



DEMOGRAPHIC CONSIDERATIONS FOR LONG-RANGE & STRATEGIC PLANNING

FOR THE STATE OF MINNESOTA'S EXECUTIVE AND LEGISLATIVE LEADERS

PURPOSE

Minnesota State Statute 4A identifies the Commissioner of Administration (Admin) as the State planning officer, and requires that every five years the Commissioner develop an integrated long-range plan for the State that coordinates activities across government and stimulates public interest and participation in the future of the State. While the existence of these statutes continue to underscore the importance and value of considering implications of long range trends for policy-making and program management, Admin does not have the resources needed to fully implement the statutory intent. Funding for comprehensive planning was eliminated by 2008. In lieu of a comprehensive strategic planning document, this report fulfills the statutory requirement of M.S. 4A.01, subd. 2, by detailing three demographic trends that may impact State policies, programs, and decisions in the future. It is the second report following from this statute.

INTRODUCTION

Demographic trends over the next several decades will exert unique pressure, transforming the landscape for Minnesota's State government. This report identifies three major demographic trends for State leaders to consider as they continue their work in strategic and long-range planning. Those three trends—population aging, shifts in the labor force, and growing racial and ethnic diversity—will change both the work and the workforce of the State of Minnesota. Additionally, the demographic trends discussed in this report will alter the absolute and relative size of population groups, requiring deliberation about whether and how the State should shift its policies, programs, and resources. However, while this report provides an overview of recent and anticipated demographic changes, along with discussion of some potential implications of each trend, this report does not contain an exhaustive list of possible impacts. Rather, by identifying prominent examples of State policy and programs that may be impacted by the trends, this report aims to stimulate further reflection and support for comprehensive, statewide strategic and long-range planning.

As will be discussed in detail, although the demographic shifts will settle in over the next several decades, the resulting compositional differences in our society and in our workforce will be long-lasting, not temporary. In particular, our society and workforce will be older for decades to come, and ever-more racially and ethnically diverse. Consequently, for Minnesota to maintain its position as a relatively high-performing state, it is crucial that we capitalize on current efforts by the Dayton Administration to embrace these demographic shifts as an opportunity to achieve excellence through a diverse and inclusive society and workforce, and a thriving economy that works for all Minnesotans.

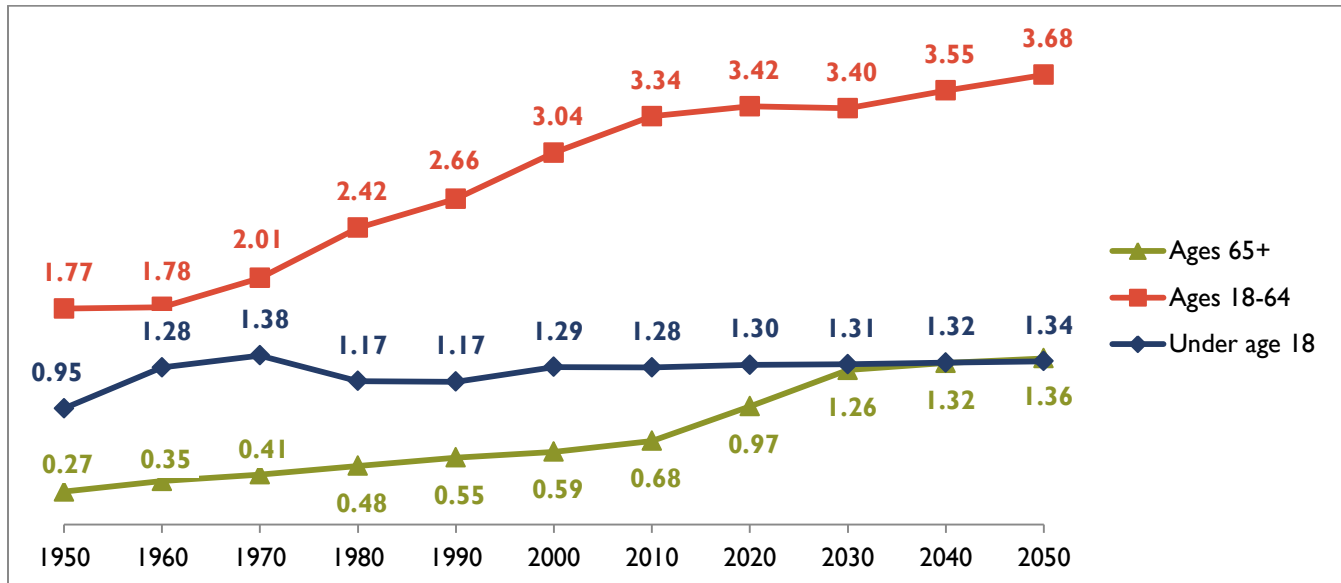
I. POPULATION AGING

In the coming decades, Minnesota’s population and its workforce will become increasingly older, and the labor force will slow its growth dramatically as a result. Right now, Minnesota is on the cusp of an era in which its older adult population (ages 65+) will surge to a figure that is several orders of magnitude larger than what our state experienced just half a century ago. Furthermore, the outsized influence of the Baby Boomer generation¹ in Minnesota means that the *share or percentage* of those state residents that are 65 and older, as well as those 85 and older, will also attain new highs in the coming decades.

