

Regional forecast update: A growing Twin Cities region

June 14, 2017

Metropolitan Council



Overview of today's presentation:

- The Council's role in forecasting
- Updated regional forecast to 2040:
Jobs, population, and household forecasts
- Expected demographic change

The Council's role in forecasting

- Long-term forecasts of population, households, jobs
- A shared foundation for coordinated regional and local planning and capital investment
- Inform Council efforts:
 - Transportation forecasting
 - Water supply planning
 - Affordable housing need
- Updated regularly to inform planning

Why a forecast update now?

- Updating regional forecasts as a best practice. We want to keep the regional forecasts fresh.
 - Expect to update the regional forecasts every two years
- Past experience: Ten years ago, communities were preparing comprehensive plan updates as the nation was slipping into the Great Recession.
 - Regional forecasts based on 2004 expectations grew stale

How we develop the regional forecasts

- Use REMI-PI, a regional economic model
- Key relationships:
 - How does the region's economic competitiveness compare to the rest of the nation?
 - Integrated forecast of jobs, workforce *and* population

Forecasts can change over time

- Regional forecast aligned with national forecasts – those national forecasts change!
- Annual updating of time-series on demographic and economic conditions
- Review and validation of region-specific data inputs and assumptions
- Programming improvements in the forecast model

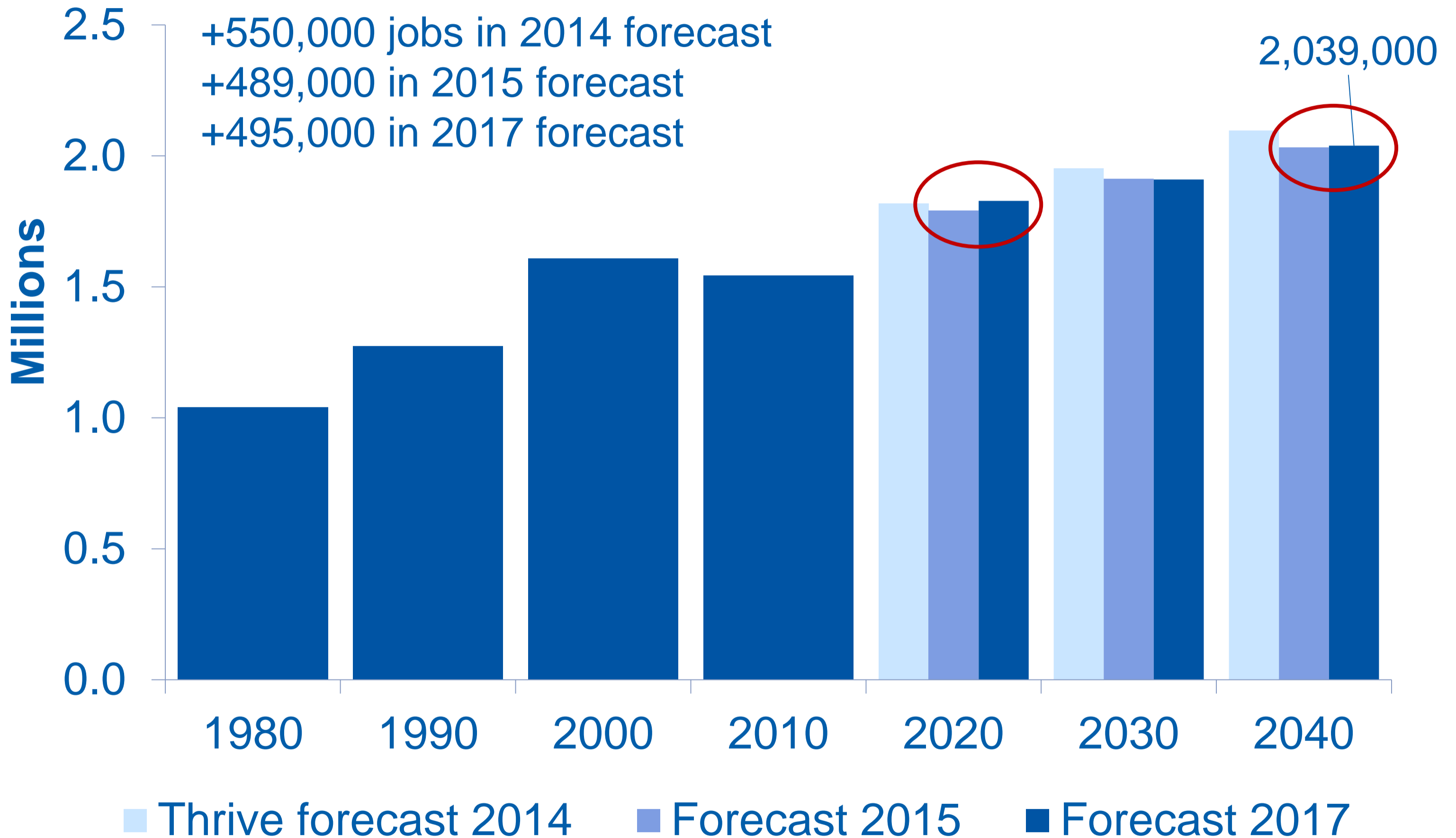
Updated regional forecasts to 2040

	2010	2020	2030	2040
Population	2,850,000	3,160,000	3,459,000	3,738,000
Households	1,118,000	1,264,000	1,402,000	1,537,000
Employment	1,544,000	1,828,000	1,910,000	2,039,000

