

Demographic Trends in Minnesota

Implications for Minnesota State Colleges and Universities



*Board of Trustees Study Session
March 17, 2015*

Minnesota State Colleges and Universities

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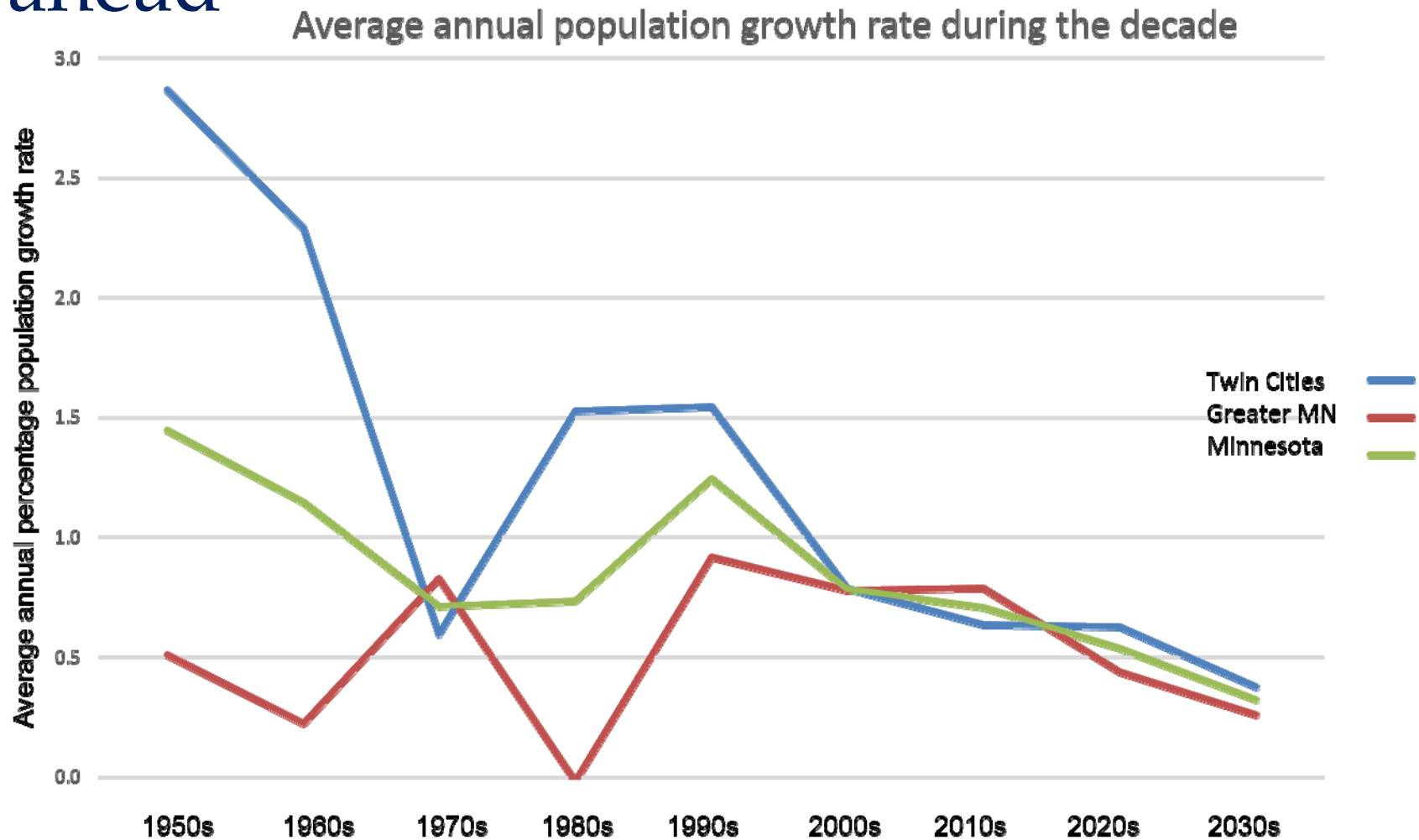
Overview

- 7 demographic trends
- Strategic implications of the trends
- Strategic actions being taken to address the trends

Demographic Trend #1:

Minnesota's population growth has slowed and will continue to slow over the decades ahead.

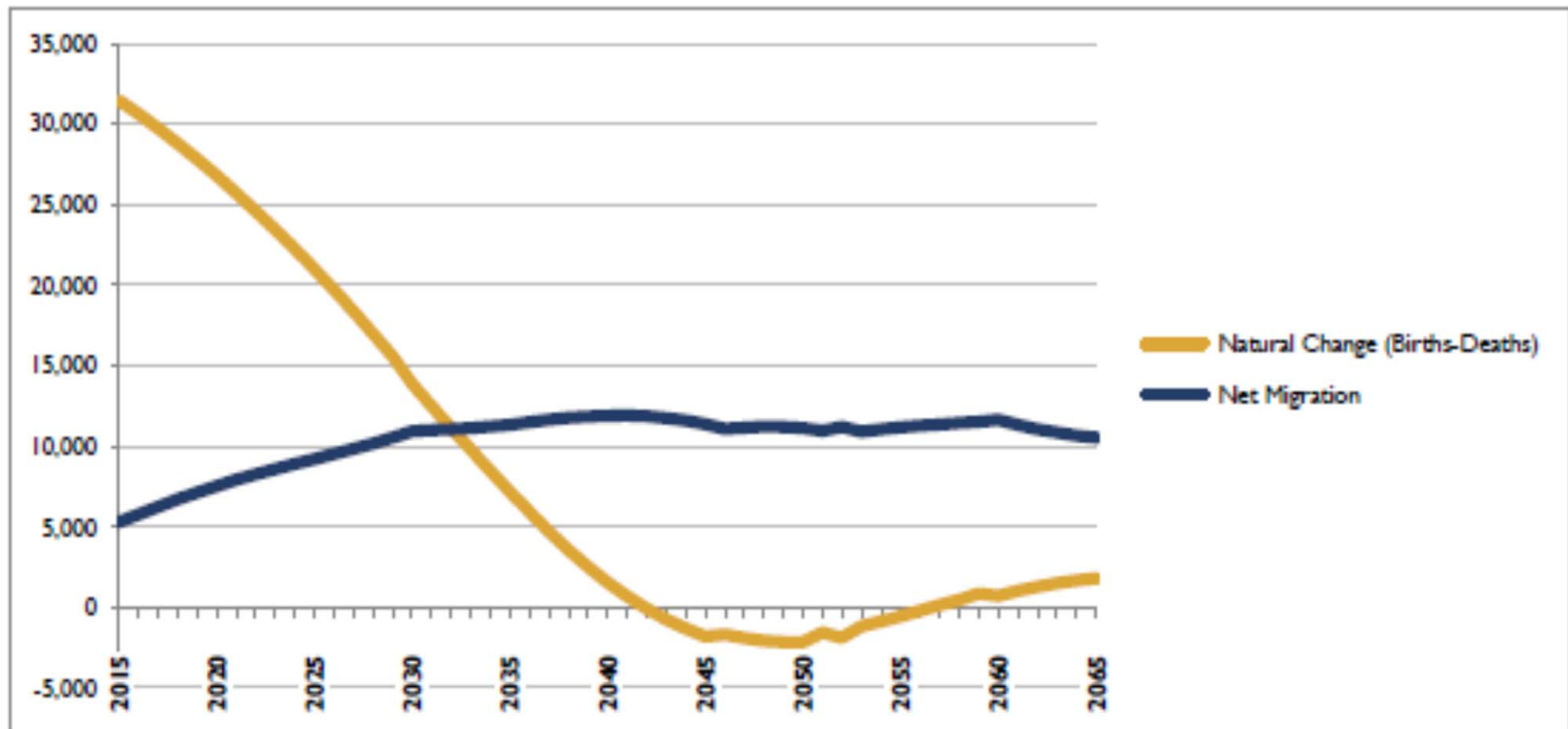
Minnesota's population growth has slowed and will continue to slow over the decades ahead



Source: U.S. Census Bureau and Minnesota State Demographic Center



Migration into the state will sustain Minnesota's population; natural population growth will decline until 2050



Source: *Minnesota on the Move: Migration Patterns and Implications*
Minnesota State Demographic Center, January 2015.



Strategic implications

- As Minnesota's natural population growth continues to slow, colleges and universities will need to partner with and serve a growing population of immigrants.