The coming growth in the older adult population is due to the large Baby Boomer generation entering the 65+ group, as well as lengthening life expectancies. The oldest Boomers turned age 65 in 2011. In 2009, Minnesota’s life expectancy at birth, 81.1 years, was second only to the state of Hawaii (by a mere 2.4 months) when compared to all states. Perhaps more importantly, life expectancy for those Minnesotans who had already survived to age 65 was 20.1 additional years (2007-2009 estimate, latest).²

While the size of Minnesota’s older adult population has been growing modestly since 1950 (see Figure 1), its growth is now accelerating rapidly as the Baby Boomers continue to push into this age group. From just 2010 to 2014, Minnesota’s 65+ population grew by more than 97,000 people. While the 2010 Census tallied about 683,000 older adults in our state, we anticipate the 65+ group will see 41% growth by 2020, resulting in about 965,000 older adults. By 2030, the 65+ population will surge to 1.26 million members. By that year, all the surviving Boomers will have entered the 65+ group, and growth will then moderate. However, while the transition of the Baby Boomers into their later years will be a one-time event, it will usher in a more sustained shift from a younger to an older age structure. Barring major unforeseen events, Minnesota’s older age structure will remain for the duration of this century.

Figure 1: Historical And Projected Population By Three Major Age Groups, Minnesota, 1950-2050 (In Millions of People)



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

As illustrated in Figures 1 and 2, the older adult population will not grow in lockstep with other age groups. Rather, it will become increasingly larger relative to other age groups. Our projections show that Minnesota’s 65+ population will surpass

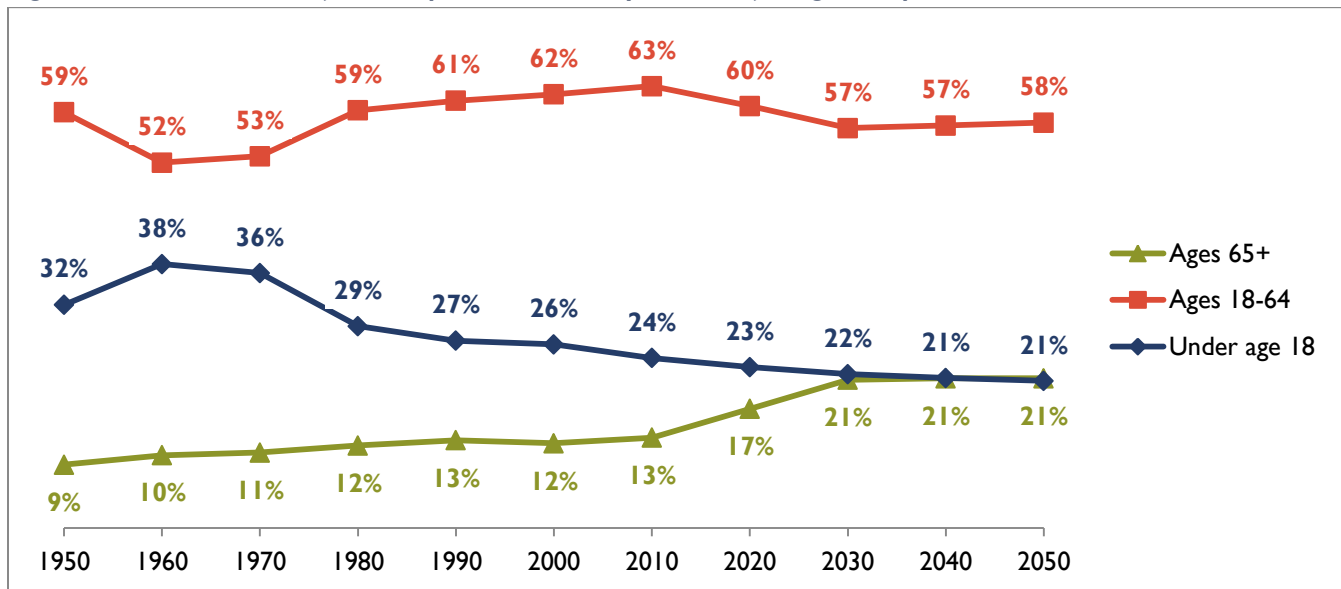
¹ Those born in 1946 through 1964.

² Centers for Disease Control and Prevention, National Center for Health Statistics. Online at http://www.cdc.gov/mmwr/preview/mmwrhtml/mm6228a1.htm?_cid=mm6228a1_w

the 5-17 (typical K-12 school-age) population by 2020, and that older adults will be more numerous than the entire child population under age 18 by 2035. This demographic shift among age groups is unprecedented in Minnesota. As recently as 1970, as the Boomers were coming of age, the child population was 3.4 times as large as the 65+ population.

From 1980 through 2010, the 65+ group in Minnesota consistently accounted for 12-13% of the total population. However, this share is expected to rise to 17% by 2020 and 21% by 2030. In other words, one in five Minnesotans will be an older adult by 2030. Both the child population and the 18-64 (“typical working-age”) population will decline as a proportion of Minnesota’s population over this time period (see Figure 2).

Figure 2: Historical And Projected Population Shares By Three Major Age Groups, Minnesota, 1950-2050



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

A population that is considerably older on balance will have implications for demands on public programs and services, urban planning, housing stock, health care, economic purchasing programs, and a range of other areas relevant to State leaders. As Baby Boomers increasingly press into retirement, an immediate and direct implication will be the challenge among State managers to properly staff and train the workforce that will replace them. (Workforce changes are discussed more fully in the next section.)

An increasing number and share of users of State services and programs will be older adults. Public service providers will necessarily need to consider not only what services are provided, but how they are delivered. For example, customers and clients will expect State government to be attentive to font size on websites and print forms, to accessibility issues broadly, and other strategies to better serve their older adults. Soliciting feedback and program design suggestions from older adult users can help to identify areas in need of improvement or modification.

