

Twin Cities Region Forecasted to Reach Four Million Residents by 2050 (2021 update)

Key findings

The Metropolitan Council forecasts population, households, and jobs with a 30-year horizon for the seven-county Twin Cities region. Our regional forecast provides a shared foundation for coordinated, comprehensive planning by the Council and local governments. The latest regional and local forecast tables and the forecast methodology report are available at metrocouncil.org/forecasts.

Key Findings

- The Twin Cities region will gain 818,000 residents between 2020 and 2050, bringing the region's population to 4,001,000 in 2050.
- Black, Latino, and Asian populations are all rapidly growing, with numbers more than doubling between 2020 to 2050.
- The aging of baby boomers will lead to a rapid doubling of the 75-and-older population by 2030 and tripling by 2050.
- More than any other factor, employment and economic opportunities attract new people to the Twin Cities region.
- The regional economy has already substantially rebounded from the COVID-19 pandemic and recession of 2020. Going forward, workforce shortages will be a regional challenge. Working-age (under 65) U.S.-born workers will fill a third of the region's new jobs. Workers born outside the U.S. will fill another third. A quarter of future workforce demand will be met by delayed retirements and increased labor participation of older adults.

The Twin Cities region will gain residents and jobs

Our forecast shows the Twin Cities region will gain 818,000 people between 2020 and 2050, bringing the region's population to 4,001,000 in 2050 (Figure 1). Population growth rates will slow down over time. The region's population grew by 12% in the decade ending 2020; growth of +9%, +8%, and +7% is expected during the next three decades, respectively.

The Twin Cities region added 235,000 jobs between 2010 to 2019. We then lost all of these gains—temporarily, during the COVID-19 recession of 2020—and we're now regaining those lost jobs. Employment is forecasted to expand, reaching 2,175,000 jobs in 2050.

1. The Council's forecast to 2050 projects both population and job gains

	2010	2020	2030	2040	2050
Population	2,850,000	3,183,000	3,476,000	3,746,000	4,001,000
Employment	1,548,000	1,549,000	1,947,000	2,055,000	2,175,000

Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metrocouncil.org/forecasts

In 2050, 44% of Twin Cities residents will be people of color

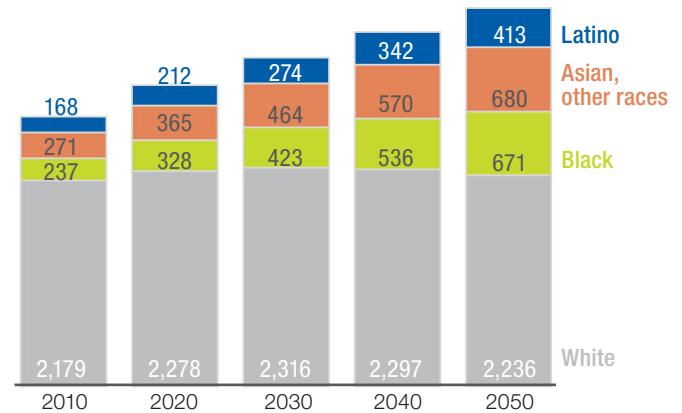
Over the next three decades, the region's population will become more racially and ethnically diverse—a trend already evident in today's K-12 schools and workplaces. The population of color almost doubles between 2020 to 2050 (Figure 2). In contrast, the region's White non-Latino population will level-off around 2030, then decline slightly through 2050.

People of color will comprise a greater share of our region's population, going from 28% in 2020 to 44% in 2050. More specifically:

- The number of Black residents will increase from 328,000 in 2020 to 671,000 in 2050. Black residents will comprise 17% of the region's population in 2050.
- The Latino population will increase from 212,000 in 2020 to 413,000 in 2050. Latino residents will be 10% of the Twin Cities' population in 2050.
- Residents who identify as Asian or any other non-Latino race group will increase from 365,000 in 2020 to 680,000 in 2050. Asians and other race groups will comprise 17% of the Twin Cities' population in 2050.

2. The Twin Cities population becomes more racially and ethnically diverse by 2050

Population in thousands (000s)



Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts.

