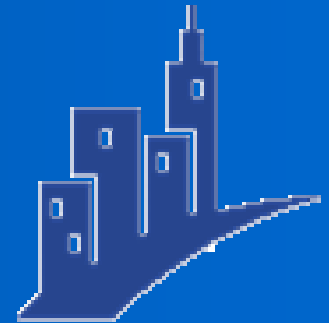


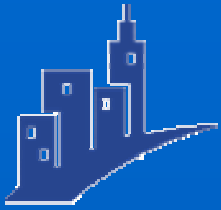
The Brookings Institution

Metropolitan Policy Program
Bruce Katz, Director



Diagnosing Cities: Lessons from America

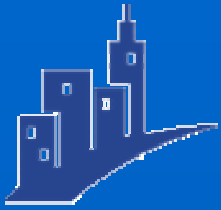
Delivering Sustainable Communities Summit
February 1st, 2005



Diagnosing Cities

Lessons from America

- American Cities are undergoing profound, but uneven, **demographic and market change**
- As a consequence, U.S. cities are commissioning or conducting “**urban diagnostics**” to give them a clear understanding of their assets and liabilities
- U.S. cities are then using these diagnostics to develop **competitive agendas** that are tailored to their realities

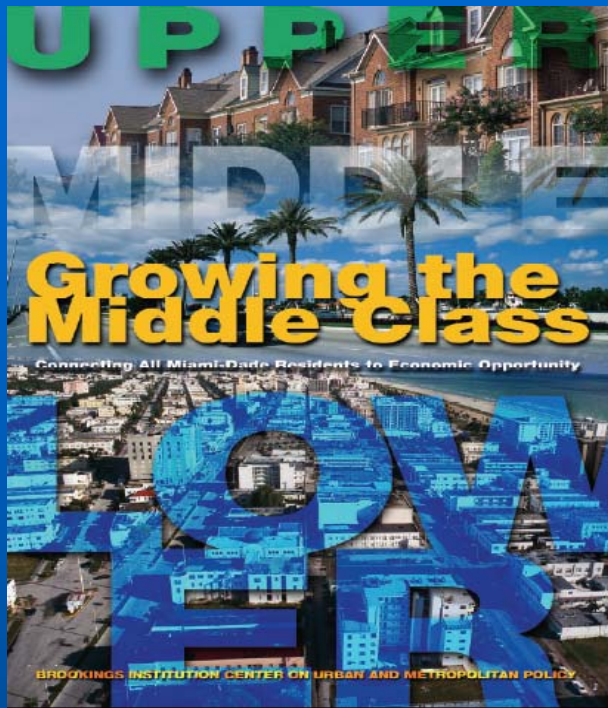


Diagnosing Cities

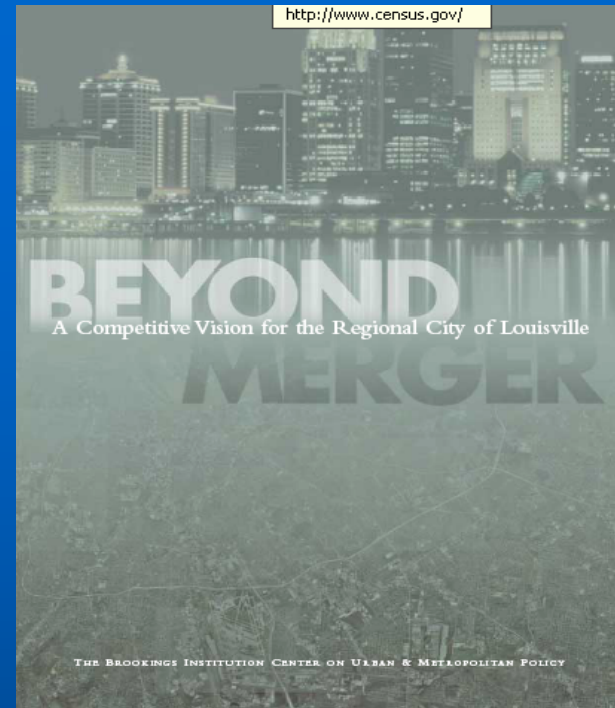
Lessons from America

Proposition

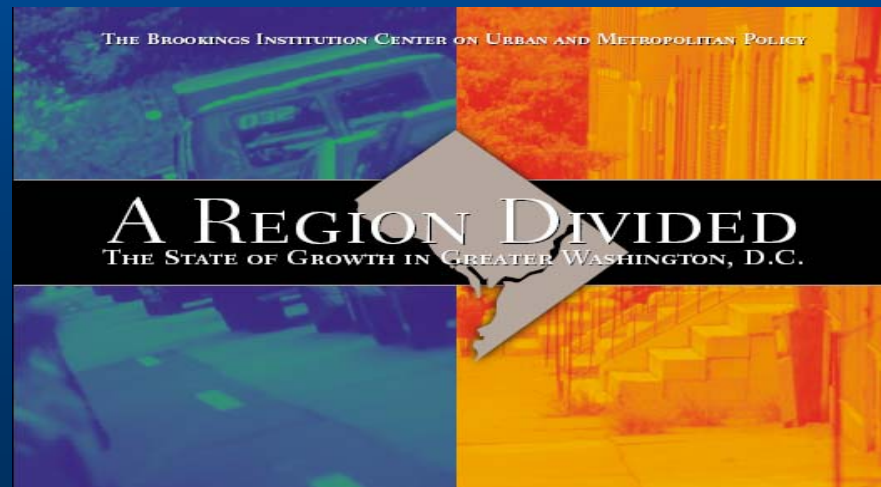
Cities need to adopt and adapt tools of the corporate trade to maximize their competitiveness.



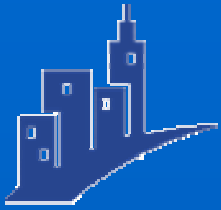
Miami Report



Louisville Report



D.C. Report



Diagnosing Cities

Lessons from America

I

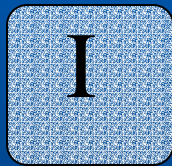
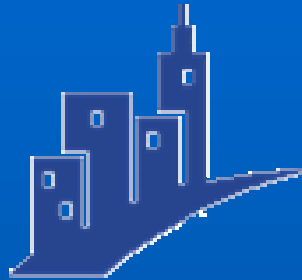
Know the Context - The Diagnosis

II

Use Diagnosis to Set Agenda

III

Implement Agenda with Focus
and Market Discipline



Know the Context - The Diagnosis

Like a business, a city needs to start with a clear understanding of its position in the marketplace. It needs to understand, fundamentally, how it is similar to but different from other cities.



What works in Philadelphia, might not work in Phoenix.



What are the dynamics of your urban
demographics?

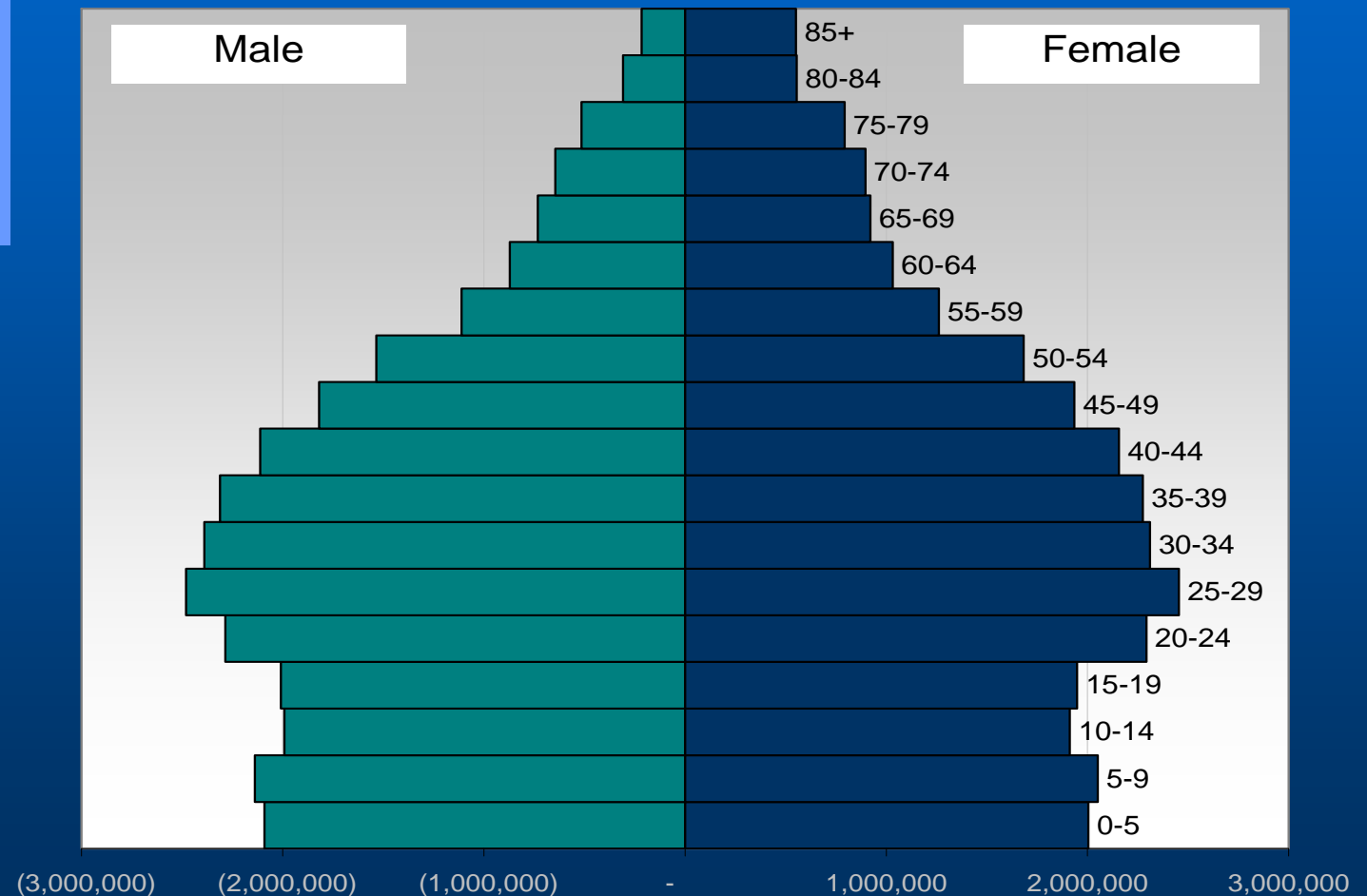


Who lives in the city?



