

State and Regional Growth Trends and Long-Range Forecasts

Georgia State Transportation Board Meeting



Atlanta Regional Commission

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February 19, 2020 Atlanta, GA

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From McKinsey

The past 50 years were truly unusual in demographic terms, as large cohorts of working-age populations fueled the growth of cities and nations. In the new demographic era, we are likely to see a much more fragmented urban landscape, with pockets of robust expansion but also areas of stagnant and declining populations. Cities' growth prospects will reflect very different demographic footprints and dynamics shaped by their local birth and death rates, net domestic migration, and net international migration.

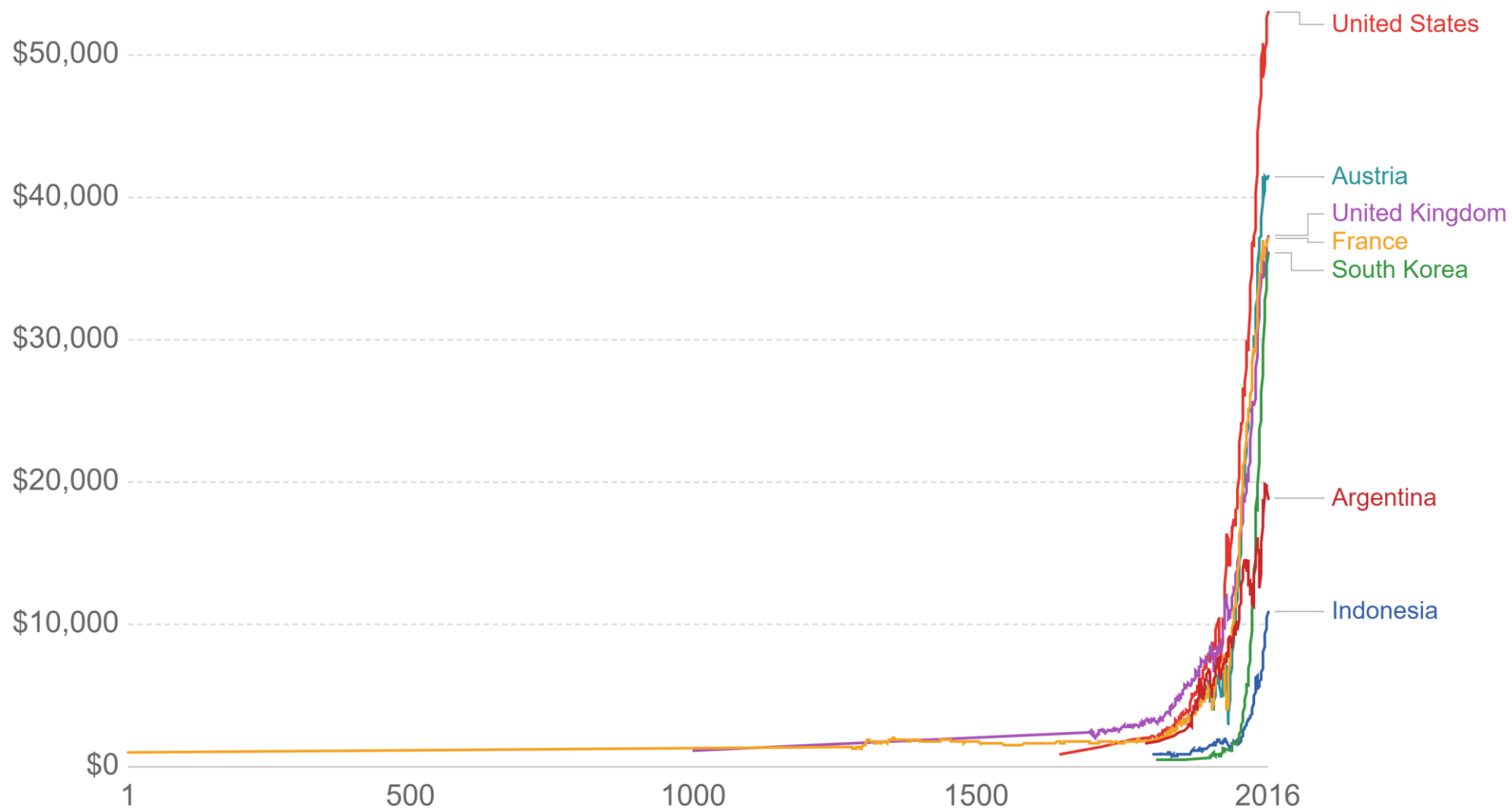


<https://www.mckinsey.com/featured-insights/urbanization/urban-world-meeting-the-demographic-challenge-in-cities/de-de>

GDP per capita

GDP per capita adjusted for price changes over time (inflation) and price differences between countries – it is measured in international-\$ in 2011 prices.

Our World
in Data

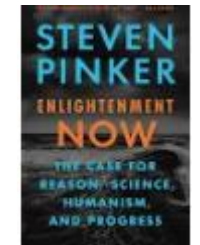
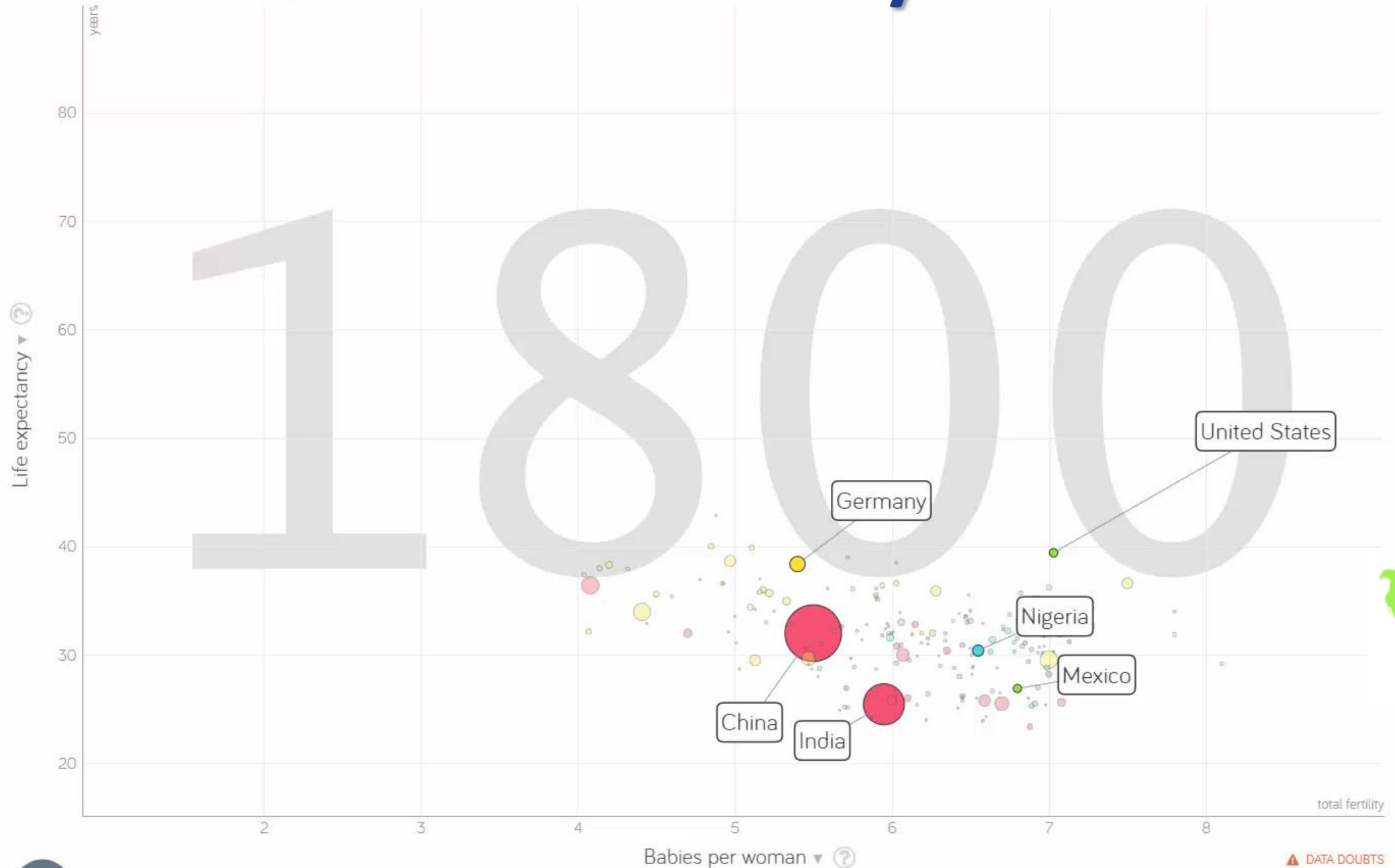


Source: Maddison Project Database (2018)

OurWorldInData.org/economic-growth • CC BY

Note: These series are adjusted for price differences between countries based on only a single benchmark year, in 2011. This makes them suitable for studying the growth of incomes over time but not for comparing income levels between countries.

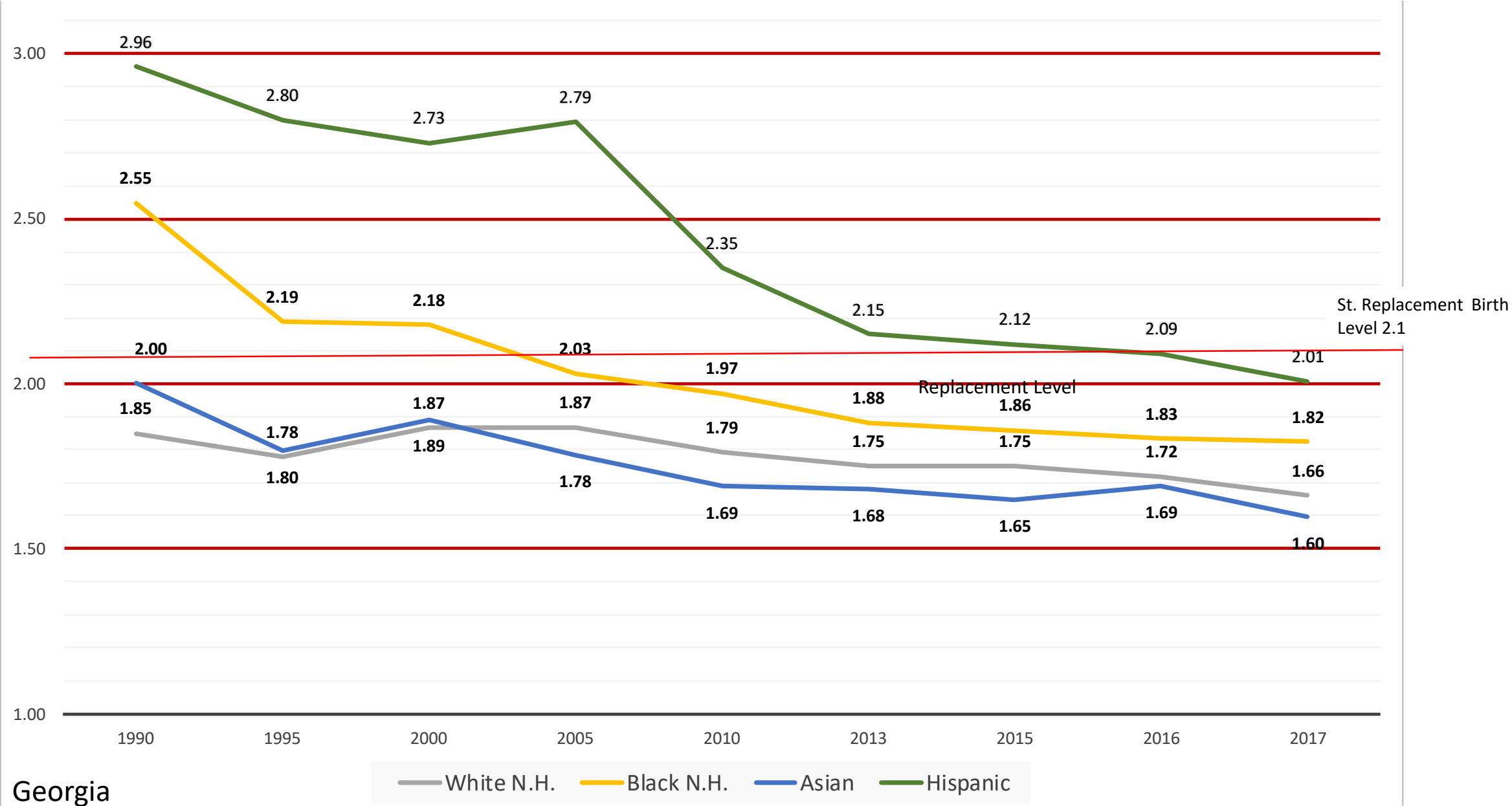
218 Years of World History in 60 Seconds *VIDEO*



Color Code
(World Regions)



The Future: Fertility Trends



OCTOBER 1, 2019



The number of people in the average U.S. household is going up for the first time in over 160 years

BY RICHARD FRY



Dean Kaplan, a graduate student, chats with Sarah Heintz in the kitchen of the apartment they share in Cambridge, Massachusetts. Since the Great Recession, more Americans have “doubled up” in shared living quarters. (Jessica Rinaldi/The Boston Globe via Getty Images)

Changing Global Growth Patterns

By 2100, five of the world's 10 largest countries are projected to be in Africa

Countries with largest population, in millions



Note: Countries are based on current borders. In this data source, China does not include Hong Kong, Macau or Taiwan. Regions follow United Nations definitions and may differ from other Pew Research Center reports.

Source: United Nations Department of Economic and Social Affairs, Population Division, "World Population Prospects 2019."

PEW RESEARCH CENTER

Looking to the year 2100

Fertility Rate continues to decline 2.5 to 1.9

-Median Age increase to 42 from 31 (2018) from 24 (1950)

-Africa is the only world region projected to have strong population growth

-Europe and Latin America are both expected to have declining populations by 2100

-Asian population is expected to increase from 4.6 billion in 2020 to 5.3 billion in 2055, then start to decline

-In the Northern America region, migration from the rest of the world is expected to be the primary driver of continued population growth

-Six countries are projected to account for more than half of the world's population growth

-India is projected to surpass China as the world's most populous country by 2027

-Between 2020 and 2100, 90 countries are expected to lose population

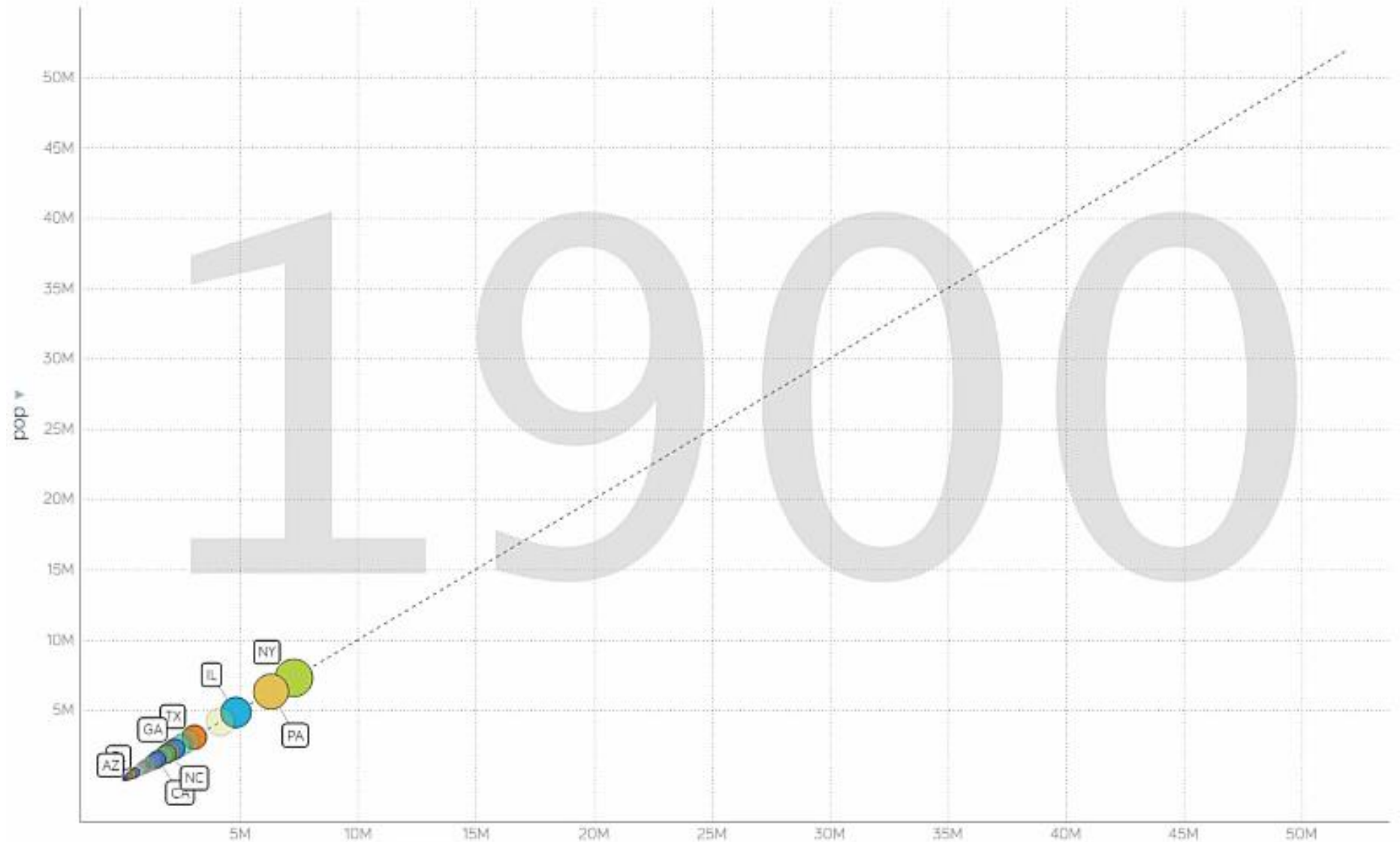
-Africa is projected to overtake Asia in births by 2060

-The Latin America and Caribbean region is expected to have the oldest population of any world region by 2100

