

# RELEASE OF PRELIMINARY 2040 REGIONAL FORECASTS

Committee of the Whole

April 18, 2012



# Overview of today's presentation:

- Overview of the Council's role in forecasting
- Results: Employment, Population, and Households Forecasts to 2040
- Methods behind the Council's forecasts
- Implications for the Council's work and the *Thrive MSP 2040* plan

# 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

- Today: Preliminary regional forecasts to 2040
- October: Preliminary, baseline forecasts by geographic planning area
- April 2013: Preliminary local forecasts
- February 2014: Adoption of the *Thrive MSP 2040* plan and final local forecasts

# PRELIMINARY FORECASTS TO 2040

# Preliminary regional forecast to 2040

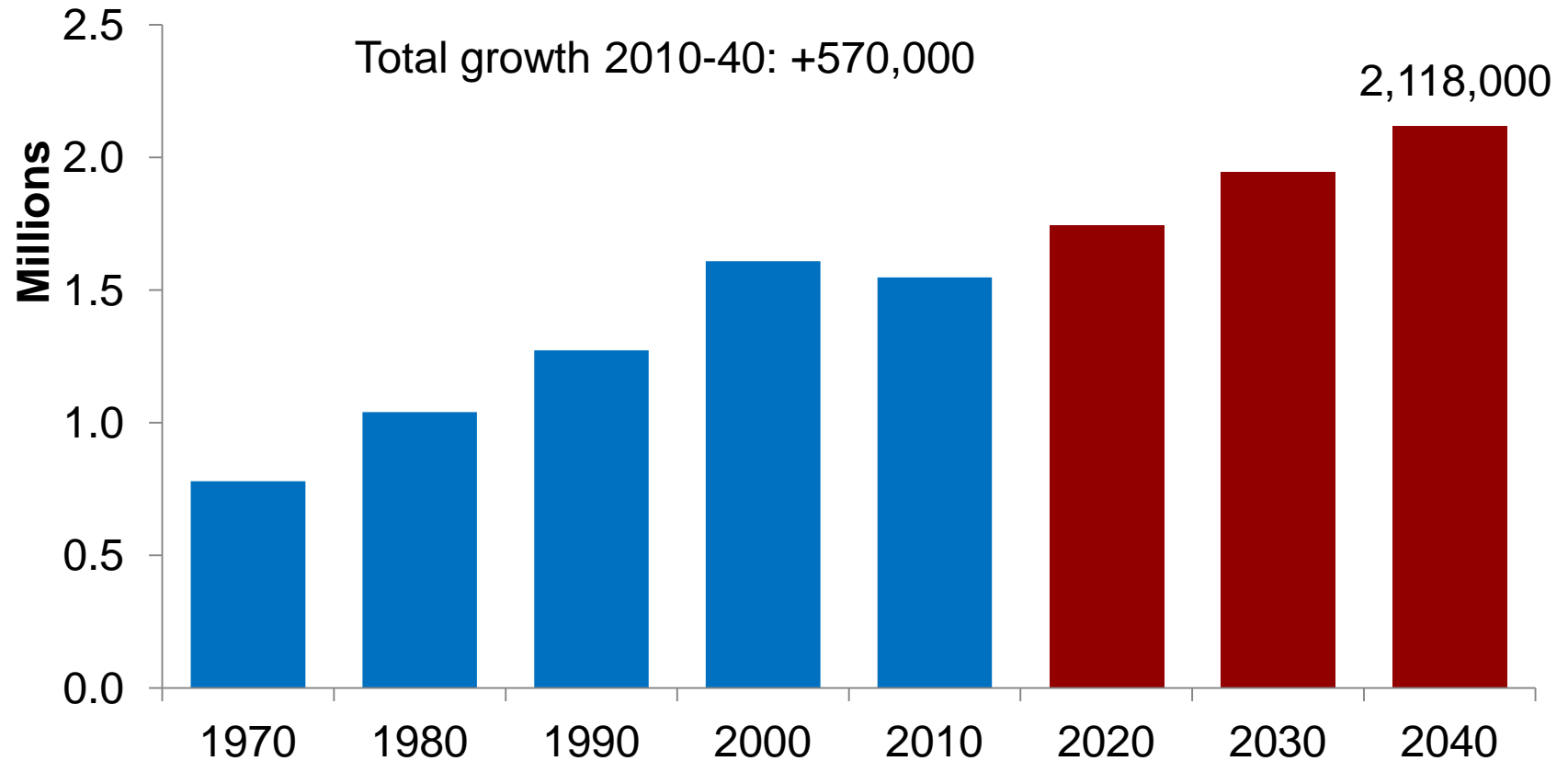
	2010	2020	2030	2040
Population	2,850,000	3,144,000	3,447,000	3,743,000
Households	1,118,000	1,293,000	1,464,000	1,576,000
Employment	1,548,000	1,743,000	1,943,000	2,118,000

