Demographic Shifts Highlighted by COVID-19

The ‘shelter-at-home’ directive that took place across most of the U.S. this spring shed new light on just how different ‘home’ is across the U.S., and led to a number of new, enhanced, accelerated or disrupted demographic trends. In this issue of CCC Trends we’ll explore these trends and what potential impact they may have on our industry.
Where Americans are Living

According to the U.S. Census Bureau, the U.S. population between 2018-2019 grew only 0.48 percent, its slowest rate of growth since 1918, and positions the decade between 2010 and 2020 to see the lowest projected rate of growth since the Great Depression.\(^1\) Lower birth rates, immigration from abroad, and an aging population are the key dynamics driving the projected growth for the decade of only 7.1 percent.\(^2\)

Analysis by state however shows growth pre-COVID-19 had not been equal. Assuming the growth rate from July 1, 2018 to July 1, 2019, reported in Census estimates, continued through April 1, 2020, several states in the West and South will have grown over 15 percent between 2010 and 2020, while several states in the Northeast and Midwest actually shrank (see Figure 1).\(^3\)

Despite significant population growth in certain states, the U.S. overall had experienced its lowest rate of migration/domestic moves in CY 2018-2019 since the U.S. Census Bureau began tracking in 1947.\(^4\) Only 9.8 percent of the population changed residences in CY2018-2019, compared to a high of 20% in the 1940’s-1960’s, and 15-16 percent in the 1990’s.\(^5\) COVID-19 seems to have reversed that trend, as movement in and out of certain states ramped back up again. According to a Pew Research Center survey, 22 percent of U.S. adults either changed residence due to the pandemic or know someone who did (see Figure 2).\(^6\)
And according to data from United Van Lines’ parent company, UniGroup, relocations in or out of certain states varied sharply. For example, out of every 10 moves, 7 households are leaving New Jersey (see Figure 3).7

Figure 3: Top 10 Outbound and Inbound States During COVID-19
Percent of Those that Relocated To/From that State

During the last decade the U.S. had also seen more of its population shift away from rural areas to metro areas. In fact, 56 percent of the U.S. population resides in the 53 major metropolitan areas with populations that exceed 1 million people (including cities like NYC, Chicago, Los Angeles, Boston, Atlanta, Houston, Denver, Phoenix, and Miami).8 These large metro areas in particular saw strong growth during the first half of the 2010’s decade, although that growth slowed in the second half, with smaller metro areas and suburban counties seeing stronger growth.9 Comparison of growth rates for the urban core counties of those metropolitan areas with population of 500K or more underscores this trend, as population shifted from the urban core (see Figure 4).10
More people, especially young adults, began to move to the suburbs in search of more affordable housing. According to a 2016 study by the Urban Land Institute’s Terwilliger Center for Housing, the suburban areas surrounding the 50 largest metro areas already accounted for 79 percent of the population of those areas. With more people located in the suburbs, the number of people using their vehicles to commute to work has remained close to 90 percent for the last several decades.
Not surprisingly, the time spent commuting to work had also grown (see Figure 5) - among these 50 largest metro areas, fewer than 12 percent of jobs were reachable within 30 minutes (see Figure 6). Compare to data showing where population growth is highest, and you can see why congestion pre-COVID-19 had been a growing problem.

Where Americans are Working

One of the few benefits of COVID-19 was considerably less traffic on the road, particularly at rush hour. Data from INRIX reveals rush hour vehicle miles traveled in many major metro areas was still down between 15 and 30 percent in July versus pre-COVID-19 levels, and rush hour travel speeds in these same cities were between 10 and 35 percent higher in July versus pre-COVID-19 levels.\(^\text{13}\)

A survey conducted in mid-August 2020 by the Conference Board reveals 35 percent of companies say the date for re-opening their workplaces is still unknown, suggesting remote work may help keep roads less congested during typical rush hour for some time (see Figure 7).\(^\text{14}\)

According to data from Gallup surveys, the percent of U.S. workers who have “...ever telecommuted...worked from your home using a computer to communicate to your job” has grown steadily over the last several decades and saw a further increase because of COVID-19, growing from 9 percent in 1995 to 42 percent in 2019 to 49 percent in 2020.\(^\text{15}\) But perhaps even more significant is the over 200 percent increase in the number of days worked remote (see Figure 8).\(^\text{16}\)
The Gallup survey also reveals half of U.S. workers (51 percent) currently worked entirely at a location outside their home. And, analysis by CEPR of American Community Survey 2014-2018 5-Year Estimates, reveals an estimated 31.7M workers are employed in six ‘essential’ or ‘frontline’ industries, or 21 percent of the estimated 152.6M total U.S. workers aged 16+. These include individuals employed in the following six industries: Grocery, Convenience, and Drug Stores (21.5 percent of the total number of frontline workers); Public Transit (2.5 percent); Trucking, Warehouse, and Postal Service (9.9 percent); Building Cleaning Services (4.7 percent); Health Care (50.8 percent); and Child Care and Social Services (10.5 percent). And, less than 10 percent of these workers use public transit to commute to work.

