

The Brookings Institution

Metropolitan Policy Program
Robert Puentes, Fellow



A Review of New Urban Demographics and Impacts on Housing

National Multi Housing Council Research Forum

March 26, 2007

St. Louis, MO



A Review of New Urban Demographics and Impacts on Housing

CONTEXT FOR THE DISCUSSION



Five broad demographic trends

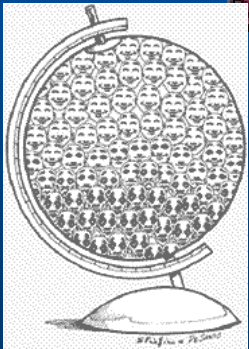
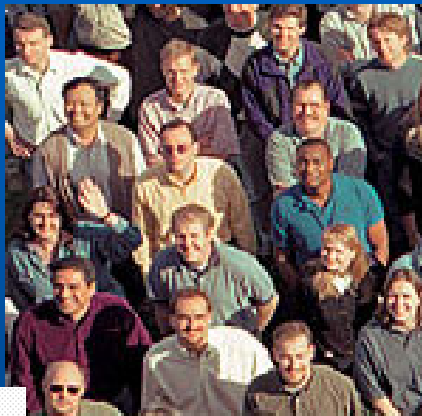


Affect of those trends on metropolitan areas



Thoughts on metropolitan housing demand

Profound demographic, economic, social, and cultural forces are reshaping the nation



Demographically, the country is growing, aging, and diversifying.

Economically, the nation is being transformed by globalization, deindustrialization, and technological innovation.

Culturally, the nation is changing its attitude towards cities and urban living.

The result: Cities and first suburbs have an opportunity to attract and retain young professionals, childless couples, baby boomers, new immigrants and the assets of the knowledge economy





A Review of New Urban Demographics and Impacts on Housing

Context for the discussion



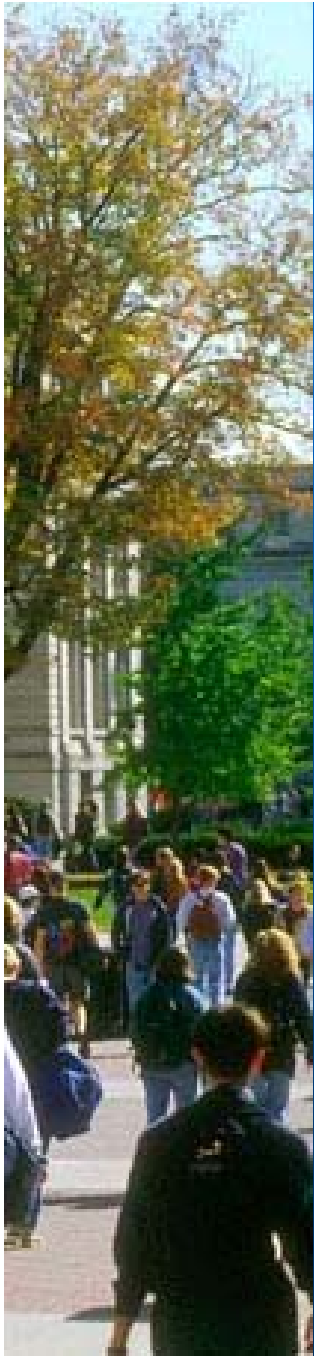
FIVE BROAD DEMOGRAPHIC TRENDS



Affect of those trends on metropolitan areas



Thoughts on metropolitan housing demand



Population Growth



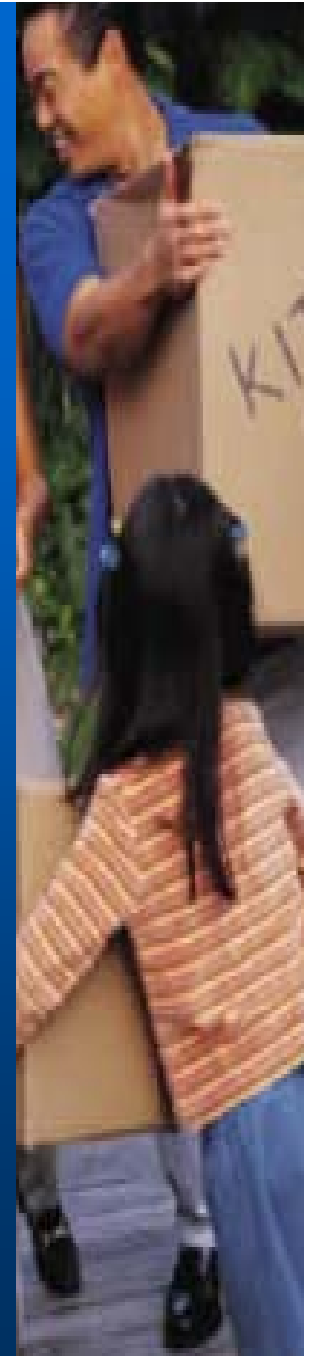
Immigration



Aging



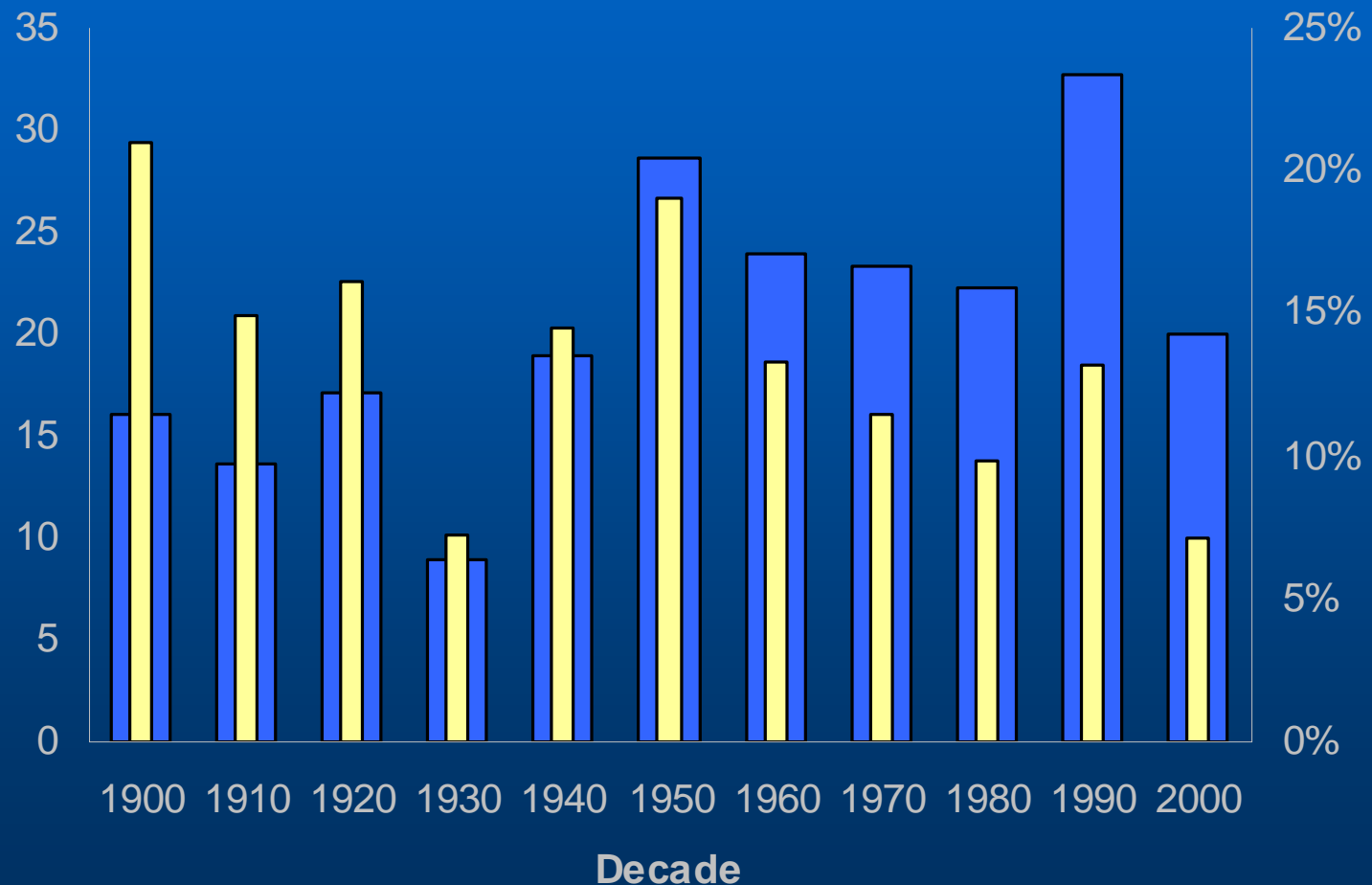
Household
Formation



Internal Migration

The 1990s presented the strongest growth in four decades. And it continues through the current decade.

