What is the role of the MN State Demographic Center?

- Serve as a liaison to the Census Bureau and assist with the decennial census counts
- Create MN population estimates and projections
- Analyze, interpret and distribute data from the state, U.S. Census Bureau and other sources
- Offer data and technical assistance to legislators, all levels of government, organizations and citizens across the state
- Monitor trends and help MN to make data-informed decisions
Major trends for Minnesota

+ 3

Aging Trends
Labor Force Concerns
Migration Patterns
Aging trends
What Minnesota looks like…
this year

MN population by age and sex, 2015

Source: MN State Demographic Center Projections
How many additional “older adults” will we gain during this decade?

Change in older adults, age 65+ (Thousands)

<table>
<thead>
<tr>
<th>Decade</th>
<th>1950s</th>
<th>60s</th>
<th>70s</th>
<th>80s</th>
<th>90s</th>
<th>00s</th>
<th>10s</th>
<th>20s</th>
<th>30s</th>
<th>40s</th>
<th>2050s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change</td>
<td>85</td>
<td>55</td>
<td>71</td>
<td>67</td>
<td>47</td>
<td>91</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: U.S. Census Bureau and Minnesota State Demographic Center
This decade and next: *Unprecedented* increases in MN’s 65+ population

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

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

What event is predicted to happen in 2020 that has never before happened in the history of our state?

A. The Vikings will win the Super Bowl
B. MN will have more immigrants than U.S.-born residents
C. MN will have more 65+ residents than school-age children, 5-17
For the first time in MN history:
More 65+ than school-age by 2020

Sources: U.S. Census Bureau, decennial census, and Minnesota State Demographic Center projections
Total 25- to 64-year-olds in MN will dip by about 100,000 individuals

Sources: Minnesota State Demographic Center projections
Older adults in Minnesota by age cohort, 2010-2050

The number of older adults in MN will **double** between 2010 and 2030.

Sources: U.S. Census Bureau, decennial census, and Minnesota State Demographic Center projections
By 2030, more than 1 in 5 Minnesotans will be 65+, including all Baby Boomers.

Sources: U.S. Census Bureau, decennial census, and Minnesota State Demographic Center projections.
The coming decades will see dramatic growth in older cohorts.

Expected numeric change in people by age cohorts, between 2010 and given year, Minnesota.

Sources: Minnesota State Demographic Center projections.
What Minnesota looks like…
this year

MN population by age and sex, 2015

Source: MN State Demographic Center Projections
What Dakota County looks like…
this year

Population by age and sex
Dakota, 2015

Source: Minnesota State Demographic Center projections, available at mn.gov/demography/projections
What Dakota County will look like... in 10 years

Population by age and sex
Dakota, 2025

Source: Minnesota State Demographic Center projections, available at mn.gov/demography/projections
What Dakota County will look like... in 20 years

Population by age and sex
Dakota, 2035

Source: Minnesota State Demographic Center projections, available at mn.gov/demography/projections
What Dakota County will look like... in 30 years

Population by age and sex
Dakota, 2045

Source: Minnesota State Demographic Center projections, available at mn.gov/demography/projections
Coming growth of Dakota County mostly at top of the age spectrum

http://mn.gov/admin/demography/map-viz-gallery/viz-co-pop-projections.jsp
Dakota County (3rd largest) to narrow gap with Ramsey (2nd largest) by 2045

http://mn.gov/admin/demography/map-viz-gallery/viz-co-pop-projections.jsp
Aging: not what it used to be…

- Minnesota’s older adults are healthier, living longer, and working longer than prior generations
  - Life expectancy for Minnesotans age 65 now is 20.1 more years (15.6 years in good health)
  - Variations across racial, educational, other groups
  - Minnesota’s Boomers and older adults volunteer in record numbers

Challenges related to our aging population

- 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?

