



How Demographic Changes are Transforming Minnesota & the Social Service Landscape



Minnesota Social Service Association
Susan Brower, Minnesota State Demographer
March 2013



Topics for today



Part 1:

- 3 BIG demographic trends
- Your insights and questions

Part 2:

- Trends in income and poverty
- Your insights and questions

3

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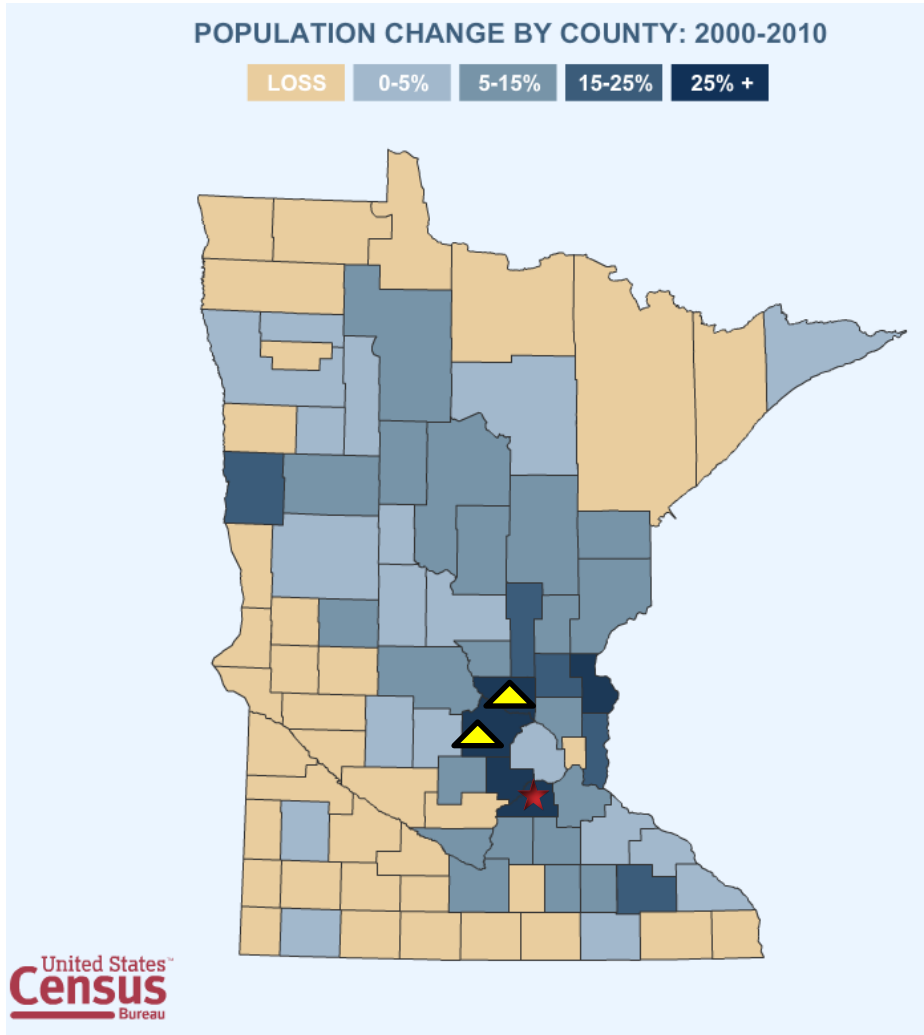
Major demographic
trends in Minnesota



Trend #1:
Post-recession
growth looks new
and different



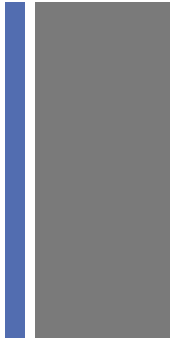
+ Population shifts during last decade (2000s)



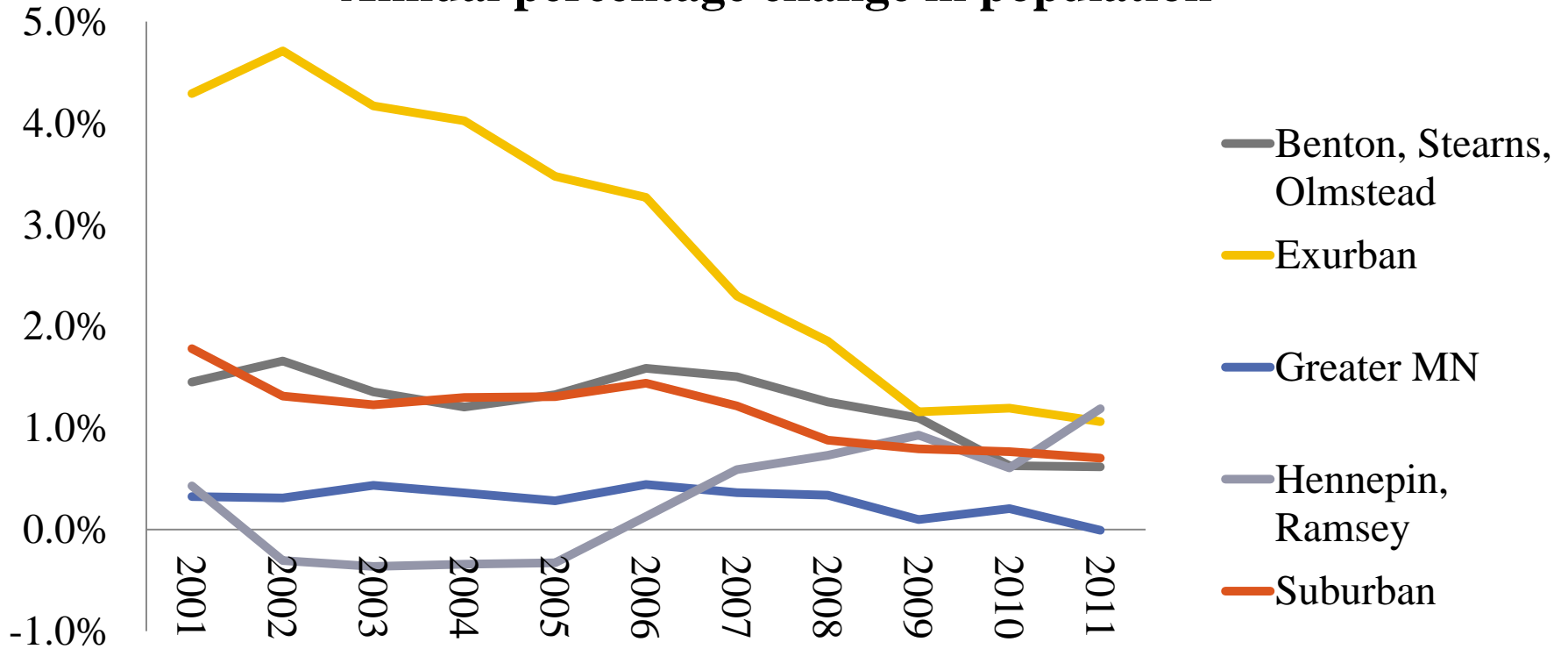
- Greatest growth in was in counties that ring the TC metro, as well as growth in a diagonal pattern across the state
- Sherburne (37%) and Wright (39%)
- Scott=45% growth!



+ Population growth rates have converged over the last decade

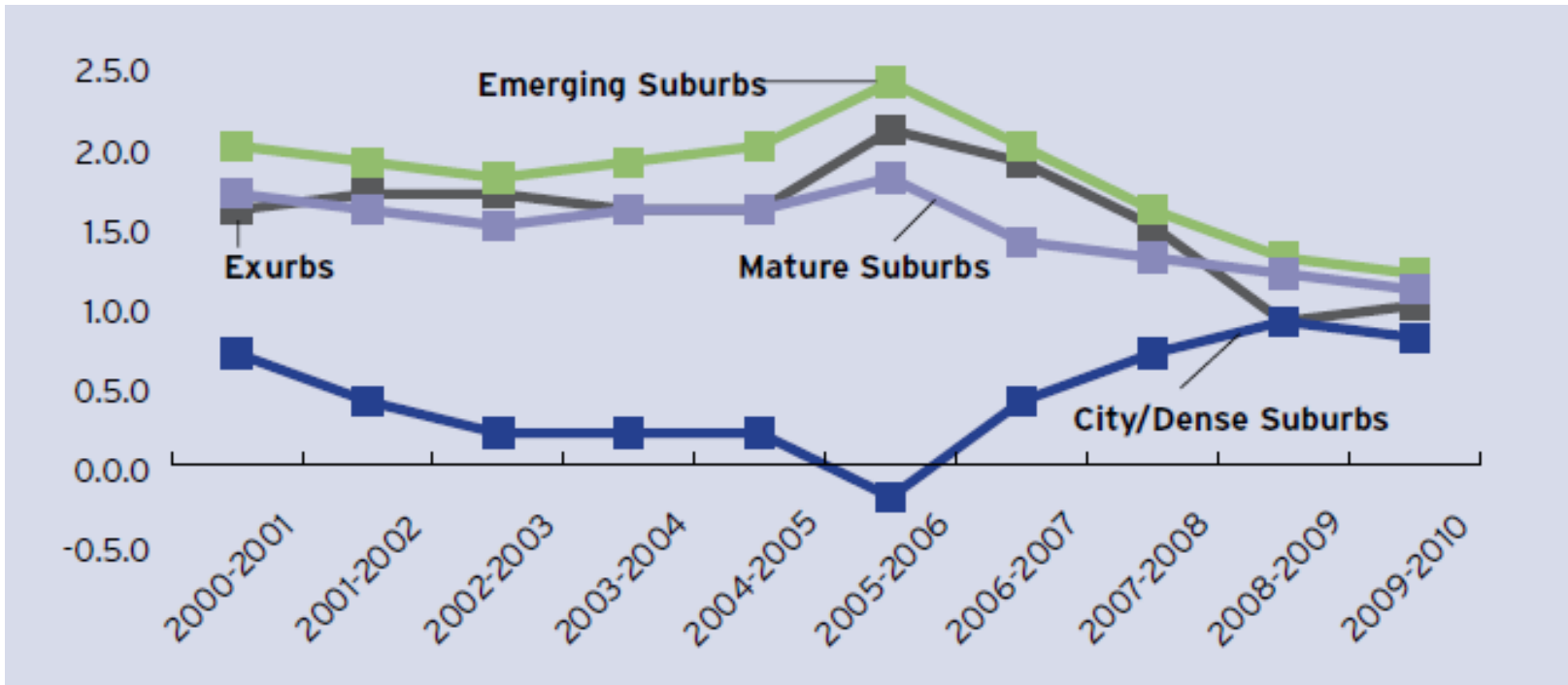
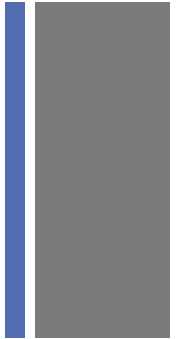


Annual percentage change in population



Source: U.S. Census Bureau

+ Growth rates are converging nationally too



Source: Brookings Institution

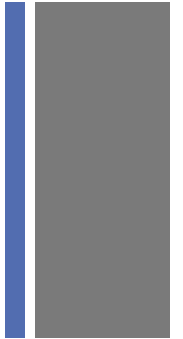


Trend #2:
Population aging
is beginning to
affect MN and the
nation

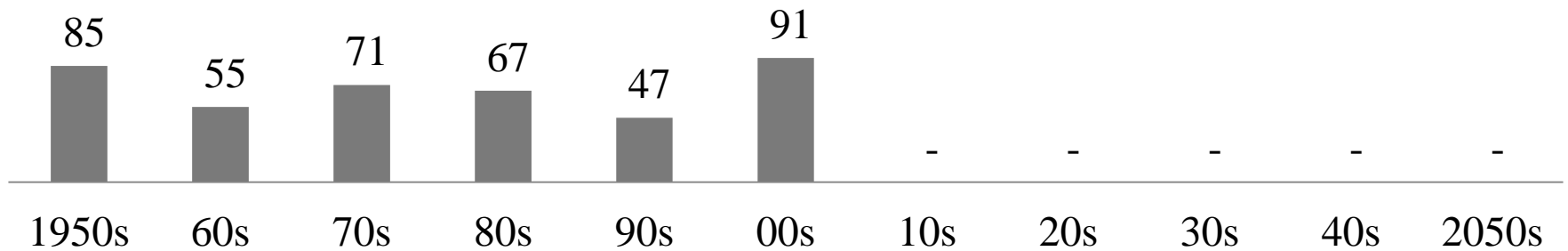
Aging



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

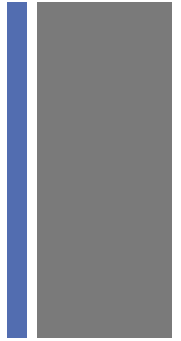


Change in older adults, age 65+ (Thousands)

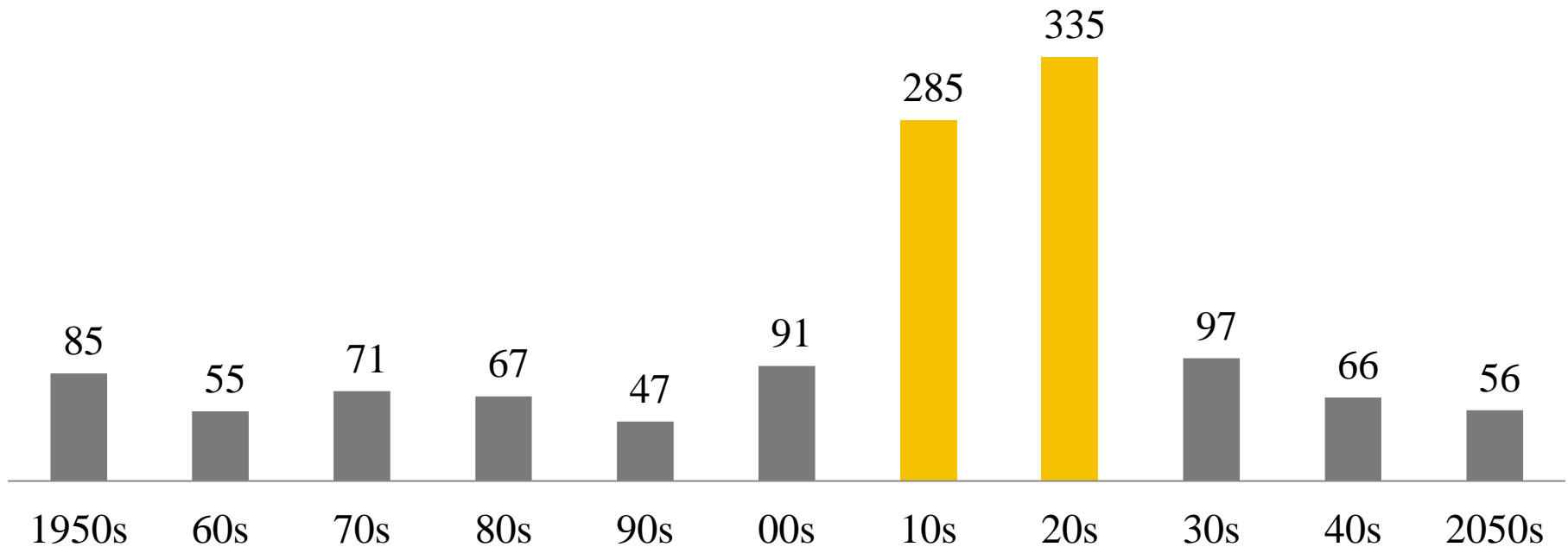


Sources: U.S. Census Bureau and Minnesota State Demographic Center

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



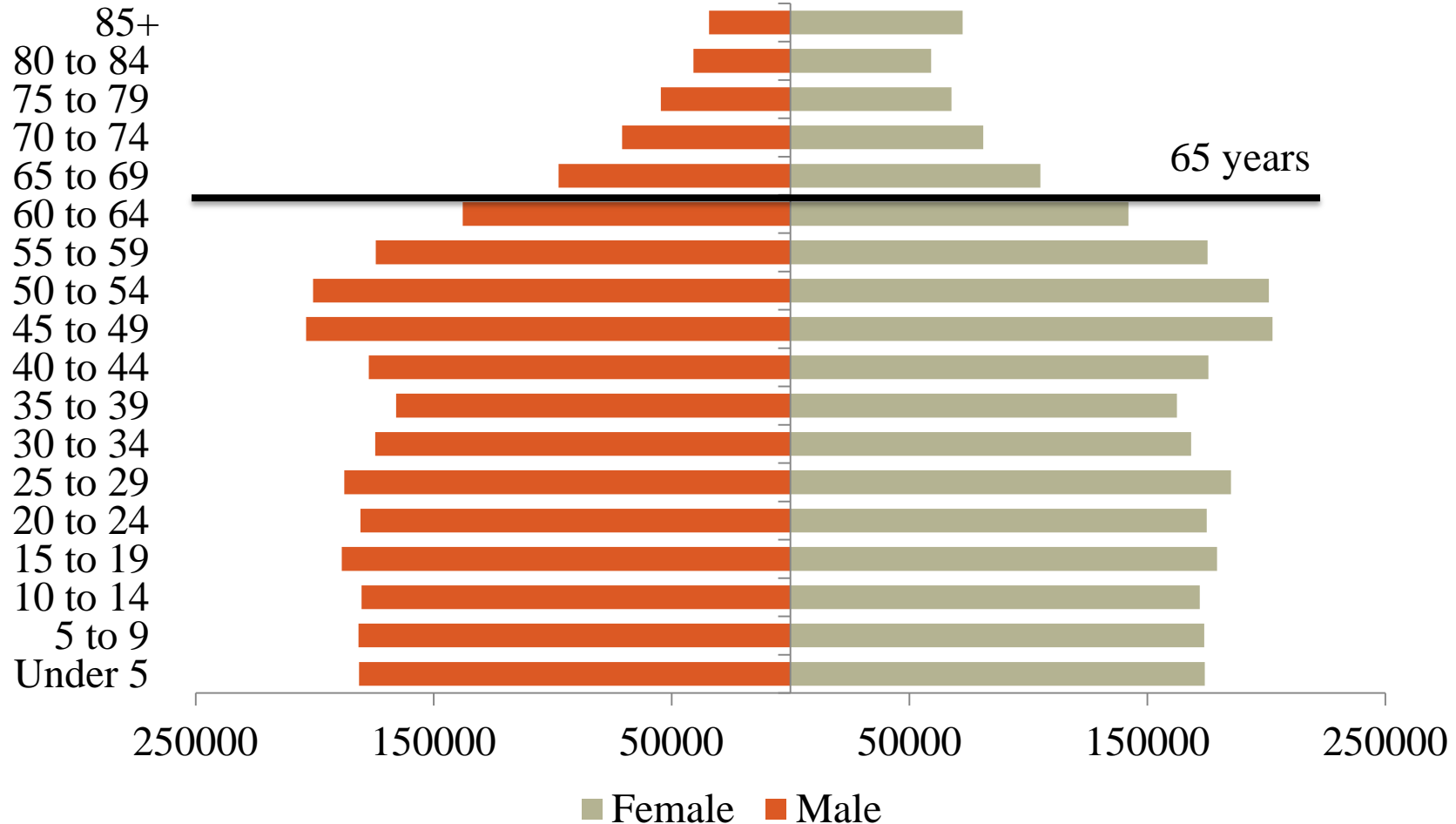
Change in older adults, age 65+ (Thousands)



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

+ Why are changes so marked now?