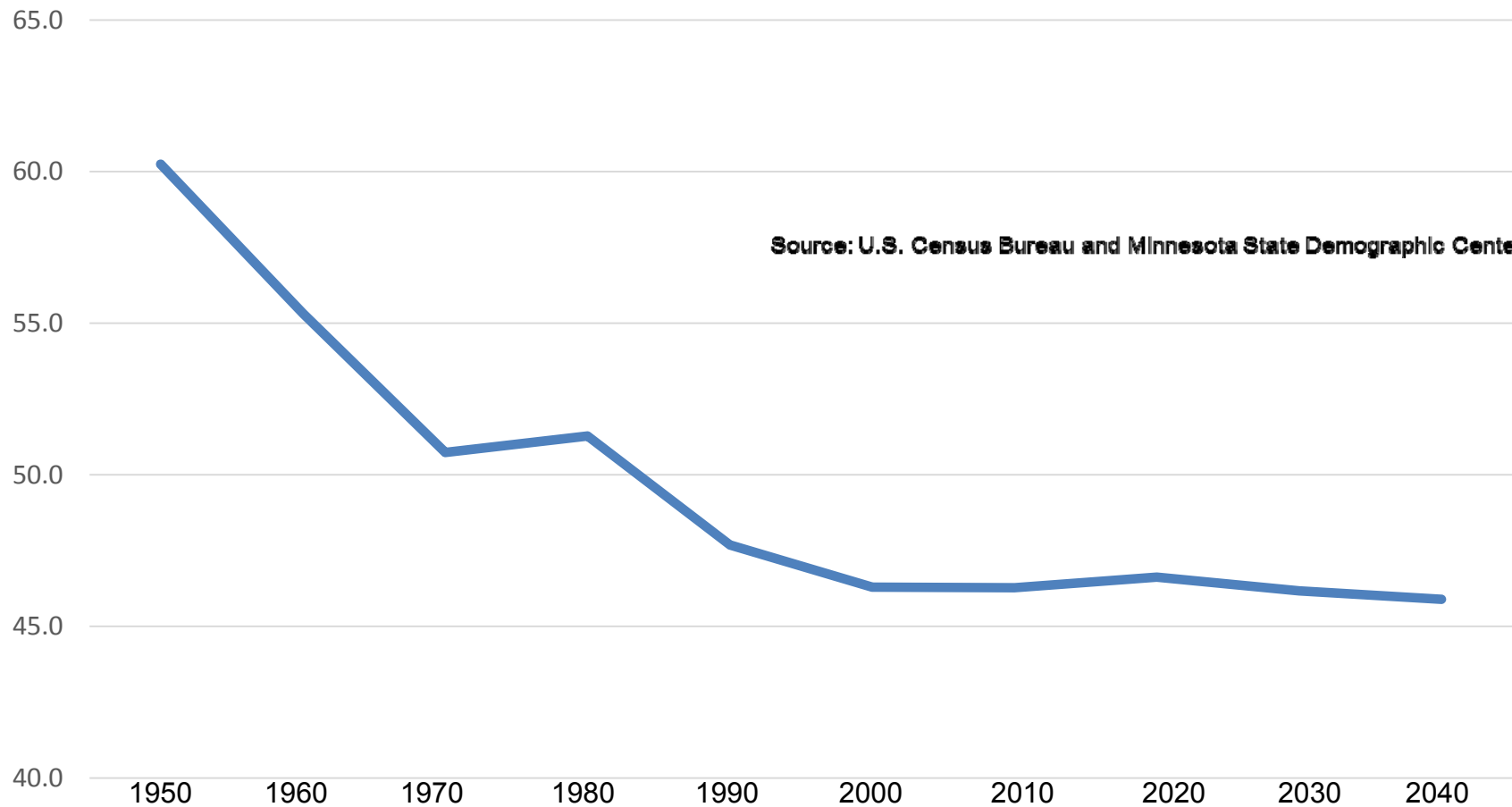
Demographic Trend #2:

Fewer Minnesotans live in Greater Minnesota.

Over the decades ahead, the proportion of Minnesotans living in Greater Minnesota will remain fairly steady, but people will increasingly reside in urbanized areas.

Fewer Minnesotans are living in Greater Minnesota

% of Population Living in Greater Minnesota

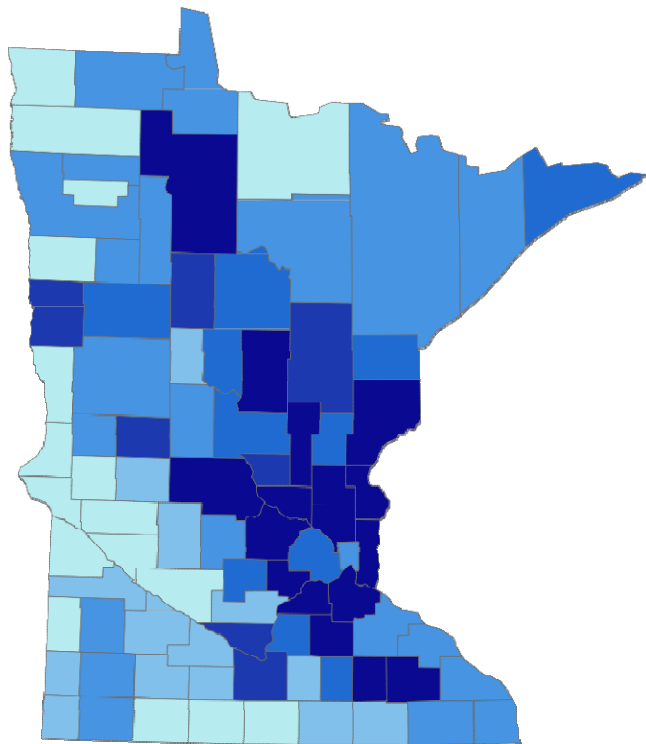


Source: U.S. Census Bureau and Minnesota State Demographic Center

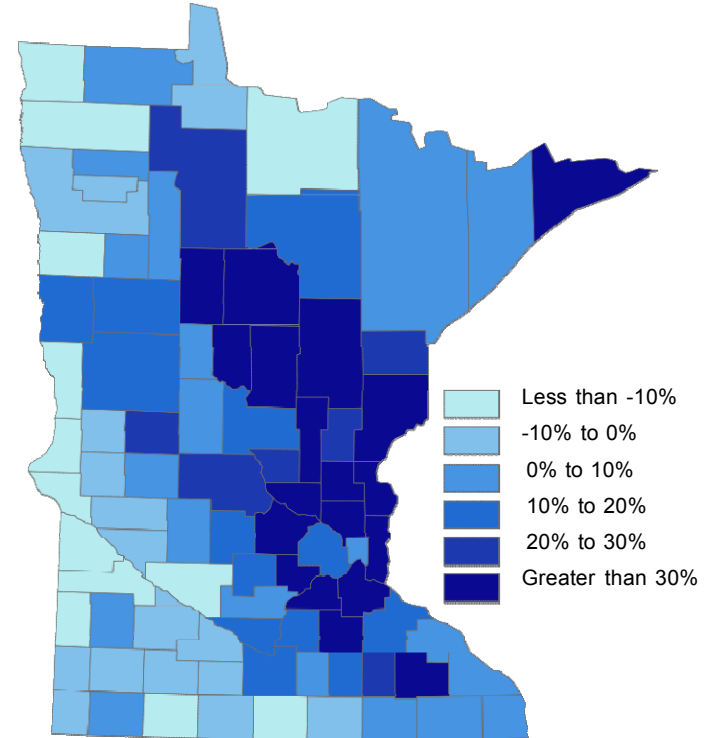


Minnesotans will become increasingly urban

1990 to 2010



Projected 2012 to 2040



Source: MN Department of Administration, Office of Geographic and Demographic Analysis



Strategic implications

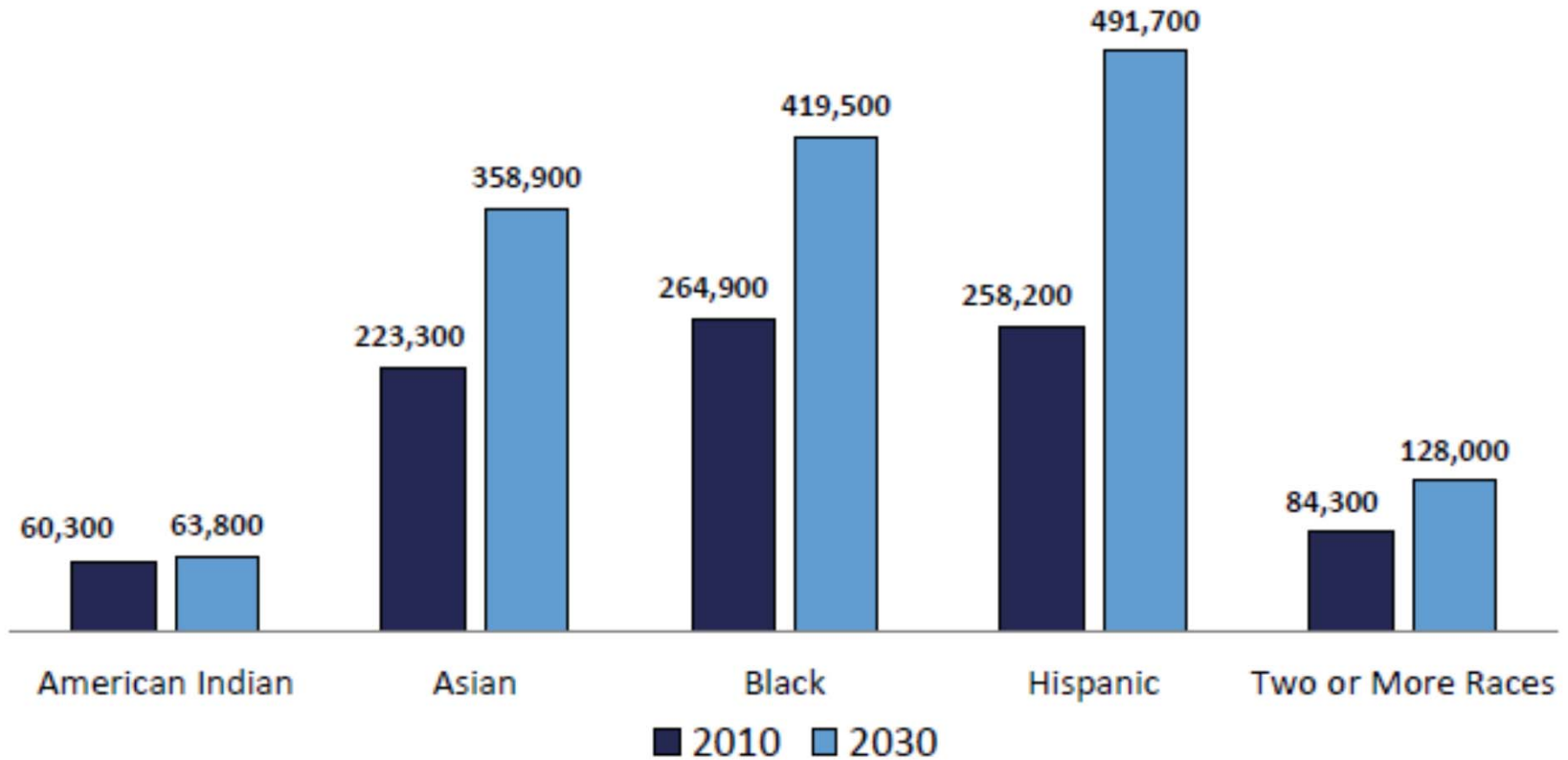
- As the proportion of people living in rural Minnesota continues to drop, colleges and universities located in rural areas of the state will face continuing enrollment pressures.

