NORTHWEST HILLS REGIONAL PROFILE

Demographic, Economic, and Housing Data and Trends
October 2016

Data collected and analyzed by the
Connecticut Economic Resource Center, Inc.

for the Northwest Hills Council of Governments

NHCOG
— Northwest Hills —
Council of Governments

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DATA DISCLAIMER

For each section of this report, the best available data was collected and analyzed to show general conditions and trends. This report includes information from the American Community Survey (ACS). ACS is an ongoing survey conducted by the U.S. Census Bureau that provides annual estimates of the national population with respect to a variety of indicators. It is used by decision makers at all levels of government and in private businesses and nonprofit organizations to assess the characteristics – including changes – of the U.S. population. It is a part of the decennial census program conducted by the U.S. Census Bureau to understand population characteristics during the interim periods. It has a sample design, with the findings weighted to measure the characteristics of the population within specific margins of error or confidence intervals.
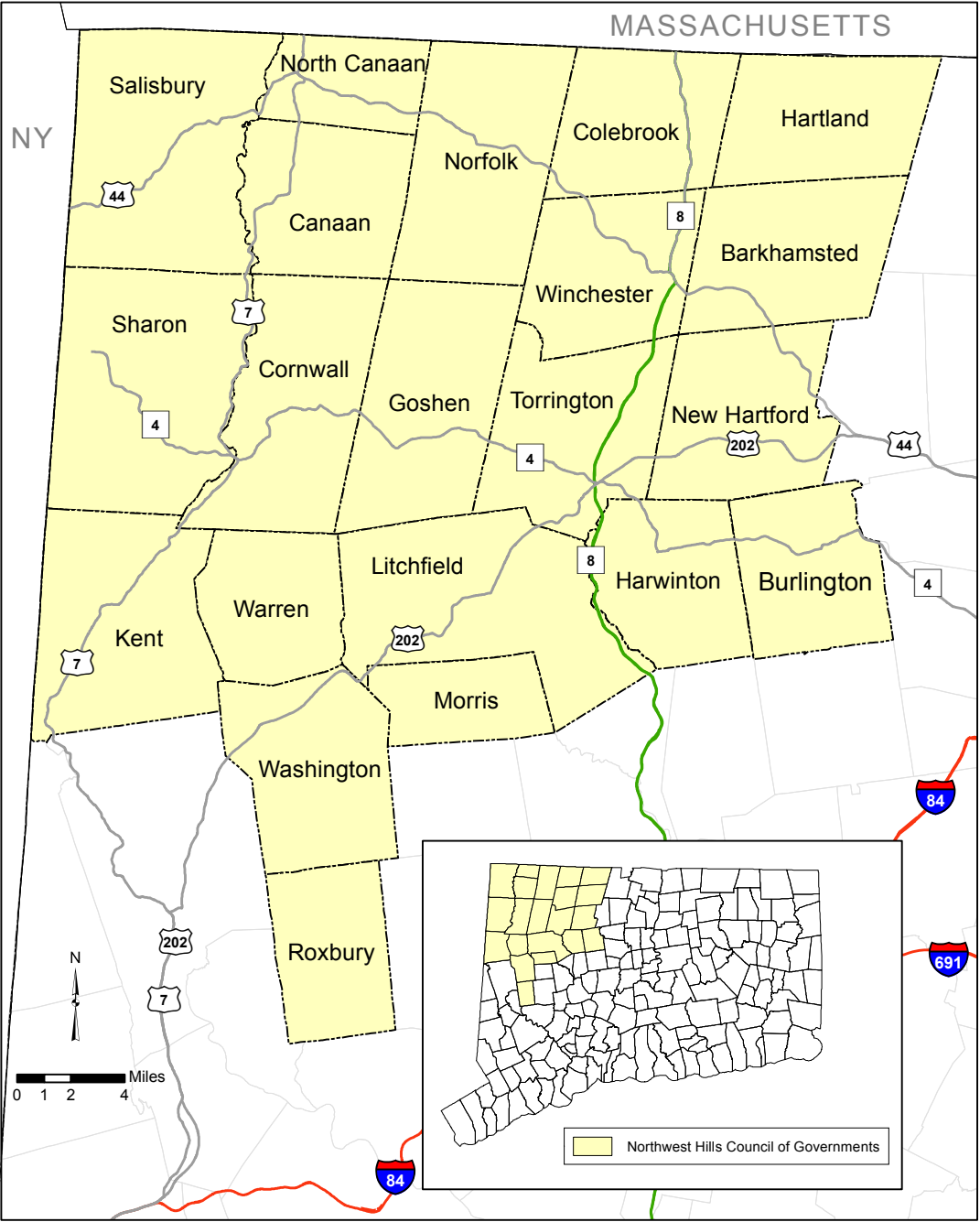
ACS results are provided in one-, three- and five-year estimates. Use of the five-year estimates provides a larger sample size and, thus, more precision. This is especially useful for smaller geographic areas, as in the case of most of the towns in the NHCOG region. As such, the results provided in this analysis are from the 2010-2014 ACS, which are the most recent five-year estimates available. The Census Bureau also regularly revisits its weighting and sampling methodology to ensure reliable estimates. For the five-year ACS used here, the Census conducted interviews with over 113,000 randomly selected households in the state.

Regional Location of the NHCOG

INTRODUCTION

This Regional Profile presents demographic, economic, and housing data for the 21-town Northwest Hills Council of Governments (NHCOG) region in northwest Connecticut. The data was collected and analyzed by the Connecticut Economic Resource Center, Inc. (CERC) with project oversight by NHCOG staff. Data sources include the U.S. Census Bureau's 2010 Decennial Census, the 2010-2014 American Community Survey, the Connecticut Department of Labor, the Connecticut Department of Economic and Community Development, and other sources.

Demographic, economic, and housing conditions and trends affect land use. This data was collected to inform the region's land use plan, the Regional Plan of Conservation and Development (2017-2027). This profile includes both regional level data and town level data.

SUMMARY OF FINDINGS

The major population and demographic trends shaping the region:

- Relatively flat population growth. The population decreased by 1% over the last ten-year period and is projected to increase by 1% (909 residents) over the next ten years.

- In the next ten years, the region will see a larger percentage of its population hit retirement age (from 18.2% of the population in 2014 to 28.0% in 2025) and a smaller percentage will be school-aged children (from 20.1% to 17.5%).

- The seasonal or part-time population is estimated at 13% regionally but is as high as 50% in a few towns.

The major economic trends shaping the region:

- There was a decrease in the size of the labor force in the region from 2010 to 2014.
  - Torrington remains the region's employment center, just as it is the population center.

- Since the early 2000s recession, the region's unemployment rate remained generally consistent with or slightly below the state or the nation's rate.

- The Health Care and Social Assistance industry is one of the cores of the region's employment, with over 18.0% of jobs. Government and Manufacturing are also important to the region's industry base.

The major economic trends shaping the region, cont'd:

- Over 28% of the region's employment was in one of the industries represented in the state's six economic clusters, with the region having a larger share of employment in Health Care/Bioscience, Tourism, and Advanced Manufacturing than at the state level.

- Over half the businesses in the region are very small (with 4 or fewer employees), and over 15% of the region's workforce is self-employed.
  - There was a decrease in business formation in the region from 2009 to 2015.

- Over 60% of residents commute to jobs outside the region, indicating that the region is serving as a bedroom community for other labor market areas.