In the nations 100 largest cities, the bulk of the population is between 20 and 40

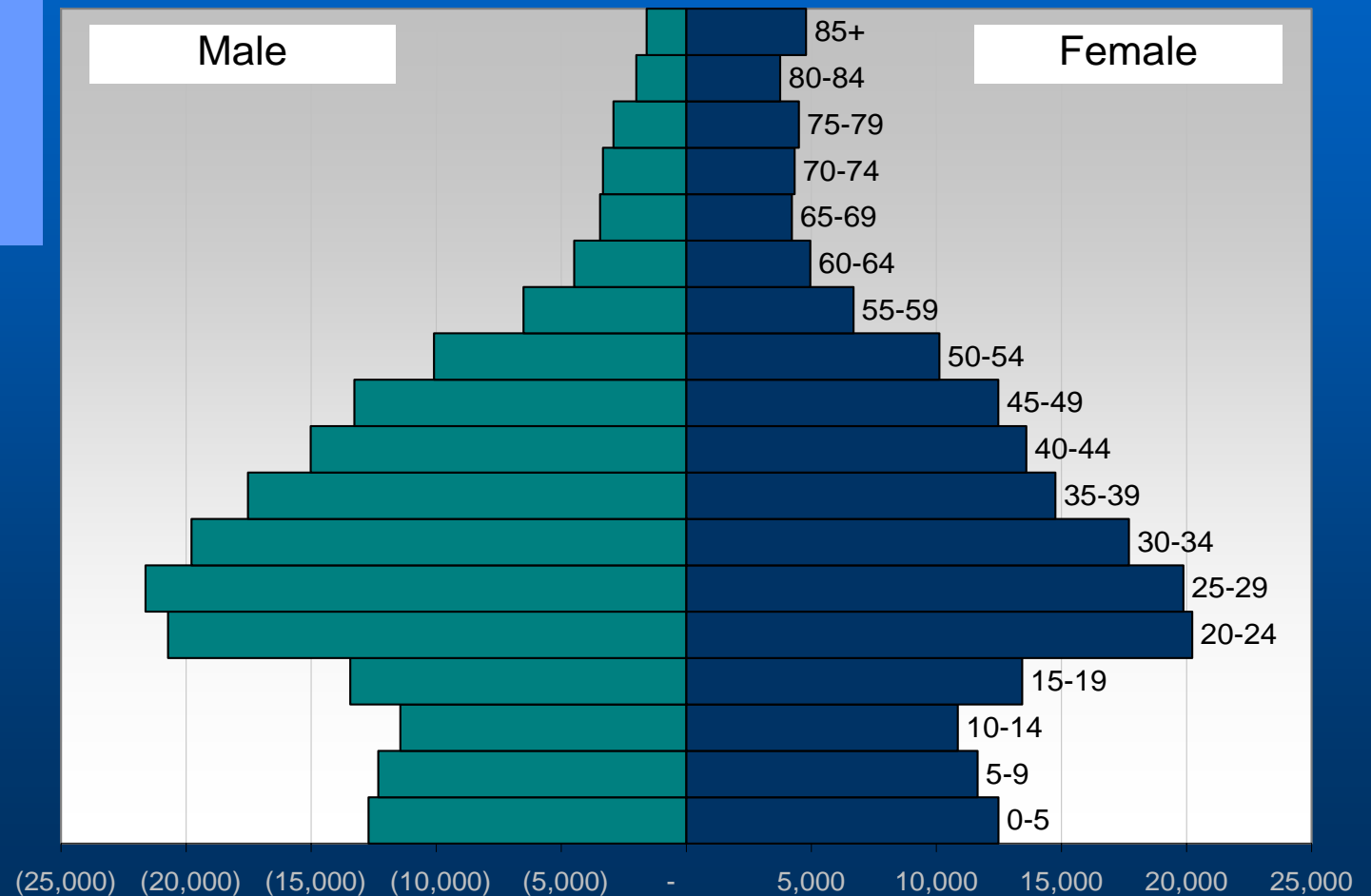
Population by Age and Sex, 2000





In some cities this is true, if not more so - Minneapolis

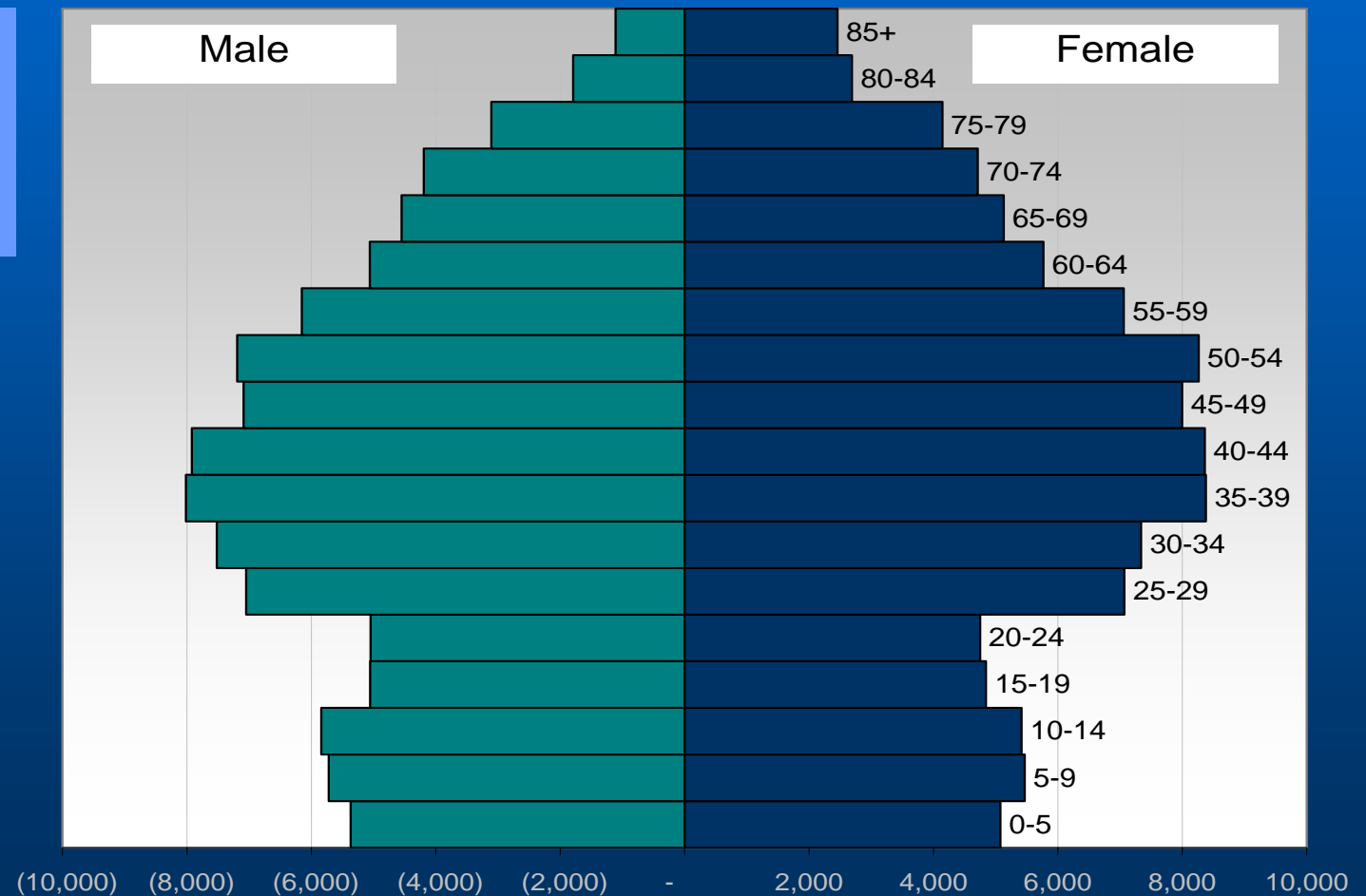
Population by Age and Sex, 2000





In other cities, as in Scottsdale, AZ, it's not true at all

Population by
Age and Sex,
2000





Who

is moving in?



Some things are ubiquitous



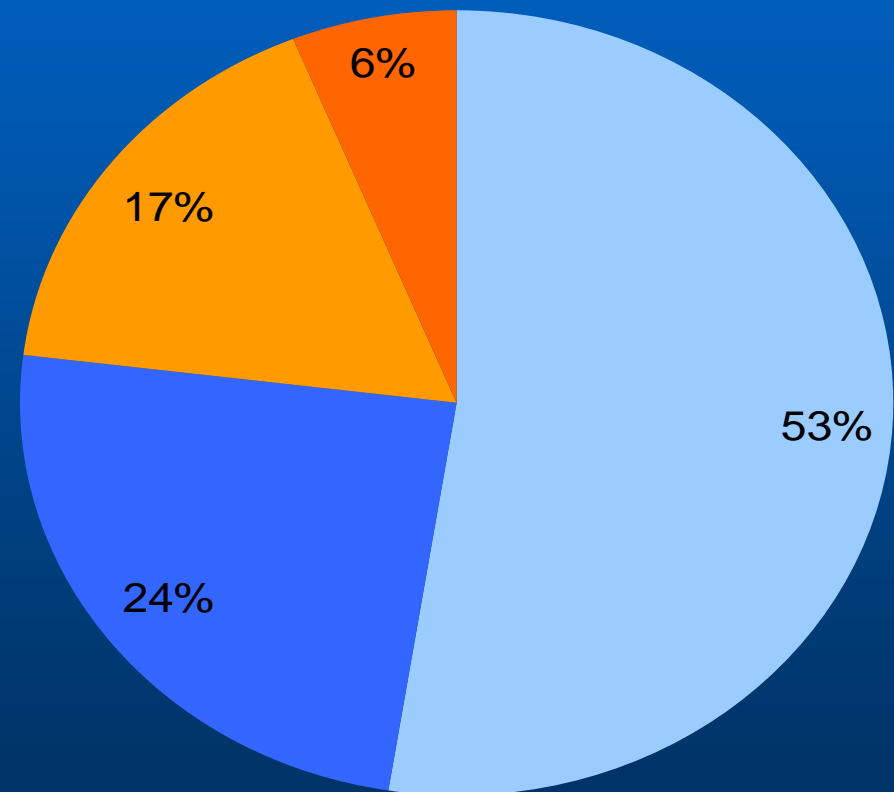
The share of Hispanic's in 98 of the 100 largest cities increased.



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

Share of population
by race and ethnicity,
1990

- White
- Black
- Hispanic
- Other

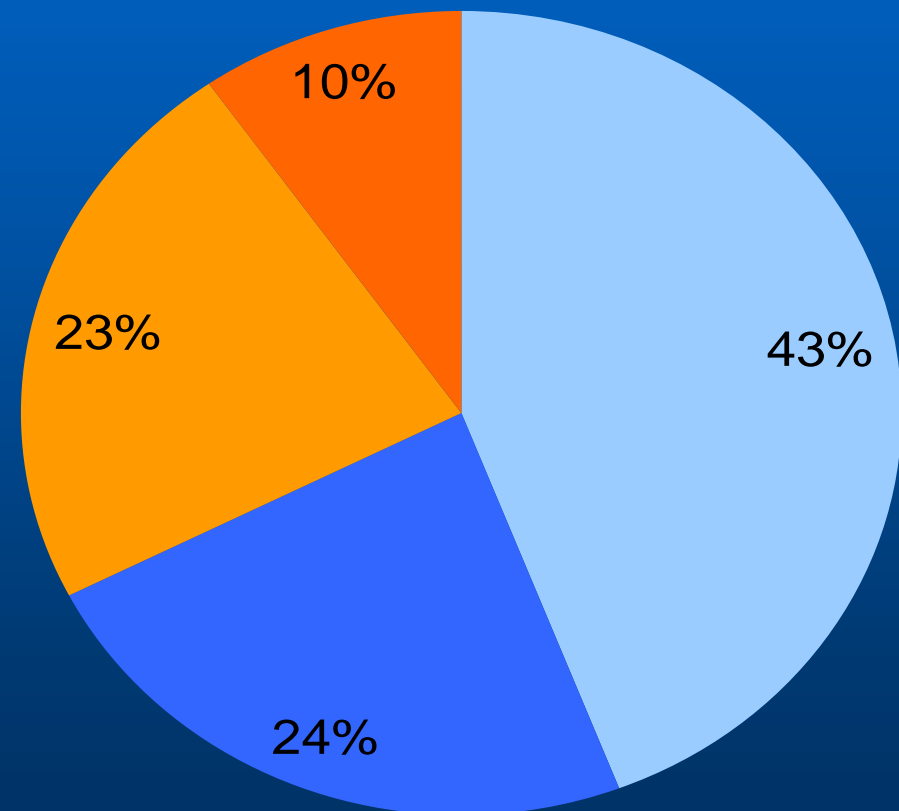




...to majority minority status

Share of population
by race and ethnicity,
2000

- White
- Black
- Hispanic
- Other





In some cities, this has been....

Share of population
by race and ethnicity,
1990

Anaheim

- White
- Black
- Hispanic
- Other





....magnified

Share of population
by race and ethnicity,
2000

Anaheim

- White
- Black
- Hispanic
- Other





And in other cities...

