

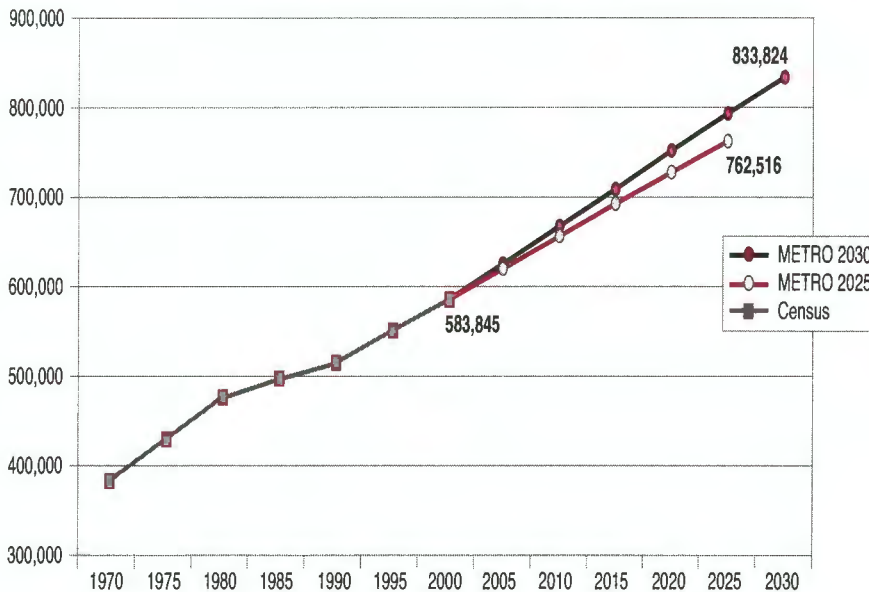
METROTRENDS

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2004 Demographic Review and Outlook

Early in 2004, Metroplan completed a new set of population projections for the four-county Little Rock-North Little Rock region. As the chart below shows, the new Metro 2030 projections extend out five years beyond the older Metro 2025 projections (completed in 1999), and show slightly more growth. Metroplan predicts that, by 2030, the region will host a population of 833,824 – a rise of 43 percent over the year 2000.

**Four-County LR-NLR Metro Region
Population Trend 1970-2000
With Projections to 2030**



Since these projections were done through the cohort-component method, they give some idea of the future age structure of the population as well. The region's population, which has already aged substantially since 1970, will age further. By 2030, median age will be 39.5.

(continued on page 6)

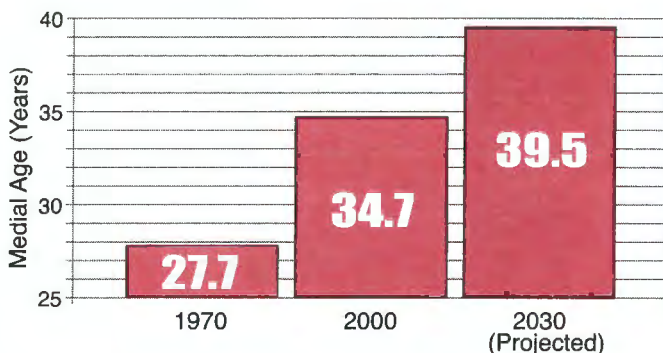
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- ✓ **Housing Construction Trends** - Pages 4-5
- ✓ **More on METRO 2030 Projections** - Page 6

... and more!

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Median Age in Central Arkansas



