The City/Region of the Future

I. What are the general demographic and market trends affecting the U.S.?

II. What are the major trends affecting U.S. cities and metropolitan areas?

III. How do British trends compare?

IV. What can the U.S. and the U.K. learn from each other?
Major demographic forces are changing the United States

- Population Growth
- Immigration
- Aging
- Internal Migration
The U.S. has experienced strong growth, particularly in the 1990s

US population growth 1960-2000

Source: U.S. Census Bureau
More than 1/3 of this population growth was driven by immigration

Components of population change, 1990-2000

Source: U.S. Census Bureau
Despite a decade of rapid immigration, the share of the U.S. population that is foreign-born is lower now than in the 1900s.
At the same time, the U.S. population is aging.

US Age Distribution, 1970 vs. 2020

Source: U.S. Census Bureau
Minorities, however, have younger age structures than whites.

US Age Distribution, 2020

Source: U.S. Census Bureau

Hispanics

Blacks

API/AI
America’s New Demographic Regions

- The New Sunbelt: Migration growth states
- Melting Pot America: Diversity states
- The Heartland: Slow growth states
America’s New Demographic Regions

New Sunbelt
Melting Pot
Heartland States

Source: William H. Frey

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New Sunbelt: Examples

Colorado

Source: William H. Frey
Melting Pot: Examples

California

- Immigration: 7.4
- Domestic Migration: -7.2
- Natural Increase: 10.4

New York

- Immigration: 6.0
- Domestic Migration: -10.2
- Natural Increase: 5.3

Source: William H. Frey
Heartland: Examples

Pennsylvania

Source: William H. Frey

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Hispanics are concentrated in Washington, California, Arizona, New Mexico, Texas, Florida and isolated urban pockets.

Hispanic share of population by county, 2000

Source: William H. Frey

THE BROOKINGS INSTITUTION
Asians are concentrated in California and isolated urban pockets

Asian share of population by county, 2000

Source: William H. Frey
Blacks are concentrated in the South and industrial cities of the North

African-American share of population by county, 2000

Source: William H. Frey

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Whites are principally concentrated in the heartland

White share of population by county, 2000

Source: William H. Frey

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METROPOLITAN POLICY PROGRAM
Melting pot states include a large share of America’s diversity

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Born</td>
<td>70%</td>
</tr>
<tr>
<td>Asian Language at Home</td>
<td>68%</td>
</tr>
<tr>
<td>Spanish at Home</td>
<td>76%</td>
</tr>
<tr>
<td>Mixed Marriages</td>
<td>51%</td>
</tr>
<tr>
<td>Native Born</td>
<td>37%</td>
</tr>
<tr>
<td>English at Home</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: William H. Frey
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II What are the major trends affecting U.S. cities and metropolitan areas?

1. Cities are growing, but metros are still sprawling

2. Cities and suburbs are becoming more diverse

3. The economy continues to restructure

4. The geography of work is changing

5. The geography of poverty is changing
Large cities grew faster in the 1990s than they did in the 1980s and 1970s

50 largest cities, population 1970-2000

Source: U.S. Census Bureau
Several large cities gained population during the 1990s after losing population in the 1980s.

Selected cities, population growth 1990-2000

Source: U.S. Census Bureau
The city of Chicago grew for the first time in 50 years between 1990 and 2000.

Total population, 1950-2000
Cities in growing metros grew, while those in slow growth metros generally declined

<table>
<thead>
<tr>
<th>City Category</th>
<th>Number of Cities</th>
<th>City Population Change</th>
<th>MSA Population Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid Growth (over 20%)</td>
<td>14</td>
<td>32%</td>
<td>25%</td>
</tr>
<tr>
<td>Significant Growth (10 to 20%)</td>
<td>22</td>
<td>15%</td>
<td>22%</td>
</tr>
<tr>
<td>Moderate Growth (2 to 10%)</td>
<td>36</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>No Growth (-2 to 2%)</td>
<td>6</td>
<td>0%</td>
<td>11%</td>
</tr>
<tr>
<td>Loss (below -2%)</td>
<td>20</td>
<td>-7%</td>
<td>6%</td>
</tr>
</tbody>
</table>
Still, suburbs grew faster than cities in the 1990s

Percent population growth, 100 largest cities and suburbs 1990-2000

Source: U.S. Census Bureau
Population is decentralizing in nearly every U.S. metropolitan area

Selected cities and suburbs, population growth 1990-2000

Source: U.S. Census Bureau
Every household type grew at faster rates in the suburbs than in cities


In Chicago, the core is seeing new growth, but simultaneously, the region continues to sprawl.

