



Minnesota State Demographic Center

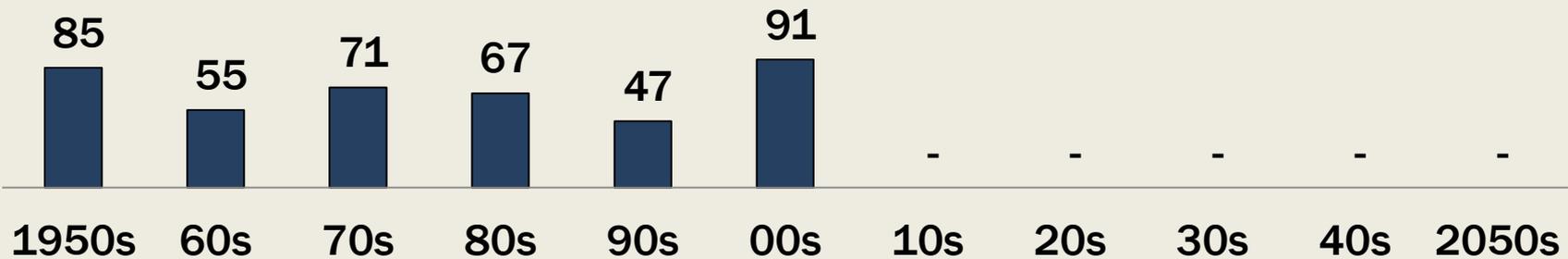
MINNESOTA BOARD ON AGING

Susan Brower, Minnesota State Demographer
June 16, 2016



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

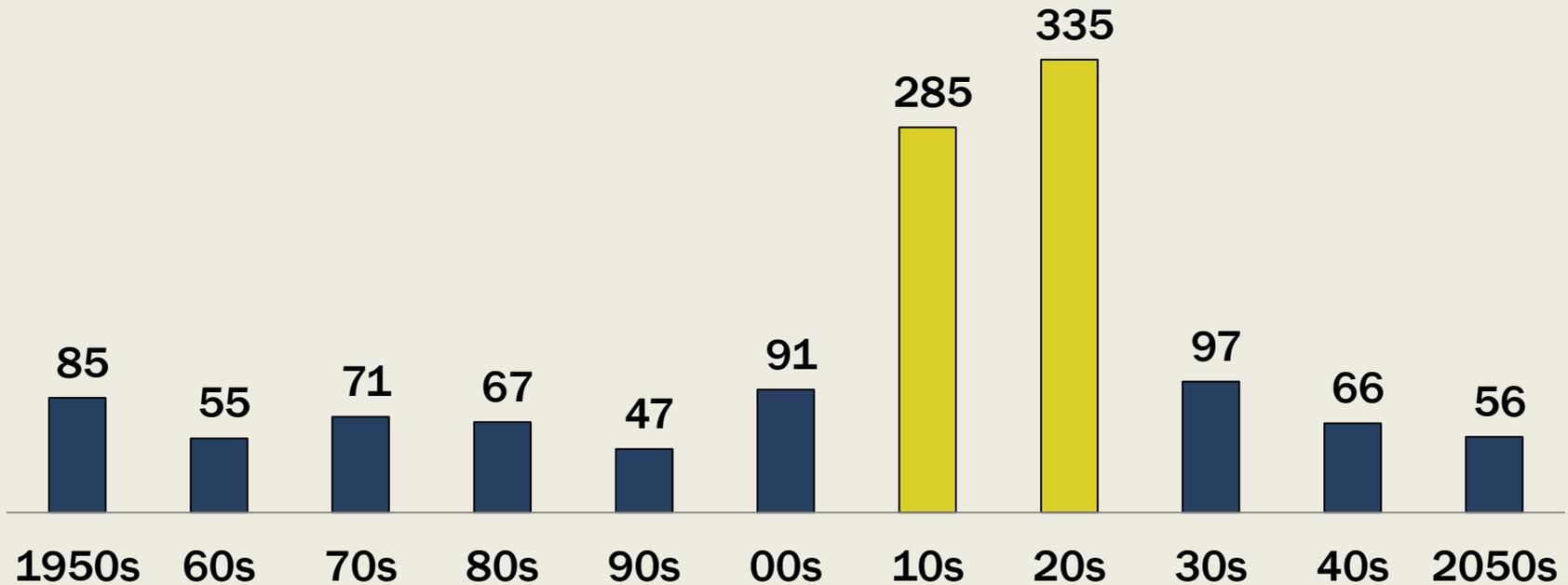
Change in older adults, age 65+ (Thousands)



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

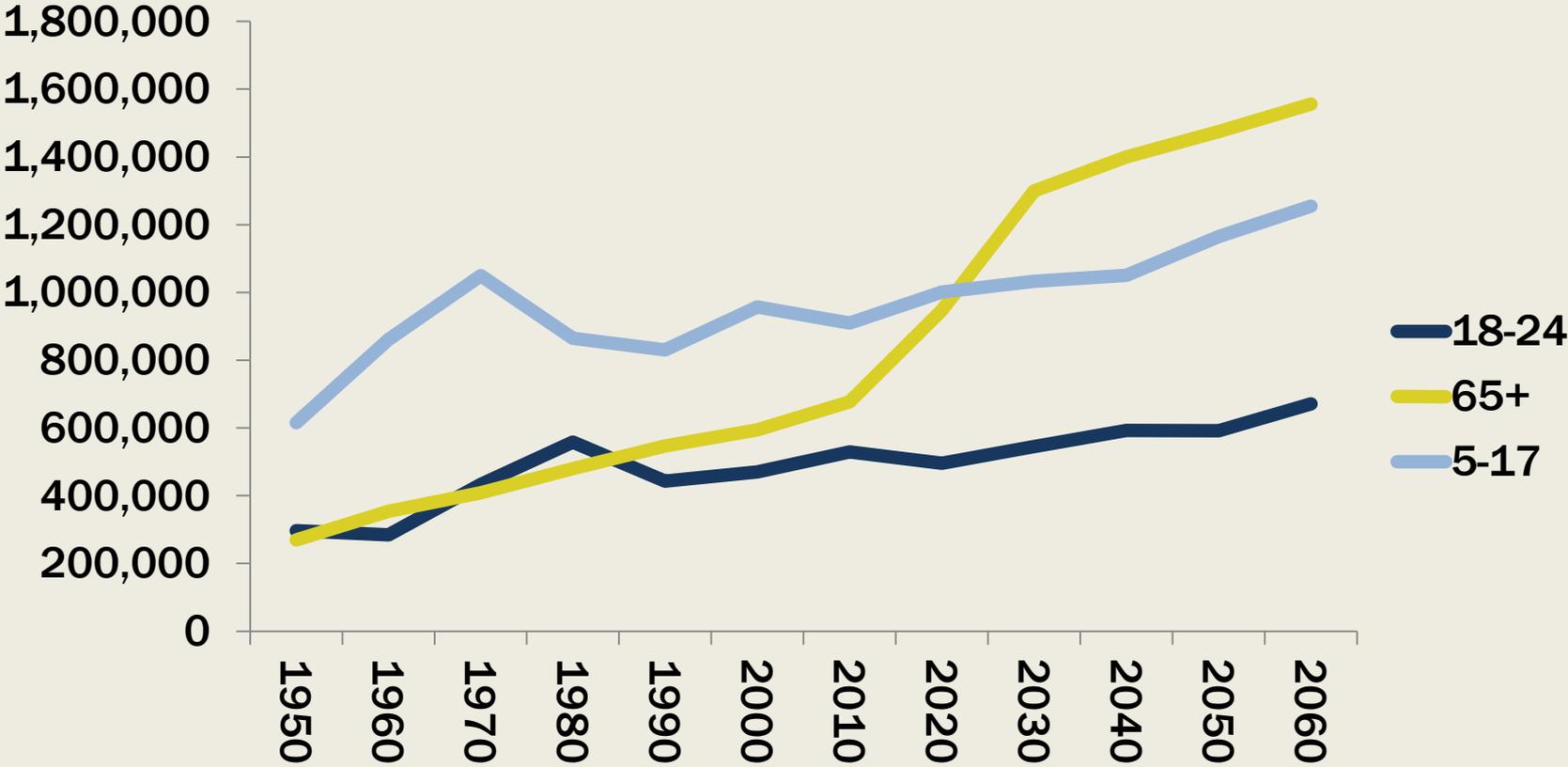
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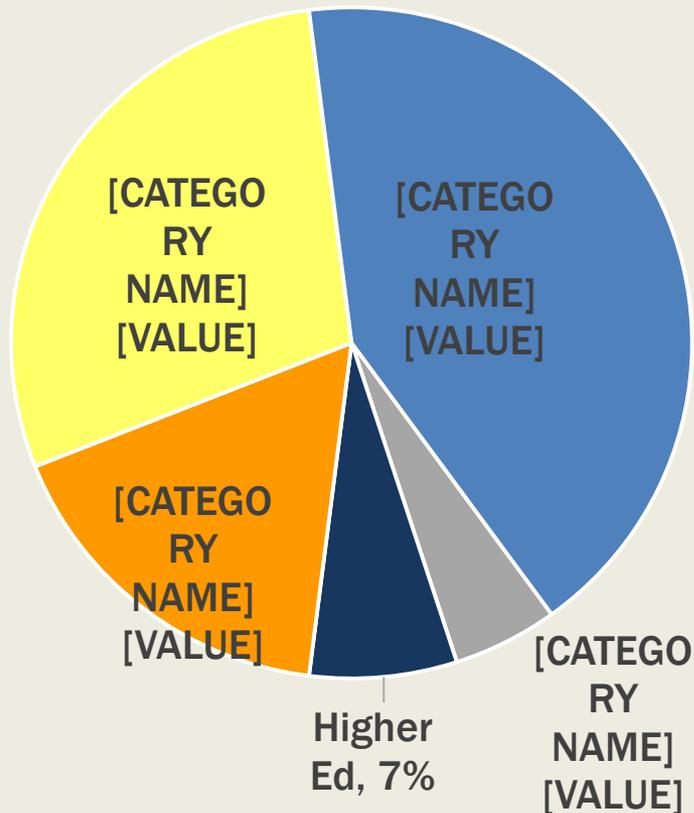
FOR THE FIRST TIME IN MN HISTORY: MORE 65+ THAN SCHOOL-AGE BY 2020



