



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

Minnesota Association of Financial Aid Administrators

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May 2013



Two BIG
demographic
trends are
shaping the
educational
landscape

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





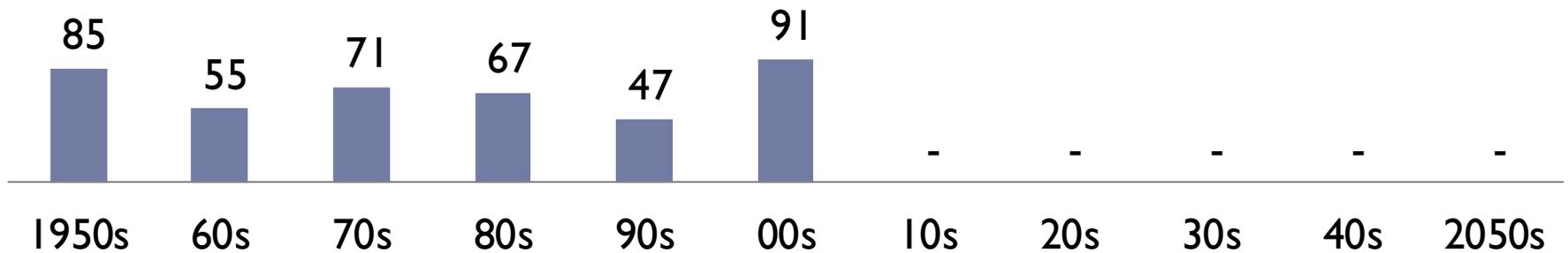
Trend #1:
Population aging
is beginning to
affect MN and
the nation

Aging



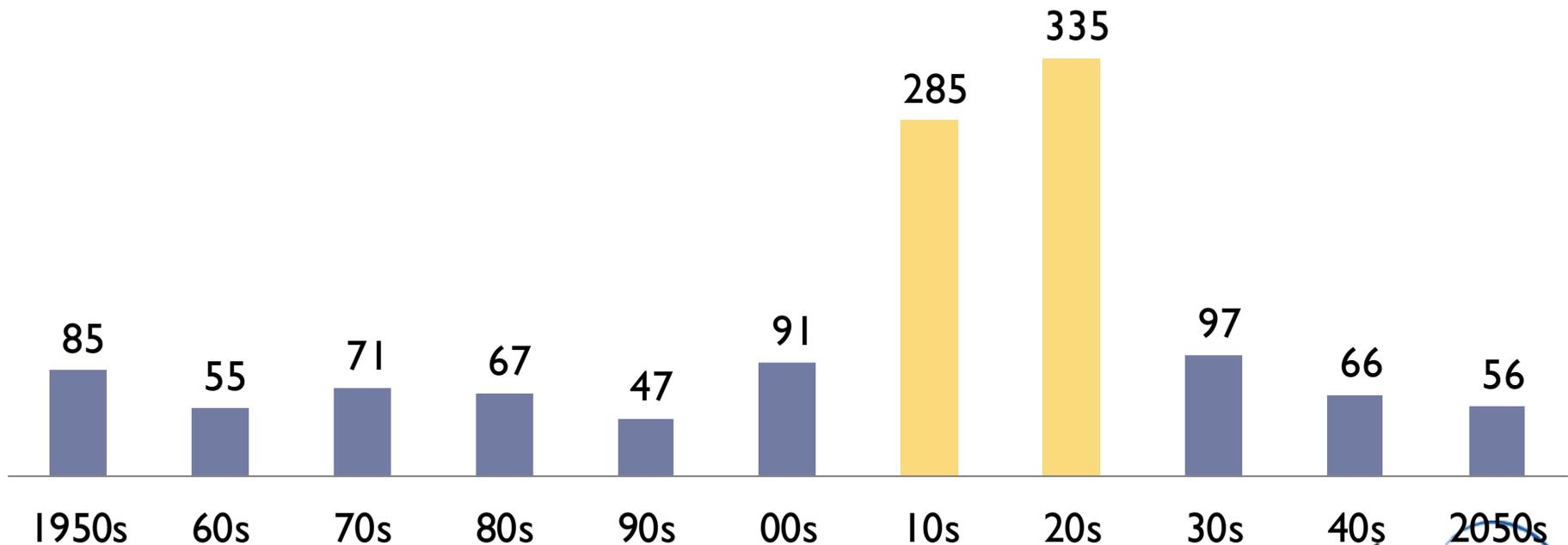
+ Number of older adults will increase substantially over the next 20 years

Change in older adults, age 65+ (Thousands)



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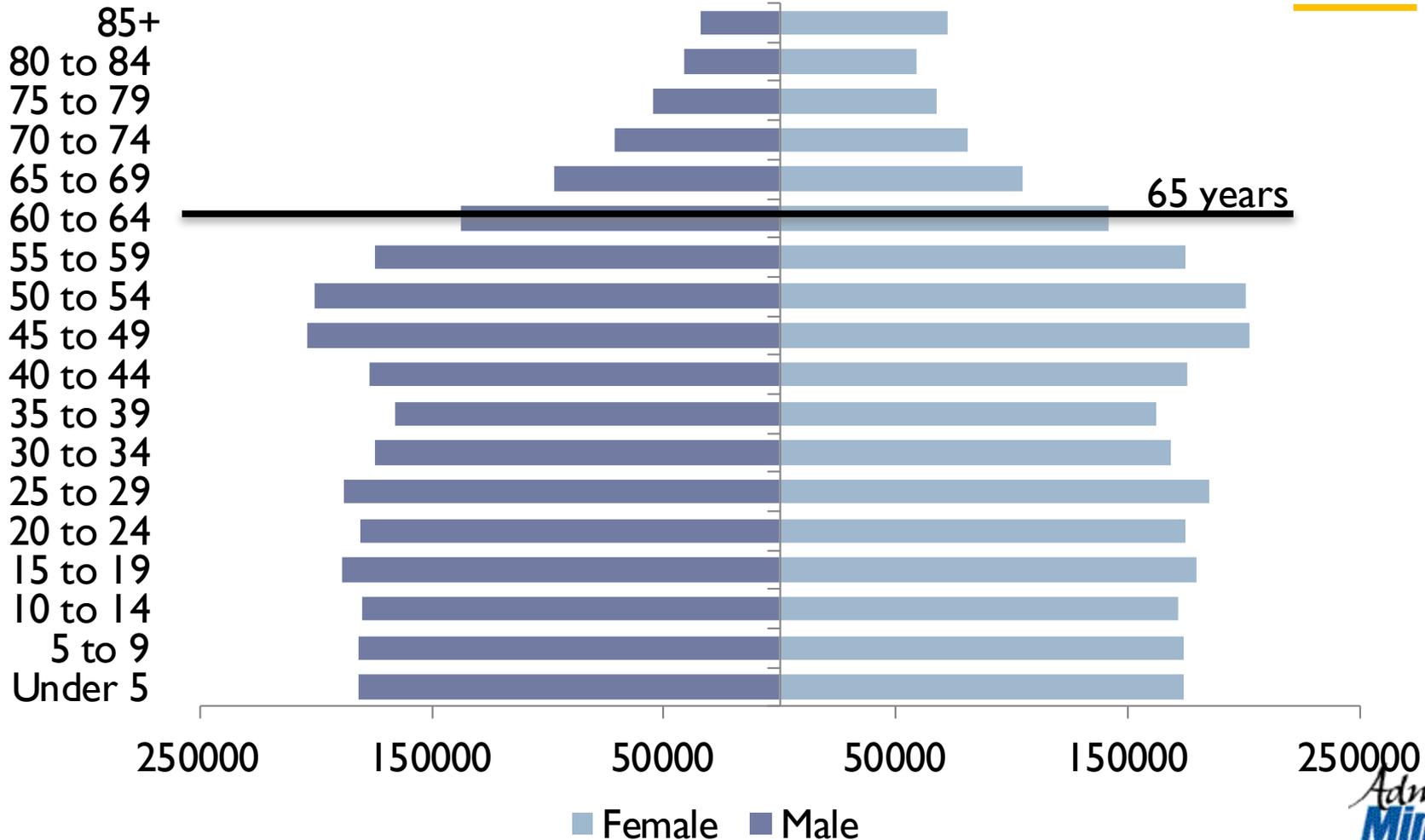
Change in older adults, age 65+ (Thousands)



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

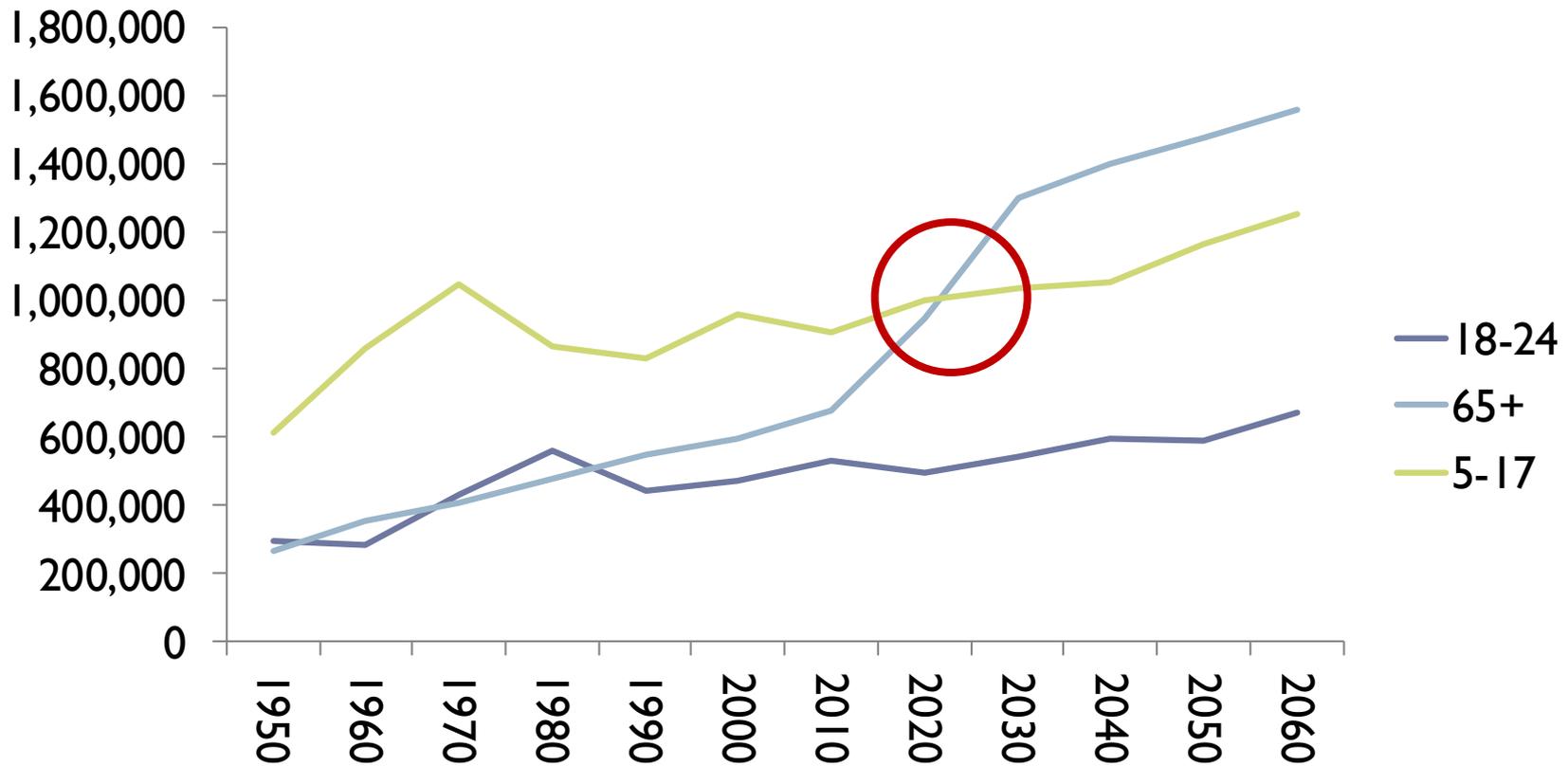
+ Why are changes so marked now?

