

# TOWN OF WARWICK POPULATION TREND AND IMPACT

Town of Warwick Planning Board, July 2016

This year for the first time there are no children entering kindergarten at the Warwick School. Our town population is aging with many homes having only a single resident. Having no children in kindergarten suggests young families are not moving into town, and we have a lot of older people who will be dying off in the years to come. Does this mean our town population will decline? Might housing prices collapse in future years? If old folks die off and they are not replaced, what might happen? This paper is the beginning of a conversation about visioning for the future of our town.

The Town of Warwick does not stand alone. National, state and local trends impact our town. This paper will start at the national level and work its way down to our local town level.

## NATIONAL TRENDS

The growth trend projections for the United States vary widely from state to state. From 1995 to 2025 California population will increase by almost 18 million people or about 55%. Massachusetts is 10<sup>th</sup> from the slowest growing with a population growth rate of about 14% for the period or about 0.47% per year. In 2015 2.4% of Mass. residents were over 85 years old, and seven other states have the same or a larger percent. In 2050 about 5.3% of Mass. residents will be over 85 years old and 16 states will have the same or a larger percent of 85 year olds.

## MASSACHUSETTS TRENDS

Using a different data set the Donahue Institute at UMASS predicts Massachusetts population will increase 11.8% from 2010 to 2035, for an average annual growth rate of 0.47% per year. It should be pointed out that the growth rate is not uniform and will slow significantly in the later years of the projection. Over the past few years Massachusetts has the fastest growth rate in the Northeast due to low out-migration and high in-migration. High in-migration will continue in future years but be offset by age cohorts growing out of child bearing years and into higher mortality cohorts. This effect of aging will be exaggerated because Massachusetts is already older than most of the United States on average, and has a smaller share of younger people. Massachusetts growth will lag significantly behind the US on average, but ahead of other Northeast states. International immigration to Massachusetts and its strong college community are significant factors in reducing net out migration.

Population growth in Massachusetts will not be even. For the period 2010 to 2035 the following are the regional growth projections:

Greater Boston Region	22.5%	Lower Pioneer Valley	6.7%
Metrowest Region	12.2%	Cape and Islands Region	-10.1%
Central Region	9.6%	Berkshire and Franklin Region	1.1%
Northeast Region	8.4%		
Southeast Region	6.9%		

The Cape and Islands Region and the Berkshire and Franklin Region stand apart from the other regions due to their older population structure compared to other regions around the state.

## BERKSHIRE AND FRANKLIN REGION

Between 2015 and 2035 there will be more in-migration from retiring baby boomers with a reduction in out-migration as there will be fewer younger persons to move out. Over the period in-migration will slightly exceed out-migration. The effect of retirement fueled growth will be temporary as increasing deaths associated with an aging population will eventually erode all gains. Through the period to 2035 the Berkshire and Franklin Region will experience birth rates staying about the same and death rates increasing. Currently about 30% of 20-24 year olds are out-migrating, and about 12% of 29 to 34 year olds are out-migrating, while about 18% of 80 to 84 year olds are in-migrating. Assuming the region remains an attractive life style and retirement destination the continued in-migration of the thirty-somethings and the elderly is expected to offset the population loss due to out-migration of youth. For the period the region may be thought of as very stable in terms of total population.

While the total population from now until 2035 for the region is predicted to remain stable the composition will change. Currently (2010 data) we have a slight bulge in the age distribution in the 10 to 14 year old group and then the distribution declines to about age 34, and from there it increases to the 50 to 64 year old range, before declining to the 80 to 84 year old range. By 2035 that blip in the 35 to 50 year old range will move to the 50 to 75 year old range. Overall there will be about the same number of 0 to 15 year olds, a decrease 40 to 60 year olds and a significant increase in the over 65 year olds. For example, in 2010 the 45-64 year old group was about 1/3 of the population, which will move to the 70 to 89 year olds in 2035. The current dearth of residents 20 to 30 years old in 2010, which is the prime child bearing age group, will have its impact in the later years. The 2015 group of 85+ year olds will triple by 2035, and the older age groups will increase in size as the younger age groups shrink. Thus, while the region's population is predicted to remain about stable through 2035, it will age significantly.

