

MN Department of Human Services  
Leadership Development Group  
Susan Brower, State Demographer  
May 2014



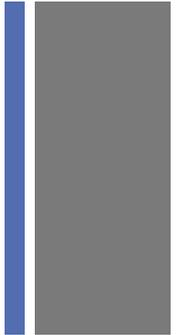
## Topics for today



- 3 BIG demographic trends
- Your questions and insights



# What is the role of the MN State Demographic Center?

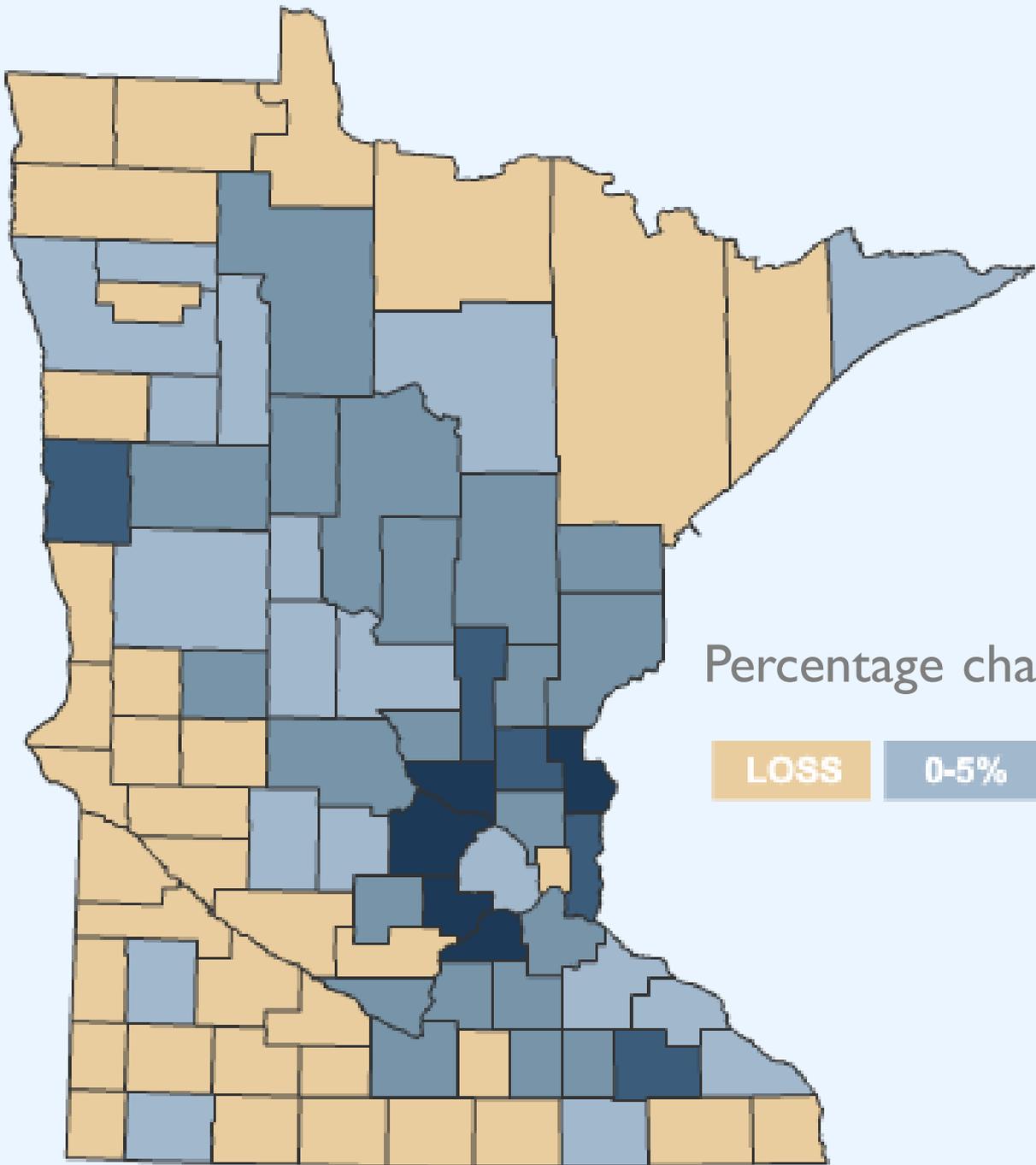


- Serve as a liaison to the Census Bureau and assist with the decennial census counts (every 10 years)
- Create population estimates and projections
- Analyze, interpret and distribute data from state, U.S. Census Bureau and other sources
- Offer data and technical assistance to legislators, all levels of government, organizations and citizens across the state
- Monitor trends and help MN to make data-informed decisions



Trend #1  
Post-  
recession  
growth looks  
new and  
different





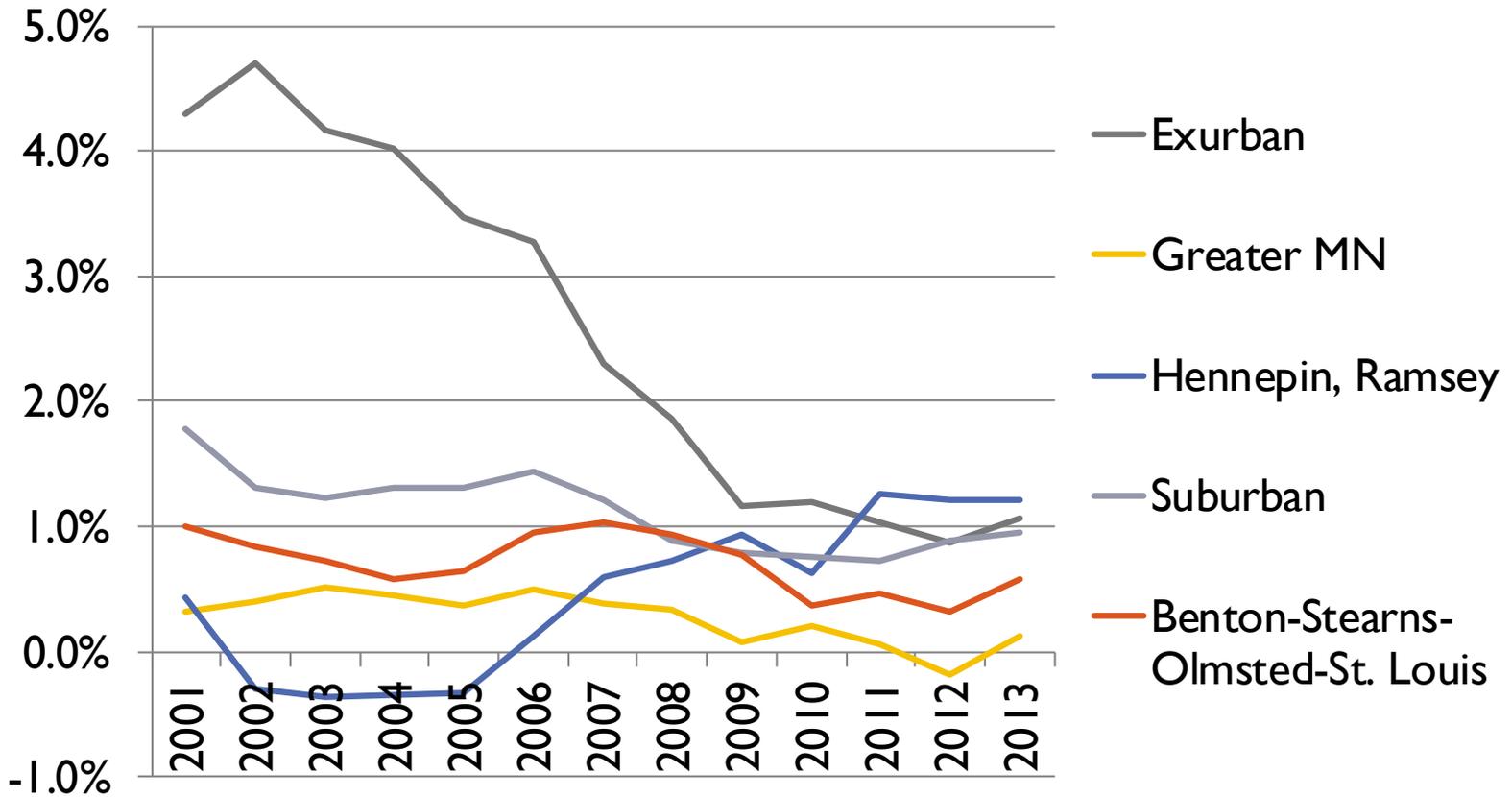
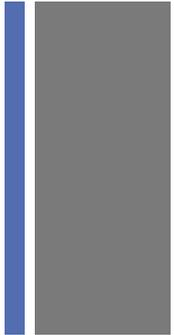
### Percentage change 2000-2010



Source: U.S. Census Bureau



# Regional growth has converged

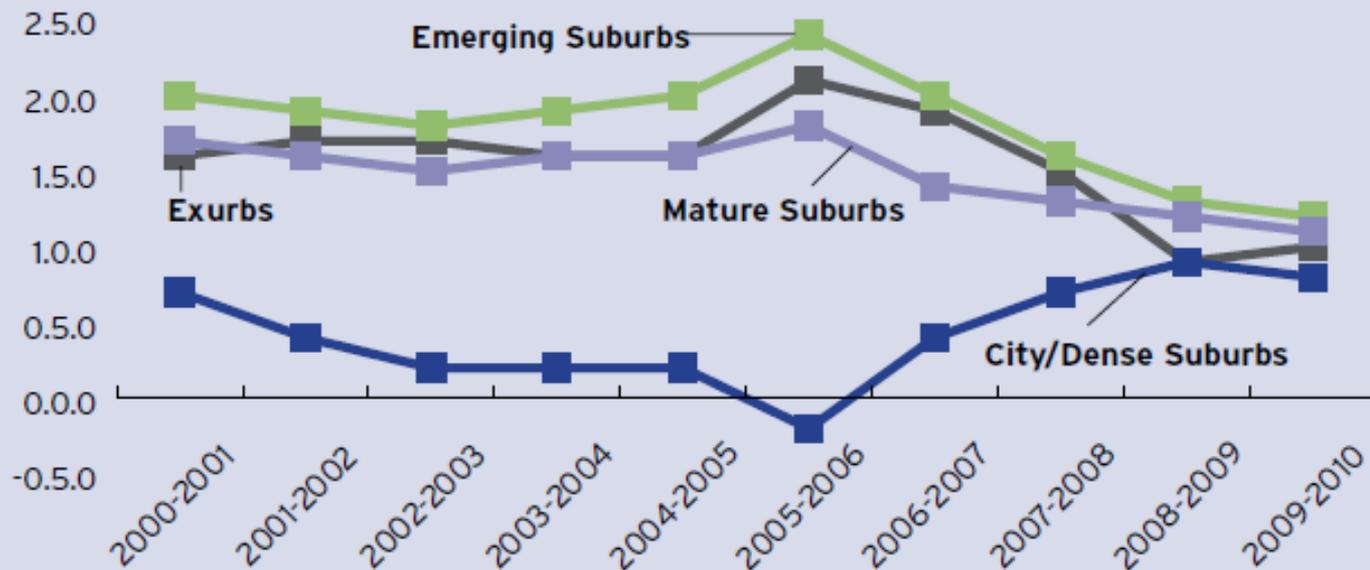


Source: U.S. Census Bureau, American Community Survey



# Growth rates are converging nationally too

**Figure 5. Annual Growth Rate by County Urbanization, Large Metro Areas, 2000-2010**



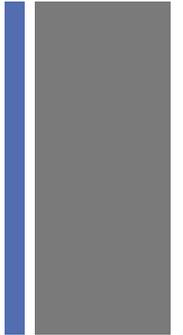


Trend #2:  
Population aging  
is beginning to  
affect MN and  
the nation

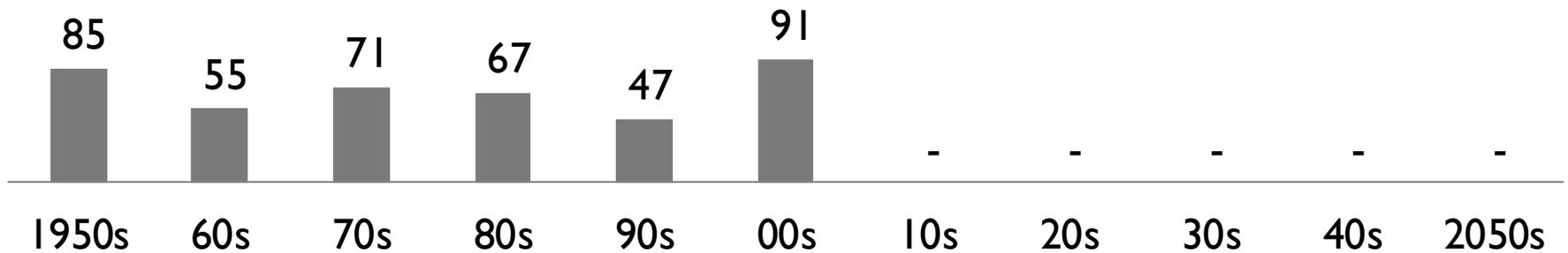
## Aging



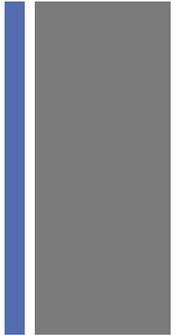
# + Number of older adults will increase substantially over the next 20 years



