

METRO TRENDS

Demographic Review and Outlook

July 2018

Opportunities
for Redevelopment

- Why Cities Develop the Way they Do (and How that Might Change for the Better)
- Population Estimates
- The Heart of Bryant Beats for Something New
- Affordable Housing and the "Missing Middle"
- Suburbs, Downtowns and the Future
- Multi-Family Led a Stronger Construction Trend in 2017
- Demographic Outlook 2018
- Statistical Supplement



METROPLAN

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About the cover

Opportunities for Redevelopment

The cover image depicts workers installing permeable pavers in a landscaped mixed-use development. This kind of scene is becoming more common these days. While they continue sprawling along their outer periphery, U.S. cities (including cities in Central Arkansas) are also redeveloping from within. The city of Bryant is re-thinking its codes in ways that may change the game, encouraging redevelopment by reducing regulatory barriers, making redevelopment more affordable (pp. 4-5).

This edition of the *Metrotrends Demographic Review and Outlook* takes a look at prospects for redevelopment of older districts in the Central Arkansas region. This is important, because renewing a city from within takes advantage of streets, water mains, sewers and other expensive infrastructure that's already in place. That saves on costs. For many residents, older and more walkable areas are also more livable.

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 five counties of 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 our 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*.

About CARTS

The Central Arkansas Regional Transportation Study, or CARTS, is the cooperative effort by the participating communities, transportation providers and many other interested parties to develop a long-range transportation plan for the metropolitan area.

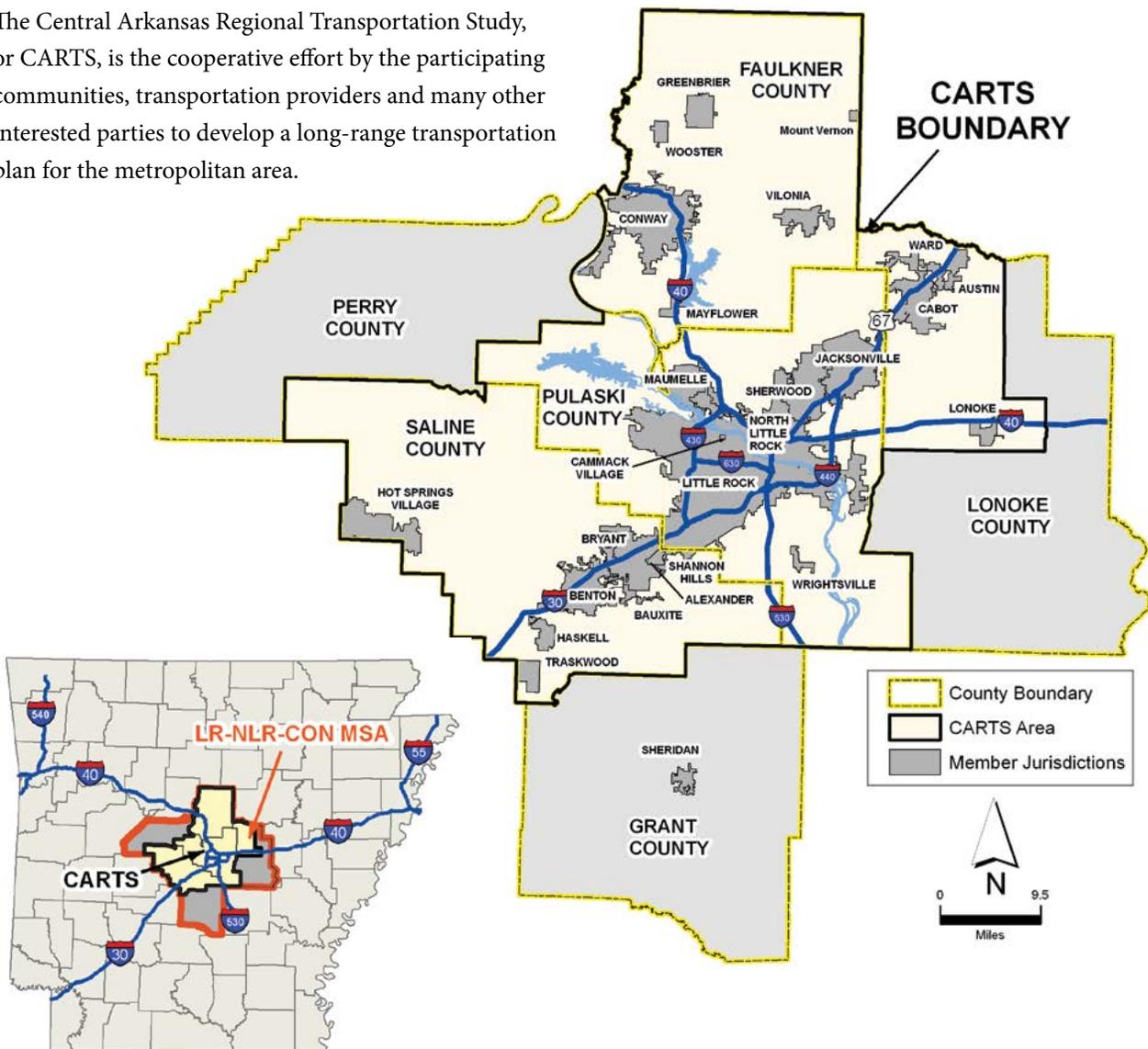


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Why Cities Develop the Way they Do (and How that Might Change for the Better)

Did you ever look around in the suburbs, and wonder: how did it get like this? It's outside the human scale, hard to get anywhere on foot. Residential areas are at least green and pleasant, but with long blocks and serpentine streets, walking takes second place to driving. In commercial areas, cars and trucks are pretty well mandatory. Parking lots cover the landscape, surrounding stores, restaurants, and offices. In older, less prosperous areas parking lots sit empty, and many buildings sit vacant. Sometimes called "dark stores," they're

Developers seldom admit it openly, but most suburban-type commercial buildings are built for a fifteen-year life cycle.

hard to re-use, although churches and offices make typical second users.

