

Immigrants and Minnesota's Workforce: An Economic Imperative for Policy Reform

State of the Workforce Conference

January 11, 2019

Southeast Minnesota Workforce Development Board

Rochester, Minnesota

**Ryan Allen, Associate Professor
Humphrey School of Public Affairs**



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM

Presentation Overview

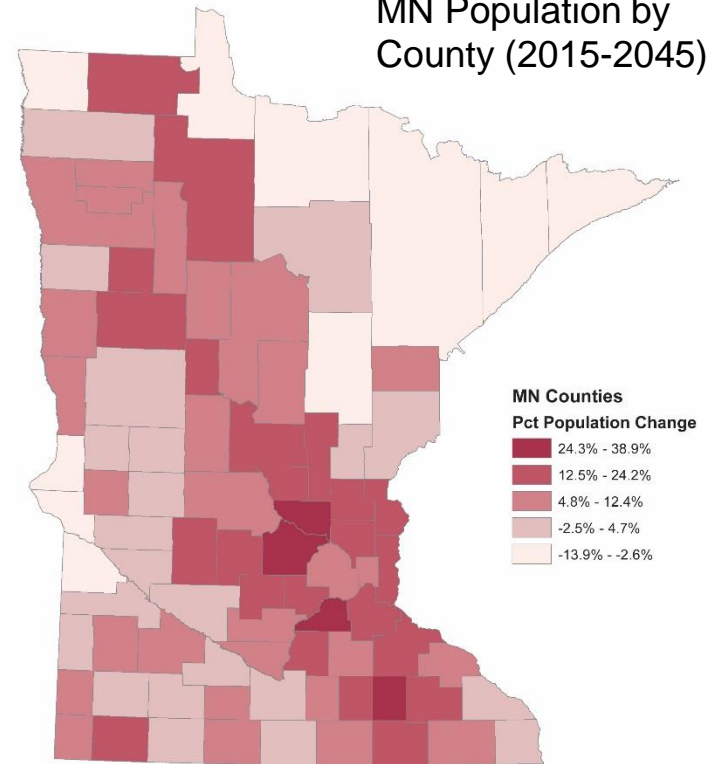
1. Minnesota's population will grow slowly in the future
2. Most future population growth in Minnesota may depend on immigrants
3. Immigrants are important for Minnesota's labor force
4. Without increased migration to Minnesota the labor force will grow more slowly



Minnesota Population Trends: Slowing Growth

- Moderate population growth between 2015 and 2030
- Population projected to grow at slower rate beginning 2030

Projected Change in
MN Population by
County (2015-2045)