Source: 2010 data on population and households from Census Bureau; 2010 employment from Minnesota Department of Employment and Economic Development; 2020-2040 forecasts from Metropolitan Council (June 2017)

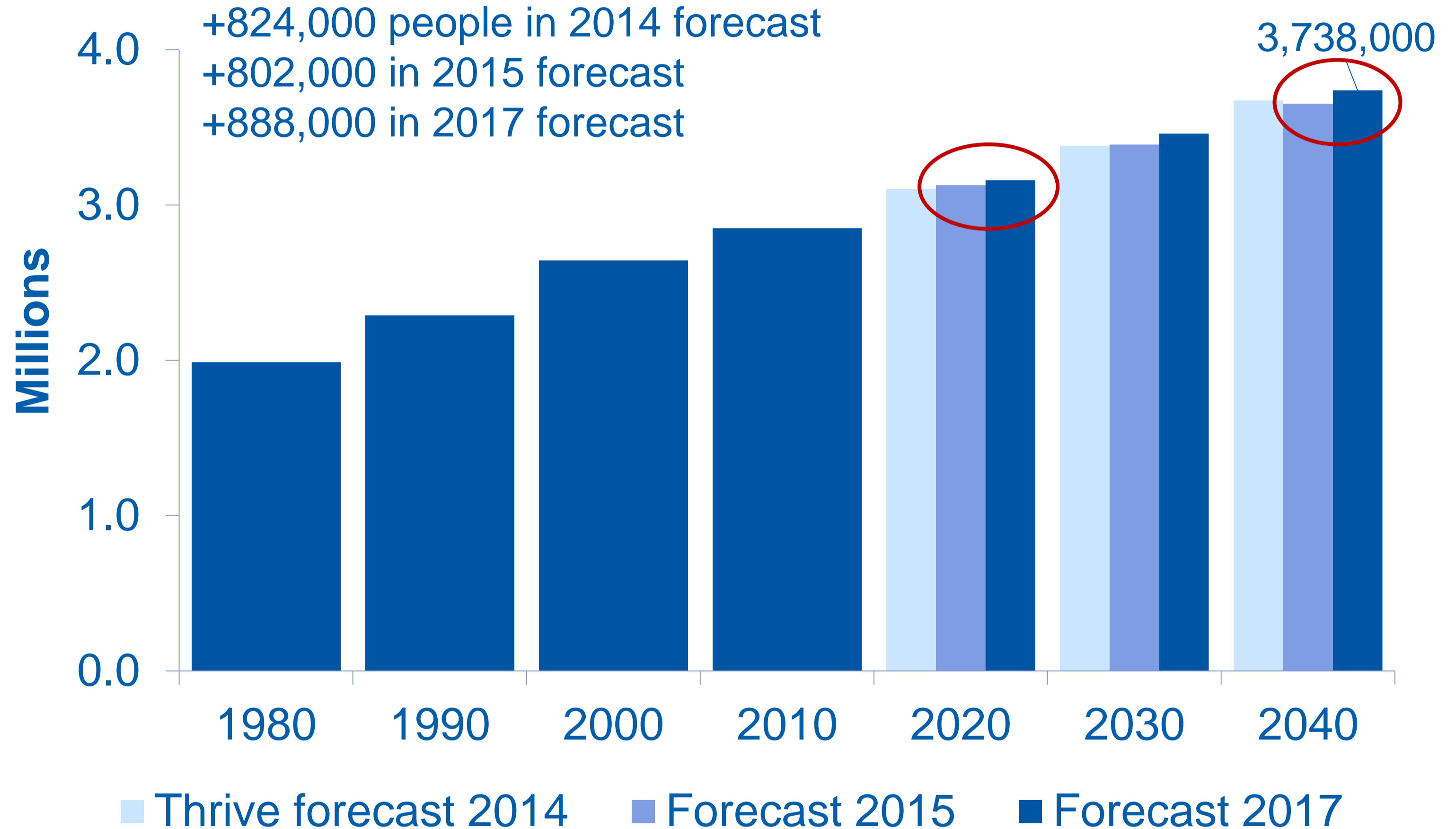


Over two million jobs by 2040



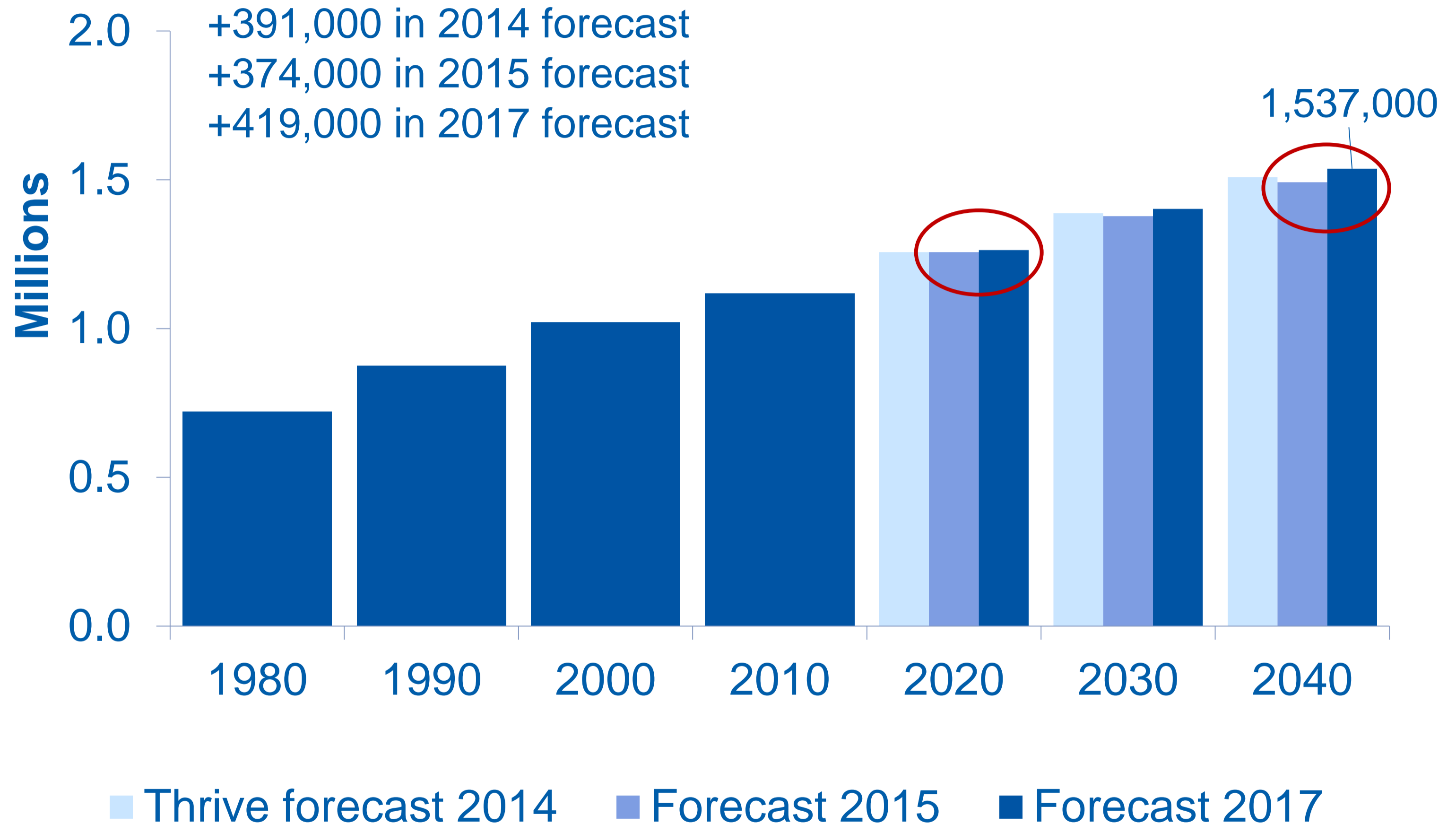
Source: 2010 employment from Minnesota Department of Employment and Economic Development; 2020-2040 forecasts from Metropolitan Council (June 2017)

Population growth: +888,000



Source: 2010 data on population and households from Census Bureau;
2020-2040 forecasts from Metropolitan Council (June 2017)

Household growth: +419,000



Source: 2010 data on population and households from Census Bureau;
2020-2040 forecasts from Metropolitan Council (June 2017)

