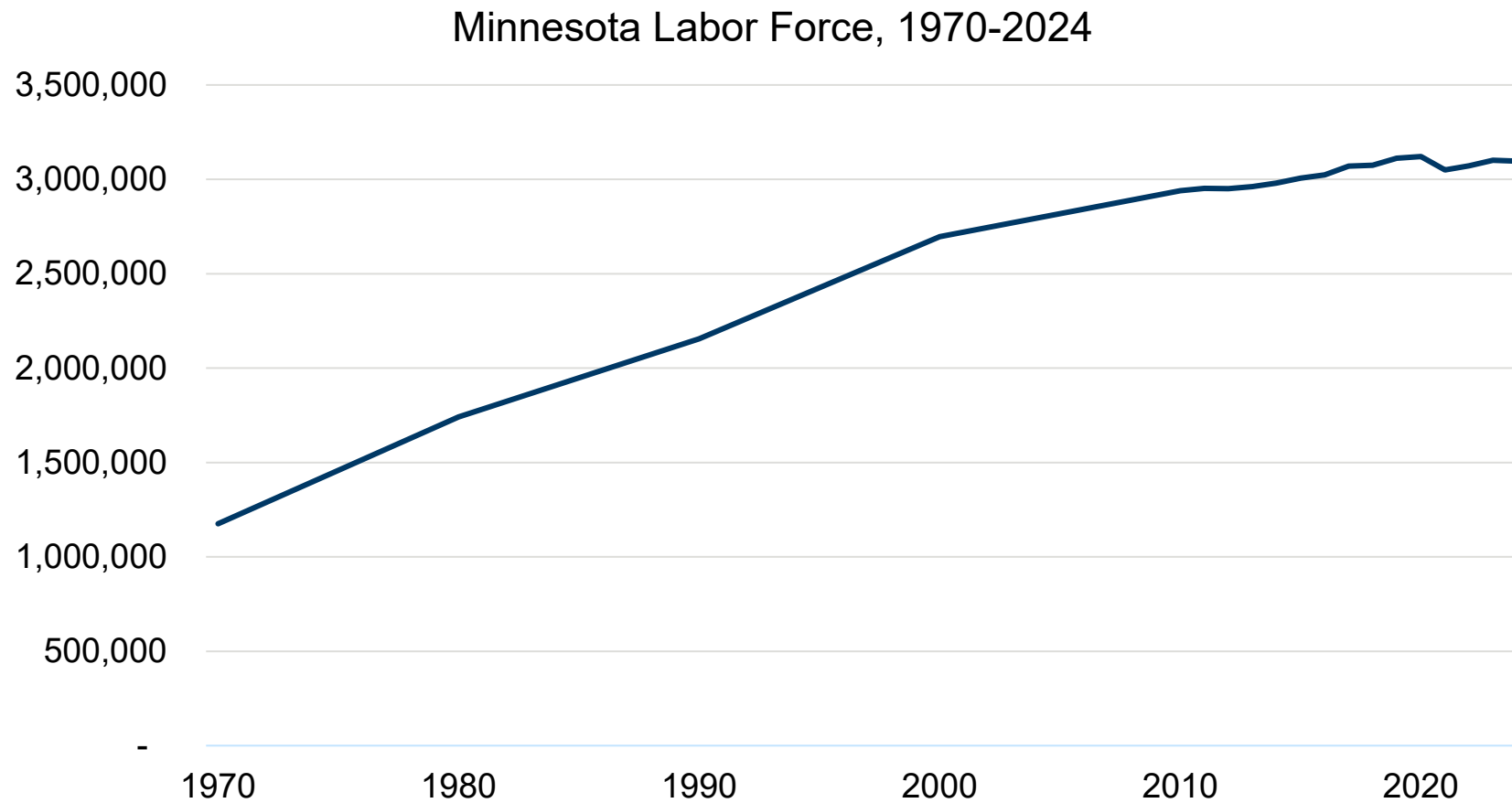




Senate Jobs and Economic Development Committee

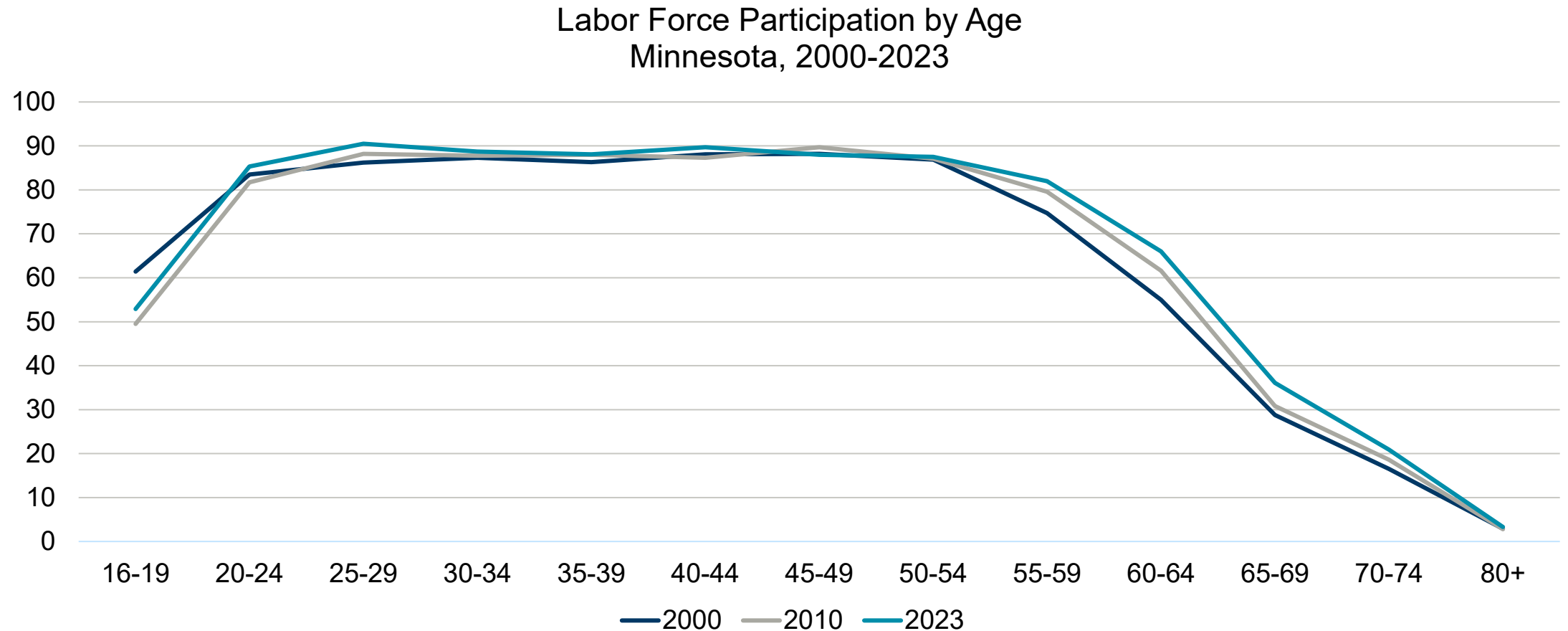
Susan Brower, Minnesota State Demographer
January 27, 2025

Minnesota's labor force growth has slowed; growth will remain slow into the foreseeable future.



