

The Changing Lives of Minnesota Young Adults

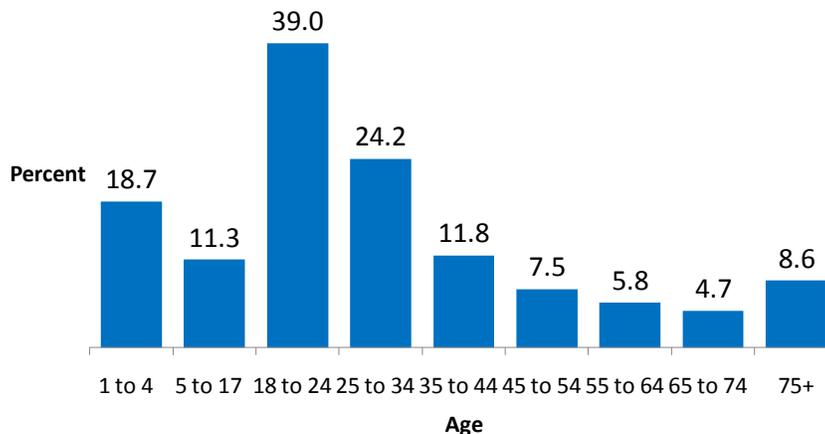
Martha McMurry

As they pass through their twenties, young adults experience rapid and dramatic changes. They finish their educations, embark on careers, move frequently, form families, and buy homes. Census and American Community Survey data provide a detailed look at the dramatic shifts occurring between age 20 and age 29. While the passage to adulthood is generally similar to the past, some things have changed. Young adults are more racially and ethnically diverse. Gender roles have altered rapidly, as young women obtain more education than their male counterparts. Young adults marry later and often cohabit before or instead of marrying. Incomes of young adults have stagnated; inflation-adjusted incomes are lower now than in 2000.

Young Adults Move Often

After finishing high school, young people are on the move. Many leave home to attend college; others join the military or move in with romantic partners or friends. American Community Survey data from 2006-2008 shows that 39 percent of Minnesotans ages 18 to 24 moved during the previous 12 months, by far the highest rate for any age group. Mobility is also high for those ages 25 to 34, and then tapers off rapidly.

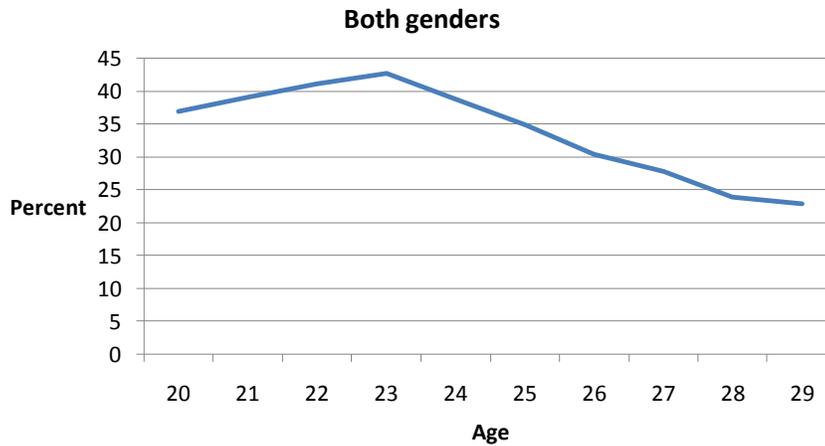
Percent of Minnesotans moving in previous year, by age group



2006-2008 American Community Survey

Single year of age data from the 2006-2008 Public Use Microdata Sample shows migration peaking at ages 22 and 23, when many graduate from college. After age 23 the probability of moving declines, though it remains higher than for younger and older age groups. About 23 percent of those ages 29 move, compared to 43 percent of those ages 23.

