

Birth Rates, Population Growth and the Economy

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Executive Summary

The United States population has been fast growing and is projected to continue to do so. That increase comes from immigration and natural change (more births than deaths). But there are significant differences in the demographic data on changes in birth rates and immigration rates among the states, and that allows for analysis as to how these data interrelate.

The 15 states with the highest rates of birth also have by far the highest rates of immigrant settlement as seen in the growth of the foreign-born population and the overall population.

The same 15 states do not display any marked benefit in economic performance, however, thereby showing the fallacy of the argument that population growth is needed for economic growth. This shows that the rate of immigration could be reduced—which would bring the 15 high immigration, high birth rate, and high population growth states more into line with the rest of the country without any evidence that this would have an adverse effect on the economy.

Falling Birth Rates and Rising Births

In 2012, the Pew Research Center reported, “The U.S. birth rate dipped in 2011 to the lowest ever recorded ... That rate is the lowest since at least 1920, the earliest year for which there are reliable numbers.”¹ That was good news if you are concerned about overpopulation and the human impact on the environment, but probably lamented by the growth industry that believes that bigger is better and there are no limits to growth.

But, the Pew report does not mean that the number of births in the United States is dropping. There is a big difference between the birth rate and the number of births. Looking back just four decades, the annual number of births in the country has increased from less than 3.3 million (1972) to more than 4.1 million (2009), an increase of about one-fourth (26.5%).

The explanation of the apparent contradiction between the reported drop in the birth rate and the increase in the number of births is due to the fact that the size of the U.S. population is much larger today than it was four decades ago. The U.S. population in 2010 was about half again (152%) what it was in 1970. Therefore, the population has been growing much faster than the increase in births.

That is the national trend, but what is revealed with a closer look is that this trend is not uniform across the country. Some states have population growth rates and birth rates much lower than the national rate and some much higher. In more than two-thirds of the states (35 plus the District of Columbia) there was on average a slight drop (-0.3%) in the number of births over these four decades. The other 15 states accounted for all of the increase in births, and the average increase was 75.6 percent.

BIRTHS

	1972	AVERAGE 1972-1990	AVERAGE 1995-2009	2009	INCREASE 1972-2009
ALASKA	6,892	10,343	10,502	11,325	64.3%
ARIZONA	37,280	53,083	86,696	92,816	149.0%
CALIFORNIA	306,560	442,388	540,160	527,011	71.9%
COLORADO	39,482	48,836	64,340	68,627	73.8%
FLORIDA	109,185	148,387	210,130	221,391	102.8%
GEORGIA	88,482	96,377	132,144	141,375	59.8%
IDAHO	13,704	16,932	21,299	23,731	73.2%
MARYLAND	51,042	69,286	74,190	75,061	47.1%
NEVADA	8,870	14,540	32,693	37,627	324.2%
NORTH CAROLINA	89,340	104,872	117,967	126,846	42.0%
OREGON	32,134	42,244	45,438	47,199	46.9%
TEXAS	222,036	275,283	368,535	402,011	81.1%
UTAH	27,552	35,595	48,093	53,887	95.6%
VIRGINIA	71,558	91,886	100,291	105,056	46.8%
WASHINGTON	47,934	65,436	82,563	89,284	86.3%
SUBTOTAL (15)	1,152,051	1,515,484	1,935,039	2,023,247	75.6%
OTHER STATES (36)	2,114,175	2,184,386	2,122,167	2,107,771	-0.3%
NATIONAL TOTAL	3,266,226	3,699,869	4,057,206	4,131,018	26.5%

This finding provokes the question as to why there is such an enormous difference in birth rates between the two groups of states. Is it just because all of the population increase is also in the same 15 states? Some of the higher percentage increase in births results from starting with a low number of births in 1972, as in Alaska and Nevada, but those are the only two that fall in that category, so that is not the explanation.

Concentrated High Population Increase

So, next it is worth looking at the corresponding rates of change in the overall population. Using decennial Census data for 1970 to 2010, and looking at the same 15 states with the high birth rates, they had an average population rate of increase of 111 percent, which is more than a doubling over the four decades. The remaining states had an average rate of increase of 22.1 percent. That represents a rate of increase in the 15 high birthrate states about five times greater than in the remaining states.

