

Regional forecast and upcoming revisions to local forecasts

Metropolitan Council
March 25, 2015



Today's presentation:

- The Council's role in forecasting
- Updated regional forecast to 2040: Jobs, population, and households forecasts for the seven-county region
- Preview of updated local forecasts: Employment, population, and households forecasts for 2020, 2030, and 2040 for cities and townships
- Upcoming release and local government comment period for local forecasts

The Council's role in forecasting

- Long-term forecasts of population, households, jobs
- Updated regularly to inform planning
- Consistent with Minnesota Statutes 473.146 and 473.859
- A shared foundation for coordinated regional and local planning and capital investment
- Inform Council efforts: transportation modeling, water supply modeling, allocation of affordable housing

**Keeping the Council's
forecasts fresh:
Updated regional forecast**

Regional forecast: Methods

- REMI PI, a regional economic model, forecasts employment, economic migration and population
- National GDP and employment projections from the long-term forecast used by Minnesota's State Economist

Forecasts change over time

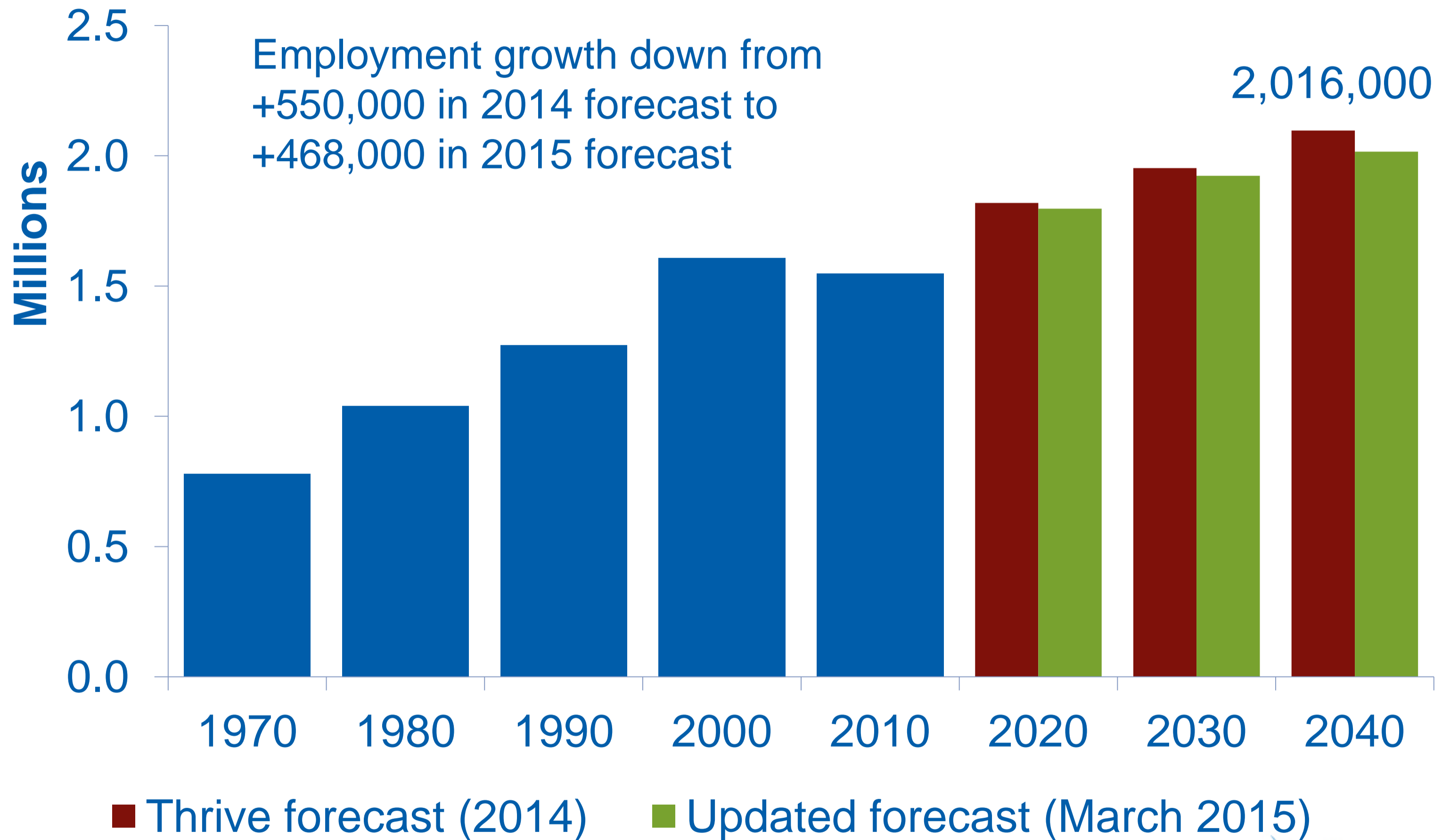
- Alignment with national-level forecasts
- Annual updating of regional data series on demographic and economic conditions
- Programming improvements to forecasting model
- Review and validation of regional assumptions