Share of population
by race and ethnicity,
1990

Cincinnati

- White
- Black
- Hispanic
- Other



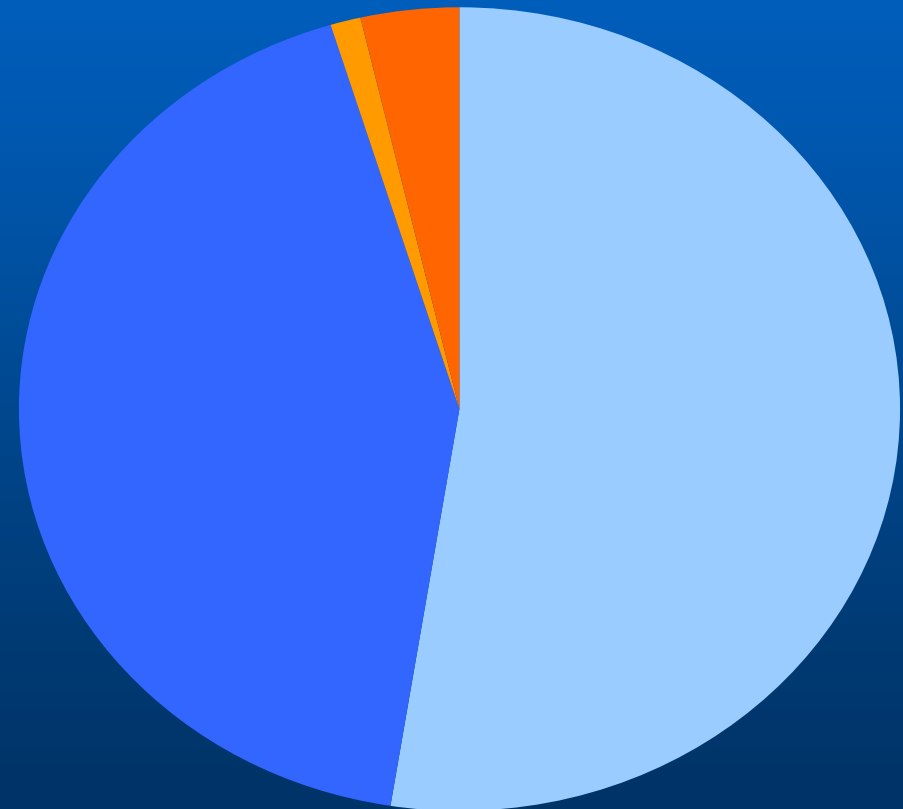


...change is not as pronounced

Share of population
by race and ethnicity,
2000

Cincinnati

- White
- Black
- Hispanic
- Other





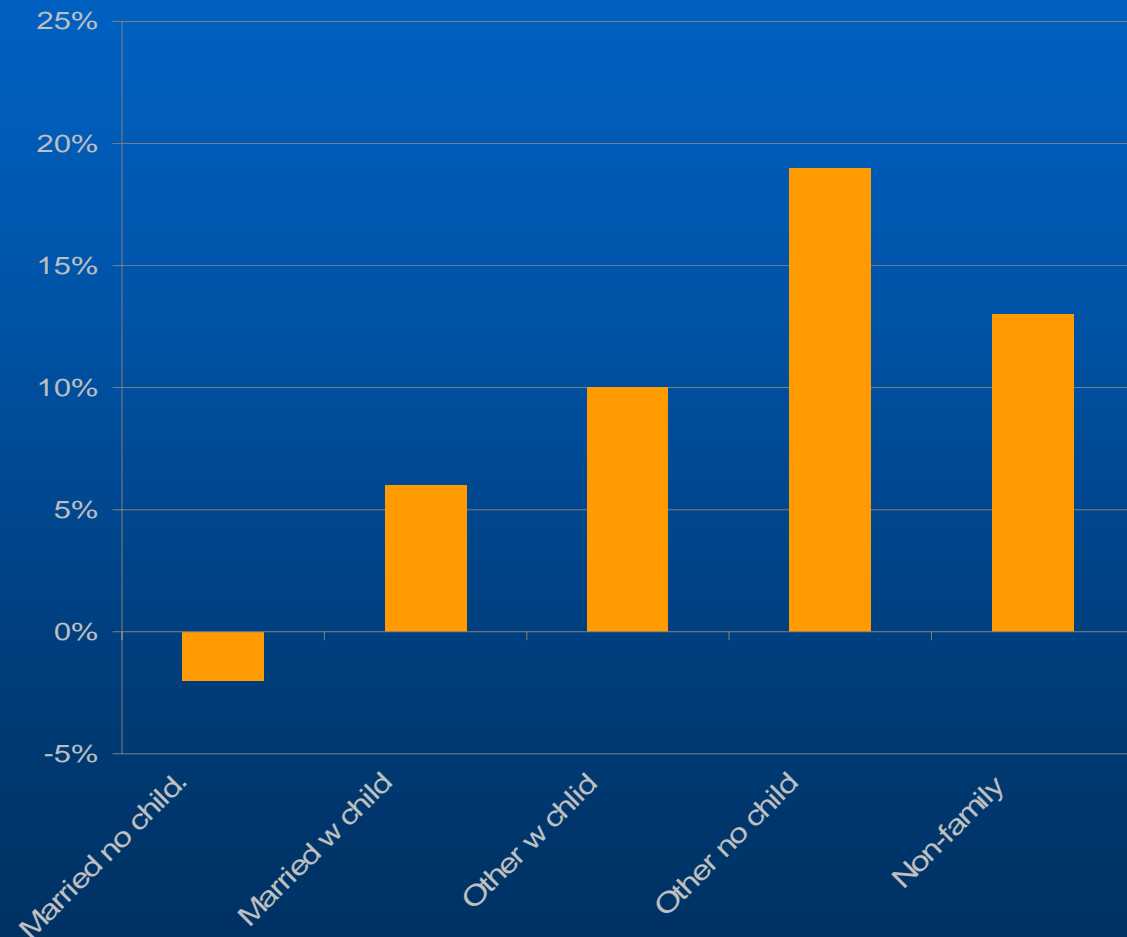
Who

is moving out?




In aggregate, there are less childless married couples in cities than there were in 1990

Change in share of households by type in central cities, 1990 - 2000





Some trends are dominant

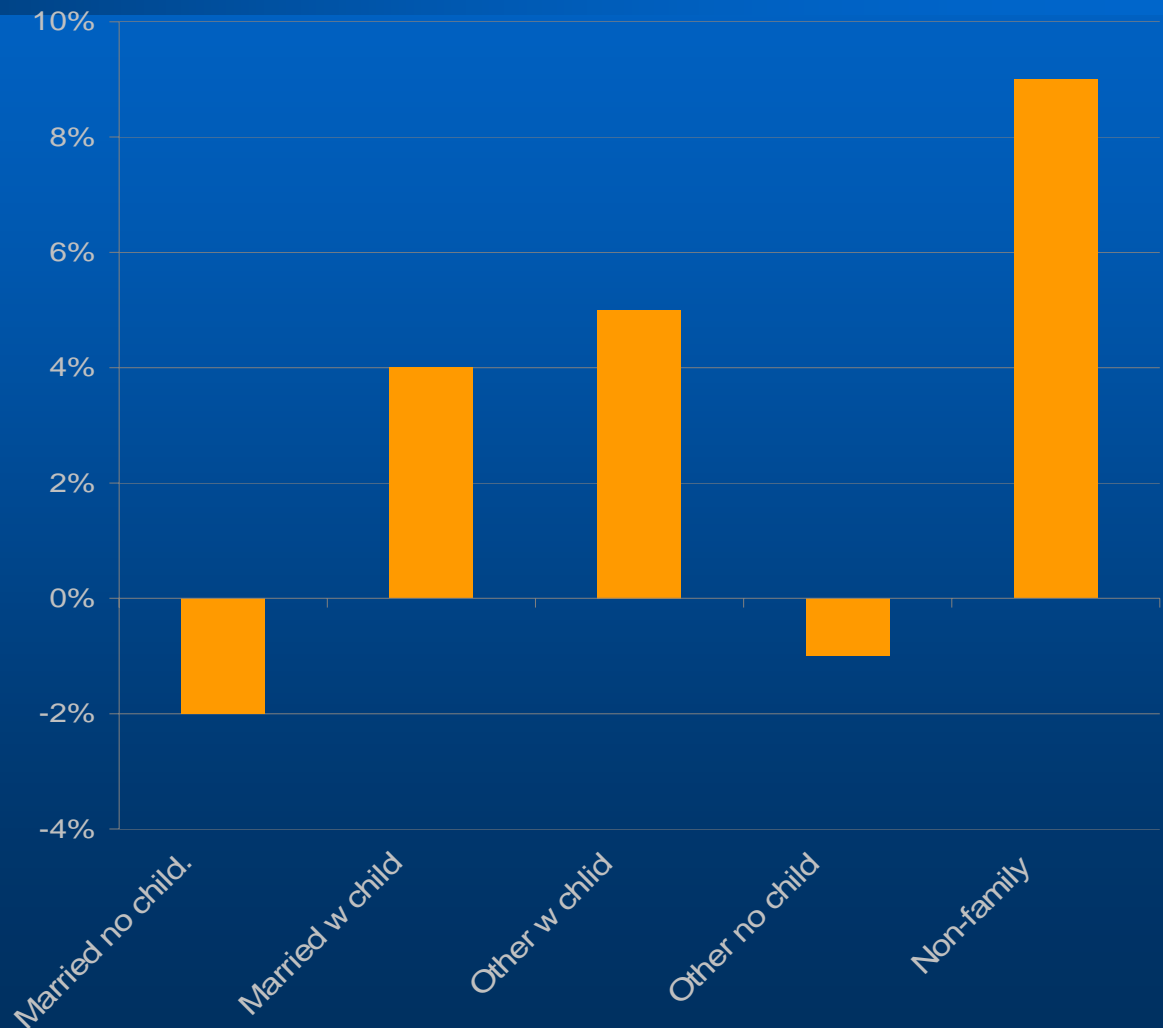


74 of the central cities in the 102 largest metros lost married couples without children in the 1990s



But Chicago saw decreases in other families without children as well

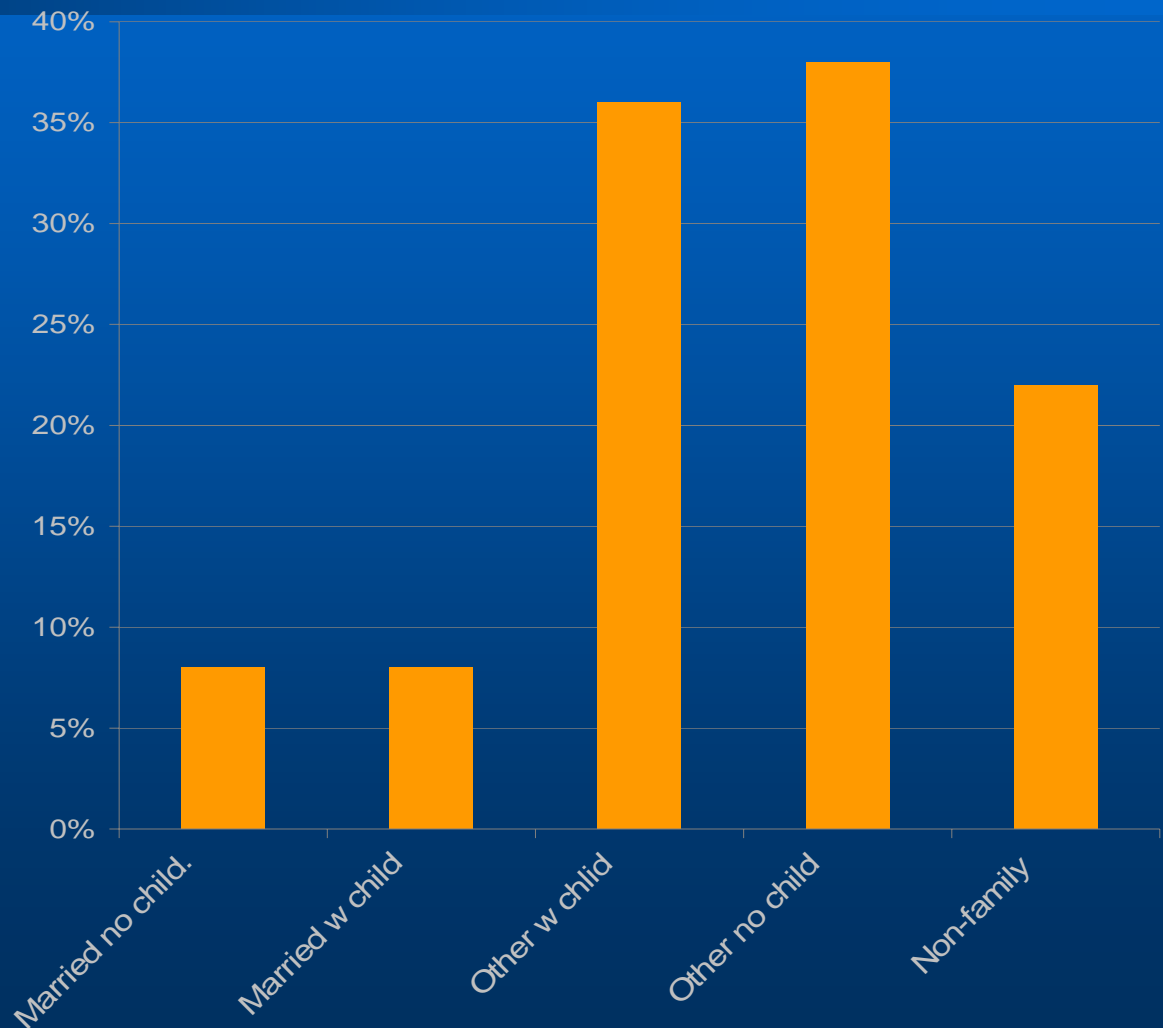
Change in share of households by type in central cities, 1990 - 2000