The major housing trends shaping the region are:

- The region added approximately 5,700 housing units between 2000 and 2014 although the number of new housing permits issued in the region has seen a decrease that began before the 2007 Great Recession.

- The region has a higher vacancy rate (17%) than the state (9%) as well as a greater share of owner- versus renter-occupied properties.
  - Many of the vacant units are "vacant for seasonal, recreational, or occasional use."

- Household size has decreased slightly in the region from 2.5 people per household in 2000 to 2.4 people per household in 2014. Smaller household sizes and flat population growth means more housing units are needed to serve the same total number of residents in the region.

- Renters represented 33% of occupied units in the state but only 24% of occupied units in the region. With less rental properties available in the region, young workers may seek housing elsewhere.

- While 14 towns in the region saw a decrease in real monthly median housing costs (which include taxes and utilities) from 2009 to 2014, still over one-third of the region's households spend more than 30% of their income on housing costs (16,912 households), Spending more than 30% of your household income on housing costs is considered unaffordable.

POPULATION + DEMOGRAPHIC TRENDS

Population Growth and Projections

The Region has about 113,000 residents

The region's population decreased by 1% between 2004-2014 (from 114,300 to 112,700). This is compared to a 9% increase in the nation and a 3% increase statewide during this same time period. From 2015-2025, the region is expected to grow by just 1%, adding 909 residents. A majority of that population growth is projected to come from Torrington, New Hartford, and Burlington. Eleven (11) towns are expected to lose population during that time period.

Regional Center

Torrington is the NHCOG area's "Regional Center" as defined by the State Locational Guide Map. Torrington has more than three times the population (35,190 residents) as the next largest town, Winchester (10,929 residents).

30% of the region's residents live in Torrington, the Regional Center.
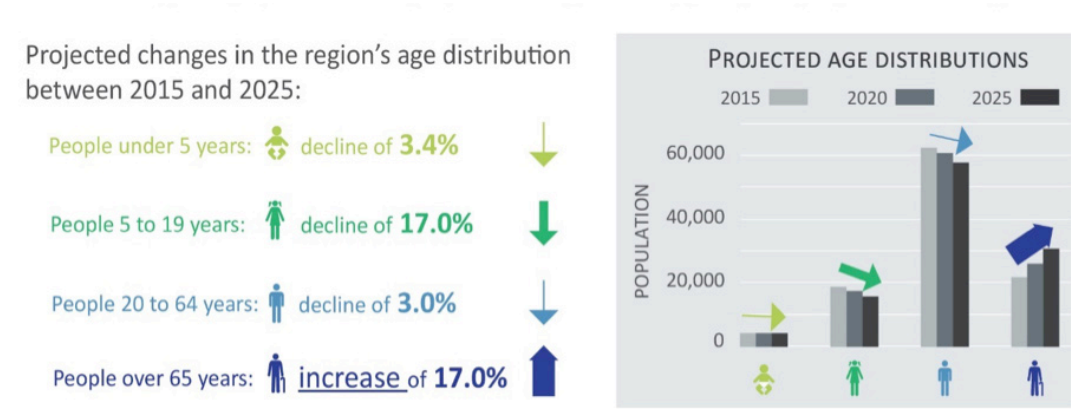
Population by Town (2014)

Age
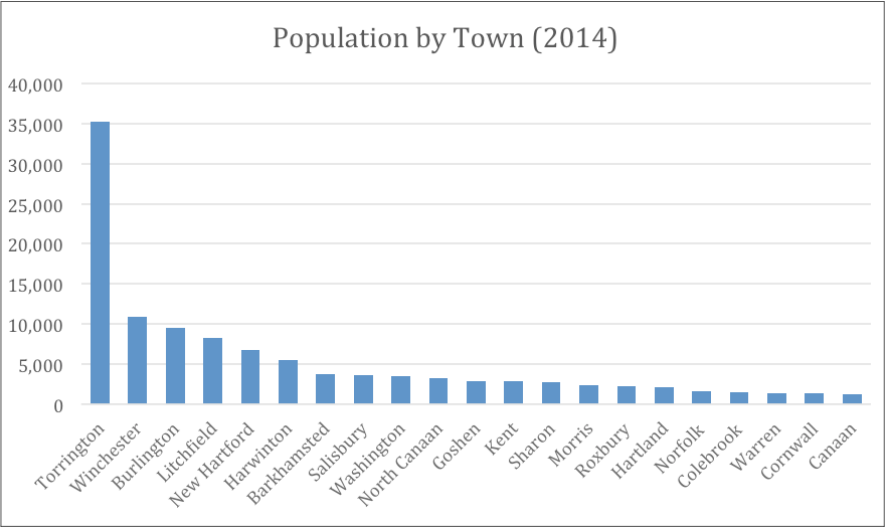
The NHCOG region as a whole has a greater percentage of population over 65 years old (18%) than the state (15%) or the nation (14%). In three of the region's towns, 25% or more of the population is over 65 years old (Sharon, Salisbury, and Washington).

Meanwhile the region has a lower percentage of residents under 18 years old (20%), compared to the state (22%) and the nation (24%). Burlington has the highest relative percentage of youth population with 27% of their residents under 18 years old while Sharon has only 13%.

The Region's population growth is projected to be relatively flat over the next ten years.

Projected changes in the region's age distribution between 2015 and 2025:

People under 5 years: decline of **3.4%**

People 5 to 19 years: decline of **17.0%**

People 20 to 64 years: decline of **3.0%**

People over 65 years: increase of **17.0%**

PROJECTED AGE DISTRIBUTIONS

2015   2020   2025

The region has also seen an overall decrease in public school enrollment in town and regional school districts from the 2001-02 academic year to 2014-15. The largest percentage decrease over this period was over 51% in the Cornwall School District (from 187 students to 91 students).

The distribution of the region's demographics is expected to shift substantially over the next ten years. By 2025, those over 65 years old, which includes retirees, are expected to represent 28% of the region's population, an increase of 9,782 individuals. Meanwhile, school-age residents, those 19 and younger, will represent only 17.5% of the population, a decrease of approximately 5,000 people. The working age population (those 20-64 years of age) is also projected to decrease by slightly over 4,000 people, and will represent 54.4% of the population. In contrast, the working age population will decrease from 59.6% to 57.1% at the state level by 2025.

The changing age structure of the region could affect the financial burdens of municipalities. Senior services including health care, transportation, and recreation will likely be in higher demand while per pupil education costs will probably continue to rise, regardless of the overall decline in the number of school aged children, due to inflation and facility maintenance.

