Millennials and the City – Wherein Metro Areas In Larger Central Cities Outperformed the Suburbs (2010/15) What Happened in 2016?

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Those on the Podium

Moderator

Robert W. Burchell

Distinguished Professor, Rutgers University

(Urban Growth in Metros – 2010-16)

Speakers

Andrew Knudtsen

Managing Principal, Economic & Planning Systems, Inc. (What Drives Communities to Prosper)

Charlie Alexander

Director of Denver Operations, Fehr & Peers

(Transportation Access for Different Modes)

Burchell Presentation

What do we know about millennials and cities (2010-2016)

- 1. Original N.Y. metro data (2010-2013)
- 2. National metro data (2010-2013) (Data cuts)
- 3. National metro areas (2010/2011-2014/2015) (Recent data)
- 4. National metro areas (2015/2016) (Most new data)
- 5. Secondary data from others



What Is Named Era?

- ✓ Recognized period of history
- ✓ A generation
- ✓ About 20 years
- ✓ Variation in frequency/beginning-ending/names
- ✓ Named from birth talked about as young adults



What Causes Different Years?

- Most important is demographics significant uptick in births to the next uptick in births
- Some make it even with 5s and 0s
- The retailers cut in half 10 years 70s, 80s etc.
- Authors frame cohorts
 they choose a time/name
- Talk about what went on "Roaring 20s"; Great Depression
- There are multiple generations used here (5)



Eras of Five Decades: beginnings 1925 to 2000

ERA	Born	U.S. Population
Gen Z	2000-2020	Lower
Millennials	1980-2000 (1980-1996)	83.3M (75.5M)
Gen X	1965-1980	65.8M
Baby Boomers	1945-1965	74.9M
Greatest Generation	1925-1945	27.8 Millions



Source: U.S. Census Bureau; William H. Frey. "The Millennial Generation" Brookings; January 2018 and others

Housing Buying Impact – Income/Poverty (2014/2015)

ERA	Peak Home Buying	Income	Poverty
	Through (25-34)	(2014	/2015)
Gen Z	2035-2055	Lower	Lower
Millennials	2015-2035	\$60,658	17%
Gen X	2000-2015	\$61,792	14%
Baby Boomers	1980-2000	\$59,560	13%
Greatest	1960-1980	\$43,489	10%

Generation



Source: U.S. Census Bureau; William H. Frey. "The Millennial Generation" Brookings; January 2018 (Current 2014 \$, 2015 %)

Housing Buying Impact (through 25-34 Y/O): What They Are Known For?

ERA	Housing Impact	Known As
Gen Z	2035-2055	Connected/minorities(Sp)
Millennials	2015-2035	Digital/diversity
Gen X	2000-2015	Caution/live home
Baby Boomers	1980-2000	Middle class/strive
Greatest Generation	1960-1980	Emergence from poverty/war



Housing Buying Impact (through 25-34 Y/O): Journey to Work

ERA	Housing Impact	Means of
Gen Z	2035-2055	MT/car-elect./ at home
Millennials	2015-2035	Car-gas/hybrid/ MT/worked home
Gen X	2000-2015	Car-gas/MT
Baby Boomers	1980-2000	Car-gas/carpool
Greatest Generation	1960-1980	MT/car

*MT – mass transit



Housing Buying Impact (through 25-34 Y/O): What Housing/Settlement

ERA	Housing Impact	Housing Settlement
Gen Z	2035-2055	City/exurban/home
Millennials	2015-2035	City/suburban — in
Gen X	2000-2015	Suburban/City — rental
Baby Boomers	1980-2000	SF-suburban — out
Greatest Generation	1960-1980	Row houses/apts/SF —

Suburban in



What Is a Millennial?

- Born 1980 2000
- Peak house buying years 2015-2035
- Era impacted by native born and immigration
- Digital higher education diversity
- Reasonable income (dual) relative poverty (education)
- Likes cities close in
- Housing rental/apt/own; attached; smaller single-family
- Transportation car(some hybrid) mass transit works home



What is a Metro in the United States?

