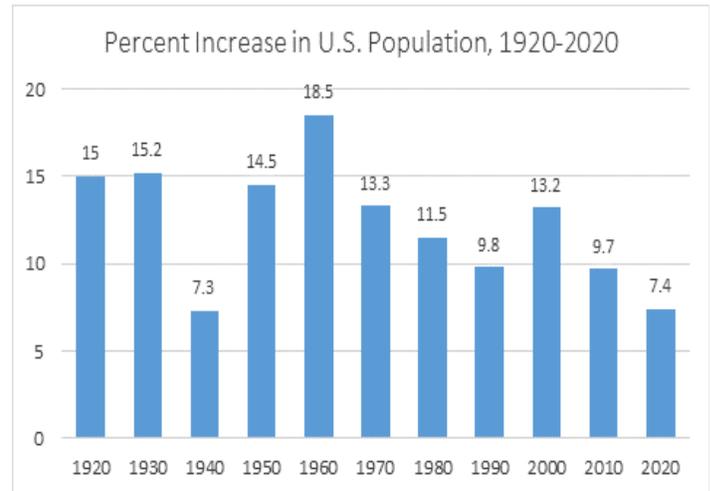
<sup>1</sup> James H. Johnson, Jr. and Jeanne Milliken Bonds, 2020, "Why Reputational Equity is Important for Businesses," Triangle Business Journal, November 27, available at <https://www.bizjournals.com/triangle/news/2020/11/27/reputational-equity-important-business.html>.

force participation--are rooted in the opioid crisis and the COVID-19 pandemic which together have created a major demographic depression in the U.S.<sup>2</sup>

### Demographic Wind Gust #1

From a historical perspective dating back to the 1920s, U.S. population growth peaked in 1960, increasing by 18.5% during the previous decade. Since that time the population has grown more slowly in every decade (Figure 1).<sup>3</sup> During the 2000s, for example, the U.S. population increased by 9.7% (27 million). And, according to the Census Bureau, it grew by only 7.4% (24 million) during the decade ending in 2020. Notably, this was the slowest rate of growth since the 1930s and "...the second slowest rate of expansion since the government began taking a census in 1790."<sup>4</sup> Looking ahead, demographers project that U.S. population growth will continue to slow and may even begin to decline due to major demographic wind gusts in the components of population change—births, deaths, and immigration—in our nation. Without immigration, the U.S. population will decline in the future.<sup>5</sup>

**Figure 1: Slowing U.S Population Growth**



### Demographic Wind Gust #2

Undergirding and principally driving the slowing of total growth is a corresponding decline in the U.S. white population. After increasing by 13% during the 1990s, the white population increased by only 1.2% during the

2 Lenny Bernstein and Joel Achenbach, 2021, "Drug Overdose Deaths Soared to a Record 93,000 last Year," Washington Post, July 14,, available at <https://www.washingtonpost.com/health/2021/07/14/drug-overdoses-pandemic-2020/>.

3 It should be noted that the largest absolute increase in the U.S. population (32.7 million) occurred during the 1990s. See Frank Hobbs and Nicole Stoops, 2002, Demographic Trends in the 20th Century, Census 2000 Special Reports, November, available at <https://www.census.gov/prod/2002pubs/censr-4.pdf>.

4 Tara Bahrapour, Harry Stevens, Adrian Blanco, and Ted Mellnik, 2021, "2020 Census Shows U.S. Population Grew at Slowest Pace Since the 1930s," Washington, Post, April 26, available at [https://www.washingtonpost.com/dc-md-va/interactive/2021/2020-census-us-population-results/?tid=ik\\_inline\\_manual\\_4](https://www.washingtonpost.com/dc-md-va/interactive/2021/2020-census-us-population-results/?tid=ik_inline_manual_4)

5 Joseph Chamie, 2021, "America's Population Growth Future," The Hill, April 30, available at <https://thehill.com/opinion/finance/551155-americas-population-growth-future>

2000s. And notably, according to recently released 2020 census statistics, the nation’s white population actually declined for the first time in history—by 5.1 million or 2.6%—between 2010 and 2020 (Table 1). Stated differently, whites have accounted for a steadily declining share of U.S. total population growth over the past three decades—19.6% during the 1990s, 8.2% during the 2000s, and 0.0% between 2010 and 2020 (Table 2).

**Table 1: Absolute & Percent Change in U.S. Non-Hispanic White Population, 1990-2020**

Decade	Absolute Change	Percent Change
1990-2000	6,424,478	3.4
2000-2010	2,264,778	1.2
2010-2020	-5,119,905	-2.6

