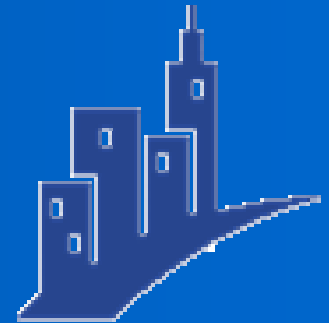


The Brookings Institution

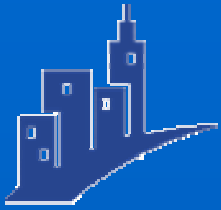
Metropolitan Policy Program
Bruce Katz, Director



The State of American Cities and First Suburbs

National Development Council

May 11, 2005



The State of American Cities and First Suburbs

I

What are the general demographic and economic trends affecting the United States?

II

What are the major trends affecting cities and suburbs?

III

What does this mean for state and local housing policy?

I

What are the general demographic and economic trends affecting the United States?

Major demographic forces are changing the United States



Population Growth

Immigration

Aging

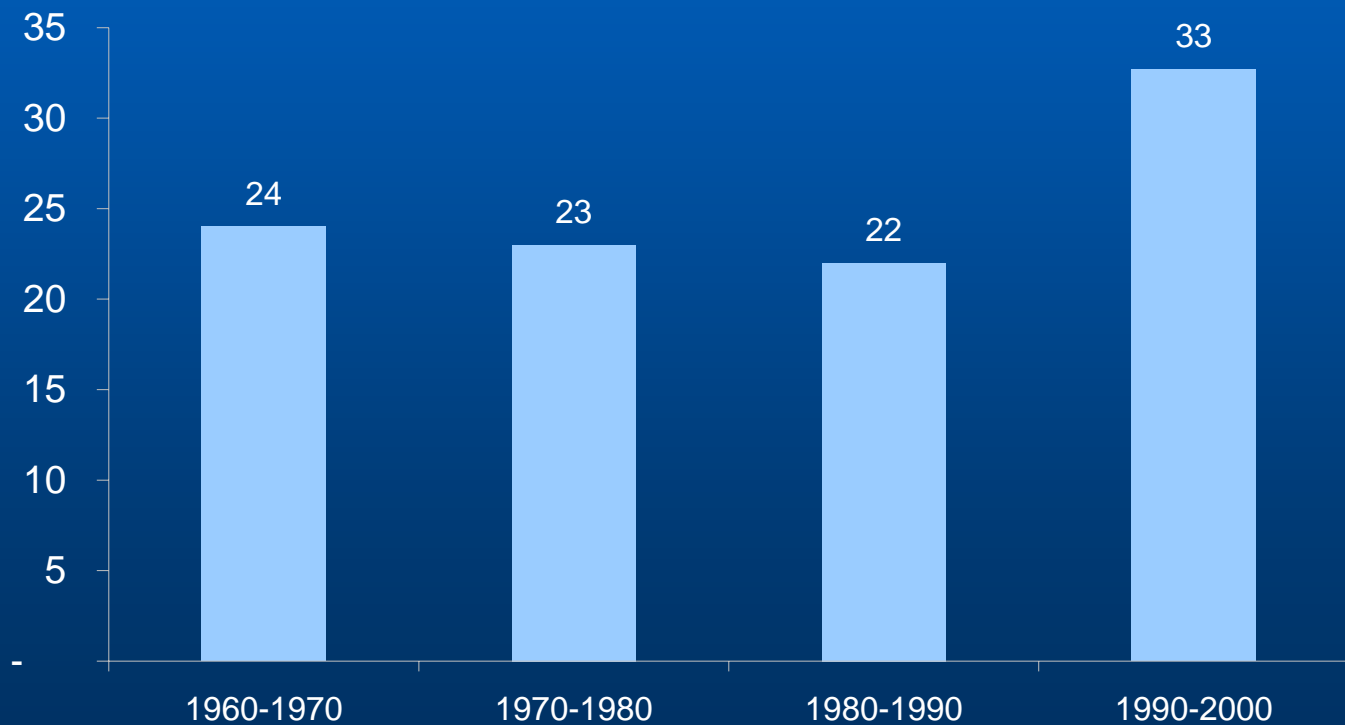
Internal Migration



The 1990s presented the strongest growth in four decades

US population
growth (millions),
1990-2000

Source:
U.S. Census Bureau



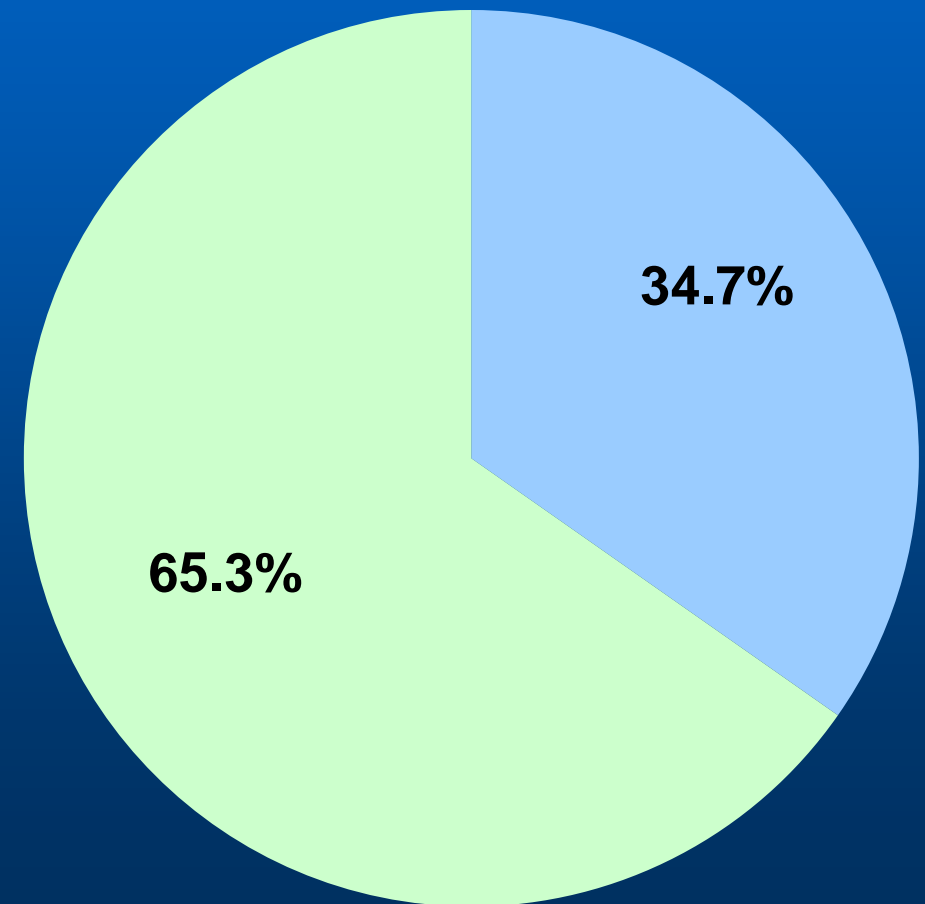


More than 1/3 of this population growth was driven by immigration

Components of
population change,
