

UPDATE ON FORECASTS

Land Use Advisory Committee

May 17, 2012



About the Council's forecasts

- Forecasts of population, households and employment in ten-year increments produced at least once per decade
- *Minnesota Statutes* 473.146 and 473.859
- Develop shared expectations of a common future and inform regional and local planning

About the Council's forecasts

- Now available: Preliminary regional forecasts to 2040
- January 2013: Preliminary forecasts by geographic planning area for a baseline and alternative policy scenarios
- Late spring 2013: Preliminary local forecasts
- Early 2014: Adoption of the *Thrive MSP 2040* plan and final local forecasts

PRELIMINARY REGIONAL FORECASTS TO 2040

Preliminary regional forecast to 2040

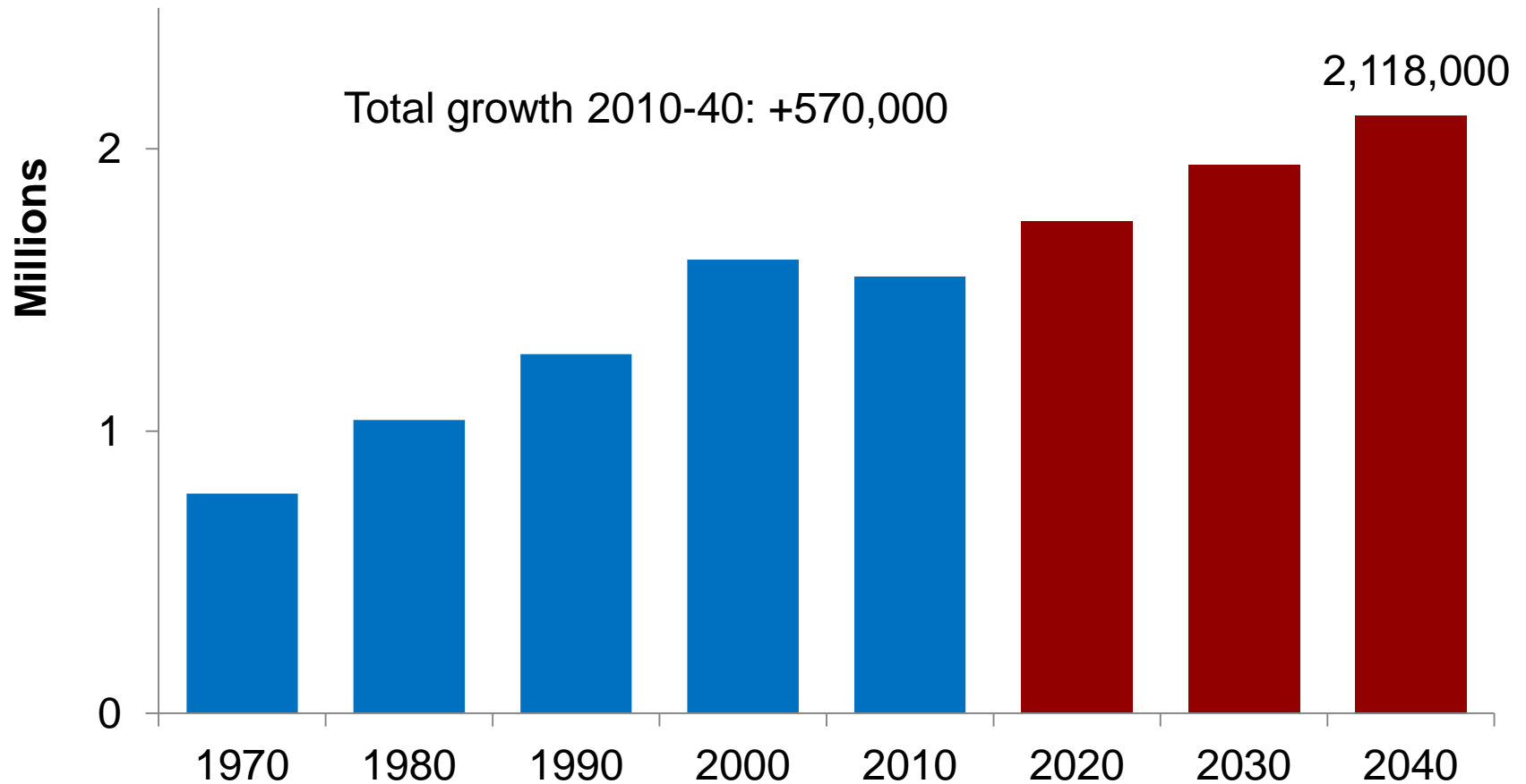
	2010	2020	2030	2040
Population	2,850,000	3,144,000	3,447,000	3,743,000
Households	1,118,000	1,293,000	1,464,000	1,576,000
Employment	1,548,000	1,743,000	1,943,000	2,118,000

Source: 2010 data on population and households from U.S. Census; 2010 data on employment from Minnesota Department of Employment and Economic Development. 2020-2040 forecasts from the Metropolitan Council.

