



## Key Trends

From the outset, it is important to recognize that trends themselves are not necessarily positive or negative, rather a reflection of a constantly changing urban landscape. All change presents both challenges and opportunities. Whether Baltimore becomes overwhelmed by the hazards of change or seizes the opportunities for a better quality of life is largely within our control as residents, leaders and policymakers. **LIVE • EARN • PLAY • LEARN** focuses on the opportunities.

Many of the changes Baltimore has experienced over the past 50 years have also happened in other older urban areas. The growth of population and jobs in suburbs around big cities has been a key trend nationwide over the last 60 years. Manufacturing jobs have been replaced by white collar and service-oriented jobs not only in Baltimore, but in nearly all of the older cities of the Northeast and Midwest.

Nevertheless, Baltimore is still uniquely Baltimore, and the City's trends need to be seen in the light of our own history of growth, expansion and dispersion. Baltimore has been decompressing and spreading out to its suburbs for more than a century, ever since horse drawn street cars, and later electric railways, allowed people to live beyond walking distance of their jobs. The Baltimore Region has never stopped growing, but growth has increasingly happened outside the core City limits. Baltimore City's population is projected to stabilize and increase slightly over the next twenty five years, while the region's population is projected to grow by a quarter of a million people during the same timeframe. As we move into the next millennium, current

and emerging trends provide cause for optimism that Baltimore can position itself for a future of growth and prosperity.

### Conditions in America’s Cities: Changes & Challenges

The following trends reflect the state of America’s cities, both in the progress that they have made and the challenges they continue to face. Five reports: **The State of the Cities 1999** (U.S. Department of Housing & Urban Development (HUD)); **The State of America’s Cities: 2005** (National League of Cities); **Income, Poverty, and Health Insurance Coverage in the United States: 2004** (U.S. Census Bureau); **Living Cities** (the Brookings Institution); and HUD’s **State of the Cities Data System**, contributed to the following indicators of urban conditions.

#### Population

During the 1980s and 1990s, many West Coast and Southwest cities gained population: Phoenix, AZ (68 percent), San Antonio, TX (45 percent), and Portland, OR (44 percent). Some of the increase was due to annexation of surrounding jurisdictions; Baltimore has not been able to annex land since 1918. However, Baltimore, like many other Mid-Atlantic and Midwest cities continued to lose population. In 2000, Baltimore was the 17th largest city in the nation.

	<b>Baltimore</b>	Philadelphia	Cleveland	Washington, DC
<b>Population Change, 1980 to 2000</b>	<b>-17.2%</b>	-10.1%	-16.6%	-10.4%

#### Housing

In 2000, in Baltimore City, the homeownership rate was 50.2 percent, up from 48.6 percent in 1990. The U.S. homeownership rate was 66.2 percent; in the 100 largest cities, the homeownership rate was 52.8 percent. In Baltimore City, 40.0 percent of renters paid more than 30 percent of their income on rent, which is about average for American cities (average from sample of 23 cities is 40.2 percent). However, Baltimore had significantly fewer renters in the low-middle income range (\$20,000-\$35,000) paying more than 30 percent of their income for rent than most other American cities (Baltimore 25.1 percent, average from sample of 23 cities is 42.6 percent).

	<b>Baltimore</b>	Philadelphia	Cleveland	Washington, DC
<b>Homeownership Rate</b>	<b>50.3%</b>	59.3%	48.5%	40.8%
<b>Paying more than 30% on rent</b>	<b>40.0%</b>	42.5%	40.7%	35.2%
<b>Income \$20,000 to 35,000, paying more than 30% on rent</b>	<b>25.1%</b>	35.1%	20.0%	35.4%

#### Income and Poverty

Baltimore ranks 87 out of the 100 largest U.S. cities in terms of median household income. Approximately 2 in 10 Baltimore City residents live below the poverty line (22.9 percent) and approximately 4 in 10 families with children live below 150 percent of the poverty line (39.5 percent). Nationally, an aver-

age of 1 in 10 residents live below the poverty line (12.4 percent) and approximately 3 in 10 families with children live below 150 percent of the poverty line (29.3 percent).

	<b>Baltimore</b>	Philadelphia	Cleveland	Washington, DC
<b>Median Household Income, 2000</b>	<b>\$30,078</b>	\$30,746	\$25,928	\$40,127
<b>Percent Change Median Income, 1990 to 2000</b>	<b>-6.9%</b>	-7.0%	8.3%	-2.8%
<b>Poverty rate</b>	<b>22.9%</b>	22.9%	26.3%	20.2%
<b>Families with children under 150 percent poverty rate</b>	<b>39.5%</b>	38.0%	47.8%	35.2%

### Employment

In 2000, Baltimore's labor force participation rate (56.6 percent) ranked 95th out of the 100 largest U.S. cities (average 63 percent). Baltimore's unemployment rate (8 percent) ranked 80th (average 5.4 percent).

	<b>Baltimore</b>	Philadelphia	Cleveland	Washington, DC
<b>Labor Force Participation Rate</b>	<b>56.6%</b>	55.9%	57.4%	63.6%
<b>Unemployment Rate</b>	<b>8.0%</b>	7.5%	8.3%	6.4%

### Commuting Patterns

Approximately 6 in 10 Baltimore City residents work in Baltimore City (61.9 percent). Nationally, an average of 7 in 10 residents of a center city also work in the center city (70.4 percent). Less than 1 in 3 residents of the Baltimore Region work in Baltimore City (28.7 percent).

	<b>Baltimore</b>	Philadelphia	Cleveland	Washington, DC
<b>Central city to central city</b>	<b>13.4</b>	19.0	12.5	11.7
<b>Central city to suburb</b>	<b>7.4</b>	5.9	9.1	4.1
<b>Suburb to central city</b>	<b>15.3</b>	9.9	18.3	20.9
<b>Suburb to suburb</b>	<b>51.2</b>	57.4	55.4	59.1
<b>Outside metro area</b>	<b>12.7</b>	7.8	4.7	4.2

## Baltimore: From Mid-Century to Today

### Population

In the 1950's, Baltimore was a city in the midst of a post war economic boom. Fueled by plentiful jobs and a climate of opportunity, the City's population swelled to nearly 950,000. The population declined over the next half century to 651,154 in 2000 - a loss of approximately 30 percent from our peak population in 1950. Since 2000, annual population estimates indicate a leveling off of population decline and a slight future increase in population, based on population forecasts completed by the Baltimore Metropolitan Council with the support of the Baltimore City Department of Planning.