Demographic Trend #3

Minnesotans will be increasingly diverse over the years ahead. Over the next 25 years:

- 70% of the state's population growth will be among people of color;
- 100% of the Twin Cities metro's population growth will be among people of color.

Largest population growth in Minnesota will be among Asians, Blacks and Latinos



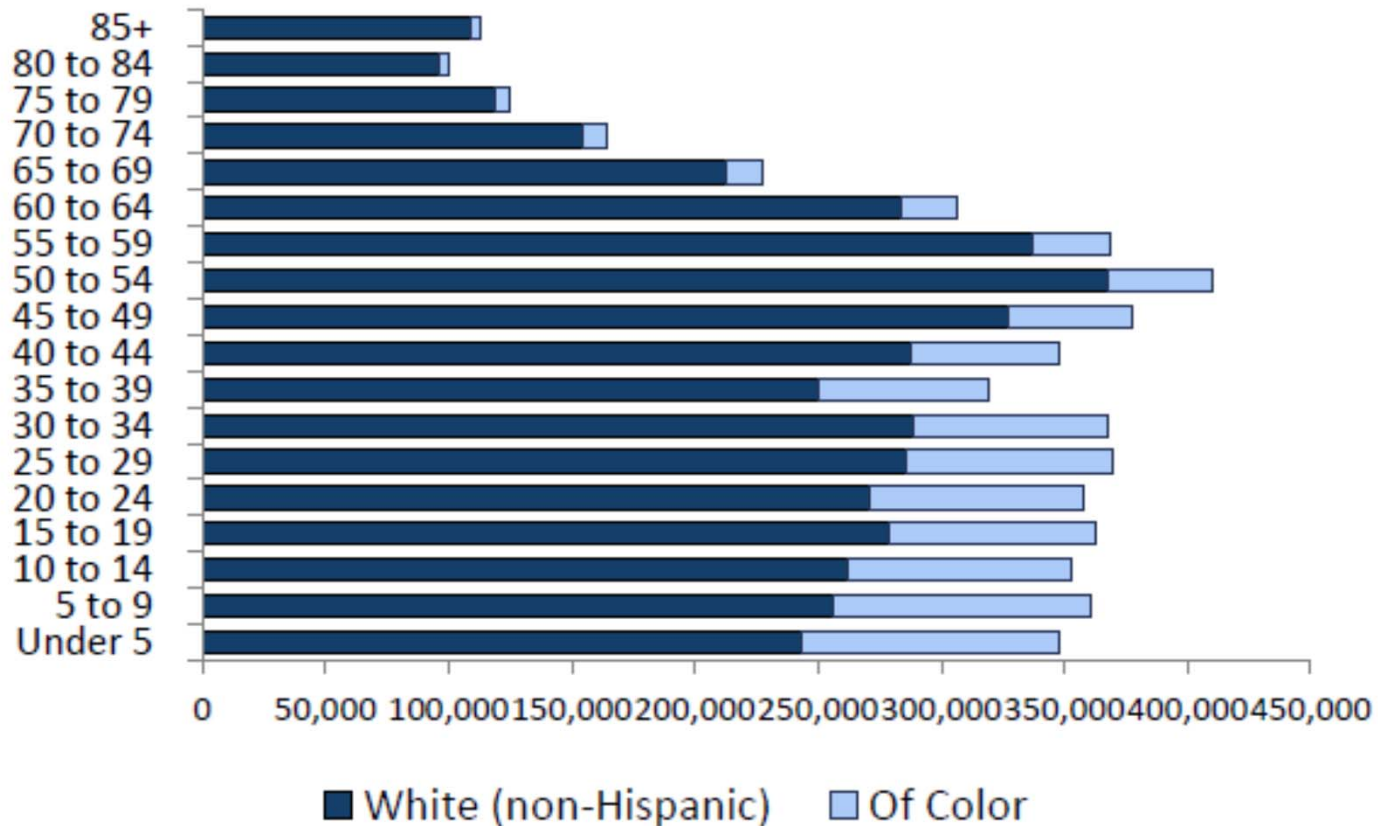
Source: Minnesota State Demographic Center Projections.

Presentation to North Star Summit by Susan Brower, Minnesota State Demographer, December 2014.



Minnesota by race and ethnicity, 2012

White (non-Hispanic) and Of Color Population
Minnesota, 2012

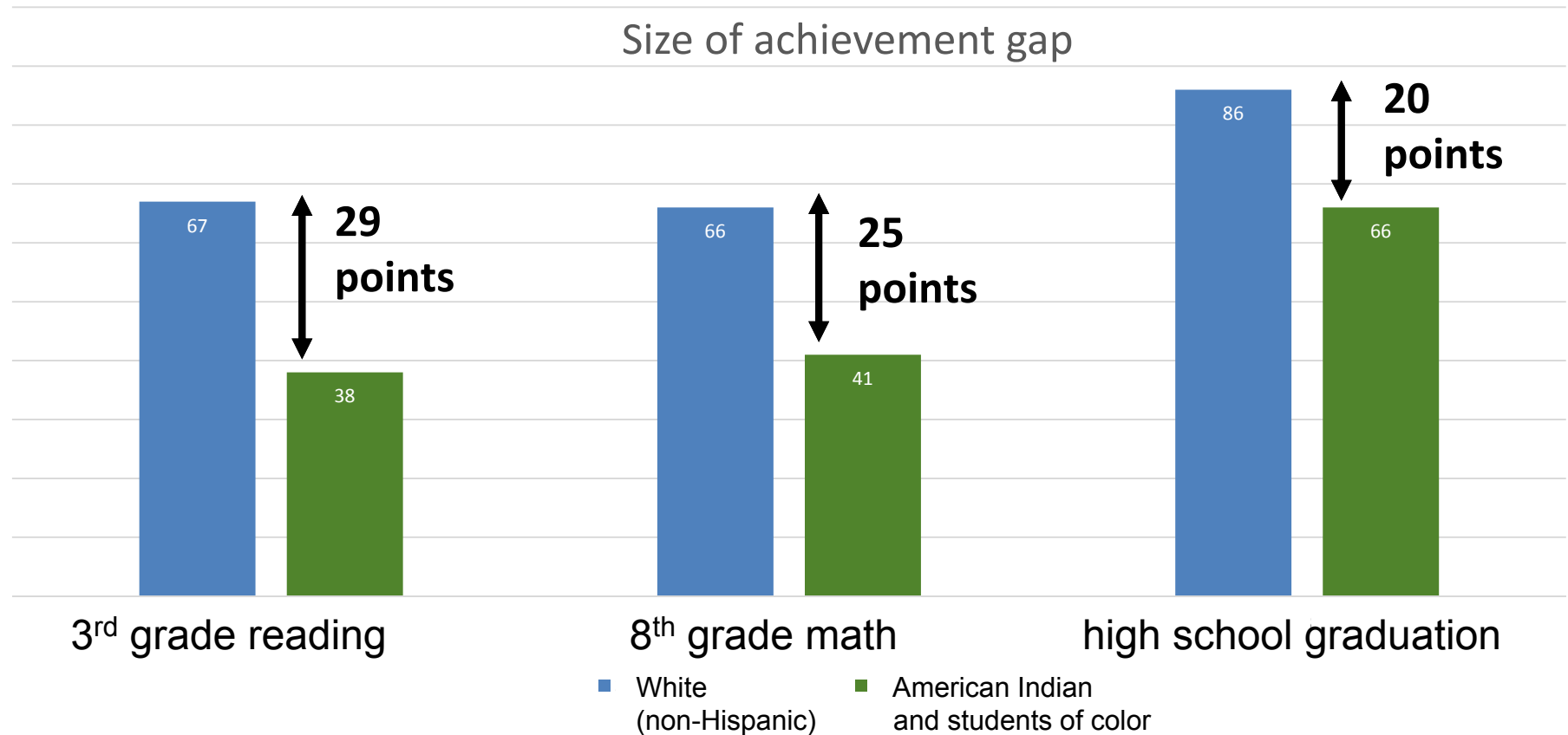


Source: 2012 Population Estimates, U.S. Census Bureau.