Urbanized area (1,000+ people per square mile), 1970, 2000
II What are the major trends affecting U.S. cities and metropolitan areas?

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5. The geography of poverty is changing
Central city growth in the 1990s was fueled by Asians and Hispanics

Population growth, 100 largest cities, 1990-2000

Source: U.S. Census Bureau
If not for immigration, several of the nation’s largest cities would not have grown during the 1990s.

Population growth with and without foreign-born, 1990-2000

Source: U.S. Census Bureau
In aggregate, the racial makeup of the 100 largest cities has shifted....

Share of population by race and ethnicity, 1990

Source: U.S. Census Bureau

- White: 53%
- Black: 24%
- Hispanic: 17%
- Other: 6%
In 2000, the top hundred cities became majority minority

Share of population by race and ethnicity, 2000

Source: U.S. Census Bureau
This is especially true in Chicago, where the non-white population is nearly 70%

Share of population by race and ethnicity for Chicago, 2000

Source: U.S. Census Bureau
In many metro areas, the locus of immigration is shifting from the central city to the suburbs.

Source: Singer, “At Home in the Nation’s Capital,” June 2003

Percent Foreign Born (by Census Tract)

- Less than 5%
- 5% - 15%
- 16% - 25%
- 26% - 35%
- Greater than 35%
Now more than 1 in 4 suburban households are minority

Minority share of population, 1990-2000

Source: U.S. Census Bureau
In addition, every minority group grew at faster rates in the suburbs than in central cities.

Population growth by race and ethnicity, 1990-2000

Source: U.S. Census Bureau
The percent of each racial/ethnic group living in the suburbs increased substantially.

Share of population by race and ethnicity, 1990

Source: U.S. Census Bureau
The rate of increase in foreign born population is almost three times faster in the suburbs of Chicago than in the city.

Percent change in foreign born, 1990 - 2000
The number of suburban census tracts with at least 40% foreign-born increased dramatically over the 1990s.
Despite growing suburban diversity, racial separation persists
In metros like Chicago

Percent Black or African-American, 2000

Source: U.S. Census Bureau

- < 5%
- 5.01 - 10%
- 10.01 - 20%
- 20.01 - 30%
- > 30%
II What are the major trends affecting U.S. cities and metropolitan areas?

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5. The geography of poverty is changing
The nation’s economy has shifted away from manufacturing and toward the service sector…


Source: Bureau of Economic Analysis
...a trend mirrored in Chicago

Employment by sector, Chicago PMSA, 1970 and 2000

- **Government:** 13% in 1970, 11% in 2000
- **Services:** 19% in 1970, 35% in 2000
- **FIRE:** 7% in 1970, 10% in 2000
- **Retail:** 15% in 1970, 15% in 2000
- **Wholesale:** 28% in 1970, 13% in 2000
- **Transportation:** 15% in 1970, 15% in 2000
- **Manufacturing:** 11% in 1970, 11% in 2000
- **Construction:** 0% in 1970, 0% in 2000
- **Mining:** 0% in 1970, 0% in 2000
- **Agriculture:** 0% in 1970, 0% in 2000
Chicago’s economy is fundamentally different than it was three decades ago. The Chicago PMSA lost manufacturing jobs at a faster rate than the nation between 1970 and 2000.
The shift in the economy corresponds with an increased premium on educated workers—which correlates with higher earnings.

**Work-Life Earnings Estimates (millions), 1997-1999**

Educational attainment varies widely across cities.

