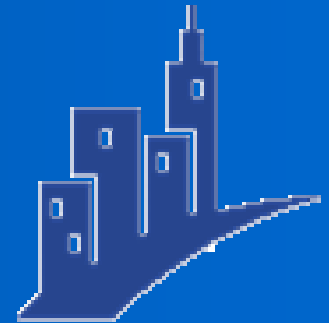


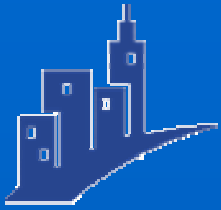
The Brookings Institution

Metropolitan Policy Program
Bruce Katz, Director



The City/Region of the Future

British-American Project, 2004 Conference
November 15, 2004



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?

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What can the U.S. and the U.K. learn from each other?



What are the general demographic trends affecting the United States?

Major demographic forces are changing the United States



Population Growth

Immigration

Aging

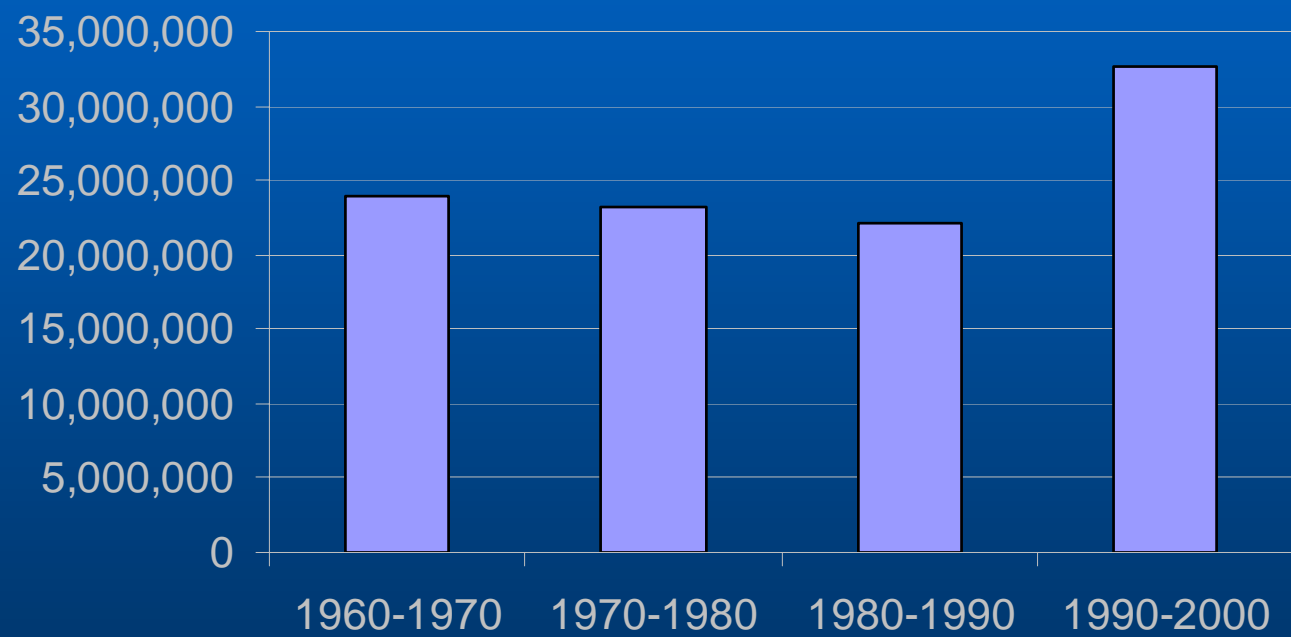
Internal Migration



The U.S. has experienced strong growth, particularly in the 1990s

US population
growth
1960-2000

Source:
U.S. Census Bureau



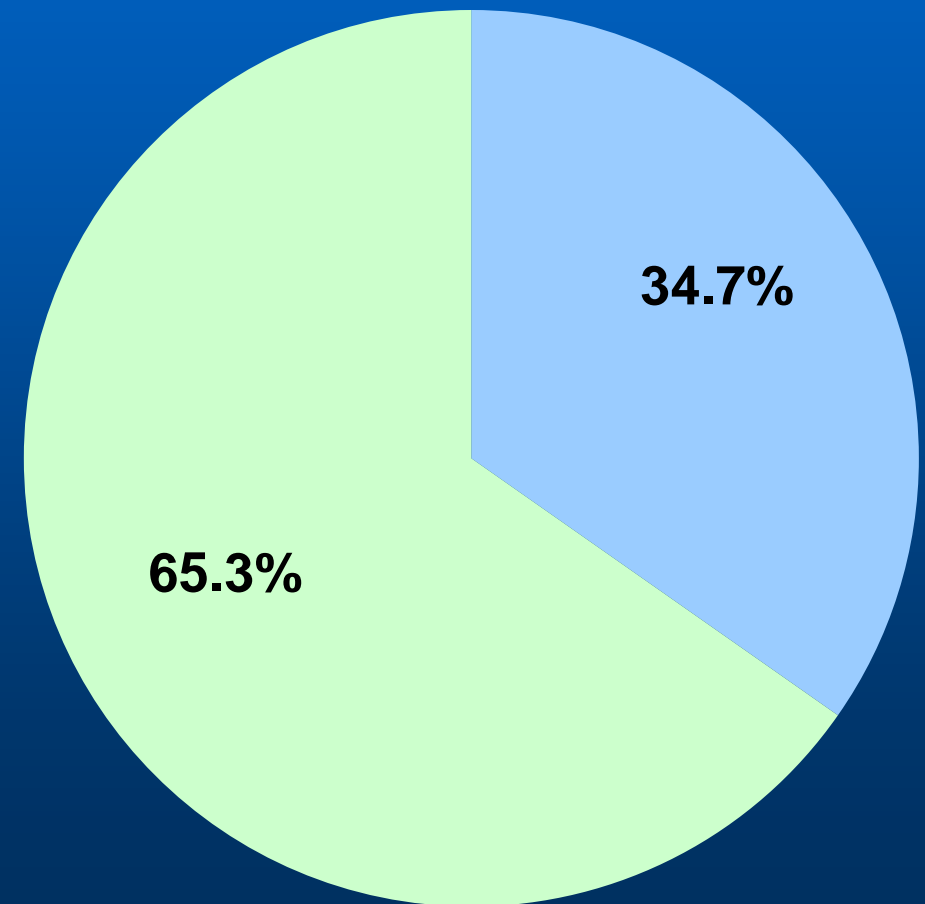


More than 1/3 of this population growth was driven by immigration

Components of
population change,
1990-2000

Source:
U.S. Census Bureau

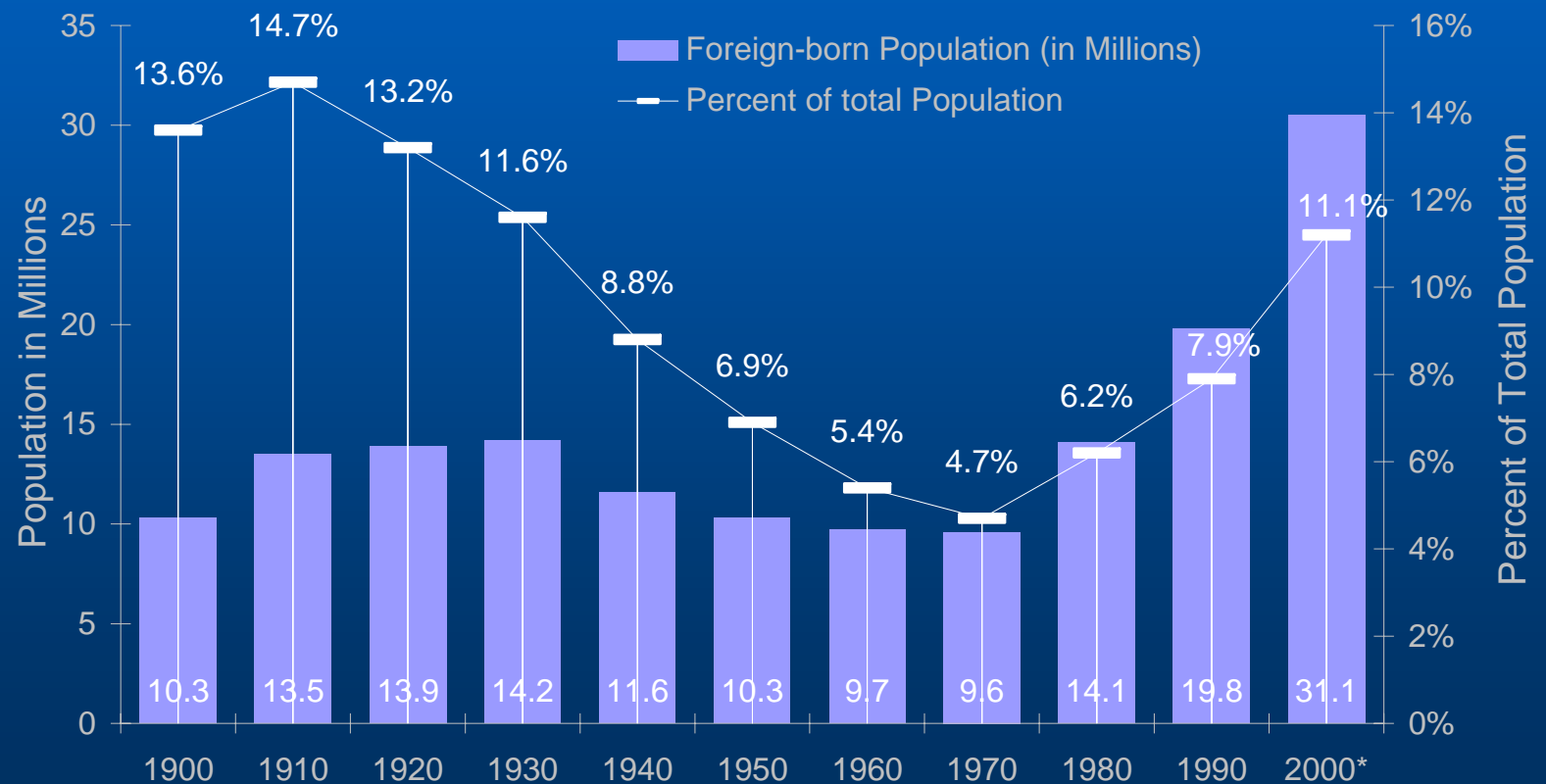
- Net Immigration
- Natural Increase





Despite a decade of rapid immigration, the share of the U.S. population that is foreign-born is lower now than in the 1900s

Immigration,
1900-2000





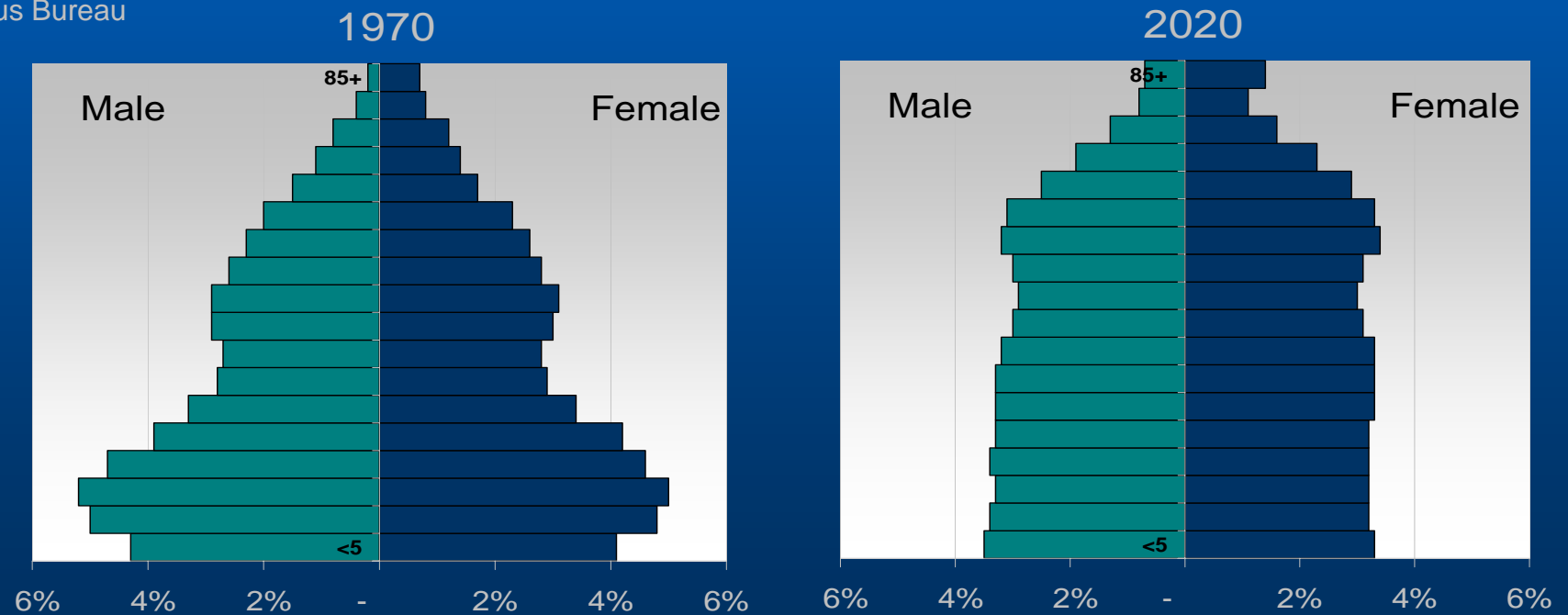
Aging



At the same time, the U.S. population is aging

US Age
Distribution,
1970 vs. 2020

Source:
U.S. Census Bureau

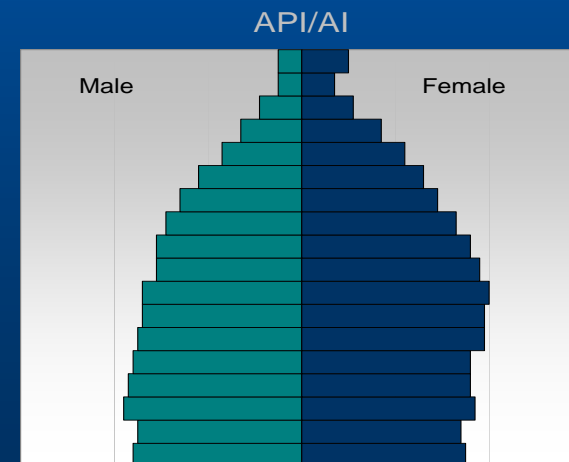
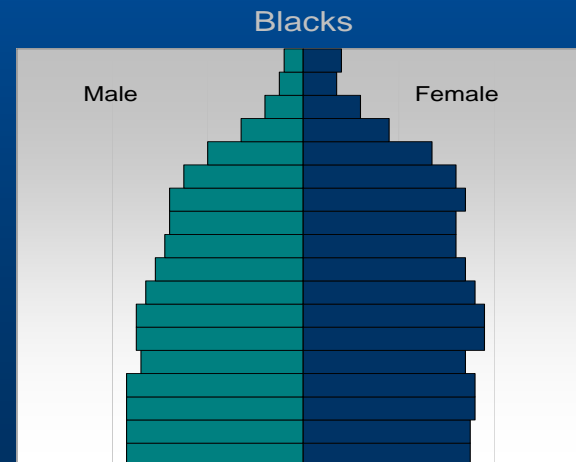
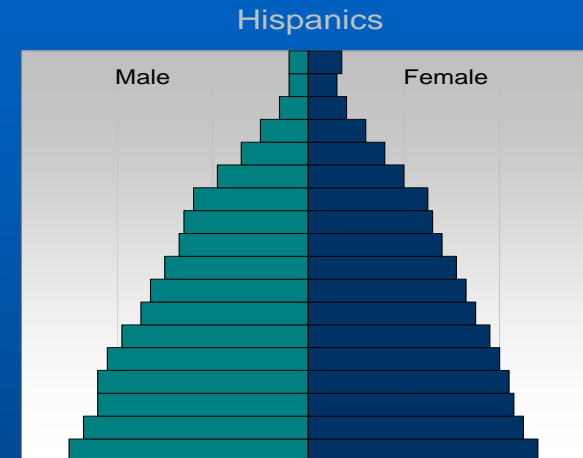
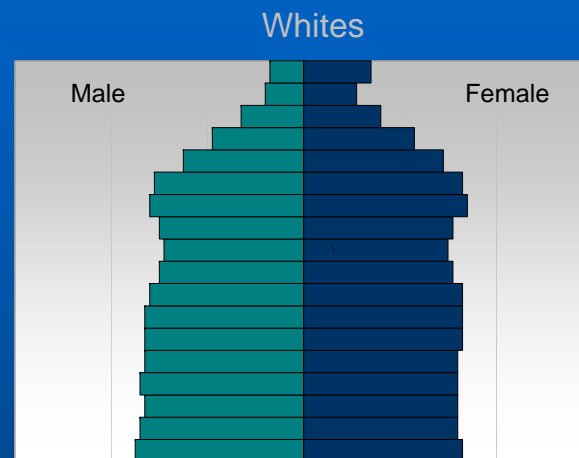




Minorities, however, have younger age structures than whites

US Age
Distribution,
2020

Source:
U.S. Census Bureau





America's New Demographic Regions

The New Sunbelt



Migration growth states

Melting Pot America



Diversity states

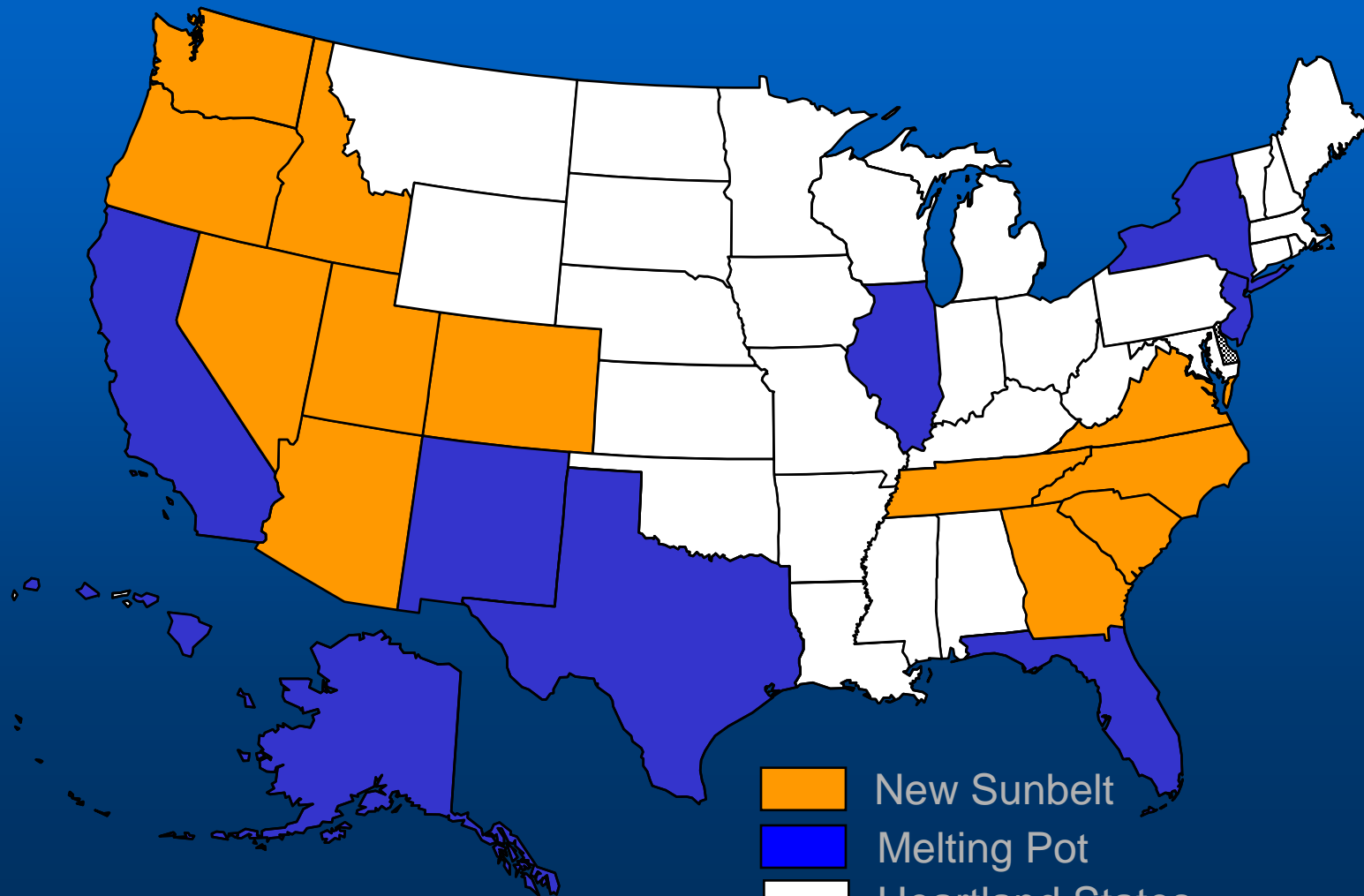
The Heartland



Slow growth states



America's New Demographic Regions



Source: William H. Frey

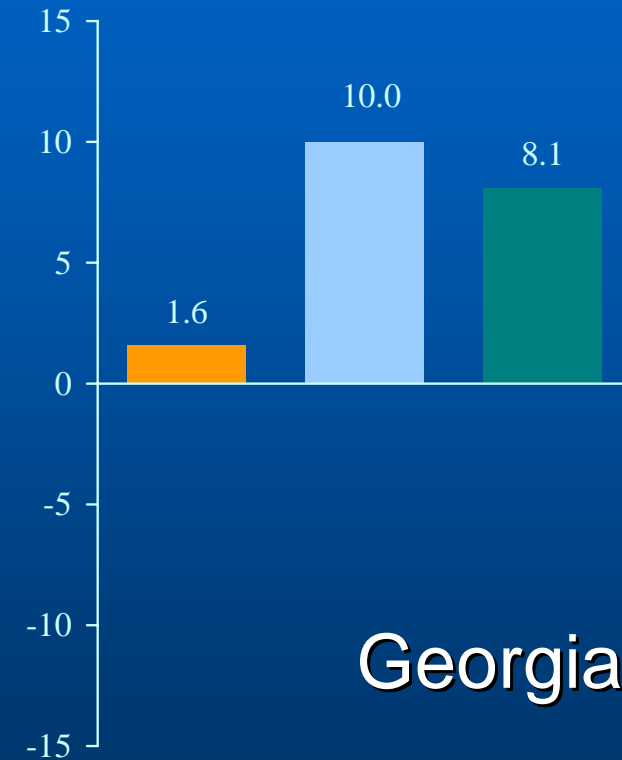
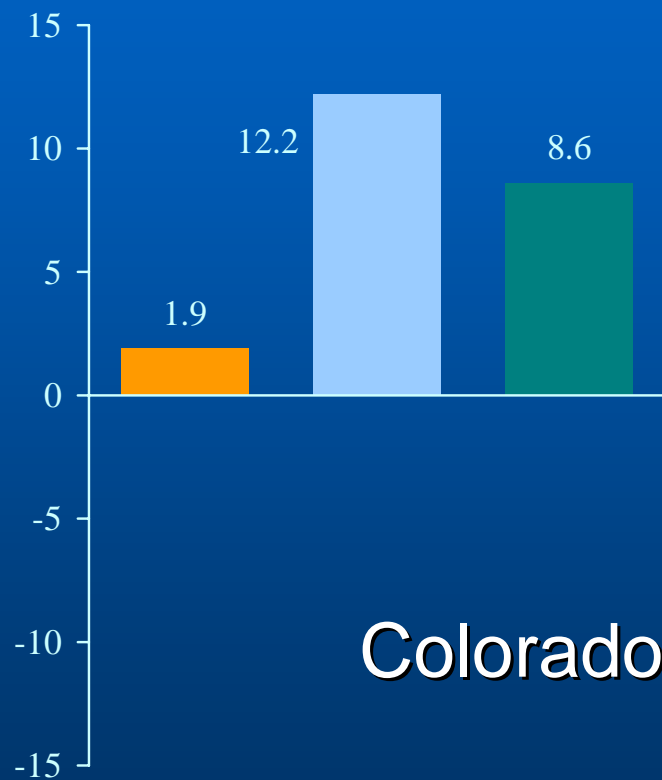
THE BROOKINGS INSTITUTION

New Sunbelt
Melting Pot
Heartland States

METROPOLITAN POLICY PROGRAM



New Sunbelt: Examples



Immigration Domestic Migration Natural Increase

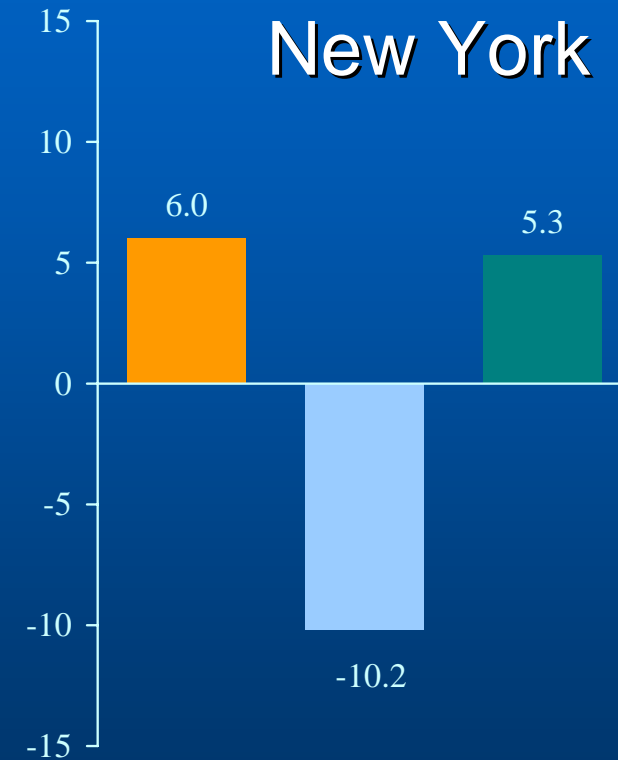
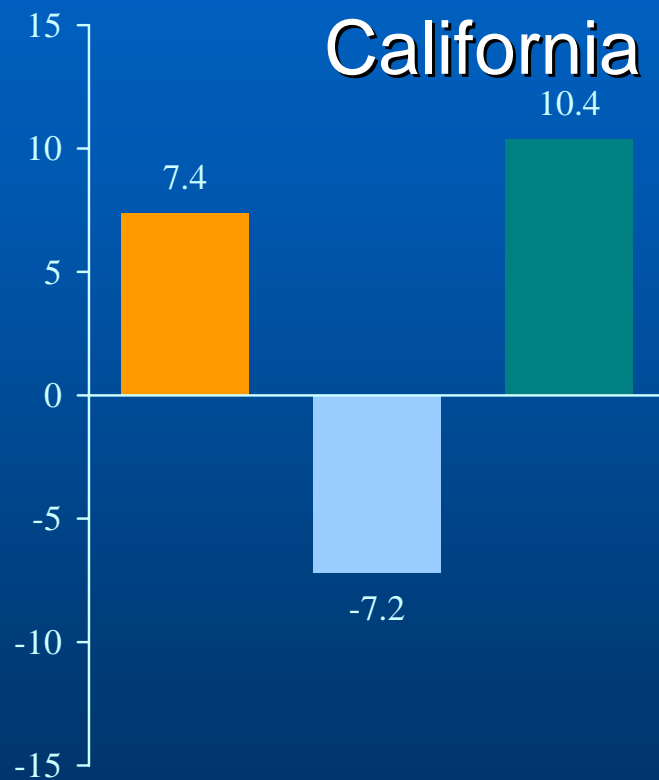
Source: William H. Frey