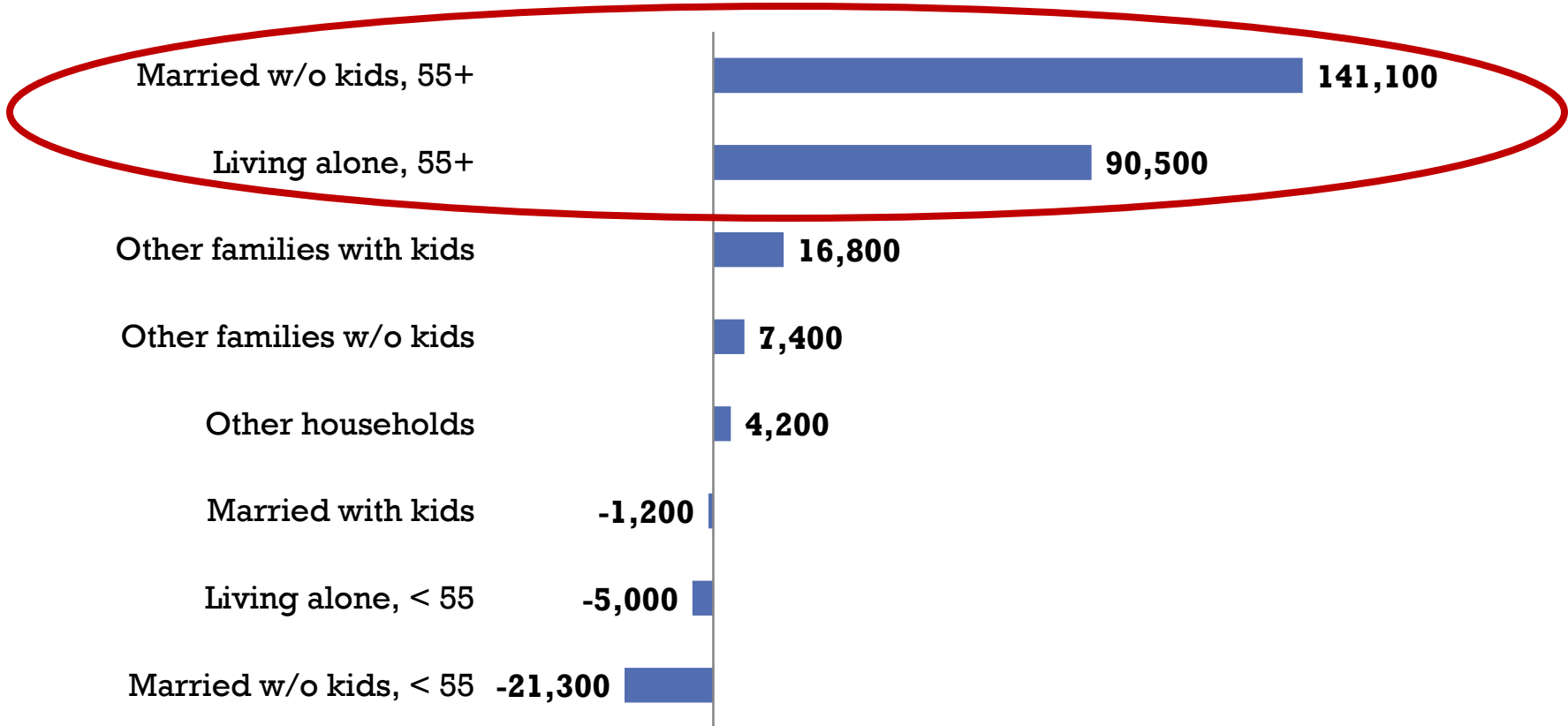
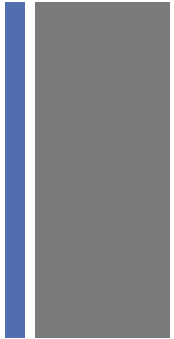
Population by age and sex Minnesota, 2010



Source: U.S. Census Bureau

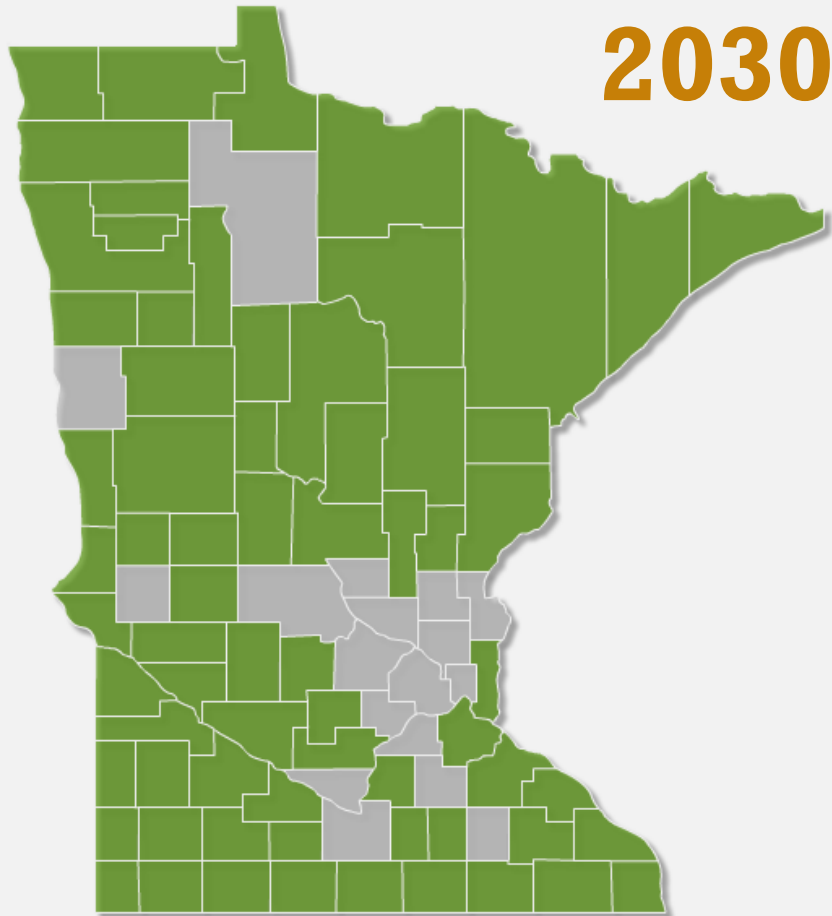
+

Minnesota expected household growth, 2010-20



Source: Minnesota State Demographic Center. Numbers are rounded.

+ By 2030, only a handful of counties will not have 1 in 5 older adults

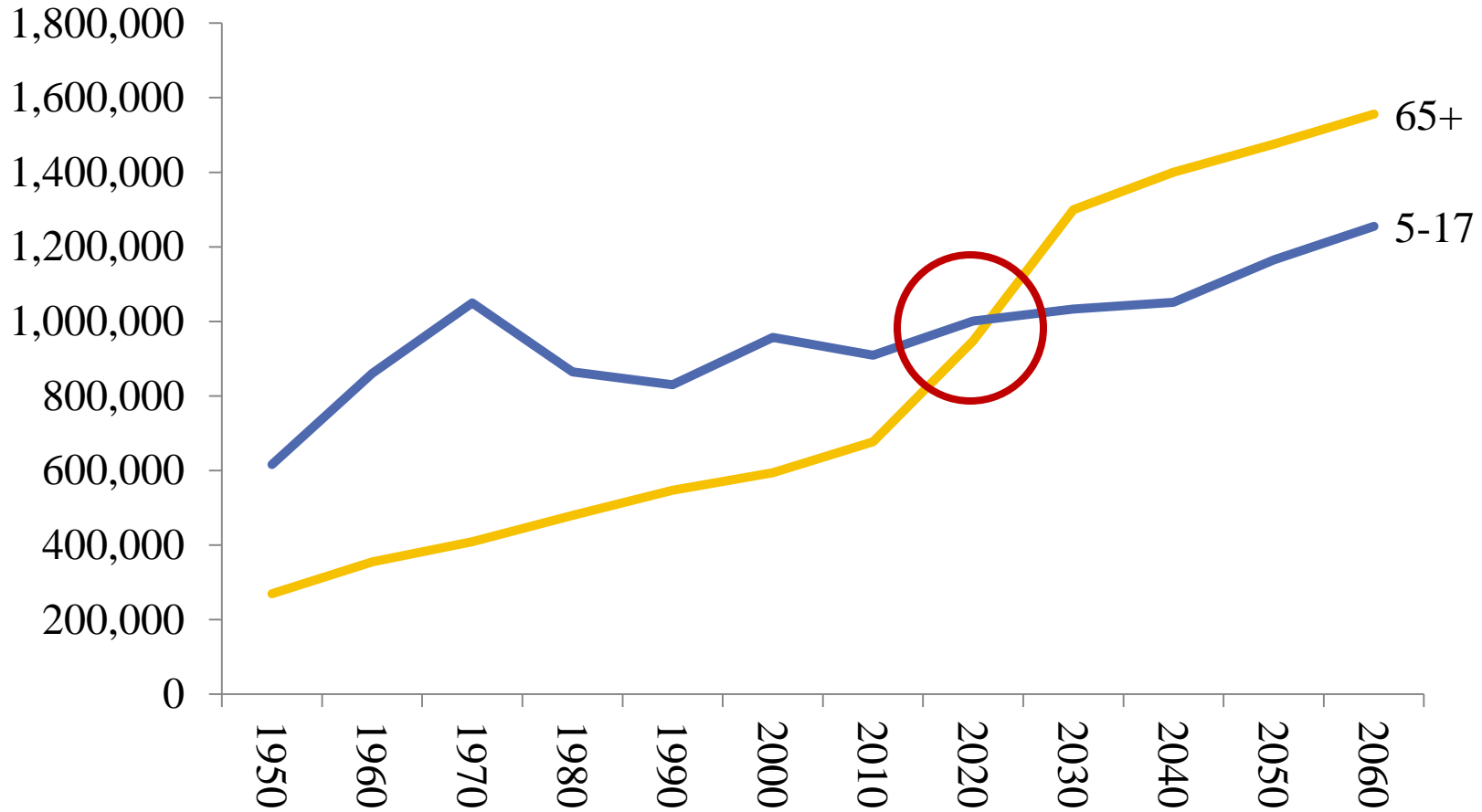
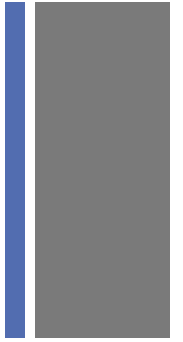


More than 1 in 5 people age 65 or older:

- In 22 counties (2010)
- In 48 counties (2020)
- In 69 counties (2030)



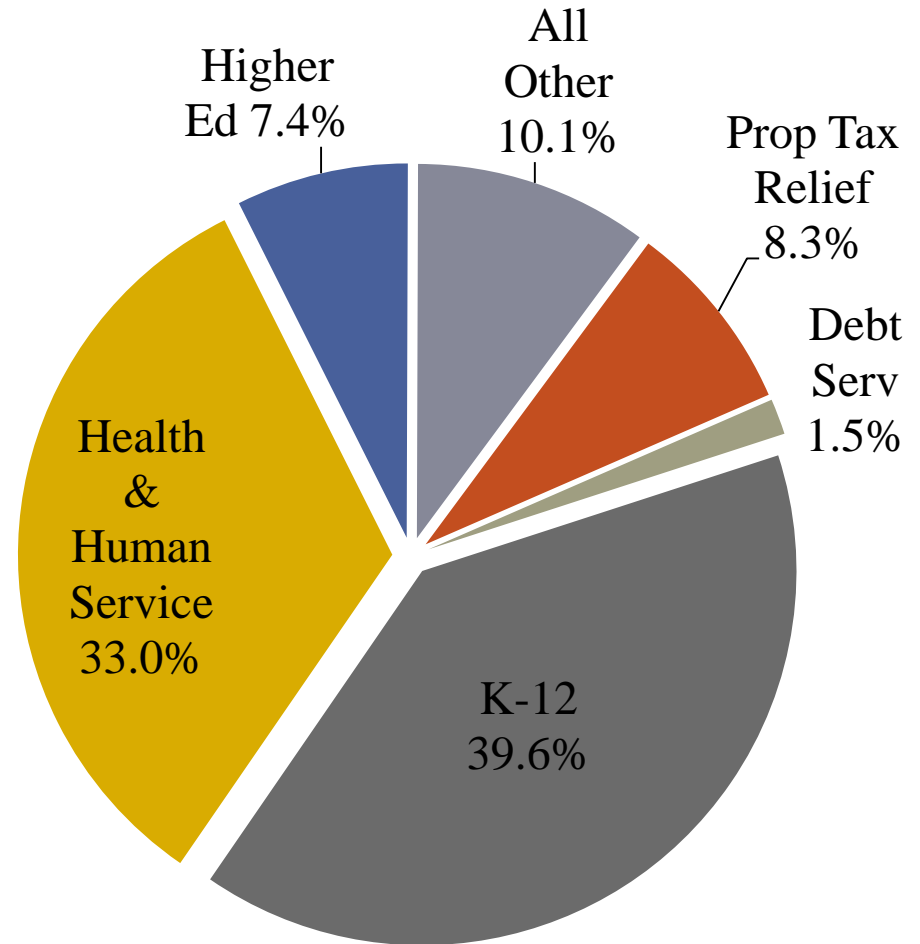
For the first time in MN history: More 65+ than school-age by 2020