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

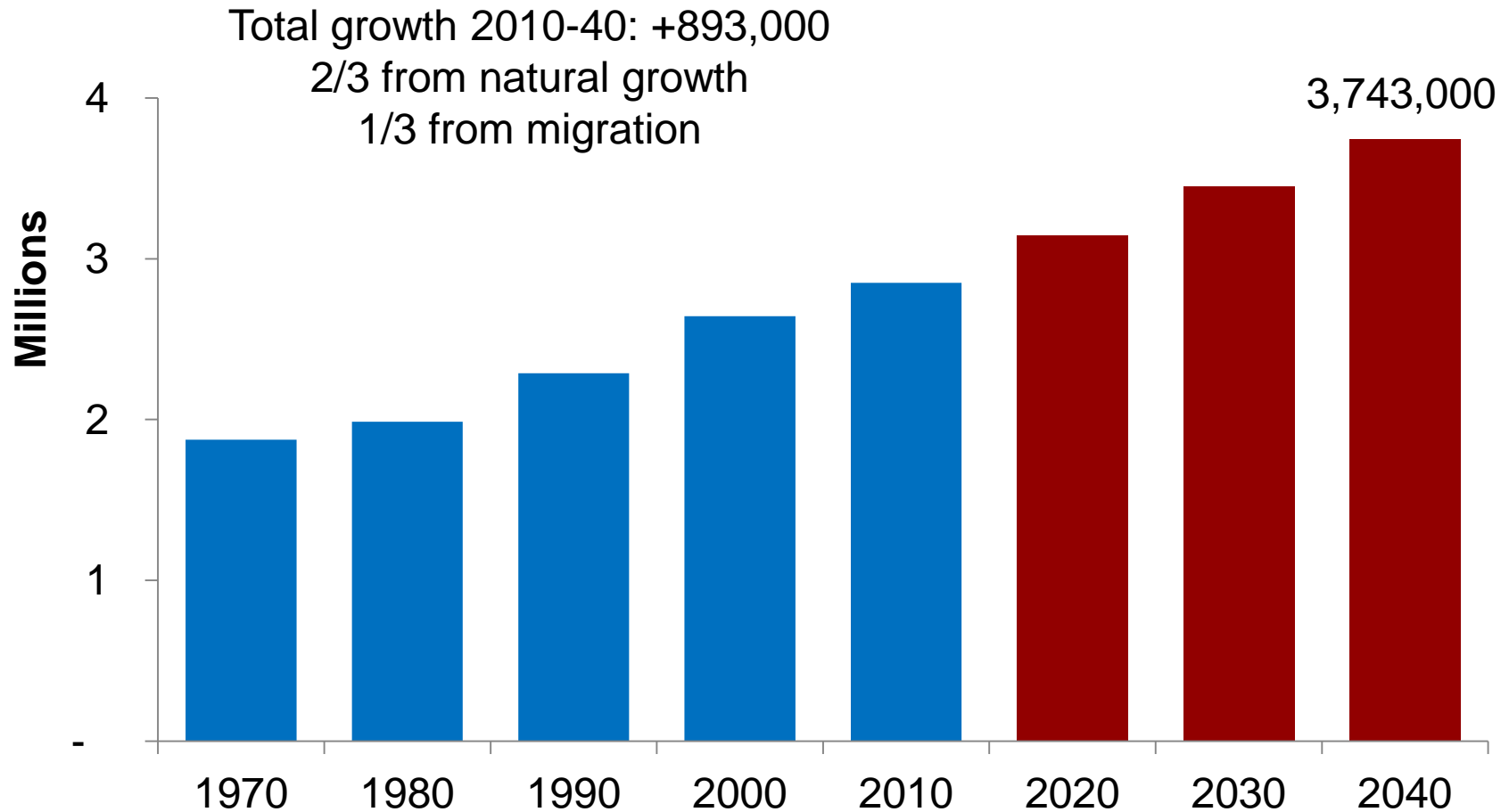
- MSP's Gross Metro Product projected to grow to 1.5% of national GDP
  - In comparison, MSP has 1.0% of nation's population
- Wage and salary employment forecast to grow by 570,000, or 37%
  - National employment growth projected at 31%