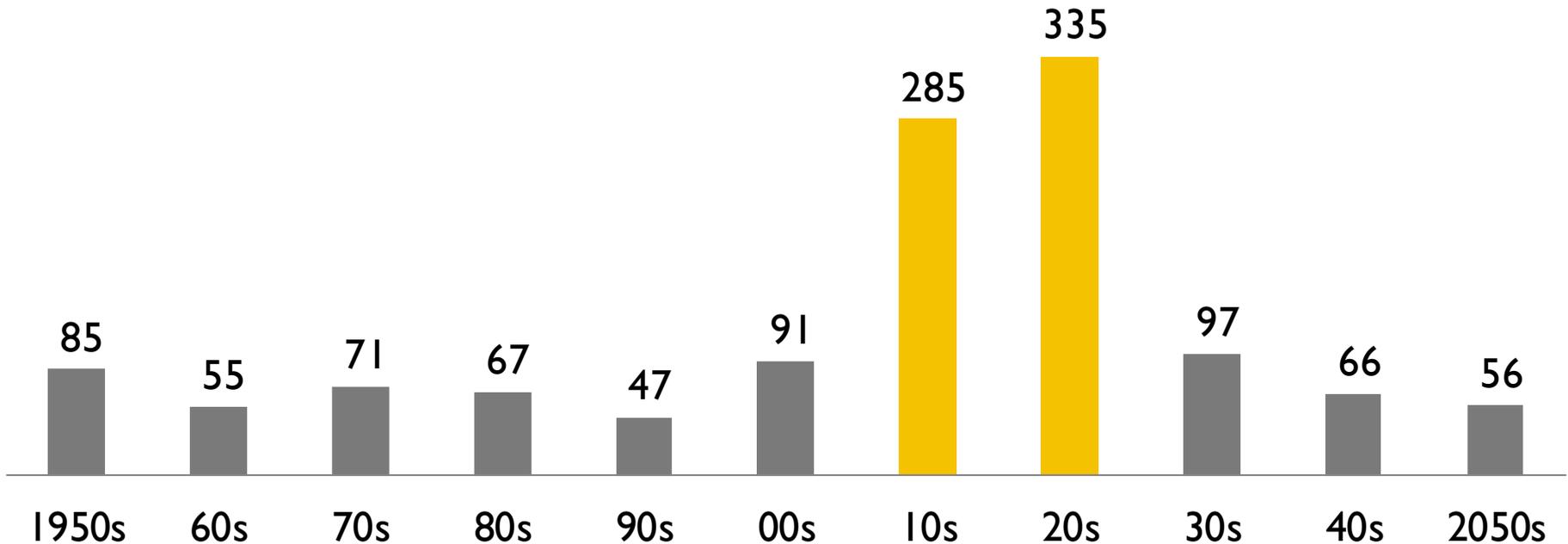
**Change in older adults, age 65+ (Thousands)**



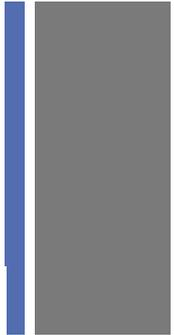
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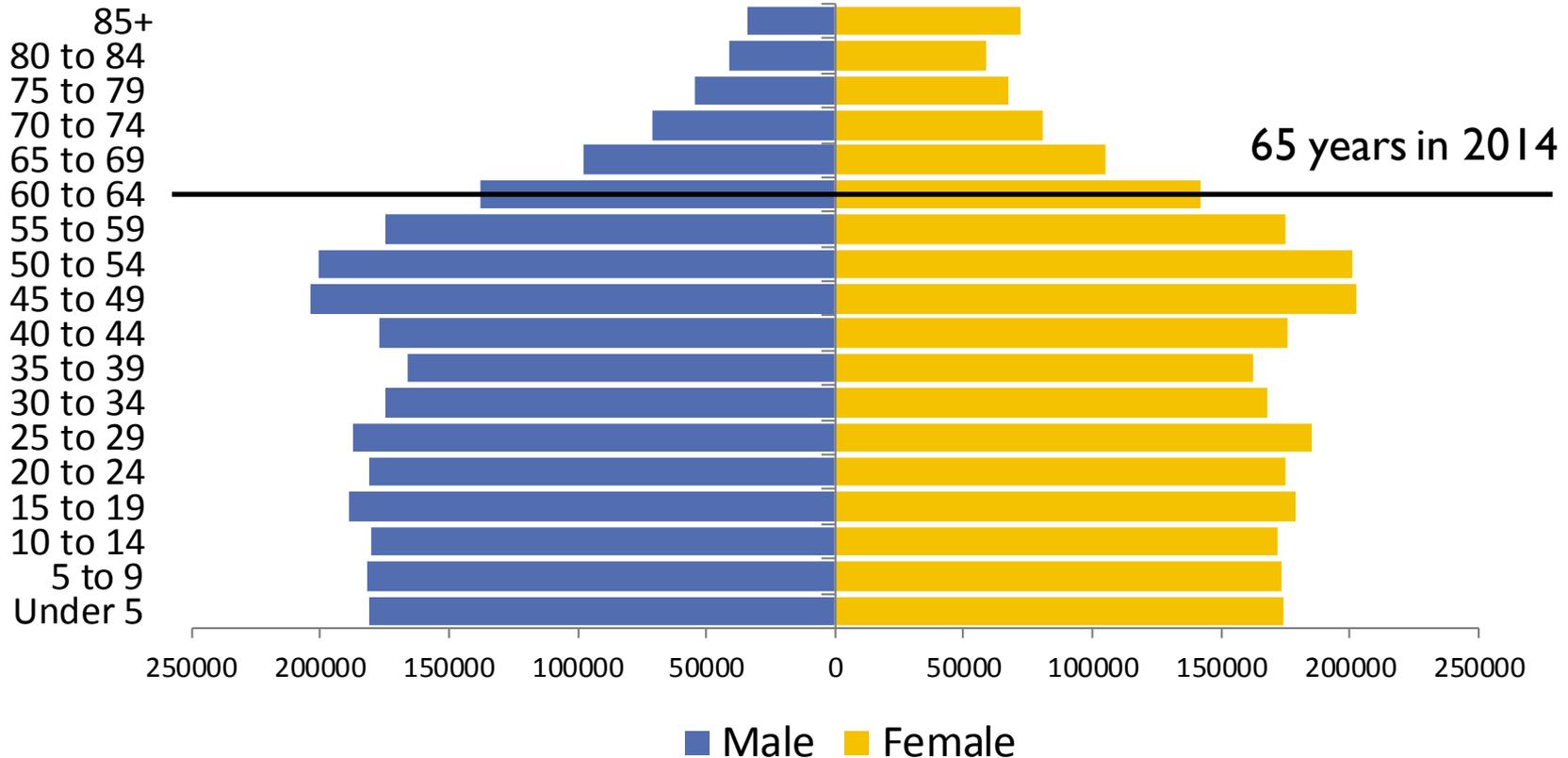
**Change in older adults, age 65+ (Thousands)**



# + Why are these changes so marked now?

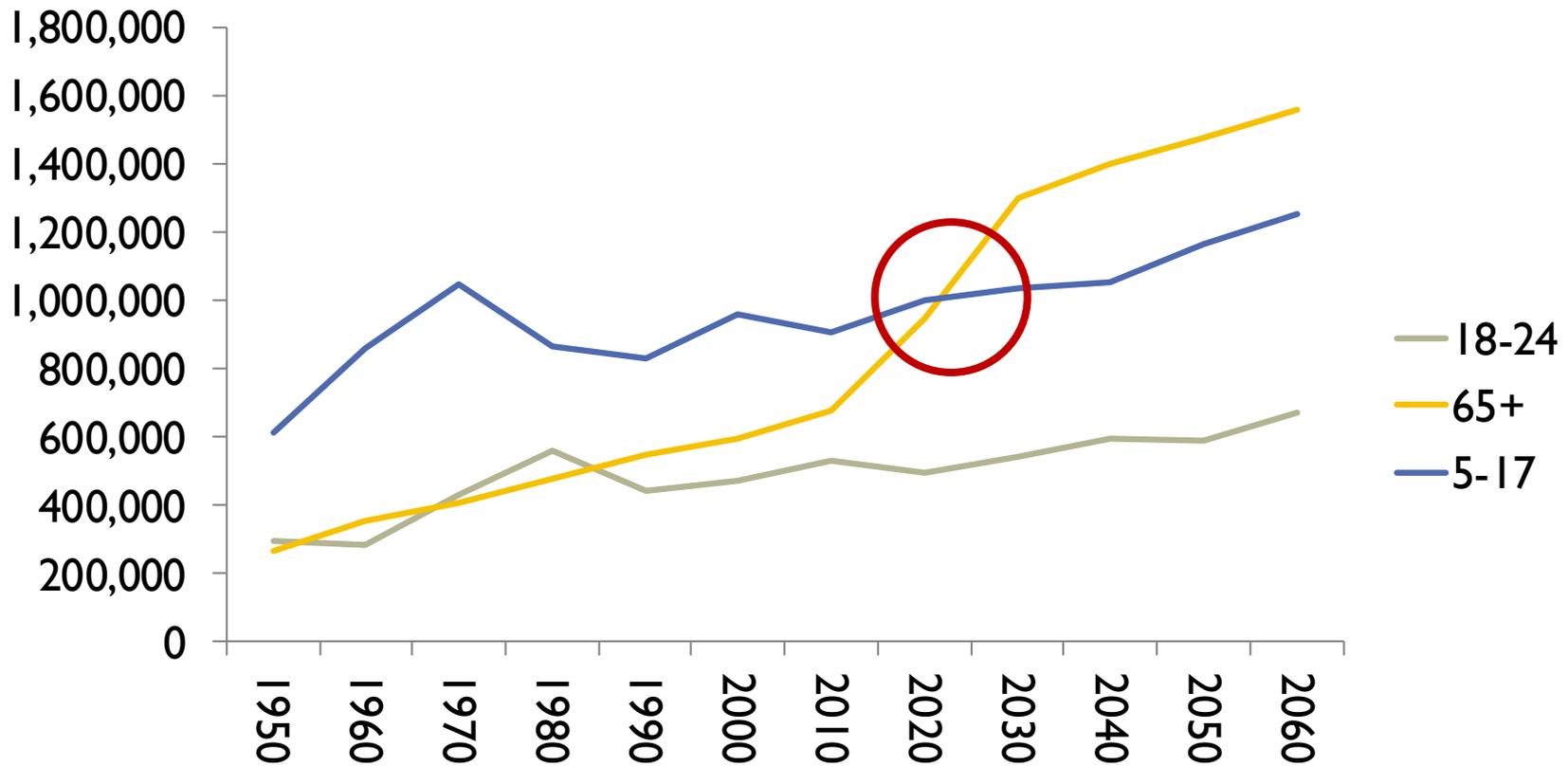
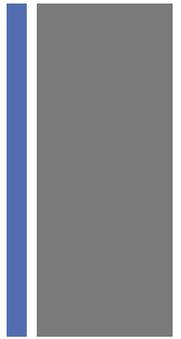