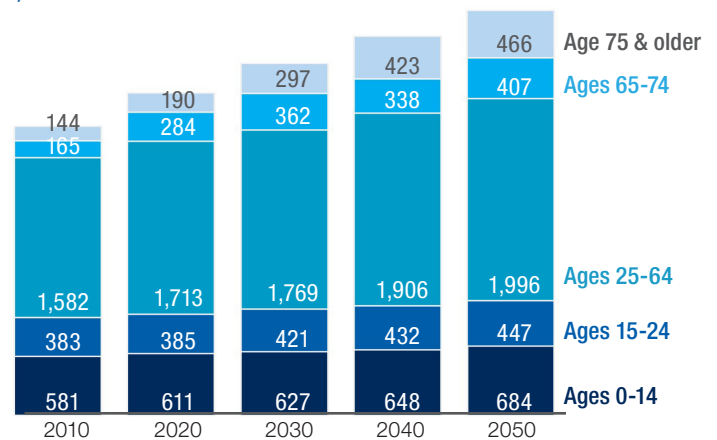
In 2050, 22% of Twin Cities residents will be over age 65

As the region's first baby boomers reached retirement age around 2010, their share of the Twin Cities' population nearly doubled in the decade since (Figure 3). Between the aging of the baby-boomer generation and longer life expectancies, much more of the region's population will be residents age 65 years or older by 2050 at 22% (up from 15% in 2020).

Over this same period of steady regional aging, the region's prime working-age population (ages 25-64) will grow only 17%. Though millennials are just numerous enough to fully replace working baby boomers reaching retirement age, they **are not** numerous enough to substantially grow the region's workforce, nor to repeat the baby boomers' experience of social and economic predominance. Finally, the population under 25 will grow only 14%.

3. The Twin Cities population grows considerably older by 2050

Population in thousands (000s)



Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts.

Natural growth and international migration both drive future population growth

Regional population growth accrues from both natural growth—that is, all births minus all deaths—and migration, people moving to the Twin Cities from other places in the U.S. or other parts of the world. Natural growth will add 470,000 new residents to the Twin Cities region by 2050 (Figure 4) and account for 57% of total growth between 2021 and 2050.

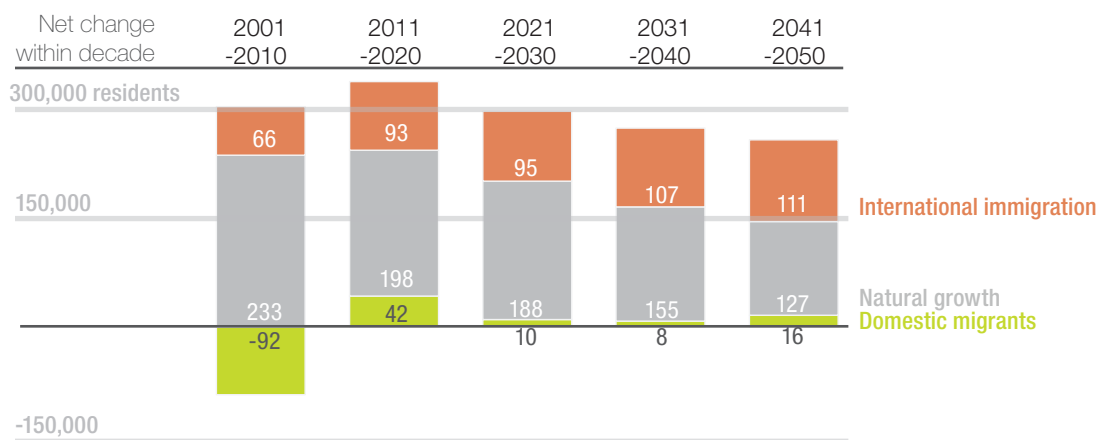
The Twin Cities region will continue to be an immigration gateway, gaining 312,000 new residents through international immigration between 2021 and 2050. Among these new residents, 83% will be people of color. Thus, immigration accelerates the region’s racial and ethnic diversity.

Domestic migration amounts to a cumulative gain of 34,000 people between 2021 and 2050. This is best understood as the residual of a continuous churning: In a typical year, 90,000 to 105,000 people move to the Twin Cities region from elsewhere in the U.S. while another 90,000 to 100,000 people leave. Over time, the small differences between arrivals and departures add up.

The region’s net gain of domestic migrants varies over time, is highly volatile, and is highly correlated with economic conditions. The Twin Cities experienced an employment loss between 2001 and 2010 and as a result, more people moved out or didn't move here. As the regional economy rebounded in the 2010s, people were again drawn in by economic opportunities. Going forward, the our forecast model expects domestic in-migration and out-migration to be fairly balanced, contributing only a small share of 2021 to 2050 population growth.

4. The Twin Cities population grows naturally and by attracting internal immigrants and domestic migrants

Population in thousands (000s)



Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts.