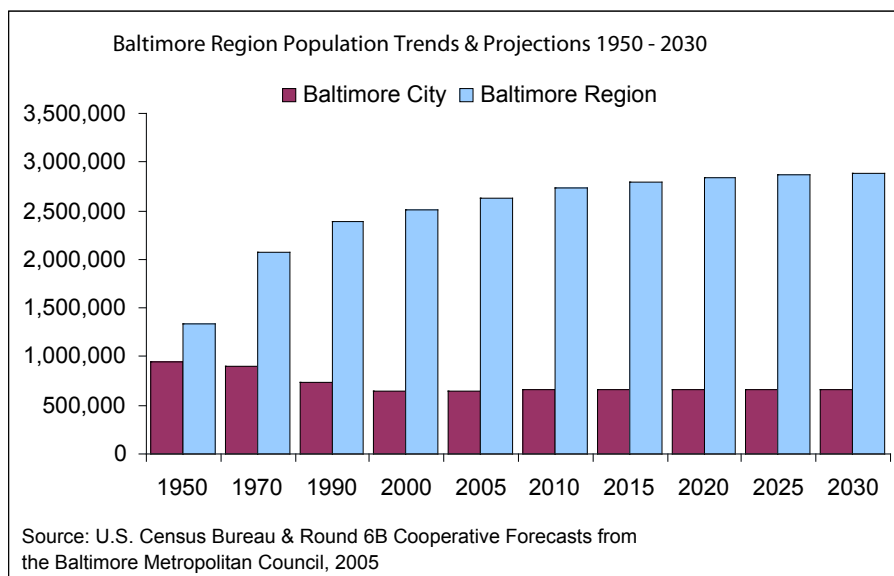
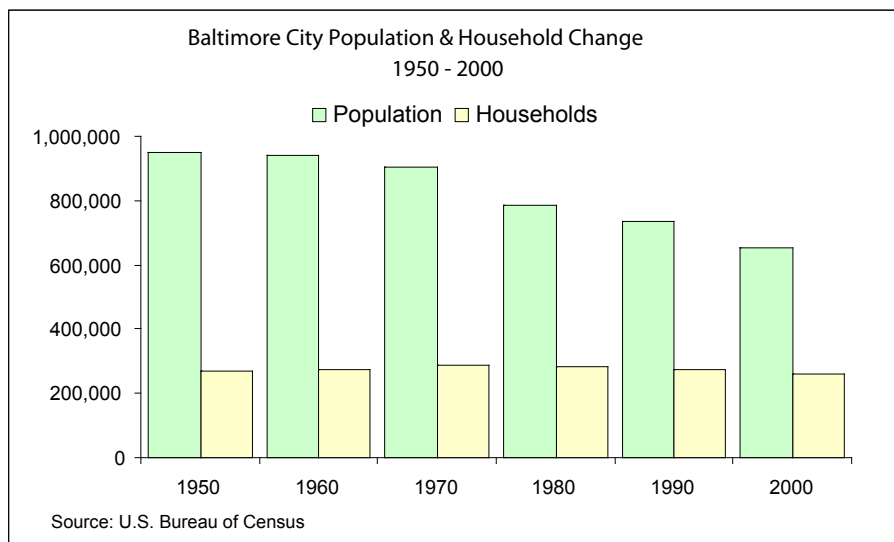
### Households

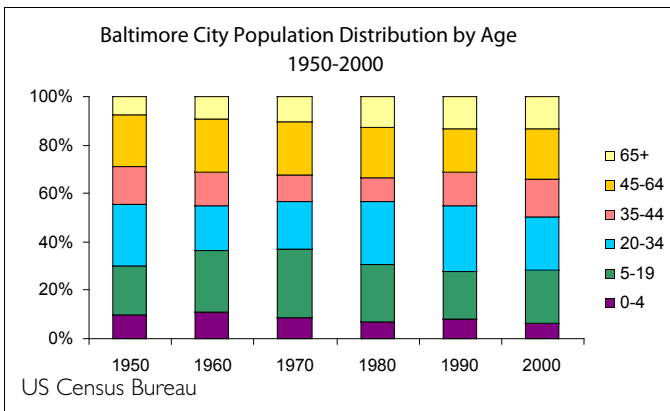
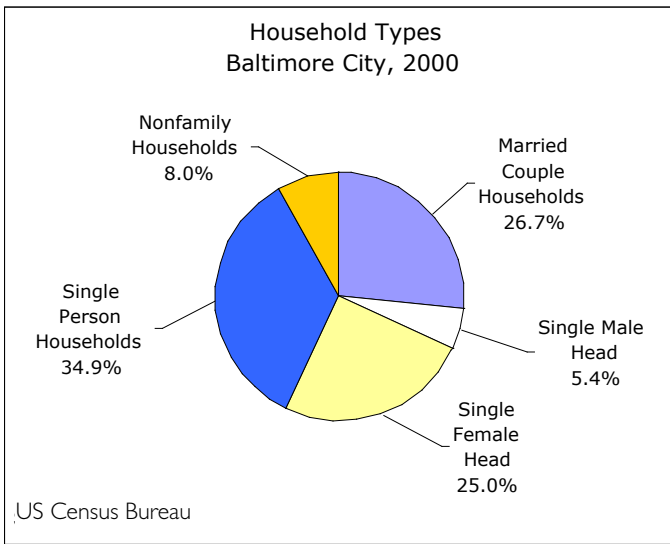
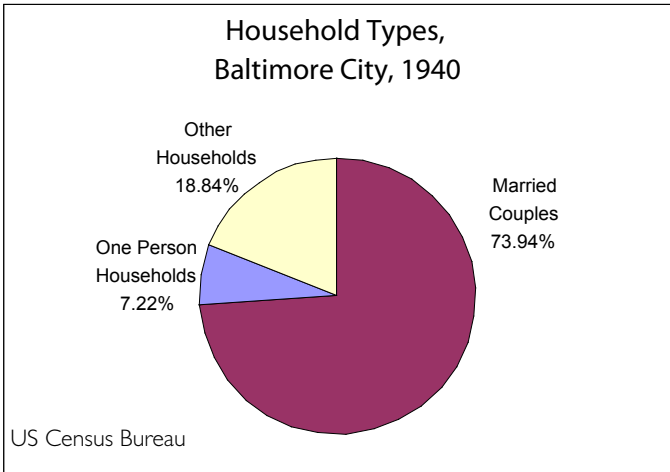
The characteristics of Baltimore households have changed significantly since 1940. The number and size of City households decreased over the last five decades. In 2000, the average household size was 2.42 people compared to 3.41 people in 1950, which reflects a dramatic change in the composition of city households. In 2000, only 27 percent of households were headed by married couples compared to a vast majority in 1940. Today, a majority of households are either headed by a single parent or contain a single person.

