

Demographic Outlook

Global Insights Center



Key Takeaways

The US population growth will begin to contract starting 2051 due to falling birthrates and lower levels of immigration; US society will begin to age.

Labor force growth will likely slow and then contract after 2048 meaning fewer workers.

Healthcare demand will likely rise due to aging trends, however labor availability to support this sector may not keep pace, creating opportunities for AI solutions.

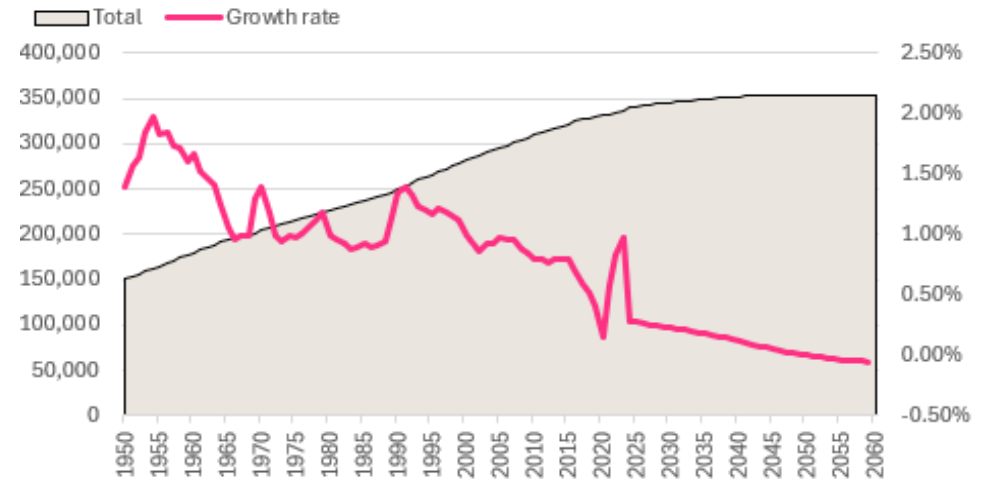
Housing demand and the type of housing may also be affected; the majority of households will be headed by 55+ group starting in 2048.

Population Growth: Slowdown expected as birth rate and immigration decline

US population is expected to peak in 25 years and then contract in 2051

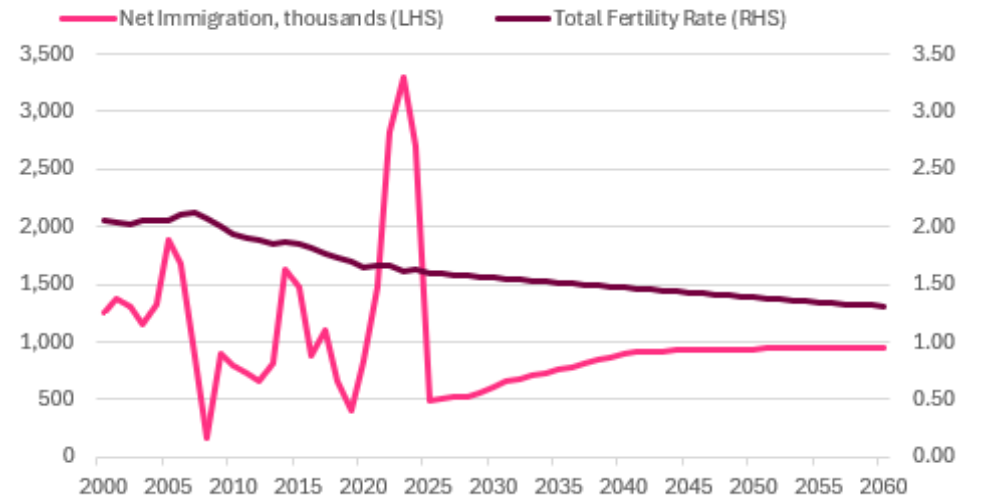
- The total US population doubled between 1950 and 2008 and currently stands at 340 million.
- Between 2025 and 2035, population will increase by 8 million, the lowest 10-year growth rate since the 1860s.
- Beyond 2035, only limited growth is expected, with the population peaking at 354 million in 2050 and then starting to decline in 2051.
- Declining birth rates have made the US increasingly reliant on immigration for labor growth, and future immigration is expected to slow.

