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**Disruptive Demographics:
Implications for the Accounting Profession**

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Disruptive Demographics: Implications for the Accounting Profession



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October 2015

OVERVIEW

- Demographic Trends
- Challenges & Opportunities
- Discussion

what
CENSUS 2010
will REVEAL



October 2015

American Community Survey

Information Guide



U.S. Department of Commerce
Economics and Statistics Administration
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6 DISRUPTIVE TRENDS

- The South Rises – Again
- The Browning of America
- Marrying Out is “In”
- The Silver Tsunami is About Hit
- The End of Men?
- Cooling Water from Grandma’s Well... and Grandpa’s Too!

A map of the United States where the Southern region is highlighted in a solid red color. The rest of the country is shown in a light gray color. The map is centered on a white background.

The South

Continues To Rise

...Again!

South's Share of U.S. Net Population Growth, Selected Years, 1910-2010

Years	U.S. Absolute Population Change	South's Absolute Population Change	South's Share of Change
1910-1930	30,974,129	8,468,303	27%
1930-1950	28,123,138	9,339,455	33%
1950-1970	51,886,128	15,598,279	30%
1970-1990	45,497,947	22,650,563	50%
1990-2010	60,035,665	29,104,814	49%

U.S. POPULATION CHANGE BY REGION, 2000-2010

Region	2010 Population	Absolute Population Change, 2000-2010	Percent Population Change, 2000-2010
U.S.	309,050,816	26,884,972	9.5%
Northeast	55,417,311	1,753,978	3.3%
Midwest	66,972,887	2,480,998	3.0%
South	114,555,744	14,318,924	14.3%
West	72,256,183	8,774,852	13.8%

SHARES OF NET POPULATION GROWTH BY REGION, 2000-2010

Region	Absolute Population Change	Percent of Total
UNITED STATES	26,884,972	100.0
NORTHEAST	1,753,978	6.0
MIDWEST	2,480,998	9.0
SOUTH	14,318,924	53.0
WEST	8,774,852	32.0

NET MIGRATION TRENDS, 2000-2008

	Northeast	Midwest	South	West
Total	-1,032	-2,008	+2,287	+46
Black	-346	-71	+376	+41
Hispanic	-292	-109	+520	-117
Elderly	-115	+42	+97	-27
Foreign born	-147	-3	+145	+3

■ = Net Import ■ = Net Export

GROSS AND NET MIGRATION FOR THE SOUTH, 2004-2010

The Region

Years	Domestic			Foreign		
	In	Out	Net	In	Out	Net
2004-2007	4,125,096	3,470,431	654,665	268,619	132,382	136,237
2007-2010	3,874,414	3,477,899	396,525	232,501	132,201	100,300

Florida

Years	Domestic			Foreign		
	In	Out	Net	In	Out	Net
2004-2007	812,053	630,051	182,002	41,745	24,108	17,637
2007-2010	654,931	668,087	-13,156	33,095	32,094	1,001

State Share of South's Net Growth, 2000-2010

Region/State	Absolute Change	State's Share
The South	14,318,924	100.0%
Texas	4,293,741	30.0%
Florida	2,818,932	19.7%
Georgia	1,501,200	10.5%
North Carolina	1,486,170	10.4%
Other Southern States	4,218,881	29.4%

U.S. POPULATION CHANGE BY REGION, 2010-2014

Region	2014 Population	Absolute Population Change, 2010-2014	Percent Population Change, 2010-2014
U.S.	318,857,056	10,098,951	3.3%
Northeast	56,152,333	833,985	1.5%
Midwest	67,745,108	815,210	1.2%
South	119,771,934	5,208,983	4.5%
West	75,187,681	3,240,773	4.5%

SHARES OF NET POPULATION GROWTH BY REGION, 2010-2014

Region	Absolute Population Change	Percent of Total
UNITED STATES	10,098,951	100.0
NORTHEAST	833,985	8.3
MIDWEST	815,210	8.1
SOUTH	5,208,983	51.6
WEST	3,240,773	32.1

STATE SHARES OF SOUTH'S NET GROWTH, 2010-2014

Region/State	Absolute Change	State's Share
The South	5,208,983	100.0%
Texas	1,810,854	34.8%
Florida	1,088,674	20.9%
Georgia	408,662	7.8%
North Carolina	408,273	7.8%
Virginia	325,265	6.2%
Other Southern States	1,167,255	22.4%

THE “BROWNING” OF AMERICA

Legal Immigration to United States

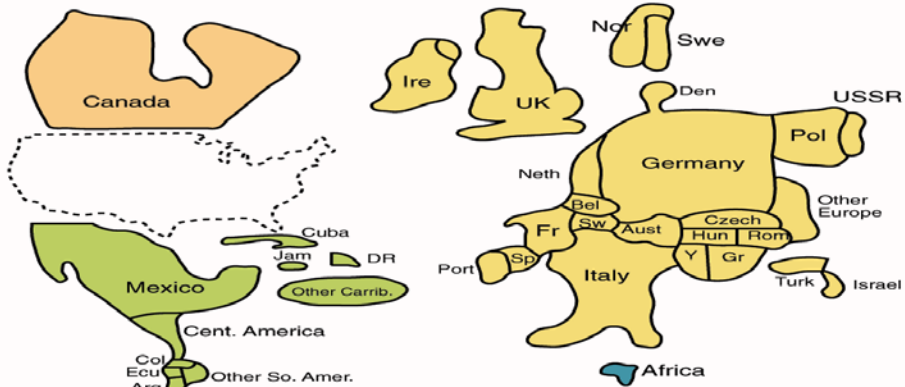
1921-1960

40 years

Area Porportional to Number of Immigrants

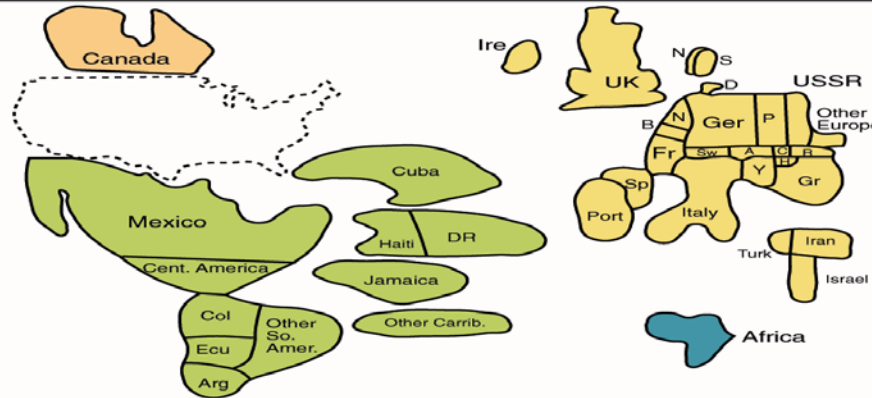
□ 10,000

□ 100,000



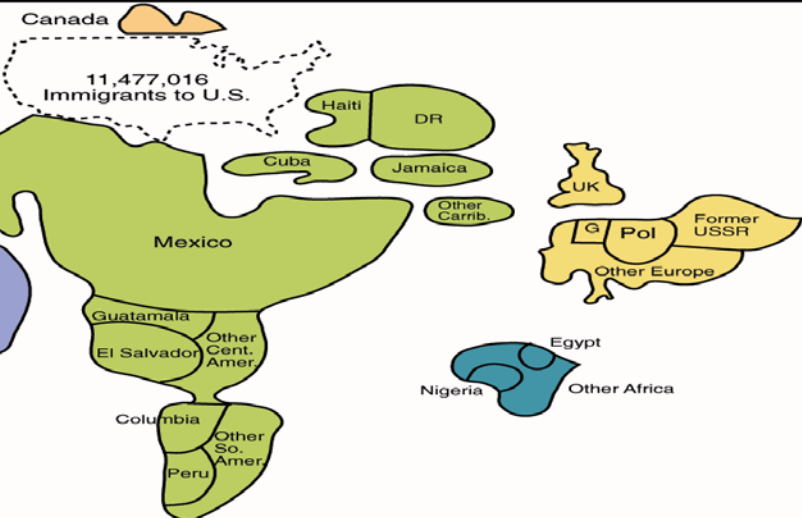
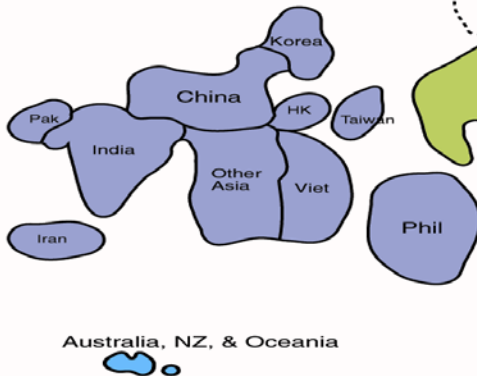
1961-1986

16 years



1987-1998

12 years



11,477,016 Immigrants to U.S.