Population by age and sex Minnesota, 2010



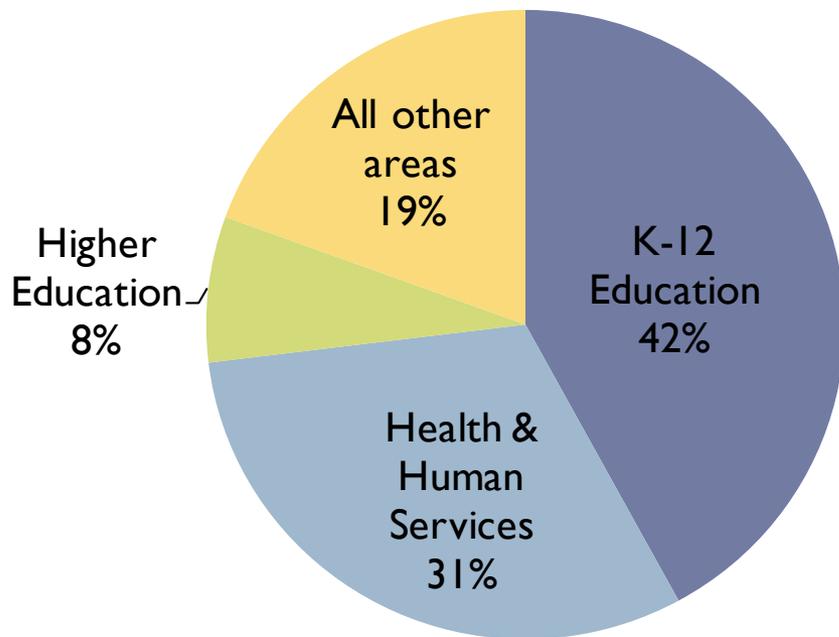


For the first time in MN history: More 65+ than school-age by 2020



+ Increasingly our demographics will change the demand for services

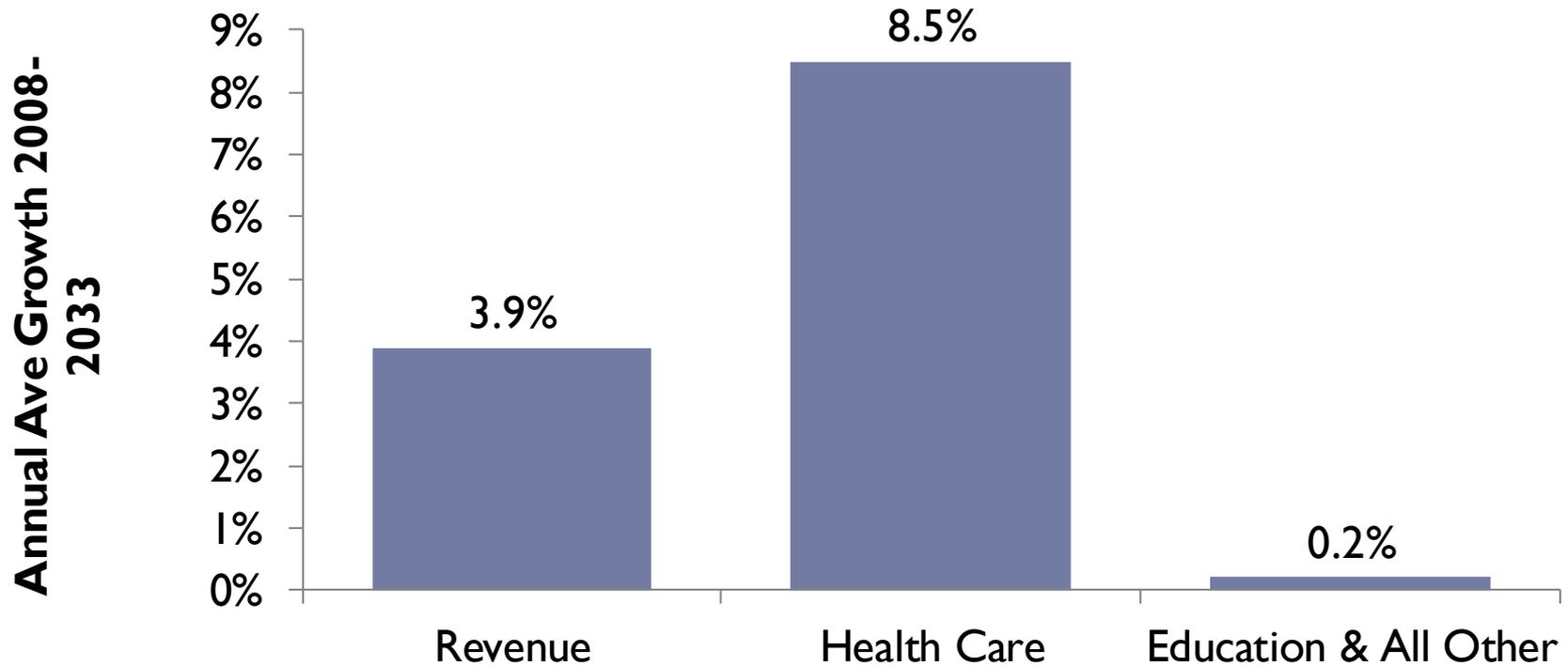
General Fund Expenditures FY 2012-2013



Within Health & Human Services

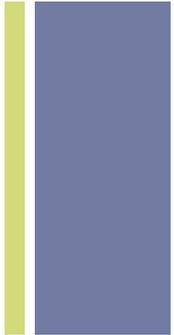
- Medical Assistance Expenditures: 25% of GF spending (8.5 billion)
- Medical Assistance Expenditures for the Elderly and Disabled: 16% of GF spending (5.5 billion)
- MA expenditures include basic care, long-term care waivers and long-term institutional care