Data Source: MN State Demographer's Office
Map Created Sep 2016

Center for Urban and
Regional Affairs (CURA)
UNIVERSITY OF MINNESOTA

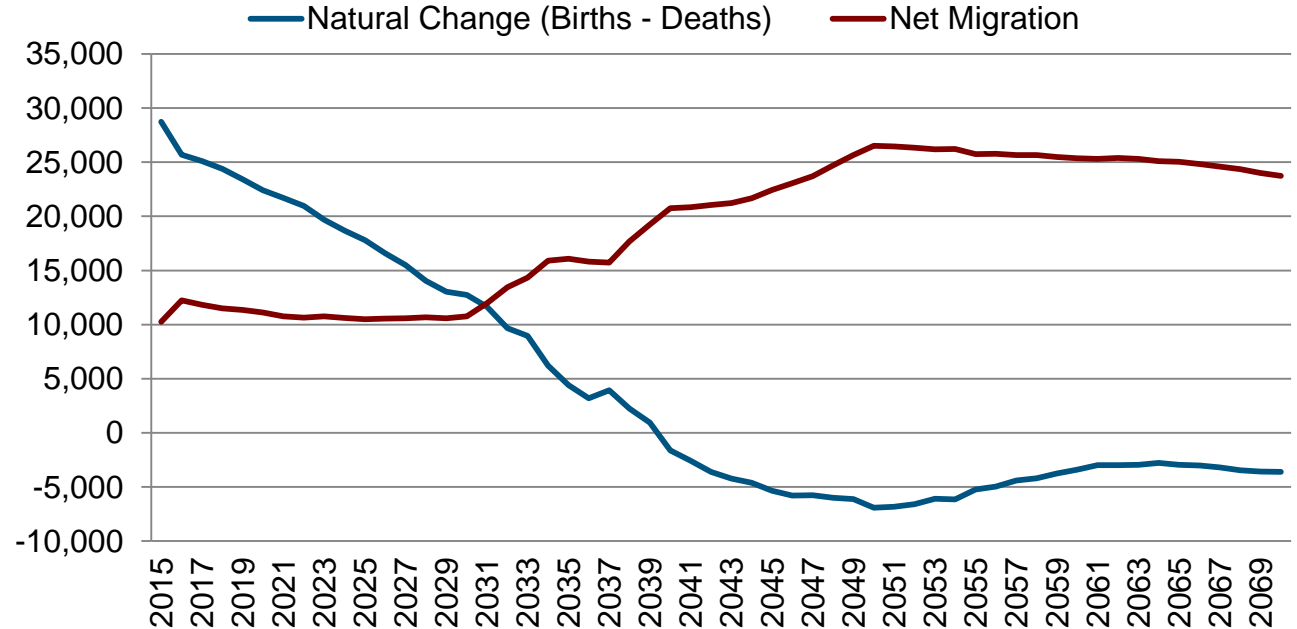


UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

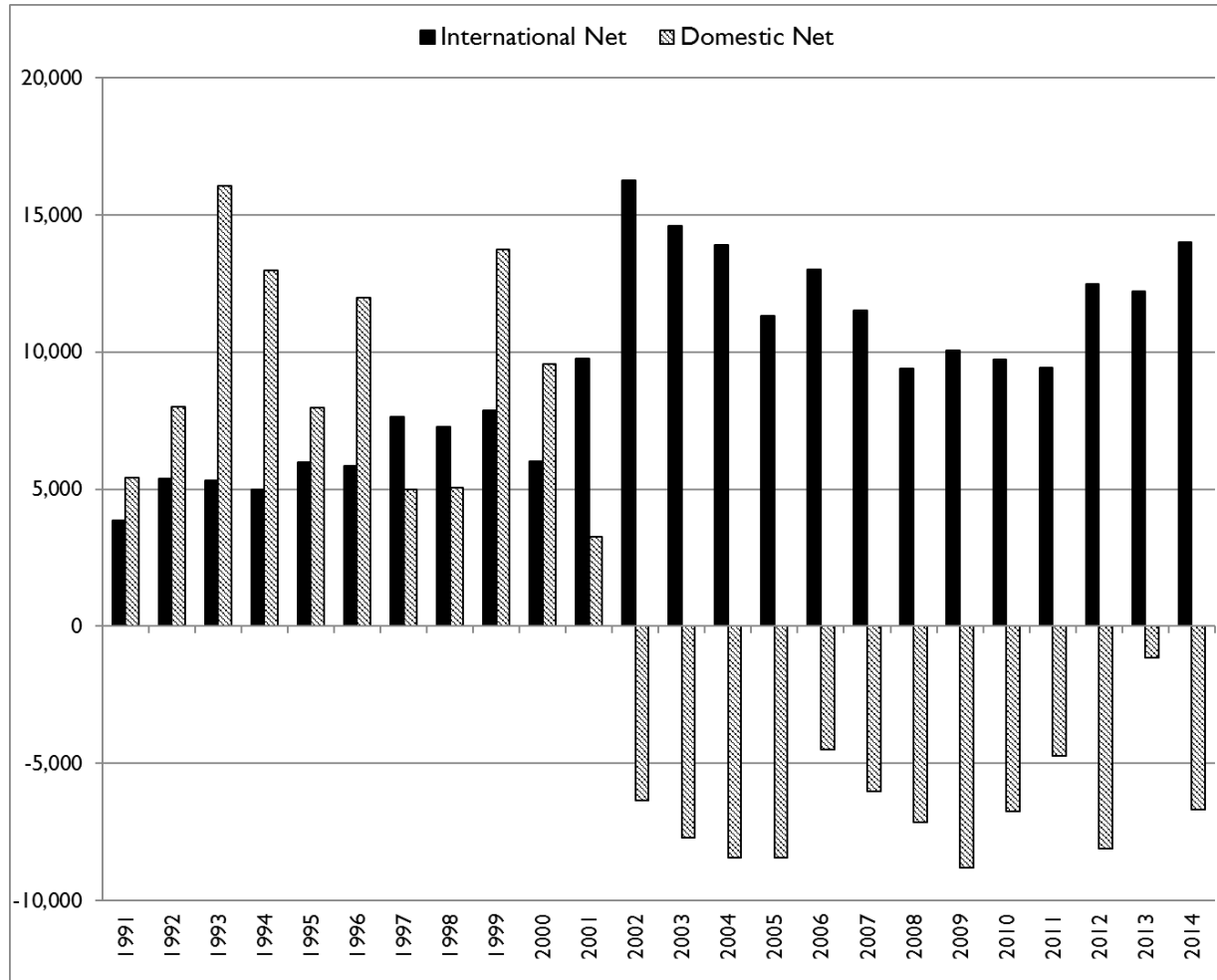
MN Future Population Growth

- Without a substantial increase of migration, MN's population will grow slowly