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METROPOLITAN POLICY PROGRAM



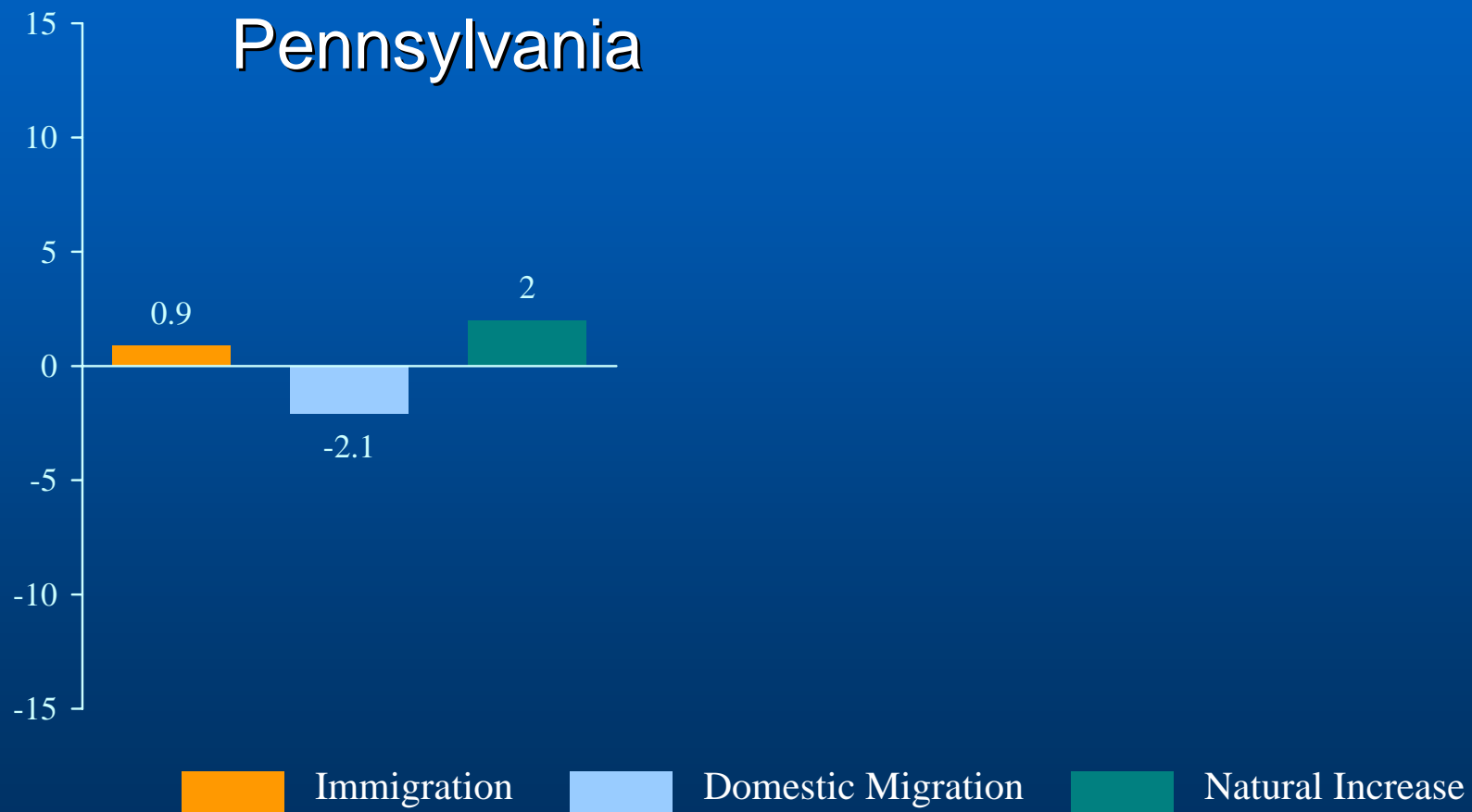
Melting Pot: Examples



Immigration Domestic Migration Natural Increase



Heartland: Examples



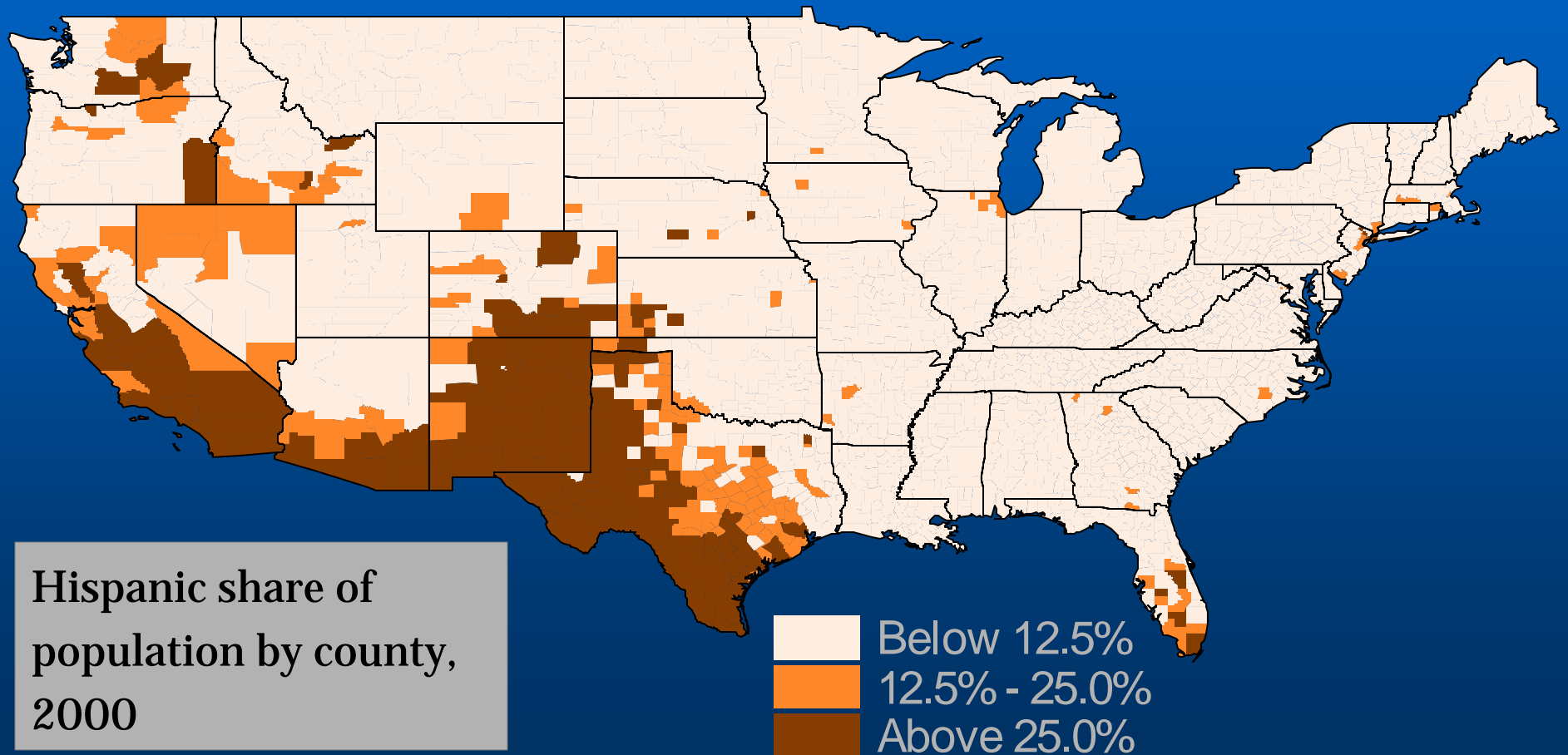
Source: William H. Frey

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METROPOLITAN POLICY PROGRAM



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



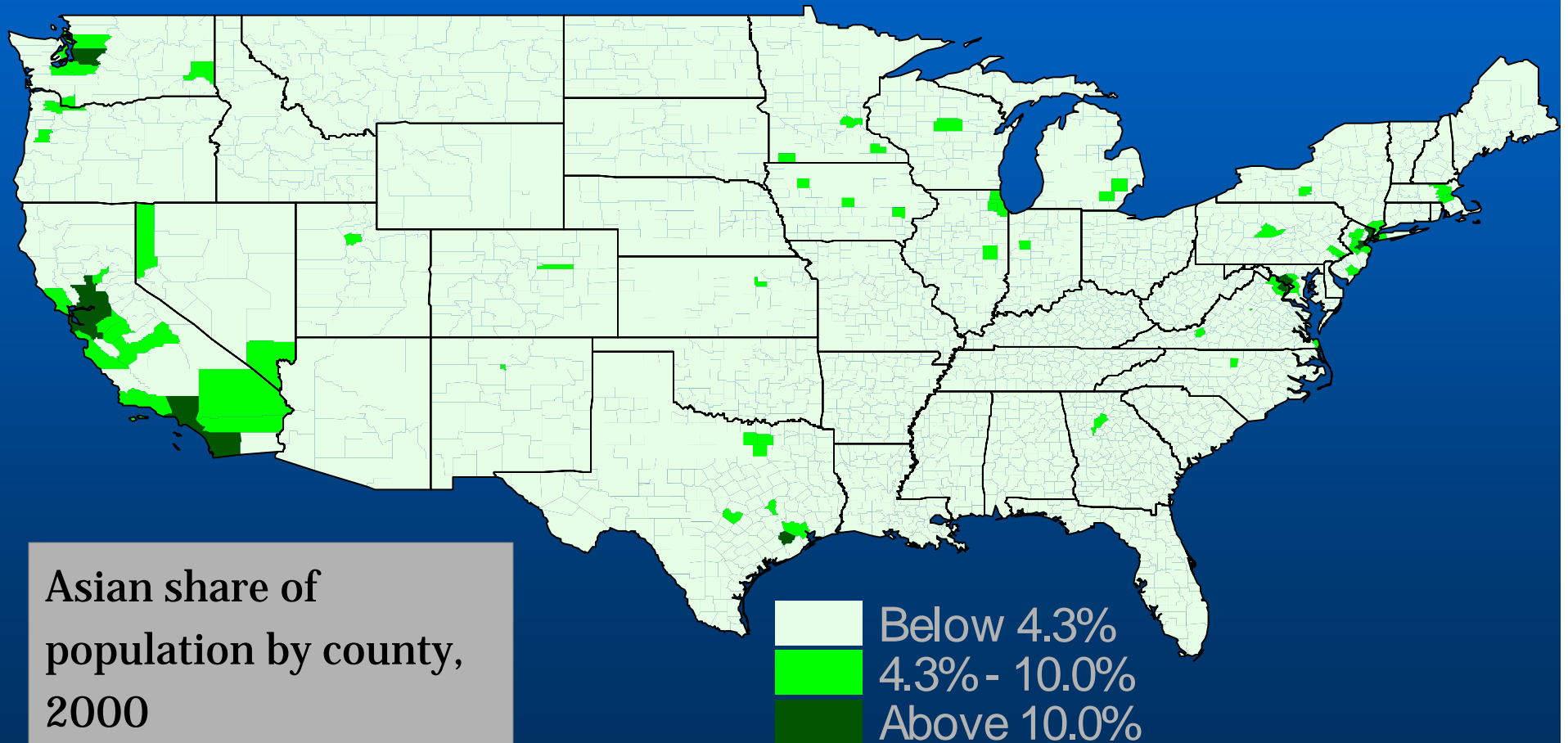
Source: William H. Frey

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METROPOLITAN POLICY PROGRAM



Asians are concentrated in California and isolated urban pockets



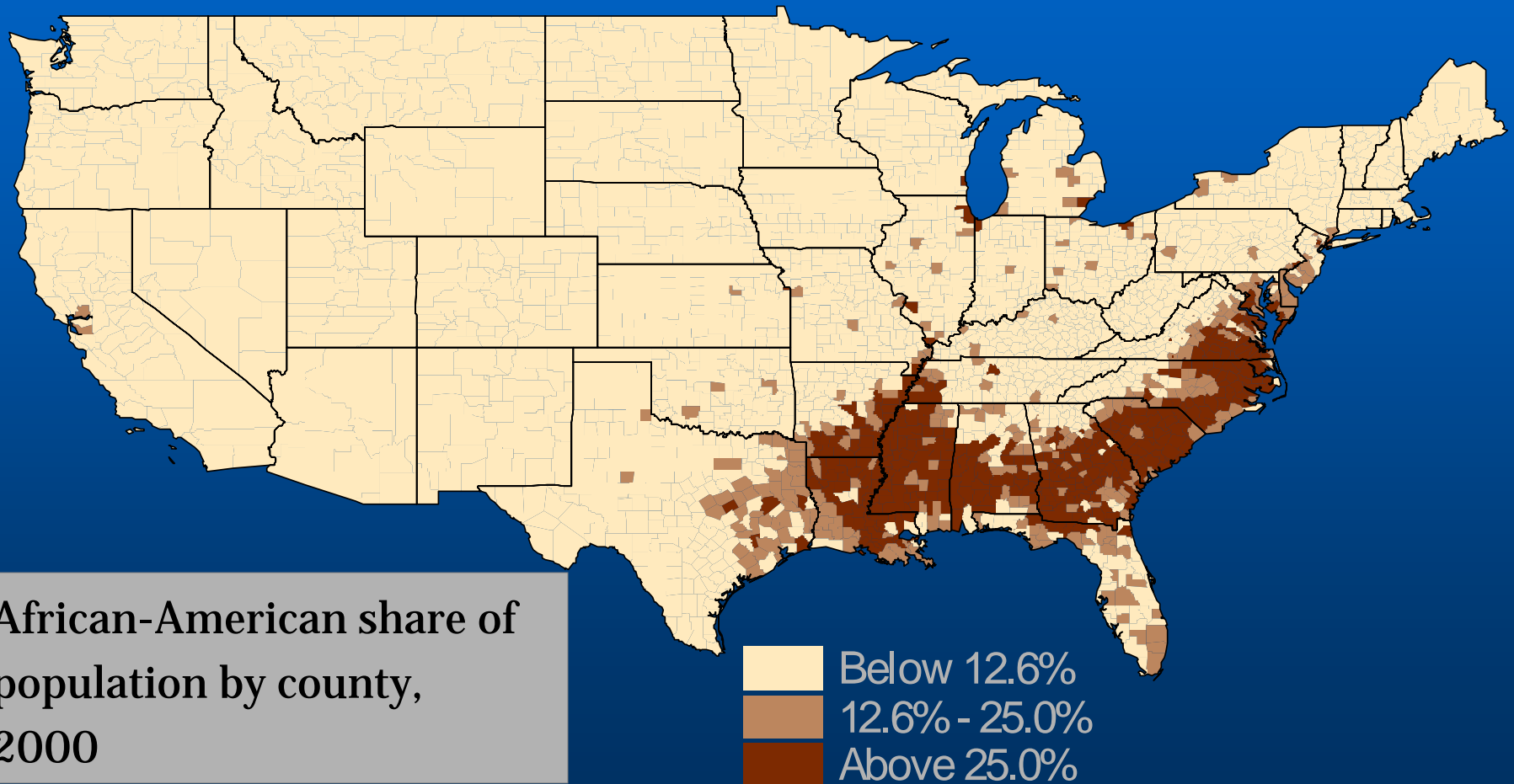
Source: William H. Frey

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METROPOLITAN POLICY PROGRAM



Blacks are concentrated in the South and industrial cities of the North



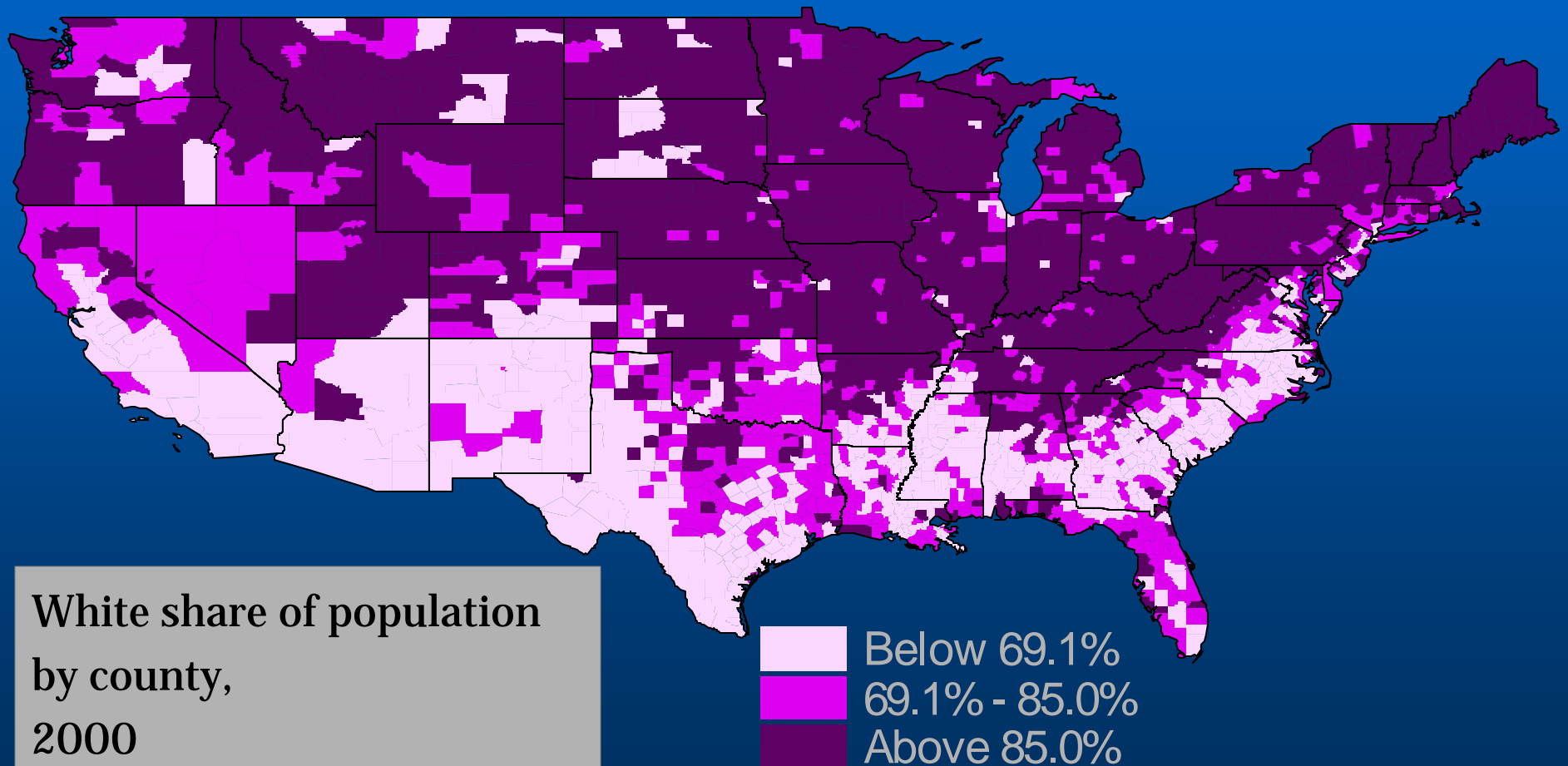
Source: William H. Frey

THE BROOKINGS INSTITUTION

METROPOLITAN POLICY PROGRAM



Whites are principally concentrated in the heartland



Source: William H. Frey

THE BROOKINGS INSTITUTION

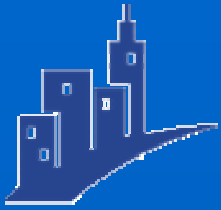
METROPOLITAN POLICY PROGRAM



Melting pot states include a large share of America's diversity

Foreign Born	70%
Asian Language at Home	68%
Spanish at Home	76%
Mixed Marriages	51%
Native Born	37%
English at Home	34%

Source: William H. Frey



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

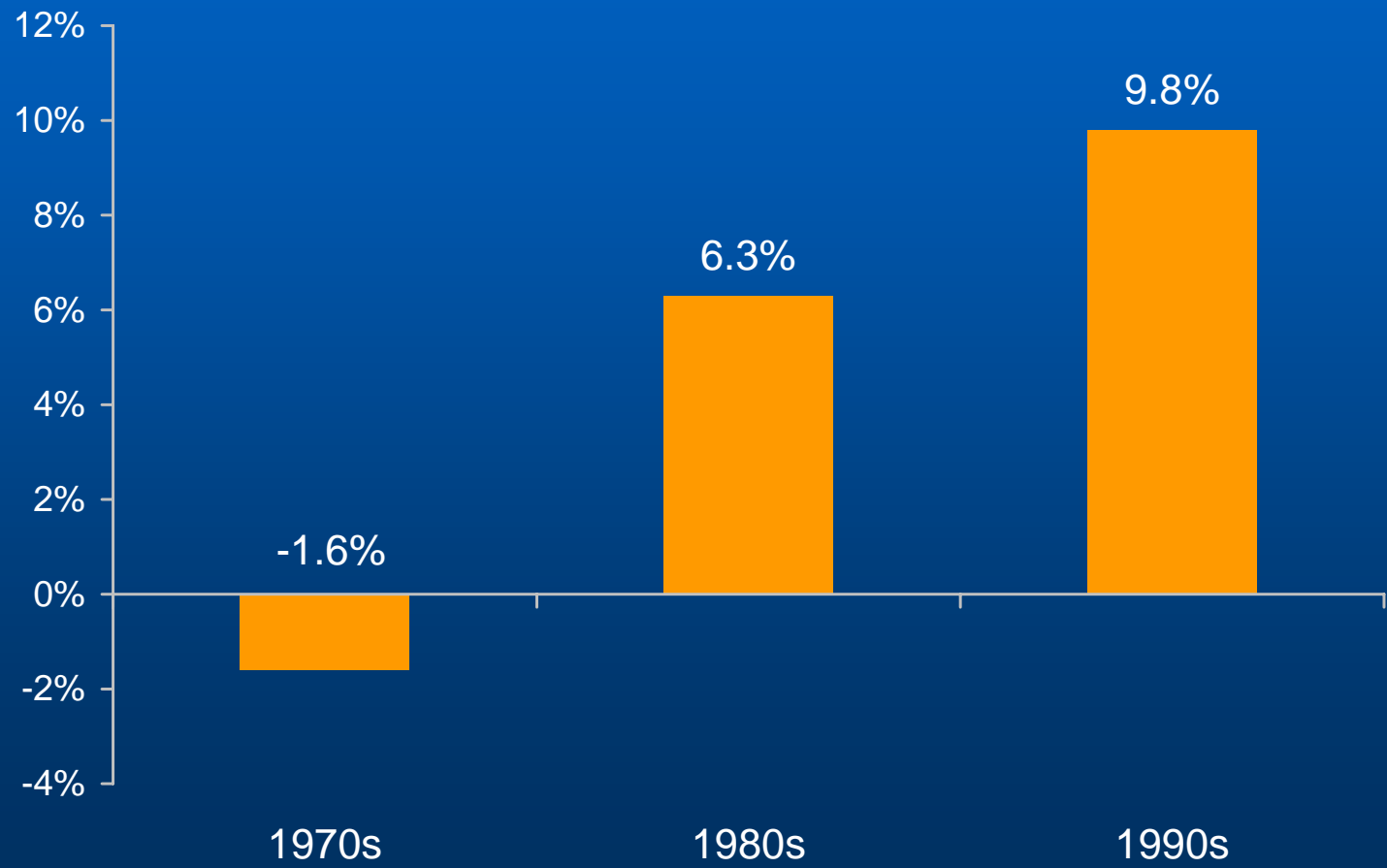
1. Cities are growing, but metros are still sprawling
2. Cities and suburbs are becoming more diverse
3. The economy continues to restructure
4. The geography of work is changing
5. The geography of poverty is changing



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

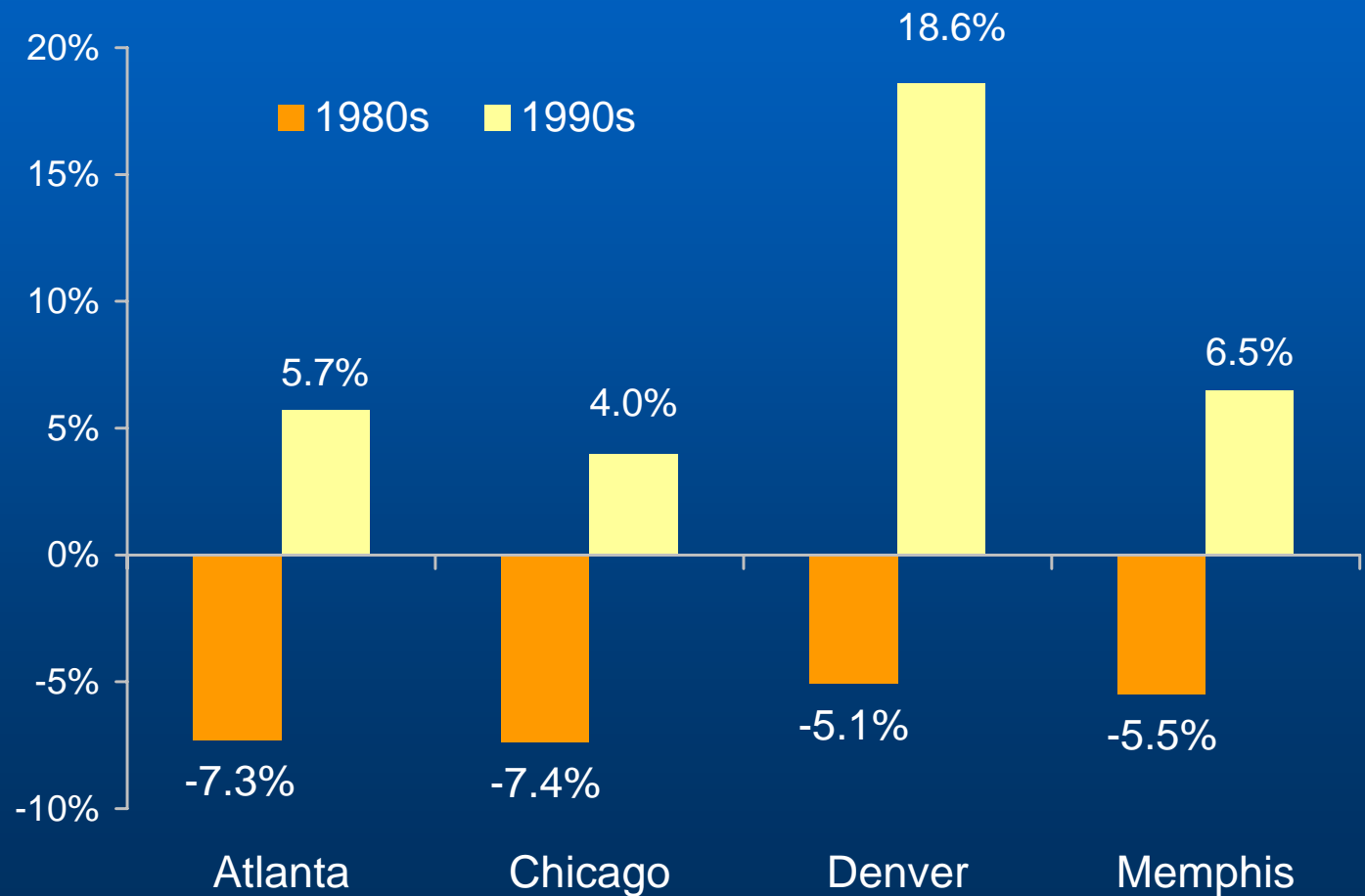




Several large cities gained population during the 1990s after losing population in the 1980s

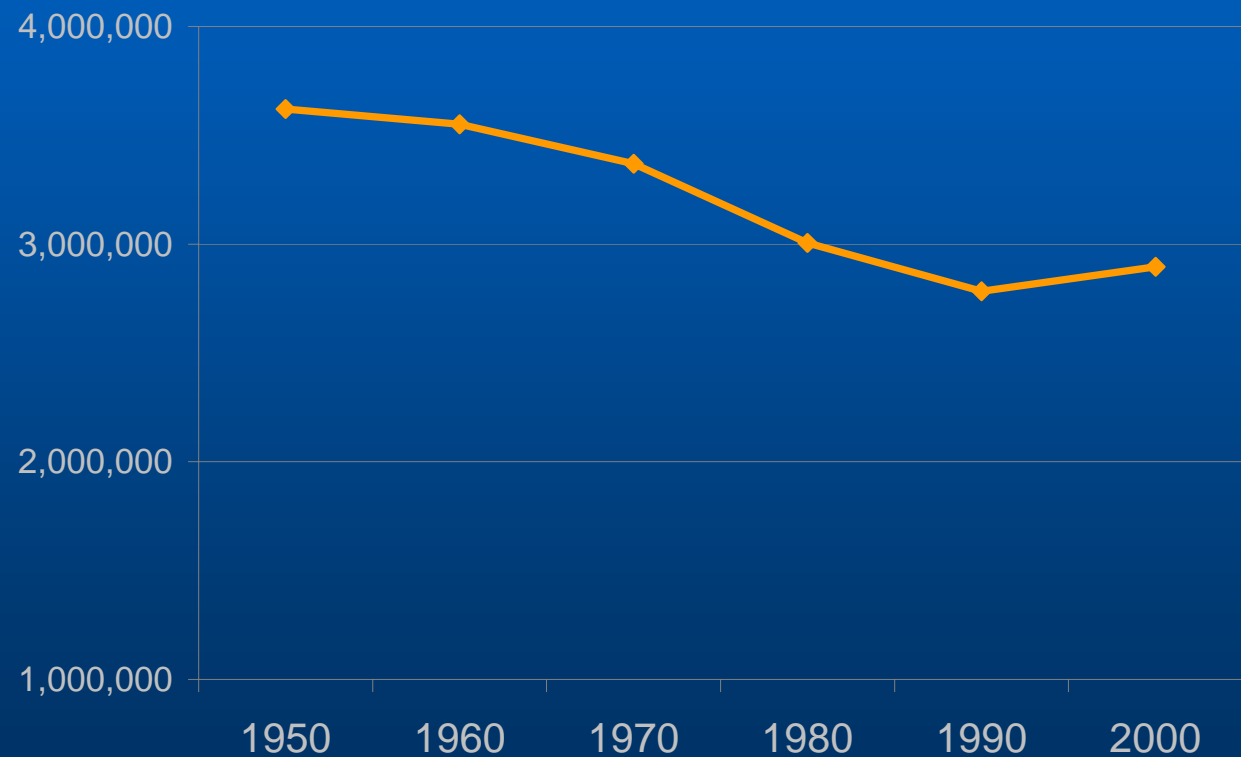
Selected cities,
population growth
1990-2000

