



Office of Performance and Analysis

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Memorandum

Date: September 20, 2024

To: Heidi Welsch, County Manager

cc: Dave Paulsen, OPA Manager; David McKnight and Jessie Parker Carlson, EFIS Administration

From: Penny Anderson and Jessica Rundell, OPA Management Analysts

Population and Demographic Trends for Dakota County

Executive Summary

The Office of Performance and Analysis continually collects and analyzes social, economic, demographic, and housing characteristics of the Dakota County population to provide leaders with timely, accurate, and objective information to help inform policy decisions. This memo includes information on population characteristics, housing, and socio-economic indicators. Much of this information is housed in an interactive format and can be explored in more depth on the [Community Indicators](#) page of the Dakota County website.

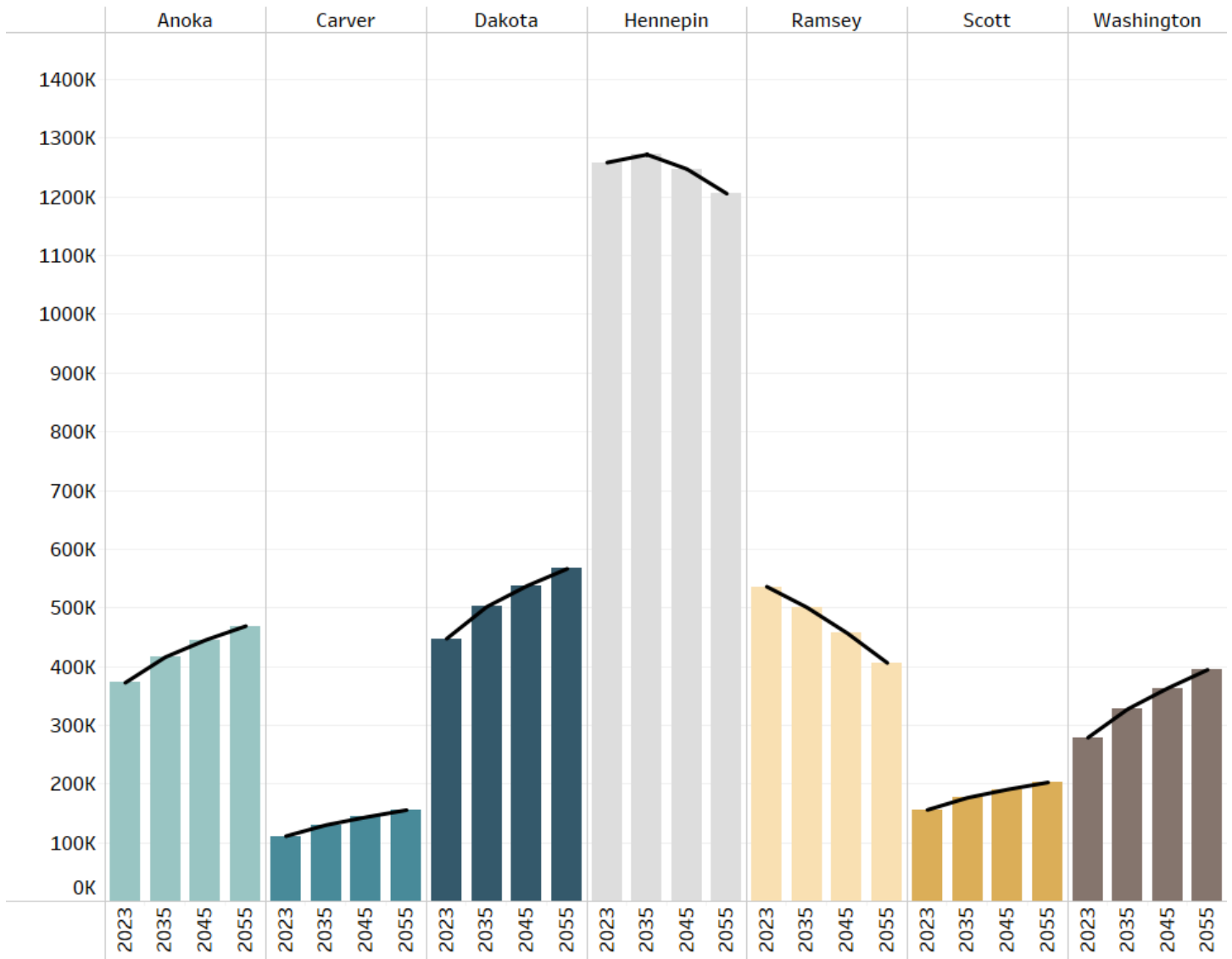
Dakota County 2022-2023 at a Glance

Population	↑	0.92%
Diversity (Non-White, Not Hispanic Population)	↑	1.3%
Median Home Sales Price	↑	1.3%
Median Household Income in Real Dollars	↑	2.4%
Median Household Income Adjusted for Inflation	↓	3.8%
Median Rent	↑	8.8%
Homeownership Rate	↑	0.6%
Average Weekly Wages	↑	2.9%
Jobs with Wages Above 200% Federal Poverty Guidelines	↓	2.0%
Number of Jobs	↑	1.1%
Unemployment Rate	↑	1.0%
Health Uninsurance Rate	↑	0.3%

Population Characteristics

Dakota County is the third largest county in Minnesota. However, in 2036, Dakota County is anticipated to surpass Ramsey County to become the second largest county in the State. In 2047, Anoka County is anticipated to surpass Ramsey County to become the third largest county in the State. The current population of Dakota County is 447,440 and projected to reach over 566,000 by 2055.

Figure 1: Twin Cities Metro Population Projections by County



Source: Census Bureau Population Estimates Program and Minnesota State Demographer

Components of Change

From 2022-2023, Dakota County experienced a natural increase with more births than deaths and a net-in migration. More people moved into the County than moved out.

Table 1: Components of Resident Population Change (2022 – 2023)

Estimates of the Components of Resident Population Change

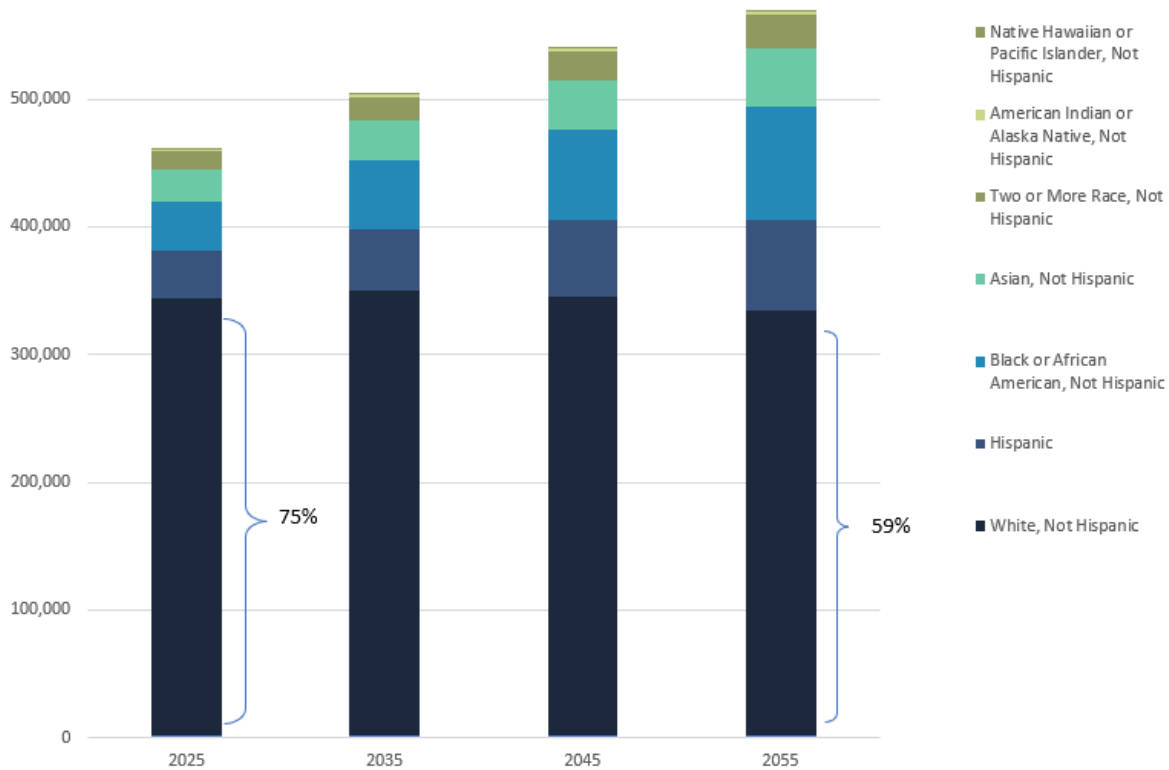
	Total Population Change ¹	Natural Change	Vital Events		Net Migration		
			Births	Deaths	Total	International	Domestic
<i>Minnesota</i>	23,615	13,843	63,754	49,911	9,889	14,575	-4,686
Dakota County	4,168	1,950	5,038	3,088	2,235	1,042	1,193

Source: Census Bureau Population Estimates Program

Diversity

While Dakota County is still projected to grow in diversity, new projections are showing a slightly more modest change than previously projected. The Dakota County White, not-Hispanic population is expected to decrease to 59% by 2055.

