



TOP 10 GLOBAL TRENDS

Affecting Downtowns
& How to Respond at Home

2014

Greater Downtown Council, Duluth, MN

September 17, 2014

PUMA's Global Trends Report 2014

- Initially created in 2006 to inform the Downtown Denver Area Plan
- Updated in 2011 to respond to recession
- 2014 trends in context of recovery
- Developed in partnership with the University of Colorado Denver



Master of Urban and Regional Planning

COLLEGE OF ARCHITECTURE AND PLANNING

UNIVERSITY OF COLORADO **DENVER**

Demographics

- Changing American Demographics
- Education, Talent & Jobs
- Influence of Women



Lifestyles

- Changing Consumer Behaviors
- Shifts in Transportation & Mobility
- Health & Wellness
- Rise of Regionalism



Global Competition

- Shift in Global Wealth
- Continued Advances in Technology
- Social Equity – The Neglected Pillar of Sustainability



GLOBAL TRENDS

2006

DEMOGRAPHICS

Changing American Demographics
Immigration Trends
Changes with the "Creative Class"

2011

Changing American Demographics
Education, Talent & Jobs
Emergence of Young Professional Women

2014

Changing American Demographics
Education, Talent & Jobs
Influence of Women



LIFESTYLES

Traffic Congestion & Value of Time
Trends in Health Care/Wellness/Recreation
Growth of Tourism
America's Growing Debt Burden

Changing Consumer Behaviors
Shifts in Transportation & Mobility
Health, Wellness & Urban Form
The Age of Austerity

Changing Consumer Behaviors
Shifts in Transportation & Mobility
Health & Wellness
Rise of Regionalism



GLOBAL COMPETITION

Emergence of China, India, etc.
Continued Advances in Technology
Environmentalism, Sustainability,
Climate Change

The Emergence of a Planetary Middle Class
Continued Advances in Technology
Sustainability Mainstreamed

Shift in Global Wealth
Continued Advances in Technology
Social Equity – The Neglected Pillar
of Sustainability



DEMOGRAPHICS



Changing American Demographics

Baby Boomers - 76 million born 1946 to 1964

- Sheer numbers supported labor markets, entitlements & consumption
- College education rates increase 5x
- Living longer & healthier, but creating increasing demands on health care system
- Recession caused more to “age in place”
- Empty nest looking to downsize, urbanize



Changing American Demographics

Gen X – 53 million born 1961 to 1984

- *Slackers to slacks!*
- Ability to multi-task & transfer skills
- Have the most post-recession disposable income, largest group of homebuyers, most have kids
- Moving into leadership positions
- Job prospects are good



Changing American Demographics

Millennials – 77 million born 1977 to 2003

- Growing up with technology
- More optimistic, tolerant, open-minded
- Multi-cultural – majority minority rises from 43 to 58 of 100 largest cities since 2000
- Spirit of volunteerism, passion to foster change
- Voted 2:1 for Obama, outvoted seniors



Changing American Demographics

Gen Z – born after 1996

- Gen Z are more realistic & cautious, yet inspired to change the world
- Ushering in the most dramatic demographic shift in American history
- By 2018, children under 18 will be majority-minority, by 2042 there will be no racial minority in the U.S.



Education, Talent & Jobs

The Premium of a Highly Skilled Workforce

- Worker shortages loom due to skill gaps
- Since 2000, young college educated population grew twice as fast within 3 miles of major city centers
- Millennials today comprise 36% of workforce, 50% by 2020
- Educational institutions are economic anchors, stabilizers
- Immigrants increasingly skilled



The Influence of Women

Dominating Professional Occupations

- 57% of bachelor's and 60% of master's degrees
- Single Boomer women emerging as an economic power
- In positions to shape cities? 17% of mayors, 15% of architects, 37% of planners
- Vibrant mixed-use environments can fulfill diverse lifestyle needs



LIFESTYLES



Changing Consumer Behaviors

New Patterns in Consumption

- Impulse replaced by deliberate spending
- Ecommerce now 6% of retail sales, but influences majority of purchases
- Gen X and Millennials driving sales
- Sharing economy flourishing
- Downtown residential influencing new retail formats



Shifts in Transportation & Mobility

Behaviors Shifting Away From Cars

- Congestion has stabilized at 39 hours per year (vs. 14 hours in 1982)
- Driving miles have decreased since 2006
- Millennials don't love cars – 21% of all miles driven in 1995; 14% today
- Bike share programs growing faster than any mode of transport in history of planet
- Walkable real estate = value premium



