



# Who Lives Downtown

Eugenie L. Birch<sup>1</sup>

*“Downtown housing provides visible and tangible evidence of urban vitality that has important psychological and economic impacts.”*

## Findings

An analysis of downtown population, household, and income trends in 44 selected cities from 1970 to 2000 finds that:

- **During the 1990s, downtown population grew by 10 percent, a marked resurgence following 20 years of overall decline.** Forty percent of the sample cities began to see growth before the 1990s. While only New York’s two downtown areas and Seattle, Los Angeles, and San Diego saw steady increases from 1970 to 2000, another 13 downtowns have experienced sustained growth since the 1980s.
- **From 1970 to 2000, the number of downtown households increased 8 percent—13 percent in the 1990s alone—and their composition shifted.** Households grew faster than population in downtowns, reflecting the proliferation of smaller households of singles, unrelated individuals living together, and childless married couples.
- **Downtown homeownership rates more than doubled during the thirty-year period, reaching 22 percent by 2000.** Overall the number of homeowners grew steadily each decade. By 2000, the share of homeowners across the sample downtowns swung from a high of 41 percent in Chicago to a low of just 1 percent in Cincinnati.
- **Downtowns are more racially and ethnically diverse than 20 years ago.** From 1980 to 2000, the combined share of white and black residents living in the sample downtowns fell from 81 percent to 73 percent, while the share of Hispanic and Asian residents increased. The number of white residents living downtown rebounded in the 1990s, however, despite an overall loss of this group in cities as a whole.
- **In general, downtowns boast a higher percentage of both young adults and college-educated residents than the nation’s cities and suburbs.** In 2000, 25- to 34-year olds represented nearly a quarter of the downtown population—up from 13 percent in 1970. Forty-four percent of downtowners had a bachelors degree or higher.
- **Downtowns are home to some of the most and least affluent households of their cities and regions.** Twenty of the sample downtowns—such as Midtown Manhattan, Dallas, and Miami—have at least one tract where the median income is higher than that of their MSA as a whole. Thirty-eight have at least one tract 50 percent or lower than their MSA median.

While this analysis demonstrates good news for downtown residential development overall, demographic, market, and social trends differ substantially from place to place. Urban leaders need to understand these patterns so they can make investment decisions that best capitalize on their unique assets.

## Introduction

Over the past few decades, public and private officials have tried to re-invent their downtowns with a variety of tactics. One of the most popular—and arguably most successful—strategies of recent years has been downtown residential development. In this effort, creating a vibrant, “24-hour” downtown has become the mantra for injecting life into struggling main streets and business districts.

Many downtowns boast a large number of assets that support residential uses. Architecturally interesting buildings, waterfront property, a rich cultural heritage, bustling entertainment sectors, specialized services like healthcare and higher education, and, of course, proximity to jobs are common attributes. Downtowns also have a new cadre of advocates, exemplified by business improvement district directors, who have made revitalization a top priority.

Increasingly, certain segments of the population, recognizing these amenities, see downtown living as an emerging alternative to the suburbs.<sup>2</sup> In fact, an analysis of metropolitan data reveals that downtown housing represents an increasingly important niche in the residential real estate market. As yet, however, it is still quite modest: Between 1970 and 2000, the 45 downtowns in this study had a net gain of about 35,000 housing units (an 8 percent increase) while their suburbs gained 13 million (a 99.7 percent increase).

Still, however small its relative growth, downtown housing provides visible and tangible evidence of urban vitality that has important psychological and economic impacts. The occupation of vacant, centrally located buildings, the increased presence of people on formerly empty streets, and investment in supportive commercial activities and amenities help bring market confidence to worn-out down-

towns. New residents then follow, creating a virtuous cycle of economic growth and development to the city as a whole.

As interest in downtown redevelopment grows, so too does the need for a more comprehensive understanding of downtown residential patterns. Local officials need to stay abreast of new trends in order to develop more responsive revitalization strategies. Environmentalists and “smart growth” advocates want to tap downtown infill markets as a way to help counter suburban sprawl. Economic developers want to attract the young and well-educated, many of whom appear to value a more urban lifestyle.<sup>3</sup> And real estate entrepreneurs, chamber of commerce leaders, historic preservationists, new urbanists, and other groups all benefit from a more precise knowledge of where downtown development is occurring, and what segments of the population are shaping its growth.

To this end, this study uses Census data to provide some insight into downtown demographic trends from 1970 to 2000.<sup>4</sup> It focuses on the growth of the downtown residential market, offering an assessment of which cities and regions have attracted downtown residents. It describes who lives downtown today—their household composition, race, age, education, and income levels—and compares downtown trends to those of cities and suburbs. Finally, it discusses what these trends mean for local leaders working to encourage downtown living as a way to reinvigorate their urban cores and, ultimately, their surrounding regions.

### Evolution of Downtown Residential Trends

The recent movement of households into downtowns signifies a dramatic change in the land use patterns of these areas.

Downtowns traditionally contained

offices, large warehouses, and the occasional factory. Downtown living was usually restricted to hotels, clubs with sleeping facilities, flophouses, and jails.<sup>5</sup> By the 1920s, downtowns reached their economic peak and then began to change.<sup>6</sup> Many downtown business functions began migrating to “uptowns” or “midtowns” within cities and, later, to “edge city” and “edgeless” city locations outside of town.<sup>7</sup> This movement accelerated in the postwar period as favorable tax and mortgage insurance practices and massive federal investment in the nation’s interstate highway system helped fuel the flight to suburbs.

By mid-century public officials and private investors had already begun to employ multiple federal programs to buttress their declining downtowns. In the decades since, they have used urban renewal, subsidized interest programs, and U.S. Treasury-sanctioned private-activity bonds for specified redevelopment projects.<sup>8</sup> And with these and other state and local funds they have built festival malls, stadiums, convention centers, hotels, and other attractions.<sup>9</sup>

Over the years, cities also began to use public housing, urban renewal (with associated low-interest financing programs), Community Development Block Grants, and, later, Low-Income Housing Tax Credits to construct housing in or adjacent to downtown. In the late 1950s and early ‘60s, several cities consciously deployed urban renewal funds to foster middle-income residential development as an alternative to the suburbs. Lower Manhattan (Manhattan Plaza), Midtown New York (Lincoln West), Boston (West End), Detroit (Lafayette Village), Philadelphia (Society Hill), San Francisco (Golden Gateway Center) and Los Angeles (Bunker Hill Towers) are just a few examples. Often, these places provided the seeds of today’s downtown housing resurgence. However, political opposition brought these projects to a screeching halt by the

late 1960s, as opponents viewed them as favoring middle-income residents over the poor.<sup>10</sup>

Despite these investments, on the whole, attempts to stem the outward movement of traditional downtown activities—especially offices, department stores, and hotels—largely failed. By the latter part of the 20th century, downtowns still typically contained a cluster of signature or Class A office buildings, aligned in an identifiable skyline branding important corporations. Larger downtowns had convention centers, associated hotels, and sports stadiums, and a few still hosted businessmen’s clubs. But downtowns also had masses of partially or under-occupied Class B and C buildings, heavy doses of parking, and discontinuous ground-floor retail located along key streets or in the lobbies of major office buildings. Adjacent to this core were warehouses and factories, often abandoned. Detroit in the late 1980s was an extreme example: Hudson’s Department Store, the Hilton Hotel, and multiple office buildings stood entirely empty, while nearby, the mirrored windows of the Renaissance Center—a 2.2 million square foot complex built in 1976 that drained the remaining office, retail, and hotel activities from the surrounding downtown—reflected the devastation.

By the late 1990s this situation began to change, and downtowns throughout the country began to witness something of a renaissance. In Detroit, for example, Hudson’s was demolished and replaced with a mixed use project, while a new stadium, rehabilitated historic buildings and theaters, and new amenities such as a waterfront promenade began to spark renewed interest in downtown. Still, despite many positive developments, the suburbanization of people and jobs remains the dominant trend. By 1999, for example, only 44 percent of office space in thirteen of the nation’s largest markets was located downtown, ranging from a fairly large percentage in

metropolitan areas like New York (64 percent downtown) and Chicago (54 percent), to a very low share in Miami (18 percent), Detroit (21 percent), and Dallas (25 percent).<sup>11</sup>

And so, today, housing has become a critical piece of evolving strategies for downtown revitalization. With abundant supplies of sound but underutilized properties, favorable transportation networks, and “character,” many downtowns are successfully competing with their suburbs for certain consumers. Some view this residential approach as “a land use of last resort,” while others label it the “SoHo Syndrome,” an essential element of grass-roots, preservation-based activity that rejuvenates downtown districts.<sup>12</sup>

## Methodology

This analysis employs data from the U.S. Census Bureau to explore population and household growth rates and several demographic characteristics—race and ethnicity, age, education, and income—in three geographic areas: downtown, city, and suburbs. It tracks these characteristics from 1970 to 2000 in 44 cities for 45 downtowns chosen for their size and location from among the nation’s 243 cities having 100,000 population or more.<sup>13</sup> The sample covers 18 percent of these cities, representing 48 percent of the total population; it includes 90 percent of the top ten cities, 62 percent of the top fifty, and 28 percent of the bottom fifty. The sample downtowns are spread among the four main Census regions and, though the number of a region’s sample cities varies, they closely reflect the distribution of the nation’s urban population. Thus 16 percent of the sample downtowns are in the Northeast, which has 20 percent of the nation’s urban population; 23 percent of the sample downtowns are in the Midwest, which has 23 percent of the urban population; 27 percent are in the West, which has 25

percent of the urban population; and 35 percent in the South, which has 33 percent of the urban population.

