

June 2013

# METRO TRENDS

Demographic Review and Outlook

## EMPLOYMENT IN CENTRAL ARKANSAS



- Workforce in Transition
- Here Come the Millennials
- Population Change 2010-2013
- Metropolitan Arkansas 2013
- Housing Construction—  
Is This the New Normal?
- Demographic Outlook 2013



METROPLAN  
SMART PLANNING MAKES SMART PLACES.

## About Metroplan

Metroplan is a voluntary association of local governments that has operated by interlocal agreement since 1955. Originally formed as the Metropolitan Area Planning Commission of Pulaski County, Metroplan now has members in the six-county metro area (see below). Metroplan is the designated metropolitan planning organization (MPO) under Title 23 of the United States Code.

Metroplan serves as the regional voice on issues affecting Central Arkansas, develops transportation plans required by federal law, convenes stakeholders to deal with common environmental issues, and provides information and staff resources to its member local governments, the business community and the public. As part of that mission, Metroplan publishes Metrotrends twice yearly. The spring edition is the Demographic Review and Outlook; the fall edition is the Economic Review and Outlook.

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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.

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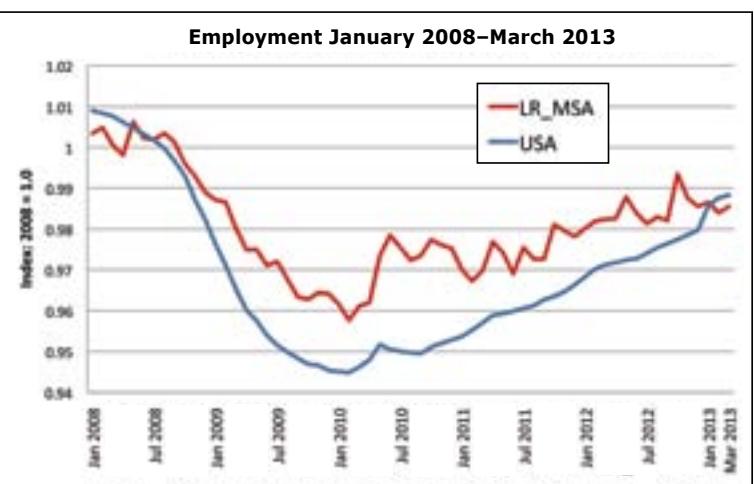
## Workforce in Transition

Central Arkansas employment has grown slowly in the Great Recession's aftermath. The region's job-loss rate ran below the U.S. average during the crisis, and local unemployment has stayed below U.S. levels. However, the local job recovery has also run more slowly than average. The Little Rock-North Little Rock-Conway region is unusually diverse, with a mix of industries that closely matches the U.S. average. During downturns, the region typically suffers less than average. But diversity that is advantageous during downward trends is typically a handicap when things turn up, yielding slower economic recoveries.

### A Shifting U.S. Economy

Over the past five years, the national economy has undergone a restructuring process. Some of the old "guaranteed growth" industries, like housing, land development, and the banking, finance and business service industries that fed them, have been among the slowest-recovering sectors. Manufacturing, long known for constant job cutbacks, plant closings, and off-shoring, is leading the U.S. economy out of

recession. Cheaper domestic energy, more expensive international freight transport energy costs, and rising labor costs overseas have energized a minor boom in U.S. manufacturing. The low-skilled, labor-intensive manufacturing of the past is mostly gone, supplanted by a highly-skilled, more creative, flexible process. Pay rates are good, but the work requires a carefully-trained, specialized workforce.



## Creative Manufacturing at WWBeds

Chris Davis of WWBeds Custom Furniture has never been busier. Clients can scan his web site for ideas, or give him their own design ideas. He has made beds that look like airplanes, boats, and locomotives, and is currently making a two-level Yellow Submarine bed – complete with a slide – for a California customer. He has shipped beds as far as Qatar. He also makes Murphy beds (fold-out wall beds) for tight spaces. They can be designed to look like cabinets or bookcases, or to match the room's decor.



Photo: WW Beds

Chris employs one assistant full-time. Several family members help out, too. He uses about 95 percent domestic wood, although he sometimes imports specialty

woods like Russian birch. His North Little Rock showroom keeps the business customer-connected. It surprises him to know his business lies directly within the creative manufacturing boom. Chris enjoys innovating every day, and willingly puts in 60-hour weeks. A class in interior design has helped him to better meet customer needs. When asked whether he has expansion plans, Chris seems caught in the middle. Expansion is a tempting dream, he says, but would also add complications. Smallness, and freedom from big-business burdens like complex accounting and debt, may allow him the sense of enjoyment that is often the essence of creative work.



Due to automation, the sheer number of jobs in manufacturing is far smaller than in the past, with an emphasis on innovation, engineering and design. One of the incubator locations of today's manufacturing renaissance in the United States today is San Francisco, where local craft knowledge and design talent are at the leading edge of industrial innovations.<sup>1</sup>

Yet much of the economy, locally and nationally, lingers in low-growth mode. One of the biggest recent problems has been the mismatch between job vacancies and unemployed workers. A study by the U.S. Bureau of Labor Statistics determined that the March, 2012 U.S. unemployment rate was 2.8 points higher than it should have been, based on existing job vacancies.<sup>2</sup> Normally, a higher job vacancy rate yields a lower unemployment rate. But since about 2007, the relationship between job vacancies and unemployment has shifted, with a wider gap between the two. The mismatch is greatest in construction, trade and transportation, and the leisure and hospitality industries.

Another big change is that the overall rate of labor force participation has dropped. Some of those who lost jobs during the crisis gave up looking for work, while some younger potential workers never entered the labor force. While unemployment has come down, it remains at 7.5 percent nationally, well above its long-term average during the 1990s and early 2000s.<sup>3</sup>

## Workforce Central Arkansas

The Central Arkansas workforce is similar to the national average, but with minor differences. Overall participation runs a bit higher: in 2011, about 65.6 percent of the population over age 16 was in the labor force, compared with a U.S. average of 64.0 percent. Central Arkansas men are more likely than the U.S. average to be in the labor force while they are young, but less so above age 55. Central Arkansas women participate at a notably higher rate than the U.S. average, especially in the youngest (16 to 24) age group. Even in older age groups, local females

## Women and Work in Central Arkansas

Female labor force participation in Central Arkansas runs above the national average. There is another interesting, and economically significant, difference about Central Arkansas women. According to American Community Survey (ACS) *resident-based* data, local female labor force participation — the share of women over age 16 holding one or more jobs — remains lower than total male participation. But when you survey the actual jobs with Longitudinal Employment Household Dynamics

(LEHD) work-based data, you find a slight majority of job-holders are female: 51.4 percent, compared with a U.S. average of 46.9 percent females in the workforce.<sup>4</sup> How can a slight majority of total jobs be female, while the majority of residents in the labor force are male? The answer is probably that women in Central Arkansas hold multiple jobs at a higher rate than men, and at a higher rate than the U.S. average.<sup>5</sup>

### Labor Force (Residence-Based) Share of Population Over Age 16 in Labor Force

	USA	LR-NLR-Con
Male	69.3%	70.4%
Female	58.9%	61.2%
Total	64.0%	65.6%

Source: U.S. Bureau of the Census, ACS 2011



Central Arkansas women have a higher propensity than average to hold multiple jobs. Esperanza Massana may be an example. She works full-time as an account rep for CJRW, while also teaching a class at Harding University. In the past she has also worked secondary jobs in the retail sector.

