

DISRUPTIVE DEMOGRAPHICS:

ADDRESSING NORTH CAROLINA'S GROWING PAINS



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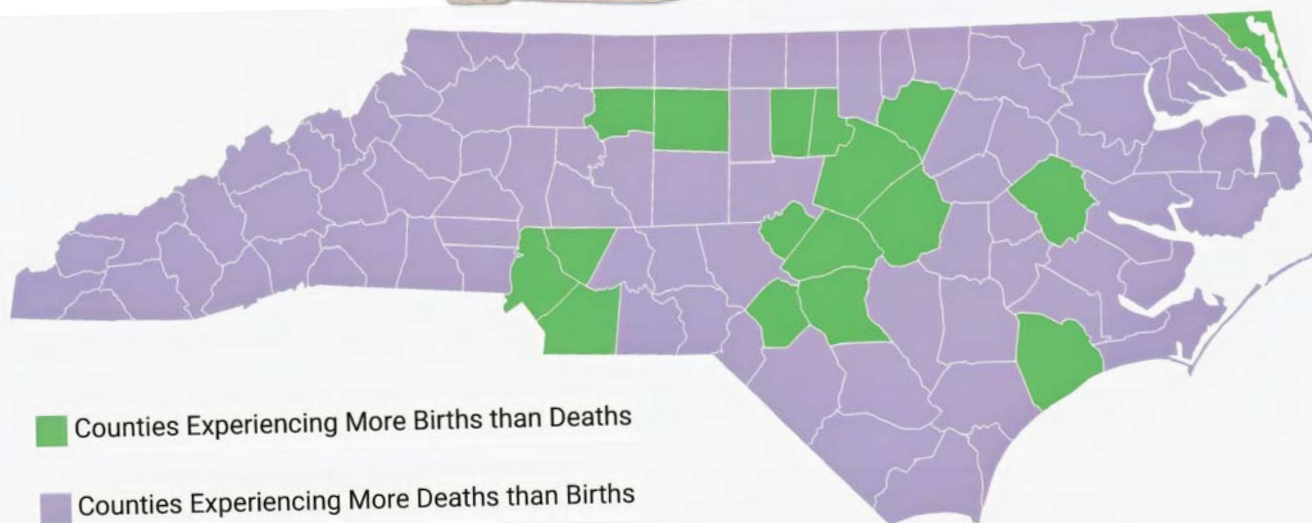
North Carolina is one of the nation's most rapidly growing states, having added 4 million people since 1990. Growth has been driven by net migration, with more people moving in than leaving the state. During the COVID-19 pandemic, for example, 307 newcomers arrived daily, making North Carolina the third most attractive migration destination in the country (Johnson, Parnell, & Bonds, 2023).

Arriving from nearly every state in the nation as well as abroad, the newcomers have transformed the racial and ethnic as well as the age, household, and economic composition of our state. North Carolina is far more diverse and prosperous today than it was three decades ago. Partly in recognition of the state's enormously diverse talent pool, CNBC has recognized North Carolina as "America's Top State for Business" for two consecutive years (CNBC, 2023).

However, the state's rapid, migration-driven growth masks a troubling trend: increasing rates of death and

premature death that could, if left unchecked, derail the state's economic growth and prosperity. On average, 317 North Carolinians died each day over the past two years — a sharp absolute increase over the 246 daily deaths during the 2010s (Johnson, Parnell, & Bonds, 2023).

A constellation of forces contributed to the increased deaths, including normal aging-related mortality, widespread chronic health conditions, a worsening substance abuse crisis, and the COVID-19 pandemic. COVID-19 has taken the lives of nearly 30,000 North Carolinians (NCDHHS, 2023a) — mainly working-age individuals (18-64 years old) and the "young old" between the ages of 65 and 74, who reportedly still are active in the labor market in significant numbers (Simons, 2020). And substance abuse casualties increased by 60% during the pandemic — disproportionately among prime working-age males in some of the state's most economically distressed counties — bringing the total to more than 36,000 deaths since 2000 (NCDHHS, 2023b).



Source: <https://www.census.gov/data/tables/time-series/demo/popest/2020s-counties-total.html>

What has been the impact of this death spiral? Our research shows deaths exceeded births in 87 of North Carolina's 100 counties between 2020 and 2022 (Johnson, Parnell, & Bonds, 2023).

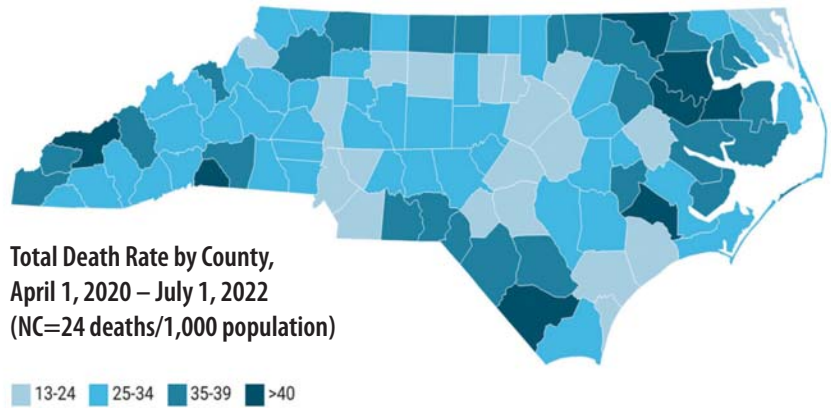
7 Powerful Demographic Trends

Addressing North Carolina's death spiral is a strategic business imperative. We need able-bodied talent to fill crucial labor needs in the state's booming economy. The natural population loss due to an excess of deaths over births has substantially reduced the demographic impact of net migration gains, progressively slowing the state's total population growth rate over the past three decades. After growing by 21.4% in the 1990s and 18.5% in the 2000s, the state experienced a 9.5% growth rate in the 2010s (Johnson, Bonds, & Parnell, 2021).