Revised regional forecasts to 2040

	2010	2020	2030	2040
Population	2,850,000	3,125,000	3,385,000	3,633,000
Households	1,118,000	1,258,000	1,377,000	1,485,000
Employment	1,548,000	1,797,000	1,923,000	2,016,000

Source: 2010 data on population and households from Census Bureau; 2010 employment counts from Minnesota Department of Employment and Economic Development; 2020-2040 forecasts from Metropolitan Council (March 2015)

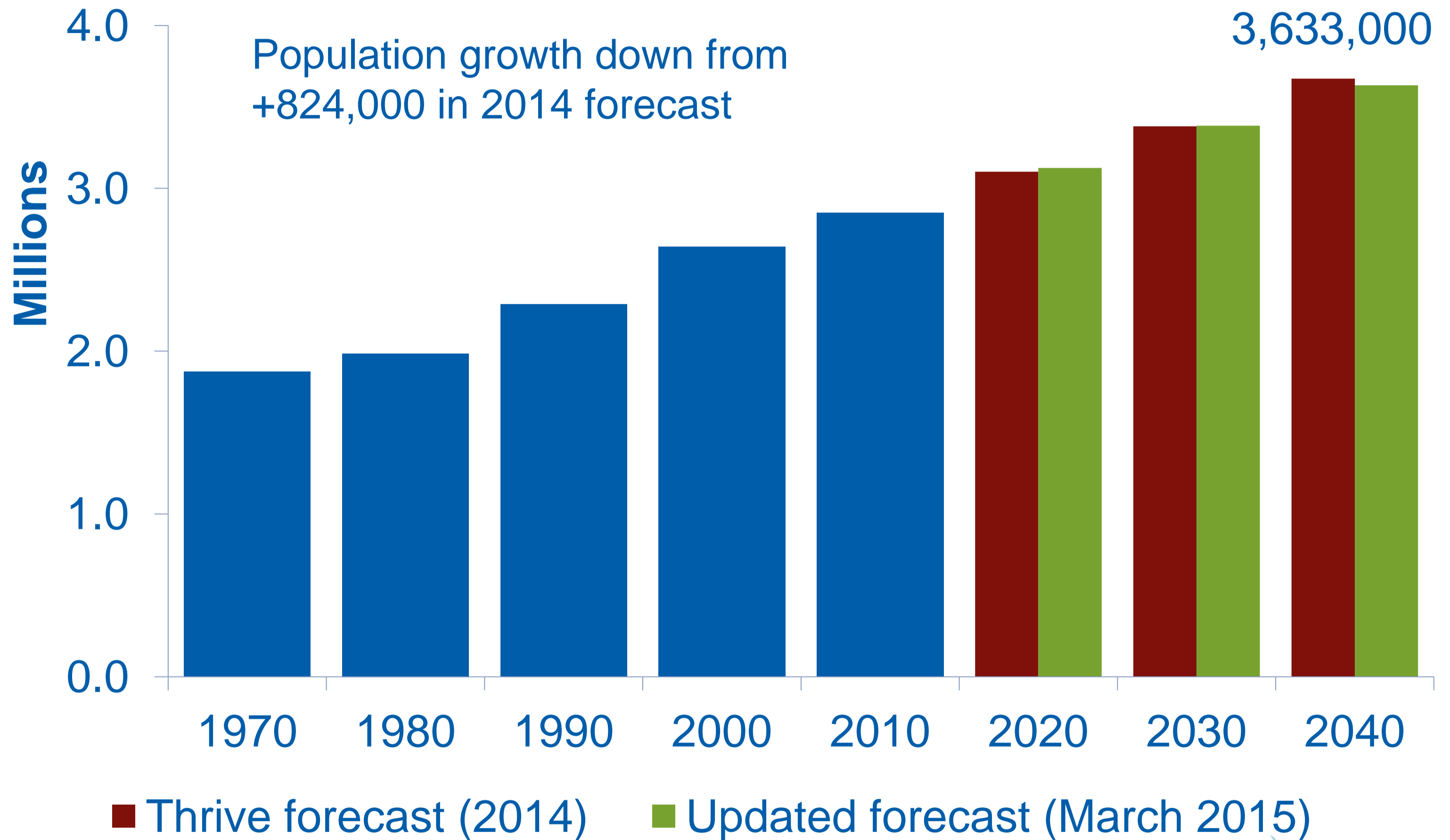
Over two million jobs by 2040



Source: 2010 employment counts from Minnesota Department of Employment and Economic Development; 2020-2040 forecasts from Metropolitan Council (March 2015)



