

2. Demographic Composition

Organization

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Purpose

The purpose of the Demographic Composition Chapter is to understand the current and projected population and socio-economic makeup so as to better plan for Northfield's future.

A. Introduction

Northfield has been a thriving community for more than 150 years. Situated on the Cannon River in an agricultural area, the city is home to two liberal arts colleges, historic downtown and residential neighborhoods, and various manufacturing and regional businesses. Northfield is within a 45-minute drive from the Twin Cities and the proximity to the Twin Cities is emerging as a factor in future population growth.

B. Population of Northfield

Over the past 50 years, Northfield has experienced a relatively consistent rate of growth; averaging 18% per decade since 1950, with the largest numerical increase occurring during the 2000s when population increased by 2,860 persons (See Table 2.1).

With two colleges within its corporate limits, the increase in college enrollments played a large role in Northfield's growth from 1950 to 1980. For example, in the 1960s the increase in college students accounted for 61% of the city's growth, while in the 1970s students accounted for 52% of the population increase. However, since 1980, growth in the non-student population accounted for nearly all of Northfield's population growth.

Based on data from the colleges, college enrollment has been relatively flat since 1980. In 1980, the Carleton and St. Olaf student population was 5,002 representing approximately 40% of Northfield's total population. In 2016, college enrollment has increased to only 5,060 which represents 24.8% of Northfield's total population.

TABLE 2.1 GENERAL POPULATION OF NORTHFIELD BY YEAR

Year	Total Population	Population Increase	% Growth From Last Census	Population Excluding College Students	Population Increase Excluding College Students	% Growth Based on Non-Student Population
1960	8,707	1,220	16%	5,834	N/A	N/A
1970	10,235	1,528	18%	6,435	601	10%
1980	12,562	2,327	23%	7,560	1,125	17%
1990	14,684	2,122	17%	9,746	2,186	29%
2000	17,147	2,463	17%	12,339	2,593	27%
2010	20,007	2,860	16.68%	14,611	2,272	18.41%
2015	20,309	302	1.51%	14,045	-566	-3.87%

Source: 2010 U.S. Census Bureau, 2015 American Communities Survey

C. Age of Population

Age is one of the most important characteristics of a population because needs and consumption patterns vary with age, thereby making age data valuable in projecting community needs. The proportion of a community's population at various ages has implications for current and future needs. Housing, transportation and recreation are three major areas where age affects needs and usage.

Each life stage is associated with a unique profile of the consumption of goods and services. Minnesotans can drive at 16 and must attend school until 18. Most Minnesotans establish their own households in their early to mid-20s; the median age for giving birth is about 30. Those over 65 can retire with full social security benefits (this age will rise for younger Americans) and most have empty-nests at 50.

In Table 2.3, the median is used as a measure of age. Students at St. Olaf and Carleton Colleges account for about 25% of Northfield's population (See Table 2.2). These students are between 18 and 24 years of age. With such a large portion of the city's population in this age group, median age in Northfield is 26.6 years, which is low when compared to Rice and Dakota Counties and Minnesota (See Table 2.3). However, Northfield looks much more like its neighbors when the percentage of 25 to 44 year-olds is examined. In 2010, approximately 38% of Northfield's population consisted of 25-44 year-olds. The percentage in this age group for the state of Minnesota was 31% in 2010.

TABLE 2.2 COLLEGE STUDENT POPULATIONS BY YEAR

Year	Students	Percentage of Student Population
1980	5,002	40%
1990	4,938	34%
2000	4,805	28%
2005	4,994	
2010	5,104	26%
2015	4,991	25%

Source: 2010 U.S. Census Bureau; -2010-2015 student data from St. Olaf and Carleton Colleges

TABLE 2.3 MEDIAN AGE BY AREA

Geographical Area	Median Age (in years)
Northfield	26.6
Rice County	36.4
Dakota County	37.5
Minnesota	37.7