Historically, individuals earn less and consume less in retirement relative to their working years. Assuming this pattern continues, as the Baby Boomers transition out of the labor force, there will also be impacts on State revenues that are not insignificant.³ State leaders should be aware that income taxes, sales receipts, and other State revenue streams will be

³ One 2010 study estimated the impact of the aging of Minnesota’s population between 2007 and 2035. It found that Minnesota’s income tax collections in 2007 would have fallen by 7.5% if the age distribution had been what is projected in 2035. Some of these losses have already been realized as the front edge of the Boomers have begun entering retirement, but much of the impact in reduced income tax collections revenues is yet to be felt. Of note, the anticipated 7.5% reduction didn’t include losses resulting from a slowdown in future economic growth due to aging, which some economists consider a probable outcome. Further, the analysis assumed current tax laws continued into the future. These findings were presented in “The Aging Population and State Income Tax Revenue: 2007 and 2035,” by Beata Jajko, Hubert H. Humphrey School International Scholar, and Paul Wilson, Minnesota Department of Revenue, at the FTA Revenue Estimation & Tax Research Conference, 2010. Online at: http://www.taxadmin.org/assets/docs/Meetings/10rev_est/wilson.pdf

affected by this demographic shift, so that they can contemplate necessary adjustments. As the population distribution influences the foundation for taxation, State leaders must be aware of coming revenue impacts.

Those public programs that serve older Minnesotans are certain to experience direct impacts of population aging. Perhaps most notably, older adults' enrollment in long-term care services under Medical Assistance ("MA," Minnesota's Medicaid program for those with low incomes and/or disabilities) will swell considerably as the Boomers enter the later years of their lives, during which many will require long-term care.

Long-term care is not medical care, but care that supports the personal activities of daily life such as bathing and dressing, and household needs. It is generally not covered by Medicare or typical health plans.⁴ Approximately 70% of those 65 or older will need long-term care at some point in their lifetimes. According to the MN Department of Human Services, an estimated 12% of persons between age 65 and 84 have disabilities that require long-term care, and among those over 85, the need rises to 55%.⁵ (The first Boomers will begin turning 85 in 2031.) While family and friends provide the majority of long-term care, when illness or disability is more than they can manage or an individual does not have a personal care network that is situated nearby, individuals look to community-based programs, home care agencies, assisted living facilities and nursing homes to provide long-term care services. Minnesotans become eligible for MA's long-term care services only if they have very limited income and assets, or after spending down most of their resources paying for health and long-term care.

Population aging is not just a short-term phenomenon to be weathered; rather, we are beginning a shift toward an older society that will be the reality well into Minnesota's future.

Enrollment in Minnesota's MA Long-Term Care Services Will Increase

In January 2015, enrollment in Minnesota's MA long-term care services, both care provided in nursing facilities and care provided in the home or community through the Elderly Waiver, totaled about 38,500 recipients. If, for the sake of discussion, one assumes the current rates of program utilization for MA long-term care services continue unchanged, and applies our office's population projections for older adults,⁶ MA long-term care enrollment would grow to about 59,300 people by 2030, and 71,500 people by 2040. That translates to 85% growth in program enrollees over the 25-year period ending in 2040.⁷

Growing MA Long-Term Care Enrollments Will Impact State Budget

A comprehensive forecast of long-term care costs decades into the future is beyond the scope of this report and not possible to create with a reasonable level of precision. Again, for discussion purposes only, applying our demographic projections to a simple extrapolation of current program parameters helps illustrate the relevance of aging trends for budget and policy discussions. In State fiscal year 2015, MA long-term care services for enrollees age 65 or older in Minnesota totaled \$1.115 billion, including both State and federal funds.⁸ (Medicaid is a joint state-federal program and MA costs are shared 50/50 with the federal government.)

⁴ Unless received in a long-term care hospital setting, or in a skilled nursing facility, for a limited duration. More at: <https://www.medicare.gov/coverage/long-term-care.html>

⁵ "Financing Options to Help Minnesotans Pay For Long-Term Care: Report and Recommendations," Prepared by the Own Your Future Advisory Panel, State of Minnesota, February 2014. Online at: <https://edocs.dhs.state.mn.us/lfservlet/Public/DHS-6911-ENG>

⁶ Population projections for Minnesota through 2070 can be found at: <http://mn.gov/admin/demography/data-by-topic/population-data/our-projections/>

⁷ Figures for this section were obtained from the MN Department of Human Services, Reports and Forecasts Division.

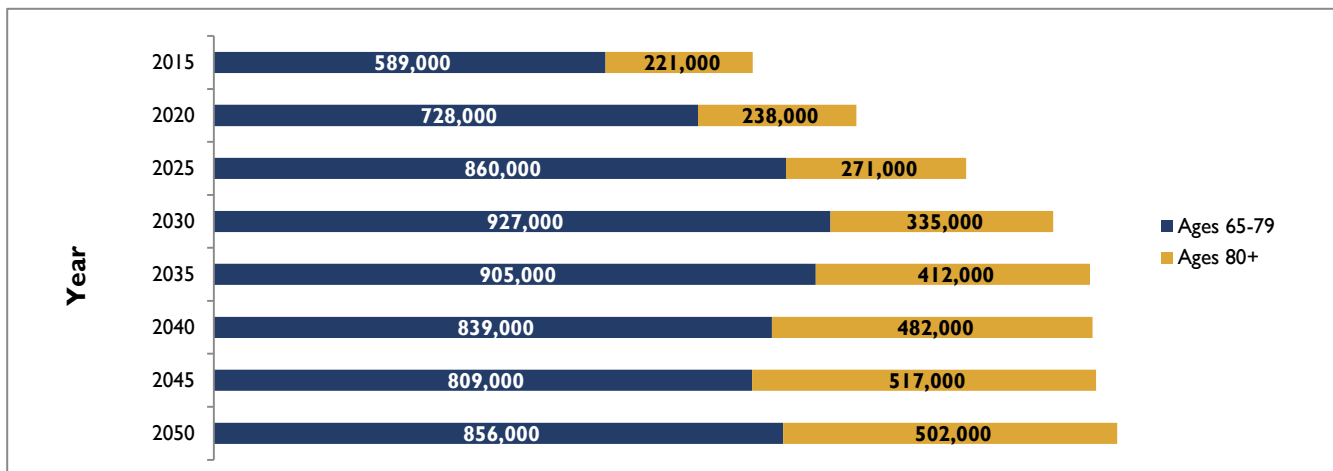
⁸ This does not include the additional cost of basic medical care for MA enrollees age 65+, which totaled \$652 million in state fiscal year 2015.

