



Demographic and Economic Changes

THE TIMES THEY ARE A-CHANGIN'

If you've lived in the Treasure Valley—Ada and Canyon Counties, Idaho—for any time at all, you've undoubtedly witnessed considerable growth. Good transportation decisions must be made now to address challenges and take advantage of opportunities that accompany this and anticipated future growth. The goals of and investments in *Communities in Motion 2040 2.0* (CIM 2040 2.0) are largely based on demographic and economic changes forecasted for Ada and Canyon Counties over the next 20+ years.

Currently, Ada and Canyon Counties comprise approximately 688,000 people, over 248,000 households, and more than 270,000 jobs (Table 1).¹ This population has risen impressively over the last few decades, as evidenced by 59% growth since the 2000 US Census count of 432,345.² While no one is quite sure what the next two decades will bring, chances are this trend will continue. The CIM 2040 2.0 plan anticipates over one million people and more than half a million jobs by 2040. This means an additional 334,000 people total, or 1.7 new people every hour. That is the equivalent of almost six new cities the size of Caldwell.

Table 1. Treasure Valley demographic characteristics, 2018 vs. 2040

	2018	2040
Population	688,110	1,022,000
Households	248,400	400,000
Employment	296,100*	509,000

*Source: Idaho Department of Labor data, June 2017

I SEE A MILLION PEOPLE (BUT ALL I CAN SEE IS YOU)

COMPASS developed the original CIM 2040 forecast in 2011 using best practices in population forecasting:

- trend: graphical or mathematical projections based on the curve of historical population growth
- top-down/ratio: projections based on relationships of population growth between areas (ratio methods)
- peer or analogous area: projections based on evaluations of how metropolitan areas with similar characteristics grew over the last several decades
- econometric: forecasts based on labor force availability, as determined by economic studies and relationships

COMPASS reviewed these methodologies and the resulting forecasts with the COMPASS Demographic Advisory Committee. Using this information, the committee agreed upon a forecasted population of 1.022 million; COMPASS subsequently developed housing and employment forecasts to accompany the population forecast. **For CIM 2040 2.0, the regional population forecast of 1.022 million people by the year 2040 was held constant.**



The Treasure Valley has seen significant growth before. The area grew in the 1940s and 1950s at an annual average of 3.3%, and in the 1980s at 4.8%. However, the recent population growth cycle (2000-2017) is unprecedented for this region. It rivals that of many of the fastest-growing metropolitan areas in the nation (Table 2).³ The region is poised for growth with a strong economy,⁴ especially in industries with strong exports, such as technology and agriculture.⁵

Table 2. Fastest-growing metropolitan statistical areas (population greater than 500,000)

Rank	Metropolitan Statistical Area	2016 Estimate	2010 Census	% Change
1	Austin-Round Rock, TX	2,056,405	1,716,289	19.82%
2	Cape Coral-Fort Myers, FL	722,336	618,754	16.74%
3	Raleigh, NC	1,302,946	1,130,490	15.25%
4	Charleston-North Charleston, SC	761,155	664,607	14.53%
5	Provo-Orem, UT	603,309	526,810	14.52%
6	Houston-The Woodlands-Sugar Land, TX	6,772,470	5,920,416	14.39%
7	Orlando-Kissimmee-Sanford, FL	2,441,257	2,134,411	14.38%
8	San Antonio-New Braunfels, TX	2,429,609	2,142,508	13.40%
9	Fayetteville-Springdale-Rogers, AR-MO	525,032	463,204	13.35%
10	Dallas-Fort Worth-Arlington, TX	7,233,323	6,426,214	12.56%
11	North Port-Sarasota-Bradenton, FL	788,457	702,281	12.27%
12	Denver-Aurora-Lakewood, CO	2,853,077	2,543,482	12.17%
13	Boise, ID	691,423	616,561	12.14%

Source: US Census Bureau, 2016 Population Estimates

We must be cautious about projecting this strong rate of growth continuing in perpetuity. History tells us that while the Treasure Valley has seen incredible growth, there have also been periods of slowdowns. The recessions of the 1970s, 1990s, and mid-2000s were hard on the area; unemployment reached 10.6% in January 2010.⁶ While COMPASS forecasts continued growth, scenarios do exist for slow or negative growth, should the economy take a downturn. Currently, a few major employers, such as Micron, HP, Inc., and St. Luke's Health Systems, comprise a large portion of the region's employment (Figure 1).⁷ A reduction in workforce from large employers such as these, coupled with the multiplier effect of spinoff jobs, could be devastating to the valley.




