**Workforce  
(Job-Based)  
Share of Workforce by Sex**

	USA	LR-NLR-Con
Male	53.1%	48.6%
Female	46.9%	51.4%

Source: U.S. Bureau of the Census, LEHD, 2011

are about one percentage point more likely than the U.S. average to be in the labor force.<sup>6</sup>

<sup>1</sup>James Fallows, "Mr. China Comes to America," *The Atlantic*, December 2012.

<sup>2</sup>"Which Industries are Shifting the Beveridge Curve?" *Monthly Labor Review*, June 2012. In other words, the unemployment rate of 8.2 percent should have been 5.4 percent, based on job vacancies.

<sup>3</sup>U.S. Bureau of Labor Statistics, seasonally adjusted data for April 2013.

<sup>4</sup>The figures for labor force participation come from the American Community Survey, years 2007-2011. Data on the workforce is from the Census Bureau's LEHD data set, for the same years.

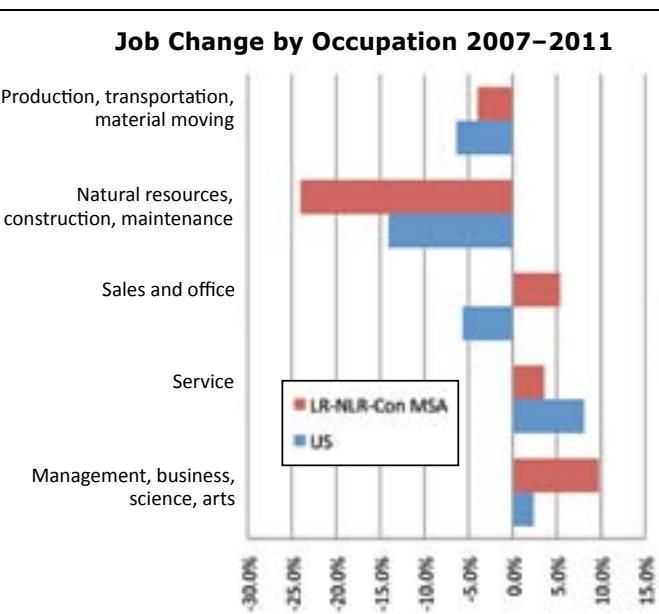
<sup>5</sup>In essence, the ACS measures resident population, while the LEHD measures jobs. It is possible that data discrepancies and commuting flows play a minor role, but multiple job-holding is the more likely answer.

<sup>6</sup>ACS 2011

## The Diminishing Middle

Job polarization is another change sweeping the U.S. labor force. This trend refers to the growth in employment share of both low- and high-end jobs, at the expense of "middle" jobs. The nub of the problem is that a lot of middle-skilled "routine labor" occupations are being replaced by automation and computer software. Such "routine" jobs can include manual activities, like crafts, production and repair, as well as sales, office and administrative tasks. This means job growth has run faster in low-end (and low-paying) manual tasks that cannot yet be performed by machines, and the high-end, well-paid occupations that involve "non-routine" cognitive activity, like problem-solving, analytical skills, persuasion and intuition.<sup>7</sup>

Trends in employment by occupation suggest this "middle-skilled squeeze" has been at least as prevalent locally as at the national level. The chart at right shows U.S. and Central Arkansas job change by occupation from 2007 to 2011. Local employment in the generally high-end occupations of management, business, science and arts climbed faster than the U.S. average. Jobs in natural resources, construction and maintenance — often involving lower and

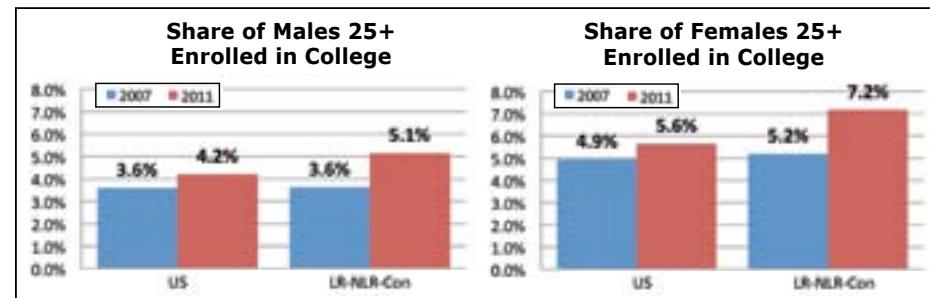


middle skill levels — dropped by 24 percent, compared to a U.S. average decline of 14 percent in these categories.

## Enrolling for a Better Future

The Central Arkansas region has long stood out for having the state's highest education levels, an advantage that correlates with the highest wages and incomes in Arkansas.

An interesting trend is adult college enrollments — people over age 25 taking college classes. By this measure, the Central Arkansas region ran above the national average in 2007; by 2011 the region's share had gained further over the national average. Many Central Arkansas residents have apparently decided they need better skills.



## Working through Homelessness at Our House

Before Kelly Baxter, 24, landed at Our House she was struggling to make ends meet. She found her job unsatisfying, yet she was also behind on bills and could no longer pay her rent. Kelly found an unlikely ally in her landlord, who recommended a stay at Our House, a shelter for the working homeless.

Today, six months after she moved in, Kelly has earned her GED, has been employed by our House, and holds a promising job at Walmart with growth opportunities for her budding social and management skills. Our House

helped her with techniques for job interviews as well as on-the-job skills. "When I go out to get a job now, I go for something better. I don't just settle for things," Kelly explains. Currently Kelly is enrolled in classes at Pulaski Tech and plans on enrolling at the University of Arkansas at Little Rock in the near future.