State, Metro and Local Population Growth

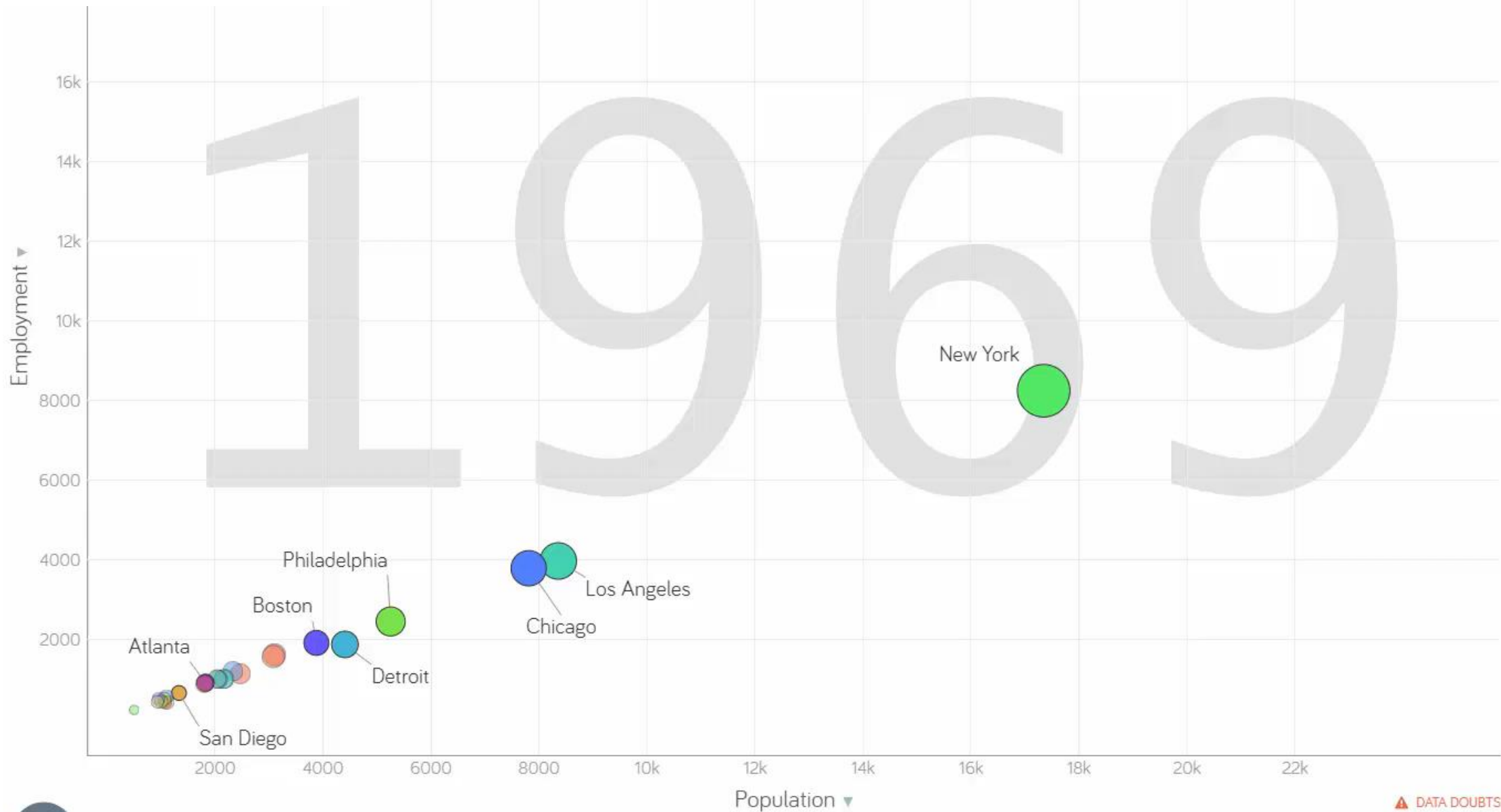
State Growth VIDEO

Source: Woods and Poole



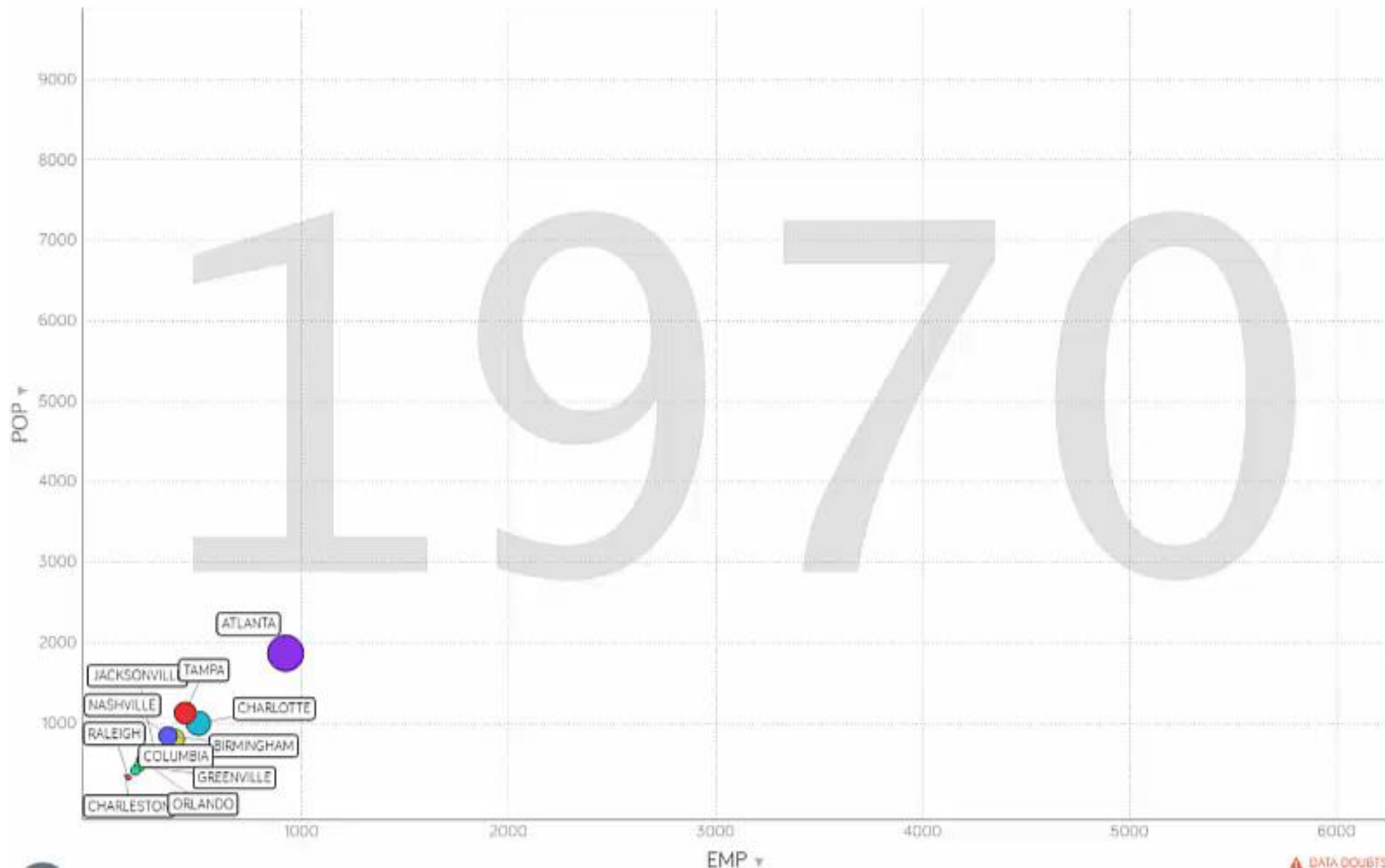
Metro Growth

VIDEO

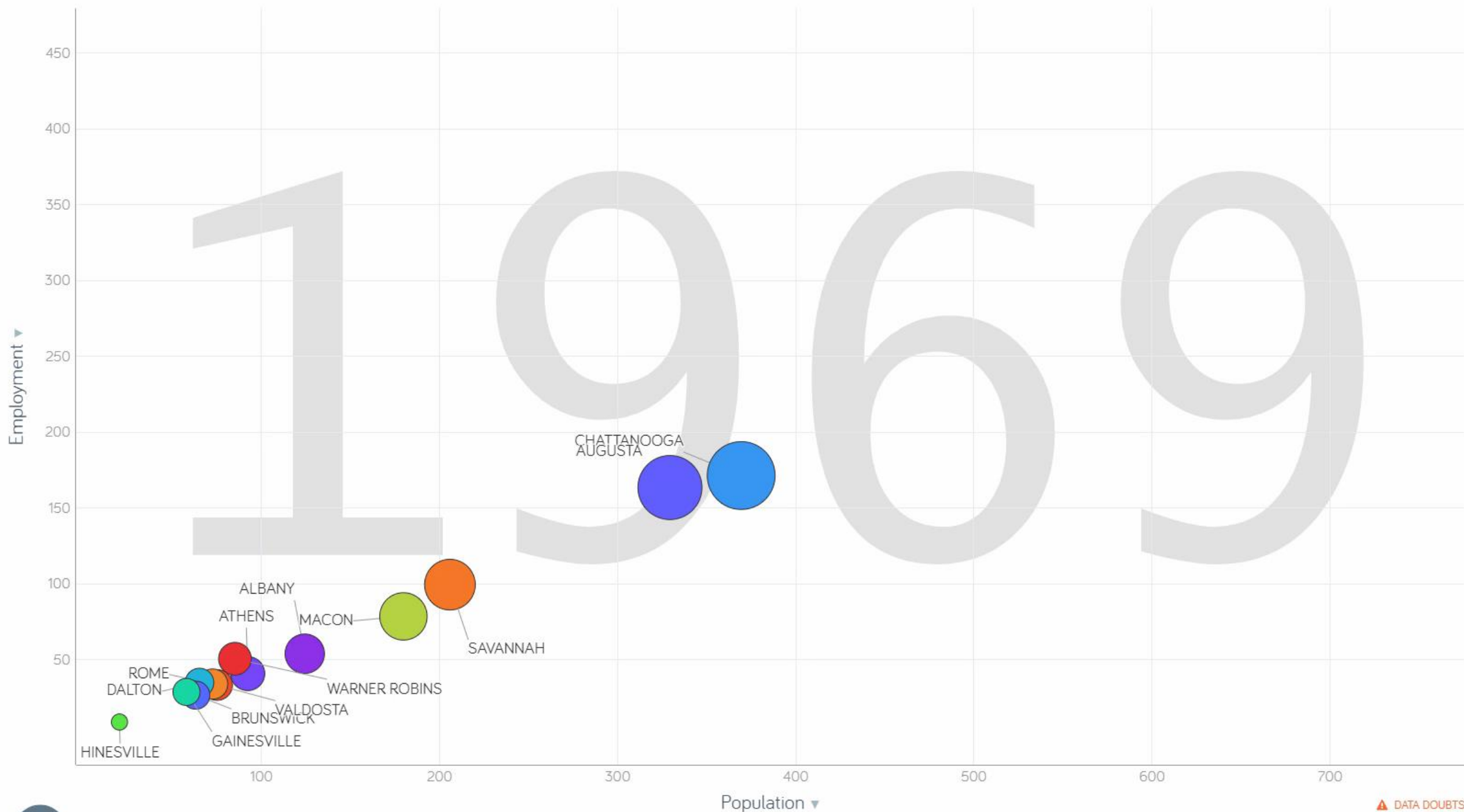


SE Metros

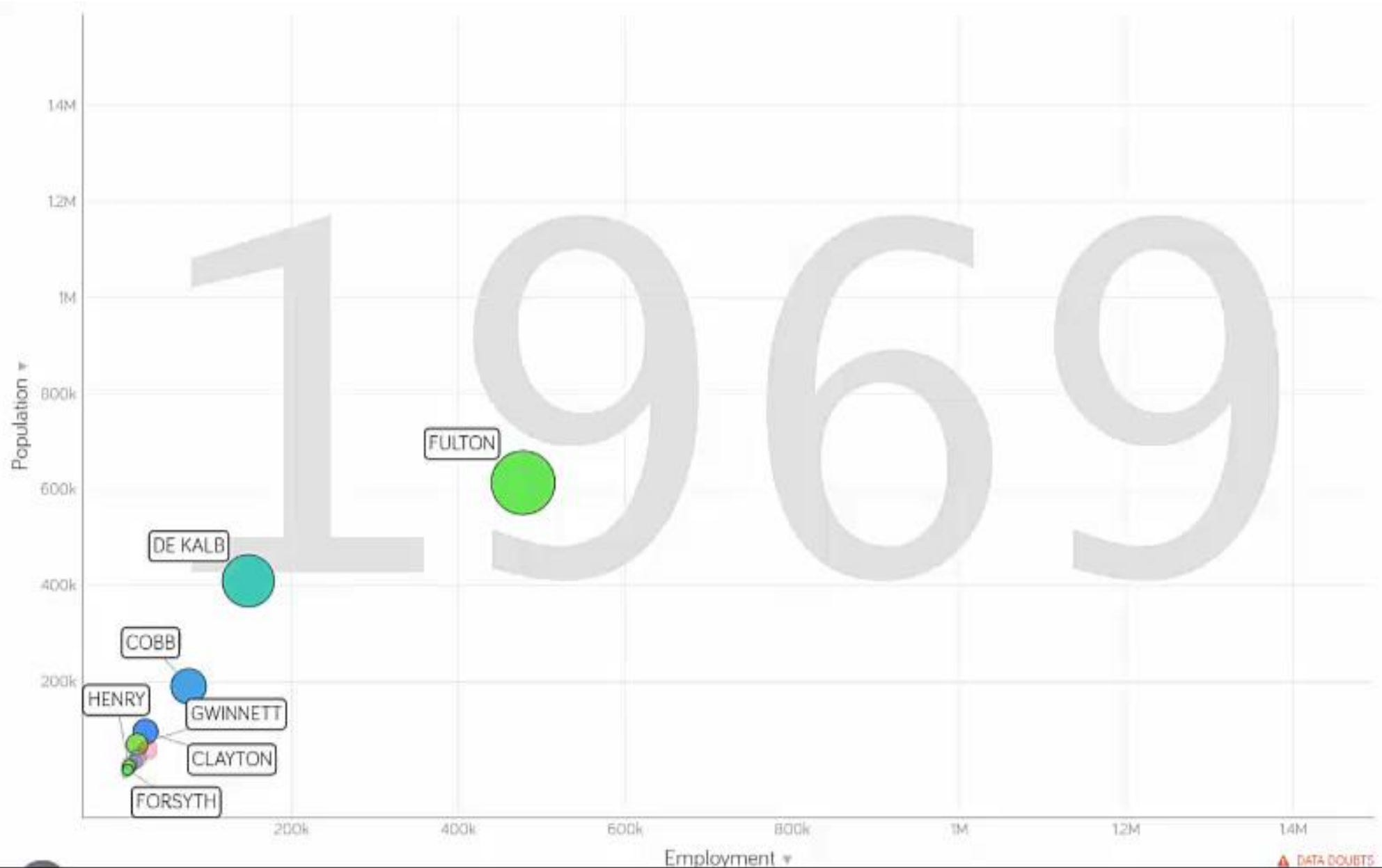
VIDEO



GA Metros minus Atlanta (VIDEO)

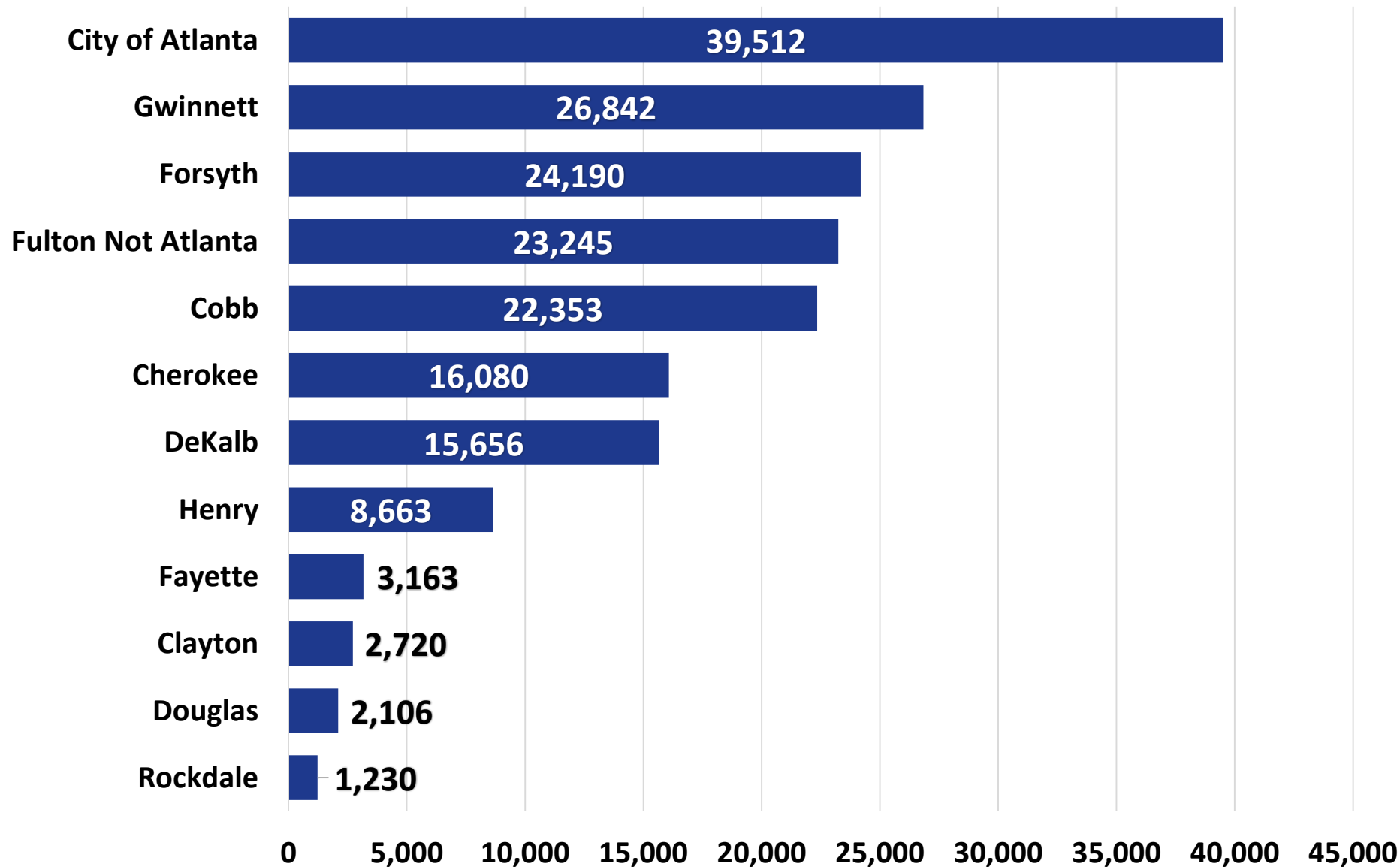


All Metro Counties *Series 16 Forecast Draft* Video



Building Permit Trends 2010-2018

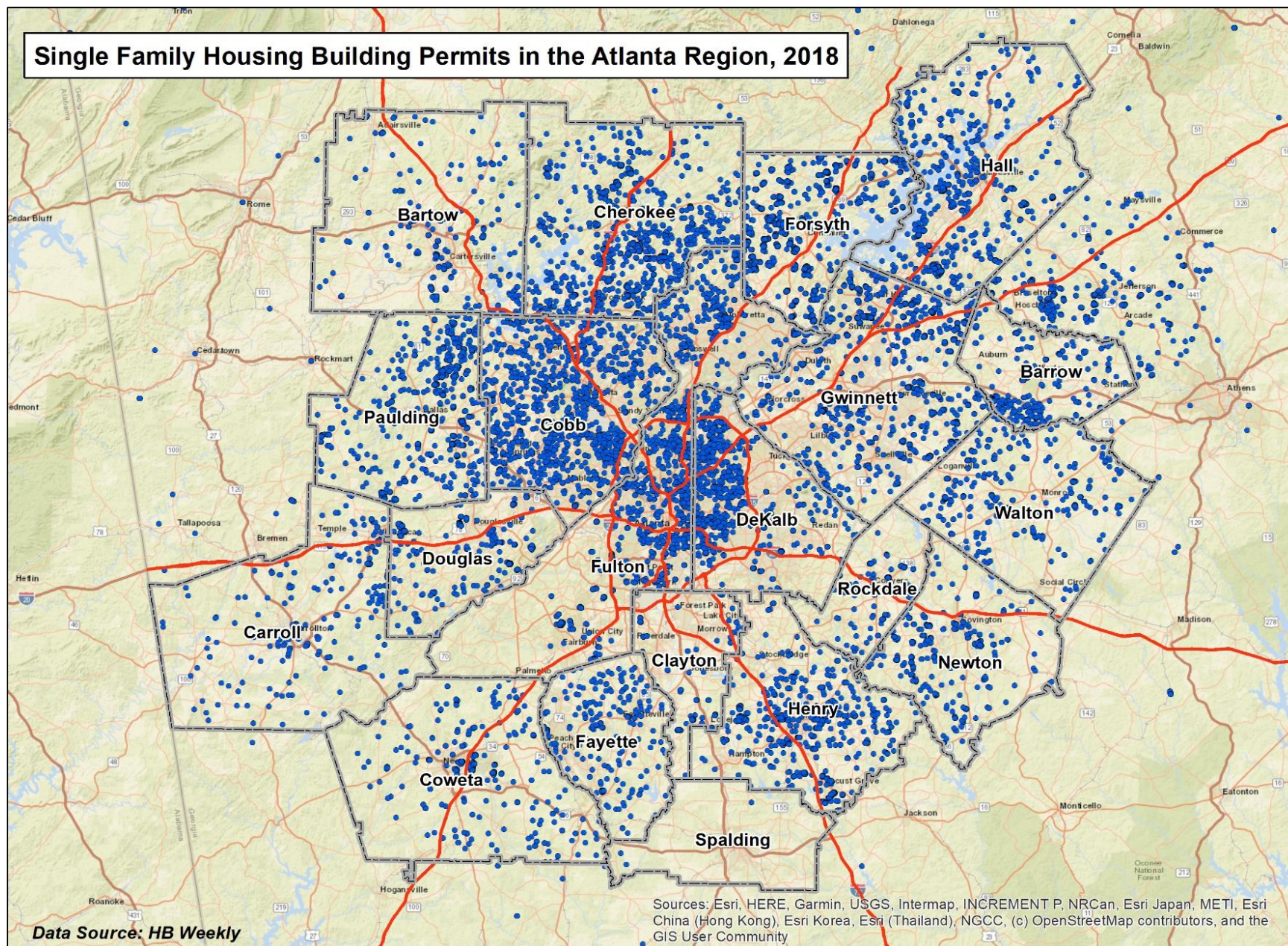
Total



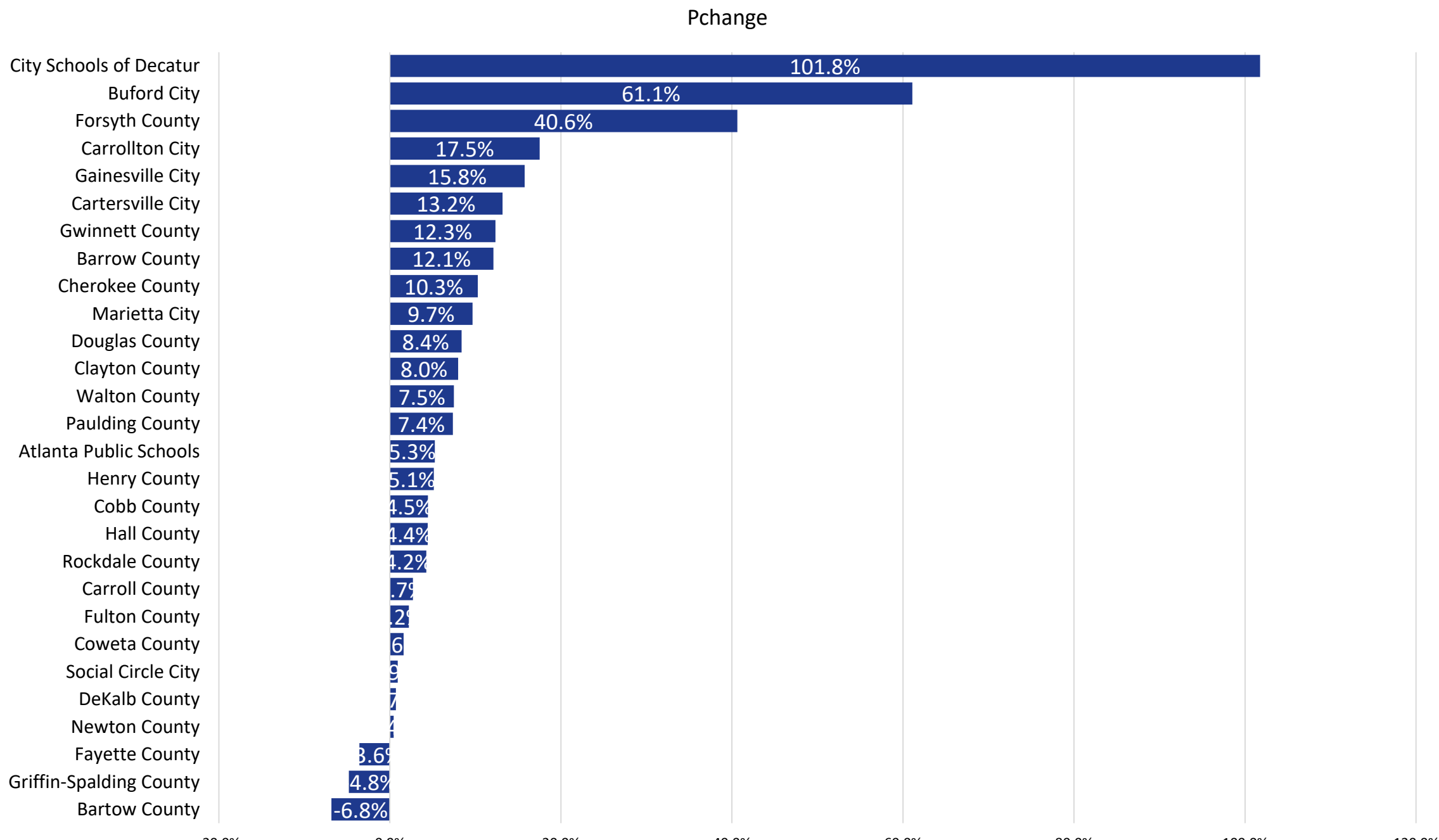
Source: State of the Cities Database (SOCDS)

Where are we building?