	Rank	Name	Employment Range
	1	St. Luke's Health System	7,000-7,999
	2	Micron Technology, Inc.	6,000-6,999
	3	Saint Alphonsus Health System	4,000-4,999
	4	Wal-Mart Associates Inc	3,000-3,999
	5	Albertsons, LLC	2,000-2,999
	6	HP Inc	1,000-1,999
	7	Sykes	1,000-1,999
	8	J.R. Simplot Company	1,000-1,999
	9	Fred Meyer	1,000-1,999
	10	Idaho Power Company	1,000-1,999
	11	Wells Fargo Bank, N.A.	1,000-1,999
	12	Citi Corp	1,000-1,999
	13	McDonald's	1,000-1,999
	14	Ataraxis, Inc	500-999
	15	Blue Cross of Idaho	500-999
	16	DirecTV	500-999
	17	Jacksons Food Stores	500-999
	18	YMCA	500-999
	19	Scentsy, Inc	500-999
	20	Xerox/WDS Global	500-999

Figure 1. Major Treasure Valley private employers (4QT 2017). Source: Boise Valley Economic Partnership.

LET'S WORK TOGETHER

The Treasure Valley's growth may be exciting, annoying, or scary, depending on how well the region prepares and responds. To help identify the needs of one million people, COMPASS in 2012 led stakeholders and local leaders through a scenario-planning exercise to develop a regional vision. Participants engaged in an analysis to identify the region's strengths, weaknesses, opportunities, and threats, using the *Communities in Motion 2040 Scenario Workshop Guidebook* as a starting point.⁸ This information was used to guide scenario-planning workshops, during which participants allocated future growth, received immediate feedback on the impacts of that growth, and identified transportation improvements needed to support it. The resulting vision for growth, known as the *Communities in Motion 2040 Vision*, identifies likely future growth, infrastructure needs, and goals to help the region maintain the quality of life we currently enjoy (Figure 2).⁹

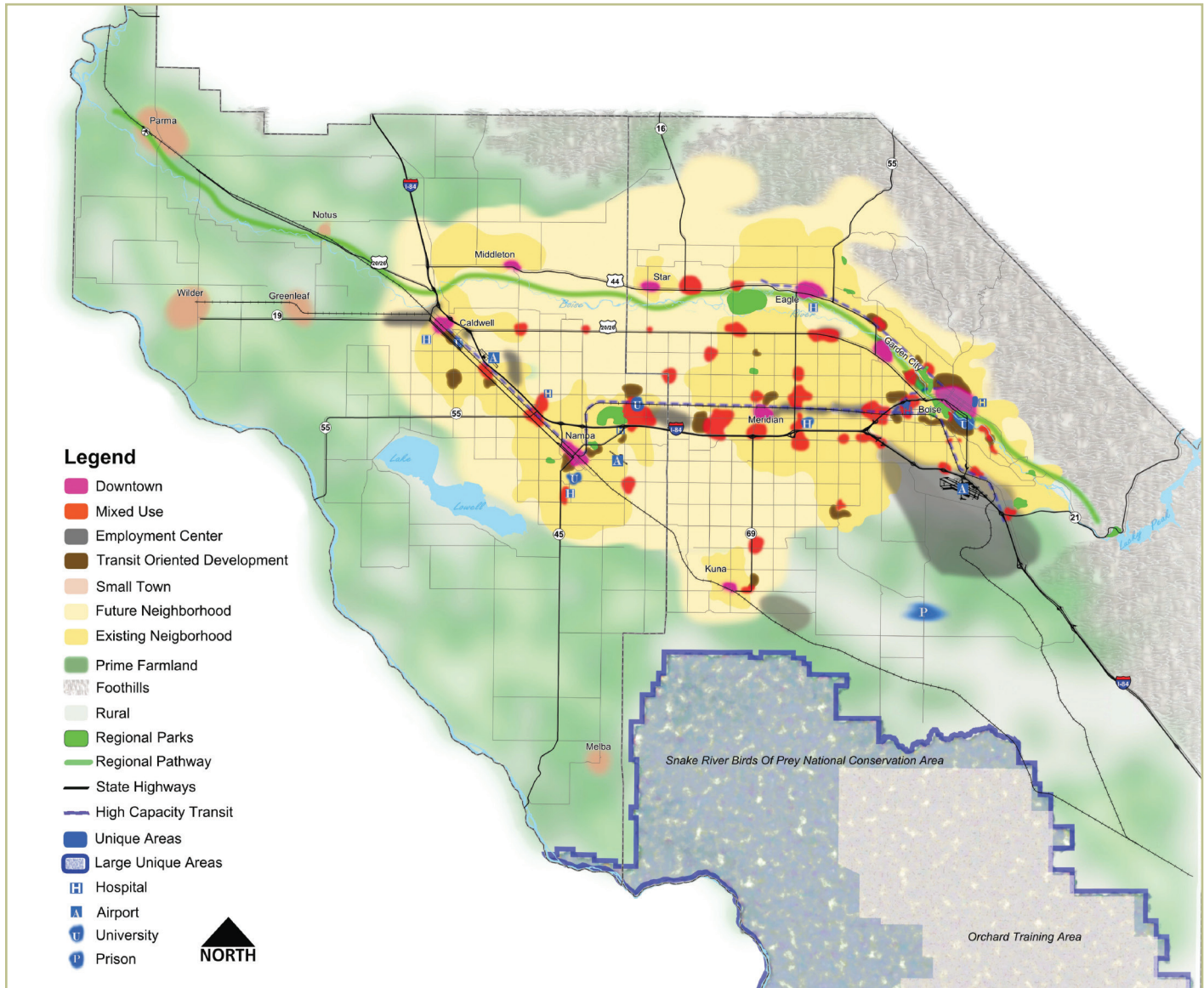


Figure 2. CIM 2040 Vision Map. View the full CIM 2040 Vision at www.compassidah.org/documents/prodserv/CIM2040/Map_Final.pdf.