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

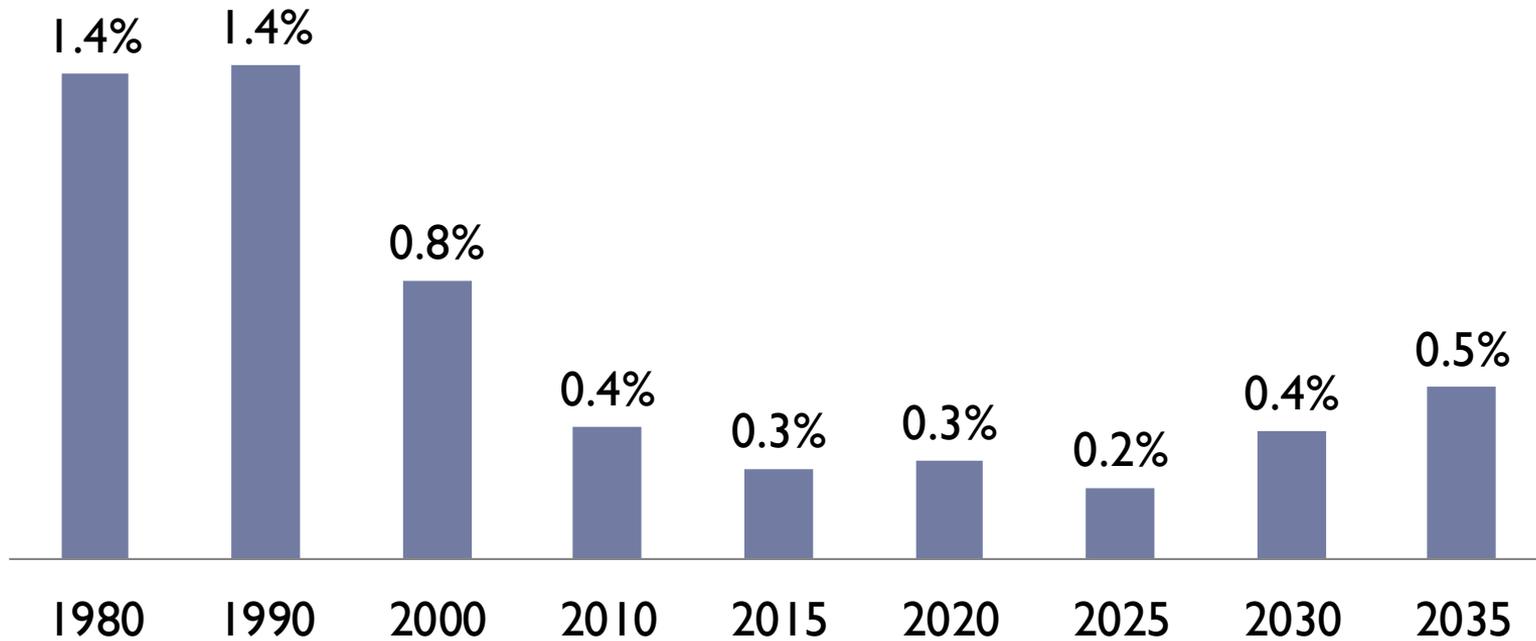




MN's labor force growth is projected to slow



Average Annual Labor Force Growth, 1980-2035



Source: MN State Demographic Center projections



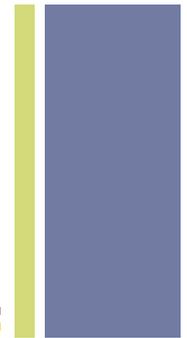


Trend #2:
Minnesota and the
Twin Cities are
becoming more
diverse

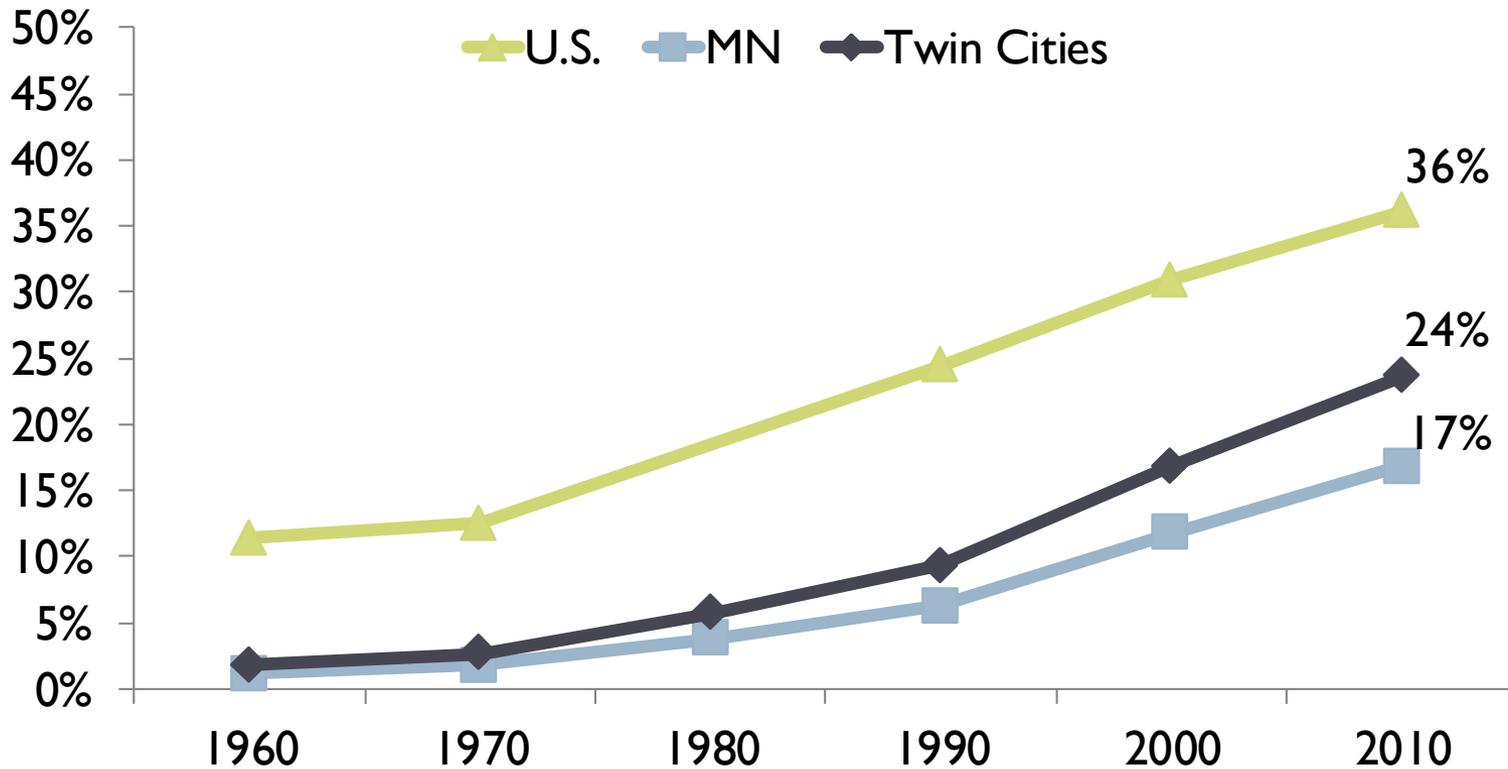




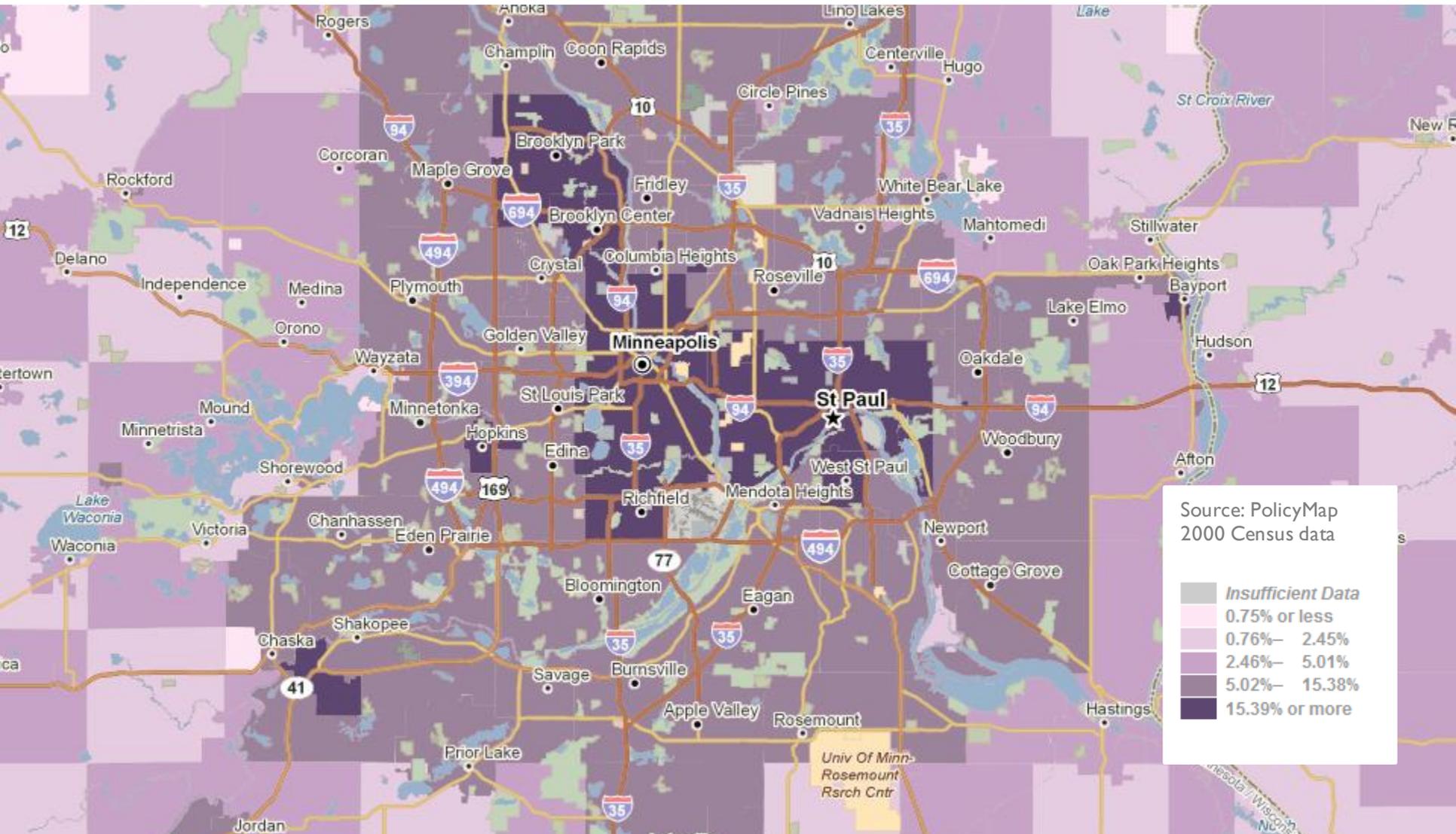
50 years of growing diversity in our region, state, nation



