

THE BROOKINGS INSTITUTION

METROPOLITAN DEMOGRAPHICS:  
A DECADE ON THE FRONT LINES OF CHANGE

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Co-Founder and Managing Director  
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**Opening Remarks:**

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President  
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**Presentation:**

BRUCE KATZ  
Vice President and Director  
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**Panel Discussion:**

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**Panelists:**

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**Closing Remarks:**

THE HONORABLE MICHAEL NUTTER  
Mayor  
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## PROCEEDINGS

MR. RIOS: My name is Edgar Rios. I'm a Brookings trustee, and on behalf of the Board of Trustees I want to welcome you this morning to Brookings. I have a note: Apparently we have an overflow room with a monitor so that, if you want to take a seat there, you can actually see the event on the monitor and be seated.

Today marks the launch of a signature new effort for Brookings entitled "The State of Metropolitan America." This 18-month project of the Metropolitan Policy Program founded in 1996 and headed by Brookings Vice President Bruce Katz and generously supported by the Rockefeller Foundation, Judith Rodin, president of the Rockefeller Foundation, is here with us today, and you will be hearing from her shortly.

I also want to thank Strobe Talbott, Brookings president, for his steady and enthusiastic support of this important project.

The focus of the report is demographic transformation of the U.S. population, particularly residents of the major metropolitan areas like Washington, D.C., that drive our nation's economy and are at the front lines of our changing society. In a sense, the results of the report from population to immigration, to aging and education, provide a preview of results of the 2010 Census that will roll out next year.

I am especially pleased to participate today because one of

the central themes of the report is accelerating racial and ethnic diversification of our society, particularly in our largest cities and suburbs, which creates tremendous opportunities for a growing nation like the United States to expand its role in the global economy and enrich its culture. But we must manage that change constructively through policies around immigration, education, support for work is to both minimize intergenerational conflict and maximize our economic and societal potential.

We will need engagement at both levels of government: from the federal government level to make the big investments and set the basic ground rules, and from local and regional leaders to think about the future of their places and how they will accommodate diverse growth.

Today you will hear from Bruce Katz, who will present the findings of the State of Metropolitan America report. Following his presentation, leaders from the business and educational sectors will discuss the report's implication for public policy, private markets, and the upcoming elections.

At the close of our session, you will hear from Philadelphia Mayor Michael Nutter, but right now it is my pleasure to introduce to you Dr. Judith Rodin. Dr. Rodin is a global philanthropic and humanitarian leader who joined the Rockefeller Foundation in 2005. She was previously president of the University of Pennsylvania, the first woman to lead an Ivy

League institution. She also served as trustee of the Brookings Institution during that time period.

While at the University of Pennsylvania, Dr. Robin doubled its research funding and tripled the size of its endowment. She also engineered an award-winning and widely recognized neighborhood revitalization project in West Philadelphia. Over the course of her career as an academic and thought leader, she has authored more than 200 academic articles and written or co-written 12 books, including a most recent, *The University and Urban Renewal: Out of the Ivory Tower and Into the Streets*.

Since joining the Rockefeller Foundation, Dr. Rodin had comprehensively explored issues associated with our nation's fast-growing metro areas, issues ranging from transportation to health care, to economic security for American workers, and urbanization across the globe, and she's doing this in an innovative and ground-breaking way. She's charting a new course for philanthropy in the 21st century, opening the pipeline for idea through investment in technology and creative partnerships.

We are grateful for our partnership with the Rockefeller Foundation and for Dr. Robin's deep understanding and support of Brookings and the work of the Metropolitan Policy Program. We couldn't be happier to have her here with us today.

Dr. Rodin. (Applause)

DR. RODIN: Well, thank you, Edgar, for that overly generous and overly long -- I apologize -- introduction. But it is a pleasure to be with you all today. This is a terrifically important event, and we are announcing a critically important initiative during a moment of incredible change. I don't only mean the changing of landmark policies like health care or the changing of -- the wild changing of economic indicators like the Dow, or the changing of the Nationals into a pretty decent ball club after all.

What I mean, actually, is the historic changes underway in where we live and who lives there, and where we work and how we get there, where we come from and where we are headed both as a nation and literally as a planet. The locus of this change is our cities, not only in America, but around the world. That we find ourselves now in an urban age is well understood.

Maybe we're all familiar with the numbers, but they are startling. The equivalent of seven souls, or seven San Paulos, are being added to the planet every year, and the myriad interconnected and accelerating forces of globalization are really fueling a worldwide demographic revolution, pushing the majority of people around the world into metropolitan regions and very rapidly forming metropolitan regions for the first time in human history.

While the acceleration of urbanization is relatively new, the

Rockefeller Foundation's intent focus on this is not. Indeed, 50 years ago the Foundation helped create the field of urban theory and urban design. One of its initial grants in that effort was to the young author, activist, and urbanist Jane Jacobs, whose life work, especially her classic *The Death and Life of Great American Cities*, has informed an inspired our enduring commitment to and investment in America on its cities and literally the cities around the world for the past several decades.

In the U.S., the Rockefeller Foundation directed seed money to community-based development organizations in the 1960s and the 1970s, and helped open the doors to affordable and supportive housing in the 1980s and the 1990s. And today, because of the inescapable fact that life in the 21st century is markedly more urban and markedly more interdependent, we are helping to shape a new generation of urban innovations around the world to address a new generation of urban vulnerabilities.

As Edgar said, I got a close-up and pretty personal look at this when I was president of the University of Pennsylvania. When I arrived at Penn in the mid-'90s, I was confronted with neighborhoods that were the poster child of systematic lack of urban planning, a lack of foresight, and intervention by all sorts of actors in the local communities. The West Philadelphia neighborhood surrounding the university had decayed; to many, it seemed, irreparable. But in the end we were able to really change

those neighborhoods with a holistic and systemic and sustained effort, with policy changes and with multi-stakeholder intervention that did bring those neighborhoods back, exactly the type of efforts that we're going to need to confront today because we have such an array of challenges both related to domestic, but also global urbanization in this century.

At Rockefeller, we're trying to continue to support this kind of systematic, systemic, holistic thinking, and it begins with data. Our grants support the empirical understanding of how urbanization and recent patterns of metro growth are impacting everything from individual household budgets to global greenhouse gas emissions. These are the requisite data that are going to be critical for informing our policy interventions, informing the new courses of action and intervention that we're going to need for our leaders and our legislators.

To that end, the work of the Metropolitan Policy Program at Brookings is vitally important, and we at the Rockefeller Foundation are very proud to support it. Since its inception in 1996, the Metro Program has quickly become the nation's go-to resource for the key demographic and economic trends of our nation's growing metro mega regions -- the cities, the suburbs, the exurbs -- that now form the intricate and quite expansive social and economic hubs of 21st century American life.

Over the past decade, the program's research has indicated



that our population has undergone marked transformation and evolution in its growth patterns, its racial and ethnic diversity, its longevity, and its academic and socioeconomic profiles. These trends, as you will hear, have major implications for our nation from our labor and housing policies to our transportation and educational infrastructure. America is changing. It is changing rapidly and significantly. All of this is noticeable and all of this will have enormous impact. If we do not understand how we are changing, if we do not understand why we are changing, and if we do not understand the rate and direction of that change, we will be unable to manage it effectively, productively, and intelligently.

It is in that spirit that we are very excited to unveil today the Metro Program, State of Metropolitan America Project, which launches with the unveiling of a signature new report, the result of a collaboration of experts across the Brookings Metro Program led by Senior Fellow and Research Director Alan Berube. This report and today's event are yet another example of how Brookings uses high quality research and data analysis to identify and compel action around the pressing public policy issues of our time.

Our session will begin in a few moments with the presentation of the findings of the State of Metropolitan America by Bruce Katz, vice president and director of the Metropolitan Policy Program at Brookings. It is

my pleasure to introduce Bruce, who I think in this audience needs no introduction. He is one of the nation's leading experts on urban and metropolitan policy. We at the Rockefeller Foundation have partnered with him and his team on numerous initiatives over the past decade, including the Metropolitan Infrastructure Initiatives and the Blueprint for American Prosperity. We have been delighted over and over again to work with Bruce and his team.

I now give you Bruce Katz. (Applause)

MR. KATZ: So first of all, we've got to make sure the technology works. It does work.

I want to thank Judith for that introduction; obviously, thank her and the Rockefeller Foundation for the support of this initiative, but probably most importantly thank them for their strong and sustained investment here and abroad in healthy cities and metropolitan areas. I think they're really at the cutting edge of philanthropy and understanding this connection between national priorities and national progress and what happens in our places across the country.

I thank Edgar for that kickoff.

One more thank you before I start. There are people here from the U.S. Census Bureau. We're all out there. I hope you filled out your forms. If you haven't, you might want to leave, but we have had a

tremendous collaboration with the U.S. Census Bureau. They don't really get the respect they deserve in this country for what they do year-in/year-out every decade, obviously, with the seminal Census. But they have been true partners in this exercise both in terms of the data availability, but also in the analytics. So for those of you here from the Census Bureau. thank you.

(Applause)

So today we want to give you a first public look at a major report and a new website, The State of Metropolitan America. And our report examines, as Judith says, the demographic trends that have affected the top 100 metro areas through the decade so far covering 2000 through 2008. In a way, it's a sneak peek at the Census. We find a nation in demographic transformation along five dimensions of change:

First, we are a growing nation. Our population exceeded 300 million in 2006, and we're on target to hit 350 million by 2025. We are diversifying: an incredible 83 percent of the growth this decade was driven by racial and ethnic minorities. We are aging, I feel that every day: the number of seniors and boomers exceeded 100 million this decade. We are selectively educated: whites and Asians are now more than twice as likely to hold a bachelor's degree as blacks and Hispanics. And we're a nation divided by income: low-wage workers saw hourly earnings decline by 8 percent this decade -- and this was before the recession -- and high-wage

workers saw an increase of 3 percent.

With that background, I'm going to make three points today: First, our top 100 metro areas are on the front lines of demographic transformation. All the trends I've identified -- growth, diversity, aging, educational disparities, income inequities -- are happening at a faster pace, a greater scale, and a higher level of intensity in our major metropolitan areas.

Second, the shape and scale of this transformation is profoundly uneven across the country. The variation only partially reflects the traditional division of the nation into regions like New England or Middle Atlantic or the Mountain West. Rather, a new metro map of the nation is emerging that unites far flung communities by their demographic similarities rather than their physical proximity.

And, finally, demographic transformation, as Judith said, really requires action at both the macro and the metro scale. The federal government and the states need to lead where they must to address the supersize challenges wrought by fast change. At the same time, metros need to innovate where they should in ways that are tailored to their distinct challenges and opportunities. And the geography of transformation at the metro scale requires new institutions and ways of governing.

Now, these policy and institutional changes, as we know, will

not be easy, but let's just remember one thing before I start: In the global context, the U.S. is a demographically blessed nation. Established competitors like Japan, Britain, Germany are either growing slowly or actually declining. And rising nations like China remain relatively uniform in their social composition. So in a fiercely competitive world, our growth and diversity may be America's ace in the hole.

So let's start with our initial observation, America's metros are on the front lines of demographic transformation. First, metros are the vanguard of national growth. The nation's population stood at 307 million in mid-2009 up from 282 million at the beginning of the decade. That's growth of 8.8 percent. It's slower than the 1990s, but still on target to add 28 million people, nearly half the U.K., by decade's end.

Compared to national growth, the major metros grew by 10-1/2 percent or 19.1 million people between 2000 and 2009. So this continues the trend lines of the past 60 years. Decade after decade, our top 100 metros have steadily added people at a rate faster than the national so that they now contain a full two-thirds of our national population. Growth in this decade has been particularly metro-centric. Seventy-seven percent of national population growth occurred in these metros compared to 70 percent in the 1990s.

Now, growth does bring opportunity, of course. Greater

demand for goods and services, greater demand for housing, we can meet it in some markets, the ability to replenish our workforce. But growth also brings challenges, particularly in an era of constrained resources and global environmental concerns. That's particularly true in the United States where growth occurs disproportionately at the exurban and rural periphery of metro areas.

In the 100 largest metros, cities and high- density suburbs grew a little under 5 percent while less developed counties grew at more than 3 times that rate. By 2008, more than 40 percent of metro population lived in spread-out areas creating a distended autoscape where most residents are completely dependent on their car for transportation.

Now, the sprawling growth of this decade raises stark challenges. How does the United States grow in both fiscally and environmentally sustainable ways? How do we finance new infrastructure in new communities when we're barely able to maintain infrastructure in older places? How do we develop metros that can both accommodate growth and lower greenhouse gas emission?

Now, diversity is the second element of demographic change, and metros are at the lading edge. Again, racial and ethnic minorities accounted for an astonishing 80 percent -- 83 percent -- of national population growth this decade. As a result, Hispanics now make up roughly

15 percent of the nation's population; blacks comprise a little over 12 percent.

