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THE WALL STREET JOURNAL.

WSJ.com

JULY 1, 2009

Cities Grow at Suburbs' Expense During Recession

By **CONOR DOUGHERTY**

U.S. cities that for years lost residents to the suburbs are holding onto their populations with a mix of people trapped in homes they can't sell and those who prefer urban digs over more distant McMansions, according to Census data released Wednesday.

Growing cities are growing faster and shrinking cities are losing fewer people, reflecting a blend of choice and circumstance.

In Chicago, Matthew Sessa and his wife sold their townhouse and decided against buying a four-bedroom house in the suburbs. They bought a three-bedroom in Chicago's Lakeview neighborhood instead, with a yard not much bigger than their garage.

"What we ended up getting in the city was just as nice, and the neighborhood that we moved into also has a very good elementary and junior high," said Mr. Sessa, a commercial banker who is 37 years old and has a baby due any day.

But Chicago is also becoming home to people who can't sell their houses or find jobs elsewhere.

Jhonathan Gomez, an organizer with the Latino Union of Chicago, a nonprofit that works with day laborers, said many immigrant workers have been moving back to the city from suburbs including Berwyn and Cicero. Mr. Gomez, who organizes on the north side of Chicago, said at one intersection in the city's Avondale neighborhood, the number of day laborers has roughly doubled in the past year, to as many as 150 or more on a typical day.

"There's a lot of people moving to the city and looking for work because there's higher density and more jobs," he said.

Chicago's population grew at a 0.73% annual rate in the year ended in July 2008 from 0.23% a year earlier and declines in the previous five years, according to an analysis of Census data by William H. Frey, a demographer at the Brookings Institution. Population growth also accelerated in smaller cities such as Minneapolis and Columbus, Ohio.

The Census data underscored how the recession and the real-estate slump have curbed migration, especially to suburbs and outer areas known as exurbs.

The central-city population in U.S. metropolitan areas with more than one million people (excluding New Orleans, where recent growth rates reflect residents returning to the city following Hurricane Katrina) grew at an annual rate of 0.97% between July 2007 and July 2008, according to Mr. Frey's analysis. That compared with a growth rate of 0.90% in 2006-2007, and growth rates around 0.5% in the years between 2002 and 2005, when the robust real-estate market led to new jobs and new housing developments outside the cities, where open land is more plentiful.

"This shows cities were reviving at the end of this decade, and they are also surviving a recession that has been a lot harsher for other parts of our landscape," Mr. Frey said. "Cities are big enough and diverse enough that they are able to survive these ups and downs in the economy a lot better."

Population growth in the cities has translated to slower growth in the suburbs. U.S. suburbs in metro areas greater than 1 million people grew at a 1.11% annual rate in 2007-2008, the same as a year earlier and down from growth rates between 1.29% and 1.48% between 2002 and 2005, according to Mr. Frey's analysis.

Brad Andersen, a managing broker at Griffith, Grant & Lackie Realtors said sales in suburban Chicago have fallen off considerably as real-estate prices have declined. In the Lake Forest suburb, there were 157 homes sold in 2008, compared with 227 a year earlier.

"The money people planned to use as a down payment for the next home is no longer available," Mr. Andersen said.

In Buffalo, Mayor Byron Brown said his administration has put much of its effort into programs that aim to stanch the outflow of residents, from redeveloping the city's waterfront to residential projects such as a former office building that has been converted into condominiums. He hopes that when the recession ends, the city will continue to hold on to more residents.

"What we have been trying to do is position ourselves as a community that people will want to live in," he said.

Population growth is starting to strain services in some cities. Public School 290 in Manhattan has about 650 students, about 250 more than capacity and above the posted fire-code occupancy. New York City's population grew at a 0.64% annual rate in 2007-2008, compared with growth rates between 0.37% and 0.55% from 2002 to 2005.

The school has so little space that students who need occupational therapy have to meet with a therapist in a copy room, says Andy Lachman, an officer of the school's parent-teacher association whose daughter will be in fifth grade next year. "It adds stress to a situation that shouldn't have to be there," said Mr. Lachman.

With the slowdown in construction and service jobs on the urban edges where development was greatest, a bigger share of immigrants are moving to central cities, instead of directly to the suburbs as they had during the real estate boom.

The upshot is that the spread of racial diversity, which had been moving beyond gateway cities such as Los

Angeles to suburbs and interior states, has slowed with the economy.

Meanwhile, growth in urban Hispanic and Asian populations, much of it fueled by immigration, has accelerated in many city centers. That has already showed up in county demographic data released by the Census last month.

