



# EXECUTIVE SUMMARY

The 2000s were a tumultuous decade for Americans. The oscillating state of the economy, which careened from a mild recession to booming house prices and, finally, to the worst downturn since the Great Depression, complicates the task of summarizing what the decade meant for the future of American society. Nonetheless, the boom-bust economics of the 2000s did not repeal the structural forces that continue to transform our population.

This report shows that our nation now faces five “new realities” that are redefining who we are, where and with whom we live, and how we provide for our own welfare, as well as that of our families and communities. In each of these five areas, the nation reached critical milestones in the 2000s that make those underlying realities too large to ignore any longer. And large metropolitan areas—the collections of cities, suburbs, and rural areas that house two-thirds of America’s population—lay squarely on the front lines of those trends.

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## THE FIVE NEW REALITIES

### Growth and Outward Expansion

The nation’s population passed 300 million, and over the course of the decade, the nation will have added roughly 28 million people. Our nation’s large metro areas remain at the cutting edge of the nation’s continued growth. Between 2000 and 2009, they grew by a combined 10.5 percent, versus 5.8 percent growth in the rest of the country. But they continued to spread out, too, as their less developed, outer areas grew at more than three times the rate of their cities and inner suburbs.

### Population Diversification

The United States population is today one-third non-white, and those groups accounted for 83 percent of national population growth from 2000 to 2008. Immigration continues to fuel our growth, too, and now nearly one-quarter of U.S. children have at least one immigrant parent. This coming-of-age generation, a little over 30 years from now, will stand on the precipice of our transition to a majority non-white nation. Large metropolitan areas will get there first, as their under-18 population had already reached majority non-white status by 2008.

### Aging of the Population

Together, U.S. baby boomers and seniors now number more than 100 million. Large metro areas are in some ways aging faster

than the rest of the nation, experiencing a 45 percent increase in their 55-to-64 year-old population from 2000 to 2008. As a result, their single-person households are growing more rapidly as well, especially in suburban communities that were not designed with these populations in mind.

### Uneven Higher Educational Attainment

More than one-third of U.S. adults held a post-secondary degree in 2008, up from one-quarter in 1990, helping to propel our economic growth. But younger adults, especially in large metro areas, are not registering the same high levels of degree attainment as their predecessors. Moreover, the African American and Hispanic groups projected to make up a growing share of our future workforce now lag their white and Asian counterparts in large metro areas on bachelor’s degree attainment by more than 20 percentage points.

### Income Polarization

The typical American household saw its inflation-adjusted income decline by more than \$2,000 between 1999 and 2008—and probably even further by 2009 when the economy hit bottom. Low-wage and middle-wage workers lost considerable ground, but high-wage workers saw earnings rise. The number of people living below the poverty line increased as well. Large metro areas stood at the vanguard of these troubling trends. By 2008 high-wage workers in large metro areas out-earned their low-wage counterparts by a ratio of more than five to one, and the number of their residents living in poverty had risen 15 percent since 2000.

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## THE VARIABLE METRO MAP

Large metropolitan areas as a group are “ahead of the curve” on the five new demographic and social realities that America confronts. However, in some ways, large metropolitan areas actually became more different from one another in the 2000s, making it even more important to understand American society from the individualized perspectives of these places. No longer easily grouped along traditional regional lines, such as Sun Belt versus Snow Belt, or East versus West, this “pulling apart” reinforces a new seven-category typology of metropolitan America:

- **Next Frontier** metro areas exceed national averages on population growth, diversity, and educational attainment. Of these nine metro areas, eight lie west of the Mississippi River (Washington, D.C. is the exception)
- **New Heartland** metro areas are also fast growing, highly



educated locales, but have lower shares of Hispanic and Asian populations than the national average. These 19 metro areas include many in the “New South” where blacks are the dominant minority group, such as Atlanta and Charlotte, as well as largely white metro areas throughout the Midwest and West, such as Indianapolis and Portland (OR)

- **Diverse Giant** metro areas feature some of the largest in the country, including the three most populous (New York, Los Angeles, and Chicago), as well as coastal anchors such as Miami and San Francisco. These nine regions post above-average educational attainment and diversity, but below-average population growth, owing in part to their large sizes
- **Border Growth** metro areas are mostly located in southern border states, and as such are marked by a significant and growing presence of Mexican and other Latin American immigrants. Only Orlando lies outside the main orbit of this group of 11 metro areas, which stretches from east Texas, through Arizona and Nevada, and up California’s Central Valley
- **Mid-Sized Magnet** metro areas have experienced high growth, but exhibit lower shares of Hispanic and Asian minorities, and lower levels of educational attainment. Like many Border Growth centers, many of these 15 mid-sized, mostly Southeastern locations got caught in the growth spiral of the 2000s that ended abruptly with the housing crash
- **Skilled Anchors** are slow-growing, less diverse metro areas that boast higher-than-average levels of educational attainment. Of the 19 nationwide, 17 lie in the Northeast and Midwest, including large regions such as Boston and Philadelphia, and smaller regions such as Akron and Worcester. Many boast significant medical and educational institutions
- **Industrial Cores** are in some ways the most demographically

disadvantaged of the metropolitan types. These 18 metro areas are largely older industrial centers of the Northeast, Midwest, and Southeast. Their populations are slower-growing, less diverse, and less educated than national averages, and significantly older than the large metropolitan average. These metro areas lost population in the aggregate in the 2000s

Viewing metropolitan America through this lens offers a more nuanced view of the country and its variable challenges than conventional regional generalizations. Yet, even as large metro areas “pulled apart” demographically from one another in some ways in the 2000s, they also “came together” at the individual metropolitan scale so that suburbs and cities grew more alike in many ways. Cities gained population at suburbs’ expense in the wake of the housing crash; a majority of members all major racial/ethnic groups now live in suburbs; and the suburban poor population grew at roughly five times the rate of the city poor population over the decade.