Sources: 1970-2000: ipums.org from U.S. Census Bureau data. 2010-2024: U.S. Bureau of Labor Statistics, LAUS. November 2024 labor force statistics: MN DEED LMI LAUS

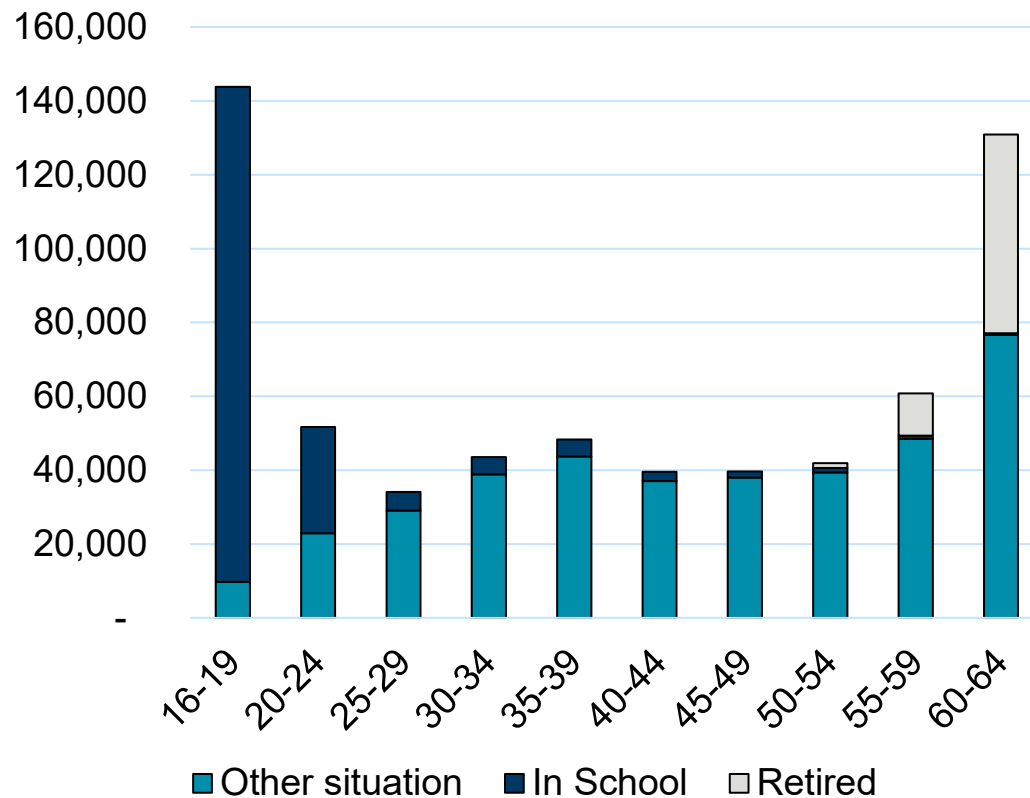
Labor force participation rates have changed for the oldest and youngest workers.



Sources: U.S. Census Bureau Decennial Census (2000) and American Community Survey (2010 and 2023)

Who is not in the labor force?

