Pierce County’s Future Lies with Itself

• Presentation by Joel Kotkin, Chapman University and Center for Opportunity Urbanism February 19, 2015
Small Cities/Big Opportunity

- Demographic trends and growth create new opportunities
- Role of Technology in opening global markets
- Pierce County Offers life-style that appeals to most of the population
- You are not a backwater if you can look beyond the waves
Declustering: The New Demography

- Nationwide people heading to smaller towns and cities
- The search for affordability critical to many middle class families
- Freedom to work dispersed due to technology
Net Domestic Migration by Population

MAJOR METROPOLITAN AREAS: 2000-09, 2010-12

Share of 2000 Population

- Over 10M: -11.3%
- 5M-10M: -2.5%
- 2.5M-5M: 1.4%
- 1M-2.5M: 3.7%
- Other: 0.6%

From Census Bureau Data
Largest Metropolitan Areas: Domestic Migration
NET: 2010-2013

New York, NY-NJ-PA
Chicago, IL-IN-WI
Los Angeles, CA
Detroit, MI
Philadelphia, PA-NJ-DE-MD
San Jose, CA
Boston, MA-NH
Riverside-San Bernardino, CA
San Francisco-Oakland, CA
Washington, DC-VA-MD-WV
Miami, FL
Atlanta, GA
San Francisco-Oakland, CA
Dallas-Fort Worth, TX

Derived from Census Bureau data
Population Growth by Distance from Core
SEATTLE MSA: 2000-2010

Data from Census Bureau

Population Growth
0-2 Miles: 14,000
2-5 Miles: 18,200
5-10 Miles: 41,200
10-15 Miles: 59,100
15-20 Miles: 75,500
20+ Miles: 187,800
Seattle MSA Population % Distribution

BY CITY SECTOR: 2000 & 2010

From City Sector Model

Urban Core: 10.4% (2000) vs 10.5% (2010)
Later Suburban: 36.3% (2000) vs 40.3% (2010)
Exurban: 12.0% (2000) vs 12.9% (2010)

By City Sector
Puget Sound Region - Urban Growth Centers and regional growth

1990: Total region Population - 2,748,895
1990: Urban Growth Center Population - 117,555
2010: Total region Population - 3,690,942
2010: Urban Growth Center Population - 283,266
Change: Total region Population - 942,047
Change: Urban Growth Center Population - 165,711

Housing Affordability & Domestic Migration %
US MAJOR METROPOLITAN AREAS: 2000-2012

% of 2000 Population

2.0-2.9 3.0-3.9 4.0-4.9 5.0-5.9 6.0-6.9 7.0 & Over

Median Multiple

Figure 10

### Notes needed
The Suburban Future and the Future of Middle Class

“We’ve reached the limits of suburban development. People are beginning to vote with their feet and come back to the central cities.”
HUD Secretary Shaun Donovan Feb 2011
Population & Employment: 2000-2010
PERCENTAGE POINT CHANGE BY CITY SECTOR

By Functional City Sector

- Urban Core: Population -0.2%, Employment -1.6%
- Earlier Suburban: Population -4.3%, Employment -4.6%
- Later Suburban: Population 4.5%, Employment 3.9%
- Exurban: Population 1.5%, Employment 0.9%

Figure 13
Consumer Housing Preferences
NAR/SMART GROWTH AMERICA SURVEY: 2012

Detached

Attached or Townhouse

Apartment

Mobile Home or Other
Has Everything Changed After the Great Recession?

Not really... suburbs, further out suburbs continue to grow much faster.
Distribution of National Office Space
MID-YEAR 2013

CBDs (Downtown) 26%
Suburban (Outside CBDs) 74%

Source: Derived from Costar

Figure 16
Canaries in the Coal Mine

* Immigrants and their Children
  * Young families
  * Millennials
US Population by 5 Year Age Cohort
2012 PER AMERICAN COMMUNITY SURVEY (ALL)

Source: ACS

Figure 18
Households Headed by Millennials (millions)

Source: 2013 Demand Institute Housing and Community Survey
MAJOR METROPOLITAN AREAS: CITY SECTOR MODEL

Figure 20

By City Sector within Major Metropolitan Areas

<table>
<thead>
<tr>
<th>City Sector</th>
<th>2000 (Ages 20-29)</th>
<th>2010 (Ages 20-29)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Core</td>
<td>20.2%</td>
<td>19.3%</td>
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<tr>
<td>Earlier Suburban</td>
<td>46.1%</td>
<td>42.0%</td>
</tr>
<tr>
<td>Later Suburban</td>
<td>20.6%</td>
<td>24.4%</td>
</tr>
<tr>
<td>Exurban</td>
<td>13.2%</td>
<td>14.3%</td>
</tr>
</tbody>
</table>
Change in Population by Age Cohort
US: 2007-2012: UNADJUSTED (NO BIRTHS)

Source: ACS
Age 20-29 Population Change: 2010-2013
15 LARGEST METROPOLITAN AREAS

Riverside-San Bernardino, CA
Miami, FL
Detroit, MI
Houston, TX
Seattle, WA
Dallas-Fort Worth, TX
Los Angeles, CA
Phoenix, AZ
Boston, MA-NH
Atlanta, GA
Washington, DC-VA-MD-WV
San Francisco-Oakland, CA
New York, NY-NJ-PA
Philadelphia, PA-NJ-DE-MD
Chicago, IL-IN-WI

