

Economic Factors Slow State Population Growth Rate, According to Latest U.Va. Estimates

January 27, 2009 —Economic conditions, including the recession and a stalled housing market, appear to have slowed the rate of population growth in Virginia, according to demographers from the University of Virginia's Weldon Cooper Center for Public Service.

While the commonwealth's population reached an estimated 7.8 million on July 1, 2008, Virginia's population is not growing as fast as it did earlier this decade. Between 2000 and 2005, the state's average annual growth rate was around 1.2 percent. For the past two years it has been less than 1 percent.

Natural increase (more births than deaths) and net in-migration (more people moving in than moving out) create Virginia's population growth. In the recent past, these factors have contributed to Virginia's growth in almost equal measure. Natural increase has been growing steadily since 2000, adding nearly 50,000 people to Virginia in recent years.

In contrast, migration rates fluctuate in response to national and state economic conditions, and Virginia's net in-migration volume is now only half what it was between 2000 and 2005.

"Worsening economic conditions appear to have limited population mobility, which is largely driven by employment opportunities," said Qian Cai, director of the Cooper Center's demographics and workforce group. "In addition, the dire housing market discouraged potential movers who fear having trouble selling their homes or having to pay two mortgages."

Although the Virginia economy continues to perform well compared to the nation as a whole (the state's November jobless rate of 4.6 percent is well below the 6.5 percent U.S. rate), a rapid decline in domestic migration is at the heart of the commonwealth's decelerating growth.

Declining migration has an immediate economic impact since migrating individuals or families typically include adults who come for work or retirement, buy houses, purchase goods and services for themselves and their families, and pay state and local taxes.

"We can expect a continued slowing of the state's growth through 2009, and probably into 2010 as well," said demographer Mike Spar, who prepared the population estimates. "The two factors most responsible for slowing growth — the recession and the housing crisis — are unlikely to resolve any time soon. Until they do, domestic migration will not return to its previous high level."

Although the state's growth rate is slowing, 43 jurisdictions have population growth rates greater than the state's, which has grown 9.7 percent since 2000. Loudoun County has grown by nearly 70 percent in that same period. Other high-growth localities are located along the Interstate 95 corridor, stretching from Northern Virginia to Hampton Roads.

Focusing on growth rates only tells part of the story, since some large localities have significant population increases but fail to register as high-growth areas. Fairfax County, for example, has the third-largest numerical increase in the state since 2000, adding more than 47,000 people. Its growth rate of 4.9 percent is, however, below the state average due to its very large initial population size.

While most localities have gained population since 2000, 35 counties and cities are smaller today than they were at the time of the last census. These places consist primarily of older central cities, such as Danville, Petersburg, Portsmouth, Richmond and Roanoke, and rural localities in Southside and Southwest Virginia.

The central cities are losing population because more people are leaving than are being added by natural increase. Population losses in Southside and Southwest Virginia result from natural decrease (an excess of deaths over births) as well as net migration out of these areas, Spar said.

The Cooper Center's population estimates are the official figures for the commonwealth of Virginia. The estimates are based on changes since 2000 in the housing stock, school enrollment, births, exemptions claimed on state income tax returns and driver's licenses. They are used by state and local government agencies in revenue sharing, funding allocations and planning and budgeting purposes.

