THE FUTURE OF CITIES

Essays by

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Cover image of the Domain, a high-density office, retail, and residential center in northwest Austin, Texas. Photo courtesy of Domain NORTHSIDE.

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Introduction: Welcome to the Urban Future

JOEL KOTKIN

Cain has built a city. For God's Eden, he substitutes his own.
—Jacques Ellul[1]

Whatever the future holds for humanity, it is likely to occur mostly in an urban context. A steady stream of migrants from the countryside fills cities from India to Indiana, on every continent, and has made humans primarily an urban species. Cities can be more like Eden or more like Hades, but how they evolve will define our future civilization.

Yet as this book will demonstrate, there are many, and sometimes divergent, urban futures. Indeed, our very definition of a city is fluid. Cities today do not end, like their ancient and medieval counterparts, with the walls surrounding them; they tend to extend far out to the periphery, despite the often-fevered opposition of planners, climate activists, and urban-land interests. The growing role of digital technology expands the boundaries of urbanity even further.

But if the changing nature and form of cities violate the sensibilities of some, the new urbanity, like that of antiquity, will likely remain the epicenter of our economic life, as AEI's Ryan Streeter explores in the initial chapter. But Streeter also points out that cities that adjust to changing conditions thrive, while those that don't adjust fall into obsolescence. The functionality of cities remains, but the lead players constantly change.

Change defines urbanity, often in ways that break with historic tradition. As demographer Wendell Cox points out, the city has been spreading out for millennia, and virtually all growth today, in every part of the world, tends to be on the periphery. This was occurring well before the COVID-19 pandemic, but the outward movement appears to have accelerated and, with the rise of remote work, seems likely to continue for the near future.

Attitudes are crucial as well. AEI's Samuel J. Abrams finds that Americans, including younger ones, are far more amenable to suburban and exurban living than previously imagined. Factors such as schools, concerns over public safety, and the ability to work at home all drive people to the periphery. Traditional urbanity will likely hold its appeal to young ambitious people—but for a diminished period.

These trends reflect only one aspect of the urban future: that of the wealthy countries of the West. But the future of urbanity is increasingly being shaped in Africa, Asia, and throughout the developing world. The key player here, as in almost everything, is China, and its urban growth has come at an enormous price, particularly for its vast rural population. University of Leeds scholar Li Sun describes the massive migration of workers from China's largely impoverished hinterlands into the cities; the workers' ramshackle settlements contrast sharply with the cities' sleek modernity.

More challenging still may be the fate of cities in poorer countries that lack China's economic and political infrastructure. As South Africans Bheki Mahlobo and Hügo Krüger demonstrate, fast-growing urban areas such as Johannesburg, South Africa, and Lagos, Nigeria, face enormous challenges providing basic security, water, and electricity to their swelling populations. These urban regions are experiencing the consequences—crime, political unrest, and interethnic tensions—that come from increasingly bifurcated cities.

Urban class conflict, however, is not limited to the developing world. Throughout the Western world, deindustrialization has left a bitter legacy of devastated towns such as Youngstown, Ohio, as portrayed by Sherry Lee Linkon and John Russo, who have spent many years there. They explore how local residents have tried, often with limited success, to reinvent a place that was once emblematic of America's industrial prowess. They also show the increasing limits of place-based revitalization efforts.

As the traditional working class has been abandoned, the personal services sector has expanded, creating a vast population of working poor in many cities, including the most expensive locales. These groups suffered most during the COVID-19 pandemic, particularly from the lockdowns, as many businesses were forced to shut down, sometimes for prolonged periods.[2] In his chapter, Michael Lind suggests cities need to develop policies that allow these workers to advance in their lives, receiving adequate pay and benefits. Cities cannot thrive if so many of their residents remain marginalized. Urban enthusiasts both left and right need to focus primarily on class, not on racial grievance, obsessions with transit, or the promotion of even greater density. These issues may appeal to the self-righteous, but they have little positive effect on the ground.

The good news, as Lind suggests, is that there may be solutions to these and other pressing urban issues. Some of this promise can be seen in suburbs and smaller cities that are now widening their appeal to millennials, immigrants, and ethnic minorities. They are the homes of the next middle class. As Southern Methodist University's J. H. Cullum Clark points out, metropolitan areas such as Dallas–Fort Worth, Texas, and many other cities in the "Texas Triangle" are providing opportunities for not only their own natives but a rising number of migrants from the rest of the country and across the world.

These rising cities are expanding, for the most part, outward. The shift to the periphery, whether in Dallas or outside Los Angeles, is unmistakable and increasingly diverse in nature. As Celia López del Río and Karla López del Río write, places such as California's Inland Empire, east of Los Angeles, have been transformed from a largely white enclave into a highly diverse place. In cities such as Riverside, California, we can see the emergence of a nascent, dynamic urban economy, which can provide opportunities for the new generation that are no longer easily achievable closer to the historic center.

There are also promising signs in the Midwest. If older industrial cities like Youngstown struggle, some places with less of an old manufacturing legacy, such as Indianapolis, Indiana, have thrived, as Indiana native Aaron M. Renn suggests. No longer "India-no-place," the Hoosier metropolis faces many challenges, such as crime, but has continued to attract new residents and businesses in the past few decades. This is part of a nascent midwestern revival that has spread to places such as Columbus and Cincinnati in Ohio and Des Moines, Iowa.

Of course, urban success will require a new approach to issues, whether in a big or small city. Salt Lake City, Utah, notes University of Utah's Natalie Gochnour, has tapped its strong religious and civic legacy from the Church of Jesus Christ of Latter-day Saints to find innovative solutions to problems of homelessness, substance abuse, and health care.

Rather than a backwater and distinct cultural outlier, Salt Lake City now stands as one of the nation's rising cities and may act as a role model for other urban centers.

Yet there cannot be an urban solution if our bigger urban regions cannot expand opportunities for affordable and desired housing. There has been some progress. Even California, note AEI Housing Center's Edward J. Pinto and Tobias Peter, has begun to explore policies to reduce the crippling shortage of affordable housing that has turned our wealthiest state in terms of producing billionaires into one with the highest levels of poverty and overcrowding and placed it among the lowest levels of homeownership.

Perhaps the biggest short-range threat to American cities, even more than housing issues, has been an unwelcome resurgence in crime. Fortunately, in leading cities such as Houston and New York, there is a widespread pushback against lax law enforcement. Crucially, notes Charles Blain, CEO of the Houston-based Urban Reform Institute, the push for stronger but also more responsive policies is coming primarily from minorities in cities; the call for defunding the police, he points out, stems largely from wealthier white progressives. To produce a better policy environment, Blain suggests, urban minorities need to make the two parties compete for their allegiance.

Ultimately, no urban revival will be likely if our greatest city, New York, cannot find a way out of its current economic slide and growing lawlessness. Fortunately, notes *New York Daily News* columnist Harry Siegel, the election of Brooklyn's Eric Adams as mayor represents an opportunity to restore order in the streets and rekindle Gotham's economic appeal. The road, he notes, may be bumpy, but at least the city may no longer be racing down the wrong one.

The last chapter addresses the urban future. One crucial issue for cities in the next few decades lies in meeting environmental challenges. In his chapter, Massachusetts Institute of Technology's Alan M. Berger lays out a scenario for building low-emission—but comfortable—new cities, particularly on the urban frontier. This new conception of cities, emphasizing renewables, home-based work, and autonomous vehicles, is a stunning new vision of how we can develop urban areas to benefit the planetary ecosystem.

Yet technology cannot guarantee urbanity's brighter future. To thrive, cities need to recover their historic roles as places of aspiration, not just for the rich and credentialed but for the middle and working classes. We need to focus far less on urban form and a return to legacy structures and more on how those who live in cities experience them. It is only by making cities—including their suburbs and exurbs—more human that we can create a better, more equitable urban future. Whether we live in sprawling suburbs or dense urban cores, we define humanity. "The citizen," observed Frank Lloyd Wright, "is really the city. The city is going wherever he goes."[3]

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I
THE BIG PICTURE FOR GLOBAL GEOGRAPHY

American Aspiration Is Metropolitan

RYAN STREETER

Too many urbanists start their analysis of cities too late. They look at booming urban areas and see the amenities and jobs as the essential building blocks of urban dynamism. But before those amenities and jobs existed, these were places of aspirations with ambitious founders. What began as a river outpost here or crossroads there became a place where people with overlapping aspirational goals realized they would do better by cooperating or maybe even competing.

Creativity, invention, ideas—these have been central to modern economic success. And nowhere have they been more evident than in cities. Cities grow because people move to them. People move to them because of the range of opportunities. And the range of opportunities exists because cities are the theater where the best ideas compete and spin off all kinds of opportunity.

Included in "all kinds of opportunity" are good vocational options and other building blocks of a meaningful life that even modest incomes can afford, such as a good home in a safe and good community. This is the central challenge to our urban future—not only in the West but around the world.

The Interplay Between Urbanization and Inequality

The forces that produce opportunity in metropolitan areas now too often produce outsize gains for some but not for many others. As the Massachusetts Institute of Technology's David Autor suggests, although beneficial for many on the high end, our most elite cities do not much reward blue-collar or middle-class families.[1] Gentrification benefits poorer populations in ways that are often overlooked, but the forces driving it also tend to produce highly segregated regions in which the newest and best housing and amenity-rich areas are the domain of the wealthier, more highly educated workforce.[2]

It is important to recognize how class-based this urban inequality has become over the past generation. In 1980, the 15 most unequal metro areas in America were mostly in the South and did not include New York; San Francisco; Los Angeles; San Jose, California; or Washington, DC—all of which are among the 15 most unequal metros today. None of today's 15 most unequal metros are Southern cities, and most are either in the Northeast or on the West Coast, reflecting a marked shift from an era of race-based to an era of class-based inequality. All of the 15 most unequal metro areas today have an inequality ratio—that is, the gap between the top and bottom 10 percent of incomes—greater than the most unequal metro area in 1980.[3] Many commentators who have been quick—and often right—to point out how the legacy of racial inequality has continued in American cities have been much quieter about the way America's leading metro areas—home to many said commentators—have created huge class divides, which are often congruent with racial divides.

As class-based inequality has come to characterize America's most unequal cities, so has progressive politics. Of today's largest 20 cities, 16 have Democratic mayors, compared to two with Republicans and two with independents. In 1995, mayoral leadership was split evenly at 10 Democrats and 10 Republicans.[4] The makeup of city councils has also trended leftward.

Many factors contribute to the inequality divide in America's largest cities, and there is no easy way to assess the role of partisan leadership in this trend. But wherever there are partisan monopolies, there is also a kind of blindness that prevents the competition of ideas from providing solutions. Progressive attachment to familiar narratives about climate change and race, for instance, have prevented urban leaders across the country from recognizing how their actions are contributing to the increased cost of housing or deafening them to minority residents' concerns about crime.

Managing Urbanization's Two Driving Forces

The task for policymakers and urban and suburban political leaders, then, is to figure out how to harness two forces that are often in tension. The first is the push that a majority of people feel to live in metropolitan areas as a way to pursue opportunities for work and life, and the second is the pull of prosperity to mold a metro area to its advantage. As the former gains momentum, the latter begins to erect barriers to new entrants by raising housing costs or rewriting regulatory rules to its advantage. Conversely, the latter becomes an additional pull to people and businesses in desired industries, which adds to the force of the former. The result is growing inequality and geographic segregation.

These twin forces of urbanization leave us in a situation with too many policymakers pretending structural factors expanding inequality do not exist—or that they can be managed through blunt instruments such as expanding transfer payments. Efforts to restrict growth have typically exacerbated class divides. Blaming macro forces for unaffordability and demanding federal solutions no longer fool local residents. And turning a blind eye to concentrated affluence while offering a range of subsidies to parts of town on the other side of the metaphorical tracks—that default bad habit of progressives that Edward Banfield analyzed more than 50 years ago—ultimately leads to unrest and conflict.[5]

Rather than avoiding, ignoring, or disingenuously pretending to fix the two prevailing urban dynamics, policymakers and metro leaders should embrace them as part of the ongoing competition for talent, ideas, jobs, and prestige. Accept urbanization and the reality that people will continue wanting to live in dynamic and growing places. Accept that people will blame you for unaffordability, even if indirectly by moving away. Accept that people could care less about socially sophisticated explanations for rising crime and simply want safe neighborhoods. Accept that people with resources want access to a range of lifestyle opportunities, *and* understand that those people will be more likely to stay in a metro area if lesser-affluent people *also* have access to a range of lifestyle opportunities, in both the city and elsewhere in the metropolitan area.

When working- and middle-class people have access to all kinds of opportunity, you are actually creating a kind of urban immune system that resists the contagions that have ultimately pushed people away from megastars such as New York and San Francisco. The best path to a vibrant metropolitan future in the United States is for more leaders in urban areas to understand how to promote growth, affordability, public safety, community, amenities, and schools—without sacrificing any of them individually for others.

America's Metropolitan Past Is Its Present and Future

America's metropolitan past is also its future. Metro areas grow because people are drawn to them for quality of work and life reasons, and yet the pecking order of metro areas is always changing. America will always be a metro nation but never in the same way year after year. More than 240 million people live in the 3 percent of the country's geographic regions that count as urban but that are, for the most part, overwhelmingly suburban and exurban.[6] America's agrarian beginnings gave way to urbanization long ago, and over the past 100 years, its urban population has grown by 500 percent, compared to rural growth of about 20 percent. Today, more than eight in 10 people live in urban areas.[7]

After more than a century of steady urbanization in America, more than 90 percent of gross domestic product and wage income is generated in America's often sprawling metro economies. Median household income is 38 percent higher in metro areas than outside them, and contrary to common perceptions, poverty rates are lower inside them than in nonmetro areas.[8]

As metro areas grow, housing and related costs usually rise, but employers and workers put up with them not only because incomes are higher in metro regions but because of the enhanced quality of the jobs and greater levels of energy one finds in urbanized places. Even when taking education, intelligence, and experience into account, people in metro areas of more than a million residents are 50 percent more productive than are those outside those areas, according to urban economist Edward Glaeser.[9]

America's metro growth is thus a story of not only economic dominance but increasing consumer orientation. Cities provide an arena of economic, social, and cultural activity that follows from people working in industries that reward inventiveness, creativity, and insight. Ideas create companies that create jobs, and then people attracted to idea-centric environments follow. As growing companies and amenities concentrate in these areas, still more people follow.

But they don't follow in the same way and the same places, which is why urbanization is an upward mobility story that keeps retelling itself in America. American states benefit from a common language and currency and a generally common culture, and yet different state laws, histories, and subcultures allow cities across the country to compete with each other in ways that would be impossible among European Union member countries, for instance, where linguistic and cultural barriers prevent the same kind of competitive mobility. We can learn a lot about what makes a city unique by assessing the reasons people move there. We can also learn a lot about how to hold in balance the essential elements of opportunity and quality of life mentioned earlier.

Opportunity Cities and Middle-Class Metros

Over the past 20 years, the fastest-growing metro areas with more than a million residents have famously been in the South and West—where the weather is warmer or the infrastructure newer, or both—rather than the dominant cities of yesterday in the Northeast, Midwest, and California coast. Sunbelt cities grew faster between 2000 and 2010 than they did in the following 10 years, but overall, since population growth slowed nationwide, they still dominated by any measure. Fourteen major metros grew their populations by more than 20 percent in the first decade of this century, and six did so in the second decade; none of them were in the Northeast or Midwest. The top 20 metros in both decades are roughly a mix of the same places such as Austin, Texas; Dallas, Texas; Denver, Colorado; Jacksonville, Florida; Nashville, Tennessee; Phoenix, Arizona; and Raleigh, North Carolina—moving up or down a bit in the rankings but not changing that much as a whole.[10]

Digging a little deeper, we can see that these are not only places with better weather and newer shopping malls. They are also states that are favorable to new businesses, sensible on taxation, realistic about public safety, and supportive of building homes the middle class can afford.

Digging even deeper, we can find two useful measures of urban vitality that urbanists often overlook. The first is the balance between population growth and affordability. Most fast-growing cities become unaffordable because of basic supply-and-demand issues—the supply of housing cannot keep up with the number of people moving into town—in which supply is artificially rather than naturally constricted. Unlike a crop that results in diminished supply because of blight or too little rain, housing supply is almost always restricted by local leaders who consciously decide to make it more costly in service of environmental goals or unfounded hopes of slowing growth. But not all growing cities suffer from the same spikes in unaffordability. It is worth learning from them.

The second measure is a metro area's middle class. Today's class-based urban inequality is marked by a shrunken middle class. It's been a long time since anyone has seen a minivan parked in front of the home of an insurance agent, a schoolteacher, and their three kids in Manhattan or San Francisco. But that minivan can be found in Jacksonville; Nashville; Salt Lake City, Utah; and other metro areas that have been growing at a faster clip than Manhattan and San Francisco have for a while. In fact, one can find quite a few migrants from the latter two to the former three these days.[11]

Balancing Growth and Affordability. Cities that offer promising vocational possibilities, a good quality of life, and relative affordability are what we might think of as "opportunity cities." Their population growth is a reflection of their appeal to people in other places who are looking to make a new life for themselves. The COVID-19 pandemic has generated a lot of media commentary about the flight of Americans from high-priced megacities to more affordable, smaller cities, but these migration patterns were already well established before the pandemic attracted the media's attention to them.

Between 2014 and 2018, the five fastest-growing major metros by population percentage were Austin; Orlando, Florida; Raleigh; Las Vegas, Nevada; and Dallas. Others in the top 10 included Phoenix; Charlotte, North Carolina; and Jacksonville. Higher-cost cities such as Chicago, Los Angeles, New York, and San Francisco experienced slowing or declining growth during the same period. Chicago's growth rate was the third worst among all major metros, while San Francisco grew at one-third of Austin's rate.[12]

Austin and Raleigh are well-known among urbanists for their strong and continuous population growth over the past two decades. What has gotten less attention than the economic and cultural forces driving their growth is their relative affordability as they have grown. They are the only two of America's 52 major metro areas with over one million residents to rank in the top 10 in population growth, economic growth, and lowest unaffordable-housing growth. (Phoenix comes close, ranking in the top 12 in all three categories.)[13]

Many fast-growing metros tend to get good marks for business environment, but they also have kept the cost of housing under control compared to other dynamic metro areas.[14] This has been done largely by producing more housing on the periphery at a large scale apace with population growth. In contrast, a combination of urban growth boundaries and strict zoning in many metro areas has created a massive price spiral that has chased domestic migrants out of places such as Los Angeles and San Jose.[15]

According to the Milken Institute's Best-Performing Cities Index, which tracks housing affordability and economic dynamism, Austin, Raleigh, and Phoenix placed in the top seven, compared with the index's other largest cities.[16] The benefits of balancing growth and affordability are many. According to the American Enterprise Institute's Tech Worker Index, the typical technology worker can afford 81 percent of homes in Raleigh and 71 percent in Austin, compared with just 12 percent of homes in San Jose and 21 percent in San Francisco.[17] But it's not just the high-tech crowd that benefits: Austin and Raleigh rank in the top 10 of the nation's 100 largest cities in terms of immigrant homeownership.[18]

Middle-Class Metros. If opportunity cities demonstrate that it is possible to balance population growth and affordability, metro areas with a thriving middle class show that the benefits of dynamic urbanism can be more widely distributed than urbanists typically assume.

Using a sensible definition of the middle class, we see that the top 10 metro areas with the largest shares of middle-class residents include cities such as Salt Lake City; Phoenix; Jacksonville; Orlando; Nashville; Oklahoma

City, Oklahoma; and Grand Rapids, Michigan. The top five cities with the smallest share of middle-class residents are San Jose; San Francisco; Boston, Massachusetts; Philadelphia, Pennsylvania; and New York.[19] There is some overlap between the opportunity cities that balance growth and affordability with middle-class metros, since they have in common relatively strong population growth every year. People are moving to each type of place because of a blend of economic opportunity, affordability, and a mix of amenities that create a good quality of life.

Middle-class metros share some additionally important features, though. One is the median year of home construction. Houses in middle-class metros are considerably newer than in urban areas with fewer middle-class residents. Among the top 10 middle-class metros, the median year of home construction is 1993, compared to 1970 among the 10 metros with the smallest share of the middle class.[20] Not only are newer homes often more attractive than older homes and boasting of more appealing amenities, but they typically require less maintenance. This appeals to families that need to maximize disposable income for other things in life, such as savings or costs related to raising children.

Another feature of middle-class metros is their friendliness to grassroots entrepreneurship. Startups are not just a Silicon Valley phenomenon, nor should they ever be. An important part of the American dream is the ability to start and build an enterprise, even if it is small and local. A recent study of how favorable cities are to startups included in its top 10 list familiar top 10 middle-class metros such as Orlando and Jacksonville, while ranking cities with small middle-class populations, such as Philadelphia and New York, far down the list.[21]

A final important feature of middle-class metros is their family friendliness. More children grow up in two-parent households in metro areas with large middle-class populations, most of whom live in owner-occupied suburbs. A voluminous body of social science research shows that the long-term benefits to children from growing up in such homes are many and enduring. Married parents are also more likely to value involvement in religious congregations, so perhaps it is not surprising that middle-class metros also have more houses of worship per capita than do places with fewer middle-class residents.[22]

Conclusion

A recent analysis of job postings summarizes well how metropolitan dynamism looks in an era marked by a footloose workforce and a surprising resurgence of new businesses. Not only have workers in high-cost cities such as San Francisco been decamping to Austin and lower-cost northwestern cities such as Boise, Idaho, but businesses in opportunity and middle-class metros are also hiring at an impressive clip. Between February 2020 and January 2022, job postings grew at the fastest rate in some familiar places such as Austin and Phoenix but also in other popular pandemic-era metros such as Virginia Beach, Virginia, and Boise. The top 10 cities in terms of job-posting growth look almost identical to those that top lists of opportunity cities and middle-class metros.[23]

During the COVID-19 pandemic, as place of work and residence became untethered like never before for many Americans, we also saw the first reversal of declining new-firm formation in decades. Meanwhile, job postings grew at the slowest rate in metros such as San Francisco; San Jose; Washington, DC; and Baltimore, Maryland.[24]

The dynamics of a once-in-a-century pandemic are still not fully understood. We cannot draw any firm conclusions, as many of those dynamics are preliminary and we can't yet divine the long-range impact of the pandemic. But the job-postings analysis illustrates trends that we find in metros that do a good job balancing opportunity and cost. People all along the income distribution who aspire to improve their lives, build a career, raise a family, and enjoy the good things metropolitan living offers will seek out those places that validate their aspirations. Opportunity cities and middle-class metros clearly appeal to a wide swath of the US population. It is time for more policymakers and leaders in the nation's metro areas to learn this lesson and govern accordingly.

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The Urban Future: The Great Dispersion

WENDELL COX

This chapter describes general urbanization trends in the United States and around the world, from 1950 to the present.[1] Cities can be glamorous or exciting, but what matters most is how they facilitate higher incomes and standards of living.

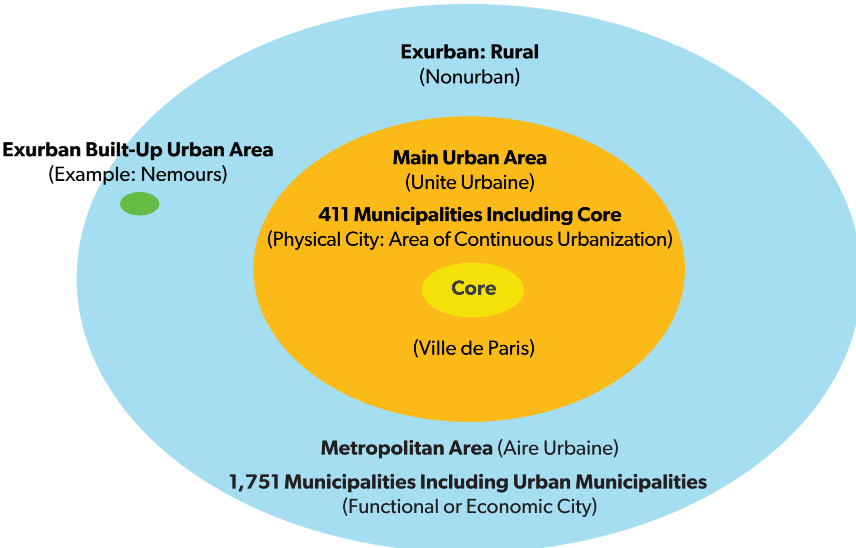
This has been urbanity's ultimate achievement. Alain Bertaud, former World Bank principal planner, connects greater urbanization, a higher standard of living, and lower poverty rates: "Cities are the major engines of economic growth, and living in cities is the only hope of escaping poverty for billions of people."[2] What Chicago economist Deirdre McCloskey called the "Great Enrichment," in which per capita incomes grew by a "factor of 10 and in rich countries by a factor of 30 or more (1,000% to 3,000%) from 1800 to 2010,"[3] was driven by urbanization on a massive scale.

The Role of Urbanization

By 1800, 5 percent of the world population lived in urban areas of at least 2,000.[4] Since then, urbanization has increased tenfold to 55 percent,[5] with almost half the increase occurring since 1950.

This chapter analyzes cities in terms of their generic definitions, of which there are two. The first is "urban areas," which are the areas of *continuous urbanization* (also called "urban agglomeration"): "An Urban Agglomeration refers to the de facto population contained within the contours of a contiguous territory inhabited at urban density levels *without regard to administrative boundaries*."[6] (Emphasis added.)The urban area is defined by the large expanse of lights seen from a high-flying airplane contrasted with the darkness or intermittent lights in the rural surroundings.

Figure 1. Contrast of Urban and Metropolitan Areas in Paris



Source: Based on data from the National Institute of Statistics and Economic Studies.

The second generic city term is the "metropolitan area," which includes the urban area and the economically integrated territory to the outside, largely defined by commuting. The part of the metropolitan area outside the urban area is principally rural. In urban economics, the urban area is referred to as the "physical city," and the metropolitan area is referred to as the "functional" or "economic" city.[7] The metropolitan area is also considered to be in the labor market.[8]

Neither of these generic terms includes the most popular definition—the "city proper,"[9] such as New York City or San Francisco, which are simply the historic core municipalities. Metropolitan areas are far larger. The New York metropolitan area, for example, is as large as Connecticut and Delaware combined, while the San Francisco metropolitan area is larger than Delaware.[10]

All land that is not urban is rural.[11] Most metropolitan land, by the way, is actually rural; US metropolitan-area land is 90 percent rural,[12] while 83 percent of Paris metro land is outside the Paris urban area (Figure 1).[13] Thus, the highest level at which urban density can be measured for a generic city is the urban area, because the larger generic definition, the metropolitan area, is both urban and rural.

In this chapter, the generic terms "urban area" and "metropolitan area" (or "metro") are used for clarity, since the term "city" is typically associated with municipal jurisdictions (such as New York City), which are neither urban areas nor metropolitan areas.[14] The term "core jurisdiction" or "core" denotes the historically dominant municipality in an urban area in the reference year 1950.

The Evolution of Urban Areas. Urban areas have grown not necessarily for aesthetic or cultural reasons but largely because of their economic advantages to new residents. Of course, there must also be adequate personal security, such as protection from disease[15] and crime.[16]

An important purpose of modern urban areas, the much-larger urban areas that have developed since 1800, has been *to improve affluence and reduce poverty*. Aristotle said that the city (urban area) "comes into being for the sake of living, but it exists for the sake of living well."[17] Only in the past two centuries have these benefits helped foster urban areas far larger and more capable of survival than before, through the attraction and development of a large middle class.

Urban Growth. The urban form has been shaped by access—the ability to reach employment, shopping, and other activities for most people in a relatively small amount of time.

Until the early 1800s, the spatial expansion of urban areas was limited by walking distances. Transit brought faster travel and a significant expansion of the urban footprint in the 19th century. The automobile further increased access starting around 1920, with international differences influenced by income. Greater access also expanded opportunities for households to live in more of their own space, both inside and out. Finally, driven by the COVID-19 pandemic, the long-predicted transition to electronic access has blossomed, with final results still too difficult to determine.

The Rise of Suburbanization. The footprint of urban areas organically expands as population increases, with declining population densities from the urban core to the suburbs. Suburbanization has been defined by historian Kenneth Jackson as "the systematic growth of fringe areas at a pace more rapid than that of core cities."[18]

Suburbs have been around for a long time. The eighth-century capital of China's Tang Dynasty, Chang'an (now called Xi'an), is reputed to have had between one and two million residents outside the city wall (suburbs), in addition to one million inside.[19]

More recently, suburbanization was accompanied by material population losses in many core jurisdictions. Of 72 high-income core jurisdictions reaching a peak population of 400,000 by the mid-20th century, which have annexed only minimally and were fully built out, all but two lost population by 2000.[20]

The decline of some core jurisdictions and rapid suburban growth reflect the post–World War II transformation of urban areas when the dominance of the automobile became virtually complete in nearly all urban areas.

Because more precise data are not readily available, suburbs are considered to be all the urban area outside the core jurisdiction. This is less than ideal. Some prewar urbanization extends well beyond the core jurisdiction, such as in Boston or Brussels. In contrast, some core jurisdictions include little prewar urbanization, such as Brisbane and Charlotte, which remain largely suburban within their "city" limits.

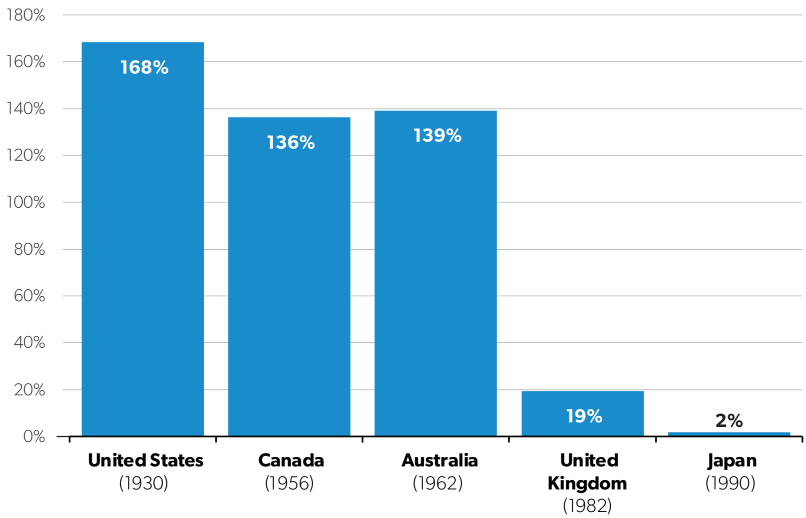
Understanding Urban Dispersion in the United States and Canada

Large urban areas developed later in North America, compared to the long-established urban centers of Europe and East Asia. In 1800, the world's largest urban area, Beijing, was 15 times the size of the United States' leader, Philadelphia. By 1900, London was the world's largest, but it had only 1.5 times the population of New York, which became the world's largest in about 1925.[21]

During the 19th century, US urban areas, like their international peers, suburbanized, facilitated initially by transit. During the 1920s, automobiles became dominant, enabling quicker suburbanization, but this was temporarily muted by the Great Depression and World War II.

Unprecedented suburban growth was driven by unparalleled US affluence, which gave households the means to purchase housing on the

Figure 2. US Automobile Growth Rate Since 1930



Source: Derived from US Department of Transportation data and American Motor Vehicle Automobile Manufacturers Association, *World Motor Vehicle Data: 1993 Edition* (Washington, DC: American Automobile Manufacturers Association, 1993).

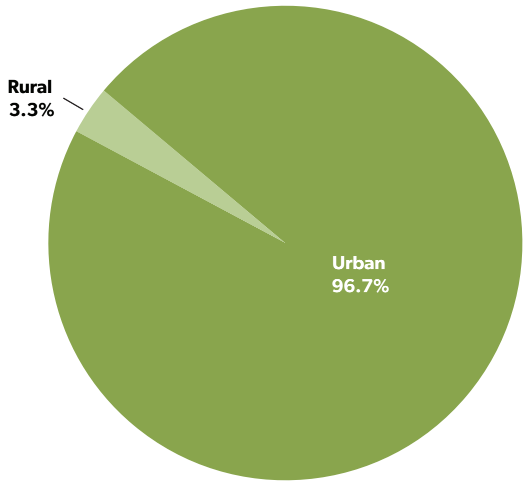
periphery.[22] This was in part because the US remained the only major power with its industrial capacity intact after World War II.

Automobiles, the driver of modern suburbanization, became dominant first in the US, with 0.77 cars per household by 1930. Canada and Australia, usually among the most affluent nations, took 26 and 32 years to reach the United States' 1930 level. In the United Kingdom, it took 52 years, and in Japan, 60.[23] This longer period of motorization contributed to the greater suburbanization that was to occur in the United States (Figure 2).

United States Urban Areas: 1950 to 2010. Nearly all US population growth from 1950 to 2010 was urban (97 percent), which includes both core jurisdictions and suburbs. Rural areas grew only 3 percent (Figure 3).[24]

Unlike most nations, the United States has readily available urban-area data from 1950.[25] This analysis, starting from 1950, focuses on the main urban areas[26] in the 53 metropolitan areas with populations greater than one million in 2010.

Figure 3. Population Growth: 1950–2010



Source: Data from US Census Bureau.

The 53 urban areas have increased in size more than 1.5 times (162 percent) and at a faster rate than the national population (104 percent), but they became steadily more suburban. Overall, the urban areas transitioned from being 35 percent suburban in 1950 to 69 percent suburban in 2010. Approximately 90 percent of the urban-area population growth was suburban.

The 53 urban areas can be divided into three categories, as reflected by characteristics of their cores (Table 1):

- *Stable Cores.* Nineteen urban areas—including Boston, New York, and Philadelphia—have "stable cores," in which the core jurisdiction has increased its land area no more than minimally (less than 10 percent) since 1950. Most are located in the slower-growing Northeast and Midwest and have become more suburban over time. Between 1950 and 2010, these urban areas had 116 percent of their growth in the suburbs, with core jurisdictions losing population. In 1950, these urban areas were 38 percent suburban but by 2010 reached 73 percent.

Table 1. Urban Areas by Core Jurisdiction Category

Urban Area	1950 CENSUS			2010 CENSUS			GROWTH		CATEGORY
	Population (in Millions)	Core	Suburbs	Population (in Millions)	Core	Suburbs	Total Percentage	Suburb Share	
Urban Areas with Stable Cores (19)	38.6	62%	38%	70.2	27%	73%	82%	116%	1
Urban Areas with Expanding Cores (32)	16.2	71%	29%	70.9	35%	65%	336%	76%	2
New Urban Areas (2)	—	—	—	2.7	40%	60%	—	—	3
All Urban Areas (53)	54.8	65%	35%	143.8	31%	69%	162%	90%	—

Source: Data from US Census Bureau.

- *Expanding Cores.* Another 32 urban areas have "expanding cores," in which core jurisdiction land areas have expanded substantially, through annexations or amalgamation with another jurisdiction. On average, the 2010 land area was triple that of 1950. Overall, the urban-area growth was 336 percent. In 1950, these urban areas were 29 percent suburban but increased to 65 percent in 2010. The suburbs captured 76 percent of the growth over the period. However, there was also considerable post–World War II suburbanization within cities proper that was largely indistinguishable from development outside cities proper. This category includes diverse urban areas such as Portland and Oklahoma City.

- *Not Designated.* Las Vegas and Tucson were too small to qualify as urban areas in 1950.

Later data improvements using smaller area populations made functional classifications more practical. For example, Demographia's "City Sector Model"[27] used ZIP code data to estimate the 53 urban areas[28] at 17 percent core and 83 percent suburban in 2010.[29] Since 2010, the suburbs have accounted for 91 percent of the growth.[30]

Among the 53 urban areas, the 1950 median suburban share of the population was 27 percent. By 2010, the suburban share had risen to 72 percent.

The most suburbanized urban area in 2010 was Miami (93 percent), followed by Atlanta (91 percent); Riverside–San Bernardino (89 percent); Washington, DC (13 percent); and Hartford (13 percent). The smallest suburban components were in San Antonio[31] and Jacksonville (25 percent), followed by Oklahoma City (37 percent), Tucson (38 percent), and Memphis (39 percent). It is crucial to realize that the core jurisdiction in these latter five includes unusually large stretches of functionally suburban territory (Table 2). Just because a neighborhood is located within "city limits" does not mean it is urban in its characteristics.

This phenomenon can be seen even in America's largest, densest, and most celebrated cores. New York City in 1900 was "surrounded by more suburbs than anywhere in the world," according to Jackson, who called Brooklyn Heights the first commuter suburb.[32]

Table 2. US Main Urban Areas in Metropolitan Areas over 1,000,000: 2010

Urban Area	1950 CENSUS Population (in Millions)	1950 CENSUS Core	1950 CENSUS Suburbs	2010 CENSUS Population (in Millions)	2010 CENSUS Core	2010 CENSUS Suburbs	GROWTH Total Percentage	GROWTH Suburb Share	CATEGORY
Atlanta, GA	0.507	65%	35%	4.515	9%	91%	791%	98%	2
Austin, TX	0.136	97%	3%	1.362	58%	42%	902%	47%	2
Baltimore, MD	1.162	82%	18%	2.204	28%	72%	90%	132%	1
Birmingham, AL	0.445	73%	27%	0.749	28%	72%	68%	138%	2
Boston, MA-NH-RI	2.233	36%	64%	4.181	15%	85%	87%	109%	1
Buffalo, NY	0.895	65%	35%	0.936	28%	72%	5%	879%	1
Charlotte, NC-SC	0.141	95%	5%	1.249	59%	41%	786%	46%	2
Chicago, IL-IN	4.921	74%	26%	8.608	31%	69%	75%	125%	1
Cincinnati, OH-KY-IN	0.813	62%	38%	1.625	18%	82%	100%	126%	1
Cleveland, OH	1.384	66%	34%	1.781	22%	78%	29%	231%	1
Columbus, OH	0.438	86%	14%	1.368	57%	43%	212%	56%	2
Dallas–Fort Worth, TX	0.855	83%	17%	5.122	23%	77%	499%	89%	2
Denver, CO	0.499	83%	17%	2.374	25%	75%	376%	90%	2
Detroit, MI	2.752	67%	33%	3.734	19%	81%	36%	216%	1
Grand Rapids, MI	0.227	78%	22%	0.570	33%	67%	151%	97%	1
Hartford, CT	0.301	59%	41%	0.925	13%	87%	207%	108%	1
Houston, TX	0.701	85%	15%	4.944	42%	58%	605%	65%	2

(continued on the next page)

Table 2. US Main Urban Areas in Metropolitan Areas over 1,000,000: 2010 (*continued*)

	1950 CENSUS			2010 CENSUS			GROWTH		CATEGORY
Urban Area	**Population (in Millions)**	**Core**	**Suburbs**	**Population (in Millions)**	**Core**	**Suburbs**	**Total Percentage**	**Suburb Share**	
Indianapolis, IN	0.502	85%	15%	1.487	55%	45%	196%	61%	2
Jacksonville, FL	0.242	85%	15%	1.065	75%	25%	340%	28%	2
Kansas City, MO-KS	0.698	65%	35%	1.519	30%	70%	118%	101%	2
Las Vegas Henderson, NV	—	—	—	1.886	31%	69%	—	69%	3
Los Angeles, CA	3.997	49%	51%	12.151	31%	69%	204%	78%	2
Louisville, KY-IN	0.472	78%	22%	0.973	60%	40%	106%	56%	2
Memphis, TN-MS-AR	0.406	98%	2%	1.060	61%	39%	161%	62%	2
Miami, FL	0.459	54%	46%	5.502	7%	93%	1,099%	97%	1
Milwaukee, WI	0.829	77%	23%	1.376	43%	57%	66%	108%	2
Minneapolis–St. Paul, MN-WI	0.987	53%	47%	2.651	14%	86%	169%	108%	1
Nashville, TN	0.259	67%	33%	0.970	60%	40%	274%	42%	2
New Orleans, LA	0.660	86%	14%	0.900	38%	62%	36%	195%	2
New York, NY-NJ-CT	12.296	64%	36%	18.351	45%	55%	49%	95%	1
Oklahoma City, OK	0.275	89%	11%	0.862	63%	37%	213%	49%	2
Orlando, FL	0.073	71%	29%	1.511	16%	84%	1,969%	87%	2
Philadelphia, PA-NJ-DE-MD	2.922	71%	29%	5.442	28%	72%	86%	122%	1

(continued on the next page)

Table 2. US Main Urban Areas in Metropolitan Areas over 1,000,000: 2010 (*continued*)

Urban Area	1950 CENSUS Population (in Millions)	1950 CENSUS Core	1950 CENSUS Suburbs	2010 CENSUS Population (in Millions)	2010 CENSUS Core	2010 CENSUS Suburbs	GROWTH Total Percentage	GROWTH Suburb Share	CATEGORY
Phoenix, AZ	0.216	49%	51%	3.629	40%	60%	1,580%	61%	2
Pittsburgh, PA	1.533	44%	56%	1.734	18%	82%	13%	285%	1
Portland, OR-WA	0.513	73%	27%	1.850	31%	69%	261%	84%	2
Providence, RI-MA	0.583	43%	57%	1.191	15%	85%	104%	112%	1
Raleigh, NC	0.069	96%	4%	0.885	46%	54%	1,182%	59%	2
Richmond, VA	0.258	89%	11%	0.954	21%	79%	270%	104%	2
Riverside–San Bernardino, CA	0.136	46%	54%	1.933	11%	89%	1,321%	92%	2
Rochester, NY	0.409	81%	19%	0.721	29%	71%	76%	139%	1
Sacramento, CA	0.212	65%	35%	1.724	27%	73%	713%	78%	2
Salt Lake City, UT	0.227	80%	20%	1.021	18%	82%	350%	100%	2
San Antonio, TX	0.450	91%	9%	1.758	75%	25%	291%	30%	2
San Diego, CA	0.433	77%	23%	2.957	44%	56%	583%	61%	2
San Francisco CA	2.022	38%	62%	3.281	25%	75%	62%	98%	1
San Jose, CA	0.176	54%	46%	1.664	57%	43%	846%	43%	2
Seattle, WA	0.622	75%	25%	3.059	20%	80%	392%	94%	2
St. Louis, MO-IL	1.401	61%	39%	2.151	15%	85%	54%	172%	1

(*continued on the next page*)

Table 2. US Main Urban Areas in Metropolitan Areas over 1,000,000: 2010 (*continued*)

	1950 CENSUS			2010 CENSUS			GROWTH		CATEGORY
Urban Area	**Population (in Millions)**	**Core**	**Suburbs**	**Population (in Millions)**	**Core**	**Suburbs**	**Total Percentage**	**Suburb Share**	
Tampa–St. Petersburg, FL	0.408	78%	22%	2.442	14%	86%	498%	99%	2
Tucson, AZ	—	—	—	0.843	62%	38%	—	38%	3
Virginia Beach–Norfolk, VA	0.385	76%	24%	1.440	17%	83%	274%	105%	2
Washington, DC-VA-MD	1.287	62%	38%	4.587	13%	87%	256%	106%	1
Total	**54.827**	**65%**	**35%**	**143.777**	**31%**	**69%**	**162%**	**90%**	**—**
Median	**0.499**	**73%**	**27%**	**1.724**	**28%**	**72%**	**212%**	**97%**	**—**

Note: Category 1 indicates urban areas with stable cores, Category 2 indicates urban areas with expanding cores, and Category 3 indicates areas not designated in 1950.
Source: Data from US Census Bureau.

The New York urban area grew from 12.3 million in 1950 to 18.4 million in 2010, a 49 percent increase. The suburban share grew from 36 percent to 55 percent. This somewhat slower-than-national rate of suburbanization reflects New York's comparatively slow population growth, of which suburbs captured 95 percent.

Chicago grew from 4.9 million in 1950 to 8.6 million in 2010, a 75 percent increase. The suburban share grew from 26 percent to 69 percent. Suburbs captured 109 percent of the growth. The core declined from its 1950 peak of 3.6 million to 2.7 million in 2010.

Los Angeles grew from 4.0 million in 1950 to 12.2 million in 2010, a 75 percent increase. The suburban share grew from 51 percent to 69 percent. Suburbs captured 78 percent of the growth. The core grew from 2.0 million to 3.8 million.[33]

Of course, suburban dominance has been particularly marked in the fastest-growing urban areas, mainly in the Sunbelt, outside California. Dallas–Fort Worth grew from 0.853 million to 5.122 million from 1950 to 2010, a 500 percent increase. The suburban share grew from 17 percent to 77 percent. Suburbs captured 89 percent of the growth. During this period, the Fort Worth urban area was subsumed into Dallas–Fort Worth.

Phoenix grew 16 times larger, from 200,000 to 3.6 million from 1950 to 2010. The suburban share grew from 51 percent to 60 percent. Suburbs captured 61 percent of the growth. The smaller suburban growth reflects massive core jurisdiction (city of Phoenix) annexations that left it about 40 percent *less dense* than Los Angeles suburbs.[34]

Canada: 1950 to 2021. Although it has political and cultural differences from the US, Canada largely follows the same pattern. Vancouver is unusual, with its core jurisdiction having densified substantially within its fully developed stable borders since 1966, increasing approximately 70 percent in population by 2021.[35] Yet Vancouver has become 71 percent suburban, an increase from 38 percent in 1950.[36] The suburbs have captured 81 percent of the growth.

Toronto's growth has also been overwhelmingly suburban, with 100 percent of growth in the suburbs from 1951 to 2001, during which time it transitioned from 22 percent to 63 percent suburban. Then, amalgamation increased the core by four times, yet more than 90 percent of growth continued to be suburban over the next 15 years.[37] Overall, across the country, according to the American Suburbs Project of the Massachusetts Institute of Technology (MIT) and Queen's University in Canada, 75 percent of Canada's metropolitan population lives in automobile-oriented suburbs or exurbs.[38]

The European Experience

The United States and Canada may be suburban nations, but they hardly stand alone. This section analyzes the evolution of international urban areas. Post-1800 suburbanization emerged especially in London and Paris, which with other examples are discussed below (Table 3).[39] An important defining characteristic is falling population densities, principally made possible by transportation advances that enabled faster traveling in urban areas. For the most part, urban trips were made by walking until travel times were improved by mass transit (in the mid-1900s) and then the further travel-time improvements by automobiles (in the first half of the 20th century).

London: 1800 to 2021. In 1800, when nearly all travel in urban areas was by walking, the London urban area had a population density of 69,000 per square mile. When transit had become mature, in 1900, London's population density had dropped to 55,000 per square mile. In the present automobile-oriented urban area, London's population density has fallen to 16,600, down more than 75 percent from 1800.[40] Since 1901, all of London's growth has taken place in the suburbs,[41] which had 30 percent of the population and increased to 56 percent by 1950. Since 1950, these trends have accelerated; as London's population increased from 8.4 million to 11.1 million in 2021, the suburbs have captured all the growth and now account for 67 percent of the population.

However, post-1950, the suburban increase underestimates dispersion. A greenbelt was imposed in the mid-20th century to stop the urban expansion. Growth then leapfrogged over the greenbelt. The counties outside the greenbelt added 5.6 million residents from 1951 to 2011, capturing 47 percent of England's growth compared to their 16 percent share in 1951.[42]

Table 3. International Urban Areas

	1950 CENSUS			2010 CENSUS			GROWTH		CATEGORY
Urban Area	1950	Core	Suburbs	2021	Core	Suburbs	Total Percentage	Suburb Share	
Barcelona	1.8	71%	29%	4.7	35%	65%	162%	87%	1
Buenos Aires	5.2	58%	42%	16.2	19%	81%	214%	99%	1
Copenhagen	1.2	63%	37%	1.6	49%	51%	33%	92%	1
Kolkata	4.6	64%	36%	18.7	24%	76%	306%	89%	1
Lagos	0.3	66%	34%	15.5	1%	99%	4,665%	100%	1
London	8.4	44%	56%	11.1	33%	67%	33%	101%	1
Manila	1.5	65%	35%	24.0	8%	92%	1,453%	96%	1
Melbourne	1.3	7%	93%	4.6	4%	96%	248%	97%	1
Mexico City	3.4	66%	34%	21.5	9%	91%	539%	102%	1
Milan	1.9	67%	33%	5.0	28%	72%	165%	96%	1
Paris	6.3	44%	56%	11.0	20%	80%	76%	113%	1
Shanghai	4.3	100%	0%	22.1	30%	70%	416%	87%	1
Tokyo	11.3	48%	52%	39.1	24%	76%	247%	86%	1
Vancouver	0.6	62%	38%	2.4	29%	71%	337%	81%	1
Zurich	0.5	83%	17%	0.9	47%	53%	87%	94%	1

Note: Category 1 indicates urban areas with stable cores, Category 2 indicates urban areas with expanding cores, and Category 3 indicates urban areas not designated in 1950.

Source: Tertius Chandler, *Four Thousand Years of Urban Growth: An Historical Census* (Lewiston, NY: St. David's University Press, 1987); and Demographia, *Demographia World Urban Areas: 17th Annual*, June 2021, https://web.archive.org/web/20211223203642/http://www.demographia.com/db-worldua.pdf.

Paris: 1800 to 2021. Nor can this all be written off as a characteristic of Anglo-Saxon urban areas. Paris had a population density of 129,000 in 1800, when nearly all urban mobility was walking.[43] Late in the transit era (1900), the Paris density dropped to 32,000.[44] Now, in the automobile era, the urban density is 9,800, down more than 90 percent from 1800.