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

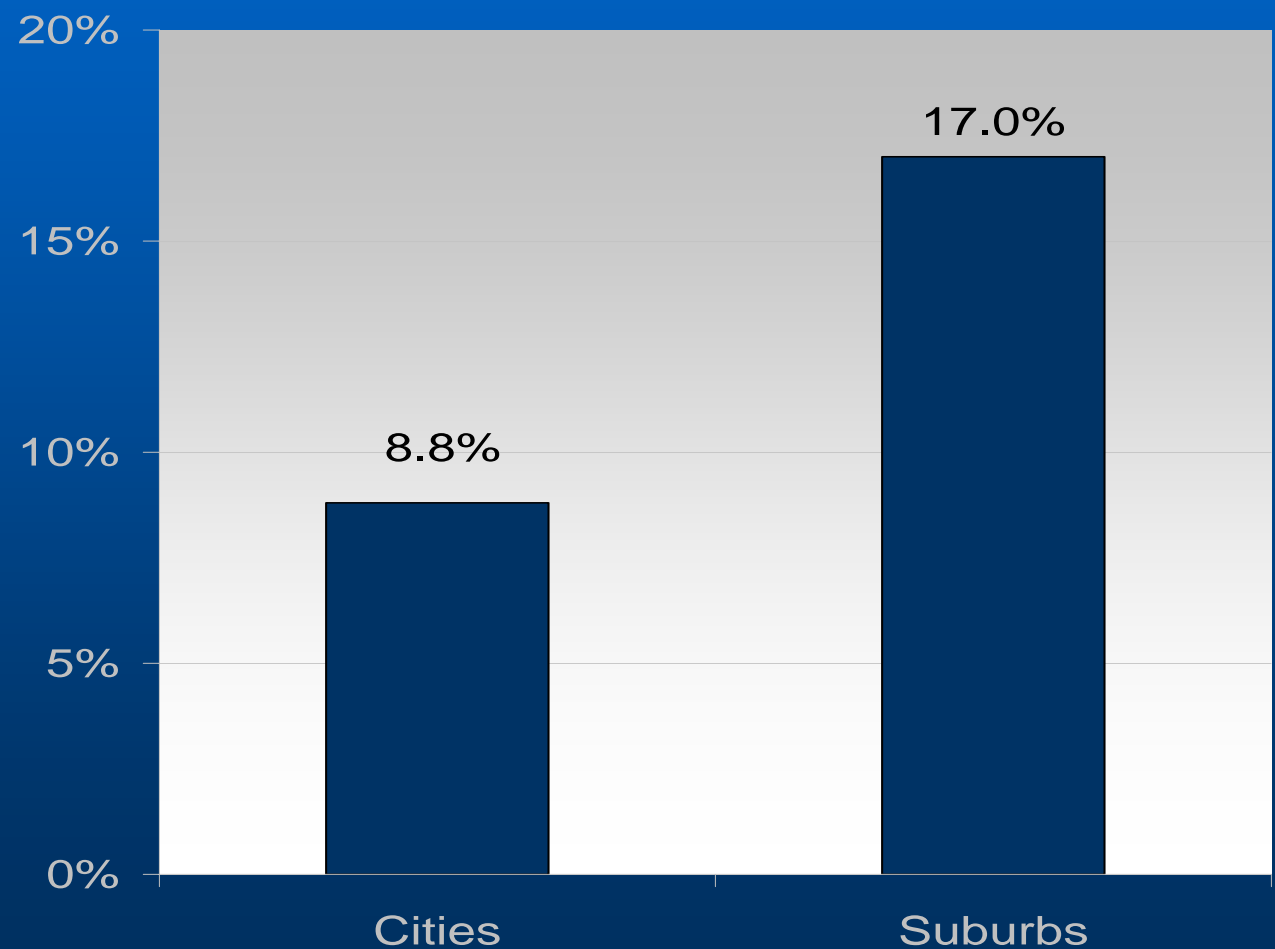
City Category	Number of Cities	City Population Change	MSA Population Change
Rapid Growth (over 20%)	14	32%	25%
Significant Growth (10 to 20%)	22	15%	22%
Moderate Growth (2 to 10%)	36	7%	13%
No Growth (-2 to 2%)	6	0%	11%
Loss (below -2%)	20	-7%	6%



Still, suburbs grew faster than cities in the 1990s

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

Source:
U.S. Census Bureau

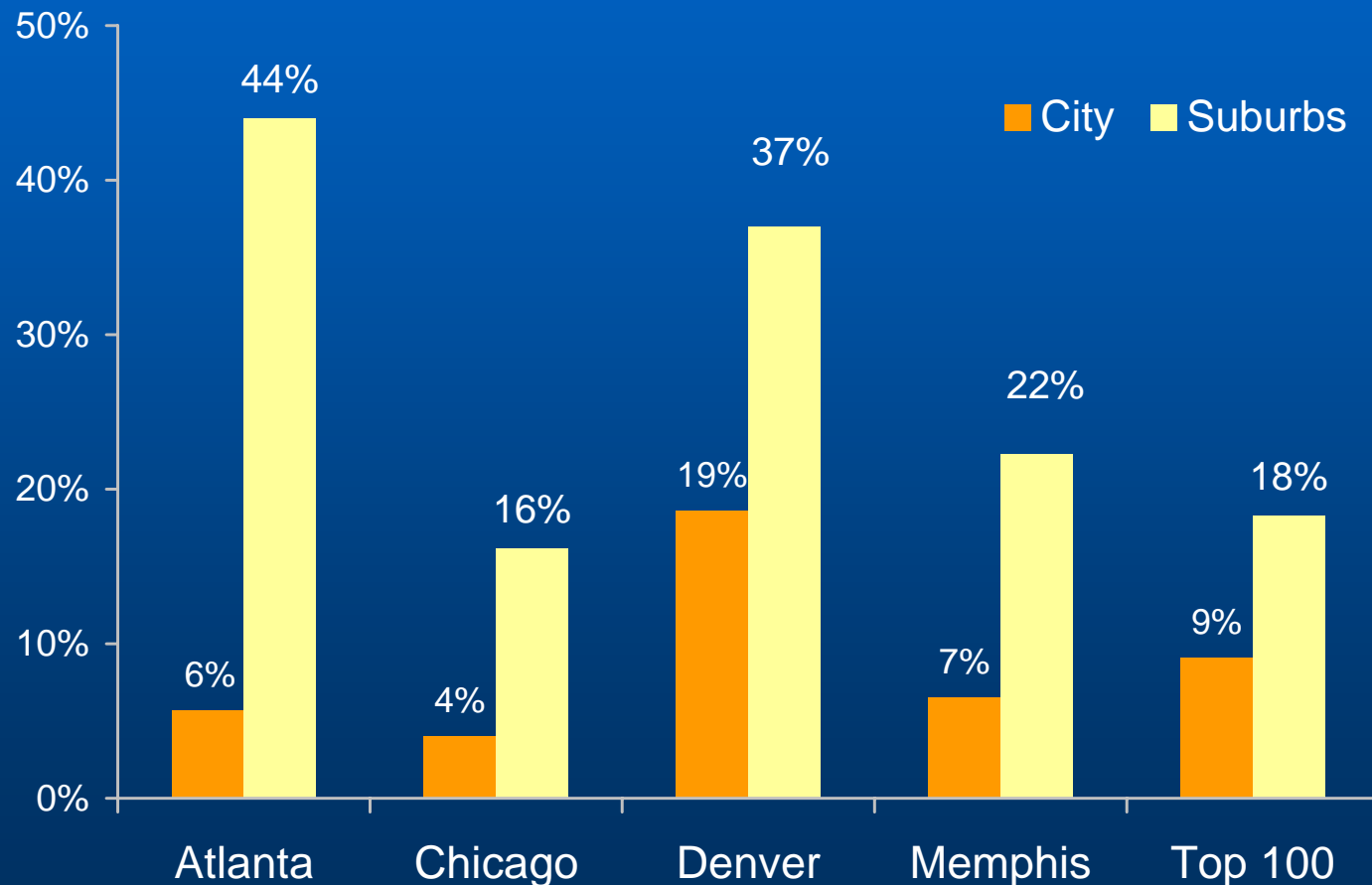




Population is decentralizing in nearly every U.S. metropolitan area

Selected cities and suburbs,
population growth
1990-2000

Source:
U.S. Census Bureau

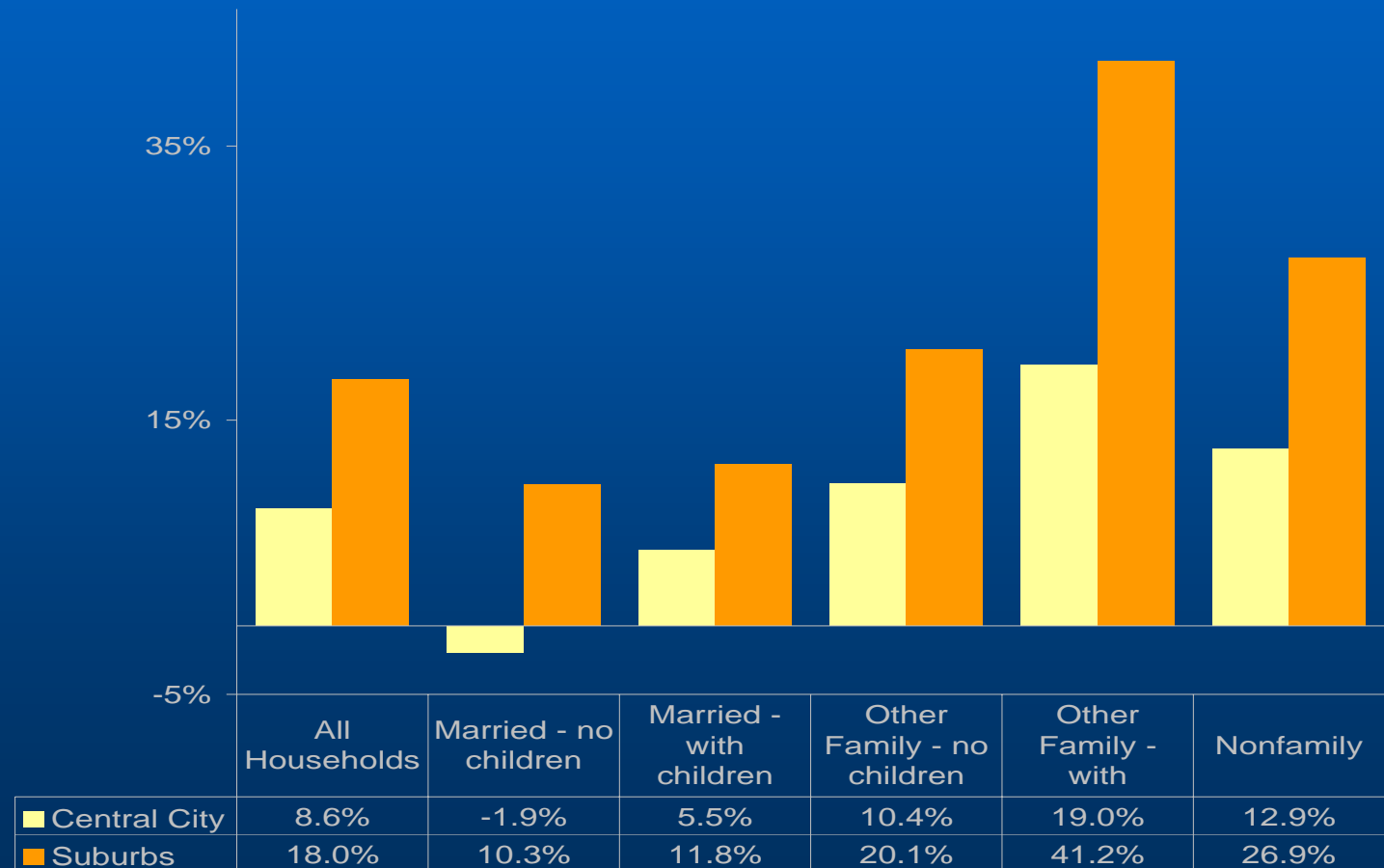




Every household type grew at faster rates in the suburbs than in cities

Population growth, 1990-2000

Source: William Frey. "A
Census 2000 Study of
City and Suburb
Household Change."
Brookings,
Forthcoming

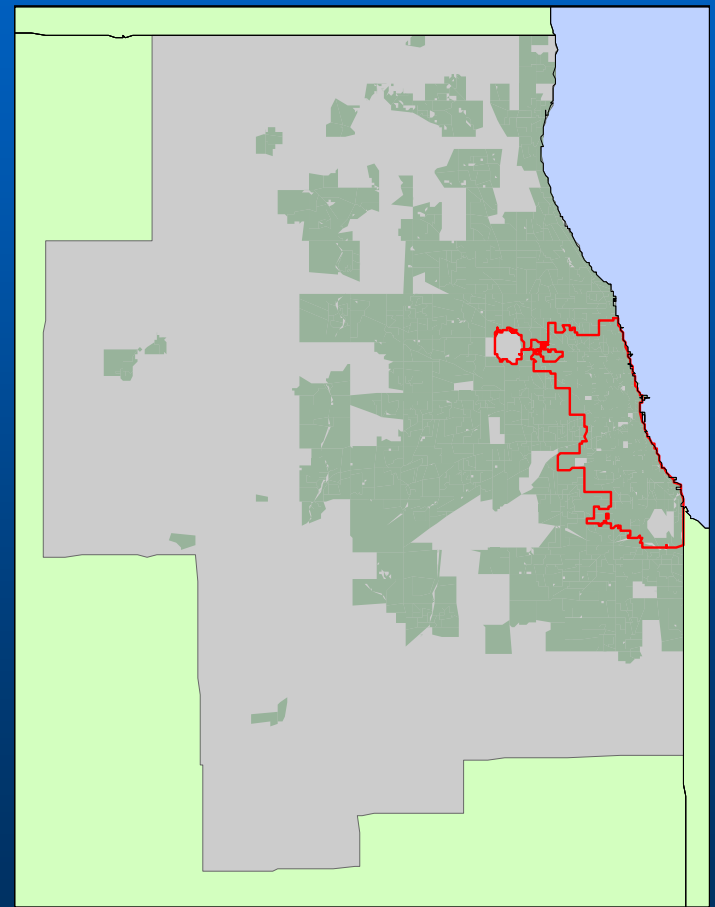
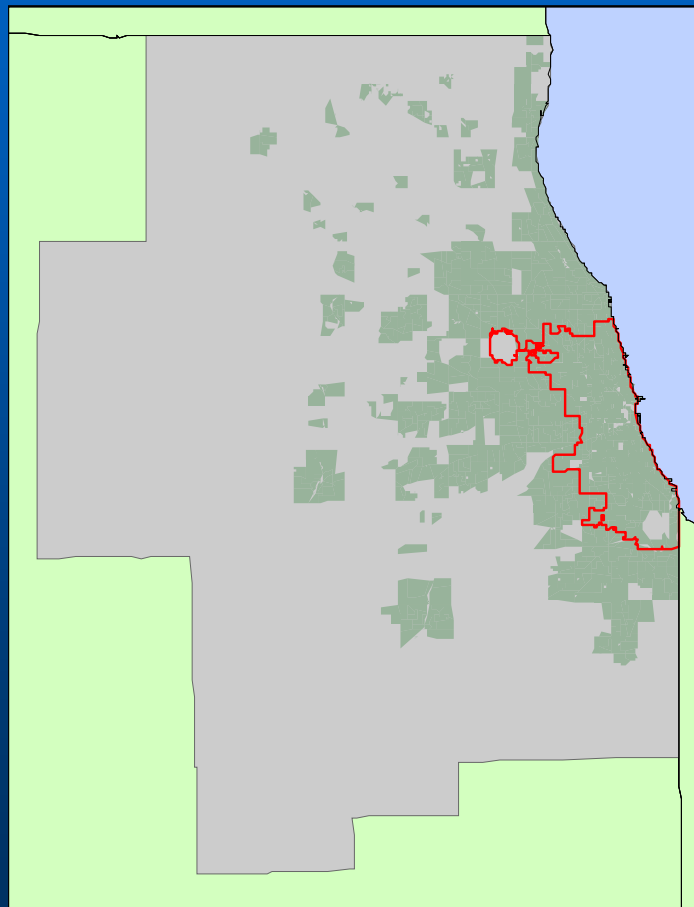


In Chicago, the core is seeing new growth, but simultaneously, the region continues to sprawl

1970

2000

Urbanized area
(1,000+ people
per square
mile), 1970,
2000



II

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

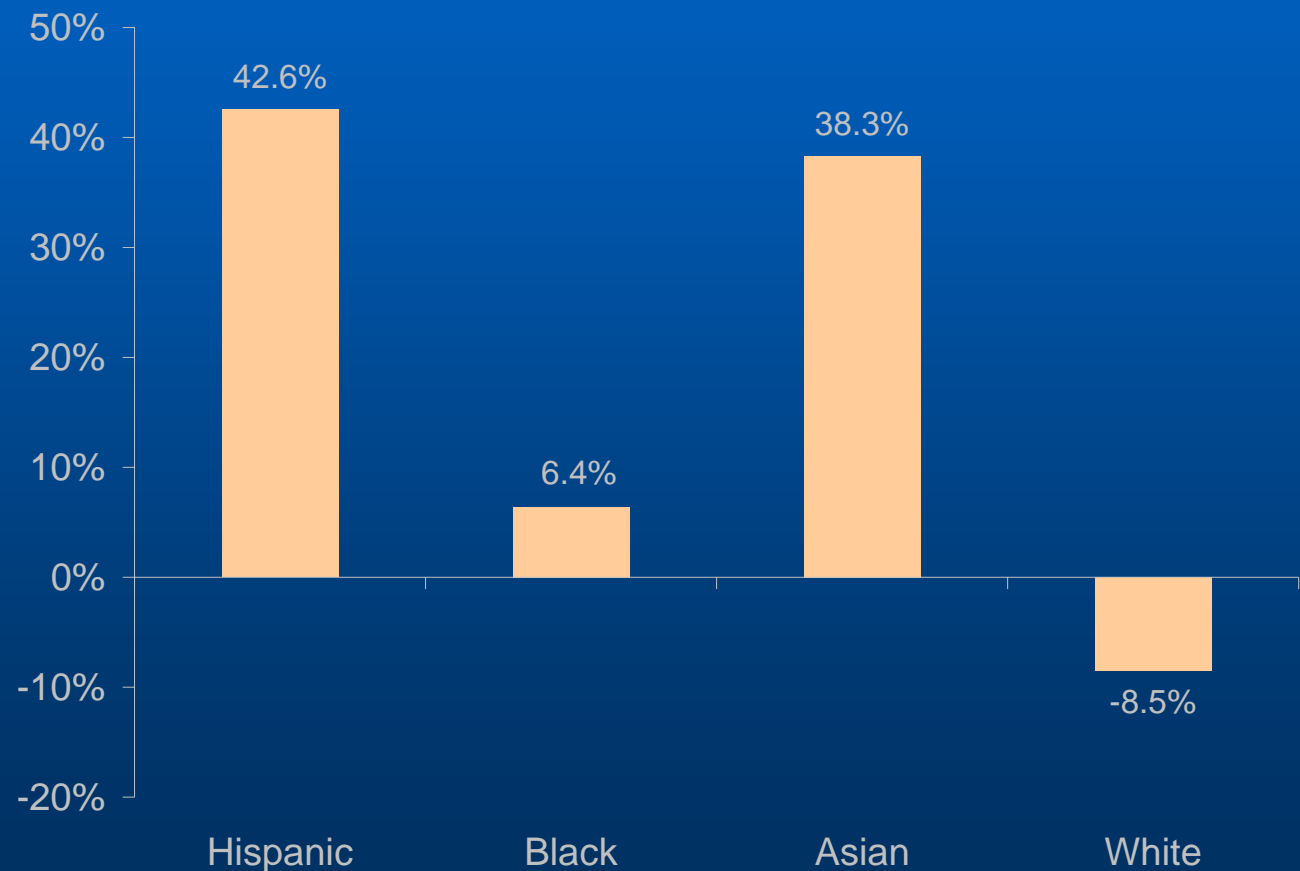
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5. The geography of poverty is changing



Central city growth in the 1990s was fueled by Asians and Hispanics

Population growth,
100 largest cities
1990-2000

Source:
U.S. Census Bureau

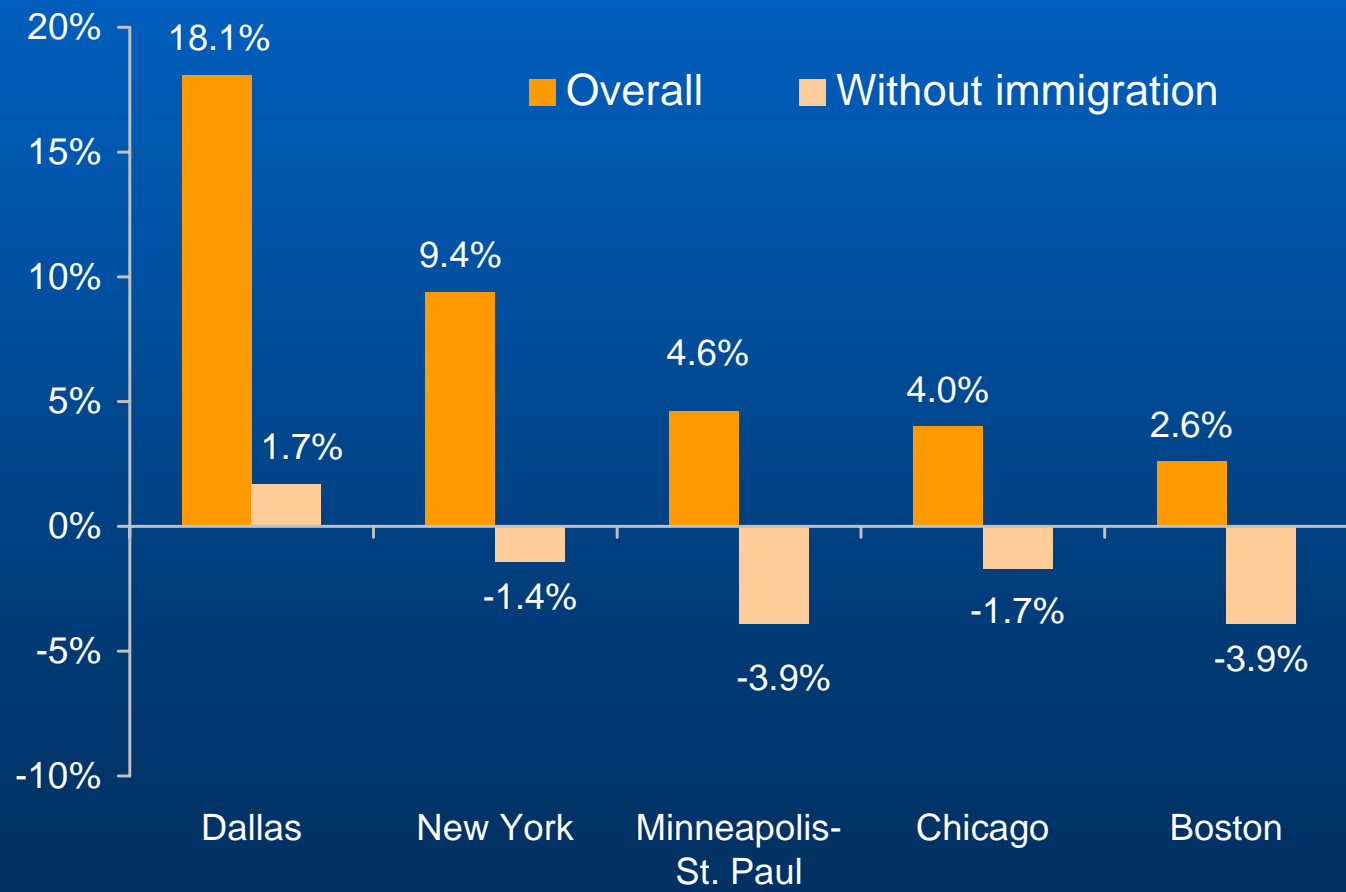




If not for immigration, several of the nation's largest cities would not have grown during the 1990s

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

Source:
U.S. Census Bureau



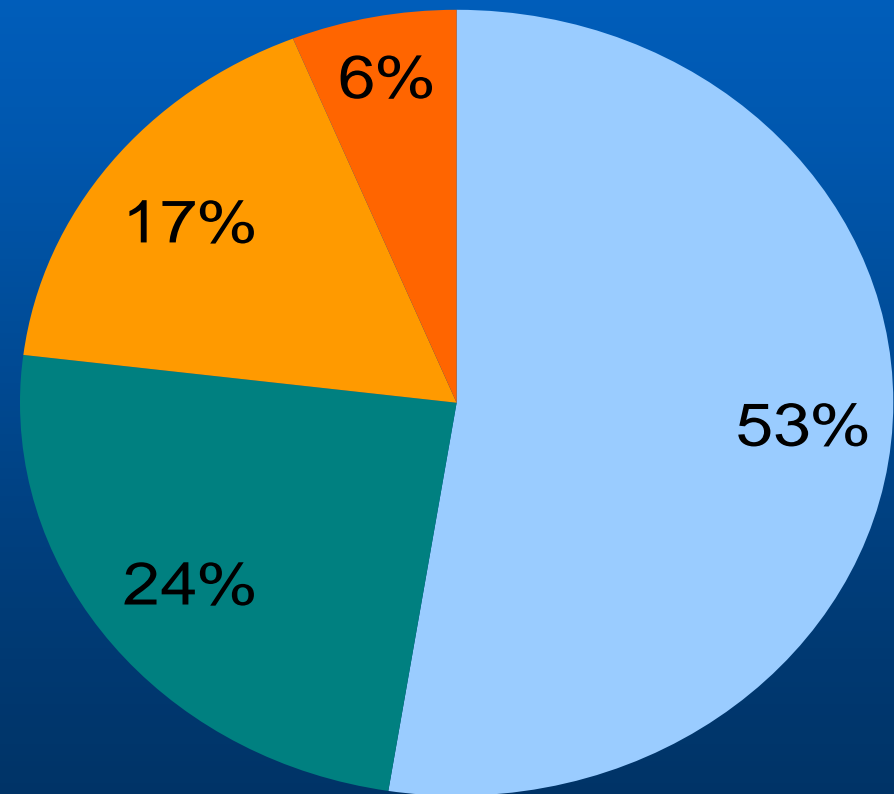


In aggregate, the racial makeup of the 100 largest cities has shifted....