Tucson, an exception, saw increases in every household type

Change in share of households by type in central cities, 1990 - 2000



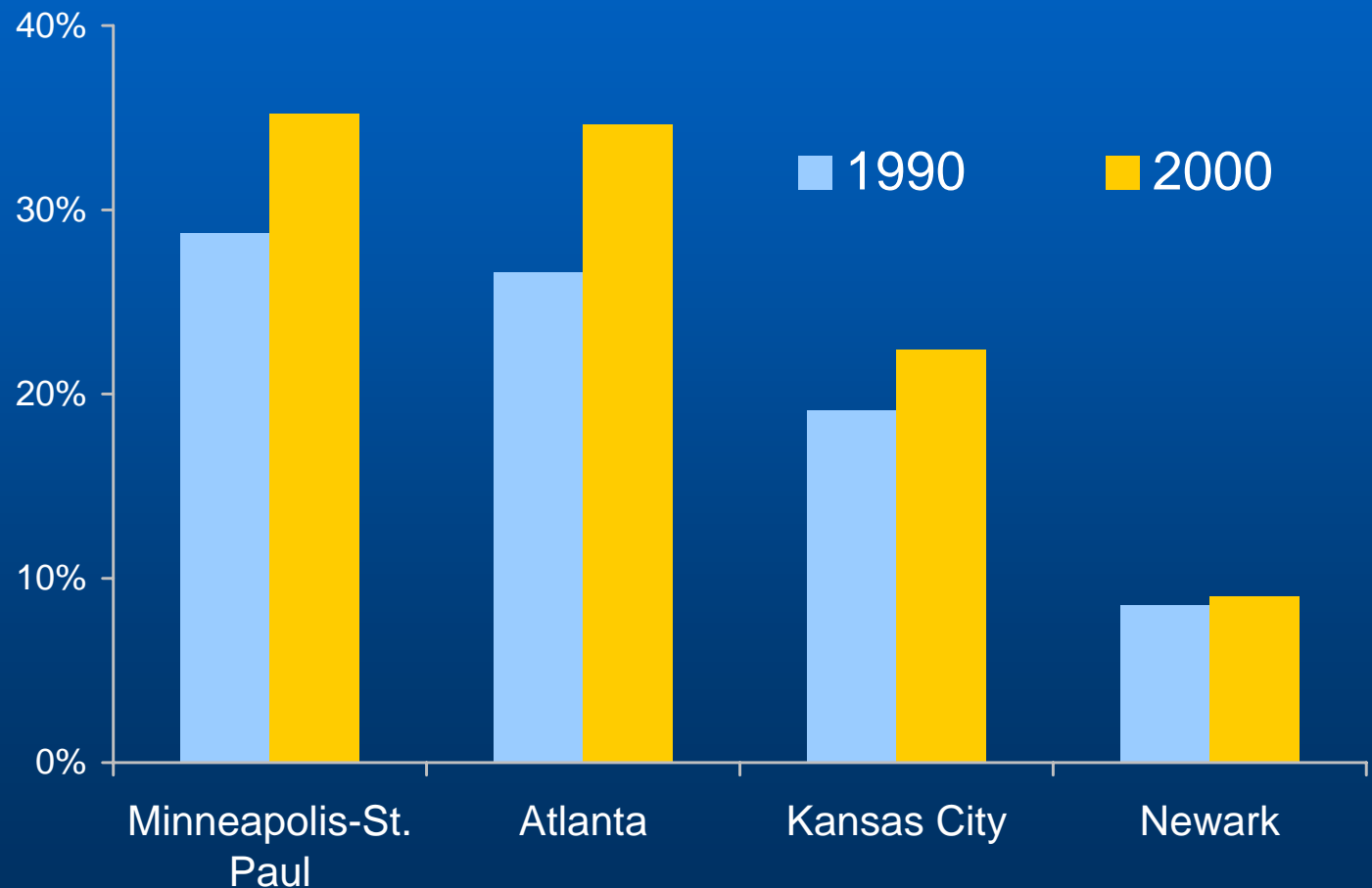


What are the education levels of your residents?



Income growth tracks educational attainment - and some places are “pulling away” from the pack

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



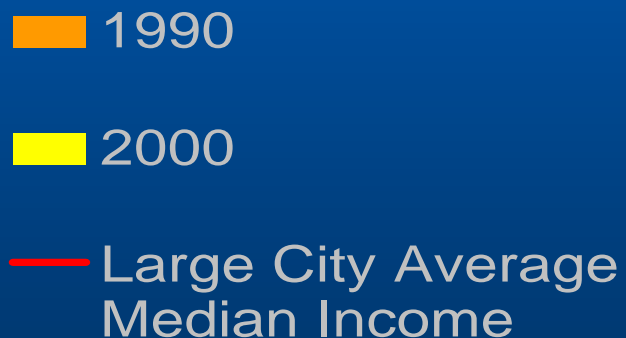


What are their incomes?