Racial and ethnic minorities make up an even larger share of the population in the top 100 metros: nearly 19 percent of metro populations are Hispanic, nearly 14 percent black. We're on our way to becoming a majority minority nation, and metros are leading the way. Today 17 metros in the country are already majority minority. That's up from 14 in 2000, up from 5 in 1990.

Thirty-one metros have majority minority child populations. The growing diversity owes primarily to the natural increase in racial and ethnic populations that were already present in the United States in the year 2000, but new immigrants have accounted for roughly 30 percent of national population growth this decade. In metro America, the pace and volume of immigration was faster with a share of growth approaching one-third.

Thus while one in every eight Americans is foreign-born, the share is true for one in every six metropolitan residents. This share is larger than the share experienced during that other great wave of international migration in the early 20th century. And like that earlier period, immigration is one of the most contentious issues in our nation best illustrated by Arizona's recent actions.

Yet the benefits of immigration and diversity more broadly are immense. New markets, new ideas, new workers to replace those that retire, new connections to emerging markets outside the United States. So again, we have a central challenge: How do we embrace diversity and adapt to being a majority minority nation? How do we manage the cultural differences and the shift in political power that naturally flow from greater diversity? And how do we literally assimilate and integrate tens of millions of new Americans?

The third demographic hallmark of this decade is aging. The U.S. is experiencing an aging tsunami, and metros are aging faster than the nation. As the Beatles imagined, the first of the baby boomers turned 64 at the beginning of this year. The combined populations of these boomers and people who are over 65 have already surpassed 117 million people.

As a sign of things to come, the nation saw 40 percent growth in the near-senior population, those between 55 and 64. Metros are at the forefront of that wave. During the 2000s, they experienced a 45 percent increase in this demographic.

Now, as with growth, the aging phenomenon will largely be a suburban phenomenon. In the 100 largest metros, the boomer and senior population in cities grew by 17 percent. Suburban growth was faster. Currently, 71 percent of the boomers and seniors that live in the largest



metros reside in suburbia. At the metro scale, then, aging is posing this dilemma. How do we remake suburbs? It's really built for families with young children to fit the needs of an aging population.

Now, major metros are also challenged by simultaneously concentrating both aging and diversifying populations. By 2008, the combined child populations of the top 100 metros was over 50 percent minority. By contrast, only 25 percent of the elderly population was minority. We have a cultural generation gap emerging in metropolitan America, and to put it plainly, will the elderly population, who are primarily white, do what it takes to educate the most diverse generation of children in the nation's history.

Fourth pillar of demographic restructuring is education, obviously the traditional fuel for economic prosperity. The U.S. got smarter this decade with the share of adults holding 4-year college degrees rising from 24 percent in 2000 to 28 percent in 2008. Here again, metros lead the nation, seeing the share of residents with 4-year degrees rise to 31 percent in 2008, but all's not well at the metro scale. There are pronounced racial and ethnic disparities on educational attainment.

In 2008, only 14 percent of Hispanics and 20 percent of blacks had a bachelor's degree, and that contrasted sharply with the educational attainment of whites and Asians. So you can do the math. Eighty-six

percent of Hispanic adults and 80 percent of black adults in metros do not have a bachelor's degree. So these disparities again pose a central challenge: How do we prepare our future workforce, our future diverse workforce, to compete globally for the jobs of the 21st century?

Finally, element, related element of our changing demographics is income. For this past several decades, our shifting to industrializing economy has emphasized brain over brawn, rewarding those individuals of high levels of education and punishing those without. The 2000s continued this pernicious trend exacerbating income inequities in the process.

At the national scale, low-wage workers lost ground seeing their hourly earnings decline by 8 percent. Middle-wage workers were not insulated suffering declines of more than 4 percent. Only high-wage workers saw hourly warnings rise more than 3 percent. Metros stood at the vanguard of that unfortunate trend. Low-wage workers suffered greater declines in their wages than the national average, and, by contrast, high-wage workers made greater gains.

And to complicate matters, the geography of poverty is shifting. Suburbs saw greater increases in poverty during this decade than did cities. As a result, the majority of poor people now live in suburbs for the first time. So the challenges are real and immediate. How do low and

moderate income Americans make ends meet when wages are declining and prices, the cost of daily life, remain relatively high? And how does the suburbanization of poverty alter the ability of people to move out of poverty?

So that is the aggregate overview, and it naturally leads to the second finding which is that the shape and scale of demographic transformation is profoundly uneven across the American landscape. The 2000s witness metro variation across all five dimensions of change. Provo, Utah, grew the fastest toward 42 percent. By contrast, New Orleans declined the most, losing 14 percent of its population mostly as a result of Hurricane Katrina.

McGowan is the nation's most non-white metropolis with racial and ethnic minorities making up 91 percent of its population. Portland, Maine, is the nation's least diverse metro, only 5 percent of the population so represented.

Bradenton is the nation's oldest metro with boomers and seniors making up 53 percent of the population. Provo, again, is the nation's youngest metro with only 21 percent of its population age 45 and older.

Washington, D.C., is the nation's smartest metro -- I know that's hard to believe -- with adults that are more than three times as likely to hold a college degree as those in the lowest performing metros, like Bakersfield.

And Wooster, the home of Alan Berube, our research director, saw the greatest median household income increase, jumping 8 percent. Somehow Alan was able to do that almost single-handedly. By contrast, Detroit declined the most, 17 percent decrease this decade.

But demographic transformation is not occurring uniformly across the metropolitan landscape. It is also not conforming to the way the census organizes the country along nine contiguous traditional regional groupings like New England, the Middle Atlantic, or the Mountain West. Rather a new metro map of the United States is emerging that groups the nation's leading edge communities by their demographic similarities rather than just by their physical proximity.

At one end of the spectrum lies nine next-frontier metros. These are the demographic success stories of the 2000s. They're fast-growing, they're rapidly diversifying, and they're out-performing the nation in educational attainment. This is the trifecta. Eight of these nine metros lie west of the Mississippi, Washington, D.C., being the only exception.

Nine metros are what we call "diverse giants," places that post above-average educational attainment and diversity, but below-average population growth, partly because of their size. This includes the three largest metros in the United States -- New York, L.A., and Chicago -- as well as coastal anchors such as Miami, San Francisco, and San Diego.

The 19 metros in the new heartland cluster span the nation geographically. They're fast-growing, they're highly educated, but they have lower shares of Hispanic and Asian populations than the national average. Who's in this cluster? Many communities in the New South where blacks are the dominant minority group such as Atlanta, Charlotte, and Richmond, as well as largely white metros throughout the Midwest and West: Indianapolis, Kansas City, Portland on the West Coast.

Eleven metros comprise a new border growth block: They're growing and they're diversifying fast, but they're lagging substantially on educational attainment. They stretch from Orlando through Central Texas, through Arizona and Nevada, up California's Central Valley, obviously marked by a significant and growing presence in Latin American immigrants.

Mid-sized magnets, 15 strong, growing fast, but are distinguished by lagging education and lower shares of Hispanic and Asian minorities. Some of these places that you can see by the map, particularly those in Southern Florida, got caught up in the growth spiral of the 2000s that ended abruptly with the housing crash.

Nineteen metros are skilled anchors. They're slow-growing, they're less diverse, but they do boast higher than average levels of education attainment. Seventeen of the 19 of these anchors lie in the Northeast and Midwest, including large regions like Boston and Philly, and

smaller places like Akron and Albany.

And the final grouping are industrial cores. They're the most demographically disadvantaged of the metro types. Eighteen older industrial centers of the Northeast, the Midwest, and the Southeast are slower growing, less diverse, less educated than national averages.

So this new metro map of the United States forces us to think outside the conventional regional boxes that have informed American narrative for generations. The South, for instance, counts at least one member in each of the seven metropolitan categories. Very different demographic destinies confront Greensboro versus Charlotte, or Austin versus San Antonio. And, likewise, the notion of a unified Rust Belt stretching across large portions of the Northeast and Midwest overlooks the factors that distinguish populations in Rochester, Cleveland, Indianapolis, and Chicago from one another.

Now, creating this set of metro topologies is not an academic exercise. The distinct demographic starting points of metros like these tell us not only which policy reforms should be emphasized in which places, but the nature and scope of those reforms.

So that leads to my final point. Demographic transformation requires action at both the macro and metro scale. The trends we presented today effect, if not drive, some of the most difficult challenges facing the

nation. Climate change is shaped by the demographics of growth. The backlash against immigration in places like Arizona is driven by the demographics of immigration.

The fiscal crisis in Medicare and Social Security is determined by the demographics of aging. Our ability to compete globally is dictated by the demographics of education. And building a resilient middle class is prescribed by the demographics of income. Our prosperity, in short, depends on whether we can master this change and leverage its possibilities.

Across the nation, metros are on the case forging imaginative solutions on issues as disparate as transit and transport, building and development, schools and skills. Yet they can't go it alone. They can't do it by themselves. They have neither the power nor the resources to handle demographic transformation, nor should they. Change of this magnitude requires a remaking of the partnership between the macro and the metro.

The federal and state governments should lead where they must, given the need for uniform and scaled solutions to challenges that are ultimately national, frankly global in scope. At the same time, metropolitan areas must innovate where they should, given their distinct demographic starting points and special devolved responsibilities in our federalist system.

The State of Metropolitan America report recommends a

series of macro metro responses across all these dimensions of change. Today let's just look at how the federal partnership works for just one of these dimensions, which is growth. At the metro scale, our past and current transportation and housing policies had subsidized the vast autoscapes in the United States, a sprawling, congested, exit ramp economy.

We have an opportunity, with the housing collapse, with the crumbling of older infrastructure, with the looming reauthorization of federal transportation laws to change all this, and in the language of the Rockefeller Foundation, promote equitable and sustainable transport in housing.

Now, that means leveling the playing field, giving communities more flexibility to choose between roads and transit and rail. That means fixing it first, emphasizing the recapitalization of older infrastructure in already built communities. That means integrating transport in housing, land use in economic development, and that means overhauling housing finance to facilitate the construction and preservation of rental housing, of mixed-income and mixed-use housing.

Now progress is being made in the implementation of the American Recovery and Reinvestment Act, in the Sustainable Communities Initiative, and the evolution of the partnership between HUD, DOT, and EPA, in draft authorization language which is being offered by congressional leaders, and in the idea of a national infrastructure bank which is slowly



gaining currency. But macro policies are not sufficient.

Metros must tailor growth responses to their distinctive starting points whether it's the depopulated urban centers or industrial core metros like Detroit and St. Louis, or the environmentally constrained and the water constrained reality of border growth metros like Las Vegas and Phoenix.

The U.S. is going to need to look elsewhere for solutions to European older industrial centers, like Bilbao, which have transformed the urban landscape through strategic investments in brownfield remediation of the land reclamation, or to other European and Asian metros which have gotten serious, much more serious than we have, about water management and water efficiency at the metro scale.

Now, beyond macro and metro solutions, we have to finally act on governance as well. The wasteful growth patterns in metro America are partly a result of the spatial mismatch between the geography of government on one hand and the metropolitan and geography of the economy in the other. Cities and suburbs must play well together, particularly on issues, integrated issues, like transport housing and land use. And metros should execute plans to consolidate fragmented governments, particularly administrative entities that oversee economic development in transportation, so that the physical development of metros can be more efficient.

So let me end where I began. Like earlier times in our history,

America is undergoing a massive demographic transformation. Our metro areas are on the front lines of that transformation. Every trend that is affecting the nation -- whether it's growth, diversity, aging, education disparities, income inequities -- are affecting our major metros first at a speed, at a scale and a complexity that is truly historic.

So grappling with this transformation we know will not come easy. Issues like growth, issues like immigration, issues like the gap between the rich and the poor confound our policymakers and they roil our politics. But if we can manage this transformation, culturally, fiscally, environmentally, the 21st century promises to be a productive, prosperous one for the United States. The stakes are very high to get this right.

Thank you. (Applause)

MR. KATZ: I think we have a couple minutes for questions, if I'm right. Questions, comments, criticisms, suggestions. Speak now. We've one in the back.

MR. YARROW: Hi, thank you. Andrew Yarrow from Public Agenda. Just one very specific question. It's wonderful compelling data, but looking at the cultural generation gap that you talk about, and you talk about a 3 percent growth rate for children versus a 30 percent for over 65s, how do you break down that 3 -- the child growth rate between whites and non-white populations? Do you have data on that?

MR. KATZ: We have more data than anyone could possibly imagine, but for this very specific question, I'm going to turn to either Alan Berube or Bill Fry. And, Bill, can you maybe stand up, take a microphone?

MR. FRY: Hi. You know, I don't have the exact number, but a very high percentage of the growth in the child population, which I think is what you're asking. The white share of child population growth, if nationally the white share of growth is 17 percent, for the under-18 population is a much smaller share of that.

