



Eden Prairie Rotary
Susan Brower, Minnesota State Demographer
June 2014



Topics for today



- 2 BIG demographic trends
- Your questions and insights



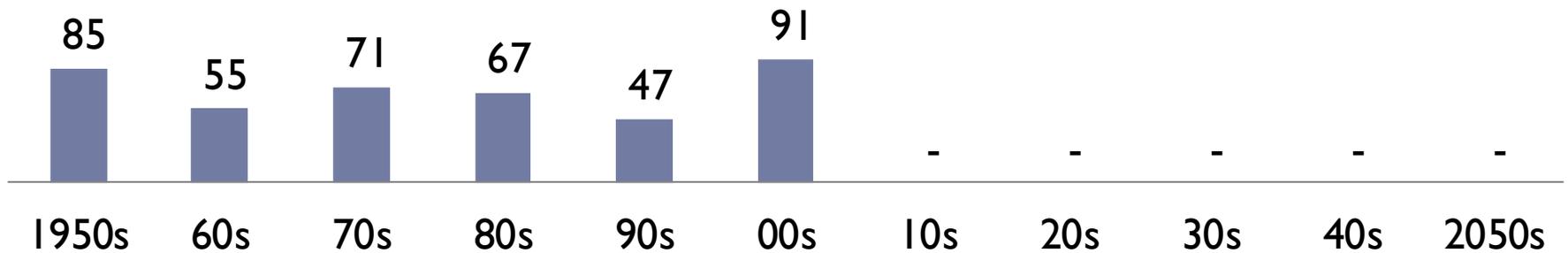
Trend #1:
Population aging
is beginning to
affect MN and
the nation

Aging



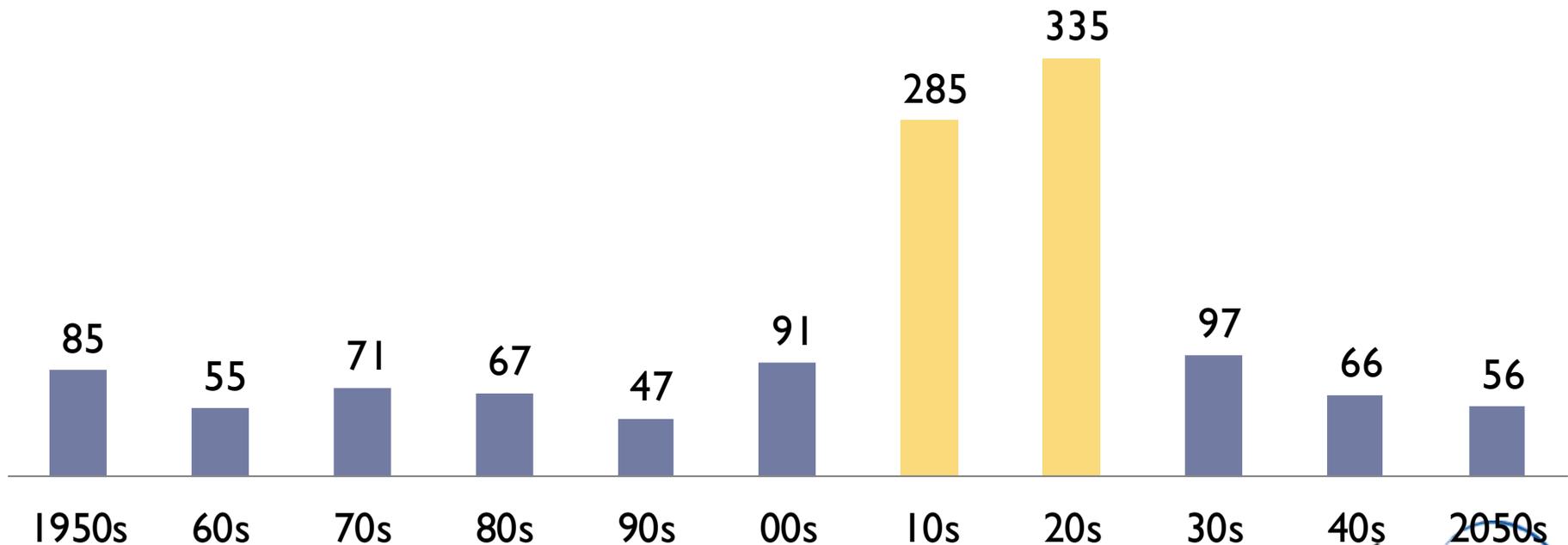
+ Number of older adults will increase substantially over the next 20 years

Change in older adults, age 65+ (Thousands)



+ Number of older adults will increase substantially over the next 20 years

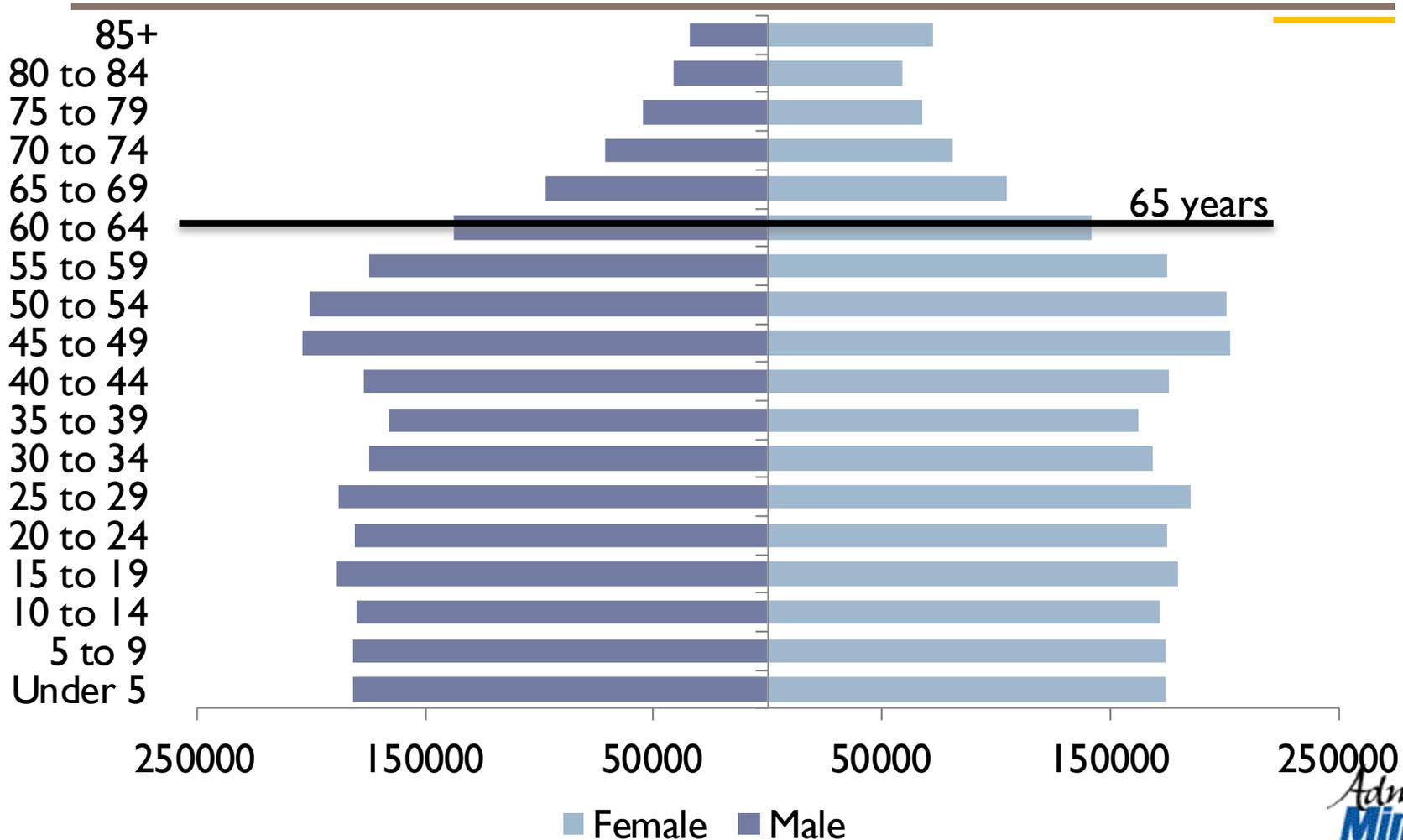
Change in older adults, age 65+ (Thousands)



