Regional Forecast Update
Population and employment growth to 2050

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metro council.org
Today’s presentation

Forecasts and the regional planning cycle
Regional forecast update (2020 to 2050)
Key demographic trends
Why forecasts change
Next steps: Local forecasts
Forecasts and the planning cycle

**30-year forecasts of population and employment**

- Provide a shared foundation for coordinated regional and local planning, systems, and services
- Authorized by Minnesota Statutes 473.146 and 473.859
- Regional forecast, and a local forecast set
- Complete refresh of forecasts at start of regional planning cycle
Regional and local forecasts

**Related but separate products**

**Regional forecast**
- Updated every 2 years
- Tracks changes in the nation-level economy and regional situation
- 2023 update provides regional totals to be used in the local forecast set

**Local forecast set**
- Major update every 10 years, with the regional development guide
- Regional totals are allocated to specific places
- Maintained over time: Local forecasts can be adjusted when needed
  - For example, reflecting local plan changes
How we develop the regional forecast

REMI-PI, an integrated regional economic and demographic model

• Computable general equilibrium solutions that project forward economic activity, employment, population

• Key relationships
  • REMI-PI understands MSP metro as situated inside the national economy
  • Explicit relationships between jobs, workforce and population migration – and therefore consistent forecast results

• The results are regional totals, regional averages
# Updated regional forecast to 2050

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2020</th>
<th>2022</th>
<th>2030</th>
<th>2040</th>
<th>2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment (BLS)</td>
<td>1,541,000</td>
<td>1,581,000</td>
<td>1,732,000</td>
<td>1,802,000</td>
<td>1,895,000</td>
<td>2,074,000</td>
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<tr>
<td>Share of US GDP</td>
<td>1.17%</td>
<td>1.14%</td>
<td>1.15%</td>
<td>1.17%</td>
<td>1.20%</td>
<td>1.29%</td>
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<tr>
<td>Population</td>
<td>2,850,000</td>
<td>3,163,000</td>
<td>3,190,000</td>
<td>3,364,000</td>
<td>3,555,000</td>
<td>3,820,000</td>
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<tr>
<td>Population Growth</td>
<td>207,000</td>
<td>313,000</td>
<td>—</td>
<td>201,000</td>
<td>191,000</td>
<td>265,000</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Bureau of Labor Statistics (BLS), Bureau of Economic Analysis (BEA); italicized text are Metropolitan Council’s regional forecast (2023).
Highlighting main demographic trends

Each will drive change in activity patterns, housing demand, and workforce development

• After the current recovery, an economic slowdown forced by workforce shortage
• Changing balance of natural growth and migration
• Growing racial and ethnic diversity
• Aging of the population
Employment: Slower growth ahead

+342,000 jobs by 2050, with largest gains forecasted in 2040s

Components of population growth

Migration varies with employment growth, impacting net change

Net change

- Domestic migrants
- International migrants
- Natural growth

Source: REMI.com and Metropolitan Council regional forecast (2023)
Steady population growth

Population growth: 3,820,000 in 2050

Growing racial and ethnic diversity

Almost half (45%) of the region’s total population is BIPOC in 2050

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Aging of the Population

Share of population over age 65 nearly doubles in 2050

- Total Population
- Under age 65
- Age 65 and older

Source: 2000-2010 population from Census Bureau; 2020-2050 from Metropolitan Council regional forecast (2023)
Aging of the Population

Share of population over age 65 nearly doubles in 2050

Population by age
- Ages 0 - 14
- Ages 15 - 24
- Ages 25 - 64
- Age 65 and older

Source: 2000-2010 population from Census Bureau; 2020-2050 from Metropolitan Council regional forecast (2023)
Why forecasts change

Forecast results can “move” when we update every 2 years

• Some changes can be due to software programming, solution equations
• Or due to adjustment of assumptions
• Or... it’s not the model, but the world we live in changes
Why forecasts change: 2023 update

The world we live in changes

• Full effects of COVID-19 pandemic: elevated excess death rates
• Birth rates fell in 2020, and remain historically low
• Reshaped economic competitiveness – both MSP metro and competing metros
• Migration patterns
Population grows, but slower

2023 update forecasts +705,000 people, down from +802,000 in 2015

Source: 1990-2010 from U.S. Census Bureau; 2015, 2019, 2023 forecasts from Metropolitan Council.
Employment growth: trendline re-set

2023 update forecasts +354,000 jobs, down from +485,000 in 2015

Source: 1990-2010 from Minnesota DEED; 2015, 2019, 2023 forecasts from Metropolitan Council.
Regional competitiveness and migration

2010 to 2019
- Migration, workforce and jobs grow together
- MSP mostly has conditions for economic growth
- Low unemployment and good wages draw in economic migrants

Since 2020
- Migration, workforce and jobs stalled together
- MSP mostly has conditions for economic growth
- Competing metros’ unemployment rates just as low – erasing an MSP advantage
Components of population growth

Migration varies with employment growth, impacting net change

<table>
<thead>
<tr>
<th>Year Period</th>
<th>Domestic Migrants</th>
<th>International Migrants</th>
<th>Natural Growth</th>
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</thead>
<tbody>
<tr>
<td>1991-2000</td>
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<td>2001-2010</td>
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<td>2011-2020</td>
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<td>2021-2030</td>
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<td>2031-2040</td>
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<td>2041-2050</td>
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Source: REMI.com and Metropolitan Council regional forecast (2023)
Local forecast set is work-in-progress

- Last complete update of local forecasts was in 2014
- Upcoming update of local forecasts, in 2023-24, part of the regional development guide
- The regional forecast provides totals for the forthcoming local forecasts
- The local forecast set answers: Where will the metro’s next 657,000 residents live?
Forecasts follow planning cycle

- **2022-23**
  - Implement, test model, then refresh data inputs
  - Improvements:
    - Better performing software
    - Greater spatial detail in results

- **2025-30**
  - We prepare zone-level forecast allocations, cities validate

- **2023-24**
  - Propose forecast set, discussion, more data review

- **Ongoing**
  - One-city-at-a-time adjustments with Plan Updates, Amendments

- **2025**
  - Final updates for System Statements
Forecast timeline

- **Regional forecast update** (April 2023)
- **Shared for internal review and with local planners** (Fall 2023)
- **Public hearing version of local forecast** (Summer 2024)
- **System statements forecast** (Summer 2025)
- **Preliminary local forecast** (August 2023)
- **Refresh and re-run of local forecasts** (Spring 2024)
- **Met Council forecast approval** (Fall 2024)
For more information

- Visit metrocouncil.org/forecasts.
  - Forecasts Methodology report
  - Regional Forecast time-series data (excel)

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