And I think what this means is that the cultural generation gap between this largely white and the major minority group among baby boomers and above are African Americans, not Hispanics or Asians. And this younger group who is, you know, much more dominated by the new immigrant minority group, and, as Bruce said, the children of immigrants, really, is an important aspect of what we're facing in the next 10 years.

Over 90 percent of the growth in our labor force in the next 10 years is going to be from Hispanics, and so this is the -- you saw the educational disparities there. This is something we're going to have deal with.

MR. KATZ: A question over here?

MS. KOTEE: Thank you. My name is Nambini Kotee, and I now work for HUD. I have one suggestion and one question.

My suggestion is it would be useful if you could supplement your analysis with also a demography of wealth --

MR. KATZ: Mm-hmm.

MS. KOTEE: -- in addition to demography of income, because the distribution of wealth can be quite different from income.

And my -- but my question is that you mentioned that it's very important to manage this transformation well, and one important part of managing that is for it to be inclusive. And I'm afraid that as we celebrate the greater diversification in America, we may be looking away from some of the traditional problems facing our very longstanding and long-term minorities in the United States, African Americans in particular, who continue to live in very segregated conditions, residential segregation, which might also be linked to the unequal educational outcomes that you found with residences being so closely related to school quality.

So do you have any comment on that?

MR. KATZ: Well, I think both of those comments are very helpful, and we'll take back this notion of looking at the demography of wealth.

With regard to the African-American population, I think what we tried to lay out in this report are the serious racial and ethnic disparities on education. I mean, frankly, when I think about the policy take-aways from

this report, they're along multiple dimensions, obviously, as we described with climate and immigration and aging, and so forth. But if there's one particular challenge we have that affects our competitiveness, ultimately the ability to grow in fiscally sustainable ways, it's education.

If we don't upgrade the education and skills of the African-American and Hispanic population, who are already here, then it is hard to understand how this country is going to prosper going forward. Those two populations will be 40 percent of our workforce in several decades. They will replace many of the workers, the aging workers who will be retiring, who are primarily white. So the education of these populations together is a competitive proposition for the United States.

For a long time, it's been seen as an equity proposition. It's a competitive proposition. If we do this, if we upgrade the education and skills of these populations across the board, then a lot of very good things will follow. They will be able to earn more because you earn what you learn in the United States. They will be able to build wealth. They will be able to make a whole series of choices about where they live, about where they send their children to school, about what they can manage within their own family budgets.

So we do not by any stretch say that the growing diversification should allow or permit the nation to obscure its commitment to

traditional populations here; in fact, we think it has the opposite effect. We need to restore our commitment particularly to upgrading the education and skills of these populations because without that it is hard to imagine how we have another century of prosperity in this country.

Other questions in the back?

MR. SCHWARTZ: Stewart Schwartz, Coalition for Smarter Growth here in the D.C. region.

Thank you for describing the growth challenges we have and the potential solution. How critical and imperative do you think it is and how important is it to have more rational growth patterns both from the household fiscal perspective, from the national fiscal perspective, and from competitiveness perspective?

MR. KATZ: I think this is a really interesting question because when we first started to focus on sprawl in the United States -- and there have been periods of time since the end of World War II where we have focused on sprawl -- it's primarily been captured as an environmental issue. Well, we're chewing up a lot of land. This is having an effect on water resources, et cetera, et cetera.

What we've tried to do at Brookings, and others like Stewart have tried to do, is to really raise up a whole set of other issues and challenges which are triggered by this low-density, dispersed, decentralized,

exit ramp economy we have. This has a dramatic effect on people's budgets. People are not earning enough to make ends meet, particularly when the cost of transportation are added to the cost of housing further and further away from employment centers.

This has a huge effect on the fiscal capacity of cities, suburbs, and metropolitan areas to manage their disparate challenges, infrastructure, education. We're building new when we can't maintain old. This has an enormous effect on competitiveness in our perspective, because going forward, even though the world is flat, those places in the world that will succeed are those that can build a quality of place, that can build not just the density of a city, but really the density of nodes of employment and residences across a metropolitan landscape so they can attract and retain talented workers. They can bring people up through ladders of opportunity.

So fiscal -- the ability of households to manage budgets, the ability of places to be fiscally sustainable, and the ability of metros to compete on the global stage are all implicated by these growth patterns. The only difference between the United States and our competitors around the world of the traditional sort -- I'm talking about Europe, Japan, and some of the rising nations -- is we are growing, and we are growing very, very fast.

If you go to Britain, five percent growth this decade. If you go to Germany, the beginning of decline. If you go to Japan, anemic growth.

We're growing. We need to get serious about accommodating this growth in very different kinds of metropolitan communities so that we can have fiscal and environmental sustainability as a whole, but also alleviate the burdens on households.

One more question, and then I'm going to move to the panel, unless someone tells me not to.

KENNY: Hi. Kenny from Transportation For America. I'm going to ask a question that's way out of my area of expertise, but still of interest --

MR. KATZ: Go for it.

KENNY: -- particularly in education. I was interested, do your statistics on education reflect quality? And by "quality" I mean particularly so 15 percent of Asians have received bachelor's degrees, how many of those Asians have actually found jobs?

And secondly, as part of the definition of "quality," in my mind, how has a university prepared them? Because no two bachelor's degrees are alike.

And another part to the question is, what is the statistical sweet spot for attainment of bachelor's degrees? So, for example, you know, sitting with 32 percent people with bachelor's degrees is doing really well, more so than a city with, say, 40 percent?



MR. KATZ: Interesting. Does anyone who did the education chapter want to answer this specific question about the quality part? Alan, do you want to take this?

MR. BERUBE: I'll take a microphone in order to not answer the question, to say that as great as the Census is and the Census Bureau, it is -- it doesn't offer a lot of perspective on the quality of educational attainment. I'll only offer it as an excuse for our perspective that there's a significant degree of correlation that we see in the data between the rate of higher educational attainment at the metropolitan level and the economic success of a place over the long run.

And also in the short run over the course of the recession and the recovery, places that were most highly educated in terms of the share of their overall population that has a bachelor's degree suffered less during the recession, seemed to be recovering faster in the wake of the recession. I think some of that reflects the sort of historical economic structure of these places, and the difference between the industrial core areas that Bruce showed that have a history in manufacturing and been really devastated by the last, not just the recession, but the decade, and the more highly educated places that have a more diversified economy that have concentrations and things like education and health care and technology that have performed better.

But it's also about what workers who have more education can do when their job goes away or their industry suffers a decline. They're more able to sort of shift their talents and their human capital to other opportunities. And I think that's something that less-skilled workers, those who don't have a higher education, find themselves less able to do in a rapidly changing economy.

So while we don't say a lot about the quality of education, I think even despite that we see a lot about the importance of just very headline statistics like a bachelor's degree attainment in metropolitan America.

MR. KATZ: Yeah, and I just want to add to this in one way, which is it's obviously not complete to only use a bachelor's degree, irrespective of quality issues, as the standard of educational excellence. What we're hoping to do with this effort is to work very closely with education scholars who focus on pre-K through 12, let's say, so we can understand the overlay of demographics to those schools and those school systems that not performing at that level. So I think there's some really interesting collaborations that we can do on that front.

The second thing is postsecondary education at the two-year scale, right, associate degrees. We have, I think, a live discussion in this country -- and if it's not live, it should be -- over what the shape of our

economy will be post recession. We need to do a better job of not just being the innovation hot house for the world, generating ideas, for example, around clean energy or health, or for technological improvements, but connecting that idea generation to production and deployment back home.

We still manufacture in the United States, but we don't manufacture enough, and that's very much a reflection of policies that have undermined the ability of firms, whether they're American-owned or foreign-owned, to manufacture here at home.

Now, if we can upgrade our manufacturing and production capacity, that is going to have a very different kind of effect on the kind of skills and education profile we need for our workers going forward. I think for 20 years we've had a very narrow discussion about what kind of economy we should build in the United States. That's the economy that crashed in this recession. It was consumption-led, it was debt-fueled, it very much turned its back on manufacturing and production at home. It's a consequence of innovation. I think if we had that conversation, we can build out from here some more intricate educational measures looking across the United States.

At some point there's going to be a hook that pulls me away, but until then I'll answer one more question.

MR. RAGLIN: David Raglin from the Census Bureau,

American Community Survey. I just want to let you know, you're talking about educational attainment, starting in 2009 we will have data on the field of degree of bachelor degrees. That's a new question that we added in 2009, so we will have a little bit more information about the type of degree and the type of fields that people have degrees in.

MR. KATZ: Thank you very much. With that, obviously, I really would like to have enough time for this panel, because it's an excellent panel. I want to invite Roberto Suro up, and the panelists up to introduce this.

Roberto is well-known to the Washington audience because he was director of the Pew Hispanic Center for many years, and prior to that he was really one of the most esteemed of print journalists in the country, focusing on a wide range of demographic dynamics and other issues. We have worked with Roberto for many years on immigration and demographic dynamics. He is a treasured partner, and he is really one of the most knowledgeable people in the country on the issues that we cover in this report.

So I'm going to leave it to Roberto to introduce our esteemed panel, and I really appreciate his making the way across the country for this. Thank you. (Applause)

MR. SURO: Well, thank you. Thank you very much for

coming. As you have seen, this is -- we've been delivered a very rich banquet of facts and ideas and challenges. And just as this event is meant to launch a series of activities that will help digest this information, we have a terrific panel here to start a discussion that I hope you'll here continue after you leave this room.

We're going to start talking amongst ourselves, and then after awhile open the panel to your questions. So be thinking of what you want to ask the panel as we go along.

Just to introduce our speakers here, let me start with Ron Brownstein, columnist for The Atlantic Journal, also political director for Atlantic Media. And he writes frequently for The National Journal and a variety of other publications in The National Journal's group, and of print and online publications.

Previously, he was very well known as The National Affairs columnist and national political correspondent for The L.A. Times. And a couple of years ago his most -- sixth and most recent book, a really important and interesting volume, *The Second Civil War: How Extreme Partisanship Has Paralyzed Washington and Polarized America*, was published and offers as very interesting roadmap to some of our national political difficulties.

Nancy Cantor is the chancellor and president of Syracuse

University and is a very influential thought leader in high education about how to rethink the mission of universities as anchor institutions. They collaborate with a variety of partners in different sectors to more effectively meet the needs of society and help really in a very important way think about how universities can play a much larger role in the metros that they're situated in.

Prior to her appointment at Syracuse, Nancy served as chancellor of the University of Illinois at Urbana Champaign, provost and executive officer for academic affairs at the University of Michigan, and she is a psychologist by training.

Abby Joseph Cohen is president of Global Markets Institute and a senior investment strategist at Goldman Sachs where she's worked since 1990 specializing in quantitative strategy and economics. She began her career here in Washington as an economist at the Federal Reserve Board. Outside of her work at Goldman, Abby does an awful lot of work on education public policy, serving as a presidential counselor at Cornell, on the boards of the Weill Cornell Medical College, the Jewish Theological Seminary, and the Brookings Institution here.

Jennie Chin Hansen is CEO of the American Geriatric Society and immediate past president of AARP where she served as a national board member since 2002. She has 25 years of leadership primarily at the

Locke Corporation, a nonprofit family of organizations providing integrated and comprehensive primary, acute, and long-term care and community-based services in the Bay Area in San Francisco.

She's worked with the GAO on the Medicare Payment Advisory Commission and is a noted leader on matters of health and related policies to aging.

So we've got a lot of fire power in different realms here to talk about findings that cut across a variety of different kinds of developments and arrays of a variety of policy challenges.

The first topic I wanted to pose to you relates to this notion of a cultural generation gap, a string of very dramatic demographic finding that 50 percent of the child populations in metro areas are not white, and that the over-65 population is 75 percent white, one of the really fundamental dividing lines in American society and one that has implications across a whole variety of different policy realms.

This report, one of its interesting propositions is that metropolitan areas are the forerunners of demographic transit we're going to see defining the nation as a whole, but that they can also serve as laboratories for working out these problems, so they're sort of the essential laboratories where these issues need to be addressed first.

So in talking about this cultural generation gap, for the moment

let's leave aside the big, grand bargains at the national level -- entitlement reform, integration reform -- and let's talk about how this demographic trend plays out at the metro level in some of the political challenges and opportunities, the dividing lines and potential coalitions, some of the flashpoints and potential consequences.

So who would like to -- do we have a volunteer to lead off this discussion or shall I pick on one of you? Ron?

MR. BROWNSTEIN: Thanks. First of all, I think I want to commend Bruce on not only a great report, but a tour de force presentation that I think has left everyone in the room with the same question of, who does your graphics and multimedia? And do you rent them out?

