

An Urban Age in a Suburban Nation?
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Introduction

I want to congratulate Ricky Burdett and the LSE team for pulling together the Urban Age initiative and holding the first forum in New York City. I also want to thank Andy Altman, head of the D.C. Waterfront Corporation and a visiting fellow at Brookings, for coauthoring the address that I will give today.

The proposition put forward by this initiative and this conference is bold and visionary:

“The late 20th Century was the age of economic globalization. The first part of the 21st century will be the age of the city, the ‘Urban’ Age’.... The design of the built environment, the distribution of urban density, and their impacts on social inclusion and the quality of life, are at the forefront of political discussion in towns and cities across the globe.”

Is an Urban Age possible in our suburban nation?

- Competitive cities that create and nurture strong, resilient, adaptive economies.
- Sustainable cities that promote accessible transport, residential and employment density and energy efficiency.
- Inclusive cities that grow, attract, and retain the middle class and integrate individuals across racial, ethnic and class lines.
- Physical cities where the built environment—neighborhood design, the architecture of private and public space—is a critical foundation of competitiveness, sustainability and inclusivity.

A decade or two ago, many Americans would have scoffed at this notion. An urban age in the land of strip malls, exit ramps and big boxes?

***The Urban Age is a worldwide series of conferences on the future of cities organized by the LSE Cities Programme and the Alfred Herrhausen Society for International Dialogue.**

Our nation, from its very inception, has been ambivalent, if not hostile, to the city. From Thomas Jefferson's "Pestilence City" in the 18th century, to the nativistic movements of the 1850s and 1890s, to Frank Lloyd Wright's "Vanishing City" in the 1930's, to futurist tracts more recently, the city has always been perceived as dirty and unhealthy, bureaucratic and antiquated, home to people and concepts that were not quite American.

Or as Thomas Jefferson famously wrote: "When we get piled upon one another in large cities, as in Europe, we shall become as corrupt as Europe."

On the ground, the American story of the past 50 years has been relentlessly suburban. In region after region, the low density dispersal of people and jobs—"sprawl" in a word—has dominated our physical landscape. A whole new lexicon has been created to describe America's unique contribution to human settlement: "edge cities", "edgeless cities", "exurbia", "boomburbs", and, my personal favorite, the "exit ramp" economy.

Well, if that was the exclusive story in the US, we could all pack up and go home—or at least confine our discussion of the Urban Age to other parts of the globe.

But Andy and I think hidden beneath the dominant story of sprawl and decentralization is an emerging narrative about the power and potential of cities and urban places.

Our argument today will go as follows:

First, broad demographic, economic, fiscal, and cultural forces, far from exclusively fueling decentralization, are increasingly promoting diversity, density, and urbanity.

Secondly, these forces—and a wave of urban innovation—are fueling a visible though uneven and incomplete resurgence of American cities.

Third, these broad forces are also altering the shape and composition of many suburbs and forcing America to reconsider the very notion of what is urban.

Finally, a note of caution. The full economic, physical, and social potential of urban places in the United States—the achievement of an Urban Age—will not be realized unless and until cities and their suburban allies push through systemic policy reforms at the state level and preserve a responsible partnership with the federal government.

Let's start with the big picture.

Everyone in this room can attest to the breathless pace of demographic change that is sweeping the nation.

- Our country is growing by leaps and bounds—33 million people in the past decade, 24 million in the decade before.

- Our growth is being fueled in part by an enormous wave of immigration. Thirty-four million of our residents are foreign born, 12 percent of the population, the highest share since 1930.
- Immigration is essential to offsetting another major demographic trend—the aging of our population. Like much of the industrialized West, the U.S. population is growing older and living longer.
- And our family structure is changing. Women and men are delaying marriage, having fewer children, heading smaller households.

These demographic forces are giving cities and urban places their best shot at attracting and retaining residents than at any time since the 1950s.

- Immigrant families who seek communities that are tolerant and welcoming.
- Elderly individuals who seek places with easy access to medical services, shopping and other necessities of daily life.
- Middle-aged couples whose children have left the nest and are open to new neighborhoods and shorter commutes
- Young people who are experimenting with urban lifestyles popularized on television shows like “*Seinfeld*,” “*Sex and the City*,” and “*Friends*.”