Older adults will be overwhelmingly White, as schools, workforce become more racially diverse

The growth of the region’s older adult population is a dominant demographic trend. Twin Cities workplaces are now experiencing a retirement boom and generational turnover. Still, issues of aging are experienced differently by the region’s population of color. Consider that:

- Working-age populations of color will almost double between 2020 and 2050 during the same period the number of White residents of working-age whites will shrink (Figures 5 & 6). This will dramatically alter the racial make-up of workplaces: from a 74%-26% split between White people and people of color of working age in 2020, to 56%-44% in 2050.

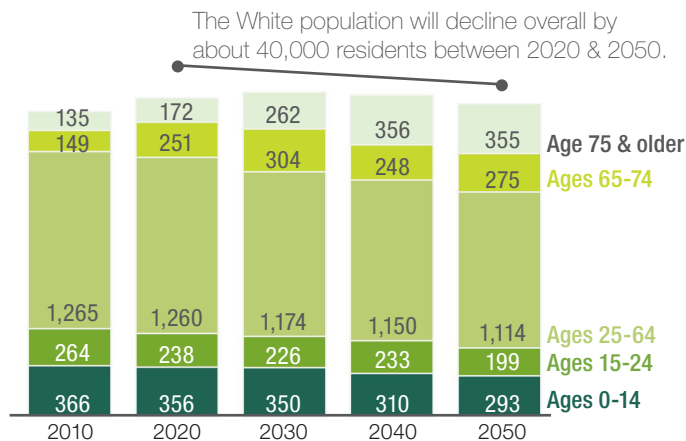
- Together, children and young adults of color (under age 25) will grow by 59% between 2020 and 2050. Concurrently, the White population under age 25 will shrink. In 2050, 57% of children under 15 will be people of color; and about 55% of young adults (ages 15 to 24) will be people of color. This will have significant implications for both school enrollments and workplace culture.

Migration plays a role in this story. While economic opportunities draw new workers and students into the Twin Cities region, the region simultaneously loses movers with non-economic priorities—such as retirees—migrating to sunbelt states or Greater Minnesota. Most residents leaving the region are White. In contrast, the region’s gain of international immigrants is predominantly people of color and younger (people in their 20s and 30s).

Family formation also contributes to growing racial diversity. The total fertility rate—an age-adjusted measure of total childbearing among all women—is about 1.6 children per for White women in the Twin Cities region. Birth rates are higher among Black women (3.0 children per female), Latinas (2.1 children), and Asian women (1.8 children). (Source: Centers for Disease Control, WONDER database). Given these birth rate differences, there is greater population growth among children of color.

5. Aging outpaces growth in the Twin Cities White population in future decades

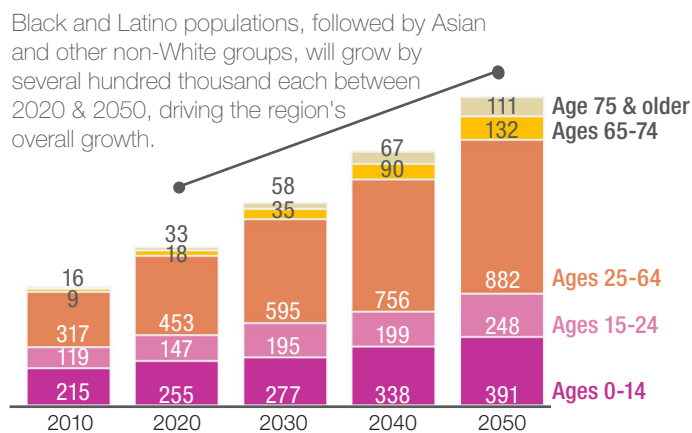
Population in thousands (000s)



Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts. White non-Latino population by age.

6. Twin Cities populations of color drive the region's population growth over the next 30 years

Population in thousands (000s)



Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts.

