



# please come to New England

## Slow Growth Spells Trouble for Local Schools

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New England may be the wealthiest region in the United States, but it is also the oldest and slowest-growing. And it is among the least diverse. These peculiar demographic characteristics combined with New England's history of heavy reliance on local governments suggest future problems for the region's educational systems.

Some facts: the median household income in New England, as recorded in the 2000 census, was about \$48,400, more than 15 percent above the national median. But New England's median household income grew the slowest of any region. Between the 1990 and 2000 census, it edged up only 2.9 percent (after adjusting for inflation) compared with a nationwide increase of 7.7 percent.

It's not only household income that grew so slowly over the past decade. New England's population grew by just 5.4 percent during the 1990s—less than half the U.S. rate of 13.2 percent. Four New England states are among the 10 slowest-growing states in the country. The primary reason for such low population and income growth is out-migration.

The Census Bureau estimates that approximately 500,000 New England residents left the region during the 1990s, mostly from Massachusetts and Connecticut. In the 15 months following the 2000 census, the bureau estimates that Massachusetts lost a net of more than 20,000 people and Connecticut lost about 8,000 residents through out-migration.

Out-migrants, in many cases, are higher-income individuals. The economic research firm Economy.com recently reported that people who moved out of Massachusetts had a median income \$4,000 higher than those who moved in from other states. A drain of above-average wage earners from this region is one reason for the minuscule increase in median household income.

New England is also the oldest region in the country in terms of median age. The 2000 census reported the median age in the region at 37.1—almost two years older than the national median of 35.3 and edging closer to the 38.7 median age of Florida. But an overall median does not tell the full story of an older New England, because only one segment of the population is responsible for such high age numbers.

The vast majority of New England residents (84 percent) are white, non-Hispanics, according to the latest census. Only about 6 percent were counted as black or African-American, 6 percent as Hispanic, and 3 percent Asian, making New England one of the least diverse parts of the United States.

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New England's white, non-Hispanic population—about 13 million—declined by about 1 percent during the 1990s, while the region's African-American population grew by 15 percent to 820,000, and the Hispanic population jumped by 54 percent to 875,000. About half of the latter two groups reside in New England's 10 largest cities, where the white, non-Hispanic population is a minority.

The median age of white, non-Hispanic New England residents is 39 years—40 for white women and 38 for white men. The median age for black and Hispanic New England residents is 29.5 and 24.7 respectively.

FIGURE 1 - HOMEOWNERS BY AGE

| Age Segment | Number of Homeowners 2000 | % Change 1990 - 2000 |
|-------------|---------------------------|----------------------|
| Under 35    | 395,500                   | -21%                 |
| 35 to 44    | 834,400                   | +10%                 |
| 45 to 54    | 841,900                   | +44%                 |
| 55 to 64    | 569,900                   | +9%                  |
| 65 +        | 852,500                   | +13%                 |
| Total       | 3,494,000                 | + 12%                |

Source: U.S. Bureau of the Census.



More than 90 percent of New England’s population age 55 and older is white, non-Hispanic.

During the next decade, the age group 55 to 64 in New England is expected to grow by 4 percent to 5 percent per year, compared with overall growth of less than half of 1 percent. One consequence of such a rapidly aging population is that in most communities, an ever-larger majority of households have no children and, thus, no personal connection to their local public schools. By 2010, half of New England homeowners are likely to be age 55 or older.

**FIGURE 2 – CHANGE IN HOUSEHOLD INCOME**

| State         | Median Household Income, 1999 | % Change 1989 to 1999 |
|---------------|-------------------------------|-----------------------|
| Connecticut   | \$53,900                      | -0.4%                 |
| Massachusetts | \$50,500                      | +5.3%                 |
| Rhode Island  | \$42,100                      | +0.8%                 |
| Maine         | \$37,200                      | +3.0%                 |
| New Hampshire | \$49,500                      | +4.9%                 |
| Vermont       | \$40,900                      | +5.7%                 |
| New England   | \$48,400                      | +2.9%                 |
| United States | \$42,000                      | +7.7%                 |

Note: Income percent change is in constant dollars.  
Source: U.S. Bureau of the Census.

The second consequence of an aging population is that household income is dragged down. Households headed by someone ages 55 to 64 have incomes about 15 percent lower than those headed by younger people ages 45 to 54, according to the Census Bureau.

That drop in average household income is likely to become less dramatic as the incidence of early retirement diminishes. But the fact remains that many older New England households will find it necessary to get by on less as the region continues to age. Meanwhile, the out-migration of New Englanders with above-average incomes, if it continues, may further reduce household incomes in this region.

Since most public schools in New England are financed principally by local property taxes, any decline in the income of homeowners, and by extension, their ability or willingness to pay rising property taxes, is a serious matter. There is little doubt that in most New England communities, an aging population will make it more difficult to finance high-quality elementary and secondary public education.

This could have equally serious consequences for higher education in New England because if school districts are forced to spend less, fewer high school graduates may be prepared for college-level course work.

The heavy reliance on local property taxes, subject to a referendum, to finance public schools is an old New England tradition. When so many suburban and rural communities will have, at best, one in four households with children, perhaps it is time to re-examine that method of paying for public education.

At the very least, public schools across the region will need to pay closer attention to the majority of voters in their districts whose only connection to the schools is a big and rising tax bill once or twice a year. School districts will need to do a much better job of showing how a high-quality public education benefits the entire community and not just those few parents with kids in public schools.

A dismal demographic forecast need not be New England’s destiny, however. Leaders of colleges, universities and state governments should be asking: How could we change this scenario? What could be done to get the region’s income and younger population growing faster?

Perhaps what New England needs is a turnaround marketing plan. The region’s colleges and universities should work in partnership with the six state governments to execute a coordinated, well-financed marketing program. This might include using the World Wide Web and other vehicles to recruit more young people to attend college or graduate school in New England and enlisting New England employers to convince a larger share of them to stay in the region to work.

Lots of states have marketing programs to increase tourism. New England does not need more tourists as much as it needs to attract young people who will live and work in the region. The long-term objective should be to bring up household income and bring down the rising median age.

This will require more than just advertising economic opportunities available in New England. It will also mean addressing a few of the issues, such as lack of affordable housing, that hurt New England’s competitiveness. A marketing plan is not just an advertising program; it also offers an opportunity for a serious examination of how we came to where we are and what needs to be done to create a more positive future for the region.

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