Population by age and sex  
Minnesota, 2012



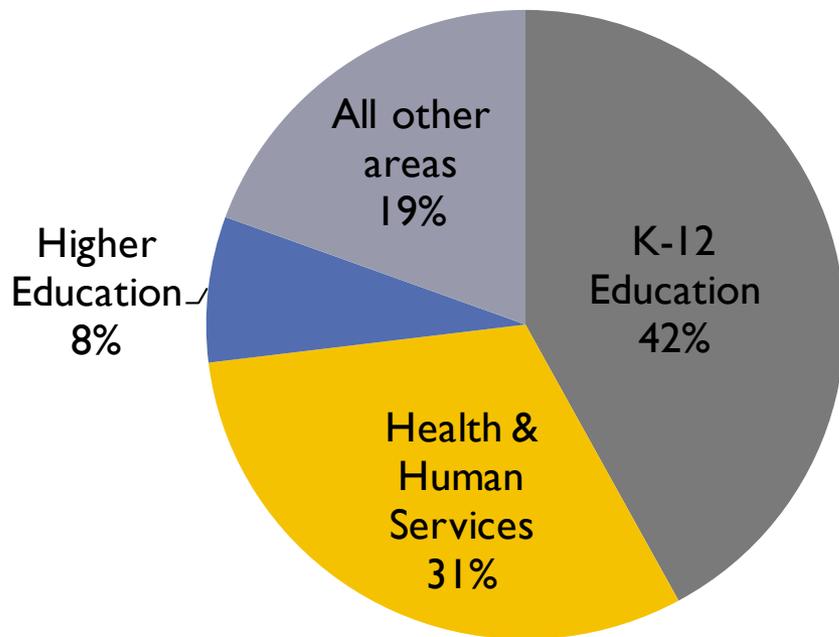


# For the first time in MN history: More 65+ than school-age by 2020



# + 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

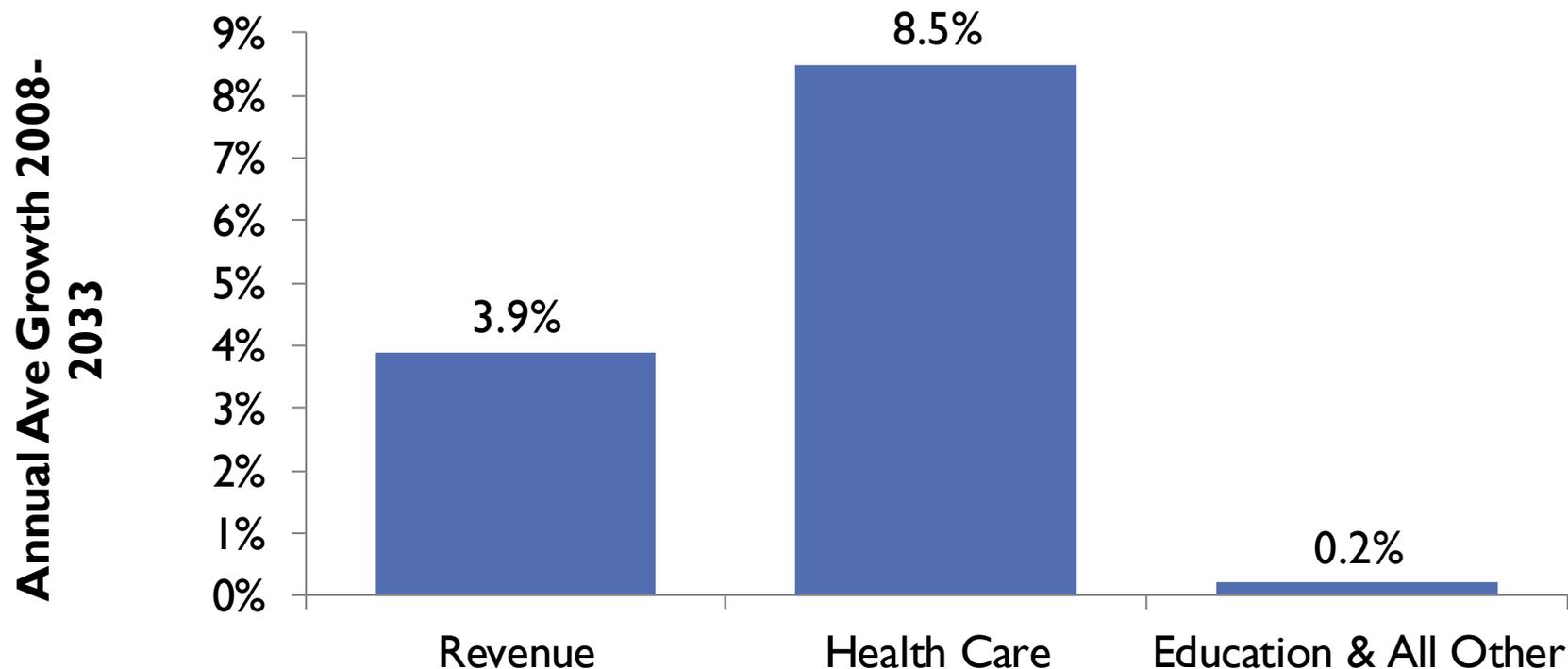
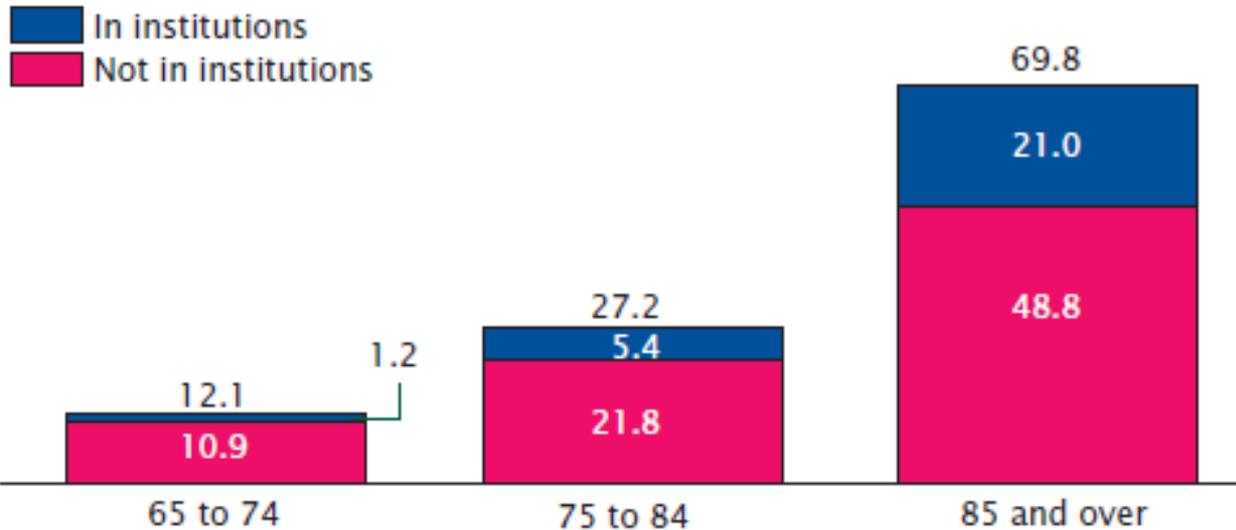


Figure 3-23.

### Percent of People Aged 65 and Over With Long-Term Care Needs by Age and Place of Residence: 1995<sup>1</sup>

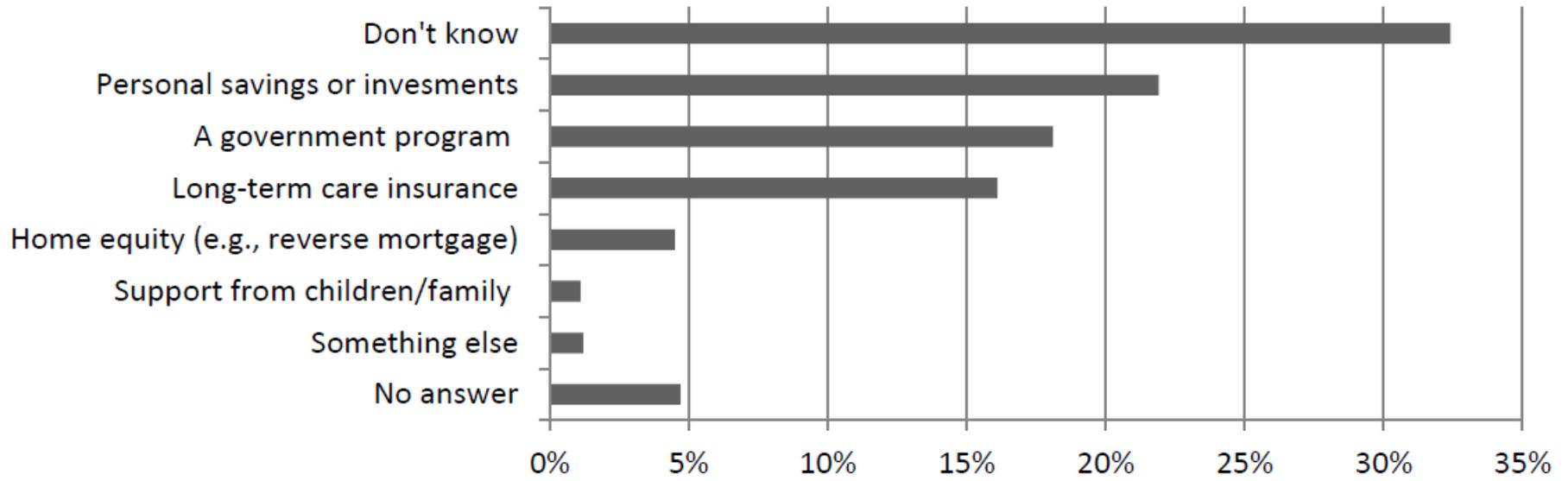
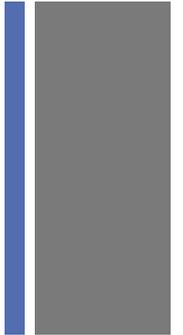


<sup>1</sup> Needing assistance with activities of daily living (ADLs) or instrumental activities of daily living (IADLs).

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.

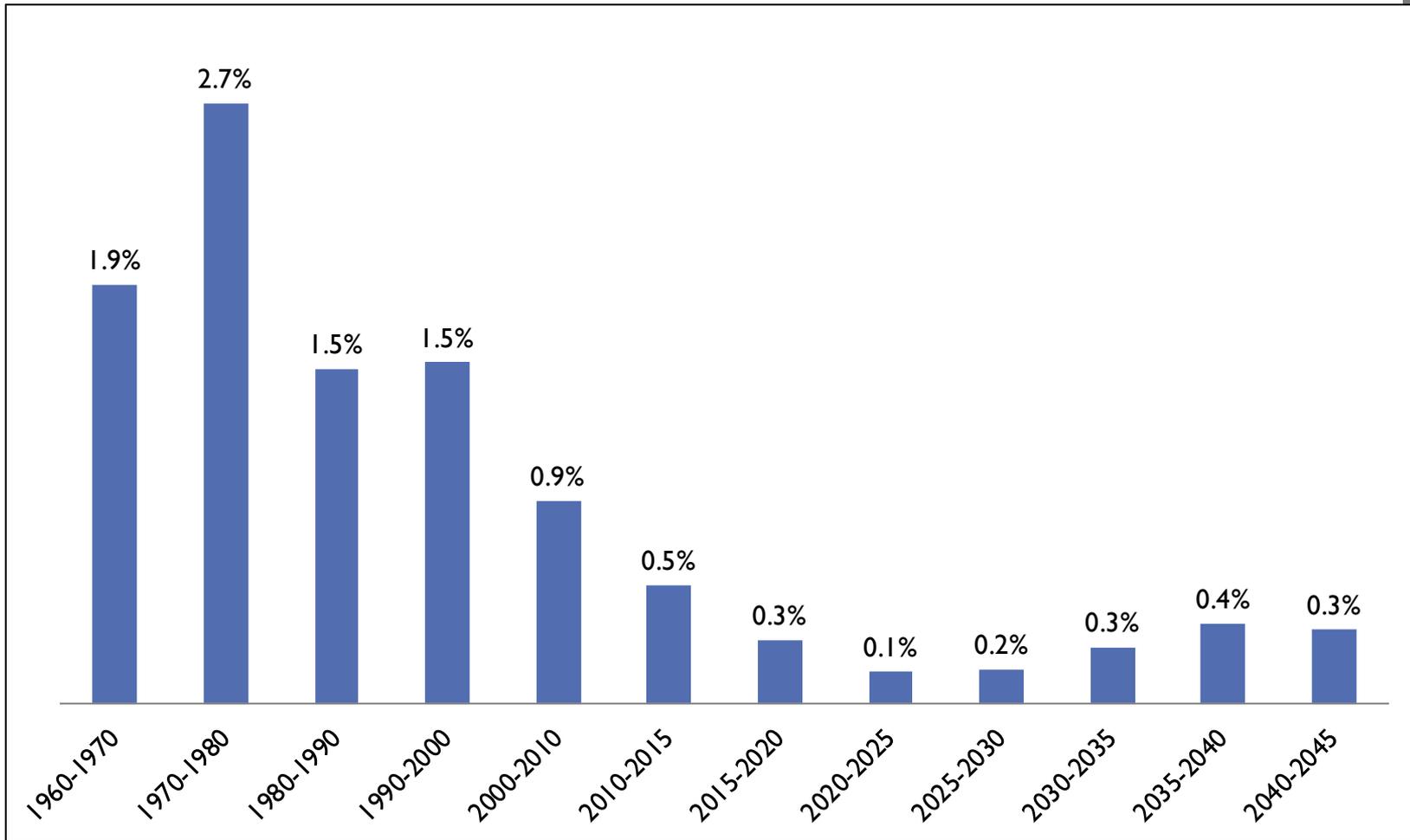
Source: Stone, 2000. For full citation, see references at end of chapter.