## TOWN OF WARWICK

The Town of Warwick is not immune to forces outside of the town as our population trends show. In 1765 Warwick had 191 inhabitants and by 1820 had 1,256 residents. After the Civil War the population plummeted to under 600 in 1890. It slowly increased above that by 1900 but declined after World War I to 327 residents. It recovered a bit after WWI but declined again after WW2. Since then it increased steadily, influenced in part by the Hippie Movement, to a population of 750 in 2000. The 2010 census lists 780. The Donahue Institute projects Warwick's population to increase to 815 in 2035 or an average of about 1.4% per year. This very low rate of growth fits with the fact that few new residences are being built and the Planning Board has not recently endorsed plans for house lots. It appears that the Town of Warwick population will be about constant until 2035.

While the population will remain about constant the age distribution will change significantly. One of the motivating factors is the decline of the extended family in Warwick. In the 1988 Open Space and Recreation Survey we had several people in town over 90 years old living with other family members. Those days are gone and older people who need living support now reside out of town. In the census of 2000 it was noted that the number of people over 85 years of age decreased from 13% to 11%, while in other parts of the state the numbers increased. In the 1990 and 2000 census the 20-44 year old group was about 36% of the population, the 45-64 year old group increased from 18% to 28% and 65 years old and older group remained about constant. It should also be noted that the pattern most likely will change. It is cheaper in old age to live in your house as long as possible. Advancements in home living systems allow living effectively to older ages at home, and modern medicine has increased the age where a person can remain self-sufficient. The Donahue Institute has predicted the population composition for Warwick from 2010 to 2035 and it is summarized as follows:

AGE GROUP	2010 CENSUS	PROJECTION 2035
0-10	70	71
10-20	90	62
20-30	69	33
30-40	68	87
40-50	126	86
50-60	173	103
60-70	111	135
70-80	45	178
80+	38	109

Note: The above chart is inaccurate. For example, I use the age grouping 20-30 rather than use 20-29 because I thought would be easier to read. Also, the male/female category has been combined, and the 5 year groupings increased to 10 year, all to make the chart easier to grasp.

Clearly the trend of losing population in the young child bearing age group of 20 to 30 continues and the town population continues to age.

When macro-data, such as population by age group for a town, is broken down from a larger data set there is a possibility for error because the sample size is not large enough. To get a better idea of population trends we asked the Board of Assessors to supply us with house sales by year from 2005 through 2015 (note that it is 11 years of data) which excluded foreclosures, sales of second homes, and sales within a family. We compared the average age of folks who lived in the house with the average age of the buyers by using the Warwick Street List for the various years. During the period 74 houses changed hands. The Street List was not able to supply data for either the buyer or the seller for 19 of the transactions. In some cases the owner was deceased or no longer living at home so the home was vacant, or the house was going to be or coming from being a second home or a rental, or the person was living at home but probably too old or ill to fill out the form, and, of course, some folks just do not fill out the form. The house sales by year are as follows: 2005 – 13, 2006 – 5, 2007 – 6, 2008 – 3, 2009 – 5, 2010 – 5, 2011 – 3, 2012 – 3, 2013 – 7, 2014 – 5, 2015 -6. Various news reports state that

rural areas were slower to feel the impact of the housing collapse and slower to recover from it. The home sales data seems to support that analysis. The average houses sold per year were 6.7, so 2008 through 2012 were our depressed years.

Continuing the analysis of houses sold in the period 2005 through 2015, we can use the street list to get an idea of the age of the buyers and sellers. The data is not very good because the street list does not include children under 16 years of age, and several buyers of home have youngsters in the family. From personal knowledge, it is known that some houses were vacant because of death or hospitalization of an elderly person and that a younger person, couple, family typically bought some of these houses. By under-reporting the old and not reporting the youth under 16 years of age the analysis is biased toward younger sellers and older buyers, and under-reporting the size of the buyers' families (personal knowledge of 11 children under 16 including some infants). Fifty-seven people lived in the houses sold and 65 people moved into those houses. There is not adequate data to effectively analyze the age of buyers and sellers by calendar year to get a clear picture, therefore aggregate data will be used. The average date of birth of seller and family members is 1956 and the average date of birth of buyer and family members is 1971. Thus, the age of the average buyer's family was at least 15 years younger than the average seller's family and difference would be more than that if children under 16 were counted.