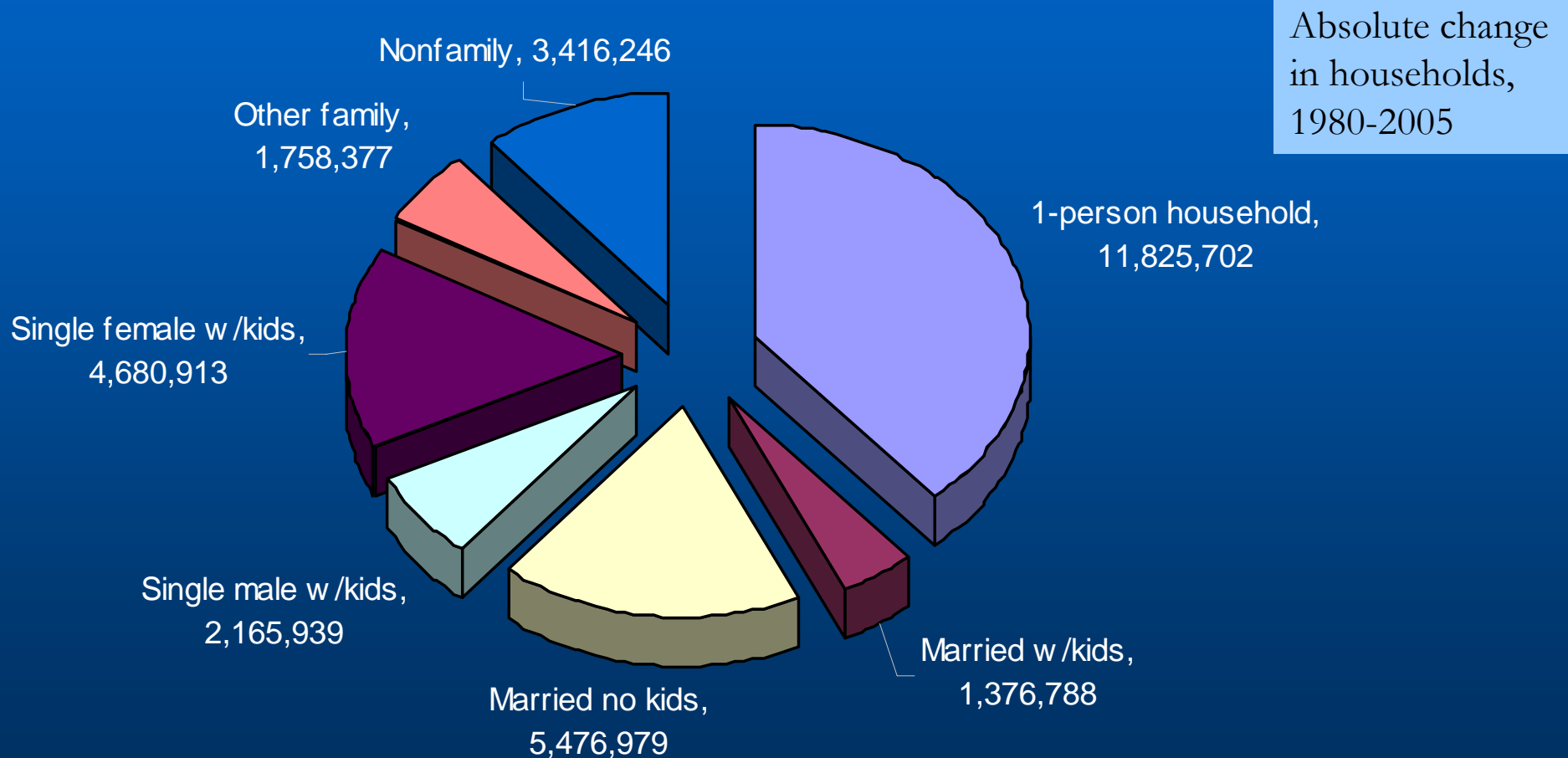
US
population
growth
1900-2007



Source: Census

■ Numerical increase (in millions) ■ Percent Increase

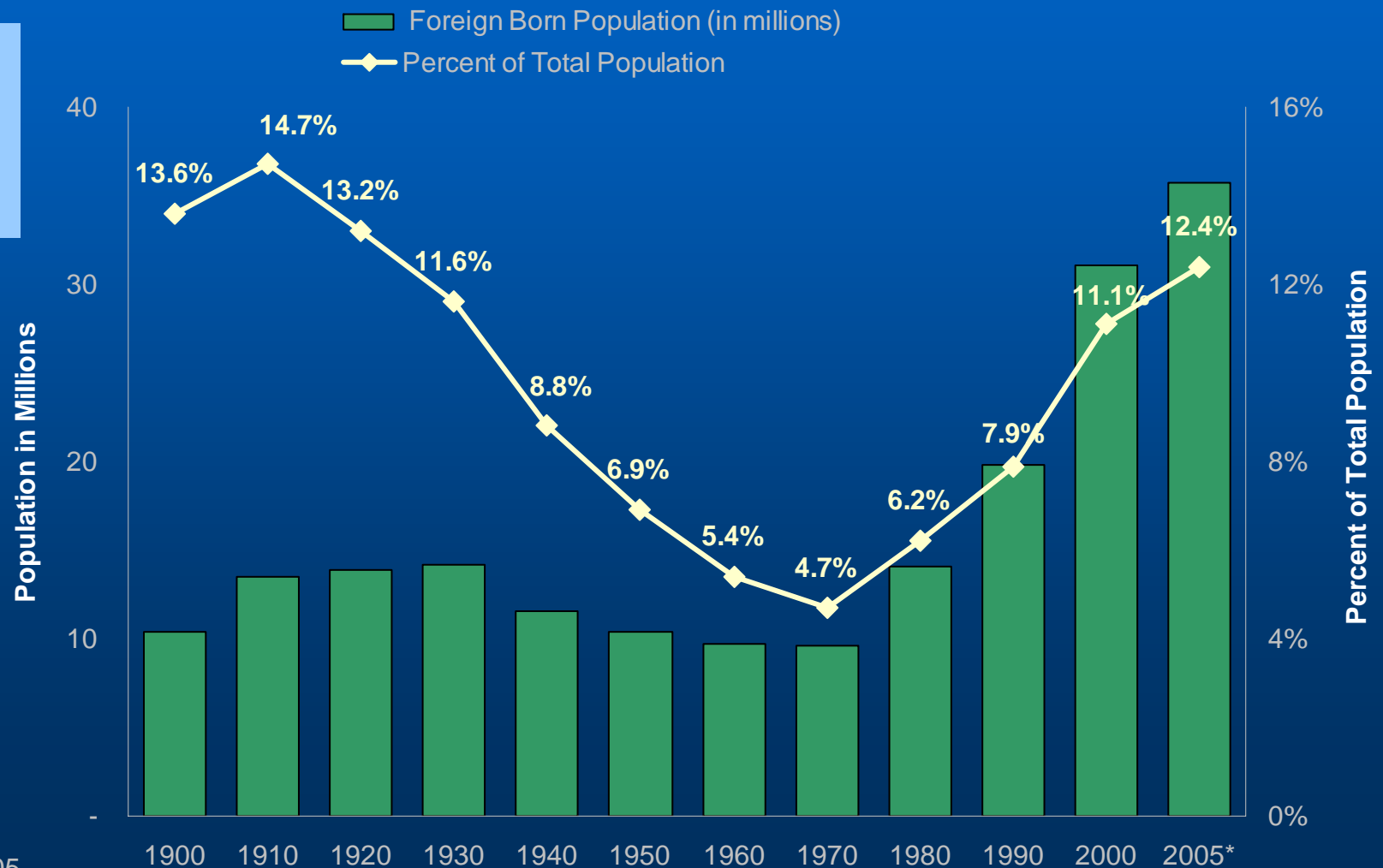
Single person households made up -- by far -- the largest increase in household type since 1980.



Source: Frey and Berube, 2003 and updated

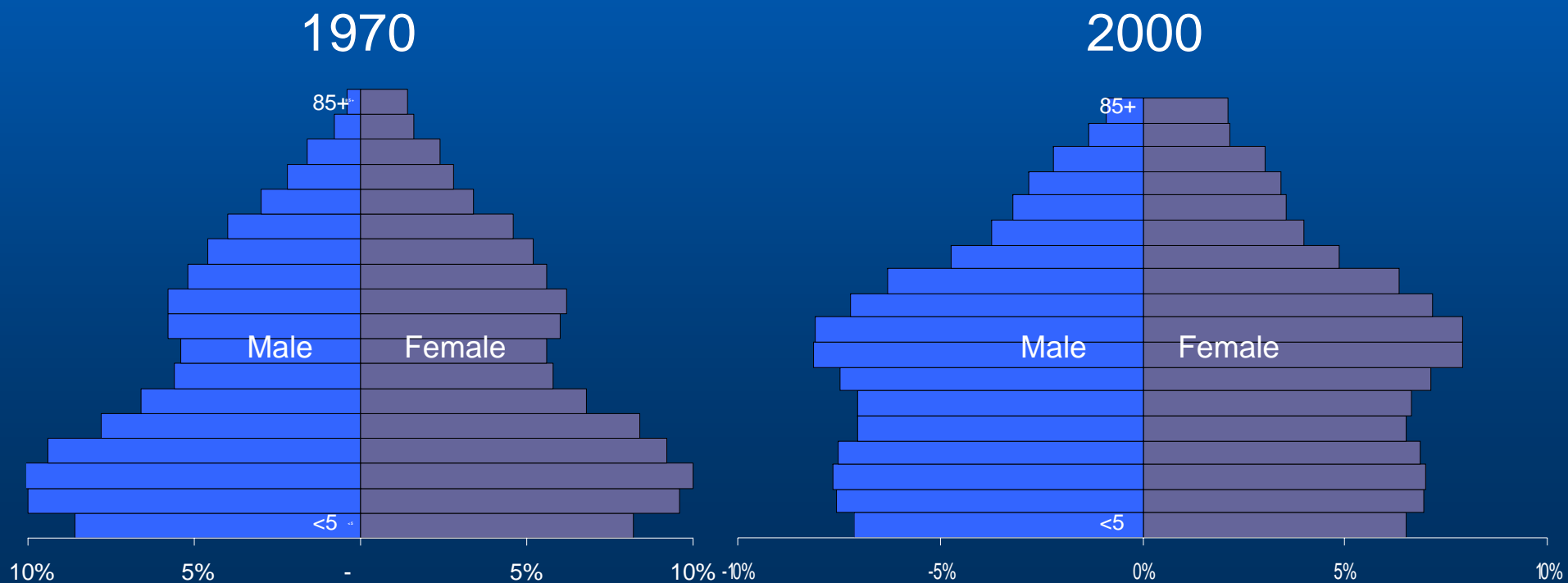
Despite a decade of rapid immigration, the share of the U.S. population that is foreign-born is lower now than in the 1900s

Total foreign-born and percent, 1900-2005



At the same time, the U.S. population is aging rapidly.

US Age
Distribution,
1970 vs. 2000

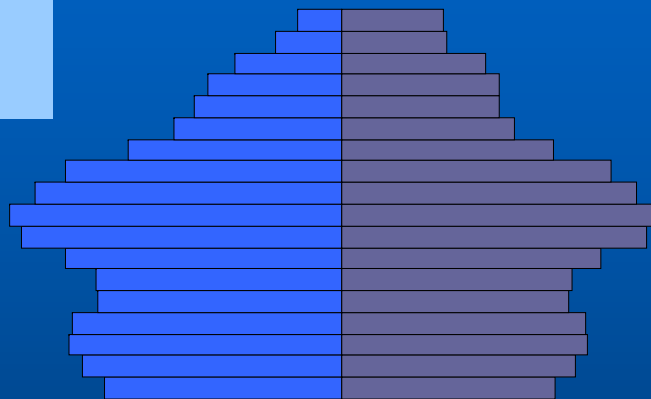


Source: Census

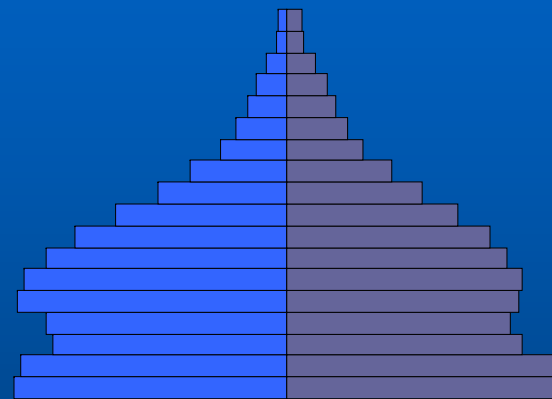
Minorities, however, have younger age structures than whites, and differences will become more pronounced

US Age
Distribution

Non-Hispanic White

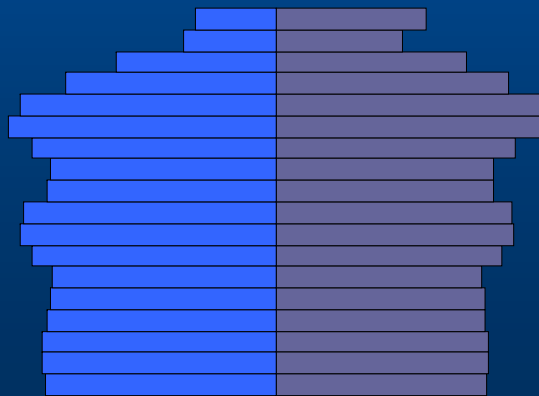


Hispanic

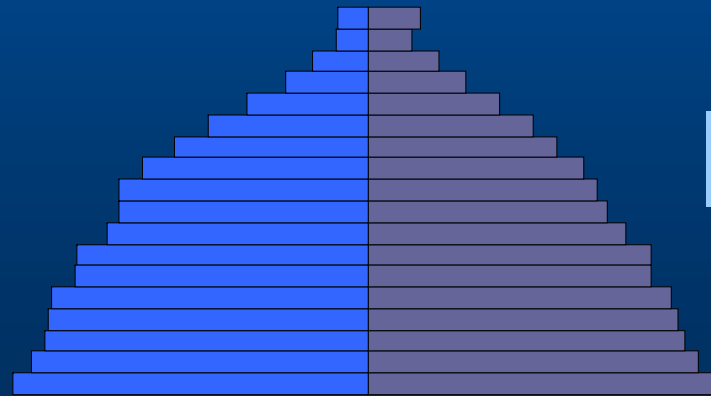


2000

Non-Hispanic White



Hispanic



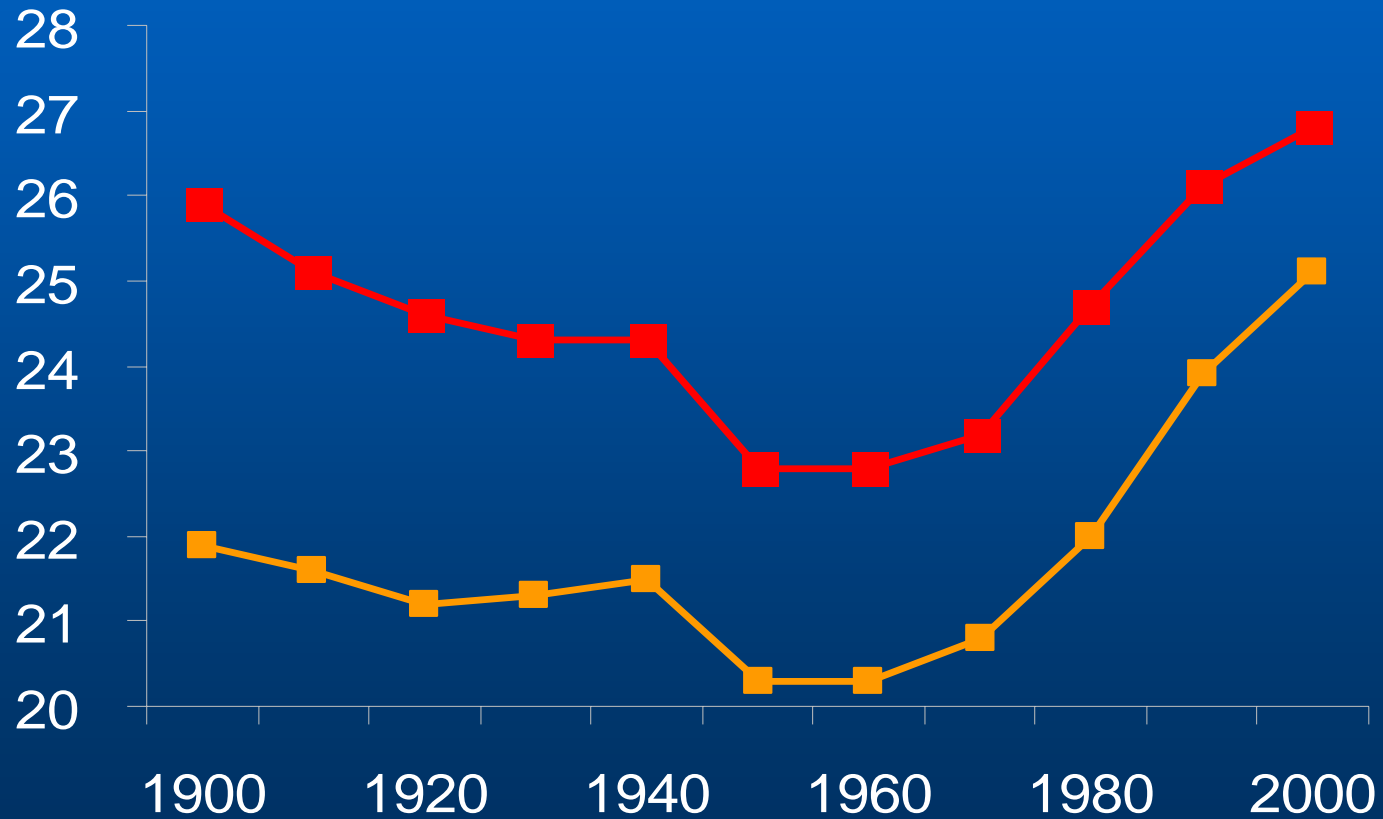
2025

Demographic change is also being driven by couples delaying marriage and having fewer children

