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

Change in older adults, age 65+ (Thousands)

<table>
<thead>
<tr>
<th>Decade</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s</td>
<td>85</td>
</tr>
<tr>
<td>60s</td>
<td>55</td>
</tr>
<tr>
<td>70s</td>
<td>71</td>
</tr>
<tr>
<td>80s</td>
<td>67</td>
</tr>
<tr>
<td>90s</td>
<td>47</td>
</tr>
<tr>
<td>00s</td>
<td>91</td>
</tr>
<tr>
<td>10s</td>
<td>-</td>
</tr>
<tr>
<td>20s</td>
<td>-</td>
</tr>
<tr>
<td>30s</td>
<td>-</td>
</tr>
<tr>
<td>40s</td>
<td>-</td>
</tr>
<tr>
<td>2050s</td>
<td>-</td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau and Minnesota State Demographic Center
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
WHAT MINNESOTA LOOKED LIKE...
LAST YEAR

Population by age and sex
Minnesota, 2015

- 85 years and over
- 80 to 84 years
- 75 to 79 years
- 70 to 74 years
- 65 to 69 years
- 60 to 64 years
- 55 to 59 years
- 50 to 54 years
- 45 to 49 years
- 40 to 44 years
- 35 to 39 years
- 30 to 34 years
- 25 to 29 years
- 20 to 24 years
- 15 to 19 years
- 10 to 14 years
- 5 to 9 years
- Under 5 years

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)

Sources: Minnesota’s total population, age and sex projections from 2015-2070, Minnesota State Demographic Center, August 2015. http://mn.gov/demography/projections
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

- First boomer turns 65
- First boomer turns 80
- Last boomer turns 65
- Last boomer turns 80

2010  2015  2020  2025  2030  2035  2040  2045

You are here
At age 65, the average Minnesotan will live an additional 20 years. 15 of those years will be disability-free, on average.

Source: Centers for Disease Control, 2013
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

- K-12 Education: 42%
- Health & Human Services: 31%
- Higher Education: 8%
- All other areas: 19%

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
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

Sources: IPUMS version of U.S. Census Bureau, decennial census, and American Community Survey. Minnesota State Demographic Center tabulations.

Change just since 2000:
- Early 60s: +11 Pts
- Late 60s: +5 Pts
- Early 70s: +2 Pts
- Late 70s: +1 Pt

Sources: IPUMS version of U.S. Census Bureau, decennial census, and American Community Survey. Minnesota State Demographic Center tabulations.
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

Source: Social Explorer
MINNESOTA’S POPULATION BY AGE GROUPS

Sources: U.S. Census Bureau, 2012 population estimates
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+)

Source: Integrated Public Use Microdata Series ipums.org