If one again assumes the anticipated 85% growth in enrollment from the above extrapolation of current program patterns, and an average annual rate of inflation of 2.5% between 2015 and 2040, this results in a price tag of \$3.824 billion annually for long-term care costs under the Medical Assistance program by 2040. Using these assumptions, the amount of the State budget dedicated to long-term care services for older adults under Medicaid by 2040, then, would be 3.4 times the dollar amount spent upon it presently.⁹ While alternate scenarios could be created with different inputs regarding inflation, enrollment, or changes to program eligibility, none will erase the conclusion that demographic trends will put steady pressure on this program’s enrollment and cost as Baby Boomers age.

Minnesota policy-makers are well-attuned to the significance that population aging will have for the State. In fact, Minnesota has led the nation in a shift away from long-term care for older adults in expensive, institutional settings—instead supporting care for older adults in their own homes when possible. Despite these promising trends, the State will need to anticipate how to further manage growth in demand for long-term care services, as current cost-mitigation efforts cannot fully offset the presumed cost impact of increased enrollments due to population aging. Importantly, failure to consider this anticipated program enrollment could result in diminished resources for all other discretionary areas of the State budget, crowding out the ability to make wise investments in education, infrastructure and other program needs.

Population aging is not just a short-term phenomenon to be weathered; rather, we are beginning a shift toward an older society that will be the reality for Minnesota well into the foreseeable future. Thus, the demographically driven budget pressures that will play out over the next 15 to 30 years will require a permanent budget response, one that realigns with Minnesota’s new age structure.

Figure 3: Projected Older Adult Population, Minnesota, 2015-2050



Source: Minnesota State Demographic Center Projections.

Minnesota’s Department of Human Services has created a long-term care planning initiative called “Own Your Future”¹⁰ to raise awareness around the need for long-term care and spur planning efforts within families, particularly middle-income families who will not qualify for long-term care services under MA unless they have spent down many of their resources. The effort works to promote greater use of existing financing products as well as strategies to encourage new approaches to the financing of long-term care. The goal is dual: save families from impoverishment, while also easing the financial burden for government. Own Your Future and other efforts to help more families make advance planning decisions regarding their long-term care needs will be essential to managing State budget impacts for long-term care services.

⁹ MA long-term care costs for disabled individuals under age 65 are also a significant and growing cost to the state (\$2.774 billion in state fiscal year 2015, with 50% of the costs paid by the federal government, and 50% by the State of Minnesota).

¹⁰ Online at <http://mn.gov/dhs/ownyourfuture/index.jsp>

While Medical Assistance long-term care services will assuredly see growth, Minnesota's aging trends will also affect programs all across State government. By staying attuned to this population aging phenomenon, policy-makers and program managers will be well-to anticipate changes and make adjustments. Additional examples of anticipated changes:

- Programs that serve all ages, such as SNAP (formerly Food Support), should anticipate a rising share of its enrollees to be older adults as the population distribution shifts.
- Greater attention will need to be paid to the changing preferences and needs of individuals as they age in the broad spheres of housing and transportation options.
- Proper staffing of the medical and caregiving workforce will be a priority, as far more older adults will be managing chronic illnesses and/or disabilities that require caregiver assistance, including dementia.