But I think this is a very profound question, and we have been looking at it. At National Journal, we call it the generational mismatch. You called it the cultural generation gap. I mean, there's no question that we are seeing a stark divergence in the demographic character of the young and older population.

Bill Fry has shared with me data that show that each 10-year cohort in American life is more non-white or more minority than the one above it. And over 40 percent of millennials, for example, are non-white.

I would frame this problem not only in terms of demography,



but not surprisingly where I come from or my background, but political attitude that really reinforced this in several dimensions, first, and all of which add to the complexity of the problem that we're talking about. Roberto, there is now an enormous gap in between whites and non-whites in their attitudes, not only toward President Obama, but on the basic role of government. In all polling there is a chasm between a general acceptance of an activist role for government among non-white populations and growing resistance to that among white populations, especially a non-college white population, working class whites.

For example, in health care polls about the health care bill routinely non-white respondents by 2-to-1 said it would be a good thing for them, their family and the country, and white respondents by 2-to-1 said the opposite. So you are looking at kind of a baseline divergence. And in some ways I think a resurgence of the politics of the '70s and '80s where much of the white community translated government activism, interpreted government activism as meaning government is going to take money from me and give it to people that don't earn it like me.

And the other reinforcing complication here is the partisan overlay here. The electorate, like the country, is changing dramatically. 2008 was the first presidential election where a quarter or more of the electorate was non-white. The Census said 24 percent, the exit poll said 26

percent. Barack Obama won 80 percent of those votes. In a country that is now, as we saw, one-third non-white, 89 percent of John McCain's votes came from whites.

And you see this spread, you see this reflected in Congress as well. Some work we've done at National Journal, half of all the Republicans in the House are from districts that are at least 70 percent white and where fewer than 30 percent of the whites have college degrees.

So you have this kind of separation in attitude. You have the separation in -- I guess you started in separation demography, separation attitudes reinforced by separation in kind of political alignment, all of which point toward this being a fundamental problem. And I would only answer that Bruce framed it very well when he said, you know, will this predominantly white senior population pay for the education that a non-white younger population needs? And I would only add to that, a younger non-white population that is going to have to grow up to pay the payroll taxes to fund the Medicare and Social Security for that white population.

SPEAKER: Can I jump in on that last point, and I think the key point that Bruce made and Ron just made is this notion of interdependence. What these demographic trends really say is that we have got to be a more interdependent society. We have got to feel a sense of social responsibility back to the inner-city metros, the kinds of educational disparities that we

have simply will define the next generation, and it will define it in as negative way unless we create the kinds of social and cultural structures that pull people together across this gap.

So just to the Pollyanna, that can be an opportunity. If we think of education as the key structural institution that will lead that interdependent society, there's a moment of truth here, and these metros can really lead the way. You know, in a sense we used to say location, location, location, and now we're cutting that out. Now it's education, education, education. If we don't do that and do it in a progressive way that takes aging populations from the suburbs, brings them in in some viable role in the education of this next generation, and commits to those K-12 and really K-20 kinds of pipelines, we won't prosper.

MS. COHEN: Yeah, I'd like to just jump in and somebody was saying they're going to comment on something, but they're not an expert. And my domain is definitely about them. More the aging of the population and the health care side of this that was brought up, but I just would like to take a comment from Bruce that framed it, that if we could frame it in not necessarily a Pollyanna way, but a very powerful compelling argument that it's the competitiveness. It's not just a -- I think it was always seen as a social good of moral responsibility. And if we could reframe it as to who's going to be there to take care of people, and wouldn't I want somebody who

is capable, competent, and able to provide both the care and the work force that will fuel the ability to have more revenue coming in to, you know, spread the goods.

So I think this is -- it's going to be a governance and a framing component that will be very important to take a look at as people receive care. You know, one of the aspects of age that I just wanted to perhaps jump in to also add to the fact is that the aging population data that was conveyed, what's underlying that is the fact that the fastest subset of the population of the 45 and over is really the 85-plus population. And that demographic is also going to be visibly more white at this stage, but growing other populations -- the Asian populations; in fact, that's the fastest growing, 85-plus population. So there are going to be different kinds of interdependencies as well as issues of access, some of whom will be in urban metros, but some of the suburban property that we're seeing.

The report which I'd like to compliment the team on again, is a treasure trove of data. And the thing that I found so striking throughout is this important linkage between income trends and the educational trends. And I really think we should spend a few more moments on that.

In the report, there is the discussion of the growing income inequality in the United States, basically in which income of our middle income family is -- and our lower income families is, in fact, declining on an

inflation-adjusted basis. And let's recognize that this is not just a function of the most recent credit prices in recession, but this is a problem that began about 10 years ago which, from my way of looking at it, is very consistent with the timing of the change in educational attainment.

It is now less likely than it was 10 years ago for young adults, especially young males, to have completed a 4-year college degree. And I think that much of this was related in terms of why we have seen this income problem, this income shortfall particularly among middle income and lower income, and let's not forget to drill down, not just at the metro level, but also at the industry level.

Beginning about 10 years ago, many young men thought they had a long-term career opportunity in things such as construction. And on a short-term basis their incomes were quite good until they ran into that analogy, the brick wall of what happened with overbuilding and so on.

One other point, and I would love to see Bruce and team more data with regard to this. My team at Goldman Sachs has worked on showing just the enormous gaps that now exist in terms of average annual income and lifetime earnings between groups of people with different educational attainment. So there is a benefit if you finish secondary school to get that associate's degree, and there is another huge step-up to finish a four-year degree, and then there's another significant step-up to get a

graduate degree or even more so a professional degree. But we see that pattern inverted; that is, the minority populations which are growing so quickly are in fact less likely to get those higher and higher degrees, and something, clearly, that needs to be addressed.

One final very micro point, if I may, there was a comment made by Bruce in response to a question about the importance of community colleges. We think that this very severe recession has really pointed out how important these institutions are. Very often they are the line of first defense in communities to provide vocational training, but perhaps, more importantly now, vocational retraining. And these are the same institutions that have been absolutely clobbered by the financial difficulties of state and local governments. So at a time when the needs are greater, enrollments are rising, the funding ability by those local governments has been sharply diminished.

I don't mean this as a plug, so my apologies for stating this, but Goldman Sachs announced several months ago a plan that we call "Ten Thousand Small Businesses," which is aimed to work with small businesses in the United States or workers in the United States who find themselves basically now adrift because of this economic difficulty.

And what we're doing is basically funding community colleges. And the community colleges are providing education and training, something

that we can't do, but we can try to identify the local schools that can affect these businesses and, of course, the individuals and the families afflicted by the current situation.

SPEAKER: I think this emphasis on community colleges is tremendously important, especially given the nature of the place-based commitment of community colleges. And so if we think about how do we create this pipeline, educational pipeline, we've got to start with the notion of place and really imbed people in place in these metro regions and then grow them out.

So to the extent that four-year institutions can create articulation agreements, for example, with community colleges, and we can really look at the education pipeline as truly sending people on a road to prosper and thrive, it will be very important to look at the sort of imbedding, if you will, geographically and regionally, within these metro maps.

MR. SURO: There is a "yes, but," though, right? Which is that --

SPEAKER: Oh.

MR. SURO: Which is that the overall educational system of a particular community college had a substandard record of actually getting people through to completion, it's a huge problem in terms of getting people through community college. And, in many cases, we're now experiencing

this dynamic where young people come out, K through 12, their preparation is uncertain, the support for them at the college level is uncertain, they end up not finishing, taking on debt, and probably being worse off than when they started.

And that, you know, that challenge of -- it really kind of extends down through K-12 also, which is that -- you were talking about the kind of the responsibility of older generations to fund the education of the younger generation, but they're, you know, the educational system itself ultimately has a responsibility to produce better results all the way through.

SPEAKER: No question about it. There is a little bit of an irony, though, in your data about completion, because transfers from community colleges to four-year institutions have a higher retention in graduating rate than those entering initially in freshman year. So if we can really get --

MR. SURO: Get them through those first two years.

SPEAKER: -- get them through them, yeah, and they have a better --

MR. SURO: But the data is, I think, only a third of, you know, over a four-year cycle, over only over four years, I think only a third, roughly, of people that enter community college --

SPEAKER: Enter.



MR. SURO: -- entering complete, and the gap in college completion between children whose parent went to college and children whose parents did not go to college is actually widening --

SPEAKER: Right.

MR. SURO: -- over the last generation despite all the money we've put in it. So, I mean, this -- and this is something the administration has tried to focus on and hasn't really found a lever yet.

SPEAKER: That's right.

MR. SURO: But again, the kind of accountability for results at the college level and then the K through 12 level probably has to be a significant part of this conversation.

SPEAKER: I think you're also making a very important point which is the K-12 to college connection. I think we cannot focus enough on that connection so that we're not going to reform K-12 until we understand what that full pathway is.

MR. SURO: Abby, let me one -- I copied this and important to underscore is that not all postsecondary education is the same, and we're creating a hierarchical system of postsecondary education. We've described a series of inequalities that are sometimes mapped onto race and ethnicity. This thing, there's some of this is also happening in the postsecondary system where you have an awful lot of Hispanics and also

African Americans pouring into community colleges and the lower tier of public universities while Asians and whites are going to the more competitive both public and private universities, and particularly some of the public universities, so you can replicate the same kinds of inequalities, but simply at a level, a higher level, of educational achievement. And that goes to the question that was raised about attainment, which is an illusive factor.

I just -- since I've got the floor, I'm just going to add one other thought to this discussion which is that the demographic trends tend to develop very slowly, and often we don't see them while they're happening. And we need reports like this to make us aware of something that has been happening little by little sometimes over a decade or two.

The danger, I think, is to think that the policy response can go at the same pace. And on this issue, I think the urgency, exactly the inverse to the speed of the demographic change, is quite clear. If you think about the basic societal challenge of getting an older white population to pay for the education of a younger non-white population so that younger non-white population can be productive workers enough to pay for the retirement of those whites and their health care going on often until they grow to be a hundred.

SPEAKER: There would be no excuse for that.

MR. SURO: I mean this is the basic societal dynamic we have

to figure out. The timing on that is very tight. This problem has to be fixed in 15 or 20 years. It takes 20 years to grow a college graduate from conception to graduation, right?

SPEAKER: Twenty-three.

MR. SURO: And if you think of the educational system as a pipeline, a particularly -- certainly we know this is the case particularly for non-whites, it's progressive disadvantage, accelerating disadvantage, I'll say accumulated disadvantages that start early in the education system. If you're aiming to increase your college graduation rates 20 years out, you've got to start now with very -- I mean, there's very little time to turn this around in a way that 25 years from now you've got this basic dynamic remedied such that you've got a more productive workforce over all, generating enough income to guarantee the health and income security of what will be a very large population of older Americans.

So I'd say there's -- there is slow and there's gradually, as this problem develops, the solutions have to be hatched really quite quickly now.

SPEAKER: Yeah. I'd like to address the end, two things relative to the workforce and the economic security. You know, the fastest-growing industry that people are aware of is the whole health care sector still. And the need for physicians and nurses and other health care professionals is absolutely profound with the average age of registered

nurses now is close to 50. So there's a real aging -- actually probably mid-40s, but the faculty are actually about 50.

So the whole question of who's going to be there to take care of people on the production side, educationally, cannot crank out enough people. I think in about 25 years we're short of at least a quarter of a million nurses. The shortage of physicians in areas of primary care and care for older people is really minuscule when there has received some recent legislative of policy focus, but still the speed of production of not only somebody from going to college, but a physician or -- and a nurse is going to be tremendous.

And the whole aspect of aging, one is we talk about the service demand. One thing we haven't perhaps really framed is thinking about the capacity of people who are mid-life and older to contribute economically. There is probably a whole other focus on what kind of jobs are possible.

We talked about community college re-skilling people with this, and that is another opportunity both for some productivity and economic security, because it is a big issue with women living longer. The povertization of women is one of the aspects of the suburban issue we've talked about. But the other aspect that isn't a part of this report, but I just want a bookmark, is that there's capacity for people to provide services that

are more from a civic engagement standpoint of education. So there are people who could contribute in a different way to the educational competence of younger populations that could be retooled, be it for paid work or for volunteer work to be remembered.

SPEAKER: Actually, I think that is a part of this report in many respects, because if we think about the metro regions really in a geographic or a spatial or a physical sense, what we need to do is draw people on a daily basis back in, in a sustainable way, so we have to think about transportation. But draw people back into the centers and create schools as centers of community, whether we're talking K-12 or we're talking anchor institutions above K-12. We really need schools to be centers of community where health care is delivered, where we think about legal supports, where we think about nutrition, where we think about all the issues that metros have density capacity to lead if we draw people back in from the suburbs.

And this raises the very broad issue that is addressed in the report about something else that has happened, let's call it beneath the surface, slowly, gradually, over the last couple of decades, and that, of course, has been let's call it "the sprawl."

SPEAKER: Right.