Presentation to Emerging Workforce Coalition by Susan Brower, Minnesota State Demographer, February 2015.



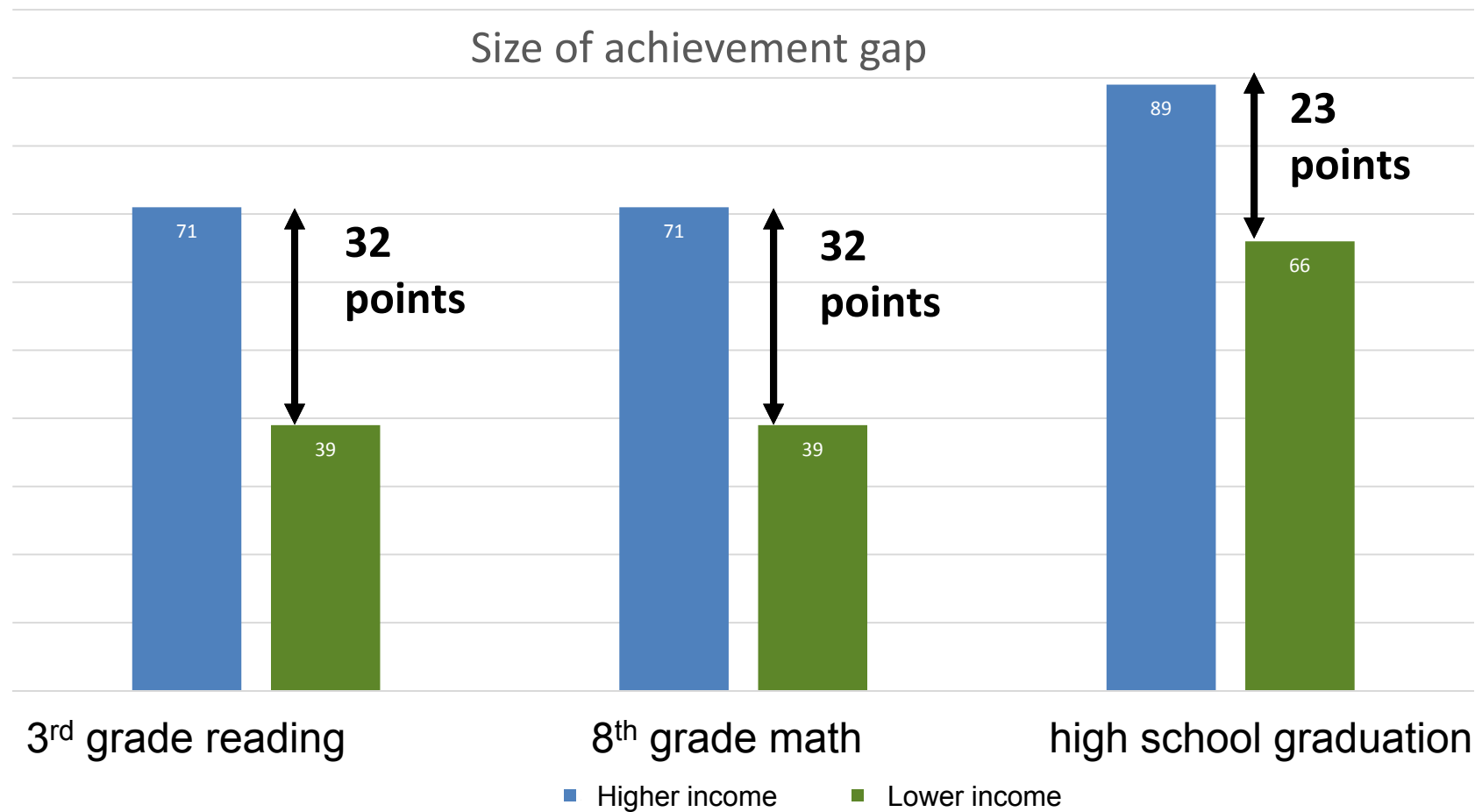
The K-12 racial achievement gap, 2014



Source: Minnesota Compass and Minnesota Department of Education



The K-12 economic achievement gap, 2014

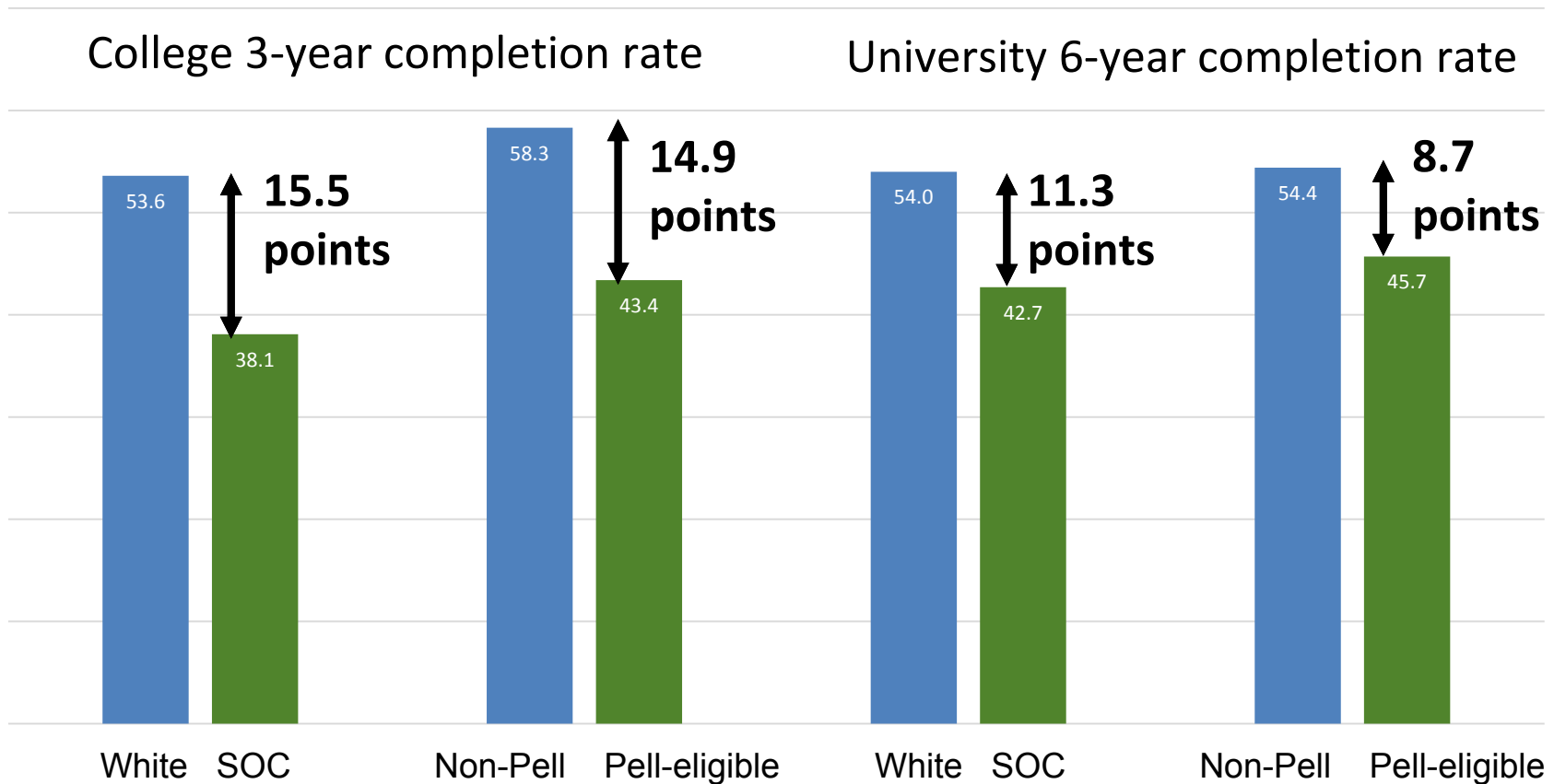


Source: Minnesota Compass and Minnesota Department of Education



The MnSCU racial and economic achievement gaps, 2014

Size of achievement gap



Source: System Office Research, Academic and Student Affairs Division



Strategic implications

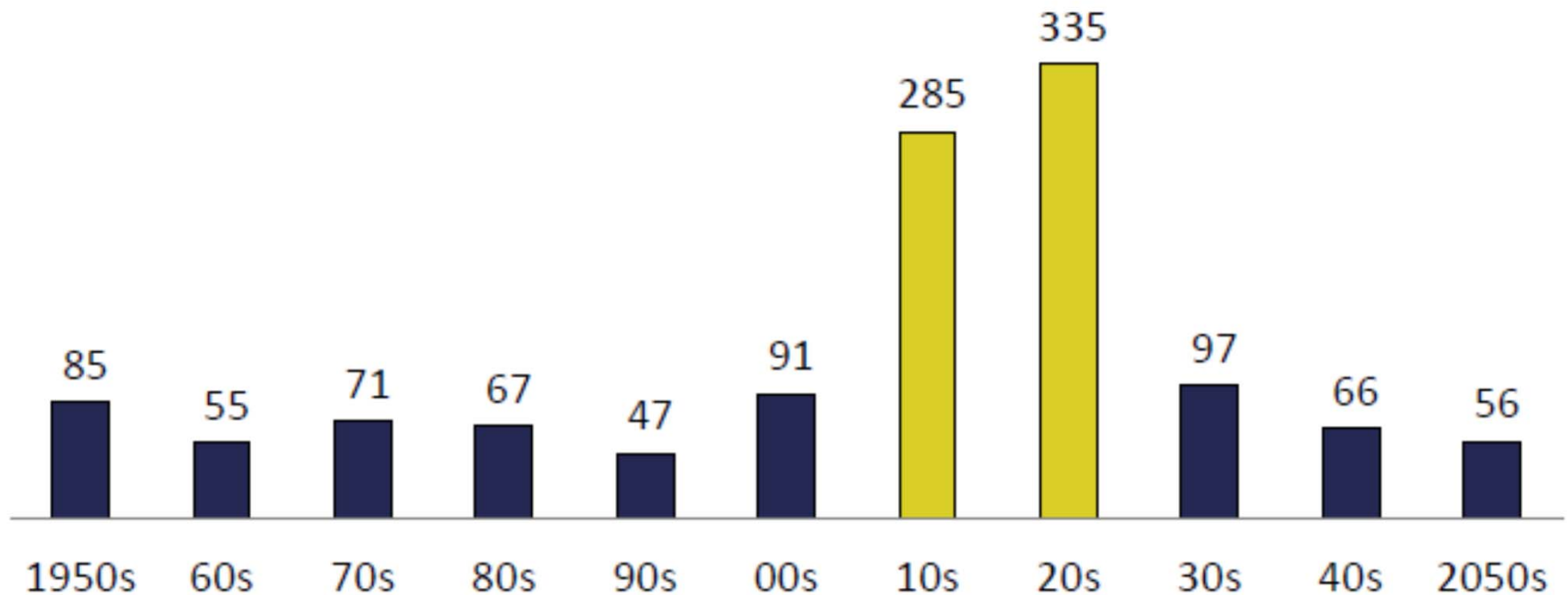
- As Minnesotans continue to get more diverse, our colleges and universities will need to better serve communities of color, American Indian communities, and immigrant communities.
- As Minnesota's diversity continues to increase, unless the college preparation and high school graduation achievement gaps are reduced, the pool of students available for and prepared for postsecondary education will decrease dramatically.

Demographic Trend #4:

Minnesota's aging population will place extreme pressure on the state's budget, potentially displacing state resources available for higher education.

Unprecedented increases in Minnesota's "older adult" population

Change in older adults, age 65+ (in thousands)



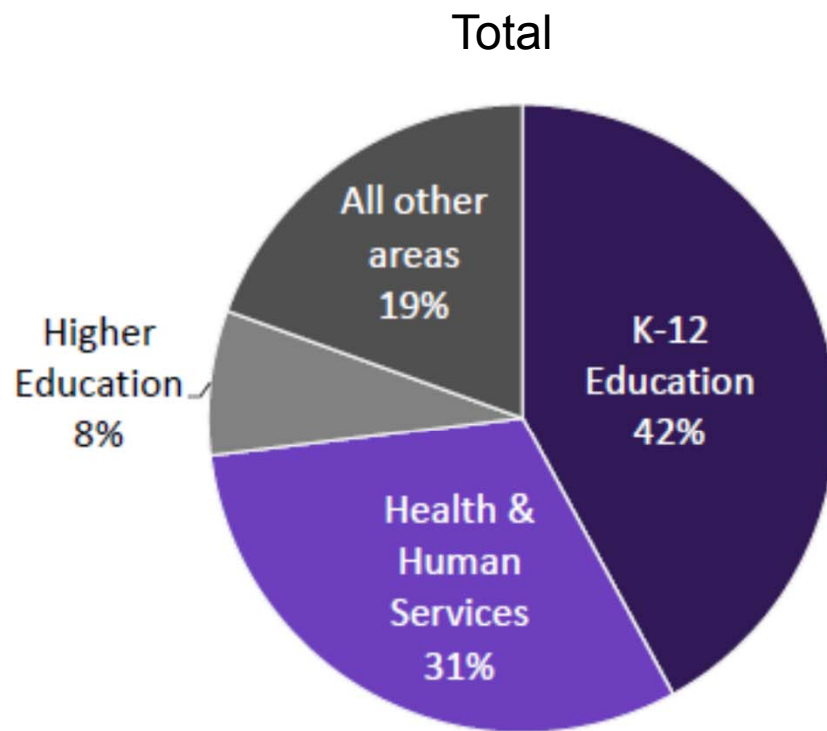
Source: U.S. Census Bureau; Minnesota State Demographic Center

Presentation to Emerging Workforce Coalition by Susan Brower, Minnesota State Demographer, February 2015.



Minnesota's aging population will change the demand for public services

General Fund Expenditures in 2013



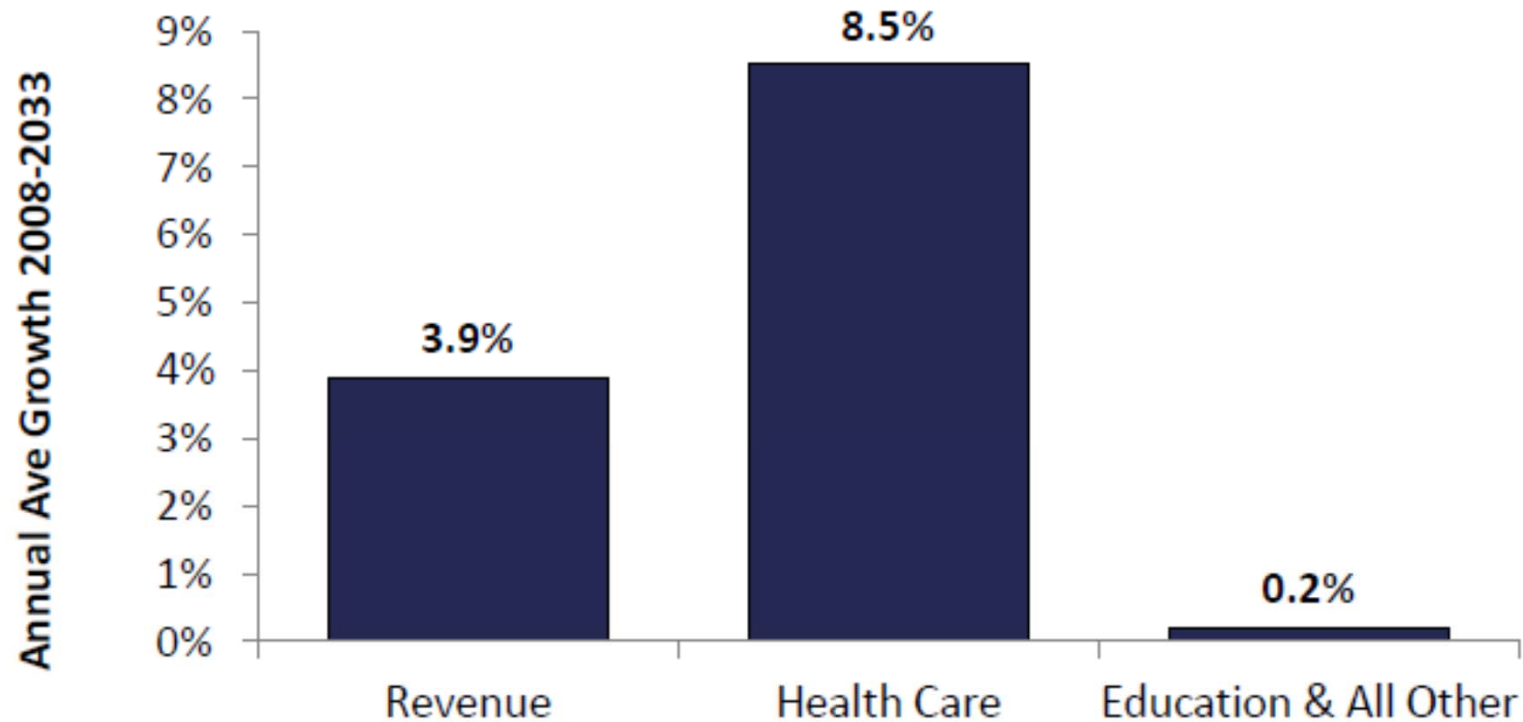
Within Health and Human Services

- Medical Assistance Expenditures: 25% of GF spending (8.5 billion)
- Medical Assistance Expenditures for the Elderly and Disabled: 16% of GF spending (5.5 billion)
- MA expenditures include basic care, long-term care waivers and long-term institutional care

Sources: Minnesota Management and Budget, February 2013.
House Research, Long-Term care Services for the Elderly, November 2012
Presentation to Association of Minnesota Counties by Susan Brower, Minnesota State Demographer, January 2015.