In California, which saw Hispanic population growth slow during the housing boom as many immigrants bypassed the state and native-born Hispanics moved for opportunities elsewhere, the Hispanic growth rate increased to 2.4% in 2007-2008 from 2% a year earlier.

Many Sunbelt cities saw population-growth slow from the torrid rates during the housing boom.

In Tucson, the population grew at an annual rate just under 1% in 2007-2008, down from 1.35% in 2006-2007. Las Vegas's population slowdown was even more dramatic. It grew at a 0.38% annual rate in 2007-2008, down from 1.04% in 2006-2007 and rates as high as 3.30% during the height of the housing boom.

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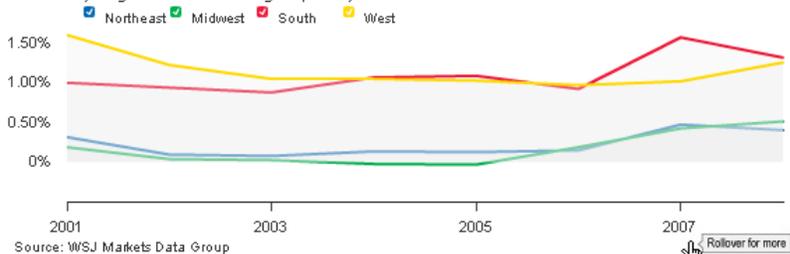
July 1, 2009

Biggest Cities Get Bigger

The biggest U.S. cities have seen their growth rates increase in recent quarters as unemployment and the real-estate slump have slowed migration to the suburbs. Below, see population growth rates for top U.S. cities and the increase in their growth rates since the year 2001.

Population Growth by Region

Year-over-year growth rates have edged up in major cities in the American West.



Source: WSJ Markets Data Group

Rollover for more

State	Region	City	2001 (% Change)	2002 (% Change)	2003 (% Change)	2004 (% Change)	2005 (% Change)	2006 (% Change)	2007 (% Change)	2008 (% Change)
New Mexico	West	Albuquerque city	1.1%	2.2%	1.9%	2.2%	2.3%	2.2%	1.8%	1.3%
California	West	Anaheim city	0.4%	0.2%	0.1%	0.1%	-0.5%	0.1%	0.1%	1.3%
Alaska	West	Anchorage municipality	1.2%	1.6%	1.3%	1.2%	0.7%	1.2%	-0.6%	0.6%
Texas	South	Arlington city	2.1%	2.3%	1.2%	1.2%	1.0%	1.2%	1.0%	1.4%
Georgia	South	Atlanta city	2.4%	2.8%	3.3%	2.6%	3.1%	3.2%	4.4%	3.4%
Colorado	West	Aurora city	1.6%	0.7%	0.9%	1.5%	1.8%	2.1%	2.7%	2.8%
Texas	South	Austin city	2.0%	-0.1%	0.4%	1.4%	1.7%	3.1%	2.4%	2.5%
California	West	Bakersfield city	2.6%	3.3%	3.8%	4.2%	4.3%	4.1%	3.2%	2.1%
Maryland	South	Baltimore city	-0.5%	-0.5%	0.1%	-0.2%	-0.1%	0.1%	-0.1%	-0.5%
Massachusetts	Northeast	Boston city	2.0%	0.5%	-0.3%	-0.7%	-0.2%	-0.2%	2.1%	0.1%
New York	Northeast	Buffalo city	-0.9%	-0.9%	-0.9%	-1.0%	-1.3%	-1.2%	-0.9%	-0.5%
North Carolina	South	Charlotte city	2.0%	1.6%	1.8%	2.1%	2.8%	3.2%	2.7%	2.7%
Illinois	Midwest	Chicago city	0.0%	-0.4%	-0.4%	-0.5%	-0.7%	-0.4%	0.2%	0.7%
Ohio	Midwest	Cincinnati city	0.0%	-0.1%	0.2%	0.0%	-0.1%	0.3%	0.4%	N/A
Ohio	Midwest	Cleveland city	-1.0%	-1.0%	-1.2%	-1.2%	-1.4%	-1.4%	-1.1%	-1.0%
Colorado	West	Colorado Springs city	2.8%	0.0%	-0.4%	0.1%	0.3%	1.0%	0.3%	1.2%
Ohio	Midwest	Columbus city	1.1%	0.5%	0.8%	0.3%	0.3%	0.6%	0.7%	1.1%
Texas	South	Corpus Christi city	-0.5%	0.4%	0.1%	0.8%	0.7%	0.8%	0.3%	0.7%
Texas	South	Dallas city	0.7%	0.7%	1.0%	1.2%	1.0%	0.7%	0.9%	1.1%
Colorado	West	Denver city	1.5%	-0.5%	-0.4%	0.1%	0.6%	1.6%	1.9%	2.7%
Michigan	Midwest	Detroit city	-1.0%	-0.8%	-0.2%	-0.3%	-0.3%	-0.2%	-0.2%	-0.5%
Texas	South	El Paso city	0.5%	0.6%	0.9%	1.4%	0.8%	1.5%	0.8%	1.7%
Indiana	Midwest	Fort Wayne city	-0.3%	-0.3%	-0.5%	-0.5%	-0.1%	0.6%	0.8%	0.4%
Texas	South	Fort Worth city	2.0%	2.5%	2.7%	2.9%	3.4%	4.7%	4.5%	3.6%
California	West	Fresno city	1.2%	1.7%	1.5%	1.0%	0.8%	0.9%	1.3%	1.7%
Arizona	West	Glendale city	3.8%	0.9%	1.5%	1.4%	1.9%	1.3%	1.6%	0.5%
North Carolina	South	Greensboro city	0.8%	0.5%	0.4%	0.4%	1.3%	1.6%	2.2%	2.0%
Nevada	West	Henderson city	7.9%	6.0%	4.6%	4.4%	3.3%	3.7%	3.6%	1.6%
Hawaii	West	Honolulu CDP	0.0%	0.5%	0.3%	0.1%	0.1%	0.2%	-0.4%	0.2%
Texas	South	Houston city	0.8%	0.9%	1.0%	1.3%	0.8%	4.5%	1.8%	1.5%
Indiana	Midwest	Indianapolis city (balance)	0.4%	-0.1%	0.1%	0.1%	0.2%	0.4%	0.4%	0.4%
Florida	South	Jacksonville city	1.5%	1.5%	1.2%	1.2%	1.1%	1.4%	0.8%	0.5%
Missouri	Midwest	Kansas City city	0.2%	0.1%	-0.1%	0.0%	0.1%	0.7%	0.8%	0.4%
Nevada	West	Las Vegas city	2.9%	1.7%	1.8%	3.3%	1.9%	1.4%	1.0%	0.4%
Kentucky	South	Lexington-Fayette urban county	0.8%	0.4%	1.2%	0.6%	0.9%	1.4%	1.1%	1.4%
Nebraska	Midwest	Lincoln city	1.2%	1.5%	1.6%	0.9%	1.1%	1.1%	1.3%	1.4%
California	West	Long Beach city	0.6%	0.9%	0.7%	-0.1%	-0.5%	-0.6%	-0.8%	0.1%
California	West	Los Angeles city	1.0%	0.9%	0.6%	0.3%	0.1%	-0.2%	0.1%	0.7%
		Louisville/Jefferson County metro								