Population growth: +783,000

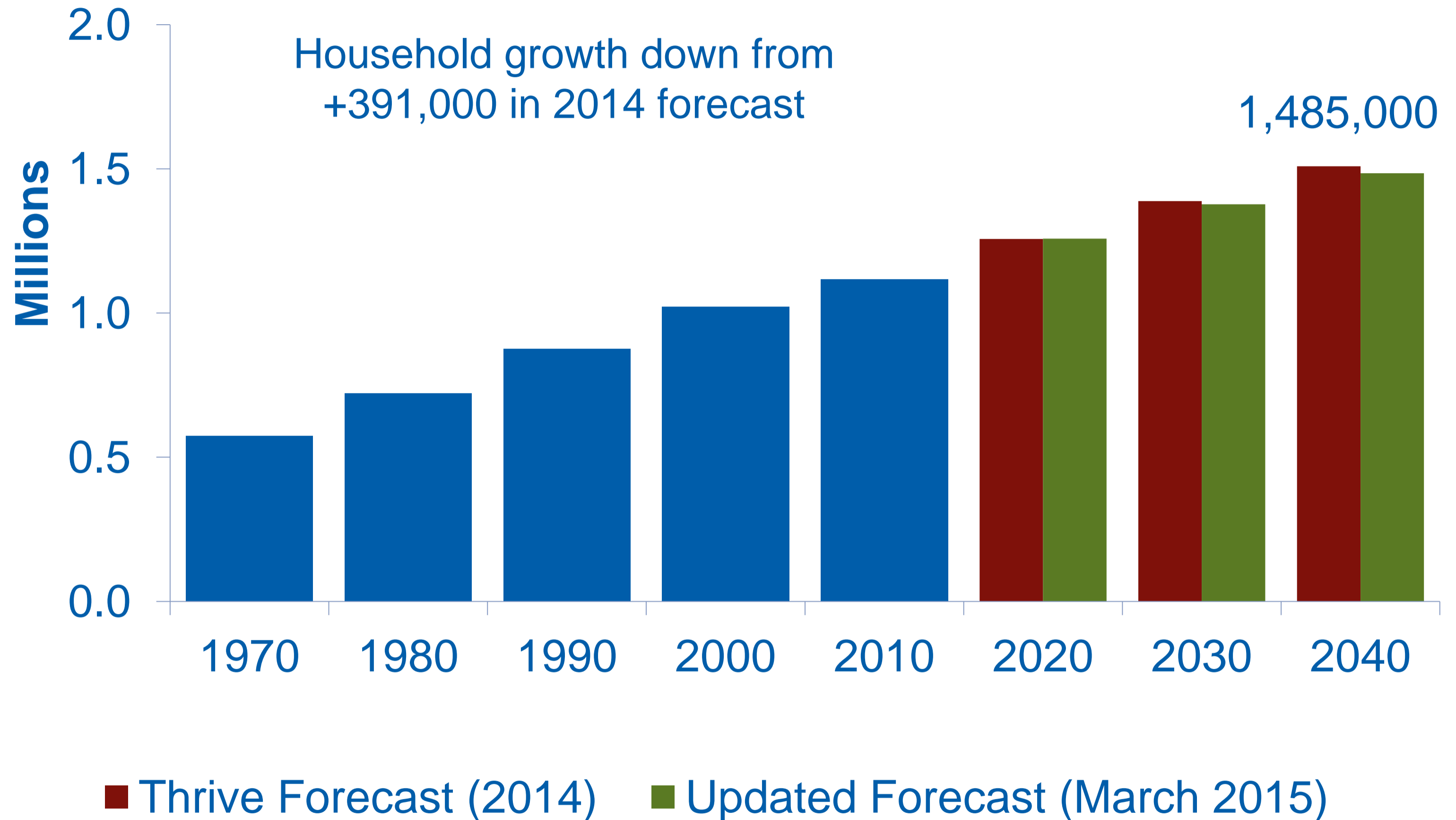


Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)

Year 2040 forecast changes

- Census Bureau and REMI reduced national 2040 population from 378 million to 374 million
- Global Insight forecast reduced national 2040 employment from 171 million to 168 million
- Slightly reduced Twin Cities share-of-nation due to model's balancing of future employment and workforce supply
- Cumulative effect: Twin Cities population forecast reduced by -2%, specifically in the final decade