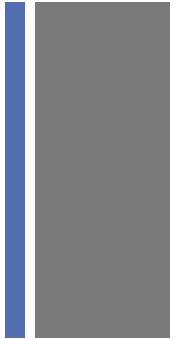
Changing Demand for Government Services

Budgeted General Fund Expenditure FY 2012-13

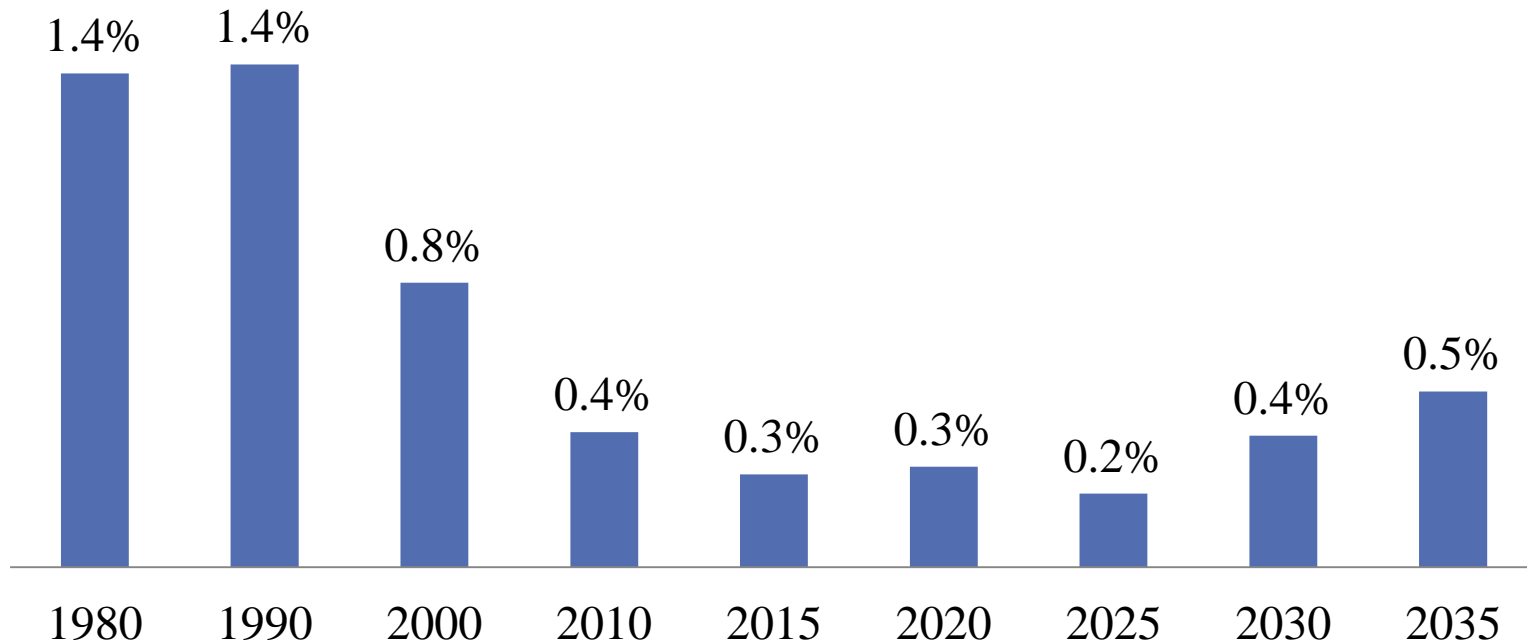


Source: Minnesota Management and Budget

+ MN's labor force growth is projected to slow



Average Annual Labor Force Growth, 1980-2035

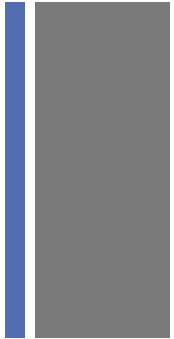


Source: MN State Demographic Center projections



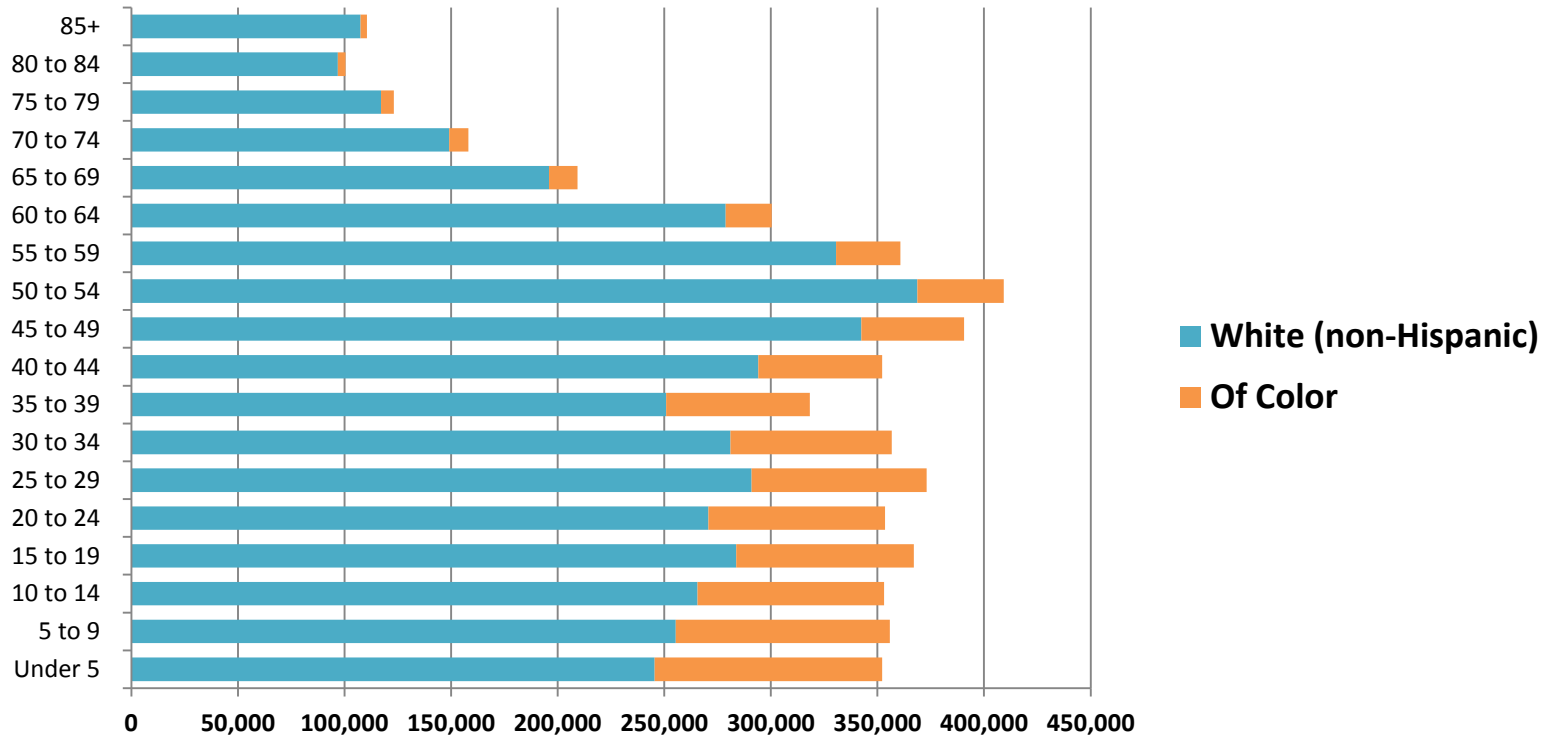
Trend #3:
Minnesota and the
Twin Cities are
becoming more
diverse, but trail
the nation





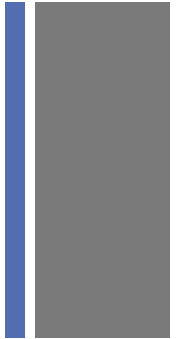
A portrait of Minnesota, 2011

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

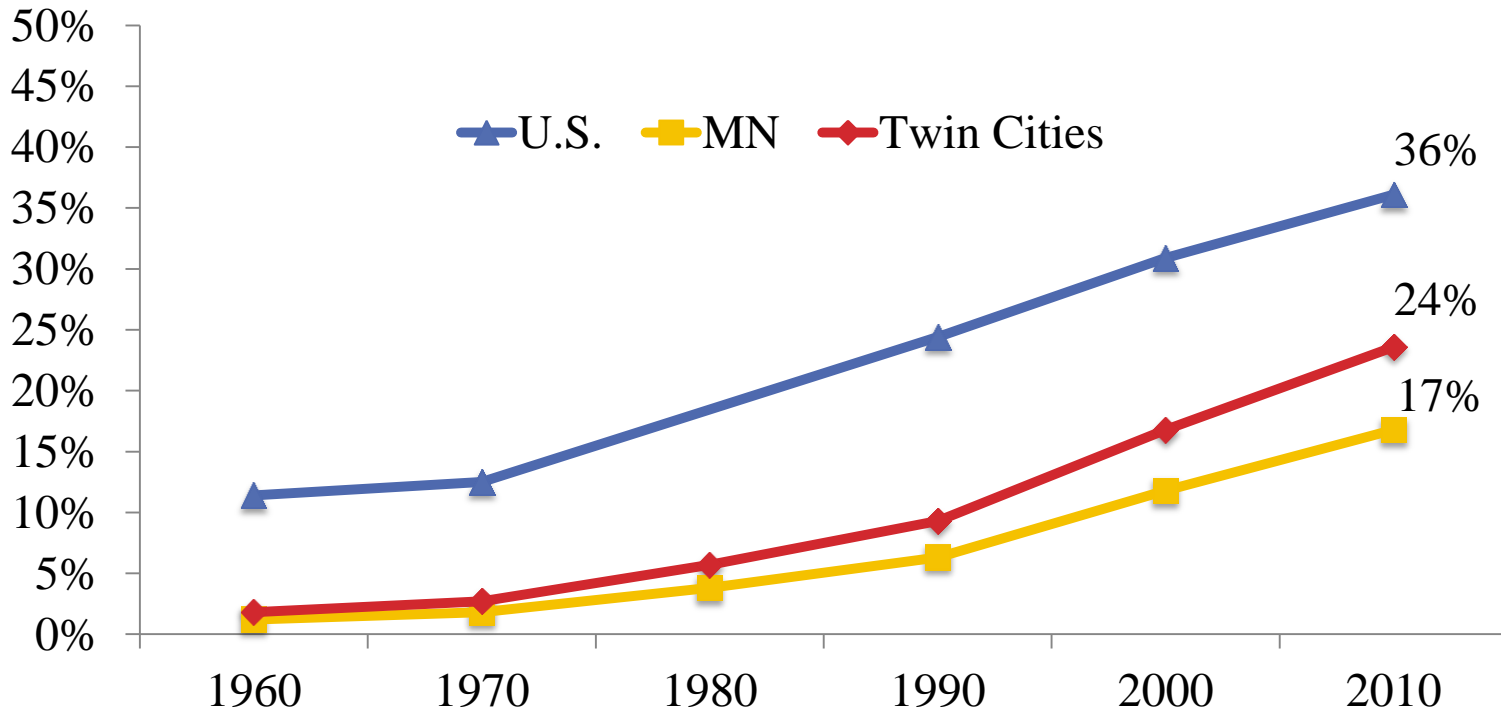


Source: 2011 Population Estimates, U.S. Census Bureau.

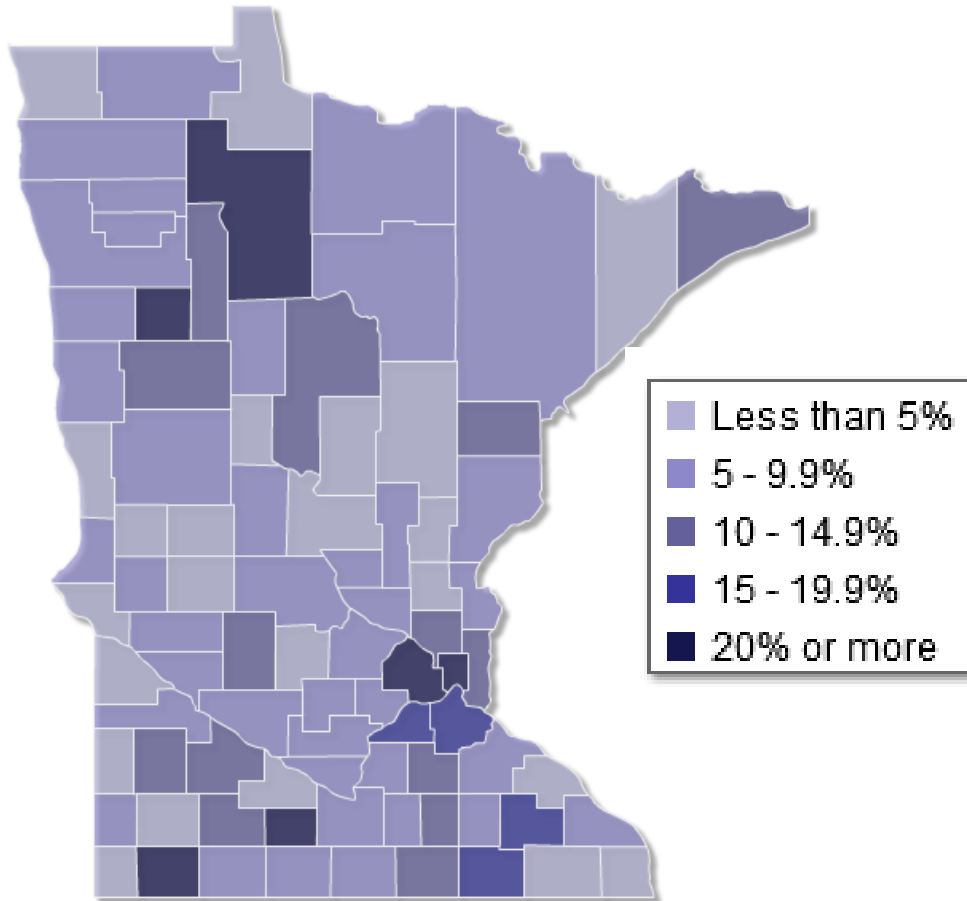
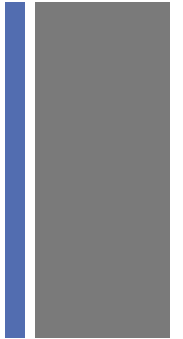
+ 50 years of growing diversity in our region, state, nation



Percent Of Color 1960-2010



+ Demographics: We are diversifying (unevenly)