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



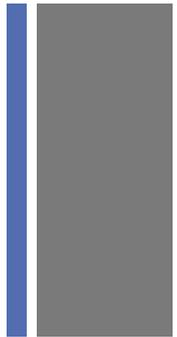


# Labor force growth is projected to slow

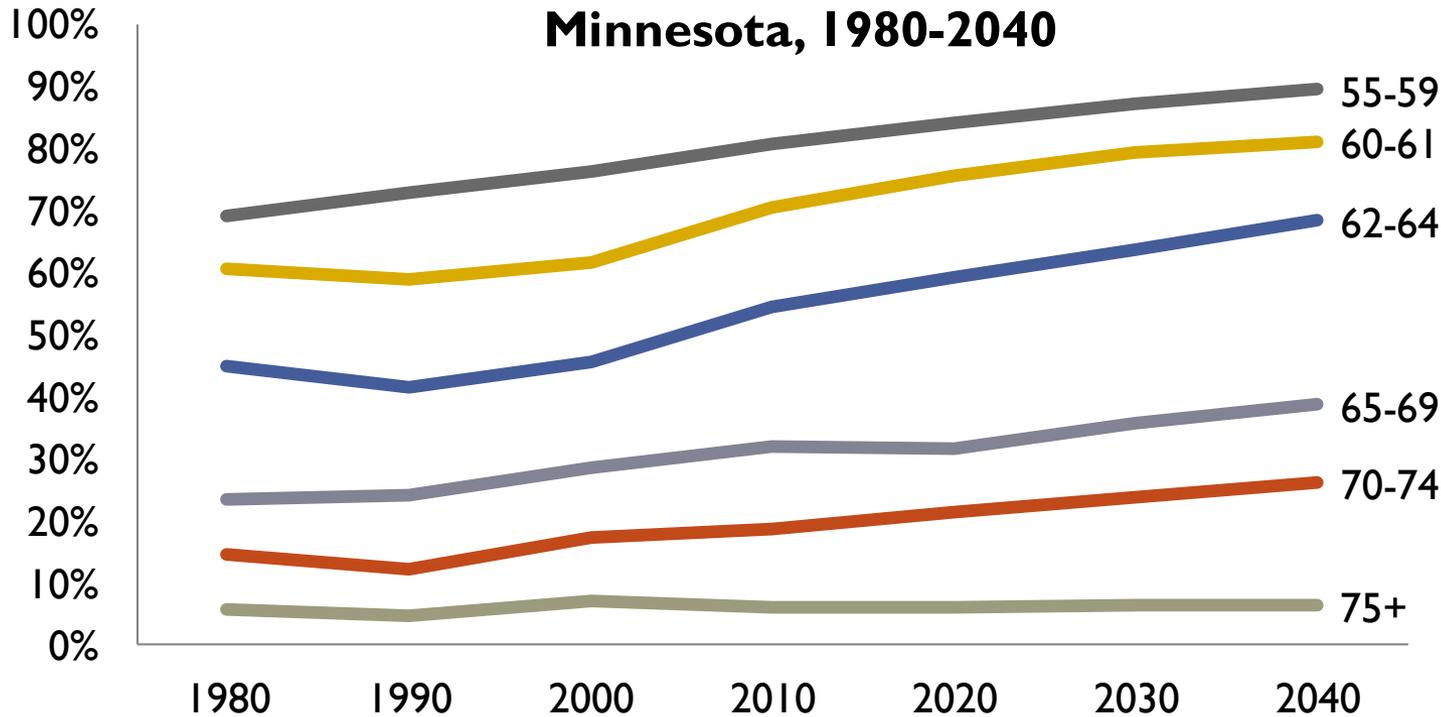




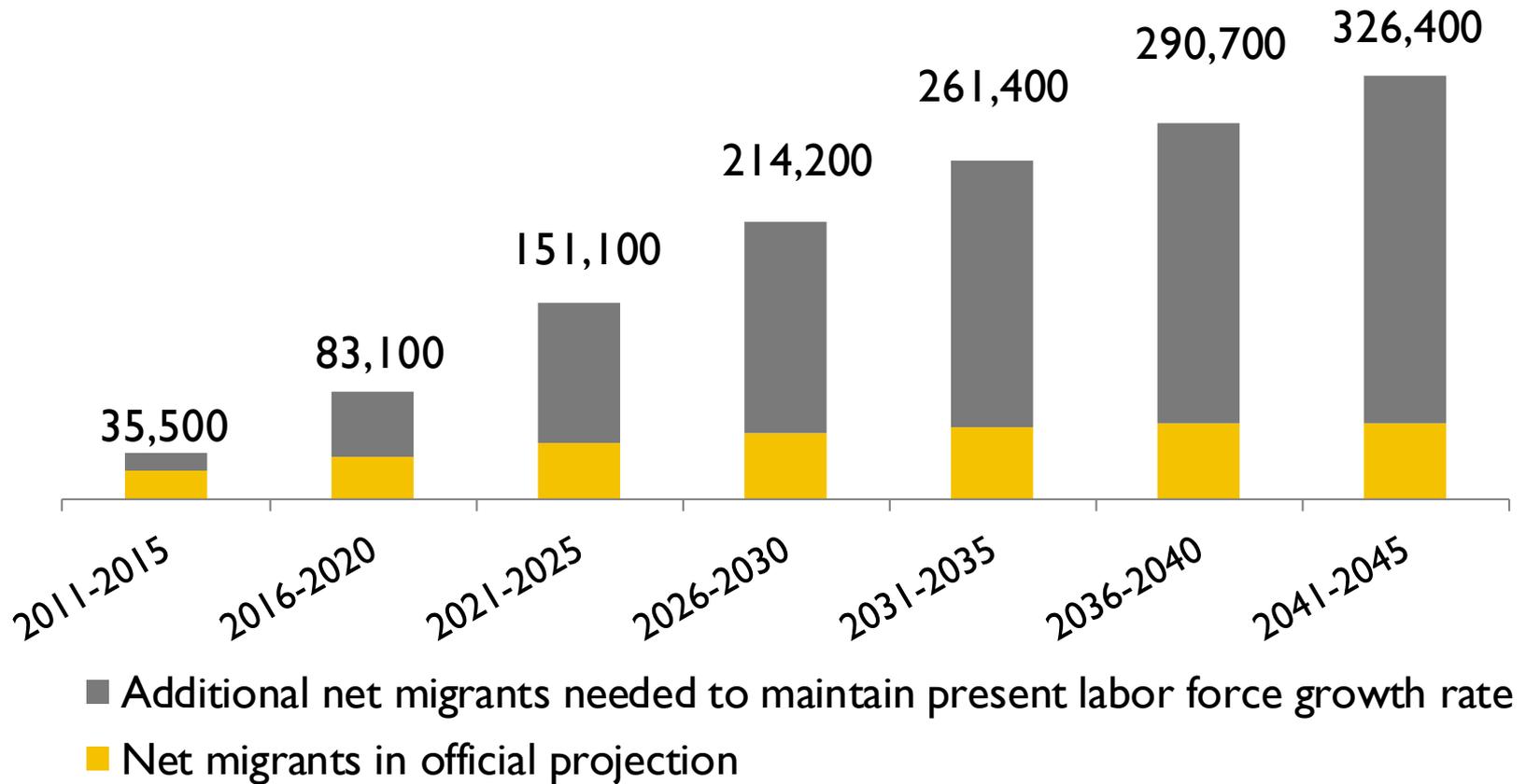
# Increased labor force participation won't be enough to counter aging trend



