

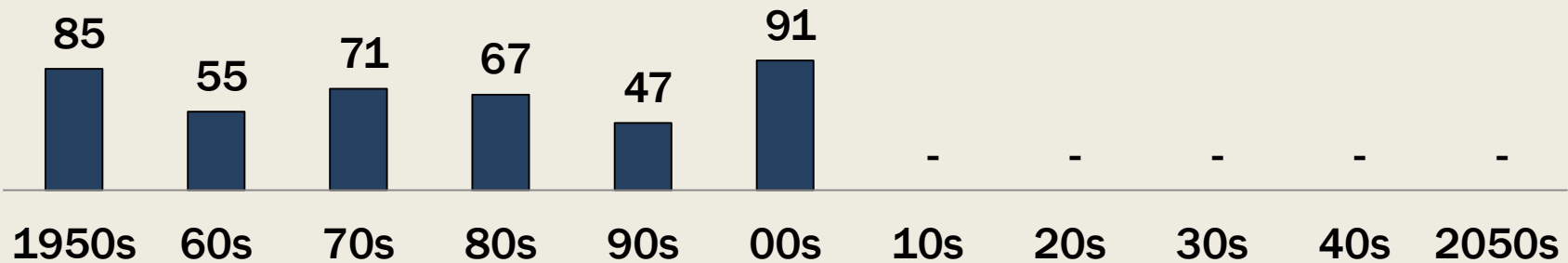


Minnesota State Demographic Center

**Susan Brower, Minnesota State Demographer
(Modified by Sean Kershaw)
July 21, 2016 (September 29, 2016)**

NUMBER OF MN'S OLDER ADULTS WILL INCREASE SUBSTANTIALLY OVER THE NEXT 20 YEARS

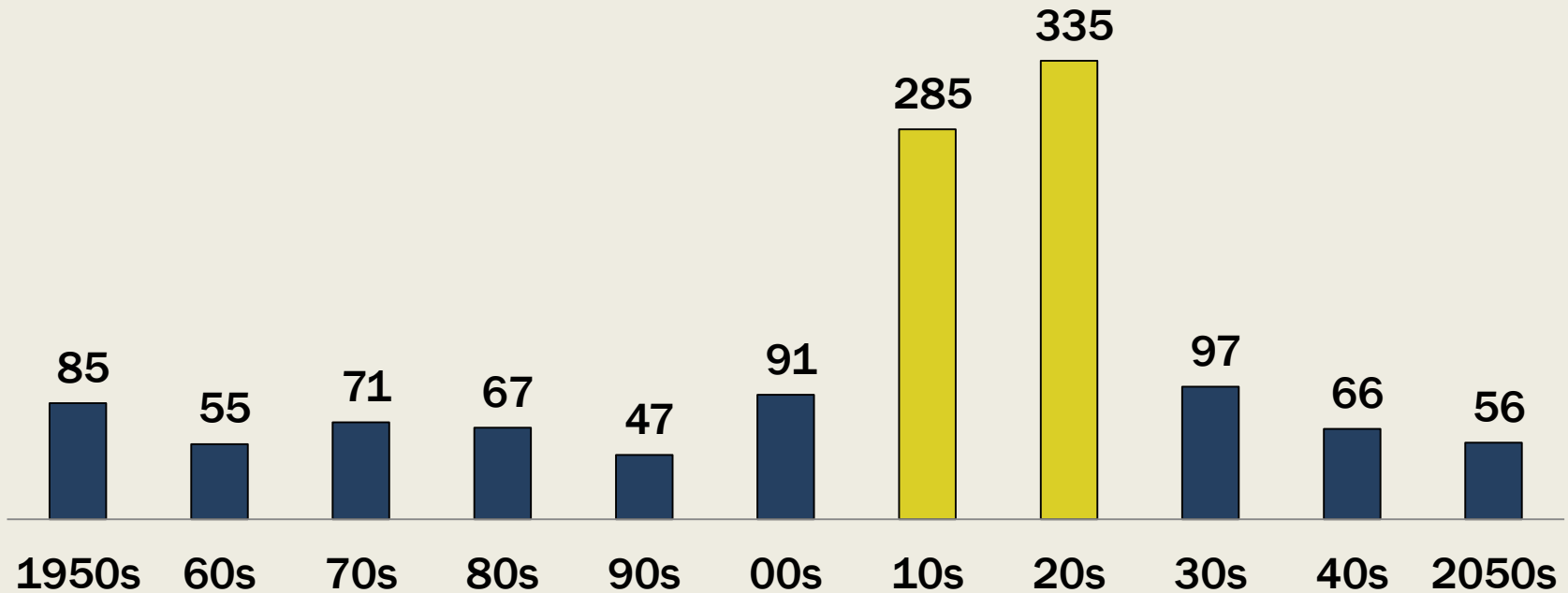
Change in older adults, age 65+ (Thousands)



Sources: U.S. Census Bureau and Minnesota State Demographic Center

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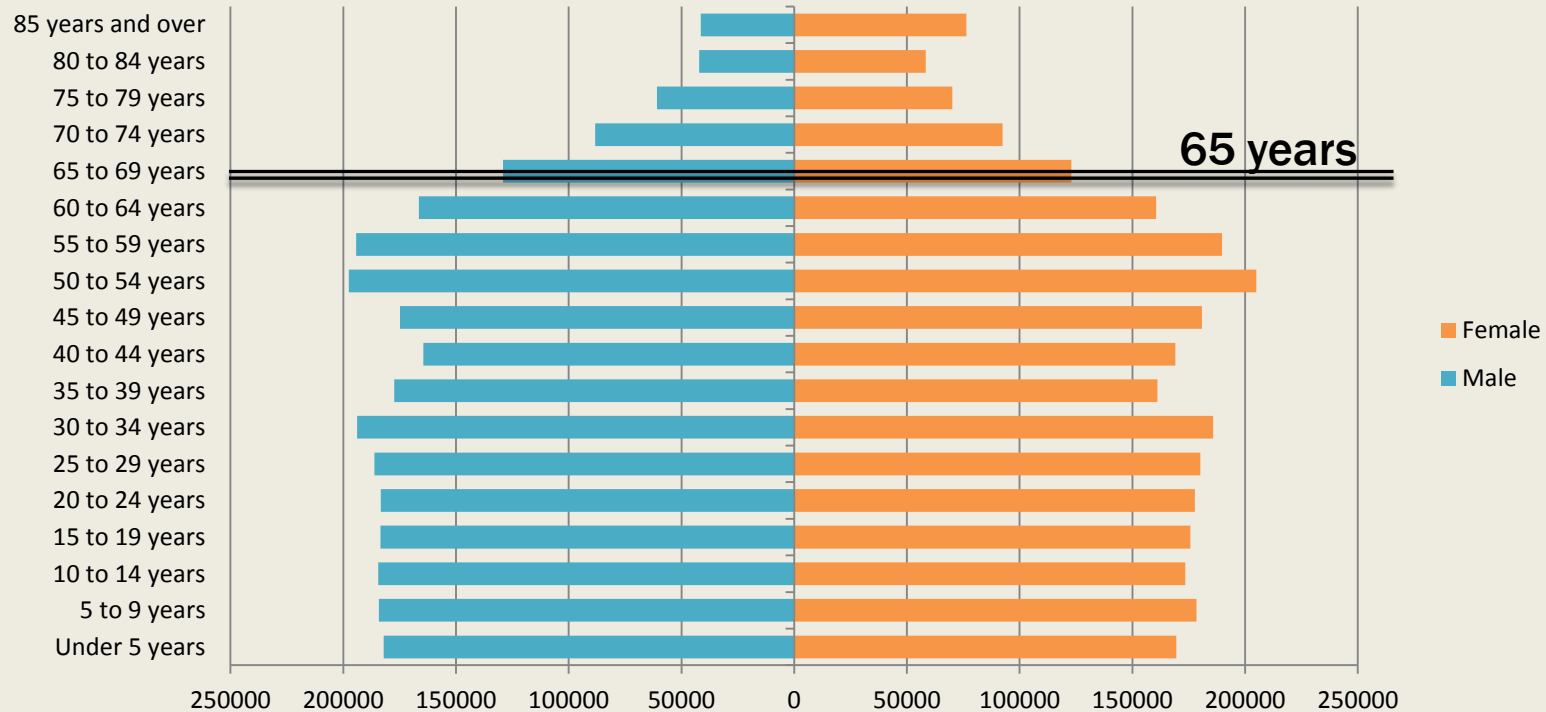
Change in older adults, age 65+ (Thousands)