In Warwick 73% of houses have a total of 5 to 9 rooms and 45% have 3 or 4 bedrooms, so we have a lot of rooms for the size of our population. Eighty-eight percent of the housing units are owner occupied, and the average owner has lived in the house longer than the average for the state and the country homeowners. The average Warwick home has more vehicles than the average Franklin County, Mass. or the national home. Warwick homes are heated 42% by oil and 44% by wood. Our wood heat is off the scale compared to other areas and only Franklin County has a higher percent of oil heat (49%). About 50% of Warwick homes are valued between \$150,000 and \$300,000, which is a little below Franklin County on average and significantly lower than the state values (53% valued between \$300,000 and \$1,000,000). Houses without a mortgage are 44%, which is at least 10% better than other areas, indicating our population is more stable. About 6% work at home and about an equal number carpool while the remaining 87% drive alone to work. Our unemployment rate is low compared to other areas at about 3.4%. The Warwick median household annual income is \$50,000 to \$75,000. Warwick's residents are stable with 94% having lived in town for the last year, which is about 5% higher than Franklin County and about 10% higher than the state and federal percent.

## OTHER FACTORS AND DISCUSSION

Quite possibly the major factor influencing Warwick's population trends into the future is high speed internet. Our region is described as "attractive" and that certainly applies to Warwick. High-speed internet is necessary now for children's education and makes the town attractive to young professionals who appreciate rural values and want a different life style for their kids than that provided in the city. If we are able to install high-speed internet it would make the town very attractive for young professionals who want a good lifestyle and good schools.

There is projected to be major growth in the Boston Area of 10% or 4.5 million people by 2030 (Note: the Donahue Institute projects 22.5% growth for the Greater Boston Area by 2035), while Route 2 adjacent towns such as Belmont, Arlington and Cambridge “explode” with 17% growth. This will mean an additional 80,000 cars on the road and another 14,000 MBTA commuters. The already-congested Rte. 2 Concord Rotary will likely cause even more gridlock. Currently the MBTA cannot be counted on to arrive on time, and therefore will not be a choice for professionals. The MBTA extension past Fitchburg to Wachusett Station is planned, and some early trains have been added which should help. The days when folks lived in Warwick and commuted to Boston are over and continued population growth and commuting congestion will add additional obstacles. However, these very obstacles may encourage professionals to move to rural areas such as Warwick and “commute by internet.”

Other towns have been significantly impacted by older farmers not being able to sell to another farmer when they want to get out of the business of farming. The farm goes on the market, is bought by a developer and a subdivision results. With the average price of a house in Massachusetts at \$354,000 this can be a profitable venture for the developer. This is not likely to happen in Warwick for three reasons. One, our average home selling price in Warwick currently is about \$172,000, which is not enough to justify a subdivision. Second, most of the good farms and farmland are under a conservation restriction (or APR) and cannot be developed. Third, as the low price of our housing stock suggests, there is not a high enough demand to justify a large-scale subdivision.

The last 11 years of house sales supplied by the Board of Assessors when coupled with the Street Lists and personal knowledge suggest that older folks are selling their homes to younger families. This will not change the upcoming bulge in 65 years of age and older categories, but it does suggest that the town will not completely collapse. The data also suggests that some older children are living at home, which has been a trend nationwide as a response to a depressed economy and poor job opportunities for young adults.

Generally speaking the 20 to 30 year old group is considered the child bearing years, and the 30 to 50 year old groups are considered prime for public service work such as serving on town boards and committees. Once they get started on a town board they often stay with public service for many years, although not always on the same board or committee. The decline of the 30 to 50 year old cohorts as they “age out” might cause a lack of volunteers to fill the vacancies. There is some evidence in the data that, similar to other areas, some young adults are “returning to the nest” due to a lack of jobs paying enough to support them and their college debt. This return to the nest is made somewhat easier by the surplus bedroom supply in many homes.

## CONCLUSION

Warwick will remain at about its current population through 2035. The age profile will shift toward older age with predictable impacts. Current problems with low Center School enrollment will continue, and needs to be addressed. High speed internet is critical to Warwick’s future health, if we do not get it and other towns around us do we will be significantly harmed. We

can anticipate a problem in future recruiting of qualified people to serve on town boards and committees as that age cohort gets older and is not replaced. The strategy in The Open Space and Recreation Plan of encouraging farming and cottage industries, although not adequately reflected in this data, seems to be working. There may be continued flux in the young adult population in response to the economic situation, with downturns in the economy causing them to return home and then leave when the economic situation brightens.

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