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

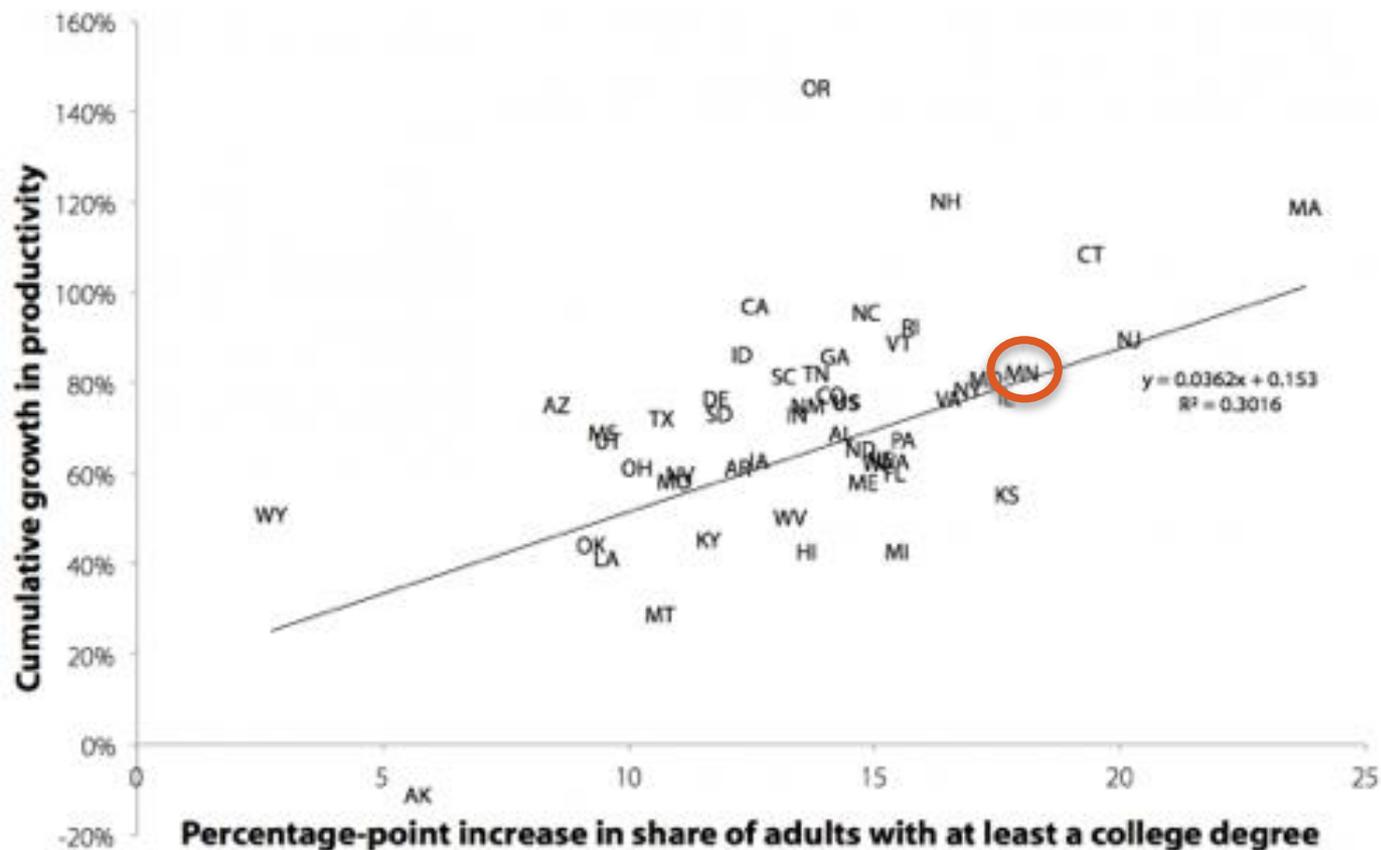


# + Immigrants to Minnesota needed to keep 0.5% labor force growth rate



## 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

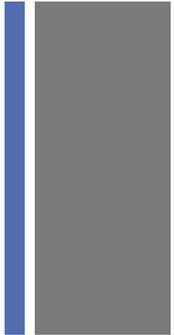


Trend #3:  
Minnesota and the  
Twin Cities are  
becoming more  
diverse

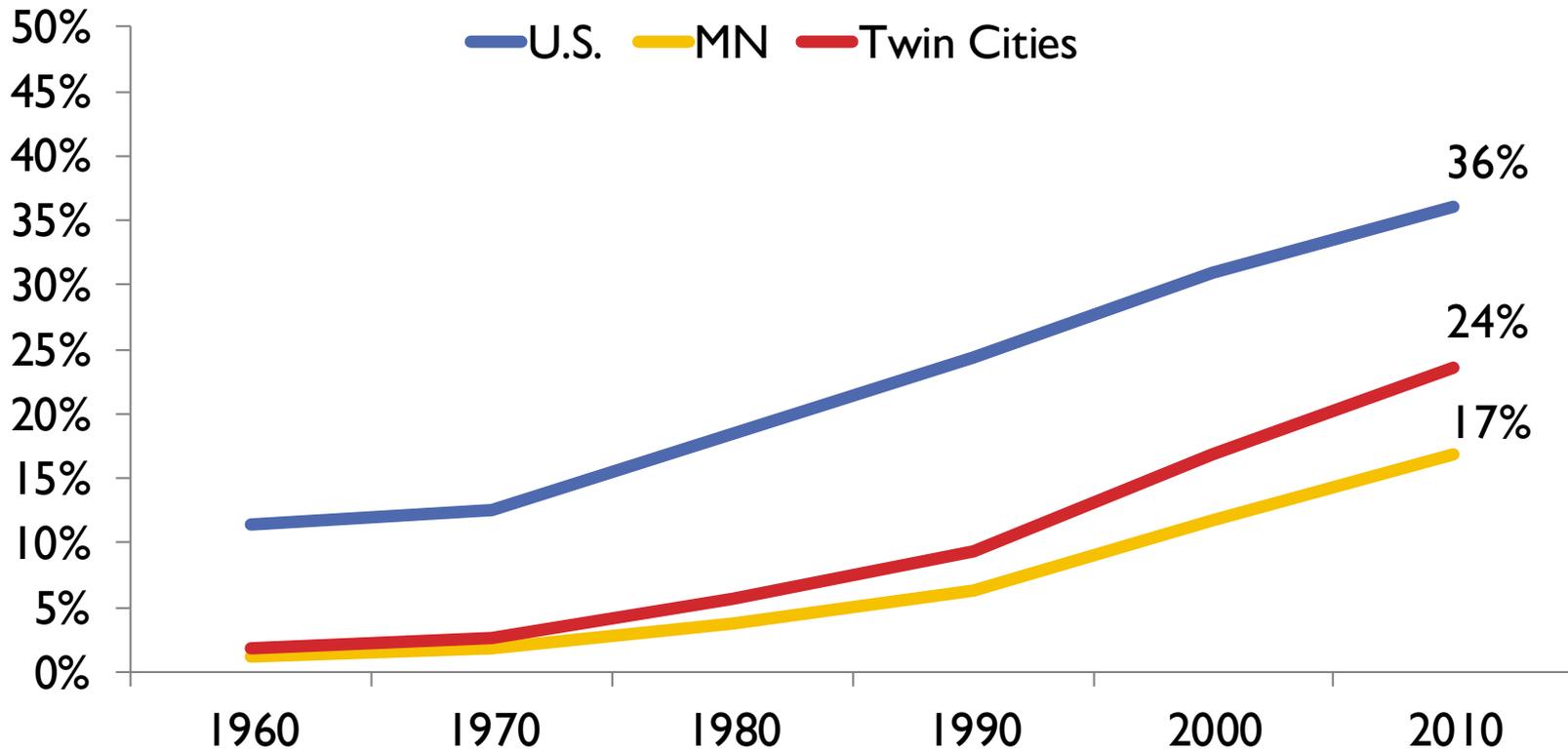




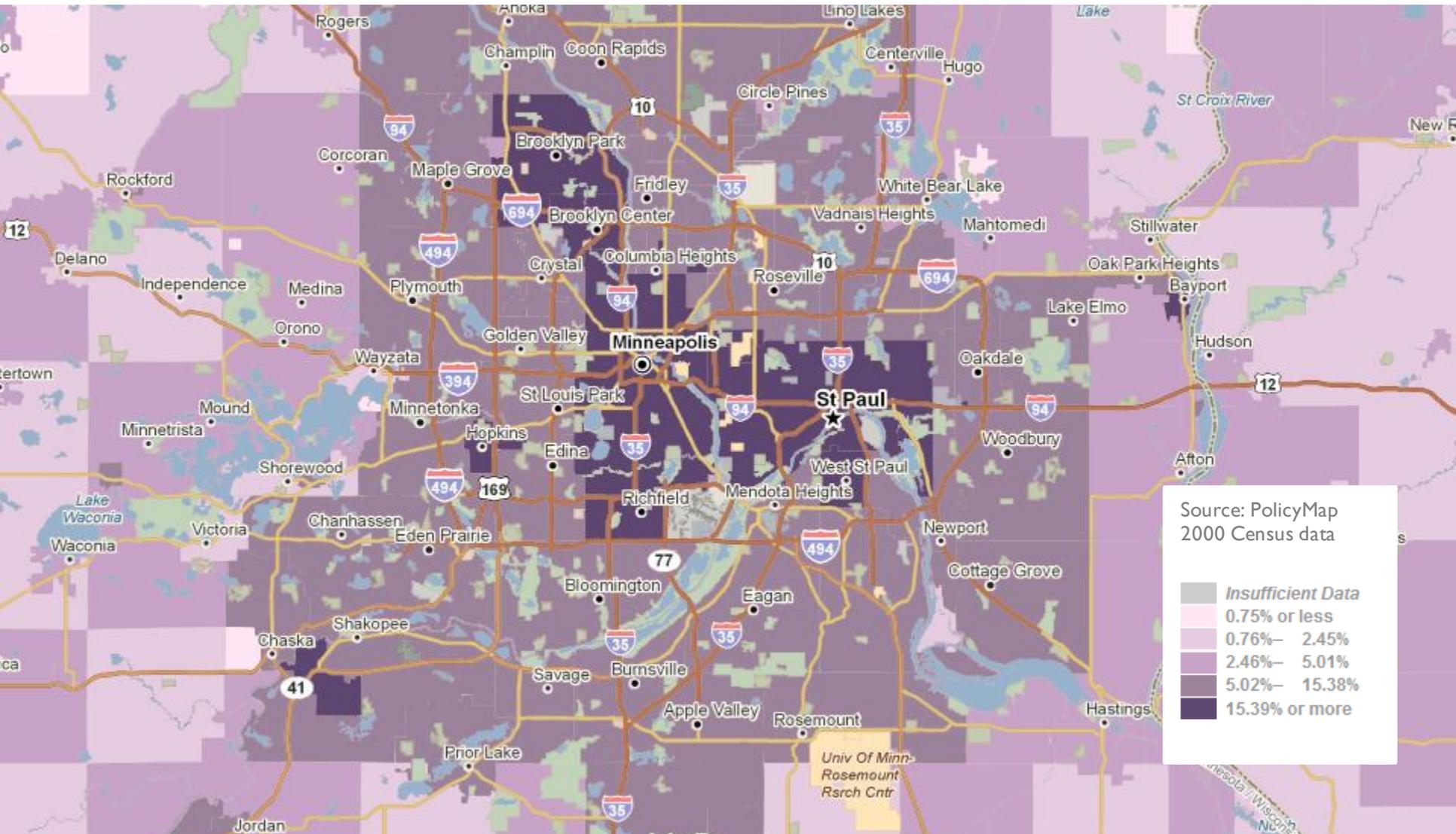
# 50 years of growing diversity in our region, state, nation



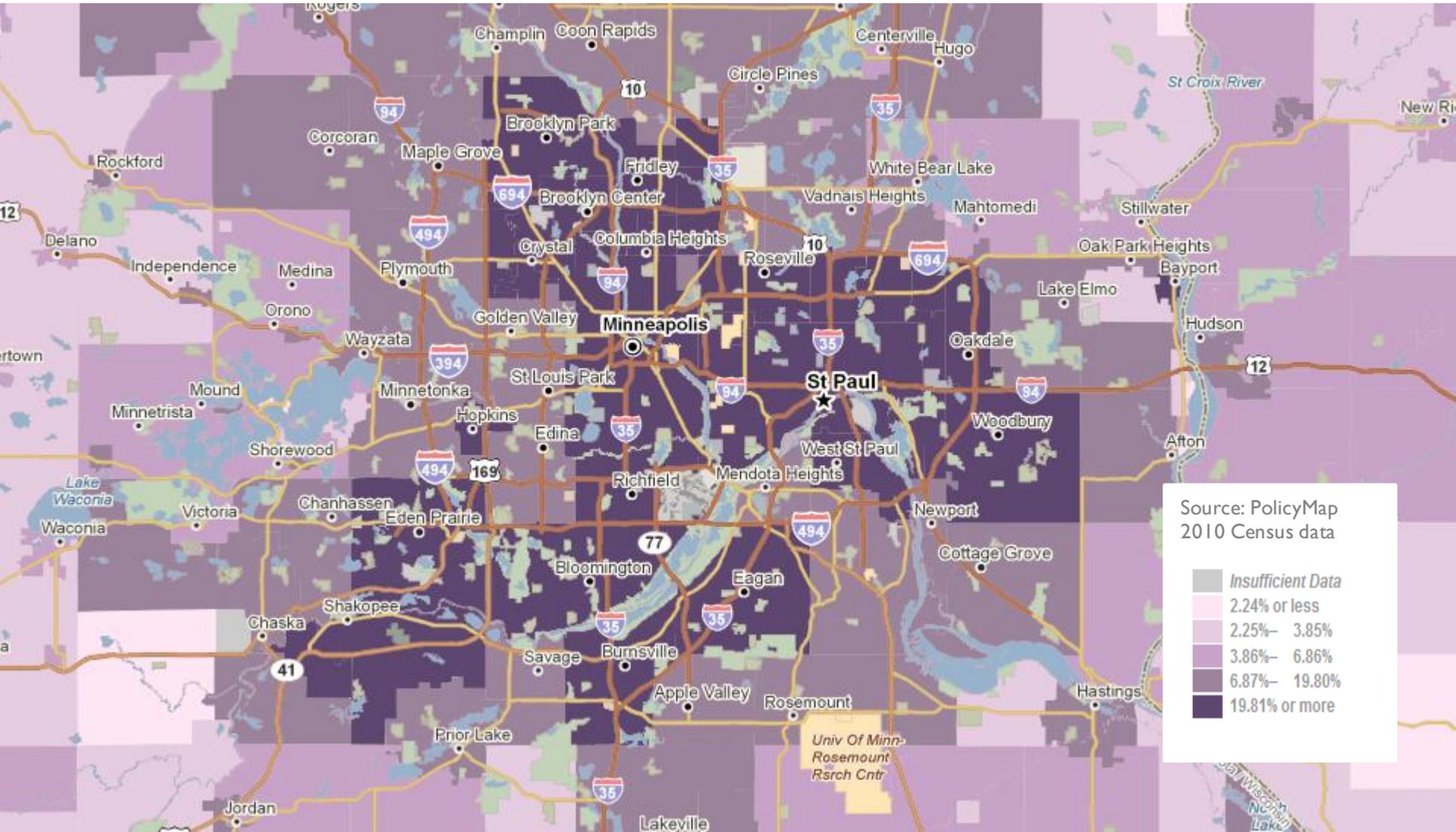
## Percent Of Color, 1960-2010

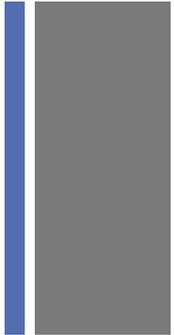


# 2000: Few cities had populations of color > 15%



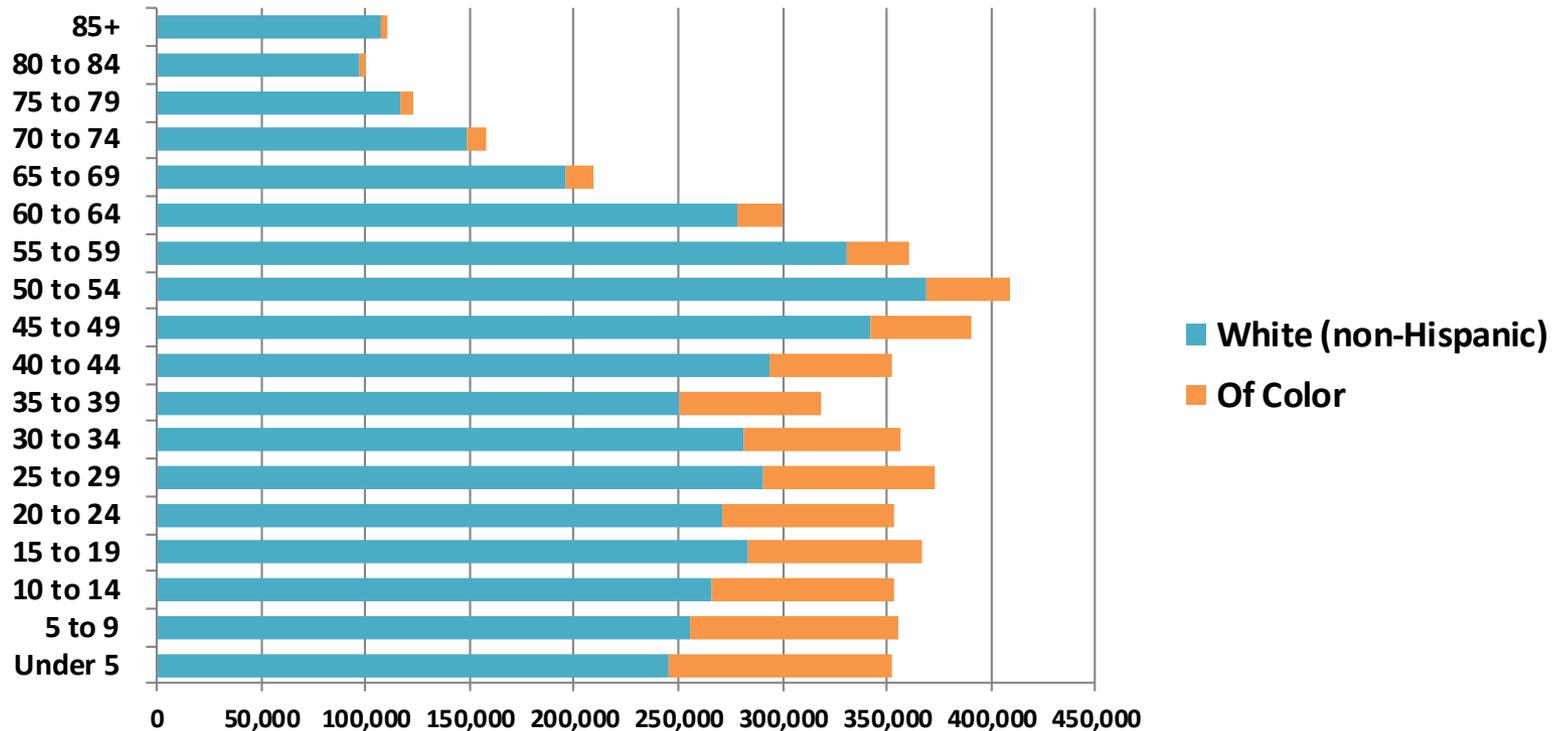
# 2010: Many cities had populations of color > 20%





