THE CITIZENS LEAGUE METROPOLITAN COUNCIL TASK FORCE

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Demographic Trends

- Aging, aging, aging
- Increasing diversity—ethnicity, language, religion, etc.
- Labor force growth
- Population growth since the recession
Trend 1
Population Aging
How many additional “older adults” will Minnesota gain during this decade?

Change in older adults, age 65+ (in thousands)

Source: U.S. Census Bureau
Unprecedented increases in MN’s “older adult” population

Change in older adults, age 65+ (in thousands)

Sources: U.S. Census Bureau, MN State Demographic Center
What Minnesota looks like... this year

Population by age and sex
Minnesota, 2015

Source: Minnesota State Demographic Center
What Minnesota will look like... in 10 years

Population by age and sex
Minnesota, 2025

Source: Minnesota State Demographic Center
What Minnesota will look like... in 20 years

Population by age and sex
Minnesota, 2035

Source: Minnesota State Demographic Center
What Minnesota looks like... this year

Population by age and sex
Minnesota, 2015

Source: Minnesota State Demographic Center
Budget pressures will change
More 65+ than school-age by 2020

U.S. Census Bureau & Minnesota State Demographic Center
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
If state health care costs continue unabated, other services crowded out (projected through 2033)

Source: General Fund Spending Outlook, presentation to the Budget Trends Commission, August 2008, Dybdal, Reitan and Broat.
Trend 2
Increasing Diversity
50 years of growing diversity in our region, state, nation

Percent Of Color, 1960-2010

- U.S.
- MN
- Twin Cities

Source: mncompass.org
Black, Latino and Asian populations growing rapidly

![Populations of color, MN](chart)

Source: Tabulated by the Minnesota State Demographic Center from the Integrated Public Use Microdata Series
Primary Refugee Arrivals to MN
1979-2012

Source: Department of Homeland Security, Primary Refugee Arrivals to MN
Large gaps in educational achievement and attainment exist across racial groups

Source: Tabulated by MN Compass from Minnesota Department of Education data
Share of Employed Minnesotans with H.S. Education or Less

- 1960: 79%
- 1970: 71%
- 1980: 60%
- 1990: 43%
- 2000: 44%
- 2013: 36%

Source: Tabulated by the State Demographic Center from the Integrated Public Use Microdata Series
Trend 3
Labor force growth
Projected Growth in Labor Force
Annual Average, Ages 16+

1980-1990: 32,000
1990-2000: 38,000
2000-2010: 25,000
2010-2020: 8,000
2020-2030: 4,000
2030-2040: 13,000

Source: U.S. Census Bureau, Minnesota State Demographic Center Projections
Labor force participation of older adults has increased only slightly

Source: Minnesota State Demographic Center from the Integrated Public Use Microdata Series
Minnesota’s net migration, by international and domestic components

Source: U.S. Census Bureau, Population Estimates Program. Note: Data for 2009-2010 was unavailable and so interpolated.
Midwestern states tend to lose more residents to other states than it gains from other states

Domestic Net Migration, By State, April 1, 2010 – July 1, 2014

Source: U.S. Census Bureau Population Estimates Program
Largest net losses occurring ~ age 20, less counter flow (return) after college years

State-to-state migration by age
Minneosota, 2008-2012

Source: IPUMS version of U.S. Census Bureau’s 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.
Minnesota by race, 2012

White (non-Hispanic) and Of Color Population
Minnesota, 2012

What does a slower growing labor force mean to MN?

• Dampened economic growth?
• No room to leave any potential worker behind (e.g. People of color, older workers, parents, people with disabilities)
• Premium put on educated, highly-skilled talent
• Employers who find and retain workers in new and creative ways win
A look forward: projected growth
Growth rates in Minnesota have converged
Growth rates in Minnesota have converged
Growth rates are converging nationally too

Source: Brookings Institution
State Demographer’s and Met Council’s projections for the region differ

Difference of about 300,000 people by 2040; ~12,000 year between now and then
All population changes operate through 3 components:

- + Births
- - Deaths
+/- Migration
## Cohort-component method

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<th>Strengths</th>
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| - Relies on age structure & stable “behaviors” (births, deaths and migration)  
- Assumptions are transparent, can be evaluated relative to historical data  
- Suitable for both urban and rural areas  
- Does not incorporate expected social and economic change directly | - Does not predict social and economic changes  
- Not universally appropriate for small areas where migration may be variable |

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State Demographic Center, Projected Components of Change

Source: Minnesota State Demographic Center
Met council projects increase in births in the 2015-2020 period

Projected births

Source: State Demographic Center and Met Council, REMI outputs
We do not expect to see a near-term return to pre-recession fertility levels.

Minnesota's Total Fertility Rate (per woman of child-bearing age)

Source: Minnesota State Demographic Center
Demographic change will shape the future...but not completely determine it

- These data are sobering **IF** we continue to adhere to the policies and institutional arrangements that we have built for our demographic past.

- Things are going to change whether or not we’re ready for them; there’s no reason we can’t create something that’s really great.
Stay tuned, keep in touch.

mn.gov/demography

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