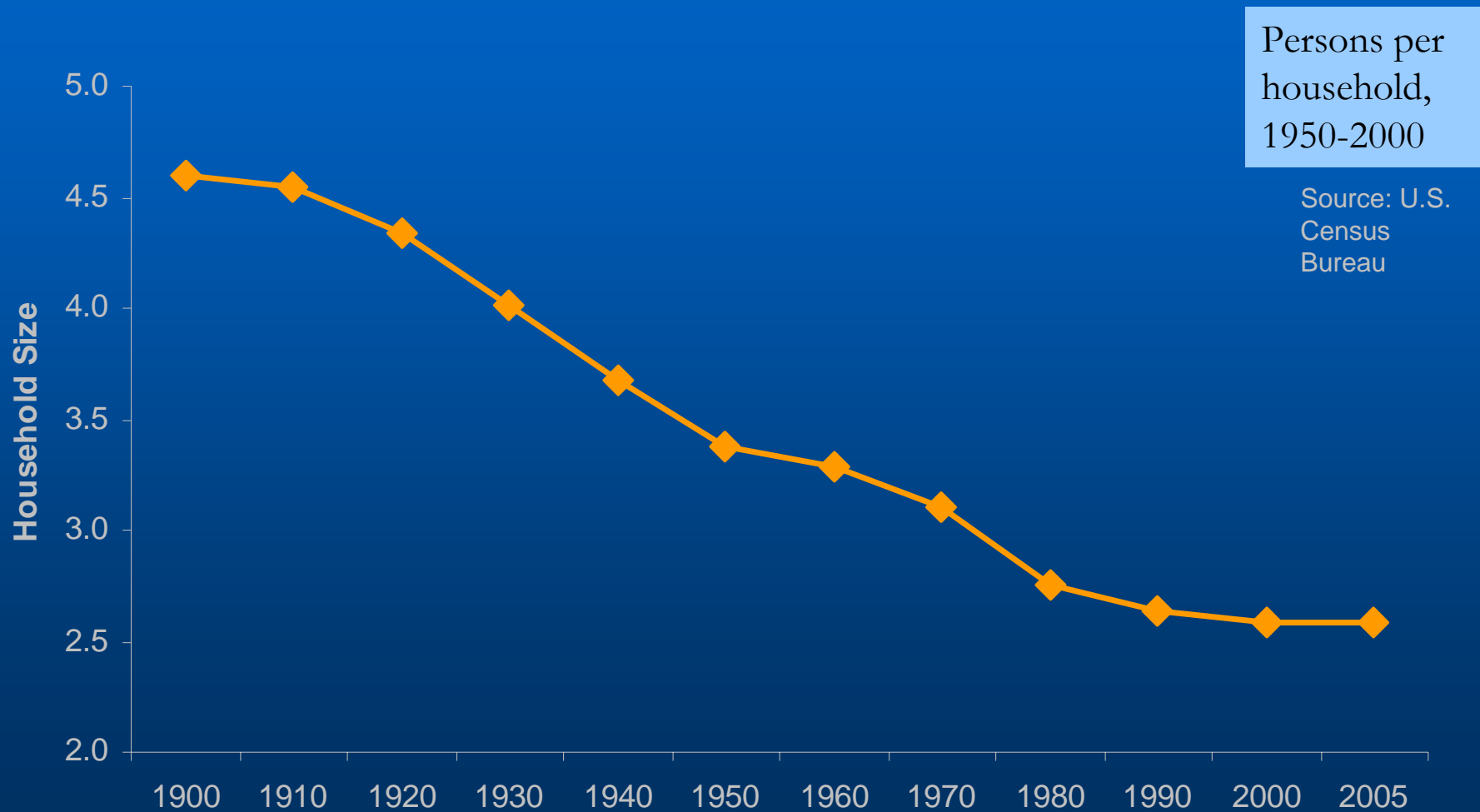
Men Women

Age at first
marriage,
1900-2020

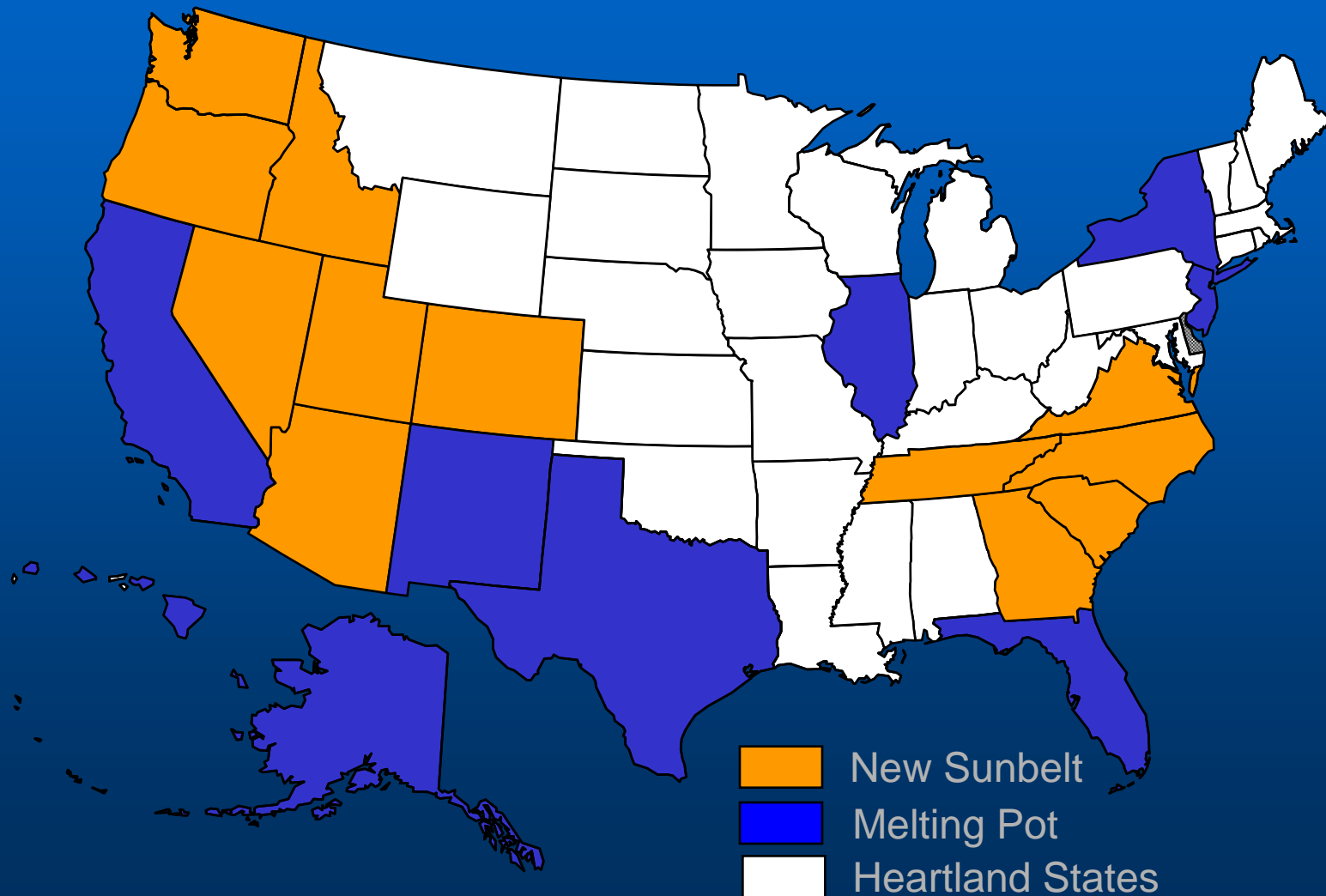
Source:
U.S. Census Bureau



As men and women are delaying marriage and having fewer children, household size is declining

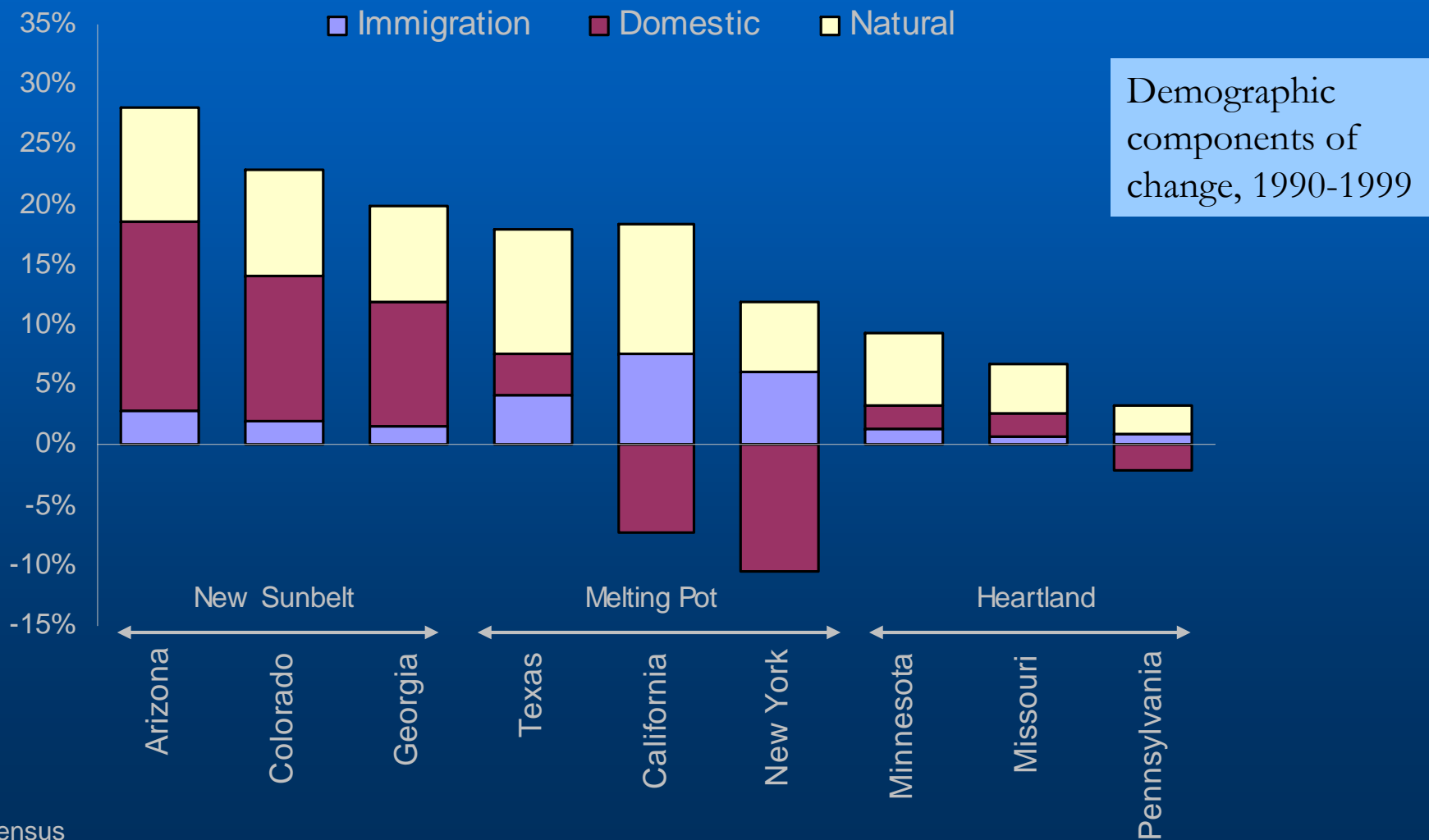


The demographic components of change reveal increasingly sharp differences between states.



Source: Frey, 2002

The demographic components of change reveal increasingly sharp differences between states.





A Review of New Urban Demographics and Impacts on Housing

Context for the discussion



Four broad demographic trends



AFFECT OF THOSE TRENDS ON METROPOLITAN AREAS



Thoughts on metropolitan housing demand



City resurgence



Uneven growth



Racial diversity



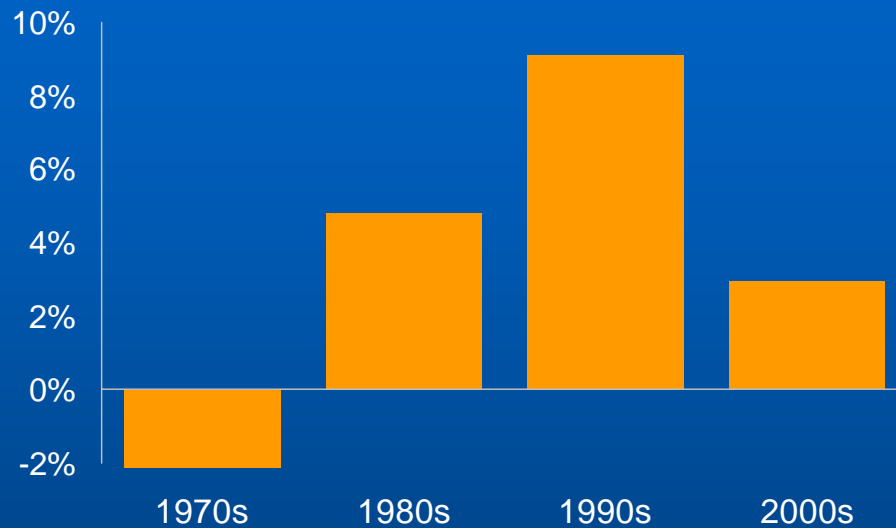
Job sprawl



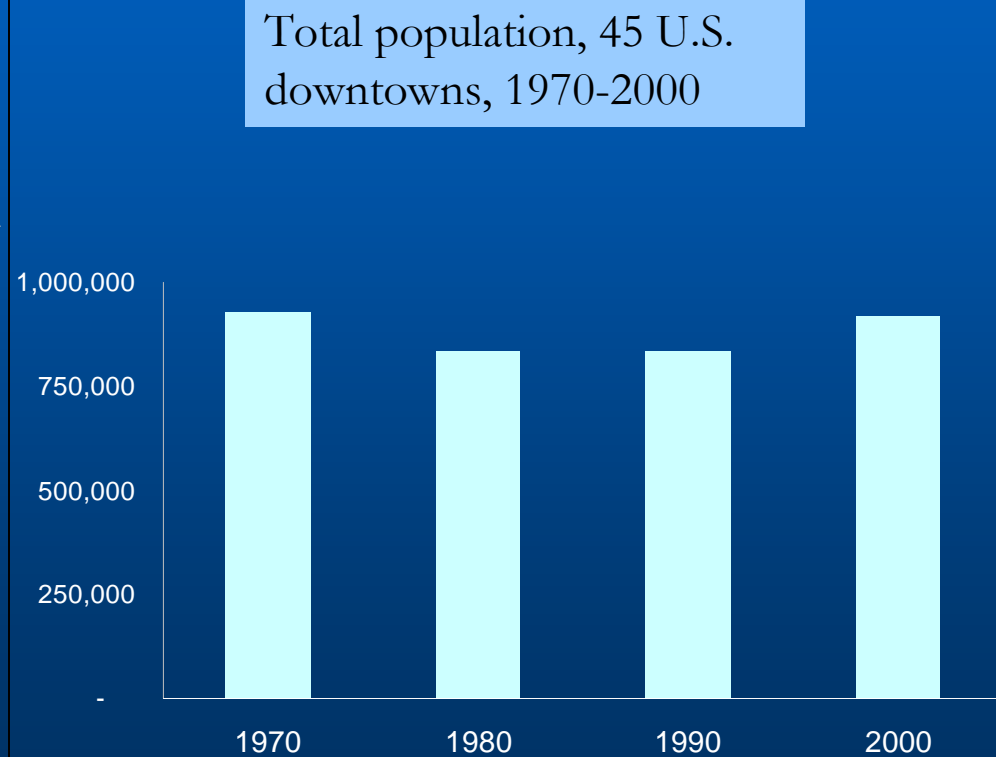
Geography of poverty



Recent demographic and market changes have already led to a surge of population in cities and downtowns.