The Ville de Paris (core) population peaked in 1921, at 2,906,000.[45] Since then, the core has lost 700,000 residents, with all growth in the suburbs. By 1950, 56 percent of the population was in the suburbs, which now hold 80 percent. The urban area grew from 6.3 million in 1950 to 11.0 million in 2021.

Other Selected Urban Areas: 1950 to 2021. Similar patterns apply to other European urban areas. Barcelona, 29 percent suburban in 1950, became 65 percent suburban by 2021, with 87 percent of growth in the suburbs.[46]

Milan, at 33 percent suburban in 1950, became 65 percent suburban by 2021, with 96 percent of the growth in the suburbs. Despite conscious policies to restrict suburban expansion, Zurich has become 53 percent suburban from 17 percent in 1951, with the suburbs capturing 94 percent of the growth.[47] With similar policies, Copenhagen follows the same pattern, increasing the suburban share from 37 percent in 1950 to the present 53 percent. During that period, 96 percent of population growth occurred in suburban areas.[48]

A Truly Global Phenomenon

These trends can be seen around the world. Tokyo has been the world's largest urban area since the mid-1950s. It has grown from 8.6 million in 1950 to the present 39.1 million, but little of this growth occurred in the core. The suburbs captured 86 percent of this growth.[49] Suburban Tokyo had 52 percent of the population in 1950, which rose in 2020 to 76 percent.

This pattern also applies to other parts of East Asia. Shanghai has grown from 4.3 million in 1950 to 22.1 million in 2021, with 87 percent of the population growth in the suburbs.[50] Suburbs had virtually none of the population in 1950, rising now to 70 percent. Manila has grown from 1.5 million in 1950 to 24.0 million in 2021,[51] with 96 percent of the growth in the suburbs.[52] In 1950, Manila was 35 percent suburban, rising now to 92 percent.

Australia has largely adopted British-style planning, which seeks to contain "sprawl," and continues to ignore the blandishments of planners, pundits, and most academics. Melbourne has grown from 1.3 million in 1950 to the present 4.6 million, with the suburbs accounting for 97 percent of the growth. The suburban share has increased from 93 percent in 1950 to 96 percent in 2021. This minor increase is due to the minute size of the core jurisdiction,[53] which now has fewer than 200,000 residents. Using smaller census areas, the MIT and Queen's University American Suburbs Project estimates that 75 percent of Australia's metropolitan population lives in automobile-oriented suburbs or exurbs.[54]

Nor is this merely a phenomenon of wealthy urban areas. Suburbs of Buenos Aires grew from 42 percent of the population in 1950 to 81 percent in 2021.[55] The suburbs accounted for 99 percent of the urban-area growth from 5.2 million in 1950 to 15.6 million in 2021. In Mexico City,[56] 102 percent of the post-1950 growth was suburban.[57] The suburbs grew from 34 percent of the population in 1950 to 91 percent in 2021 as the urban area grew from 3.4 million to 21.5 million. The urban footprint of São Paulo[58] expanded more than four times from 1953 to 1987[59] and has expanded up to 70 percent since that time.[60]

Suburbanization has also been substantial even in some of the poorest urban areas. Obviously, this is different in character due to less affluence. Neat suburban townhouses and leafy neighborhoods are less than universal, and suburbs can include shantytowns or slums (as is also the case with cities proper).

Yet the spatial pattern remains surprisingly similar to the more developed parts of the world. Africa, for example, is home to some of the world's fastest-growing urban areas. Lagos grew from a population of 300,000 in 1950 to 15.5 million in 2021, increasing more than 45 times.[61] All growth was in the suburbs, which had a 34 percent share in 1950 and now have a 99 percent share.

Ethiopia's gross domestic product (GDP) per capita ranks in the bottom 10 percent of geographies, more than 90 percent below the world average according to the World Bank.[62] Yet the capital, Addis Ababa, expanded its urban footprint from 1987 to 2017 by nearly 200 percent.[63]

The same pattern is evident in India, which is projected to become the world's most populous nation before 2030.[64] The core of Delhi has lost population since 1960, when the urban area was 64 percent suburban, and is now at least 97 percent suburban.[65] Kolkata has grown from 4.7 million in 1950 to 18.7 million and transitioned from 36 percent suburban in 1950 to 86 percent in 2021.[66]

Given that the UN projects that nearly all urban growth (95 percent) will be in the less developed world from 2020 to 2050 (2.180 billion),[67] what happens in Delhi, Kolkata, or Lagos may be more crucial to the future of urban areas than anything happening in the more developed world, which is expected to account for only 5 percent of the world's urban growth.

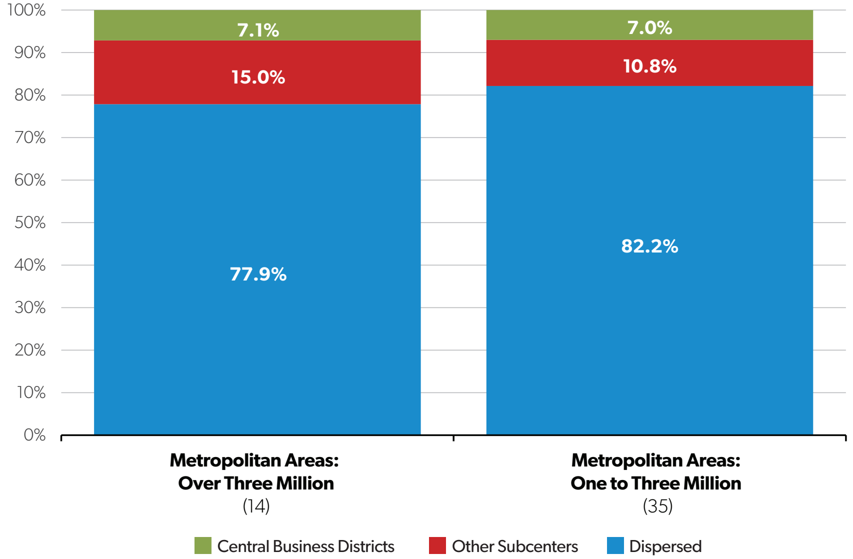
Dynamics of Urban-Area Growth: Toward a More Dispersed Future

All this violates a common perception that urban areas become denser as they grow. In fact, the tendency is the opposite, as the New York University Institute of Urban Expansion's Shlomo Angel has shown.[68] Further, with a majority of the world's population now urban, media reports sometimes imply that the average urbanite is in a megacity, such as London, New York, or Tokyo. In fact, the median world urban resident lives in an urban area with about 600,000 residents, such as Geneva or Grand Rapids, and many live in urban areas with just a few thousand residents.[69]

Much the same can be said about economics. Despite the revival of some urban cores earlier in this century, the relentless dispersion of jobs continues. Crucially, the automobile has allowed employment and commercial activity to disperse throughout urban areas, particularly in higher-income nations. According to Jackson, this began early; 80 percent of the employment in metro New York was in the urban core in 1920. By 1970, more than one-half the employment was *outside*.[70]

More dispersion was to follow. Joel Garreau's *Edge Cities* identified new suburban employment centers in the early 1990s, some rivaling downtown areas (central business districts).[71] Edge cities brought employment, shopping, and entertainment opportunities closer to residents. The earliest edge cities appeared in metros such as Atlanta, Houston, and Los Angeles, and many more were built elsewhere.

Figure 4. US Major Metropolitan-Area Employment Dispersion and Concentration: 2000



Source: Bumsoo Lee and Peter Gordon, "Urban Spatial Structure and Economic Growth in US Metropolitan Areas" (working paper, University of Southern California, Los Angeles, CA, January 2007), https://lusk.usc.edu/research/working-papers/urban-spatial-structure-and-economic-growth-us-metropolitan-areas.

Then even more dispersion followed. Bumsoo Lee and Peter Gordon at the University of Southern California found that by 2000, 80 percent of employment in 79 major metropolitan areas was found outside *both* downtowns and edge cities (Figure 4).[72] Moreover, since 2000, more than 90 percent of major metro employment was in the suburbs and exurbs.[73]

Employment dispersion similarly proliferated around the world. Some of the most notable examples include Canary Wharf (London), La Defence (Paris), Levent (Istanbul), the Moscow International Business Center, and Santa Fe (Mexico City). Two of Manila's edge cities exceeded employment in the historic central business district.[74] São Paulo has nine large centers outside the historic central business district.[75]

China also has large edge cities. The most famous is in Shanghai's Lujiazui (Pudong), with three of the world's 35 tallest buildings sharing the *same intersection*.[76] The Pearl River Delta,[77] Suzhou,[78] and Tianjin[79] have multiple edge cities, with many more across the nation.

The Importance of the Metropolitan-Area Labor Market

Shifts in technology and transportation are crucial to ensuring access to jobs.[80] According to Bertaud, metro success requires "the ability to move quickly and easily between locations."[81] Unparalleled access is the automobile's overwhelming attribute.

According to Northwestern University's Robert Gordon, "Much of the enthusiastic transition away from urban mass transit to automobiles reflected the inherent flexibility of the internal combustion engine—it could take you directly from your origin point to your destination with no need to walk" to a transit stop, where you would often need to transfer to another railcar ("which required more waiting") and then "walk to your final destination."[82]

According to University of Minnesota research, cars can provide, on average, 30-minute access to 58 times (5,800 percent) as many jobs as transit can in 50 US metropolitan areas with populations of more than one million. This includes metro New York, served by the nation's leading transit system, where automobiles can provide six times (600 percent) the 30-minute access as transit can.[83]

Similar research finds 30-minute automobile access is 6.6 times that of transit in Australia, 6.0 times in Canada, 15.2 times in the Netherlands, and 5.5 times in New Zealand.[84] In Buenos Aires, those with automobiles can access 6.5 times as many jobs in an hour as those using transit.[85]

Jean-Claude Ziv of the Conservatoire National des Arts et Métiers and I estimated that a comprehensive rapid-transit grid, with access similar to that of automobiles, would require funding from one-third to *all* of an urban area's GDP each year.[86]

Access to automobiles is crucial to achieving poverty reduction. Research by David King (Arizona State University), Michael Smart (Rutgers University), and Michael Manville (University of California, Los Angeles) indicates that carless households are 70 percent more likely to be in poverty.[87] Margy Waller of the Progressive Policy Institute noted, "In most cases, the shortest distance between a poor person and a job is along a line driven in a car."[88]

The Next Act: The Rise of Remote Work. Particularly since the pandemic, remote work now offers the chance for many to eliminate or reduce their physical commute. Many employers are adopting a "mandatory hybrid" model, in which employees commute to work at least *some* of the time.[89] This represents a tectonic change from the traditional pre pandemic commute.

As remote work has increased, people have started accelerating the already-strong move to more suburban and exurban areas. Indeed, remote work is the ultimate in employment access, eliminating the commute while reducing greenhouse gas emissions.[90]

Addressing the Urban Class Divide

Even if technology addresses access and mobility, the real crisis may turn out to be one of living standards. In 2014, French economist Thomas Piketty produced a widely referenced analysis of world inequality.[91] Soon thereafter, Matthew Rognlie of Northwestern University found that virtually all of Piketty's increased inequality was attributable to increased house values.[92]

In the US, housing affordability was far better in 1970, when the price-to-income ratio was no higher than 3.0 in today's 53 largest metropolitan areas. Australia, Canada, New Zealand, and the United Kingdom retained similar affordability until the early 1990s. However, since that time, many markets have experienced materially deteriorating housing affordability.

The Organisation for Economic Co-operation and Development (OECD) reported in *Under Pressure: The Squeezed Middle-Class* that the future of the middle class is threatened by costs rising far higher than incomes. Moreover, the OECD cited the principal contributor as house prices that have been growing "three times faster than household median income over the last two decades."[93]

More-severe housing and land-use regulation have been associated with housing affordability losses.[94] Both the OECD and Rognlie urged a review of such regulations. In particular, widely adopted urban containment has been associated with severe losses in housing affordability, through the use of strategies such as urban-growth boundaries to constrain urban expansion.[95]

Bertaud describes associated consequences, noting that urban growth boundaries and greenbelts put "arbitrary limits on city expansion" and that "the result is predictably higher prices."[96]

Urban containment elevates land costs throughout the urban area (Figure 5).[97] Indeed, such higher land prices are often an *intended* and expected result.[98]

In *Rethinking Urban Sprawl*, the OECD cautions that housing affordability can deteriorate if sufficient developable land is not available within urban-growth boundaries.[99] Anthony Downs of the Brookings Institution stresses the importance of preserving a competitive market for land on the urban fringe.[100]

The least affordable markets in the US all operate under urban containment—Los Angeles (median multiple of 9.0), San Jose (8.5), San Francisco (8.4), and San Diego (7.3). Other severely unaffordable markets have similar policies, with ratios over 5.0, such as Seattle (5.5), Miami (5.4), Denver (5.3), and Portland (5.1).

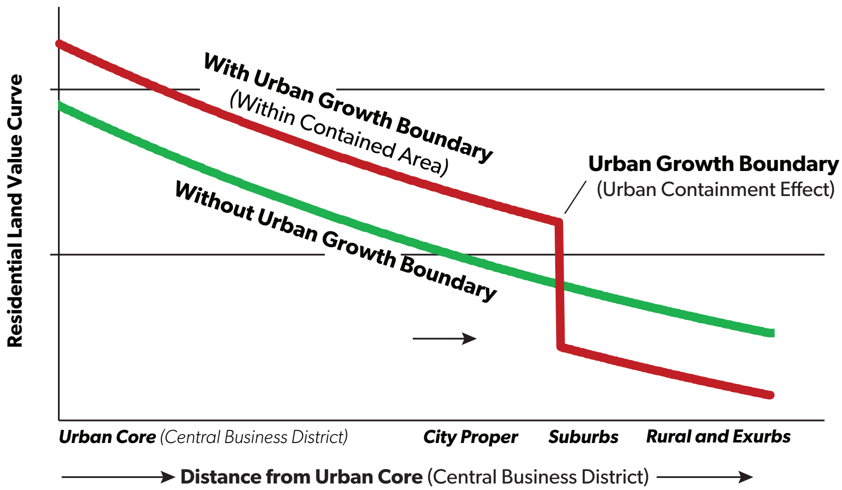
Similarly, highly unaffordable international markets have urban containment, such as Vancouver (11.9), Sydney (11.0), Auckland (8.6), and Toronto (8.6), which has more than doubled its house prices relative to incomes in just 15 years.[101]

Further, markets subject to stronger housing regulation tend to have greater price volatility, which during the housing bust of the late 2000s led to huge pension losses and upset millions of people's lives.[102]

Edward Glaeser of Harvard University and Joseph Gyourko of the University of Pennsylvania found in metro San Francisco, which includes the city *and* suburbs in four counties, that land values[103] were approximately 10 times the expected 20 percent in a well-functioning market.[104] San Francisco has strong urban-containment policies. These policies have had a similar effect in Australia, Canada, and the United Kingdom, as costs have skyrocketed. The dream of homeownership has become hideously expensive for people in many of the world's greatest metropolitan areas.

Yet, most major markets in the US remain relatively affordable, as do some Canadian markets. In pre-pandemic 2019, 33 of the 56 US major markets had median multiples of 4.0 or less. In these markets, preserving housing affordability is not so much about "making room" for urban expansion,

Figure 5. Urban Containment Effect on Land Value: Urban Containment vs. Traditional Regulation

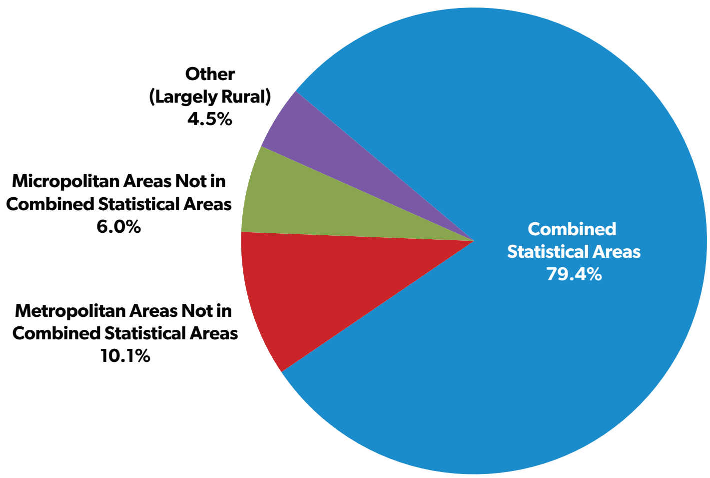


Note: Under traditional land-use regulation, in which there is no urban containment boundary (under "Traditional Regulation"), the land price gradient would be smooth (the green line labeled "Without Urban Growth Boundary"). On the other hand, an abrupt increase occurs at the urban boundary in an environment with an urban containment boundary (the red line labeled "With Urban Growth Boundary").
Source: Adapted from other works dealing with urban growth boundaries. Other graphical representations of this relationship can be found in Gerrit Knaap and Arthur C. Nelson, *The Regulated Landscape: Lessons on State Land Use Planning from Oregon* (Cambridge, MA: Lincoln Institute of Land Policy, 1992); William A. Fischel, *Zoning Rules! The Economics of Land-Use Regulation* (Cambridge, MA: Lincoln Institute of Land Policy, 2015), https://www.lincolninst.edu/sites/default/files/pubfiles/zoning-rules-chp.pdf; and Gerard Mildner, "Public Policy & Portland's Real Estate Market," *Quarterly and Urban Development Journal*, 4th Quarterly (2009): 1–16, https://web.archive.org/web/20150620083722/www.pdx.edu/sites/www.pdx.edu.realestate/files/1Q10-4A-Mildner-UGB-1-31-10.pdf.

as Angel advocates,[105] as it is about not taking away competitively priced land for urban expansion and better affordability.

But this will require that these metros avoid the policies of the excessively unaffordable metros, especially California, Sydney, and Vancouver. The impossibly excessive cost of living is driving outward migration in a phenomenon the *Los Angeles Times* has called the "Great California Migration."[106] Since 2000, California has lost a net 2.7 million residents to other states[107]—nearly as many people as live in Chicago.

Figure 6. US Population Distribution: 2020 Census



Source: Data from US Census Bureau.

The Future?

Over the past two centuries, transportation advances have allowed people to disperse, living farther from work and in more owned interior and exterior space. Now information technology is creating more personal time, with online access replacing much travel related principally to work, shopping, and other destinations.

This improved access is available throughout many nations, proliferating through metropolitan areas of all sizes. For example, in the US, large labor markets house about 90 percent of the population.[108] Full-time or intermittent commute travel (such as weekly or monthly) makes it easier for people to live farther from their employer (Figure 6).

Increasingly, the conveniences of urban living—such as broadband, arts, and entertainment—are becoming available even in largely rural areas. Better rural internet access could bring further convergence.[109]

With suburban, exurban, and rural attractiveness improving, the costs of living in urban cores could decline, driven by a balance of supply and demand in housing markets. Even if this scenario proves to be a "future too far," future urbanization is likely to be shaped by greater virtual activity.

Dense urban cores are not dead, nor will they expire. However, to compete with suburban and exurban areas, they must foster a quality of life that attracts and retains people.

Notes

1. No source provides fully comparable data for urban areas (or metropolitan areas) in either the United States or around the world. Any analysis requires consulting multiple sources—which, though not completely comparable, are sufficient to indicate general trends. For example, one of the best sources is the US Census Bureau's urban area (called urbanized area before 2010) data, which have been subject to revision over the past 70 years, but not so much so that they are not useful for this analysis. The international data are even more difficult. The 1950 to 2021 analysis is based on national statistical bureau sources, the United Nations (a database with inconsistencies in some cases due to national reporting differences), and *Demographia World Urban Areas*, a product that relies on the European Commission Global Human Settlement Layer 250-meter grid. See European Commission, GHS-POP R2019A, 2019, https://ghsl.jrc.ec.europa.eu/ghs_pop2019.php. In this chapter, the latest source data are adjusted to 2021 by population-projection rates. Again, while the comparability of the early and present data is less than perfect, it is sufficiently comparable for broad comparisons.

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5. Derived from UN Department of Economic and Social Affairs, *2018 Revision of World Urbanization Prospects*, May 16, 2018, https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html.

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7. See Paul C. Cheshire, Max Nathan, and Henry G. Overman, *Urban Economics and Urban Policy: Challenging Conventional Policy Wisdom* (Cheltenham, UK: Edward Elgar Publishing, 2014), 160–63.

8. See Alain Bertaud, "Cities as Labor Markets" (working paper, New York University Marron Institute of Urban Management, New York, February 19, 2014), https://marroninstitute.nyu.edu/uploads/content/Cities_as_Labor_Markets.pdf.

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11. For example, the US Census Bureau and the United Nations population program (and others) consider all land either urban or rural.

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13. The urban area is the *unite urbaine*, and the metropolitan area is the *aireurbaine*.

14. Some metropolitan areas have hundreds of municipalities. For example, the New York metro has 810, and the Paris metropolitan area (*aireurbaine*) has 1,751. See, respectively, Demographia, "Local General Government Units: US Metropolitan Areas over 1,000,000 Population," http://demographia.com/db-msagovts2012.pdf; and Institut National de la Statistique et des études économiques, "Aireurbaine 2010 de Paris (001)" [Urban Area 2010 of Paris], https://www.insee.fr/fr/metadonnees/cog/aire-urbaine/au2010001-paris.

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20. Wendell Cox, "International Shrinking Cities: Analysis, Classification and Prospects," in *Shrinking Cities: A Global Perspective*, ed. Harry W. Richardson and Chang

Woon Nam (Oxfordshire, UK: Routledge, 2014).

21. Tertius Chandler, *Four Thousand Years of Urban Growth* (Lewiston, NY: Edwin Mellen Press, 1987).

22. University of Groningen, Groningen Growth and Development Centre, "Maddison Historical Statistics," https://www.rug.nl/ggdc/historicaldevelopment/maddison/?lang=en.

23. Derived from US Department of Transportation data and American Automobile Manufacturers Association, *World Motor Vehicle Data: 1993 Edition* (Washington, DC: American Automobile Manufacturers Association, 1993).

24. These data are only produced in the decennial census and were last released for 2010.

25. There have been criteria revisions over the period, such as replacing municipalities with census blocks as building blocks.

26. In 1950, San Bernardino was the core of the Riverside–San Bernardino urban area, and Norfolk was the core of the present Virginia Beach urban area.

27. The "City Sector Model" is intended to portray urban areas in terms of their pre–World War II urban cores versus the suburban and exurban development that has occurred since 1945.

28. Tucson was not included.

29. Data exclude "City Sector Model" exurban data for comparability with the urban-area data. See Wendell Cox, "Measuring Urban Cores and Suburbs in the United States," in *Infinite Suburbia*, ed. Alan Berger and Joel Kotkin (Princeton, NJ: Princeton Architectural Press, 2018).

30. Wendell Cox, "Latest Data Shows Pre-Pandemic Suburban/Exurban Population Gains," NewGeography.com, December 17, 2020, https://www.newgeography.com/content/006882-latest-data-shows-pre-pandemic-suburbanexurban-population-gains.

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32. Kenneth T. Jackson, *The Encyclopedia of New York City*, 2nd ed. (New Haven, CT: Yale University Press, 2010).

33. A video covering more than a century of Los Angeles suburbanization is at New York University, Marron Institute of Urban Management, "Los Angeles," YouTube, April 3, 2014, https://www.youtube.com/watch?v=1u7H1helosI.

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35. Based on data from Statistics Canada, website, https://www.statcan.gc.ca/en/start.

36. Its core jurisdiction is the city of Vancouver.

37. Based on data from Statistics Canada, website, https://www.statcan.gc.ca/en/start.

38. Massachusetts Institute of Technology, Norman B. Leventhal Center for Advanced Urbanism, "The American Suburbs Project," https://lcau.mit.edu/project/american-suburbs-project.

39. All cores are stable (analogous to Category 1 in Table 2).

40. Shlomo Angel et al., "The Persistent Decline in Urban Densities: Global and Historical Evidence of 'Sprawl'" (working paper, Lincoln Institute of Land Policy, Cambridge, MA, 2010), www.lincolninst.edu/sites/default/files/pubfiles/1834_1085_angel_final_1.pdf.

41. Its core jurisdiction is inner London (former London County Council area). Current data are available.

42. Demographia, "Southest England Population by Area from 1891," http://demographia.com/db-seuk1891.pdf.

43. A video covering more than two centuries of Paris suburbanization is at New York University, Marron Institute of Urban Management, "Paris," YouTube, April 3, 2014, https://www.youtube.com/watch?v=9ieLoA_icKo.

44. Angel et al., "The Persistent Decline in Urban Densities."

45. Its core jurisdiction is the Ville de Paris.

46. Its core jurisdiction is the city of Barcelona.

47. Its core jurisdiction is the city of Zurich.

48. Its core jurisdiction is the city of Copenhagen.

49. Its core jurisdiction is the 23 districts comprising the former city of Tokyo.

50. Its core jurisdiction is the present districts of Changning, Hongkou, Huangpu, Jing'an, Luwan, Puto, Xuhui, Yangpu, and Zhabei. See Shenjing He, "New-Build Gentrification in Central Shanghai: Demographic Changes and Socioeconomic Implications," *Population Space and Place* 16, no. 5 (January 2009): 345–61, https://onlinelibrary.wiley.com/doi/10.1002/psp.548.

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52. Its core jurisdiction is the city of Manila.

53. Its core jurisdiction is the Melbourne local government area.

54. Massachusetts Institute of Technology, Norman B. Leventhal Center for Advanced Urbanism, "The American Suburbs Project."

55. Its core jurisdiction is the autonomous city of Buenos Aires (formerly the Distrito Federal).

56. Wendell Cox, "Mexico City 2020: The Evolving Urban Form," NewGeography.com, December 8, 2021, http://www.newgeography.com/content/007277-mexico-city-2020-the-evolving-urban-form.

57. Its core jurisdiction is 1950 Mexico City (present delegations of Benito Juarez, Cuauhtemoc, Miguel Hidalgo, and Venustiano Carranza). Current data are available.

58. A video covering more than a century of São Paulo suburbanization is at New York University, Marron Institute of Urban Management, "São Paulo," YouTube, April 3, 2014, https://www.youtube.com/watch?v=2WGPvWPpey8.

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66. Its core jurisdiction is the Kolkata Municipal Corporation.

67. UN Department of Economic and Social Affairs, "United Nations Urban Population Prospects 2018," https://population.un.org/wup.

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The Future of the Big American City Is Not Bright

SAMUEL J. ABRAMS

As COVID-19 begins to wane and become endemic, the question for policymakers, theorists, and Americans at large is: What is in store for our nation's big cities? The nation has moved from a rural to urban population over the past century, but do the hearts and minds of Americans and, in particular, younger generations still pine for the lights and opportunities historically present in our nation's big cities—from New York to Atlanta, Dallas, and Los Angeles?

There may be signs of rebounding, such as Amazon, Disney, and Google all establishing significant urban campuses. But even if the chance for a New York revival exists, Gotham is not representative of the American urban experience.

Following the COVID-19 pandemic and the ensuing rise in crime and mayhem, many Americans across the country are reconsidering and reexamining their priorities regarding where they live. Today, many Americans would prefer to live in suburban areas and small towns or rural areas rather than the dense urban neighborhoods of big cities.

What Research Reveals

Survey data collected throughout the COVID-19 pandemic reveal that those big cities—despite the values of propinquity, density, and scale—are simply not where most Americans want to reside. Younger generations of Americans—those who traditionally flocked to big cities for careers, social lives, and cultural amenities—actually show greater interest in suburban living than city living.

Indeed, after being homebound for many months due to the pandemic, more Americans express a desire for personal space than ever before. The majority of Americans today are willing to sacrifice easy access to amenities to have more space to themselves and distance from their neighbors, and city life is simply not where those desires are realized.

Perhaps driven by idealized visions of rural life—small, tight-knit communities that move at a more leisurely pace—many Americans express a preference for small-town life. Roughly four in 10 Americans say they would prefer living in a town (15 percent) or rural area (27 percent). In contrast, only 9 percent say they would prefer to live in a large city.[1]

More Americans express interest in living in a small city (16 percent), while one in three Americans prefer the suburbs (33 percent).[2] Politicos, pundits, and practitioners should take note that while some places may bounce back as the pandemic wanes, Americans may be looking toward dark skies and green yards and not at towers and neon lights of entertainment districts.

Some General Findings About Big Cities and American Geography. In thinking about the future of cities and residential patterns in the United States, one of the first findings in the American Enterprise Institute's 2021 American Community Life Survey[3] about residents today is that Americans are generally happy in the neighborhoods where they reside. When asked to rate their own community as a place to live, almost a third of Americans (30 percent) rate their community as excellent, and 57 percent say their community is a good place to live. Just a small number believe their neighborhood is a fair (14 percent) or poor (2 percent) place to live.

Many Americans also happen to feel closely connected to their neighborhoods and the people who live in them; 9 percent state that they feel very close to where they reside, and another 43 percent say somewhat close. However, about half the population does not feel close to their neighborhood; 38 percent feel not too close, and another 10 percent report not feeling close at all to their areas of residence and those who live in them.

As a general finding, Americans are fairly comfortable and content with where they live, but real differences emerge by urban form: Cities and suburbs are appreciably different in outlook and neighborhood social capital.

The survey data reveal that big cities are notably less desirable overall in the minds of Americans today.

The 2021 American Community Life Survey found that just 21 percent of big-city dwellers rate their neighborhoods as excellent places to live. In contrast, 27 percent of those in small cities think their neighborhoods are excellent. The differences are even more appreciable in the suburbs; 36 percent of those who reside in big-city suburbs and 35 percent of those in small-city suburbs state that their communities are excellent places to live. And towns and rural areas are higher than big cities: 31 percent of those who live in small towns and 36 percent of those in rural areas rate their communities as excellent places to live.[4]

Basically, residents of big cities feel less close to their neighbors than do residents elsewhere. Forty-six percent of big-city residents respond that they feel close to the neighborhoods and the people who live there, but the numbers are much higher (56 percent) for those who live in small towns and rural areas.

Turning to where Americans would like to reside, the 2021 American Community Life Survey asks where one would like to ideally live anywhere in the United States, and the results are once again not looking bright for big cities. The data show that big cities are the least-liked destination: Only 9 percent of Americans would opt to live in a big city. The lion's share of Americans want to live outside big cities and their suburbs; 15 percent want to live in a small town, and another 27 percent idealize a rural area. Put differently, 42 percent of Americans would like to live in rural areas and towns compared to a third (33 percent) who would like suburban areas and a minority (25 percent) wanting to live in cities today.

Breaking this down even further, the data show that most of those who live in big cities would rather live elsewhere. Barely a third of big-city urbanites (29 percent) state that if they could live anywhere, they would like to remain in a big city. In fact, a third (33 percent) would prefer to be in suburbs somewhere, and another quarter (22 percent) would opt to move to a small town or rural area.

The more dispersed places seem to have greater appeal. The plurality of small-city residents would opt to remain in a small city (38 percent), and similar patterns emerge for those who live in suburbs. Almost no suburbanites would like to move into big cities either; just 7 percent of big-city suburbanites or 4 percent of small-city urbanites pine for the lights of the big city. Forty percent of small-town dwellers would stay put, and just 5 percent would be interested in big cities, while 72 percent of rural Americans would remain in rural areas if they could move anywhere else, with only 2 percent stating that they would have any interest in the big city. So, the fact of the matter today is that big cities do not hold the allure that urban theorists would like many to believe.

Generational Trends. When generational outlook is considered, the 2021 American Community Life Survey shows that big cities hold a greater magnetism to younger cohorts of Americans than other cohorts in terms of residence, but the overall number of those who actually want to reside in big cities is minimal today. For instance, 16 percent of Gen Z Americans—those between age 18 and 24—want to ideally live in a big city. This is more than twice the number of their Gen X parents (7 percent) and three times their boomer grandparents (5 percent). But 16 percent is a relatively small number. In reality, 36 percent of Gen Zers would like to live in suburbs, and another 33 percent aspire to live in rural areas or small towns.[5]

Similarly, despite the popular narratives that empty-nester older generations are excited to move into cities for culture and care,[6] only small numbers of boomers (5 percent) and members of the Silent Generation (6 percent) would ideally move into big cities today. Instead, a third of boomers (32 percent) would prefer to live in rural areas, and another 16 percent would opt to live in small towns. Another third (29 percent) opt for suburbs.

Living through a global pandemic also may have altered neighborhood preferences further. As of 2021, Americans are more likely to prioritize personal space over access to community amenities. Most Americans say they would prefer living in a community where the houses are farther apart but schools, stores, and restaurants are several miles away, rather than a community where houses are smaller and closer to each other but schools, stores, and restaurants are within walking distance (57 percent versus 42 percent). Neighborhood preferences have changed in recent years, with more Americans expressing a desire for larger houses farther apart. In 2017, Pew found that Americans were about evenly divided over whether they wanted a neighborhood with immediate access to stores, restaurants, and other conveniences or larger houses where these amenities are less conveniently located (47 percent versus 48 percent).[7]

The Social Life of Suburbs

The social life of suburbs is anything but stale and isolating, despite how it is often portrayed. Popular culture and academia alike are quick to celebrate the vibrant social life of urban spaces while lamenting the sprawling emptiness and deliberately built privacy of rural and suburban America.[8] The band Green Day chronicled this false portrayal of suburbia in its musical *American Idiot*, which focused on the empty life of suburbia and stifling suburban wastelands,[9] and this theme is regularly repeated in numerous articles and stories.[10]

New data from AEI's Survey Center on American Life and its report "The State of American Friendship: Change, Challenges, and Loss"[11] counter this narrative and find little difference in the social lives of urbanites, suburbanites, and their rural counterparts.

The data from the May 2021 American Perspectives Survey reveal few differences in the socialization and friendship habits of those living in urban, suburban, and rural areas.[12] Fifty-one percent of Americans who live in urban and suburban areas say they are completely or very satisfied with the number of friends they have. Rural-dwelling Americans are not far behind their more densely packed counterparts, with 50 percent stating they are satisfied with their number of friends.

Feelings of loneliness and isolation can manifest as easily in dense cities as in sprawling suburban and rural areas. About a quarter of urbanites, suburbanites, and rural Americans reported feeling lonely or isolated at least a few times in the past year (27 percent, 25 percent, and 26 percent, respectively). Approximately two-thirds of each residential type report the past year was more difficult to manage than usual. Urban, suburban, and rural Americans all struggled in the wake of the COVID-19 pandemic; no one location was a panacea.

Differences in friendship across urban areas are minor to nonexistent. Thirty-seven percent of Americans who live in urban, suburban, and rural conurbations all report having one to three close friends. Ten percent of urbanites report having no close friends, compared to 14 percent of those in suburban and rural areas. Despite prolonged periods of social isolation and quarantine that characterized much of American life over the past year, nearly half (46 percent) of Americans report having made a new friend within the past 12 months—again, with no appreciable variance by urban form.

Across cities, suburbs, and rural communities, Americans are making friends in similar ways. Fifty-five percent of suburban and rural respondents have made close friends through employment or career channels, while urbanites are somewhat less likely to do so (52 percent). Almost half have met close friends through their own educational paths. Roughly a third of Americans in each urban form report meeting close friends in their neighborhood. Rural and suburban Americans are not lacking in social connection compared to those living in urban areas; equal numbers of neighbors become close and intimate friends regardless of spatial order.

Finally, narratives readily hold that suburban areas are bland and spatially isolated, leading to a sense of spatial dislocation and loneliness when compared to cities, but the data do not suggest there is truth to these ideas either. The American Community and Civic Life Survey from 2020 reveals that when Americans were asked how closely connected they felt to the area in which they lived, 62 percent of urbanites say very or somewhat close, but that figure barely moves to 61 percent for suburban areas. Moreover, 19 percent of urbanites compared to 16 percent of suburbanites claim to be lonely either nearly all the time or most of the time. These numbers are sadly too high but not appreciably different.[13]

When formal groups that are not religious such as sports teams, book clubs, parent-teacher associations, neighborhood associations, or political organizations are considered—all of which many social theorists see as the glue of communal life—there are no real urban or suburban differences there either. Twenty-one percent of those in cities participate in such groups monthly, identical to those in suburbs. And as for confidence in one's local government acting in the best interests of the people, the differences are minor, with suburbs being a bit better: 57 percent for cities compared to 53 percent for suburbs. Neither cities nor their suburbs are particularly good models for overwhelmingly high levels of civic engagement, but it is not the case that city dwellers are participating in leagues and groups in any greater numbers compared to their suburban counterparts.

Taking these data together, it is time for the fictionalization that suburbs are devoid of social life and that cities are social panaceas to end. From the streets of Washington Heights to the suburbs of Washington state, Americans are connected regardless of where and how they live.

Nothing of the Sort

The media have seized on the idea that people have sorted and now choose to live in neighborhoods and towns full of others who think just like them. In this narrative, cities have become monolithic progressive bastions while rural areas are populated only with Donald Trump supporters. The idea that Americans are geographically sorting has generated considerable attention in the media and continues to be cited as a real phenomenon nationwide.

Fortunately, sorting is an argument that fails to hold up to empirical reality. Earlier research has already shown that geographic ideological segregation is actually lower than a generation ago,[14] and thanks to data from the American Community and Civic Life Survey, the idea that Americans are choosing to live in completely like-minded enclaves does not hold up.[15]

The reality present in the national data is that in our nation's cities, urbanites may be politically sorted and thus divided by partisanship (68 percent Democrat versus 28 percent Republican), but with ideology, just 24 percent of urbanites identify as extremely liberal or liberal and 17 percent as extremely conservative or conservative. Although there are more liberals than conservatives in cities, neither ideological position is anywhere near a majority; centrists and moderates are the dominant position. Moreover, research has shown that social and friendship networks of Americans are socially segregated along several dimensions including politics. Partisans and ideologues are roughly equally likely to have social networks that reflect their own political predispositions—about three-quarters of each group's social network are like-minded politically—but moderates and centrists are diverse and split, with a fairly equal mix of those on the left and the right.

Notably, there is more political diversity in cities than in the suburbs, as 56 percent of suburbanites identify as Democrats and 42 percent as Republicans. Ideologically, identical numbers (21 percent) of those in suburbia identify as either liberal or conservative. Again, the dominant group (56 percent) is those who are moderate and middle-of-the-road with slight ideologues.

In rural areas, Democrats make up 43 percent of the population and Republicans 51 percent. You can see how this plays out in states such as Montana, which has a Democratic governor and a divided congressional delegation and voted for President Trump. There are fewer liberals (11 percent) compared to conservatives (29 percent), but again, this is anything but monolithically conservative, with the overwhelming balance (56 percent) being centrist. None of these numbers get into landslide territory—60 percent or more of one ideology—for the left or right, and it is hard to argue that there is some geographic divide based on ideology.

The second new finding is that people do not significantly consider the politics of their neighbors when thinking about where to live. In the survey, respondents were asked, "Regardless of whether each of the following is available where you currently live, how important is it to you, personally, to live in a community. . ." and were presented with a series of 10 possible features, including being close to one's extended family and a variety of entertainment options.[16]

The results are striking. More than 80 percent of Americans believe that it is important or very important to live in an area with good public schools and easy access to parks. Three-quarters of Americans care about having amenities like restaurants nearby. Almost two-thirds care about being close to extended family and that an area has strong, local communal traditions. And more than half say it is very or somewhat important to be in an area that has a mix of people with different socioeconomic backgrounds and is racially and ethnically diverse.

But if they generally agree what's appealing in a location, ideology does not much matter. On belief systems, however, the numbers look appreciably different. Barely a third affirm that it is very or even somewhat important to be in a neighborhood where most share your political (38 percent) or religious beliefs (34 percent). Put differently, of the 10 possible features that one could want in their community, only 7 percent of Americans—the smallest figure on the list—believe it is very important to live in a community with most who share their political views. Simply put, politics is not a significant focal point whatsoever when Americans are thinking about neighborhood and residential life.

It is worth noting that those on the political extremes do see the world a bit differently. Among moderates and those who are slightly liberal or conservative, barely 5 percent say it is very important to be in an area where most people share their political views; 2 percent of those who are slightly conservative care about this. By contrast, 20 percent of extreme liberals and 18 percent of extreme conservatives care about the political leanings of their neighbors—a significant difference from centrists, but not even close to a majority even among more extreme Americans. But, again, these extremes really only account for perhaps 10 percent of Americans who are on the ideological extremes in general, and in the survey here, they account for just 9 percent. Meanwhile, there is almost uniform high support across the ideological spectrum for parks and schools.

The myth of the "Big Sort" needs to be shattered. The constant stream of news stories about Americans moving into like-minded enclaves does not hold up to empirical scrutiny or stories such as that of Lehigh Valley, Pennsylvania, where one in three residents don't know the politics of folks next door.[17] The facts are clear: Cities are not monolithically liberal, rural areas are not the exclusive domain of gun enthusiasts, and most people do not at all think about the political orientation of a neighborhood when they think about living there. Americans are thinking about the suburbs and rural areas because they want space and air; politics is, for the vast majority, secondary.

Urbanists, Take Note

With a possible end to the COVID-19 pandemic in sight, one question that remains unanswered is whether the sizable number of people who moved from urban centers to suburban and exurban areas will return to the cities. While some cities will undoubtedly rebound, the ample survey evidence presented here shows not only that an overwhelming number of Americans would like to live outside city centers but also that they find that their social lives are anything but stale outside cities. It may be foolish to assume that Americans who moved from big-city urban cores dislike their new environs and will want to return.

Even before COVID-19, Americans did not perceive that suburbs were economic or social dead zones. The Survey Center on American Life asked over 3,600 Americans at the end of 2019 about their feelings toward their local communities, and the data make it abundantly clear that suburban areas were the most desirable urban form, while cities were actually the least preferred.[18] Only 16 percent of Americans would opt to live in a city if they could live anywhere in the United States. In contrast, 36 percent—the plurality—preferred a suburban area, with another 28 percent stating a small town and 20 percent a rural area.

Even when age is considered, suburbs are still the area most in demand. This fact is worth noting, for—as mentioned earlier—it is widely thought that young people eschew the bland suburbs for cities. However, just 20 percent of 18- to-29-year-olds would ideally live in cities, while 39 percent would prefer suburban areas and another 23 percent would like small towns. City life was even less popular among older Americans—just 12 percent of those age 55 and older wanted to live in a city—and the data reveal that Americans across the board believed cities were the least desirable conurbation.

Going further, while attitudes about a place may not entirely square with empirical reality, how Americans think about place remains hugely important in their decision-making about living arrangements. And Americans were far more optimistic about their family's future in suburbia than in cities. Suburban Americans are more likely than city dwellers are to think that they live in a place where people look out for each other (76 percent to 65 percent) and that suburbs are a good place to raise a family (90 percent to 77 percent).

Finally, one of the most salient measures of a social community is the existence of "third places": places where people can go that are outside their homes and places of work to mix and feel connected, such as gyms, bars, and bowling alleys. Once again, suburbs are not all that different from cities. In fact, when asked if they regularly visit a third place—a coffee shop, bar, restaurant, park, or other public place—two-thirds of Americans say they have such a place.[19]

Suburbanites do have these places to socialize. In cities, 73 percent of Americans have such places, but so do 68 percent of those in suburban areas and small towns. Only 52 percent of rural-area residents have third places, so those areas are missing these amenities. But it is a myth that suburbs are devoid of social spaces or that they are social deserts.

However, relatively equal numbers of people live in cities and the suburbs by age. Thirty-seven percent of the 18- to 29-year-olds and 40 percent of the 50- to 64-year-olds, for instance, live in the suburbs, and fairly close numbers of married (41 percent) and unmarried (36 percent) people live in the suburbs. Twenty-six percent of 18- to 29-year-olds report living in cities compared to 24 percent of those between 50 and 64 years old.

When respondents were asked about the impact of being a parent or guardian of a child under age 18 living in one's household, there were minor differences. Of those households with children under age 18, 26 percent resided in cities and 40 percent in suburbs, with the balance in small towns or rural areas. Those respondents without children looked almost identical. Twenty-six percent resided in cities, 39 percent in suburbs, and 34 percent in rural areas or small towns. Cities are not devoid of children, and suburbs have plenty of adult households without children. So, the fact remains that those who live in suburbs are anything but monolithic; the demographic profile is close to those of cities.

Cities are wonderful places, but it is imprudent to assume that socioeconomic life outside urban centers is devoid of human connection. The problem with so much anti-suburban rhetoric is that many Americans are satisfied, or more, with their lives in suburbia, and social life in America's suburban areas is thriving; it is anything but empty, economically dead, or soul crushing. Even before the COVID-19 pandemic, many cities were already losing their allure for numerous reasons including space, cost, and general difficulty in raising families. Cities may bounce back over time, but it would be presumptuous to think those who left urban areas will be miserable and run back as soon as possible. For them, at least, the suburbs provide a richness regularly overlooked by many who write about the city and its virtues. For the most part, big cities are not where Americans see their futures, and it would be foolish to ignore where most Americans see their residential dreams.

Notes

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II
THE VARIETY OF URBAN EXPERIENCES

The Future of Chinese Cities

LI SUN

China represents the cutting edge of 21st-century urbanism. Its successes and failures will shape global perceptions of city life, not only in that country but around the world. When future historians assess the 21st century, China, along with India, will likely be their focus. The key shapers, discussed below, include demographics, the impact of digitization, environmental protection, and a looming class divide.

Since the advent of its reform and opening-up policy, China has experienced one of the fastest urbanization rates in history—and on an unprecedented scale. In the past four decades, its urban population has increased from 200 million in 1980 to 902 million in 2020. Of the 660 cities in China, 93 have an urban population of more than one million.[1] Six Chinese cities (i.e., Beijing, Chongqing, Guangzhou, Shanghai, Shenzhen, and Tianjin) are known as megacities, with over 10 million urban residents each.[2] Three engines drive China's rapid urbanization: industrialization, which concentrates capital, labor, and land in cities; marketization, as China has been transformed from a centrally planned economy to something resembling a market economy; and the shift to an export economy requiring access to ports, trains, and other means of communication.[3]

Such rapid urbanization and industrialization cause severe environmental problems, such as traffic congestion, air pollution, and chemical hazards. An increasing number of urban residents suffers from cardiovascular and respiratory diseases.[4] Improving conditions in China's cities is a political and economic priority. In March 2021, the Chinese central government approved China's 14th Five-Year Plan (2021–25), with a strong focus on a human-centric "new urbanization" strategy to make cities more inclusive and sustainable.

City Clusters in China

Nineteen city clusters play a vital role in China's urban development; approximately 75 percent of China's urban residents live in these city clusters, contributing to more than 80 percent of China's gross domestic product.[5] Among the 19 city clusters, three are identified as super-megacity regions (i.e., the Beijing-Tianjin-Hebei region, Yangtze River Delta region, and Guangdong–Hong Kong–Macao Greater Bay Area). These three city clusters contribute 40 percent of the national gross domestic product, even though they account for only 5 percent of the country's total land area.[6]

Globally, there are three main structural models of metropolitan areas, including polycentric networks (e.g., the Rhine-Ruhr in Germany), dual-centric regions (e.g., the Boston-Washington corridor in the United States), and monocentric city areas (e.g., London in the UK).[7] But the population scale of most city clusters in China is unparalleled compared to those in other countries. For example, the Beijing-Tianjin-Hebei cluster includes about 100 million people. In comparison, Japan's Pacific megalopolis has a population of 83 million; the Boston-Washington corridor, 49.6 million; and the Greater London metropolitan area, 13.6 million.[8] China's cities reflect this kind of mass urbanism on steroids.

Developing city clusters is seen by most stakeholders as a way to improve the flow and accessibility of capital, goods, people, and services. This, in turn, increases economic efficiency, strengthens social interaction, enhances innovation, and increases employment opportunities. Despite these potential benefits, developing city clusters in China has come up against several challenges.

In China, a city is administrated by its corresponding province or municipality. Many Chinese city clusters include cities from different provinces and municipalities, which results in administrative fragmentation.[9] Due to these jurisdictional boundaries, an integrated network of some sectors is essential within a city cluster, especially with regard to infrastructure, such as energy, transportation (e.g., rails and roads), telecommunications, and water supply.[10]

Further, it is common to find that rather than cooperation, individual cities are more likely to carry out strategies to enhance their own competitiveness, causing spatial inequality within megacity regions. Thus, intercity cooperation should be promoted, but due to the fragmentation of administrative boundaries, challenges may occur in areas such as urban planning, transport, taxation, and budgetary systems.[11]

Digitization in Urban China

In 2020, China had the largest number of internet users in the world, 989 million, compared to 563 million users in India and 292 million users in the United States.[12] Among the 989 million Chinese internet users, 68.7 percent were urban residents who used the internet in domains such as e-commerce, eHealth, remote learning, and telework.