Household growth: +367,000

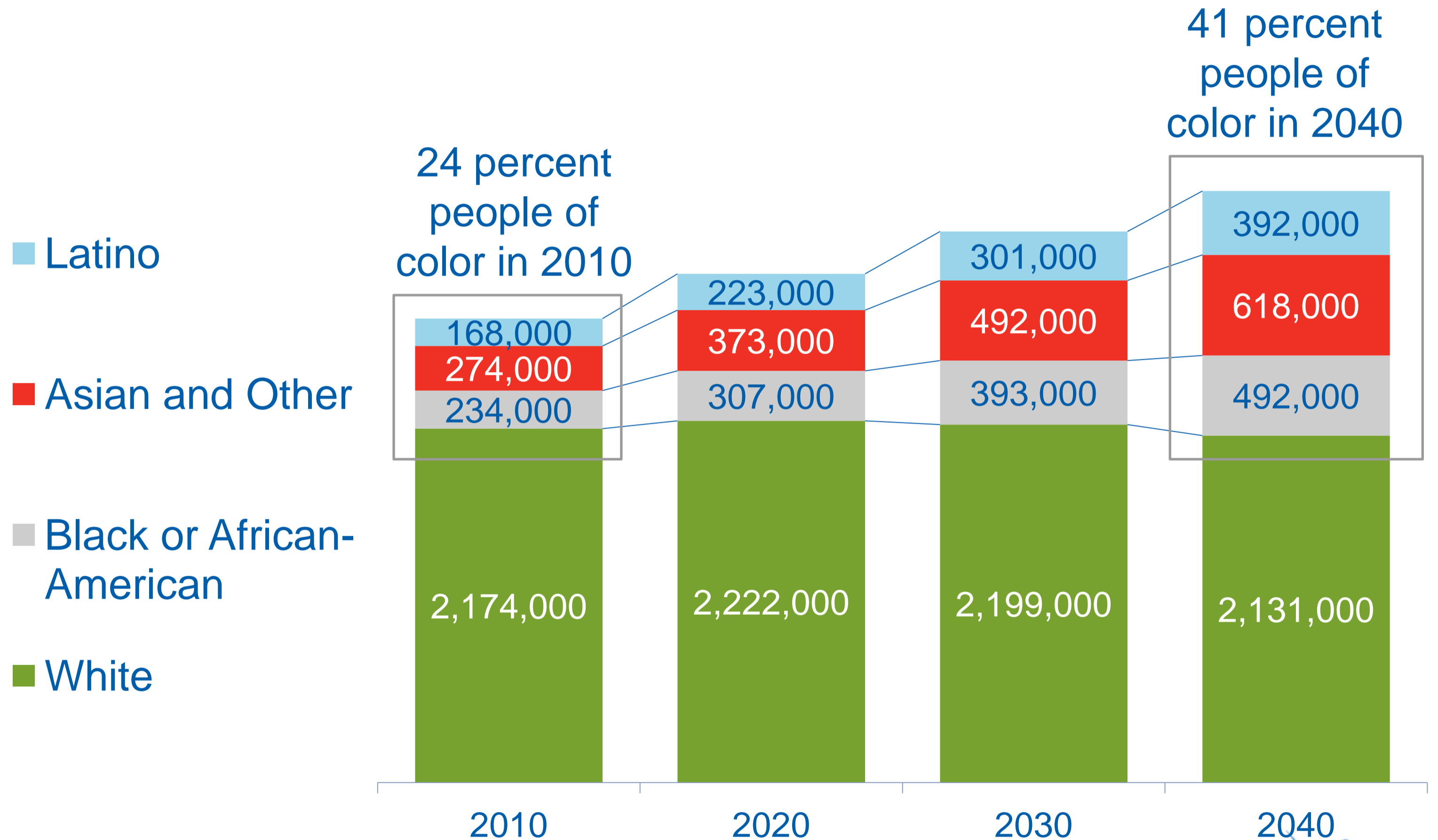


Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)

Still expect major demographic changes

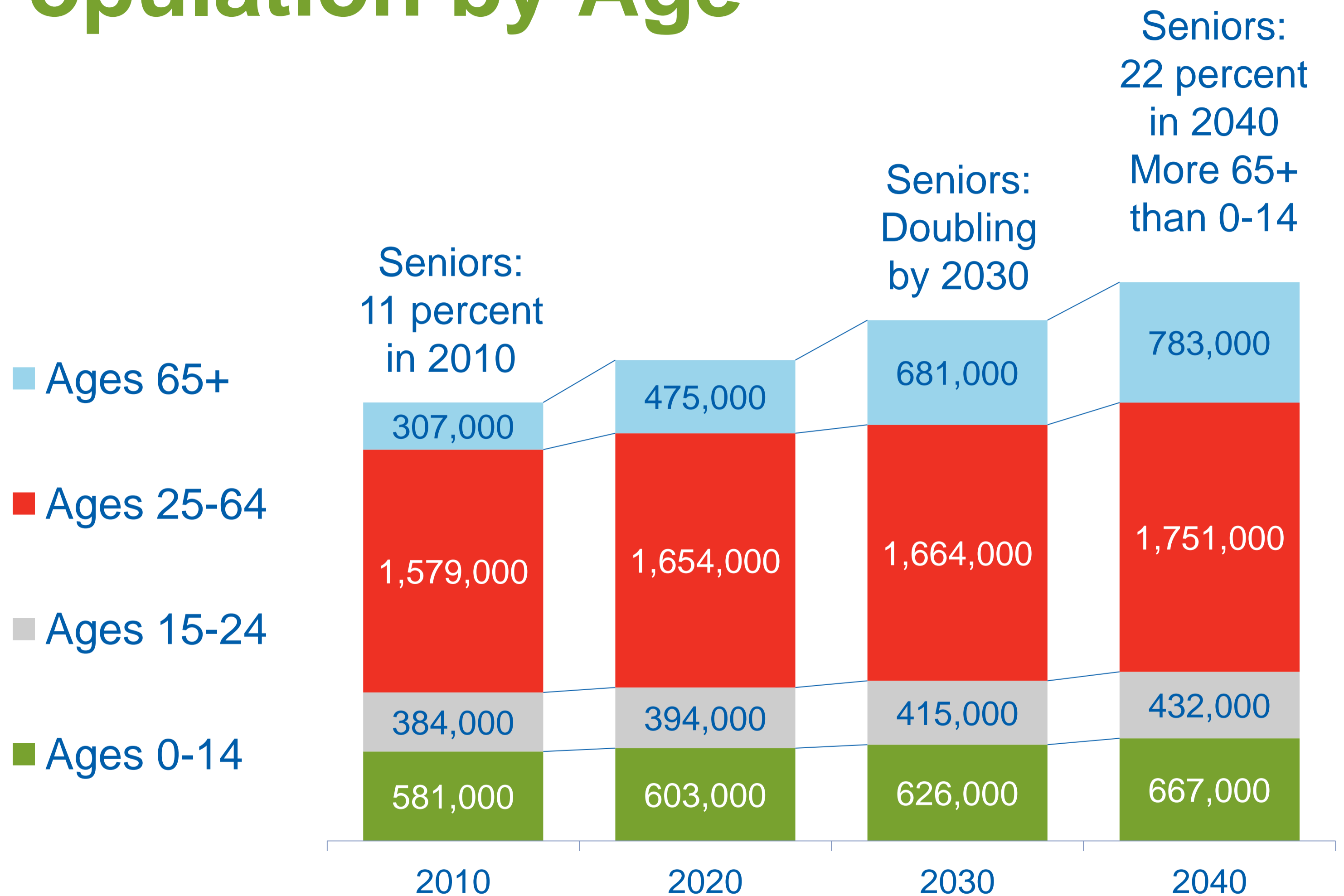
- Growing racial and ethnic diversity
- Aging of the population
- Changing mix of households
- All these will drive change in housing demand – changing what and where new housing are needed

