



The Atlanta Region Plan 2040 Forecast

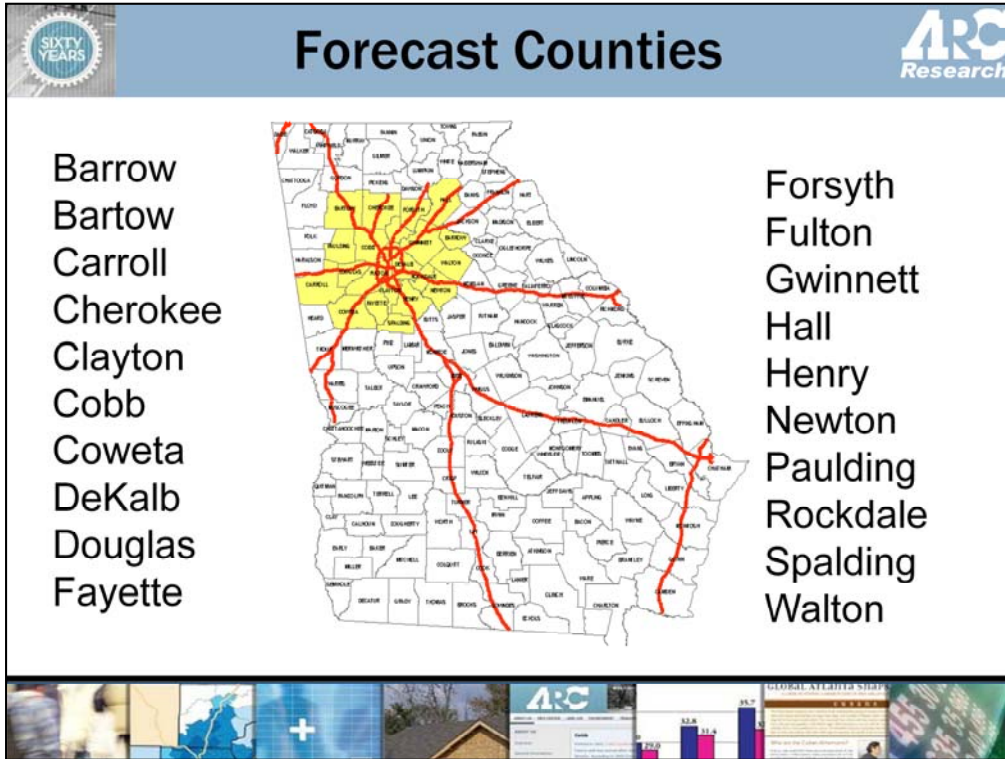
What is on the Horizon




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ARC periodically develops long-range population and employment forecasts to provide a basis for long-range plans – including regional transportation and development plans. We began with a national econometric model (from REMI) that splits out the 20-county region’s “contributions” to the national economy and iteratively forecasts the population required to fill the jobs expected out to the year 2040. Through a Technical Advisory Committee, ARC then received input from a team of local economists to modify some of the assumptions used to better reflect the local economy. What follows is the results of this process.



ARC's forecast area includes 20 counties, shown in yellow. This is the air quality, non-attainment area for Ozone, for which ARC has to produce a transportation plan to show that federal air-quality standards are met before the region can access federal funding for the plan.




