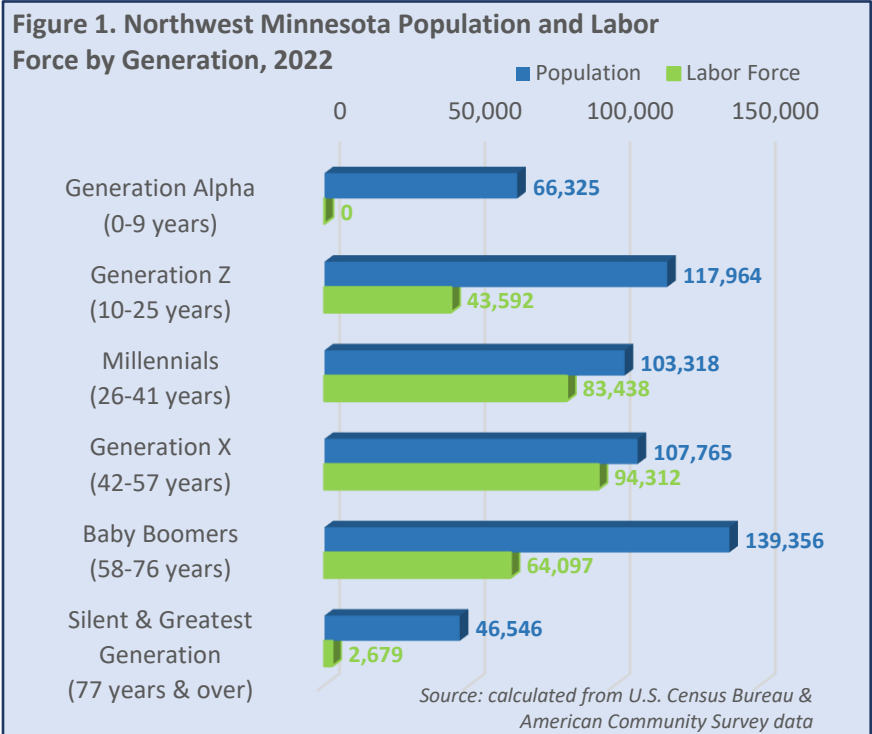


Generations in Northwest Minnesota

There are now at least six generations living together in Northwest Minnesota. With a total of about 581,000 people, the region’s population has been growing but also aging over time. Baby Boomers still comprise the largest generation in the region, with just over 139,000 people, followed by Generation Z with about 118,000 youngsters and Generation X with about 108,000 people. Millennials account for about 103,000 people in the region, while the youngest and two oldest generations – Alpha and Silent and Greatest – have the smallest population at about 66,300 and 46,500 (see Figure 1).

Consequently, there are now also at least five generations at work in Northwest 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 about 94,300 workers, followed by Millennials with 83,500 workers. As the front end of the Baby Boom generation has started reaching retirement age, the number of Baby Boomers has dropped to just over 64,000 workers, and there are still about 2,700 workers age 76 and older in Northwest Minnesota. Generation Z is just entering the workforce, but already provides nearly 43,600 workers.



According to population projections from the Minnesota State Demographic Center, Northwest Minnesota is expected to gain just over 20,000 new residents through 2035, a 3.4% growth rate, with much of the growth due to an aging population. If Northwest Minnesota changes at the projected rates, applying current labor force participation rates by age group to future population projections by age group means the region will see an increase 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 large declines in the number of experienced workers from 55 to 74 years of age. However, the region is still expected to see a rise in the number of workers in their prime working years, thanks to gains from 20 to 24 and 45 to 54. In step with workforce declines, the shifting age structure will lead to an even tighter labor market in the future, with employers needing to respond to changing labor force availability.

Table 1. Northwest Minnesota Labor Force Projections, 2025-2035

| | 2025 Labor Force Projection | 2035 Labor Force Projection | 2025-2035 Change | |
|--------------------------|-----------------------------|-----------------------------|------------------|--------------|
| | | | Numeric | Percent |
| 16 to 19 years | 17,984 | 17,870 | -114 | -0.6% |
| 20 to 24 years | 28,231 | 32,192 | +3,961 | +14.0% |
| 25 to 44 years | 113,410 | 113,883 | +472 | +0.4% |
| 45 to 54 years | 54,115 | 63,631 | +9,516 | +17.6% |
| 55 to 64 years | 50,850 | 45,941 | -4,909 | -9.7% |
| 65 to 74 years | 20,498 | 18,683 | -1,815 | -8.9% |
| 75 years & over | 3,327 | 4,232 | +905 | +27.2% |
| Total Labor Force | 288,415 | 296,431 | +8,016 | +2.8% |

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

In the past, Northwest Minnesota’s labor pool deepened with a steady stream of new workers. This was due to several factors including population growth and in-migration, relatively 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 region has had far more 12th graders than people turning 65, contributing to the region’s rapid and enviable gain of more than 74,000 net new workers from 1990 to 2022, a 32% growth rate. For example, a decade ago there were approximately 5,750 people age 65 in the region compared to about 7,765 12th graders, meaning there were over 2,000 more people ready to enter the labor force than there were potentially ready to leave it.

All of that changed in 2011 when the front end of the Baby Boom generation started turning 65. Table 2 shows that more recently in 2022, there were 7,155 12th graders compared to 7,873 67 year olds (the full retirement age for people born in 1960 or later¹), a gap of about 718 more prospective retirees than students.

| Table 2. Northwest Minnesota Population by Age & Student Enrollment by Grade Counts, 2022 | | | | Number of Students Compared to Adults |
|--|---------------|--------------------|----------------|--|
| Grade | Number | Age | Number | |
| Kindergarten | 7,386 | 55 years | 7,274 | +112 |
| 1 st grade | 6,738 | 56 years | 7,673 | -935 |
| 2 nd grade | 7,217 | 57 years | 8,170 | -953 |
| 3 rd grade | 7,018 | 58 years | 8,383 | -1,365 |
| 4 th grade | 7,157 | 59 years | 8,735 | -1,578 |
| 5 th grade | 7,026 | 60 years | 8,806 | -1,780 |
| 6 th grade | 7,323 | 61 years | 8,604 | -1,281 |
| 7 th grade | 7,393 | 62 years | 8,711 | -1,318 |
| 8 th grade | 7,462 | 63 years | 8,687 | -1,225 |
| 9 th grade | 7,618 | 64 years | 8,590 | -972 |
| 10 th grade | 7,345 | 65 years | 8,393 | -1,048 |
| 11 th grade | 7,256 | 66 years | 8,188 | -932 |
| 12 th grade | 7,155 | 67 years | 7,873 | -718 |
| All Grades | 94,094 | 55-67 years | 108,088 | -13,994 |

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

While that means there were already more people potentially ready to leave the labor market than join it, the balance in the region was clearly shifting. Grades 1st through 11th grade all have deficits of at least 900 people and seven grade levels have deficits of more than 1,000 people compared to the older age cohorts, with 4th and 5th grades having the biggest gaps.

However, according to the Minnesota Department of Education’s student enrollment data, there were 7,386 kindergarten students in Northwest Minnesota in 2021-2022, compared to 7,274 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 112 more people graduating high school than retiring in the year 2035. Together, both of these groups of “seniors” will have a huge impact on Northwest Minnesota’s economy over the next decade, leading to slowing labor force growth and changing needs for both employers and employees.



For more information about the generations in Northwest Minnesota, contact:

DEED Regional Analysis & Outreach Unit

Anthony Schaffhauser

Northwest Regional Analyst

CareerForce Bemidji

Office: 320-441-6594

Email: anthony.schaffhauser@state.mn.us

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

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