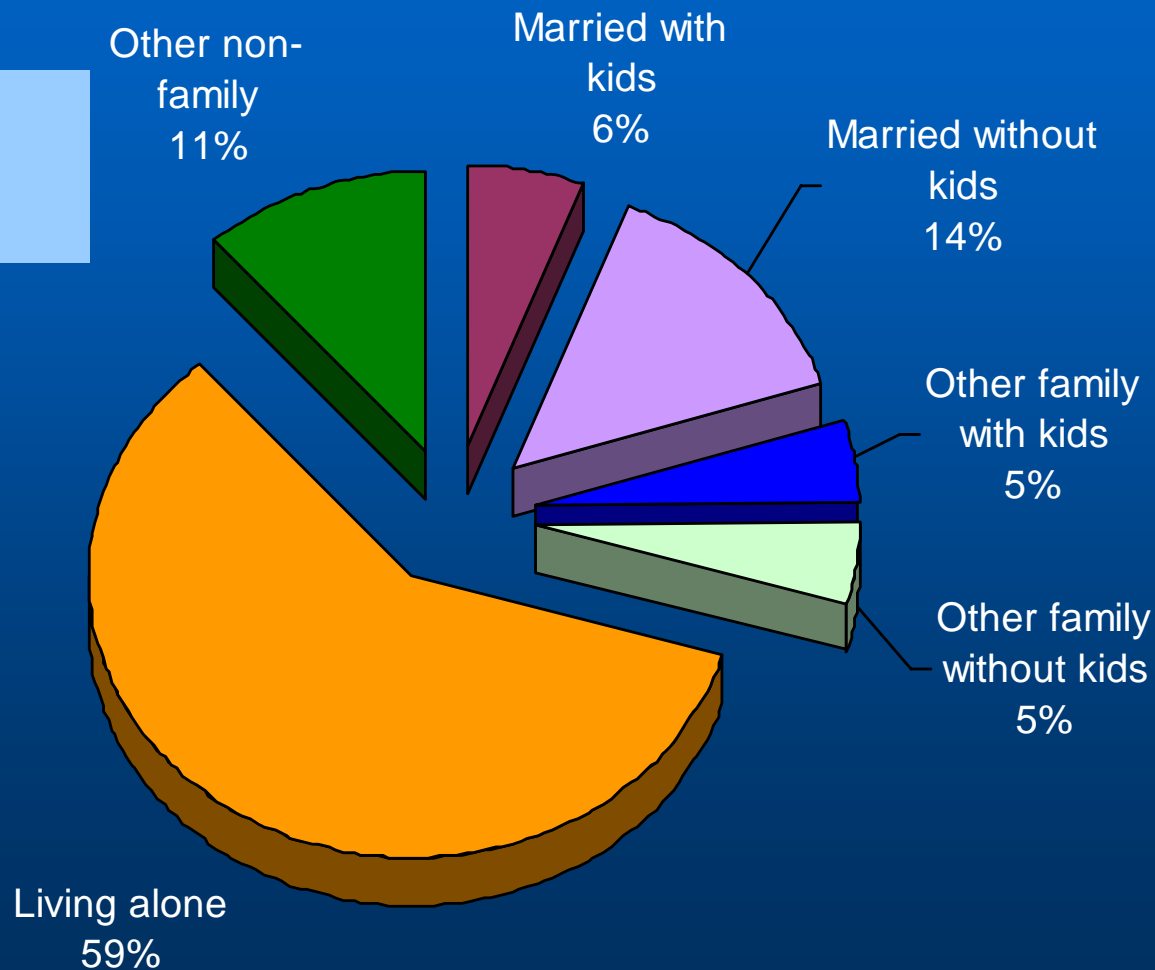
Population growth in 50 largest cities, 1970-2005



Total population, 45 U.S. downtowns, 1970-2000

The majority of downtowners in 2000 lived alone; the next largest group contained young couples and “empty nesters”

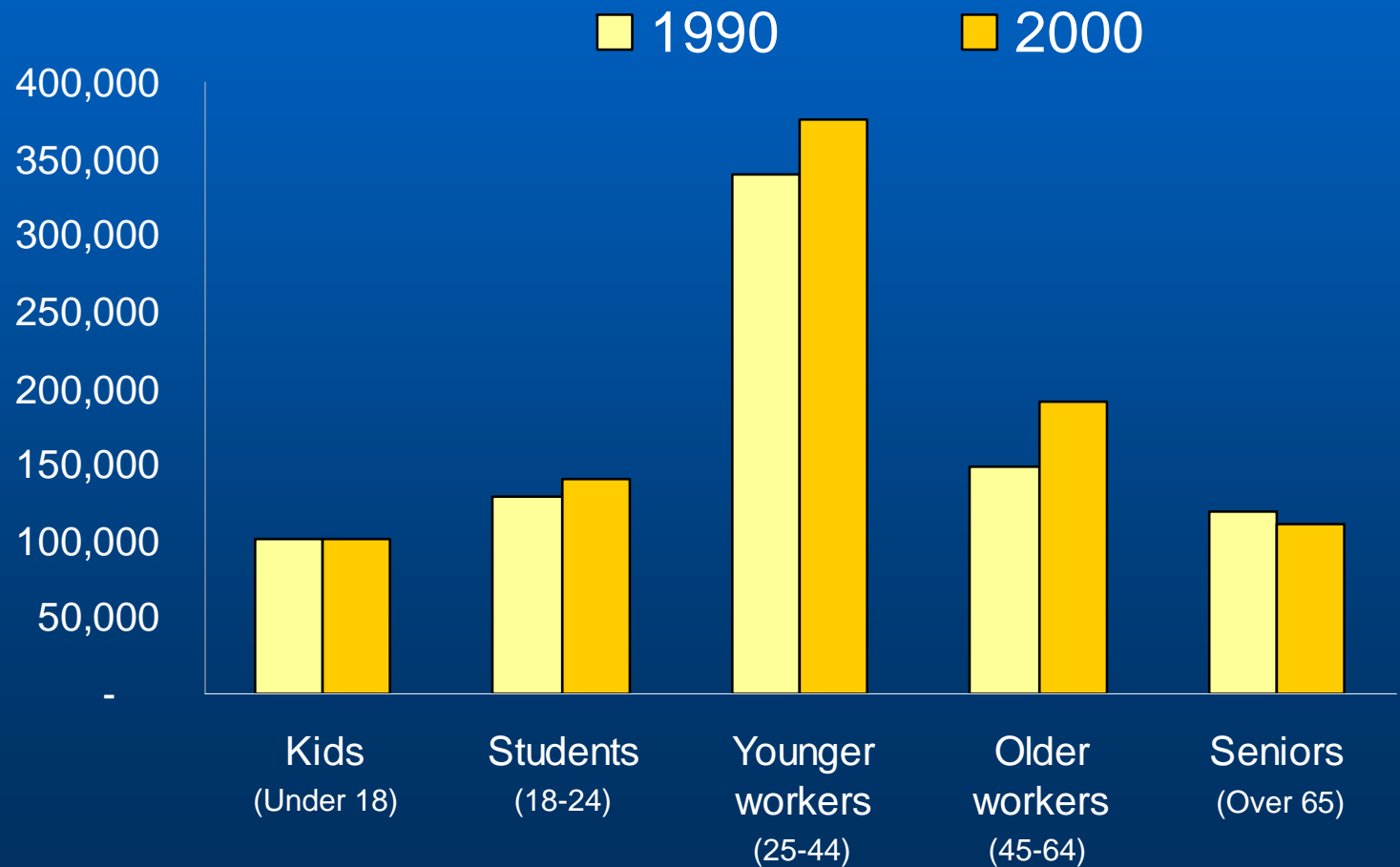
Downtown
households by
type, 2000



Younger workers (age 25-44) form the largest number of downtowners, but older workers (age 45-64) are catching up

Downtown
residents by age,
1990-2000

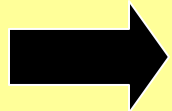
Source:
Birch, 2005



The primary determinant for how a city grows is based on the metropolitan area it is in.

City Category	Number of Cities	City Population Change	Metro Population Change
Rapid Growth (over 20%)	18	31%	26%
Significant Growth (10 to 20%)	23	15%	22%
Moderate Growth (2 to 10%)	33	6%	13%
No Growth (-2 to 2%)	6	0%	11%
Loss (below -2%)	20	-7%	6%

City resurgence



Uneven growth



Racial diversity



Job sprawl

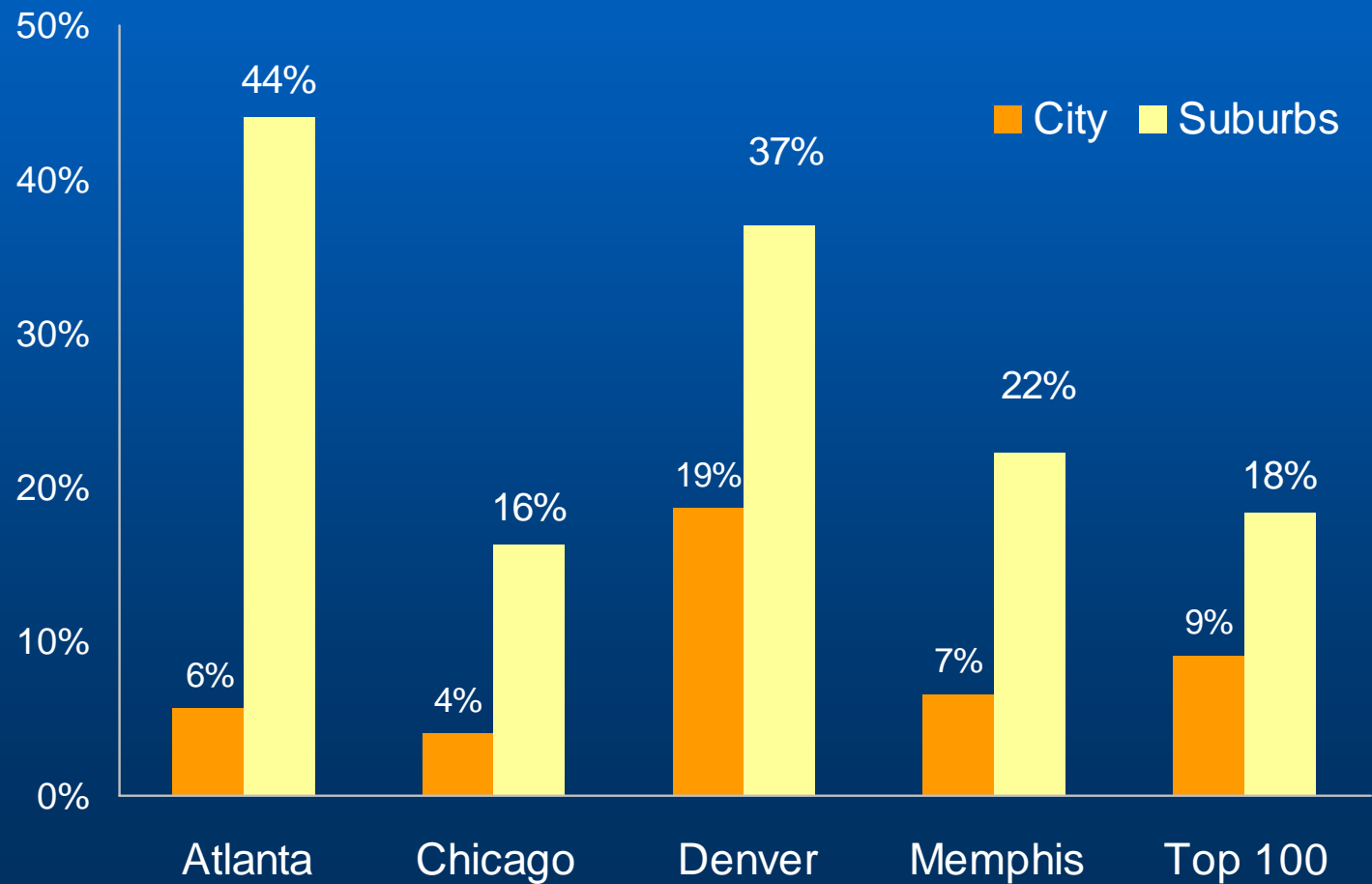
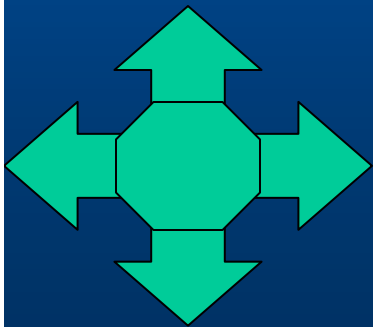