Deriving a spatial definition of “downtown” is the most challenging aspect of this research because no commonly accepted physical standard exists. Some equate downtowns with the Central Business District (CBD). (For several decades, in fact, the U.S. Census Bureau issued CBD data, simply designating one or two census tracts in selected cities. However, it discontinued this series in 1984.) Others have attempted to define downtowns as the area within a specified radius (1 mile,  $\frac{1}{2}$  mile, etc.) from a city’s so-called 100 percent corner, viewed as the highest valued intersection in terms of real estate.<sup>14</sup> This concept poses difficulties with its uniform application to different-sized cities—among some of the physically smaller of the top 100 most populous cities, one-half mile from the 100 percent corner can reach into its suburbs. In the end, local knowledge and experience, asking public officials in the sample cities to define their own downtowns by census tracts as of 1999/2000, was used. These boundaries then became the basis of the time series dating back to 1970.<sup>15</sup> They were also checked through field visits.<sup>16</sup>

The resulting sample consists of downtowns that vary considerably in population and geographic size. As a group, they provide a general view of downtown living and, individually (or grouped according to size or location), they demonstrate important variations. The sample downtowns range in population from 97,000 (Lower Manhattan) to 443 (Shreveport, Louisiana) and fall into five population categories: 50,000 or more (11 percent of the sample); 25,000 to 49,999 (13 percent of the sample); 10,000 to 24,999 (24 percent of the sample); 5,000 to 9,999 (24 percent of the sample) and under 5,000 (27 percent of the sample). Taken together they

represent under a million people (470,000 households) in cities containing 37 million inhabitants surrounded by suburbs of about 65 million residents.<sup>17</sup>

Downtowns in the sample range in size from almost 7 square miles (Detroit) to under a quarter square mile (Shreveport). Nine percent of the sample downtowns are 5 square miles or larger; 38 percent are 3 to 4.99 square miles; 36 percent are 1 to 2.99 square miles; and 18 percent are under a square mile. All together, the sample downtowns cover 121 square miles and are located in cities covering approximately 7,300 square miles surrounded by 149,000 square miles of suburban territory.

Finally, the sample downtowns have variable densities, ranging from slightly more than two people per acre (Jackson, Mississippi) to 76 people per acre (Lower Manhattan). Two of the sample downtowns (Lower Manhattan and Midtown Manhattan) have 50 or more people per acre. The building types accommodating these downtown densities are usually multi-family structures such as a former office buildings or lofts, attached townhouses, or multi-story apartment buildings. Thirteen percent of the downtowns have 20 to 49 people per acre; 16 percent have 10 to 19 people per acre; and 31 percent have 5 to 9 people per acre. Dwellings at these densities are most likely low-scale converted buildings—lofts, warehouses, office buildings—whose floor plates allow capacious dwellings prized by the young, highly educated professionals who form the dominant group of downtown residents. The highest share of the downtowns—36 percent—have population densities of under five people per acre. These low densities indicate a predominance of the large single-family housing often found in historic districts or in new construction on cleared or formerly vacant sites. Such low densities could also reflect a transition stage in which

a former office or loft district is in the process of being converted and as yet has few residents.

## Findings

### *A. During the 1990s, downtown population grew by 10 percent, a marked resurgence following 20 years of overall decline.*

In recent years, population trends in the majority of the sample downtowns have been quite positive. Looking back 30 years, however, the story is mixed.

Between 1970 and 2000, downtown population in the sample U.S. cities declined 1 percent, falling from 930,215 to 919,009. Performance varied considerably in this period: Fifteen downtowns (or 33 percent of the sample) had positive growth rates ranging from 2 percent (Boston) to 97 percent (Norfolk). Six downtowns grew by more than 50 percent: Norfolk, Seattle (86 percent), San Diego (73 percent), Los Angeles (62 percent), Lower Manhattan (61 percent), and Portland (56 percent). At the other end of the scale, St. Louis (-67 percent), Columbus, OH (-52 percent), Columbus, GA (-48 percent) and Detroit (-46 percent) saw the steepest drops (Table 1).

Interestingly, downtown population trends from 1970 to 2000 do not necessarily mirror those of their cities, and some clear regional patterns emerge. On average, downtowns in the West experienced population increases, as did their cities. Northeastern downtowns also grew, but their cities lost population. In contrast, Southern downtowns declined, while their cities expanded around them. In the Midwest, both downtowns and their cities saw their populations decrease (Table 2).

A look at growth in individual cities and downtowns illustrates the variable performance among them. A total of 12 downtowns actually outperformed their respective cities. Chicago's downtown grew more than 39 percent, for example, while the city lost over 13

percent of its population. This “downtown up, city down” pattern held true for Norfolk, Cleveland, Atlanta, and Boston as well. Conversely, Orlando's downtown population fell 41 percent while the city grew 89 percent, downtown Charlotte lost 31 percent of its residents, while its city grew 125 percent, and Mesa saw its downtown population decline by 25 percent while its city increased a whopping 532 percent.

This 30-year view of downtown growth, while useful, obscures very different decade-by-decade trends: Downtown population declined by 10 percent in the 1970s and stagnated (-0.1 percent) in the 1980s, before reversing to grow 10 percent in the 1990s. These trends were far from consistent across cities, however (Table 1).

The 1970s were calamitous for most downtowns as 37 of the 45 in the sample (82 percent) lost population. Of these, six—Shreveport (-57 percent); St. Louis (-56 percent); Miami (-41 percent); Austin (-39 percent); Charlotte (-36 percent); and Memphis (-36 percent)—experienced drops greater than 35 percent. A bright spot in this grim picture was the growth in eight downtowns: Los Angeles (47 percent); Des Moines (42 percent); Indianapolis (22 percent); Lower Manhattan (18 percent); Midtown Manhattan (15 percent); Seattle (3 percent); San Diego (2 percent); and Cleveland (0.4 percent).

By the 1980s, the downward trend slowed as far fewer downtowns (21, or 47 percent of the sample), lost population. Nonetheless, five lost a quarter or more of their residents, including two downtowns—Indianapolis (-55 percent) and Des Moines (-52 percent)—that were growing a decade earlier, as well as New Orleans (-30 percent); Columbus, OH (-30 percent); and Chattanooga (-25 percent). At the other end of the scale, almost half of the 24 downtowns that gained population—including Norfolk (98





**Table 1. Individual Downtown Population Growth Patterns by Region, 1970–2000**

	1970	1980	1990	2000	Change 1970 to 1980	Change 1980 to 1990	Change 1990 to 2000	Change 1970 to 2000
<b>NORTHEAST</b>								
Baltimore	34,667	29,831	28,597	30,067	-13.9%	-4.1%	5.1%	-13.3%
Boston	79,382	77,025	77,253	80,903	-3.0%	0.3%	4.7%	1.9%
Lower Manhattan	60,545	71,334	84,539	97,752	17.8%	18.5%	15.6%	61.5%
Midtown Manhattan	56,650	65,078	69,388	71,668	14.9%	6.6%	3.3%	26.5%
Philadelphia	79,882	72,833	74,686	78,349	-8.8%	2.5%	4.9%	-1.9%
Pittsburgh	9,468	6,904	6,517	8,216	-27.1%	-5.6%	26.1%	-13.2%
Washington, D.C.	30,796	25,047	26,597	27,667	-18.7%	6.2%	4.0%	-10.2%
<b>Total</b>	<b>351,390</b>	<b>348,052</b>	<b>367,577</b>	<b>394,622</b>	<b>-0.9%</b>	<b>5.6%</b>	<b>7.4%</b>	<b>12.3%</b>
<b>SOUTH</b>								
Atlanta	23,985	18,734	19,763	24,931	-21.9%	5.5%	26.1%	3.9%
Austin	5,021	3,084	3,882	3,855	-38.6%	25.9%	-0.7%	-23.2%
Charlotte	9,104	5,808	6,370	6,327	-36.2%	9.7%	-0.7%	-30.5%
Chattanooga	17,882	16,759	12,601	13,529	-6.3%	-24.8%	7.4%	-24.3%
Columbus GA	12,354	8,669	8,476	6,412	-29.8%	-2.2%	-24.4%	-48.1%
Dallas	28,522	20,622	18,104	22,469	-27.7%	-12.2%	24.1%	-21.2%
Jackson	10,569	8,152	6,980	6,762	-22.9%	-14.4%	-3.1%	-36.0%
Lafayette	3,020	2,193	2,759	3,338	-27.4%	25.8%	21.0%	10.5%
Lexington	6,753	4,983	5,212	4,894	-26.2%	4.6%	-6.1%	-27.5%
Memphis	7,606	4,878	6,422	6,834	-35.9%	31.7%	6.4%	-10.1%
Miami	26,184	15,428	15,143	19,927	-41.1%	-1.8%	31.6%	-23.9%
New Orleans	4,040	4,000	2,798	3,422	-1.0%	-30.1%	22.3%	-15.3%
Norfolk	1,464	1,206	2,390	2,881	-17.6%	98.2%	20.5%	96.8%
Orlando	21,318	16,053	14,275	12,621	-24.7%	-11.1%	-11.6%	-40.8%
San Antonio	25,720	20,173	19,603	19,236	-21.6%	-2.8%	-1.9%	-25.2%
Shreveport	616	264	377	443	-57.1%	42.8%	17.5%	-28.1%
<b>Total</b>	<b>204,158</b>	<b>151,006</b>	<b>145,155</b>	<b>157,881</b>	<b>-26.0%</b>	<b>-3.9%</b>	<b>8.8%</b>	<b>-22.7%</b>
<b>MIDWEST</b>								
Chicago	52,248	50,630	56,048	72,843	-3.1%	10.7%	30.0%	39.4%
Cincinnati	3,472	2,528	3,838	3,189	-27.2%	51.8%	-16.9%	-8.2%
Cleveland	9,078	9,112	7,261	9,599	0.4%	-20.3%	32.2%	5.7%
Columbus, OH	12,995	8,737	6,161	6,198	-32.8%	-29.5%	0.6%	-52.3%
Des Moines	6,207	8,801	4,190	4,204	41.8%	-52.4%	0.3%	-32.3%
Detroit	68,226	46,117	38,116	36,871	-32.4%	-17.3%	-3.3%	-46.0%
Indianapolis	27,402	33,284	14,894	17,907	21.5%	-55.3%	20.2%	-34.7%
Milwaukee	16,427	14,518	14,458	16,359	-11.6%	-0.4%	13.1%	-0.4%
Minneapolis	35,537	33,063	36,334	30,299	-7.0%	9.9%	-16.6%	-14.7%
St. Louis	22,792	9,942	9,109	7,511	-56.4%	-8.4%	-17.5%	-67.0%
<b>Total</b>	<b>254,384</b>	<b>216,732</b>	<b>190,409</b>	<b>204,980</b>	<b>-14.8%</b>	<b>-12.1%</b>	<b>7.7%</b>	<b>-19.4%</b>
<b>WEST</b>								
Albuquerque	1,673	1,242	1,197	1,738	-25.8%	-3.6%	45.2%	3.9%
Boise	4,118	2,938	2,933	3,093	-28.7%	-0.2%	5.5%	-24.9%
Colorado Springs	5,520	4,182	3,401	5,035	-24.2%	-18.7%	48.0%	-8.8%
Denver	3,120	2,639	2,794	4,230	-15.4%	5.9%	51.4%	35.6%
Los Angeles	22,556	33,079	34,655	36,630	46.7%	4.8%	5.7%	62.4%
Mesa	3,809	3,117	3,206	2,864	-18.2%	2.9%	-10.7%	-24.8%
Phoenix	8,019	6,724	6,517	5,925	-16.1%	-3.1%	-9.1%	-26.1%
Portland	8,290	8,084	9,528	12,902	-2.5%	17.9%	35.4%	55.6%
Salt Lake City	6,098	4,647	4,824	5,939	-23.8%	3.8%	23.1%	-2.6%
San Diego	10,362	10,593	15,417	17,894	2.2%	45.5%	16.1%	72.7%
San Francisco	34,999	28,311	32,906	43,531	-19.1%	16.2%	32.3%	24.4%
Seattle	11,719	12,030	12,292	21,745	2.7%	2.2%	76.9%	85.6%
<b>Total</b>	<b>120,283</b>	<b>117,586</b>	<b>129,670</b>	<b>161,526</b>	<b>-2.2%</b>	<b>10.3%</b>	<b>24.6%</b>	<b>34.3%</b>
<b>TOTAL</b>	<b>930,215</b>	<b>833,376</b>	<b>832,811</b>	<b>919,009</b>	<b>-10.4%</b>	<b>-0.1%</b>	<b>10.4%</b>	<b>-1.2%</b>