Population by Race, Ethnicity



Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)

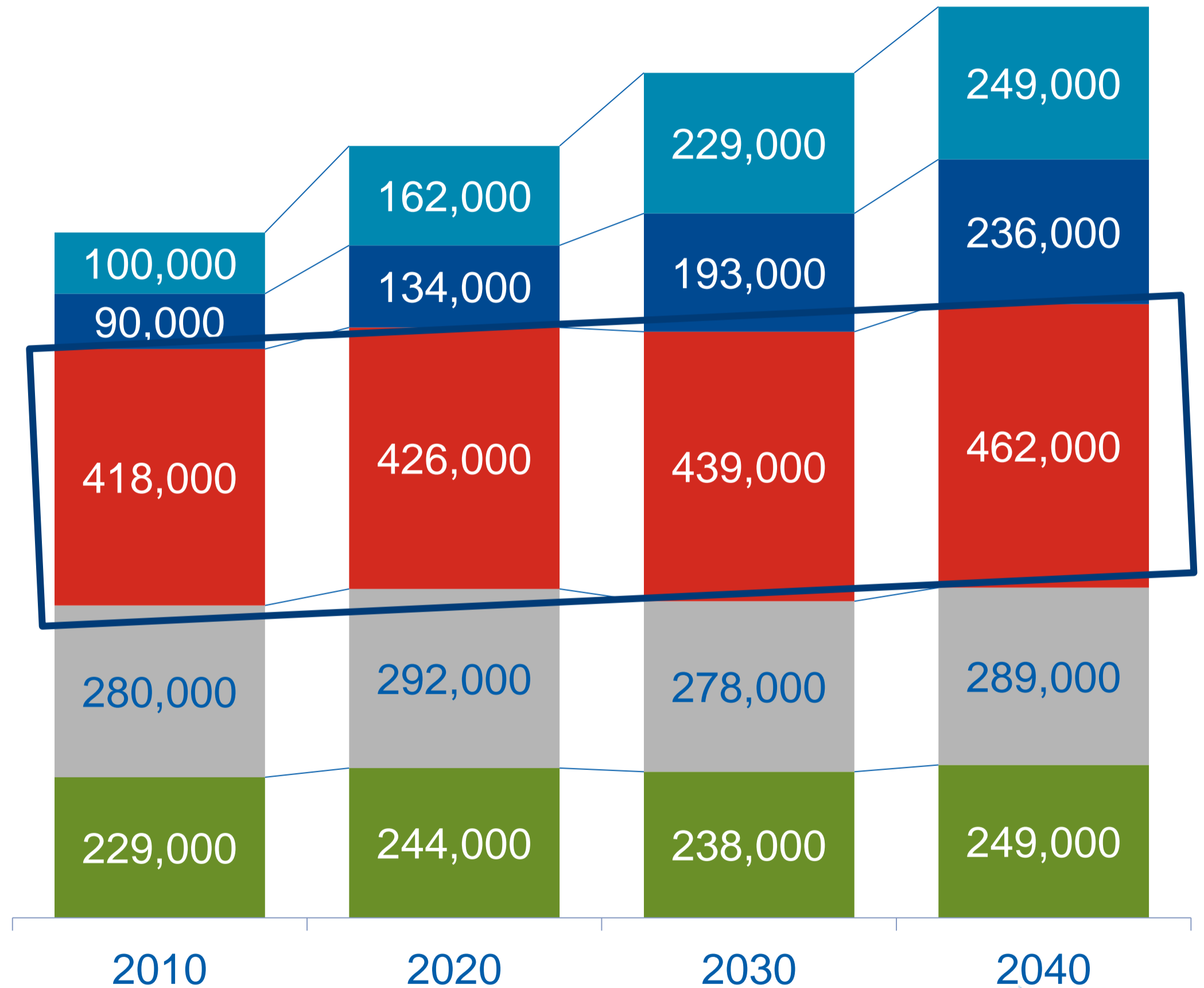
Population by Age



Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)