# Employment forecasted to grow 37%

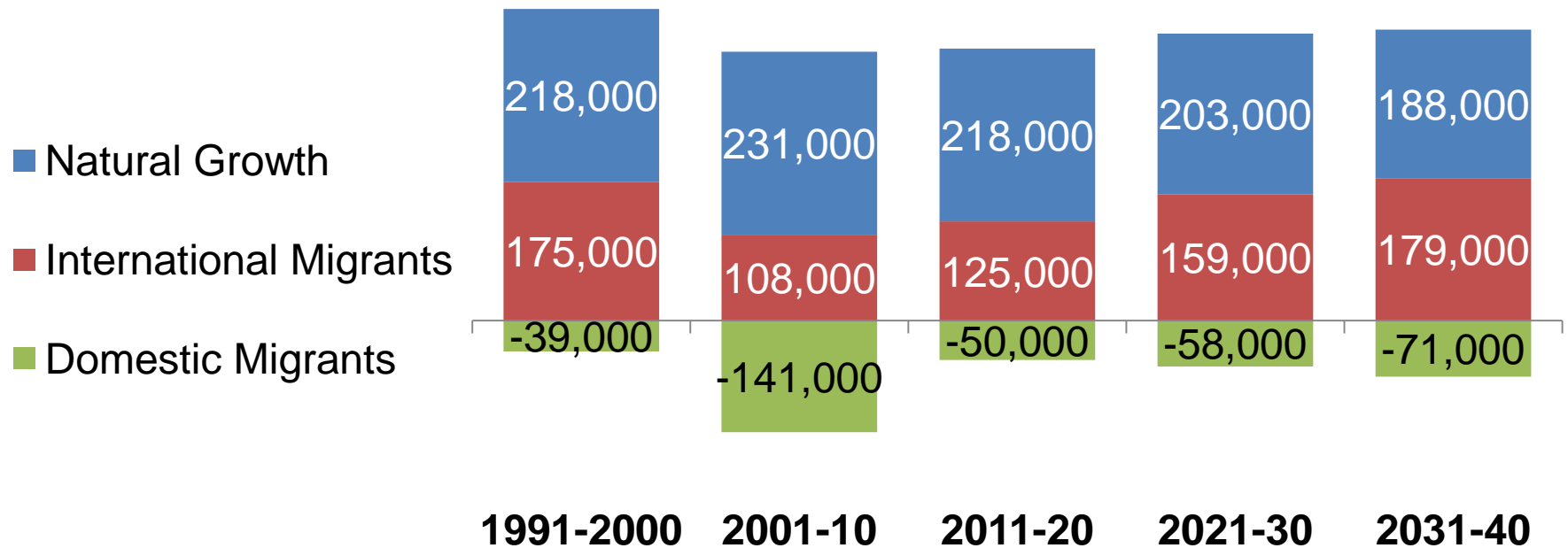




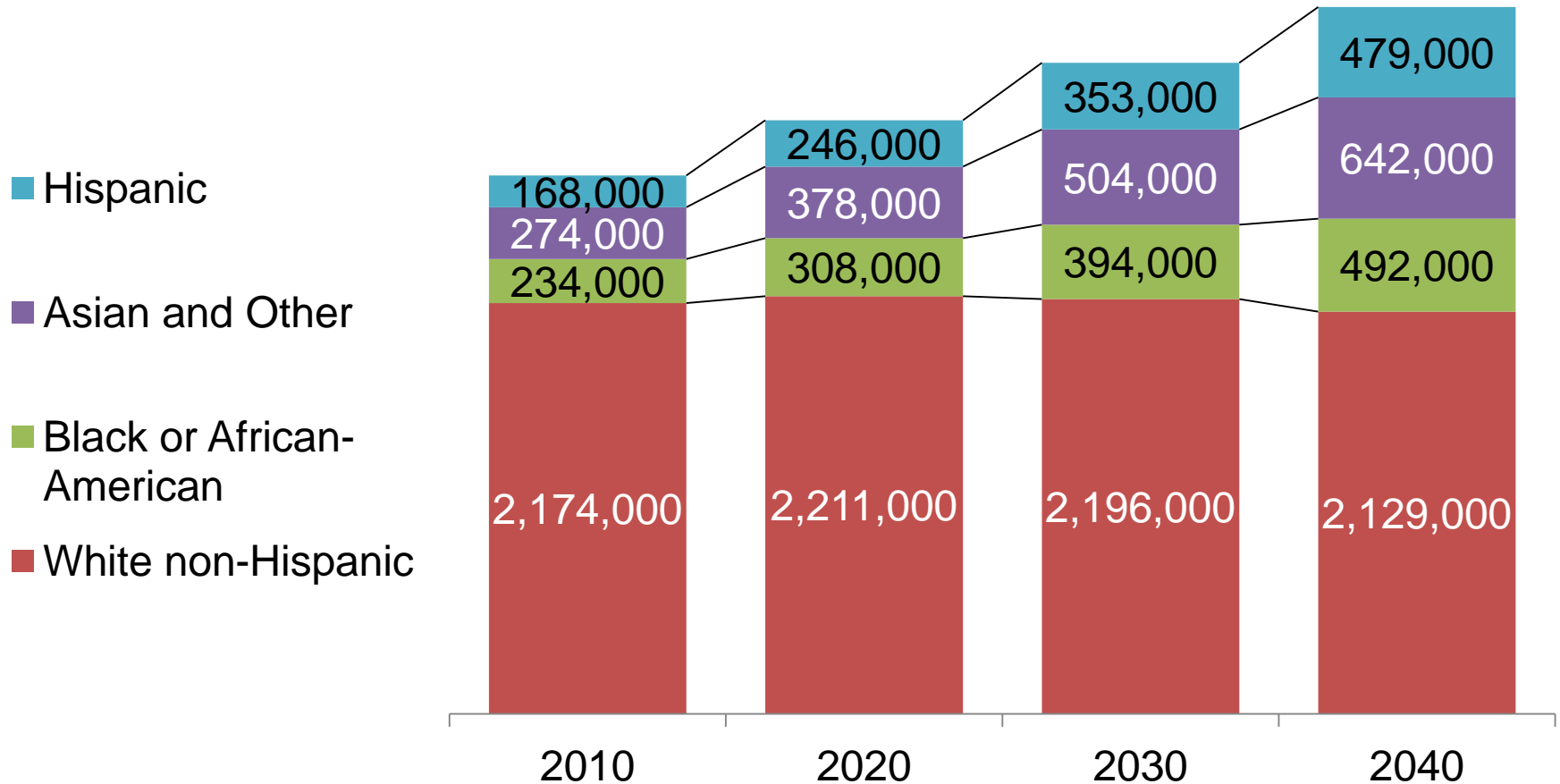
# Population forecasted to