Percent of Color

20%+

- Hennepin, Ramsey, Mahnomon, Beltrami, Watonwan, Nobles

15-19%

- Scott, Dakota, Mower, Olmsted

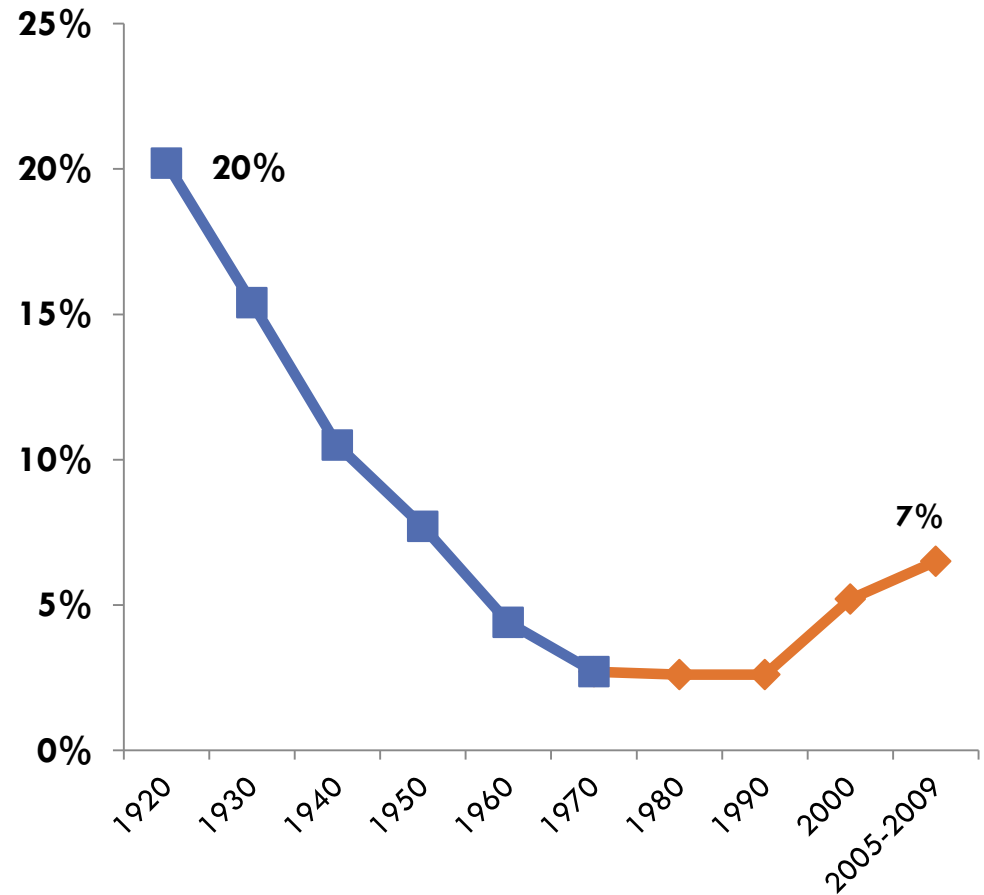
5-14%

- 54 additional counties



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

Percent Foreign Born
Minnesota 1970-2009

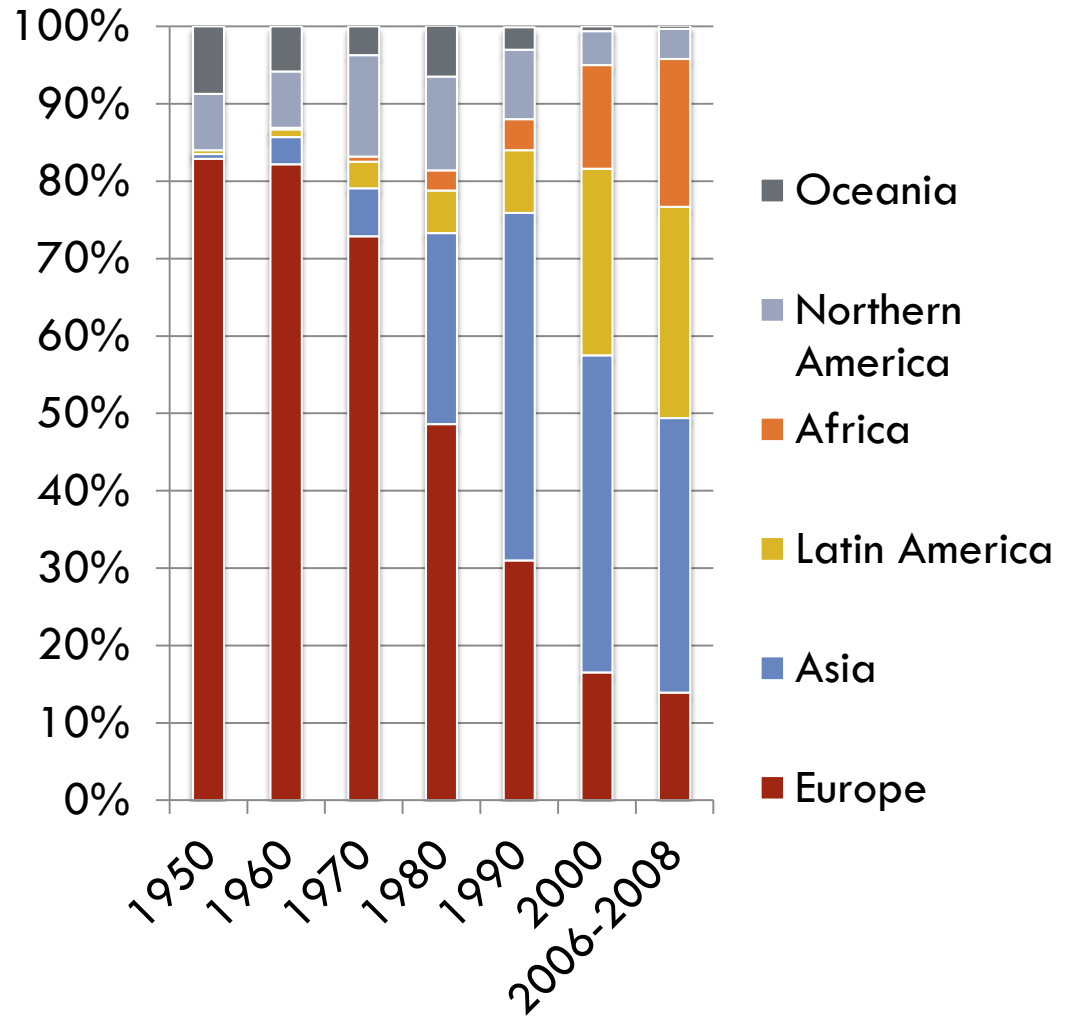


Source: U.S. Census Bureau



Our foreign-born population is becoming increasingly diverse

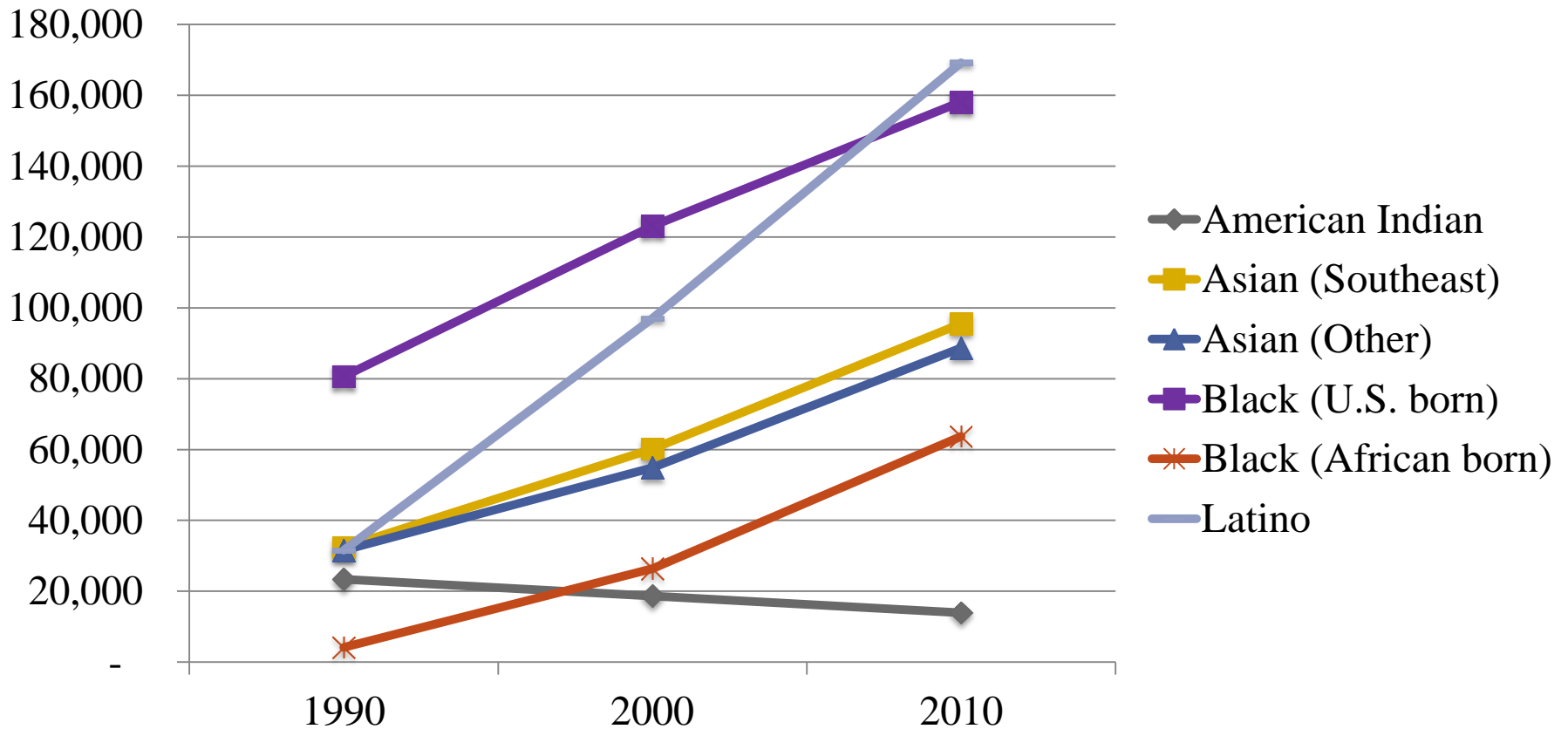
Foreign Born by World Region of Birth
Minnesota 1950-2008



Source: mncompass.org



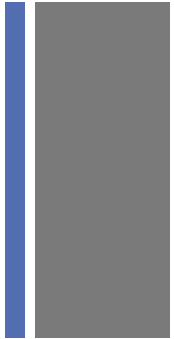
Many populations of color increased rapidly in the Twin Cities in the past two decades



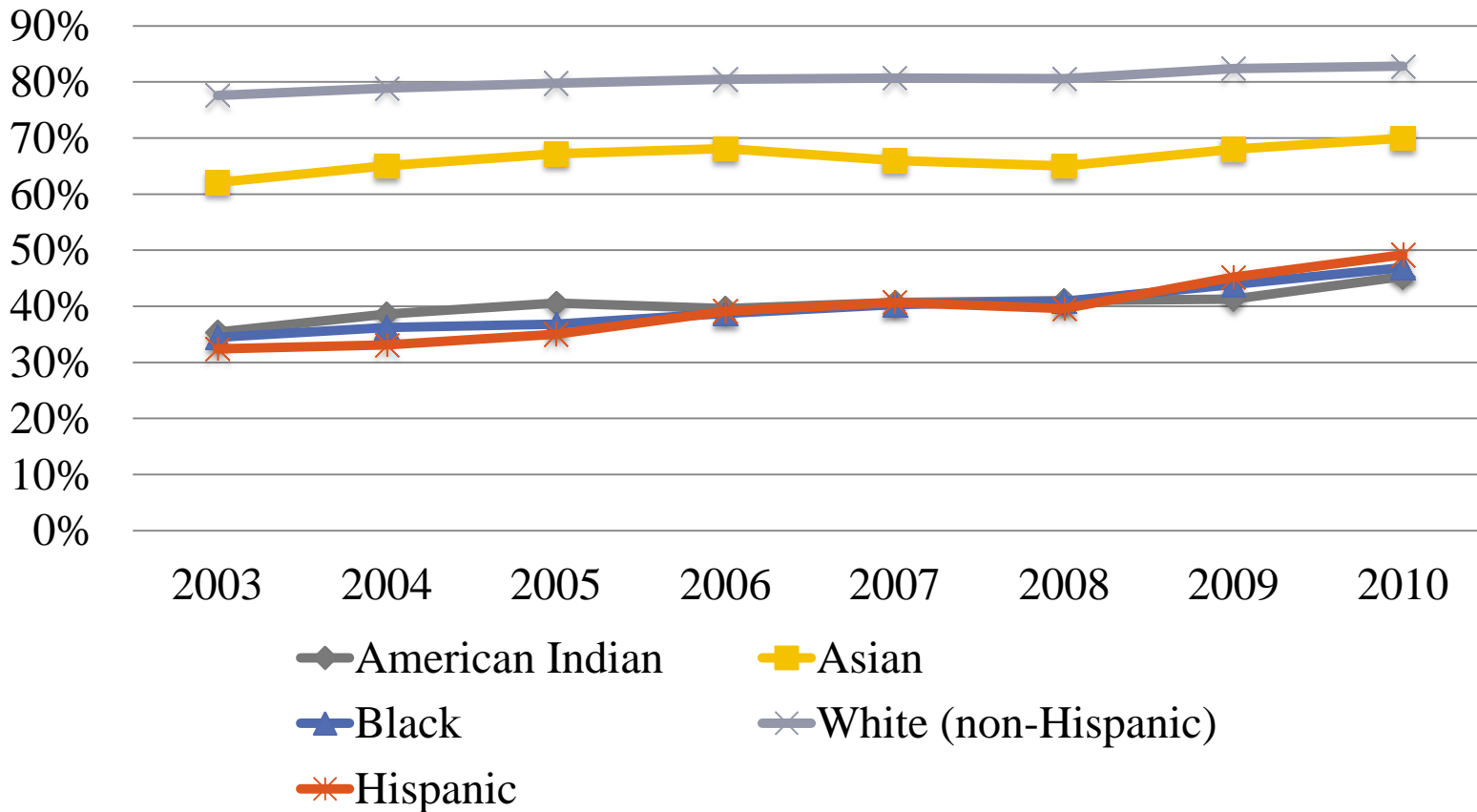
Source: Integrated Public Use Microdata Series



Large Gaps in High School Graduation Remain

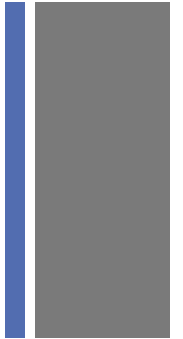


Minnesota High School Graduation Rate

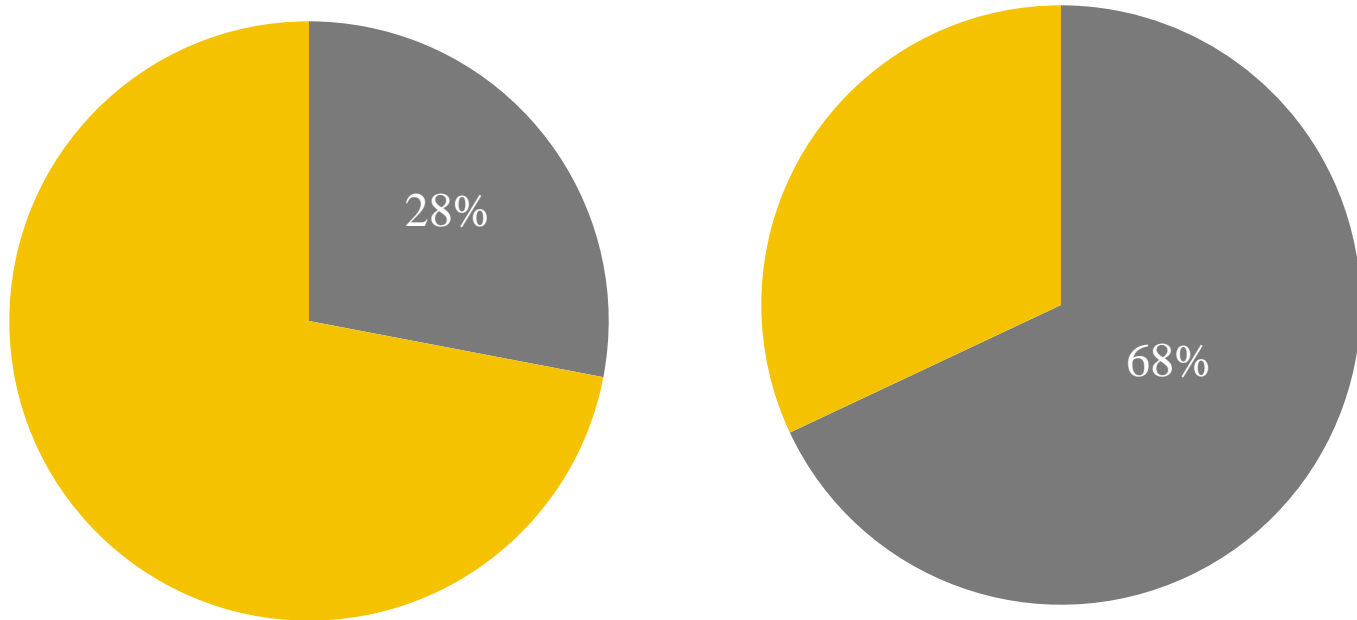


Source: Minnesota Compass

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



Percent of jobs requiring some post-secondary education



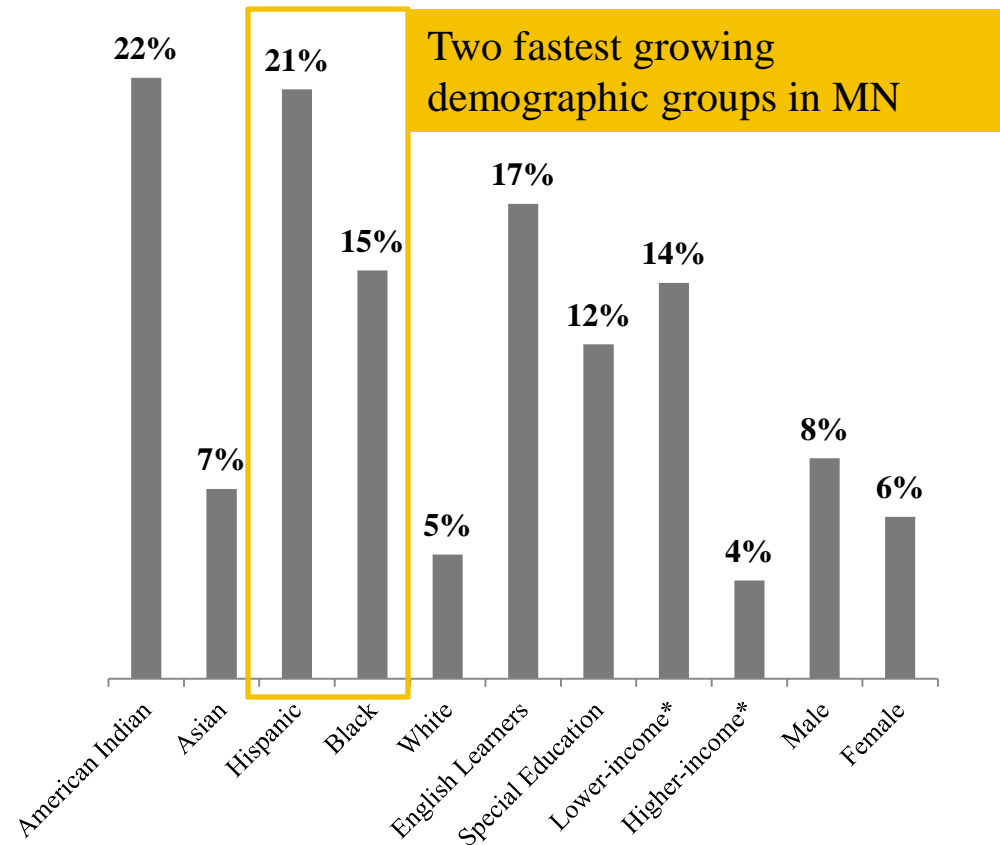
Source: Georgetown University Center on Education & The Workforce