Percent of Minnesotans in their 20s who moved within the past year, 2006-2008

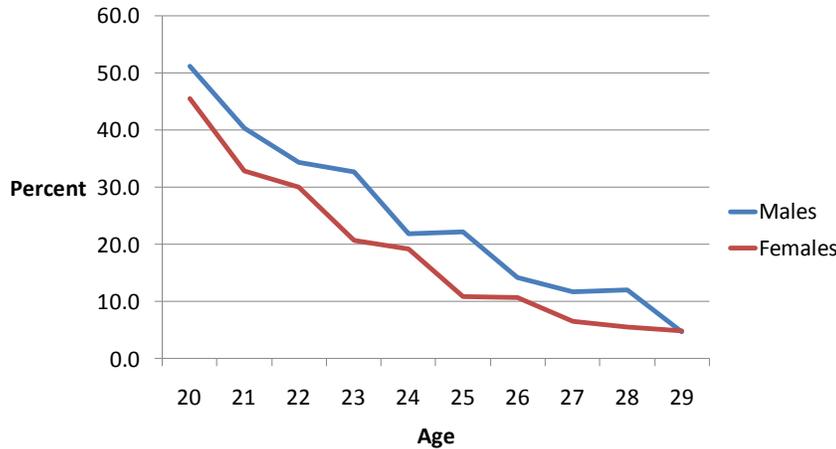


2006-2008 American Community Survey Public Use Microdata Sample

Living Arrangements Change Rapidly

Living arrangements shift dramatically as young people move through their twenties. At age 20, 51 percent of men and 45 percent of women still live with their parents. By age 29, these figures fall to 5 percent for both genders.

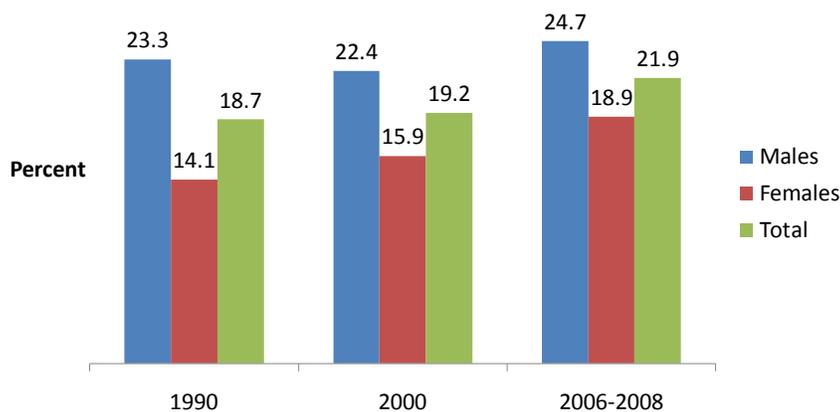
Percent of Minnesotans in their 20s who live with parent(s), 2006-2008



2006-2008 American Community Survey Public Use Microdata Sample

Trend data show a slightly higher percentage of young adults living with their parents now than in the past, though this shift may not be statistically significant. This change is probably not related to the recent recession, which did not begin until 2008. Stagnant wages and higher rates of college attendance among women are possible factors.

% of Minnesotans ages 20-29 who are living with parent(s)

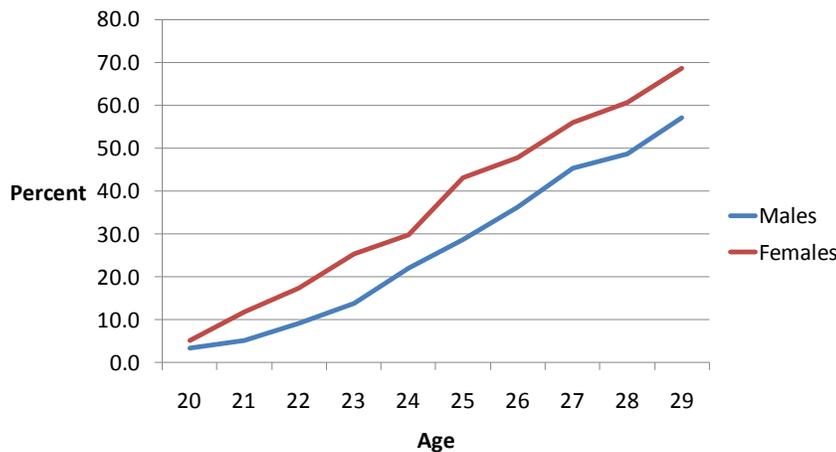


Decennial Census and American Community Survey Public Use Microdata Samples

Fewer People Now Marry in their Twenties

Many young adults marry for the first time as they move through their twenties. At age twenty, only 3 percent of males and 5 percent of women have ever married. By age 29, 57 percent of men and 69 percent of women have married at least once.

