## Population Estimates and Projections

# Projections <br> of the Number of Households and Families: 1986 to 2000 

## Acknowledgments

This report was prepared by Robert O. Grymes and Donald J. Hernandez of the Marriage and Family Statistics Branch in Population Division. The time-series models used in the preparation of these projections were developed by William Bell, James Bozik, Sandra McKenzie, and Holly Shulman of the Statistical Research Division. Assistance in the preparation of the report was provided by Edith L. Reeves, Gerda K. Mudd, and Debra N. Middleton. Prepublication review was coordinated by Marion Gordon. Critical review of the report was provided by Campbell J. Gibson, Demographic Advisor, and overall direction for this report was provided by Arthur J. Norton, Assistant Chief, Population Division. The report was planned and produced in Publications Services Division.

# Projections of the Number of Households and Families: 1986 to 2000 


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## suggested citation

U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 986, Projections of the Number of Households and Families: 1986 to 2000, U.S. Government Printing Office, Washington, D.C., 1986.

For sale by Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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# Projections of the Number of Households and Families: 1986 to 2000 

This report presents projections of the number of households and families for the years 1986 to 2000. Three series (Series A, B, and C) are presented on the number of households by type and by age of householder. The average size of households and families is presented for the year 2000. These projections of households are illustrative; that is, they are designed to indicate the number of households which would result from applying certain assumptions about future rates of household formation and population change. (For further discussion, see section on methods and assumptions. The appendix presents an experimental set of illustrative economic model-based results.) Projections in this report supersede prior projections in Current Population Reports, Series P-25, No. 805 (May 1979).

* The tables show estimates for various dates based on current surveys of the Census Bureau for comparison with the projections. Since the survey data are based on samples of the population, they are subject to sampling error. For estimates of the sampling error of the survey data, see Current Population Reports, Series P-20, No. 398.
The increase in the number of households loccupied housing units) which may occur by 2000 is not necessarily identical with the volume of housing construction which may take place during this period. The number of housing units constructed is likely to differ from the increase in the number of households because of changes in the number of vacant units, the demolition of existing units, and conversions or mergers of units in existing structures.


## INCREASE IN THE NUMBER OF HOUSEHOLDS

According to the highest series of household projections (Series A), the number of households in the United States would reach 110.2 million by July 1, 2000-an increase of 23.4 million households over the 86.8 million in March 1985 Itable A). The lowest series (Series C) indicates that there would be 102.4 million households in 2000 or an increase of 15.7 million households. These two series of projections show increases of 27 and 18 percent, respectively, over the 1985-2000 period.
The number of households in the United States showed an average annual increase of 1.2 million between 1980 and 1985. Between 1985 and 1990, the average annual increase may range from 1.2 to 1.6 million (table A). The highest average annual increase in the number of households for future periods, on a 5 -year basis, is seen in projection Series $A$, Which shows a gain of 1.6 million per year in the 1985-90 period. The lowest average annual increase for future 5 -year

Table A. Estimated Numbers of Households From 1930 to 1985, and Projections From 1990 to 2000
(In thousands)

| Year | Numer of households |  |  |
| :---: | :---: | :---: | :---: |
|  | Series A | Series B | Series C |
| Census: |  |  |  |
| 1930 (Apri1 1)....................... |  | 29,905 |  |
| 1940 (Apri1 1)........................ |  | 34,949 |  |
| Current Population Survey : |  |  |  |
| 1950 (March 1)........... |  | 43,554 |  |
| 1960 (March 1) |  | 52,799 |  |
| 1970 (March 1) |  | 63,401 |  |
| 1980 (March 1)....................... |  | 80,776 |  |
| 1985 (March 1)....... . . . . . . . . . . . . . |  | 86,789 |  |
| Projections: |  |  |  |
| 1990 (July 1).......................... | 95,243 | 94,227 | 93,297 |
| 1995 (July 1). | 102,785 | 100,308 | 98,180 |
| 2000 (July 1)........................ | 110,217 | 105,933 | 102,440 |

\begin{tabular}{|c|c|c|c|}
\hline \multirow{2}{*}{Year} \& \multicolumn{3}{|r|}{Average annual increase over preceding date} <br>
\hline \& series A \& Series B \& Series C <br>
\hline \multicolumn{4}{|l|}{Census:} <br>
\hline 1930 (April 1). \& \multicolumn{3}{|c|}{\multirow[t]{2}{*}{1542

504}} <br>
\hline 1940 (April 1)........................ \& \multicolumn{2}{|r|}{504} \& <br>
\hline \multicolumn{4}{|l|}{Current Population Survey:} <br>
\hline 1950 (March 1)....................... \& \multicolumn{3}{|c|}{868} <br>
\hline 1960 (March 1). \& \multicolumn{3}{|c|}{${ }^{2} 904$} <br>
\hline 1970 (March 1).. \& \multicolumn{3}{|c|}{1,060} <br>
\hline 1980 (March 1)....................... \& \multicolumn{3}{|c|}{\multirow[t]{2}{*}{1,738
1,203}} <br>
\hline 1985 (March 1)..... \& \& \& <br>
\hline \multicolumn{4}{|l|}{Projections:} <br>
\hline 1990 (July 1)....................... \& 1,586 \& 1,395 \& 1,221 <br>
\hline 1995 (July 1)........................ \& 1,508 \& 1,216 \& 977 <br>
\hline 2000 (July 1) . . . . . . . . . . . . . . . . . . . . \& 1,486 \& 1,125 \& 852 <br>
\hline
\end{tabular}

${ }^{1}$ Average annual increase between 1920 and 1930.
${ }^{2}$ Excludes increase in the number of households attributable to the addition of Alaska and Hawail to the United States.
periods is given by Series C which shows an increase of only 0.9 million per year for the 1995-2000 period. Each series of projections implies a decline in the annual rate of increase of households over the next 15 years.