The CIM 2040 Vision includes an allocation of future growth across the region (Figure 3). While the vision sets the expectations for future growth in a rapidly growing area, it is also flexible; COMPASS updates, or reconciles, the growth allocation annually to account for new entitled developments and changing land-use plans and policies.¹⁰ This process helps maintain consistency between the forecast and entitled development. It also provides more accurate data for travel model analyses and Development Review Checklists (see below), and meets federal requirements for using the most recent data for air quality conformity (40 CFR §93.110).¹¹

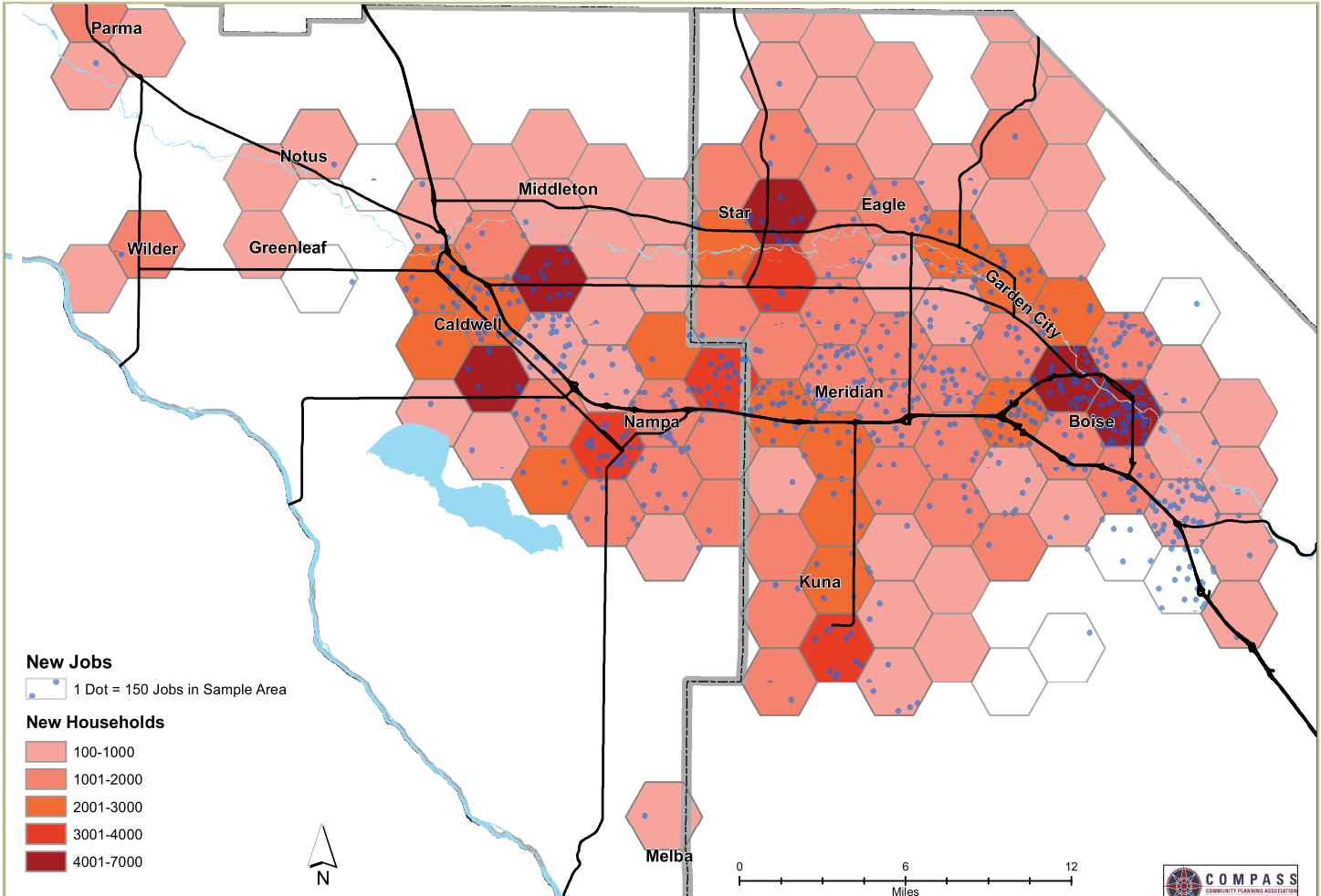


Figure 3. Projected household and job growth, 2018–2040. Note: This reflects the fourth reconciliation of growth allocation data, conducted in 2018, since publication of the original *Communities in Motion 2040*.