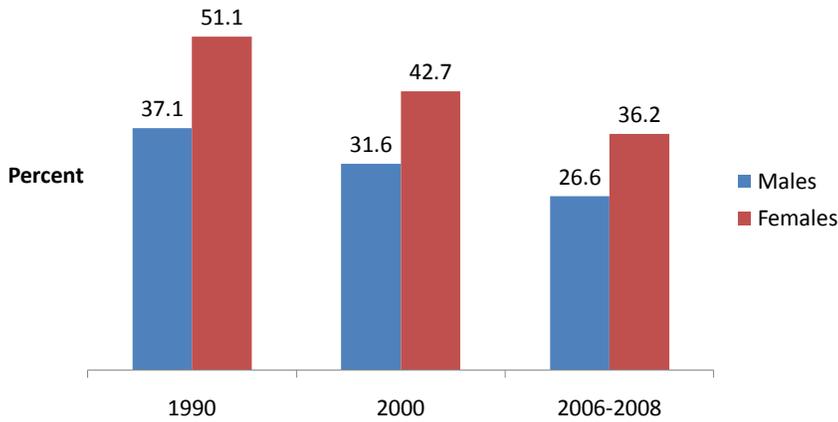
Percent of Minnesotans in their 20s who have ever married, 2006-2008



2006-2008 American Community Survey Public Use Microdata Sample

Though marriage remains the norm, it has lost popularity in the past few decades. In 1990, 51 percent of all women in their twenties had married; by 2006-2008 this fell to 36 percent. Marriage rates for young men have also fallen.

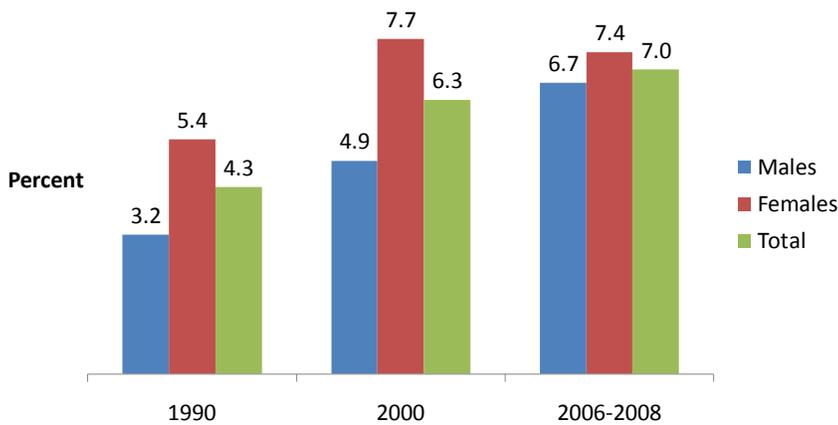
% of Minnesotans ages 20-29 who have ever married



Decennial Census and American Community Survey Microdata Samples

More young people are cohabiting before or instead of getting married. About seven percent of Minnesotans in their twenties are what the Census Bureau calls an “unmarried partner,” meaning they are listed on the questionnaire as the partner of an unmarried householder who is the first person listed on the form. The seven percent figure understates the prevalence of cohabitation because householders in unmarried partner households are not included. Cohabitation has increased substantially in the past several decades, with an especially large jump between 1990 and 2000.