Some are low and growing

Median Income (\$1999),
1989 - 1999





Some are low and falling

Median Income (\$1999),
1989 - 1999

1990

2000

Large City Average
Median Income





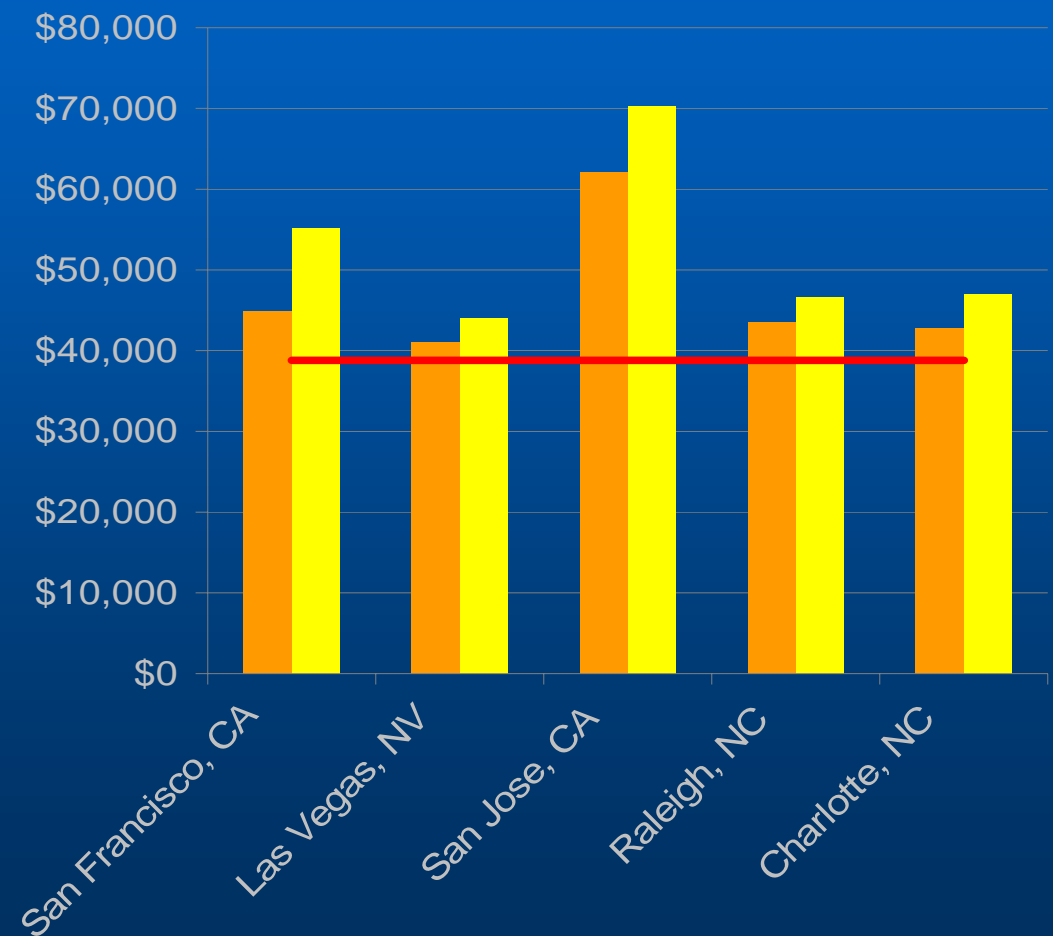
Some are high and growing

Median Income (\$1999),
1989 - 1999

1990

2000

Large City Average
Median Income





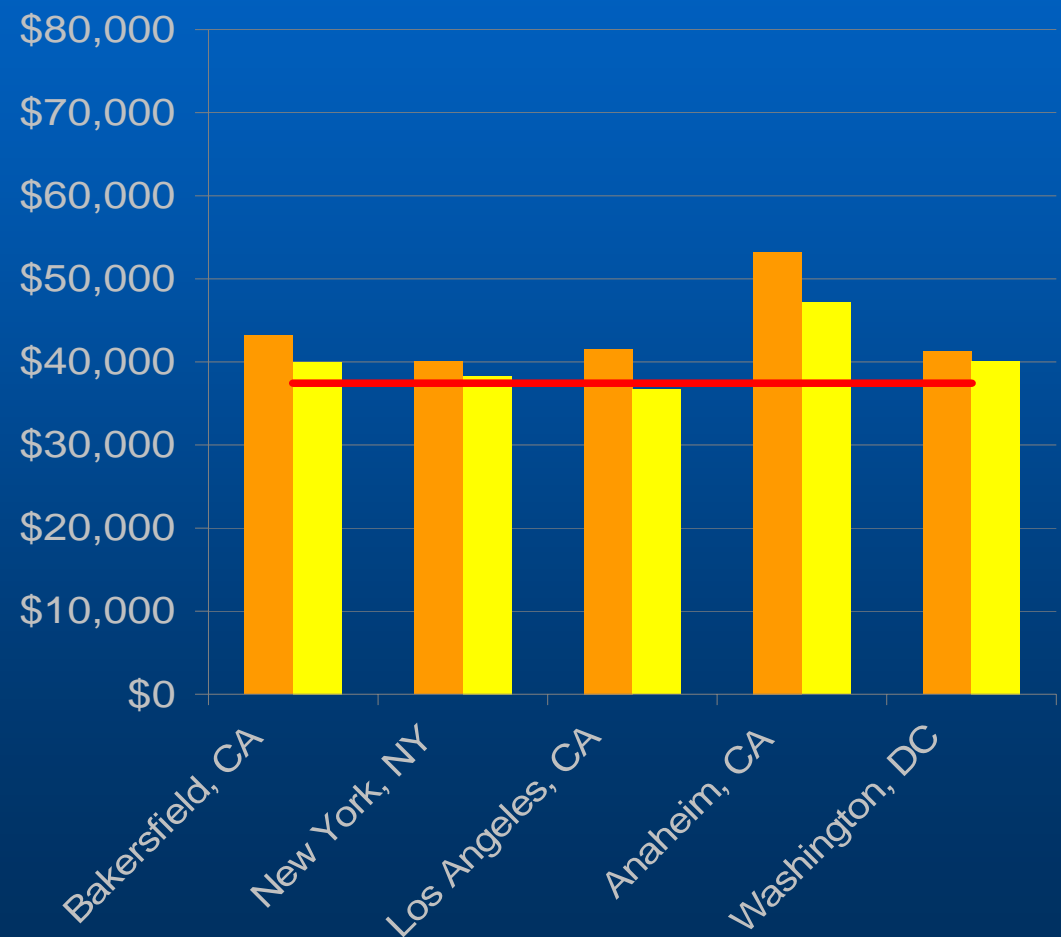
Some are high and falling

Median Income (\$1999),
1989 - 1999

1990

2000

Large City Average
Median Income



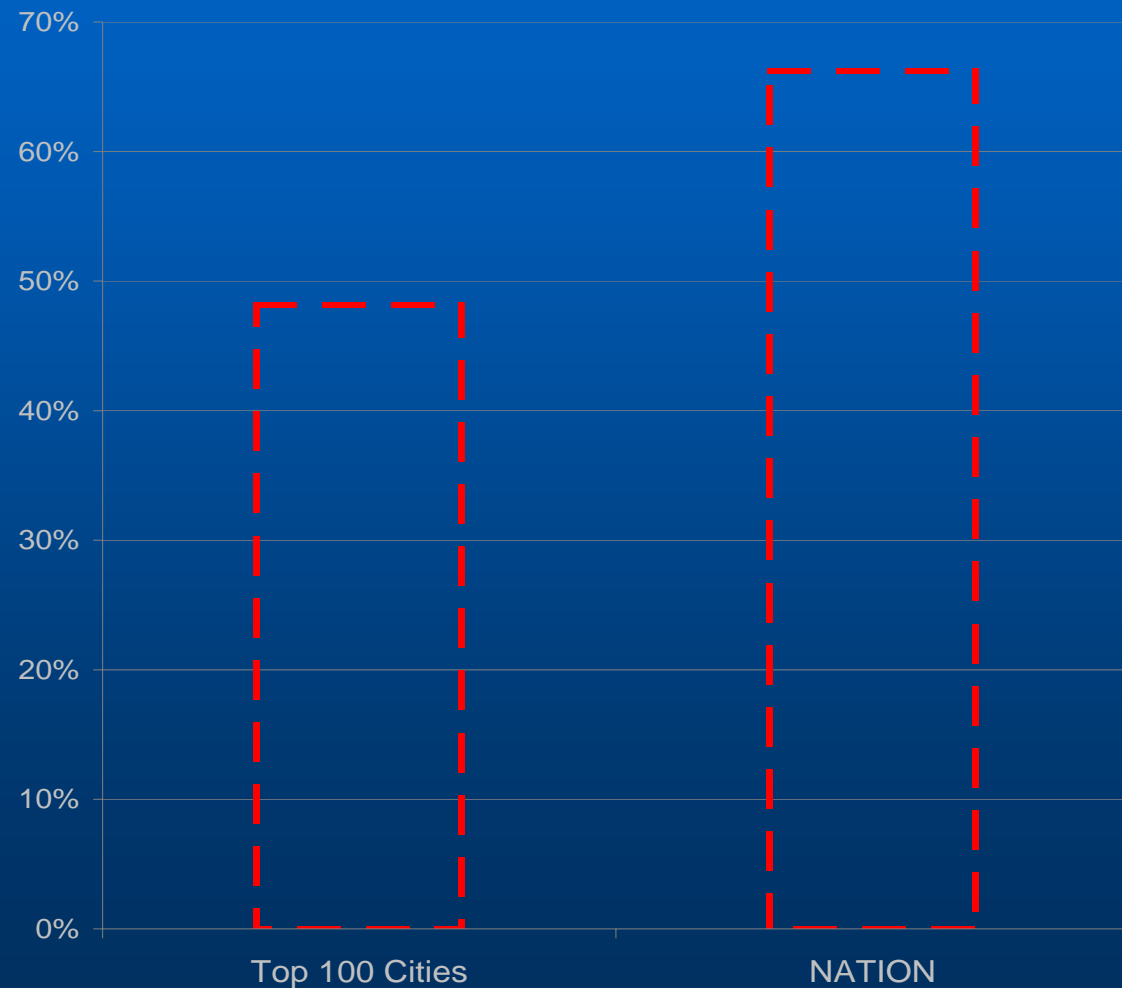


What are their assets?



Homeownership in cities is significantly below the national rate

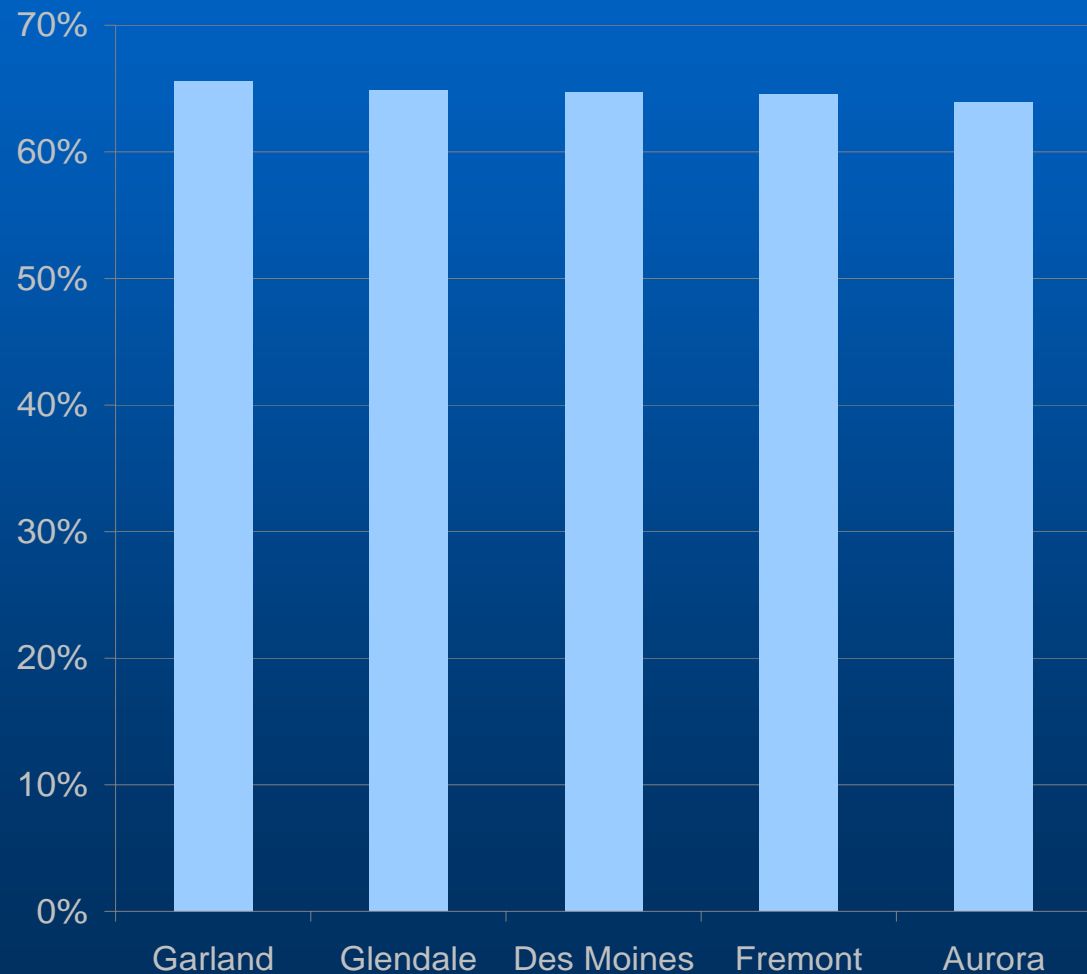
Share of owner
occupied units,
2000





A handful of cities are as high as the national average

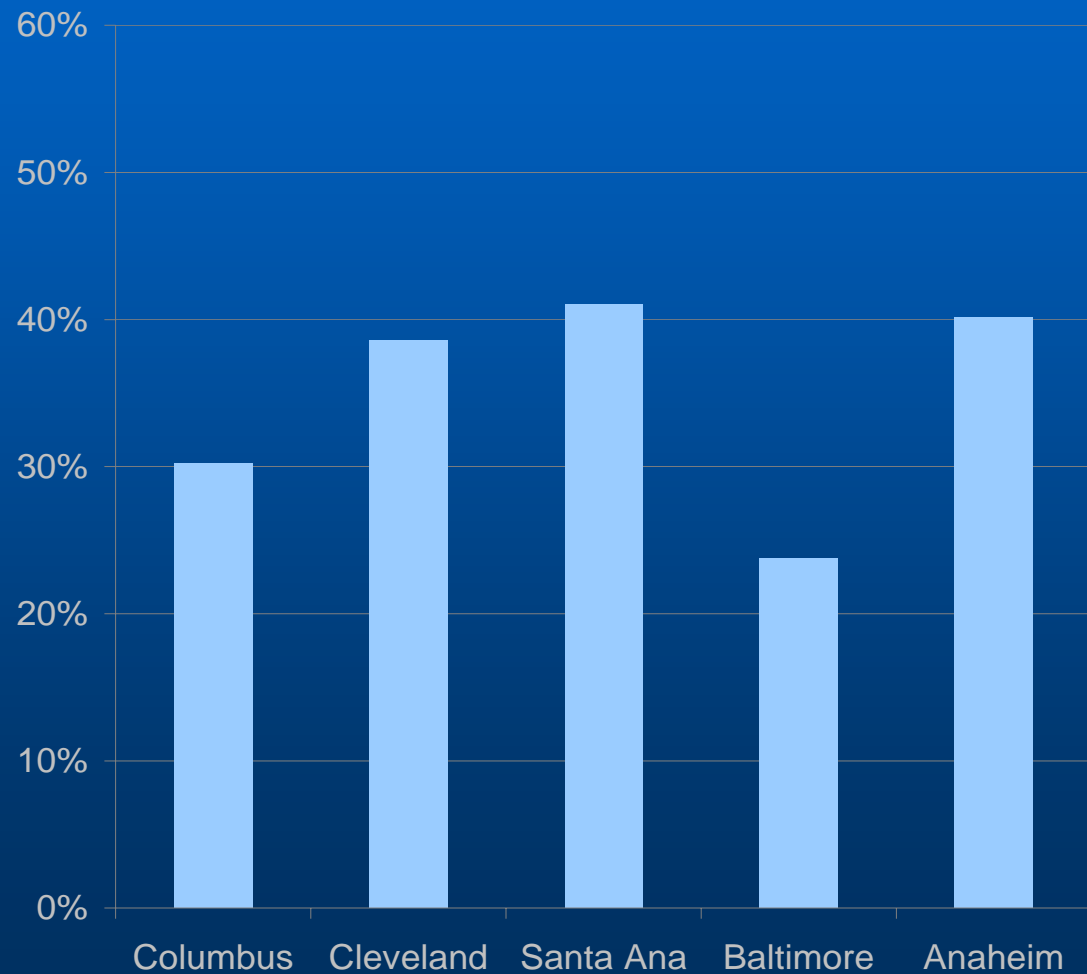
Share of owner
occupied units,
2000





...but most are much lower

Share of owner
occupied units,
2000





Why do demographics matter?

Boston

Stable Population
Strong Immigration
Talent Magnet
High Housing Costs

Housing Supply Problem

Places differ,
and differences
in places
should drive
different policy

Baltimore

Population Decline
Low Immigration
Low Education
Low Wage Work Force

Income Problem



What are the dynamics of
your economy?



What is your function in
the economy?