EVERYTHING COUNTS

Knowing where people are traveling and the resulting impacts on the roadway system requires an understanding of where they live, work, shop, and recreate. To ensure data are up to date, COMPASS develops population, housing, and employment estimates annually. These estimates are used for regional and local planning, grant writing, and as critical input to the travel demand model.

Since 1990, COMPASS has used a housing unit method estimation model to update population estimates at the city and county level. This method is based on the premise that changes in the number of occupied housing units reflect changes in population. It is broken into three distinct parts: housing unit estimation, household population estimation, and city assignment.



To arrive at a housing unit estimate, COMPASS adds the number of new residential permits—using data provided by local cities and counties—to the latest decennial census counts. It then incorporates occupancy rate information from Idaho Power to arrive at a household (i.e., occupied housing units) population estimate. Group quarters, or places where people live or stay in a group living arrangement such as dormitories or prisons, are kept static from decennial counts. These population estimates are assigned to cities based on the most current city limit boundaries.

The calculation COMPASS uses to build population estimates is as follows:

$$\text{Population} = [(h + r) * s * o] + q$$

where

h = decennial census households

r = new residential units permitted

s = household size

o = residential occupancy rate

q = group quarters population

Additional information about COMPASS population estimates is available at www.compassidaho.org/prodserv/demo-current.htm. In addition, COMPASS publishes annual residential permit data in its Development Monitoring Reports at www.compassidaho.org/prodserv/gtism-devmonitoring.htm.

COMPASS uses Idaho Department of Labor data, including firms' locations, industry sector types, and number of employees, to develop annual regional employment estimates.

LIFE IS A HIGHWAY

The CIM 2040 Vision was developed with significant input from a variety of stakeholders, including cities and counties. Decisions made by these land-use agencies directly impact the extent to which growth is aligned with the CIM 2040 Vision. Growth consistent with the CIM 2040 Vision will help ensure the region's transportation system keeps up with growth, that we maintain our vital farmland economy, and that municipalities' budgets are not overwhelmed with expanded infrastructure demands.

COMPASS provides local land-use decision makers with tools to help meet the CIM 2040 Vision; one such resource is the [COMPASS Development Review Checklist](#).¹² The checklist recognizes local authority for land-use decisions and provides information to support planning that aligns with the regional goals.

In addition, COMPASS' performance-based planning approach informs transportation investment decisions by quantifying the impact of potential decisions on the regional goals so that we grow in a way that maintains, or even improves, our quality of life. [Learn more about performance-based planning](#).¹³

Land-use changes can have many long-lasting impacts on the future transportation system:

- Rapid growth can be difficult for the transportation system to accommodate, particularly if it is not anticipated and planned for. Capacity projects, such as road widening, are difficult and costly.



- Compact growth can lead to more economically sustainable municipalities, provide density to support public transportation, and lead to more walkable and bikeable neighborhoods.
- The location of major employers along existing transportation facilities, including bus routes, can decrease the combined cost of housing and transportation for workers and make employment more accessible for those without many transportation options.

MY GENERATION

As previously discussed, the way an area grows impacts its quality of life and transportation needs; likewise, changing demographic conditions will significantly impact the future transportation system.

The Treasure Valley has experienced “homegrown” growth as well as in-migration from other areas. Both of these have caused rapid growth over the last few decades that will likely continue into the future. While national trends reflect a slowing birth rate, this region has had **higher-than-average fertility rates**.¹⁴ On average, in 2015 in the Treasure Valley, **23 people were born**¹⁵ and **12 people died each day**, for a **net change of 11 people per day**.¹⁶ While it is difficult to predict fertility and mortality rates for the future, many **technological and medicinal innovations could reasonably extend lifespans**.¹⁷

A graph showing the ages of the region’s population in 2010 looks like a pyramid (Figure 4). However, by 2040, if local fertility, mortality, and migration patterns continue at the same trend, it might look more like a stacked column. This means seniors are enjoying longer lives (at the top of the column) and fewer children are being born (at the bottom).