The Numbers

Legal Immigrants

Year	Annual Flow
1920-1961	206,000
1961-1992	561,000
1993-1998	800,654
1999-2004	879,400
2005-2008	1,137,000
2009-2012	1,067,000

Refugees, Parolees, Asylees

Year	Annual Flow
1961-1993	65,000
1994-1998	107,000
1999-2004	85,500
2005-2008	75,000
2009-2012	92,500

The Numbers Cont'd

- **Illegal Immigrants**

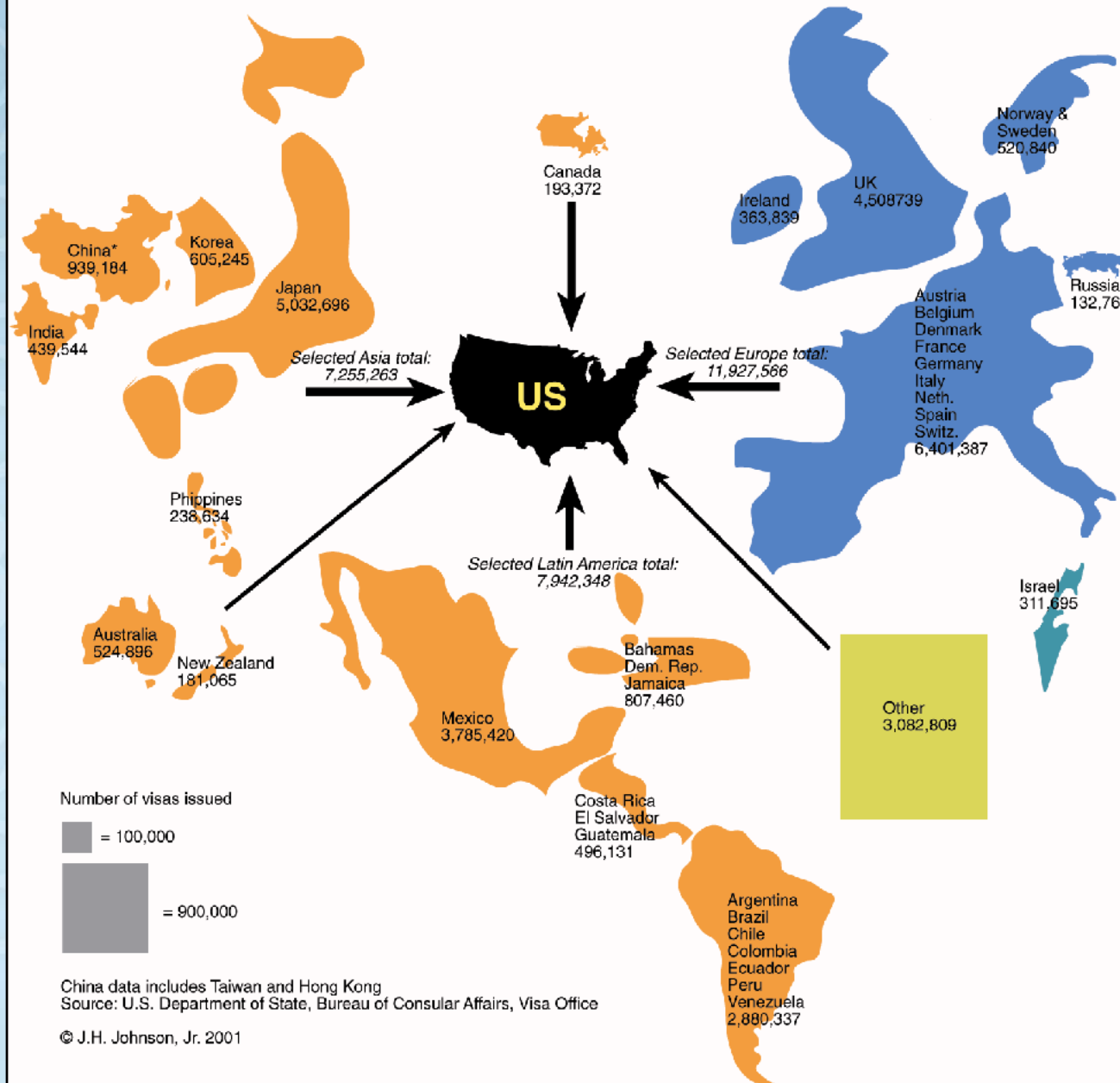
- 300,000 to 400,000 annually over the past two decades
- Three million granted amnesty in 1986
- 2.7 million illegal immigrants remained after 1986 reforms
- October 1996: INS estimated there were 5 million illegal immigrants in U.S.
- Since August 2005: Estimates of illegal population have ranged between 7 million and 15 million
- Today: An estimated 11.5 million unauthorized immigrants reside in U.S.

NON-IMMIGRANTS ADMITTED TO UNITED STATES, SELECTED YEARS, 1981-2011

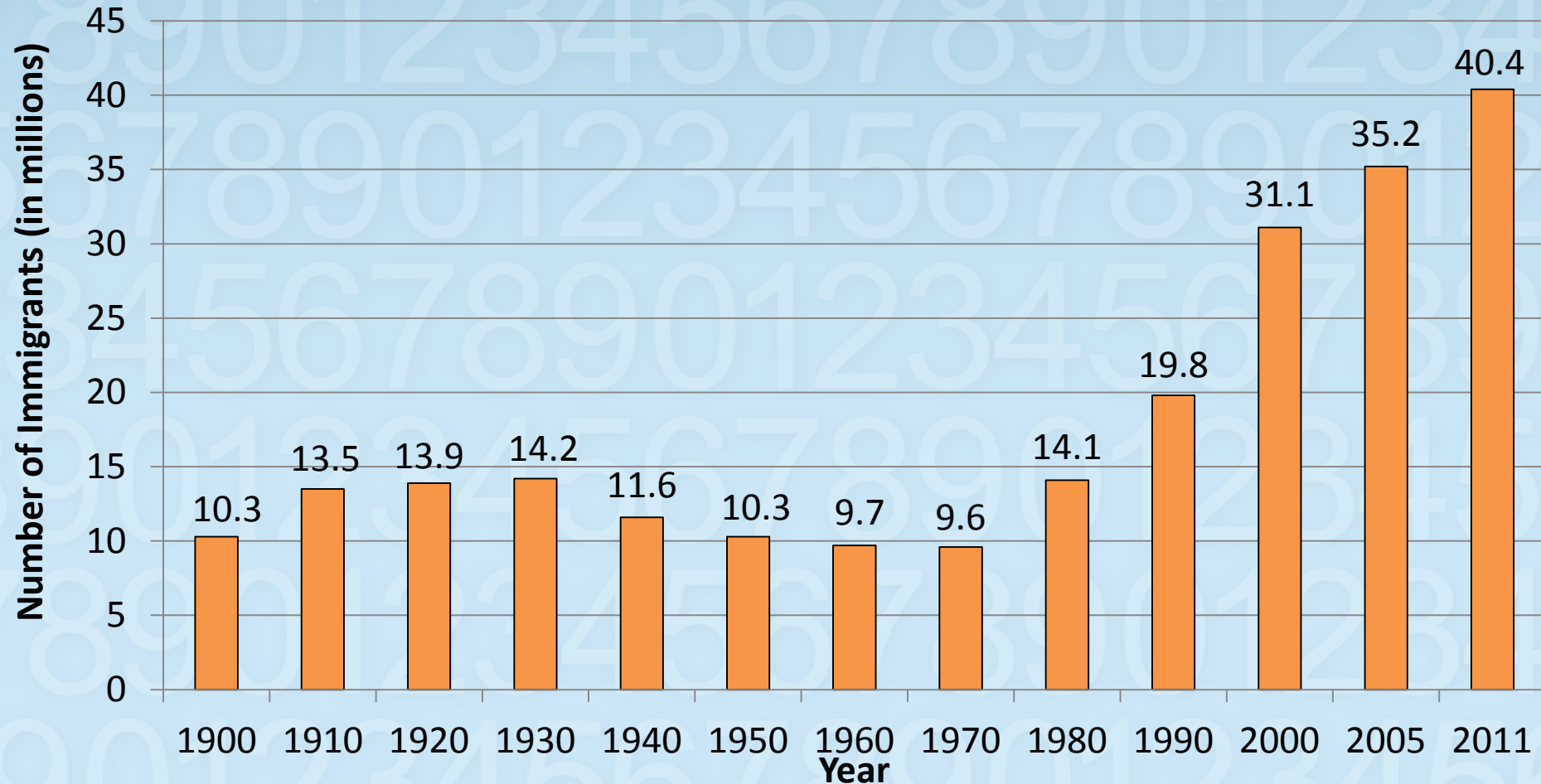
Year	All Classes	Exchange Visitors	Academic & Vocational Students
1981	11,756,903	108,023 (1%)	271,861 (2%)
1985	9,539,880	141,213 (1%)	285,496 (3%)
1990	17,574,055	214,644 (1%)	355,207 (2%)
1995	22,640,540	241,364 (1%)	395,480 (2%)
2000	33,690,082	351,743 (1%)	699,953 (2%)
2001	32,824,088	389,435 (1%)	741,921 (2%)
2002	27,907,139	370,176 (1%)	687,506 (2%)
2008	39,381,928	506,138 (1%)	917,373 (2%)
2011	53,082,286	526,931 (1%)	1,702,730 (3%)