Sources: U.S. Census Bureau and Minnesota State Demographic Center

WHAT MINNESOTA LOOKED LIKE... LAST YEAR

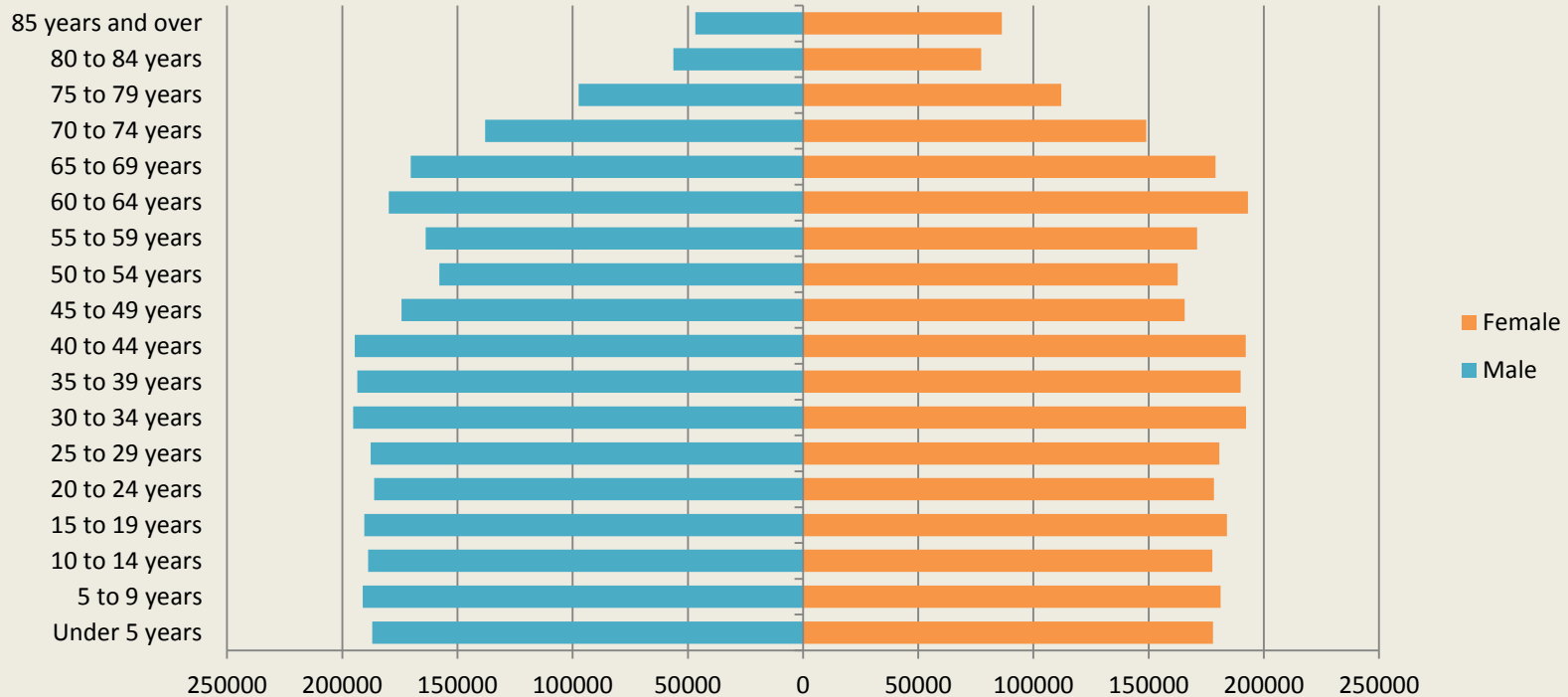
Population by age and sex
Minnesota, 2015



Source: Minnesota State Demographic Center

WHAT MINNESOTA WILL LOOK LIKE... IN 9 YEARS

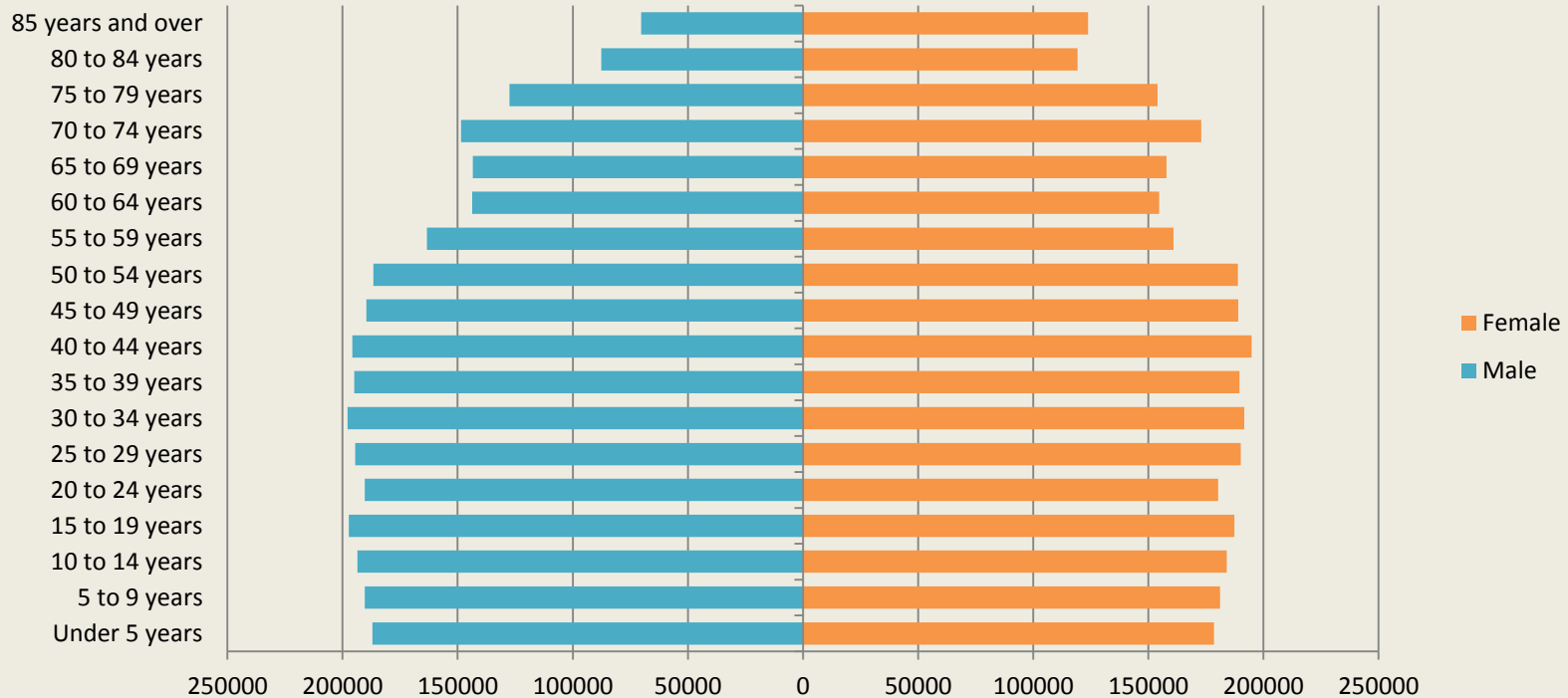
Population by age and sex
Minnesota, 2025