US Population



Source: US Census Bureau, Haver Analytics, Global Insight Center

Drivers of Population Change



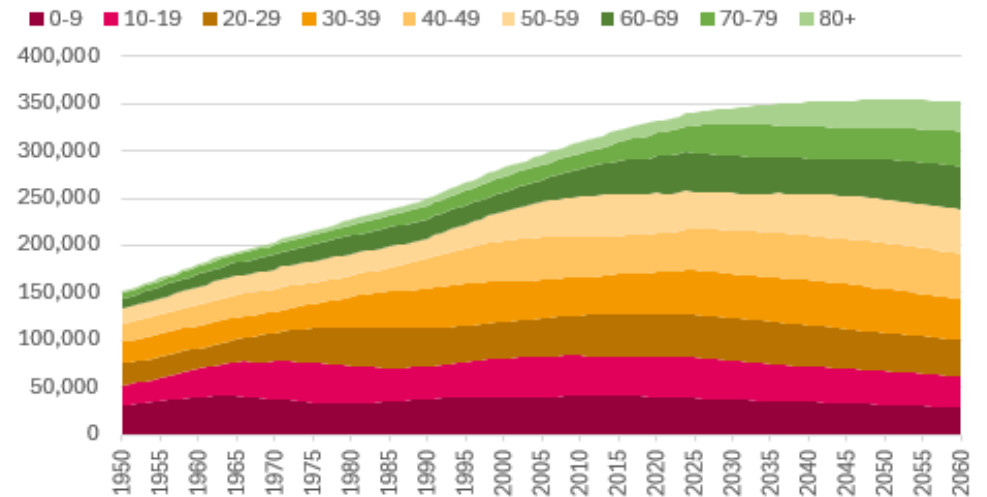
Source: US Census Bureau, Haver Analytics, Global Insight Center

Ageing Society: Elderly segments of society will grow more rapidly

The need to provide for an aging population will require shifting resources

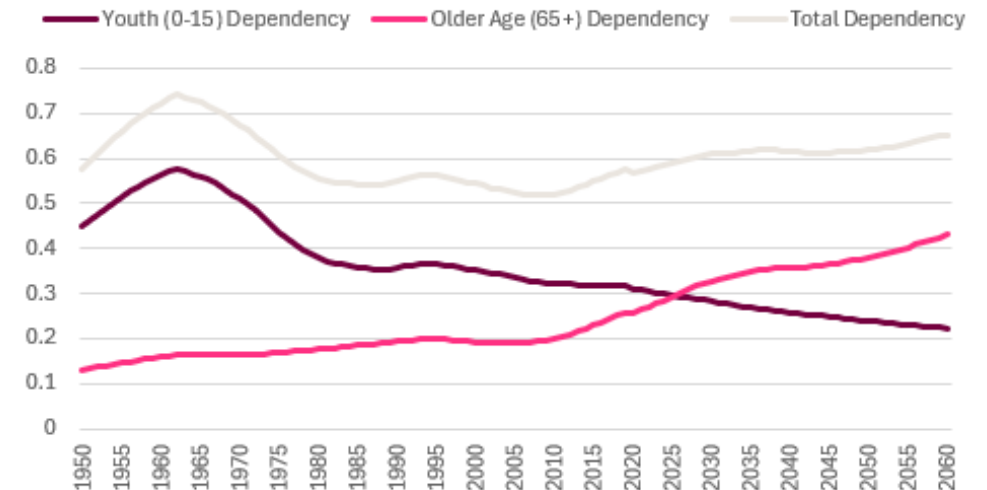
- While the total population will grow by 13 million through 2060, the number of people aged 65 and older will grow by 31 million, from 61 million to 92 million.
- The number of children under 16 will decline from 64 million to 48 million.
- Dependency ratios measure how many young or older Americans are supported by each working-aged individual.
- The older age dependency ratio will surpass that of youths in 2026 as the trends diverge.