If state health care costs continue unabated, other services will be crowded out (imagined through 2033)



Source: General Fund Spending Outlook, presentation to the Budget Trends Commission, August 2008, Dybdal, Reitan and Broat.

Presentation to Associated Colleges of the Twin Cities, Student Affairs Development Day by Susan Brower, Minnesota State Demographer, January 2015.



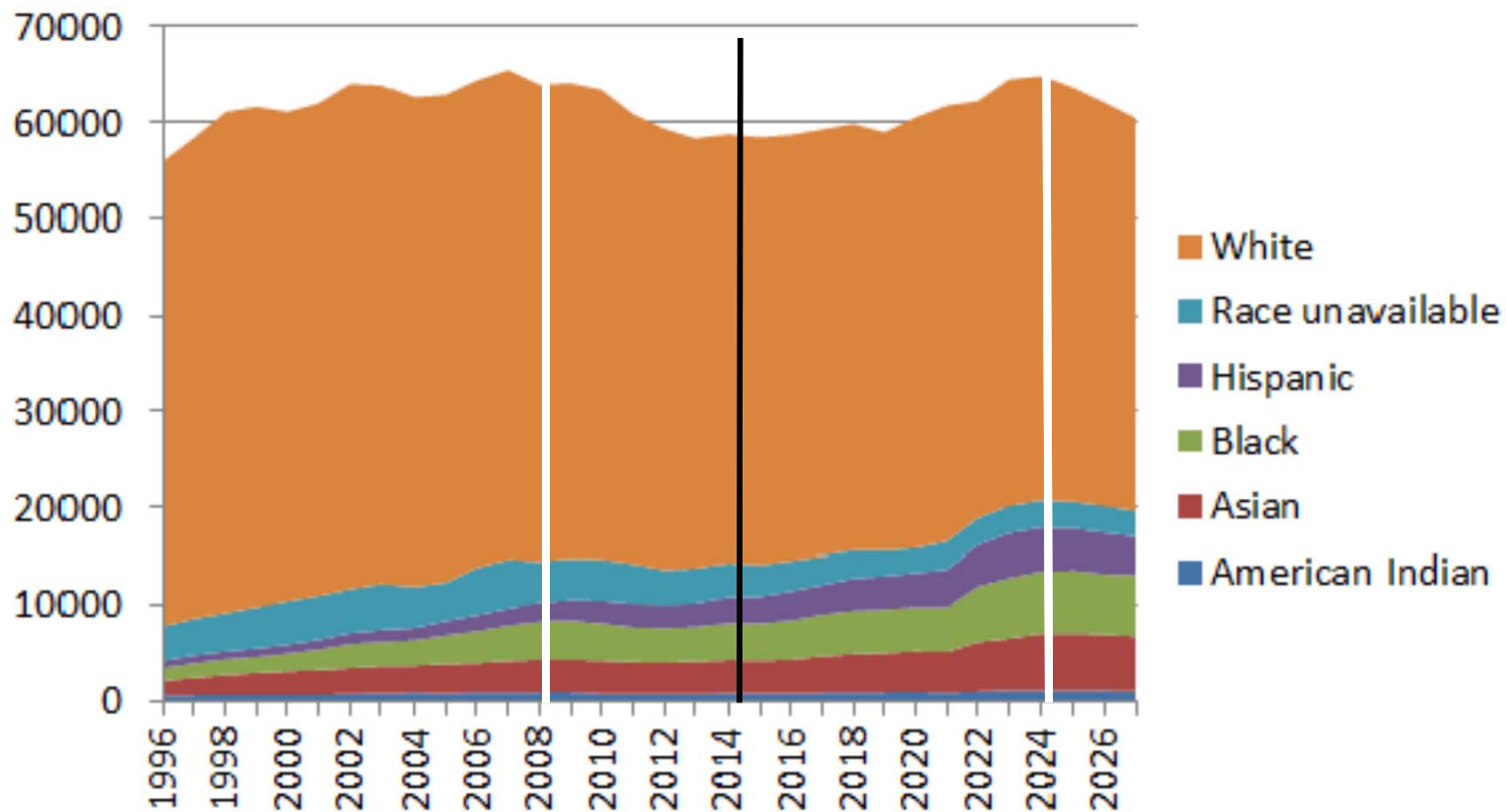
Strategic implications

- When more and more Minnesotans retire, income will dip, placing downward pressure on state tax revenue (and state resources available for higher education).
- The state's aging population, coupled with the rise in health costs, will crowd out state resources available for higher education.
- As a larger and larger portion of Minnesotans retire, there will be greater opportunities for our continuing education programs.

Demographic Trend #5:

The pool of students that have traditionally been served by MnSCU colleges and universities is shrinking.

The number of Minnesota high school graduates has dipped and will not rebound until approximately 2024



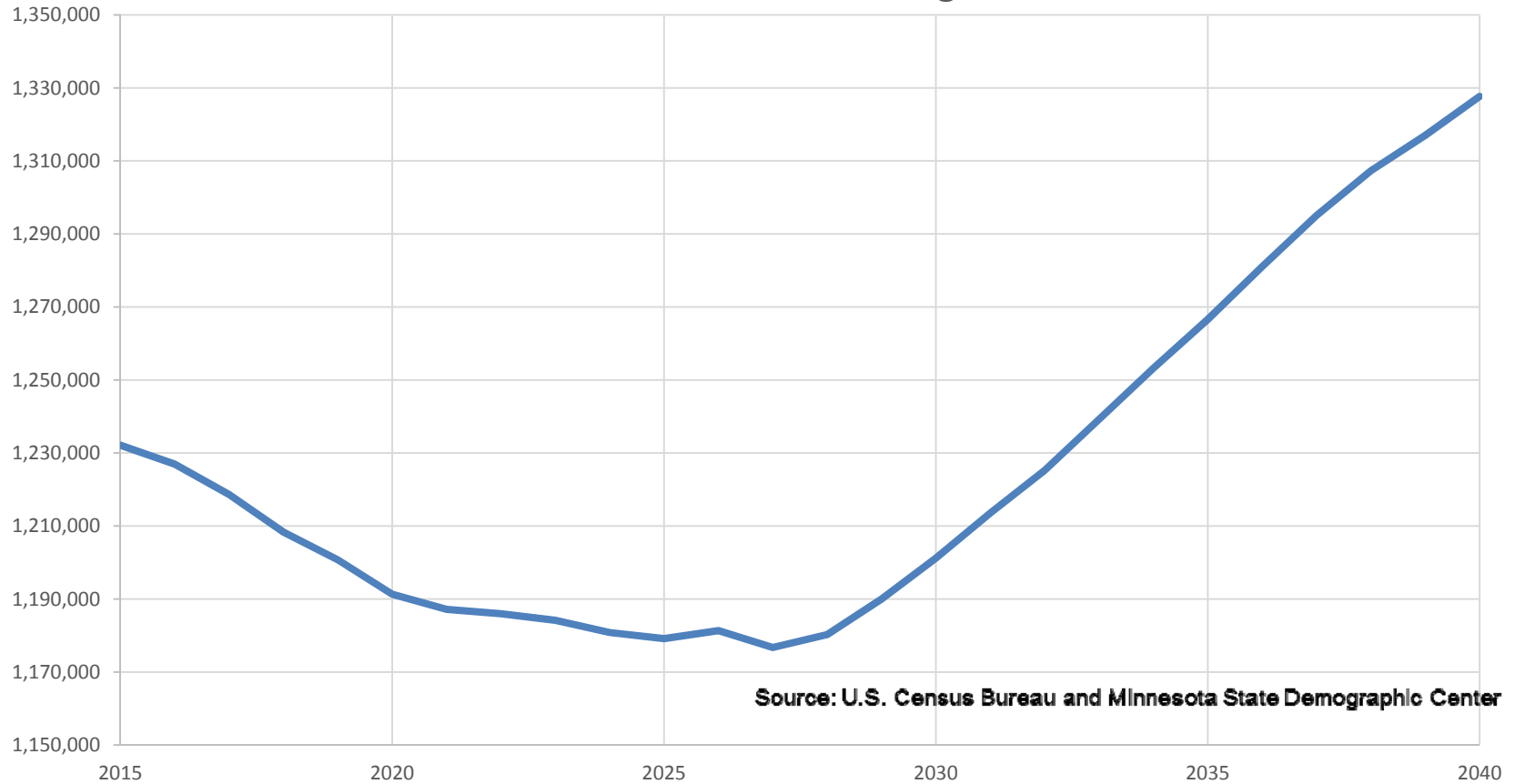
Source: Western Interstate Commission for Higher Education.

Presentation to Associated Colleges of the Twin Cities, Student Affairs Development Day by Susan Brower, Minnesota State Demographer, January 2015



The number of Minnesotans age 18-34 will decline through 2027 and will not rebound until approximately 2033

Number of Minnesotans age 18-34



Source: U.S. Census Bureau and Minnesota State Demographic Center



Demographic Trend #6:

Fewer Minnesota high school graduates are going on to a college or university in Minnesota.

Of Minnesota's 2013 high school graduates:

- 46% attended a Minnesota postsecondary institution;
- 21% attended an out-of-state institution; and
- 33% did not attend college within the first year after graduating.