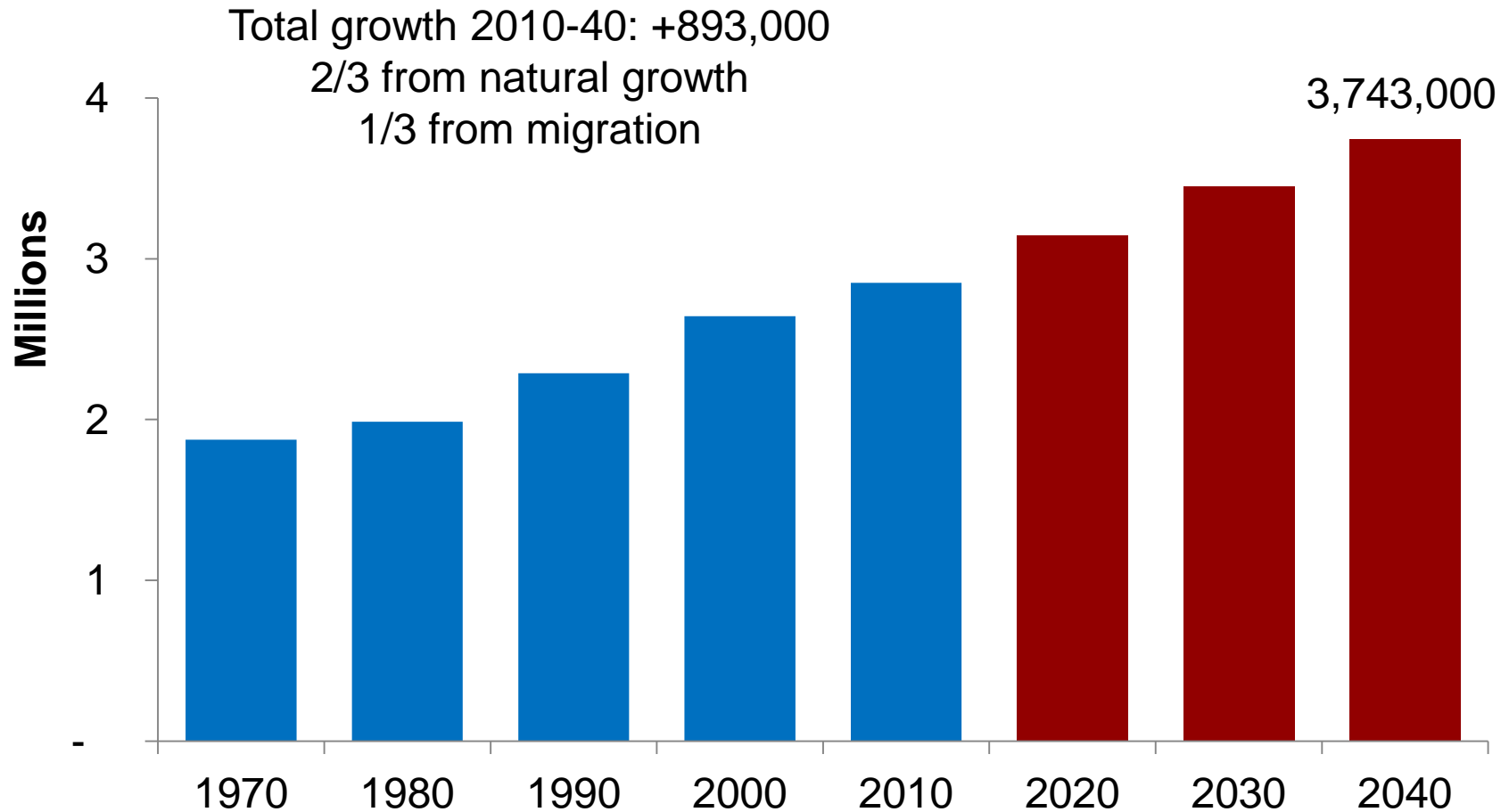
Economic competitiveness determines forecast outcomes

- MSP's Gross Metro Product projected to grow to 1.5% of national GDP
 - In comparison, MSP has 1.0% of nation's population
- Wage and salary employment forecast to grow by 570,000, or 37%
 - National employment growth projected at 31%

