



Minnesota State Demographic Center

New Ulm Chamber of Commerce: Hot Topics Lunch

SUSAN BROWER, MINNESOTA STATE DEMOGRAPHER
March 2016

MN ranks highly on a large number of indicators

Percent (age 25+) with a bachelor's degree or higher

Rank of states, 2013

| Rank | States (1=highest) |
|------|--------------------|
| 1 | Massachusetts |
| 2 | Colorado |
| 3 | Maryland |
| 4 | Connecticut |
| 5 | New Jersey |
| 6 | Virginia |
| 7 | Vermont |
| 8 | New Hampshire |
| 9 | New York |
| 10 | Minnesota |
| 11 | Washington |
| 12 | Rhode Island |

Residents under age 65 without health insurance

Rank of states, 2013

| Rank | States (1=lowest) |
|------|-------------------|
| 1 | Massachusetts |
| 2 | Hawaii |
| 3 | Vermont |
| 4 | Minnesota |
| 5 | Iowa |
| 6 | Delaware |
| 7 | Wisconsin |
| 8 | Connecticut |
| 9 | Maryland |
| 10 | Pennsylvania |
| 11 | North Dakota |
| 12 | New York |

Proportion of adults (age 16-64) working

Rank of states, 2013

| Rank | States (1=highest) | 2013 |
|------|--------------------|-------|
| 1 | North Dakota | 78.6% |
| 2 | Nebraska | 76.7% |
| 3 | Minnesota | 76.6% |
| 4 | South Dakota | 76.3% |
| 5 | Iowa | 76.0% |
| 6 | New Hampshire | 74.0% |
| 7 | Wyoming | 73.8% |
| 8 | Wisconsin | 73.5% |
| 9 | Kansas | 72.3% |
| 10 | Vermont | 72.3% |
| 11 | Maryland | 71.9% |

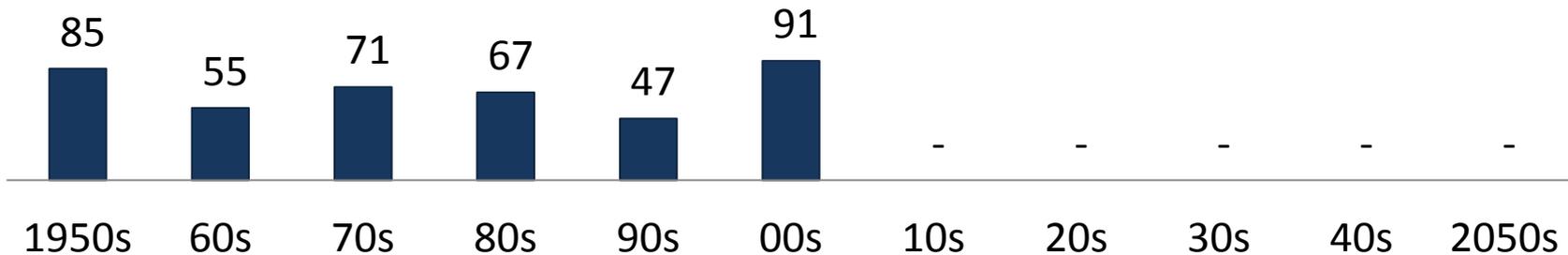
Individuals below the poverty level

Rank of states, 2013

| Rank | States (1=lowest) | 2013 |
|------|-------------------|-------|
| 1 | New Hampshire | 8.7% |
| 2 | Alaska | 9.3% |
| 3 | Maryland | 10.1% |
| 4 | Connecticut | 10.7% |
| 5 | Hawaii | 10.8% |
| 6 | Wyoming | 10.9% |
| 7 | Minnesota | 11.2% |
| 8 | New Jersey | 11.4% |

How many additional “older adults” will Minnesota gain during this decade?

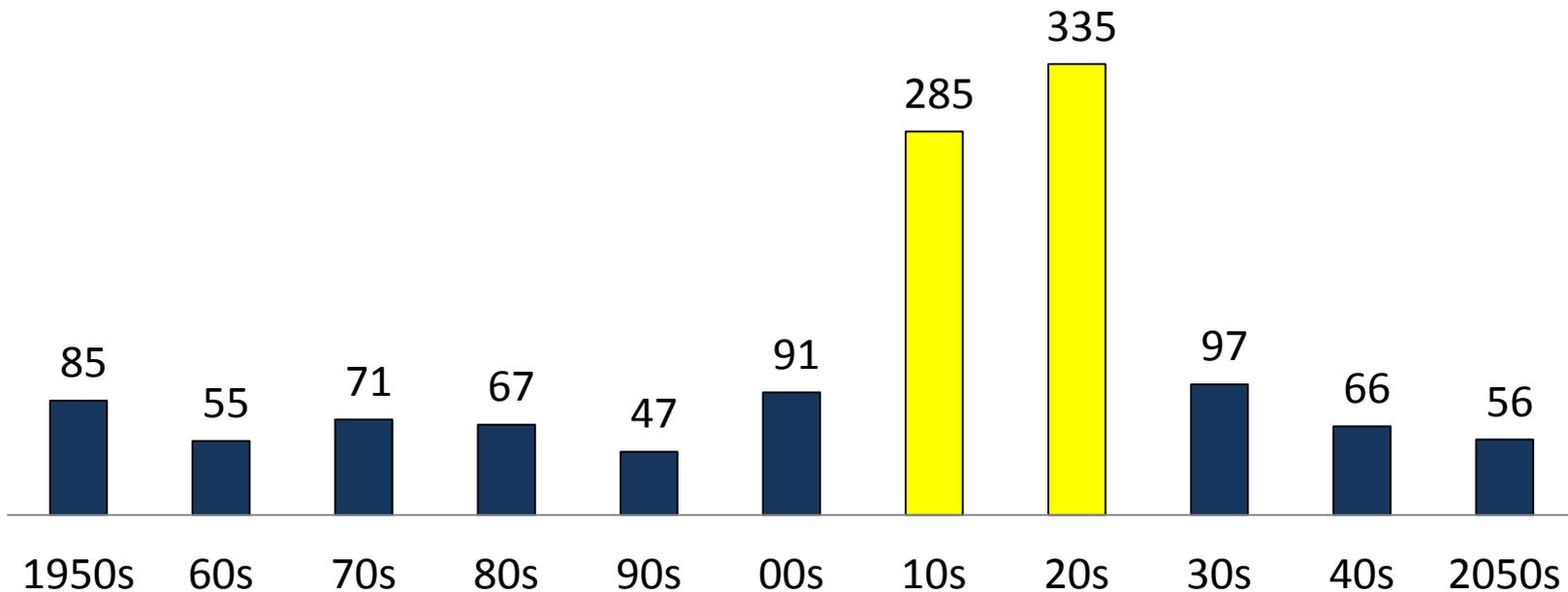
Change in older adults, age 65+ (in thousands)



Source: U.S. Census Bureau

Unprecedented increases in MN's “older adult” population

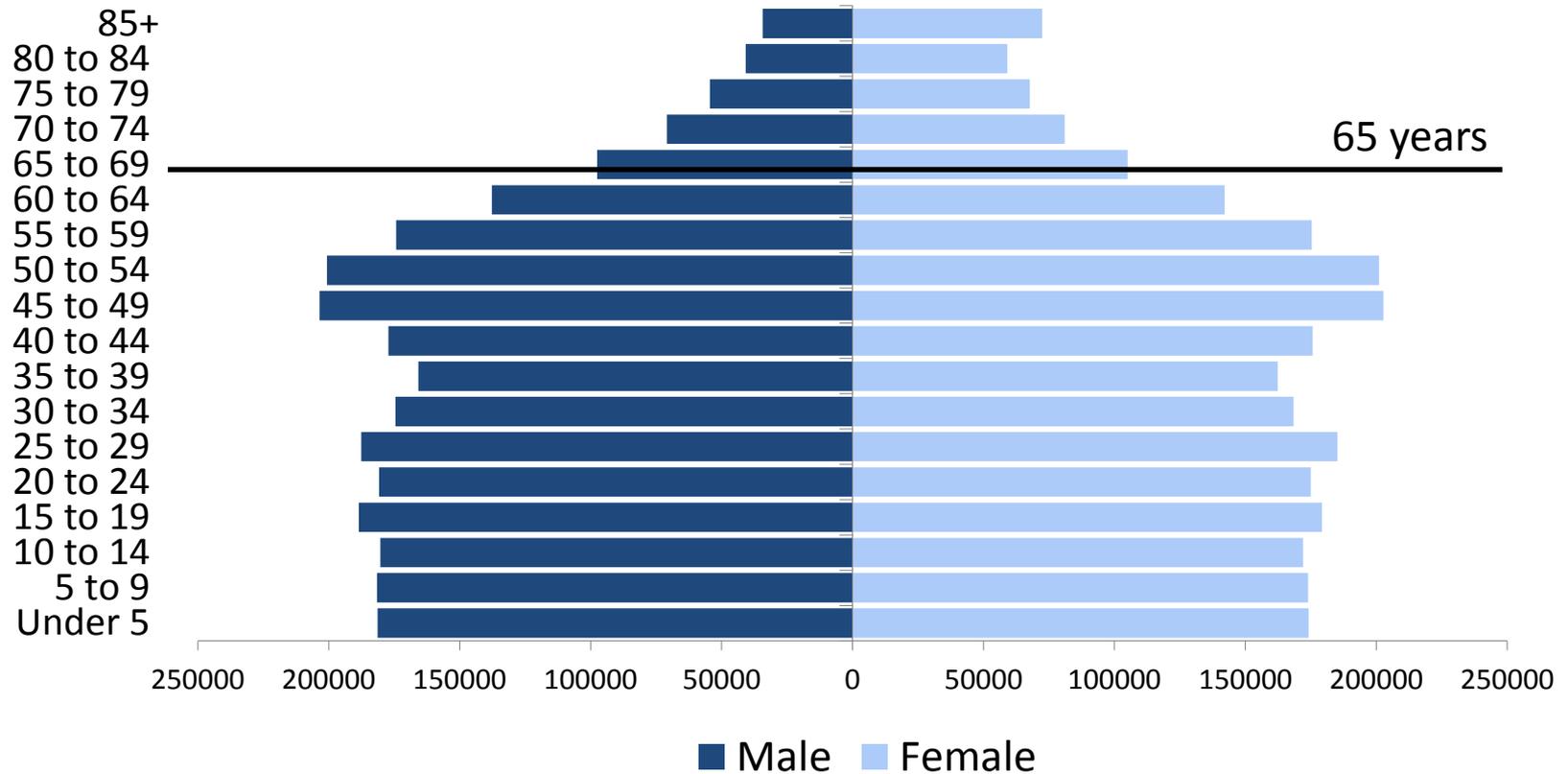
Change in older adults, age 65+ (in thousands)