Change in participation in higher education of Minnesota high school graduates

	% enrolled in a MN institution	# of new entering students in MN institutions	% enrolled out of state	Total % enrolled out of state plus MN
2003	50.8%	32,470	14.7%	65.4%
2013	46.4%	28,885	21.0%	67.4%

Source: Minnesota Office of Higher Education



More students leave Minnesota for college than move to Minnesota for college

Net migration with Wisconsin, North Dakota, and South Dakota
fall 2003 to fall 2012

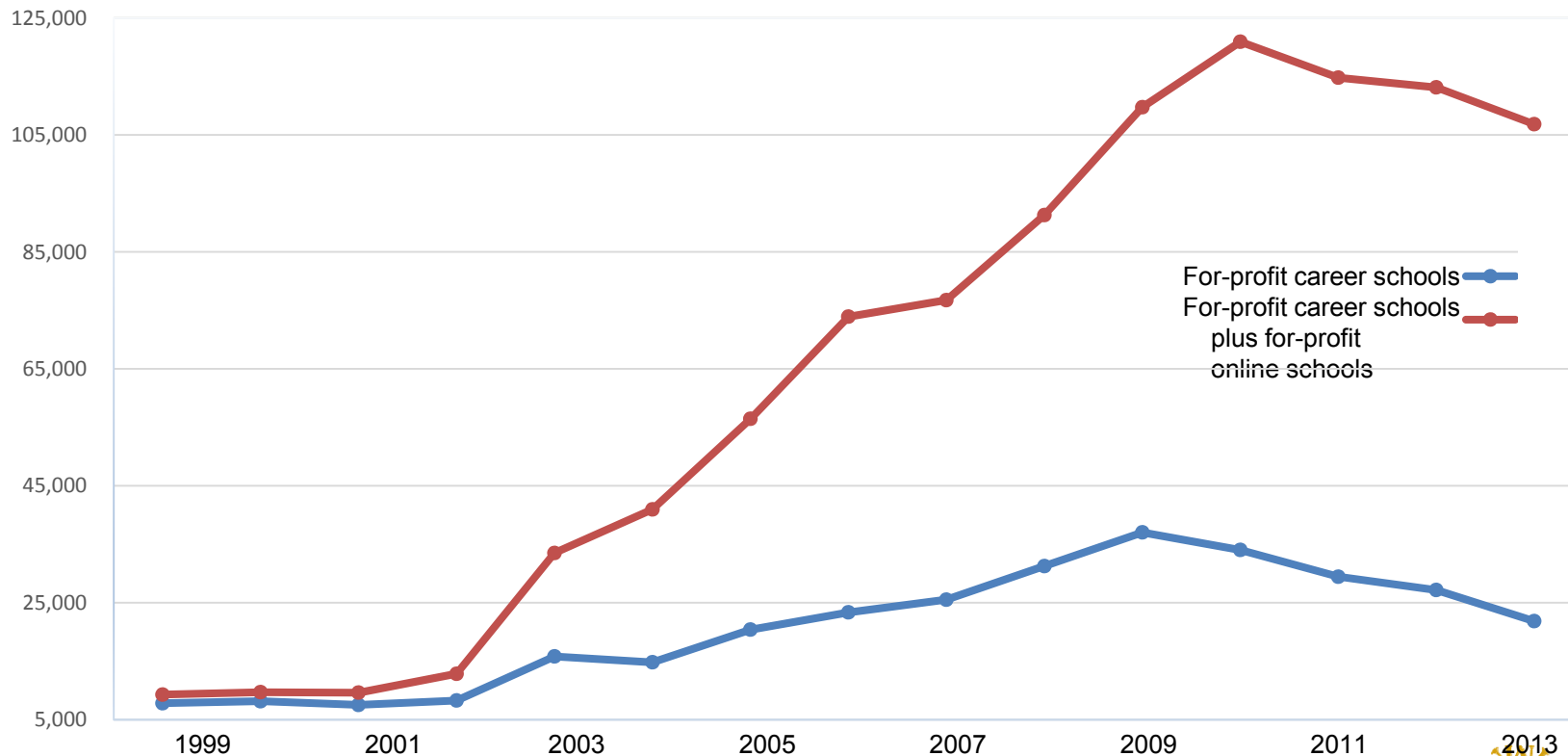
Fall term	Leaving MN	Coming to MN	Net migration
2003	22,483	19,154	-3,329
2012	28,983	15,667	-13,316

Source: Minnesota Office of Higher Education



An increasing number of students are enrolled in for-profit colleges & universities

Number of students enrolled in Minnesota for-profit colleges and universities



Note: 5.2% of the enrollments in for-profit online schools are residents of Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin

Source: Minnesota Office of Higher Education



Minnesota
STATE COLLEGES
& UNIVERSITIES

Strategic implications

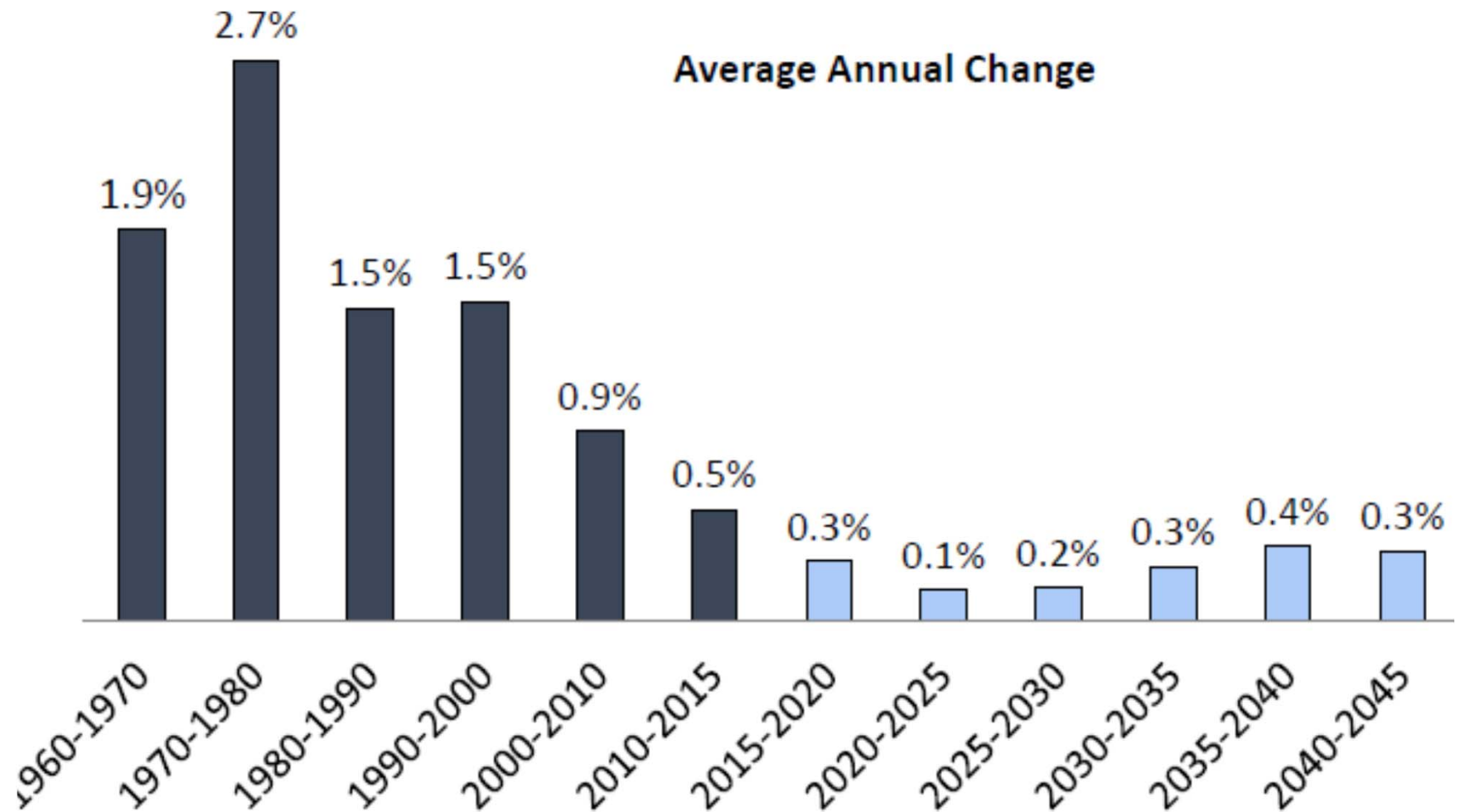
- The dip in the number of high school graduates;
- the drop in the number of 18-34 year olds;
- the drop in the number of students who stay in Minnesota for college; and
- the increase in the number of students who attend non-MnSCU higher education options

have placed and will continue to place pressure on enrollment in MnSCU colleges and universities.

Demographic Trend #7:

The dip in population growth coupled with an aging population and an increasing demand for a highly educated workforce will produce a shortage of people with postsecondary credentials in the state of Minnesota.