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

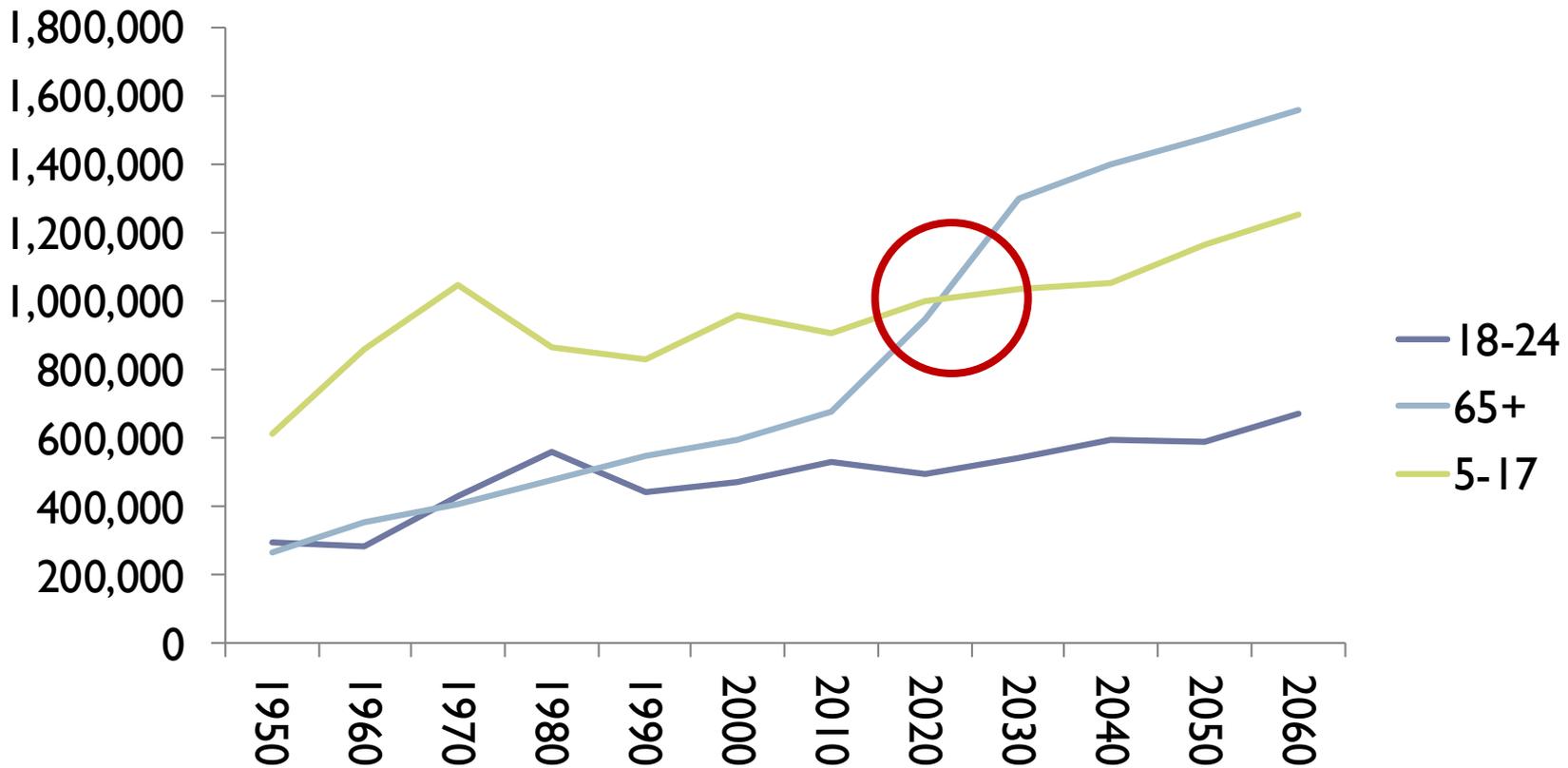
+ Why are changes so marked now?

Population by age and sex Minnesota, 2010



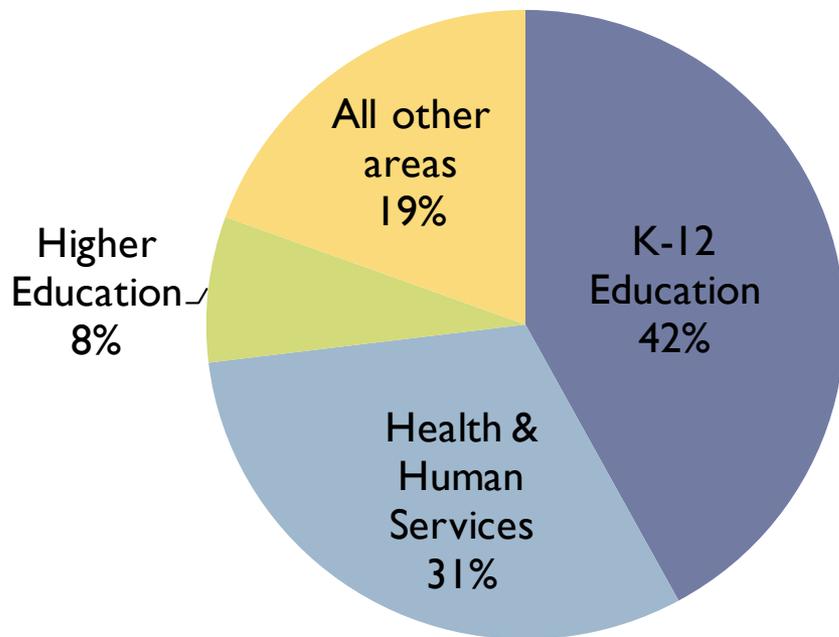


For the first time in MN history: More 65+ than school-age by 2020



+ Increasingly our demographics will change the demand for services

General Fund Expenditures FY 2012-2013



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

From 2008: If State Health Care Costs Continue Their Current Trend, State Spending On Other Services Can't Grow

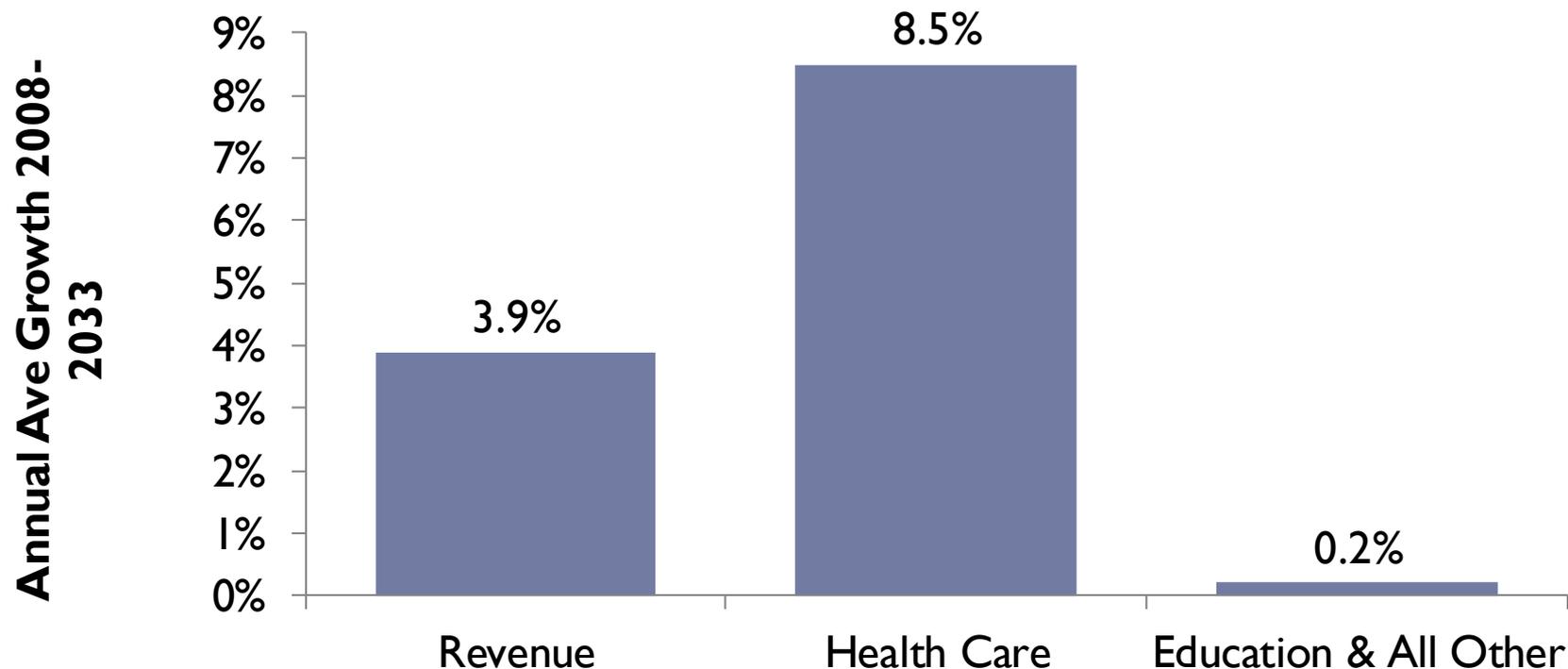
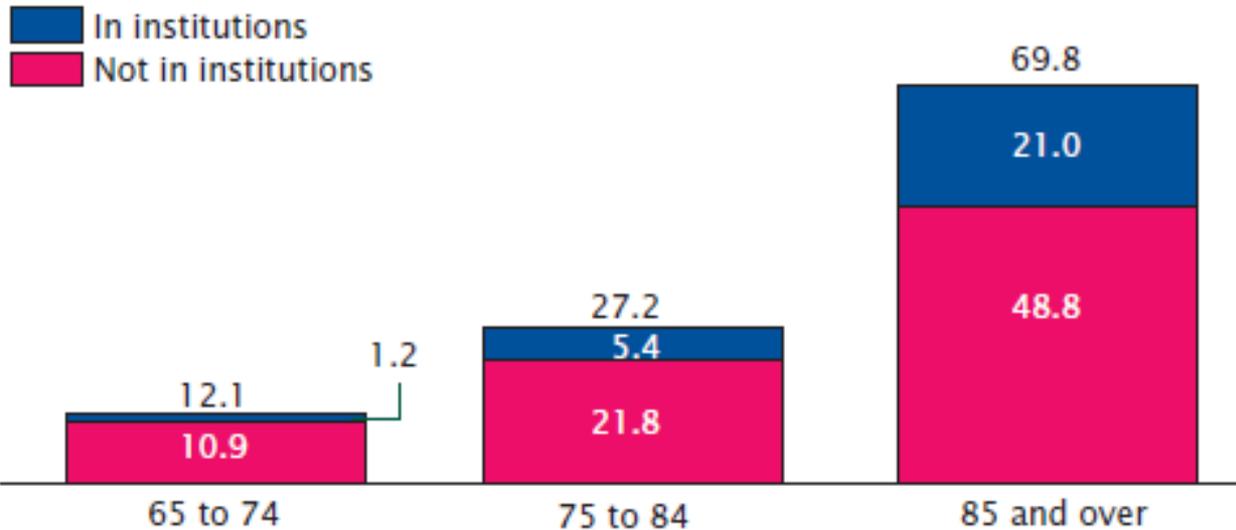


Figure 3-23.