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

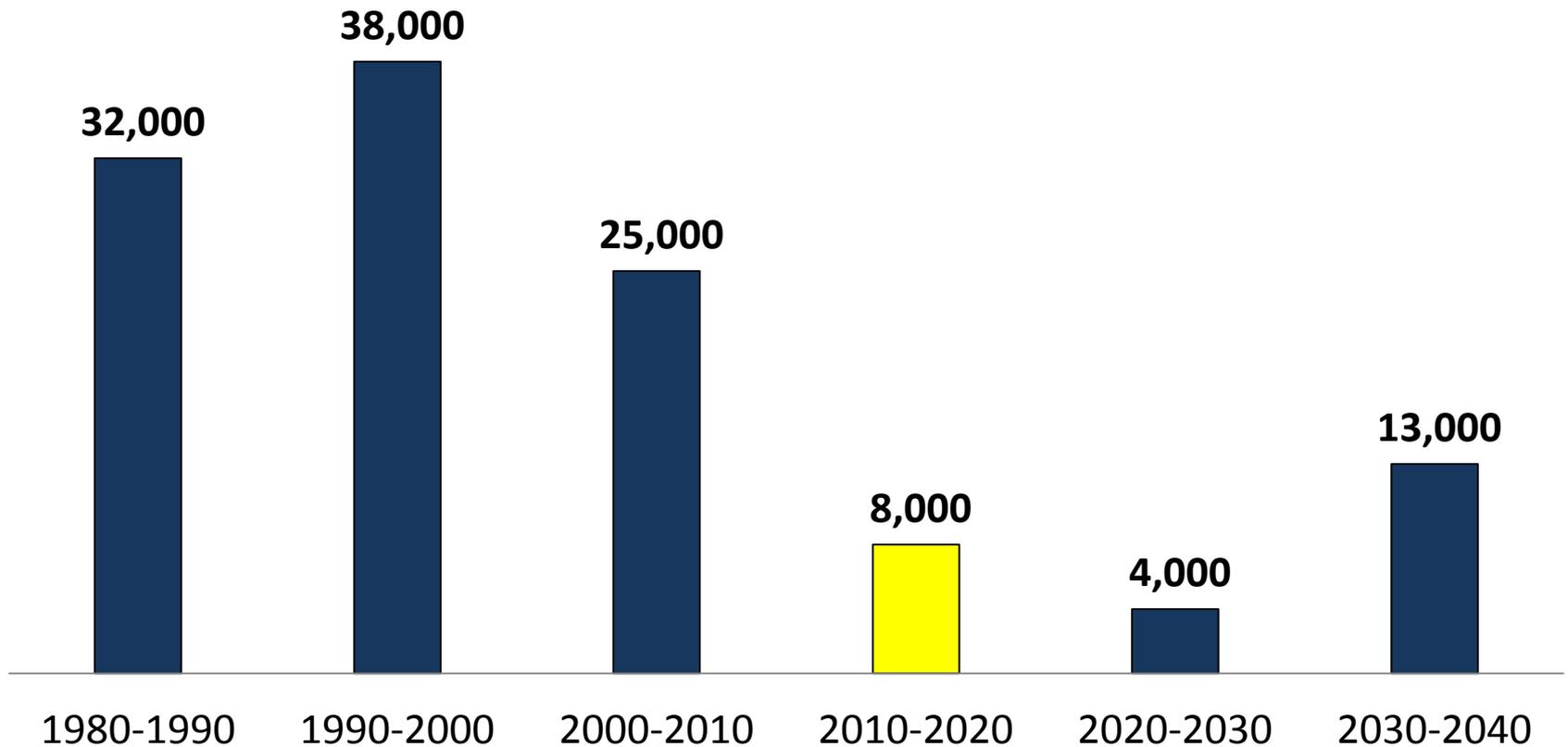
Why is this happening now?

Population by age and sex
Minnesota, 2012



Projected Growth in Labor Force

Annual Average, Ages 16+

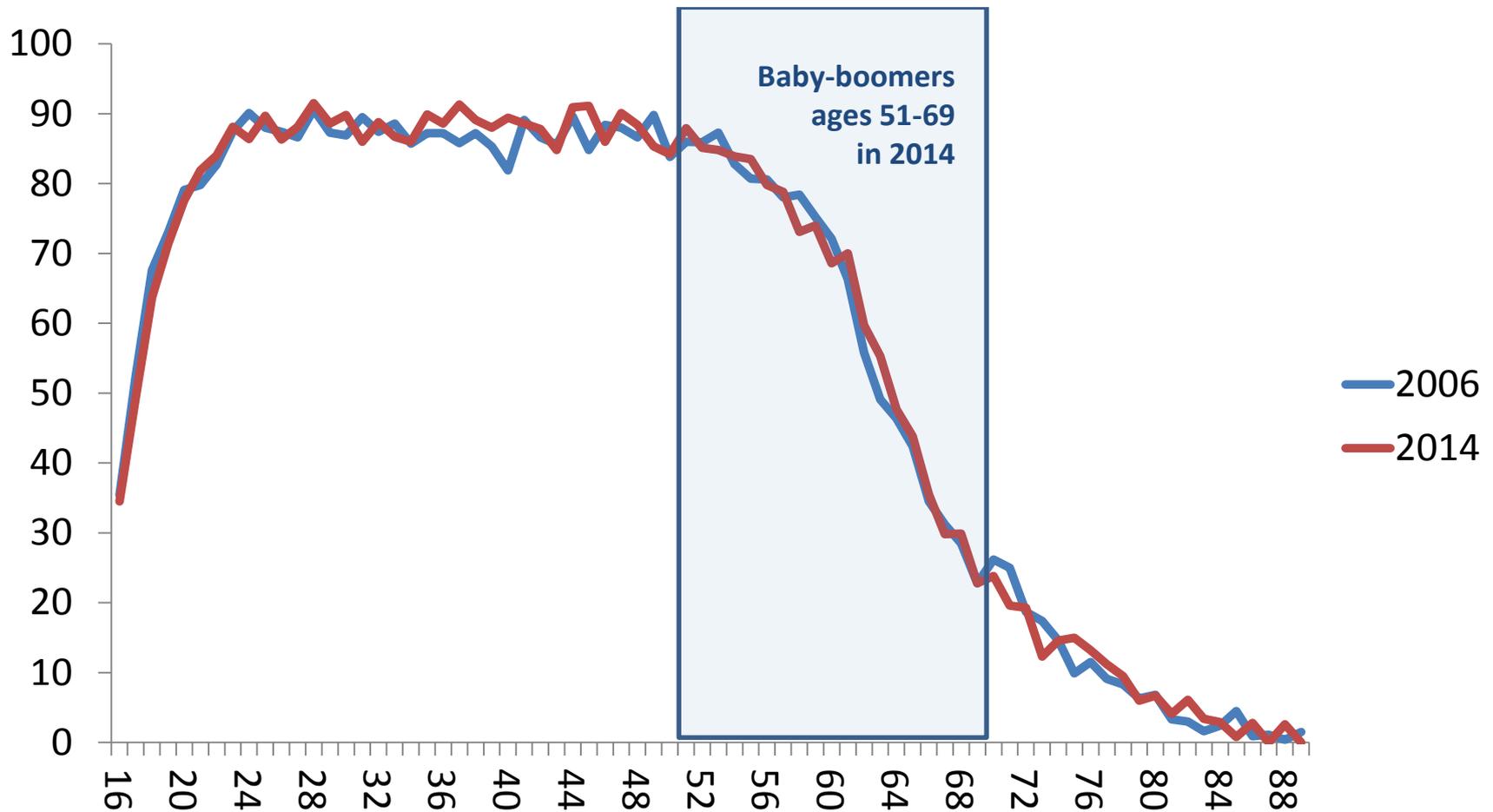


Source: U.S. Census Bureau, Minnesota State Demographic Center Projections

**A slower growing labor force...
that doesn't sound good**

It's probably going to work itself out, right?