Source: Analysis of U.S. Census data



**Table 2. Downtown and City Population Growth Patterns by Population Trend, 1970–2000**

Category	Area	Percent Change	
		Downtown	City
Downtown Up, City Up	Seattle	85.6%	6.9%
	San Diego	72.7%	76.8%
	Los Angeles	62.4%	32.5%
	Lower Manhattan	61.5%	1.5%
	Portland	55.6%	39.5%
	Denver	35.6%	8.7%
	<b>Western Region</b>	<b>34.3%</b>	<b>49.0%</b>
	Midtown Manhattan	26.5%	1.5%
	San Francisco	24.4%	9.4%
	Lafayette	10.5%	61.0%
Albuquerque	3.9%	84.6%	
Downtown Up, City Down	Norfolk	96.8%	-23.6%
	Chicago	39.4%	-13.4%
	<b>Northeastern Region</b>	<b>12.3%</b>	<b>-7.4%</b>
	Cleveland	5.7%	-35.8%
	Atlanta	3.9%	-14.9%
<b>Boston</b>	<b>1.9%</b>	<b>-6.6%</b>	
Downtown Down, City Up	Salt Lake City	-2.6%	4.6%
	Colorado Springs	-8.8%	170.3%
	Memphis	-10.1%	4.7%
	Dallas	-21.2%	41.8%
	<b>Southern Region</b>	<b>-22.7%</b>	<b>33.9%</b>
	Austin	-23.2%	160.7%
	Miami	-23.9%	9.1%
	Chattanooga	-24.3%	31.6%
	Mesa	-24.8%	531.5%
	Boise	-24.9%	149.9%
	San Antonio	-25.2%	76.6%
	Phoenix	-26.1%	129.0%
	Lexington	-27.5%	144.2%
	Shreveport	-28.1%	10.8%
	Charlotte	-30.5%	125.4%
	Des Moines	-32.3%	0.2%
	Indianapolis	-34.7%	6.0%
Jackson	-36.0%	20.2%	
Orlando	-40.8%	89.1%	
Columbus GA	-48.1%	21.1%	
Columbus, OH	-52.3%	34.1%	
Downtown Down, City Down	Milwaukee	-0.4%	-16.0%
	Philadelphia	-1.9%	-21.4%
	Cincinnati	-8.2%	-25.4%
	Washington, D.C.	-10.2%	-23.5%
	Pittsburgh	-13.2%	-35.2%
	Baltimore	-13.3%	-27.5%
	Minneapolis	-14.7%	-10.7%
	New Orleans	-15.3%	-17.9%
	<b>Midwestern Region</b>	<b>-19.4%</b>	<b>-17.0%</b>
	Detroit	-46.0%	-36.5%
	St. Louis	-67.0%	-43.3%

percent) and Cincinnati (52 percent)—saw increases of more than 10 percent.

In the 1990s, the balance shifted. Over seventy percent of the sample (32 downtowns) grew their populations. And only 13 downtowns saw decreases, though six—Columbus, GA (-24 percent); St. Louis (-18 percent); Cincinnati (-17 percent); Minneapolis (-17 percent); Orlando (-12 percent); and Mesa (-11 percent)—experienced a greater than 10 percent drop. Five downtowns had gains over 35 percent: Seattle (77 percent); Denver (51 percent); Colorado Springs (48 percent); Albuquerque (45 percent); and Portland (35 percent). Notably, the growth in a handful of downtowns, such as Pittsburgh (26 percent), resulted from a significant increase in the incarcerated population. (In Pittsburgh, for example, the growth rate without the incarcerated was 5 percent.)<sup>18</sup>

In sum, a look at the three decades reveals considerable variations in downtown development among cities. Some places, such as Des Moines, Indianapolis, and Minneapolis, had gains in one decade and losses in another. Others, like Norfolk, displayed enormous percentage gains on small numerical bases. And seven downtowns—Detroit, San Antonio, Orlando, St. Louis, Phoenix, Jackson, and Columbus, GA—had losses across all three decades. However, the most important finding is evidence of a much earlier beginning to today's downtown living than previously believed. While only New York's two downtown areas, Seattle, Los Angeles, and San Diego saw increases across all three decades, another 29 percent of the sample has experienced sustained growth since the 1980s.

***B. From 1970 to 2000, the number of downtown households increased 8 percent—13 percent in the 1990s alone—and their composition shifted. While population trends are important, it is actually households that drive***

Source: Analysis of U.S. Census data

the housing market, defining demand for the number, size, and style of housing units.

From 1970 to 2000, the number of downtown households grew 8 percent—from 433,140 to 468,308. This growth significantly outpaced the 1 percent population decline during this period, and exhibited a different pattern over each decade. In the 1970s, the number of downtown households declined 3 percent, while population fell 10 percent; in the 1980s, they decreased 2 percent and population fell 0.1 percent; and, in the 1990s, they rose 13 percent, surpassing the 10 percent population increase.

The double-digit growth in households in the 1990s demonstrates that more consumers are attracted to downtowns today than in the past. At the same time, the steeper growth in the number of households relative to individual residents indicates a shift in the demographic profile of the downtown population over time. A closer examination of household composition sheds some light on these changes.

Downtowns historically have been dominated by non-family households. But from 1970 to 2000, singles—living alone or together—took on an even greater presence downtown.<sup>19</sup> The number of these households in the sample downtowns grew by 24 percent over the three decades—17 percent during the 1990s alone—and their average share of the downtown total jumped from 62 percent in the 1970s to 71 percent in 2000. This is far greater than the 2000 share of non-family households in the samples' respective cities (41 percent) and suburbs (29 percent). (Figure 1)

By contrast, the number of families living downtown decreased 18 percent over the three decades, and their overall share of households fell to 29 percent from 38 percent. Trends within this group varied, however.

Overall, downtowns saw a dramatic decrease (27 percent), in the number of families with children. Of this

group, married couples with children experienced the greatest decrease (-40 percent) while single females with children declined 12 percent. Notably, single males with children was the only group to show an increase (150 percent), though their numbers are still very low (3,408 in 2000).

In light of these shifts, by 2000, families with children made up just 10 percent of all downtown households, compared to 30 percent of cities and 36 percent of suburbs. (Figure 1) Of these downtown families, married couples with children comprised 5 percent of all households, female-headed households made up another 4 percent and single males with children, 1 percent.<sup>20</sup>

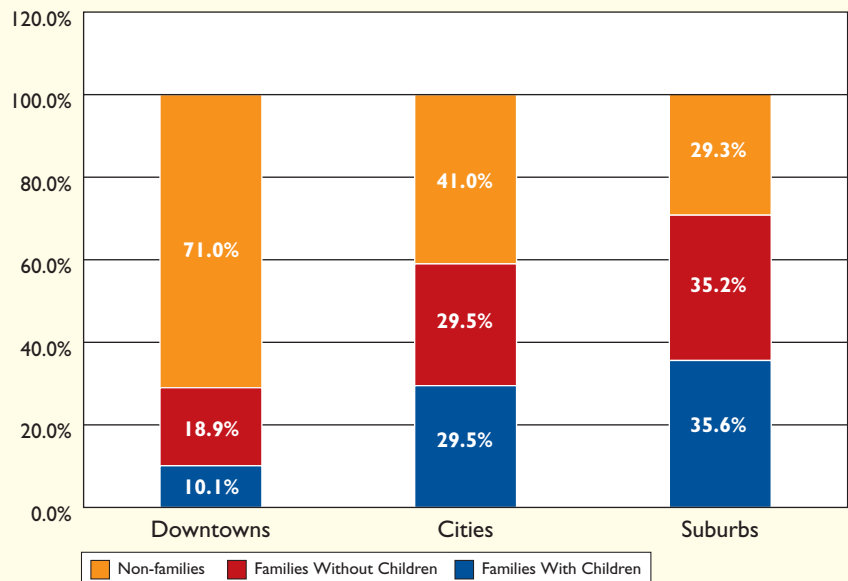
The number of families without children living downtown also decreased, 12 percent between 1970 and 2000. Over the three decades, their growth trends have been volatile, dropping 20 percent between 1970 and 1980 and 6 percent in the following decade. By the 1990s, however,

their numbers shot up 17 percent, the second highest growth rate after unrelated singles living together. As such, by 2000 they were still an important component of the downtown population, comprising 19 percent of all downtown households. These childless families are predominantly made up of empty-nesters, young-marrieds, or simply childless married couples of any age.