The COVID-19 pandemic triggered an increase in telework and remote learning worldwide. In China, around 400 million workers teleworked, and more than 200 million students engaged in remote learning in 2020. Although a majority of workers and students are now back in offices and schools, e-commerce and eHealth have retained their appeal among residents in China, and such practices are expected to expand over the long term. For example, in 2020, $626 million of investment flowed into Chinese health–artificial intelligence startups.[13]

Online shopping is popular among Chinese internet users; online consumption generates 30 percent of annual retail value. In 2020, there were 782 million online consumers in China, and China's e-commerce sales totaled $2.3 trillion, accounting for nearly half the world's e-commerce market. Even though major cities such as Beijing, Guangzhou, Shanghai, and Shenzhen remain the key hubs for e-commerce, residents in medium- and small-sized cities have become emerging consumers of online shopping in recent years. The government has recognized the important role of e-commerce in China's economy, launching various measures to promote e-commerce development; for example, in urban planning, logistical warehousing for e-commerce is facilitated in terms of access to land and building permits.[14]

China is a frontrunner in eHealth, compared to countries such as Germany, the United Kingdom, and the United States.[15] In the 2010s, several eHealth apps were launched in China that provide digital medical services, such as online registration, medical and health consultations, and online payment. Such eHealth services have been quickly embraced by internet users, with the demand for eHealth increasing by 30 percent annually between 2011 and 2018. Undoubtedly, the pandemic further accelerated the use of eHealth; for instance, in the spring of 2020, the use of digital medical consultations increased by 20 times compared to the use of them in 2019. The eHealth app Ping An Good Doctor had 67.3 million users monthly during the pandemic period.[16]

In February 2020, the government in Wuhan, the first epicenter of COVID-19, gave permission for health insurance to cover eHealth—the first Chinese city to launch this practice. Recent research by the author and her colleagues has indicated that users were largely satisfied with the convenience of eHealth services, especially for patients with mild symptoms or psychiatric diseases. In most cases, they only needed repeated medicine prescriptions, which could be easily filled digitally. However, patients with critical and severe illnesses may require comprehensive physical examinations, which cannot be conducted online.[17]

Yet digitization in China, as elsewhere, presents challenges. Beyond the wide gaps in coverage between urban and rural areas,[18] there are also significant gaps *within* urban areas. In cities, internet nonusers encounter inconvenience in their everyday lives. For example, in the wake of the COVID-19 outbreak, a health QR code app that indicates a person's health status was introduced across the country. This electronic health code is required for taking public transportation and entering public spaces (e.g., markets and hospitals).[19] It is not uncommon to find senior passengers denied boarding on buses and subways due to the lack of a health code.

Based on a national survey by the China Internet Network Information Center, 27.2 percent of internet nonusers reported daily inconvenience because they were unable to access public transport and public spaces, 25.8 percent indicated they were unable to pay in cash as only digital payment is accepted for certain transactions, 24.9 percent replied they were unable to book or order something online, 24.6 percent pointed out that some physical stores and offices had been shut down, and 22.9 percent were unable to access adequate real-time news and information.[20] To reduce such digital exclusion, digital training has been advocated and conducted recently in several Chinese cities, such as Hangzhou and Shanghai.[21]

Demographic Winter Hangs over Chinese Cities

Arguably the greatest long-term challenge for Chinese cities—like many in the West—lies in their demographic trends. In the early 1980s, the Chinese government introduced the One-Child Policy, which was replaced by the two-child policy in 2016 and the three-child policy in 2021. Data from China's latest census (the seventh national census) were published in May 2021, revealing that China's population had reached 1.44 billion but grew at its slowest rate since the 1950s (when the census began) over the past decade.

The fertility rate (the number of children born over a woman's lifetime) is 1.3 in China, below the replacement rate of 2.1. The number of new babies in China was 12 million in 2020, a drop of 22 percent from 2019 and the lowest level in recent decades. Like their counterparts in the West, major Chinese cities are becoming increasingly childless. For example, the fertility rate in Shanghai and Beijing was about 0.7, the lowest in the world.[22]

On the day the three-child policy was announced, the state news agency, Xinhua, carried out an online survey asking whether people would consider having three children. Among 31,000 respondents, only 5 percent answered "yes."[23] Many young urban couples were concerned about the cost of childcare, quality education, housing, and elderly care.

China does not provide some basic services crucial to young families, such as state-provided childcare. Families with children under 3 years old do not receive any parental allowance or any state-provided childcare service. Grandparenting is a common practice in China, with 58 percent of young Chinese couples receiving childcare from their parents, compared to 10 percent in the United States.[24]

Schooling is a particular burden. Chinese children only start to receive their nine years of compulsory education when they turn 6 years old. Even though preschools are vital for children's early development, preschool education in China lacks public resources, experiencing a shortage of teachers, poor school conditions, and uneven quality across regions.[25] For example, the child-teacher ratio was 18 to one in public preschools in 2018.[26]

With limited quotas and inadequate resources in public preschools, many urban households send their children to private preschools, which often charge high fees. Chinese parents spent $36 billion on the private preschool market in 2018.[27] Due to the lack of adequate, universal state-funded childcare services and public preschools, Chinese cities in particular face a worsening population future, meaning ever-greater dependence on a continued influx of young people driven by internal migration.

As they experience low population growth, some Chinese cities, especially Beijing and Shanghai, also face a tsunami of elderly residents.[28] According to the United Nations, a country is an aging society when its population age 65 and above reaches 7 percent of its total population. By this definition, China became an aging society in 2000. By the end of 2020, there were 191 million Chinese age 65 and above, accounting for 13.5 percent of its total population. It is estimated that by 2050, 26 percent of China's population will be age 65 and above. Exacerbating this, since China's reform and opening-up policy began, life expectancy has increased from 67 years in 1981 to 77 years in 2019.

The low fertility rate, an increasingly aged population, and longer life expectancy could reshape Chinese society—particularly in the cities. Due to the One-Child Policy, implemented between 1981 and 2015, the population configuration in China is now unbalanced; the common family structure is known as "4-2-1" (i.e., four grandparents, two parents, and one child). In other words, a young couple in their 20s and 30s, growing up under the One-Child Policy, needs to care for four parents and at least one child.

Without state-provided formal elderly care, family-based elderly care is widely practiced in China, also influenced by the Confucian value of filial piety.[29] Such elderly care arrangements place great pressure on middle-aged Chinese, especially those who work. Some adult children may fail to fulfill their elderly care responsibilities. To address this, in 2013, the "Elderly Rights Law" was introduced in China, which stipulates that children have a legal obligation to visit their parents.

The biggest long-term effect of aging and lower birth rates could be the reduction of the labor force, which is already occurring. China's rise in the past half century paralleled its workforce's growth, which was higher than in Japan and the West for years. Now China's workforce is shrinking, and as centers of production and service industries, China's cities face a severe and potentially crippling shortage of workers.[30]

A Tale of Two Migrant Groups in Chinese Cities

Current and growing labor shortages have made cities dependent on internal migrants and could make them even more so in the future. In 2020, the number of internal migrants in China was 376 million, accounting for 26 percent of the country's total population of 1.44 billion. Among them, 286 million were rural-to-urban migrants, making up 76 percent of the migrant population, and the remaining 24 percent of migrants were mainly urban-to-urban migrants, most likely to be highly skilled workers.[31] The internal-migrant population in China is not a homogenous group. Inequalities between low-skilled and highly skilled migrants are multidimensional, reflected in their differential access to occupations, social welfare, and housing.

Regarding occupation, rural-to-urban low-skilled migrants with a low educational background often engage in "three D" jobs (i.e., dirty, dangerous, and demanding) in the service, construction, manufacturing, and delivery sectors. Such low-skilled migrants are the key driver behind China's spectacular emergence as the "world's factory," since they participate in labor-intensive sectors. In contrast, highly skilled migrants, often well educated, represent the elites in the high-tech, finance, medical, and creative industries.

In addition to the enormous income inequality between these two groups of migrants, social stratification is also evident. For example, with the booming gig economy in China, many aspects of highly skilled migrants' everyday lives largely rely on low-skilled migrants' services (e.g., food, grocery, and parcel delivery). Furthermore, low-skilled migrants work as drivers, housekeepers, nannies, and cooks for superrich, highly skilled migrants.

In recent years, several Chinese cities (e.g., Shenzhen and Wuhan) have introduced preferential policies to attract talented migrants, while other cities (e.g., Beijing and Shanghai) have implemented policies to limit and control low-skilled migrants. Such measures create inequalities in social citizenship. Highly skilled migrants are often encouraged to obtain *hukou* (local residency permits) from their destination cities.[32] The *hukou* is tied to residents' urban social-welfare eligibility; in Chinese cities, only those holding a local *hukou* are eligible for urban social welfare such as education, health insurance, pension, and social housing. In sharp contrast, low-skilled migrants face numerous barriers to receiving local urban *hukou*. This exclusion from urban social welfare makes them a highly precarious social group.[33]

In China, government subsidies for children's education are linked to each person's hometown—that is, the place where their *hukou* is located. Therefore, without a local *hukou*, rural-to-urban low-skilled migrant children normally cannot enjoy these educational subsidies in their destination cities. If they would like to study in the schools of destination cities, high tuition must be paid, which is unrealistic for low-skilled migrant households to afford. Due to these institutional barriers, most low-skilled migrants choose to leave their children in their hometowns. These children are therefore called "left-behind children."[34]

For the talented, the situation could not be more different. There's a talent welfare housing system to guarantee that highly skilled migrants can purchase or rent housing.[35] Low-skilled migrants, however, have limited access to the urban social-housing system. As a result, they often live in informal housing.[36] Cities prefer to spend money on housing for coveted skilled workers than apply their fiscal resources to low-income, affordable housing programs.[37]

While highly skilled migrants are often formally employed with legal employment contracts in cities, many rural-to-urban low-skilled migrants are informal laborers without any such contracts. Low-skilled migrants are thus marginalized, as labor rights and protection claims are based on the prerequisite of a labor contract. Due to the lack of written evidence of their employment status, low-skilled migrants are commonly hindered from seeking legal redress against their employers.[38]

China's urbanization has been spectacular—but also troubled. The growing inequality among different social groups, a demographic crisis, and incomplete state welfare provide a challenge just as compelling as those posed by China's obvious environmental issues. China may well have created a new, and successful, model of economic development over the past half century, but in the next half century, it can continue this development only if it addresses its pressing set of urban challenges.

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Africa's Urban Future

HÜGO KRÜGER AND BHEKI MAHLOBO

The urban future in the coming decades will be largely an African one. The continent is now home to 12 of the world's largest cities and four megacities—and more importantly, Africa has the world's fastest-growing urban population.

By 2100, Africa will be home to a third of the world's largest cities and 40 percent of the world's population.[1] As cities in the West and China age, Africa will remain young. The average ages of European, North American, and Asian citizens today are 40, 38, and 33, respectively; in contrast, the African population is young, with an average age of 24. The signs of Africa's urban growth are already clear: In 2016, Kinshasa overtook Paris as the world's most populous Francophone city,[2] and by 2050, Nigeria is set to bypass the United States as the world's third-most-populated country.[3]

As seen elsewhere in the developing world, Africa's urbanization has accompanied both economic development and growing poverty, disease, and social disorder. This is true as well of our home country, South Africa, which is home to four cities collectively containing more than 2.4 million inhabitants and the megacity Johannesburg in the Gauteng province, where a quarter of the country's population resides.[4]

South Africa's cities had something of a head start over the rest of the continent. The apartheid government left South Africa with the most advanced urban infrastructure on the continent, but its legacy of separate development entrenched the spatial patterns of poverty throughout the country through the execution of the colonial ideology. Given their somewhat advanced position, how South Africa's cities fare in the 21st century is important for not just our country but all of Africa.

A Historical Context of Southern Africa

Southern Africa was settled in migration waves that stretched over centuries. With the passage of time, the hunter-gatherers and Bantu tribes expanded and established chiefdoms—around 1,000, in a line traveling south from northern Mozambique to the Transkei River. Southern Africa's urban heritage, starting around the ninth century, predates the arrival of the West by several centuries. This is evidenced by the ruins of Great Zimbabwe, a civilization that included complex polities with knowledge of markets, ivory trade, pottery, and goldsmithing. While speculation of the reasons for Great Zimbabwe's demise have pointed to warfare, a change in trade routes, or climate change, for mostly unknown reasons its inhabitants disappeared by the time colonial powers arrived on Africa's shore.[5]

Southern Africa's large metropolises today, though, trace their roots to the European Age of Exploration. With Bartolomeu Dias's discovery of the Cape of Good Hope, European sailors started to establish trade routes to India. Portuguese imperialists arrived first. The explorers in search of the last kingdom of Prester John settled the coastal cities of Angola and Mozambique. The Portuguese never delved deep into the interior, as they only interested themselves with collecting slaves and later bargaining with the same chieftains to gain access to gold, ivory, pepper, cotton, and sugar.

In the late 17th century, the Dutch—in search of alternative trade routes and markets—followed as the main European interlopers, creating the basis for South African urbanism today. At the Cape of Good Hope, the Dutch East India Company founded a refreshment station at modern-day Cape Town to serve the needs of the slave and spice traders who traveled among the European, Indian, and Dutch colonies in Batavia.

The Dutch immediately came into conflict and ultimately subdued the Khoisan's hunter-gatherer political structures. The hunter-gatherers' descendants were integrated into the Dutch society as cheap laborers who could participate in only menial jobs such as kitchen girls and gardeners with a de facto second-class-citizen rank. After generations of intermarriage, the slave descendants of the Cape colored community were left to live on the outskirts of the cities and towns of the expanding Cape Colony, while the European population resided as masters of the farms or suburban homes.

After Napoleon Bonaparte conquered the Netherlands at the end of the 18th century, Britain quickly captured the Cape Colony to prevent France from controlling the strategic sea routes. With British rule came the eventual abolition of slavery in 1834 and the imposition of the English language, developments that upset the Dutch settlers, who increasingly referred to themselves as Trekboers and later Afrikaners.

As the Cape frontier expanded east toward the Kei River, a series of skirmishes broke out between the Dutch settlers and the Xhosa tribes, with back-and-forth wars continuing for almost 100 years. As the Xhosas lost ground, the frontier towns such as Grahamstown (modern-day Makhanda) and Graaff-Reinet became permanent settlements of the Cape Colony, forcing many Xhosa families out of their traditional homes and leading them to seek employment in the Cape Colony as low-wage workers.

Protesting British rule, the Boers left the Cape Colony and moved into the interior. Later the British chased after the Dutch, occupied the harbor of Port Natal (modern-day Durban), and expanded into KwaZulu-Natal. The British brought in low-wage laborers from India's Gujarat region to work on the sugarcane farms. The legacy is that today by concentration Durban is the city with the highest Indian population outside of India,[6] and it was in Durban that Mahatma Gandhi started the first peaceful protest campaign against colonialism and racial classification at the beginning of the 20th century.

Ethnic politics worked to strengthen the British hold. With the rise in the 17th century of the Zulu Empire and the increasingly expansionist Boers, King Ngwane V and King Moshoeshoe I offered the mountain kingdoms of Swaziland and Lesotho, respectively, as British protectorates. A similar phenomenon took place in Bechuanaland when the Tshwane tribes, under petitions of the British missionaries, asked for London's protection from the expanding Boer forces.

With the discovery of diamonds and gold, South Africa attracted ambitious entrepreneurs such as Cecil John Rhodes, who invested heavily in the mining towns of Johannesburg and Kimberley. Rhodes and his fellow Randlords realized that the mines required cheap labor, primarily from the native African population that resided overwhelmingly in the area the colonial authorities designated as reservations. To maintain control of the cities, Rhodes as prime minister of the Cape Colony modernized the segregation laws by introducing the Glen Grey Act,[7] which limited the amount of land that Africans could hold while tripling the property qualification needed to vote.

Rhodes's actions politically and economically disenfranchised the nonwhite populace in the land of their birth. As the British Empire developed cities in South Africa, they became built on principles known as the vision of Grand Apartheid. In Johannesburg and Kimberley, for example, the empire reserved certain parts of the cities for the migrating cheap black labor. These townships had substandard infrastructure, and the black population could only rent but never own property. Their only claim to citizenship was restricted to the areas the colonial authorities designated as homelands, forcing constant migration by workers and laying the seeds for the spread of disease, alcoholism, and the breakdown of family structures.

Even before apartheid became the official law of the land in 1948, South Africa's cities developed a pattern of oppression and separation that would last from the beginning of the colonial period to 1994, almost 340 years. Even though the separation and racial laws differed in their severity in various epochs, Africans could work in the cities, but the black population had to show their papers and respect the night-watch rule and could only work in the jobs reserved for them. They were condemned to serfdom, as they could not own land in the areas that were reserved for the European population. The master-servant model shaped these emerging cities with ethnic conflicts and the deep patterns of poverty unresolved to this day. Afrikaners, after a conflict with the British, gained limited self-government and guaranteed equality between England and Afrikaans in courts and administration.

In 1913, three years after the formation of the Union of South Africa, the South African parliament passed the infamous Native Lands Act with support from London, further relegating the black population to the homelands with only the right to trade their cheap labor in the economically vibrant areas. To further export their linguistic model, the apartheid government insisted Africans master both English and Afrikaans—an action that would spark the 1976 Soweto uprising.

Things were even nastier in other parts of southern Africa, particularly those parts controlled by the new German empire. Unlike British and

Afrikaner rule, which was incremental and full of inherent contradictions, German rule was outright brutal. Gov. Heinrich Ernst Göring, guided by the pseudoscience of eugenics, oversaw the first genocide of the 20th century. Eugen Fischer, the mentor of Josef Mengele, was allowed to perform human experiments at Shark Island—just off the shore of modern-day Lüderitz. With the Herero and Namaqua genocide, the intellectual foundations of the Holocaust were put in practice three decades before the rise of Hitler's Third Reich.[8]

With the end of World War I, the League of Nations handed Germany's colonies of Southwest Africa to South Africa as a protectorate. The region was administered as a de facto fifth province, and the same policy of apartheid used in South Africa was imposed on its cities. Namibia is marked as the only country to experience three distinct forms of European colonialism—Afrikaner nationalism, German rule, and British imperialism—until it achieved independence in 1990.

Unlike in North America or Oceania, the Europeans in Africa never had "safety in numbers." The South African cities developed along distinctly separate lines between the colonialists, who dominated, and the tribal authorities, who through their hereditary chieftains provided the necessary cheap labor. But as South Africa started to industrialize, the white populations became increasingly dependent on the cheap labor of Africans to maintain their standard of living. With the influx of migrants came resistance between the white and black working classes and the government's enactment of the Colour Bar,[9] a series of laws that kept jobs "reserved" for whites and for blacks. Nevertheless, the rise of missionary schools cultivated a new incipient African intellectual and political leadership that would eventually gain control of the country and its cities.

As migration to the cities accelerated, these emerging revolutionary leaders protested the segregation policies. Initially the protests were peaceful, but later they would evolve into guerrilla movements and civil wars that lasted for more than a generation. The battleground often took place in areas known today as townships, located on the fringes of the large urban agglomerations.

After apartheid collapsed in 1994 with the inauguration of Nelson Mandela, South Africa was the last African country to gain its full independence. Migration to the cities accelerated during this period as Africans could now move around freely, own their own property, and find a path to upward mobility.

The great growth of cities such as Johannesburg and Cape Town took place in this period. Johannesburg in 1994, for example, had 2.29 million people, but today that population has grown to 7.4 million. Cape Town, with 1.9 million people in 1994, has ballooned into a mega-region with 4.6 million people. This growth was encouraged by South Africa's "honeymoon" decade,[10] during which growth was between around 3 to 5 percent per year.[11] By 2006, the black middle class was estimated to be as large as the white middle class.[12]

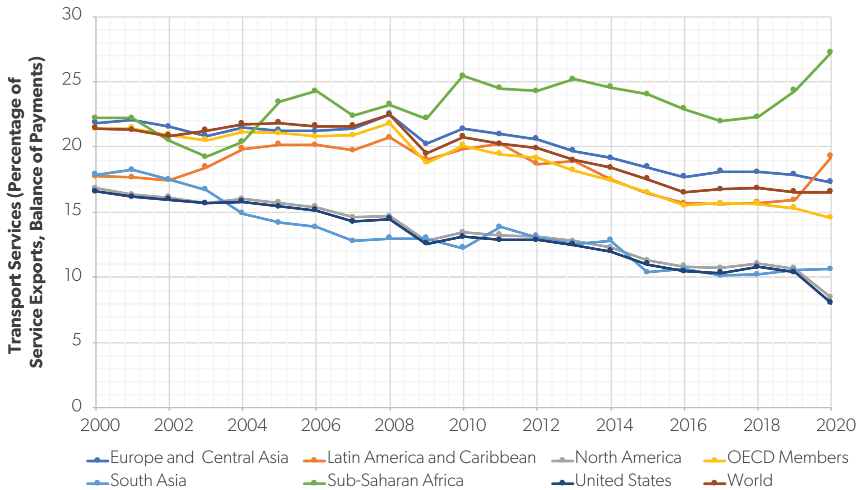
Geographical Challenges

Geography has played a defining and sometimes limiting role in the development of African cities. With a landmass nearly three times the size of Europe, Africa paradoxically has a coastline only one-third the length of Europe's. With no natural harbors or fully navigable rivers, Africa's geographic isolation slowed its historical development. Tropical diseases such as malaria and river blindness and cattle diseases such as those spread by tsetse flies also slowed contact between settlements.

The creation of new nations, if anything, made building a network of African cities difficult. Whereas the Mississippi River is entirely owned by the United States, the Nile River and its estuaries, which collectively is larger in length, forms the border of 10 countries and the lifeblood of capital cities such as Addis Ababa, Cairo, Kampala, Khartoum, and Kigali. Control of the river has often been the catalyst in regional disputes in southern and eastern Africa.

This marks a contrast with most great Western cities; Los Angeles, New York, Paris, Rome, San Francisco, and Sydney all have access to the sea, but African metropolises such as Johannesburg, Kinshasa, and Nairobi are found on high plateaus, often far from scarce water resources. These industrial hubs could be settled only after the introduction of the railway in the 18th century, forcing African cities to rely on geographically constrained supplies of water, food, and electricity.

Figure 1. Transport Services (Percentage of Service Exports Balance of Payments) by Region, 2000–20



Source: World Bank Data.

From a geographical and ecological perspective, African countries require more investment in their infrastructure, which can put disproportionate burden on the national budget balance.

Figure 1 compares transport service exports by region. Sub-Saharan Africa spends around 27 percent of its gross domestic product (GDP) on transport services, whereas the Organisation for Economic Co-operation and Development (OECD) average is 16 percent, and the United States spends as low as 8 percent.[13]

Ideological Challenges: The West Versus China

During the Cold War, many African countries took sides. As the period was nearing its end, the US rose to be the world's predominant superpower, with a largely neoliberal ideology that many African countries embraced—not necessarily out of conviction but out of necessity.

In contrast with market-driven economies such as those implemented in Botswana, Kenya, Nigeria, and South Africa, the "socialist utopias" in

Africa did particularly poorly. Julius Nyerere's Umjamaa experiments that collectivized agriculture in Tanzania led the country into such a disaster that the International Monetary Fund had to bail it out.[14] In Zimbabwe, the Marxist-inspired policies adopted by Robert Mugabe quickly resulted in hyperinflation, land expiration, political oppression, genocide, and an exodus of refugees.[15] Much of the migrant labor has been toward market-driven cities such as Gaborone, Johannesburg, Lagos, and Nairobi, where employment is often found in the informal economy. This sector includes primarily street hawkers that trade inexpensive goods, handicrafts, or food items. The African Development Bank estimates that 55 percent of Africa's GDP and 80 percent of the labor force currently reside in this informal sector.[16]

More recently, African cities have felt China's growing influence. By embracing the Chinese mineral boom, African countries embraced an illiberal form of capitalism that concentrated wealth and power in few hands. After the end of apartheid in South Africa, the African National Congress (ANC) revolutionary fighters quickly enriched themselves in lavish rent-seeking "empowerment schemes." In Angola, the country's oil wealth is mostly still in the hands of the dos Santos family, and in Mozambique, no deal goes through if the political party is not involved.

The Chinese ascendancy also is giving African cities a new role model, complete with powerful social controls. Chinese construction companies, for example, have landed huge infrastructure contracts in Angola, Ethiopia, Lesotho, and Nigeria, and in 2020 they were responsible for 31.4 percent of the 121 infrastructure projects under construction in Africa.[17] In 2021, for the 12th consecutive year, China was Africa's largest trading partner, and from 2016 to 2020, total investment in infrastructure projects in Africa reached almost $200 billion.[18]

The coastal cities of the Indian Ocean such as Dar es Salaam, Maputo, Mombasa, and Richards Bay all form part of China's String of Pearls grand naval strategy,[19] and the Asian giant has plans to expand its naval fleet to the Atlantic Ocean in harbors such as Namibia's Walvis Bay.[20] China's ambitions for Africa are not merely hypothetical, as already in 2005, the Chinese minority in Namibia exceeded the German descendants, and small concentrations of the diaspora can be found in the south of Johannesburg and throughout other parts of the continent.[21]

With the elevated level of infrastructure spending and naval ambitions underway, the future of Africa's cities may follow a more Chinese than Western script, serving largely as extensions of the Middle Kingdom. Democratic pretensions may still exist, but the Chinese-dominated future will not promote a liberal approach to urban growth.

Institutional Challenges: Property Rights and the Rule of Law

What Africa lacks isn't a uniquely African ideology or solution; rather, fundamental basic institutions such as property rights, the rule of law, judicial effectiveness, and limited government intervention are necessary to create a growing middle class and a successful urban landscape.

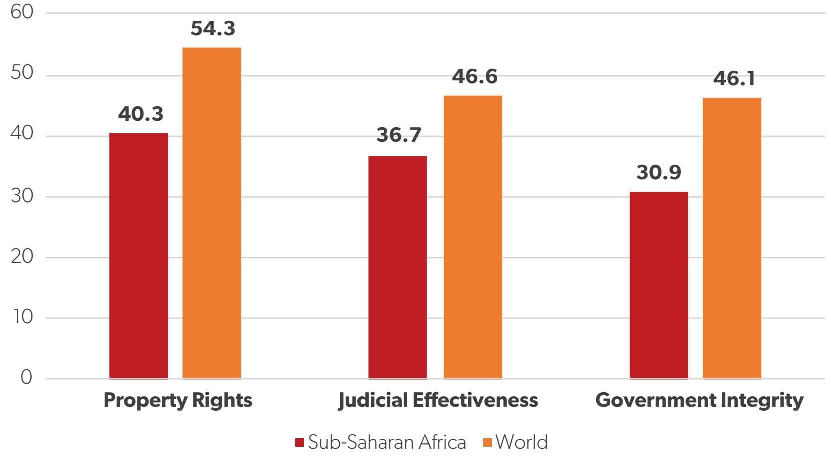
Property rights are essential because they protect owners from interference in the hold on their assets, and as history has shown, the colonial regimes were aware of this phenomenon. Property rights reflect a largely universal moral injunction against theft, to be secure—as a matter of law and practicality—in the hold one has over one's assets. In certain parts of Africa, however, private ownership of property is continually undermined, and, in most cases, property rights are nonexistent when compared to the world average.

According to the Heritage Foundation's Index of Economic Freedom,[22] sub-Saharan African countries rank below the world average on three indexes that relate to rule of law: property rights, judicial effectiveness, and government integrity. Figure 2 compares rule-of-law metrics in sub-Saharan Africa to the world.

Table 1 compares the rights of women in sub-Saharan African countries, measuring five factors: whether men and women have equal rights to immovable property, whether sons and daughters have equal rights to inherit assets from their parents, whether female and male surviving spouses have equal rights to inherit assets, whether the law grants spouses equal administrative authority over assets during marriage, and whether the law provides for the valuation of nonmonetary contributions.

Ten of the measured countries have discriminatory property-ownership regimes, while 13 have discriminatory inheritance rights for children and

Figure 2. The Rule of Law in Sub-Saharan Africa and the World, 2021



Source: Heritage Foundation, "2021 Index of Economic Freedom," 2021, https://www.heritage.org/index.

13 have discriminatory inheritance rights for spouses. Eight countries grant differential rights to spouses in respect of control of family property.

In many instances, a combination of these factors coexists. In eight African countries—Comoros, Mauritania, Niger, Senegal, Somalia, South Sudan, Sudan, and Uganda—three or more exist simultaneously. In Mauritania, each of the five are found, giving it the lowest score for women's property rights on earth.[23]

In addition, each of the five North African countries that included women's formal property rights in sub-Saharan Africa—Algeria, Egypt, Libya, Morocco, and Tunisia—lacked equal treatment on three of the five measures as a logical condition for individual freedom and in resisting abuse by the more powerful in society. Only 16 sub-Saharan African countries have managed to achieve full legal parties: Angola, Burkina Faso, Cabo Verde, the Central African Republic, Côte d'Ivoire, Eritrea, Ethiopia, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, São Tomé and Príncipe, South Africa, and Zimbabwe.[24]

But there are signs of progress. Botswana, for example, led the way to development when it decided, like Singapore, to not abandon but

Table 1. Women's Formal Property Rights in Sub-Saharan Africa

Country	Do men and women have equal rights to immovable property?	Do sons and daughters have equal rights to inherit assets from their parents?	Do female and male surviving spouses have equal rights to inherit assets?	Does the law grant spouses equal admin-istrative authority over assets during marriage?	Does the law provide for the valuation of non-monetary contribu-tions?	Score out of 100
Angola	Yes	Yes	Yes	Yes	Yes	100
Benin	Yes	Yes	Yes	Yes	No	80
Botswana	Yes	No	Yes	Yes	No	60
Burkina Faso	Yes	Yes	Yes	Yes	Yes	100
Burundi	Yes	No	No	Yes	Yes	60
Cabo Verde	Yes	Yes	Yes	Yes	Yes	100
Cameroon	No	Yes	Yes	No	Yes	60
Central African Rep.	Yes	Yes	Yes	Yes	Yes	100
Chad	No	Yes	Yes	No	Yes	60
Comoros	Yes	No	No	Yes	No	40
Congo, Dem. Rep.	No	Yes	Yes	No	Yes	60
Congo, Rep.	No	Yes	Yes	No	Yes	60
Côte d'Ivoire	Yes	Yes	Yes	Yes	Yes	100
Equatorial Guinea	No	Yes	Yes	No	Yes	60
Eritrea	Yes	Yes	Yes	Yes	Yes	100
Eswatini	Yes	No	No	Yes	Yes	60
Ethiopia	Yes	Yes	Yes	Yes	Yes	100
Gabon	No	Yes	Yes	No	Yes	60
Gambia	Yes	No	No	Yes	Yes	60
Ghana	Yes	Yes	Yes	Yes	No	80
Guinea	Yes	Yes	No	Yes	No	60
Guinea-Bissau	No	Yes	Yes	No	Yes	60
Kenya	Yes	Yes	No	Yes	Yes	80
Lesotho	Yes	No	Yes	Yes	Yes	80

(continued on the next page)

Table 1. Women's Formal Property Rights in Sub-Saharan Africa (*continued*)

Country	Do men and women have equal rights to immovable property?	Do sons and daughters have equal rights to inherit assets from their parents?	Do female and male surviving spouses have equal rights to inherit assets?	Does the law grant spouses equal admin-istrative authority over assets during marriage?	Does the law pro-vide for the valuation of non-monetary contribu-tions?	Score out of 100
Liberia	Yes	Yes	Yes	Yes	No	80
Madagascar	Yes	Yes	Yes	Yes	Yes	100
Malawi	Yes	Yes	Yes	Yes	Yes	100
Mali	Yes	Yes	Yes	Yes	No	80
Mauritania	No	No	No	No	No	0
Mauritius	Yes	Yes	Yes	Yes	Yes	100
Mozambique	Yes	Yes	Yes	Yes	Yes	100
Namibia	Yes	Yes	Yes	Yes	Yes	100
Niger	No	No	No	Yes	No	20
Nigeria	Yes	Yes	Yes	Yes	No	80
Rwanda	Yes	Yes	Yes	Yes	Yes	100
São Tomé and Príncipe	Yes	Yes	Yes	Yes	Yes	100
Senegal	Yes	No	No	Yes	No	40
Seychelles	Yes	Yes	Yes	Yes	No	80
Sierra Leone	Yes	Yes	Yes	Yes	No	80
Somalia	Yes	No	No	Yes	No	40
South Africa	Yes	Yes	Yes	Yes	Yes	100
South Sudan	No	Yes	No	Yes	No	40
Sudan	Yes	No	No	Yes	No	40
Tanzania	Yes	No	No	Yes	Yes	60
Togo	Yes	Yes	Yes	Yes	No	80
Uganda	Yes	No	No	Yes	No	40
Zambia	Yes	Yes	Yes	Yes	No	80
Zimbabwe	Yes	Yes	Yes	Yes	Yes	100

Source: Authors.

strengthen the institutions the colonial government left them. Although small in population, the capital Gaborone has grown from 400,000 people in 1950 to 2.4 million today. A household survey in 2019 showed that in South Africa, slightly more than one-third (35.3 percent) of individuals owned dwellings, regardless of whether ownership was individual or shared. Ownership of dwellings was more common among women (20.6 percent) than males (15.8 percent).[25]

Most common may be the failure to recognize nonmonetary contributions in 19 sub-Saharan African countries. These include such activities as childcare or other notional "woman's work"—and the countries' lack of recognition as part of an economic contribution places women at a large disadvantage when, for example, marriages fail and estates are divided.

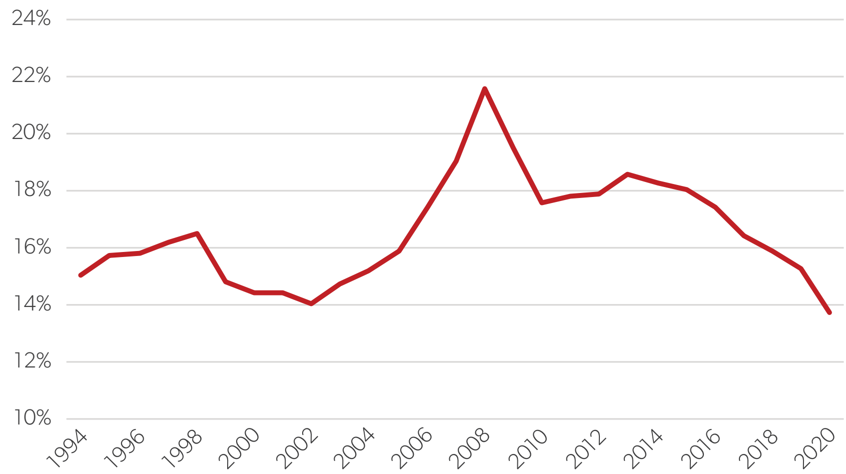
Decline in Investment

The development of cities—particularly given Africa's unique geographic challenges—requires high levels of investment from foreign and domestic investors. These investors require a level of certainty and security of their investments because building shopping centers, apartments, office spaces, and restaurants requires a longer-term investment horizon to make a profit, which can only be guaranteed through strong property rights. In the current legal and political situation, this is difficult, particularly for anything other than resource exploitation. This helps explain low levels of investment, of which South Africa, despite its head start and relatively high level of education, is a prime example.

Figure 3 tracks real gross fixed capital formation to GDP in South Africa from 1994 to 2020. From 1994 to 2008, South Africa's gross fixed capital formation increased from 16 percent to 24 percent as a proportion of GDP.[26] This followed the heady early years of South Africa's democracy and those of the ANC administration under the leadership of Mandela and Thabo Mbeki. During this period, there were high levels of economic performance.

This economic performance improved living conditions for South Africans across all racial groups. The number of people employed doubled in 10 years, and access to formal housing, water, and electricity for cooking

Figure 3. Real Gross Fixed Capital Formation to GDP in South Africa, 1994–2020



Source: Data from the Bureau for Economic Research.

increased by an average of 180 percent.[27] During this time, South Africa had a fiscally prudent government and liberalized markets, while the country benefited from improved access to global markets and rising commodity prices.

Since the financial crisis of 2008–09, the South African economy under the administrations led by Jacob Zuma and Cyril Ramaphosa has fared poorly. Economic freedom has declined as state interventionism has increased. The growing role of the state has also opened increasing opportunities for corruption and self-enrichment, which members of the ANC administration and its associates have made liberal use of and which have imposed a heavy drag on the economy.

Over the past decade, there have been 1,890 reports of corruption complaints in seven metropolitan municipalities and three local municipalities, according to South Africa's Corruption Watch.[28] Close to 40 percent of reports are from Johannesburg, 19 percent are from Ekurhuleni, and 17 percent are from Tshwane. Corruption is also seen on a national level; the former chief procurement officer at the National Treasury has stated that "as much as 30% to 40% of Government's R600 billion goods and services budget is consumed by inflated prices by suppliers—and by fraud."[29]

Corruption, hostile policies such as expropriation policies, and ANC labor regulations have acted as taxes on investment, which have led to a decline in investment levels in the country. Gross fixed capital formation declined from 24 percent to 12 percent from 2008 to 2020, compared to the world average of 22 percent, the Western and Central African average of 27 percent, and the sub-Saharan African average of 22 percent, undoing the early success of the ANC administration. This was due partly to the ANC's continual undermining of property rights in country, which is still a continual risk.[30]

Economic Performance

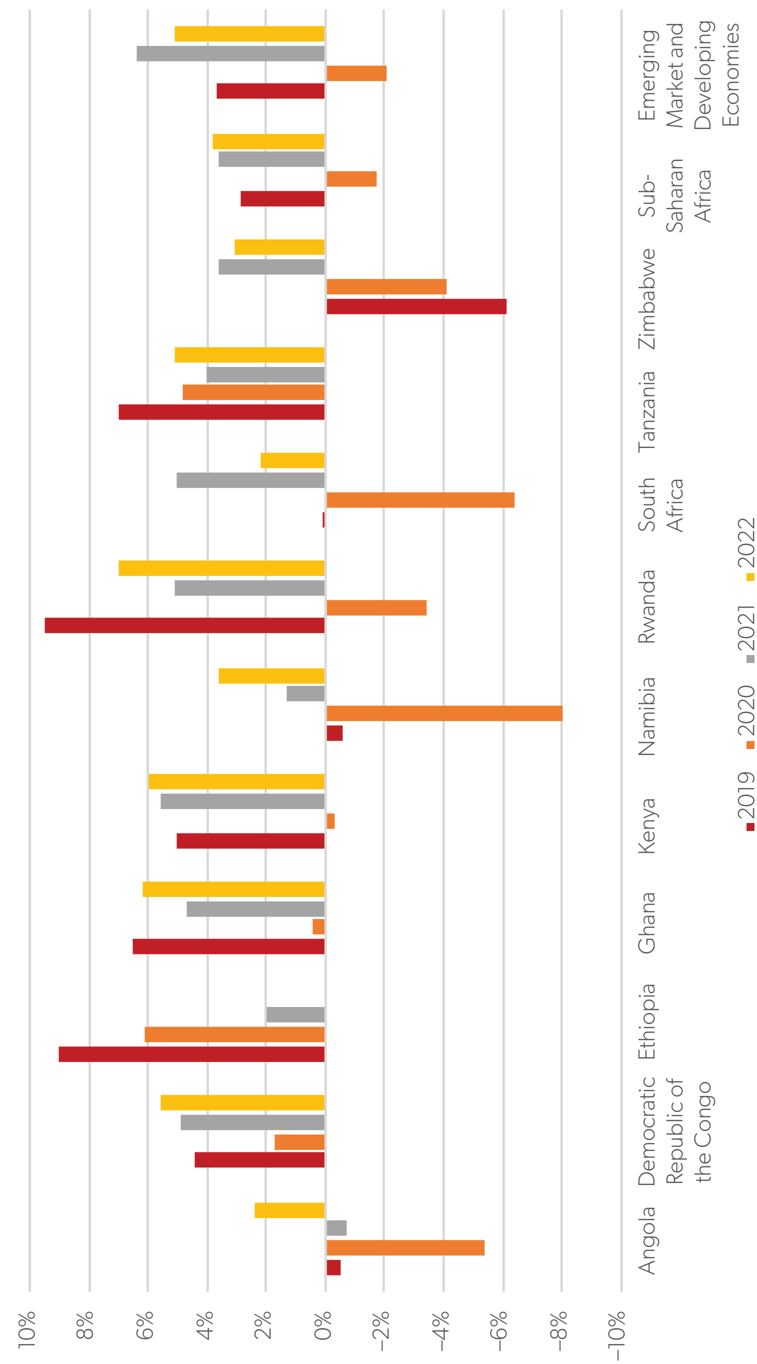
The decline in investment levels in South Africa has left the country vulnerable to external shocks, illustrated by Figure 4, which tracks GDP performance of selected regions. GDP is an important measure of a country's economic health. A rising GDP indicates rising prosperity, with all the societal benefits that flow from it: People in wealthier countries are healthier, happier, and better educated.

The COVID-19 pandemic and the respective government response to the virus have hurt a significant number of African countries.[31] Figure 4 tracks real GDP in select African countries from 2019 to 2022, along with the sub-Saharan African region and overall emerging market economies as a whole. The largest decline was seen in Namibia with a GDP decline of 8 percent (projected to recover to 2.4 percent in 2022), while South Africa suffered a decline of 6.4 percent (2.2 percent in 2022) and Angola a decline of 5.4 percent (3.6 percent in 2022), compared to the sub-Saharan African decline average of 1.7 percent.

These economic performance levels are far below what is seen in the Democratic Republic of the Congo, Ghana, Kenya, Rwanda, and other emerging markets. A consequence of a massive decline and slow recovery in GDP is the stagnation of living standards and an increase in unemployment and poverty levels in Africa. At the same time, some developing countries such as China and India have continued to expand their GDP.

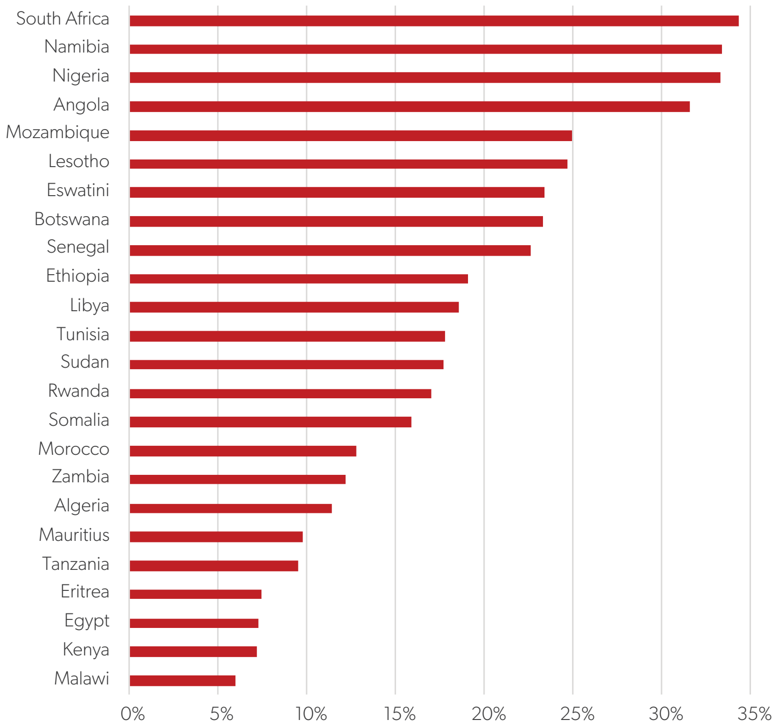
This can be seen in Figure 5, which tracks unemployment levels for selected African countries. When looking at unemployment levels, South Africa is a trend outlier even when compared to other African countries,

Figure 4. Real GDP for Selected Regions, 2019–22



Source: Data from International Monetary Fund, World Economic Outlook.

Figure 5. Unemployment Rates for Selected African Countries, 2021



Source: Data from Trading Economics.

with its massive unemployment rate of 34.4 percent and a youth unemployment figure of 75 percent.[32] This is a key factor that led to the July 2021 riots in the KwaZulu-Natal and Gauteng provinces, in which the jailing of former President Zuma sparked the violent protest action. Other countries that have large unemployment numbers are Namibia (33.4 percent), Nigeria (33.3 percent), Angola (31.6 percent), Mozambique (25 percent), and Lesotho (24.7 percent). These unemployment levels are far larger than what is seen in emerging and developed countries, which points to a stagnation in the middle class and a raise in economic exclusion primary among the young population.[33]

This reality shapes what is happening on the streets and neighborhoods of our cities, including the increase in violent protest and social unrest.

Terrorism Threats and Surging Crime

The rise in economic exclusion in the young population raises the threat of terrorism, of which the Palma attack of March 2021 in Mozambique is an example. Mozambique should be understood through the prism of a rising tide of Salafi-jihadist activity in Africa. Salafi-jihadism is a brand of Sunni Islam that seeks to use violence to install fundamentalist administrations.

By our count, 14 African countries (Algeria, Burkina Faso, Cameroon, Chad, the Democratic Republic of the Congo, Côte d'Ivoire, Kenya, Libya, Mali, Morocco, Mozambique, Niger, Nigeria, and Somalia) face Salafi-jihadist insurgencies, while a further 10 (Benin, Egypt, Ethiopia, Ghana, Mauritania, Senegal, Sudan, Tanzania, Togo, and Uganda) are vulnerable to developing insurgencies. Collectively, these countries house 73 percent of Africa's surface area, 69 percent of its population, and 53 percent of its GDP.

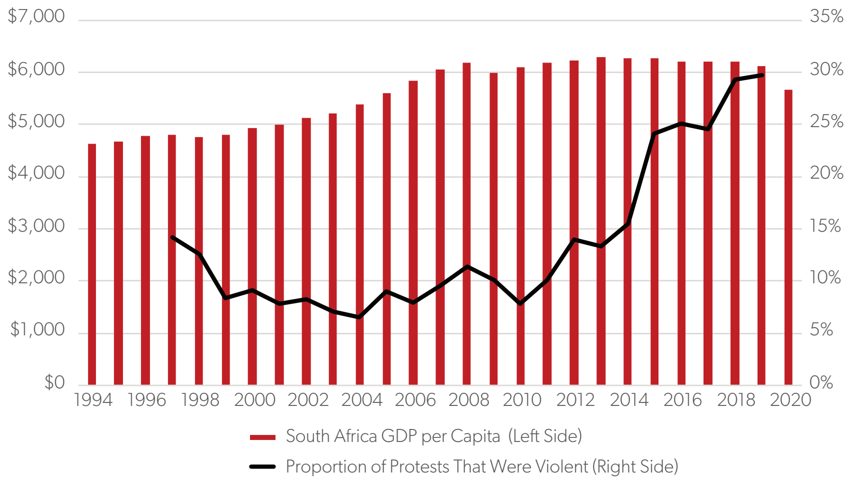
The insurgencies demonstrate deep ties to al Qaeda and the Islamic State. Given the scope and speed of insurgent expansion, Africa could become the world's fastest-expanding terror frontier without strong institutions and raising living standards. This will unfortunately be a significant obstacle for urban development.

Declining Living Standards and Social Unrest

South Africa has shared in the increase in violence and instability. The country demonstrates very high levels of violent protest action on any given day of the week; according to the South African Police Service data, there are 10 violent protest instances per day, and these levels have risen by over 400 percent over the past decade. In Figure 6, we compare South Africa's GDP per capita and the proportion of protests that were violent from 1994 to 2020. As the country demonstrated substantive growth in GDP per capita from $4,221.98 in 1994 to $5,640.02 in 2008, there was a decline in violent protests from 14.2 percent in 1997 to 9.5 percent in 2007.

Consequently, after the global financial crises, a decade of hostile policies, and the 2020 lockdown, living standards have drastically declined to the point where 2020 GDP per capita is lower than in 2007, while violent

Figure 6. South Africa GDP per Capita and Proportion of Violent Protests, 1994–2020



Source: Authors' research using World Bank national accounts data and Organisation for Economic Co-Operation and Development National Accounts data files, South African Police Service.

protests have increased from 9.5 percent to 29.7 percent in 2019. These protests include torching trains, closing highways, committing xenophobic attacks, looting municipal infrastructure, and burning private businesses, all of which are detrimental to South African infrastructure. This type of action has become so prevalent that it no longer makes headlines in South African media, nor are the police able to maintain law and order, which has led to an increase in gated communities and community watchdogs. In 2017, surveys suggested that one in 10 South Africans consider gated communities when buying their own home.[34]

The country continues to experience unchecked corruption, especially at the local government level; failing schools; massive unemployment; and no real growth in GDP per capita for more than a decade (which can be seen in Figure 6), leading many people to have a sense of desperation. In our judgment, there is no prospect to change course from a government policy perspective to substantively address this desperation.

The South African government is weakening and rapidly losing its ability to govern the country—let alone enforce order. The security forces are undisciplined, unmotivated, and poorly led and possess neither the numbers nor the professionalism to safely manage incidents of public violence. Threats only work if they are carried through, and when the state threatens over and over that there will be consequences for looting and violence and these consequences fail to materialize, the effect is to embolden looters and criminal elements.

Confidence in political parties broadly has slumped: In the latest local elections, only 30 percent of the population voted. This is partly a function of media denigration of the political opposition. Consequently, people start to look for alternatives outside the formal political order to address their socioeconomic frustrations.

The combination of lack of economic growth, declining living standards, poor education and governance, and a rise in social unrest in the country may be detrimental to the prospect of developing cities in South Africa. If other African countries continue to follow the same path as that of South Africa—with some in worse condition than South Africa—this will hinder the prospects for greater prosperity.

Conclusion

South Africa, like other countries throughout the continent, faces a considerable number of obstacles to overcome. But the situation is far from hopeless. In sharp contrast to the aging populations in cities throughout the West and East Asia, the population is relatively young, and opinion polls constantly show a decline in support for overreaching governments.[35]

The first large wave of urbanization could also forge a new generation that has come of age without the tribal, racial, and linguistic loyalties that divided the previous generations. Political heterodoxy is on the rise. In the 2021 municipal elections, the ANC government dropped below 50 percent for the first time, indicating that revolutionary ideology is taking second place over the need for good governance and pragmatism.

South Africa's challenges remain modernizing its infrastructure, overcoming its unique geographic obstacles, addressing the elevated levels of crime, integrating the influx of migrants from other African countries, and offering most of its poor the opportunity to enter the middle class.