Single Family Housing Building Permits in the Atlanta Region, 2018

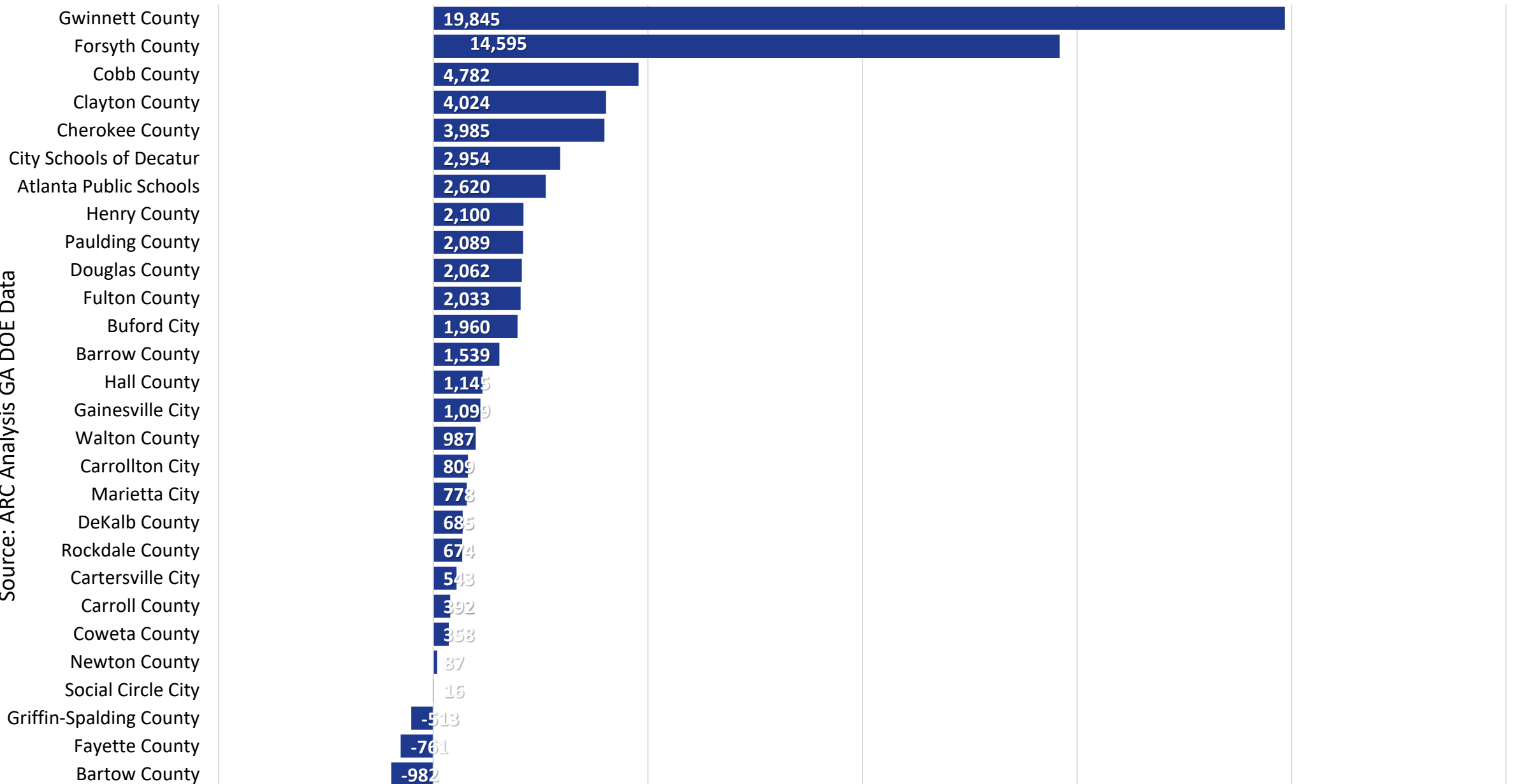


Change in School Enrollment, 2010-2019



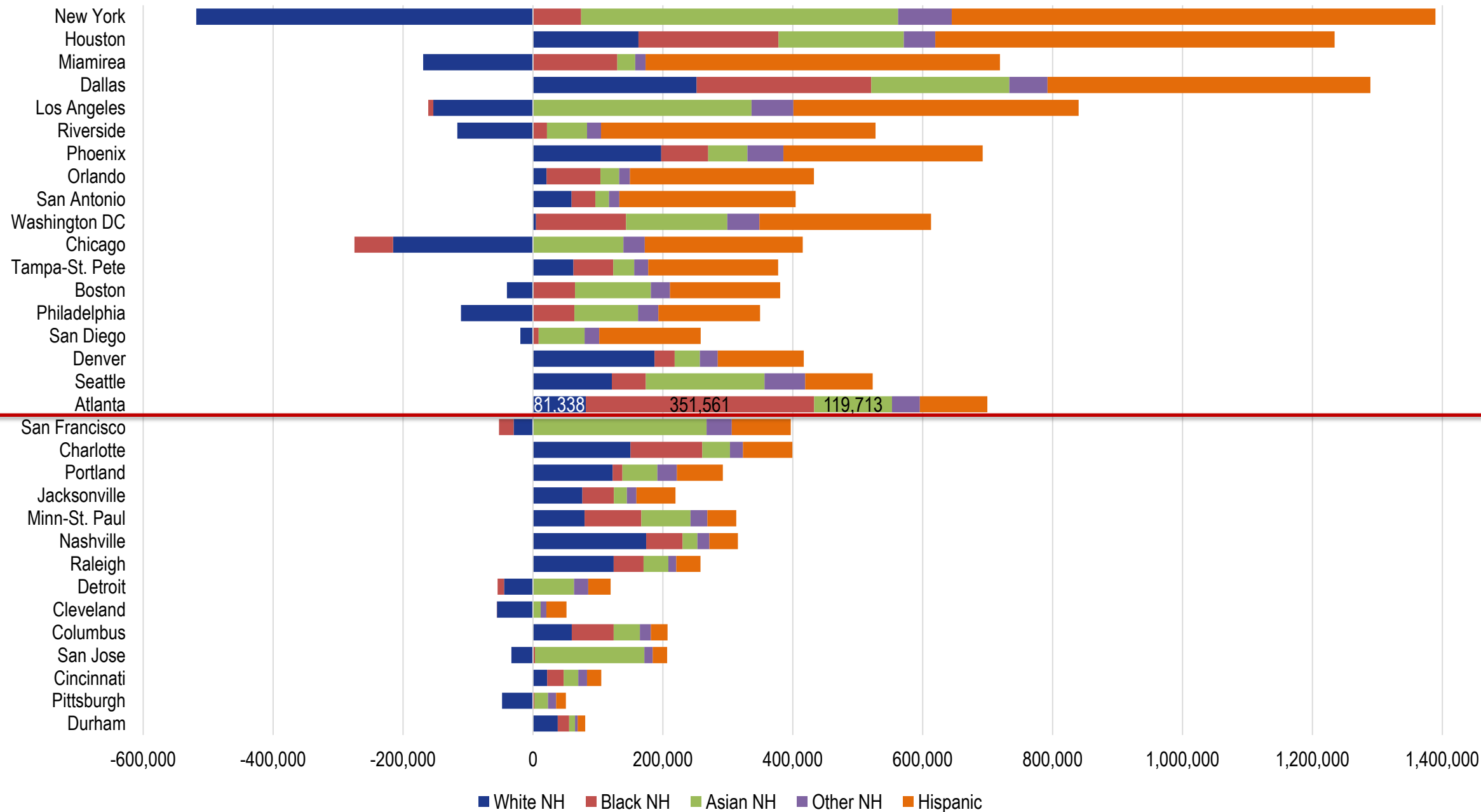
Change in School Enrollment, 2010-19

Source: ARC Analysis GA DOE Data

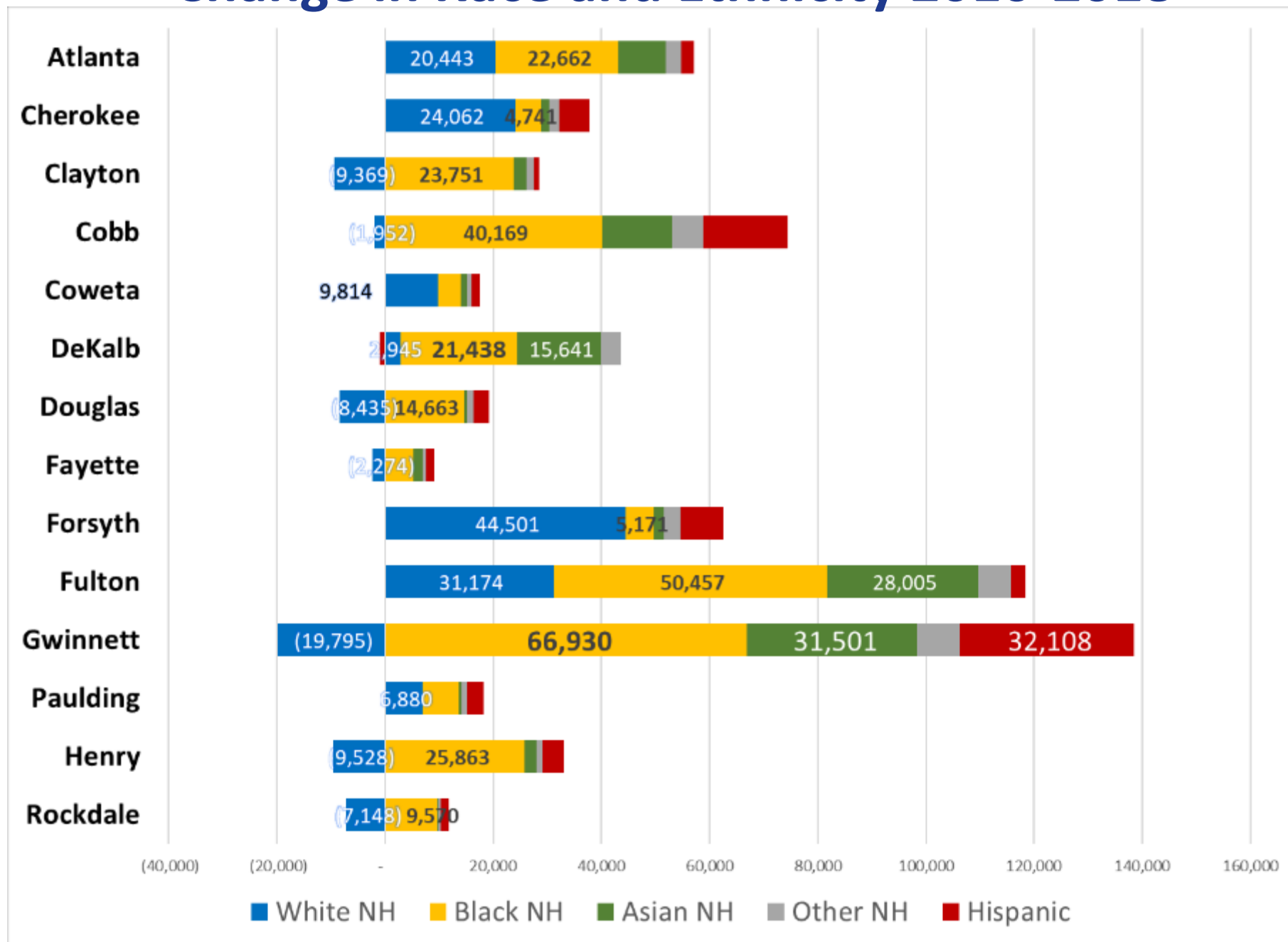


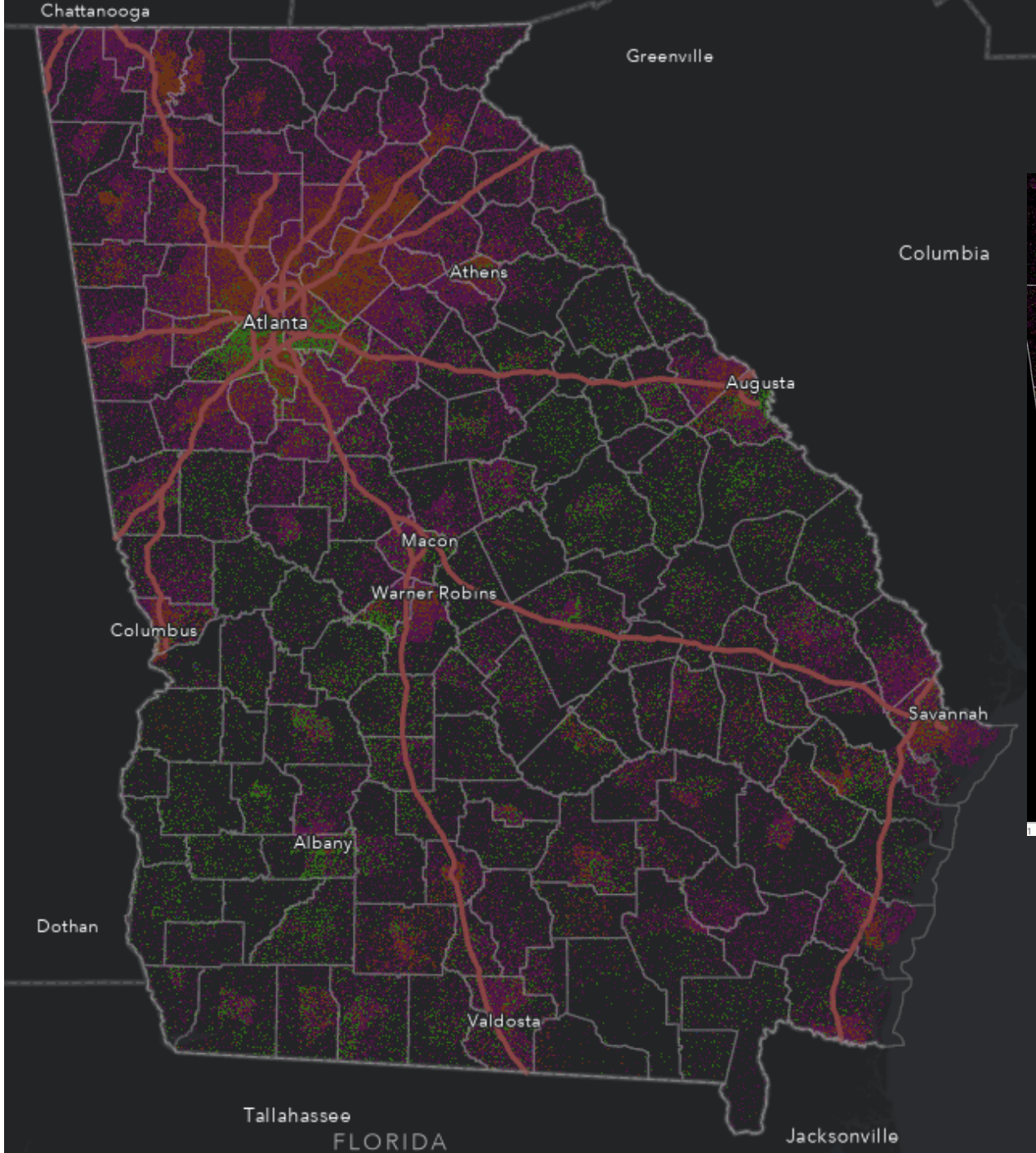
Demographics and Socioeconomics

Change in Race and Ethnicity 2010-2019

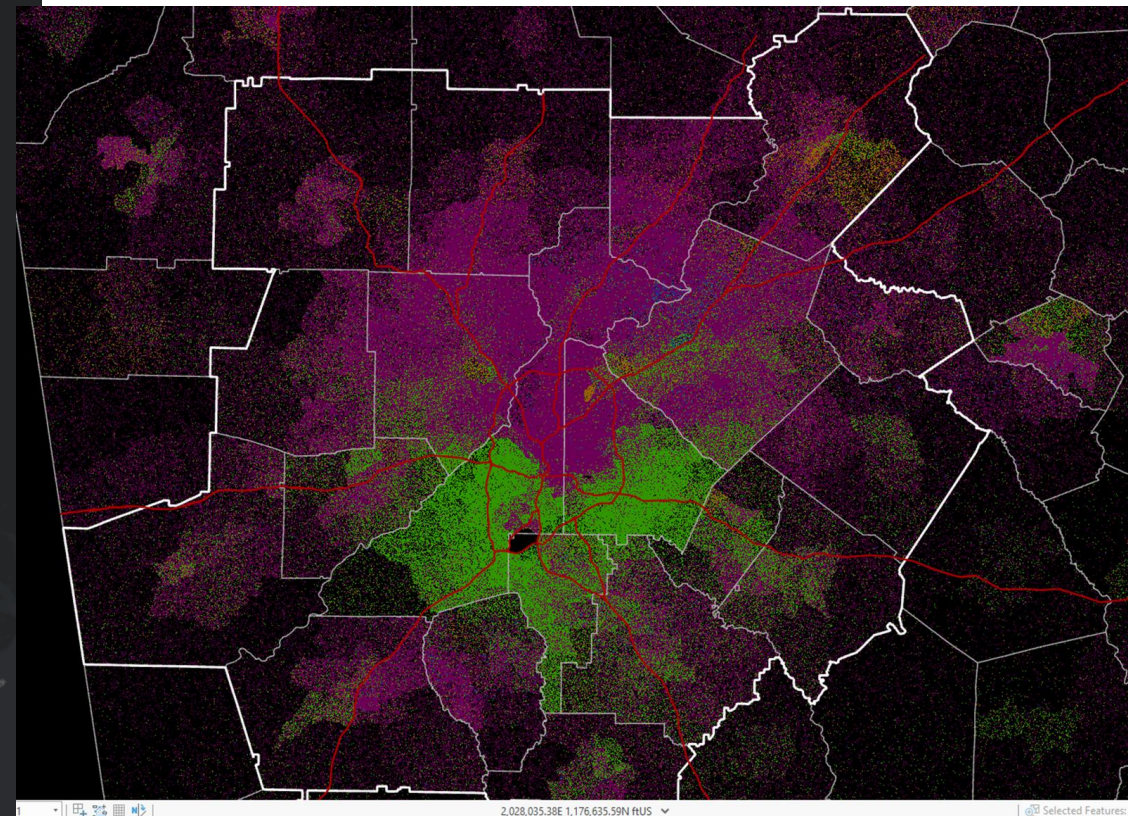


Change in Race and Ethnicity 2010-2018

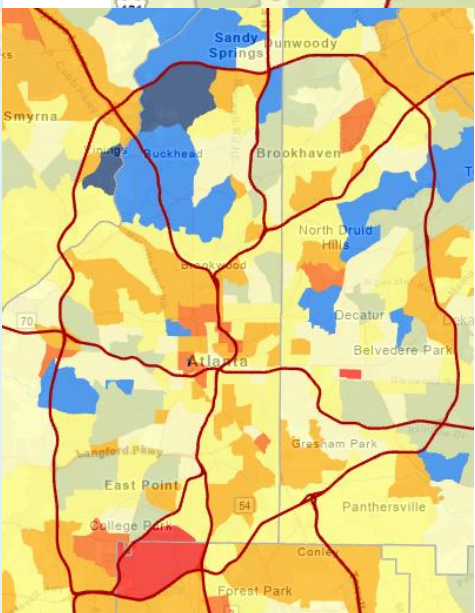
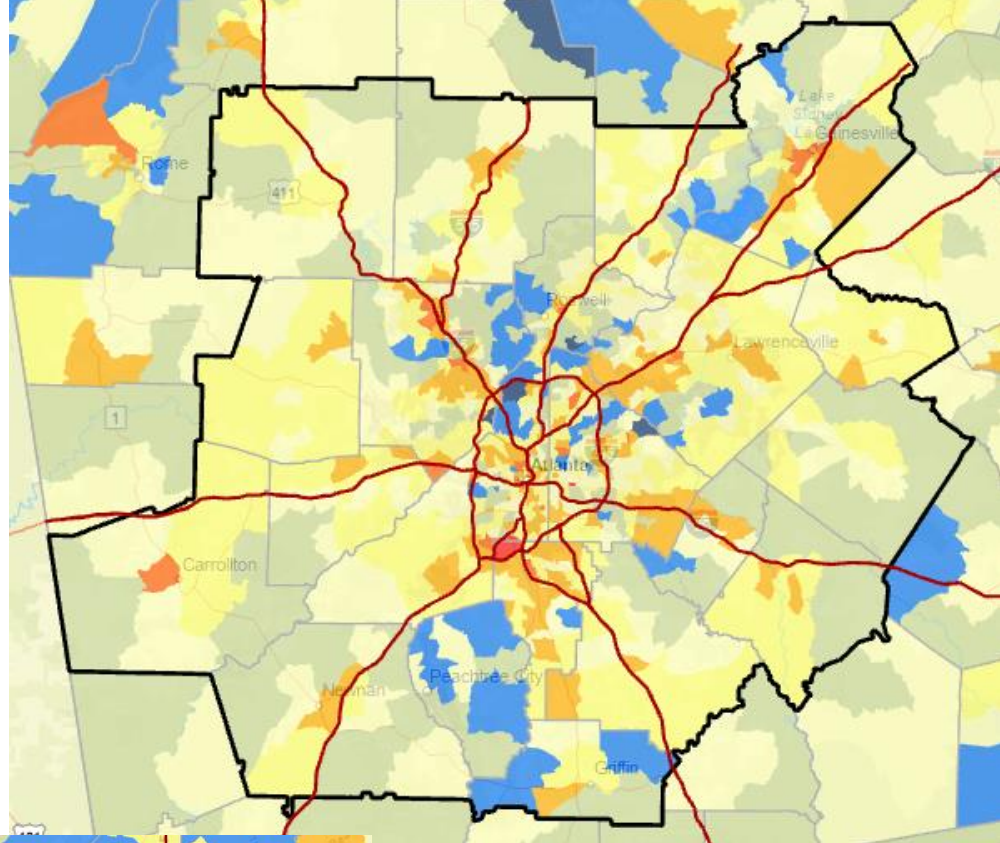
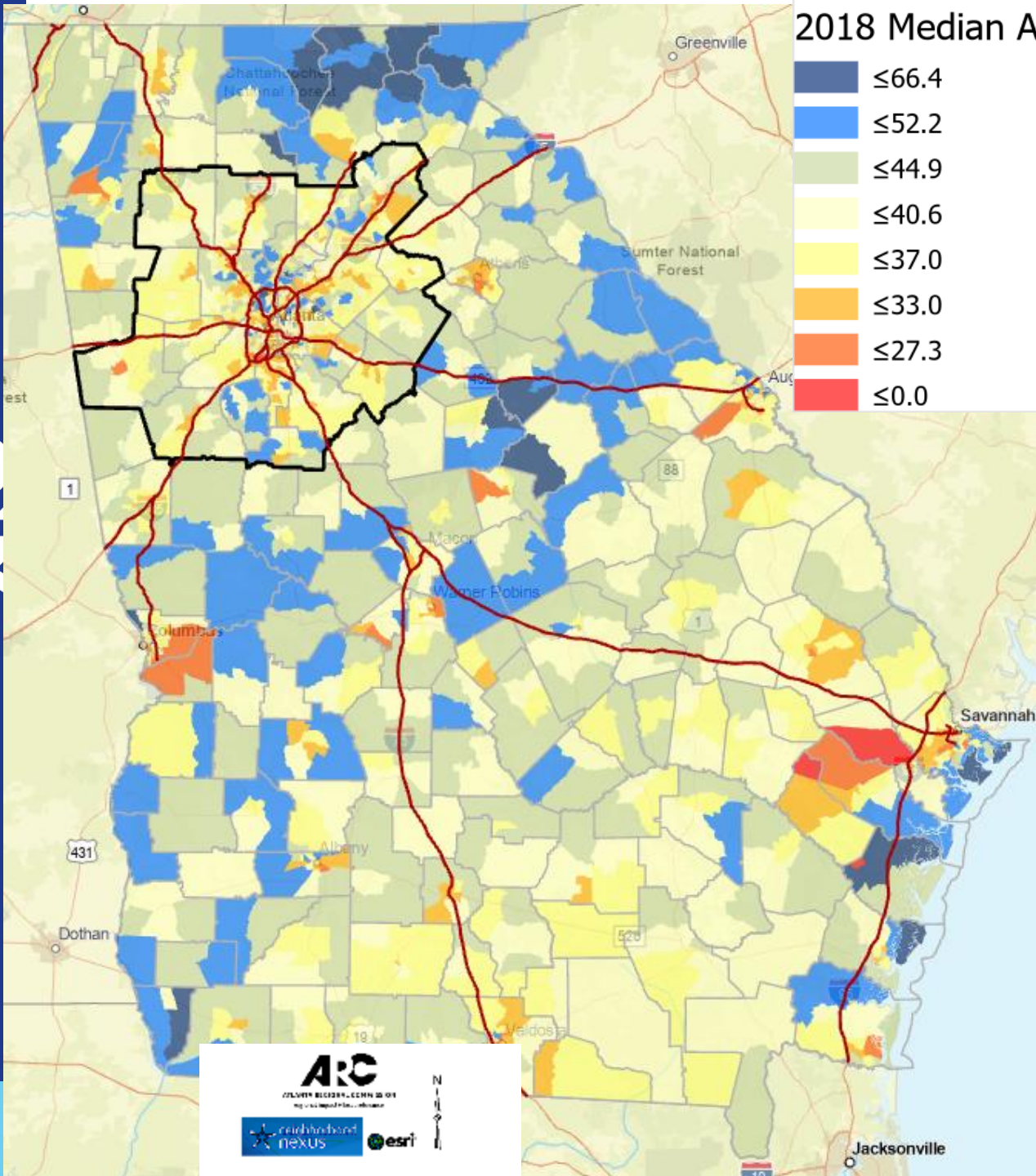




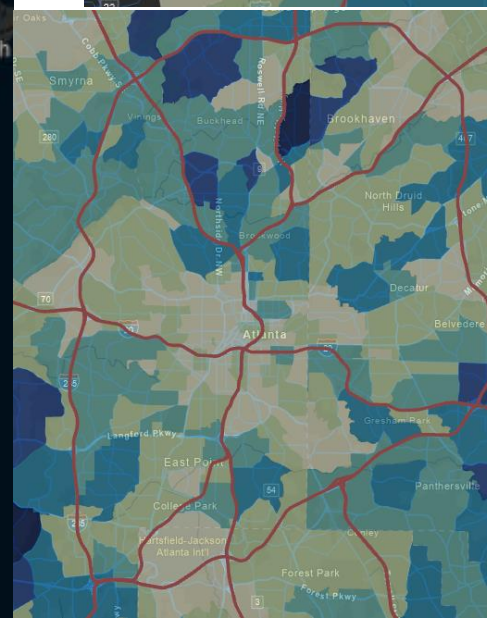
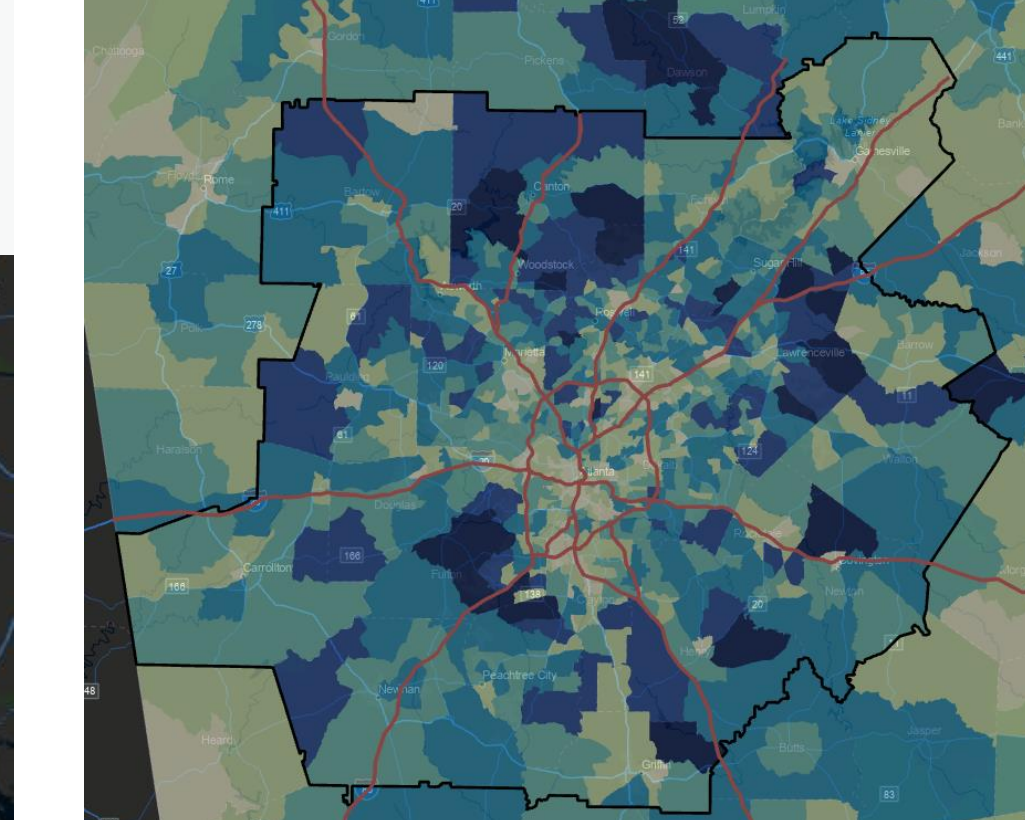
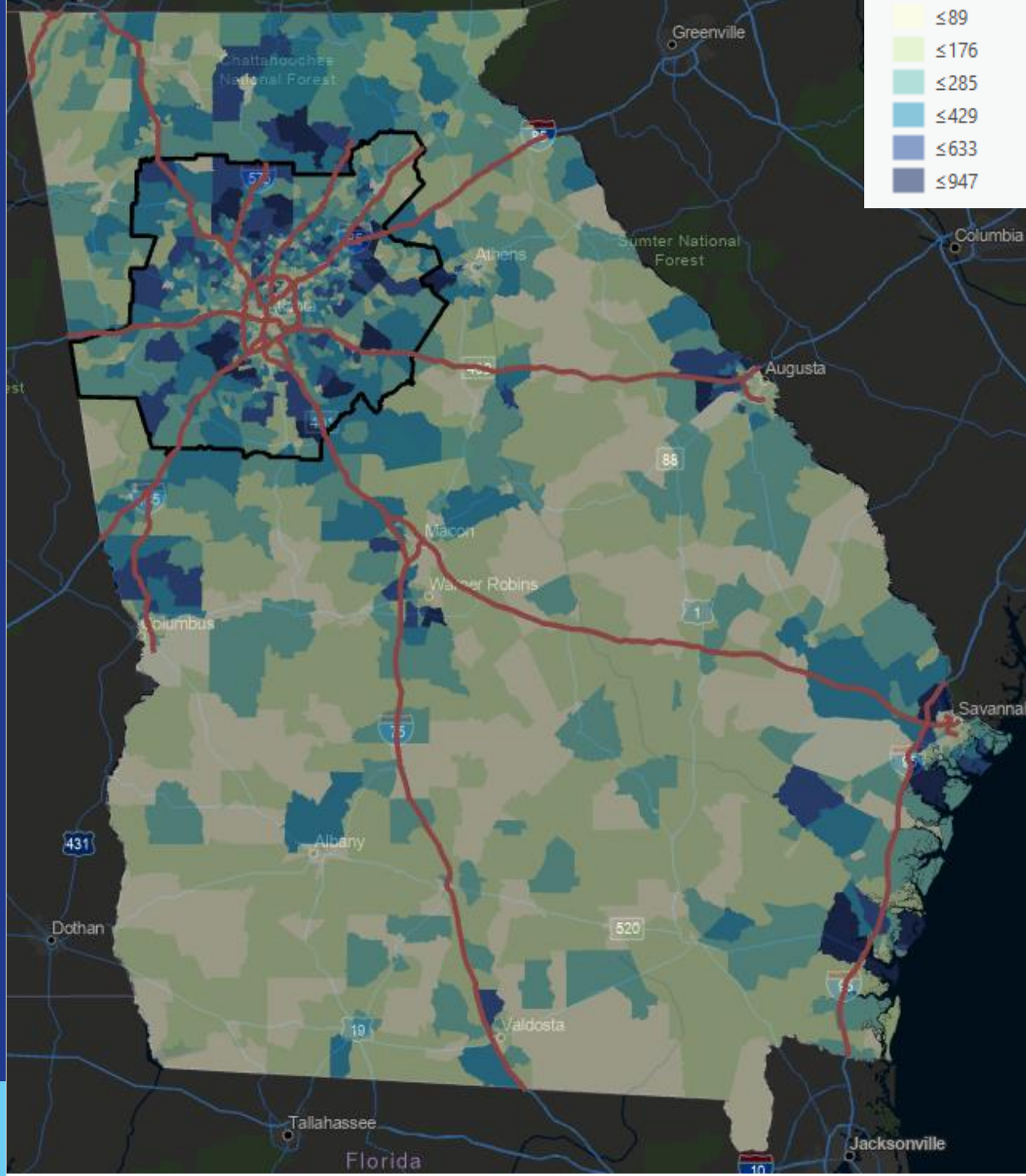
Race and Ethnicity 2018



- White non-Hispanic
- Black Alone
- Native Americans Alone
- Asian Alone
- Pacific Alone
- Two or More Races
- Hispanic Population



2018
Median Age

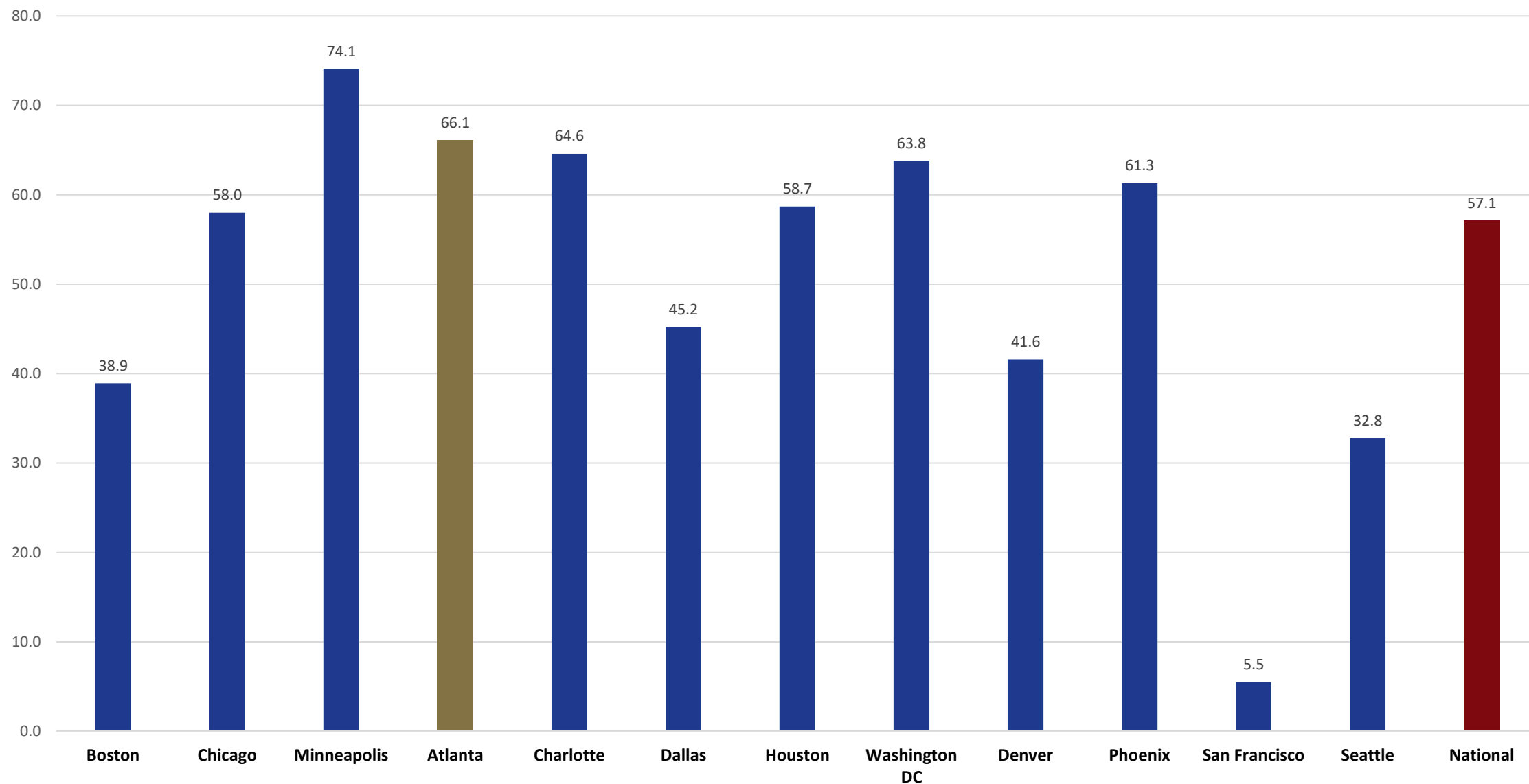


**2010-2018
65+ Age
Change**

Housing and Transportation Affordability

Overall, Metro Atlanta Is an Affordable Place

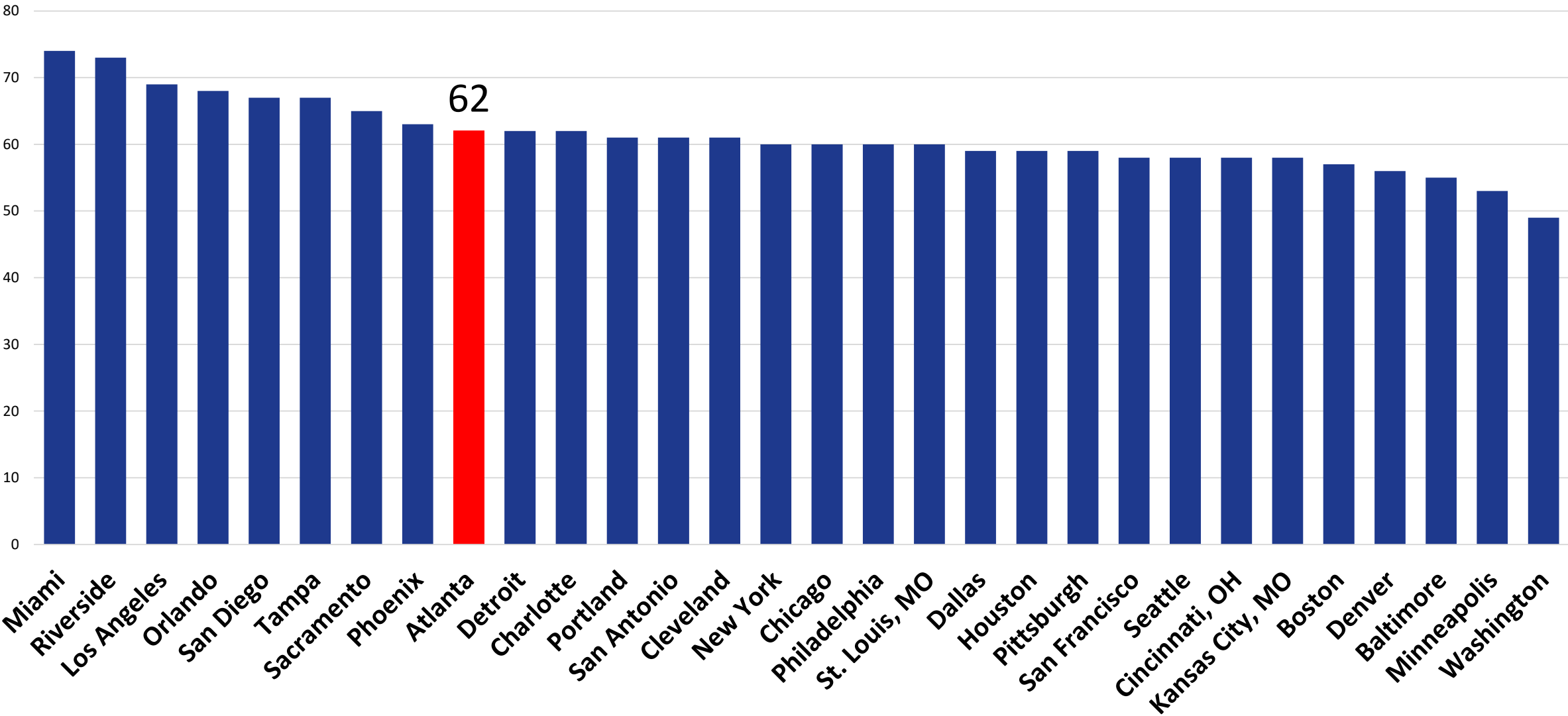
% of Homes Affordable to Median Income Household, Q2 2018



