Demographics and Destiny

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Although publishers are accustomed to defining audiences and markets, they rarely take into account demographic data. Knowing the size of various age groups can help publishers to distinguish between subject areas whose markets are likely to grow and those whose markets are likely to shrink or level off. Kendrick Noble offers demographic profiles of the U.S. population in 1988 and 1995 and predicts some likely effects of demographic change on the markets for publishers' products.

For media in general, and for scholarly publishers in particular, demographics are destiny. Demographics—the statistics of populations and the future that they unfold for us—are central to what publishers publish, the marketplace for their efforts, their costs, and thus their viability as publishers. And, although we tend to think of an American population that is steadily increasing at about 1 percent per year and ignore the details, the underlying reality is quite different.

The Economy

For example, consider the overall economy. As Christopher Caton wrote in Data Resources' Summer 1988 U.S. Long-term Review:

Demographic factors are a primary driving force in any long-term projection. The growth rate of the population and changes in its composition have considerable effect on the expected growth of the labor force, the full-employment unemployment rate, the demand for housing, and several other spending categories (most notably consumption of motor vehicles and health services and purchases by state and local governments).

To understand these demographic factors, it is useful to start with a simple profile of births—not the birth rate, but actual numbers of infants born—year-by-year during this century. From its beginning through about 1925, that profile rose at a fairly steady 1.2 percent per year, declined about 0.8 percent per year to 1935, rose erratically by about 2.4 percent per year to about 1960 (the so-called baby boom), fell about 2 percent per year to about 1977 (the "baby bust"), and has since been rising by about 1.7 percent per year (the "baby boom echo"). Given that profile (and ignoring immigration, emigra-
tion, and mortality for the moment), we can paint a picture of the American population in 1988 and, say, 1995, to derive crude but useful forecasts.

We can call those born in any given year, or of any given age, a cohort. In 1988, the cohort of those born in 1925 is people 63 years old. Our profile says that there should be about 1.2 percent fewer 64-year-olds; 2.4 percent fewer 65-year-olds and so on. Those born in 1935 are 53 years old, and there are 13 percent fewer of them than there are 63-year-olds. Our profile suggests that there should be about 0.8 percent more 54-year-olds and 1.6 percent more 55-year-olds. But there should also be about 2.4 percent more 52-year-olds and 4.9 percent more 51-year-olds because, in our simple model, we have arbitrarily placed the cohort of 1935 at the bottom of the last "baby bust" and the beginning of the "baby boom." Those born in 1960 are 28, and there are about 81 percent more of them than there are 53-year-olds. With our simple model, we calculate that there are 2.4 percent fewer 29-year-olds and 4.9 percent fewer 30-year-olds as well as 2 percent fewer 27-year-olds and 4 percent fewer 26-year-olds. We have somewhat arbitrarily taken the 28-year-olds as the peak of the baby boom. Those born in 1977 are 11, and there are only 71 percent as many of them as there are 28-year-olds. Our simple model indicates that there are 2 percent more 12-year-olds and 1.7 percent more 10-year-olds because the 11-year-olds were born at the bottom of the baby bust.

We can also use our model to describe the population seven years from now. In 1995, the 1925 cohort will be 70, the 1935 cohort 60, the 1960 cohort 35, and the 1977 cohort 18. The descriptions we have just given to age groups older and younger than those cohorts will apply equally well at that time. Again ignoring emigration, immigration, and, most notably, mortality, we can make the following simple forecasts for the next seven years: the numbers of those aged 63 will steadily fall; the numbers of 53-year-olds will steadily rise; the 28-year-old cohort will steadily decline; and the number of 11-year-olds will steadily increase. By the same token, in 1995, the number of 70-year-olds will peak; the number of 60-year-olds will bottom; the number of 35-year-olds will crest; and the number of 18-year-olds will trough.

Again to quote Data Resources' recent *Long-Term Review*, "Economic theory suggests that the growth rate of real output must eventually asymptote the sum [I'd say product] of population growth and labor-productivity growth."

Productivity growth is ill understood, but we know that population growth is slowing, particularly that of the 16+ age group or, more precisely, that of the 16–64 age group generally identified as the potential labor force. In recent decades, the labor force grew rapidly, in part because of the entry of the baby boom group into that age bracket, and in part owing to a dramatic increase in female participation in the labor force. The combination of the baby bust's entrance into the labor force and the high current female participation rate suggests slower labor force growth ahead (to perhaps 1.2 percent per year to 1995 versus 1.4 percent since 1980 and 2.5 percent in the 1970s). Thus, the economy will run at a significantly slower pace than we may think of as