US Population by Age



Source: US Census Bureau, Haver Analytics, Global Insight Center

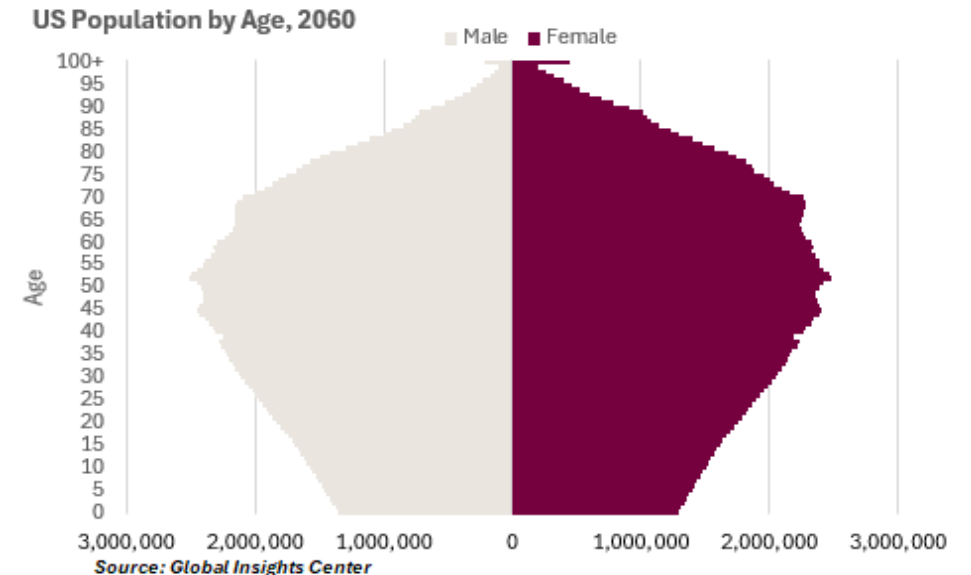
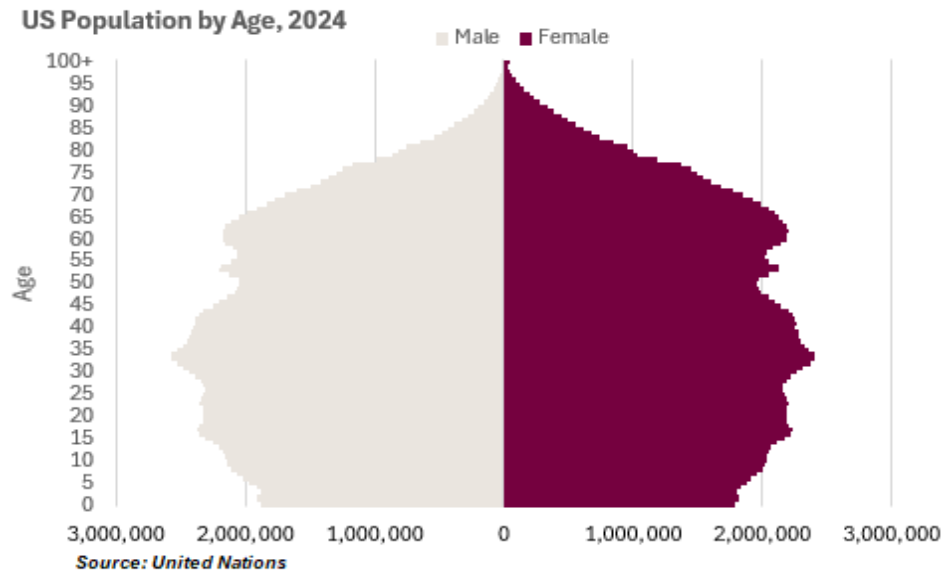
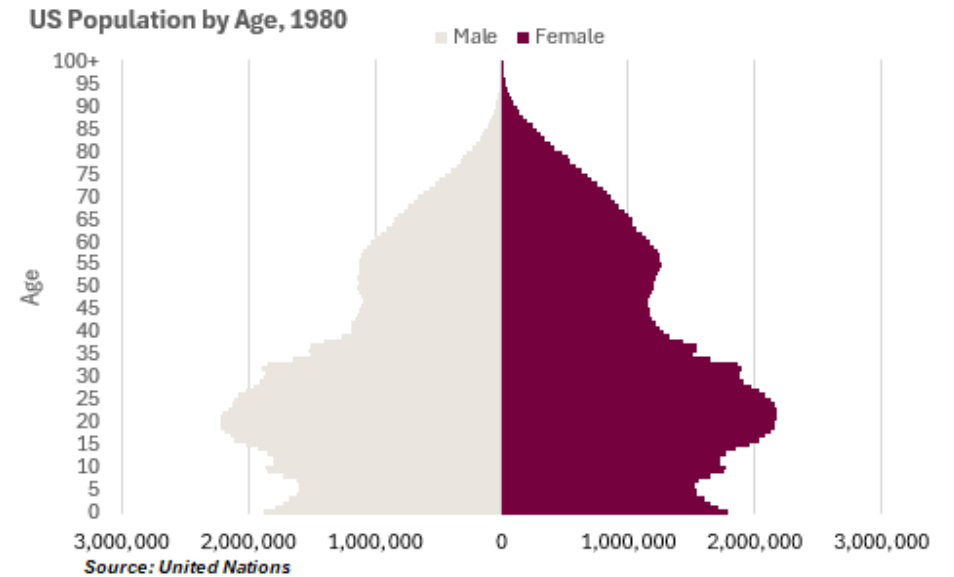
US Dependency Ratios



Source: US Census Bureau, Haver Analytics, Global Insight Center

Population Pyramids: Age distribution over the decades

- The US has progressed from a young society in 1980 to an age-balanced society today.
- By 2060, the US will have progressed to become top heavy.
- The age structure of the US in 2060 is similar to the current structure of European countries like Spain and Italy.

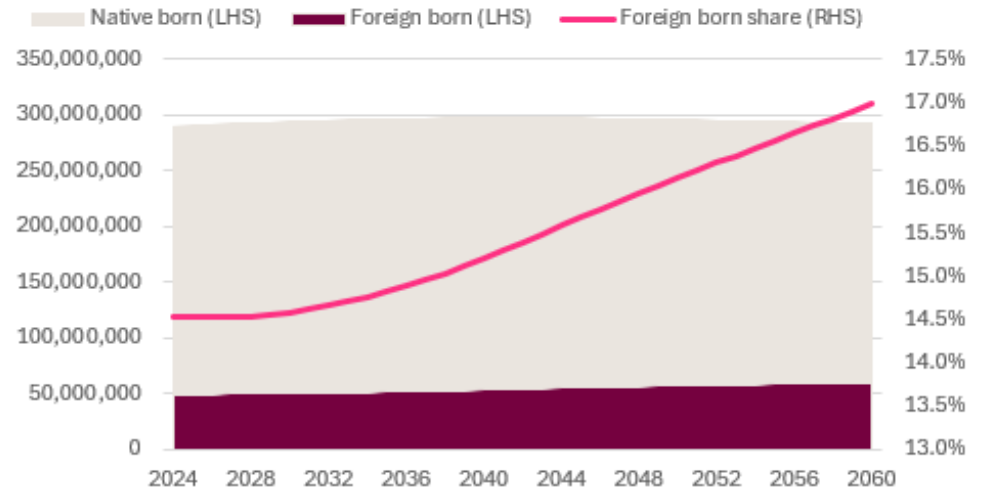


Immigration: Will likely slow, yet remain a growing portion of the population

While births will drive growth in the near term, immigration will become increasingly important as birth rates fall