Source: 2015 American Communities Survey

D. Race and Ethnicity

TABLE 2.4 RACE AND ETHNICITY BY AREA

Race	Northfield		Rice County	Dakota County	Minnesota
	#	%	%	%	%
White non-Hispanic	16,951	85.3	84.4	80.8	81.4
Black	521	2.6	3.8	5.1	5.4
American Indian	56	0.3	0.5	0.2	1.0
Asian	912	4.5	2.3	4.6	4.4
Hispanic	1,460	7.2	7.8	6.4	5.0

Source: 2015 American Communities Survey (All racial/ethnic groups based on one race except for Hispanics who can be of any race.)

In the 2000 census, for the first time Americans could declare themselves to be of more than one race. Only 2% of Northfield's population reported they were of more than one race. In the United States, 2.4% listed themselves as being of two or more races, while only 1.7% of Minnesotans said they were of two or more races.

With the rapid growth of the Hispanic population, which is now the largest minority population in the United States, it is now customary to first categorize the population into ethnicity by declaring oneself as White non-Hispanic or Hispanic. Northfield is similar to Rice County, Dakota County and Minnesota in that its population is overwhelmingly White non-Hispanic (85.3%). In the United States, people who are White non-Hispanic made up 62.3% of the population in 2010. Hispanic people may be of any race, while the population for the other racial/ethnic groups in the table above represents those who reported themselves to be of one race. Northfield, like Rice County, has a higher percentage of Hispanic people than Dakota County or Minnesota. (The U.S. percentage for Hispanic people is 17.1%)

Northfield is more similar to Dakota County and Minnesota than to Rice County in the percentage of Asian people. The percentage of Blacks and American Indians was very small in Northfield in 2015.

E. Income

Three different measures of income are reported by the U.S. Census Bureau. The most recent income data for Northfield was collected in the 2015 American Communities Survey, representing 2014 income (See Table 2.5).

Household income represents the income of all households, whether they have but one person or contain many people. Family income represents the income of families, which must have at least two persons who are related by marriage, blood or adoption according to Census definitions. Median family income is always higher than median household income. Per capita income is calculated by dividing all income by the total population.

Per capita income in Northfield is affected by the large student population. As the data show, Northfield has lower per capita income than Rice County and Minnesota. Median household income for Northfield, Rice County and Minnesota is similar. Family income is the measure that is least affected by the college population. Median family income clearly shows that Northfield is an affluent community, especially in the Rice County and Minnesota context. However, when compared to Dakota County, the difference between a metropolitan county and a non-metropolitan place becomes apparent.

TABLE 2.5 MEDIAN INCOME (1999) BY AREA

Geographical Area	Household Income	Family Income	Per Capita Income
Northfield	\$57,866	\$73,628	\$24,035
Rice County	\$59,598	\$72,900	\$26,660
Dakota County	\$75,567	\$91,222	\$36,171
Minnesota	\$61,492	\$77,055	\$32,157

Source: 2015 American Communities Survey

F. Education

Educational attainment for the population age 25 and over is another measure of a population's socio-economic status. The percent of persons with a bachelor's degree or more in Northfield helps give Northfield its intellectual atmosphere. With 47% of its population age 25 and older holding a bachelor's degree,

Northfield has a high level of educational attainment even when compared to Dakota County (See Table 2.6).

TABLE 2.6 EDUCATION BY AREA

Geographical Area	Bachelor's Degree or Higher
Northfield	47.8%
Rice County	27.6%
Dakota County	40.3%
Minnesota	33.7%

Source: 2015 American Communities Survey

G. Households

People reside in households or in group quarters. Group quarters include dormitories, nursing homes, group homes, correctional facilities and the like. Because Northfield has a large college population, it has a large percentage of its population in group quarters. In 2000, 27.5% of the population or 4,713 persons lived in group quarters. Twenty-five percent lived in dormitories or other student housing while 2.5% lived in institutions.