Share of adults with bachelor’s degree, 1990-2000

Source: U.S. Census Bureau
And there are significant disparities between race/ethnic groups, both across the nation...

Share of adults w/ bachelor’s degree, 100 Largest Cities 2000

Source: U.S. Census Bureau
...and in Chicago

Share of adults with bachelor’s degree, 2000

Source: U.S. Census Bureau
What are the major trends affecting U.S. cities and metropolitan areas?

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Nationally, one-third of jobs are located outside a 10-mile radius of the central business district.

Share of jobs within 3-, 10-, and greater-than-10-mile radius of center, 1996.
But the level of employment decentralization varies widely across metropolitan areas.

Share of metropolitan employment, 1999

Source: Glaeser, 2001
Although the trend is toward decentralization in the Chicago metro, office space is more centralized here than in other large cities.

The biggest employment center is Chicago’s central business district, followed by Schaumburg, O’Hare and points in DuPage County.
Consequently, most metropolitan commutes begin and end within the Chicago suburbs.

Share of commuters, 2000:

- Cen City - Cen City: 26%
- Cen City - Suburb: 11%
- Suburb - Central City: 14%
- Suburb - Suburb: 48%
- Within MSA - Outside MSA: 2%
As the region’s jobs decentralize, commuting flows have become very complex.

County-to-county worker flows, 2000
II What are the major trends affecting U.S. cities and metropolitan areas?

1. Cities are growing, but metros are still sprawling
2. Cities and suburbs are becoming more diverse metropolitan areas
3. The economy continues to restructure
4. The geography of work is changing
5. The geography of poverty is changing
The number of poor people in U.S. metropolitan areas is large and has been increasing for the past two decades.

Number of poor residents (US Metropolitan Areas), 1980-2000

Poverty rates in central cities have declined over the 1990s, while poverty rates in the suburbs have increased slightly.

Poverty rates for central cities and suburbs, 1990-2001

In fact, the share of suburban residents living in poor suburbs has increased by almost 10% in the last two decades.

Share of residents living in poor, middle income, and affluent suburbs, 1980-2000

Source: Swanstrom, Casey, Flack, and Dreier, “Pulling Apart: Economic Segregation among Suburbs and Central Cities in Major Metropolitan Areas,” 2004

Poor Suburb = Suburbs with per capita incomes less than 75% of its metro area
Affluent Suburb = Suburbs with per capita incomes over 125% of its metro area
But the number of people living in high poverty neighborhoods declined during the 1990s

Population of high-poverty neighborhoods by location, 1990-2000

During the 1990s, the number of high-poverty tracts in Chicago dropped from 187 to 114, and there were 179,000 fewer people living in high-poverty areas.
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In general, similar demographic and market trends apply.
The 1990s presented stronger growth than the two previous decades

England and Wales population growth (percent)

Source: National Statistics
In both the U.S. and the U.K., the share of the population over 65 is expected to grow steadily.

Projected Share of Population age 65 and over:
United States and United Kingdom

source: United States Census Bureau, International Data Base, 2002
Immigration is making a dramatic comeback in the U.K.

Net immigration, 1950-2000: United Kingdom

32% of the U.S. population is minority...
...while only 8% of the U.K. population is non-white

Population by race/ethnicity, 2000: United Kingdom

Source: Labour Force Survey, Office for National Statistics (United Kingdom)
But there is wide variance among regions
The U.K.’s Demographic Regions

- London, NI: Growth from natural increase
- ‘South’: Growth from in-migration
- ‘North’/Wales/Scotland: Slow/negative growth (out-migration/natural decrease)

Source: National Statistics, Ruth Lupton. Note: in-migration is from all sources outside the region, including rest of UK.
‘South’ - eg. South West

Source: National Statistics, Ruth Lupton
‘North’ - eg. North East, North West

-2.1%  0.9%
-0.5%  2.1%
-10.0%  0.0%
-5.0%  5.0%
-10.0%  10.0%

In-migration  Natural increase

Source: National Statistics, Ruth Lupton
London contains a large share of the U.K.’s immigrants