Many stores are protected by covenants that keep competitors from purchasing the building after the original owner moves out. The rules of competition enforce

vacancy, leaving the indirect costs of neglect to be borne by cities and their citizens. "Growth" almost always means adding more new development at the city's edge, while buildings go unused in older parts of the city.

Continued on pp 6-7



Walking is a challenge along the commercial districts and arterial streets of modern suburbs.



Low-density suburban development eventually yields numerous "dark stores" and empty parking lots.

At right: Long blocks and serpentine streets make walking and biking difficult in the newer residential neighborhoods, like this one in western Little Rock. This type of street geometry feeds traffic congestion, too, by forcing all drivers onto arterial streets, even for minor errands.

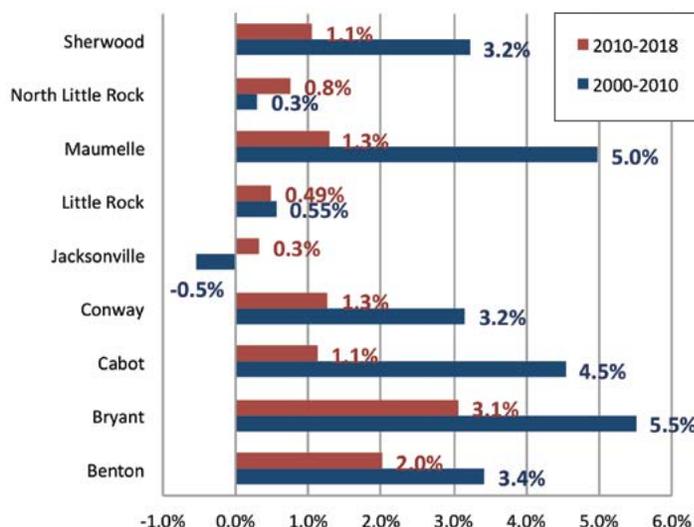


Population Estimates 2018

The Little Rock-North Little Rock-Conway MSA had a population of about 747,000 in 2018. While the region's growth rate since 2010 has been slow, it is close to the average for metro areas of its size. For example, from 2010 to 2017, the Little Rock metro grew by 5.5 percent, exactly the U.S. average and just a tad below average for U.S. metro areas with populations from 500,000 to 1 million (6.0 percent).

As the table below shows, growth trends in the current decade have favored metro areas with over 1 million population, while smaller metros under 500,000 population have grown more slowly, and rural areas have lost population. The chart at right compares estimated annual growth rates during the 2010s against the previous decade, for the region's nine largest cities. As you can see, all except North Little Rock and Jacksonville grew more slowly in the more recent interval. Bryant was the region's fastest-growing city in this size category since 2010, and even it has slowed pretty sharply. Benton's growth rate is fast for its

**Central Arkansas Cities:
Annual Rate of Population Growth**



size; with nearly 36,000 people, the city has gained about 6,000 residents in just eight years. **M**

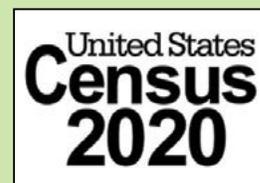
U.S. Population Growth by Metro Area Size 2010–2017

Group	Population Group	Count	Total Population 2017	Total Growth 2010-17	Growth Rate 2010-17
Largest Metros	1m+	53	182,986,055	12,492,893	7.3%
Mid-Sized	0.5 - 1 m	54	39,107,694	2,274,476	6.0%
Small Metros	Under 0.5 m	274	57,604,271	2,417,939	4.4%
Non-Metro	Rural/small city	N/A	46,021,158	-211,668	-0.5%
USA			325,719,178	16,973,640	5.5%

Beware Census 2020

Every time a new census comes around, there is controversy. Since a decennial census is mandated by the U.S. Constitution, the question is not about whether one should be conducted, it is about cost. Census 2020 faces major challenges. In an effort to cut costs, Census 2020 will include many innovations like use of administrative records, “big data” sources, and Internet response. Many sources agree, however, that funding has been inadequate to allow proper testing. In addition, Census 2020 will include a question about citizenship, for the first time in

70 years.¹ The citizenship question will discourage response among some households. Since the response rate is always a problem, and a vital component of an accurate census, odds of an under-count are greater than usual. Don't be surprised, therefore, if the count for your city or county for 2020 comes out lower than expected. **M**



¹ More recent censuses have included citizenship questions in the so-called “long form,” a sample survey used prior to 2010, but not a citizenship question in the “complete count” forms that went to every household.