# A portrait of Minnesota, 2011

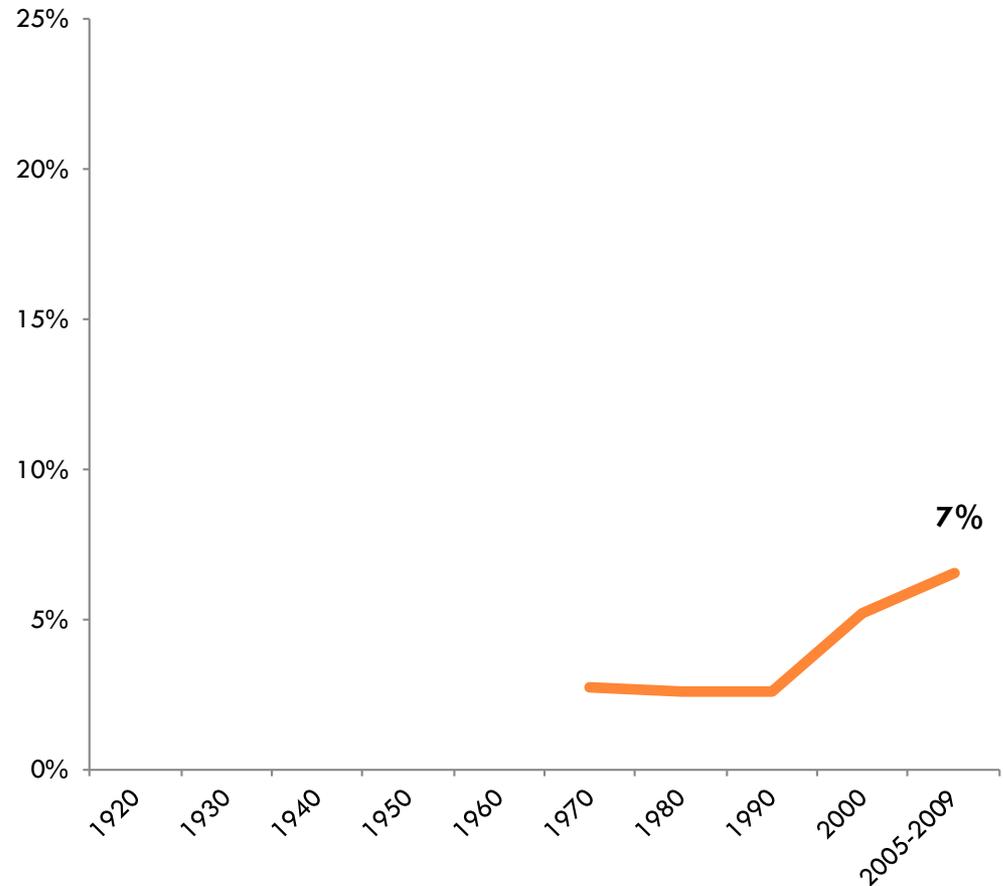
## White (non-Hispanic) and Of Color Population Minnesota, 2011





International immigration has been increasing in recent decades...

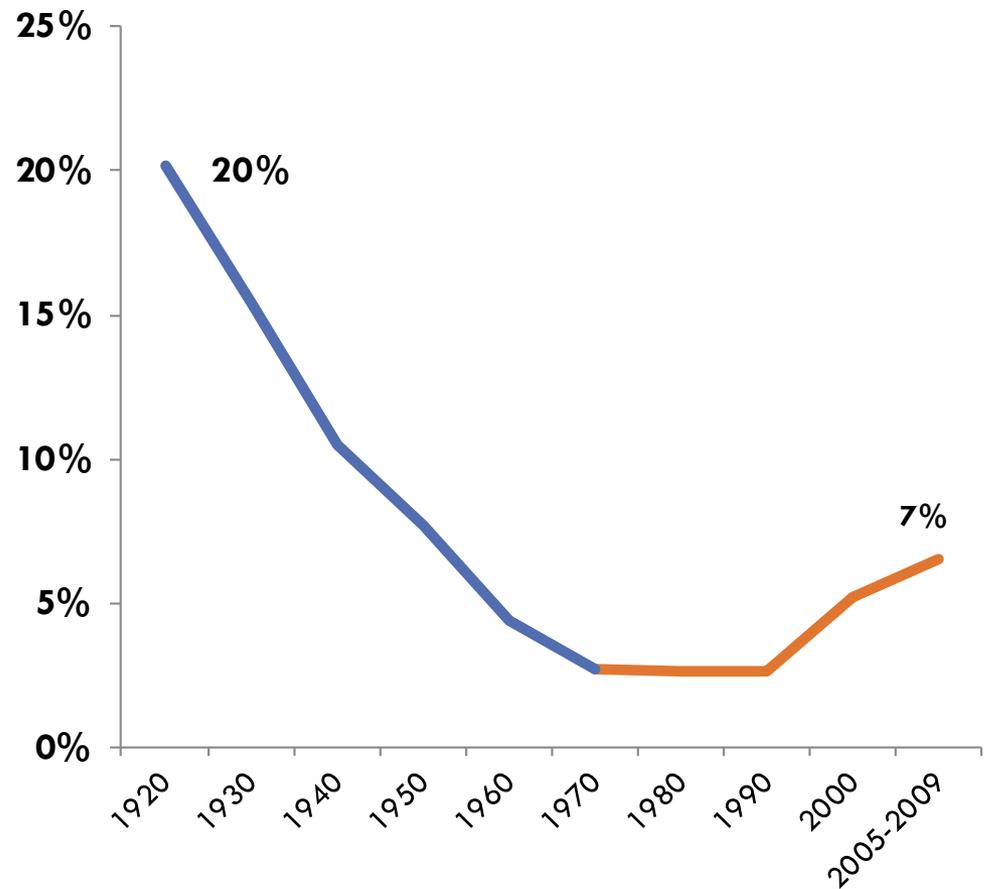
Percent Foreign Born  
Minnesota 1970-2009





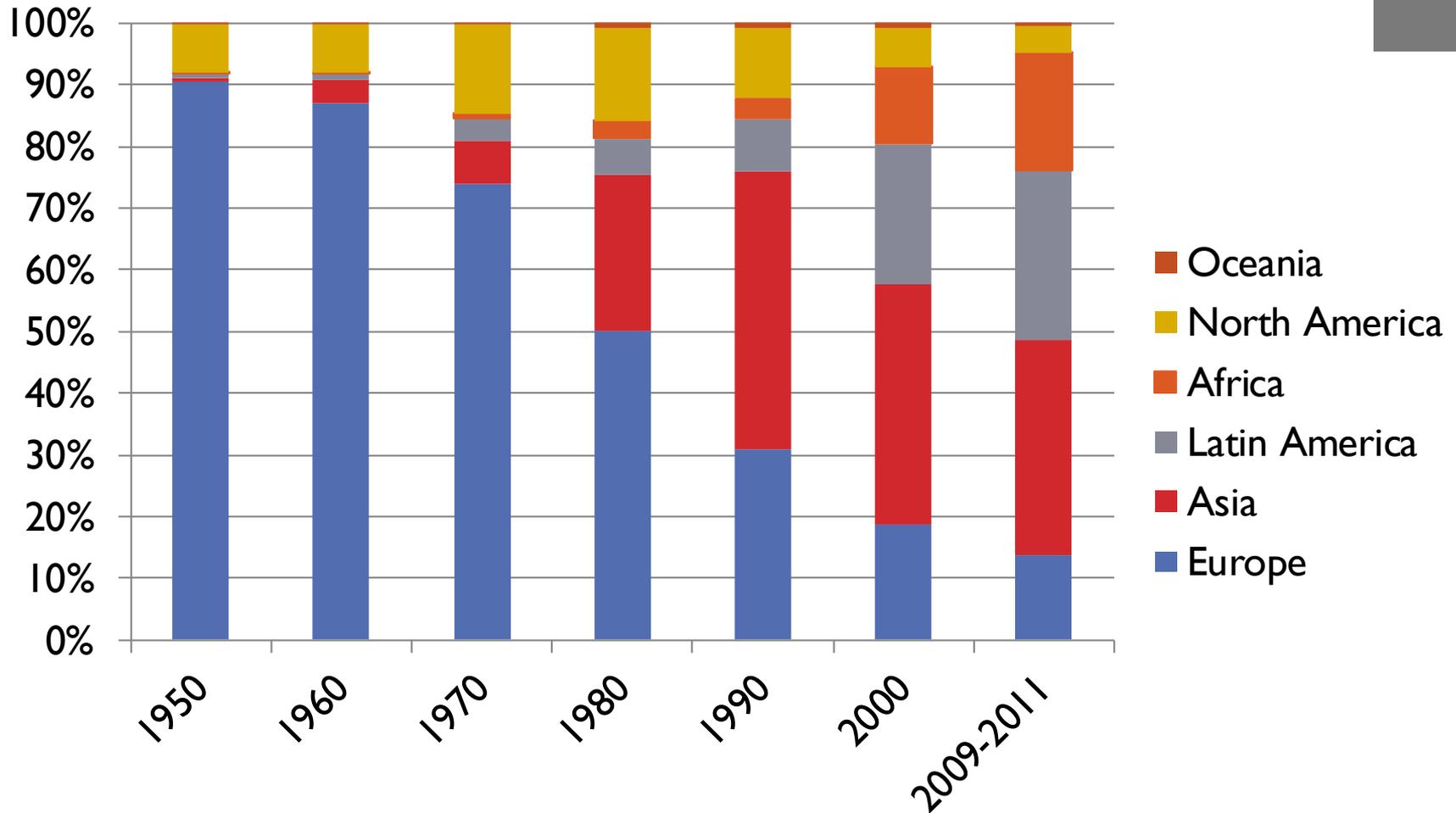
...but  
immigration is  
not a new  
phenomenon in  
MN