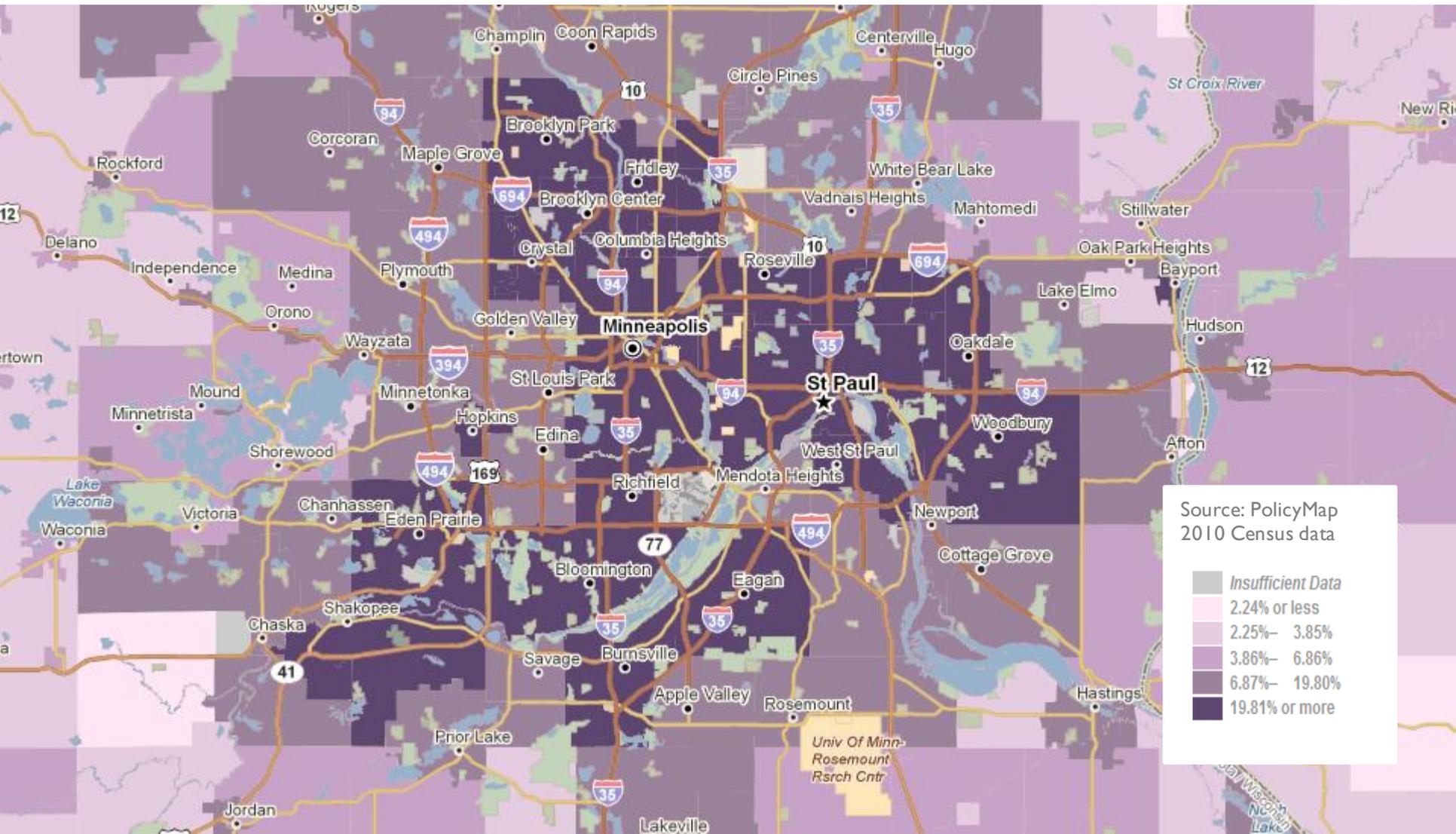
Percent Of Color, 1960-2010



2000: Few cities had populations of color > 15%

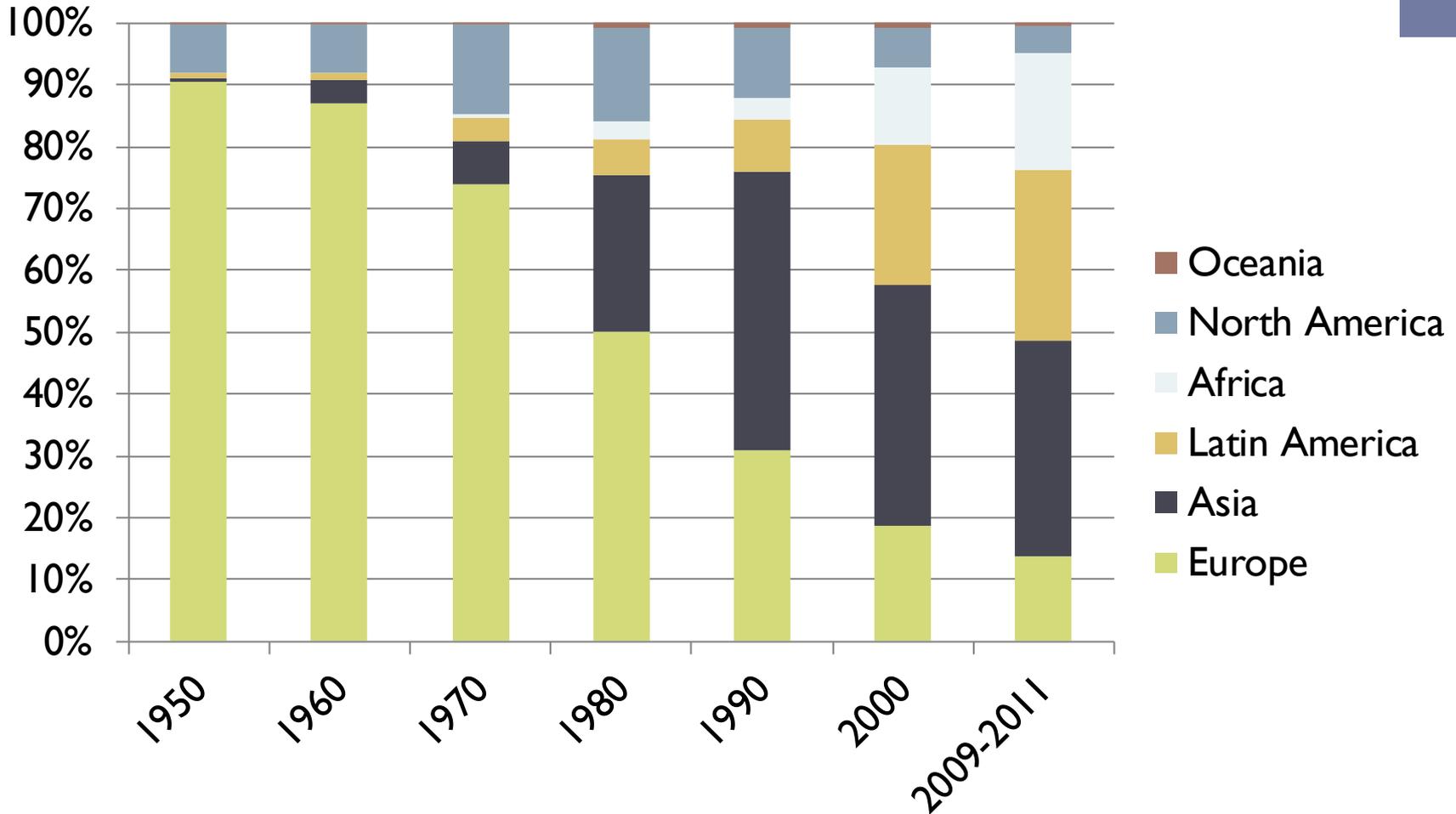
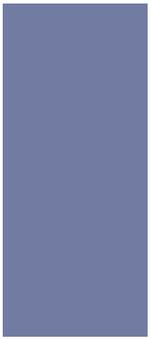


2010: Many cities had populations of color > 20%





Our foreign-born population is becoming increasingly diverse



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



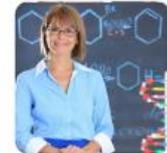
The education
of *all* of our
residents is
more important
than it has ever
been



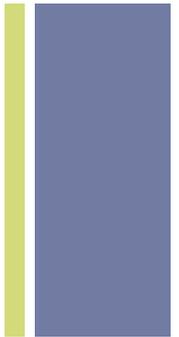
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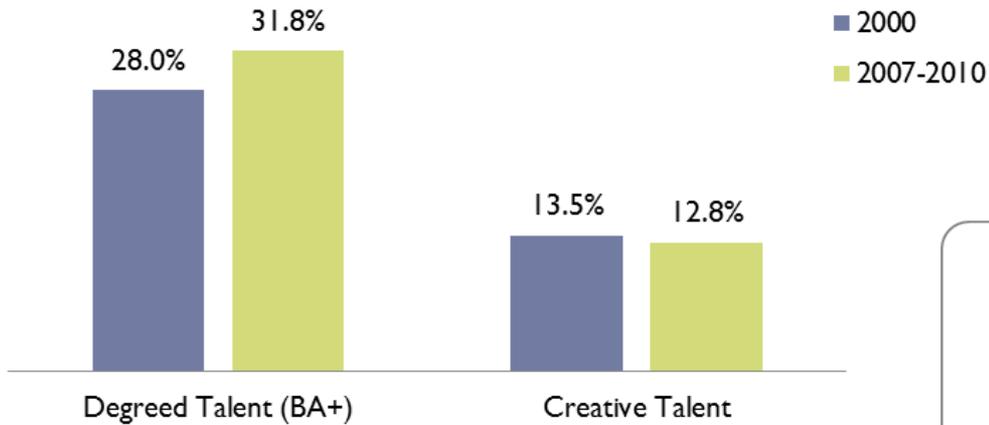
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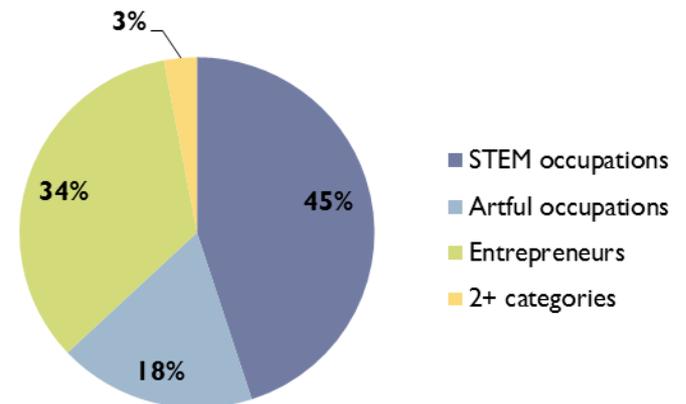
+ Minnesota has a high concentration of talent workers



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

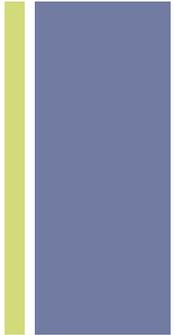


"Creative Talent" by type
Minnesota, 2007-2010

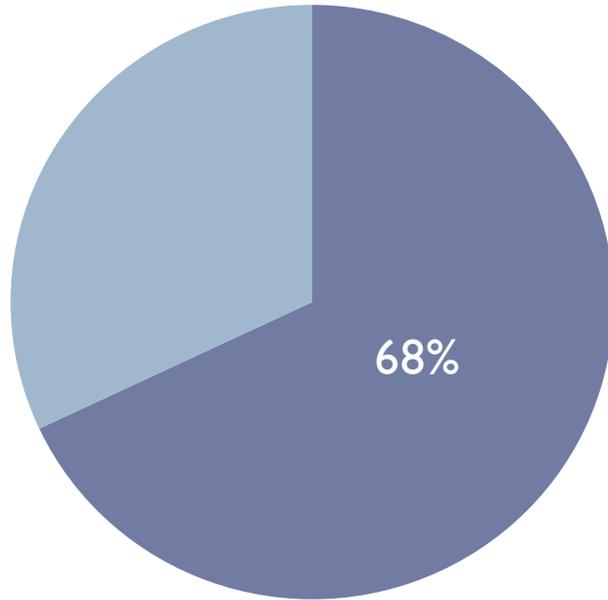
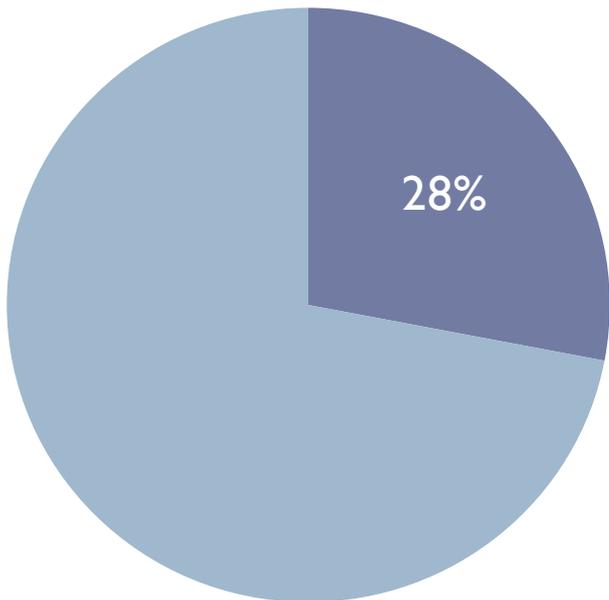




