Minnesota State Demographic Center

THE CITIZENS LEAGUE METROPOLITAN COUNCIL TASK FORCE

Susan Brower, Minnesota State Demographer

November 2015

Big

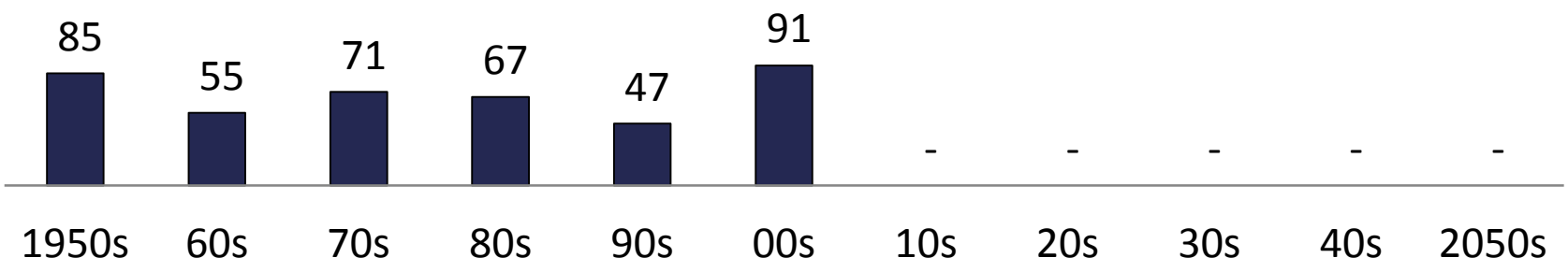
Demographic Trends

- **Aging, aging, aging**
- Increasing **diversity**—ethnicity, language, religion, etc.
- **Labor force** growth
- **Population** growth since the recession

Trend 1
Population Aging

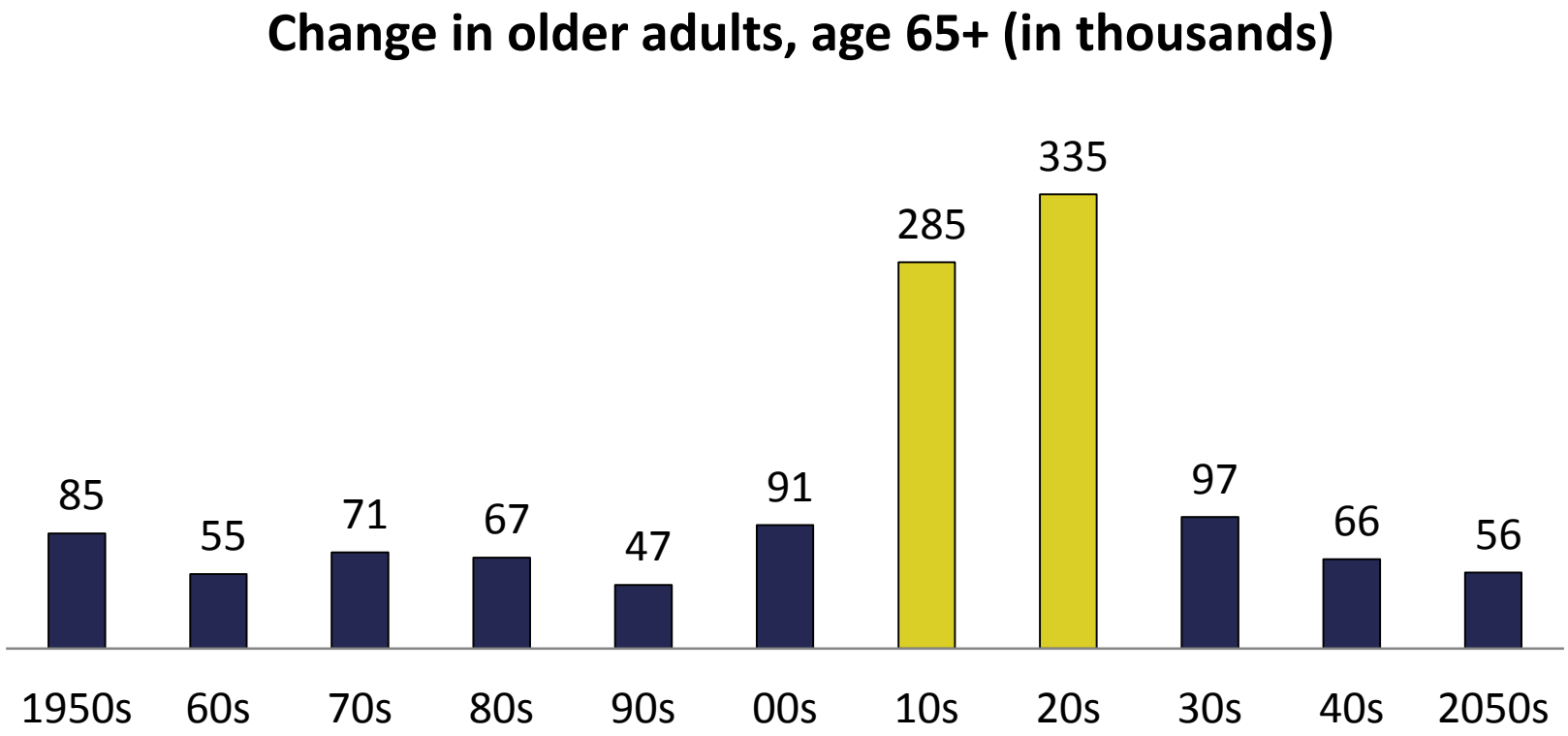
How many additional “older adults” will Minnesota gain during this decade?

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



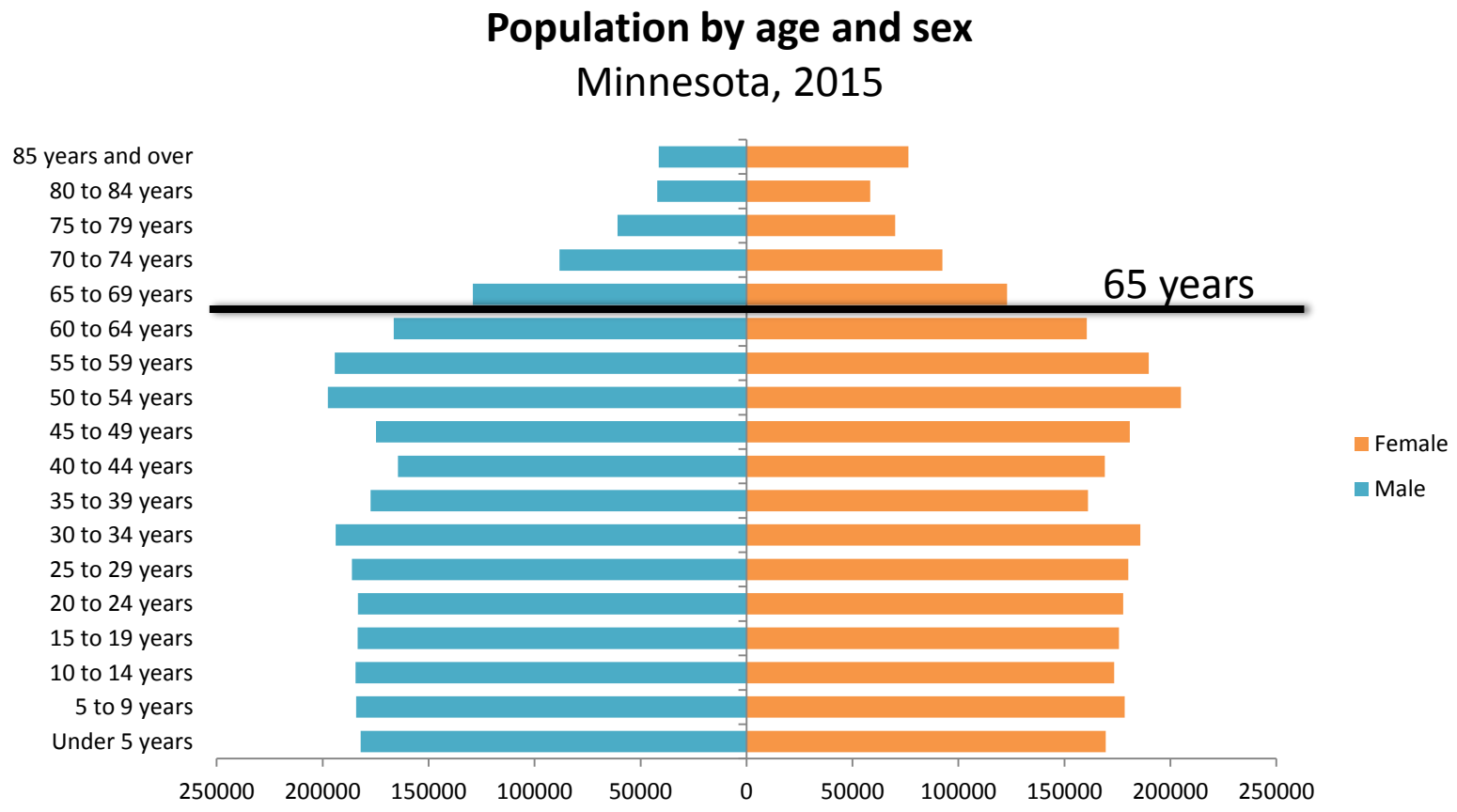
Source: U.S. Census Bureau

Unprecedented increases in MN's "older adult" population



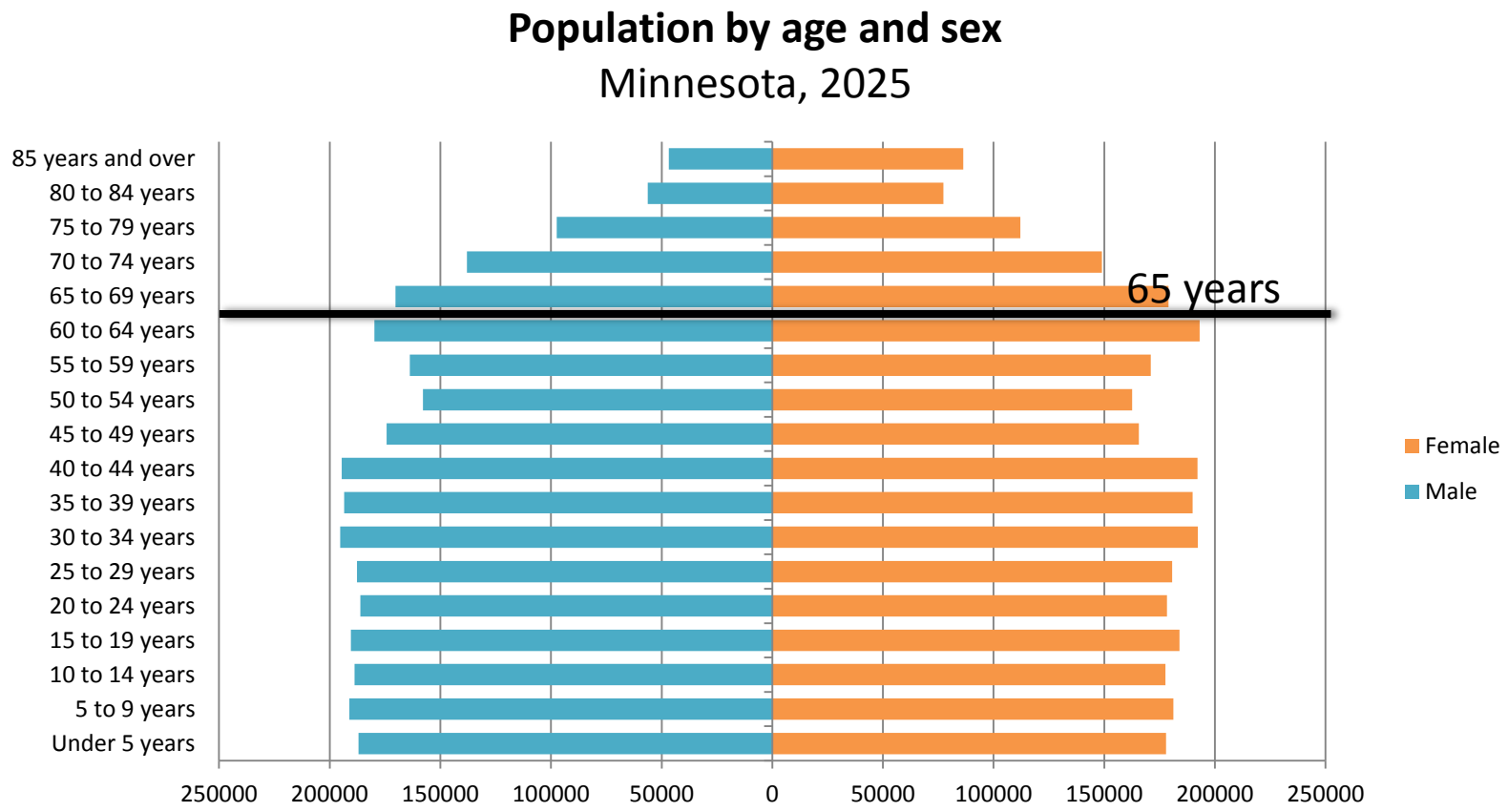
Sources: U.S. Census Bureau, MN State Demographic Center