All told, these trends reveal that singles (59 percent), unrelated individuals living together (12 percent) and childless families (19 percent) are the major source of demand for new housing units in downtowns across the country. In 2000, these three groups constituted 90 percent of downtowners, up from 85 percent in 1970 and 87 percent in 1990. There is a still considerable variability from place to place, however (Table 3).

For example, in 2000, more than half of the downtowns exceeded the sample's average share of non-family (71 percent) and single-person house-

**Figure 1. Household Composition of Downtowns, Cities, and Suburbs, 2000**



Source: Analysis of U.S. Census data

**Table 3. Downtowns with Highest Shares of Different Household Types, 2000**

Downtown	Share of Non-family Households*	Downtown	Share of Family Households	Downtown	Share of Families without Children	Downtown	Share of Families with Children	Downtown	Share of Married Couple Families with Children	Downtown	Share of Female-headed Households
Cincinnati	91.2%	Lower Manhattan	49.2%	Lower Manhattan	30.7%	Columbus, GA	28.6%	Lower Manhattan	14.7%	Columbus, GA	22.0%
Columbus, OH	86.1%	Columbus, GA	47.7%	Miami	25.7%	Lafayette	21.1%	San Antonio	11.1%	Cleveland	17.2%
Portland	85.5%	San Antonio	42.2%	Norfolk	25.4%	Jackson	20.8%	Lafayette	10.5%	St. Louis	14.7%
Shreveport	83.6%	Miami	40.9%	San Antonio	22.7%	Cleveland	19.8%	Mesa	10.3%	Jackson	12.7%
Seattle	82.8%	Lafayette	38.8%	Chicago	22.0%	San Antonio	19.5%	Los Angeles	9.8%	Atlanta	12.3%
Milwaukee	81.5%	Mesa	38.3%	Memphis	21.7%	Lower Manhattan	18.5%	Dallas	8.2%	Detroit	11.0%
Minneapolis	81.3%	Jackson	37.1%	Mesa	20.2%	St. Louis	18.3%	Miami	6.9%	Chattanooga	10.9%
San Diego	80.4%	Chattanooga	36.8%	Denver	20.2%	Mesa	18.1%	Midtown Manhattan	6.8%	Lafayette	8.5%
Des Moines	79.5%	Detroit	32.7%	Midtown Manhattan	19.7%	Chattanooga	17.3%	Jackson	6.1%	Washington, D.C.	8.1%
Denver	79.4%	Orlando	32.1%	Chattanooga	19.5%	Detroit	16.8%	Indianapolis	5.7%	Pittsburgh	7.4%

\*Non-family households include single people living alone and unrelated individuals living together.  
Source: Analysis of U.S. Census data

holds (59 percent). More than 90 percent of households in downtown Cincinnati are non-family for example; 83 percent are singles living alone. The pattern of singles living alone in downtowns with a high percent of non-families appears in other Midwestern cities as well, such as Columbus, Ohio and Milwaukee, and in several Western downtowns, including Portland, Seattle, and San Diego. In contrast, the downtowns with the lowest percent of singles living alone tend to be concentrated in the south.

The remaining 47 percent of downtowns house a higher share of families than the sample norm of 29 percent. Families comprise nearly half of all households in Lower Manhattan and Columbus, GA, and more than 40 percent of households in San Antonio and Miami. Columbus, GA, has the highest share of families with children (29 percent), as well as the highest proportion of female-headed families (22 percent). Of all downtowns, Lower Manhattan has the largest shares of both married couples with children

(14 percent) and childless families (31 percent). Childless families are also dominant in Miami (26 percent), Norfolk (25 percent), and San Antonio (23 percent).

**C. Downtown homeownership rates more than doubled during the thirty-year period, reaching 22 percent by 2000.**

As the number of downtown households and housing units increased over the past 30 years, so too did homeownership rates.

Growth in the number of downtown homeowners was steady across each decade, rising 33 percent between 1970 and 1980, 35 percent from 1980 to 1990, and 36 percent from 1990 to 2000, for a total of 141 percent during the 30 year period. As the number of homeowners escalated over the three decades, the downtown homeownership rate more than doubled from 10 percent to 22 percent. Renters still clearly dominate downtown housing markets, however, while the sample's cities and especially suburbs boast

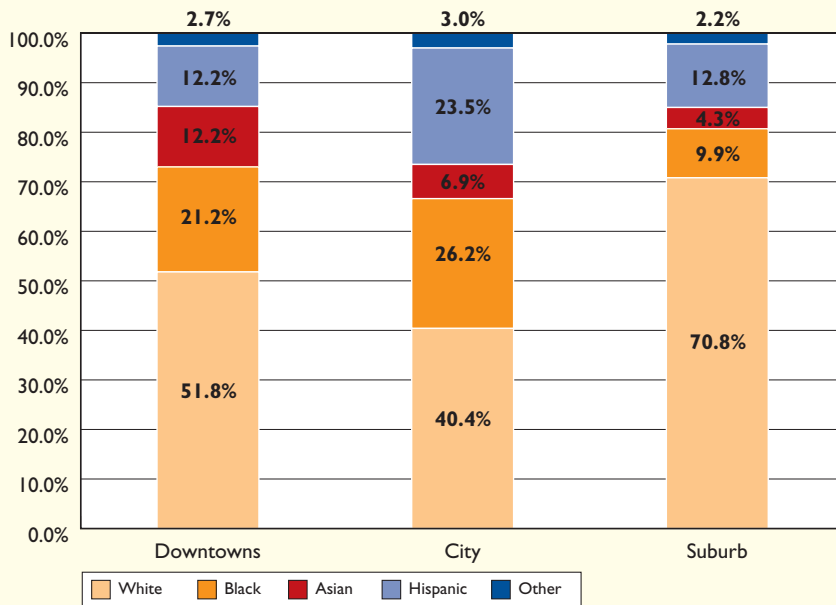
comparatively high shares of homeowners (41 percent and 61 percent, respectively in 2000).

Homeownership rates across the sample downtowns in 2000 swung from a high of 41 percent in Chicago to a low of just 1 percent in Cincinnati (Table 4). Lafayette (36 percent), Austin (35 percent), and Miami (34 percent) were also among those downtowns boasting a large relative share of homeowners in 2000, while St. Louis (3 percent), Cleveland (3 percent), and San Francisco (7 percent) were among those at the bottom. Of the top ten downtowns with the highest rates, Chicago and Philadelphia had by far the greatest numbers of actual homeowners, at 18,181 and 15,608 respectively; half of this group (Lafayette, Denver, Austin, Norfolk, and Charlotte) had approximately 1,000 or fewer owners. Five of the ten downtowns with the lowest homeownership rates had less than 200 homeowners in 2000, with Cincinnati posting just 15.

While downtowns like Lafayette,



**Figure 2. Racial and Ethnic Composition of Downtowns, Cities, and Suburbs, 2000**



Source: Analysis of U.S. Census data

Philadelphia, and Baltimore have historically had relatively high homeownership rates, several downtowns saw their rates skyrocket over the 30 years, increasing their share of homeowners considerably. Chicago, for example, had only a 4 percent homeownership rate in 1970; its number of homeowners then shot up 1,583 percent over the next three decades. The number of homeowners in Denver during this period grew 5240 percent (albeit from a very small base) pushing their share from 1 percent to 35 percent, and their rank to third. Conversely, St. Louis and Cincinnati saw their already low homeownership rates decline over the thirty years, losing both a large number of housing units as well a substantial share of their small cadre of homeowners.

***D. Downtowns are more racially and ethnically diverse than 20 years ago.*** Burgeoning numbers of Hispanic and Asian residents moved to the nation's

downtowns over the past two decades, causing downtown racial composition to shift.<sup>21</sup>

In 1980, the downtown population was 57 percent non-Hispanic white and 24 percent black, with Hispanics (11 percent) and Asians (7 percent), and other groups (1 percent) making up the remaining 19 percent. Over the next two decades, however, the number of whites and blacks living downtown remained relatively flat, while the number of Hispanics and Asians grew substantially. During the 1980s, the overall number of whites declined approximately 5 percent, while the black population declined 1 percent. By contrast, the number of Hispanics and Asians increased 10.6 percent and 41 percent, respectively, over the decade. By the 1990s, whites began returning downtown, increasing their numbers by 5 percent over the decade; the black population remained steady. However, growth in the number of Hispanic (13 percent) and Asian (39

percent) downtowners still significantly outpaced that of whites and blacks during the decade.

Given these fluctuations, by 2000, the sample downtowns were more racially and ethnically diverse than 20 years prior. They were still majority white, but white share of the population had fallen to 52 percent. The proportion of black residents living downtown (21 percent) had declined as well over the twenty years, while the share of Asians (12 percent) and Hispanics (12 percent) increased. The sample downtowns today are more racially and ethnically diverse than their suburbs, which were still 71 percent white in 2000, but less diverse than their surrounding cities, which have fewer white residents (40 percent), but higher proportions of blacks (26 percent) and Hispanics (23.5 percent) (Figure 2).

The racial and ethnic makeup of the individual downtowns in the sample differs considerably, with several geographic patterns emerging (Table 5).