\*Source: <https://wonder.cdc.gov/Bridged-Race-v2019.HTML>

**Table 2: Non-Hispanic White Share of Net Population Growth, 1990-2020**

Decade	Share of Net Growth
1990-2000	19.6
2000-2010	8.2
2010-2020	5.8

\*Source: <https://wonder.cdc.gov/Bridged-Race-v2019.HTML>

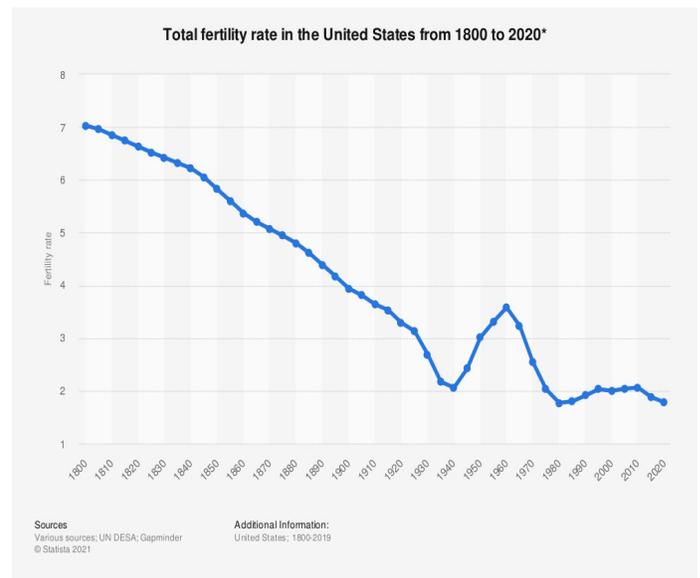
### Demographic Wind Gust #3

Declining fertility among white women partially explains white population loss—and by extension slowing total growth.<sup>6</sup> The white total fertility rate—a statistical measure of the expected number of births each woman will have—

has been below the replacement level (2.1 births per woman) for more than two decades and is currently at 1.6 births (Figure 2). The white female below replacement level fertility wind gust has three main drivers.

**Figure 2: Total Fertility Rate in the United States in 2019, by Ethnicity of Mother**

Race/Ethnicity	Total Fertility Rate
All	1.7
Native Hawaiian/Other Pacific Islander	2.2
Hispanic	1.9
Black (non-Hispanic)	1.8
American Indian/Alaska Native	1.6
White (non-Hispanic)	1.6
Asian	1.5



Source: <https://www.statista.com/statistics/226292/us-fertility-rates-by-race-and-ethnicity/>

6 Mary Kekkatos, 2019, “Fertility Rate for White Women Plummets BELOW the Limit Need to Maintain the Population in Every US state,” Daily Mail, January 10, available at <https://www.dailymail.co.uk/health/article-6574435/White-women-lower-fertility-rates-state-rates-black-Hispanic-women-rise.html>

First, the number of white women between the ages of 40 and 44 who have chosen not to have children, termed voluntary childlessness, doubled from 10 percent in 1976 to 20 percent in 2006. This trend continues among the most educated women.<sup>7</sup>

Second, for many white women opting to have children, education and career aspirations have increased both the average age of marriage and the average age of first childbirth reducing, in the process, the number of remaining years on the biological clock to reproduce if they so desire.<sup>8</sup> And, as the below replacement level fertility rate suggests, increasingly fewer white women are opting to have multiple children.

Third, completed fertility occurs for women between the age of 40 and 44. With a median age of 45 in 2017, white females were aging out of the childbearing years much more rapidly than black, Hispanic/Latinx, Asian, and other women of color, who on average are much younger with larger proportions still in their childbearing years. Further, the aging of baby boom white women has reduced the proportion of white women ages 15-44, the key childbearing ages. In 2019, 35% of white women were in this age range, down from 41% in 2000.

Reflective of these shifts in the age and fertility behavior of white women, deaths outnumbered births among whites nationally for the first time in U.S. history in 2016.<sup>9</sup> By 2018, deaths exceed births among whites in more the half of the nation's fifty states.<sup>10</sup>

Further suppressing total population growth and clouding the nation's demographic future, women of color also are having fewer children.<sup>11</sup> In 2019, as Figure 2 shows, Native Hawaiian and other Pacific Islander women were the only group with above replacement level fertility. Moreover, and additional evidence of the critical role that declining fertility is playing in the progressively slowing of U.S. total population growth, the U.S. birth rate, contrary to what one might expect during an economic shutdown, dropped by 4% during the pandemic.<sup>12</sup> CDC and National Center for Health Statistics data "confirm...nearly 40,000 "missing births" in the final month and a half of 2020, which otherwise would have been conceived in the early months of the Covid-19 pandemic.<sup>13</sup> Other estimates suggest there will be "close to 300,000 fewer births in the U.S. in 2021 as a result of the outbreak."<sup>14</sup>

7 RO Kwon, 2020, "More Women Like Me Are Choosing to Be Childfree. Is this the Age of Opting Out?," The Guardian, July 6, available at <https://www.theguardian.com/lifeandstyle/2020/jul/06/more-women-like-me-are-choosing-to-be-childfree-is-this-the-age-of-opting-out>

8 Gretchen Livingston, 2015, "For Most Highly Educated Women, Motherhood Doesn't Start Until the 30s," Pew Research Center, January 15, available at <https://www.pewresearch.org/fact-tank/2015/01/15/for-most-highly-educated-women-motherhood-doesnt-start-until-the-30s/>

9 Rogelio Saenz and Kenneth M. Johnson, 2016, White Deaths Exceed Births in a Majority of U.S. States, Census Data Brief, University of Wisconsin Applied Population Lab, available at [https://apl.wisc.edu/briefs\\_resources/pdf/natural-decrease-18.pdf](https://apl.wisc.edu/briefs_resources/pdf/natural-decrease-18.pdf).