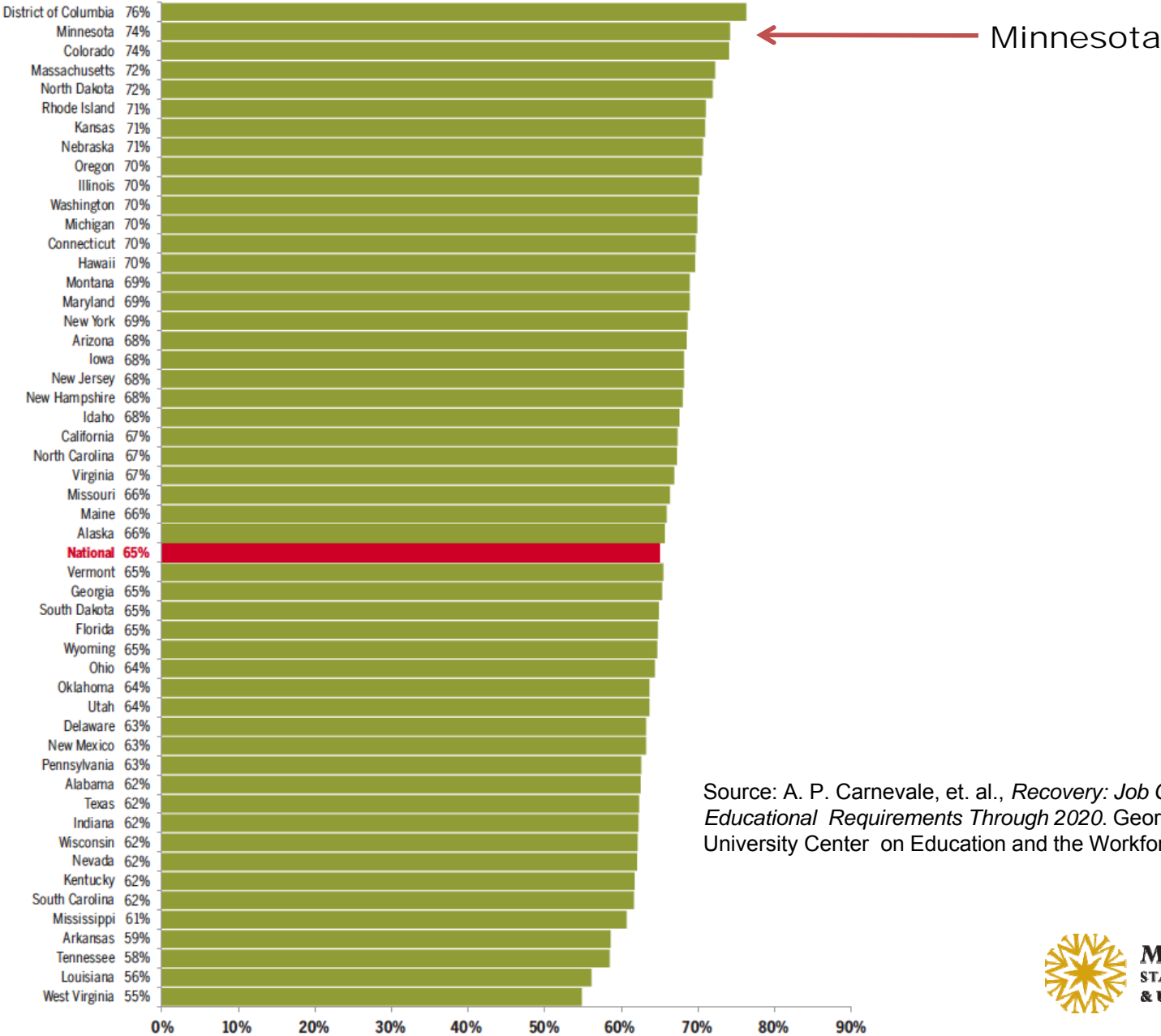
Minnesota's labor force growth is projected to slow



Source: Minnesota State Demographic Center



By the year 2020, 74% of the jobs in Minnesota will require some post-secondary education



Source: A. P. Carnevale, et. al., *Recovery: Job Growth and Educational Requirements Through 2020*. Georgetown University Center on Education and the Workforce, 2013.



Strategic implications

- The dip in the state's population growth coupled with an aging population and the growing need for a highly educated workforce will increase demand for our graduates.
- The dip in the state's population growth coupled with an aging population and the growing need for a highly educated workforce may also lead to a skilled labor shortage that will put downward pressure on unemployment rates. This in turn will place downward pressure on college and university enrollments.

Recap of strategic implications

Trend #1: Slowing population growth

- As Minnesota's natural population growth continues to slow, colleges and universities will need to partner with and serve a growing population of immigrants.

Trend #2: Even slower population growth in rural Minnesota

- As the proportion of people living in rural Minnesota continues to drop, colleges and universities located in rural areas of the state will face continuing enrollment pressures.

Recap of strategic implications (cont'd)

Trend #3: Growing diversity

- As Minnesotans continue to get more diverse, our colleges and universities will need to better serve communities of color, American Indian communities, and immigrant communities.
- As Minnesota's diversity continues to increase, unless the college preparation and high school graduation achievement gaps are reduced, the pool of students available for and prepared for postsecondary education will decrease dramatically.

Recap of strategic implications (cont'd)

Trend #4: An aging population

- When more and more Minnesotans retire, income will dip, placing downward pressure on state tax revenue (and state resources available for higher education).
- The state's aging population, coupled with the rise in health costs, will crowd out state resources available for higher education.
- As a larger and larger portion of Minnesotans retire, there will be greater opportunities for our continuing education programs.

Recap of strategic implications (cont'd)

Trends #5 and #6: Smaller pools of students

- The dip in the number of high school graduates;
- the drop in the number of 18-34 year olds;
- the drop in the number of students who stay in Minnesota for college; and
- the increase in the number of students who attend non-MnSCU higher education options

all of these changes have placed and will continue to place pressure on enrollment in MnSCU colleges and universities.

Recap of strategic implications (cont'd)

Trend #7: A looming labor shortage

- The dip in the state's population growth coupled with an aging population and the growing need for a highly educated workforce will increase demand for our graduates.
- The dip in the state's population growth coupled with an aging population and the growing need for a highly educated workforce may also lead to a skilled labor shortage that will put downward pressure on unemployment rates. This in turn will place downward pressure on college and university enrollments.

Strategic actions being taken

Improve student recruitment

- Improve our ability to recruit people who would otherwise not go on to postsecondary education, who would leave the state to do so, or who would attend other postsecondary institutions. This includes expanding and creating clearer pathways from high school to our colleges and universities.
 - ✓ Positioning/Branding initiative
 - ✓ Growing PSEO and concurrent enrollment
 - ✓ Increasing secondary school partnerships and student recruitment
 - ✓ Increasing joint recruitment with business and industry
 - ✓ Partnership with MDE
 - ✓ Federal Perkins Grant for career and technical education



Strategic actions being taken (cont'd)

Improve student recruitment (cont'd)

- Deepen partnerships with and better serve immigrant communities, communities of poverty, communities of color, and American Indian communities.
 - ✓ CTF Diversity Implementation Team
 - ✓ Statewide Scholarship Campaign
- Create smoother pathways for students to transfer among our colleges and universities.
 - ✓ CTF Academic Planning and Collaboration Implementation Team
 - ✓ Pathways for Baccalaureate Completion Plan – 2015 Legislative Report

Strategic actions being taken (cont'd)

Improve student preparedness

- Work with K-12 to improve college preparedness, increase high school graduation rates, and reduce the achievement gap to enable more students to be on track to postsecondary education.
 - ✓ Partnership with MDE
 - ✓ College and university partnerships with K-12
 - ✓ Federal Perkins Grant for career and technical education
 - ✓ Growing PSEO and concurrent enrollment

Strategic actions being taken (cont'd)

Improve student retention and completion

- Dramatically increase student retention and the success of all learners, especially those in diverse populations.
 - ✓ CTF Student Success Implementation Team
 - ✓ CTF Diversity Implementation Team
 - ✓ CTF Competency Certification & Credit for Prior Learning Implementation Team
 - ✓ CTF Academic Planning Implementation Team
 - ✓ Redesign of developmental education
 - ✓ Reverse transfer

Strategic actions being taken (cont'd)

Improve student retention and completion (cont'd)

- Increase learning options available for adult and nontraditional students.
 - ✓ CTF Student Success Implementation Team
 - ✓ CTF Diversity Implementation Team
 - ✓ CTF Competency Certification & Credit for Prior Learning Implementation Team
 - ✓ Credit for prior learning for military experience
- Expand individualized support services available to students 24/7
 - ✓ Educational innovation work plan and online resources

Strategic actions being taken (cont'd)

Expand customized training and continuing education

- As demand for a well-educated workforce increases, business and industry will have an even greater need to retrain incumbent workers, creating additional opportunities for our continuing education and customized training programs. As the number of retirees increases, demand for continuing education may also increase.
 - ✓ CTF Comprehensive Workplace Solutions Implementation Team
 - ✓ Collaborative training consortia

Strategic actions being taken (cont'd)

Reduce costs

- As the number of 18-34 year-olds dips and competition for students increases, and as the economic diversity of potential students continues to increase, we must continue to reduce costs to protect affordability.
 - ✓ CTF System Incentives & Rewards Implementation Team
 - ✓ CTF Academic Planning & Collaboration Implementation Team
 - ✓ CTF Education Technology Implementation Team
 - ✓ Campus Service Cooperative
 - ✓ Campus-based cost reductions