How South Africa's cities fare is important for not just our country but all of Africa. If the Rainbow Nation, with its considerable head start, cannot build a successful pluralistic urban future, then the chance for the rest of the continent to overcome the architecture of poverty remains a poor one.

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Recalibrating Expectations: Lessons from Youngstown, Ohio

SHERRY LEE LINKON AND JOHN RUSSO

In September 1977, the Youngstown Sheet and Tube Company announced the first major shutdown in the American steel industry. It was closing its largest mill, the Campbell Works, displacing over 10,000 workers.[1] Other shutdowns followed, putting another 40,000 people out of work over the next decade. The Youngstown, Ohio, population had peaked at 170,000 in 1930, but between the shutdowns and 2020, its population fell to just over 60,000 residents. The metropolitan statistical area—known locally as the Mahoning Valley—also lost about 20 percent of its population between 1980 and 2020.[2]

We have long argued that Youngstown's story is America's story. It might not have been the first American city to experience such dramatic losses, but it would not be the last. Youngstown illustrates the "half-life of deindustrialization"[3]—the long-term effects of restructuring, disinvestment, globalization, and technology that make recovery so difficult for many communities.

Americans have a deep faith in renewal; decline is supposed to be followed by growth. In the early 1980s, experts assured Youngstown residents that the demise of the steel industry was part of a process of "creative destruction" that would ultimately yield new and better jobs.[4] Journalists soon began calling us, looking for the feel-good follow-up story about how Youngstown was bouncing back. More recently, they have touted other rust belt cities as examples of revitalization, especially Pittsburgh, Pennsylvania, where technology and health care have replaced steel as the primary industries. When journalists call now, the question is more likely to be, "What's wrong with Youngstown? Why hasn't this place recovered?"[5]

We want to propose a more strategic question: What can Youngstown teach us about economic renewal? Youngstown's story is not a tale of insufficient effort or community failure. In Youngstown and the Mahoning Valley, a wide range of efforts has been deployed over the past 40 years to attract new businesses and revitalize the economy. Dozens of projects involving government, private businesses, community groups, and various partnerships have helped create new jobs, revitalize downtown, and improve neighborhoods. But all this effort has not generated the prosperity that narratives of recovery lead us to expect.

This is Youngstown's story now: Traditional economic development strategies and community organizing may not be enough to "save" legacy cities. Even in places celebrated for successful rebranding and rebuilding, such as Pittsburgh,[6] we need to acknowledge the challenges of economic development. As recent history has shown, while the limits and unevenness of recovery may affect residents of some places more than others, their political and cultural consequences affect the whole country.

Not for Lack of Trying: A Brief History of Local Revitalization Efforts

Across the Mahoning Valley, rows of deteriorating homes and commercial buildings, massive empty and polluted lots where steel mills once stood, boarded-up storefronts, and thousands of vacant properties might suggest that residents and local leaders are either incompetent or didn't try hard enough to rebuild the economy.

This landscape doesn't clearly show the effects of the many different economic and community development efforts that have been pursued over the past four decades. These include reducing taxes, subsidizing private development, decontaminating brownfield sites, and conducting targeted place marketing. Federal, state, and local governments; businesses; and foundations have invested millions, and hundreds of residents have participated in community organizing projects. The most significant efforts have concentrated in three areas: preserving the industrial economy, attracting new industries, and building community capacity.

Saving the Industrial Economy

Youngstown began trying to preserve its core industries days after Sheet and Tube announced its first layoffs in 1977. Three busloads of residents headed to Washington, DC, with petitions demanding help from the federal government. Unions, churches, and other community groups formed the Ecumenical Coalition, which proposed that Youngstown should buy part of the closed mill and operate it as a community-owned business. The idea might have succeeded if the US government had agreed to provide a guarantee for the necessary loans and invest in steel-related infrastructure renewal.[7] Rather than being passive, Youngstown was the only community to organize such an ambitious fight to save its major industry.[8]

The steel industry never fully disappeared. Smaller, niche companies still operate in the Mahoning Valley, though the industry now has only a few thousand workers. Starting in 2010, when the French steelmaker Vallourec invested $1.2 billion to reopen a section of the Brier Hill Works of Youngstown Sheet and Tube, hydraulic fracturing brought a modest boost to steel.[9] That project was enabled by funding from the American Reinvestment and Recovery Act and tax abatements, and additional government funding helped the company build a new specialty mill a few years later. While some cite Vallourec as a major win for the Mahoning Valley, the site where thousands of people once worked now employs a few hundred.[10] Along with new steelmaking jobs, fracking brought problems: polluted water wells and earthquakes, one of them a magnitude four, in a region that had previously experienced few.[11]

The Mahoning Valley's auto industry suffered a similar decline. General Motors (GM) opened its sprawling Lordstown plant a few miles outside Youngstown in 1966, attracting smaller automotive parts suppliers to the area. The largest of these, Packard Electric, which later became part of Delphi Automotive, employed over 14,000 unionized workers in the 1970s. In the 1980s, Delphi began moving its operations to the maquiladora sector in Mexico and to China. Despite numerous tax abatements and government incentives, including the Obama administration's 2010 auto bailout, and massive wage concessions from workers, GM ultimately closed Lordstown along with four other plants in 2019.

A new company, Lordstown Motors, bought the site for its electric pickup operation. Despite $20 million in local tax incentives,[12] Lordstown Motors soon reported that it didn't have enough capital to start production, and in 2021, Foxconn purchased part of the facility to build small cars.[13] GM also returned to the area in 2021 with a joint agreement with Ultium Cells to make electric vehicle batteries. A new $2.3 billion factory near the old Lordstown plant is slated to employ 1,100 workers, far fewer than the 8,000 GM initially employed. While Lordstown Motors founder Steve Burns initially indicated that the company would hire United Auto Workers members and pay the same as the "big three" automakers (i.e., Chrysler, Ford, and GM), Zippia reports that average annual earnings for assembly workers at Lordstown Motors are $27,525, less than the $45,000 average for workers doing the same job at GM.[14]

Attracting New Industries

Local leaders have also worked hard to attract new employers. Beginning in the 1980s, numerous campaigns tried to lure GM Saturn, Avanti Motors, a blimp factory, and other companies to "save" the Mahoning Valley. Some of those possibilities came to fruition, though none has even remotely restored the area's mid-century prosperity.

Two sectors have created long-term jobs. The first, distribution, takes advantage of Youngstown's location on two interstate highways, halfway between New York and Chicago and between Cleveland and Pittsburgh. Tax abatements and new zoning rules attracted FedEx, Macy's, Taylor Steel, and Anderson Dubose, among others. Most recently, TJ Maxx has opened a massive site just a few miles outside Youngstown, where it is expected to hire nearly 1,000 workers who will earn about $19 an hour, or about $37,000 annually—approximately half of what a typical unionized auto or steelworker earned and well below what is needed to support a family.[15]

The second sector has generated better-paying jobs: prisons. In the 1990s, a state maximum-security facility and a private Corrections Corporation of America (now CoreCivic) prison brought several hundred new jobs along with prisoners—including undocumented immigrants awaiting deportation—to the area. Prisoners count as residents, so they shore up local population numbers and affect government subsidies for the area.[16] The prisons also pay reasonably well—about $60,000 a year, making them some of the better paid of the new jobs in the Youngstown area. The federal government's move away from private prisons, however, threatens this sector.

Some of the other newcomers have turned out to be scammers. Perhaps the most dramatic recent example is Chill-Can. In 2016, Youngstown offered tax abatements and a $1.5 million grant—one of its largest ever—because Chill-Can promised to invest millions to build a complex to house its manufacturing and research operations. The city spent several hundred thousand dollars more to buy and tear down homes to clear space for the facility. Chill-Can built two metal hangar-style buildings, but five years later, it has not created a single long-term job. The city is now suing to recoup some of that investment.

Sadly, this is not an isolated case. ProPublica reports that this "was just the latest in a long line of fizzled developments" in which "officials have gambled with economic development dollars in hopes of reviving the city." Of 94 projects over the past 30 years, half didn't produce as many jobs as promised, and one in four created no new jobs at all.[17]

Some development schemes have argued for redefining Youngstown as part of a megalopolis linked to Cleveland and Pittsburgh and centered not on steel but on high-tech green jobs. In 2007, Youngstown's congressional representative, Rep. Tim Ryan (D-OH), helped secure $45 million in federal matching funds to create the Techbelt Additive Manufacturing Innovation Institute. The institute, since renamed America Makes, is based in Youngstown but has a national agenda to promote advanced manufacturing and the country's manufacturing competitiveness.[18] While it did not, as Ryan hoped, change the regions' economy or identity, it has helped create about 100 jobs in the Mahoning Valley and 20 professional positions in its downtown offices.

Economic development efforts often begin with visions of a single employer or a new industry saving the community. Many have failed, and even the successes have had limited impact. New businesses employ far fewer people than once worked in the steel mills and auto plants, and most of the newer jobs pay less than heavy industries did. In 1977, steelworkers earned an average of $13 an hour, the equivalent of $58.85 today.[19] Payscale estimates that workers in the area today earn $16.03 an hour on average. The tax abatements that lured new companies also left local governments perennially underfunded, while state budget cuts reduced funding for schools, infrastructure, and social welfare. Youngstown has managed to slow its decline, but it has not achieved anything close to a full recovery.

Rebuilding Community Capacity

Along with good jobs, communities need the social capacity to address the many problems that stem from economic distress.[20] Here, too, the Mahoning Valley has worked hard to stabilize neighborhoods, improve education and health, fight crime and addiction, and reenergize community life. Many of those efforts can be tied to the "Youngstown 2010" plan, developed in the early 2000s as a response to the city's declining population.

The 2010 plan was a joint effort between Youngstown State University (YSU) and the city government and designed by urban planners. But it also involved community outreach, for which it won the 2007 National Planning Excellence Award for community engagement. It identified four strategies: expanding the network of public green spaces, developing new industrial sites in brownfield areas where steel mills once stood, strengthening "viable" neighborhoods and decreasing city services in areas deemed beyond salvaging, and creating a more vital downtown.[21] While most agree that the 2010 plan did not fulfill its vision, it drew national attention for its model of "smart shrinkage," which the *New York Times Magazine* called one of the best new ideas of 2005.[22]

The most successful part of the 2010 plan was downtown redevelopment. Between 1995 and 2008, over $100 million in public funding helped create a new state office building, a convention and event center, a second federal courthouse, a performing arts center, and the Youngstown Business Incubator (YBI). While these all created jobs and gave people reasons to come downtown, YBI has drawn the most attention for its efforts to support tech startups.

Initially funded by the Ohio Department of Development, YBI has brought in millions of dollars in federal and state grants. It now houses 20 portfolio companies that employ 370 people, including the education-technology company Turning Technologies, which employs about 170 people. Some downtown development projects involved public-private partnerships, such as a Cleveland real estate developer's conversion of an office building into 23 luxury condominiums. Federal and state tax credits covered about half the $8 million invested in the project. In 2007, the Youngstown *Vindicator* (which has since closed) proudly declared that "an urban renaissance has been quietly but successfully taking root" in downtown Youngstown.[23]

Downtown has also become a hub of community life. New restaurants, bars, and coffee shops opened, starting around 2007. Downtown workers appreciated the new dining options, and suburban residents started to pack the bar at V2 and listen to live music at the Lemon Grove. Today, the Covelli Centre and a new outdoor amphitheater bring people downtown for concerts and other events. A monthly flea market features small local vendors of handcrafted goods.

Downtown development was further boosted when YSU expanded its footprint with a new business school building and several private student housing developments on the south side of campus, just half a mile from downtown. A new community college was also established in largely unoccupied buildings downtown, though most of its students are online, and it has few faculty. In 2021, YSU has lost enrollment, and the community college is on the brink of losing accreditation. In 2019, Doubletree opened a hotel—the first within the city limits since a small inn near the university closed in the late '90s, but it has almost never made the loan payments it owes to the city. While some businesses have closed or faltered, downtown Youngstown today is far livelier than it was two decades ago.

All this generated some service-sector jobs, but it barely affected the city's widespread poverty. Neighborhoods continue to struggle, though some residents remain committed to their homes even as their blocks decline, defeating the 2010 plan's strategy of cutting services to failing neighborhoods. However, the plan's community-engagement efforts and its vision for strategic change inspired new efforts to combine grassroots organizing with public and private investments to address the problems facing neighborhoods and their residents.

Community-based efforts to address poverty were not new to Youngstown. The area had a long tradition of active—and activist—unions, religious groups, and civic clubs. Common Wealth, an independent nonprofit created in 1986, worked on housing and advocacy. Its leaders, Jim Converse and Pat Rosenthal, helped establish the Alliance for Congregational Transformation Influencing Our Neighborhoods (ACTION), an affiliate of the Gamaliel Foundation, in 1999. ACTION and its 30 member organizations, mostly urban churches, worked on food access, racial justice, and housing. The Catholic Diocese of Youngstown opened its branch of Catholic Charities in the same year, providing services directly to people in poverty.

But the 2010 plan inspired new efforts, starting with increased investment by a major local foundation and the work of two new community organizing groups, the Mahoning Valley Organizing Collaborative (MVOC) and the Youngstown Neighborhood Development Corporation (YNDC). Founded in 2008 by the Ohio Organizing Collaborative, MVOC spearheaded a citywide vacant property survey performed largely by residents, which led to new ordinances and renewed code enforcement activity by city officials. MVOC also pushed officials to create the Mahoning County Land Bank to enable residential demolition and rehabilitation and repurpose abandoned properties, creating new green spaces.

In 2009, YNDC began work in the Idora Park neighborhood, with support from foundations, the city, federal programs, and regional banks. They stabilized housing in the neighborhood, engaged residents in cleanup efforts, and helped renters secure loans to buy homes. All this fostered investment and hope and strengthened the community's capacity to address problems. YNDC is now expanding its work in other neighborhoods.[24]

These projects produced significant concrete outcomes, and they helped generate an important cultural change: increased engagement by residents, especially younger adults. Some have moved back to the area, attracted by not only family ties, affordable housing, and a sense of connection to the city's working-class past but also new opportunities. As one activist, Danielle Seidita, explained, in a smaller city such as Youngstown, "if you want to do something . . . it is a lot easier to do it here then [*sic*] it might be in [*sic*] to do in New York or even Cleveland or Columbus."[25] While some local organizers have left Youngstown for other opportunities, others have remained, and local foundations, city and regional government, small businesses, and community organizations have all benefited from their insight and commitment.

Recalibrating Expectations: Persistent Challenges of Smaller Legacy Cities

In some ways, Youngstown should be counted as a success story. Despite a number of failed economic development efforts, the millions invested in Mahoning Valley have laid the foundation for dozens of small to midsize businesses and a few thousand new jobs over the past two decades. The city is within sight of demolishing the last 800 of its almost 5,000 vacant homes. More people now work in the city and enjoy downtown's nightlife. A few neighborhoods have benefited from new investments and stronger community groups. A new generation of leaders has emerged with creative ideas and a deep commitment to this place.

Yet Youngstown remains among the poorest cities in the US. In July 2021, unemployment in the city was 10.3 percent, almost twice the national rate of 5.2 percent.[26] Youngstown's median household income is $28,822, and its poverty rate is 35.2 percent.[27] Achieving this disappointing economic record required massive investment and effort. Why hasn't the recovery been more robust?

Some would blame local failures. Youngstown has a long history of racial divisions, exacerbated by class inequities, and some development efforts have reinforced rather than changed these patterns. In 2000, Youngstown was identified as one of the most racially segregated cities in the US, and a clear divide still runs between the city and its suburbs. More than 53 percent of city residents are black or Hispanic, compared with less than 10 percent in neighboring Boardman. For Mahoning County as a whole, 24.2 percent of residents have at least a bachelor's degree, but in the city, only 13.6 percent have one.[28]

The divide also involves economic differences. Incomes are higher, and both the poverty rate and unemployment are lower in the suburbs. Many of the most successful economic development efforts have made little difference for lower-income, less-educated residents, either because new jobs are located outside the city or because they require specialized training or college degrees. The education professionals who have benefited tend to live outside the city, exacerbating the region's class and race divide. The divisions even extend into community organizing efforts, which have prioritized inclusion but are mostly led by white people. With "more diverse leadership," one activist told us, the region could "benefit from new ideas, perspectives, talents."[29]

The Mahoning Valley also lacks strong leadership. Too many elected and appointed officials embrace the historical culture of corruption that includes cronyism, bribery, and other means of generating individual rather than community gains.[30] The convictions of two of Youngstown's recent mayors and its finance director, like the 2002 conviction of local Rep. James A. Traficant (D-OH) on charges of bribery, racketeering, and tax evasion, reflect this persistent problem.

Even among the community's most dedicated and effective leaders, collaboration is often elusive. Individuals and local governments fail to share information or work together. This reflects the fragmented structure of the Mahoning Valley, where several small cities and more than a dozen townships have separate school districts, police and fire departments, and administrative offices. Despite the Eastgate Regional Council of Governments's efforts to promote collaborative planning and development, local communities remain balkanized. This pattern is echoed in community and economic development programs. Each group has its own vision and projects, and they too often duplicate efforts or compete with each other rather than collaborating.

Yet these problems do not fully explain Youngstown's continuing struggles. Systematic disinvestment by corporations and the social costs of that disinvestment—from declining populations, tax bases, and political power to rising rates of mental and physical health problems—create significant challenges for many legacy cities.[31] Funding cuts from state and federal austerity programs have made it more difficult to address the continuing effects of deindustrialization, and they feed distrust and discouragement.

In contrast, larger former industrial cities such as Pittsburgh and Cleveland benefit from local foundations that invest far more in community development than the Mahoning Valley's major funders possibly could. Cleveland's Gund Foundation makes around $20 million a year in grants, nearly 10 times as much as the local Wean Foundation's $2.275 million. Those cities have also benefited from major hospitals and research universities, according to recent reports from the Brookings Institution.[32]

Yet even these cities' recoveries have limits. Pittsburgh and Cleveland have poverty rates far above the national average—20.5 percent and

30.8 percent, respectively. Shifts from manufacturing to service industries, from union contracts to gig jobs, and from public investment in infrastructure and education to austerity—all make a full recovery impossible for many places and working-class people. Without many more good jobs for people with limited training and skills, deindustrialized communities and the people who live in them will continue to struggle.

Contrary to the American faith in renewal, recovery is often hard-won, and it is almost always uneven. Youngstown today has enough jobs, paying high enough wages, to keep the local economy afloat but not enough to generate shared, much less expanded, prosperity. This pattern applies even to "success stories" such as Pittsburgh's, where many new jobs pay low wages and some neighborhoods have clearly not "bounced back."[33] Any tale of economic renaissance has to ask: Who benefits, and what are the consequences for those who do not?

Youngstown's story makes painfully clear that the promises of creative destruction were, for too many, just fantasies. Youngstown might not offer a model of revitalization, but it has proved almost heroically persistent. It offers a cautionary tale, warning deindustrialized communities to resist the false promises of cruel optimism when the most realistic outcome is adaptive resilience.

Notes

1. This chapter draws on more than 25 years of research on Ohio's Mahoning Valley and our experiences as residents of the area and participants in community life. Together, we wrote *Steeltown USA: Work and Memory in Youngstown* (University Press of Kansas, 2002) and a number of articles on these themes. In developing this chapter, we consulted with local journalists, urban and economic planners, and community leaders.

2. Demographic data throughout are drawn from the "Quick Facts" pages for Youngstown and Mahoning County, available on the US Census website. See US Census Bureau, "Quick Facts Mahoning County, Ohio," https://www.census.gov/quickfacts/mahoningcountyohio; and US Census Bureau, "Quick Facts Youngstown City, Ohio; Mahoning County, Ohio," https://www.census.gov/quickfacts/fact/table/youngstowncityohio,mahoningcountyohio/PST045219.

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Indianapolis

AARON M. RENN

Indianapolis was an unlikely candidate to emerge as a midwestern demographic and economic leader. It is an artificially created city, chosen by fiat as a centrally located capital for the state of Indiana. It is not located on a navigable waterway and had no initial economic raison d'être. It grew to be the largest city in the state, but unlike other Midwest cities such as Chicago, Cincinnati, Cleveland, and St. Louis, it was never nationally prominent apart from its annual Indianapolis 500 automobile race and lacked signature industries. In built form and culture, it was in essence an overgrown small town. Indianapolis's residential streets looked similar to what one would find in any Indiana small town, and it never had a unique vernacular architecture. There was good reason it was formerly known as "India-no-place."

But starting in the 1970s, Indianapolis, rather than falling behind, transformed itself into a rapidly growing metropolis in a region better known for urban decline. It became a civic innovator, merging its city and county governments, pioneering the use of sports as an economic development and branding platform, and winning major business relocation decisions such as the United Airlines maintenance base in the early 1990s. The city became known as the rust belt's star performer.

A Reimagined City

This revival cuts across the metropolitan region. The city's downtown was among America's first to revive. More recently, Indianapolis has experienced large residential growth in the central city and developed genuine urbanization, which it never had before. Nationally regarded suburbs such as Carmel also emerged. Economically, Indianapolis has seen continued growth in sectors including life sciences and logistics and has become nationally known as an emerging technology hub. Culturally and regarding civic amenities, it now has quality offerings that it never possessed before, with restaurants such as the breakfast-oriented Milktooth receiving national acclaim.

Indianapolis is among the heartland's standout cities that have emerged in recent years. The collapse of the industrial economy in the Midwest caused success to pool into the fewer successful places that remained, often large cities, flagship university towns, or state capitals. Indianapolis, the state's capital and largest city, was a prime beneficiary as it sucked in people from the rest of Indiana. Without these structural tailwinds, the Indianapolis transformation program would likely not have succeeded.

Crucially, it's not just the amenities. The people have changed and become more diverse. Once demographically solidly white and African American, Indianapolis is becoming genuinely diverse with growing populations of numerous racial and ethnic groups including Burmese,[1] Sikh,[2] and Haitian populations.[3] Indianapolis still has a relatively small share of foreign-born residents, only 6.9 percent in the metro area, but its number of foreign-born residents has grown by 162 percent since 2000.[4]

Indianapolis is also growing at a faster rate than is the nation overall, 11.8 percent for the metro area during the 2010s versus 7.4 percent for the nation.[5] Indianapolis is similarly growing its job base, 19.2 percent from 2010 to the pre-pandemic job peak in 2019 versus 15.8 percent for the nation.[6] It was also among the top metro areas nationwide that rapidly bounced back from the pandemic.[7]

How Did This Change Occur?

In the 1950s, Indianapolis was a backwater. Today, Indianapolis may not rank among America's first-tier cities, but it has never been a larger and more important, prominent, urban, and culturally sophisticated region than it is today. In stark contrast with most other major Midwest cities, almost all of which have fallen significantly from their historic peaks, Indianapolis is at its largest and most prominent level ever and still increasing.

Indianapolis's transformation was driven by an unusually cohesive civic alliance of the public, private, and philanthropic sectors. Three consecutive unusually talented and dynamic Republican mayors represented the public sector. Richard Lugar set the stage by shepherding a city-county merger through the state legislature. Bill Hudnut, a former Presbyterian minister and congressman, followed by serving four mayoral terms when the city's downtown revitalization made crucial progress, which earned him a national reputation. Lastly, Mayor Stephen Goldsmith became nationally known as an innovator in government privatization and went on to a prominent career at the Manhattan Institute and the Harvard Kennedy School and as deputy mayor of New York City.

Other key public-sector figures included 40-year state Rep. Bill Crawford, who leveraged state aid for the city and served as the principal voice of Indianapolis's black community in municipal transformation efforts, and longtime Rep. Julia Carson (D-IN), whose district included most of the city and who obtained federal funds. The city's business community was of course the key private-sector actor. Business leaders helped shape the future vision of the city, especially during the Hudnut administration in the 1980s, through an advisory group called the City Committee.

But one unique and crucial aspect of Indianapolis's transformation lies in the role of philanthropy, particularly that of the Lilly Endowment. Founded by J. K. Lilly, son of the founder of the Eli Lilly pharmaceutical company, with a gift of company stock, the Lilly Endowment became and remains one of the largest foundations in the United States. It has $21 billion in assets[8] and is highly unusual in that it concentrates its giving in its home state of Indiana. The firepower of this gigantic foundation allowed Indianapolis to accomplish things that would have been much more difficult in other cities.

One example of the moves enabled by this civic alliance was building the Hoosier Dome.[9] In 1982, Indianapolis leaders audaciously agreed to build a domed stadium without a team to play in it. Mayor Hudnut championed the project despite its high risk. The Lilly Endowment paid for a third of the cost, reducing the level of public investment required in this risky project. A foundation paying for a third of the cost of a stadium shows the unique role of philanthropy in Indianapolis's transformation. This stadium enabled the city to lure the Baltimore Colts to Indianapolis in 1984, solidifying its status as a big-league sports city.

Another more recent example is the construction of the Indianapolis Cultural Trail,[10] completed in 2012. The Cultural Trail is an innovative, urban, downtown trail involving high-design bicycle and pedestrian paths, green stormwater detention, extensive landscaping with native plantings, high-density street lighting, and public art. The Cultural Trail connects multiple existing bicycle trails in and through downtown and multiple cultural districts and attractions in the downtown core. It was transformational and spurred significant growth along its route. Notably, eight miles of traffic lanes were rededicated to the trail.

The Cultural Trail was conceived by Brian Payne, president of the Central Indiana Community Foundation, and in addition to traditional donations from foundations, local apartment magnate Gene Glick and his wife, Marilyn, made a major contribution. The project also secured a large number of federal grants. A private conservancy was created to maintain and manage the trail. The Cultural Trail has inspired similar efforts in cities such as Lexington, Kentucky.[11]

Philanthropy's Crucial Role

The centrality of this broader public-private-philanthropic civic alliance is among the city's strengths. This model can be contrasted with others, such as an individual leader—for example, a Chicago-style mayor or local billionaire businessman like Dan Gilbert in Detroit, Michigan—or a small insider's club, such as what prevailed in Columbus, Ohio. The Indianapolis public-private-philanthropic model has had multiple implications for the city. Due to the challenges in building a broad consensus, it can take longer for Indianapolis to make a civic commitment to an undertaking. But once that consensus is reached, Indianapolis generally successfully executes its projects because little opposition emerges. Few if any major civic initiatives have ever been derailed by public opposition.

The second implication is that Indianapolis civic initiatives have been able to transcend electoral cycles, allowing for unusual long-term continuity. For example, the sports strategy has been consistently and successfully pursued for 40 years across numerous mayoral administrations of both parties. From the National Sports Festival in 1982 to the college football championship game in 2022, Indianapolis has remained a national leader in hosting major sporting events despite new and fierce competition from numerous other cities. The sports strategy remains the initiative that city leaders are most proud of, and it continues to shape their thinking about how the city succeeds.

More recently, a major public transportation improvement plan[12] involving a 0.25 percentage point income tax increase was developed under Republican Mayor Greg Ballard's administration. The actual citizen vote to approve the tax and implementation have happened under his Democratic successor, Joe Hogsett. There were no changes or delays in this program despite a change in not just administration but party. This kind of continuity is rare in most of the country.

This public-private-philanthropic approach directly inspired transformation efforts in other cities such as Chattanooga, Tennessee (another major success)[13] and indirectly in places such as Oklahoma City, Oklahoma, which lost the United Airlines maintenance base competition to Indianapolis in the early 1990s and realized it needed to elevate its game.[14]

Challenges Ahead: The Midwest Dilemma

Indianapolis today is a relatively prosperous and growing metropolitan area, but several challenges loom for the city. One is high levels of urban violent crime. Indianapolis reached an all-time high for murders in 2020 and again in 2021.[15] The city has also seen large growth in the number of urban neighborhoods with concentrated poverty, and homelessness is likewise a growing problem. In these matters, trends in Indianapolis mirror those in many other cities nationwide. At least 12 major US cities hit record murder rates in 2021.[16] But that's cold comfort to local residents affected by the murder and mayhem.

The region has also never found a way to cross the threshold into becoming a major national talent and business destination. While Indianapolis is growing and attracting residents, about 90 percent of its net in-migration, apart from international immigrants, comes from elsewhere in Indiana.[17]

In contrast, genuine boomtowns in the South and West—such as Austin, Texas; Boise, Idaho; and Nashville, Tennessee—draw predominantly from out of state. They are national, not merely local, destinations. They have national reputations to match, whereas Indianapolis remains less known outside the Midwest.

In this Indianapolis is not unique. No urban region in the Midwest has managed to become a national destination either, not even other high performers such as Columbus, Ohio; Kansas City, Missouri; and Minneapolis–St. Paul, Minnesota.[18] Some of this doubtless stems from climate. Since around 1960, population growth is heavily correlated with average January temperatures, with the Sunbelt dominant in population growth. Cities like Indianapolis can do nothing about climate.

Indianapolis also needs to renew or update its public-private-philanthropic partnership approach to civic development. The city today embraces a mentality one local civic leader privately termed "the myth of Indianapolis exceptionalism." That is, it still identifies with the transformation efforts of the past, such as developing the sports strategy, in which Indianapolis was genuinely a national leader. It does not consider how other cities have now also transformed and upgraded their civic-execution capabilities. Indianapolis today is no longer the midwestern great exception. For example, after one of its major hometown companies nearly relocated, Columbus, Ohio, retooled its economic development approach. That region has now surpassed Indianapolis in population growth.

This affects all the community's key sectors, although in different ways. In the public sector, Indianapolis no longer has "supermayors" and hasn't for some time. Lugar, Hudnut, and Goldsmith were transformational while in office and had high impact outside the city. Their successors—Bart Peterson, Ballard, and Hogsett—have been more ordinary. This is not to say they have been bad leaders. But they have been closer to average performers, rather than the extraordinary ones that Indianapolis enjoyed for three decades.

Indianapolis has also been under fiscal stress for decades, compounded by tax rate and levy caps passed by the state during the 2000s. Various mayors have used one-time fixes to attempt to address deficiencies. Ballard privatized the city's water system to fund a capital improvement program. Hogsett used an LED bulb replacement program to fund savings that allowed for new street lights to be installed for the first time since 1980.[19]

Yet over time, city government capabilities have eroded, and the city cannot deliver quality public services such as snow removal, street lighting, and sidewalks in much of the city.[20]

Philanthropy has also largely ceased to be a transformational agent for Indianapolis. While the Lilly Endowment's generosity is unquestionable, in recent years its money has been used by the state and community to de facto finance the government's retreat from its core obligations and as a substitute for other private investment.

Too Cheap to Get Better?

Indianapolis and Indiana governments have always been parsimonious in their spending. For example, the city provides no regular taxpayer funding for its zoo or art museum. By contrast, Detroit's art museum receives $25 million per year from a dedicated regional tax.[21] But this has been extended into new areas in recent years, such as higher education. For example, on December 4, 2013, the Lilly Endowment announced $63 million in grants to Indiana colleges and universities.[22] Just a few days later, on December 9, Indiana reduced its higher education funding by nearly $27 million.[23] In August 2014, the state cut an additional $27 million from higher education funding.[24] Both cuts occurred when Indiana had a $2 billion surplus. In other words, the grants from the Lilly Endowment were offset almost dollar for dollar by reductions in state spending when the state was fiscally flush.

The Lilly Endowment continues to generously fund Indianapolis economic development efforts such as the 16 Tech innovation district and the Indiana Biosciences Research Institute (IBRI). But a comparison to other cities shows that these initiatives are broadly analogous to those that have been successfully implemented elsewhere without a giant foundation. St. Louis has a similar innovation district to 16 Tech called Cortex, for example. And the relatively new Van Andel Institute for biomedical research in Grand Rapids, Michigan, is even bigger than IBRI is.

It is difficult to intuitively identify civic initiatives in Indianapolis today that reflect the uniqueness of having a $21 billion foundation. That is, one can't easily point to transformational projects Indianapolis is doing that other cities can't do because Indianapolis has Lilly Endowment money. Notably, the most recent innovative and transformational investment enabled by philanthropy in Indianapolis, the Cultural Trail, was led by the community foundation, not the Lilly Endowment. And that community foundation itself has now pivoted to social initiatives.

In Indianapolis, institutional philanthropy increasingly serves merely as a substitute for money that in other cities comes from government, business, or high-net-worth individuals. Thus, the net impact of philanthropy in Indianapolis vis-à-vis other cities is now diminished. Philanthropic impact is also no longer exceptional in Indianapolis.

How Does Indianapolis Compete?

In approximately the past decade and a half, individual billionaires such as Gilbert in Detroit and the DeVos and Van Andel families in Grand Rapids have produced more civic transformation than institutional philanthropy in Indianapolis has. George Kaiser is attempting similar things in Tulsa, Oklahoma, and made a big splash with his move to lure remote workers to the city. This perhaps portends a shift in how civic change occurs today.[25]

During this time, Indianapolis's private-sector civic contributions have remained robust or even increased. This is partly because the city has always relied more on the private sector than other cities have. As previously noted, the zoo, for example, is a private-sector nonprofit, not a government entity. And it is the largest zoo in the country to receive no dedicated tax support.[26]

But the business community has taken on an increasing and disproportionate leadership role in the past two decades. The Central Indiana Corporate Partnership (CICP), an organization founded in 1999 to represent the city's top corporations and the state's major universities, has essentially assumed responsibility for all non-transactional economic development around industry clusters, in not just the Indianapolis metro region but the entire state. It has also become the state's leading think tank, such as with its Indiana GPS[27] series of reports commissioned from the American Enterprise Institute and the Brookings Institution. The Greater Indianapolis Chamber of Commerce handles transactional economic development, marketing, economic development strategy, and talent attraction initiatives for the region and Indianapolis. It also executes various programs on the city's behalf.

Consolidating banks, utilities, and other companies has meant that roles previously occupied by local corporate chieftains are now held by what are essentially branch managers of corporations based elsewhere. The business and community landscape is also much more complex and diverse than it was in the 1980s. CICP alone has 65 board members. Achieving civic consensus was always a complex task. It is even more so in this environment. The days when the proverbial five white guys and one black guy could get in a room and set a general direction that everyone else would develop, refine, and eventually buy into are over. Despite these complexities and the large scope of responsibility the Indianapolis regional business community has assumed, it continues to execute well on the community's behalf.

Yet while the business community is a powerful economic development actor everywhere, in Indianapolis it is now functioning too much for government. The public-private balance has tipped significantly toward the private sector.

Has Indianapolis Peaked?

There is a widespread sense in Indianapolis that the city's civic-change engine has lost a step and is no longer as ambitious as it once was. "What's the next sports strategy?" is a question commonly posed. The loss of philanthropy as an enabler of transformational change, the tipping of the public-private balance too far toward the private sector, and a larger, more diverse, and more bureaucratic business community likely play a role in this.

Indianapolis remains a prosperous and growing city that is one of the best performers in the Midwest. Yet in a diverging world in which regions have been separating into winners and losers, Indianapolis needs to find a way to plant itself more firmly in the winner camp by becoming a bigger national, not just local and regional, destination.

Improving the appeal of cold weather cities remains outside its control. But Indianapolis can control finding a way to renew or reshape how civic change occurs by either strengthening government and restoring philanthropy as transformation enablers or changing its model entirely to become more explicitly private-sector centric, adjusting to a world in which government and philanthropy are no longer designed to be coequal players with the private sector. But whatever changes the city needs to make, it is fortunate to make them against the backdrop of a basically solid level of success. After 50 years of civic growth and change, Indianapolis remains and promises to stay a legitimately thriving major urban center in America.

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The Texas Triangle: An Emerging Metropolitan Model in the Lone Star State

J. H. CULLUM CLARK

The metropolitan areas that form the "Texas Triangle"—Austin, Dallas–Fort Worth, Houston, and San Antonio—are emerging as distinctive models of 21st-century urbanism. The four Texas metros are all more growth oriented, horizontally expansive, polycentric, and diverse in their populations and industries than most peers. This Texas model has sparked inbound migration and economic vitality largely unmatched in today's America.

Successful cities enable productivity and quality of life for their residents. But in these inflationary times they also need to succeed in containing high costs of living and doing business. The Triangle metros stand out for above-average productivity and incomes but below-average living costs. By contrast, America's richest Northeastern and West Coast cities face intractable housing affordability problems, while most metros with more affordable housing have below-average incomes.

This chapter argues that a virtuous circle of pro-growth policy, outward expansion, and demographic and industrial diversity accounts for the Triangle's success. Competition among localities on each metro's outer edge has ensured robust housing growth, supporting affordability throughout the region. Competition also reinforces Texas's tradition of business-friendly tax and regulatory policies. And the Triangle model counters the tendency of modern cities to become what Harvard University economist Edward Glaeser calls "urban rent extraction machines" protecting incumbent firms, homeowners, and other insiders at the expense of newcomers and dynamic change.[1]

The Triangle has tremendous momentum that will likely propel it forward through the 2020s, despite physical, financial, and ecological sustainability challenges. Numerous metros elsewhere—such as Atlanta, Nashville, and Raleigh—are growing in similar ways, suggesting the Texas Triangle is a harbinger of how other parts of metropolitan America will develop in coming decades.

Texas Boomtowns

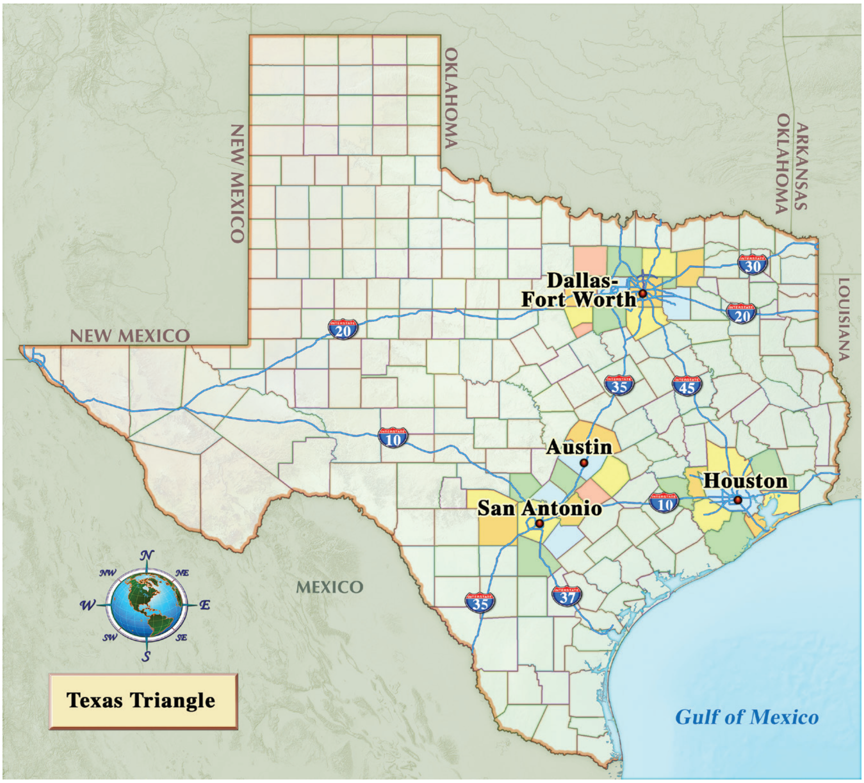
The combined population of the Triangle metros reached 19.7 million in 2020, rising 21.7 percent since 2010. The Triangle, comprising 35 of Texas's 254 counties, accounts for 68 percent of the state's population and 88 percent of its 2010–20 growth (Figure 1).[2]

Dallas–Fort Worth and Houston ranked first and second among US metros for absolute growth from 2010 to 2020, while Austin and San Antonio were eighth and 12th (Table 1). Measured by percentage growth rates, the Austin metro ranked first by far among the nation's 50 largest, growing 32.9 percent. Some demographers argue for combining the Austin and San Antonio metros for census purposes, since they're growing into each other. Together, they would rank third for absolute growth and first among the 50 largest metros for percentage growth.[3]

Texas will soon have four cities among America's 10 largest (Houston at number four, San Antonio at number seven, Dallas at number nine, and Austin at number 10), the first time one state will have four of the top 10 cities. By 2040, the four-metro population will grow to 40.7 million, based on Texas Demographic Center projections. The Dallas–Fort Worth and Houston metros will then be America's third and fourth largest, passing Chicago, while a combined Austin–San Antonio area would rank between sixth and eighth.[4]

The principal driver of the Triangle's growth is net migration from elsewhere in the United States. Each metro ranks among the top 10 for net domestic in-migration from 2010 to 2020, with Dallas–Fort Worth first. This reflects diverse populations voting with their feet. Dallas–Fort Worth and Houston ranked first and second for Hispanic population growth between 2010 and 2020, while San Antonio and Austin ranked eighth and 11th. Dallas–Fort Worth and Houston ranked second and third for black growth over the same period, after Atlanta.[5] Houston and Dallas–Fort Worth have also been magnets for immigration, ranking fifth and seventh for net immigrant inflows.[6]

Figure 1. Metro Areas of the Texas Triangle



Note: For this chapter, the Texas Triangle consists of the 35 counties contained in the Austin, Dallas–Fort Worth, Houston, and San Antonio metropolitan statistical areas, as defined by the US Census.
Source: The map is reproduced from Henry Cisneros et al., *The Texas Triangle: An Emerging Power in the Global Economy* (College Station, TX: Texas A&M University Press, 2021), ix. It was created by artist William Tipton.

The Texas Triangle has seen a tremendous influx of corporate relocations and people. Businesses moving to Dallas–Fort Worth between 2010 and 2020 include McKesson, Toyota Motor North America, Jacobs Engineering Group, and CBRE Group. Hewlett Packard Enterprise relocated to Houston in 2020, while Tesla and Oracle moved to the Austin area in 2021. More than 50 Fortune 500 firms now have headquarters in the Triangle.[7]

The Triangle's evolution into an integrated mega-region will likely further enhance its corporate appeal. Together, the Triangle metros enjoy powerful positions in the US economy: the leading technology center between

Table 1. Growth of the Texas Triangle Metros

	POPULATION				NET DOMESTIC IN-MIGRATION			NET IMMIGRATION		
Metropolitan Statistical Area (MSA)	2010	2020	Percentage Growth	Rank Among All MSAs	Absolute Net Migration	Percentage of 2010 Population	Rank Among All MSAs	Absolute Net Migration	Percentage of 2010 Population	Rank Among All MSAs
Dallas–Fort Worth	6,392,097	7,694,138	20.4%	1	507,082	7.9%	1	256,511	4.0%	7
Houston	5,947,185	7,154,478	20.3%	2	286,697	4.8%	5	357,316	6.0%	5
San Antonio	2,153,021	2,590,732	20.3%	12	240,407	11.2%	8	46,566	2.2%	31
Austin	1,727,514	2,295,303	32.9%	8	342,570	19.8%	4	67,765	3.9%	21
Average: Top 50 MSAs			**9.9%**			**1.9%**			**3.3%**	
Average: All MSAs			**6.2%**			**1.2%**			**1.9%**	

Source: US Census data.

the coasts (Austin), dominant centers for energy and space plus the world's largest medical complex (Houston), and leading heartland centers for engineering, transportation, and business services (Dallas–Fort Worth).[8]

The Texas Triangle Way of Urbanism

The Triangle metros share many key commonalities, despite their differences. First, each stands out for growth-oriented policies. This heritage reflects small-government traditions deeply embedded in Texas politics and pragmatic political styles in each city. All five core cities emerged from the 1960s as New South metropolises where dominant business establishments moved past Confederate nostalgia and promoted investment in infrastructure and education.[9]

Today, each metro ranks in the top 25 percent of America's 50 largest on a Southern Methodist University economic freedom index measuring tax, spending, and labor policies.[10] Each ranks among the top third for permissive housing policies, based on a University of Pennsylvania land-use index.[11] Houston, famous for its lack of zoning, loosened land-use rules further in 1999, even as cities elsewhere were tightening restrictions.[12]

Growth-friendly policies have allowed development to keep up with demand better than in most metros. All four metros rank high for housing permits per resident between 2010 and 2019 and lower-than-average home-price-to-income ratios, though price pressures grew from 2012 to 2021.[13]

Second, the Triangle metros are more horizontally expansive than most comparable areas. Development and population growth have leaned toward each metro's expanding edge rather than infill development near downtown. Nine of the 20 US counties over 50,000 people experiencing the fastest 2010–20 growth rates were suburban counties in the Triangle, including top-ranked Hays County (in the Austin metro) and runner-up Comal County (in the San Antonio metro). (See Table 2.) Collin and Denton counties, north of Dallas, are together now home to over two million people, more than all but four US cities. By contrast, the principal core counties of the Dallas–Fort Worth and Houston metros, Dallas and Harris counties, experienced modest net domestic *outflows* between 2010 and

Table 2. America's 20 Fastest-Growing Counties with a Population over 50,000

Rank	County	Metropolitan Statistical Area	Population 2010	Population 2020	Population % Growth
1	Hays County, TX	Austin, TX	158,086	241,365	52.7%
2	Comal County, TX	San Antonio, TX	109,311	164,812	50.8%
3	Sumter County, FL	The Villages, FL	94,286	139,018	47.4%
4	St. Johns County, FL	Jacksonville, FL	191,268	278,715	45.7%
5	Dallas County, IA	Des Moines, IA	66,751	96,963	45.3%
6	Williamson County, TX	Austin, TX	426,568	617,855	44.8%
7	Osceola County, FL	Orlando, FL	269,841	385,315	42.8%
8	Fort Bend County, TX	Houston, TX	590,177	839,706	42.3%
9	Forsyth County, GA	Atlanta, GA	176,736	250,847	41.9%
10	Lincoln County, SD	Sioux Falls, SD	45,185	63,019	39.5%
11	Rockwall County, TX	Dallas–Fort Worth, TX	78,971	109,888	39.1%
12	Walton County, FL	Crestview–Fort Walton Beach, FL	55,214	76,648	38.8%
13	Denton County, TX	Dallas–Fort Worth, TX	665,833	919,324	38.1%
14	Brunswick County, NC	Wilmington, NC	108,070	149,039	37.9%
15	Kaufman County, TX	Dallas–Fort Worth, TX	103,880	143,198	37.8%
16	Montgomery County, TX	Houston, TX	459,223	626,351	36.4%
17	Collin County, TX	Dallas–Fort Worth, TX	787,102	1,072,069	36.2%
18	Horry County, SC	Myrtle Beach, SC	270,295	365,449	35.2%
19	Loudoun County, VA	Washington, DC	315,486	422,784	34.0%
20	Washington County, UT	St. George, UT	138,397	184,913	33.6%

Source: US Census data.

2020.[14] (They still grew moderately, thanks to immigration and natural increase.) In the Dallas–Fort Worth and San Antonio metros, virtually all office space under construction today is in exurban job centers.[15]

Austin is a special case: The capitol building and the University of Texas flagship campus have ensured vitality in the urban core. But even there, the fastest growth is occurring along the metro's edge. Tesla is building its new headquarters and eight-million-square-foot "Gigafactory" in Austin's extraterritorial jurisdiction, outside city limits.

Third, the Triangle metros are extraordinarily polycentric, in both political organization and built environment. Politically, they are organized in a kaleidoscopic variety of governance forms. Collin County has more than 30 cities and towns. Harris County contains 2.1 million people living in unincorporated areas, more than 43 percent of the county's population, with services provided by diverse municipal utility districts and other entities.[16] Each metro contains multiple urbanizing suburbs—places fulfilling all of a core city's functions from schools to job centers and recreation. Some of these cities—such as Frisco, Georgetown, Katy, McKinney, New Braunfels, and Sugar Land—are among America's fastest growing.[17]

As for the built environment, each metro consists of widely dispersed town centers and other walkable developments—and relatively small traditional downtowns. In each metro, the downtown core accounts for a smaller share of total office space than in most peer metros. A few suburban centers, such as the Katy Highway Energy Corridor and West Plano, rival their downtown counterparts for daytime working populations.[18]

Fourth, the Triangle metros are exceptionally diverse in their demographic and industrial composition. Houston and Dallas rank as the first and third most socio-ethnically diverse cities in the United States, based on a 2019 WalletHub study.[19] Each metro but Houston has an unusually diverse employer base, according to Moody's. Even Houston, long the world's energy capital, has a more diverse economy than the Los Angeles, New York, San Francisco, or Seattle metros do.[20] The popular image of a Texas economy dominated by oil and cattle ranching is outdated.

These features of the Triangle model have proved mutually reinforcing. Pro-growth policies allow rapid expansion, which acts as a pressure valve containing housing prices throughout each metro.

Better-than-average affordability promotes diversity. High housing and business costs can crowd out all but the highest value-added industries and wealthiest residents, as the exodus of non-technology businesses and middle-income people from Silicon Valley demonstrates. Affordability is an underappreciated force for countering tendencies toward monoculture.[21] Commerce-friendly policies also foster diversity, since excessive regulations affect lower value-added industries and minority-owned firms more than large companies that can absorb the costs.[22]

Expansion has created an array of midsize cities from what were once country towns. These cities often have been more successful than larger peers in sustaining support for continued growth and countering NIMBYism. Citizens have more reason to believe they will enjoy quality-of-life amenities made possible by rising tax revenues and not just suffer the congestion.[23] Polycentric political geography creates intense competition for people and businesses, promoting investment in schools, roads, and green space and reinforcing commerce-friendly policies.[24]

Finally, midsize Triangle suburbs have successfully nurtured civic engagement and trust among citizens, perhaps because people have more opportunities to engage in decision-making than they do in large cities, contributing to social capital. Strong social capital bolsters support for investment in schools and other public goods and contributes to low crime rates.[25] Ideologically driven narratives attributing the Triangle's success to anti-government sensibilities generally pay inadequate attention to these civic benefits from polycentric geography.

