Government policymakers in Rhode Island, and New England as a whole, have to address the economic implications of a population that’s growing slowly at the same time it’s becoming more racially diverse, say researchers analyzing new data from the U.S Census Bureau.

There are two important aspects of the changing demographics, said Alicia Sasser, of the Federal Reserve Bank of Boston.

“One thing is having enough workers, and the other thing is having enough workers with the right mix of skills,” said Sasser, who is a senior economist in the reserve’s New England Public Policy Center.

Rhode Island’s population increased by 0.4 percent — the smallest rise in the nation. Rhode Island outranked only Michigan, which was the only state to see its population decrease. New Hampshire led the New England region, with a 6.5-percent increase.

The Hispanic or Latino demographic in Rhode Island grew by 43.9 percent in 2010 from 2000, according to Census Bureau figures released Wednesday. Hispanics now make up 12.4 percent of the Rhode Island population.

In Massachusetts, the Asian and Hispanic populations both climbed 46 percent from 2000, while the number of blacks rose 26 percent. The number of whites in the Bay State fell almost 2 percent, according to Census figures. Now, slightly less than 10 percent of Massachusetts residents say they are of Hispanic or Latino origin, while 5.3 percent say they are Asian.

“I think a lot of people were thrown by the Hispanic population numbers,” said Sasser. “We better get used to it.”

According to the Fed’s own analysis, New England was 82-percent white in 2009. That will drop to 74 percent in 2019 and fall to 63 percent by 2029. Meanwhile, the fastest-growing minority sector will be Hispanics, who will rise from 7.6 percent to 18 percent of the population during that time.

John Logan, a Brown University sociologist and a census expert, said it’s important to understand why Hispanics and Asians moved here during the last decade as the percentage of white residents declined.
“This is actually a familiar pattern in declining economies,” Logan said.

As a region sheds higher-wage, higher-skill jobs, the established population — in Rhode Island’s case, primarily whites — begins moving away. They’re replaced by arrivals who are either less well-educated, or at least more willing to take the lower-wage, lower-skill jobs that remain.

It happened in Rhode Island and Southeastern New England, where jewelry factories and other manufacturing operations left the region. It happened in New York City and Los Angeles, where certain higher-skilled, unionized, garment-industry workers left those areas.

“It creates opportunities for new people who are able to survive under those new conditions, and they can provide a replacement work force,” Logan said.

The problem, then, for policy officials, is how to grow an economy in the face of that dynamic.

In some areas of the South, where skills and education may be low, communities have attracted meat-packing plants and food-processing factories, noted the researchers.

Would Rhode Island, or New England, be served by adopting a similar tactic?

“I don’t know that we develop a new economy that can take advantage of the unskilled work force that’s becoming available,” Logan said. “A mistake would be to plan an economy that would presume a low-skill work force forever.”

A better policy framework would be to ask: “How can we develop the skill level in terms of education and job training so that it will be capable of supporting a higher-level economy?”

Sasser, the Federal Reserve economist, agreed.

She noted that what’s really missing right now from New England, the U.S. region with the highest percentage of college graduates, are people who can fill the “middle-skill” jobs that are coming open in health care, computer technology, law or telecommunications. Those include jobs such as surgical technician, paralegal, computer support technician or line installer. Such jobs require training and education beyond a high school diploma, but don’t require a bachelor’s degree.

Government agencies and private entities have to come together to accommodate people who are “non-traditional” students, she said.

Without such efforts, there will be fewer people with the necessary job skills in New England, and the region will decline as a result.

“We might actually see firms leave and go to other parts of the country,” Sasser said.
Developing the skills of young Hispanics and Asians in Rhode Island now is crucial, said Logan, the Brown economist, “So that 10 years from now, there can be a reason for investors to choose Rhode Island.”

BY THE NUMBERS

Population growth in the six New England states was lower than the nation as a whole from 2000 to 2010.

9.7% - U.S. population growth

6.5% - New Hampshire

4.9% - Connecticut

4.2% - Maine

3.1% - Massachusetts

2.8% - Vermont

0.4% - Rhode Island