Figure 2: Dakota County Population Projections by Race and Ethnicity (2025-2055)



Source Minnesota State Demographer

¹ The total population change includes a residual which represents the change in population that cannot be attributed to any specific demographic component. Net international migration includes the international migration of both U.S.-born and non-U.S.-born populations. Specifically, it includes: (a) the net international migration of the non-U.S. born, (b) the net migration of U.S. born to and from the United States, (c) the net migration between the United States and Puerto Rico, and (d) the net movement of the Armed Forces population between the United States and overseas.

Population Disability Characteristics

The percentage of individuals with disabilities in Dakota County is lower than the overall State population. Notable increases in disability rates have been observed across both population sets since 2017, with a marginal increase observed in 2023.

Table 2: Population by Disability Status (2017, 2022, and 2023)

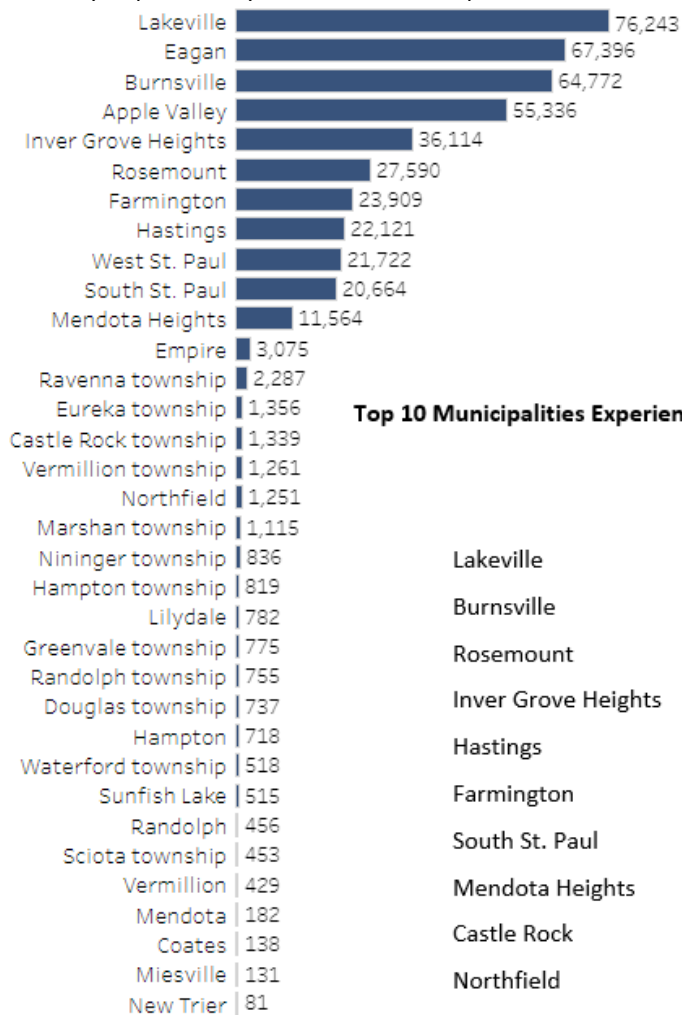
	Minnesota		Dakota County	
	Population with a Disability	Percent of Total Population	Population with a Disability	Percent of Total Population
2017	615,846	11.2%	36,841	8.8%
2022	658,681	11.6%	48,025	10.9%
2023	667,664	11.8%	49,047	11.0%

Source: American Community Survey

Cities and Townships

Fourteen of the 34 cities and townships in Dakota County have increased population from 2022 to 2023. The top growth continues to be in Lakeville, Burnsville, and Rosemount.

Figure 3: Dakota County Population by Cities and Townships, 2023



Top 10 Municipalities Experiencing Population Growth (2022 to 2023)

	Population Growth	Percent Growth
Lakeville	1,726	2.3%
Burnsville	838	1.3%
Rosemount	520	1.9%
Inver Grove Heights	419	1.2%
Hastings	411	1.9%
Farmington	307	1.3%
South St. Paul	163	0.8%
Mendota Heights	73	0.6%
Castle Rock	16	1.2%
Northfield	5	0.4%

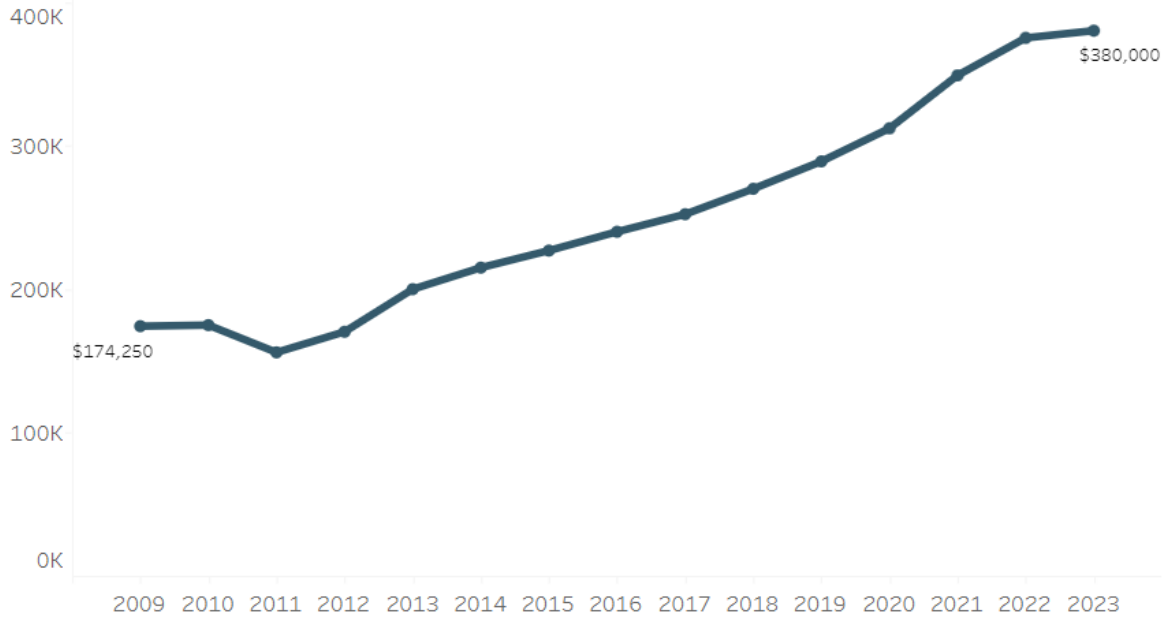
Source: Census Bureau Population Estimates Program

Housing

Median Home Sale Price

In 2023, the median home sale price in Dakota County was \$380,000, up \$5,000 over the previous year. Housing increases are outpacing other areas of inflation, with increases ranging from 8-11% annually since 2019.

Figure 4: Dakota County Median Home Sale Price

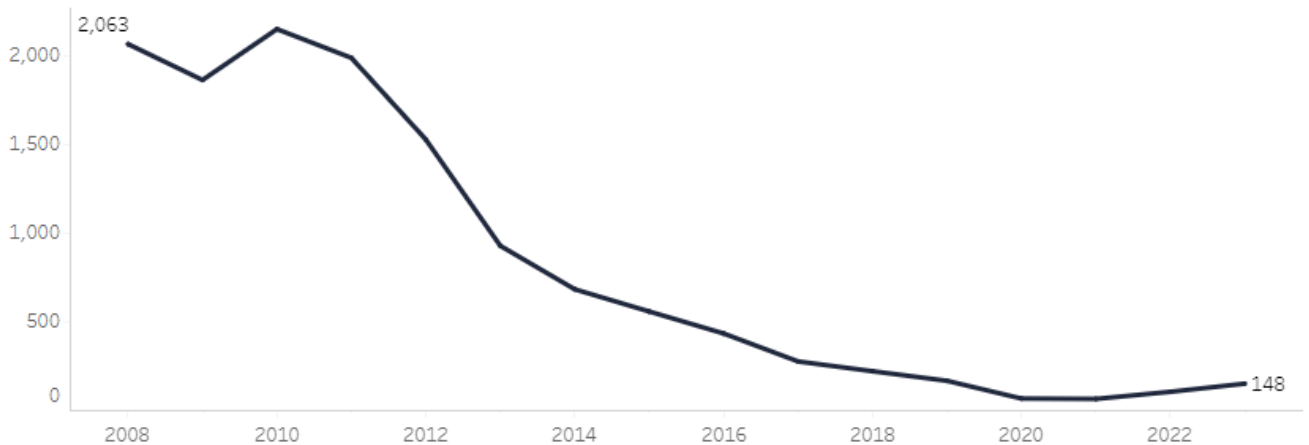


Source: Minneapolis Area Association of Realtors

Foreclosures

There were 148 foreclosures in Dakota County in 2023, down from 2,063 in 2008.

