

Migration and the Regional Future

During past decades, the critical factor in regional population change has been migration. Decennial censuses in 1980, 1990 and 2000 verified a steady stream of Pulaski County residents moving to new homes in adjacent Saline, Lonoke and Faulkner Counties, while still holding jobs in Pulaski County. Pulaski County grew slowly, mainly from natural increase (the excess of births over deaths). By comparison, the outlying counties boomed with housing and population growth. By the year 2000, after succeeding decades of out-migration, about



A long-distance freeway commute is part of daily life for many central Arkansas residents

What about the years since our last census, in 2000? Metroplan's population estimates have shown

a modest acceleration of population growth in Pulaski County, driven by changing migration trends. The chart at left uses the best available data, IRS migration records, to depict Pulaski County migration flow in recent years.¹

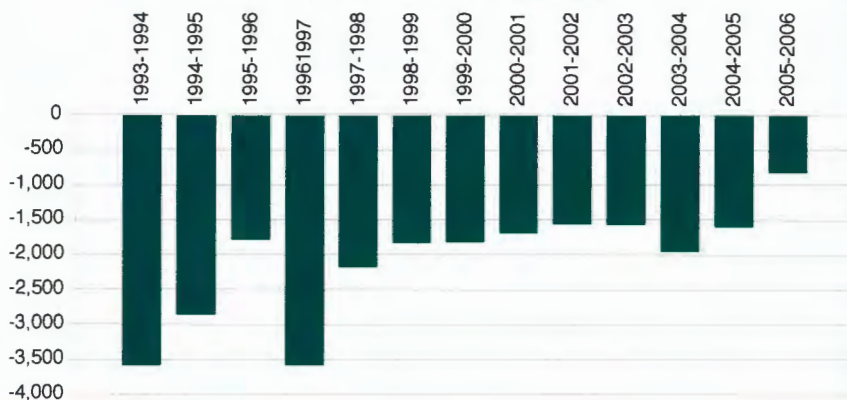
The figures, which show net out-migration declining by 75 percent from 1996 to 2006, verify Metroplan's conclusion that Pulaski out-migration has slowed in recent years. At first glance, this chart might also suggest that fewer local workers are moving

out to nearby Saline, Lonoke, and Faulkner Counties. But the real answer is more complex.

The chart on page seven gives a more detailed picture of Pulaski County's net migration flows by region. The bars above the middle line depict positive net flows – areas that contribute more migrants to Pulaski County than they receive. The bars below the center depict areas to which Pulaski County loses more resi-

MIGRATION, continued on page 7

Pulaski County Net Migration Flow 1993-2006



30 percent of the workforce in Pulaski County lived outside county lines and commuted in. Despite modest population growth, Pulaski County's share of the four-county area's resident population declined from 75 percent in 1970 to just 62 percent in 2000.

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¹ Migration data for years 2004-05 and 2005-06 from Statistics of Income Division, Internal Revenue Service, Washington D.C., IRS data from previous years accessed from Arkansas Institute for economic Advancement, Research Group, at <http://www.weknowarkansas.org>.