- 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.
Labor force trends
Older adults projected to remain in the labor force longer than before

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

Sources: U.S. Census Bureau, decennial census, and Minnesota State Demographic Center projections
Labor force growth will continue to slow considerably

Sources: U.S. Census Bureau, decennial census, and Minnesota State Demographic Center projections
Projected growth in MN labor force (Annual average, ages 16+)

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-1990</td>
<td>32,000</td>
</tr>
<tr>
<td>1990-2000</td>
<td>38,000</td>
</tr>
<tr>
<td>2000-2010</td>
<td>25,000</td>
</tr>
<tr>
<td>2010-2020</td>
<td>8,000</td>
</tr>
<tr>
<td>2020-2030</td>
<td>4,000</td>
</tr>
<tr>
<td>2030-2040</td>
<td>13,000</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Minnesota State Demographic Center Projections
Total 25- to 64-year-olds in MN will dip by about 100,000 individuals

Sources: Minnesota State Demographic Center projections
The ratio of retirees to workers has never come as close as it will in 2010 and 2030.

2010: 1 retiree for 5 workers
2030: 1 retiree for 3 workers

We need to develop, retain, and attract human capital to compete economically.

Source: U.S. Census Bureau, MN State Demographic Center projections
Real GDP Growth

- Labor force participation
- Productivity Growth
- Working-age population growth
Share of Minnesotans with 4 years of college or more

Source: Tabulated by the MN State Demographic Center from the Integrated Public Use Microdata Series
Rising educational attainment strongly associated with productivity growth at the state level (1979-2012)

MN bachelor’s degrees yield very different employment outcomes

<table>
<thead>
<tr>
<th>Well Aligned</th>
<th>Number of bachelor degree graduates</th>
<th>Annual median earnings of all employed graduates in 2nd year after graduation</th>
<th>Percent working F/T &amp; year-round in 2nd Year</th>
<th>Median earnings of F/T employed in 2nd Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>1,217</td>
<td>$55,489</td>
<td>69%</td>
<td>$59,124</td>
</tr>
<tr>
<td>Construction trades</td>
<td>25</td>
<td>$53,675</td>
<td>76%</td>
<td>$55,472</td>
</tr>
<tr>
<td>Computer and information science</td>
<td>647</td>
<td>$51,990</td>
<td>68%</td>
<td>$56,277</td>
</tr>
<tr>
<td>Health profession</td>
<td>2,577</td>
<td>$50,021</td>
<td>40%</td>
<td>$59,646</td>
</tr>
<tr>
<td>Engineering technologies</td>
<td>165</td>
<td>$47,688</td>
<td>68%</td>
<td>$51,960</td>
</tr>
<tr>
<td>Business, management, and marketing</td>
<td>6,272</td>
<td>$38,667</td>
<td>64%</td>
<td>$45,289</td>
</tr>
<tr>
<td>Poorly Aligned</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visual and performing arts</td>
<td>1,562</td>
<td>$17,833</td>
<td>29%</td>
<td>$31,039</td>
</tr>
<tr>
<td>Transportation and materials moving</td>
<td>51</td>
<td>$17,731</td>
<td>35%</td>
<td>$26,447</td>
</tr>
<tr>
<td>Area, ethnic, cultural, gender, and group studies</td>
<td>168</td>
<td>$17,540</td>
<td>28%</td>
<td>$30,300</td>
</tr>
<tr>
<td>History</td>
<td>443</td>
<td>$16,513</td>
<td>29%</td>
<td>$34,154</td>
</tr>
<tr>
<td>Theology and religious vocations</td>
<td>337</td>
<td>$15,741</td>
<td>30%</td>
<td>$33,185</td>
</tr>
</tbody>
</table>

Alignment of training/education to labor force needs is crucial

- If wage and employment rates are the outcome of interaction between supply and demand, they tell which fields of study are in demand and which are not.

- These data allow individuals and workforce planners to steer into areas with better opportunities.

- As college grads exhaust college-appropriate job options, they move down and displace lesser-educated people from their jobs. Thus, less skilled workers are left with fewer opportunities, so remain unemployed or leave the workforce altogether.

- Thus ALIGNMENT helps workers of all levels of education/training.