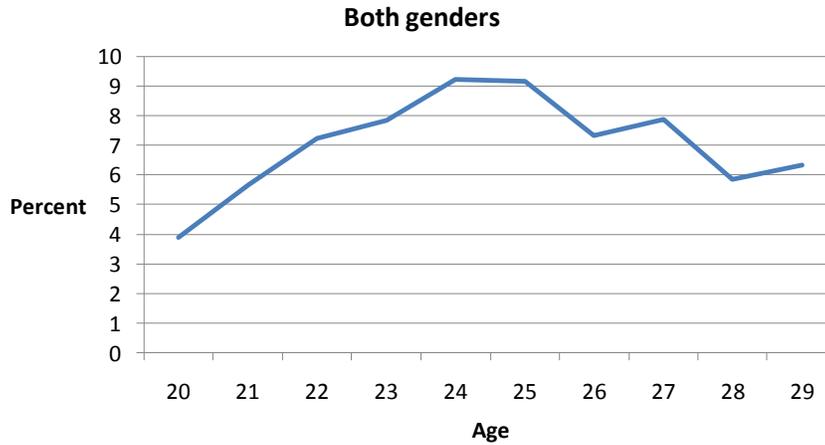
% of Minnesotans ages 20-29 who are unmarried partners



Decennial Census and American Community Survey Public Use Microdata Samples

The percentage of young people who are unmarried partners appears to peak when they are in their mid-twenties and then declines slightly. In their late twenties many probably shift from living together to marriage, though the American Community Survey data does not provide data on this transition.

Percent of Minnesotans in their 20s who are unmarried partners, 2006-2008

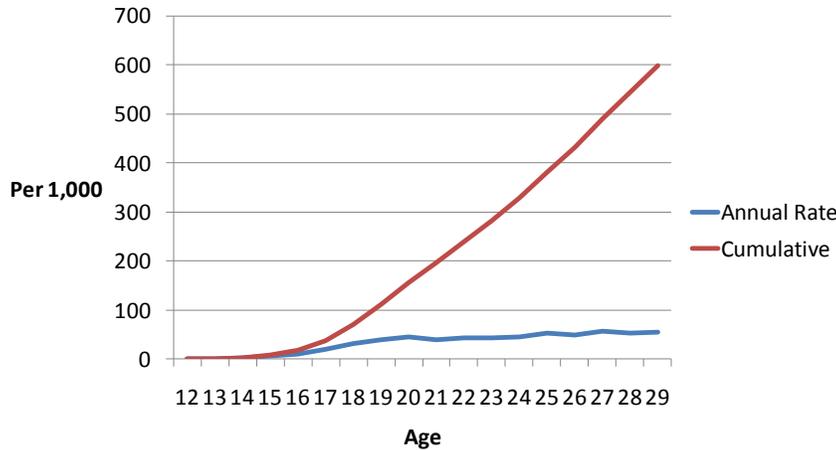


2006-2008 American Community Survey Public Use Microdata Sample

Childbearing among Women in Their Twenties

As they pass through their twenties, many young women begin to have children. Assuming birth rates by age remain at 2008 levels, about 60 percent of young women will have at least one child by the time they are 29. Among Minnesota women who have a first child at age 20, only 15 percent are married. The likelihood of being married increases the longer the first child is delayed. Among those who have a first child at age 29, 85 percent are married.

Rates of first births for Minnesota women ages 12 to 29, 2008

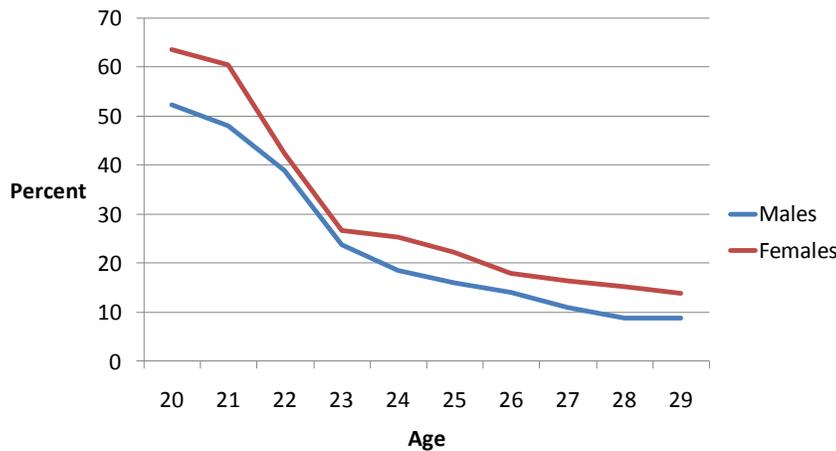


2008 birth data; Census Bureau age estimates; cumulative rate assumes constant age-specific rates.