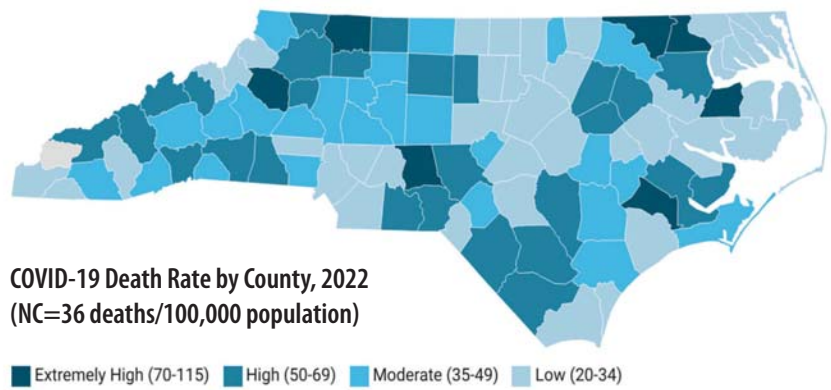
In 2021, I identified seven powerful demographic trends — including slowing population growth, white population decline, and reduced life expectancies — that are likely to disrupt business and commerce in the years ahead. Their power is sufficiently disruptive to refer to them as “gale forces” (Johnson, Bonds, & Parnell, 2021).

One of these seven major factors that's being overlooked is the surge in deaths of despair, particularly among prime working-age males. Factors such as the opioid crisis and mental health challenges have contributed to significant demographic depression in that population and sharply lowered workforce participation rates. And, even for those in the workforce, many of these workers demonstrate reduced productivity owing to these premature disabilities and deaths. As a society, we need to devote a laser-like focus to the social determinants of health — one's ZIP code and what resources are lacking where these workers live.

In addition, the workforce is aging sharply. We're going to continue to see significant structural changes, since younger demographics are small and growing smaller.

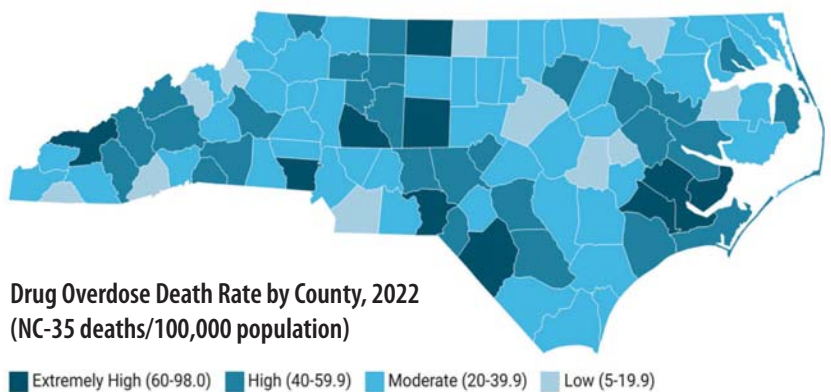


Source: <https://www.census.gov/data/tables/time-series/demo/popest/2020s-counties-total.html>



*Graham County had 0 COVID-19 deaths in 2022.

Source: <https://covid19.ncdhhs.gov/dashboard/cases-and-deaths>



Source: <https://www.ncdhhs.gov/opioid-and-substance-use-action-plan-data-dashboard>

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The U.S. fertility rate has been below the replacement level (2.1 children per woman of childbearing age) since the mid-2000s. This will create significant issues for Social Security, which relies on a healthy workforce to fund the older generations after they retire.

Immigration as a Potential Solution

Together, all these factors point to a declining workforce. However, there is an important piece of the puzzle that we could come together on to address this issue. We need to have an immigration policy that provides pathways to living and working in the United States. This would provide a large pool of talent for the labor market as a whole and allow people to develop their talents to benefit the broader human race.

To address emerging labor force challenges, North Carolina leaders must leverage lessons learned from the COVID crisis to develop sound policies, practices, and procedures to minimize population exposure risks and mitigate loss of life in future public health crises. They also must strategically deploy funds from the state drug-abuse intervention action plan and the opioid settlement in counties with high drug-abuse death rates (*NCDHHS, 2023c; CORE-NC, n.d.*). More specifically, they should develop place-based, whole-community health interventions in these communities to address the lack of access to affordable housing, good jobs, and quality health care — the social determinants of health that often lead to a cycle of despair, chronic health conditions, and premature disability and death (*Johnson, Bonds, & Parnell, 2022*).

Pursuing these strategies is essential for ensuring North Carolina has the talent to support and sustain its newfound prosperity. ■



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