grow 31%



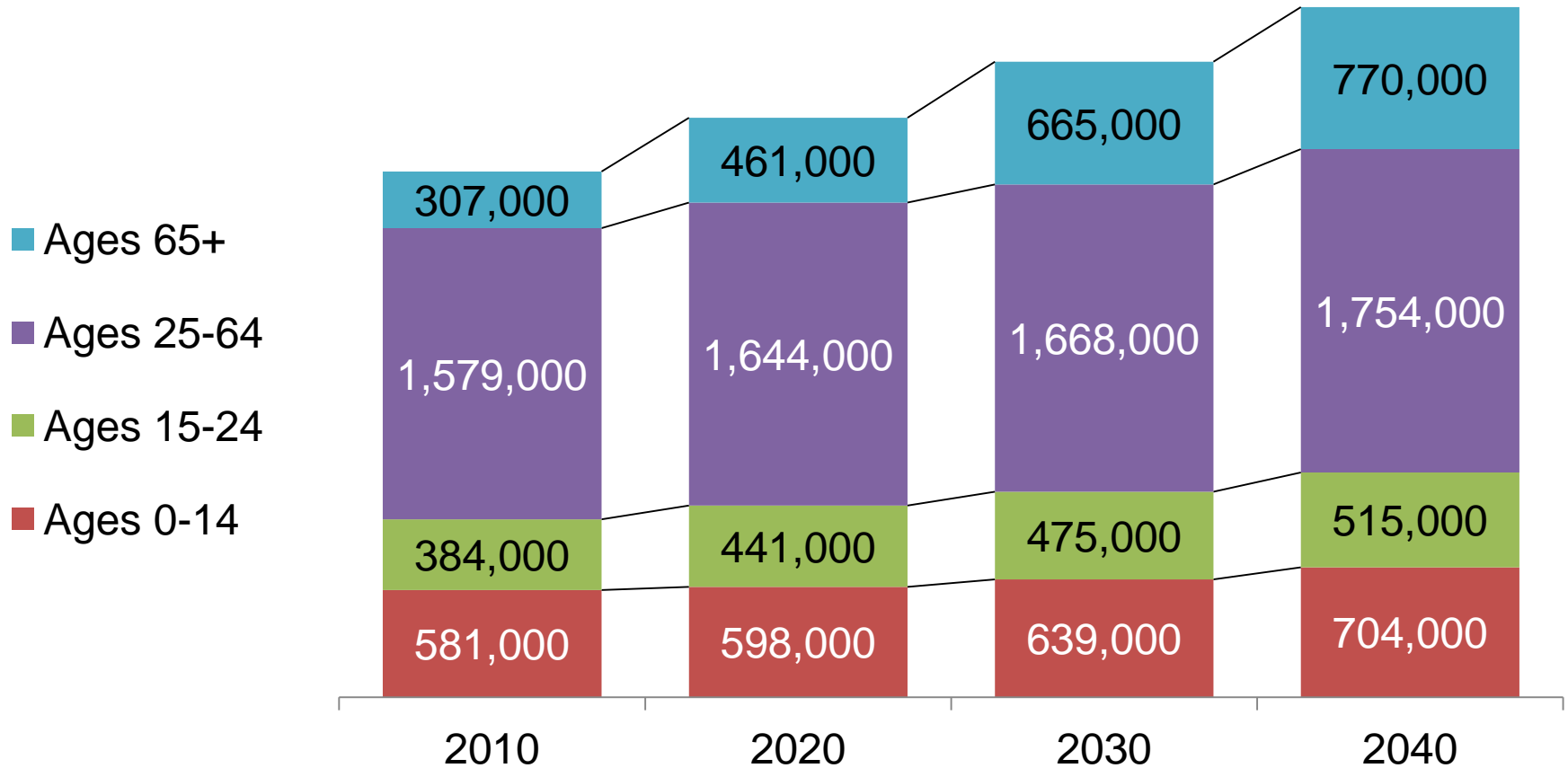
# Components of Population Growth



# Population by Race and Ethnicity

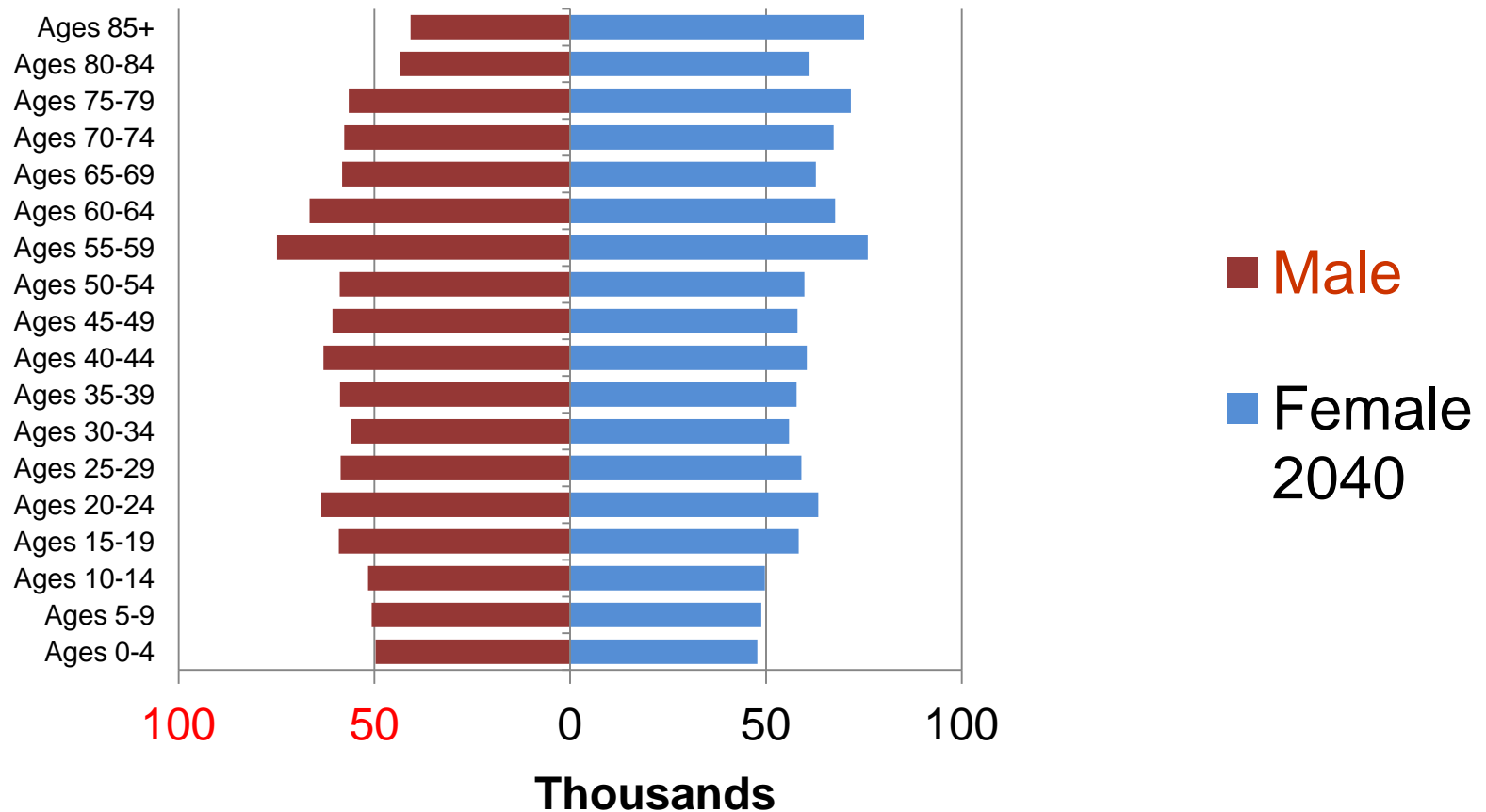