POPULATION

	1970	AVERAGE 1970-1990	AVERAGE 1990-2010	2010	INCREASE 1970-2010
ALASKA	302,583	418,159	629,069	710,231	134.7%
ARIZONA	1,775,399	2,719,058	5,062,626	6,392,017	260.0%
CALIFORNIA	19,971,069	24,466,285	33,628,542	37,253,956	86.5%
COLORADO	2,209,596	2,797,908	4,208,284	5,029,196	127.6%
FLORIDA	6,791,418	9,825,435	15,907,205	18,801,310	176.8%
GEORGIA	4,587,930	5,509,709	8,117,441	9,687,653	111.2%
IDAHO	713,015	887,964	1,289,428	1,567,582	119.9%
MARYLAND	3,923,897	4,307,433	5,283,835	5,773,552	47.1%
NEVADA	488,738	830,360	1,966,880	2,700,551	452.6%
NORTH CAROLINA	5,084,411	5,864,381	8,071,144	9,535,483	87.5%
OREGON	2,091,385	2,522,270	3,364,931	3,831,074	83.2%
TEXAS	11,196,730	14,137,477	20,994,630	25,145,561	124.6%
UTAH	1,059,273	1,414,387	2,239,968	2,763,885	160.9%
VIRGINIA	4,651,448	5,395,201	7,088,966	8,001,024	72.0%
WASHINGTON	3,413,244	4,137,430	5,828,451	6,724,540	97.0%
SUBTOTAL (15)	68,260,136	85,233,456	123,681,399	143,917,615	110.8%
OTHER STATES (36)	135,011,920	140,942,409	155,944,374	164,827,923	22.1%
NATIONAL TOTAL	203,272,056	226,175,864	279,625,773	308,745,538	51.9%

The rate of population increase and rate of increase in births are interrelated. The higher population increase for the 15 fast growing states contributed to the higher birth rate in those states, and the higher birth contributed to an increase in population. But there is another possible factor that could contribute to both higher population growth and higher birth rates—the rate of immigrant settlement. That influence may be seen in data on the size of the foreign-born population.

As may be seen in the foreign-born population data, the total for the country more than quadrupled over the four decades. This average rate of increase of 313 percent was more than doubled in the 15 high birthrate and high population growth states. In those 15 states, the birthrate was nearly five times higher than for the rest of the country. Again, some of the high rates of increase resulted from starting with a low number of foreign-born residents, as in Alaska, Idaho, and Nevada, but that clearly is not a significant factor in the overall pattern of increase. There were also a few other states that had very high rates of increase over the four decades as a result of very low numbers of foreign-born residents in 1970, especially in the South, e.g., Arkansas, South Carolina, and Tennessee.

FOREIGN-BORN

	1970	AVERAGE 1970-1990	AVERAGE 1990-2010	2010	INCREASE 1970-2010
ALASKA	7,763	16,264	37,101	49,319	535.3%
ARIZONA	76,570	172,527	597,017	856,663	1018.8%
CALIFORNIA	1,757,990	3,932,283	8,491,170	10,150,429	477.4%
COLORADO	60,311	105,625	336,481	497,105	724.2%
FLORIDA	540,284	1,087,206	2,663,824	3,658,043	577.1%
GEORGIA	32,988	99,198	564,453	942,959	2758.5%
IDAHO	12,572	21,627	60,028	87,098	592.8%
MARYLAND	124,345	211,140	545,168	803,695	546.3%
NEVADA	18,179	58,930	309,960	508,458	2697.0%
NORTH CAROLINA	28,620	74,018	421,405	719,137	2412.7%
OREGON	66,149	104,420	268,251	375,743	468.0%
TEXAS	309,772	896,807	2,855,370	4,142,031	1237.1%
UTAH	29,573	46,208	146,634	222,638	652.8%
VIRGINIA	72,281	187,136	597,736	911,119	1160.5%
WASHINGTON	156,020	239,075	607,621	886,262	468.0%
SUBTOTAL (15)	3,293,417	7,252,464	18,502,216	24,810,699	653.3%
OTHER STATES (36)	6,428,672	7,286,834	11,846,600	15,347,885	138.7%
NATIONAL TOTAL	9,722,089	14,539,298	30,348,816	40,158,584	313.1%

The connection between high birth rate and high population also involves the influence of the increase in the foreign-born population because the foreign-born population in general has a higher birth rate than the native-born population. The absence of any increase in the average birth rate over the nearly four decades for the rest of the country other than the 15 states with high birth rates indicates that those 45 states (and the District of Columbia) were growing in population solely from the increase in the foreign-born population plus any interstate migration. The higher rates of population increase in the 15 fastest growing states were due to both increased immigration and increased birth rates, and the higher birth rates logically were in part due to the higher foreign-born populations.