Non-Immigrants Arriving in United States by County of Citizenship, 1999

(Issuance of Non-residence visas, fiscal year 1999)



U.S. Immigrant Population, 1900-2011



U.S. Foreign Born Population by Race/Ethnicity, 2011

Race/Ethnicity	Foreign Population	Share of Total (%)
Total	40,381,574	100.0
Hispanic	18,788,300	46.5
White Alone, not Hispanic	7,608,236	18.8
Black Alone, not Hispanic	3,130,348	7.8
Asian Alone, not Hispanic	9,988,159	24.7
Other Alone, not Hispanic	866,531	2.1

U.S. POPULATION CHANGE BY RACE & ETHNICITY, 2000-2010

Race	2010 Population	Absolute Change 2000 – 2010	Percentage Change 2000 - 2010
Total	308,745,538	27,323,632	9.7%
Non-Hispanic	258,267,944	12,151,856	4.9%
White	196,817,552	2,264,778	1.2%
Black	37,685,848	3,738,011	11.0%
AI/AN	2,247,098	178,215	8.6%
Asian	14,465,124	4,341,955	42.9%
NH/PI	481,576	128,067	36.2%
2 or More Races	5,966,481	1,364,335	29.6%
Hispanic	50,477,594	15,171,776	43.0%

NON-WHITE AND HISPANIC SHARES OF POPULATION GROWTH, 2000-2010

Area	Absolute Population Change	Non-White Share	Hispanic Share
US	27,323,632	91.7	55.5
South	14,318,924	79.6	46.4
Texas	4,293,741	89.2	65.0
Florida	2,818,932	84.9	54.7
Georgia	1,501,206	81.0	27.9
NC	1,486,170	61.2	28.3

MEDIAN AGE OF U.S. POPULATION BY RACE, HISPANIC ORIGIN & GENDER, 2009

Race	Total	Male	Female
United States	36.8	35.4	38.2
White Alone	38.3	37.0	39.6
White, Non-Hispanic	41.2	39.9	42.6
Black Alone	31.3	29.4	33.3
AI/AN Alone	29.5	29.0	30.2
Asian Alone	33.6	32.6	34.6
NH/PI Alone	29.9	29.5	30.3
Two or More Races	19.7	18.9	20.5
Hispanic	27.4	27.4	27.5

TOTAL FERTILITY RATES FOR U.S. WOMEN BY RACE/ETHNICITY, 2012

Race/Ethnicity	Total Fertility Rate
All Races	1.88
Hispanic	2.18
Non-Hispanic White	1.76
Blacks	1.90
Asian	1.77
Native American	1.35

RELATIVE DISTRIBUTION OF U.S. BIRTHS BY RACE / ETHNICITY

Race/Ethnicity	1990	2008	2011
White	66%	50%	49.6%
Blacks	17%	16%	15.0%
Hispanics	15%	26%	26.0%
Other	2%	8%	9.4%

Source: Johnson and Lichter (2010); Tavernise (2011).

RELATIVE DISTRIBUTION OF U.S. POPULATION BY RACE / ETHNICITY

Race/Ethnicity	2005	2050
White	67%	47%
Blacks	12.8%	13%
Hispanics	14%	29%
Asian	5%	9%

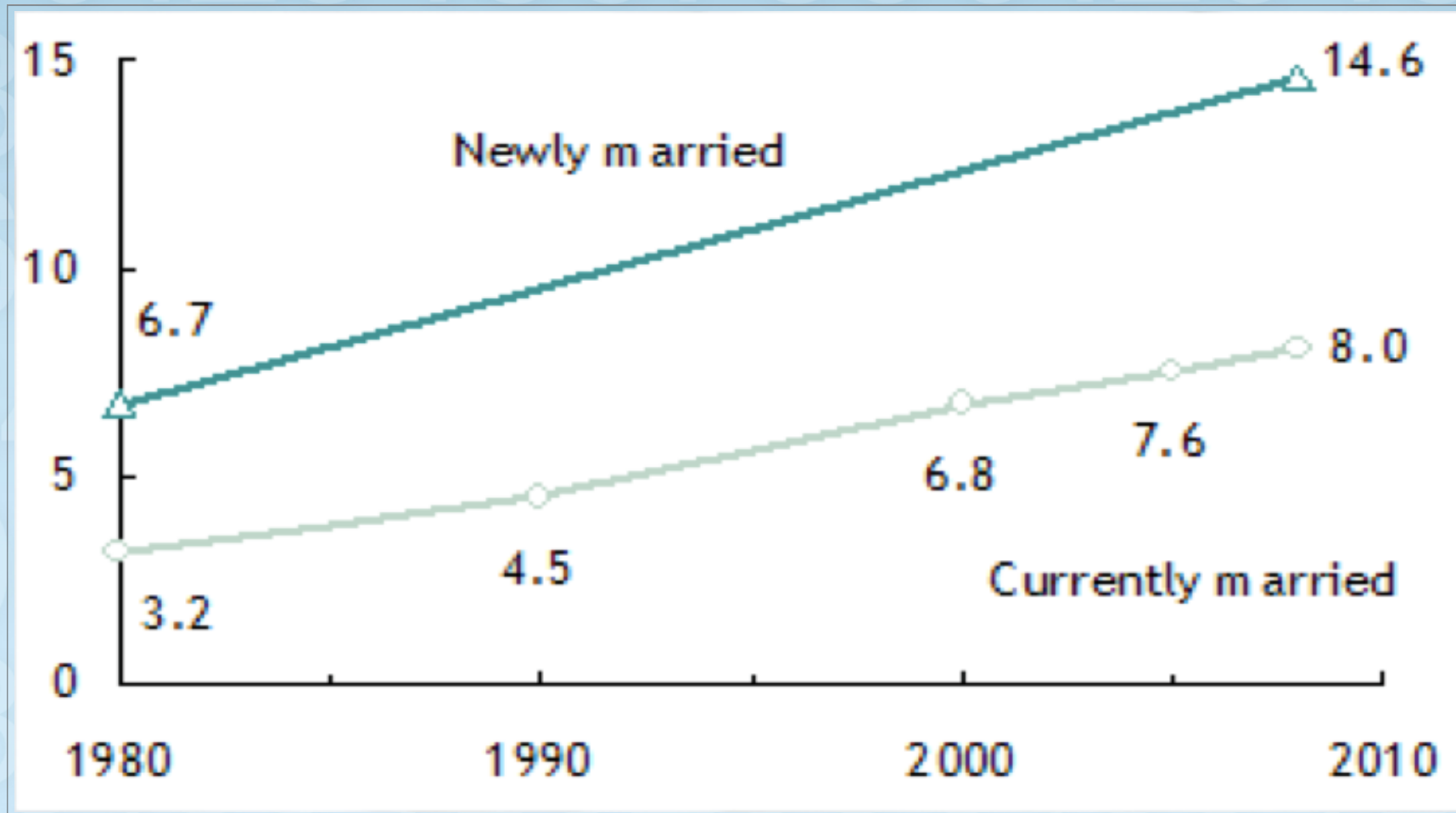
Marrying Out



is “In”