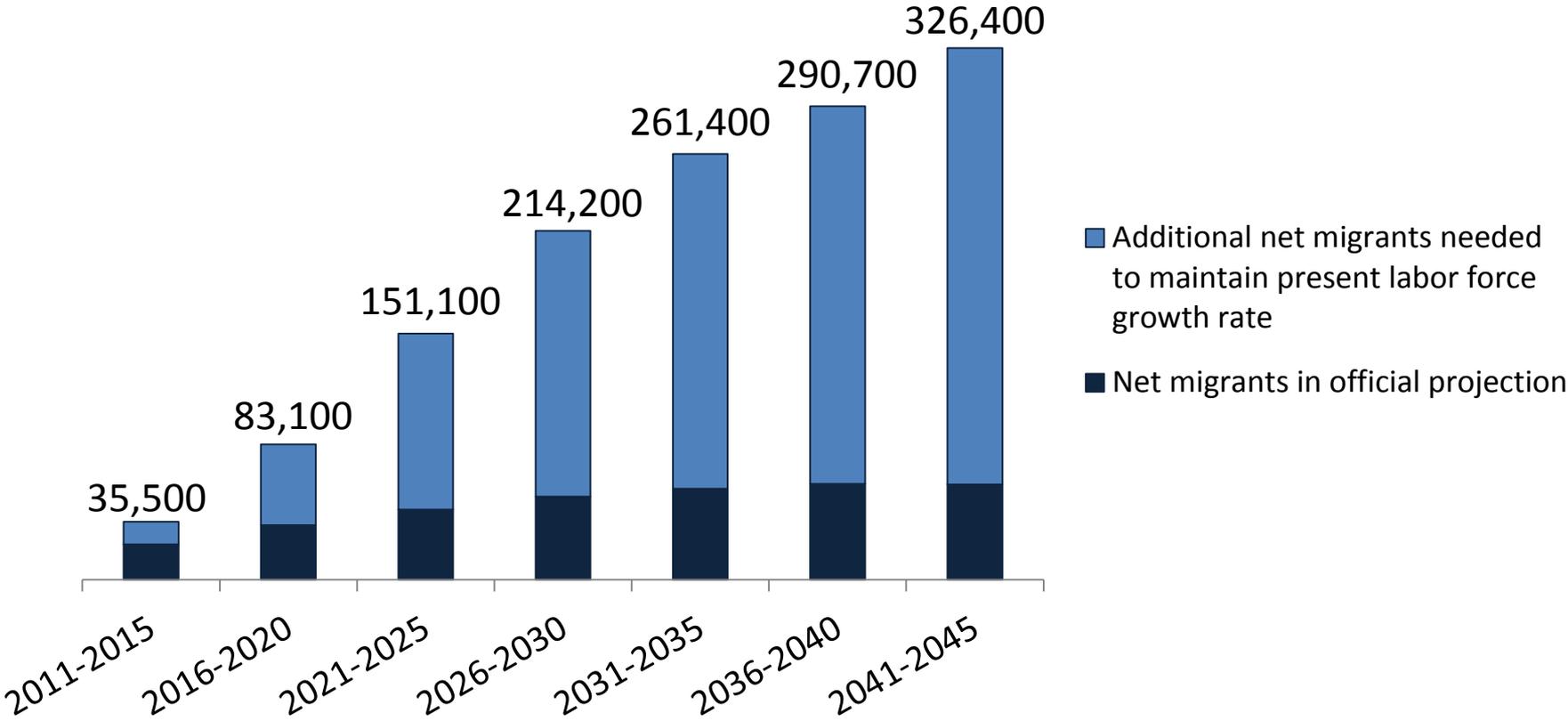
Labor force participation before/after the Great Recession looks the same



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

What if?:

Immigration would need to increase considerably in order to keep current level of LF growth



Source: Minnesota State Demographic Center Projections

When will labor shortages emerge? How big will they be?

The State Demographic Center projects that labor force will grow by about **21,000** people between 2015 and 2020.

DEED projects that employment will grow by about **100,000** during the same time period.

Labor shortage is already felt in southeastern Minnesota

Last month,] VARIETY
vacancies in]

By Editorial Roches

When Bill Spitzer and
Minnesota Initiative
together.

Spitzer, in his las
County commiss
communities thr
who had those c

“That little grou
together,” said K
committee now c

Three months af
grant through th
develop, stabiliz
MN Together pr

Sign of an economy being stretched: Minnesota's restaurants have trouble filling openings.

As state labor po
fill openings.



For Immediate Release
November 19, 2015

By Adam Belz Star Tribu



ST. PAUL – The Minnesota unemployment rate fell 0.1 percent in October, the Minnesota Department of Employment and Economic Development said.

The state lost 1,700 jobs in October, while September saw a gain of 1,700 jobs, the department said. The state's unemployment rate fell to 5.1 percent, down from 5.2 percent in September. The U.S. unemployment rate fell to 5.1 percent, down from 5.2 percent in September.

The October figures suggest that tightening labor markets are helping to reduce unemployment, said Clark Sieben. "With more baby boomers retiring and l

ges already here

BUSINESS

Labor shortage has companies working overtime to find new employees

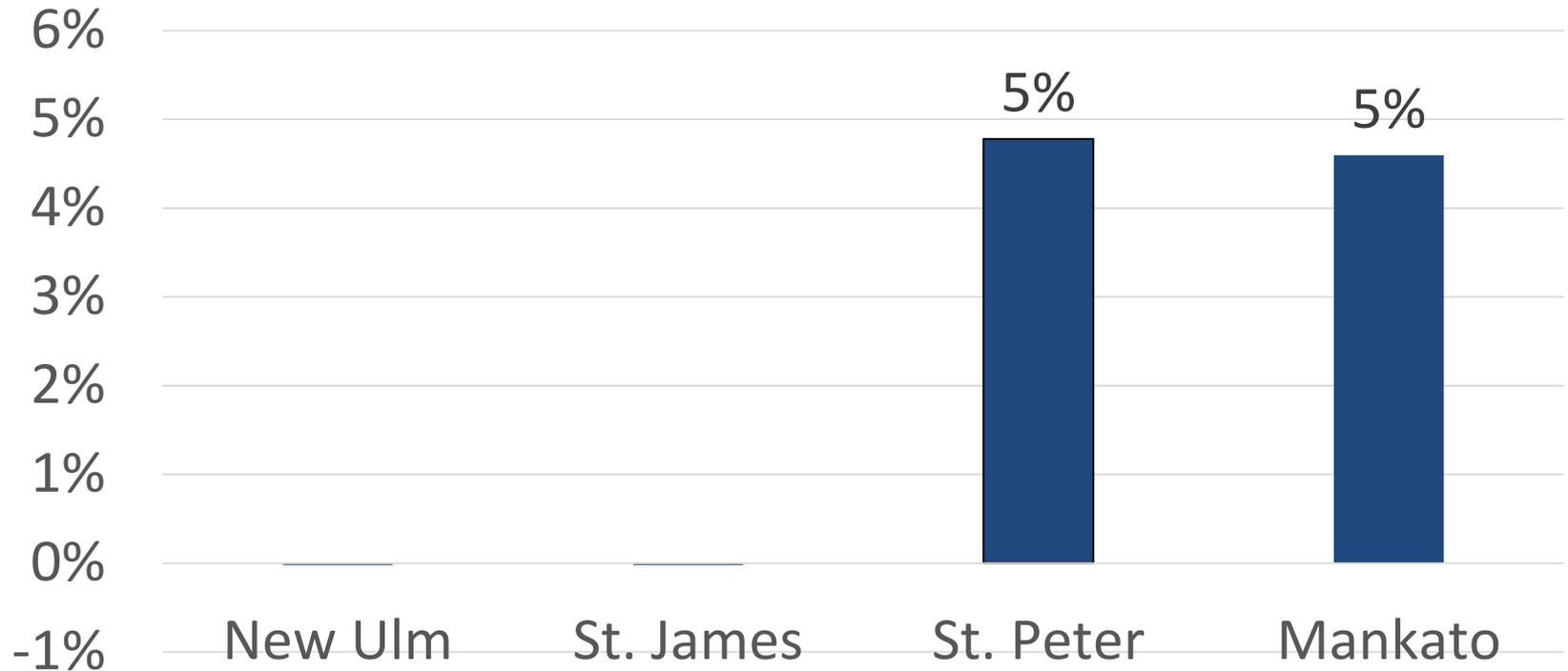
A tight labor market leaves short-staffed businesses scrambling to recruit, retain and even transport workers.