Geography of poverty



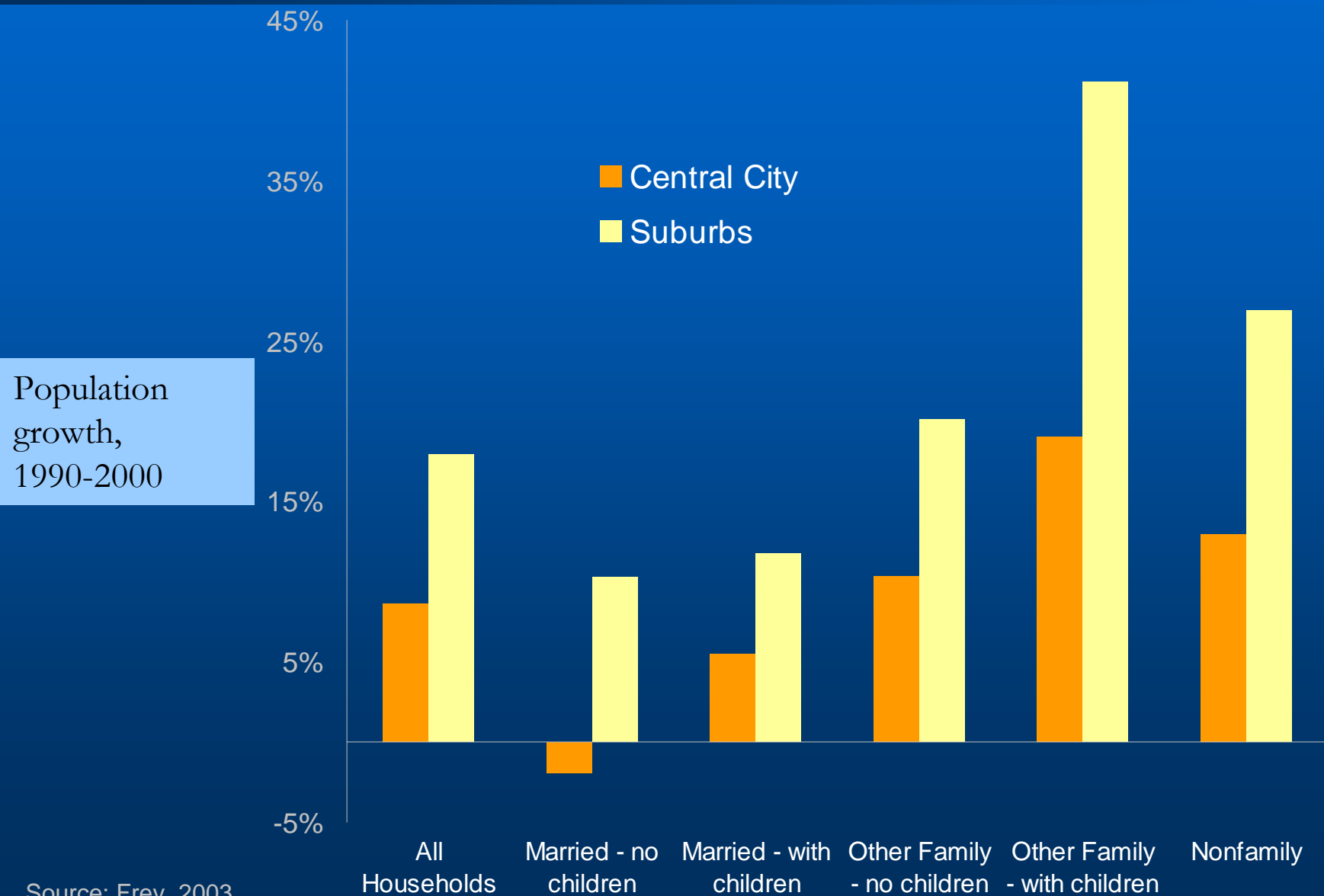
Population is continuing to decentralize in nearly every U.S. metropolitan area

Selected cities and suburbs, population growth 1990-2000



Source: Census

Every household type grew at faster rates in the suburbs than in cities



While many cities are healthy and vibrant, others are not

Nearly 17
million
Americans live
in a “weak
market” city

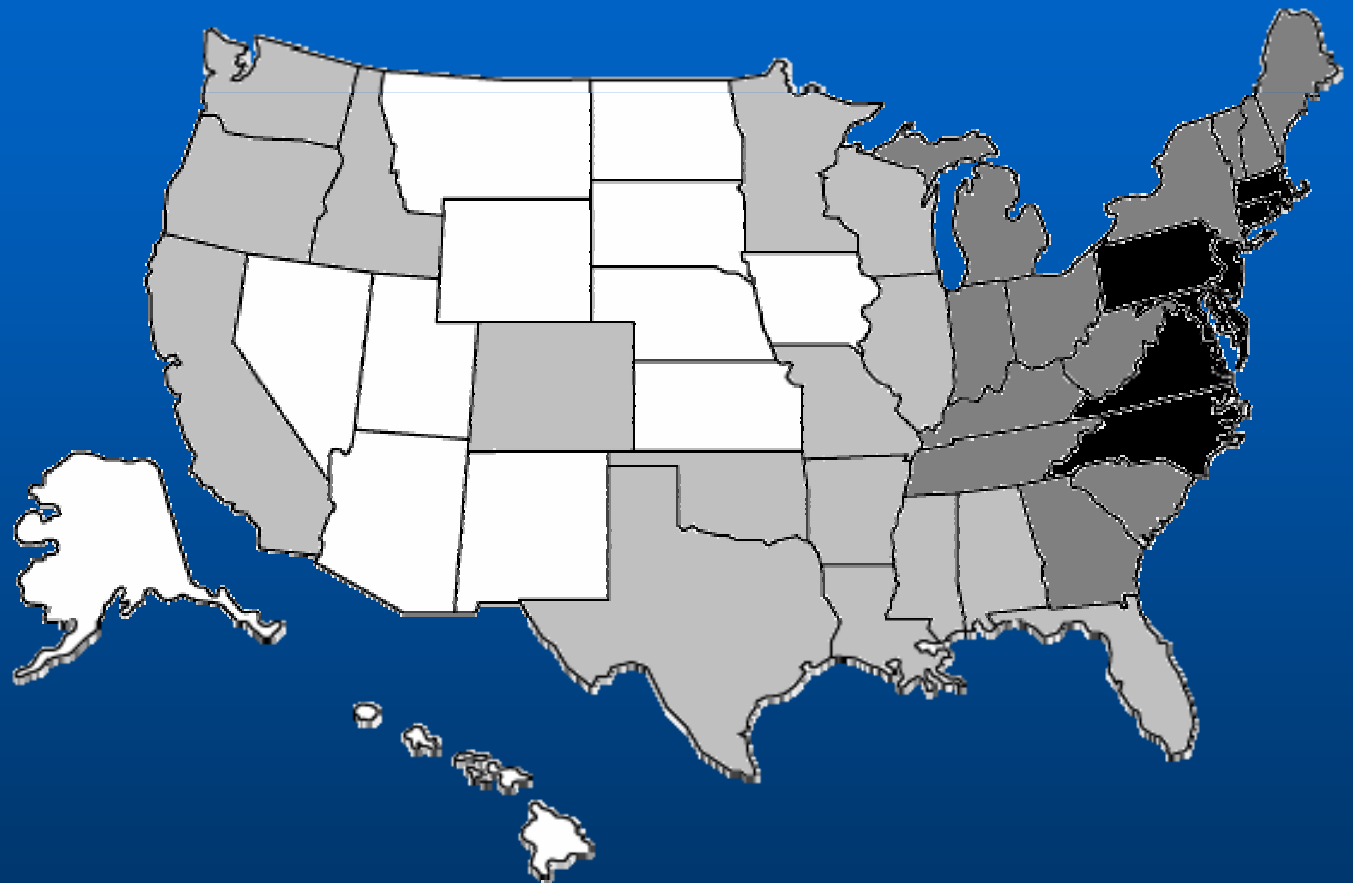
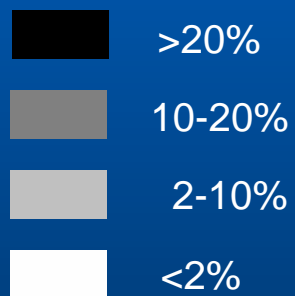
Source: Wolman and
Furdell, George
Washington University



Weak market cities rank in the bottom 3rd across a range of economic indicators (ex. unemployment, poverty, income)

From 1980 to 2000 the states with the highest rate of rural land loss were concentrated in the Northeast and Mid-Atlantic.

Loss in develop-
able rural land,
1980-2000



Source: Theobald, 2005

City resurgence



Uneven growth



Racial diversity



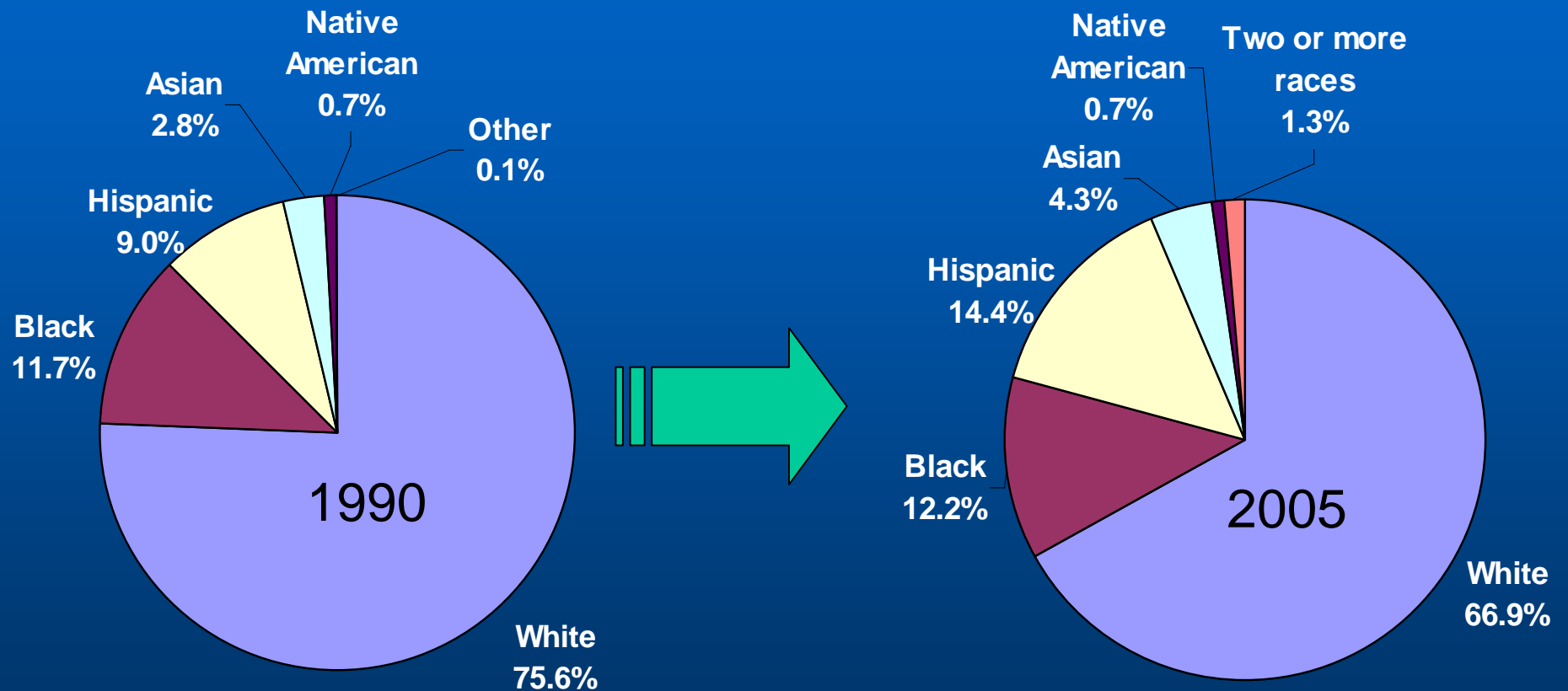
Job sprawl



Geography of poverty



The country is becoming increasingly diverse



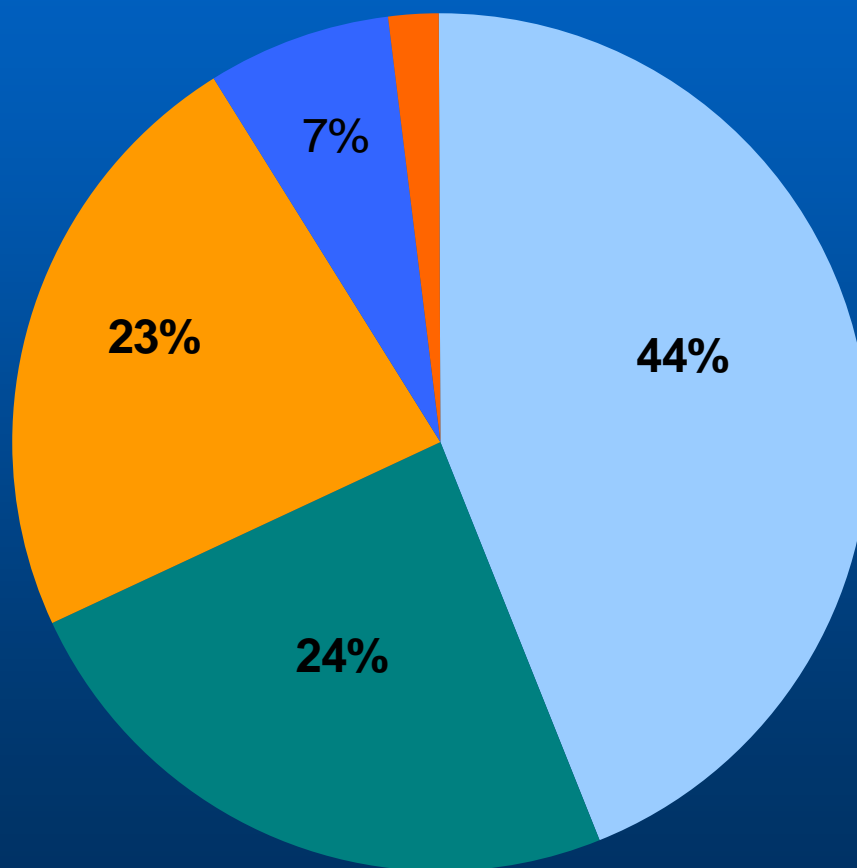
Share of population by race/ethnicity,
1990 and 2005