Poor outcomes
after 6 years of
high school for
many students of
color

Percent of students who dropped out after 6 years of high school, by subgroup

Minnesota, 2011



Source: MN Department of Education

+ 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)	2010
----------------------	-----------------	------

1 Babies born at low birth weight (all births including multiples)

2 Rank of states, 2010

3 Real per capita Gross Domestic Product Rank of states, 2010

Rank of states, 2010	States (1=best)	2010
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5 Residents under age 65 without health insurance Rank of states, 2010

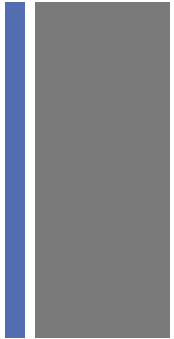
7 Median household income Rank of states, 2010

Rank of states, 2010	States (1=best)	2010
1	Mass	
2	Hawa	
3	Vermi	
4	Minn	
5	Conn	
6	Iowa	
7	Wiscc	
8	Delav	
9	North	
10	Penn	

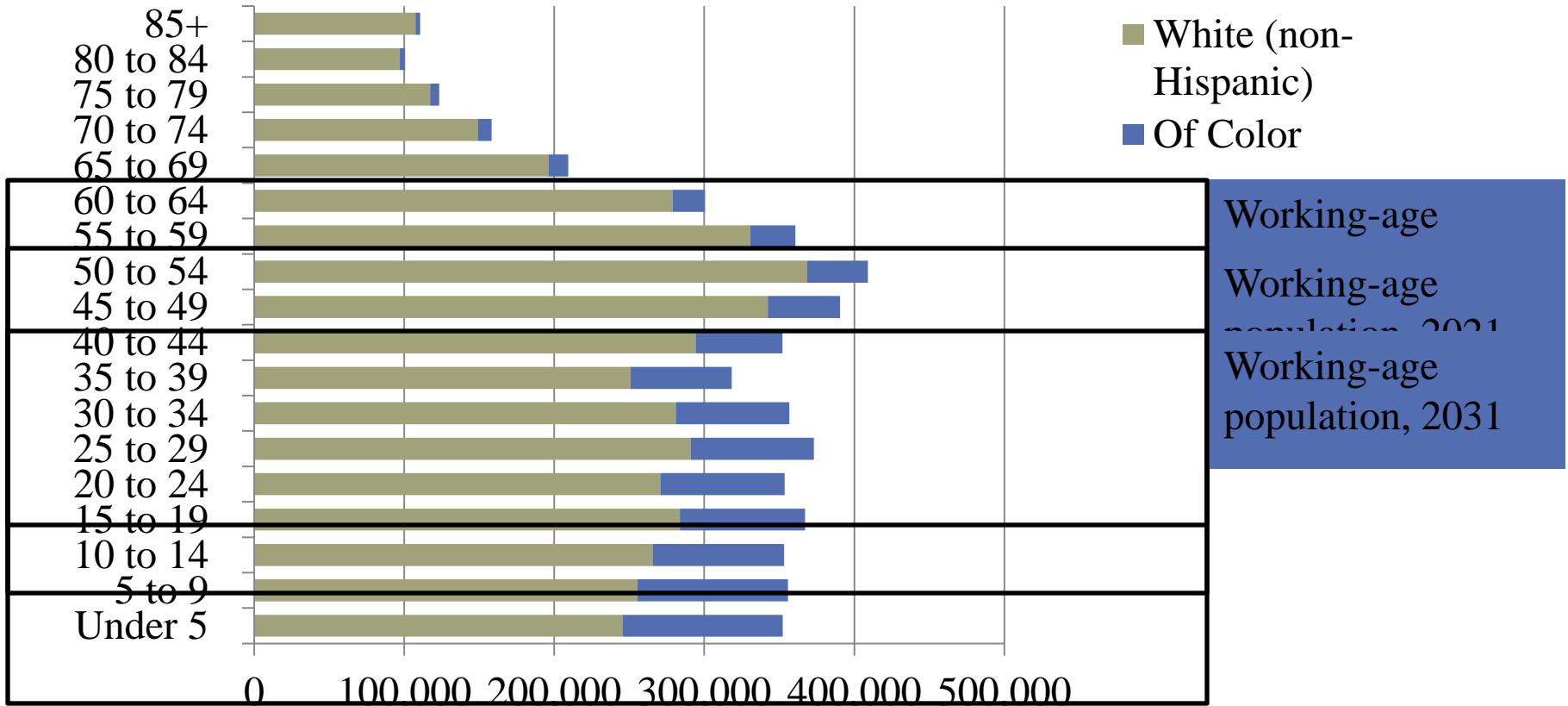
Rank of states, 2010	States (1=best)	2010
1	Maryland	\$68,854
2	New Jersey	\$67,681
3	Alaska	\$64,576
4	Connecticut	\$64,032
5	Hawaii	\$63,030
6	Massachusetts	\$62,072
7	New Hampshire	\$61,042
8	Virginia	\$60,674
9	California	\$57,708
10	Delaware	\$55,847
11	Washington	\$55,631
12	Minnesota	\$55,459

Source: Minnesota Compass

+ A portrait of Minnesota, by age and race, 2011



White (non-Hispanic) and Of Color Population



Source: 2011 Population Estimates, U.S. Census Bureau.

+



What do all of these
changes mean?



Things may
look serious
(they are),
but there are
BIG
opportunities
ahead

- Uneven population growth will require consolidation of services in some areas of the state, expansion in others
- Tighter budgets could mean freedom to try new, innovative approaches
- Tighter budgets mean collaborations will be necessary
- Large organizational change will occur as baby-boomers retire

+

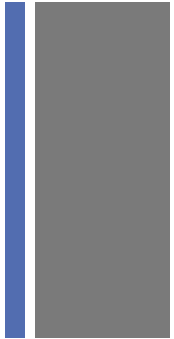
Your insights and questions



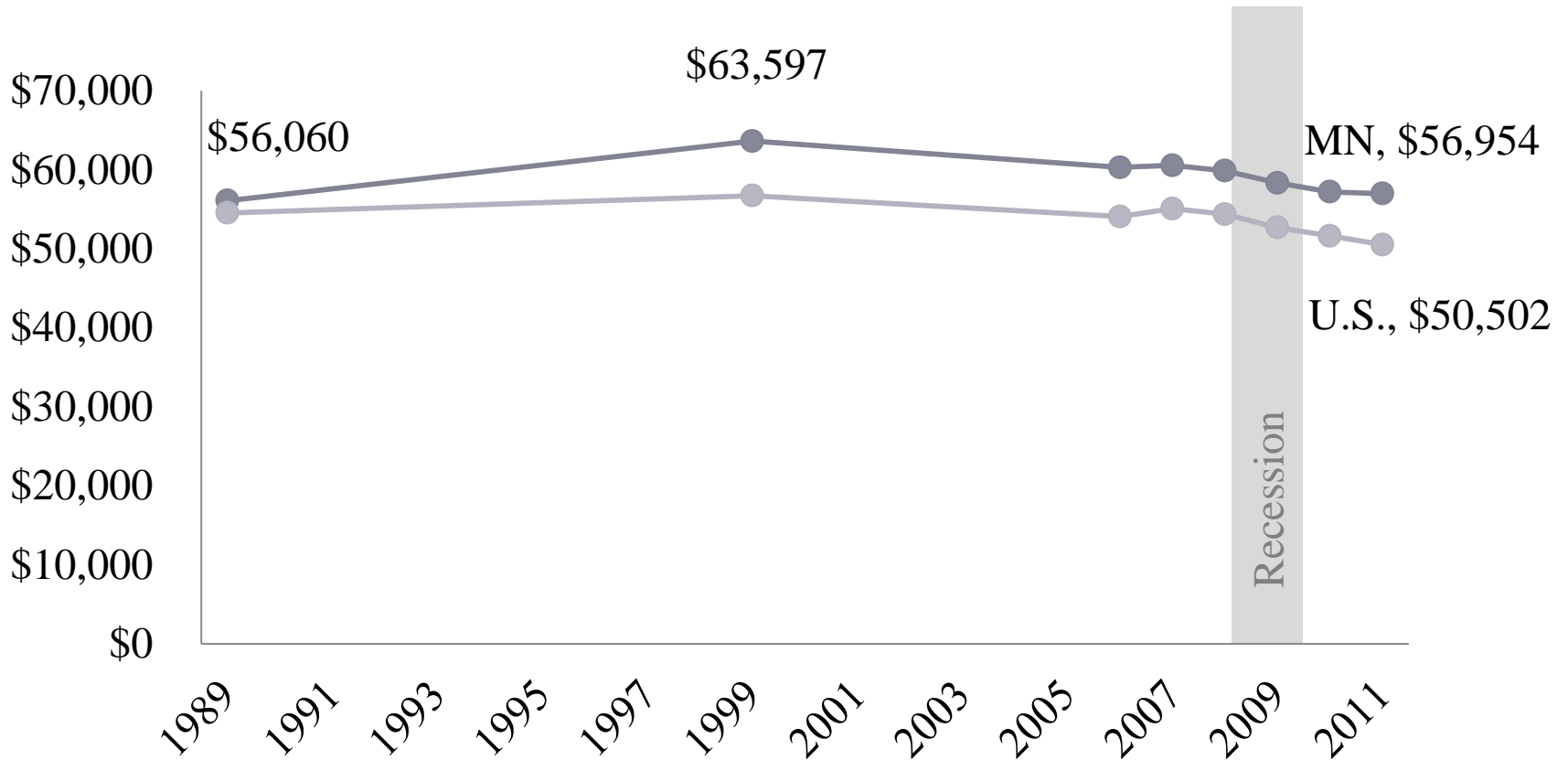
- How will the demographic changes ahead impact your social service organization?
- Will your organization be impacted by massive retirements in the coming years? If so, what are you doing to prepare?

+ Part 2: Employment, Income and
Poverty Trends

+ Median household income has declined over the past decade

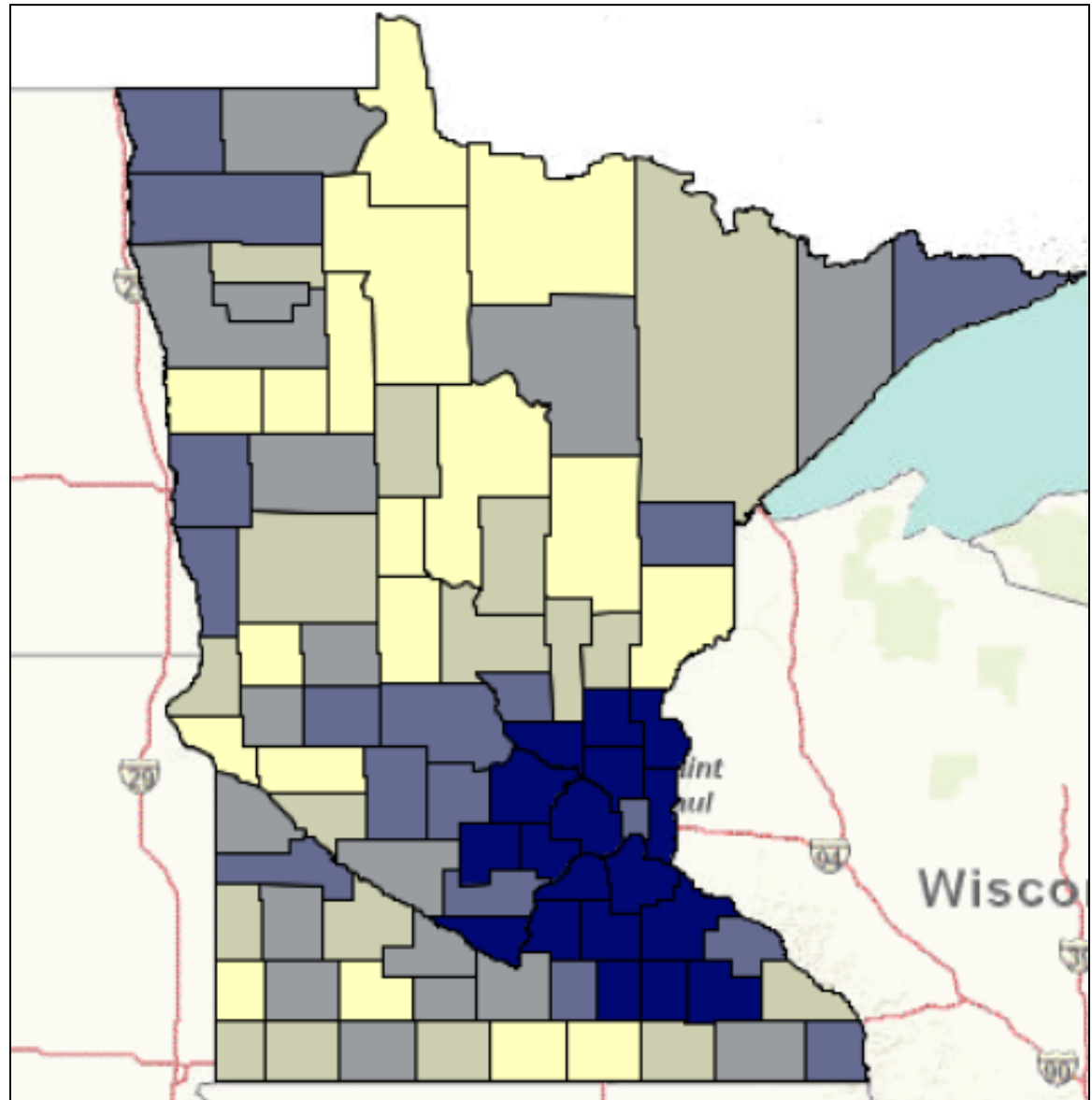
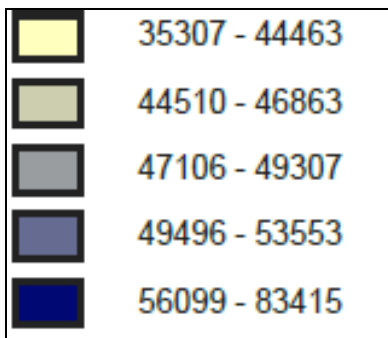


Median Household Income 1989-2011 (2011 Dollars)



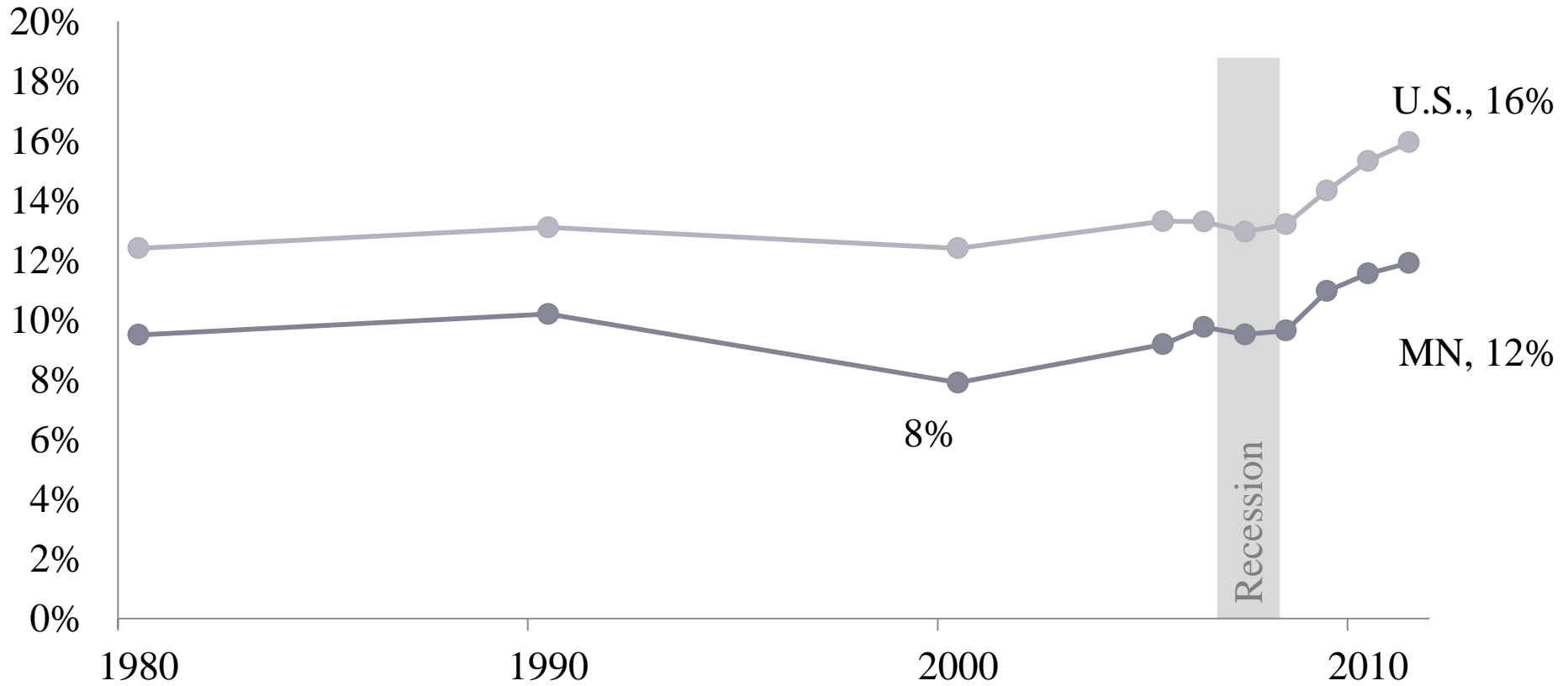
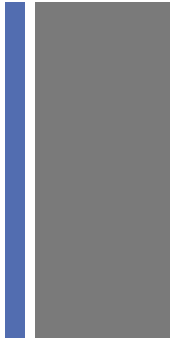
Source: Compiled by MNCompass from U.S. Census Bureau data