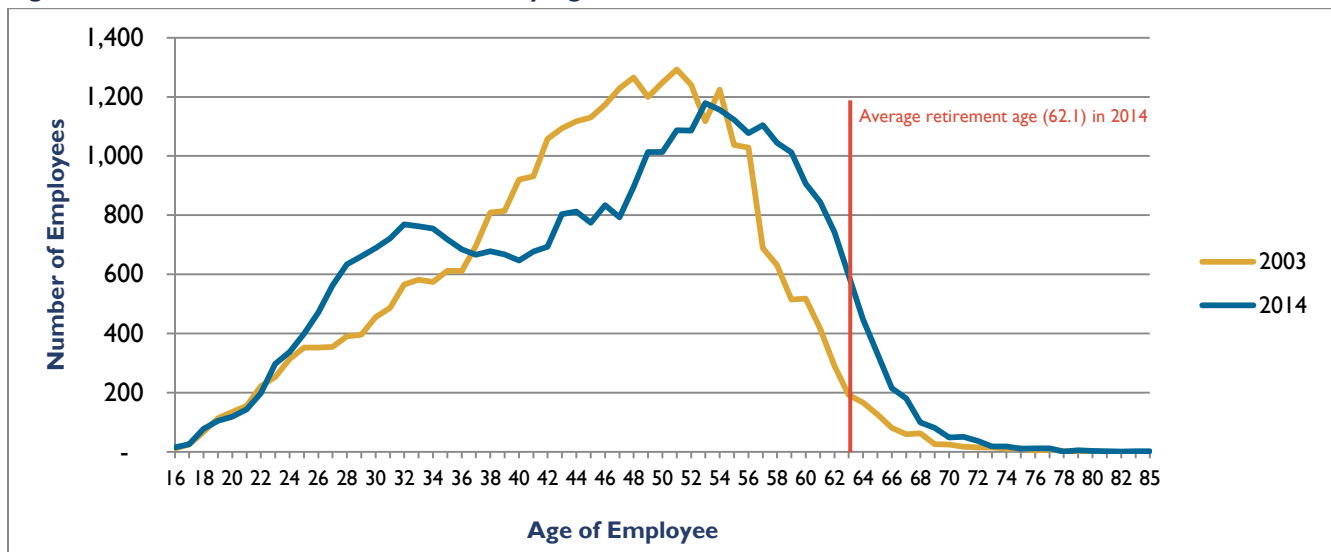
While there are numerous areas that require careful thinking and planning for the impacts of an aging population, it also goes without saying that older adults are vital assets to their families and communities. As much as possible, older adults should be enlisted to shape the design of aging services at a statewide level, as well as in their communities. Furthermore, Minnesota's older adults exhibit very high levels of volunteerism, and State leaders should be aware of this enormous amount of human capital that may be enlisted to help meet an array of other State needs. Older adults may be willing to mentor younger workers, serve on task forces, or otherwise make positive impacts aligned with the State's goals.

II. WORKFORCE CHANGES

Demographic changes will also greatly influence Minnesota’s workforce, with implications both for the State as an employer, and for the broader economy. This report focuses primarily on the State’s workforce staffing, although these trends apply broadly to all Minnesota employers.

In 1995, employees age 55 and older represented 10.6% of all workers in Minnesota. By 2014, this percentage roughly doubled to 21.7%, as the bulge of the Baby Boomer generation served to shift the age distribution of the entire workforce.¹¹ As in the private and nonprofit sectors, the public workforce has been tilting older to contain a greater share of older workers in the last two decades. However, due to longer longevity of service within the State of Minnesota executive branch, its employees are actually *even more likely to be older* than those in the statewide workforce across all sectors.

Figure 4: State Executive Branch Workforce By Age Distribution, State Fiscal Years 2003 and 2014



Source: “State of Minnesota Workforce Report 2014,” Minnesota Management and Budget.

In State fiscal year 2014, among the Executive Branch,¹² about 29% of all workers were age 55 or older, representing just above 10,000 employees (see Figure 4). And nearly 6 in 10 workers (57%) were age 45 or older, compared to only 44% of workers for all employers statewide.¹³ This sets the stage for a dramatic wave of retirements from State service in the coming two decades. In State fiscal year 2014, the average age of retirement was 62.1, the highest on record and an increase of 2.6 years since 2002. Nonetheless, with retirement likely to occur within one or two decades for more than 4 in 10 State workers, workforce succession planning needs to be a constant concern and activity across all departments. Leaders must be intentional about knowledge transfer, recording details about key processes and relationships, and cross-training employees so that essential institutional knowledge does not retire with exiting employees. While transition planning has always been necessary, the volume of retirements from State service will happen in much quicker succession, requiring much more attention than prior efforts.

¹¹ Minnesota Department of Employment and Economic Development, Quarterly Workforce Indicators, available at: <http://mn.gov/deed/newscenter/publications/review/november-2015/seismic-shift.jsp>

¹² The Executive Branch includes all state agencies with the exception of the Minnesota State Colleges and Universities (MnSCU) system and retirement agencies. By definition, the Executive Branch excludes the Judicial and Legislative Branches of state government.

¹³ “State of Minnesota Workforce Report 2014,” available online at: <http://mn.gov/mmb/images/mn-state-workforce-report-2014-pdf-na.pdf>

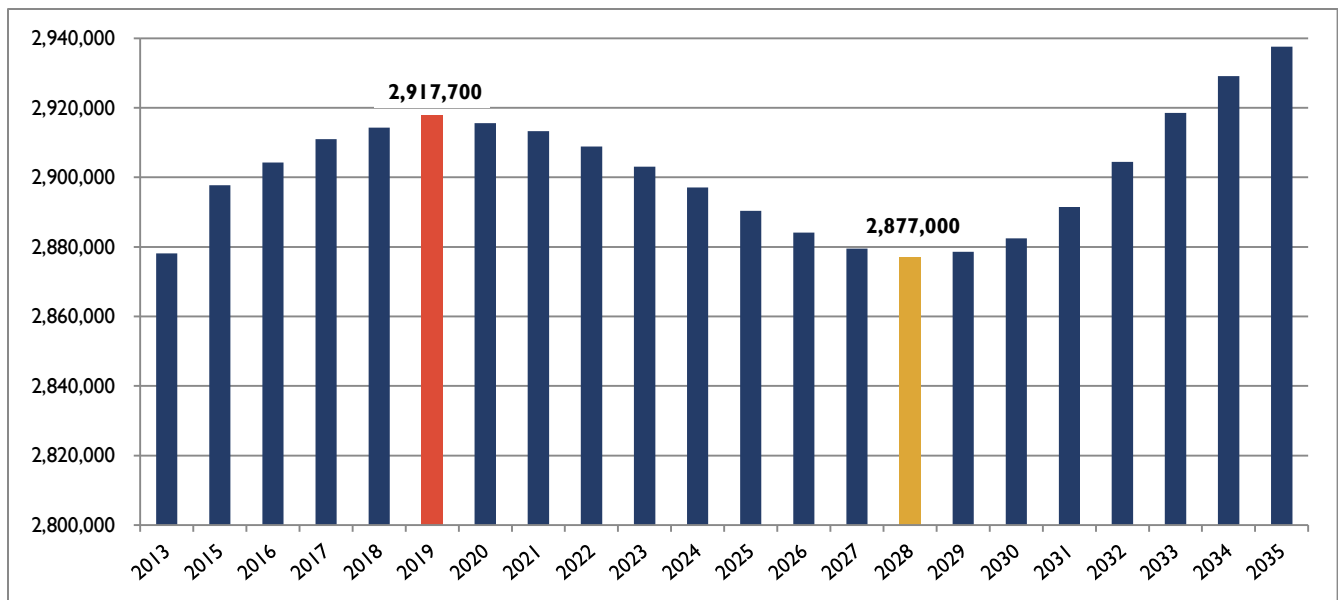
Simultaneously, managers and supervisors must be planning for broad scale talent acquisition and retention efforts in the wake of the Boomers' retirements. Figure 4 reveals that the State's Executive Branch employee age distribution contains two peaks—among workers in their 50s and in their early 30s. Representation of “mid-career” workers in their late-30s and 40s is far less common. To the extent that employees from this age group are more likely to assume leadership positions vacated by retirees, the State will need to be very intentional about retaining its current mid-career public workers and deploy innovative recruitment efforts to attract others.

