The Future of American Communities: Outlook to 2050

RMLUI Land Use Conference
Denver Colorado, March 4, 2010

Presentation by Joel Kotkin, Distinguished Presidential Fellow, Chapman University
Long Term Fundamentals

- U.S. has healthier long-term demographics than most competitors
- U.S. only advanced country with large, growing population
- Economic system most resilient among advanced countries
- Back to basics with family and community
Declining Global Population Rate

UN World Population Prospects, 2008 rev

- Less developed regions
- More developed regions

Source: Bureau of the Census, CensusScope
Getting Older Slower

Population Over 65

Source: CIA

2020
2050
Labor Force Growth
Growth in Age 15-64

United States, 42%
China, -10%
Europe, -25%
Korea, -30%
Japan, -44%

U.S. Census Bureau, International Database
Room to Grow
Total Arable Land

Arable Land (thousand hectares)

United States
Canada
Australia
Germany
United Kingdom
China
India
South Korea
In 2030, about half of the buildings in which Americans live, work, and shop will have been built after 2000.

Source: Toward a New Metropolis: The Opportunity to Rebuild America, p.v
Inside America: Where Are We Headed?

- Suburban dominance will continue
- America: The Multi-racial superpower
- Continued shift of people to “regions of opportunity”, including Colorado
- Millenials, family and new localism
- Building future communities
Moving to Smaller Regions

2000-2008 Net Domestic Migration Rate

Praxis Strategy Group Analysis of U.S. Census Population Estimates
“The Next Slum” – Chris Leinberger, the Atlantic, March 2008
“If suburban life is undesirable, the suburbanites themselves seem blissfully unaware of it.”

- Herbert Gans on suburbs and their critics
Issues viewed as Highly Important to Homeowners, 2005

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety and Security</td>
<td>92%</td>
</tr>
<tr>
<td>Quiet</td>
<td>87%</td>
</tr>
<tr>
<td>Privacy</td>
<td>87%</td>
</tr>
<tr>
<td>Resale Value</td>
<td>85%</td>
</tr>
<tr>
<td>Curb appeal</td>
<td>79%</td>
</tr>
<tr>
<td>Shared values of home ownership</td>
<td>72%</td>
</tr>
<tr>
<td>Attractiveness of neighbors' homes</td>
<td>63%</td>
</tr>
<tr>
<td>Reducing time on house and lawn</td>
<td>55%</td>
</tr>
<tr>
<td>Close to schools or churches</td>
<td>55%</td>
</tr>
<tr>
<td>Close to shopping</td>
<td>42%</td>
</tr>
<tr>
<td>Close to cultural opportunities</td>
<td>32%</td>
</tr>
<tr>
<td>Close to recreational activities</td>
<td>30%</td>
</tr>
</tbody>
</table>

Source: Homeownership and Association Living: HOA Members and Homeowners Nationwide, Zogby International, Foundation for Community Association Research
Where would you choose to live?

- Suburb Close to City: 33%
- In a city: 13%
- Rural Community: 35%
- Suburbs farther out from city: 18%

Source: National Survey on Communities conducted for Smart Growth America and National Association of Realtors
What People Want: California Dreaming?

- Single Family Detached Home: 86%
- Apartment Home: 8%
- Attached Home: 4%
- Other Dwelling: 2%

Public Policy Institute of California, 20002
Share of total metropolitan population growth, metropolitan areas of more than 1 million total population, 2000 - 2006

Suburban Population, 91.8%

Core City Population, 8.2%
Millennials rival Boomers

Population in Millions

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Population (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials (Age 12 - 30)</td>
<td>81.6</td>
</tr>
<tr>
<td>Gen X (Age 31 - 44)</td>
<td>57.3</td>
</tr>
<tr>
<td>Boomers (Age 45 - 64)</td>
<td>81.0</td>
</tr>
</tbody>
</table>

U.S. Census Population Projections, 2008
Millennials Entering Middle Age

U.S. Pop. in Age 30-39


Millions

47
46
45
44
43
42
41
40

U.S. Census Population Projections, 2008
Millenials and Home Ownership


Source: Frank N. Magid Associates Millennial Strategy Program
Percentage of Population Residing In Suburbs by Race/Ethnicity 1990-2000

Minorities to suburbs

All Races NH Whites All Minorities NH Blacks NH Asians Hispanics

1990 2000
The new face of diversity...
Welcome to Ft. Bend County, Texas
Ethnic Purchasing Power More Than Doubled Since 1990

Spending Power by Ethnic Groups (in Billions) 1990 – 2004 with 2009 projections

- **African American**
  - 1990: $318
  - 2004: $723.1
  - 2009: $964.6

- **U.S. Hispanic**
  - 1990: $222
  - 2004: $686.3
  - 2009: $992.3

- **Asian/Pacific Islander**
  - 1990: $118
  - 2004: $363.2
  - 2009: $528.2

Source: Selig Center for Economic Growth, Terry College of Business, University of Georgia (2004)
Shifting Ethnicity of Labor