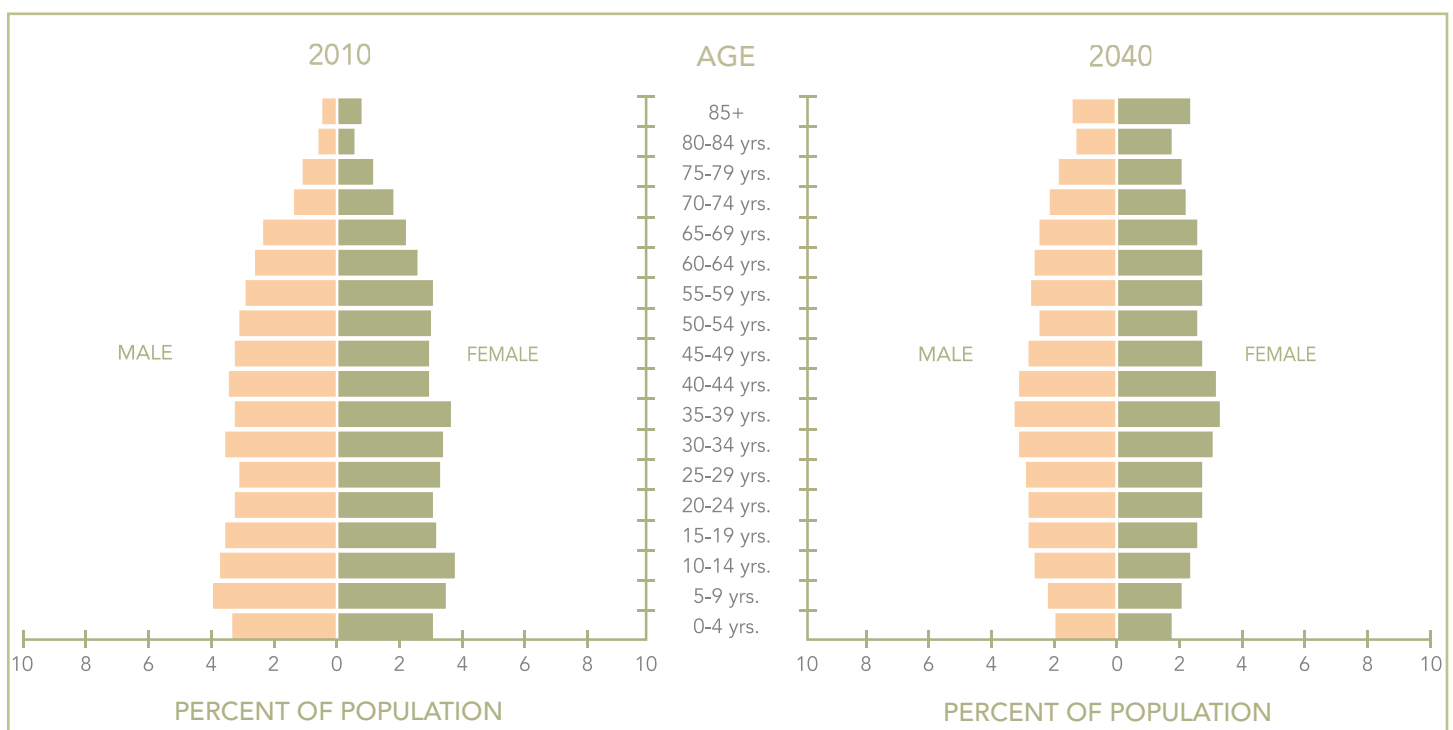


Figure 4. Treasure Valley age pyramid, 2010 vs. 2040. Sources: US Census Bureau, 2015 American Community Survey, and COMPASS.



These demographic changes could have several impacts on the future transportation system:

- Medical and technological advances are enabling people to live longer. This will create a need for transportation to health care, active transportation to maintain healthy and vibrant lifestyles, and public transportation to meet the needs of a senior community.
- Generations on both ends of the spectrum are relying more on technology for many services that traditionally have required a vehicle. Streaming media, delivery of goods, and in-home automation and production of goods could mitigate some transportation demand.
- Similarly, both older and younger generations are seeking alternatives to driving a vehicle. An active transportation network can ease commutes, provide recreation, boost tourism, and provide options for users of all ages.

HOME SWEET HOME

Housing in the Treasure Valley is mainly comprised of single-family units on suburban lots (Figure 5). This traditional pattern of development, which began in the post-World War II era, has produced communities of homes separated from other land uses.