Population Change

Little Rock-North Little Rock-Conway MSA Population Change 2010-2018

Faulkner County	2010	2018	Change
Conway	58,908	64,969	10.3%
Greenbrier	4,706	5,306	12.7%
Mayflower	2,234	2,477	10.9%
Vilonia	3,815	4,210	10.4%
Wooster	860	1,063	23.6%
Small communities	2,245	2,646	17.9%
Unincorporated	40,469	44,078	8.9%
County Total	113,237	124,749	10.2%

Saline County	2010	2018	Change
Benton	30,681	35,822	16.8%
Bryant	16,688	21,086	26.4%
Shannon Hills	3,143	3,770	19.9%
Haskell	3,990	4,627	16.0%
Alexander*	2,665	2,788	4.6%
Traskwood	518	547	5.6%
Bauxite	487	494	1.4%
Unincorporated	48,946	51,628	5.5%
County Total	107,118	120,762	12.7%

Grant County	2010	2018	Change
Sheridan	4,603	4,859	5.6%
County Total	17,853	18,187	1.9%

Hot Springs Village CDP (Unincorporated area)	2010	2018	Change
In Saline County	6,046	6,736	11.4%
In Garland County	6,761	6,741	-0.3%
HSV Total	12,807	13,477	5.2%

Lonoke County	2010	2018	Change
Cabot	23,776	25,928	9.1%
Austin	2,038	3,413	67.5%
Ward	4,067	5,311	30.6%
Lonoke	4,245	4,315	1.6%
England	2,825	2,753	-2.5%
Carlisle	2,214	2,172	-1.9%
Small communities	751	747	-0.5%
Unincorporated	28,440	28,094	-1.2%
County Total	68,356	72,733	6.4%

City of Alexander Total (County splits shown above)	2010	2018	Change
Alexander	2,901	3,015	3.9%

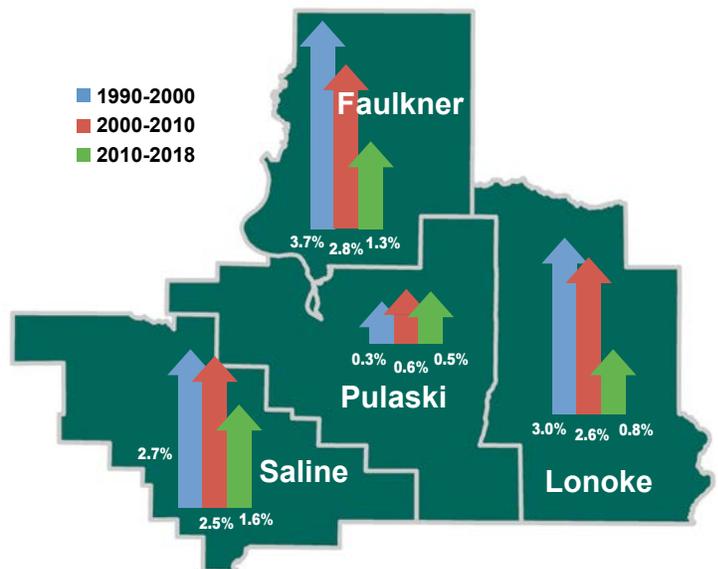
4-County Region	671,459	717,025	6.8%
6-County MSA**	699,757	745,553	6.5%

Perry County	2010	2018	Change
Perryville	1,460	1,421	-2.7%
County Total	10,445	10,341	-1.0%

Pulaski County	2010	2018	Change
Little Rock	193,524	201,053	3.9%
North Little Rock	62,304	66,032	6.0%
Jacksonville	28,364	29,089	2.6%
Sherwood	29,523	32,026	8.5%
Maumelle	17,163	18,935	10.3%
Wrightsville	2,114	2,363	11.8%
Cammack Village	768	740	-3.6%
Alexander*	236	227	-3.8%
Unincorporated (N)	25,410	25,183	-0.9%
Total North of River	162,764	171,265	5.2%
Unincorporated (S)	23,342	23,133	-0.9%
Total South of River	219,984	227,516	3.4%
Total Unincorporated	48,752	48,316	-0.9%
County Total	382,748	398,781	4.2%

*Represents portion of Alexander by county.
 **Official MSA since May 2003

Annualized Population Growth Rates Four-County Region 1990 to 2018



The Heart of Bryant Beats for Something New

Bryant, Arkansas is one of the state's fastest-growing cities. With a population of just 177 in 1960, Bryant is today home to over 21,000, and it's still growing rapidly. Most passers-by no doubt associate Bryant with the fast-moving and heavy traffic along the freeway, but Bryant is striving to become one of the state's most walkable towns.

In 2014, Bryant was awarded one of five original Jump Start planning grants as part of Metroplan's *Imagine Central Arkansas (ICA)* plan, funded and overseen by a federal Sustainable Communities Grant. The city is working to encourage redevelopment in the "Heart of Bryant," an area of older housing along Reynolds Road, nearly two miles south of the freeway. The district has a traditional grid street pattern with 360-foot block lengths, more walkable than most suburban subdivisions. This old town core was left behind by developers interested in larger-scale residential subdivisions, so empty parcels remain. City Hall is located in this area, but few Bryant residents pass through it and there's general agreement it is not performing "up to potential," in terms of property use. That is about to change.

The City of Bryant is aiming for a trend-setting rethink. It has contracted with Miller Boskus Lack Architects with the objective of making redevelopment doable and profitable, transforming the Heart of Bryant into a high-value locality. The two project leaders, Matt Hoffman and Matthew Petty, have recognized how traditional land use regulations can



The Bryant Town Center on Reynolds Road in the Heart of Bryant district is better suited for pedestrian activity, and may have mixed-use streetfront neighbors in years to come.

constrict and contort the development process. They are developing a new model, called "pattern zoning." They are developing ten pre-approved housing designs, which the city will purchase with the right to use in perpetuity. Builders can jump right in, because the pattern zoning designs fit with the district's new form-based zoning code. New construction based on these designs is thus pre-approved. The homes can vary, too, with "plug-in" components like differing front porch designs and slight variations in internal layout.