Figure 5: Dakota County Foreclosures

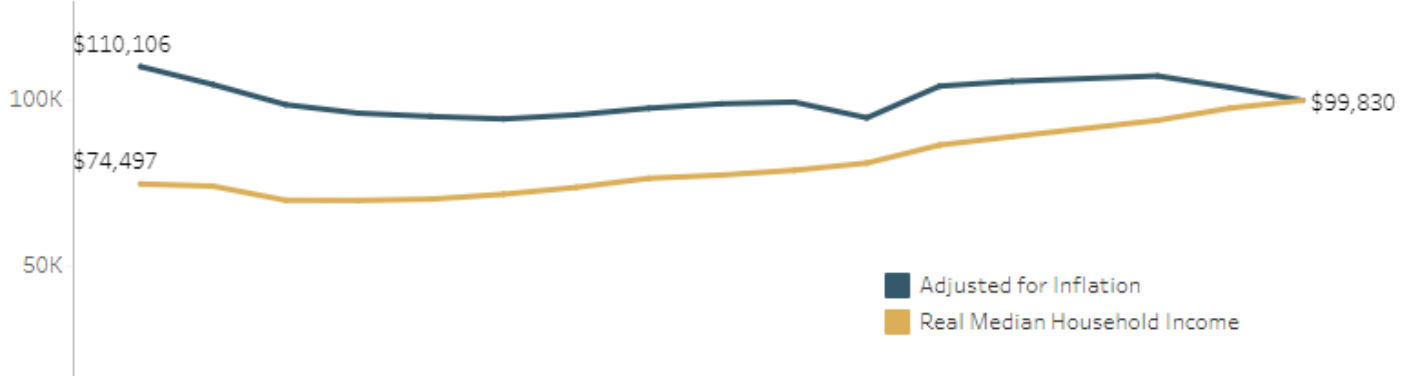


Source: Dakota County Sheriff's Office, Dakota County Assessing Department

Median Household Income

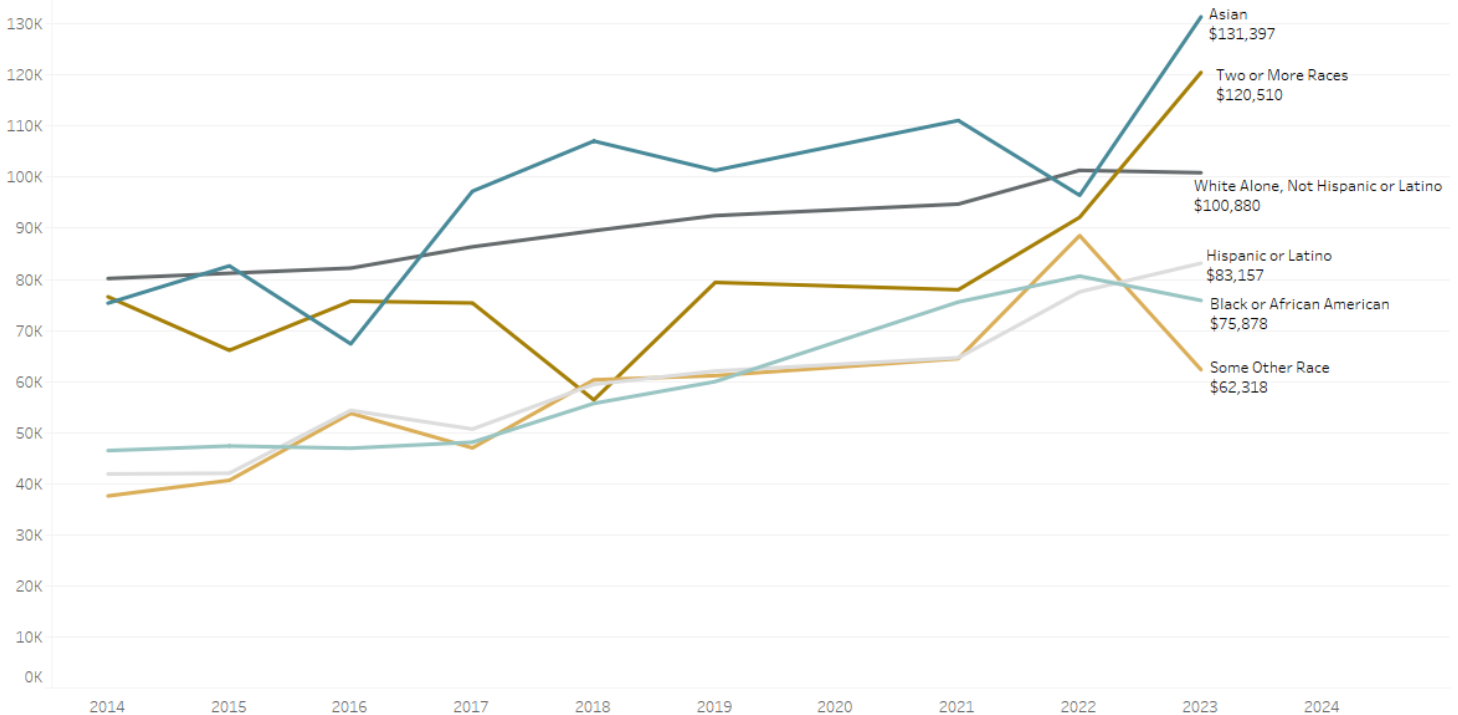
Dakota County's median household income, not adjusted for inflation increased 2.4% from \$97,501 to \$99,830. When adjusted for inflation, this represents a 3.8% decrease. The Hispanic and Black or African American population and those who identify as Some Other Race have the lowest median incomes.

Figure 6: Dakota County Median Household Income



Source: American Community Survey

Figure 7: Dakota County Median Household Income by Race in Real Dollars



Source: American Community Survey

Cost of Living

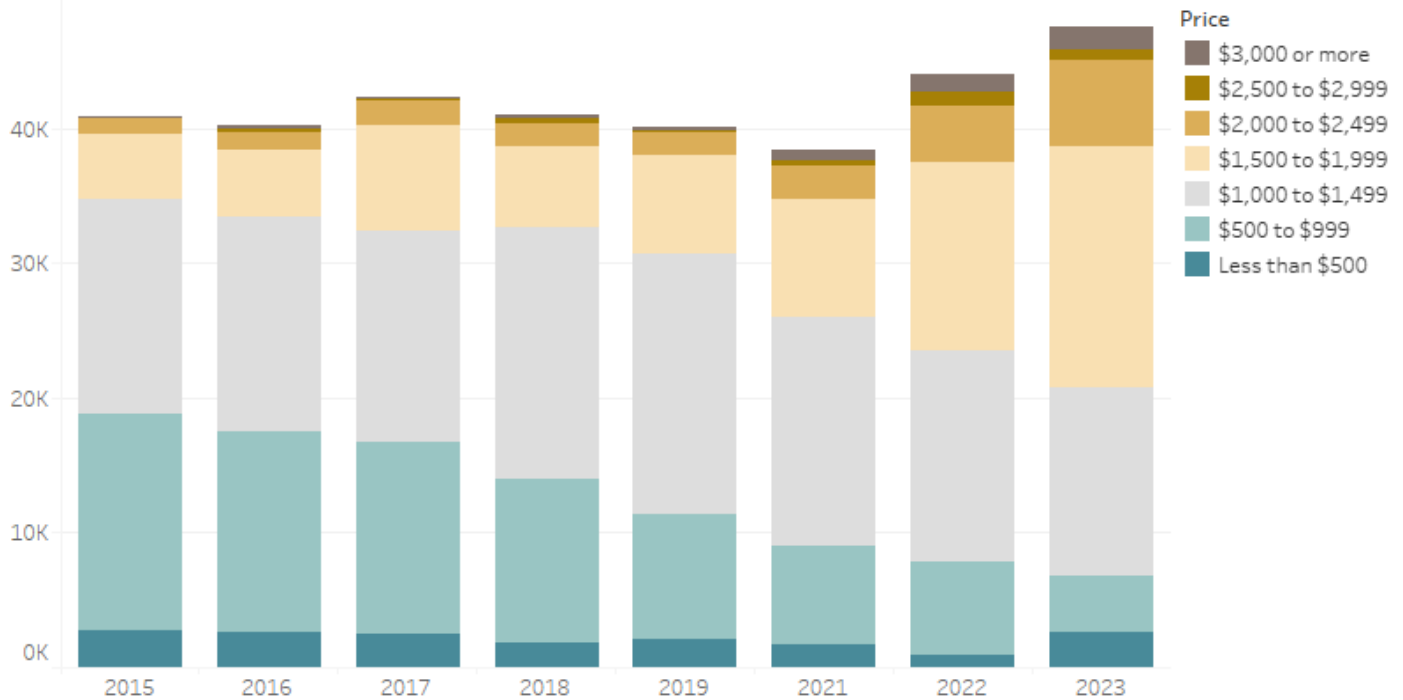
Dakota County’s cost of living has increased 4.6% over the past year. At \$71,735, the 2023 cost of living in Dakota County was 6.6% higher than the State cost of living. An hourly wage of \$22.99 is needed to meet basic needs for a typical family in Dakota County. Renters are bearing the greatest burden of the high cost of living. The median rent in Dakota County is \$1,585, up 8.8% from the previous year.