Population Estimates for 2008

Little Rock - North Little Rock - Conway MSA

	2000	2008	Change 2000-2008	Percent Change 2000-2008
Faulkner County Total	86,014	109,577	23,563	27.4
Conway	43,167	57,675	14,508	33.6
Greenbrier	3,042	4,346	1,304	42.9
Mayflower	1,631	2,096	465	28.5
Vilonia	2,106	3,492	1,386	65.8
Wooster	516	759	243	47.1
Small communities	1,535	2,207	672	43.8
Unincorporated	34,017	39,002	4,985	14.7
Grant County Total	16,464	17,740	1,276	7.8
Sheridan	3,872	4,564	692	17.9
Lonoke County Total	52,828	66,384	13,556	25.7
Cabot	15,261	22,629	7,368	48.3
Austin	605	1,141	536	88.6
Ward	2,580	3,691	1,111	43.1
Lonoke	4,287	4,420	133	3.1
England	2,972	3,017	45	1.5
Carlisle	2,304	2,384	80	3.5
Small communities	758	793	35	4.6
Unincorporated	24,061	28,309	4,248	17.7
Perry County Total	10,209	10,460	251	2.5
Perryville	1,458	1,449	-9	-0.6
Pulaski County Total	361,474	380,130	18,656	5.2
North Little Rock	60,433	61,123	690	1.1
Jacksonville	29,916	31,661	1,745	5.8
Sherwood	21,511	25,340	3,829	17.8
Maumelle	10,557	15,911	5,354	50.7
Unincorporated (N)	29,706	30,452	746	2.5
Total North of the River	152,123	164,487	12,364	8.1
Little Rock	183,133	188,761	5,628	3.1
Cammack Village	831	820	-11	-1.3
Alexander*	174	174	0	0.0
Wrightsville	1,368	1,641	273	20.0
Unincorporated (S)	23,845	24,247	402	1.7
Total South of the River	209,351	215,643	6,292	3.0
Total Unincorporated	53,551	54,699	1,148	2.1
Saline County Total	83,529	103,308	19,779	23.7
Benton	21,906	28,918	7,012	32.0
Bryant	9,764	17,146	7,382	75.6
Shannon Hills	2,005	2,878	873	43.5
Haskell	2,645	3,644	999	37.8
Alexander*	440	2,482	2,042	464.1
Traskwood	548	594	46	8.4
Bauxite	432	447	15	3.5
Unincorporated	45,789	47,199	1,410	3.1
Hot Springs Village Total	10,375	13,950	3,575	34.5
In Saline County (unincorporated)	3,719	6,151	2,432	65.4
In Garland County (unincorporated)	6,656	7,799	1,143	17.2
MSA Totals				
4-County Total	583,845	659,399	75,554	12.9
6-County Total (official MSA)	610,518	687,599	77,081	11.2

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.

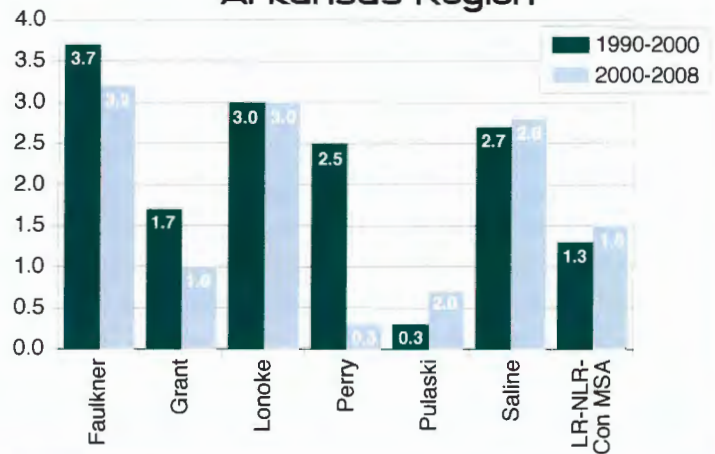
Population Estimates for 2008

Metroplan's 2008 population estimates show the six-county region just shy of 690,000 persons. Population growth has run at a 1.5 percent annualized pace since 2000, slightly faster than 1.3 percent recorded during the 1990's. Individual counties within the region have shown varying trends.

The chart at right compares the average annual rate of growth for these counties from 1990 to 2000 with Metroplan estimates for the period 2000 through 2008.¹ As you can see, Faulkner, Grant and Perry Counties have all seen slower growth since 2000, especially pronounced in Perry County. Pulaski County has grown slightly faster since 2000 than during the past decade. Saline County has also grown faster than in the previous decade.