## AVERAGE SIZE OF HOUSEHOLDS AND FAMILIES

In March 1985, the average number of persons per household was 2.69, and the average per family was 3.23 . Table B shows projections of the average size of households and families for the year 2000. The average household size for the year 2000 ranges from 2.32 (household Series A in combination with the low population projection series) to 2.64 (household Series C in combination with the high population projection series). Average family size ranges from 2.96 to 3.17.

Table B. Estimates of Average Size of Household and Family from 1970, to 1985, and Projections for 2000

| Type | Current Population Survey |  |  | Year 2000 projections |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | 1970 | 1980 | 1985 | Household series A |  |  | Houset 'ld series B |  |  | Household series C |  |  |
|  |  |  |  | population series | Middle populaseries |  | popula- <br> tion series | Middle population series |  |  | Middle population series |  |
| Average number of persons per household: |  |  |  |  |  |  |  |  |  |  |  |  |
| All persons............ | 3.14 | 2.76 | 2.69 | 2.32 | 2.38 | 2.45 | 2.41 | 2.48 | 2.55 | 2.49 | 2.56 | 2.64 |
| Under 18 years......... | 1.09 | 0.79 | 0.72 | 0.54 | 0.61 | 0.68 | 0.56 | 0.63 | 0.70 | 0.58 | 0.66 | 0.73 |
| 18 years and over...... | 2.05 | 1.97 | 1.97 | 1.77 | 1.77 | 1.77 | 1.85 | 1.85 | 1.85 | 1.91 | 1.91 | 1.91 |
| Average number of persons per family: |  |  |  |  |  |  |  |  |  |  |  |  |
| All persons............ | 3.58 | 3.29 | 3.23 | 2.96 | 3.06 | 3.17 | 2.97 | 3.07 | 3.17 | 2.96 | 3.06 | 3.16 |
| Under 18 years......... | 1.34 | 1.05 | 0.98 | 0.84 | 0.95 | 1.05 | 0.82 | 0.92 | 1.02 | 0.79 | 0.89 | 0.99 |
| 18 years and over...... | 2.25 | 2.23 | 2.24 | 2.11 | 2.11 | 2.11 | 2.15 | 2.15 | 2.15 | 2.17 | 2.17 | 2.17 |

## HOUSEHOLDS BY TYPE

Husband-wife households made up about 58 percent of all households in 1985 (table C). In the projections for the year 2000, husband-wife households range from 47 percent of all households (Series A) to 59 percent (Series C). Households consisting of a person living alone or householders living with persons to whom they are not related (nonfamily households) accounted for 28 percent of all households in 1985; in 2000, the number of nonfamily households is expected to range from 27 percent of all households (Series C) to 37 percent (Series A). At the present time, about nine-tenths of all nonfamily households are one-person households.

Nonfamily households would constitute about one-third of all households in 2000, but they would account for between about 25 percent (Series $C$ ) and 69 percent (Series A) of the total increase in households for the 1985-2000 period. However, husband-wife households would constitute from about one-half to three-fifths of all households in 2000, whereas the increase in the number of husband-wife households between 1985 and 2000 would constitute from

8 percent (Series A) to 62 percent (Series C) of the total increase.

## HOUSEHOLDS BY AGE OF HOUSEHOLDER

From 1980 to 1985, much of the increase in the number of households was concentrated within two age groups: households with the householder 35 to 44 years of age ( 58 percent of the total growth) and households with householders 65 years and over ( 27 percent). The increase in households with a householder 65 years old and over is largely a function of the increase in the number of aged persons and the tendency for more elderiy persons to continue to maintain their own homes after their families have dissolved (usually because of spouse's death). The increase in households with householders 35 to 44 years old in the 1980-85 period reflects the post-World War II "baby boom," the oldest members of which reached their late 30's by 1985. Over the next 15 years, the aging of the baby-boom cohorts will cause the major portion of the projected increase in the number of households from 1985 to 2000 to occur for households with householders between the ages of 35 and 54 (table F).

Table C. Estimated Percent Distribution of Households, by Type, for 1985, and Projections to 1990, 1995, and 2000

| Series and period | $\begin{array}{r} \text { All } \\ \text { householas } \end{array}$ | Family households |  |  |  | Nonfamily households |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total | Marriedcouple | Other family |  | Total | Malehouseholder | $\begin{gathered} \text { Female } \\ \text { householder } \end{gathered}$ |
|  |  |  |  | $\begin{array}{r} \text { Male } \\ \text { householder } \end{array}$ | Female householder |  |  |  |
| Current Population Survey: $\qquad$ | 100.0 | 72.3 | 58.0 | 2.6 | 11.7 | 27.7 | 11.7 | 16.1 |
| Projection series A: 1990. | 100.0 | 69.3 | 54.3 | 2.9 | 12.1 | 30.7 | 13.7 | 17.1 |
| 1995.......................... | 100.0 | 66.4 | 50.8 | 3.2 | 12.4 | 33.6 | 15.7 | 18.0 |
| 2000......................... . | 100.0 | 63.5 | 47.4 | 3.5 | 12.6 | 36.5 | 17.7 | 18.8 |
| Projection series B: |  |  |  |  |  |  |  |  |
| 1990....................... | 100.0 | 70.8 | 56.3 | 2.7 | 11.8 | 29.2 | 12.7 | 16.5 16.8 |
| 1995....................... | 100.0 | 69.6 | 54.7 53.1 | 2.9 | 11.9 | 30.4 31.8 | 13.6 14.6 | 16.8 17.2 |
| 2000........................ | 100.0 | 68.2 | 53.1 | 3.1 | 12.0 | 31.8 | 14.6 |  |
| Projection series C: |  |  |  |  |  |  |  |  |
| 1990........................ | 100.0 | 72.4 | 58.2 | 2.6 | 11.6 | 27.6 | 11.7 | 15.9 |
| 1995.......................... | 100.0 | 72.6 | 58.5 | 2.7 | 11.4 | 27.4 | 11.7 | 15.7 |
| 2000......................... . | 100.0 | 72.7 | 58.6 | 2.8 | 11.2 | 27.3 | 11.7 | 15.6 |