What Minnesota looks like… this year



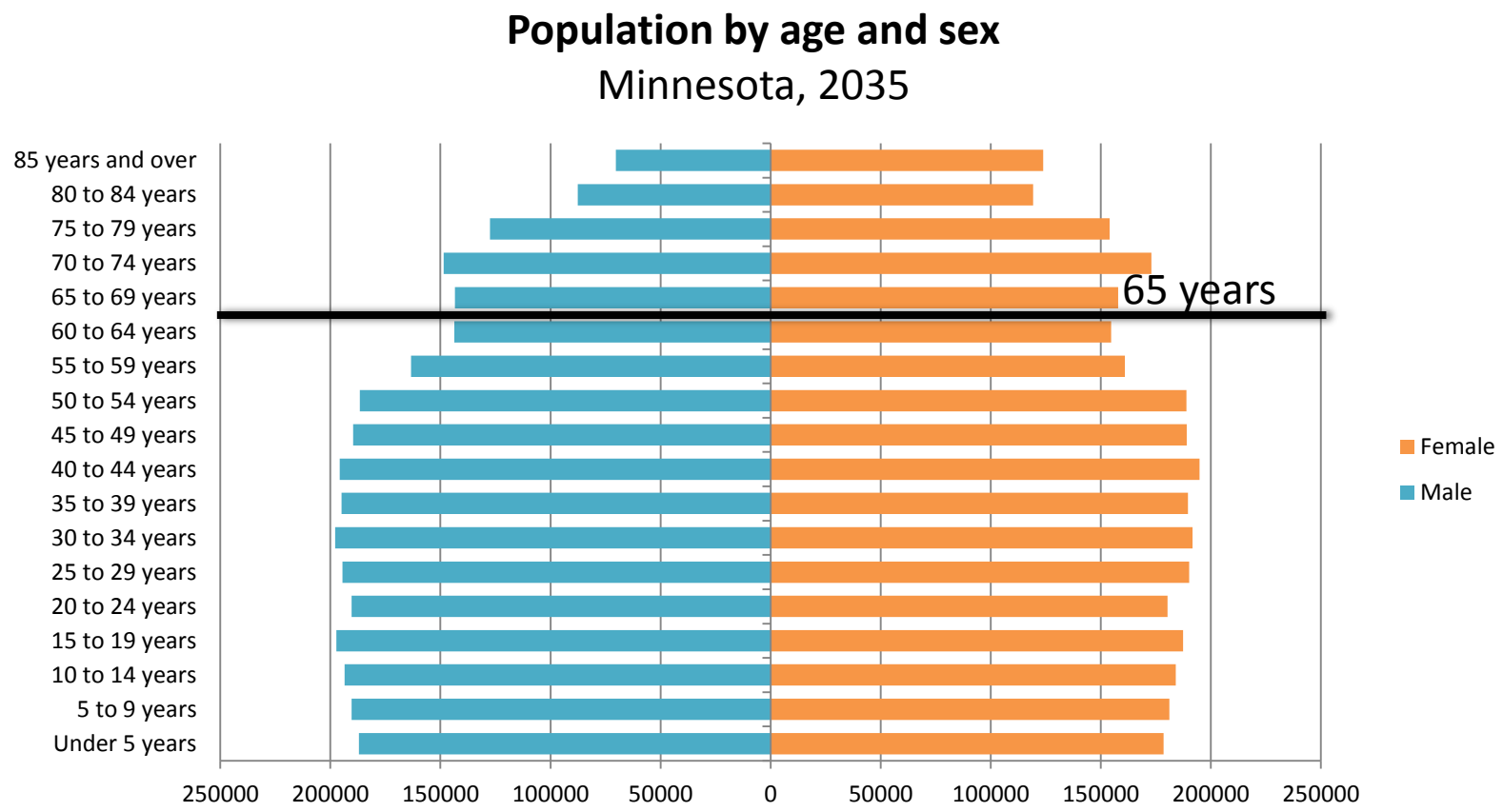
Source: Minnesota State Demographic Center

What Minnesota will look like…
in 10 years



Source: Minnesota State Demographic Center

What Minnesota will look like…
in 20 years



Source: Minnesota State Demographic Center

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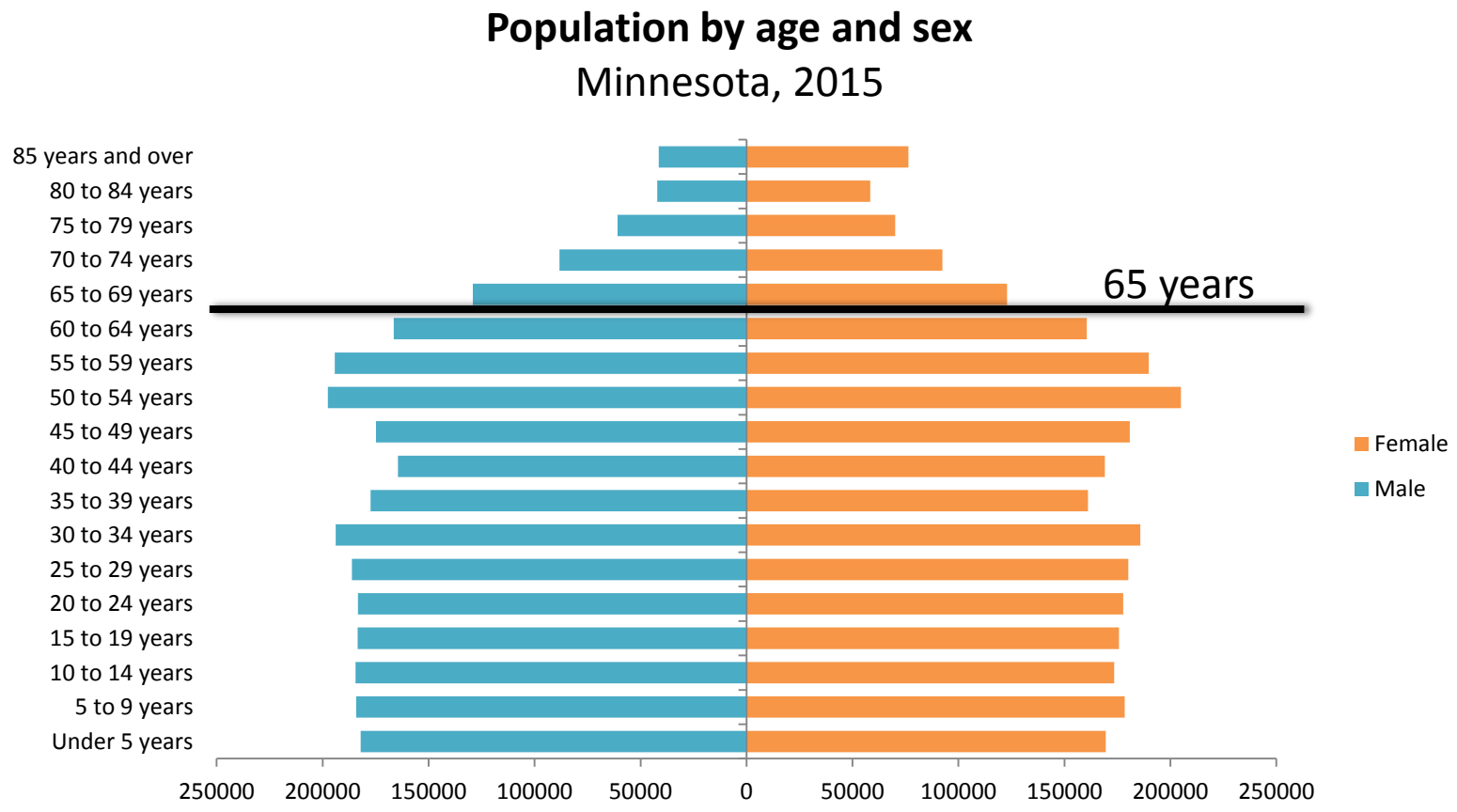
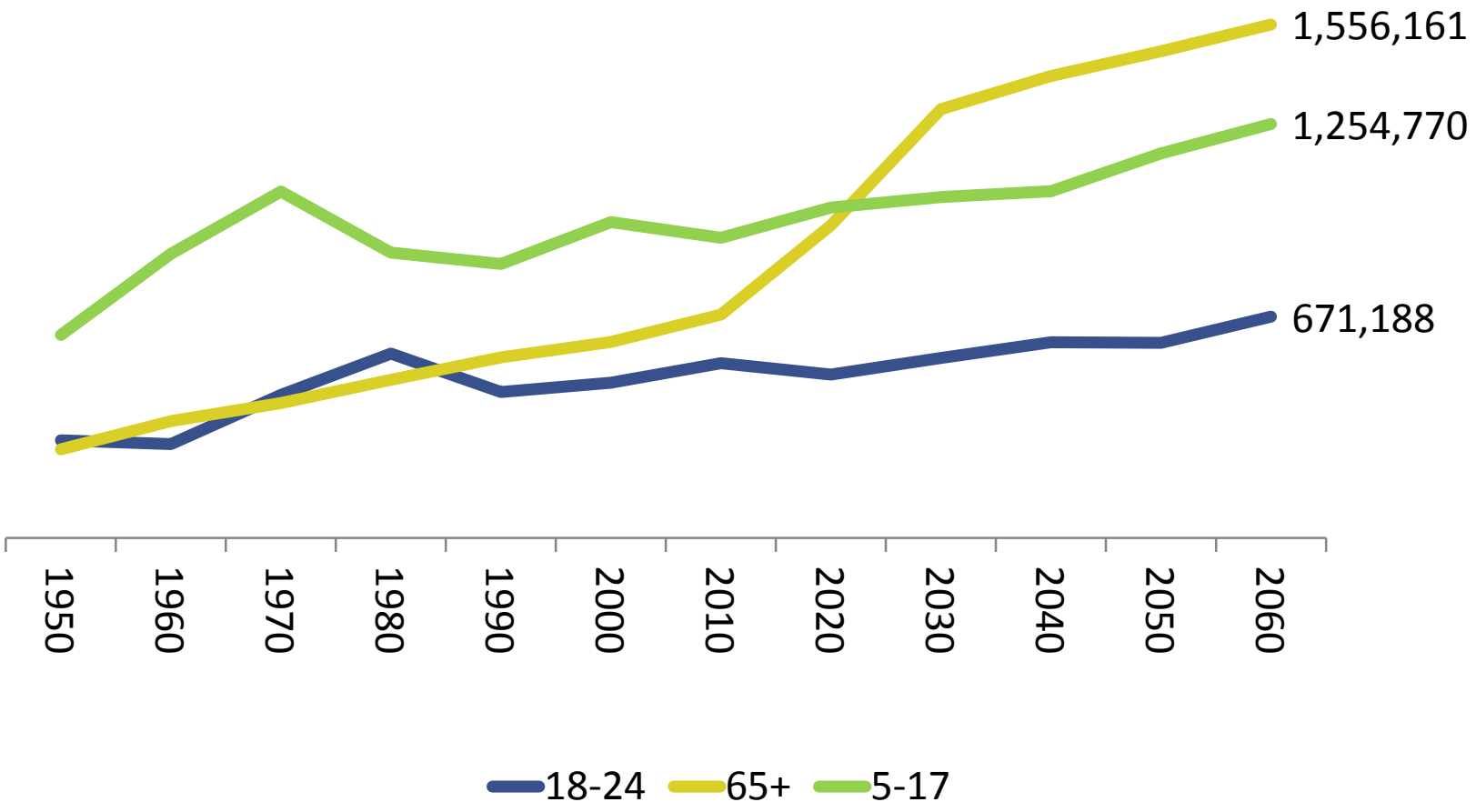


Source: Minnesota State Demographic Center

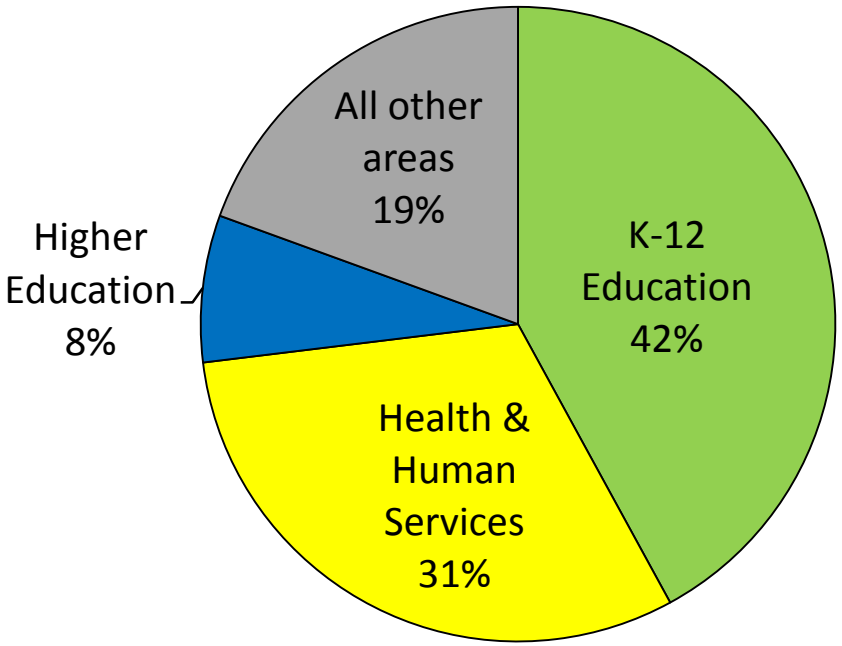
Budget pressures will change
More 65+ than school-age by 2020