### Age

Baltimore of the 1950's and 1960's was a youthful city. The Baby Boom was in full swing. Children under the age of 14 comprised the largest single age group in 1960, and City policies favored school construction. The elderly were a small proportion of the population, and made relatively few demands on City services. Only one in every 14 Baltimore residents was older than 65. Baltimore also has a slightly higher percentage of senior residents than the state, with 17 percent of City residents currently over the age of 60, versus 14 percent state-wide.

In 2000, Baltimore's population was less youthful than during the post World War II Baby Boom. The number and proportion of City youth have declined steadily since 1950. In particular, the population under 5 years of age decreased by nearly 30 percent between 1990 and 2000. In contrast, today residents over the age of 65 account for 13.2 percent of the population compared to 7.3 percent in 1950. In the last decade,





the number of seniors decreased. However, the number of residents between 45 and 64, the Baby Boom generation, increased dramatically. Over the next twenty-five years, these aging Baby Boomers are anticipated to cause a great increase in the size of the City’s senior population, with a 31 percent increase in the number of senior citizens living in the City expected.

### Race

Baltimore’s racial composition has changed significantly since 1950. In the last half century, racial change in the City has been defined by a decline in the White population offset by a large increase in Black population. From 1950 to 2000, the Black population nearly doubled, from 225,000 to 420,000. During the same time span, the White population declined by more than 500,000. By 2000, 65 percent of Baltimore’s population was Black compared to less than a quarter of the population in 1950.

Between 1990 and 2000, for the first time in half a century, the Black population also started to decline. In a single decade, the City lost almost 17,000 Black residents. In the same decade, the proportion of residents who reported themselves as “Other Race” doubled, representing an increase in diversity.

### Housing

The percentage of owner-occupied homes fell between 1950 and 1990, but increased slightly in 2000, from 48.6 percent in 1990 to 50.3 percent in 2000. Although homeownership increased slightly during the 1990s, vacancies due to uninhabitable conditions more than doubled, from 6,049 in 1990 to 13,846 in 2000. The spike in the number of vacancies is partially due to improved monitoring and reporting, but it also reflects severe disinvestment in some areas. The number of vacant and abandoned houses increased gradually from 1995 to 2002 and has since leveled off.

In a break from the past, substantial new development has occurred in the last five years. Since 2000, approximately 6,600 new and converted housing units have been built in Baltimore. The recent housing investment is dominated by construction of rental properties, which may result in a slight decrease in the homeownership rate.

During the 1950’s, Baltimore City and suburban households had about the same median earnings. By the end of the century, however, the median family income of City households had fallen considerably in relation to incomes in the suburbs. As more affluent households moved to the suburbs, poor residents became increasingly concentrated in the City. In 2000, about one

in every five Baltimore residents lived below the poverty line. From 1990 to 2000, there was an 8 percent decrease in the number of individuals living in poverty.

### Education

While the education level of Baltimore residents has improved over the last few decades, the City lags behind surrounding counties in terms of adult educational attainment. In 2000, more than 30 percent of City adults had not completed high school, double the average rate for the surrounding counties. Only 22 percent of Baltimore residents have a college degree compared to 36 percent in Baltimore County and 59 percent in Howard County.

