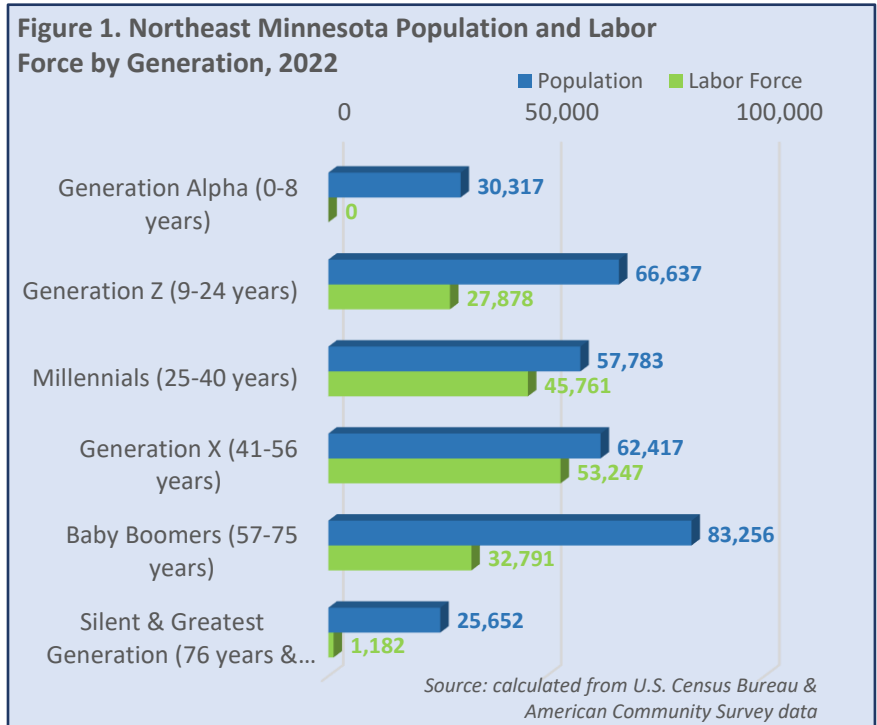


## Generations in Northeast Minnesota

There are now at least six generations living together in Northeast Minnesota. With a total of 326,000 people, the region’s population has been aging and declining over time. Baby Boomers still comprise the largest generation in the region, with just over 83,250 people, followed by Generation Z with 66,600 people and Generation X with about 62,400 people. The region has a small but growing representation from Generation Alpha with about 30,300 people, while the two oldest generations – Silent and Greatest – have the smallest population at about 25,650 people combined (see Figure 1).

Likewise, there are now also at least five generations at work in Northeast 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 53,200 workers, followed by Millennials with 45,700 workers. As the front end of the Baby Boom generation has started reaching retirement age, the number of Baby Boomers has dropped to about 32,800 workers, and there are still about 1,200 workers age 76 and older in Northeast Minnesota. Generation Z is just entering the workforce, but already provides about 27,800 workers.

According to population projections from the Minnesota State Demographic Center, Northeast Minnesota is expected to lose about 3,800 residents through 2035, with much of the change due to an aging population. If Northeast 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 a nearly -1.6% decrease in the labor force over the next decade (see Table 1).



**Table 1. Northeast Labor Force Projections, 2025-2035**

	2025 Labor Force Projection	2035 Labor Force Projection	2025-2035 Change	
			Numeric	Percent
16 to 19 years	9,068	8,135	-932	-10.3%
20 to 24 years	18,784	18,871	+88	+0.5%
25 to 44 years	62,015	61,469	-546	-0.9%
45 to 54 years	30,264	33,462	+3,198	+10.6%
55 to 64 years	25,842	22,728	-3,113	-12.0%
65 to 74 years	9,145	7,520	-1,625	-17.8%
75 years & over	1,505	1,960	+456	+30.3%
<b>Total Labor Force</b>	<b>156,622</b>	<b>154,146</b>	<b>-2,476</b>	<b>-1.6%</b>

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

Aside from an overall decrease, the age structure of the labor force is also projected to see a continued shift over time, with gains in the number of workers age 75 and over against large declines in the number of entry-level workers and experienced workers age 55 to 74. However, the region is still expected to see small gains in the number of workers aged 20 to 24 and 45 to 54 year olds. 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.

In the past, Northeast 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 more 12<sup>th</sup> graders than people turning 65, contributing to the region’s slow but solid gain of nearly 16,000 net new workers from 1990 to 2022, a 10.9% growth rate. For example, about a decade ago there were approximately 3,275 people age 65 in the region compared to about 4,000 12<sup>th</sup> graders, meaning there were about 725 more people ready to enter the labor force than there were potentially ready to leave it. All 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 3,507 12<sup>th</sup> graders compared to 4,901 67 year olds (the full retirement age for people born in 1960 or later<sup>1</sup>), a gap of 1,394 more prospective retirees than students.

Table 2. Northeast Minnesota Population by Age & Student Enrollment by Grade Counts, 2022				Number of Students Compared to Adults
Grade	Number	Age	Number	
Kindergarten	3,100	55 years	4,142	-1,042
1 <sup>st</sup> grade	3,093	56 years	4,370	-1,277
2 <sup>nd</sup> grade	3,105	57 years	4,535	-1,430
3 <sup>rd</sup> grade	3,146	58 years	4,744	-1,598
4 <sup>th</sup> grade	3,210	59 years	4,945	-1,735
5 <sup>th</sup> grade	3,207	60 years	5,043	-1,836
6 <sup>th</sup> grade	3,227	61 years	4,985	-1,758
7 <sup>th</sup> grade	3,413	62 years	5,210	-1,797
8 <sup>th</sup> grade	3,526	63 years	5,323	-1,797
9 <sup>th</sup> grade	3,555	64 years	5,046	-1,491
10 <sup>th</sup> grade	3,457	65 years	5,169	-1,712
11 <sup>th</sup> grade	3,265	66 years	5,064	-1,799
12 <sup>th</sup> grade	3,507	67 years	4,901	-1,394
<b>All Grades</b>	<b>42,811</b>	<b>55-67 years</b>	<b>63,477</b>	<b>-20,666</b>

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

While this means there were already more people potentially ready to leave the labor market than join it, the balance in the region was shifting even further. For example, the 2021-2022 5<sup>th</sup> grade class outnumber 60 year olds by nearly 2,000 people, leading the imbalance between students and adults in from 2<sup>nd</sup> grade to 11<sup>th</sup> grade and from 57 to 66 years of age. All grade levels have deficits of around 1,500 people compared to the older age cohorts, which will contribute to a tightening labor market moving forward.

According to the Minnesota Department of Education’s student enrollment data, there were 3,100 kindergarten students in Northeast Minnesota in 2021-2022, compared to 4,142 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 1,042 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 Northeast Minnesota’s economy over the decade, leading to slowing labor force growth and changing needs for both employers and employees.



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