SPEAKER: And this is something that has had enormous implications, including during the credit crisis. One of the things that I think

is not well known, but is critically important is to recognize that much of the subprime crisis took place in the exurbs. It took place in some of the newer communities that were viewed as less expensive.

This was areas where many people moved in at the same time into the same development, unfortunately using the same sort of finance that they couldn't afford, but these were also communities that were highly dependent upon inexpensive auto transportation on -- and something that we often forget about is that the credit crisis and the recession began -- there was obviously many catalysts, but one of them that we forget about is that crude oil was trading at \$140 a barrel, and so transportation expenditures for people living in the exurbs became quite expensive.

The Federal Reserve has done some interesting studies in different Federal Reserve districts. I'm most familiar with a study they did in the New York fed district which includes all of the surrounding states as well. And if you take a picture, basically concentric circles, so you've got city center and then the concentric circles around it, what you basically find is that the subprime failure rates are higher the further out you go.

And so all of this has implications because people moved further out. Often the economic opportunities were not as dramatic, and then when the crunch time came, they were adversely affected.

**SPEAKER:** So what are the points of leverage on this set of

problems that this sort of energy, housing, transportation continuum particularly at the metro level, how do we get a handle on this issue short of sort of large events like a financial crash?

SPEAKER: Well, let's start out with just one anecdote. Before Secretary Napolitano took over, when she was governor of Arizona she had put forth a transportation plan which was really an economic development plan recognizing that Arizona has many of these issues in terms of sprawl, in terms of what that means for energy uses, what it meant for water usage. She was thinking in terms of a public transit system that would encourage economic development in areas that were already, if you will, metros.

And that is something that could be extremely powerful. It allows us to concentrate our resources whether those resources are the sorts of commodities we normally think about like energy and water, or the important resources that you were addressing -- our people, our skills, our educational institutions and so on. And so this is something that I think on, to use Bruce's expression, has implications at the federalism level, but also very much at the state and local level.

SPEAKER: You know, one lever is obviously if there is any kind of cap on carbon emissions. You know, in California now where AB-32 in 2006 when they did their carbon emission limits, the price signal probably isn't going to be that profound on gas prices in terms of discouraging people.

But as part of that, or at least concomitant with that, they passed legislation that had significant financial resources to communities that focused more on kind of in-fill growth rather than sprawl growth.

I mean, and so -- I mean, if you did pass any kind of legislation limiting carbon, which you know right now looks very difficult, that would be an important lever.

The problem is, I mean, you know, that the -- there's a reason why the exurban areas are growing faster than the in-fill. I mean, it is an attractive option to many people. Generally speaking, at least as I understand it, these are not the most affluent, you know, families that are moving out there. In fact, they tend to be less affluent than those often who are choosing the inner suburb or the city, and they want to go out because they want their picket fence and their yard, and, you know, that that is a powerful pull.

They also tend to be predominantly less diverse communities, more lopsidedly white than some of the inner areas, and again tend to be more kind of resistant to kind of government activism, government planning, and all of these things kind of all come together around a very kind of polarizing layout of both the physical, economic, and political landscape that make it tougher, I think, to envision even metropolitan-wide, much less nationwide solutions and responses.



SPEAKER: And we've really got to push the reclaiming of green space and brownfields within the inner-city areas and the suburban ring right around to pull people back in.

So the kind of cross-agency collaboration that Bruce mentioned -- HUD, DOT, EPA -- thinking about storm water use, thinking about greening. Philadelphia, for example -- and Mayor Nutter will speak, I assume, on this -- is looking at a real green open trend that I think could make a tremendous difference as a prototype, nationally.

So we really need -- we need to put the incentives back into the kind of reclamation that we began awhile ago and really have not incentivized fully.

SPEAKER: Jennie, you know, I'm -- sorry, you're about to say something, but I wanted to prompt you in one direction in particular, which is the very interesting finding about the aging of the suburbs, so the notion of trying to build policy for a very dispersed aging population, which is not something I think that at any level of government really has been faced as a challenge.

I was just wondering if you could address how you see that issue and what kind of levers there are on that question.

MS. HANSEN: Well, I think that it's true we so historically have focused on the aging in urban environments, and now having this data

really points this out. So the question is, you know, if they're caught economically not being able to afford to come back into large urban areas, but the question is how do you sustain, economically and socially, people who are going to be more vulnerable, because there are not the community structures there to serve an aging population, even hospitals and environments where socialization occurs?

And one of the things that will be important, because I think part of the report starts to say, what are the incentives not to own of property? And that becomes, I think, a big question as what incentives can allow people to come in a more congregate way closer to rebuilding communities such as some of the shopping centers even that do exist in suburb areas. How can they be reframed to become centers of communities where services are more available?

And the tough part we have found, too, is just the way the housing design has occurred in the exurbs; that because it's been a auto-dependent transaction, there are no easy access points for bringing people together. So that's a big question of transportation. And so do you bring people in to kind of congregate better? Or do you have some form of transportation that brings people together, mainly because I bring in the combination of housing and social isolation which tends to occur? Because that becomes a stimulus for some of the issues that are more mental health

related that happen in older age in terms of isolation and depression.

Being there with no money, isolated, really creates kind of an exile that has to get framed as to what's going to help people come back in so there's enough money and access to services and the community aspects. So those are some big policy aspects to be considered.

MR. SURO: Wouldn't the -- another one of the theory-entreating macro findings in this report is the way it is -- it asks us to change the way we think about regional geographies and the whole series of mental habits we have about the way we divide up the country and sort of put identities on places based on a geography which increasingly seems not to reflect reality at the metro level.

One of the ways that plays out in real terms is in terms of is the level of economic competitiveness of different cities, particularly in a -- if you think of them as players in a global marketplace. So what my question to you is, how do you identify the ingredients of success and the extent to which that's an actual question for governments at the state and local level when you're looking at these metros, sometimes interestingly very near each other, but with very different characteristics in terms of their growth, their levels of education, their other characteristics?

SPEAKER: I'll start and do so by repeating something you've already heard many times, and that is perhaps the most important

competitive factor in every community will be education. In earlier centuries of economic development, competitiveness was often linked to access to natural resources, access to a waterway that is a transportation distribution system. But really, since the end of the 19th century, the determining factor has been education.

And if you think about every time the U.S. economy has taken a great leap forward in terms of aggregate productivity, then followed by a sustainable increase in standard of living, it was always preceded by a very dramatic change in educational policy.

At the end of the 19th century, it was the introduction of public education up to typically the 8th grade level. The United States created the single largest group of literate workers. It helped explain the transformation from an agrarian economy into an industrial economy, so by the time of the First World War we had gone from what used to be called the Third World to First World economy.

You saw another huge jump after the Second World War. The GI Bill of Rights helped create the largest single group of college graduates that was also the advent of many of the great state university systems. And so here we are now, and I think that there is an absolutely enormous challenge that once again is related to education. The report that we've been talking about shows that there has been some deterioration in some

regards over the last handful of years in terms of educational attainment however we wish to measure it. And this is something we simply cannot allow, because we know that it is not consistent with sustainable economic growth.

In fact, one could argue that things as disparate, you might think, as the decline in the national savings rate, you could argue that that, in fact, was related to this educational shortfall, the decline in inflation-adjusted income or median family income and lower income, people wanted to feel like they still could afford things, and they this by going into debt and not saving.

So this is really an essential area. And I think the way that different communities face this will determine their long-run success. And it is an enormously big issue, and I think it is something that we're going to see dramatically at the K through 12, and also the community college system, not to mention the university systems, but think about where we are in terms of short-term economic cycle where state and local governments around this country are cutting funds in this area and, to use an analogy, they're basically eating their seed corn right now.

And I would like to be disabused of this notion, but I have not yet seen a community that has done a particularly effective job in moving in the opposite direction during this period.

I think one of the things that will really also distinguish metro areas in terms of educational attainment will be whether there are anchor institutions, whether they be higher education institutions, hospitals, eds and meds, that are willing to be anchors and really commit, because that puts an expectation for educational attainment that can really be a game changer in those metro regions.

MR. SURO: I think it's a really provocative idea that the big bursts of economic growth have followed kind of an expansion of educational opportunity. But kind of going back to this question of polarization and kind of a narrowing of the funnel, one of the things that struck me in the report, one of the findings among the many interesting findings, was this notion that in the communities that have the highest level of educational attainment to begin with, they are pulling away faster from the others and that despite all the things about San Francisco and New York, it's too expensive to live and the educated, you know, kind of young people are congregated there. If you kind of look at this through the whole pipeline issue, we know that people whose parents graduated from college are now five times more likely to graduate from college themselves than people whose parents did not.

Now, this has a big racial overlay, but it's not entirely racial. Then I think from what the sociologists tell us, was it the assorted meeting,

people who graduate from college are more likely than in the past to marry other people who graduate from college, who produce children who are themselves more likely to go to college and live better than those, and you kind of get to -- the geographic element of this report is shown. And it kind of feels to me like we're in a society where the civic religion is this idea of the American people that each generation -- you know, you can go as far as your talents take you, each generation will do better than the other. It's sort of going like this. I mean, we're kind of branching out into two clear, distinct tracks: one in which, you know, the expectation is that you'll go to college, you'll produce children who will go to college, and on and on forever; and the other where it is less likely that will occur.

And, in fact, we do a -- no, no, my plug -- National Journal we do quarterly polling called the Heartland Monitor with F.D. and Allstate about how average Americans are explained to the economy. And in our polling young people whose parents did not go to college are less likely to say college is worth the cost than young people whose parents did.

So, the expectations are diverging, the experience is diverging, the political attitude is diverging, college-educated voters are more open to government activism than non-college voters, kind of a reversion of, you know, the 20th century, and you kind of wonder where all of this leads except toward almost a new version of separate and unequal.

MS. CANTOR: Well, you've got to invest.

MR. SURO: Yeah, well, and ultimately figure out ways, because we are expanding the number of people who start college from lower income and first generation, but we're not, as I said before, expanding the number who complete it.

MS. CANTOR: Right. Let me quickly put a marker here as well, because we've been talking about demographic issues, which is very much the focus of this report. Let's recognize that there are some other elements out there that can help push forward economic success. And one of the areas in which the country has not been doing as good a job over the last decade or two compared to previous periods has been support for areas of the economy that could grow. And, you know, I don't mean to, you know, make a strong case for, you know, five-year plans or other things like that, but one of the important aspects, for example, of the proposed budget this year from the Obama Administration was a notable increase in funding for things like the National Science Foundation and for support of education for scientists and engineers. Because to go back to that question about, well, we have college graduates, but what have they studied, it is unfortunate to see that there has been a decline in students who are focusing in on applied science and engineering, because these were the skills, for example, that really made such a difference in our economic growth and our extraordinary



international competitiveness in the 1940s up until the last 10 or 15 years.

SPEAKER: Yeah, I'd just like -- interesting, there's some literature that's come out as to where people go. And this point about science and math in particular, that over the course of years a lot of our U.S.-based students end up getting degrees in, say, law and business and all, which are oftentimes more transactional as compared to some of the graduates who will come -- or students who come to the United States to study go into math and science, but they go back to their native countries and populate there. So this reversion to come back to make sure that we produce students here domestically that do this kind of fueling of the future is just an important --

MS. CANTOR: The latest data show that in our programs here in the United States, something on the order of 60 to 65 percent of our PhD candidates in engineering and applied science are not American citizens, and in the past many people viewed this as a wonderful way to -- for foreign aid. Keep in mind that many of these students are being funded. They get very significant supplements and stipends through federal government programs. In the past, many of these young people would stay in the United States, and we've made it more difficult for people to do that.

MR. SURO: To wrap up on this topic, there's an interesting parallel to that dynamic at the metro level in that there are lots of cities that

have done very well in the past by importing talent, or luring talent. Certainly California for a long time did very well by basically cherry-picking brains from a lot of the rest of the country, as well as overseas. It seems like metros have a kind of choice to make about between -- whether are you simply going to import talent that's necessary to make you economically competitive, or are you going to grow it, and if you grow can you keep it? Because it's not just a matter of having the educational institutions, but then as we've seen in lots of places that produce very highly educated young people they then lose demand unless that educational growth is accompanied with economic opportunity.

We've got a few minutes left here before we turn to questions from the audience. I want to pose one last topic to you, which is one of the - - another broad thought in this report and in a number of reports that have come out of the Metropolitan Policy Program, which is on the question of metropolitan governance and the challenge of rethinking the way we administer metropolitan areas and the kind of divisions that may be archaic between core cities, suburban counties, multiple jurisdictions that are created in some metropolises. There was an extraordinary number here for Pittsburgh. Was it 700+ different local jurisdictions in the Pittsburgh metro? I mean, really quite an extraordinary fragmentation. And you try and think of -- I mean, you would never start out to create a government plan that would

be based on taking a metro like Pittsburgh and say let's divide it up into 700+ different government entities and see how well it works, right?