Conversely, a state like New York that had a very large foreign-born population in 1970 and added 2.2 million to double that share in 2010, did not have an increasing birth rate. But that state increased in population over the four decades by about 1.1 million residents—half of the increase in the foreign-born residents, thereby demonstrating that the state was shedding population to other states in domestic migration.

Over the past four decades, there has been a population shift towards the South and towards the West. It is not clear how much of this shift has resulted from immigration as opposed to domestic migration. However, for the period from 2000 to 2009, three-fifths (60.5%) of the population change from migration in and out of the high population growth states was from net international migration rather than net domestic migration. And, all of the 15 fast foreign-born growth states are in either the West (9 states) or the South (6 states).

What if There Had Been Net Zero Immigration?

Since its founding, FAIR has advocated for establishing a level of immigration that would bring it into balance with emigration—those permanently moving abroad. The reason for this position results from concern for the long-term impact of population on the environment and on non-renewable and limited natural resources.

If there had been net-zero immigration beginning in 1970 and the population grew only as a result of natural increase—the greater number of births than deaths—the nation’s population in 2010 would have been 85 million fewer than today. That conclusion is based on a rate of constant natural increase equal to the rate in 1972.

Instead of the Census Bureau’s current population projection of more than 100 million additional residents in 2050—a population of 420 million persons—the population with immigration balancing emigration would have been about 260 million. That is more than 160 million fewer residents than projected and 55 million fewer residents than the current population.

Is Population Growth Necessary for a Growing Economy?

One of the arguments in support of high immigration is that it causes population growth which in turn promotes economic growth. The Cato Institute, for example, claims about the S.744 legislation, “Increased numbers of workers will add to GDP, producing growth by definition, and not displacing many other workers.”² If that were true, the countries that have the highest population growth would have the highest rates of economic growth—which is patently false given that countries with the lowest per capita GDP in the world are among those with the highest population growth rates.³

In addition to population increase, there are other social, economic and political factors that influence GDP growth. Having a low GDP to begin with can also result in high rates of growth. For instance, according to CIA data, Libya posted an astounding 104.5 percent real GDP growth in 2012.

The fallacy of the Cato argument may also be seen in the data for the United States. If a higher rate of population growth coincided with higher rates of GDP per capita in a given state, that would bolster the argument that the two were related. However, the 15 states with the highest rates of population growth rank on average in per capita GDP nearly equal with the remaining 36 (including Washington, D.C.). Both the high population growth states and the lower growth states have among their ranks both high ranking GDP per capita states and lower ranking states. The average GDP per capita in the 15 high growth states in 2010 was \$47,421, and in the other 36 jurisdictions was \$49,697.⁴

The argument of organizations like the Cato Institute in favor of higher immigration to promote economic growth confuses the issue of a larger economy measured by an increase in Gross National Product (GNP)—which will occur with more workers joining the workforce—with a stronger economy, which relates more closely to GNP per capita. The Congressional Budget Office analysis of the Senate’s immigration legislation S.744 found that “Per capita GNP would be ...lower than under current law through 2031 because the increase in the population would be greater, proportionately, than the increase in output...”⁵

Conclusion

The data on birth rates and population change highlight significant differences among the states. In most of the United States, the number of births has been declining and the increase in population has been driven largely by immigration. In 15 states, however, where the rate of immigrant settlement is much higher, the number of births has risen sharply, as has the foreign-born and overall population. The greater rate of immigration is clearly related to the increase in the foreign-born population, the increase in the overall population, and the increase in births.

Proponents of immigration-driven population growth argue that this growth is essential to economic growth, although this is demonstrably false. Having discarded that shibboleth, there should be a renewed focus on the advantages of bringing immigration into balance with emigration for the long-term sustainability of our society.

Endnotes

1. Livingston, Gretchen and D'Vera Cohn, "U.S. Birth Rate Falls to a Record Low," Pew Research Center, November 29, 2012.
2. Nowrasteh, Alex, "CBO Dynamically Scores Immigration Bill," CATO Institute, June 19, 2013, website consulted August 6, 2013. <http://www.cato.org/blog/cbo-dynamically-scores-immigration-bill>.
3. Heston, Alan et al., "Penn World Table ver. 7.1, Univ. Penn. (for GDP rankings; World Bank "Population Growth (annual %) website visited August 6, 2013. <http://data.worldbank.org/indicator/SP.POP.GROW>.
4. Data are from www.usgovernmentrevenue.com.
5. "The Economic Impact of S.744,..." (p.3), Congressional Budget Office, June 2013.



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