Minneapolis - Trends & Comparisons

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Strategic Management Team
City Coordinator’s Office
June 7, 2018
I. Population

II. Housing

III. Income and Poverty

IV. The economy

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I. Population
Population – selected indicators

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>Recent Trend (since 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Population</td>
<td>Census: 422,331</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Met Council*: 423,990</td>
<td></td>
</tr>
<tr>
<td>% Growth since 2010</td>
<td>10.4%</td>
<td></td>
</tr>
<tr>
<td>Median age [2016]</td>
<td>31.9</td>
<td></td>
</tr>
<tr>
<td>Race/ethnicity**</td>
<td>White: 60.4%</td>
<td>White:</td>
</tr>
<tr>
<td></td>
<td>POC: 39.4%</td>
<td>POC:</td>
</tr>
<tr>
<td>% Foreign born**</td>
<td>15.3%</td>
<td></td>
</tr>
<tr>
<td>Speak English “less than very well”**</td>
<td>10.1%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: US Census, Met Council
* Preliminary estimate; estimates differ due to differences in methodology and timing
**2012-2016 Five Yr ACS reports, released December 2017
Minneapolis population since 1950 peak

Minneapolis population from 1940 to projected 2040
Sources: US Census, Metropolitan Council

- 1950 = peak
- 1990 = trough
- 2010 = latest Decennial count
- 2040 = Met Council projection
Relative growth since peak year of 1950:
City - Region - State

Percent Population Change from 1950
Sources: US Census, State Demographic Center, Metropolitan Council

For purposes of this report, baseline is reflected as 100%.
Average household size since 1950: Region, City

Average Household Size
Sources: Census Bureau, Metro Council

7 County Metro Area

Minneapolis

Projected 2020
Projected 2030
Projected 2040
Relative growth since 2000: City – Region – State - US

% Change in "Population" Since 2000
Source: US Census, State Demographic Center, Met Council

For purposes of this report, baseline is reflected as 100%.
% Growth since 2000 compared to 11 core cities from Greater MSP peer regions

For purposes of this report, baseline is reflected as 100%.
II. Housing
### Housing – selected indicators

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Recent Trend (since 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Households</strong></td>
<td>179,807</td>
<td></td>
</tr>
<tr>
<td><strong>Owner/Renter</strong></td>
<td>Owner HHs: 46.7% Renter HHs: 53.3%</td>
<td>Owner HHs: Renter HHs:</td>
</tr>
<tr>
<td><strong>Avg Household size</strong></td>
<td>Owners: 2.43 Renters: 2.19</td>
<td>Owners: Renters:</td>
</tr>
<tr>
<td><strong>Median Sales Price [SF House]</strong></td>
<td>$246,000</td>
<td></td>
</tr>
<tr>
<td><strong>Average Rent</strong></td>
<td>1 BR: $1,178 2 BR: $1,729 3 BR: $1,885</td>
<td>All:</td>
</tr>
<tr>
<td><strong>% Cost Burdened</strong></td>
<td>Owner HHs: 24.7% Renter HHs: 49.0%</td>
<td>Owners: Renters:</td>
</tr>
</tbody>
</table>

*Sources: US Census, City Assessor, GVA Marquette Advisors*
Home Purchase Affordability
Minneapolis-St Paul Region, US

Home Purchase Affordability*
Mpls-St Paul Metro Area compared to United States
2000 3Qtr - 2017 3Qtr

*Percent of median household income required to purchase median priced home
Source: Zillow
Home Purchase Affordability
Comparison with 11 Peer Regions

Home Purchase Affordability*
Mpls-St Paul Metro Area compared to 11 Greater MSP Peer Regions
2000 3Qtr - 2017 3Qtr

*Percent of median HH income required to purchase median priced home
Source: Zillow
Rental Affordability
Mpls-St Paul Region, US

Rental Affordability*
Mpls-St Paul Metro compared to United States
*Percent of median household income required to rent the median priced rental property
Source: Zillow