Projected Annual Population Change in Minnesota, 2015-2070



MN Population Growth & Migration



Source: MN State
Demographic
Center, 2015

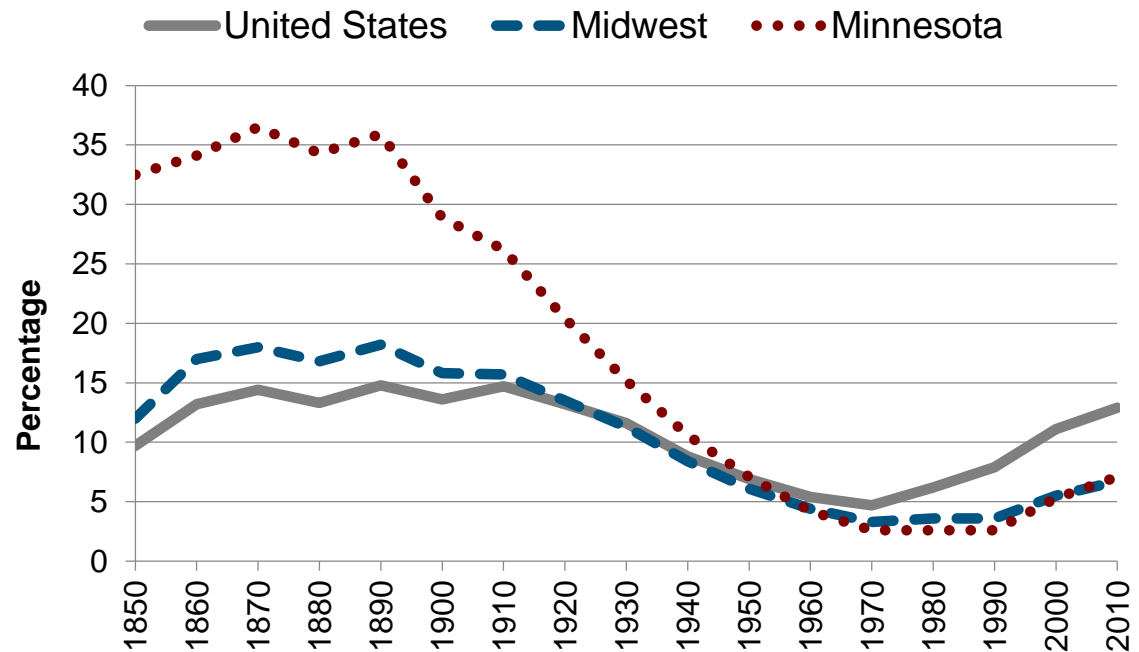


UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Immigrants in Minnesota

- MN led the U.S. in immigration in 19th century
- MN now lags U.S. in foreign born population