1990-2000

Source:
U.S. Census Bureau

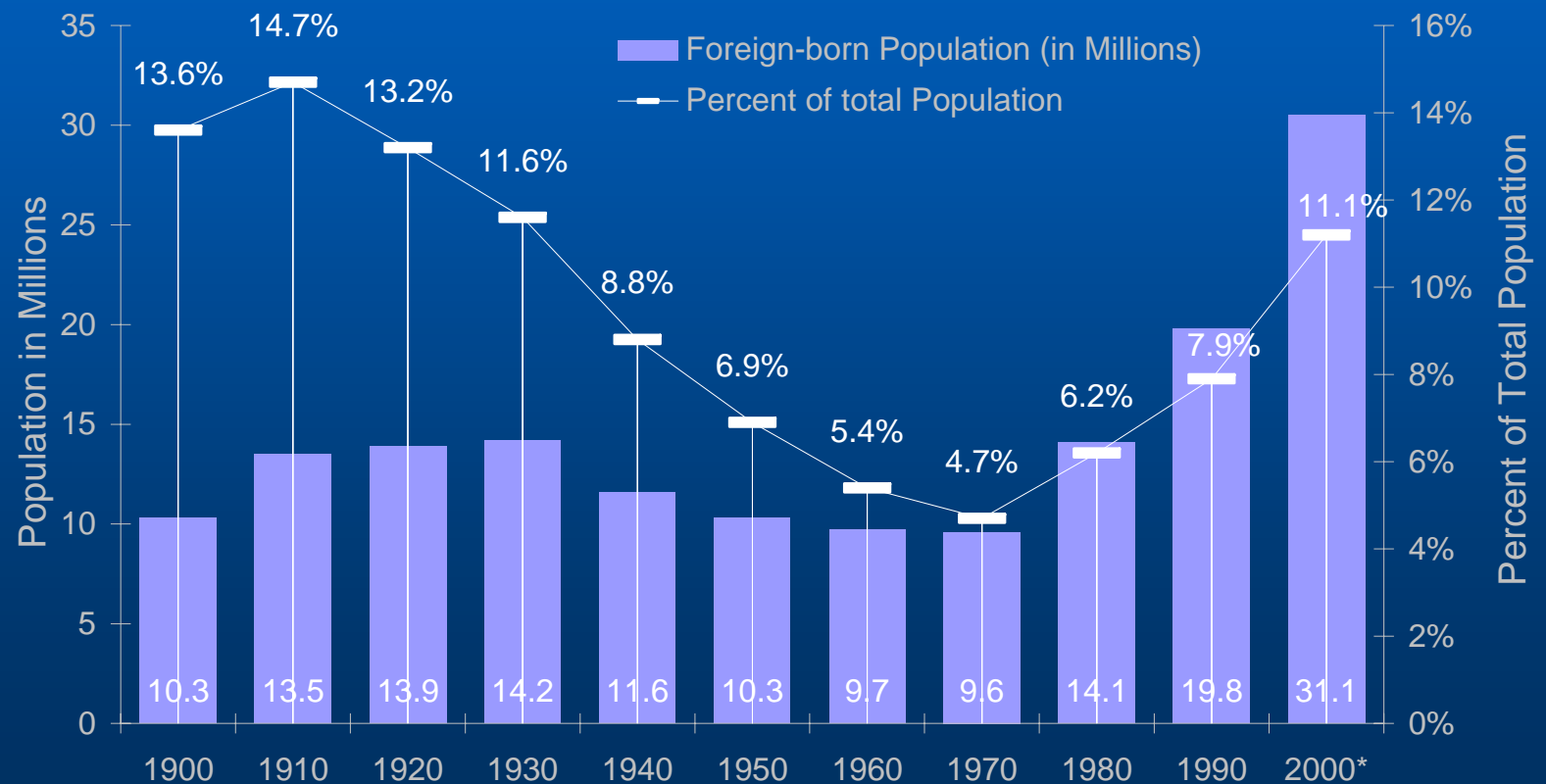
- Net Immigration
- Natural Increase





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





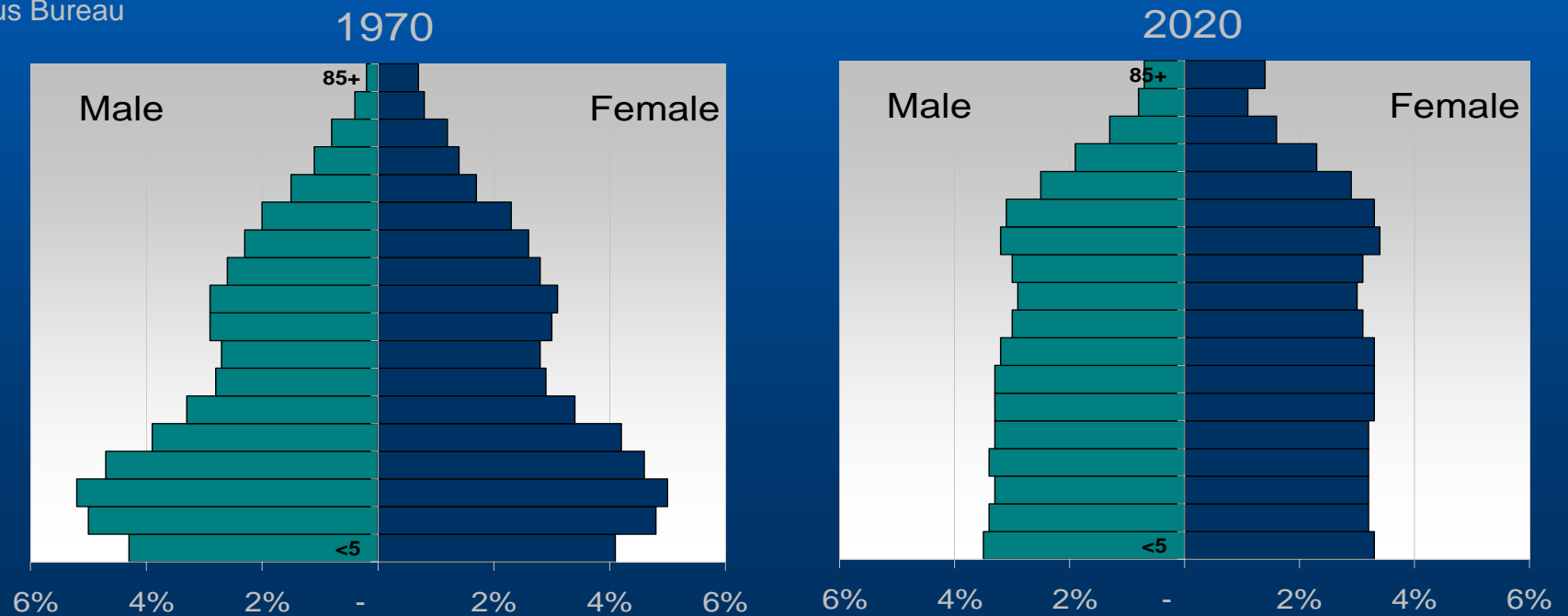
Aging



At the same time, the US population is aging

US Age
Distribution,
1970 vs. 2020

Source:
U.S. Census Bureau

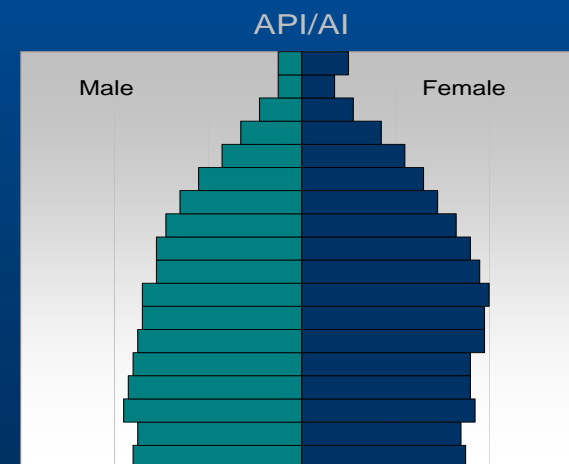
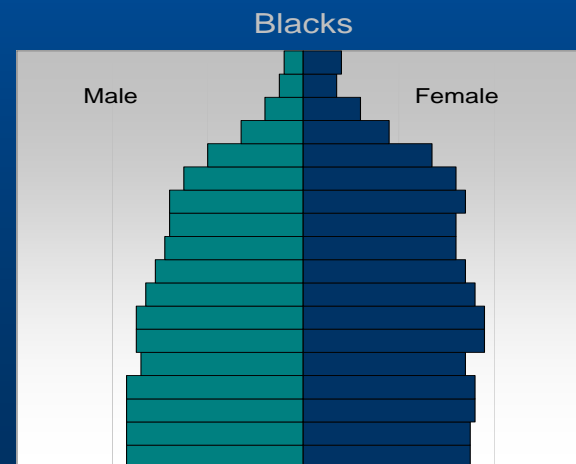
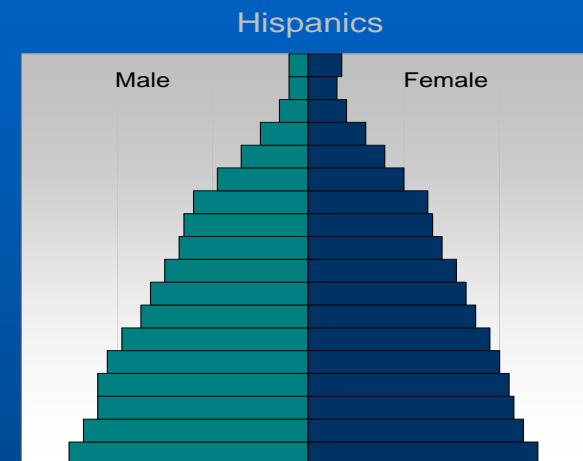
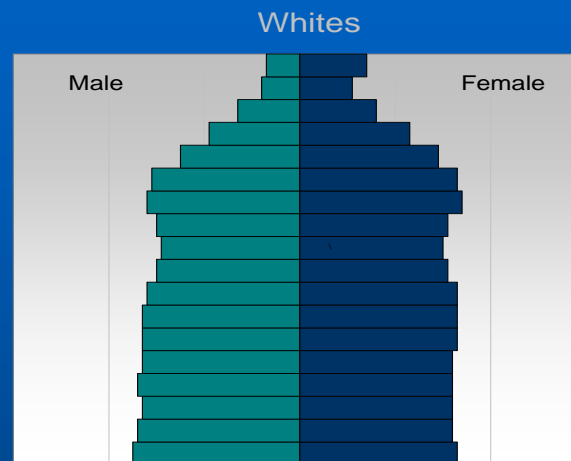




