This chapter gives an overview of the demographic, social and economic trends in Richfield. The goal of this chapter is to highlight and understand the characteristics and traits of the community. For example, the population and demographic trends are primary factors affecting the land use patterns of communities. The number of people, their age, the living arrangements in which they place themselves, the types of dwellings they choose to live in, and the places available to find employment, all play an important role in how much land and what type of services/programs are needed to accommodate their choices.

In studying the socioeconomic composition and history of Richfield’s population, the needs of the community can be more specifically and directly addressed. However, one of the frustrations in interpreting how demographic, social and economic changes will influence Richfield in the future is the age of the available data. The only comprehensive data available is information from the 2010 Census, data that is seven years old at the time of the updating of this plan. Although limited, the 2015 American Community Survey Five Year (2011 – 2015) Census estimates serve as an indicator of future influencing factors. These two data sources served as the primary inputs for this chapter.
**POPULATION OVERVIEW**

Richfield’s population steadily decreased between the 1990s and 2000s. This was a common trend for first-ring communities as populations moved to the outer-ring suburbs. Richfield also experienced a loss of housing units in the 1990s through airport and freeway/road expansions, which contributed to the population’s decline. Since that time, Richfield’s population has rebounded and now exceeds that of 1990s and continues to grow (see Figure 3-1). A large part of this growth is tied to a younger population and families moving back to the first-ring communities in order to be near key services and employment centers. These amenities are becoming more attractive and are drawing a diverse population back to the community. As part of this growth, Richfield is also projected to see an increase in households and jobs. These forecasts are discussed in greater detail in Chapter 1.

**Age Trends**

The age distribution of the people who live in Richfield and surrounding areas will have an important impact on land uses and services that current and future residents will demand. It is important to examine the age distribution of current Richfield residents, because they will demand certain types of housing as their age and family composition changes.

Richfield’s median age declined slightly from 37.1 to 36.8 between 2000 and 2015. This decrease suggests a younger population is moving into Richfield. Figure 3-2 highlights the shift between various age cohorts during this time period. The most notable change includes a younger population between the ages of 25 and 34. The City will watch with interest to see if the 2020 census numbers indicate that these residents are staying in Richfield. This would be visible with an increase in the population of 35-44 year olds. If this cohort remains smaller, it will be an indication of out-migration of this age group.

Despite the slight decrease in median age, Richfield has a substantial senior population. Over 15% of the population is over the age of 65, and it is assumed this population will increase over the next ten years as the subsequent age groups continue to age in place. As the population continues to age, needs such as healthcare, loss of mobility, financial concerns, and home maintenance will change, and new demands will be placed on the City of Richfield.
Minnesota’s population is changing and so is that of Richfield. In 2015, the largest groups of foreign-born Minnesotans were born in Mexico, Somalia, and India. In Minnesota, the Twin Cities captures roughly 80% of all immigration. However, the 2015 Census estimates counted over 332,500 immigrants in the Twin Cities suburbs and exurbs, more than the total living in the central cities and a 40% increase over 2000. The sidebar provides another glimpse into Minnesota’s growing diversity.

As a first-ring suburb, Richfield has seen significant increases in minority populations over the last two decades (see Figure 3-3). In 1990, 92% of Richfield identified themselves as “white only” (non-Hispanic/Latino). By 2015, 62% of Richfield’s population identified as “white only,” only slightly more than Minneapolis (60%). This trend is likely to be one of the defining elements of Richfield over the next decade. Richfield’s ethnic diversity will shape the City’s housing demands and the delivery of services, such as, recreation opportunities, multiple language materials and communications, school programming, and retail services. The following provides a snapshot into Richfield’s rich diversity:

» Richfield’s population continues to become increasingly diverse (see Figure 3-3). People of color represented 21.2% of the City’s population in 2000, an increase of almost 629% from 1980. This percentage continues to increase. In 2015, nearly 39% of resident’s identified themselves as a non-white racial/ethnic group.

» Every non-white racial/ethnic group experienced substantial growth as a percentage of the total population since 2000.