Table 3: Cost of Living (2022 and 2023)

Typical Family : 2 Adults (1 working full-time, 1 part-time) and 1 Child		Dakota County		Minnesota	
Year		2022	2023	2022	2023
Annual Cost of Living		\$68,599	\$71,735	\$60,540	\$67,320
Hourly Wage Required		\$21.99	\$22.99	\$19.40	\$21.58
Monthly Costs	Child Care	\$842	\$658	\$579	\$544
	Food	\$815	\$941	\$822	\$955
	Health Care	\$575	\$567	\$561	\$574
	Housing	\$1,348	\$1,456	\$1,151	\$1,285
	Transportation	\$755	\$952	\$772	\$977
	Other	\$592	\$574	\$540	\$536
	Taxes	\$790	\$830	\$620	\$739

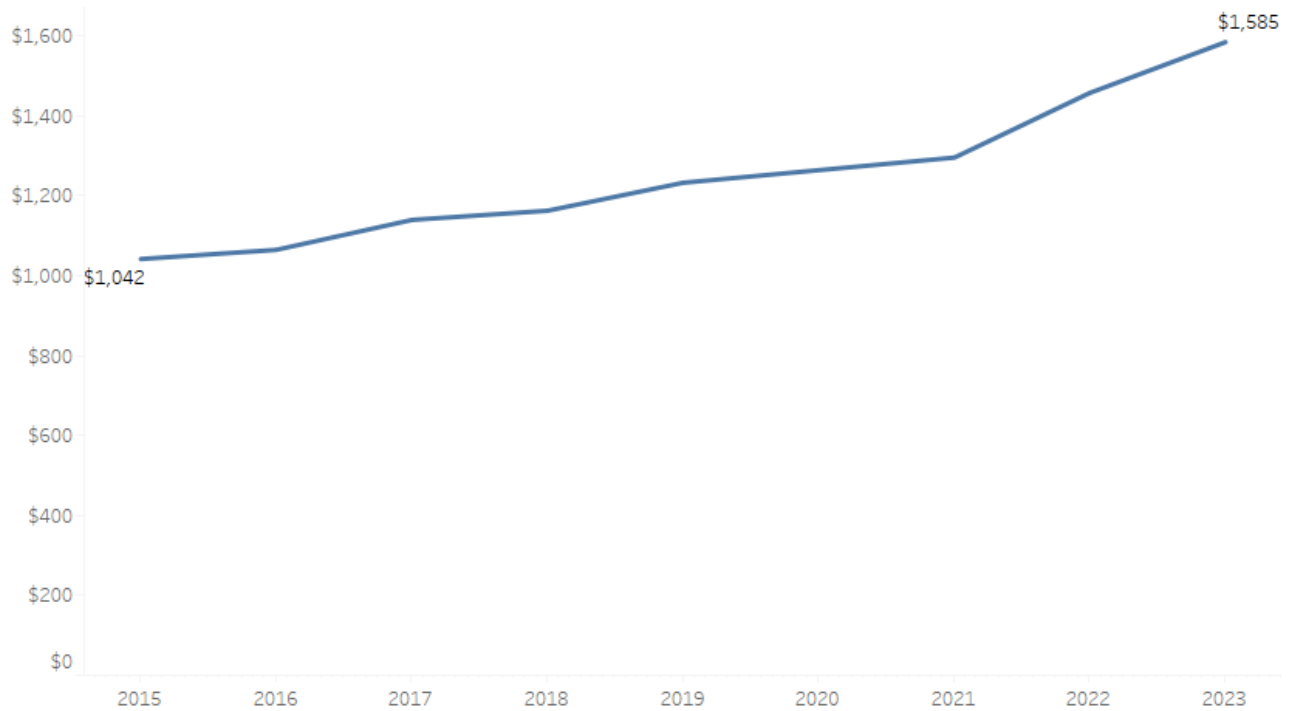
Source: Minnesota Department of Employment and Economic Development (MN DEED) Dakota County Profile

Figure 8: Dakota County Rental Units by Price



Source: American Community Survey

Figure 9: Dakota County Median Rent

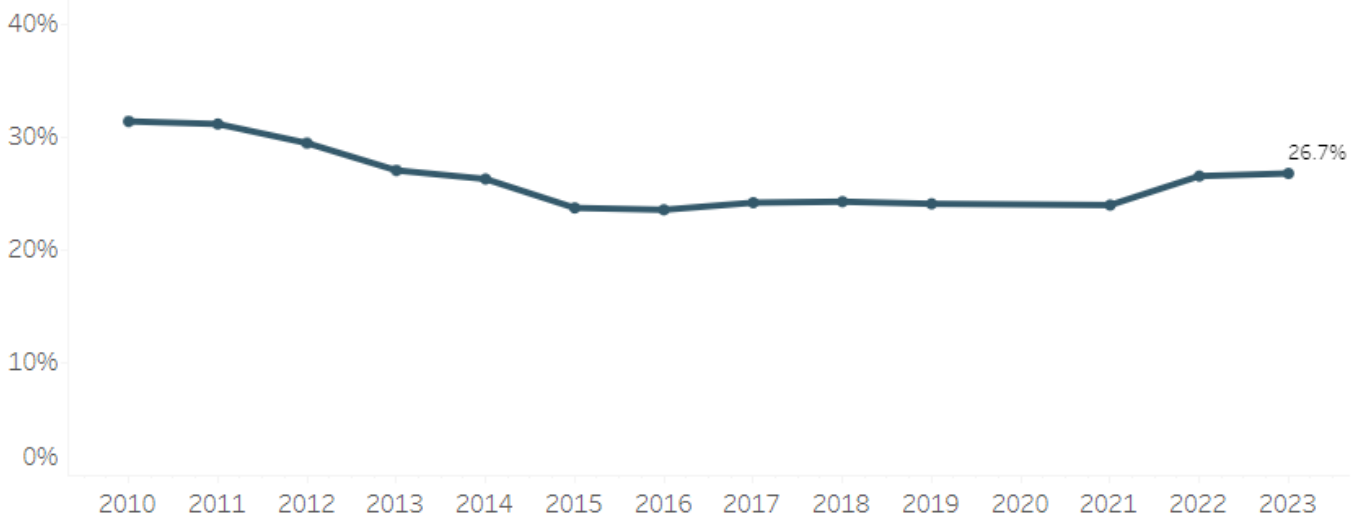


Source: American Community Survey

Households Burdened by Housing Cost

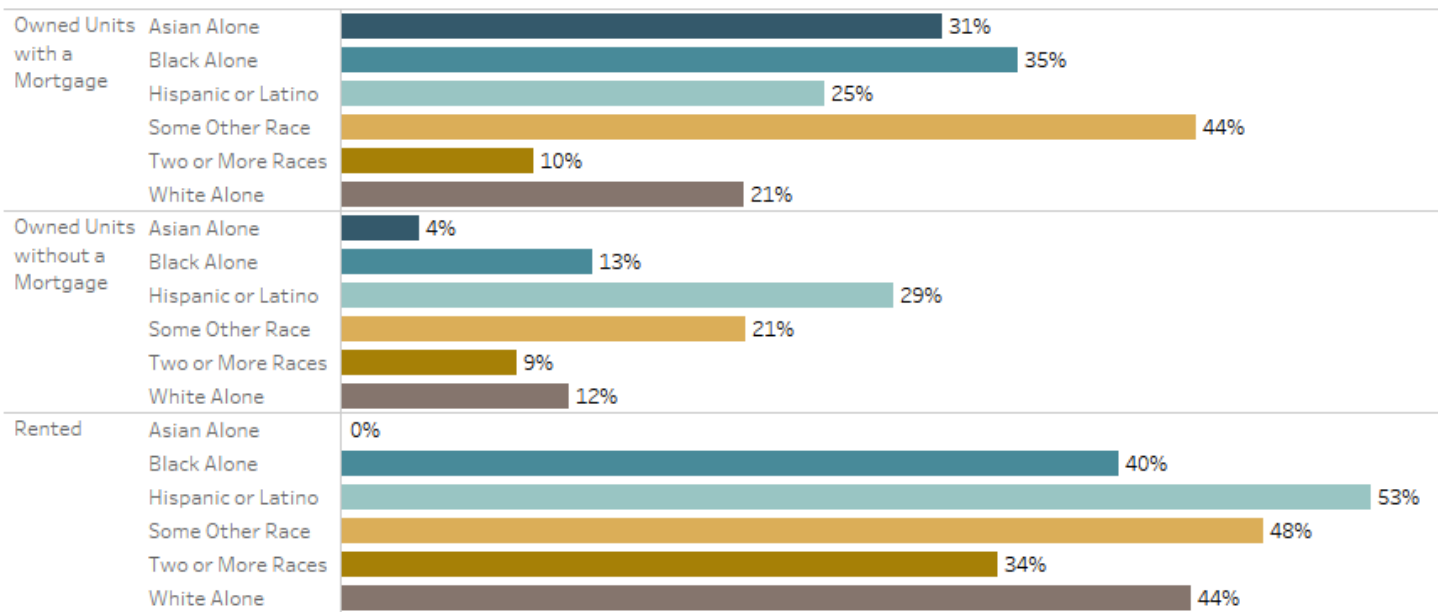
Being cost-burdened means a household contributes 30% or more of income before taxes and other deductions to housing expenses. Housing expenses include rent or mortgage, taxes, utilities, and association fees. In Dakota County, the percent of households who are cost-burdened has decreased since the 31% peak in 2012 but remains an issue for lower income residents and renters. The percent has held at 24% of households since 2015 but has increased recently to 26-27%.