<sup>7</sup>Maria Cannon and Elise Marifan, "Job Polarization Leaves Middle-Skilled Workers Out in the Cold," *The Regional Economist*, St. Louis Federal Reserve, January 2013.

## Staying Smarter than Computers and Robots

Better skills are good, but they must be the right skills. As machines continue replacing routine human tasks, the future of work is depending on “hyper-human” tasks, the things people do better than machines. These include emotional skills, intuition, imagination, and development of insights and hypotheses.<sup>8</sup> Implementation of these skills often conflicts with traditional worker attitudes, as well as workplace expectations and office cultures. It is therefore not surprising the transition is proving difficult, and may underlie the abnormally slow employment growth of recent years.

The old factors in economic development, like low costs, good freight transportation infrastructure, and proximity to important markets, still matter but matter less. Creative industries demand positive human environments that nurture uniquely human skills. Regions rich in cultural amenities, recreational opportunities, and other “quality of life” measures, may hold an edge. But there will be no simple answers. Jobs of the future will require workers who self-motivate, stretch their imaginations, and move beyond assumptions of “business routine” that increasingly belong to the past. M

<sup>8</sup>Richard Samson, “Highly Human Jobs,” *The Futurist*, May-June 2013.

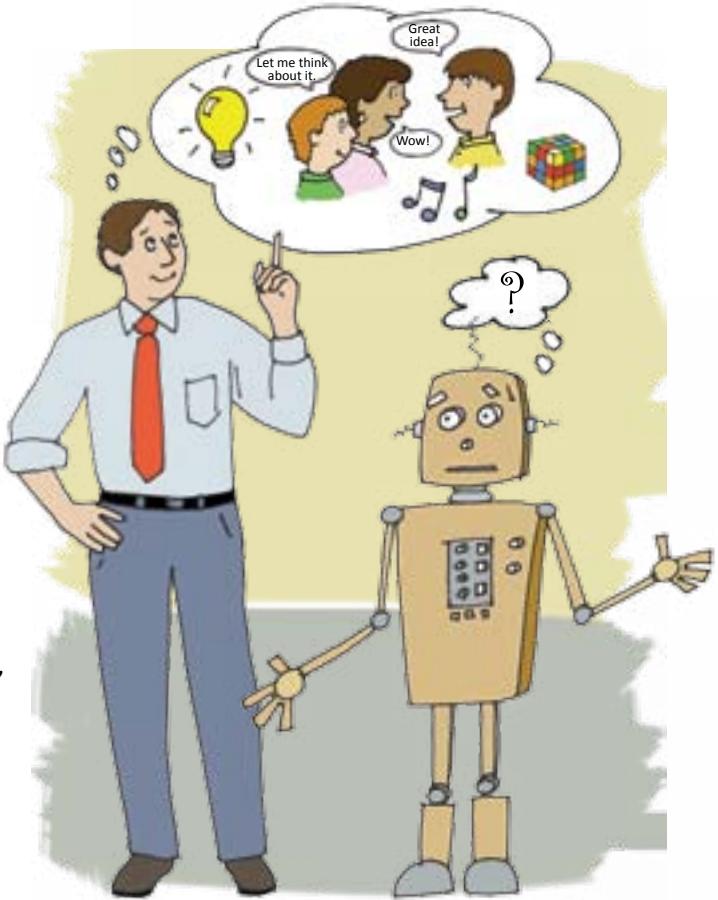
Mark Gillis is a Re-Employment Services Specialist at the Arkansas Department of Workforce Services, at the Arkansas Workforce Center in Little Rock. Among other tasks, he works one-on-one with unemployed candidates to get them back into the job force. He sees people from every walk of life – from highly educated MBAs to manual laborers. The hardest cases these days are professional, “degreed” people, who earned salaries in the \$50,000

range before the Great Recession. Sometimes they must accept \$35,000 for identical jobs now.

Unemployed workers are caught between the need to reenter the work force, and the fear of “settling” for lower pay or prestige. “How long should I hold out?” is a typical



Mark Gillis, Arkansas Department of Workforce Services



## The Art of Making a Comeback

question. Older workers are sometimes willing to “take anything.” Younger mid-career people saddled with mortgages, children, and family responsibilities, cannot settle for a lesser job. Going back to school for a

specialist certificate or degree is an option, but for family breadwinners it’s hard to stay out of the workforce for long. The situations are as individual as the people, and, he says, “everybody’s a character.”

“It’s important to stand out,” Mark advises. Sending a handwritten “thank you” card after an interview is a nice touch. He gives mock interviews, tips on how to dress, and how to make a resume draw interest. Sometimes he is people’s “rock,” reminding despairing unemployed workers that constant effort will pay off. Mark has seen plenty of desperate people get re-employed. Happenstance is a major part of employment, he says. Since luck runs both ways, persistence eventually yields good results.