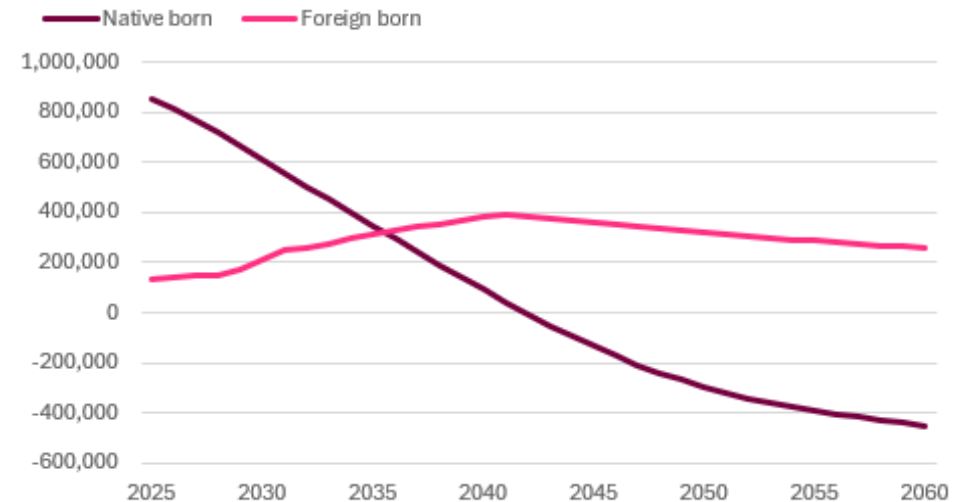
- In 2024, 14.5% of the population was foreign born.
- Immigration growth rates are slowing. However, declining birth rates mean that by 2036, the foreign-born population will numerically contribute more to overall growth.
- By 2042, the native-born population will start to decline.
- Immigration will prevent the total population from declining until 2051.
- The foreign-born share of population will rise to 17.0% in 2026.

Population by Nativity



Source: Global Insights Center

Change in Population by Nativity



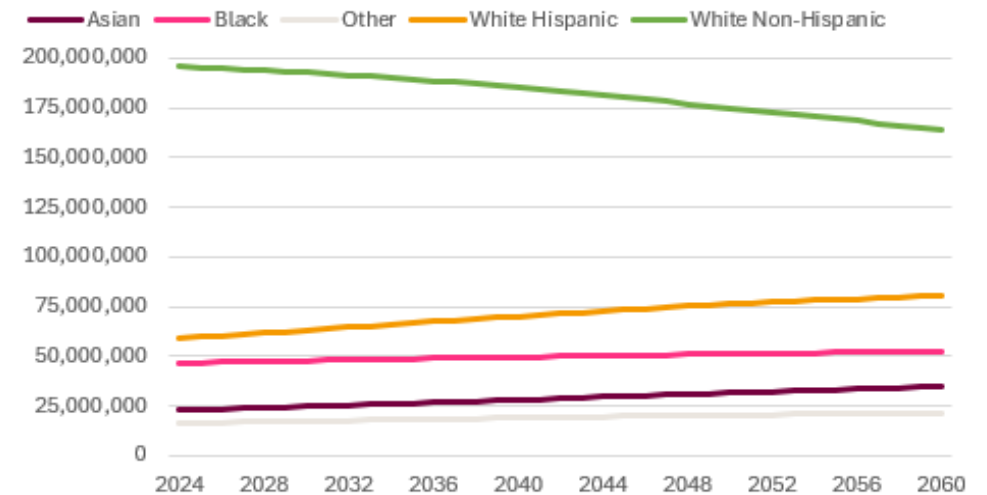
Source: Global Insights Center

Demographic Split: Certain segments will likely grow faster than others

From 2024 to 2060, the White non-Hispanic population will decline by 31.3 million while other categories grow by 44.1 million.

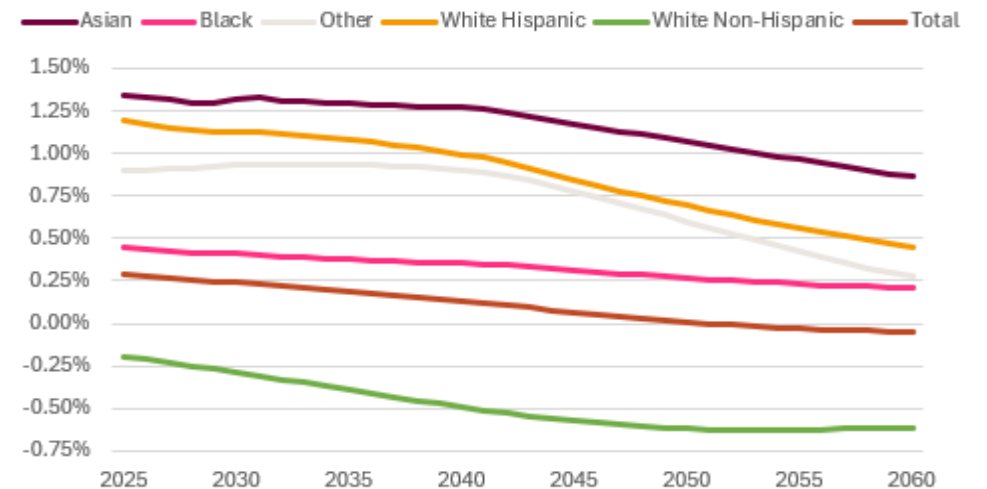
- The US population will become increasingly diverse due to immigration and differential birth rates.
- The White non-Hispanic population remains the largest demographic but is declining and will likely fall below 50% of the population in 2048.
- The fastest growth is among Asians, with this demographic expected to grow from 22.8 million to 34.6 million.
- The White Hispanic population is expected to grow from 17.3% of the population in 2024 to 22.8% in 2060.