Minorities, however, have younger age structures than whites

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



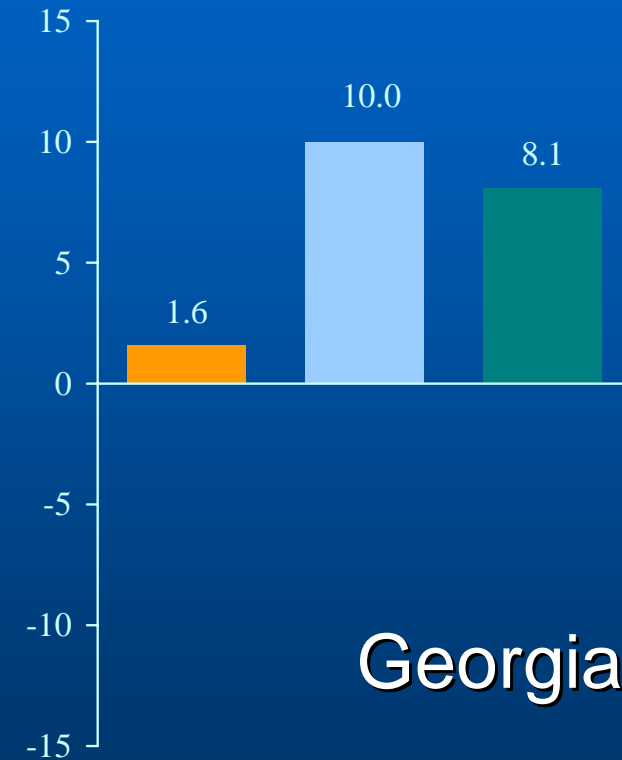
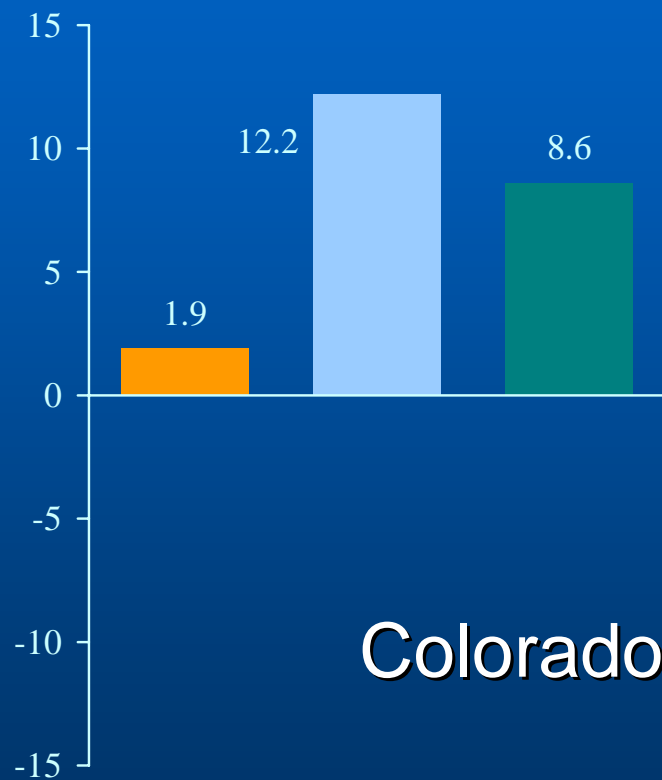
Slow growth states



METROPOLITAN POLICY PROGRAM



New Sunbelt: Examples



Immigration Domestic Migration Natural Increase

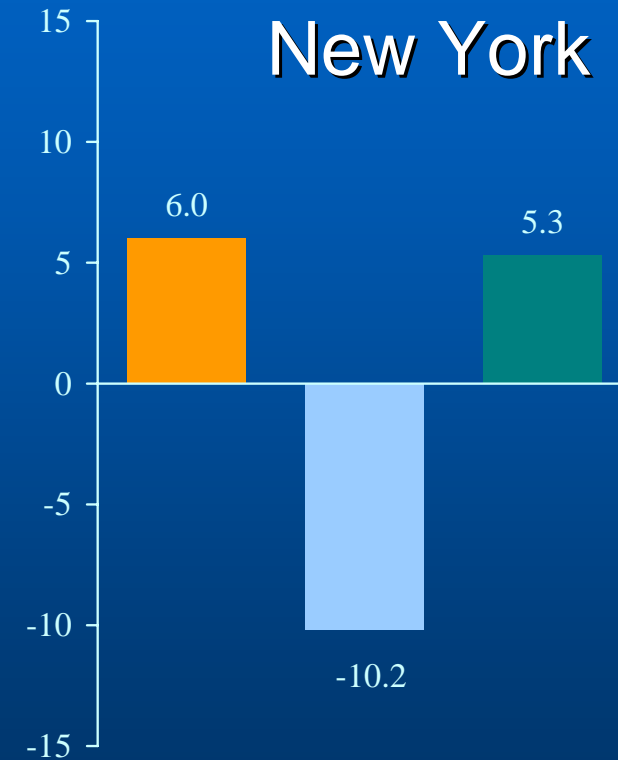
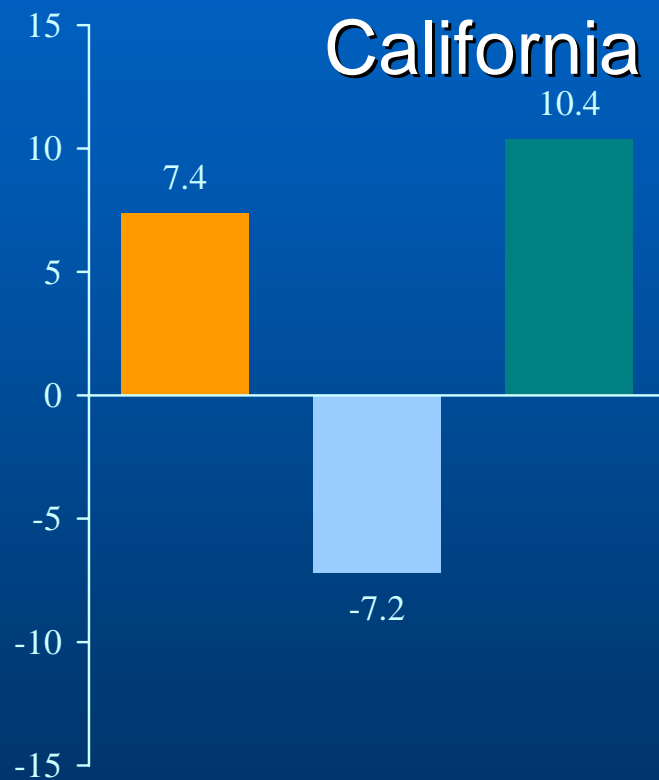
Source: William H. Frey