So, the question is how do we get some traction on this very large issue of governance?

MS. CANTOR: Well, I'm going to jump in. I think getting traction on consolidation of these government jurisdictions is absolutely critical if, for example, we're going to solve the education crisis that we're talking about, the disparity. So, in the city of Syracuse, for example, we have with the city school district a -- for the whole 21,000 school district a education reform. The only way we can make this work is that the county of Onondaga and the city of Syracuse commit to going across jurisdiction lines to make this K-12 education system work, because the county provides the social services and health services; the city has the school district. We have to get those consolidated together, and that's what we're doing in our reform effort.

But I think scale becomes very important there. So, one of the things that comes out, I think, but only intermittently, throughout our conversation, is really a question about scale. What kind of reform can you do in these metro areas dependent on the scale so we can actually hope to reach all 21,000 students in the city of Syracuse school district?

When I was in Chicago and Detroit, you couldn't hope to reach

them all with that kind of comprehension, both consolidation and reform, and I think we need to think very -- in a very nuanced way about what you can accomplish at different scales.

MR. SURO: You know, politically the challenges as the report shows the kind of -- our historic image of a predominantly minority city surrounded by a predominantly white inner suburb having utterly disparate problems and political attitudes is somewhat evaporating as suburbs become more diverse and the problems of suburbs and cities become more overlapping. So, in theory that should -- and, in fact, in many -- outside the South, particularly, in many areas the voting behavior of cities in the immediate suburbs are converging. I mean, in Philadelphia -- in Pennsylvania, the two cornerstones for a statewide Democratic candidate are now the city of Philadelphia and the Philadelphia suburbs, which wouldn't have been true 40 years ago. But, I mean, they're are still -- I think they're still ultimately limited.

I worked for L.A. Times for 17 years, and I remember that when we were making one of our periodic big pushes into Orange County, the decision was made that you had to take the words "Los Angeles" off the name of the paper because so many people in Orange County, as in many other suburbs, define themselves, their identity, by their decision not to live in the big city. I mean, that's a big part of who they are. They may, as the

boomers suburbanize, they may increasingly try to replicate what they like about cities inside of suburbs. You know, we have our two blocks in downtown Bethesda that, you know, look like it was lifted from, you know, some vision of an urban landscape. But I think that -- the edge city kind of thing, but I think that, you know, there -- as the problems converge, as attitudes converge, there is more opportunity for cooperation.

It's worth keeping in mind, though, that, you know, I think there are voters who are choosing specifically to move further out to excerpts to be away from the diversity they see in the inner city, and the inner suburbs I mean, explicitly moving to be in a more homogenous community. Their vision of community I think is different, both in terms of what they expect from the services from the state and from the local government, and there's going to be a limit to how far you can integrate them into a common purpose I think.

MS. CANTOR: And we're now at a point of -- I don't want to call it crises, but we're now at a crush point, because many state and local governments in particular were highly dependent with their finances on a healthy real estate market. Keep in mind that many communities finance themselves through property taxes and through the transaction taxes involving real estate which until the last few months really became quite anemic. And so we're really seeing a number of state and local

governments probably at the most propitious point in many years where they'd be willing to think about consolidation, because they recognize that the revenue base doesn't really support things.

The other thing that may be coming to a head in some communities is the recognition that they have a very unbalanced economy. You know, the expression "bedroom communities" -- those communities that have not been successful in attracting commercial and industrial activities and, therefore, a broader tax base are in this environment in some ways much more vulnerable. And, therefore, I think there's much more discussion of the sort that Bruce and team reflect on in the report.

MR. SURO: Who'd like the last one?

SPEAKER: Well, I was going to just bring up -- I think this whole concept of consolidation and how it can be eventually more politically possibly palatable, and that is, you know, I think neutral to politics is the sense of common sense, and how we define common sense is, of course, by our lens. But I'm really reminded of how important it is to think about efficiencies that can be gained as compared to the 700 units that exist, because having lived in San Francisco I remember watching people outside of our building. You know, one group prepared the sidewalk a little bit and another group came in, dug the hole, and another group came in and put in the parking meter. And you kind of watch that and you wonder now why

doesn't that kind of come together, because you see three different jobs, you know, being created here with three different divisions of government. So, maybe this might be a new opportunity.

MR. SURO: Now, audience, I'm sure you all some profound solutions to the many problems we've highlighted here, and we have time to take a few suggestions. Are there microphones out there or should people just stand up and holler? There are microphones. So, let's start to the front, and we'll move towards the back. Start here, and we want to take a few, so offer pungent statements.

SPEAKER: As a segue to Ms. Cohen's comments, but isn't the other elephant in the room that we haven't discussed this morning, both in terms of the role of these metropolitan areas and in terms of investment for the future and competitiveness and redistribution of some of the important factors is tax policy, both on the national level, state level, and the local level? And I know that distribution of wealth as an expression is an unpopular political statement, but -- or expression, but isn't that where, at least on the local and community level, we need to start with both in terms of political leverage of these communities but also in our investments for the future?

MR. SURO: Let's take a couple of questions and comments here, and then the panel will respond. Let's sort of work towards the back.

MR. ALTMAN: I am Fred Altman. And there's a lot of talk of education, but one part of education that's totally not mentioned and that's online education, which seems to be growing. I've read that over the next 20 or 30 years, it might -- higher institutions, higher education might be like newspapers. People will go elsewhere and get it piecemeal here and there. What effect will that have on the future development?

MR. SURO: One more, whichever --

SPEAKER: I guess this would kind of -- it's good that I'm after him, because he mentioned education, and I've heard that mentioned other times, also. (inaudible) from HUD over here mentioned earlier about the inequalities of income and wealth amongst the various minorities and these whites within the country. And I'm just wondering -- we haven't really touched on the whole issue of gentrification. And predominantly speaking, from a D.C. perspective, as we see a kind of an influx of whites coming into the city, you often wonder, well, where do the minorities go? And now they're getting pushed out and the suburban sprawl has become whereas these minorities are becoming part of suburbia. And how do we keep from pushing the education problem so that it does not limit itself to just the same classes that it's been positively affecting me and the whites, if the whites are coming in and we're building up education within the city. How do we keep that -- how do we make sure that it also affects those blacks and other



minorities, you know, that are moving out, you know, instead of we always have this issue of pushing the problem instead of actually solving it. So, how do we make sure it get solved as the -- you know, as populations continue to shift?

MR. SURO: Let's take one more right here, then we'll go back there.

SPEAKER: Thank you. Well, I understand that the workforce of tomorrow is the workforce of today. I mean, we're looking at four different years of a person's life. The one thing I haven't heard mentioned is early childhood, and I realize that it's easier in terms of education requirements -- I suppose an oxymoron -- it's easier to talk about K-12, because there is an actual system. When the demographic growth points to immigrants, you know, people learn the most between birth through 5. You know, prison beds are determined by third-grade reading scores. I think we're missing a huge opportunity if we don't talk about putting an additional investment at all government levels into pre-K and early childhood, because, you know, it's shaping tomorrow now.

MR. SURO: There's a gentleman in the very back who's been very patient. Thank you.

MR. HUDNUT: Thank you. My name is Bill Hudnut, and I'm sitting here as a former mayor of a large city. And maybe Mayor Nutter will

address this, but I'm concerned about a group that also hasn't been mentioned, and that is the school dropouts at the high school level. I was very concerned about this, and I know you want me to be succinct, so I won't tell you what we tried to do about it in Indianapolis, but I wish, Bruce, that maybe we could get some statistics in here. There's about 80 percent of the people who have a high school or college degree, which means 20 percent don't. Twenty percent drop out of high school, if the statistics in this are correct. And that's creating an urban underclass, and that's the soft underbelly of metropolitan America, and I think that that's something that needs to be addressed as well as accelerating higher education and community colleges and all the rest of it. How do we keep kids in high school so that they get at least a high school diploma and don't just don't just drop out and become a drag on society?

MR. SURO: Let's see, have time for very brief final phrases if anybody wants to close this out with a thought or two.

MS. CANTOR: I just want to make one quick comment to the last comment and also the earlier from the gentleman over there, and that is a real commitment to under-resource school districts is so critical, so we can't just let it be. This is gentrification pattern. We have to commit. In the city of Syracuse, the graduation rate for African-Americans in the inner city is 37 percent from high school, so we're not -- when we talk about education

reform, we're talking about really pre-K on up, but we're really talking about investing in the under-resource districts, whereas education funding has been a peanut butter spread. We just put a little in every district and we hope that property taxes, et cetera, will take over. We can't do that if we're going to do -- address the issues that this report really focuses on.

SPEAKER: I think the question on taxes really gets to the heart of the entire choice and really the way the political debate will be framed. The way our parties are evolving, you have a racially diverse, economically diverse democratic party that by and large is inexorably being driven toward a view that more revenue is needed to make the investments required to bring school systems up to snuff and to do a whole series of other things that they believe will generate long-term growth. You have a preponderantly, even overwhelmingly white Republican party growing more white as the country grows more diverse that by and large is -- it has a coalition of voters that reject that basic premise and who live largely in places where the diversity, you know, the diversity is spreading -- and that's a big part of this -- are somewhat either immune to that diversity or in places where it is just kind of arriving and is more a source of concern than a feeling of opportunity. So, you know, you have a big gap opening in the political debate that is going to make it difficult to resolve this fundamental generational mismatch, because over it is laid -- now laid an increasingly

partisan lens as well. And it is always harder to solve problems when you see one part completely lining up against the other. I mean, that is a tough way to kind of move forward on problems when that is the alignment.

MR. SURO: Anyone else?

SPEAKER: I'll just respond to the technology, how education has opportunities for the future with online learning and especially I think the private sector has experimented with some online learning, especially for more disadvantage communities to show some very positive outcomes. I want to just do the quick segue to say that also this telehealth care, telemedicine is also related to this tool now that's available, so that can potentially be an interim solution to somebody, the access issues, especially. I mean, they've done some research to show even counseling can be done much more online, and actually rural America has given us some themes here that we could use for these excerpts and other places.

MS. CANTOR: Just one data point for me to acknowledge the severity, sir, of the problem that you mentioned in terms of people who are not graduating from high school. The unemployment rate in this country is obviously an extremely uncomfortable 9.9 percent. Among those who have not finished high school, the rate is two to three times that level, and that may, in fact, be understating it, because these are the individuals who are actively looking for jobs; those who have given up don't even get counted.

So, this is a very severe problem. It's something that affects us right now and obviously something that has an enormous impact on the future.

MR. SURO: I feel this very rich conversation with the comments from our panelists and from comments from the audience really illustrates what I see as one of the great values of this report and the approach it takes. By looking at our nation from the point of view of metropolitan America, it really challenges us to see the interconnection among different types of people, a series of policy issues, a series of different geographies. I mean, this particular perspective I think emphasizes the nature in which we're at fault if we put these questions into different silos and fail to see how much overlay there is, both in the challenges and the solutions.

And the other great challenge is to see all those interconnections and not feel overwhelmed by it, but the information here helps us get a good bit of leverage on these very important issues. So, thank you to the panels, and thank you all very much.

MS. RODIN: I'd like to thank Roberto for moderating that terrific panel. I know we could have gone on and on, and it really is important to amplify Roberto's last point. They gave us an in vivo demonstration about why looking at the interconnections among all of these issues is really so important, and the articulation of them and the

understanding of approaching this systemically and really understanding that you could get leverage if you did that I think is also one of the great messages of this report.

I am very honored to introduce our keynote speaker. We've said so many times as we talk about these issues that these issues get played out. The laboratories and the engines of innovation are often are our metro regions, and the mayors of our cities are really leading those front-line charges in many instances.

In January, Philadelphia was 1 of 10 American cities to receive a first-ever leadership grant from a new organization called Cities of Service, which is a bipartisan coalition working to increase volunteerism among citizens to solve local problems. I mean, there's another missing piece of this puzzle that wasn't discussed today, and that is the role of citizens, of the people, and the population in all of this in communities and as individuals and the roles that they're going to have to play in response to all of these issues.

I was very excited when Philadelphia received this accolade, but I was not surprised, because I was certainly already well aware of how hard and how long Philadelphia's mayor, Michael Nutter, has worked to improve the quality of life of his constituents. He is guided by a very deep understanding of how community involvement and local innovation can

change a neighborhood for the better and neighborhood by neighborhood change a city for the better. I know this well, because when Mayor Nutter was a member of City Council, I had the privilege of working with him to breathe new life into our neighborhood in West Philadelphia and so many of the other struggling neighborhoods of the city. As I noted, West Philadelphia in particular was struggling. That was important to then Councilman Nutter, because it was the neighborhood in which he grew up, in which his parents and grandmother instilled in him a belief in the transformative power of both education and community service. We bonded around that issue since it was the area in which I grew up and found a real resonance in thinking about what we might do together.