Percent Foreign Born  
Minnesota 1970-2009



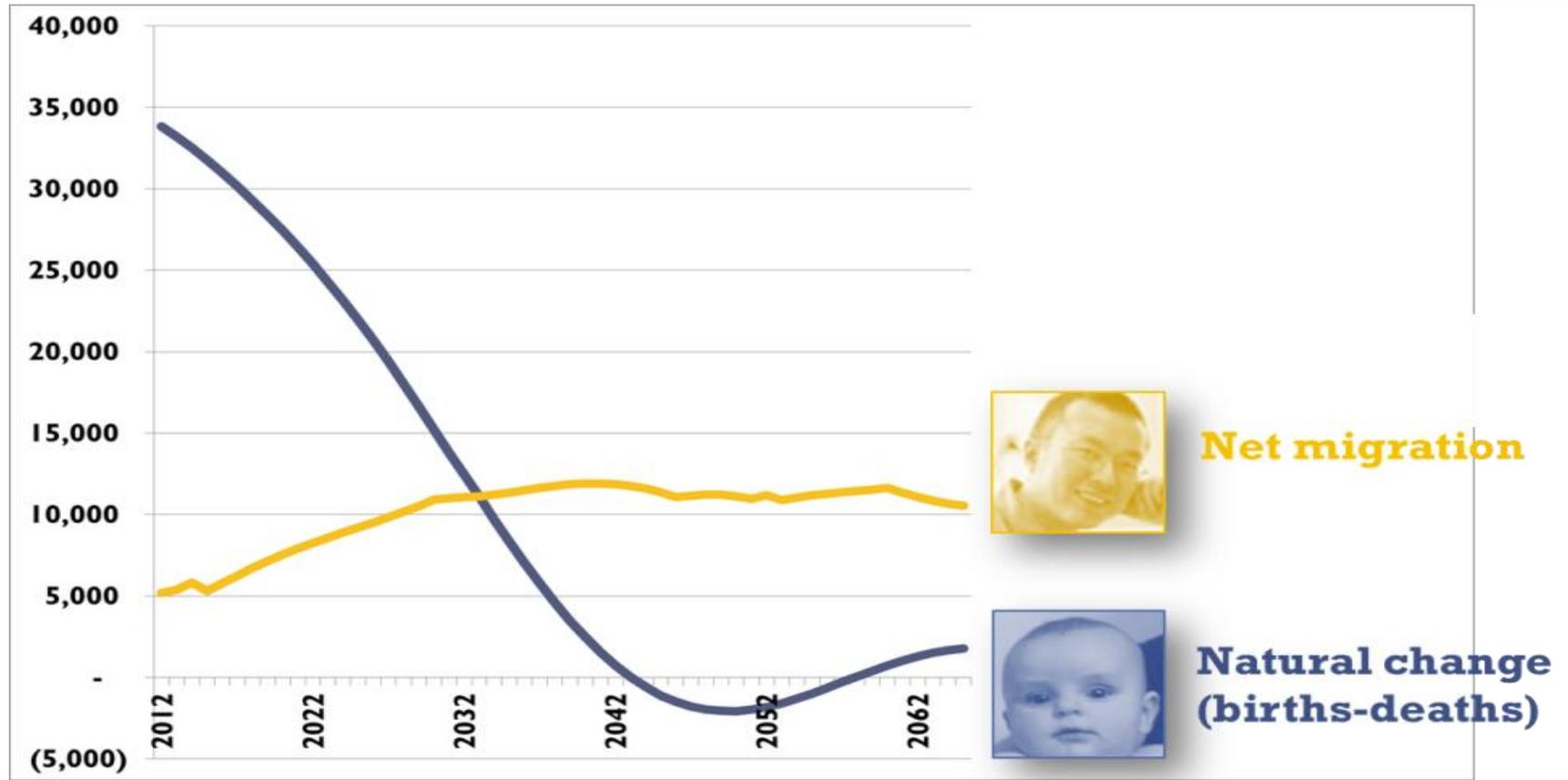


# Our foreign-born population is becoming increasingly diverse

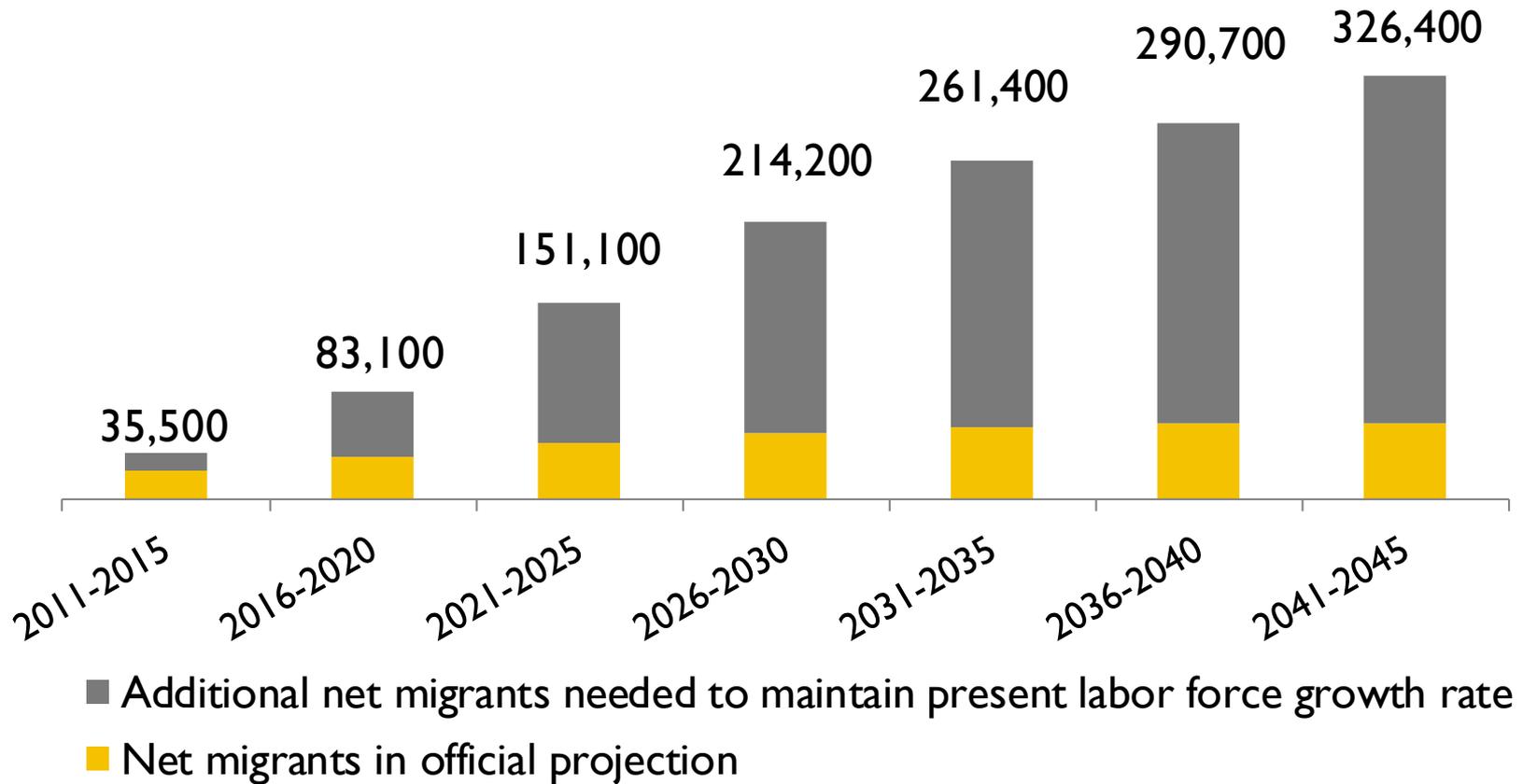
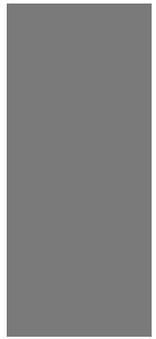




# Minnesota's projected net migration and natural change, 2012-2065

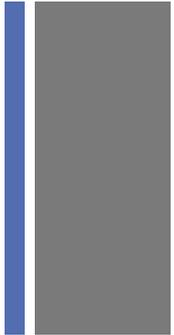


# + Immigrants to Minnesota needed to keep 0.5% labor force growth rate



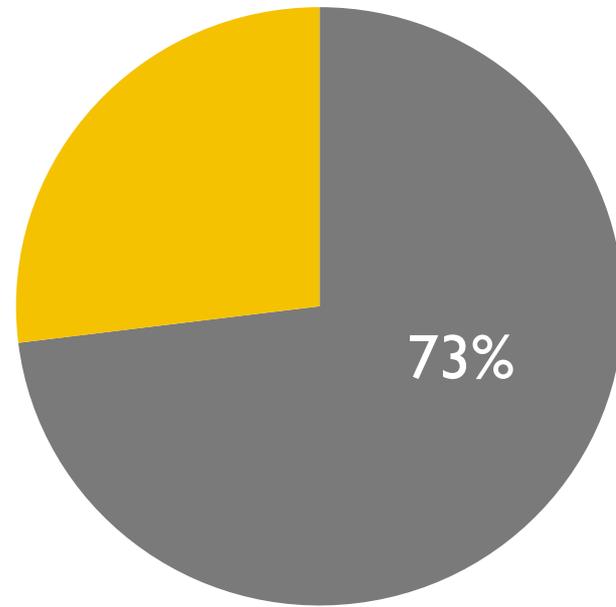
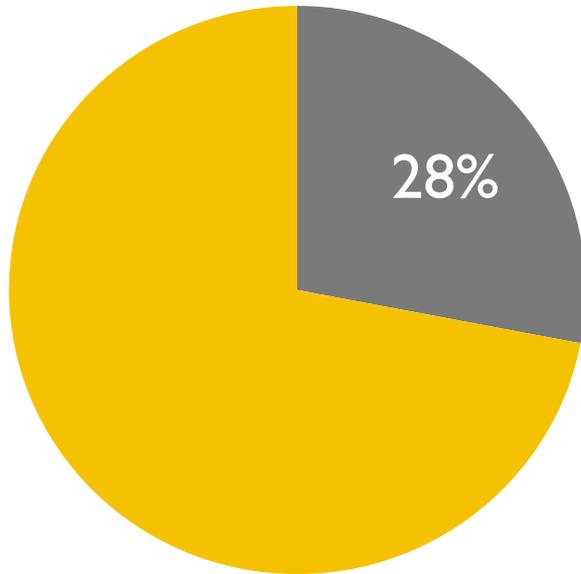


# High school graduation is no longer enough to get an economic foothold



1973

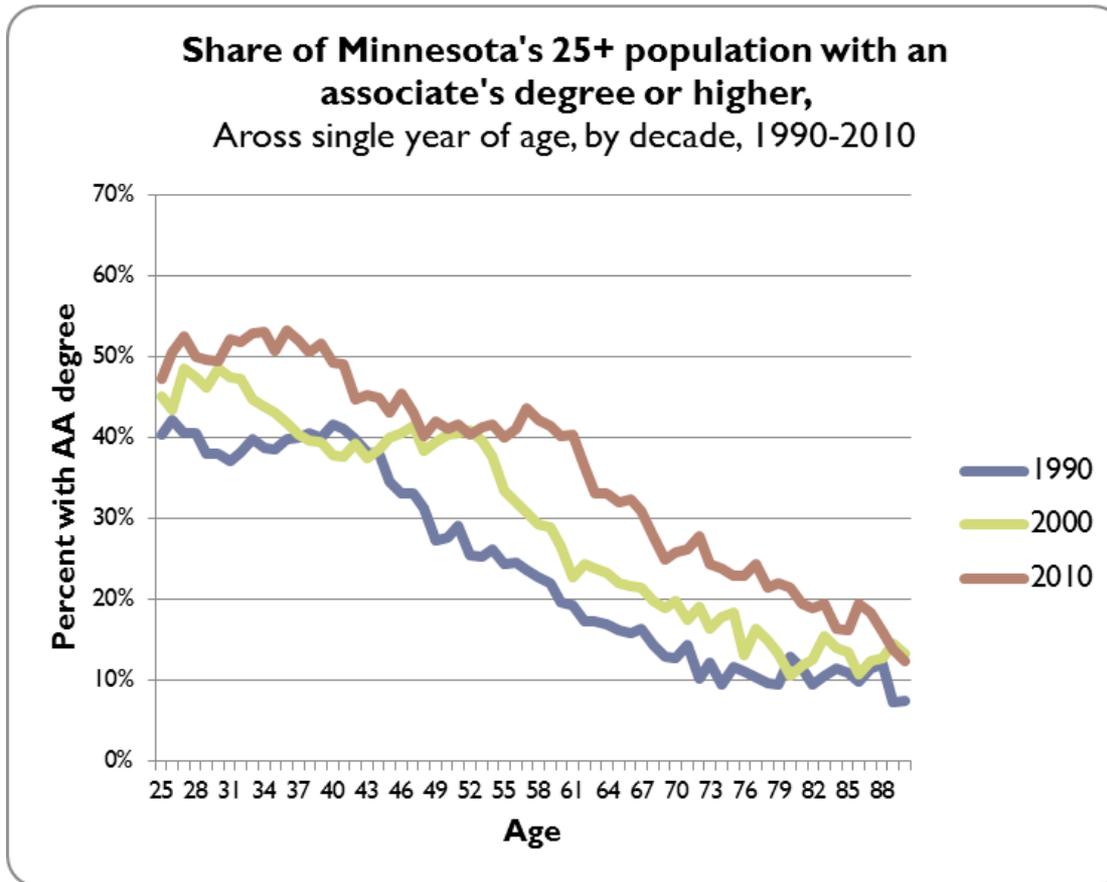
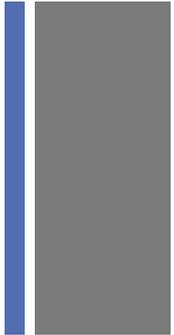
2010-2020



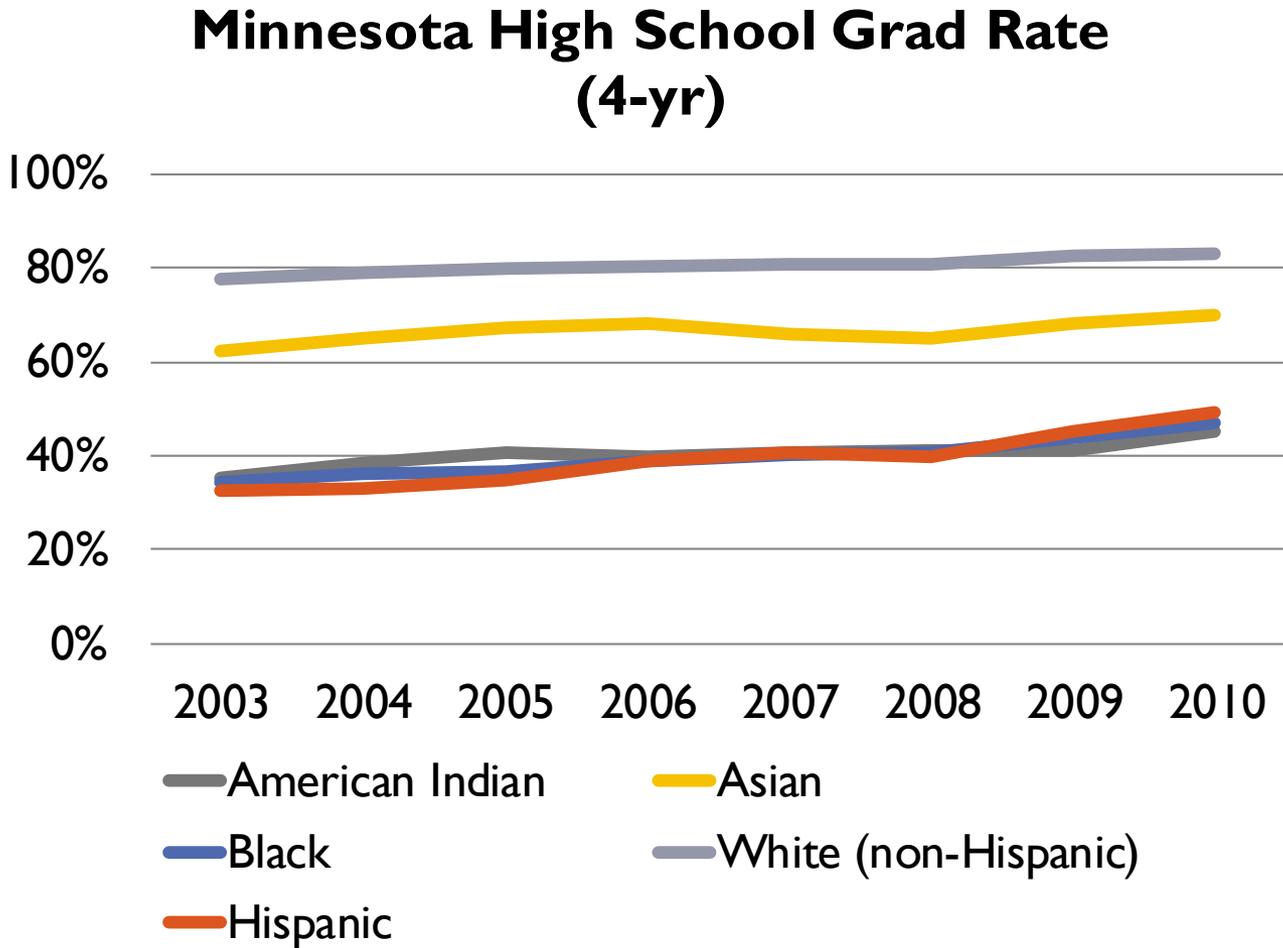
Percent of jobs requiring some post-secondary education



