

## **The Rise of the Skilled City**

Edward L. Glaeser, *Harvard University and National Bureau of Economic Research*

Albert Saiz, *University of Pennsylvania*

For more than a century, educated cities have grown more quickly than comparable cities with less human capital. This fact survives a battery of other control variables, metropolitan area fixed effects and tests for reverse causality. We also find that skilled cities are growing because they are becoming more economically productive (relative to less skilled cities), not because these cities are becoming more attractive places to live. Most surprisingly, we find evidence suggesting that the skills-city growth connection occurs mainly in declining areas and occurs in large part because skilled cities are better at adapting to economic shocks. As in Schultz (1964), skills appear to permit adaptation.