Not in the Labor Force by Age and Life Circumstance, 2023

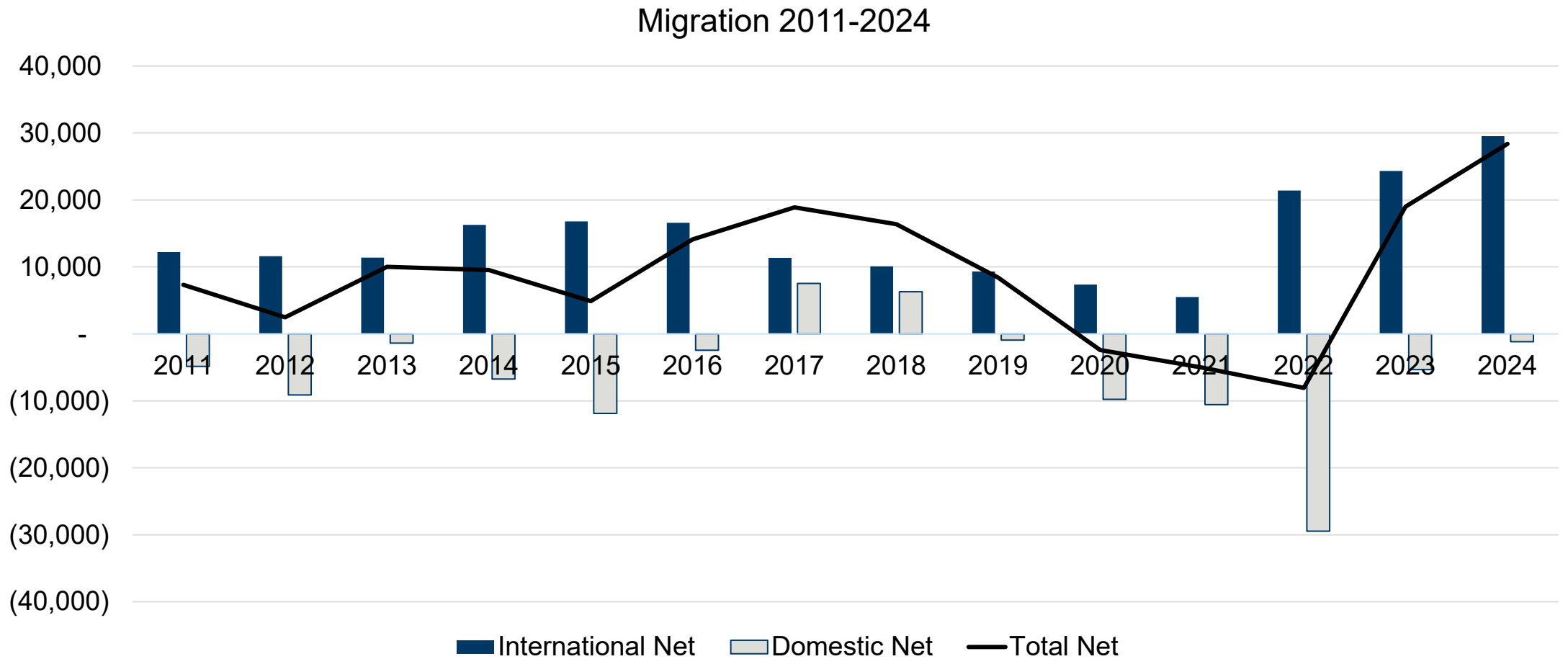


In 2023, **634,000** Minnesotans ages 16 to 64 years were not in the labor force.

- **184,000** were in high school or post-secondary school
- **67,000** were retired
- The remaining **384,000** people include parents of young children; other caregivers; people with disabilities; and people with mental, chemical, and physical health issues, and others.