### Economy & Employment

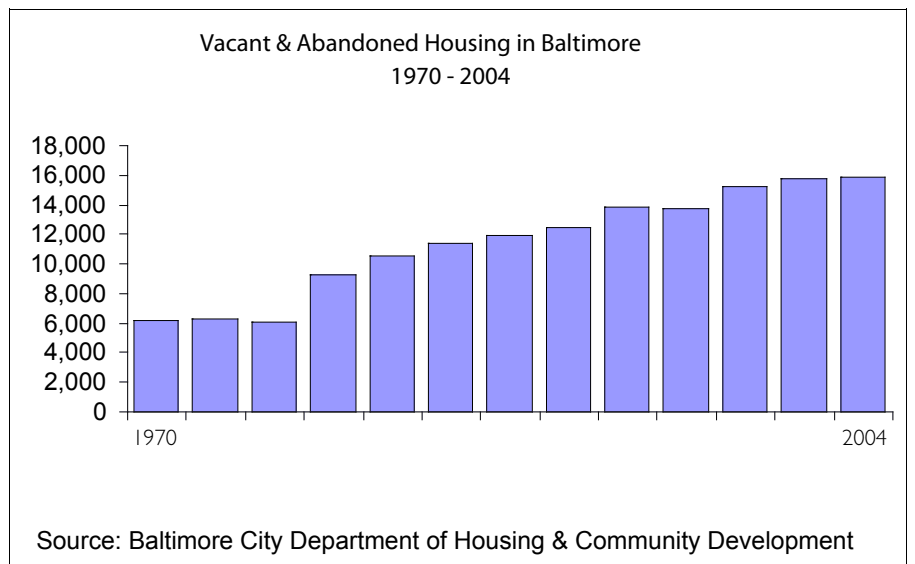
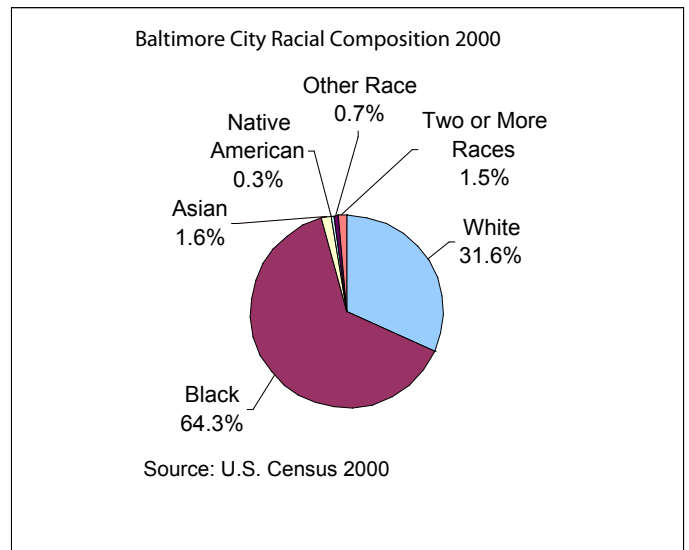
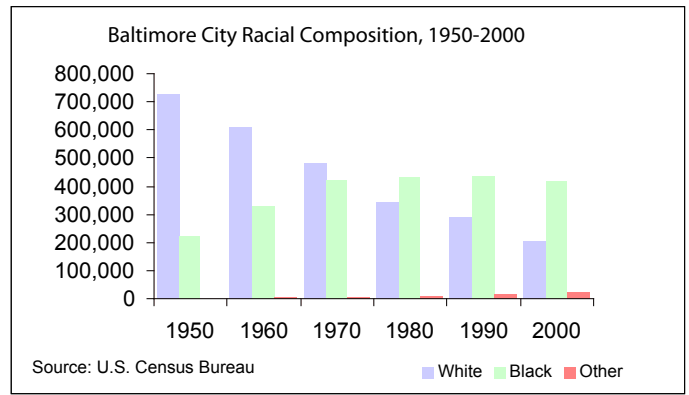
Driven by a huge demand for durable goods during World War II and immediately thereafter, Baltimore's economy prospered in the 1950s. About one-third of all employees in the City worked in manufacturing. Good wages enabled most Baltimore workers to support an entire family on the salary of a single wage earner. In the next half century, blue collar manufacturing jobs were replaced by white collar service jobs.

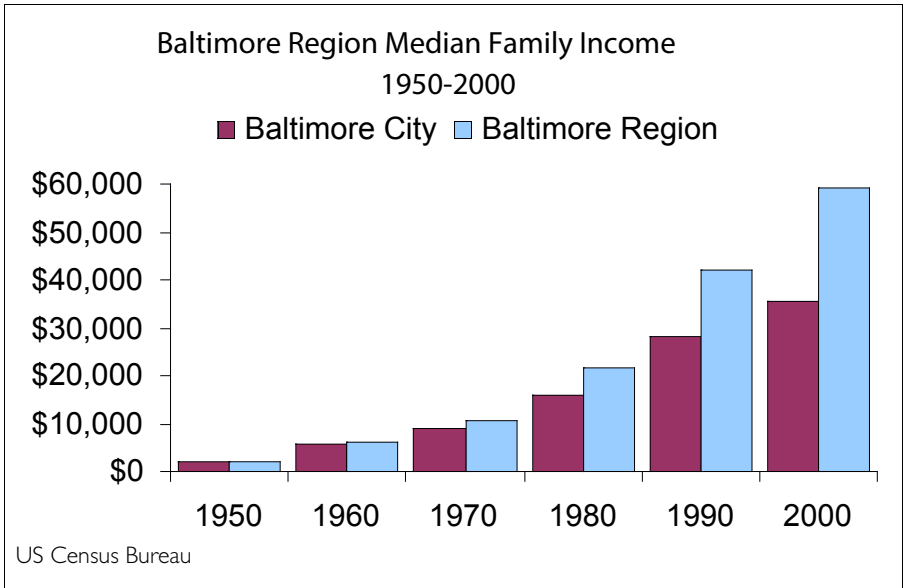
Unlike other industrial cities, Baltimore's manufacturing base was not dominated by a single industry – as was Pittsburgh with steel or Detroit with automobiles.

A booming service sector, including health care, technology, higher education, legal and accounting services, has enabled the City of Baltimore to remain the dominant economic center of the region. In 2000, the vast majority of City residents worked in services or related jobs sectors such as finance, insurance, real estate and information. Among the biggest growth sectors for service jobs are health care, educational services, and accounting.

Employment opportunities in Baltimore have been projected to grow slowly through 2030. However, jobs in the whole region are expected to increase at a faster rate, effectively decreasing the City's share of jobs in the region.

The Maryland Office of Planning defines the Baltimore Region as Baltimore City and the surrounding counties of Anne Arundel, Baltimore, Carroll, Harford, and Howard. (The US Census Bureau also includes Queen Anne's County in their regional statistics.)



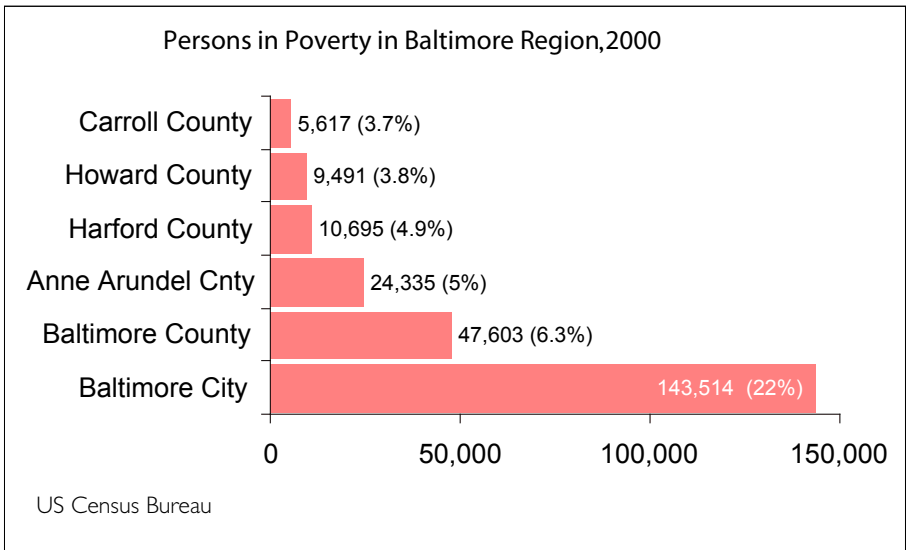


Three aspects of the Baltimore region are especially noteworthy: its access to water and related port activities; its proximity to Washington, DC; and its geographic position in the middle of the huge megalopolis extending from Boston to Richmond.