## A NEW DECADE OF RECKONING, FROM THE MACRO TO THE METRO

Some commentators have begun to refer to the 2000s as “the lost decade,” largely on the basis of the lack of job and economic growth nationally during that time. But the decade was lost in another sense, too; the nation lost time and opportunity to respond to the challenges and prospects of its new demographic realities.

We now stand on the precipice of a “decade of reckoning.” Questions around how to support communities with rapidly aging populations, how to meet family and labor market needs through immigration, and how to help lower-paid workers support themselves and their families simply cannot go unaddressed for another decade without risking our collective standard of living and the quality of our democracy. Tackling these and other challenges will require coherent, purposeful leadership in the coming years.

National conversations tend to overlook the fact that these new realities affect not only “macro” conditions such as the federal budget and the U.S. labor market. They are also experienced in places—mostly in our nation’s largest metropolitan areas. Therefore, a federal policy agenda must confront aspects of particular concern for the metropolitan communities on the front lines of these trends, including:

- **Accommodating more efficient growth**, by putting a price on carbon to account for the external costs of fossil fuel combustion, encouraging greater coordination between housing and

transportation planning, and reducing the deductibility of mortgage interest to discourage over-consumption of housing

- **Integrating and incorporating diverse populations**, through comprehensive immigration reform that protects our borders and provides a fair pathway to legal status, federal support for programs and practices that facilitate immigrant incorporation, and a national Office of New Americans to elevate and coordinate makeshift local integration efforts
- **Enhancing community affordability and vitality for seniors**, including meeting rising demands for affordable housing integrated with services, protecting seniors' home equity through enhanced oversight of mortgage products, and requiring the expenditure of federal transportation and housing funds to take into account the specific needs of older populations
- **Accelerating higher educational attainment**, by continuing to focus on enhancing teacher quality for students in need and promoting effective interventions in low-performing schools, and rewarding and supporting institutions and students not just for enrollment in higher education, but also persistence toward and completion of degrees
- **Reducing income inequality**, by restoring and growing the productive capacity of the nation's auto communities, pursuing enhanced labor standards enforcement, and renewing/expanding tax credits that support lower-income working families like the Earned Income Tax Credit and Child Tax Credit

National policy makers have the unique obligation to address aspects of the five new realities that affect all metropolitan areas, or are simply beyond metropolitan areas' own capacity to tackle. As this report demonstrates, however, different challenges assume varying levels of prominence in different types of metropolitan areas. Leaders at the state, regional, and local levels must now more than ever understand and respond purposefully to the demographic, social, and economic changes most affecting their places.

- **Border Growth** and **Mid-Sized Magnet** metro areas must seek greater economic balance in the wake of the housing crash. Smart infrastructure investments in these metro areas could promote growth of alternative energy production and distribution, international travel and tourism, and linkages with larger nearby centers of global commerce. Their leaders must also be fierce champions for the continued viability of 2- and 4-year higher education institutions, which offer the best hope for ensuring that their large and growing young, minority populations can share in the fruits of future economic growth
- **Diverse Giant** and **Next Frontier** metro areas should adopt the most innovative practices for accelerating the civic and labor market integration of their larger immigrant and "second generation" populations. They should also set out "roadmaps" for addressing future local and regional population needs in

an environmentally sustainable, fiscally efficient manner that create and preserve affordable options for low- and middle-income families

- **New Heartland** metro areas, with migration rates likely to remain somewhat lower in the near term, should focus on growing a more educated pipeline of workers from within their own borders. Attracting younger middle-class families back to urban and inner-suburban public school systems, and forging closer partnerships between regional economic development and university officials, could help build the next middle class in these regions
- **Skilled Anchor** and **Industrial Core** metro areas, while economically distinct, share certain demographic attributes and associated challenges. Slowing the tide of decentralization by building outward from anchor institutions and overhauling urban land use, keeping older skilled workers connected to labor market opportunities, and integrating housing and social services for urban and suburban senior populations should be priorities for their leaders

Finally, new demographic realities must be met with new governance arrangements. Especially in light of the deep fiscal crisis facing states and local governments, the lines between cities and suburbs—and the long, fruitless history of battles and mistrust between them—must be transcended, in all types of metropolitan areas. Local leaders must forge regional solutions to newly shared regional challenges, such as linking the supply and demand sides of the labor market to benefit disadvantaged workers. They must undertake greater collaboration in the delivery of services, or outright combine outdated, inefficient local government units such as school districts. And they must act like metropolitan areas in dealing with their states, consolidating their influence on common issues that affect the well-being of their populations.

## CONCLUSION

The pace of change and complexity of U.S. society only seems to multiply with each passing decade. Now, as the nation and its major metropolitan areas reach a series of critical demographic junctures, forging a constructive path forward to the "next society" is as much about helping communities manage the velocity of that transformation as it is about responding to its specific character. Failure to maximize shared responses to the inevitable challenges of change, and common ownership of the solutions, will only serve to sow the seeds of intergenerational, interracial, and inter-ethnic conflict. Understanding—from the ground up—who Americans are, and who they are becoming, is a critical step toward building constructive bridges before they become impassable divides. ■