Source: U.S. Census Bureau & Minnesota State Demographic Center

DEMOGRAPHIC SHIFTS WILL CHANGE DEMAND FOR PUBLIC SERVICES

General Fund Expenditures 2016-2017



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

PROJECTED INCREASE IN PUBLIC LTC COSTS

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

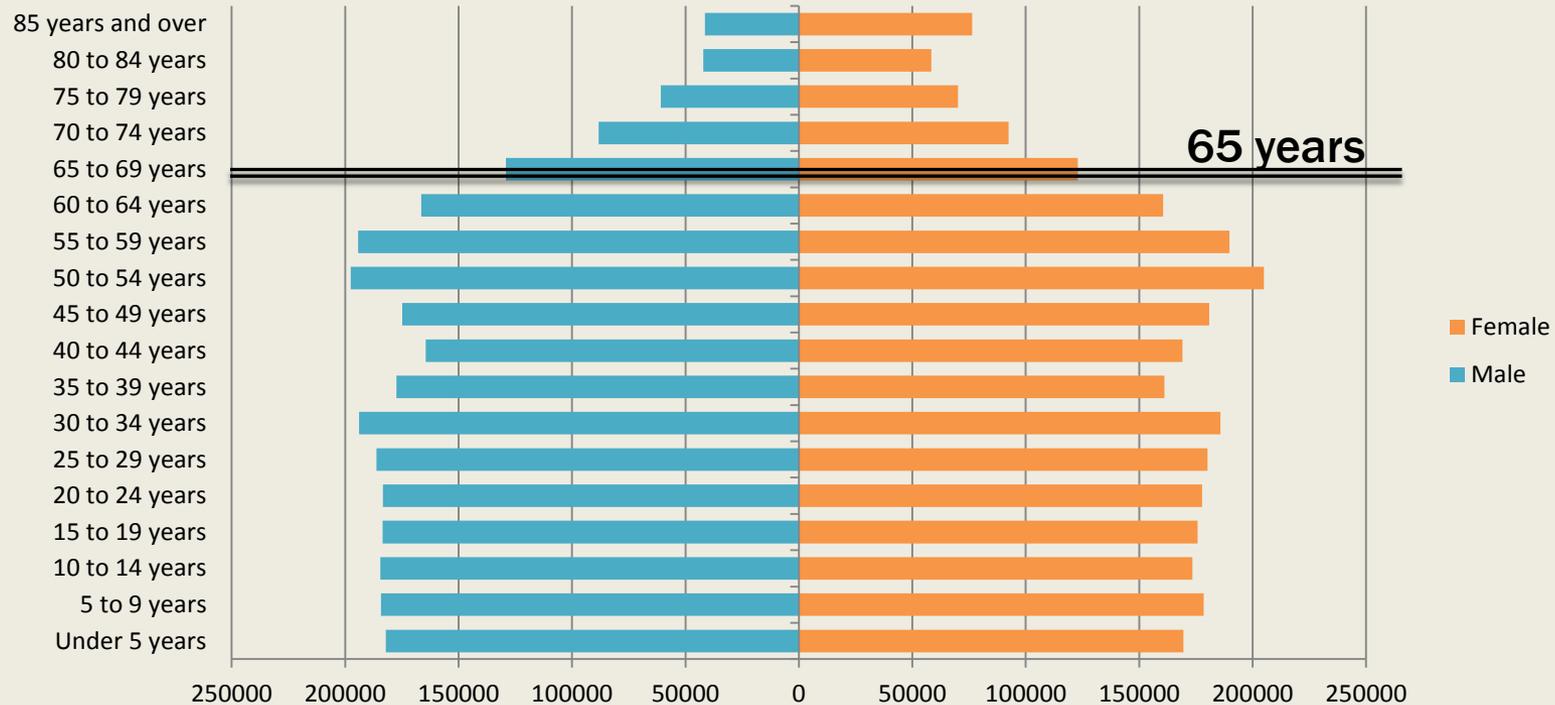
Assume average annual rate of inflation of 2.5% between 2015 and 2040

=**\$3.8** billion annually for long-term care costs under the Medical Assistance program by 2040

* Includes federal and state spending.

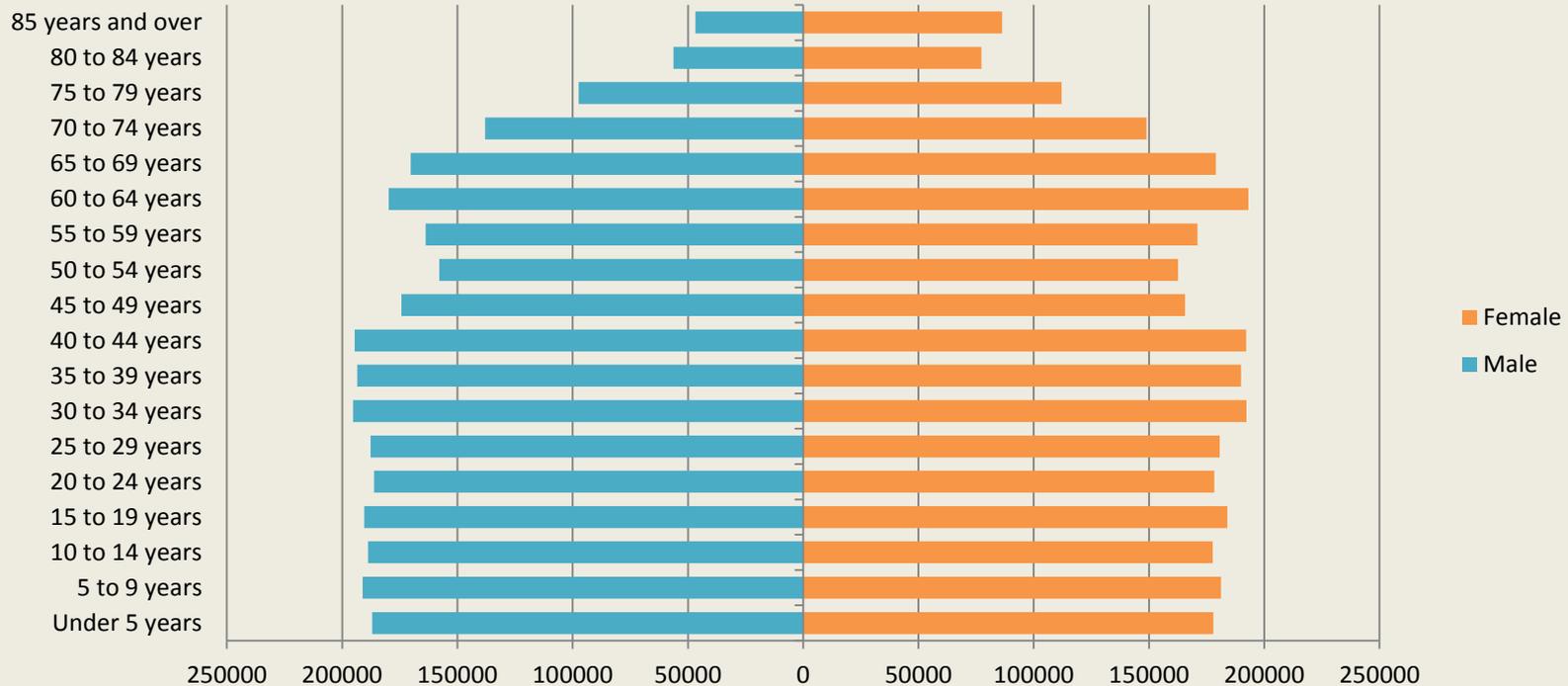
WHAT MINNESOTA LOOKED LIKE... LAST YEAR

Population by age and sex
Minnesota, 2015



WHAT MINNESOTA WILL LOOK LIKE... IN 9 YEARS

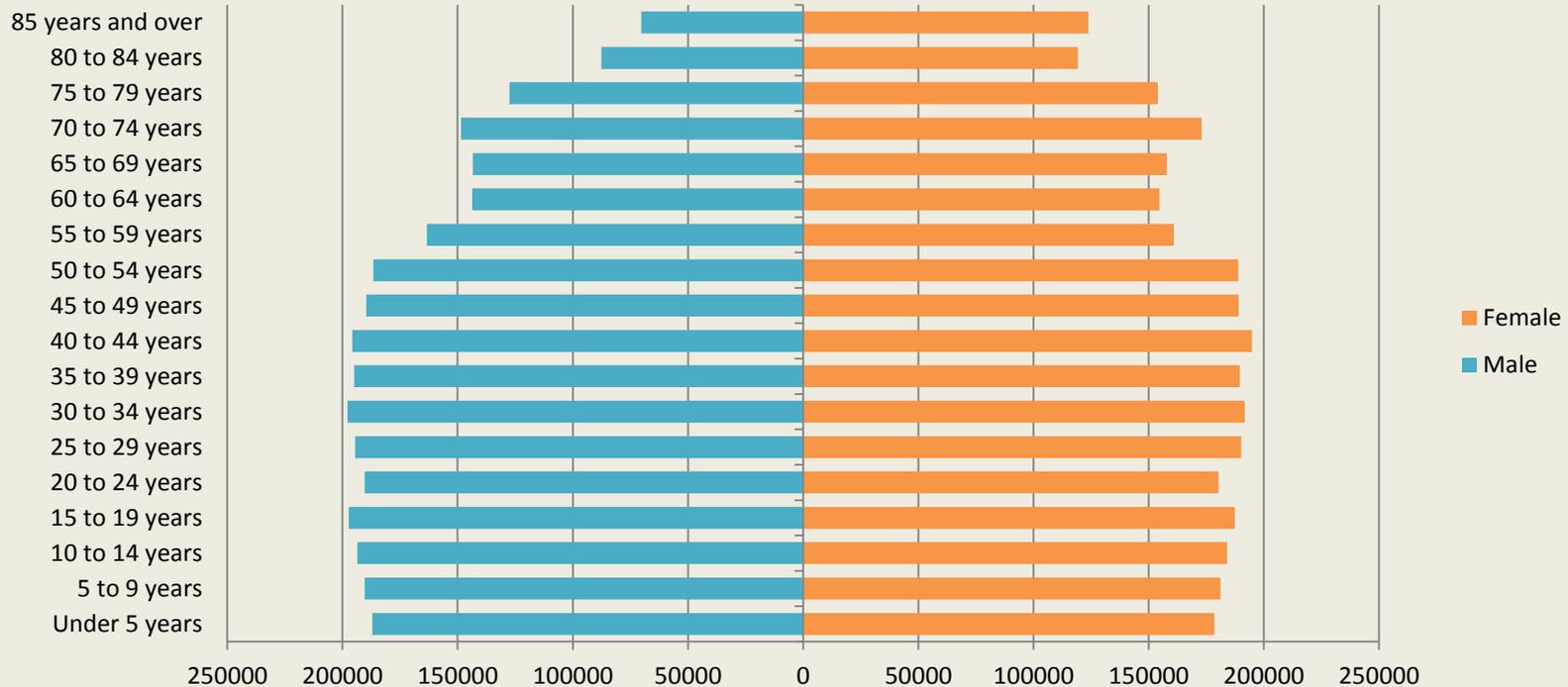
Population by age and sex
Minnesota, 2025