At 0.2 square miles, Heart of Bryant will not remake the whole city.¹ But it will shake up the assumptions. The city government (and by implication its tax-paying citizens) will benefit as climbing real estate values in the city's old core boost tax revenues. Because the pre-approved plans will require less



Bryant aims to improve pedestrian and bike access throughout the city. This trail was recently finished as part of the Alcoa Road widening project.



Although surrounded by built-up areas, the Heart of Bryant district has numerous vacant lots which are ripe for small-scale redevelopment.

¹ As of early 2018, Bryant occupied 20.5 square miles.

paperwork, and less zoning and code-enforcement activity, the city can get more done with fewer staff. While pattern zoning will begin with ten housing designs, additional designs for other building types will be added over time. Once developers are familiar with the new system, and the advantages it offers them in quick turnaround and possibly also lower costs, there could be a push to develop new “greenfield” areas with the same model.

Pattern zoning will not replace the old system of zoning and permitting, which will still exist in the background as a “parallel model,” so developers have the option of defaulting to the more familiar but slower, less efficient older model of paperwork and lengthy (and sometimes contentious) public meetings. **M**



This new duplex in Heart of Bryant complies with the new codes and is situated adjacent to single-family homes.



This image depicts potential housing types in the Heart of Bryant Pattern Zone. Local stakeholders will determine the final architecture and mix of building types. Image courtesy of Miller Boskus Lack.

Matthew Petty is a City Council member in Fayetteville, Arkansas. He is a founding principal of the Infill Group, and a member of the faculty of the Incremental Development Alliance. Matthew likes to remind listeners how the work of developers influences the landscape far into the future: he’s not just helping remake Bryant today, he’s concerned with “Bryant through the centuries.”



Matt Hoffman is an architect and Director of Urban Design with Miller Boskus Lack Architects. With the Heart of Bryant project, he hopes to make pattern zoning compatible with the contemporary practice of architecture. “Pattern zoning is unique,” Matt says, “in that it re-introduces our profession to the civic art of planning, a role that architects were historically very comfortable with before being supplanted by traffic engineers and auto-oriented development culture.” Matt is also chairman of the Fayetteville, Arkansas Planning Commission.



Why Cities Develop (cont'd)

Modern suburban development is a compromise, a recurring deal made between property developers and governments within the context of U.S. land-use laws and customs. Traditional zoning laws have grown cumbersome and outdated, forcing development at low densities, despite changing public tastes and design innovations that favor a mixing of uses. Even when laws are made more flexible, many developers—and the financiers who fund them—cling to the old habit of familiar low-density formats. Developers like to build subdivisions and apartment complexes that tie directly onto arterial streets, rather than working in the older gridded format that allowed more alternative routes and better pedestrian connections. Traffic congestion invariably worsens as a suburban area builds out.

It's expensive to build new suburbs, of course, and unless governments assess so-called “impact fees,” the general taxpayers usually bear a financial burden whenever new development is added.¹ In theory, the new development pays tax revenues that compensate over the long run. But,

particularly with single-family housing, such revenues don't cover costs, so cities rely on commercial properties to cover their expenses.² Sometimes cities impose stricter regulations as a solution, but this can provoke antagonism between private and public interests that works poorly for both.

Despite these problems, some old assumptions are being re-thought today. In about five or six districts in Central Arkansas older areas are redeveloping. There are also five “Jump Start” projects where Metroplan is working with local governments to encourage high-quality redevelopment. Better-designed, more walkable neighborhoods are in high demand, and homes in them often sell for premium prices. In one of the Jump Start areas, Heart of Bryant, there's an effort to change the very model that drives suburban development. This issue of the *Metrorends Demographic Review and Outlook* is dedicated to examining the development game, with an eye toward finding solutions that give better long-term results for governments, developers, and the taxpaying public. **M**

Street Layouts

The images of streets in midtown Little Rock shown at right tell a story. In the past seventy-odd years, the layout of new streets has changed pretty dramatically. Originally city streets were laid out in a grid pattern, as you can see to the right in the Hillcrest neighborhood. Block length was an average of about 350 feet or so, often with alleys in back. Garages were also in back, while houses were fronted by porches looking out on sidewalks. Fewer people owned cars, and walking was still a useful way of getting to local stores or visiting neighbors. A grid pattern of streets gave traffic many alternative routes, and short blocks with ample sidewalks allowed walking as an option for short trips.

As the years went by, development tastes—and zoning codes—changed to accommodate cars and driving, with

less emphasis on the convenient neighborhood walk. Blocks grew longer, and some streets took on a winding pattern, sometimes ending in cul-de-sacs. By the late 1960s this pattern dominated, and city blocks disappeared, while cul-de-sacs multiplied. The new pattern works well for those who prefer to drive exclusively, especially those living at the end of cul-de-sacs, where cars are slow and homes are quietly tucked away. But walking is almost impossible, and traffic is channeled into just a handful of outlets. Subdivisions and apartment complexes are often laid out in a lollipop pattern, connecting to arterial streets only, but not to adjacent neighborhoods. The lack of connections puts traffic stress on the few arterial streets that must link the different districts of a larger region.



¹ At present three cities in the Little Rock metro area use impact fees: Benton, Bryant and Conway.

² While property taxes provide some revenue, in Arkansas cities the bulk of revenues usually come from sales taxes.



Once forlorn, now thriving: Argenta mixes businesses and homes in a walkable web of small blocks, sidewalks and street-front retail.



Create Little Rock and studioMAIN chose Stiff Station in Little Rock for their 2018 PopUp in the Rock project. The temporary installation along Markham Street slows traffic and helps residents visualize how the area could be more vibrant and walkable, with increased retail and dining opportunities.