Percent of People Aged 65 and Over With Long-Term Care Needs by Age and Place of Residence: 1995¹

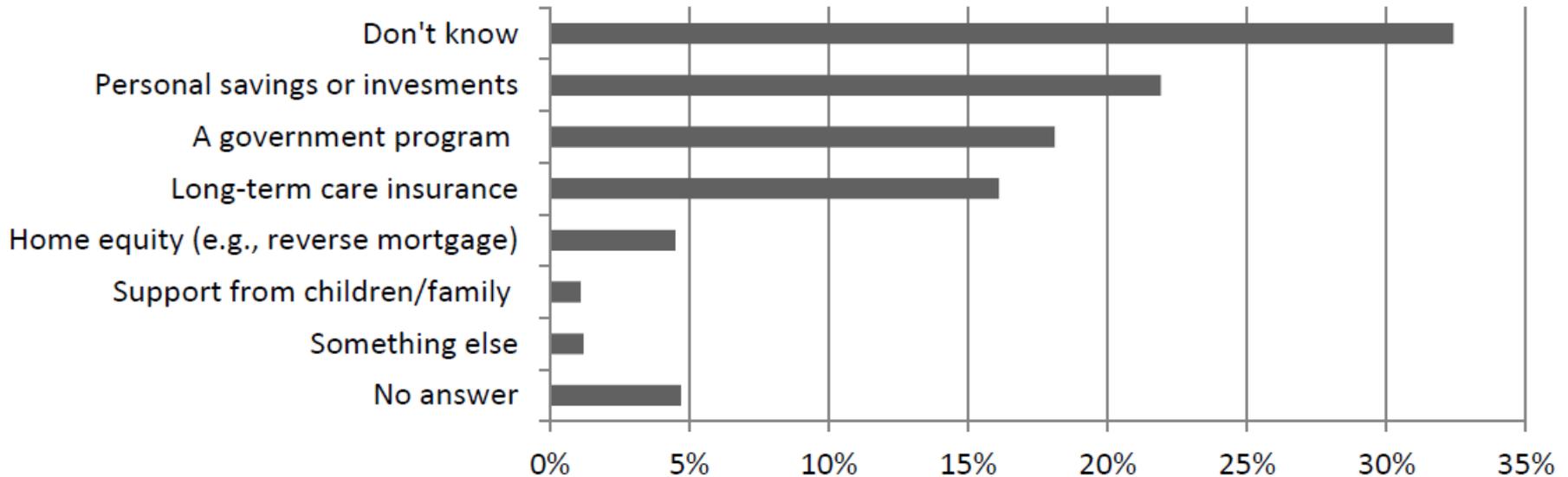


¹ Needing assistance with activities of daily living (ADLs) or instrumental activities of daily living (IADLs).

Note: The reference population is derived from a combination of sources. The reference population for these data is the civilian noninstitutionalized population and institutionalized population from the National Medical Expenditure Survey, civilian institutionalized population from the Current Population Survey, and Medicare enrollees aged 65 and older from the National Long Term Care Survey.

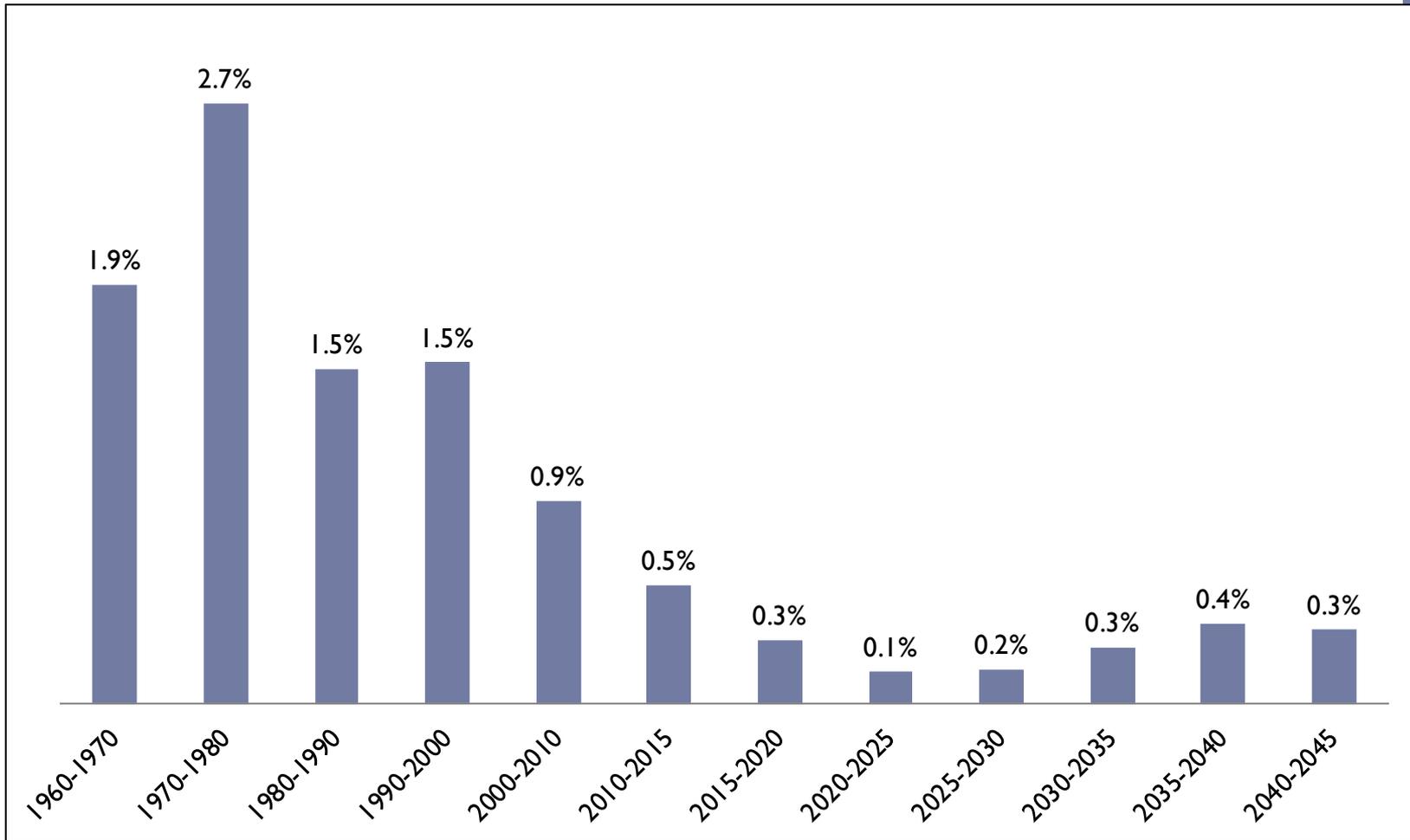
Source: Stone, 2000. For full citation, see references at end of chapter.