High school graduation is no longer enough to get an economic foothold

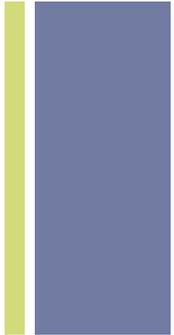


Percent of jobs requiring some post-secondary education



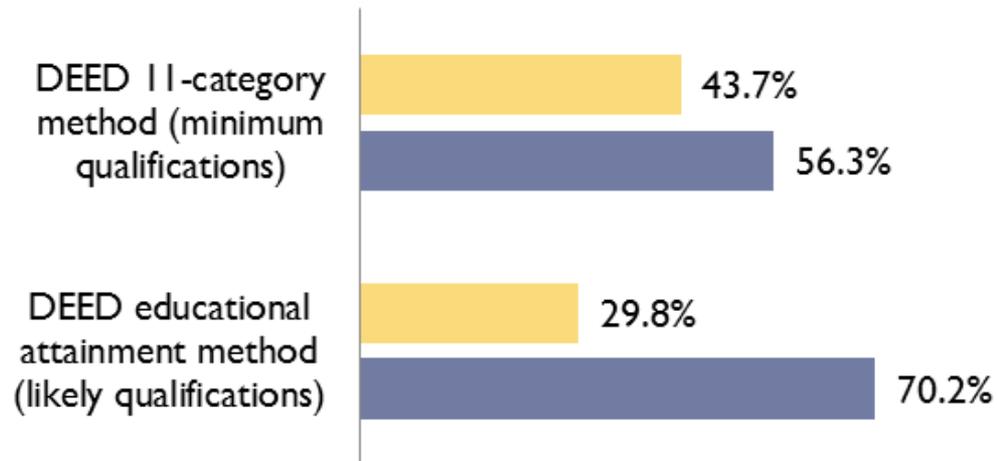


Other job growth projections anticipate similar changes



Projected educational requirements of MN job growth through 2019

■ High school or less ■ Post secondary or higher



+ 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

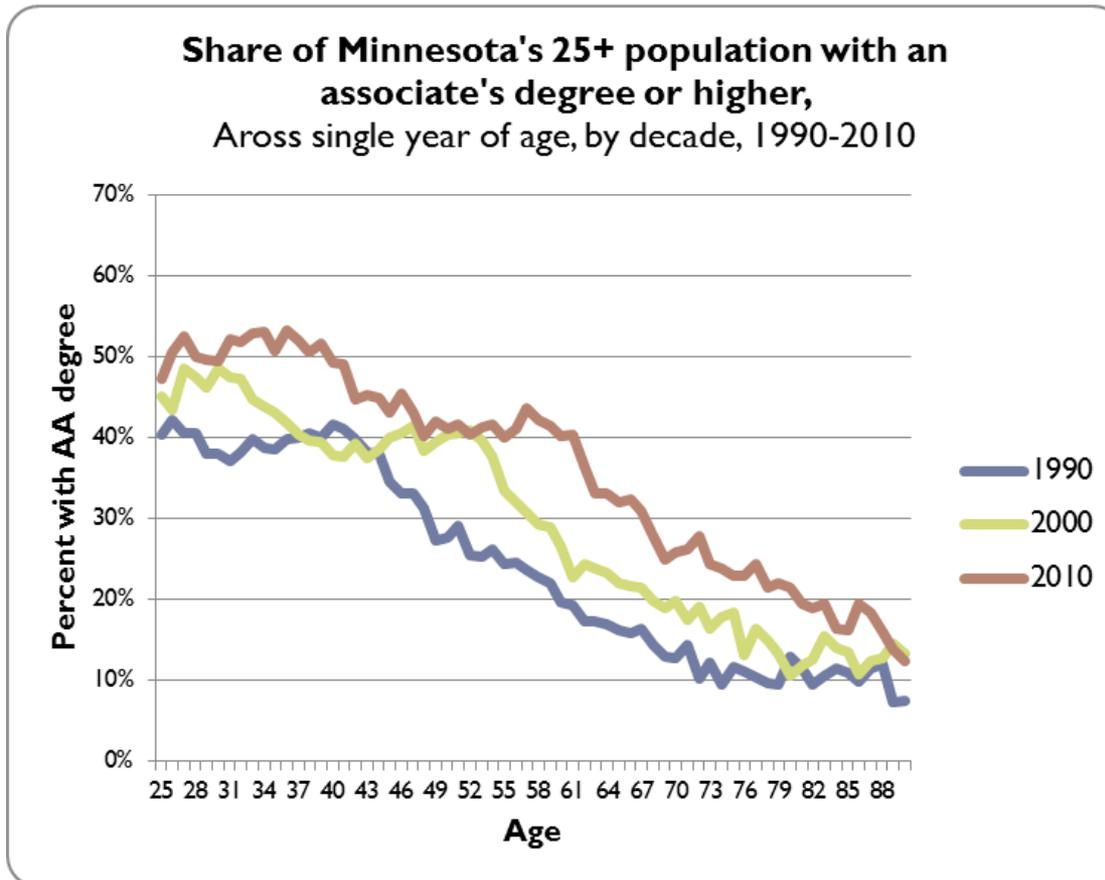
Median household income

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



Educational attainment is increasing over time



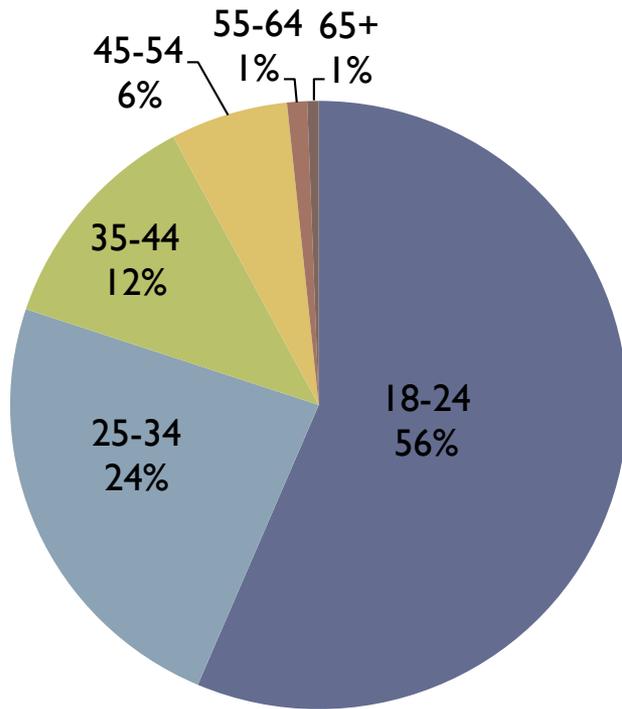
Source: Tabulated by the Minnesota State Demographic Center from the Integrated Public Use Microdata Series



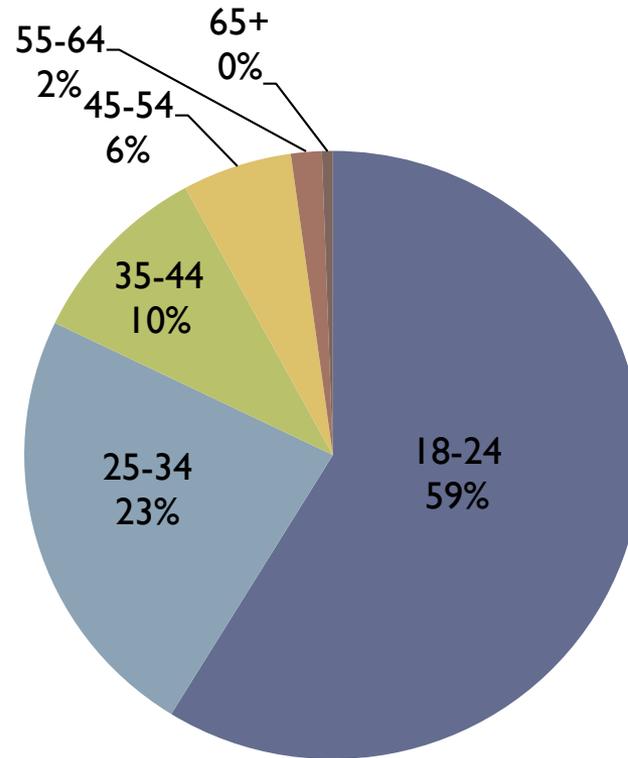
Age profile of Minnesotans enrolled in Post-Secondary School