Source: Housing Opportunity Index, NAHB (Q2, 2018)

Add in Transportation Costs, and Metro Atlanta's Affordability Gets Even More Constrained

Percent of Income Spend on Housing + Transportation Costs for Moderate Income HHs



Source: Center for Neighborhood Technology (CNT) H+T Affordability Index

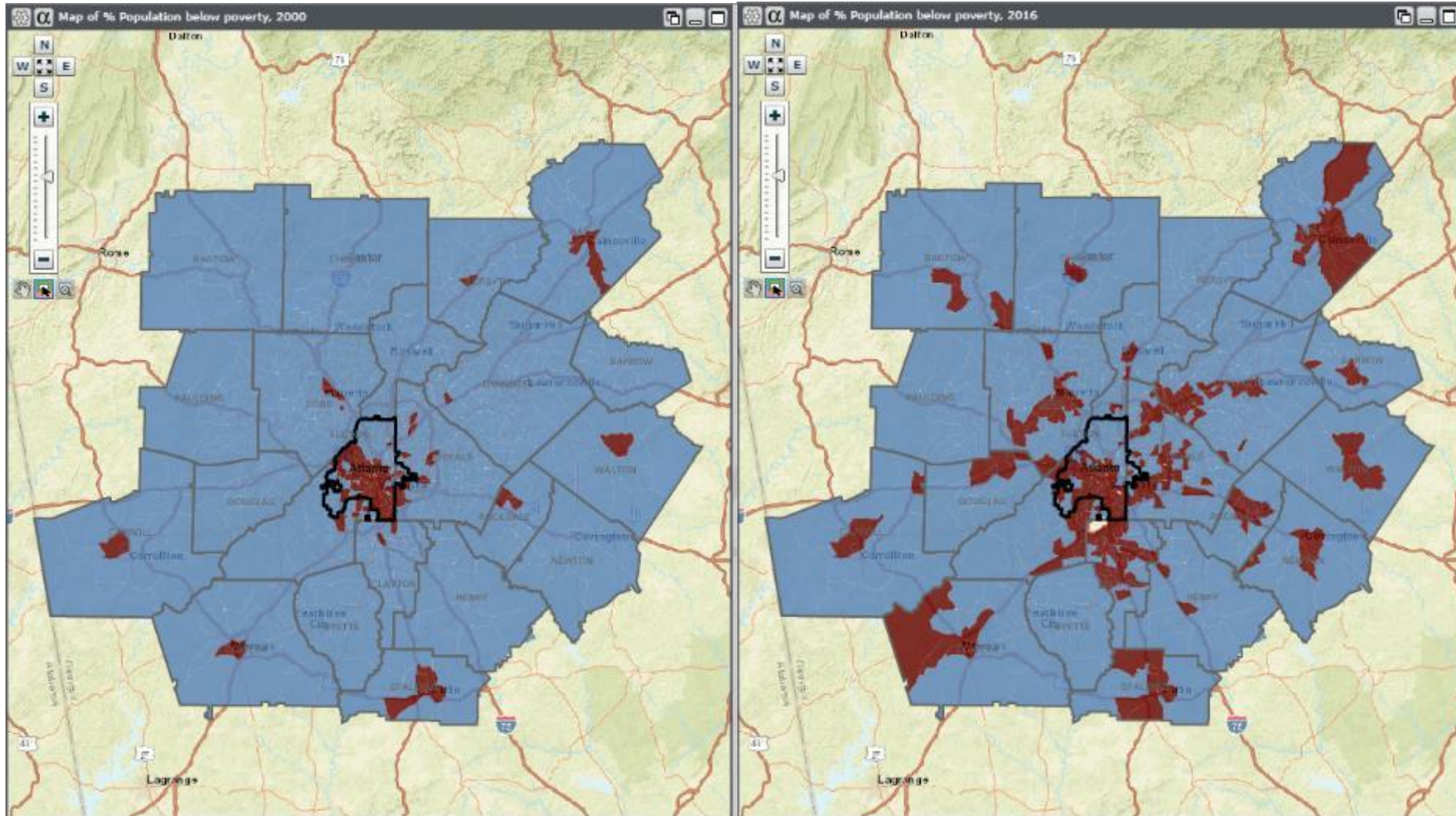
Change in Poverty 2000-16

More than 20% of people living in Poverty by Census Tract (Neighborhood)

2000

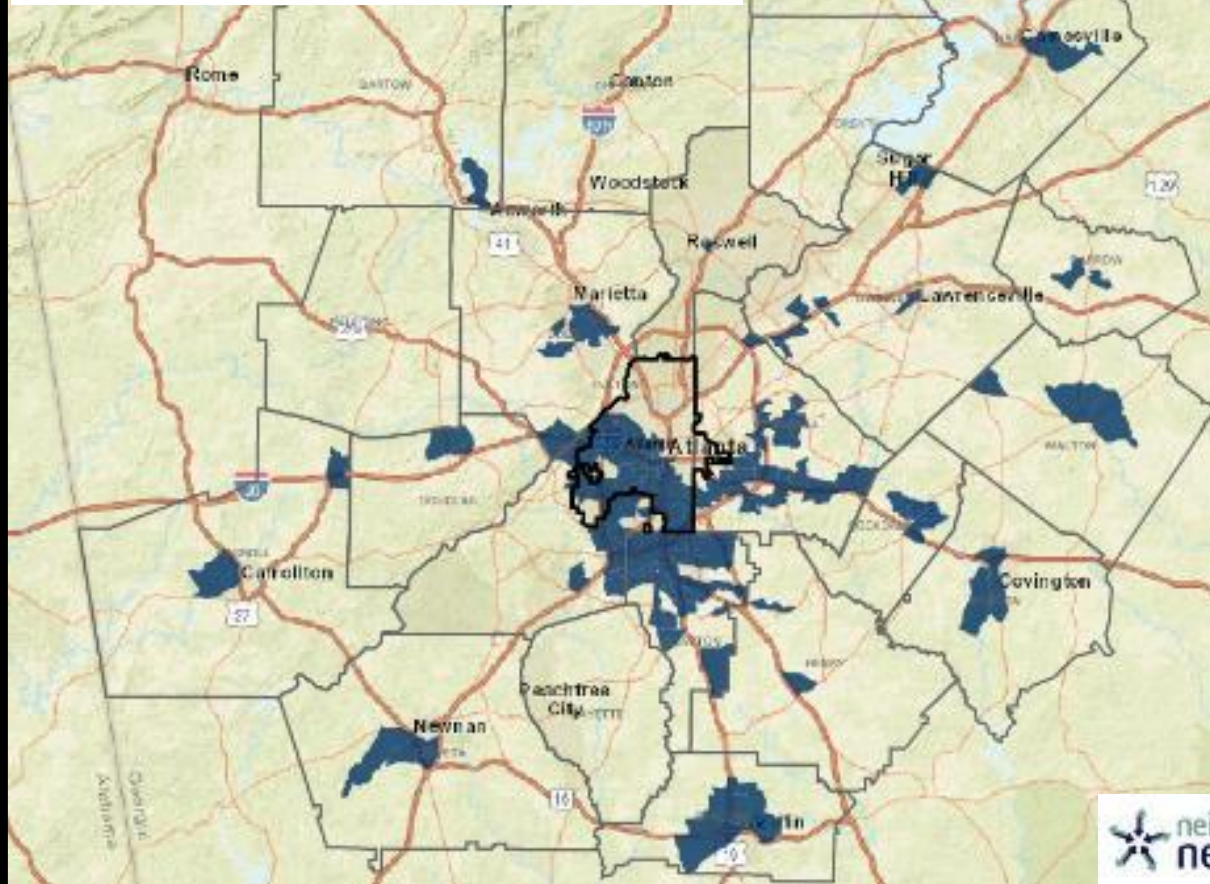
2016

Source: US Census Bureau

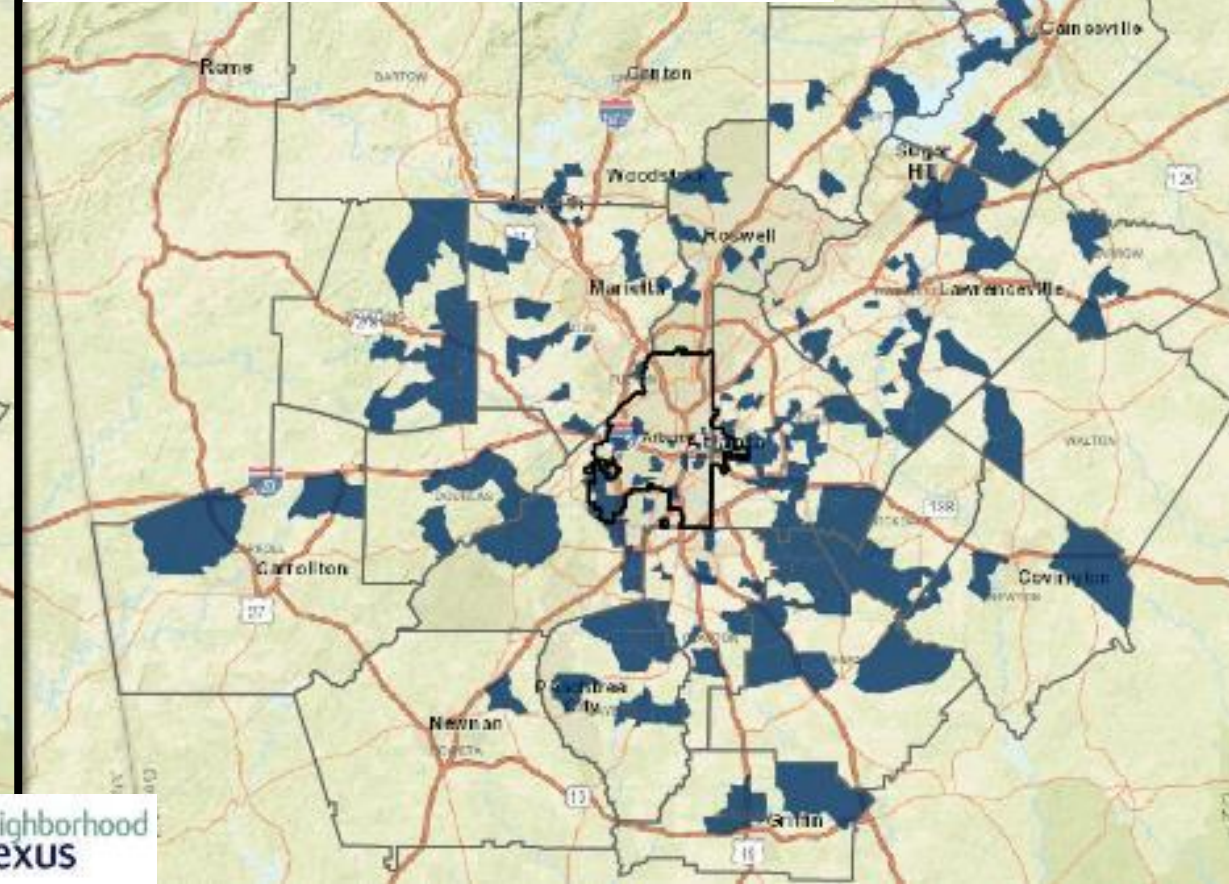


A spatial mismatch exists between the location of low-income workers & low-income jobs

Where Low-Income Workers Live
(~\$15,000 annually)



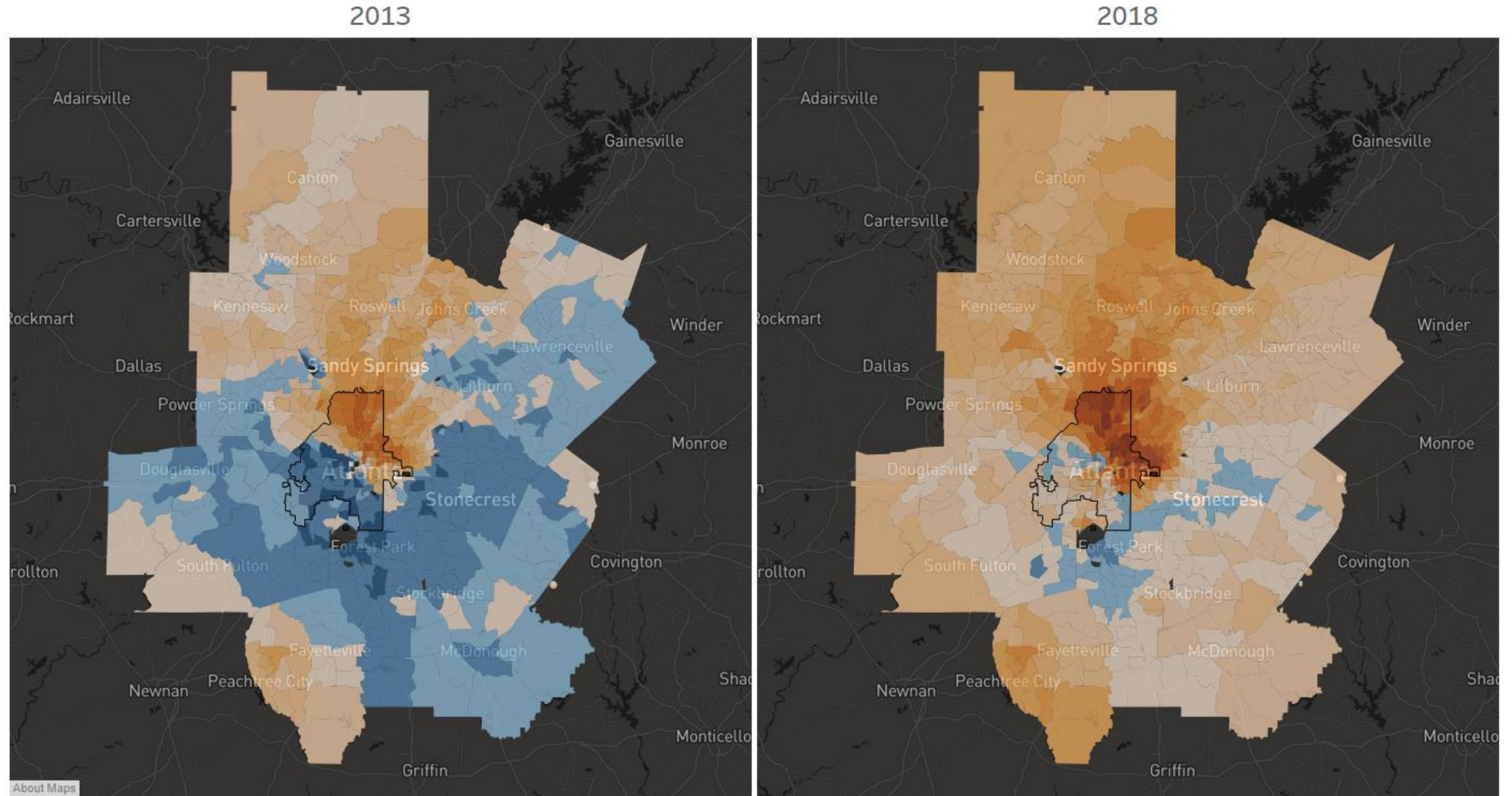
Where Low-Income Jobs Are Located
(Paying ~\$15,000 Annually)



Source: Longitudinal Employer-Household Dynamics (LEHD),
U.S. Census Bureau via Neighborhood Nexus

*Blue shades represent higher concentrations of both low-income workers and low-income jobs

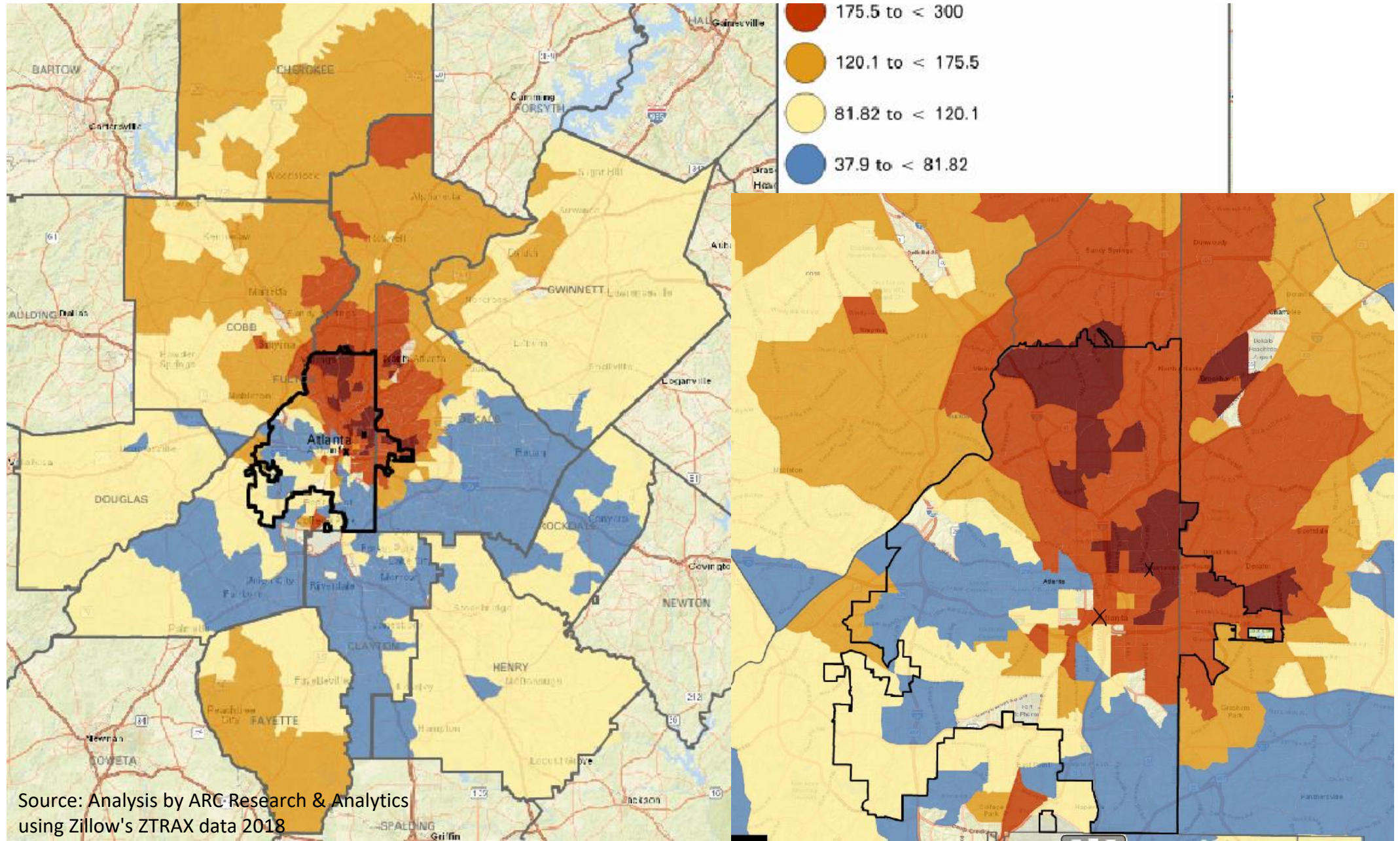
Neighborhood Home Price Change 2013 to 2018



Source: Analysis by ARC Research & Analytics
using Zillow's ZTRAX data from 2013 & 2018



Sales Price Per SQ Ft 2018



Elementary Schools

● Top 50 Schools 3rd Grade ELA Score

● Hospital

● University

2015 Median Household Income

13,482 - 28,902

28,903 - 40,648

40,649 - 51,333

51,334 - 61,058

61,059 - 73,945

73,946 - 97,836

97,837 - 169,032

Birmingham Falls Elementary
(Milton NW Fulton)

MHI: \$169,032

(2% Econ Disadvantaged)

Thomasville Heights
Elementary (Atlanta SE)

MHI: \$13,493

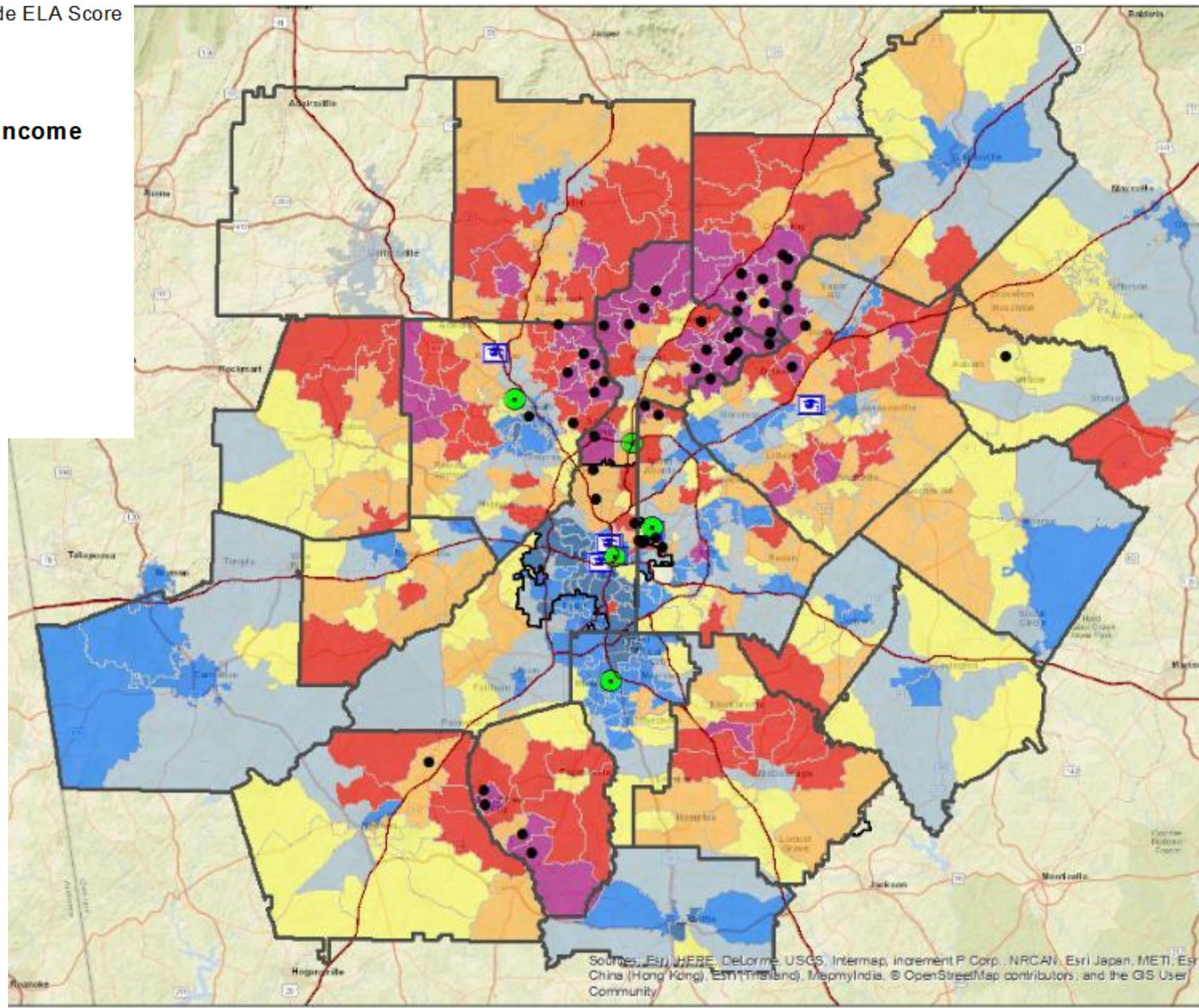
(100% Econ
Disadvantaged)