The pace of demographic change in our country is matched only by the intensity of economic transformation.

- Globalization and technological innovation are reshaping and restructuring our economy and altering what Americans do and where they do it.
- These forces have accelerated the shift of our economy from the manufacture of goods to the conception, design, marketing, and delivery of goods, services, and ideas.
- These forces are placing a high premium on education and skills, with communities and firms now engaging in a fierce competition for talented workers who can fuel innovation and prosperity.
- These forces are changing the ways businesses manage their disparate operations—enabling large firms to locate headquarters in one city, research and design somewhere else, production facilities still somewhere else, and back-office functions—within or outside the firm—in still other places.

As with changing demographics, the restructuring of the American economy gives cities and urban places a renewed economic function and purpose.

Yes, globalization and technology do have decentralizing tendencies and have made possible “Sprawl-Mart.”

But, an economy based on knowledge bestows new importance on institutions of knowledge—universities, medical research centers—many of which are located in the heart of central cities and urban communities.

More generally, the shift to an economy based on ideas and innovation changes the value and function of density.

- We now know that employment density and cities with efficient transport systems contribute to labor productivity
- Residential and employment density also enhances innovation. This happens partly by creating a “quality of place” that attracts knowledge workers and partly by enabling interactions and knowledge sharing among workers and firms, within and across industries.

Finally, the evidence shows that the urban form is not only competitively wise, but fiscally sound.

- We have known for decades that compact development is more cost efficient—both because it lowers the cost of delivering essential government services (police, fire, emergency medical) and because it removes the demand for costly new infrastructure.

So here is my second point: broad market, demographic and cultural forces—and policy innovation—have given American cities a second life.

Cities are growing again after decades of decline. Atlanta, Chicago, Denver, and Memphis literally “turned around” by converting a 1980s population loss into a 1990s population gain.

Immigrants are fueling population growth in cities and, in the process, renovating housing, revitalizing neighborhoods and spurring entrepreneurial activity. The Hispanic population in the top 100 cities grew by 43 percent during the 1990s, or 3.8 million people. The Asian population in the top 100 cities grew by 40 percent during the 1990s, or 1.1 million people.

Beyond demographics, cities have gained a strong footing in the “Ideas Economy.” Some 60 percent of the jobs in America’s cities fit squarely into “new economy” categories compared to only 40 percent in suburban communities.

Other signs of urban resurgence abound:

- Poverty rates declined in cities during the 1990s
- The number of people living in high poverty neighborhoods—and the number of high poverty neighborhoods—declined precipitously during the past decade
- Homeownership went up... unemployment fell... the numbers of minority and women owned businesses soared

Now don't get us wrong. We have not ended the urban crisis in America. Cities still house disproportionate shares of low income families and cannot, by themselves, respond to the inevitable challenges of housing affordability, health care and public education. Cities still, given their social and fiscal starting points, struggle mightily to attract and retain middle class families.

Nor are all cities equally prospering from the advantageous turn of events. Even a casual visit to Detroit or St. Louis or Camden reminds us of the devastating impact of decades of persistent poverty and institutionalized racism.

But trend lines are moving in the right direction. Major forces unleashed in this country are improving the economic and social potential of urban places.

And, significantly, smart, innovative policies are also making a difference.

Over the past 15 years, American cities—sometimes with support from federal and state governments, often not—have begun to pursue bold, systemic, transformative strategies to unleash their potential in the marketplace and, in the words of Henry Cisneros, to “act as instruments of social change.”

Just consider the following examples:

- 15 years ago, cities were beset by crack, gangs and disorder; since then we have witnessed a dramatic shift in policing techniques and a decline in urban crime. One cannot rebuild strong cities without safe streets.
- Ten years ago, David Osborne's book on government reinvention was a bestseller; since then almost every city has become more efficient and consumer friendly and, in the process, created a climate for business and residential investment.
- Ten years ago Mayor Daley took over Chicago's public schools, sparking a wave of governance reform in the public education system. Dozens of cities are experimenting with charter schools, small schools, comprehensive reading

efforts—often led by individuals and constituencies outside the formal education structure.