# Population by Age

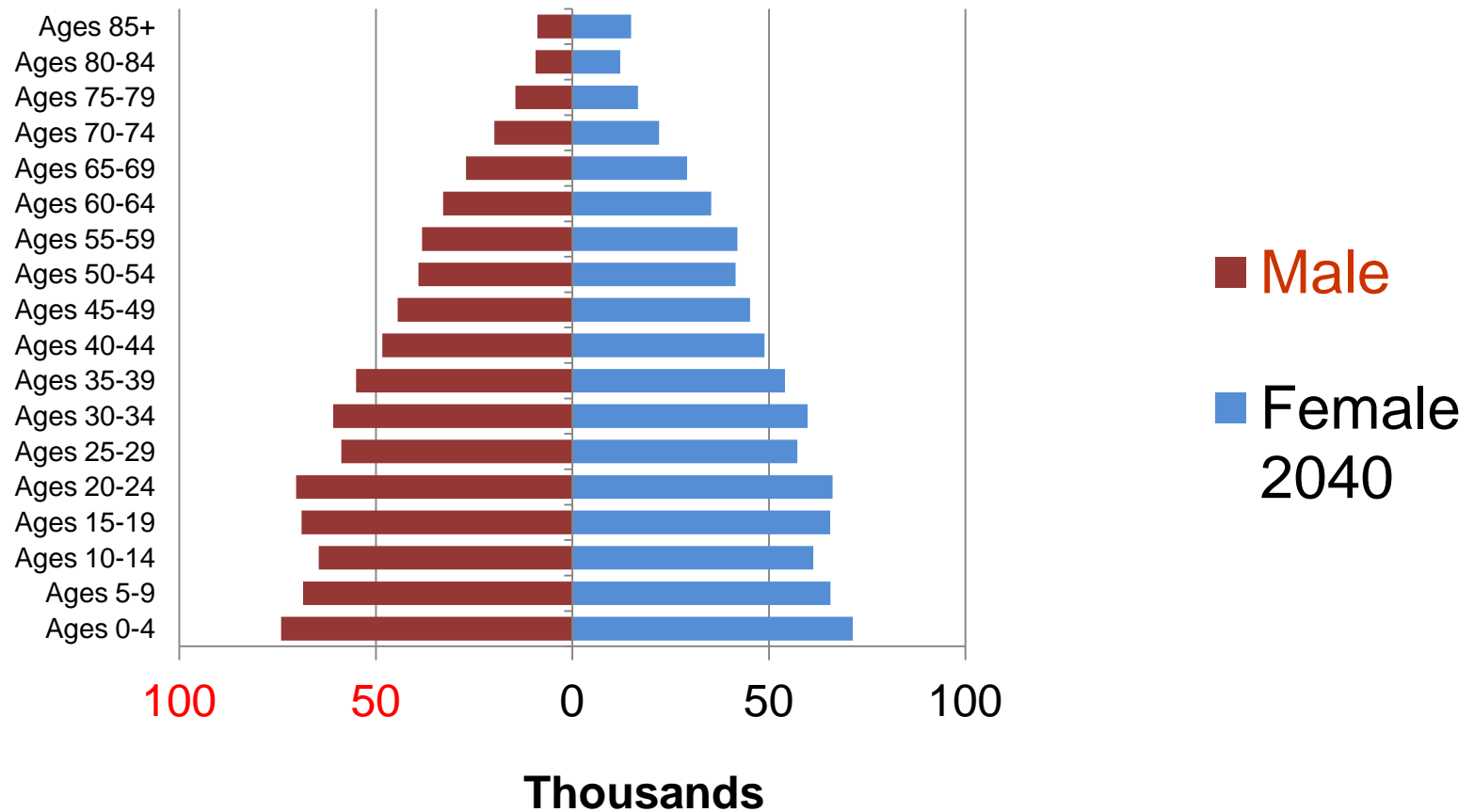


# Age distribution

## White non-Hispanic population