Foreign Born Population in the United States and Minnesota, 1850-2010



Projected Changes in Immigrant Population

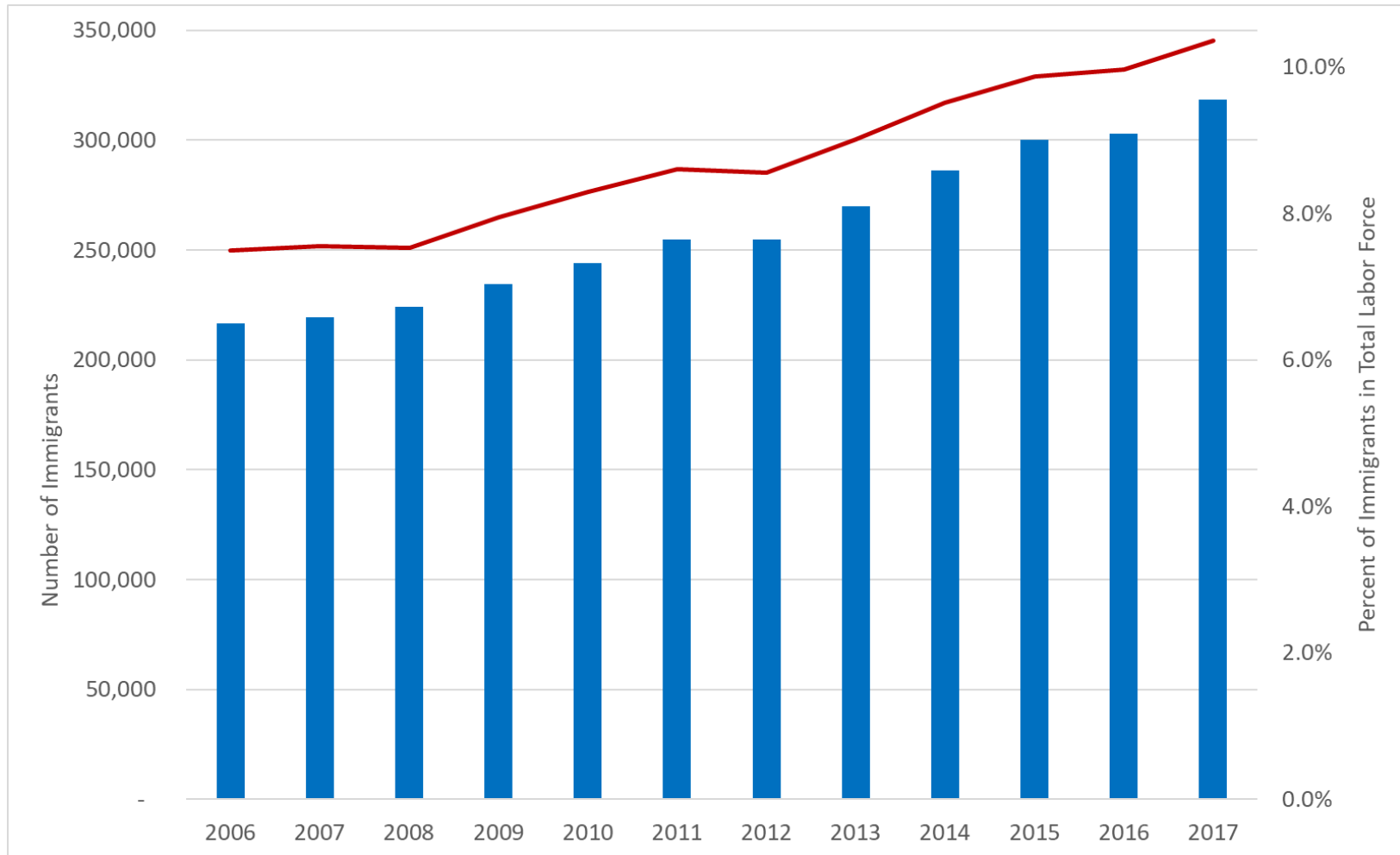
- United States
 - 43 million (2015) growing to 78 million (2060)
 - Shift from 13.5% (2015) to 18.8% (2060)
- Minnesota
 - 428,000 (2014) growing to 870,000 (2060)
 - Shift from 7.8% (2014) to 13% (2060)

Source: U.S. Census Bureau; Author's calculations



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Growth of Immigrants in Minnesota's Labor Force, 2006-2017