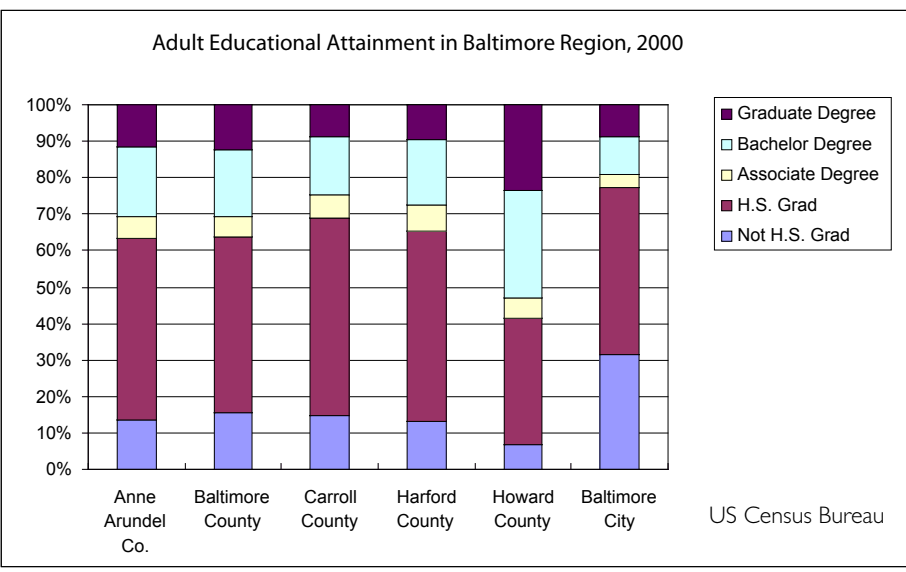
The Greater Baltimore State of the Region Report compares 20 regional economies: Atlanta, Austin, Baltimore, Boston, Charlotte, Cleveland, Dallas, Denver, Indianapolis, Minneapolis, Philadelphia, Pittsburgh, Raleigh, Richmond, San Diego, Seattle, St. Louis, Tampa and Washington, DC.

**The Baltimore Region Compared to Other Regions Across the U.S.**

In December 2005, the Greater Baltimore Committee and the Greater Baltimore Alliance jointly released the Greater Baltimore State of the Region Report about our metropolitan area. The report compared the Baltimore region to a benchmark group of metropolitan areas in the U.S. on numerous indicators of economic and social health.



The findings confirm that our region has both strengths to build on and challenges to address. The Greater Baltimore region is relatively affluent with a strong relationship to the Washington, DC region. We offer top-notch health care, transportation and cultural assets, and quality higher education institutions. However, our competitiveness as a region is hindered by low employment growth and a relatively less diverse economic structure than Washington, DC.



**Baltimore Region's Population**

The Baltimore Region's population has remained relatively stable compared to the twenty benchmark regions in the State of the Region report with a low rate of growth between 2000 and 2004. Our region ranks fifteenth with 3.4 percent growth.

## Baltimore Region's Economy and Workforce

Trends in the Baltimore Region's economy indicate strengths, as well as signs of slow growth. The region remains relatively affluent and above the national average for income measures. Among the 20 benchmark regions, it ranks 4th in recent per capita income growth and 11th in effective buying income. Baltimore was the only region among the twenty where regional per capita income increased during the economic downturn that affected the nation after 2001.