Population Estimates for 2004

Little Rock - North Little Rock MSA

	2000	2004	Change 2000-2004	Percent Change 2000-2004
Faulkner County				
Conway	43,167	49,983	6,816	15.8
Greenbrier	3,042	3,406	364	12.0
Mayflower	1,631	1,773	142	8.7
Vilonia	2,106	2,541	435	20.7
Wooster	516	553	37	7.2
Small communities	1,535	1,611	76	5.0
Unincorporated	34,017	36,286	2,269	6.7
Total	86,014	96,153	10,139	11.8
Grant County				
Sheridan	3,872	3,995	123	3.2
Total	16,464	16,989	525	3.2
Lonoke County				
Cabot	15,261	18,967	3,706	24.3
Austin	605	673	68	11.2
Ward	2,580	2,900	320	12.4
Lonoke	4,287	4,414	127	3.0
England	2,972	2,833	-139	-4.7
Carlisle	2,304	2,323	19	0.8
Small communities	758	744	-14	-1.8
Unincorporated	24,061	26,808	2,747	11.4
Total	52,828	59,662	6,834	12.9
Perry County				
Perryville	1,458	1,507	49	3.4
Total	10,209	10,555	346	3.4
Pulaski County				
North Little Rock	60,433	61,138	705	1.2
Jacksonville	29,916	31,013	1,097	3.7
Sherwood	21,511	23,097	1,586	7.4
Maumelle	10,557	13,559	3,002	28.4
Unincorporated (N)	29,706	29,948	242	0.8
Total North of the River	152,123	158,755	6,632	4.4
Little Rock	183,133	187,397	4,264	2.3
Cammack Village	831	831	0	0.0
Alexander*	174	174	0	0.0
Wrightsville	1,368	1,309	-59	-4.3
Unincorporated (S)	23,845	24,040	195	0.8
Total South of the River	209,351	213,751	4,400	2.1
Total Unincorporated	53,551	53,988	437	0.8
Total	361,474	372,506	11,032	3.1
Saline County				
Benton	21,906	24,683	2,777	12.7
Bryant	9,764	12,256	2,492	25.5
Shannon Hills	2,005	2,072	67	3.3
Haskell	2,645	2,992	347	13.1
Alexander*	440	440	0	0.0
Traskwood	548	564	16	2.9
Bauxite	432	437	5	1.2
Unincorporated	45,789	52,380	6,591	14.4
Total	83,529	95,824	12,295	14.7
MSA Totals				
4-County Total	583,845	624,145	40,300	6.9
6-County Total	610,518	651,689	41,171	6.3

Note: 4-County MSA includes Faulkner, Lonoke, Pulaski and Saline Counties, 6-County adds Grant and Perry Counties.

*The City of Alexander has portions incorporated in both Pulaski and Saline Counties.

Population Estimates for January 1, 2004

The six-county Little Rock-North Little Rock MSA reached 650,000 population, a growth of 6.2 percent since 2000. Saline County led the trend, gaining over 12,000 people, a growth rate of nearly 15 percent. The city of Benton witnessed a major increase in housing construction, while Bryant continues as one of the region's fastest-growing cities. Another growth leader is Maumelle, up over 28 percent since 2000. This figure slightly exceeds Bryant and Cabot as the fastest population growth by percent among the major cities of the region.

Faulkner and Saline Counties are both rapidly approaching the 100,000 mark. Conway, in Faulkner County, has gained over 6,800 persons since 2000, the largest numerical increase for any city in the region. Little Rock ranks second by this measure, with a net gain of over 4,000 persons.

Demographic Components of Change

The table below depicts the elements of population change over the past four years. Population change is the result of just three factors: births, deaths, and migration. Birth and death rates are generally similar and fairly stable from one region of the country to another, but migration rates vary tremendously. For that reason, migration is the most important determinant of local growth.

The figures below must be used with care, since they are based on population estimates, not exact counts. Metroplan's estimates show that the pace of in-migration has been strong over the recent past. The four-county area had net in-migration of nearly 27,000 across the last *four* years, compared with about 24,000 in the *ten* years from 1990 to 2000. Another intriguing trend is that Pulaski County's migration trend appears to have turned positive for the first time since the 1970's.

While these changes could have important implications for the region, the wisest response is caution. It will take a few years to make the distinction between a possible data anomaly and a genuine trend.

Components of Population Change Little Rock-North Little Rock MSA 2004

	January 1 2004	April 1 2000	Change	Net Migration	Births	Deaths	Natural Increase
Faulkner	96,153	86,014	10,139	7,753	4,778	2,392	2,386
Grant	16,989	16,464	525	452	678	605	73
Lonoke	59,662	52,828	6,834	5,778	2,780	1,724	1,056
Perry	10,555	10,209	346	305	466	425	41
Pulaski	372,506	361,474	11,032	2,057	21,402	12,427	8,975
Saline	95,824	83,529	12,295	11,410	3,629	2,744	885
Pre-2003 MSA							
4-County	624,145	583,845	40,300	26,998	32,589	19,287	13,302
New MSA							
6-County	651,689	610,518	41,171	27,755	33,733	20,317	13,416

Sources: Birth and death data from Arkansas Department of Health. Some figures are provisional and subject to revision.