Source: Minnesota State Demographic Center

WHAT MINNESOTA WILL LOOK LIKE... IN 19 YEARS

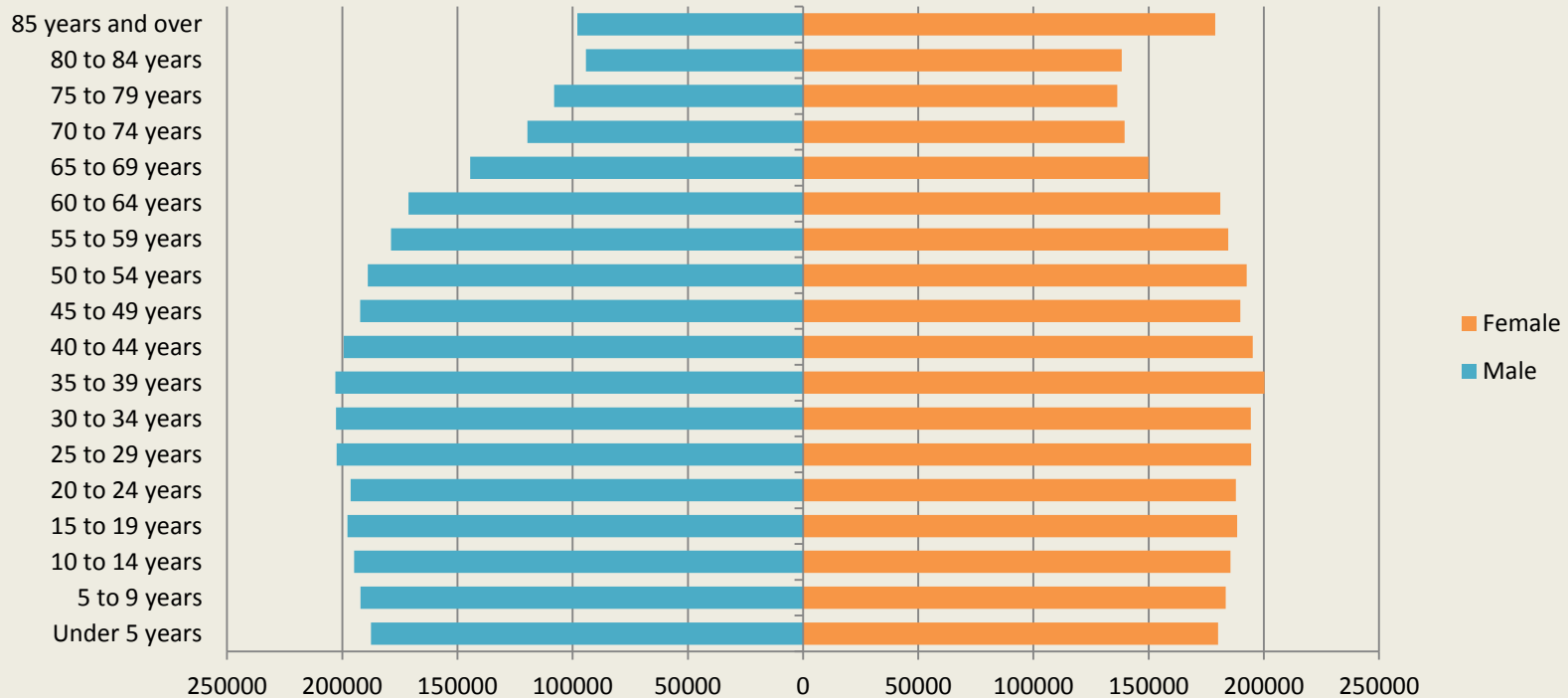
Population by age and sex
Minnesota, 2035



Source: Minnesota State Demographic Center

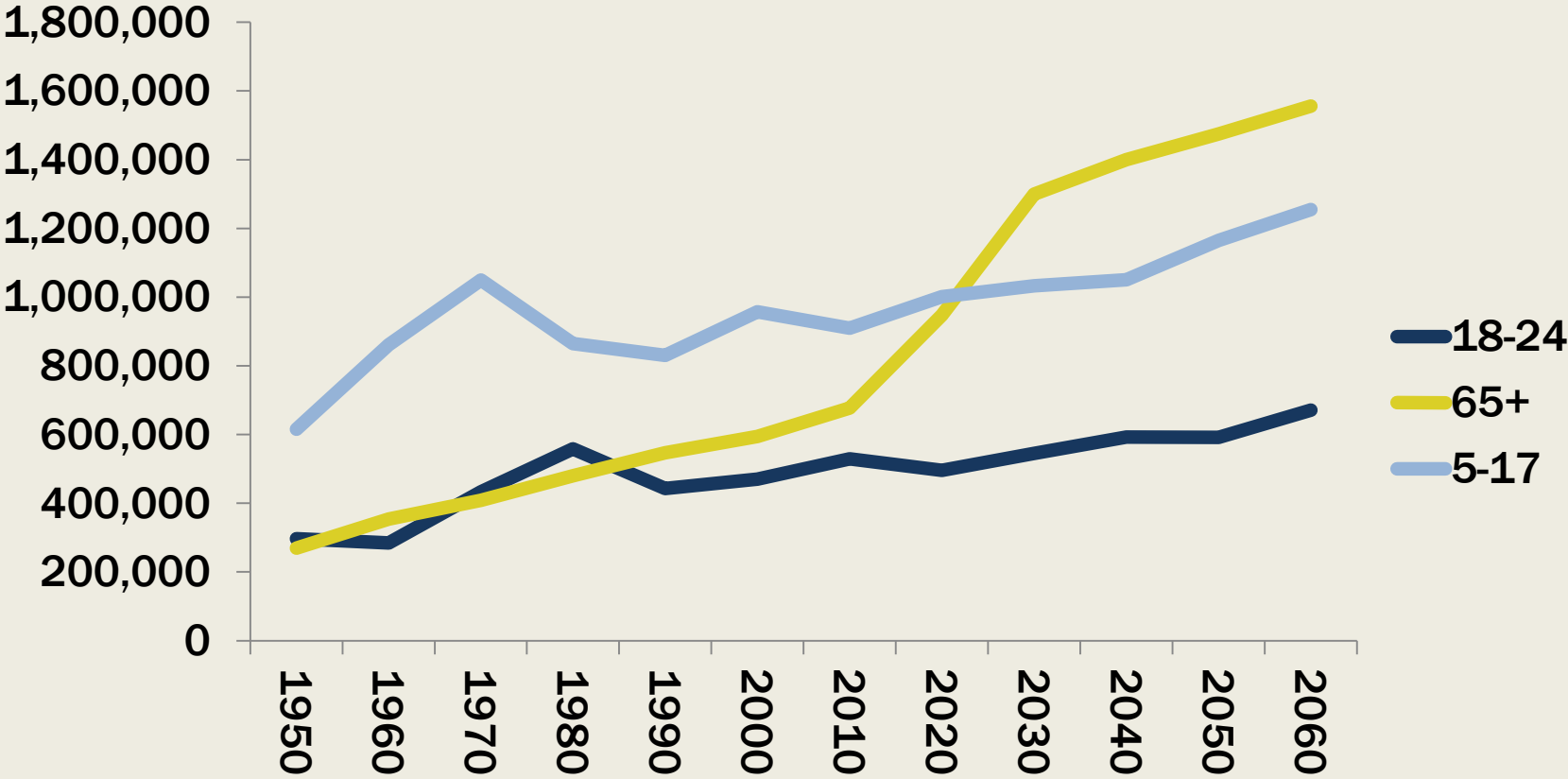
WHAT MINNESOTA WILL LOOK LIKE... IN 29 YEARS