» In 2015, the Hispanic/Latino population was the largest racial minority comprising of 18% of the population. This represents almost a 200% increase since 2000.

» In 2015, 19.5% of Richfield’s population was foreign-born, an increase of 79.5% from 2000. Latin America, specifically Mexico, became the most common place of birth of the foreign-born population in 2015 (see Figure 3-4).

The increasingly diverse population has led to an increase in the number and variety of minority-owned businesses - providing a wider product selection and varied retail, restaurant, and service options that benefit the community. Richfield must continue efforts to embrace and engage its increasingly diverse population with new programs, events and services.

### Minnesota’s Changes in Race & Ethnicity

The following statements were listed on the Minnesota State Demographic Center’s website:

» In 1920, about 1 in 5 Minnesotans was foreign-born. In 2015, about 1 in 12 were (8.3%, or about 457,200 residents). Forty-nine percent of Minnesota’s foreign-born population are naturalized U.S. citizens.

» In 2015, the largest groups of foreign-born Minnesotans were born in Mexico (about 67,300); Somalia (31,400); India (30,500); Laos, including Hmong (23,300); Vietnam (20,200); China, excluding Hong Kong and Taiwan (19,900); Ethiopia (19,300); and Thailand, including Hmong (16,800). These estimates do not include U.S.-born children of these immigrants. They also likely underestimate the size of our immigrant populations because trust and language issues reduce response rates to Census surveys.

» 11.5% of Minnesotans (age 5+) spoke a language other than English at home. Behind English, the most common languages spoken are Spanish (about 193,600 speakers) and Hmong (56,200 speakers).

» In Minnesota, people of color (those who identify as a race other than White alone, and/or those who are Hispanic) make up 19% of the total population. Non-Hispanic White Minnesotans represent the remaining 81% of the statewide population.

» All race groups have grown recently in MN, but between 2010 and 2015, the state has added four times as many people of Color as non-Hispanic White residents. Populations of color are distributed unevenly across the state, and are more likely to live in metro areas than rural areas.

» Between 2010 and 2015, the fastest growing racial group in Minnesota was the Asian population, which grew by 22%, adding nearly 48,000 people. Second fastest was the Black population, which grew by 16%, adding 45,000 people, followed by the Hispanic population, which grew by 13%, adding 32,000 people. (Asian and Black race groups are that race “alone” and non-Hispanic).

Language Trends

The share of Richfield’s population that speaks a language other than English at home has increased. In 2000, 14% of the Richfield population was non-English speaking. By 2015, that percentage had nearly doubled to almost 26.4%. Compared to the percent of all Minnesotans that speak a language other than English at home (11% in 2015), Richfield stands out. In 2015, Spanish was the most commonly spoken language followed by several Asian languages.

School Enrollment Trends

School enrollment data is published annually and serves as another indicator of the community’s diversity (see Table 3-1) However, the Richfield school district includes the entire City and a small portion of Edina. Since the boundaries of the school district and the City vary slightly, school population characteristics are not a perfect indicator of trends specific to Richfield, but they are close enough to reflect general trends.

Enrollment at Richfield Schools has seen significant declines in past decades. In recent years, this trend has started to reverse. In the 2016 to 2017 school year, the enrollment population totaled 4,329 students, compared to 4,164 students in the 2005 to 2006 school year. The school population is heavily influenced by state and regional immigration trends. From 2005 to 2017, the Hispanic student population increased by 75%, while all other groups declined.

Table 3-1. School Enrollment and Racial Characteristics (Source: Richfield Public Schools)

<table>
<thead>
<tr>
<th>Year</th>
<th>Hispanic</th>
<th>Black</th>
<th>White</th>
<th>Total Minority</th>
<th>Total All</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2006</td>
<td>972</td>
<td>897</td>
<td>1,929</td>
<td>2,235</td>
<td>4,164</td>
</tr>
<tr>
<td>2016-2017</td>
<td>1,697</td>
<td>717</td>
<td>1,241</td>
<td>3,088</td>
<td>4,329</td>
</tr>
<tr>
<td>Percent Change</td>
<td>75%</td>
<td>-20%</td>
<td>-36%</td>
<td>28%</td>
<td>4%</td>
</tr>
</tbody>
</table>
HOUSEHOLD OVERVIEW

Between 2020 and 2040, Richfield is projected to add 800 new homes. The type of new housing will likely be market-driven and is constrained by the fact that the City is fully-developed; however, it is important to recognize that the changing demographics (e.g., age of population, family composition and income levels) in a city can influence the needs for housing types and values.