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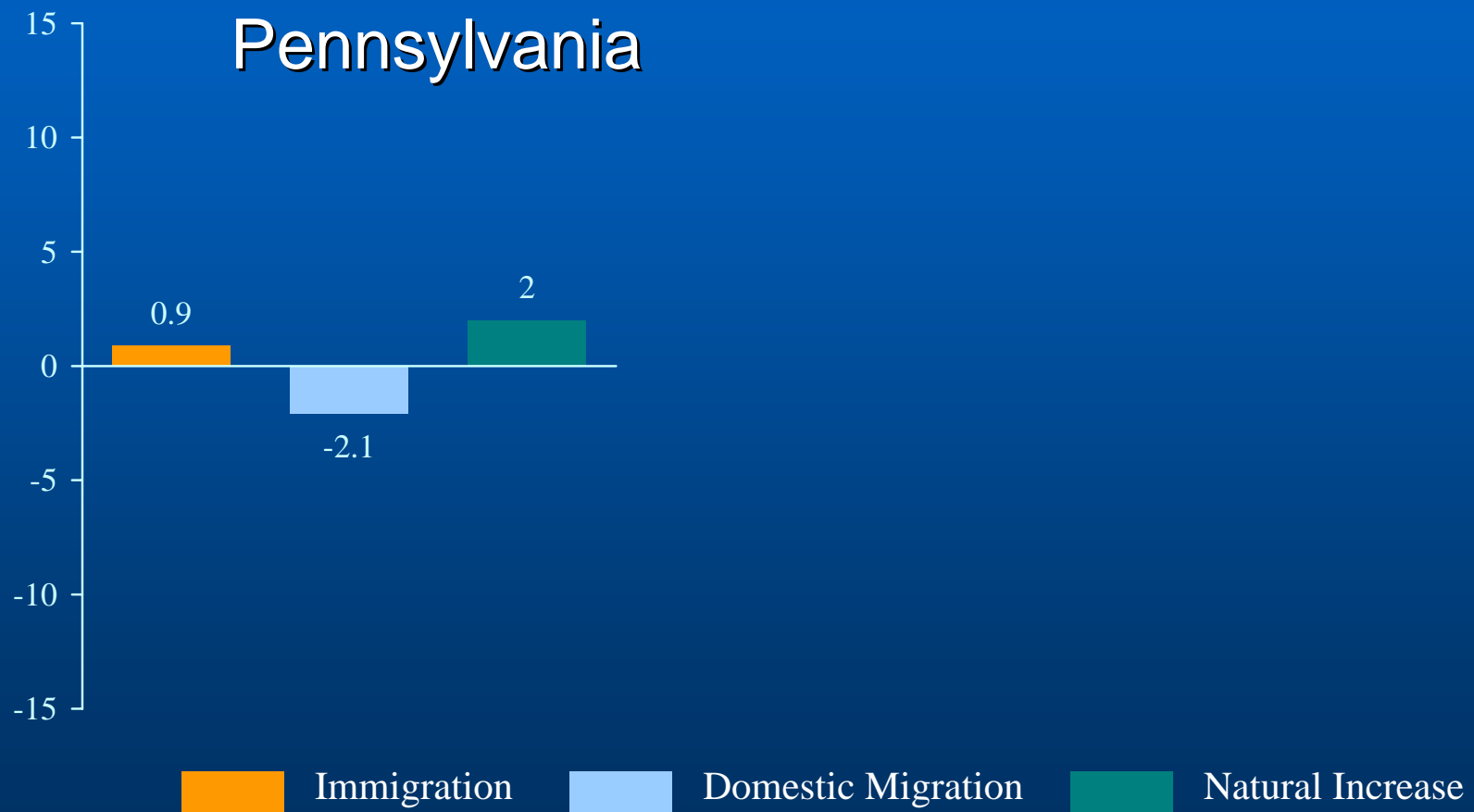
Melting Pot: Examples



