



Data for Decision Makers Webinar 4.27.23

Terms & Definitions

Population

Definition: The number of individuals living in each place at a given time.

Why is it important: “Population growth is generally an indication of a healthy economy. No growth or long-term decline generally occur when an area is struggling.

Growth can benefit the general population of a place, especially by providing economic opportunities, but it can also stress communities and lead to income stratification. When considering the benefits of growth, it is important to distinguish between standard of living (such as earnings per job and per capita income) and quality of life (such as leisure time, crime rate, and sense of well-being).

The size of a population and economy (metropolitan, micropolitan, or rural) can have an important bearing on economic activities as well as opportunities and challenges for area businesses.” – Headwaters Economics

Population Change Model

Definition: A basic population change model disaggregates population change into components using the following equation:

Population Change = Births - Deaths (Natural Change) + International Migration + Domestic Migration (Net Migration)

Why is it important: Examining the components of population change for a given geography allows for a deeper understanding of why the population is changing and whether that is due to vital life events, including births and deaths, or due to domestic or international migration. It provides more detail and insight than just looking at the overall population change number.

Age and Gender Distribution

Definition: Data points that describe the number of individuals of either sex in each age bracket.

Why is it important: “Different locations have different age distributions. For example, in counties with a large number of retirees, the age distribution may be skewed toward categories 65 years and older. In counties with universities, the age distribution will be skewed toward 18- to 29-year-olds. In many counties, the largest segment of the population is the Baby Boomer generation (people born between 1946 and 1964).” – Headwaters Economics

Median Age

Definition: “The median age is the age at the midpoint of the population. Half of the population is older than the median age and half of the population is younger.” – U.S. Census Bureau

Why is it important: Change in median age over time indicates whether the population of a given place has gotten younger or older over time. This can have further implications for economic and workforce development.

Race

Definition: “Race is a self-identification data item in which respondents choose the race or races with which they most closely identify. In 1997 the U.S. Office of Management and Budget (OMB) revised the standards for how the federal government collects and presents data on race and ethnicity

Race Alone Categories: The minimum five race categories required by the OMB, plus the some-other-race-alone categories included by the U.S. Census Bureau with the approval of the OMB. The categories are: White alone, Black or African-American alone, American Indian or Alaska Native alone, Asian alone, Native Hawaiian or Other Pacific Islander alone, and Some Other Race alone.

Some Other Race: All other responses not included in the "White," "Black or African American," "American Indian and Alaska Native," "Asian," and "Native Hawaiian or Other Pacific Islander" race categories described above. Respondents providing write-in entries such as multiracial, mixed, interracial, or a Hispanic/Latino group (for example, Mexican, Puerto Rican, or Cuban) in the Some Other Race write-in space are included in this category.

Two or More Races: People may have chosen to provide two or more races either by checking two or more race response check boxes, by providing multiple write-in responses, or by a combination of check boxes and write-in responses.

Race categories include both racial and national-origin groups. The concept of race is separate from the concept of Hispanic origin, which is discussed elsewhere in this

report. Percentages for the various race categories add to 100 percent and should not be combined with the percent Hispanic.” – Headwaters Economics

Why is it important: “The United States hit a tipping point in 2015 in its racial and ethnic make-up: more toddlers under the age of five are now minorities than non-Hispanic whites. The racial composition of a place can indicate different needs, values, and attitudes sometimes held by different racial groups.

Federal agencies use information on race and ethnicity to implement a number of programs and to promote and enforce equal opportunities, such as in employment or housing, under the Civil Rights Act.

According to the U.S. Census Bureau, many federal programs are put into effect based on Census race data (i.e., promoting equal employment opportunities; assessing racial disparities in health and environmental risks).

It is important to consider whether proposed policies and management actions could have disproportionately high and adverse effects on minority populations. This consideration, broadly referred to as "environmental justice," is a requirement of Executive Order 12898. The Social Science Research Council hosts a useful resource on the health and welfare of racial and ethnic groups.” – Headwaters Economics

Ethnicity

Definition: “There are two minimum categories for ethnicity: Hispanic or Latino, and Not Hispanic or Latino. The federal government considers race and Hispanic origin to be two separate and distinct concepts. Hispanics and Latinos may be of any race.

Hispanic or Latino Origin: People who identify with the terms "Hispanic" or "Latino" are those who classify themselves in one of the specific Hispanic or Latino categories listed on the U.S. Census Bureau questionnaire (Mexican, Puerto Rican, or Cuban, as well as those who indicate that they are "other Spanish, Hispanic, or Latino"). Origin can be viewed as the heritage, nationality group, lineage, or country of birth of the person or the person's parents or ancestors before their arrival in the United States. People who identify their origin as Spanish, Hispanic, or Latino may be of any race.” – Headwaters Economics

Why is it important: “Hispanics are one of the fastest growing segments of the U.S. population. The U.S. Census Bureau reported that 17.3 percent of the population in the U.S. self-identified as being Hispanic in 2016. The Census Bureau predicts that 28.6 percent of the population in the U.S. will be Hispanic by 2060.²⁰ The ethnic composition of a place can indicate different needs, values, and attitudes sometimes held by different ethnic groups.