City Council, the mayor, the university, Nancy talked about anchor institutions, and many, many other stakeholders came together to really try to create economic and educational opportunity for all of this -- for all of its citizens. Today Mayor Nutter is continuing this journey, and his commitment to seeking innovative partnerships is really unwavering.

He's launched a very comprehensive program to reduce the city's carbon footprint, to train Philadelphians for green jobs. He's championed very imaginative new kinds of affordable housing for seniors and others. He's committed the city to increasing the school graduation rate by 50 percent in 5 to 7 years and doubling the college entrance rate in 5 to

10 years. So, he is one of the mayors at the forefront of not pulling back but doubling down on the importance of education, recognizing the issues that we just talked about. And in all of his actions, he has really embraced the critical role of data-driven solutions that are married to community engagement.

Please join me in welcoming the very admirable mayor of Philadelphia, Michael Nutter.

MAYOR NUTTER: Good morning, everyone, and, Judy, thank you very much for that introduction. I'm going to leave it at that, and I'm just going to sit down and just listen to that one more time.

Judy talked so much about all these things that I maybe have had a chance to do. The real story is that I had a lot of ideas, a lot of energy. On the other hand, Judy had money, resources, and commitment. You put those together, and you can actually get something done. Please recognize again our great president of Rockefeller, Judy -- Judith Rodin, and, of course, former president of the University of Pennsylvania, which somehow I got into and more amazingly somehow I got out of. It's just a marvel at it everyday.

It's a great honor to be asked to participate in this incredible forum here at Brookings, the state of Metropolitan of America, and the folks here who do the work that you do, and I've been to Brookings on any



number of occasions. This is one of the most important reports to come out at least during my relatively brief time, and of course a lot of people worked on this, but the person whose name is, at least for me, most synonymous with Brookings, of course, is Bruce Katz. Please recognize Bruce and the great work that they're doing here.

What I'd like to do -- and let me just now more publicly say thank you very much for the chief service officer designation for Philadelphia, 1 of 10 cities in the country to receive that, and you'll be hearing great things about that out of Philly very shortly.

What I'd like to do is recognize the five -- kind of five new realities. I'd like to talk about all of them briefly. Three I'm going to particularly focus on, and what I'd really like to do with this -- since the last thing anyone needs first thing in the morning is a speech from a politician -- is to leave a lot more time for Q&A. Is that all right? Okay.

What else were you going to say?

Growth and our expansion, population diversification, aging of the population, uneven higher educational attainment, income polarization. Yup, that would be the big five. And I'm not talking about Big Five basketball in Philadelphia. It's what we deal with on a daily basis. I've been mayor since January of 2008, but I've been in office between mayor and City Council for little over 16+ years. I've been in and around Philadelphia City

Hill for 20+ years, and I am, in fact, a public servant. I love what I do. Public service is a great calling. The opportunity to help your fellow person, wherever you may live, take a vow of poverty, and try to have the best possible time that you can. It's just a joy.

Philadelphia is part of a large metropolitan area. I actively consider myself a part of Southeastern Pennsylvania. Philadelphia is the largest county in the Commonwealth of Pennsylvania. It's actually the only city and county in the Commonwealth. We have, fortunately for us -- I'm like my good friend Mayor Avis Bohlen of Pittsburgh or Dan Onorato, the county exec in Allegheny County -- we have one government. We are it. And that's more than enough for me. But I work with partners around us: Bucks County, Chester, Delaware, Montgomery County. It's the five of us -- that big five, a different big five, make up Southeastern Pennsylvania. We are the economic engine of the Commonwealth of Pennsylvania. No disrespect to Allegheny or Erie or any of the other 67 counties or 62 counties in the Commonwealth.

When you talk about the politics of Pennsylvania, especially running for governor, I'm one of the few people -- I'm pleased to announce here in Washington, D.C., I'm one of the few people not running for governor in the Commonwealth elections next Tuesday. We'll see what happens.

It really is Philadelphia -- Philadelphia metropolitan area;

Centre County, which is around Penn State; Allegheny County out in the west; Erie to the northwest; and a whole lot of folks in between. But when Governor Rendell ran and won, he won 11 counties out of 67, and he is the governor of the Commonwealth of Pennsylvania.

Agriculture is our number one business. It is a tremendously rural state, fifth largest state in the country.

Let me talk a little bit about racial and ethnic diversity. Philadelphia, one of our strengths -- we consider one of our strengths, actually, ethnic diversity. The city is majority minority, and a fairly almost perfect even split between black and white, a growing Latino population and Asian population. We'll see what the 2010 Census ultimately reveals. We've had a tremendous push in the city on getting an accurate census count. We challenged the 2008 Census. I actually thought there were maybe a few more people than they were giving us credit for. They accepted our challenge and for the first time in 60 years we've been able to demonstrate population growth in Philadelphia literally since the 1950s. That was re-verified in the 2009 estimate, so what I've said to the folks back home is '08 and '09 estimates are kind of like the playoffs, 2010 Census is the Super Bowl, We need to win. So, we've had extraordinary efforts back home.

When I came into office, we created an Office of Multicultural

Affairs. We have a multicultural affairs officer. Consider Philadelphia a global city and very immigrant-friendly. We have the oldest councilor in the United States of America. It's a fairly large one. and I regularly meet with council generals and honorary council generals on a regular basis, They are, in fact, for us -- I've deputized them with the authority vested in me, which actually have no authority whatsoever but they don't know that, and I've made them Philadelphia ambassadors to go out and spread the word about our great city.

Language access, a serious issue. I signed an Executive Order in 2008 requiring language access plans and programs for every department and agency in our city government. You cannot legitimately communicate to folks that you want to be an immigrant-friendly place if you're communicating with them. And, I mean, there are a lot of languages and we certainly can't print all of our materials in all of them, but we can do a little better than just English and Spanish. And so every department in our city government is required to produce materials in upwards of 12 different languages as well as have a 3-1-1 system. We modeled ours somewhat after New York City and we have a service that allows us to communicate with folks in, I believe, 155 different languages through based on their request.

We've also given citizens language access cards that they can

show to anyone in a city government if they require interpretation services.

Lastly, through our language access program, we get a special rate as a government to procure language access and interpretive services. We've cut a deal to allow nonprofit organizations to get the same rate as the city government, which has significantly reduced their cost.

We released earlier this year a plan called Inclusion Works. Inclusion is also about business and business opportunity. African-American, Latino, and other minorities, women, and disabled businesses must have business opportunities not only with the city government. I mean, we spend a little bit of money. But there are other kind of small non-profits out there, like the University of Pennsylvania or Temple University or St. Joe's, Drexel, a number of others who spend literally billions of dollars. That's why they're called anchors. They grow, they build, they don't go out of business. They only expand and support neighborhood activity. I'm going to come back to that issue in a few minutes.

And so we want to make sure that not only people can do business with the city government but can do business with the \$300 billion that get spent in the 5-county region by governments and private sector and nonprofit organizations. And so part of our role and responsibility is to provide access, technical assistance, certification, or except certifications -- we're actually getting out of the certification business. We figure if you've

been certified by our mass transit agency or the Commonwealth of Pennsylvania, why in the world would we torture you one more time to go through the same process? So, we take reciprocal certification from other organizations.

Let me say just very briefly -- I don't want to jump into the big controversy, I'm just kind of a local elected official -- but we do have to pay attention immigration reform. I believe in immigration reform. I believe that clearing our borders -- I believe that clearing borders is very, very important, but I would make very clear here that what is going on in Arizona is an absolute disgrace to the United States of America. Our policy is -- signed a different Executive Order that requires every public employee to deliver every service to anyone, regardless of their immigration status, and no one can ask anyone's immigration status unless it's the Philadelphia Police Department directly and pertinent to -- directly related and pertinent to a criminal investigation. Otherwise, you cannot ask, and you will deliver service to everyone in our city.

I talk about educational disparities, and I don't know if he's still -- is the mayor still here, Mayor Hudnut? Hey, sir, how are you?

Thirty-one years ago I graduated, again, somehow miraculously from the University of Pennsylvania. I was the first in my family to graduate from college. I delivered the commencement address on

Sunday at Cheney University -- on Saturday, rather, Cheney University, and there were hundreds of hands that went up. One of the speakers before me asked about who was the first in our family to go to college, and I have to admit that I was somewhat amazed at how many hands went up. When I was coming up many, many years ago, there was a tremendous push by colleges and universities all around the country and certainly the federal government supporting from a financial aid standpoint the active recruitment of people of color -- African-Americans, Latinos, women, and others -- to a variety of schools all across other country, and virtually everyone in my neighborhood went to college. But more importantly, I think, I mean, a few things are more important than money, but motivation and inspiration I think at least match it. Our parents expected that we were going to college. There was an automatic expectation that you go to grade school, you go to middle school, you go to high school, and then you go to college.

Some of that has left us here today, and I don't know whether it's the young people, I don't whether it's their parents, some bizarre combination of the two and the perception that college and university is not available, that there is no money, and parents questioning whether or not their child could even get in, in the first place. Something is broken. Something has happened. There actually is money available. Many schools -- and Pennsylvania has a particular focus because we,

unfortunately, leave our students with a slightly higher than national average debt load -- many, many schools are going of course to the no-loan policy, increasing their financial aid, and actively recruiting. And so when you have parents who have no expectation that their child is going to college and in many instances did not go themselves -- I heard the discussion earlier about -- I mean, you know, my daughter is -- of course she's going to college. I mean, like, what else would she be doing? I mean, she may not know it yet, but of course she's going to college. No, no, no, she's already looking. She's in ninth grade.

So, I mean, a lot of that does come from the parental side. And I think in a lot of discussions about what happens in this country, somehow parents seemingly get a lot of free ride, whether it's on public safety issues, whether it's on after-school programs. Time and time again it's the kid and the government. The kid and the government. And somehow parents are just kind of hanging out there. And we've had some challenges with flash mob activities and all that, and if someone asks me about it I'll be glad to talk to you about it.

We have 92 colleges and universities in the 5-county region. I don't know if there's anyone here from Boston. No disrespect, we actually have more schools than you do, but you've done a much better job at promoting that you're an education-rich area. I give you full credit for that,



and we need to do a better job at promoting what we have. We have a 21 percent college degree attainment rate for adults over the age of 25, which is pathetically low, given the wealth of postsecondary educational institutions we have available to us.

That does raise the question -- and we've done reengagement centers. We have 3,700 former students coming back and there are 73,000 adults in the workforce right now who started college and didn't finish. We're trying to get those come-backers to go back to school. We created an office called Philly Go To College. It's virtually a 3-1-1 center for college information. It's the first of its kind in the nation. It's literally the office below mine. I'm in 215 City Hall. Our education office is in 115 City Hall. It is fully staffed and we've got a ton of volunteers in there. So, school-age folks and those who are young at heart can get whatever information they want to get right in City Hall about going to college and university.

It does raise a question, though, of what is the federal government's proper role in education? So, I'm at least going to give you a little bit of an analogy. I've said this publicly before, so this is kind of not a new thing. I think that education is as important to national security as anything that the Defense Department does. I think education is an important component of the national security.

Now, we do not leave it to cities and states to figure out how to

defend the United States of America. Federal government sends approximately 1 to 2 percent of the funding to the Philadelphia Public School System. The rest is left to the city, which of course our city, like every other city in the United States of America, is under severe financial distress and, oh, by the way, the Commonwealth of Pennsylvania is as well. They will soon be facing upwards of a \$5 billion budget deficit. Ed Rendell, Governor Rendell, rather former mayor, I've deemed -- at least at home because it really gets me a lot of brownie points, but I think it's true -- is really the education governor of the United State of America. His entire eight years in office, he has continually pushed. He has not agreed to budget deals offered by the legislature if they did not include his educational agenda items, which has been increasing funding and raising standards. It's going to be very, very tough. It's tough all over the country to do those kinds of things when you're facing these kinds of deficits. No disrespect, but I hear literally right across the river Governor Christy is like cutting, like, food programs out for young people in school. That's insane. It's complete insanity. The kinds of things that we see going on, on the education side. So, I think that -- I mean, I love a competitive grant as much as the next person, and I think the race to the top and we pursue -- the federal government must due a better job at supporting local education.

I'm not asking you to step in and set standards and all this

other -- I mean, you get into No Child Left Behind and you set the standards, but the money got left behind all of that. But just like with securing the national defense, I mean, you don't see the Defense Department doing bake sales, selling candy, and all this other kind of nonsense to support their problems, but this is what goes on, on a daily basis, at some of the best schools in the city and across the United States of America.