Immigration Domestic Migration Natural Increase



Heartland: Examples



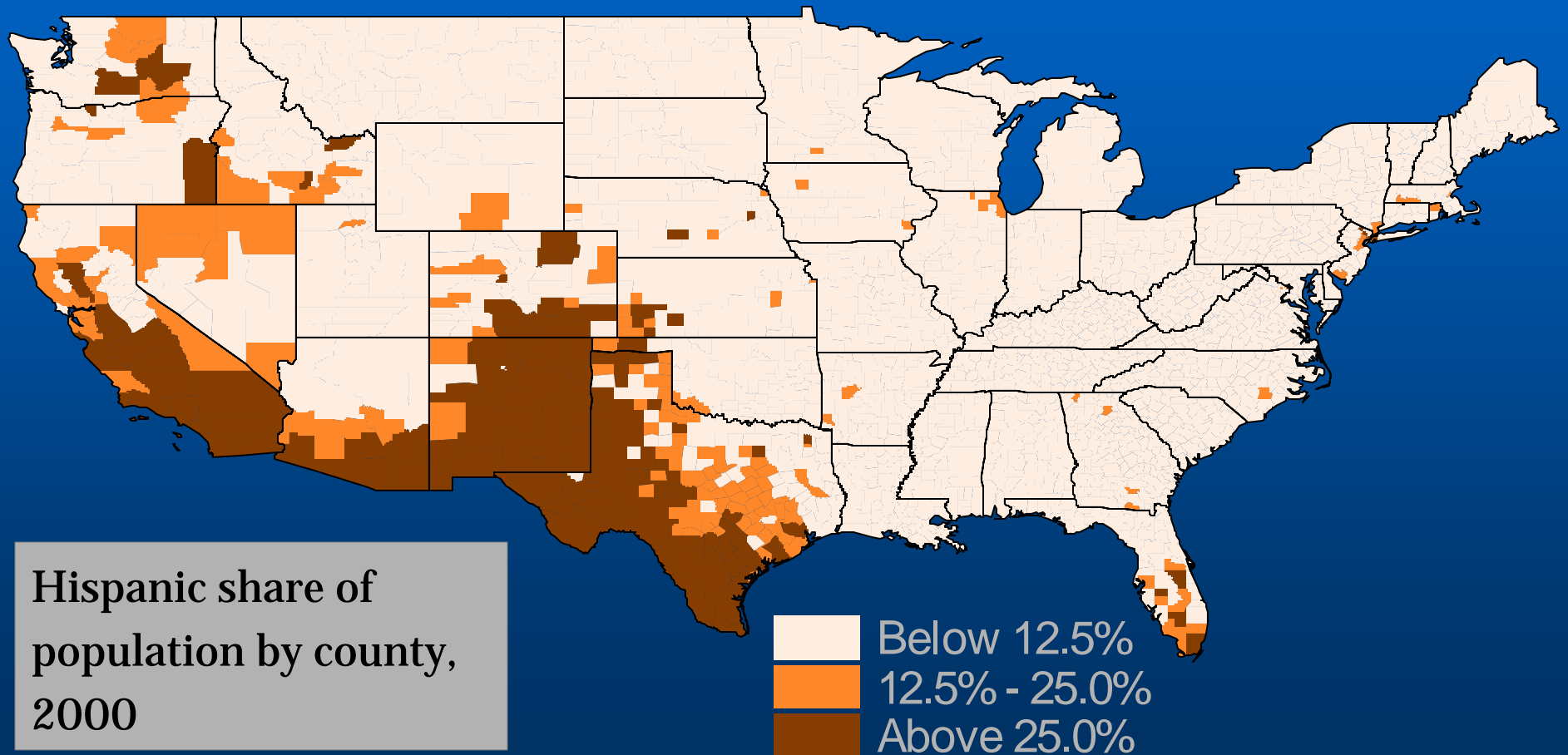
Source: William H. Frey

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METROPOLITAN POLICY PROGRAM



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



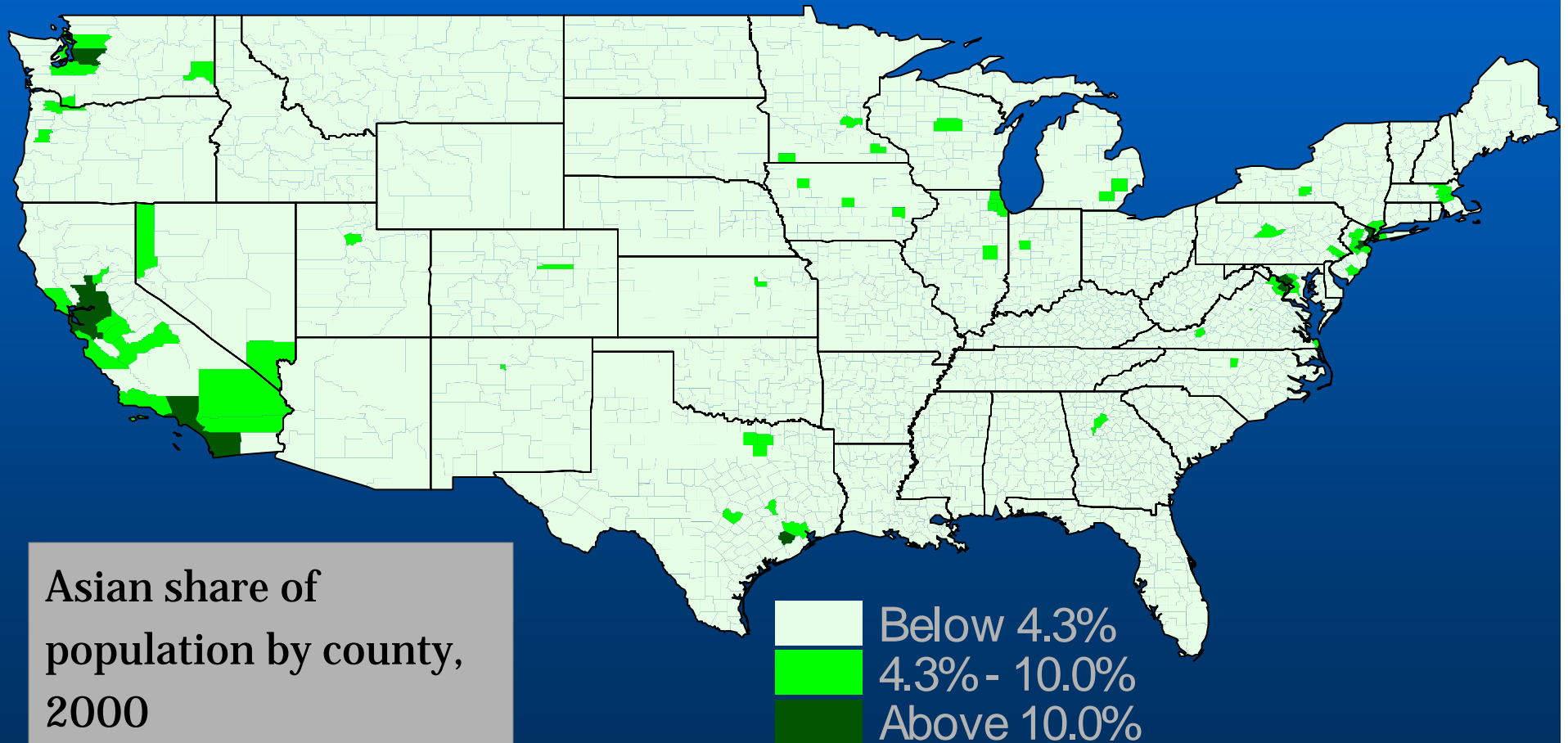
Source: William H. Frey

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Asians are concentrated in California and isolated urban pockets



