

POPULATION BRIEF

MINNESOTA'S AGING POPULATION

Eric A. Guthrie, PhD | July 2024

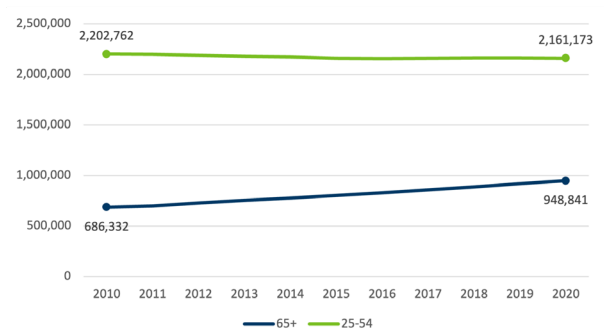
The state of Minnesota, like many regions across the United States, has been experiencing a significant demographic shift in recent years, marked by an aging of its population. This shift has brought about various implications for the state's labor force, creating both challenges and opportunities. Over the past decade, from 2010 to the present, Minnesota has witnessed a transformation in its demographic makeup, with a rapidly growing senior population and a simultaneous decline in the younger, working-age group. These demographic changes have sparked discussions and raised critical questions about the state's labor force dynamics, economic sustainability, and the need for policy adaptations to address the evolving needs of the workforce.

As we delve into the analysis of Minnesota's changing population dynamics and their impact on the labor force, it becomes evident that these developments have far-reaching consequences for the state's economy, social services, and overall quality of life. This brief provides an exploration of the aging trend within Minnesota's population and how it has evolved over the last few decades.

Understanding these demographic changes is crucial for policymakers, businesses, and society at large, as they must navigate the challenges and seize the opportunities presented by this aging population. By shedding light on the state's demographic evolution and its influence on the labor market, we aim to contribute to the ongoing discussion surrounding Minnesota's future and the need for deep understanding to address the changing social and economic landscape.

The first two figures look at the change in the over 65-year-old and the 25-54-year-old groups. The change in these groups has been consistent in directionality between the 2010 and 2020 censuses, as seen in **Figure 1**. The group 65 and over has been increasing steadily since 2010, gaining more than a quarter million residents over the period. This change is not due to an influx of residents in these ages, but rather to the annual aging of individuals across the arbitrary 65-year mark. As the baby boom generation continues to progress across this line, we will continue to see significant increases in this group given the size of the baby boom generation relative to the generations that precede and follow. That is not to say that the state has not seen in-migrants in this age group, however the overall change in the size of the 65 and over population cannot be attributed to migration.

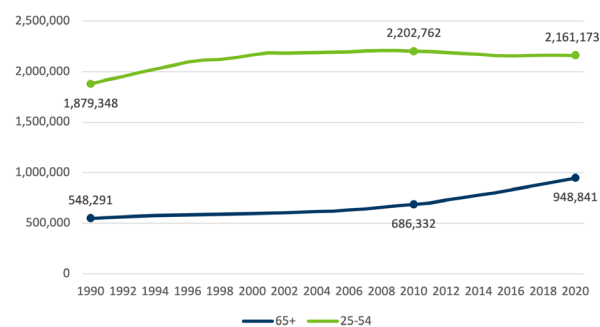
Figure 1: Age Groups 2010 to 2020



Source: U.S. Census Bureau, Population Estimates Program (PEP), Vintage 2020 Population Estimates.

When we look at the data over a longer period, as seen in **Figure 2**, the directionality reflected in the change in the age groups over time has not been as uniform as in the more recent period. For the prime working age group, those between the ages of 25 and 54, we see consistent increases year over year between 1990 and the peak in 2008. The year 2008 is significant in that it is just two years before the first baby boomers began aging across the 65-year mark. For the group that is 65 and over we can see that there has been a long history of gradual increases. However, that changed in the years leading up to 2010. One would expect gradual increases in the 65-year-old population as the population more generally begins to realize the positive impacts of medical and technological advances in the healthcare arena. The changes that we are seeing in the relative size of the age groups, however, is the latest reverberation of the dynamics that created the baby boom following World War II.

Figure 2: Age Groups 1990 to 2020



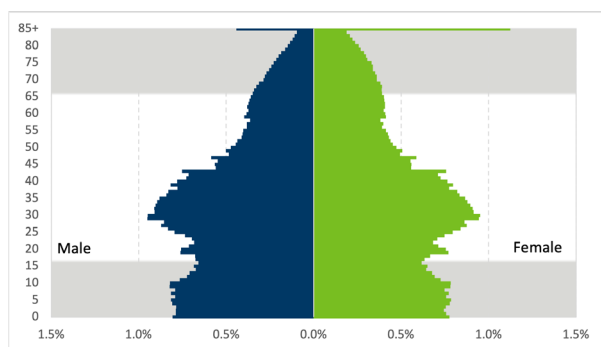
Source: U.S. Census Bureau, Population Estimates Program (PEP), Vintage 2020 Population Estimates, 2010 Intercensal Population Estimates, 2000 Intercensal Population Estimates.

These changes in the population have been coming for a long time, and while we are feeling the effects of the aging population, the knowledge that a large generation was going to swell the ranks of the older population has been around for a while. The next four graphics are called population pyramids and look at the population structure of four points in time: 1990, 2000, 2010, and 2020.

When we look at the population pyramid for 1990, **Figure 3**, we see a large bulge between the years 25 and 45, which represents the then post-college baby boom generation. Also in 1990, we see the echo of the baby boom, those individuals between the ages of 10 and 15 years of age in 1990.