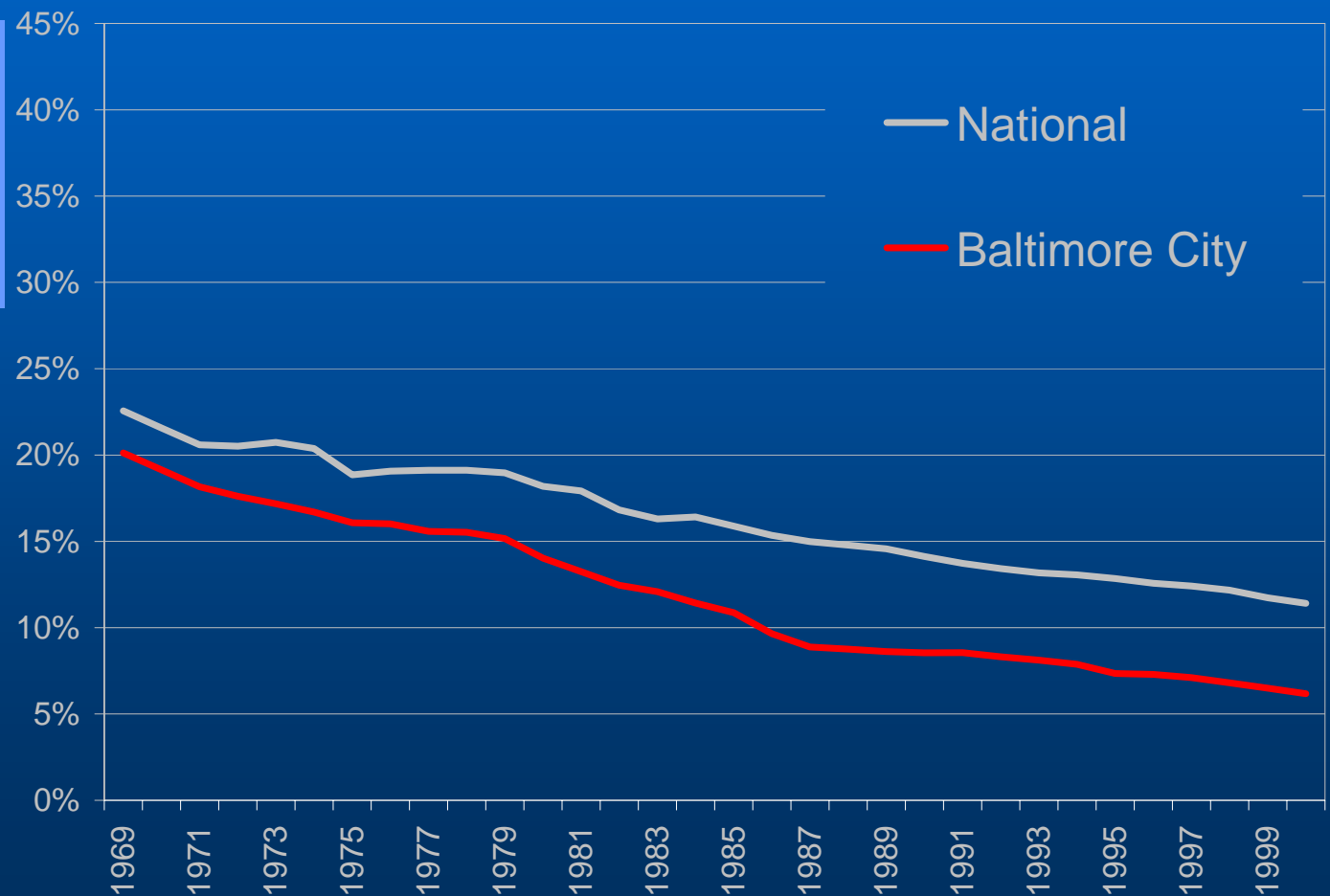
Understand your employment base





City economies have undergone profound change. For example, manufacturing's in Baltimore has declined more sharply than in the nation

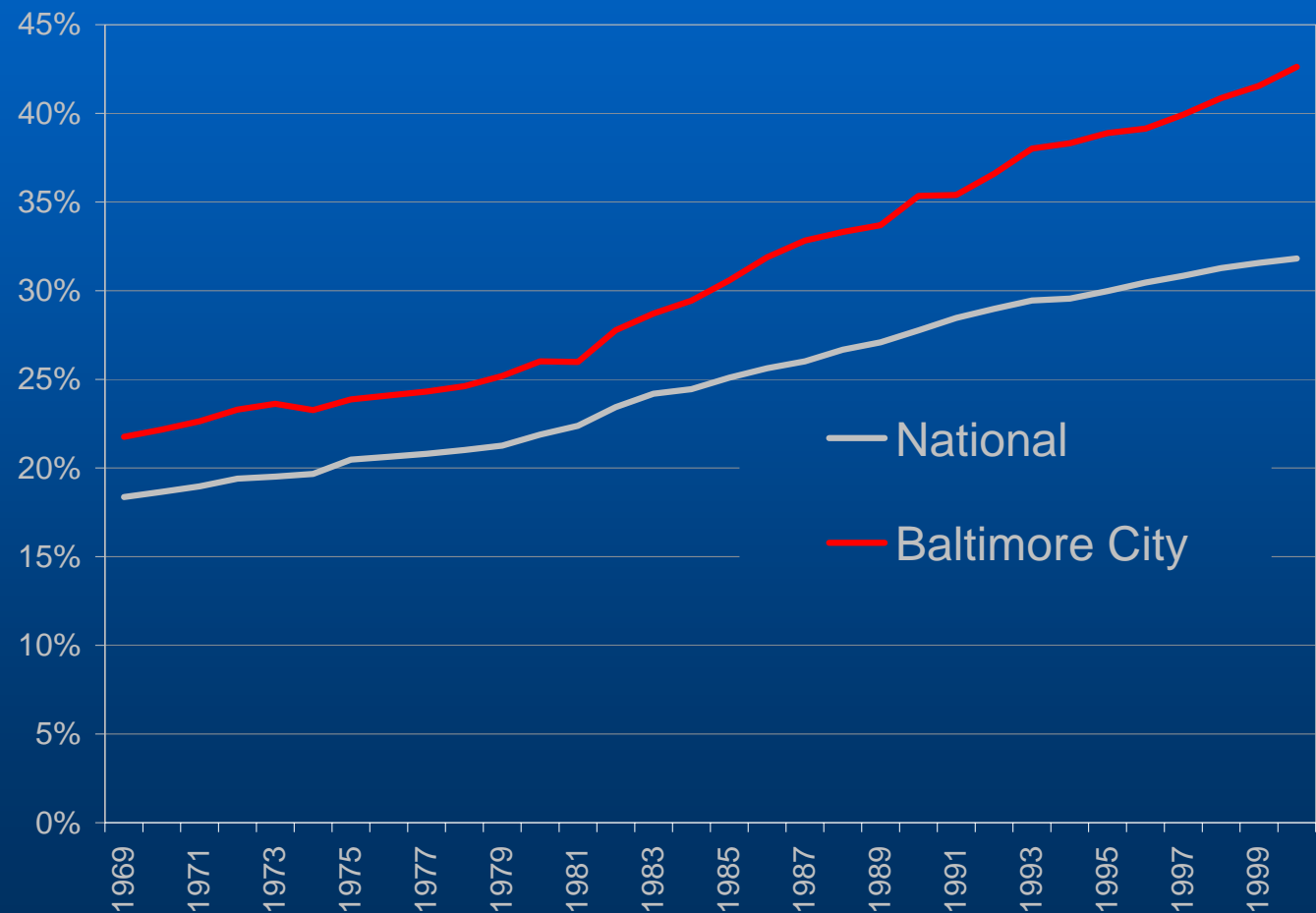
**Manufacturing's
share of total
employment,
1969 - 2001**





But, the service sector share has increased faster

Services'
share of total
employment,
1969 - 2001

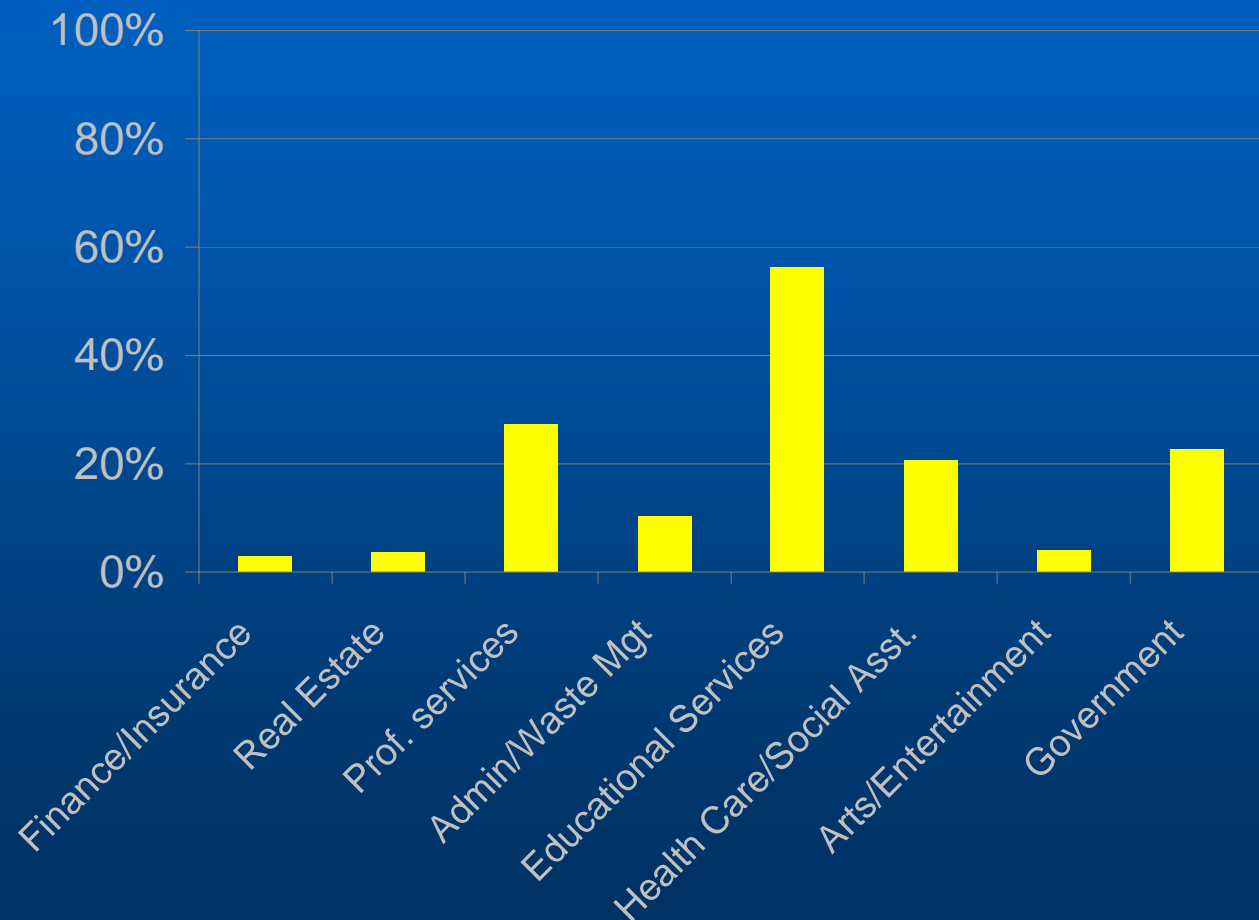




So, the sectoral strengths are radically altered

Percent
exceeding
national
share of
employment,
2001

Source: Bureau of
Economic Analysis,
Regional Accounts Data





Who are your competitors
across cities and metros?