+ Plans to Cover the Cost of Long Term Care Baby boomers in MN, 2010





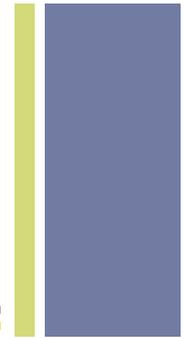
Labor force growth is projected to slow



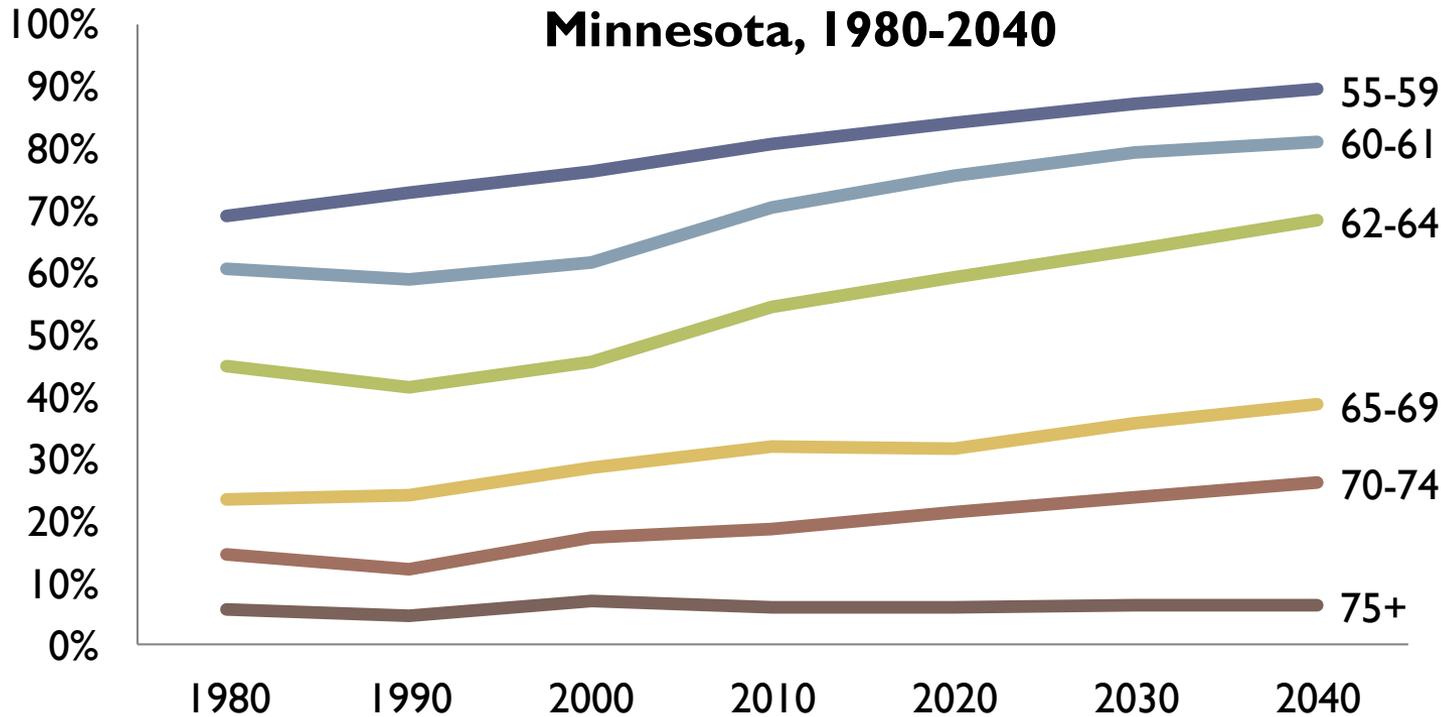
Source: Minnesota State Demographic Center Projections



Increased labor force participation won't be enough to counter aging trend



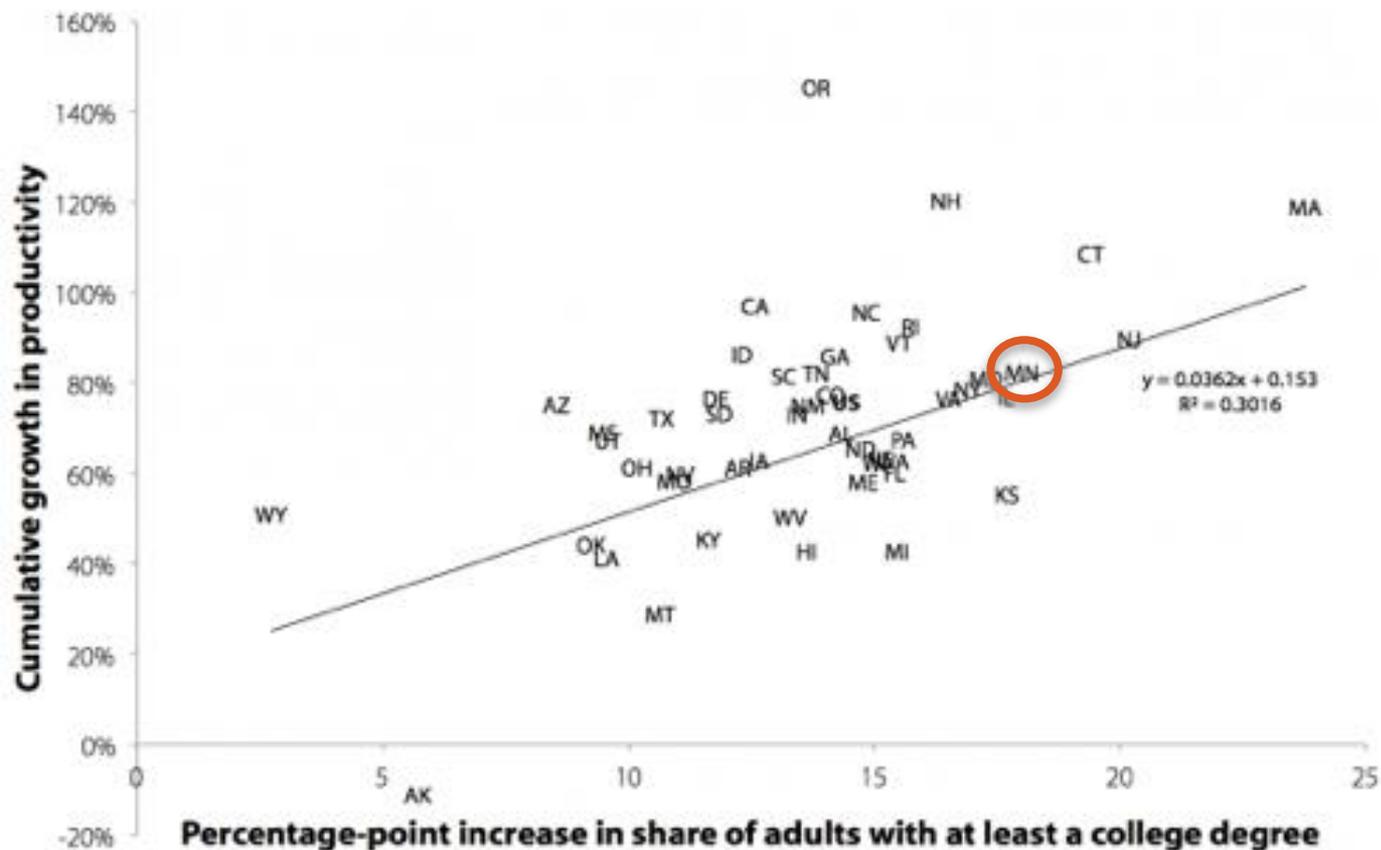
**Projected labor force participation rates of older adults
Minnesota, 1980-2040**



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

Productivity has grown more in states with greater growth in the educational attainment of their workforce

Relationship between state productivity growth and increase in college attainment from 1979 to 2012



Source: EPI analysis of unpublished total economy productivity data from the Bureau of Labor Statistics (BLS) Labor Productivity and Costs program, state employment data from BLS Local Area Unemployment Statistics, and college attainment data from the Current Population Survey basic monthly microdata