By Dee DePass and Adam Belz Star Tribune | NOVEMBER 22, 2015 — 8:38AM



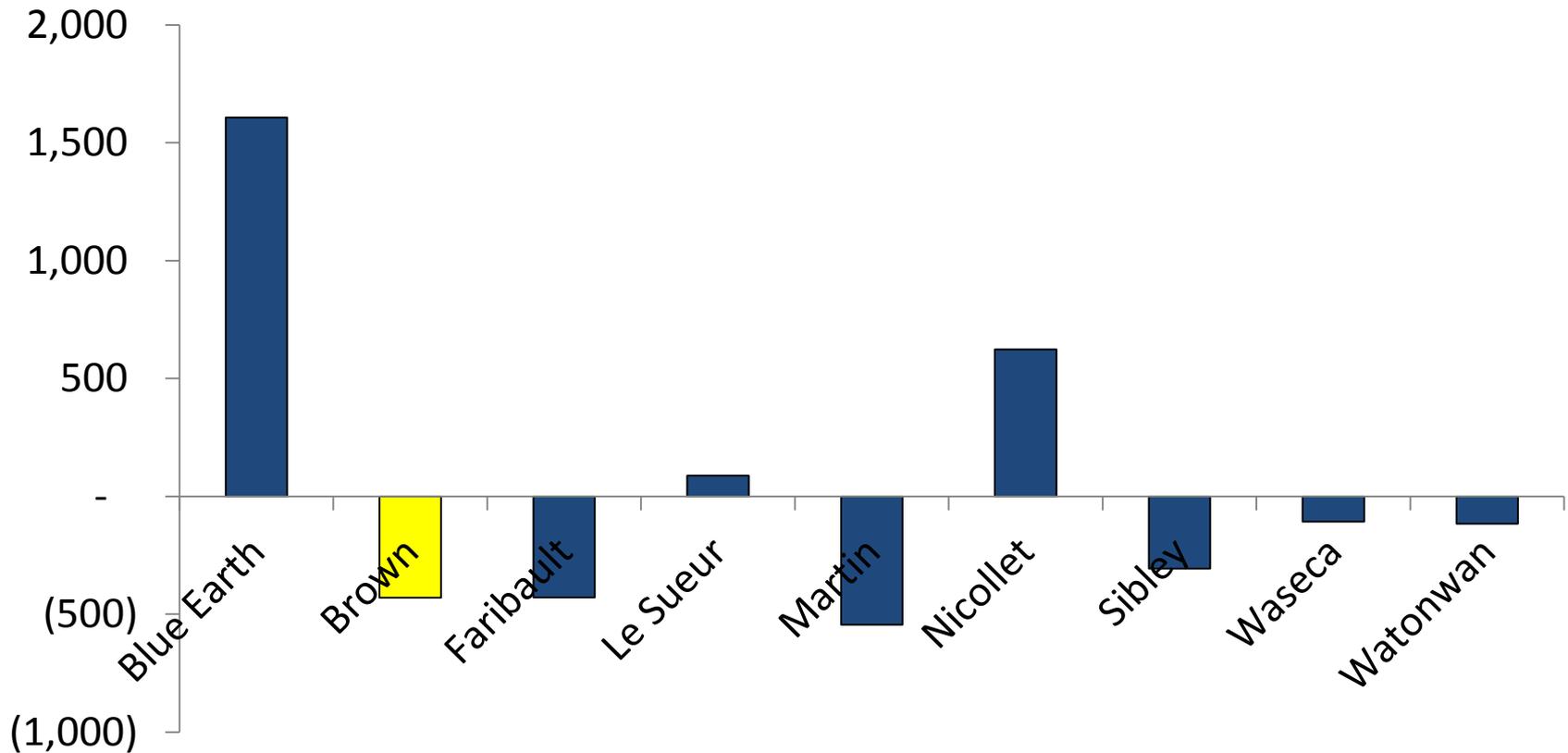
New Ulm has remained steady since 2010, at ~13,500 residents

Population Growth 2010-2014

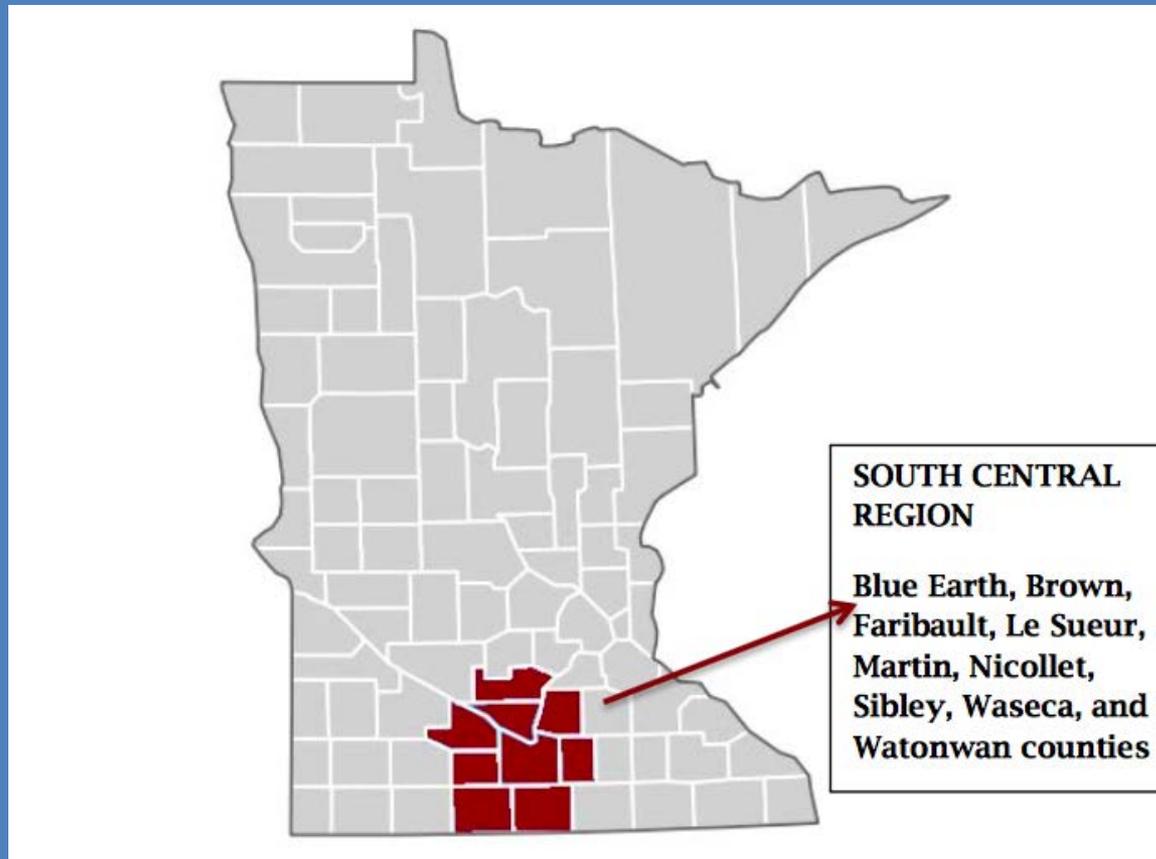


Growth in Blue Earth, Le Sueur, and Nicollet Counties

Numeric change 2010-2014



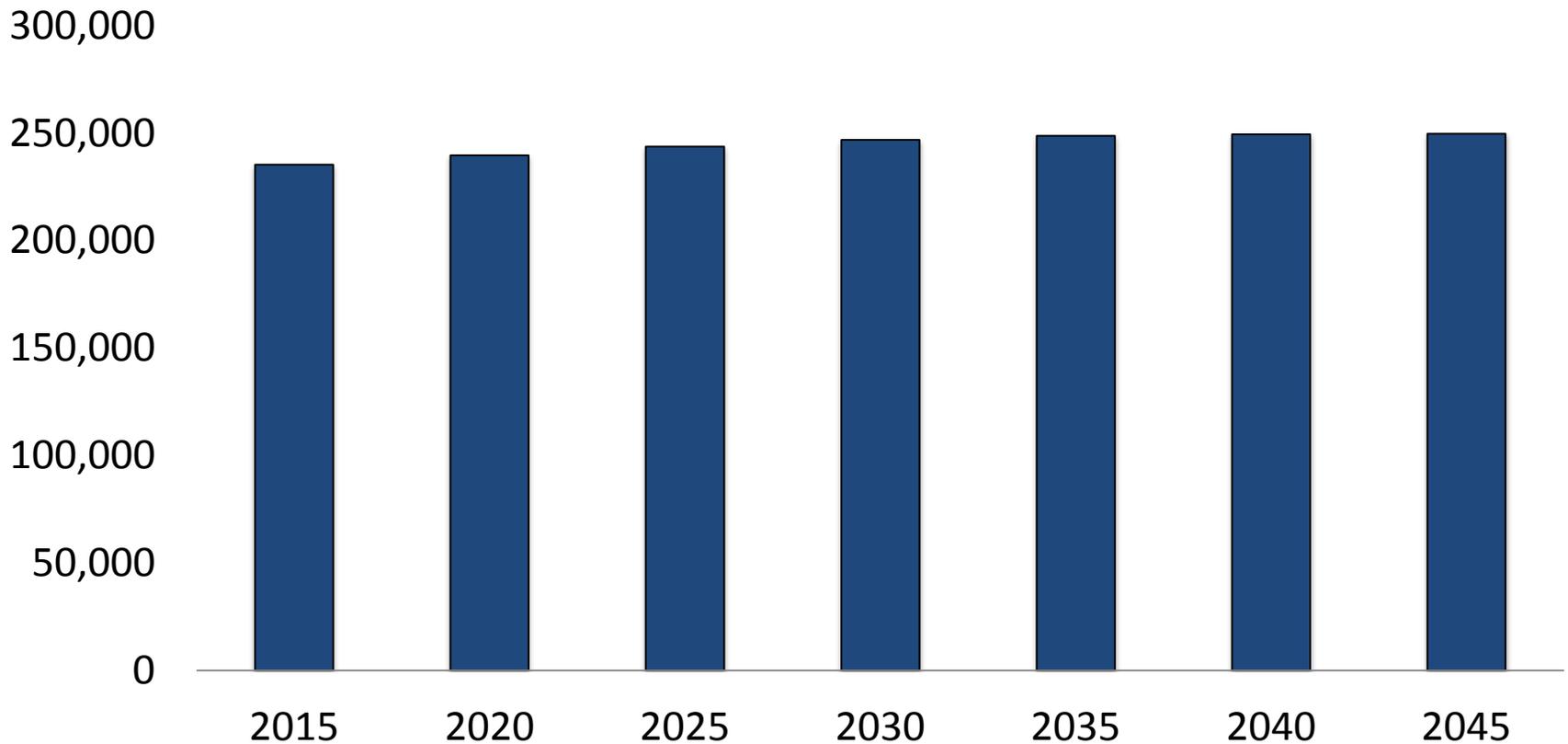
Source: MN State Demographic Center Estimates



