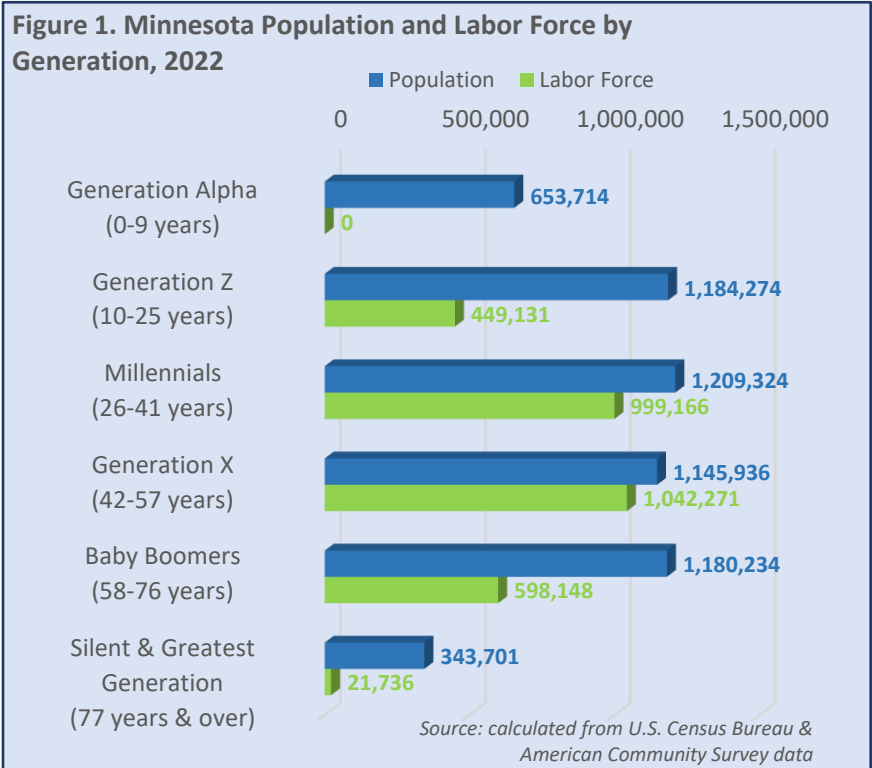


Generations in Minnesota

There are now at least six generations living together in the state of Minnesota, with a total population of about 5.7 million people. The youngest generations are the largest, with Generation Z and Millennials having just under 2.4 million people, accounting for 42% of the state’s total population. Baby Boomers are still the third largest generation with about 1.2 million people, slightly ahead of Generation X with 1.15 million people, while the two oldest generations – Silent and Greatest – have the smallest population (see Figure 1).

Consequently, there are now also at least five generations at work in the state of Minnesota, ranging from teenagers in Generation Z to senior citizens from the Silent and Greatest Generations. According to recent estimates from the U.S. Census Bureau’s American Community Survey, Generation X make up the largest cohort in the labor force with just over 1 million workers, followed by Millennials with just under 1 million workers. As the front end of the Baby Boom generation has started reaching retirement age, the number of Baby Boomers has dropped to just under 600,000 workers, and there are still about 22,000 workers age 76 and older in Minnesota. Generation Z is just entering the workforce, but already provides more than 449,000 workers.



According to population projections from the Minnesota State Demographic Center, the state is expected to gain nearly 261,500 new residents through 2035, a 4.5% growth rate. If the state’s population changes at the projected rates, applying current labor force participation rates by age group to future population projections by age group means the state would be expected to see a continued, but slower expansion in the labor force over the next decade (see Table 1).

Aside from an overall increase, the age structure of the labor force is also projected to shift over time, with gains in the number of workers age 20 to 54 and 75 years and older against a notable decline in the number of workers age 16 to 19 and 55 to 74 years. In step with current trends, the shifting age structure will lead to a continuing tight labor market in the future, with employers needing to respond to changing labor force availability.