Population by Race/Ethnicity



Source: Global Insights Center

Population Growth Rates by Race/Ethnicity



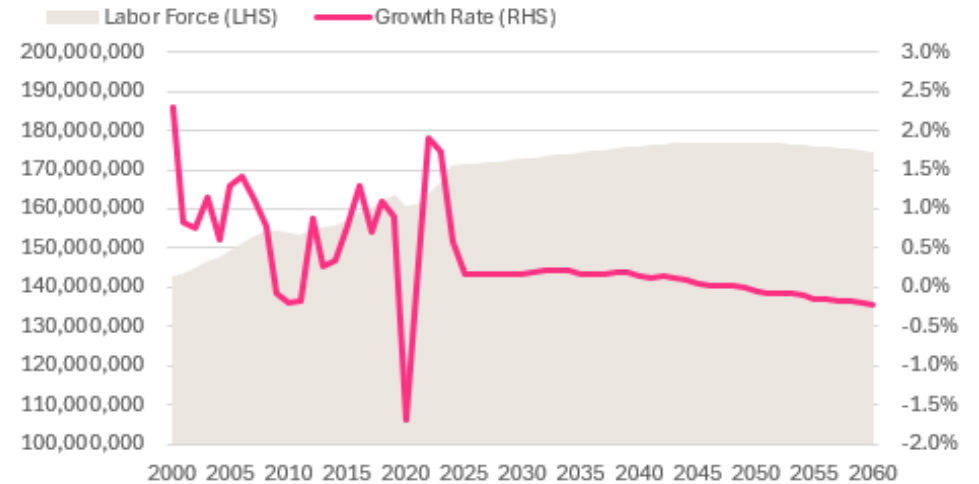
Source: Global Insights Center

Labor Force: Labor availability is slowing and may contract starting 2048

Mirroring trends in the population, growth in the labor force is expected to slow

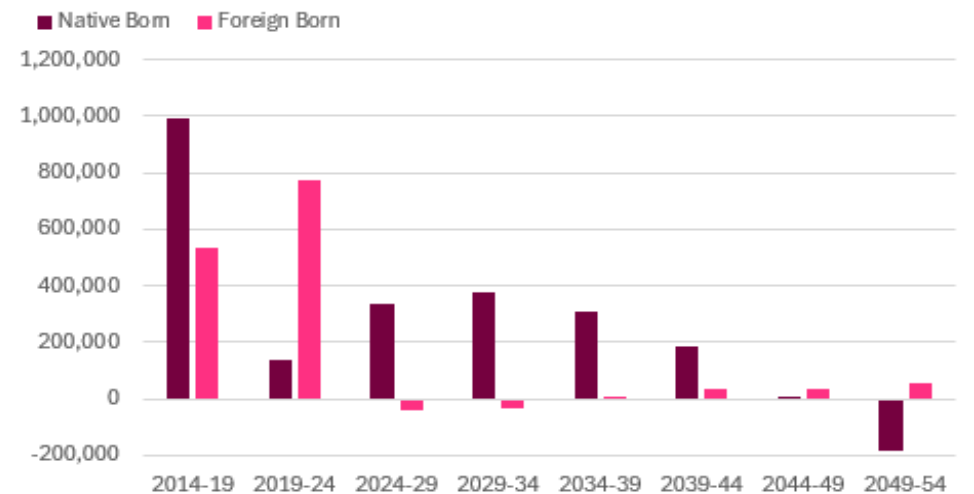
- The civilian labor force (those working or looking for work) is expected to grow from 170.9 million in 2025 to a peak of 177.0 million in 2048, after which it will start to decline.
- Lower levels of immigration, combined with retirements of immigrants who arrived in the 1990s and 2000s, will lead to declines in the immigrant labor force.
- The decline in birth rates that began in the 2010s (native born) will begin impacting the labor force starting in the 2030s.
- Labor force growth rates will contract after 2048.