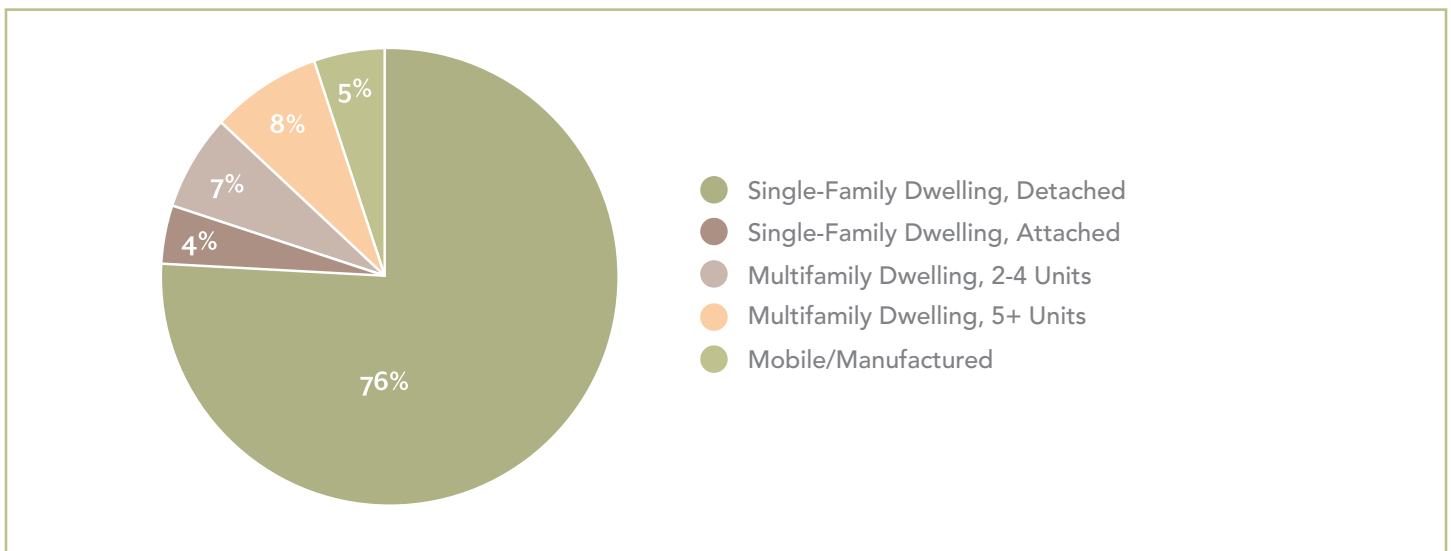


Figure 5. Treasure Valley housing units by structure type. Source: US Census Bureau, 2015 American Community Survey One-Year Estimates.

However, there is reason to believe this trend is changing (Figure 6). Since the Great Recession ended in 2009, 26% of new housing is being built as multifamily.¹⁸ Most of this is occurring in the City of Boise, near downtown, but the Cities of Meridian, Nampa, and others are also increasing their multifamily housing stock (Figure 7).¹⁹

