



BROOKINGS: Intermountain West is “New American Heartland” **New Report Reveals Emerging Megapolitan Areas as Natural Test Bed for Next Generation of Domestic Policy**

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July 20, 2008 – WASHINGTON, DC The southern Intermountain West region of the nation is experiencing rapid changes that may soon make it the “New American Heartland,” according to a report released today by Brookings Metropolitan Policy Program. Five states—Arizona, Colorado, Nevada, New Mexico, and Utah—currently hold some of the fastest growing places anywhere in the country.

These Mountain States have grown surprisingly urban, with more than 80 percent of their population, employment, and economic activity taking place in five emerging “megapolitan” areas: Arizona’s **Sun Corridor** surrounding Phoenix and Tucson, Colorado’s **Front Range** surrounding Denver, Utah’s **Wasatch Front** taking in the area surrounding Salt Lake City, the **greater Las Vegas** area extending from central Nevada into neighboring Arizona, and **Northern New Mexico** encompassing Santa Fe and Albuquerque. Together, these areas have captured 13 percent of the nation’s growth so far this decade.

[Profiles of Intermountain West Megapolitans.](#)

“We knew going in and the research confirms that this region is growing up, flexing its muscles, and distancing itself from California, which historically has had an outsized impact on the West’s development,” said Bruce Katz, Vice President at the Brookings Institution and founding director of its Metropolitan Policy Program. “We believe that the economy of this region, its people, and its politics are becoming more central to the nation.”

Projecting that by 2040 these “Mountain Megs” may double in size, the report highlights multiple trends:

- **Rapidly changing economy.** Despite their historical importance to the region, few workers remain in resource-extractive industries or in agriculture. Clusters of firms serving local clientele—such as health services, real estate and construction—now dominate the region’s economy along with a growing number of globally competitive clusters in information technology, aerospace, and knowledge creation. While these changes move Mountain Megs up the economic value chain, some challenges to true prosperity remain. Average labor productivity, for example, rose from about \$79,500 in 2001 to \$85,000 in 2005 but still lags behind the national average.



- **Population Explosion** driven by rising birth rates, migration from other parts of the country, and immigration, the five Mountain Megs together are projected to add nearly 12.7 million residents in the next three decades. Although the region remains 80 percent white, it has experienced steady and sizable increases especially in its Hispanic population. This brings to the Mountain Megs a host of socio-economic issues long familiar to their eastern ancestors such as dramatic disparities in income and education. A once-egalitarian, middle-class region has seen its prominent middle class dwindle.
- **Identity shift from rural to metropolitan.** A more urbanized landscape naturally ensues from population growth in an environment constrained by aridity, slope, and public lands. Urban Denver and Salt Lake now have population densities as high as urban Chicago and higher than urban Boston. This brings tremendous implications for the built environment and natural resources. The region's coming growth, for example, would require doubling the current number of housing units while replacing or upgrading nearly another million. Infrastructure networks linking urban systems, particularly transit, are inadequate, while climate and population change strain water and energy systems.

Politically, the Intermountain West could be home to several swing states and serve in the same role that the Midwest now plays. "The west has always figured large in America's popular image, now its demographic weight may soon equal that image," said Robert Lang, Director of the Metropolitan Institute at Virginia Tech and primary author of the report. "The old saying, 'Will it play in Peoria' takes on different meaning now that Peoria, AZ is larger than Peoria, IL."

The report recognizes innovative, wider-reaching governance solutions brought by local leaders in response to the emerging megapolitan reality. Yet, the fact remains that megapolitan development is outstripping the region's local governance structures and their ability to steer events, raising the need for a new governance paradigm that supports Western leaders on crucial large scale issues like infrastructure, education, and immigration. As the 2008 election approaches to be followed by a new administration in Washington, the time is right for leaders around the Mountain West to propose a new partnership with the federal government that will allow the region's pivotal megapolitan areas to overcome their common challenges and assert their leadership in the nation and world.

In harnessing the economic potential of these megapolitans and the region, top priority should be to given to **policies** aimed at bolstering the West's standing on the four fundamental drivers of prosperity

- **Infrastructure:** Given the region's extraordinary coming growth, the Mountain West needs federal investment and policy reform to build out its passenger and freight networks both between and within



the mountain megas, using highways, high-speed and light rail, and air connections to improve connectivity and shape development. The region also needs federal investment and policy reform to proactively address its enormous resource needs, especially on water and energy, while preserving its air quality and reducing its carbon footprint.

- **Innovation:** The process of inventing and exploiting new products, processes, and business models drives productivity growth which in turn enhances living standards. While the Intermountain West is home to world-class research institutions and a number of strong industry clusters in export markets, the region must enhance these resources to increase overall competitiveness and local standard of living.
- **Human capital:** Plentiful and increasingly skilled workers are the region's greatest resource and the key to economic growth, yet how well all groups are able to participate in the economy defines whether a place truly delivers on the American dream of upward mobility and middle-class stability. Unsettled immigration policies have generated uncertainty and controversy among employers and communities alike. At the same time, training and education needs of an increasingly diverse population remain largely unmet. Better English language classes, new ideas for educating the children of new Americans, and new strategies for securing the educational pipeline from pre-K through high school and beyond are all vitally important to the region and the nation.
- **Quality places:** The crafting of attractive, high-quality, and well-designed urban places also matters in the search for true prosperity. While the region's alluring scenery helps to constrain sprawl and keep urban spaces relatively compact, the real challenge to creating quality spaces is the enduring legacy of auto-oriented development that fails to link residential or commercial building to public transportation and fails to inspire much in the way of neighborhood cohesion.

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