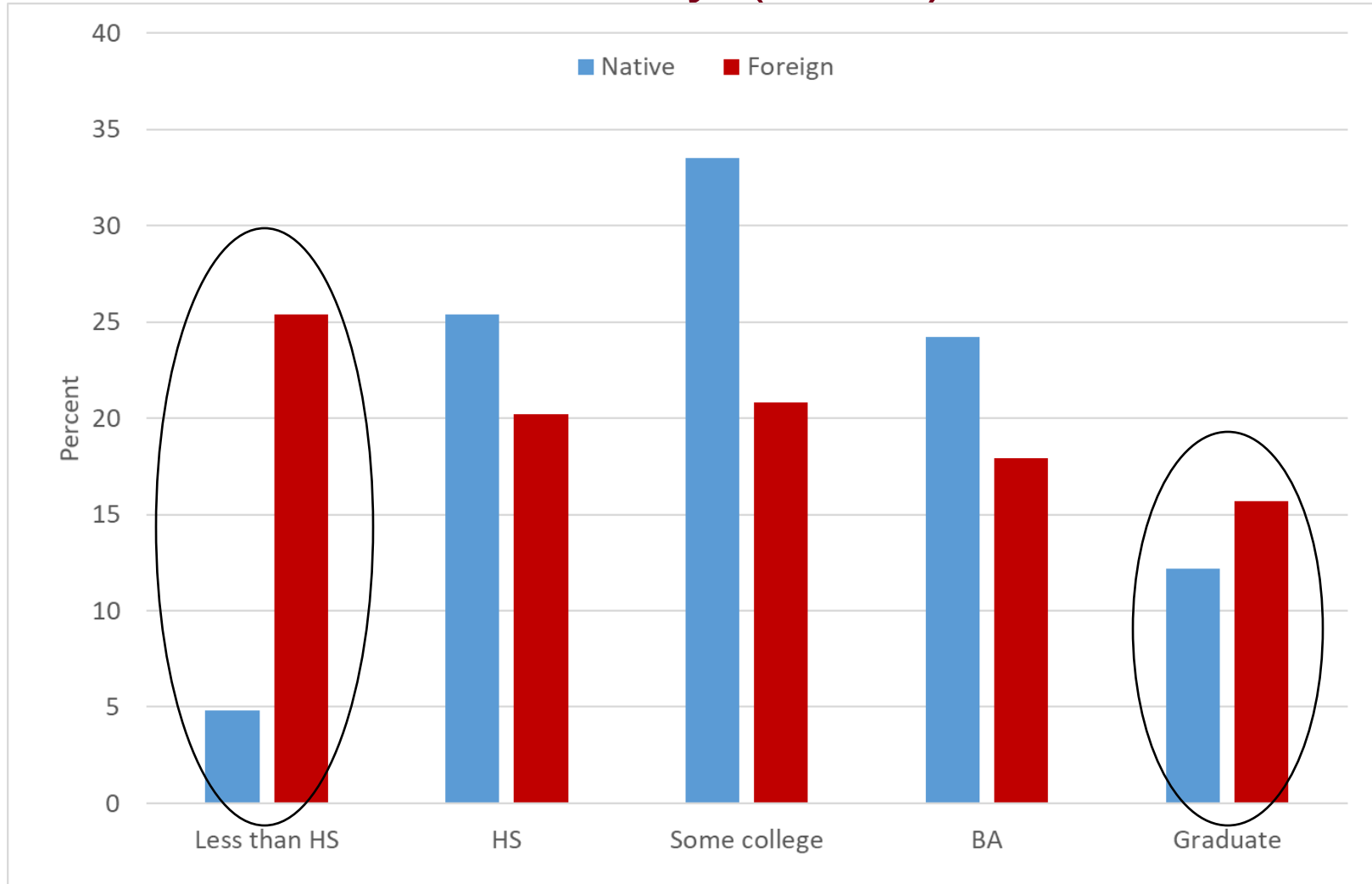


Source: Author calculations of American Community Survey data, 2006-2017



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Educational Attainment in Minnesota, by Nativity (2017)