Over the past 50 years, the number of households also increased rapidly in Northfield. Like the state and nation, household growth was especially rapid during the 1970s as the large Baby Boom generation entered the household formation years. Also, like the state and nation, the number of persons per household has declined in Northfield. The decline in persons per household is the result of fewer children per family and the increase in one-person households. In 2015, 30.4% of Northfield's households had only one person. This percentage is slightly higher than Minnesota's percentage of one-person households. See Table 2.7 for detailed information.

TABLE 2.7 NORTHFIELD HOUSEHOLDS BY YEAR

Year	Households	Persons Per Household
1960	2,031	2.92
1970	2,285	2.89
1980	3,170	2.60
1990	4,056	2.49
2000	4,909	2.53
2010	6,272	2.44
2015	6,428	2.43

Source: 2010 U.S. Census Bureau, 2015 Minnesota State Demographer Estimates

In 2010, the average of persons per household in Northfield was similar to the Minnesota number but it was lower than that of Rice County and Dakota County (See Table 2.8).

TABLE 2.8 PERSONS BY HOUSEHOLDS BY AREA

Geographical Area	Persons Per Household
Northfield	2.44
Rice County	2.552.55
Dakota County	2.60
Minnesota	2.48

Source: 2010 U.S. Census Bureau

H. Employment Characteristics

Employment or the number of jobs is closely related to household growth for most communities. Jobs must be in a community or within reasonable driving time/distance in order for a community to grow. Retirement communities are the only exception to this rule.

The census and American Communities Survey provides data on the industry of employment for Northfield residents (See Table 2.9). However, this is different from the number of jobs located in Northfield. The Minnesota Department of Trade and Economic Development reports the number of jobs located in Minnesota communities.

As the following table shows, more than half (54.4%) of all Northfield residents were employed in education, health or social services at the time of the 2015 American Communities Survey. Manufacturing (9.5%) was the second largest sector of employment in 2015. In Minnesota 24.8% were employed in education, health or social services and 13.5% were employed in manufacturing.

Arts, entertainment, recreation, accommodation, and food services were the third largest sector of employment (5.8%) among Northfield residents and finance, insurance and real estate was the fourth largest sector of employment (5.6%). In Minnesota 8.4% were employed in arts, entertainment, recreation, accommodation, and food services and 7.2% were employed in the finance, insurance and real estate sector. Table 2.10 shows the 15 largest employers in Northfield, and some interesting trends and points to some future

challenges. For example, with St. Olaf and Carleton Colleges anticipating no enrollment growth, Northfield's first and second largest employers are not likely to have employment growth in the future. Any rapid future growth in Northfield would mean either that job growth in the community had accelerated or more residents are commuting to the Twin Cities Metro Area.

TABLE 2.9 EMPLOYMENTS OF RESIDENTS BY INDUSTRY

Employed Civilian Population (16 years+)	Number Employed	Percent of Total Employed
Agriculture, Forestry, Fisheries	41	0.4%
Construction	389	3.5%
Manufacturing	1,073	9.5%
Wholesale Trade	211	1.9%
Retail Trade	592	5.3%
Transportation, Warehousing; Utilities	212	1.9%
Information	153	1.4%
Finance, Insurance, Real Estate	633	5.6%
Professional, Scientific, Management, Administrative, Waste Management	599	5.3%
Educational, Health, Social Services	6,122	54.4%
Arts, Entertainment, Recreation, Accommodation; Food Services	657	5.8%
Other services	385	3.4%
Public administration	177	1.6%
Total	11,244	100.0%