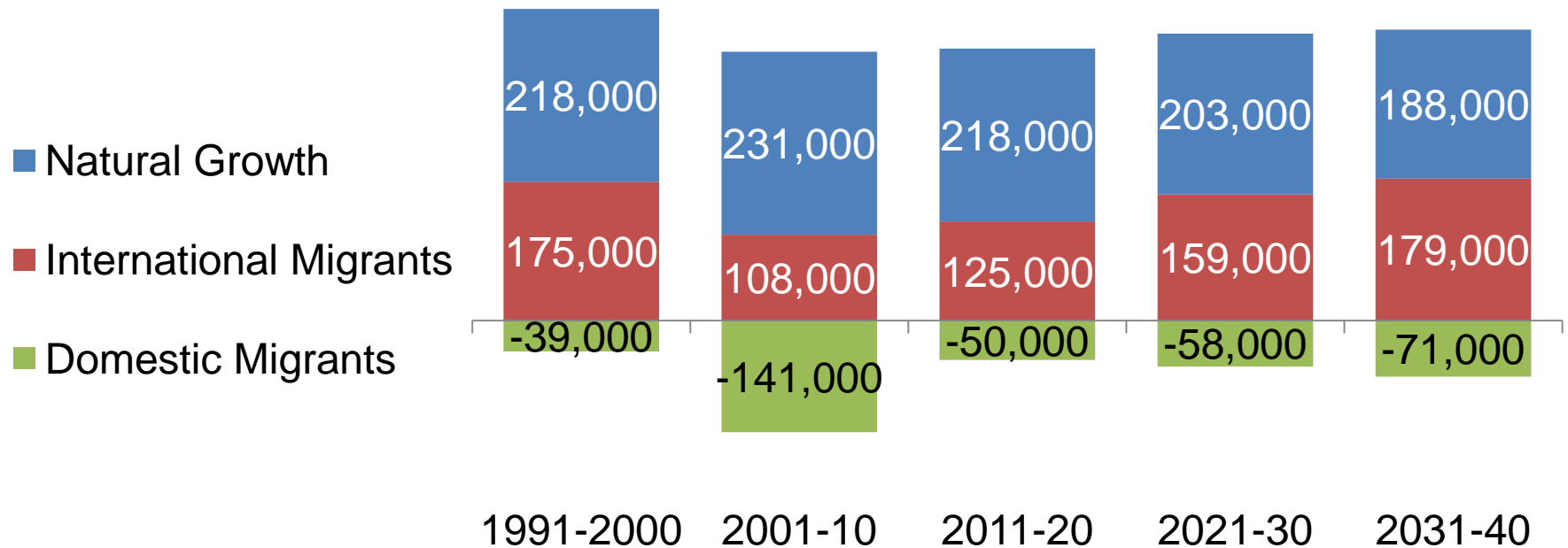
Employment forecasted to grow 37%



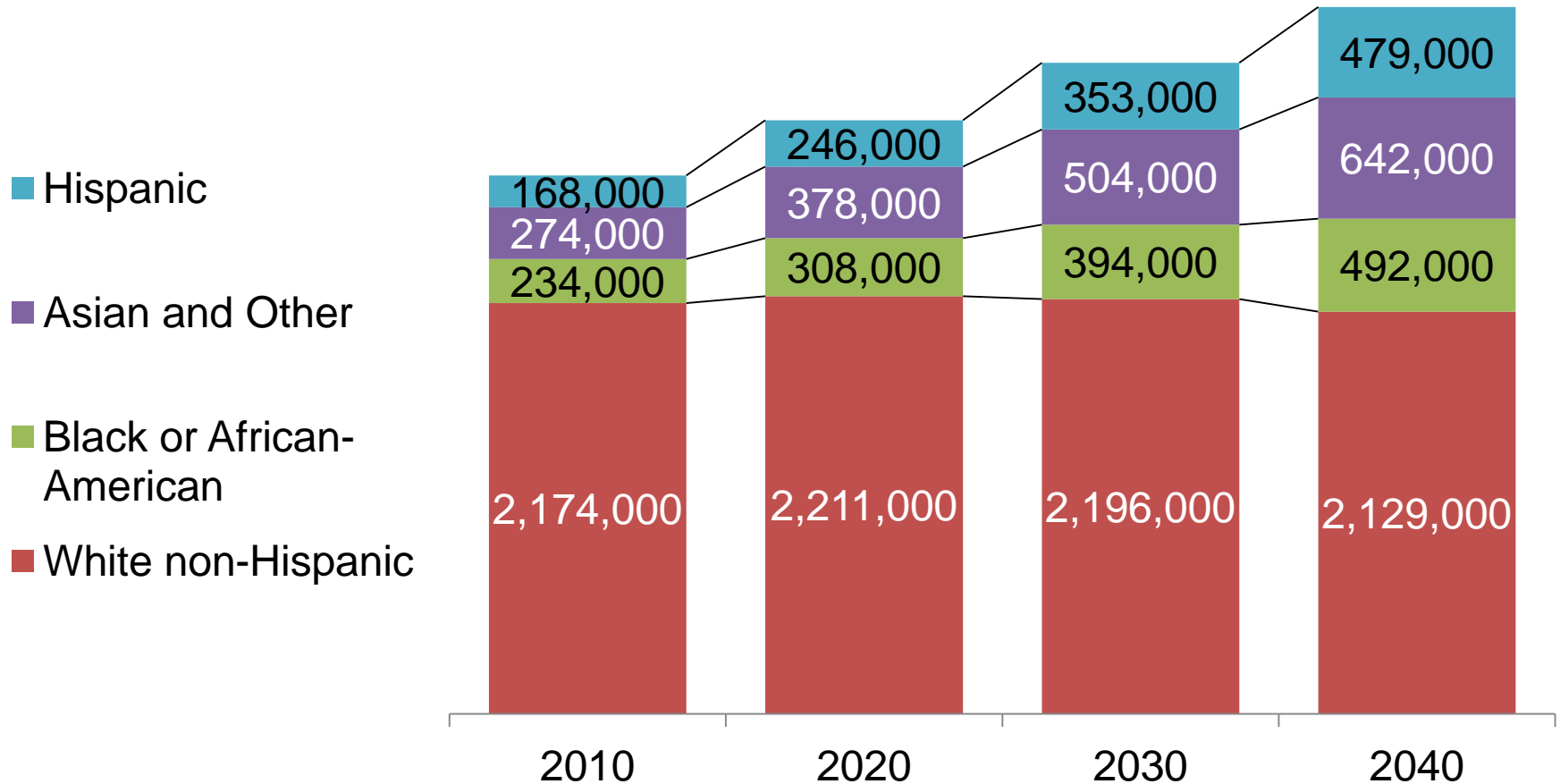
Population forecasted to grow 31%



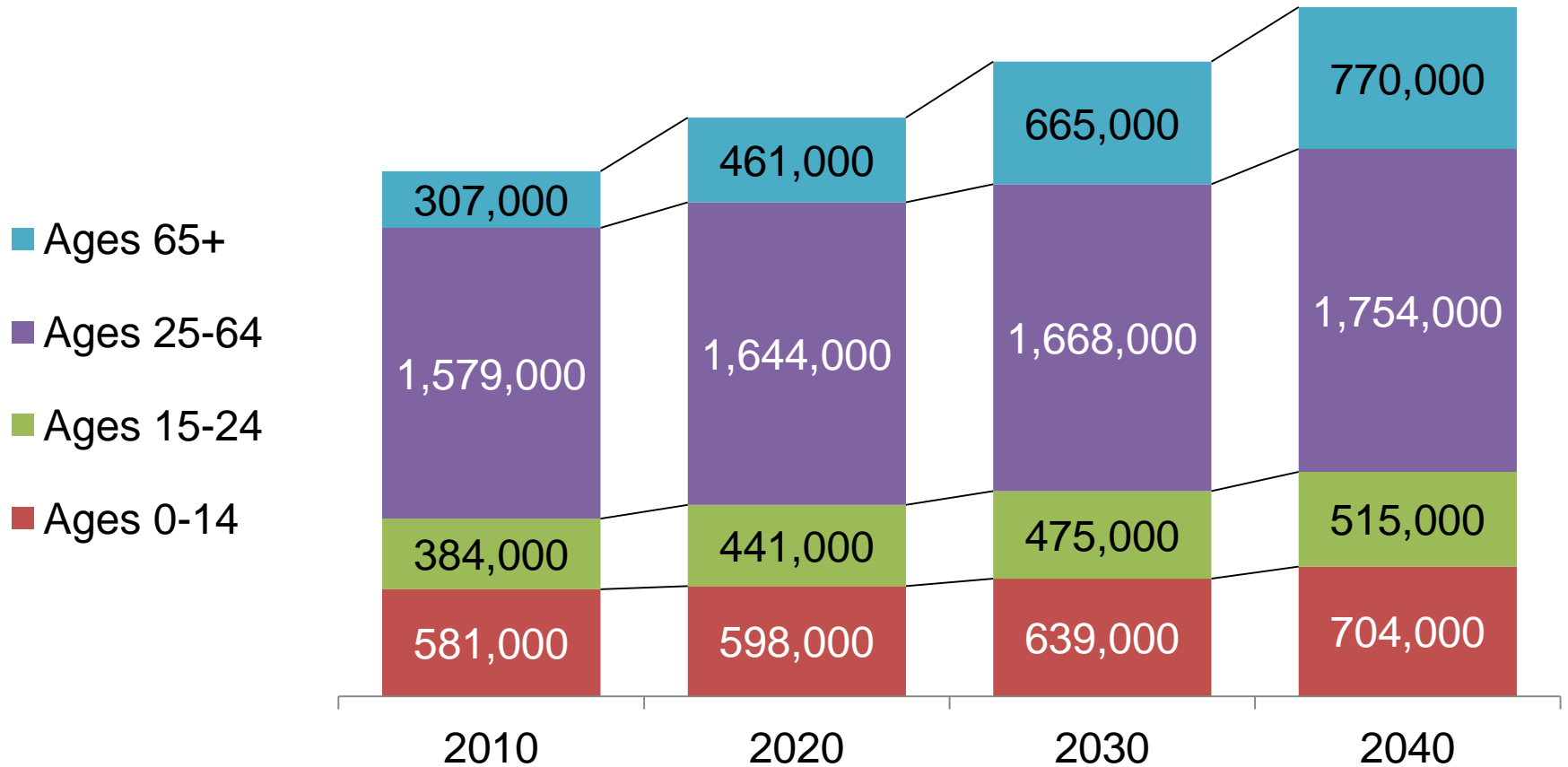