10 Sabrina Tavernise, 2018, "Fewer Birth Than Deaths Among Whites in Majority of U.S. States," The New York Times, June 20, available at <https://www.nytimes.com/2018/06/20/us/white-minority-population.html>

11 Lyman Stone, 2018, Baby Bust: Fertility is Declining the Most Among Minority Women, Institute for Family Studies, May 16, available at <https://ifstudies.org/blog/baby-bust-fertility-is-declining-the-most-among-minority-women>. Also see, Sabrina Tavernise, Claire Cain Miller, Quoc Trung Bui, and Roberty Gebeloff, 2021, "Why American Women Everywhere Are Delaying Motherhood," The New York Times, June 16, available at <https://www.nytimes.com/2021/06/16/us/declining-birthrate-motherhood.html>.

12 Sabrina Tavernise, 2021, "The U.S. Birthrate Has Dropped Again. The Pandemic May Be Accelerating the Decline. The New York Times, May 5, available at <https://www.nytimes.com/2021/05/05/us/us-birthrate-falls-covid.html>

13 Melissa S. Kearney and Phillip Levine, 2021, The Coming COVID-19 Baby Bust is Here," Brookings Blog Post, May 5, available at <https://www.brookings.edu/blog/up-front/2021/05/05/the-coming-covid-19-baby-bust-is-here/>

14 Amanda Barroso, 2021, With a Potential 'Baby Bust' on the Horizon, Key Facts About Fertility before the Pandemic," Pew Research Fact Tank, May 7, available at <https://www.pewresearch.org/fact-tank/2021/05/07/with-a-potential-baby-bust-on-the-horizon-key-facts-about-fertility-in-the-u-s-before-the-pandemic/>.

### Demographic Wind Gust #4

Given the demographic wind gusts affecting the white population, U.S. population growth over the past three decades—albeit slowing considerably—has been increasingly immigrant driven. Foreign born population growth has increased more rapidly than total population growth in every decade since 1990 (Table 3). Between 2010 and 2019, for example, the U.S. foreign born population (13.7%) grew twice as fast as the total population (6.7%). And notably, much of this growth has occurred among foreign born people of color—immigrant arrivals from Asia, Latin America, and the Middle East—that are dramatically transforming the complexion and composition of the U. S. population, a trend popularly referred to as the browning of America.<sup>15</sup>

**Table 3: Absolute and Percent Change in Foreign Born Population, 1990-2019**

Years	Absolute Change	Percent Change
1990-2000	11,340,573	57.4
2000-2010	7,567,123	24.3
2010-2019	5,336,858	13.7
2016-2019 (Trump Years)	1,817,516	4.3

Source: <https://data.census.gov/cedsci/table?q=Foreign%20born%20population%20&tid=ACST5Y2013.S0502>

Notably, however, foreign born population growth has correspondingly slowed over the past three decades—also paralleling and partly influencing the slowdown in total growth. The slowdown is driven in part by anti-immigration policies that limit the number of immigrants allowed to enter the U.S., the Great Recession 2008-2010, and most recently the COVID-19 pandemic which has resulted in a near total shutdown of U.S. borders to foreigners.

The impact of these factors can be seen in the steady decline since 2000 in the number of foreign-born persons adjusting to legal permanent residence status, naturalizations, and admissions on non-immigrant visas, including temporary workers and trainees, students, temporary visitor for pleasure, temporary visitors for business, and exchange visitors, as well as foreign diplomats and other representatives (Table 4 & Appendix Table).

**Table 4: Persons Adjusting to Legal Permanent Resident Status & Being Naturalized, 2000 -2019**

### Legal Permanent Residents

Years	Absolute Number	Percent of Total
Total (2000-2019)	11,730,327	100.0
2000-2005	3,424,308	29.2
2006-2010	3,315,215	28.3
2011-2015	2,735,894	23.3
2016-2019	2,254,910	19.2

### Naturalizations

Years	Absolute Number	Percent of Total
Total (2000-2019)	14,123,080	100.0
2000-2005	3,668,797	26.0
2006-2010	3,773,233	27.0
2011-2015	3,615,231	26.0
2016-2019	3,065,819	22.0

Source: U.S. Department of Homeland Security.

15 James H. Johnson, Jr. and Allan M. Parnell, 2019, "Seismic Shifts," Business Officer, July/August, available at <https://www.businessofficermagazine.org/features/seismic-shifts/>

It can also be seen in changes in the unauthorized population residing in the U.S. and in heightened apprehensions and removals of unauthorized immigrants from the U.S., especially during the Trump presidency between 2016 and 2018.<sup>16</sup> These actions, combined with tightened border security to prevent illegal entry during this period, are principally responsible for modest declines in the nation’s unauthorized immigrant population, especially from Mexico (Tables 5 and 6).