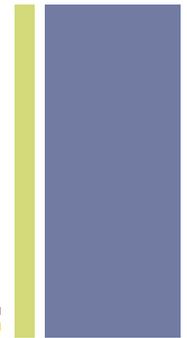


Trend #2:
Minnesota and the
Twin Cities are
becoming more
diverse

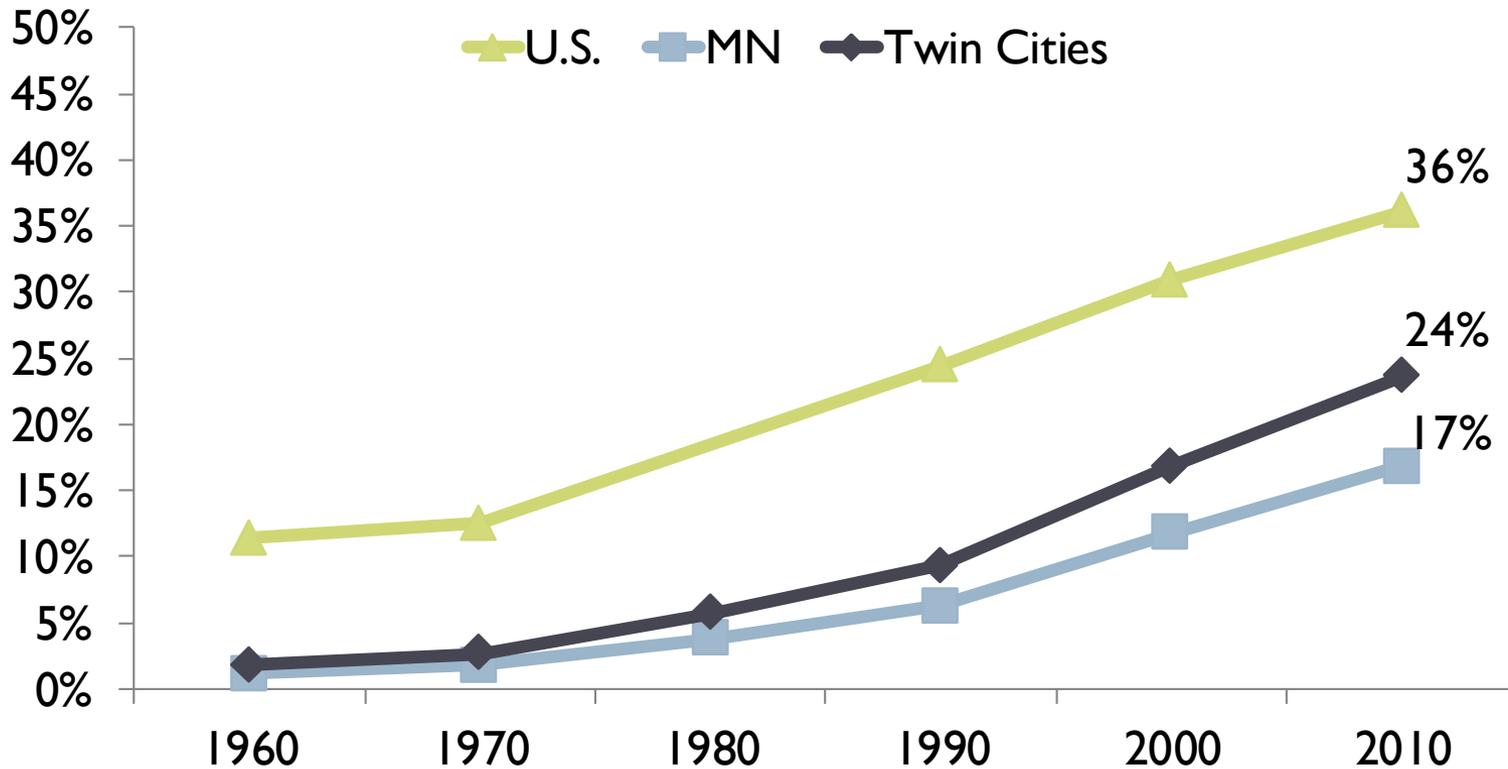




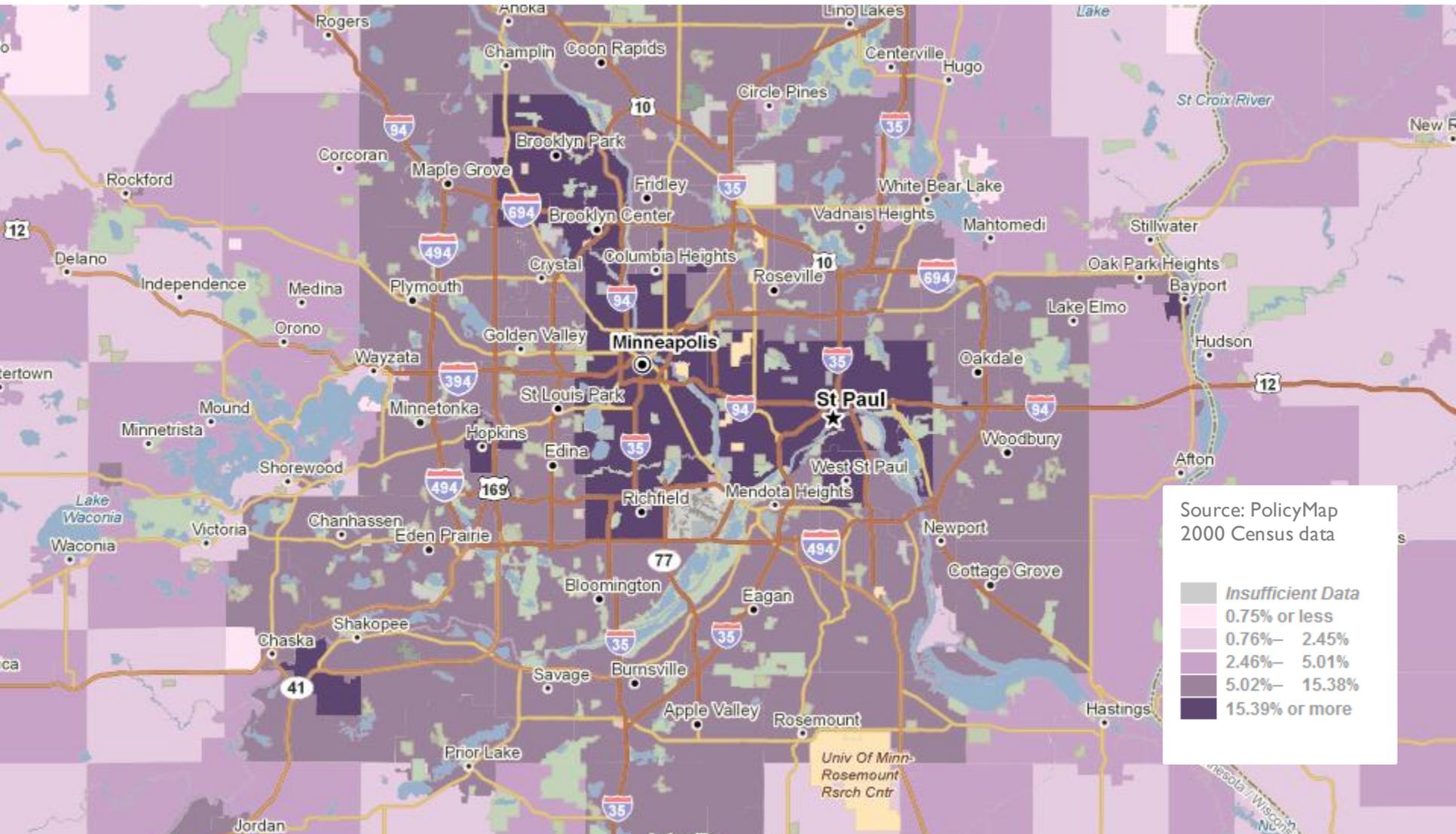
50 years of growing diversity in our region, state, nation