U.S. Census Bureau & Minnesota State Demographic Center

Changing demand for public services

General Fund Expenditures

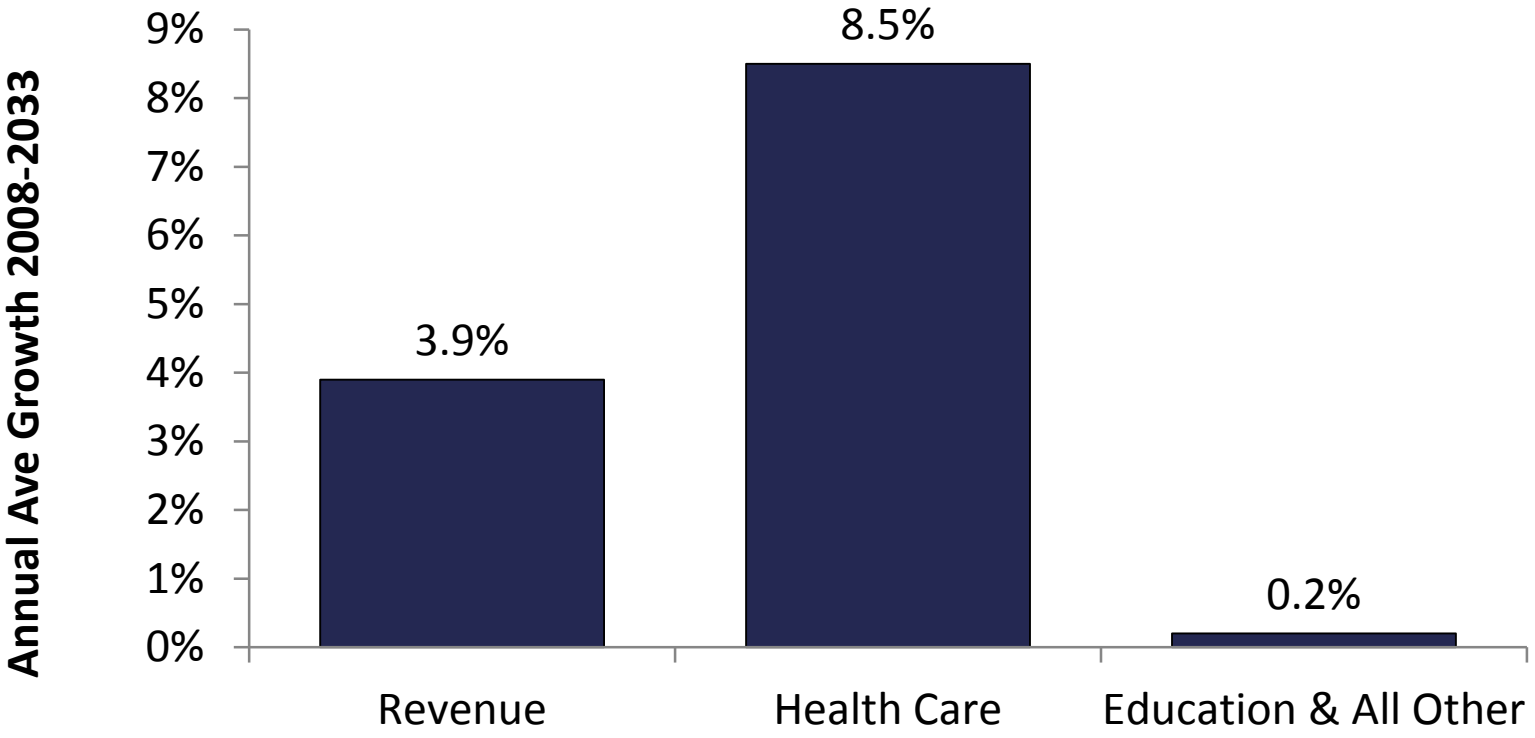


Within Health & Human Services

- 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

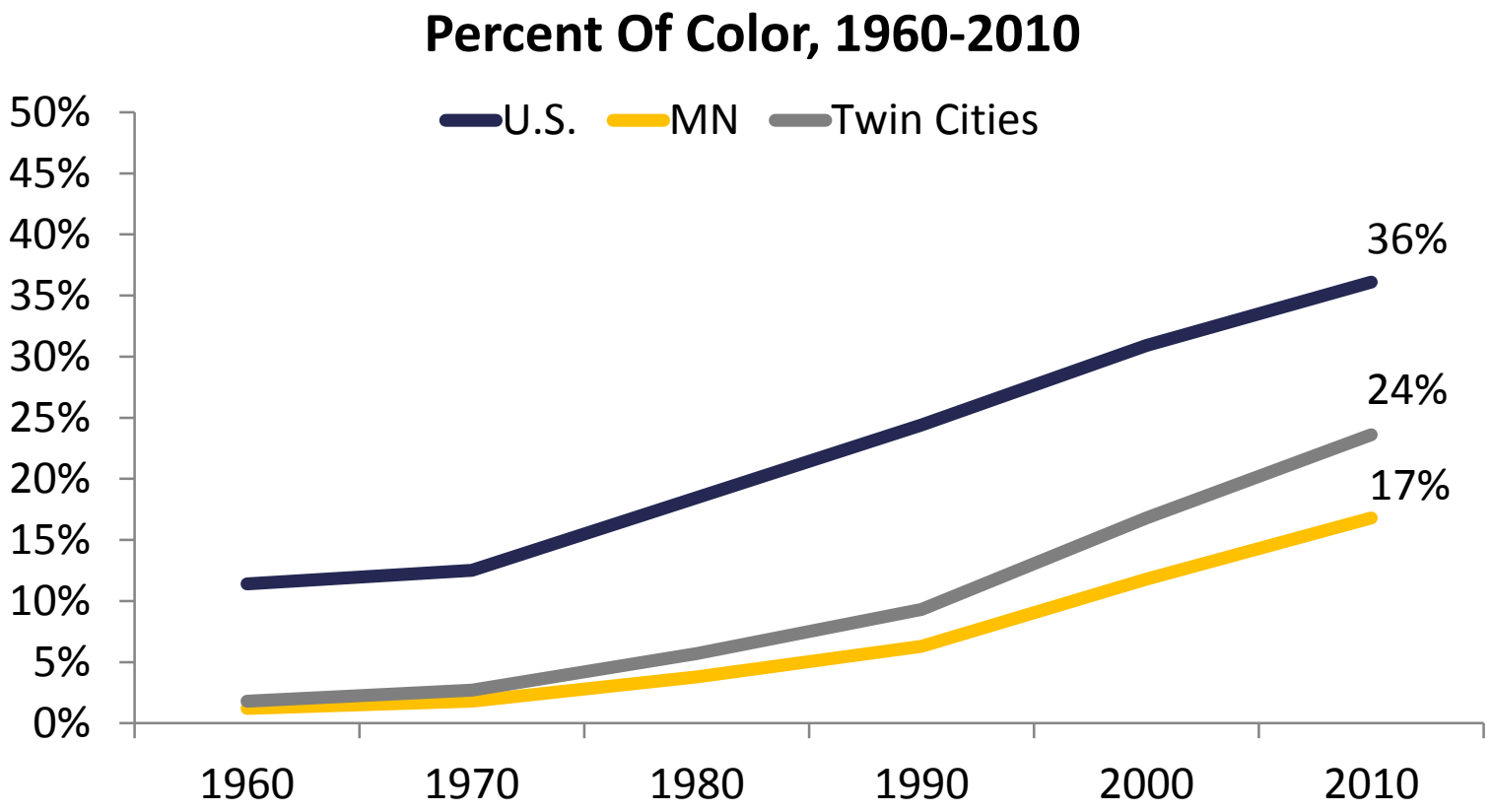
If state health care costs continue unabated, other services crowded out (projected through 2033)



Source: General Fund Spending Outlook, presentation to the Budget Trends Commission, August 2008, Dybdal, Reitan and Broat.