The Demographic Status of South Central Minnesota

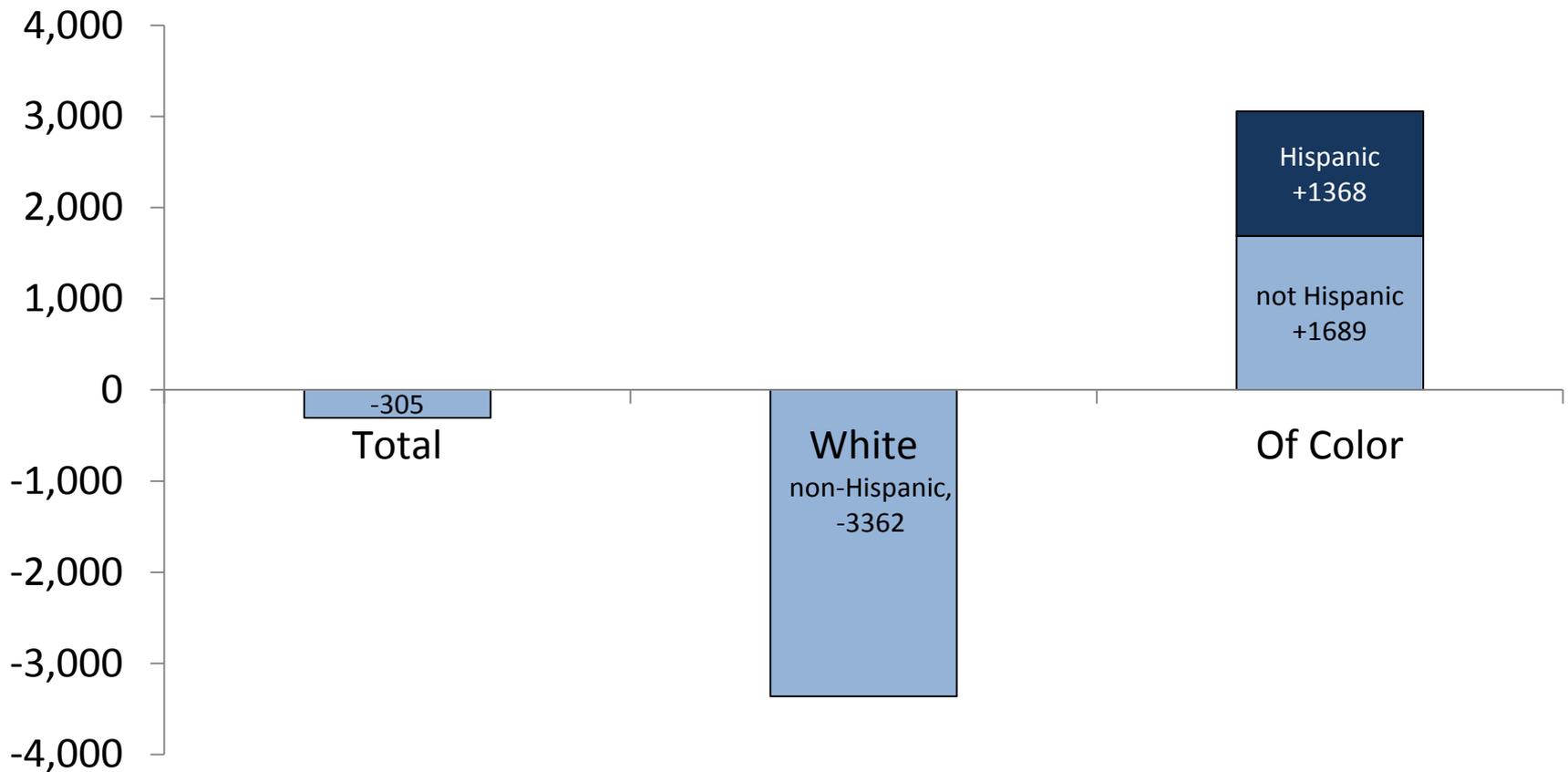
Modest to no-growth projected in EDR 9

South Central Minnesota



Source: MN State Demographic Center

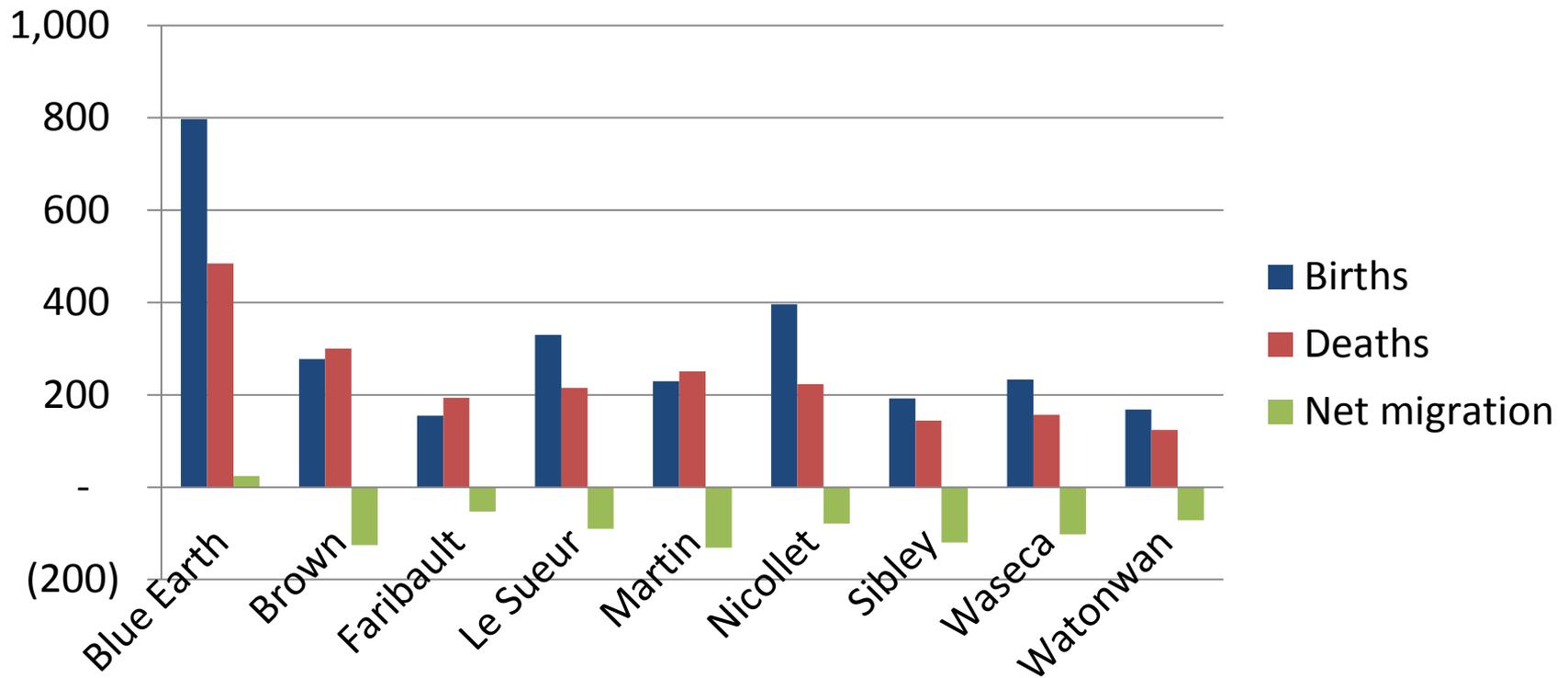
Since 2010, South Central MN has declined; greater losses countered by Populations of Color