*“A common thread among all of our diverse clients is their resilience.”*

—Mark Gillis,  
Arkansas Department of  
Workforce Services

## Here Come the Millennials

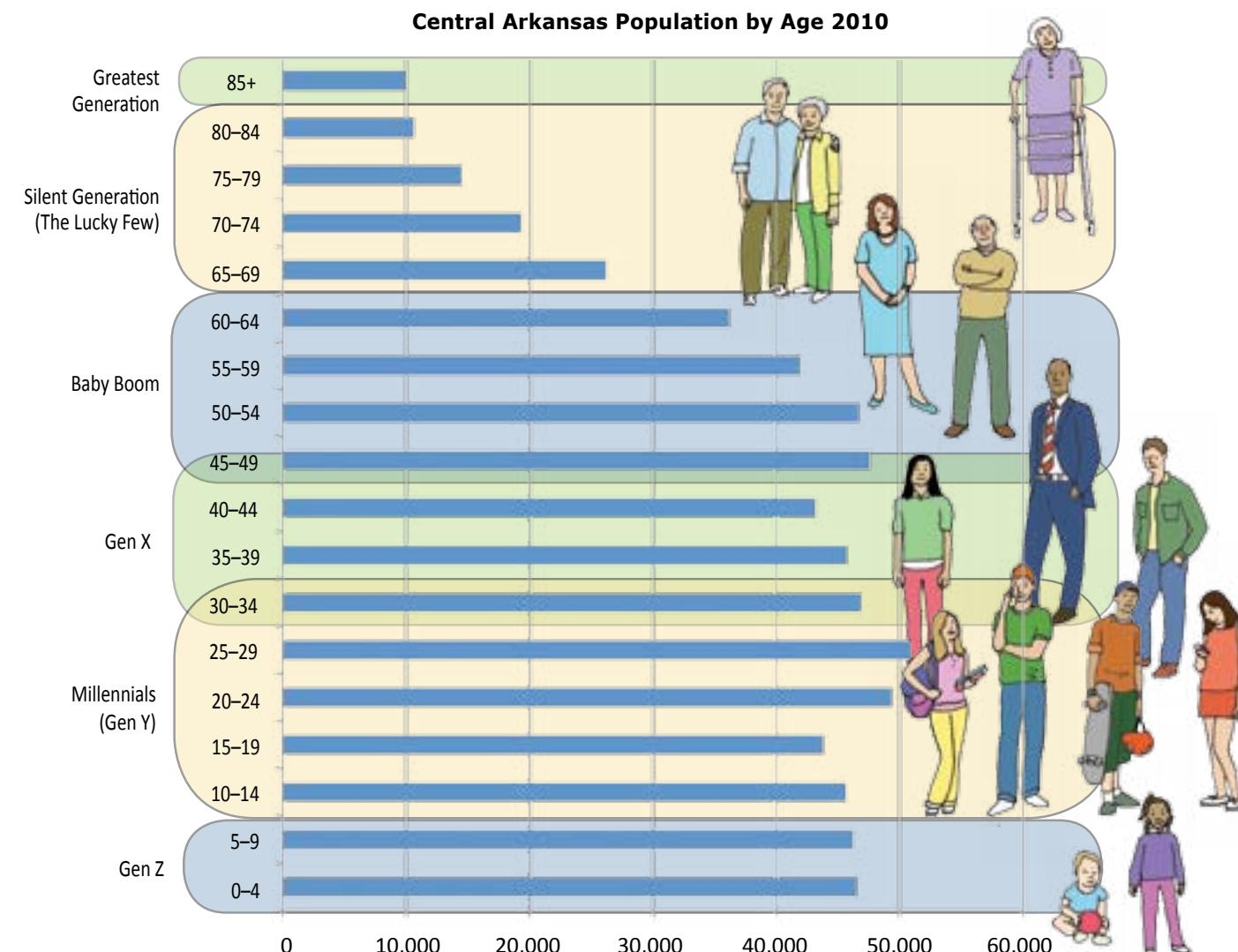
The Millennial Generation, also known as “Gen Y,” got a rocky introduction into working adulthood. Slow times following the Great Recession hit young workers hardest; in 2011 local unemployment was 18 percent for workers under age 25, compared with a regional overall average of 8.5 percent.<sup>9</sup> The oldest members of Gen Y are now in their lower 30s. Within a decade, they will occupy the labor market’s largest and highest-participating segment, the 25-44 age group. As Boomers retire, and the smaller Gen X moves into the near-retirement age brackets, Millennials will come to dominate the workforce.

The Millennial Generation is defined loosely as those persons born from the late 1970s to the end of the twentieth century. In numerical terms, this generation is now larger than the Baby Boom. Millennials have also

been called the “Echo Boom,” since in most cases they are children of Baby Boom parents. This helps account for the larger size of the Millennial cohort, as compared with the “birth dearth” Generation X, whose members were born as birth rates began declining in the early 1960s.

The four-county Central Arkansas region had about 237,000 Millennials (persons in the 10 to 34 age groups) at the time of Census 2010. This represented 35.2 percent of the population, just a bit higher than the 34.1 percent national average. The chart below shows local population by age, with an interpretation of the generations. The definitions of generations are inexact and sometimes overlap the five-year data cohorts shown in the chart. M

<sup>9</sup>ACS 2011. These figures differ from the more commonly-reported data from the U.S. Bureau of Labor Statistics.



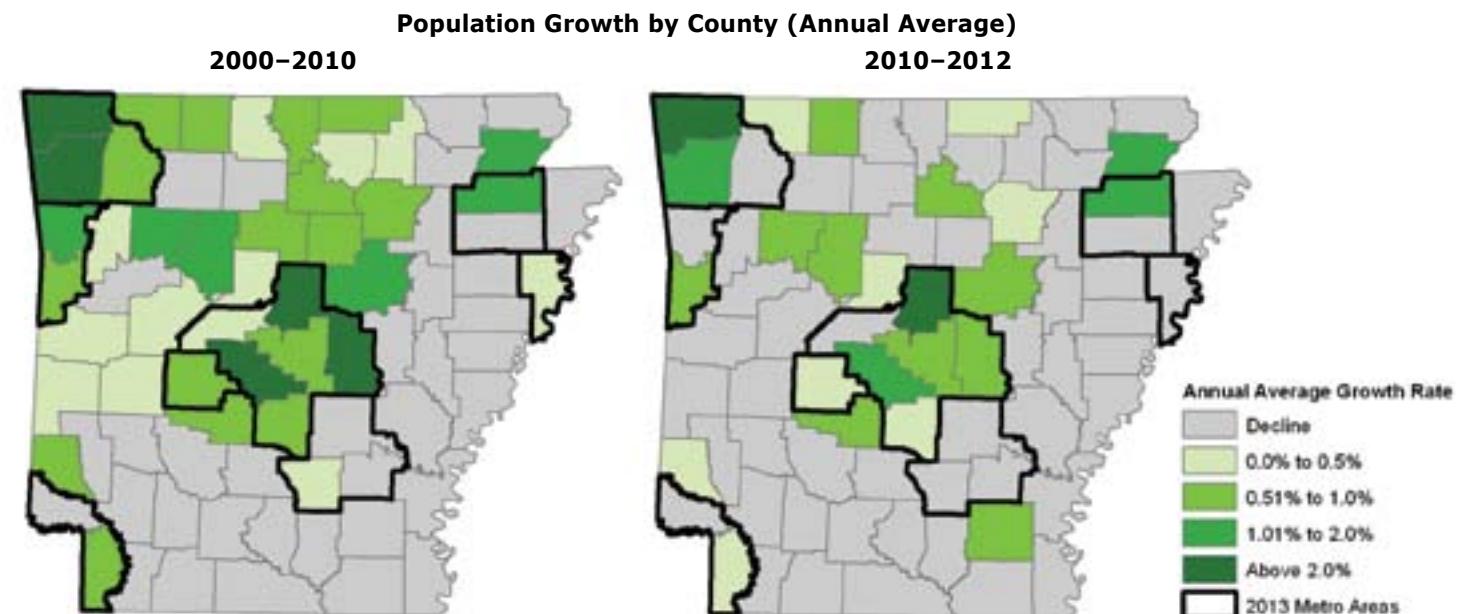
## Population Change 2010–2013

Metroplan's 2013 estimates show a continuation of trends seen in the past decade, albeit with somewhat slower annual growth. As the chart shows, Faulkner County remains the region's fastest-growing, followed closely by Saline County. Lonoke County grew about 1.1 percent annually, compared with 2.6 percent during the 2000-2010 decade. Pulaski County continues growing slowly.