Source: Minnesota State Demographic Center

WHAT MINNESOTA WILL LOOK LIKE... IN 19 YEARS

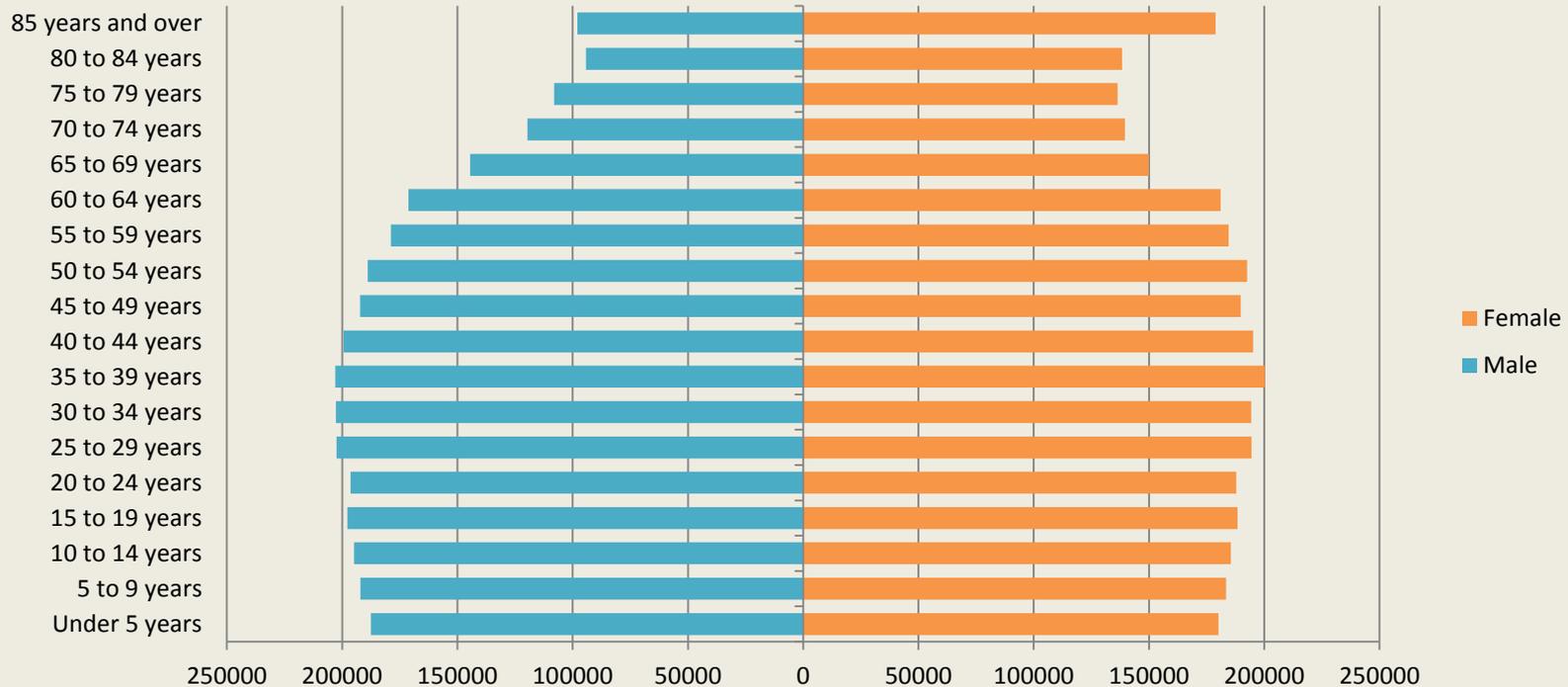
Population by age and sex
Minnesota, 2035



Source: Minnesota State Demographic Center

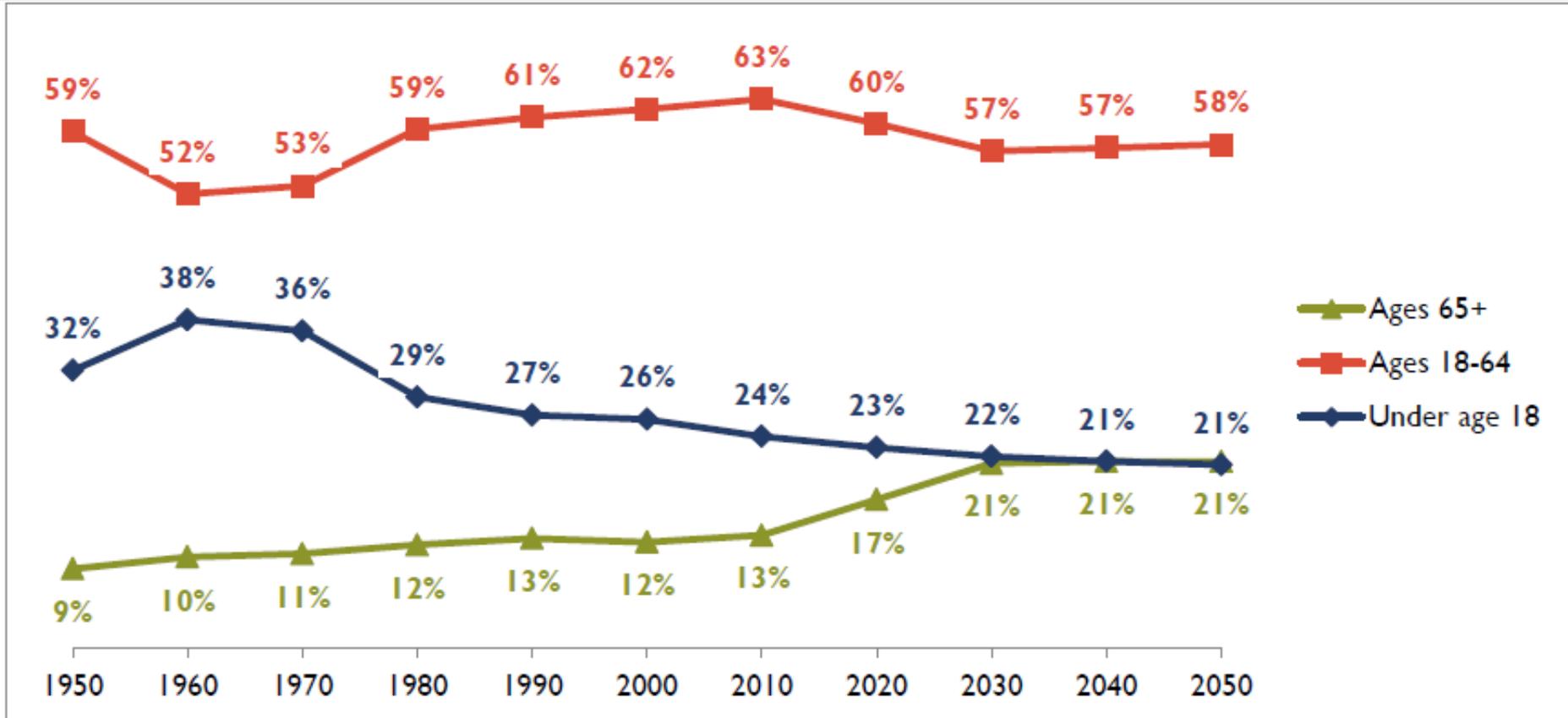
WHAT MINNESOTA WILL LOOK LIKE... IN 29 YEARS

Population by age and sex
Minnesota, 2045



Source: Minnesota State Demographic Center

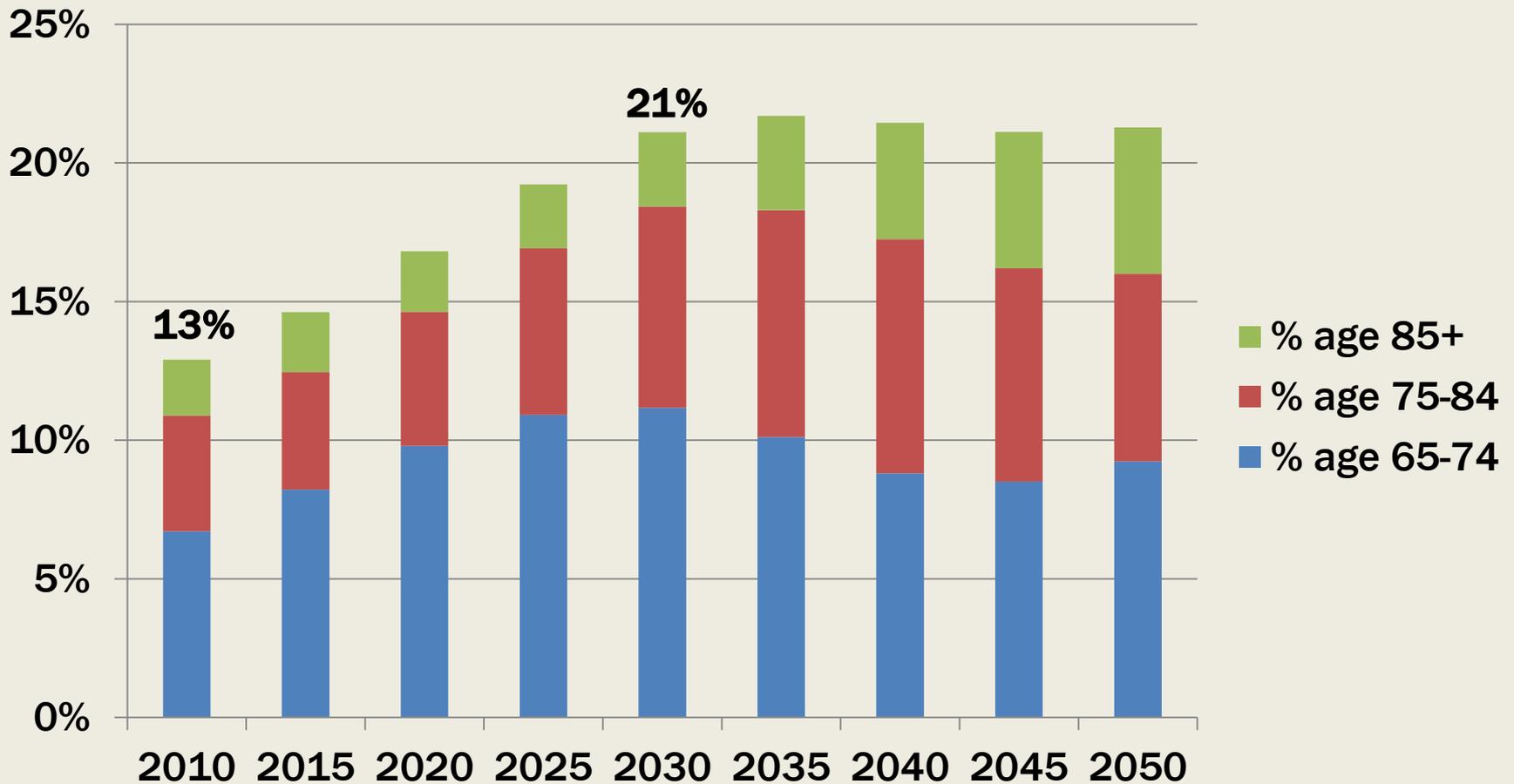
1950 TO 2050 – THREE MAJOR AGE GROUPS IN MN (% OF TOTAL POPULATION)



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

Source: MN State Demographic Center, "Demographic Considerations For Long-Range & Strategic Planning," March 2016. Available at: <http://mn.gov/admin/images/demographic-considerations-planning-for-mn-leaders-msdc-march2016.pdf>