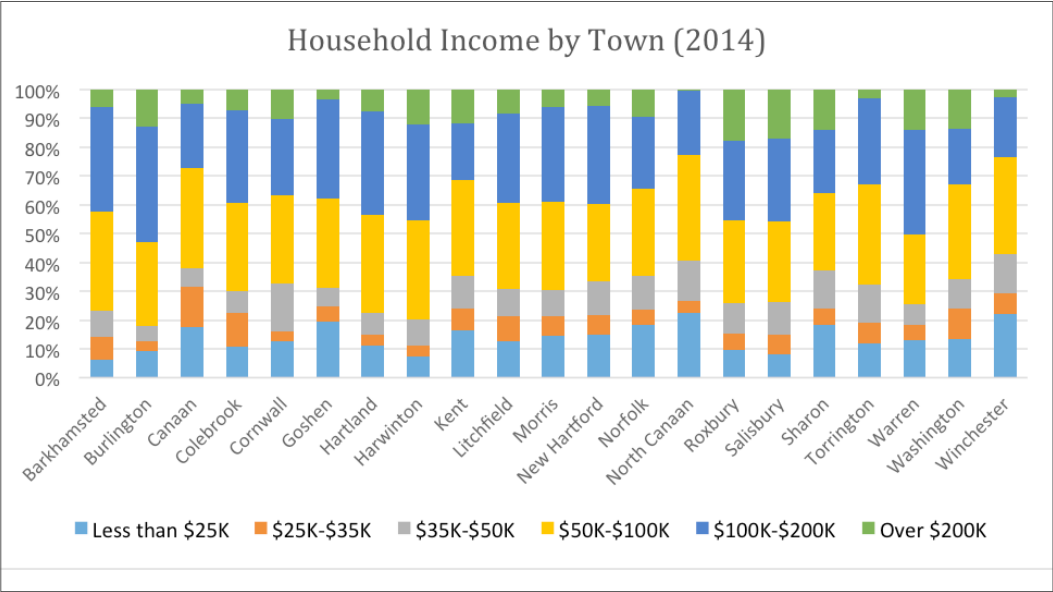## Seasonal & Part-Time Residents

In 2014, over 10% of region's housing units were classified as being used seasonally, recreationally, or occasionally (5,834 units). This is significantly higher than the state's rate of 2% for seasonal/occasional use housing and the national rate of 4%.

Assuming that these seasonal properties were occupied at the region's average household size, the region's "seasonal population" would represent almost 13% of the region's total population (14,121 seasonal residents). Cornwall and Salisbury would have seasonal populations over 50% of their year-round population and an additional 7 towns would have seasonal populations that were at least 25% of the towns' year-round population.

Though seasonal or weekend-only residents generally demand less municipal services, the loss of these residents during the week and in the winter is keenly felt by local businesses that rely on foot traffic. A continued increase in part-time residents while the full-time population remains consistent will challenge the financial viability of local businesses, potentially leading to a decrease in jobs and services available to year-round residents.

Estimated Part-Time Population (2014)
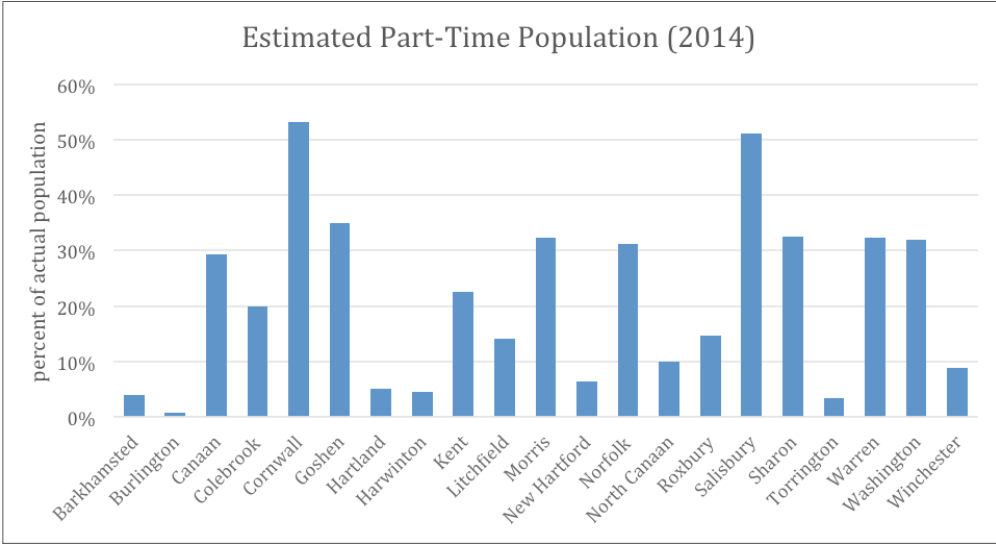
The region will need to prepare to meet the needs of a changing demographic – more older adults and retirees, a large proportion of part-time and seasonal residents, and declining school enrollment.

Household Income by Town (2014)

Education

The region's adults age 25 and over are relatively well educated. As of 2014, 35% of them had bachelors or graduate degrees and only 9% of the population had less than a high school education.

However, North Canaan (15%), Torrington (14%), and Winchester (12%) have a larger proportion of their populations with less than a high school diploma than the state's proportion of (11%) and the region's (9%). In these three towns less than 23% of adults have a bachelor's degree or higher.

Education is strongly correlated with income. Persons with a college degree generally have higher incomes than high school graduates. As a result, municipalities with a higher proportion of college graduates typically have higher median incomes than those with a lower proportion of such residents.

Income and Poverty

The region's median household income is $72,597, which is higher than the state's ($69,899) and the nation's ($53,482). Median household incomes range from $109,000 in Burlington to $55,500 in Torrington. Between 2000 and 2010, the region's median household income increased faster than the nation as a whole but not as quickly as the state's.

The 2014 American Community Survey estimated that, in the NHCOG region, there are 8,406 individuals living below the federal poverty level, which was $11,880 for a single person and $24,300 for a four-person household. Overall, the region's poverty rate is 7.5% which is less than the state's (11%) and the nation's (16%). The region overall saw its poverty rate increase from 5.0% of the population in 2000, and 16 towns also saw an increase in their poverty rates during that time.

Over 4,500 households in the region are receiving SNAP benefits (Supplemental Nutritional Assistance Program, formerly known as food stamps).
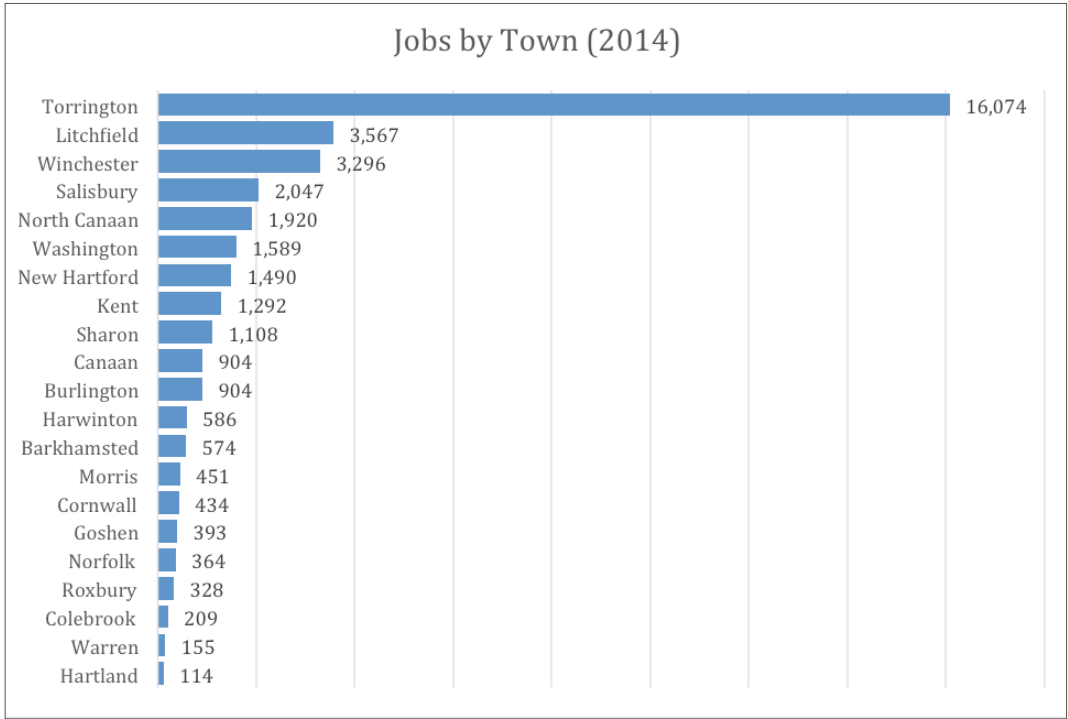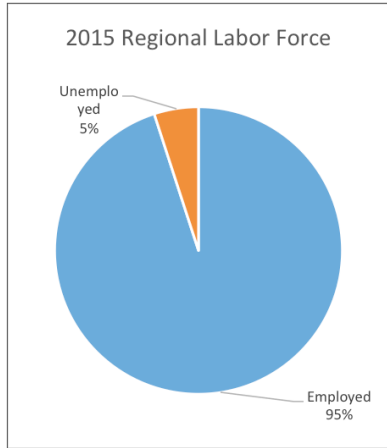
ECONOMIC TRENDS

