

Demographic Puzzle: Build Your Business Success!

Introduction

Marko is launching an **IT startup** in **Slovenia** and needs data-driven insights to select the best location. His research focuses on four key areas: **population demographics**, **unemployment rates**, **foreign residents**, and **migration trends**. By analyzing these factors, he aims to identify a region with a strong workforce, innovation potential, and economic stability.

Key Insight: Understanding regional differences is crucial for business success.

Goal

Identifying the optimal Slovenian business location for Marko using statistics.



1. Population demographics

Aging Population

- Rapid growth in the elderly (65+):
- Coastal-Karst (+20%), Carinthia (+19.9%), and Murania (+18.2%) saw the sharpest increases.
- Central Slovenia had the smallest rise (+12.9%), making it more balanced.

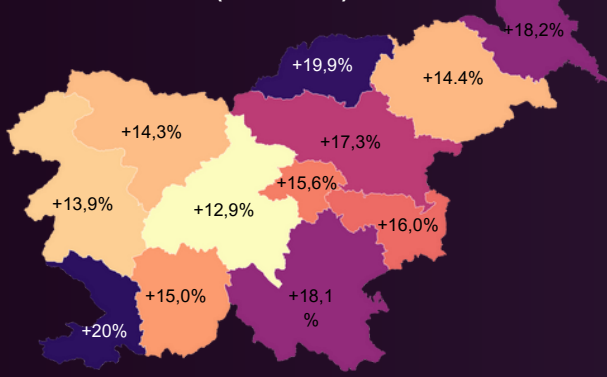
Implications: An aging population may reduce workforce availability but increase demand for healthcare and tech-assisted living solutions.

Youth Decline (Under 14)

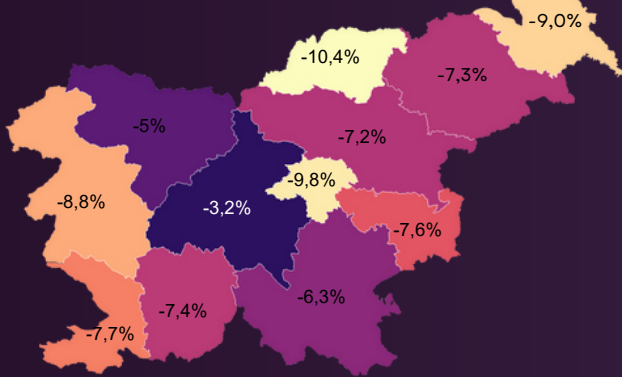
- Smallest Decline: Central Slovenia (-3.2%) and Upper Carniola (-5%).
- Largest Decline: Carinthia (-10.4%) and Central Sava (-9.8%).

Why It Matters: Younger populations drive innovation and consumer demand. Central Slovenia stands out as the most promising for long-term growth.

Change in population aged 65+, Slovenia (2017-2023):



Change in population aged 0-14, Slovenia (2017-2023):

