The Post-Recession Buyer
Demographics, housing choices and community services

Craig Helmstetter, Wilder Research/Minnesota Compass
Cathy Bennett, ULI MN Regional Council of Mayors Housing Initiative
John Carpenter, Excensus, LLC
Minnesota Compass

Measuring progress. Inspiring action.

Craig Helmstetter

Wilder Research

January 2011

www.mncompass.org
Compass

Working to change the equation

From:

Good intentions +

No common base of information =

Inefficient decisions

To:

Good intentions +

Sound, credible information +

Common sense of purpose =

Productive decisions for a strong state & communities

January 2011
## Funders

### Twin Cities Compass
- Blue Cross and Blue Shield of Minnesota Foundation
- Bush Foundation
- Greater Twin Cities United Way
- The McKnight Foundation
- The Minneapolis Foundation
- The Saint Paul Foundation
- 3M Foundation
- Wells Fargo Foundation
- Amherst H. Wilder Foundation

### Minnesota Compass
- Blandin Foundation
- Bush Foundation
- Initiative Foundation
- The McKnight Foundation
- Northland Foundation
- Northwest Minnesota Foundation
- Southern Minnesota Initiative Foundation
- Southwest Initiative Foundation
- West Central Initiative Foundation

January 2011 www.mncompass.org
Topic areas & Co-conveners

- **Aging**
  - Dawn Simonson, Metropolitan Area Agency on Aging
- **Children & Youth**
  - Chris Ganzlin, McKnight Foundation
- **Civic Engagement**
  - Sean Kershaw, Citizens League
- **Disparities**
  - Sandra L. Vargas, Minneapolis Foundation
- **Early Childhood**
  - Barbara Yates, Minnesota Early Learning Foundation
- **Economy and Workforce**
  - Michael Gorman, Split Rock Partners
- **Education**
  - Commissioner Alice Seagren, Minnesota Department of Education
- **Environment**
  - Steve Morse, Minnesota Environmental Partnership
- **Health**
  - Mary Brainerd, HealthPartners
- **Housing**
  - Commissioner Timothy Marx, Minnesota Housing Finance Agency
- **Immigration**
  - Bill Blazar, Minnesota Chamber of Commerce
- **Public Safety**
  - Tom Johnson, Council on Crime and Justice
- **Transportation**
  - Robert Johns, Center for Transportation Studies
Four Big Trends

- Great Recession
- Increased suburban population
- Aging
- Increasing diversity
The Great Recession
Economic output is down

Annual change in real gross domestic product
Minnesota and U.S., 1997-2009

Source: MN Compass > Economy & Workforce > Economic Output
Home sales are down

Closed sales, 13 county metro

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>56,528</td>
<td>58,233</td>
<td>57,283</td>
<td>47,906</td>
<td>40,049</td>
<td>38,746</td>
<td>45,200</td>
<td>37,608</td>
</tr>
</tbody>
</table>

Source: Minneapolis Area Association of Realtors

January 2011
New home construction is way down

Building permits (total housing units), 13 county metro

Source: US Census Bureau

January 2011

www.mncompass.org
Growth of the suburban population
Suburban growth

Total population and growth forecast
By central cities and suburbs, Twin Cities 7-county region, 1950-2030

January 2011  Retrieved from MN Compass: Demographics > Population  www.mncompass.org
Population growth by county 2000-2009

Growth from Rochester to St. Cloud

Retrieved from MN Compass: Demographics > Population
Implications of suburban growth

- More jobs in the suburbs
- More “needs” in the suburban areas
- More political power in the suburbs
Aging
Between 2010 and 2030, the number of residents age 65+ in our region is expected to:

A. Decrease by one-third
B. Stay about the same
C. Increase by one-third
D. Double
Baby Boomers will swell the ranks of retirees

Population age 65+ years
Twin Cities 7-county region, 1950-2030

Retrieved from MN Compass: Demographics > Age
“Dependency ratio” is changing in the Twin Cities

2010

Retirement–age (65+)

Workforce-age (18-64)

2030
## Implications of aging

<table>
<thead>
<tr>
<th>Positives: more people:</th>
<th>Negatives:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Living longer</td>
<td>• Worker shortage</td>
</tr>
<tr>
<td>• Living healthier</td>
<td>• Leadership vacuum</td>
</tr>
<tr>
<td>• Contributing to society</td>
<td>• Increasing pressure on support systems, especially healthcare</td>
</tr>
<tr>
<td>– Wealth</td>
<td></td>
</tr>
<tr>
<td>– Volunteering</td>
<td></td>
</tr>
</tbody>
</table>

January 2011

www.mncompass.org
Increasing diversity
Population of Color has tripled in past 20 years

Persons of Color (number)
Twin Cities 7-county region, 1960-2009

Retrieved from MN Compass: Demographics > Race
1 in 5 people in our region is a person of color

Retrieved from MN Compass: Demographics > Race
Total population by racial group
Twin Cities 7-county region, 2006-2008

- 5% Black (U.S. born)
- 2% Black (African born)
- 2% Asian (Other)
- 3% Asian (Southeast)
- 0.5% American Indian
- 2% Other race
- 2% Two or more races
- 5% Hispanic (any race)
- 82% White (all)

January 2011
Retrieved from MN Compass: Demographics > Race
www.mncompass.org
Immigration has also increased

Percentage that is foreign born
Twin Cities 7-county region and U.S., 1960-2008

Retrieved from MN Compass: Immigration > Population Trends
Foreign born population by region of birth

Twin Cities 7-county region, 2006-2008

Retrieved from MN Compass: Immigration > Population Trends
The majority of our region’s population growth is coming from populations of color.

Racial composition of growth
Twin Cities 7-county region, 2000-2009

- Of Color
- White (non-Hispanic)

Retrieved from MN Compass: Demographics > Race
Population by age, Twin Cities 7-county region, 2009

Only non-Hispanic Whites

January 2011
Population by age and race, Twin Cities 7-county region, 2009

Of Color

January 2011 www.mncompass.org
Population by age and race, Twin Cities 7-county region, 2009
Increasing diversity: Implications

- Are we adequately preparing all children for the workforce and community leadership?
Housing

...and how it is related to other things

www.MNCompass.org
Housing

- Ownership gap
- Housing cost burdens
- Homelessness
Minnesota Compass: Stay in Touch

1. Sign up for our monthly e-newsletter at mncompass.org
2. Send us reports for the Library
3. Submit your “Ideas at Work”
4. Connect on the Compass Facebook.com site
5. Subscribe to RSS feeds
6. Follow us on Twitter (@MNCompass and @TCCompass)