The 2008 Metroplan estimates show sharply higher population in Bryant, where numerous annexations have combined with housing growth to yield a population over 17,000. The city of Benton, with nearly 29,000 persons in 2008, looks likely to pass 30,000 by the 2010 census. The cities of Benton and Bryant are closing the territorial gap between them with continuing annexations, and already share common boundaries in many locations. Conway, in Faulkner County, is now well over 57,000 and looks primed to cross 60,000 by 2010. In the central

Comparative Annual Average Population Growth Rates for Central Arkansas Region



area, the city of Little Rock continues growing slowly, while a spate of multi-family additions has pushed North Little Rock into positive territory. Sherwood, which just passed the 25,000 population mark, will soon climb over 28,000 with the voter-approved annexation of Gravel Ridge. The unincorporated community of Gravel Ridge had about 3,200 residents in 2000.

¹Using annual average rates permits a direct comparison between time intervals of differing length.

Components of Population Change Little Rock-North Little Rock MSA 2008

	January 1 2008	April 1 2000	Change	Net Migration	Births	Deaths	Natural Increase
Faulkner	109,577	86,014	23,563	18,254	10,557	5,258	5,299
Grant	17,740	16,464	1,276	1,040	1,503	1,266	237
Lonoke	66,384	52,828	13,556	10,889	6,363	3,696	2,667
Perry	10,460	10,209	251	186	956	891	65
Pulaski	380,130	361,474	18,656	-538	44,922	25,729	19,194
Saline	103,308	83,529	19,779	17,643	8,038	5,902	2,136
4-Co. MSA	659,399	583,845	75,554	46,259	69,879	40,584	29,295
6-Co. MSA	687,599	610,518	77,081	47,484	72,338	42,741	29,597

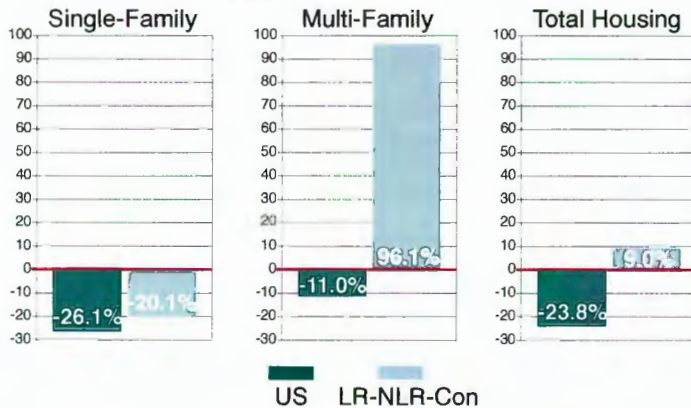
Sources: Birth and death data from Arkansas Department of Health.
Birth data for 2005-2007 and death data for 2006-2007 are provisional.
Year 2000 death data represent period from April 1 - December 31, estimated as 75 percent of the total.

Housing Permits 2007

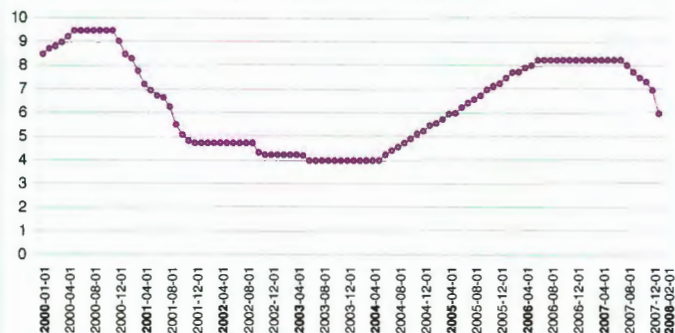
Housing Crisis Deepens, But Might Soon Bottom Out