Share of
population by race
and ethnicity,
1990

Source:
U.S. Census Bureau

- White
- Black
- Hispanic
- Other

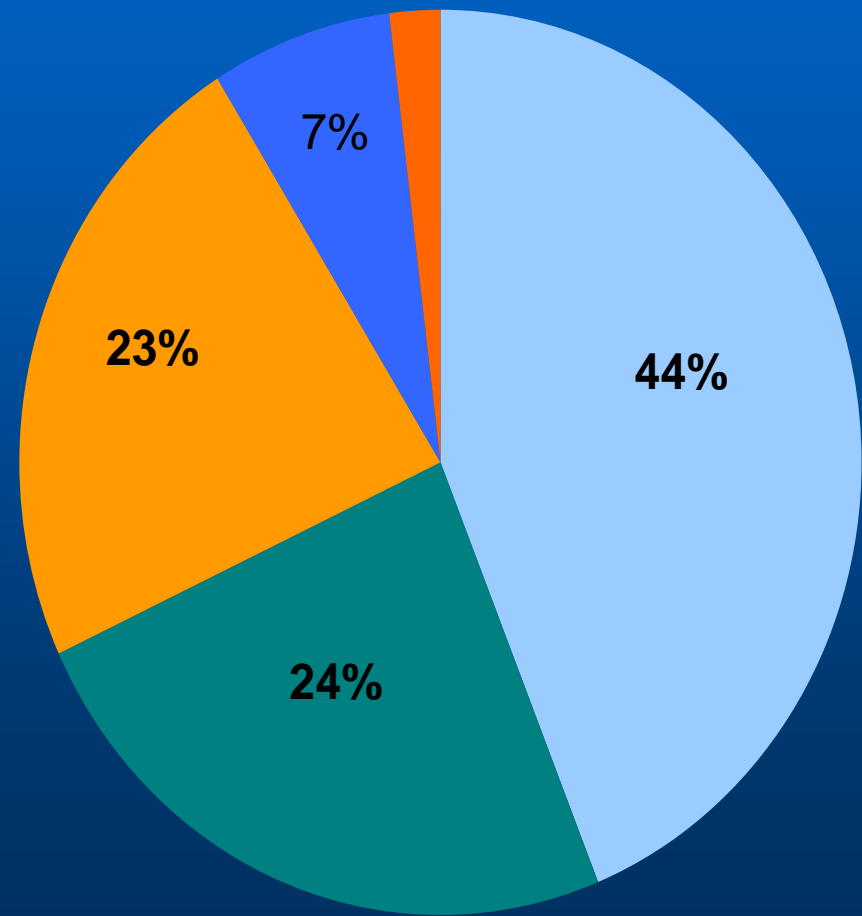




In 2000, the top hundred cities became majority minority

Share of
population by race
and ethnicity,
2000

Source:
U.S. Census Bureau



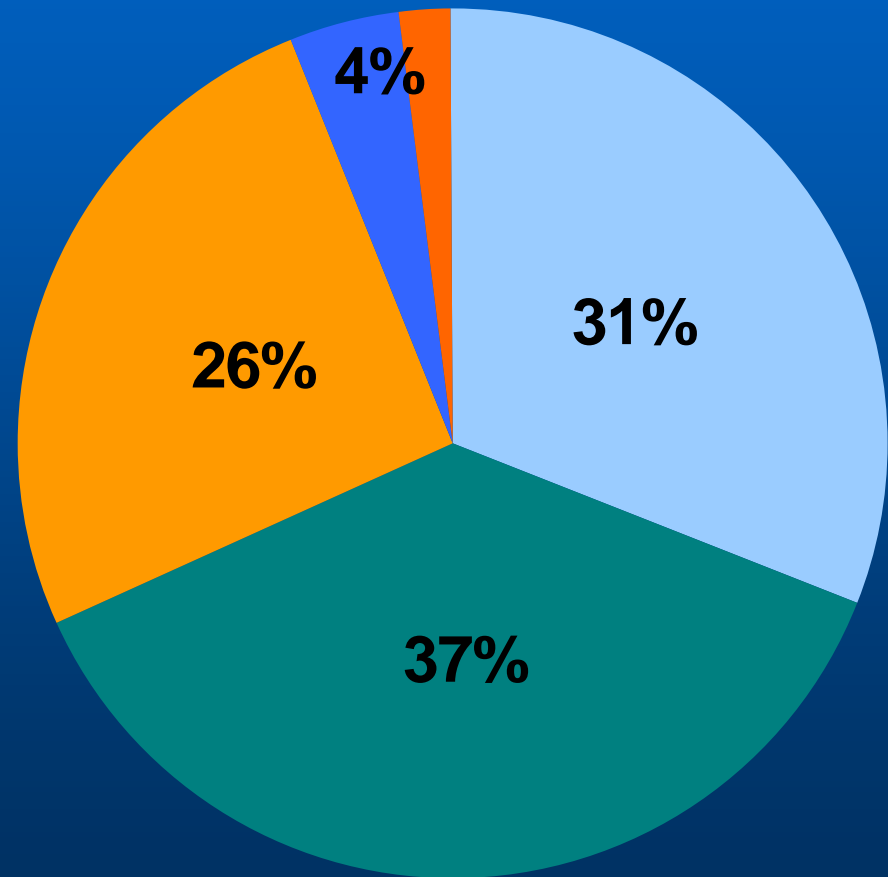


This is especially true in Chicago, where the non-white population is nearly 70%

Share of
population by race
and ethnicity for
Chicago,
2000

Source:
U.S. Census Bureau

- White
- Black
- Hispanic
- Asian
- Multi-racial



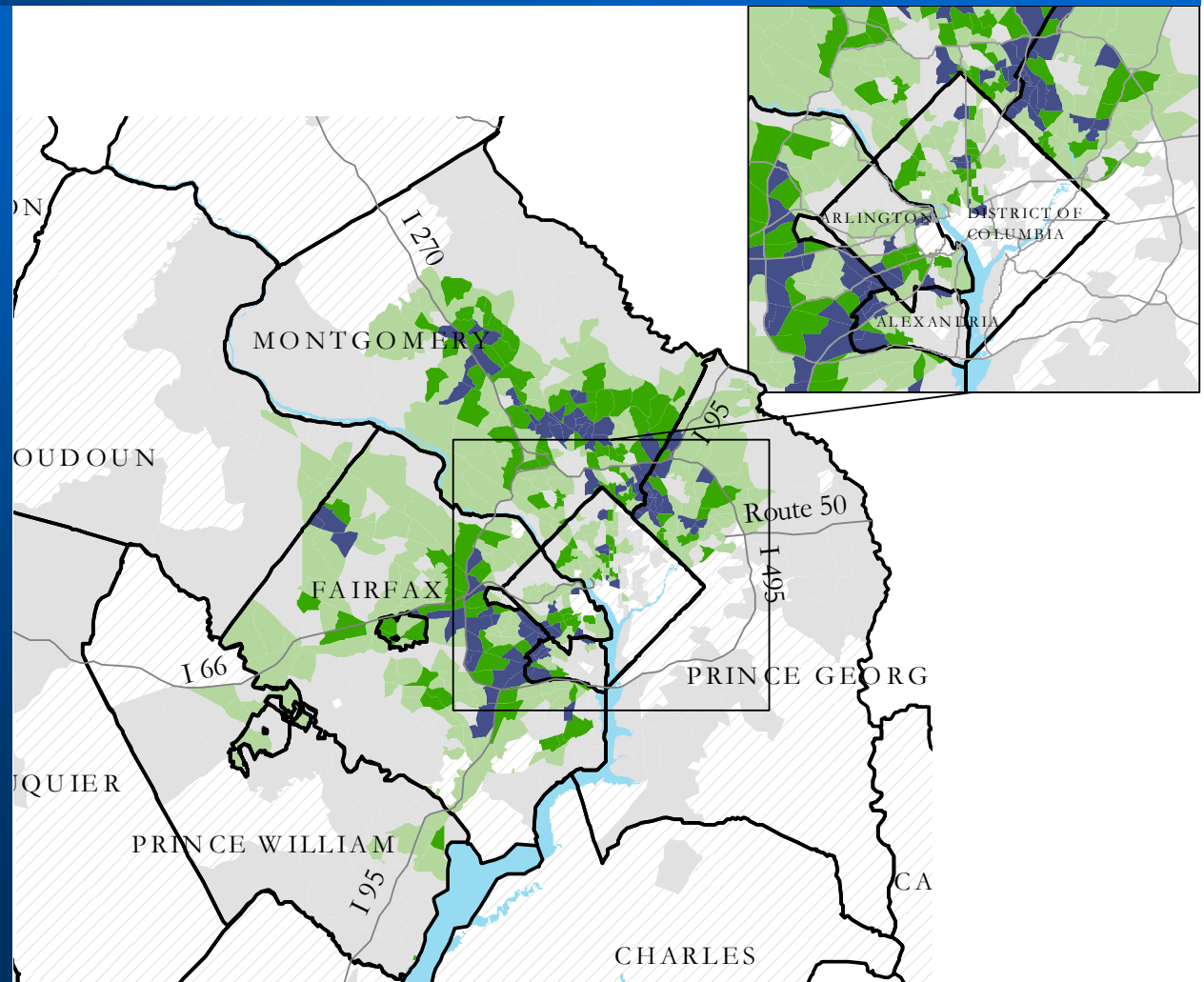
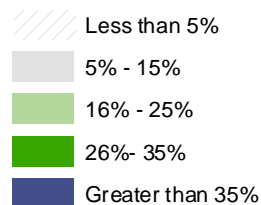


In many metro areas, the locus of immigration is shifting from the central city to the suburbs

Washington region, share foreign-born by census tract, 2000

Source: Singer, "At Home in the Nation's Capital," June 2003

Percent Foreign Born (by Census Tract)

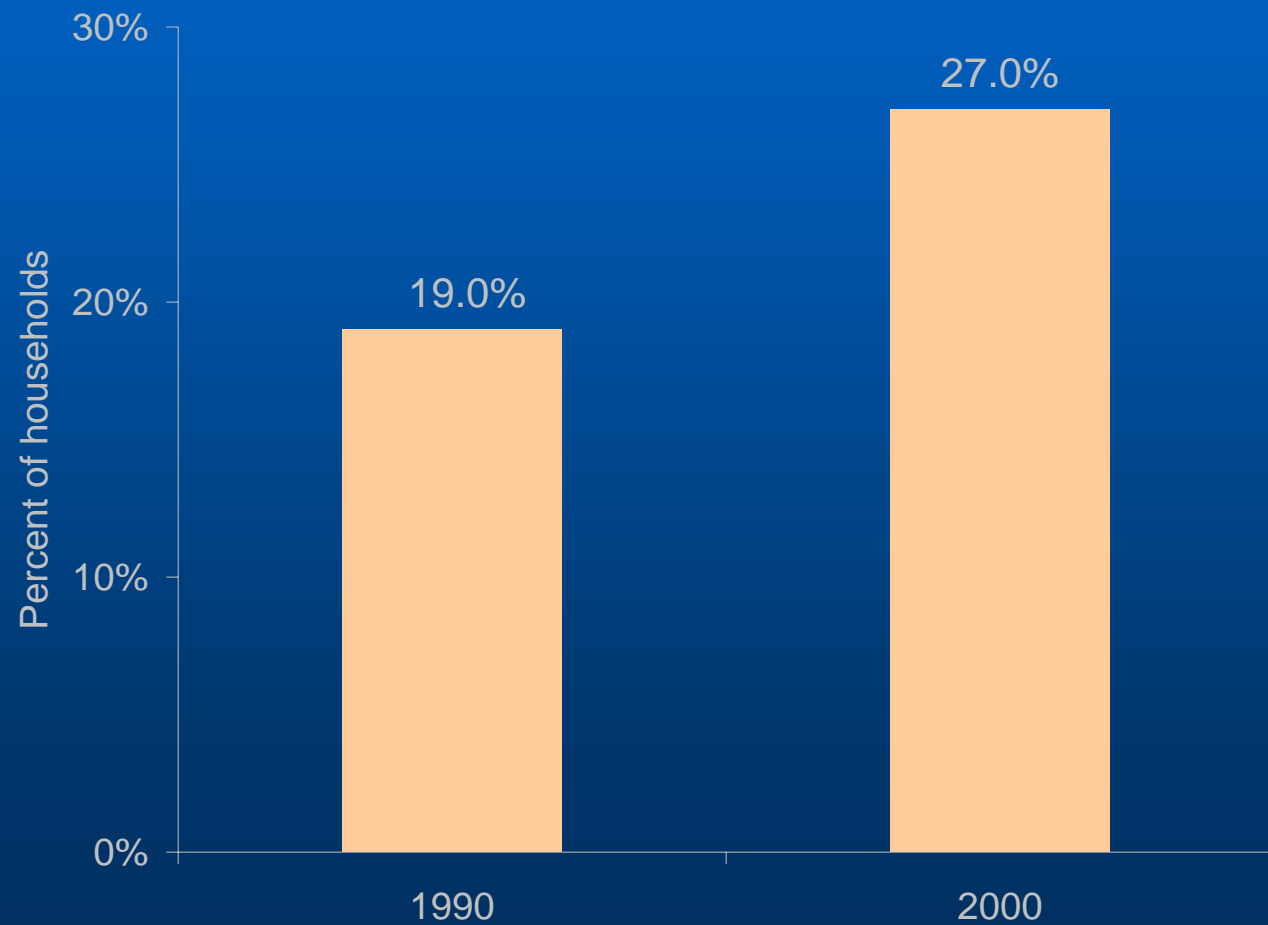




Now more than 1 in 4 suburban households are minority

Minority share of
population,
1990-2000

Source:
U.S. Census Bureau

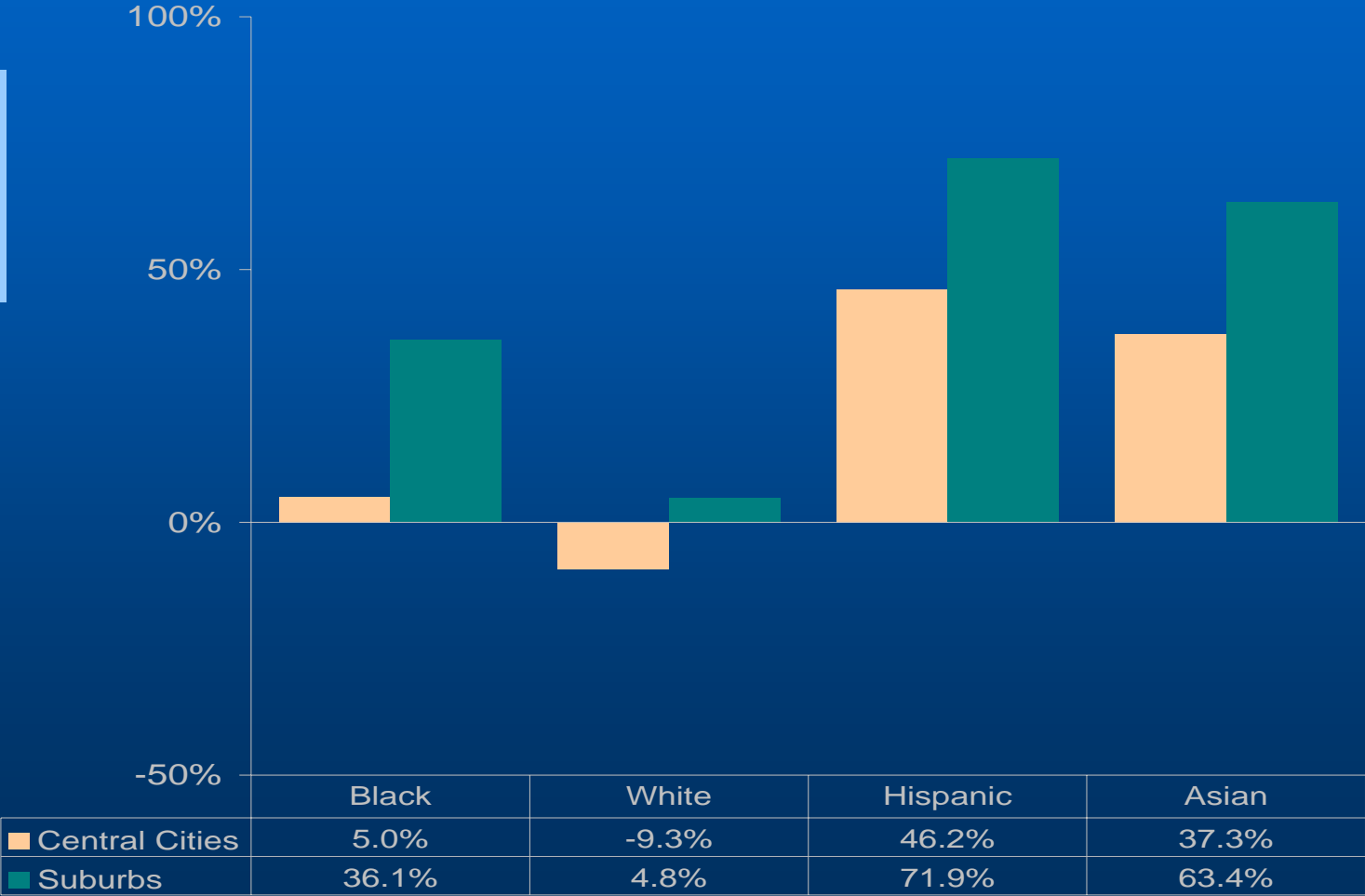




In addition, every minority group grew at faster rates in the suburbs than in central cities

Population growth
by race and
ethnicity,
1990-2000

Source:
U.S. Census Bureau

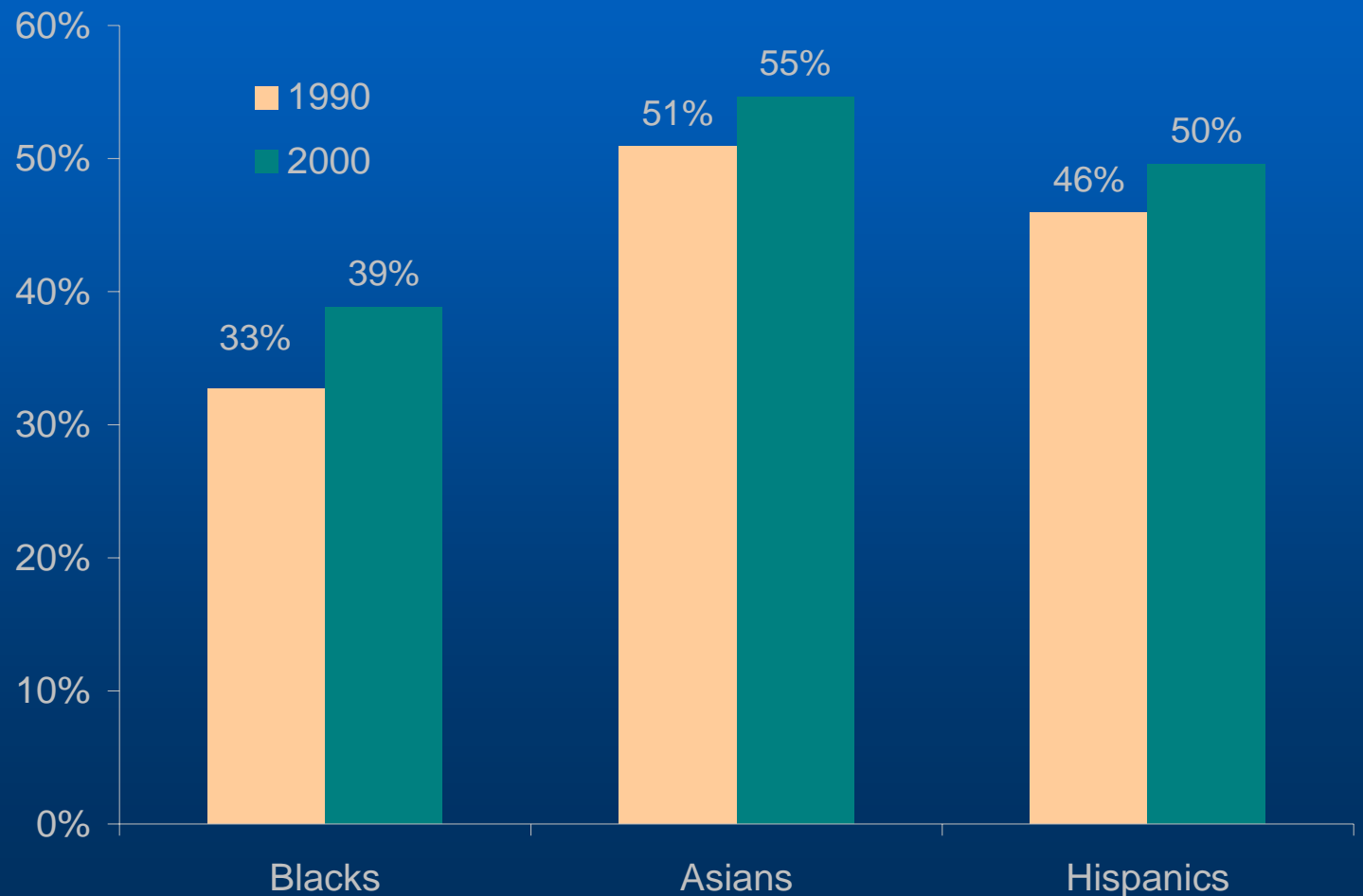




The percent of each racial/ethnic group living in the suburbs increased substantially

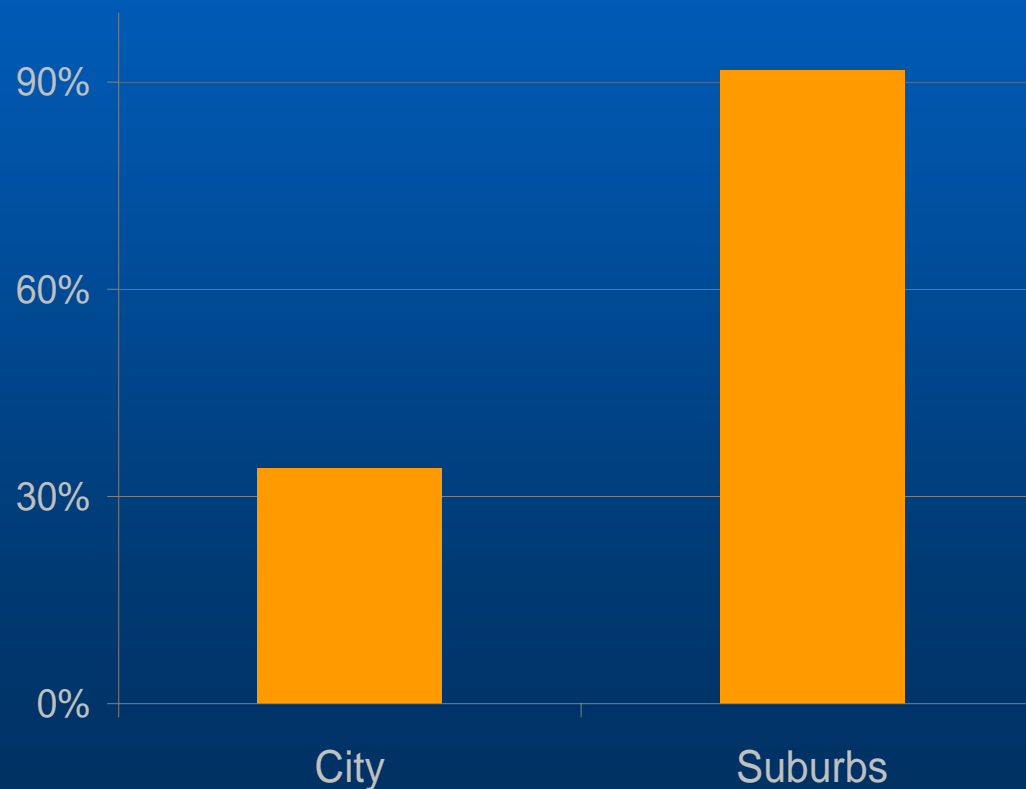
Share of
population by race
and ethnicity,
1990

Source:
U.S. Census Bureau

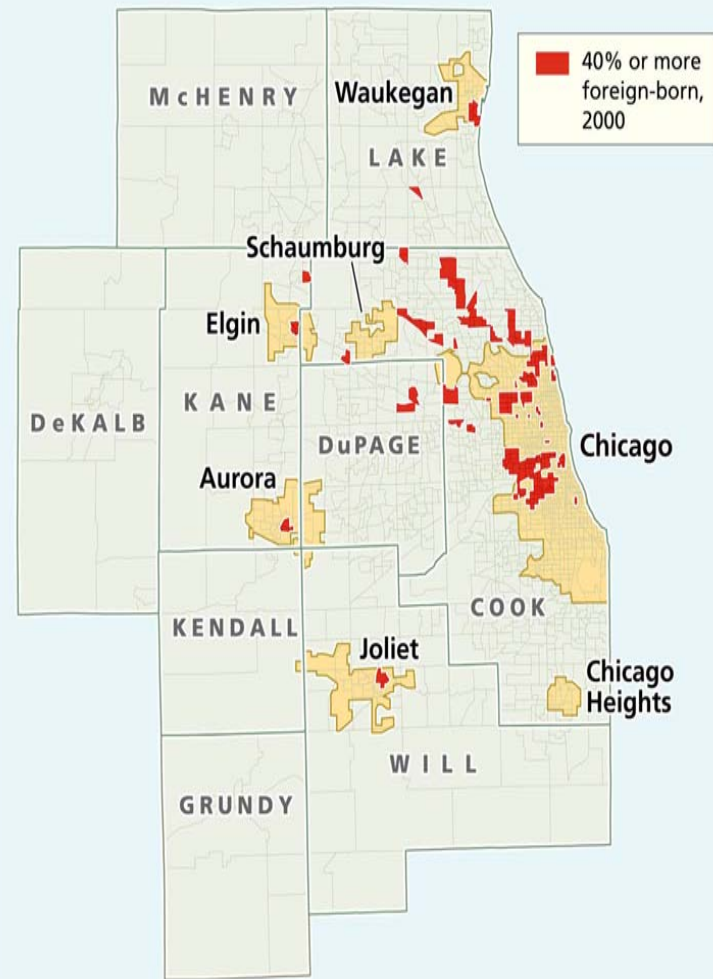


The rate of increase in foreign born population is almost three times faster in the suburbs of Chicago than in the city

Percent change in foreign born, 1990 - 2000



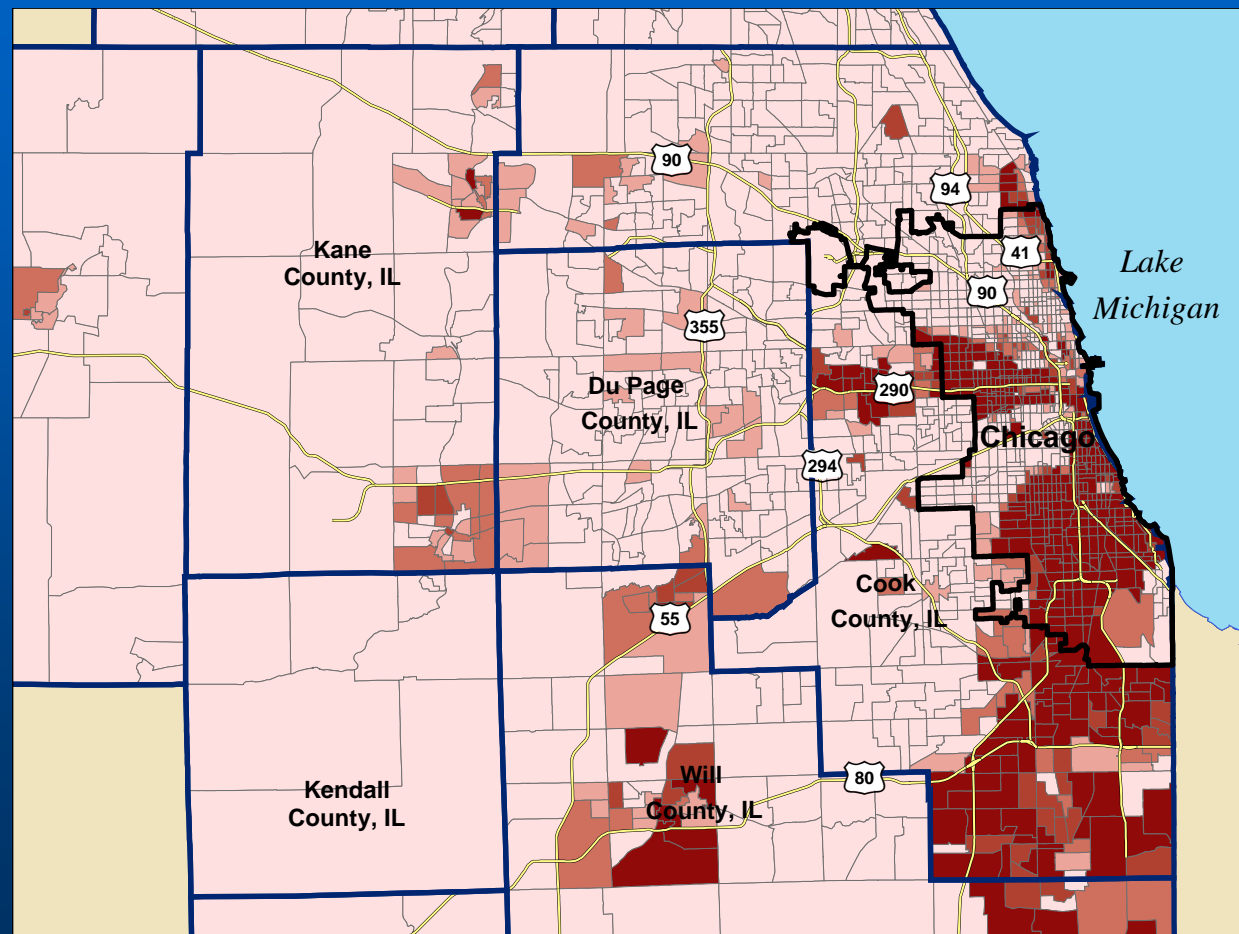
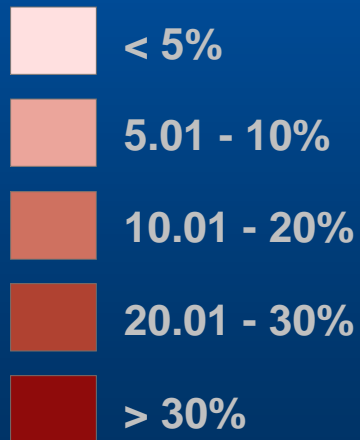
The number of suburban census tracts with at least 40% foreign-born increased dramatically over the 1990s



Despite growing suburban diversity, racial separation persists In metros like Chicago

Percent Black or
African-American,
2000

Source:
U.S. Census Bureau



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

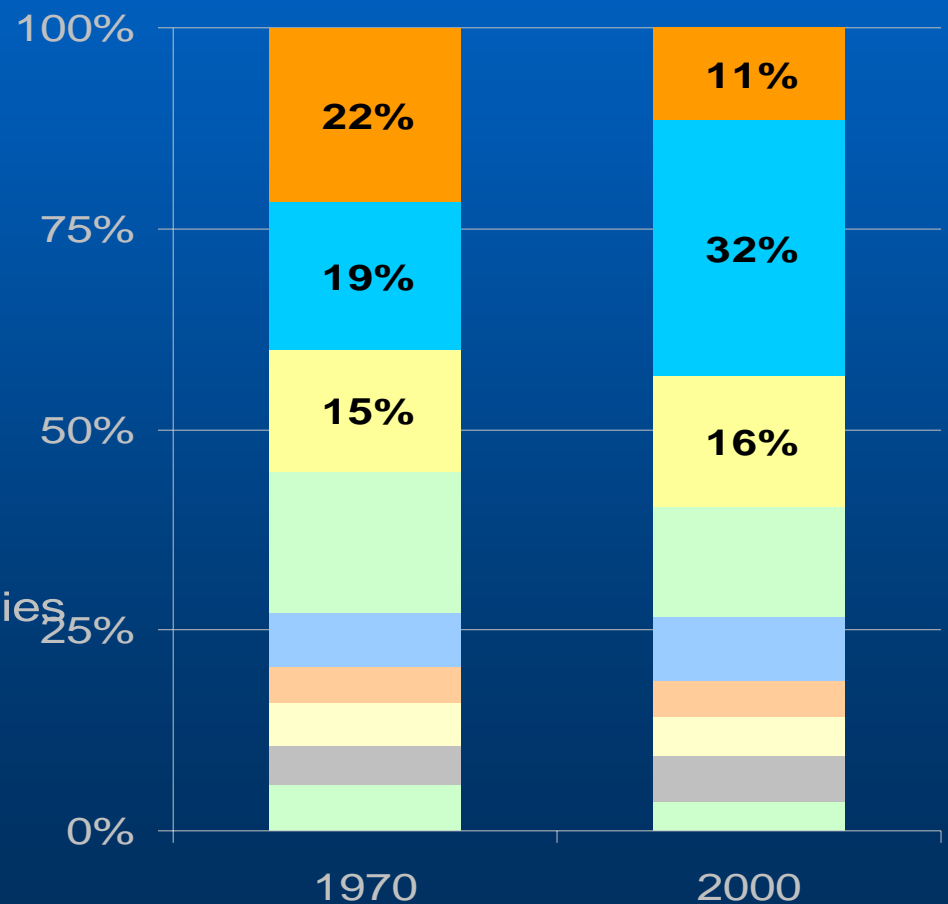


The nation's economy has shifted away from manufacturing and toward the service sector...