BY 2030, MORE THAN 1 IN 5 MINNESOTANS WILL BE 65+, INCLUDING ALL BABY BOOMERS



COUNTY-LEVEL DIFFERENCES IN AGING

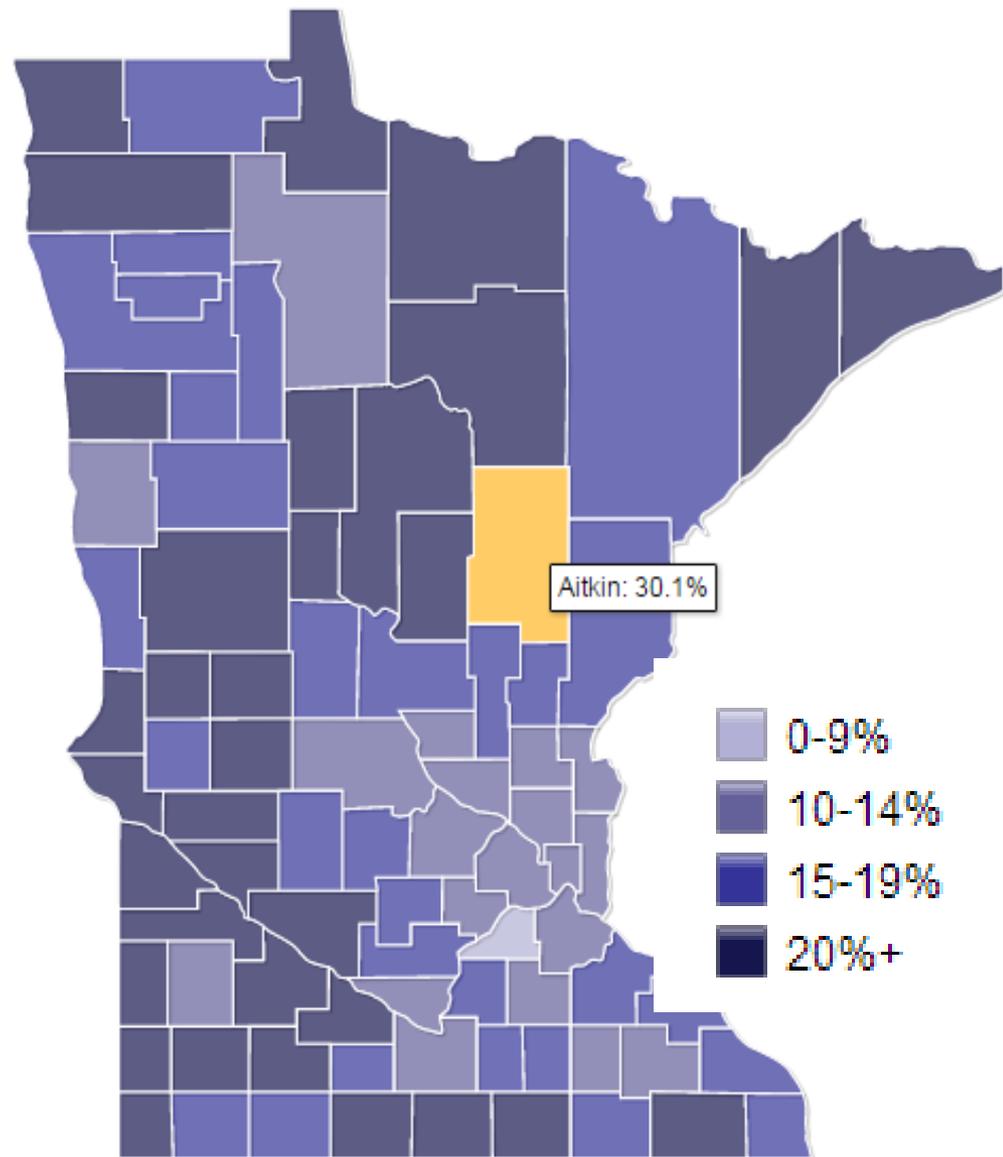
*IN 35 COUNTIES, MORE THAN 1 IN 5 RESIDENTS ARE 65+ (I.E., 20% OR MORE)

*HIGHEST = AITKIN, AT 30% OF POPULATION BEING 65+

* LOWEST = SCOTT, ONLY COUNTY BELOW 10%

Population age 65 years and older

By county, 2014



Sources: U.S. Census Bureau Population Estimates, via MNCompass.org.

More than 65 Years

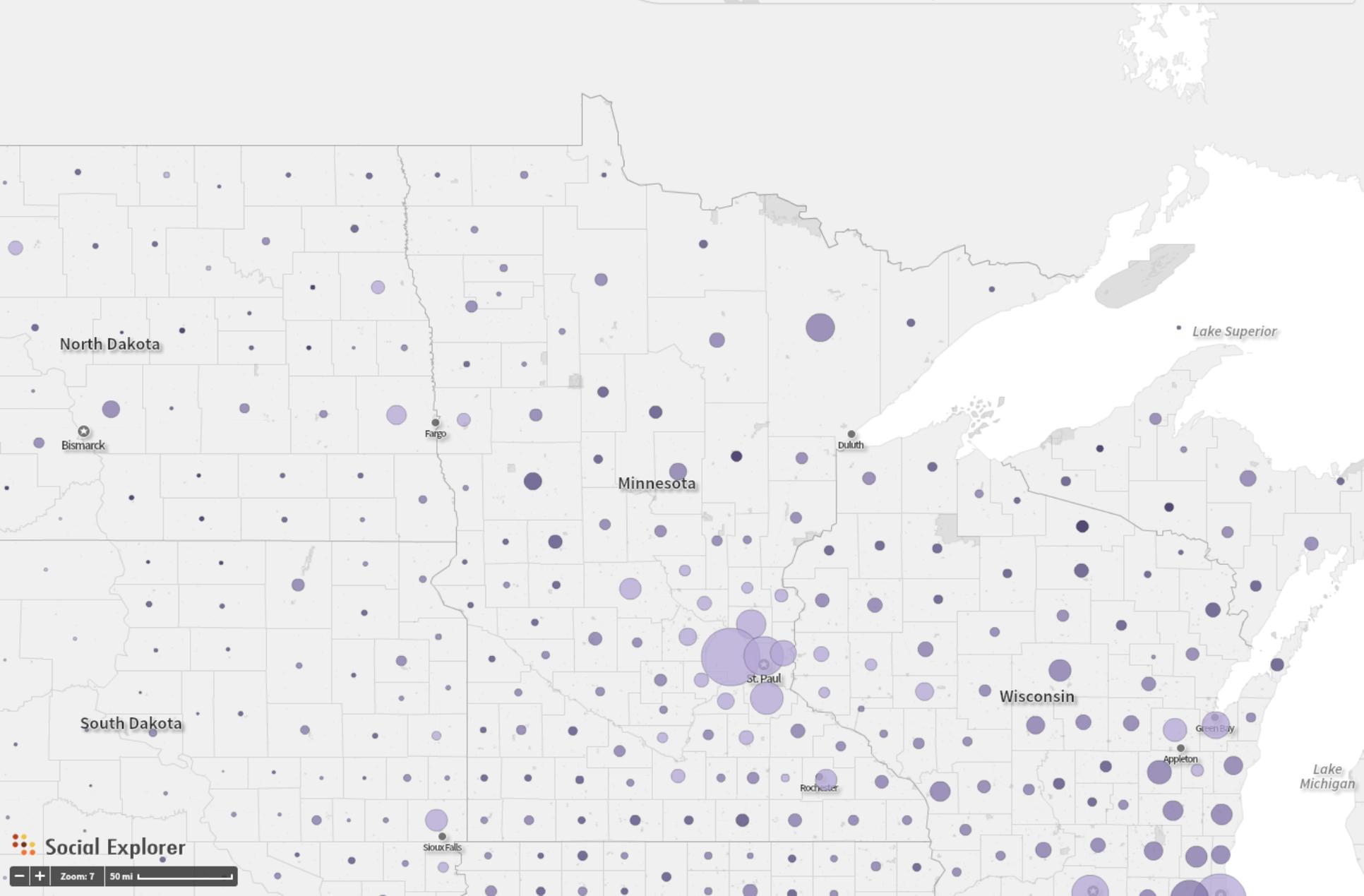
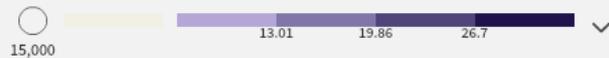
ACS 2009 -- 2013 (5-Year Estimates)

Enter address or geography



Show data by:
County

Visualization type:
Bubbles



CONSIDERING OUR AGING POPULATION: SOME KEY QUESTIONS

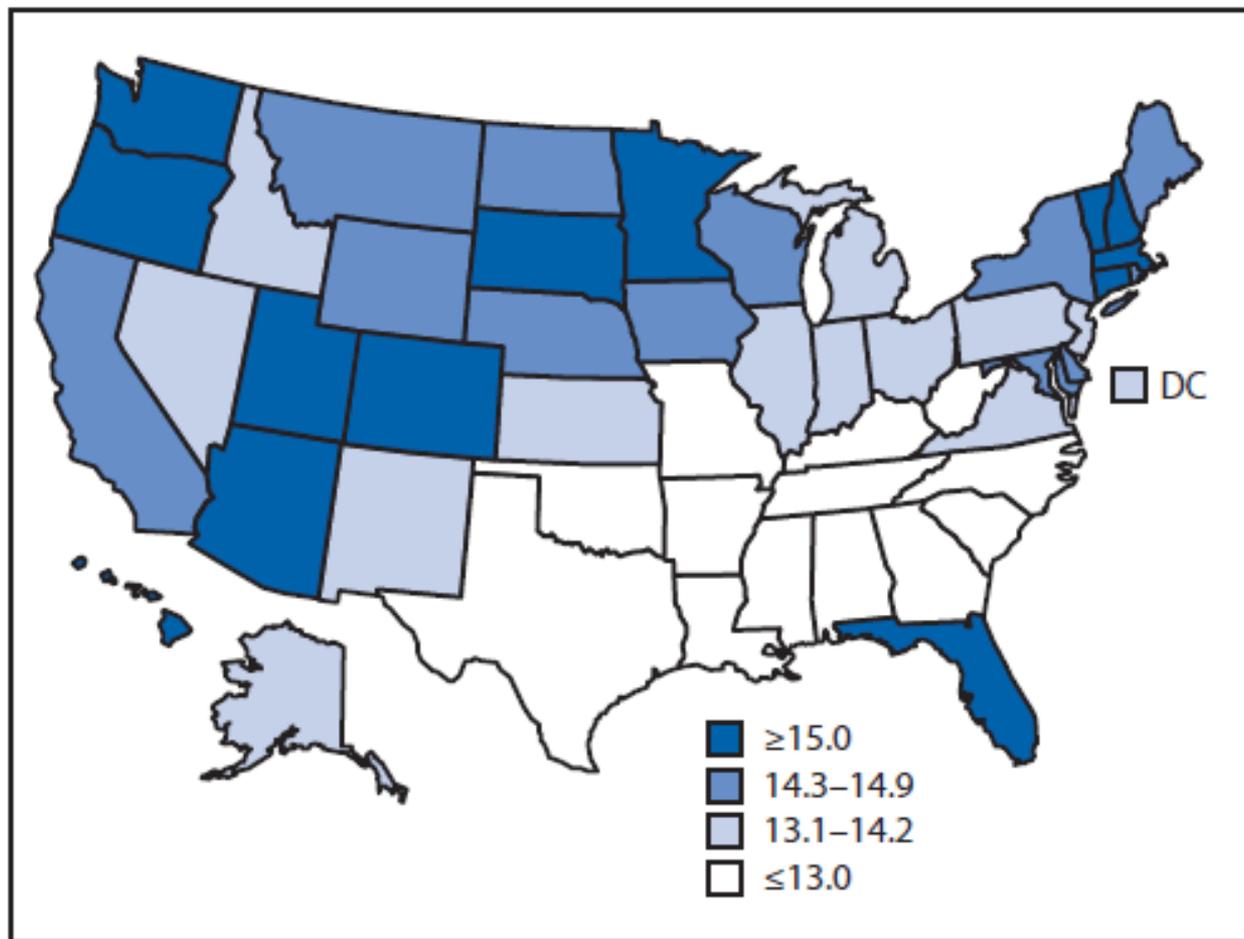
- Will we have or create sufficient **infrastructure** for more transportation, caregiving, health care, and social support needs, as **health challenges and disabilities increase**, especially when children live far away?
- Will we be able to **finance needed services**, especially long-term care? Private and public medical expenses will increase considerably.
- Will older adults have sufficient **financial resources for retirement**, especially given lengthening life expectancies?
- Will we have the workers to form a strong, skilled, highly **productive labor force** as the Boomers retire — for economic growth, tax revenues for needed services, and maintaining a high quality of life in MN?