Population by age and sex
Minnesota, 2045



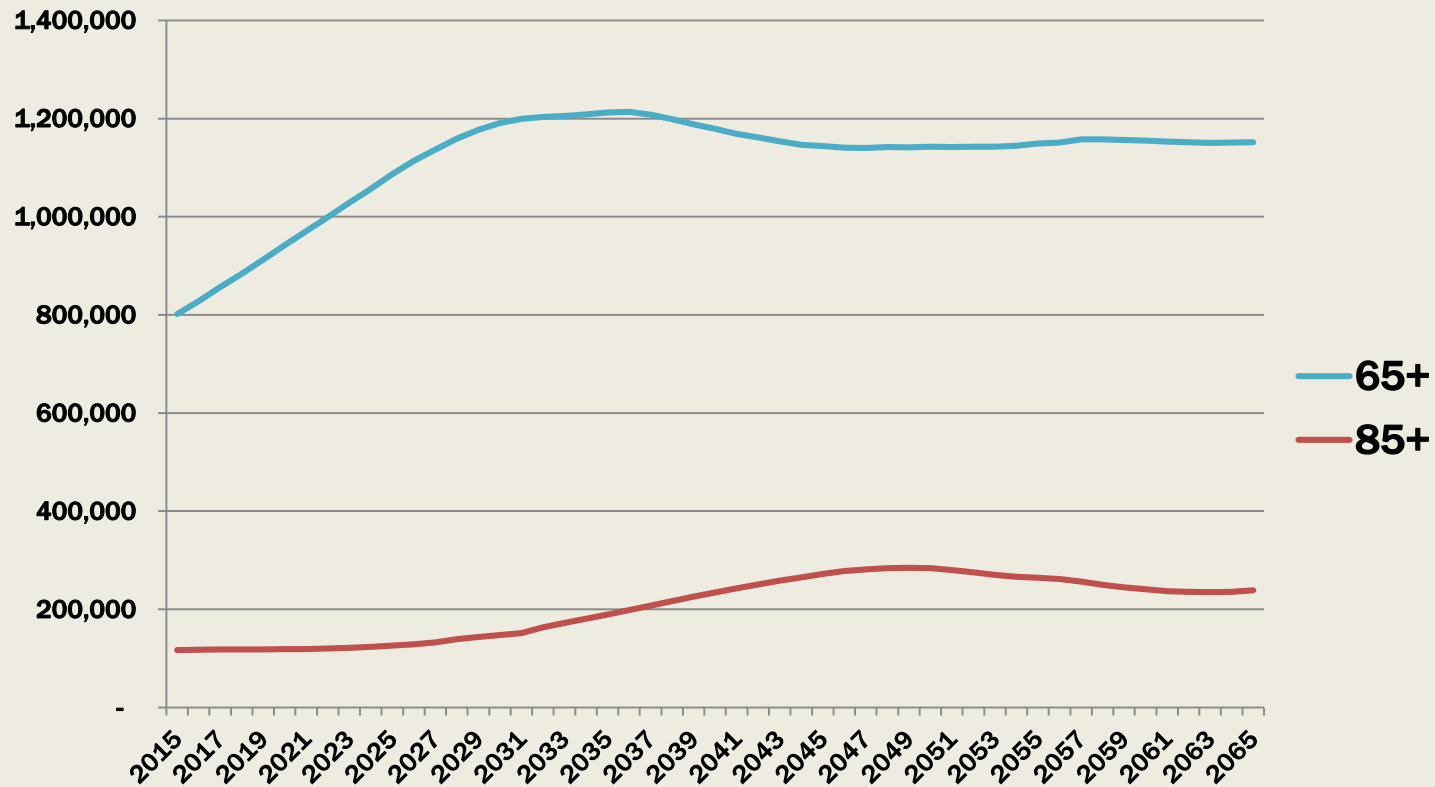
Source: Minnesota State Demographic Center

FOR THE FIRST TIME IN MN HISTORY: MORE 65+ THAN SCHOOL-AGE BY 2020

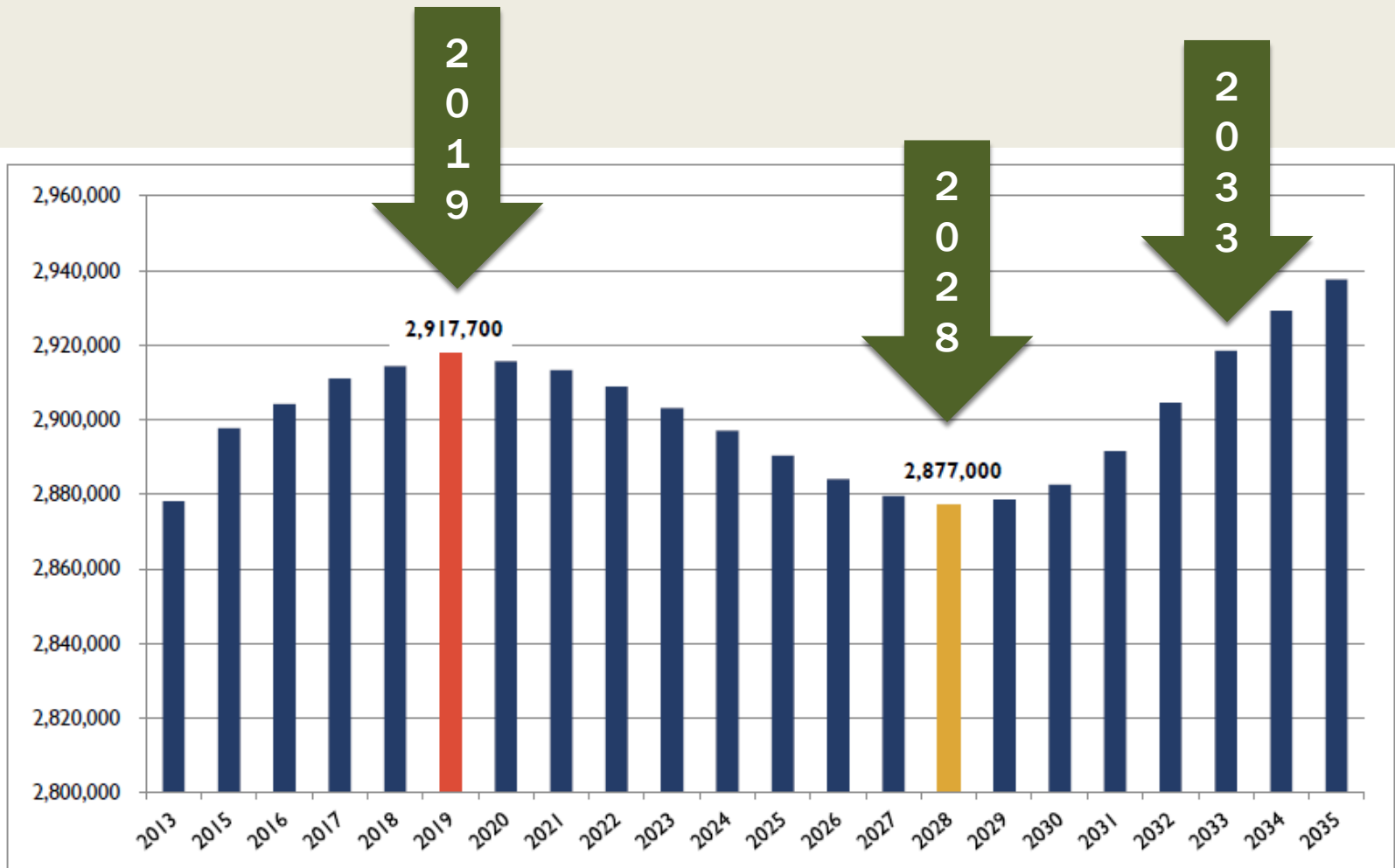


Source: U.S. Census Bureau & Minnesota State Demographic Center

AN “OLDER MINNESOTA” IS HERE TO STAY (2015 – 2065)

