

# MULTIFAMILY PROPERTIES

## Quarterly

### POPULATION GROWTH

## Is growth good? The alternative has consequences

When you hear people say that Colorado has been growing at an “exponential” clip, it makes you wonder if they paid attention in high school math. Yes, Colorado has experienced a steady stream of growth over the last 10 years, but it certainly hasn’t been exponential. In fact, it hasn’t really been all that significant compared to decades past.

What’s that? Colorado isn’t growing all that rapidly? But what about all the sensational headlines that play up growth and development, and what my neighbor said about traffic?

Let’s look at the facts.

From 1990 through 2000, Colorado’s population added an average of 101,930 people per year. By comparison, from 2010 through 2020, Colorado added an average of only 74,450 people per year. Growth continued, but it slowed significantly. From 2020 through 2023, the deceleration continued – we added only 27,230 new people per year. That’s a growth rate of only 0.47%, or good for 20th in the country. It is also the slowest rate of growth in Colorado since the 1980s. We aren’t growing at an exponential rate – we’re barely breaking even!

What’s more, this growth is highly concentrated on the Front Range. In fact, in 2022, 40 of Colorado’s 64 counties experienced natural population decline and 28 saw an overall decrease in population, including Jefferson and Arapahoe.

Not only is growth slowing, but Colorado’s population is aging.



Charlie Smith  
Shareholder,  
Polsinelli

Births peaked in 2007 and have been falling since. As the birth rate falls, the population naturally ages and the primary source of population growth transitions to immigration (from other countries) and in-migration (from other states). The 65-plus age

cohort is the fastest growing in Colorado, adding 69,000 people in 2022, primarily through aging rather than in-migration. So, unless Coloradans suddenly start making babies at a historic clip, continued growth in Colorado will rely on immigration and in-migration. Luckily, Colorado attracts younger folks from other states, which could mitigate our aging trend, if we attract enough of them.

But is slow growth really cause for alarm? After all, less growth means less traffic and shorter lines at Vail. And so what if we all get a little older? Fewer teenage drivers can’t be a bad thing.

Perhaps the easiest way to answer that question is to envision the opposite of growth – population decline.

Without growth, our standard of living will gradually fade. Fewer people will mean fewer customers at local shops and restaurants. Those businesses will suffer, and many will close. That means less convenience and variety for consumers. The businesses that are

still thriving won’t be able to find employees to fill their open positions. Many will decide to relocate to markets with stronger workforces. As businesses leave, the people go with them, which accelerates the downward trajectory. Schools will close, pension programs like PERA will fail, and the Broncos will move to Salt Lake City. Think it doesn’t happen? Remember that Detroit was once the fourth-largest city in America with a population of more than 1.8 million people. By 2020, that population had shrunk to 640,000, the city had declared bankruptcy, and entire neighborhoods were plowed under. Heck, we don’t even have to look out of state – many school districts in Colorado are already shuttering schools because the student population is shrinking.

Economists worldwide warn that population stagnation and decline would wreak economic havoc. The International Monetary Fund predicts that shrinking populations will come with unsustainable public debts, spending increases for social welfare programs, sharp spending cuts elsewhere, and large tax increases.

So yes, growth is good because the alternative is bad. There’s a saying that “if you aren’t growing, you’re dying.” That is as true for cities and states as it is for businesses and people. Sure, growth comes with growing pains, like traffic and Californians, but it also means new opportunities and innovation. It means new jobs, higher pay and a better restaurant scene.

We can begrudge growth, or we can embrace it. But if we want Colorado to be competitive nationally and internationally, we had better choose the latter. If we want our children to live here and afford to do so without us having to pay the rent, growth is the answer. Colorado is competing every day against Arizona, Utah, Texas and other states for new employers and jobs. Our mountains are fantastic, but as we heard from site selectors at a recent conference in Denver, we can’t rely solely on our quality of life to attract employers – other states have trails and ski hills too. And they are embracing growth and its opportunities.

Meanwhile, Colorado continues to suffer from housing unaffordability, which hampers our efforts to attract new employers and retain a strong, talented workforce, largely because we are afraid of growth.

Perhaps I’m preaching to the choir. Still, too often I hear real estate industry colleagues apologizing for growth, downplaying its importance, or even succumbing to the narrative that growth is bad, a necessary evil.

Do not give into this temptation. Be proud of growth and our role in it. Proclaim the virtues of growth – the hope and opportunity it represents. Because growth is good. ▲

[cjsmith@polsinelli.com](mailto:cjsmith@polsinelli.com)