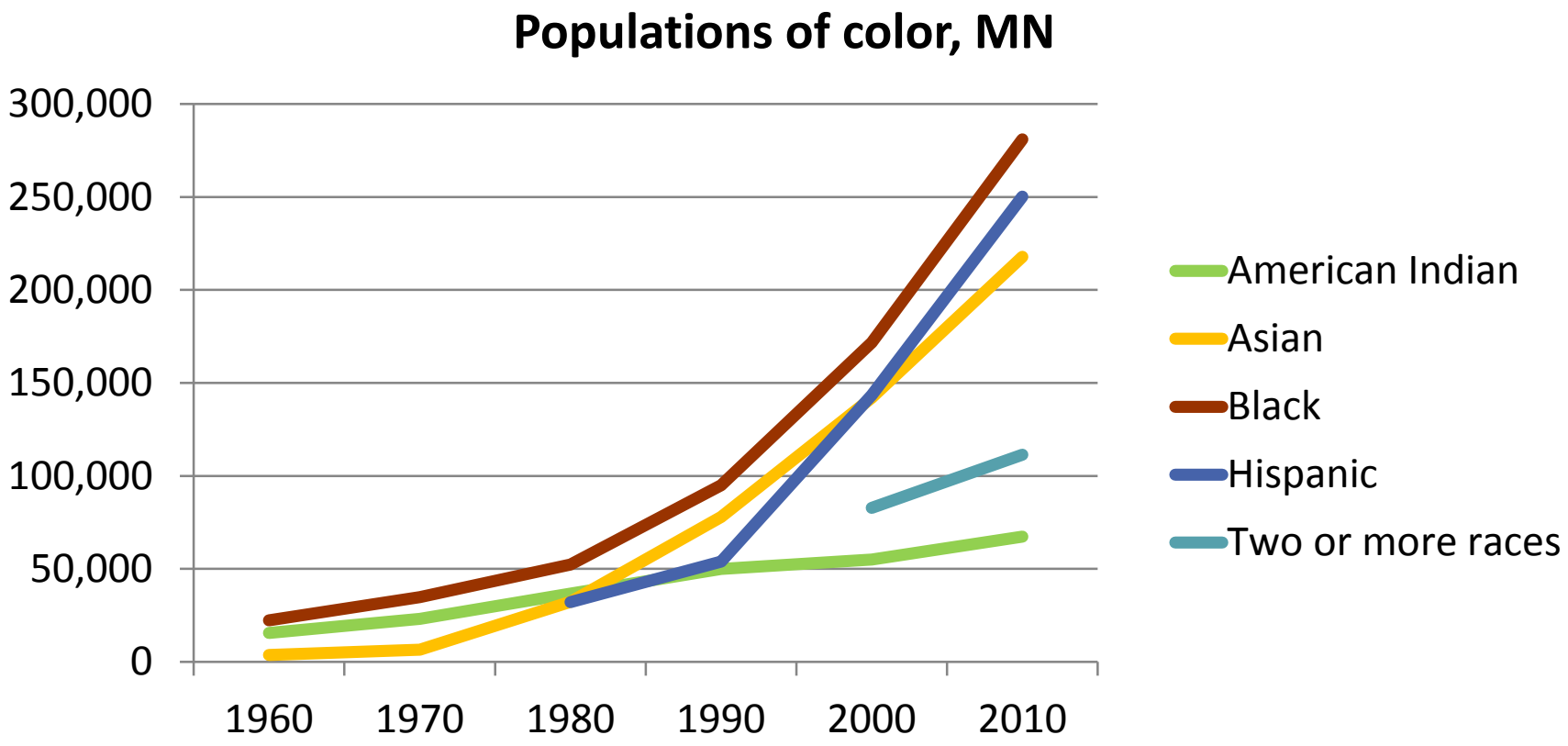
Trend 2
Increasing Diversity

50 years of growing diversity in our region, state, nation



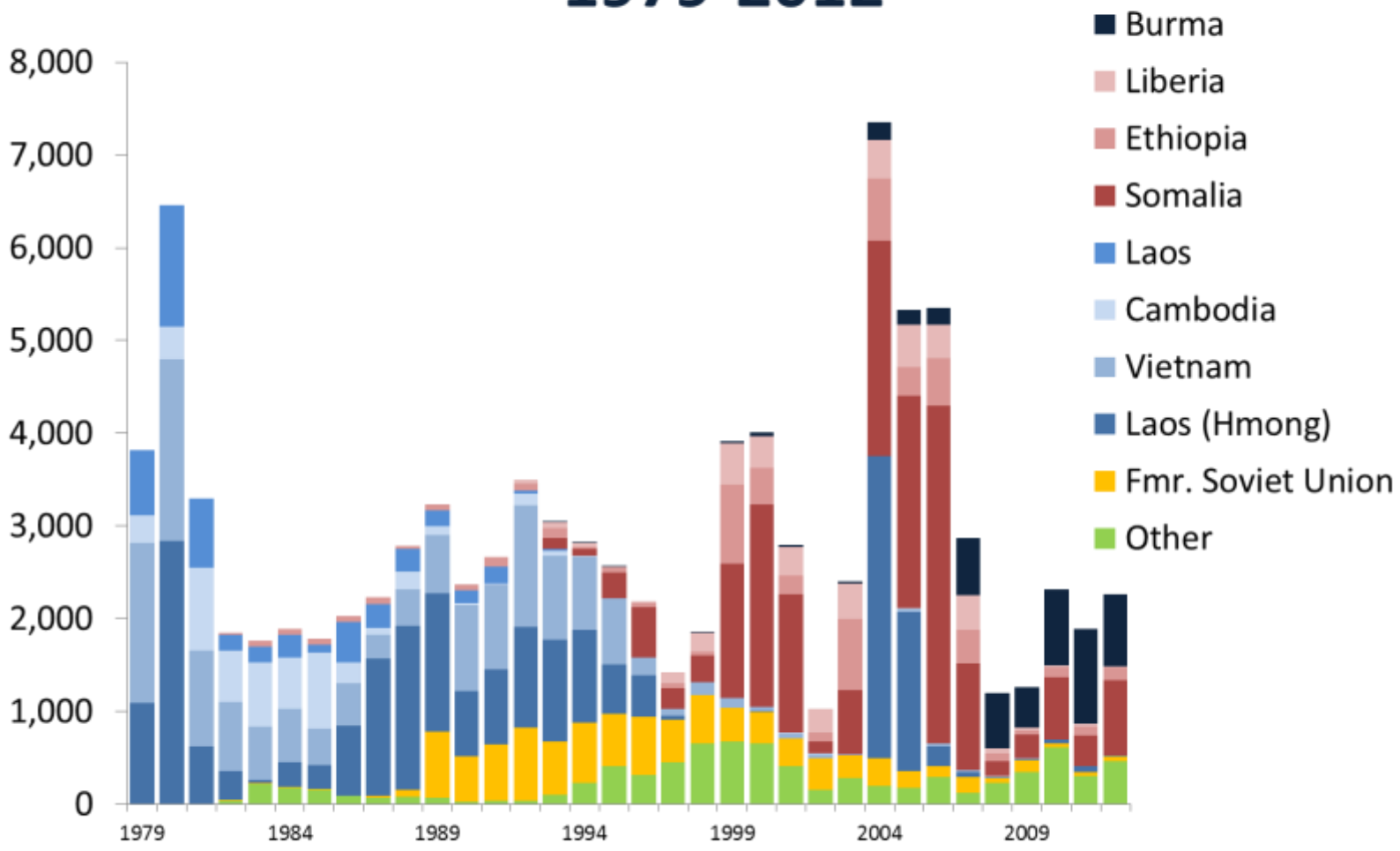
Source: mncompass.org

Black, Latino and Asian populations growing rapidly



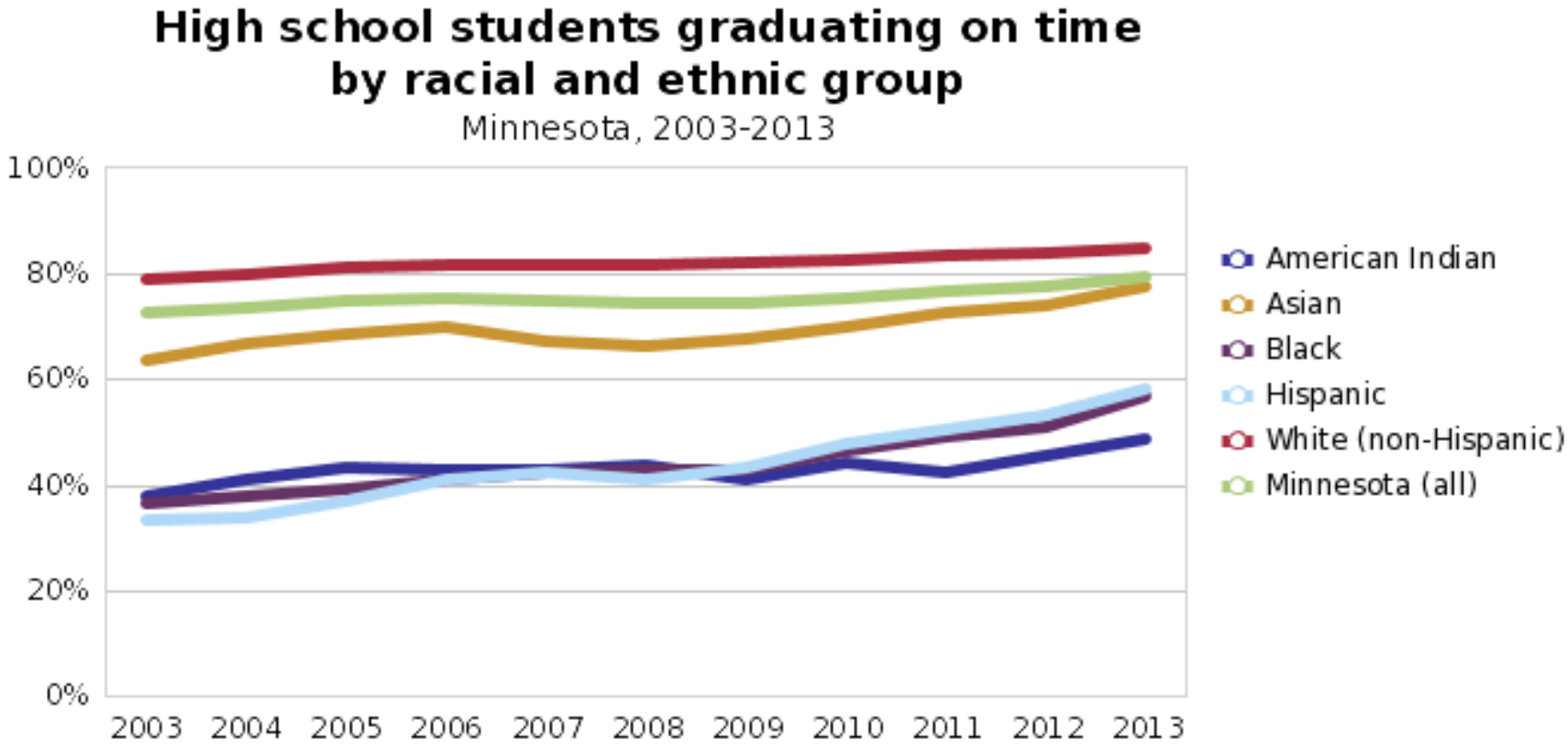
Source: Tabulated by the Minnesota State Demographic Center from the Integrated Public Use Microdata Series

Primary Refugee Arrivals to MN 1979-2012



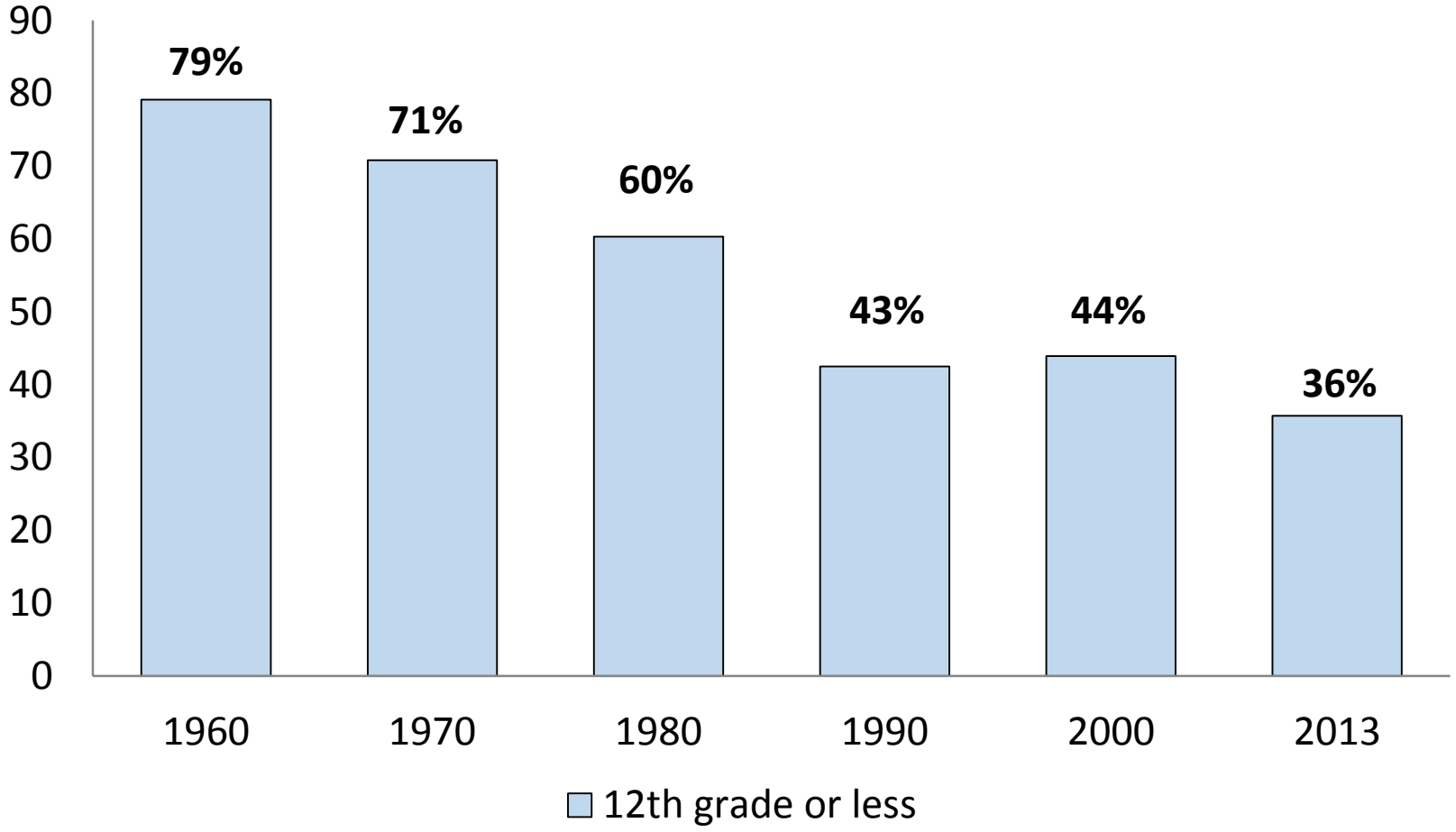
Source: Department of Homeland Security, Primary Refugee Arrivals to MN

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

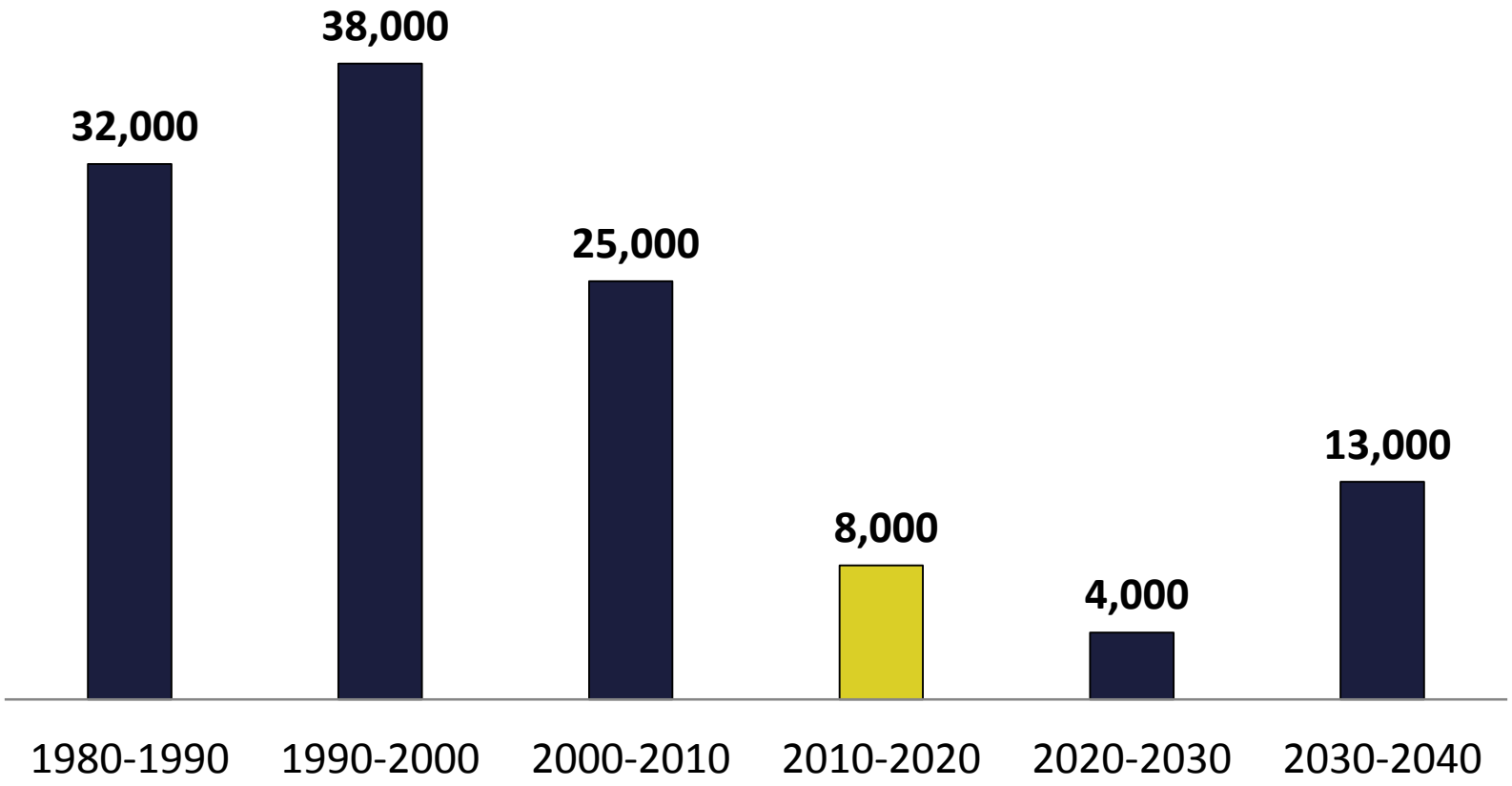


Source: Tabulated by the State Demographic Center from the Integrated Public Use Microdata Series