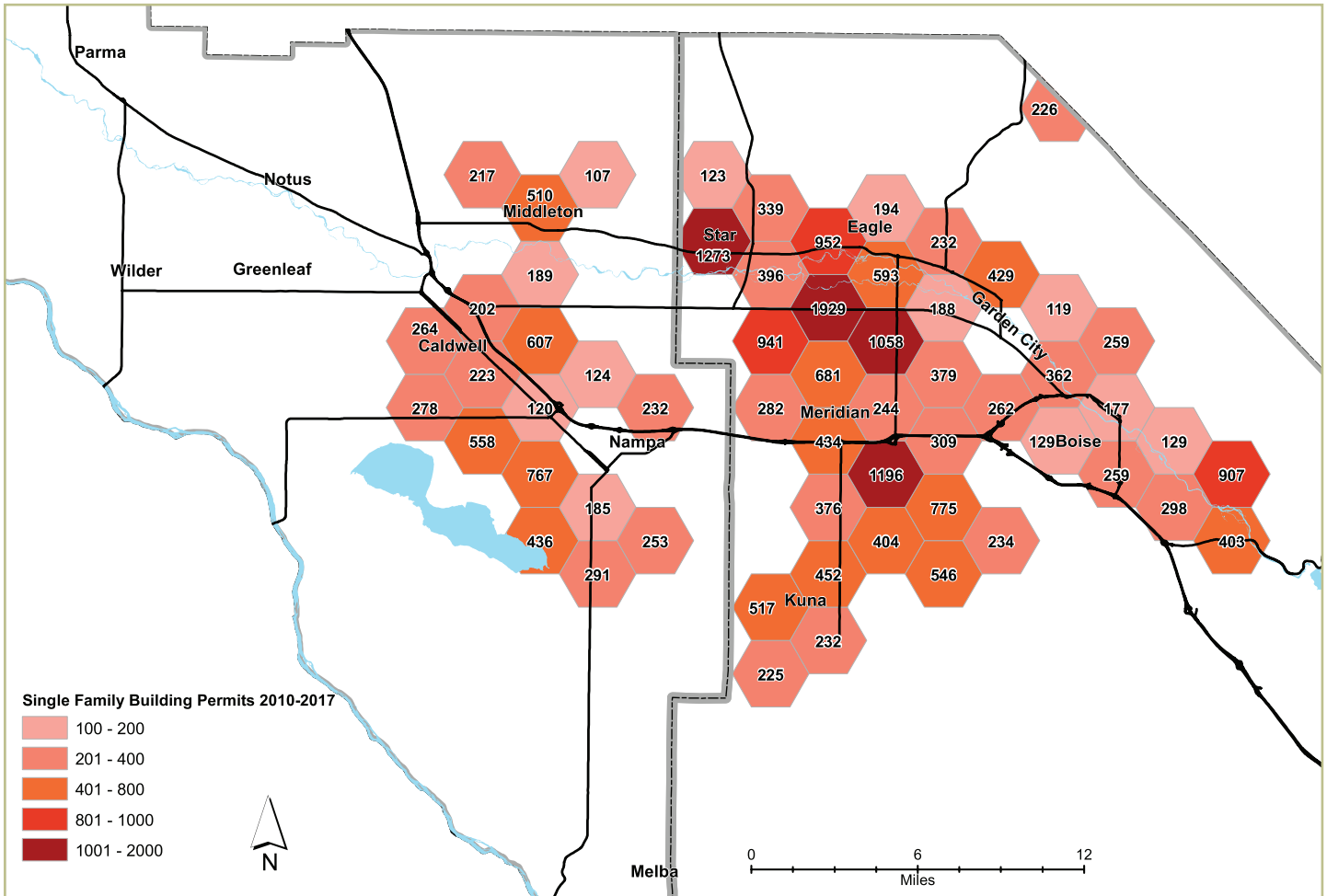


Figure 6. Single-family residential building permits in 5-square-mile samplings, 2010–2017

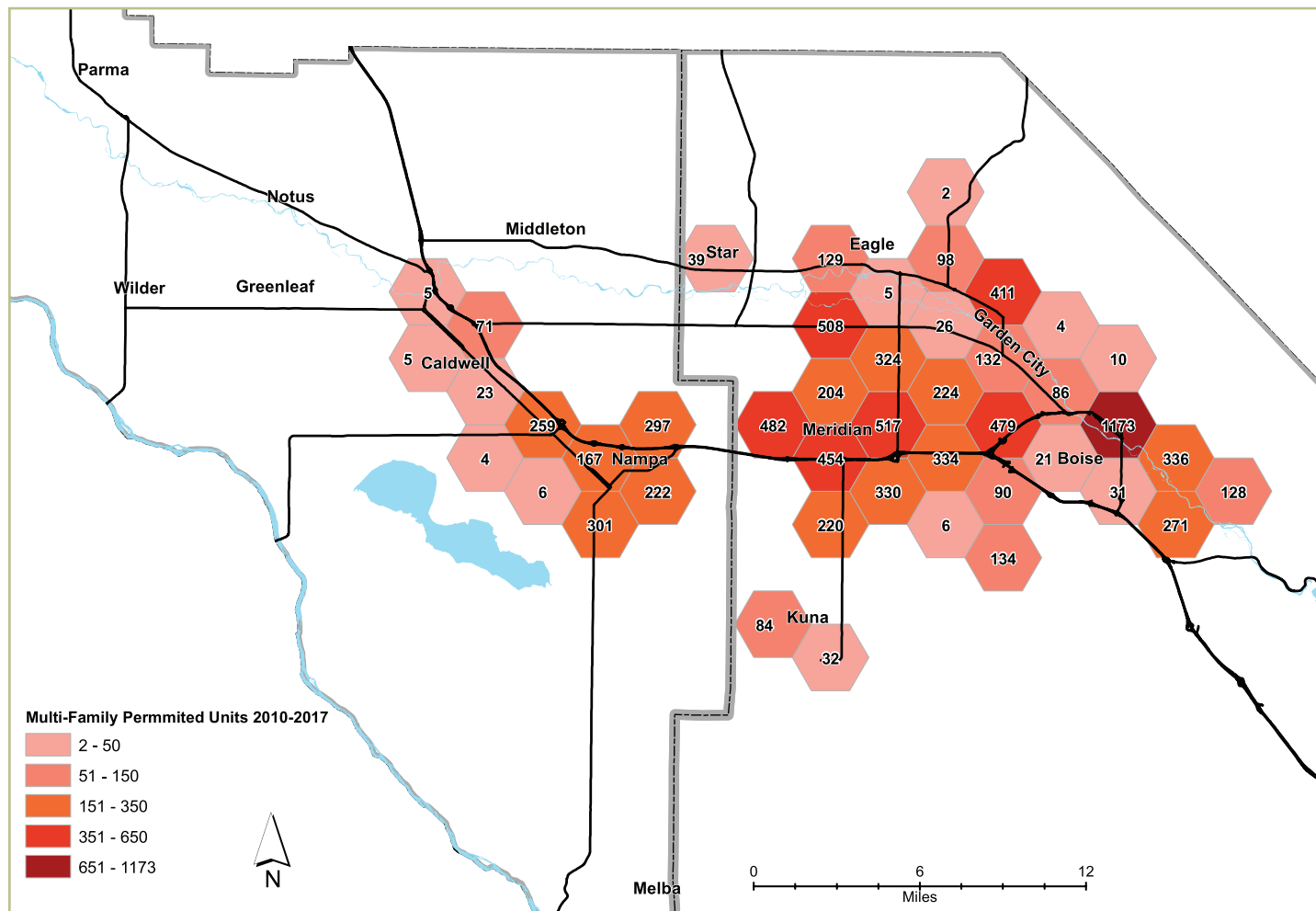


Figure 7. Multifamily residential building permits in 5-square-mile samplings, 2010–2017