The Regional Consensus Statement

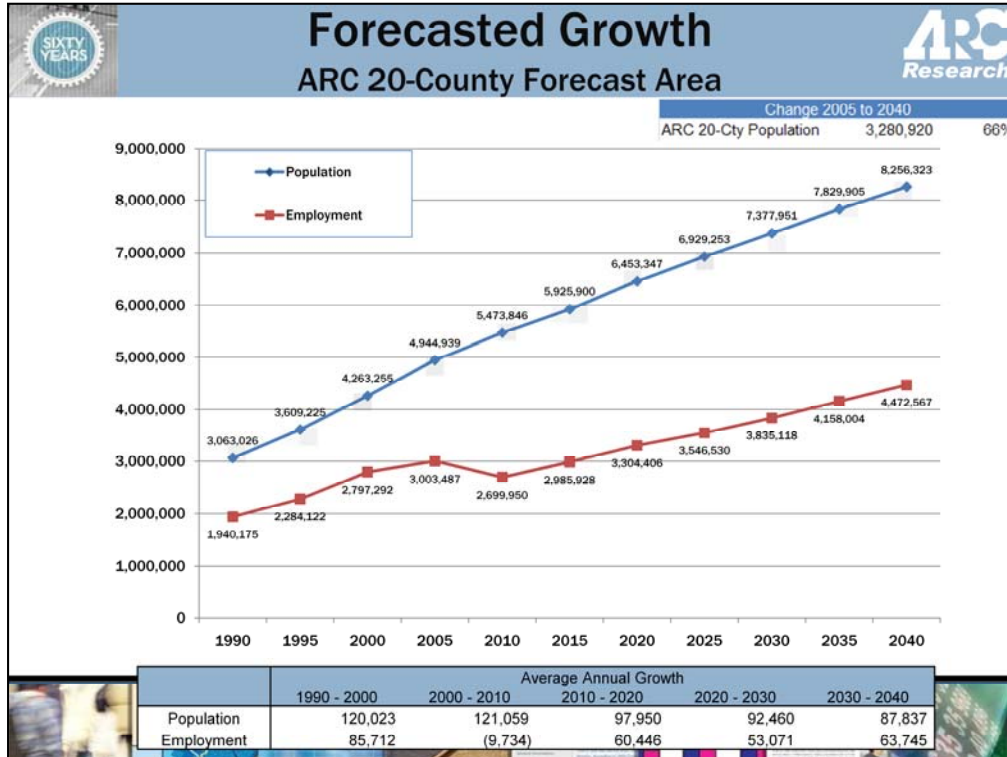


The Plan 2040 Regional Forecast Technical Advisory Committee (TAC) of Economists and Policy Experts with the support of the ARC Research Division Staff developed this regional forecast of economic and demographic change from 2005 to 2040. Over a period of three months, the TAC met four times to review the forecast methodology, output, and calibration changes for theoretical consistency and economic soundness.

It is the consensus of the committee members that this Regional Forecast provides a reasonable representation of likely future population and employment growth trends to the year 2040. The committee agrees that the forecast is a solid starting point for development of small-area forecasts, and for the development of Plan 2040.

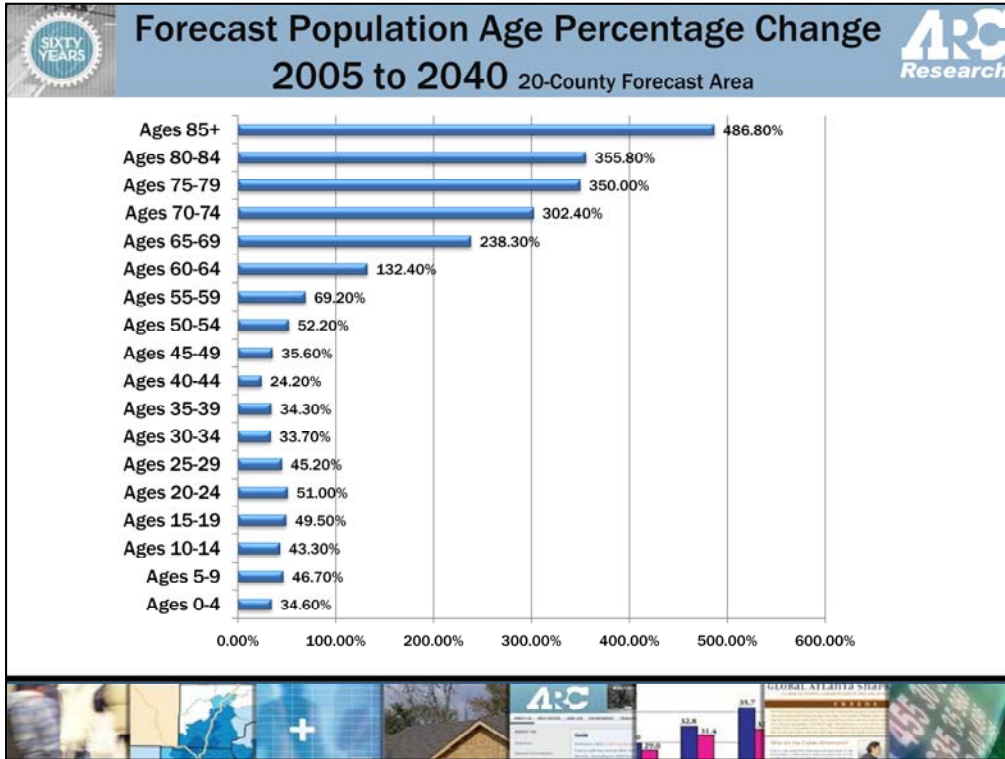


ARC asked several of the region's most prominent economists to guide the forecast development and to serve as advisors for what we can expect. They were instrumental in tweaking the forecast model to reflect more reasonable assumptions of the local economy.