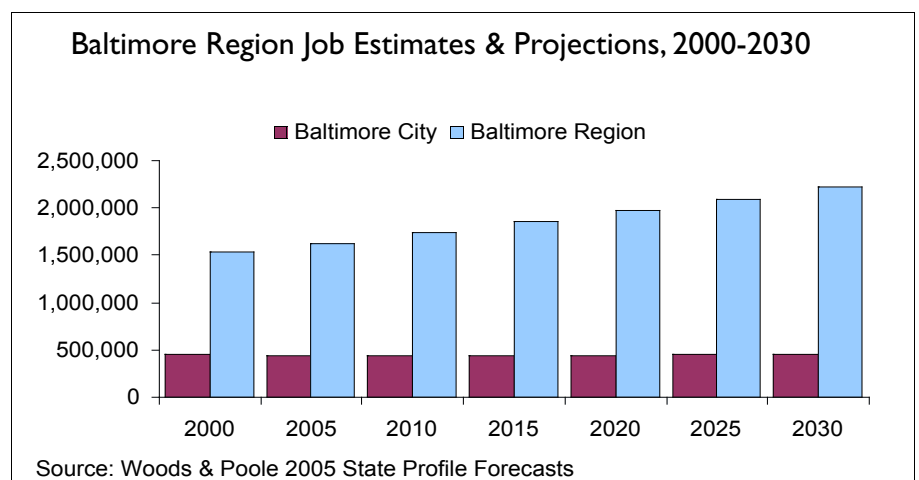
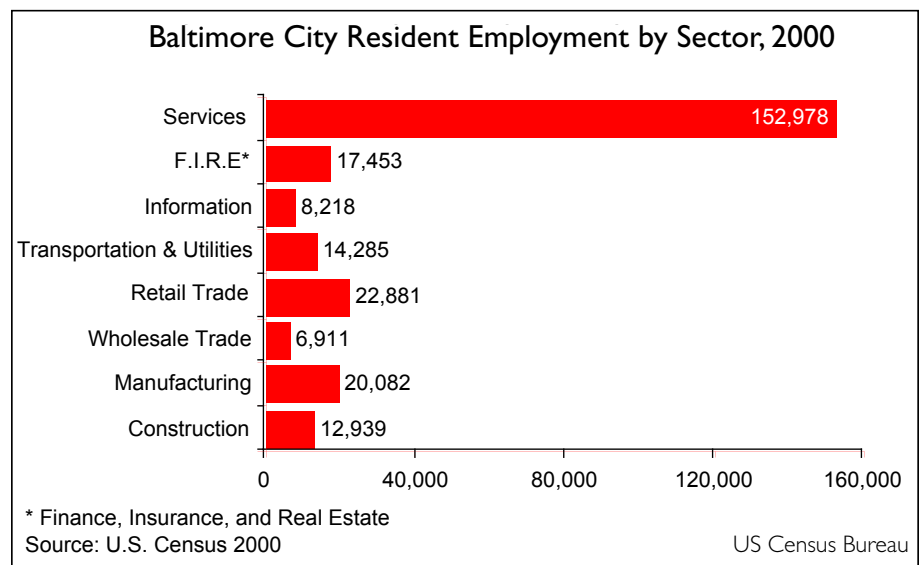
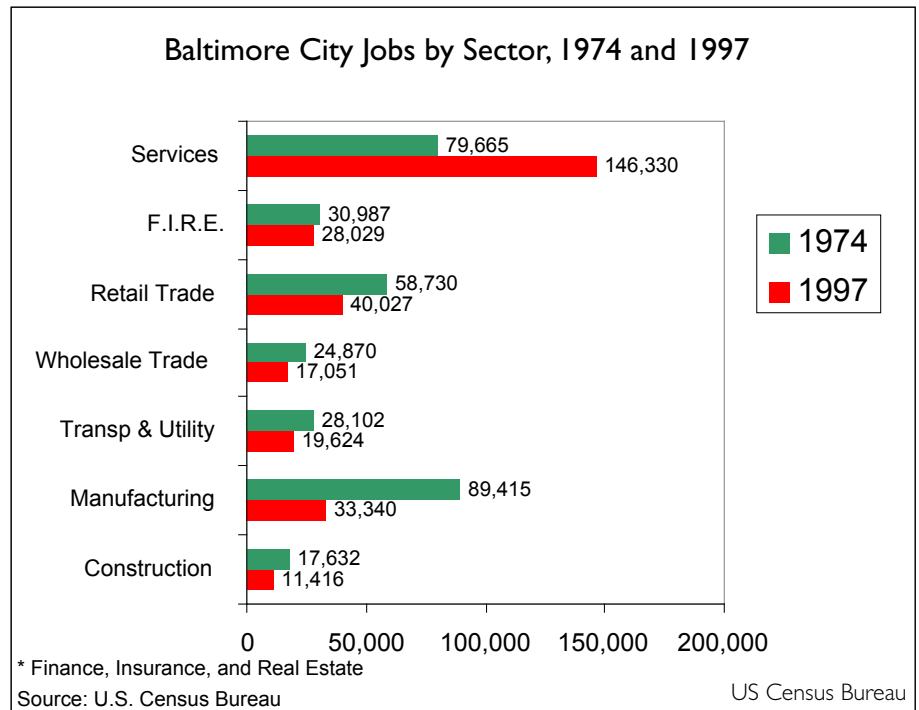
While income trends are encouraging, the Baltimore Region's economy has remained stagnant in recent years. The region has suffered in terms of employment, seeing its unemployment rate decline only slightly, from 4.9 percent to 4.8 percent between 2002 and 2004. The Baltimore region now ranks 10th among the benchmark regions in the rate of unemployment.

## The Baltimore/Washington, DC Region

### Baltimore's Relationship to Washington, DC

The Baltimore Region's population and economic trends are better understood within the context of the larger Baltimore-Washington, DC Region, which represents the functional economic region for Baltimore. Our close economic relationship with the Washington, DC metropolitan area presents both benefits and challenges to our regional economy.

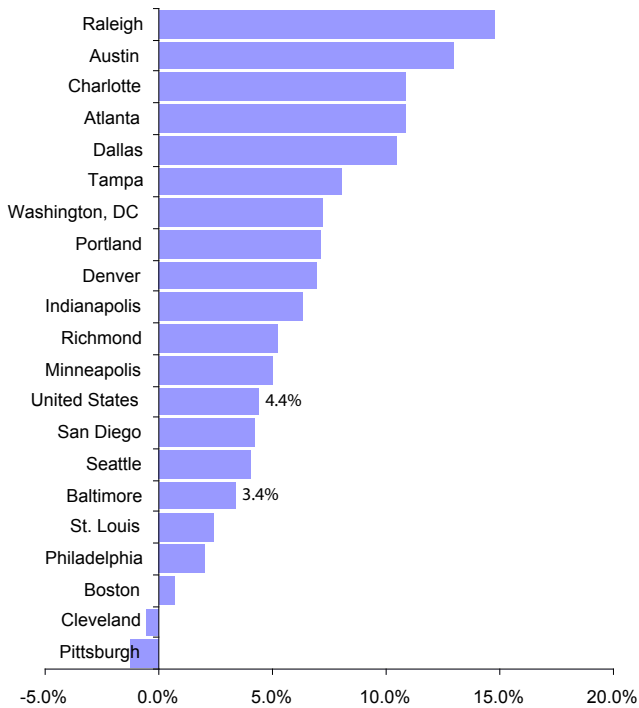
Baltimore's income and population growth can be partially accredited to the migration of affluent residents from Washington, DC to Baltimore. However, this same trend has contributed to the recent rise in the cost of living. The Baltimore Region rose from 3rd least expensive benchmark



Note: 1997 is the latest year for which comparable data on job sectors is available.