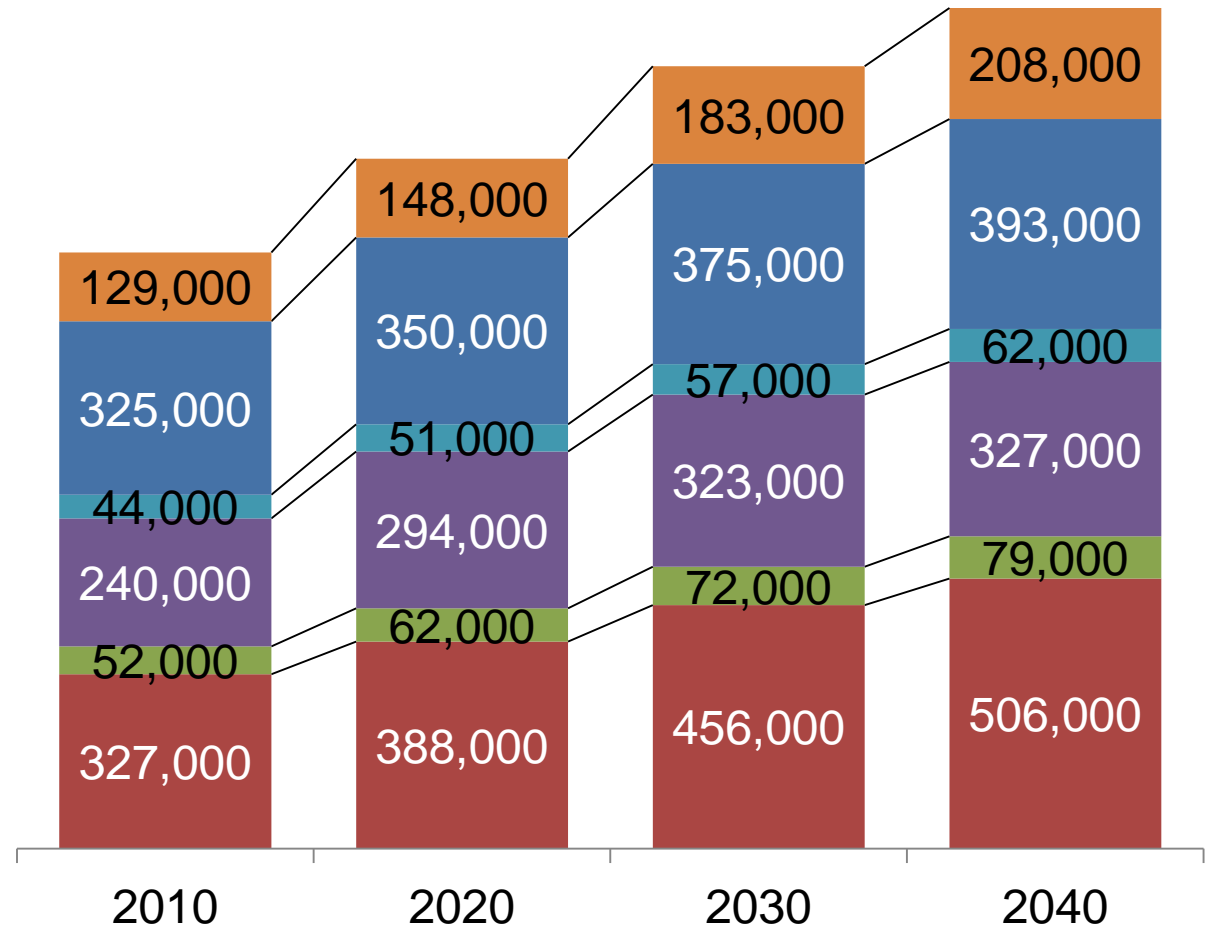


# Age distribution People of color



# Households by Household Type

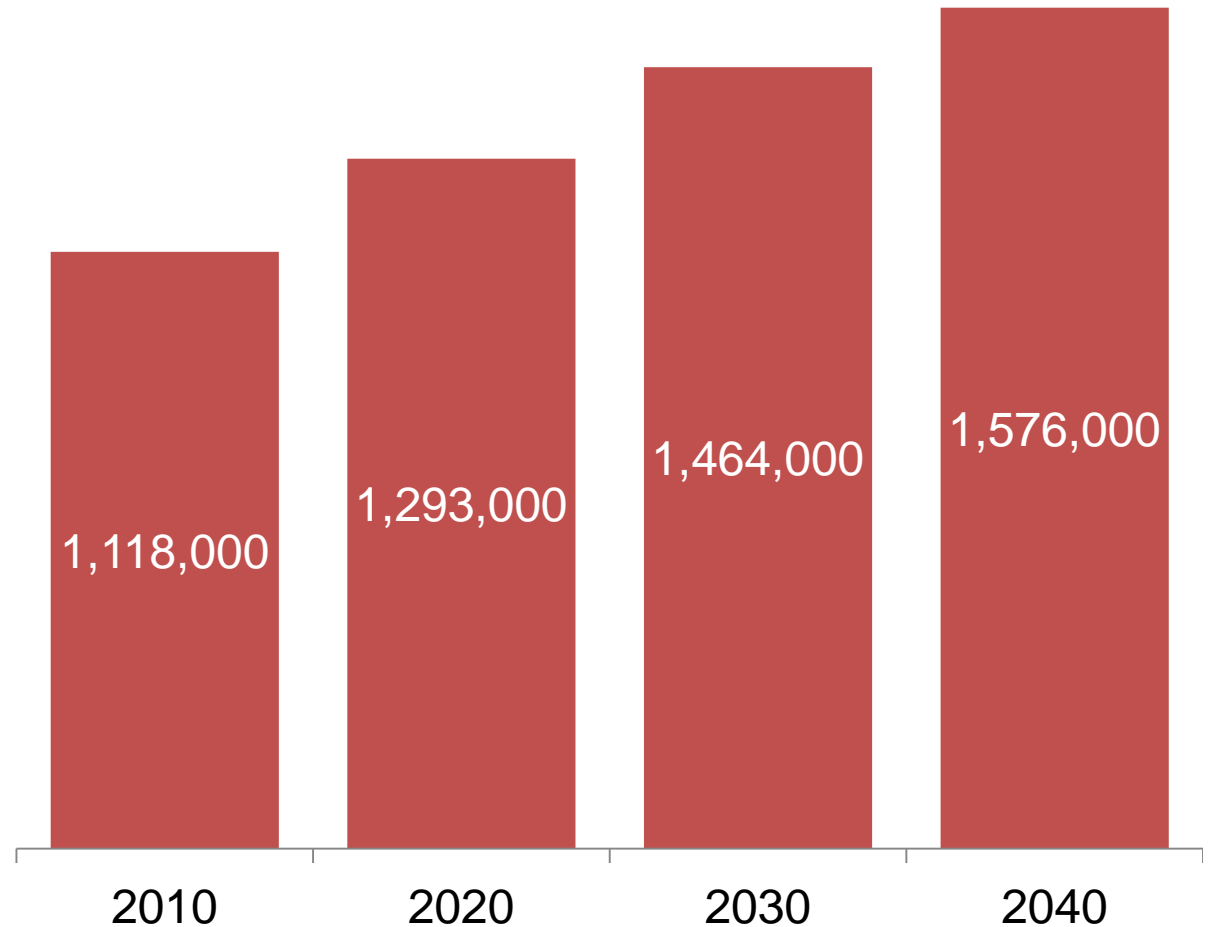
- Single parent, with children
- Couple, with children
- Cohabiting couple, no children
- Married couple, no children
- One person and other
- One person only