More housing choices would enable residents to live near their employment in the type of housing they desire and at a price point they can afford. Housing prices in the Treasure Valley have fluctuated widely over the last few decades, and a lack of affordable housing threatens the high quality of life in the area. Unaffordable housing pushes homebuyers into suburban and rural areas, distanced from major employment centers and not served by viable public transportation options. This leads to increased transportation costs, which can offset the lower cost of housing. Lending policies, which consider the price of the house but not the inherent transportation costs, can exacerbate this problem. Considering both housing plus transportation costs can help Treasure Valley residents make wiser decisions about where to live.

Predicting consumer preferences for type and location of housing several decades out is difficult, but there is some evidence that the two largest homebuyer markets (millennials and baby boomers) want a different housing stock than is currently available.²⁰ This provides both challenges and opportunities for cities to create these neighborhoods from scratch or integrate infill sites into existing neighborhoods.



Integrating a mix of housing types into a new development or an existing neighborhood is not always easy. The threat of additional traffic, lack of parking, increased noise, and the burden on public services, such as schools, can cause some neighborhoods to declare “not in my backyard.” COMPASS developed the *CIM Implementation Guidebook* to provide local examples of quality, compact, and transit-supportive developments that align with the CIM vision.²¹

Future housing changes could have several impacts on the future transportation system:

- **Baby boomers’ shift in housing preferences** from traditional suburban housing to compact housing in walkable neighborhoods has the potential to increase the number of suburban homes on the market, while expanding the demand for a variety of neighborhood transportation choices.²²
- Affordable housing in rural areas is least served by transportation infrastructure and public transportation services, which increases auto traffic in rural areas, increases commute distances and times, and leads to increased transportation costs for those who can least afford it.
- Often the desirable locations for new housing are on prime farmland. This not only removes farmland from production, but also increases the need for new transportation and other community infrastructure, thus increasing both capital and maintenance costs.

WORKING FOR THE WEEKEND

Employment is expected to increase, as it keeps pace with population and fuels additional growth. COMPASS forecasts a 2040 total of 509,000 jobs.²³ Currently, the region is a leader in exporting semiconductors, agriculture, and computer equipment.²⁴ These industries rely on an efficient and consistent freight network to move product to the market (see *Freight*²⁵).

The Idaho Department of Labor indicates that the “Service Producing” and “Educational and Health Services” job categories will lead in terms of number of new jobs created over the next decade.²⁶ Many of these types of jobs are below a living wage; higher-paying jobs would allow residents to better afford housing near employment.

The locations of employment in the region will greatly influence demand on the transportation system. Many of the regional major employers²⁷ are located along the I-84 corridor, in downtowns, or in major activity centers.²⁸ Increases in traffic to these major employers could be mitigated if they were better served by efficient public transportation services and quality bicycle and pedestrian infrastructure. New employers face the decision to locate where existing infrastructure and services—roadways, public transportation routes, and bicycle/pedestrian networks—already exist or in suburban areas where land prices are not as high. Learn more about public transportation²⁹ and bicycle and pedestrian infrastructure.³⁰

These economic changes could have several impacts on the future transportation system:

- Technology is making it much easier to work whenever and wherever. Telecommuting could reduce the transportation demand or at least spread demand across a larger part of the day, reducing the need for multilane roadways.
- Public transportation with greater hours of service could help those with non-traditional work schedules, including healthcare workers and people working in service industries—two sectors forecasted for high job growth.



- The location of employment centers in relation to housing can increase or decrease demands on the transportation system. Land-use policies that encourage employment far from housing increase demands on the transportation system, while also increasing the housing-plus-transportation costs for workers.

MY NEXT THIRTY YEARS

The region has been rapidly growing for several decades and COMPASS anticipates more growth on the horizon. Providing a robust transportation system for commuters, public transportation users, bicyclists and pedestrians, and freight will stretch our transportation dollars.

Working towards the CIM 2040 Vision will help maintain the region's quality of life and make best use of limited transportation dollars by aligning transportation investments with anticipated growth. However, achieving the CIM 2040 Vision requires all partners to implement the necessary steps. Many cities are updating their own land-use plans and policies to reflect the changing demographic, housing, and economic conditions at the local level. COMPASS supports these efforts by providing information, working with local planners, and reflecting local plans in *Communities in Motion 2040 2.0*.



NOTES

- 1 COMPASS 2018 population and household estimates and Idaho Department of Labor 2017 employment estimates
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- 21 *CIM Implementation Guidebook*, COMPASS, <http://www.compassidaho.org/prodserv/regltranpl.htm#Guidebook>
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