- Ten years ago cities, armed with new federal investments, began to transform the worst public housing in the country; since then dozens of projects have been demolished and remade as economically integrated communities of choice and connection.
- Ten years ago, the living downtown was still an oddity outside a few urban centers like Philadelphia and New York and Chicago; now it is a real estate phenomenon as developers can't move quickly enough to convert warehouses, historic structures, office buildings, and even department stores to residential use
- The past decade has seen an explosion of interest in light rail and other major forms of public transit
- The past decade has seen bold new efforts to return cities to their rivers and lakes—with cities like San Francisco, Milwaukee, and Chattanooga tearing down or reshaping freeways that block access to the water.
- The past decade has seen an explosion of locally-led prosperity campaigns to grow the incomes of working families through livable wages, local and state earned income credits, greater access to federal work benefits and crackdowns on predatory lenders and other institutions that prey on low income families.

What unites these efforts is their focus on transformation: of the physical landscape, of the economic landscape, and of the social landscape.

These are big, entrepreneurial efforts at a time when we are often told, by both national parties, that government is the problem, not the solution.

These are also efforts that celebrate the city—its fabric, its diversity, its complexity—and assert boldly that the cities do not need to replicate the suburbs to be competitive; rather they are competitive on their own terms.

Now here's our third point. The impact of broad demographic, market and cultural forces are not just confined to cities; they are also remaking the suburbs.

With suburbs taking on a greater share of America's population, they are beginning to look more and more like traditional urban areas—in population and in form.

- In many metros, a substantial portion of immigrants in the past decade skipped cities and went directly to the suburbs. Racial and ethnic minorities now make up more than a quarter of suburban populations, up from 19 percent in 1990.

- The similarities between cities and older suburbs also extend to economic integration. Many suburbs built in the early or mid part of the twentieth century are also home to the working poor—challenging ingrained perceptions of suburbs as isolated, wealthy enclaves.
- Message to America: it is no longer your parent’s suburb.

The older suburbs are not just important because they resemble cities in their social and economic composition; they are also population centers of great magnitude.

- Our calculations show that America only has 64 “older suburban” or “first suburban” counties—places like Nassau County in Long Island, Westchester County north of NYC, and Erie County surrounding Buffalo. Incredibly, these 64 counties house over 52 million people and comprise nearly 20 percent of the American population. That means over 50 percent of the American population—a majority of our nation—lives in traditional central cities and five dozen or so urban counties.
- In this state [New York], the combination of the major central cities and these urban counties comprise over 70 percent of the population.

A growing number of suburbs also increasingly resemble cities in one more way—their form.

- We see this as places like Montgomery County in Maryland develop downtown areas like Bethesda and Silver Spring that rival traditional central cities in their cultural amenities, their access to transit, their eclectic mix—often on the same site—of office, retail, and residential.
- We see this as developers and financial institutions spend billions of dollars building or rebuilding malls—so-called “lifestyle centers”—that resemble nothing more than the traditional main street, evidence of the market value, acceptance of and demand for urban places.
- All across suburbia and even exurbia, we see pockets of urbanity popping up as homebuilders and master developers, banks, and realtors embrace “new urbanism” and “smart growth”—movements that, like the wave of innovation in US cities, are only 10 years old.

As with the story of city resurgence, the story of suburban urbanization is not uniform across the nation or even within particular counties or metros. Again, low density sprawl still dominates by far the physical landscape.

But it is clear that the market is increasingly emphasizing the “urban” in “suburban”—partly because it is told to by enlightened suburban jurisdictions and partly because it

wants to, since density and urbanity pays more. The urbanization of the suburbs does not repeal capitalist instincts—it co-opts and embraces and even sanitizes them.

Now our final point. The Urban Age in America is not a foregone conclusion; rather it will depend upon cities and suburbs making smart choices locally and then joining together collectively to push through state and ultimately federal policies that curb sprawl, promote reinvestment and grow the middle class.