**Table 5: Absolute & Percent Change in Unauthorized Immigrant Population Residing in the U.S.**

Year	Absolute Change	Percent Change
2012 - 2015	+530,000	+4.6
2016 - 2018	-360,000	-3.1%

Source: U.S. Department of Homeland Security

**Table 6: Aliens Apprehended & Removed**

**Apprehensions**

Year	Absolute Change	Percent Change
2012 - 2015	-208,939	-31.1
2016 - 2019	+483,289	+91.1

**Removals**

Year	Absolute Change	Percent Change
2012 - 2015	-90,000	-21.7
2016 - 2019	+28,168	+8.5

Source: U.S. Department of Homeland Security

**Demographic Wind Gust #5**

Deaths of despair—loss of life by drug overdoses, suicides, and diseases such as cirrhosis, liver cancer, and obesity—also are partly responsible for slowing U.S. population growth.<sup>17</sup> Initially, these deaths of despair were disproportionately concentrated among one of the nation’s prime working age demographics: the 25-44 year population with less than a college education for whom the social determinants of health—economic stability and access to high quality education and life opportunities, housing and neighborhood environments, community/ social support, health care, and transportation –were sorely lacking, contributing to demographic despair and depression (Figure 3).<sup>18</sup> Within this demographic, these premature deaths of despair were long thought to be

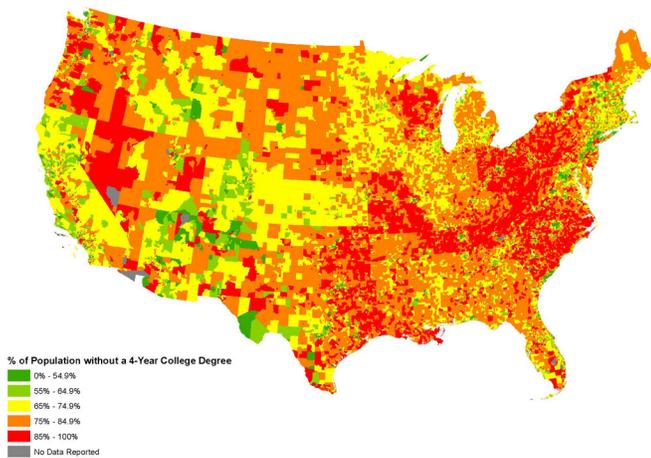
16 James H. Johnson, Jr. and Jeanne Milliken Bonds, 2020, Scapegoating Immigrants in the COVID-19 Pandemic, Kenan Institute White Paper, August, available at [https://kenaninstitute.unc.edu/wp-content/uploads/2020/08/Scapegoating\\_Immigrants.pdf](https://kenaninstitute.unc.edu/wp-content/uploads/2020/08/Scapegoating_Immigrants.pdf).

17 Bruce Bower, 2020, “Deaths of Despair are Rising, It’s Time to Define Despair.” Science News, November 2, available at <https://www.sciencenews.org/article/deaths-of-despair-depression-mental-health-covid-19-pandemic>

18 Anne Case and Angus Deaton, 2020, Deaths of Despair and the Future of Capitalism. Princeton University Press, available at <https://press.princeton.edu/books/hardcover/9780691190785/deaths-of-despair-and-the-future-of-capitalism>

limited to rural white America, but more recent research has identified the phenomenon in suburbs and in Black and Latinx communities (Healy, 2019).<sup>19</sup>

**Figure 3: Population Experiencing a Demographic Depression**



Describing the impact of this demographic wind gust, one observer reported,

*IN 2017 ALONE, THERE WERE 158,000 DEATHS OF DESPAIR IN THE U.S., THE EQUIVALENT OF THREE FULLY LOADED BOEING 737 MAX JETS FALLING OUT THE SKY EVERY DAY FOR A YEAR.*<sup>20</sup>

After years of extended life expectancy, these diverse sources of deaths of despair reduced American life expectancy for three consecutive years in the previous

decade.<sup>21</sup> And in 2020, drug overdose deaths reportedly soared to 90,000, representing a 21,000 or 30% increase over the 2019 death toll.<sup>22</sup> Commenting on these recently released statistics, a Stanford University expert on addiction and drug policy is quoted as saying,<sup>23</sup>

*IT'S TERRIFYING. IT'S THE BIGGEST INCREASE IN OVERDOSE DEATHS IN THE HISTORY OF THE UNITED STATES, IT'S THE WORST OVERDOSE CRISIS IN THE HISTORY OF THE UNITED STATES, AND WE'RE NOT MAKING PROGRESS. IT'S REALLY OVERWHELMING.*

For far too many individuals struggling with drug addiction, the pandemic-induced forced isolation combined with the shutdown of in-person drug treatment and counseling services proved to be deadly. According to the Centers for Disease Control and Prevention, the 2020 casualties brings the total to more than 900,000 overdose deaths since the U.S. drug epidemic began in the late 1990s.<sup>24</sup>

Making matters worse, and partly reflective of the record increase in drug overdose deaths, COVID-19 has exacerbated longstanding racial inequities in life expectancy, which is not surprising given the well documented racially disparate impact of coronavirus infections, hospitalizations, and deaths.<sup>25</sup> For all races, as Figure 4 shows, the pandemic has reduced life expectancy

