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

From Census Bureau Data

Share of 2000 Population

-11.3%  -2.5%  1.4%  3.7%  0.6%

Over 10M  5M-10M  2.5M-5M  1M-2.5M  Other
Largest Metropolitan Areas: Growth
2012-2013

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

Derived from Census Bureau data
Largest Metropolitan Areas: Domestic Migration

NET: 2010-2013

-400,000  -300,000  -200,000  -100,000  0  100,000  200,000

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

Population Growth by Distance from Core.
Seattle MSA Population % Distribution
BY CITY SECTOR: 2000 & 2010

By City Sector

- Urban Core: 2000 - 10.4%, 2010 - 10.5%
- Earlier Suburban: 2000 - 41.2%, 2010 - 36.2%
- Later Suburban: 2000 - 36.3%, 2010 - 40.3%
- Exurban: 2000 - 12.0%, 2010 - 12.9%

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Region Population</th>
<th>Urban Growth Center Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>2,748,895</td>
<td>117,555</td>
</tr>
<tr>
<td>2010</td>
<td>3,690,942</td>
<td>283,266</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td>942,047</td>
</tr>
</tbody>
</table>

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

Figure 10

### Notes needed
Price-Income Ratio: 2013
SEATTLE MSA & COMPONENTS

Median House Value/Median Household Income

- Seattle: 6.2
- Tacoma: 3.9
- King: Balance: 4.8
- Pierce: Balance: 3.8
- Snohomish: 4.1
- MSA: 4.6

Calculated from ACS 2013 data
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
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>
</tr>
<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

Figure 21
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

- Cities: 10%
- Rural Areas: 24%
- Suburbs: 66%
Millennial Life Style Choices

COMPARSED TO OLDER GENERATIONS

- **Current Residence**
  - Big City
  - Suburb
  - Small City
  - Country

- **Ideal Place to Live**
  - Big City
  - Suburb
  - Small City
  - Country

Source: Frank N. Magid Associates

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**Figure 25**

- **Bars**
  - Millenials: Blue
  - Older Generations: Green

- **Percentages**
  - 0% to 50%

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*Note: The image shows a bar chart comparing current and ideal places to live between millenials and older generations, focusing on Big City, Suburb, Small City, and Country.
Home Ownership

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

Believes ownership is an important long-term goal: 60%
Believes ownership is an excellent investment: 24%
Source: 2013 Demand Institute Housing and Community Survey
Age 5-14 Percentage Distribution: 2000 & 2010
BY CITY SECTOR: MAJOR METROPOLITAN AREAS

By City Sector within Major Metropolitan Areas:

- Urban Core: 2000 - 15.0%, 2010 - 12.0%
- Earlier Suburban: 2000 - 45.3%, 2010 - 40.5%
- Later Suburban: 2000 - 23.1%, 2010 - 29.7%
- Exurban: 2000 - 16.5%, 2010 - 17.8%

Figure 27
Growth in Residents with BA+ Degrees
2007-2012

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

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 Share of New Households

US: 1970-2010

Source: Myers & Pitkin

Figure 30
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

Share of Boomer Generation Population

By Functional Sector within Major Metropolitan Areas

Urban Core
Earlier Suburb
Later Suburb
Exurb

14.9%
13.0%
45.3%
42.2%
24.0%
26.9%
15.8%
17.9%

2000 (Ages 35-54)
2010 (Ages 45-64)

Figure 35
Boomer Shares in Major MSAs 2000 & 2010
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

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

This above all: to thine own self be true

William Shakespeare
A Useful Insight

“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