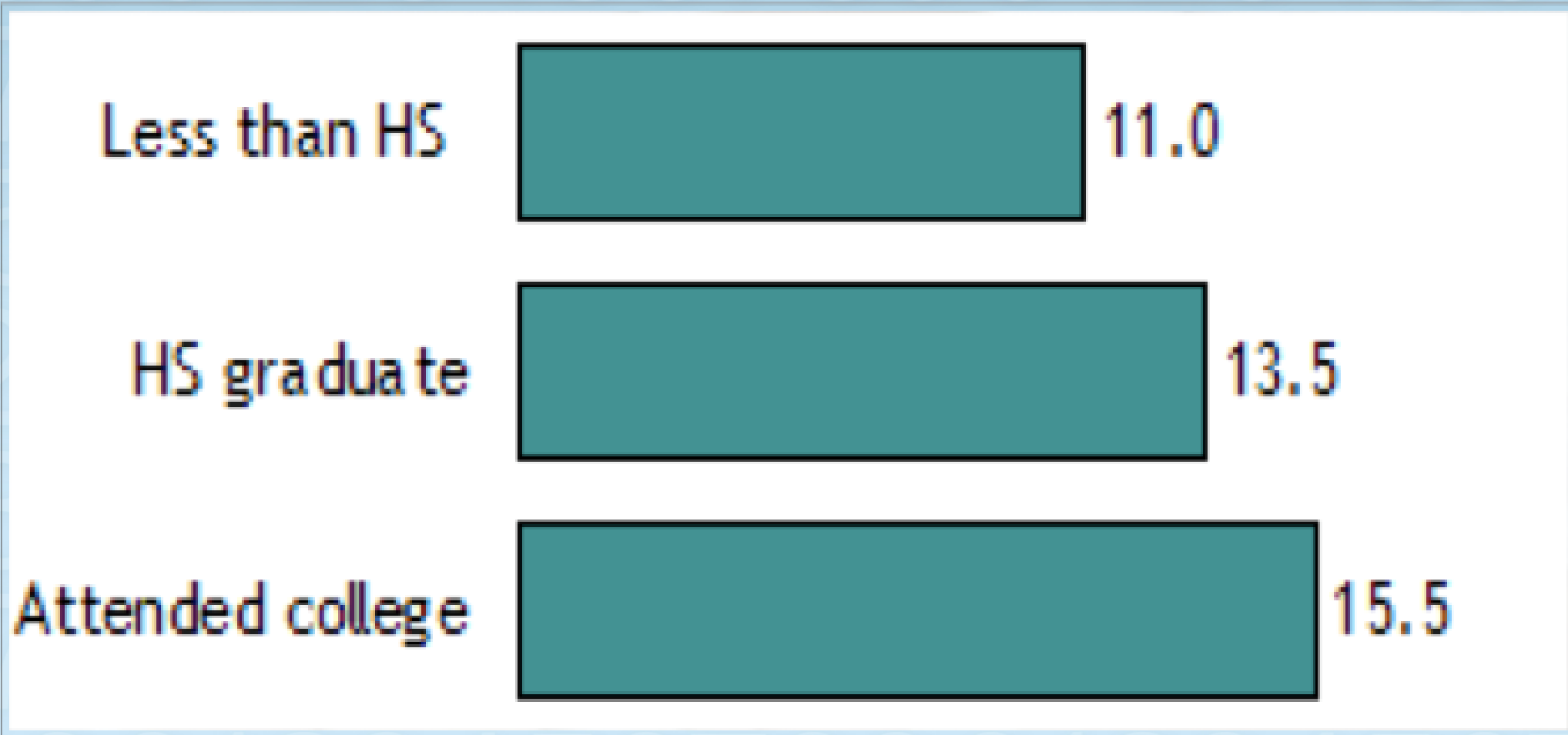
INTERMARRIAGE TREND, 1980-2008

% Married Someone of a Different Race/Ethnicity



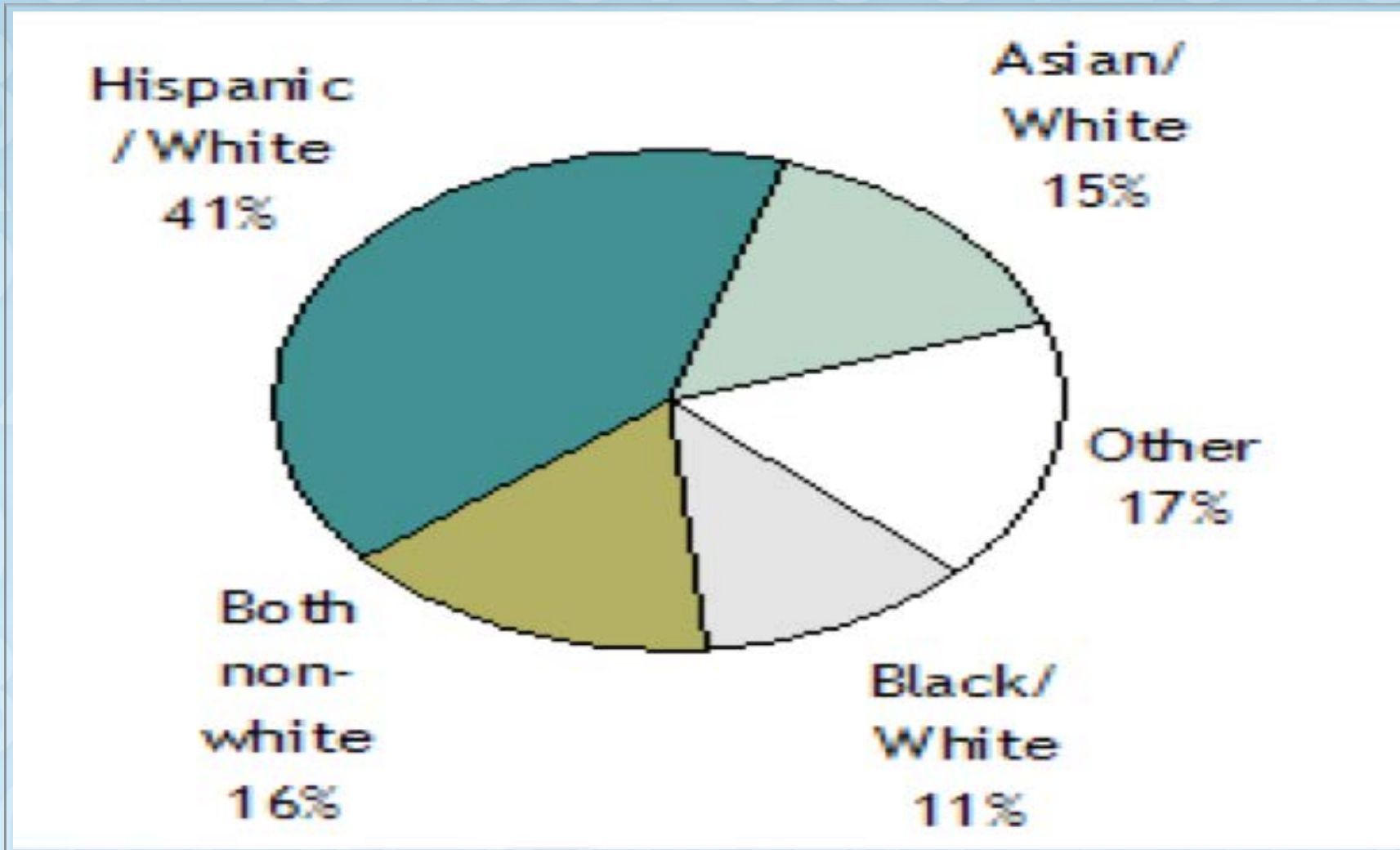
EDUCATION & INTERMARRIAGE

% of Newlyweds Who Married Someone of a Different Race/Ethnicity, 2008



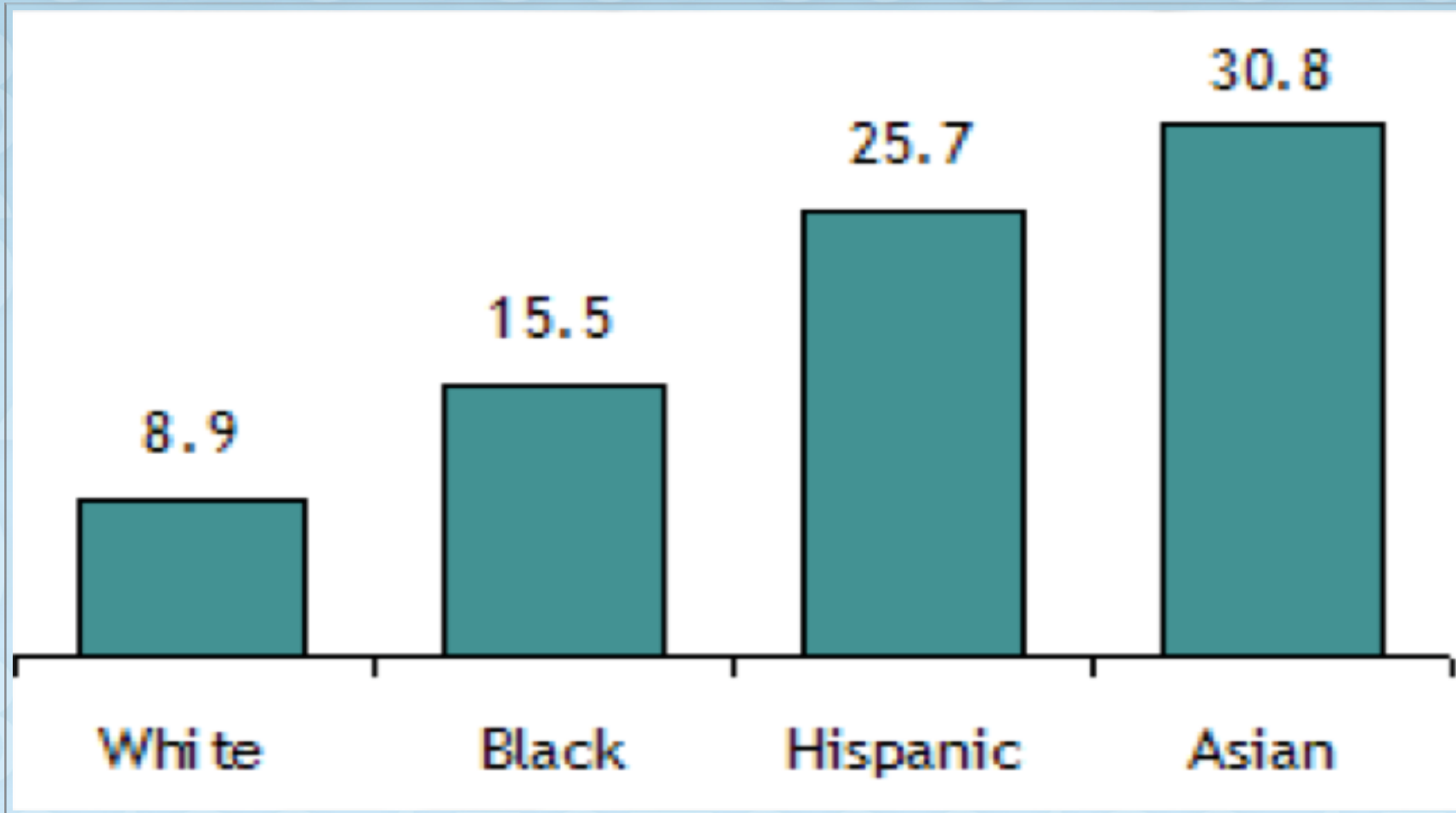
INTERMARRIAGE TYPES

Newly Married Couples in 2008



INTERMARRIAGE RATES BY RACE & ETHNICITY

% of Newlyweds Who Married Someone of a Different Race/Ethnicity, 2008



THE SILVER TSUNAMI



U.S. POPULATION CHANGE BY AGE, 2000-2009

Age	2009	Absolute Change 2000 - 2009	Percentage Change 2000 - 2009
<25	104,960,250	5,258,492	5.3