While Minnesota can be assured of greater numbers of older adults in the decades to follow, it may surprise some to learn that the age 18-64 group is *not* going to continue growing in the coming decade (See Figure 1). This cohort is anticipated to peak in size at about 3,419,000 members in just a few years, in 2019. Thereafter, it will experience a net decline that will bottom out at nearly 20,000 individuals fewer by 2029. If we narrow the demographic lens even further, by removing the years when many Minnesotans are out of the labor force pursuing post-secondary degrees (ages 18-24), an even more concerning workforce landscape emerges. Between the years of 2019 and 2028, the population ages 25-64 will experience a net loss of about 40,800 people. This is due to the fact that, as the Boomers transition out of this age group, the relatively smaller Generation X does not contain as many people to fully backfill those age groups (See Figure 5). Thus, the 10 years following 2019 will likely be the most severe in terms of labor supply in Minnesota, barring major changes in migration.¹⁴

57%
of State workers are age 45 or older— compared to only 44% of all workers in Minnesota.

This sets the stage for a dramatic wave of retirements from State service in the coming two decades.

Figure 5: Population Ages 25-64, Minnesota, 2013-2035 (Projected)



Source: Minnesota State Demographic Center Projections.

¹⁴ For an examination of recent migration trends affecting Minnesota's workforce, see “Minnesota on the Move: Migration Patterns & Implications” at <http://mn.gov/admin/images/mn-on-the-move-migration-report-msdc-jan2015.pdf>

The tightening labor force will strengthen the hand of workers relative to employers across Minnesota's entire economy, and heighten the demand for talented employees. Consequently, employers everywhere will need to work harder to attract and retain essential employees on their payroll—through a combination of compensation, traditional and new benefits, and employee engagement strategies. Private sector employers may have more agility in their ability to offer new benefits, so the State must be thoughtful about how it can compete for workers in a much tighter talent marketplace. The State of Minnesota will benefit by marketing and effectively branding those features that distinguish it in the eyes of potential employees—namely, meaningful work in the service of the public, diverse and inclusive work environments, high levels of union representation, excellent health benefits, access to a pension plan, and potential federal forgiveness of student loans. Attention to creating a positive work environment should be at the forefront of supervisors' and managers' minds.

A key strategy for the State is to engage Minnesota's rich diversity by proactively recruiting members of communities traditionally underrepresented in the public workforce. Governor Dayton is leading on this issue through two initiatives to diversify the public workforce. In his 2016 State of the State speech,¹⁵ Governor Dayton announced his goal that State agencies will increase recruitment in order that 20 percent of State employees will be persons of Color by 2019. Additionally, Governor Dayton issued Executive Order 14-14¹⁶ requiring State agencies to increase employment for people with disabilities to at least 7 percent by 2018.

In the aggregate, older workers have tremendous experience, institutional knowledge, and seasoned leadership. However, older workers also have a higher prevalence of health challenges and disabilities. As such, in addition to on-going State efforts to attract and retain more persons with disabilities to the State workforce, meeting future workforce needs may require additional accommodations for State workers in the years leading up to their retirement. Furthermore, as our State's overall population tilts older, employees will be increasingly likely to have direct or indirect caregiving duties for their parents or spouses. This will require more flexibility in the workplace so that employees can juggle personal responsibilities while still performing their essential job functions.

¹⁵ Available online at: <http://www.leg.state.mn.us/lrl/mngov/stateofstate>

¹⁶ Available online at: http://mn.gov/governor/assets/EO-14-14-tagged.pdf_tcm1055-91904.pdf