Research from the Federal Reserve Bank of Atlanta, Stanford, and University of Chicago suggests nearly 40 percent of U.S. jobs can be done at home, but that does not mean they are. To gauge the potential change to the frequency of work-from-home post-COVID-19, they gathered research through their “Survey of Business Uncertainty” and determined the anticipated share of working days at home is set to triple after the pandemic ends, rising from 5.5 percent to 16.6 percent of all working days. Additionally, firms anticipate that 10 percent of their full-time workers will be working from home 5 days per week post-pandemic. Finally, Figure 9 reveals additional survey results showing the anticipated work-from-home expectations post-pandemic by industry.
For many businesses, how they engage with their employees and customers has moved to a digital model almost overnight. Consumers that may have been unwilling to do certain things online—like banking, seeing a doctor, or filing an auto claim—have now experienced those things digitally, and most have found the experience satisfactory and expect to use the digital services again post-pandemic.24

With restaurants, sporting and cultural events, travel and more put on hold during the pandemic, more Americans worked, shopped and played movies on-line.25 With many retail locations closed at the spring peak of the pandemic, consumers shifted more of their shopping online. U.S. retail e-commerce sales increased 44.5 percent in Q2 2020 from Q2 2019, picking up 5 percentage points of the total retail market with 16.1 percent of all retail sales for the quarter.26

Knowing how people will work in the post-pandemic future is nearly impossible to know at this time. However, with more of your employees and customers having shifted much of their interactions with numerous industries to digital channels, customer expectations have surely shifted.

How Americans are Working

As the pandemic spread globally, travel to and for work swiftly stopped. Employees and customers have had to learn how to hold meetings via web conference tools like Zoom. An NBER working paper study of 3.1 million people working for more than 21,000 companies globally comparing employee behavior before and during the COVID-19 lockdowns found people working longer hours and spending more time online (see Figure 10).23

Figure 10: Impact of COVID-19 on Employee’s Digital Communication Patterns

For many businesses, how they engage with their employees and customers has moved to a digital model almost overnight. Consumers that may have been unwilling to do certain things online—like banking, seeing a doctor, or filing an auto claim—have now experienced those things digitally, and most have found the experience satisfactory and expect to use the digital services again post-pandemic.24
Overall miles driven in the U.S. declined nearly 40 percent alone in the month of April 2020, followed by a 26 percent decline in May, a 13 percent decline in June, and an 11 percent decline in July. Assuming miles driven continues its recovery and are essentially flat in Q4 2020 to where they were in Q4 2019, CCC estimates miles driven for the full year 2020 will end up down 9.5 percent (see Figure 11).

Figure 11: Projected Change in Vehicle Miles Traveled CY2020 VS CY2019
CCC Projection as of 22Sep2020

CCC Forecast Updated 22Sep20
CY2020 Percentage Change in U.S Miles Driven VS CY2019

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1%</td>
<td>2.3%</td>
<td>-18.7%</td>
<td>-39.8%</td>
<td>-25.7%</td>
<td>-13.2%</td>
<td>-11.2%</td>
<td>-4.2%</td>
<td>-2.7%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>-9.5%</td>
</tr>
</tbody>
</table>
Looking forward to CY 2021, if companies adopt a hybrid approach that incorporates both remote and in-office work, the net impact to miles driven and congestion could be negligible, leading to minimal change in miles driven overall. With that said, COVID-19 has accelerated and likely made permanent changes in how people shop, where they live, and how they work. Auto accident counts have already begun to decline as a growing number of vehicles are equipped with advanced driver assistance systems (ADAS) that help avoid common accident types. Demographic changes as a result of COVID-19 may slow this decline, but not by much, and certainly not indefinitely. The change in miles driven and daily traffic volumes from COVID-19 were unprecedented; even during the Great Recession the largest year-over-year decline in the number of U.S. miles driven on a rolling 12 months basis was just over 3 percent. Auto claim counts fell, but not anywhere close to the declines registered this year. Assuming the world continues to re-open as it has been, and no significant second wave of the virus leads to another shutdown, auto claim counts in CY 2021 will certainly be higher than those in CY 2020, but will likely continue trending downwards, ending up down between -1.5 percent and -3 percent versus CY 2019.

The COVID-19 pandemic has led to a number of new, enhanced, accelerated or disrupted demographic trends. Where people live, where they work, and how they work have experienced differing levels of change, and it’s difficult to know how much of that change is permanent. Rush hour accident counts may remain lower, but accident severity may be higher. With more online shopping and more vehicles equipped with ADAS technology such as automatic emergency braking, accidents that might have occurred in retail parking lots may eventually disappear. As more people work from home, more may be open to a telematics user-based auto insurance policy, potentially offering new ways to engage with the insurance carrier, OEM, and repair facility. Suffice it to say, the post-pandemic world will be different. Even pre-pandemic our industry was trying to understand the potential impact from shifting mobility, whether it was ride-hailing, car-sharing, vehicle connectivity, or incorporation of the building blocks to full vehicle autonomy on today’s vehicle repair. Companies across all industries have had to accelerate the development of digital platforms for safety reasons now – not just to provide a unified platform experience, where parties are connected, to ultimately deliver both transparency and saved time. It’s these technologies that can free up talent to provide a personalized, high-touch experience, something even more important in our crazy world.
The information and opinions in this publication are for general information only, are subject to change and are not intended to provide specific recommendations for any individual or entity. Although information contained herein has been obtained from sources believed to be reliable, CCC does not guarantee its accuracy and it may be incomplete or condensed. CCC is not liable for any typographical errors, incorrect data and/or any actions taken in reliance on the information and opinions contained in this publication. Note: Where CCC Information Services Inc. is cited as source, the data provided is an aggregation of industry data related to electronic appraisals communicated via CCC’s electronic network or from total loss valuations processed by CCC.


[2] Ibid.

[3] Ibid.


[5] Ibid.


[9] Ibid.

[10] Ibid.


[16] Ibid.

[17] Ibid.


[19] Ibid, Table 1.

[20] Ibid, Table 1.


[22] Ibid.