25-44	84,096,278	-1,898,345	-2.2
45-64	79,379,439	16,977,567	27.2
65+	39,570,590	4,496,886	12.8
TOTAL	307,006,550	24,834,593	8.8

U.S. POPULATION TURNING 50, 55, 62, AND 65 YEARS OF AGE, (2007-2015)

	Age 50	Age 55	Age 62	Age 65
Average Number/Day	12,344	11,541	9,221	8,032
Average Number/Minute	8.6	8.0	6.4	5.6

THE GREYING OF AMERICA

U.S. Census Projections



SOURCE: U.S. CENSUS REPORT "85+ IN THE UNITED STATES: 2005"

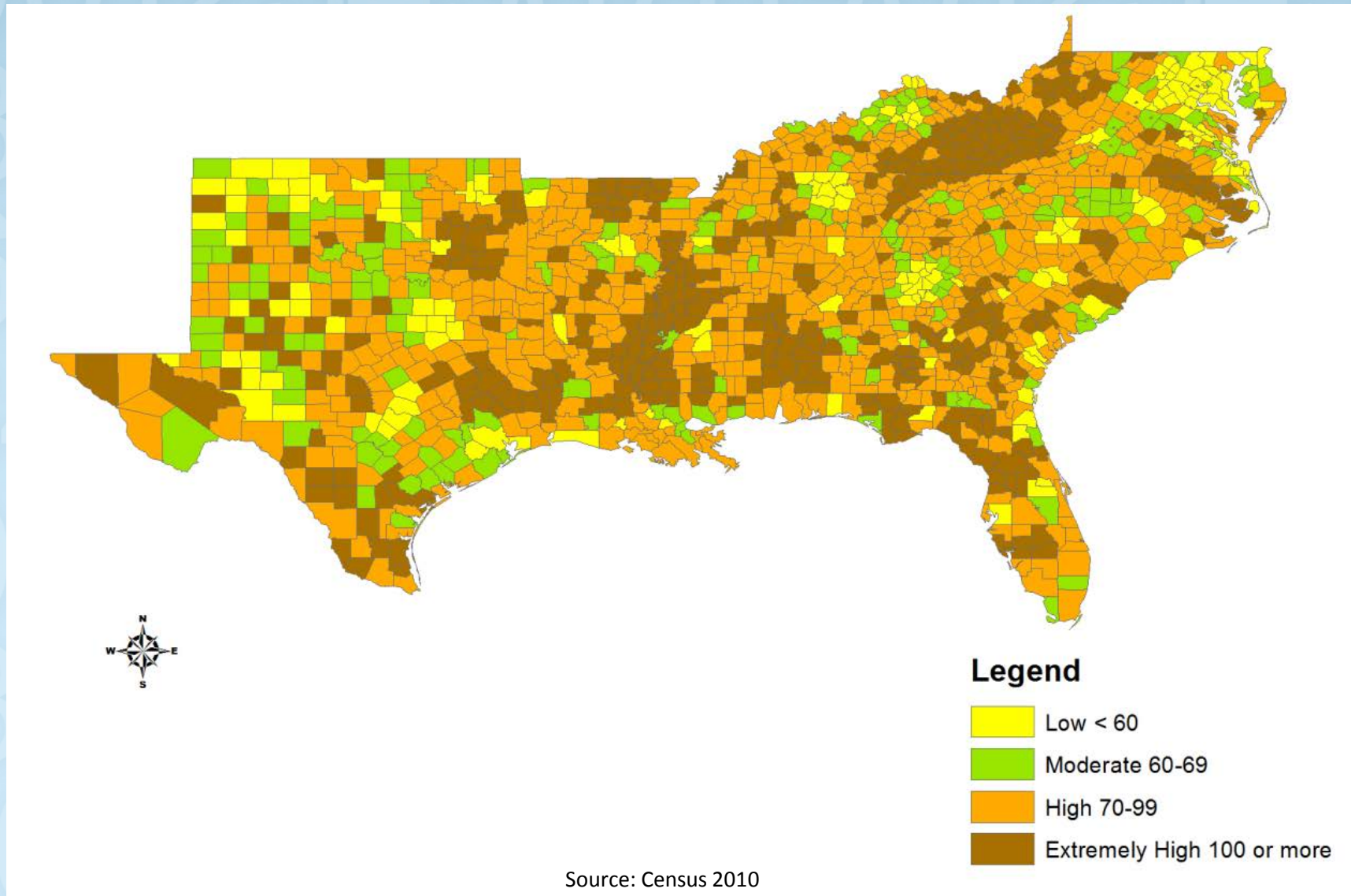
ABSOLUTE AND PERCENT CHANGE IN U.S. POPULATION BY AGE

Age	2005	2050	% Change
Total	296	438	50.0
0-17	73	102	39.7
18-64	186	255	37.1
65+	37	81	118.9