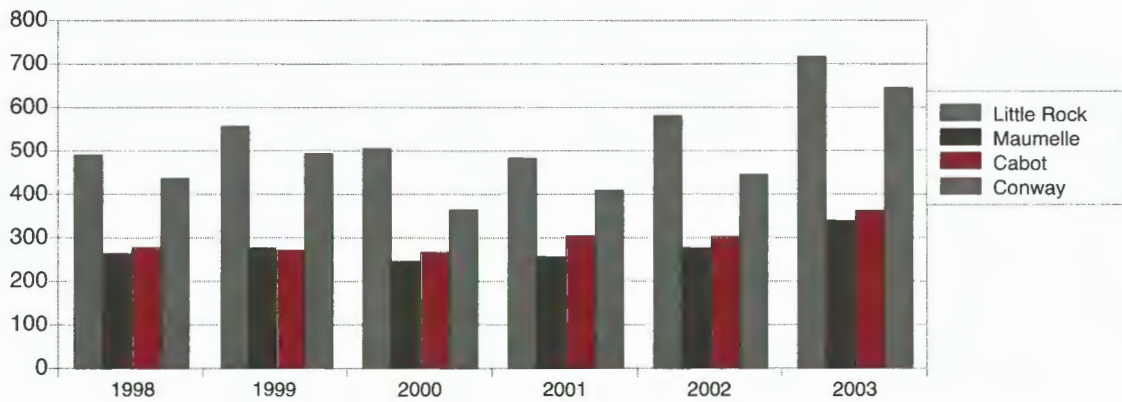
Interest Rates Were Low and Construction Was High in 2003

Interest rates stayed low during 2003, keeping housing construction at a record pace. Total units built were slightly fewer than in 2002 because multi-family construction dropped by nearly half. Single-family construction hit a new record, however, surpassing 3,000 units for the first time ever in the four-county region.

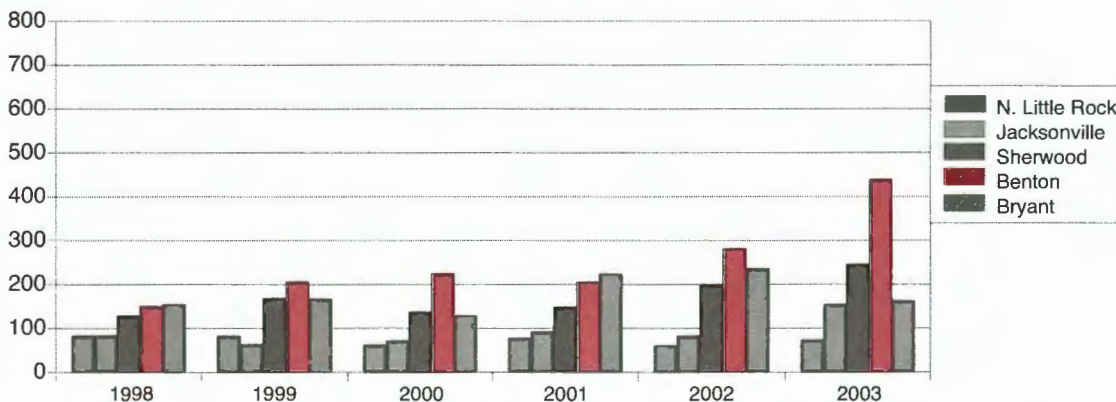
Little Rock saw the most single-family units permitted in 2003 with 717 units, the highest number since the boom year 1993. Conway was second with 645 units and Benton third, with 438 units permitted. As recently as 2001 Benton ranked sixth among the nine larger cities in single-family permits. Three cities – Benton, Maumelle, and Conway, logged their highest permit totals ever. Jacksonville and Sherwood also saw a growth surge. Jacksonville's permits were the highest since 1984; while Sherwood tied its 1986 record of 245 units.

The largest amount of multi-family construction was in Little Rock, where growth hinted at a south-westerly trend. Little Rock's largest project in 2003 was the 144-unit Capitol Hill complex south of Kanis Rd., while 122 units were built at the Chapel Ridge complex on Stagecoach Rd. Maumelle added the Highland Pointe complex with 168 units. Other multifamily projects were begun in Cabot, North Little Rock and Conway.