# Educational attainment is increasing over time



# + Racial gaps in attainment are large and persistent





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



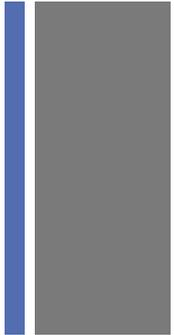
MN STATE DEMOGRAPHIC CENTER  
MARCH 2013

# The Time For Talent

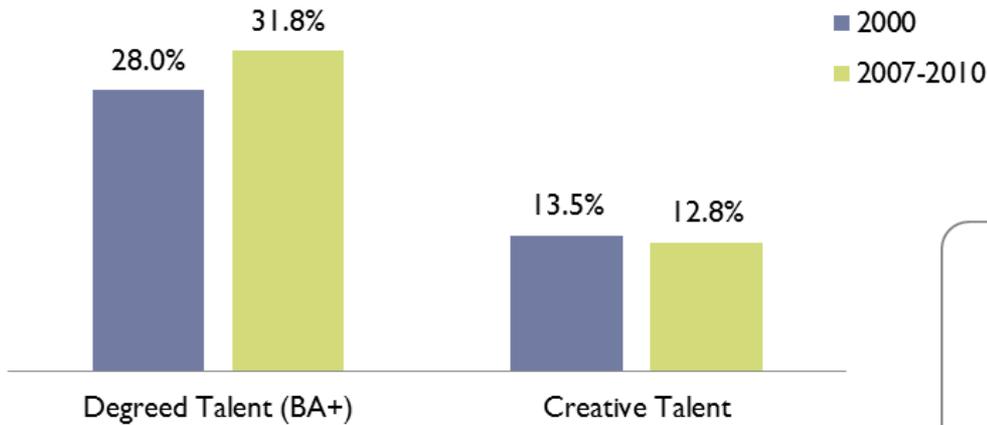
Why the development, recruitment, and retention  
of talent is key to a prosperous future for Minnesota



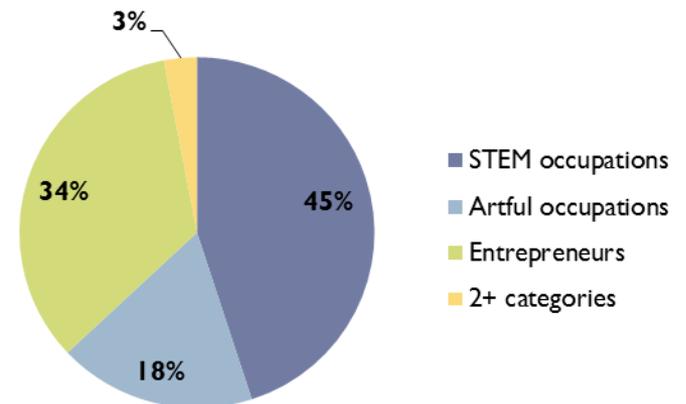
# + Minnesota has a high concentration of talent workers



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



"Creative Talent" by type  
Minnesota, 2007-2010



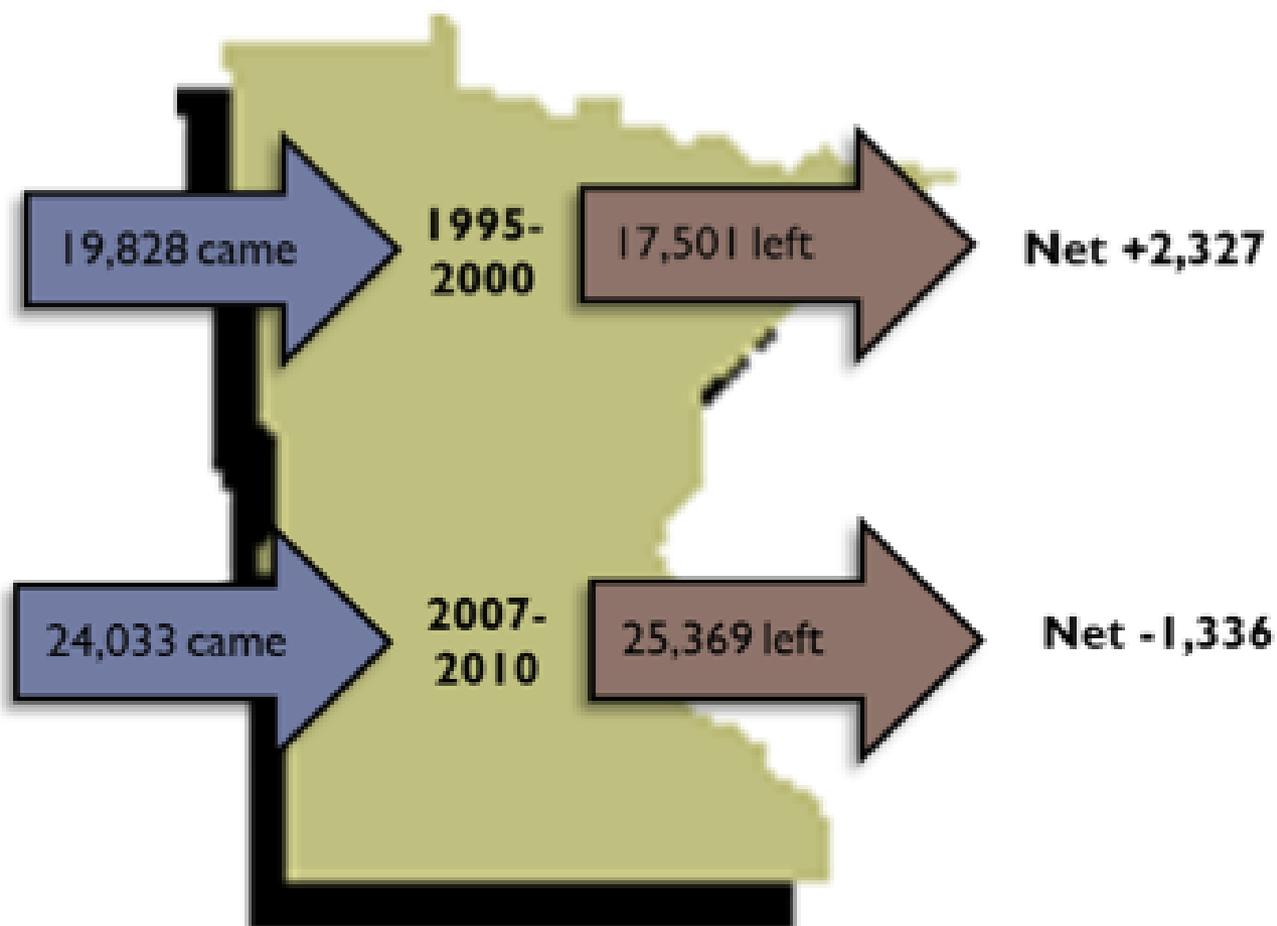


High retention:  
Minnesota-born  
workforce is likely  
to remain in  
Minnesota

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

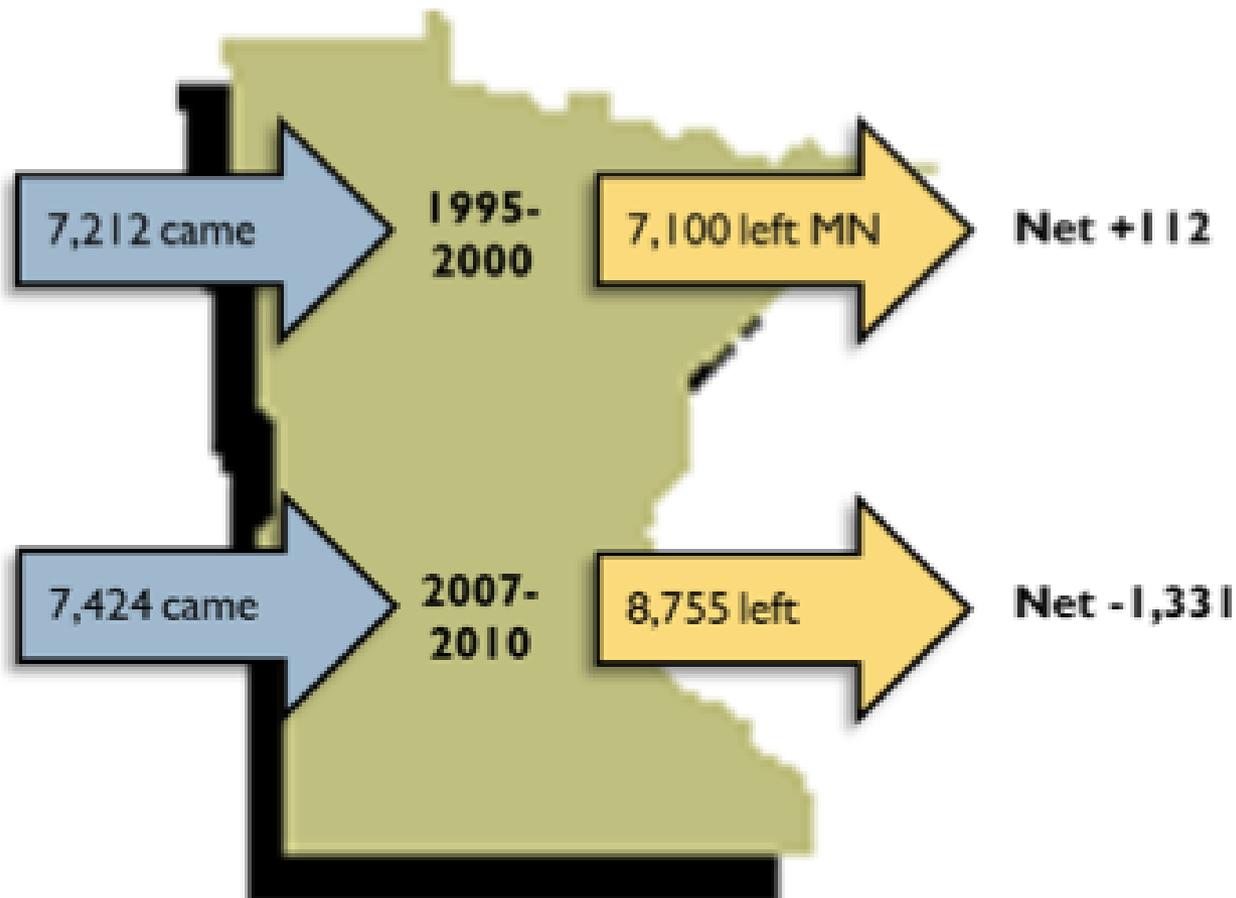
Degreed Talent			Creative Talent		
Rank	State	Percent	Rank	State	Percent
1	Texas	69.7%	1	Texas	72.7%
2	California	65.7%	2	California	67.1%
3	North Carolina	61.0%	3	North Carolina	66.4%
4	<b>Minnesota</b>	<b>59.1%</b>	4	Georgia	64.1%
5	Georgia	58.7%	5	Tennessee	63.2%
6	Utah	57.4%	6	<b>Minnesota</b>	<b>62.8%</b>
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%

## 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

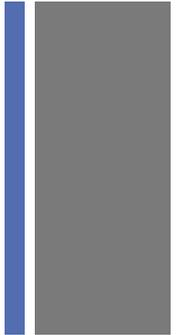
## Residents under age 65 without health insurance Rank of states, 2010

## 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?



**Susan Brower**

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