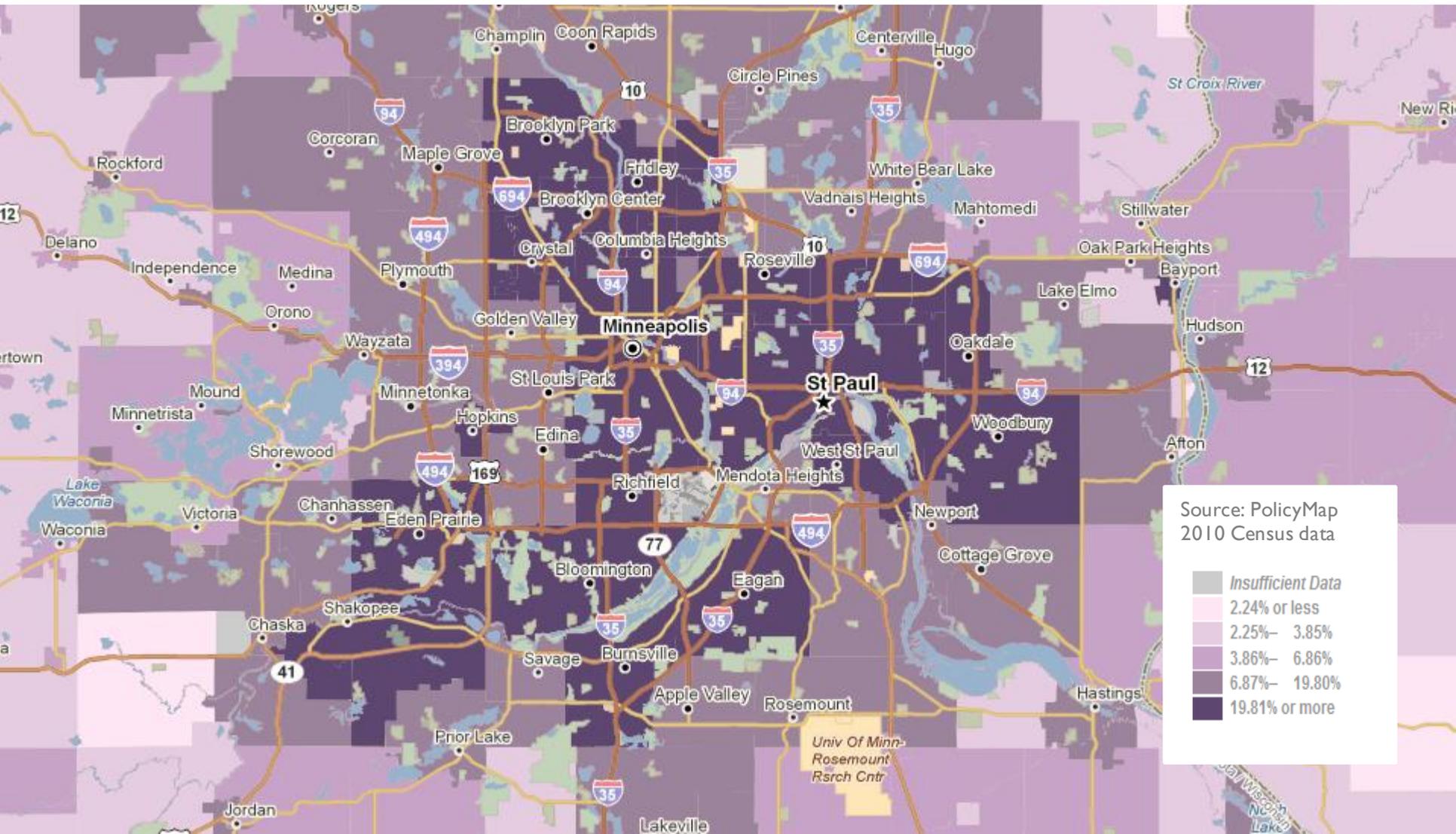
Percent Of Color, 1960-2010



2000: Few cities had populations of color > 15%

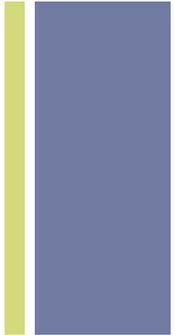


2010: Many cities had populations of color > 20%

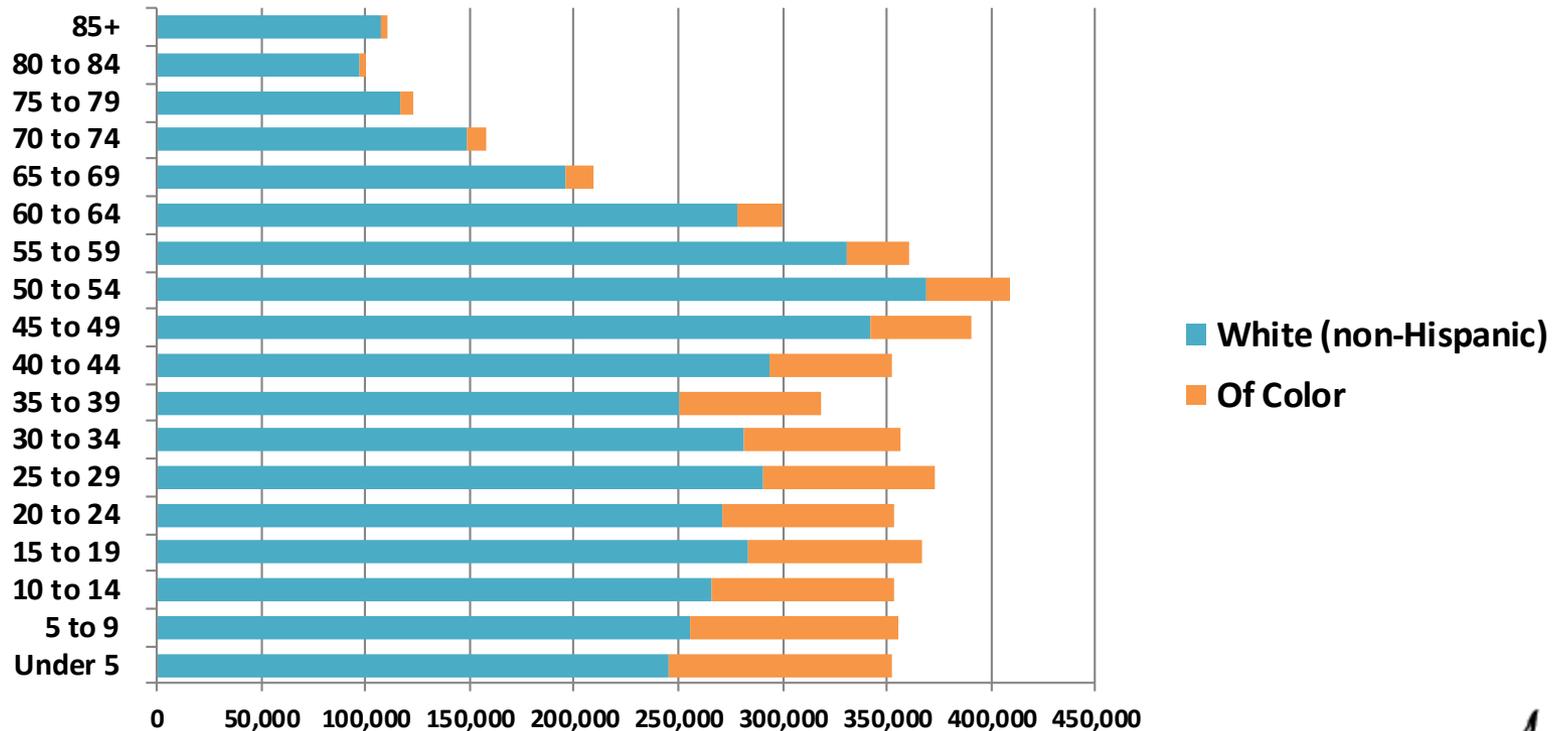




A portrait of Minnesota, 2011



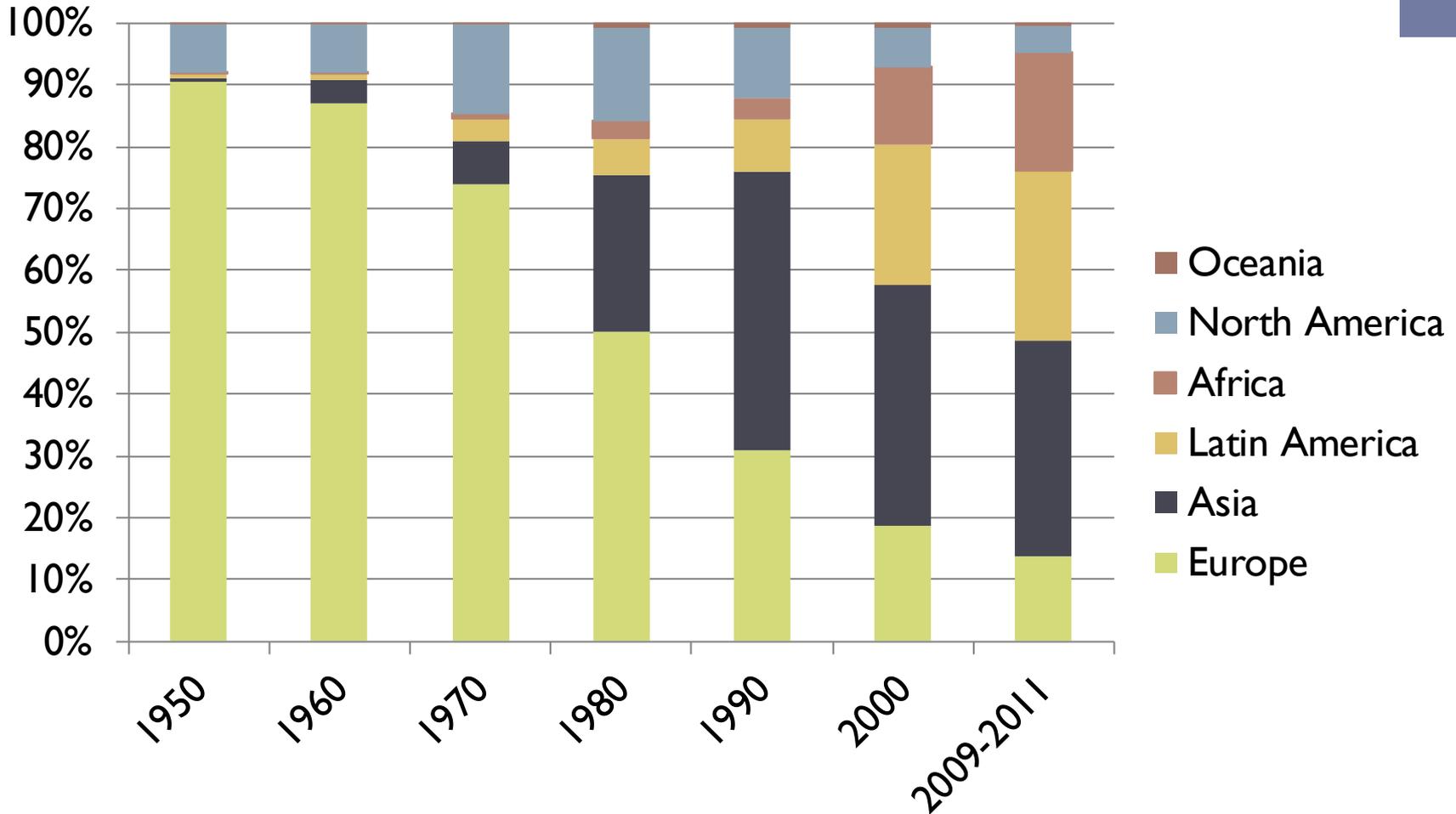
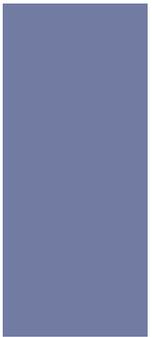
White (non-Hispanic) and Of Color Population
Minnesota, 2011



Source: 2011 Population Estimates, U.S. Census Bureau.