Family Composition

Family composition provides good information as to the type of housing that will be needed by current and future residents of Richfield. In most cases, the family composition in Richfield has stayed relatively the same between 2000 and 2015. The most notable change occurred in family households with no children, which experienced a 4% decrease and is paired with a slight increase in families with children (see Figure 3-5). The number of individuals living alone also experienced a notable increase of 3%. Richfield's average household size also slightly increased from 2.3 people per household in 2000 to 2.4 people per household in 2015. The City will need to continue to monitor these changes as households with children and households with individuals living alone present different demands for services and housing types.

Figure 3-5. Family Composition
Ownership vs. Rental

Richfield’s distribution of ownership and rental housing was well-established by the 1970s when the community became almost fully-developed (68% owner: 32% renter). That split has changed in recent years to 63% owner-occupied units and 37% renter-occupied units (see Figure 3-6). Since 2000, Richfield redevelopment efforts have resulted in a steady increase in rentals, for both seniors and the general population; 475 rental units were constructed between 2000 and 2015. This increase also reflects national trends that support a stronger rental market. The shift in demand has been linked to specific demographics such as the Baby Boomer generation who are downsizing and a younger population choosing to live in smaller units without the burden of a mortgage.

Not shown in these numbers is the racial disparity in owner- versus renter-occupied units. Of the owner-occupied units, 87% are owned by persons identifying themselves as white, non-hispanic/latino. Only 3.1% of homes are owned by persons identifying as black and only 3.9% as persons identifying as Hispanic or Latino. This compares to population percentages of 9% and 18% respectively.

Figure 3-6. Home Ownership vs. Rental

INCOME OVERVIEW

Income of the residents is one of the most important factors to consider when determining the demand and need for services and housing in a community. Evaluating income provides insight into the ability of residents to maintain and reinvest in their home and the type of homes they can afford to purchase or rent.

Median Household Income

In 2016, Richfield had a median household income of $65,642, which was below the median of the metropolitan area ($85,800), Hennepin County ($67,989), and the State of Minnesota ($63,217).

Poverty Level

There is also a relatively high percentage of residents who live in poverty. The 2014-2016 American Community Survey estimates that 11.5% of the residents in Richfield live in poverty, which is the third highest of the comparable cities; however, it is lower than Hennepin County’s poverty level at 11.9% and the Twin Cities’ at 21%. The percentage of Richfield households that receive public assistance is at 3.6% (2016), which ranks seventh compared to the similar cities. Once again, there is also a significant racial disparity hidden beneath the poverty number. Of Richfield’s white, non-Hispanic/Latino population, only 9.5% live at or below poverty level. Black and Hispanic/Latino populations experience poverty at much higher rates: 17.7% and 26.5%, respectively.

Housing Value

There are several methods to determine how Richfield’s housing values are holding up compared to other similar communities. Census values, sales prices and market value for taxes are all methods that measure the performance.
of a city related to home value. In all cases, Richfield is an affordable community when compared against the twelve similar cities.

The 2016 median value of an owner occupied housing unit in Richfield was lower ($188,100) compared to Hennepin County ($235,800) as a whole (see Figure 3-7: 2016 Census Estimates). When comparing the average median value of owner occupied housing units between 2010 and 2016, Richfield's average median value decreased by 24%. Hennepin County also experienced a decrease of 5% during this timeframe. This decrease across the region reflects a housing market that has been recovering from the economic downturn in 2008.