OLDER WORKERS IN U.S. WORKFORCE

YEAR	Age 65 or Older	Age 75 or Older
1998	11.9%	4.7%
2008	16.8%	7.3%

DEPENDENCY RATIOS IN THE AMERICAN SOUTH

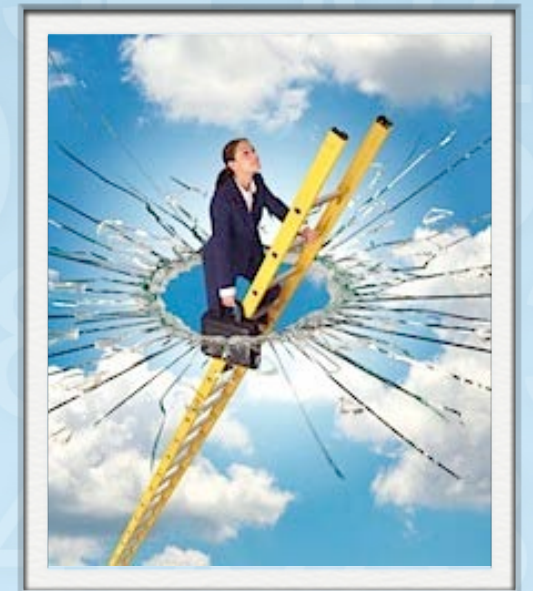
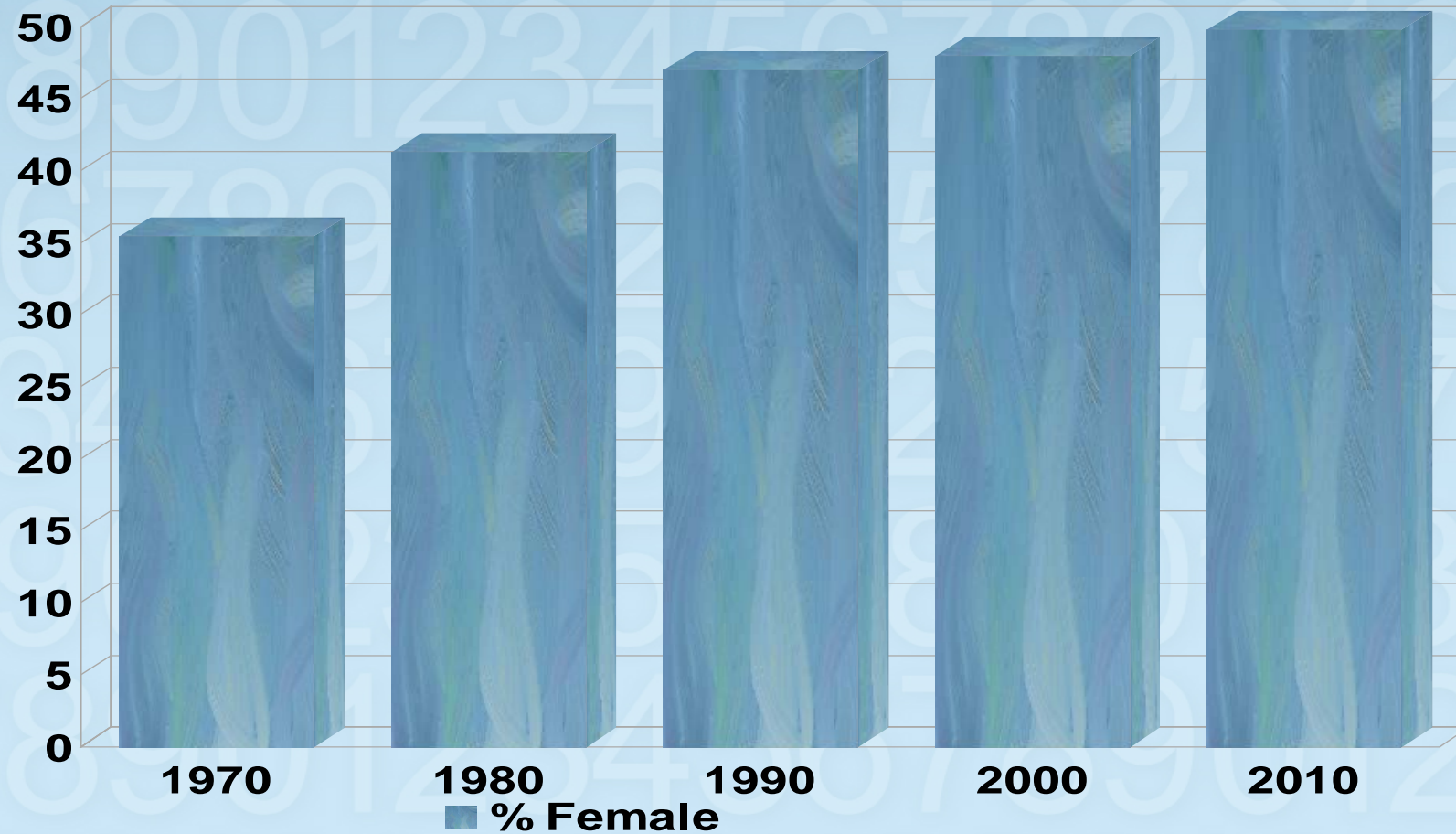


Source: Census 2010



The End of Men?

FEMALE WORKFORCE REPRESENTATION



The Plight of Men

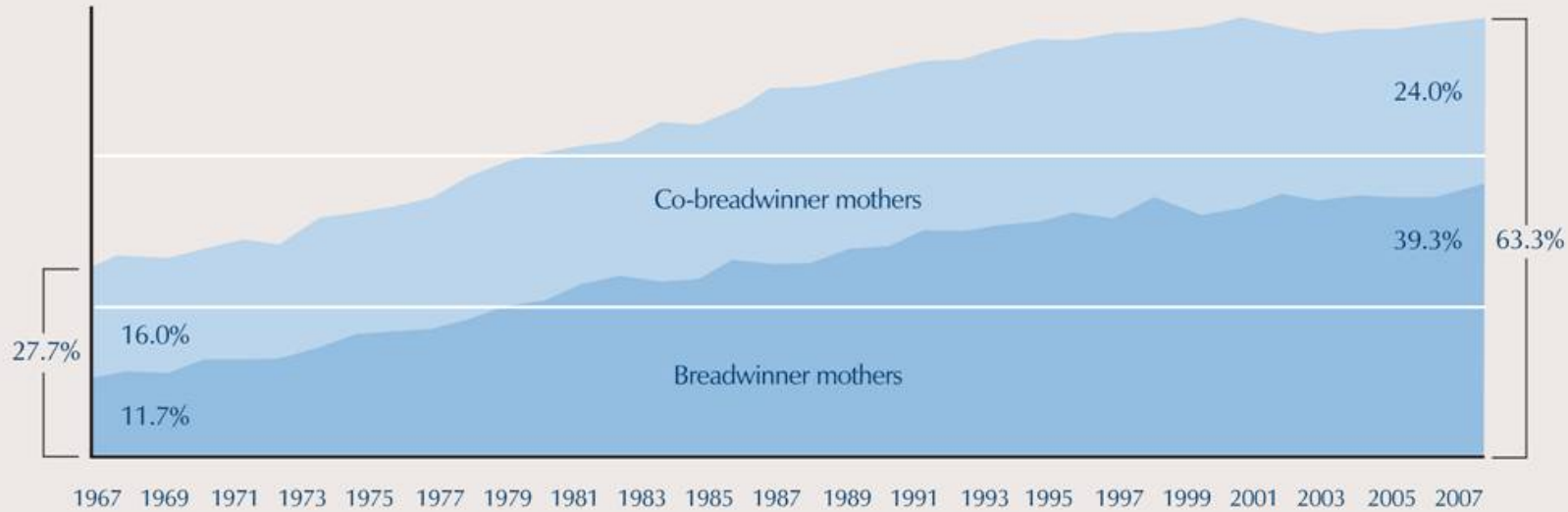
- Today, three times as many men of working age do not work at all compared to 1969.
- Selective male withdrawal from labor market—rising non-employment due largely to skills mismatches, disabilities & incarceration.
- The percentage of prime-aged men receiving disability insurance doubled between 1970 (2.4%) and 2009 (4.8%).
- Since 1969 median wage of the American male has declined by almost \$13,000 after accounting for inflation.
- After peaking in 1977, male college completion rates have barely changed over the past 35 years.

COLLEGE CLASS OF 2010

DEGREE	MALE	FEMALE	DIFFERENCE
Associate's	293,000	486,000	193,000
Bachelor's	702,000	946,000	244,000
Master's	257,000	391,000	134,000
Professional	46,800	46,400	-400
Doctor's	31,500	32,900	1,400
TOTAL	1,330,300	1,902,300	572,000

Figure 6

THE NEW WORKFORCE: SHARE OF MOTHERS WHO ARE BREADWINNERS OR CO-BREADWINNERS, 1967 TO 2008



Source: *The Shriver Report, "A Woman's Nation Changes Everything," 2009*

Source: Heather Boushey and Jeff Chapman's analysis of Miriam King, Steven Ruggles, Trent Alexander, Donna Leicach, and Matthew Sobek. *Integrated Public Use Microdata Series, Current Population Survey: Version 2.0 (Machine-readable database)*. Minneapolis, MN: Minnesota Population Center (producer and distributor), 2009

Notes: Breadwinner mothers include single mothers who work and married mothers who earn as much or more than their husbands. Co-breadwinners are wives who bring home at least 25 percent of the couples' earnings, but less than half. The data only includes families with a mother who is between the ages of 18 and 60 and who has children under age 18 living with her.

Jobs Lost/Gained by Gender During 2007 (Q4) – 2009 (Q3) Recession

Industry	Women	Men
Construction	-106,000	-1,300,000
Manufacturing	-106,000	-1,900,000
Healthcare	+451,800	+118,100
Government	+176,000	+12,000
Total	-1,700,000	-4,700,000

Cooling Waters From Grandma's Well

And Grandpa's Too!

Children Living in Non-Grandparent and Grandparent Households, 2001-2010

Household Type	Absolute Number 2010	Absolute Change 2001-2010	Percent Change 2001-2010
All	74,718	2,712	3.8
No Grandparents	67,209	917	1.4
Both Grandparents	2,610	771	41.9
Grandmother Only	1,922	164	9.3
Grandfather Only	318	71	28.7

Children Living in Non-Grandparent and Grandparent-Headed Households by Presence of Parents, 2010

Household Type	All Children (in thousands)	Living with Both Parents	Living with Mother Only	Living with Father Only	Living with Neither parent
All	74,718	69.3%	23.1%	3.4%	4.0%
No Grandparents	67,209	73.4%	21.2%	3.3%	2.1%
Both Grandparents	2,610	18.1%	40.6%	5.2%	36.1%
Grandmother Only	1,922	13.8%	48.4%	4.5%	33.2%
Grandfather Only	318	26.4%	45.9%	4.4%	23.6%