AGING: ASSETS OF OUR OLDER POPULATION

- Minnesota's older adults are healthier, living longer, and working longer than prior generations
- Volunteerism and community involvement is high – essential “glue” for families, communities, state as a whole



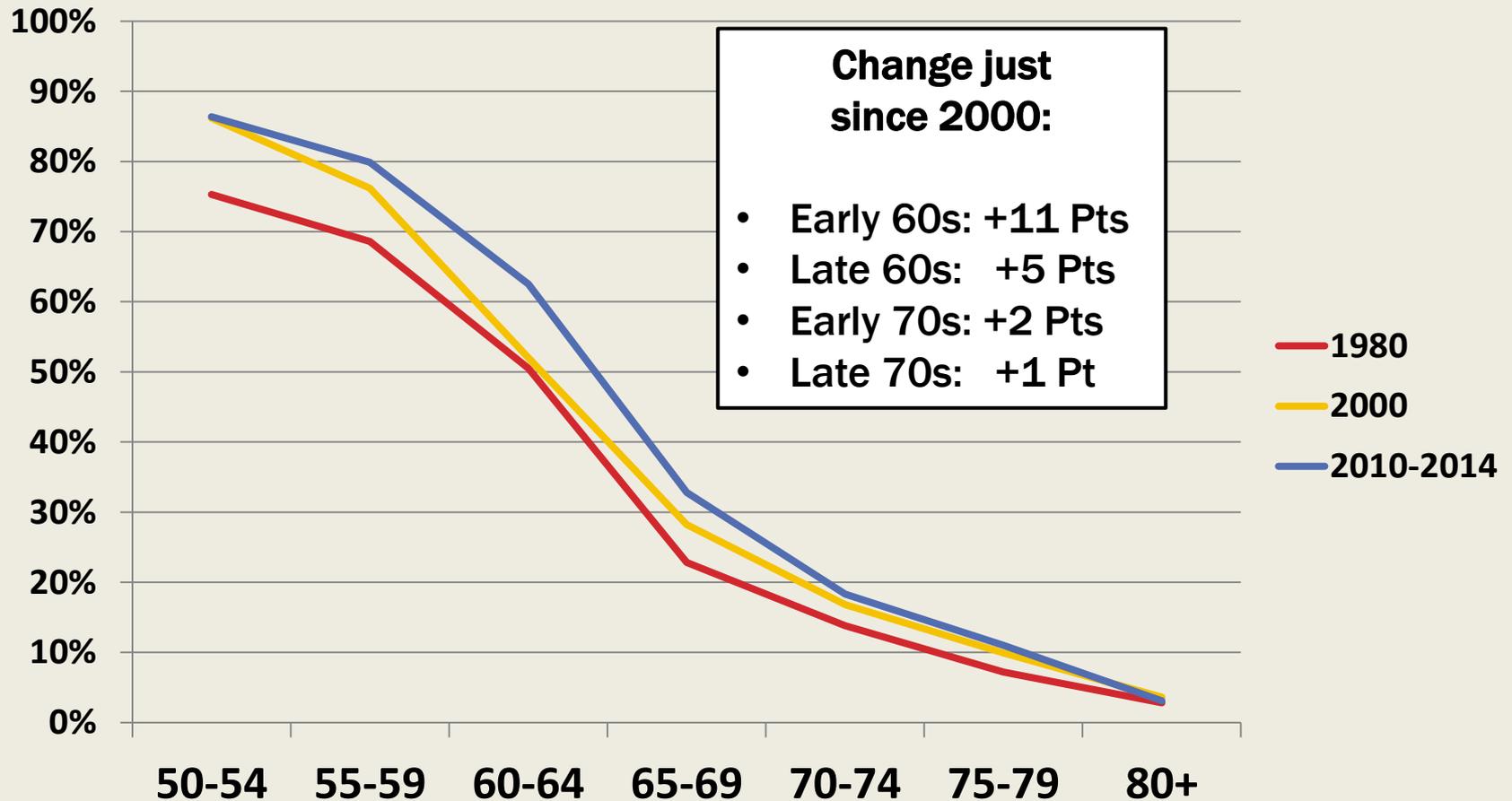
HEALTHY LIFE EXPECTANCY AT 65, 2007-2009



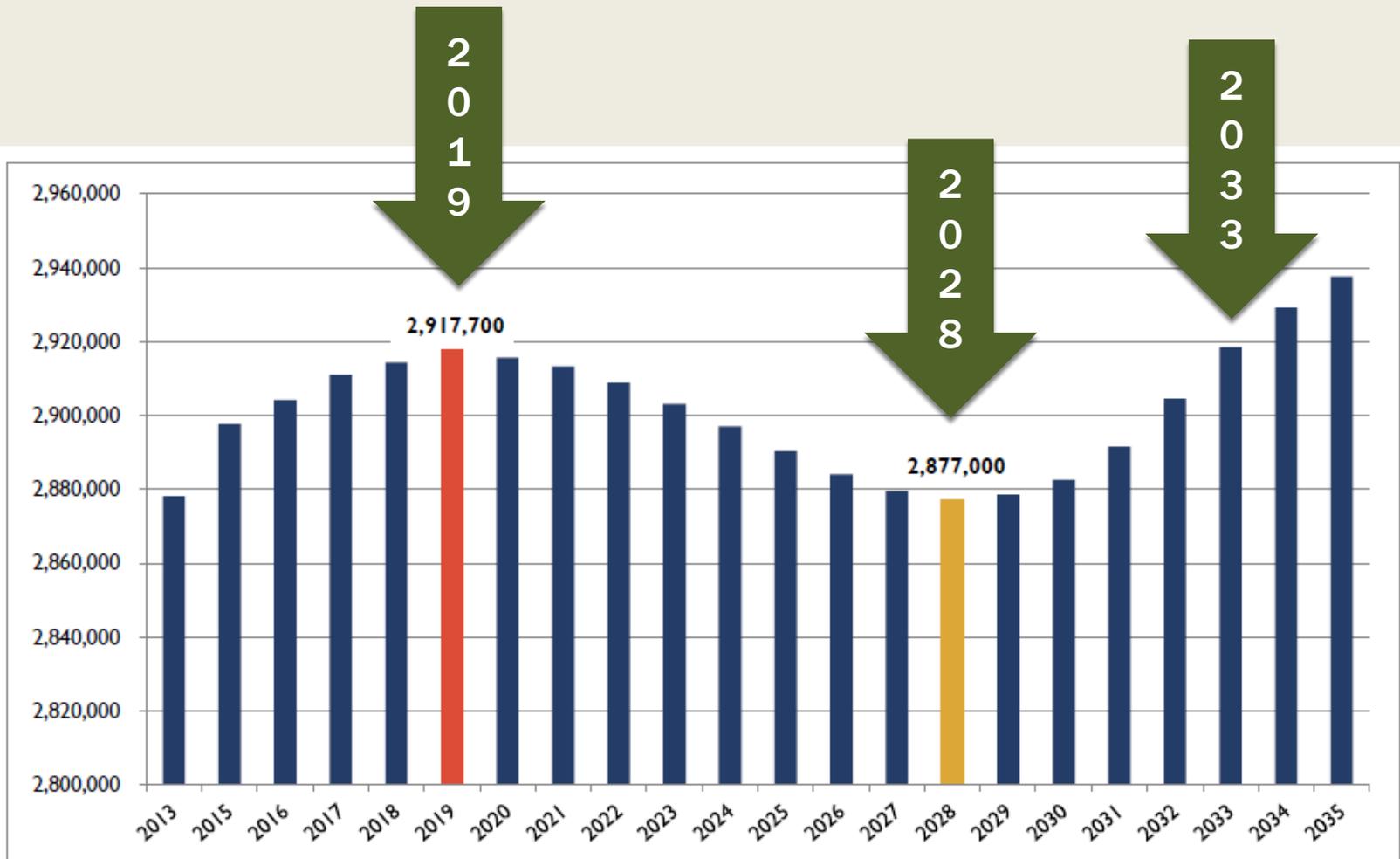
At age 65, the average Minnesotan will live an additional 20 years.

15 of those years will be disability-free, on average.