Table D. Percent Distribution of Projected Total Increase in Number of Households, by Type, for 1985-90, 1995, and 2000

| Series and period | $\begin{array}{r} \text { All } \\ \text { households } \end{array}$ | Family households |  |  |  | Nonfamily households |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Total Married- |  | Other family |  | Total | Male <br> householder | Female householder |
|  |  |  |  | Male householder | Female householder |  |  |  |
| Projection series $A$ : |  |  |  |  |  |  |  |  |
| 1990...................... | 100.0 | 38.5 | 16.0 | 5.9 | 16.7 | 61.5 | 34.2 | 27.2 |
| 1995...................... | 100.0 | 34.5 | 11.4 | 6.6 | 16.5 | 65.5 | 37.4 | 28.1 |
| 2000...................... | 100.0 | 31.2 | 8.2 | 6.9 | 16.2 | 68.8 | 39.9 | 28.8 |
| Projection series B: |  |  |  |  |  |  |  |  |
| 1990...................... | 100.0 | 54.5 | 35.8 | 4.7 | 13.9 | 45.5 | 24.6 | 20.9 |
| 1995...................... | 100.0 | 52.4 | 33.4 | 5.3 | 13.7 | 47.6 | 26.3 | 21.3 |
| 2000. . . . . . . . . . . . . . . . . | 100.0 | 50.0 | 31.0 | 5.5 | 13.4 | 50.0 | 27.9 | 22.1 |
|  |  |  |  |  |  |  |  |  |
| 1990...................... | 100.0 | 74.2 | 60.4 | 3.5 | 10.3 | 25.8 | 12.8 | 13.0 |
| 1995............ . . . . . . . . | 1.00 .0 | 75.4 | 62.0 | 3.9 | 9.6 | 24.6 | 12.1 | 12.5 |
| 2000. . . . . . . . . . . . . . . . | 100.0 | 75.0 | 62.2 | 4.0 | 8.9 | 25.0 | 12.0 | 13.0 |

Table E. Annual Projection of Number and Increase of Households from 1986 to 2000
(Numbers in thousands)

| Year | Number |  |  | Increase over preceding year |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | Series A |  | Series B |  | Series C |  |
|  | Series A | Series B | Series C | Number | Fercent | Number | Fercent | Number | Percent |
| 1986. | 88,785 | 88,620 | 88,458 | ${ }^{1} 1,636$. | 1.9 | ${ }^{1} 1,471$ | 1.7 | ${ }^{1} 1,309$ | 1.5 |
| 1987. | 90,382 | 90,033 | 89,697 | 1,597 | 1.8 | 1,413 | 1.6 | 1,239 | 1.4 |
| 1988. | 91,987 | 91,434 | 90,912 | 1,605 | 1.8 | 1,401 | 1.6 | 1,215 | 1.4 |
| 1989. | 93,622 | 92,847 | 92,126 | 1,635 | 1.8 | 1,413 | 1.5 | 1,214 | 1.3 |
| 1990. | 95,243 | 94,227 | 93,297 | 1,621 | 1.7 | 1,380 | 1.5 | 1,171 | 1.3 |
| 1991. | 96,828 | 95,555 | 94,406 | 1,585 | 1.7 | 1,328 | 1.4 | 1,109 | 1.2 |
| 1992. | 98,316 | 96,769 | 95,392 | 1,488 | 1.5 | 1,214 | 1.3 | 986 | 1.0 |
| 1993. | 99,786 | 97,946 | 96,329 | 1,470 | 1.5 | 1,177 | 1.2 | 937 | 1.0 |
| 1994. | 101,261 | 99,111 | 97,243 | 1,475 | 1.5 | 1,165 | 1.2 | 914 | 0.9 |
| 1995. | 102,785 | 100,308 | 98,180 | 1,524 | 1.5 | 1,197 | 1.2 | 937 | 1.0 |
| 1996. | 104,290 | 101,475 | 99,082 | 1,505 | 1.5 | 1,167 | 1.2 | 902 | 0.9 |
| 1997. | 105,749 | 102,585 | 99,924 | 1,459 | 1.4 | 1,110 | 1.1 | 842 | 0.8 |
| 1998. | 107,202 | 103,680 | 100,748 | 1,453 | 1.4 | 1,095 | 1.1 | 824 | 0.8 |
| 1999. | 108,672 | 104,776 | 101,568 | 1,470 | 1.4 | 1,096 | 1.1 | 820 | 0.8 |
| 2000. | 110,217 | 105,933 | 102,440 | 1,545 | 1.4 | 1,157 | 1.1 | 872 | 0.9 |

${ }^{1}$ Increase based on an estimate for July 1, 1985, based on the March 1985 Current Popilation Survey.

Table F. Estimated Average Annual Increase in Households, by Age of Householder From 1980 to 1985, and Projections From 1985 to 1990, 1990 to 1995, and 1995 to 2000

II thousands. Reference date is July 1, except as noted. Minus sign ( - ) denotes net decrease)

| Period and series | Total, all ages | Age of householder (years) |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Under 25 | $\begin{array}{r} 25- \\ 34 \end{array}$ | $\begin{array}{r} 35- \\ 44 \end{array}$ | $\begin{gathered} 45- \\ 54 \end{gathered}$ | $\begin{array}{r} 55- \\ 64 \end{array}$ | $\begin{aligned} & 65 \text { and } \\ & \text { over } \end{aligned}$ |
| 1980 to $1985{ }^{1}$ | 1,203 | -226 | 302 | 700 | -5 | 110 | 322 |
| Series A: 1985 to 1990 . |  | -1.37 | 259 | 774 | 379 | -137 | 447 |
| 1990 to 1995.. | 1,508 | -1.37 -43 | -185 | 637 | 794 | -13 | 319 |
| 1995 to 2000.. | 1,486 | 78 | -309 | 402 | 818 | 334 | 164 |
| Series $B$ : 1985 to 1990 |  | -145 | 219 | 706 | 338 | -143 | 420 |
| 4.1990 to 1995.. | 1,395 1,216 | -145 -69 | -195 | 534 | 677 | -16 | 297 |
| 1995 to 2000.. | 1,125 | 25 | -385 | 285 | 714 | 334 | 152 |
| series C: |  |  |  |  |  |  |  |
| 1990 to 1990.. | 1,221 | $-147$ | 188 | 641 | 299 | -150 | 390 |
| 1995 to $1995 .$. | 977 | -78 | -291. | 444 | 658 | $-21$ | 265 |
| - ${ }^{\text {co } 2000 . .}$ | 852 | 7 | -421 | 186 | 629 | 328 | 123 |

${ }^{1}$ feriod is from March 1 to March 1.