Labor Force and Unemployment

The region's labor force, or the number of people over 16 years of age and either employed or jobless and looking for work, was 63,962 in 2015, a decrease of 1.6% from 2010. Torrington had the largest labor force in 2014 (19,799) and also the largest absolute decrease from 2010 (602 people). Barkhamsted had the largest relative decrease in the labor force (-4.4%, from 2,400 workers in 2010) followed by Winchester (-4.0%, from 6,557 workers). Ten towns had a slight increase in the labor force from 2010 to 2014.

Of this regional labor force, 3,190 were unemployed, for an unemployment rate of 5.0%. After the early 2000s recession, the region's unemployment rate remained generally consistent or slightly below the state or the nation's rate: in 2005, the region's rate was 4.6% compared to 4.9% in the state and 5.1% in the nation, while in 2014, the region sat at 5.8% compared to 6.6% in the state and 6.2% in the nation. In 2014, Torrington had the highest unemployment rate (7.2%) and Cornwall had the lowest (3.7%). Winchester had the second highest unemployment rate in 2014 (7.1%), and it also hit the highest rate within the region during the Great Recession (11.5% in 2010).

2015 Regional Labor Force

Unemployed 5%

Employed 95%

As noted above, the working age population (those 20-64 years of age) is projected to decrease by slightly over 4,000 people from 2015 to 2025, making up 54.4% of the population in 2025. Attracting and retaining younger workers would help attenuate the impact of the declining working age population on town and state budgets.

Jobs by Town (2014)

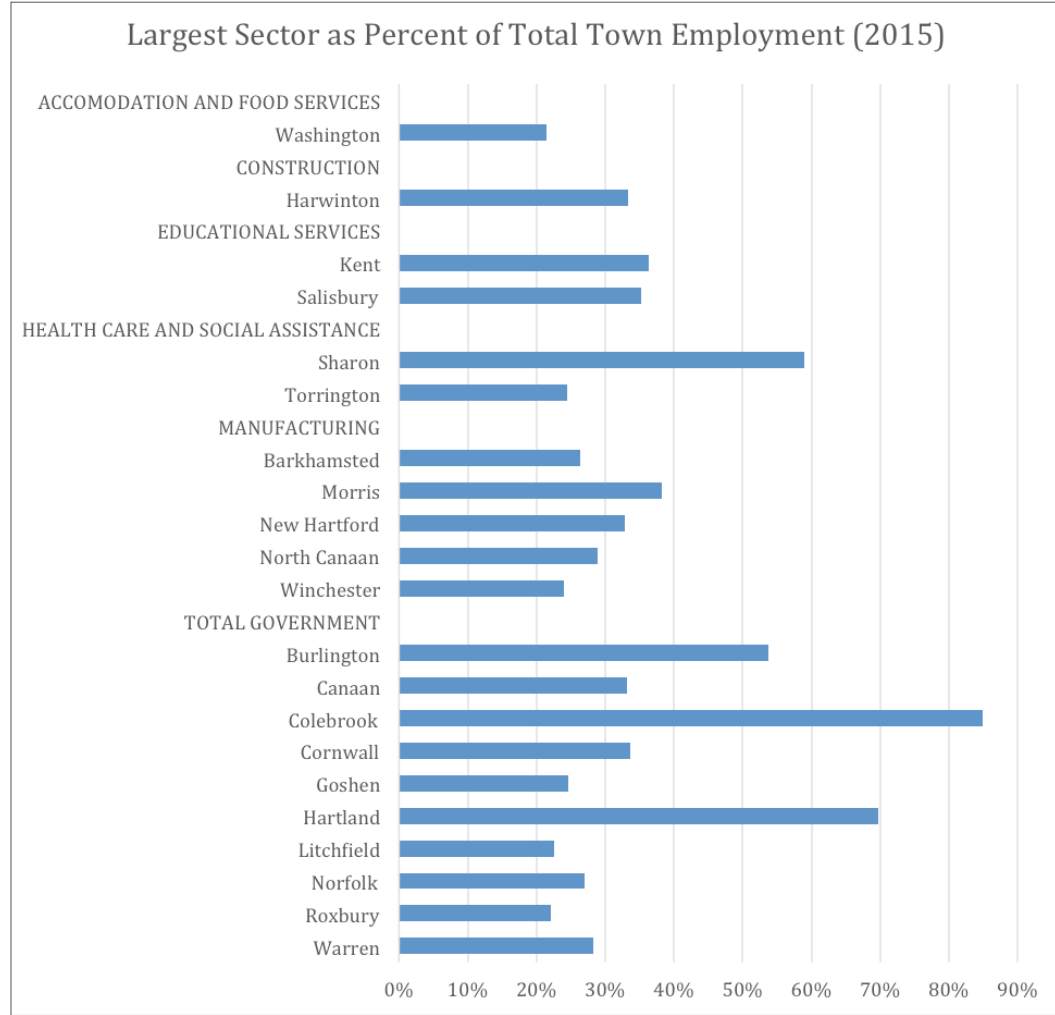| Town	Jobs
Torrington	16,074
Litchfield	3,567
Winchester	3,296
Salisbury	2,047
North Canaan	1,920
Washington	1,589
New Hartford	1,490
Kent	1,292
Sharon	1,108
Canaan	904
Burlington	904
Harwinton	586
Barkhamsted	574
Morris	451
Cornwall	434
Goshen	393
Norfolk	364
Roxbury	328
Colebrook	209
Warren	155
Hartland	114

Jobs by Town

In addition to its status as the region's population center, Torrington is also the region's employment center, with 16,074 jobs, or 42.5% of the region's jobs, in 2014. Hartland had the fewest jobs, at 114. The region overall saw a 2% decline in the number of jobs from 2000 to 2014, while the state overall had a 6.0% increase. Eleven towns also had a decrease in the number of jobs during that time.

This decline in jobs, coupled with the increasing population during the same time, is putting stress on the region's economy. With over 60% of the region's workers commuting to jobs outside the region, local businesses have less local traffic during the daytime, threatening their financial viability. Increasing the number of jobs in the region would provide more opportunities for the region's residents to work closer to home, potentially increasing their local spending and further supporting the local business community.

