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1997 Review and Outlook

Metroplan estimates that the Little Rock - North Little Rock Metropolitan Statistical Area (MSA) grew by 7.3 percent, or 38,179 people, between 1990 and 1997. Total population went from 523,457 to 561,636. This rate of about one percent annually is slightly below state and national growth rates. Chart 1, below, compares the population growth rates of several major Arkansas urban areas (MSA's). This chart depicts growth by percent from 1990 through 1996, the latest date for which estimates are available for other MSA's in Arkansas. When comparative growth is looked at in terms of the absolute amount of population growth, however, a different picture appears, shown in Chart 2.

Chart 1
Arkansas MSA's: Percent Population Growth 1990 - 1996

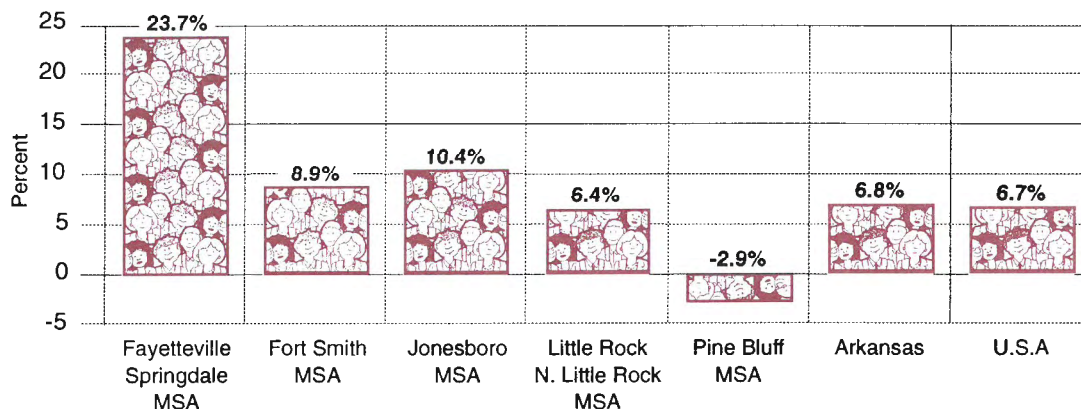
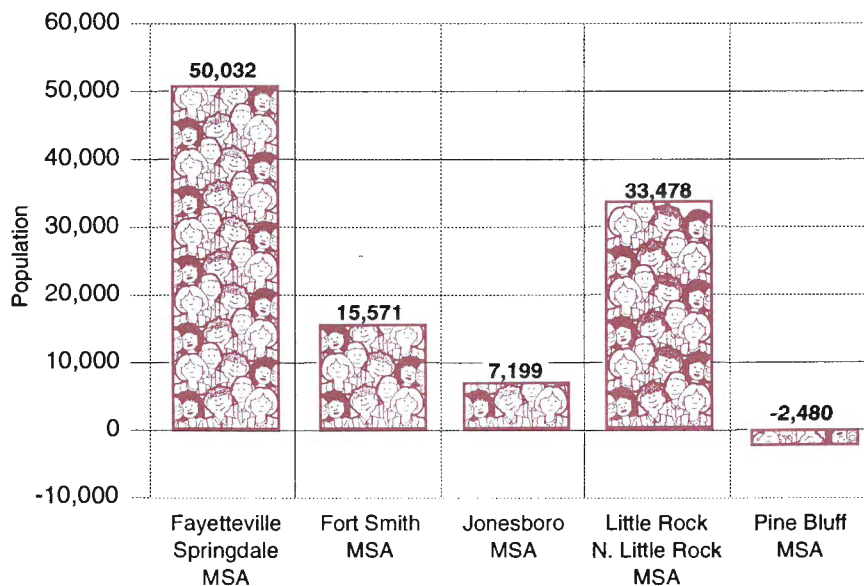


Chart 2
Arkansas MSA's: Absolute Population Growth 1990 - 1996



As Chart 2 shows, the Little Rock - North Little Rock MSA outpaced all others in the state aside from the very fast-growing Fayetteville - Springdale MSA. Further, the Little Rock - North Little Rock MSA is experiencing rapid growth in its outlying areas. In fact, the three outlying counties of the LR-NLR MSA ranked in the top ten for growth in the state, when ranked either by absolute growth or by the rate of change (see Charts 3 and 4 on page 3).