Figure 10: Dakota County Housing Cost Burdened



Source: American Community Survey

Table 4: Percent of Dakota County Households (by Race/Ethnicity) Paying 30% or More of Income on Housing Costs

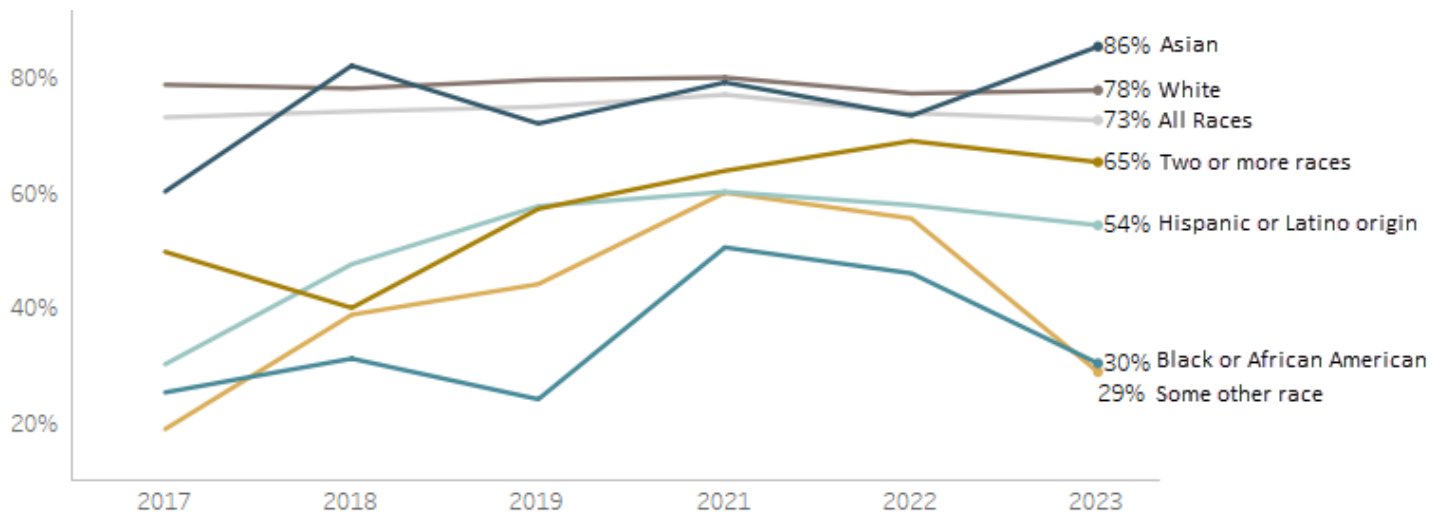


Source: American Community Survey

Homeownership

The Asian population homeownership rate is increasing. Hispanic, Black or African American, and those identifying as Some Other Race are decreasing in homeownership rate.

Figure 11: Dakota County Homeownership by Race and Ethnicity



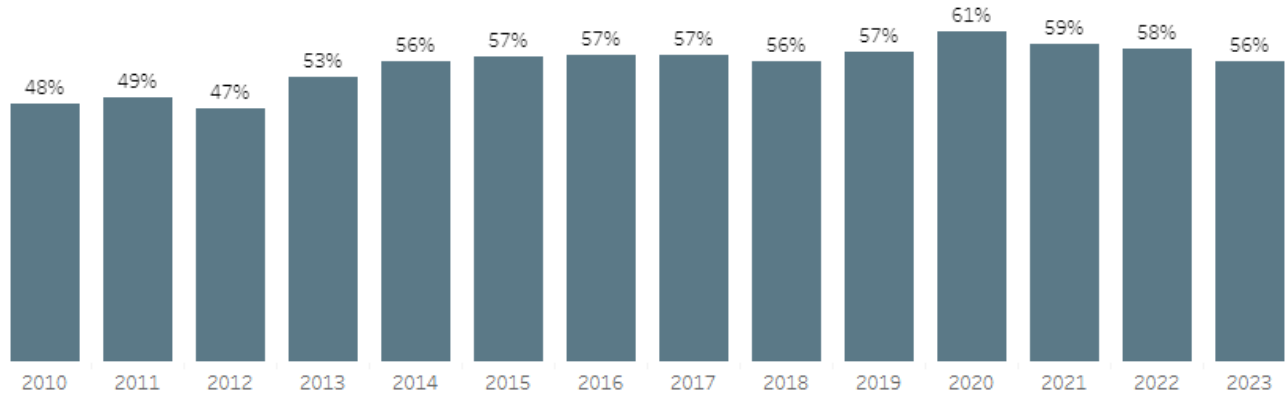
Source: American Community Survey

Socio-Economic Indicators

Jobs with Wages above 200% of Federal Poverty Guidelines

In 2023, 200% of the Federal Poverty Guideline (FPG) equated to a job that earned \$60,000 per year (\$28.85 per hour) for a family of four. For the past 10 years, over 55% of the jobs located within Dakota County have had average weekly wages above 200% of FPG.² However, this percentage has declined since peaking at 61% in 2020.

Figure 12: Jobs in Dakota County with Weekly Wages Above 200% of the Federal Poverty Guideline

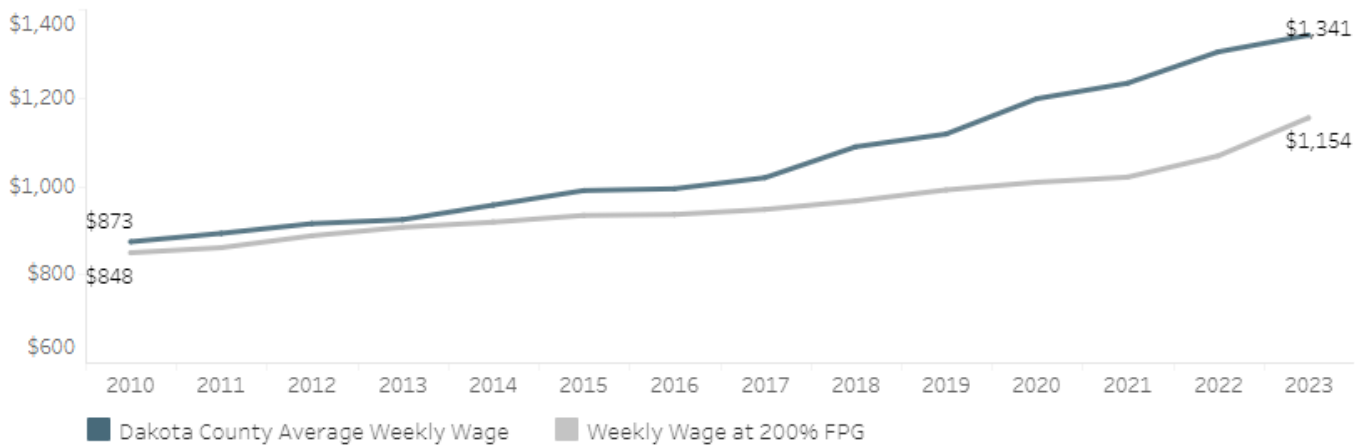


Source: Minnesota Department of Employment and Economic Development (MN DEED)

Average Weekly Wages

The average weekly wage for jobs located within Dakota County has steadily increased since 2017. In 2023, the average wage was \$1,341 per week, up nearly 3% from 2022. The gap between average wages in the County and those at 200% above the FPG has narrowed, as wages needed to exceed this threshold increased by over 8% from 2022.

Figure 13: Dakota County Average Weekly Wage vs. Weekly Wages at 200% FPG



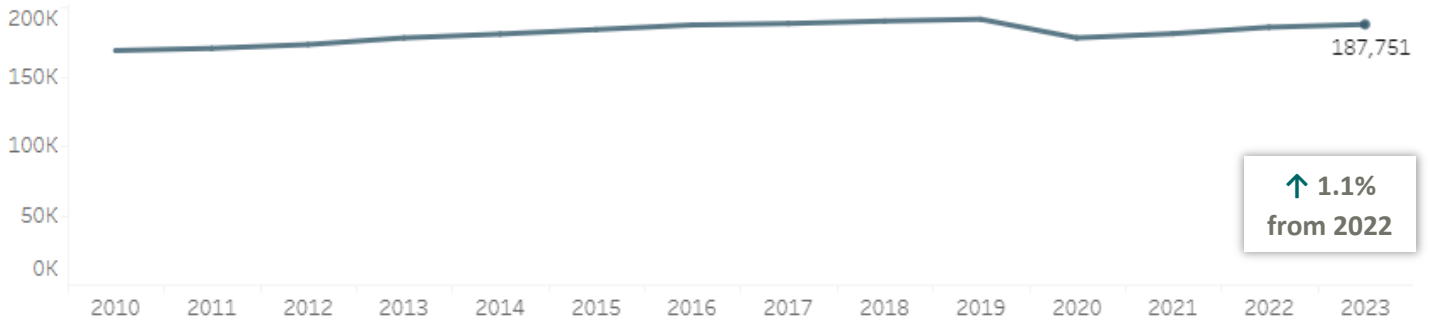
Source: Minnesota Department of Employment and Economic Development (MN DEED)

² The average (weekly wage) is the sum of all values divided by the dataset, therefore extreme low and high wages (e.g. executive level positions) do impact the results. Also, the jobs numbers reported are based on employment location. These are jobs located within Dakota County regardless of whether the worker is a resident of the County and does not include Dakota County residents who work in other counties.

Employment

Business establishments and jobs within Dakota County have continued an upward trend since the recession of 2008, with the exception of a dip in employment during the COVID-19 pandemic. Health Care and Social Assistance, Retail Trade, and Manufacturing have consistently been the leading industries for employment within the County.