Single Family Housing Unit Permits 1998-2003
Cities Averaging Over 220 Units Annually

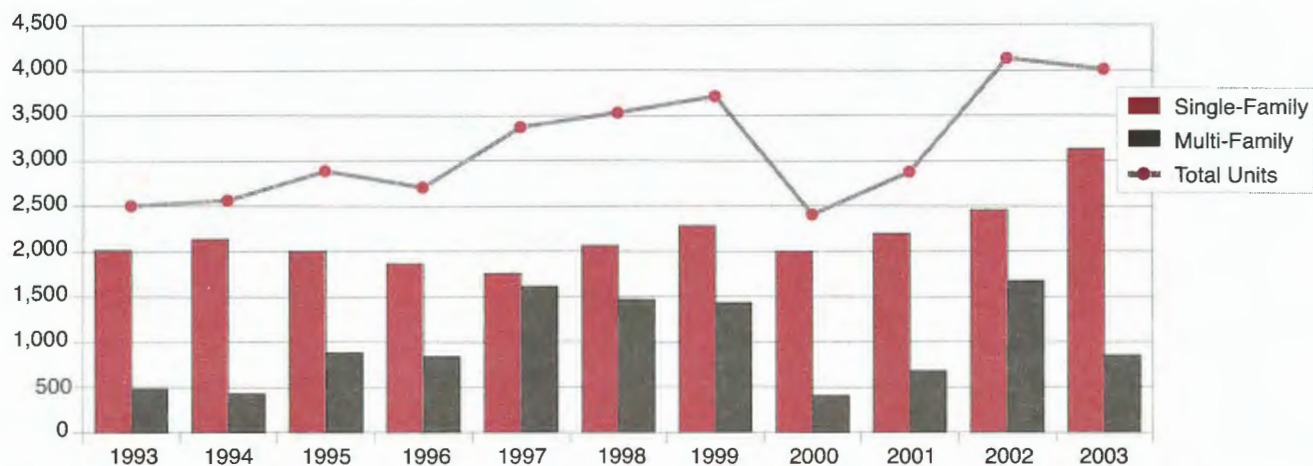


Single Family Housing Unit Permits 1998-2003
Cities Averaging Under 220 Units Annually



Housing Construction Trends - continued

LR-NLR MSA Housing Unit Permits 1993-2003



Single-Family Housing Unit Permits

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Little Rock	740	641	477	477	436	490	556	505	483	581	729
North Little Rock	107	97	98	90	66	83	82	62	77	60	73
Jacksonville	75	82	54	78	73	83	63	71	92	82	154
Sherwood	91	70	85	85	88	128	168	136	148	197	245
Maumelle	93	124	176	220	240	263	276	245	256	276	339
Cabot	224	297	400	235	256	277	271	266	304	302	362
Benton	183	194	138	126	127	150	205	224	205	281	438
Bryant	63	117	141	167	150	154	166	128	223	235	175
Conway	445	515	438	389	323	436	493	364	409	445	645
Total Single-Family	2,021	2,137	2,007	1,867	1,759	2,064	2,280	2,001	2,197	2,459	3,160

Multi-Family Housing Unit Permits

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Little Rock	77	26	240	191	1,240	790	649	232	95	238	425
North Little Rock	0	0	0	0	2	10	2	0	120	60	56
Jacksonville	6	10	1	0	22	12	60	80	4	102	2
Sherwood	30	16	457	48	0	232	78	8	0	0	0
Maumelle	14	6	0	0	0	0	120	0	120	0	168
Cabot	0	48	29	13	2	0	20	0	2	200	122
Benton	223	31	0	278	22	0	5	16	31	161	0
Bryant	0	4	16	3	4	0	82	4	2	580	2
Conway	132	288	139	307	323	425	417	66	307	335	80
Total Multi-Family	482	429	882	840	1,615	1,469	1,433	406	681	1,676	855