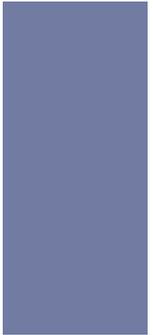


Our foreign-born population is becoming increasingly diverse

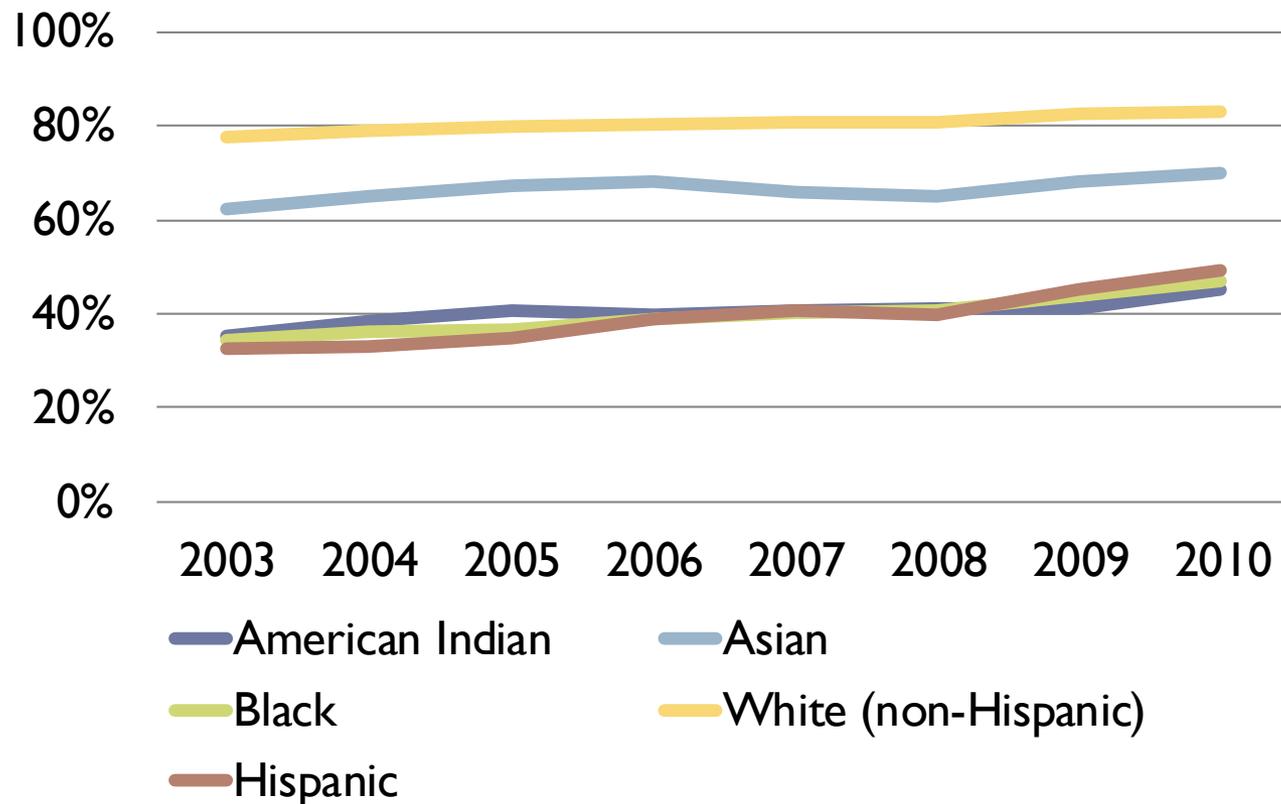


Source: Tabulated by the Minnesota State Demographic Center from the Integrated Public Use Microdata Series

+ Racial gaps in attainment are large and persistent



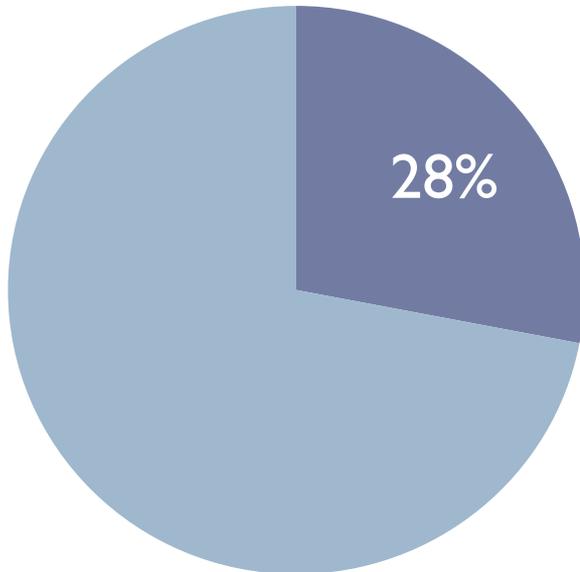
Minnesota High School Grad Rate (4-yr)



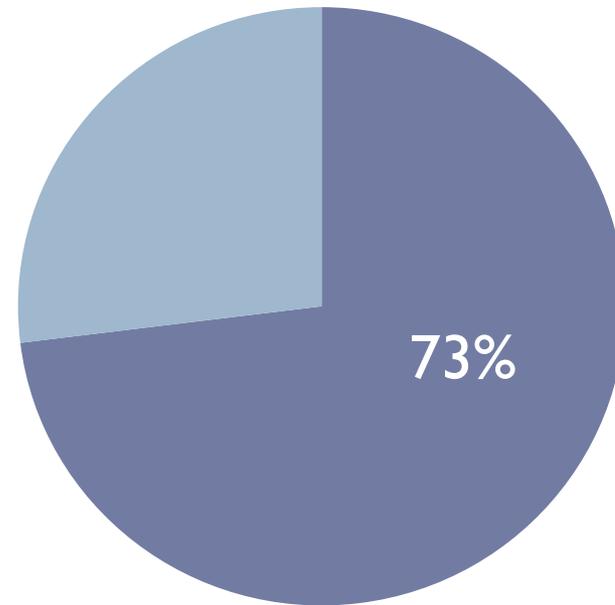


High school graduation is no longer enough to get an economic foothold

1973



2010-2020



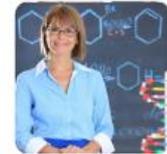
Percent of jobs requiring some post-secondary education



The education
of *all* of our
residents is
more important
than it has ever
been

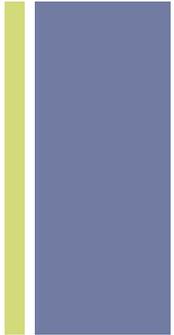
The Time For Talent

Why the development, recruitment, and retention
of talent is key to a prosperous future for Minnesota

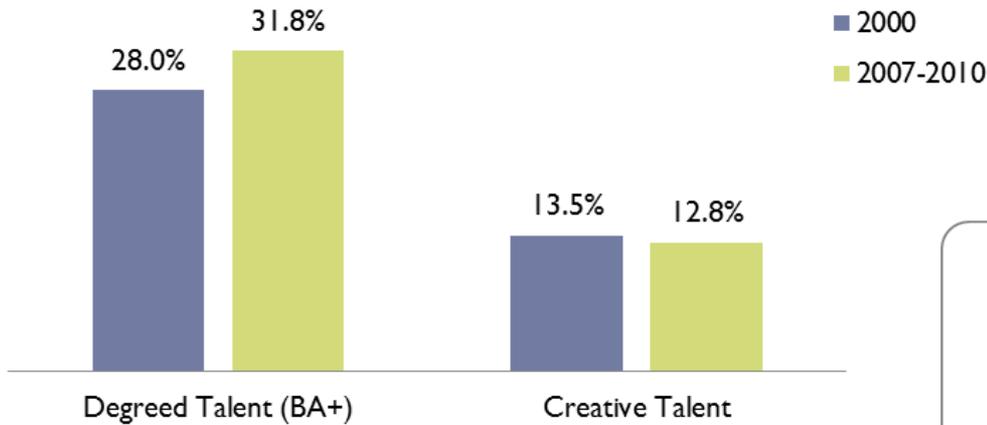


MN STATE DEMOGRAPHIC CENTER
MARCH 2013

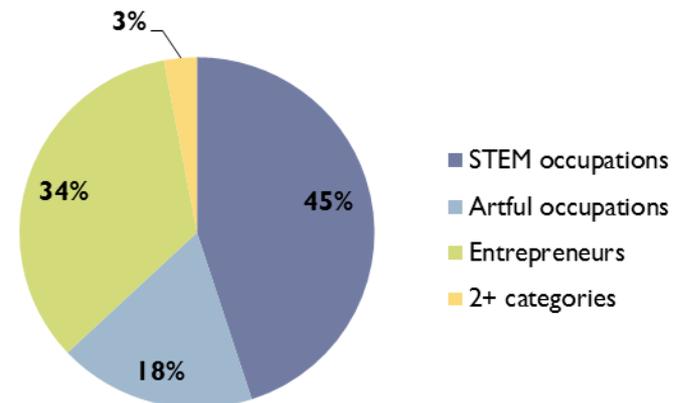
+ Minnesota has a high concentration of talent workers