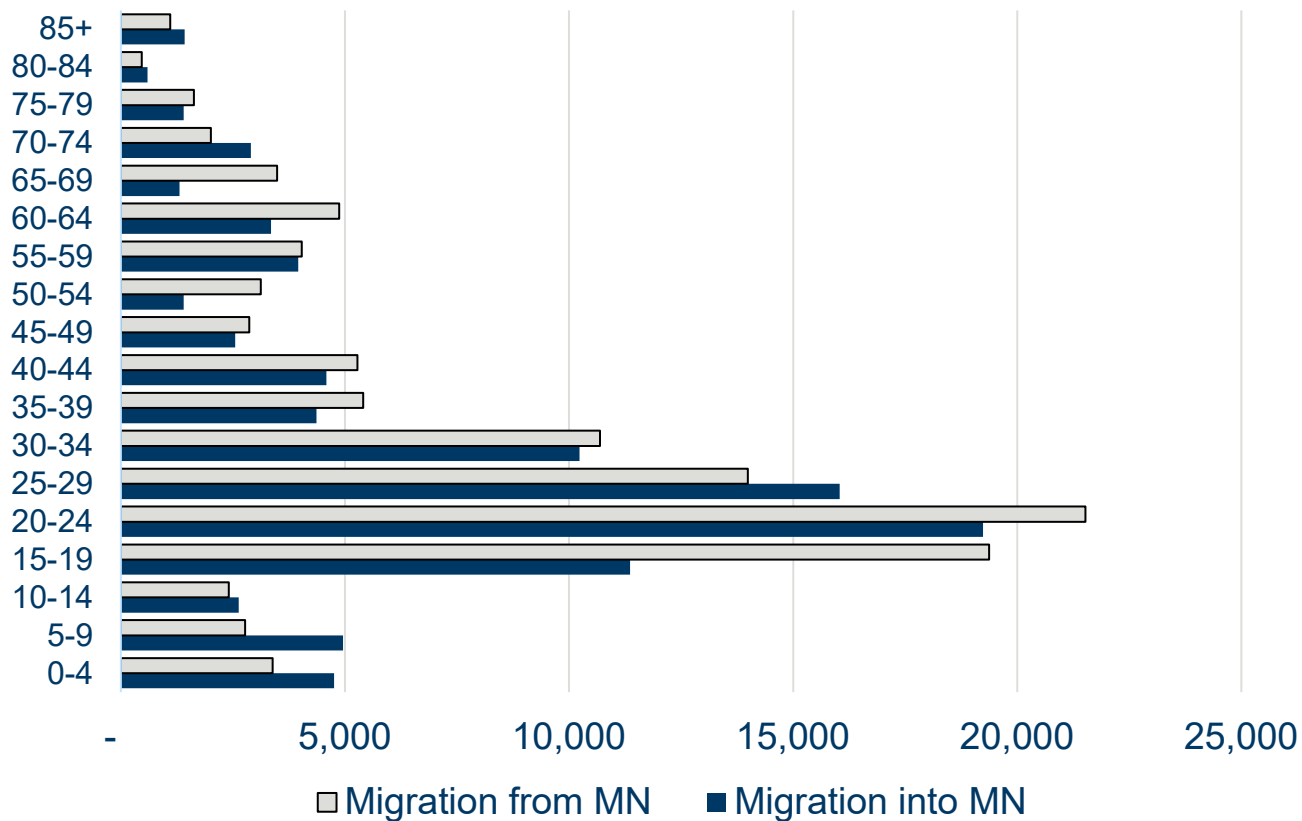
Sources: ipums.org from U.S. Census Bureau, 2023 and American Community Survey data and Minnesota State Demographic Center calculations.

Net international immigration has increased in the past three years.



Young people are the main drivers of migration patterns.

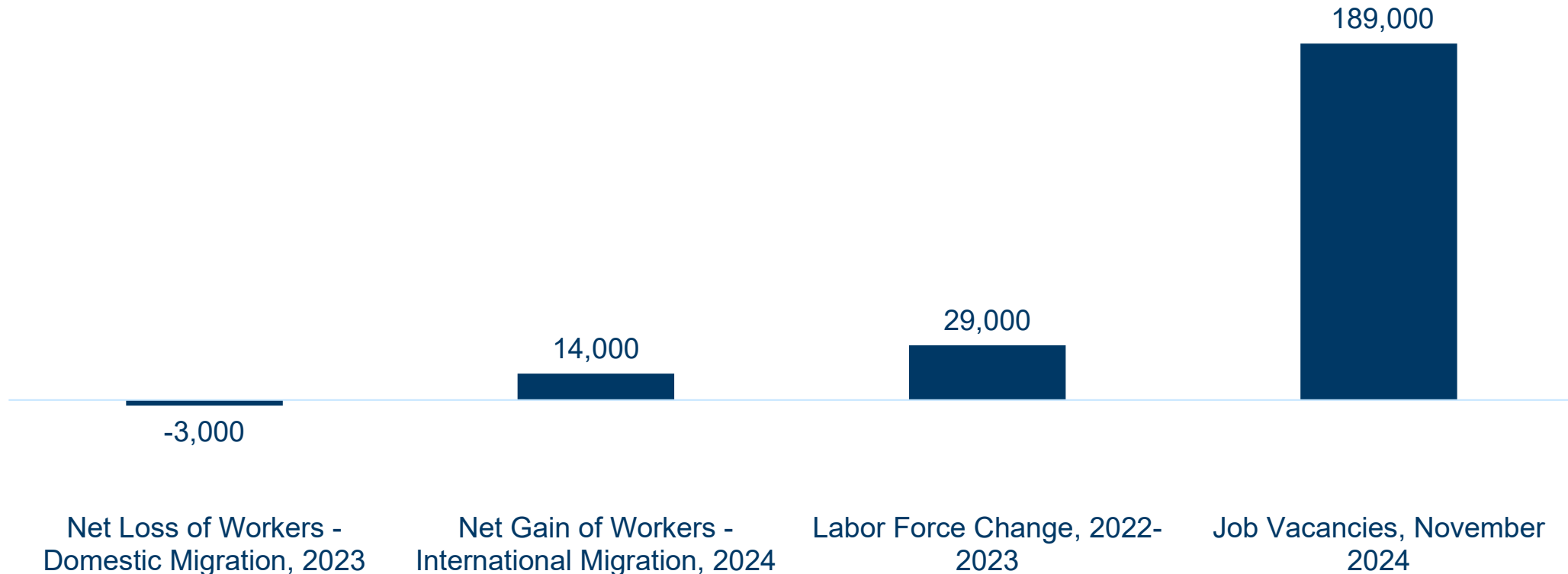
Domestic Migration To and From Minnesota by Age
2023



