



## MEMORANDUM

**To:** CMAP Board and MPO Policy Committee

**From:** CMAP Staff

**Date:** May 29, 2024

**Subject:** Socioeconomic forecast overview

**Action Requested:** Information

---

---

### Background

Socioeconomic forecasts are essential for CMAP's long-range transportation plan (LRTP), which projects changes in population and employment at least 20 years into the future. The current LRTP extends to 2050.

The socioeconomic forecast consists of two parts, a regional forecast and a local forecast. The regional forecast projects the number of people, households, and jobs by sector in the region over the next thirty years. The regional forecast serves as the control for the local forecast, which allocates population and employment at the Census Block level to the year 2050. Each forecast year, the number of people, households, and jobs are required to add up to the totals in the regional forecast. CMAP is currently working with a consultant, UrbanSim Inc, to help develop the local forecast model.

### Forecast process

Population change has three components: births, deaths, and net migration. CMAP forecasts future fertility and mortality rates by looking at both historical data specific to the region and national projections provided by the Census Bureau. Population data is categorized by sex and grouped into five-year age ranges (i.e. 25- to 29-year-old women) and each age-sex combination has a different mortality rate and fertility rate; for example, older age groups have a higher mortality rate than younger age groups.

Migration into and out of the region is the most uncertain component of population change, influenced by both national and regional policy and economic forces. To inform this component, CMAP purchases an economic forecast from Moody's Analytics, a global leader in economic forecasting. This forecast helps balance the number of jobs in the region with the number of workers. After accounting for births and deaths, we project the number of people in

the labor force in order to estimate the number of employed workers. If there are more jobs than workers, we assume people will move to the region. Conversely, if there are more workers than jobs, we assume people will move out to seek employment elsewhere.

### **Preliminary forecast**

CMAQ has drafted a regional forecast for discussion, projecting slower growth compared to the previous forecast. This decrease is due to changing demographic and economic trends, including lower birthrates post-2008 recession and a lower job forecast from Moody's Analytics, which has updated its models with recent data.

This draft is preliminary and will be updated based on feedback from staff, committee members, and advisory group members. Additionally, the input data (i.e. the economic forecast) that goes into the population forecast will be updated with newer data before producing the official regional forecast.

### **Population trends in context**

In November 2023, the US Census Bureau released its population projections for the nation through the year 2100. The forecast for 2050 has 28 million fewer people than the previous U.S. Census forecast published in 2017, due to lower birth rates and an aging population.

Every year of the U.S. Census forecast from 2022 to 2100 shows the population under 18 decreasing while population over age 65 increases. By 2029, the number of people aged 65 and older is projected to outnumber those under age 18 for the first time in US history. By 2038, deaths are projected to outnumber births in the US due to declining fertility rates.<sup>2</sup>

The Illinois Department of Public Health produces an Illinois state forecast from 2020 to 2030.<sup>3</sup> In this forecast, the region is expected to grow by 0.53%. From the year 2000 to the year 2010 the region grew by 3.4% and from 2010 to 2020, it grew by 1.7%.<sup>4</sup>

CMAQ has been in discussions with peer MPOs and have been researching their published forecasts. These MPOs have also cited similar trends and are anticipating a slower growth rate than in their previous forecasts.

1 U.S. Government Publishing Office, *Electronic Code of Federal Regulations*, Title 23/Chapter I/Subchapter E/Part 450.324, <https://www.ecfr.gov>.

2 2023 Population Projections for the Nation, US Census, November 09, 2023, <https://www.census.gov/newsroom/press-kits/2023/population-projections.html>

3 Illinois, Chicago, and County Population Projects, ILDPH, April 2021, <https://dph.illinois.gov/content/dam/soi/en/web/idph/files/publications/population-projections-report-2010-2030.pdf>

4 Census 2010, 2020 – PL94 Redistricting Data, US Census Bureau