School Enrollment and Educational Attainment

The majority of 20-year-olds are enrolled in college or high school, but enrollment drops rapidly by age 22 as young people begin to graduate from college in large numbers. At age 20, enrollment rates are 63 percent for women and 52 percent for men. By age 29, only about 14 percent of women and nine percent of men are still enrolled.

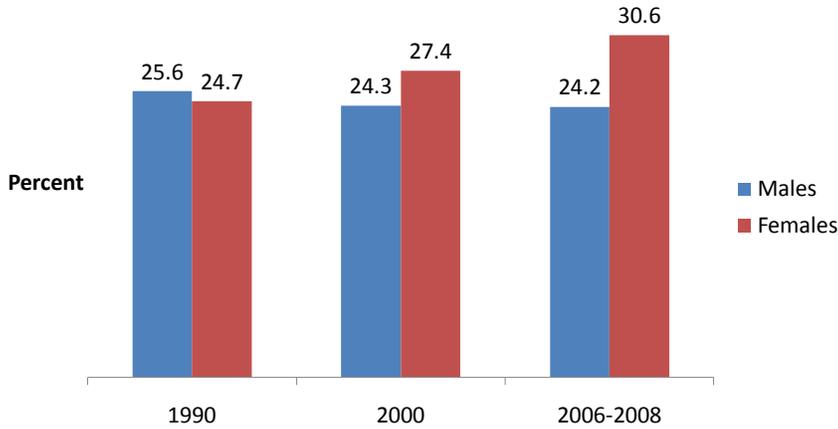
Percent of Minnesotans in their 20s enrolled in school/college, 2006-2008



2006-2008 American Community Survey Public Use Microdata Sample

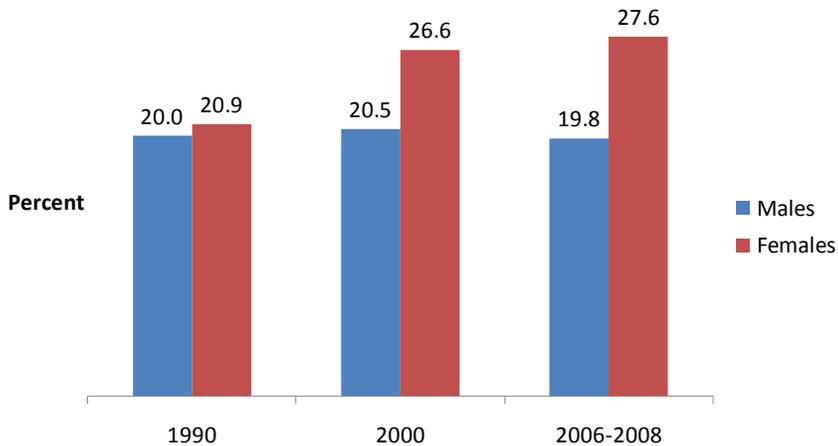
At every age women are more likely to be enrolled in school, and their edge over their male counterparts has grown over the past few decades. Enrollment rates for men in their twenties have shown little change, but for women there has been a steady increase in the proportion attending college. Young women are more likely than young men to obtain a college degree, and the gap between the genders has steadily increased.