The polycentric built environment also helps contain commuting times and congestion, since most residents commute to relatively nearby suburban job centers on well-maintained roads. Mean commuting times remain in line with national averages, despite the Triangle metros' large population and expanse—sustaining support for growth-oriented policies.[26]

Advantages of Texas Urbanism

Historically, successful cities have always been places that achieve strong agglomeration economies—productivity and innovation benefits arising from people and ideas coming together in concentrated locations. It helps, as the Texas cities demonstrate, to have large, well-educated populations and top-tier knowledge-generating institutions.[27] Urbanist Jane Jacobs argued that it also helps to have diverse industries, since innovation often arises from serendipitous collisions of ideas from disparate fields—a prediction verified by abundant research.[28] Prosperous cities have always benefited from enterprising newcomers, including immigrants.[29] And they ensure that people, goods, and ideas can move efficiently around the city.[30]

As economies grow more knowledge-centric, greater specialization means cities must have increasingly large, diverse workforces to generate strong agglomeration benefits. This means growing upward or outward. In practice, virtually all have primarily grown horizontally in recent decades. Improving transportation and preferences for greater space have resulted in cities becoming physically larger and less dense in their cores.[31] Meanwhile, information technology has reduced the need for dense centers like lower Manhattan.[32]

COVID-19 has amplified the advantages of polycentric geography, strengthening preferences for moderate density and reducing benefits from living near traditional downtowns. Migration into the Triangle has accelerated, while employment in most coastal cities remains below prepandemic levels.[33]

The Triangle metros have succeeded better than most in accommodating big, diverse workforces by growing large but remaining relatively manageable for moving people and goods. They've also become more diverse economies over time, even as large coastal metros have tended toward monoculture.

The Triangle metros perform above average for living standards, as measured by 2018 median incomes adjusted for housing and other costs, based on George W. Bush Institute–Southern Methodist University Economic Growth Initiative studies (Table 3).[34] Living standards are 20 percent above the US metro average in the Austin metro, 14 percent ahead in Dallas–Fort Worth, 9 percent ahead in Houston, and 5 percent ahead in San Antonio.

But the Triangle's edge becomes more pronounced when one disaggregates data by ethnicity, a crucial factor in the future of American cities. Living standards in the Triangle metros range from 18 percent to 32 percent above all-metro averages for black residents, 6 percent to 15 percent ahead for Hispanics, 5 percent to 33 percent ahead for Asian Americans, and 20 percent to 32 percent ahead for whites.[35]

The Triangle metros have managed trade-offs between investing in public goods and maintaining moderate tax burdens better than most peers. The common narrative that they've succeeded by winning a "race to the

Table 3. High Living Standards in the Texas Triangle

	Standard of Living				
MSA	**Overall**	**Black**	**Hispanic**	**Asian**	**White**
Dallas–Fort Worth	1.14	1.18	1.09	1.30	1.26
Houston	1.09	1.18	1.06	1.23	1.32
San Antonio	1.05	1.32	1.10	1.05	1.20
Austin	1.20	1.26	1.15	1.33	1.25
Average: Top 50 MSAs	**1.08**	**1.05**	**1.03**	**1.12**	**1.13**
Average: All MSAs	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

Note: The mean for all 382 metros for each specific group is 1. Data are from 2018.
Source: Author's analysis of US Census data. See also J. H. Cullum Clark, *The New Geography of Opportunity: Case Studies from a Changing Economic Landscape*, George W. Bush Institute–Southern Methodist University Economic Growth Initiative, January 2022, https://gwbcenter.imgix.net/Publications/Reports/gwbi_New_Geography_of_Opp_2.2.pdf.

bottom" on taxes doesn't hold up.[36] The Triangle metros have invested more successfully than most in public goods, from road infrastructure to premier medical institutions like Houston's MD Anderson Cancer Center and Dallas's University of Texas Southwestern Medical Center. The Triangle's adult population share with a bachelor's degree or higher is middle of the pack among America's top 50 metros—hardly evidence of a race to the bottom—though the Triangle is unusually dependent on importing skilled workers from elsewhere.[37]

Also, high-tax metros don't necessarily deliver better-than-average outcomes. Of the 26 top 50 metros in states with above-average tax burdens, 12 have below-average population shares with a bachelor's or higher, and 14 have below-average living standards.[38] High tax and regulatory burdens can just as easily translate to large transfers to rent-seeking special interests, as Glaeser argues.[39]

While high-tax, high-amenity models have proved appealing to top-level professionals in the largest coastal cities and retirees in certain localities, the Triangle metros are thriving because they offer an attractive mix of opportunity, living costs, and amenities to a wide variety of working people.

Challenges

One distinctive challenge facing the Triangle is separation between booming job centers and vast left-behind areas in core cities. In places like Southern Dallas, home to approximately 600,000 mostly black and Hispanic people, accessible jobs are scarce. Weak transit systems constrain opportunities for people without automobiles.[40] The Triangle's core cities—especially Austin and Dallas—suffer from dysfunctional housing markets and explosive price appreciation. Educational outcomes remain below US averages for the Triangle's Hispanic population, reflecting insufficient English-as-a-second-language instruction and side effects of poverty.[41]

The Triangle also depends on continuing expansion, since housing growth in outer-edge suburbs plays a pivotal role in preserving cost-of-living advantages. The Triangle experiment may falter if growing suburbs turn against development or if Texas fails to address these areas' complex infrastructure needs. Another challenge is building infrastructure that suburban tax bases will sustainably support so suburbs can maintain competitive tax rates and amenities.[42]

Finally, the horizontally expansive Triangle model poses ecological sustainability issues. The mega-region's suburbs are paving over vast acres of grasslands and, in Houston's case, sensitive wetlands. Inadequate attention to green space may undermine the appeal of these cities as they age. Water supplies might fail to keep up with growth.[43] Carbon taxes could undermine the case for living in outer-edge suburbs.

A Harbinger of Metropolitan America's Future?

Texas urbanism is more applicable to conditions facing most US cities than the models represented by leading Northeast and West Coast metros. It's easier to pursue growth-oriented policies and outward expansion than to re-create world-leading technology or finance centers. Smaller versions of the model are emerging across the Sunbelt and in midwestern metros such as Columbus and Indianapolis. Some urbanizing suburbs elsewhere—such as Apex, North Carolina; Carmel, Indiana; Leesburg, Virginia; and New Albany, Ohio—are growing rapidly too.

At the same time, it's unlikely that Triangle-style urbanism will take root beyond several dozen metros. One limiting factor is that the model generates superior living standards only in metros large enough to achieve strong agglomeration economies. Very few metros below one million people with low tax rates and home prices but only moderate educational attainment—including in Texas—deliver above-average living standards. In the meantime, numerous large metros outside the Sunbelt are moving toward even more restrictive regulatory policies.[44]

Still, more than 20 percent of Americans live in metros that broadly fit the Triangle model—and they're all booming.[45] Whether they sustain high living standards and rapid growth will profoundly influence 21st-century urbanism. The eyes of America are on the Texas Triangle, the new model of urban growth for coming decades.

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23. Urban planning scholar Nicholas Phelps argues that cities' ability to sustain pro-growth land-use policies rests on an implicit bargain: Homeowners endorse continued growth to provide for improvements to quality-of-life amenities and hold property tax burdens down. The American Enterprise Institute's Howard Husock further argues that small-to-midsize cities can achieve this bargain better than larger cities can because their citizens rationally believe the incremental tax revenues resulting from continued growth will benefit them. Nicholas A. Phelps, "Suburbs in the Metropolitan Economy," in *Infinite Suburbia*, ed. Alan M. Berger and Joel Kotkin (New York: Princeton Architectural Press, 2017), 315–23; and Howard Husock, "Suburban Government and the Virtues of Local Control," in *Infinite Suburbia*, ed. Alan M. Berger and Joel Kotkin (New York: Princeton Architectural Press, 2017), 662–65.

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42. Author and urbanist Charles L. Marohn Jr. argues in his book *Strong Towns: A Bottom-Up Revolution to Rebuild American Prosperity* that fast-growing suburbs risk building a "disposable" infrastructure destined to wear out within several decades without creating sufficient property value per acre to maintain and modernize it. See Charles L. Marohn Jr., *Strong Towns: A Bottom-Up Revolution to Rebuild American Prosperity* (New York: Wiley, 2019).

43. Cisneros et al., *The Texas Triangle*, 106, 162, 254–55, 281.

44. For evidence showing an increase in restrictive land-use rules in numerous metros, see Joseph Gyourko, Jonathan S. Hartley, and Jacob Krimmel, "The Local Residential Land-Use Regulatory Environment Across U.S. Housing Markets: Evidence from a New Wharton Index," *Journal of Urban Economics* 124 (July 2021), https://www.sciencedirect.com/science/article/abs/pii/S009411902100019X. For evidence that growing restrictions are associated with upward pressure on housing prices in local housing

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The Evolution of New York City Politics

HARRY SIEGEL

It's always been a mug's game to bet against New York City, which was counted out only to quickly bounce back after 9/11 and again in 2008 after the financial system nearly collapsed and took the world economy with it. But too many New Yorkers, caught in a wave of optimism after getting through the worst of the pandemic, haven't realized how challenging the years ahead will likely be, how far behind the national recovery the city already is, and how much deeper the problems go than those COVID-19 exposed and exacerbated.

By the time Eric Adams became New York City's mayor in January 2022, the nation as a whole had already recovered all the jobs lost during the worst of the 2020 pandemic shutdowns, when the unemployment rate in New York City had hit 20 percent. As I write in January 2022, the city isn't expected to reach pre-pandemic employment numbers until 2025. The public has failed to recognize the problem's depth: The new mayor won office in an election with the lowest share of voters bothering to turn out in at least 70 years. Adams, New York's second black mayor, who's hoping to be its first successful one, is inheriting nearly as bad a situation as David Dinkins did in 1989—not coincidentally, the last time when one Democrat left City Hall and another Democrat entered.

Four years after Dinkins entered office, as the city's finances teetered and violent crime hit a record high on his watch, he lost a rematch with Rudy Giuliani, beginning what turned out to be 20 uninterrupted years of non-Democratic control of the overwhelmingly Democratic city. Over the Giuliani and Michael Bloomberg interregnum (with both mayors trying to change the law to extend their time in office—and the second one succeeding), crime fell and the economy boomed, driven by federal policies that kept interest rates low and the Dow Jones Industrial Average high. That mix may have hurt other parts of the country and black homeowners in Queens, but it paid off for New York's financiers and the city's tax roll.

The Democrats' return, in a city where they now outnumber Republicans by more than six to one, came with the election of Bill de Blasio (who, like Adams, effectively won the job by prevailing in a crowded primary, winning the general election as an afterthought). The progressive politician spent rising tax revenue as quickly as it came in and then some, increasing the city's spending baseline by twice the rate of inflation over eight years. But now New York City—with Democrats in full control of the city and state governments—faces tough choices about spending for the first time in a long time. The city has eaten through what it put away in the fat years, and now leaner ones loom.

Speaking of one-term losers, Donald Trump allayed, or at least delayed, these financial problems. Soon after ditching his hometown for tax-friendlier Florida, Trump did his native city a "yuge" favor, however unintentionally, when he followed his own defeat in the 2020 presidential election with an epic tantrum against the voting system that had supposedly rigged the election against him. Trump's protest discouraged Republicans from turning out to vote in Georgia's two crucial Senate runoff races.

Democrats narrowly won both races and with them control of the Senate, where they authorized billions of dollars in aid that New York City might otherwise have failed to secure. A big reason de Blasio and other New York politicians could talk around the city's increasingly serious financial problems is that they had banked enough cash to *temporarily* paper over the hole that the coronavirus and shutdowns had punched into the economy.

* * * *

As the pandemic peaked and the city ground to a mandated pause, unemployment hit double digits, trains emptied, tourism collapsed, storefronts shuttered, and Midtown became a ghost town as hundreds of thousands of mostly wealthier New Yorkers left. Yet de Blasio, an unpopular lame-duck mayor, continued projecting nothing but sunshine. Other local pols, more interested in dividing the roughly $20 billion in federal spoils than in surveying the damage that money was supposed to repair, followed his lead.

These politicians included the new Democratic candidates for mayor. The pack largely followed Andrew Yang as he shot to the top of the polls and remained there for months by offering glib boosterism rather than serious plans for achieving economic recovery and improving the public health system before the next crisis. Almost all the candidates implicitly assumed New York City would resume its pre-pandemic trajectory with rising prices and revenues, so they promised new spending above the existing baseline.

That an obviously unqualified neophyte who'd never even bothered to vote in a New York City mayoral election managed to rise so far and fast surely revealed the Democratic establishment's weakness. (Yang—who announced he was leaving the party altogether just after losing the primary, in a book he'd started writing before running—clearly saw that.) With the general election reduced to a rote formality, Adams narrowly won the city's first ranked-choice primary with just 404,000 votes in a city of nearly nine million souls, enough for him to promptly proclaim himself the new national "face of the Democratic Party," a title de Blasio had aspired to and been touted for after his surprise win in 2013.[1] Since taking office in January 2022, Adams has talked endlessly about restoring the city's "swagger," as if the problems ahead—starting with an economy on the ropes, rents nonetheless rising, violent crime and disorder increasing, and a faltering public school system in which enrollment began declining even before the pandemic—are nothing tough talk and rolling shoulders can't handle.

But the problems run deep. The city faces budget gaps of $5 billion a year for the next three years, according to the state comptroller's office—even before factoring in new and renewed contracts for cops, firefighters, and teachers—or the possibility of a recession. No cash is set aside for raises, and each 1 percent pay increase is projected to cost $460 million a year.[2] Under de Blasio, the city's budget ballooned from $72.9 billion in 2014 to $101 billion in 2021, a 38 percent spending increase—about double the rate of inflation over that same period. A 35 percent increase in tax revenues supported this spending.[3]

"The roughly $20 billion in pandemic-related federal aid the city received will be fully spent over the next several years, even though billions of those dollars are being used to pay for programs that are intended to be permanent," Bloomberg News explains, cataloging troubles ahead that New York's leading Democrats have tried to ignore. The article drily notes, "A post-pandemic return of the galloping growth in tax revenue that helped fund outgoing Mayor Bill de Blasio's expansive vision of government services is far from certain."[4]

That's Adams's problem now. In October 2021, the city had lost 443,000 jobs since the pandemic began; in January 2022, the unemployment rate was still over 9 percent. Even the de Blasio administration's highly aspirational projections, which assume the city will add new jobs 60 percent faster than it did in the 10 years before the pandemic, don't show overall employment catching up to its previous level for another three years.[5]

Just 38 percent of Manhattan office workers were back at work on any given weekday in April 2021, according to a survey from the big-business umbrella group Partnership for New York City.[6] Naturally, real estate is the only field in which office attendance has mostly recovered, since developers recognize that their business models will break down and help take the city's economy down with them if many hundreds of millions of square feet of office space are no longer needed. Adams has publicly called on financial firms and other big employers to start bringing their workers back in, but—swagger aside—he has much less power to reopen offices than his predecessor had to shut them down.

* * * *

Meanwhile, train ridership is in sharp decline, with just 2.34 million riders on one Monday in January—down 55 percent from the pre-pandemic numbers. This threatens to create a crisis for the state-run system, which gets half its revenue from fares.[7] Again, federal aid has temporarily bridged that gap, but some combination of fare hikes, service cuts, and layoffs could set off a downward spiral if the ridership numbers don't recover.

Violent crime in New York City has also increased dramatically, as it has done in big cities nationally, compared to 2019's historically low pre-pandemic numbers. In 2020, 468 murders occurred in New York City, up from 319 in 2019—an unprecedented 47 percent increase. In 2021, 485 murders occurred.[8] While police and prosecutors have blamed bail reform for this increase, it tracks a disturbing national rise in violent crime—particularly gun violence—that roughly lines up with the pandemic's beginning in spring 2020 and the George Floyd protests that summer. New York suffered some of this violence, including one night of looting in Midtown. It also suffered what can fairly be described as police riots in response to peaceful protests.[9]

While the number of murders and shootings declined in summer 2022, every other major crime category was sharply up. The sense of danger and disorder has been particularly pronounced on the subways, where there were 10 murders in the 14 months between March 2020 and May 2021—as many murders as in the 60 months between 2014 and 2019, as Manhattan Institute fellow Nicole Gelinas noted in a *New York Post* column.[10] This rise occurred even as, and partially because, ridership plummeted. With fewer "eyes on the street" and inside train stations and cars, and with police reluctant to enforce laws against crimes that prosecutors will no longer prosecute, polls show a widespread sense of dread and disorder. Nightmarish shoving incidents, random attacks, and targeted murders of homeless men help explain why a poll taken at the end of May showed that just 3 percent of New Yorkers said they felt safer than they did before the pandemic, and 85 percent said they wanted more police on the trains.[11]

Ridiculously, the de Blasio administration had all but declared victory in 2021 when the summer murder numbers proved no worse than in 2020, effectively accepting 150 more murders than in 2019 as a new normal.[12] The pandemic's worst dislocations are long gone, but the violence that simultaneously arose has lingered. While most murders continue to occur in poorer and higher-crime neighborhoods, the upward trend is citywide and uncontained. Disturbingly, since December 2019, two Columbia University students have been murdered near Riverside Park, which cuts off the campus's Morningside Heights neighborhood from the rest of Harlem.[13]

Public school attendance dropped throughout the pandemic as New York City switched for months to "virtual learning," which, particularly for younger students, often amounted to no learning at all. That continued a trend that began several years earlier under the de Blasio administration, when the mayor and his team kept failing schools open and neglected the largely failing system to wage a sustained ideological war on supposedly racist gifted-and-talented programs and schools. The *New York Post*, citing internal New York City Department of Education documents, reported in May 2021 that daily public school attendance was 890,000, down sharply from over one million a decade ago.[14] Despite or perhaps because of that enrollment decline, in summer 2022 Democrats in Albany passed, over Adams's objections, a new, unfunded mandate for a class-size cap in New York City, which is expected to add as many as 10,000 new teachers once it's implemented, at a cost to the city of $500 million a year for elementary schools.[15]

Public schools are always to some extent a system of last resort for parents with other options. New York had managed to partially obscure that fact because of the astronomical cost of local private schools and the decline of Catholic schools as a relatively affordable alternative. That encouraged liberals who didn't move to places like Maplewood to find ways to use their addresses and screening programs to keep their kids in "good" schools while taking pride in participating in the public program that saved them tens of thousands of dollars a year.

That started to change under de Blasio, as classroom education became more rigidly and explicitly ideological. De Blasio's second school chancellor, "equity warrior" Richard Carranza, dedicated himself to taking down the city's most successful high schools, which he all but accused of being agents of segregation and white supremacy. Parents with other options began considering them more seriously, as the declining public school attendance numbers reflected. Predictably, these numbers fell faster during the pandemic and the city's great experiment in remote learning.

* * * *

So where does that leave the undisputed capital of the 20th century?

The city's economy is staggering, and its pattern of bouncing up quickly in past crises may not repeat this time around. Violent crime is up, and participation in civic life is down. And little buffer remains against another hard hit.

All this is happening as New York City, despite electing the pragmatic Adams, has paired him with a new city council that leans ever further left and a Manhattan district attorney who won office on a promise not to prosecute a host of fairly serious crimes. Furthermore, New York state is now wholly controlled by Democrats who consistently favor big government interventions, particularly in the state's hugely expensive health care system.

So why is it still probably a mug's game to bet against New York? There are three big reasons.

First, global capital is still seeking shelter in New York's real estate and financial markets. While the ultra-luxury market has cooled, Manhattan sales prices and rents have continued their seemingly endless upward climb.[16] While that may be bad news for New Yorkers looking to purchase shelter with their wages, it's good news for the city's tax base.

Second, New Yorkers are resilient, and the city has significant natural advantages including its size, swelling population, and impressive talent pool, which includes immigrant strivers and the world's best and brightest looking to play on a big stage. (Notably, the foreign-born population has continued to increase in New York City even while declining in Los Angeles and Chicago.)[17]

In their quasi-monopolistic efforts to hoard that talent, tech giants such as Google, Facebook, and Amazon (even after its HQ2 boondoggle went down in part due to vociferous local opposition) have started investing in significant chunks of New York real estate, with Google now easily the biggest landlord in Chelsea. These tech giants have hugely helped the otherwise-struggling office-space market, which was also strained by the slow collapse of WeWork, an office-space firm that swelled to enormous size and became one of the city's biggest landlords by getting stupid and greedy investors to value it as a tech firm.

Third, Adams, a longtime political ally of de Blasio, seems serious about correcting some of the excesses and missteps of the de Blasio years. Crime may be Adams's low-hanging fruit, since de Blasio, fearing the New York Police Department and its protesters, managed to alienate both groups by the end of his tenure. Adams has already replaced the gun unit that de Blasio disbanded in June 2020, just as the murder rate was starting to shoot up. Adams also reinstated police in the subway system, which they'd all but abandoned.

Meanwhile, Adams is showing sensitivity to ordinary, workaday New Yorkers' concerns, as no mayor has done since Ed Koch (though of course Koch often didn't seem to count black homeowners as workaday New Yorkers). Adams has pushed bankers to get their workers back in the office while committing the rhetorical error of using the dismissive term "low-skilled workers" at a press conference where he called on finance workers to show up in person and pointed out that people in the retail and service industries suffer otherwise.[18]

Despite pressure from the teachers union, Adams has consistently stressed the importance of keeping schools open and kids in the classroom. He's appointed a schools chancellor, David Banks, who's stressed making every school work for the students it serves. Banks has promised that "change is coming" to a "fundamentally flawed system" in which "we spend $38 billion dollars every year" but "65 percent of black and brown children never reach proficiency." He stated, "That's a betrayal, and we should be outraged by that."[19]

The new mayor has already earned some national attention, including from the center and right, by resisting leftist ideologues who increasingly gained power in low-turnout primary elections. That's been a useful corrective for Democratic regulars who relied on old voters habitually showing up, and few others doing so, to stay in power. Now, motivated progressives have flipped that arrangement to their advantage by working to bring in a handful of younger voters.

The trouble with both groups is that the voters they depend on don't reflect the larger city. This helps explain how Manhattan ended up electing a "decarceral" progressive district attorney the same year New York City elected a former cop as mayor. Adams has leaned into this tension while pushing back hard against an incoming council full of socialists (and five Republicans) as he clearly looks to claim the center.

The key question for Adams—and New York—is how to address the city's serious issues without increasing the size of the workforce and government, as de Blasio did almost continually. Adams's budget czar, Jacques Jiha, sent a letter less than two weeks into the new mayor's term asking most city departments and agencies to identify 3 percent cuts, which "cannot be based on layoffs." With these cuts, and then a second round of 3 percent cuts from every agency in September, the city is trying to cover what it optimistically projects will be a $2.9 billion hole in its 2023 spending plan—a hole that could grow "because of a slowing economy from the omicron variant"[20] and an increasingly grim national financial outlook.

But even if Adams successfully sets a new tone for the city, he may face a much rockier road than did his hapless predecessor, whose many missteps were cushioned by a soft pad of tax dollars that were all but ensured by low interest rates from global capital flowing into the city's markets. Naturally, Adams is hoping that the money keeps adding up and that he can put off the difficult decisions. But there's a good chance he won't be so lucky. A luxury city, as New York trended toward becoming in the Bloomberg years, comes with its own problems, notably gentrification and displacement of working-class residents. But those problems pale compared to being broke.

There's no simple way to rekindle the economy and repopulate the office buildings. There's also no easy or popular way to manage decline, but that may be the task confronting Adams—if New York City's decades-long winning streak abruptly ends just as he assumes power.

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California's Inland Empire: Harbinger of the New Multiracial Suburb

CELIA LÓPEZ DEL RÍO AND KARLA LÓPEZ DEL RÍO

Ryan Atwood was the juvenile delinquent from the slums of Chino, just east of the county line, as depicted in the popular show *The O.C.* However, Chino was not a crime-ridden pocket in the Golden State, just somewhat down-market from places like Newport Beach. It was not poor; it was not rich; it was just an extension of middle-class America and its particularly Californian variant.

This is the world our family, which came from Mexico, inhabited. When the first of us moved to Chino in 2002, we were surrounded by three things: cows, row crops, and single-family detached homes. With time, the row crops and dairy farms were replaced with shopping centers, warehouses, churches, and more single-family homes.

In Southern California, the population is growing faster in less-urban cities and counties. One of the biggest growth hubs is happening in the region known as the Inland Empire (IE). The IE, where Chino is located, stretches to the border of Arizona and Nevada while encompassing two counties, Riverside and San Bernardino. Combined, these counties are approximately the size of South Carolina, in both geography and population, with about 4.5 million people living in roughly 30,000 square miles.[1]

The IE may not have the glamor or cache of the coast, but it's a vibrant and bustling community, where planes constantly land at the Ontario International Airport to off-load products onto waiting trucks to be shipped to nearby warehouses. The airport is strategically located between two major commercial interstate freeways, connecting goods on a national and global scale that includes the Asia-Pacific region and Mexican trade routes. (Neighboring Mexico is the second-largest consumer of US goods in the world.) Ontario International Airport receives approximately 2.4 million visitors per year, post-pandemic, and it continues to grow.[2] Furthermore, the IE is close to the ports of Long Beach and Los Angeles, "which handle 40 percent of the nation's overseas cargo."[3]

Indeed, at a time when California is suffering its first population loss, it's truly the communities to the east of the Coast Ranges that are growing robustly.[4]

The New Suburbia

The IE represents a new kind of suburbia, one more diverse in its population and seeking to establish an identity. The suburbs were once primarily a product of "white flight," but in recent decades, immigrants and their offspring are transforming these areas, not only in California but around the country. We are entering an era, particularly after the lockdowns, in which the demographic future of the US has shifted decidedly to the suburbs. Dubbed as the "Great American Move" by the Urban Land Institute (ULI), Americans simply accelerated their shift to suburbs during COVID-19, in search of space, affordable housing, job opportunities, and less population density.[5]

Population growth will steadily shift to the suburbs over the next decade. A new Pew Research Center survey illustrates the demographic shift, as 46 percent of Americans expressed a preference for living in the suburbs.[6] But this is no repeat of the great suburban wave of the 1950s or the white flight that took place after the civil disorders of the 1960s and 1970s. The new suburbia—as can be seen in the IE—is now a driver of diversity, not a restraint.

Demographic Shifts

The Great American Move largely reflects the pattern of younger Americans migrating to the suburbs. This pattern is evident as the median age of those who live in the country's interior regions is becoming younger and the median age of those in the coastal regions is getting older.[7] ULI's and PricewaterhouseCoopers's recent publication *2021 Emerging Trends in Real Estate United States and Canada* reported that the "central-city population growth rates have been slowing since 2011, while suburban population growth rates have been steadier. The slowdown coincides with the leading edge of the millennial generation turning 30."[8]

The highly diverse millennial generation is driving these changes. According to the Brookings Institution, millennials comprise

> 23 percent of the total population . . . and 38 percent of the primary working age population. Among racial minorities their numbers are even more imposing. Millennials make up 27 percent of the total minority population . . . and a whopping 43 percent of primary working age minorities. . . . [They] comprise more than half of the millennial populations in 10 states, including Texas, Arizona, Florida, Georgia, and New Jersey.[9]

Millennials "accounted for 67% of first-time home purchase mortgage applications and 37% of repeat-purchase applications in the first eight months of 2021."[10] Their preference for single-family homes is fundamental to the Great American Move, "especially in the more attainably priced areas of the United States. . . . Those regions of the country with the best job growth and the most attainably priced homes will prevail as destinations for homebuyers."[11] Crucially, even as the US total population growth is stagnating, the suburbs are experiencing a population boom.

The number of US births in 2020 declined by 4 percent from 2019.[12] Additionally, our population is aging as the new generation's size is smaller than the generations preceding it. Generation Z's (those born 1997–2012) population size of 67.06 million is significantly smaller compared to the millennial generation's (those born 1981–96) population size of 72.26 million. A similar pattern happened with earlier generations; the boomer generation (those born 1946–64) has a population size of 70.68 million compared to Generation X's (those born 1965–80) smaller population size of 64.95 million.[13]

As US natality tumbles, minorities and their offspring become ever more crucial. America's demographic needs have already switched to greater dependence on minorities, principally African Americans and Hispanics, whose fertility rates are materially above those of white non-Hispanics.

Meanwhile, during the past decade, more than 90 percent of population growth in the major metropolitan areas (i.e., those with populations of more than 1,000,000) was in the suburbs and exurbs.[14] Moreover, more than two-thirds of suburban and exurban growth was African American and Hispanic;[15] more than 75 percent of African Americans and 80 percent of Hispanics live in the suburbs and exurbs.[16]

During the first phase of mass suburbanization, many communities—Levittown and Lakewood are well-known examples—excluded ethnic minorities through redlining. The fact that suburbs used to be overwhelmingly white has created a notion by some urban and regional planners that minorities and migrants do not desire single-family homes; these planners even claim that developing single-family neighborhoods is inherently racially exclusionary.[17]

Yet today there is little reason to punish suburban areas like the IE. It's been decades since suburbs were racially monochrome; foreign-born people, notes a recent ULI report, are just as attracted to suburban locations, particularly around the major immigrant gateways such as Dallas, Houston, Los Angeles, and New York.[18] Indeed, in the 50 largest US metro areas, 44 percent of residents live in racially and ethnically diverse suburbs in which non-whites make up between 20 percent and 60 percent of the population.[19] Over the past decade, non-Hispanic whites accounted for less than 4 percent of growth in suburbs and exurbs, while Latinos accounted for nearly half, with Asians, African Americans, mixed-race people, and other groups making up the balance. Meanwhile, regions with strong suburban land-use policies such as the San Francisco Bay Area have become ever more segregated.[20]

By the 1990s, newcomers to America began to head not to the urban centers as previous generations had, but directly to the suburbs. The highest-growth counties in exurbia still have a smaller percentage of foreign-born residents and ethnic minorities than the nation as a whole does. However, they have experienced considerably higher foreign-born population growth than the rest of the country has, having added 19 percent from 2015 to 2019.[21] This is approximately six times the rate in the other counties. As one recent study notes, newcomers, particularly those who are educated, tend to settle in these freshly minted communities, where they become ground-floor residents.[22]

Most minorities and immigrants are likely to move to the periphery for the same reasons others do, such as good schools, parks, and safety. They are also attracted by the opportunity for homeownership. African American homeownership is nearly 50 percent higher in the suburbs than in the urban core. Overall, homeownership rates are almost 75 percent higher in the suburbs than in the urban core. Much of this has been driven by an increase in Latino homeownership, which rose from 45 percent in 2015 to nearly 50 percent five years later.[23]

Case Study: California's IE

California, as usual, paces the new trends, as more residents move to the state's less dense interior parts. The rising cost of living in California's coastal counties has pressured middle- and low-income families to relocate to the state's more affordable inland counties.

In 2022, the IE's population growth was reported as the fifth-fastest-growing region. It is also the 12th most populous metro area in the US, with Riverside–San Bernardino–Ontario's more than 4.5 million residents.[24] Between 2010 and 2022, Riverside increased by 10.4 percent and San Bernardino by 7.2 percent; Riverside County leads as the 10th most populous county in the nation and fastest growing in California.[25] In comparison, Orange County (5.9 percent), Ventura County (2.5 percent), and Los Angeles County (2 percent) had significantly less growth in the same period.

Of the top five fastest-growing cities in Southern California, four are located inland, and three are in Riverside County.[26] Wendell Cox, principal at Demographia, has pointed out that 24 California counties were gaining net domestic migrants, with 34 counties losing them. All but two of the counties gaining net domestic migrants were in the interior.[27]

The primary driver, particularly for immigrants, is cost. The average hourly pay in upscale coastal Irvine is $21.60 an hour, and according to Payscale,[28] all being equal, for a single person, that equates to approximately $3,000 take-home monthly pay. The average rent in Irvine, according to RentCafe, is $3,074 for approximately 925 square feet.[29] (The Orange County average is $2,432.[30]) It just does not pencil out.

In previous decades, California's low- and middle-income coastal residents would seek more affordable rents in the inland counties, despite enduring terrible commuting traffic. Yet this move is becoming problematic as rising demand has driven rents up significantly in the IE. According to the *Riverside County and San Bernardino County's 2022 Affordable Housing Needs Report,* renters need to earn $34.44 per hour in the county of Riverside and $34.86 per hour in the county of San Bernardino—roughly 2.3 times the state minimum wage—to afford the average monthly asking rents of $1,971 and $1,813, respectively.[31] There's not much left for savings, particularly when the average cost for a round-trip 80-mile commute is around $450, with increasing gas prices, and not including a car payment, insurance, parking, and other related expenses.[32]

At the same time, housing prices, as elsewhere, are escalating. In the IE, the typical home value of a house is now $534,393, up 26.2 percent over the past year and up 0.9 percent from November 2021,[33] making it one of the hottest housing markets in the country.[34] In November 2021, the IE had a year-over-year price gain of 17.6 percent, with the median price being $529,000, compared to the Los Angeles metropolitan area's year-over-year price gain of 14.3 percent and median house price of $720,000.[35] This red-hot market has created a housing crisis for Southern California in which the housing stock is not able to keep up with the increasing housing demand.

Minorities Reshape the IE

Similar to the native-born population, immigrants are also being affected by the high cost of living in states such as California and New York. Demographic shifts are indicating immigrants are no longer moving to coastal cities as much as previous immigrant generations did. Instead, they are heading to more-affordable areas in the heartland such as Houston, Texas, or Grand Island, Nebraska.[36] In high-cost California coastal areas, they are moving to inland cities and counties within the state, in particular the IE.

According to the Center for Social Innovation at the University of California, Riverside (UCR), one in five residents in the IE is an immigrant, as nearly one million immigrants live in Riverside and San Bernardino counties. About 70 percent of the IE population (approximately 4.5 million) are people of color, and half of this segment of the population are women (approximately 1.5 million).[37]

The IE's diversity is a legacy of the region's rich immigrant history. The iconic agricultural and livestock industries brought migrants from all over the world. The citrus industry brought Korean migrants to settle in Riverside, where the country's first Koreatown was formed in the early 1900s.[38] The Basque, Dutch, Portuguese, and Swiss immigrants formed dairy farms, creating Chino Valley, a "world-class dairy center with more cows per acre and higher milk yields than anywhere else in the world."[39]

As farming has faded, new immigrants have moved in.

Mike Swaid is the owner of an Arab-Mediterranean restaurant called Kaza Maza Grill in Norco, California. Swaid emigrated to the US from the Middle East. After much success and many challenges in other industries, he pivoted to the restaurant industry. Around 2016, he opened his restaurant and was happily surprised at the assortment of his clientele. "I opened for certain people, and I found the support came from totally different people than what I thought," explained Swaid.

> I wasn't getting much people from Middle East. So, most of my customers were like Chinese, black, Mexican, and white. They were a big support and without them, I would probably shut my doors. They supported me from the first day and I really do have a big appreciation.[40]

Census data from 2020 reflect how diverse the IE is today. African Americans accounted for 7.4 percent of the IE's population, while Asian Americans made up 8.7 percent. In Riverside, the share of the Latino population increased from 46 percent in 2010 to 51.6 percent. The Latino demographic in San Bernardino increased from 49 percent in 2010 to 54 percent in 2020. The share of the white population decreased in both counties. Roughly two in three IE residents are something other than a non-Hispanic white.[41] Perhaps the most intriguing demographic change found in the data is the rise of people in the two-or-more-races category.

Minorities and the New Suburban Economy

In contrast with the costal communities' aging population, the IE workforce is becoming younger, much like the interior of America, as members of the baby-boomer generation continue to retire and a younger workforce replaces them. The "Great Retirement," a silver tsunami of baby boomers leaving the workforce, accelerated in the third quarter of 2020: Nearly 30 million baby boomers left the job market and retired, according to the Pew Research Center.[42] Much of the younger workforce, in family-formation years, will be found in places like the IE, where minority families, largely Hispanic, constitute 63 percent.[43]

Job growth in the IE has been fueled by the warehouses sprouting up all over the region, caused by the rise of online shopping and the IE's prime logistical location between the Pacific and North American trade routes with Mexico. Although this is an economic motor generating jobs for the region, many of the warehouse positions offer little upward career mobility and face harsh working conditions.

As a result of the warehouses, certain IE areas suffer from such severe pollution that physicians have dubbed them "diesel dead zones."[44] San Bernardino's air pollution is among the worst in the nation, with an asthma rate in the 97th percentile statewide.[45] Its warehouse work has its virtues, but the IE needs to attract higher-paying jobs that promote upward mobility. The key will be found in the next generation, which is largely Latino or mixed-race.

This new generation differs significantly from its predecessors. Pew notes that 61 percent of second-generation Hispanics age 18 to 20 (no longer in high school) were enrolled in college in 2017, compared with 40 percent of their foreign-born counterparts. Overall, the share of postmillennial Hispanics enrolled in college is significantly higher than the rate for millennials in 2002, at 55 percent and 34 percent, respectively (among 18- to 20-year-olds no longer in high school).[46]

The key challenge for those who move to the region—and to other heavily immigrant suburbs—will be finding local, higher-paying jobs with better working conditions that allow them to live there and realize their homeownership aspirations.

In a shrinking, aging economy, a young, diverse workforce is one of a region's most precious assets. If inland California continues to attract young workers and families from across the state and beyond, these workers can be a spur for growing the regional economy. These demographics bring with them new ideas and investments and look different from the workforce of the 1950s.

Not Your Grandparents' Suburbia: The Broadband Connection

In order for the suburbs to meet the challenges and opportunities in the post-COVID-19 era, suburban development patterns will need to leverage technology and human capital. As is the case with ethnic minorities, this will not be your grandparents' suburbia.

Access to quality broadband will determine the viability and resilience of the suburban workforce in the years to come. The pandemic revealed broadband as essential infrastructure to not only survive today's COVID-19 challenges but also serve as the key to future economic opportunities.

For regions with affordable open space, investments in broadband open up the opportunity to attract national and international talent. COVID-19 significantly accelerated the growth of remote work, telecommuting, and home-based businesses. Remote work was a pre-pandemic trend and is directly tied to opening opportunities for telecommuters to pursue homeownership in the IE. According to CBRE, the pattern of "Los Angeles resident moves to nearby Inland Empire rose by 14 percent" in 2020.[47]

Vera Russell, the daughter of English and French-Canadian immigrants, and her husband had lived in Orange County for most of their lives until moving to the city of Eastvale in the IE. In 2016, Russell's IT employer faced an impending and expensive rent hike in its commercial lease and was unable to find another affordable commercial lease in Orange County. Her company decided to transfer completely to remote working to reduce its operating costs.

Russell set up her workstation in her dining room, which sparked an idea in her husband's mind. "He started thinking, 'Gosh, if she works from home, we can move anywhere we want!,'" Russell said. "'We can move closer to where I work. That way I won't have to commute.'" But she was resisting the idea of leaving Orange County, where she had lived her whole life but that had become unaffordable.

Her husband persisted.

> He said to me, "I'm just going to tell you, we could afford to buy a house. It's in the Inland Empire. Just suspend your O.C. mentality." He said, "What's more important? Do you want to own something, or do you want to be renting until you're a senior citizen?"

Eventually, Russell was persuaded to let the IE be where she could finally have a real and affordable chance of being a homeowner.[48]

The growth of dispersed work allows the development of new communities made up of remote workers and those who come into the coastal offices only occasionally. Their appeal can be seen in Ontario Ranch, an 8,200-acre master-planned community in Ontario, California, which according to John Burns Real Estate is the region's top-selling master-planned community and number five nationally. The Ontario community had 1,292 sales in 2020, a 71 percent jump from 755 sales in 2019, ranking it number eight in the US.[49]

Some 1,500 townhouses and single-family houses have been built, and another 700 are planned. Its key market, a spokesperson says, consists of young families, millennials, and minorities—the demographic groups leaving the state for more affordable housing and cost of living elsewhere.[50] Home prices are around $500,000 to $600,000, still high by national standards but significantly lower than median prices in neighboring Los Angeles and Orange County.[51] The development has put in high-speed telecommunications, up to 1,000 megabits per second, to market to buyers who work from home. It also offers the use of e-scooters, drone delivery systems to deliver packages rather than trucks, and even robot carriers to help people lug groceries back home without needing a car.[52]

New suburban developments will, of course, face regulatory hurdles and challenges if the past is any guide. But making it possible for families to live and work outside the most expensive urban areas will be key to upward mobility for California's new generations.

Key Challenge: Intellectual Capital

Optimizing broadband's wide-ranging power will also require activating and upskilling the suburbs' dormant human capital.

To meet this challenge, suburbs have to shift their educational focus, as evidenced by the emergence of high school academies programming curricula around specific career paths for students. We see this, for example, in the suburbs of Austin, Texas, where Akins High School's criminal justice program created the country's first high school law clinic, where students assist on real legal cases pertaining to wills, immigration documents, and family law.[53] In the IE community of Fontana, California, Entrepreneur High School is a recently opened charter high school providing training in career pathways such as operations, transportation, logistics, and product innovation and design.[54] Chino High School launched its Biomedical Science and Technology Academy for the 2022–23 school year in Chino, California. A state-of-the-art facility is being built with high-tech equipment for classes including biomedical science, artificial intelligence, and cybersecurity.[55]

The education talent pipeline continues to thrive in the suburbs, as they offer excellent higher education institutions. The IE itself boasts community colleges with great transfer rates to four-year institutions. Loma Linda University and UCR are leading medical research institutions in the region. UCR is currently expanding a medical school program by building state-of-the-art facilities with more space to increase the number of students being trained.

For the third consecutive year, UCR was the top university in the nation for social mobility in 2021, according to *US News & World Report*.[56] UCR currently ranks as the 83rd university nationwide[57] and reflects the suburb's diversity, with most of its student body being people of color; in the fall 2021 undergraduate enrollment of 22,687,[58] 5.6 percent of students were two-plus races, 11 percent white, 41.5 percent Hispanic, 33.8 percent Asian, and 3.3 percent African American.[59] Further, they were studying a diversity of subjects, including medical and other fields in high demand. UCR's 2020 graduating class broke record highs of six-year graduation rates—considered a leading measure of higher education—with an impressive 77.3 percent, placing it in the top 15 percent of US universities in this category.[60] First-generation students comprised 58 percent of the class, compared to less than half in the University of California system and 34 percent nationally.[61] Investing in UCR is investing in the future.

One particularly crucial concern, related to housing and aging demographics, may be home care. Before the COVID-19 outbreaks in assisted-living facilities, caregivers were already reevaluating their options on providing the best care for their loved ones in addition to the high housing cost. According to Genworth's 2019 Cost of Care Survey, the average cost of assisted living in California in 2020 was approximately $4,500 per month. The least expensive assisted living can be found inland in the cities of Bakersfield and Riverside, with an average monthly cost between $3,175 and $3,650.[62]

According to a 2018 report from AARP, 38 percent of Hispanic family caregivers are between age 18 and 34, making them the youngest ethnic group providing care. These young Hispanic caregivers take on additional caring responsibilities in their younger years, which can leave lasting impacts as they build their own careers and families. In comparison, 34 percent of African American caregivers and just 17 percent of white caregivers are from the millennial generation.[63]

A New Immigrant-Driven Suburban Boom?

The future of America, particularly California, lies largely with these increasingly diverse suburbs and exurbs. The pandemic and labor shortages, particularly in the medical sector, have continuously shed light on immigrants' contributions to their communities. According to a PBS report, one in six health care workers are immigrants, as are nearly one-quarter of dentists, one-fifth of pharmacists, and almost one-third of physicians.[64]

Minorities and immigrants nationwide account for 30 percent of all small-business growth. Professional services were the most popular sector, with 141,000 immigrant-owned businesses. Retail, construction, education, social services, and hospitality were the next most popular sectors; 65 percent of taxi drivers are immigrants, and 54 percent of dry-cleaning and laundry businesses are owned by immigrants, as well as 53 percent of gas stations.[65] A 2020 Stanford University report found Latino-owned businesses "as the fastest growing segment of the U.S. small business ecosystem," noting that "the number of Latino-owned businesses has grown 34% over the last 10 years compared to just 1% for all other small businesses."[66] According to the 2021 McKinsey study *The Economic State of Latinos in America: The American Dream Deferred*,

> Latinos are collectively underpaid by $288 billion a year. In a situation of full parity, they could spend an extra $660 billion annually. Latino businesses could generate an additional $2.3 trillion in total revenue each year, and 735,000 new business could be created supporting 6.6 million new jobs. And Latinos' annual flow of net wealth from one generation to the next could be $380 billion higher.[67]

According to Legal Zoom, Latina-owned small businesses are the fastest-growing segment of the business community in the United States, playing a key role in fueling the nation's economy. There are over two million Latina-owned businesses in the country, a growth of more than 137 percent since 2007, according to the National Women's Business Council.[68] This is significant for the IE's economy, which is more than 50 percent Latino. As such, Latinas make up approximately 25 percent of its entire population. Mobile technology is key to their economic success. This has been our experience in the Maclin Open Air Markets in Ontario, California, where one can purchase affordable plants, artisanal jewelry, car parts, low-cost clothing, toys, and much more using only phone banking apps such as Zelle and find products and services via social media networks such as Facebook Marketplace.

More than a third of inland California small-business owners are immigrants. A study conducted in 2012 by the Fiscal Policy Institute found that nearly a third of small-business owners in the region were immigrants, more than double than in the 1990s.[69] However, "when compared to Los Angeles County and Orange County and the state of California on average, business ownership is lower in the IE region for all ethnic minority groups, except Asian."[70] It's imperative to acknowledge their value and activate their fullest potential. Empowering ethnic entrepreneurship with tools and technical assistance in the IE is crucial for the region's economic recovery and building a thriving economy.

The classic ethnic markets have served as a one-stop shop for immigrants to connect to services and products addressing their needs. Northgate González Market is an example of how a small family-owned business started by immigrants evolved into one of the most successful economic powerhouses and prominent business leaders in Southern California. The Latino-owned grocery chain generates approximately $428.70 million in sales[71] while creating 4,000 jobs across its locations. Northgate has tapped into the lucrative Hispanic purchasing power by providing fresh produce, ethnic ingredients, money-wiring services, and even phone cards so migrants can call their loved ones in their home country at lower phone rates.

Part of Northgate's success is due to its business model promoting health, community connections, and job growth. Its latest store, inaugurated in the heart of Riverside, features a medical clinic and a community room; it's available to nonprofit organizations as a meeting space to host health workshops, cooking, yoga classes, and more.[72] The company's mission to bring healthy food to underserved communities was highlighted by First Lady Michelle Obama during her visit at the Inglewood location in 2012.[73]

Strategic community-centered partnerships are essential to Northgate's health mission. For example, the clinic services in Northgate's markets are provided through organizations such as Clínica Bienestar or AltaMed, which serve more than 300,000 patients across Los Angeles and Orange counties.[74]

Northgate further strengthens the local economy and communities by empowering the residents it serves. "When people think about where to work, I want them to think of Northgate," said Miguel Gonzalez, cofounder of Northgate González Market.

> We tell our employees that we want to grow, and we want to grow with our people, and the only way to be ready for that challenge is if they prepare better. My greatest satisfaction is when I see someone who started as a box person, and now they are a store director.[75]

The organization has "given away $1 million in scholarships, sponsored health screenings and donated food to churches of all faiths."[76]

Conclusion

The IE's Generation Alpha (born 2010s–present), offspring of the fast-migrating millennial population, will be by far the most racially diverse, educated, and tech-savvy demographic. These young people are reshaping the IE and suburbs around the country. They demonstrate their desire for their own American dream, hoping that—even in California—it can be created and maintained for residents and extended to newcomers and a new generation.

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III
THE POLICY AGENDA

Housing Unaffordability: How We Got There and What to Do About It

TOBIAS PETER AND EDWARD J. PINTO

> Capital will always go where it's welcome and stay where it's well treated. Capital is not just money. It's also talent and ideas. They, too, will go where they're welcome and stay where they are well treated.
>
> —Walt Wriston[1]

From the end of World War II until 1970, owner-occupied housing was broadly affordable across the entire country. The standard measure for measuring affordability—the price-to-income ratio—was at about 2.8 in 1950, 2.5 in 1960, 2.6 in 1970, 3.4 in 1980, and 4.2 in 2020.[2] This meant that, to a large extent, factors other than housing, such as climate, amenities, and job and economic opportunities, drove migration, which builders were in a position to respond to. However, as shown in Table 1, a number of metros on the coasts now have much higher ratios today, evidence that supply has not kept up with demand.

This ought not to be the case. The United States, unlike many other developed countries, has an abundance of habitable land—even in many coastal areas—and high levels of internal mobility. However, a variety of past and present policy mistakes—chief among them restrictive land-use policies—have driven up both the cost of land and new construction, as reflected in higher home prices. Fourteen of the 15 severely unaffordable major metros in the United States as defined by Demographia are located on the East and West Coasts, where land-use constraints are especially strong. The one exception is Denver, which implemented strong land-use constraints.