2000



2009-2011

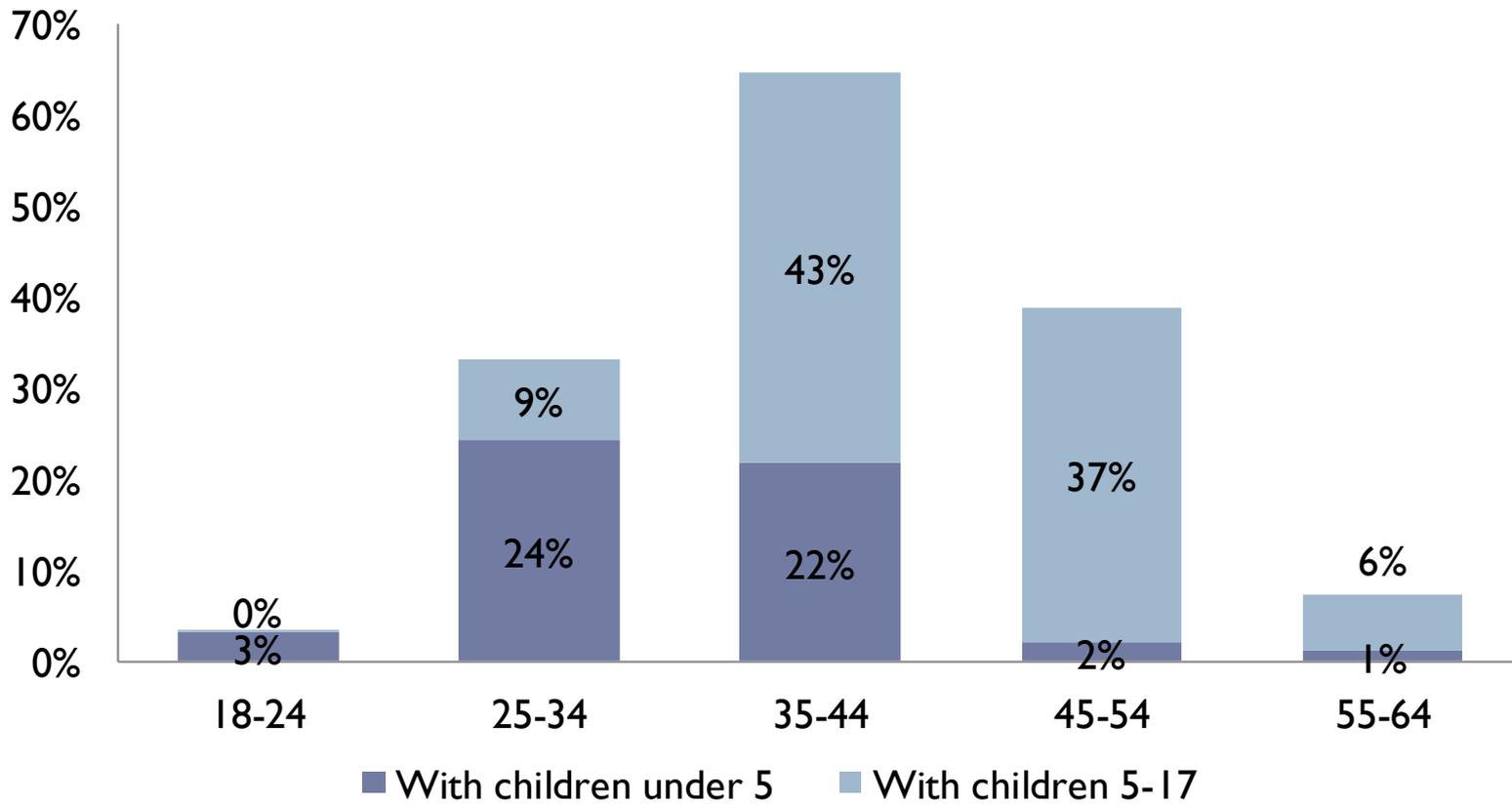


Source: U.S. Census Bureau, American Community Survey

124,000 students enrolled in post-secondary school in 2009-2011 were 25 and older



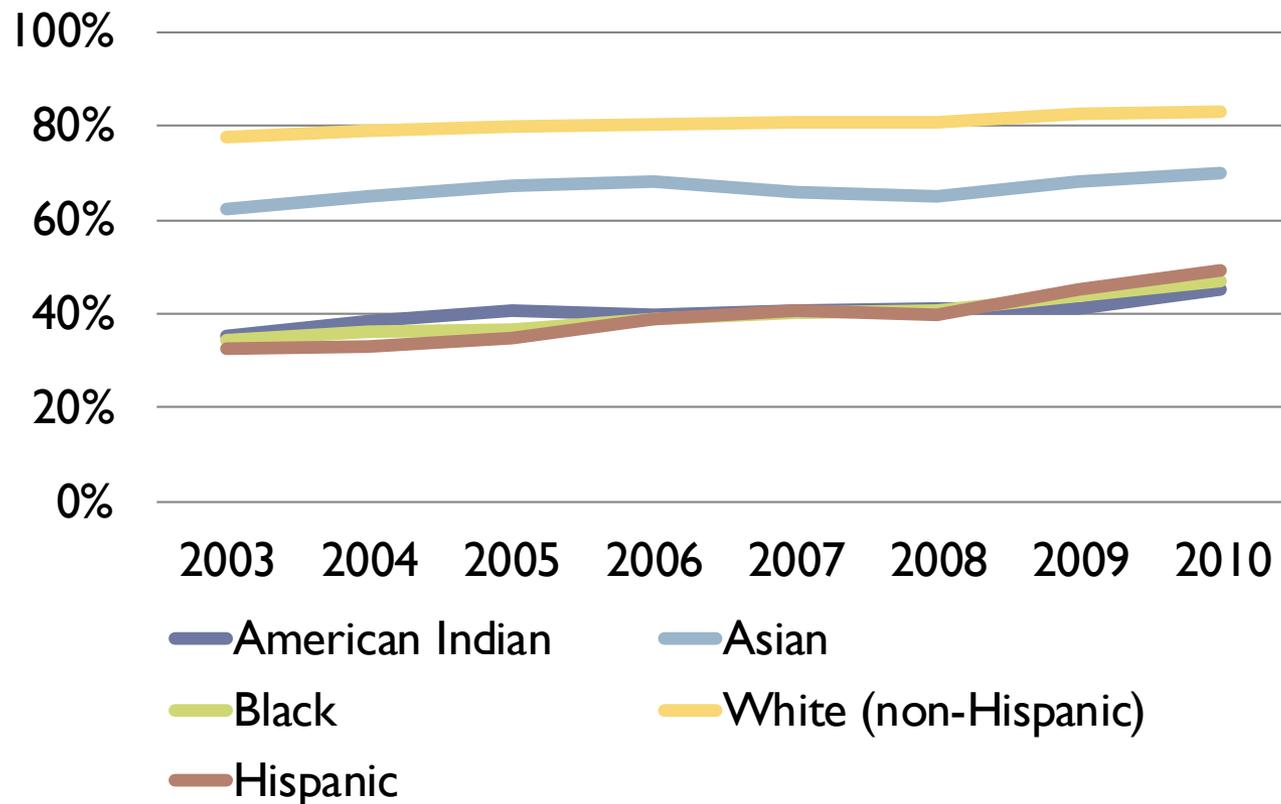
Minnesota post-secondary students with children, 2009-2011



+ Racial gaps in attainment are large and persistent

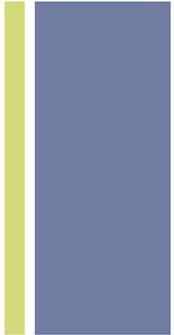


Minnesota High School Grad Rate (4-yr)