Trend 3
Labor force growth

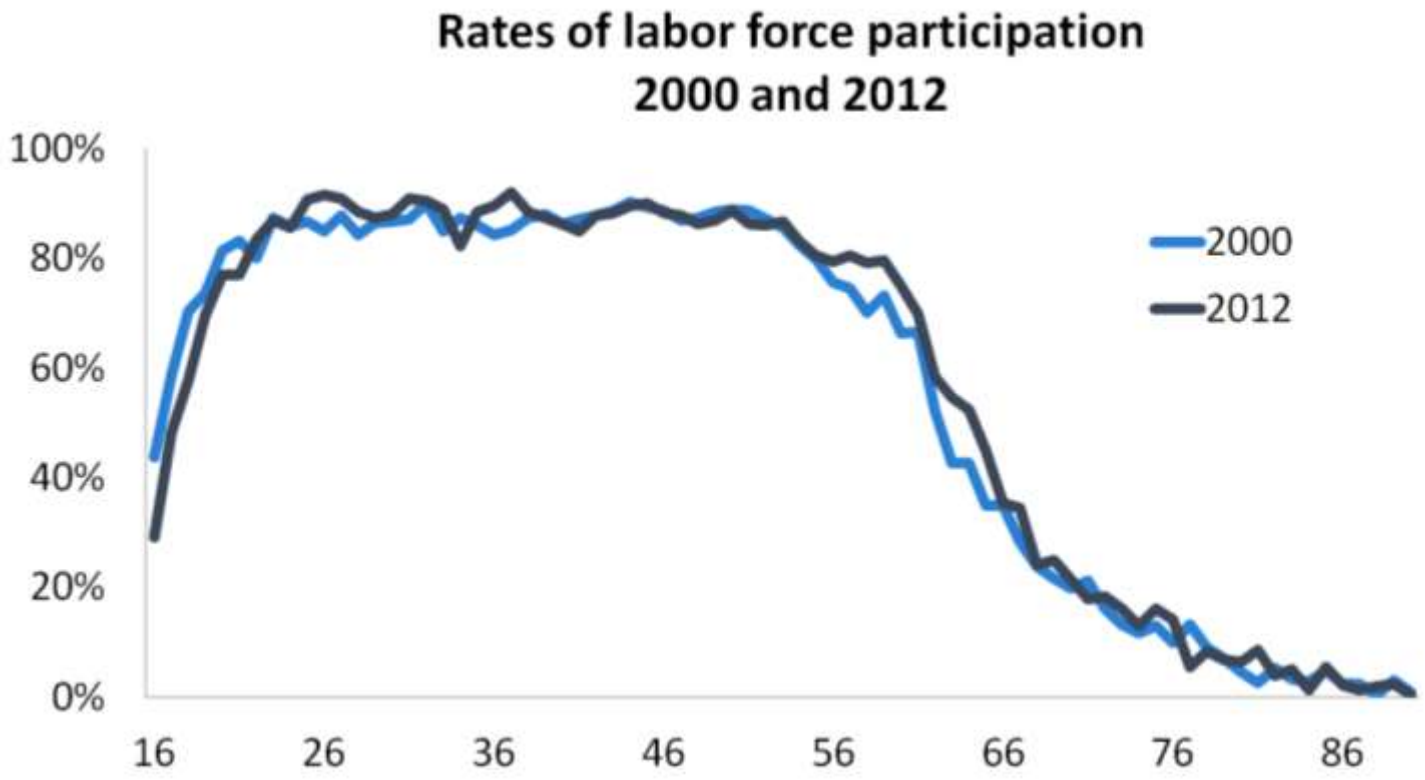
Projected Growth in Labor Force

Annual Average, Ages 16+



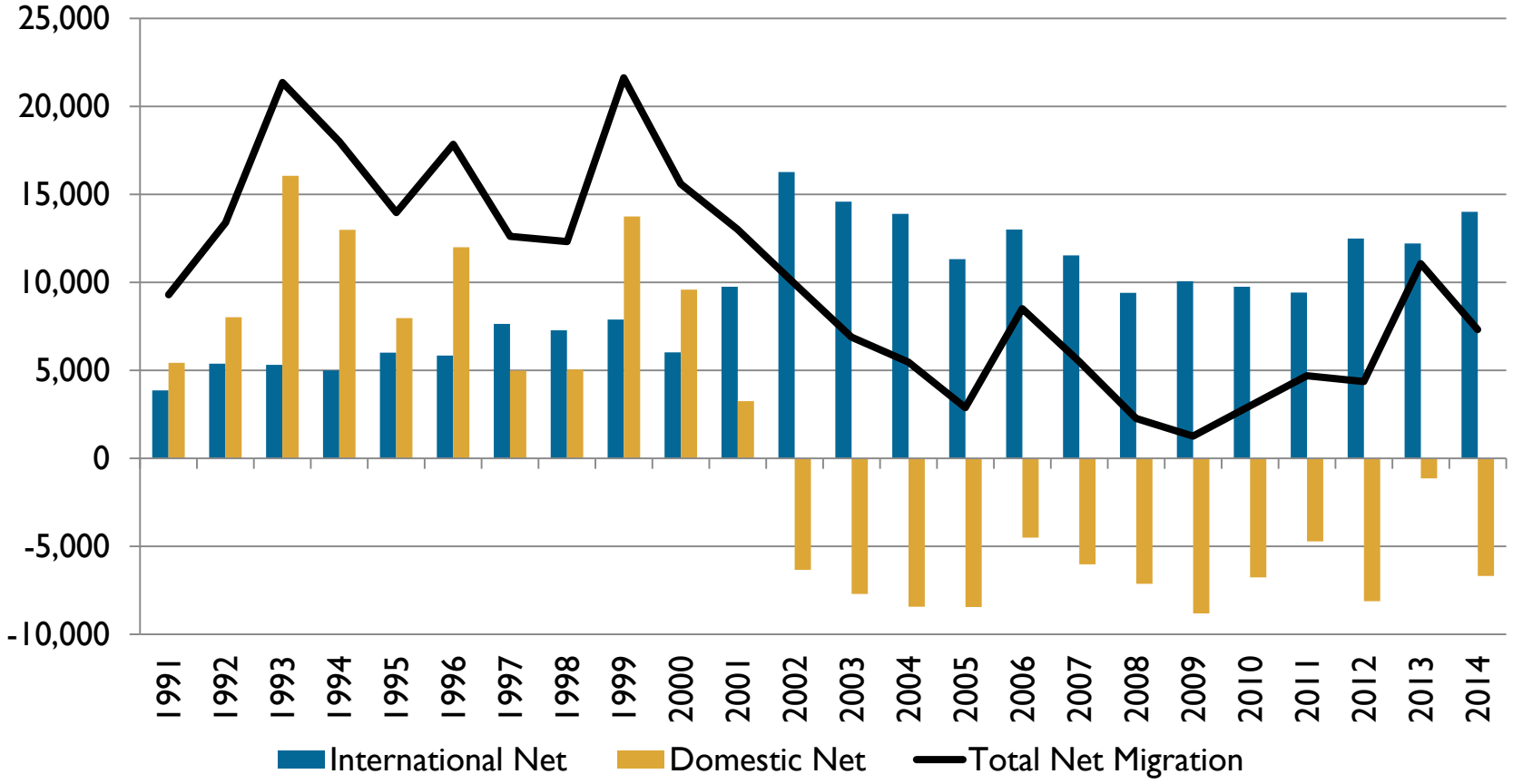
Source: U.S. Census Bureau, Minnesota State Demographic Center Projections

Labor force participation of older adults has increased only slightly



Source: Minnesota State Demographic Center from the Integrated Public Use Microdata Series

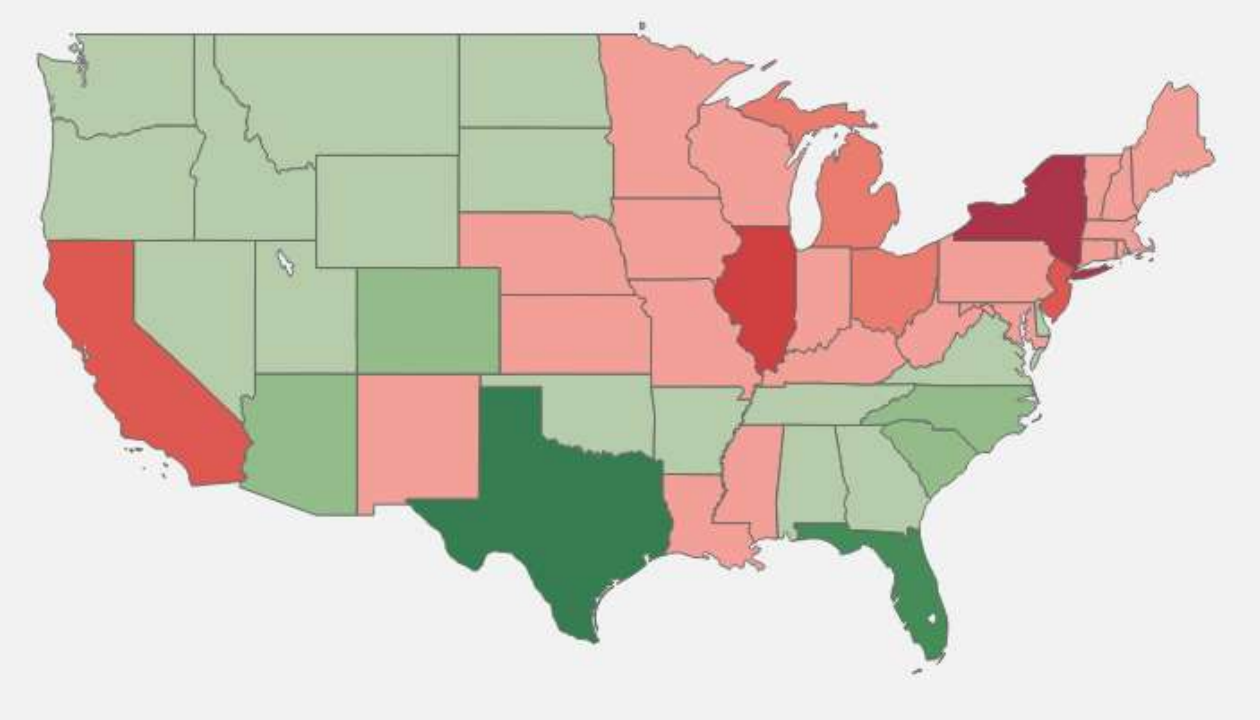
Minnesota's net migration, by international and domestic components



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

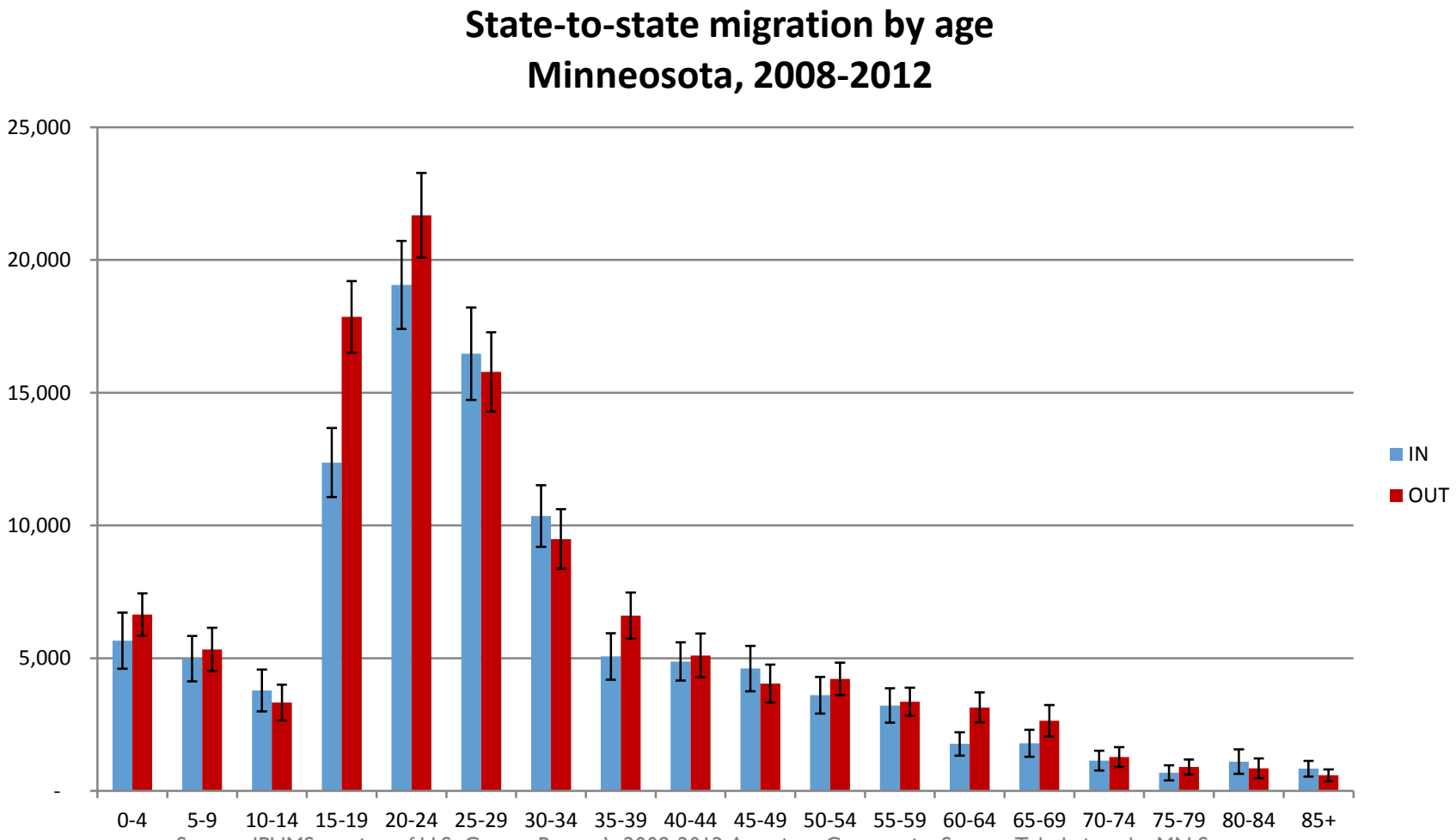
Domestic Net Migration, By State, April 1, 2010 – July 1, 2014