Employment by
sector, US,
1970-2000

Source:
Bureau of Economic Analysis

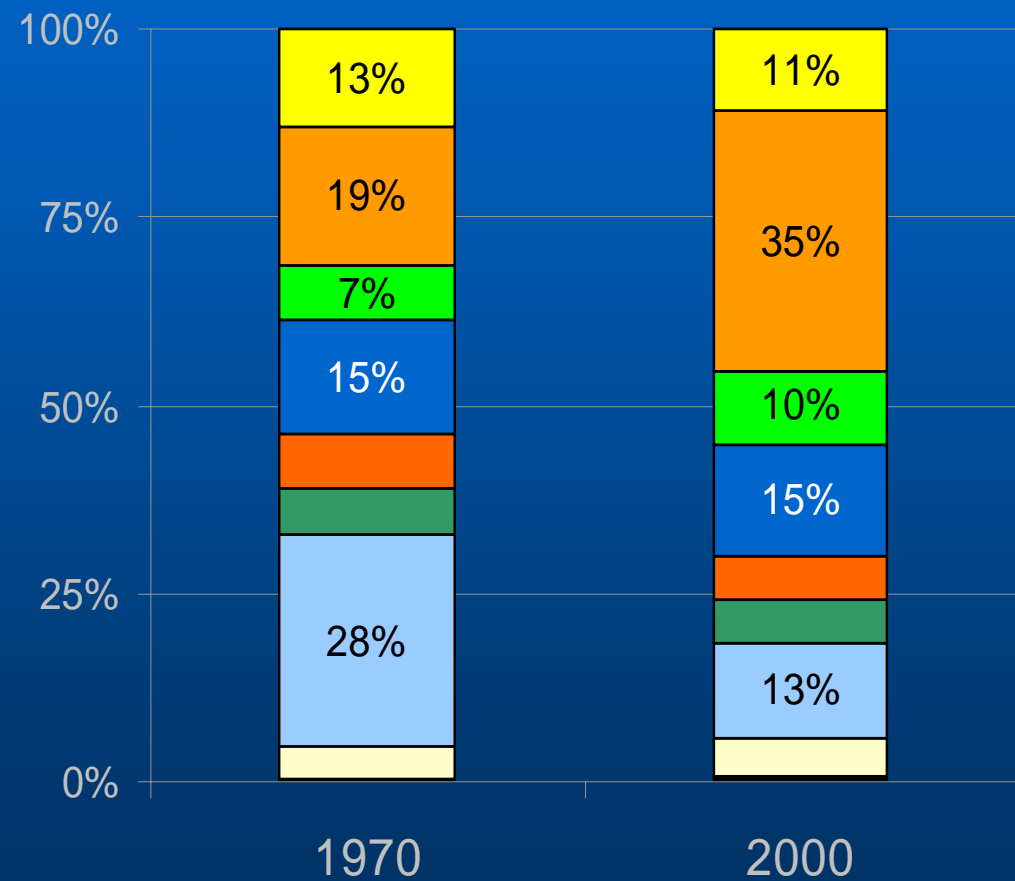
- Manufacturing
- Services
- Retail
- Government
- FIRE
- Wholesale
- Transportation/Utilities
- Construction
- Agriculture/Mining



...a trend mirrored in Chicago

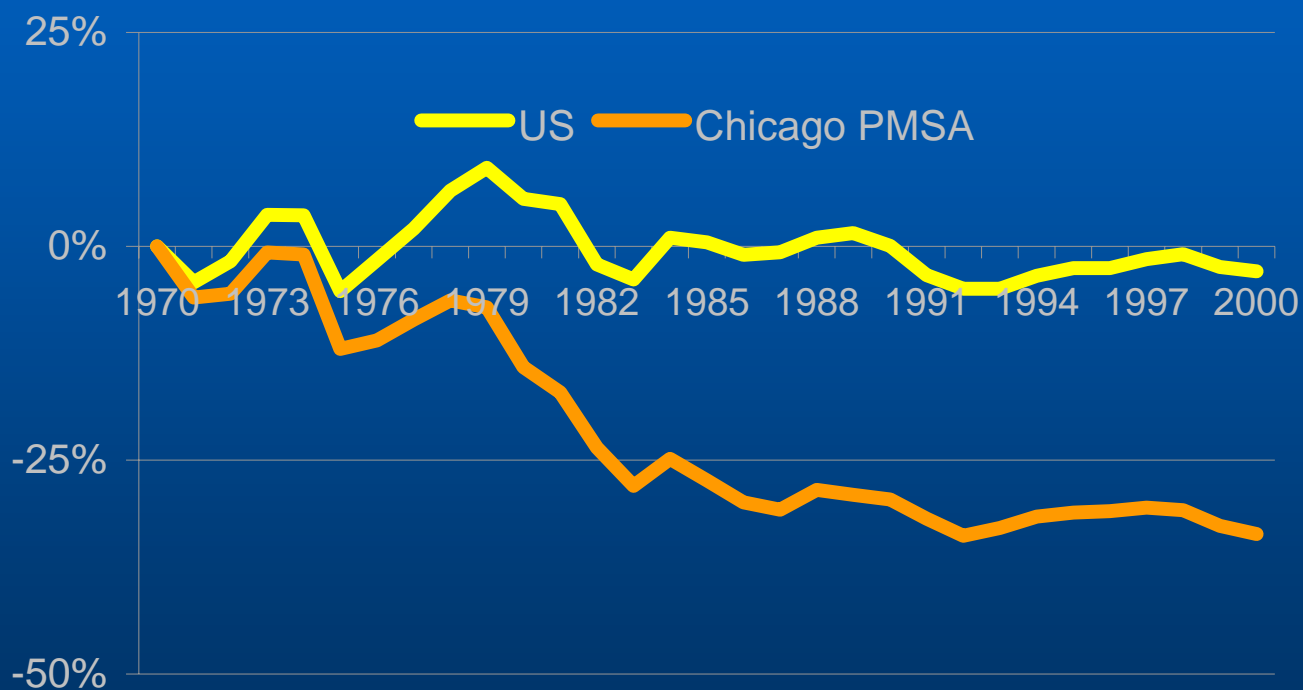
Employment by sector,
Chicago PMSA, 1970
and 2000

- Government
- Services
- FIRE
- Retail
- Wholesale
- Transportation
- Manufacturing
- Construction
- Mining
- Agriculture



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

Percent change in
manufacturing jobs,
Chicago PMSA and
US, 1970-2000

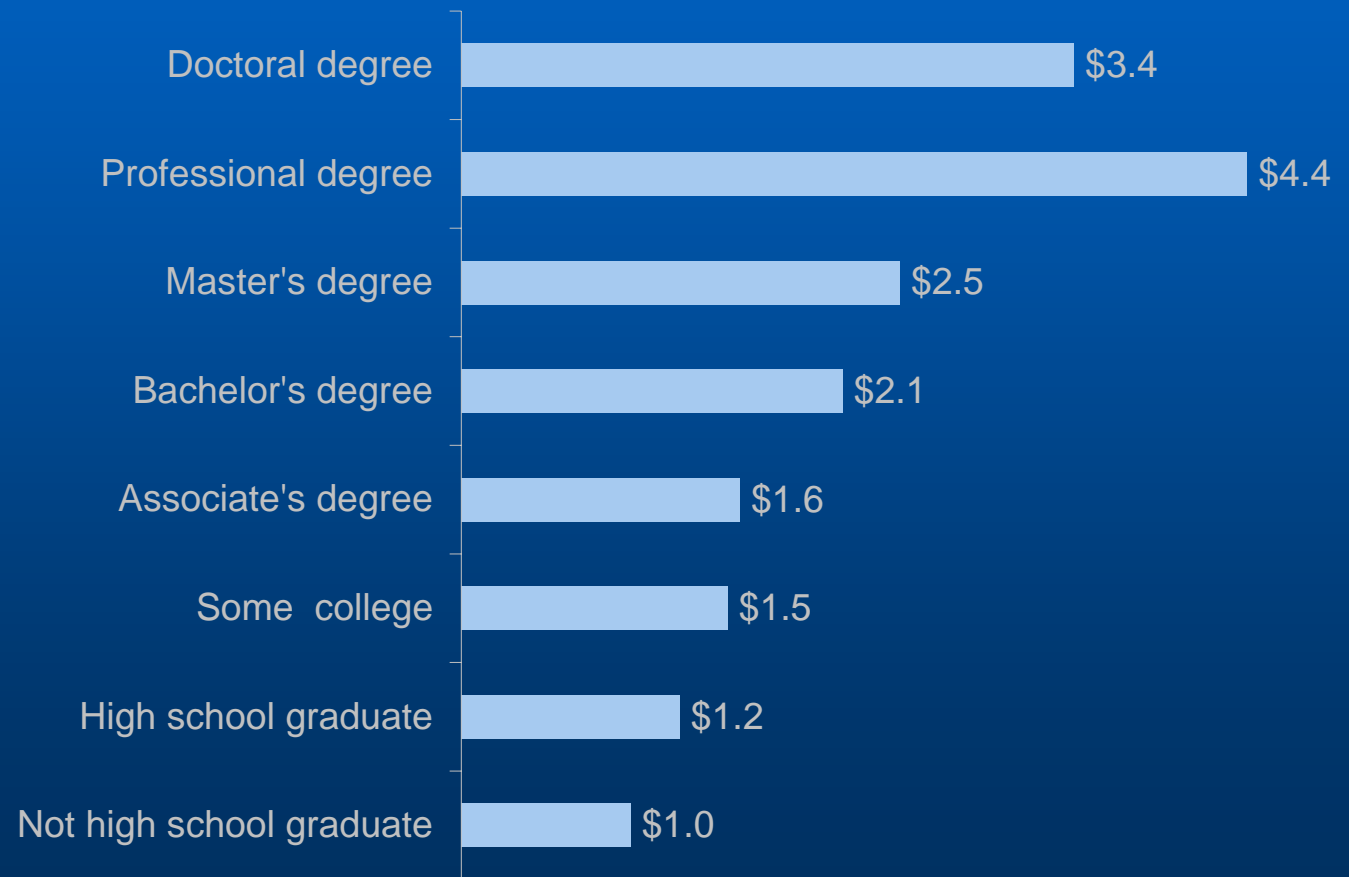




The shift in the economy corresponds with an increased premium on educated workers—which correlates with higher earnings

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

Source:
“The Big Payoff:
Educational Attainment
and Estimates of Work-
Life Earnings,”
US Census

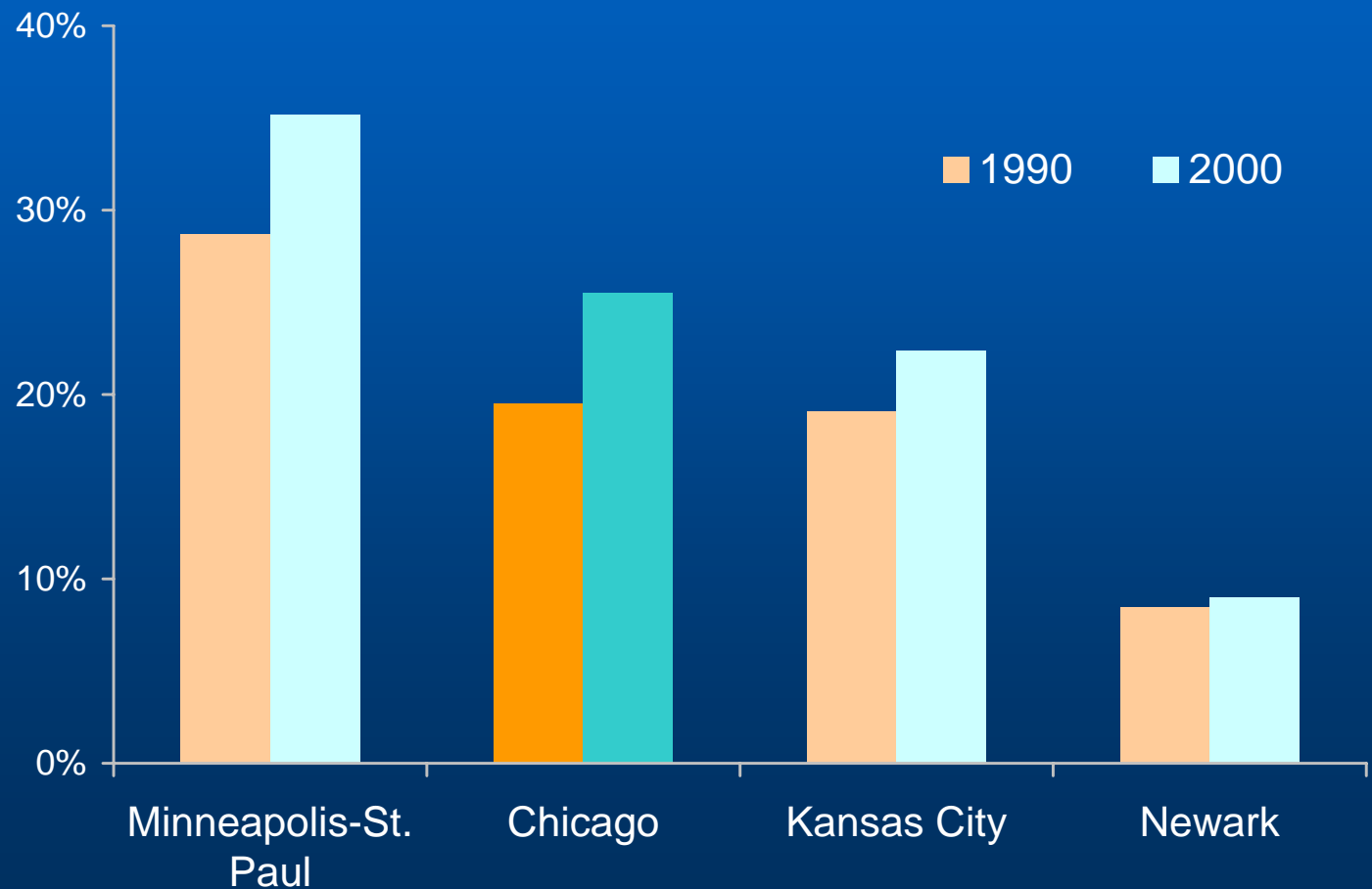




Educational attainment varies widely across cities

Share of adults w/
bachelor's degree,
1990-2000

Source:
U.S. Census Bureau

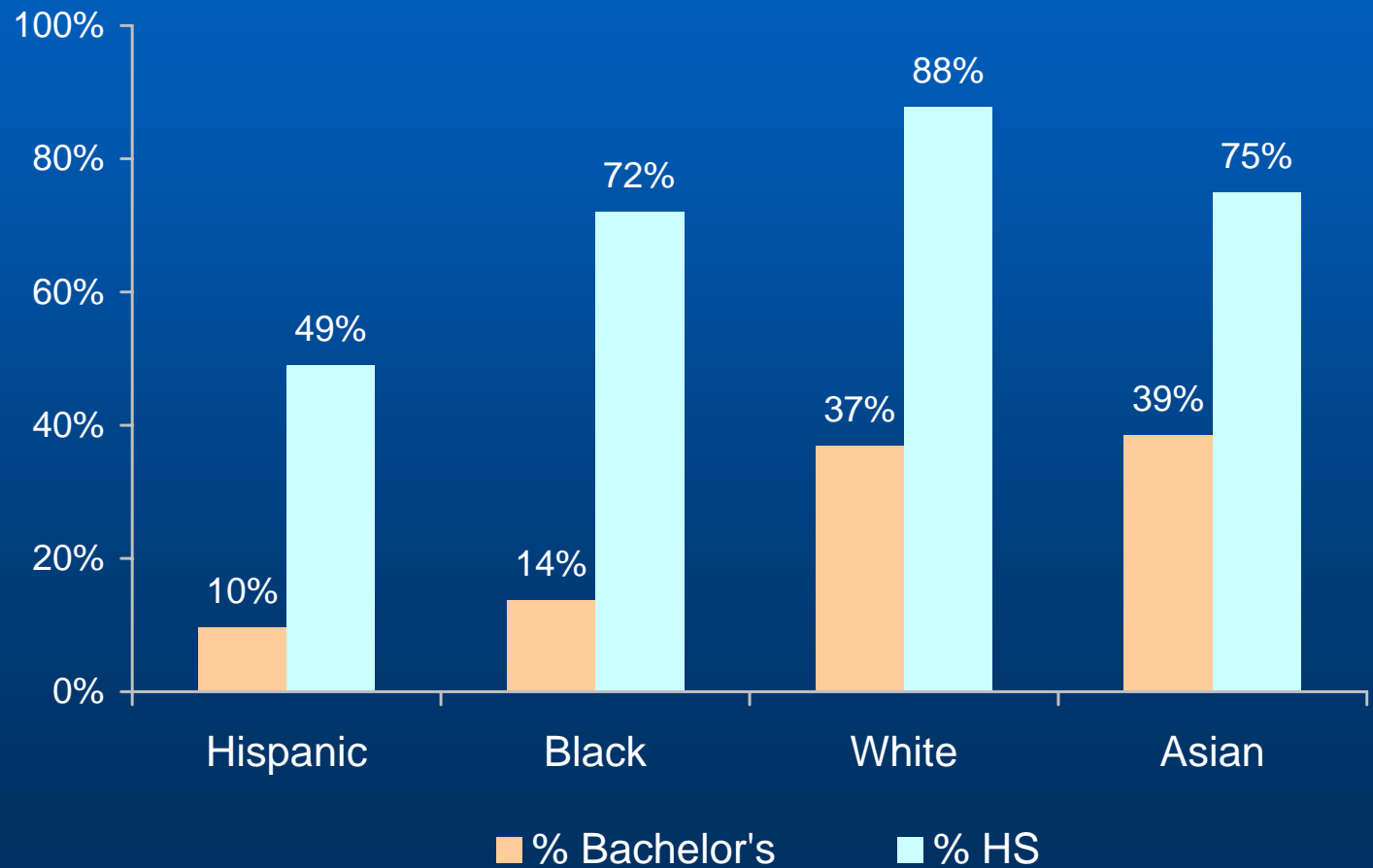




And there are significant disparities between race/ethnic groups, both across the nation...

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

Source:
U.S. Census Bureau

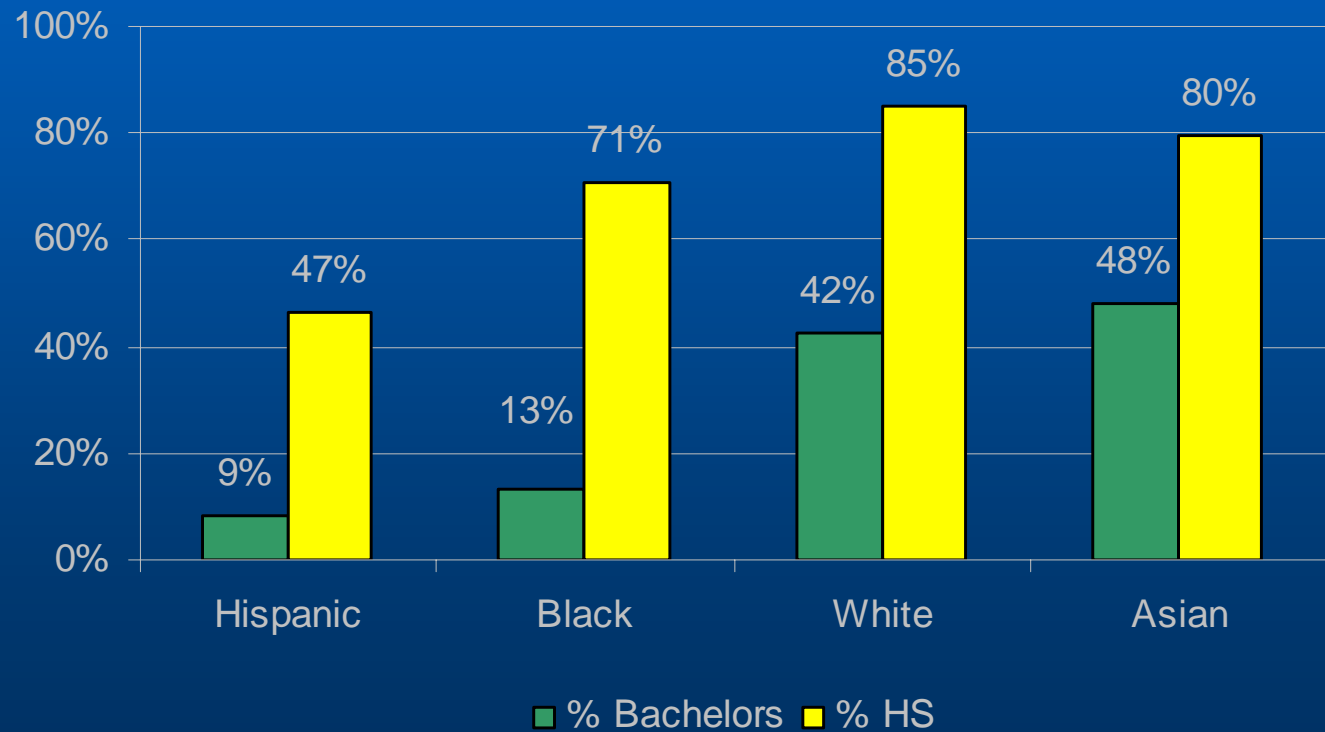




...and in Chicago

Share of adults w/
bachelor's degree,
2000

Source:
U.S. Census Bureau



II

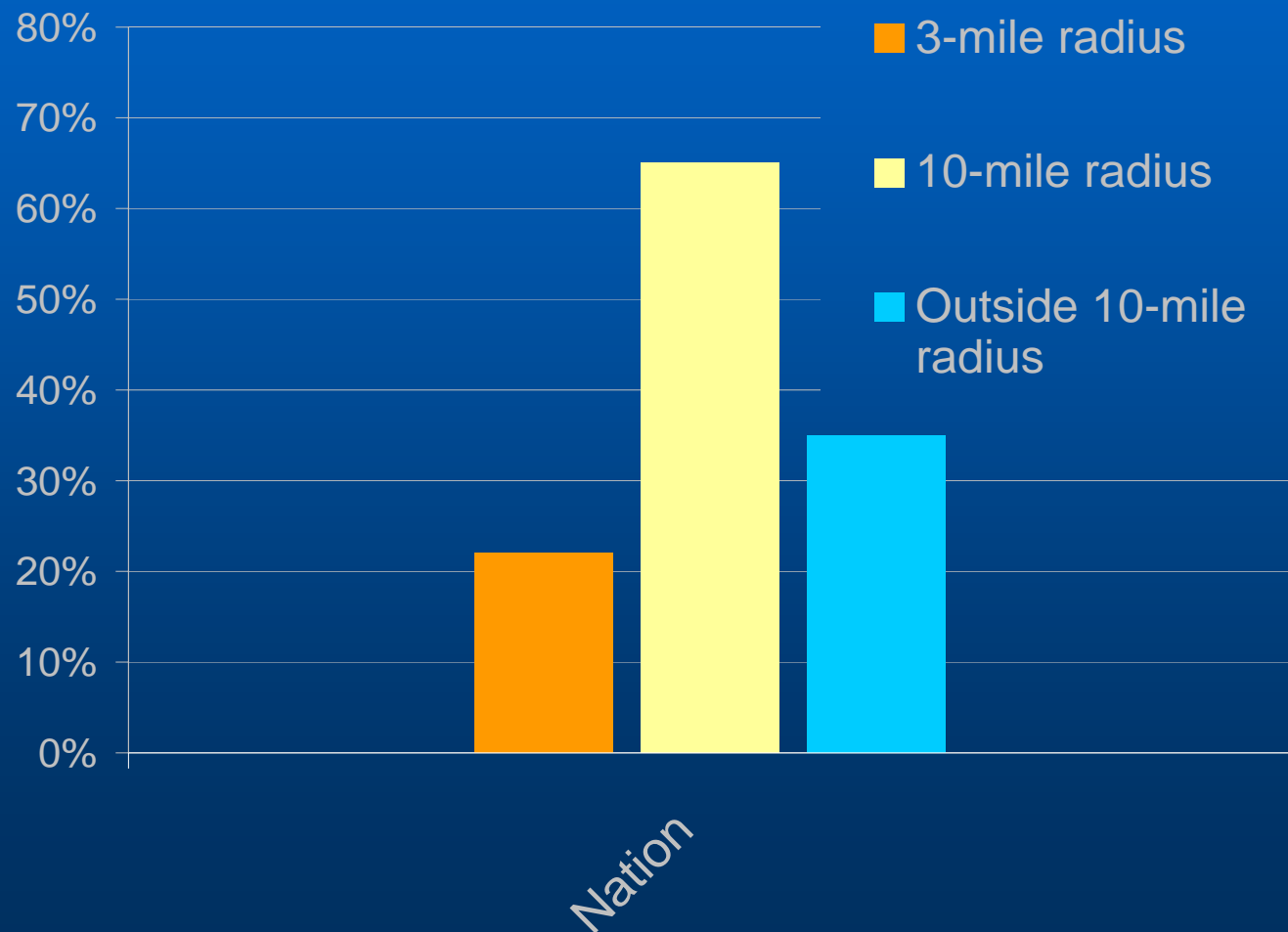
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Nationally, one-third of jobs are located outside a 10-mile radius of the central business district

Share of jobs within 3-, 10-, and greater-than-10-mile radius of center, 1996

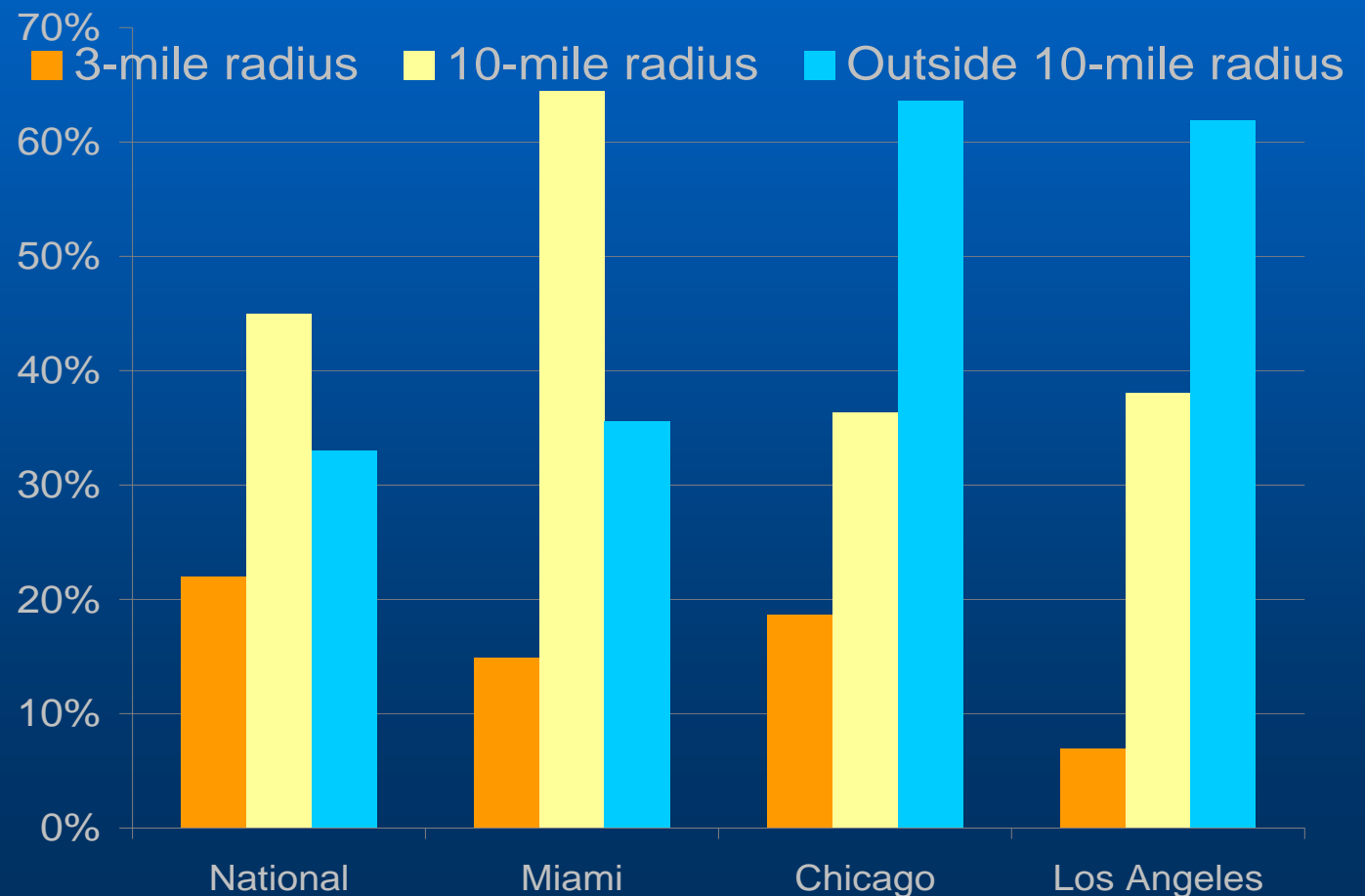




But the level of employment decentralization varies widely across metropolitan areas.