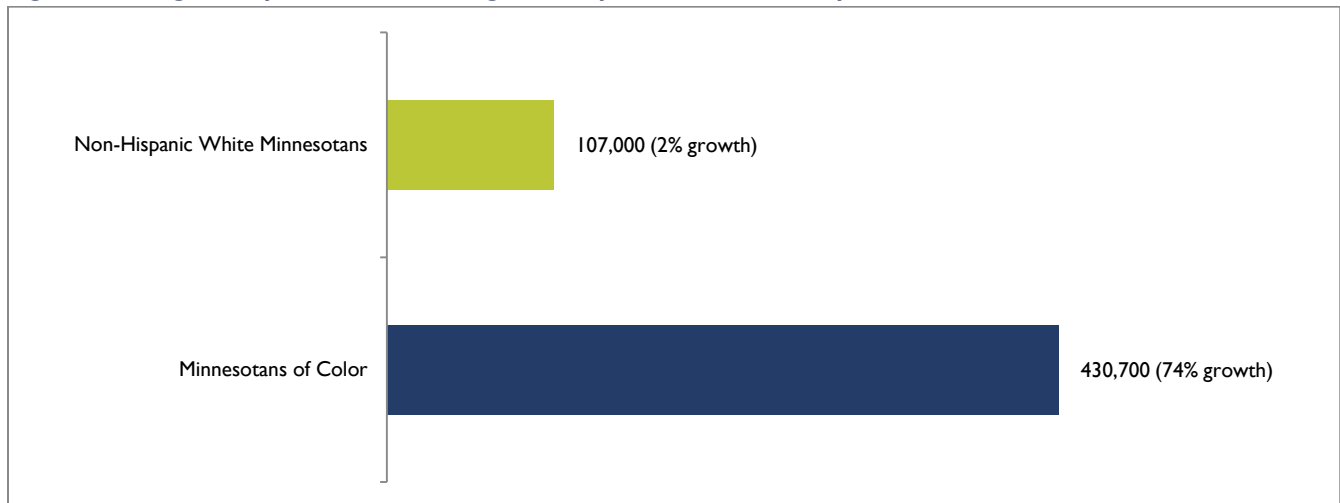
III. GROWING RACIAL AND ETHNIC DIVERSITY

While Minnesota’s total population is more than 80% non-Hispanic White, the racial and ethnic make-up of our population is changing rapidly. Between 2000 and 2014, the non-Hispanic White population grew by only 2% (adding about 107,000 people on net). By comparison, all other populations of Color, including American Indians, grew by 74%, adding about 430,700 people (see Figure 5). Several simultaneous trends are rapidly diversifying our State’s population. First, a growing share of babies born each year in Minnesota are either Hispanic and/or a race other than White — including 28% of births in 2014¹⁷. Second, Minnesota’s population gains through migration are disproportionately due to persons of Color. Third, mortality rates primarily affect our non-Hispanic White Minnesotans (because they are older on balance and represent a far larger share of older adults). Our projections indicate that Asian, Black, and Hispanic and multiracial Minnesotans will continue to grow most rapidly in the coming decades.

Furthermore, it is well documented that many populations of Color experience poorer outcomes in education, health, and economic status, relative to non-Hispanic White Minnesotans.¹⁸ If we do not improve these outcomes for our fastest growing population groups, Minnesota’s overall population health and well-being will decline. Weaker primary and secondary educational preparation among some groups threatens the strength and vitality of our future labor force, while elevated poverty rates and low incomes among growing groups threatens to swell enrollment in means-tested programs, and the State’s cost from those programs. These disproportionate outcomes are an affront to the State’s broad mission of securing the health and well-being of all of its residents.

In the Twin Cities
7-county metro area,
more than
1/3rd
of those in the prime
working years of age
20-64 will be People of
Color by 2020.

Figure 6: Change In Population Size Among Non-Hispanic Whites And Populations Of Color In Minnesota, 2000-2014



Source: U.S Census Bureau, 2000 Census and 2014 Population Estimates. Note: Numbers have been rounded for ease of interpretation.

¹⁷ MN Center for Health Statistics, “2014 Minnesota Health Statistics Annual Summary,” online at:

<http://www.health.state.mn.us/divs/chs/annsum/14annsum/index.html>

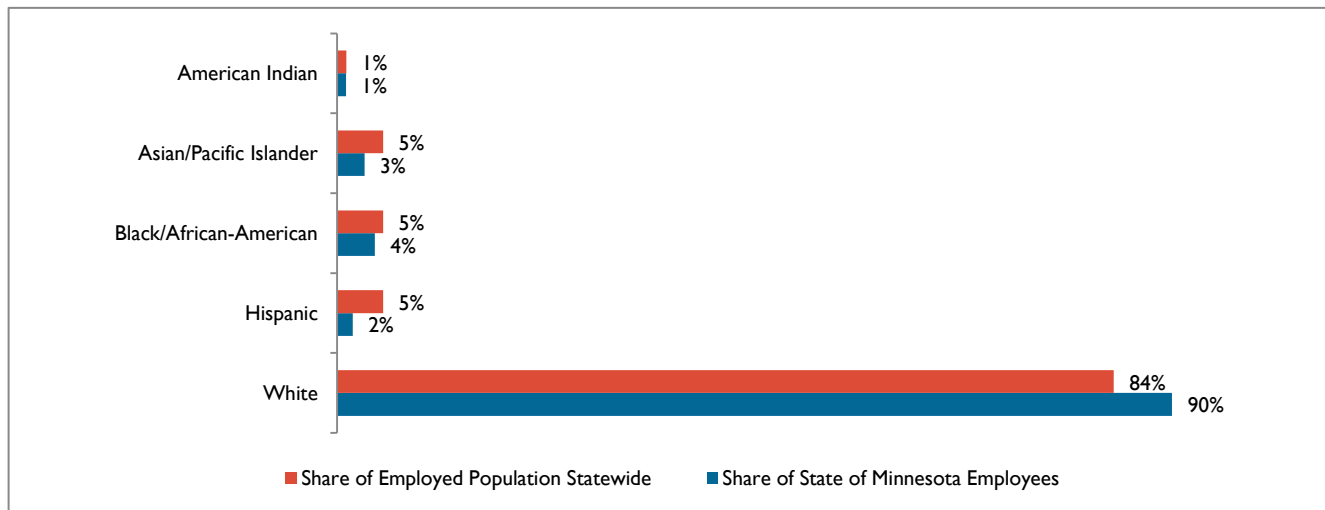
¹⁸ For a fuller presentation of various economic and educational disparities, see our January 2016 report, “The Economic Status of Minnesotans: A Chartbook With Data For 17 Cultural Groups” at <http://mn.gov/admin/images/the-economic-status-of-minnesotans-chartbook-msdc-jan2016-post.pdf>