## METHODS AND ASSUMPTIONS

Population. The projections of the number of households and families and the adult population in households and families shown in this report are based on the middle population projection series that was published in Current Population Reports, Series P-25, No. 952 (May 1984). For the calculation of the average household and family size for the year 2000, the low, middle, and high population projection series were used for the population under 18 years old.

The population projections used in preparing the projections of households shown in this report include members of the Armed Forces in the United States living off post or with their families on post, and exclude members of the Armed Forces abroad and members of the Armed Forces living in the United States in military barracks and similar quarters. To derive this population, the number of Armed Forces (residing in the United States and abroad) for July 1, 1982, (as was used in Series P-25, No. 952) was subtracted from the total population for all years of the projection period, and the number of Armed

Forces included in.the Current Population Survey (CPS) for March 1, 1985, was added back in for all years of the projection period. This calculation was carried out before the specific calculations to develop projections of the number of households.
Current Population Survey data for 1959 through 1985 were utilized in preparing the marital status and householder proportions used in these projections. In order to make the data comparable for all years, the category "secondary families in group quarters" had to be modified for some years. Prior to 1968, related persons living in group quarters were considered as members of secondary families. However, the number of such families became so small that, beginning with CPS data in 1968, persons in these families were included in the count of secondary individuals. Therefore, before any marital status or householder proportions were developed from the survey data for the years 1959 to 1967, secondary family members in group quarters were designated secondary individuals in group quarters.

The population used in preparing the household projections also includes estimates of inmates of institutions. The number of inmates implied in the projections of population were estimated by applying age- and sex-specific proportions of inmates, developed from 1980 census data, to the projected population. These proportions of inmates were thus assumed to remain constant after April 1, 1980. It was decided to include inmates in the projections; they had been included in the CPS prior to 1972, but not between 1972 and 1985. In order to provide a comparable series of data for use in making the projections, the number of inmates (estimated as described above) and the distribution of inmates by age and marital status (developed by using data from the 1980 census) was estimated for 1972 through 1985 and added into the CPS population.
Also, to provide a series of data consistent through time, the adult universe (i.e., population of marriageable age) in these projections is considered to be 14 years old and over (the definition prior to 1980 ).

Marital status and household projections. The next stage in the preparation of the projections of households and families was to project the proportions of persons in two marital status groups (never married and ever married) and the proportions of persons who are householders and of persons in other relevant categories of household relationship and family status.
The data used for projecting the proportions were the CPS data on the age, sex, marital status, and householder status distributions of the population for March 1 of each year from 1959 through 1985. Ten age groups and 13 sex-maritalhouseholder status groups were distinguished, resulting in 130 time series of proportions to project. Alternative projections thought to cover a reasonable range of possibilities (Series A, $B$, and $C$ ) were developed for each of the 130 series using a combination of demographic assumptions and statistical time
series model results. These assumptions and models are discussed in the next two sections.'

Demographic assumptions. Series $A, B$, and $C$ were selected for publication through demographic research involving the preparation and examination of seven different series of projections. Series A, B, and C were selected to provide a diverse range of projections by evaluating the demographic plausibility of results in light of past and possible future trends in household formation.

Past trends in household formation have been influenced by various demographic factors including the following. First, the proportion of young adults maintaining their own households has increased as a result of increases in the proportion who have never married and in the proportion who were married but then experienced a divorce. Second, the proportion of young and middle-aged adults living in marriedcouple households has declined as a result of increases in the proportion who have never married and increases in the proportion who experienced a divorce after marriage. Third, the proportion of elderly adults maintaining their own households has increased as a result of an increasing propensity to not live with younger family members, and an increasing differential between the mortality of men and women. Fourth, since the very large baby-boom cohorts were moving into the young and early middle adult ages where marriage was increasingly postponed and where divorce was especially likely, changes in the age composition of the population tended to accentuate the effects of change in marriage and divorce.

Shifts appear to be occurring in several of these demographic trends, however. First, during the coming years the baby-boom cohorts will pass through young adulthood to reach ages in which marriage is more prevalent and divorce less prevalent. As a result, the aging of the baby boom may produce a decline in the rate of increase in households during the next 15 years for the population as a whole. Furthermore, although the divorce rate (divorces per 1,000 married women 15 years of age and over) rose rapidly, and without interruption, from 9.4 in 1962 to 22.8 in 1979, the rate has recently fallen from the 1979 peak to 21.3 in 1983, suggesting that the divorce rate may in the future rise more slowly, remain unchanged, or perhaps decline. ${ }^{2}$ Third, the propensity of young adults to live in the homes maintained by their parents has increased between 1980 and 1984. Fourth, at least for men in the young adult ages, the proportion never married rose more slowly between 1980-84 than between 1970-80. If the moderation in past rates of change in divorce, marriage, and living arrangements continues, the result will be a slowing in the rate of increase in the formation of households. ${ }^{3}$