Source: U.S. Census Bureau, Population Estimates Program

As the region ages, it becomes much harder to grow quickly

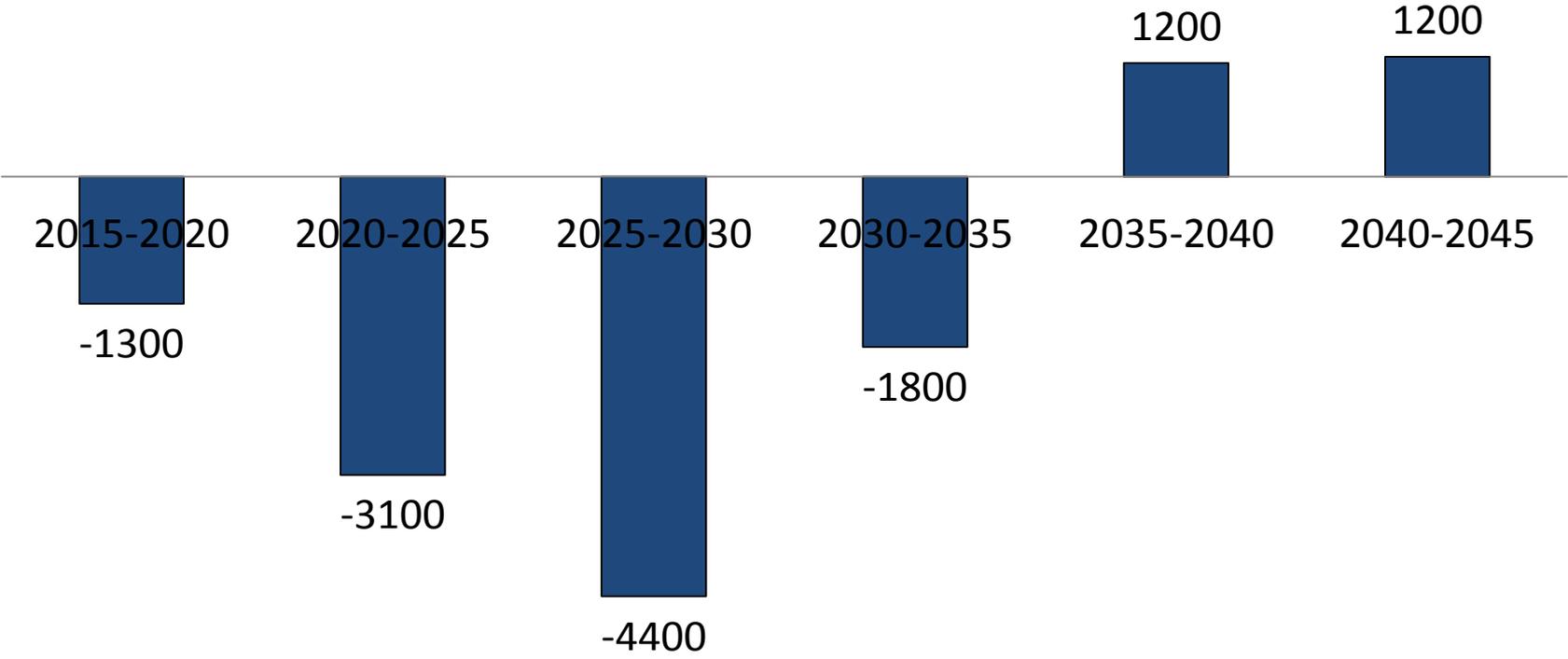
Average annual change by deaths, births and migration
South Central Minnesota, 2010-2014



Source: U.S. Census Bureau, Population Estimate Program

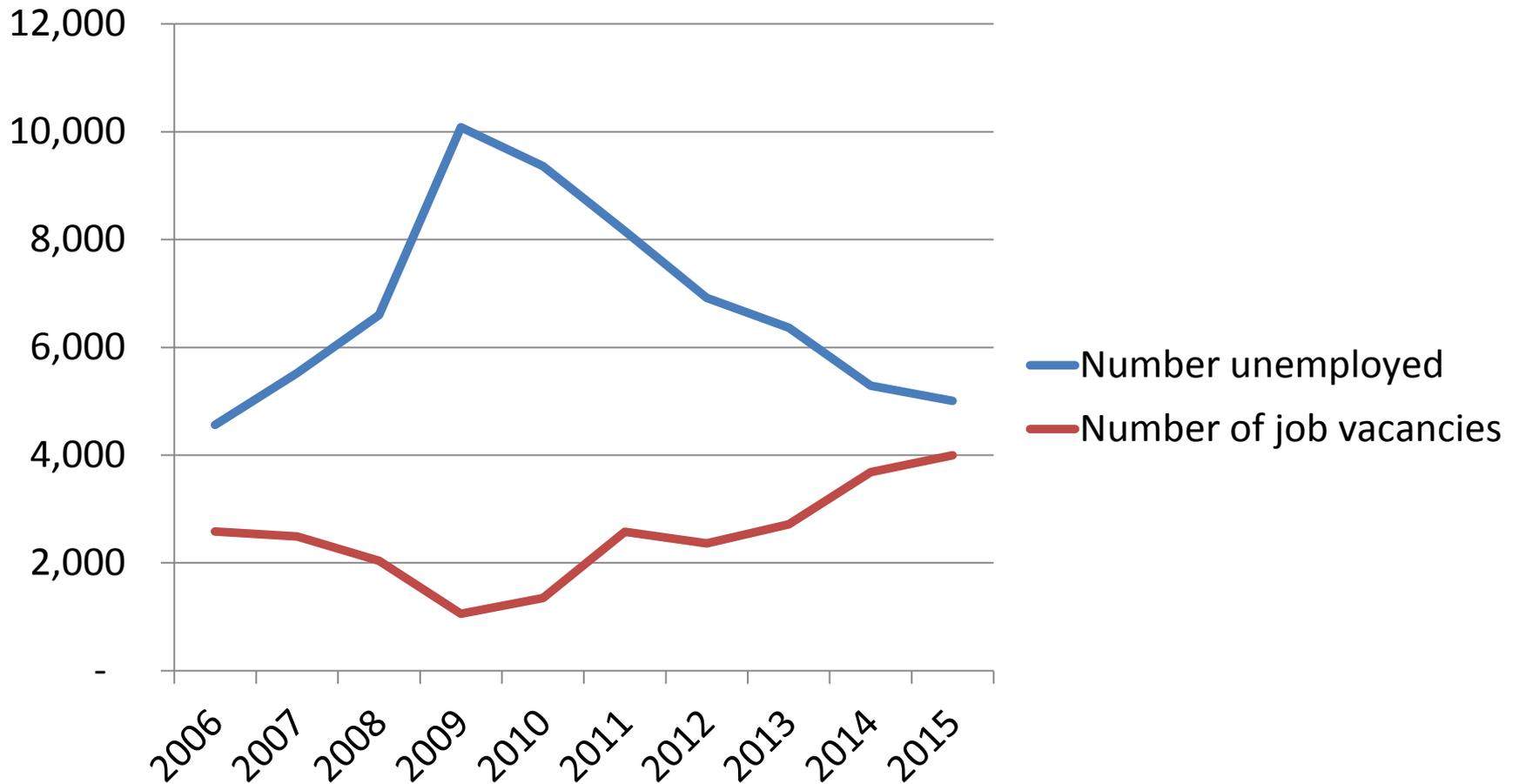
The working-age population in South Central MN is projected to decline until 2035