Example → Competing Biotech Centers

Based on several indicators, a 2002 Brookings study established the location of 9 biotech centers



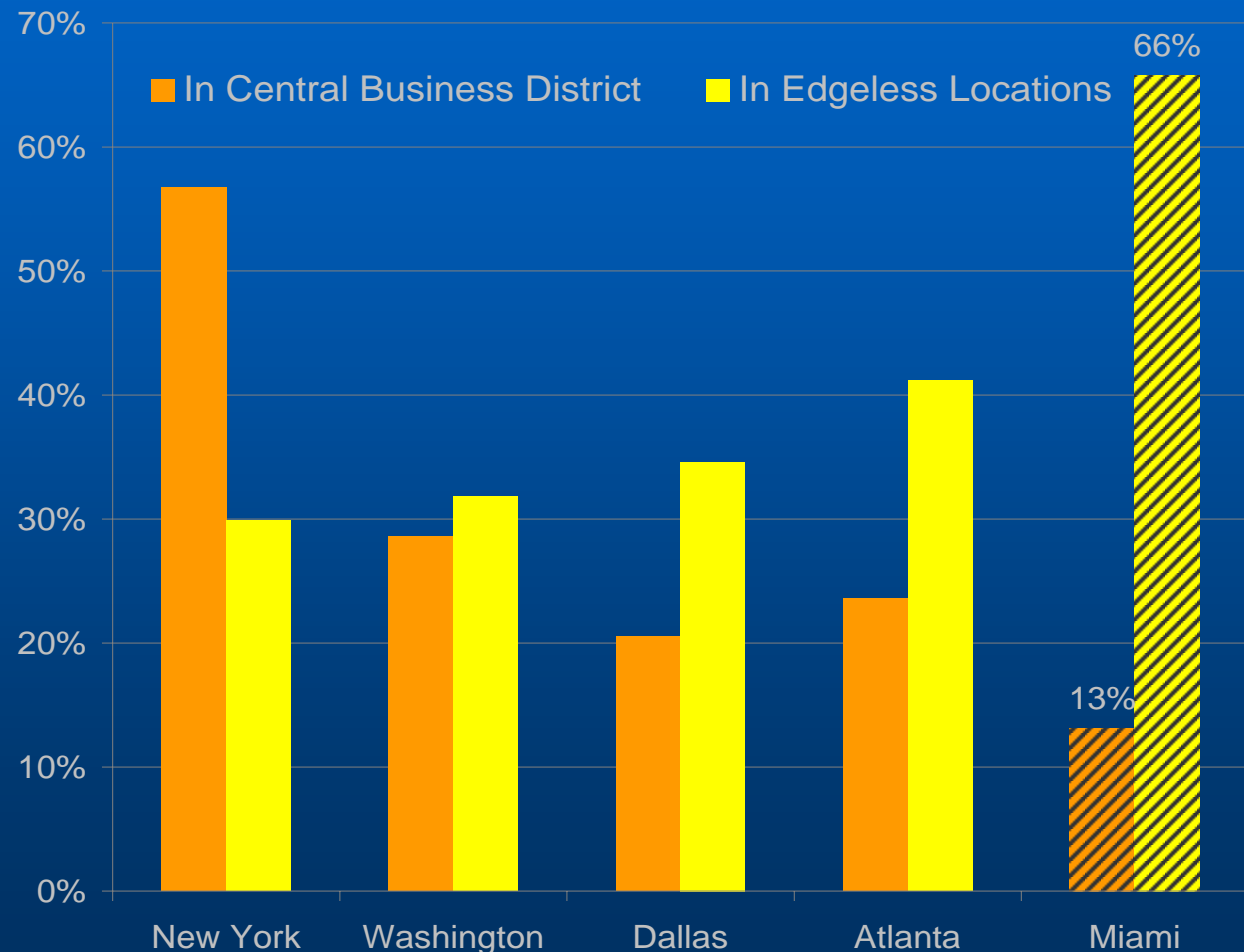


Who are your competitors
within the metropolis?



The difference between employment decentralization in different cities is profound

Share of
metropolitan office
space (SqFt),
1999





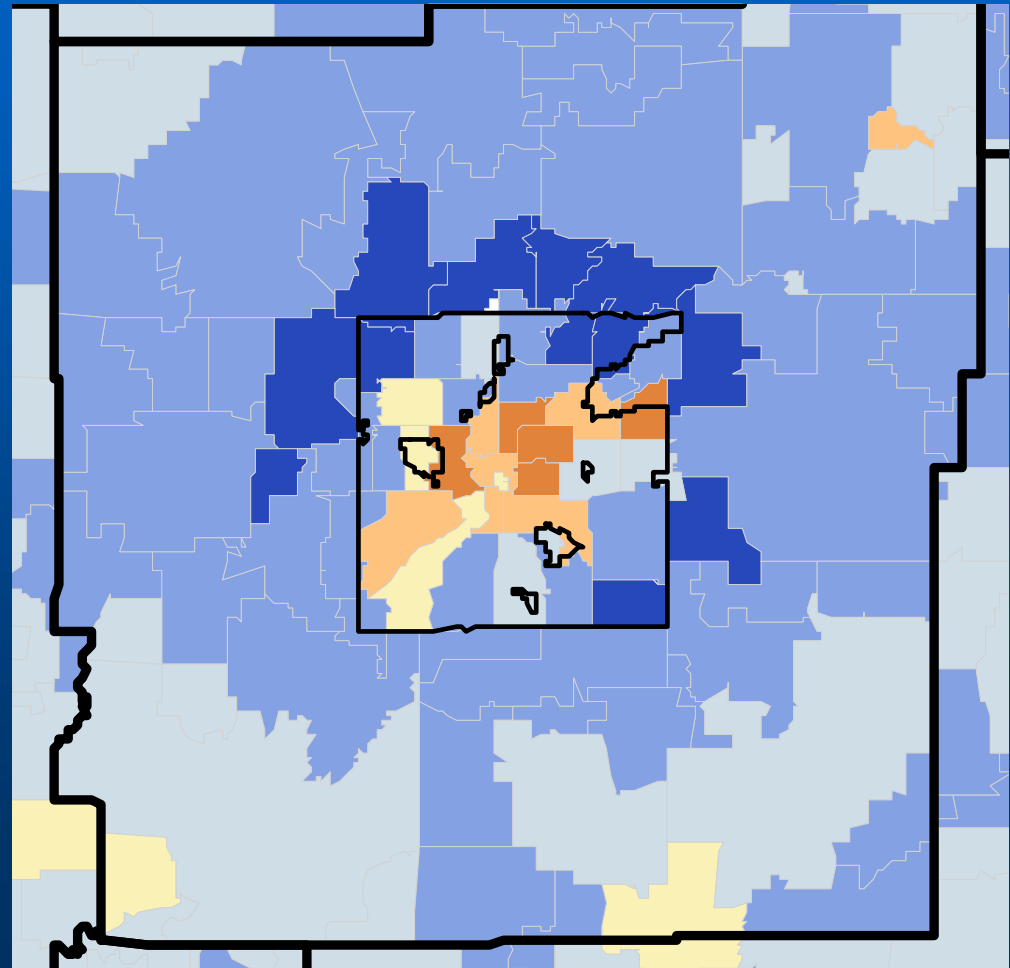
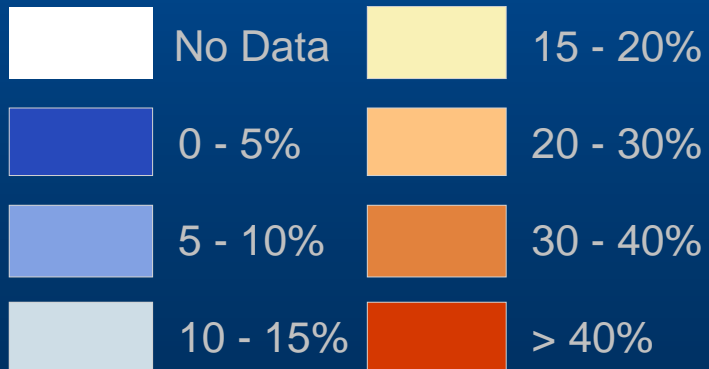
Who are your investors?



Public investment can come in the form of a tax credit

Share of tax filers
receiving the EITC,
2001

Indianapolis

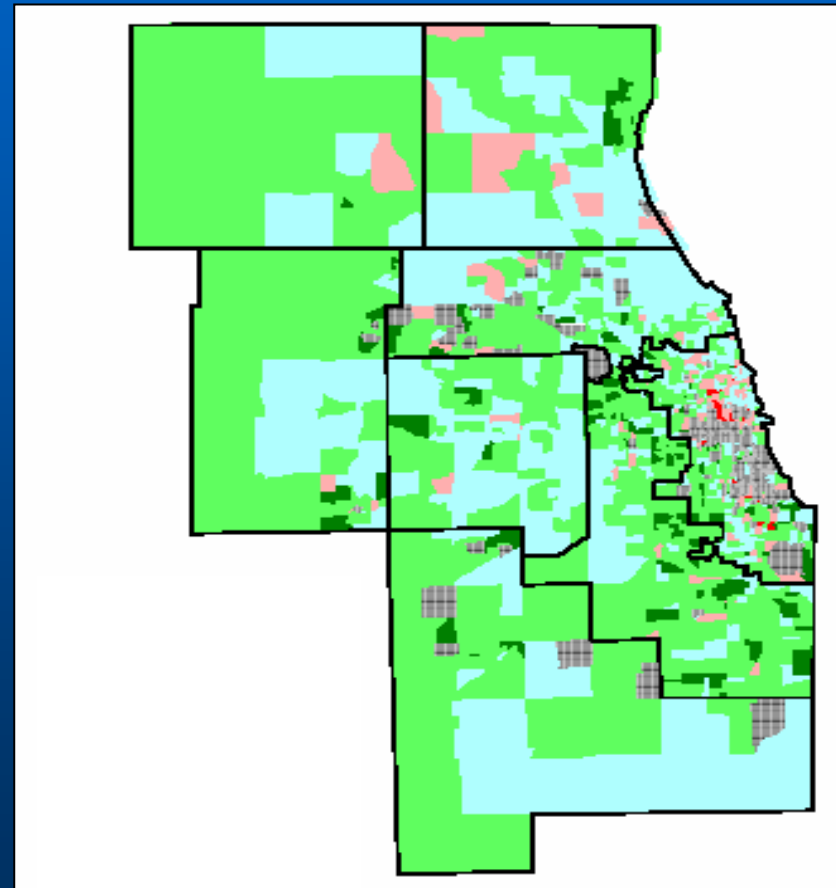




The Home Mortgage Disclosure Act allows cities to know the location of private mortgage investment

Income Stability in
Chicago Area Home
Buying, 1993-1994 to
1999-2000

Chicago





So what are your assets and liabilities?



A	L

Example → Baltimore's Assets and Liabilities

Liabilities

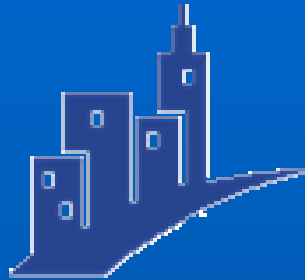
- Low educational attainment
- Low labor force participation
- Persistent racial separation
- High crime rates

→ **Current Assets**

Learning
Location
Livability

→ **Developable Assets**

Land
Labor



Use Diagnosis to Set Agenda

The challenge is for corporate, civic, community, and political leaders to develop an empirically based agenda that builds on assets and cures liabilities



Barriers to the new art of governing

“My idea of long-term planning is lunch”
Frank Ogden



Barriers to the new art of governing

- ⇒ Lack of information
- ⇒ Lack of capacity to use information
- ⇒ Susceptibility to idea viruses
- ⇒ Lack of long term focus
- ⇒ Diminished leadership network
- ⇒ Allergy to systemic change
- ⇒ Constituency gridlock