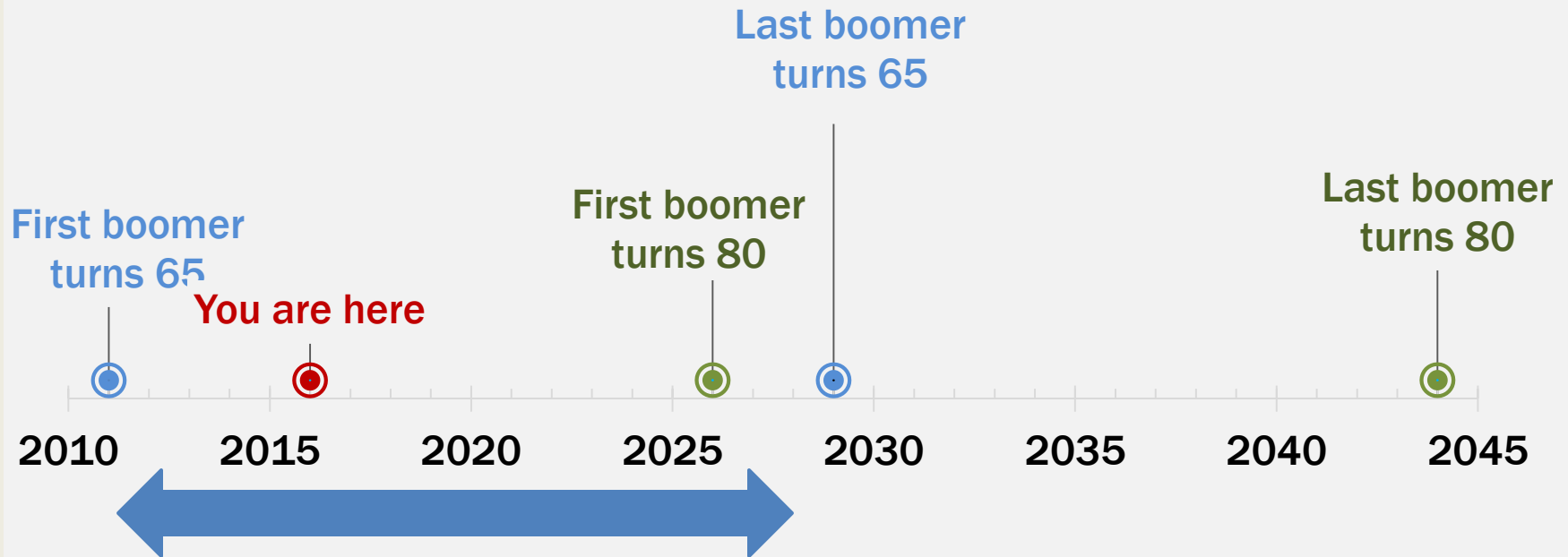


TOTAL 25- TO 64-YEAR-OLDS IN MN WILL BE A ROLLER COASTER (2013-2035)

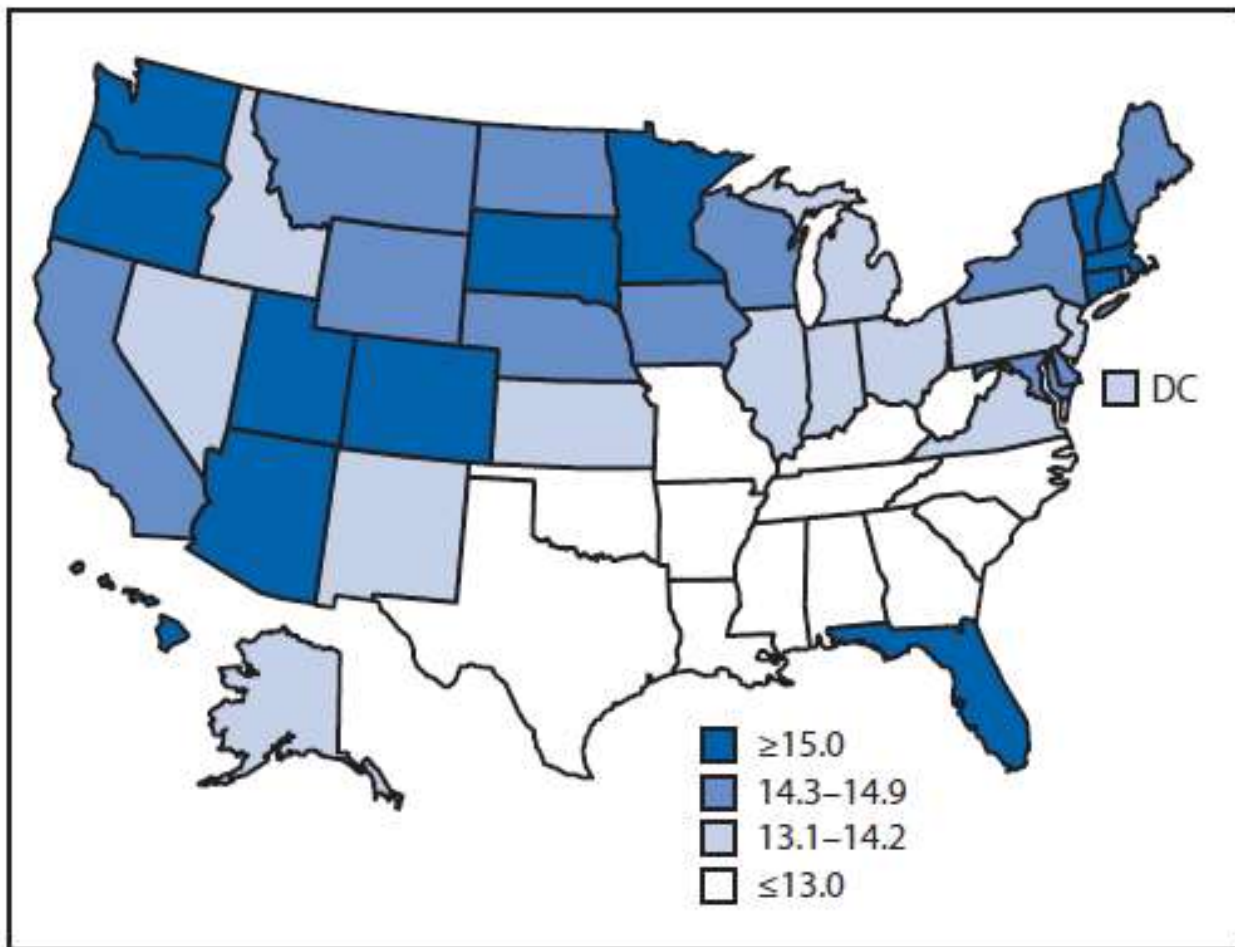


Source: Minnesota State Demographic Center Projections.

THE TRANSITION TO AN OLDER MINNESOTA HAS ALREADY BEGUN



HEALTHY LIFE EXPECTANCY AT 65, 2007-2009



At age 65, the average Minnesotan will live an additional 20 years.

15 of those years will be disability-free, on average.

CONSIDERATIONS OF AGING: MORE RESIDENTS IN THEIR 60S & 70S

- Most transition out of the labor force in their 60s, impacting:
 - Daily activities
 - Transportation timing
 - Spending habits
 - Housing and migration
- Community impacts include:
 - Surplus of “free” time, creating opportunities for travel, volunteerism, encore careers
 - Population and housing shifts
 - Changes in labor force growth and dampened economic growth

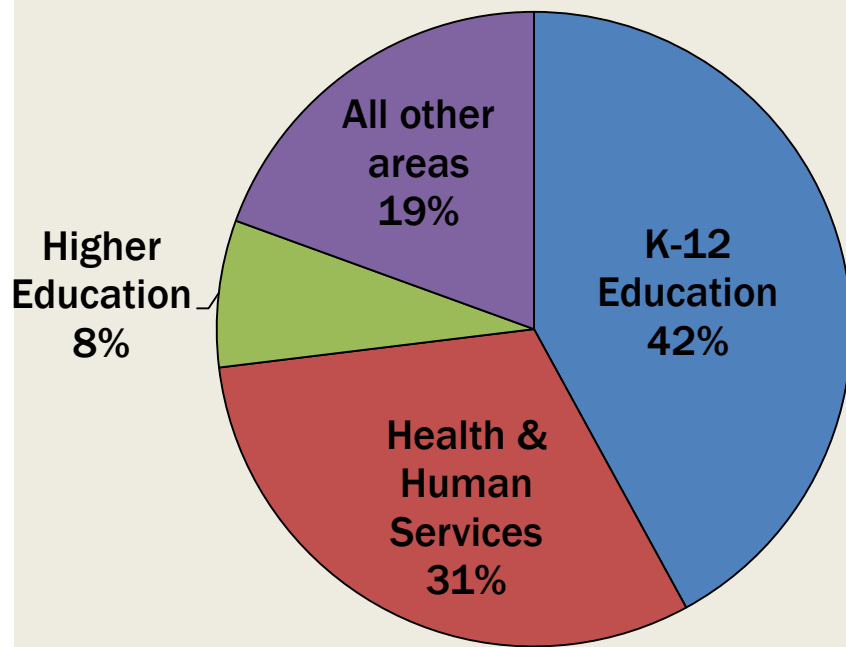
CONSIDERATIONS OF AGING: MORE RESIDENTS IN THEIR 80S+