• London contains 12.5% of the U.K.’s total population

• But London contains 40% of the U.K.’s total immigrants

Source: National Statistics
London contains a large share of the U.K.’s diversity

- Ethnic minority: 44% of U.K. total
- White: 9% of U.K. total

Source: National Statistics
The West Midlands is the next most diverse region

<table>
<thead>
<tr>
<th>Ethnic minority</th>
<th>13% of U.K. total</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>11% of U.K. total</td>
</tr>
</tbody>
</table>

Source: National Statistics
Another group of regions is less diverse

**Ethnic minority 2001:**
- East Midlands: 6% of region
- Yorkshire and Humberside: 6% of region
- North West: 6% of region
- South East: 5% of region
- East: 5% of region

Source: National Statistics
A final group of regions is almost entirely white.

**Ethnic minority 2001:**

- South West: 2% of region
- North East: 2% of region
- Wales: 2% of region
- Scotland: 2% of region
- Northern Ireland: 1% of region

Source: National Statistics
Educational attainment also varies widely by region.

16-74 year olds with BA or equivalent 2001

Source: National Statistics, GRO
These regional variances translate into variance among cities
Sprawl is common: outside London, population decentralized from 1991-2001


Source: Ruth Lupton/National Statistics
Diversity in English principal (central) cities varies greatly

Non-white population, 2001

Source: National Statistics, GRO
Educational attainment in London is exceptional compared to other English principal (central) cities.

16-74 year olds with BA or equivalent 2001

Source: National.Statistics
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U.S. and U.K. cities face similar challenges

Cities in both countries must:

- Respond to demographic change (e.g., integrate immigrants)
- Respond to economic restructuring (e.g., deindustrialization)
- Tailor urban interventions to hot and weak markets
- Attract, retain, and grow the urban middle class
- Design and implement urban policy in a metropolitan context
Yet U.S. and U.K. governance systems are quite distinct

<table>
<thead>
<tr>
<th>United States</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strong federalist system</td>
<td>• Strong central state</td>
</tr>
<tr>
<td>• Developer-driven planning</td>
<td>• Government-driven planning</td>
</tr>
<tr>
<td>• Preference for sprawl and decentralization</td>
<td>• Preference for reinvestment and redevelopment</td>
</tr>
<tr>
<td>• Innovative public and private financing</td>
<td>• Strong public investment</td>
</tr>
<tr>
<td>• Strong corporate and civic engagement</td>
<td>• Nascent public/private partnerships</td>
</tr>
</tbody>
</table>
### U.S. and U.K. development environments are also quite different

<table>
<thead>
<tr>
<th>United States</th>
<th>United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low gas prices</td>
<td>High gas prices</td>
</tr>
<tr>
<td>Large supply of land</td>
<td>Constrained supply of land</td>
</tr>
<tr>
<td><em>Laissez faire</em> land use</td>
<td>Highly regulated land use</td>
</tr>
<tr>
<td>Preference for big-box retail</td>
<td>Preference for high streets</td>
</tr>
</tbody>
</table>
What the U.K. can teach the U.S. -- beyond biotech and ballet

Make sprawl hard and redevelopment easy
Make transformative investments
Think and act regionally
Embrace arts and culture
Invest in working families
Make sprawl hard and redevelopment easy

**Urban Redevelopment in the U.K.**

- Launched in 1998, the United Kingdom’s Previously-Developed Land (PDL) project is working to inventory all vacant and derelict land in England and Wales.

- In addition, the national government has set a target that 60% of all the country’s new housing should be built on previously-used sites by 2008.