Figure 14: Number of Jobs in Dakota County

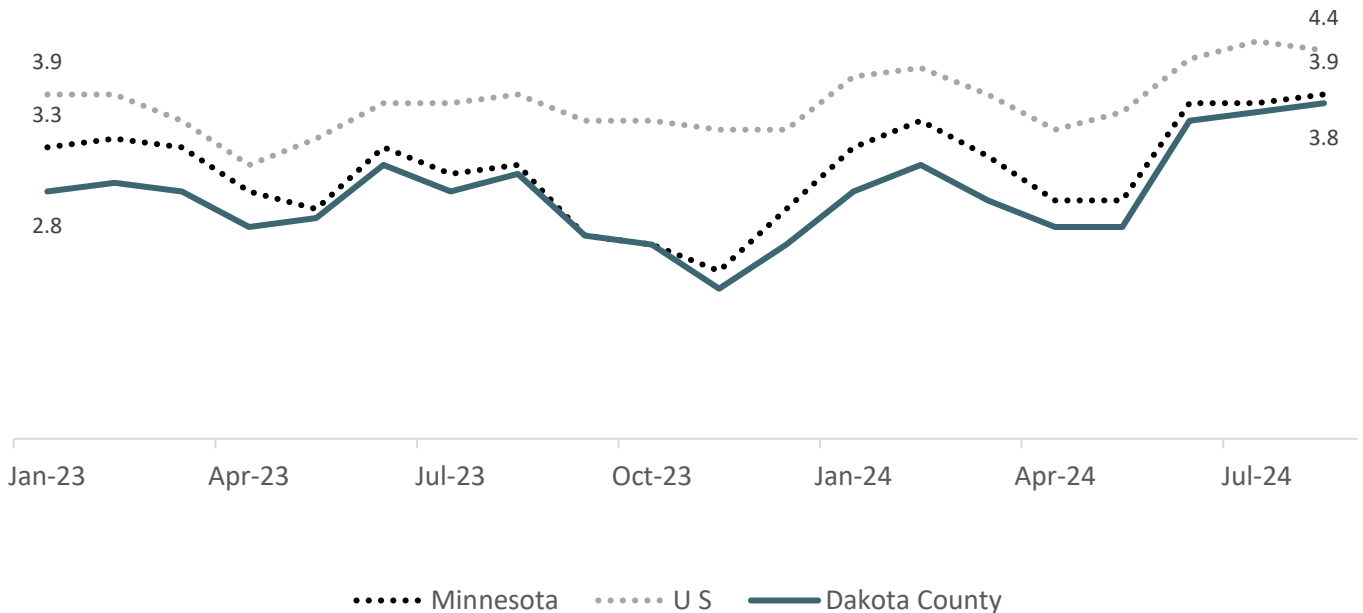


Source: Minnesota Department of Employment and Economic Development (MN DEED)

Unemployment Rate

Unemployment in Dakota County has continuously remained below State and national averages, with the 2023 annual rate at 2.7%. A closer look at the monthly rates between January of 2023 and August of 2024 show an increase in unemployment over the last several months.

Figure 15: Dakota County Monthly Unemployment Rates (January 2023 – August 2024)

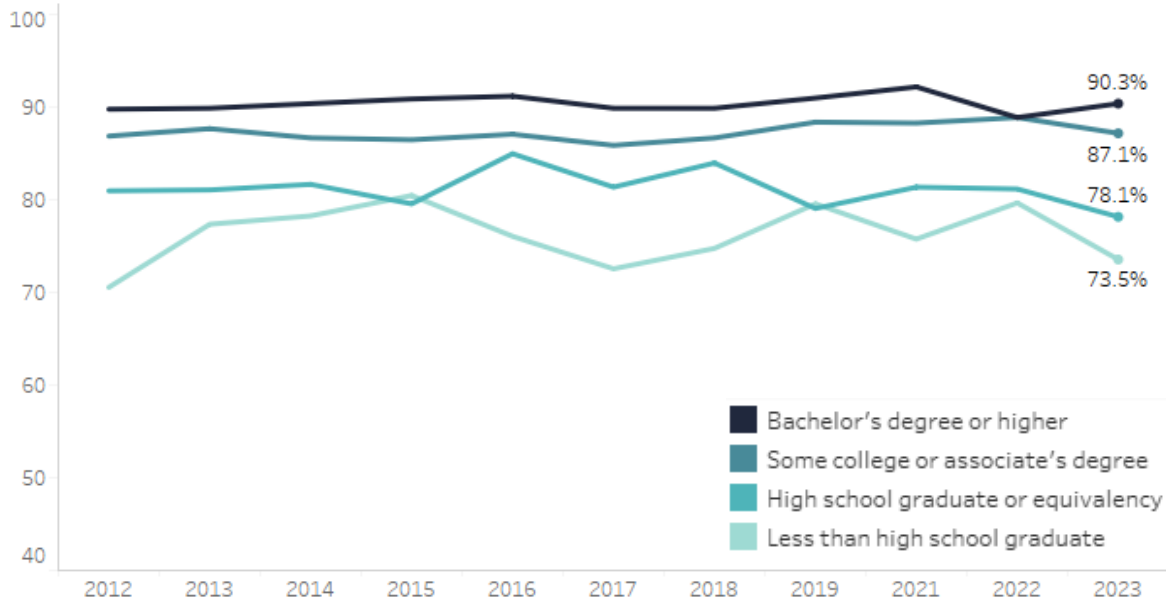


Source: Minnesota Department of Employment and Economic Development (MN DEED) Local Area Unemployment Statistics (LAUS)

Labor Force Participation by Education Level

The labor force participation rate signifies the percentage of individuals engaged in work or actively seeking employment. For the past decade, overall labor force participation rates have remained stable, ranging between 71-75% (holding at 71% from 2022-2023). A notable disparity in labor force participation rates is apparent when segmented by education level. Individuals with some college education (or higher) consistently exhibit participation rates between 85% and 90%, while those with a high school graduate level or less consistently have rates around 75%.

Figure 2: Dakota County Labor Force Participation by Education Level

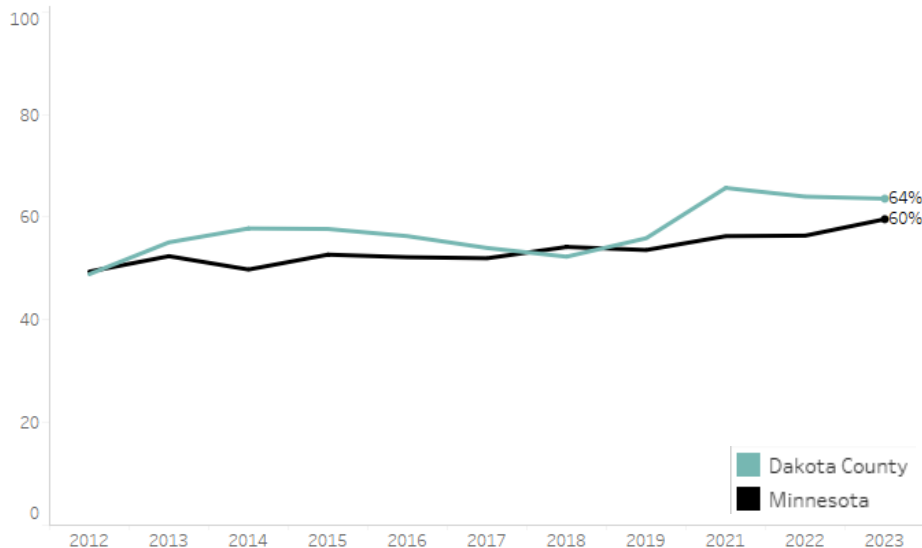


Source: American Community Survey

Labor Force Participation by Disability Status

Over the past decade, the County labor force participation rate for individuals with a disability has risen from 49% in 2012 to 64% in 2022 and 2023.

Figure 3: Labor Force Participation for Individuals with a Disability

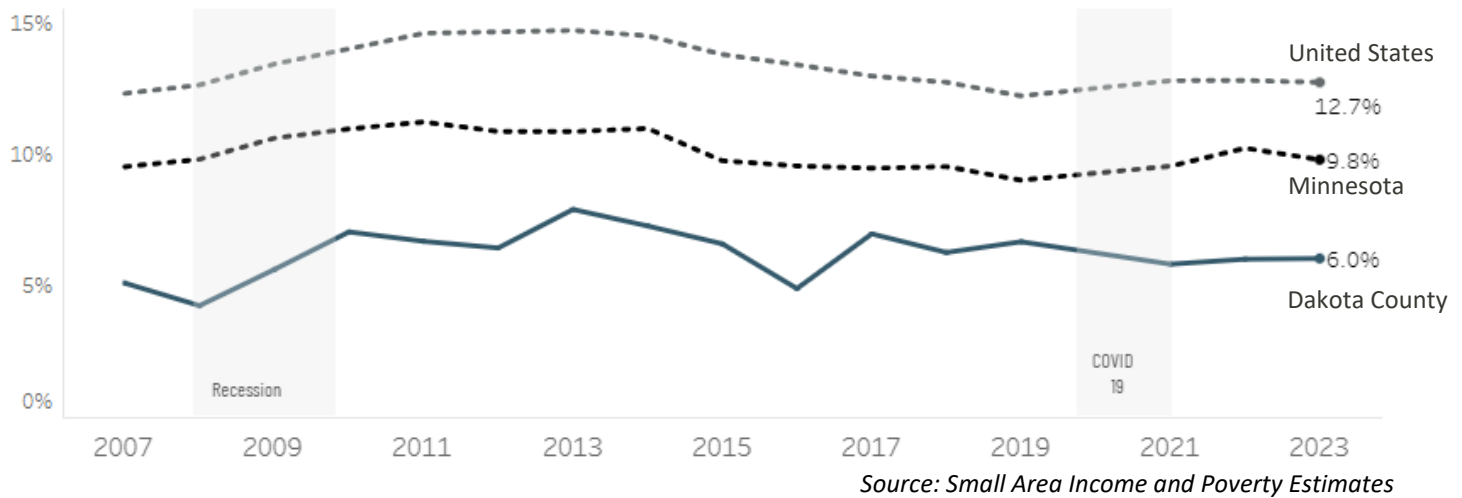


Source: American Community Survey

Household Poverty Rates

The County's poverty rate for all age groups has consistently been lower than the State and national averages. It dropped below 5% on two occasions in the past 15 years (2008 and 2016) and has stabilized around 6% since 2021.