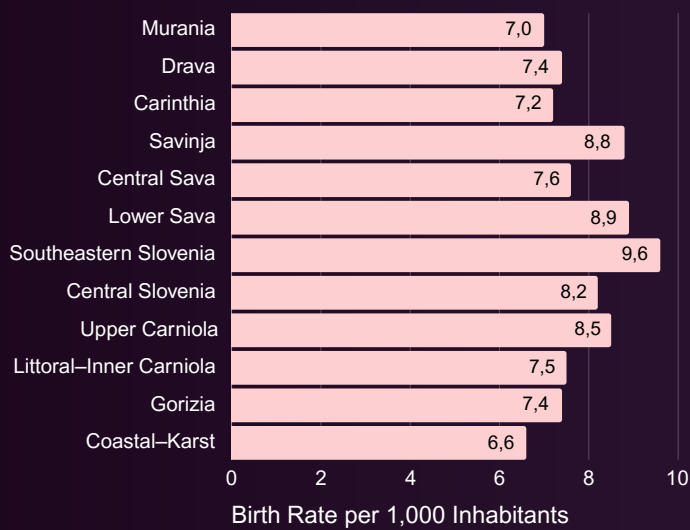


Birth rate trends

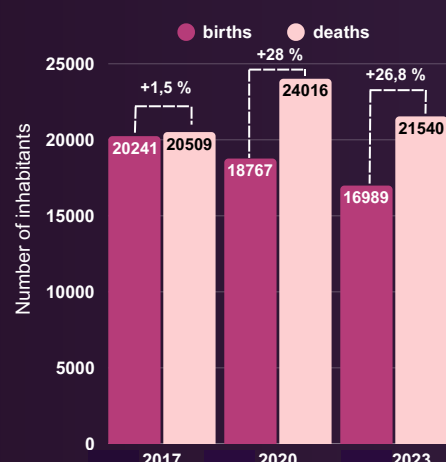
- Births dropped by 16.1% since 2017, with only 8 births per 1,000 people in 2023.
- Regional Contrasts:
 - Highest Birth Rate: Southeastern Slovenia (9.6/1,000) – potential for family-oriented businesses.
 - Lowest Birth Rate: Coastal-Karst (6.6/1,000) – may face future labor shortages.

Business Impact: Low birth rates threaten long-term economic growth, emphasizing the need for policies to support young families.

Birth rate by Statistical Region, Slovenia (2023):



Number of births and deaths in 2017, 2020, 2023, Slovenia:



2. Unemployment rates

Regional Differences

- Highest Unemployment: Central Slovenia (15,593 in 2023) due to its large population.
- Lowest Unemployment: Littoral-Inner Carniola (1,223) – a smaller, more stable labor market.

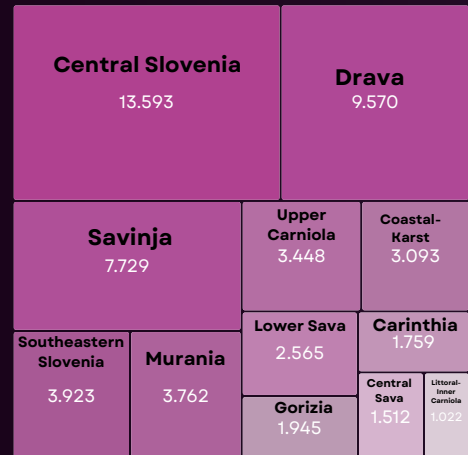
Positive Trend: Unemployment in Central Slovenia fell by 44.6% since 2017, signaling economic improvement.

Education Matters

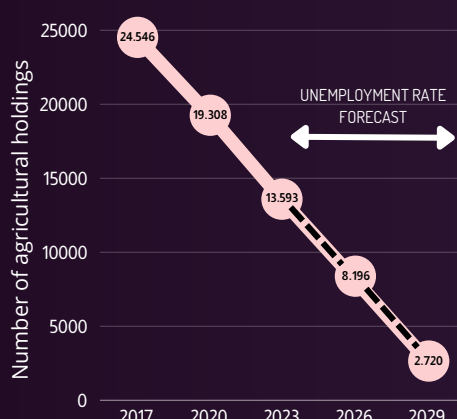
- Strong Correlation: Regions with more highly educated residents have lower unemployment.

Opportunity: Investing in education (e.g., scholarships for IT fields) could further reduce joblessness and boost tech startups.

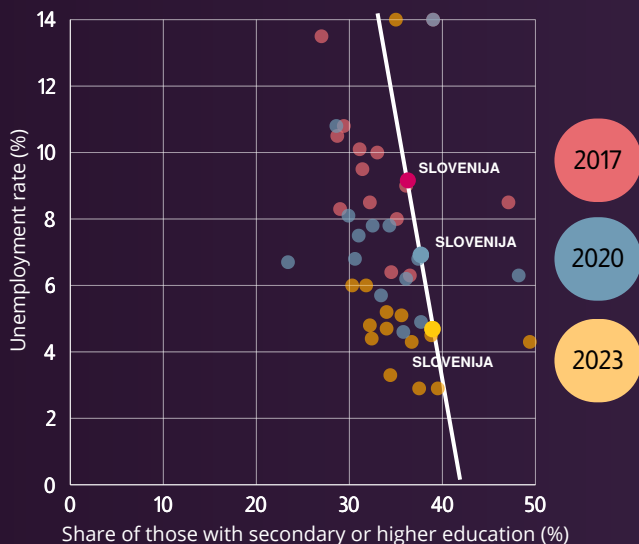
Unemployment by Region, Slovenia (2023):



Unemployment Trends, Central Slovenia Region (Annual Data):