Components of Population Growth



Population by Race and Ethnicity

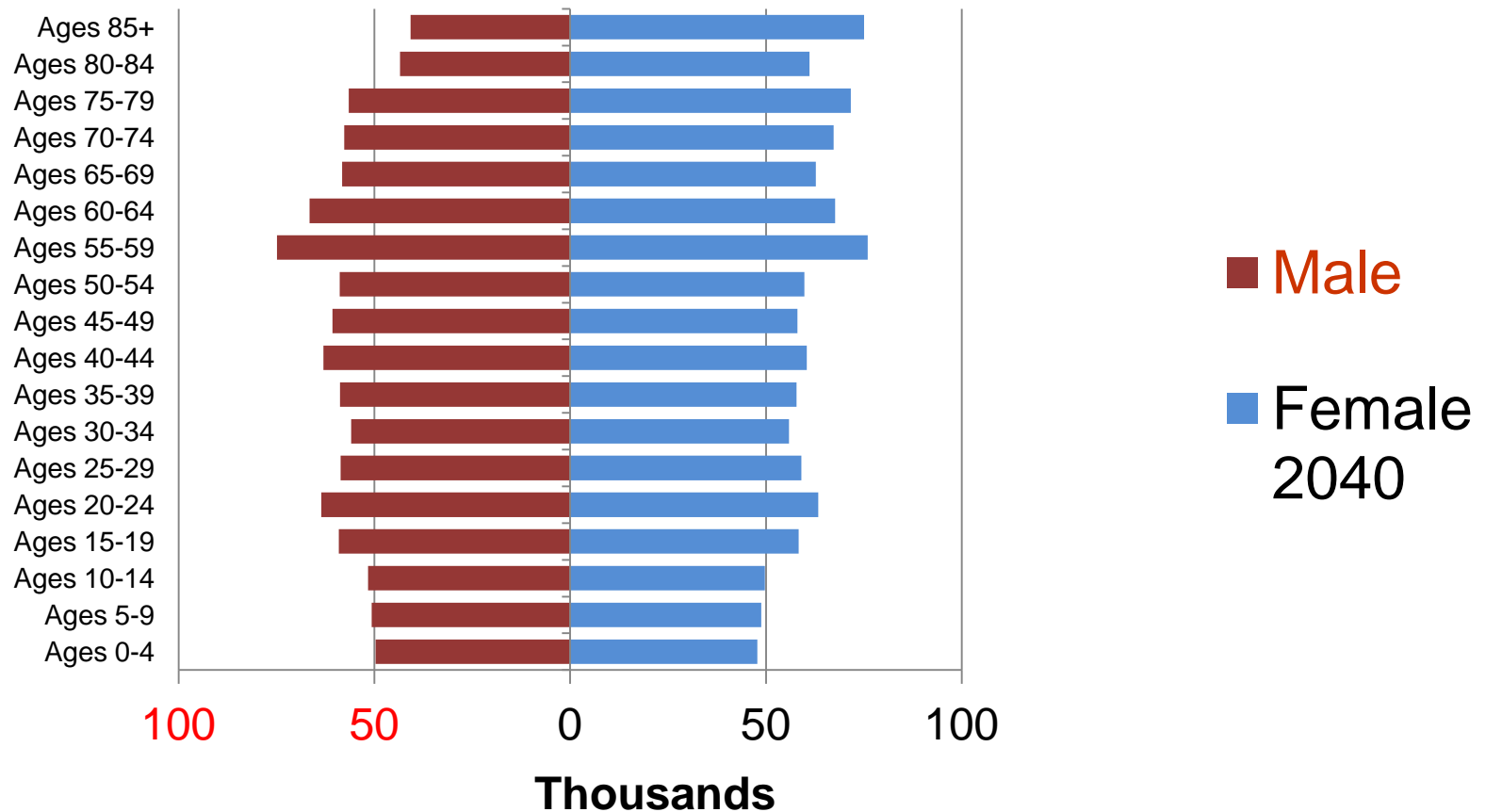


Population by Age

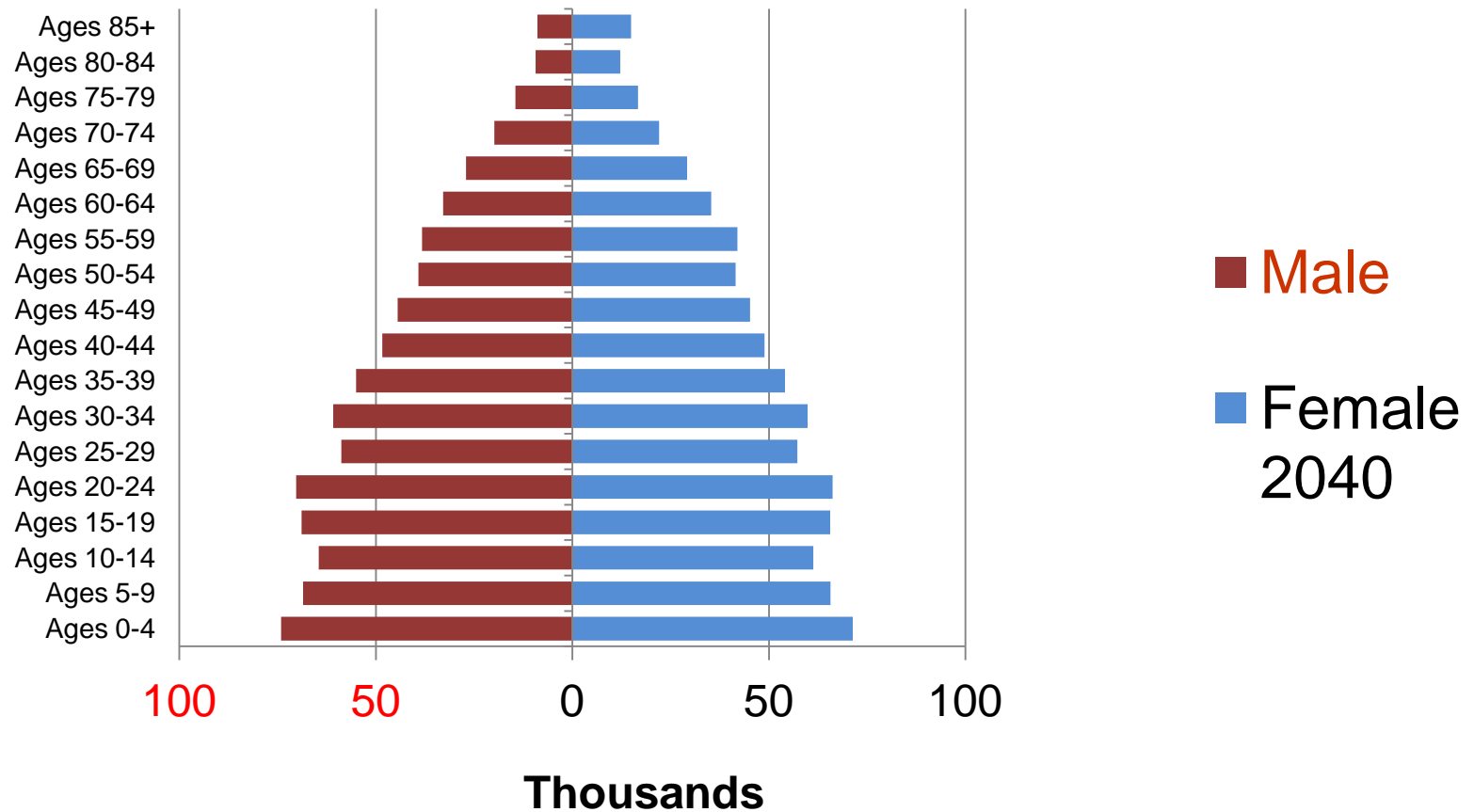