A robust literature on the relationship between land-use restrictions and housing supply provides evidence that local land-use policies limit housing

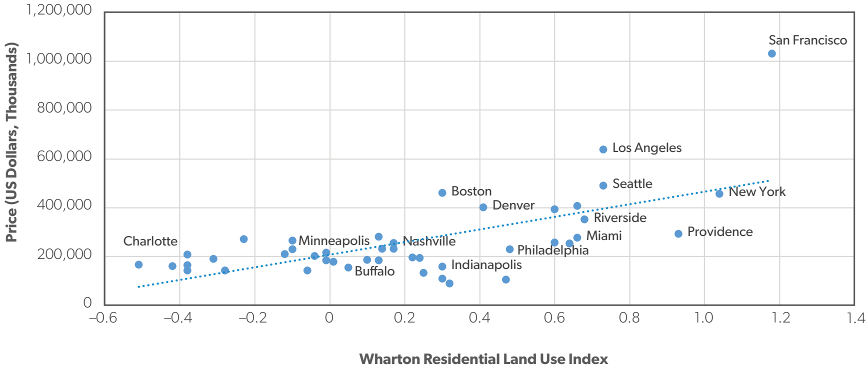
Table 1. 2020 Housing Affordability in Select Housing Markets

Housing Market	Price-to-Income Ratio
Affordable Housing Markets in the Rust Belt and the South	
Pittsburgh, PA	2.6
Rochester, NY	2.6
Buffalo, NY	2.9
Atlanta, GA	3.5
San Antonio, TX	3.7
Louisville, KY-IN	3.7
Raleigh, NC	3.9
Birmingham, AL	3.9
Unaffordable Housing Markets on the Coasts	
New York, NY-NJ-PA	5.9
Portland, OR-WA	5.9
Boston, MA-NH	6.1
Miami, FL	6.3
Seattle, WA	6.6
San Diego, CA	8.0
Los Angeles, CA	8.9
San Francisco, CA	9.6
San Jose, CA	9.6

Source: Urban Reform Institute, *Demographia United States Housing Affordability 2021 Edition: Data from 2020 3rd Quarter*, 2021, https://urbanreforminstitute.org/wp-content/uploads/2021/11/Demographia-United-States-Housing-Affordability-2021-Edition.pdf.

construction and, in turn, reduce housing affordability.[3] Figure 1 depicts the relationship between median house prices across metropolitan areas and one measure of local regulatory constraints on housing construction in metro areas, the Wharton Residential Land Use Regulation Index. This measure of housing-supply constraints and prices has a positive correlation, with the San Francisco metro, an outlier on prices, having the highest score on the index.

Figure 1. Wharton Residential Land Use Regulatory Index and Metro-Area House Prices



Note: Only larger metros are labeled in this figure.
Source: Index values are from Joseph Gyourko, Jonathan Hartley, and Jacob Krimmel, "The Local Residential Land Use Regulatory Environment Across U.S. Housing Markets: Evidence from a New Wharton Index" (working paper, National Bureau of Economic Research, Cambridge, MA, December 2019). Median house-price data are from Zillow, "Zillow Home Value Index," accessed February 24, 2020, https://www.zillow.com/research/data.

Consider this comparison. Across America, roughly 5.3 million hotel rooms—which like residential units are real property and need to be financed long-term—are available at an astonishingly varied set of price points based on age, location, and amenities.[4] New rooms are easily built in most areas based on supply and demand. It is routine to rent hotel rooms for under \$50 per night to over \$200 per night in the same city, or even in the same location. Basically, anyone who wants a hotel room and can pay for it can rent one without subsidies. The hotel business is regulated, but no one prohibits customers with incomes above a certain level from renting lower-end hotel rooms, and there is no political pressure for subsidies for low-income hotel guests.

Contrast this with the housing market, in which supply is constrained by zoning that fails to recognize a location's highest and best use, procedures and approvals that add time and expense, and urban-growth boundaries that limit available land and where demand pressure is provided by federal financing guarantees, subsidies, and accommodative monetary policies. The result is a government-run system that is unresponsive to market conditions and leads to housing unaffordability.

Land-use policies have demographic and economic consequences. Yet for many elected officials, pricing out lower- and middle-income Americans was seemingly not a major concern, as long as their cities could attract the "best and brightest" by agglomerating firms and people near one another.[5] But this model has now come under threat due to the work from home (WFH) revolution, which is allowing talent and ideas to move to "where they're welcome and stay where they are well treated."

In the future, cities will increasingly have to compete with each other for human and financial capital. As people can increasingly locate where they prefer, cities and regions will be judged based on the services they provide and housing costs that result from their policy decisions. This healthy competition should hold policymakers more accountable and lower housing costs.

An increasing number of states and cities are already taking steps in this direction, and those that do may experience the benefits.

History of Zoning

Up until zoning became widespread in the 1920s, detached single-family houses were commonly intermingled with accessory dwelling units (ADUs), attached single-family houses, and duplexes, triplexes, and fourplexes.

The push for zoned single-family districts across the country that began in 1921 was the first in a series of expanding land-use constraints. These have limited both new housing supply and the conversion of existing supply to other more intensive uses. In 1916, New York City became the first US municipality to adopt a zoning ordinance. Commencing in 1921, the federal government, in an effort spearheaded by the US Department of Commerce, became the driving force behind the widespread adoption of zoning by municipalities and the near-universal move to adopt one-unit detached zoning districts.

The Commerce Department, with its Standard State Zoning Enabling Act, promoted the use of geographically separated zoning districts consisting of either one-unit, single-family detached houses or all other structure types (including two to four units or townhouses, which were common in single-family detached zones) as a tool to keep racial and ethnic groups separate. While the stated goals of zoning were written in high-minded prose advocating American values including thrift and independence, the true purposes were thinly veiled efforts to isolate immigrants from southern and central Europe and to keep African Americans segregated from whites who were welcome to higher-cost, one-unit, single-family detached housing.

After being established in 1934, the Federal Housing Administration (FHA) took over from the Commerce Department and went on to play a pivotal role in the use of zoning and housing finance to segregate residential development and neighborhoods. The lasting impact of the federal government's role through the actions of the Commerce Department and FHA is clear: The vast majority of residential land in major American cities is zoned exclusively for single-unit homes.

The Legacy of the Planning Regime

The zoning laws implemented under the model of the Commerce Department's Enabling Act limited property and development rights by creating single-family detached zones to the exclusion of multifamily and commercial development. Owners generally still retained the right to build what was legally permitted within a zone, called by-right approval. The push for single-family zoning promoted continuing residential racial segregation but did not create broad unaffordability until, starting in the 1950s, state and local policymakers increasingly adopted laws and regulations that added discretionary approval processes. These granted local and state government bodies a greater ability to stop, slow down, or demand expensive changes to development proposals.

Policymakers in San Francisco and other California localities were early adopters in the curtailment of by-right approval and the birth of discretionary review. In 1954, the San Francisco city attorney determined that "the city had 'supreme control' to issue building permits and could use its own discretion to decide whether projects were compliant."[6] Following this decision, city policymakers adopted a policy of holding discretionary-review hearings for many proposed developments, providing a platform for anyone with the resources to attend these hearings to delay or prevent building permits.

Shortly after the "not in my backyard" (NIMBY) movement took hold, the environmental movement imported urban-growth boundaries from the United Kingdom, where the Town and Country Planning Act 1947 had established development-prohibited greenbelts around large conglomerations.[7] The goal of urban containment was to increase land costs with the aim of encouraging infill development and redevelopment inside the urban area.[8] Ultimately, urban-growth boundaries (also known as "urban containment") resulted in a constrained housing market, especially if combined with local zoning restrictions that prevent increases of supply within the urban core.[9]

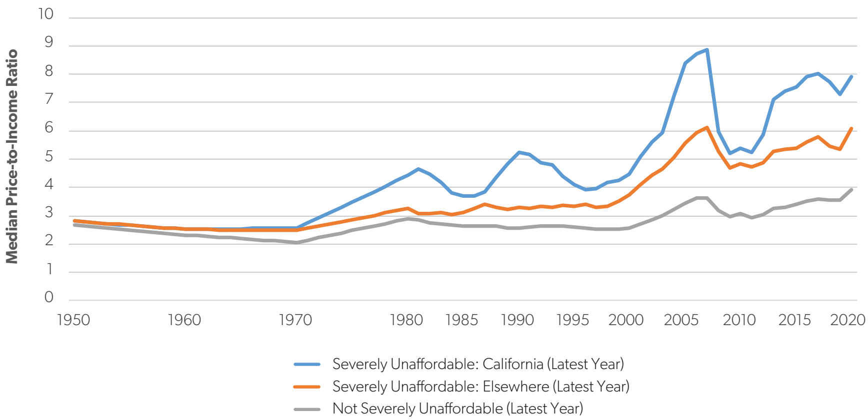
Zoning and attendant land-use regulations had changed from a means to regulate development types and costs to a means to limit growth of any sort, with California leading the way by enacting growth-control regulations beginning in the 1960s.[10] California's enactments include the California Land Conservation Act of 1965, the California Environmental Quality Act of 1970, and the California Coastal Commission and California Coastal Act (1972 and 1976, respectively).[11]

The move to discretionary approval was not limited to California. Critics of suburbia after World War II played a key role in the evolution of zoning into a growth-control regime.[12] Therefore, it is no coincidence that "virtually all of the markets with severely unaffordable housing have urban containment policies that severely restrict building on the periphery."[13]

As seen in Figure 2, until the 1970s, affordability levels were in lockstep across virtually all metro areas. Starting in the 1970s, San Diego, San Francisco, Los Angeles, San Jose, and other California metros started to experience a sharp uptick in their price-to-income ratios, soon followed by other coastal metros such as New York City, Boston, Seattle, and Portland.

Compounding these misguided policies was a belief by urban planners that they could ultimately deliver more livable communities.[14] Later on, they created policies to subsidize the purchase of homes by poorer families. This ended badly during the financial crisis: These policies contributed to some 10 million or more foreclosures and distressed sales, which disproportionally affected low-income and minority neighborhoods.[15]

Figure 2. Historical Price-to-Income Ratios Grouped by Price-to-Income Ratio Today: 1950–2020



Note: "Severely unaffordable" is defined as having a median price-to-income ratio of 5.1 or higher.
Source: Urban Reform Institute, *Demographia United States Housing Affordability 2021 Edition: Data from 2020 3rd Quarter*, 2021, https://urbanreforminstitute.org/wp-content/uploads/2021/11/Demographia-United-States-Housing-Affordability-2021-Edition.pdf.

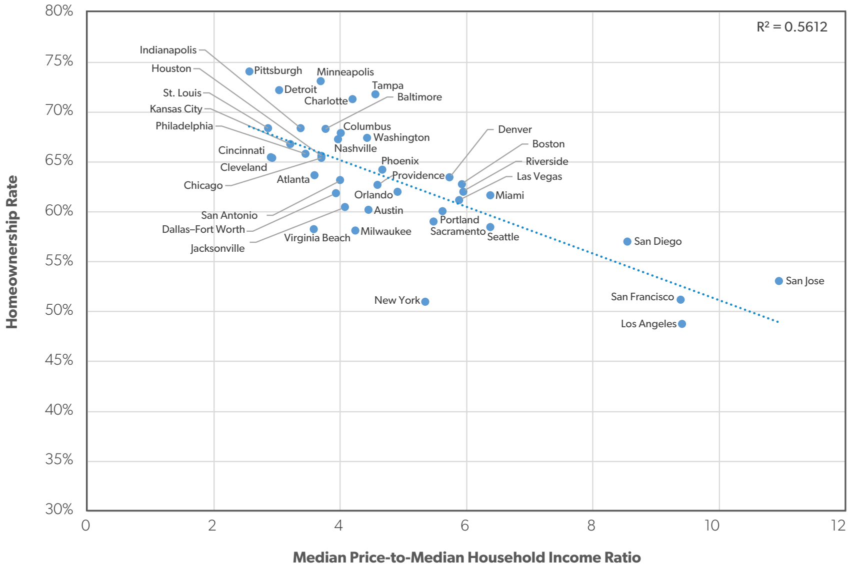
The Crux of Housing Unaffordability

Despite the federal government's efforts to promote homeownership, the homeownership rate in the fourth quarter of 2020 was 65.8 percent, only marginally higher than the rate of 63.0 percent in the fourth quarter of 1964.[16] Today, the twin legacy of racially motivated zoning combined with discretionary approval and poorly designed affordable-housing policies continue to make the housing market unaffordable for many lower-income and middle-class families.[17]

Even after the crisis and the recovery of the housing market, the price-to-income ratio grew and in many places affected the homeownership rate. In some metros, the implication is that many lower-income and middle-class families are being priced out of ownership entirely. (See Figure 3.)

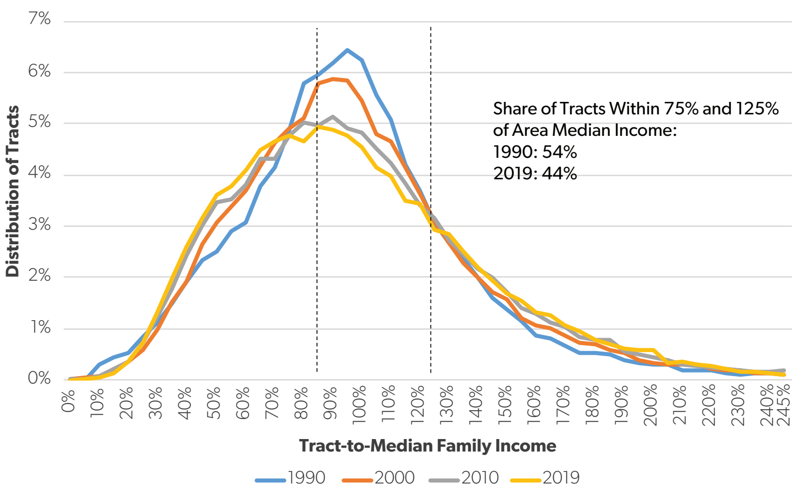
Housing supply constraints and affordability problems are most severe in some of the country's most productive regions. By limiting the number of people who can move into these regions, local restrictions on housing construction reduce wages, economic output, and innovation. (See Figure 4.)

Figure 3. 2020 Median Price-to-Median Household Income and Homeownership Rate: 40 Largest Core-Based Statistical Areas



Source: Data from Joint Center for Housing Studies, Census Bureau, and AEI Housing Center.

Figure 4. Distribution of Census Tracts by Income Level and Year (Largest 100 Metros)



Source: Data from Census Bureau, Federal Financial Institutions Examination Council, and AEI Housing Center.

The WFH Great Rebalancing and Its Implications for Cities

Unaffordable metros and states all too often have become synonymous with anti-growth, high-tax, and high-regulation regimes; high crime rates; and low rates of homeownership. As a consequence, many have been losing population since before the pandemic. Nowhere is this as pronounced as in California, which has lost 3.5 million people based on cumulative net foreign and domestic migration as tracked by the IRS from 1990 to 2019.[18] (See Figure 5.) This trend almost certainly accelerated in 2020 and 2021.

These same policies have also sparked a corporate hegira. Hewlett Packard, Oracle, and Tesla have recently decamped for Texas. When asked about the move, Elon Musk acknowledged some of the challenges of staying in the Bay Area: "It's tough for people to afford houses, and a lot of people have to come in from far away."[19] As noted at the head of this chapter: "[Talent and ideas] will go where they're welcome and stay where they are well treated." The question will be how long and how much of a brain drain and taxpayer shift these areas can sustain.

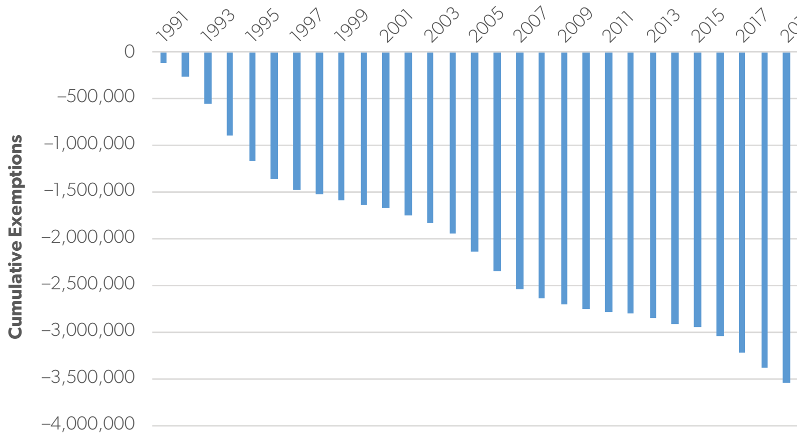
In contrast, more-affordable states and metros have gained brain power and higher-income taxpayers. These areas experienced tailwinds from relatively lower home prices, tax policy, job growth, new construction, and attractive climates. States in mostly the South and Southwest have far outgrown others over the past three decades, with Florida, Nevada, Texas, and Utah consistently coming out ahead.

The WFH revolution, which has unshackled many higher-income and more-mobile workers, has turbocharged the more gradual process of reshuffling, thereby pushing back against the economics provided from agglomerating people and firms.

Just like online shopping, WFH is likely here to stay. Post-pandemic levels will be much higher than pre-pandemic and will likely increase over time. A recent study has estimated that perhaps 20–25 percent of the workforce will continue to WFH after the pandemic.[20] That translates to an additional 20 to 25 million workers with the option to move. In May 2021, about a quarter of all media, communications, software, and IT services job postings listed remote work, up from about 5 percent a year earlier.[21]

Higher-income workers, who have greater opportunities to WFH, can profit from arbitrage opportunities offered by vastly different home prices

Figure 5. Cumulative Net International and Domestic Migration for California Based on IRS Data



Note: These data are based on net changes in personal exemptions claimed due to international and domestic migrations, which approximate the net number of individuals migrating to or from California. California in-state births and deaths are excluded by this calculation.
Source: Internal Revenue Service, "SOI Tax Stats—Migration Data," Individual Master File, Statistics of Income, https://www.irs.gov/statistics/soi-tax-stats-migration-data.

across metros and regions. Nearly a quarter of US households live in metros with an average median home price–to–median household income ratio of 6.9, while the rest of the country has a ratio of 3.3.[22]

Consider the extent of the arbitrage opportunity for the median homeowner in San Jose. In April 2021, the median sale price of a San Jose home was $1,353,000, over 10 times the 2019 median household income. This compares to the median sale price of a Phoenix home of $388,000, or below six times the median income. If an owner sold in San Jose and purchased a home in Phoenix, he or she could save around $1 million.[23]

Those areas that offer lower prices and a competitive environment stand to benefit the most. A recent AEI survey of over 5,000 people found that individuals preferred smaller localities due to a desire for greater influence at the local level.[24]

While the WFH revolution will leave many higher-income workers better off, it also has its downsides. Combined with a large millennial generation entering its prime home-buying years, this additional demand could quickly overwhelm certain still relatively affordable markets, even

Table 2. States with Highest Growth and Negative Growth in 1990–2000, 2000–10, and 2010–20

	Fastest-Growing States*					
	1990–2000		2000–10		2010–20	
	State	Percentage Growth	State	Percentage Growth	State	Percentage Growth
1	Nevada	66.3%	Nevada	35.1%	Utah	18.4%
2	Arizona	40.0%	Arizona	24.6%	Idaho	17.3%
3	Colorado	30.6%	Utah	23.8%	Texas	15.9%
4	Utah	29.6%	Idaho	21.1%	North Dakota	15.8%
5	Idaho	28.5%	Texas	20.6%	Nevada	15.0%
6	Georgia	26.4%	North Carolina	18.5%	Colorado	14.8%
7	Florida	23.5%	Georgia	18.3%	Washington	14.6%
8	Texas	22.8%	Florida	17.6%	Florida	14.6%
	States with Negative Growth*					
	1990–2000		**2000–10**		**2010–20**	
	State	**Percentage Change**	**State**	**Percentage Change**	**State**	**Percentage Change**
1	(None)		Michigan	–0.6%	West Virginia	–3.2%
2					Mississippi	–0.2%
3					Illinois	–0.1%

Note: * State growth is measured by percentage growth over the decade; this excludes the District of Columbia.
Source: Data from US Census Bureau and Brookings Institution.

in places that have high new-construction shares. For example, prices for an identical home in Austin are appreciating at around 20 percent over the past year despite a new construction share of sales that has consistently hovered around 30 percent.[25]

The differential impact of house-price inflation on lower-income households is crucial. AEI Housing Center research has demonstrated how supply regulations and demand boosters from looser underwriting or lower interest rates have inflated the cost of lower-priced houses more than others. This research shows that rapid price increases crowd out low-income potential home buyers in housing markets.[26] The longer this trend continues, the more lower-income but also middle-class families will be priced out of the market—similar to what happened in many severely unaffordable metros on the coasts.

So even considering the arbitrage opportunities noted above, what used to be pretty affordable metros before the pandemic and WFH are increasingly becoming less affordable—particularly for local low- or moderate-income households unable to benefit from such arbitrage. In other words, they are becoming, on a less dramatic scale, similar to certain California metros, which does not bode well since we have already described the negative outcomes in unaffordable metros: lower homeownership rate, slower economic growth, income segregation, and hollowing out of the middle class—or increasing wealth inequality.

The Future of Cities and How to Bring Back the Middle Class

To solve today's affordability challenges, policymakers need to focus more on increasing supply and less on increasing demand. While it would be best to remove all distortions, including urban-growth boundaries, immediately, public policy is the art of the possible.

The low-hanging fruit lies in taking advantage of the growing momentum building around adding to supply by focusing on what we have dubbed light-touch density (LTD). LTD would allow for by-right housing including detached single-family houses with ADUs, small-lot single-family houses, attached single-family houses, and duplexes, triplexes, and fourplexes in areas currently zoned for one-unit homes. This has been enacted in such places as Minnesota, California,[27] and Oregon. Many other jurisdictions are debating similar changes.[28]

However, the devil is in the details of these changes, and NIMBY opposition has been particularly adept at thwarting or slowing these enactments. For example, for California's ADU law, which was first passed in 1982, it took the state legislature repeated attempts to overcome local laws to preempt ongoing local obstacles to ADUs.[29] Only a 2016 law, passed 34 years after the state's initial law failed to make ADU construction feasible, required localities to reduce many of the barriers standing in the way of ADU construction, including a mandate that localities permit ADUs by right rather than through a discretionary review process.[30]

The widespread adoption of zoning and other land-use restrictions across the country has corresponded with a declining share of LTD as a portion of the total housing stock. Thus, LTD is one solution to the housing shortage caused by onerous land-use restrictions. It allows incremental increases to density to help alleviate the supply shortage of newly constructed homes. These reforms have proven to be a path toward increased infill-housing construction in some locations. They represent a commonsense return to the housing typology that existed up to the 1940s, when diverse types of residential and commercial development were interspersed and the topology (unit types) and tenure (owner and renter) of the varied residential stock provided opportunities for people of different income levels to live in the same neighborhoods. This variability also promoted intergenerational family living.

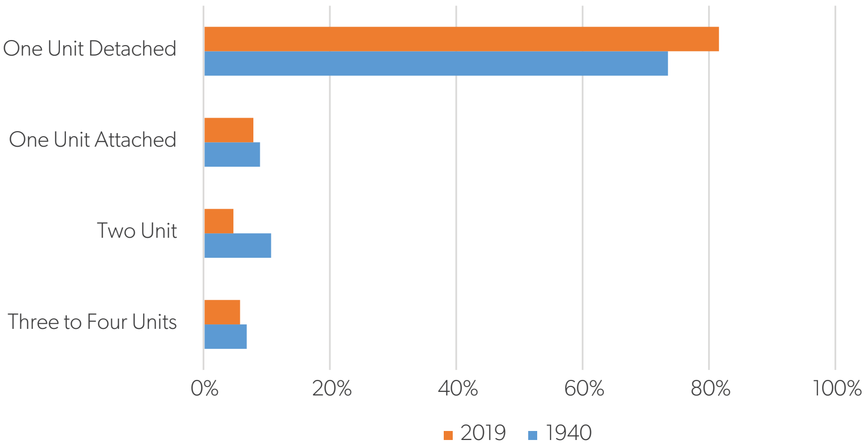
LTD is not a total solution to supply shortfalls and unaffordability, but if LTD construction increased enough to return to its 1940 share of the one- to four-unit housing stock all else held constant, LTD construction could be expected to contribute eight million additional housing units to the total stock over the next 20 years.

Relative to one-unit zoning, LTD is a market-driven approach as it allows a broader base of landowners to naturally realize their land's highest and best use. The highest and best use of a property is the reasonable and probable use that will support the highest present value, and it must be legally permissible, physically possible, financially feasible, and maximally productive.[31] In parts of the country where demand for housing is high or increasing, allowing LTD will result in it being the highest and best use of land.

By-right LTD zoning would help reestablish the balance between the interests of homeowners who wish to limit change and exert control over neighboring properties versus current and future property owners. By widely increasing development rights across what might be tens of millions of properties, the impact on any one neighborhood will be reduced relative to reforms applied to small areas.

A further tweak that could garner even more traction is focusing LTD around areas of commercial activity, which we have dubbed walkable-oriented development (WOD). A focus on WOD areas would bring housing closer to jobs, particularly service jobs, thereby reducing transportation

Figure 6. Share of One-to-Four Housing Units by Type: 1940 vs. 2019



Note: 1940 is the earliest date for which there are consistent definitions for comparison purposes.
Source: US Census Bureau, 1940 Decennial Census; and 2019 American Community Survey.

and housing costs while freeing up time for other activities such as recreation and childcare. Nationally, the AEI Housing Center estimates that a focus on WOD could add two million private homes over 10 years to our housing stock while taking advantage of existing developed land and infrastructure at little incremental taxpayer cost.[32]

Moderately increasing density by right would also reverse the trend to either single-family detached and attached units or multifamily development of 50-plus units, which likely has contributed to growing income segregation. As seen in Figure 6, the share of attached single-family houses and two-, three-, and four-family homes out of the total housing stock has shrunk over time, down from 26.5 percent in 1940 (the earliest year for which data comparable to 2019 are available) to 18.3 percent in 2019.

The hollowing out of LTD—townhouses and two-, three-, and four-family homes—decreases opportunities for potential homeowners to start out on the lower rungs of the housing ladder. The reintroduction of these mixed-use neighborhoods would increase opportunities for lower-income and middle-class families to move into areas with more economic opportunity.

Encouraging case studies show that LTD and WOD can work. Palisades Park, located across the George Washington Bridge from Manhattan, first adopted a zoning ordinance in 1939, which implemented combined one- and two-family zoning districts for nearly the entire jurisdiction with no zones that exclusively permit single-unit detached homes. A direct result of this by-right zoning flexibility is that Palisades Park has added 51 percent to its housing stock since 1969, while neighboring Leonia, which is zoning almost exclusively for single-unit structures, has added only 24 percent over the same period.[33]

When supply-enhancing policies are combined with commonsense demand-side policies, they represent a path forward to build resilient communities around resilient borrowers, which encourages sustainable homeownerships for all across broad swaths of the country, including many of today's cities that have essentially lost these groups.

Notes

1. Walt Wriston was considered the most influential banker of his time. He was CEO of Citicorp from 1967 to 1984. James Grant, "Too Big to Fail? Walter Wriston and Citibank," *Harvard Business Review*, July–August 1996, https://hbr.org/1996/07/too-big-to-fail-walter-wriston-and-citibank; and AZquotes, "Walter Wriston Quotes," https://www.azquotes.com/quote/748225.

2. Home price appreciation (HPA) has even accelerated during the pandemic, with constant-quality HPA increasing 15.8 percent year over year for November 2021 compared to 6.0 percent year over year for November 2019. Further, we estimate that HPA will remain in the low double digits through much of 2022 and average around 12 percent, putting homeownership further out of sight for many lower- and middle-income families. See, for example, "Housing Finance: Insights on the New Normal (Week 51)," AEI Housing Center, December 2021, https://www.aei.org/wp-content/uploads/2021/12/OB-Infographic-The-New-Normal-2021-Week-51-FINAL.pdf.

3. Joseph Gyourko and Raven Molloy, "Regulation and Housing Supply" (working paper, National Bureau of Economic Research, Cambridge, MA, October 2014), https://www.nber.org/papers/w20536.

4. Statista, Number of Hotel Rooms in the United States from 2017 to 2020, by Chain Scale Segment, February 2021, https://www.statista.com/statistics/245864/us-hotel-rooms-by-chain-scale-segment.

5. With respect to agglomeration economics, "the benefits all ultimately come from transport costs savings (as the) only real difference between a nearby firm and one across the continent is that it is easier to connect with a neighbor." See Edward L.

Glaeser, ed., *Agglomeration Economics* (Chicago: University of Chicago Press, February 2010), 1, https://www.nber.org/system/files/chapters/c7977/c7977.pdf.

6. Hunter Oatman-Stanford, "Demolishing the California Dream: How San Francisco Planned Its Own Housing Crisis," Collectors Weekly, September 21, 2018, https://www.collectorsweekly.com/articles/demolishing-the-california-dream.

7. Randal O'Toole, "The New Feudalism: Why States Must Repeal Growth-Management Laws," Cato Institute, October 18, 2016, https://www.cato.org/policy-analysis/new-feudalism-why-states-must-repeal-growth-management-laws.

8. Urban Reform Institute, *Demographia United States Housing Affordability 2021 Edition: Data from 2020 3rd Quarter*, 2021, https://urbanreforminstitute.org/wp-content/uploads/2021/11/Demographia-United-States-Housing-Affordability-2021-Edition.pdf; and Urban Reform Institute, *Demographia International Housing Affordability: 2022 Edition*, March 2022, http://www.demographia.com/dhi.pdf.

9. To see how the policy works in detail, see Urban Reform Institute, *Demographia United States Housing Affordability 2021 Edition*, 11–14.

10. Karen M. Stray-Gundersen, "Regulatory Responses to the Condominium Conversion Crisis," *Washington University Law Review* 59, no. 2 (January 1981): 513–34, https://openscholarship.wustl.edu/cgi/viewcontent.cgi?article=2361&context=law_lawreview. California's state laws that limit and delay housing construction include the California Land Conservation Act of 1965, the California Environmental Quality Act of 1970, and the California Coastal Commission and California Coastal Act (1972 and 1976, respectively).

11. Notwithstanding this shift, the use of zoning to regulate development types continued. For example, San Francisco's Residential Rezoning of 1978 eliminated about 180,000 legally buildable lots. See also Karl Beitel, "Did Overzealous Activists Destroy Housing Affordability in San Francisco? A Time-Series Test of the Effects of Rezoning on Construction and Home Prices, 1967–1998," *Urban Affairs Review* 42, no. 5 (May 1, 2007): 741–56, https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.912.2519&rep=rep1&type=pdf.

12. One of the strongest attacks on the aesthetics of suburbia was made by Peter Blake, an architect, critic, and editor of *Architectural Forum*, who decried the uglification of the United States. Peter Blake, *God's Own Junkyard: The Planned Deterioration of America's Landscape* (New York: Holt, Rinehart, and Winston, 1964).

13. Hub Staff, "Canada's Housing Market Ranked as 'Severely Unaffordable' Overall: Demographia," Hub, May 17, 2021, https://thehub.ca/in-the-know/2021-05-17/canadas-housing-market-ranked-as-severely-unaffordable-overall-demographia.

14. See, for example, Maryland-National Capital Park and Planning Commission, *Wedges and Corridors: A General Plan for the Maryland-Washington Regional District in Montgomery and Prince George's Counties*, 1964, https://montgomeryplanning.org/community/general_plans/wedges_corridors/wedges_corridors64.shtm.

15. Calculations by the authors.

16. Edward J. Pinto, "Housing Finance Fact or Fiction? FHA Pioneered the 30-Year Fixed Rate Mortgage During the Great Depression?," American Enterprise Institute, June 24, 2015, https://www.aei.org/economics/housing-finance/housing-finance-fact-or-fiction-fha-pioneered-the-30-year-fixed-rate-mortgage-during-the-great-depression.

17. This is the paradox of accessible lending: When supply is constrained, credit easing will make entry-level homes less, not more, affordable. Credit easing merely permits one borrower to bid up the price against another would-be buyer for a scarce good. Thus, much of the credit easing that these federal policies provided are quickly capitalized into higher home prices. This is especially pertinent for entry-level homes, which are perennially in short supply. This puts upward pressure on home prices, does not expand access, and is dangerous—concepts we have had to learn and relearn.

18. The IRS uses tax return data to track international and domestic migration. We use the net number of personal exemptions claimed, which—per IRS definition—approximates the number of migrating individuals. To view these data, see Internal Revenue Service, "SOI Tax Stats—Migration Data," https://www.irs.gov/statistics/soi-tax-stats-migration-data.

19. Rebecca Elliot and Rob Copland, "Tesla to Move Headquarters from California to Texas, Elon Musk Says," *Wall Street Journal*, October 7, 2021, https://www.wsj.com/articles/tesla-to-move-headquarters-to-austin-texas-musk-says-11633646229.

20. Jose Maria Barrero, Nicholas Bloom, and Steven J. Davis, "Why Working from Home Will Stick" (working paper, University of Chicago, Becker Friedman Institute, Ronzetti Initiative for the Study of Labor Markets, Chicago, April 21, 2021), https://bfi.uchicago.edu/wp-content/uploads/2020/12/BFI_WP_2020174.pdf.

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23. The real-world evidence from our research shows that homeowners selling in the larger San Jose metro and moving to the larger Phoenix metro purchase a new home at 42 cents on the dollar of the old while increasing their gross living area by almost 30 percent and their lot size by almost 40 percent. See American Enterprise Institute, "The Housing Arbitrage Index," https://www.aei.org/the-housing-arbitrage-index.

24. Daniel A. Cox and Ryan Streeter, "The Importance of Place: Neighborhood Amenities as a Source of Social Connection and Trust," American Enterprise Institute, May 20, 2019, https://www.aei.org/research-products/report/the-importance-of-place-neighborhood-amenities-as-a-source-of-social-connection-and-trust.

25. Many Florida metros have rapid home-price appreciation and relatively high new construction shares, as do other metros in the South and Southeast. For more, see American Enterprise Institute, "Home Price Appreciation Index and Months' Remaining Inventory," https://www.aei.org/home-price-appreciation-index-and-months-remaining-inventory; and American Enterprise Institute, "National and Metro Housing Market Indicators," https://www.aei.org/national-and-metro-housing-market-indicators.

26. Edward J. Pinto and Tobias Peter, "AEI Housing Market Indicators, December 2021," American Enterprise Institute, January 4, 2022, https://www.aei.org/economics/aei-housing-market-indicators-december-2021.

27. California has allowed accessory dwelling units (ADUs) and duplexes, enacted through California Housing Opportunity and More Efficiency (HOME) Act, S.B. 9, California Legislature (2020), https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220SB9.

28. The North Carolina legislature is considering a bill that would allow up to four units per lot and ADUs by right, encourage mixed-use development, and give landowners more power in developing their land. Charlotte and Raleigh have recently approved multiunit housing by right in their communities. Utah took steps to allow ADUs by right in the 2019 and 2021 legislatures, and Vermont recently banned minimum lot sizes of an eighth of an acre or more and allowed two units per lot by right.

29. 1982 Cal. Stat. 5484, ch. 1438.

30. John Infranca, "The New State Zoning: Land Use Preemption amid a Housing Crisis," *Boston College Law Review* 60, no. 3 (2019), https://lawdigitalcommons.bc.edu/bclr/vol60/iss3/3.

31. California State Board of Equalization, "Lesson 2—Basic Economic Principles of Real Property Value (the Income Approach to Value)," https://www.boe.ca.gov/info/iav/lesson2.htm.

32. See Edward J. Pinto and Tobias Peter, "California's Free-Market Housing Fix," *Wall Street Journal*, February 3, 2022, https://www.wsj.com/articles/california-free-market-housing-fix-sb9-lots-units-four-value-crisis-zoning-requirements-property-rights-11643922512?mod=article_inline.

33. For more on the Palisades Park case study and case studies on Seattle, Washington, and Charlotte, North Carolina, see Pinto, Peter, and Gailes, "An Opportunity for an American Renaissance."

False Dawn: The Future of Work and Cities After the Illusions of Globalization

MICHAEL LIND

"The future ain't what it used to be," Yogi Berra famously observed. Nowhere is that truer than regarding the future of work, particularly in cities. The economic disruption of the COVID-19 pandemic, partial de-globalization driven by Sino-American geopolitical rivalry, and the collapse of the asset bubble that triggered the decade-long Great Recession of the 2010s—all these trends have shattered the orthodox neoliberal narrative of the 2000s about the future of the American workforce, without replacing it with a new consensus.

Instead of witnessing the dawn of a new era of expanded prosperity, we are trapped in a dystopia where most workers, particularly those without elite educations and social connections, face a difficult future.

This reality is radically different from the optimistic narratives of the early 2000s. Manufacturing was out; software was in. Small towns and suburbs were yesterday; global cities were tomorrow. According to the dominant neoliberal narrative, accepted by mainstream members of both major parties and the US commentariat, globalization was an inevitable and beneficial force. The comparative advantages of the United States were the innovative knowledge economy—inventing new things but allowing them to be made elsewhere—and high-end global services such as international finance, insurance, and banking.

The optimistic globalist consensus was disseminated by journalists such as Thomas Friedman and the experts and policymakers chosen to address the rich and famous at conclaves in Davos, Switzerland, and Aspen, Colorado.[1] In this view, former manufacturing workers could be retrained for better jobs in the new knowledge economy; they could "learn to code." And if the loss of manufacturing jobs caused entire cities and regions to collapse, that was the price of progress as other regions prospered. Having learned to code, the displaced workers could "move to opportunity," leaving derelict Detroit to become software writers in the Bay Area. Workers who refused to upgrade their skills or "human capital" would be "left behind."

Recognizing the New Reality

Although the shift from an industrial to a postindustrial economy was portrayed as inevitable and good, proponents of the neoliberal narrative argued that government could ease the transition—mainly by providing more STEM education for American students, many or most of whom, it was claimed, would be competing for jobs in the future global labor market with the Chinese, Europeans, Indians, and others. Yet for most Americans, particularly in metropolitan areas, this shift has been less sanguine.

At the same time, the "jobs of the future" in the knowledge economy never materialized in large numbers. Most jobs created in the past generation have been low-wage, low-benefit jobs in areas such as health care, hospitality, and retail, not well-paid jobs requiring STEM skills and college diplomas.

The trend continues. Of the top five jobs with the most job growth between 2020 and 2030, according to US Bureau of Labor Statistics projections, only one—software developers and software quality assurance analysts and testers, paying on average $110,140—can be characterized as a tech or knowledge economy job. The other four—home health and personal care aides; cooks, restaurant; fast food and counter workers; and waiters and waitresses—require no college education and pay between $20,000 and $30,000 annually, below the median income of $35,805 for a single person in 2020.[2]

The current boom, based on social media, search, and high-end research, does not even boost prospects for most people—even in Silicon Valley. Two left-wing scholars, Manuel Pastor and Chris Brenner, note that the area once was among the most egalitarian in the nation—a great place of opportunity for many immigrants, particularly from East Asia, who increasingly launched larger firms on their own.[3] Today, they suggest, Silicon Valley has become "fragmented and divided" and characterized by "the high-tech community largely isolated from the broader region and particularly those parts . . . that are less fortunate."[4]

The current tech economy, based on software, social media, and massive venture capital investments, lowers consumer prices but does not produce higher wages for most, even as it generates huge fortunes for the relative few. According to a 2018 University of California, Santa Cruz, study, nine in 10 jobs in Silicon Valley now pay less than they did 20 years ago, adjusted for inflation.[5] Particularly disadvantaged are the people, most of them contractors rather than employees, who clean the offices of tech firms; make food for investors, managers, and professionals; and take care of their children.[6]

Some adherents of neoliberal conventional wisdom respond to these conditions by proposing to reshape benefits such as health insurance to make them portable so they would follow workers in the "new economy" as workers hopped from job to job or gig to gig. While this might help, to the extent that taxpayers replace employers as the source of adequate incomes and benefits for low-wage workers in Silicon Valley, the public is indirectly subsidizing one of the richest industries in the world.

The Limits of Neoliberalism

Industrial policy—the deliberate promotion of certain national industries considered of greater economic or strategic value than others are—was taboo during the heyday of global market euphoria between the end of the Cold War and the beginning of the Great Recession.[7] The renunciation of industrial policy by the US federal government, Congress, the corporate world, and much of the media did not mean a lack of industrial policy would have minimal, or even beneficial, effects. It simply meant the landscape of American industry and the American workforce would be shaped by the strategies of major corporations, based in the US or elsewhere, and foreign countries' trade and industrial policies.

This is precisely what happened in the US following the Cold War. America had an industrial policy—only it was not made in America. American industrial policy was made by the executives of major multinational corporations and by governments in China, India, and Mexico.

This has had dire results for many working-class Americans. As early as 2004, the economist Stephen Roach predicted:

> A new global labour arbitrage—a by-product of IT-enabled globalization—is now acting as a powerful structural depressant on traditional sources of job creation in high-wage economies such as the United States. . . .
>
> Fully 65% of the tripling of Chinese exports over the past decade—from $121 billion in 1994 to $365 billion in mid-2003—is traceable to outsourcing by Chinese subsidiaries of multinational corporations and joint ventures.[8]

In 2021, the Economist Intelligence Unit predicted that, as pandemic fears subsided, US-based multinationals would resume their practice of preferring to offshore production to low-wage workforces abroad.[9] Multinationals' ability to minimize labor costs by using global arbitrage to replace American workers on a mass scale marked a radical break from the past.

During the Cold War, multinationals based in the US and its European and East Asian allies and protectorates had little access to either markets or workers in Communist nations. At the same time, developing countries such as India and those of Latin America protected their domestic products and labor markets while pursuing import-substitution industrialization strategies. That changed after the Cold War ended.

From the American workforce's point of view, the three most important nations in the new global workforce were China, India, and Mexico. China benefited the most. Its strong authoritarian state, pursuing a sophisticated mercantilist policy, compelled foreign companies to share their technologies (sometimes unwillingly) and train Chinese workers, in return for being able to use low-wage Chinese workers in global supply chains.

The Mexican government lacked the strength and competence of China's post-Maoist regime. But East Asian, European, and US corporations built up a Mexican automobile-manufacturing sector, taking advantage of low Mexican wages and weak bargaining power by Mexican labor.

India, the third foreign labor pool that suddenly merged with the American labor market after the Cold War, specialized in low-wage call centers in India itself. It also specialized in the chain migration of Indian guest workers under H-1B, B-1, and other visas to the US, where they were employed as indentured servants by tech and finance companies dangling the prospect of employer-sponsored green cards for those who were docile and uncomplaining.

To put it another way, globalization—promoted in the 1990s as something that would allow well-paid American workers to sell products made in American factories to consumers in other countries—instead has, as its main effect, substituted foreign labor for American labor thanks to corporate strategies of "labor arbitrage" (taking advantage of differences in wages among countries or jurisdictions). The US government's bipartisan political decision to allow US corporations to partly deindustrialize the American economy by offshoring production to save money on labor costs left most of the working class to jobs servicing the professional classes as gardeners and nannies and in restaurant and hotels.

Automation and the Future of the Urban Working Class

In 1929, John Maynard Keynes predicted possible technological unemployment because of automation.[10] But to date, automation's impact on the workforce has been limited. A 2020 study estimates that one new robot per 1,000 workers in the US reduces aggregate wages by 0.42 percent and aggregate employment by 0.2 percent.[11]

While automation would have eliminated many US manufacturing jobs even without offshoring and import competition, the highly robotic factories in that scenario would have been in the US, not abroad. Indeed, even in highly automated, export-oriented manufacturing sectors, employment can outstrip displacement by robots if sales to national and foreign consumers grow even faster.[12]

Regarding robot density—robots per 10,000 workers—the US lags behind the global leaders: South Korea, Singapore, Japan, Germany, Sweden, and Hong Kong. The US is seventh, ahead of Taiwan and China, which are rapidly catching up.[13] Unlike the US, whose companies prefer chasing cheap labor worldwide over investing in automation at home, the countries that lead in the robot race chose to try to keep their manufacturing industries, using labor-saving technology to offset the cost of high wages instead of offshoring manufacturing to low-wage foreign countries. Deindustrialization is a political choice by national governments and corporations, not the inevitable result of abstract forces such as globalization and technology.

The United States' partial deindustrialization, made possible by corporate access to low-wage foreign labor pools, transformed American urban economies in separate ways. Some deindustrialized parts of the Midwest, Northeast, and South have become economic and social disaster areas, with rusting factories and high rates of unemployment and social pathologies such as opioid addiction.

The number of "tech" jobs has increased slightly, but many of these good knowledge jobs have been captured by H-1B holders and other guest workers and green card holders. Facebook, one of many offenders in the tech community, recently paid the US Justice Department $14 million to settle a lawsuit claiming that it favored foreign workers over American workers.[14] And good tech jobs in the US may be lost if US-based multinationals outsource innovation and manufacturing and services to workers in China, India, and other countries.

The Limits of Urban Triumphalism

Ultimately, Silicon Valley symbolizes the US transformation from a dynamic manufacturing country into a postindustrial economy dominated by rentier interests. Originally, many computer components were made by workers in the Bay Area.[15] Offshoring production in search of cheap labor has turned hub cities such as San Francisco and New York into something like high-end resort communities. Tech entrepreneurs and tech firms licensed their innovations, and money flowed to them from around the world and flowed out via their spending on luxury consumer amenities, maintained by an increasingly hard-pressed urban service workforce.

Society in the Bay Area and similar metro areas has polarized between tech billionaires and well-paid professionals and a low-wage service class that includes mass unskilled immigrants, many of them unauthorized: nannies, house cleaners, gardeners, food-truck operators, and Uber drivers. Half the nation's homeless population lives in the Golden State, many concentrated in disease- and crime-ridden tent cities in either San

Francisco or California's largest city, Los Angeles. The City by the Bay, notes the Brookings Institution, has the second-highest level of inequality in the country.[16]

Until recently, this emerging urban pattern of the 1990s and 2000s was viewed as the pinnacle of social and economic innovation, the model of future society in the US and other developed countries. Expanded educational opportunities would help disadvantaged Americans join the privileged tech and global services elite. Those who remained in the working class, now dominated by menial service workers, would be helped not by higher wages but by more generous government transfer payments. The "winners" in the "new economy" would be taxed to subsidize the "losers" via a slightly expanded welfare state.

Something like this remains the consensus in the Democratic Party, to judge by the Biden administration's ill-fated Build Back Better spending plan in 2021. Following the separate passage of a bipartisan ordinary infrastructure bill, the second bill in the series consisted of investment in renewable energy and "social infrastructure." The latter was defined by programs such as promotion of urban densification and federally subsidized commercial and public day care. The presumed beneficiaries of urban densification would be urban real estate interests and well-educated professionals, particularly young, single, and often childless professionals. The service class would perform many functions that once took place in the household—cooking meals, walking dogs, cleaning residences, and taking care of offspring.

This future vision saw big cities dominated by an urban, college-educated "creative class"; below this, barely noticed, would be service workers who often could barely afford to live in urban areas. Many of these service workers joined the older cohorts of professionals in the suburbs, although often in vastly distinct locations. For a long time, except in a few cities, suburban growth has outpaced downtown growth, and exurban growth has been fastest of all, with non-white homeowners growing as a share—partly because of the rising cost of living in urban cores.[17]

The Pandemic's Impact

The COVID-19 pandemic and the accompanying economic and social disruptions, including the largest urban homicide and theft waves in generations, may have accelerated the decline of the urban cores that only recently were seen to represent the future. During the pandemic, many city dwellers relocated from downtowns to suburbs or the countryside, and some may never return. In the next decade or two, the reputations of big cities such as New York and San Francisco may be more like they were in the grim 1970s and 1980s than the booming 1990s and 2000s, identified with scenes of urban squalor: boarded-up stores, empty buildings, homelessness, and crime.

Necessity is the mother of invention, and the lockdowns caused by the pandemic accelerated the adoption of technologies that enable telecommuting, such as Zoom. If a chronic threat of global pandemics makes air travel and large public gatherings permanently more onerous, at least some of the replacement of face-to-face contact by remote interaction may become permanent.

If this occurs, then there will be major implications for urban workforces.[18] There would be continued high demand for workers deemed "essential" during the COVID-19 pandemic, such as those in factories and warehouses, logistics and transportation, nursing, health care, and elder care. But if downtown business districts never fully recover, many of the low-end service-sector jobs that depended on them may disappear permanently. The costs of such disruption will fall heavily on women, non-white workers, and immigrants, who are overrepresented in nonessential but "frontline" services, compared to essential workers, a demographic that resembles the US workforce.[19]

Some of the displaced urban service workers might find new jobs in a permanently expanded home-delivery sector like the one that sprang up during the epidemic. But many of these jobs, such as delivering groceries to professionals who telecommute, are low-skilled "Mechanical Turk" jobs that could be replaced in time by delivery robots with sufficiently advanced artificial intelligence.

As more consumers prefer direct delivery to their homes or post office boxes of goods that are ordered online, the decline of shopping centers and malls, already underway before the pandemic, could accelerate. And even where business or pleasure involves a return to older patterns, automation may eliminate formerly abundant low-wage urban jobs—with kiosks and delivery services replacing waiters and servers in many restaurants, for example.

Despite such incidental disruptions, service-sector automation should be welcomed, not feared. It can boost the US economy's overall productivity. Indeed, the abundance of low-wage labor in the US in the past generation—resulting from numerous factors, including the replacement of better-paid jobs by worst-paid ones, the decline of unions, the large-scale entry of women into the workforce, and high levels of unskilled immigration—may have slowed productivity-enhancing automation in the US by reducing the incentive for employers pressured by high wages to invest in labor-saving technology.

Indeed, in some low-wage sectors, an abundant supply of cheap labor may have generated the demand for it in the past generation. If demand is elastic, it expands as the price goes down and shrinks as the price goes up. Elastic demand is associated with luxuries, which many people willingly forgo if the price increases—for example, cooking at home if restaurant prices rise.