Share of Unemployed Population vs. Share of Population with Higher Education by Statistical Region (and Slovenia), 2017-2020-2023:



3. Foreign Residents

Regional Distribution

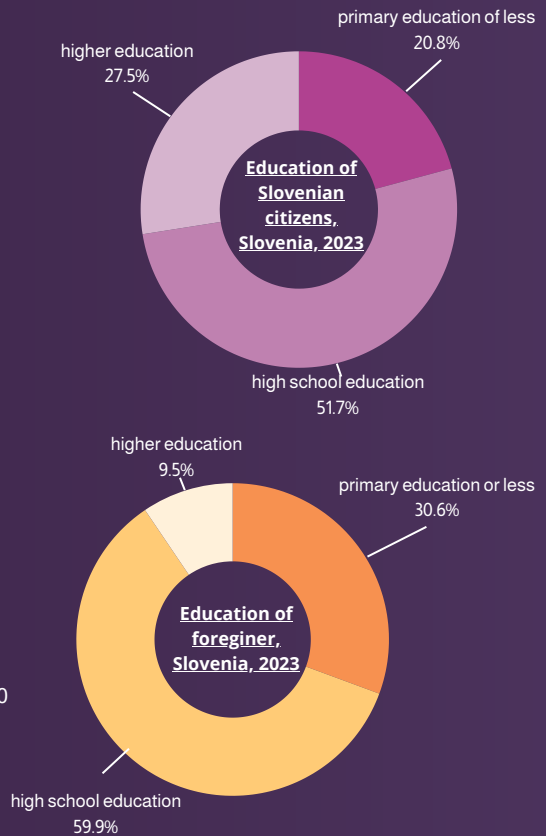
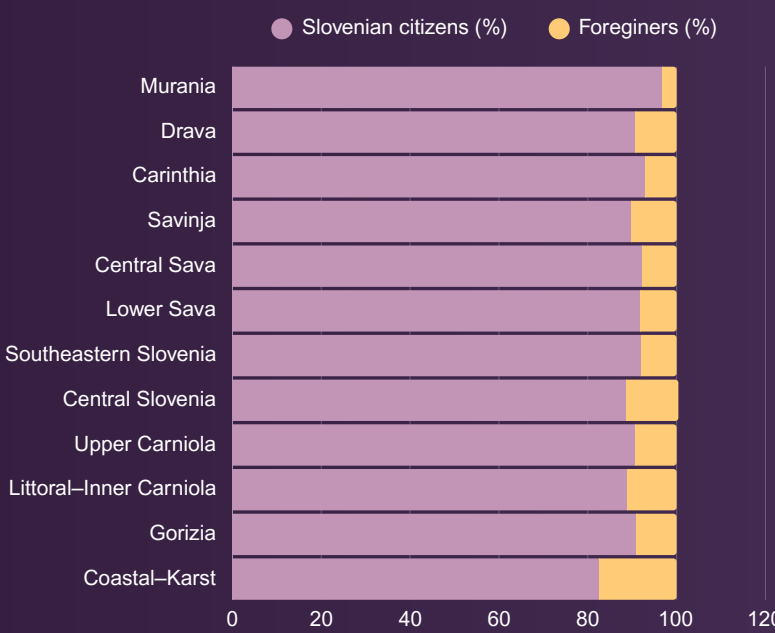
- Highest Foreign Population:
 - Coastal-Karst (17.3%) – tourism and international appeal.
 - Central Slovenia (11.7%) – diverse workforce for startups.
- Lowest Foreign Population: Murania (3.2%) – less multicultural but potentially lower competition.

Education Gap

- Slovenians: 27.5% have higher education.
- Foreigners: Only 9.5% – but they bring unique skills (e.g., trades, hospitality).

Business Potential: Target high-tech sectors in educated regions or service industries where foreign workers excel.

Proportion of Slovenian citizens and foreigners, Slovenia, 2023



4. Migration trends

Internal Migration

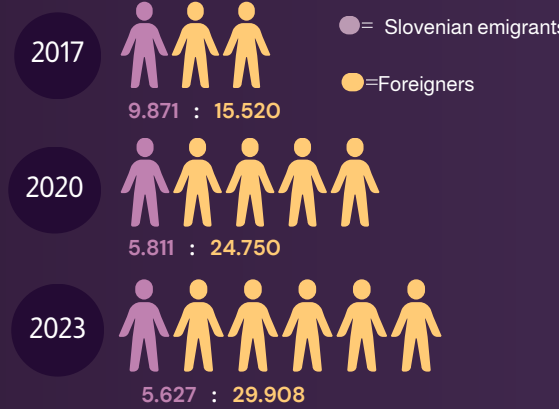
- Central Slovenia attracts the most newcomers (+1,151 net migration in 2023).
- Upper Carniola saw the largest outflow (-1,522), possibly due to high living costs.