Source: U.S. Census Bureau

In aggregate, the racial makeup of the 100 largest cities has shifted. The top hundred cities are now majority minority

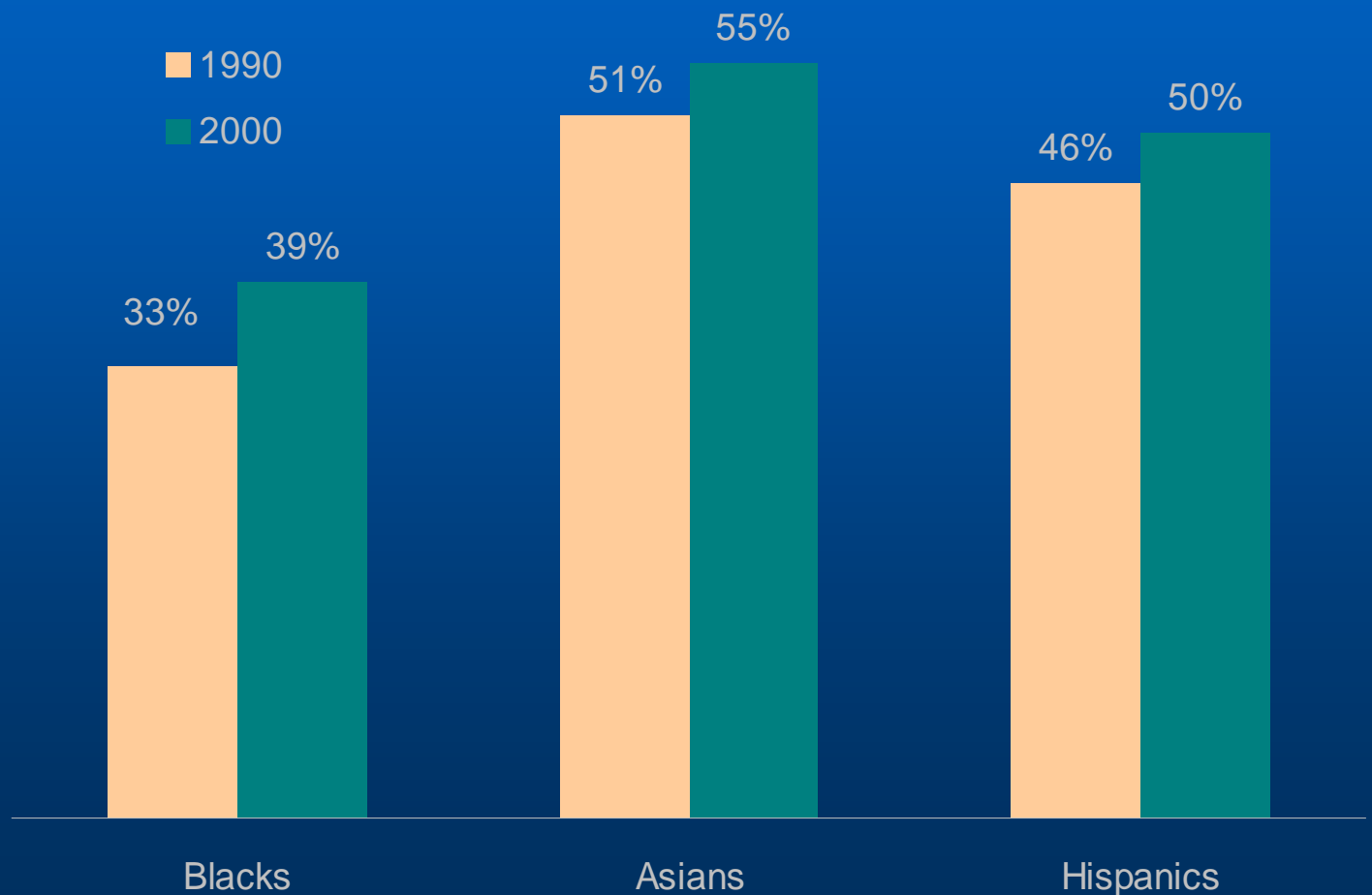
Share of
population by race
and ethnicity,
2000

- White
- Black
- Hispanic
- Asian
- Multi-racial



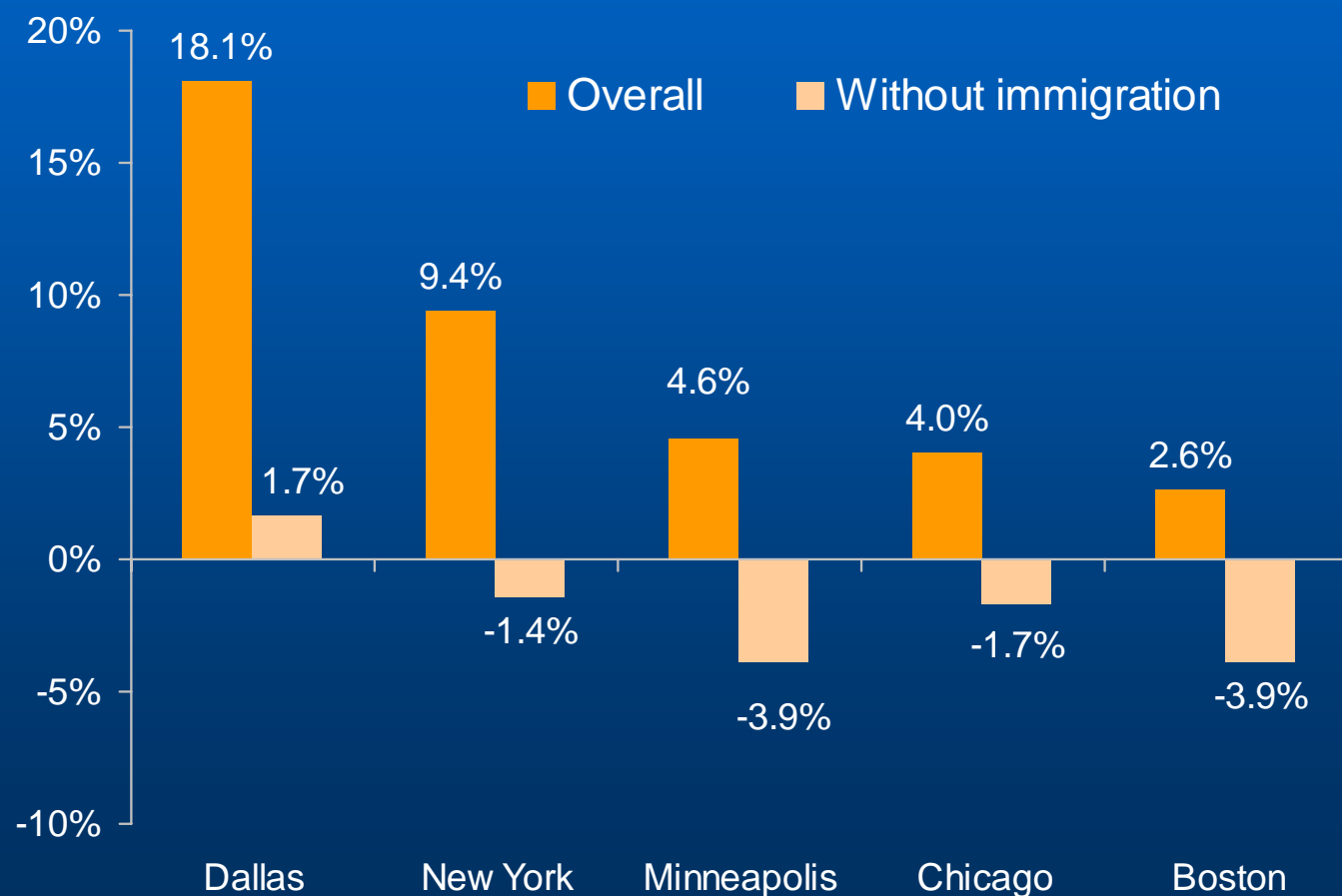
The percent of each racial/ethnic group living in the suburbs increased substantially

Share of
population by race
and ethnicity,
1990, 2000



Source: Census

If not for immigration, several of the nation's largest cities would not have grown during the 1990s