Urban core of 50,000+; adjacent counties with high social/ economic/transportation ties

- 393 Metro Areas 20M (NY/NY); 55,000 (Carson City, NV)
 Census Bureau: 2016
- 107 metro areas greater than 500,000 population (2013)
 National Data: 2010-2013
- 53 metro areas greater than 1,000,000 population(2015)
 National Data: 2010/2011 to 2014/15; 2015/2016



Metro Areas: Core Vs Suburbs

Metro Areas Look at City Vs Suburbs

Core City (counties) Vs Suburbs (counties in metro NY)

Core City (counties) Vs Suburbs (counties in metros national)

Cuts – Size – Location — Fast positive/negative Years – 2010-2013; 2010/2011 to 2014/2015; 2015/2016

The Beginning of the City Movement The New York Metro Area



The Rutgers Findings: City Core/Suburban Change (#/%) by Portion of MSA (NY, NJ, CT, PA MSA)

	Number: 1950-1980 (3 Year Avg.)	Percent: 1950-1980 (3 Year Avg.)	Number: 2010-2013	Percent: 2010-2013
Total Change	446,408	5.0	369,080	2.2
Regional Core	-85,996	-0.9	255,863	2.5
Suburban Ring	532,373	9.4	113,227	0.9

- Growth in core increased absolutely and relatively (2010-2013) (8 urban counties).
- Growth in suburban ring slowed both absolutely and relatively (2010-2013) (27 suburban counties).

Source: James W. Hughes and Joseph J. Seneca, "The Receding Metropolitan Perimeter: a new post suburban demographic normal" (2014), Rutgers Report, 2014.

The Flood of Additional Data: National (2010-2013)



National Data: Population Change (in 000s) (2010-2013) by Portion of MSA – Size of Metro (107 metros greater than 500K)

	Large M (>2.5 millio	etros on)	Medium Metros (1-2.5 million)		Small Metros (1 million-500k)		All Metros (500k-2.5+ million)	
	#	%	#	%	#	%	#	%
Total change	3,807	3.2	1,624	2.7	914	2.5	6,345	3.1
Regional core	1,008	3.2	675	4.3	283	2.5	1,966	3.4
Suburban	2,799	3.2	949	2.3	631	2.5	4,379	3.0

National – overall core outperforms suburban – 2010-2013 (%)

National – medium metros big differences

National Data: Population Change (in 000s) (2010-2013) by Portion of MSA – Region (107 metros greater than 500K)

	North		South		South We		A	.11
	#	%	#	%	#	%	#	%
Total change	1,311	1.4	3,144	4.7	1,956	3.6	6,411	3.1
Regional core	422	1.8	944	5.3	600	3.7	1,966	3.4
Suburban	892	1.3	2,201	4.6	1,356	3.6	4,449	3.0

- National overall core outperforms suburbs (%)
- National South/West metros big differences (%)



(Source: Richard Morrill, "City and Suburb 2010-2013", 2014)

Additional Data — National (2010-2013)



National Data – Fast Relative Growth Regions (2010-2013) (%) (107 metros greater than 500K)

Fast Core		Fast Sub	Fast Suburbs		Fast Both	Core	Suburb
Washington	7.4	Houston	7.8		Dallas	6.0	6.0
Atlanta	6.6	Boise	6.1		San Antonio	6.2	6.5
Seattle	7.2	Des Moines	5 7.1		Austin	12.0	7.7
Charlotte	8.4	Provo	7.1		Orlando	7.2	6.1
New Orleans	13.0				Raleigh	6.9	7.7
Omaha	6.2				Charleston	6.7	7.3
Durham	7.6				Ft. Myers-Cape Coral	7.5	6.6
Denver	8.2						

Austin, Ft. Myers-Cape Coral, Raleigh and Orlando have both, fast growing core and suburbs – 2010-2013.

National Data – Slow Relative Growth (2010-2013) (%) (107 metros greater than 500K)

Slow Core				
Cincinnati	0.2			
Baltimore	0.2			
Milwaukee	0.7			
Birmingham	-0.1			
Worcester	0.8			
Baton Rouge	0.8			
Youngstown	-1.4			
Lancaster	-1.5			
Portland, ME	0.8			

Slow Suburbs				
Albany	0.7			
Dayton	0.2			
Wichita	0.9			
New Orleans	0.8			

All cores/suburbs are not increasing: North, Mid-West

Slow Both	Core	Suburb
Chicago	0.9	0.8
Detroit	-3.5	0.7
St. Louis	-0.3	0.6
Pittsburgh	-0.1	0.2
Cleveland	-1.7	-0.3
Providence	-0.1	0.2
Hartford	0.2	0.2
Buffalo	-1.0	0.1
Rochester	-0.1	0.4
New Haven	0.7	-0.1
Allentown	0.5	0.8
Akron	-0.5	0.7
Syracuse	-0.3	0.0
Toledo	-1.7	0.9
Harrisburg	-1.4	1.0

