

Tourism Realities for a New Demographic Ballgame

by Ron Crouch

The tourism industry has to ask itself a number of questions as it looks to the future. Just who are the tourists of tomorrow? What will they want to do and see? Where is the workforce to serve the tourism industry?

THE DEMOGRAPHIC REVOLUTION

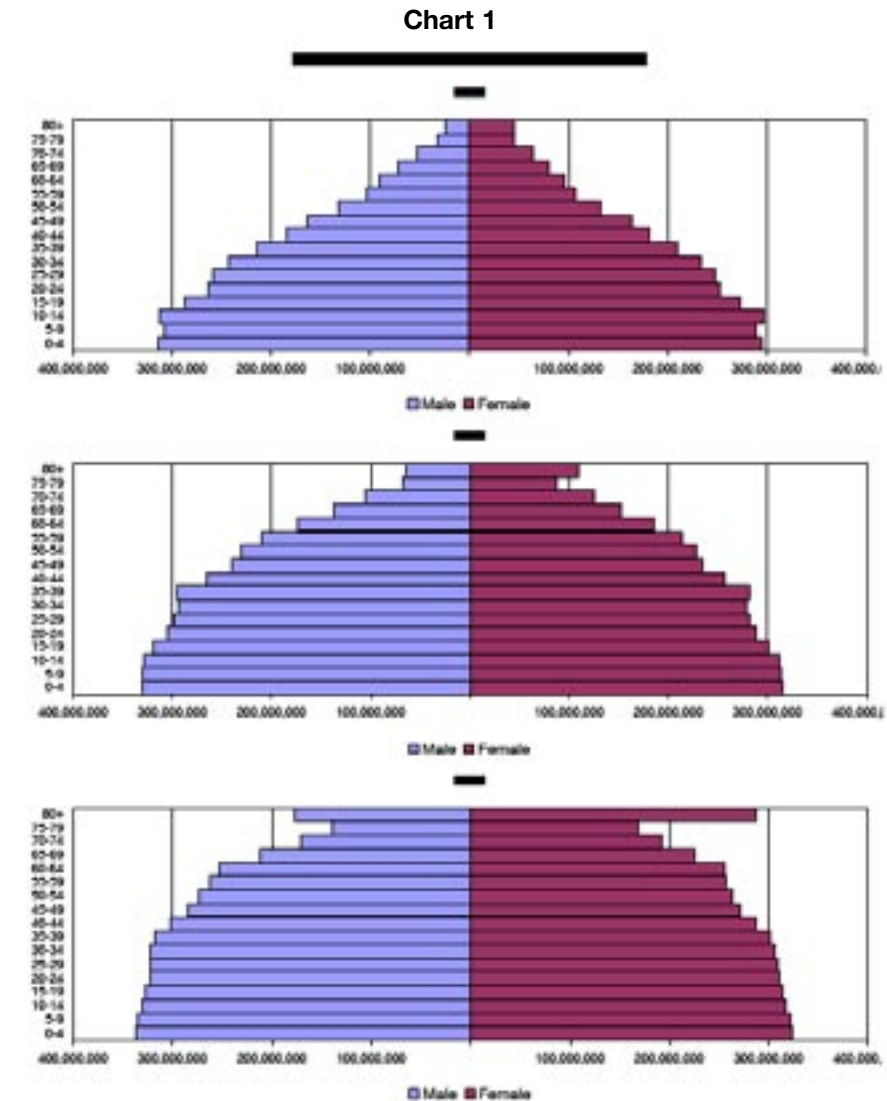
The future just isn't what it used to be. The United States is experiencing a major demographic revolution, as is the rest of the world. This shift is not good or bad news, it is just a new and demographically changing environment that we are experiencing. Are you aware of the trends going on around you, and do you understand the implications of these trends on your industry?

Both the world and the United States have always had populations that looked like pyramids with each younger generation being larger, and, as you got to the top of the pyramid, very few persons above the age of 60. The population pyramids (Chart 1) for 2000, 2025 and 2050 show a changing world population structure with the population pyramid squaring as limited growth occurs in the younger population cohorts and the growth occurs in older population cohorts.