US Labor Force Size and Growth



Source: Bureau of Labor Statistics, Haver Analytics, Global Insights Center

Annual Growth in Labor Force



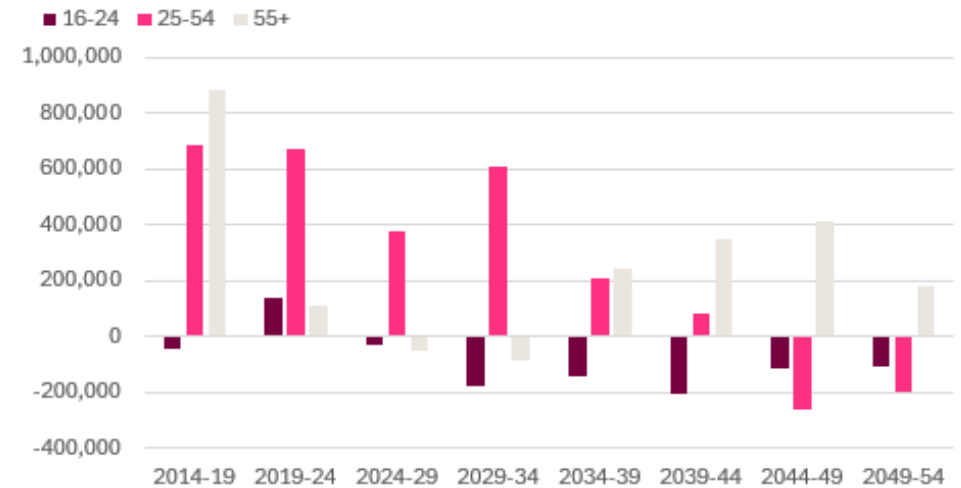
Source: Bureau of Labor Statistics, Haver Analytics, Global Insights Center

Labor Force: Average age of labor force may grow as availability declines

Similar to the overall population, the labor force is aging, but at a slower rate

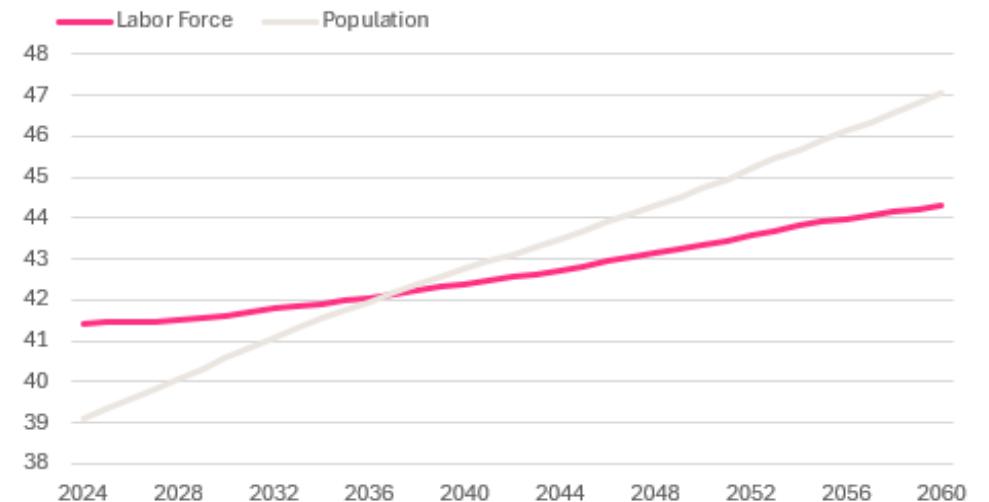
- Growth in the labor force remains concentrated among 'prime age' (25-54) individuals through 2034.
- Older workers serve as the main source of growth from 2034 and beyond.
- The overall population is aging faster than the labor force, for two reasons:
 - Increasing life expectancy means people live longer in retirement.
 - There is a 20+ year lag before lower birth rates impact the labor force.

Annual Change in Labor Force by Age



Source: Bureau of Labor Statistics, Haver Analytics, Global Insights Center

Median Age



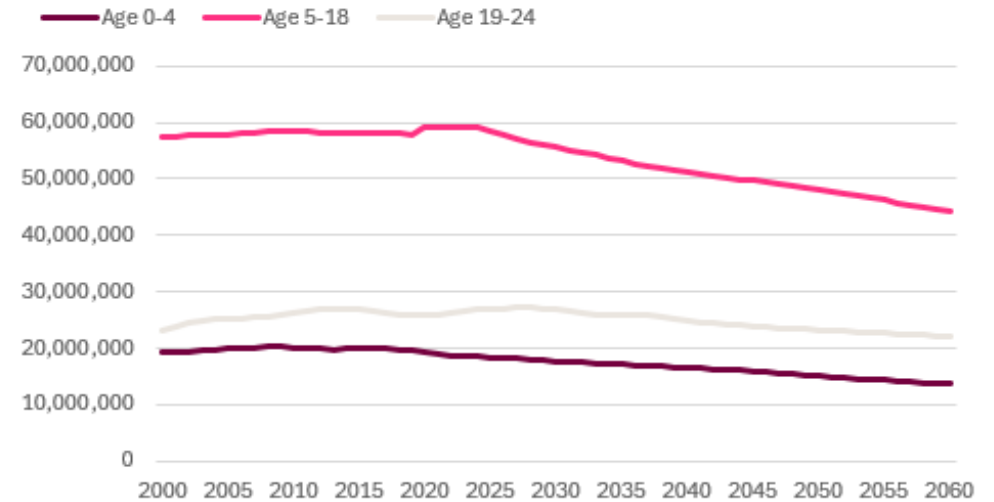
Source: Global Insights Center

Sector Implications: Healthcare demand may rise while education applicants falls

The most direct implications of an aging society will be felt in the education and health sectors