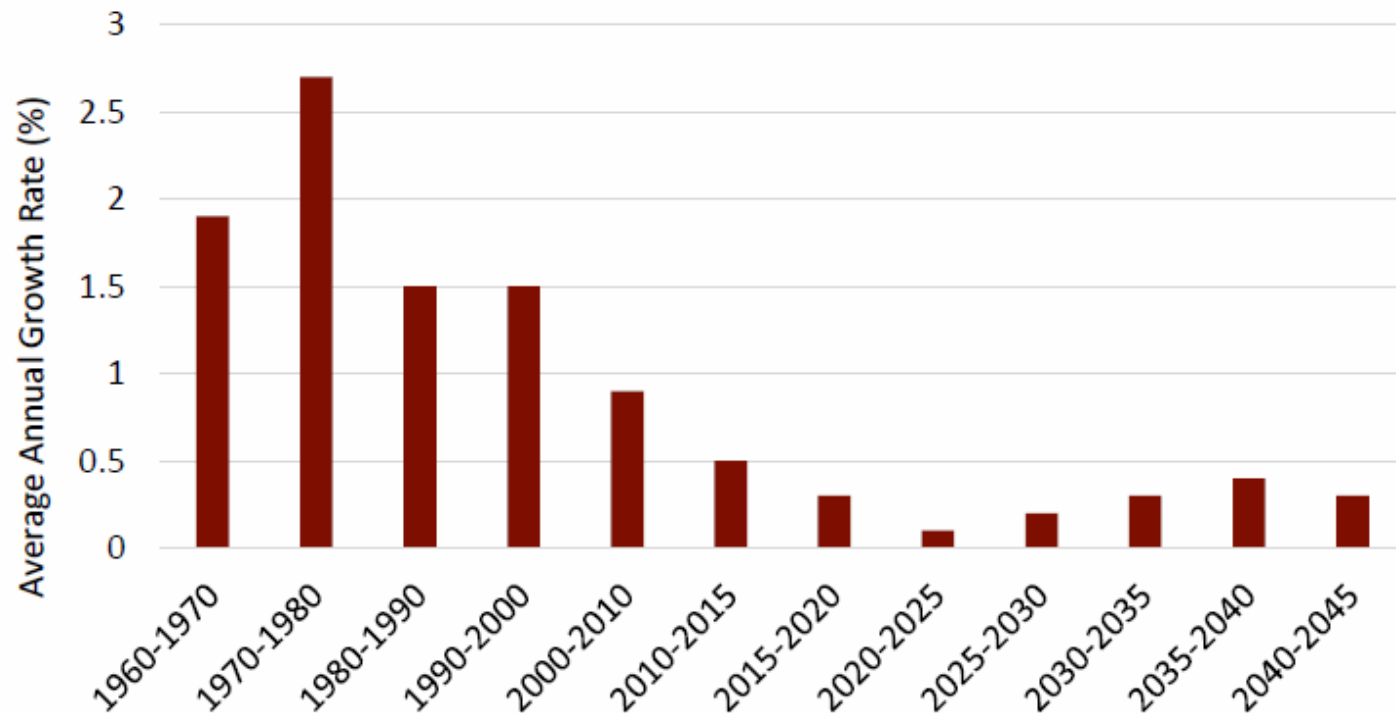


Source: American Community Survey data, 2017



UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

Average Annual Labor Force Growth in Minnesota (1960-2045)



Note: Based on "Figure 4: Minnesota's Average Annual Labor Force Growth Rate, Historical and Projected, 1960-2045," in Minnesota State Demographic Center, *In the Shadow of Boomers: Minnesota's Labor Force Outlook*, December 2013.



Job Vacancies in Minnesota, by Region (2005-2017)