# 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



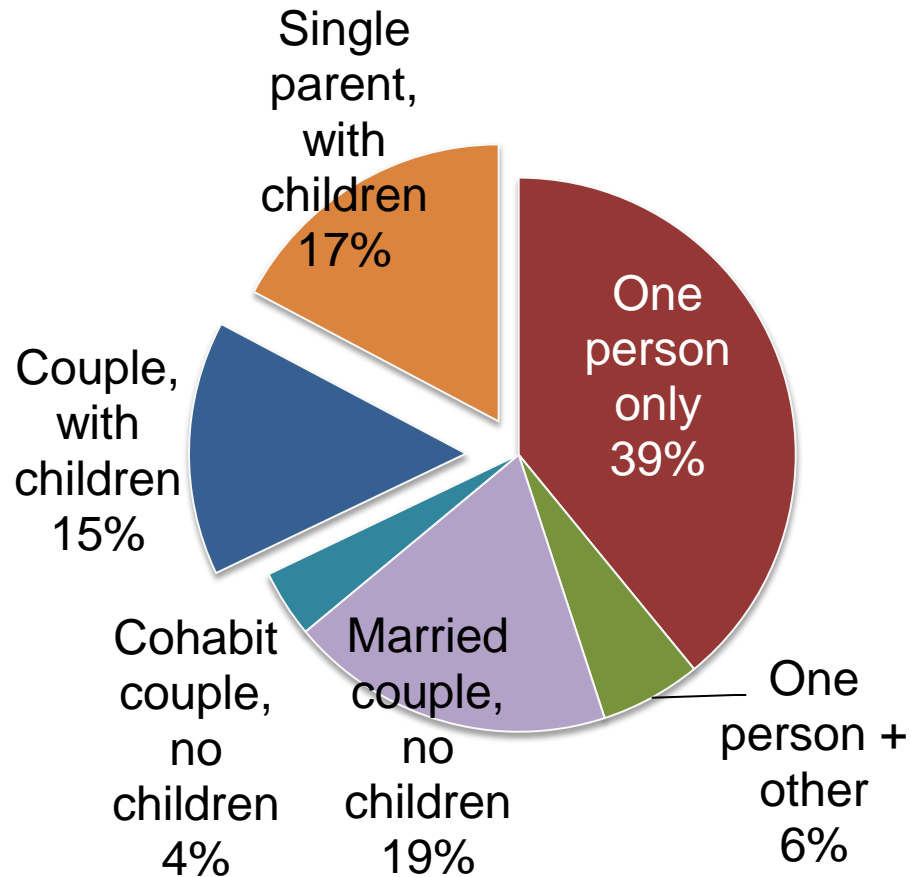
# Forecasting methods

- 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



# Households growth mostly households without children



- Household growth, and types of households, will drive demand for future housing products

# Implications of the Council's forecasts on *Thrive MSP 2040* planning: Housing stock?

- 458,000 additional households by 2040
  - About 16,000 new housing units needed per year in the region
- Only one-third of the new households will have children; two-thirds will not. Immigrant families are larger than white families.
  - How will the Council's policies ensure an adequate mix of new housing stock?

# Implications of the Council's forecasts on *Thrive MSP 2040* planning: Housing affordability?

- At least half of the new households will have only one income:
  - How will the region's policies ensure an adequate mix of housing affordability?
  - How might transit and transportation policies ease the cost burden on the region's households?

# Implications of the Council's forecasts on *Thrive MSP 2040* planning: An aging population?

- Growth of the senior population from 307,000 in 2010 to 770,000 in 2040
- How will the Council's policies help seniors have:
  - Appropriate places to live
  - Adequate transportation
  - Access to recreation and community

# QUESTIONS?