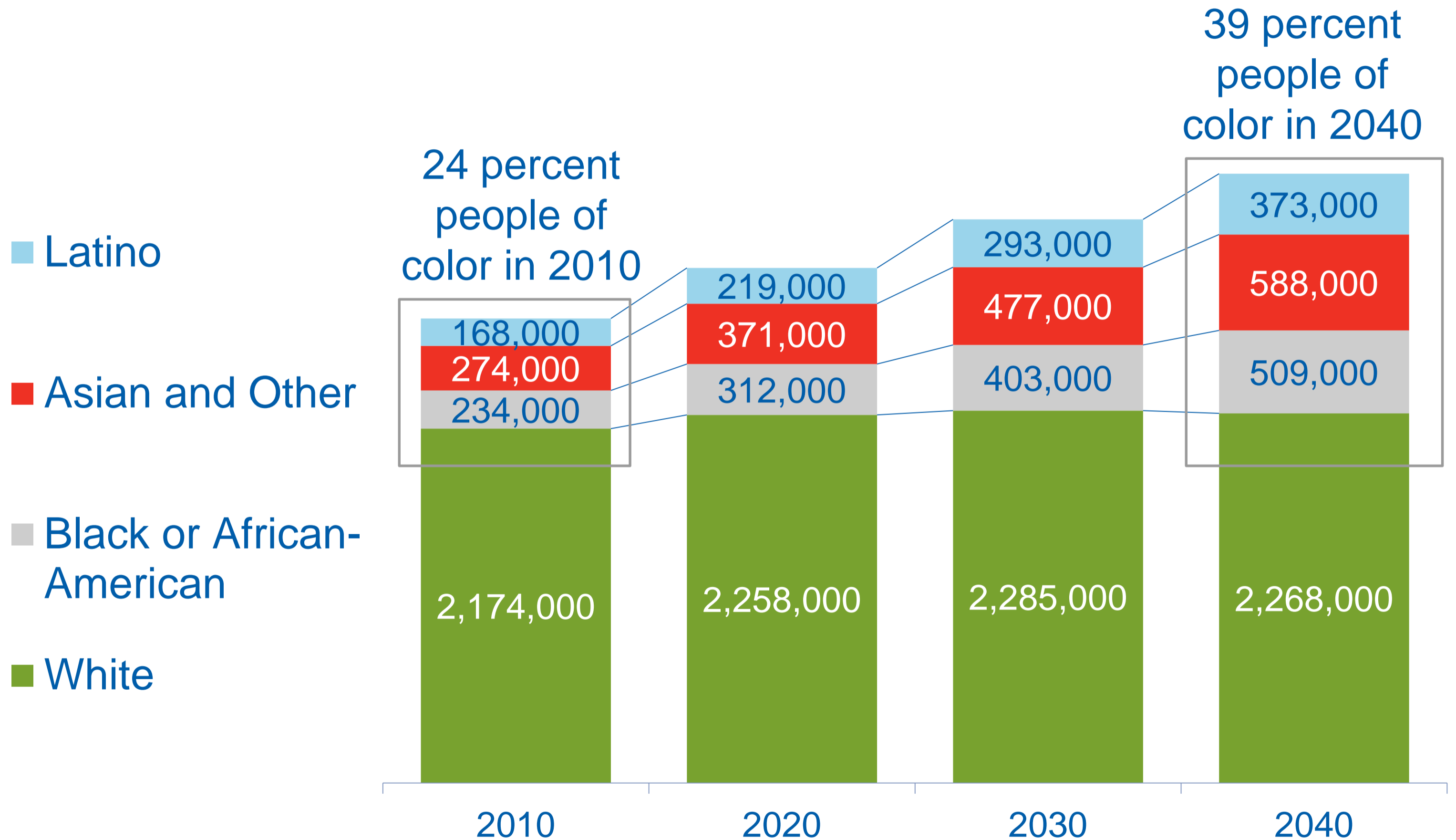
Why forecasts are changing

- Growth this decade has outpaced previous forecasts
 - 2017 forecast update adjusts upward (especially 2020)
- National population forecast up +2% in 2040
 - Twin Cities 2040 population forecast also up +2%
 - Updated details on who comprises the future population
- No notable change to Twin Cities 2040 employment forecast
 - Twin Cities still has competitive advantages

Still expect major demographic changes

- Growing racial and ethnic diversity
- Aging of the population
- Changing mix of households
- All these will drive changes
 - Changes in future housing demand
 - Changes in the labor market