Source: 2015 American Communities Survey

TABLE 2.10 FIFTEEN LARGEST EMPLOYERS

<u>Employer</u>	<u>Products/Services</u>	<u>2017 Employee Count</u>
St. Olaf College	Colleges & Universities	860
Carleton College	Colleges & Universities	700
Northfield Public Schools	Schools	600
Northfield Hospital	Hospitals	481
Mc Lane Minnesota	Food Service - Distributors	480
Multek Flexible Circuits	Printed and Edged Circuits	450
Taylor Truck Line Inc	Trucking - Motor Freight	360
Three Links Care Center	Home Health Services	250
Cub Foods	Grocers - Retail	160
Benjamin Bus Inc	Bus Lines	150
Target	Department Stores	150
Northfield Retirement Community	Non-Profit Org	120
All Flex Flexible Circuits LLC	Printed and Edged Circuits	100
JBT Food Tech	Food Processing Equipment	100
Malt-O-Meal Brands	Cereal Manufacturers	100-249

Source: Reference USA, 2017

I. Commuting

In 2000, Northfield was still primarily a “free standing” community. Of the 8,820 workers 16 years and over, 8,519 lived in Rice County, a non metro county, and 301 lived in Dakota County, a metro county. Seventy percent of Northfield’s workers who lived in Rice County worked in their place of residence, that is, Northfield (See Table 2.11). This is a high percentage. Of the 301 workers residing in Dakota County, 50% worked in the metro area.

The 2015 American Communities Survey shows a slight decrease in the percent of Northfield residents working in their place of residence, but also a slight decrease in the percent of those working in a metro area. This suggests some residents are travelling to other non-metro cities for work.

TABLE 2.11 PLACE OF WORK - NORTHFIELD RESIDENTS*

	Workers	Work in Place of Residence		Work in a Metro Area	
1990	7,202	5,238	72.7%	1,311	18.2%
2000*	8,519	5,988	70.3%	1,809	21.2%
2015	11,068	7,526	68.0%	2,234	20.2%

Source: 1990 & 2000 U.S. Census Bureau, 2015 American Community Survey

*Rice County portion only

Northfield is located within driving distance of the Minneapolis-St. Paul (Twin Cities) Metropolitan Area and Rochester Metropolitan Area. Based on the highway system, it is safe to assume that most Northfield commuters were working in the Twin Cities Metro Area.

Table 2.12 presents data for some of Northfield’s neighboring communities in southeastern Minnesota. Cannon Falls, a much smaller community, has a high percentage of its workers working in a metro area. Because Cannon Falls has easy highway access to both the Twin Cities and Rochester, workers are flowing to both metro areas. The small commuter population in Owatonna may also be split between the Twin Cities and Rochester.

TABLE 2.12 PLACE OF WORK - OTHER COMMUNITIES

	Workers	Work in place of Residence		Work in a Metro Area	
Cannon Falls	2,140	1,271	59.4%	782	36.5%
Faribault	10,260	7,448	72.6%	1,575	15.4%
Northfield*	11,068	7,526	68.0%	2,234	20.2%
Owatonna	12,601	10,144	80.5%	990	7.9%
Red Wing	7,499	5,964	79.5%	1,461	19.5%

Source: 2015 American Community Survey

Data in this table also show that the Twin Cities commuter shed extends to Faribault. While Faribault’s percentage of workers working in a metro area is smaller than in Northfield, the percentage is large enough to suggest that in the future, commuters settling in Rice County may be as likely to select the Faribault area as the Northfield area. This becomes a consideration when thinking about future population growth.

TABLE 2.13 PLACE OF WORK - SELECTED PARTS OF NORTHERN RICE COUNTY

	Workers	Work in a Metro Area	
		#	%
Lonsdale City	1,999	1,486	74.3%
Northfield City*	11,068	2,234	20.2%
Northfield Township	436	110	25.2%
Bridgewater Township	1,028	264	25.7%
Dundas City	871	351	40.3%

Source: 2000 U.S. Census Bureau

*Rice County portion only

Commuting can also be examined in northern Rice County (See Table 2.13). Lonsdale was a community of commuters in 2000 when it had a population of 1,494. Its population is estimated to have increased to 2,684 in 2006. The household growth associated with this population increase is likely to be almost totally from workers commuting to the Twin Cities Metro Area.