Two types of talent as a percent of the labor force
Minnesota, 2000-2010



"Creative Talent" by type
Minnesota, 2007-2010





High retention:
Minnesota-born
workforce is likely
to remain in
Minnesota

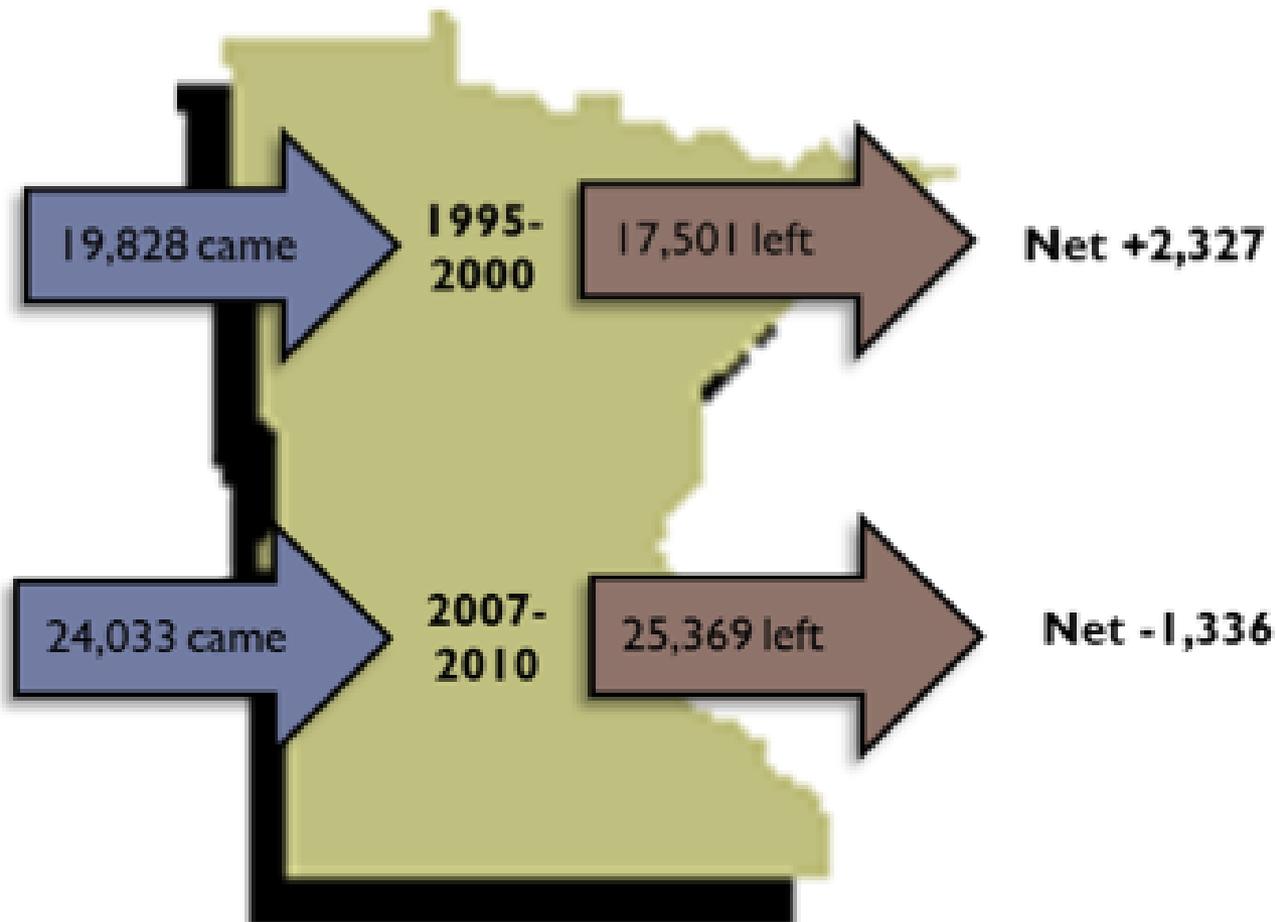
MN ranks 4th in Degreed Talent retention, and 6th in Creative Talent retention nationally.

| Degreed Talent | | | Creative Talent | | |
|----------------|------------------|--------------|-----------------|------------------|--------------|
| Rank | State | Percent | Rank | State | Percent |
| 1 | Texas | 69.7% | 1 | Texas | 72.7% |
| 2 | California | 65.7% | 2 | California | 67.1% |
| 3 | North Carolina | 61.0% | 3 | North Carolina | 66.4% |
| 4 | Minnesota | 59.1% | 4 | Georgia | 64.1% |
| 5 | Georgia | 58.7% | 5 | Tennessee | 63.2% |
| 6 | Utah | 57.4% | 6 | Minnesota | 62.8% |
| 7 | Washington | 56.0% | 7 | Utah | 62.5% |
| 8 | Tennessee | 55.4% | 8 | South Carolina | 60.2% |
| 9 | South Carolina | 55.1% | 9 | Alabama | 59.9% |
| 10 | Wisconsin | 54.1% | 10 | Wisconsin | 59.2% |

Source: MN State Demographic Center analysis of IPUMS

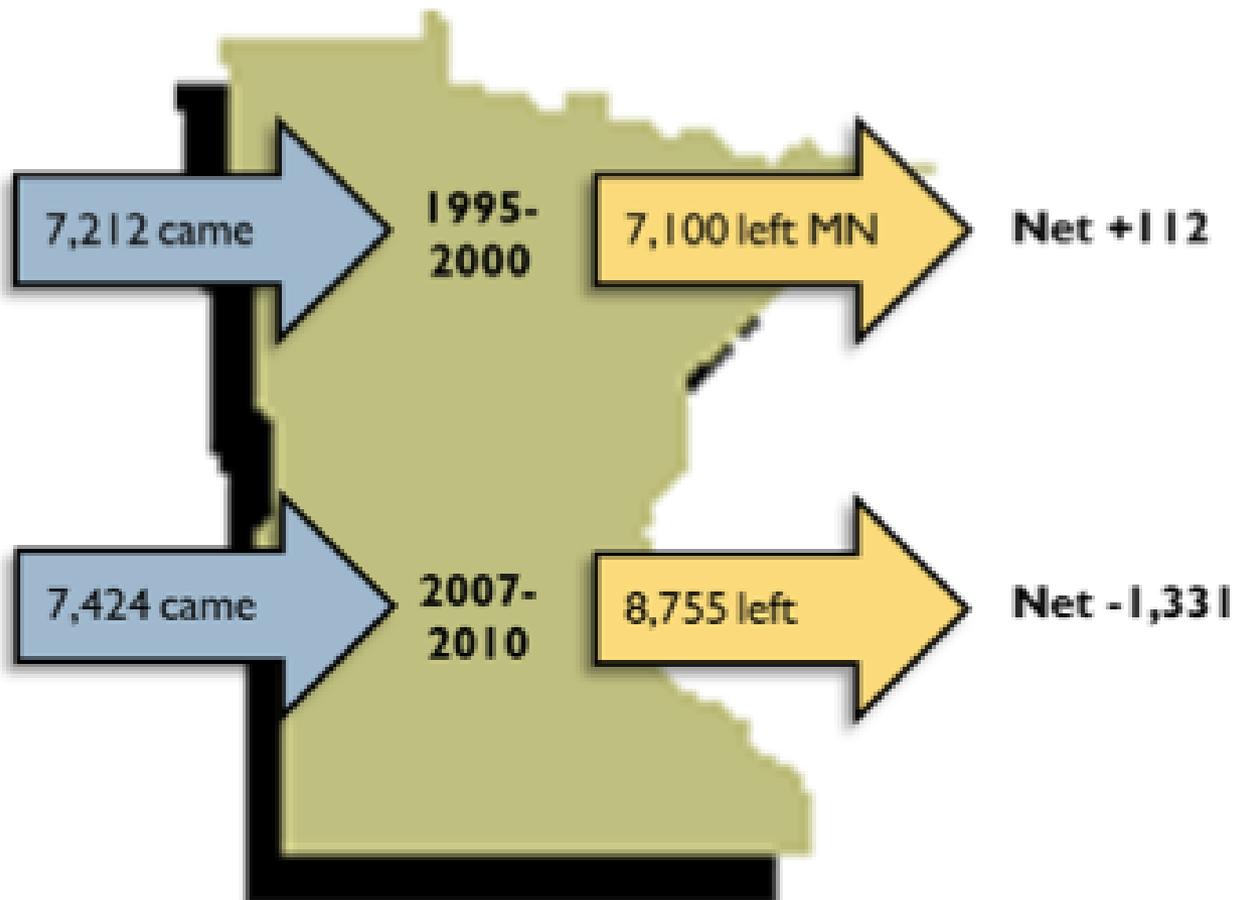


Average annual Degreed Talent migrants Minnesota, 1995-2000 and 2007-2010



Source: MN State Demographic Center analysis of IPUMS.

Average annual Creative Talent migrants
Minnesota, 1995-2000 and 2007-2010



Source: MN State Demographic Center analysis of IPUMS.

+ Minnesota is historically well-positioned to be competitive

Percent (age 25+) with a bachelor's degree or higher Rank of states, 2010

| Rank of states, 2010 | States (1=best) |
|----------------------|-----------------|
| 1 | Massachusetts |
| 2 | Hawaii |
| 3 | Vermont |
| 4 | Minnesota |
| 5 | Connecticut |
| 6 | Iowa |
| 7 | Wisconsin |
| 8 | Delaware |
| 9 | North Dakota |
| 10 | Pennsylvania |

Babies born at low birth weight (all births including multiples)

Rank of states, 2010

Real per capita Gross Domestic Product

Rank of states, 2010

Residents under age 65 without health insurance

Rank of states, 2010

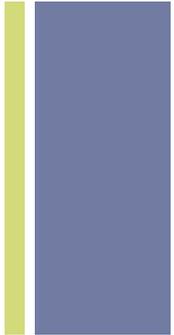
Median household income

Rank of states, 2010

| Rank of states, 2010 | States (1=best) | 2010 |
|----------------------|-----------------|----------|
| 1 | Maryland | \$68,854 |
| 2 | New Jersey | \$67,681 |
| 3 | Alaska | \$64,576 |
| 4 | Connecticut | \$64,032 |
| 5 | Hawaii | \$63,030 |
| 6 | Massachusetts | \$62,072 |
| 7 | New Hampshire | \$61,042 |
| 8 | Virginia | \$60,674 |
| 9 | California | \$57,708 |
| 10 | Delaware | \$55,847 |
| 11 | Washington | \$55,631 |
| 12 | Minnesota | \$55,459 |



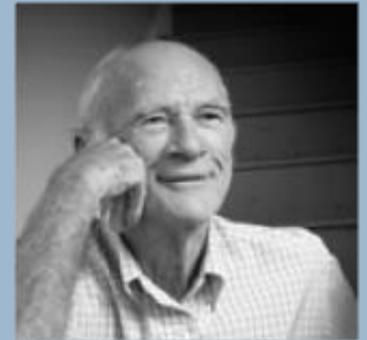
Considerations of Demographic Change



- Fewer school-age children relative to older adults will mean pressures to shift resources (public, nonprofit) from younger to older
- Education/training of our workers more important than ever
- Big changes and big opportunities ahead



Questions?
Comments?



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