Industry Mix

The region's economy is dominated by the Health Care and Social Assistance industry – it was 18.0% of the region's employment in 2015 and also the largest sectors in Sharon (59.0% of jobs) and Torrington (24.4%). Health Care and Social Assistance is also the largest sector in the state (15.8%).

Government was the second largest sector in the state and the largest sector in ten NHCOG towns; this is likely due to jobs in the state education system. Manufacturing was the fourth largest sector in the state and the largest sector in five towns: Barkhamsted, Morris, New Hartford, North Canaan, and Winchester.
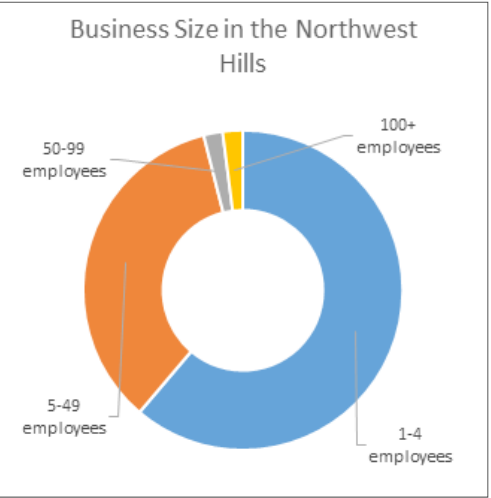
Agriculture also represented a larger share of the region's employment (1.3%) compared to the state level (0.4%). Morris had the greatest concentration of agriculture jobs, which represented 23.4% of the town's employment.

Largest Sector as Percent of Total Town Employment (2015)

ACCOMODATION AND FOOD SERVICES
Washington
CONSTRUCTION
Harwinton
EDUCATIONAL SERVICES
Kent
Salisbury
HEALTH CARE AND SOCIAL ASSISTANCE
Sharon
Torrington
MANUFACTURING
Barkhamsted
Morris
New Hartford
North Canaan
Winchester
TOTAL GOVERNMENT
Burlington
Canaan
Colebrook
Cornwall
Goshen
Hartland
Litchfield
Norfolk
Roxbury
Warren

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%

Towns with Largest Employment by Cluster

Health Care / Bioscience
Sharon, 49.6% of jobs

Financial Services and Insurance
Washington, 6.3% of jobs

Advanced Manufacturing
New Hartford, 18.0% of jobs

Digital Media
Harwinton, 2.4% of jobs

Green Technology
Roxbury, 14.6% of jobs

Tourism
North Canaan, 29.7% of jobs

Economic Clusters

Over 28% of the region's employment was in one of the industries represented in the state's six economic clusters (Health Care/Bioscience, Financial Services and Insurance, Advanced Manufacturing, Digital Media, Green Technology, and Tourism). The Health Care/Bioscience cluster comprised the largest relative share of the region's employment (14.4%) and was slightly greater than the industry's share of state employment (13.6%). Tourism (4.6% of jobs) and Advanced Manufacturing (3.4%) also were larger proportions of jobs in the region compared to their share of state jobs (2.5% and 2.7%, respectively).

Small Businesses

Business Size in the Northwest Hills

100+ employees
50-99 employees
5-49 employees
1-4 employees

Most businesses (61.2%) in the region are very small, with four or fewer employees. There are only two businesses with more than 500 employees in the region and they are located in Litchfield and Torrington. There are no businesses in the region with more than 1,000 employees.
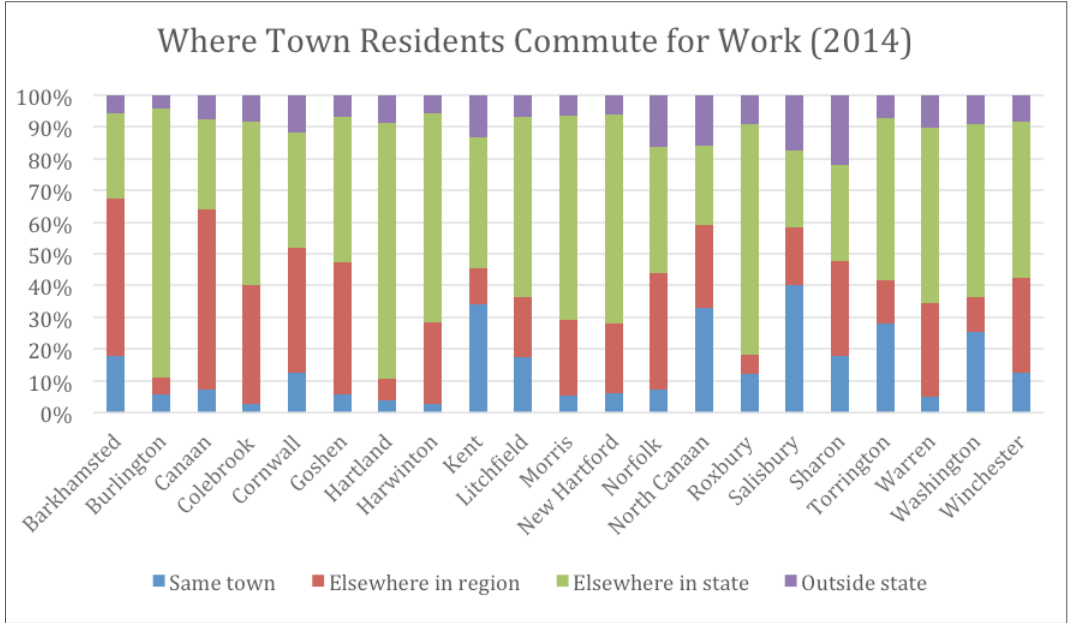
Self-Employment and Business Formation

Over 15% of the region's workers were self-employed in 2014, a five percentage point increase from 2000. In comparison, 10.0% of Connecticut workers were self-employed in 2014, a 3.5 percentage point increase from 2000. The highest rates of self-employment in 2014 were in Cornwall and Sharon, where over one-third of residents were self-employed.

Six hundred businesses from the region filed business formation paperwork with the Connecticut Office of the Secretary of State in 2015, a decrease from 2009 and only slightly higher than a trough in 2011 during the recession. In contrast, the state had a 7.4% increase in business formations filed from 2009 to 2015.

600 businesses formed in the region in 2015, a decrease from 655 in 2009.

Commuting Patterns

Over one-third (37.2%) of residents work in the region, with 18.0% working in the same town in which they reside. Salisbury has the greatest proportion (40.0%) of residents who work in the same town, while Colebrook (2.7%) and Harwinton (2.8%) have the lowest. Over half (54.7%) of residents work in Connecticut but outside the region, while 8.1% commute to a workplace outside the state.

Where Town Residents Commute for Work (2014)

Legend: ■ Same town ■ Elsewhere in region ■ Elsewhere in state ■ Outside state

HOUSING TRENDS

The total number of housing units in the NHCOG region increased by over 11% from 2000-2014 (from 50,223 units to 55,930), which is 3.8 percentage points more than housing increased statewide. During this time, all towns in the region had an increase in housing, with Winchester experiencing the largest absolute growth (739 units, or 15.0%) and Canaan experiencing the largest relative growth (26.6%, or 162 units).