### Regional Population Growth, 2000-2004



Source: Maryland Department of Planning, Greater Baltimore State of the Region Report, 2005

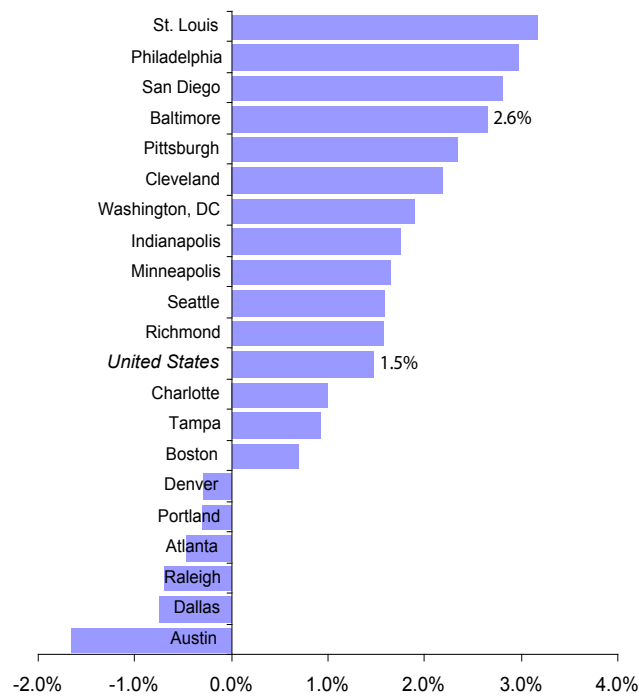
region to 5th most expensive benchmark region between 2003 and 2005. This shift reflects increasing home prices in the region, a factor influenced by the discovery of the Baltimore Region's housing bargains by families previously living in the Washington, DC area, which has the second highest cost of living in the nation.

The Baltimore Region benefits from proximity to the larger Washington, DC retail market. When compared to the largest commercial markets in the United States, Baltimore ranks 19th in size and 18th for effective buying income. While the Baltimore and Washington, DC regions are no longer combined for statistical purposes, our region does benefit from the buying power of the Washington Region, which ranks 4th nationally.

### Baltimore Region's Quality of Life

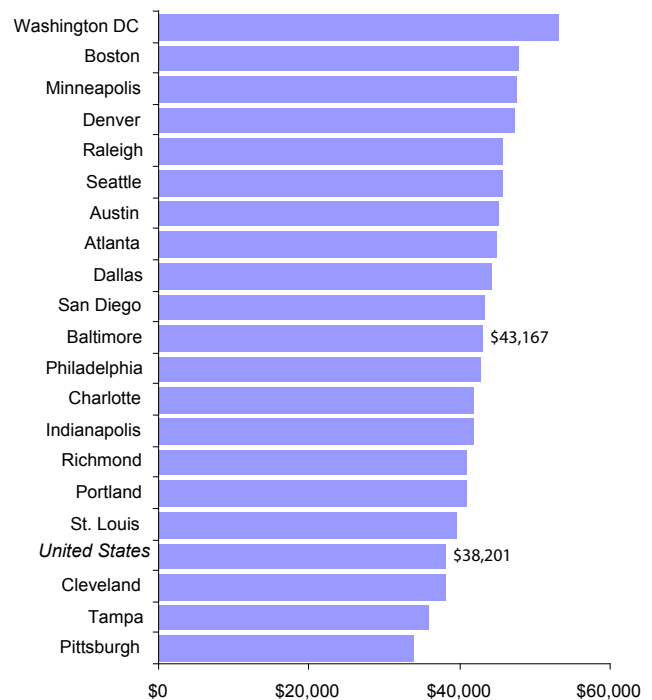
The Baltimore Region also benefits from its proximity to Washington, DC amenities; Baltimore, however, as a distinct and unique community, offers a wealth of cultural resources that are unmatched by many other regions across the country. Our region ranked 19th in the 2004 national arts ranking.

### Per Capita Income Percentage Change, 2001-2003



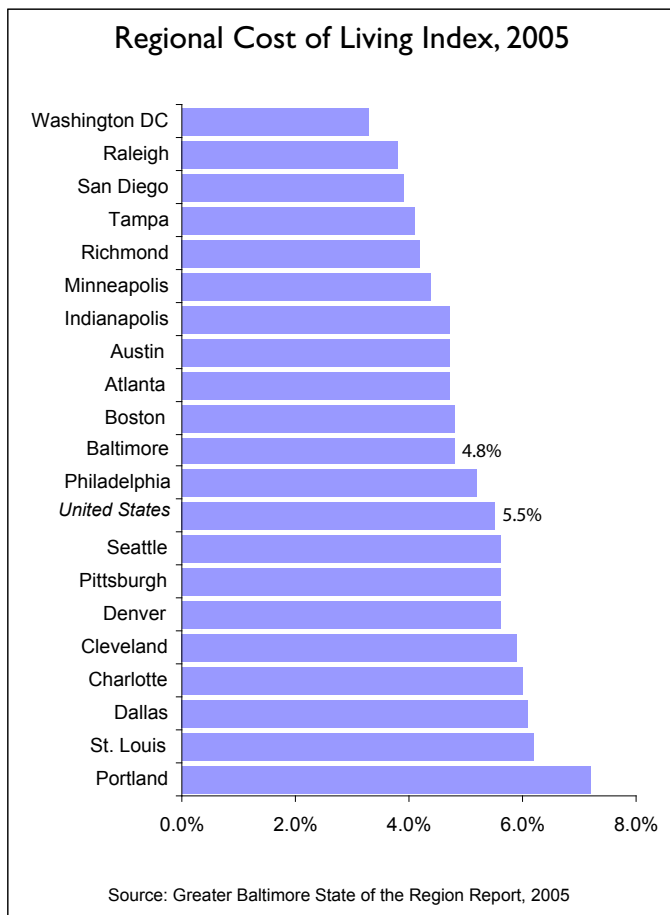
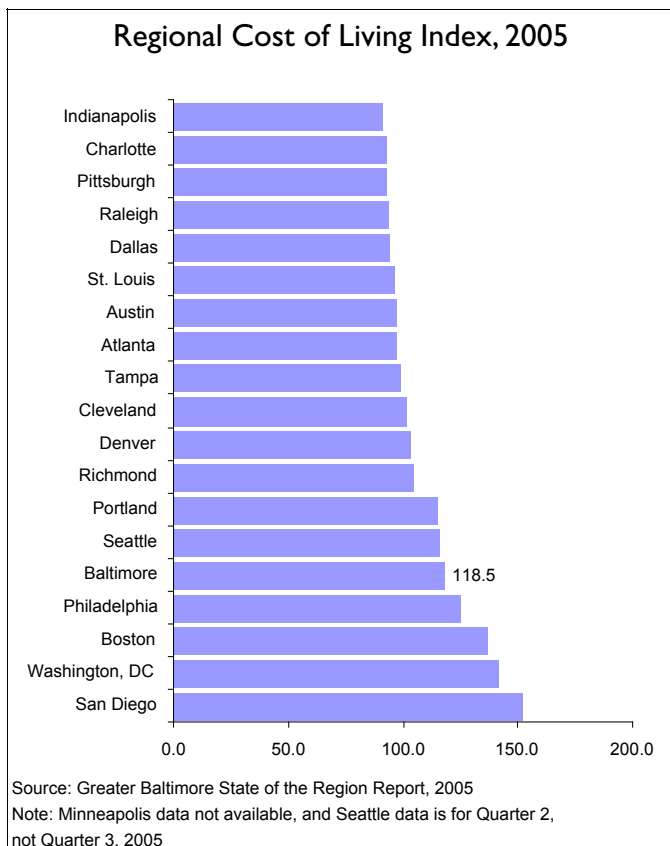
Source: Greater Baltimore State of the Region Report, 2005