The State is already engaged in an array of equity-advancing activities, including the 2015 creation of the Governor’s Diversity and Inclusion Council¹⁹, the Office of Equity in Procurement²⁰ in the Department of Administration, and Office of Career and Business Opportunity²¹ at the Department of Employment and Economic Development. This report does not seek to summarize the work of these and other important efforts. But considering that Minnesota’s population will only grow more diverse in terms of race, ethnicity, culture, and language in the decades to come, this report seeks to emphasize the necessity of continued training in cultural competency and equity work among the State workforce, both as it serves the public and relates to its own members. In addition, the State must continue to build a workforce that mirrors the current and *coming* demographics of the state as a whole. Presently, among the State’s Executive Branch workforce, White employees are somewhat over-represented relative to their share in the employed population statewide, while employees of Color are somewhat under-represented (see Figure 7).

The potential workforce is changing quickly. In 2010, People of Color represented only 15% of those Minnesotans in their primary working years of ages 20-64, but we anticipate that share will grow by 8 percentage points, to 23%, by 2020. In the 7-county²² Twin Cities metro area, which is more diverse than Greater Minnesota, 21% of persons in that age range identified as persons of Color in 2010. By 2020, that percent is anticipated to rise 12 percentage points, to 33% of those in these prime working years.²³

To demonstrate that it is a model employer, the State should continue its current efforts to examine its hiring practices, advancement and leadership opportunities, procurement, grant-making, awarding of contracts, service provision, and other practices across the enterprise to achieve equitable representation and treatment for persons across all racial groups and backgrounds.

Figure 7: Distribution By Race and Ethnicity, State Of Minnesota Executive Branch Employees And Employees Statewide, 2014



Source: “State of Minnesota Workforce Report 2014” and IPUMS version of the 2014 American Community Survey.
 Note: All race groups are non-Hispanic. Executive Branch employees with unknown race or ethnicity were excluded from these calculations.

¹⁹ Learn more at: <https://mn.gov/governor/newsroom/pressreleasedetail.jsp?id=102-166971>

²⁰ Online at: <http://mn.gov/admin/business/vendor-info/oep/about/index.jsp>

²¹ Learn more at: <http://mn.gov/deed/newscenter/press-releases/newsdetail.jsp?id=466-175790>

²² Representing the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington.

²³ Data for 2015-2020 were derived by the MN State Demographic Center by extrapolating observed growth between 2010 and 2014.

CONCLUSION

Population aging, workforce changes, and growing diversity are three major demographic trends that will shape and transform Minnesota in the coming decades. These trends are fundamentally related to efforts to plan for sustainable, responsible budgets and future State government and private sector workforce needs, and they underscore the importance of eliminating economic and other disparities across racial and ethnic lines to best position all Minnesotans for success. Policymakers and state leaders will need to consider these fundamental demographic changes as they conduct strategic and long-term planning in Minnesota. This brief has pointed to possible budgetary impacts, shifts in public program users, workforce staffing concerns, and racial equity considerations. This report does not contain an exhaustive list of potential impacts from these trends, but it cites examples that reflect how these trends could have meaningful impacts. Furthermore, the report cannot fully conceive of how future federal policies, technology, productivity gains, health advances, and other developments may change the trajectory of demographic trends and programs. However, the report serves as a prompt for further reflection and continued vigilance as to how these trends will affect Minnesota's State government, the State budget, and the health and welfare of the general population. Supervisors and managers across the enterprise of State government should be aware of these trends, and reflect upon how this information may require changes in their respective areas of work, as they proceed with their long-range and strategic planning. 📄

This report was prepared by the Minnesota State Demographic Center at the Department of Administration, with input from the Department of Human Services, Minnesota Management and Budget, and the Department of Revenue.

RESOURCES TO ASSIST WITH PLANNING

From the Minnesota State Demographic Center:

- [Population estimates for Minnesota, 87 counties, and all cities and townships](#) (web page)
- [Population projections for Minnesota, 13 Economic Development Regions, and 87 counties](#) (web page)
- [The Economic Status of Minnesotans: A Chartbook With Data for 17 Cultural Groups](#) (January 2016 report)
- [Minnesota On The Move: Migration Patterns & Implications](#) (January 2015 report)
- [In the Shadow of the Boomers: Minnesota's Labor Force Outlook](#) (December 2013 report)
- [The Long Run Has Become The Short Run: Budget Implications of Demographic Change](#) (February 2011 report)
- [Toward a Vision for Minnesota: Long-Range Strategic Planning Overview Recommendations](#) (October 2010 report)

Other resources:

- [State of Minnesota Workforce Report 2014](#), Enterprise Human Resources, Minnesota Management and Budget (2015 report)
- [Minnesota State Dashboard](#), Minnesota Management and Budget (website)
- [Economic Analysis](#), Minnesota Management and Budget (web page)
- [Budget and Economic Forecast](#), Minnesota Management and Budget (web page)
- [Minnesota State Budget Trends Study Commission Report](#) (January 2009 report)