% of Minnesotans ages 20-29 enrolled in school or college



Decennial Census and American Community Survey Microdata Samples

% of Minnesotans ages 20-29 who are college graduates

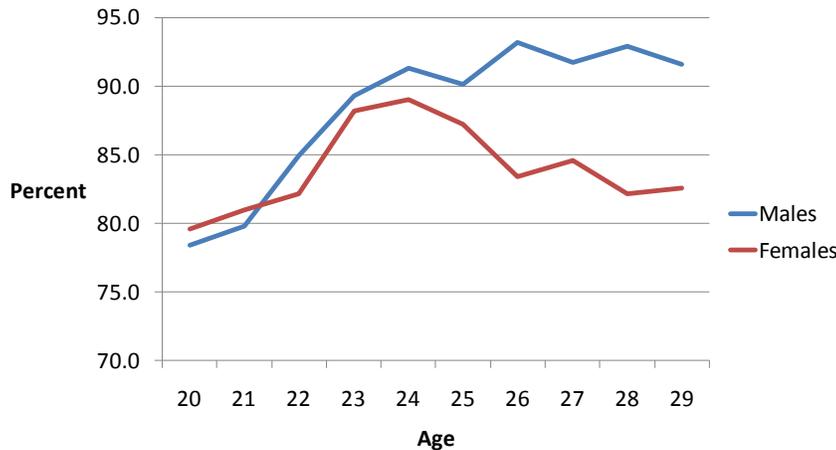


Decennial Census and American Community Survey Public Use Microdata Samples

Labor Force and Income

As young adults pass through their early twenties, they display high rates of labor force participation. Participation rates rise substantially after age 22 or 23, probably reflecting the entry of new college graduates into the workforce. Substantial gender differences also begin to emerge. At almost every age, young men are more likely to be working than young women, but these differences grow larger as people reach their mid-twenties. As they age into their late twenties, labor force participation rates for young men continue to rise, while rates for young women decline. This is probably because women continue to assume the primary responsibility for childcare. Women's higher rates of attending college may also be a factor in the male/female differences, especially among those in their early twenties.

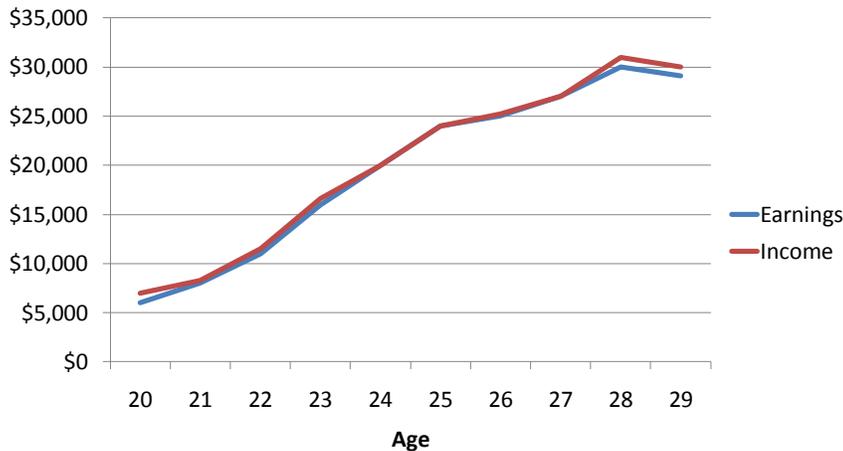
Percent of Minnesotans in their 20s who are in the labor force, 2006-2008



2006-2008 American Community Survey Public Use Microdata Sample

Incomes and earnings rise rapidly as people move through their twenties. Almost all young adult income comes from earnings, so the trends for earnings and total incomes are very similar. Median income at age 29, \$30,000, is more than four times as high as median income at age 20, \$7,000.

Median income and earnings of Minnesotans ages 20-29



2006-2008 American Community Survey Public Use Microdata Sample

Young Adult Incomes Have Declined

In general, young adults have high poverty rates and low incomes. Many do not work full-time or are just beginning their careers, so earnings remain low. Median individual income in 2006-2008 was \$18,080, compared to \$29,595 for the total population. Fifteen percent of those in their twenties are below poverty, compared to 9.7 percent of the total population.

Real incomes of young adults appear to have declined since 2000 after rising between 1990 and 2000. Those who are not currently enrolled in school have higher incomes, probably because they are older, work more hours, and have more work experience.