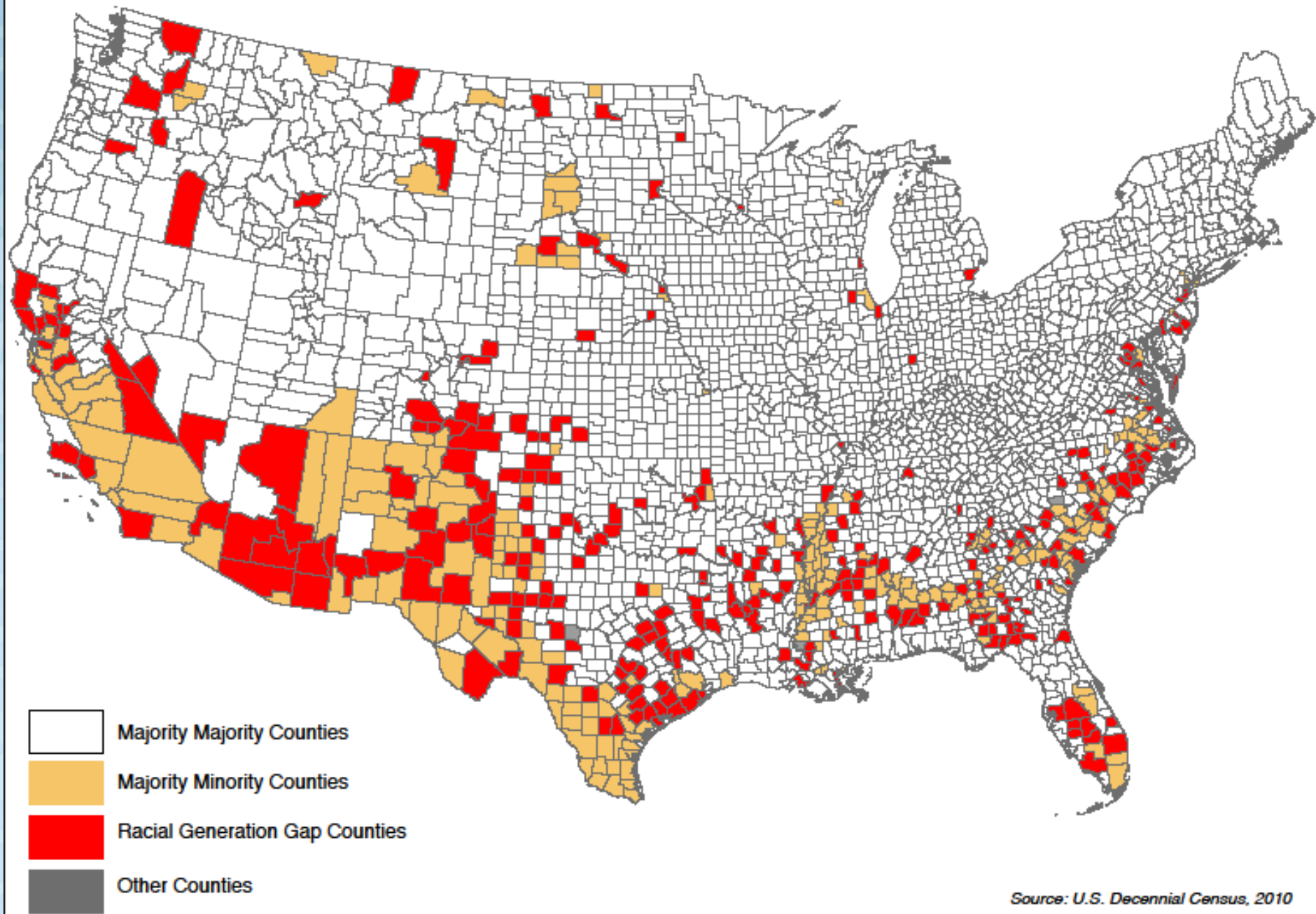
DIVERSITY RULES

...but Challenges Abound

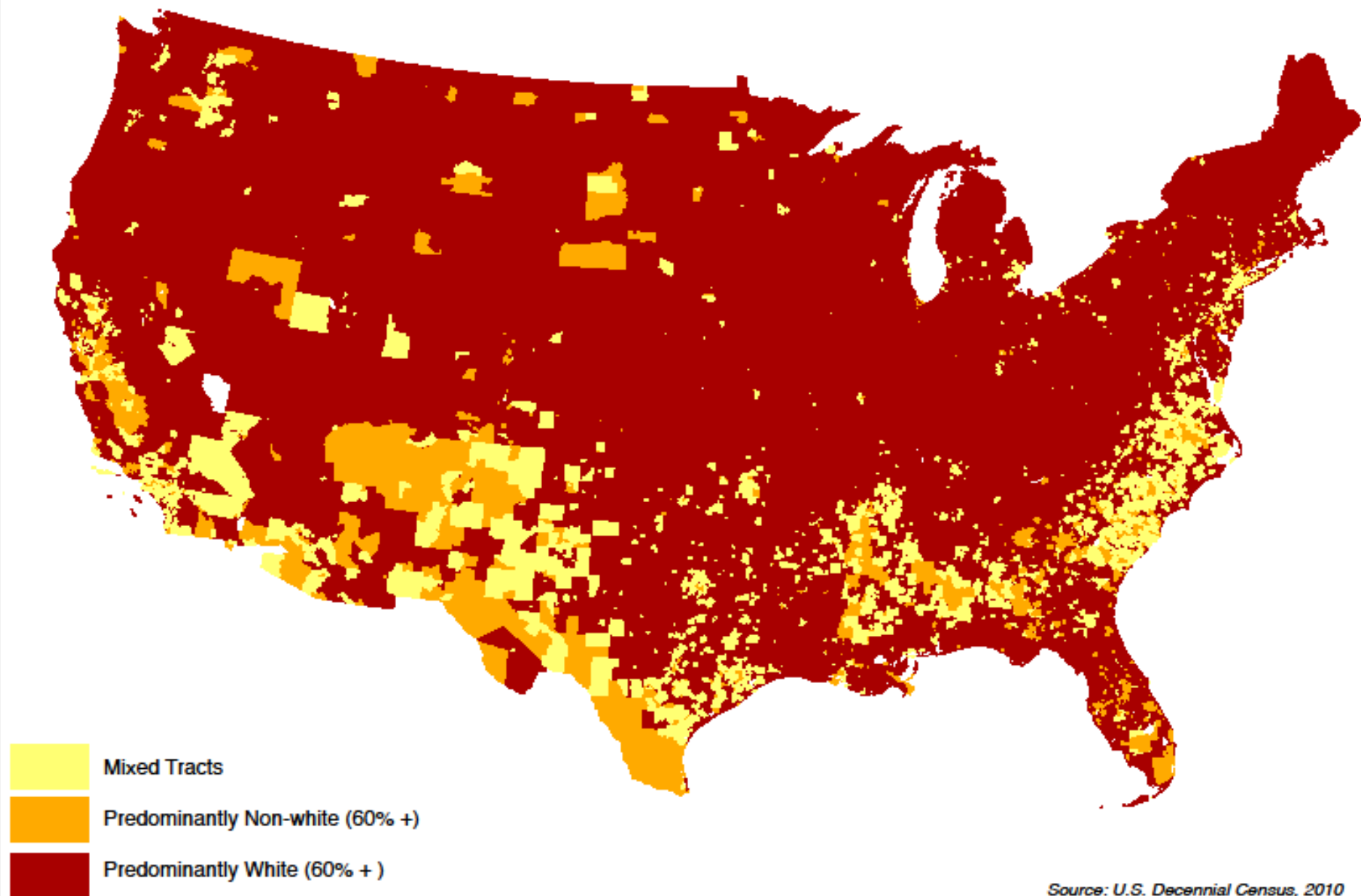
The Triple Whammy of Geographical Disadvantage