United States
29.1%
Minneapolis-St Paul
26.6%
Rental Affordability
Comparison with 11 Peer Regions

Rental Affordability*
Mpls-St Paul Metro compared to 11 Greater MSP Peer Regions
2000 3rd Qtr - 2017 3rd Qtr

*Percent of median household income required to rent the median priced rental property
Source: Zillow
And across the region:
% Housing Cost Burdened Households/Owner Occupied
Minneapolis, St Paul, United States
Source: Census Bureau/ACS Table DP04
Percent of Owner Households
Housing Cost Burdened
Core Cities from Greater MSP Peer Regions

% Housing Cost Burdened Households/Owner Occupied
Greater MSP Peer Cities + US
Source: Census Bureau/ACS Table DP04
Percent of **Renter** Households
Housing Cost Burdened
Minneapolis, St Paul, US

% Housing Cost Burdened Households/Renter Occupied
Minneapolis, St Paul, United States

Source: Census Bureau/ACS Table DP04
Percent of **Renter** Households
Housing Cost Burdened
Core Cities from Greater MSP Peer Regions

% Housing Cost Burdened Households /Renter Occupied
Greater MSP Peer Cities + US
Source: Census Bureau/Table DP04

No Data

- Atlanta, GA
- Austin, TX
- Boston, MA
- Chicago, IL
- Dallas, TX
- Denver city, CO
- Minneapolis, MN
- Phoenix, AZ
- Pittsburgh, PA
- Portland, OR
- San Francisco, CA
- Seattle, WA
- St. Paul, MN
- United States
Number of Housing Cost Burdened Households 2000 - 2016

Number of Mpls Renters, Owners paying 30% or more for housing

Source: Census Bureau ACS DP04
Renter Income vs Rental Costs Since 2000

Source: America’s Rental Housing 2017
Harvard Joint Center on Housing Studies

Despite Rising Incomes, the Share of Cost-Burdened Renters Remains High

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Percent


Median Renter Income (Left scale)
Median Rental Cost (Left scale)
Cost-Burdened Share of Renters (Right scale)
III. Personal Income
## Income & Poverty—selected indicators

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>Recent Trend (since 2007-2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median HH Income</td>
<td>$56,255</td>
<td></td>
</tr>
<tr>
<td>% with BA or above</td>
<td>48.4%</td>
<td></td>
</tr>
<tr>
<td>% Unemployed [2017]</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>% Below Poverty</td>
<td>20.4%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: US Census, MN DEED*
Median household income
2000 - 2016
City, Region, State, US

Median Household Income [current $s]
Source: Census Bureau, Met Council

2001 - 2004: no data

$70,900
$65,599
$57,617
$56,255
$54,085
Median household income since 2000: City, Region, State, US

Percent Growth in Median HH Income
2000 = 100%
Source: Census Bureau, Met Council

2001 - 2004: no data from Census; values are extrapolated
Educational Attainment: BA and above
City, Region, State, US

Percent Age 25+ with B.A. or above
2000-2016
Source: Census/ACS Table S1501

2001 - 2005: no data
Educational Attainment: BA and above
Core Cities from Greater MSP Peer Regions

Percent Age 25+ with B.A. or above
2000-2016

Source: Census/ACS Table S1501

Seattle 63.1%
Mpls 48.4%
Phoenix 27.9%
Unemployment Rate trends: City, Region, State, US

Average Annual Unemployment Rate
Minneapolis vs Region, State, US

Source: MN DEED [Not seasonally adjusted]
Percent of Population Below Poverty
City, Region, State, US

Percent of Population Below Poverty Threshold
2000-2016
Source: Census / ACS 1-Yr Table S1701

- US: 20.4%
- Minnesota: 14.0%
- 7-County Metro: 9.9%
- Minneapolis: 9.2%
- St Paul: 9.2%