Employment growth will slow after 2020

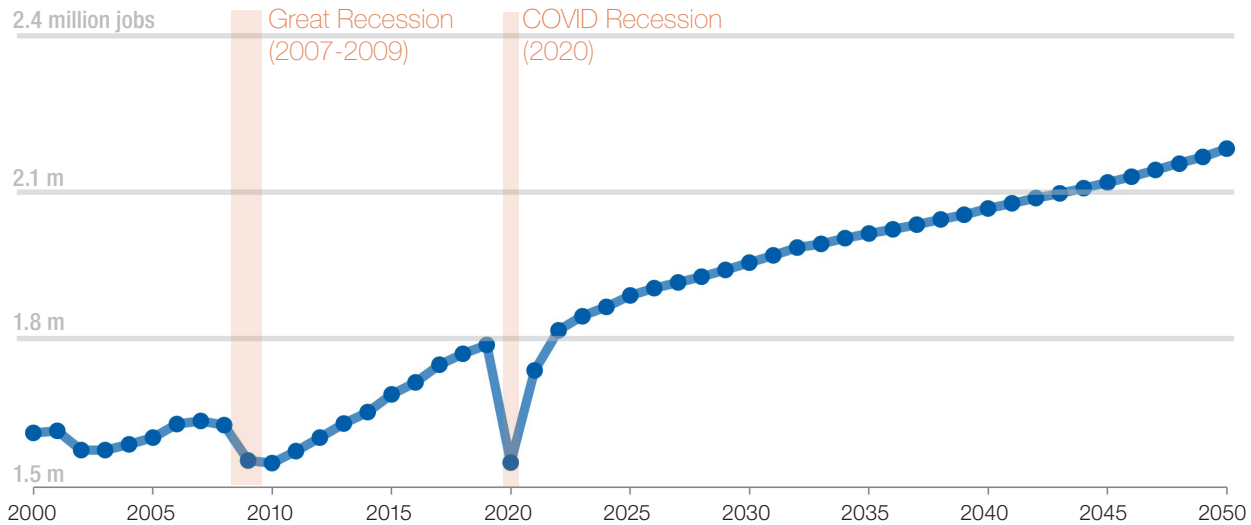
The Twin Cities' Gross Metro Product (the sum of value added by all industry sectors) will expand from \$208 billion in 2020 to \$484 billion in 2050 (in constant 2012 dollars). This is about 1.2% of the U.S. Gross Domestic Product in recent years, growing to 1.3% in 2050. For context, the Twin Cities region has about 1.0% of the nation’s population.

Our forecast model (REMI PI) assesses the Twin Cities region as having economic assets such as a high level of productivity and breadth of workforce supply that is well-aligned with our industry mix. The Twin Cities has an industry mix that includes high-value industry clusters—that is, they comprise a significant share of the national market for their products or services—and fewer of the industries that were most impacted by the pandemic and 2020 recession.

The region also has economic weaknesses, however. According to the U.S. Census Bureau's Current Population Survey, economic opportunities are the leading reason people move long-distances (interstate) to the Twin Cities region, which also means a lesser share of people move here for non-economic reasons. Our region has quality-of-place amenities, but it still does not attract population at the same levels of competing metros like Austin, Denver, Portland, or Seattle. This under-performance in non-economic attraction leaves the Twin Cities at greater risk of future workforce supply shortages.

Considering all these factors, Metropolitan Council has forecasted a modest expansion of jobs for most of the forecast period, going from 1,549,000 jobs at the low-point of the 2020 recession (2nd Quarter 2020), to 1,733,000 in 2021, then to 2,175,000 in 2050 (Figure 7). Much of this gain has already happened during the 2021 rebound. The remaining jobs will be added over the next 20 years. The deceleration of employment reflects the constraint of a long-term workforce shortage.

7. Twin Cities jobs expand during the forecast period but growth is constrained by workforce shortages



Source: Metropolitan Council analysis of Minnesota Department of Employment and Economic Development (DEED) Quarterly Census of Employment and Wages, 2000-2020; Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts.