Chart 1. Percent Population Change, 2000-2008

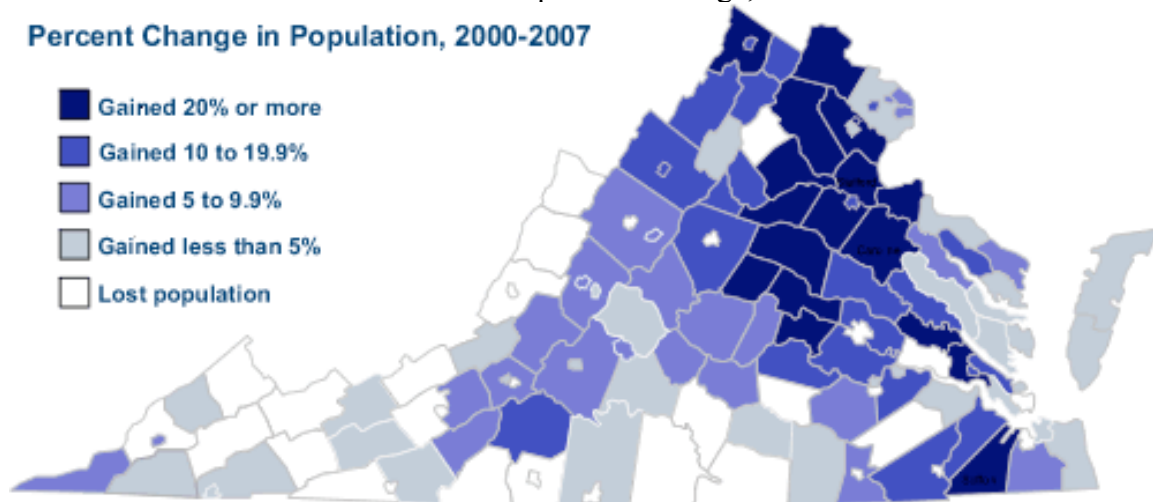


Chart 2. Numeric Population Change, 2000-2008

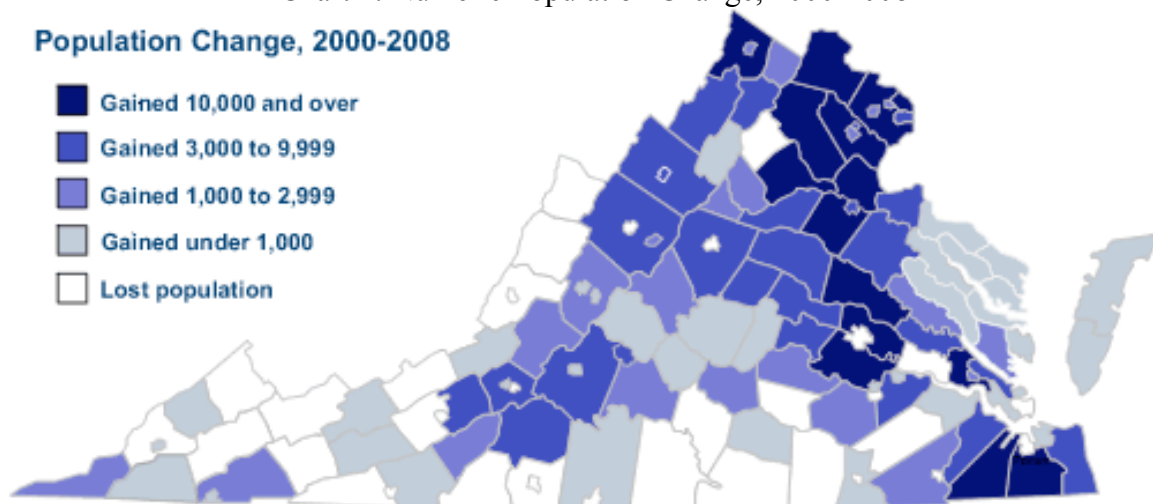


Table 1. Virginia Growth Components, 2000 to 2008

Period*	Population Growth (1,000's)	Net Migration (1,000's)	Natural Increase (1,000's)	Annual Growth Rate (percent)
2007-2008	70.3	21.6	48.7	0.91
2006-2007	70.4	21.3	49.1	0.92
2005-2006	81.6	32.9	48.7	1.08
2004-2005	92.0	46.1	45.9	1.23
2003-2004	91.4	46.4	45.0	1.24
2002-2003	86.5	43.4	43.1	1.19
2001-2002	88.5	46.4	42.1	1.23
2000-2001	83.9	41.4	42.5	1.18

* July to July

Table 2. The 10 Highest and Lowest Growth Rates Since 2000

Loudoun	69.6%	Highland	-10.0%
Culpeper	38.7	Buchanan	-9.9
King George	37.1	Petersburg	-9.6
Manassas Park	36.5	Henry	-7.0
Prince William	34.9	Danville	-6.7
Stafford	33.8	Martinsville	-6.6
Spotsylvania	33.4	Bath	-6.5
Fluvanna	31.6	Covington	-6.1
New Kent	29.5	Grayson	-4.4
James City	29.4	Halifax	-3.7

Table 3. The 10 Largest and Smallest Localities in 2008

Fairfax County	1,017,318	Highland	2,282
Virginia Beach	431,451	Norton	4,161
Prince William	378,912	Bath	4,719
Chesterfield	303,538	Craig	5,242
Henrico	291,767	Emporia	5,566
Loudoun	287,688	Covington	5,920
Norfolk	235,092	Bedford City	6,356
Chesapeake	216,622	Buena Vista	6,515
Arlington	206,822	Galax	6,706
Richmond City	195,463	Charles City	6,908

Table 4. The 10 Largest Population Gains and Losses Since 2000

Loudoun	118,089	Henry	-4,061
Prince William	98,099	Danville	-3,259
Fairfax	47,569	Petersburg	-3,251
Chesterfield	43,635	Portsmouth	-2,966
Stafford	31,244	Buchanan	-2,666
Spotsylvania	30,220	Roanoke City	-2,567
Henrico	29,467	Richmond City	-2,327
Suffolk	18,230	Hampton	-2,233
Chesapeake	17,438	Halifax	-1,398
Arlington	17,369	Smyth	-1,213