- Residents in their late teens and 20s are most likely to move to another state.
- Greatest losses occur in the late teen years when many young people leave the state to attend college.
- Some return migration to Minnesota occurs after college, but the return flows are smaller than the out-migration that occurred before college.

The contribution of migration is sizable when compared to recent labor force growth; modest when compared to the need for workers.

Net Migration of Workers, Labor Force Change, and Job Vacancies



Sources: Domestic migration and labor force change data from ipums.org from U.S. Census Bureau, American Community Survey data. International migration from Census Bureau, Population Estimates Program and from ipums.org from U.S. Census Bureau, American Community Survey data. Job openings data from U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey, (JOLTS) 2024.

What does slower labor force growth mean?

Ongoing labor force shortages likely

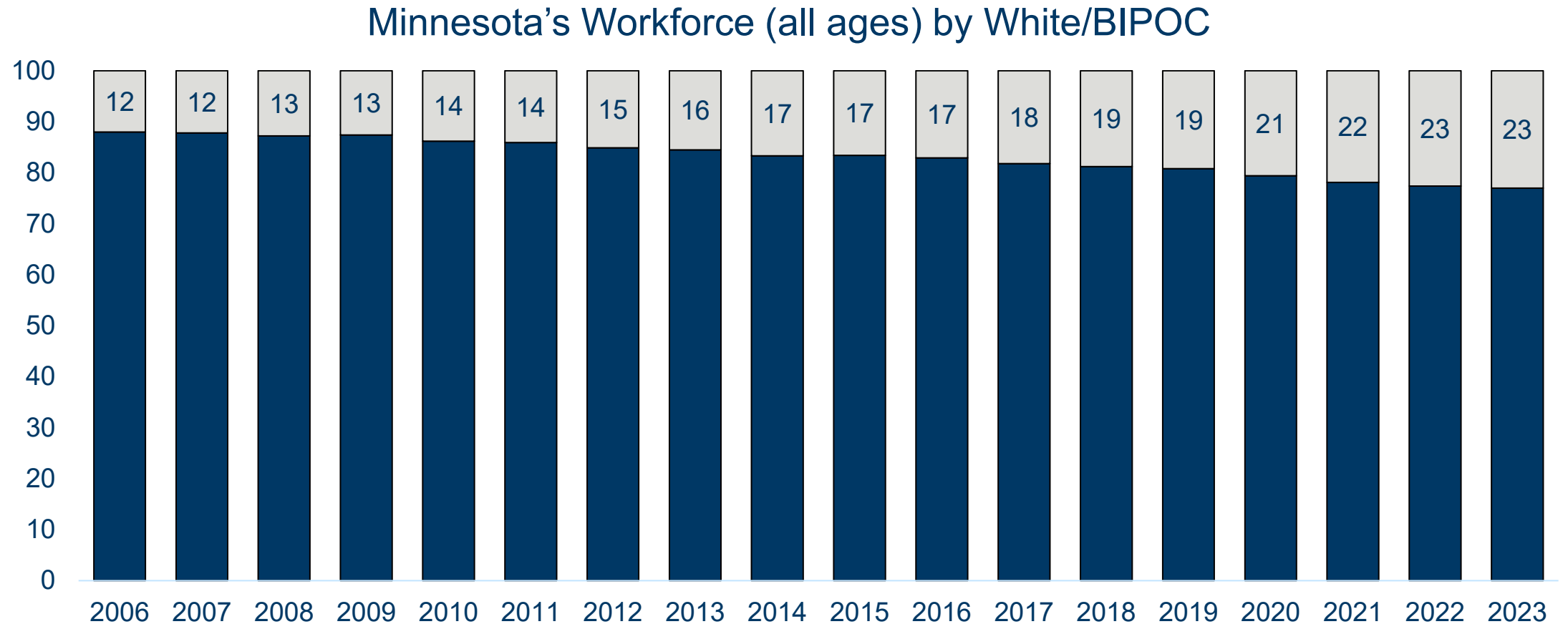
Employees have choices about where to be employed