Northeastern downtowns, on average, had the largest share of white residents in 2000, though the five downtowns with the highest proportion of white residents—including Boise (88 percent), Salt Lake City (77 percent), and Colorado Springs (76 percent)—were located in the West. However, of the 19 downtowns located in these two regions, only Lower Manhattan actually saw its share of white residents increase (albeit only slightly) over the two decades. By contrast, several Southern cities—such as Memphis, Dallas, and Charlotte—have seen a surge in the proportion of white residents living downtown, as their share of black residents has fallen.

With the exception of Pittsburgh, the ten downtowns with the highest percentage of black residents in 2000 are all located in the South and Midwest, including Atlanta (75 percent), St. Louis (74 percent), and Detroit (70 percent). The Northeast and West are dominant with regard to Asians, with

Lower Manhattan and San Francisco—both with large “Chinatown” communities—having by far the largest shares living downtown.

The downtowns with the largest percentage of Hispanic residents are predominantly located in the West and South; a majority of downtowners in San Antonio (74 percent) and Los Angeles (51 percent) are Hispanic, for example, while this group comprises just under half the downtown population of Miami (49 percent) and Albuquerque (47 percent). Still, the majority of Southern downtowns in the sample continue to have very small, though in most cases growing, Hispanic populations. Similarly, while nearly all Northeastern and Midwestern downtowns have seen their Hispanic populations increase, only Washington and Lower Manhattan have shares over 10 percent.

***E. In general, downtowns boast a higher percentage of both young adults and college-educated residents than the nation's cities and suburbs.***

Over the past decade, the popular image of the young, hip downtowner has become more prevalent, and perhaps rightly so. A look at downtowns' changing age profile shows that this crowd has indeed moved in. In 1970, the 25- to 34-year old group made up 13 percent of all downtowners, while today they comprise 24 percent; reflecting a 90 percent increase in their numbers over the 30 years. The vast majority of this growth occurred between 1970 and 1990, before slowing considerably during the last decade (Figure 3).

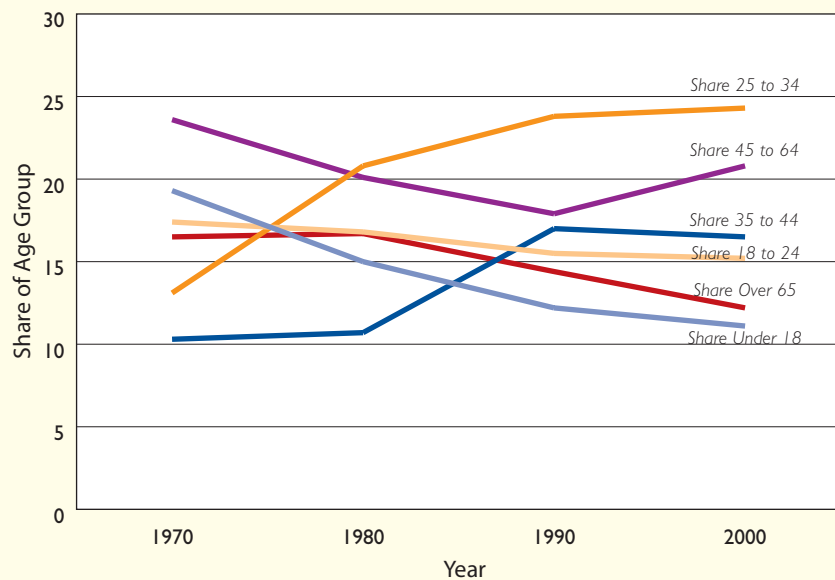
Young adults were not the only ones flocking downtown, however. In 1970, 45- to 64-year olds were the single largest age group living downtown. While their numbers then dropped over the next two decades, during the 1990s they began to grow again, so that by 2000 this group comprised 21 percent of the downtown population,

**Table 4. Downtowns with Highest and Lowest Homeownership Rates, 2000**

Rank	Downtown	Total Occupied Housing Units	Total Owner Occupied Housing Units	Total Share Owner Occupied Housing Units
1	Chicago	44,638	18,181	40.7%
2	Lafayette	979	349	35.6%
3	Denver	3,009	1,068	35.5%
4	Austin	1,811	636	35.1%
5	Miami	9,388	3,217	34.3%
6	Philadelphia	47,075	15,608	33.2%
7	Norfolk	949	294	31.0%
8	Charlotte	3,224	973	30.2%
9	Baltimore	16,277	4,392	27.0%
10	Indianapolis	7,141	1,922	26.9%
36	Milwaukee	8,305	884	10.6%
37	Columbus, OH	3,578	341	9.5%
38	Detroit	17,155	1570	9.2%
39	Albuquerque	352	30	8.5%
40	Los Angeles	15,045	1,171	7.8%
41	San Francisco	24,349	1,605	6.6%
42	Shreveport	183	9	4.9%
43	Cleveland	3,818	111	2.9%
44	St. Louis	4,184	120	2.9%
45	Cincinnati	1,512	15	1.0%

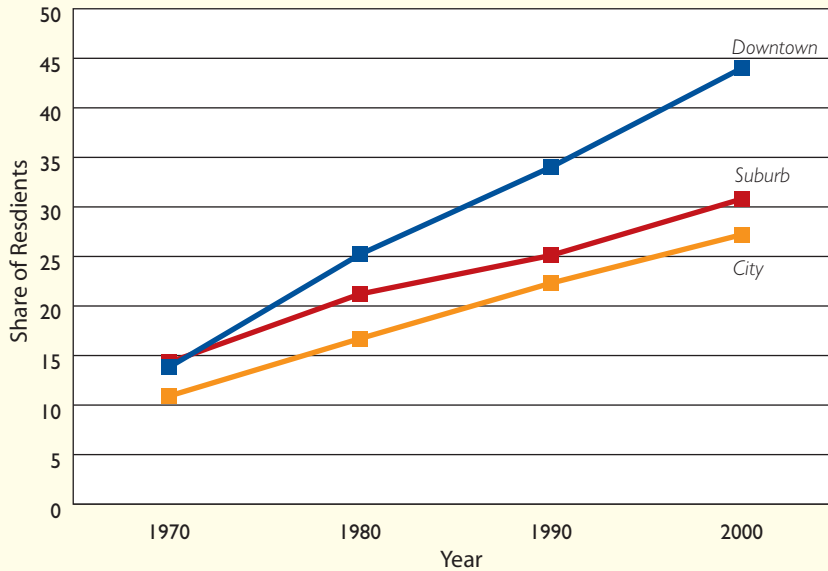
Source: Analysis of U.S. Census data

**Figure 3. Change in Downtown Age Structure 1970 to 2000**



Source: Analysis of U.S. Census data

**Figure 4. Change in Share of Residents with a Bachelor's Degree, 1970–2000**



Source: Analysis of U.S. Census data

second in size only to the 25- to 34-year olds. As the baby boomers continue to age, we may see even more of this group, likely “empty-nesters,” living downtown.

Between 1970 and 2000, other population dynamics shifted as well. Thirty years ago, children and elderly together accounted for more than a third (36 percent) of the all sample downtowners. But from 1970 to 2000, the under-18 population declined by 42 percent and the number of residents over 65 by 26 percent so that by 2000, only 23 percent of the downtown population was made up of the youngest and oldest cohorts. At the same time, the sample downtowns also witnessed a 61 percent increase in the number of 35 to 44 year olds over the three decades, their numbers jumping substantially during the 1980s. This group made up 16 percent of the population in 2000, up from 11 percent thirty years earlier. Notably, the per-

**Table 5. Downtowns with Highest and Lowest Share of Racial and Ethnic Groups, 2000**

Most White	Share White	Most Black	Share Black	Most Hispanic	Share Hispanic	Most Asian	Share Asian
Boise	87.9%	Atlanta	75.2%	San Antonio	74.0%	Lower Manhattan	41.8%
Salt Lake City	76.7%	St. Louis	74.3%	Los Angeles	50.6%	San Francisco	32.9%
Colorado Springs	75.9%	Detroit	70.3%	Miami	49.4%	Los Angeles	16.8%
Portland	74.8%	Columbus, GA	67.6%	Albuquerque	46.8%	Boston	14.3%
Denver	74.4%	Jackson	66.6%	Dallas	38.7%	Seattle	14.0%
Philadelphia	73.3%	Cleveland	62.6%	Mesa	31.8%	Midtown Manhattan	13.0%
Midtown Manhattan	72.6%	Pittsburgh	54.2%	Phoenix	29.8%	Washington, D.C.	8.9%
Boston	71.8%	Charlotte	52.7%	San Diego	24.3%	Chicago	8.4%
Des Moines	70.8%	Memphis	50.4%	Austin	18.4%	Portland	8.2%
Milwaukee	69.2%	Chattanooga	47.5%	Washington, D.C.	13.3%	Philadelphia	8.0%
Least White		Least Black		Least Hispanic		Least Asian	
Jackson	30.4%	Albuquerque	7.6%	Chattanooga	2.3%	Mesa	1.3%
Washington, D.C.	29.9%	Portland	6.4%	Baltimore	2.3%	Atlanta	1.2%
Columbus, GA	29.0%	Colorado Springs	5.5%	Memphis	1.7%	Charlotte	1.1%
Cleveland	27.7%	Denver	5.4%	Shreveport	1.6%	St. Louis	1.1%
Miami	24.1%	Lower Manhattan	4.8%	Charlotte	1.5%	Albuquerque	1.0%
St. Louis	21.5%	Boston	4.5%	Norfolk	1.5%	Jackson	0.6%
Atlanta	17.9%	Midtown Manhattan	4.2%	Columbus, GA	1.5%	San Antonio	0.6%
Detroit	16.9%	Salt Lake City	3.7%	St. Louis	1.4%	Lafayette	0.5%
San Antonio	15.8%	Mesa	3.1%	Jackson	1.2%	Columbus, GA	0.3%
Los Angeles	12.6%	Boise	1.5%	Pittsburgh	1.1%	Shreveport	0.0%

Source: Analysis of U.S. Census data

**Table 6. Downtowns with the Highest Share of Selected Age Cohorts, 2000**

Downtown	Share Under 18	Downtown	Share 25 to 34	Downtown	Share 45 to 64
Columbus, GA	25.9%	Albuquerque	31.4%	Charlotte	31.7%
St. Louis	24.9%	Dallas	30.9%	San Diego	26.0%
Jackson	18.7%	Philadelphia	30.4%	San Francisco	25.9%
Chattanooga	17.9%	Boston	29.0%	Cincinnati	25.7%
Detroit	17.8%	Memphis	28.8%	Seattle	25.6%
Norfolk	17.8%	Chicago	28.7%	New Orleans	25.0%
Los Angeles	17.6%	Norfolk	28.4%	Portland	24.8%
Atlanta	17.6%	Midtown Manhattan	28.0%	Midtown Manhattan	24.6%
Dallas	17.5%	Charlotte	27.5%	Chicago	23.4%
Cleveland	17.4%	Milwaukee	26.7%	Lower Manhattan	22.7%

Source: Analysis of U.S. Census data

cent of 18- to 24-year olds downtown remained relatively unchanged during this period, hovering between 15 and 16 percent.