ATLANTA REGIONAL COMMISSION

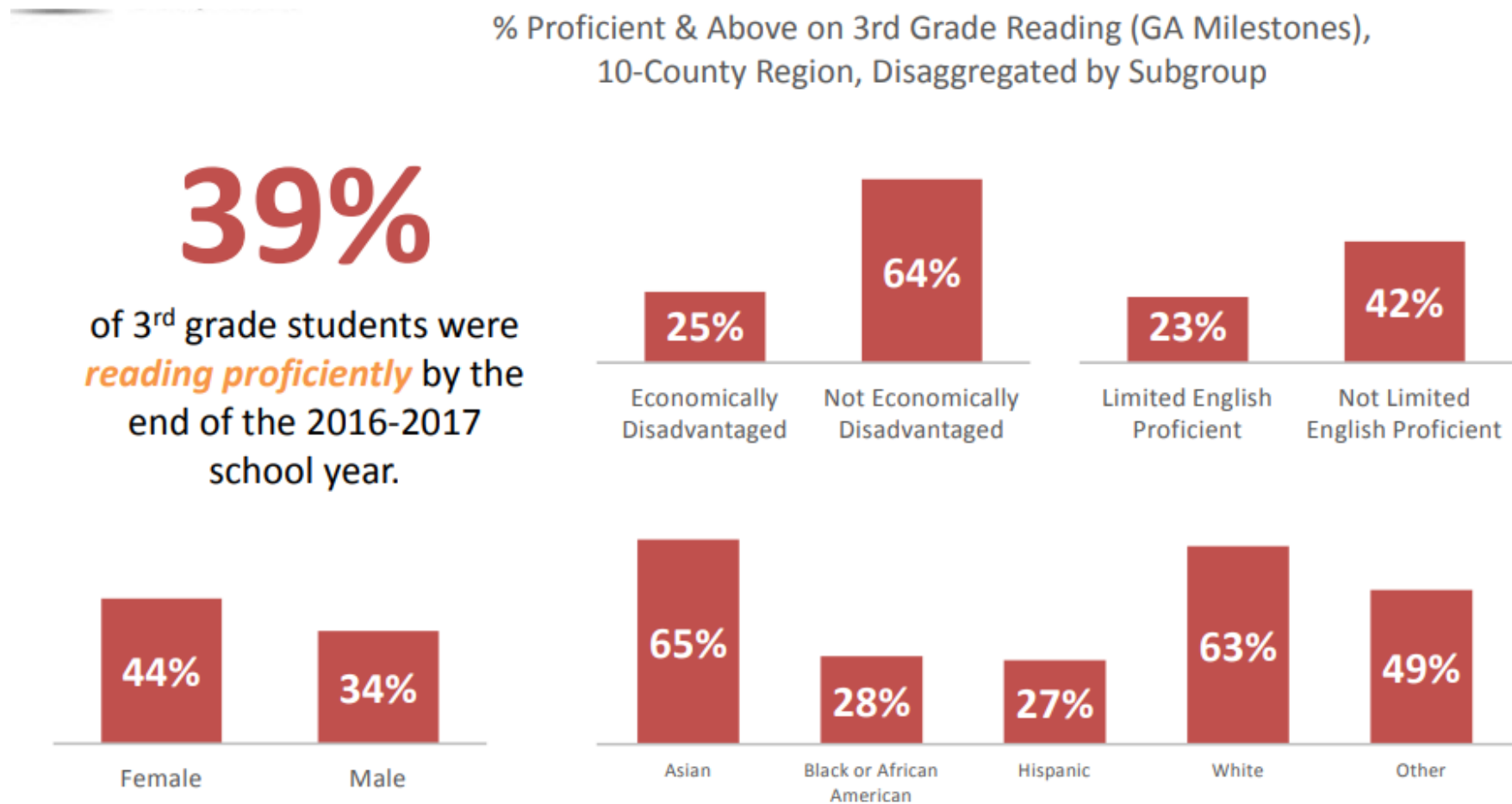


Source: ARC Analysis, GA
DOE, ESRI, Maponics



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, Mapbox India, © OpenStreetMap contributors, and the GIS User Community

A Look at Regional 3rd Grade Reading Proficiency



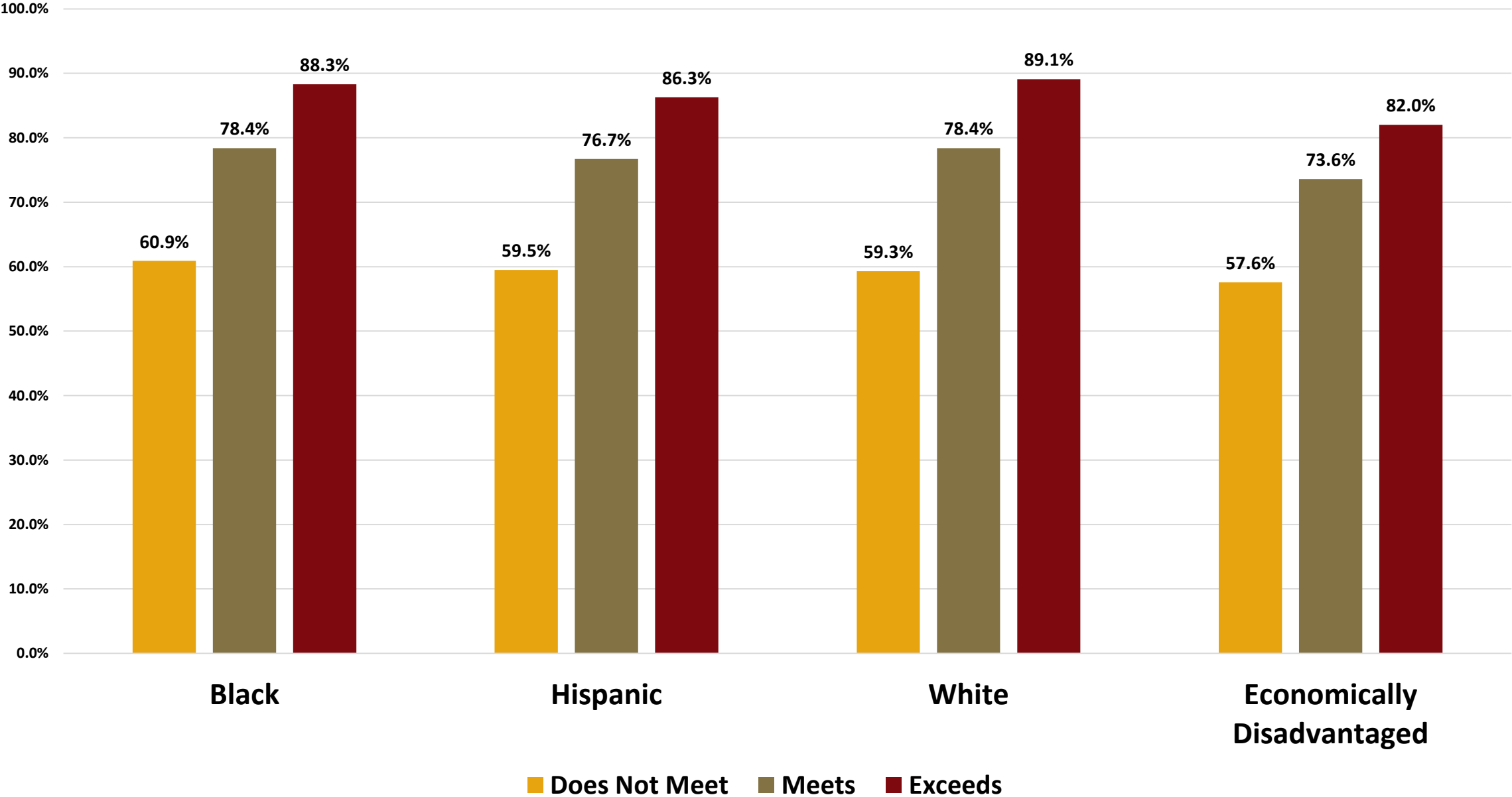
Over **34,000 students** were *not reading proficiently* by the end of 3rd grade in 2017.

Note: Reading proficiency includes those students scoring proficient or distinguished on the 3rd Grade English Language Arts Milestones assessment.

Source: GOSA, 2016-2017 Georgia Milestones EOG report

Longitudinal Study: 3rd Grade Reading and Graduation Rates

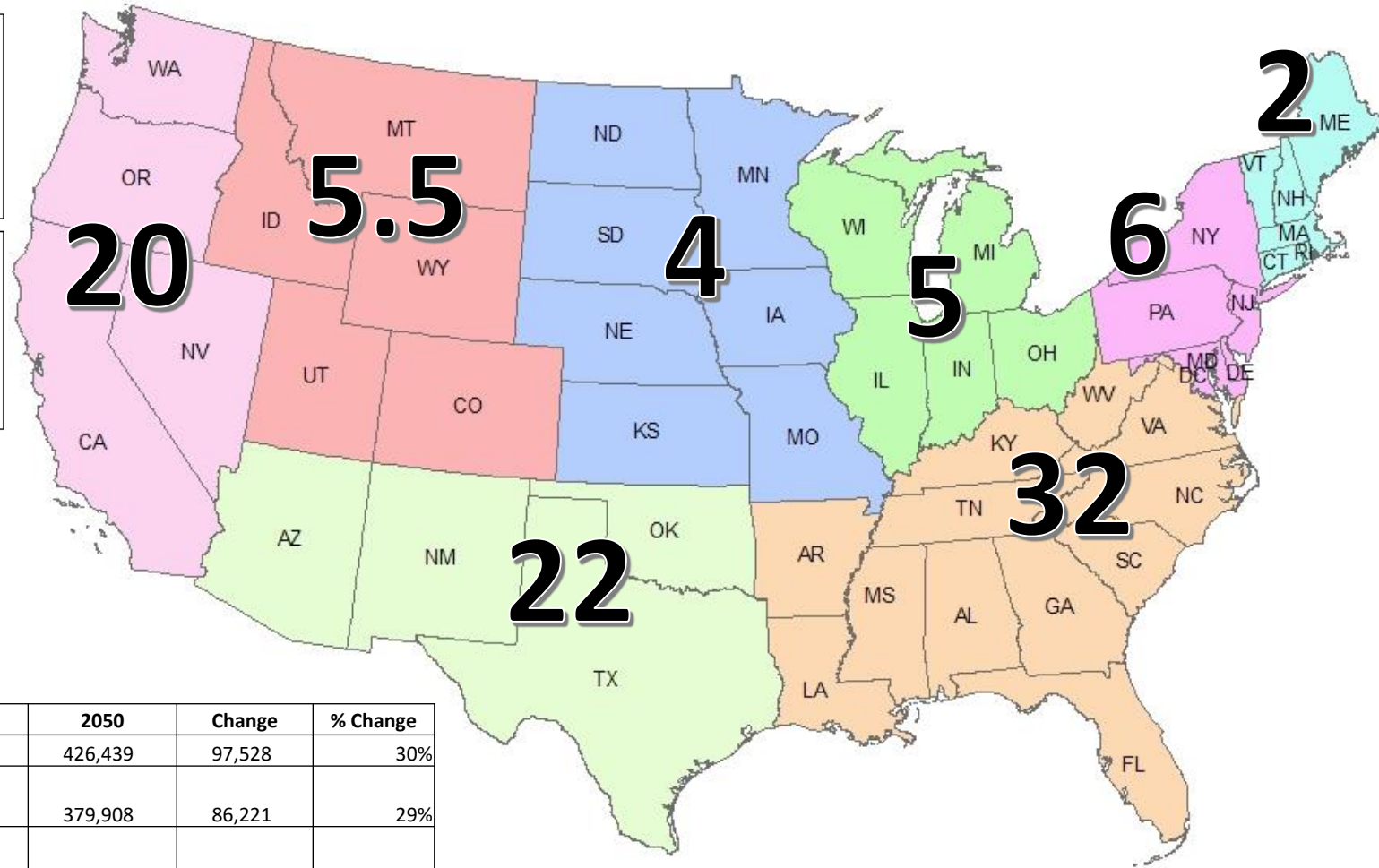
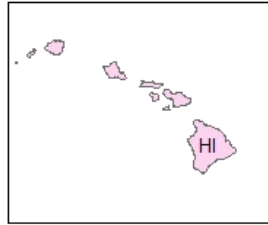
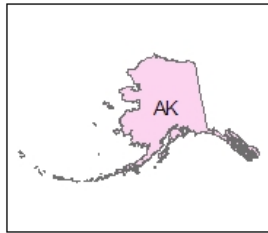
Graduation Rates, 2016



Population Growth Forecasts

US Regions Growth 2018-2050 *Numbers in Millions*

[Woods & Poole Economics, Inc.](#) (BEA regions)



NAME	2018	2050	Change	% Change
UNITED STATES	328,911	426,439	97,528	30%
SUM OF METRO COUNTIES (IN MSA OR MICRO)	293,686	379,908	86,221	29%
SUM OF NON-METRO COUNTIES (NOT IN MSA OR MICRO)	35,225	46,532	11,307	32%
NEW ENGLAND	14,891	17,001	2,110	14%
MIDEAST	49,581	55,616	6,035	12%
GREAT LAKES	47,134	51,940	4,806	10%
PLAINS	21,476	25,906	4,430	21%
SOUTHEAST	84,728	117,253	32,525	38%
SOUTHWEST	41,966	64,044	22,078	53%
ROCKY MOUNTAIN	12,209	17,777	5,568	46%
FAR WEST	56,926	76,902	19,976	35%

U.S. Bureau of Economic Analysis Regions

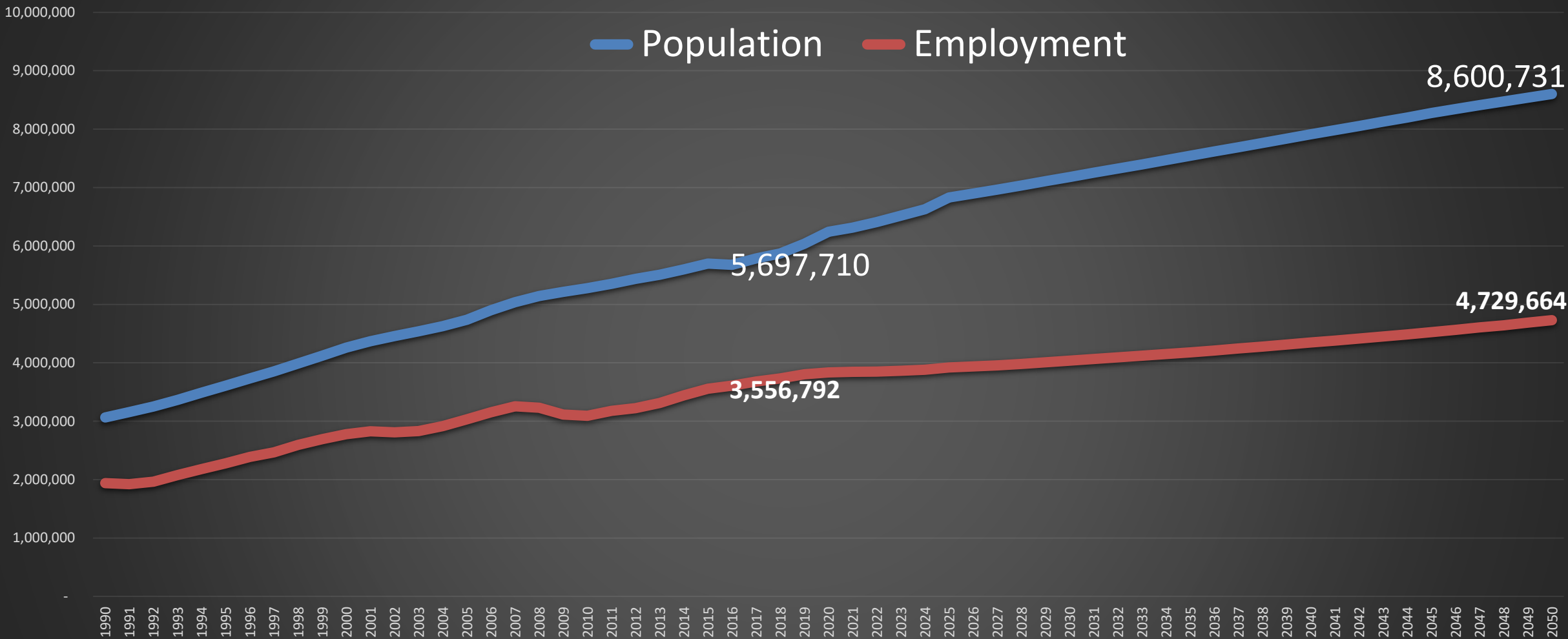
New England Region	Great Lakes Region	Southwest Region
Mid-east Region	Plains Region	Far West Region
Southeast Region	Rocky Mountain Region	

ARC DRAFT S16 Forecast (21-County)

ARC

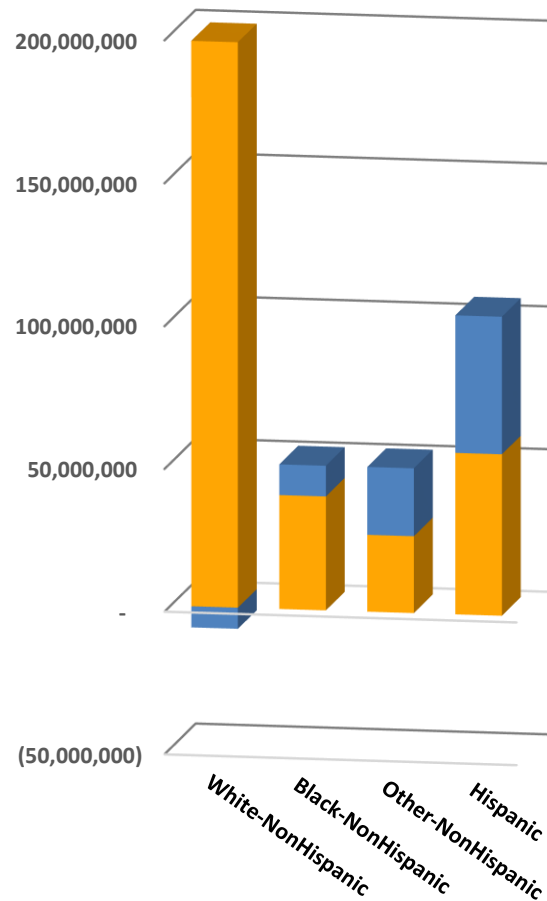
regional impact + local relevance

+

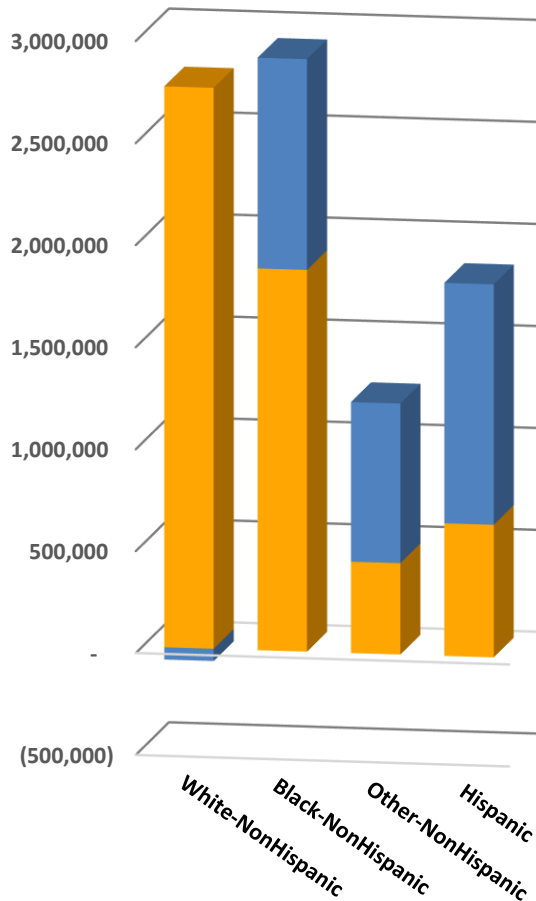


Source: ARC *The Region's Plan* Forecast (2019) Series 16 DRAFT

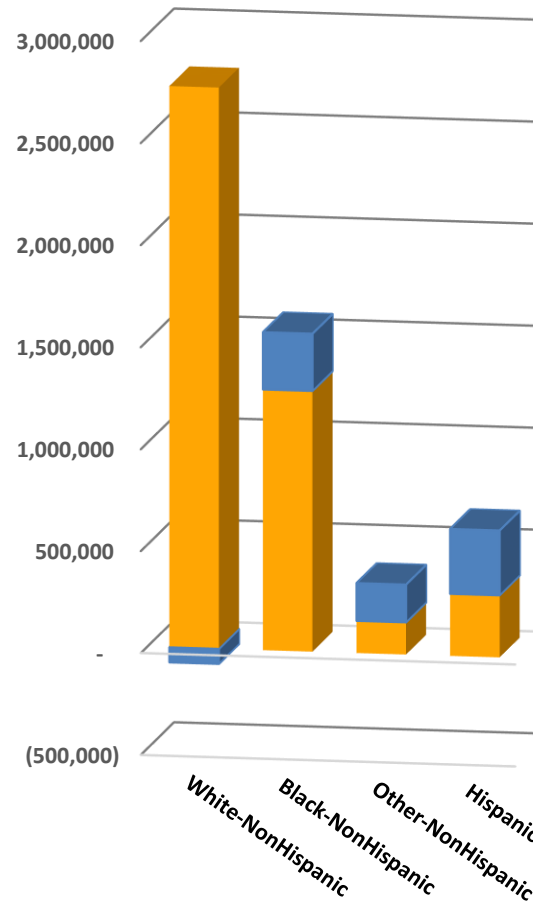
Population Forecast Comparison



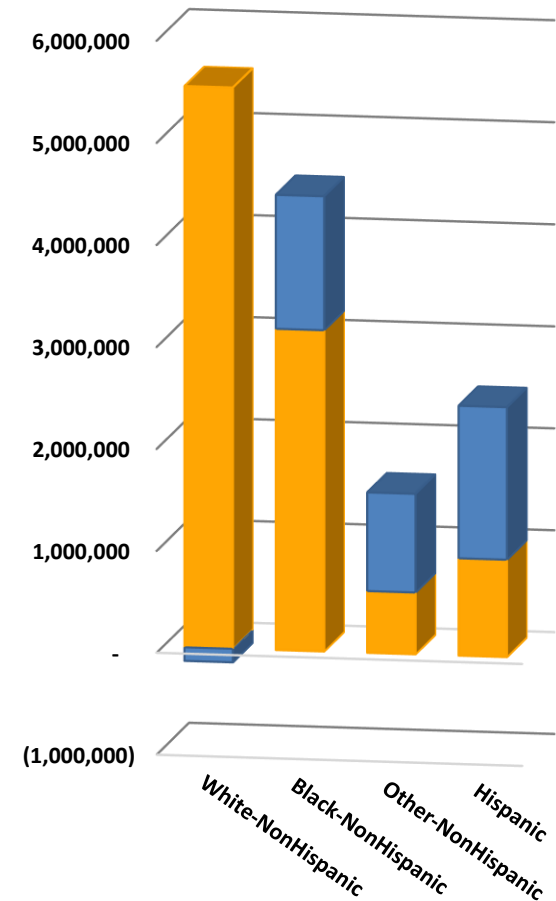
United States



21-County Metro
Atlanta Area

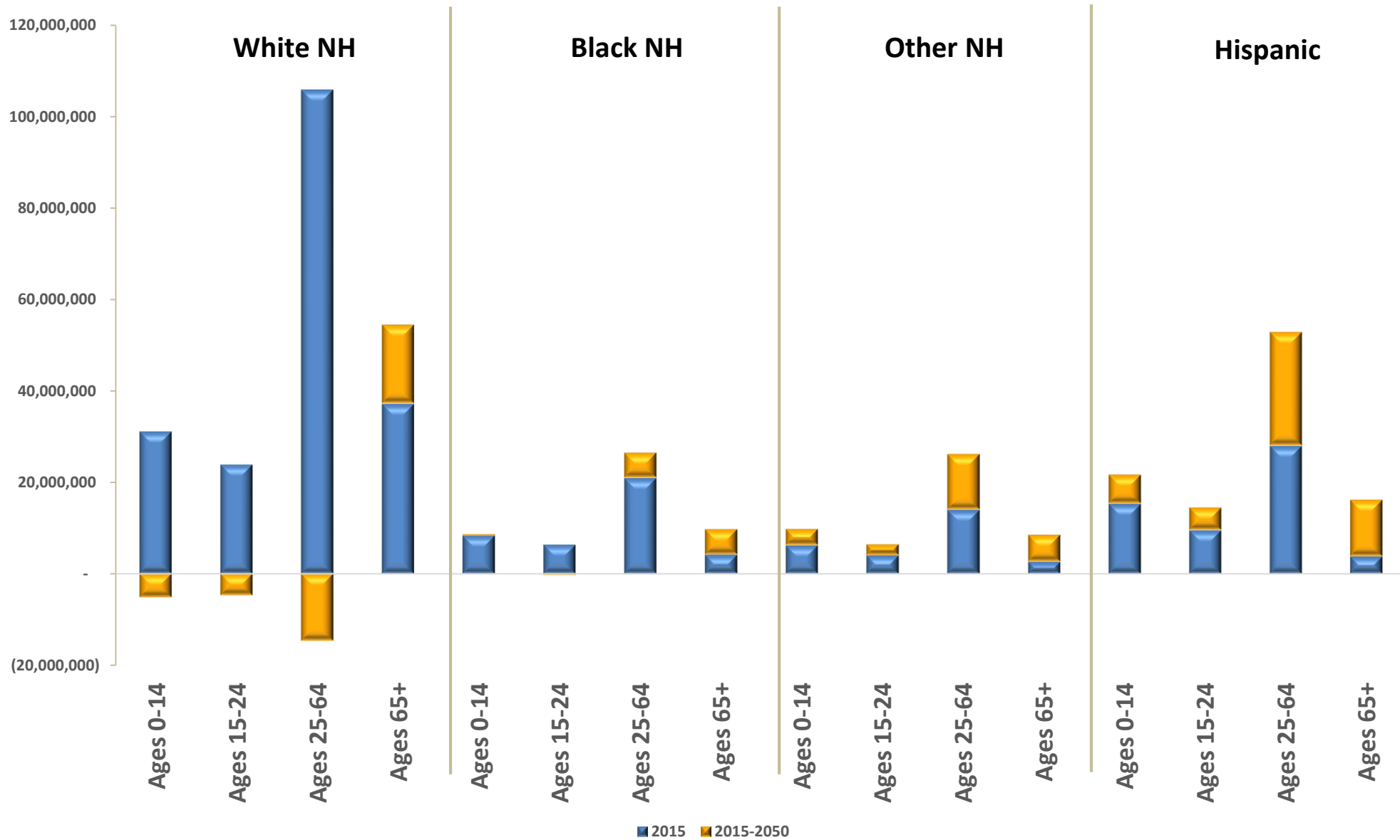


Rest of Georgia
(139 Counties)