Share of Labor Force by Race/Ethnicity

- **White non-hispanic**
  - 2000: 71.6%
  - 2050: 50.1%

- **Hispanic**
  - 2000: 11.6%
  - 2050: 23.7%

- **Black**
  - 2000: 11.4%
  - 2050: 13.4%

- **Asian and other**
  - 2000: 5.3%
  - 2050: 12.8%

U.S. Bureau of Labor Statistics
The Rise of the Suburban Economy
Central Business District Employment Share

- New York: 20.1%
- Los Angeles: 2.5%
- Chicago: 14.3%
- San Francisco: 12.2%
- Philadelphia: 9.4%
- Boston: 11.1%
- Miami: 4.7%
- Washington: 18.7%
- Dallas-Fort: 4.0%
- Atlanta: 7.3%
- Detroit: 4.5%
- Houston: 8.9%
- Seattle: 11.3%
- Phoenix: 2.0%
- Denver: 12.2%
- Kansas City: 6.9%
- **Average (50 Largest): 9.7%**

Wendell Cox, Demographia analysis
Employment Growth, 2001-2006

- Nation: 3.2%
- Central City: 0.9%
- Suburb: 6.0%
- Smaller cities and rural: 3.3%
Portland Job Growth in Periphery

Source: Demographia.com, Derived from US Bureau of Labor Statistics and Portland Alliance data
Mismatch on the South Side between housing and job opportunities leads to long commute times for many South Siders.
Total Employment

908,120 Jobs
How is Denver Doing?
Housing Price Declines, 2007-2009

- Houston: 0.4%
- Dallas: -3.8%
- Kansas City: -8.2%
- Denver: -10.4%
- New York: -18.6%
- Seattle: -20.9%
- Chicago: -28.0%
- Atlanta: -28.3%
- Washington, DC: -28.3%
- San Francisco: -38.7%
- Los Angeles: -43.8%

National Assoc. of Realtors
Annual Averages for Metropolitan Areas
Net Domestic Migration
25 Largest Metropolitan Areas, 2001-2008

- Phoenix: 17.9
- Riverside: 16.1
- Tampa: 12.9
- Atlanta: 10.2
- Sacramento: 8.7
- Portland: 6.2
- Dallas: 5.7
- Houston: 4.5
- Denver: 1.8
- Kansas City: 1.5
- Seattle: 0.9
- Minneapolis: -1.0
- Cincinnati: -1.2
- Baltimore: -1.6
- St. Louis: -1.8
- Philadelphia: -2.3
- Washington, DC: -2.9
- Pittsburgh: -2.9
- San Diego: -4.8
- Miami: -5.1
- Chicago: -6.8
- Boston: -7.1
- Detroit: -9.1
- San Francisco: -10.5
- New York: -12.0
- Los Angeles: -12.2

Annual Average Rate per 1,000 total population

PRAXIS Strategy Group
www.praxgrou.com
Job Growth, 2000-2009

Riverside  13.3%
Houston-Sugar Land-Baytown, TX  10.6%
Washington, DC  9.7%
Phoenix  7.0%
Dallas  4.9%
Miami  3.3%
Seattle  1.2%
Kansas City  0.9%
New York  -1.1%
Atlanta  -1.8%
Philadelphia  -1.8%
Denver  -2.6%
Los Angeles  -3.7%
Boston  -5.6%
Chicago  -6.6%
San Francisco  -10.9%
Detroit  -21.7%

Praxis Strategy Group Analysis of BLS CES data, Q4 2000 – Q4 2009
Decentralizing Jobs

Denver Metropolitan Area Job Growth, 2001 - 2009

<table>
<thead>
<tr>
<th>Region</th>
<th>Denver County</th>
<th>Other Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-2.0%</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

Source: Praxis Strategy Group analysis of BLS QCEW
Period is Jan-June Avg. for each year, 2009 data is preliminary
Broomfield Co. uses year 2002 data for year 2001
The Archipelago of Villages: Towards “Smart Sprawl”

- Housing near jobs
- Emphasis on families
- Strong role for village shopping streets and markets
- Provision of open space around the village core and housing estates-
- Solving the problem of “sprawl” within the Sprawl
Redefining Sustainability: Humans Count Too

Social

Economic

Environmental
Not the greatest concern...

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>85</td>
</tr>
<tr>
<td>Jobs</td>
<td>82</td>
</tr>
<tr>
<td>Terrorism</td>
<td>76</td>
</tr>
<tr>
<td>Social Security</td>
<td>63</td>
</tr>
<tr>
<td>Education</td>
<td>61</td>
</tr>
<tr>
<td>Energy</td>
<td>60</td>
</tr>
<tr>
<td>Medicare</td>
<td>60</td>
</tr>
<tr>
<td>Health care</td>
<td>59</td>
</tr>
<tr>
<td>Deficit reduction</td>
<td>53</td>
</tr>
<tr>
<td>Health insurance</td>
<td>52</td>
</tr>
<tr>
<td>Helping the poor</td>
<td>50</td>
</tr>
<tr>
<td>Crime</td>
<td>46</td>
</tr>
<tr>
<td>Moral decline</td>
<td>45</td>
</tr>
<tr>
<td>Military</td>
<td>44</td>
</tr>
<tr>
<td>Tax cuts</td>
<td>43</td>
</tr>
<tr>
<td>Environment</td>
<td>41</td>
</tr>
<tr>
<td>Immigration</td>
<td>41</td>
</tr>
<tr>
<td>Lobbyists</td>
<td>36</td>
</tr>
<tr>
<td>Trade policy</td>
<td>31</td>
</tr>
<tr>
<td>Global warming</td>
<td>30</td>
</tr>
</tbody>
</table>