Table A
Estimated Population: January 1997

Area	April 1990	January 1997	Absolute Change 90-97	Percent Change 90-97
Faulkner County	60,006	75,033	15,027	25.0
Conway	26,481	36,557	10,076	38.0
Greenbrier	2,130	3,103	973	45.7
Mayflower	1,415	1,637	222	15.7
Vilonia	1,133	1,426	293	25.9
Wooster	414	530	116	28.0
Small communities	723	1,054	331	45.8
Unincorporated	28,433	30,726	2,293	8.1
Lonoke County	39,268	48,260	8,992	22.9
Cabot	8,319	13,002	4,683	56.3
Austin	235	633	398	169.4
Ward	1,269	1,643	374	29.5
Lonoke	4,022	4,691	669	16.6
England	3,351	3,073	-278	-8.3
Carlisle	2,253	2,155	-98	-4.3
Small communities	795	887	92	11.6
Unincorporated	19,024	22,176	3,152	16.6
Pulaski County	360,000*	362,941	2,941	0.8
North of River	150,620	152,557	1,937	1.3
North Little Rock	63,567	63,753	186	0.3
Jacksonville	29,961	30,874	913	3.0
Sherwood	19,452	20,922	1,470	7.6
Maumelle	6,912	8,837	1,925	27.9
Unincorporated (N)	30,728	28,171	-2,557	-8.3
South of River	209,380	210,384	1,004	0.5
Little Rock	180,925	184,510	3,585	2.0
Cammack Village	853	790	-63	-7.4
Alexander	207	201	-6	-2.9
Wrightsville	1,093	1,126	33	3.0
Unincorporated (S)	26,302	23,757	-2,545	-9.7
Total incorporated	302,970	311,013	8,043	2.7
Total unincorporated	57,030	51,928	-5,102	-8.9
Saline County	64,183	75,402	11,219	17.5
Benton	18,177	22,332	4,155	22.9
Bryant	5,269	7,885	2,616	49.6
Shannon Hills	1,755	2,127	372	21.2
Haskell	1,342	1,758	416	31.0
Traskwood	488	509	21	4.3
Bauxite	412	492	80	19.4
Unincorporated	36,740	40,299	3,559	9.7
LR-NLR MSA	523,457	561,636	38,179	7.3

*Adjusted 1990 census figures for Pulaski County.

Sources: Department of Commerce, Bureau of Census. 1997 Metroplan estimates.

When population growth by rate is considered, Faulkner County ranked second in the state, Lonoke county ranked third, and Saline County ranked tenth (Pulaski County ranked 48th). With population growth by absolute amount, Faulkner County ranked third in the state, Saline fourth, and Lonoke ranked sixth. Even Pulaski County, in the center of the MSA, took 17th place among all the state's 75 counties.