MINNESOTA'S OLDER ADULTS REMAIN IN THE LABOR FORCE LONGER THAN BEFORE

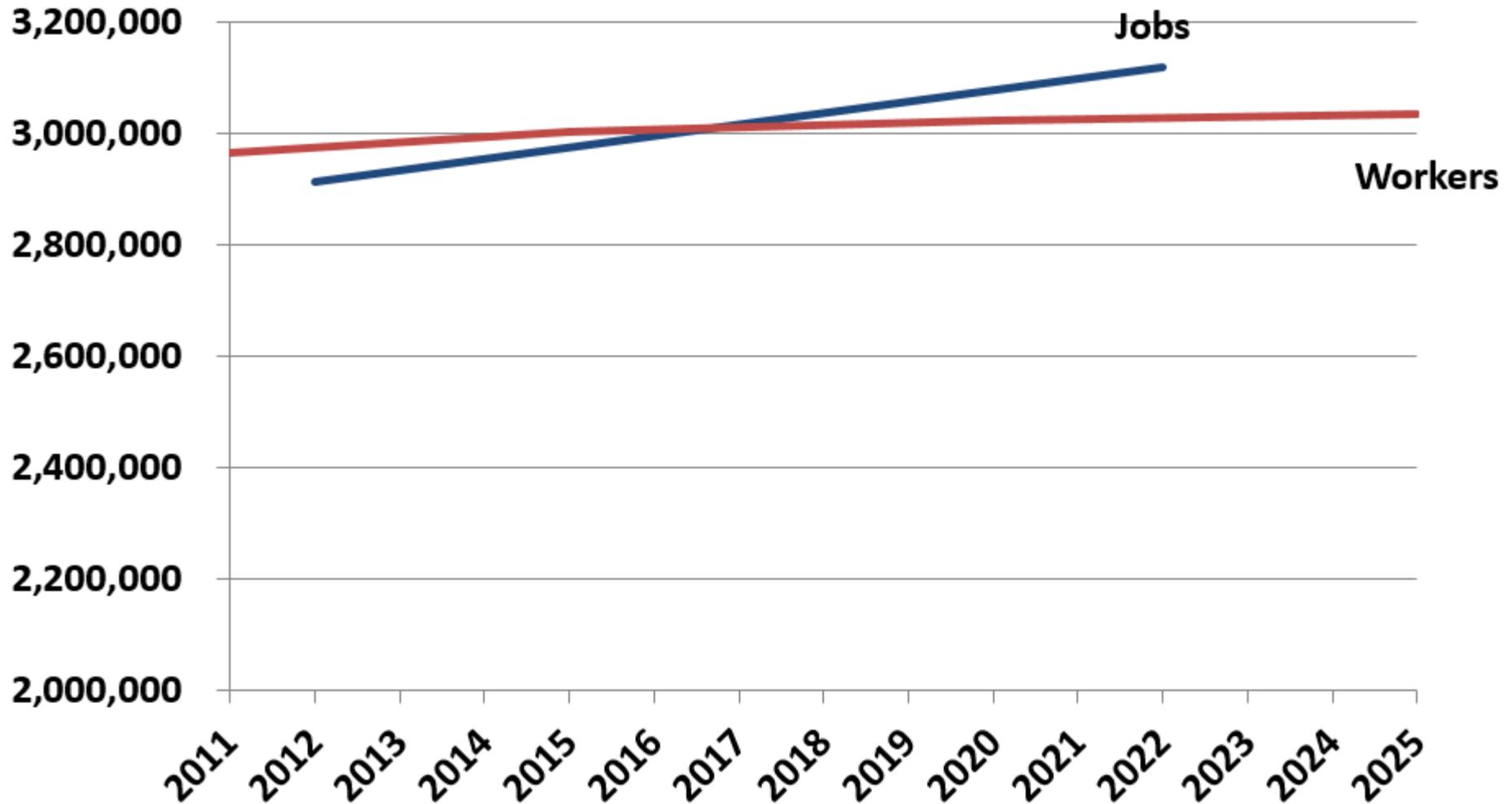


TOTAL 25- TO 64-YEAR-OLDS IN MN WILL BE A ROLLER COASTER (2013-2035)



Source: Minnesota State Demographic Center Projections.

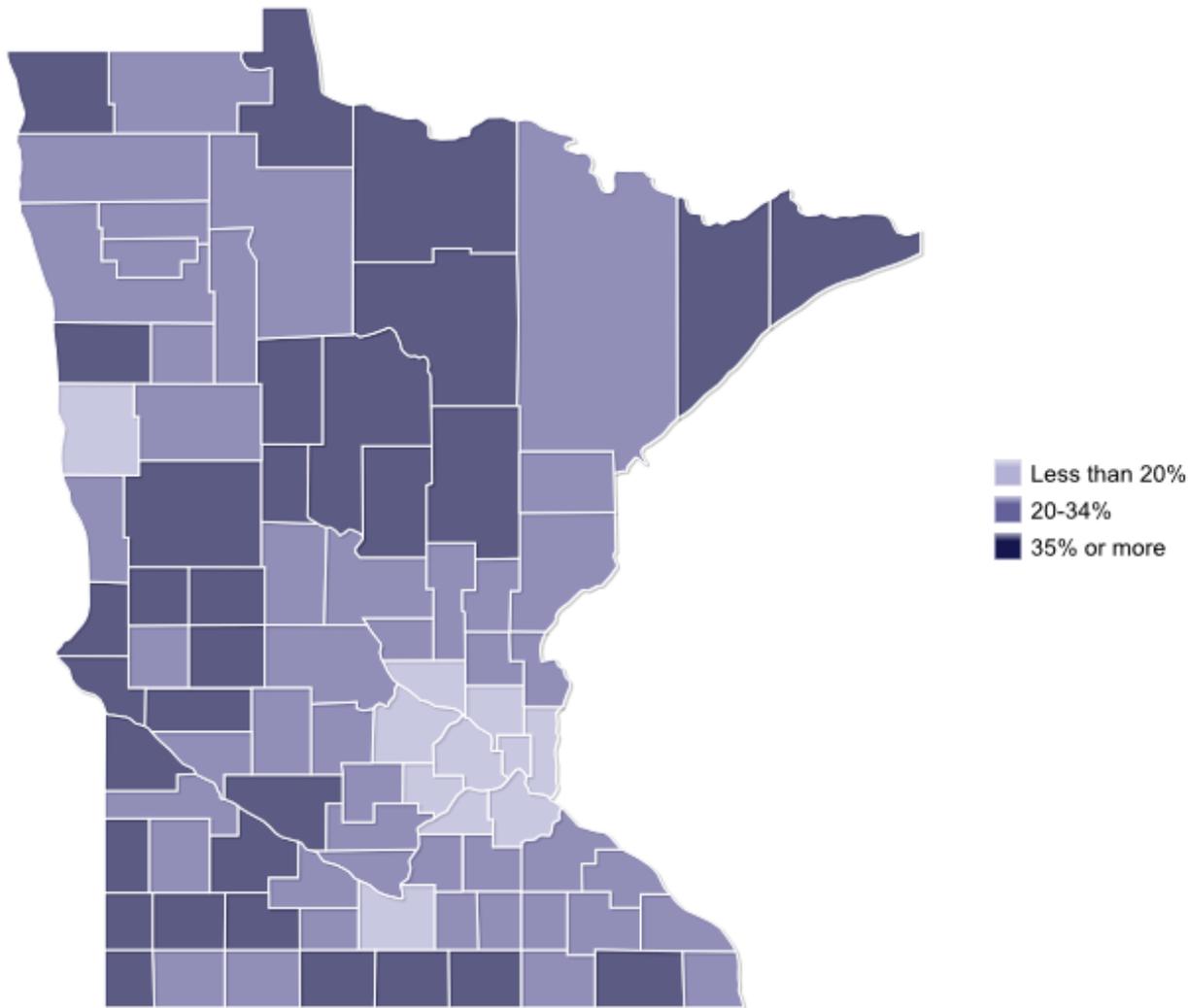
Projected job growth and projected labor force growth



Source: Minnesota DEED and Minnesota State Demographic Center

Retirement- to working-age ratio

By county, 2013

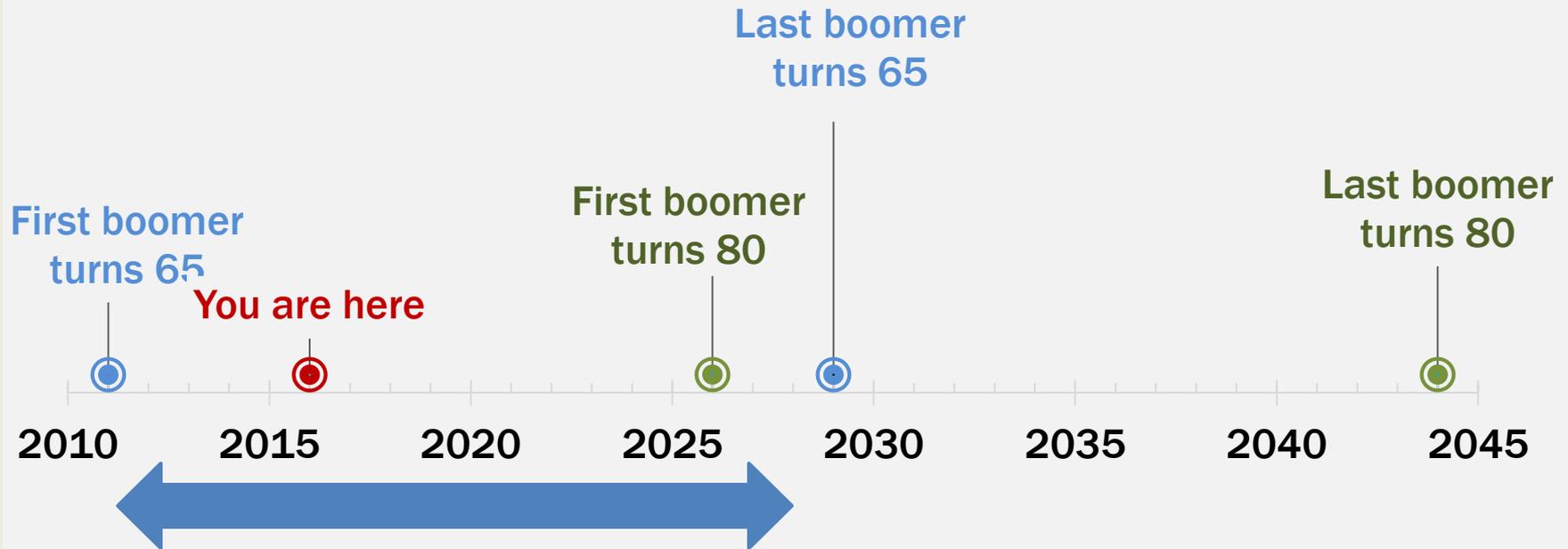


AVAILABILITY
OF WORKERS
TO CARE FOR
AGING
POPULATION:
DARKER
AREAS WILL
STRUGGLE
MORE

20% = 5
working-age
adult for every
older adult

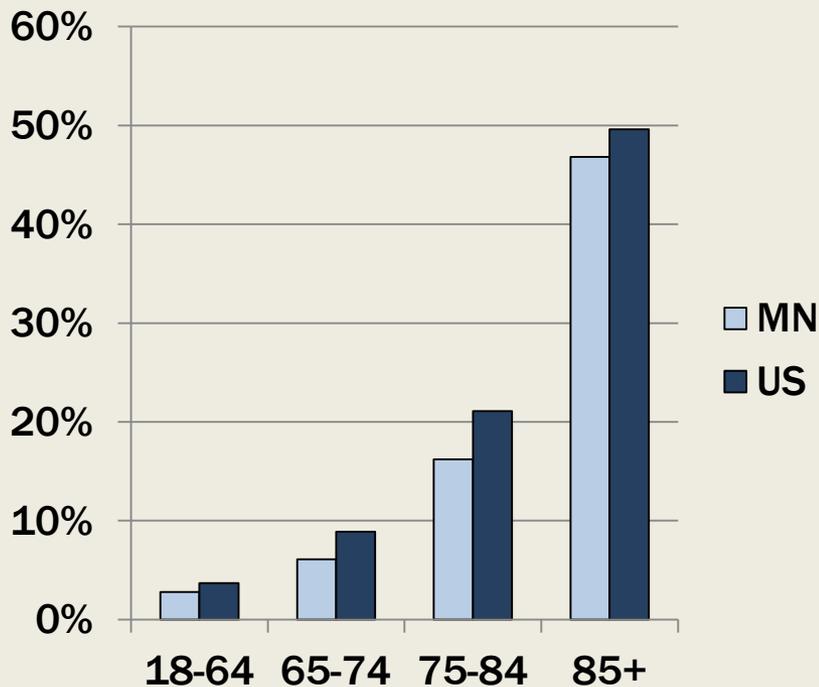
33% = 3
working-age
adults for every
older adult

