

Metropolitan Council

Meeting date: July 28, 2021

Subject: Regional forecast update: population and employment growth to 2050

District(s), Member(s): ALL

Policy/Legal Reference: *Minnesota Statutes* 473.146 and 473.859

Staff Prepared/Presented: Todd Graham (602-1322)

Division/Department: Community Development/ Research

Proposed Action

Discussion of updated regional forecast

Background

Long-range forecasts of population and employment provide a foundation for coordinated planning in the Twin Cities region. Metropolitan Council staff prepare a major update of *local* forecasts at least once per decade, at the start of each decennial planning cycle. Staff update the *regional* forecast more frequently, every two years. Concurrent with this meeting, staff are publishing the 2021 regional forecast update, with population and employment forecasts extended to 2050.

The Council's regional forecast is a macro-level control, providing regional totals for the local forecasts. We use REMI-PI model, a product of Regional Economic Models Inc., to prepare a refreshed forecast that acknowledges changes in the nation-level economy, context and assumptions, and that reflects the most recent actual data.

Most model settings for the current work are the same as in 2019. We use the same approach, but with updated linked forecasts and other updated data inputs. Some changed results in the 2021 model update reflect a substantial re-set in economic context and shifts in economic competitiveness. The COVID-19 pandemic and 2020 recession badly disrupted social and economic activity patterns. Still, these events have not at all diminished the MSP region's long-term growth potential. Met Council expects a rapid rebound, long-term economic growth, and continuation of the region's quality of life and quality of place.

The 2021 regional forecast update, released this week, does not yet include households details. The forecast of households will be completed this fall, after Census Bureau publishes necessary 2020 data.

A major update of *local* forecasts will be ready in 2022.

Rationale

Consistent with Minnesota Statutes 473.146 and 473.859, the Council's forecasts serve as a statement of future expectations, reflecting regional and local planning and policies.

Thrive Lens Analysis

Thrive MSP 2040 identifies prosperity and equity as regional outcomes. The regional economic model and forecast provide a tool for assessing how our economy competes with the rest of the nation and thereby attracts growth. Additionally, the regional model and forecast analyze future shifts in demographic composition, which can inform the Council's efforts to advance equity.

Funding

The regional and local forecasts are a regular part of the Community Development workplan.

Known Support / Opposition

None