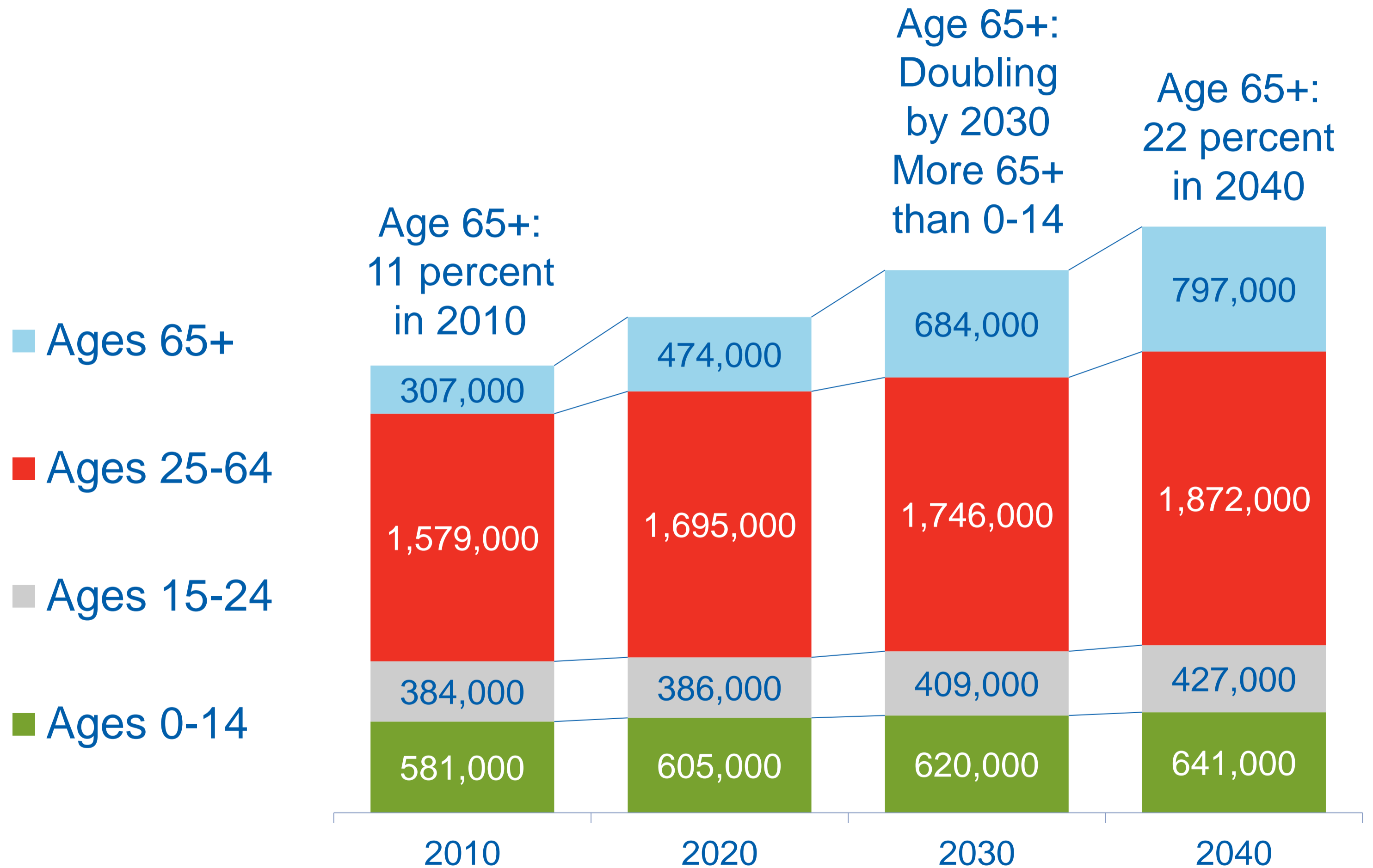
Population by Race, Ethnicity



Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (June 2017)