Age distribution

White non-Hispanic population

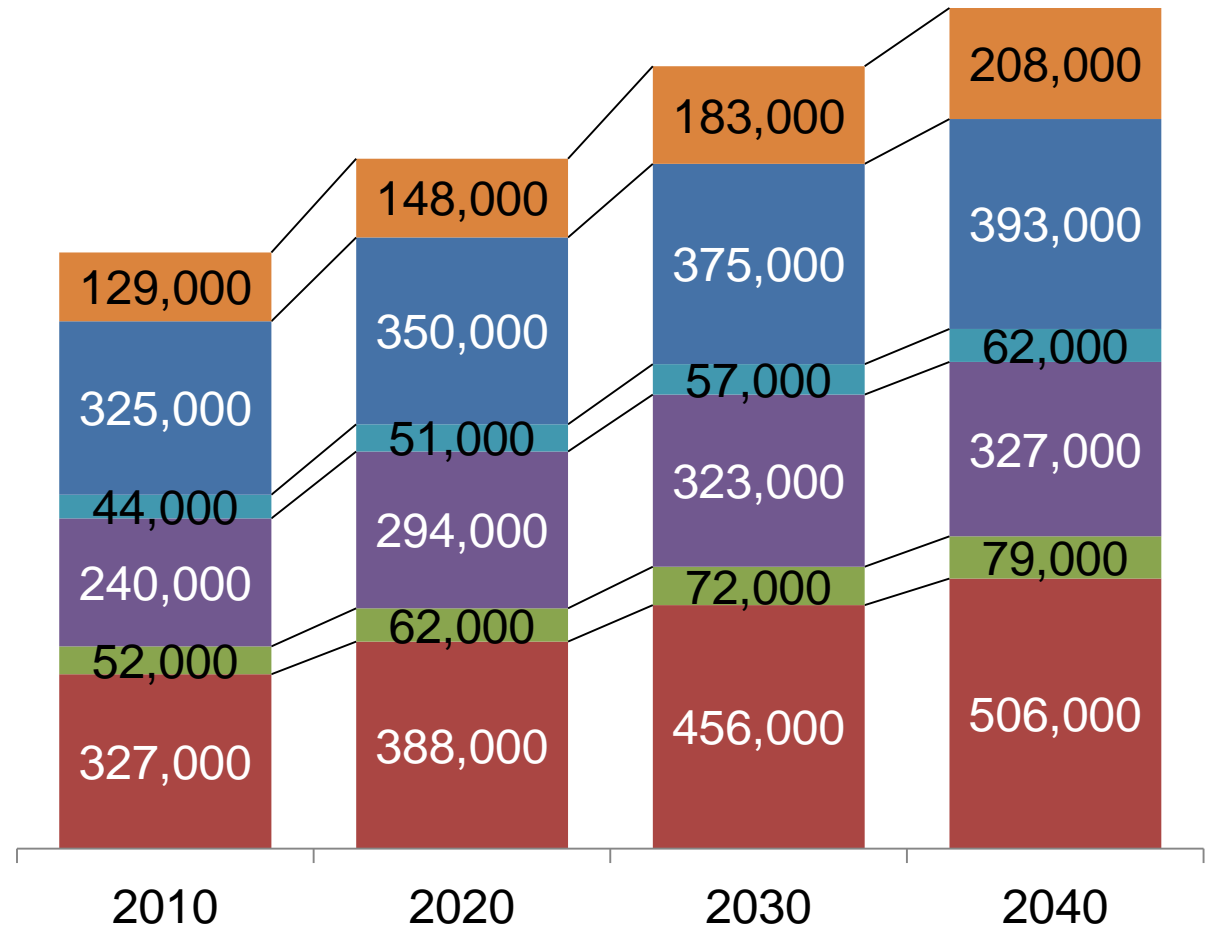


Age distribution People of color



Households by Household Type

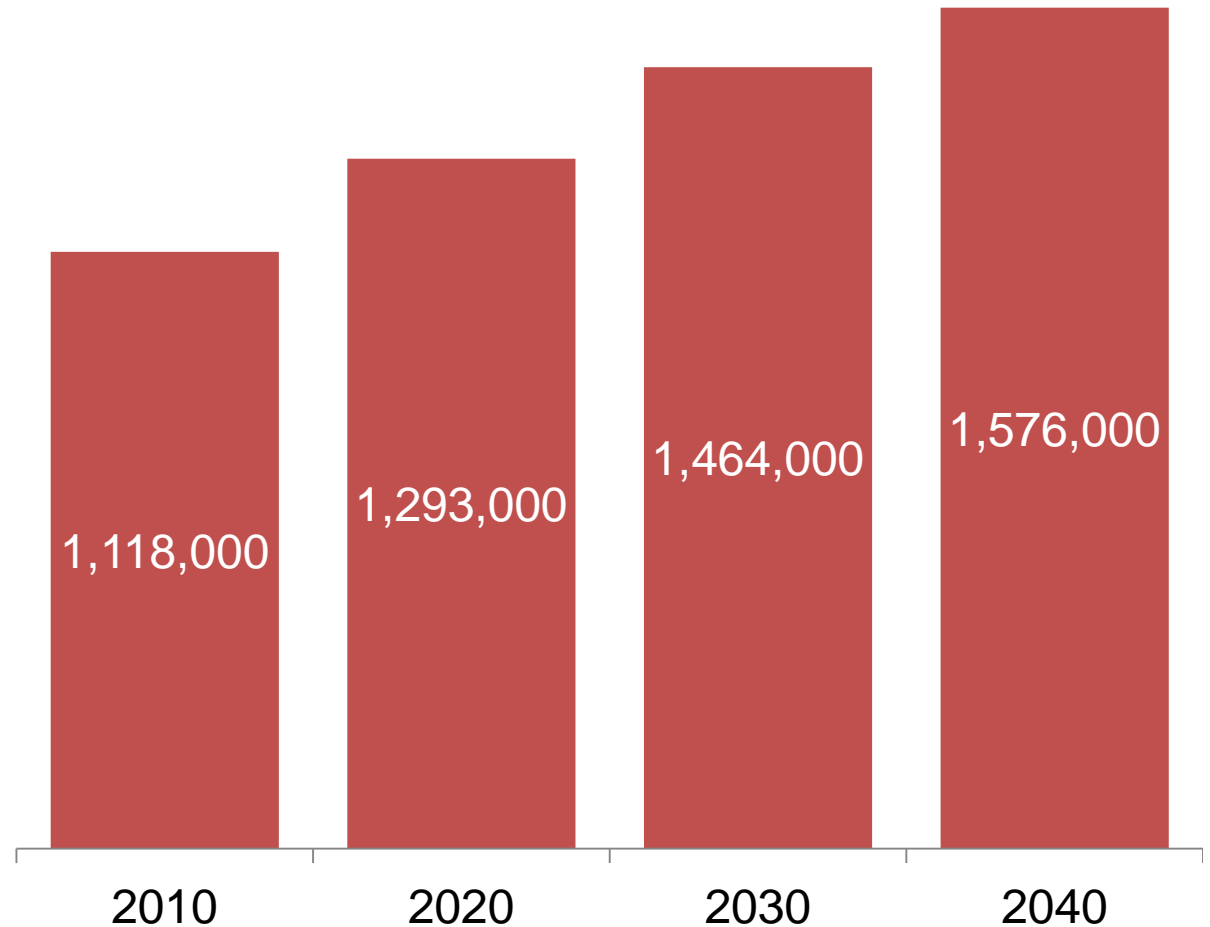
- Single parent, with children
- Couple, with children
- Cohabiting couple, no children
- Married couple, no children
- One person and other
- One person only



Households count will grow 41%

Forecast model assumes household behavior, by group, will follow observed past patterns.

Council staff are continuing work on the demographic modeling of households.