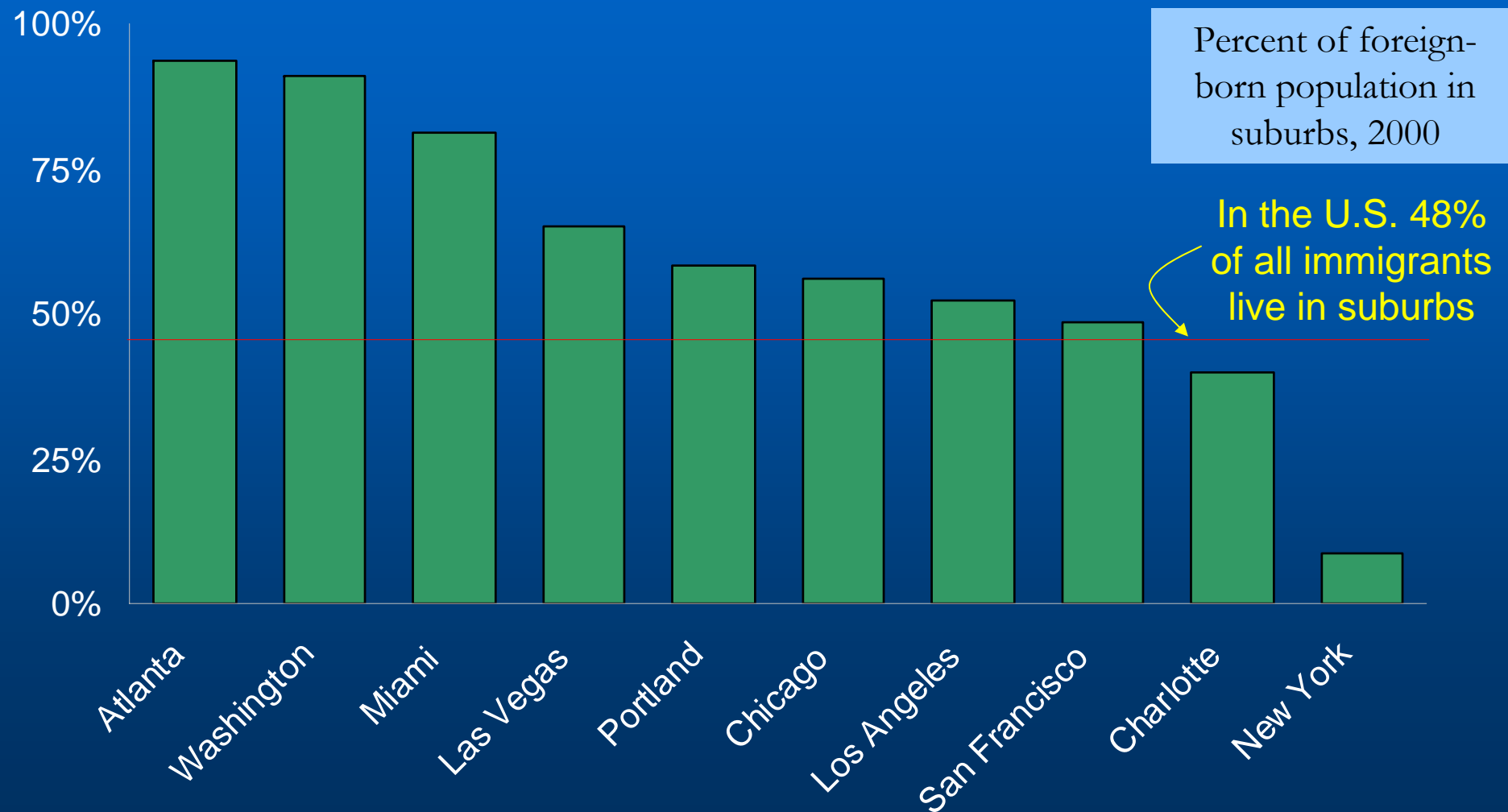


Population growth
with and without
foreign-born,
1990-2000

Source:
U.S. Census Bureau

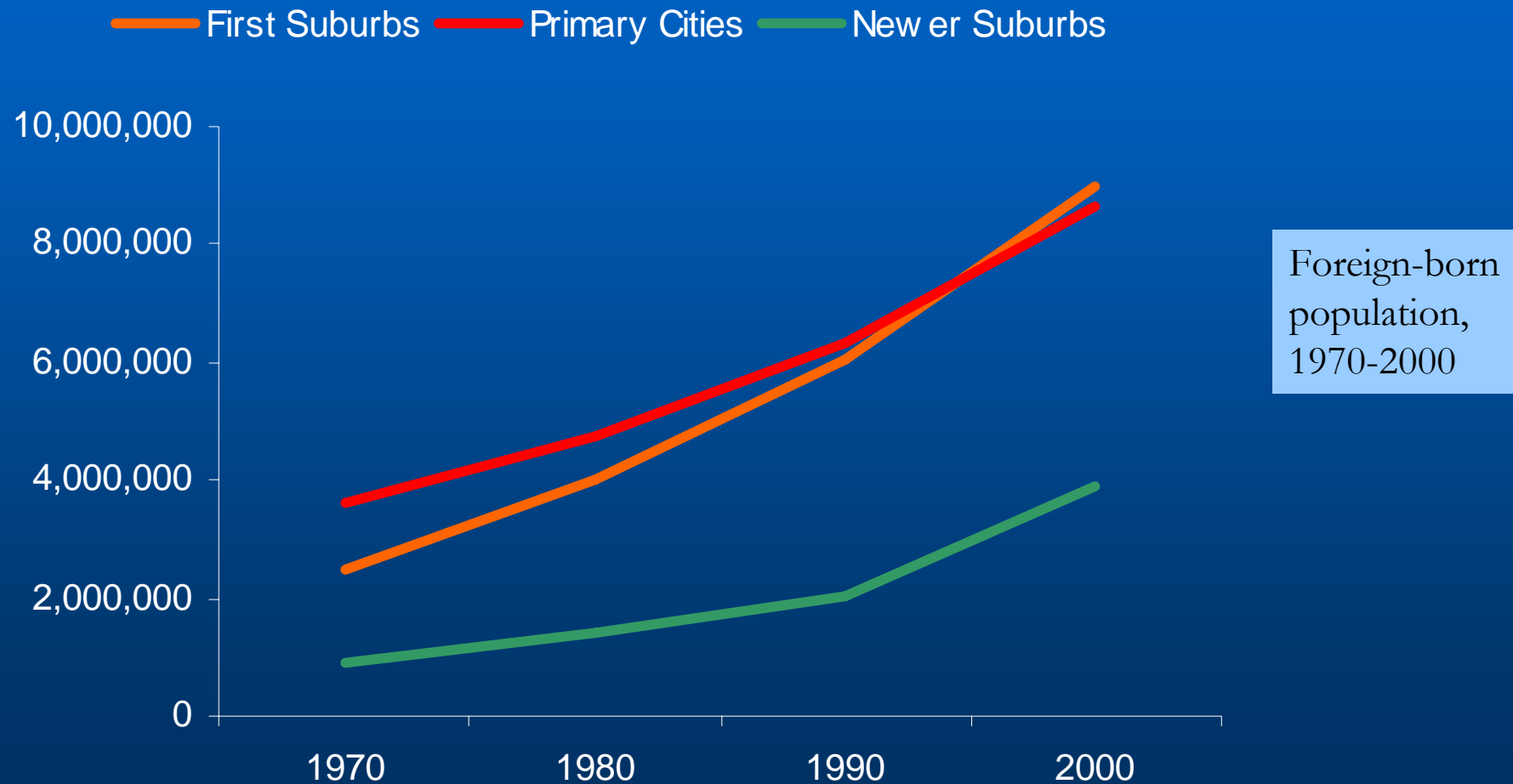


Yet in many metro areas, the locus of immigration is shifting from the central city to the suburbs



Source: Singer, "New Immigrant Gateways," Brookings, 2003

Older, inner-ring “first” suburbs are now home to a large and growing number of foreign-born residents.



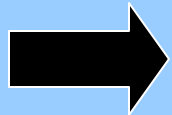
City resurgence



Uneven growth



Racial diversity



Job sprawl

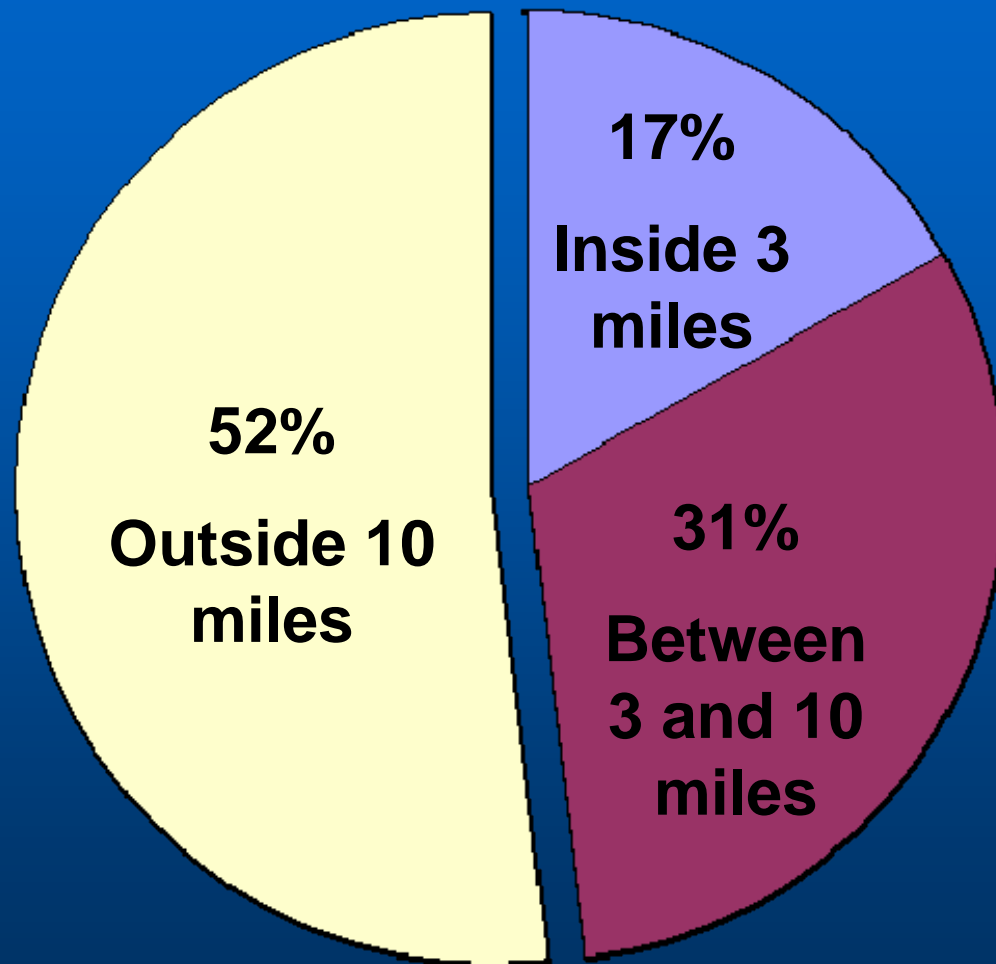


Geography of poverty



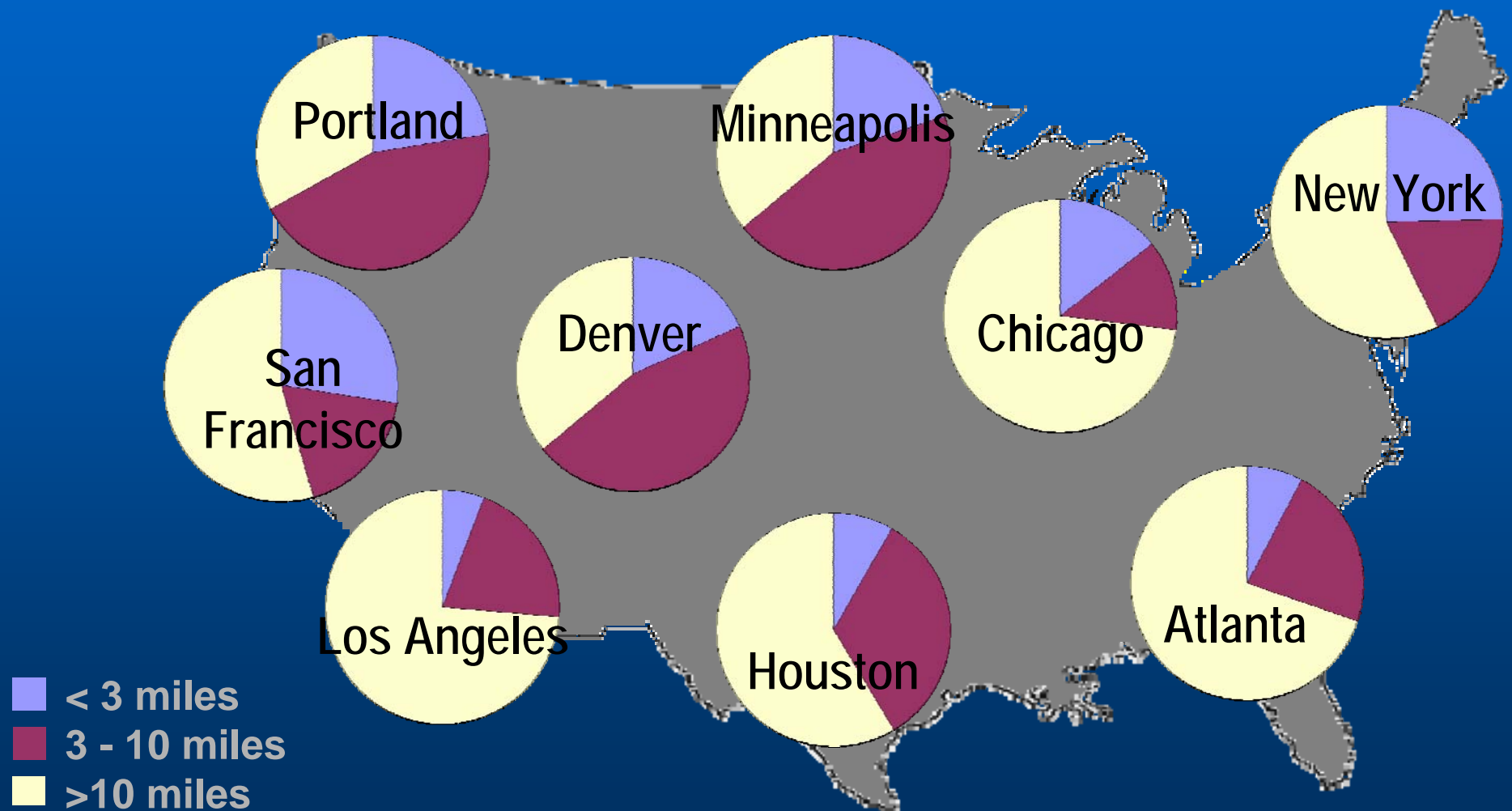
Over half of all jobs in large metropolitan areas are located more than 10 miles outside of downtowns.

Share of jobs
within 3-, 10-, and
greater- than-10-
mile radius of
center, 2002



Source: Berube, undated

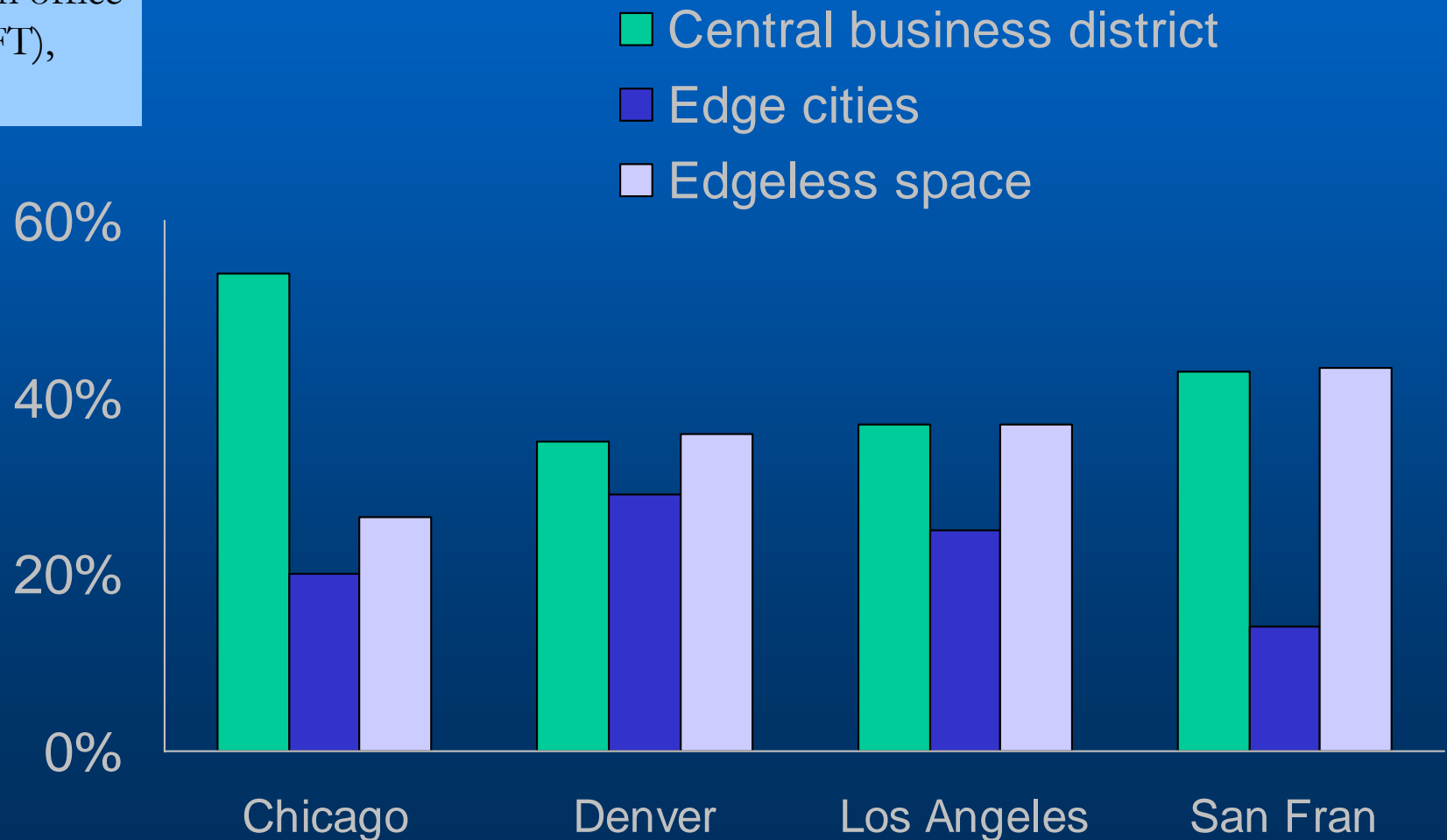
But the level of employment decentralization varies widely across metropolitan areas.