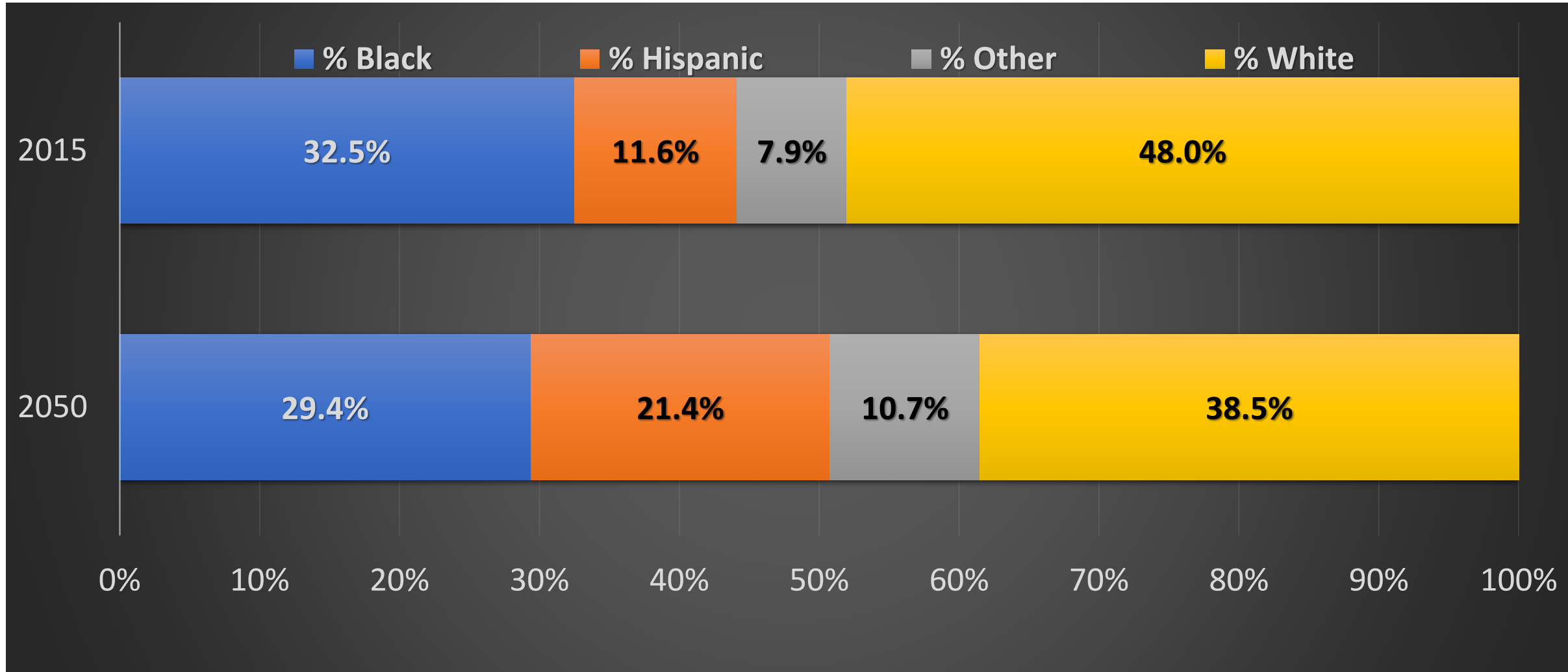


Georgia
(159 Counties)

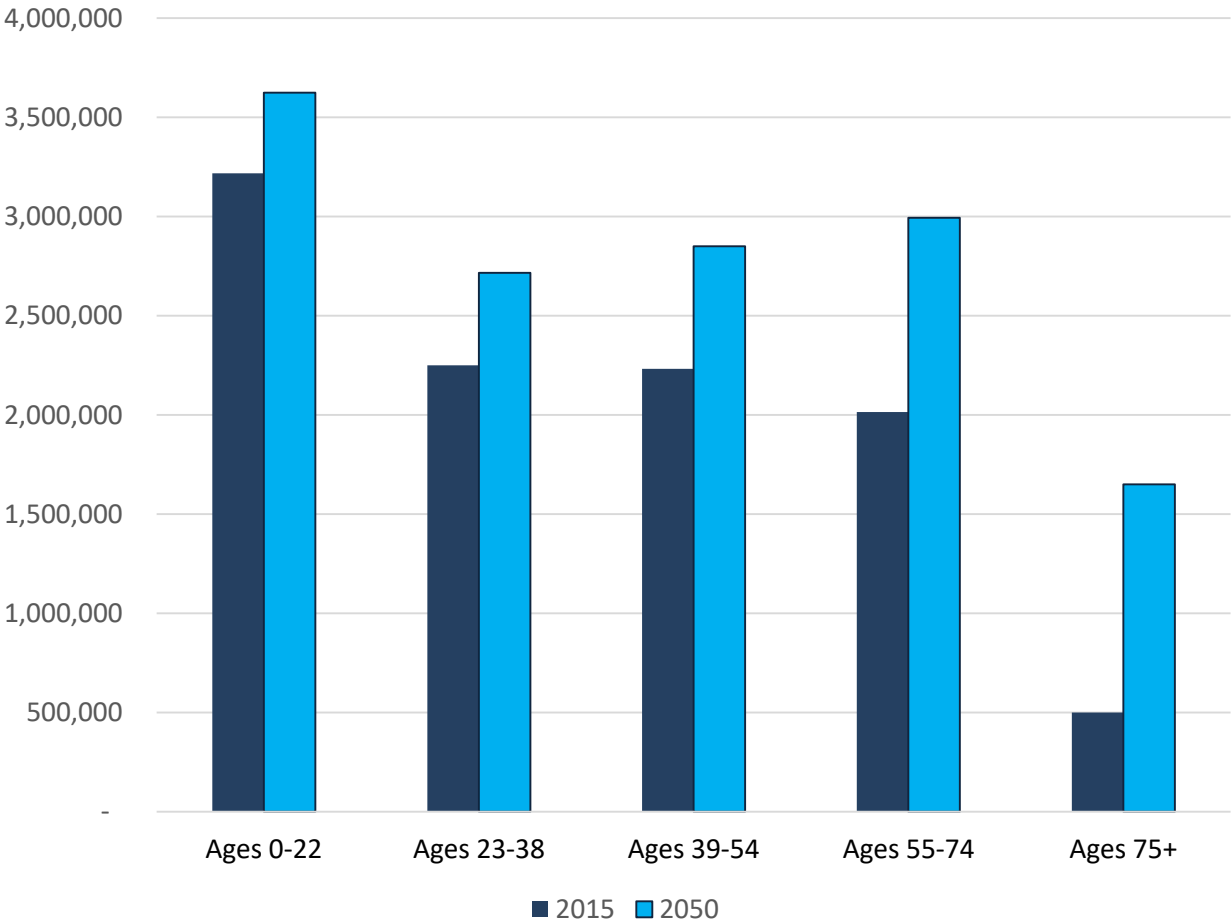
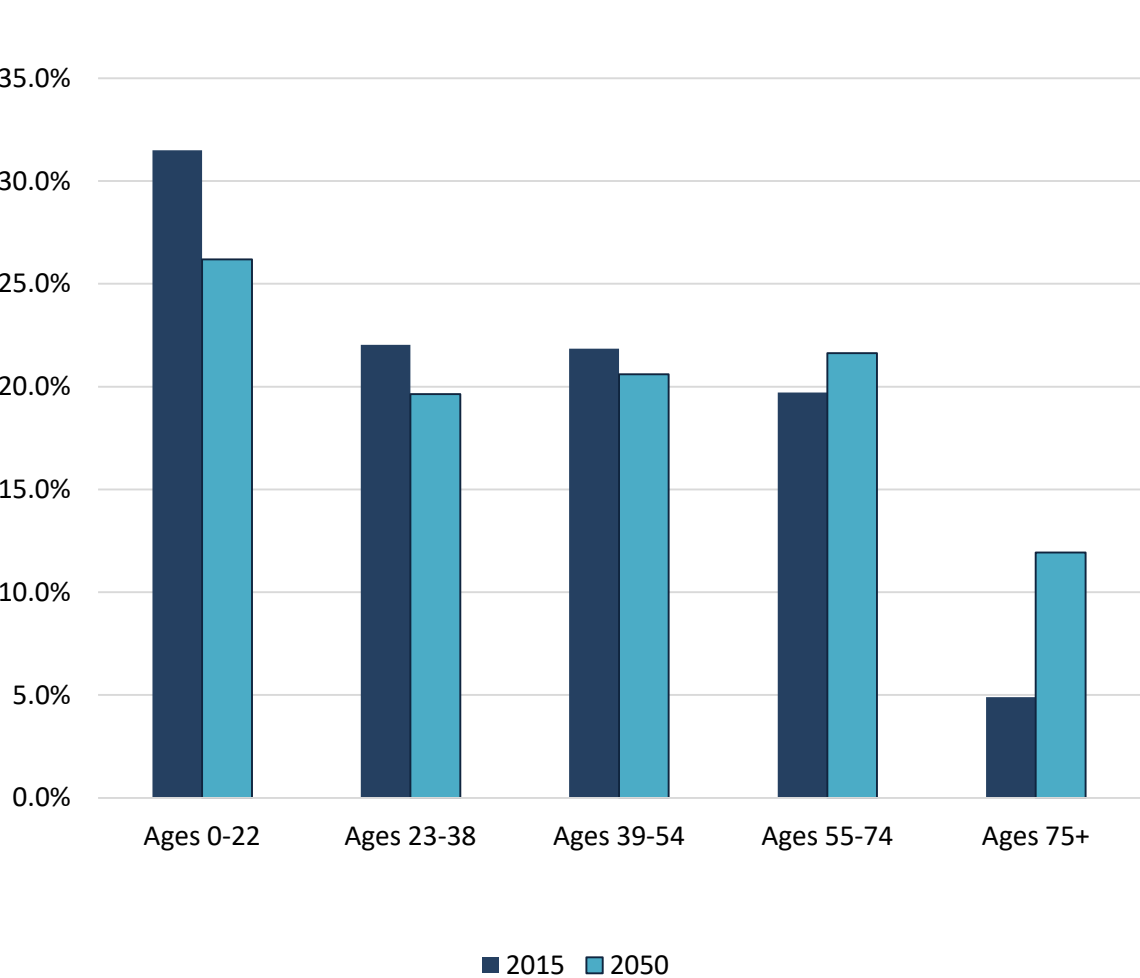
National Population by Race and Ethnicity Change 2015 to 2050



Metro Atlanta Forecasts: Race and Ethnicity Change

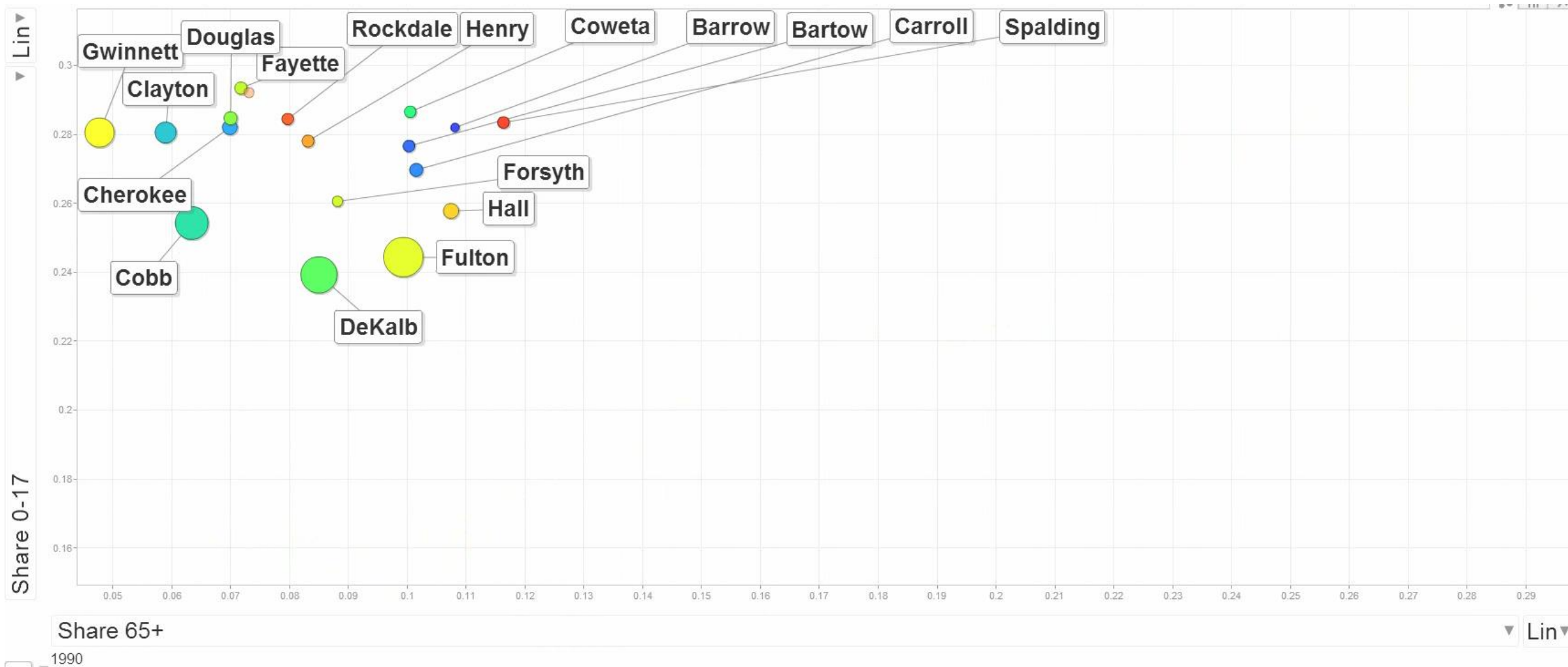


State Forecasts (REMI): Age Change



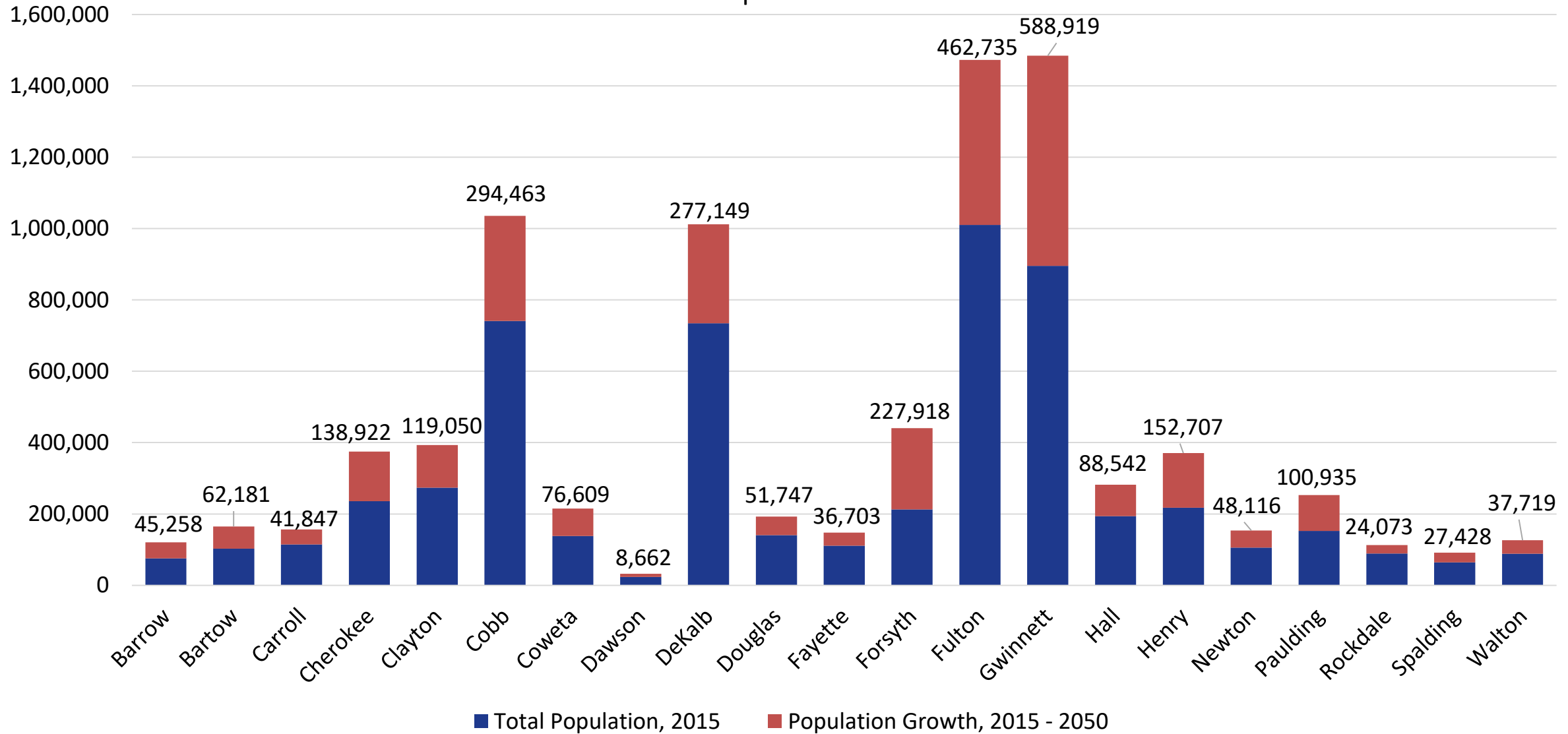
Source: ARC *The Region's Plan* Forecast (2019) Series 16 DRAFT-
State totals uncalibrated outside of Metro Atlanta forecast area

County Age Forecasts VIDEO

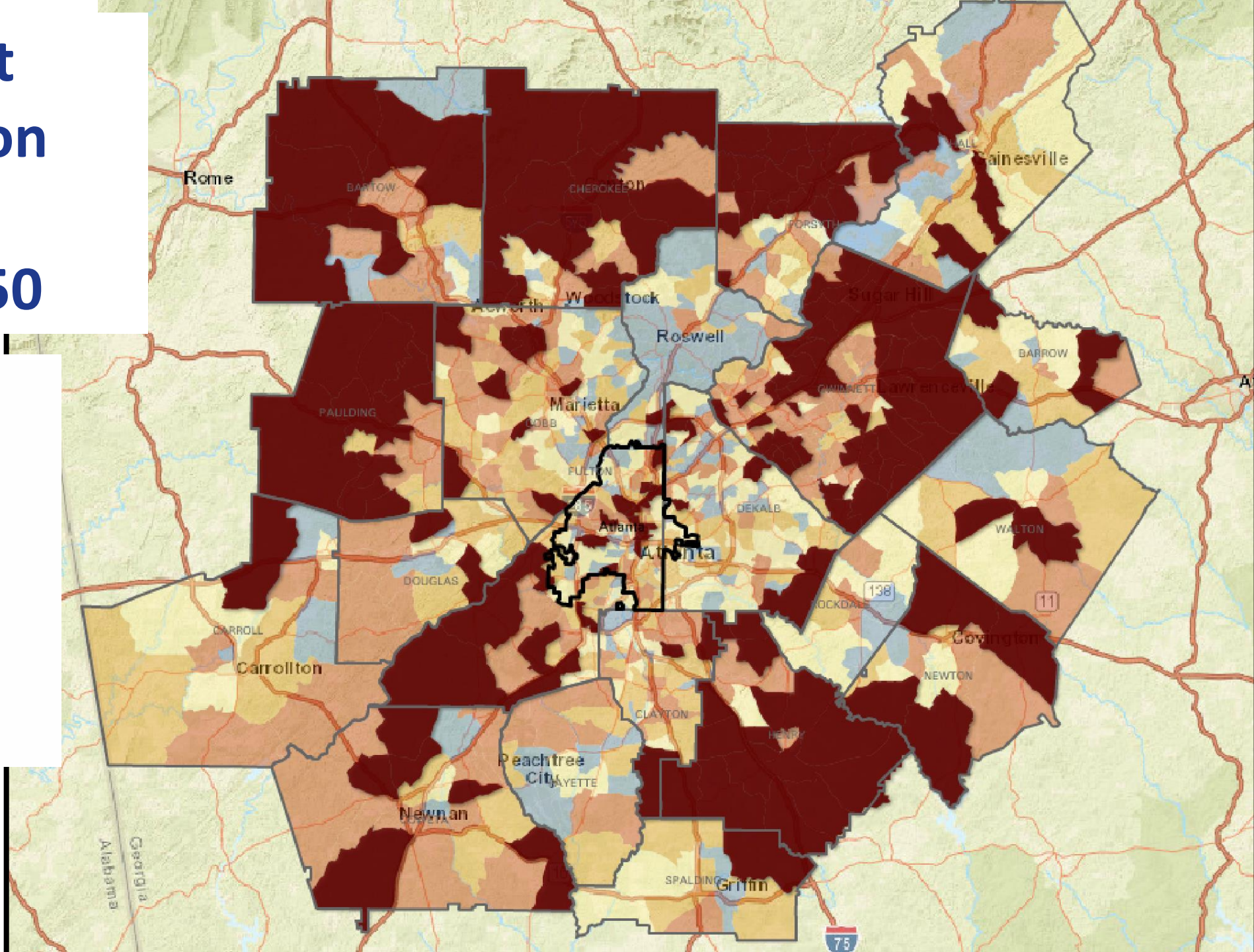
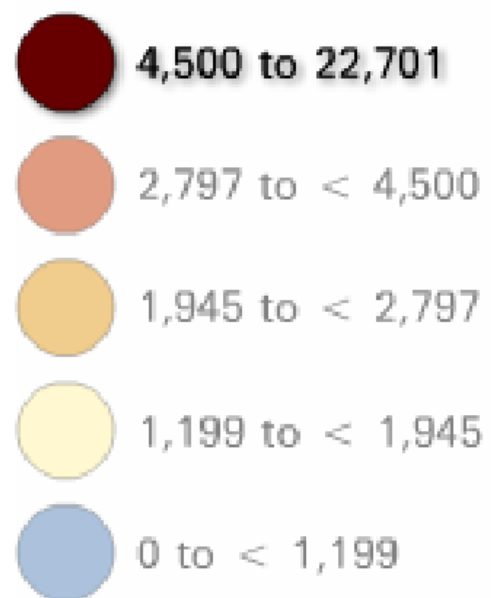


2015 – 2050 Population Forecasts by County

Total Population Growth

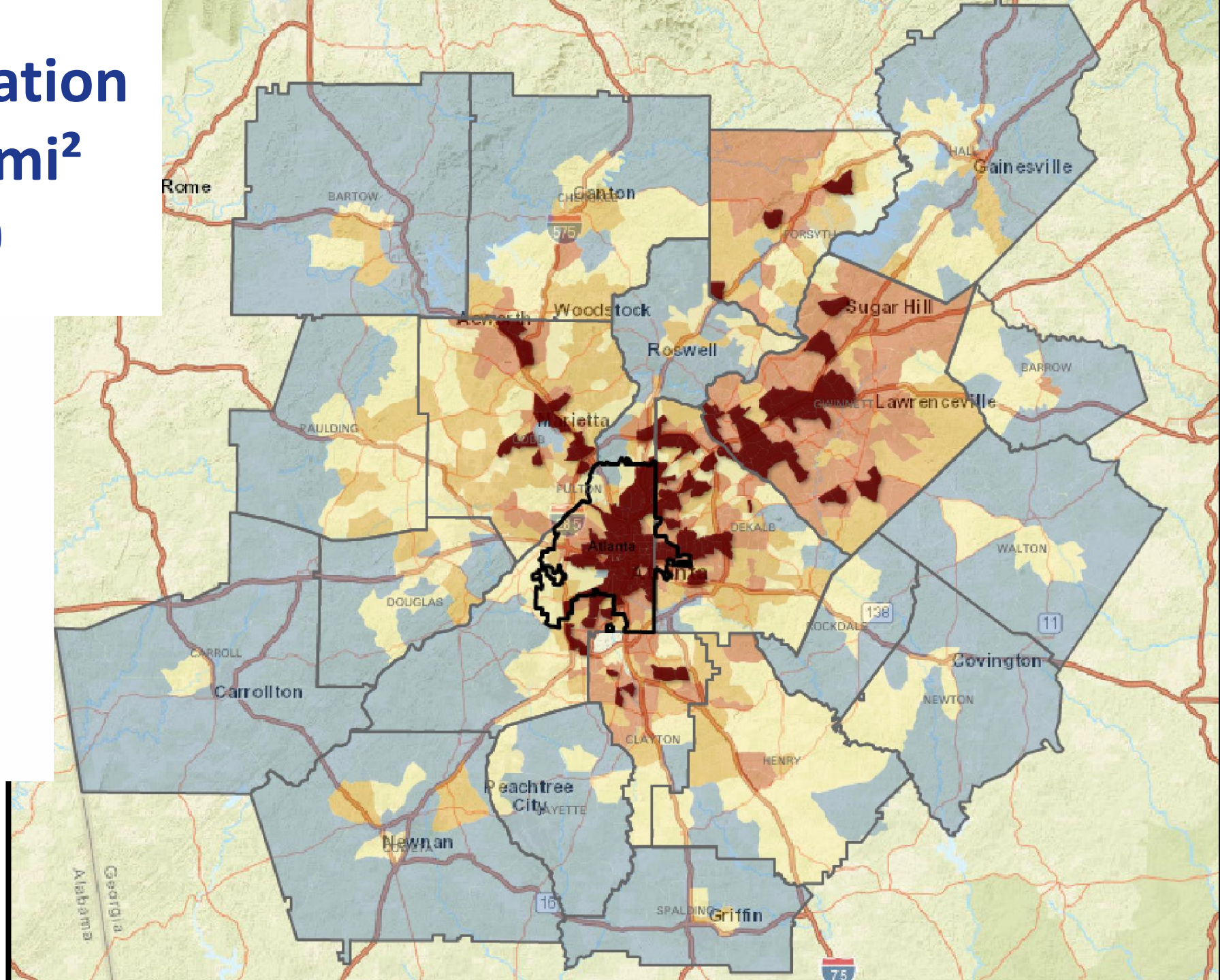
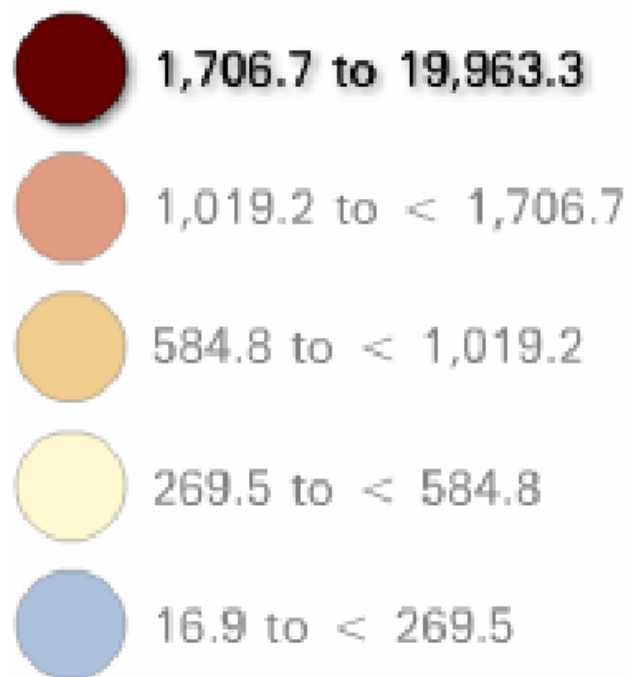


