

## **Demographics and Country Music Trends**

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Trade rags and newspapers bemoan the slump in Country Music album sales. SoundScan data show 1999 country album sales down 4.5 percent from 1998. The search is on for the new Shania to refill the coffers of Music Row.

### **Homogenized Country Music Missed the Market**

The decline is no mystery. Country Music has been homogenized to appeal to a declining target market—25-34 White demographic segment.

Is anybody looking at the changing demographics in America? Enrique Iglesias sang at the Rockefeller Center Christmas Tree lighting last month--not Garth Brooks. Jennifer Lopez sold more albums than all country artists but Shania and the Dixie Chicks, and Ricky Martin sold more than any of the country artists.

Station managers, program directors, and Music Row executives who made recording and programming choices aimed at that critical 25-34 demographic cut failed to anticipate the 5 percent decline in Whites 25-34 in the last decade and rapid rise of Hispanics. Hispanics 25-34 increased 21 percent. The cumulative effect of this societal change is especially apparent in music. Salsa albums are flying out the door; Country albums are languishing.

### **Numbers Show that Programming for 25-34 Audience is a Mistake**

The Hispanic population grew at 3.7 percent annually over the last decade—over four times faster than Whites. Nearly 40% more Hispanics live in the U.S. today than a decade before. Large urban markets reveal even larger Hispanic concentration. Half of the residents of Los Angeles County will be Hispanic this year. Thirty percent of New York City is Hispanic. No mystery why Salsa is hot-hot-hot. FM107.9—in Spanish—is Number 1 in Los Angeles! They don't play Country.

Makes you wonder what numbers music and radio executives look at when they make their selections of the handful of artists who get airplay. Programming country music to 25-34 White Females turns out to have been a mistake. Fewer

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White Females are in the market today than 1990. Johnny Rogriguez where were you when we needed you? (Oh well, if you were still around, PDs would certainly “Pass [You] By,” even though yearend sales data suggest that their air play decisions were “Born to Lose.”)

Forecasts show that the 25-34 trends will change only slightly: Hispanics 25-34 will increase nearly 20 percent by 2010, while Whites 25-34 will remain about static. (Chart 2.) Salsa is here to stay! The 25-34 audience remains a poor market to bet Music Row on.

### **Whither Country Music?**

Unless Music Row is planning to crossover to Hispanic music, a new market strategy is needed. Luckily, a different market remains ignored and untapped. Music Row's ability to capitalize on an obvious demographic trend will make the difference—or not.

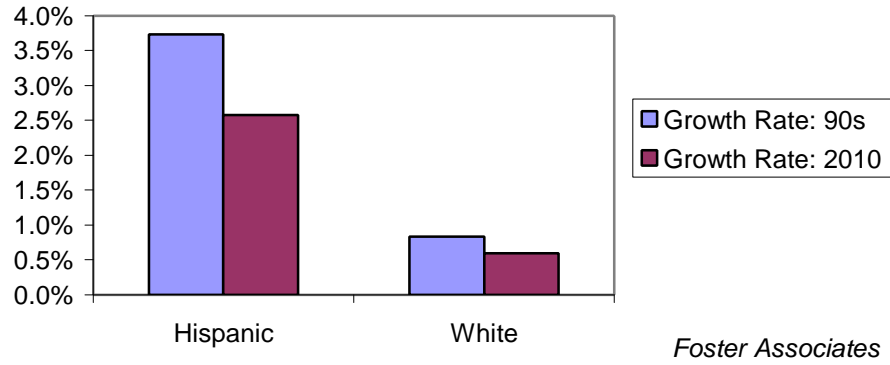
Look out for the Baby Boomers--the new target market. Whites 55-74 will grow even faster than Hispanics in the first decade of the 21<sup>st</sup> Century, increasing 31 percent by 2010 compared to 21 percent. (Chart 2.) While this segment was nearly equal in size to the Whites 25-34 in 1990—about 30 million--they outnumbered the younger group in 1998, and will dominate the younger group by nearly 60 percent by 2010—48 million compared to 30 million. (Chart 3.)

Yes, Music City, old white guys can save your butt! “Old Dogs,” for example, would sell to Boomers if it got any airplay. The Baby Boomers had large effects on housing markets in earlier decades, continue to have a large effect of financial markets, and are having a large effect on recreation markets. They grew up on Waylon, Willy and the Boys; they have bucks; they play CDs in their RVs; and there are more of them than White Females 25-34. You can bet 16<sup>th</sup> Avenue that this segment of society is not interested in hearing a “15 artists” play list.

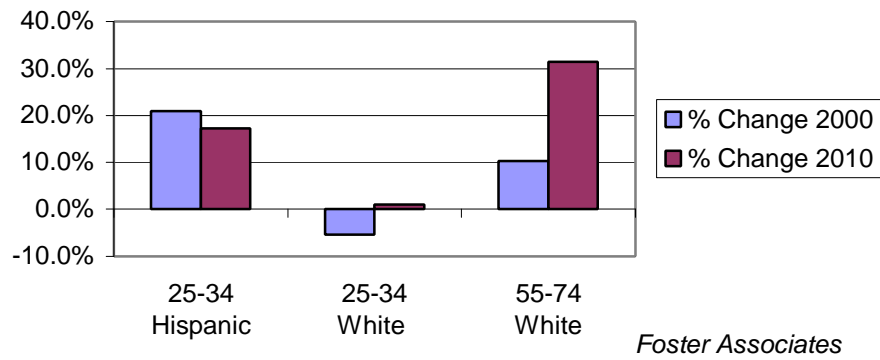
Baby Boomers' clout suggests that Music Row's market strategy aimed at finding “another Shania crossover” is not enough. Country music diversity, not homogeneity, will sell albums to Baby Boomers—assuming the albums get airplay. Broader play lists will sell more albums for more artists and result in increased overall sales.

It's the demographics, stupid. Where's your sign?

### 1. Annual U.S. Population Growth Rates



### 2. Target Market Changes: 1990 - 2010



### 3. Target Market Population Growth