Change in working-age (15-64) population
South Central MN – EDR 9



Source: MN State Demographic Center

Ratio of jobs to job seekers is narrowing in South Central MN

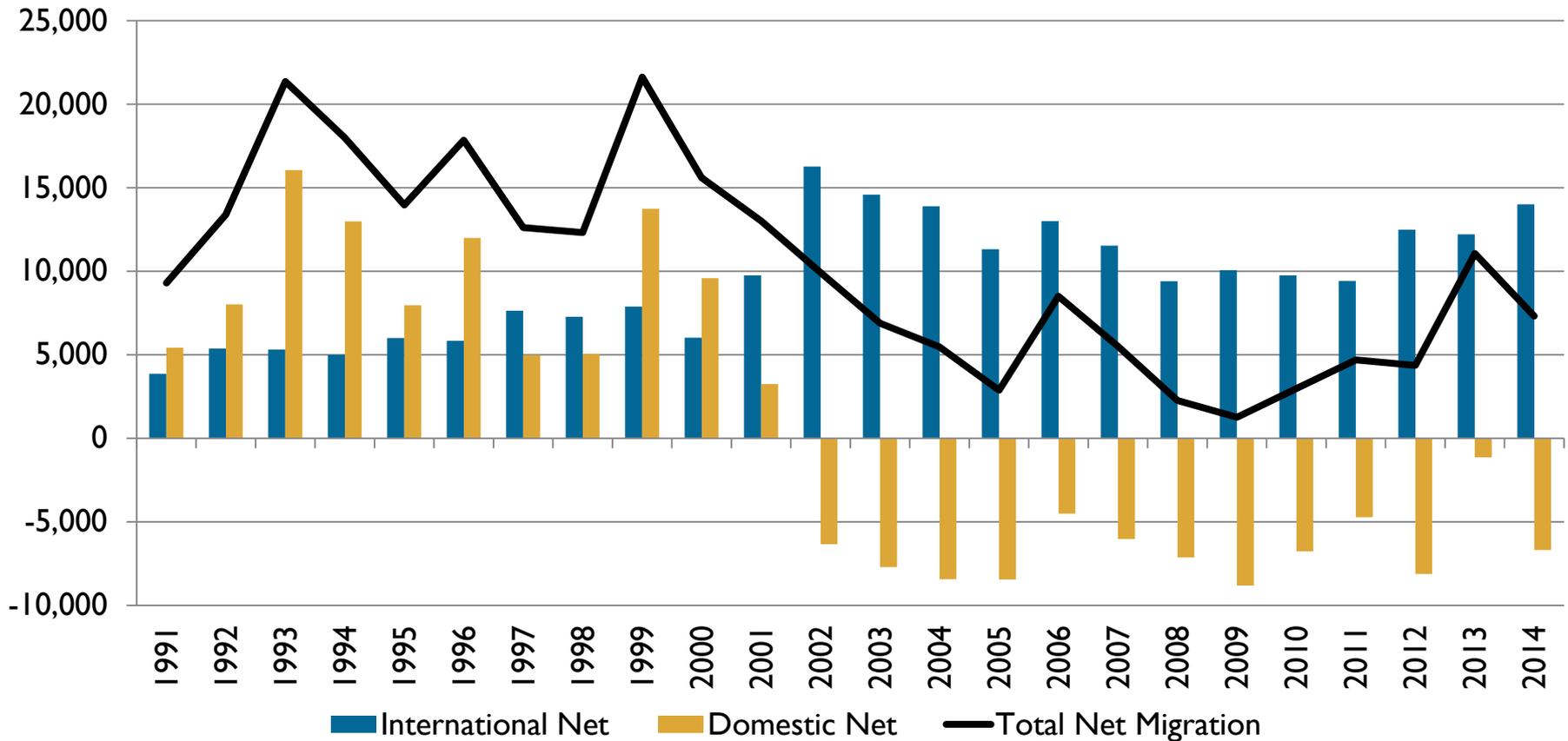


Source: MN Department of Employment and Economic Development, LAUS & Job Vacancy Survey

Labor shortages are here to stay for a while. What can we do about it?

1. Relax. Be creative and unconventional.
There are no easy fixes; no single approach will likely be enough.
2. Focus on how to attract new residents (and workers) and keep the ones you have

Minnesota's net migration, by international and domestic components



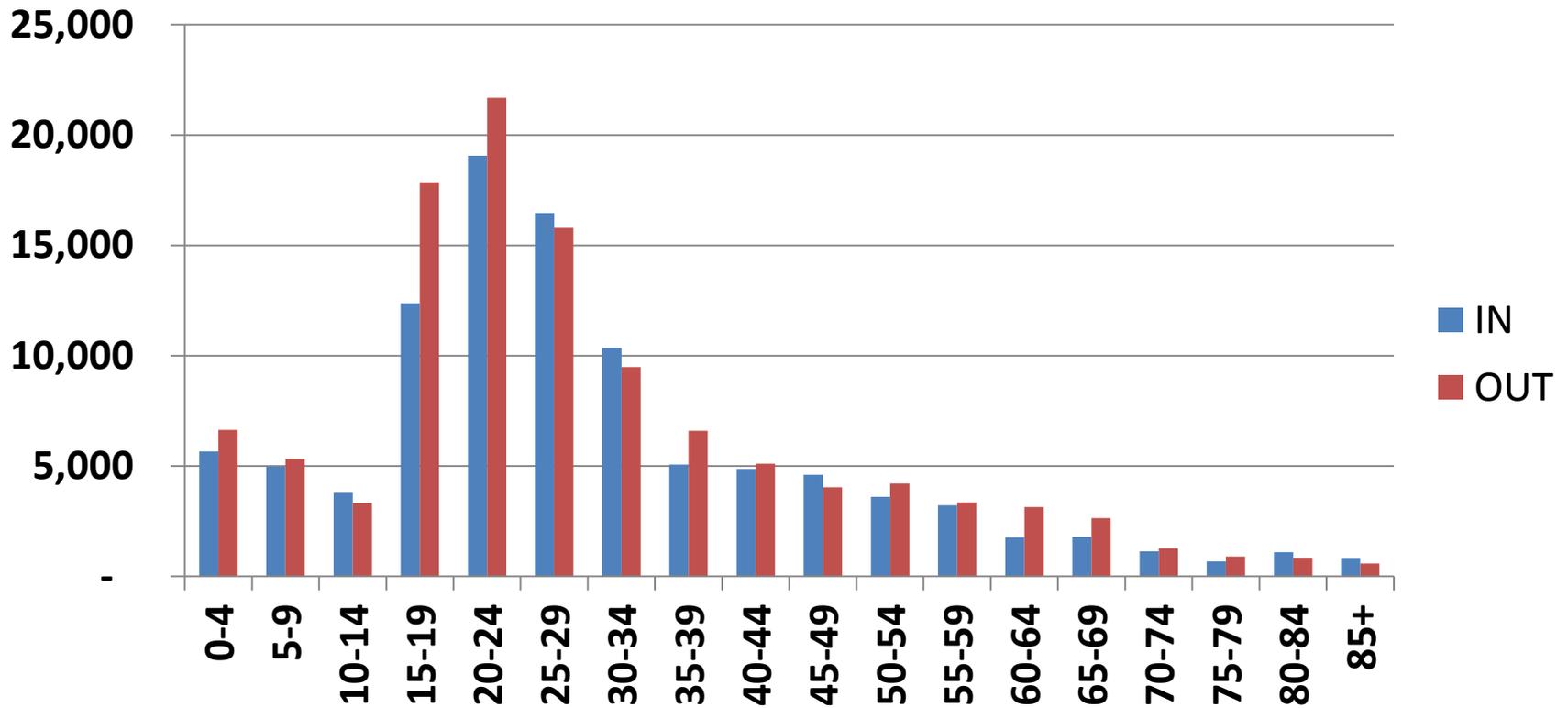
Source: U.S. Census Bureau, Population Estimates Program. Note: Data for 2009-2010 was unavailable and so estimates were interpolated.



Spencer Platt, Getty Images, 2014

Largest net losses occurring at ages 18 to 20

State-to-state migration by age
Minnesota, 2008-2012



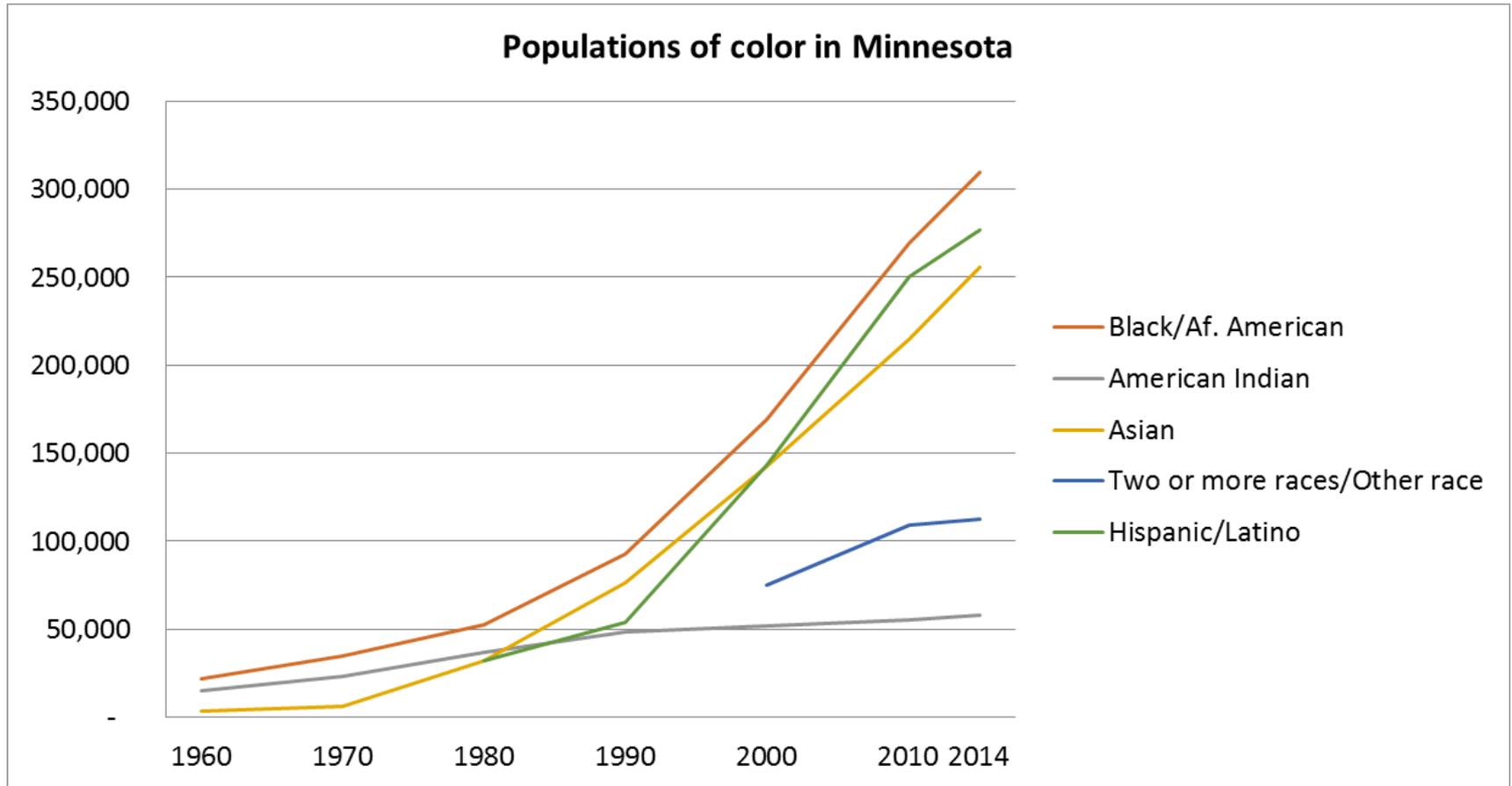
Source: IPUMS version of U.S. Census Bureau's 2008-2012 American Community Survey.
Tabulations by MN State Demographic Center.