19 Melissa Healy, 2019, "Suicides and Overdoses Among Factors Fueling Drop in U.S. Life Expectancy," Los Angeles Times, November 26, available at <https://www.ncbi.nlm.nih.gov/search/research-news/7659/>

20 Roge Karma, 2020, "Deaths of Despair": The Deadly Epidemic that Predated Coronavirus," Vox, April 15, available at <https://www.vox.com/2020/4/15/21214734/deaths-of-despair-coronavirus-covid-19-angus-deaton-anne-case-americans-deaths>

21 Mark S. Gold, 2020, "The Role of Alcohol, Drugs, and Deaths of Despair in the U.S.'s Falling Life Expectancy," Missouri Medicine, March-April, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7144704/>

22 See Centers for Disease Control and Prevention, Drug Overdose Deaths, available at <https://www.cdc.gov/drugoverdose/deaths/index.html>.

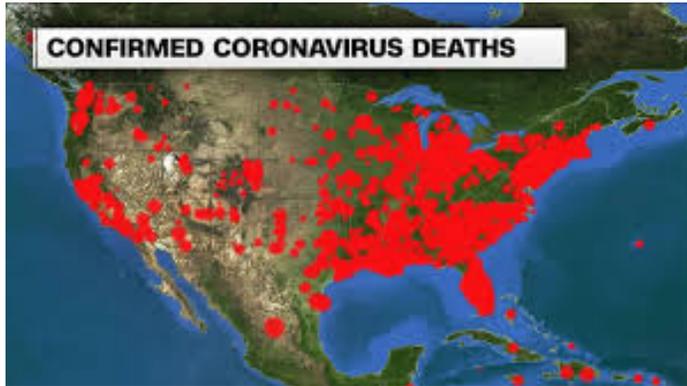
23 Lenny Bernstein and Joel Achenbach, 2021, "Drug Overdose Deaths Soared to a Record 93,000 last Year," Washington Post, July 14,, available at <https://www.washingtonpost.com/health/2021/07/14/drug-overdoses-pandemic-2020/>. Also see, Peter Jamison, They'd Battled Addiction Together. Then Lockdowns Became a 'Recipe for Death'," Washington Post, July 29, available at <https://www.washingtonpost.com/dc-md-va/2021/07/29/west-virginia-addiction-overdose-lockdown/>

24 See Centers for Disease Control and Prevention, Drug Overdose Deaths, available at <https://www.cdc.gov/drugoverdose/deaths/index.html>

25 James H. Johnson, Jr. Jeanne Milliken Bonds, Allan M. Parnell, and Cedric M. Bright, 2021, "Coronavirus Vaccine Distribution: Moving to a Race Conscious Approach for a Racially Disparate Problem," Journal of Racial and Ethnic Health Disparities, May 4, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8095217/>

by about a year and for whites by less than a year. It has reduced life expectancy for Blacks and Latinos by more than 2 and 3 years, respectively.<sup>26</sup>

**Figure 4: Reduced Life Expectancy Due to Covid-19 Pandemic**



Group	Years Shortened	Life Expectancy at Birth
All Races	1.13 years	77.48
Blacks	2.10 years	72.78
Latinos	3.05 years	78.77
Whites	0.68 years	77.84

**Demographic Wind Gust #6**

The COVID-19 pandemic also cast new light on a problem that affected women’s labor force participation prior to the pandemic: the lack of access to high quality and

affordable childcare. This was an especially acute problem for low- and moderate-income women with pre-school age children. For these women, childcare has become an even scarcer commodity as the pandemic has exacted a heavy toll on existing childcare facilities, especially those serving low-income urban and rural communities. It has forced some existing facilities to close permanently, others to shut down temporarily without a clear strategy for reopening, and still others to continue operating but at reduced capacity with substantially increased cost to comply with federally mandated safety precautions.<sup>27</sup>

Faced with a further dwindling of an already-sparse supply of accessible and affordable child care, reportedly there have been 611,000 job losses among working mothers who have been forced, as schools transitioned to online learning, to stay home and take care of their children.<sup>28</sup> Another study reports that, “One in four ... American women...are considering downshifting their careers or leaving the workforce due to the impact of COVID-19.” The authors continue by asserting, “In just one year, the pandemic has driven more than two million women in the United States out of the workplace, resulting in the largest male-female unemployment gap in two decades.”<sup>29</sup>

Unless purposeful and intentional efforts are undertaken to remedy the childcare crisis, the post-pandemic prospects for these women re-entering the labor force

26 Theresa Andrasfay and Noreen Goldman, 2021, Reductions in 2020 US Life Expectancy Due to COVID-19 and the Disproportionate Impact on the Black and Latino Populations,” Proceedings of the National Academy of Sciences in the United States of America, February 2, available at <https://www.pnas.org/content/118/5/e2014746118>

27 Amy Simpson, 2021, “Hundreds of Child Care Centers Close During Pandemic, Another Challenge for MD Families,” Fox45 News, July 2, available at <https://foxbaltimore.com/news/local/hundreds-child-care-centers-close-during-pandemic-another-challenge-for-md-families>. Kavitha Cardoza, 2020, “Researchers Warn Nearly Half of U.S. Child Care Centers Could Be Lost to Pandemic,” NPR, September 7, available at <https://www.npr.org/2020/09/07/909634878/researchers-warn-about-half-of-child-care-centers-in-u-s-could-be-lost-to-pandem>. Tommy Beer, 2020, “40% of U.S. Child Care Centers Say They’ll Close Without Public Assistance,” Forbes, July 15, available at <https://www.forbes.com/sites/tommybeer/2020/07/14/40-of-us-child-care-centers-say-theyll-close-permanently-without-public-assistance/?sh=123ff5696ad6>.