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

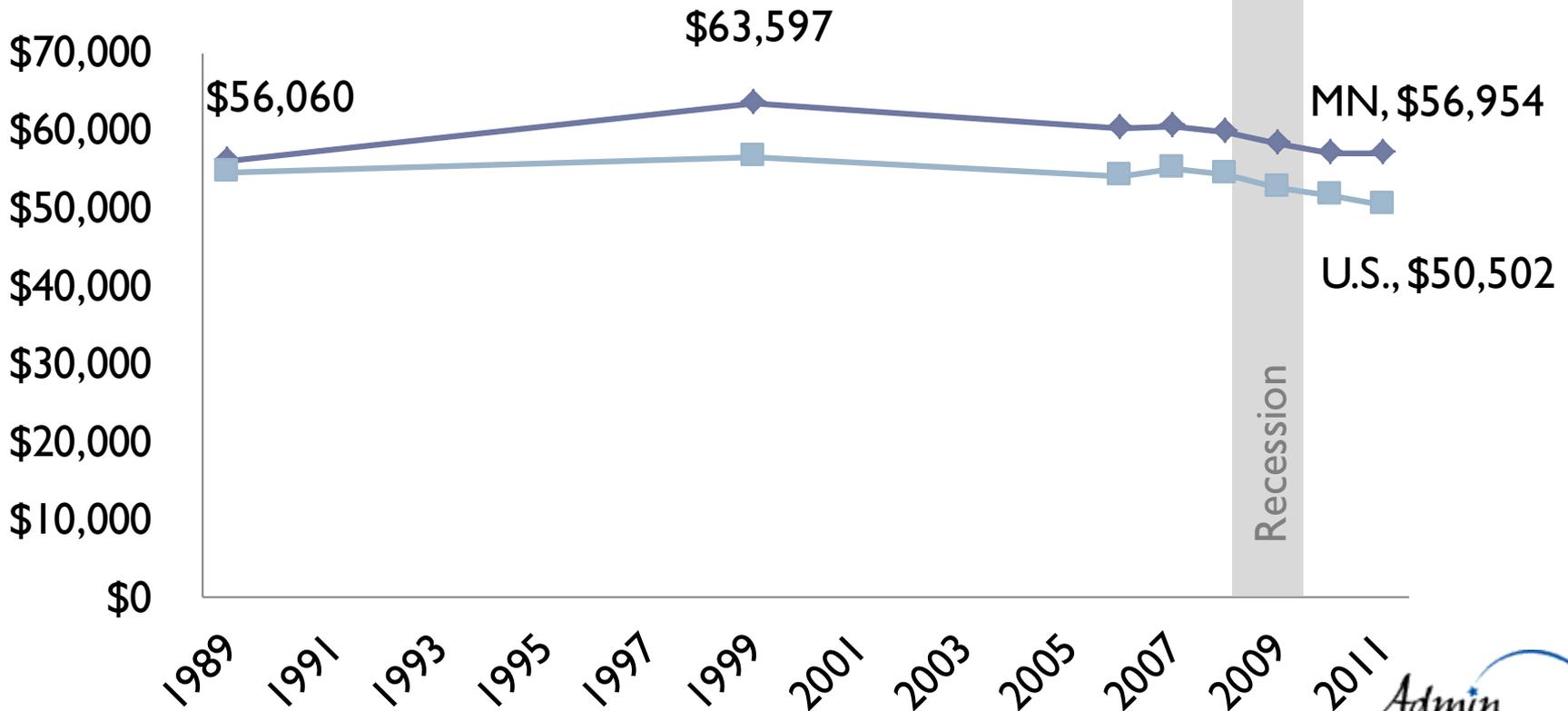


Trends in Income and Wealth



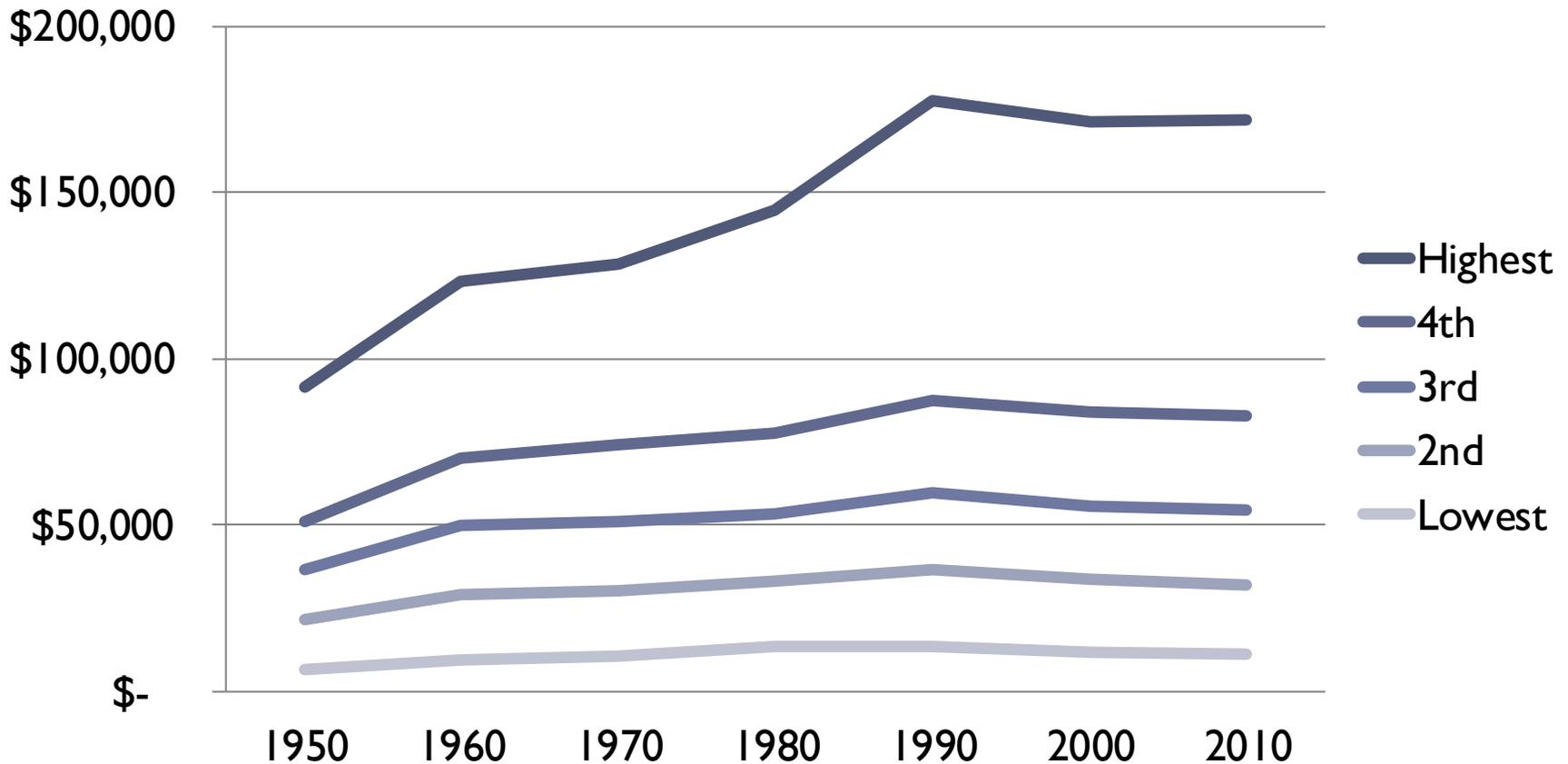
+ Median household income has declined over the past decade

Median Household Income 1989-2011 (2011 Dollars)

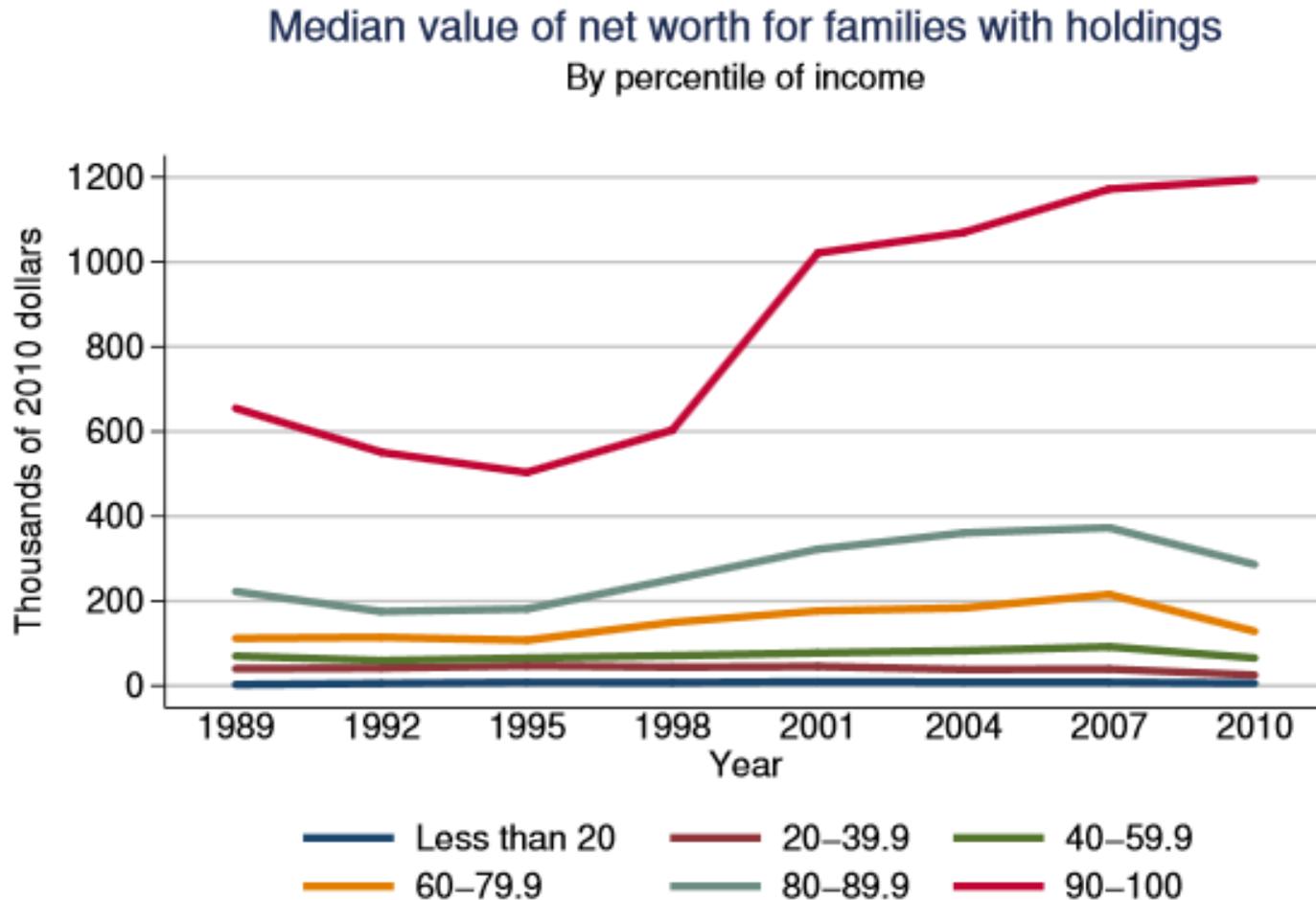


+ Income among the top 20% of households grew markedly through 1990

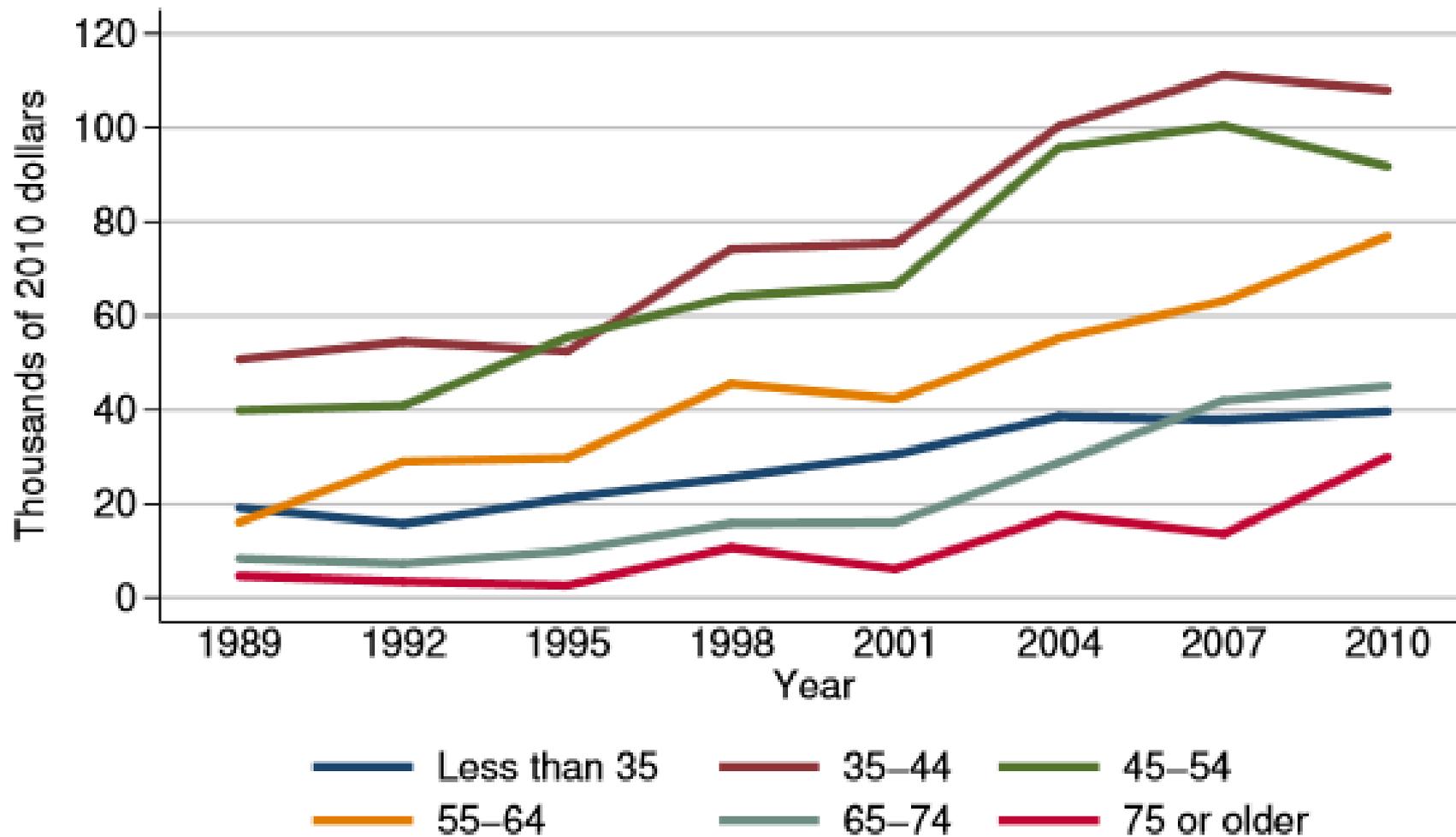
Mean household income within quintile Minnesota (2010 Dollars)



+ Net worth has remained constant or declined for all but the top 10% of households