[^0]In the past, rapid changes in population composition and marriage and divorce have led to rapid increases in the umber of households, but current changes in these trends suggest that the number of households may grow more slowly In the future. Since the aging of the baby boom is inevitable, all the projections series examined for this report take into account projected age structure changes. In addition, Series A was developed to reflect the demographic assumption that the recent moderation in marriage and divorce trends will continue but that historical changes spanning the last two and one-half decades must be taken into consideration. Hence, Series A assumes a continuation of past trends in householder proportions but changes in recent years are given more weight. Consequently, Series A projects a somewhat slower but still rapld increase in the number of households. At the other extreme, Series C was developed to reflect the demographic assumption that the era of rapid change in marriage and divorce may have come to an end, and consequently that householder proportions will remain constant during the next 15 years. Finally, Series B was developed to reflect assumptions intermediate between the assumptions of Series $A$ and $C$, namely that changes in marriage and divorce will slow considerably but not cease during the next 15 years.
More specifically, Series $C$ was selected from three models which assumed no change in householder proportions based on (1) householder proportions in 1985, (2) mean householder roportions for 1981-85, and (3) mean householder proportions for 1976-85. Since the results from the three approaches were quite similar, the simplest one based on 1985 proportions was selected for Series C. Reflecting the consequences of projected change in the age structure only, Series $C$ provided one basis for the evaluation of additional series. Series A was selected by evaluating the results from three types of models: (1) the model ultimately adopted, as described in the statistical methods section, (2) a random walk with trend model, and (3) a model similar to the one used in the previous set of household projections (Current Population Reports, Series P-25, No. 805, Projections of the Number of Households and Families: 1979 to 1995) which involved producing target forecasts based on a linear regression on time with logistically transformed data and interpolation from the last data point to the target. Results concerning projected numbers of households and projected distributions of households by type were examined, and Series $A$ as described in the next section was selected, because it best reflected the demographic assumption that underlying trends will moderate during the next 15 years, but that they will neither reverse direction nor achieve constancy. As noted above, Series B was then developed as a middle series to reflect demographic assumptions intermediate between the assumptions of Series A and C.

The demographic assumptions described here provide the asis for a plausible range of household projections. These projections are designed, as described above, to be illustrative of possible long-term changes; they are not intended to be predictions or forecasts of the future. A general war, some other catastrophe, or large unexpected changes in underlying
demographic trends might lead to household changes outside the projected range. Series $B$, the middle series, is currently judged to be the most plausible, but depending upon the purposes and assumptions of a specific user and upon actual demographic trends in the future, the user may wish to focus instead upon Series A or C. Because these household projections are long-term extrapolations, they form smooth trends, but actual future trends will at least be somewhat erratic, because of short-term fluctuations due to various social and economic factors. ${ }^{4}$ The next section of this report describes the statistical methods used to implement the demographic assumptions discussed here.

Statistical methods. The statistical methods used to develop Series $A, B$, and $C$ involve projecting 130 time series of proportions for age-sex-marital-householder status groups.

The proportions were first transformed using the logistic transformation. If $X_{t}$ is the proportion in a given category for year $t$, the transformed value, $Y_{t}$, is

$$
Y_{t}=\log _{e}\left(x_{t} /\left(1-x_{t}\right)\right)=\log _{e}\left(x_{t}\right)^{-\log _{e}\left(1-x_{t}\right)}
$$

Projections were made for the $Y_{t}$ series and then transformed back to projections for the $x_{t}$ series via the inverse of the logistic transformation:

$$
x_{t}=\exp \left(Y_{t}\right) /\left(1+\exp \left(Y_{t}\right)\right)
$$

This use of the logistic transformation assures that projections for $x_{t}$ will not stray outside the allowable range of $(0,1)$.

The limited amount of time series data available (27 annual observations in each series) precluded any serious statistical attempts at time series model selection and evaluation. Preliminary analysis of a sample of 21 of the 130 series suggested first differencing all the series, i.e., taking $\nabla Y_{t}=Y_{t} Y_{t-1}$ (the year-to-year changes). Beyond this, models for $\nabla Y_{t}$ were chosen based on considerations of simplicity and intuitive appeal, with little possibility of adequately checking their statistical validity.

The two models that were used produce linear projections emanating from the last data point. Both models have one parameter which was estimated from the data, and the fitted models were used to produce projections. The rationale behind the models can be understood as follows. Suppose it is reasonable to project $Y_{t}$ from any given year $m$ with a linear function of $t$ emanating from $Y_{m}$. Obtaining the projections from the last data point of the series ( $m=1985$ ) requires estimation of the slope of the projection function. Each
${ }^{4}$ Future household changes estimated from the Current Population Survey will also vary from a smooth trend, because they are subject to sampling variability. For estimates of the sampling error of the survey data, see Current Population Reports, Series P-20, No. 398. If one of the household projection series were to accurately reflect future household change, the numbers published in this report would differ somewhat from Current Population Survey estimates; because the projections pertain to July, while the estimates pertain to March.
difference $\nabla Y_{t}$ provides an observation on the slope of the series, so the collection of $\nabla Y_{\mathrm{t}^{\prime} \mathrm{s}}$ from 1960 to 1985 can be used to estimate the slope to be used in the projection.

The simplest slope estimate would be a simple average of the $\nabla Y_{\text {t's }^{\prime} \text {. This assumes the slope remains constant over time }}$ and corresponds to use of the so-called random walk with trend model

$$
\begin{equation*}
\nabla Y_{\mathrm{t}}=\mu+e_{\mathrm{t}} \tag{1}
\end{equation*}
$$

where $\mu$ is the slope and the $e_{t}$ 's are normal random errors. One problem with the use of the simple average of the $\nabla Y_{\uparrow}$ 's to estimate $\mu$ is its sensitivity to outliers in the data. The biweight estimator, which is robust to outliers, was instead used to estimate $\mu_{0}{ }^{5}$ The assumption that the slope remains constant over time is another possible problem with the model. A useful generalization of the model that allows the slope to change slowly over time is the so-called integrated moving average model of order $(2,1)$, or IMA( 2,1 ) model