Share of
metropolitan
employment, 1999

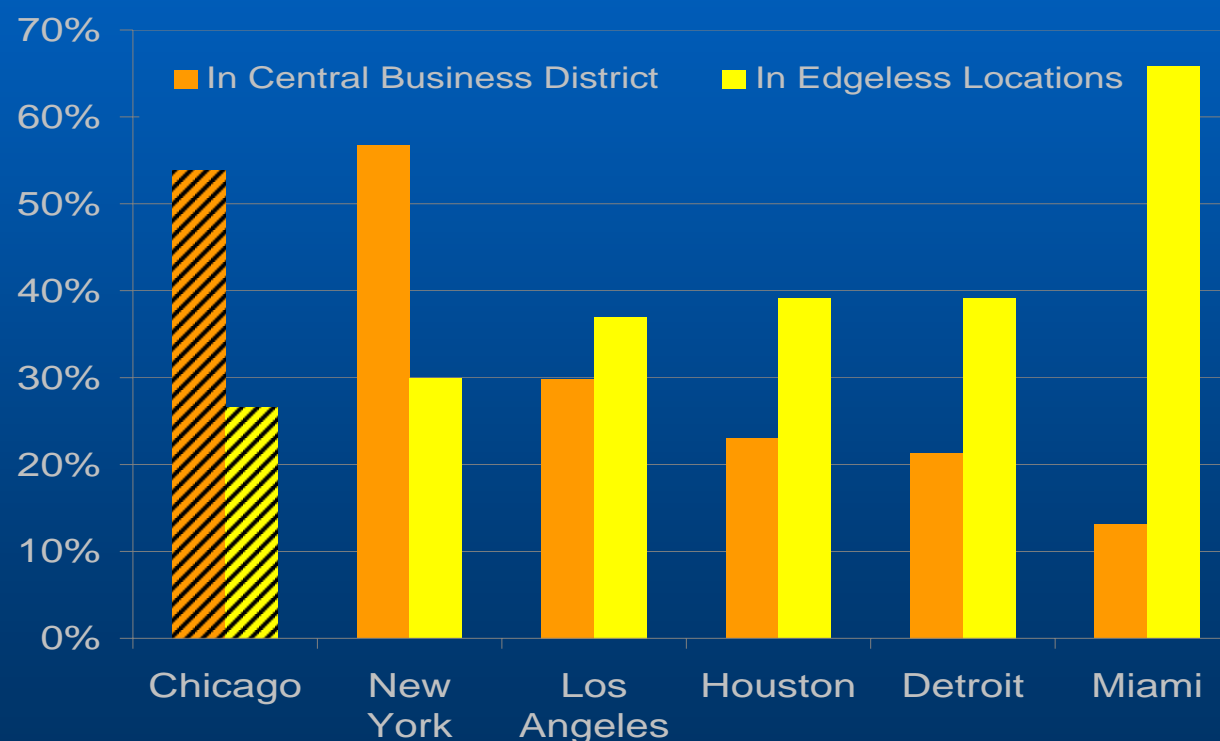
Source: Glaeser, 2001



Although the trend is toward decentralization in the Chicago metro, office space is more centralized here than in other large cities

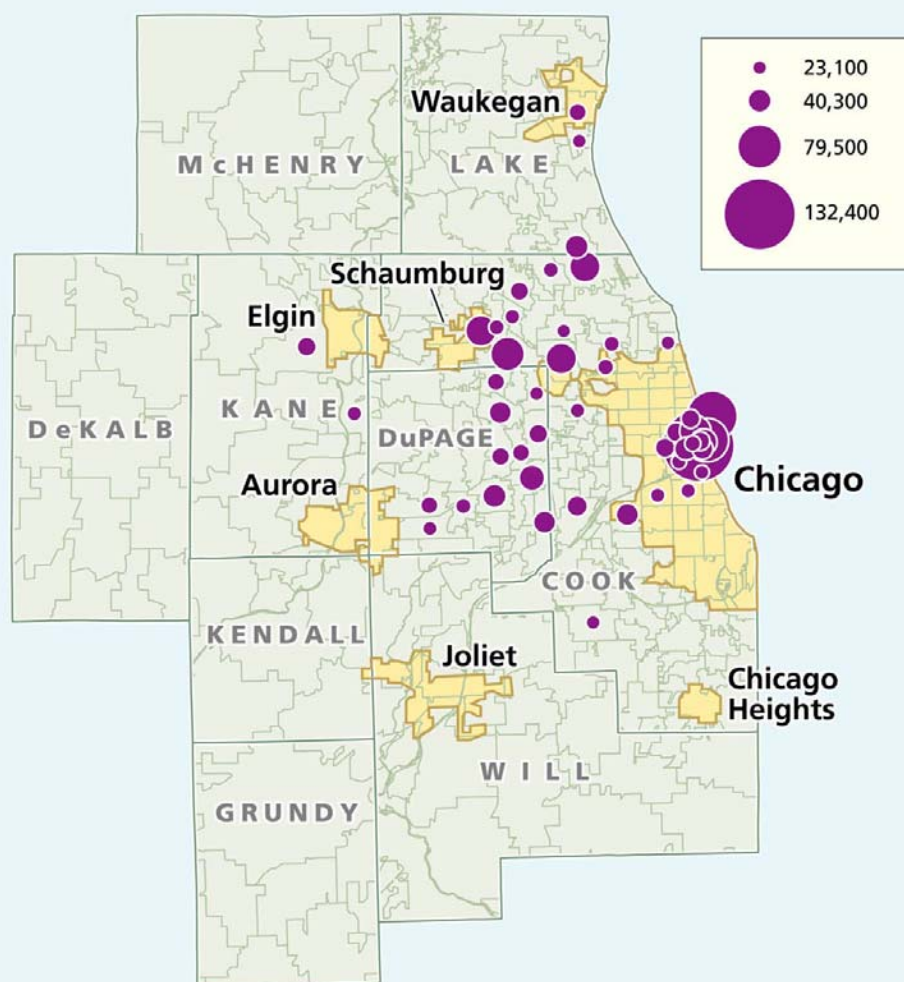
Share of metropolitan office space (SQ FT), 1999

Source: Robert E. Lang,
“Edgeless Cities: Exploring
the Elusive Metropolis,
2003



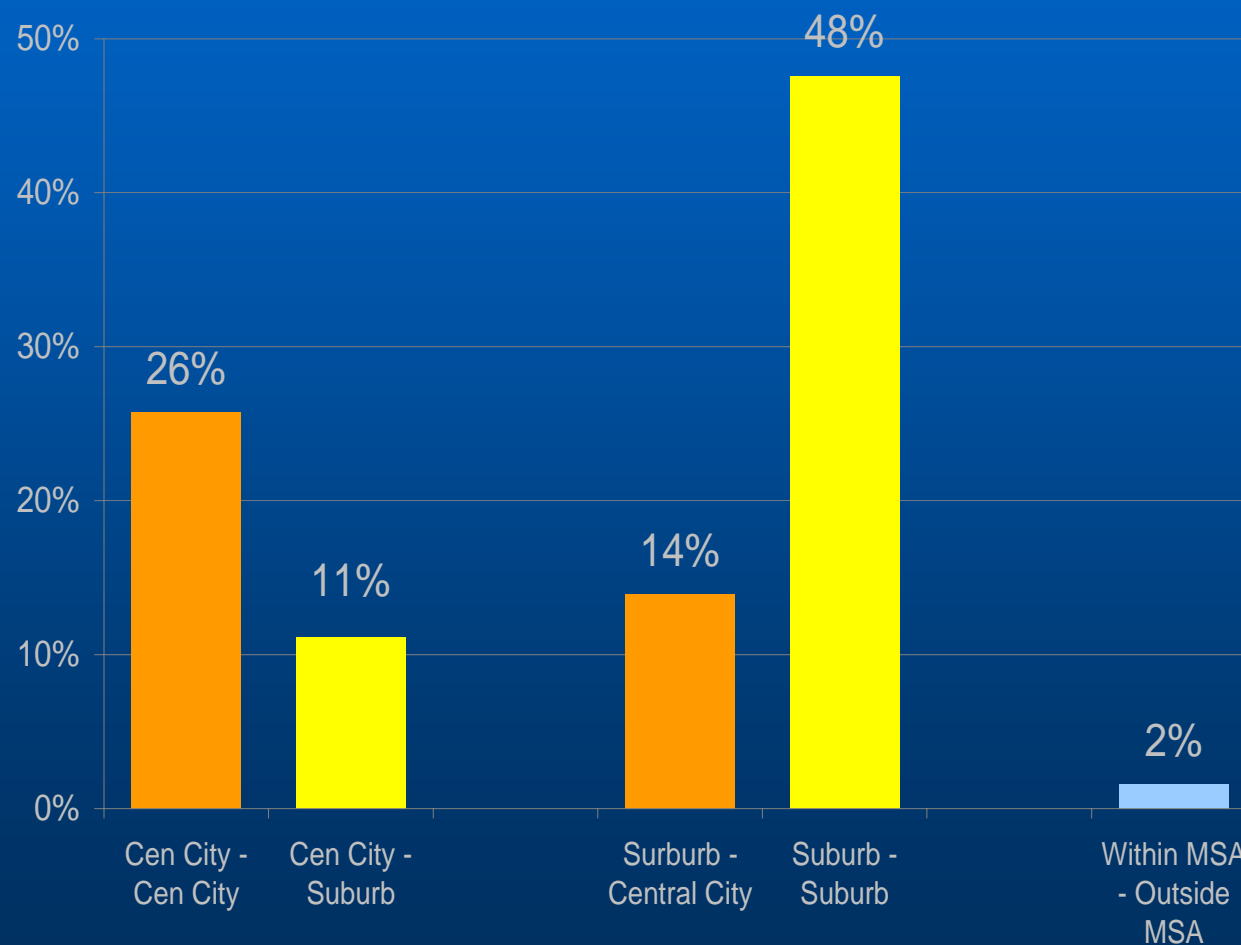
The biggest employment center is Chicago's central business district, followed by Schaumburg, O'Hare and points in DuPage County

Jobs by zip code,
2001



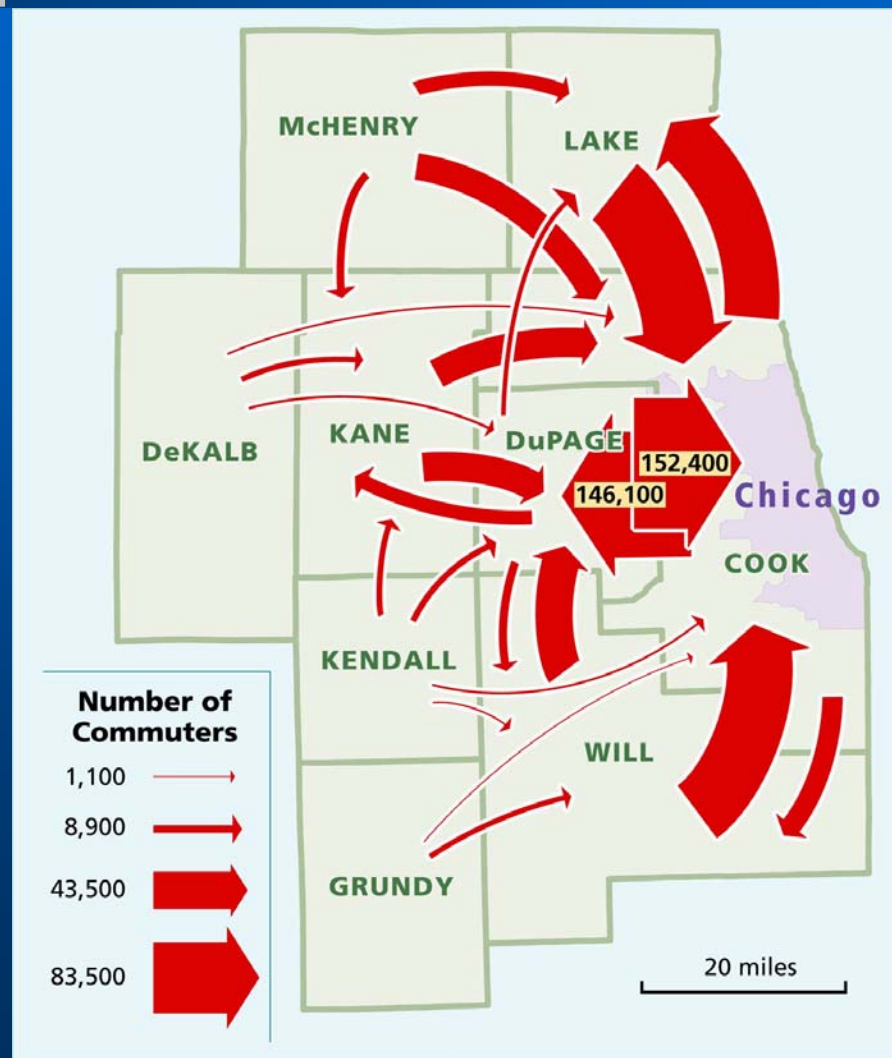
Consequently, most metropolitan commutes begin and end within the Chicago suburbs

Share of
commuters,
2000



As the region's jobs decentralize, commuting flows have become very complex

County-to-county
worker flows, 2000





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

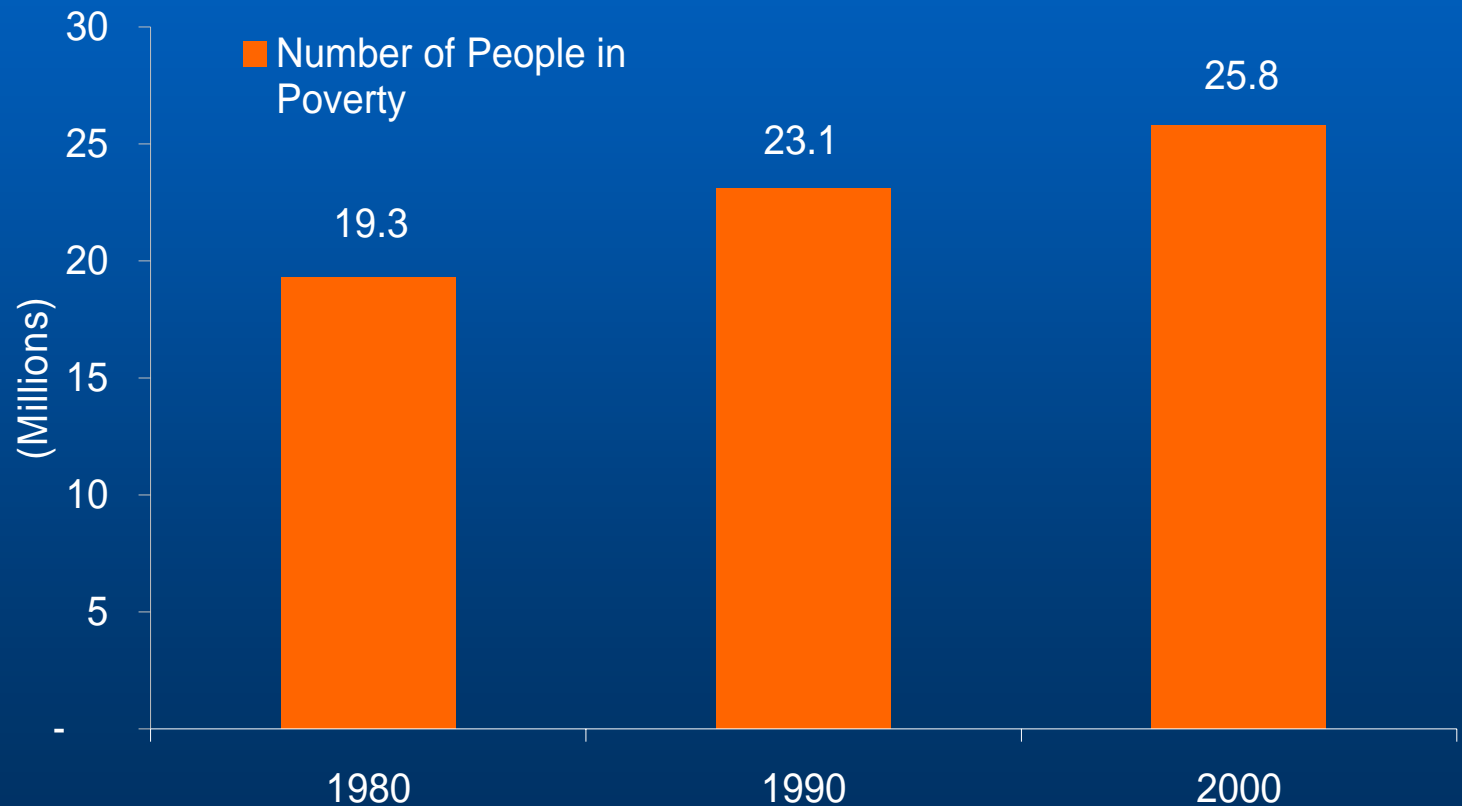
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The number of poor people in U.S. metropolitan areas is large and has been increasing for the past two decades

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

Source:
"Concentrated Poverty: A Change in Course,"
Kingsley and Pettit, 2003

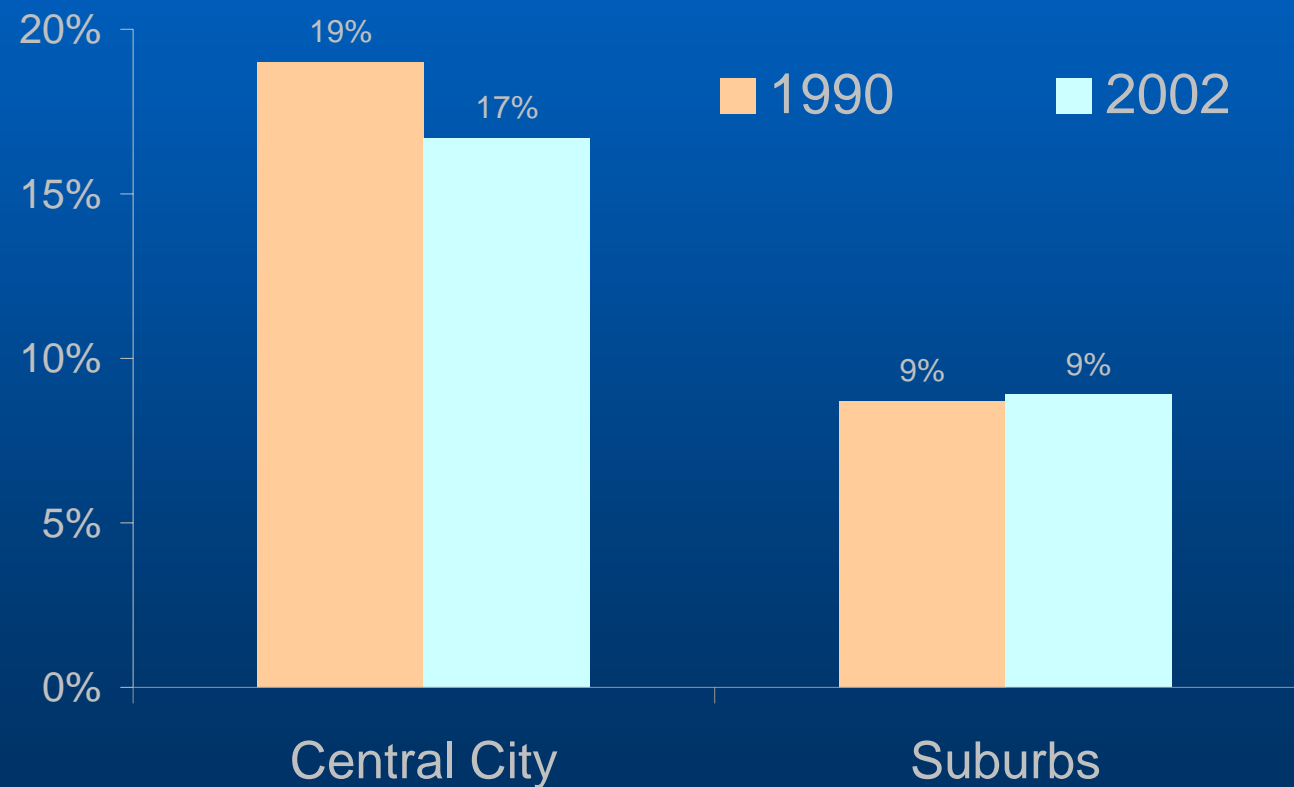




Poverty rates in central cities have declined over the 1990s, while poverty rates in the suburbs have increased slightly

Poverty rates for central cities and suburbs, 1990-2001

Source:
Current Population Survey,
2002

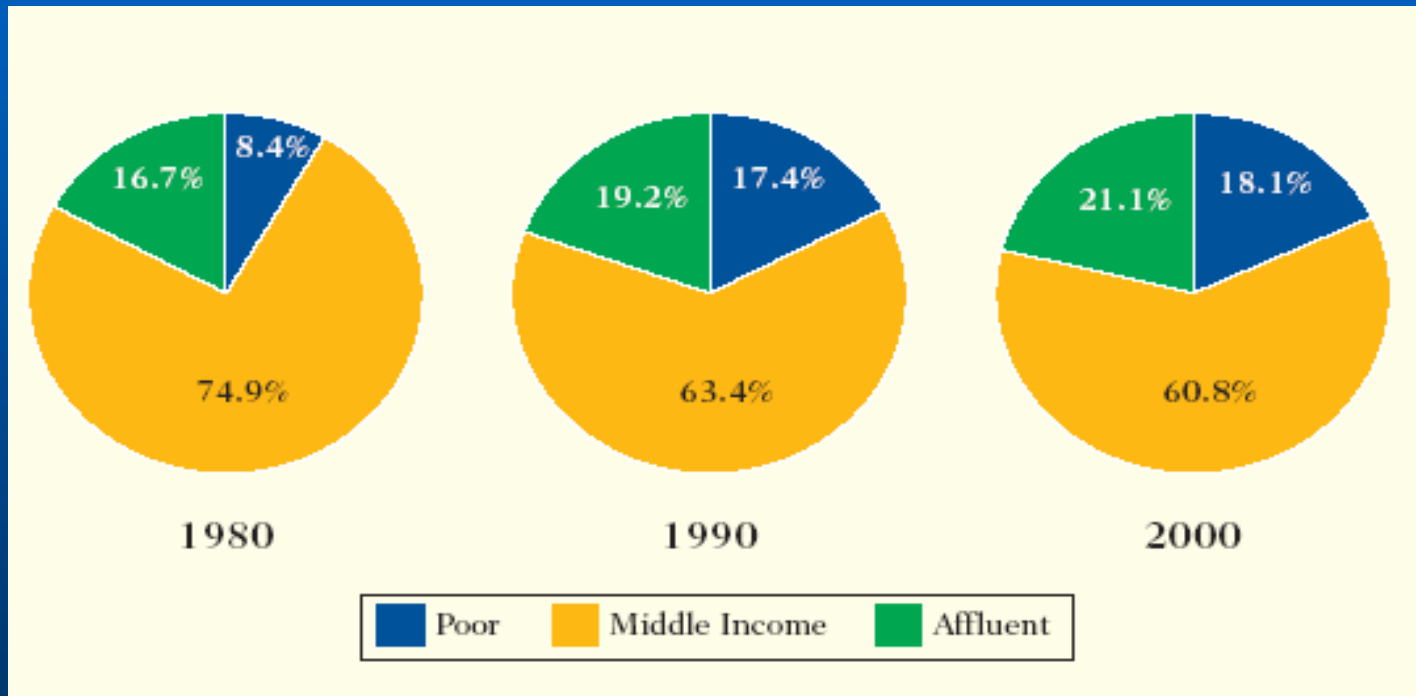




In fact, the share of suburban residents living in poor suburbs has increased by almost 10% in the last two decades