28 Amy Norton, 2021, “Study: Pandemic Daycare Closures Linked to 600K Lost Jobs Among U.S. Moms,” UPI Health News, June 21, available at <https://kenaninstitute.unc.edu/wp-content/uploads/2020/09/The-Seven-What-Matters-in-a-System-Not-Designed-for-us.pdf>

29 Michele Barry and Geeta Rao Gupta, 2021, “The Pandemic Threat to Female Leadership,” Project Syndicate, June 29, available at <https://www.project-syndicate.org/commentary/women-leaders-leaving-workforce-during-covid19-pandemic-by-michele-barry-and-geeta-rao-gupta-2021-06>

— and for American businesses to resolve their worker shortage problem more generally — are not good.<sup>30</sup> As one observer said,

*"WE'RE HEARING A LOT OF PANIC AND A LOT OF FEAR ABOUT WHAT'S GOING TO HAPPEN BECAUSE THE OPTIONS ARE LIMITED ... WE KNOW THAT WOMEN DISPROPORTIONATELY LEAVE THE WORKFORCE WHEN THEIR CHILDCARE BREAKS DOWN. I THINK THAT'S WHAT GOING TO HAPPEN IS, ESSENTIALLY, WE'RE GOING TO JUST SEE AN AMPLIFICATION OF A PROBLEM THAT ALREADY EXISTS."<sup>31</sup>*

## Demographic Wind Gust #7

COVID-19 reportedly also has forced an estimated 1.7 million older American workers into involuntary retirement. Describing this development, one team of researchers noted,<sup>32</sup>

*SINCE MARCH 2020, THE SIZE OF THE RETIRED POPULATION IN THE U.S. EXPANDED BEYOND ITS NORMAL TREND BY AN ADDITIONAL 1.7 MILLION PEOPLE. OLDER WORKERS FACED MORE HEALTH RISKS AND DISPROPORTIONATE JOB LOSS DURING THE PANDEMIC. THUS, MANY OLDER WORKERS WERE PUSHED INTO UNPLANNED RETIREMENT EARLIER THAN THEY WOULD IN A 'NORMAL' YEAR.*

They go on to note,

*BLACK WORKERS WITHOUT A COLLEGE DEGREE EXPERIENCED THE HIGHEST INCREASE IN THE SHARE WHO ARE RETIRED BEFORE AGE 65. THIS RATE ROSE 1.5 PERCENTAGE POINTS, FROM 16.4% TO 17.9%, BETWEEN 2019 AND 2021.*

Summing up the situation, they state,

*ALTHOUGH OLDER ADULTS WITHOUT COLLEGE DEGREES RETIRE IN GREAT NUMBERS, THE TYPICAL WORKER IN THIS GROUP WAS NOT FINANCIALLY PREPARED FOR RETIREMENT BEFORE THE PANDEMIC. OLDER WORKERS WITHOUT A COLLEGE DEGREE HAD MEDIAN HOUSEHOLD RETIREMENT SAVING OF ONLY \$9,000 IN 2019, COMPARED TO \$167,000 FOR OLDER WORKING HOUSEHOLDS WITH A COLLEGE DEGREE. LACK OF RETIREMENT SAVING LEAVE NON-COLLEGE WORKERS FACING A HIGH RISK OF POVERTY AND NEAR-POVERTY IN RETIREMENT, PARTICULARLY IF THEY ARE FORCED INTO AN EARLY, INVOLUNTARY RETIREMENT.*

In the current climate where businesses are struggling to find workers, the 55+ cohort of involuntary retirees is an incredibly valuable untapped asset.

## Discussion and Recommendations

Individually and collectively these demographic wind gusts will profoundly impact the size and composition of the U.S. workforce and consumer markets in the years ahead. To remain viable and competitive, business leaders, to paraphrase a popular hockey analogy, will have to skate not to where the proverbial demographic puck is today but rather to where it is headed in the future. Current worker shortages as the nation attempts to rebound from the pandemic-induced economic recession merely represents the eye of the impending demographic storm.

To address the demographic wind gusts and thereby ensure access to the diverse talent they need to survive, thrive, and prosper, business leaders must audit their own enterprises to ensure that they are inclusive and equitable places to work.<sup>33</sup> In addition, they must advocate for policies that:

30 Jen Rose Smith, 2020, "Parents and Child Care Providers Are Falling Apart: It Could Get Much Worse," CNN Health, June 1, available at <https://www.cnn.com/2020/06/01/health/preschools-child-care-closing-pandemic-wellness/index.html>

31 Emily Sohn, 2020, "When Child Care Centers Close, Parents Scramble to Adapt," The New York Times, June 14, available at <https://www.nytimes.com/2020/06/10/parenting/virus-day-care-bright-horizons.html>.