Median Household Income 2007-2011



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

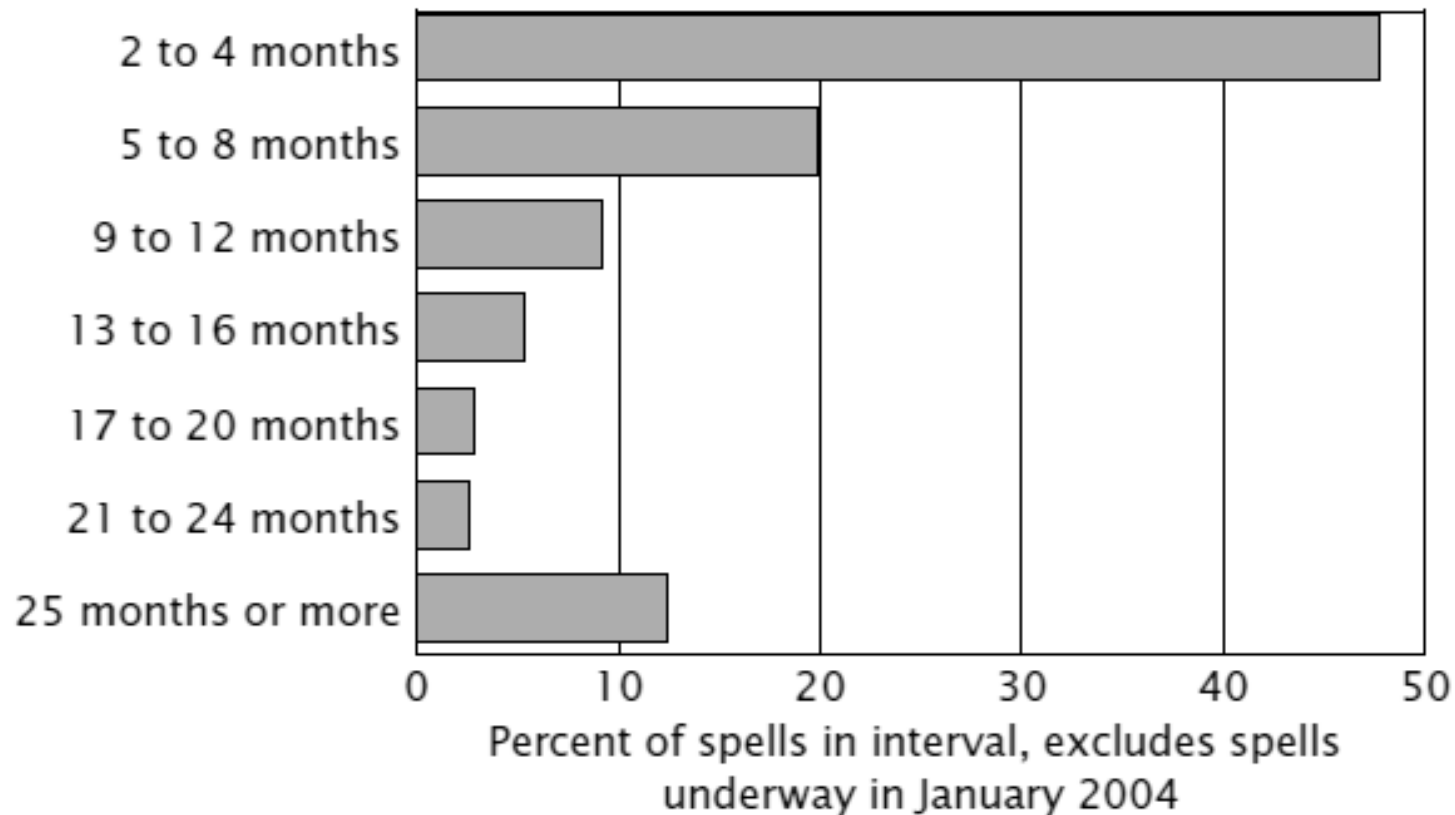
+ Poverty increasing over the Minnesota and the U.S., 1980-2011



Source: U.S. Census Bureau, Decennial Census and American Community Survey
2011 Poverty threshold for a family of four = \$22,811

+ Historically, poverty has been a short-term experience for most

Duration of Poverty Spells: 2004-2006, U.S.



Source: U.S. Census Bureau, Survey of Income and Program Participation, 2004 Panel.

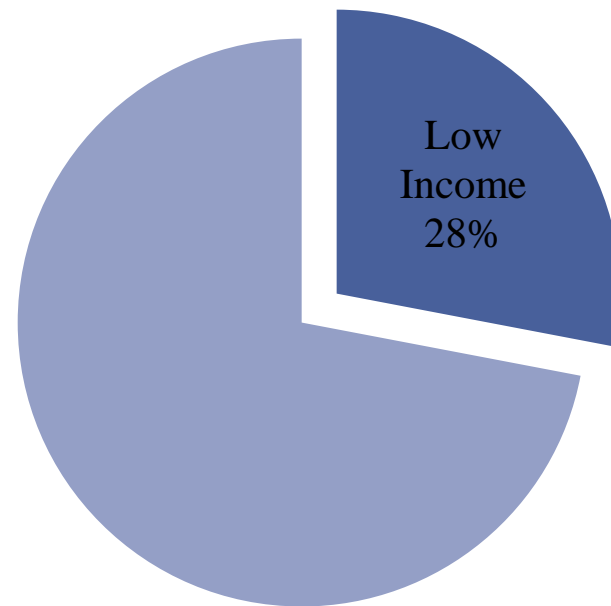
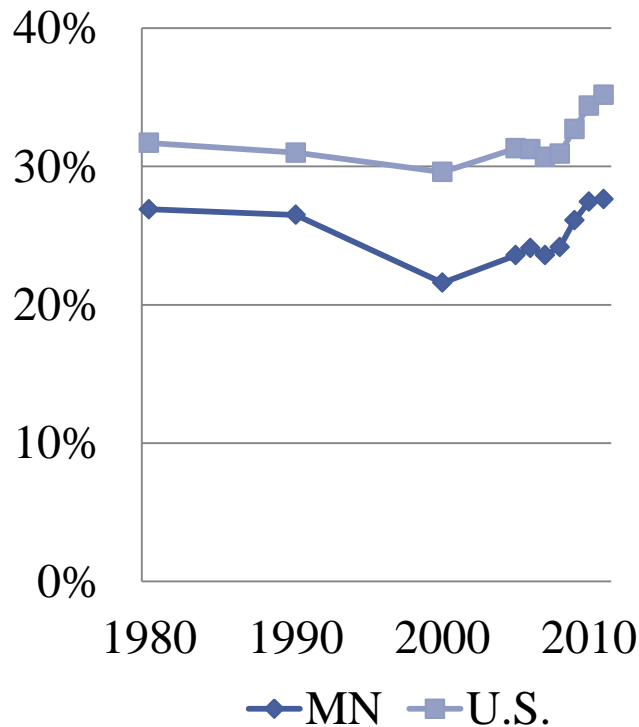


Percent Low-Income (Income <200% Poverty Threshold)



MN and U.S., 1980-2011

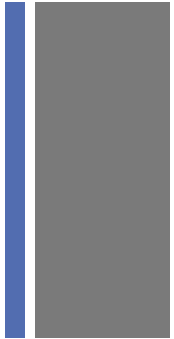
MN, 2011



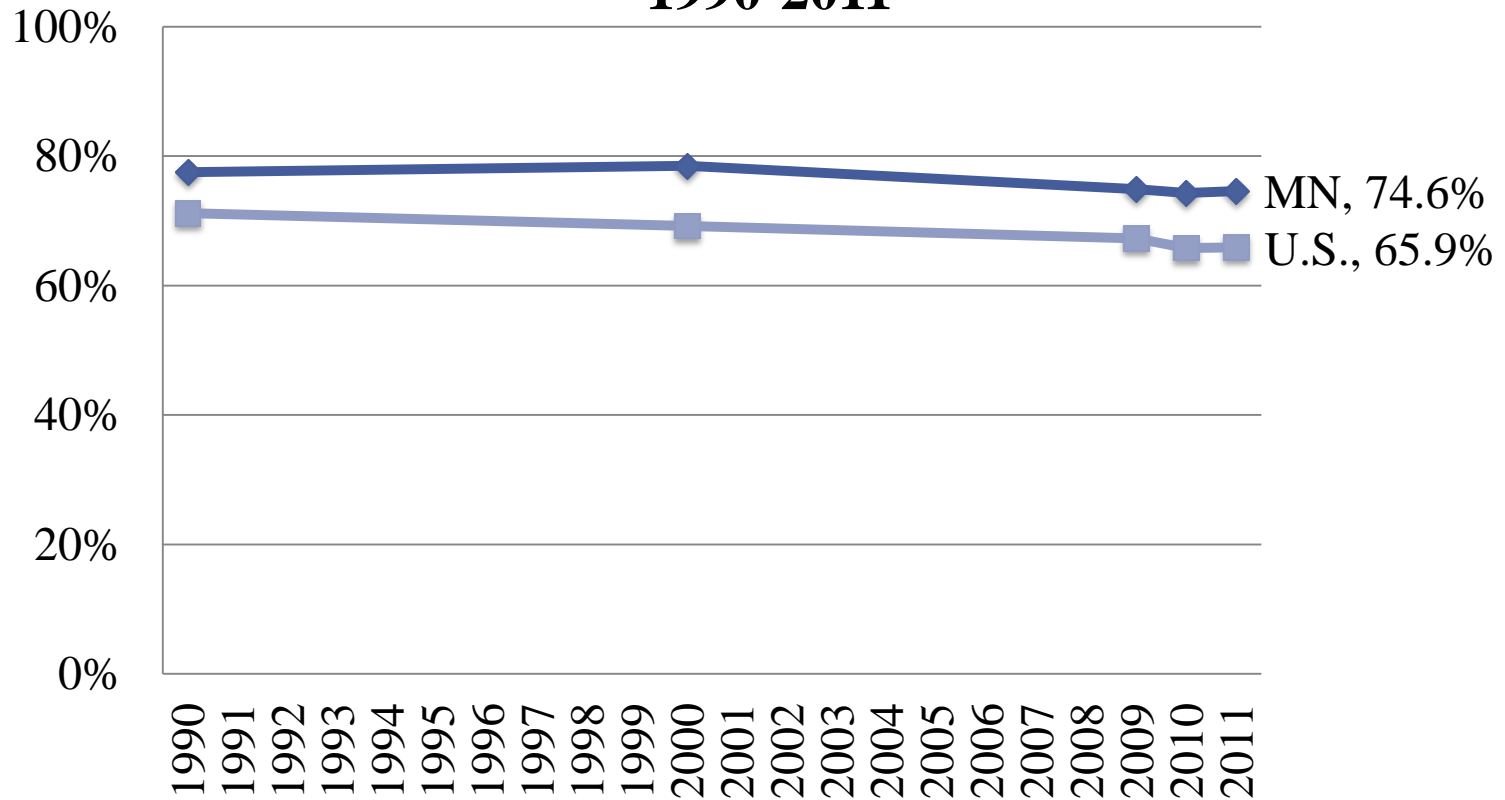
Source: U.S. Census Bureau, Decennial Census and American Community Survey
200% of Federal Poverty Threshold for a family of four = \$45,622 in 2011



Share of adults (age 16-64) working has declined since 2000

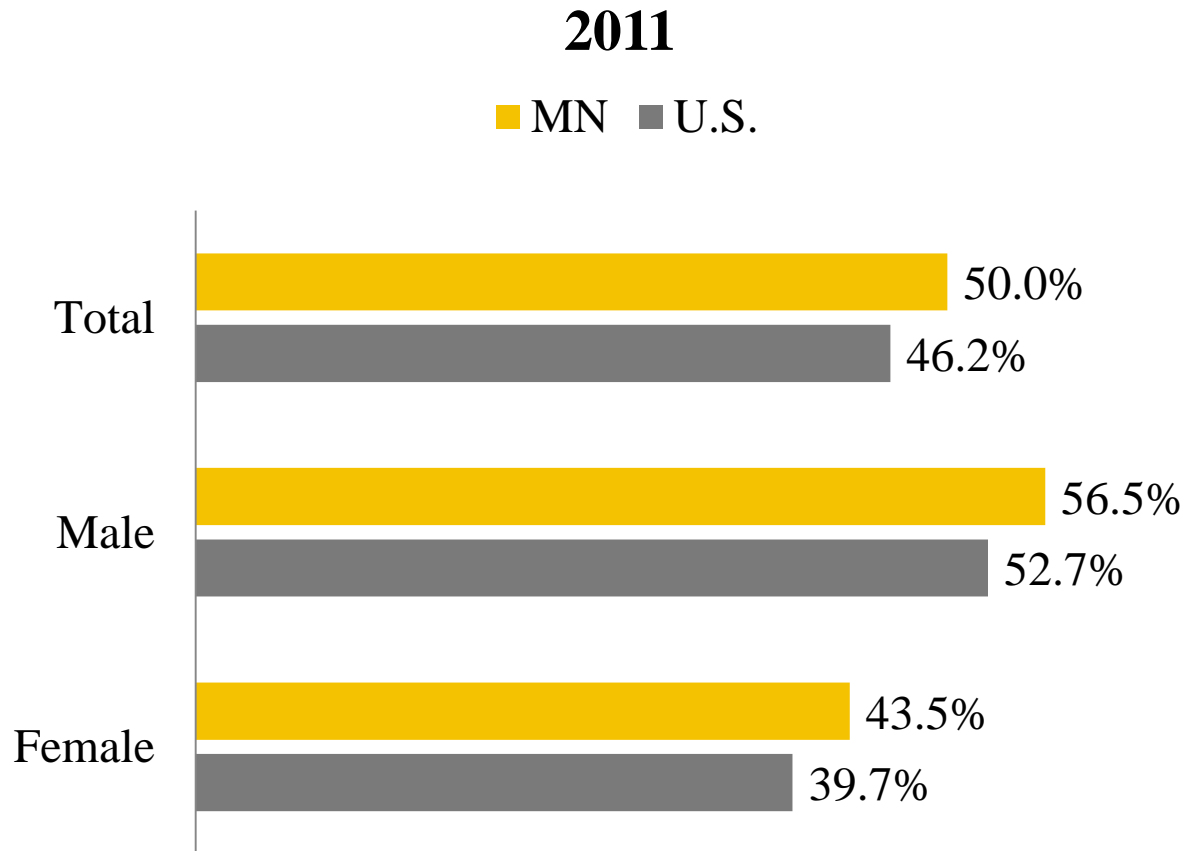


**Proportion (age 16-64) working
1990-2011**



Source: Compiled by MNCompass from U.S. Census Bureau data

+ Share of working-age adults (age 18-64) working full-time, year-round



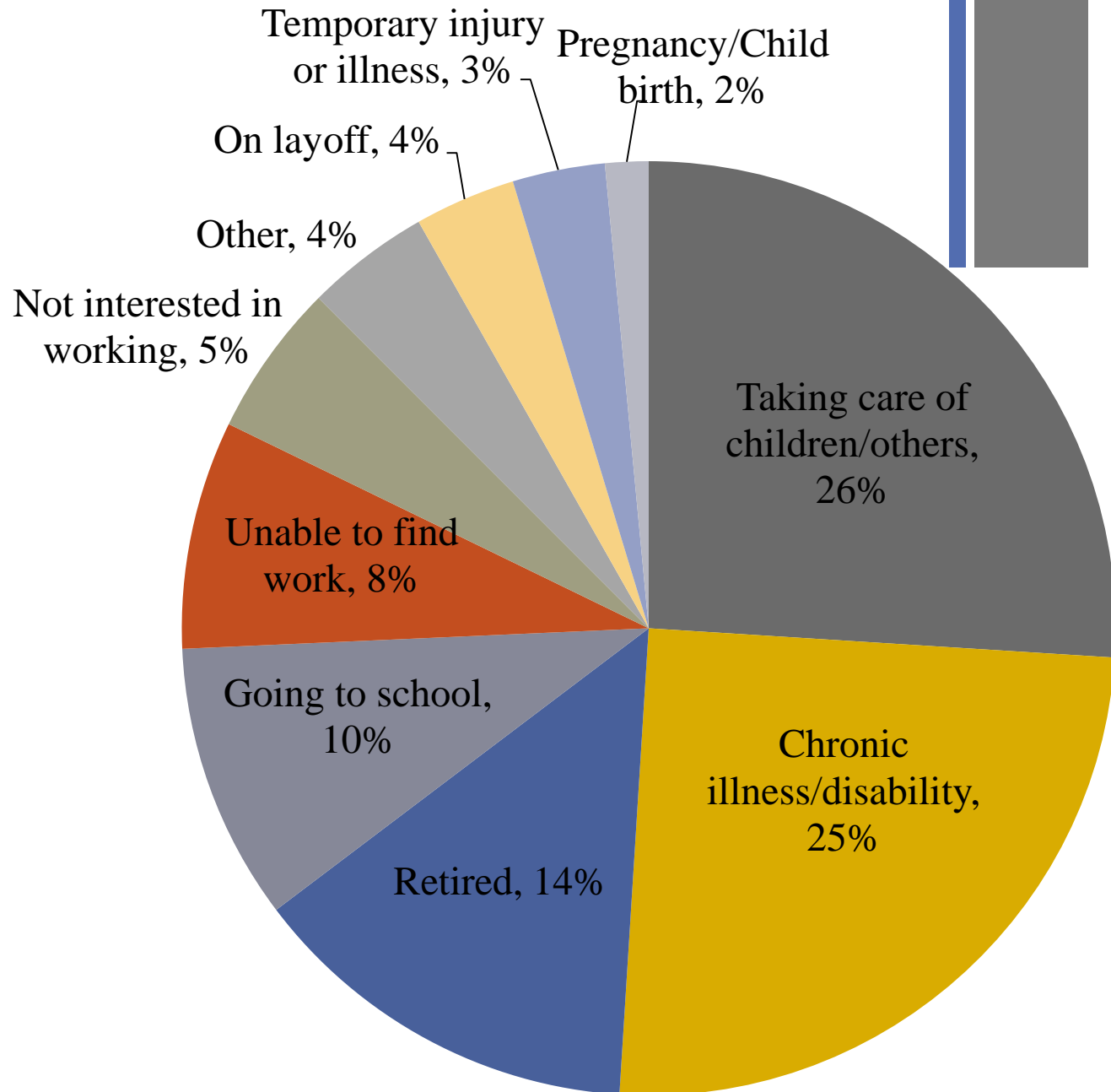
Source: U.S. Census Bureau, American Community Survey 2011