The 2000 demographic profile of the sample downtowns is quite distinct from that of its cities and suburbs, particularly among the under-35 groups. The 25- to 34-year olds and the 18- to 24-year olds are present in much higher proportions in downtowns (24 percent and 15 percent, respectively) than in their cities (18 percent and 11 percent) and suburbs (14 percent and 9 percent). And children under 18 are the largest single cohort in the sample cities and suburbs (25 percent and 27 percent, respectively) while they represent only 11 percent of downtowners.

While this analysis of age distribution provides an overall sense of who is living downtown, it hides the numerical force of different groups in individual cities (Table 6).

Albuquerque, Dallas, and Philadelphia have the greatest share of 25- to 34-year olds, although all of those in the top ten boast shares between 27 and 31 percent. From 1990 to 2000, Seattle (up 134 percent), San Francisco (up 39 percent), and Chicago (up 28 percent), saw the greatest percentage gains of this coveted group. Columbus, GA, Chattanooga, and St. Louis have the lowest shares of

**Table 7. Downtowns With Highest and Lowest Share of Residents with Bachelor's and Higher Degrees**

Rank	Education	Share Bachelor's Degree
1	Midtown Manhattan	71.5%
2	Chicago	67.6%
3	Philadelphia	66.7%
4	Boston	63.6%
5	Denver	48.5%
6	Milwaukee	46.2%
7	Austin	46.2%
8	Baltimore	45.7%
9	Minneapolis	43.0%
10	Memphis	41.8%
36	Des Moines	16.5%
37	Albuquerque	16.0%
38	St. Louis	15.9%
39	Jackson	15.8%
40	Los Angeles	15.3%
41	Phoenix	15.1%
42	Mesa	15.0%
43	Columbus, GA	9.9%
44	San Antonio	8.3%
45	Shreveport	6.8%

Source: Analysis of U.S. Census data

25- to 34-year olds (around 15 percent in each) but, along with Jackson, are among the top four downtowns for their share of children under 18. In fact, children make up nearly a quarter of the population of both downtown Columbus and St. Louis. By contrast, children comprise a very small share

(2 percent) of both Denver and Cincinnati's downtown populations.

As the share of young adults living downtown has increased, so too have education levels. In 1970, 55 percent of the sample downtown population had no high school education, and only 14 percent had bachelors degrees



**Table 8. Median Income in Downtowns, Cities, and MSAs, 2000**

	Downtown Median Income, Lowest Tract	Downtown Median Income, Highest Tract	MSA Median Income	City Median Income	Downtown Median Income Lowest Tract as % of MSA Median	Downtown Median Income Highest Tract as % of MSA Median	Downtown Median Income Lowest Tract as % of City Median	Downtown Median Income Highest Tract as % of City Median
<b>NORTHEAST</b>								
Baltimore	\$12,857	\$77,340	\$49,938	\$30,078	25.7%	154.9%	42.7%	257.1%
Boston	12,165	81,804	55,183	39,629	22.0%	148.2%	30.7%	206.4%
Lower Manhattan	20,344	113,332	41,053	38,293	49.6%	276.1%	53.1%	296.0%
Midtown Manhattan	15,947	188,697	41,053	38,293	38.8%	459.6%	41.6%	492.8%
Philadelphia	8,349	87,027	47,536	30,746	17.6%	183.1%	27.2%	283.1%
Pittsburgh	13,449	70,125	37,467	28,588	35.9%	187.2%	47.0%	245.3%
Washington, D.C.	9,589	64,167	62,216	40,127	15.4%	103.1%	23.9%	159.9%
<b>SOUTH</b>								
Atlanta	8,469	42,906	51,948	34,770	16.3%	82.6%	24.4%	123.4%
Austin	27,768	45,063	48,950	42,689	56.7%	92.1%	65.0%	105.6%
Charlotte	9,494	36,711	46,119	46,975	20.6%	79.6%	20.2%	78.2%
Chattanooga	9,672	31,853	37,411	32,006	25.9%	85.1%	30.2%	99.5%
Columbus, GA	9,307	28,241	34,512	34,798	27.0%	81.8%	26.7%	81.2%
Dallas	6,250	200,001	48,364	37,628	12.9%	413.5%	16.6%	531.5%
Jackson	14,883	20,757	38,887	30,414	38.3%	53.4%	48.9%	68.2%
Lafayette	21,000	21,000	30,998	35,996	67.7%	67.7%	58.3%	58.3%
Lexington	17,060	17,060	39,357	39,813	43.3%	43.3%	42.9%	42.9%
Memphis	7,446	51,786	40,201	32,285	18.5%	128.8%	23.1%	160.4%
Miami	7,595	61,807	23,483	35,966	32.3%	263.2%	21.1%	171.8%
New Orleans	9,727	79,625	35,317	27,133	27.5%	225.5%	35.8%	293.5%
Norfolk	46,081	46,081	42,448	31,815	108.6%	108.6%	144.8%	144.8%
Orlando	9,800	45,375	41,871	35,732	23.4%	108.4%	27.4%	127.0%
San Antonio	12,781	18,929	39,140	36,214	32.7%	48.4%	35.3%	52.3%
Shreveport	19,911	19,911	32,558	30,526	61.2%	61.2%	65.2%	65.2%
<b>MIDWEST</b>								
Chicago	4,602	97,940	51,680	38,625	8.9%	189.5%	11.9%	253.6%
Cincinnati	17,721	35,278	44,248	29,493	40.0%	79.7%	60.1%	119.6%
Cleveland	6,336	50,568	42,089	25,928	15.1%	120.1%	24.4%	195.0%
Columbus, OH	16,636	29,864	44,782	37,897	37.1%	66.7%	43.9%	78.8%
Des Moines	16,875	16,875	46,651	38,408	36.2%	36.2%	43.9%	43.9%
Detroit	8,317	50,388	49,175	29,526	16.9%	102.5%	28.2%	170.7%
Indianapolis	12,154	33,650	45,548	40,051	26.7%	73.9%	30.3%	84.0%
Milwaukee	11,202	53,125	45,901	32,216	24.4%	115.7%	34.8%	164.9%
Minneapolis	17,230	55,556	54,304	37,974	31.7%	102.3%	45.4%	146.3%
St. Louis	6,875	34,826	61,807	26,196	11.1%	56.3%	26.2%	132.9%
<b>WEST</b>								
Albuquerque	27,333	27,333	39,088	38,272	69.9%	69.9%	71.4%	71.4%
Boise	19,513	19,513	42,570	42,432	45.8%	45.8%	46.0%	46.0%
Colorado Springs	14,700	26,770	46,844	45,081	31.4%	57.1%	32.6%	59.4%
Denver	30,607	33,750	51,191	39,500	59.8%	65.9%	77.5%	85.4%
Los Angeles	6,250	25,721	42,189	36,687	14.8%	61.0%	17.0%	70.1%
Mesa	23,702	23,702	44,752	42,817	53.0%	53.0%	55.4%	55.4%
Phoenix	12,353	24,688	44,752	41,207	27.6%	55.2%	30.0%	59.9%
Portland	8,179	45,779	47,077	40,146	17.4%	97.2%	20.4%	114.0%
Salt Lake City	16,978	28,125	48,594	36,944	34.9%	57.9%	46.0%	76.1%
San Diego	11,535	44,810	47,067	45,733	24.5%	95.2%	25.2%	98.0%
San Francisco	12,054	77,922	63,297	55,221	19.0%	123.1%	21.8%	141.1%
Seattle	13,057	38,361	52,804	45,736	24.7%	72.6%	28.5%	83.9%

Source: Analysis of U.S. Census data



or higher. These rates were comparable to those in their cities, but the suburbs at the time had a much lower share of high school drop-outs (38 percent), though they had equal number of those with college or graduate degrees.

While over the years national educational attainment has improved, the achievement levels for downtown populations have grown disproportionately, especially with regard to college and advanced degrees. In 2000, 44 percent of downtowners had a bachelor's degree or higher, well above the rates for the nation (24 percent), and for the sample's cities (27 percent) and suburbs (31 percent). Improvement occurred at the other end of the scale as well. Downtowners with no high school education shrank to 22 percent, as cities (25 percent) and suburbs (16 percent) showed similar improvements. The national share of drop-outs in 2000 was 20 percent (Figure 4).

Educational levels in 2000 were highest in the Northeastern downtowns, where over half (56 percent) of residents had college degrees or higher. This region contains three of the four downtowns with the highest attainment rates: Midtown Manhattan (72 percent), Philadelphia (67 percent), and Boston (64 percent). Rates in the Midwest (45 percent) were also higher than the sample average, with Chicago (68 percent) ranking second among all the sample cities. Philadelphia (36 percent), Chicago (33 percent), and Midtown Manhattan (33 percent) also have the highest percentage of residents with graduate and professional degrees (Table 7).