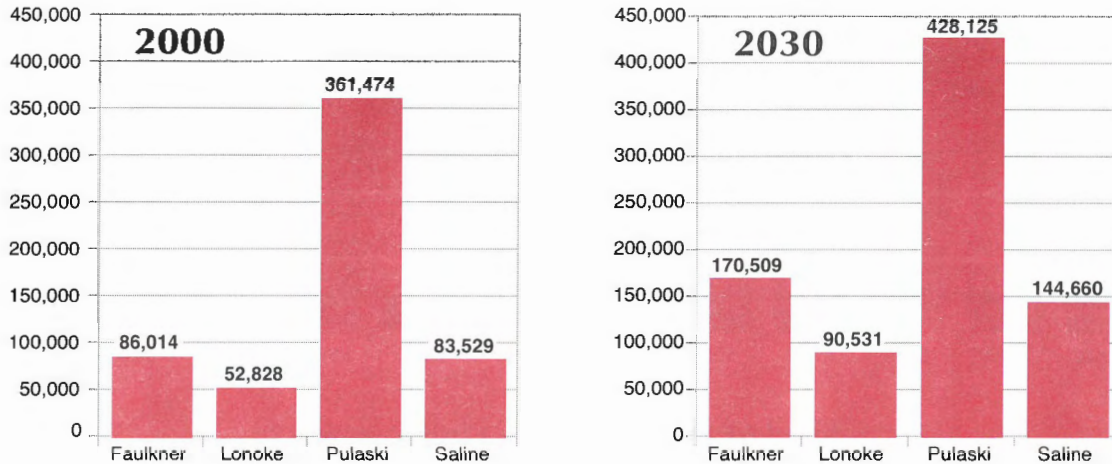
Total Housing Unit Permits

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
MSA Total Units	2,503	2,566	2,889	2,707	3,374	3,533	3,713	2,407	2,878	4,135	4,015
Percent Single-Family	82.9	83.5	65.2	74.0	59.3	58.4	61.4	83.1	76.3	59.5	78.7
Percent Mutli-Family	17.1	16.5	34.8	26.0	40.7	41.6	38.6	16.9	23.7	40.5	21.3

METRO 2030 Projections (continued)

The charts and table below give county-level breakdowns of projected population through 2030. Faulkner County will grow by the fastest rate, averaging 2.3 percent annually over the 30-year period. Pulaski County will grow by the slowest rate, but will still increase by 0.6 percent annually, reaching a population of over 428,000 by 2030.

Population by County 2000 & 2030



	Faulkner	Lonoke	Pulaski	Saline	Regional Total
Census 2000	86,014	52,828	361,474	83,529	583,845
Forecast 2005	98,652	59,575	374,558	92,670	625,456
2010	112,741	66,538	386,259	101,971	667,510
2015	127,064	73,385	396,893	111,555	708,897
2020	142,249	79,863	407,909	121,970	751,992
2025	156,219	85,635	418,321	133,191	793,366
2030	170,509	90,531	428,125	144,660	833,824
Total Growth	84,495	37,703	66,651	61,131	249,979
% Growth	98.2	71.4	18.4	73.2	42.8
Annual Average Growth Rate	2.3	1.8	0.6	1.8	1.2

**Public School Enrollments
Academic Years 1990-1991 Through 2003-2004
LR-NLR MSA (6-County)**

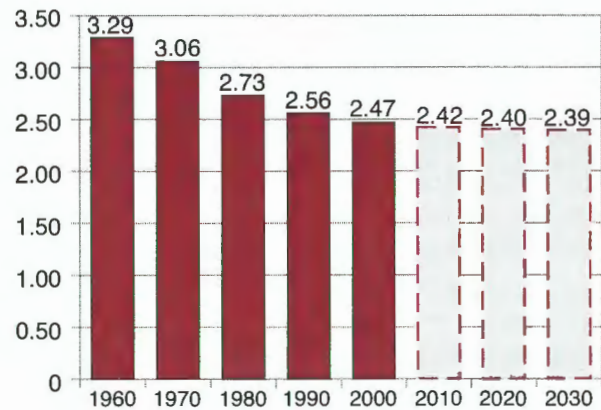
	1990-91	1995-96	2000-01	2003-04
Faulkner	10,551	13,078	14,362	15,105
Grant	4,022	4,277	4,688	4,651
Lonoke	8,561	9,889	10,697	11,179
Perry	1,553	1,807	1,844	1,799
Pulaski	56,501	53,241	51,782	51,967
Saline	10,890	11,837	12,201	12,539
MSA	92,098	94,129	95,574	97,240