The construction of single-family housing units dropped again in central Arkansas during 2007 to barely over 2,000 units, a low level not seen since 2001. The table on the opposite page gives the number of units built. The small charts below show local and U.S. performance over the past year. The local drop of 20 percent in single-family construction was marginally less severe than a national decline of 26 percent from 2006 to 2007. The local multi-family market, meanwhile, easily bested overall U.S. performance, surging 96 percent, while national multi-family construction veered downward 11 percent. The multi-family gain in central Arkansas offset single-family decline, yielding a net gain of 9 percent in total housing unit construction over 2006, while the

Change in New Housing Unit Construction US vs LR-NLR-Con MSA 2006-2007

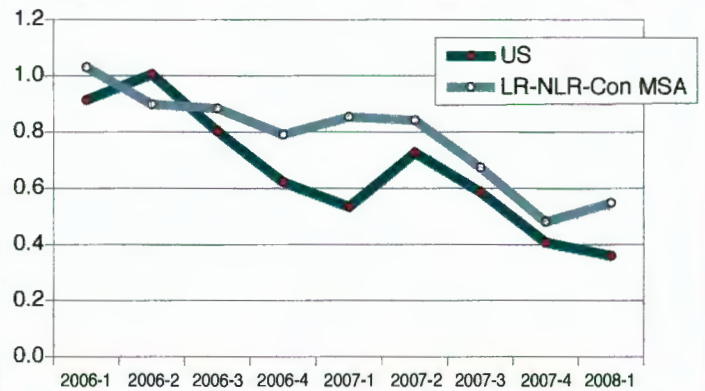


US Prime Bank Loan Rate 2000-2008



Source: Board of Governors of the Federal Reserve System

Quarterly Single-Family Construction Index: 2006-Early 2008



national total was down nearly 24 percent. The local multi-family surge may, however, be less significant than it looks, since multi-family markets are volatile by nature.

The chart above shows Metroplan's index for single-family housing construction through early 2008, using the strong years 2004-2005 as a base. After breaking sharply downward for two straight quarters, both the U.S. and local single-family construction indices are looking slightly less negative. Still, the drop in activity is palpable: U.S. construction in the first quarter of 2008 stood at about 36, or barely over one-third the level during the fast construction years 2004-2005. Local construction has fared better, reviving after the turn of the year to a slightly stronger index value of about 55.¹ Both indices are far down from the boom years, but might indicate a modest recovery in the near future. **M**

Hot Springs Village Housing Permits 2005-2007

	2005	2006	2007
Single-Family Units	253	299	184

¹Central Arkansas index data based on preliminary building permit counts for first quarter, 2008. U.S. index data for early 2008 based on Census Bureau permit figures, accessible at <http://www.census.gov>.

Housing Permits 2007

Housing Unit Permits 1997 - 2007 for Cities Over 5,000 Little Rock - North Little Rock - Conway MSA