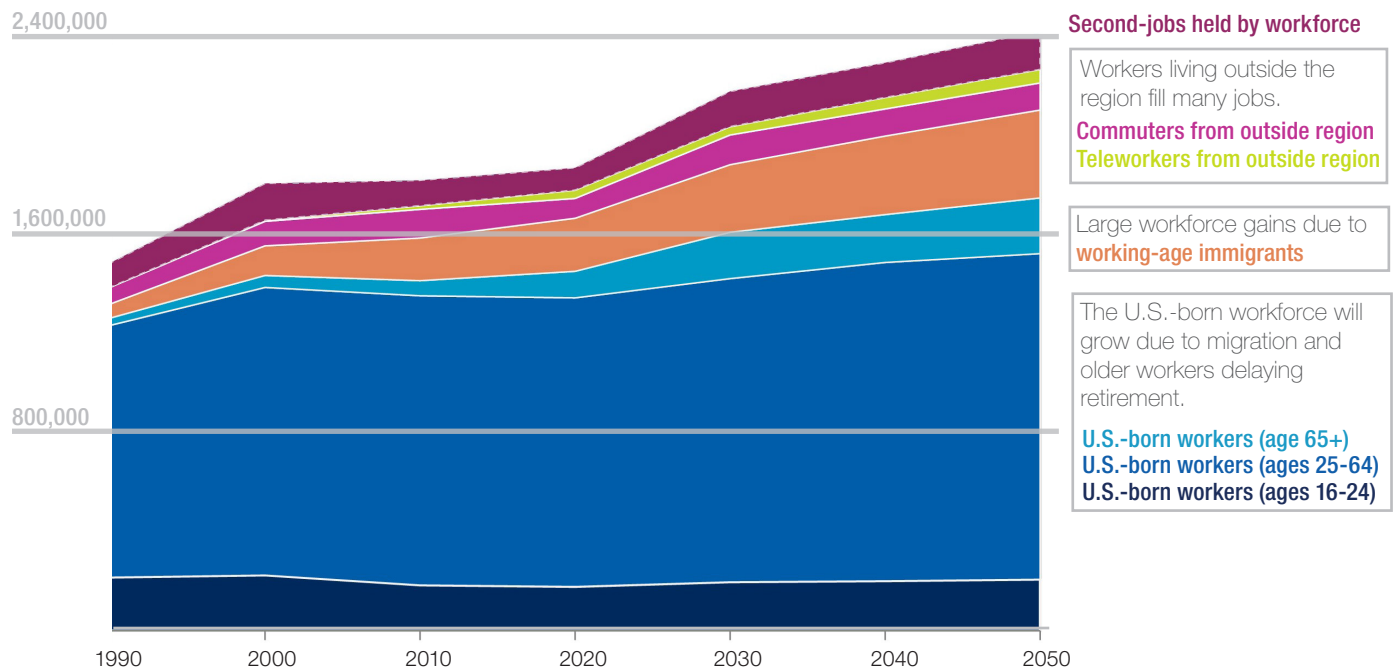
How the Twin Cities region will add the next 442,000 jobs

Forecasted employment growth from 2021 to 2050 amounts to 442,000 jobs. The demographic trends of aging baby boomers, a modest-sized replacement cohort (millennials), and a large amount of international immigration will be challenges for employers and workforce training providers. The traditionally-imagined workforce—U.S.-born, adults under 65—will grow only enough to satisfy a third of employers' demand. Still, we identify three non-traditional sources of workforce expansion (Figure 8):

- Older adults are the region's fastest growing demographic group, as described earlier. The doubling of this population and the gradual advancement of retirement ages provide a net gain of 110,000 workers during between 2021 and 2050.
- The region will also gain workforce from international immigration. Immigration brings the region a steady flow of people in their 20s and 30s—prime working age. After applying workforce participation rates, the cumulative gain in workers (under age 65) born outside the U.S. amounts to 136,000 between 2021 and 2050.
- Workers who live outside of the seven-county Twin Cities region fill many jobs. The net import of long-distance commuters is projected to remain roughly constant in the future. However, the net import of remote teleworkers attached to Twin Cities businesses is growing. This phenomenon is currently difficult to track with government statistics; the projection is uncertain. For the Twin Cities forecast scenario, we assume remote-work jobs held by workers from outside the region will grow by 30,000.

8. Twin Cities workforce supply over the next three decades

Workers in thousands (000s)



Source: Metropolitan Council Regional Forecast (July 2021). The latest forecasts are available at metro council.org/forecasts.

Note: Workforce supply totals in this figure exceed Met Council's employment forecast. The additional amount represents workers outside of the Bureau of Labor Statistics concept of payroll employment, specifically workers who are business owners or otherwise self-employed.

Together, the job-holders listed in Figure 8 comprise the region's forecasted workforce supply potential, and provide enough workers to accommodate a payroll employment expansion of 442,000 jobs between 2021 and 2050. The actual, eventual results are fungible: Additional workforce may be possible, through higher-than-projected participation rates or additional workforce relocations into the region.

About the regional forecast

The Metropolitan Council prepares a long-term employment and population forecast for the seven-county Twin Cities region. We assess the region's economic competitiveness and project future growth using REMI PI, a regional economic and demographic model. We locate forecasted growth to specific places through additional analysis. Our local land use model projects the likely geographic pattern of future growth given real estate and location choice dynamics, transportation and accessibility, and regional and local policies. Forecast data files and our methodology report are published at metro council.org/forecasts.

This regional forecast was prepared in July 2021. A regional forecast of households will be prepared once decennial 2020 data from U.S. Census Bureau become available. Council staff will prepare preliminary 2050 local forecasts using the Council's local land use forecast model in 2022.

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