Forecast Population Change 2015-2050



Source: ARC *The Region's Plan*
Forecast (2019) Series 16 DRAFT

Forecast Population Change, per mi² 2015-2050



Source: ARC *The Region's Plan*
Forecast (2019) Series 16 DRAFT

Economics

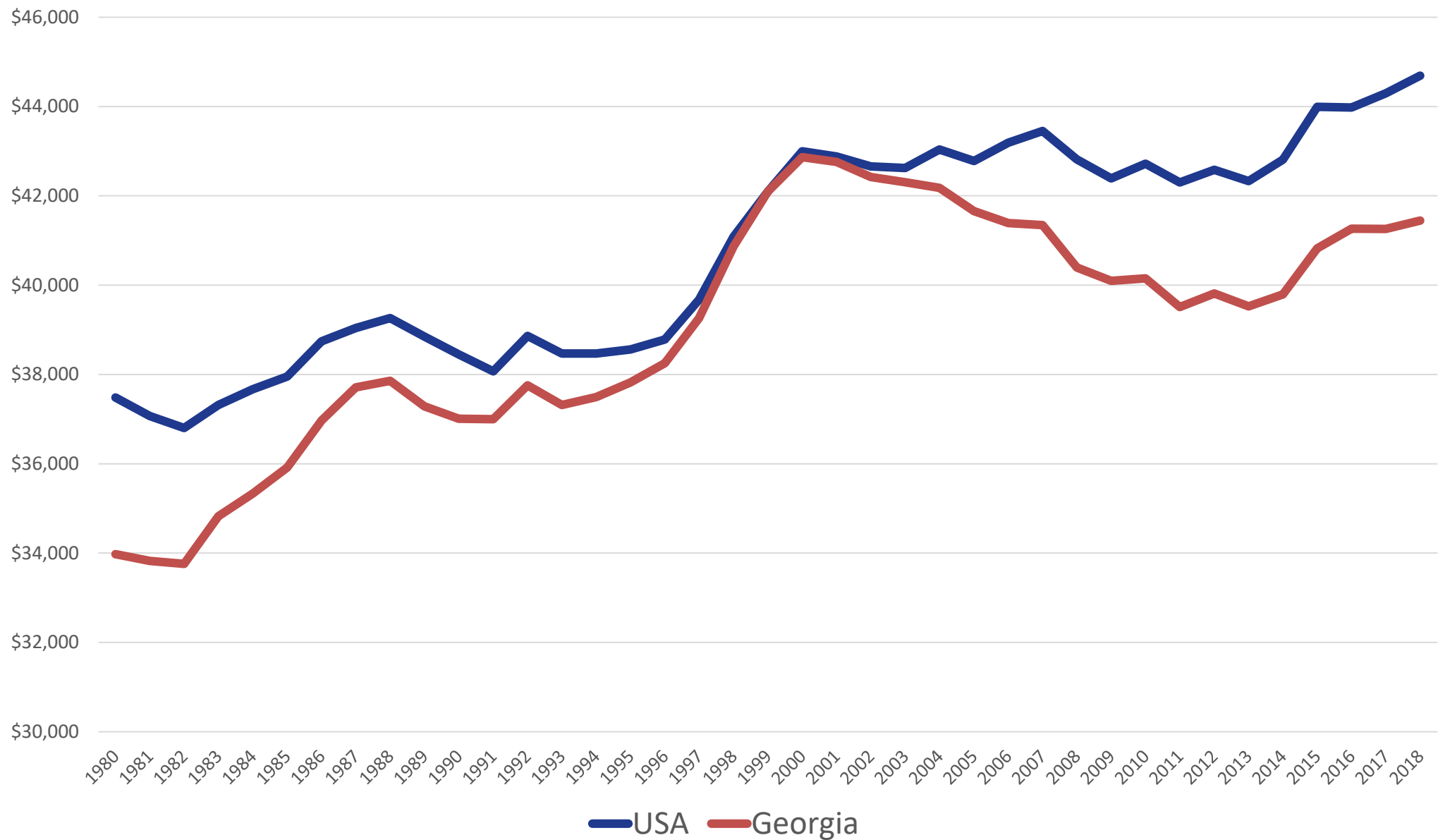
Georgia Economic History (Traded Clusters)

Strong Cluster

1998			2016				
Cluster Name	National Rank (LQ)	Emp	Cluster Name	National Rank (LQ)	Emp	2016 Rank in Emp	1998 Rank in Emp
Business Services	11	240,879	Business Services	7	410,927	1	1
Distribution and Electronic Commerce	9	157,203	Distribution and Electronic Commerce	9	212,343	2	2
Textile Manufacturing	2	100,072	Transportation and Logistics	6	78,951	3	5
Hospitality and Tourism	11	64,178	Hospitality and Tourism	15	68,350	4	4
Transportation and Logistics	6	63,951	Education and Knowledge Creation	18	58,803	5	8
Financial Services	10	49,923	Insurance Services	10	55,254	6	7
Insurance Services	14	43,055	Financial Services	10	52,576	7	6
Education and Knowledge Creation	14	42,189	Textile Manufacturing	1	40,036	8	3
Livestock Processing	3	34,388	Livestock Processing	2	37,085	9	9
Production Technology and Heavy Machinery	15	31,769	Marketing, Design, and Publishing	10	34,430	10	16
Paper and Packaging	5	29,056	Communications Equipment and Services	5	26,989	11	21
Apparel	7	29,040	Automotive	14	26,804	12	13
Automotive	14	27,816	Information Technology and Analytical Instruments	14	25,986	13	20
Construction Products and Services	8	27,147	Food Processing and Manufacturing	14	25,854	14	15
Food Processing and Manufacturing	13	27,120	Construction Products and Services	9	25,689	15	14
Marketing, Design, and Publishing	13	25,022	Production Technology and Heavy Machinery	15	25,014	16	10
Plastics	13	23,912	Plastics	10	23,466	17	17
Printing Services	15	23,557	Aerospace Vehicles and Defense	7	20,753	18	+25
Furniture	12	22,281	Paper and Packaging	7	15,751	19	11
Information Technology and Analytical Instruments	23	21,813	Wood Products	7	14,450	20	23
Communications Equipment and Services	7	21,252	Printing Services	15	13,407	21	18
Aerospace Vehicles and Defense	9	20,933	Downstream Metal Products	14	11,434	22	25
Wood Products	9	20,143	Vulcanized and Fired Materials	9	11,011	23	+25
Lighting and Electrical Equipment	10	18,506	Lighting and Electrical Equipment	10	9,583	24	24
Downstream Metal Products	15	13,626	Downstream Chemical Products	10	9,506	25	25

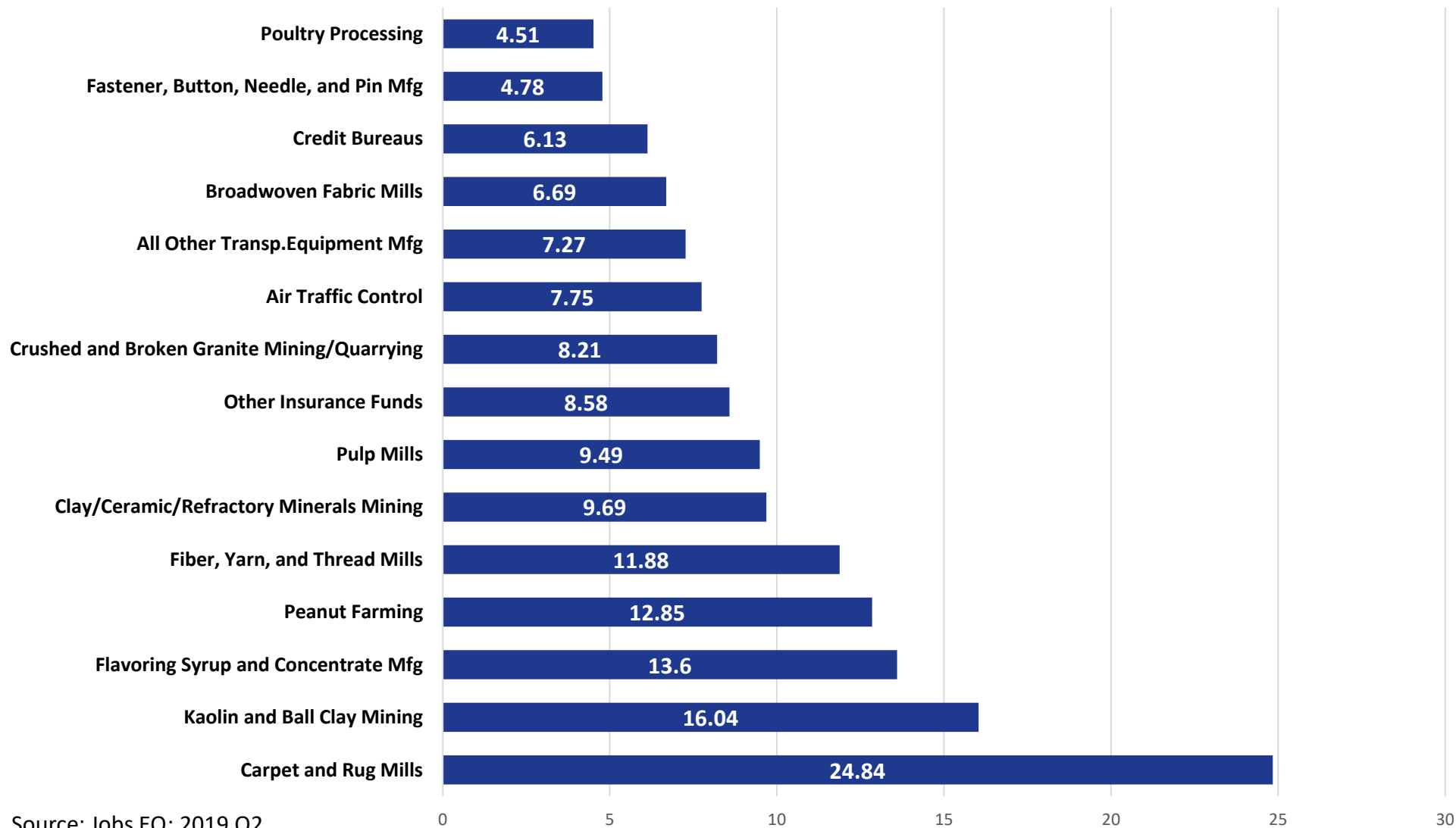
<http://clustermapping.us/region/state/georgia/cluster-portfolio>

Average Earnings (\$2018) for State Below Nation— with little real increase from 2000 to 2014



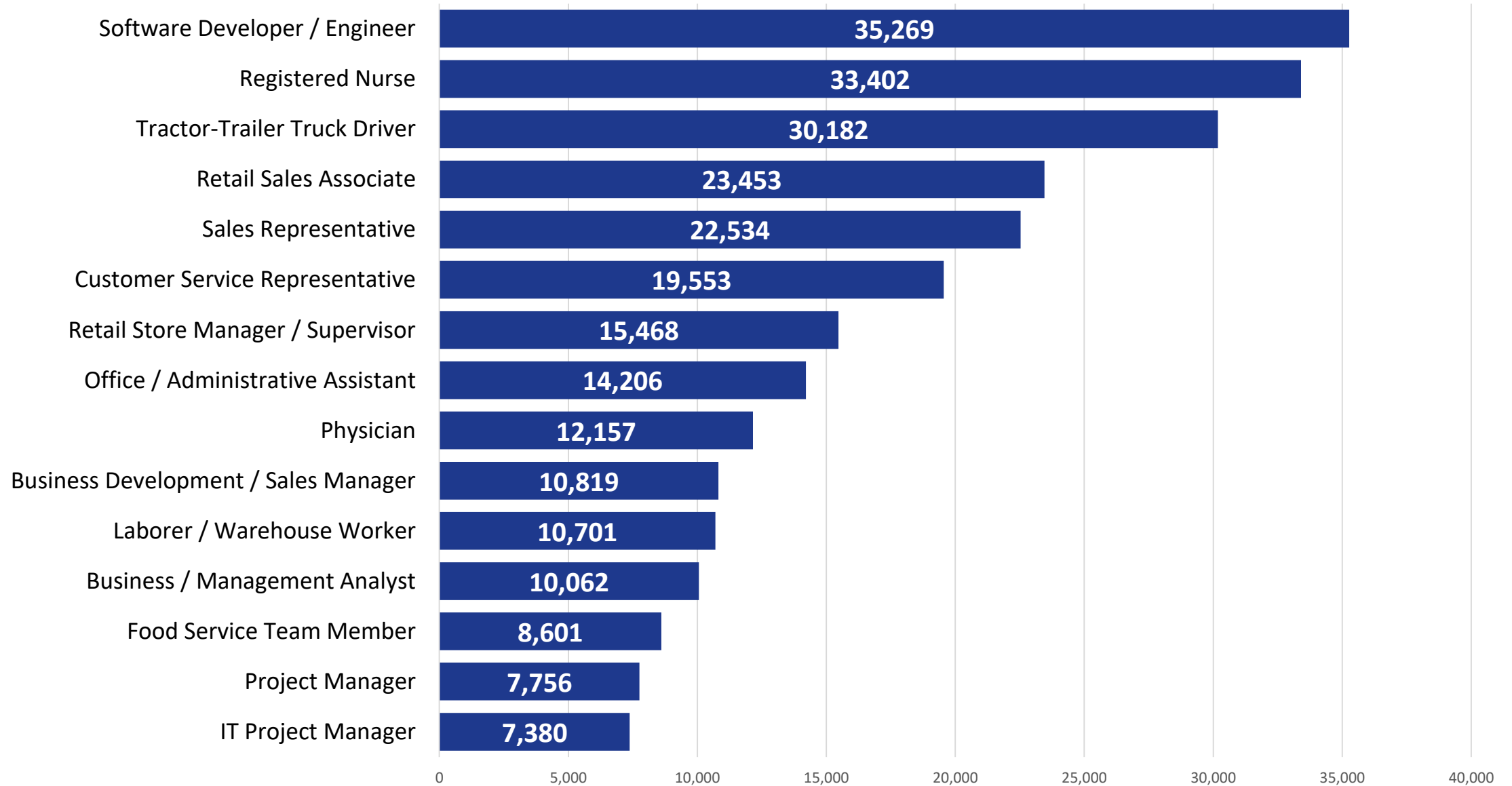
Georgia-Our Economy: Our “Natural” Strengths

Concentration of Jobs in Sector : Nation (Location Quotient)



Source: Jobs EQ; 2019 Q2

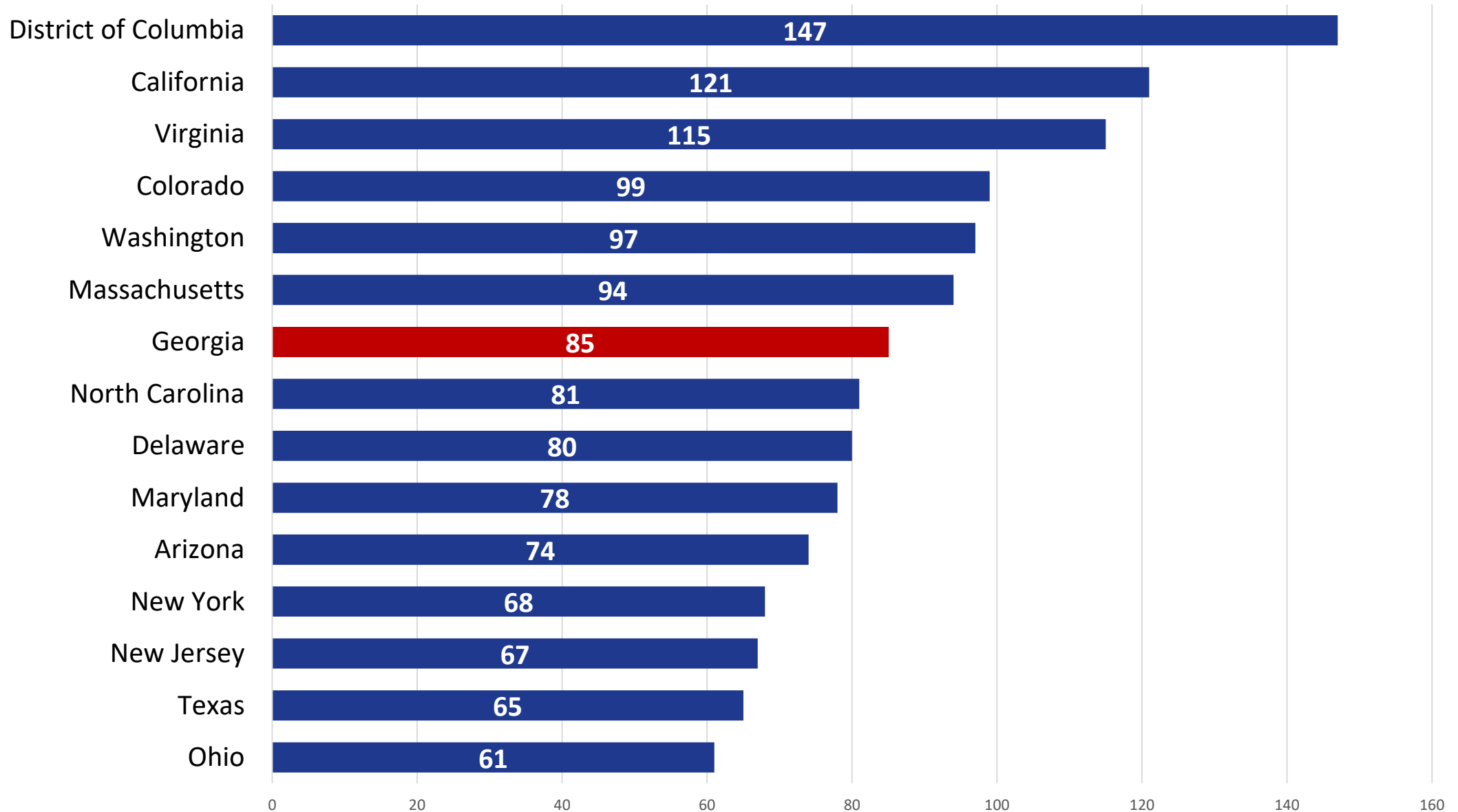
Top Job Posting Occupations- State of Georgia



Source: Burning Glass/Labor Insight September 2019

High-Tech: Demand for Software Developers, by State

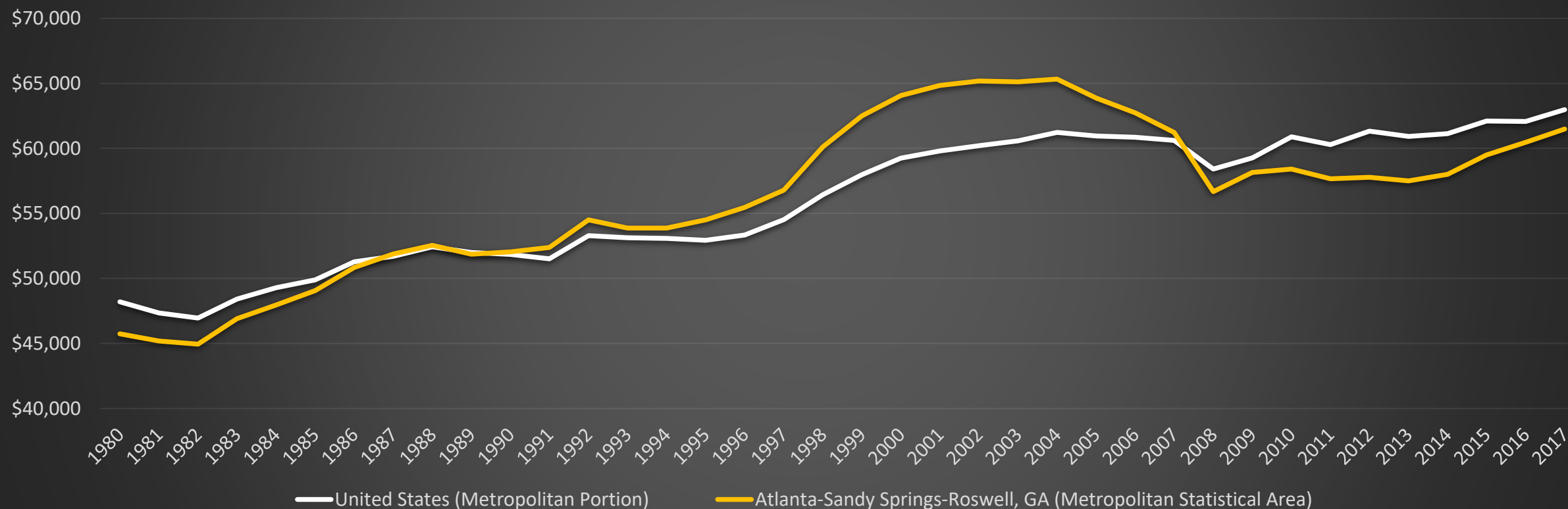
Postings per 1,000 employed



Source: Burning Glass/Labor Insight September 2019

Wages are growing slowly compared to the US

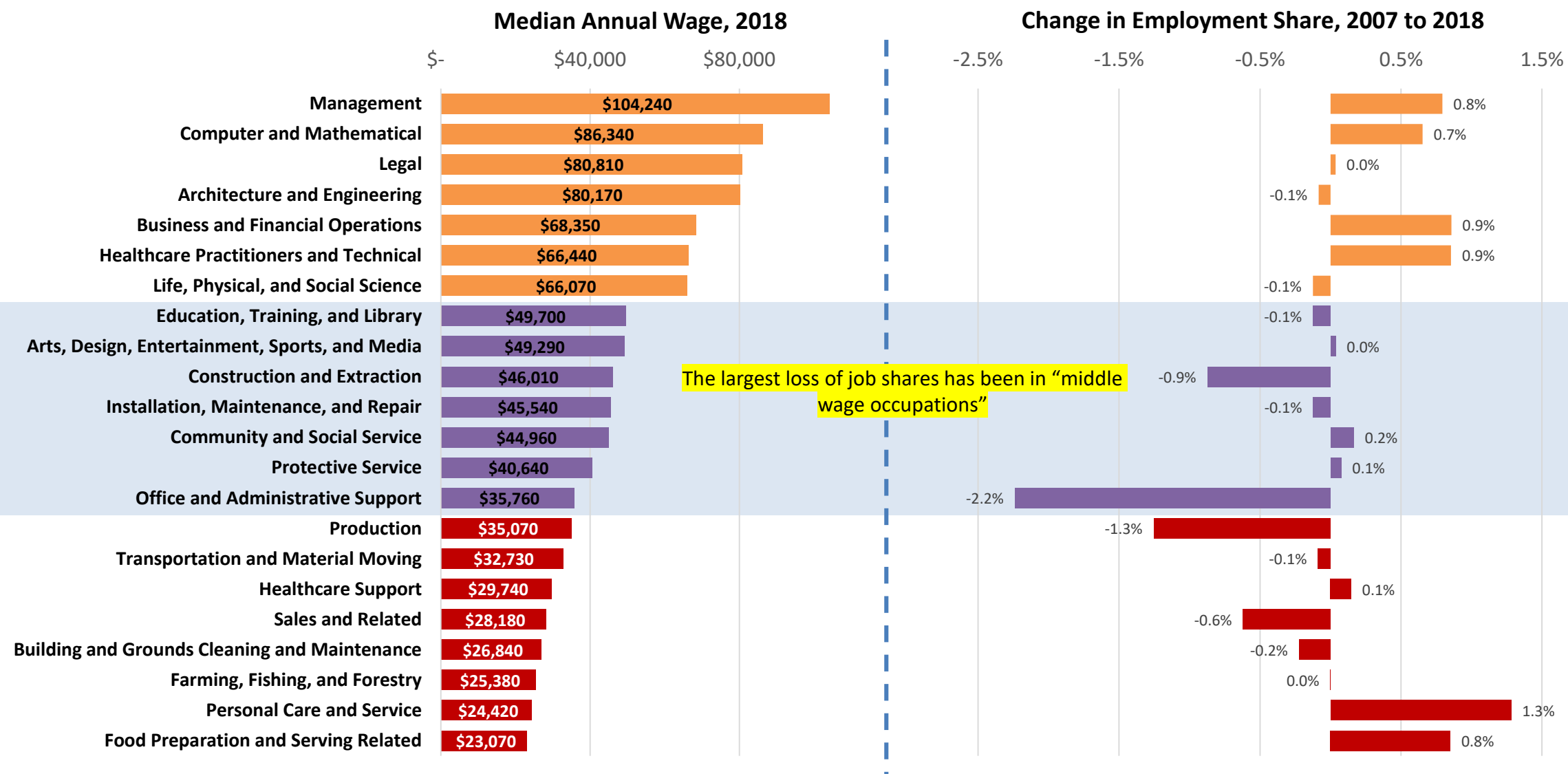
Average Earning Per Job (\$2017)



So then, our job growth compares favorably to the country. The same isn't true with our wage growth. For the 1990-2007 period, we had a comparative advantage on wages, but from the onset of the Great Recession all the way through 2017 our average earnings have trailed those of the nation. Final averages from this data series aren't ready yet for 2018, and while overall wages ticked up--the gap between us and the nation remained.