Single-Family Housing Unit Permits

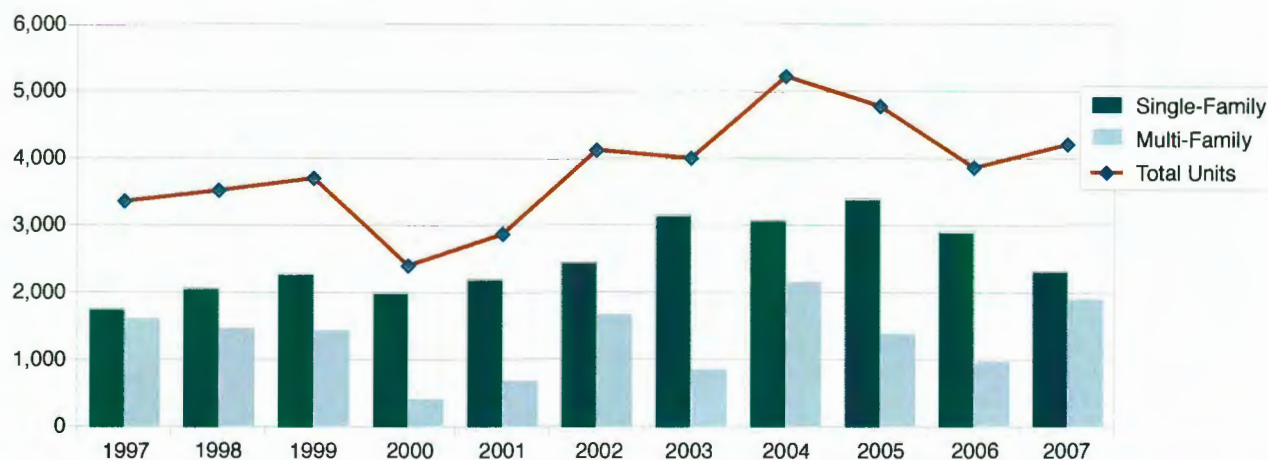
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Benton	127	150	205	224	205	281	438	366	557	496	372
Bryant	150	154	166	128	223	235	175	138	116	110	158
Cabot	256	277	271	266	304	302	362	499	387	416	183
Conway	323	436	493	364	409	445	645	499	489	409	303
Jacksonville	73	83	63	71	92	82	154	123	186	126	125
Little Rock	436	490	556	505	483	581	729	797	967	810	707
Maumelle	240	263	276	245	256	276	339	274	338	221	144
N. Little Rock	66	83	82	62	77	60	73	92	113	93	104
Sherwood	88	128	168	136	148	197	245	287	259	218	219
Total SF	1,759	2,064	2,280	2,001	2,197	2,459	3,160	3,075	3,412	2,899	2,315

Multi-Family Housing Unit Permits

Benton	22	0	5	16	31	161	0	0	0	0	10
Bryant	4	0	82	4	2	580	2	102	10	2	412
Cabot	2	0	20	0	2	200	122	32	0	152	0
Conway	323	425	417	66	307	335	80	258	1,052	222	152
Jacksonville	22	12	60	80	4	102	2	8	4	34	22
Little Rock	1,240	790	649	232	95	238	425	1,100	309	15	564
Maumelle	0	0	120	0	120	0	168	240	0	0	0
N. Little Rock	2	10	2	0	120	60	56	262	0	540	740
Sherwood	0	232	78	8	0	0	0	160	0	4	0
Total MF	1,615	1,469	1,433	406	681	1,676	855	2,162	1,375	969	1,900

Total Units	3,374	3,533	3,713	2,407	2,878	4,135	4,015	5,424	4,787	3,868	4,215
Percent SF	52.1	58.4	61.4	83.1	76.3	59.5	78.7	60.1	71.3	74.9	54.9
Percent MF	47.9	41.6	38.6	16.9	23.7	40.5	21.3	39.9	28.7	25.1	45.1

LR-NLR-Con MSA Housing Unit Permits 1997-2007



Source: Permit records provided by city governments. NLR multi-family figures are close estimates. All 2007 figures cross-checked against Census Bureau records.

Talent Migration & the Economic Future

There is a strong correlation between education levels and incomes. Regional theorists take this one step further, pointing out that a region's ability to develop its economy depends in part on the presence of what academic Richard Florida calls the "creative class," the mobile, highly educated, and innovative people whose presence helps spur productivity and entrepreneurship in an information economy.

While the state of Arkansas ranks below the national average in education levels, its largest metropolitan areas have a higher share of educated people, and will determine the state's economic future. The table below compares the population with M.A. or higher professional degrees as a share of total population over age 25 - a good measure of a region's highly educated, professional population.