Source: Berube, undated

In many metros, an exit ramp economy dominates office development.

Share of
metropolitan office
space (SQ FT),
1999



Source: Lang, 2003

City resurgence



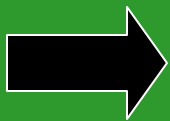
Uneven growth



Racial diversity



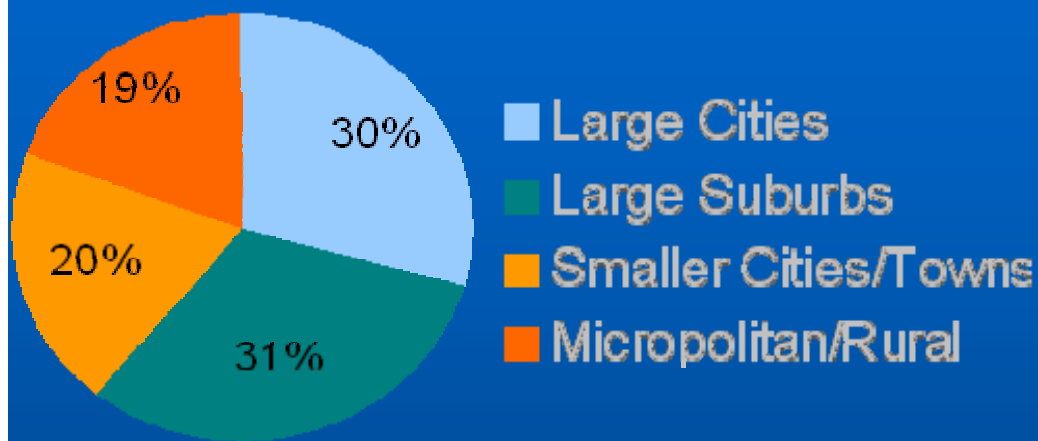
Job sprawl



Geography of poverty

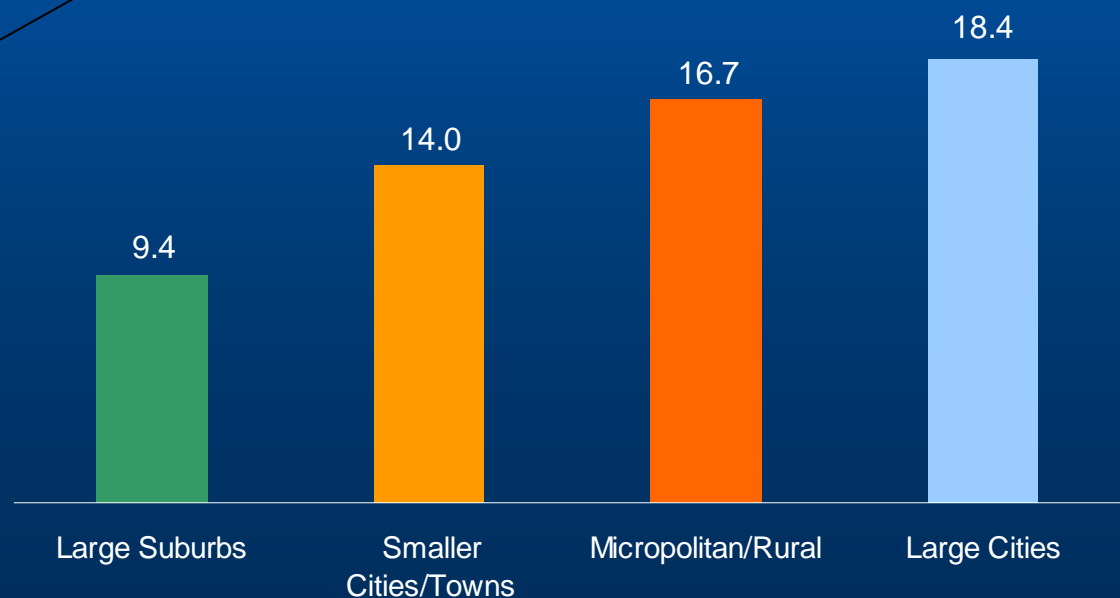


Most of America's poor live in large metropolitan suburbs.
But residents of large cities are twice as *likely* to be poor.



Below-poverty population
by location, 2005*

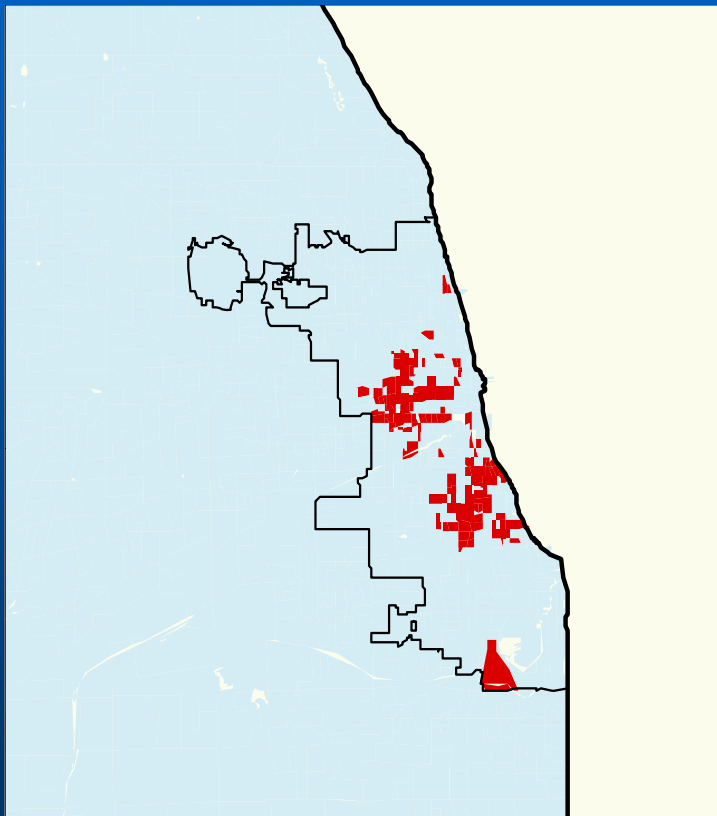
Percentage of people in
poverty, 2005



Source: American
Community Survey

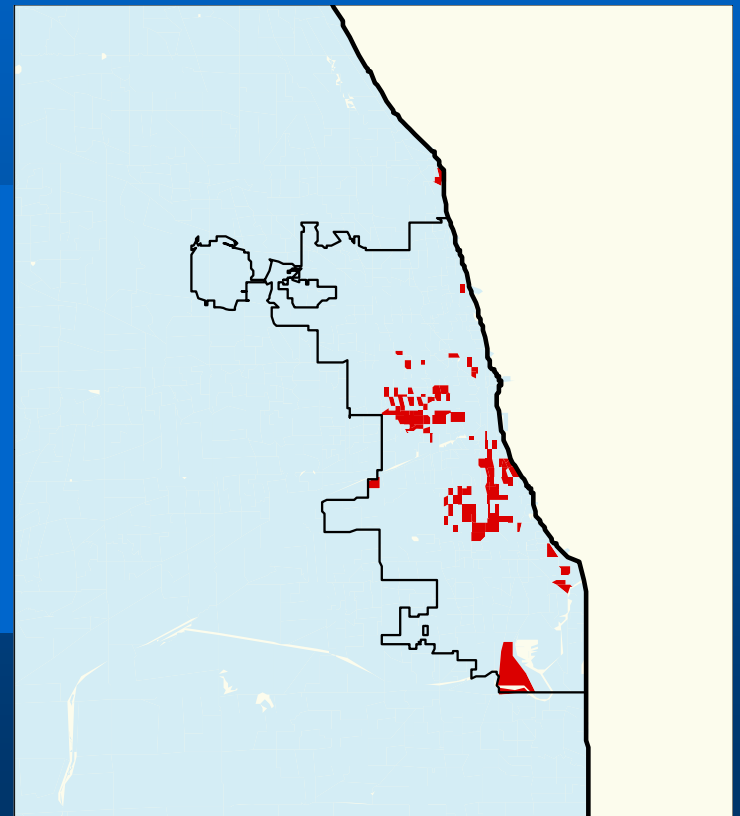
* Estimates are roughly
+/- 0.5 % pts.

During the 1990s, the number of *high-poverty* neighborhoods in central cities dropped significantly



1990

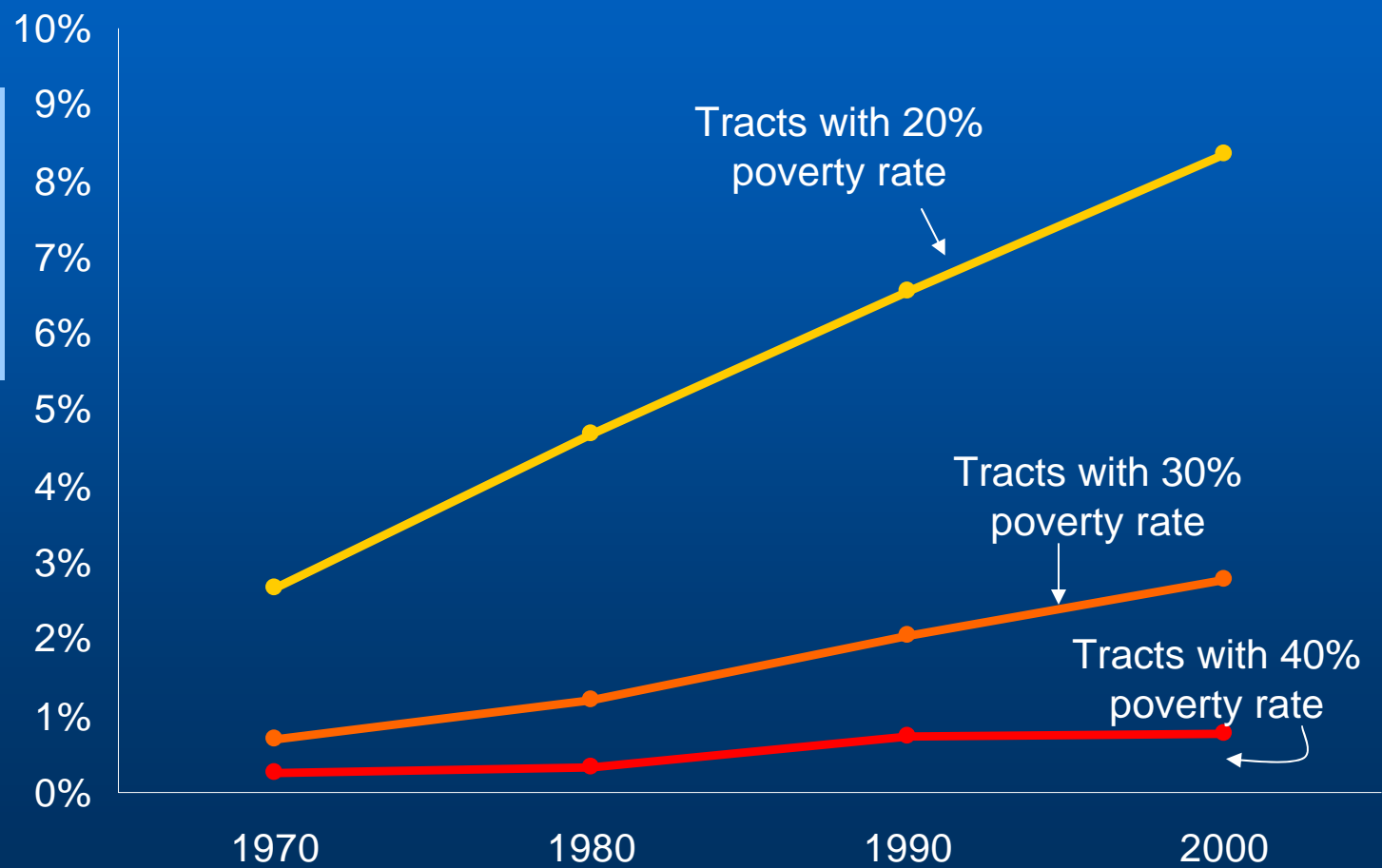
In Chicago,
the number of
high poverty
tracts fell from
187 to 114.



2000

While the number of high-poverty areas is dropping sharply in cities, it is increasing at an alarming rate in first suburbs

Percent of census tracts in first suburbs exceeding specified poverty thresholds, 1970-2000





A Review of New Urban Demographics and Impacts on Housing

Context for the discussion



Five Broad Demographic Trends



Affect of those trends on metropolitan areas



THOUGHTS ON METROPOLITAN HOUSING DEMAND

Five key takeaways



In 2030, about half of the buildings in which Americans live, work, and shop will have been built after 2000.



Household formation will have profoundly important impacts. Childless married-couple and single-person households will grow rapidly.



Older, inner-ring “first” suburbs will figure prominently in conversations about metropolitan growth and development.



The nation will continue to get much more diverse and multi-cultural. Suburbs especially will have to adapt.



Demographics are not the only determinant of our urban future: economic restructuring, globalization, energy, education, governance.



The Brookings Institution

Independent research shaping the future

www.brookings.edu/metro

rpuentes@brookings.edu

METROPOLITAN POLICY PROGRAM