Chart 3
Top Ten Arkansas Counties By Percent Population Growth 1990 - 1996

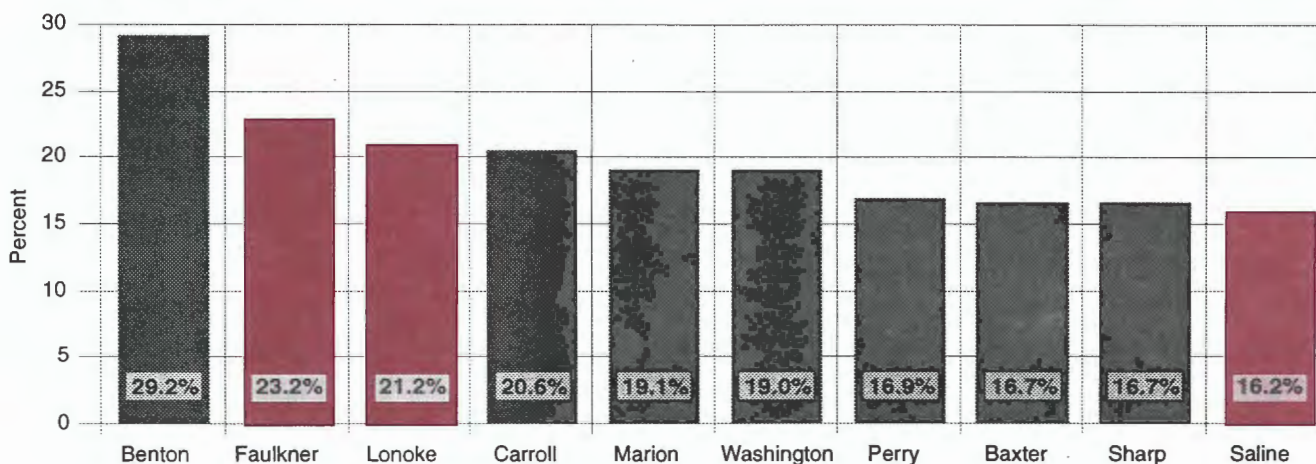
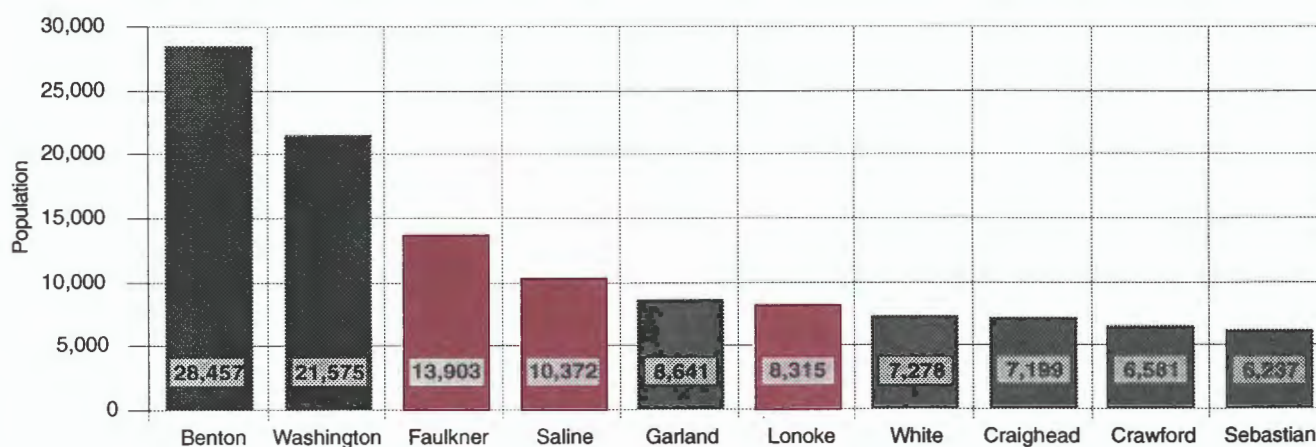


Chart 4
Top Ten Arkansas Counties By Absolute Population Growth 1990 -1996



When More New Houses Bring Few New People

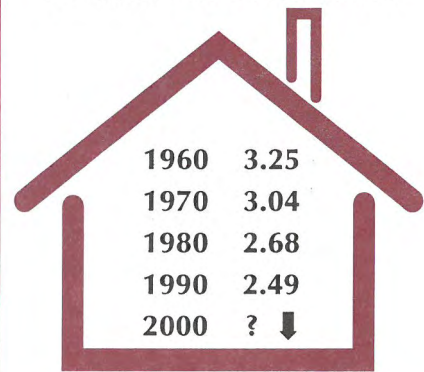
As central Arkansas enters the late 1990's the 1990 census becomes increasingly out of date. Questions arise which cannot be fully answered until the 2000 census counts become available in early 2001. One riddle is the slow population growth within Pulaski County. Several cities, especially Little Rock, have seen significant *housing* growth since 1990. And building houses means population growth - right? Yet city population estimates released by the Census Bureau, as well as a handful of recent special censuses, reveal a different picture; population growth lagging behind housing growth. Why?