- Prevalence of disability and dementias, and need for long-term care will grow dramatically
- Private, public medical expenses will increase
- Gender imbalance much more prominent
- Likelihood of driving oneself falls
- Outliving financial resources of great concern



CHANGING DEMAND FOR PUBLIC SERVICES

General Fund Expenditures



Within Health & Human Services

- **Medical Assistance Expenditures: 25% of GF spending (8.5 billion)**
- **Medical Assistance Expenditures for the Elderly and Disabled: 16% of GF spending (5.5 billion)**
- **MA expenditures include basic care, long-term care waivers and long-term institutional care**

Sources: Minnesota Management and Budget, February 2013. House Research, Long-Term Care Services for the Elderly, November 2012

PROJECTED INCREASE IN PUBLIC LTC COSTS

MA long-term care services for enrollees age 65+ in MN totaled **\$1.1** billion in FY2015*

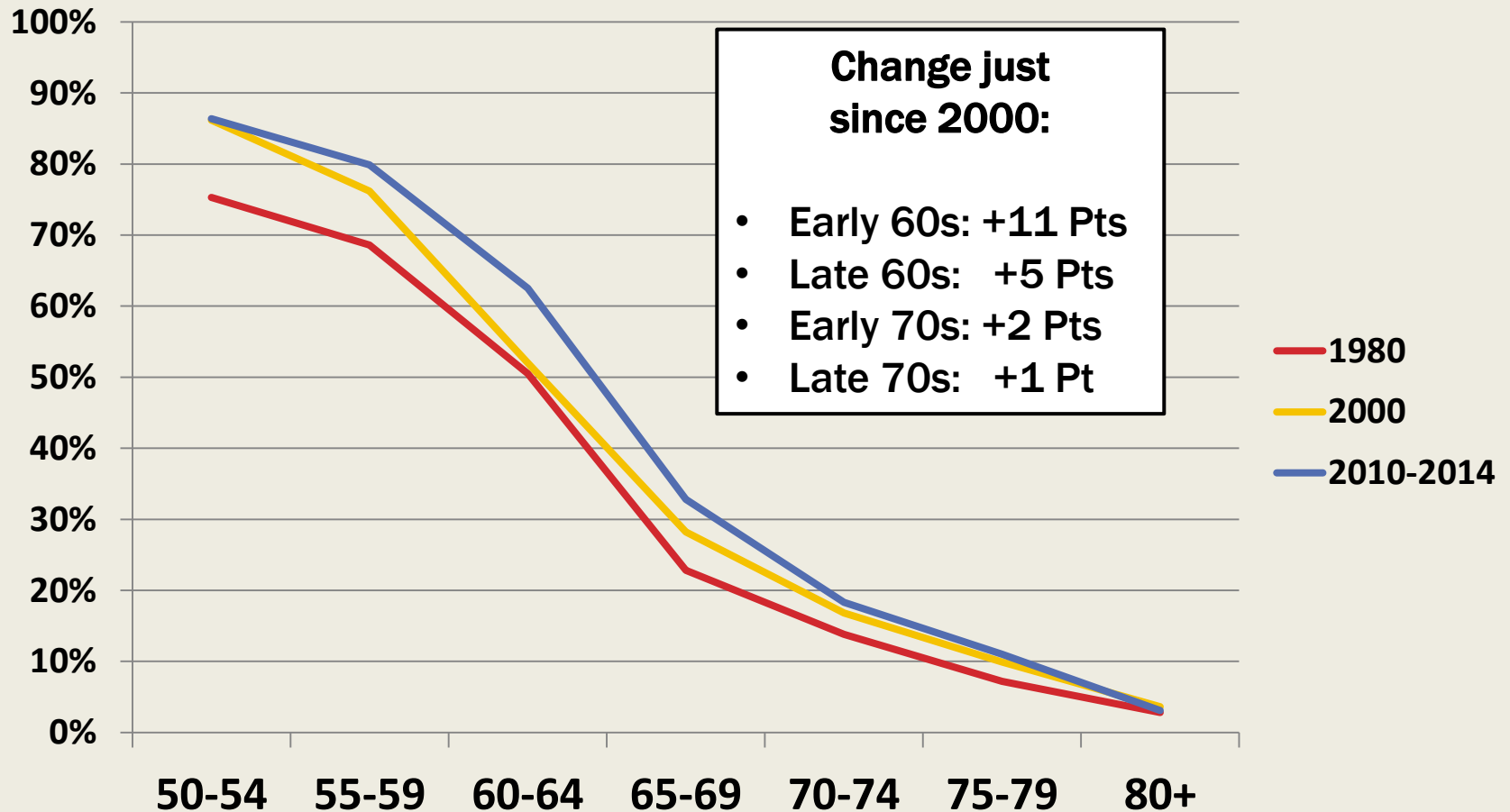
Assume 85% increase in enrollment due to population aging

Assume average annual rate of inflation of 2.5% between 2015 and 2040

=**\$3.8** billion annually for long-term care costs under the Medical Assistance program by 2040

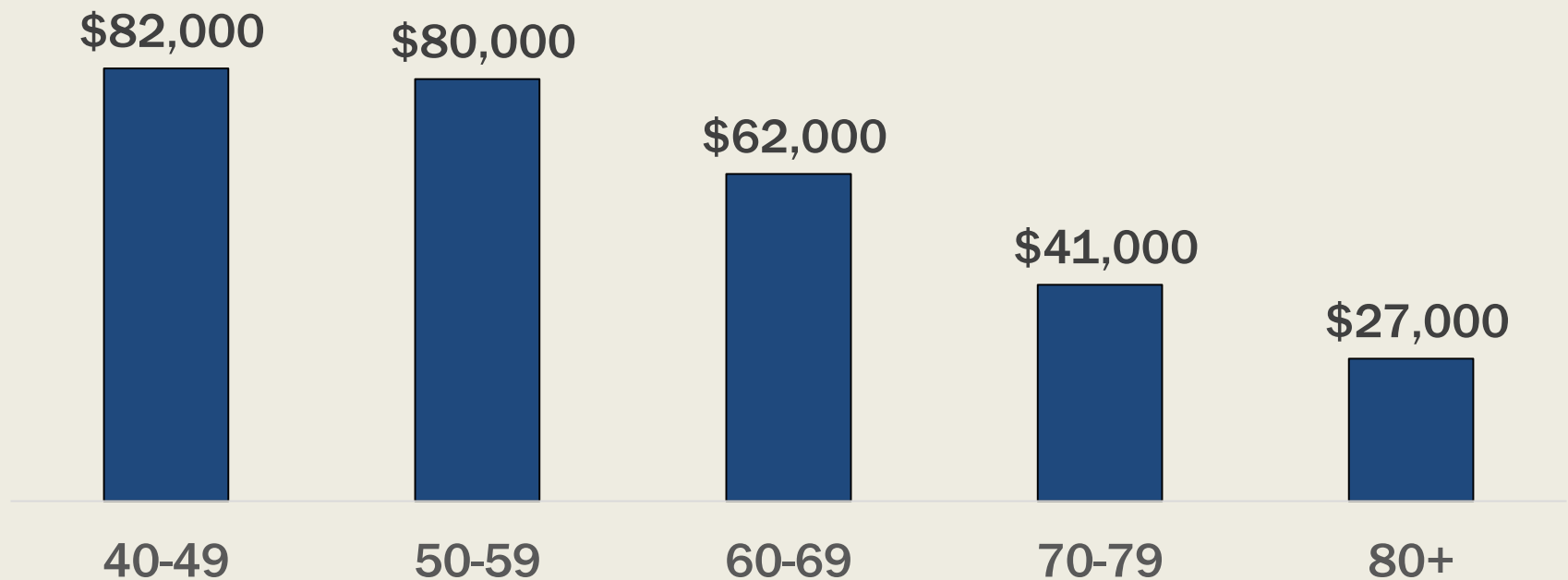
* Includes federal and state spending.

