

Growth and Decline: Indiana and the U.S.

Hoosier population continues to grow, according to population estimates released by the U.S. Bureau of the Census on December 31, 1997. But the rate is slower than it was earlier in the decade. The state's population is estimated to have increased from 5.83 million in 1996 to 5.86 million in 1997, for an increase of 36,000 people and an annual growth rate of 0.6%.

The estimates suggest that population growth in the state is slowing down and is consistent with the slowing in the state's economic growth. Both the population and the economy continue to grow, but more slowly than in the early 1990s. Growth in the most recent year accounts for the smallest amount of annual growth since 1990, both in numbers of people added and yearly rates (see **Figure 1**).

Overall, the state has grown by 320,000 people since the most recent census in 1990—six times the growth of the 1980s (54,000). The rate of 5.8% between April 1, 1990 and July 1, 1997 is much higher than the 1980s rate of 1%. The state experienced net out-migration in the 1980s, with more people moving out of Indiana than moving in. The slight growth in the '80s was the result of natural increase (more births than deaths).

The migration patterns in the state have changed in the '90s. We are experiencing a reversal of previous migration trends, with larger numbers of people moving into the state. This in-migration and natural increase are combining to account for larger amounts of growth as well as more rapid population growth than we saw in the '80s.

Tax return-based migration data from the IRS provide evidence that more people are now moving into Indiana than are moving out. Of the net population increase of 36,000 people between 1996 and 1997, about 30,000 were the result of more births than deaths, with the remaining 6,000 due to net in-migration.

Annual population growth for the state appears to have peaked between 1992 and 1993, when the Hoosier state's population grew by 52,000 people, with 33,000 more births than deaths and a net in-migration of 19,000 people.

Indiana's growth rate of 5.8% between 1990 and 1997 is lower than the 7.6% rate for the nation. The Hoosier state has been the 28th fastest growing state in the nation between 1990 and 1997, retaining its position as the nation's 14th most populous state. However, Indiana's share of the nation's population continues to decline, from 2.56% in 1970, to 2.42% in 1980, to 2.23% in 1990, and to 2.19% in 1997.

The state's growth rate of 5.8% compares favorably with that of neighboring states. The Midwest region grew by 4.7% during the same seven-year period. Indiana has grown faster than Michigan, Illinois, and Ohio, with a slightly lower rate of growth than Kentucky (see **Table 1**).

The West continues to be the fastest growing region in the nation, with its growth rate of 12.5% between 1990 and 1997. Nevada's growth of almost 40% between 1990 and 1997 makes it the fastest growing state in the nation (see **Figure 2**). It has added 475,000 people since 1990, moving it past Nebraska to become the nation's 37th most populous state. In the most recent year, between July 1, 1996 and July 1, 1997, Nevada added 76,000 people for an

Joan Rainey

Research Director, Indiana Business Research Center, Kelley School of Business, Indiana University

Figure 1
Twenty Years of Population Growth in Indiana

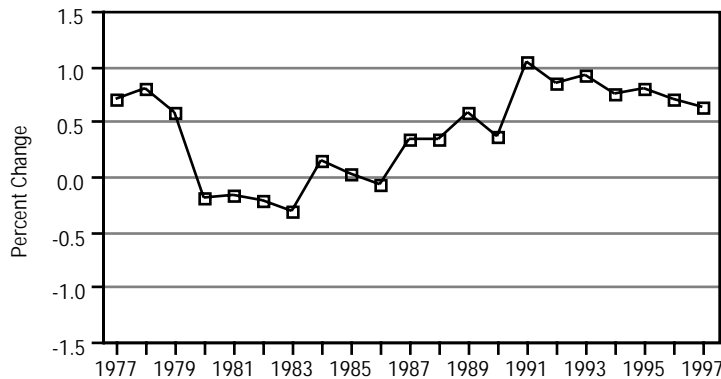


Figure 2
Top Ten States in Rate of Growth, 1990-1997

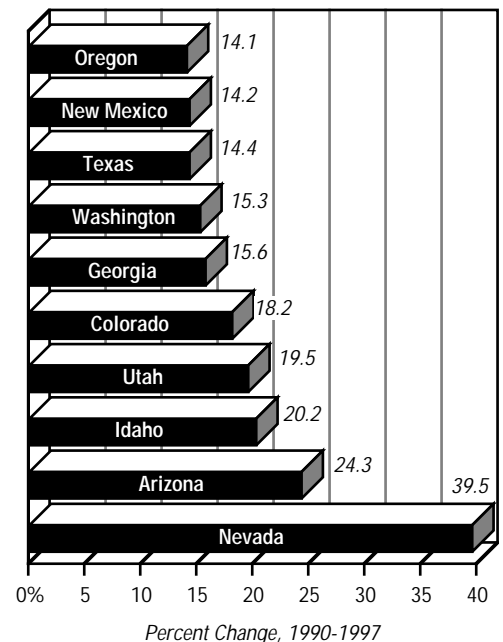


Table 1
Indiana and Its Neighbors

	<i>Population Increase 1990-97</i>	<i>Percent Change 1990-97</i>
Illinois	465,247	4.1
INDIANA	319,952	5.8
Kentucky	221,232	6.0
Michigan	478,605	5.1
Ohio	339,216	3.1

annual growth rate of 4.7%. This made it the fastest growing state in the nation for the 12th consecutive year.

Other states with high growth rates between 1990 and 1997 include Arizona, Idaho, Utah, Colorado, Georgia, Washington, and Texas (see Figure 2 for actual rates). California and Texas added the largest numbers of people since 1990, with population increases of almost 2.5 million people in each state. Other states adding large numbers of people include Florida, Georgia, Arizona, and North Carolina.

The District of Columbia has experienced a decline of almost 78,000 people since 1990 for a loss rate of 12.8%. Connecticut and Rhode Island have also lost population between 1990 and 1997. Pennsylvania experienced the largest numerical population decline in the most recent year between July 1, 1996 and July 1, 1997, with its population loss of 20,000 people in one year.

The Census Bureau estimated that the nation's population increased from 248.8 million in 1990 to 267.6 million in 1997. The ten most populous states are California (32.3 million), Texas (19.4 million), New York (18.1 million), Florida (14.7 million), Pennsylvania (12.0 million), Illinois (11.9 million), Ohio (11.2 million), Michigan (9.8 million), New Jersey (8.1 million), and Georgia (7.5 million).

Indiana, ranked as the 14th most populous state with an estimated 1997 population of 5.86 million, is closely followed by the state of Washington, with a 1997 population estimate of 5.61 million. In the most recent year between 1996 and 1997, Indiana ranked as the 29th fastest growing state, at an annual rate of 0.6%. Compare this to Washington, the 8th fastest growing state with an annual rate of 1.6%. Assuming that these annual rates will continue results in a projection that Washington will pass Indiana as the 14th largest state in the year 2002.