Source: U.S. Census Bureau Population Estimates Program

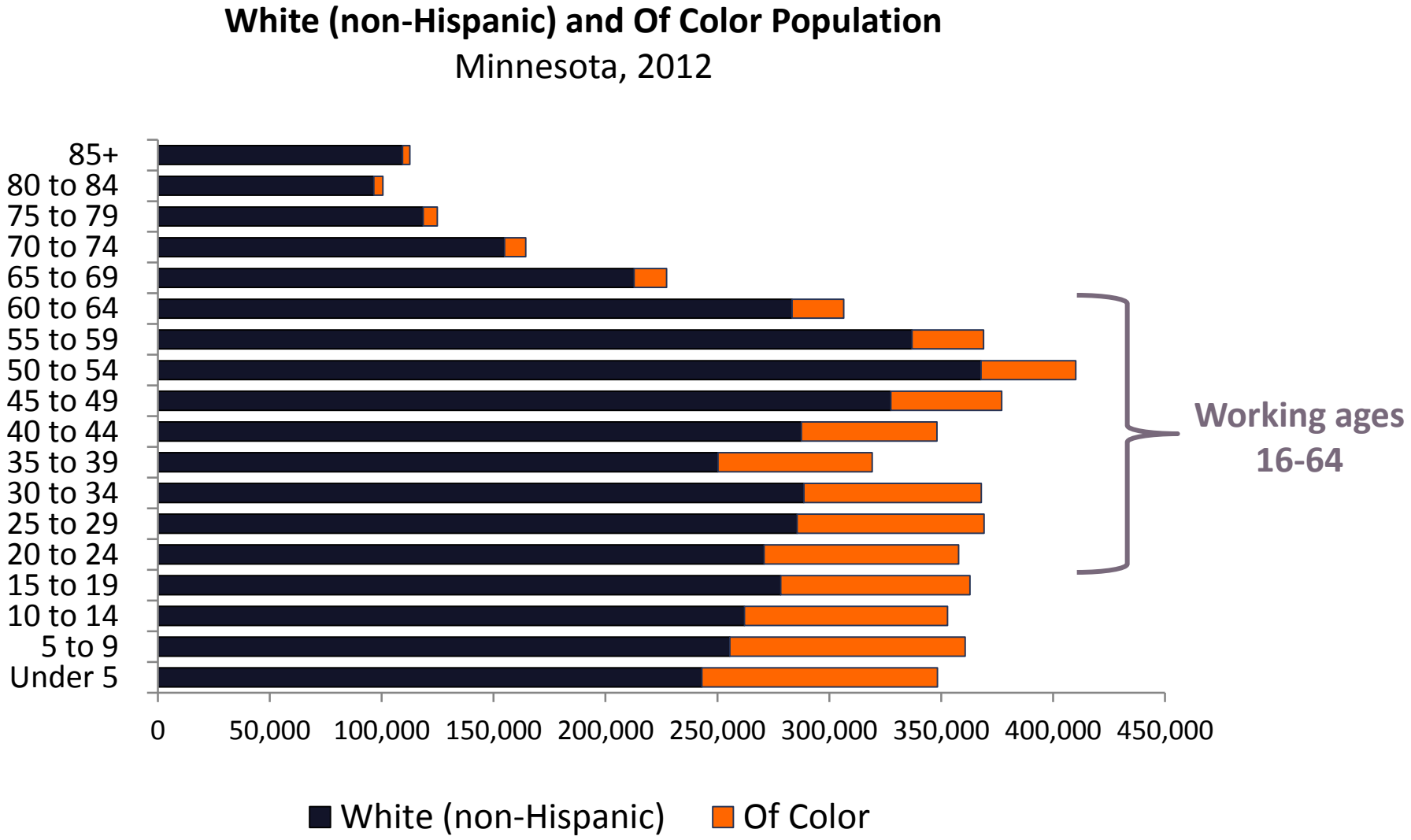
Spencer Platt, Getty Images, 2014

Largest net losses occurring ~ age 20, less counter flow (return) after college years



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

Minnesota by race, 2012

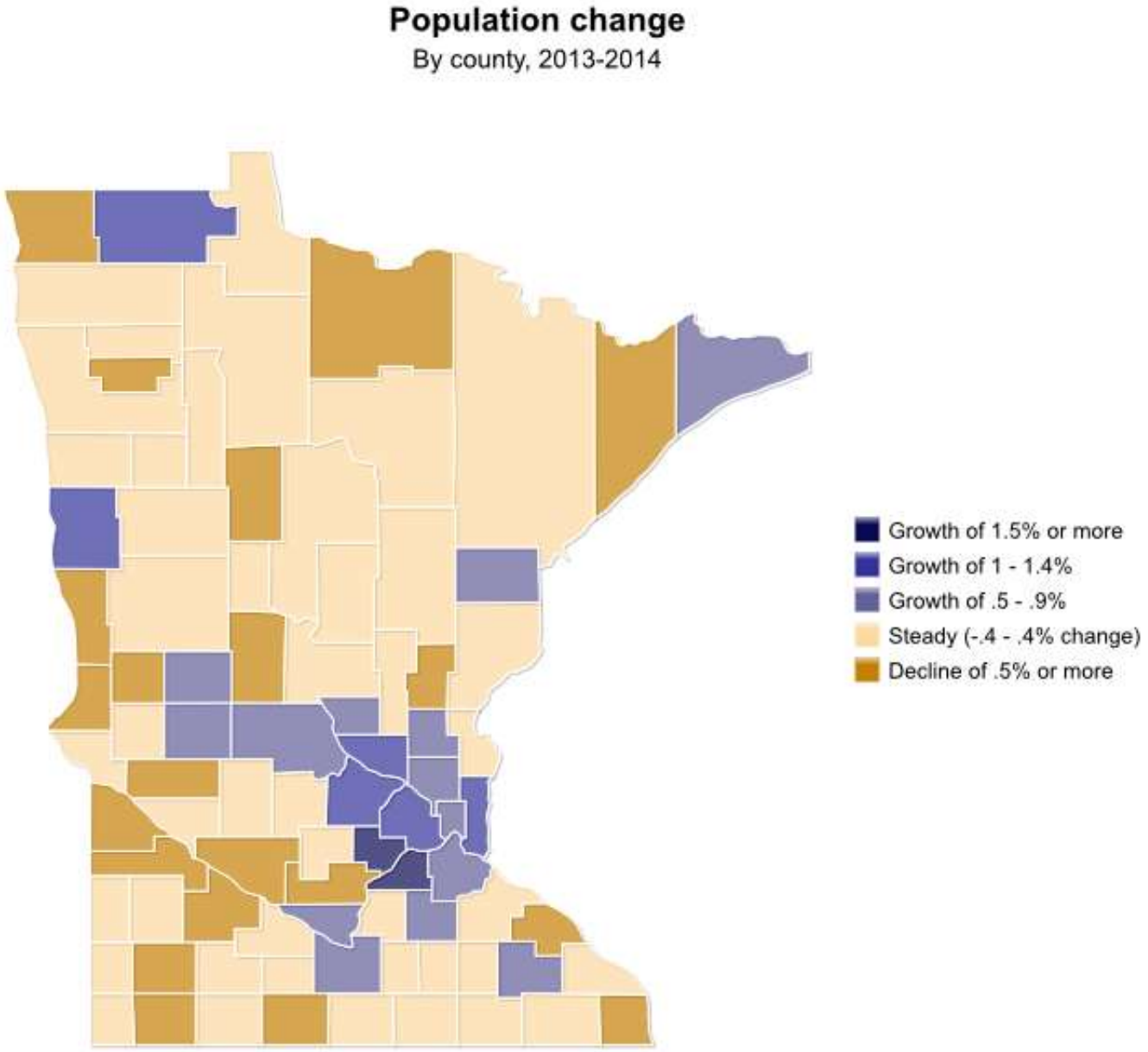


Source: 2012 Population Estimates, U.S. Census Bureau.

What does a slower growing labor force mean to MN?

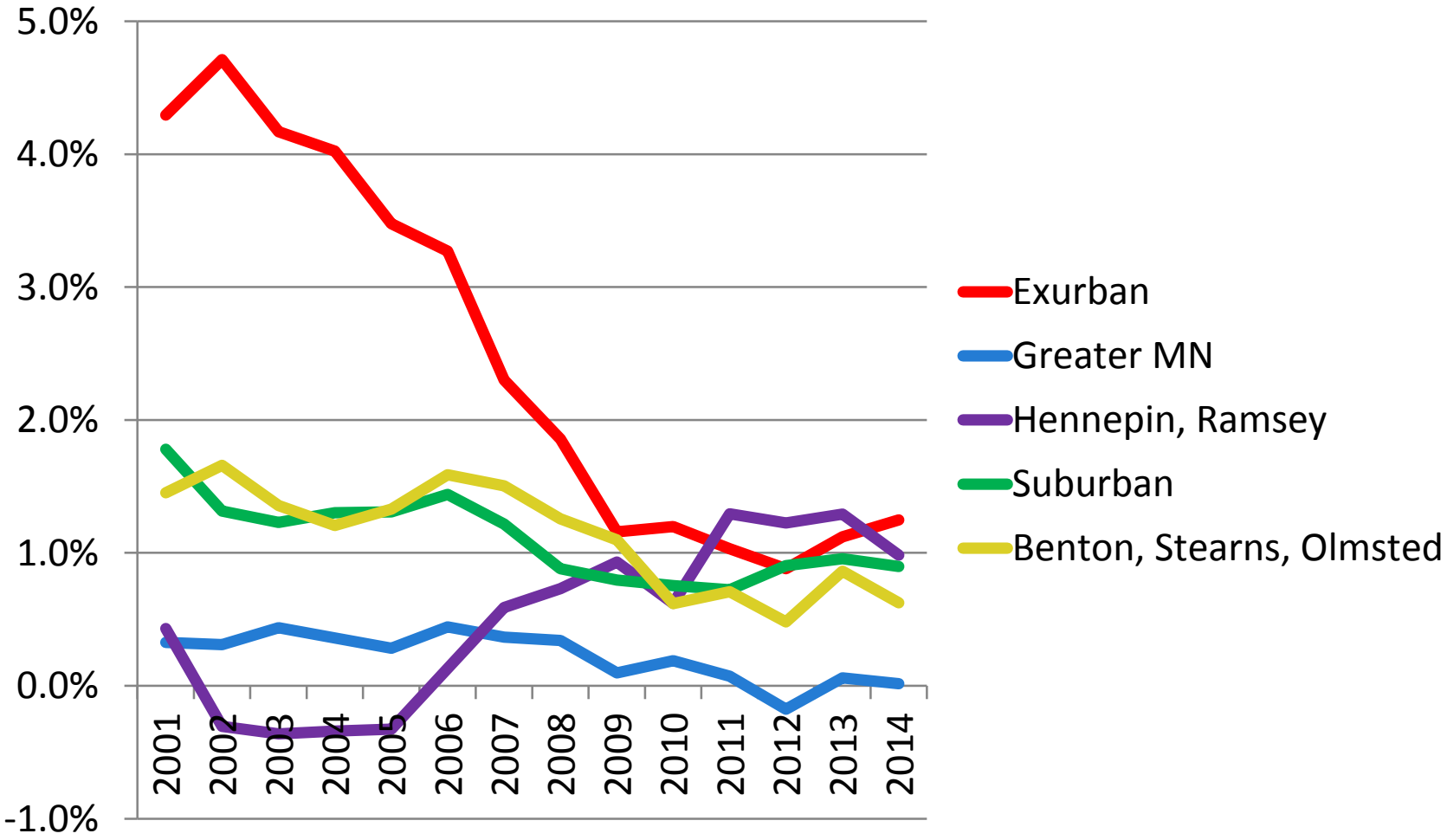
- Dampened economic growth?
- No room to leave any potential worker behind (e.g. People of color, older workers, parents, people with disabilities)
- Premium put on educated, highly-skilled talent
- Employers who find and retain workers in new and creative ways win