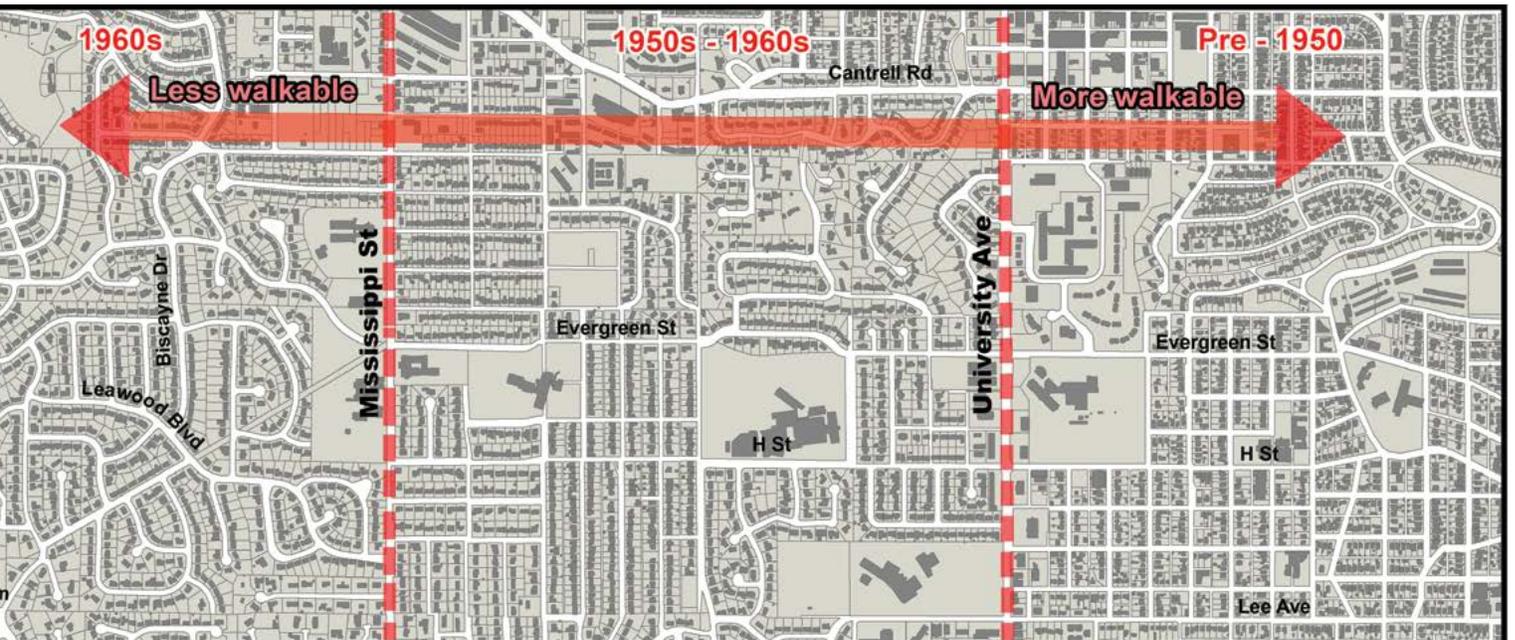
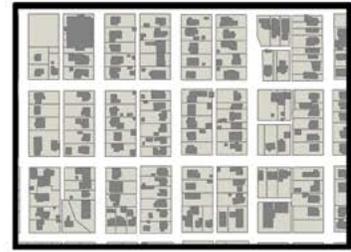
1960s



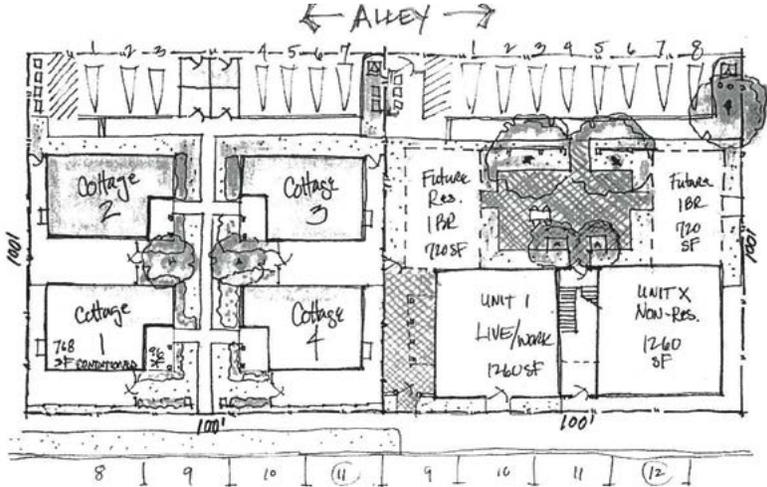
1950s - 1960s



Pre -1950



Affordable Housing and the “Missing Middle”



COTTAGE COURT (LEFT) AND 4-PLEX (RIGHT). NOTE THAT BOTH EXAMPLES ARE 1-4 UNIT PROJECTS THAT MEET THE REQUIREMENTS FOR AN FHA-BACKED MORTGAGE. EACH IS “A HOUSE” IN MORTGAGE TERMS. FIGURE COURTESY OF ANDERSON | KIM ARCHITECTS

Today’s development practices tend to favor the far ends of the housing spectrum—detached single-family homes, or large complexes of concentrated multi-family housing. Modern practices and codes discourage the so-called “missing middle” of duplexes, townhouses, and mixed-use live-work units. There may be more market demand for such homes than commonly realized. This is because households are becoming smaller, with aging population, fewer traditional families and more demand for smaller units. Small developments like the one shown above can work well on comparatively small lots in existing neighborhoods. **M**



Flexible zoning can encourage developers to add more-affordable housing into the neighborhood mix, as shown by these duplexes in Bryant.