THE TRANSITION TO AN OLDER MINNESOTA HAS ALREADY BEGUN

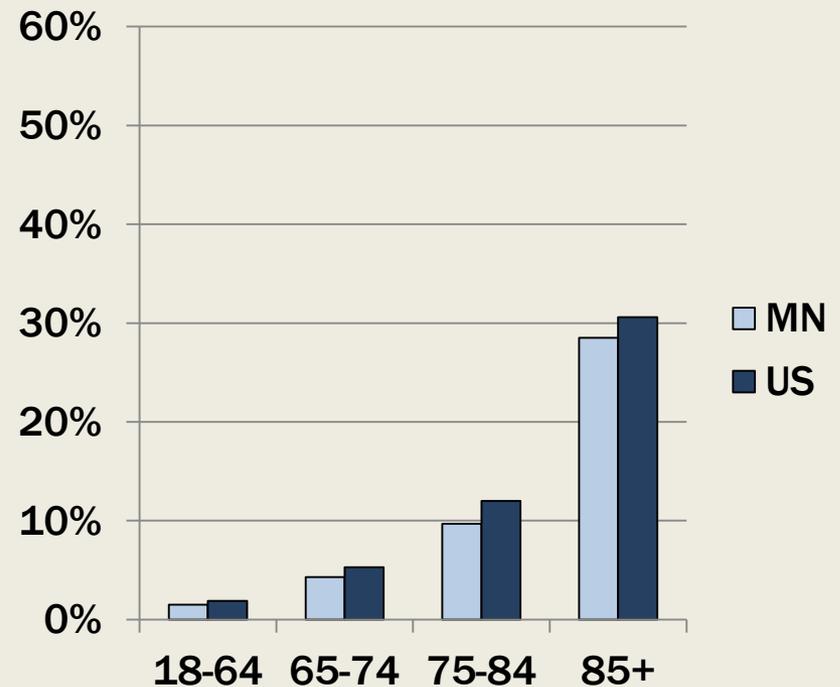


AGING BRINGS HIGHER RATES OF DISABILITY

Percent with an independent-living disability by age 2008-2012



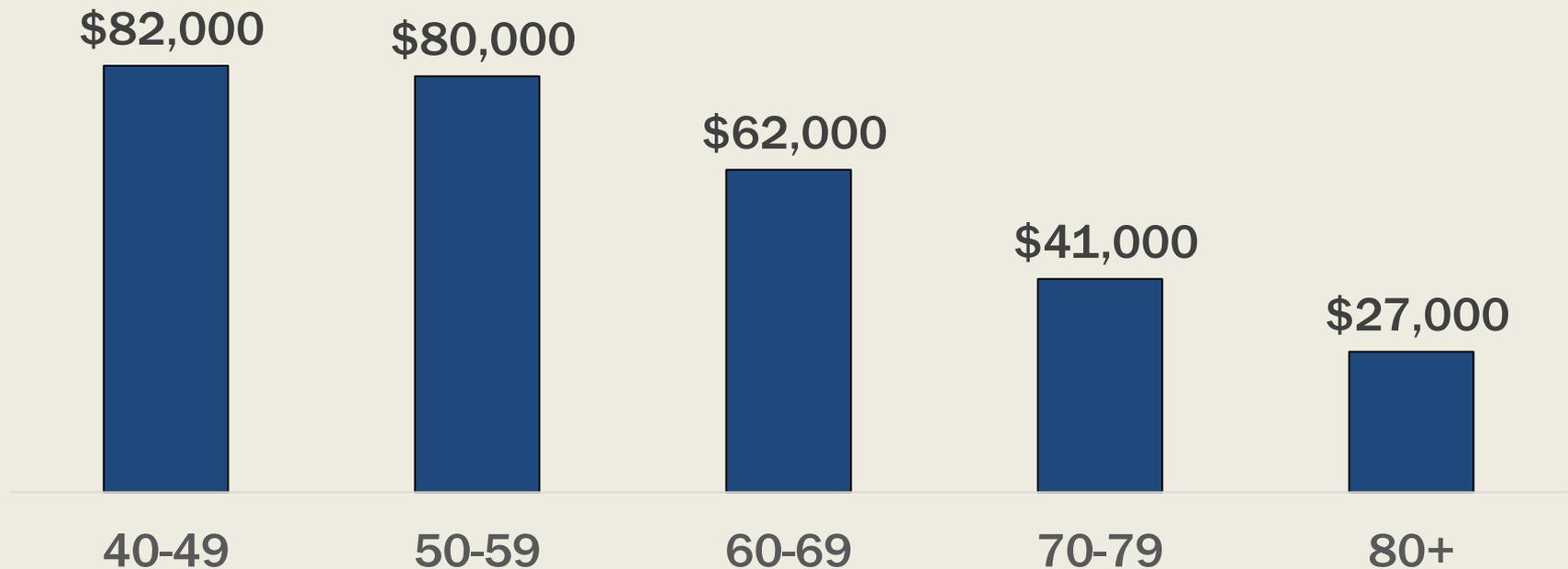
Percent with a self-care disability by age 2008-2012



Source: Tabulated by the MN State Demographic Center from the Integrated Public Use Microdata Series. Includes only the civilian, non-institutionalized population

MEDIAN HOUSEHOLD INCOME DECLINES WITH AGE

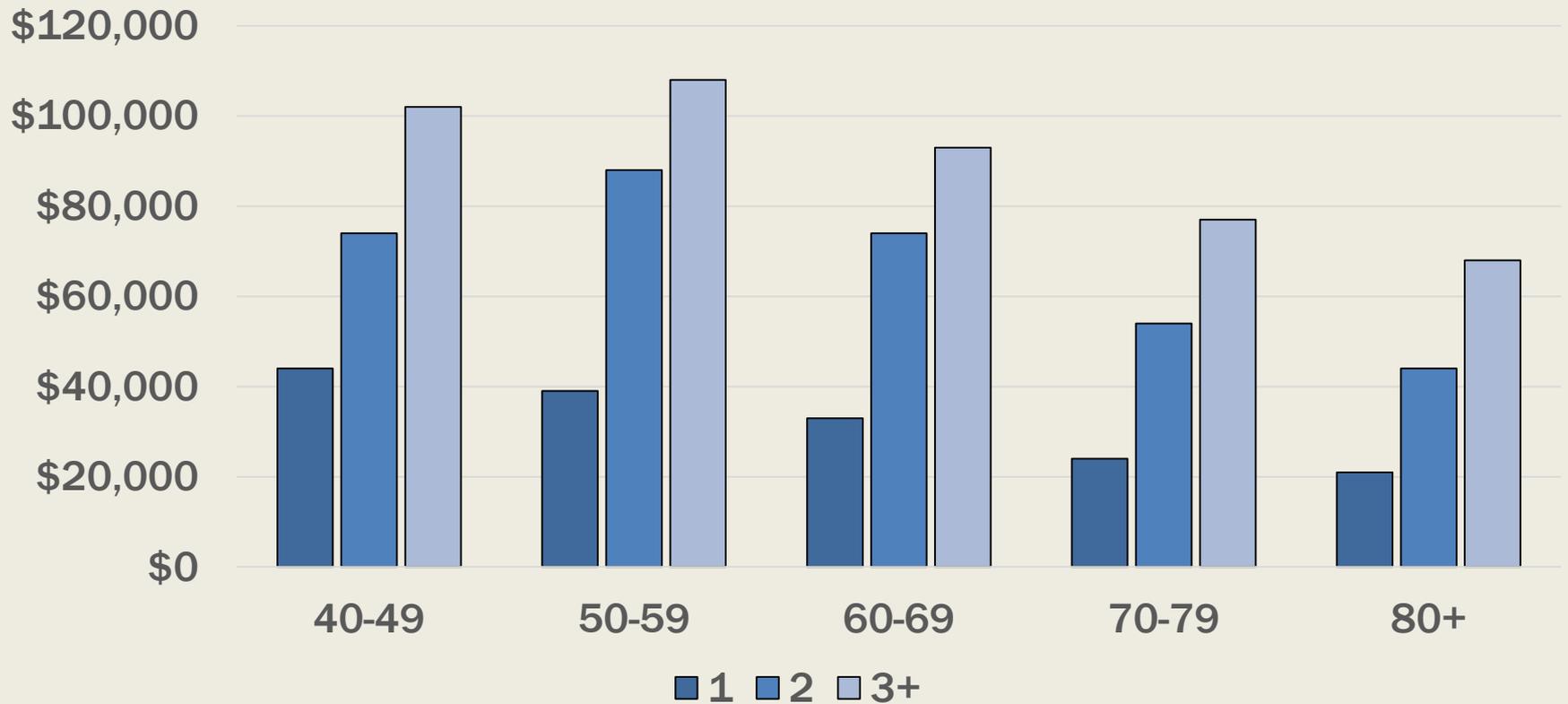
Median Household Income by Age of Householder,
2010-2014



Source: MN State Demographic Center analysis of ipums data, 2010-2014 American Community Survey

MEDIAN HOUSEHOLD INCOME BY AGE AND SIZE OF HOUSEHOLD

Minnesota 2010-2014



Source: MN State Demographic Center analysis of ipums data, 2010-2014 American Community Survey