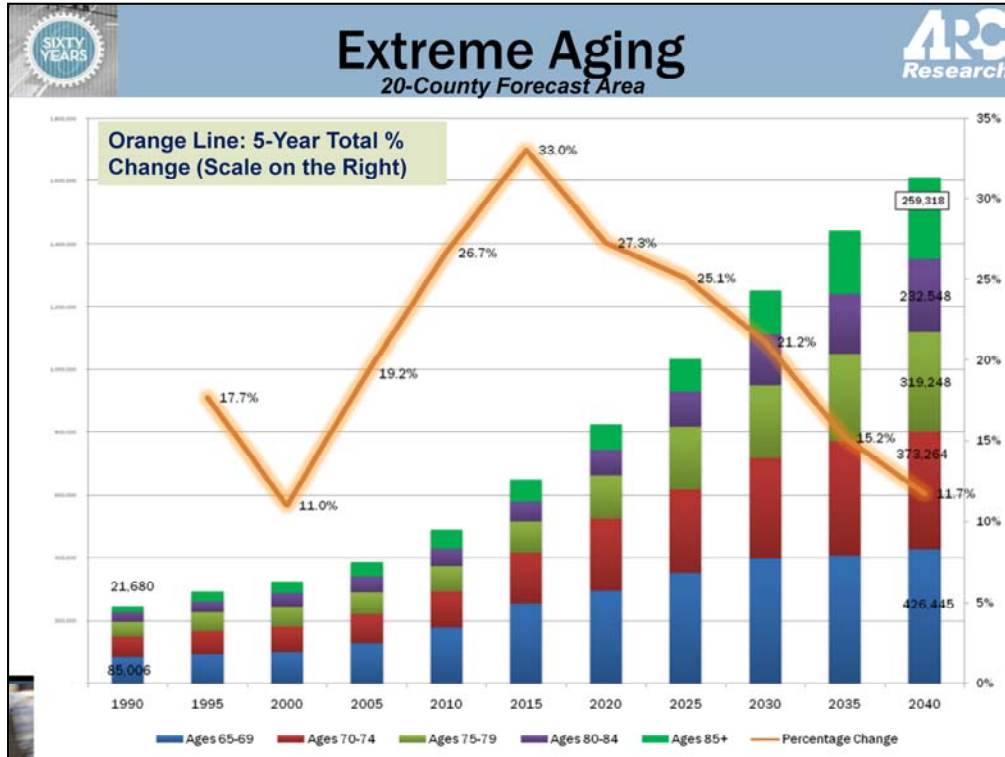


The 20-county region will add almost 3.3 million people – which is the equivalent of adding three additional Fulton Counties to the area. ARC forecasts the area to be home to 8.3 million people in the year 2040. For a rough equivalent of 8.3 million people, think of Chicago today.

The region will also be home to 4.5 million jobs, roughly a 1.6 million increase from today.

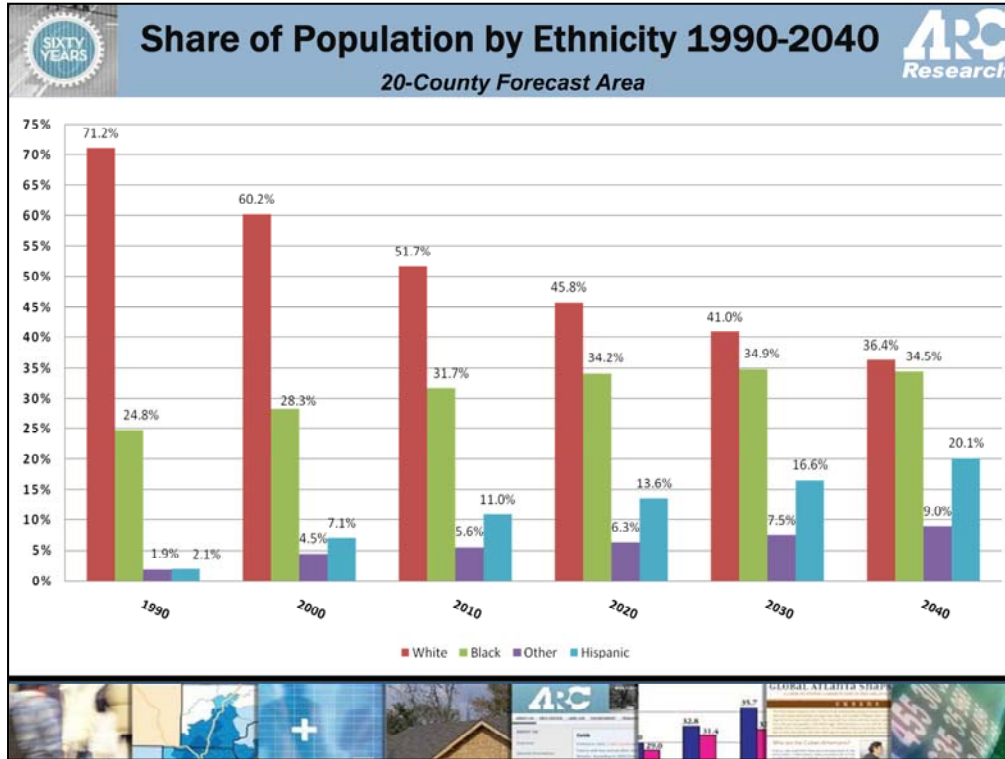


The growth we expect to receive in the next 30 years or so will be a lot different than the growth of the previous 30 years. First, we will be A LOT older, as evidenced by the growth rates by age cohort.