Reasons for not working

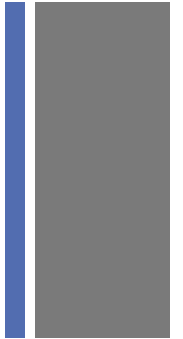
U.S., 2004

20-64 year olds

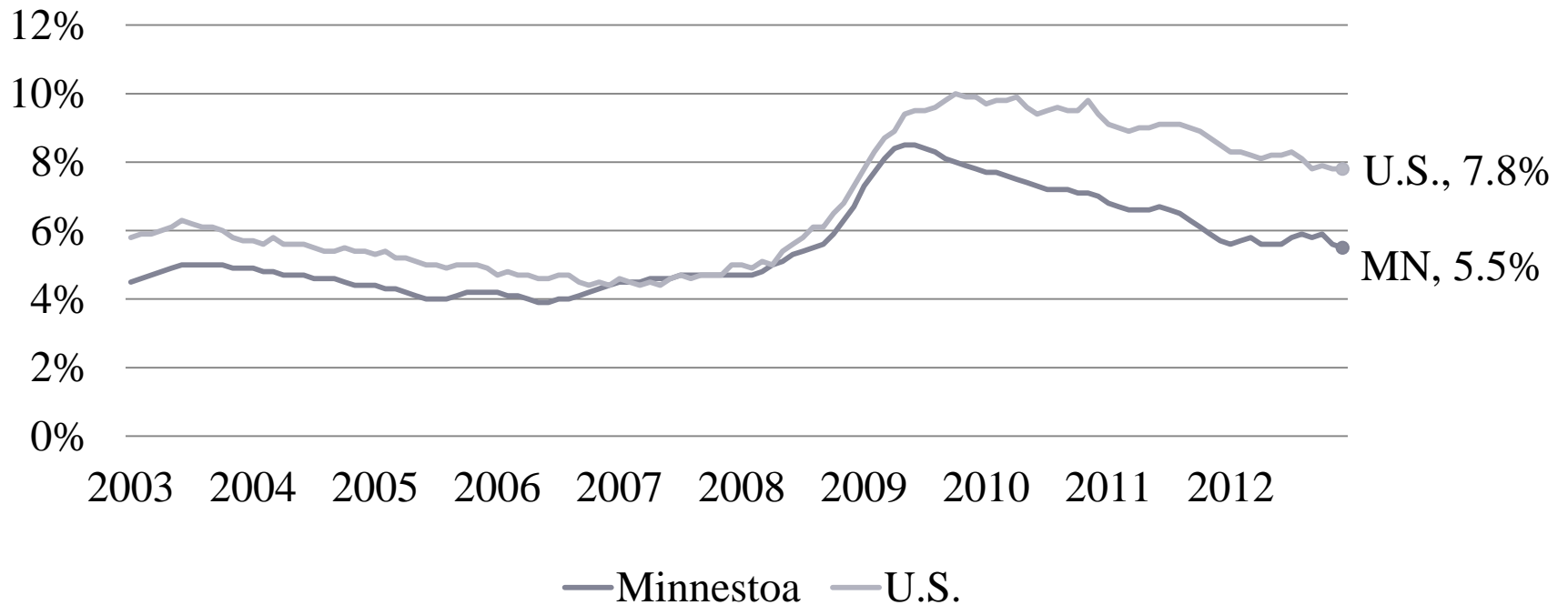
Source: U.S. Census Bureau, Survey of Income Participation



+ Minnesota recovering from the recession faster than the nation



Monthly unemployment rate
January 2003 – December 2012

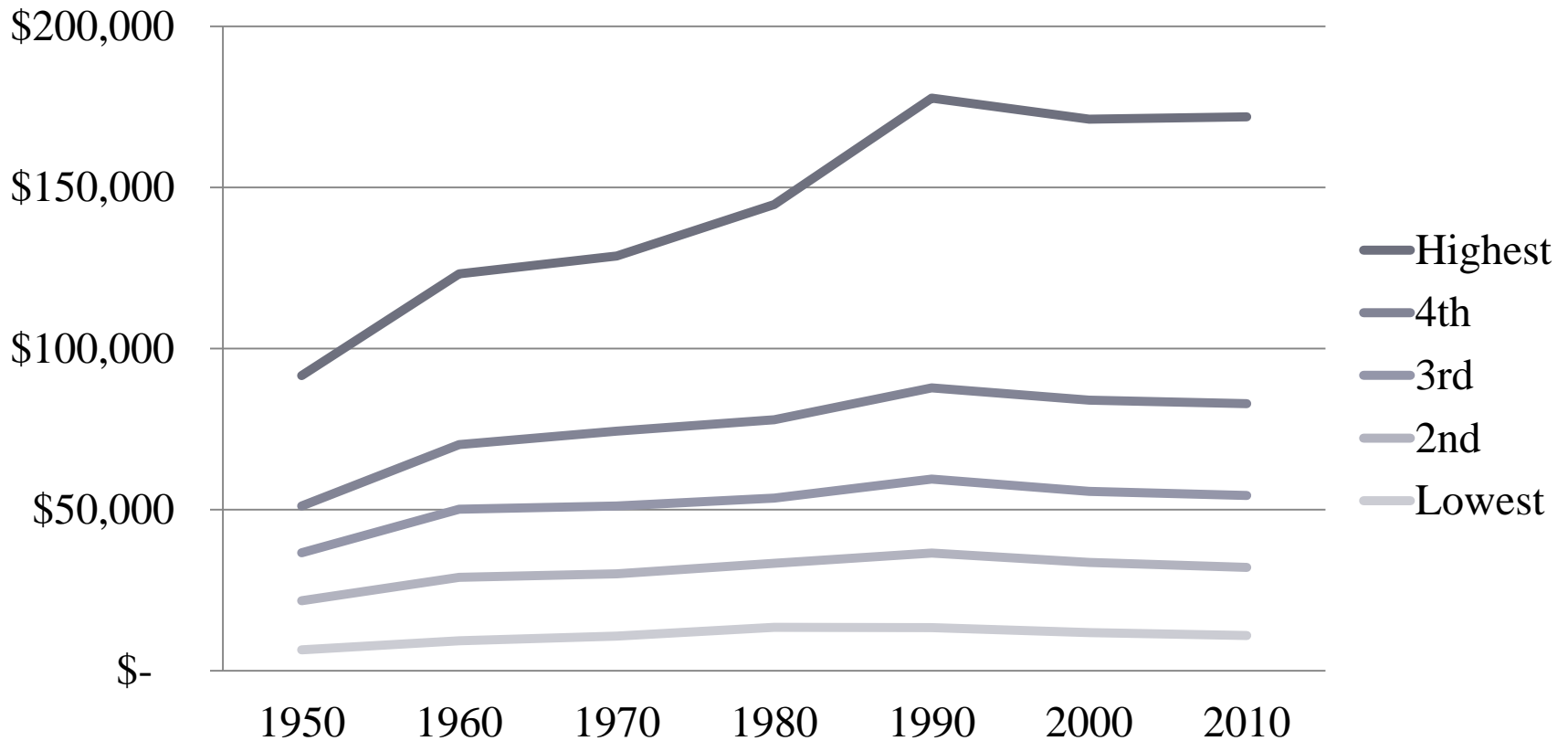


Source: Local Area Unemployment Statistics (LAUS) data
Note: Seasonally adjusted rates shown.

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



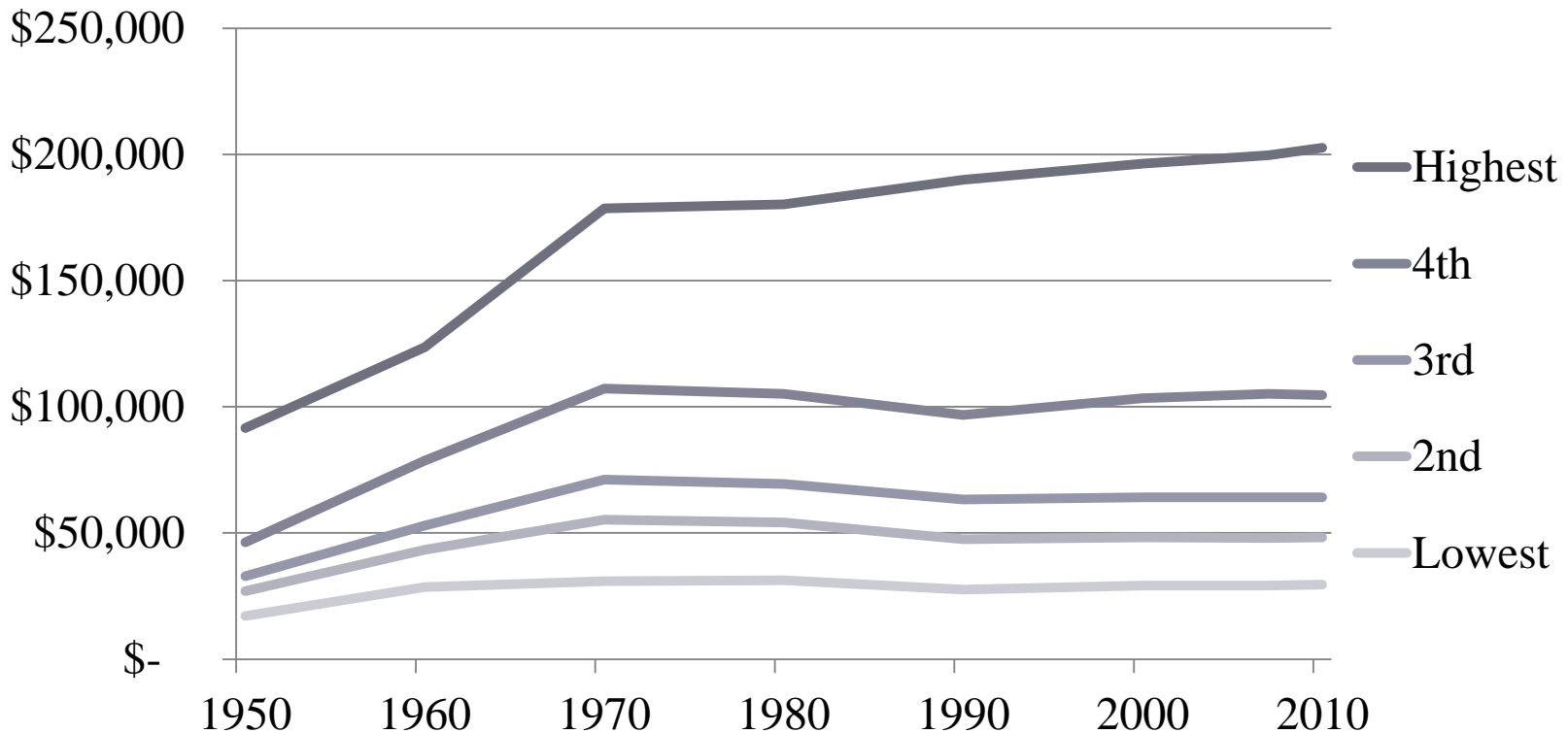
Mean household income within quintile
Minnesota (2010 Dollars)



Source: Analysis by Minnesota State Demographic Center, 2012
Decennial Census and American Community Survey data

+ For most income groups, wages have declined or remained constant since 1970

Mean wage income within quintile
Minnesota (2010 Dollars)

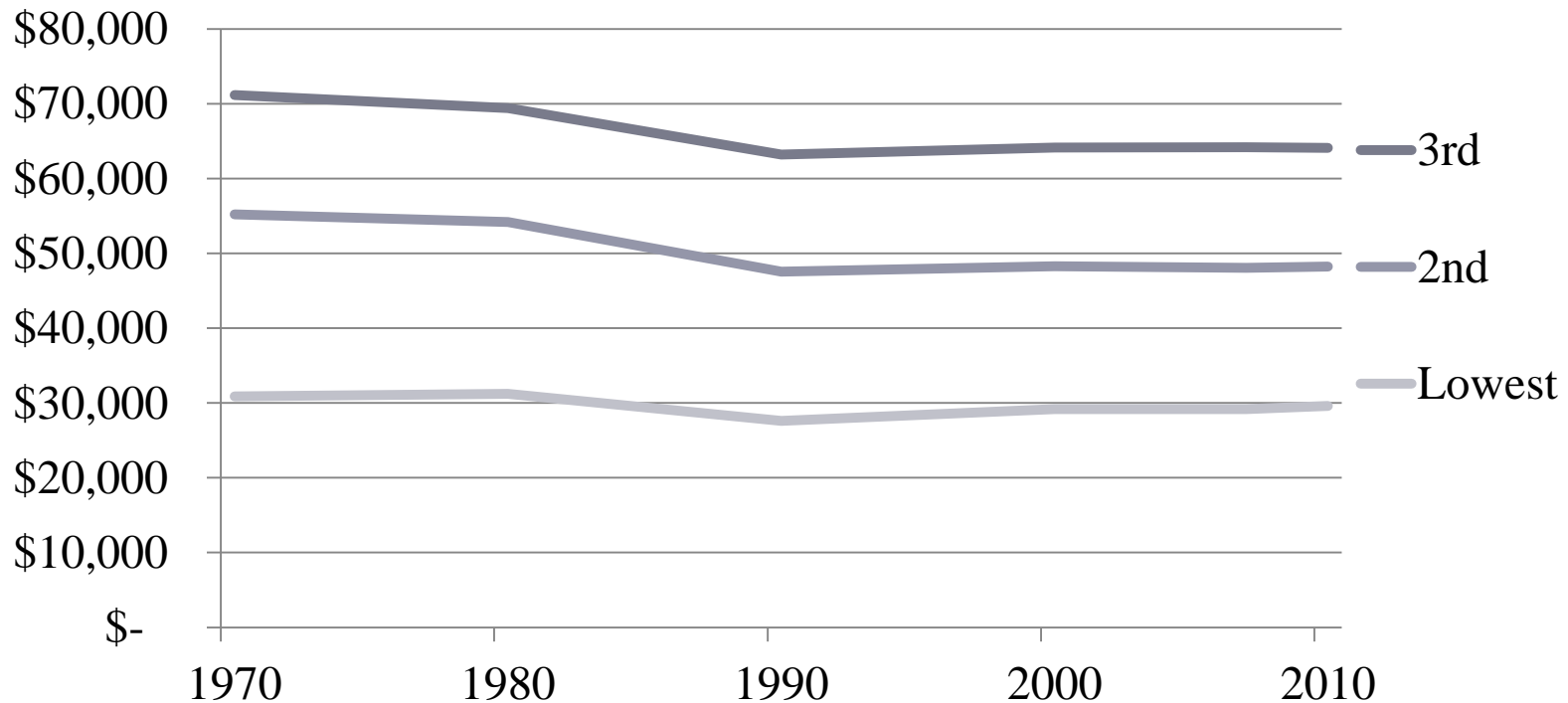


Source: Analysis by Minnesota State Demographic Center, 2012
Decennial Census and American Community Survey data

+ Lowest 3 quintiles of earners: Wages have declined or remained constant since 1970



Mean wage income within quintile Minnesota (2010 Dollars)



Source: Analysis by Minnesota State Demographic Center, 2012
Decennial Census and American Community Survey data

HOUSE RESEARCH

Short Subjects

Donald Hirasuna

March 2007

This short
Tax Incid
reported
1994 and
may have

Income
is both
statisti
policy



MINN
STATE

POSITIVELY
Minnesota
Department of Employment and Economic Development

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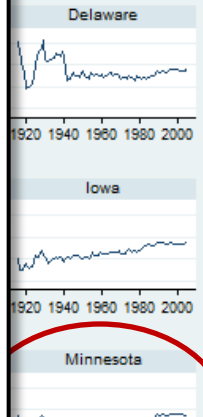
ALL THINGS NOT BEING EQUAL

By [Amy Gehring](#)
March 2012

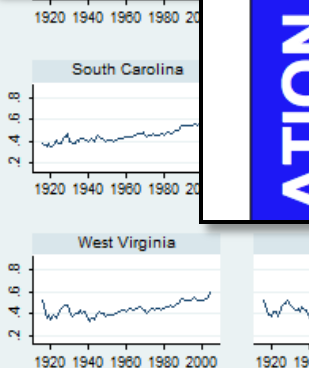
[PDF of article](#)

Wage inequality has increased in Minnesota in the last 15 years, driven by a combination of stagnant wages in median- and lower-income groups and increasing wages at higher levels.