On average, college attainment rates in the West (28 percent) and the South (28 percent) were substantially lower than rates in the Northeast and Midwest in 2000. But several Sun Belt downtowns may soon be catching up. Charlotte and Memphis, for example, both saw quadruple digit gains in the share of their population with college

degrees over the thirty year period, while San Diego, Atlanta, and Denver each saw jumps over 500 percent. Still, while downtowns such as Denver (48 percent), Austin (46 percent), and Memphis (42 percent) boasted high college attainment rates in 2000, eight of the 10 downtowns with the highest rates of no high school (one third of residents or more) are also located in the West and South. Topping this list are San Antonio, Columbus, GA, and Los Angeles, where nearly half the population of each is without a high school degree.

#### *F. Downtowns are home to some of the most and least affluent households of their cities and regions.*

An important gauge of a downtown's relative success is how its median household income level compares to its surroundings. Analysis of the highest and lowest median income tracts in each downtown reveals that the picture is quite mixed (Table 8).<sup>22</sup>

On the high end of the scale, for example, 24 of the 45 sample downtowns have at least one tract whose households' median income surpasses the city median, while 19 downtowns have at least one tract where the median income is higher than that of the MSA as a whole. Two downtowns—Midtown Manhattan and Dallas—have high income tracts with median incomes that exceed their total MSA median incomes by over 400 percent; Lower Manhattan, Miami, and New Orleans have high income tracts with median incomes well over 200 percent of their MSA medians. Of all downtown census tracts in the sample, the highest median income tract (\$200,001) is located in Dallas, followed by Midtown (\$188,697) and Lower Manhattan (\$113,332).

At the other end of the scale, 36 downtowns have at least one low median income tract whose income level is 50 percent or lower than their cities; 38 downtowns have at least one tract 50 percent or lower than their

MSA median. A few downtowns house only lower income residents. The downtowns of Boise, Des Moines, and Lexington, for example, are comprised of only one census tract with a median household income that is 50 percent or lower than the median of their city and MSA. And in 21 downtowns both the highest and lowest income tracts fall under the respective medians for their cities and MSAs. These downtowns, primarily in the South and West, include Denver, Seattle, San Antonio and Chattanooga.

As with other demographic characteristics, regional variation persists in median income measures. The downtowns of the Northeast overall have the most affluent residents relative to their surrounding areas, as each of the seven downtowns has at least one tract in which the median household income surpasses that of both their city and their MSA. This is true for half the downtowns in the Midwest, 38 percent of downtowns in the South, and just San Francisco in the West. Northeastern and Midwest downtowns also have very poor tracts, however: None of lowest median income downtown tracts in the Midwest, and only 1 in the Northeast (in Lower Manhattan), reaches even 50 percent of their respective MSA medians.

### Downtown Typologies

A closer look at the trends described above reveal that while individual downtowns have very different growth, demographic, and income profiles, they generally fall into one of five major categories, as distinguished by their number of households and growth rates. They are: **Fully-Developed Downtowns**; **Emerging Downtowns**; **Downtowns on the Edge of Take-off**; **Slow-Growing Downtowns**; and **Declining Downtowns** (Table 9). These typologies are dynamic, however—individual downtown classifica-

**Table 9. Downtown Typologies**

Fully-Developed Downtowns	Emerging Downtowns	Downtowns on the Edge of Takeoff	Slow-Growing Downtowns	Declining Downtowns
Boston	Atlanta	Chattanooga	Albuquerque	Cincinnati
Chicago	Baltimore	Dallas	Austin	Columbus, GA
Lower Manhattan	Charlotte	Miami	Boise	Des Moines
Midtown Manhattan	Cleveland	Milwaukee	Colorado Springs	Detroit
Philadelphia	Denver	Washington, D.C.	Columbus, OH	Jackson
	Los Angeles		Indianapolis	Lexington
	Memphis		Lafayette	Mesa
	New Orleans		Phoenix	Minneapolis
	Norfolk		Pittsburgh	Orlando
	Portland		Salt Lake City	San Antonio
	San Diego			Shreveport
	San Francisco			St. Louis
	Seattle			

Source: Analysis of U.S. Census data

tions will surely change over time, especially for those places where downtown growth has accelerated post 2000.

The “Fully-Developed Downtowns” are relatively large (averaging 43,623 households) and densely settled (averaging 23 households per acre). In fact, while there are only five “Fully Developed Downtowns”—Boston, Midtown Manhattan, Lower Manhattan, Chicago, and Philadelphia—they are home to almost half of the nation’s downtown households. These downtowns sustained positive household growth in all three decades from 1970 to 2000; overall their number of households increased 38 percent during this period, exceeding growth in their cities (up 2 percent) and suburbs (up 34 percent). Concentrated in major job centers with significant amenities, these downtowns have attracted a very highly educated populace—on average 61 percent of downtowners in these cities have college degrees. They are also relatively affluent—the median income in 58 percent of their tracts exceeds the median income of their respective MSA—and have the highest rates of homeownership (29 percent) of the sample.

Another quarter of downtown householders reside in “Emerging Downtowns,” which are located primarily in the South and West. These downtowns are much smaller (averaging 8,500 households) and far less dense (5 households per acre) than the “Fully Developed Downtowns.” Their lower household growth rate (26 percent) between 1970 and 2000 reflects their volatility over the three decades: On average, these downtowns experienced a 5 percent decline in their number of households in the 1970s, almost no growth (0.7 percent) in the 1980s, and a very rapid increase (32 percent) in the 1990s, during which their growth actually outpaced that of their cities and suburbs. Although growing significantly, these downtown populations have lower rates of homeownership (15 percent) and educational attainment (32 percent have a bachelors degree) than both “Fully Developed Downtowns” and “Downtowns on the Edge of Takeoff,” and are much less affluent (only 13 percent of their tracts have a median income that exceeds that of their respective MSA). Still, the “Emerging Downtowns” show promise of becoming “Fully Developed Down-

towns” if their high household growth rates continue. Atlanta, Baltimore, Norfolk, Portland, and San Diego are representative of the 13 downtowns that comprise this group.

The five “Downtowns on the Edge of Takeoff”—Chattanooga, Dallas, Miami, Milwaukee, and Washington, D.C.—are larger (averaging 9,500 households) than the “Emerging Downtowns,” though they are slightly less dense (4 households per acre). (Washington, D.C. with more than 12,000 households and 10 households per acre leads the group). These downtowns experienced far greater losses in their number of households between 1970 and 1990 than the “Emerging Downtowns” (-21 percent in the 1970s and -11 in the 1980s) but made a considerable comeback in the 1990s with household growth rates averaging 25 percent. This growth significantly outpaced that of their cities, which saw only a 4 percent increase in households over the decade. While their overall household growth has lagged that of the “Emerging Downtowns,” these downtowns have both higher rates of homeownership (19 percent) and educational attainment (37 percent bachelors) than that group, and are also relatively more affluent—the median income in 21 percent of their tracts is higher than that of their respective MSAs.

“Slow-Growing Downtowns,” the majority of which are in the South and West, are the smallest (averaging 2,600 households) and least dense (2 households per acre) of the entire sample. These downtowns experienced a 9 percent growth in households in the 1990s, but suffered a substantial loss of households during the previous two decades. In fact, they saw an average 30 percent drop in their total number of households between 1970 and 2000, significantly lagging household growth in their cities (up 87 percent) and suburbs (up 181 percent). As a group these downtowns have lower average educational attainment

rates (25 percent of residents have bachelors degrees) and are less affluent (only 4 percent of their tracts have a median income higher than that of their respective MSA) than those downtowns in the categories above. Albuquerque, Austin, Salt Lake City, and Phoenix are representative of the ten downtowns in this group.

The “**Declining Downtowns**” are primarily in the Midwest and South. They have an average of 5,300 households and are low density (3 households per acre). These downtowns lost households in each of the last three decades—declining 17 percent in the 1970s, 9 percent in the 1980s, and 13 percent in the 1990s—and by 2000 had just 65 percent of the number of households they had in 1970. By sharp contrast, their cities and suburbs saw their number of households jump 19 percent and 131 percent, respectively, over the thirty years. Several of these downtowns, including Minneapolis, Orlando, and St. Louis, have experienced increases in downtown households post 2000, but they all have a way to go to catch up to their counterparts in the other categories. On average, only 24 percent of their residents hold bachelor’s degree, the lowest of all the groups, and they are not very affluent when compared to their surrounding areas—just 5 percent of their tracts have a median income above that of their MSA.

### Policy Implications

**T**his report examines downtown residential patterns from 1970 to 2000, describing who is living downtown today, and how trends have changed over three decades. Awareness of these trends will help local public and private sectors leaders better tailor development plans appropriate for their own downtown and the residents who call it home. As they consider future plans for downtown residential development, these leaders might note

three areas of policy concern that emerge from this analysis: development climate, reliance on rental housing, and density choices.

#### *Development Climate*

As this study has shown, downtown residential development takes a long time, happens in specific places and, although not covered in detail in this analysis, does not occur by accident. Among the sample, the most successful places, the “Fully Developed Downtowns,” have had sustained housing unit increases for two or three decades. Furthermore, those downtowns having attributes conducive to urban life—including a critical mass of jobs, amenities, and interesting physical features or architecture—have attracted increasing numbers of households, especially singles and childless families. A development strategy that includes adding or supplementing these qualities will enhance the attractiveness of downtowns to selected population groups

#### *Reliance on Rental Housing*

Despite the doubling of ownership rates between 1970 and 2000, the downtown housing choice is overwhelmingly rental—even Chicago’s highest downtown ownership level of 41 percent pales in comparison to national suburban homeownership rates of 76.9 percent.<sup>23</sup> The current reliance on such a limited dwelling unit product may be worrisome, as it can threaten population stability. As the predominant 25- to 34 year old cohort ages and/or decides to leave the rental market due to the current low interest/cheap mortgage environment, they have few downtown options, forcing them to look elsewhere for their permanent homes. This in turn can foster high levels of transients, who often have limited interest in their communities, make few home improvements, and generally have little stake in the future of places that they consider temporary stopping

points. Furthermore, dependence on a narrowly defined population cohort and tailoring housing to satisfy their tastes can restrict the transferability of downtown dwellings to other groups in the future. As the emerging 25- to 34-year old cohort is smaller than the current one, it may become increasingly difficult to fill the growing inventory of rental housing.