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

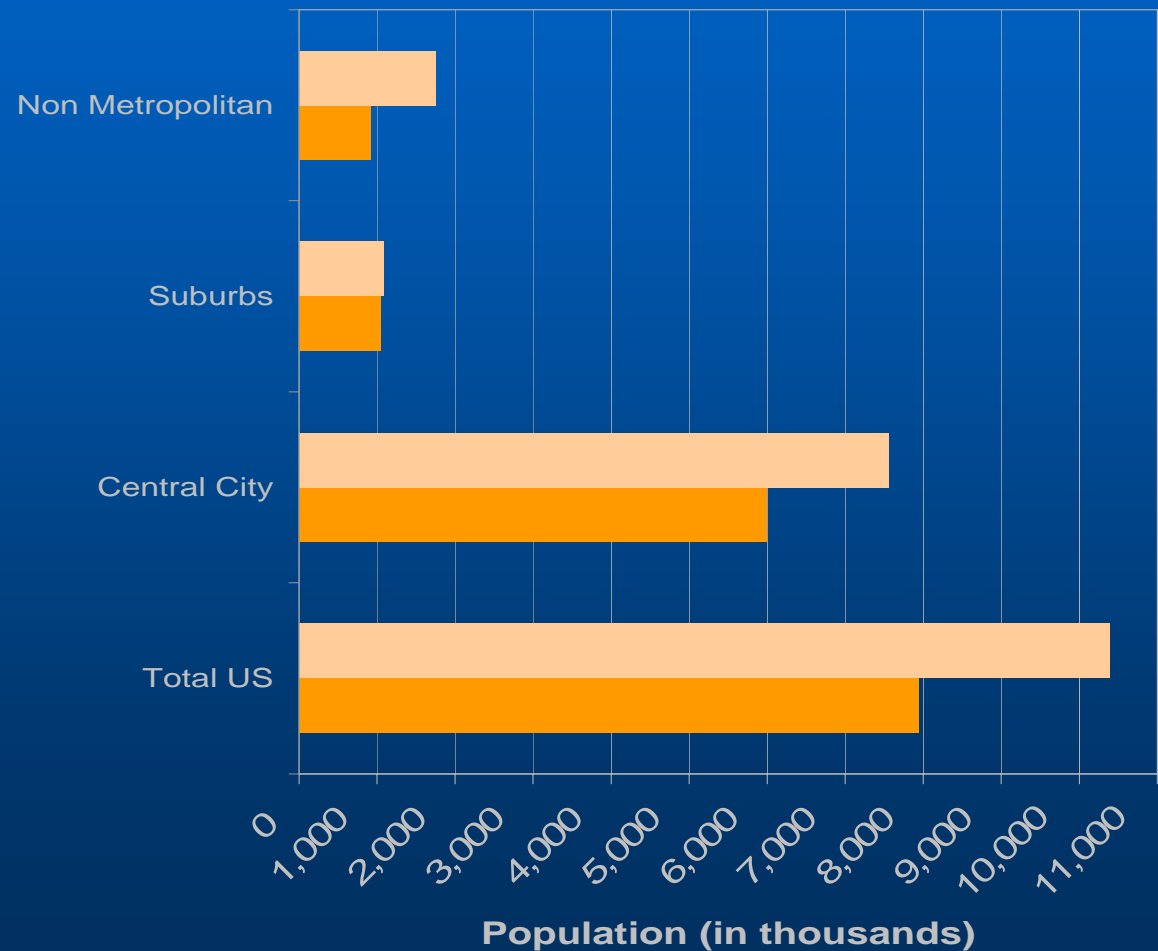


But the number of people living in high poverty neighborhoods declined during the 1990s

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

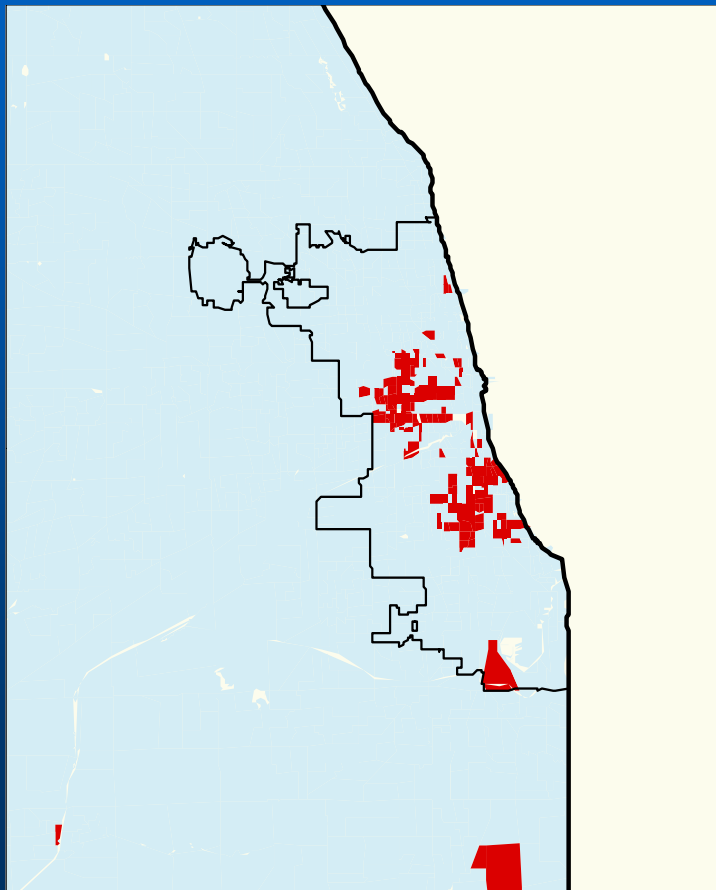
Source: Paul Jargowsky, "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s" 2003

■ 2000 ■ 1990



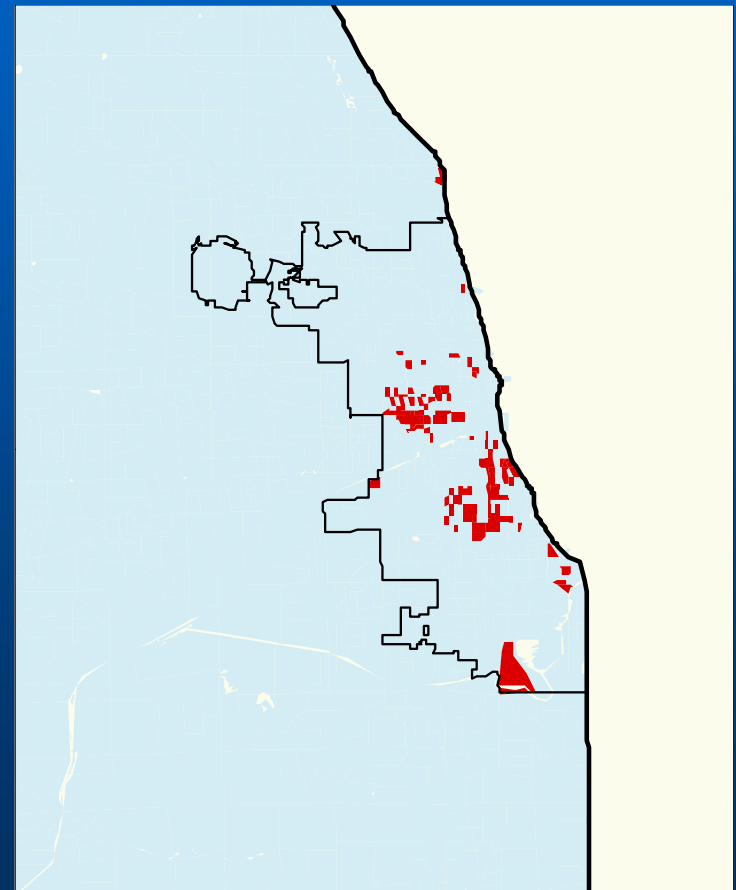


During the 1990s, number of high-poverty tracts in Chicago dropped from 187 to 114, and there were 179,000 fewer people living in high poverty areas



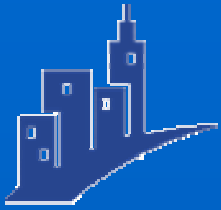
1990

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2000

METROPOLITAN POLICY PROGRAM



The City/Region of the Future

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What can the U.S. and the U.K. learn from each other?



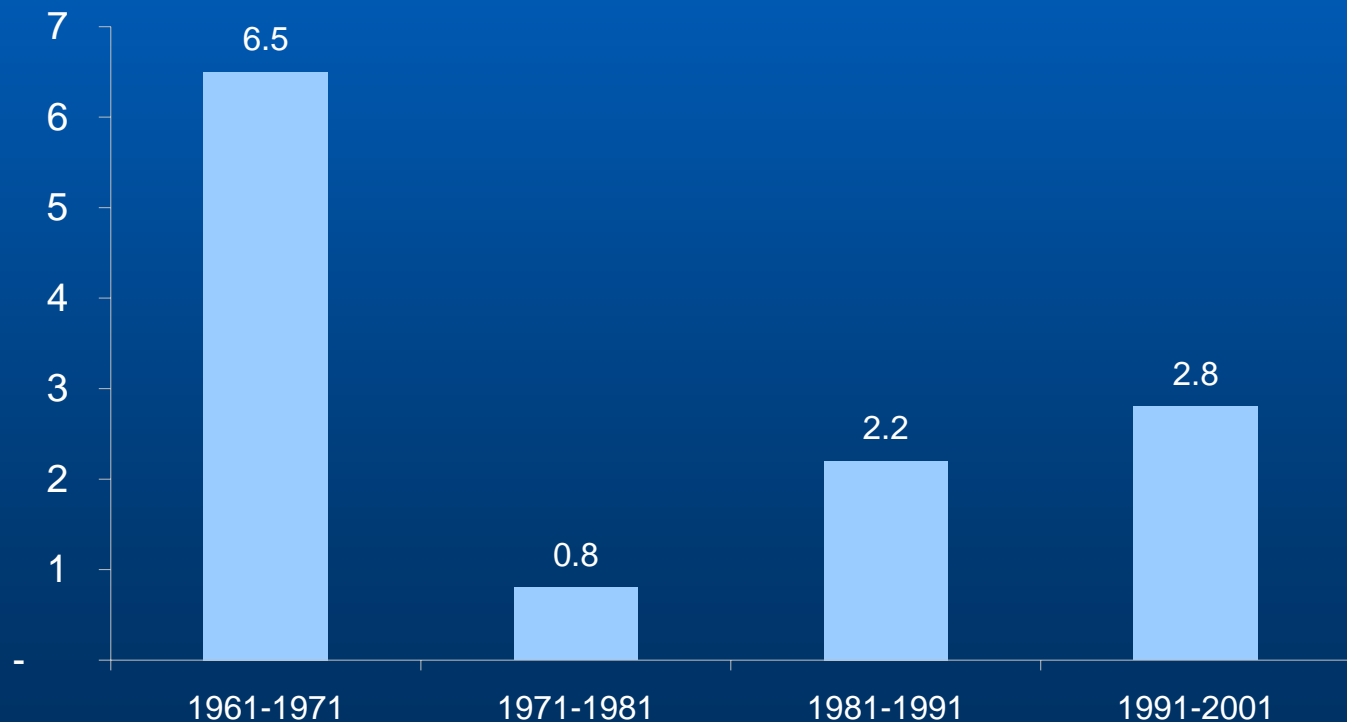
In general, similar demographic and market trends apply



The 1990s presented stronger growth than the two previous decades

England and Wales
population growth
(percent)

Source:
National Statistics

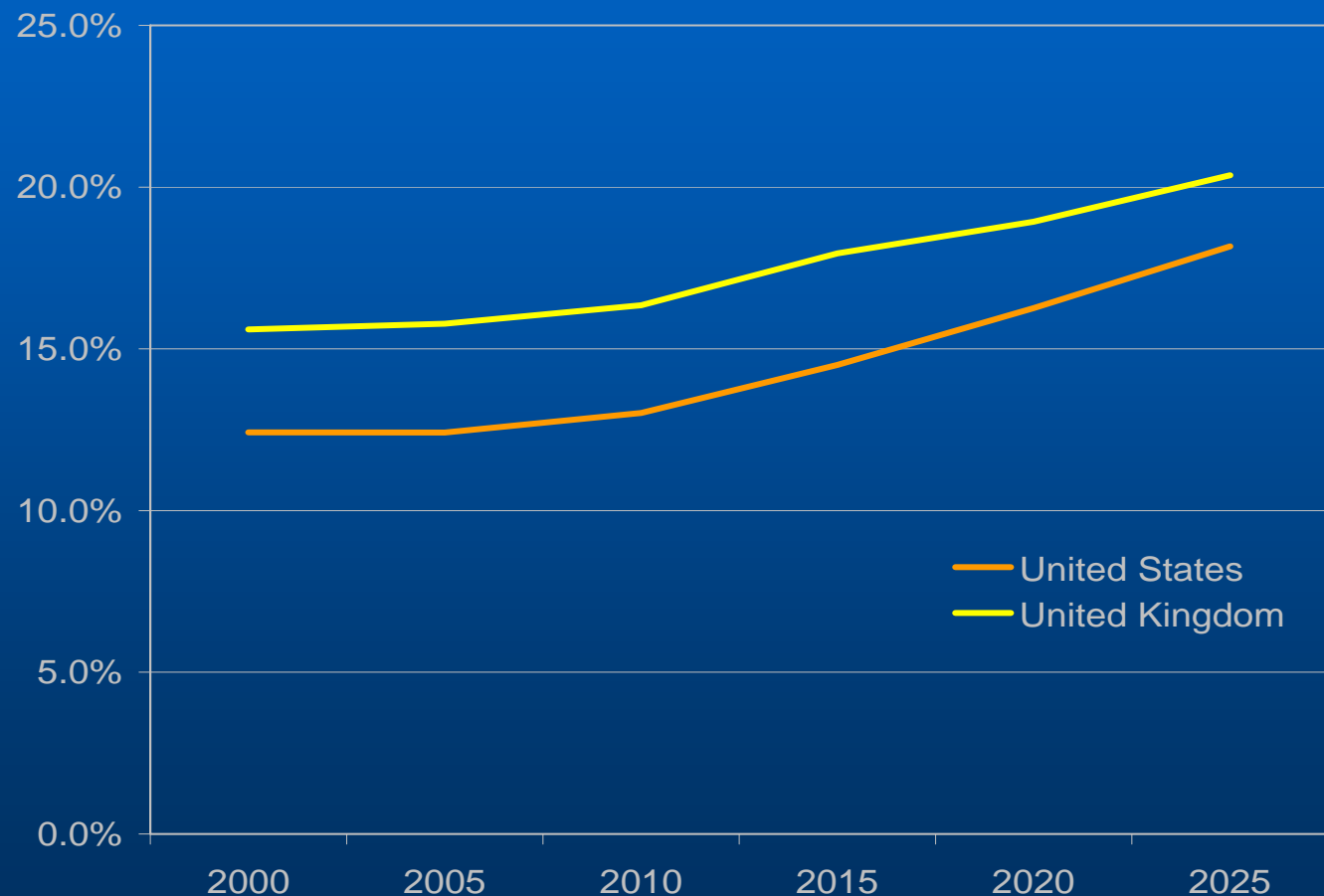




In both the U.S. and the U.K., the share of the population Over 65 is expected to grow steadily

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

source: United States
Census Bureau,
International Data Base,
2002

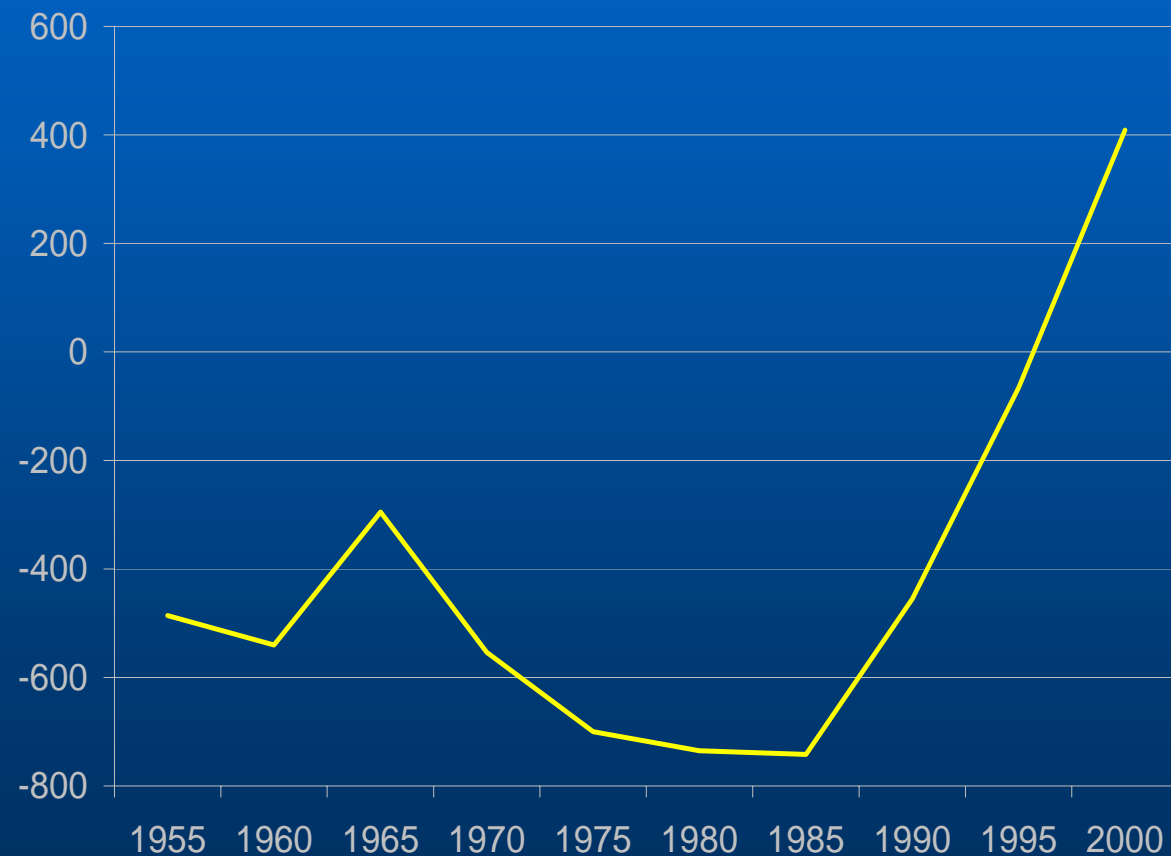




Immigration is making a dramatic comeback in the U.K.

Net immigration,
1950-2000: United
Kingdom

Source: United Nations
Population Division
(2001) World
Population Prospects:
The 2000 Revision

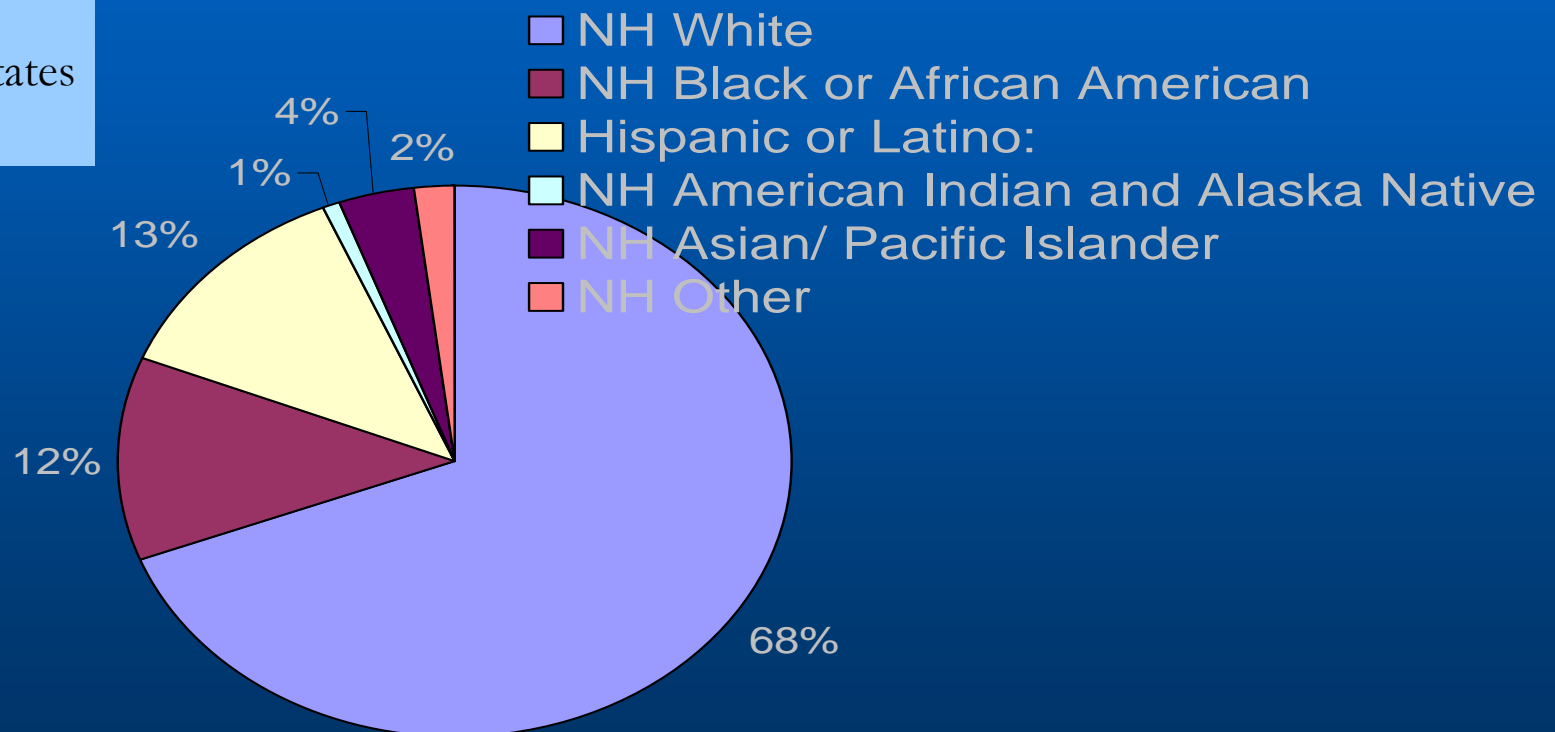




32% of the U.S. population is minority...

Population by
race/ethnicity,
2000: United States

Source: US Census

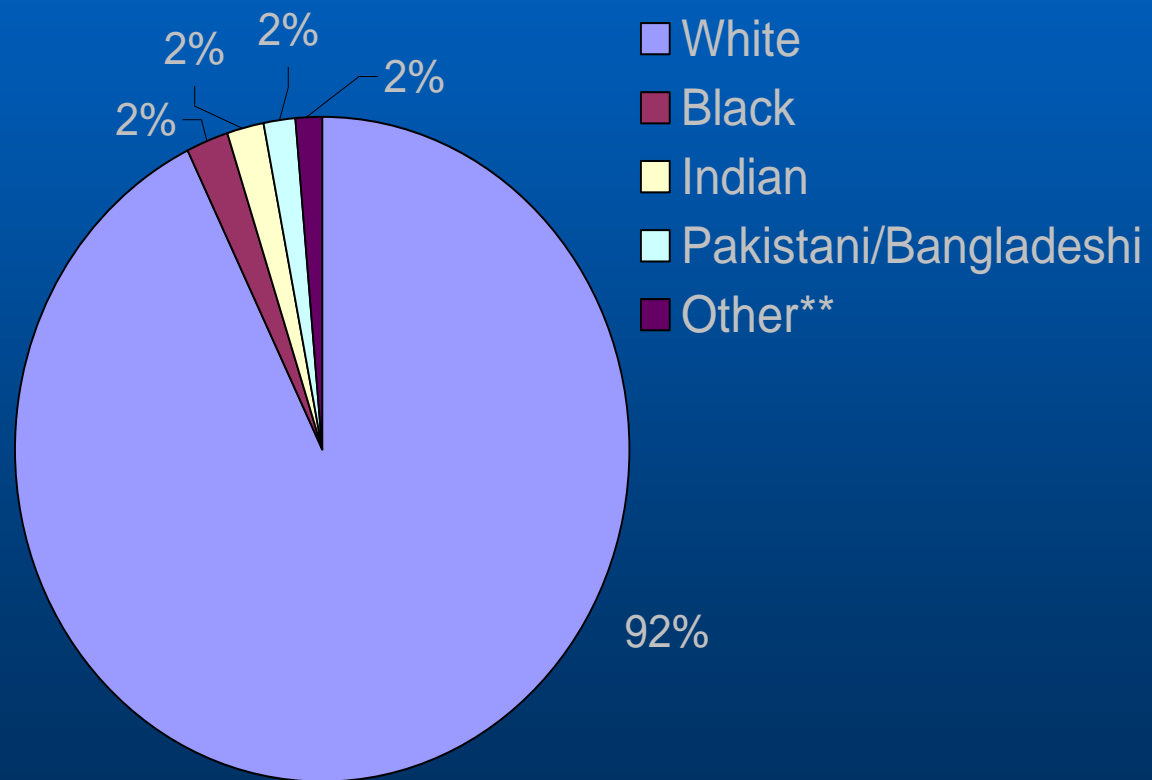




...while only 8% of the U.K. population is non-white

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

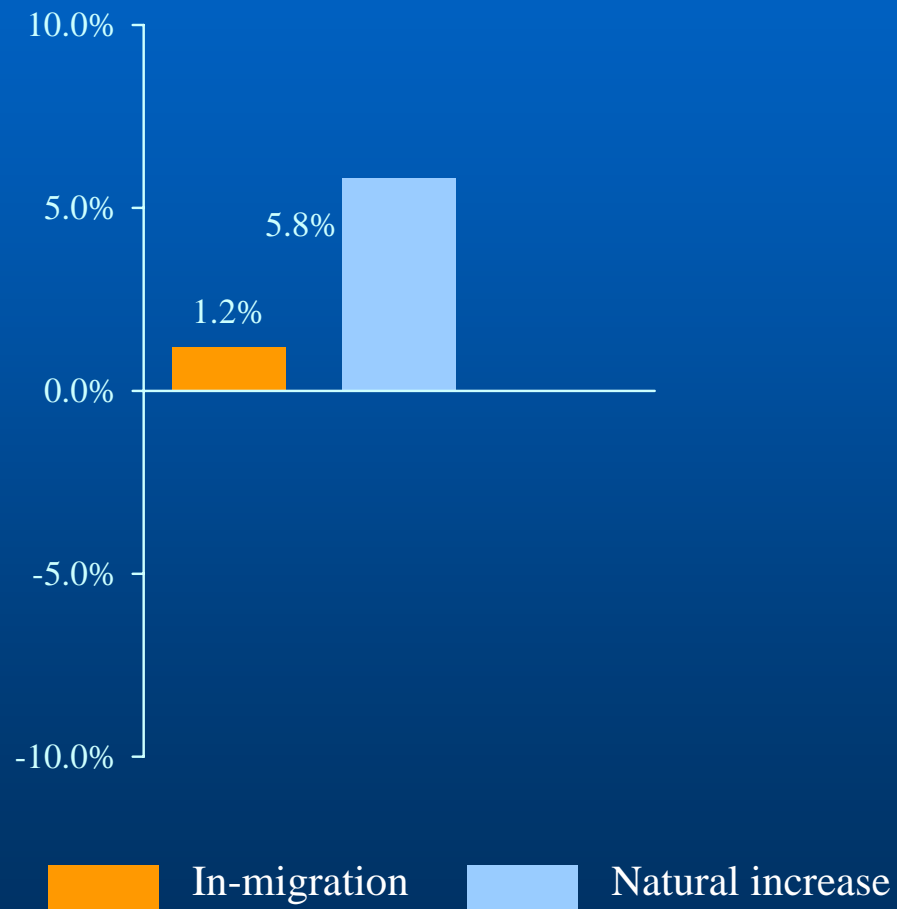


Slow/negative growth (out-migration/natural decrease)



Population 1991-2001

London

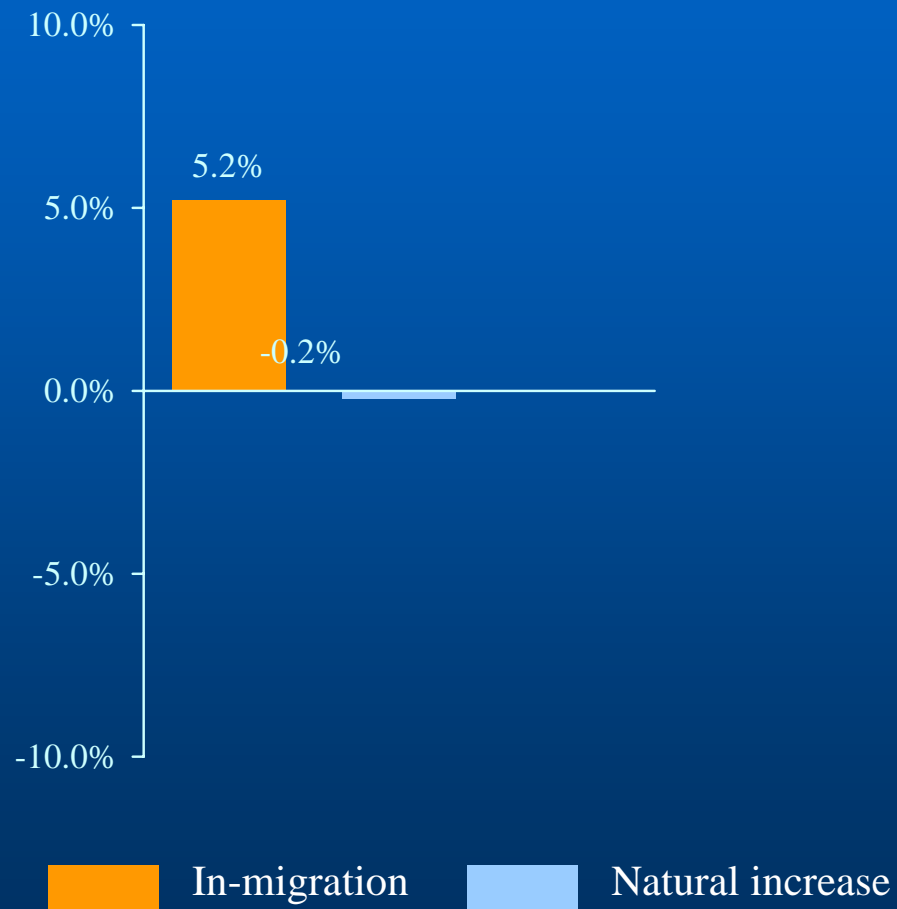


Source: National Statistics, Ruth Lupton. Note: in-migration is from all sources outside the region, including rest of UK.