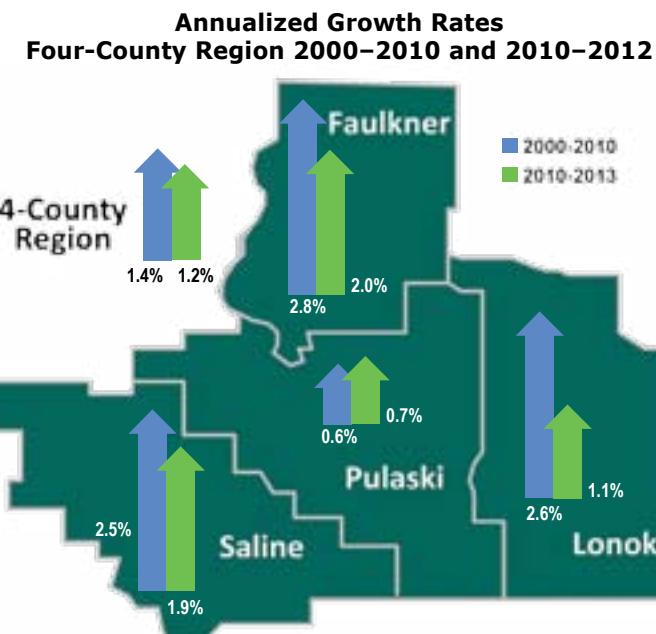
Among the region's larger communities, growth was fastest by far in Bryant, at 12.4 percent. Conway and Greenbrier were tied for second place, with 6.4 percent growth each. Benton grew by 3.5 percent, Cabot by 3.3 percent, and Maumelle 3.0 percent. Among the region's smaller communities, Greenbrier passed the 5,000 mark with 6.4 percent annual growth.

### The Regional, State, and National Perspective

Metroplan's latest estimate shows the six-county Little Rock-North Little Rock-Conway Metropolotian Statistical Area (MSA) growing at a 1.1 percent annual rate since the year 2010. This is faster than a 0.5 percent annual rate for the State of Arkansas, and 0.7 percent for the U.S.A. as a whole. As the "teens" decade develops, it appears that the state of Arkansas is seeing a slowdown in population growth. As the chart at far right on page 7 shows, state growth has decelerated more quickly than the U.S. average since the 1990-2000 decade.



<sup>8</sup>The figures in both maps are annual average population growth, allowing direct comparison despite differing time intervals.  
Source: Census 2010 and 2012 census estimates



The maps below compare annualized population growth rates by county within Arkansas.<sup>8</sup> During the 2000-2010 decade, state growth was focused mainly in its metropolitan areas, as well as several rural counties in northwestern and north-central portions of the state. Since 2010, growth has slowed across the state. Most population growth is in metropolitan areas; almost all rural counties (51 counties out of 75 total in the state) showed population decline from 2010-2012.

### Little Rock-North Little Rock-Conway MSA Population Change 2010-2013

Faulkner County	2010	2013	Change
Conway	58,908	62,669	6.4%
Greenbrier	4,706	5,007	6.4%
Mayflower	2,234	2,403	7.6%
Vilonia	3,815	4,161	9.1%
Wooster	860	956	11.2%
Small communities	2,245	2,461	9.6%
Unincorporated	40,469	41,861	3.4%
County Total	113,237	119,518	5.5%

Grant County	2010	2013	Change
Sheridan	4,603	4,798	4.2%
County Total	17,853	18,016	0.9%

Lonoke County	2010	2013	Change
Cabot	23,776	24,570	3.3%
Austin	2,038	2,239	9.9%
Ward	4,067	4,374	7.5%
Lonoke	4,245	4,252	0.2%
England	2,825	2,784	-1.5%
Carlisle	2,214	2,189	-1.1%
Small communities	751	749	-0.3%
Unincorporated	28,440	29,333	3.1%
County Total	68,356	70,490	3.1%

Perry County	2010	2013	Change
Perryville	1,460	1,461	0.1%
County Total	10,445	10,315	-1.2%

Pulaski County	2010	2013	Change
Little Rock	193,524	197,318	2.0%
North Little Rock	62,304	63,975	2.7%
Jacksonville	28,364	28,318	-0.2%
Sherwood	29,523	29,982	1.6%
Maumelle	17,163	17,670	3.0%
Wrightsville	2,114	2,164	2.4%
Cammack Village	768	751	-2.2%
Alexander*	236	242	2.5%
Total North of River	162,764	165,960	2.0%
Unincorporated (N)	25,410	26,015	2.4%
Total South of River	219,984	224,373	2.0%
Unincorporated (S)	23,342	23,898	2.4%
Total Unincorporated	48,752	49,913	2.4%
County Total	382,748	390,333	2.0%

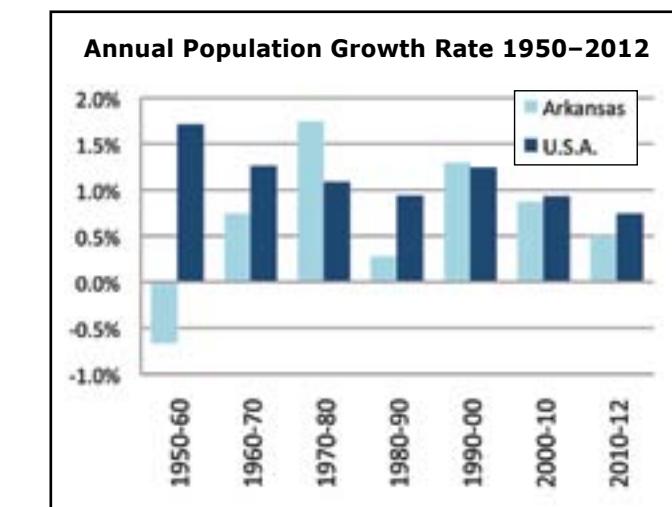
Saline County	2010	2013	Change
Benton	30,681	31,768	3.5%
Bryant	16,688	18,757	12.4%
Shannon Hills	3,143	3,323	5.7%
Haskell	3,990	4,349	9.0%
Alexander*	2,665	2,680	0.6%
Traskwood	518	510	-1.5%
Bauxite	487	502	3.1%
Unincorporated	48,946	51,007	4.2%
County Total	107,118	112,896	5.4%

Hot Springs Village CDP (Unincorporated area)	2010	2013	Change
In Saline County	6,046	6,329	4.7%
In Garland County	6,761	7,006	3.6%
County Total	12,807	13,335	4.1%

City of Alexander Total (County splits shown above)	2010	2013	Change
Alexander	2,901	2,922	0.7%

\*Represents portion of Alexander by county.