Census estimates are not a true reflection of the current housing market in Richfield. Since the economic downturn, Richfield's housing value has steadily increased. In 2017, Richfield maintained an average median market value compared to similar communities in the metro. According to North Metro Realtor Association data, the 2017 median sales price of a single-family home in Richfield was $235,700 (see Figure 3-8). This is a 26% increase since 2013, which was at $174,950.
HOUSING AFFORDABILITY

Richfield is predominantly an affordable community in both its owner- and renter-occupied housing. According to Met Council calculations, 92% of all Richfield housing units are considered affordable to households earning no more than 80% of the Twin Cities AMI, which was $65,700 for a family of four in 2016. The number of units affordable to households earning between 31 and 50% of the AMI ($25,751 - $42,900) drops significantly to 26%. Richfield housing affordable to households earning less than $25,750 for a family of four falls to 6%. Breaking down affordability between owners and renters, a greater percentage of rental units (63%) are affordable at less than 50% of the AMI than owner-occupied units (14%).

Compared to the twelve similar cities, Richfield ranks fifth in the number of units affordable to households earning less than 80% of the AMI.

Housing Cost Burden

While a large proportion of Richfield’s housing stock qualifies as affordable to low and moderate income households, Richfield has a significant number of households for whom their housing is still unaffordable. Households that experience this housing cost burden are less likely to have additional income for meeting basic needs (e.g., medical expenses, transportation costs and purchasing groceries). A housing cost burden is defined as a household that spends 30 percent or more of its income on housing costs.

Richfield ranked fourth amongst the twelve communities when comparing the number of households experiencing a housing cost burden. In Richfield, 4,603 of the households experienced a housing cost burden in 2013 (see Table 3-2).

This means that 29% of the City’s households spent more than 30% of their income on housing. For more information regarding Richfield’s housing information, please reference the Housing Chapter.

An awareness of the high percentage of the population with lower incomes and households who are experiencing a housing cost burden is important as the City considers policies and programs. For example, the City will need to continue to provide assistance for home renovation for the lower income households, as well as promote and support new housing options in redevelopment areas to build the market base of the city, and provide additional housing options for medium and higher income people.

Table 3-2. Households with a Housing Cost Burden (Source: Met Council)

<table>
<thead>
<tr>
<th>Income at or below 30% of AMI (Extremely Low Income)</th>
<th>Income 31% to 50% of AMI (Very Low Income)</th>
<th>Income 51% to 80% of AMI (Low Income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,267</td>
<td>1,532</td>
<td>804</td>
</tr>
</tbody>
</table>

Note: Housing cost burden refers to households whose housing costs are at least 30% of their income. Data is based on the U.S. Department of Housing and Urban Development, 2009-2013 Comprehensive Housing Affordability Strategy (CHAS) data, with counts adjusted to better match Metropolitan Council 2015 household estimates.
Job Growth and Economic Base

The number of jobs in Richfield increased by more than 12.5% between 2010 and 2015 (see Table 3-3). The majority of these jobs are within the Management of Companies and Enterprises (22.6%); Real Estate, Rental and Leasing (17.5%); and, Finance and Insurance (13.5%) sectors. Richfield’s recent job growth during this time is also reflected in its unemployment rate; unemployment has decreased from 6.9% to 3.1%.

As older areas in the City are redeveloped, there will be additional opportunities to add jobs as well as new housing. Per Metropolitan Council forecasts, Richfield is expected to add 900 new jobs between 2020 and 2040. The additional jobs will provide employment opportunities for existing residents and those who might consider moving to the city. With Richfield’s proximity to Minneapolis, there is a great potential for access to labor needed to attract quality business development.