- In 2001, 61 percent of housing built was constructed on brownfields or through the conversion of existing buildings.
Make transformative investments

**Newcastle’s Gateshead Millennium Bridge**

- First opening-bridge built over the River Tyne in over 100 years
- Links arts and cultural developments with the waterfront
- Instantly transformed the skyline into one of the most recognizable in Europe
Think and act regionally

**London Thames Gateway**

- Created a new business center, to the east of the old city of London, on land long deserted that used to be part of the enormous London container port.
- Despite struggling at the beginning of the 1990s, the project, with the support of the British government, has blossomed into an unmitigated success.
- It has attracted the Global headquarters of HSBC, PWC, Clifford Chance, along with the European headquarters of CSFB, Citigroup, and a number of British newspapers. New park areas, shopping complexes, executive housing, and gyms abound along with new underground tube link on the Jubilee Line, designed by Norman Foster.
The Northern Way

British initiative, encouraged by the Government through the Deputy Prime Minister, John Prescott, to find solutions to problems in areas such as jobs and housing, facing the north of England.

Funding for the Regional Development Authorities (RDAs), is to be increased from £599 million in 2002-3, to £760 million in 2005-6.

Emphasis placed on cooperation between regional governments, to balance economic contrast with the South.

Local solutions and knowledge are crucial in areas such as brownfield redevelopment, tailoring new skills, etc.
Embrace arts and culture

**Liverpool: European Capital of Culture 2008**

- Liverpool is using its new surge of cultural activity to spur innovative city center design
- Already home to the second largest collection of modern art outside London, Liverpool is expanding its galleries and festival offerings
- The city’s development strategy includes establishing “creative communities” to enhance culture long-term
Invest in working families

- In 1999, Tony Blair surprised many with a 20-year vision, saying “our historic aim will be for ours to be the first generation to end child poverty”
- Remarkably, this statement seems to have been taken seriously
  - The Treasury and the Department for Work and Pensions have set a goal to reduce child poverty by a quarter of the level it was before the speech by 2005
  - This is being done through the tax and transfer system, with more money going to low-income families
What the U.S. can teach the U.K. -- beyond Starbucks and stadia

- Use information to drive markets
- Experiment with innovative financing
- Create mixed income communities
- Engage corporate and civic sectors
- Invest in metropolitan governance
Use information to drive markets

**Philadelphia Neighborhood Transformation Initiative**

- A $1.6 billion dollar 5 year program to remove blight from Philadelphia neighborhoods
- Creation of a Philadelphia Land Bank – prioritizing public action
- Reform of the city's delivery systems
- Facilitation of neighborhood planning in a citywide context
Experiment with innovative financing

- TIF, or Tax Increment Financing, can be a powerful tool for struggling cities that need economic development.
- TIF allows jurisdictions to use portions of their tax base to secure public-sector bonds.
- Example: In the Chicago suburb of Round Lake Beach, as part of the “Illinois Tomorrow” program, a $3 Million TIF was utilized to redevelop and preserve affordable housing.
Create mixed income communities

Public Housing Redevelopment in St. Louis

- Murphy Park Development replaced the original George L. Vaughn High Rises
- Partnered with corporate and philanthropic groups to improve the local school
- Aimed to increase economic diversity to promote sustainable economic performance
- Included townhouses, garden apartments, and single-family homes

Murphy Park, Today
George L. Vaughn High Rises, 1995
Create mixed income communities

The Results in Murphy Park

- Performance at the local school dramatically improved, with the percent of students reading at their grade level rising from under 20% to 60%
- The developers were successful at attracting a much more economically integrated community
- The median household income rose by 18 percent between 1989 and 1999, compared to four percent regionally
- Private investment in the form of residential and commercial development has since located in the surrounding area
Engage the corporate and civic sectors

Chicago Metropolis 2020 Plan

Corporate expansion decisions of over 100 business leaders will take into account:

• Community zoning, building and land use policies that allow for the construction of affordable housing for workers

• Reliability and accessibility of mass transit, particularly mass transit near work sites
Invest in metropolitan governance

**Minneapolis Metropolitan Council**

- Holds significant control of infrastructure including the region’s transportation and wastewater treatment systems
- Provides affordable housing opportunities for low- and moderate-income individuals and families
- Engages communities in planning for smart growth and provides planning, acquisitions and funding for a regional system of parks and trails