Immigration Boost

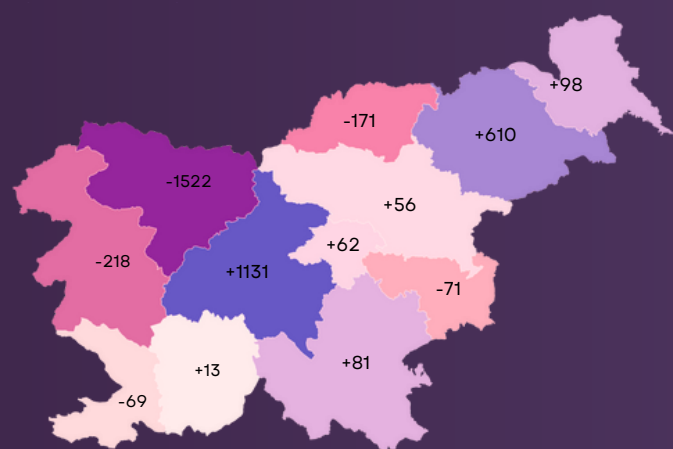
- More foreigners are moving to Slovenia, bringing skills and diversity.

Opportunity: Businesses in urban centers can tap into this growing, dynamic workforce.

The ratio between Slovenian citizens who emigrated abroad and immigrants from abroad:



Immigration and emigration between statistical regions, Slovenia, 2023:



Conclusion

- The **Central Slovenia** region has the smallest decline in young populations (under 14) and the lowest aging rate (65+), making it favorable for innovation.
- Unemployment is decreasing, with a strong negative correlation between higher education and joblessness. **Central Slovenia** has the highest number of unemployed but also the sharpest decline.
- The **Coastal-Karst** region has the highest share of foreigners (17.3%), who often have higher education levels compared to Slovenians, impacting workforce dynamics.
- Central Slovenia** attracts the most internal migrants, while **Gorenjska** region has a negative migration balance.

Conclusion: **Central Slovenia** is the top choice for Marko due to its young population, education levels, and migration trends. **However**, it is important to note that, based on the analyzed data, Slovenia is a fairly centralized country, which can lead to an uneven distribution of opportunities. Therefore, it might be more sensible to consider establishing a business outside the central area, where you could benefit from a less competitive environment, lower costs, and potential support from local authorities for regional development.

Further research

Guidelines for further research to improve the business plan and regional selection:

1. Labor Market Analysis

- Identifying high-demand sectors (e.g., IT, healthcare, construction) in target regions.
- Assessing alignment between education programs and labor needs, especially in Central Slovenia and coastal regions.

2. Economic Factors

- Comparing business costs (rent, tax incentives, subsidies) across regions.
- Evaluating infrastructure (transport, 5G, proximity to universities/R&D centers).

3. Foreign Talent Integration

- Reviewing policies for skilled immigrants (e.g., employer incentives) in high-migration regions.
- Leveraging multiculturalism for innovative startups (e.g., multilingual environments).

5. Regional Opportunities

- Considering less competitive regions (e.g., Murania, Carinthia) for lower costs/local support.
- Assessing tourism-linked IT potential (e.g., digital platforms) in coastal areas.

6. Data Enhancement

- Using predictive models (e.g., aging population simulations by 2030).
- Including comparative data from similar countries (e.g., Croatia, Austria).

Next Steps:

- Conducting surveys (e.g., young families in Central Slovenia).
- Collaborating with local institutions (e.g., chambers of commerce) for subsidy data.
- Analyzing risks (e.g., low birth rates' long-term impact).

REFERENCES:

Microsoft Excel: data processing, creating tables and graphs, calculating ratios, coefficients, shares...

Datawrapper: creating infographics, tables and maps

Canva: graphic design of the poster

Photoshop: graphic design

SURS: data