$$
\begin{equation*}
\nabla^{2} Y_{t}=\nabla\left(\nabla Y_{t}\right)=e_{t}-\theta e_{t-1} \tag{2}
\end{equation*}
$$

with the parameter $\theta$ constrained not to exceed 1 in magnitude.' For this model the slope of the forecast function is a weighted average of the $\nabla \quad Y_{t}$ 's, with the weights decreasing exponentially back from the end of the series according to powers of $\hat{\theta}$, the estimate of the parameter $\theta$. Use of the IMA $(2,1)$ model thus allows more weight to be given to recent $\nabla \mathrm{Y}_{\mathrm{t}}$ 's in the determination of the slope of the projection function.
The random walk with trend model (1) is in fact a special case of the IMA(2,1) model (2) with $\theta=1$. IMA( 2,1 ) models were estimated for the 130 time series, and the estimate of $\theta$ was $\hat{\theta}=1$ for 109 of the series. For these series the random walk with trend model was used instead so that the slope could be estimated robustly. For 10 of the remaining 21 series ( $\hat{\theta}$ less than 1) the projections from the IMA(2,1) model and the non-robustly estimated random walk with trend model were judged practically identical, so the robustly estimated random walk with trend model was used for these also, to guard against the effects of outliers. This meant that in the final projections the IMA(2,1) model was only used for 11 of the series. These 11 series, however, were among the more influential series with respect to their contribution to the total number of households.

Projections for each of the $130 Y_{t}$ series were obtained from either the fitted random walk with trend model or the IMA(2,1) model, with the choice made as discussed above. These were then transformed back to projections of the $x_{t}$ series, and these projections were combined with the middle series population projections to produce household projection Series $A$. The resulting projection of the total number of households was judged to be on the high side of the range of reasonable demographic assumptions. (See demographic

[^1]assumptions section.) The Series $C$ projections were obtained by assuming that the levels of the marital status and householder proportions observed in 1985 would continue unchanged to 2000, thus allowing only for changes in the age structure of the adult population. This in fact corresponds to use of the random walk model with no trend, i.e., $\mu=0$. The resulting projections of total households are considerably lower than for Series $A$, and were judged to be on the low side of the range of reasonable demographic assumptions. (See demographic assumptions section.) To provide another alternätive, Series B projections were developed by using projection slopes that were one-half of those obtained from the models described above for each of the 130 series, yielding Series B household projection results which lie between those of Series $A$ and $C$. They are not simply the average of the Series $A$ and $C$ projections, because of the nonlinearity of the logistic transformation and the differential effects of the population size in the various groups. The middle series population projections was also used in producing Series B and C .

Steps involved in deriving household projections. The projected numbers of households and families were derived by following a procedure that combined the three series of projected proportions with the middle series population projections. The steps taken in calculating the number of households and familles for each year of the projection period are shown in detail in Current Population Reports, Series P-25 No. 805 (May 1979).

The population under 18 years old in households and families was obtained by applying proportions developed from the 1980 census to the population under 18 in the low, middle, and high population projection series (Series P-25, No. 952).

## DEFINITIONS OF TERMS

Household. A household consists of all the persons who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other persons in the structure and there is direct access. from the outside or through a common hall.
A household includes the related family members and all the unrelated persons, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated persons sharing a housing unit as partners, is also counted as a household. The count of households excludes group quarters.

Group quarters. All persons not living in households are classified by the Bureau of the Census as living in group. quarters.

Householder. The householder refers to the person (or one of the persons) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult
nember, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or wife. The person designated as the householder is the "reference person" to whom the relationship of all other household members, if any, recorded.
Prior to 1980, the husband was always considered the householder in married-couple households. The number of householders is equal to the number of households. Also, the number of family householders is equal to the number of families. For purposes of historical comparability in the preparation of householder proportions to be used in making the projections, the husband in married-couple households was viewed as the householder for the years 1980 through 1985.

Family. A family is a group of two persons or more lone of whom is the householder) related by birth, marriage, or adoption and residing together; all such persons (including related subfamily members) are considered as members of one family.

Family household. A family household is a household maintained by a family (as defined above), and any unrelated persons. The number of family households is equal to the number of families. The count of family household members differs from the count of family members, however, in that the family household members include all persons living in the household, whereas family members include only the householder and his/her relatives. (See the definition of family.)

Nonfamily householder. A nonfamily householder (formerly called a primary individual) is a person maintaining a household
while living alone or with persons to whom they are not related.

## RELATED REPORTS

The household projections published in this report are consistent with household estimates published in Current Population Reports, Series P-20. The coverage of the projections is essentially the same as that for the reports on marital status and household and family characteristics based on the CPS with the major exception that the institutional population is included in the projections, as it was in CPS data prior to 1972. The data apply to the resident population of the United States, except that members of the Armed Forces living in barracks and similar quarters are excluded. Data for years prior to 1960 exclude Alaska and Hawaii. Here, as in the CPS, single persons away from home in college dormitories are included as members of their families at their home; in the decennial census these persons are included in the group quarters population as secondary individuals at the dormitories where they live while attending college.

The population projections used in preparing this report are shown in Current Population Reports, Series P-25, No. 952.

## ROUNDING OF ESTIMATES

Figures presented in this report have been rounded to the nearest thousand without being adjusted to group totals which are independently rounded; hence, the sum of the parts may differ slightly from the totals shown.