The world population is still growing and is projected to reach 9.4 billion people in 2050—from 6.07 billion people in 2000. However, when broken down by age, projected population growth is mainly occurring in populations ages 45 and above. Sixty-five percent of world growth over the next 43 years—to 2050—will be in populations ages 45 and above.

THE INVERTED PYRAMID

The population trends in the United States are even more dramatic with the largest population cohort being



persons mainly in their 40s, who were born between 1955 and 1964, the second half of the Baby Boom, Chart 2. The United States and all developed countries in the world now are inverted pyramids with fewer young and more middle-aged people. The Baby Boom took place between 1946 and 1964 when 76 million babies were born. These boomers are now ages 43 to 61.

Fifty-five years ago, in 1952, public

officials were overwhelmed when more 6-year-olds showed up for the first grade than expected. Schools had to go on double sessions and portable classrooms had to be brought in. The major question in 1952 was “Where the heck did all these 6 year olds come from?” We did not see them coming. Those 6 year olds, the oldest baby boomers, are 61 today.

Chart 2 also shows population pyramids by age, by race and by Hispanic

origin. You will notice that in 2000, there are fewer people in the United States in their 20s and early 30s than in their mid 30s to late 40s. There was a Baby Bust following the Baby Boom. Most states are concerned about their loss of young people and are still trying to develop strategies to bring them back when they were never there in the first place. What does it mean for the tourism industry when the population growth in the United States is now in their 50s and 60s with a declining population in their 30s and 40s?

THE DIVERSITY QUESTION

Chart 2 also shows a pyramid shaped population of Blacks and Hispanics with more young and fewer old but an inverted pyramid of Asians and non-Hispanic whites with more old and fewer young. Between the 1990 and 2000 censuses, 80 percent of all growth in the United States was minority—Asian, Black or Hispanic—and only 20 percent was non-Hispanic white. All growth under age 45 was minority, and there was a major decline in the non-Hispanic white population in younger age cohorts.

The Kentucky State Data Center Web site, <http://ksdc.louisville.edu>, under “presentations,” World, United States and Kentucky Trends, has a 39-page handout that shows state-by-state trends by age, race and Hispanic origin. There are also handouts for Alabama, California and Texas, which show more detail by state. Since the 1990s, population growth is occurring in the South and West, but the Northwest and Midwestern states are struggling.

The Hispanic population accounts for more than half of all population growth in the United States since 1990. Even though the Asian population is inverted, it is officially growing as fast as the Hispanic population due to significant immigration of Asians. Unofficially, the Hispanic population has a significant population of undocumented persons not showing up in official population counts. The Black population is growing but more slowly.

THE TOURISM WORKFORCE

These population trends are much

more dramatic in Europe and Japan where the total fertility rate of 1.2 to 1.5 is well below the necessary replacement level of 2.1 births per family for the population to be stable. There may be fewer tourists from Europe and Japan in future decades because of their declining populations. This raises a tourism issue in both the United States and other developed countries: Where does the tourism workforce come from when the population pyramid inverts? It should be evident that the tourism workforce will be much more diverse.

An additional concern for the tourism workforce is that worldwide, for the first time in history, the majority of the world population now lives in urban areas. Many rural areas in the United States are losing population. For example, in both New York and Alabama, the 2006 Census Bureau county population estimates indicate that two thirds of rural counties between 2000 and 2006 lost population. For tourist attractions in rural areas the workforce shortages could present significant concerns.

NEW REALITIES OF TOURISM

Currently, the baby boomers, ages 43 to 61, in the United States are driving the tourism industry. They are predominately non-Hispanic whites. There is also the World War II generation, even more non-Hispanic white, in their 60s and early 70s, who were raised in rural areas.

The World War II generation has or is moving toward retirement, and many have second homes or retirement homes along the coast or in rural recreation areas. The men and a few of the women grew up hunting and fishing, and when they look for recreation, they think rural and water. Will the baby boomers, who were more likely to grow up in suburbs than on farms, want the same recreation? Will tourism in rural areas suffer?