### Table 3-3. Jobs by Industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>2010</th>
<th></th>
<th>2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Employees</td>
<td>% of Total</td>
<td>Number of Employees</td>
<td>% of Total</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>1,338</td>
<td>9.2%</td>
<td>1,264</td>
<td>7.7%</td>
</tr>
<tr>
<td>Administrative and Waste Services</td>
<td>489</td>
<td>3.4%</td>
<td>376</td>
<td>2.3%</td>
</tr>
<tr>
<td>All Other Industries</td>
<td>145</td>
<td>1.0%</td>
<td>810</td>
<td>4.9%</td>
</tr>
<tr>
<td>Arts, Entertainment, &amp; Recreation</td>
<td>71</td>
<td>0.5%</td>
<td>91</td>
<td>0.6%</td>
</tr>
<tr>
<td>Construction</td>
<td>613</td>
<td>4.2%</td>
<td>366</td>
<td>2.2%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>1,050</td>
<td>7.2%</td>
<td>1,322</td>
<td>8.1%</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>344</td>
<td>2.4%</td>
<td>2,209</td>
<td>13.5%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>1,624</td>
<td>11.2%</td>
<td>1,611</td>
<td>9.8%</td>
</tr>
<tr>
<td>Information</td>
<td>292</td>
<td>2.0%</td>
<td>78</td>
<td>0.5%</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>3,598</td>
<td>24.8%</td>
<td>3,707</td>
<td>22.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>0.0%</td>
<td>75</td>
<td>0.5%</td>
</tr>
<tr>
<td>Other Services and Ex. Public Admin</td>
<td>790</td>
<td>5.4%</td>
<td>533</td>
<td>3.3%</td>
</tr>
<tr>
<td>Professional and Technical Services</td>
<td>1,150</td>
<td>7.9%</td>
<td>391</td>
<td>2.4%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>363</td>
<td>2.5%</td>
<td>383</td>
<td>2.3%</td>
</tr>
<tr>
<td>Real Estate, Rental, &amp; Leasing</td>
<td>184</td>
<td>1.3%</td>
<td>291</td>
<td>1.8%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>2,031</td>
<td>14.0%</td>
<td>2,865</td>
<td>17.5%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>56</td>
<td>0.4%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>387</td>
<td>2.7%</td>
<td>0</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>14,525</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>16,372</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

"Table 3-3. Jobs by Industry"
IMPACTS OF DEMOGRAPHIC, SOCIAL AND ECONOMIC TRENDS

Richfield is about people. People live, play, work, and shop in the community. Therefore, the characteristics of the people in Richfield heavily influence future development patterns and the physical form of the community. Income levels have a direct correlation to transit use. Family and household characteristics correlate to consumer demand for specific housing types. Changes in the racial/ethnic composition of the community impact the delivery of services and recreational demand. Observations from the trend data presented in this section, as well as later in the housing section of the plan include:

» Richfield’s population continues to become more diverse. This trend is likely to influence housing, transportation, and the delivery of government services over the next 10 to 20 years.

» Richfield household incomes remain below regional and statewide averages. Affordable housing will continue to be a significant issue in the community and transit alternatives will become increasingly important. The addition of move-up housing will also remain important to attracting and retaining a population with a diverse range of incomes.

» The information on population and households depict a pattern of families without children and those living alone. Housing patterns also suggest an increase in rental versus ownership. These trends will have a direct impact on land use, housing and transportation.

» Like most communities, Richfield has a substantial senior population. As the population ages and households become smaller, the demand for new housing will have a focus on attached units. This trend could bode well for Richfield because future redevelopment is likely to include only multi-family housing. The aging of the population combined with high energy costs and increasing environmental awareness will increase the demand for transit.

» Even if Richfield grows to an excess of 37,700 people by 2040, the impact on school enrollment will not be profound. Due to the aging of the population and the types of units likely to be built as part of redevelopment efforts, significant numbers of households with children are not likely to be part of the mix. Energy costs combined with higher density household growth is likely to emphasize the need for walkable development patterns that provide convenient access between homes, businesses and parks.

» According to 2012-2016 ACS estimates, nearly 12% of Richfield’s population indicates that they experience “functional difficulties” related to one of the following: hearing, vision, cognitive, ambulatory, self-care, or independent living. Much of Richfield’s housing stock and infrastructure is older and is not accessible to this segment of our population. The City has significant work to do to understand the needs of this population and the tools available to help meet these needs.