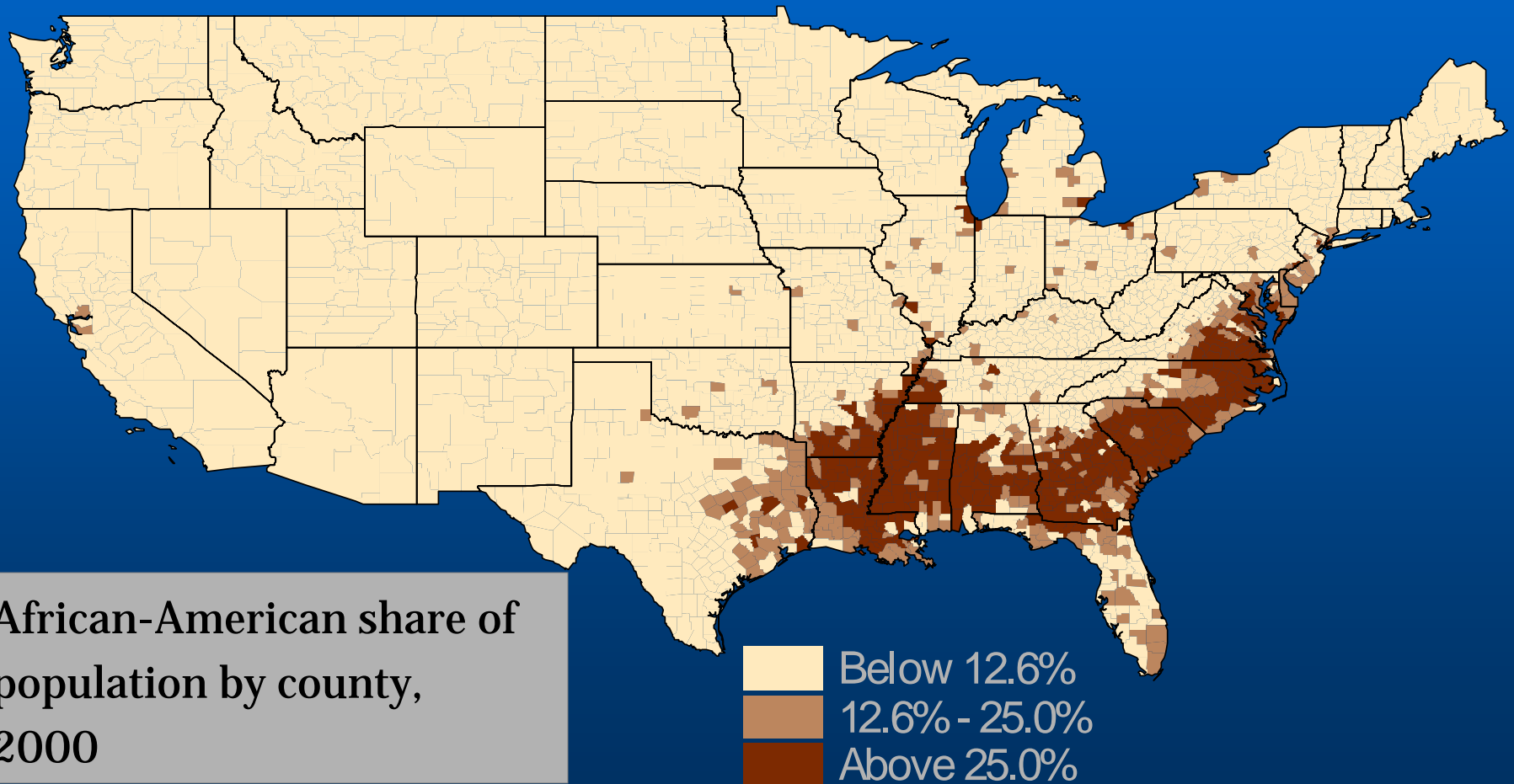
Source: William H. Frey

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



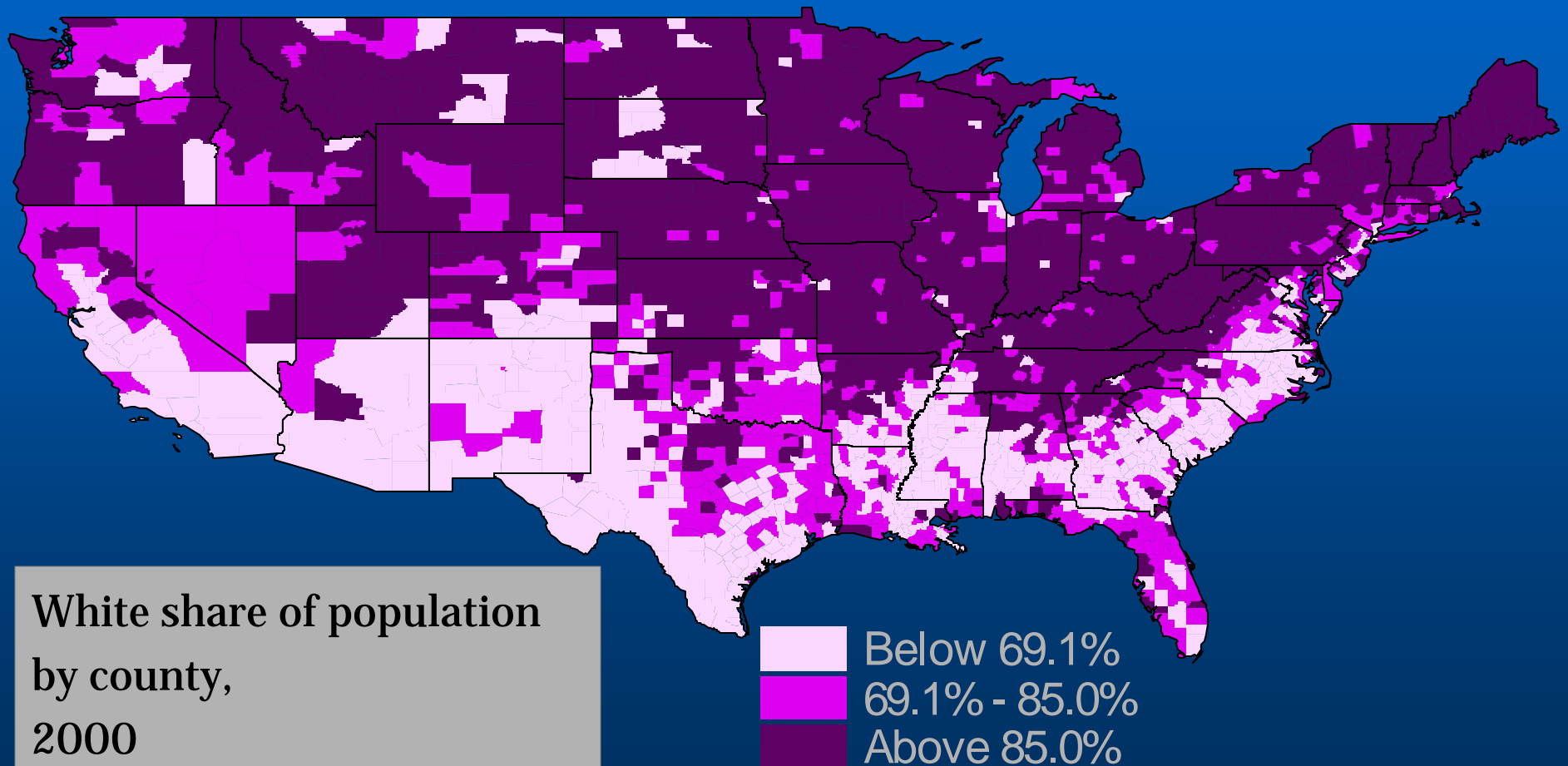
Source: William H. Frey

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METROPOLITAN POLICY PROGRAM



Whites are principally concentrated in the heartland



Source: William H. Frey

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METROPOLITAN POLICY PROGRAM