The Human Capital Challenge

Racial Typology of U.S. Counties

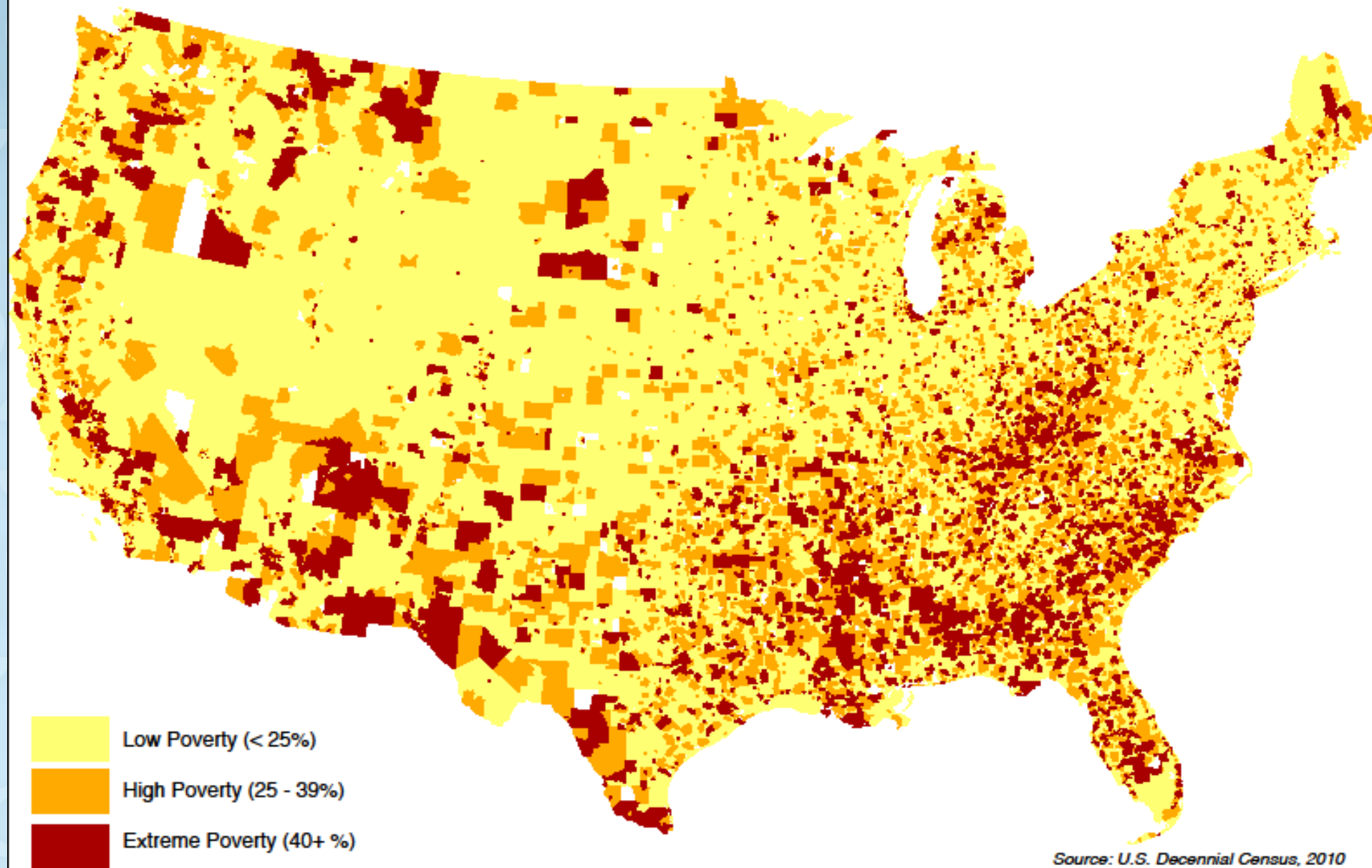


U.S. Racial Segregation by Census Tract, 2010



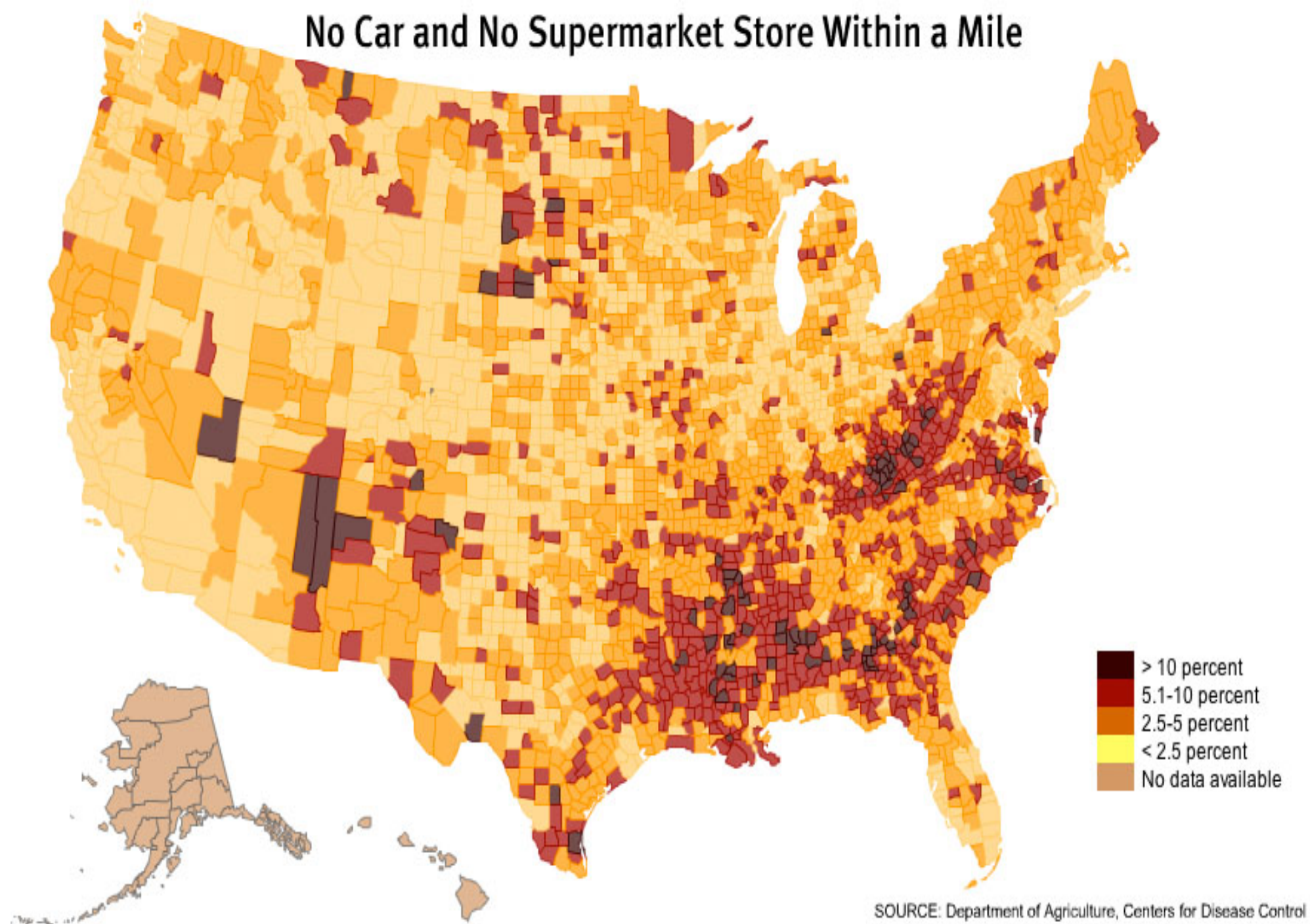
Source: U.S. Decennial Census, 2010

U.S. School Age Poverty Rate by Census Tract, 2010



Source: U.S. Decennial Census, 2010

No Car and No Supermarket Store Within a Mile



SOURCE: Department of Agriculture, Centers for Disease Control



Education is Necessary

...but insufficient

AVERAGE SHARE OF LONG-TERM UNEMPLOYMENT BY EDUCATION

Education	1990-1993	2001-2004	% Change
Less Than High School	24.7%	23.7%	-1.0
High School Graduate	40.6%	34.3%	-6.3
Some College	20.7%	24.4%	3.7
Bachelor's Degree or More	14.0%	17.6%	3.6

AVERAGE SHARE OF LONG-TERM UNEMPLOYMENT BY OCCUPATION

Occupation	1990-1993	2001-2004	% Change
Blue Collar	40.5%	31.6%	-8.9
Service Occupation	14.3%	16.7%	2.4
White Collar	38.5%	44.4%	5.9

THE LONG-TERM UNEMPLOYED, 2009

PROFESSION	% OF ALL JOBLESS WORKERS
Architecture & Engineering	41.2
Management	39.0
Community & Social Services Occupations	36.1
Installation, Maintenance & Repair Work	34.9
Production Occupations	33.4

THE COMPETITIVE TOOL KIT

- Analytical Reasoning
- Entrepreneurial Acumen
- Contextual Intelligence
- Soft Skills/Cultural Elasticity
- Agility and Flexibility

Implications for Workforce Planning and Development

- Managing transition from the “graying” to the “browning” of America.
- Competition for talent will be fierce – and global.
- Successful recruitment and retention will hinge on your ability to effectively manage the full nexus of “diversity” issues.

Diversity Challenges and Opportunities in the Accounting Profession

- Workforce Changing Rapidly
- Lucrative Ethnic Markets for Services
- Glass/Bamboo Ceiling
- Promotion and Retention of Women & Minorities
- High Turnover
- Sexual Harassment
- Succession Planning

Iceberg Model of Diversity

Visible Diversity Traits

Race/Skin Color

Gender

Visible Disability

Age Group

Physical Attributes

Ethnicity

If all I know about you is what I can see...



Invisible Diversity Traits

Level in Organization **Culture** **Marital Status** **Values** **Education** **MBTI**
Religion/Religious Experiences **International Cultural Immersion**
Communication Style **Conflict Style** **Beliefs** **Teaching Style** **Recreational Habits**
IQ **Learning Styles** **Academic Discipline** **Literacy** **Sexual Orientation**
Personality Style **Orientation to Time** **Family Relationships** **Orientation to Tasks**
Physical Abilities/Qualities **EQ** **Military Experience** **Socioeconomic Status**
Geographic Background **Work Background** **Smoker/Non-Smoker**
Parental Status **Native Born/Non-Native Born** **Political Ideology** **Thinking Style**

THE END