Note: 2001-2005: no data
"Gap" between income & cost of living 50 Largest Cities

2016 Mpls Median HH Income = $56,255 or 97.6% of US Average
2017 Cost of Living [COL] = 104.9% of US Average
The 'gap' between income and COL = 7.3%

Source: 2016 Median Household Income: American Community Survey, 1 Yr [latest available]
Cost of Living: C2ER, 2017 3rd Quarter [latest available]
2016 Median HH Income, adjusted for local cost of living

2016 Median HH Income
Adjusted for Local Cost of Living

50 Largest US Cities
Sources: Income: Census/ACS 2016 1 yr report
Cost of Living: C2ER
IV. The Economy
## The Economy – selected indicators

<table>
<thead>
<tr>
<th></th>
<th>2016 annual average Per MN DEED</th>
<th>Recent Trend (since 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td># Jobs (&quot;covered&quot; employment)</td>
<td>322,704</td>
<td>↑</td>
</tr>
<tr>
<td>% Job Growth since 2000</td>
<td>5%</td>
<td>↑</td>
</tr>
<tr>
<td>Establishments</td>
<td>11,260</td>
<td>↓</td>
</tr>
<tr>
<td>Average Wage</td>
<td>$69,056</td>
<td>↑</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>3.2% [Dec. 2017]</td>
<td>↓</td>
</tr>
</tbody>
</table>

Source: MN DEED
Minneapolis Jobs by Major Sector, 2016
322,704 Workers*
Source: DEED

*Covered employment only, i.e. jobs subject to unemployment insurance – excludes self-employed, partnerships, etc.
2016 Minneapolis Jobs Sectors at a Glance

Source: DEED, BLS

Minneapolis Major Industry Sectors
2010-2016 Growth, Size, Relative Concentration

Upper Right Quadrant: Sector is growing AND
More Concentrated than US
= Competitive Sectors

X-Axis = Relative Concentration Compared to US
Greater than 1 = More concentrated than US
Under 1 = Less concentrated
More concentrated = competitive advantage
Job Growth since 2000
Minneapolis, Region, State, US

% Change in "Total Jobs" Since 2000
Source: DEED
Includes "covered employment" per QCEW reports
Job Growth since 2001
Mpls-St Paul vs Greater MSP Peer Regions

At 9 percent growth since 2001, the Mpls St Paul MSA ranks 9th out of Greater MSP’s 12 peer regions.
Key Observations

• The City’s population is growing [10% since 2000], but not as fast as the region, state, most peer cities and US; all this growth has occurred since 2010

• Household growth parallels population: growing, but not as fast as the region, state, US, or most peer cities

• The ratio of owner HHs to renter HHs has flipped since 2000, when a slight majority of our housing stock was owner-occupied; now a slight majority is renter-occupied

• At a regional level, the affordability of market rate housing costs in the Twin Cities area – both purchase and rental – track closely with the US average and are relatively affordable compared to most of the Greater MSP peer regions

• After peaking during the housing bubble years of 2007-2009, the portion of owner HHs that are housing cost burdened has declined by almost half, to 23%; however, almost half of renter HHs remain housing cost burdened; both trends are consistent with the national average and the 11 core cities within Greater MSP’s peer regions
Key Observations, cont’d

• Since 2000, median HH income in Mpls is slightly lower than the region, state, and US, but on a percentage basis has been increasing faster than these areas in recent years

• Since the Great Recession, citywide unemployment rates and poverty rates have declined; however citywide poverty rates are higher than most of the core cities within Greater MSP’s peer regions

• By comparing median income to cost of living, we can estimate overall affordability: Minneapolis is approximately in the middle of the 50 largest cities on this scale

• Since 2000, the City’s overall job growth has been 5% . . . not as fast as the region, state or US;

• Our largest and fastest growing industry sector is Health Care and Social Assistance (almost 60,000 jobs, 27% growth from 2000-2016)

• On a regional basis the Twin Cities region has grown jobs at a 9% rate since 2001; most of Greater MSP’s peer regions are growing faster than us
Acknowledgements

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