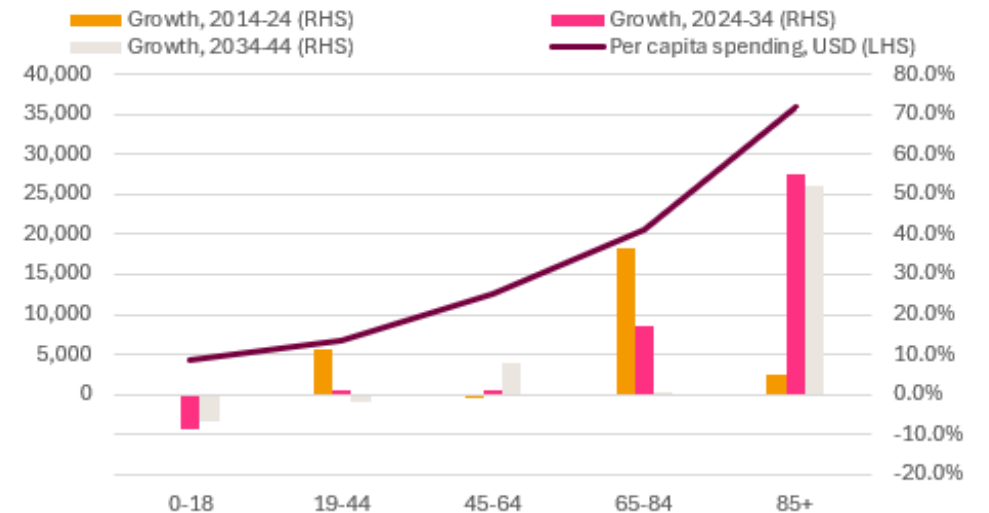
- The child-care age population peaked in 2008, elementary peaked in 2020, and college is expected to peak in 2028.
- Colleges and universities may pivot to attract more working age adults and foreign students to limit enrollment declines.
- Health care spending increases rapidly with age. As the population concentrates in elder age brackets, health care spending rates are likely to accelerated sharply.
- This will likely support growth of the healthcare sector from a demand and spending perspective.

School and Child Care-Age Population



Source: US Census Bureau, Haver Analytics, Global Insight Center

Health Care Spending and Population Growth, By Age



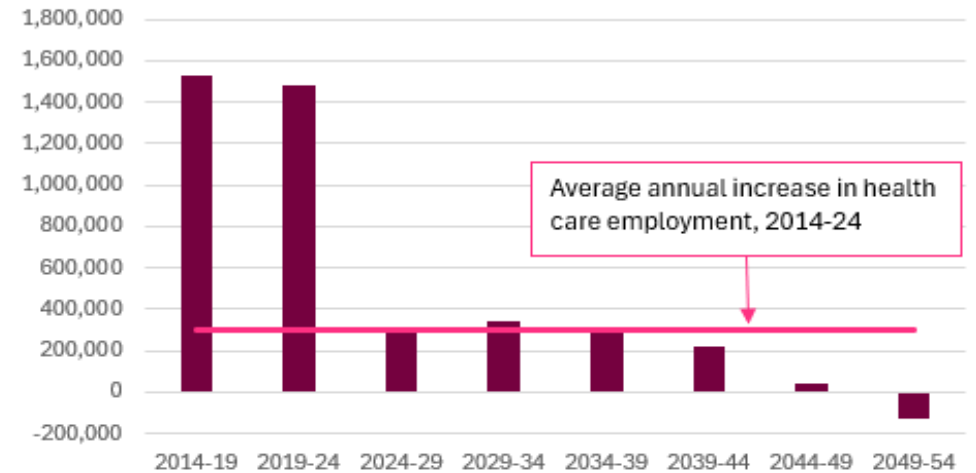
Source: Center for Medicare and Medicaid Studies, Global Insight Center

Sector Implications: Availability of labor for healthcare may not keep up with demand

While demand for health care will grow, available talent to service the sector may face challenges.