Household Futures in Central Arkansas

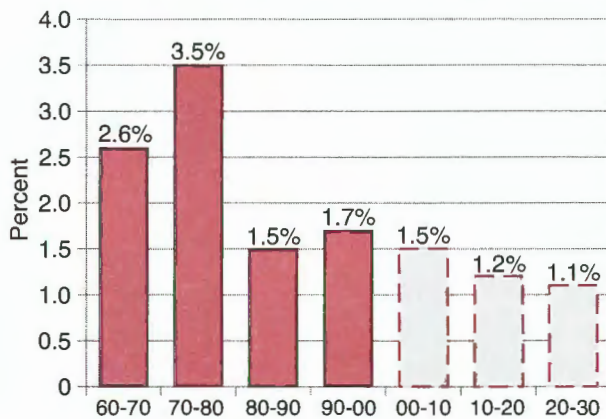
As the chart at right shows, individual households have become smaller over the years as the number of persons per household has dropped steadily in recent decades. Metroplan predicts that the decline in household size will continue in coming years, but the pace of decline will slow.

The rate of household formation is a crucial measure because it drives the demand for new housing and other goods and services. As the chart below shows, the rate of household formation has dropped overall over the past forty years. Metroplan predicts that household formations will continue to drop, particularly after 2010.

**LR-NLR Persons per Household
1960-2000 With Projections to 2030**



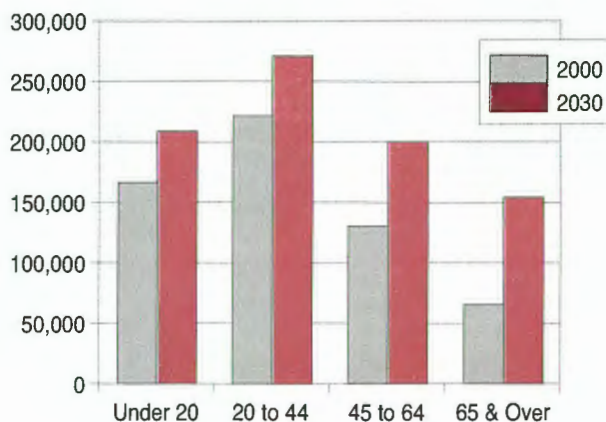
**LR-NLR Annual Rate of Household
Formation 1960-2000
With Projections to 2030**



The slowdown in household formations after 2010 will reflect the changing age structure of central Arkansas population. Growth in the young adult population, a primary driving force behind household formation, will slow after 2010. Second, the number and proportion of elderly persons will climb as the large Baby Boom generation begins to retire in 2011. As they age, rising mortality and the need for assisted living or nursing home care will gradually reduce the number of Boomers living in households.

The chart below depicts changes in the population's age structure from 2000 to 2030. While growth will occur in all age groups, population in the older groups will grow at the fastest pace. Population over 65 will more than double, while population under 20 will grow by only about 25 percent.

**Four-County LR-NLR Region
Population by Age Group 2000-2030**



Age Group	Census 2000	Forecast 2030	Percent Growth
Under 20	166,490	208,557	25.3
20 to 40	221,450	270,989	22.4
45 to 64	130,404	200,002	53.4
65 & Over	65,501	154,276	135.5

2004 Demographic Outlook

Metroplan's estimates, driven primarily by housing construction data, suggest that growth has accelerated in the first years of the current decade. Faulkner, Lonoke and Saline Counties all appear to be growing by over 3 percent annually, and Pulaski County may have reversed a quarter century of out-migration.

Income growth in the Little Rock-North Little Rock MSA has ranked in the top third among U.S. metros for the period 2000-2002¹. This, coupled with the region's notably low cost of living, might partly explain recent population trends. The next edition of Metroplan's *Economic Review and Outlook*, due out during the fall of 2004, will aim to further explain the business trends driving the region today.

¹ Bureau of Economic Analysis, Regional Economic Information System.

Metroplan's *Demographic Review and Outlook* is an annual chronicle providing demographic data and insight for the Little Rock-North Little Rock MSA.

Prepared by:
Jonathan Lupton, Research & writing
Jean Dahms, Graphics & layout

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METROPLAN 

501 West Markham Suite B
Little Rock, Arkansas 72201-1409

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