FORECASTING METHODS



Forecasting methods

- REMI PI+, a regional economic model, forecasts employment and population, to reflect economic migration
- ProFamy, a demographic model, converts population forecasts into household types
- National GDP projections from the long-term baseline forecast used by Minnesota's State Economist

IMPLICATIONS FOR REGIONAL POLICY



Implications for Regional Policy

- Two-thirds of net household growth will occur among households without children
- About 16,000 new housing units needed per year in the region
- At least half of the new households will have only one income
- Doubling of the senior population – by 2040, more people age 65 and above than children age 14 and under

UPDATE ON LOCAL FORECAST MODEL



Forecasts: Four models work together



A **regional economic model** – regional economic activity, employment, migration



A **demographic model** – regional demographics and households formation



A **land use model** – allocates households and employment to the local level



Travel demand model

Progress Since Last Meeting

Last Meeting

February 2012



Results from February Sensitivity Tests

- Household location sensitive to transportation scenarios
- Identified potential refinements to model calibration
- Identified additional computer programming for land use sensitivity tests

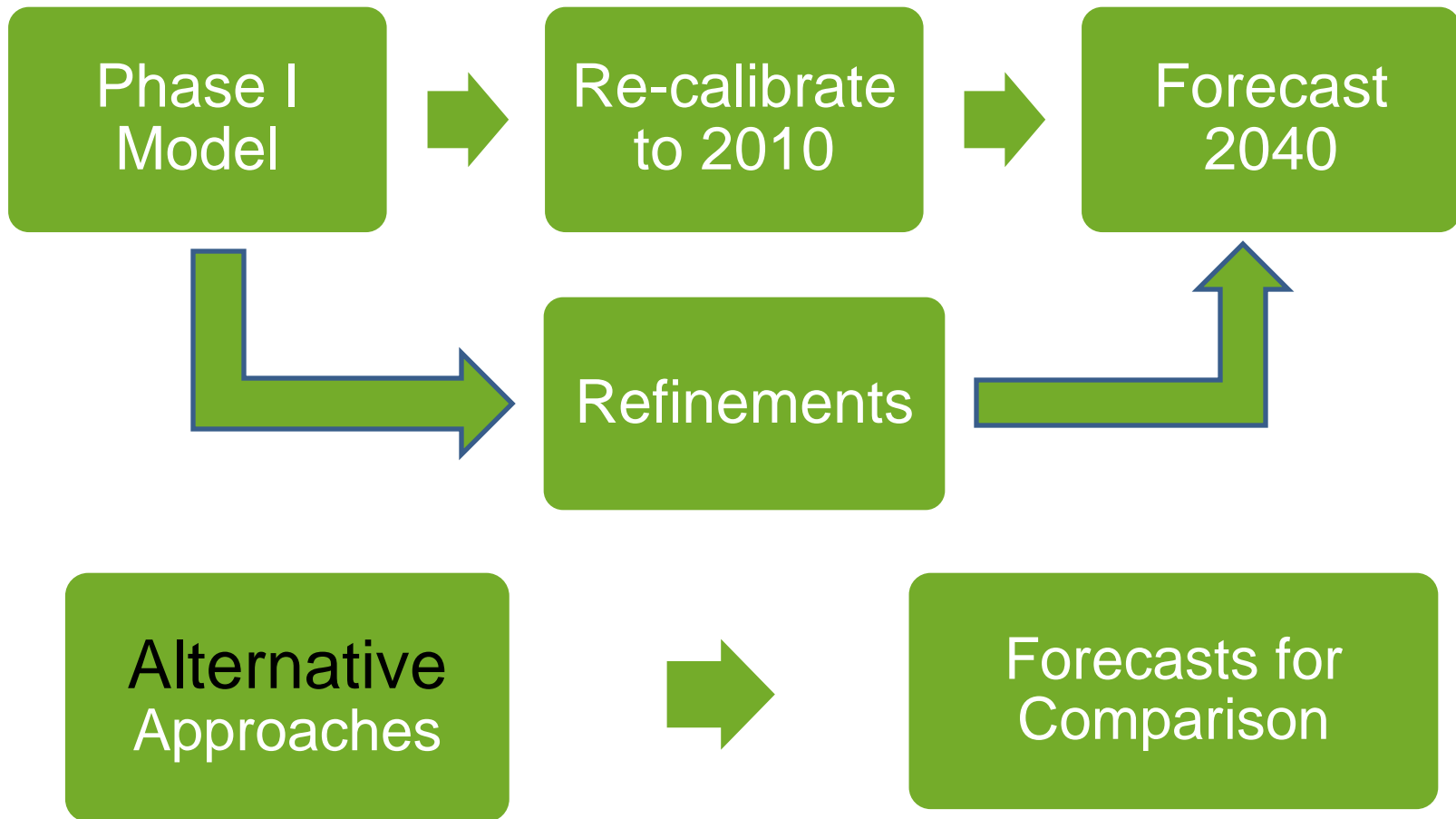
Next Step – Evaluate New Calibration

May 2012



○ → Evaluate results

Going Forward



Forecast Timeline (Preliminary)

2012

- Release preliminary region-level forecasts (April)
- Re-calibrate model; begin testing scenarios

2013

- Release preliminary forecasts by planning area (January) – baseline and scenarios
- Release preliminary local forecasts (Summer)

2014-2015

- Release Thrive MSP 2040 and Systems Statement Forecasts

QUESTIONS?