Missing Middle is a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.
—Opticos Design

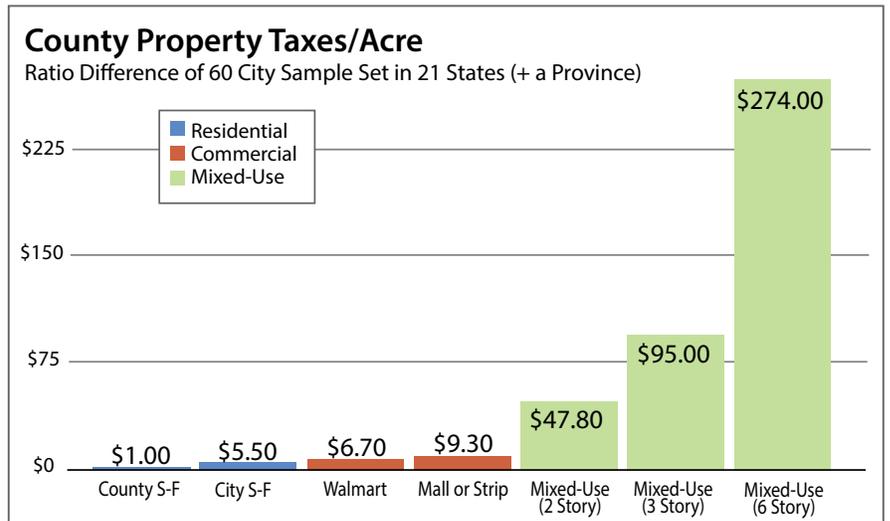


Suburbs, Downtowns and the Future

Since suburbs are new and downtowns are old, it might seem like modern market economics favor the suburban model. In truth, the modern suburb is a byproduct of post-World War II zoning and infrastructure practices, which favored separation of uses based on an automobile-based transportation. The older “downtown” model, with retailing, office use and housing combined in compact structures, reflected the market forces of the past, when designs were less influenced by regulation.

Older ways were fiscally wiser too, with benefits that are still paying off. As Joe Minicozzi of Urban 3 demonstrated in a talk at Metroplan in August, 2017, a refurbished downtown office building yields 97 times as much property tax revenue per acre as a Wal-Mart in Asheville, North Carolina. The Wal-Mart sit on 34 acres of land (mostly parking lot), while the office building utilizes 0.2 acres. The downtown building has been around for over a century, and can last at least another. The typical suburban store is built to last about 15 years. Suburban growth also involves infrastructure costs that are

well-concealed at the front end, but become a drag 40 years on, as pavement cracks and pipes wear out. This matters because tax revenues pay for our city governments and all the things they do. Cities and counties must recognize who really pays their bills, and who develops land cheaply, assisted by public debt. They must also ask what kind of developments they want as their legacy fifty years hence. **M**



Data source: Urban3.

Walmart



34.0 Acres
220,000 sf. Building
\$20,000,000 Tax Value

Property Taxes/Acre
\$6,500



0.19 Acres
54,000 sf. Building
\$11,000,000 Tax Value

Property Taxes/Acre
\$634,000

My House



0.13 Acres
1 unit (2 people + 2 dogs)
\$232,000 Tax Value

Property Taxes/Acre
\$19,542

Graphics courtesy of Urban3.

Multi-Family Led a Stronger Construction Trend in 2017

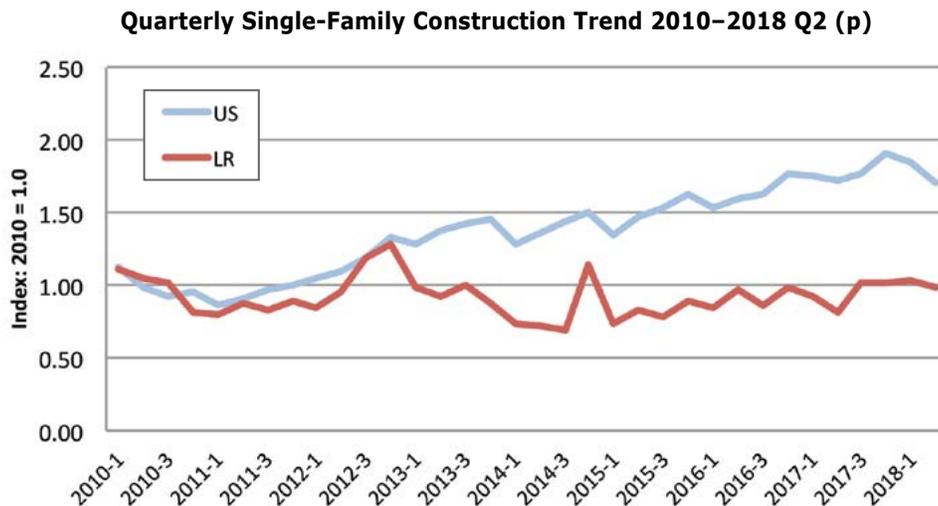
The year 2017 was a good one for local homebuilders. A total of 3,080 new units were started in the nine largest cities. This was the region's strongest performance since 2010. Single-family construction was up in all but three cities. Little Rock had the most new single-family permits (362) but the much smaller city of Sherwood was not far behind (250 units), followed by Benton (146 units) and Conway (144). Among the remaining cities, Jacksonville saw a sharp up-tick, from 35 units in 2016 to 61 in 2017. Permits ticked up in North Little Rock and Cabot by nearly 20 percent over 2016. Although single-family construction still runs below pre-crash levels, it is now showing a "new normal" of slowly increasing growth.