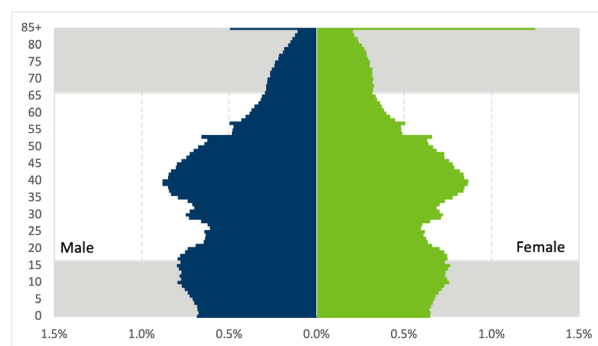
When we advance ten years and look at 2000, **Figure 4**, we can see the baby boom generation is firmly in the working age population being 35 to 55. In the 2000 pyramid, we also see the effects of declining fertility with the narrowing of the base of the graphic. This means, proportionally fewer and fewer people are being born.

Figure 3: Minnesota Age Structure 1990



Source: U.S. Census Bureau, Population Estimates Program (PEP), 2000 Intercensal Population Estimates

Figure 4: Minnesota Age Structure 2000



Source: U.S. Census Bureau, Population Estimates Program (PEP), 2010 Intercensal Population Estimates

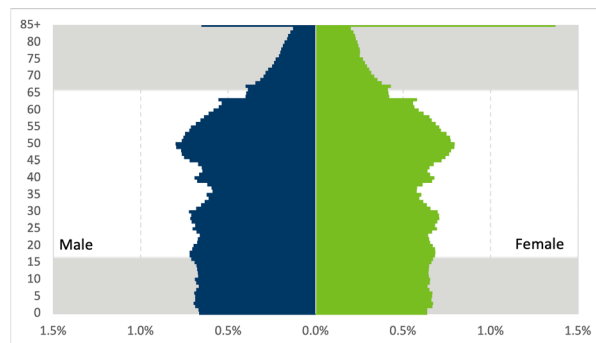
Looking at 2010, we see the very first baby boomers beginning to cross the 65-year mark. Also interesting in 2010 is the general flattening of the pyramid for the generations that follow the baby boom generation. The echo we saw previously no longer seems to be present, nor does a continuation of what looked like declining fertility in 2000. We are seeing the effects of migration that are altering the structure of the population.

Finally in 2020, **Figure 6**, we see that around half of the baby boom generation has crossed the 65-year mark but also that the largest proportion of them have yet to cross that point. The position of the baby boom generation in 2020 compared to 1990, **Figure 7**, highlights the changes that have occurred over the 30-year period. Looking forward we expect to see a continued increase in the population 65 and over until around 2030 when the final baby boomers turn 65. Following that, we will see a general decline in the rate at which individuals are crossing the 65-year mark as the smaller Generation X will see smaller numbers crossing that point.

So, what are the implications for Minnesota's evolving population structure? One of the major implications is in terms of the state's workforce. Starting in 2010, we had a large part of the population becoming of retirement age, meaning they are of the age where they are going to begin to think about leaving the labor force. With smaller generations following the baby boom replacing them in the labor force, we will continue to see labor shortages from a large generation aging out of the labor force. In the absence of migration, we will continue to feel these labor shortages for the foreseeable future.

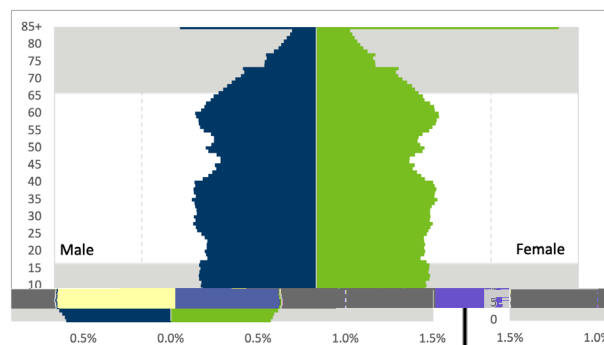
Another implication is the need to rethink types of healthcare that are going to be needed moving into the future. The state is going to need a lot more geriatric care and more resources for individuals to assist in aging-in-place. The effects of state aging will be felt differently in different parts of the state with parts of the state aging at a more rapid pace than others, which will exacerbate some of these challenges.

Figure 5: Minnesota Age Structure 2010



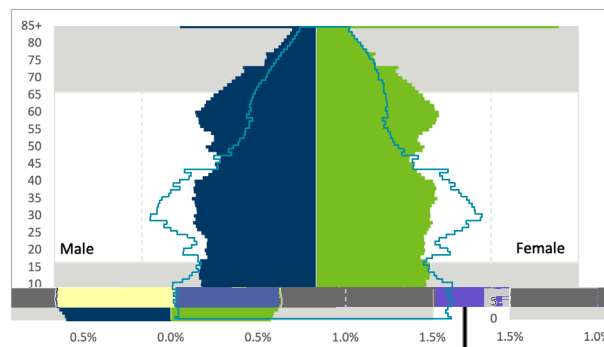
Source: U.S. Census Bureau, Population Estimates Program (PEP), Vintage 2019 Population Estimates

Figure 6: Minnesota Age Structure 2020



Source: U.S. Census Bureau, Population Estimates Program (PEP), Vintage 2020 Population Estimates

Figure 7: Minnesota Age Structure 2020 and 1990



Source: U.S. Census Bureau, Population Estimates Program (PEP), 2000 Intercensal Population Estimates & Vintage 2020 Population Estimates