(Source: Richard Morrill, "City and Suburb 2010-2013", 2014)

National Data – Largest Absolute Growth (2010-2013) (#) (107 metros greater than 500K)

Core	%	#
New York	2.8	231,000
Dallas	6.0	116,000
Los Angeles	2.4	92,000
Houston	4.1	96,000
San Antonio	6.2	82,000
Austin	12.0	95,000
Raleigh	6.9	84,000

Both core and suburbs had significant growth: NY, LA, Dallas, Houston

Source: Richard Mo	orrill, "City and	Suburb 2010-2013	", 2014)
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Suburbs	%	#
New York	13.0	153,000
Los Angeles	2.3	211,000
Dallas	6.0	208,000
Houston	7.8	257,000
Washington	5.3	266,000
Miami	4.5	238,000
Atlanta	4.3	205,000
Boston	2.1	104,000
San Francisco	4.0	133,000
Phoenix	5.0	138,000
Riverside	3.7	138,000
Seattle	4.8	127,000
Denver	5.9	105,000
Orlando	6.1	116,000

Summary – New York MSA and National MSAs

- Overall core outperforms suburban (2010-2013)
- NY results are true for relative (%) and absolute (#)
- National results are true for relative (%); not for absolute (#)
- This is a true change not happening for 50 years



Beyond – 2010-2013; 2010/2011 to 2014/2015; 2015/2016



The Latest Numbers — Percent increase 2010/2011 to 2015/2016 (53 Metros greater than 1,000,000)

Year	Primary Cities(%)	Suburbs(%)	
2010-2011	1.10	0.95	
2011-2012	1.17	0.94	
2012-2013	1.04	0.93	
2013-2014	1.02	0.99	
2014-2015	1.00	0.93	
2015-2016	0.82	0.89	

Primary cities have a higher percentage increase than suburbs from 2010/2011 to 2014/2015. Not 2015/2016.

Information on Cities vs Suburbs — 2015/2016 2010/2011 to 2014/2015

City population grew faster (in %) than suburban areas each year for 53 major metropolitan areas with population greater than 1,000,000. William H. Frey. "City growth dips below suburban growth" Brookings; May 30, 2017

2015/2016

Census data (2015/2016) shows that city growth declined to 0.82% and was below the suburban growth rate of 0.89%. William H. Frey. "City growth dips below suburban growth" Brookings; May 30, 2017

2015/2016

14 large cities lost population compared to 12 in 2014/2015 and just 5 in 2011/2013

William H. Frey. "City growth dips below suburban growth" Brookings; May 30, 2017

Millennial share of population (2015)				
Urban Core	Mature Suburbs	Emerging Suburbs	Exurbs	
24.7%	23.6%	22.7%	20.9%	

William H. Frey. "The Millennial Generation" Brookings; January, 2018

Metro Area Growth — Young adult (18-34) High/Low in 100 Largest Metro Areas (2010-2015)

High Growth		Low Growth	
Colorado Springs	14.7%	Birmingham	-0.6%
San Antonio	14.4%	Chicago	0.2%
Denver	12.8%	Toledo	0.5%
Orlando	12.7%	St. Louis	0.9%
Honolulu	12.2%	Youngstown	1.0%
Austin	11.8%	Jackson	1.2%
Cape Coral	11.7%	Milwaukee	1.4%
Houston	11.7%	Syracuse	1.5%
Sarasota	11.1%	Dayton	1.7%
Seattle	10.8%	Salt Lake	1.9%

Source: William H. Frey. "The Millennial Generation" Brookings; January, 2018

Conclusions

- 2010-2013 there was more growth (%)of urban areas versus suburban areas (100 metro areas).
- 2010/2011 to 2014/2015 was growth positive (%) (as individuals and as a whole) for urban areas versus suburban areas (53 metro areas).
- 2015/2016 suburban areas had faster growth (%) than urban areas (53 metro areas).
- The growth rate (%) of urban areas has slowed slightly from 2010/2011 to 2015/2016.
- Suburban areas are relatively stable; suburban areas increase versus primary cities in 2015/2016.
- That's what we know to present! Future?

THANK YOU!