Kentucky	South	government (balance)	0.1%	0.1%	0.2%	0.2%	0.2%	-0.2%	0.3%	0.0%
Tennessee	South	Memphis city	-0.6%	-0.4%	-0.4%	-0.4%	-0.3%	0.1%	-0.5%	-0.5%
Arizona	West	Mesa city	3.3%	2.7%	1.7%	1.8%	1.5%	1.3%	0.9%	0.8%
Florida	South	Miami city	0.9%	1.1%	0.7%	0.4%	2.0%	4.2%	2.2%	1.6%
Wisconsin	Midwest	Milwaukee city	0.0%	0.2%	0.2%	0.3%	0.2%	0.2%	0.0%	0.3%
Minnesota	Midwest	Minneapolis city	-0.4%	-0.6%	-0.3%	-0.4%	0.1%	0.1%	0.8%	0.8%
Tennessee	South	Nashville-Davidson metropolitan government (balance)	1.5%	0.6%	1.0%	1.4%	1.7%	1.1%	0.9%	0.9%
Louisiana	South	New Orleans city	-1.2%	-1.1%	-1.1%	-1.3%	-1.4%	-53.7%	36.7%	8.2%
New York	Northeast	New York city	0.6%	0.4%	0.4%	0.6%	0.5%	0.5%	0.7%	0.6%
New Jersey	Northeast	Newark city	0.5%	0.5%	0.3%	0.2%	0.0%	0.3%	0.5%	0.1%
California	West	Oakland city	0.7%	-0.7%	-0.7%	-0.7%	-0.5%	0.1%	1.3%	1.4%
Oklahoma	South	Oklahoma City city	1.0%	1.3%	0.9%	0.6%	1.0%	1.3%	1.2%	1.2%
Nebraska	Midwest	Omaha city	0.9%	0.9%	1.1%	1.2%	1.3%	1.2%	1.1%	1.4%
Pennsylvania	Northeast	Philadelphia city	-1.0%	-0.9%	-0.8%	-0.5%	-0.6%	-0.4%	-0.1%	-0.1%
Arizona	West	Phoenix city	1.6%	1.7%	1.5%	2.2%	3.2%	2.8%	1.9%	2.2%
Pennsylvania	Northeast	Pittsburgh city	-1.0%	-0.9%	-0.7%	-1.4%	-1.3%	-0.9%	-0.5%	-0.5%
Texas	South	Plano city	4.7%	1.9%	1.1%	1.4%	2.0%	1.6%	2.3%	2.7%
Oregon	West	Portland city	1.0%	0.7%	0.2%	-1.1%	0.2%	0.8%	1.6%	1.7%
North Carolina	South	Raleigh city	4.3%	3.7%	2.6%	3.3%	4.5%	4.3%	4.3%	3.8%
California	West	Riverside city	3.2%	2.5%	2.5%	2.2%	0.3%	0.9%	1.0%	1.1%
California	West	Sacramento city	2.9%	2.9%	1.7%	1.5%	0.6%	0.4%	1.5%	1.2%
Texas	South	San Antonio city	1.2%	1.9%	1.6%	1.8%	1.6%	2.6%	2.5%	1.9%
California	West	San Diego city	1.2%	0.8%	0.8%	0.0%	-0.6%	-0.1%	0.6%	1.5%
California	West	San Francisco city	0.9%	-0.7%	-0.6%	-0.2%	0.5%	1.3%	1.6%	1.2%
California	West	San Jose city	0.7%	-0.9%	-0.2%	0.4%	0.9%	1.2%	1.4%	1.9%
California	West	Santa Ana city	0.5%	0.2%	-0.1%	0.0%	-0.6%	-0.5%	0.2%	0.6%
Washington	West	Seattle city	1.1%	0.1%	-0.1%	0.0%	0.5%	1.3%	1.5%	1.6%
Missouri	Midwest	St. Louis city	0.9%	0.2%	-0.7%	0.8%	0.5%	0.4%	0.5%	-0.4%
Minnesota	Midwest	St. Paul city	-0.1%	-0.6%	-1.0%	-1.1%	-0.5%	-0.2%	0.5%	0.6%
California	West	Stockton city	3.5%	2.8%	3.1%	3.0%	2.4%	0.8%	0.3%	0.4%
Florida	South	Tampa city	1.4%	2.1%	0.9%	1.0%	1.5%	2.3%	0.7%	1.6%
Ohio	Midwest	Toledo city	-0.4%	-0.7%	-0.6%	-1.2%	-1.0%	-1.2%	-0.7%	-0.8%
Arizona	West	Tucson city	1.4%	1.5%	1.2%	1.3%	1.4%	1.1%	1.4%	1.0%
Oklahoma	South	Tulsa city	-0.2%	-0.3%	-1.0%	-1.2%	-0.5%	0.3%	0.5%	0.5%
Virginia	South	Virginia Beach city	0.3%	0.7%	1.2%	0.8%	-0.3%	0.1%	-0.7%	-0.3%
District of Columbia	South	Washington city	1.0%	0.3%	-0.3%	0.4%	0.4%	0.6%	0.4%	0.7%
Kansas	Midwest	Wichita city	0.2%	0.5%	-0.1%	-0.3%	0.4%	0.6%	1.2%	1.5%