Is the Census Bureau's data wrong? Possibly, but the historical record suggests census population estimates are highly accurate - rarely off by over 2 percent. Special censuses, meanwhile, are "head counts" like the decennial census - imperfect, but hard to improve on.

Are more housing units going vacant? Probably not. Data from recent special censuses and from Metroplan's annual *Apartment Market Survey* do not suggest a drop in housing occupancy.

The answer may be hidden from view - behind the front door. Average household size, or number of persons per housing unit, can go up or down with little outward evidence. Household sizes have risen slightly in recent years for the U.S. as a whole. But preliminary evidence in Pulaski County suggests a local *drop* in household size - why? Pulaski County appears to be losing some of its families with young children to fast-growing towns across the county lines, like Cabot, Conway and Bryant. And many people in the county's older neighborhoods appear to be "aging in place," living in shrinking households as adult children move off. Are these factors cutting the county's average household size and reducing population growth to a trickle, despite housing growth? We will know more in 2001. For now, it looks like overall population numbers are being affected by subtle changes in private lives.

Table B
Pulaski County
Persons Per Household



1960	3.25
1970	3.04
1980	2.68
1990	2.49
2000	? ↓

Table C
New Counts For Fast-Growing Cities

Several special censuses have been conducted within the Little Rock - North Little Rock MSA during 1996, with others underway. A recent change in state law has allowed fast-growing cities to receive more of the state's "turnback" revenue for street improvement and repairs by proving (through a special census) the amount of their population growth in recent years. Official results have been published for Conway, Maumelle, and Cabot. The cities of Sherwood and Benton have also contracted with the Census Bureau. The results available from the Census Bureau have verified Metroplan's data suggesting major growth in several jurisdictions. Among the results so far:

City	Official 1990 Population	Special Census Population	Special Census Date
Conway	26,481	35,993	April 26, 1996
Maumelle	6,714	8,468	October 15, 1996
Cabot	8,319	12,852	December 10, 1996

Table D
The 1996 Housing Market

Housing construction activity slowed down slightly during 1996 from the previous year, but total housing growth was still faster than any year prior to 1994. Total single-family construction dropped for the second year in a row, while multi-family construction dropped after a strong year in 1995. Proportionally, single-family housing accounted for 74 percent of all units permitted, up from 65 percent in 1995, while multi-family housing dropped to 26 percent of all permits, down from 35 percent the year before.

Single-Family Housing Unit Permits

	1990	1991	1992	1993	1994	1995	1996
Little Rock	431	450	603	740	641	477	477
North Little Rock	61	58	113	107	97	98	90
Jacksonville	26	25	53	75	82	54	78
Sherwood	94	76	44	91	70	85	85
Maumelle	62	47	65	93	124	176	220
Cabot	123	141	184	224	297	400	235
Benton	85	122	138	183	194	138	126
Bryant	119	124	79	63	117	141	167
Conway	271	368	369	445	515	438	389
Total Single Family	1,272	1,411	1,648	2,021	2,137	2,007	1,867

Multi-Family Housing Unit Permits

	1990	1991	1992	1993	1994	1995	1996
Little Rock	25	19	0	11	18	430	7
North Little Rock	0	0	0	0	0	0	0
Jacksonville	0	6	0	6	10	1	0
Sherwood	60	4	0	30	16	457	48
Maumelle	0	0	0	14	6	0	0
Cabot	N/A	3	N/A	0	48	29	13
Benton	2	66	34	223	31	0	278
Bryant	40	0	4	0	4	16	3
Conway	51	291	110	132	288	139	307
Total Multi-Family	178	389	148	416	421	1,072	656

Total Housing Unit Permits

	1990	1991	1992	1993	1994	1995	1996
MSA Total Units	1,450	1,800	1,796	2,437	2,558	3,079	2,523
Percent Single-Family	87.7	78.4	91.8	82.9	83.5	65.2	74.0
Percent Multi-Family	12.3	21.6	8.2	17.1	16.5	34.8	26.0

A Time To Grow - And Now a Time to Slow?