### Median Household Effective Buying Income, 2004



Source: Survey of Buying Power, 2004 and the Greater Baltimore State of the Region Report, 2005

Our crime rates declined at a faster rate than most other benchmark regions. Between 2002 and 2005, Baltimore's rate of violent crime decreased by an annual average of 7 percent, making it the fourth highest rate of decrease. However, Baltimore remains near the bottom in the rankings for the incidents of violent crime, indicating crime and public safety remain challenges in the region and specifically in the City of Baltimore.



## Twenty Largest U.S. Markets 2004

Rank	Metropolitan Area	Population (000s)	Households (000s)	Effective Buying Income (millions)	Retail Sales (millions)
1	New York-Northern NJ-Long Island, NY-NJ-PA	18,736.6	6,818.6	\$406,217	\$237,776
2	Los Angeles-Long Beach-Santa Ana, CA	13,006.5	4,257.9	\$233,020	\$170,098
3	Chicago-Naperville-Joliet, IL-IN-WI	9,398.3	3,384.1	\$200,187	\$122,410
4	Washington-Arlington-Alexandria, DC-VA-MD-WV	5,189.1	1,949.3	\$132,814	\$73,052
5	Dallas-Fort Worth-Arlington, TX	5,705.1	2,071.2	\$121,953	\$90,642
6	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	5,800.4	2,185.8	\$120,893	\$79,892
7	San Francisco-Oakland-Fremont, CA	4,215.6	1,578.0	\$113,661	\$63,042
8	Miami-Fort Lauderdale-Miami Beach, FL	5,346.0	2,023.1	\$108,241	\$74,129
9	Boston-Cambridge-Quincy, MA-NH	4,455.8	1,712.7	\$107,676	\$69,748
10	Houston-Baytown-Sugar Land, TX	5,130.5	1,794.4	\$101,539	\$71,372
11	Atlanta-Sandy Springs-Marietta, GA	4,704.4	1,711.3	\$99,691	\$69,072
12	Detroit-Warren-Livonia, MI	4,496.3	1,723.5	\$94,107	\$65,514
13	Seattle-Tacoma-Bellevue, WA	3,183.9	1,251.5	\$73,557	49,304
14	Phoenix-Mesa-Scottsdale, AZ	3,654.0	1,334.2	\$70,560	50,828
15	Minneapolis-St. Paul-Bloomington, MN-WI	3,115.2	1,193.6	\$69,403	53,986
16	San Diego-Carlsbad-San Marcos, CA	2,972.2	1,051.3	\$57,681	43,545
17	St. Louis, MO-IL	2,773.7	1,081.9	\$54,541	36,088
<b>18</b>	<b>Baltimore-Towson, MD</b>	<b>2,628.7</b>	<b>1,008.0</b>	<b>\$54,431</b>	<b>36,931</b>
19	Riverside-San Bernardino-Ontario, CA	3,648.8	1,150.0	\$53,294	45,490
20	Tampa-St. Petersburg-Clearwater, FL	2,563.4	1,079.0	\$51,754	36,011

Source: Sales & Management, Greater Baltimore State of the Region Report, 2005

### Regional Change in Violent Crime 2002-2005

	% Annual Average Change
Raleigh (1)	-12.9%
Dallas (1)	-8.3%
Richmond (1)	-7.5%
Baltimore	-7.0%
Atlanta (1)	-5.1%
St. Louis (1992 and 2003) (1)	-4.8%
Portland (1)	-3.7%
San Diego	-3.2%
U.S.	-2.9%
Tampa	-2.2%
Washington, DC (1)	-2.1%
Indianapolis (1999 and 2003) (1)	-1.8%
Boston (2002 and 2003) (1)	-1.5%
Minneapolis	-0.7%
Philadelphia (1)	-0.7%
Denver (1)	-0.5%
Austin (2001 and 2002)	1.7%
Pittsburgh (1)	3.2%
Seattle (1)	5.2%
Charlotte	NA
Cleveland	NA

Source: Greater Baltimore State of the Region Report, 2005

(1) Boundaries changed between reporting years.

### National Arts Ranking 2004

Washington, DC	2
Boston	4
Minneapolis	7
Pittsburgh	9
Philadelphia	12
Denver	16
Cleveland	17
<b>Baltimore</b>	<b>19</b>
Dallas	23
Seattle	24
Atlanta	28
Richmond	31
Portland	35
St. Louis	39
Indianapolis	42
San Diego	48
Tampa	59
Austin	60
Raleigh	68
Charlotte	98

Source: Greater Baltimore State of the Region Report, 2005