Inflation-adjusted median individual income for Minnesotans ages 20 to 29: 1989, 1999 and 2006-2008 in 2008 dollars

	1989	1999	2006-2008
Male	\$24,308	\$25,847	\$22,173
Female	\$17,363	\$19,385	\$15,891
Total	\$20,836	\$23,262	\$19,523

Source: Public Use Microdata Sample data from 1990 Census, 2000 Census, and 2006-2008 American Community Survey

**Inflation-adjusted median income for Minnesotans
ages 20 to 29 and not currently enrolled in school
1989, 1999 and 2006-2008, in 2008
dollars**

	1989	1999	2006-2008
Male	\$27,781	\$31,016	\$27,030
Female	\$20,732	\$23,262	\$20,368
Total	\$24,308	\$26,596	\$23,536

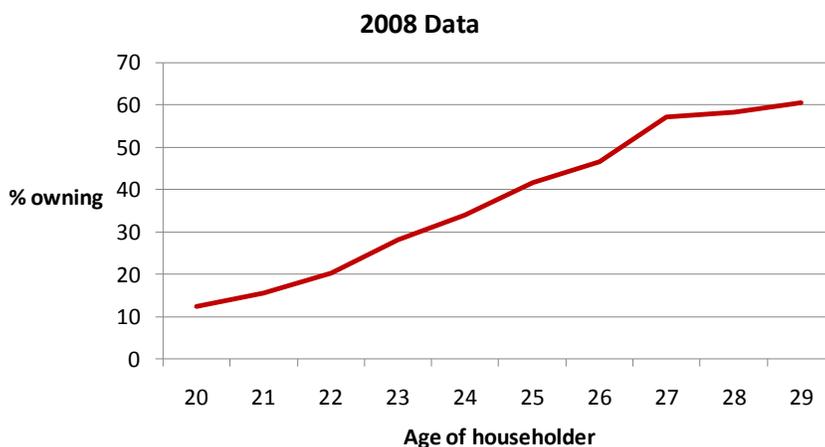
Source: Public Use Microdata Sample data from 1990 Census,
2000 Census, and 2006-2008 American Community Survey

Home Ownership

As they pass through their twenties, many young adults become homeowners. In the 2006-2008 American Community Survey, 61 percent of 29-year-old householders were homeowners, compared to 12 percent of 20-year-old householders.

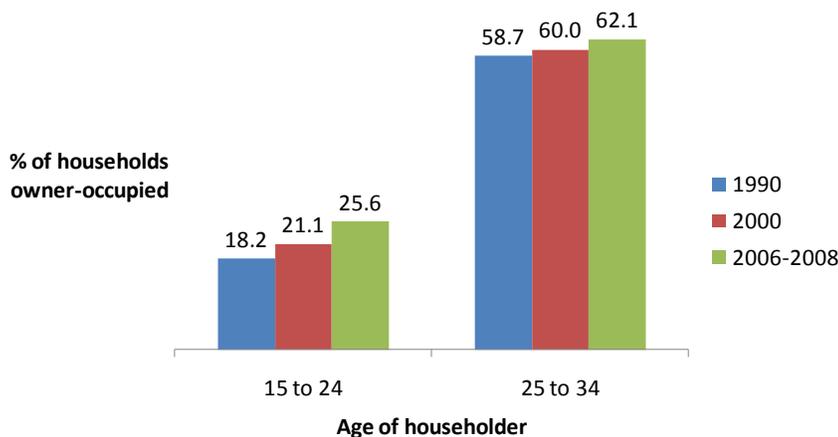
Home ownership among young adults appears to have increased since 1990, at least through 2006-2008. The results of the most recent American Community Survey do not reflect the full impact of the recent collapse in the housing market and the rise in foreclosures. The 2009 and 2010 results are likely to show lower home ownership rates than prevailed in the 2006-2008 survey.