Table 1. Estimates of Househoids, by Type for 1985, and Projections From 1986 to 2000
(In thousands. Reference date is July 1 , except as noted. See text for explanation of series)


[^2]Table 2. Estimates of Households, by Age of Householder for 1985, and Projections From 1986 to 2000
(In thousands. Reference date is July 1 , except as noted)

| Series and age of householder | $1985{ }^{\text { }}$ | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| SERIES A |  |  |  |  |  |  |  |  |
| Total. | 86,789 | 88,785 | 90,382 | 91,987 | 93,622 | 95,243. | 96,828 | 98,316 |
| Under 25 years. | 5,438 | 5,159 | 5,014 | 4,871 | 4,764 | 4,706 | 4,703 | 4,663 |
| 25 to 29 years. | 9,637 | 9,956 | 9,955 | 9,935 | 9,872 | 9,699 | 9,396 | 9,135 |
| 30 to 34 years. | 10,377 | 10,585 | 10,947 | 11,215 | 11,465 | 11,696 | 11,943 | 12,013 |
| 35 to 44 years. | 17,481 | 18,551 | 19,294 | 19,942 | 20,744 | 21,608 | 22,528 | 22,961 |
| 45 to 54 years. | 12,628 | 12,836 | 13,156 | 13,700 | 14,181 | 14,650 | 15,087 | 16,105 |
| 55 to 64 years. | 13,073 | 12,902 | 12,747 | 12,620 | 12,472 | 12,345 | 12,258 | 12,185 |
| 65 to 74 years. | 10,85]. | 11,069 | 11,278 | 11,443 | 11,599 | 11,746 | 11,879 | 11,991 |
| 75 years and over | 7,305 | 7,727 | 7,992 | 8,260 | 8,526 | 8,793 | 9,035 | 9,264 |
| SERIES B |  |  |  |  |  |  |  |  |
| Total. | 86,789 | 88,620 | 90,033 | 91,434 | 92,847 | 94,227 | 95,555 | 96,769 |
| thder 25 years. | 5,438 | 5,159 | 5,010 | 4,857 | 4,737 | 4,663 | 4,642 | 4,580 |
| 25 to 29 years. | 9,637 | 9,953 | 9,947 | 9,920 | 9,848 | 9,663 | 9,348 | 9,073 |
| 30 to 34 years. | 10,377 | 10,558 | 10,888 | 11,121 | 11,332 | 11,520 | 11,719 | 11,740 |
| 35 to 44 years. | 17,481 | 18,491 | 19,169 | 19.746 | 20,468 | 21,245 | 22,069 | 22,409 |
| 45 to 54 years. | 12,628 | 12,798 | 13,079 12,731 | 13,578 12,597 | 12,443 | 14,429 12,311 | 14,812 12,220 | -12,145 |
| 65 to 74 years. | 10,851 | 11,053 | 11,245 | 11,395 | 11,538 | 11,672 | 11,794 | 11,896 |
| 75 years and over. | 7,305 | 7,714 | 7,965 | 8,219 | 8,470 | 8,724 | 8,951 | 9,167 |
| SERIES C |  |  |  |  |  |  |  |  |
| Total. | 86,789 | 88,458 | 89,697. | 90,912 | 92,126 | 93,297 | 94,406 | 95,392 |
| under 25 years. | 5,438 | 5,161 | 5,012 | 4,855 | 4,731 | 4,653 | 4,629 | 4,561 |
| 25 to 29 years. | 9,637 | 9,951 | 9,942 | 9,912 | 9,835 | 9,646 | 9,326 | 9,045 |
| 30 to 34 years. | 10,377 | 10,532 | 10,833 | 11,036 | 11,215 | 11,370 | 11,533 | 11,521 |
| 35 to 44 years. | 17,481 | 18,433 | 19,046 | 19,555 | 20,203 | 20,900 | 21,635 | 21,893 |
| 45 to 54 years. | 12,628 | 12,761 | 13,003 | 13,460 | 13,849 | 14,220 | 14,554 | 15,439 |
| 55 to 64 years. | 1.3,073 | 12,884 | 12,713 | 12,572 | 12,411 | 12,272 | 12,174 | 12,093 |
| 65 to 74 years. | 10,851 | 21,036 | 11,211 | 11,344 | 11,470 | 11,588 | 11,693 | 11,780 |
| 75 years and over | 7,305 | 7,700 | 7,937 | 8,176 | 8,412 | 8,649 | 8,861 | 9,059 |
| series and age of householder | 1993 | 1994 | 1995 | 1996 | 1.997 | 1998 | 1999 | 2000 |
| SERIES A |  |  |  |  |  |  |  |  |
| Total...... | 99,786 | 101,261 | 102,785 | 104,290 | 105,749 | 107,202 | 108,672 | 110,217 |
| Under 25 years. | 4,632 | 4,562 | 4,492 | 4,416 | 4,458 | 4,549 | 4,702 | 4,882 |
| 25 to 29 years. | 8,847 | 8,629 | 8,542 | 8,570 | 8,496 | 8,409 | 8,227 | 8,033 |
| 30 to 34 years. | 12,063 | 12,061 | 11,928 | 11,636 | 11,395 | 11,119 | 10,924 | 10,891 |
| 35 to 44 years. | 23,556 | 24,173 | 24,792 | 25,396 | 25,928 | 26,332 | 26,652 | 26,801 |
| 45 to 54 years. | 16,943 | 17,779 | 18,618 | 19,477 | 20,260 | 20,951 | 21,797 | 22,710 |
| 55 to 64 years. | 12,169 | 12,203 | 12,279 | 12,432 | 12,690 | 13,164 | 13,565 | 13,947. |
| 65 to 74 years. | 12,073 | 12,104 | 12,120 | 12,068 | 11,943 | 11,844 | 11,724 | 11,627 |
| 75 years and over. | 9,503 | 9,750 | 10,014 | 10,296 | 10,579 | 10,834 | 11,081 | 11,326 |
| SERIES B |  |  |  |  |  |  |  |  |
| motal.. | 97,946 | 99,111 | 100,308 | 101,475 | 102,585 | 103,680 | 104,776 | 105,933 |
| Under 25 years. | 4,522 | 4,421 | 4,316 | 4,201 | 4,198 | 4,234 | 4,327 | 4,442 |
| 25 to 29 years. | 8,769 | 8,533 | 8,427 | 8,431 | 8,334 | 8,223 | 8,018 | 7,801 |
| 30 to 34 years. | 11,740 | 11,685 | 11,500 | 11,161 | 10,870 | 10,545 | 10,297 | 10,203 |
| 35 to 44 years. | 22,903 | 23,411 | 23,916 | 24,401 | 24,813 | 25,098 | 25,301 | 25,339 |
| 45 to 54 years. | 16,525 | 17,281 | 18,035 | 18,801 | 19,486 | 20,078 | 20,812 | 21,603 |
| 55 to 64 years. | 12,126 | 12,158 | 12,233 | 12,385 | 12,643 | 13,117 | 13,519 | 13,903 |
| 65 to 74 years. | 11,970 | 11,996 | 12,006 | 11,952 | 11,826 | 11,728 | 11,610 | 11,516 |
| 75 years and over. | 9,392 | 9,625 | 9,876 | 10,144 | 10,414 | 10,657 | 10,892 | 11,126 |
| SERIES C |  |  |  |  |  |  |  |  |
| Total.... | 96,329 | 97,243 | 98,180 | 99,082 | 99,924 | 100,748 | 101,568 | 102,440 |
| Under 25 years. | 4,495 | 4,382 | 4,264 | 4,134 | 4,115 | 4,132 | 4,204 | 4,299 |
| 25 to 29 years.. | 8.735 | 8,492 | 8,378 | 8,373 | 8,268 | 8,147 | 7,934 | 7,708 |
| 30 to 34 years. | 11,486 | 11,397 | 11,181 | 10,816 | 10,499 | 10,148 | 9,873 | 9,747 |
| 35 to 44 years.. | 22,298 | 22,713 | 23,120 | 23,503 | 23,813 | 23,999 | 24,106 | 24,052 |
| 5 to 54 years.. | 16,140 | 16,828 | 17,508 | 18,196 | 18,802 | 19,313 | 19,958 | 20,651 |
| 5 to 64 years. | 12,069 | 12,096 | 12,166 | 12,313 | 12,565 | 13,031 | 13,427 | 13,805 |
| 55 to 74 years. | 11,840 | 11,851 | 11,849 | 11,783 | 11,647 | 11,540 | 11,413 | 11,311 |
| 75 years and over.. | 9,267 | 9,483 | 9,715 | 9,964 | 10,215. | 10,438 | 10,653 | 10,867 |