MINNESOTA'S OLDER ADULTS REMAIN IN THE LABOR FORCE LONGER THAN BEFORE



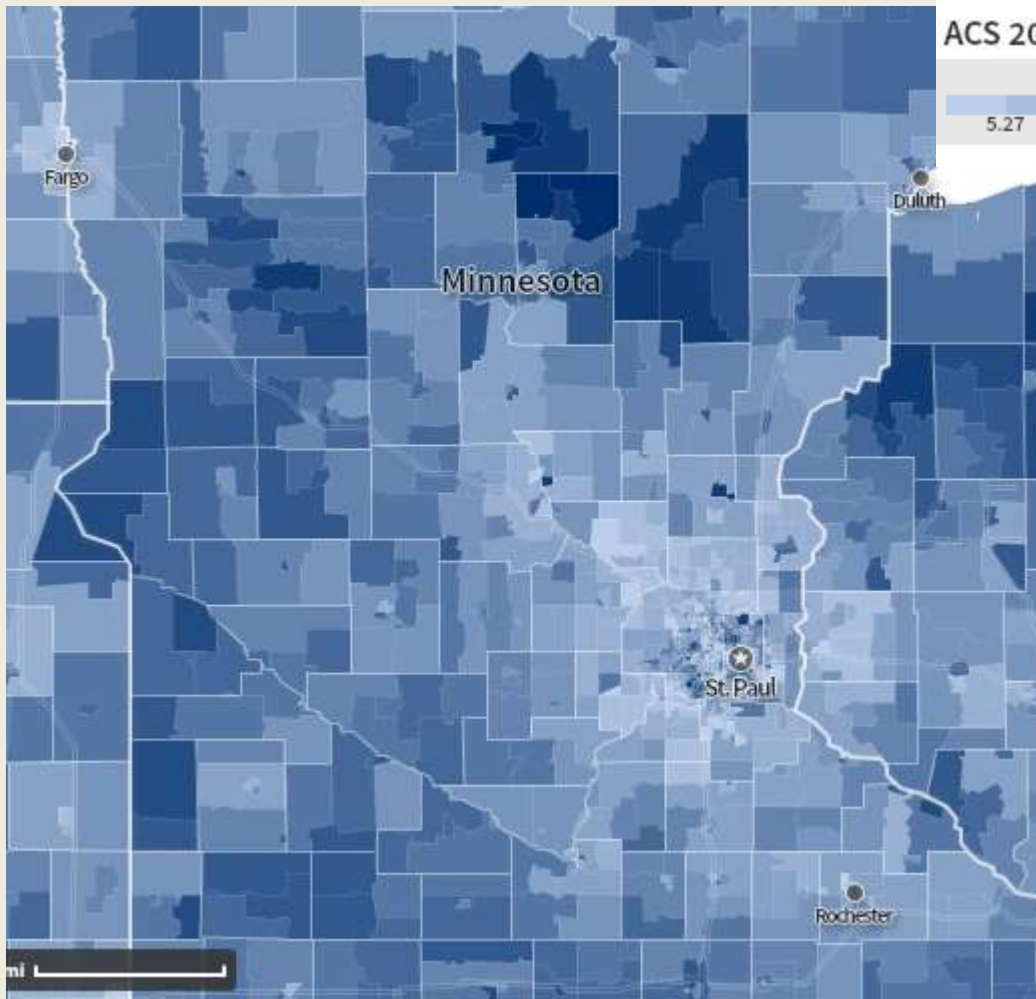
MEDIAN HOUSEHOLD INCOME DECLINES WITH AGE

Median Household Income by Age of Householder,
2010-2014



Source: MN State Demographic Center analysis of ipums data, 2010-2014 American Community Survey