\*\*Official MSA since May 2003



While most of the state's growth is in metro areas, growth has slowed in all of them. The chart at right compares metropolitan growth rates from 2000-2010 with the period 2010-2012. Among the metro areas that are predominantly within the state of Arkansas, the Fayetteville-Springdale-Rogers metro area remains the state's fastest-growing, gaining 1.8 percent population annually since 2010. The Central Arkansas region is tied with Jonesboro for second place, with a 1.1 percent annual growth rate. The Fort Smith and Hot Springs areas are growing more slowly, while the Pine Bluff metro lost population.

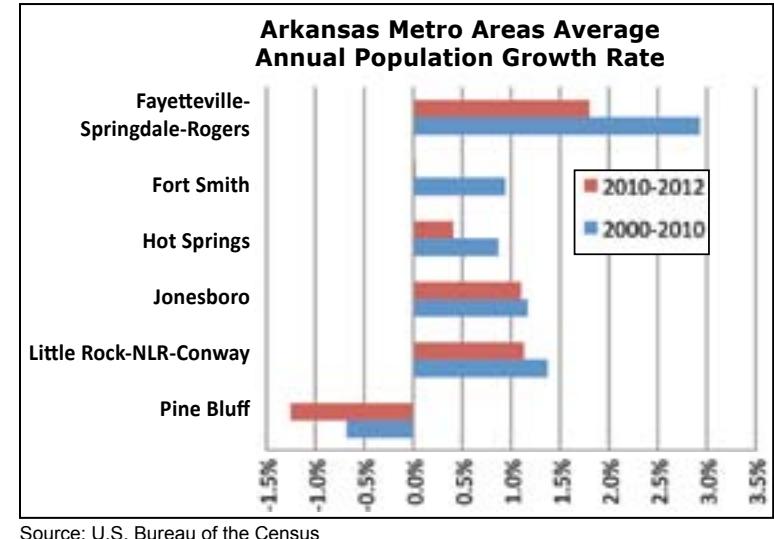
## Components of Population Change

Births, deaths, and migration make up all population change. The Components of Population Change table shows these three factors for the six counties within the Little Rock-North Little Rock-Conway MSA. Residence-based birth and death records from the Arkansas Department of Health give a pretty accurate picture of these two elements, but



migration is harder to pin down. The analysis at right simply takes Metroplan's estimates for county population, which are informed by housing records and Census Bureau county-level estimates, and assumes net migration based on population change after factoring in births and deaths.

While the exact migration counts have a margin of error, they fall in line with past trends. The biggest change is that in-migration to Lonoke County has slowed to a pace barely faster than natural increase. Net migration has run most strongly in Saline County, with Faulkner County close behind. Pulaski County shows slight net in-migration, but the bulk of county growth comes from its natural increase.



With migration rates slowing across the country, natural increase will play a bigger role in population change. The fertility tables at bottom compare U.S. and regional birth rates. Crude birth rates – overall births as a share of population – have declined steadily over the past twenty years for both the U.S. and Central Arkansas. When adjusted for the number of women of childbearing ages, however, Central Arkansas showed an uptick from 2000 to 2010. Since the regional ethnic mix is changing, this may reflect higher birth rates among recent immigrants. **M**

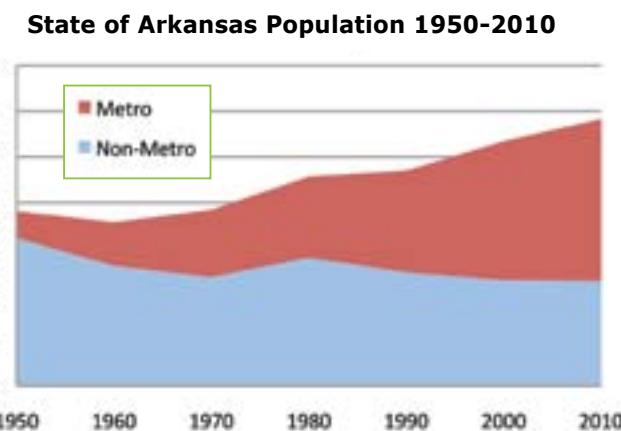
Components of Population Change Little Rock-North Little Rock-Conway MSA 2013						
	January 1 2013	April 1 2010	Change	Births	Deaths	Natural Increase
Faulkner	119,518	113,237	6,281	4,299	2,240	2,059
Grant	18,016	17,853	163	552	518	34
Lonoke	70,489	68,356	2,133	2,652	1,637	1,015
Perry	10,315	10,445	(130)	300	307	(7)
Pulaski	390,332	382,748	7,584	15,727	9,390	6,337
Saline	112,895	107,118	5,777	3,633	2,535	1,098
MSA	721,565	699,757	21,808	27,163	16,627	10,536
						11,272

Sources:  
Birth and death data from Arkansas Department of Health; 2010-2012 mortality figures are provisional.

Fertility Rate Comparison: U.S.A. vs LR-NLR-Con Region								
Crude Birth Rate (births per 1,000 population)			Fertility Rate (births per 1,000 women age 15-44)					
	1990	2000	2010		1990	2000	2010	
USA	16.7	14.4	13.0		70.9	65.9	64.1	
Central AR	16.7	15.0	14.2		67.7	65.8	67.3	

Sources:  
Statistical Abstract of the United States 2012.  
Metroplan analysis from Arkansas Dept. of Health and Census Bureau data.  
National Center for Health Statistics, National Vital Statistics Report, Vol. 61 No. 1, August 2012.

## Metropolitan Arkansas 2013

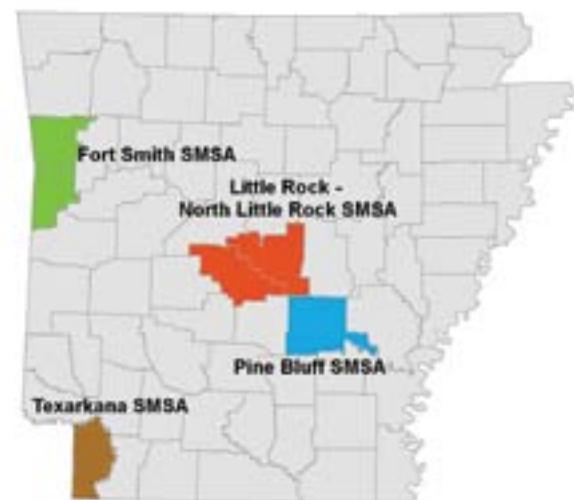


In 2013, the Office of Management and Budget released its new metropolitan area designations. Central Arkansas, officially the Little Rock-North Little Rock-Conway Metropolitan Statistical Area (MSA), did not change. It still has six counties: Faulkner, Grant, Lonoke, Perry, Pulaski and Saline. For the State of Arkansas as a whole, change was minimal from the 2003 designations: Franklin County was dropped from the Fort Smith MSA, while the Texarkana MSA gained Little River County. All the rest stayed the same, as shown in the map below right.