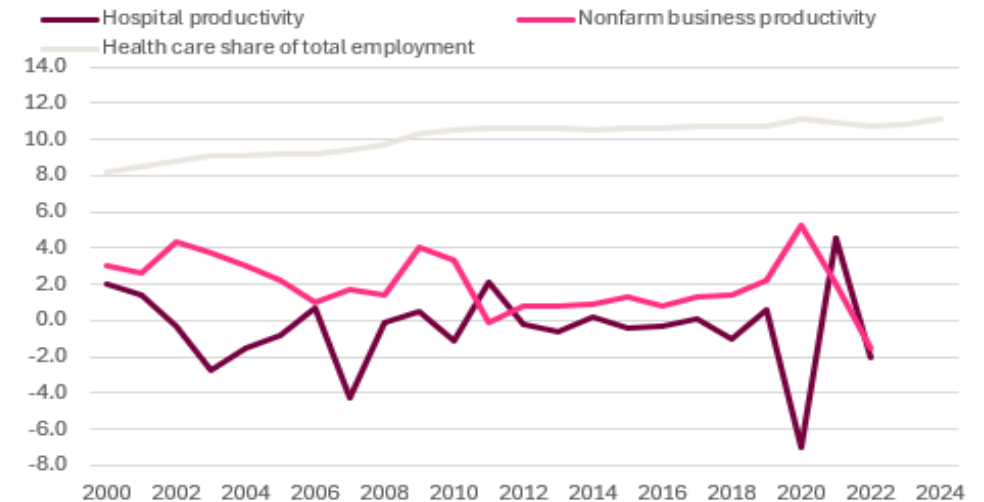
- Although the aging population will increase health care demand, growth in labor to support the sector will not keep pace.
- Even assuming labor demand in health care remains at 2014-24 levels, it will consume all labor increases. When accounting for demand growth, labor will likely fall short.
- To offset the labor/demand mismatch, health care may become less labor intensive; AI may provide a needed productivity boost where it has lagged
- The economy may allocate even more labor to health care, if AI-related job displacement affects other sectors

Average Annual Growth in Labor Force



Source: Bureau of Labor Statistics, Haver Analytics, Global Insights Center

Health Care Productivity and Employment Share



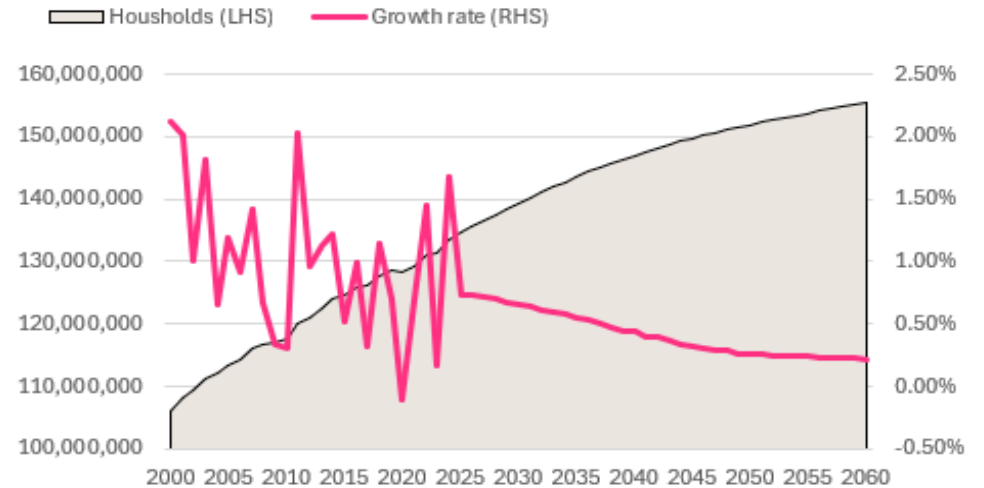
Source: Bureau of Labor Statistics

Housing: Majority of households expected to be headed by 55+ by 2048

Growth in households will underpin demand for residential construction, but type of home demanded may change

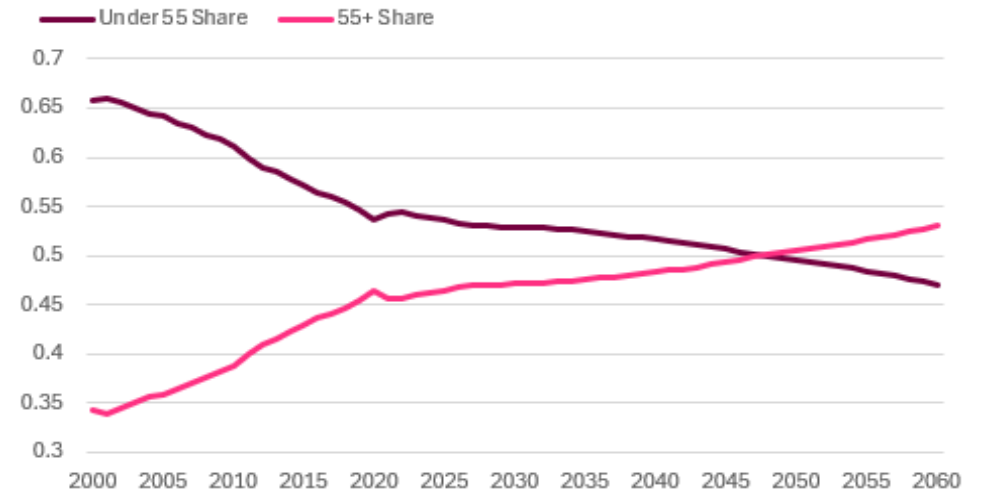
- Unlike population and labor force, the number of households in the US is expected to continue growing through 2060, with growth rates slowing only gradually.
- This is because older people are more likely to head households, so an aging population supports household growth, though the size of households will decline.
- By 2048, the majority of households are expected to be headed by people 55 and older.
- The prevalence of older and smaller households will change the mix of housing demand type.

US Households



Source: Census Bureau, Haver Analytics, Global Insights Center

Household Share by Age



Source: Census Bureau, Haver Analytics, Global Insights Center

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