Possible slowdown in economic growth (GDP)

Policy focus on essential jobs, higher paying jobs, and jobs with career pathways



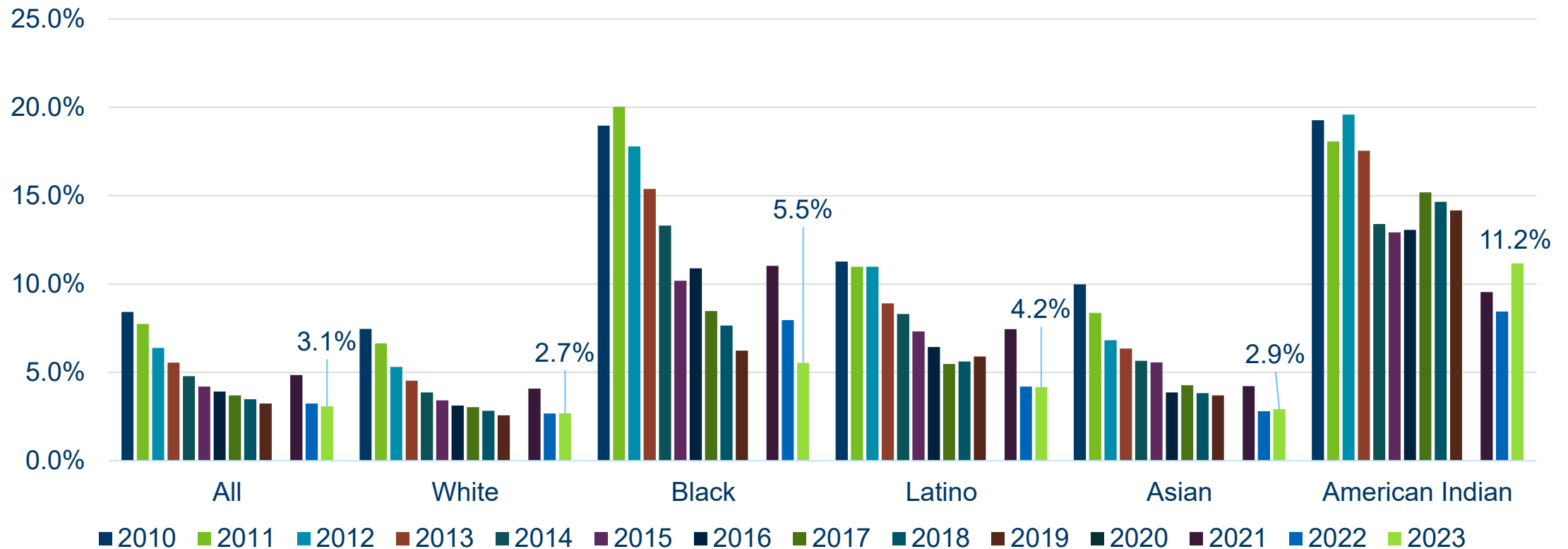
People of Color now make up 23% of Minnesota's workforce.