Many of the bad jobs created in the past generation in the US have been in elastic-demand luxury sectors that pay low wages—think of neck massages in airports or shopping malls. Given the large population of low-wage, immigrant workers, what were once labor-intensive amenities for the rich became affordable for many middle- and working-class people in the past generation. An example is the day spa, a spin-off of the traditional resort spa, often catering to professionals and workers who work nearby in downtown areas. One industry survey found that 46 percent of day spa clients made less than $35,000 annually, while 65 percent made less than $65,000.[20]

The Future of the Service Class—and That of Our Cities

A huge, low-wage, urban service sector, then, was not inevitable but developed because of the confluence of several factors. These include the concentration of the free-spending affluent and rich in a small number of cities, much of it "bubble" wealth flowing in boom times to rentiers from assets with inflated values such as stocks and real estate; stagnant or falling wages for male breadwinners, which forced many women reluctantly into the low-wage workforce; the lowering of wages because of de-unionization; and the replacement of full-time workers by more poorly paid contractors or contingent workers in an insecure, low-wage "precariat" class. Essential to the process has been the large numbers of unskilled immigrants desperate enough to work for low wages and clustered in the same cities as affluent professionals, managers, and rentiers.

Had any of these macroeconomic or microeconomic variables been different—tighter labor markets because of lower immigration or more unionization, for example, or a Federal Reserve policy that preemptively priced asset bubbles instead of accommodating them—the pattern of service-sector spending and employment alike in American metro areas might have been quite different in the past generation.

What if the "bubble era" urban economy of the 1990s and 2000s never returns? With less demand for their services from downtown professionals, managers, and rentiers, many members of the "frontline" service-sector working class, both nonessential and essential, may have to find new jobs.

Some former downtown service workers may move to cheaper suburbs or exurbs in the same state or other states to follow affluent customers, enjoy a lower cost of living, or both. Food trucks and downtown day spas and trendy restaurants may shrink, shedding labor to sectors less dependent on concentrations of affluent downtown consumers. In a more decentralized America, more workers may be employed in delivery and transportation services that disproportionately serve telecommuting professionals.

Some of the current mass withdrawal from the labor market may be voluntary, particularly among families. Polls show that for most Americans, the one-earner family, in which one parent stays home to care for young children or works only part-time, is the ideal. According to one 2021 survey, the preferred option for childcare among Americans is one full-time stay-at-home parent (40 percent), followed by two part-time working parents (18 percent). Institutional day care is preferred by only 12 percent. Regarding day care, there is a class divide, with 22 percent of college-educated parents preferring full-time, center-based day care, compared to only 10 percent of parents without college degrees. But even college-educated parents prefer “flexible work + shared child care” (28 percent) or one full-time at-home parental caregiver (24 percent) to institutional day care (22 percent).[21] If technological progress continues to make many necessities cheaper, wages in general increase, or both occur, then households can choose to maintain the same standard of living with only one full-time worker rather than two.

For self-interested reasons, employer lobbies that prefer a seller’s market in jobs and a buyer’s market in labor treat any reduction in the share of adults employed as a disaster. But more single-earner couples and fewer two-earner couples might shift consumer demand from some areas to others, without necessarily lowering overall consumer demand. Similarly, more household do-it-yourself production rather than mass sales, enabled by ever-cheaper technologies such as rapid prototyping, also known as 3D printing, would increase demand for appliances and inputs, even as it reduced demand for finished goods and services.

For those who remain in the workforce, out of choice or necessity, there is no reason to fear a lack of jobs. Since the 1960s, there have been periodic alarms about the prospect of mass unemployment resulting from automation. These fears have never materialized and are unlikely to do so in the future.

To be sure, automation, such as mechanization, can disrupt employment in particular industries. Desktop computers eliminated jobs for many typists and secretaries, just as cars and trucks eliminated equine-drawn carriages and wagons. But to date there have been no examples of mass unemployment caused by machines replacing human beings. Beginning in the 19th century, all major depressions and recessions have been because of financial panics or stock market or real estate bubble collapses with economy-wide contagious effects, not because of labor-saving technology.

One reason for the absence of mass technological unemployment is that the same substitution of machinery for labor that displaces some workers lowers prices for goods or services. This allows consumers to consume more of the now-cheaper goods or services if they choose (“elastic demand” again).

Alternatively, consumers can use the savings from cheaper material goods to spend more on quality-of-life services. As incomes increase beyond a point, the consumption of material goods levels off, and the affluent and rich spend a greater share of their income on luxury services provided by other people. If automated grocery stores and store delivery reduce grocery prices, then consumers might spend the savings on labor-intensive amenities, such as catering, personal gyms, physical therapy trainers, personal shoppers, and other services formerly affordable to only the rich.

Big Opportunity Ahead: Health Care

The ultimate quality-of-life service is health care. The late economist Robert W. Fogel concluded:

> The income elasticity for health services is calculated at 1.6, meaning that income expenditures on health care in the U.S. are likely to rise from a current level of about 15 percent to about 29 percent of GDP [gross domestic product] in 2040.[22]

While the numbers are too specific, the point is confirmed by observation. The wealthy voluntarily spend a much greater percentage of their incomes on health care than do the poor and with good reason; health is the good that makes the enjoyment of all other goods possible. It makes sense that societies, like individuals, will spend more on health care out of choice as they become more affluent, particularly if the cost of other goods such as food, clothing, housing, and transportation continues to go down thanks to technological productivity growth.

This suggests that the influential futurists of the 1990s chose the wrong "industry of the future." The real industry of the future is not "tech," defined as software innovation, but medicine.

The medical industry could be as central to 21st-century industrial nations as the automobile-manufacturing complex was to the 20th century. From the point of view of demand, it is even better. Most households do not need more than a few cars, but the demand for medicine will keep going up as the price falls.

Moreover, the medical industry combines many diverse industries. Most medicine belongs to the domestic-traded service sector, employing workers at all skill levels, including nursing aides, nurses, nurse practitioners, internists, and specialists. But some parts of the medical industry are traded-sector occupations with potential global markets—for example, medical tourism, medical manufacturing for prosthetics, and even perhaps global and national telemedicine and long-distance surgery. Best of all, the medical sector's profitability ensures that, unlike in other sectors, even unskilled workers can enjoy high wages, because of government regulation or pressure from organized labor.

The functional equivalent of 20th-century Detroit may be something like the Texas Medical Center in Houston. This suggests that industrial policy—now being rehabilitated, after the neoliberal consensus stigmatized it for a generation—has a place in the service sector and traded-sector industries such as manufacturing. The goal of a service-sector industrial policy should be to increase wages and productivity in low-wage sectors such as retail and hospitality, even if this causes those sectors, as they became more efficient, to shed labor. The displaced labor can be absorbed in other industries such as health care, which benefit from rising demand, rising productivity, and a mix of jobs at every skill level.

Beyond the "Knowledge Economy"

In hindsight, Silicon Valley turned out to be an outlier rather than the future of the American economy. The myth of the "knowledge economy" was a false dawn. The actual future of American employment—and the American city—will be shaped by technological and global trends but could be far brighter given the right domestic program, including better industrial and labor policies. Advanced technologies provide the tools nations can use to structure their own economies, but different countries can use the same tools differently. The structure of the world economy constrains, but does not determine, the different options that nation-states can choose.

The future of the urban workforce does not need to be imposed on Americans by technological or economic forces beyond their control. For better or worse, it will be made in America by Americans, and it should be aimed at restoring the prospects for those whose labor has sustained us before and particularly during the pandemic and will continue to do so in any conceivable urban future.

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A New Path for Black Urban Voters?

CHARLES BLAIN

For decades, a large majority of black Americans have aligned with the Democratic Party, but the modern-day Democratic Party's leftward shift may cause a reevaluation of that relationship. The welfare of black people has not been made better from their support of the Democratic Party. Failing school systems, communities rampant with crime, and a steadily increasing cost of living are all issues many black communities must contend with due partly to policies pushed and promoted by the Democratic Party. Democrats have come to expect black votes, and Republicans have all but given up, diminishing the power of the black electorate.

To reclaim influence, black voters must show their willingness to do something different. They are posed with a choice: end the marriage with the Democratic Party and vote for candidates who truly represent their interests or withhold their vote until the parties begin to compete for them.

From Solidly Republican to Overwhelmingly Democrat

From the Civil War through the early 20th century, black Americans who voted did so largely for Republicans. Given that Republicans were the party of Abraham Lincoln and the Democrats were based among mostly rural segregationists in the South, it made sense that black voters, thousands of whom were former slaves, voted with the party that paved the way for their participation in political, economic, and social life. During the Reconstruction era, an estimated 2,000 African American men, mostly Republican, held public office on every level from local government to the US Senate.[1]

John Lynch, an African American Republican representing Mississippi in the House of Representatives, said in 1930,

> The colored voters cannot help but feel that in voting the Democratic ticket in national elections they will be voting to give their indorsement and approval to every wrong of which they were victims, every right of which they are deprived, and every injustice of which they suffer.[2]

These patterns persisted in the wake of the Great Migration, which saw six million black Americans leave the South for the North, mainly settling in big cities. Initially, black Americans in Chicago, the second-largest urban black population at the time, elected Republicans, including Rep. Oscar Stanton De Priest in 1928, 1930, and 1932. De Priest was also Chicago's first black alderman, or councilman.[3]

By the 1930s, 60 percent of voters in the majority-black Second and Third Wards backed Chicago Mayor William Hale Thompson, also known as "Big Bill." Thompson and the Chicago political machine courted black voters by promoting black politicians and offering black Chicagoans patronage jobs. Thompson's outreach to black voters was so notable that he became known as "Little Lincoln," and in the white neighborhoods, City Hall under his administration was referred to as "Uncle Tom's Cabin."[4]

The transition began in 1932 and 1936, during President Franklin Roosevelt's election and reelection, when he received 71 percent of the black vote. That ushered in the beginning of a political realignment with black voters, according to the Joint Center for Political and Economic Studies.[5] But despite the overwhelming support for Roosevelt, the realignment took time. Well into the 1940s, party identification among black voters was evenly split.[6]

By 1948, 77 percent of black voters not only voted for Harry Truman but also identified themselves as Democrats. Many point to Truman's efforts earlier in the year desegregating the armed services and issuing an executive order prohibiting racial bias in federal employment[7] as reasons for the shift. Less than two decades later, the 1965 Voting Rights Act signed by President Lyndon B. Johnson further solidified the black voting population's alignment with the Democratic Party.

Today, nine in 10 black voters vote Democratic, and that dependability has signaled to the party and its politicians that addressing issues concerning black communities is not as crucial to election as meeting those brought up by other constituencies. The calculus that many Democratic politicians make is: If black voters are going to be there regardless, why spend political capital on them?

New Vulnerabilities

Making matters worse, the black Democratic base is not growing, according to Mark Jones, a fellow with Rice University's Baker Institute. "The African American population, as a share of the electorate, is neither declining, like the Anglo population, nor is it increasing, like the Hispanic population, so it's pretty much constant," he said. "So, as a result from the Democratic Party's perspective, with every passing year the weight of the African American population within the Democratic majority coalition shrinks a little bit."[8]

The current progressive shift has taken place because the party is no longer courting black voters, who culturally have been more conservative, or attempting to meet their needs. After all, many of the cities with the smallest black populations—Minneapolis, Portland, San Francisco, and Seattle—have also long been among the whitest cities.[9]

"If Democrats believe black voters are a mainstay, Republicans have resigned themselves to believe that they are a lost cause," Jones said. "What black voters have shown over the past decade is even when Democrats are at odds with them on a variety of policy issues, which could be on religion, cultural, LGBT, abortion issues," black voters will still support the party. "You have a very faith-based African American population who essentially ignores that dissonance between their religious values and beliefs and those of the Democratic elite because that's their only option."

Outside of symbolic outreach, there is little attempt to court these would-be disaffected voters. Republicans instead focus on courting the burgeoning Hispanic population and trying to appeal to new Anglo middle-class voters. They often take the view that by focusing on black issues, they may get a small bump in black support but also may risk alienating other populations.

This dynamic has created an environment where no major political party is actively courting black voters or attempting to address their needs, thereby reducing their political power. In much of the country, progressive ideology flourishes in wealthy urban areas and college towns. But in the big cities these ideas—including strongly progressive views on abortion, policing, and schools—now confront the conservative sensibility and standard of living of black voters, which eventually could produce a change in political behavior.

The Leftist Lurch and Black Reaction

As progressive groups have taken ideological control over the Democratic Party in recent years, the party may have inadvertently left behind the concerns of its core constituency—black voters. "I'm seeing black folks become more critical of the Democratic Party and their policies than ever," said Houston City Council Member Tiffany Thomas.[10]

Thomas represents District F, covering the communities of Alief, Westchase, and the historic Piney Point Village, among others, and chairs the City Council's Housing and Community Development Committee. Thomas, who also serves as program coordinator and assistant professor of community development at Prairie View A&M University, represents a district of 250,000 constituents containing one of the most diverse populations in the city.

Thomas said part of the problem with the Democratic Party is that African Americans need to be more involved in policy development. "Our black fraternities and sororities oftentimes are pushing voter registration," she noted.

> I was always challenging them. We have to follow the whole spectrum; it's not just about registering voters. It's about getting them to the polls but then watching the policy as it's crafted, fully participating in what that policy means.

This is particularly crucial as progressives generally endorse policy that represents a move *away* from things black Americans have long sought—and often sacrificed—to pursue the American dream. Racial quotas and symbolic gestures like removing Confederate statues or putting more black people on corporate boards may seem attractive to some, particularly college-educated black Americans, but these actions have little potential to improve the conditions experienced by most urban black people.

Long gone are the days of policies that enhance human dignity and push for educational and employment advancement. The modern-day left has embraced policies of complacency like expanding, permanently, the social safety net through guaranteed basic income, which has now infiltrated more than 30 major cities and counties across the country.[11]

Starting in Stockton, California, under the highly celebrated former Mayor Michael Tubbs, local governments have been launching these programs, which provide low-income families or individuals a monthly stipend ranging from $500 to $1,500. The programs often have no work requirement or reporting requirements, other than self-reporting, and are otherwise no strings attached.

Yet Tubbs was defeated by Kevin Lincoln—a black Republican, veteran of the Marine Corps, and executive pastor of a local church who ran on addressing issues like homelessness and public safety while pushing back on ideas like an expanded social safety net.[12] This reflects the values of many black Americans who have long embraced the value of work, whether in government or, more recently, across the broad private sector.

"The average black voter is not feeling the progressiveness," said Tomaro Bell,[13] a black Democrat and longtime Houston activist in Houston's Third Ward. "Because most of them had to work very hard, they don't believe in a lot of the free money. They know that an attitude of ingratitude and entitlement does not work." She added that she does not believe that many black voters, especially older ones, remain enamored with the Democratic Party as much as they once were.

There has long been a desire for stable work that helped black Americans improve their socioeconomic status; their only ask was for opportunity, not the handouts being promised by many modern-day progressives. The party that once proclaimed there was dignity in all work has shifted to policies that promote handouts.

"One of the pull factors was a good government job had stable pay, higher pay, and benefits," said Frederick Gooding Jr.,[14] professor of African American studies at Texas Christian University. Indeed, part of the appeal that black Chicago voters saw in "Big Bill" Thompson was his promise of patronage jobs inconceivable in the Jim Crow South, like a black assistant corporation counsel or legal officer.

The hostility toward education-choice programs among most Democrats also works against the interests of the populations Democrats purport to serve. In a poll, 89 percent of black Democratic primary voters supported expanding "access to more choices and options within the public school system, including magnet schools, career academies and public charter schools."[15] Another poll found that 78 percent of black Americans were in favor of education savings accounts, which allow the money typically funneled to school districts to be spent on any educated-related expense for their child.[16]

In most places, these families are forced to send their children to the campus their ZIP code zones them to regardless of whether that campus is failing. They do not often have additional resources for private or charter schools that other families might.

Houston Independent School District, a $2 billion bureaucracy,[17] has staunchly opposed school-choice efforts by the Texas legislature. Not unusually, the board is fractured. The former chief operating officer was recently arrested by the FBI for bribery, and this collective mismanagement resulted in low-income, mostly black kids being stuck in failing campuses.

One lawmaker, state Rep. Harold Dutton, a black Democrat from Houston, moved to tackle the issue by introducing and passing legislation that would allow the state to take over the school district and replace the board members with members appointed by the state. Not surprisingly, his own party ostracized him for it.

Dutton is no newbie. He was born in 1945 and elected to the Texas House of Representatives in 1984. A lifelong Democrat and native of Houston's Fifth Ward, Dutton served as general counsel of both the House Democratic Caucus and the Texas Legislative Black Caucus. He sponsored Texas's first program to assist women- and minority-owned businesses and is by all accounts a leading member of the Democratic Party in Texas, but more importantly, his views are far more aligned with that of the average black voter than those of the progressive elite are.[18]

Dutton told a Houston newspaper, "The Democratic Party always was the bigger tent, but sometimes I think it's becoming more and more like the party we complain about, because they want everybody to think on the same page."[19] Despite his lifelong support and membership of the Democratic Party, Dutton's refusal to fall in line led the Harris County Democratic Party to censure him.

A Key Issue Is Public Safety

No issue better highlights the divide between the think-tank policy of the enclave Democrats and the real-world repercussions for their core constituency than the "defund the police" narrative.

Reforming the police came out of a seemingly earnest desire to fix race relations between black communities and police, but the message was co-opted for the more radical notion of "defunding" the police and emptying the prisons. "A lot of the narrative was hijacked. If you were on the ground in these neighborhoods, that's not what they were asking for," Houston's Thomas suggested. "It's not that black people don't want the police in their neighborhoods. They just don't want to die, they don't want to be in an altercation, they don't want anything to escalate. That's all the request is."

The message Thomas relayed has been consistent within the black community for decades: a better relationship, not an end to the relationship. A Gallup poll shortly after the murder of George Floyd found that 81 percent of black people opposed reducing police in their neighborhoods; 61 percent wanted the same amount of police, while 20 percent wanted more.[20]

When considering that black communities endure the slowest response times and suffer the worst crime, this response makes sense. Many wealthy communities can contract with private security, off-duty police officers, or sheriff's deputies, but many other communities that the "defund the police" movement is supposed to help do not have those additional resources and need the public-safety services their tax dollars pay for.

Notably, black mayors of big cities such as Eric Johnson in Dallas, Lori Lightfoot in Chicago, and Sylvester Turner in Houston actively opposed defunding the police despite vocal outcries from many in the progressive wing of their party. In contrast, white progressive mayors were more inclined to support the policy. Those who pushed back received overall public support in their opposition to it because, again, the constituencies they hail from do not want to defund or abolish their police.

In 2021, Minneapolis's black neighborhoods turned out heavily to reject a proposition that would have abolished the city's police department and "reimagined" it as something completely different.[21] If ever there was a test for the appetite of the "defund the police" movement, this was it, and it failed.

Where Do Black Voters Go from Here?

When viewed collectively, it's apparent that the modern-day progressive platform is hostile to the needs of black Americans and the communities they live in. But that doesn't mean Democrats will lose them to Republicans.

"If Anglos or Hispanics disagree with the more progressive positions of Democrats, they find a welcoming home in the Republican Party," suggested Jones.

> Whereas for most black voters, that's just a bridge too far. Because of past and present sentiment and rhetoric within the Republican Party, they just do not see that as a viable option even if they are closer to the Republican Party on issues.

Given these conditions, black urban Americans have few options, but there is clearly a need to create some. "Malcolm X has this speech called 'The Ballot or the Bullet,'" noted Tiffany. "Black people should not be committed to any party but to the agenda, and what are the policies? And that's how we have our currency."

There are some hopeful signs. In many cities, black voters have shown their willingness to form coalitions on issues that matter to them, even if it is with people with whom they would otherwise disagree. In 2015, the Houston Equal Rights Ordinance (HERO) was on the ballot in Houston. The ordinance permitted people to use the restroom of their choice. The item pitted social conservatives against progressive Democrats, but siding with social conservatives were black and Hispanic pastors of churches around the city.

"Most people didn't know the party became so progressive until 2015, when we had the HERO ordinance," observed Bell.

> People were really surprised at the conservatism of the black church; they were really surprised. The right really thought that the black voters were going to lean toward voting for it, but that is not what happened at all. Not only that, but they were the ones who were given credit for killing it.

Black and Hispanic churches were a driving force in turning out opposition to the item, so much so that it led to then-Mayor Annise Parker subpoenaing pastoral communications to claim that the churches were electioneering at the pulpit. Whatever one thinks of the HERO measure, black voters showed they were willing to buck the progressive agenda, although they still voted for the Democratic mayoral candidate even against a moderate Republican.

Black voters' other options for long-term, sustaining reform on the local level cannot take place until they are willing to either vote for something different or withhold their vote until better options for them are presented.

Hispanic voters are in some senses showing the way. They have started to show willingness to buck the Democratic establishment when the party policies don't align with the needs of their constituencies. Hispanic voters, especially in Texas as of late, have shown how much political power they hold, a notion echoed by Jones. "Democrats are finding that Latinos have much less reticence voting for Republicans if they feel that the Democratic Party is just too far away from them on too many policies." Voting based on policy rather than party, in turn, leads to better political outcomes for Hispanic people.

During the Donald Trump years, Hispanic voters, especially those at the border, enjoyed a sense of security both economically and in public safety. As such, they turned out heavily to vote Republican in the 2020 election, turning some counties red that have not been so in decades.

They are making it known their vote cannot be taken for granted, and they are willing and ready to engage with whoever is going to address their needs. This is the direction African Americans need to follow.

A New Day in Urban Black Politics?

The good news: Black voters have started to actively oppose far-left progressive candidates and embrace moderate and, in some instances, conservative candidates for office. These candidates toe a unique line; they might, for instance, support police reform but oppose defunding, support the need of a social safety net for those in need but see the upsides of a free-market economy rich with opportunity, or support bail reform but actively fight the increases in crime spurred by a progressive agenda.

The elections of Johnson in Dallas, Eric Adams in New York City, Byron Brown in Buffalo, and Lincoln in Stockton reflect this trend. Johnson, in particular, regularly goes against the Democratic grain in Dallas, supporting more funding for police and more recently calling out racism within the Democratic Party. He recently passed a sweeping local government ethics reform, is one of the few mayors of a major city who can successfully claim year-to-date decreases in homicides and violent crimes, and has a 2022 agenda that includes decreasing property taxes.[22]

New York City's Adams was elected over two more-progressive competitors. A 22-year New York Police Department (NYPD) veteran, he ran on a campaign of addressing crime and public safety and did not hesitate to criticize the "defund the police" movement, instead talking about police reform. He also publicly supported NYPD's "stop and frisk" policy, and after his election, his stance on reinstating NYPD's plainclothes street units led to the cofounder of Black Lives Matter of Greater New York to say there would be "riots" and "bloodshed" if he followed through with it.[23] Adams most recently drew the ire of many for saying he will reverse Bill de Blasio's plan to do away with solitary confinement at Rikers Island.[24]

And in Buffalo, India Walton, a democratic socialist who ran in the Democratic primary for the city's mayoral election, won the primary against four-term incumbent Brown. Brown then launched a write-in campaign featuring a pragmatic approach for the general election. He came back to beat Walton, whose platform contained policies like launching a public bank and having "community grocery stores."[25]

These changes can be viewed independently, but when looked at collectively, they signal the desire for a new, more pragmatic approach from leaders of all stripes when courting black voters.

The other way for black voters to maximize their political strength is to not vote. Thomas said,

> I tell my students in my community development politics course that sometimes not voting is political. It's not apathy; sometimes it's a distinct choice that I'm not in this game. I think there is something to be said for those who don't participate in that cycle consciously because they don't see their issues.

While there is always a push for more voter engagement, not voting can be a political function as well, said Thomas. You are consciously acknowledging that neither of the two parties or candidates are addressing issues that matter to you and, as such, you will not participate.

For the foreseeable future, at least in urban areas, Democrats are likely to remain dominant, but where black voters may emerge as the crucial force against an overly leftist agenda and push a more conservative-minded approach could be in a city such as Austin or Seattle, mirroring Houston or Dallas. An agenda that focuses on public safety, education, upward mobility and opportunity, and affordability matters more to them than the enclave amenities many progressives want to prioritize—like universal basic income, bike lanes, and high-speed rail.

Yet to gain political leverage, black Americans must embrace a cultural shift that sees voting as a means to increase their political capital. Black voters need to recognize that their votes need to come at a premium and that by opening options, they can create a bidding war that will only end in their favor.

For black voters to have a significant impact, they will have to be fed up enough of being taken advantage of and motivated enough to do something about it. It seems like the motivation is there, but are they fed up enough?

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Utah and Salt Lake City Policy Innovations in Homelessness, Poverty, and Health

NATALIE GOCHNOUR

The proper size of government permeates public policy discussions about homelessness, poverty, and health care. The left and right debate varying degrees of government involvement, typically failing to act and often deteriorating into a state of policy paralysis.

The size of government matters, but so does the nature of what government does and, even more importantly, what people do. By focusing less on bigger government and more on "bigger people," Utah is forging a brand of innovative, data-driven, and collaborative approaches to homelessness, poverty, and health care that provides an instructive example for other states to follow.[1]

Getting to Know the Beehive State, Salt Lake City, and "the Utah Way"

Those not from Utah will know Utah for many things—a state settled by the Mormon pioneers, a large interior salty sea, a world-quality ski destination, extraordinary red rock national parks, and even the Utah Jazz. What may be less familiar to many is Utah's claim as a state where collaboration still occurs. In Utah and Salt Lake City, people still innovate and collaborate to prevent and solve problems.

Former Utah Gov. Mike Leavitt, who also served as the Environmental Protection Agency administrator and Department of Health and Human Services secretary during the George W. Bush administration, characterized the value of Utah's collaborative spirit in this way:

> I've found during my years of public service that every significant public policy breakthrough is a product of collaboration. Collaboration does not eliminate discord, but it lessens its sting. Collaboration does not eliminate litigation, but it minimizes it. Collaboration does not prevent hard decisions, but it improves acceptance of decisions made. Collaboration is a beachhead for progress.[2]

Utah community leaders commonly refer to Utah's collaborative spirit, along with data-driven and innovative approaches, as "the Utah way." There is no set definition of the Utah way, but community leaders describe it using words and phrases such as collaboration, good-faith compromise, innovation, consensus building, data-driven policy, civil discourse, and other forms of civic progress and responsibility. In every case, Utah's approach is centered around the actions of people, not government.

The phenomenon has been described in local newspaper articles and public radio.[3] Many local community leaders, including both Republican and Democratic officeholders, describe the Utah way positively. Utah Gov. Spencer Cox said it is

> a mindset to think creatively about solutions to community problems and invite a wide range of parties to come to the table. . . . [It] involves intense collaboration, real selflessness and a desire to find actual solutions as opposed to cheap political victories.[4]

Clark Ivory, a prominent business leader, described it as "a data-driven focus, not right or left."[5] Finally, Salt Lake City Mayor Erin Mendenhall said, "It's how Salt Lakers and Utahns are at their best, focused on the real needs of the people around us."[6] The Utah way is not just a topic of civic commentary; the collaboration component is evident in social science research.

The US Congress Joint Economic Committee (JEC) sponsors the Social Capital Project, an investigation of the evolving nature, quality, and importance of our associational life.[7] The JEC uses the term "associational life" to refer to the web of social relationships through which we pursue joint endeavors. Associational life includes families, communities, workplaces, and religious congregations. It's also a corollary for social capital and the degree to which communities innovate and collaborate to solve problems.

The JEC Social Capital Index, which includes 32 measures of associational life such as family unity, social support, community health, institutional health, collective efficacy, and philanthropic health, ranks Utah the highest in the nation.[8]

High levels of collaboration, data-informed policy, and social capital—all embedded in the Utah way—provide the state and Salt Lake City with impressive assets to combat homelessness, intergenerational poverty, and health and well-being.

Policy Innovations in Homelessness, Poverty, and Health

Every state and large city in the country faces challenges of homelessness, poverty, and poor health. They are evergreen examples of some of the most important and challenging public policy issues state and local governments face.

The pre-COVID-19 (January 2020) point-in-time count of homeless people in the US tallied 580,466.[9] Modest improvements have been made over the past 13 years, but COVID-19 has almost certainly made matters worse. Significant variation also exists among subgroups by gender, race, ethnicity, and veteran status.[10]

Policymakers face similar challenges alleviating poverty and addressing residents' health care needs. Poverty rates in the US have oscillated between 10 and 15 percent for over five decades, without any real claim to sustained progress.[11] US health outcomes such as access to care, administrative efficiency, and equity and health care outcomes, even before the pandemic, leave a lot to be desired, especially for socioeconomically disadvantaged communities. A recent study by the Commonwealth Fund found the US ranked last overall in health outcomes among 11 high-income countries, despite spending far more.[12]

Utah takes a different approach. Through a combination of innovative ideas, data-driven research, and effective collaboration—all components of the Utah way—Utah is pioneering three public policy approaches that show promise. They include a community-based approach to homelessness, an intergenerational approach to poverty, and a social-determinants-of-health approach to improved health.

A Community-Based Approach to Homeless Services

In April 2021, Mayor Mendenhall announced the formation of a partnership to create a tiny-home village that will serve Utah's homeless population. The Other Side Village, as it is known, proposes housing approximately 430 people on 37 acres of land in Salt Lake City. It will be a peer-based community where people heal and thrive through community and connection.

At first blush the concept sounds like an investment in "bricks and mortar," but that would miss the mark. The governing philosophy of the village asserts that building community is the ultimate solution to homelessness. "At the heart of homelessness is a catastrophic loss of family," said Other Side Academy CEO Tim Stay.[13] The village combines high-quality, permanent housing with a strong family culture of personal growth, support, and connection.

As Joseph Grenny, Other Side Academy and village chairman, said, "Community is the key to healing. No matter how broken you are . . . the key is always community. It is always connection."[14]

Supported by guiding beliefs—such as the universal worth of human beings, accountability, self-reliance, and personal faith—the village is about much more than tiny homes. Supporters of the village make clear that the size of the homes is the least important part of the effort. They warn that some tiny-home neighborhoods around the country will likely become disinvested in short order. Instead, Salt Lake City's approach focuses on creating connection with others, along with catalyzing strong social norms that invite people to achieve their potential through work and self-improvement.

The village concept includes homes with approximately 400 square feet, including a bedroom, living space, a bathroom with a shower, and kitchen appliances for each resident. Planned public amenities at the village include a community garden, chapel, coffee shop, amphitheater, grocery store, park, and various social enterprises. The village is not an initiative of the Church of Jesus Christ of Latter-day Saints (the Mormon church), but rather a nonprofit, community endeavor.

The village will target individuals who are chronically homeless and who often have one or more serious disabilities. It will provide wraparound services focused on what the sponsors identify as "dignity, love, respect, abundance, and acceptance."[15] Services for residents will include medical and mental health care, caseworkers, a neighborhood support network, a food pantry and community gardens, and opportunities for paid jobs in the community.

The Other Side Village has the support of not only Salt Lake City leaders but also Gov. Cox and the Utah Legislature. This means this community-based, social-enterprise approach to homeless services will involve a powerful state-local-private collaboration.[16]

The village collaboration carries credibility with Utah leaders, including the philanthropic community, because of the founders' reputation and their successful related (but different) venture, the Other Side Academy.[17]

The academy is a self-sustaining, residential, vocational, and life skills training program for men and women determined to break their cycle of long-term criminality, substance abuse, and homelessness. Operations are funded through donations and an award-winning moving company, two clothing boutiques, and a construction company. The enterprise is self-sufficient and not dependent on government funding.

Internal records and surveys conducted by the academy indicate promising results from 2015 to 2019.[18]

- **Retention Rate: 51 Percent.** This is the percentage of people who commit to stay two years and who are still present at the end of the two years.

- **Employed upon Graduation: 100 Percent.** This is the percentage of people who had a job when they graduated from the academy.

- **Recidivism Rate of Graduates: 15 Percent.** This is the percentage of people who have completed the minimum two-year program and have been rearrested after graduation.

- **Drug-Free, Crime-Free, and Employed Rate of Graduates: 70 Percent.** This is the percentage for all graduates of the academy.

Boyd Matheson, a popular public affairs talk radio host, said when referring to the Other Side Academy and village:

> It is Utah at its finest. . . . This is not about handouts. This is about accountability around a set of principles and giving people a chance to really move up and become self-reliant and add value to our communities.[19]

Intergenerational Poverty

As Casey Cameron, executive director of Utah Department of Workforce Services, said, "Ending the cycle of poverty takes good data, community collaboration, and a determination to invest now, to avoid more investment later."[20]

Utah's political leadership, in a way that may surprise observers, given its generally conservative electorate, embraces an active role for government in combating poverty. This proactive and positive approach begins with a focus on intergenerational poverty—when unmet basic needs such as food, health care, and housing are passed from parents to children to grandchildren.

Utah, along with Nebraska, stands out as a red state in a sea of blue that recognizes and initiates polices to combat intergenerational poverty. The blue and purple states include New England standouts such as Maine, Massachusetts, and Vermont; Great Lakes region states such as Ohio, Pennsylvania, and Wisconsin; and western states such as Hawaii, Nevada, and Washington.

The commonality among these states is that they distinguish between two-generation approaches to poverty and situational poverty and recognize that the interventions for each are different. Utah policymakers define "intergenerational poverty" as adults who participated in public assistance for 12 cumulative months as a child and 12 cumulative months as an adult. It also includes the children of intergenerational poverty adults. A distinction is made with situational poverty, which occurs because of a job loss, divorce, major health event, or death.

Utah's approach began with the unanimous passage in both houses of the legislature of the Intergenerational Poverty Mitigation Act in 2012. The law requires Utah government entities to share administrative data across agencies, develop a system to track intergenerational poverty, identify trends, and study and develop plans and programs to help individuals and families break the cycle of poverty. This data-driven approach focuses on children and now includes 10 years of collecting data, building awareness, and studying policy interventions.

In 2020, approximately 56,508 Utah children (or 6.1 percent of Utah's child population) experienced intergenerational poverty.[21] An additional 48,838 adults experienced intergenerational poverty (3.6 percent of Utah's adult population).[22]

But after a decade of work, Utah now has measurable results. The Annie E. Casey Foundation's *2020 Kids Count Data Book* ranked Utah fourth in the nation for overall child well-being,[23] moving past seven states from the 11th spot in 2012 when the Intergenerational Poverty Mitigation Act passed.

More good news can be found in educational attainment. High school graduation rates continue to increase for Utah's intergenerational poverty children, increasing from 50 percent in 2012 to 79 percent today.[24]

Utah's Intergenerational Welfare Reform Commission credits this progress to a strategic focus on helping all children succeed by starting a quality rating system for childcare centers, increasing school-based behavioral health services, and aligning services to better serve children throughout the state.[25]

The commission also celebrates what it calls "promising practices." One such practice is the Weber Prosperity Center of Excellence in one of Utah's most high-need areas. This initiative assigns resource-integration coaches to work directly with families to meet needs, assist with skill development, and support advantageous childhood experiences. Coaches tap into a network of 135 partners and resources to support children and adults. For example, the Western Governors University, headquartered in the Salt Lake metro area, offers full scholarships to any intergenerational poverty adult.

As part of its intergenerational poverty efforts, Utah also began implementing a Child Care Quality System in 2019 to help parents make informed choices about childcare programs and ensure government childcare subsidies supported quality programs. In 2020, approximately one in six intergenerational poverty children ranging from newborn to age 5 in Utah participated in the state's childcare subsidy program.[26] These children are sure to benefit from improvements made in the quality of childcare.

Of course, many significant challenges remain. The commission notes several examples in its annual report, including the high rates of intergenerational poverty among American Indian adults and children, the growing share of Utah young adults experiencing intergenerational poverty, and the continuing challenge of providing behavioral health services and substance abuse treatment.[27] To Utah's credit, policy leaders acknowledged these challenges and introduced and passed legislation in the 2022 Utah General Legislative Session to transition Utah's work on intergenerational poverty from a commission-led initiative to an embedded, operationally led function in the communities and government agencies most able to guide future progress.[28]

Utah Alliance for the Determinants of Health

In his first two weeks as governor of Utah, Cox released a list of strategic priorities to guide his first 500 days in office. Gov. Cox chose to focus on what he called "the upstream drivers of improved health" and included an action step to "identify and invest in priority services and infrastructure needs that impact social determinants of health."[29]

Gov. Cox's focus builds on a nongovernment-led initiative that had already been formed: the Utah Alliance for the Determinants of Health. The alliance, which is sponsored by Intermountain Healthcare and includes a three-year community collaborative that connects people in need with health care and social services, is a $12 million demonstration project focused on addressing the social determinants of health or nonmedical factors that affect health such as food insecurity, affordable housing, and transportation. The alliance is making a measurable difference in health outcomes.[30] Health professionals attribute about 60 percent of health outcomes to social and behavioral factors.[31]

Marc Harrison, CEO of Intermountain Healthcare, said:

> Many people say that your ZIP code plays more of a role in your health and health care than any other factor. When we look at the factors that influence a person's health, we think it's about 20 percent medical care, 20 percent your genetics, and about 60 percent social and behavioral factors.[32]

Utah's demonstration project takes place in Washington and Weber counties in Utah. These two geographies were selected because of their size, need, and community readiness. The population in both areas has lower life expectancy, higher behavioral health needs, lower education and income levels, and higher emergency department usage than the state average. Importantly, both communities also share a culture of collaboration, innovative public health efforts, and a willingness to work collectively.[33]

The alliance reports several promising outcomes:[34]

- **Screenings.** Since the beginning of 2020, social need screening rates have improved 40 percent in clinics and 45 percent in emergency departments. Importantly, these screenings have helped normalize conversations about food, housing, transportation, and safety.

- **Emergency Department Use.** Emergency department visits over a 12-month period declined 25.2 percent. The alliance acknowledges the likely impact of COVID-19 on this trend but notes the downward trend has continued as patient volumes have returned to normal levels.

- **COVID-19.** The alliance notes and has helped address increases in dental care needs, food insecurity, and mental health needs since the onset of COVID-19. The pandemic has also laid bare the health disparities among different groups of people.

Recognizing the need for interconnectivity among providers and partners, the alliance teamed up with Unite Us to launch a digital referral and connection platform. Known as the Connect Us Network, the platform brings together a network of partners, including a coordination center, an alliance of community health workers, and other partners into a statewide communications framework.[35]

An evaluation team lead by the Children's Hospital of Philadelphia is actively collecting information from participants, community partners, community-based organizations, and policymakers. In-depth interviews, surveys, and a formal quantitative analysis of the demonstration's outcomes are all underway.

Conclusion

In November 2021, the *Economist* featured a cover story on the triumph of big government. It describes in vivid terms the "supersized state" and "the great embiggening" that continues its relentless march forward.[36] According to the *Economist*, this march toward a larger state presence will continue to gain momentum as the population ages. Bigger government, in its view, is here to stay.

Maybe so, but it's not bigger government that matters; it's better government focused on people that should be society's aim.

As policymakers continue to debate government's role, they would do well to consider better government in the form of innovative ideas, data-driven research, and effective collaboration. The Utah way embodies these characteristics and places people, not government, at the center of improving outcomes in poverty, homelessness, and health. In doing so, Utah pulls away from the polarized extremes, inspires individual action, and pioneers a brand of constructive policymaking that produces positive results. It's a successful model for other states to follow.

Notes

1. The concept of "bigger people" stems from a comment made in Utah Gov. Spencer Cox's 2021 State of the State address. He said, "It's not government that makes our country special. It's volunteer organizations and churches and philanthropists and neighbors taking care of each other and solving problems, so government doesn't have to. In short, if we want smaller government, we need bigger people."

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Next-Generation American Suburbs

ALAN M. BERGER

Whether hundreds of years ago or today, the far-reaching environmental impacts of urbanization are because cities are "a node of pure consumption existing parasitically on an extensive external resource base."[1] These environmental impacts have been catastrophic, with 78 percent of carbon emissions, 60 percent of residential water use, and 76 percent of wood used for industrial purposes attributed to cities over the past century.[2]

Cities have always relied on peripheral areas for environmental resources, ecosystem services, and other crucial supplies, such as food. Given the major differences of size and quantity of leftover green spaces in dense cities versus suburbs, the abundance and potential continuity of landscapes in suburbs present a distinct advantage for retrofitting crucial ecological functions and landscape productivities. The heterogeneous spatial conditions in suburbia create an abundance of environmental opportunities that urban core cities could never achieve.[3]

Often castigated as environmental disasters, suburbs are actually crucial to preserving ecosystem services—including clean air, water, energy, and food—for entire metropolitan areas. Newer developments, of course, can be designed for this effect, but older suburbs also often can be retrofitted to integrate new low-carbon transportation technologies, making low-density suburban development a better environmental alternative to compact, vertical density. Such a concept is not entirely new, though the original inspiration was for health reasons; it dates back to Ebenezer Howard's garden city, a planning breakthrough that used landscape production *and* new transportation technologies (steam railroads and electrification) to argue for better living environments than in congested, overcrowded, and unhealthy city cores.[4]

Since its inception, the city planning movement looked to transportation technology as a solution to decompress and decongest unhealthy city cores.[5] Social reformer Benjamin Marsh, a founder of the first National Conference on City Planning and author of the earliest American book dedicated to city planning, spent his long career advocating for various decentralizing policies to address population congestion.[6] He led the National Conference on City Planning and the Problems of Congestion, which in part led to the American City Planning movement.[7] The American City Planning movement, the first motorized parkway, and Henry Ford's Model T were all initiated within a few years of each other (1907–09).

As historian Kenneth T. Jackson astutely noted in his canonical *Crabgrass Frontier: The Suburbanization of the United States*, transportation enabled the earliest US suburbanization in the late 1800s, as America replaced the limitations of horse-powered mobility with steam railroads and electrification.[8] The combination of landscape availability and transportation technology led to suburbia becoming the dominant form in metropolitan evolution over the next century.

The Polycentric Metropolis

The notion of contained garden-city nodes has now matured into one of widespread polycentric urbanization, a phenomenon first examined by Jean Gottmann in his 1961 book *Megalopolis: The Urbanized Northeastern Seaboard of the United States*.[9] The result is that today's suburbanization is less tied to the urban core, with the highest-growth areas consisting of multiple employment centers and commercial development.[10] The latest edition of *Commuting in America* estimates that almost 70 percent of metropolitan area workers now live and work in the suburbs.[11] Today, there are more than double the number of trips within suburbs or suburb-to-suburb commutes than there are US metropolitan commutes that have the central business district as the final destination.[12]

In this new world, despite opposition from many planners, the car is king and likely will remain so. More than 93 percent of US households own cars.[13] Only about 5 percent of the US working population uses public transit to get to work. This dominance is likely to continue in the aftermath of the COVID-19 pandemic, with people desiring more safe, private space while they travel.[14] For the majority of the US population, travel without a car is not an attractive option. Automobile usage is, and will remain, largely inelastic to most viable policy changes in the near future.

The Problem with Densifying the Middle

Yet with the growing demand for suburban living and the serious lack of affordable housing in urban cores, planners and politicians have turned their playbook to increasing the density of existing inner suburban neighborhoods, trying to ex post facto add housing around transit hubs to increase ridership and persuade residents to get rid of their cars.[15] Density advocates argue that retrofitting so-called “middle neighborhoods” of single-family housing with higher-density housing will yield lower car use and thus reduce greenhouse gas (GHG) emissions while increasing sustainability, affordability, and urban vitality in general.[16] This kind of thinking is predominant in the urban density lobby’s push for single-family suburban zoning laws, with new policies that eliminate or limit single-family zoning in favor of denser alternatives passing in Minneapolis, Minnesota; Portland, Oregon; and San Jose, California.[17]

Numerous studies show that densifying (i.e., “upzoning”) residential land use in suburban settings doesn’t influence transportation choices, given the efficiencies of car travel and the difficulties of creating transit systems for a spread-out suburb. Research has shown that even doubling density doesn’t get people out of their cars.[18] Decisions made in the past on where to place new roads, buildings, and other facilities constrain development options available today.[19]

Hastily increasing density in suburban middle neighborhoods to try to get more people out of their cars is more likely to spur the removal of open space, lower the real estate value of neighboring areas, and add traffic congestion. In full disregard of the negative effects of such strategies, the planners’ creative tool kit for suburbia is blindly reduced to eliminating single-family zoning and creating density overlays that will primarily benefit real estate developers and tax collectors, to the detriment of the people who actually live there.[20]

The dominance of the US suburban form and its car dependence can't be overstated, because transportation patterns intimately relate to land-use zoning and landscape conversion patterns, which largely determine regional ecological functions. Missing from these conversations, however, is new evidence that single-family housing and density-infill strategies can in fact reduce GHG emissions, along with social, economic, and other environmental benefits.

Underlying Environmental Arguments Surrounding Suburban Expansion

With the above constraints, my research group at the Massachusetts Institute of Technology has turned its focus to how the newest promising transportation technologies can influence the future of suburbs. In doing so, we hope to integrate into the suburban form near-zero carbon mobility, such as autonomous electric vehicles (AEVs) and mobility platforms, while increasing the ecological health and diversity of the larger metropolitan regions where they are situated.[21] While a preview of this work is presented at the end of the chapter, several underlying environmental arguments discussing suburban expansion must be considered to fully appreciate the outcomes of our research.

Existing Car-Based Suburban Forms. Traditionally, new development patterns along the outer edges of metropolitan areas produce car-based, low-density suburbs with repetitive, single-family houses that rest on uniform, private lots, set back from overscale roadways. Everything about the typical suburb—including homogeneous land-use regulations, wide streets and excessive parking lots, redundant driveways and garages, and the residential floor-plan entry sequence (that is, the sequence of how one enters a house, for example, from the driveway to the front door or from the garage to an interior door)—is based on the speeds, geometries, and material requirements of the car. Cars require wasteful investment in redundant infrastructure. These design features have not changed meaningfully since the postwar housing boom that initially gave birth to the modern suburban era.

Energy Use and GHG. Other concerns about traditional car-based suburbs relate to higher energy use and GHG. Studies are mixed regarding energy use and density. Major studies found that individuals living in the suburbs generate similar amounts of GHG as those living in the inner city, challenging a widely held assumption that living in the urban center is more sustainable.[22] These comparative calculations do not account for commercial buildings, industry, urban infrastructure, 24-hour communal-space energy use in apartment buildings, and other travel modes.[23]

While the direct energy use for transportation and heating and cooling may be more efficient in dense areas, the indirect energy and material demands of an urban area are rarely accounted for in energy-use comparisons.[24] The few studies that do account for a more complete life-cycle assessment of the goods and services flowing to an urban area do not find a significant difference between dense and less-dense areas, as discussed below.[25]

Planners and environmentalists continue to confuse how compactness and density affect energy use and GHG. Research shows that

> urban form policies can have important impacts on local environmental quality, economy, crowding, and social equity, but their influence on energy consumption and land use is very modest; compact development should not automatically be associated with the preferred spatial growth strategy.[26]

The silver-bullet argument that density fixes all simply does not apply to all types of density, nor is all suburban development bound to increase GHG.

Another recent study by Francisco Pomponi et al. suggests that the standard measure used by planners to determine density—floor area ratio (FAR)—is obfuscating the GHG-and-density arguments that planners use.[27] This is because FAR does not factor in the height of buildings nor the space between them, which can be filled with carbon sequestering landscape such as parks, gardens, and tree plantings.[28] Another issue is that most GHG-and-density studies don't include calculations on a building's life-cycle GHG emissions (LCGE), as Pomponi et al. state:

> The design of urban environments has not rigorously considered life cycle GHG emissions (LCGE hereon), focusing instead on reducing the operational energy demand and the carbon emissions associated with the energy used to operate buildings. . . . LCGE includes these operational emissions as well as the embodied emissions of the entire system. Embodied energy and CO2e emissions are the hidden, "behind-the-scenes" energy and emissions that are used or generated during the extraction and production of raw materials, the manufacture of the building components, the construction and deconstruction of the building, and the transportation between each phase.[29]

What these authors discovered was that increasing building height significantly increases LCGE emissions. Using real neighborhood case studies, they reveal the true trade-offs between constructing higher buildings versus using more land to accommodate people: "Taller urban environments significantly increase life cycle GHG emissions (+154%) and low-density urban environments significantly increase land use (+142%)."[30] The latter is largely an unfounded concern in the US because agricultural production is not threatened by building cities outward, nor is the US generally in danger of running out of land.[31]

In summation, these studies reveal that there is no silver bullet for reducing GHG. Neither urban development nor suburban infill will greatly affect this problem. Any new development, dense or not, will lead to additional carbon emissions. If we are to follow the science on GHG reduction in suburban typologies, then we should be finding ways to add more density without significantly increasing the height of buildings and optimizing the land where shorter buildings can infill. This would not significantly increase LCGE and may require less land that needs to be developed for the same additional population, which gives tremendous credence to retrofitting older suburban neighborhoods without adding height to buildings. This is explored in the case study below.

New Energy and Mobility Technologies and Zoning. The most crucial environmental question about the consequences of land-use patterns in traditional car-based suburbs is not how to halt suburban growth but rather how to reduce GHG related to car use. Even with the modest reduction in commuting from the work-at-home transition, transportation is the largest source of planet-warming GHG in the US. And according to the United States Environmental Protection Agency, nearly 60 percent of those emissions come from the country's millions of passenger cars, sport utility vehicles, and pickup trucks.[32]

In today's polynodal metropolis—where jobs are spread across a wide area—and with the post-COVID-19 work-from-anywhere model here to stay, we must turn to new energy and mobility technologies to change the way we zone, plan, and build suburban areas. The eventual shift from fossil fuel to renewable fuel and the automation and optimization of mobility systems present a generational opportunity to prepare for near-zero carbon suburbia. These changes will take time—perhaps two to three decades—to shift toward electric autonomous driving (AD) and AEVs and renewable energy platforms, as there are 285 million cars in the US but only 14 million of them are retired each year.[33]

There is already evidence that suburban growth and innovative car-based mobility systems can reduce emissions. California, for example, was able to grow its population while reducing air pollution due to technological advances that reduced emissions in vehicles.[34] The near-term promise of a zero-emissions AEV fleet has enormous potential.