A look forward: projected growth



U.S. Census Bureau, Population Estimates

Growth rates in Minnesota have converged



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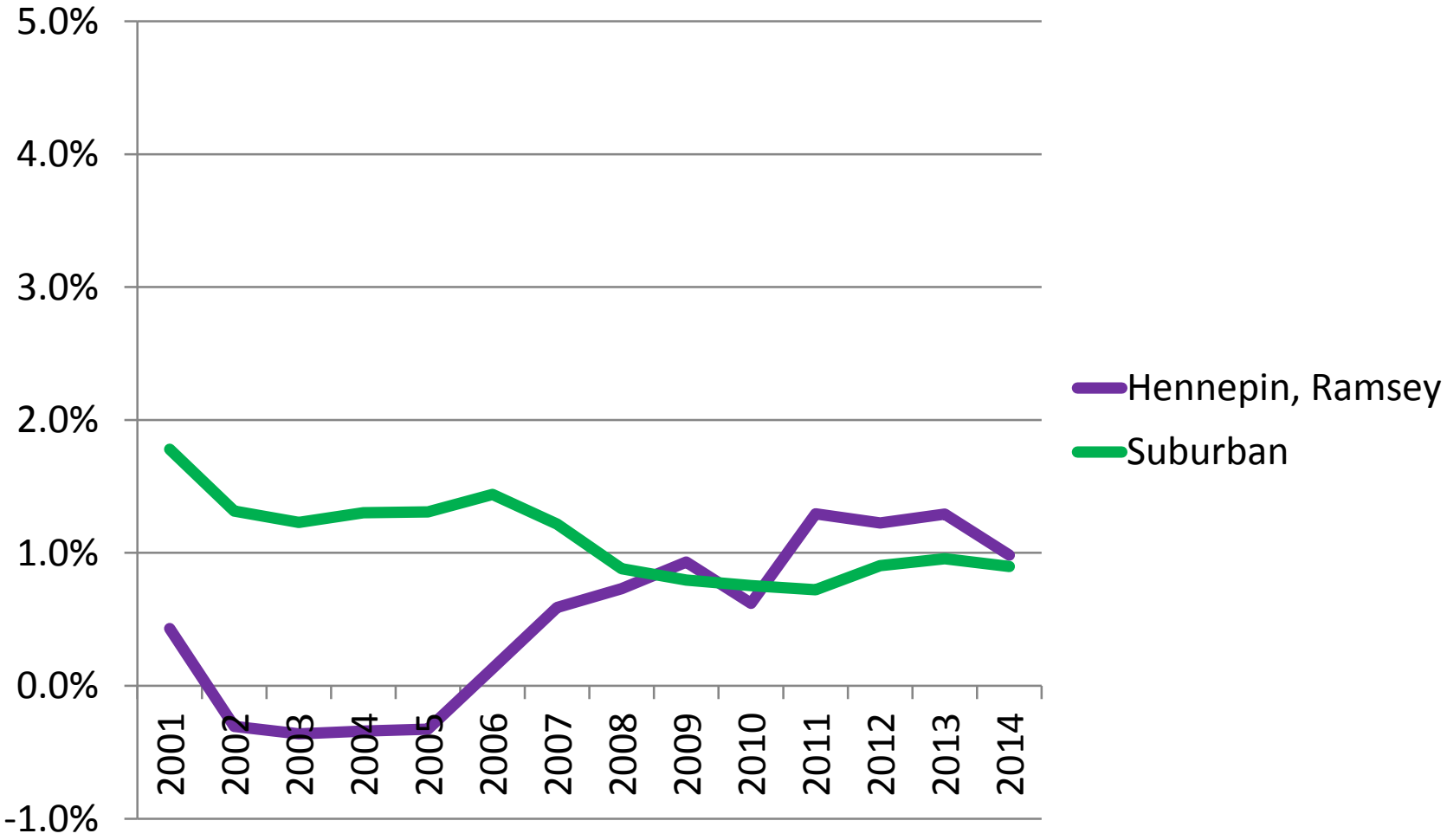
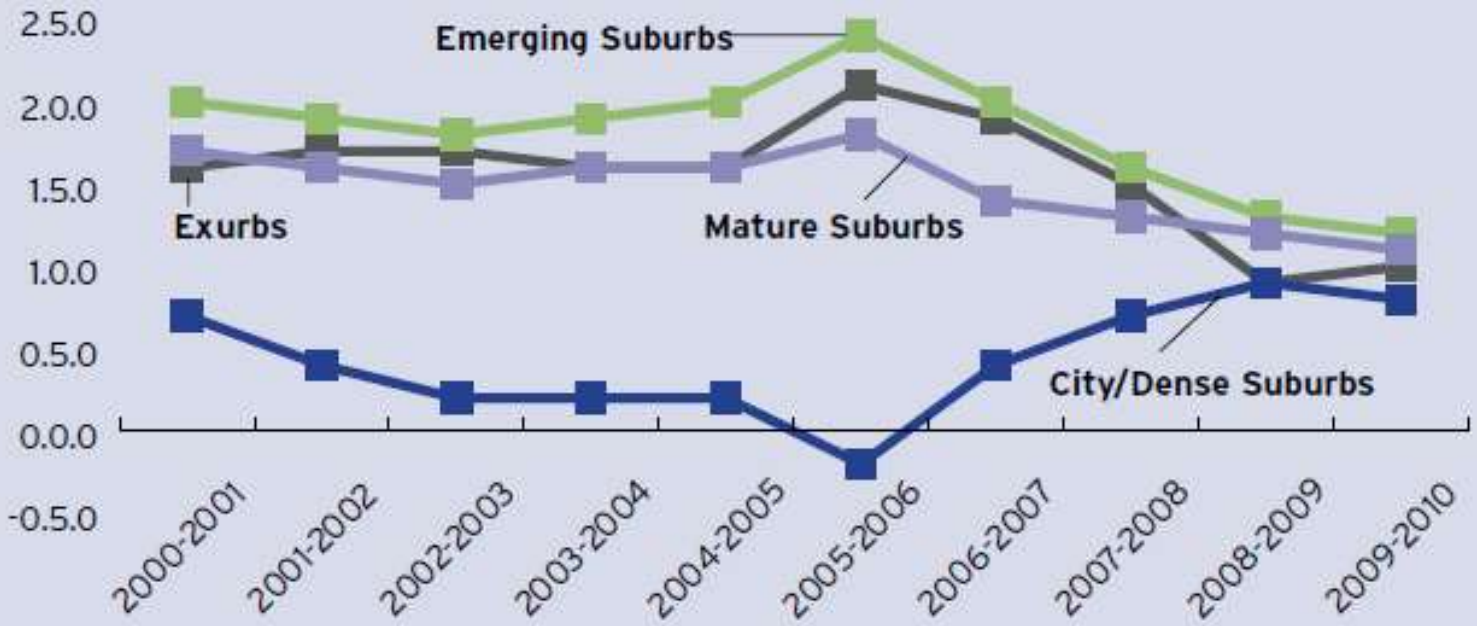
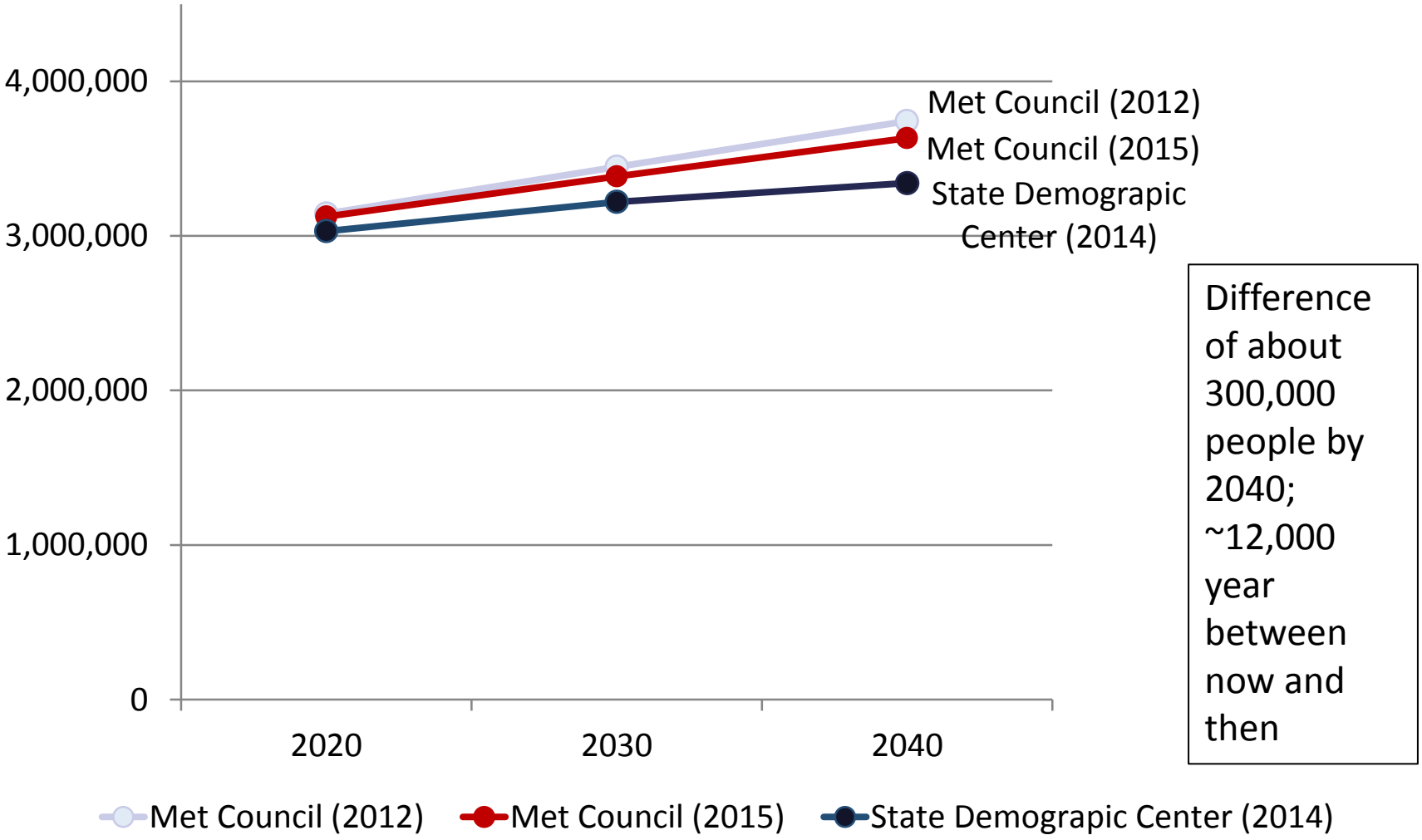


Growth rates are converging nationally too



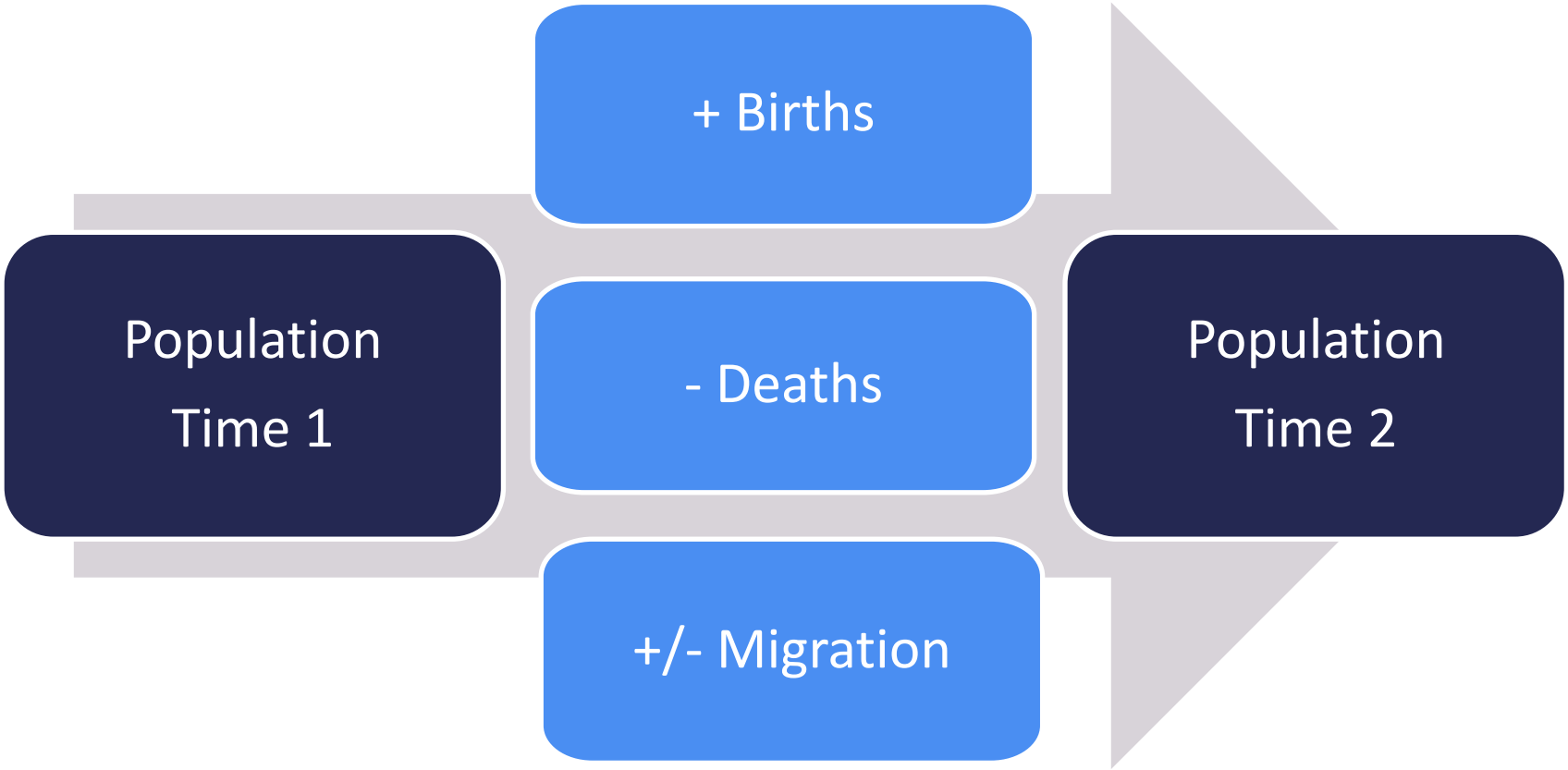
Source: Brookings Institution

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 operates through 3 components