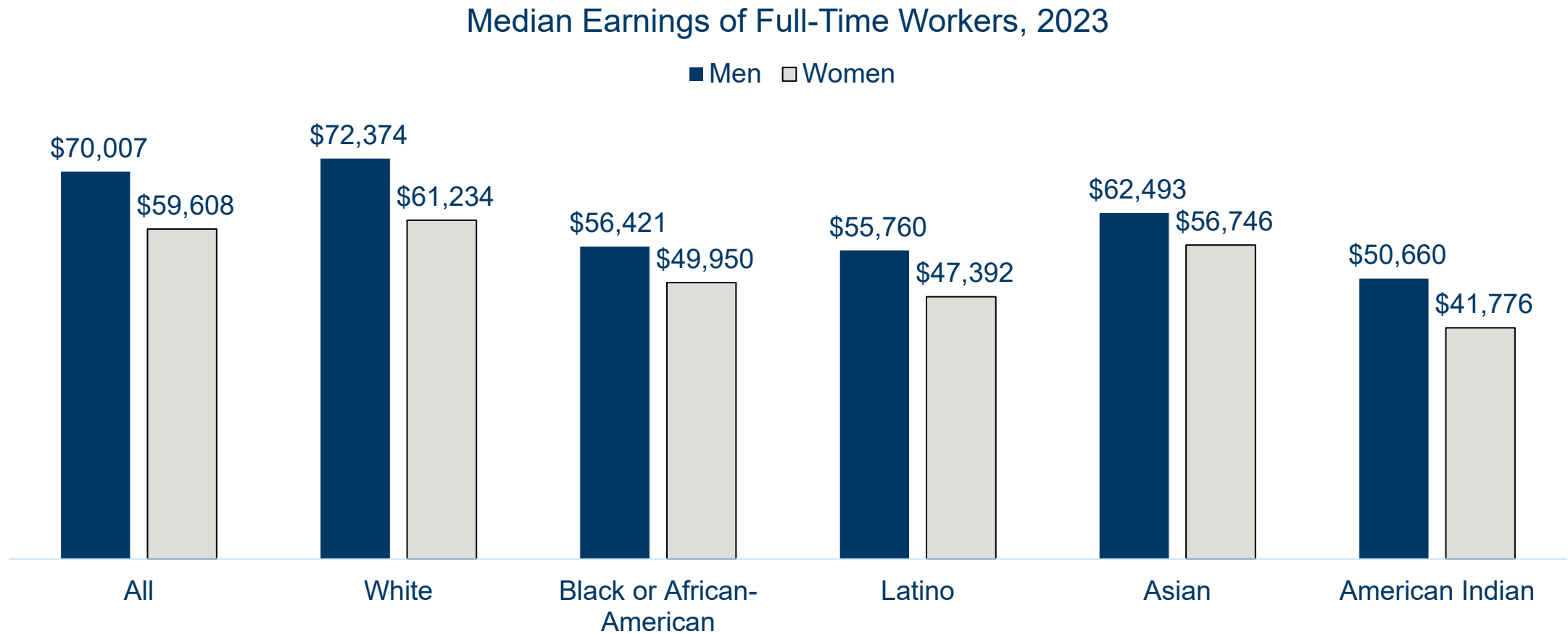
Source: ipums.org from U.S. Census Bureau, American Community Survey data

Unemployment has declined for most racial groups since pandemic.

Unemployment Rate by Race
Minnesota, 2010-2023



Disparities in earnings remain across race and gender.



- Minnesota's workforce will not grow substantially in the future without major changes to migration patterns.
- In the past three years, international immigration has bolstered the modest growth in workforce that Minnesota has experienced.
- The workforce will continue to become more racially and ethnically diverse in the future.
- There have been some improvements in employment for BIPOC workers, but earnings between White and BIPOC workers remain disparate.

Thank you

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