Growth of smaller households

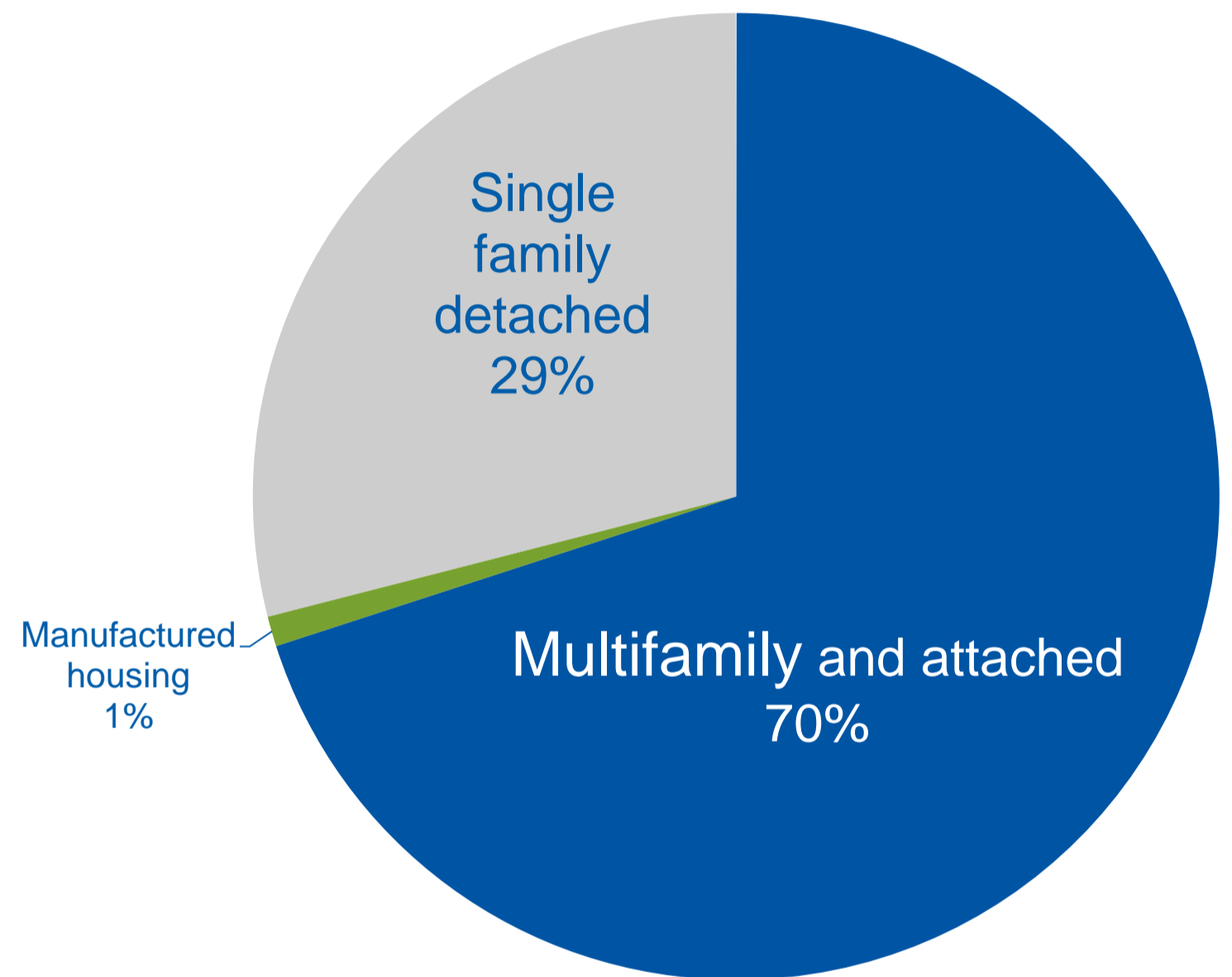
- Age 65+: 2+ person household
- Age 65+: 1 person household
- Under 65: 3+ person household
- Under 65: 2 person household
- Under 65: 1 person household



Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (March 2015)

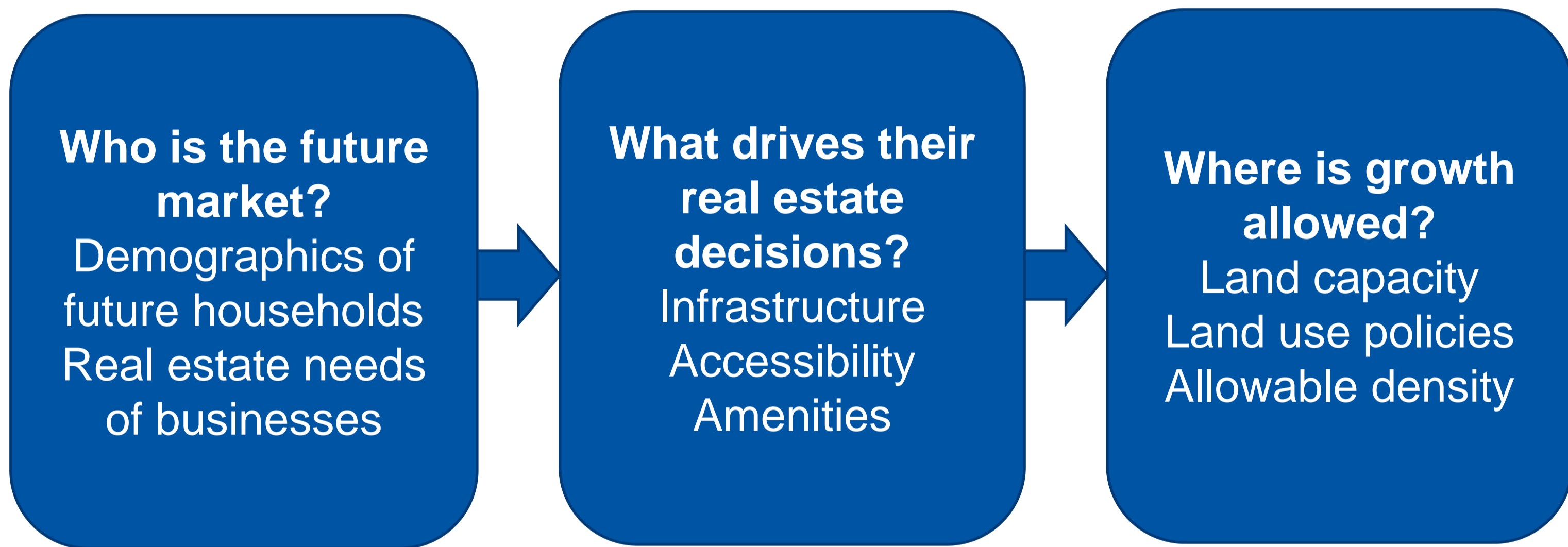
The next 367,000 housing units

- With this demographic mix, most new housing added will be multifamily or attached housing.



Keeping the Council's forecasts fresh: Local forecasts

Local forecasts: Methods



Changes to local forecasts

- Updated regional forecasts
- 2040 Transportation Policy Plan (TPP) transportation network
- Refined land use and real estate data

Opportunities for local government input

- September 2013: Preliminary local forecasts for 2040
- February 2014: Draft local forecasts for 2040
- August 2014: Draft local forecasts for 2020 and 2030
- *April 9, 2015: Draft revised local forecasts for 2020, 2030 and 2040 (comments requested by May 8)*

Next steps with forecasts

- June 15: Community Development Committee recommends adoption of local forecasts
- July 8: Council adopts local forecasts
- September: Council issues System Statements

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