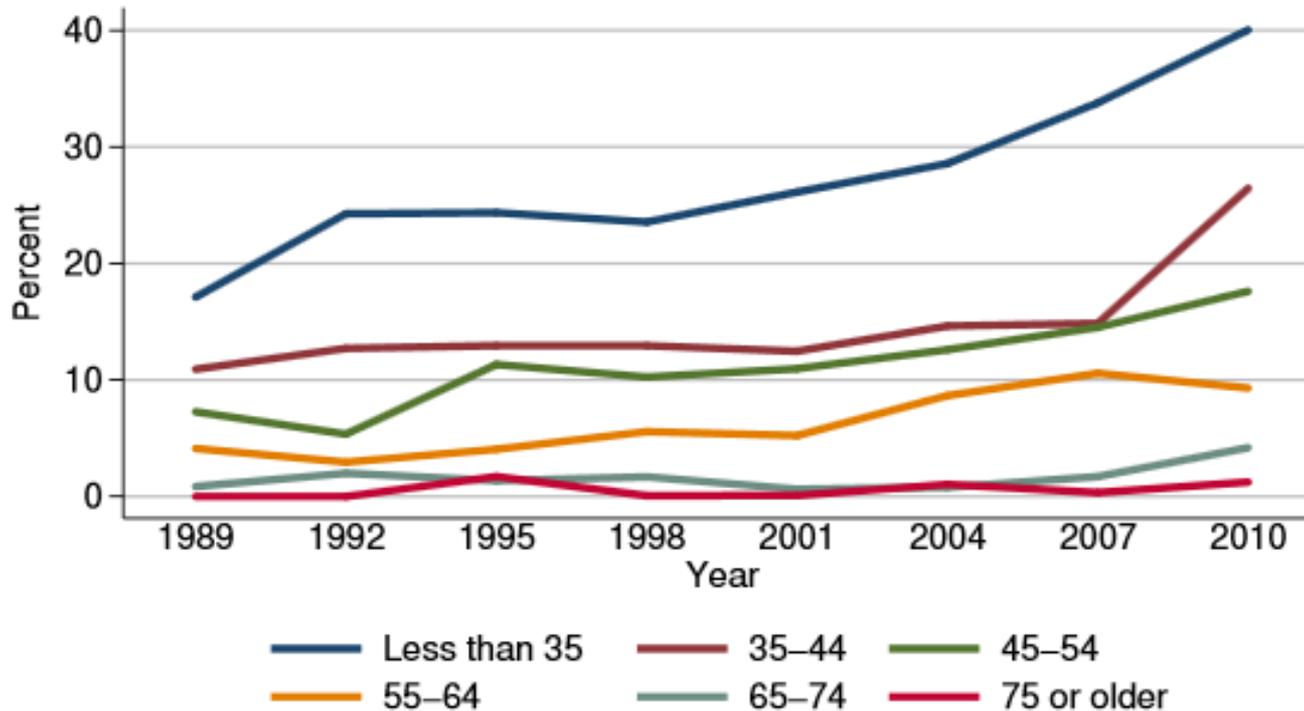


Median value of debt for families with holdings By age of head

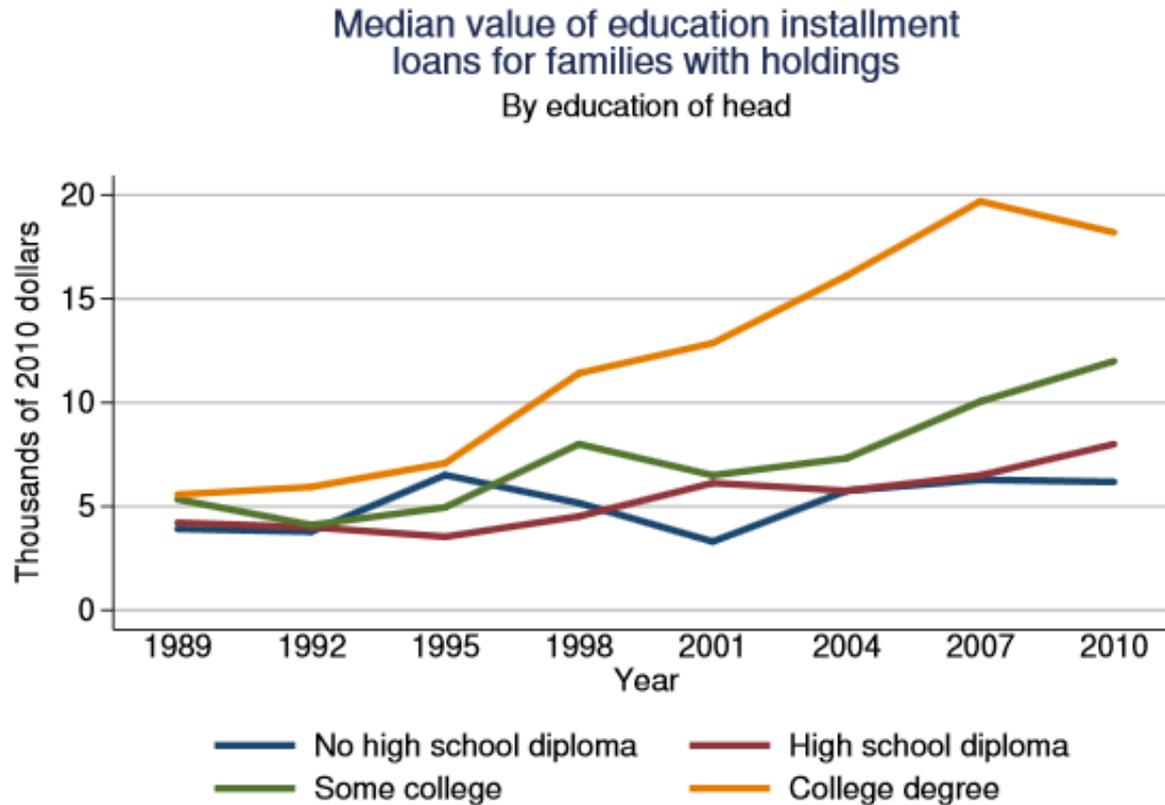


+ 40% of young families had education installment loans in 2010

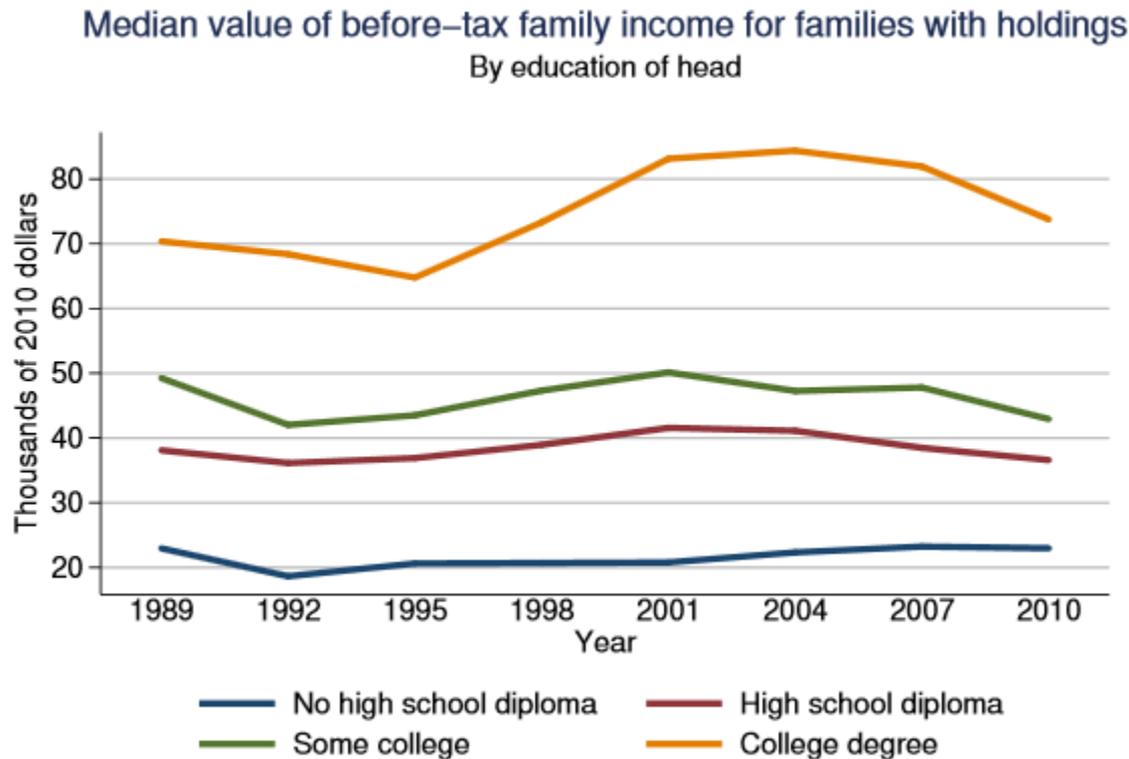
Percent of families with education installment loans
By age of head



+ Loan values have grown for those with college degrees



+ On average, college-degrees still “pay” but median incomes have declined since the recession



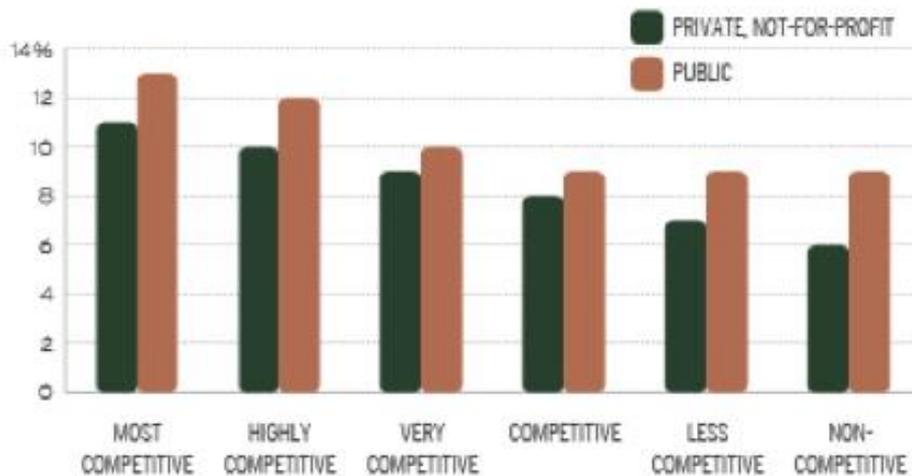
+New Brookings Institution Report Finds that ROI varies by type of school; 20% of schools do not pay



Not every bachelor's degree is a smart investment

Public schools tend to have higher return on investment (ROI) than private schools, and more selective schools offer higher returns than less selective ones.

Annual return on investment of a bachelor's degree



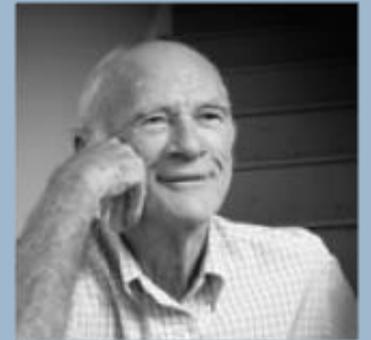
NEARLY

1 in 5

of the 853 schools
studied by PayScale
offered a **negative** ROI.



Questions?
Comments?



Susan Brower

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