Pew Research Center
January 2009
Percent rating each a “top priority”
Recession hitting younger generation

% of each group who say they did the following because of the recession

- Postponed getting married
  - 18-24: 6
  - 25-34: 10
  - 35+: 21

- Postponed having a baby
  - 18-24: 4
  - 25-34: 12
  - 35+: 15

- Moved in with a roommate
  - 18-24: 3
  - 25-34: 3
  - 35+: 24

- Moved back in with parents
  - 18-24: 1
  - 25-34: 6
  - 35+: 11

13% of parents of grown children report at least one child returning home in the past year

Pew Research Center
“I was once severely criticized for describing human beings as being the ‘AIDS of the Earth.’ I make no apologies for that statement.”

Paul Watson, co-founder
Greenpeace
What are human beings?

“the finest and most valuable creation of nature” - Maxim Gorky
Declining Mobility
Share of population changing residence

Pew Research Center
Key to the New Localism

“a vocation of uniqueness.”

Martin Buber
Families as History’s Bedrock

“…the good news from the recovered history of the family: This smallest and seemingly most fragile of institutions is proving itself to be mankind’s bedrock as well as its fault line.” --- historian Steven Ozment
Millennials and the Family

85% plan to get married

77% probably or definitely want children

Sources of Happiness of 13-24 year olds

Associated Press/MTV Survey, 2007
90% of people over fifty would rather stay put than move

- AARP

“They don’t want to move to Florida, and they want to stay close to the kids. What they are looking for is a funky suburban development – funky but safe.”

- Washington-area developer Jeff Lee.
“Some of the basics of suburbs are there. Schools are important, but also people like the sense of place. But the basic amenities are children, grandchildren, where people go to church, where their work networks and friends are. Suburbia is going to be a melting pot, not just by race, but by ages and lifestyle.”

Randall Lewis, Lewis Development Company
Between 2000 and 2007, the number of people over 65 living with adult children increased by more than 50 percent.

Ever more children and grandchildren serve as informal caregivers for their elderly relatives, while grandparents serve as mentors and watchful eyes over the young.
Beyond elitism: Jane Jacobs on the proper role of an urban economy

“A metropolitan economy, if it is working well, is constantly transforming many poor people into middle class people... greenhorns into competent citizens... Cities don’t lure the middle class, they create it”
Arts and Culture: Cause or Result?

• Great Cultural Centers generally rest upon commercial success

• Venice, Florence, Amsterdam, London, New York, Los Angeles all became cultural centers after developing an expanding economy and strong middle class

• Patrons of arts, not the public, key to development of cultural institutions from Macenas to the Medici, Carnegie and the Rockefellers of the 20th Century to today’s multi-billionaires
Rethinking Density

- Low/mid-density using proper design and landscaping may use less water and energy.
- Reducing “heat islands” — overdense development in London and Los Angeles can lead to urban centers being 3°C higher than outlying areas.
- Learning from ancient cities like Shiraz in how to design largely low-rise housing to maximize natural cooling and reduce evaporation.
- Following employment growth, using telecom may be far more effective than imposing a draconian, market-unfriendly planning regime.
Doubts Over Density

GHG Emissions By Urban Area Sector
Housing & Transport: Operations & Embodied

<table>
<thead>
<tr>
<th>Area</th>
<th>Emissions per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central City (Apartments)</td>
<td>10</td>
</tr>
<tr>
<td>Inner Suburbs (Attached)</td>
<td>7</td>
</tr>
<tr>
<td>Outer Suburbs (Detached)</td>
<td>7.4</td>
</tr>
</tbody>
</table>

Source: University of South Australia Study
Rise in Telecommuting

Forrester Research Projection

2009: 34 Million
2016: 63 Million
Green Telecommuting

Everyone telecommuting 2 days per week save
1.35 billion gallons of gasoline
26 billion pounds CO2

Estimates from American Electronics Association & EPA
Back to the Future: The Post-Industrial City

If the electronic cottage was to spread, a chain of consequences of great importance would flow through society. Many of these consequences would please the most ardent environmentalist or techno-rebel, while at the same time opening up new options for business entrepreneurship.

— Alvin Toffler, The Third Wave
Growth in Microbusiness

1980-2000: self-employed individuals expanded tenfold to include 16% of the workforce.

20 Million microenterprises by 2006, one for every six private sector workers.
"These little republics would be the main strength of the great one. We owe to them the vigor given to our revolution..."

-- Thomas Jefferson to John Tyler, 1810.
A vivid snapshot of America in 2050 focusing on the evolution of the more intimate units of American society—families, towns, neighborhoods, industries.

It is upon the success or failure of these communities that the American future rests.
Questions and Comment