Average annual quarterly vacancies

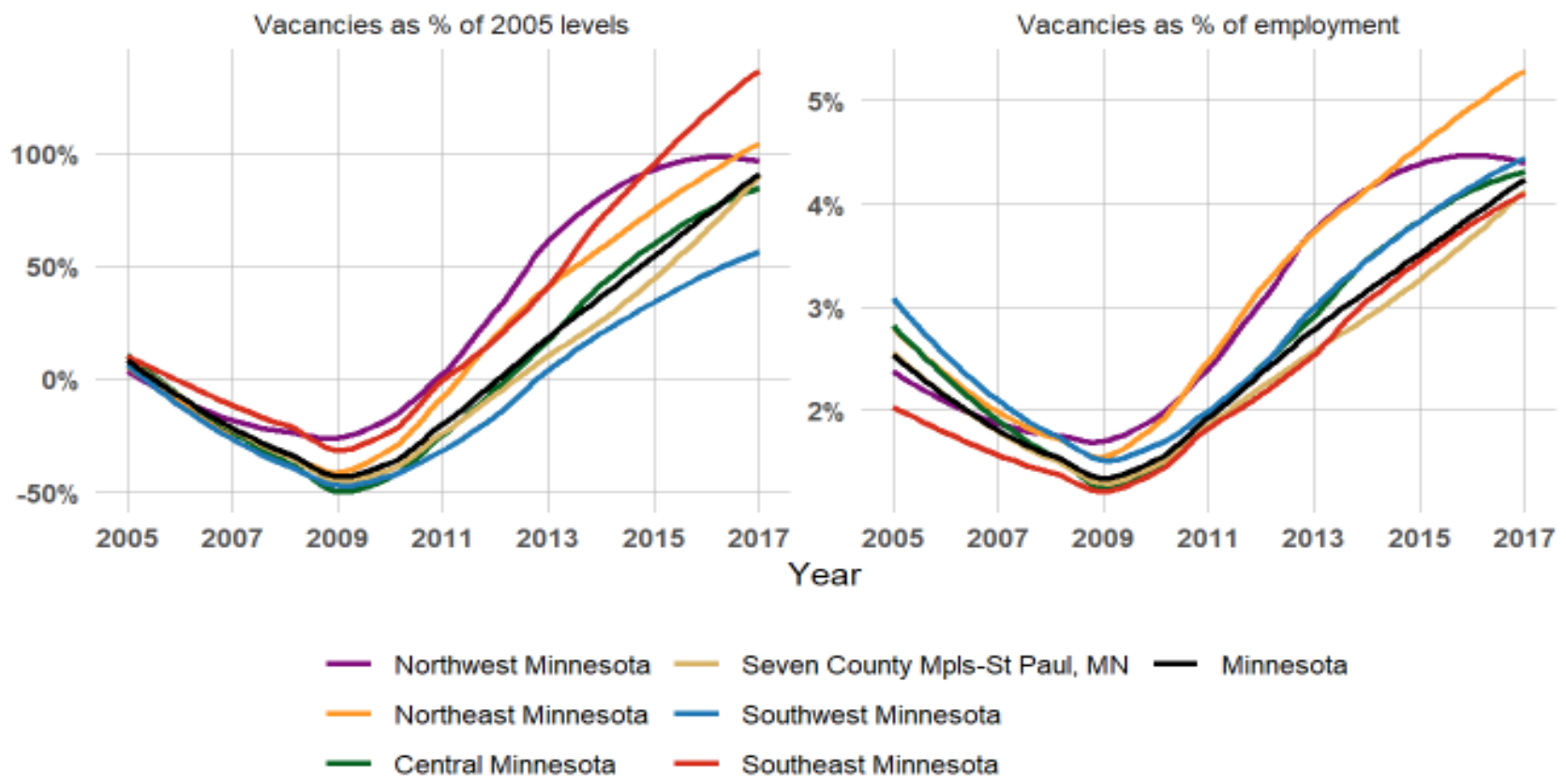


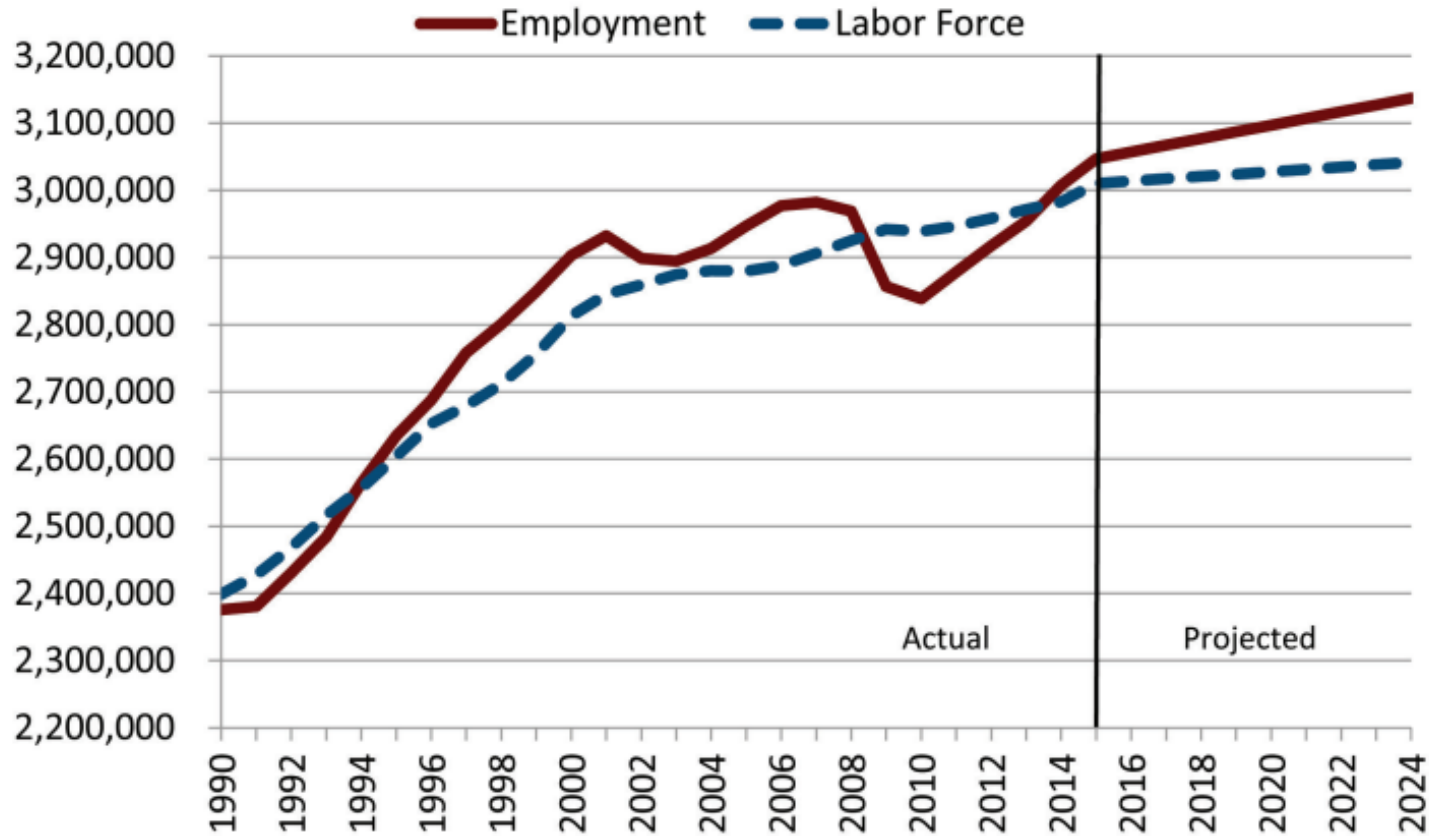
Figure 1: Average number of job vacancies in the second and fourth quarters of each year indexed to vacancy levels in 2005 (left). By 2017, the job vacancy rate (right) was significantly higher in most regions of Greater Minnesota compared to the seven-county metro. Northeast's significantly higher vacancy rate is due not only to a high number of vacancies but also the fact that it is the only region to experience a decline in labor force since 2000. Data source: MN DEED

Source: Asche, Kelly. 2018. "Finding work or findings workers?" Center for Rural Policy and Development (<https://www.ruralmn.org/finding-work-or-finding-workers-pt1/>)



Minnesota Labor Market Projection

Actual and Projected Minnesota Labor Force and Employment, 1990-2024



Note: Based on historical and projected employment and labor force data by the Minnesota Department of Employment and Economic Development.



Shrinking the Gap

- Increase labor force participation
 - Key groups (Indian, Somali, Hmong, and Mexican Women)
 - Delay retirement
- Increase number of migrants to Minnesota
 - To maintain current labor force growth rate (0.5%) need 4.5 times the number of currently project migrants in 2045



Changes to Policy & Practice

- How can Minnesota attract and retain more migrants in the future?
 - Economic fundamentals and disparities
 - Social, economic and political integration of immigrants
 - Future size of the immigrant stream to the U.S. is in question (Trump executive authority, RAISE Act)

