CoreNet

SUSAN BROWER, MINNESOTA STATE DEMOGRAPHIC CENTER

January 2016
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
Projected Growth in Labor Force

Annual Average, Ages 16+

<table>
<thead>
<tr>
<th>Period</th>
<th>Growth</th>
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<tbody>
<tr>
<td>1980-1990</td>
<td>32,000</td>
</tr>
<tr>
<td>1990-2000</td>
<td>38,000</td>
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<tr>
<td>2000-2010</td>
<td>25,000</td>
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<tr>
<td>2010-2020</td>
<td>8,000</td>
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<tr>
<td>2020-2030</td>
<td>4,000</td>
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<tr>
<td>2030-2040</td>
<td>13,000</td>
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Source: U.S. Census Bureau, Minnesota State Demographic Center Projections
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

Additional net migrants needed to maintain present labor force growth rate

Net migrants in official projection

Source: Minnesota State Demographic Center Projections
Birth rate below “replacement” since 2009

Source: Minnesota State Demographic Center
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, 1,700 jobs were lost in the state. This is a worrying trend, as state labor market analysts predict a continued decline in the job market.

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

By Editorial Roches

When Bill Spitzer and Minnesota Initiative together.

Spitzer, in his last County commiss communities this who had those co

“That little group together,” said K committee now co

Three months after grant through the develop, stabilize MN Together projects that invest

For Immediate Release
November 19, 2015

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

The state lost 1,700 jobs in October, while September saw gains of 1,800 jobs. The unemployment rate for the state is now 3.3 percent, compared to 3.4 percent in September.

“With more baby boomers retiring and fewer younger workers entering the labor force, we need to focus on developing a more skilled workforce,” said Minnesota Governor Mark Dayton.

By Dee DePass and Adam Belz Star Tribune

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 – 8:38 AM
Minnesota has historically loses more people than it gains from other U.S. states.

Average annual net migration
Minnesota, 2003-2010 and 2011-2013

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<thead>
<tr>
<th></th>
<th>2003-2010</th>
<th>2011-2013</th>
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<tbody>
<tr>
<td>Total</td>
<td>10,815</td>
<td>11,935</td>
</tr>
<tr>
<td>International</td>
<td>7,577</td>
<td>(6,882)</td>
</tr>
<tr>
<td>Domestic</td>
<td>3,933</td>
<td>(4,358)</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Population Estimates Program
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.
Midwestern states tend to lose more residents to other states than they gain.

Source: U.S. Census Bureau Population Estimates Program
Take-aways

• Labor force growth slow down will continue to play out over the next 15 years
• Employers will need to find workers in new and interesting ways
• Strengthen strategies to find, attract, retain, and develop talent
Minnesota State Demographic Center

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Largest net losses occurring at ages 18 to 20

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

Source: IPUMS version of U.S. Census Bureau’s 2008-2012 American Community Survey. Tabulations by MN State Demographic Center.
Ratio of jobs to job seekers is now close to 1:1

Source: Job Vacancy Survey, MN Department of Employment and Economic Development
Minnesota by race, 2012

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