Labor shortages are here to stay for a while.

What can we do about it?

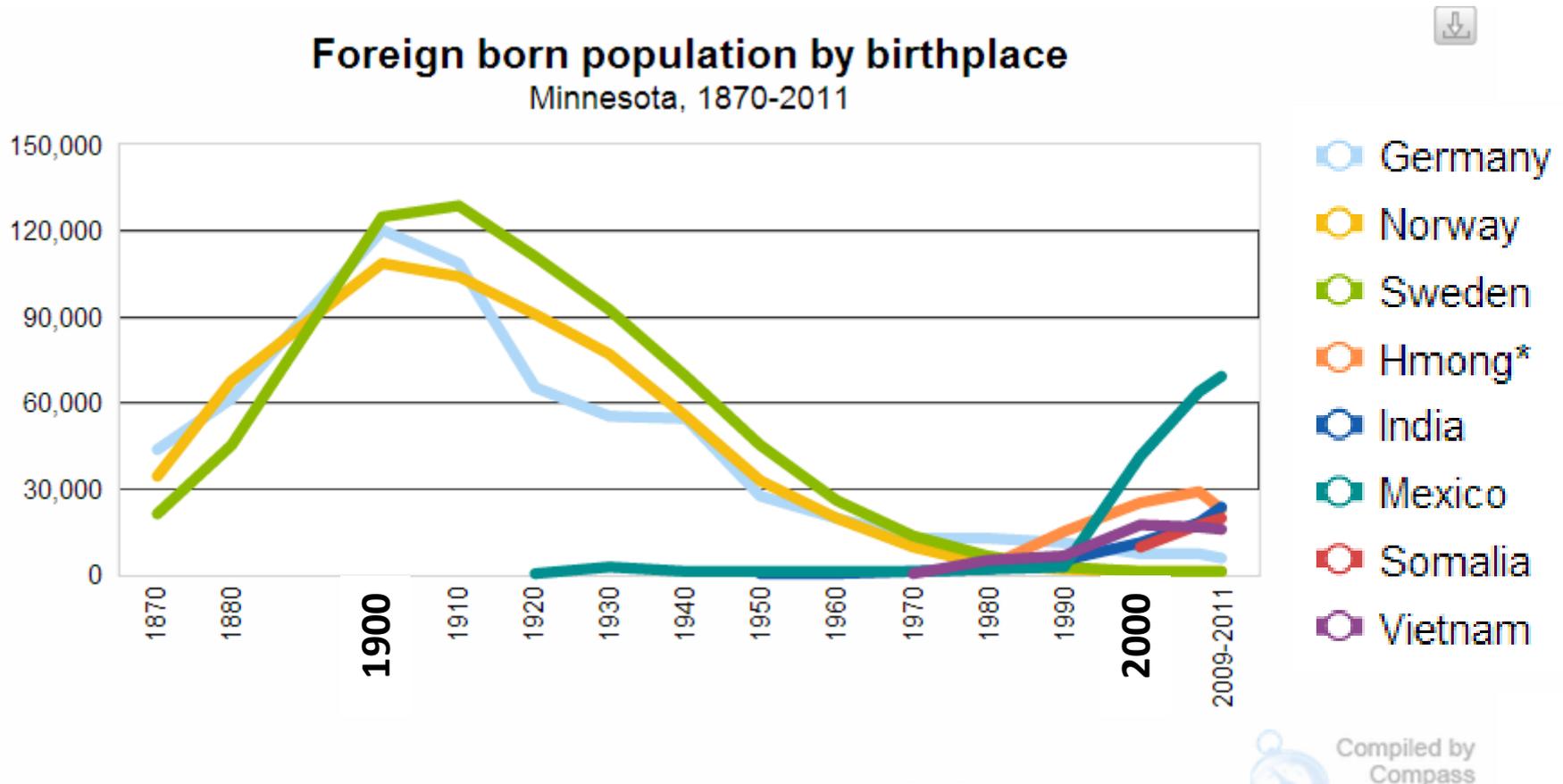
1. Relax. Be creative and unconventional. No easy fixes; no single approach will likely be enough.
2. Focus on how to attract new residents (and workers) and keep the ones you have
3. Zealously, creatively develop the talent that you have.

Populations of Color growing rapidly in Minnesota



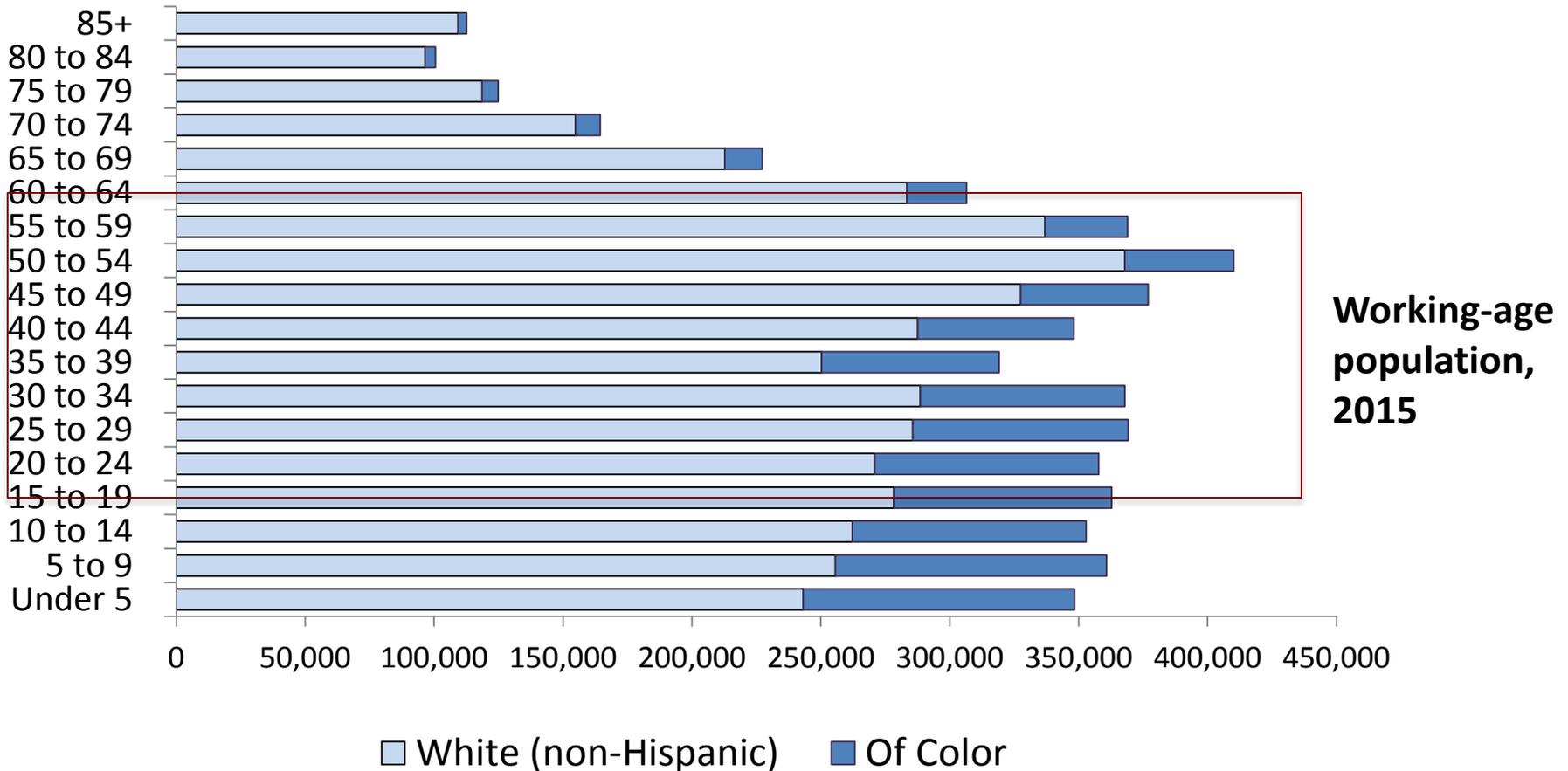
Source: U.S. Census Bureau

By late 1800s, German, Norwegian and Swedish immigrants began to arrive in MN in great numbers



Minnesota by race, 2012

White (non-Hispanic) and Of Color Population
Minnesota, 2012



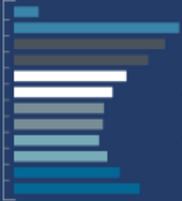
Source: 2012 Population Estimates, U.S. Census Bureau.

Closing thoughts: Demographics will shape the future...but not completely determine it

Policy responses include:

- Support worker **productivity** (Health, Education, Research & Innovation, Infrastructure)
- Leave no **worker, no entrepreneur** behind

Regions that *do* slow demographic growth best will thrive.



Minnesota State Demographic Center

mn.gov/demography

Twitter: @MN_StateData