There was an 11% increase in the number of housing units in the region from 2000 to 2014, and all towns had an increase in the number of housing units.

In 2014, 83% of housing units in the region were occupied, compared to 91% of units in the state. Of occupied units in the region, 76.4% were owner-occupied.

The total number of annual housing permits issued for the region decreased from 431 permits in 2000 to 111 permits in 2014, a 74% drop. The decrease in number of permits began before the Great Recession and the housing crisis, with the largest one year drop in permits occurring from 2005-2006. All towns in the region had an overall decrease in permits from 2000-2014, ranging from a drop of 2 permits in 4 towns (Canaan, Cornwall, Norfolk, and Washington) to a decrease of 64 permits in Torrington. The largest percentage decrease was in North Canaan, which did not have any permits issued in either 2013 or 2014.

Percent Change in Annual Housing Permits Issued

Legend: — Connecticut — Northwest Hills
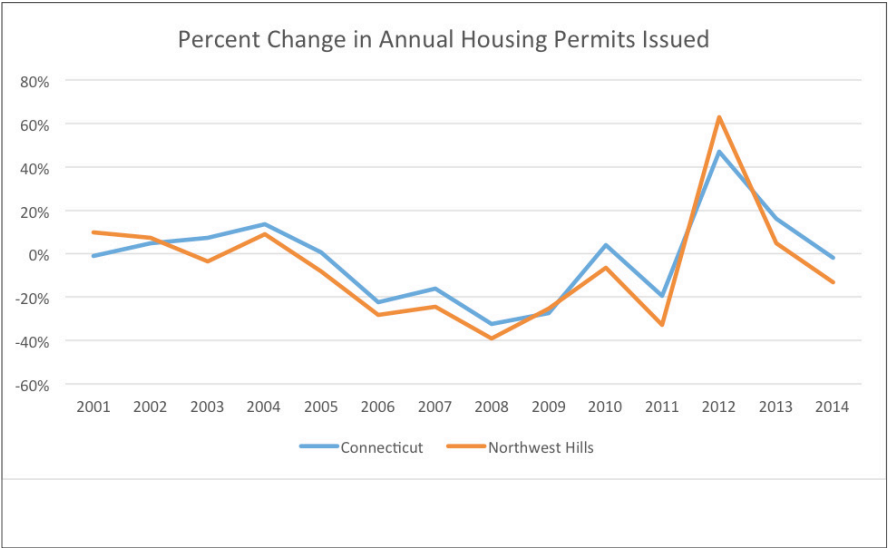
Housing Characteristics

In 2014, 83% of housing units in the region were occupied (versus vacant), lower than the state average of 91%. Salisbury had the lowest occupancy rate (60.5%), while Burlington had the highest (95.5%). Fourteen towns had occupancy rates lower than the regional rate.

Household Size
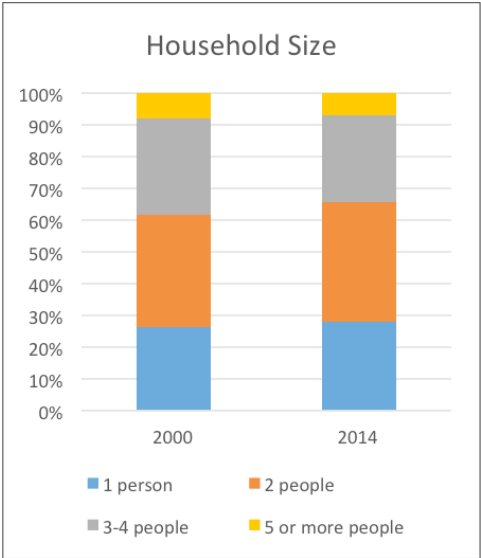
Renters represented 32.7% of occupied units in the state but only 23.6% of occupied units in the region. .Harwinton had the highest rate of owner-occupied properties in the region, while six towns had renter-occupation rates higher than the regional rate. With less rental properties available in the region, young workers may seek housing elsewhere.

The number of households in the region increased 5% from 2000-2014, with four towns (Kent, North Canaan, Norfolk, and Salisbury) experiencing a decrease in the number of households.

Households are also getting smaller in the region: from 2000 to 2014, the share of single family households in the region increased from 26% to 28%, representing almost 1,500 households. Two-person households also increased, from 35% to 38%. Households with more than two people decreased by 4 percentage points.

Housing Affordability

The median value of owner-occupied housing in the region ranged from $172,800 in Torrington to $586,200 in Roxbury, while it was $274,500 at the state level. Roxbury had the largest real decline ($198,717 or -25.3%) in home value from 2009 to 2014, while only three towns (Goshen, Kent, and Sharon) had a real increase. During this time, statewide home values decreased as well.

In 2014, Winchester had the least expensive average monthly housing costs ($1,106) and Burlington had the highest ($1,948). These costs include taxes and utilities and are adjusted for inflation. From 2009 to 2014, the variation in real monthly median housing costs by town has decreased – the difference in cost between the town with the most and least expensive housing dropped from $1,420 in 2009 to $842 in 2014. While real monthly median housing costs in the state decreased by 3.9%, the region's towns saw changes ranging from a 30.8% decrease in Roxbury to just over a 10% increase in Colebrook, Salisbury, and Washington.

In 2014, 36.5% or almost 17,000 households (in both owner- and renter-occupied units) in the region spent more than 30% of income on housing costs. This is a slight decrease from 2010, when 37.8% of households spent more than 30% of income on housing. It is also slightly below the 39% of state residents who spent more than 30% of their income on housing in 2014. Households paying more than 30% of their income on housing costs are considered to be living in "unaffordable" housing. Using up such a large proportion of the household income each month on housing costs places limits on the households' other spending, which will likely affect local businesses and the regional economy.

Only in three towns did fewer than 33% of households spend more than 30% of income on housing (Barkhamsted, 29%; Harwinton, 27%, and Hartland, 23%), while Kent and Washington had the highest percentage (44%) of households spending more than 30% of income on housing.

More than 50% of renter householders aged 65+ in five towns (Canaan, Colebrook, Kent, Roxbury, and Salisbury) paid gross rent that was more than 35% of their income. This limits the income they have available to spend on other necessary services as they age, such as health care.

36.5% of the region's households are living in housing that is considered unaffordable in 2014.

[1] All amounts in this section are in 2014 dollars.

DATA SOURCES

Population & Demographic Trends

- Connecticut Department of Public Health
  - Annual Town and County Population for Connecticut

- Connecticut Secretary of the State
  - Population of Connecticut Towns

- Connecticut State Department of Education
  - Public School Enrollment Reports

- U.S. Census Bureau
  - Decennial Census
  - American Community Survey Multi-year Estimates

Economic Trends

- Connecticut Department of Labor
  - 2014 - 2024 State of Connecticut Occupational Projections
  - Business & Employment Changes Announced in the News Media
  - Historical Labor Force Monthly Data with Annual Averages by Town
  - Quarterly Census of Employment and Wages (QCEW)

- Connecticut Secretary of the State
  - Business Formations Over Time (obtained from the Connecticut Data Collaborative)

- Economic Modeling Specialists Inc.