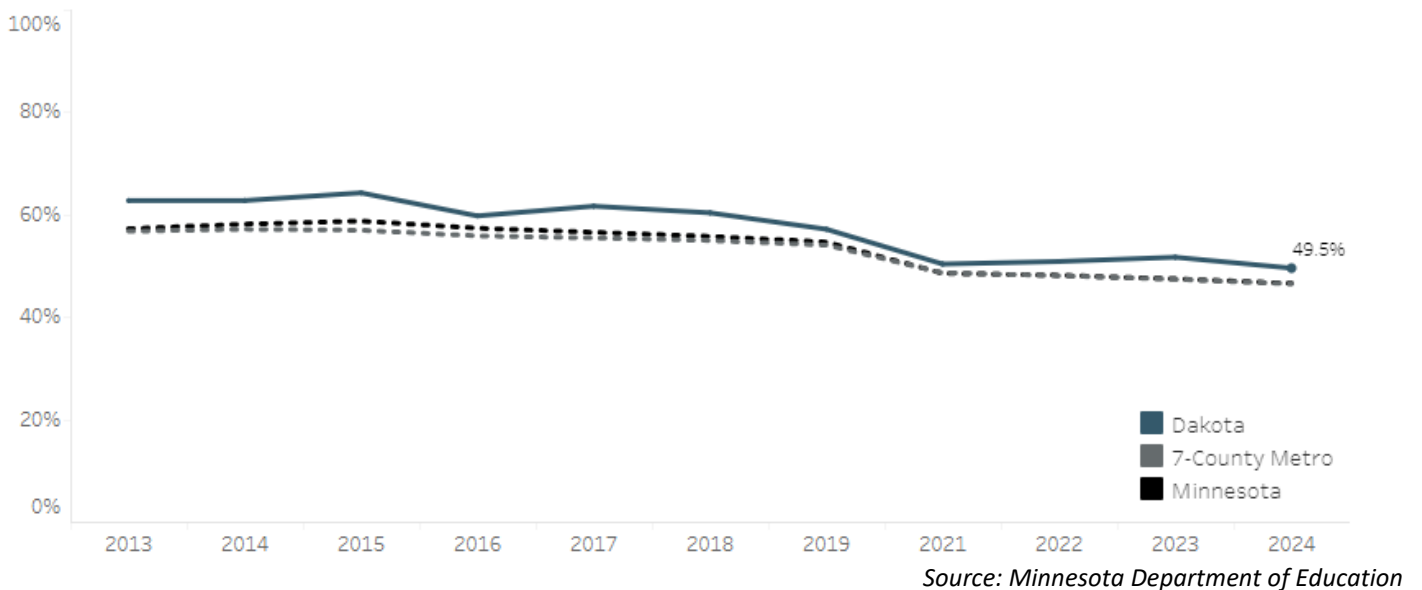
Figure 18: Percent of Households Below Poverty Level (All Ages)



K-12 Student Achievement: 3rd Grade Reading

While the percent of 3rd grade students meeting or exceeding the reading standard has generally decreased over the last decade, Dakota County achievement rates remain higher than the 7-county Metro and State averages. For the 2023-2024 school year, just over 49% of students in the County met or exceeded reading standards.

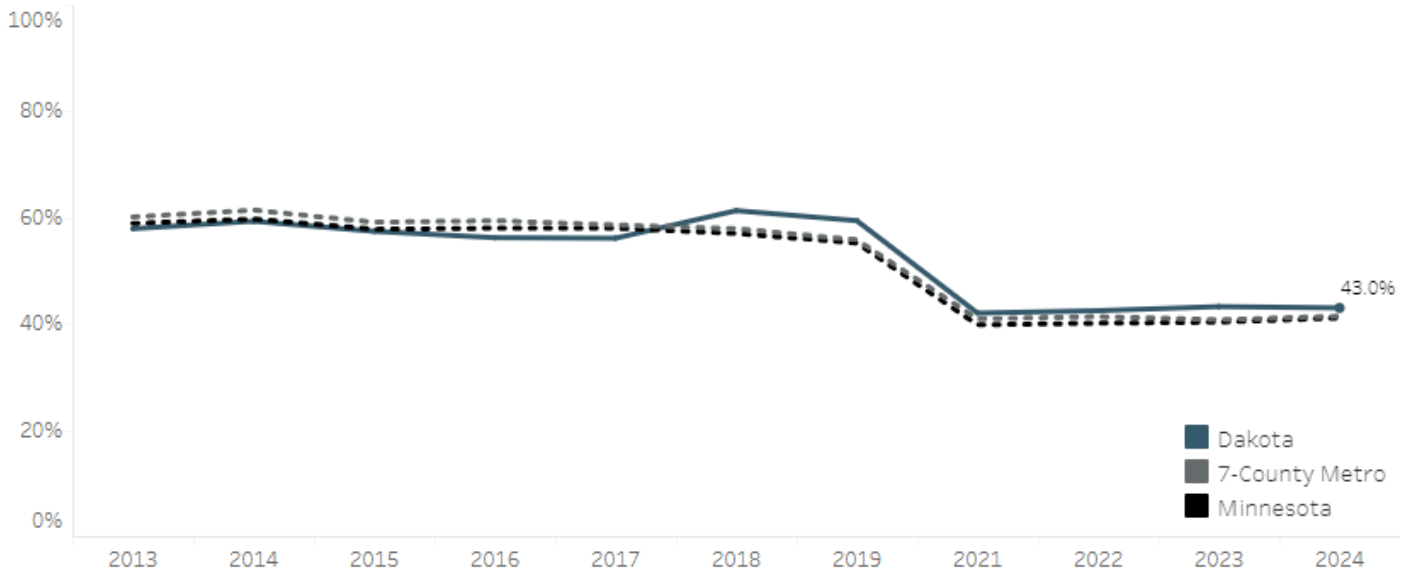
Figure 19: Percent of Students Meeting or Exceeding 3rd Grade Reading Standards



K-12 Student Achievement: 8th Grade Math

The percentage of 8th grade students meeting or exceeding standards for math saw a sharp decline between 2018 (61%) and 2021 (42%). Since then, achievement rates have leveled off, with the 2023-2024 school year seeing 43% of students meeting or exceeding the math standards.

Figure 20: Percent of Students Meeting or Exceeding 8th Grade Math Standards

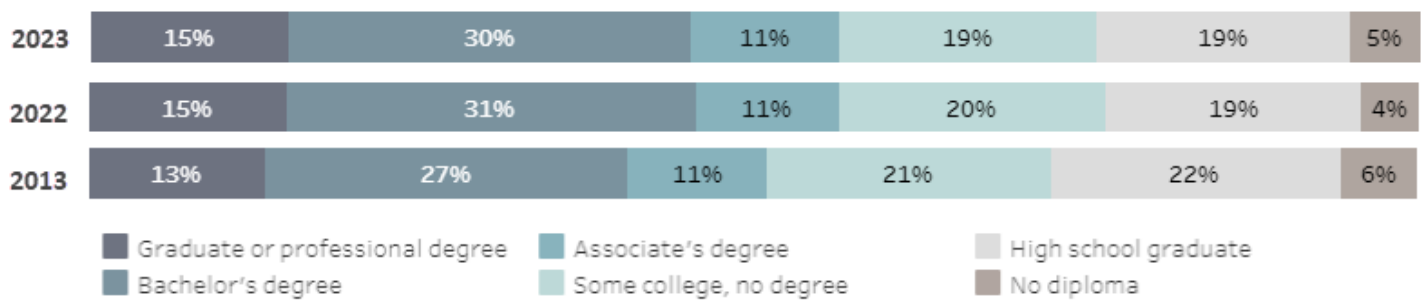


Source: Minnesota Department of Education

Adult Educational Attainment Levels

There is a consistent trend of rising educational attainment in the County among adults 25 and older. In 2023, 56% of residents held an Associate's degree or higher, compared to 51% in 2013. When compared across the Twin Cities metro area, Dakota County residents fall close to the median among all educational attainment levels.