The hard truth of the matter is that for every smart decision made locally, another miscalculated bet is made on a convention center or a sports stadium when we know that these facilities rarely meet their inflated expectations.

The sad truth of the matter is that city after city is spending enormous energies chasing the tantalizing prize of biotech when we know that only 10 or so metros really have a shot at agglomeration economies that will make a discernible difference in job creation and fiscal vitality.

The fact is that too many cities spend too much time mimicking “magic bullet” projects and solutions and too little time fixing the basics—good schools, safe streets, competitive taxes, efficient services—so that markets can flourish, families can succeed, and cities once again can be home to the middle class.

Yet even smart, strategic city-only solutions will not be sufficient. To achieve their true potential, urban places will need to be part of new political alignments that, in the near term, pursue structural state reforms and, in the long term, restore sanity to the federal role in American society.

Let’s remind ourselves, first and foremost, of the city-shaping and family-strengthening powers of states in our union.

- States set the rules and geography of governance that define local power.
- They set the rules of the development game that define growth patterns.
- They are major investors in all levels of education—k-12, community colleges, and public universities.
- With devolution, they now administer large federal block grants on transportation, workforce, welfare and housing.
- And, they help set the opportunity structure for working families through large investments in health care and other critical supports and through regulation of multiple sectors and segments of the economy.

Most importantly, a growing number of states are ripe for change. And if American history has taught us anything, states—as laboratories of democracy, as political

battlegrounds for federal presidential contests—will ultimately shape federal policies and practices for decades to come.

Let me give you a hopeful lesson from some of our state work.

About a year ago, Brookings published a major report in the Commonwealth of Pennsylvania that unveiled the competitive and fiscal implications of the state's main development pattern, the hollowing out and spreading out of once grand cities like Pittsburgh, Philadelphia, Scranton, Erie, and Reading.

What we also demonstrated in Pennsylvania was how sprawl was embedded and hardwired in an intricate network of state spending, tax, regulatory, and administrative policies.

- State transportation policies that spent only 42 percent of road and bridge spending in older urban communities, where 58 percent of the population lives.
- State tax policies that leave cities stranded with tax exempt properties and saddled with the costs of maintaining older infrastructure
- State governance policies that support incredible localism among hundreds of suburban municipalities, each able to compete favorably with cities and older communities because they can benefit exclusively from job growth without taking responsibility for traffic or worker housing or poverty concentration.
- State building codes that makes it cheaper to build new rather than renovate older properties.
- State housing policies that, under the guise of neighborhood renewal, often reinforce the concentration of poverty rather than enhance access to opportunity.

What we also discovered in Pennsylvania was an urban coalition that was less than the sum of its parts. Pennsylvania, like many states, does not lack for talented mayors or business owners or community, faith-based, and civic leaders or real estate practitioners or university presidents or heads of health care systems or environmentalists or conservationists.

Yet these talented people are rarely organized to pursue structural change. City is pitted against city. Urban constituencies are pitted against urban constituencies. The city/suburban divide—sometimes racial, sometimes not—is deep and pronounced.

Cities and urban places, in short, have perfected the practice of city building—the “art of the deal”—and neglected the mechanics of coalition building—the “art of the political.”

Only a year later, what we are witnessing in Pennsylvania is the evolution of a vibrant political coalition that is leading a discussion about city revitalization, balanced growth, and state competitiveness.

The confluence of powerful ideas, a progressive governor (Ed Rendell, the former mayor of Philadelphia) and a vocal network of advocates is already reforming policies:

- The state is embracing “fix it first” policies in transportation – stopping sprawl inducing road projects at the fringe in order to fund infrastructure repair in the metropolitan core
- The state has resuscitated a State Planning Board to bring coherence to the actions of dozens of state agencies.
- The state has revitalized an Interagency Land Use Team to better focus the state’s actions and investments.
- The governor is seeking substantial new resources to dedicate to brownfield remediation and land acquisition—illustrating the potential for common ground between old and new communities.
- The governor is pursuing bold new reforms to prepare the Pennsylvania workforce for a radically different economic era.