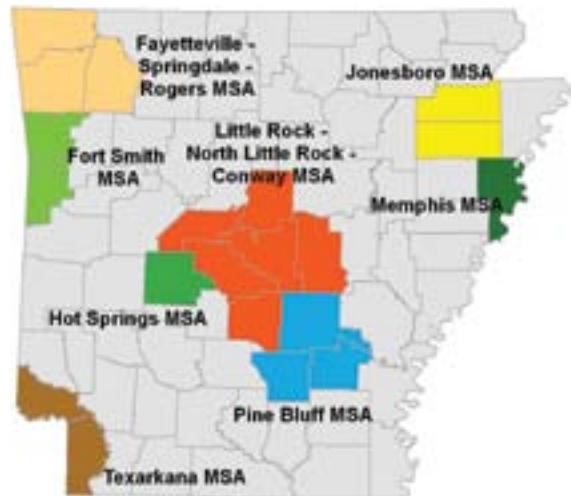
Looking back fifty years, though, metropolitan Arkansas has expanded and changed greatly. When the 1963 metro area designations were made, following the 1960 census, only six counties in the state qualified for "metro" status. Today's Fayetteville-Springdale-Rogers MSA, which had become the state's second-largest metro area by 2010 with 463,204 people, had no official status<sup>11</sup> in 1963. The image below shows metropolitan Arkansas in 1963.<sup>12</sup>

Under Federal standards, counties must meet certain thresholds for population size, density, and/or commuting flows to qualify as "metropolitan." The standards have changed over time, although the changes between the previous round of metropolitan designations in 2003 and the 2013 round of designations were minimal.

### Metropolitan Counties 1963



### Metropolitan Counties 2013



<sup>11</sup>In those days, the official nomenclature was SMSA, or "Standard Metropolitan Statistical Area."

<sup>12</sup>The Northwest Arkansas region was first designated in 1973, with Benton and Washington Counties, and a total population of 127,846, or less than one-third its 2010 level.

# Housing Construction – Is This the New Normal?

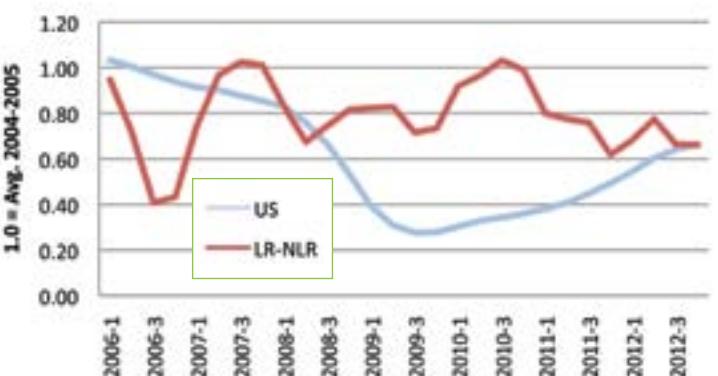
The year 2012 saw a mild recovery in local housing construction, following a slow performance in 2011. For the first time since 2008, the total number of new single-family units slightly exceeded new multi-family units. Yet in early 2013, the single-family recovery trend turned back downward in both U.S. and local markets. The local single-family index reached 0.48 in late 2012, then fell off somewhat, to 0.47 in early 2013. U.S. single-family construction reached 0.33 in late 2012 before receding to 0.32 in the first quarter of 2013.

Among local cities, the biggest hike during 2012 was in Jacksonville, which saw 55 units begun at Base Meadows, within Little Rock Air Force Base, in July 2012. The next biggest up-tick was in Sherwood, which permitted 144 units in 2012, up 82 percent from 2011. Conway also saw 187 new units permitted, a gain of 22 percent over 2011.

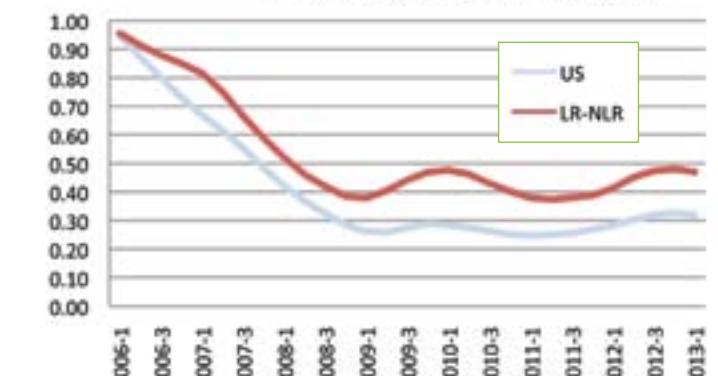
With multi-family construction, the U.S. trend continued upward through 2012 and into early 2013, while the local area saw a fall-off in the first quarter of 2013. Most cities saw an increase in multi-family construction, although the regional total was lower than 2011 because there were far fewer permits issued in Little Rock. The greatest number of permits issued in 2012 was in North Little Rock, with 488 units, including 432 on Counts Massie Road near Maumelle Boulevard. Cabot saw construction begin on a 302-unit gated multi-family community, its largest multi-family project ever. Conway and Maumelle also saw new complexes begun during 2012. Bryant permitted a handful of duplexes, but construction of large complexes ceased

under a moratorium begun in 2011. A new ordinance passed in early 2013 will probably delay new apartment construction for several years, because it restricts the number of apartments to 20 percent of the total housing stock.