32 Owen Davis, Bridget Fisher Teresa Ghilarducci, and Siavash Radpour, 2021, "The Pandemic Retirement Surge Increased Retirement Inequality," The New School Retirement Equity Lab, June, available at <https://www.economicpolicyresearch.org/jobs-report/the-pandemic-retirement-surge-increased-retirement-inequality>.

33 James H. Johnson, Jr. and Jeanne Milliken Bonds, 2020, "Does Your Firm Have Reputational Equity?," Kenan Institute White Paper, November, available at <https://kenaninstitute.unc.edu/wp-content/uploads/2020/12/Firm-Reputational-Equity-updated.pdf>

- Reform immigration laws in ways that reflect the critical role that immigrants must play in our economy and society more generally moving forward given slowing total population growth, white population loss, declining fertility, aging, and crisis-induced premature deaths of prime-working age individuals. Though here illegally, unauthorized immigrants unquestionably have constituted a sizable share of the nation’s essential workforce—and their removal, as opposed to creating a reasonable pathway to citizenship, has enormous implications for the nation’s workforce and future competitiveness in the global marketplace.<sup>34</sup> Workers entering the U.S. through legal channels also will be sorely needed.
- Attack the childcare crisis head on by seeding the nation’s expansive childcare deserts with accessible, high quality, and affordable day care and equipping facility owners and operators with strong business acumen.<sup>35</sup> As one observer cogently stated, “As a country, we have a choice to make. Are we going to continue to underfund and undervalue a system that is the backbone to the rest of the economy, or are we going to make the necessary investments that recognize the essential nature of children care?”<sup>36</sup> Further underscoring the importance of the childcare issue, another childcare advocate stated, “We know it’s critical for working parents and our economy. We cannot recover from this pandemic in a recession until we have a stable childcare system that parents can rely on so they can return to work.”<sup>37</sup>
- Direct resources to address the social determinants of health that serve as the root cause of deaths of despair and the racially disparate impact of the COVID-19 pandemic. Prioritize access to health care and affordable housing in safe and healthy neighborhood environments. We can no longer afford to continue to lose members of the prime-working age demographic to premature deaths. They make up the next generation of talent that has to propel our nation in the hyper-competitive global economy.<sup>38</sup>

34 John D. Kasarda and James H. Johnson, Jr., 2006, *The Economic Impact of the Hispanic Population on the State of North Carolina*. Chapel Hill, NC: Frank Hawkins Kenan Institute of Private Enterprise, Kenan Flagler Business School, University of North Carolina at Chapel Hill, available at <https://www.cpc.unc.edu/resources/publications/bib/2969/>. Stephen J. Appold, et al., 2013, *A Profile of Immigrants in Arkansas*. Migration Policy Institute and Frank Hawkins Kenan Institute of Private Enterprise, available at <https://www.migrationpolicy.org/sites/default/files/publications/Profile-Immigrants-Arkansas-Summary.pdf>. James H. Johnson, Jr. and John D. Kasarda, 2009, “Hispanic Newcomers to North Carolina; Demographic Characteristics and Economic Impact,” in *Latino Immigrants and the Transformation of the U.S. South*, edited by Elaine Lacy and Mary E. Odem, University of Georgia Press, available at <https://www.amazon.com/gp/product/0820332127?ie=UTF8&tag=simonandbaker-20&linkCode=as2&camp=1789&creative=9325&creativeASIN=0820332127&asin=0820332127&revisionId=&format=4&depth=1>. Stephen Appold and James H. Johnson, Jr., 2014, *The New North Carolinians: The Economic Impact of the Hispanic and Immigrant Population in North Carolina*. SSRN, available at file:///C:/Users/johnsonj/Downloads/SSRN-id2434374.pdf

35 Sam Abbot. 2020, *Child Care is Essential for Working Parents, But Is the Industry Ready and Safe to Reopen?*. Washing to Center for Equitable Growth, July 16, available at <https://equitablegrowth.org/child-care-is-essential-for-working-parents-but-is-the-industry-ready-and-safe-to-reopen/>

36 Heather Marcoux, 2020, “The U.S. Might Lose 40% of Its Childcare Centers without Funding,” *Motherly*, July 15, available at <https://www.mother.ly/us-losing-40-percent-childcare>

37 Nicole Bateman, 2020, *Working Parents are key to COVID-19 Recovery*,” *Brookings Metropolitan Policy Program*, July 8, available at <https://www.brookings.edu/research/working-parents-are-key-to-covid-19-recovery/>

38 James H. Johnson, Jr., 2020, *Warning: Demographic Headwinds Ahead*,” *Kenan Institute White Paper*, September, available at <https://kenaninstitute.unc.edu/wp-content/uploads/2020/09/Warning-Demographic.pdf>

- Create encore entrepreneurship and workforce development training programs that provide pathways of re-entry into the post-pandemic economy for the 55+ population of involuntary retirees.<sup>39</sup> Given businesses' current struggles to fill job vacancies, targeted strategies to recruit this demographic are urgently needed. Bringing involuntary retirees back into the workforce in encore careers will constitute a win-win: employers will gain access to a generation of Boomer workers with a demonstrated strong work ethic and the involuntary retirees will gain access to new income streams that reduce the likelihood of living the balance of their lives in poverty.
- Encourage family-friendly business policies that support women having children and allow them the flexibility to provide and care for their offspring.<sup>40</sup> Promote and implement such policies within your own companies. Women—as both employees and leaders—are key to the future viability of U.S. business enterprises.