Population 1991-2001

‘South’ - eg. South West

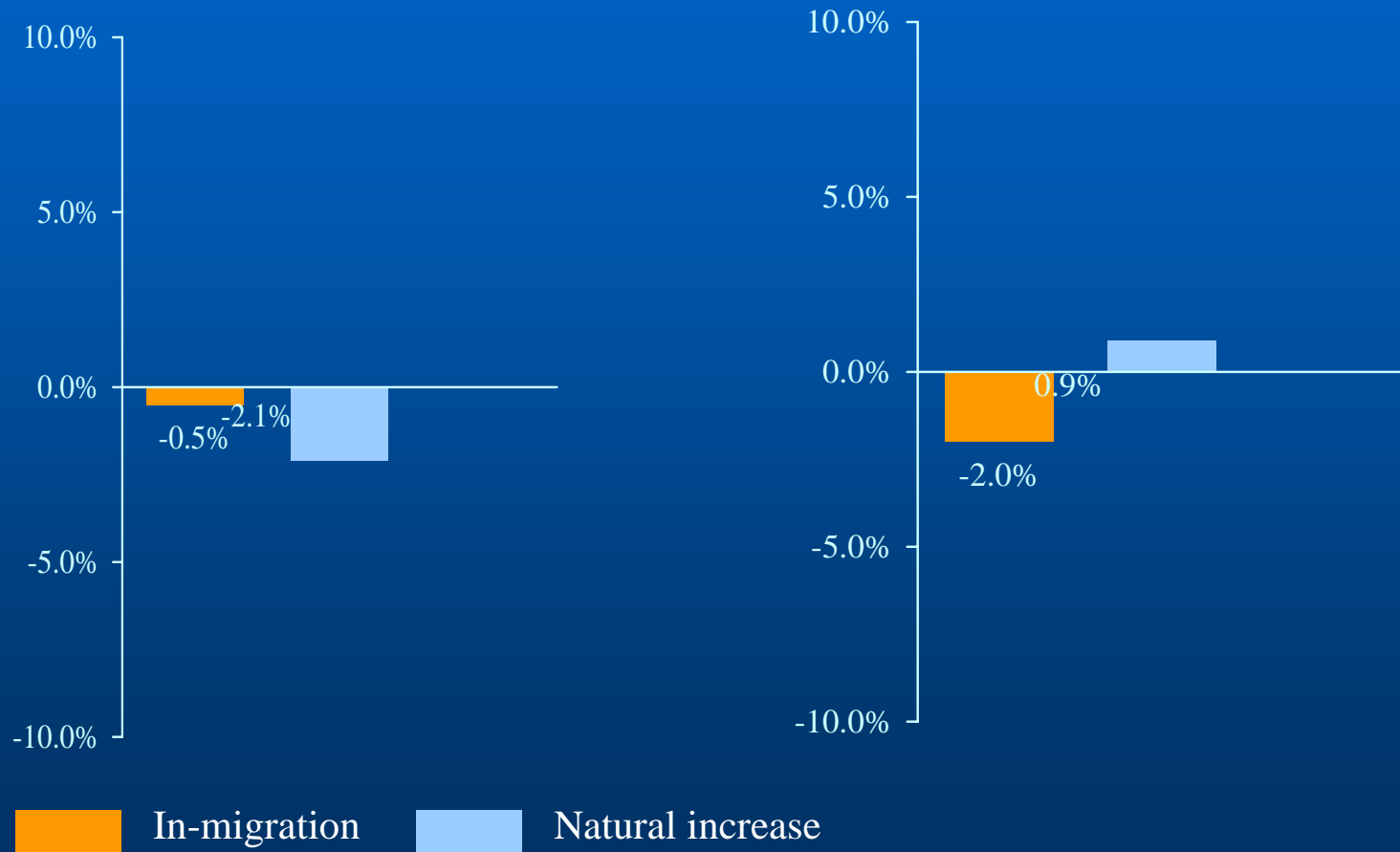


Source: National Statistics, Ruth Lupton



Population 1991-2001

‘North’ - eg. North East, North West



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



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

Ethnic minority
White

13% of U.K. total
11% of U.K. total

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



A final group of regions is almost entirely white

Ethnic minority 2001:

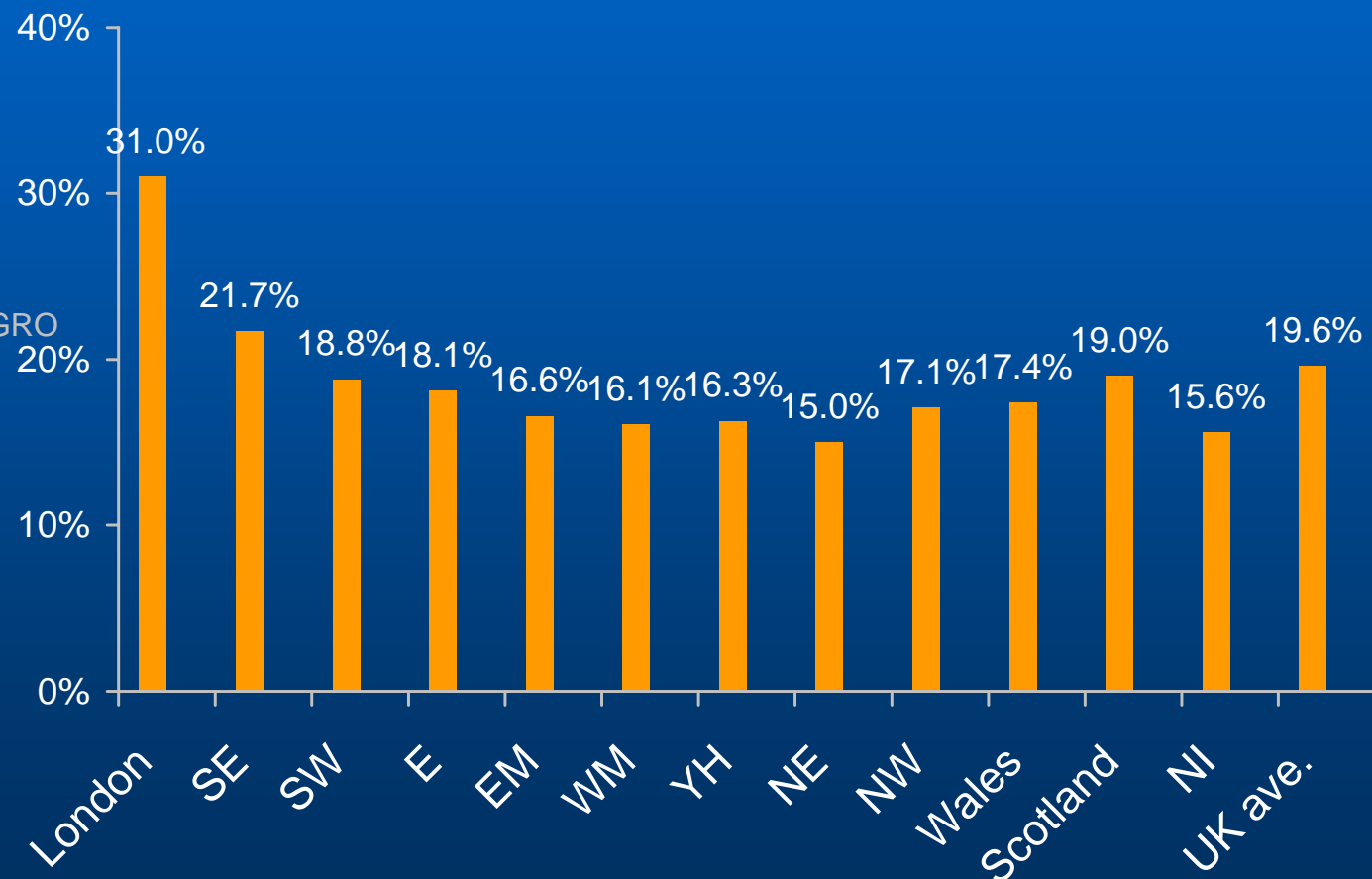
South West	2% of region
North East	2% of region
Wales	2% of region
Scotland	2% of region
Northern Ireland	1% of region




Educational attainment also varies widely by region

16-74 year olds
with BA or
equivalent 2001

Source: National Statistics, GRO





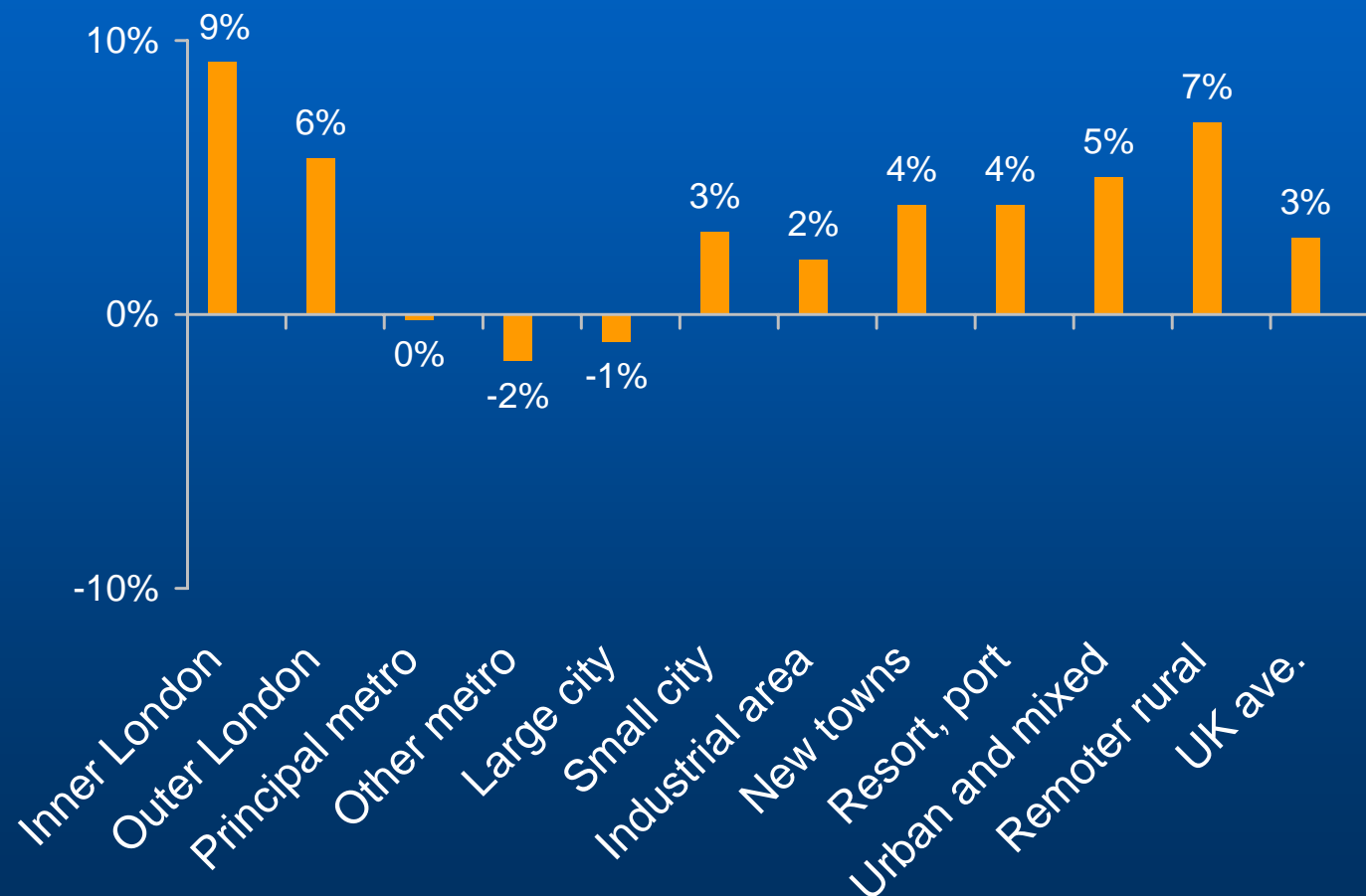
These regional variances translate into variance among cities



Sprawl is common: outside London, population decentralized from 1991-2001

Population growth
1991-2001 in
England and Wales

Source: Ruth Lupton/
National Statistics

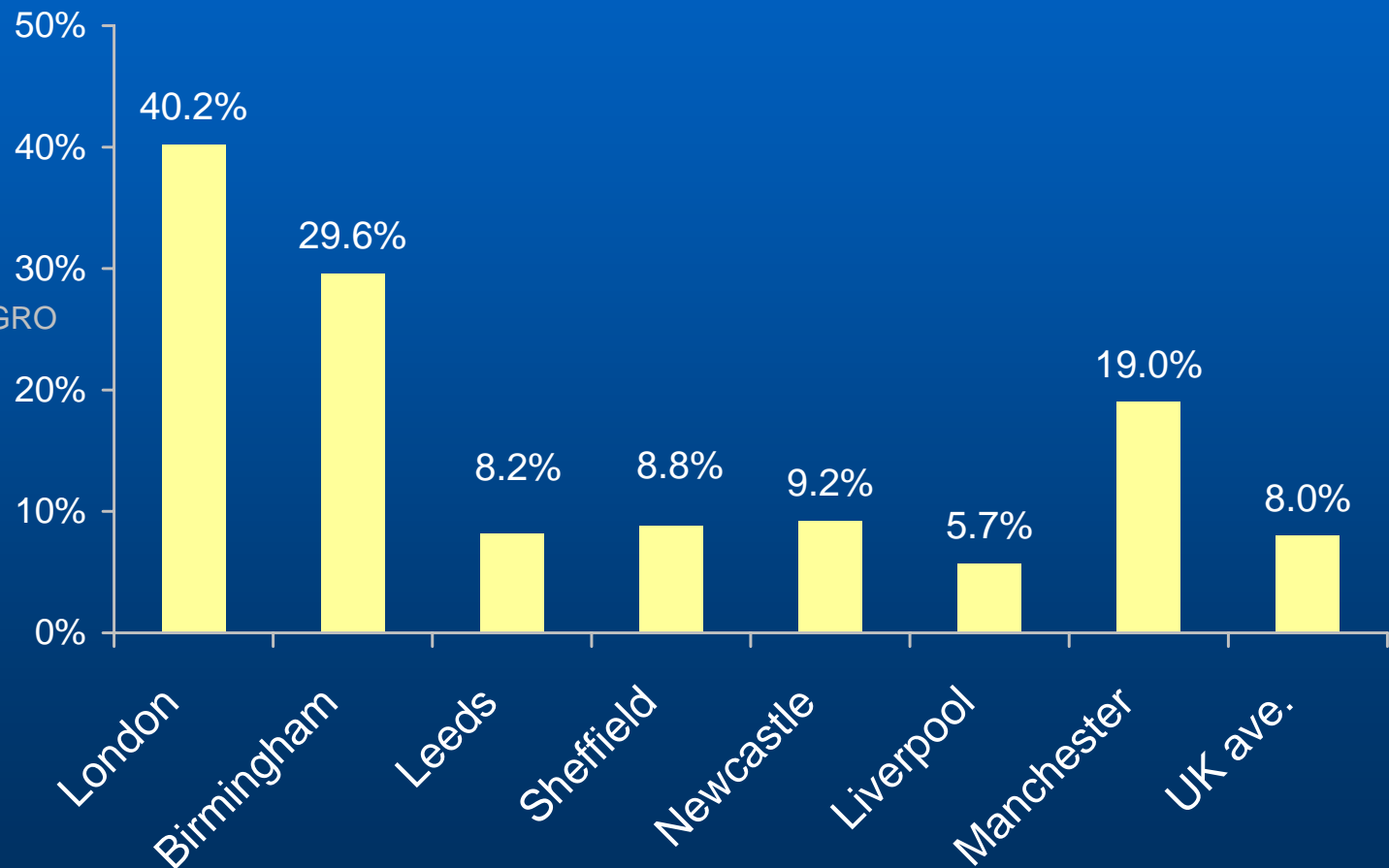




Diversity in English principal (central) cities varies greatly

Non-white
population, 2001

Source: National Statistics, GRO

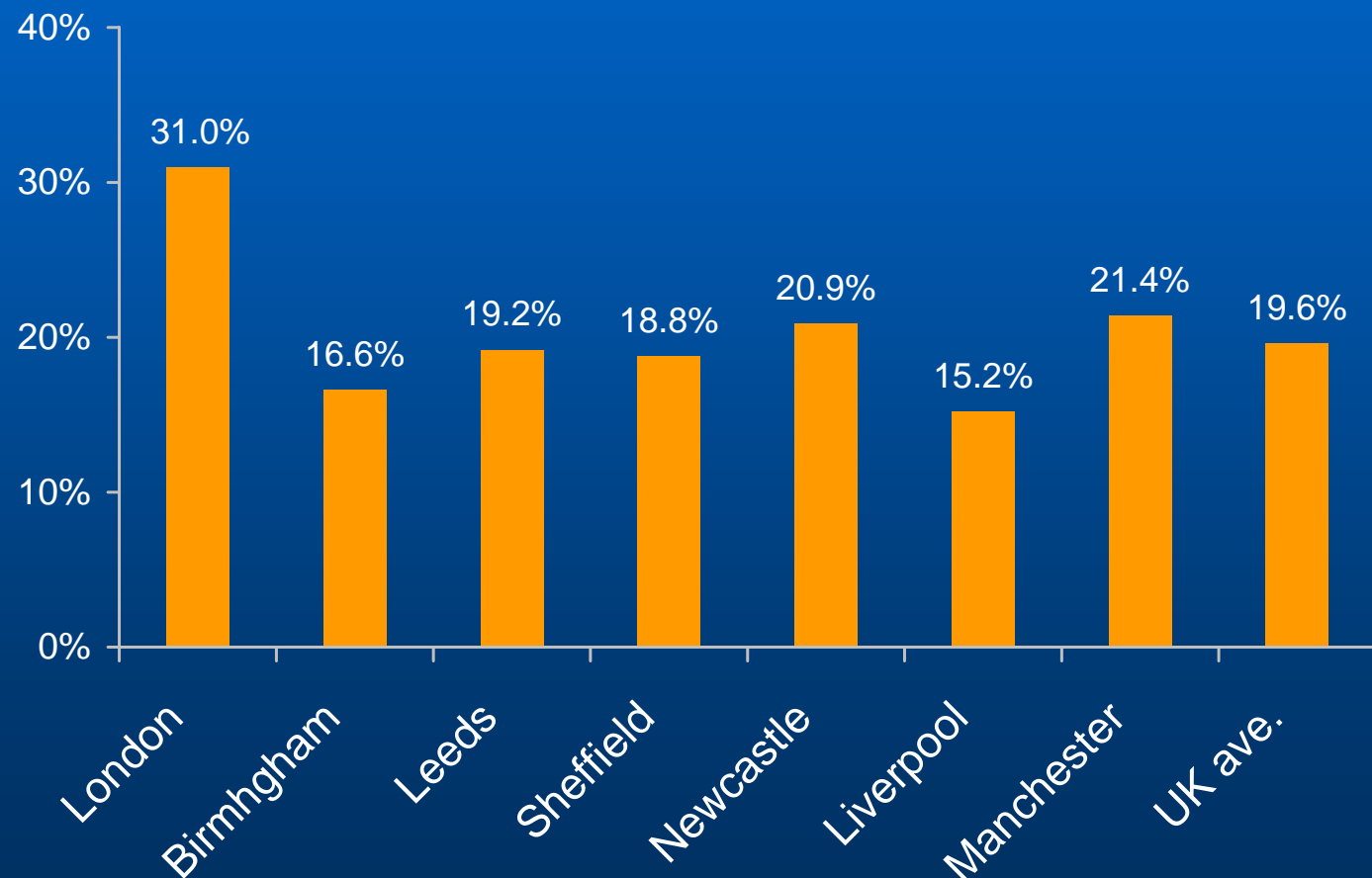


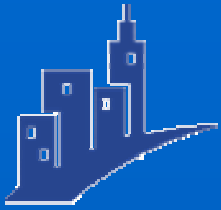


Educational attainment in London is exceptional compared to other English principal (central) cities

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

United States

- Strong federalist system
- Developer-driven planning
- Preference for sprawl and decentralization
- Innovative public and private financing
- Strong corporate and civic engagement

United Kingdom

- Strong central state
- Government-driven planning
- Preference for reinvestment and redevelopment
- Strong public investment
- Nascent public/private partnerships



U.S. and U.K. development environments are also quite different

United States

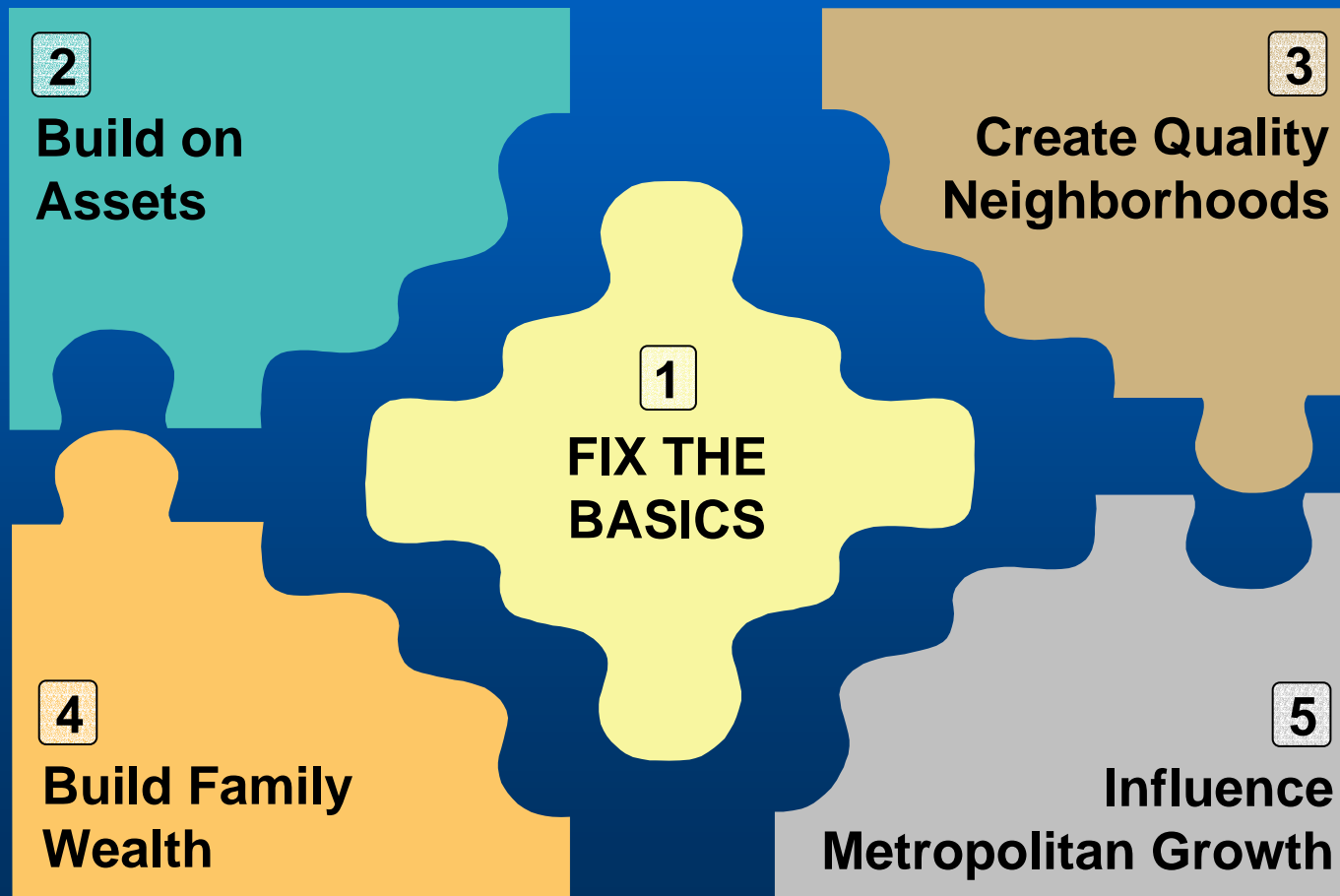
- Low gas prices
- Large supply of land
- *Laissez faire* land use
- Preference for big-box retail

United Kingdom

- High gas prices
- Constrained supply of land
- Highly regulated land use
- Preference for high streets



Trends + Challenges = Competitive Cities Agenda





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



Think and act regionally

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

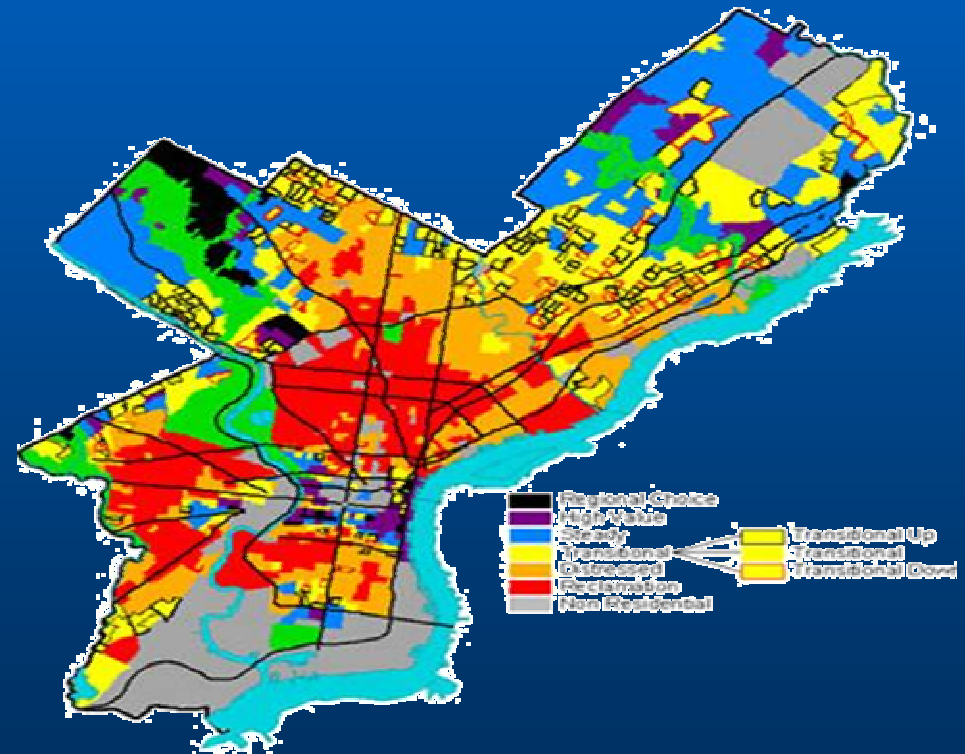
Invest in metropolitan governance



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

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July 1, 2004

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Brookings > Metropolitan Policy

Redefining the challenges facing metropolitan America and promoting innovative solutions to help communities grow in more inclusive, competitive, and sustainable ways.

ANNOUNCEMENT

Urban Center Becomes Metropolitan Program

In a major promotion, the Center on Urban and Metropolitan Policy this month became the Brookings Metropolitan Policy Program—and the first new Brookings department established since 1948. The new status reflects the rising importance of metropolitan issues to the domestic and global challenges Brookings seeks to address.

read an open letter from Brookings President Strobe Talbott

METROPOLITAN GROWTH

Mechanisms for Market-Based Land Use Control

Using case studies and a national survey, this paper examines transfers of development rights (TDRs) and other market-based land preservation techniques like mitigation banking and density transfer fees.

IMMIGRATION

Washington Goes Polyglot

Metro Washington's "limited English proficient" (LEP) population

METROVIEW

Deficits by Design Plague Metro
by Robert Puentes
The Washington Times
June 21, 2004

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