HIGHER PERCENTAGES OF OLDER ADULTS (65+) – PATTERNING IS VERY LOCAL



ACS 2008 -- 2012 (5-Year Estimates) - More than 65 Years

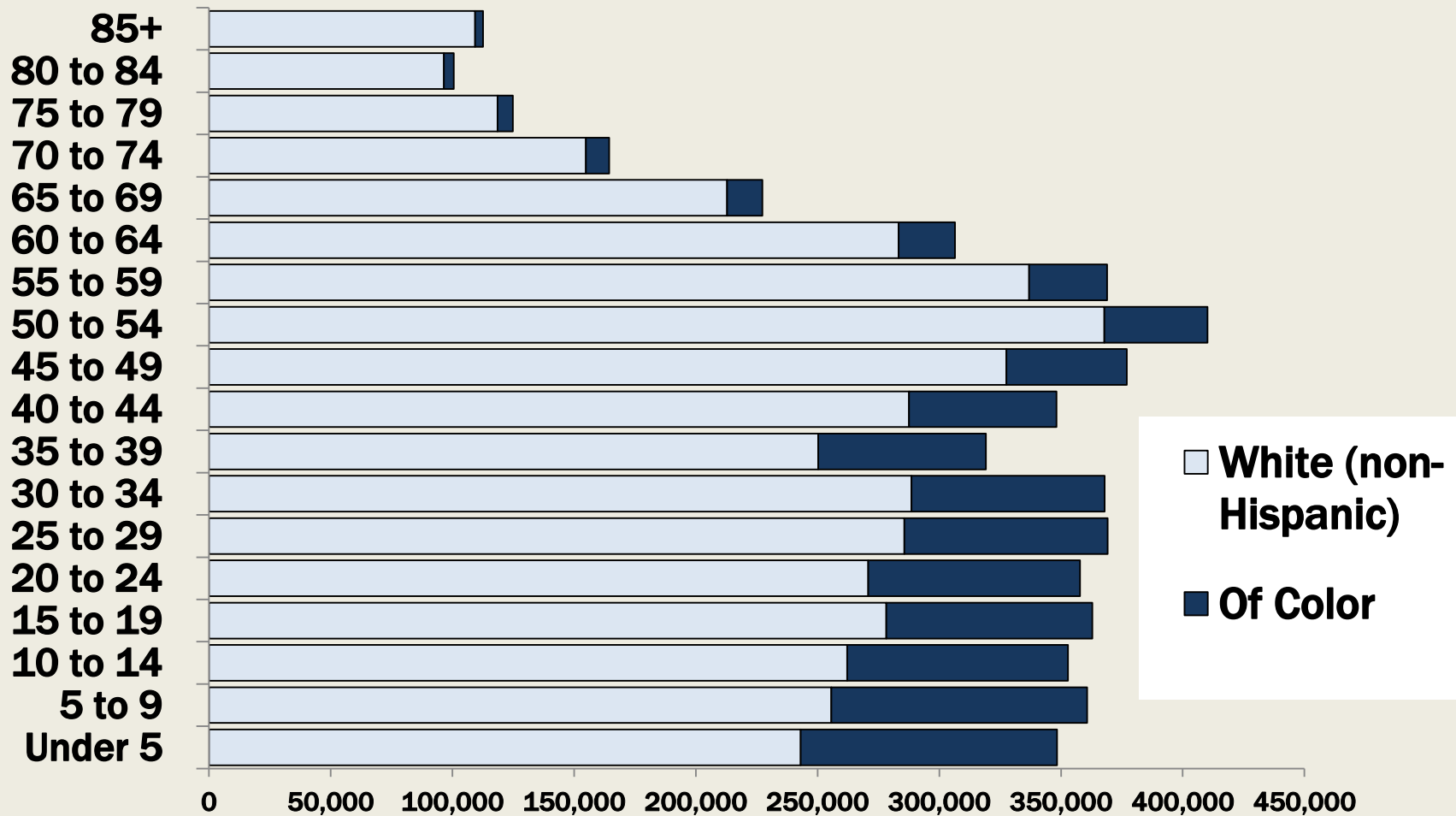
5.27

17.56

33

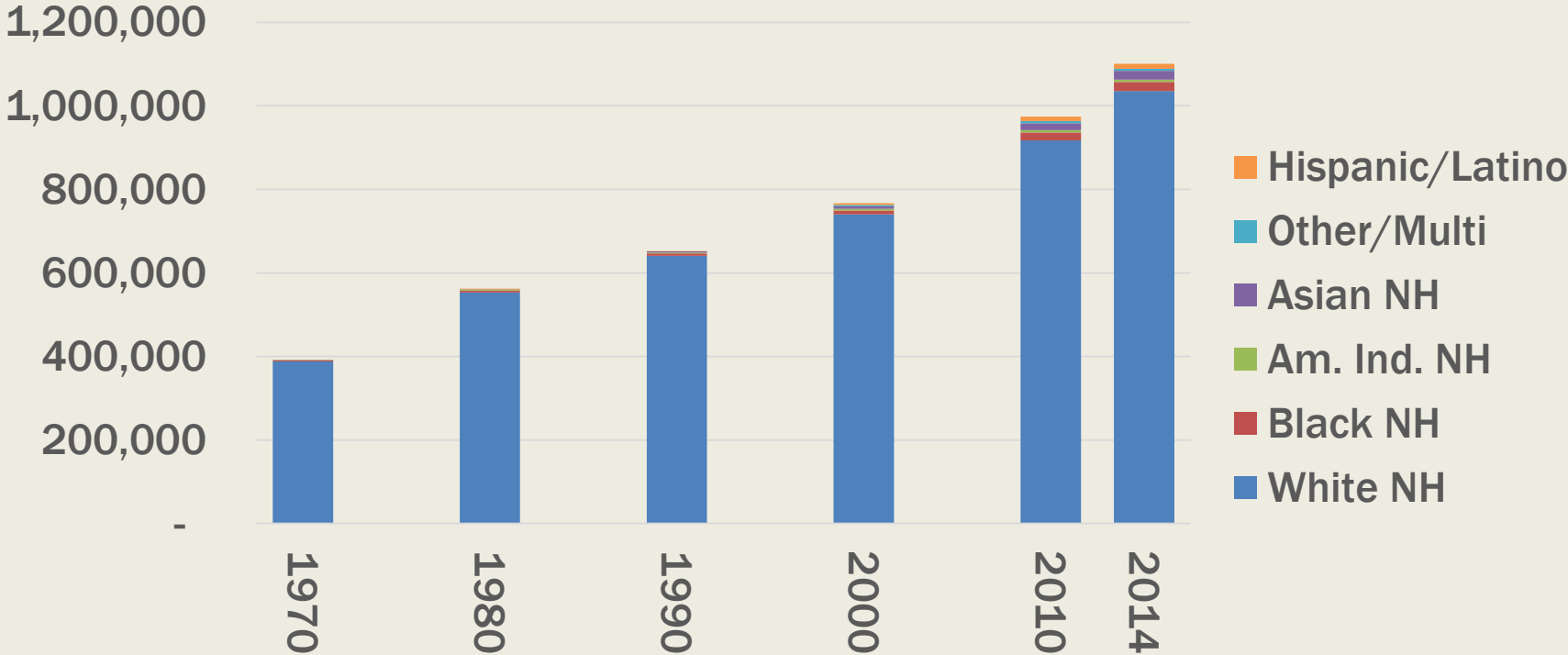
Source: Social Explorer

MINNESOTA'S POPULATION BY AGE GROUPS



GROWING DIVERSITY AMONG MINNESOTA'S OLDER ADULTS

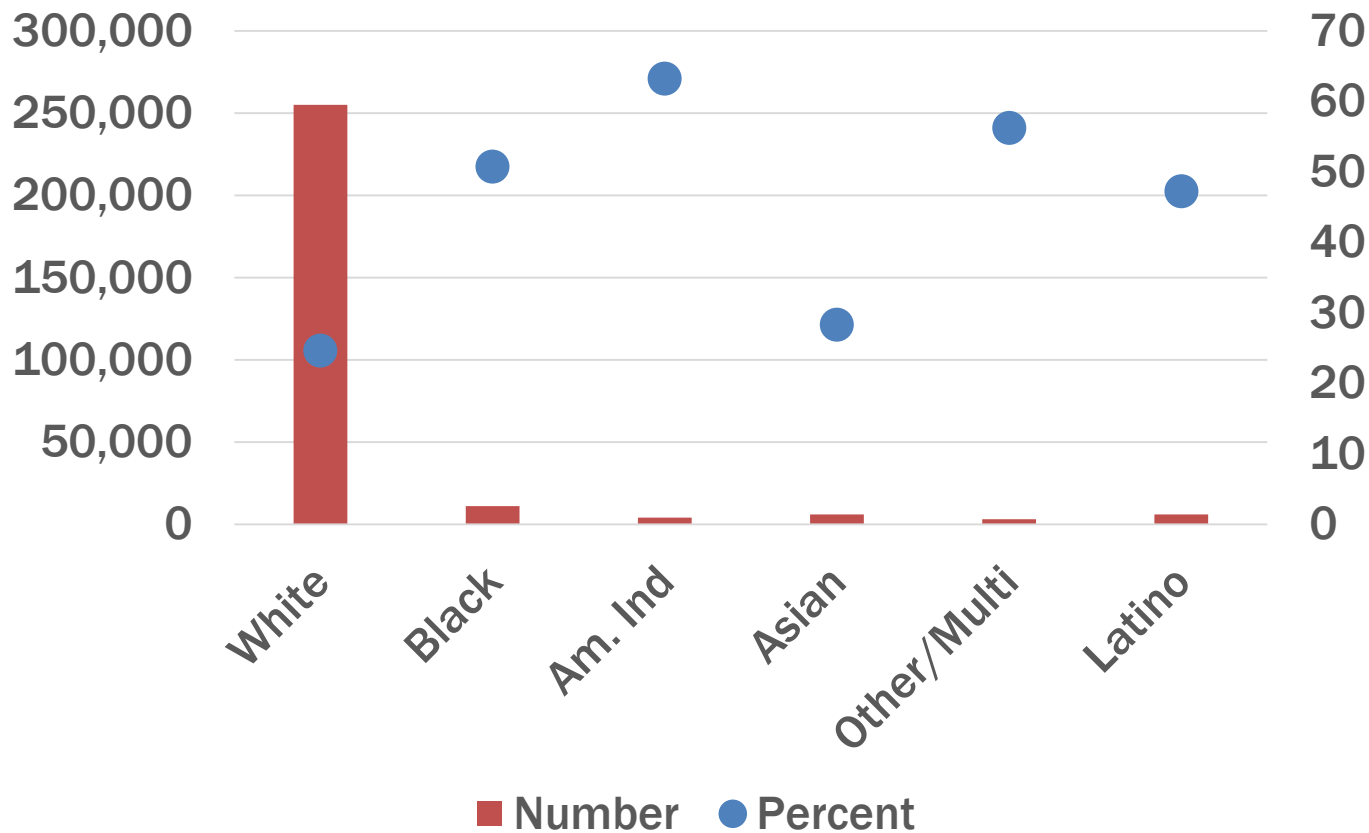
Older adult population (age 60+) by major race group, 2014



Source: Integrated Public Use Microdata Series ipums.org

LOW-INCOME OLDER ADULTS (AGE 60+)

Older adults with income below 200% FPL



**200% FPL
FOR OLDER
ADULTS**

**1-person HH:
\$22,600**

**2-person HH:
\$31,700**



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