Health & Wellness

Healthy Places an Emerging Trend

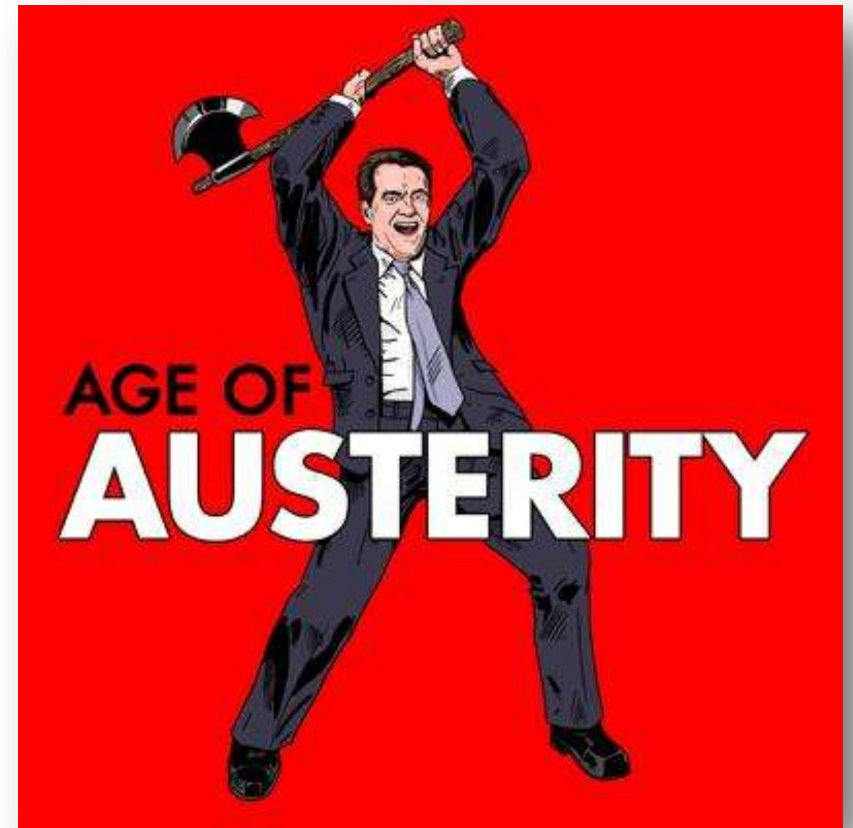
- Shortage of health care workers looming
- Health care industry will continue to be an economic anchor, civic partner
- Connection between health and built environment increasingly important
- Opportunities from new food movements – locavore, urban ag & grocers



Rise of Regionalism

Cities Propel Growth & Innovation

- Per capita US debt: 2007: \$29,000
2014: \$55,500+
- In 1950, 16 workers for each SSI recipient, by 2030, 2 workers for each recipient
- Feds broke and dysfunctional
- Investment in infrastructure, education & innovation to come from regions



GLOBAL COMPETITION



Shift in Global Wealth

The World's Largest Economies: 1850 to 2050

1850	1950	2014	2050
China	United States	United States	China
India	United Kingdom	China	United States
United Kingdom	Germany	Japan	India

Shift in Global Wealth

America's Grip On Its Destiny Diminishes

- Recession accelerated relative growth of emerging economies
- China's global share of car sales: 2000 < 1%; 2013 > 24%
- Global middle class: 1.8B in 2009, 3.2B by 2020, 4.9B by 2030; 66% in Asia
- Emerging economies feature low debt, strong central governments – will invest in infrastructure and innovation



Continued Advances in Technology

Key advances shaping cities

- Mobile connections: 7.4B by 2015
- Explosion in apps for real-time information
- Influencing office & living design to blend work/social space, less sq.ft. per person
- 3D printing changes manufacturing process – opportunities for cities
- Clusters of innovation key to growth



Sustainability & Social Equity

Majority of planet now lives in cities

- At current growth rates, global consumption exceeds 200% Earth's biocapacity by 2050
- Economic & environmental pillars of sustainability widely understood
- U.S. income inequality most extreme since 1928 – 1% earn 22.5% of wealth, 90% earn less than 50% for first time ever.
- Rising tide of civic activism expected to promote equity in schools, wages, housing



CONCLUSIONS

Trends favorable for vibrant downtowns

- America's population growing more diverse, as well as younger & older
- Increasingly connected & competitive world
- Resource-intensive lifestyles are not sustainable
- Innovation & investment more reliant on regional initiative
- Planning for economic diversity emerging as a priority



IMPLICATIONS

Demographics...

- Capture the young skilled workforce
 - ✓ Be welcoming with information on jobs, housing & services
 - ✓ Embrace tolerance & be multi-cultural
 - ✓ Creative incentives – student debt?
- Create an environment that appeals to women
 - ✓ Mixed-use & relevant services
 - ✓ Support leadership in policy & design



IMPLICATIONS

Demographics...

- Foster education
 - ✓ Partner with college institutions
 - ✓ K-12 options to keep/attract families
- Housing with diverse price points
 - ✓ Explore non-traditional options
 - ✓ Zone, regulate for flexibility
- Don't forget the Boomers!
 - ✓ Amenities that cross generations



IMPLICATIONS

Lifestyles...

- Mobility options, “complete streets”
 - ✓ Walkable, bikable, balanced
 - ✓ Age-friendly universal design standards
- Promote the “sharing economy”
- Partner with health care providers
 - ✓ Economic anchors, stabilizers
 - ✓ Allies for healthy lifestyles



IMPLICATIONS

Lifestyles...

- Healthy places & food movements
 - ✓ Public realm for active living
 - ✓ Locavore, urban farming options
- Keep it fun, entertaining & interesting
 - ✓ Multiple cultures & languages
- Advocate for regional investment
 - ✓ New education and policy roles
 - ✓ Benefits of downtown to the region



IMPLICATIONS

Global Competition...

- Foster/promote entrepreneurship
 - ✓ Flex space, creative incentives, innovation zones
- Public/private financing tools
 - ✓ From community capital to regional infrastructure banks
- Be technologically relevant
 - ✓ Support ubiquitous computing
 - ✓ Apps to keep tech-savvy engaged



IMPLICATIONS

Global Competition...

- Capitalize on adaptive reuse
- Sustainability as part of the downtown brand
 - ✓ Relevant to emerging generations
 - ✓ Cities will lead
- Stay on top of social equity issues
 - ✓ Downtowns can bring private sector perspective, balance





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