Homeownership rate for Minnesota householders ages 20 to 29



2008 American Community Survey Public Use Microdata Sample

Homeownership rates among Minnesota young adults

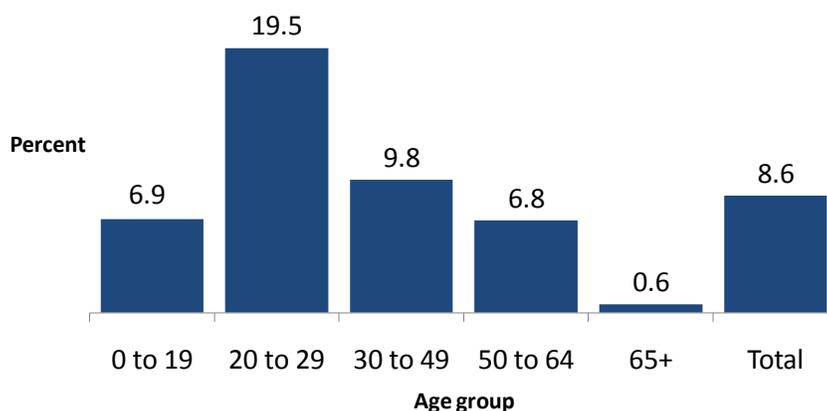


1990 and 2000 Census; 2006-2008 American Community Survey

Many Young Adults Lack Health Insurance

Many young adults do not have health insurance. In 2008, the first year this question was asked in the American Community Survey, about one in five people in their twenties lacked insurance, much higher than the figures for younger and older age groups. The non-insured rate for people in their late twenties is not dramatically different than for those in their early twenties. Many young adults no longer are eligible to be covered under their parents' policies and they often have jobs that do not provide affordable insurance.

Percent of Minnesotans with No Health Insurance



2008 American Community Survey Public Use Microdata Sample

Young Adults Become More Diverse

Minnesota's young adult population is more racially and ethnically diverse than in the past. In 2006-2008, 17 percent of those in their twenties were nonwhite or Latino and 10 percent were foreign-born. Both figures were much higher than in 1990, though change since 2000 has been modest.

Nonwhite and Latino and foreign-born population as percent of Minnesotan population ages 20 to 29 1990, 2000 and 2006-2008

	1990	2000	2006-2008
% foreign-born	3.0	9.1	9.9
% nonwhite and/or Latino	7.2	17.3	17.3

Decennial census and American Community Survey

Nonwhite and Latino young adults have lower levels of educational attainment and income, mirroring the disparities among the entire population. Latinos and American Indians have the lowest rates of graduation from high school and college.

Educational Attainment of Minnesotans Ages 20 to 29, 2006-2008

	% High School Graduates	% College Graduates
Total	91.9	23.6
White, not Latino	95.0	25.4
Black/African American	80.4	10.7
American Indian	78.7	7.9
Asian	91.0	32.1
Latino	63.2	9.5
Two or more races	90.5	14.3

Source: American Community Survey 2006-2008
Public Use Microdata Sample

Poverty Rate and Median Income for Minnesotans Ages 20 to 29, 2006 to 2008

	% Below Poverty	Median income	Median earnings
Total	14.7	\$18,080	\$18,000
White, not Latino	13.0	\$20,000	\$19,500
Black/African American	28.1	\$12,000	\$12,000
American Indian	31.5	\$6,600	\$4,200
Asian	16.9	\$16,000	\$15,400
Latino	19.8	\$15,000	\$15,000
Two+ races	18.4	\$15,000	\$14,700

Source: American Community Survey 2006-2008
Public Use Microdata Sample

American Indian and African American young adults have the lowest incomes. Because of the small sample size, these estimates are subject to substantial sampling error.

Recession Effects Do Not Appear in Data

The effects of the collapsing housing market and the recession began to appear in the fall of 2008, too late to show up in the American Community Survey. The 2009 results may show more fallout from the recession. Conventional wisdom holds that more young adults remain in school during an economic downturn. More may also live with parents or roommates instead of living alone.

Sources:

American FactFinder from the U.S. Bureau of the Census <http://factfinder.census.gov/home/saff/main.html>

Public Use Microdata Samples from the 1990 Census, the 2000 Census and the 2008 and 2006-2008 American Community Survey from the U.S. Bureau of the Census

<http://www.census.gov/acs/www/Products/PUMS/>

<http://www.census.gov/Press-Release/www/2003/PUMS5.html>

<http://www.census.gov/support/pums.htm#1990>

Consumer Price Index data from the U.S. Bureau of Labor Statistics

<http://www.bls.gov/cpi/home.htm>

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