Cohort-component method

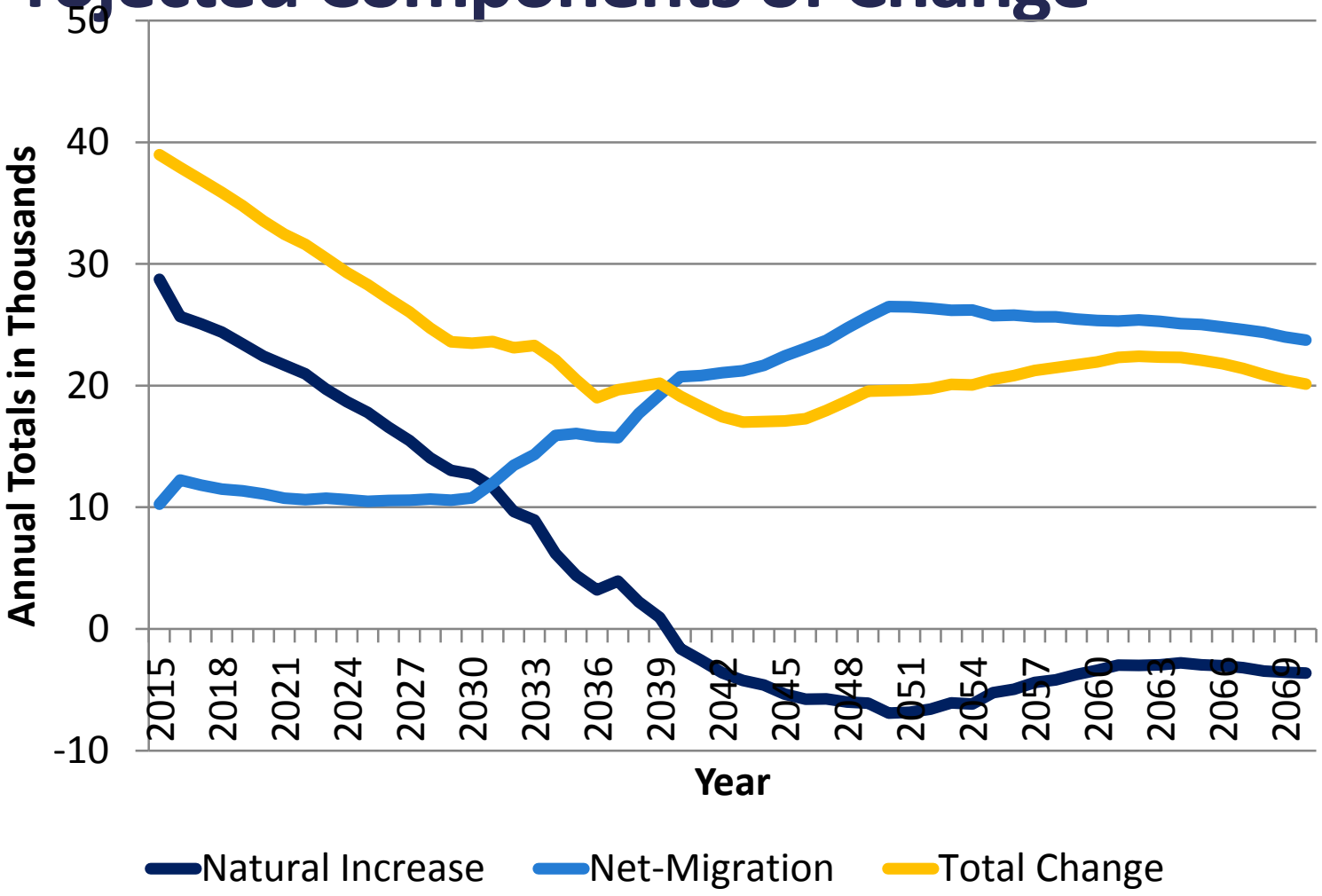
Strengths

- 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

Weaknesses

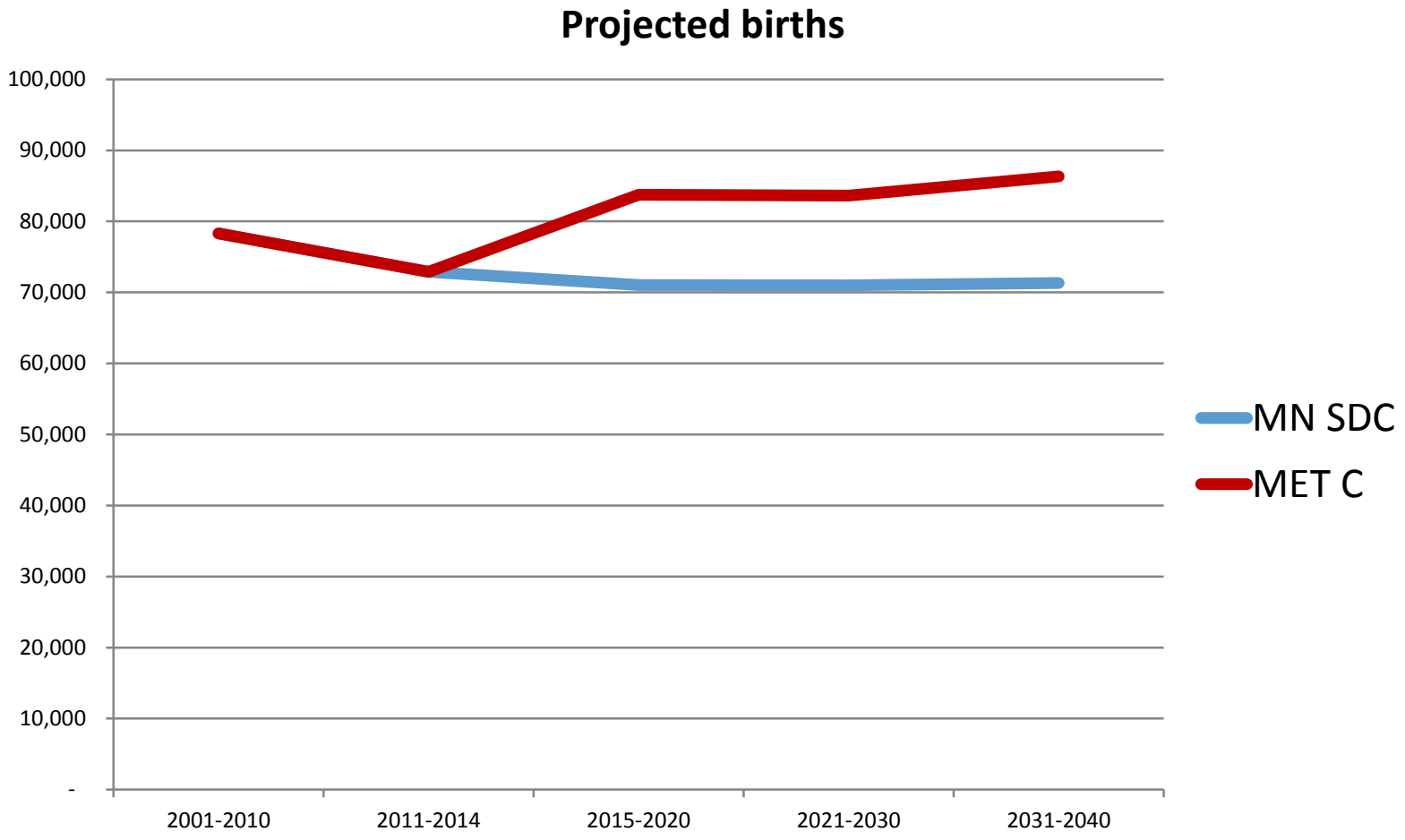
- Does not predict social and economic changes
- Not universally appropriate for small areas where migration may be variable

State Demographic Center, Projected Components of Change



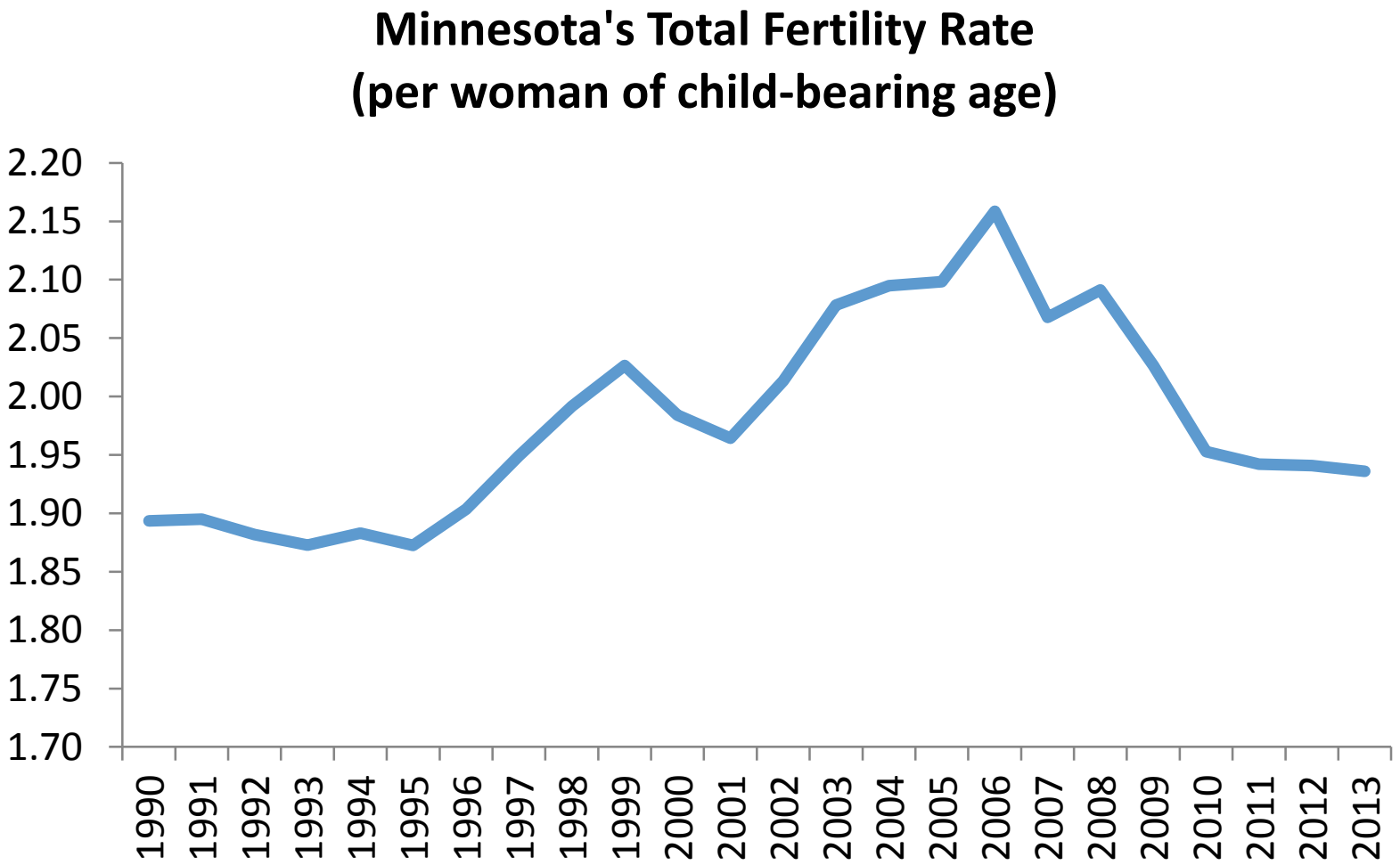
Source: Minnesota State Demographic Center

Met council projects increase in births in the 2015-2020 period



Source: State Demographic Center and Met Council, REMI outputs

We do not expect to see a near-term return to pre-recession fertility levels



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

Minnesota State Demographic Center

Stay tuned, keep in touch.

mn.gov/demography

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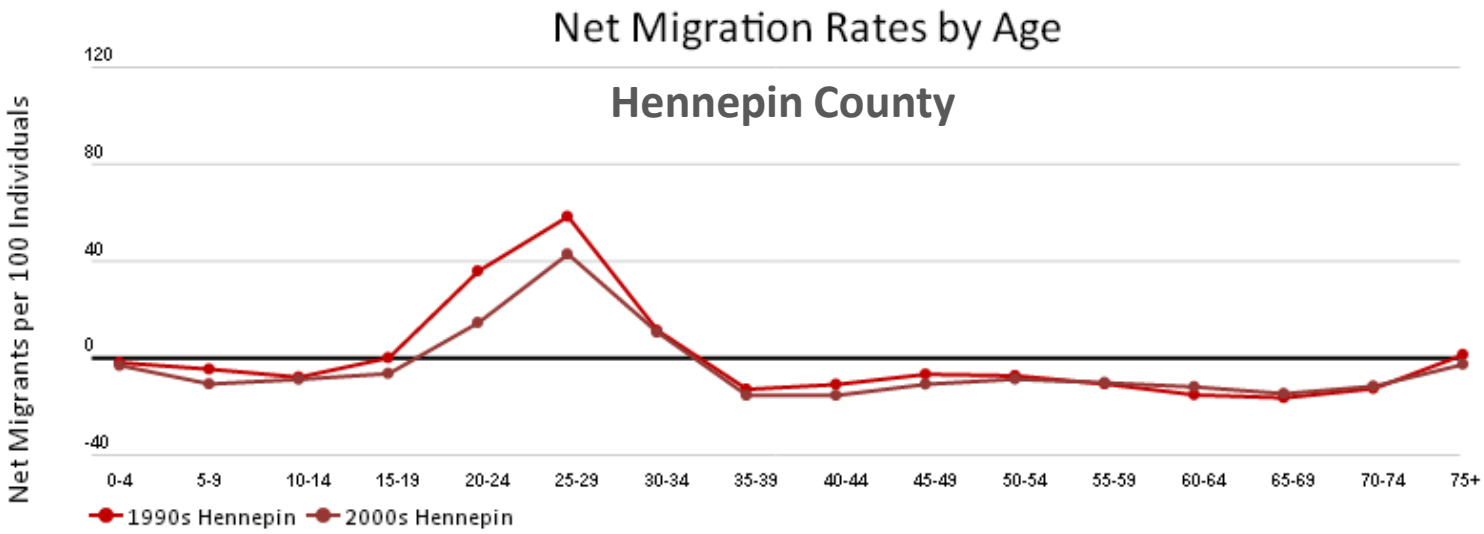
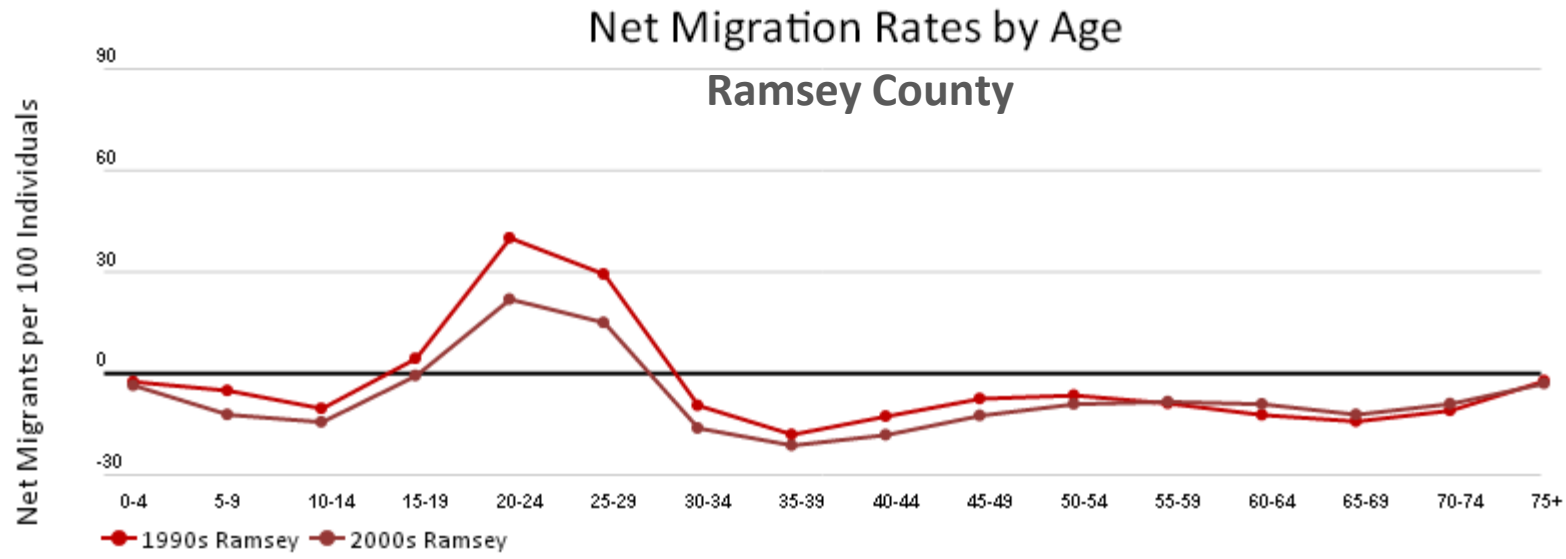
Twitter: @MN_StateData





Winkler, Richelle, Ken Johnson, Cheng Cheng, Jim Beaudoin, Paul Voss, and Katherine Curtis. Age-Specific Net Migration Estimates for US Counties, 1950-2010. Applied Population Laboratory, University of Wisconsin- Madison, 2013. Web.