Table 1. Minnesota Labor Force Projections, 2025-2035

	2025 Labor Force Projection	2035 Labor Force Projection	2025-2035 Change	
			Numeric	Percent
16 to 19 years	165,227	162,233	-2,994	-1.8%
20 to 24 years	302,995	324,524	+21,530	+7.1%
25 to 44 years	1,362,824	1,392,696	+29,871	+2.2%
45 to 54 years	590,842	692,246	+101,404	+17.2%
55 to 64 years	515,086	466,596	-48,490	-9.4%
65 to 74 years	175,925	169,259	-6,666	-3.8%
75 years & over	28,636	38,831	+10,195	+35.6%
Total Labor Force	3,141,536	3,246,386	+104,850	+3.3%

Source: calculated from Minnesota State Demographic Center population projections and 2017-2021 American Community Survey 5-Year Estimates

In the past, the labor pool in Minnesota deepened with a steady stream of new workers. This was due to several factors including population growth and in-migration, high and rising labor force participation rates for females, and a stable flow of high school seniors graduating into the workforce. All of these are important sources of labor force growth, but the latter is the focus of this report.

Over the past three decades, the state’s labor force has had far more 12th graders than people turning 65, contributing to the state’s rapid and enviable gain of more than 678,000 net new workers from 1990 to 2022, a 28% growth rate. For example, about a decade ago there were approximately 41,500 people age 65 in the state compared to about 75,000 12th graders, meaning there were almost twice as many people ready to enter the labor force than there were potentially ready to leave it.

Table 2 shows that more recently in 2022, there were 78,300 12th graders compared to 62,600 67 year olds (the full retirement age for people born in 1960 or later¹), a gap of about 16,000 more students than prospective retirees.

While this means there were still more people potentially ready to join the labor market than leave it, the gap was clearly narrowing. Fast forward to the other end of Table 2, and the significance of the shifting demographic wave becomes more obvious. The tipping point occurs with the 2021-2022 8th grade class – they are slightly outnumbered by 63 year olds, and the imbalance between students and adults grows in younger grade levels.

According to the Minnesota Department of Education’s student enrollment data, there were about 69,400 kindergarten students in the state in 2021-2022, compared to 73,600 55 year olds according to the Census Bureau. A lot can change for both of those populations over the course of 12 years, but if nothing does, that would leave a deficit of 4,200 more people reaching retirement age than graduating from high school in the year 2035. Together, both of these groups of “seniors” will have a huge impact on the labor force and economy in the state of Minnesota over the next decade, leading to slowing labor force growth and changing needs for both employers and employees.

Table 2. Minnesota Population by Age & Student Enrollment by Grade Counts, 2021-2022				Number of Students Compared to Adults
Grade	Number	Age	Number	
Kindergarten	69,403	55 years	73,626	-4,223
1 st grade	66,886	56 years	75,865	-8,979
2 nd grade	68,696	57 years	77,393	-8,697
3 rd grade	68,227	58 years	77,796	-9,569
4 th grade	68,318	59 years	79,307	-10,989
5 th grade	67,922	60 years	79,604	-11,682
6 th grade	69,278	61 years	76,338	-7,060
7 th grade	70,826	62 years	75,078	-4,252
8 th grade	72,438	63 years	73,284	-846
9 th grade	73,947	64 years	69,812	+4,135
10 th grade	72,686	65 years	68,324	+4,362
11 th grade	71,680	66 years	65,422	+6,258
12 th grade	78,283	67 years	62,597	+15,686
All Grades	918,590	55-67 years	954,446	-35,856

Source: Minnesota Dept. of Education, U.S. Census Bureau



For more information about the generations in the state of Minnesota, contact:

DEED Regional Analysis & Outreach Unit

Cameron Macht

Regional Analysis & Outreach Manager

CareerForce Willmar

Office: 320-441-6596

Email: cameron.macht@state.mn.us

Website: <https://mn.gov/deed/data/regional-lmi/>

¹ Social Security Administration Benefits Planner: Retirement. Retrieved from <https://www.ssa.gov/planners/retire/1960.html>