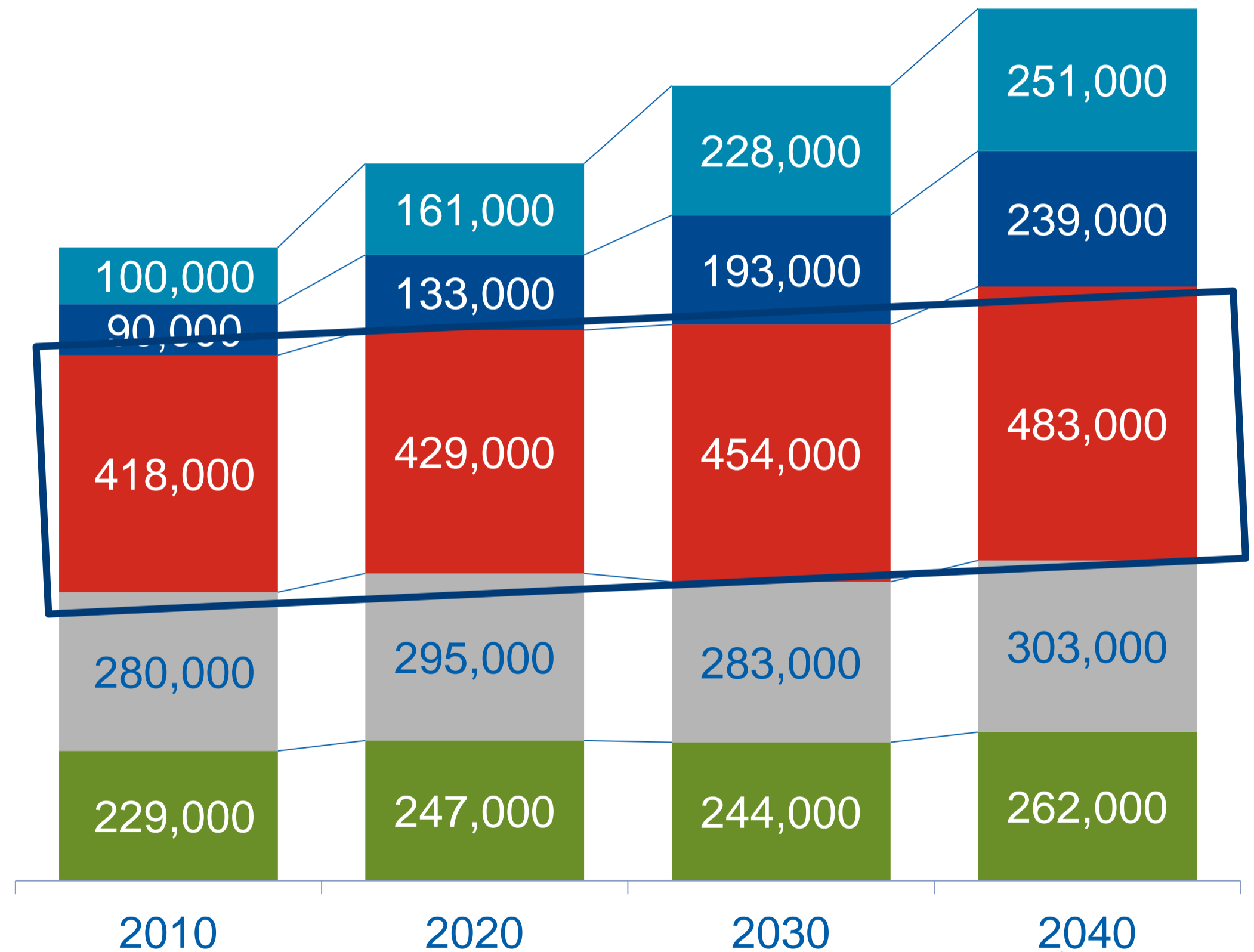
Population by Age



Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (June 2017)

Growth of smaller households

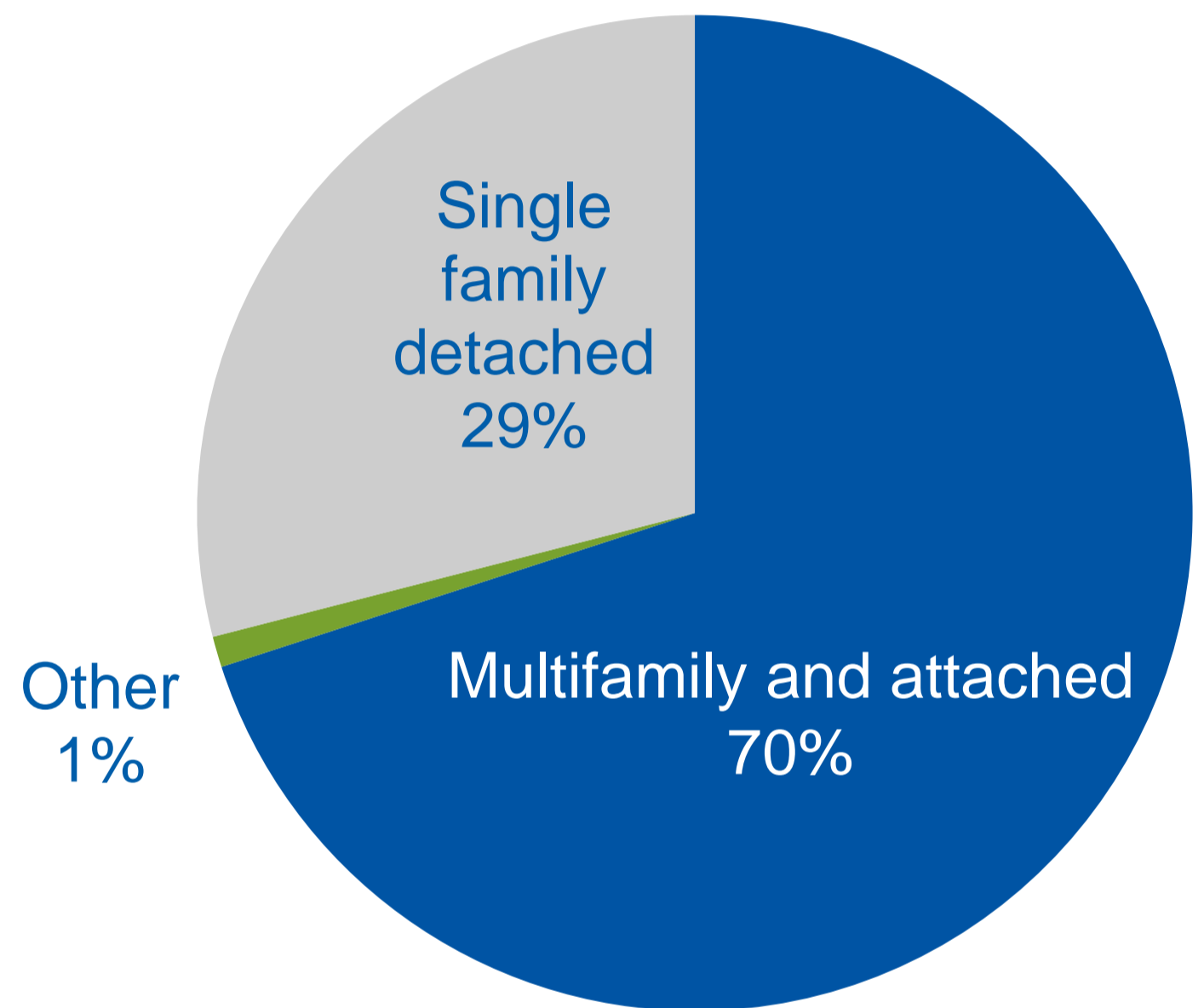
- Age 65+: 2+ person household
- Age 65+: 1 person household
- Under 65: 3+ person household
- Under 65: 2 person household
- Under 65: 1 person household