Nonetheless, multi-family construction really stole the show during 2017, with over 1,700 new units put under construction, the highest pace since 2010. Over half of these new apartments (1,043) were being built in Little Rock, followed by North Little Rock (435) and distantly by Conway (115). During 2017 at least, apartment construction was correlated with the benefits the region's three largest cities



The Argenta Thrive complex will add 163 new units in downtown North Little Rock.

offer: the largest concentration of jobs (especially in Little Rock) and proximity of retail and entertainment. Multi-family demand appears strong. For the moment, at least, any developer who can assemble a parcel of land with favorable zoning, near major roads and close to multiple nodes of urban concentration is likely to succeed with multi-family housing (fringe sites tend not to work for multi-family, despite their less expensive real estate). Finance is another factor. In immediate past years, the country's largest metro areas



attracted the bulk of multi-family finance. Financiers seem to have recently put more emphasis on secondary urban centers, possibly deflected by rising real estate costs and hence diminished return on investment in the largest metro areas.

Multi-family construction appears to have cooled a bit in early 2018. This fits this industry’s pattern, since developers often like to watch absorption before committing to further investments. Nonetheless, there have been multi-family permits in early 2018 in Little Rock, North Little Rock and Conway, and a major new project could start soon in southwestern Benton. **M**



Although not located in the Heart of Bryant district, several new duplexes have been constructed recently in Bryant along Center and South Streets, east of Reynolds Road.

New Housing Unit Permits by City 2014–2017

Single-Family

	2014	2015	2016	2017
Benton	203	160	159	146
Bryant	73	79	135	126
Cabot	50	96	90	106
Conway	119	145	208	144
Hot Springs Vill.	40	60	40	45
Jacksonville	32	43	35	61
Little Rock	360	318	331	362
Maumelle	98	35	53	58
N. Little Rock	70	93	76	90
Sherwood	151	187	223	250

Multi-Family

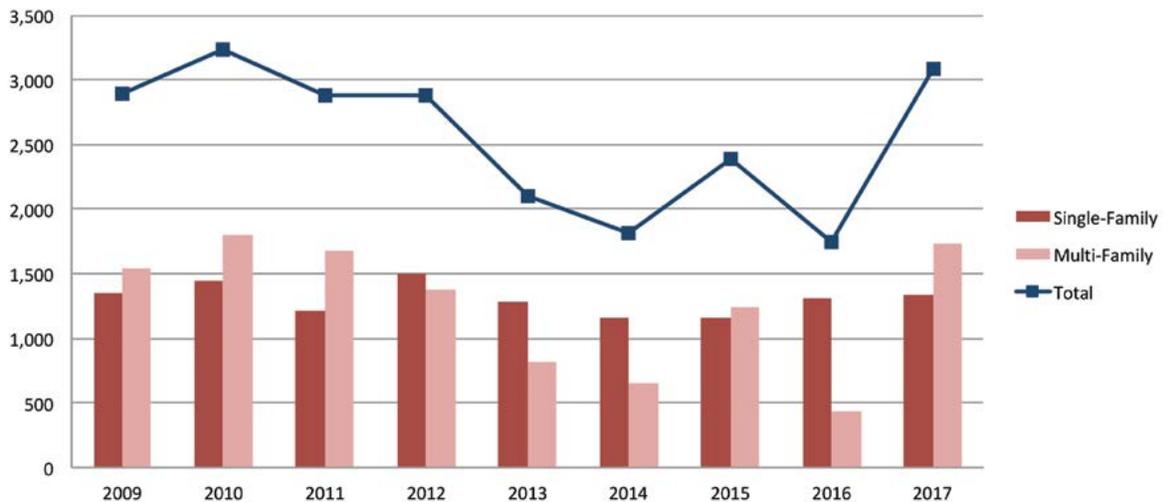
	2014	2015	2016	2017
Benton	0	632	22	52
Bryant	0	0	16	4
Cabot	11	29	0	76
Conway	67	10	61	115
Hot Springs Vill.	0	0	0	0
Jacksonville	14	0	4	4
Little Rock	556	457	247	1,043
Maumelle	0	108	0	0
N. Little Rock	4	0	82	435
Sherwood	0	0	0	8

Total Units by Type and Overall Total

	2014	2015	2016	2017
Single-Family	1,156	1,156	1,310	1,343
Multi-Family	652	1,236	432	1,737
Total	1,808	2,392	1,742	3,080

Note: regional totals shown above exclude Hot Springs Village, part of which extends into Garland County beyond Metroplan’s area.

Regional Housing Unit Permit Totals 2009–2017



Demographic Outlook 2018

Population in the Little Rock metro region is growing only slowly at present. In recent years, the bulk of U.S. population growth has been in metro areas with over one million population. In many of these areas, housing costs have been escalating lately. As the text box shows, the Little Rock region performs well in this area. Over the long run, the region's comparatively affordable housing markets may prove an asset to local economic development.