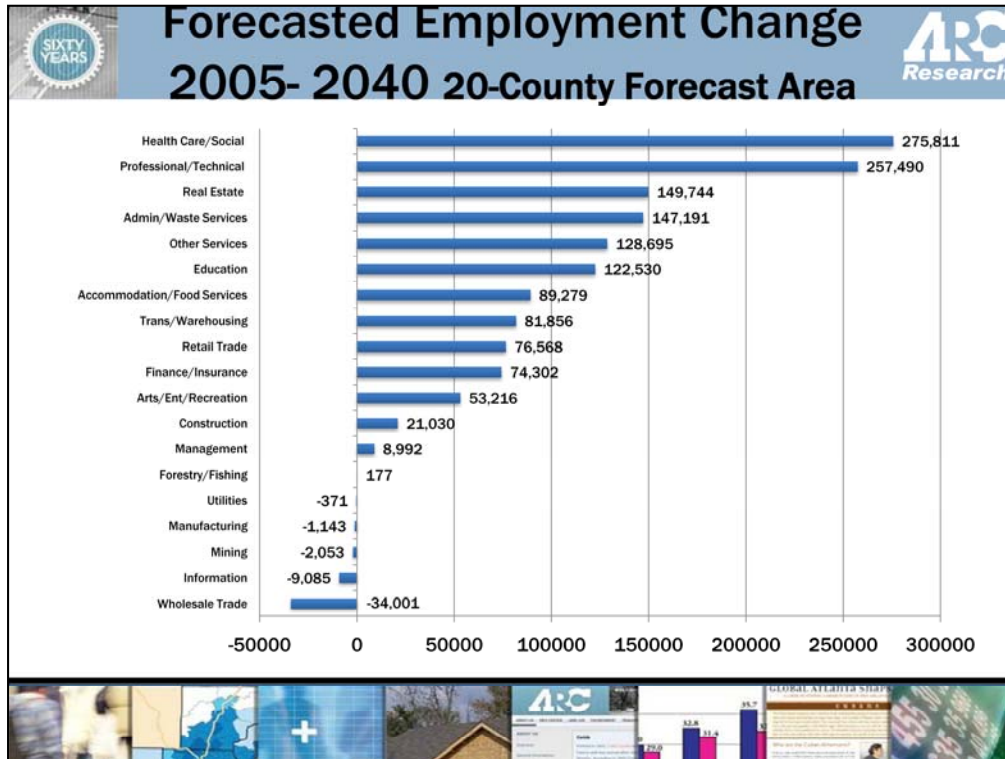


The largest bump (as measured by the orange line) in the 65 and older population will occur during the next five or six years – so the aging of the population isn't some far-off phenomenon, it is here!

Put more starkly, in 2005, we had roughly 385,000 people over the age of 65. By 2040, there will be more than two million people over the age 65.



We also will be more diverse. For most of the region's history, the Atlanta region has been bi-ethnic – White and Black – with Whites comprising the majority. By 2020, there will no longer be a majority racial/ethnic group. While Whites will maintain a plurality throughout the forecast horizon, their share will decline from roughly 56 percent in 2005, to 36 percent in 2040. Meanwhile, the Hispanic share will increase from roughly nine percent today to 20 percent by 2040.



In terms of employment, ARC expects that the Health Care/Social Assistance sector to be the leading growth industry, adding some 276,000 jobs between 2005 and 2040.



As for specific occupations, ARC expects the Sales, Office and Administrative occupations will capture the bulk of the growth between 2005 and 2040. (Occupations are different from employment sectors in that a specific *occupation* - like Sales, Office and Administrative, for example - would be in many different employment sectors



Conclusion



- Population growth will be strong, but with fewer people as a share in the working age population.
- Atlanta, very young now, will look more like the nation in older age groups by 2040 but will be less like the nation in younger age groups.
- Demographic change will be most apparent in younger age groups, but almost all major age groups will be evenly composited among ethnicities.
- Substantial employment growth will occur in sectors that are directly driven by population growth.
- There will be significant growth in occupations that require greater levels of education.