The Occupy Wall Street movement spread across the country last fall, reinvigorating the national debate about income inequality. Thousands of people protested in New York, Minneapolis and other cities, calling themselves the "99 percent," a reference to people with incomes below the richest 1 percent of Americans. Many people believe the middle-



Gini Coefficient

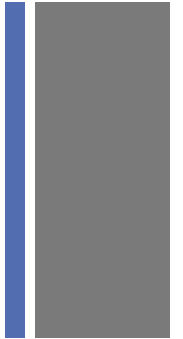


Data Source: Frank (2008)

ATTENTION NOTES

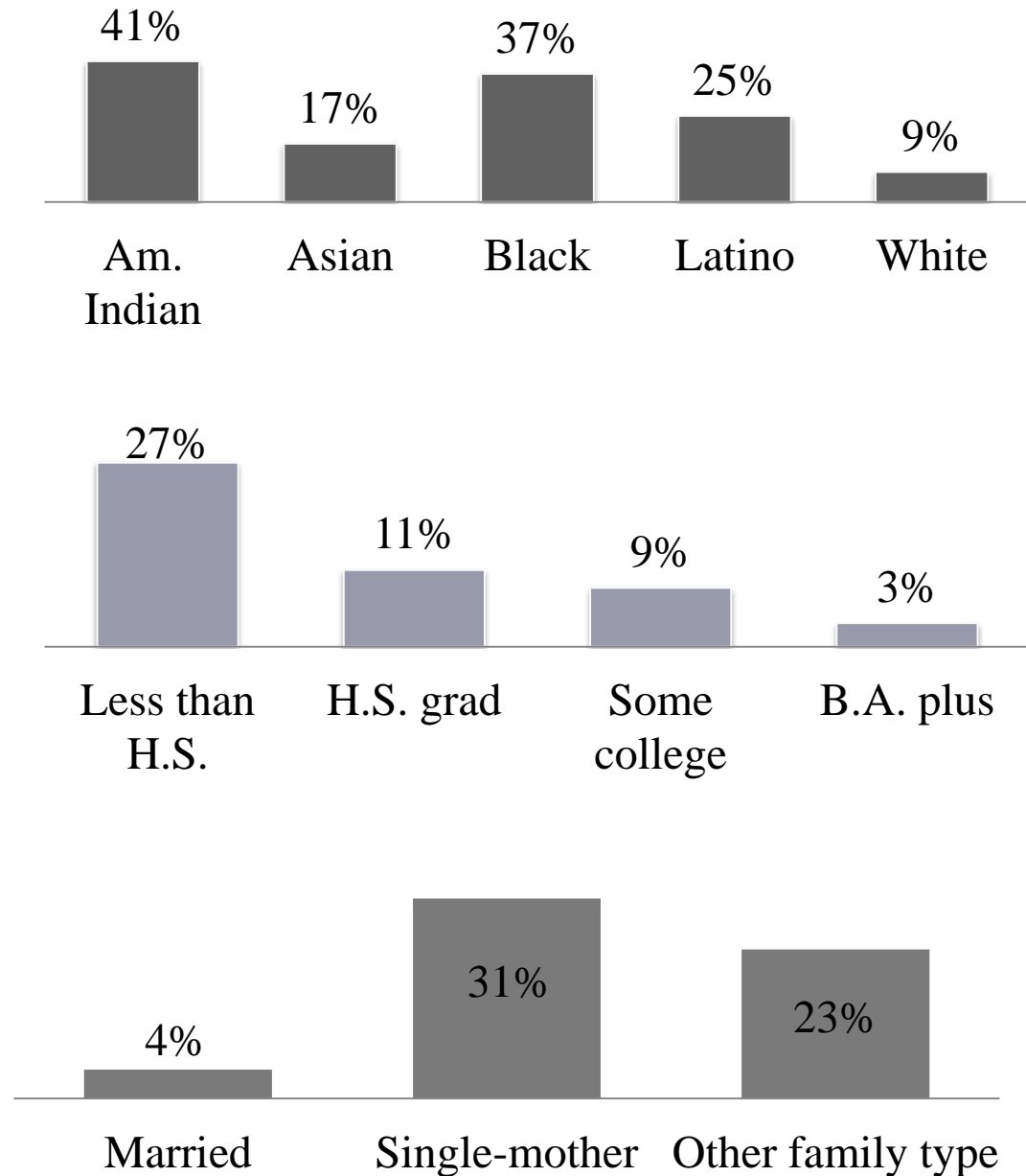
+ Who are the Minnesotans with the very lowest incomes?

- About 622,000 people in poverty (12%) in 2011
- 31% of the poor are children under age 18
- 60% of the poor are White; 40% of the poor are people of Color (including Latinos)





Race, education and family type affect likelihood of being poor

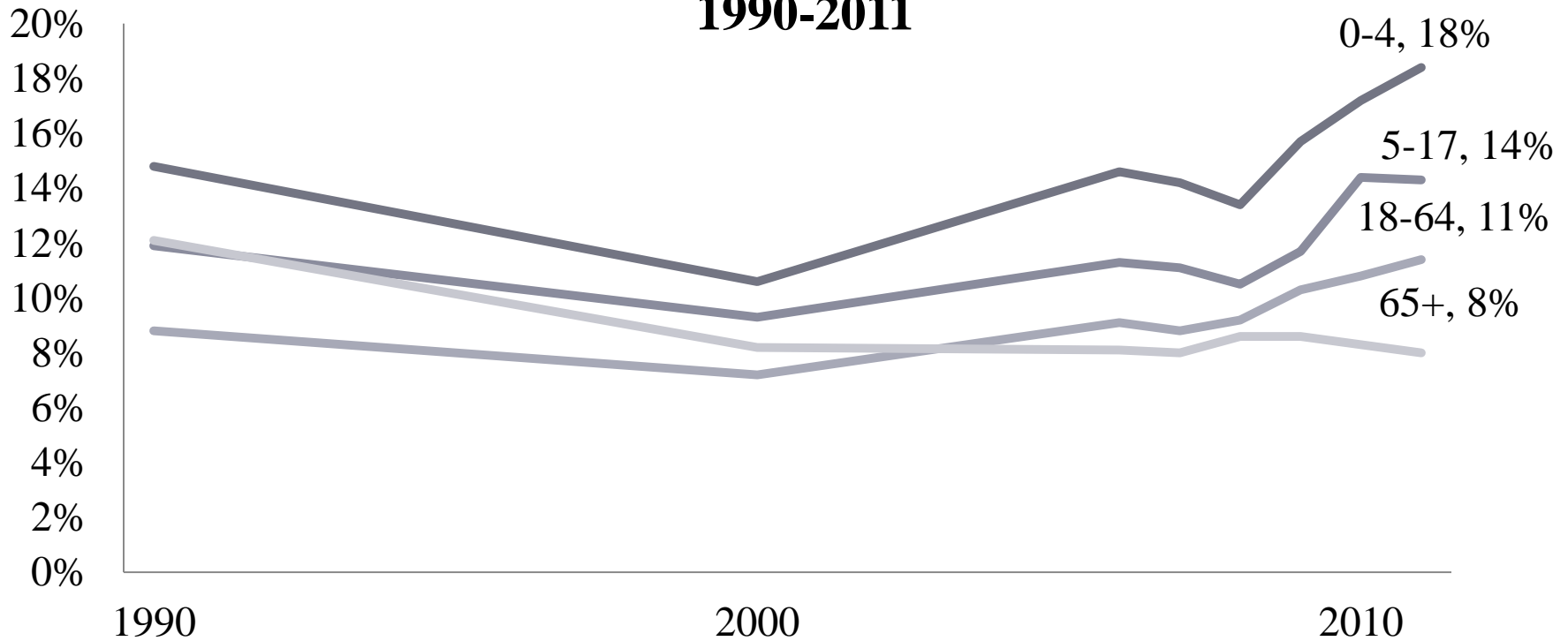


Source: U.S. Census Bureau, American Community Survey

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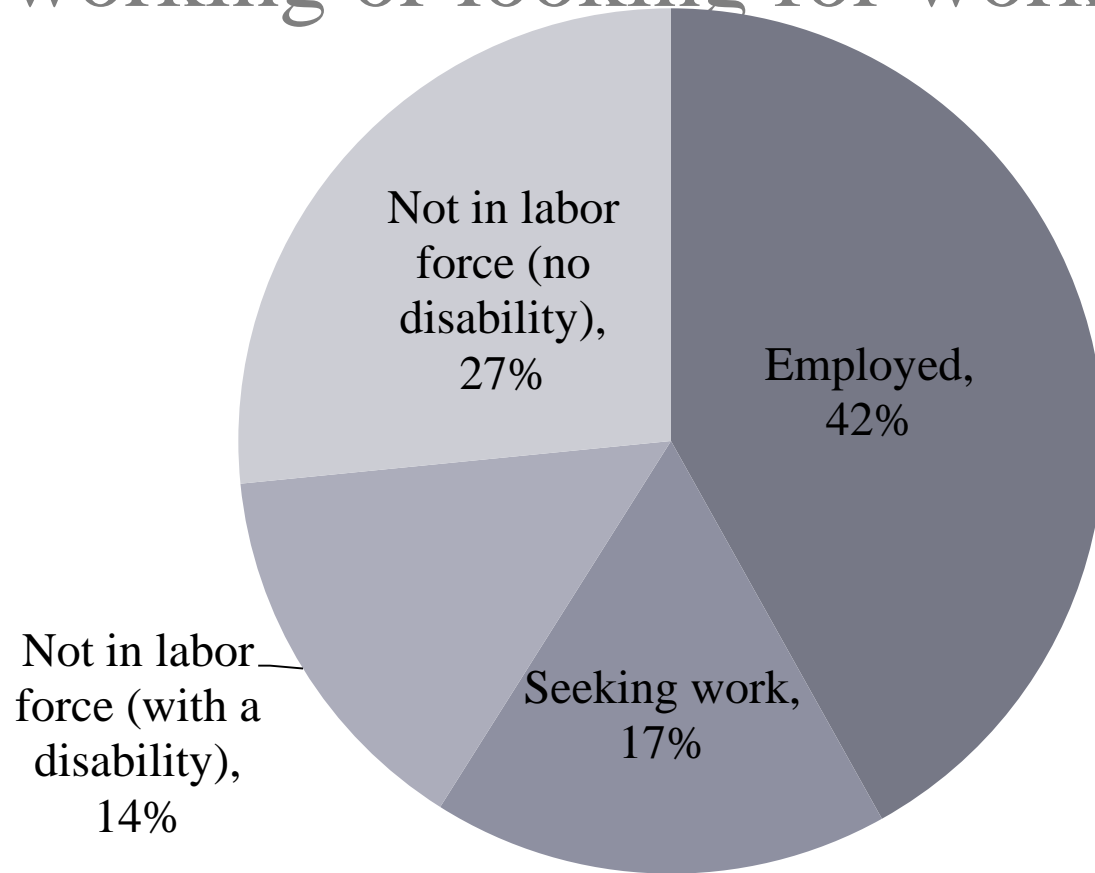
Poverty most prevalent among young children

**Individuals in Families with Incomes Below the Federal Poverty Threshold
1990-2011**



Source: U.S. Census Bureau, Decennial Census and American Community Survey
2011 Poverty threshold for a family of four = \$22,811

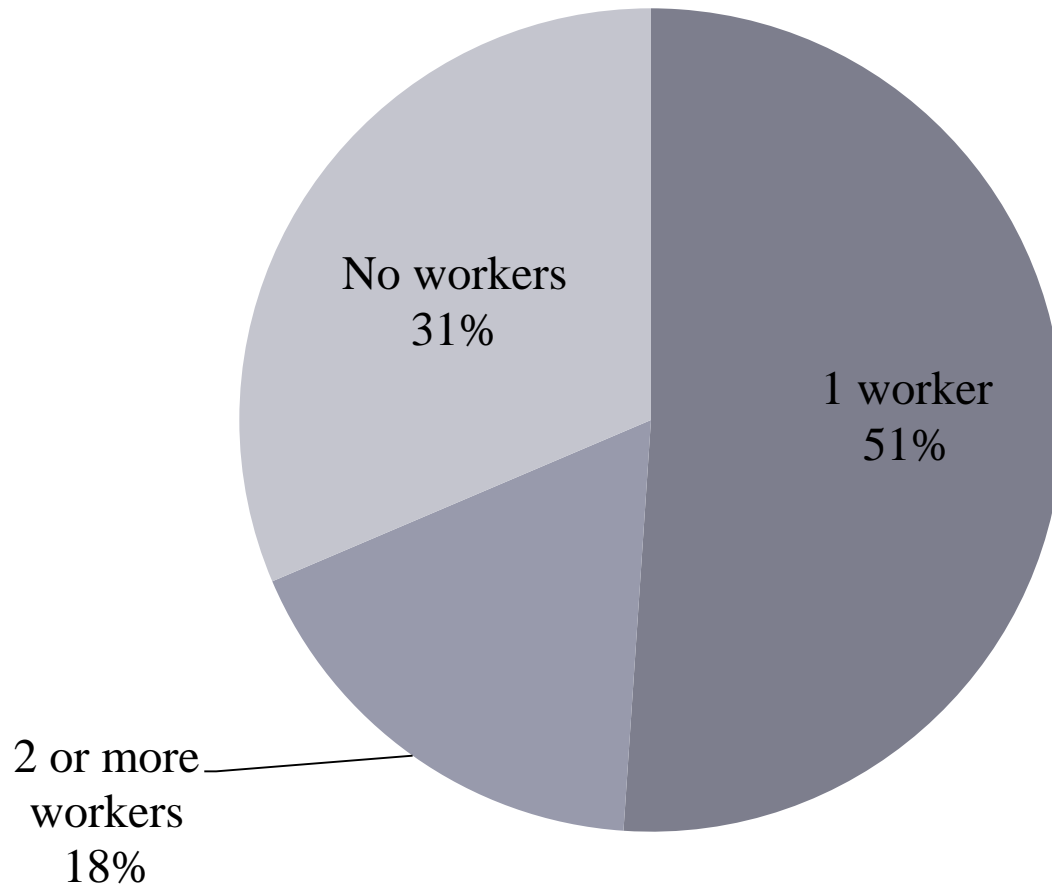
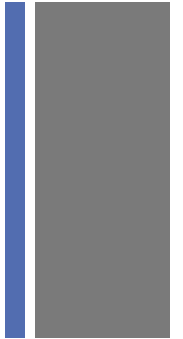
+ The majority of working-age Minnesotans in poverty (age 20-64) are working or looking for work



Source: U.S. Census Bureau, American Community Survey 2011

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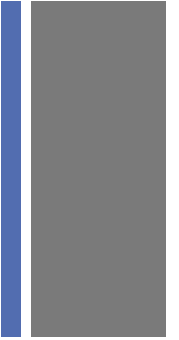
Among MN's poor families, 69% have 1 or more workers in the family



Source: U.S. Census Bureau, American Community Survey 2011

+ Income trends in Minnesota: Take-aways

- Household income has declined over the past decade.
- Poverty has increased.
- The wage distribution has widened.
- Low-income workers' wages have changed little in past decades; the highest-income wages have increased.





Your insights
and questions



Susan Brower

susan.brower@state.mn.us