[^3]
# Appendix. Illustrative Economic Model-Based Predictions of Households 

The Census Bureau has recently begun to experiment with economic modeling as an additional method to estimate future households. Based on annual postwar data, regression equations for four age-householder groups (under 25 years, 25-34 years, 35-54 years, 55 years and over) were estimated and used to predict householder proportions for the 1990-2000 period. The predicted proportions were applied to Bureau population projections to obtain estimates of the number of fiture households.
The major independent economic variables used to explain and to predict age-householder proportions were real household income, real household net worth, and relative housing prices. Other economic and demographic variables were also tested in the householder equations.' Household estimates for selected future years based on two assumed economic scenarios are shown in tables A-1 and A-2.
The predicted number of households in tables A-1 and A-2 are based on an economic model of age-householder proportions. The predictions in table A-1 are consistent with a robust economy characterized by an assumed high rate of secular growth in real income and net worth, and only slightly rising relative housing prices. Table A-2 predictions assume a mildly expanding economy with moderate growth in real income, net worth, and relative housing prices.
The alternative estimates of households shown below are generally consistent with the range of autoregressive time-series-based projections presented in this report. However, by

[^4]age of householder, the economic model-based predictions tend to show slightly higher estimates for the youngest age group.

Table A-1. Households Based on Robust Economy
(Numbers in thousands)

| Age of householder | 1990 | 1995 | 2000 |
| :--- | ---: | ---: | ---: |
|  |  |  |  |
| All households . . . | 95,724 | 103,235 | 110,689 |
| Under 25 years . . . . | 5,569 | 5,710 | 6,379 |
| $25-34$ years . . . . | 22,212 | 21,428 | 19,996 |
| $35-54$ years . . . . | 34,902 | 41,063 | 45,923 |
| 55 years and over . . | 33,041 | 35,034 | 38,391 |

Table A-2. Households Based on Moderately Growing Economy
(Numbers in thousands)

| Age of householder | 1990 | 1995 | 2000 |
| :--- | ---: | ---: | ---: |
|  |  |  |  |
| All households . . . | 93,437 | 98,848 | 103,835 |
| Under 25 years . . . . | 5,313 | 5,238 | 5,616 |
| $25-34$ years ...... | 21,472 | 20,142 | 18,237 |
| $35-54$ years ...... | 34,269 | 39,707 | 43,665 |
| 55 years and over ... | 32,383 | 33,761 | 36,317 |


[^0]:    'For a more detailed discussion of the time series modeling of the data, readers may obtain a copy of the following report: William Beil, James Bozik, Sandra McKenzie, and Holly Shulman (1986) Time Series Analysis of Household Headship Proportions: 1959-1985, SRD Research Report Census/SRD/RR-86/01, Statistical Research Division, Bureau of the Census.
    ${ }^{2}$ National Center for Health Statistics, Monthly Vital Statistics Report Vol. 34, No. 9, Supplement, December 1985, "Advance Report of Final Divorce Statistics, 1983."
    ${ }^{3}$ U.S. Census Bureau, Current Population Reports, Series P-20, No. 399 Marital Status and Living Arrangements: March 1984.

[^1]:    ${ }^{5}$ See Bell, Bozik, McKenzie, and Shulman (1986) or McNeil, Donaid R. (1977), Interactive Data Analysis, New York: John Wiley and Sons, Inc.

[^2]:    ${ }^{1}$ As of March 1 , based on Current population Survey.

[^3]:    ${ }^{1}$ As of March I, based on Current Population Survey.

[^4]:    For a more complete explanation of this research, including the estimated equations, readers may write to the authors, Alfred Tella, K. Chandrasekar, or Arnold Reznek, Rm. 3061-3, Bureau of the Census, Washington, D.C. 20233.