Figure 21: Dakota County Residents (25 years and older) by Educational Attainment Levels

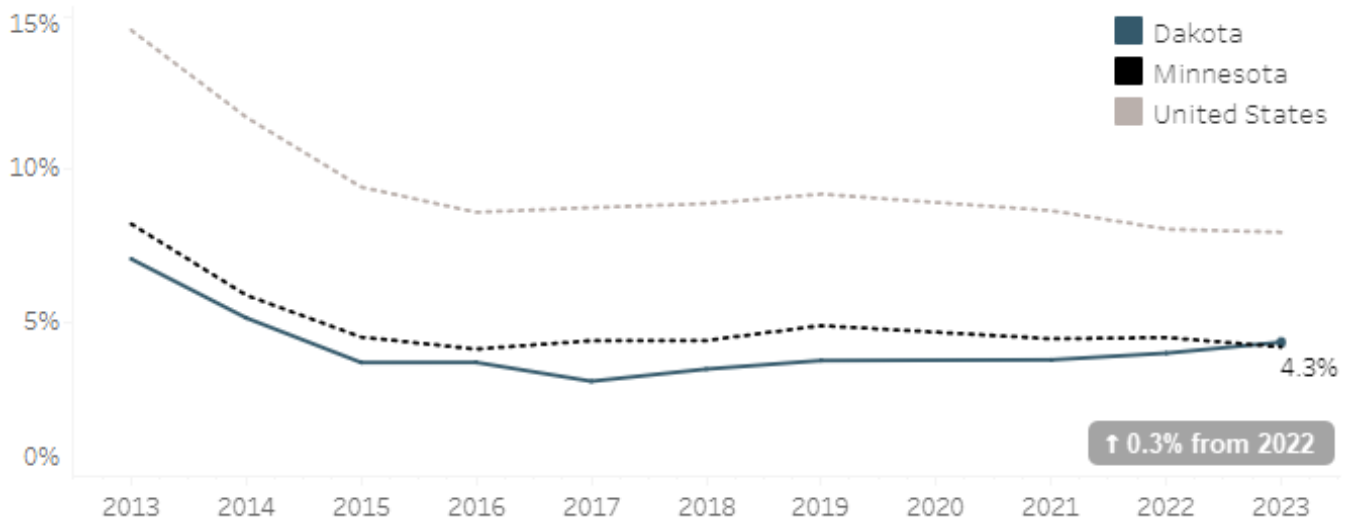


Source: American Community Survey

Health Uninsurance Rates

The health uninsurance rate, for all ages, in Dakota County remained at or below 4% from 2015 to 2022, with a marginal increase of 0.3% in 2023.

Figure 22: Overall Health Uninsurance Rates for Dakota County, Minnesota, and the United States

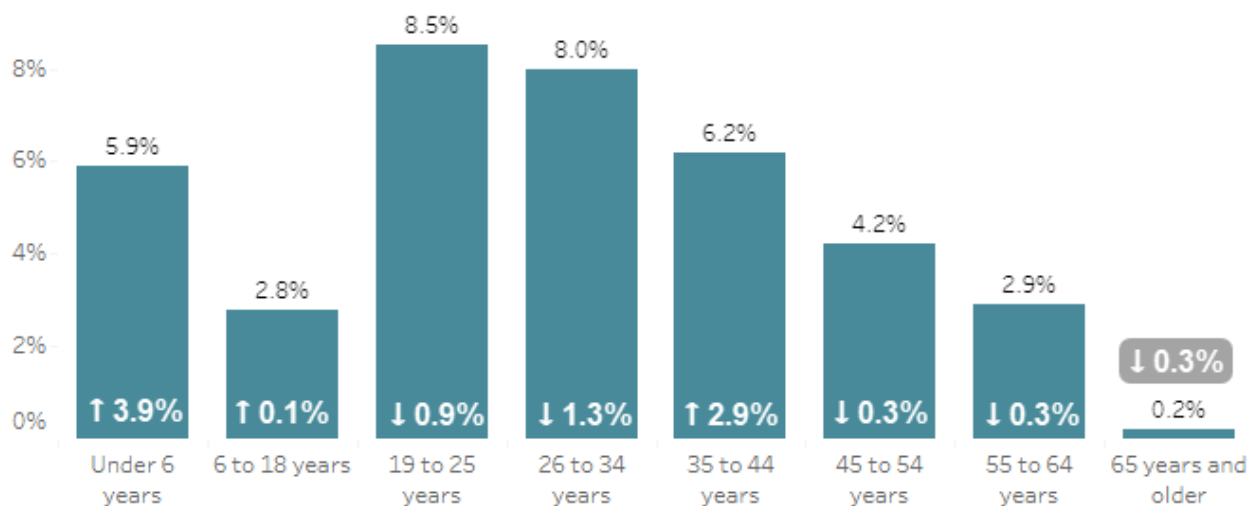


Source: American Community Survey

Health Uninsurance by Age Groups

Throughout the past decade, the age group of 19 to 25 consistently exhibits the highest uninsured rates within their respective cohort.³ However, the uninsured rate for the under 6 years of age population saw the largest increase from 2022, rising by nearly 4%.

Figure 4: Dakota County Health Uninsured Rates by Age Groups, 2023



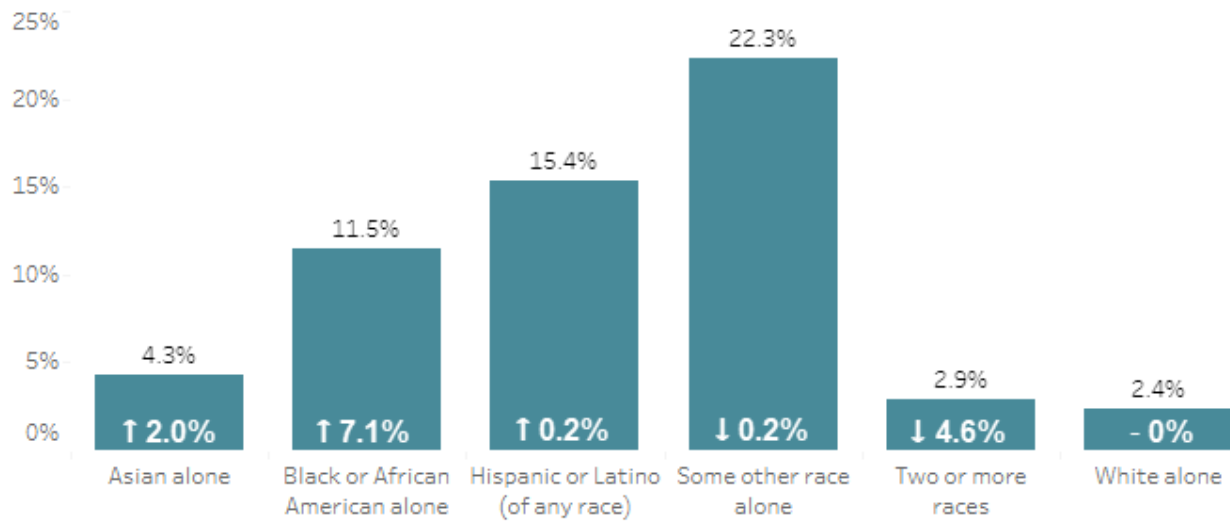
Source: American Community Survey

³ Trendline data is unavailable due to the numerous changes in age cohorts that have taken place over the past ten years.

Health Uninsurance by Race/Ethnicity

Over the last 10 years there has been a general improvement in health uninsurance rates across all races and ethnicities. In the last year, there was a notable increase in uninsured rates among the Black or African American population and a notable decrease among those who identify as two or more races.

Figure 24: Dakota County Uninsured Rates by Race and Ethnicity, 2023

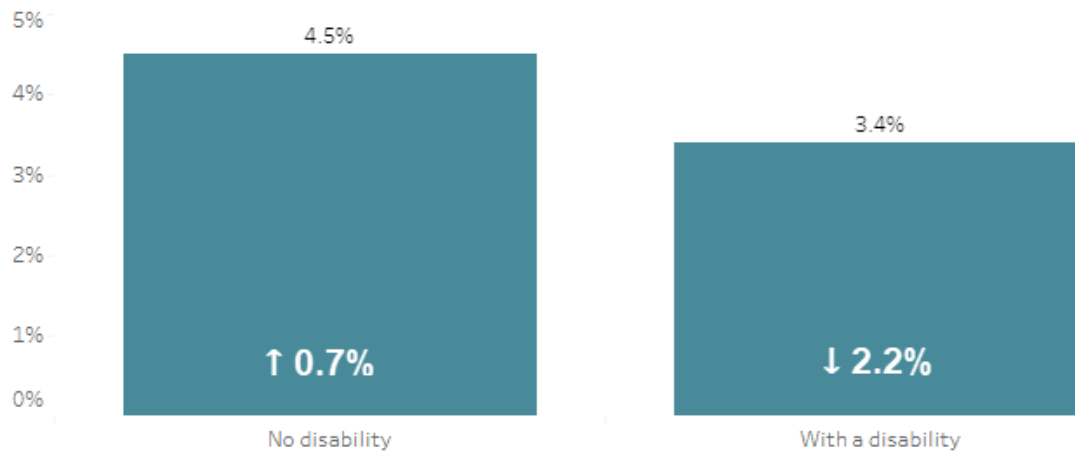


Source: American Community Survey

Health Uninsurance by Disability Status

The uninsured rate among individuals with a disability had historically stayed at or below 3% until 2021, when it surpassed 5.5%. Since 2022, the health uninsurance rate for those with a disability decreased to 3.4%.

Figure 25: Dakota County Uninsured Rates by Disability Status, 2023



Source: American Community Survey

Key Takeaways

- **By 2036, Dakota county will surpass Ramsey County to become the 2nd largest county in the State.**
- The Dakota County population is becoming more diverse.
- Households burdened by housing costs is an increasing issue for renters.
- Though both jobs and weekly wages in Dakota County are steadily increasing, the percent of jobs with wages above 200% of the Federal Poverty Guideline has declined since 2020.
- County unemployment rates have increased over the last year but continue to remain below State and national averages.
- Dakota County experienced marginal increase in overall health uninsurance rates.
 - Increases in the under 6 years of age and Black or African American populations
 - Decreases for individuals who identify as two or more races and those with a disability