The early 1990's were a time of substantial economic development in the Little Rock - North Little Rock MSA. This can be seen in the region's per capita income figures.

Chart 5, on facing page, and Table E below, show per capita income for several mid-sized southern U.S. cities compared with the U.S. metropolitan average. Most of the southern MSA's shown were slightly below the U.S. average for 1990 and 1994, but grew at a faster rate. As the data shows, the Little Rock - North Little Rock MSA ranked in the middle of the MSA's shown, with income levels higher than the Baton Rouge and Oklahoma City MSA's, but lower than the Nashville, Austin, and Memphis regions.

Chart 6 shows the strong economic growth of the early 1990's in Central Arkansas. The Little Rock - North Little Rock MSA showed income growth nearly five percentage points faster than the U.S. metropolitan average. Income growth in Central Arkansas was roughly average among the urban regions

compared. The Little Rock area slightly exceeded even the fast-growing Austin region in Central Texas, but was outpaced slightly by Baton Rouge and somewhat more rapidly by Nashville.

Income growth will probably slow over the rest of the decade. The Arkansas Institute for Economic Advancement has forecast that the state's income growth will slow from roughly 5 percent annually during the early 1990's to about 2.5 percent during the remainder of the decade.¹ This will continue to slowly close the gap between U.S. and Arkansas average incomes, but Arkansas will only reach about 80 percent of the national average by 2000, up marginally from about 78 percent today. Trends for the Little Rock - North Little Rock MSA will likely follow a similar trend, although labor shortage and local competitive advantages could possibly cause income growth to exceed the state average.

¹ Arkansas Economic Outlook, Arkansas Institute for Economic Advancement, January 1997.

Table E
US South Central Region
Per Capita Income Comparison of MSA's

	1990	1994	Percent Growth
U.S. Metropolitan	19,788	22,888	15.7
Austin-San Marcos TX	17,061	20,611	20.8
Baton Rouge LA	15,941	19,385	21.6
Knoxville TN	16,501	19,966	21.0
Little Rock-North Little Rock AR	16,488	19,986	21.2
Memphis TN-AR-MS	17,824	21,564	21.0
Nashville TN	18,334	23,038	25.7
Oklahoma City OK	16,357	19,031	16.3
Raleigh-Durham-Chapel Hill NC	19,354	22,992	18.8

Source: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis.