As the non-Hispanic white population ages, will they want to drive as far on their vacations or will they stay closer to home and nearby tourist attractions? How will the tourism industry appeal to minority populations? With all the growth in

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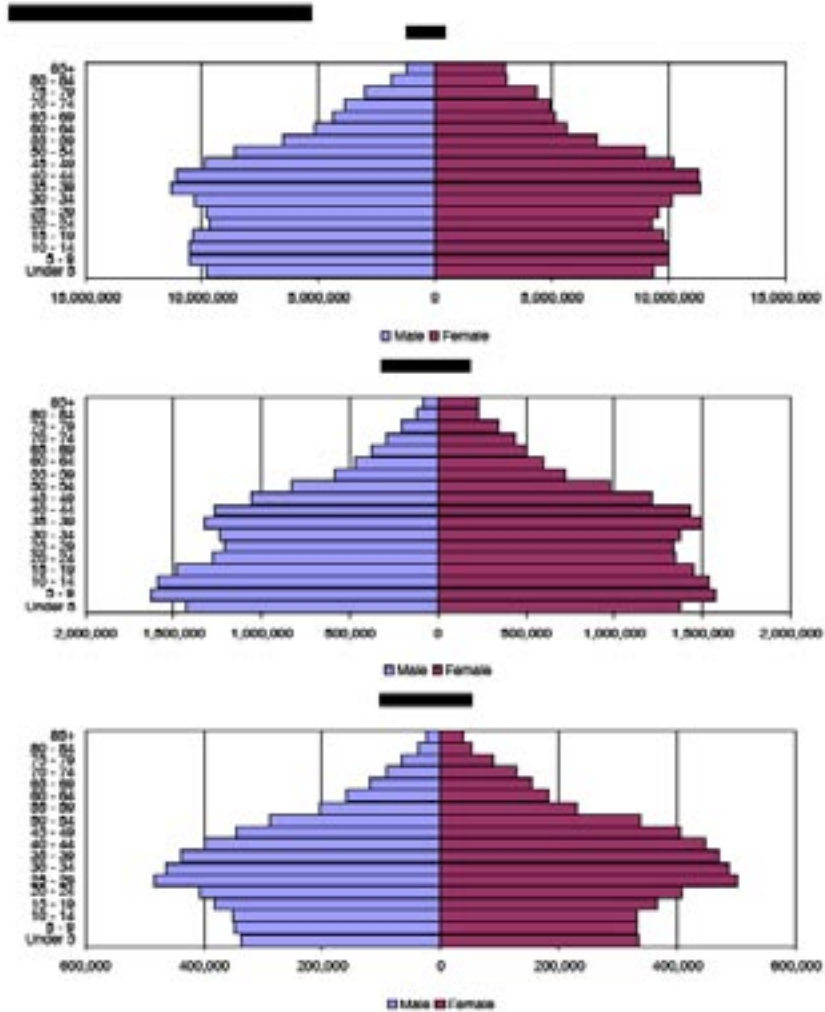
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Chart 2



the population under age 45 being in minority populations, how can the tourism industry draw this group? What will minorities want to do on their vacations? Are there geographic areas in the United States where minority populations will not feel welcome? Since we have stopped teaching history in the United States, who will visit Valley Forge or Williamsburg? Will a declining and aging non-Hispanic white population in the West and a growing Asian, Black and Hispanic population impact the current boom in the wine regions? Four of the five oldest non-Hispanic white populations live in the West; New Mexico, Hawaii, Arizona and California with only Florida in the East. Will the Northern California Redwoods attract Asians, Blacks and Hispanics?

CLOSING COMMENTS FOR THE TOURISM INDUSTRY

You can plan for the future that you want or for the future you are going to get. Does the tourism industry understand the demographic trends going on around the world and in the United States? Is the tourism industry preparing for a more diverse population of tourists and a more diverse workforce? Is the tourism industry looking backward to the past or forward to the future? ■

Ron Crouch is the director of the Kentucky State Data Center at the University of Louisville. His presentation, "New Tourism Realities for a New Demographic Ballgame," will take place Saturday, Nov. 3, from 3:30 to 4:45 p.m. at Convention in Kansas City, Missouri.