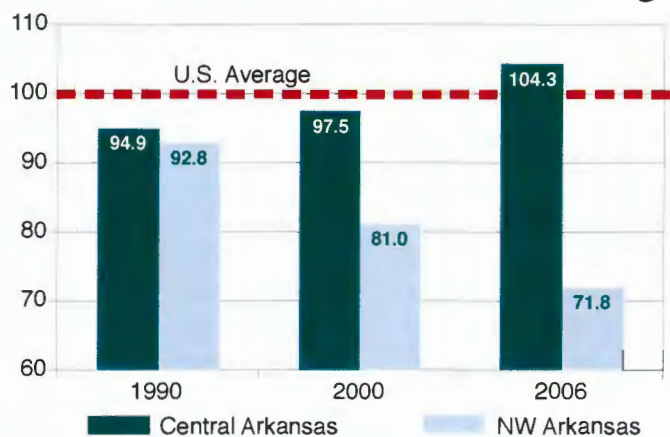
Share of Population Age 25+ with M.A. or Professional Degree 1990-2006

	1990	2000	2006
Central AR ¹	6.9%	8.6%	10.3%
Northwest AR ²	6.7%	7.2%	7.1%
State of Arkansas	4.5%	5.7%	6.2%
USA	7.2%	8.9%	9.9%

Source: U.S. Bureau of Census, American Community Survey 2006, Decennial Census 2000, and Decennial Census 1990.

As you can see, education levels have been climbing at all levels of geography. The state and both its largest metro areas ranked below average in 1990 and, despite gains, still ranked below in 2000. By 2006, the central Arkansas region had climbed above the national average. The chart compares the share of M.A. and professional degrees in central and northwest Arkansas regions as an index against the U.S. average (the U.S. average in each year is 100). As you can see, while fast-growing northwest Arkansas lost ground by this measure,

Share of Population Age 25+ with M.A. or Professional Degree 1990-2006 (as Index of U.S. Average)



the central region showed steady gain, even as U.S. education levels continued to rise.

How can this be? Northwest Arkansas, after all, hosts the state's flagship university. Part of the answer is that central Arkansas is also well-endowed with centers for higher education, and has a greater total enrollment than northwest Arkansas in local colleges and graduate schools like the University of Arkansas at Little Rock, the University of Central Arkansas, Pulaski Technical College, UAMS, Hendrix College and others.

The rest of the answer may have more to do with trends in talent migration, and how the creative class selects locations based on regional



Region-building can be fun: preparing to stroll the Big Dam Bridge.

¹ Central Arkansas in all years is the six-county MSA as defined by the Office of Management and Budget in 2003: Faulkner, Grant, Lonoke, Perry, Pulaski and Saline County.

² Northwest Arkansas in all years is the four-county MSA defined by the Office of Management and Budget in 2003: Benton, Madison, and Washington Counties in Arkansas and McDonald County, Missouri.

Migration & the Regional Future

identity, cultural infrastructure, and recreational opportunities. The region-building projects of recent years - the rise of the River Market District, the spreading of downtown redevelopment to North Little Rock and Conway, construction of a world-class pedestrian trail system, and countless other efforts may be paying dividends today. If so, the race will go on, and the process of region-building and place-making must continue also. **M**

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

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

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MIGRATION, continued from page 1

dents than it gains. As you can see, The net outflow from Pulaski to the outlying counties – Saline, Lonoke and Faulkner – actually increased after about 2002.