- U.S. Bureau of Labor Statistics

- U.S. Census Bureau
  - County Business Patterns
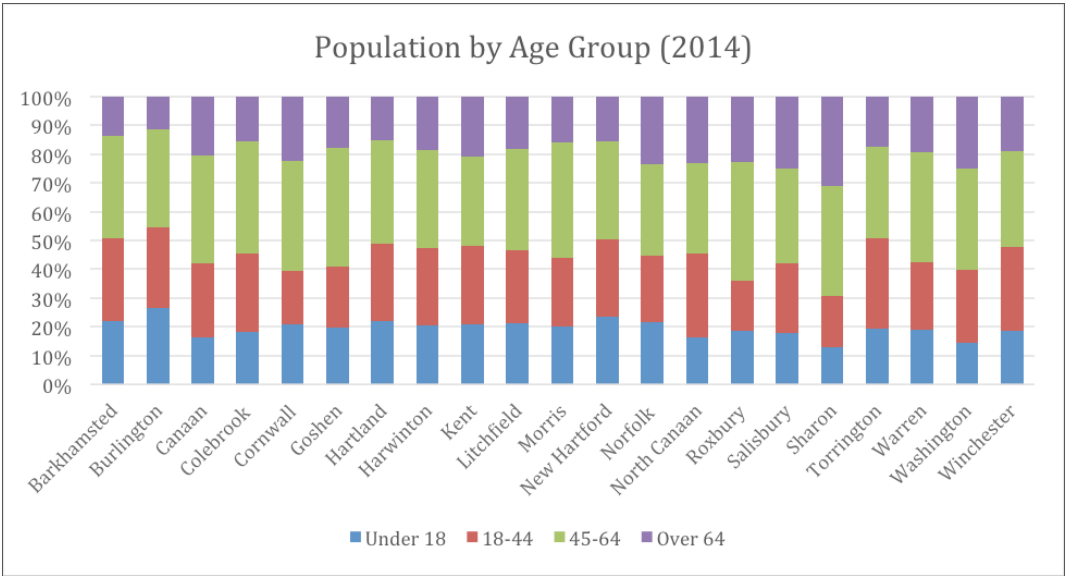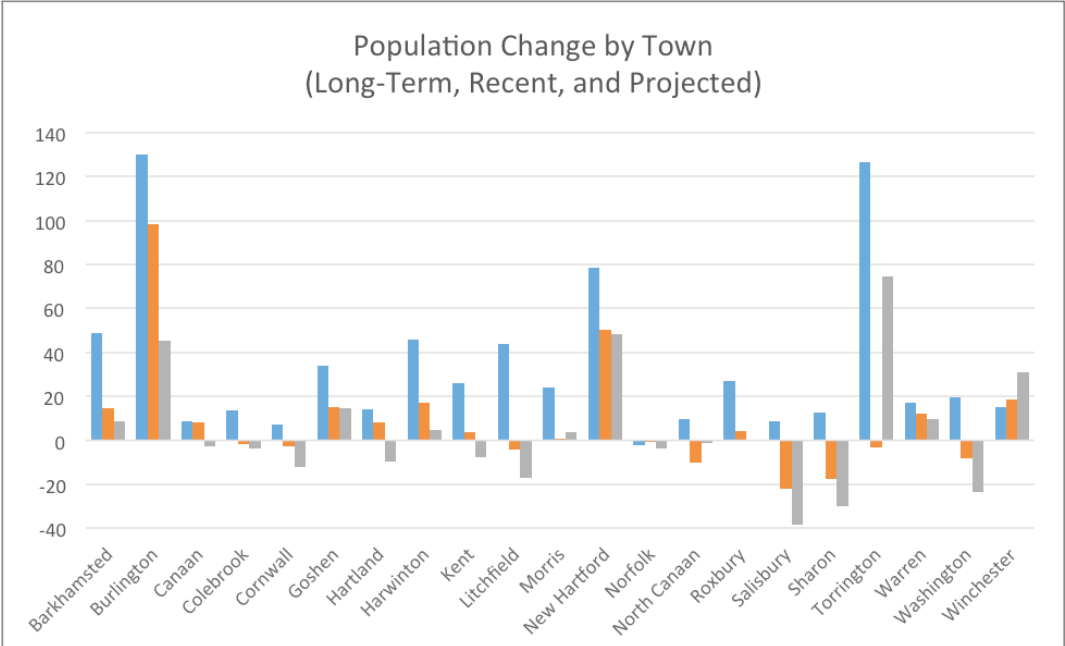 - Longitudinal Employer-Household Dynamics On the Map

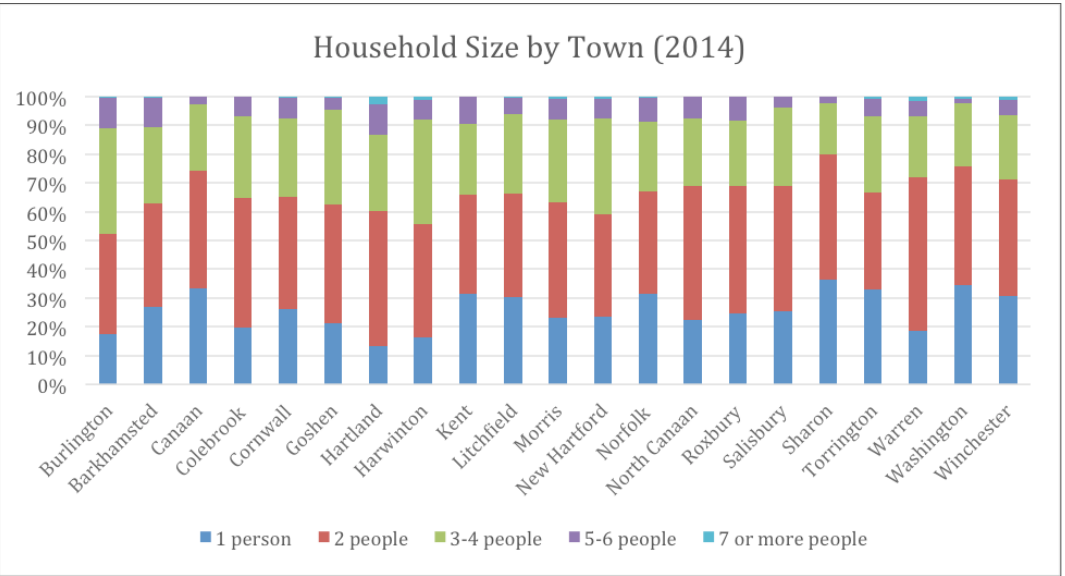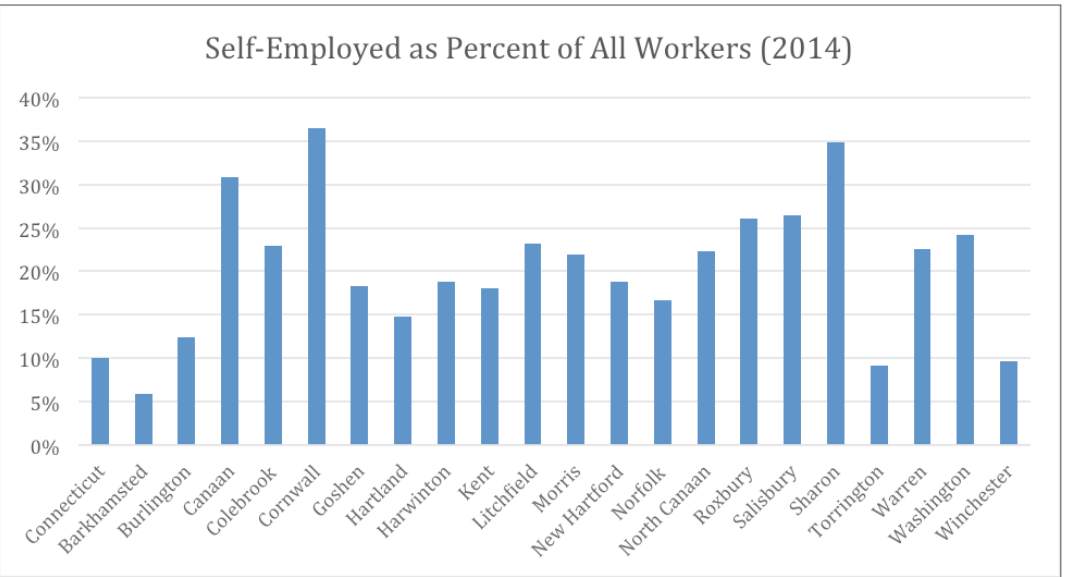## DATA SOURCES

