Proximity Matters: Close, but Not Too Close

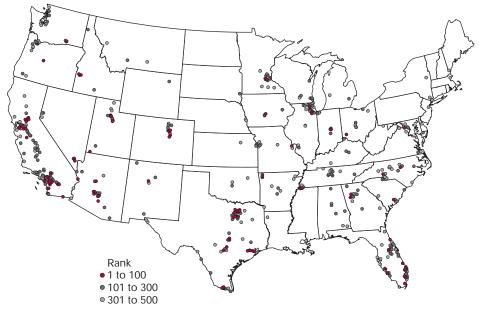
Carol O. Rogers

Associate Director, Indiana Business Research Center, Kelley School of Business, Indiana University

urprise, Arizona, probably isn't surprised that it is the fastest growing city in the United States (of cities and towns with 20,000 or more population as of April 2000). This charmingly named city had a population of 30,848 in April of 2000, but by July 2005 had grown to nearly 75,000 (see **Table 1**). Perhaps some of the folks in Surprise are surprised, since it is seeing 8,800 new residents each year and experienced a 141 percent increase over the five-year period.

When considering the fastest growing (in percentage change terms) cities and towns, the vast majority of those in the top 500 are located in the southern and western areas of the United States (see **Figure 1**). But there are also some places on the fast track in the Midwest.

Figure 1
Top 500 Fastest Growing Cities and Towns, 2000 to 2005*



*Data refers to cities and towns with a population of at least 20,000 in April 2000 Source: IBRC, using U.S. Census Bureau data

Table 1
Top 20: A Five-Year Fast Track—Cities and Towns That Began with a Population of 20,000 or More in April 2000

Rank	City or Town	State	Census 2000 (Base)	2005 Estimate	Numeric Change	Percent Change	Metropolitan Statistical Area
1	Surprise	Arizona	30,904	74,411	43,507	140.8	Phoenix
2	Frisco	Texas	33,708	70,793	37,085	110.0	Dallas-Fort Worth
3	Palm Coast	Florida	32,737	60,952	28,215	86.2	Deltona-Daytona
4	Avondale	Arizona	35,906	66,706	30,800	85.8	Phoenix
5	North Port	Florida	22,827	42,253	19,426	85.1	Sarasota
6	Cedar Park	Texas	26,075	48,139	22,064	84.6	Austin
7	Brentwood	California	24,026	43,794	19,768	82.3	San Francisco
8	McKinney	Texas	54,403	96,581	42,178	77.5	Dallas-Fort Worth
9	Castle Rock	Colorado	20,289	35,745	15,456	76.2	Denver
10	Romeoville	Illinois	21,134	36,396	15,262	72.2	Chicago
11	Parker	Colorado	23,584	38,428	14,844	62.9	Denver
12	Murrieta	California	50,866	82,778	31,912	62.7	Riverside
13	Commerce City	Colorado	21,190	34,189	12,999	61.3	Denver
14	La Quinta	California	23,700	38,232	14,532	61.3	Riverside
15	Allen	Texas	43,619	69,222	25,603	58.7	Dallas-Fort Worth
16	Gilbert	Arizona	110,061	173,989	63,928	58.1	Phoenix
17	North Las Vegas	Nevada	115,488	176,635	61,147	53.0	Las Vegas
18	Shakopee	Minnesota	20,596	31,233	10,637	51.7	Minneapolis
19	Pearland	Texas	37,472	56,790	19,318	51.6	Houston
20	Fishers	Indiana	37,946	57,220	19,274	50.8	Indianapolis

Source: IBRC, using U.S. Census Bureau data

Consider the 500 fastest growing cities and towns between 2000 and 2005. A mere 69 had populations of 100,000 at the beginning of that time period. Contrast that with the 361 cities and towns that began the five-year period with populations less than 50,000.

Such growth provides demographic evidence of the continued concentration of population within metropolitan areas, but that concentration is brought about by people moving to smaller places within those metropolitan counties. It is important to note that most of these smaller towns and cities are in close proximity to large metropolitan areas. **Table 2** shows the twenty largest cities nationwide. While many of America's large industrial-age cities, such as Detroit, Chicago, Gary and others, have seen declines in population during the five years since the last census in 2000, those same cities remain vital as the core of metropolitan areas, with significant growth sprouting up around them. The choice being made more often these days is that of living close to those large cities, just not within the city limits.

Table 2 Largest Cities in the United States

Rank	City	State	Population (July 2005)	Change since 2000*
1	New York	New York	8,143,197	134,543
2	Los Angeles	California	3,844,829	150,345
3	Chicago	Illinois	2,842,518	-53,503
4	Houston	Texas	2,016,582	59,564
5	Philadelphia	Pennsylvania	1,463,281	-54,269
6	Phoenix	Arizona	1,461,575	139,948
7	San Antonio	Texas	1,256,509	105,062
8	San Diego	California	1,255,540	32,127
9	Dallas	Texas	1,213,825	25,202
10	San Jose	California	912,332	17,053
11	Detroit	Michigan	886,671	-64,599
12	Indianapolis	Indiana	784,118	2,254
13	Jacksonville	Florida	782,623	47,017
14	San Francisco	California	739,426	▼ -37,307
15	Columbus	Ohio	730,657	18,641
16	Austin	Texas	690,252	30,423
17	Memphis	Tennessee	672,277	▼ -10,676
18	Baltimore	Maryland	635,815	▼ -15,339
19	Fort Worth	Texas	624,067	82,728
20	Charlotte	North Carolina	610,949	48,976

*Using the April 1, 2000 estimates base Source: IBRC, using U.S. Census Bureau data Elk Grove, California, had the nation's fastest growth rate among large cities (100,000 or more population) between July 1, 2004, and July 1, 2005, according to new U.S. Census Bureau population estimates.

Located south of Sacramento, Elk Grove is a relatively new city, having incorporated less than six years ago. Elk Grove's population increased 12 percent during the period, to 112,338. It was joined on the list of the ten fastest-growing cities by three others in California: Moreno Valley (ranking sixth), Rancho Cucamonga (seventh) and Irvine (10th). These three cities are each located in southern California.

Florida had three cities among the fastest growing: Port St. Lucie (third), Cape Coral (fifth) and Miramar (eighth). Two cities in Arizona were in the top ten—Gilbert (fourth) and Chandler (eighth)—and, relatively nearby, North Las Vegas, Nevada, was second.

Phoenix had the largest population increase of any city between 2004 and 2005. San Antonio; Fort Worth, Tex.; North Las Vegas, Nev.; and Gilbert, Ariz., rounded out the list of the five biggest numerical gainers.

New York City continued to be the nation's most populous city, with 8.1 million residents in 2005. This was more than twice the population of Los Angeles, which ranked second at 3.8 million. The estimates show that among the 10 largest cities, one change has occurred in the rankings: San Antonio has replaced San Diego as the nation's seventh most populous city.

Excerpt from "Elk Grove, California,
 Named Fastest-Growing City" by the
 U.S. Census Bureau, June 2006