And policy fermentation is breaking out:

- Should Pittsburgh consolidate with Allegheny County?
- Should metro areas in the state be allowed to experiment with new taxing regimes and governance forms?
- Should the state’s fiscal receivership law be turned into a tool for attacking the structural roots of urban decline and distress?

The important point here is that politics determines policies, and policies shape markets and growth patterns. In Pennsylvania and elsewhere, sprawl and economic and social change has left in its wake the potential for common ground between cities, older suburbs and even newer suburbs on a variety of issues—economic development, infrastructure spending, regional governance, local taxation, education and workforce, environmental protection, affordable housing.

Now that brings us to the 800 pound gorilla in the room—the radical restructuring of the federal government.

With the recent release of the president's budget, we now know that the Bush administration seeks to completely remake the fiscal and policy architecture of the United States and dramatically curtail the role and function of the federal government.

Make no mistake: the impact on cities of these proposed changes—the intended impact on cities and the people who live there—will be severe.

- Dramatic reductions in housing subsidies.
- Dramatic reductions in community development subsidies.
- Dramatic reductions in key infrastructure investments like Amtrak and transit.
- The crowding out of investments in working families: health care, child care, income supplements, nutrition assistance, worker training.
- Harmful reforms of key programs like Medicaid and housing vouchers.
- The failure to enforce a whole series of laws that protect consumers and encourage lending in cities: the Community Reinvestment Act, the Fair Lending Act, the Fair Housing Act, the Home Mortgage Disclosure Act.
- And a chill on not just city revitalization but national prosperity with rising deficits, rising interest rates and growing trade imbalances.

So the same political imperative that is necessary for cities to play offense on the state level is critical to playing defense at the federal level.

Let's do the math. Cities alone in the US do not have the electoral heft by themselves to sway state policies and federal policies. But as part of new majoritarian alliances, they can begin to take back the debate and the power.

The challenge for urban places is to go back to school on political organizing and coalition building and create networks of leaders and advocates across municipal jurisdictions, across disciplines, across racial and ethnic lines, across "red" and "blue" states and regions.

Let us conclude with these thoughts.

Over half the American built environment will be developed by the year 2030.

The question for the nation is, therefore, not whether we grow but how we grow, where we grow and what we grow.

Our hypothesis today is that a distinctively American "Urban Age" is possible in our suburban nation.

It is possible because cities—with their density and diversity—have gained a second life in an era of demographic change and market restructuring.

It is possible because many suburbs are exhibiting urban heterogeneity and embracing urban forms as a way to survive and thrive.

It is possible because a new wave of policy innovation is sweeping cities and states.

It is possible economically because consumers and firms are demanding it and architects and designers and builders and financial institutions are creating it.

It is even possible socially (that is, urban revitalization can promote economic integration rather than widen disparities) if a broader commitment to inclusion and advancement takes hold in the country.

The “Urban Age” in America will, therefore, be complicated.

It will be locally grown, not centrally planned.

It will embrace, not repel, broader American themes of choice and competition.

It will depend on American virtues of innovation and entrepreneurialism and risk taking.

It will challenge the very notion of what is a city, what is a suburb, and what is urban.

It will stretch our definition of density to include many places that, by the standards of other countries, are not that dense.

It will vary considerably across our vast and diverse nation—taking root in some places, bypassing others.

It will be heavily influenced by policy and politics.

- It will be need to be fought for locally to ensure that market resurgence does not exacerbate racial, class, and economic disparities.
- It will need to be fought for at the state and federal levels to ensure that higher levels of government respond to the power of new political coalitions and embrace the new linkage between density, competitiveness, fiscal responsibility, and social inclusion.

It will not be the Urban Age of the 20th Century with one single dominant city at the core of metropolitan economies; rather urbanity will peacefully coexist with low density sprawl as part of new complex and interdependent metropolitan communities.

It will, in short, be quintessentially American—messy, conflicting, contentious, mercantile, polycentric, endlessly interesting, and alternatively inspiring and appalling to the world.