Housing Trends

- Connecticut Department of Community and Economic Development
  - *The Connecticut Economic Digest* Monthly Permit by Town

- Connecticut Department of Energy and Environmental Protection
  - Summary Report – Municipal Solid Waste (MSW) Recycling and Disposal Data

- Connecticut Office of Policy and Management
  - Real Estate Sales Listing

- University of Connecticut Center for Land Use Education and Research
  - Your Town: Land Cover

- U.S. Census Bureau
  - Decennial Census
  - American Community Survey Multiyear Estimates

- Individual towns' Hazard Mitigation Plan, Natural Resource Inventory, Plan of Conservation and Development, or Open Space Plan
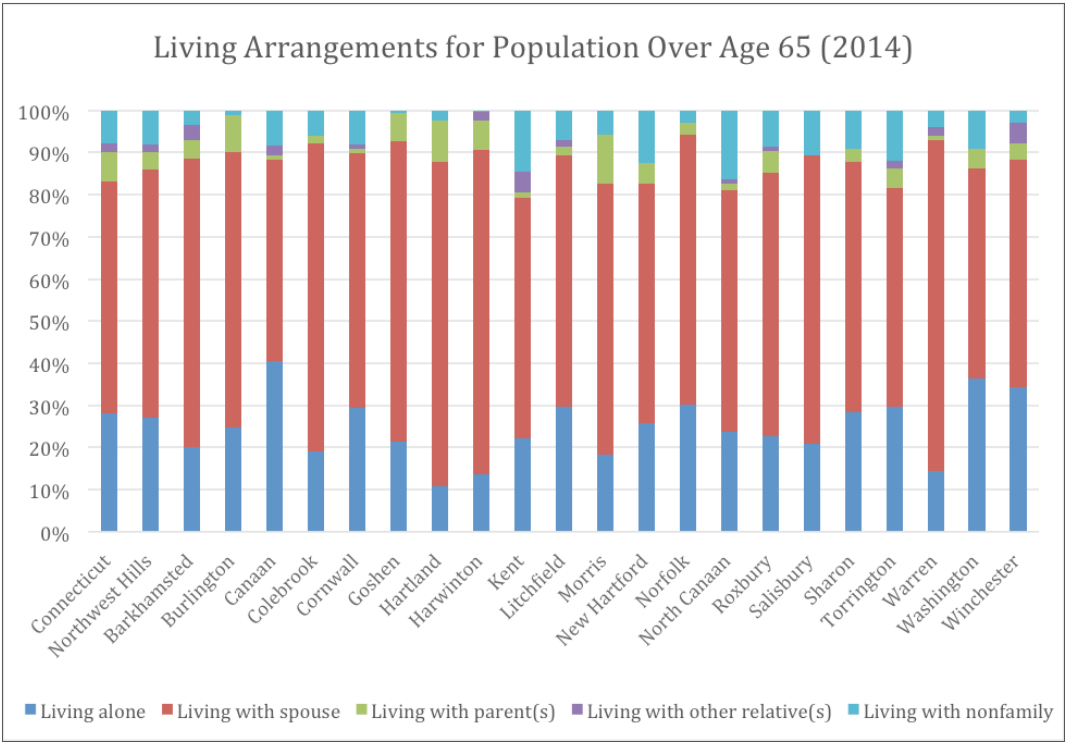
Population Change by Town
(Long-Term, Recent, and Projected)

Population by Age Group (2014)

■ Under 18   ■ 18-44   ■ 45-64   ■ Over 64

Self-Employed as Percent of All Workers (2014)

Household Size by Town (2014)

■ 1 person   ■ 2 people   ■ 3-4 people   ■ 5-6 people   ■ 7 or more people

Households That Spent More Than 30% of Income on Housing (2014)

Living Arrangements for Population Over Age 65 (2014)

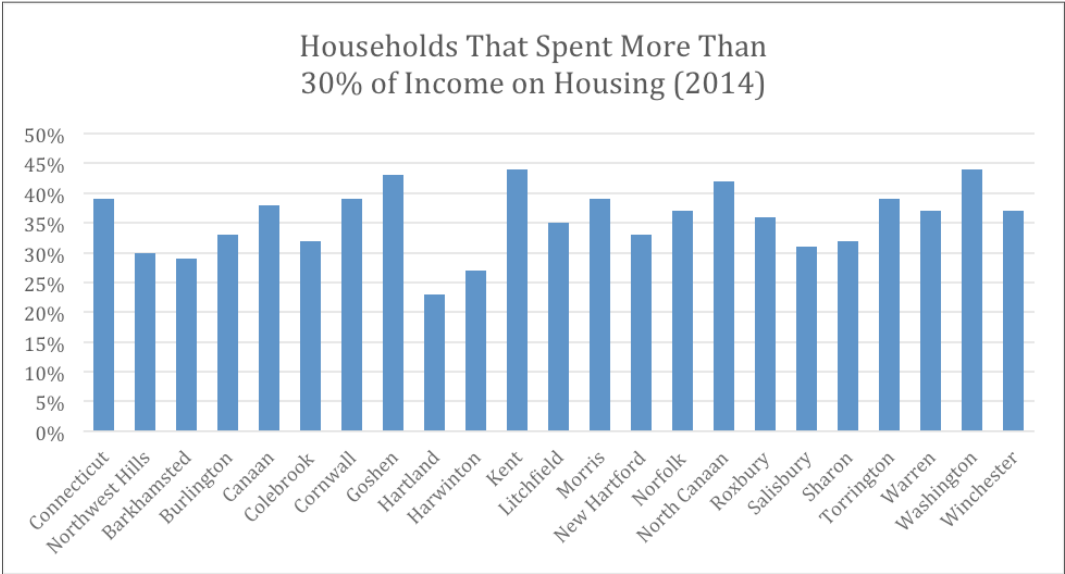Legend: ■ Living alone ■ Living with spouse ■ Living with parent(s) ■ Living with other relative(s) ■ Living with nonfamily

Photos of:
- Kent Falls, Cornwall Covered Bridge, Torrington / Warner Theater, Litchfield Town Green, Salisbury, First Congregational Church in Kent, Collins Diner, Kent Train Station, and Sharon Tower by Joe Mabel, through Creative Commons License via Wikimedia Commons.
- Infinity Hall in Norfolk by DMadeo, through Creative Commons License via Wikimedia Commons.

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