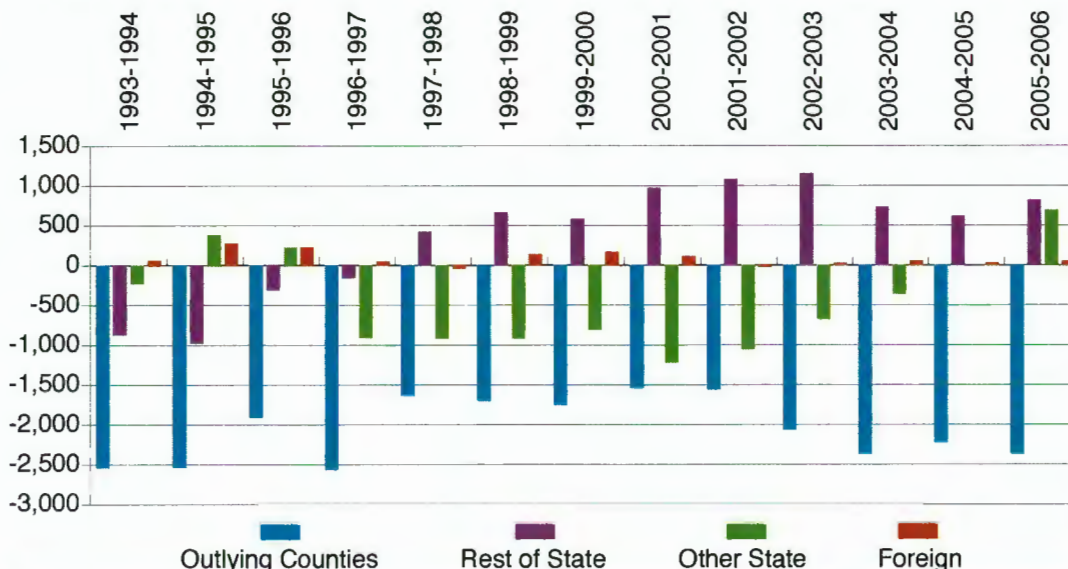
The change in Pulaski County's net migration flow is instead due to increasing inflows from the rest of Arkansas, and from outside the state. After draining away more migrants than they gave in past years, places outside Arkansas had a neutral migration flow with Pulaski County in 2004-05 and contributed migrants in 2005-06. Documented foreign flows have added a few migrants too. Overall, Pulaski County has been approaching migration balance in recent years.

Rising fuel prices have been putting heavy economic pressure on long-distance commuters. Could this affect regional migration trends? As fossil fuels become

increasingly scarce, will Pulaski County's out-migration of past decades slow down, or reverse?

The evidence so far is hazy but provocative. There is anecdotal evidence of commuters who have recently moved back to Pulaski County, induced in part by rising gasoline prices. Traffic counts at several points along radial freeways dropped in 2007, after years of uninterrupted growth. Housing growth in the region's outlying counties has slowed more than in the central area. Data sources like IRS migration figures, building permits, and traffic counts lag behind real events, so it is hard to know how far trends may be shifting. The greatest change yet is simply that, after decades in which steady out-migration was assumed and expected, it suddenly makes sense to question whether the trend will continue. **M**

Detailed Pulaski County Net Migration Flow 1993-2006





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Demographic Outlook 2008

Central Arkansas is gaining population at a faster rate than most other south central metropolitan areas. Recent census estimates show the Little Rock-North Little Rock-Conway MSA grew 9.2 percent overall from 2000 to 2007, ranking it 129th among all 363 U.S. metropolitan areas. This outpaces nearby metros like Baton Rouge (9.1 percent), Oklahoma City (8.9 percent), Chattanooga (8.0 percent), Jackson, Mississippi (7.4 percent), Memphis (6.3 percent), and Birmingham (5.3 percent).

The year 2008 dawned with major changes on the horizon. A recent tightening of federal standards will probably put the central Arkansas region (and many other metros) into ozone non-attainment. Barring reversal by courts or legislative action, the region will soon face pressure to reduce air pollution levels.

There is anecdotal evidence, at local and national levels, that housing over-valuation is especially pronounced

in low-density commuting suburbs at the fringes of metropolitan areas. The rate of local foreclosures appears greatest in small outlying communities like Austin, Mayflower, Vilonia and Ward, while the impact is least in Little Rock, North Little Rock, Conway and Sherwood.

In face of weak demand, housing construction has held up most strongly in Little Rock, North Little Rock, and Sherwood. Housing customers are increasingly looking for proximity to shopping, walking, jobs, and community activities in preference to raw square footage, and "place-making" is becoming a new development buzzword. High fuel prices can only accentuate this emerging trend. The new vector in land development could be a temporary by-product of economic crisis, but it is more likely that the crisis itself is broadcasting signals of change.