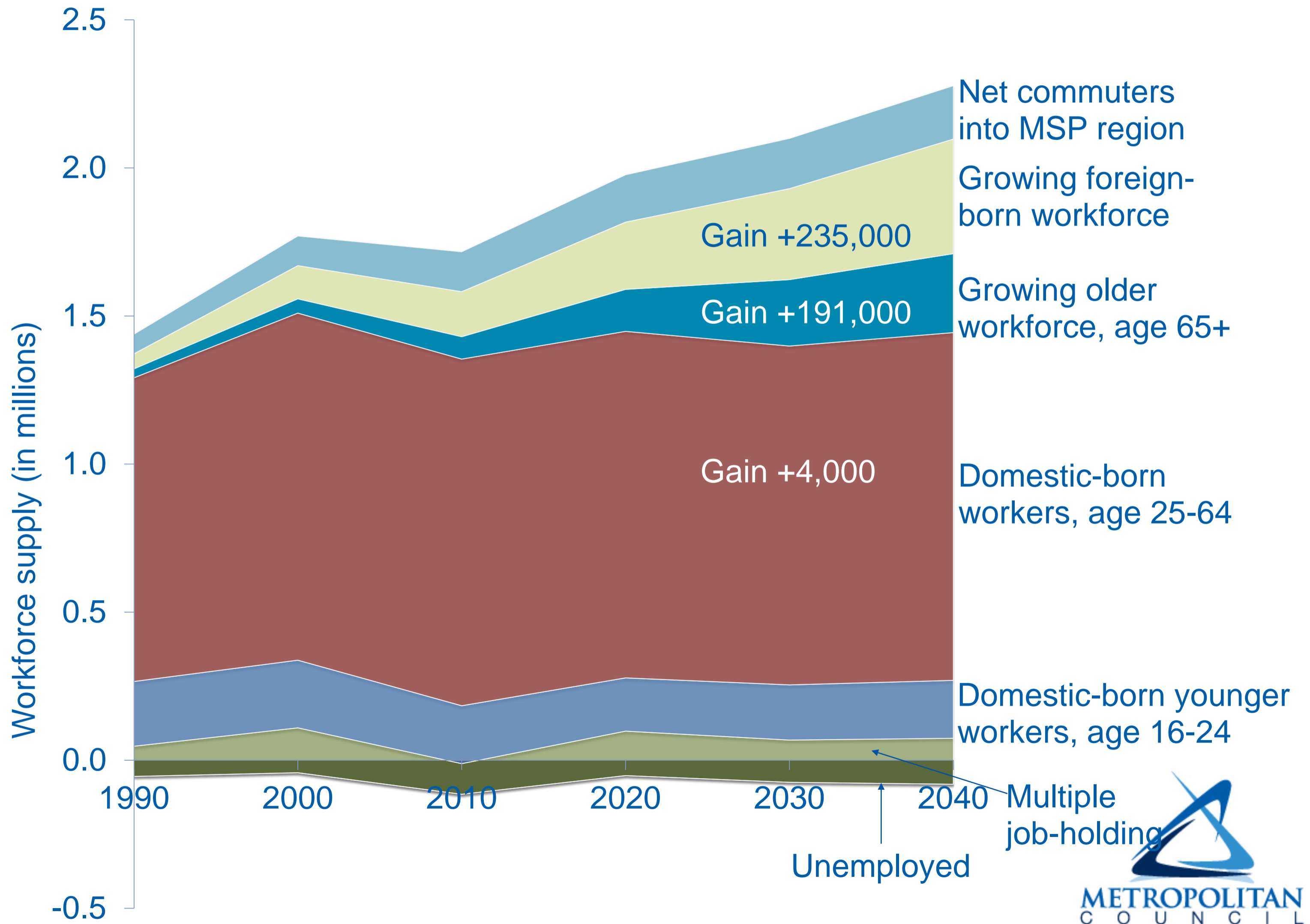
Source: 2010 data on population and households from Census Bureau; 2020-2040 forecasts from Metropolitan Council (June 2017)