Change in 20-29 Population

Derived from Census Bureau data
Note: US 20-29 Growth 4.0%
Space Preference

- **Want more space**: 61%
- **Want the same amount**: 24%
- **Want less space**: 15%

*Source: 2013 Demand Institute Housing and Community Survey*
Where do millennials want to live

Source: National Association of Home Builders
Millennial Life Style Choices
COMPAARED TO OLDER GENERATIONS

Current Residence

<table>
<thead>
<tr>
<th></th>
<th>Current Residence</th>
<th>Ideal Place to Live</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suburb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Frank N. Magid Associates

Figure 25

- Millenials
- Older Generations
Home Ownership

- 60% Plan to purchase
- 24% Already own
- 16% Will not purchase

Believes ownership is an excellent investment
Believes ownership is an important long-term goal

Source: 2013 Demand Institute Housing and Community Survey
Age 5-14 Percentage Distribution: 2000 & 2010
BY CITY SECTOR: MAJOR METROPOLITAN AREAS

Figure 27

By City Sector within Major Metropolitan Areas

<table>
<thead>
<tr>
<th>By City Sector within Major Metropolitan Areas</th>
<th>2000</th>
<th>2010</th>
</tr>
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<tbody>
<tr>
<td>Urban Core</td>
<td>15.0%</td>
<td>12.0%</td>
</tr>
<tr>
<td>Earlier Suburban</td>
<td></td>
<td>45.3%</td>
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<tr>
<td>Later Suburban</td>
<td></td>
<td>40.5%</td>
</tr>
<tr>
<td>Exurban</td>
<td>23.1%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16.5%</td>
<td>17.8%</td>
</tr>
</tbody>
</table>
Growth in Residents with BA+ Degrees
2007-2012

Detroit, MI
Boston, MA-NH
Atlanta, GA
New York, NY-NJ-PA
Chicago, IL-IN-WI
Los Angeles, CA
Riverside-San Bernardino, CA
Miami, FL
San Francisco-Oakland, CA
Seattle, WA
Dallas-Fort Worth, TX
Phoenix, AZ
Derived from Census Bureau data
Workforce Wages & Qualifying Incomes
ORANGE COUNTY & INLAND EMPIRE

TO QUALIFY: Orange County: $117,471
TO QUALIFY: Riverside-San Bernardino: $42,420

Orange County Wages

Biomedical Engineer: $100,305
Nurse (RN): $88,258
Computer Programmer: $79,414
Elementary School Teacher: $77,745
Carpenter: $56,908
Construction Laborer: $41,453
Retail Salesperson: $28,280
Personal & Home Care Aide: $24,042

“Qualifying income (with 10% down payment)” data from National Association of Realtors & actual wage data from California Employment Development Dept.
Foreign Born Population: Fastest Growing

MAJOR METROPOLITAN AREAS: 2000-2012

New York (15.7%)
Houston (53.8%)
Washington (55.5%)
Miami (25.4%)
Dallas-Fort Worth (49.9%)
Riverside-San Bernardino (54.0%)
Atlanta (69.5%)
Seattle (58.5%)
Chicago (15.2%)
San Francisco (18.8%)

Derived from Census Bureau data
Change in Asian Population: 2000-2010
BY CORE CITIES & SUBURBS

Increase: Major Metropolitan Areas

Core Cities

Suburbs
Number of 65 - 100 year olds in United States

- 2008, 38.69 Million
- 2030, 72.09 Million
- 2050, 88.55 Million

Prime Target for Pierce County

“The Young Old” as opposed to the “Old Old”
Boomer Shares in Major MSAs
2000 & 2010

By Functional Sector within Major Metropolitan Areas

- Urban Core:
  - 2000 (Ages 35-54): 14.9%
  - 2010 (Ages 45-64): 13.0%

- Earlier Suburb:
  - 2000 (Ages 35-54): 45.3%
  - 2010 (Ages 45-64): 42.2%

- Later Suburb:
  - 2000 (Ages 35-54): 24.0%
  - 2010 (Ages 45-64): 26.9%

- Exurb:
  - 2000 (Ages 35-54): 15.8%
  - 2010 (Ages 45-64): 17.9%

Figure 35

Boomer Shares in Major MSAs 2000 & 2010

City Sector Model
Big Changes in Composition of New Entrepreneurs
Share of All New Entrepreneurs (1996, 2010)

Technology: The Great Equalizer?

• New Technology could telescope the distance between communities and allow “down-shifting boomers” to remain engaged in workforce.

• Younger workers can now choose affordable lifestyle and still stay in less dense areas.

• Technology helps tie Pierce County directly to other global and US metropolitan markets.
Rise in Telecommuting

Forrester Research Projection

2009: 34 Million
2016: 63 Million
The Key to a Smart Local Strategy

This above all: to thine own self be true
“If you need a campaign to prove you’re hip and cool, you’re not.”

Michigan talk radio host on Governor Jennifer Granholm’s “Cool Cities” initiative
Strategy for Pierce County Growth

• Focus on diversification and growth of higher wage industries
• Develop and network for tsunami of “young old”
  • Market as a great place for families and immigrants seeking affordable quality of life
Small Cities and Towns
Key to American Democracy

“The intelligence and the power are dispersed abroad and instead of radiating from a point, they cross each other in every direction.”

Alexis de Tocqueville
Questions and Comment