We have an aging population. Pennsylvania has the second oldest percentage population of any state in the country other than Florida. And let me assure you folks are not staying for the weather. Pennsylvanians actually don't move that much. They love the state so much they just stay. Thirteen percent of Philadelphians are 65 years or older. That ranks us 19th highest -- I'm on the 100 metro areas across the country. We actually have a centenarian celebration. It's our tenth year of having that activity, and I just cut a -- did a video interview last week. Had a wonderful conversation with a lady who's a 101 years old. I had to adjust a major component of my speeches when I talk to folks. I talk about the recession, of course. I say, you know, you'd have to be 75, 80 years to have seen anything like we're seeing today, the worst recession since the Great Depression. I said that to her. She said I saw that. Been there, done that. Let me tell you about it. So, and I had to change that part of the speech.

But how we deal with the aging population both in terms of

housing issues, health care issues, changing our zoning code, making sure that accessibility in terms of the kind of housing that gets built is a very serious issue.

Income disparities I would suggested is directly tied to education. You've already heard a great amount of information about the disparities between whites and Asians, and I want to say "versus," but as compared to African Americans and Latinos. As that gap widens, you will see the widening gap on income. People who are better educated generally are making more money than those who are not. I mean, you don't have to be a rocket scientist or even a Wharton School graduate to figure that out. So, it really all kinds of ties back to education. And I heard on the panel here as I came in a little late virtually every major issue in the United States of America -- issues of race, issues of education, issues of income -- are a function of what goes on in our school systems, and if we're waiting for the cavalry to come and save us at the back end and, you know, kind of fresh when you're at college, we have really missed. There are two opportunities to have any real impact on educational outcomes -- education/outcomes, job prospects, and even people being able to communicate with each other to get past some of the insensitivity if not some of the ignorance that's going on in the United States.

Lastly, let me talk about our region. Stole this idea and he

knows it because I told him -- from Mayor Dailey in Daily and a little bit from Mayor Hickenlooper in Denver, but was most impressed by what Mayor Daley has done with his Metropolitan Mayor's Caucus in what they refer to as Chicagoland -- 272 mayors meeting on a regular basis. I took that idea and kind of tailored it to our environment. We have this county governments -- county commissioners or county council members, and so we now have a Metropolitan Caucus. Wasn't that a brilliant name? Spent a lot of time working on it. Metropolitan Caucus: 15 of us working together on a regular basis -- Philly, Bucks, Chester, Delaware, Montgomery Counties. Each county hosts one of our meetings.

We just had one recently in Montgomery County and we worked on regional issues. We recently applied for and received a \$25 million energy efficiency and conservation block grant. All five counties signed on. Philly was the lead county, because you needed one to kind of fill out the application and shepherd it through the process. White House was -- and HUD and a couple other agencies particularly impressed that a metro area would apply together, and this is about building retrofits and energy efficiency across the entire region. But that also helps us when we talk about mass transit, art and culture, open space, parks, storm water management, economic development, education -- all of those issues. Because I'd figured out early on when (inaudible) came that, you know, if

you can get a hold of some resources, new resources, additional resources, you'd be amazed at the enthusiasm with which you can get people to sit around the table and talk when no one has any money. And so -- but this will portend well for us in the future.

The only way -- and I'll conclude with this -- the only path to Philadelphia's true success is by working as a part of this region. It helps us with our agenda in Harrisburg where at times we're not the most loved folks. It certainly helps us with a very, very powerful delegation here in Washington, D.C., and that's part of the true power of what metro governments and regional cooperation are all about. I have no notion and no one is even talking about merging governments and all that -- much too complicated. You take the political leaders, figure out where you're trying to get to, five counties working together, tons of members of Congress, tons of members of the General Assembly, Democrats, Republicans, House members, the Senate members -- if we are focused and put an agenda together, we can get almost anything done that we want to get done.

Thank you.

MR. SURO: We've got about 10 minutes -- 5 minutes for a Q&A from the audience, so don't we start. We've got one right over here.

SPEAKER: Thank you for taking my question. My question is based on this notion that, you know, it's a given that anyone who wants a

college education should be able to attain one, but my father immigrated to the U.S. back when the idea of close enough for government work -- that phrase -- meant a high mark of distinction. And in light of the aging infrastructure, what do we do about rebuilding those trade schools that have declined, you know, in this sort of short-term ADHD? You know, I want to get the next better job instead of that age when people had maybe one or at most two over their entire lifetime.

MAYOR NUTTER: Sure. First, we now know that most young people will change jobs 8 to 10 times in the course of their work career. I mean, the notion of, you know, work someplace 35 years, get a watch, and, you know, kind of go home and watch re-runs, I mean, that's kind of over. So, I think one of the worst decisions -- I don't about -- I don't know where you're from, but we saw the decline of what was kind of a trade school voc that has now morphed into a career in technical education. I saw -- we have a great one in Pennsylvania in the Lehigh Valley, which we're now trying to model in Philadelphia. Those are good skills. Those are skills that are going to a good job. But, again, today it's not just about training someone for a job. We need folks who are employable, who have skills that can be transferred across a wide spectrum of job opportunities, and we're really trying to build -- kind of build people up for careers. And so making investments in career -- if that's the new hot term, "career and technical

education" -- systems, I think it's critically important for many students who but for that wouldn't come to school in the first place.

So, in many instances, that is what is keeping some of those young people interested. It's hands-on learning. It's real. It can be applied. Again, the school in Lehigh Valley, they go to school in the morning and many have internships in the afternoon or vice versa, so they're learning and applying. And I think, you know, school is not supposed to be a party, but it has to be engaging. And so, you know, just kind of sitting in class for 50 minutes or 45 minutes, whatever the case may be, and somebody's talking to you, you're reading a book or materials or whatever, I mean, that is not cutting it in this day and time. The American student has changed. We have to figure out how to reengage them.

Yes, ma'am.

MS. KYATANI: Deborah Kyatani from Democracy Work. I had a question. I was wondering if you felt this sense of needing to balance the issue of liability to the municipal government, federal government where this encroaching exploitation, out-of-control exploitation, and exponential exploitation in real estate financial industry, the businesses in the banks that expand - say, PNC Bank -- and the means within the community that are longstanding historical needs that are becoming close to entitlements in the eyes of the budget for the municipal. Do you feel that pressure? And what



have you -- what are you doing to resolve it?

MAYOR NUTTER: You'd probably have to give me a little more detail. I'm trying to understand the question.

MS. KYATANI: If you look at the longstanding problems within any city, if you look at all 50 states, the problems within each city council have been the same. If you're saying -- I mean, I believe that what you're saying as far as what you've done in Philadelphia has affected and made it easier to solve problems. But if you look at the longstanding historical need -- the historical problems that cannot legally be seen as something other than neglect or a part of a scheme, and you see the issues of -- on the front page news and this media monopoly of economy economy, stock market economy, real estate economy, which doesn't really -- it's really not the issue.

MAYOR NUTTER: I got it.

MS. KYATANI: Yes. Do you feel that pressure and what have you -- have you been proactive?

MAYOR NUTTER: Not feeling a lot of that, to be honest with you. What I'm really feeling and -- I mean, you mentioned -- I don't want to disparage any or name any particular institution by name. I think what I'm -- in that regard, what I'm most concerned about is investment. Federal government stepped up and supported the banking industry and the

investment industry in a variety of ways. We need more investment, more lending in our community to get projects up and running, get people back to work is, I guess, kind of my primary focus from the banking side. You know, one of the things you really have to do in this job is remember what your job is. I'm a mayor. I fill potholes, I pick up trash, I run rec centers. And so I stay in my lane. I'm not going to affect the international global economic policy. I don't have any derivatives. I didn't lend anybody mortgage money for their house. I'm trying to get people to work and get -- and people to run our city and get people educated. That's really kind of my focus, and you have to stay focused in this job. I see the liability in not doing anything.

Yeah.

SPEAKER: I'm (inaudible) Pennsylvania.

MAYOR NUTTER: Hey, Jane.

SPEAKER: Hi. I'm wondering, one of the issues that's facing every mayor is how to reinvent his or her economy, and I'm wondering if you'd like to address your thought about how you and your suburban cohorts are thinking about that.

MAYOR NUTTER: Yeah. Part of that is through both the green economy, as well as a continued focus and emphasis. One of our great strengths of course in Philadelphia -- a couple of our great strengths in Philadelphia will continue to be education, medicine, life sciences, and

pharmaceuticals; and they provide employment opportunities, again, and growth and development at a variety of levels. When we open a new facility, you're going to -- you see different levels, different layers of job opportunities. So, when we invest in solar and wind and alternative energies when we support ARA applications for colleges and universities, that's helping to strengthen an area where we're already strong. The University of Pennsylvania is the largest non-government employer in the city of Philadelphia. Education and medicine comprise nearly 30 percent of the employment base in our city, and then when you look at what goes on in pharmaceuticals in the region and some of the international companies that support that growth, those are big, big sectors for us.

Hospitality is a growing sector for us as well. The convention center is expanding. It's one of the largest in the United States of American bringing more Americans and international travel and activity to the city of Philadelphia. So, those are a couple of areas where the city and the suburbs are perfectly aligned. We're not trying to steal business from each other. I stopped that when I came into office. We now compete as a region against other regions in the country and around the world.

MR. SURO: Last question.

MR. PIERCE: Neil Pierce, Washington Post Writers Group.  
Mayor Nutter, on your Metropolitan Caucus, you mentioned a number of

very interesting issues starting with energy efficiency.

MAYOR NUTTER: Yeah.

MR. PIERCE: None of them got to the question of the social inequities, which was quite a bit of a discussion this morning. Do you believe that that kind of a Metropolitan Mayors Caucus can in time move towards a discussion of some of these opportunity gaps that exist that are geographically based?

MAYOR NUTTER: Short answer is yes, I think that we're actually about to probably enter some realm of that discussion, and a little bit of answer that I didn't give to Jeannie's question -- the green economy will be one of the great innovative ways that we bring Philadelphia back. Manufacturing kind of fell by the wayside. We have a different form of manufacturing going on in Philadelphia -- reuse of the Navy Yard, et cetera, et cetera. Under a -- I think it's called sustainable communities -- we're soon going to be working with all the counties around us on the issue of affordable housing. That will be quite interesting and exciting to talk about affordable housing in a region. And how we distribute those housing opportunities around the region is going to cause, you know, probably some tightening of jaws in a couple places and some very interesting conversation, so I think that's going to be one of the tests for the Metropolitan Caucus, which is not, you know, kind of officially formed. It's a rather kind of loosely organized

confederation of folks who understand the mutual interests and concerns.

Lastly, when we just lost the opportunity to toll I-80. That's causing major consternation around mass transit. Southeastern Pennsylvania Transportation Authority -- SEPTA -- I guess somewhat comparable to the Metro here in D.C. -- runs through all five counties. If it doesn't work, the region will literally come to a grinding halt. And there are constant tensions about who invests what in that system. The city is the bulk of that system and the question is do we get the bulk of the service that is provided and the investment that comes off of it. SEPTA owns a ton of real estate, and so then you get into issues about transit-oriented development and what stations get revitalized and which stations don't. Those are major challenges and issues for us that through the Caucus we're going to have to work to resolve.

MR. SURO: We have to bring this to a close. I just, again, want to thank Mayor Nutter for coming today. As I was telling him when he walked him I got a call yesterday from The Philadelphia Inquirer basically saying, you know, what's the mayor doing in Washington, you know, what's - is he an effective advocate. And I had to say, you know, having served in the Clinton Administration, having observed this administration, having been in Washington really since the mid-'80s, you're having an enormous effect on national discourse. I mean, I know you like to describe yourself -- ah, I'm

a mayor just picking up the garbage and, you know, dealing with the rec centers. Whether it's growth, whether it's housing, whether it's transportation, whether it's education bringing up these innovations to the national scale, which as you know exist in sort of a bubble, is a critical role that you're playing along with some other leading mayors.

Let me close this forum by going back to some of the challenges that Judith put before us at the beginning. It's not sufficient to just observe or to chronicle or to identify the demographic changes that are underway in this country. What's really critical -- and I think that's what happened with this panel, that's what happened with the mayor's remarks, even going back to Edgar's kickoff -- it's critical that we understand the role that this demographic change has in both driving and then informing policy change and governance change, and I think we're at a really interesting inflection point. And Ron Brownstein really brought it to the fore with his partisan ideological divides that are emerging in the country. We have to basically understand how this country is changing if we're going to be serious about all the competitive economic energy, climate, education, and aging challenges we have before us.

We are really quite different from any other countries in the world in terms of the pace of growth, the scale of growth, then the complexity of growth. That really sets us apart from not just Europe but even portions of

Asia. And I think as we go forward over the next several years -- because I think this is a critical moment for the country -- the next decade may be the decade of reckoning for us economically, fiscally, environmentally, socially. We have to understand ourselves better than we do and then use that to drive and catalyze reform.

This has been an excellent forum across the board. Again I appreciate the role and partnership of the Census Bureau in helping us every step of the way. I thank you very much for participating today.

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I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

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