Step 1: Establish process for getting to a shared vision



Set a large table
Be inclusive
Bridge constituencies
Go beyond usual suspects



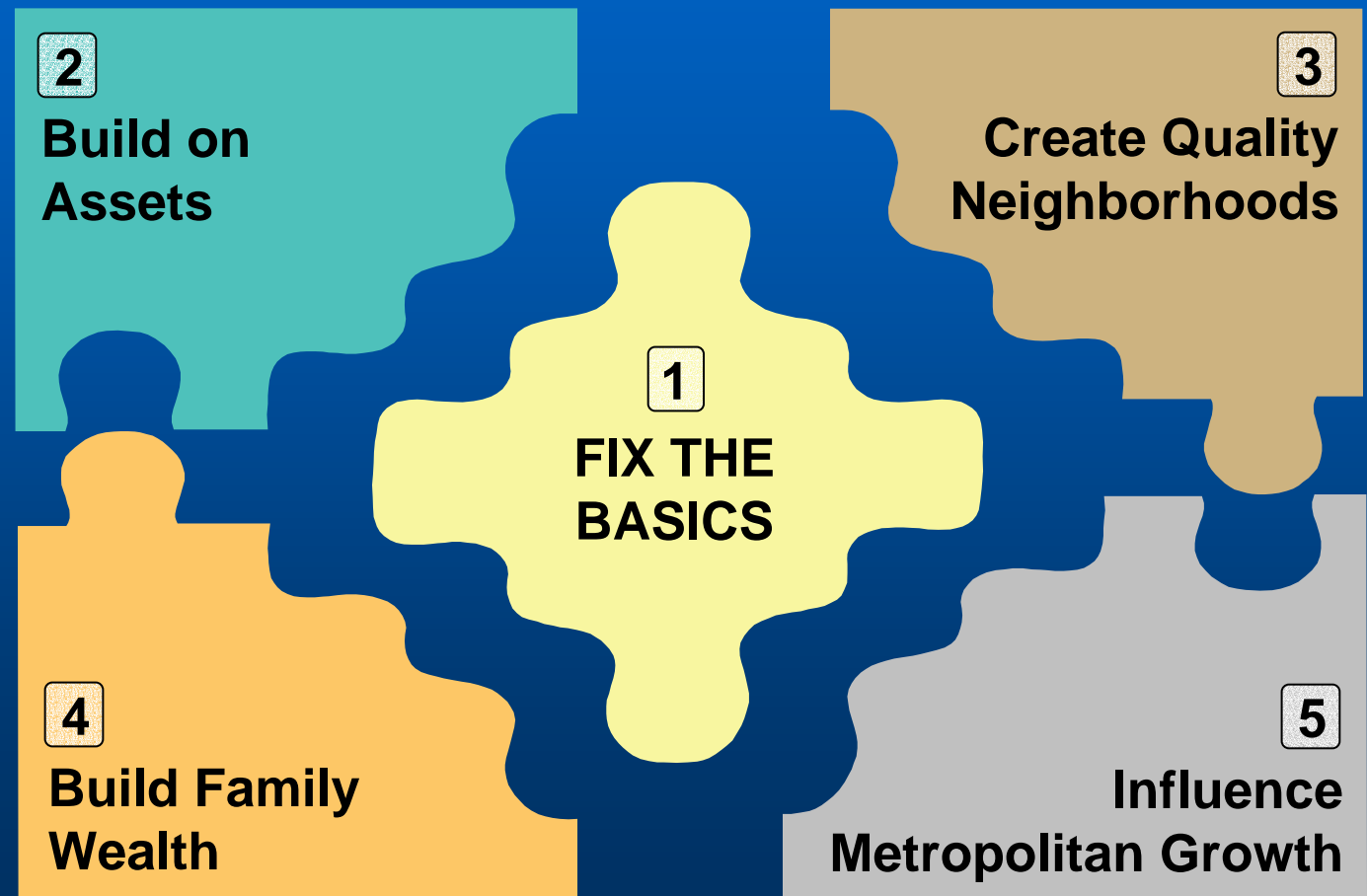
Step 2: Re-imagine the city





Set Agenda

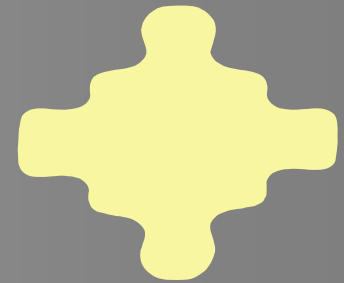
Step 3: Develop an integrated/ holistic agenda





Step 4: Tailor agenda to your city

- Good schools
- Safe streets
- Competitive taxes and services
- 21st century infrastructure
- Developable land





Step 5: Assess the policy levers necessary to affect change

Example → Developable Land

FEDERAL	Need investment in brownfield remediation
STATE	Action on property disposition and eminent domain laws
LOCAL	Local action on bureaucratic efficiency



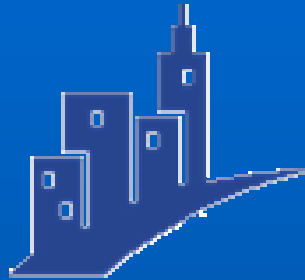
Step 6: Make long term plans, and provide short term deliverables

Local information transparency

Access existing brownfield grants

Accelerate sale of foreclosed properties

Build constituencies to expand federal spending on land reclamation



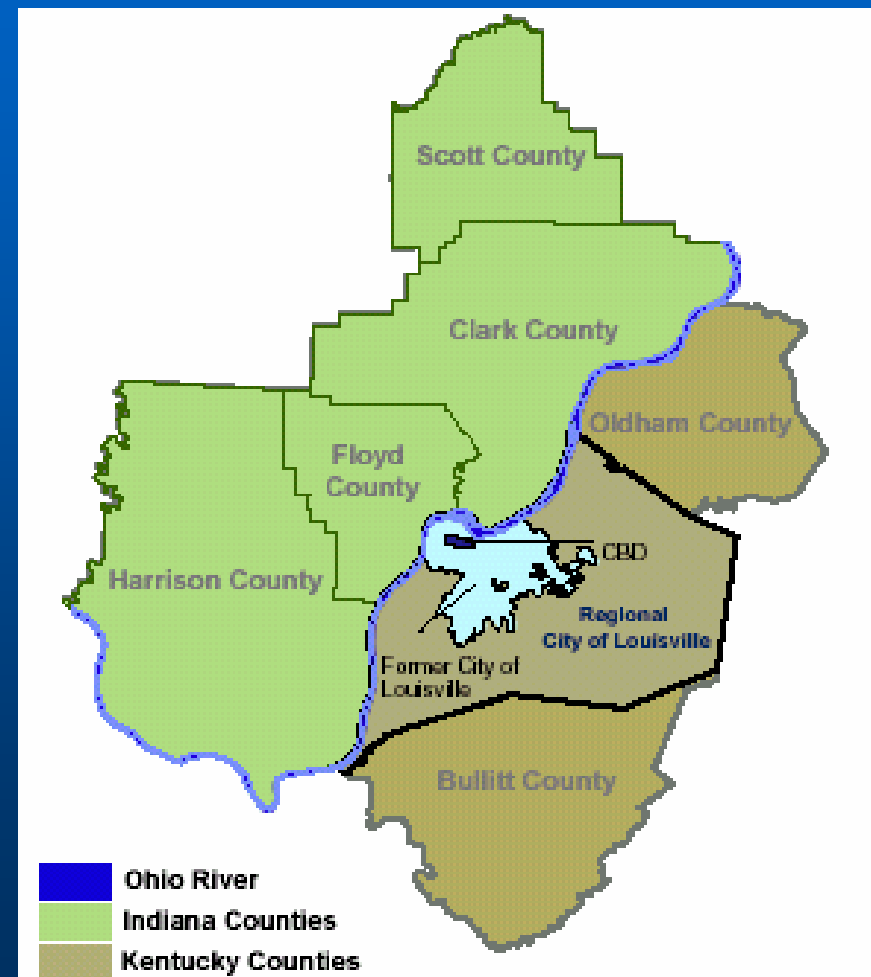
Implement Agenda with Focus and Market Discipline



Implement with focus

Market/Brand your agenda

Consolidated Louisville





Implement with focus

Impose market discipline on government agencies

Philadelphia Neighborhood Transformation Initiative

- A \$1.6 billion dollar 5 year program to remove blight from Philadelphia neighborhoods.
- Reform of the city's delivery systems.
- Build 16,000 new houses and demolish 14,000 buildings.
- Rehabilitate 2,500 properties.
- Creation of a Philadelphia Land Bank.
- Clearing of 31,000 vacant lots in the first year.
- Facilitation of neighborhood planning in a citywide context



Implement with focus

Use technology and information to move markets

Example → Milwaukee web site

MAP
MILWAUKEE

GIS Home
Metadata
Help



Implement with focus

Create metrics to hold yourself accountable

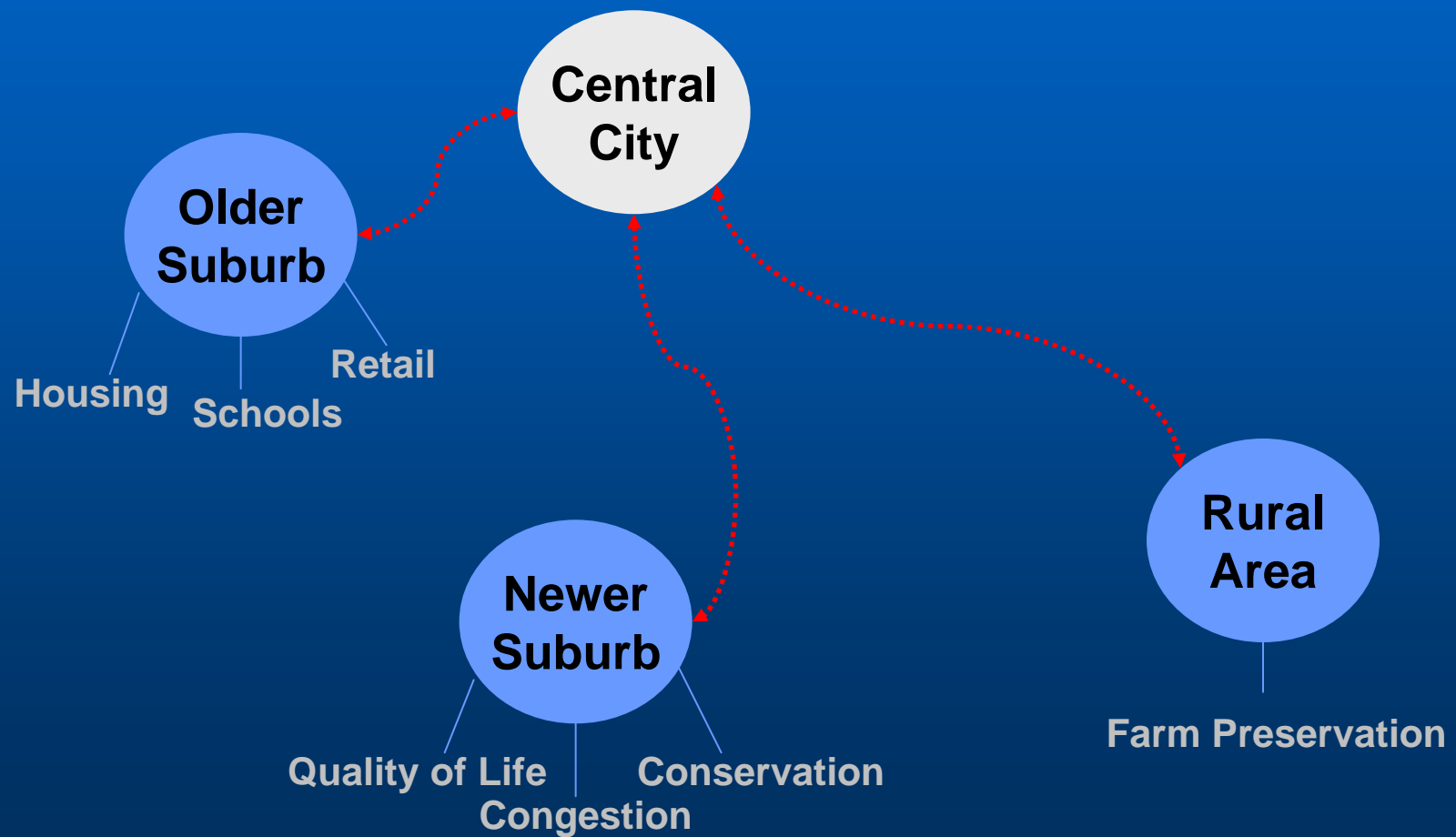
Example → Ft. Wayne

Identify goals
Measure Progress
Reward Success



Implement with focus

Find your allies



***“You’ve got to out on a limb sometimes,
because that’s where the fruit is”***

Will Rogers

www.brookings.edu/metro

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July 1, 2004

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METROPOLITAN POLICY PROGRAM

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

METROVIEW

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

[News Index](#)

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

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