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Detroit-area census results expected to change biz development strategy, show shifts in ethnic groups

By [Daniel Duggan](#) and Roger Castillo

A startlingly low population figure in Detroit, high growth in Macomb County and a northern migration of ethnic groups are data points coming out of census figures that are expected to affect the region's business communities.

Making national headlines today is Detroit's drop in population. The statistics show that the city's population fell from 951,270 in 2000 to 713,777 last year, a 25 percent drop.

Detroit's population peaked at 1.8 million in 1950, when it ranked fifth nationally.

The census data also showed a strong migration of ethnic groups from the city to suburbs. That ethnic breakdown will alter the makeup of businesses in the inner-ring suburbs, said Kurt Metzger, director of **Data Driven Detroit**, a nonprofit data collection organization.

"The suburbs are changing," he said. "Cities that have been seen as mostly white are seeing growth in ethnic populations: Livonia, Novi, Westland, Farmington Hills."

The non-Hispanic Asian population was 236,490 in the 2010 census, up 35 percent over the decade — Michigan's fastest-growing racial group. Asians now account for 2.4 percent of the state's residents.

The state's Hispanic population grew 34.7 percent, to 436,358, or 4.4 percent of the overall population.

Much of that growth is seen in the inner-ring suburbs, Metzger said.

"This is going to affect the business mix," he said. "The movement of the African-American population has continued, for example, with another 185,000 people moving out of Detroit.

"That's going to be a new customer base for suburban businesses such as grocery stores, restaurants and shops. The product mix in grocery stores is going to be impacted."

Likewise, Steven Cassin, director of planning and economic growth for Macomb County, said he expects to see growth in the service sector related to ethnic growth.

"We have seen growth in the defense and service sectors, and if you go down M-59, you can see the business growth of over 1,000 businesses as well as expansion of hospitals taking place," he said.

JEFF KOWALSKY/Bloomberg



The census says Detroit's population fell from 951,270 in 2000 to 713,777 last year, a 25 percent drop.

Cassin attributes the growth to Macomb County's affordable housing and the quality of life.

Macomb County showed a 6.7 percent gain in population from 2000 to 2010, to 840,978 from 788,149.

Oakland grew from 1.19 million to 1.2 million for a 0.7 percent gain; Livingston grew from 156,951 to 180,967, a 15.3 percent gain; and Washtenaw grew from 322,895 to 344,791, up 6.8 percent.

Meanwhile, Wayne County dropped from 2,061,162 to 1,820,584 for an 11.7 percent decline.

What impact the lower population number in Detroit will have on development in the city of Detroit remains to be seen.

"If you live in the city or spend every day in the city, the census number is not a surprise," said Jim Bieri, a principal at **Stokas Bieri Real Estate**, a retail consulting firm with offices in Detroit and Southfield.

But Bieri said that outside Michigan, that low figure may influence companies thinking of moving to the city.

"That number will surely resonate in a lot of boardrooms," he said. "It's going to be a trigger when people are doing demographic analysis, and it's going to be a stumbling block to getting deals done."

On the other hand, Bieri said, the recent changes in perception under Mayor Dave Bing, with Detroit being seen as a safer city, have an equally positive impact.

Michael O'Callaghan, vice president and COO of the **Detroit Metro Convention & Visitors Bureau**, said the new figures are unlikely to change the bureau's approach to marketing the region.

"We will continue to market the bureau the same by promoting Cobo and our hotels and the stadiums we have downtown," O'Callaghan said. "Our region is huge and we need to continue to market that."

He said a positive note in the data, for use in marketing the city, are the demographics of people moving into Detroit.

"We have a younger population moving into the city, and that is a sign of new growth," O'Callaghan said.

On Tuesday, Mayor Dave Bing disputed the new population data and said he plans to appeal. He said his city has at least 750,000 residents, which he called an important threshold for qualifying for some state and federal financial programs. He didn't say how so many people may have been missed.

City Council President Charles Pugh suggested that thousands of people "who are skeptical, distrustful of the government" avoided the count, such as convicted felons, illegal immigrants and residents who list suburban addresses to get lower car insurance premiums.

The dropoff of more than 237,000 people in Detroit helped Michigan become the only state that suffered an overall population decline between 2000 and 2010, slipping 0.6 percent to 9.88 million. But the city, the state's largest, was not solely responsible for the dubious distinction.

Nearly half of the state's 83 counties lost residents, underscoring the ripple effect from Michigan's reliance on the ailing manufacturing sector. Michigan has lost nearly 860,000 jobs since 2000, and its unemployment rate has long been among the nation's highest.

"The census figures clearly show how crucial it is to reinvent Michigan," Gov. Rick Snyder said. "It is time for all of us to realign our expectations so that they reflect today's realities. We cannot cling to the old ways of doing business."

The Associated Press contributed to this report

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