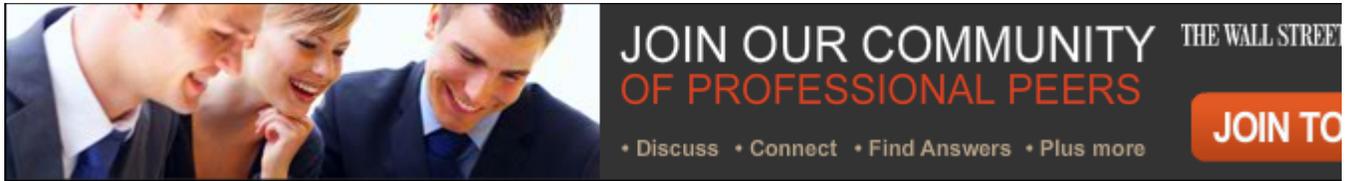
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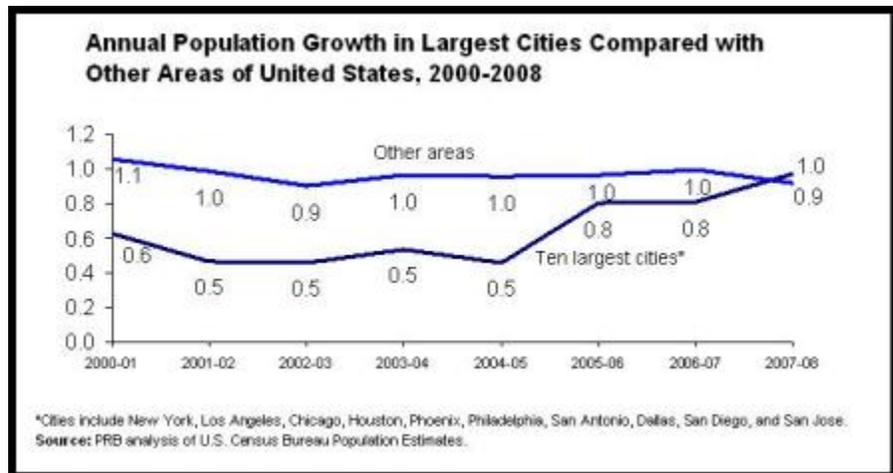
JULY 1, 2009, 10:56 AM ET