Northfield residents are slightly less likely to be commuters than workers in the adjacent townships and Dundas, but even in these adjacent areas, commuting is still modest. Looking at Rice County, commuters have three options: Lonsdale, Northfield-Dundas and Faribault.

J. Population and Household Projections

Population grows when births exceed deaths and more people move into a community than move out. Population growth is almost always accompanied by an increase in the number of housing units, which is influenced by land use, particularly the availability of land to develop for residential purposes or the redevelopment of underutilized sites. Projections in this chapter are based on the potential demands and availability of land.

Population

There are three common methods for projecting population. These are: the cohort-component or cohort survival method, the linear regression/extrapolation method and the housing unit method. The cohort-component method is based on the age-sex composition of the population in the base year. This method is sensitive to the differences in age-sex specific mortality and migration rates and age-specific fertility rates. While this method is complex, it is the preferred method and yields important age data, which is very important for planning.

The housing unit method is very simple and works reasonably well when the number of housing units is fixed. However, it does not provide any age data.

Linear regression/extrapolation uses past growth rates to project future growth. This method works well if the population has no anomalies and the factors that have driven growth in the past remain the factors in the future. However, this method does not yield age projections.

The population projections presented in this chapter were prepared in collaboration with the Minnesota State Demographer's office and its projections for Rice and Dakota counties. The methodology used to extrapolate these population projections is explained in detail later in the chapter.

The population projections in this chapter show a total population for Northfield as well as projected age groups (See Table 2.14).

As age projections in table 2.15, Northfield is an aging city. There is projected growth in the city for the oldest age groups, and projected declines in the population of younger age groups. This follows national trends as the Baby Boomer generation, the largest generation of its time, age into retirement. Millennials,

the next largest age group in the nation, also show strong growth projections for the city (age groups 25-44).

TABLE 2.14 POPULATION PROJECTIONS BY AGE GROUP

Age	2020	2025	2030
0-14	2,843	2,654	2,628
15-19	2,274	2,181	1,946
20-24	4,015	3,575	3,433
25-34	1,910	2,140	2,032
35-44	1,894	1,829	1,971
45-54	1,841	1,717	1,665
55-64	2,269	2,118	1,898
65-74	1,682	1,984	2,117
75-84	1,154	1,457	1,793
85+	631	669	782
Total	20,531	20,582	20,534

Source: Minnesota State Demographer, City of Northfield

The percent of the population 65 years and over was 10.5% in 2000, and 12% in 2010. This age group is expected to increase to 17% in 2020 and 20% in 2025.

This increase in the senior population reflects the movement of the Baby Boom generation into the ranks of the elderly starting in 2011. During this same time, Minnesota's senior population is expected to increase to 17% of the population in 2020 and to 19% in 2025. The age projections also show a major generational shift from 2010 to 2020. At the very time that the Baby Boomers are moving into the ranks of the elderly, their offspring, the Echo Boom or Gen Y, will be adults. Gen Y will be 25-44 years of age in 2020 and will be a large percentage of Minnesota's and Northfield's populations.

TABLE 2.15 RATE OF POPULATION CHANGE BY AREA

Geographic Area	2020-2025	2025-2030	2030-2035
TC Metro (MN part)	3.32%	2.85%	2.19%
Dakota County	3.85%	3.33%	2.66%
Rice County	1.99%	1.84%	-0.72%
Northfield City	0.24%	-0.23%	-0.50%

Source: Minnesota State Demographer, City of Northfield

Methodology—Population Projections

Partnering with the Minnesota State Demographer's office, the City of Northfield used 2015 American Communities Survey data for Rice County, Dakota County, and the City of Northfield to project population growth. Using the 2015 data to determine the percent of the county population living in Northfield, these estimates were then used to determine the city's growth rate. For example, in 2015, Northfield residents consisted of 29.4% of the population of Rice County. Using this figure and combining it with the demographer's office's projections for Rice County for 2020, we can estimate the growth of Rice County residents living in Northfield.