According to the Census Bureau: ‘Data on ethnic groups are important for putting into effect a number of federal statutes (i.e., enforcing bilingual election rules under the Voting Rights Act; monitoring and enforcing equal employment opportunities under the Civil Rights Act). Data on Ethnic Groups are also needed by local governments to run programs and meet legislative requirements (i.e., identifying segments of the population who may not be receiving medical services under the Public Health Act; evaluating whether financial institutions are meeting the credit needs of minority populations under the Community Reinvestment Act).’” – Headwaters Economics

Household Income

Definition: The earnings of a household over the course of a year. Median household income describes the midpoint among households in terms of dollars earned. Half of the households in a place earn less than the median and half earn more than the median.

Why is it important: “One important consideration of proposed policies and management actions is whether low-income populations could experience disproportionately adverse effects as a result. Analyzing income differences within and between locations helps to highlight areas where the population or a sub-population may be experiencing economic hardship.

The distribution of income is related to important aspects of economic well-being. Large numbers of households in the lower end of income distribution indicate economic hardship. A bulge in the middle can be interpreted as the size of the middle class. A figure that shows a proportionally large number of households at both extremes indicates a location characterized by ‘haves’ and ‘have-nots.’

Income distribution has always been a central concern of economic theory and economic policy. Classical economists were mainly concerned with the distribution of income among the main factors of production: land, labor, and capital. Modern economists have also addressed this issue but have been more concerned with the distribution of income across individuals and households.

According to the Census Bureau, ‘Researchers believe that changes in the labor market and... household composition affected the long-run increase in income inequality. The wage distribution has become considerably more unequal with workers at the top experiencing real wage gains and those at the bottom real wage losses.... At the same time, long-run changes in society’s living arrangements have taken place also tending to exacerbate household income differences. For example, divorces, marital separations, births out of wedlock, and the increasing age at first marriage have led to a shift away from married-couple households to single-parent families and nonfamily households. Since non-married-couple households tend to have lower income and less equally distributed income than other types of households... changes in household composition have been associated with growing income inequality.’” – Headwaters Economics

Poverty

Definition: “Following the Office of Management and Budget's Directive 14, the U.S. Census Bureau uses a set of income thresholds that vary by family size and composition to detect who is poor. If the total income for a family or an unrelated individual falls below the relevant poverty threshold, then the family or an unrelated individual is classified as being ‘below the poverty level.’” – Headwaters Economics

Why is it important: “Poverty is an important indicator of economic well-being. Understanding the extent of poverty is important for several reasons. For example, people with limited income may have different needs and values. Also, proposed policies and activities may need to be analyzed in the context of whether people who are economically disadvantaged could experience disproportionately adverse effects.

Poverty rates are often reported in aggregate, which can hide important differences. The bottom table shows poverty for various types of individuals and families. This is important because aggregate poverty rates (for example, families below poverty) may hide some important information (for example, the poverty rate for single mothers with children).” – Headwaters Economics

Social Vulnerability

Definition: “The degree to which a community exhibits certain social conditions, including high poverty, low percentage of vehicle access, or crowded households, may affect that community’s ability to prevent human suffering and financial loss in the event of disaster. These factors describe a community’s social vulnerability.” – CDC/ASTDR

Why is it important: Social vulnerability gives an indication of how resilient a given place is to economic disruption and has implications for economic development and planning.

Occupations and Industries

Definition: “What people do for work in terms of the type of work (by occupation) and where they work (by industry).

Employment by Occupation: Refers to the Standard Occupational Classification (SOC) system in which workers are classified into occupations with similar job duties, skills, education, and/or training, regardless of industry.

Employment by Industry: Refers to employment by industry, listed according to the North American Industry Classification System (NAICS).” – Headwaters Economics

Why is it important: “Employment statistics are usually reported by industry. This is a useful way to show the relative diversity of the economy and the degree of dependence on certain sectors. Employment by occupation offers additional information that

describes what people do for a living and the type of work they do, regardless of the industry. For example, management and professional occupations generally offer higher wages and require formal education, and these occupations could exist in any number of industries. Managers could be working for a software firm, a mine, or a construction company. Occupation information describes what people do, while employment by industry describes where people work.” – Headwaters Economics

Tapestry Segmentation

Definition: A classification of U.S. neighborhoods and households into 67 unique segments, based on demographics and socioeconomic characteristics.

<https://www.esri.com/en-us/arcgis/products/data/data-portfolio/tapestry-segmentation#:~:text=Tapestry%20Segmentation%20classifies%20US%20neighborhoods,on%20demographics%20and%20socioeconomic%20characteristics>.

Why is it important: Tapestry can be used in support of identifying business development opportunities by understanding the profile, consumer preferences and buying power of households in a given area.

Kennedy, Zachary. (2023, April 27). Data for Decision Makers. [Webinar]. Business Navigator Alliance of Southcentral & Southeastern Illinois

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