Largest Cities Growing Faster Than Surrounding Suburbs

In general, the suburbs continue to grow faster than cities, and probably will for some time. But the country's ten largest cities are bucking that trend.

Today's [Journal article](#) notes how cities are growing faster in the recession, while suburbs are growing slower. As with most demographic changes this one is the result of a whole slew of factors, from yuppies who prefer a denser urban lifestyle to immigrants returning to city centers. Immigrants also tend to be younger, and have slightly higher birthrates, driving births in city centers. And then there is the recession and housing mess:

Between underwater mortgages, lost jobs and uncertainty about the future, U.S. migration has slowed down at just about every level, including that mid-life move from the city to the burbs.



The central-city population in U.S. metropolitan areas with more than one million people (excluding New Orleans, where recent growth rates reflect residents returning to the city following Hurricane Katrina) grew at an annual rate of 0.97% between July 2007 and July 2008, according to **Brookings** demographer **William Frey**. That compared with a growth rate of 0.90% in 2006-2007, and growth rates around 0.5% in the years between 2002 and 2005. It makes sense when you consider suburban boundaries continue to expand, and anyway most of America already lives, works — and reproduces — in the suburbs. Hard to stop a speeding train.

But demographer **Mark Mather** at the **Population Reference Bureau** has [highlighted a notable exception in this blog](#). America's ten largest cities are now growing faster than the areas outside them. That's a significant change from only a few years ago, as his chart nicely illustrates. It's worth noting that this was a trend that started before the recession.

There's an open question as to whether this will reverse in recovery (there's an open question about how everything will look after the recovery). And contrary to the wishes of some, suburban living and car-based commuting will remain the preference of most Americans. But it's safe to say for a growing number of Americans — and, in particular, middle class Americans — cities will play a growing role in how they live, work and raise families.

Cities Grow at Suburbs' Expense During Recession

There are 8 comments

- **Bryan Fernandez** wrote:

The more accurate headline should be: Suburbs still outpace inner-city growth. Burbs grew at 1.11%, innercity grew by .97%

- **Tom Taggart** wrote:

The implication is that there is a return to the city from the suburbs. I doubt that. More likely two things are going on:

1. The credit crunch is keeping more people from moving out of the older center-city suburbs to the newer suburban areas;
2. The center city is gaining population by immigration, and by the "surfacing" of Hispanic families who have been there for a while but are now showing up in census data.

- **Vincent L. Tessier** wrote:

"Mr. Sessa, a commercial banker who [...] has a baby due any day." You want news? Who cares about housing? This guy is having a baby!

- **David Abel** wrote:

Too bad they don't mention unemployment. In Portland,OR the unemployment rate is rising and will soon match the places like Bend,Or that has one of the highest in the nation. Portland is also one of those places that urban living SHILL RICHARD FLORIDA likes to talk about as a center for young creative professionals. Too bad these schmucks can't find a job!

- **J G wrote:**

One large factor helping larger cities, gas prices. When gas was \$4.25 a gallon it was costing people an extra \$200 a month to get to their jobs downtown from the outer burbs. Along with parking, insurance, car payments, I know a lot of people who considered moving closer because of the outrageous cost per year the extra car was costing. Gas prices have settled down now, but there is still the fear of getting out of control again.

- **Joe Bullard wrote:**

What is the point of this story?

- **Jim Miller wrote:**

Great interactive table. Very interesting and helpful.