The photos below offer a cautionary tale, an aerial view of real estate near the intersection of Bowman Road and Chenal Parkway. The first image dates from 1994, when "big box" retail was surging. In the second and more recent image, the

area is fully built-out, yet today faces the prospect of a market shake-out. The regional retail sector is in transition with in-store sales flat-lined, while Internet sales continue to surge.¹ This suggests a growing risk of vacancy at sites like this, which are found not just in western Little Rock, but across the region's nine largest cities. Some of these sites will almost certainly see diminishing business, and even vacancy. It is not too early for property owners and governments to consider development plans and policies aimed toward creative site reuse. Underlying metrics suggest that a solid Christmas season in late 2017 only delayed a reckoning that is coming in local retail markets. **M**

Bowman Road and Chenal Parkway: 1994



Bowman Road and Chenal Parkway: 2018



Housing Costs for Homeowners

Owner-occupied housing is less expensive in central Arkansas than in much of the rest of the country. In 2016, the median monthly housing cost for owners was \$869, ranking 163rd lowest among 382 U.S. metro areas. The region ranked 17th lowest among the 54 mid-sized metros (between 500,000 and 1 million population).



Housing Costs for Renters

Median renter cost in the region in 2016 was \$803, ranking 169th lowest among 382 U.S. metro areas, and 16th lowest among the 54 mid-sized metros (between 500,000 and 1 million population).



Source: Census Bureau, American Community Survey. Rankings by Metroplan.

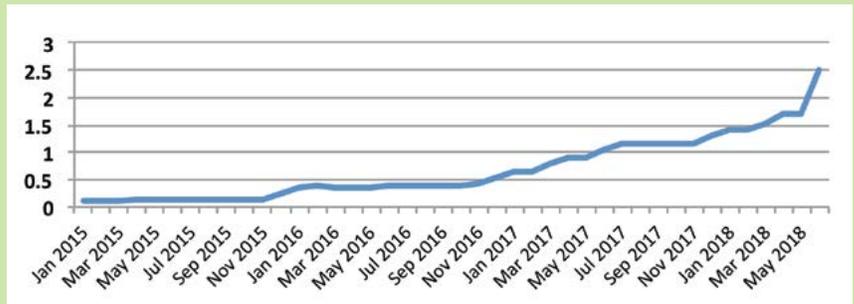
Additional rankings in 2018 Regional Indicators at <http://metroplan.org>.

¹ For statistical background and further insight, see the fall, 2017 edition of the Metrotrends newsletter at <http://www.metroplan.org>.

Statistical Supplement

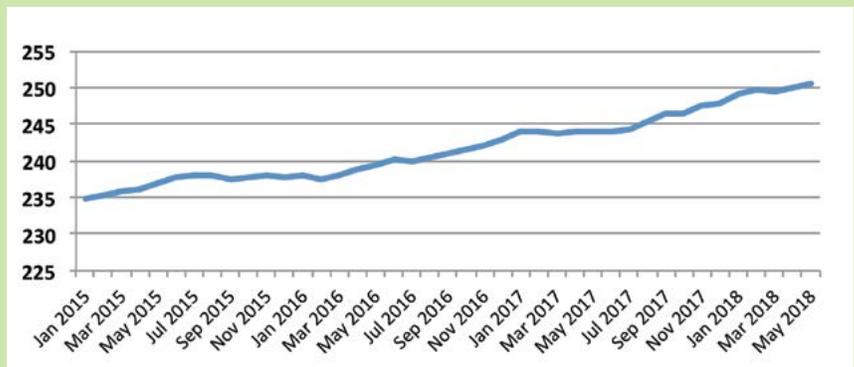
The overall U.S. economy is doing quite well in the summer of 2018. But when you're up the only way to go is down, so economists are watching for signs of the next trend change. The three indices depicted on this page are among those that Federal Reserve bankers are watching closely these days. Interest rates, which were near zero from about 2008 to 2015, have been heading up in the past three years. They remain low by historical standards. The inflation rate, shown here by the U.S. Consumer Price Index (CPI), has moved upward in recent years but not drastically. The unemployment rate is at historic lows, just 3.8 percent (seasonally adjusted) in May of 2018. Local unemployment is even lower. Recessions tend to come when good employment numbers and economic prosperity cause inflation to climb. Bankers respond by moving interest rates up, which hurts investment and consumer spending. Very low unemployment is a good thing, but keep an eye on interest rates and inflation. **M**

Effective Federal Funds Rate Jan. 2015–June 2018



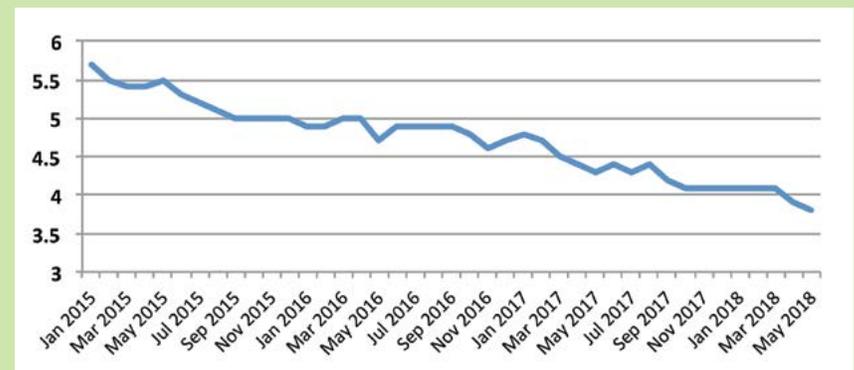
Source: Federal Reserve Bank of St. Louis.

U.S. Consumer Price Index 2015–2018



Source: Federal Reserve Bank of St. Louis. Consumer Price Index for All Urban Consumers: All Items (CPIAUCSL).

U.S. Unemployment Rate 2015–2018



Arkansas Department of Workforce Services, seasonally adjusted data.

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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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