Virginia

State Outlook

As Virginia's population ages, older residents will play a critical role in the state's economic recovery and growth. Even after accounting for the impact of COVID-19, Virginia's aging population will continue to make economic and social contributions that benefit people of all ages, and the growth of this age group will fuel innovation and new market solutions. Policymakers, business leaders, and elected officials must ensure programs and policies are in place to support and grow this economic engine.

Key findings:

Virginia's 50-plus population creates outsized economic impact and will drive economic growth for the next 30 years. In 2018, the 50-plus population accounted for 35% of Virginia's population, yet contributed 38%—or \$212 billion—of the state's total GDP. Their activities also supported 2.2 million jobs and generated \$143 billion in wages and salaries. Their contribution to GDP is forecast to reach \$641 billion in 2050—almost 42% of the state's projected GDP—when people 50-plus will account for 40% of the population.

The purchasing power of Virginia's 50-plus population will generate tax revenue for decades to come. In 2018, the market activities of people 50-plus supported \$16 billion in state and local taxes (37% of Virginia's total). That figure will more than triple to \$56 billion by 2050.

Where do people age 50-plus live?

(%) share by county in 2018

Overview: Economic impact of the 50-plus population

	2018		2050	
	Impact	% of total	Impact	% of total
State GDP	\$212 billion	38	\$641 billion	42
Jobs	2.2 million	42	2.5 million	43
Wages and salaries	\$143 billion	43	\$425 billion	45
State and local taxes	\$16 billion	37	\$56 billion	41

"% of total" refers to 50-plus impact as a percentage of each category.

The 50-plus cohort will grow from 35% to 40% of the population by 2050

(Millions)

The 50-plus population fuels economic growth, stimulates jobs, and creates opportunities

Economic impact of the 50-plus through 2050

GDP (\$ billion)

Wages and salaries (\$ billion)

State and local taxes (\$ billion)

Jobs (million)

Virginia

As a major source of Virginia's consumer spending, 50-plus households will drive economic growth across sectors

Spending of the 50-plus population by product (\$ billion)

■ 2018 ■ 2050

Percentage change 2018–50

Please see Appendix 4 at <https://doi.org/10.26419/int.00042.003> for a complete description of each consumption product category.

Note: Education services include spending on education across all members living in the same household (consumption expenditures are recorded at the household level).

Unpaid contributions

Beyond their economic contributions, the 50-plus cohort also spends time engaging in vital activities like volunteering and caregiving for children and adults. The 50-plus population in Virginia contributed \$2.1 billion in volunteering activities and \$18 billion in unpaid caregiving in 2018, with the average person spending 36 hours on volunteering and over 500 hours on caregiving over the entire year.

The 50-plus population provides \$20 billion in unpaid contributions

Value of unpaid activities, 2018 (\$ billion)
(Values may not sum due to rounding)

■ Under-50 ■ 50-plus

50-plus households accounted for 55 cents of every dollar spent in Virginia in 2018—this will grow to 60 cents (60%) by 2050

50-plus share of every dollar spent, for select categories (%)

(%) ■ 2018 ■ 2050

The market activities of Virginia's 50-plus population create jobs, wages, and salaries

In 2030, the 50-plus population's activities will support 2.3 million jobs in Virginia, driving employment growth across all age groups and industries. Most of these jobs will be created in professional and business services; health services; government; and wholesale and retail trade (see chart on right).

Labor force: People age 50-plus will continue to play a significant role as part of Virginia's workforce: by 2030, 50-plus workers in the state are projected to number 1.6 million, representing 36% of the state's total labor force.

Which sectors will see biggest jobs impact in 2030?

Number of jobs supported by 50-plus activities and % of sector

Methodology: This state profile details the contribution of the 50-plus population, both in-state and through interstate commerce, to Virginia's economy. The overall impact includes the direct effects of their spending, work contributions, and taxes paid. It also includes the ripple effects this generates—via business supply chains and through the wages and spending of other workers. All forecasts account for the effects of COVID-19 on U.S. demographic and economic projections. These forecasts were informed by data from the Centers for Disease Control and Prevention, the Bureau of Economic Analysis, Bureau of Labor Statistics, and The Economist Intelligence Unit's macroeconomic forecasts. For further details see: <http://www.aarp.org/longevity>.

Sources: Economic impact and forecasts (EIU, Regional Economic Models, Inc. [REMI]); Population by age (REMI, U.S. Census Bureau); 50-plus population share by county (U.S. Census Bureau 2018); Spending (EIU, Bureau of Labor Statistics, Bureau of Economic Analysis, REMI); Jobs impact by sector (EIU, REMI); Unpaid contributions (EIU, American Time Use Survey, AARP's Valuing the Invaluable: 2019 Update, Bureau of Labor Statistics).

For more information about the Longevity Economy download our free report. It offers as a roadmap for companies to tap into this growing market.

<http://www.aarp.org/longevity>

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