Changes in future housing demand

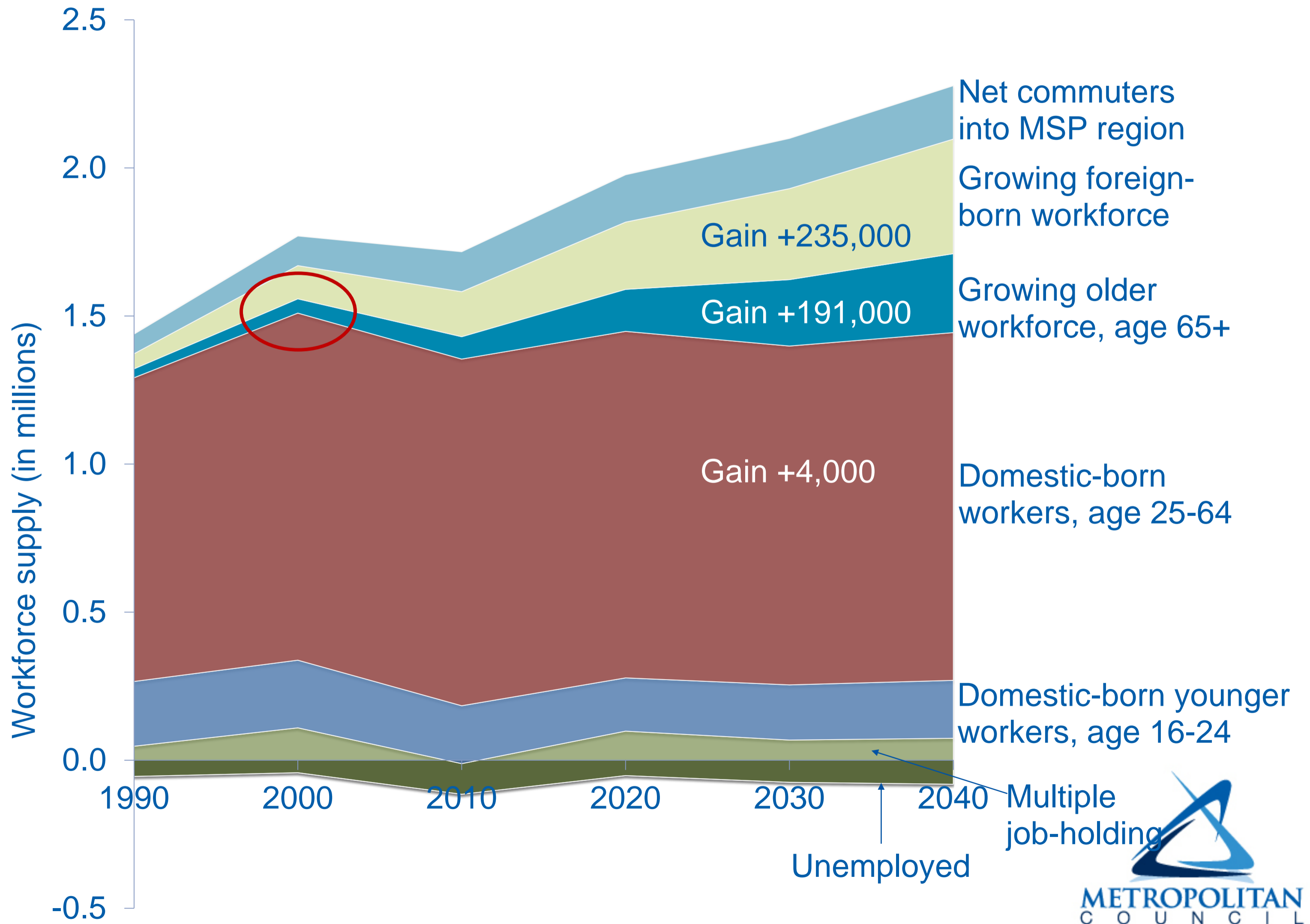
- With this demographic mix, the new housing most in demand will be multifamily or attached housing



Changes in future labor market



Stretching the workforce



No changes to local forecasts at this time

- Last update of local forecasts in 2015, for System Statements
- Next major update of local forecasts will inform the 2050 Metropolitan Development Guide
- We adjust local forecasts in response to local requests through Comp Plan Update reviews
 - During 2006-2013, we adjusted 2030 forecasts for 88 cities through Plan Updates or Plan Amendments

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