#### *Density Choices*

Density matters. In general, the evidence suggests that there is a relationship between density and the ability to attract downtown residents. While a city with a substantial amount of vacant or underutilized land might be tempted to allow low-density residential construction—in order to encourage any investment at all—this would likely be a mistake. Producing low-density suburban models squanders the market advantages of centrally located real estate that many downtown dwellers value—namely accessibility to jobs, walkability, and an urban quality of life—and limits the ability to support the very services, facilities, and amenities that determine downtown character.<sup>24</sup> In addition, low-density development underutilizes existing infrastructure, including streets, water, parks, and transit systems.

### Conclusion

**W**hile this study used available Census data to focus on the decades from 1970 to 2000, recent local evidence indicates that in the past five years the impetus for downtown residential living has continued and is broadening. For example, Philadelphia, a “Fully-Developed Downtown” with 78,349 residents in 2000, documented a 12 percent increase, to 88,000, in 2005. Other cities have experienced similar rises. San Diego, an “Emerging Downtown,” anticipates 9,000 housing units to be added between 2000 and 2005; Wash-

ington, D.C., a “Downtown on the Edge of Takeoff,” reports almost 3,000 new housing units already built or under construction since 2002; and even St. Louis, a “Declining Downtown,” estimates an increase of 1,300 units built or in the planning stages since 2000.<sup>25</sup> Furthermore, observers are seeing comparable increases in smaller cities. For example, the Charlotte Observer reported a 67 percent increase in its “Uptown” (Charlotte’s name for its downtown) population in the past five years.<sup>26</sup>

Overall, the increase in households in the vast majority of the sample downtowns—whether a long-term trend or a recent boon—demonstrates an upswing in downtown living. The study reveals other positive trends as well, including a rise in homeownership rates, more racial and ethnic diversity, a surge in B.A. attainment, and the dramatic growth in specific age cohorts, notably the 25- to 34-year-olds and, in the last decade, the 45- to 64 group. But this study also shows that not all downtowns are the same, despite popular conception. Understanding who lives in individual downtowns is paramount in informing the kinds of housing and investment strategies needed to ensure that downtowns reach their potential to become vibrant, healthy places to live and work.

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*Note: A longer version of this paper was issued at the same time as this report. See Eugenie L. Birch, “Who Lives Downtown Today (And Are They Different from Those of Thirty Years Ago),” (Cambridge: Lincoln Institute of Land Policy, 2005). This report can be found on Lincoln’s website [www.lincolninst.edu/](http://www.lincolninst.edu/). Some findings will differ as the Lincoln study includes Houston and this report does not.*

*“Overall, the increase in households in the vast majority of the sample downtowns—whether a long-term trend or a recent boon—demonstrates an upswing in downtown living.”*

## Endnotes

1. Eugenie L. Birch is professor and chair, Department of City and Regional Planning, University of Pennsylvania. She is also Co-Director, (along with Susan M. Wachter) Penn Institute for Urban Research.
2. Recently, William Fulton made this same observation in "Living the Niche of Life," *Governing*, August, 2004 (accessed on line August 11, 2004 at <http://www.governing.com/articles/8econ.com.htm>).
3. Richard Florida, *The Rise of the Creative Class And How it is Transforming Work, Leisure, Community and Everyday Life* (New York: Basic Books, 2002); Charles Landry, *The Creative City: A Toolkit for Urban Innovators* (London: Earthscan, 2000).
4. Since 1990, several studies have reported on the rise in downtown living. See for example The Brookings Institution and the Fannie Mae Foundation, "A Rise in Downtown Living" (1998); John Eckberg, "More People Calling Cincinnati's Downtown Home," *New York Times*, July 30, 2000, p. 5; "Downtowns Make Cities Winners," *USA Today*, May 7, 2001, p. 2. Rebecca R. Sohmer and Robert E. Lang, *Downtown Rebound* (Washington: Fannie Mae Foundation and Brookings Institution, 2001); Eugenie L. Birch, "Having a Longer View on Downtown Living," *Journal of the American Planning Association* (68)(1): (2002): 5-21.
5. Raymond E. Murphey, *The Central Business District* (New York: Aldine-Atherton, 1972).
6. Robert Fogelson, *Downtown: Its Rise and Fall, 1880-1950* (New Haven: Yale University Press, 2001) See also Alison Isenberg, *Downtown America, A History of the Place and the People Who Made It* (Chicago: University of Chicago Press, 2004).
7. Robert E. Lang, *Edgeless Cities: Exploring the Elusive Metropolis* (Washington: Brookings, 2003).
8. Louis G. Redstone, *The New Downtowns, Rebuilding Business Districts* (New York: McGraw Hill, 1976).
9. Bernard Friedan and Lynne B. Sagalyn, *Downtown Inc.: How America Rebuilds Cities* (Cambridge: MIT Press, 1989); Alexander Garvin, *The American City: What Works, What Doesn't* (New York: John Wiley and Sons, 2001); Roberta Gratz and Norman Mintz, *Cities Back from the Edge* (New York: John Wiley and Sons, 1998).
10. See for example, Herbert Gans, *The Urban Villagers* (New York: The Free Press, 1982); Chester Hartman, *City for Sale* (Berkeley: University of California Press, 1993); Jane Jacobs, *The Death and Life of the Great American City* (New York: Random House, 1961).
11. Robert E. Lang and Jennifer LeFurgy, "Edgeless Cities," *Urban Land* (63) (1) 2004: 40-43.
12. David A. Wallace, personal communication, April, 2002; Gratz and Mintz, *Cities, Back from the Edge*, op.cit., Chapter 13.
13. Due to size, historical development and internal geography, New York City is assigned two downtowns: Lower Manhattan and Midtown. Houston was not included in the sample due to the large percentage of prisoners comprising its downtown population.
14. Downtown Preservation Council, "The Boundaries of Downtown: A Study of 48 Major US Cities," (2003); Raymond E. Murphey, *Central Business District*; U.S. Census Bureau.
15. This method defines each city's 2000 downtown, whose area may have been different (most likely smaller) thirty years ago. However, given that this analysis focuses on tracking changes in the space now considered as that city's downtown, this choice is appropriate.
16. Downtown delineations were also cross-referenced with the Downtown Preservation Council's recently issued study noted above. This study focused on 48 downtowns, 31 of which are included in this research project. The Downtown Preservation Council method is more fine-grained, delineating the downtown boundaries in blocks. As this study is longitudinal, assembling a database from 1970 to the present, it was beyond the data collection capacities to collect block data. Instead, the investigator tracked the data of the 2000 census tract boundaries backward, making adjustments where required for changes in tract boundaries. Thus this report is based on an assessment of the changes to the 2000 downtown.
17. The sample represents MSAs containing 59 percent of the nation's urban population and 70 percent of the nation's suburban inhabitants.
18. Many cities have historically viewed their downtowns as repositories for locally unwanted land uses, especially prisons, homeless shelters, group homes for delinquents, and treatment facilities for the addicted. For example, Houston, which is not included in this study, represents an extreme case as 81 percent of its downtown population is incarcerated. Their increase in the 1990s yielded a growth rate for the city of more than 200 percent. Subtracting inmates, Houston actually lost downtown population in the 1990s. Downtowns in the sample cities with high proportions of prisoners are: Pittsburgh (34 percent), Cleveland (23 percent), Indianapolis (23 percent), San Antonio (22 percent), Charlotte (16 percent), and Milwaukee (12 percent). In the 1990s, these places built more jails, collectively increasing the number of incarcerated by 53 percent.



19. While the common perception of singles may be young unmarrieds, it is important to note that this group also includes elderly individuals living on their own.
20. The remainder—0.6 percent—are male headed households.
21. 1980 was the first year in which the Census Bureau collected data on the Hispanic/Latino population, therefore this part of the analysis is restricted to the 1980 to 2000 period.
22. By way of reference, in 2000, the median income for all U.S. households was \$41,994; for metropolitan areas, \$44,755 and for MSA-central-city households, \$36,964. In the sample, the MSA median incomes range from San Francisco (\$63,297) to Miami (\$23,483) and the cities' from San Francisco (\$55,221) to Cleveland (\$25,928).
23. U.S Census Bureau, "Housing Vacancies and Homeownership: First Quarter, 2005," available at [www.census.gov/hhes/www/housing/hvs/annual100/ann00t12.html](http://www.census.gov/hhes/www/housing/hvs/annual100/ann00t12.html) (October 2005).
24. For information on how cities can create "walkable urbanity" downtown, see Christopher B. Leinberger, "Turning Around Downtown: 12 Steps to Revitalization," (Washington: Brookings Institution, 2005).
25. Gideon Berger, "Condos and Cubicles, Can Center City Sustain Its Housing Boom Despite a Declining Office Market?" (unpublished paper, Department of City and Regional Planning, University of Pennsylvania, 2005); [www.downtowndc.org/](http://www.downtowndc.org/); <http://www.downtownsandiego.org/>; [www.downtownstlouis.org/web/living.jsp](http://www.downtownstlouis.org/web/living.jsp) (May 2005).
26. Kerry Hall, "Uptown Visionary Talks Future," *Charlotte Observer*, August 17, 2005.

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### For More Information:

Eugenie L. Birch  
 Department of City and Regional Planning  
 Penn Institute for Urban Research  
 University of Pennsylvania  
 128 Meyerson Hall  
 Philadelphia, PA 19104-6311  
 (215) 898-8330  
[elbirch@design.upenn.edu](mailto:elbirch@design.upenn.edu)

### For General Information:

The Brookings Institution Metropolitan Policy Program  
 (202) 797-6139  
[www.brookings.edu/metro](http://www.brookings.edu/metro)

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