Chart 5
Per Capita Income Comparison of Southern MSA's

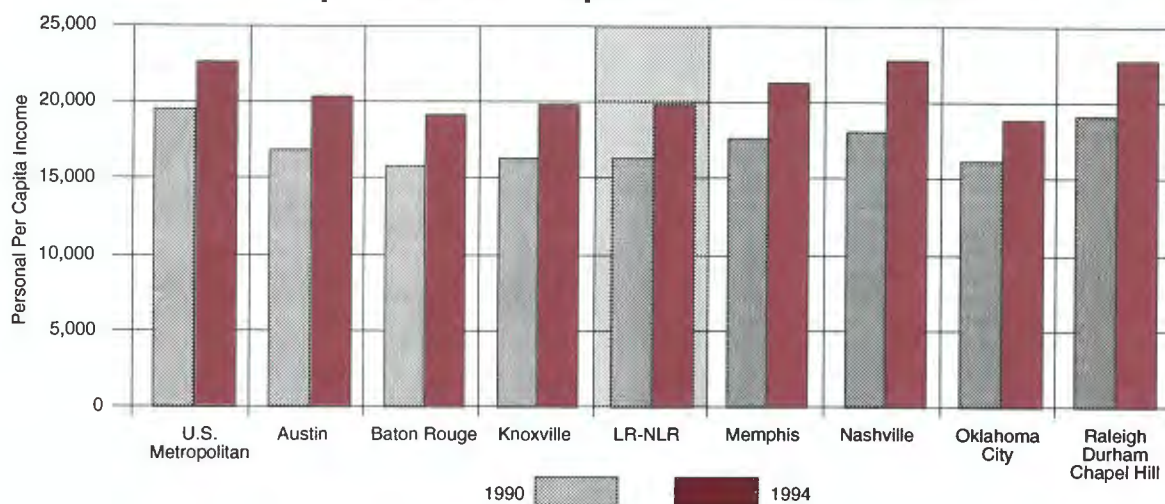
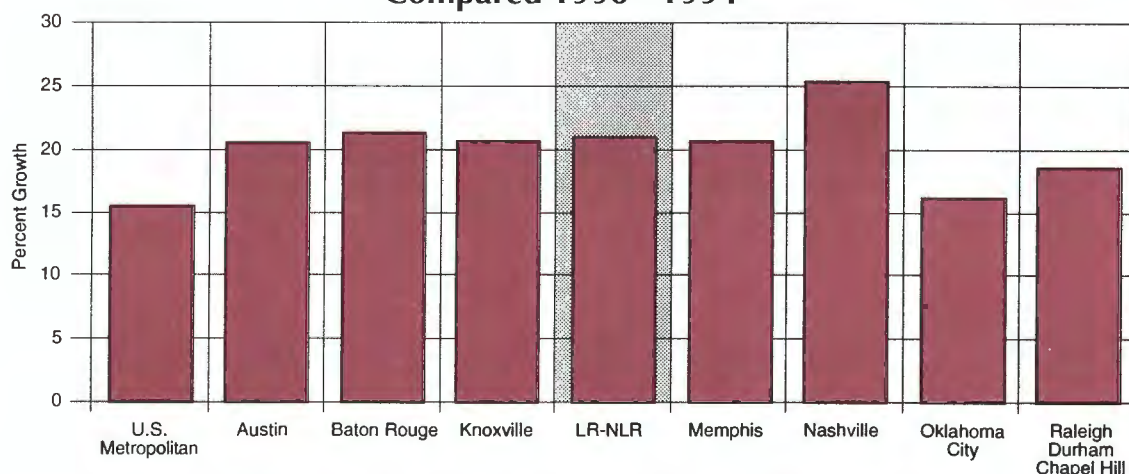


Chart 6
**Per Capita Income Growth for Southern MSA's
Compared 1990 - 1994**



Outlook

Growth will remain slow in the MSA during 1997 and into 1998. Interest hikes by the Federal Reserve will put a further crimp on housing construction, which began slowing in late 1996 and has seen less of a springtime jump than usual over recent years. Unemployment, currently at record low levels, may increase slightly in response to interest rate hikes, slower job creation, and job losses in manufacturing. Unemployment in Faulkner County is now hovering around 6-7 percent, having increased due to manufacturing job losses. Unemployment in Lonoke, Pulaski and Saline Counties remains very low, in all cases under 4 percent. Growth in new jobs has slowed in recent months, but demographic factors should keep unemployment fairly low. Preliminary construction data suggest a housing growth slowdown in Bryant, Cabot and Conway. Maumelle's housing growth remains strong and may log another record year in 1997. Housing growth in northwest Lonoke County may begin shifting southward toward Lonoke, owing in part to comparatively light commuting traffic along I-40 east.

Table F
Components of Population Change

County	January 1997	April 1990	Change	Percent Change	Net Migration	Births	Deaths	Natural Increase
Faulkner	75,033	60,006	15,027	25.0	11,795	6,592	3,360	3,232
Lonoke	48,260	39,268	8,992	22.9	7,483	4,106	2,597	1,509
Pulaski	362,941	360,000	2,941	0.8	-15,493	40,649	22,215	18,434
Saline	75,402	64,183	11,219	17.5	8,933	6,152	3,866	2,286
MSA	561,636	523,457	38,179	7.3	12,718	57,499	32,038	25,461

Sources: Metroplan, U.S. Bureau of the Census. Birth and death figures represent period from April 1990 to January 1997. Birth and death data provided by Arkansas Department of Health.

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