Successful implementation of these policy recommendations will serve as a hedge against the demographic gale force winds that confront us.

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39 In September 2012, the SBA launched through its Office of Entrepreneurship Education the SBA Encore Entrepreneurship Course—"a self-paced training exercise designed for individuals planning to start a business after earlier career endeavors." Given this target audience, it is probably necessary to review the structure, organization, and content of the program, make any necessary adjustments, and then lobby to ensure that the program is properly funded. A description of the 2012 program is available at <https://kenaninstitute.unc.edu/wp-content/uploads/2020/12/Firm-Reputational-Equity-updated.pdf>. Information about the SBA Encore Entrepreneurship for Women program is available at [https://www.sba.gov/media/training/EncoreEntrepreneurshipWomen/story\\_html5.html](https://www.sba.gov/media/training/EncoreEntrepreneurshipWomen/story_html5.html).

40 UNICEF, 2018, *Business and Family-Friendly Policies: An Evidence Brief*, available at <https://www.unicef.org/sites/default/files/2019-07/UNICEF-Business-Family-Friendly-Policies-2019.pdf>. Peter McDonald, 2006, "An Assessment of Policies that Support Having Children from the Perspectives of Equity, Efficiency and Efficacy," *Vienna Year Book of Population Research*, Vol. 4, Postponement of Childbearing in Europe, Austrian Academy Sciences Press, available at <https://www.jstor.org/stable/23025484>. Christopher J. Ruhm, 2011, "Policies to Assist Parents with Young Children," *Future Child*, Vol 21, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3202345/>. Ruby Ramirez and Katie Fallin Kenyon, 2019, *Promoting Family-Friendly Workplace Policies and Practices Landscape Analysis*, Keyon Consulting, May, available at [https://www.first5la.org/uploads/files/work-life-harmony-report-2019\\_606.pdf](https://www.first5la.org/uploads/files/work-life-harmony-report-2019_606.pdf). Lisa F. Berkman and Emily M. O'Donnell, 2013, "The Pro-Family Workplace: Social and Economic Policies and Practices and their Impact on Child and Family Health," in *Families and Child Health*, available at [https://www.researchgate.net/publication/291179851\\_The\\_Pro-family\\_Workplace\\_Social\\_and\\_Economic\\_Policies\\_and\\_Practices\\_and\\_Their\\_Impacts\\_on\\_Child\\_and\\_Family\\_Health](https://www.researchgate.net/publication/291179851_The_Pro-family_Workplace_Social_and_Economic_Policies_and_Practices_and_Their_Impacts_on_Child_and_Family_Health).

# Appendix

## **Appendix Table:** Changes in Nonimmigrant Admissions by Category of Admission, 2000-2019

### **Total I-94 Admissions**

Year	Absolute Change	Percent Change
2000 & 2005	-1,656,885	-4.9
2006 & 2010	12,804,241	38.0
2011 & 2015	23,555,950	44.0
2016 & 2019	4,451,066	5.8

### **Temporary Workers & Trainees**

Year	Absolute Change	Percent Change
2000 & 2005	108,917	31.4
2006 & 2010	236,438	50.7
2011 & 2015	129,426	16.4
2016 & 2019	22,606	2.3

### **Students**

Year	Absolute Change	Percent Change
2000 & 2005	22,159	3.4
2006 & 2010	854,348	115.3
2011 & 2015	201,699	11.3
2016 & 2019	-84,767	-4.3

### **Temporary Visitors for Pleasure**

Year	Absolute Change	Percent Change
2000 & 2005	59,297	0.2
2006 & 2010	10,346,832	41.7
2011 & 2015	20,425,630	50.3
2016 & 2019	3,835,570	6.3

### Temporary Visitors for Business

Year	Absolute Change	Percent Change
2000 & 2005	129,647	2.8
2006 & 2010	175,455	3.5
2011 & 2015	2,312,156	40.6
2016 & 2019	769,058	9.3

### Exchange Visitors

Year	Absolute Change	Percent Change
2000 & 2005	30,720	8.7
2006 & 2010	116,268	27.2
2011 & 2015	49,416	9.4
2016 & 2019	34,975	6.0

### Diplomats & Other Representatives

Year	Absolute Change	Percent Change
2000 & 2005	37,566	15.0
2006 & 2010	87,395	29.8
2011 & 2015	60,647	16.0
2016 & 2019	12,076	2.7

Source: Department of Homeland Security.

The Kenan Institute fosters mutual understanding between members of the private sector, the academic community, and their government, and to encourage cooperative efforts among these groups.

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