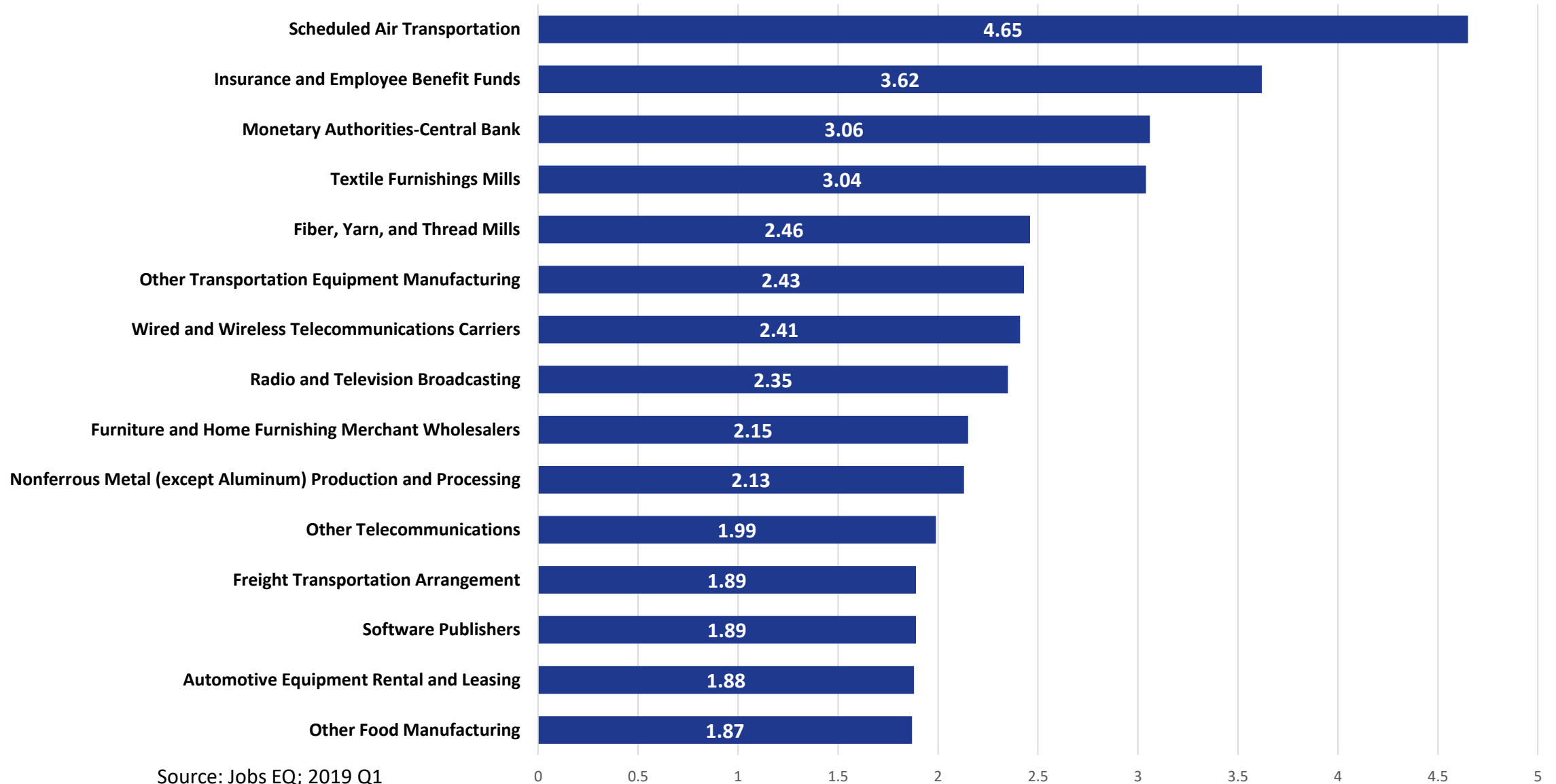
United States

Major Occupations by Median Annual Wage & Change in Employment Share 2007 to 2018 (BLS)



Atlanta MSA Economy: Our “Natural” Strengths

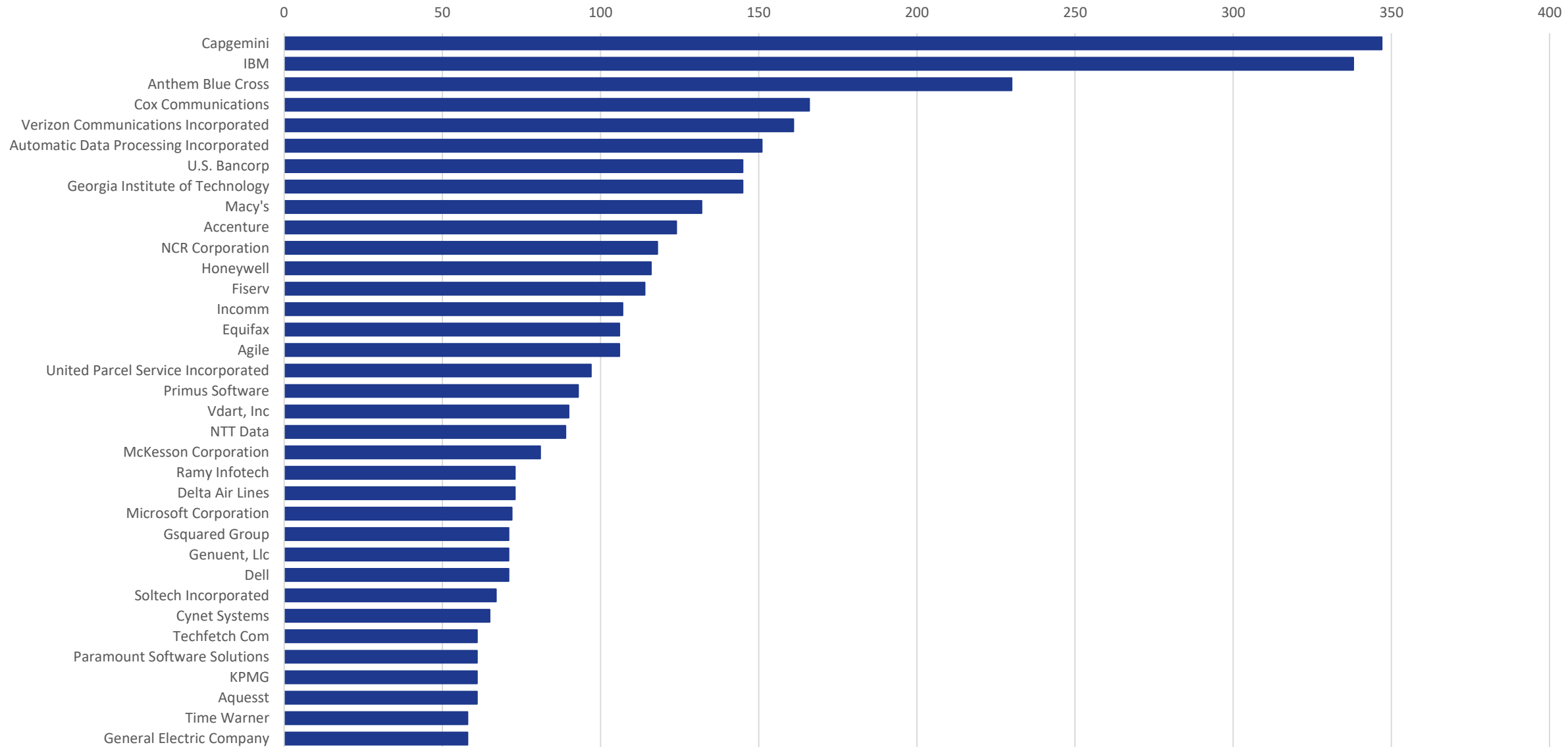
Concentration of Jobs in Sector: Nation (Location Quotient)



Source: Jobs EQ; 2019 Q1

High-Tech: Demand for Software Developers

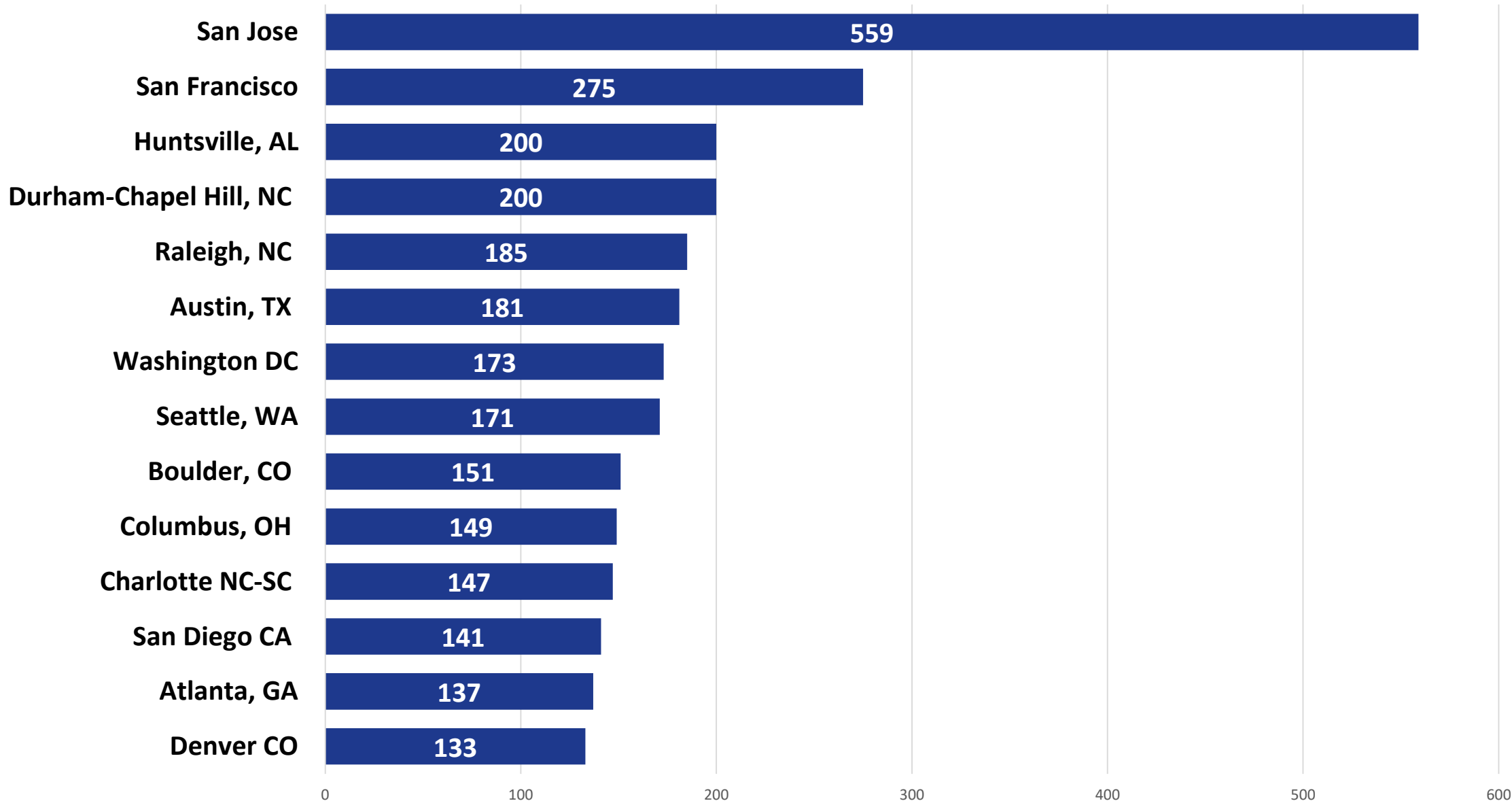
Job Postings – Employer Seeking Software Developers



Source: Burning Glass/Labor Insight October 2019

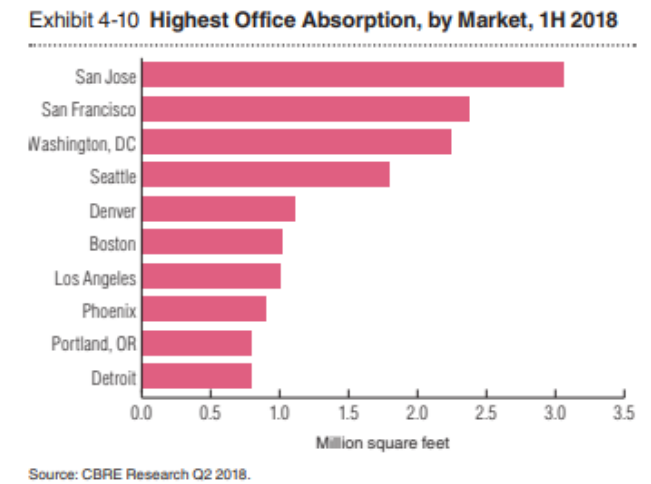
High-Tech: Demand for Software Developers

Postings per 1,000 employed



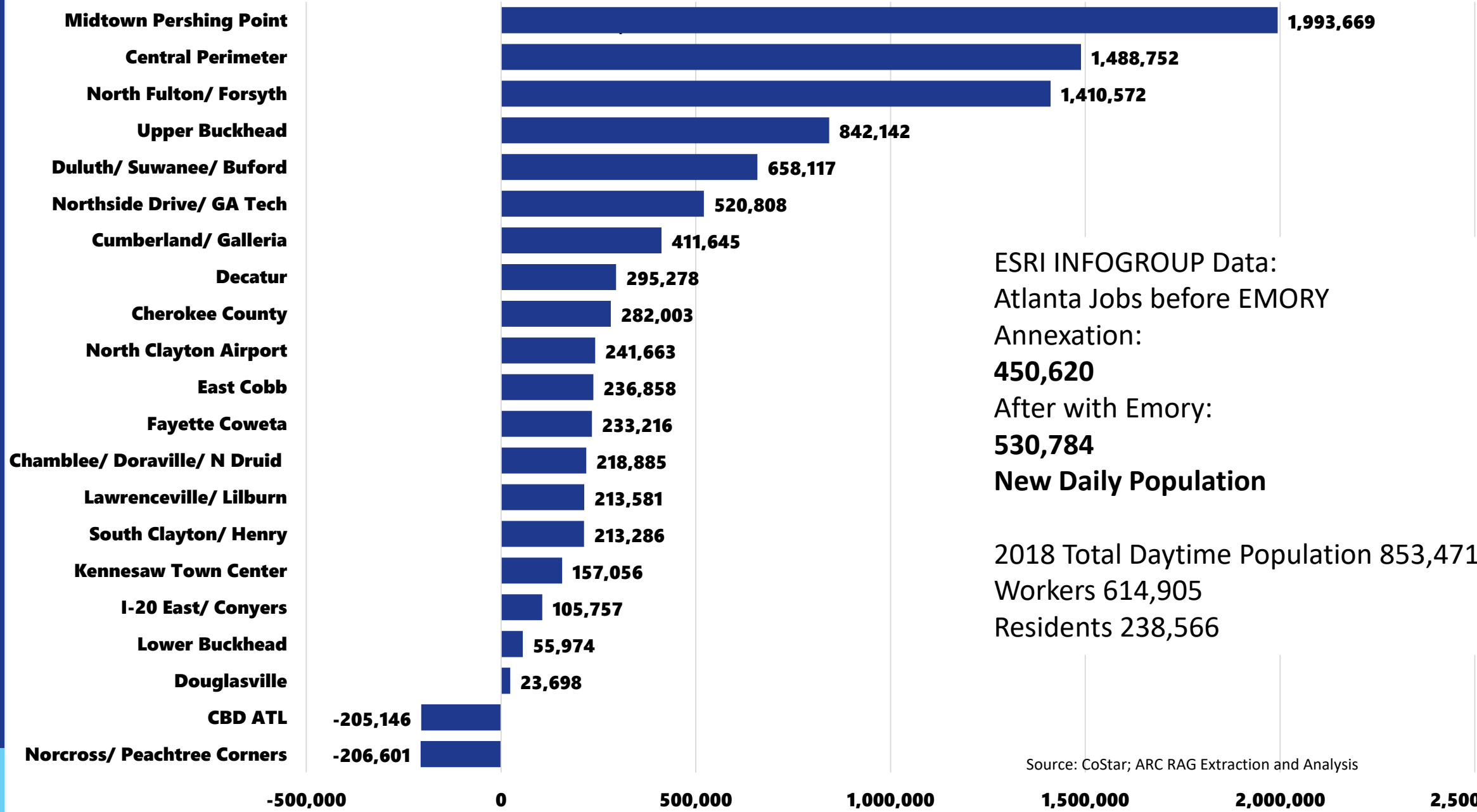
Source: Burning Glass/Labor Insight August 2019

San Jose, San Francisco, Seattle, and Washington, D.C., accounted for 45 % of total market absorption in 58 markets



U.S. office investors continue to transact in a fairly balanced market. Office vacancy has remained near 13 percent for the past two years as new supply meets demand. With rents up by only 1.3 percent in the past year, the office sector is ranked fourth of six property types in the Emerging Trends survey for investment prospects in 2019, and fifth for development prospects—similar to its rankings in last year’s Emerging Trends. However, significant variances exist by market as the tech industry continues to lead leasing trends. While the majority of markets continue to experience positive absorption, **San Jose, San Francisco, Seattle, and Washington, D.C.**, accounted for 45 percent of total market absorption in 58 markets in the first half of 2018. Office supply is also concentrated in a few markets, with **41 percent of new office product under construction in just four markets—New York, San Francisco, D.C., and Seattle**. With the exception of D.C., these markets have generally maintained high central business district (CBD) occupancy rates.

Office Net New Space(SF) by Submarket: 2010_{Q1} to 2019_{Q1}

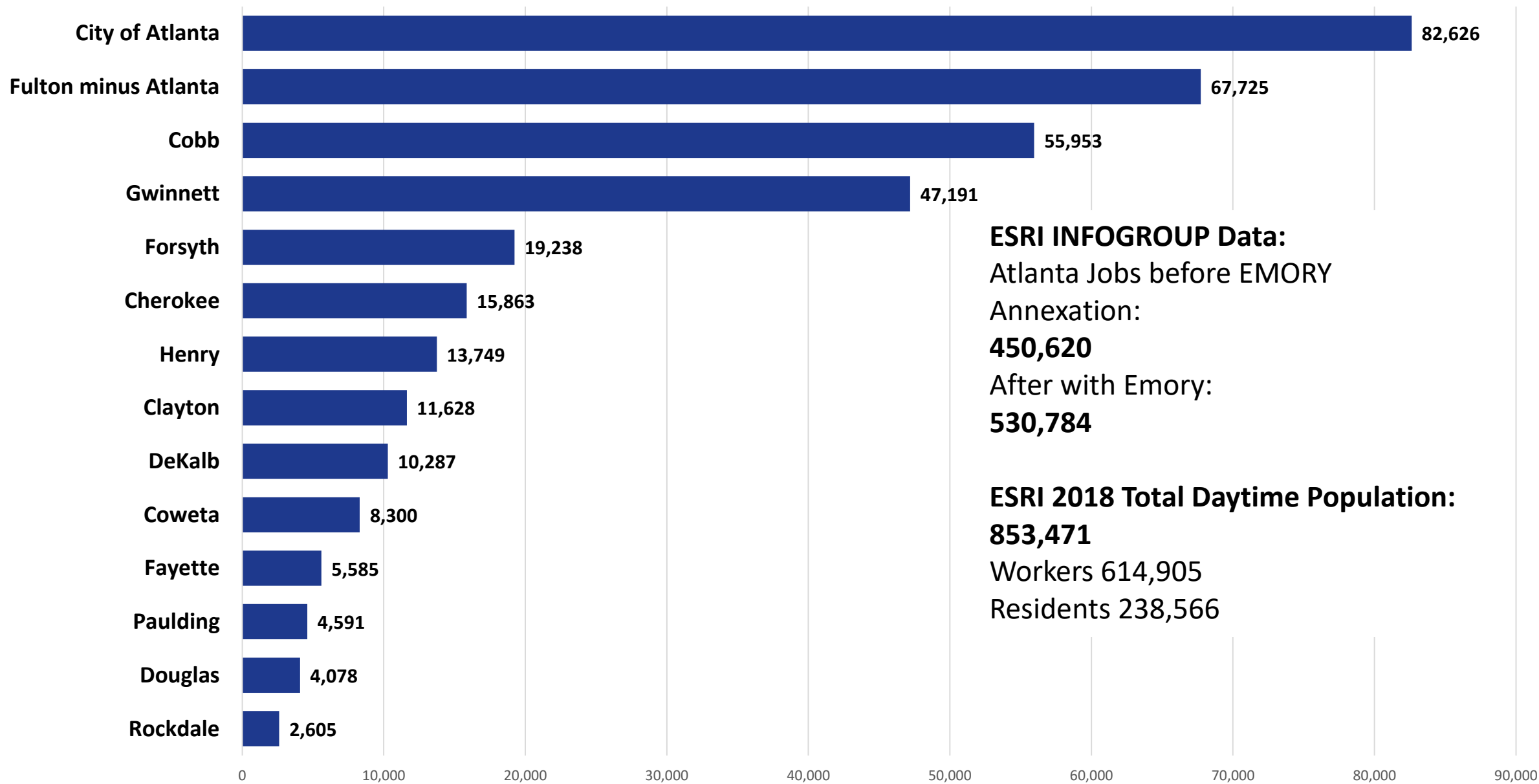


ESRI INFOGROUP Data:
Atlanta Jobs before EMORY
Annexation:
450,620
After with Emory:
530,784
New Daily Population

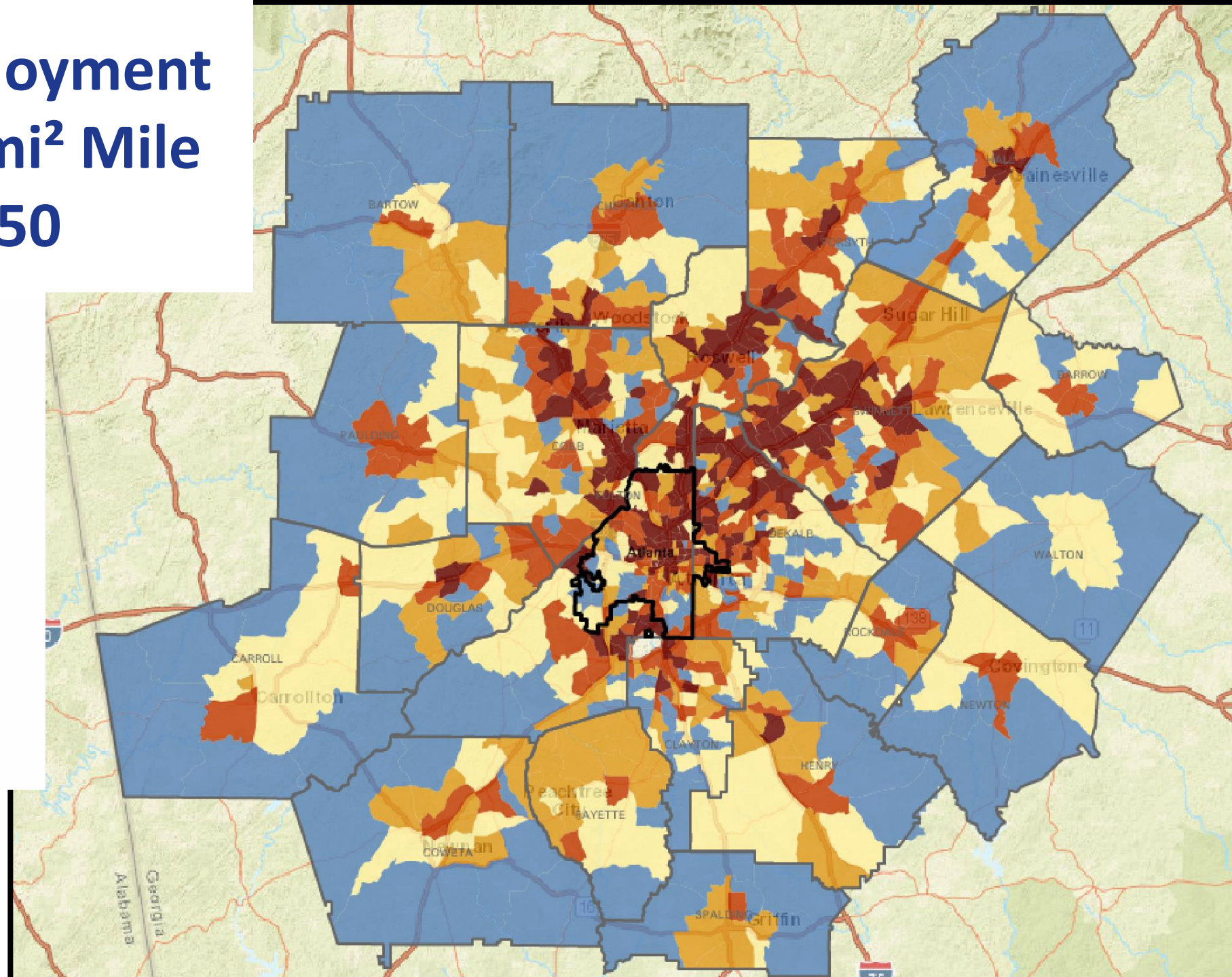
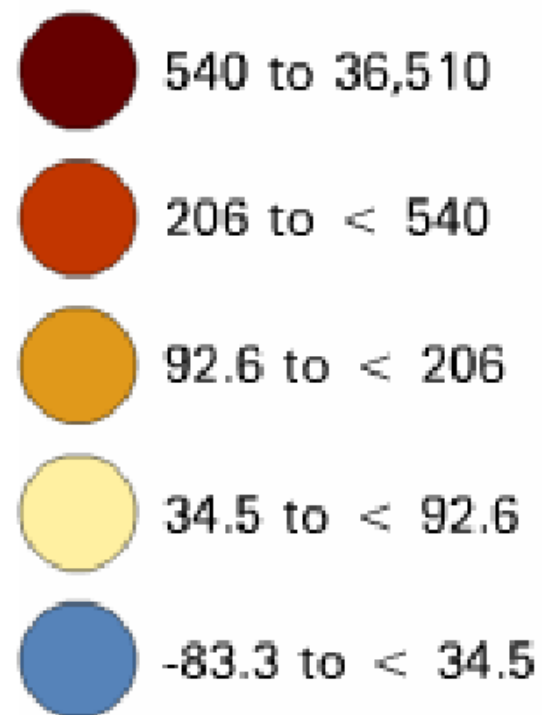
2018 Total Daytime Population 853,471
Workers 614,905
Residents 238,566

Source: CoStar; ARC RAG Extraction and Analysis

Employment 2010-2019



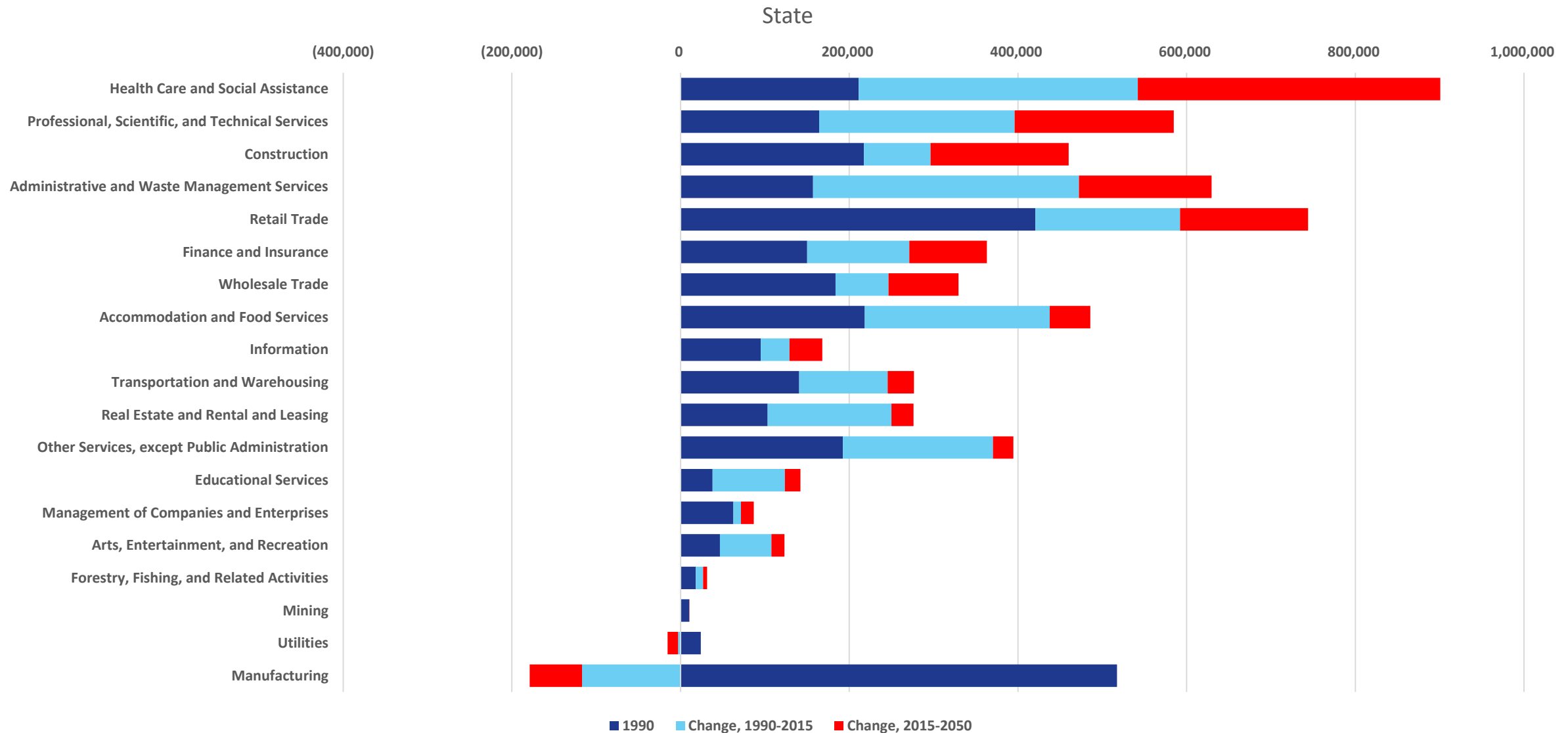
Forecast Employment Change, per mi² Mile 2015-2050



Source: ARC *The Region's Plan*
Forecast (2019) Series 16 DRAFT

Georgia Employment Forecast (REMI)

60 Years of Employment Change – 1990-2050 NAICS Sectors



Source: ARC *The Region's Plan* Forecast (2019) Series 16 DRAFT Uncalibrated REMI forecast for the State of Georgia

Questions?



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