Heterogeneity and Biodiversity and Other Carbon Sequestration. A growing number of researchers extol the virtues of low density and the ecological benefits of suburban landscapes. Among these environmental benefits are metabolic capacities latent in suburban open space—capacities that can contribute to the larger metropolitan area having a lower overall environmental impact (such as more trees planted for carbon sequestration, animal habitat creation, stormwater storage, and overall diversity of landscapes to increase biodiversity of the larger built-up urban area).

In ecological terms, dense urban development is extremely detrimental to ecological processes and is a major cause of biotic homogenization; highly built-up habitats are so similar that they only support a few species.[35] Suburbia's heterogeneity is the result of various land-use types, including developed areas but also open areas, such as parks, preserves, brownfields, hydrologic features, and agricultural land, that are of different sizes, ages, and quality, offering "contrasting environmental conditions."[36] Urban ecologists are now discovering that biodiversity (defined as species richness) actually peaks in suburban environments and that suburban environments are "more heterogeneous and dynamic over space and time than natural ecosystems . . . [as] loci of novelty and innovation."[37]

New research shows that certain types of residential landscaping in suburbs could store more carbon—for example, areas with mature trees, areas with dense foliage and shrubs, areas of undisturbed soil, and areas with litter left in place.[38] Another study found that developed open spaces between buildings that are primarily turfgrass, including parks and home lawns, store almost 53.7 megatons of carbon a year—the equivalent of taking about 17 million US passenger cars off the road annually.[39]

Other research suggests that new planting and maintenance regimes (i.e., the way that neighborhoods are planted with vegetative materials such as trees, shrubs, and grasses and how these materials are maintained over time to absorb more carbon by allowing them to develop deeper root systems) should be targeted at the level of the whole neighborhood, not individual lots—especially in the lower-density areas on the exurban edge, where water-quality regulations allow for larger lots.[40]

The Future Autonomous Neighborhood

The case study below is from a research group called the Next Generation American Suburbs project, which focuses on designing for future metropolitan sustainability and is organized at the Massachusetts Institute of Technology's P-REX lab. The project studies how to optimize landscape performance in the design of future suburbs in tandem with emergent AEV technology.

Collaborating with our stakeholders, the Toyota Mobility Foundation, and the city planning office in McKinney, Texas, we launched a two-year project to study McKinney's transportation future and how people will travel for their daily needs within the city as it grows over time. We were given access to the city planners' 2040 vision plan to imagine how the future could look if autonomous technologies were optimized and implemented in development.

Hundreds of companies have begun work on various dimensions of AD. Collectively, their investments have already topped $200 billion in public disclosures.[41] These technological investments, ranging from manufacturing new sensors to artificial intelligence research, are merely the *first-order* wave of the benefits of AD (e.g., safety efficiencies, services provided by autonomous vehicles, and reduced costs).

Of greater consequence may be the *second- and third-order* effects of AD technologies. Given that 70 percent of the American population lives in suburban areas, AD will most likely have the greatest impact in these zones, outside the reaches of established mass-transit systems, where personal vehicular transport is the most ubiquitous. This also has potential benefits for cities in developing countries, where transportation accessibility is limited and would be greatly aided by autonomous vehicle technology, for example, for taxis or shuttles.

The question before us is how the relationships among society, urbanization, and the environment will change in response to the newfound freedom of movement enabled through AD mobility, specifically in US suburbs. In current suburban areas, access to transit for the elderly, people with disabilities, and those with a lower socioeconomic status is extremely limited. Analysts expect that by 2035, in the US alone, more than 31 million households will have a member who has some form of disability.[42] The distributed, hyper-flexible future offered by fully automated mobility systems could provide the most equitable remedy to this systemic mobility-access deficit.

McKinney's Legacy Middle Neighborhoods. Between 1930 and 1960, the population of McKinney, Texas, which served as the principal agribusiness center for Collin County, doubled from 7,000 to 14,000 residents.[43] During this same period, the city expanded its geographic footprint westward into adjacent agricultural fields, toward the Highway 75 corridor. This first wave of suburban development was characterized by modest single-family homes (on average, 1,100 square feet) built on small parcels (on average, 0.2 acres), laid out on a tight urban grid composed of small rectangular blocks (about 2.4 acres each), with each block bisected by a service alleyway (Figure 1).

By 1970, McKinney was surpassed in size by several neighboring cities, and by the mid-1980s, it had become a commuter center for residents who worked in either Plano or Dallas. Since then, the population of this bedroom community has surged, growing 600 percent between 1990 and 2010. In contrast to the first wave of suburban development, this more recent growth has left a markedly different footprint, with the average home, block, and subdivision size all considerably larger and more car dependent.[44]

According to 2019 American Community Survey data from the US Census Bureau, more than 82.2 percent of McKinney residents drive alone to work.[45] Meanwhile, the entire city has earned a walk score of only 27 of 100, indicating that most errands require a vehicle.[46] This provides disproportionate challenges for working-class families, who typically spend a substantially higher percentage of their income on transportation costs.[47] Based on data from the Trust for Public Land, only 4 percent of McKinney's land is used for parks and recreation, which is far lower than even the paltry national median of 15 percent.[48]

Existing Conditions. Over the past four decades, many legacy middle neighborhoods have become increasingly neglected as they have become hemmed in by high-capacity arterial roadways and commercial strips. Today, many parcels (nearly 10 percent) in this district are vacant or blighted (Figure 1), and residents here rank among the most underserved in Texas in terms of mobility access.[49] Yet this neighborhood's proximity to the historic town center and other walkable amenities makes it a prime target for rebuilding and gentrification.

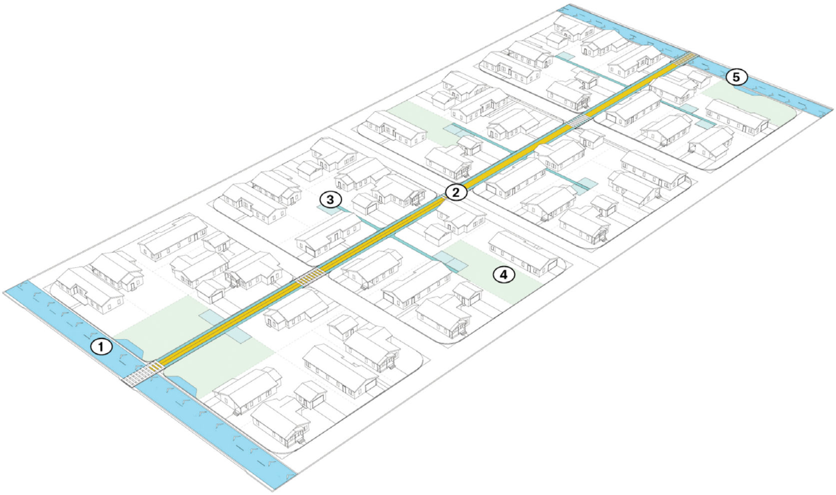
Despite accelerating regional pressures to densify these middle neighborhoods, upzoning processes often incentivize predatory development and fail to provide adequate equity for existing community residents. Furthermore, these wholesale land-use modifications strain neighborhood infrastructures. The smaller block size and alleyway features that are more typical in these legacy neighborhoods—along with anticipated shifts in mobility paradigms vis-à-vis new shared, autonomous, and micromobility services (i.e., short-distance transportation, usually within one mile and provided by lightweight, usually single-person vehicles such as bicycles, scooters, and Segways, sometimes with built-in electric-motor assistance)—offer a unique opportunity to rethink land-use code that can yield design changes to prioritize the equity of existing residents and reduce the overall impact on local infrastructure systems.

Figure 1. Legacy Residential Middle Neighborhood, McKinney, Texas

1. Vacant lots are common across blocks
2. Interior alleyway conditions vary from overgrown and inaccessible, to paved and highly used
3. Detached garages and driveways increase the overall footprint of each household

Source: Drone aerial and rendering by P-REX lab.

Figure 2. AD1 Transition of Alleyways



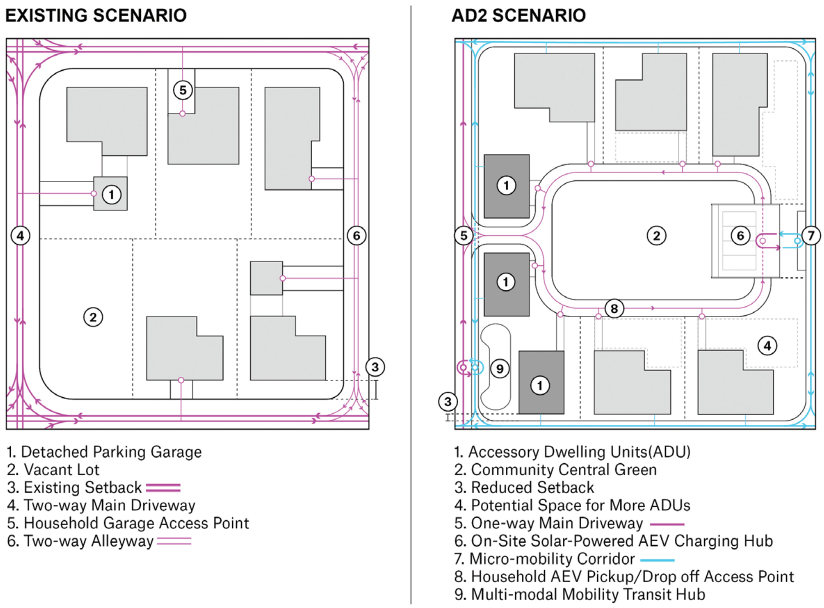
1. Dedicated pickups for local rideshare programs
2. Multi-modal mobility system takes advantage of interior alleyways
3. Shared charging stations increase access to emergent technologies by sharing capital expenses
4. Vacant lots are transformed into verdant public spaces
5. Roads alternate direction to allow for shared vehicle and EV-specific lanes

Source: Design and rendering by P-REX lab.

AD1 Retrofit (Circa 2025–35). In this scenario, designed by P-REX lab for the city of McKinney (Figure 2), as much as 0.5 acres of vacant lots per block are transitioned into high-value public open spaces that can support enhanced recreational opportunities for residents. Rideshare stations are distributed at intervals along existing arterials to provide designated pickup and drop-off points for community residents. These stations can facilitate seamless mode transfers between shared vehicle services and more agile last-mile options. Additionally, designated areas in each block have electric vehicle charging sheds for neighborhood residents.

In the near term, 2025–35 (referred to as AD1), the interior alleyways between blocks can be converted into a connective, car-free corridor supporting a range of short-trip scenarios for an evolving cross section of end users, including the elderly and those with disabilities.[50] We also anticipate how the AD1 design evolves over the long term, to 2035 and later (referred to as AD2).

Figure 3. AD2 New Block Typology Allows for Additional Housing and Shared Amenities

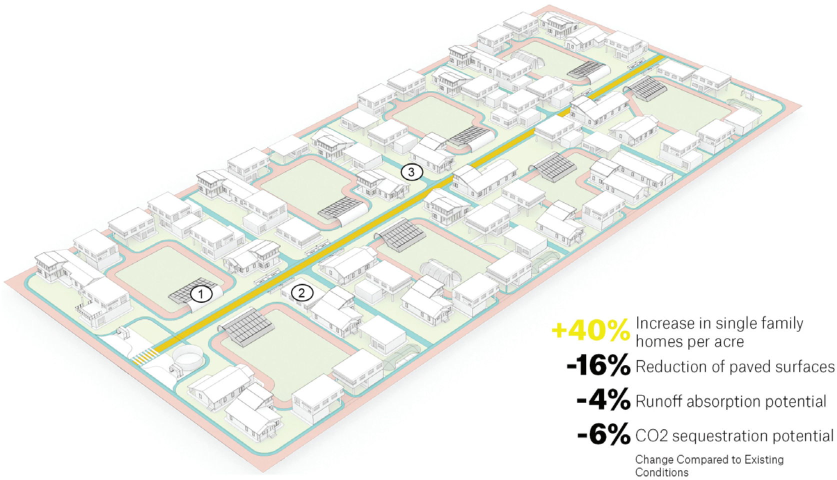


Source: Design and rendering by P-REX lab.

AD2 (Circa 2035 or Later) Redesign. Over time, AEVs could promote greater changes than are already anticipated, requiring planners and urban designers to rethink how residential blocks function without allowing personal vehicle access to every home. Figures 3 and 4 show how larger residential blocks could be subdivided or rezoned so that a portion of the aging housing stock can be infilled with smaller, single-family housing such as accessory dwelling units or multifamily options with smaller-than-average footprints.

These parcel-scale developments can be done by existing residents on their own properties in response to both market demand and personal needs. Not only does this approach reduce the threat of gentrification and displacement, but it also establishes an equity-building framework, supports aging in place, and can significantly reduce overall household transportation costs.[51] Former service alley right-of-ways can be upgraded

Figure 4. Possible AD2 Final Condition



1. AEV storage and charging stations
2. Smaller-footprint infill housing
3. Multi-modal transportation lanes are expanded to accommodate last-mile electric vehicle travel

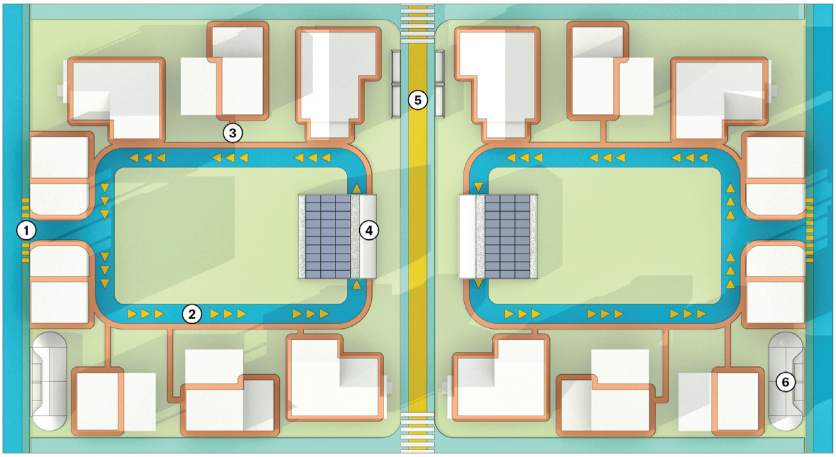
Source: Design and rendering by P-REX lab.

to accommodate autonomous service bots for package delivery, further reducing the strain on traditional roadway infrastructure.

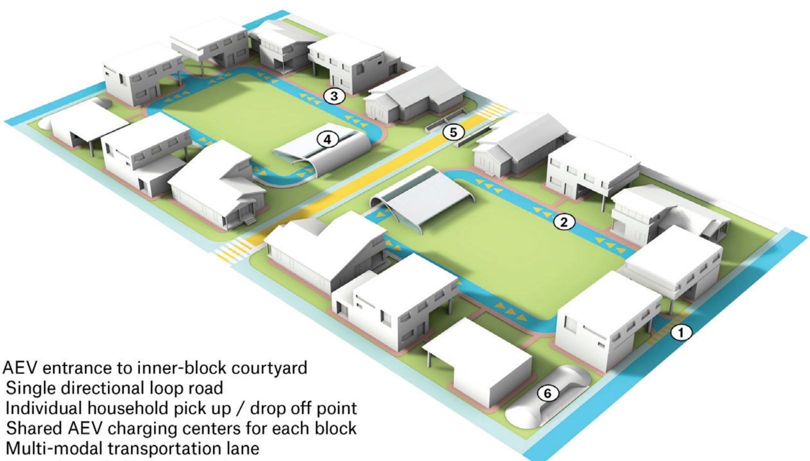
The de-paving of obsolete driveways, excessive street parking, and other unnecessary or redundant hardscape features will increase overall recreational landscaping. Our model predicts the new block design can reduce pavement by 16 percent, reduce stormwater runoff by 4 percent, sequester 6 percent more CO_2, and add 40 percent more park space—even while increasing residential density by as much as 40 percent.[52]

Given that AEV charging scenarios require significantly less space per vehicle (compared to existing parking requirements), each block will be able to support an average of one six-car AEV charging and dispatch station for its own residents by converting detached garage footprints (Figure 5). This will help ensure access to both private and shared transportation options without sacrificing open-space amenities. This scenario takes advantage of the reduced need for individual household vehicle storage by converting the middle of the block

Figure 5. AD2—Turning the Block Inside Out, Shared AEV Parking



1. AEV entrance to inner-block courtyard
2. Single directional loop road
3. Individual household pick up / drop off point
4. Shared AEV charging centers for each block
5. Multi-modal transportation lane
6. Pass Through Charging Pads



1. AEV entrance to inner-block courtyard
2. Single directional loop road
3. Individual household pick up / drop off point
4. Shared AEV charging centers for each block
5. Multi-modal transportation lane
6. Pass Through Charging Pads

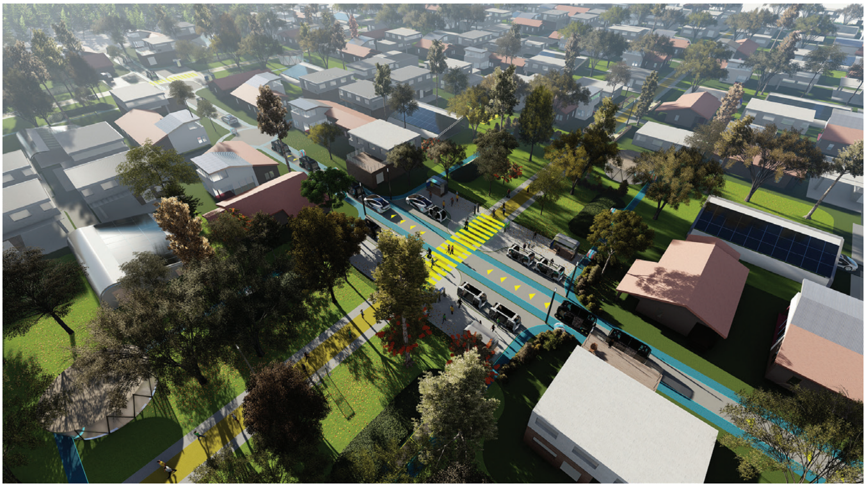
Source: Design and rendering by P-REX lab.

to a shared recreational space ringed by a low-volume, semipermeable one-way road for ensuring direct vehicular access to those with disabilities (Figure 6).

Figure 6. AD2 Interior Block Access for All

Source: Design and rendering by P-REX lab.

Figure 7. AD2 Mobility-Hub Smart Stops at Major Intersections



Source: Design and rendering by P-REX lab.

AD2 Redesign—Arterial Edge and Intersection. Figure 7 details how smart stops can be installed at the end of each block cluster, where multimodal transportation lanes intersect with AEV lanes. These intersections provide a natural place for supporting other mobility opportunities,

Figure 8. New AD2 Block Fully Retrofitted

Source: Design and rendering by P-REX lab.

including AEV bus stops for school-age children, pass-through charging pads for smaller vehicles, higher-volume charging stations for autonomous service bots, and household parcel delivery lockers for ground-shipped items. Along these arterial roadways, neighborhood-scale mobility options connect to other modes that span the larger regional transportation networks (Figure 7).

This planning and design framework establishes a viable alternative to tabula rasa middle neighborhood upzoning strategies that neglect considerations of existing infrastructural overburden, destruction of neighborhood social fabric, and further gentrification. The strategy prioritizes equitable development by supporting existing residents through increased mobility access and neighborhood green space while thoughtfully adding reasonable new density to housing scenarios (Figure 8).

New Possibilities for Suburbia and the Metropolitan Future

Throughout the 20th century, the rise of US suburbs coincided with increased adoption of single-purpose zoning practices, which resulted

Figure 9. Single-Purpose Zoning Creates Unfriendly Pedestrian Environments and Prevents Land-Use Mixing, McKinney, Texas

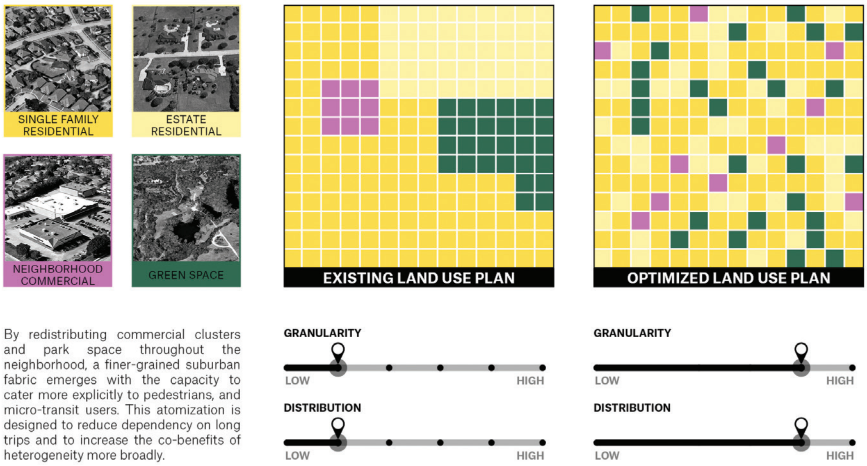
Source: Drone aerial by P-REX lab.

in highly standardized development and car-dependent neighborhoods. These forms are often comprised of large, homogeneous residential areas with minimal distribution of public open space, bounded by higher-volume arterial roads and commercial and retail strips (Figure 9).

New residential planning principles need to be aimed at increasing social equity, environmental performance, health benefits, and overall access to new mobility paradigms.[53] Three big factors are driving these changes: the oncoming proliferation of AEVs, the rapid transition of post-COVID-19 work from home, and the massive population of new millennial home buyers.[54] As these forces grow, they will challenge the fundamental assumptions that have guided land-use planning, zoning ordinances, and roadbuilding projects over the past century.

A transition from traditional car-based urbanism to autonomous, on-demand mobility will further support a shift toward more detailed land-use planning in suburbia. In this scenario, the existing land-use plan is redistributed such that each individual land-use type is given the same amount of total area. But in the optimized scenario, 95 percent of households are located within a five-minute walk of a park, and 85 percent are within a five-minute walk of a neighborhood commercial amenity (Figures 10

Figure 10. Atomizing Land Use for Optimized Performance



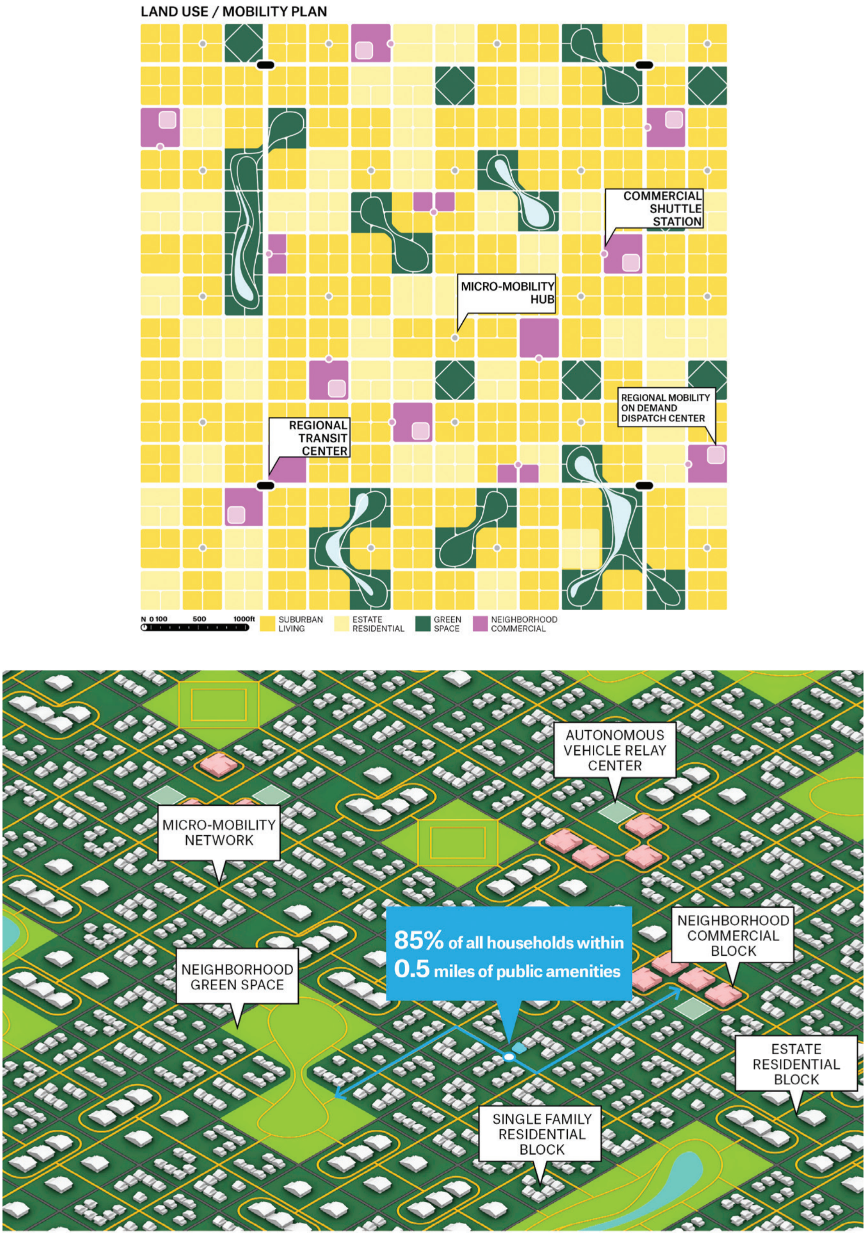
Source: Design and rendering by P-REX lab.

and 11). In the optimized future AEV suburb, homes on the same block can be designed with 47 percent more tree canopy, 40 percent more permeable surfaces, and 40 percent less paving, for vastly better environmental outcomes (Figure 12).

While car sharing remains limited in the US, with no growth since 2014, ride-hailing services have grown substantially since they were first introduced in 2011.[55] When redesigned for projected shared autonomous vehicle fleets and ride hailing, street widths can be dramatically reduced. Dedicated street parking can be replaced by pickup and drop-off zones. Garages and driveways can be eliminated or reincorporated into the floor plan as home offices and gardens.

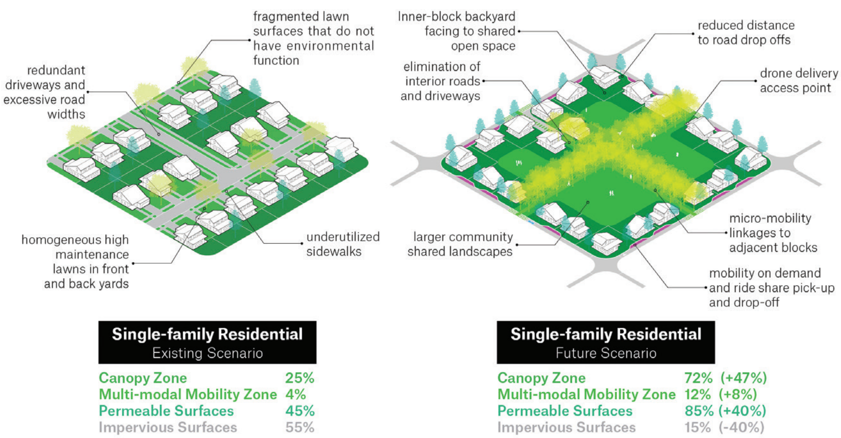
Through a modest reduction in private yard space, a large communal area (separated from vehicular traffic) can be gained. Not only can these larger open spaces provide environmental benefits, but expanded access to outdoor space may also offer important public health benefits (as has been demonstrated throughout the COVID-19 crisis). Such benefits may be even more significant in the case of multifamily household zoning, where large parking areas typically built on the block's interior can be replaced by on-site stormwater capture systems and expanded recreational amenities.

Figure 11. Optimized AD2 Neighborhood Land Use and Layout Views



Source: Design and rendering by P-REX lab.

Figure 12. Prototypical Traditional Car-Based Suburban Block for Single-Family Detached Zoning vs. the Future AEV Suburb



Source: Design and rendering by P-REX lab.

Figure 13. Micromobility Corridor Connecting Blocks Through the Larger Neighborhood

Source: Design and rendering by P-REX lab.

When this redesigned block concept is repeated to form a multi-block corridor, the optimized structure allows for a potential 50 percent increase in permeable surface area. If planted with trees, this can substantially decrease summer temperatures and increase carbon sequestration capacity by more than 300 percent (Figures 12 and 13).[56]

Conclusion

The evolution of suburban mobility systems will significantly influence how environmental benefits can be accrued in existing and future suburban forms and equitably distributed throughout metropolitan regions. New autonomous mobility technology can be deployed to create new types of mixed-use neighborhoods that are walkable and filled with public landscape amenities. Designing suburbs in tandem with autonomous and near-zero carbon mobility options allows planners to hasten the end of sole-use zoning practices while making more equitable development patterns in the future. Modeling for and anticipating the adoption of AEV technology allows planners and designers to prioritize people over vehicles from the outset.

If politicians and planners seriously want to reduce GHG emissions in suburban areas, they shouldn't be blinded by the fallacy of "density fixes all." Rather, they should consider enacting new land-use regulations to accommodate physical planning and design innovations built around less energy-intensive autonomous mobility technologies. Attaching ecological performance requirements to the retrofitting of middle suburban neighborhoods and new greenfield suburban development could improve the overall environmental impact by removing wasteful paving and integrating ecological corridors, continuous canopy habitats, and hydrological catchments, which can all buffer the impact of land consumption.

As the case study reveals, a future near-zero carbon suburbia is achievable. Emerging autonomous mobility technologies provide a way to accommodate residents' desires for low to moderate density without causing undue harm to the environment, restoring the promise first advanced by the garden-city visionaries more than a century ago.

Acknowledgments

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Conclusion: Urban Futures

JOEL KOTKIN

> Human prosperity never abides long in the same place.
>
> —Herodotus[1]

Over five millennia, through pestilence, war, economic dislocation, and mass migrations, cities have demonstrated their essential resiliency. Yet at the same time, they have many times been transformed—becoming bigger, denser, and then less dense; shifting from having a walking- to a transit-based culture; and then moving on to be auto-dependent and, now, having a new pattern based increasingly on digital commuting.

At each stage of urban transformation, cities have changed their function, look, and appeal. Today we see this in the rapid shifts of population, first from the countryside to the city, then from the city to the suburb, and now, in the wake of the great transformation toward remote work, from the suburb toward a more dispersed archipelago of urban communities.

But even if the urban future, or futures, change, the challenges to their prosperity and sustainability will remain much the same. Cities remain shaped by three challenges: social stability, economic functionality, and political means to achieve these ends—or undermine them. As in Herodotus's day, some cities, or parts of metropolitan areas, might face a bright future, while for others, the prospects might be bleaker.

Cities' Social Crisis

By their very nature, cities are profoundly social institutions. For millennia, living conditions were often unsanitary, and death rates were higher than in the countryside. Yet whether in the case of Italian peasants coming to Rome or rural refugees headed to the 1840s Manchester portrayed in Friedreich Engels's *The Condition of the Working Class in England*, people came primarily not for lifestyle reasons but to escape even more crushing poverty in the countryside.[2]

Overall, cities have remained magnetic through most of history, first for their temples and marketplaces, then for their factories, and finally as high-rise business service centers. This transformation has extended to the developing world, where the vast majority of the world's largest megacities are located.[3] Yet even in some countries—such as India and China—the flow of people to cities appears to have slowed, as urban life loses some of its appeal to both migrants and government officials.[4]

Starting in the 1920s, and certainly after 1950, US population trends began shifting toward the periphery. In 1950, the core cities accounted for nearly 24 percent of the US population; today the share is under 15 percent. In contrast, the suburbs and exurbs grew from housing 13 percent of the metropolitan population in 1940 to 86 percent in 2017—a gradual increase of 2 percent a year. Despite all the talk of moving "back to the city" that has been common for at least a generation, suburbs have accounted for about 90 percent of all US metropolitan growth since 2010. Between 2010 and 2020, suburbs and exurbs of the major metropolitan areas gained two million net domestic migrants, while the urban core counties lost 2.7 million.[5]

Yet even as they have lost their overall share of population, many cities appear to have recovered some allure in the past two decades, particularly among the affluent and well educated. Former New York City Mayor Michael Bloomberg described his city as "a luxury product," built around wealthy elites.[6] Many of the world's most affluent own properties in great cities such as London, New York, and Paris, even if they live there only intermittently.[7] Yet overall, as scholars Edward Glaeser and Jesse Shapiro note, there has not been a significant reversal of the previous demographic trend toward the Sunbelt cities and their periphery.[8]

Crucially, the concept of the luxury city boosted property prices but failed to create a new stable urban middle class. The Jane Jacobs conception of a city that does not "lure the middle class" but "creates one" has slowly faded from existence, as industrial and middle management positions have eroded.[9] In 1970, half of Chicago was middle class; today, according to a 2019 University of Illinois study, that number is down to

16 percent. Meanwhile, the percentage of poor people in the Windy City has risen from 42 in 1970 and, after a slight decline in the early 2000s, now stands at 62 percent.[10] Despite the movement of well-educated, young, childless people, the most attractive blue cities—led by Boston, Los Angeles, New York, San Francisco, and San Jose—now suffer, according to Pew Research, the largest gaps between the bottom and top quintiles of all US cities.[11]

Yet even as the elites have moved in, poverty has remained stubbornly high. Philadelphia's central core, for example, rebounded between 2000 and 2014, but for every one district that gained in income, two suffered income declines.[12] Since 2000, the number of people living in extremely poor neighborhoods nationwide has doubled, notes one study from a prominent urbanist; neighborhoods of concentrated poverty are still disproportionately located in the densest urban places, even if they are not always in the historic core.[13] Most large cities have also become more racially segregated by geography, with New York topping that list.[14]

The process of an increasing wealth disparity is particularly marked in San Francisco, the urban center that gained most from the technological revolution while gradually becoming the country's costliest city. San Francisco anchors a region with the smallest middle class among the 52 metropolitan statistical areas, with just over one million people in that category.[15] Inequality grew most rapidly there over the past decade, reports the Brookings Institution, as techies moved into tough urban areas, such as the Tenderloin.[16] San Francisco boasts enormous aggregate wealth but is plagued by mass homelessness and petty crime, and the middle-class family there is heading toward extinction. The city lost 31,000 home-owning families over the past decade—a trend that has continued to accelerate during the pandemic.[17]

The bifurcated luxury city no longer can house much of the middle or working class. Overall, according to a recent Massachusetts Institute of Technology study, roughly 80 percent of the nation's metropolitan population lives in auto-dependent suburbs and exurbs, while barely 8 percent live in the urban core and another 13 percent in traditional transit-oriented suburbs.[18]

This is a global phenomenon. Since 1921, the central city of Paris lost over 700,000 residents, while its suburbs gained nearly eight million, according to data from the French National Institute of Statistics and Economic Studies and the United Nations. After peaking in 1901 at 4.5 million residents, Inner London lost 1.3 million people over the next 90 years, while Outer London added 8.8 million.[19] From 1990 to 2020, the central city of Seoul lost one million residents,[20] while the suburbs added eight million. The core city of Buenos Aires lost a bit fewer than 100,000 residents between 1950 and 2011, while the suburbs have added about 10.5 million.[21]

The core cities have lost their population share in part because they are also increasingly childless, whether in East Asia, Europe, or North America. The number of babies born in Manhattan this decade dropped nearly 15 percent; already home to a majority of single households, the nation's premier urban center could see its infant population cut in half in 30 years.[22] Demographer Wendell Cox estimates that the percentage of households with children between the age of 5 and 17 was close to three times higher in suburbs or exurbs than in or near the urban core. Urban school districts are imploding as the number of young people growing up in core cities has declined.[23] San Francisco, for example, is home to more dogs than children under age 18, and Seattle boasts more households with cats than two-legged offspring.[24]

Millennials seem likely to bolster this geographic shift, as two-thirds prefer suburban locations.[25] Los Angeles County, by far America's largest urban county, has lost three-quarters of a million residents under age 25 over the past two decades.[26] Other urban counties also lost youth population. To be sure, young and talented people will continue to flock to big cities, but once they hit the family formation period in their 30s, they still largely depart for the suburbs.[27]

This is not a repeat of white flight, as some 96 percent of all suburban growth was among racial minorities.[28] In the 50 largest US metro areas, 44 percent of residents live in racially and ethnically diverse suburbs in which non-whites make up between 20 percent and 60 percent of the population.[29] Scholars such as Chicago's Pete Saunders have pointed out that much of the movement of African Americans has been from the city's long-entrenched black middle class, with many entrepreneurs and professionals moving out of the core. Left behind are the poorest parts of the black and Latino communities. Black political and economic power in the city has declined markedly, as had previously occurred in many other once-magnetic northern and western cities.[30]

These changes have left cities more vulnerable to disorder and rising crime, including a jump in homicides.[31] Crime has always been a part of the urban story, but even the worst gangsters of the 1930s generally left "civilians" alone. Today's crime, by contrast, reflects what one Chicago resident described as "sociopathic idiocy."[32] Other great urban centers—Los Angeles, New York, Portland, San Francisco, and Seattle—have become centers for homelessness, open drug markets, and incubators for all sorts of diseases, some of them distinctly medieval and arguably far more dangerous than coronavirus.[33] Unless cities can restore some sense of social cohesion, we can expect more of our urban centers to present the worst aspects of medievalism—with vast poor populations, endemic disease, and massive social and geographic separation between the classes.

The Shifting Urban Economy

Whether in Mesopotamia or Mesoamerica, cities have lured people to trade goods but also to settle, as they were places with great economic opportunity. In the Industrial Revolution era, millions of people left the farms and headed to the cities for work, leading people to places such as Beijing, Berlin, Liverpool, London, Paris, Seoul, Singapore, and Tokyo. Conditions in these cities were, and often still are, difficult, but they are far better than life in the economically stagnant countryside.

Yet in the West, and increasingly in parts of Asia, the industrial economy has shifted to ever less expensive regions. New York, which had one million manufacturing jobs in 1950, now has fewer than 100,000. Los Angeles has seen industrial employment drop from a million in 1990 to barely 300,000 now.[34] Today, even amid a modest re-shoring of manufacturing, virtually all the industrial growth is taking place in smaller cities—and rarely along the great coastal megapolitan regions.[35] The biggest gainers of industrial jobs over the past five years have been such boomtowns as Austin, Texas; Jacksonville and Orlando, Florida; Tucson, Arizona; and Virginia Beach, Virginia, while the biggest losses took place in Los Angeles and New York.[36]

In the 1960s, cities with strong central business districts—Chicago, New York, San Francisco, and Tokyo—jettisoned the factory-centered economy to evolve into what Jean Gottman defined as "the transactional city," dominated by business services.[37] From high-rise towers, these urban centers were widely seen as occupying "the commanding heights" of the world economy, with all other places relegated to subordinate roles.[38] Even in smaller cities, such as Milwaukee, Wisconsin, districts near the historic core experienced rapid income growth while declining in the largely black, once heavily industrial areas.[39]

Yet even as the transactional city arose, most economic growth, particularly the tech industry, clustered mostly in the suburbs, whether in Boston, coastal California, Raleigh, or the suburbs of Seattle.[40] The tech industry, notes Stanford University's Margaret Pugh O'Mara, created a new reality, changing "bedroom" suburbs into an economic role closer to the "classic definitions" of cities "in terms of their economic diversity and self-sufficiency." These communities may be defined by strip malls, housing tracts, and automobile access, but they were no longer "amorphous extensions of the core." Rather, they were "cities of knowledge."[41]

Even before the COVID-19 pandemic, the shift of wealthy and educated people to the periphery was significant, notes a recent Harvard study.[42] From 2010 to 2017, over 80 percent of all job growth was in the suburbs and exurbs. The 50 highest-growth counties had an employment increase of more than 2.5 times that of other counties in 2019.[43] Even key sectors, such as finance and business services, have shifted increasingly to highly suburbanized places, such as Phoenix, Raleigh, and Salt Lake City, where costs and taxes are lower.[44]

The pandemic exposed urban centers' reliance on high-end business service work. Even San Francisco, with one of the nation's strongest central business districts, has suffered rising office vacancies—three times pre-pandemic levels, which is enough to fill the Salesforce Tower, the city's tallest building, 17 times. Things should improve, but most companies there, according to a Bay Area Council survey, expect employees to come to the office three days a week or less, with barely one in five companies seeing a return to "normal."[45]

Studies from the National Bureau of Economic Research and the University of Chicago suggest that remote work could become the norm for one-third of the workforce—and as high as 50 percent of it in Silicon Valley.[46] Leading tech firms, including Facebook, Salesforce, and Twitter, now expect a large proportion of their workforce to continue to work remotely after the pandemic. Some three-quarters of venture capitalists and tech firm founders, notes one recent survey, expect their ventures to operate totally or mostly online.[47]

Of course, the weakening of the pandemic will occasion a substantial return to the office.[48] But Stanford economist Nicholas Bloom suggests that remote workers will constitute at least 20 percent of the workforce—more than three times the pre-pandemic share.[49] In a recent survey of over 5,000 employed adults, four in 10 American workers expected some level of post-pandemic remote-work flexibility. McKinsey & Company reports that more than one-half of surveyed employees would like their employers to adopt more flexible hybrid-working models. More than one-quarter of employees indicated that "they would consider switching employers if their organization returned to fully on-site work."[50]

The work-at-home shift addresses issues especially important to millennials, according to a Conference Board survey, such as enhanced "life-work balance." The majority of workers with children favor continuing work mostly or entirely at home. For those who choose to work in an office, a market for remote suburban offices offers a potential alternative.[51]

A Partnership for New York survey of its members revealed the expectation that roughly three in four employers will allow either a hybrid model that requires two to three days at the office or no office days at all.[52] Even before the pandemic, working at home had raced ahead of transit as a commute option in the United States. In 2018, working at home led transit in 44 of the 53 metropolitan areas with more than one million in population.[53] The dream of America becoming a nation of straphangers seems painfully remote now.

This is not only an American phenomenon. Natarajan Chandrasekaran, the CEO of India's Tata conglomerate, predicts that most of the 450,000 Tata Consulting Services employees will continue to work from home after the pandemic. "The digital disruption is so significant that most of us cannot imagine the degree," Chandrasekaran said. "The pandemic has accelerated digital trends that will stick after it has gone."[54]

Urban Politics

Ultimately, cities will need to address these issues head-on. But some city officials appear to tolerate or even embrace disorder; many, and even some in the planning community, favored defunding the police.[55] This call has accompanied rising crime in places such as Chicago, Minneapolis, New York, and Los Angeles.[56] However advantageous to activists, unrest typically assaults black-owned and immigrant-owned businesses and impoverished small property owners. After initial pledges by big businesses and nonprofits to aid the inner city, the longer-term trend has been to reduce investment in poor inner-city areas.[57]

South Central Los Angeles, the site of two of America's worst riots, has suffered a growing gap with its surrounding area in terms of homeownership, income, and educational attainment.[58] There have also been signs of rising disorder in major European cities. Arguably the biggest force undermining urbanity is the combined effects of inequality, racial tension, and rising crime in cities across the United States and around the world, including London, which now has a crime rate five times the rest of the United Kingdom.[59]

In tech-rich San Francisco, decades of tolerance for even extreme deviant behavior have helped create a city with more drug addicts than high school students and so much feces on the street that one website has created a "poop map." In Southern California's far more proletarian city of Los Angeles, a UN official last year compared conditions on LA's Skid Row to those of Syrian refugee camps.[60]

In the past, great mayors, such as Fiorello La Guardia in New York, steered their cities through multiple crises, including the Great Depression, crime waves, and wartime disruptions. In the 1990s, cities elected successful, pragmatic mayors from both parties—Bob Lanier and Bill White in Houston, Rudy Giuliani and Michael Bloomberg in New York, and Richard Riordan in Los Angeles—who focused on reducing crime, encouraging enterprise, and improving basic city services. Although larger cities have long trended Democratic, not that long ago, there were far more Republicans and independents among their leadership than there are now.[61]

This reflects the reality that core cities have become ever less politically diverse. In 1984, for example, Ronald Reagan won 31 percent of the vote in

San Francisco and 27.4 percent in Manhattan. In 2016, Donald Trump won only 10 percent of the vote in these urban bastions.[62] With the decline of the urban middle class and the loss of conservative and centrist voters, political conditions have increasingly favored the far left. Rep. Alexandria Ocasio Cortez's (D-NY) initial primary victory rested on 16,000 votes of almost 215,000 Democratic registrations. She won not by sweeping the proletarian or minority masses but by marshaling the votes of white, young, educated "hipsters."[63]

These voters are driving the rise of far-left socialists in other cities, but there are signs that some liberal Democrats are moving toward a more traditionalist position.[64] African American mayors, such as Houston's Sylvester Turner or New York's Eric Adams, have rejected anti-police movements.[65] The voters of Austin—Texas's blue capital—in 2021 rescinded tolerant urban camping provisions backed by their progressive leaders by a large vote.[66] Even in San Francisco, a hotbed of far-left progressive agitation, progressive school board members were overwhelmingly defeated in February 2022. And just a few months earlier, similarly left-leaning Seattle removed its ultra-progressive district attorney, and Buffalo voters defeated a socialist-backed Democrat in favor of a moderate African American.[67]

Future Prospects

Cities have survived at least five millennia, largely by changing themselves. Today, cities must adjust to a broad "networked" urbanity—the "city of bits" first proposed by the futurist William Mitchell in 1999. In the emergence of an "electronically augmented environment," Mitchell prophetically foresaw that this high-tech metropolis would intensify the concentration of wealth in a few places.[68] Talent, money, and power will have new ability to shift to whatever locale attracts them.

The "smart city" being proposed by tech firms such as Google might make cities more efficient, but this would be at the cost of much of their human essence. It also would give the state and large companies more opportunity to monitor our lives—and sell more advertising. The "smart city" could replace organic urban growth with a regime running on algorithms designed to rationalize our activities and control our way of life, as is increasingly the case in Chinese cities.[69]

This new urban world could produce a society like that described in Aldous Huxley's *Brave New World*, where people live alone in amenity-rich dormitories and enjoy pleasurable pharmaceuticals and unconstrained sex without commitment or consequences. This family-free life is oddly resonant with how Mark Zuckerberg, now creating a metaverse for a fuller escape from reality, described his ideal Facebook employees: "We may not own a car. We may not have a family. Simplicity in life is what allows you to focus on what's important."[70]

To survive and thrive in the city-of-bits era, urban areas will have to compete for residents and businesses, not for economic necessity but as a choice. The conveniences of urban living—such as broadband, arts, ethnic culture, and entertainment—are becoming available across more locales, sometimes even in largely rural areas.[71] New urban residents will have to be persuaded that urban centers offer these amenities not only in greater depth but also under secure conditions.

Having lost the battle for residents, some city planners and academics and many in government may evoke climate change to force people into "living smaller, living closer"—whether they like it or not.[72] This is the case even in developing countries, such as South Africa. Yet these accounts have often ignored changes in car exhausts and the rise of remote work and have discounted urban phenomena such as "heat islands" caused by too many buildings packed together in one place.[73]

Preserving the environment is crucial, but ultimately, cities cannot be constructed around compulsion. Fifteen years ago, it was common for the mainstream media to suggest that "America's suburban dream" was "collapsing into a nightmare."[74] The *New York Times* suggested ways to carve up the suburban carcass, with some envisioning that suburban three-car garages would be "subdivided into rental units with streetfront cafés, shops and other local businesses" while abandoned pools would become skateboard parks. Arguments against homeownership, the key to exurbia, surfaced, bolstered by what turned out to be a short-lived drop in prices spurred by the proliferation of unsustainable subprime mortgages.[75]

That their predictions turned out wrong should be fairly obvious. People continue to vote with their feet, moving to these same peripheral places.

Despite all the statistical evidence, anti-suburban zealots still cling to this notion. They cannot see the appeal of new exurban communities that provide residents large open-space preserves, extensive parks, clubhouses, Main Streets, and cultural amenities.[76] These may not be cities of the old type, but they provide some aspects of the urban culture that many see as more amenable to family life.

Of course, the shift to newer, dispersed communities does not make the historic core irrelevant. But it changes its function as the undisputed economic center of society. In the future, the central business district and the core city will, as H. G. Wells predicted over a century ago, play the role of "places of rendezvous and concourse."[77] Some of the youngest workers may still want to rent temporarily in big gateway cities, where they can mix with each other and be noticed by their bosses. But in the future, central business districts are unlikely to retain their lofty status.

To maintain themselves and construct a better future, cities need to focus on safety, quality of life, good schools, and social order. "A great city," noted Aristotle, is not confounded with a "populous one."[78] Successful future cities should focus more on neighborhood life—and less on grandiosity. They can only compete, as cities have in the past, by providing a more dynamic, vital alternative to the periphery or small towns.

Rather than the luxury city, they need to focus on becoming a more inclusive human city; the urban advantage will not rest with "bits" but in attracting those who seek the things unique to the urban experience. Technology may drive future dispersion, but it also could create a new, more people-friendly metropolis, even allowing core cities to fulfill the promise that has defined and spurred their development since ancient times.

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