CONSIDERATIONS OF AGING: MORE RESIDENTS IN THEIR 60S & 70S

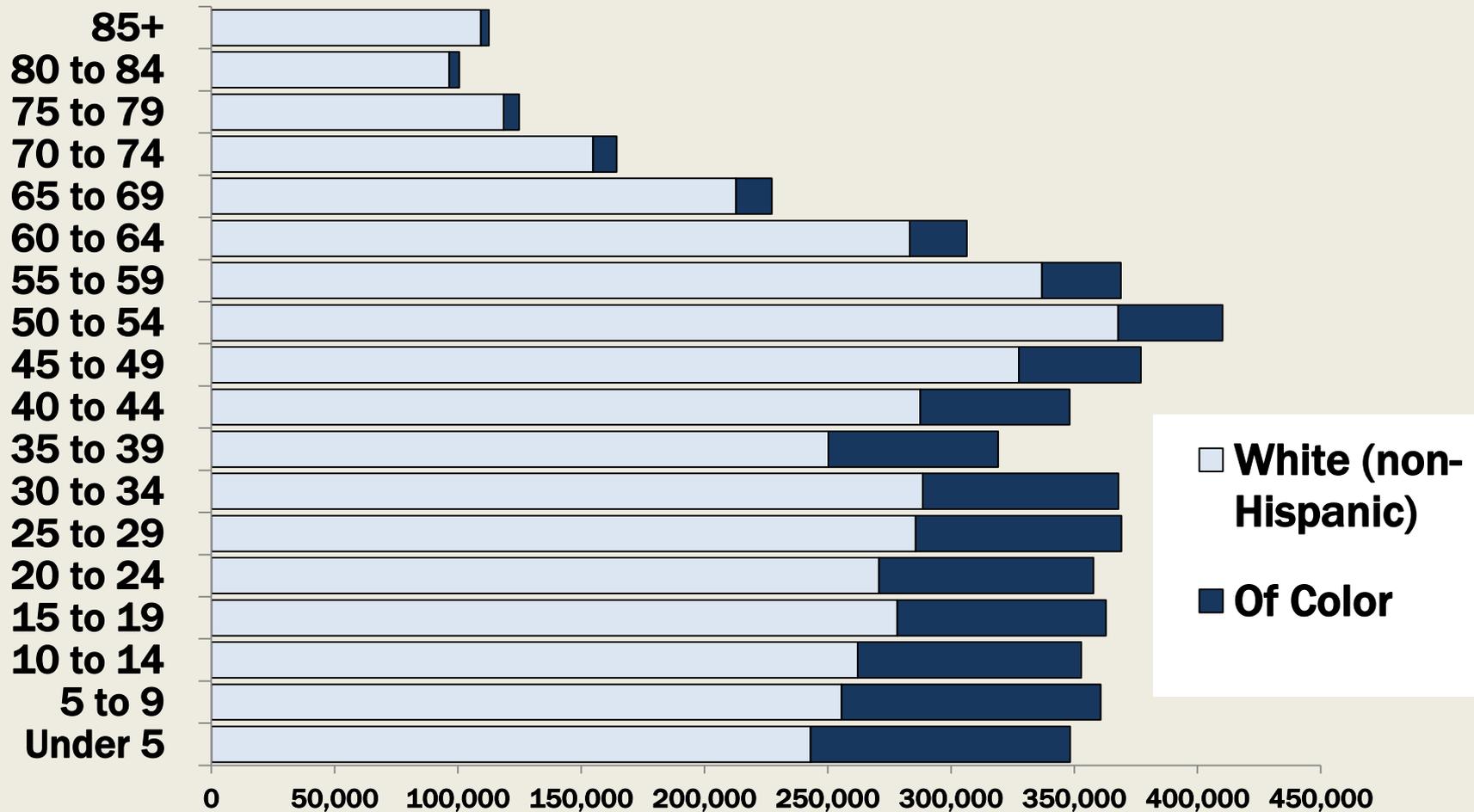
- Most transition out of the labor force in their 60s, impacting:
 - Daily activities
 - Transportation timing
 - Spending habits
 - Housing and migration
- Community impacts include:
 - Surplus of “free” time, creating opportunities for travel, volunteerism, encore careers
 - Population and housing shifts
 - Changes in labor force growth and dampened economic growth

CONSIDERATIONS OF AGING: MORE RESIDENTS IN THEIR 80S+

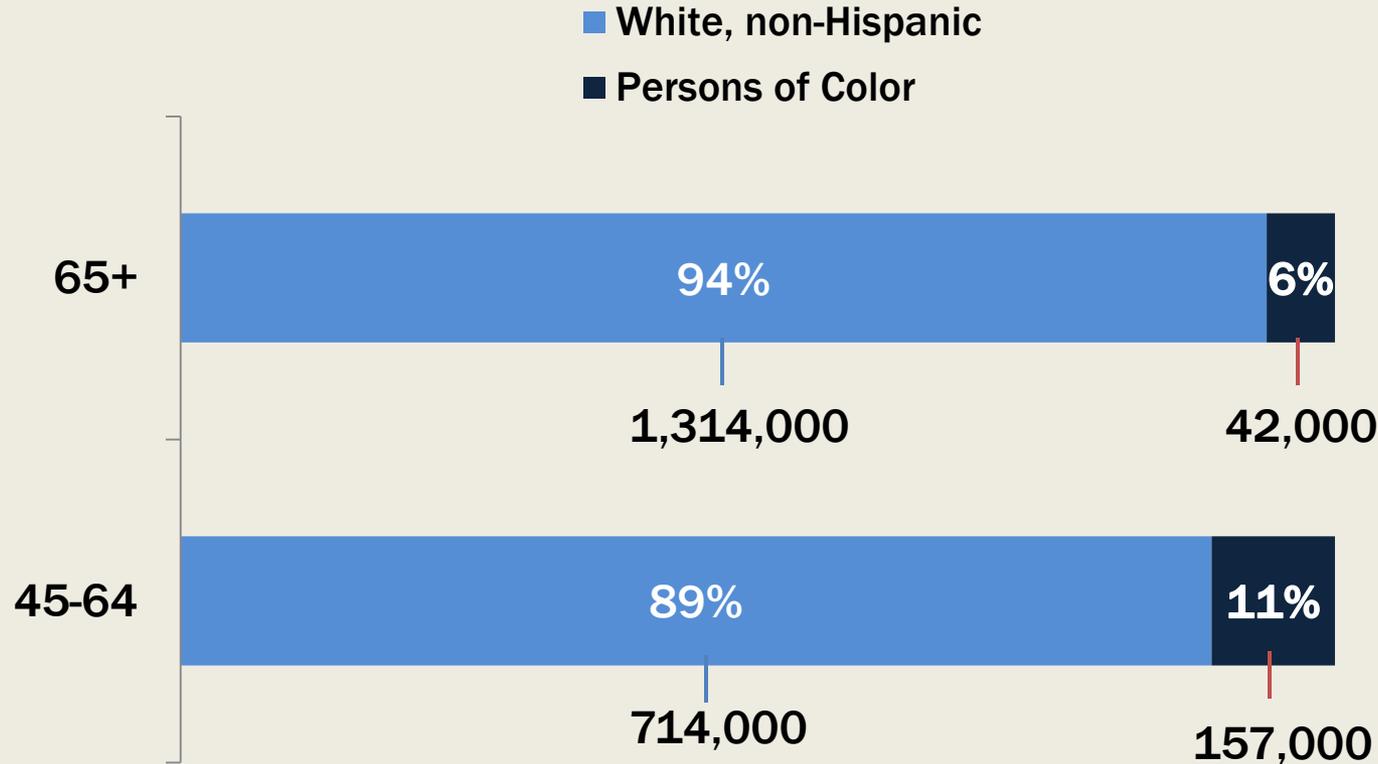
- Prevalence of disability and dementias, and need for long-term care will grow dramatically
- Private, public medical expenses will increase
- Gender imbalance much more prominent
- Likelihood of driving oneself falls
- Outliving financial resources of great concern



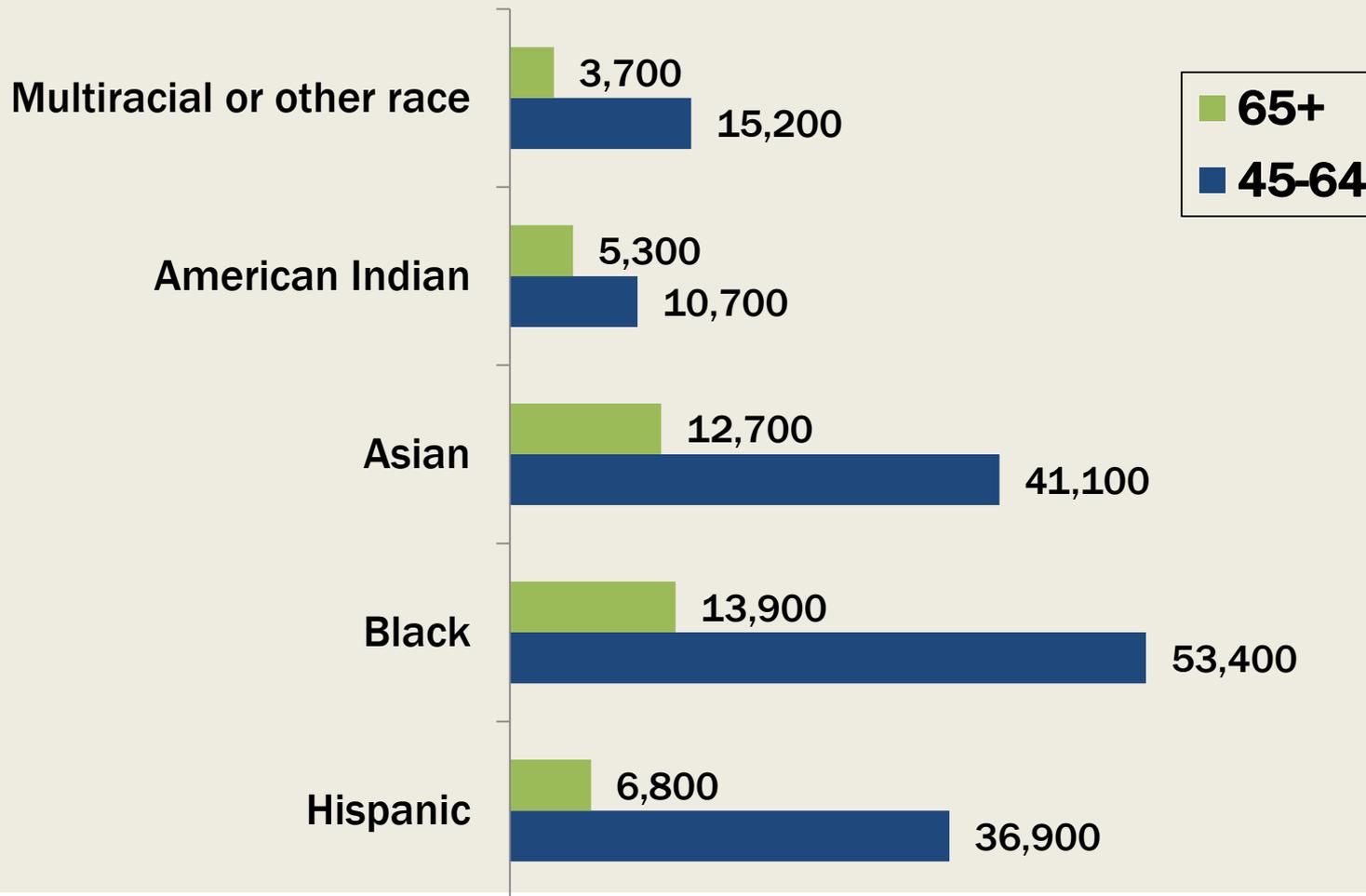
MINNESOTA'S POPULATION BY AGE GROUPS

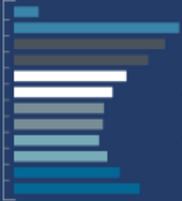


DIVERSITY AMONG MINNESOTA'S OLDER ADULTS AND NEXT WAVE (2013)



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