**Multi-Family Construction Index  
2006–2013 Q1 (Seasonally Adjusted)**



**Single-Family Construction Index  
2006–2013 Q1 (Seasonally Adjusted)**



**New Housing Unit Permits by City 2009–2012**

## Single-Family

	2009	2010	2011	2012
Benton	198	223	147	210
Bryant	138	157	144	143
Cabot	111	95	93	101
Conway	259	223	153	187
Hot Springs Vill.	62	68	53	45
Jacksonville	51	55	31	100
Little Rock	317	337	328	395
Maumelle	85	85	83	76
N. Little Rock	96	162	155	155
Sherwood	97	104	79	144

## Multi-Family

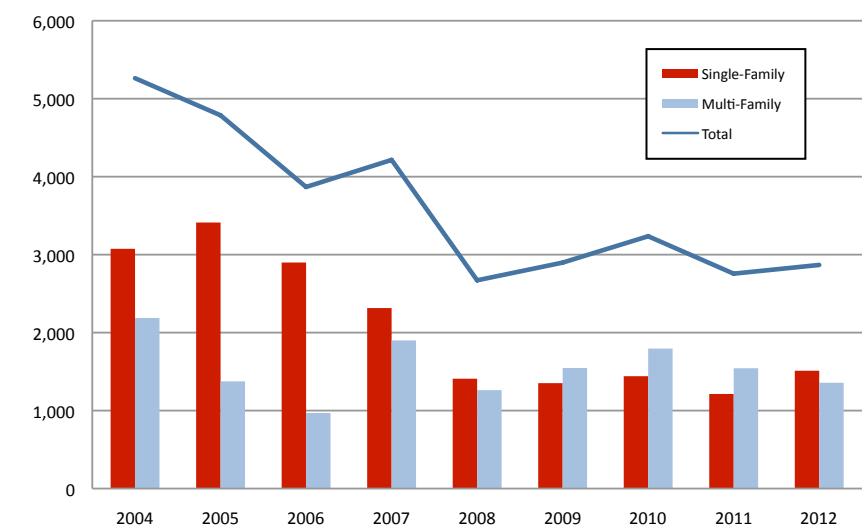
	2009	2010	2011	2012
Benton	0	6	0	0
Bryant	8	568	22	26
Cabot	72	55	24	308
Conway	874	736	14	144
Hot Springs Vill.	0	0	0	0
Jacksonville	12	6	0	8
Little Rock	330	214	1,022	275
Maumelle	22	0	0	108
N. Little Rock	226	210	461	488
Sherwood	2	0	0	0

Enough time has now elapsed since the Great Recession and housing crisis to review recent changes. The chart at bottom right compares total permits for new housing units — single-family and multi-family — among the ten largest communities in Central Arkansas, contrasting two intervals of equal time length. As you can see, most saw fewer permits in the leaner years 2010–2012 than 2004–2006. But two cities, North Little Rock and Bryant, actually gained, with rapid multi-family housing growth leading the trend in both cities. Among the cities with declining new housing construction, Little Rock held up the best (down 35 percent), followed by Conway (-50 percent). The sharpest

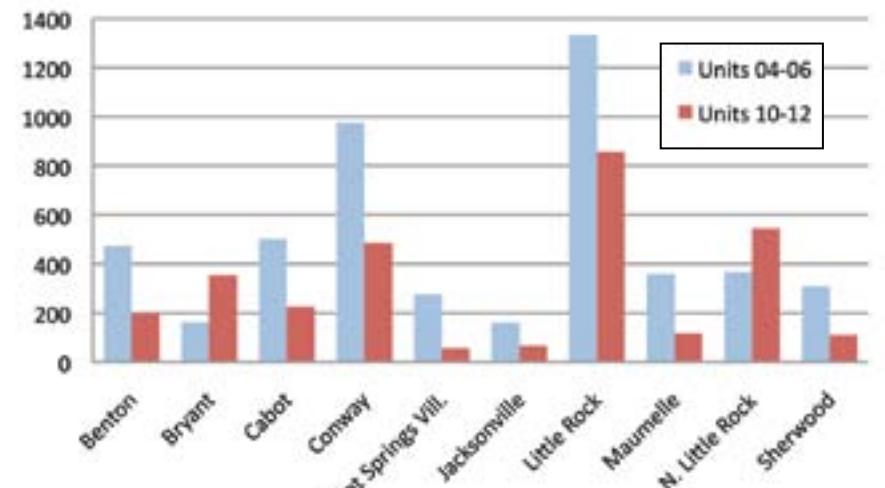
decline was in Hot Springs Village (-80 percent), followed by Maumelle (-67 percent) and Sherwood (-65 percent). The recent mild recovery in single-family housing may alter these trends somewhat, as will Bryant's new apartment regulations. But the trend of several decades, in which the fastest growth was always on the regional periphery, has given way to a subtler and more complex trend going forward. M



**Regional Housing Unit Permit Totals 2004–2012**



**Housing Permit Trends by City 2004–2006 vs 2010–2012**



North Little Rock has seen an upturn in housing growth, which includes a lot of westward multi-family growth near Maumelle. North Little Rock has grown in an eastern direction too, as shown by these new single-family housing and commercial properties in the Baucum area.

## Demographic Outlook 2013

The region's fastest growth remains in Faulkner and Saline Counties, fed mainly by in-migration rather than natural increase. In-migration to Lonoke County has slowed compared with past decades. The latest data suggest small-scale net in-migration to Pulaski County, a reversal from decades of substantial out-migration.

While single-family housing construction has rebounded from its 2009–2011 doldrums, single-family housing construction and subdivision development remain below levels seen in past decades. Local apartment growth has slowed, at least temporarily, from its remarkable and nearly recession-proof performance from 2009–2012. Bryant's new multi-family construction ordinance, which places a de facto halt to new apartment construction for at least several years, may indirectly steer apartment construction toward other local communities.

The 25–34 year-old age cohort is a vital one to watch for emerging trends. Analysis of local Census 2010 census tract data reveals that these young adults are opting for concentration, rather than dispersion, in choosing their places of residence. There is today a greater share of

Today's young adults face a challenging job market, but their lifestyle choices and economic progress will become pivotal issues as the Baby Boom generation transitions out of the workforce.



young adult population in downtown Little Rock and North Little Rock, portions of mid-town Little Rock and central Conway, and closer to activity centers throughout the region, when compared with the more suburban residence pattern of young adults twenty years earlier. This change may partly reflect today's leaner economic circumstances, but also runs parallel with a national trend in which today's young adults are putting more value on convenience, centrality, and quality of place.

The future may pose an employment challenge. Knowledge workers, long a secure and economically privileged group, face tighter constraints as software, computers and robots make advances into tasks previously dominated by humans. The future will require workers to push themselves farther up-market in terms of skill and creativity. The local prospect is nonetheless improving. Indicators suggest the region is gaining ground in employment, with a decent prospect for more job growth and continuing decline in unemployment going forward in 2013 and into 2014. **M**



Many recently-built apartments have leased up quickly, like the Lakes at Hurricane Creek in Bryant, shown here.

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