- Data for all fields of study are on DEED’s website at under Graduate Employment Outcomes tool: http://mn.gov/deed/data/data-tools/graduate-employment-outcomes/

Job outlook in MN through 2022 (from DEED)

- Total jobs in MN projected to increase by 205,000 between 2012 and 2022. This is 7 times more job growth than during previous 10 years (2002-2012), when MN added just 29,000 jobs (Great Recession)
- However, by 2017-2022, labor shortages will limit job expansion in MN

- The two largest major occupational groups in Minnesota — 1) professional & related occupations, and 2) service occupations — will add the most jobs by 2022 (61% of all expected growth)
- Include many occupations at the opposite ends of the educational attainment and earnings range.
- Occupations adding the most jobs: personal care aides (+ 23,000), home health aides (+ 10,000), registered nurses (+ 9,000), retail salespersons (+ 7,000), food prep workers and servers (+ 5,000)

Wide racial gaps in educational attainment persist in Minnesota

Percent of young adults (age 25-34) with a B.A. or higher, 2010-2012

- White: 42%
- Black: 16%
- American Indian: 4%
- Asian: 58%
- Two or more/Other: 33%
- Hispanic/Latino: 14%

Source: Tabulated by the State Demographic Center from the Integrated Public Use Microdata Series
Largest growth expected among Asian, Black & Hispanic Minnesotans

Source: Minnesota State Demographic Center projections.
Dakota County: Local labor market movement (2011)

- About 70K workers both live AND work in Dakota Co.
- About 79K nonresidents ENTER Dakota Co. to go to work
- About 125K residents LEAVE Dakota Co. to go to work
- About 2 out of 3 Dakota Co. residents who are working do so outside Dakota Co. (64% out-county vs. 36% in-county)

Source: U.S. Census Bureau, OnTheMap. Refers to primary jobs only, in the case of multiple jobs.
Dakota County:
Location of all jobs (2011)

Source: U.S. Census Bureau, OnTheMap. Refers to the entire universe of primary and non-primary jobs, in the case of multiple job holders.
Not surprisingly, jobs and population density closely align.

- Population density is greatest in darkest orange areas.
- Northwest and north areas of Dakota Co. have highest concentrations of people, jobs.

Source: Social Explorer.
Unemployment in Dakota County increasingly favorable for workers

Unemployment rates (annual average), 2008-2013, select geographies

Source: Local Area Unemployment Statistics, online at: https://apps.deed.state.mn.us/lmi/laus/Default.aspx
Latest unemployment figures (Nov. 2014) show continued improvement

Unemployment for Dakota County and its major cities now below 3%

Source: Local Area Unemployment Statistics, online at: https://apps.deed.state.mn.us/lmi/laus/Default.aspx
Migration trends
MN domestic migration has been negative every year of past decade.

About 113,000 people leave MN each year for other states.

Only about 101,000 arrive from other states, resulting in domestic losses.

Net migration will become the major driver of our state’s growth.

Source: MN State Demographic Center projections, October 2013.
Take-away thoughts for those contemplating these trends

- All areas of the state will feel effects of an aging population, some places much more acutely. The aging of our state will create fierce debates about where to spend scarce public dollars.

- Fewer workers relative to older adults puts a premium on developing, retaining, and attracting skilled workers — to fuel continued economic growth and to pay for needed public services. Furthermore, workforce alignment is critical.

- A tightening labor force will benefit workers and create new opportunities for those currently unemployed or outside of the labor force, but will increasingly place strain on employers.

- Job growth is MN anticipated in both “high-wage, high-skill” and “low-wage, low-skill” occupations.

- Poor educational, health and economic outcomes for our fast-growing populations of color jeopardize our economic competitiveness and quality of life for all.
MN State Demographic Center online resources

Explore our website at mn.gov/demography

- Locate more data, more efficiently
- New interactive maps and data visualizations
- Featuring a new blog, guidance for data users, and more
- Follow us on Twitter at @MN_StateData
Our Projections Page: mn.gov/demography/projections

- Find state, county and Economic Development Region projections to 2045, by age and gender

- Explore population pyramids for all counties through 2045