I

What are the general demographic and economic trends affecting the United States?

Major economic forces
are changing the
United States

Globalization

Deindustrialization

Knowledge Industries

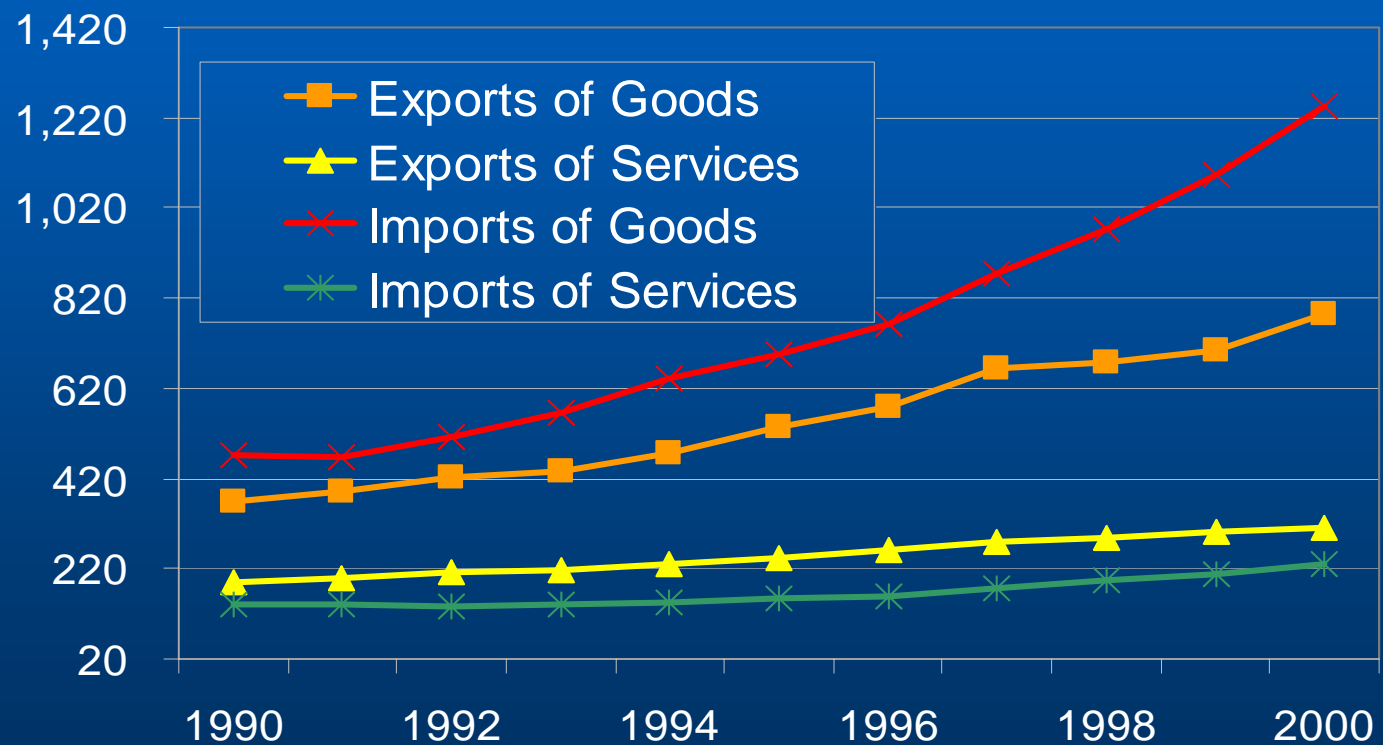
Rapid Innovation



Importing dramatically increased in the 1990s

Trade of goods and services in Billions of constant 2000 dollars, 1990-2000

Source:
Bureau of Economic Analysis

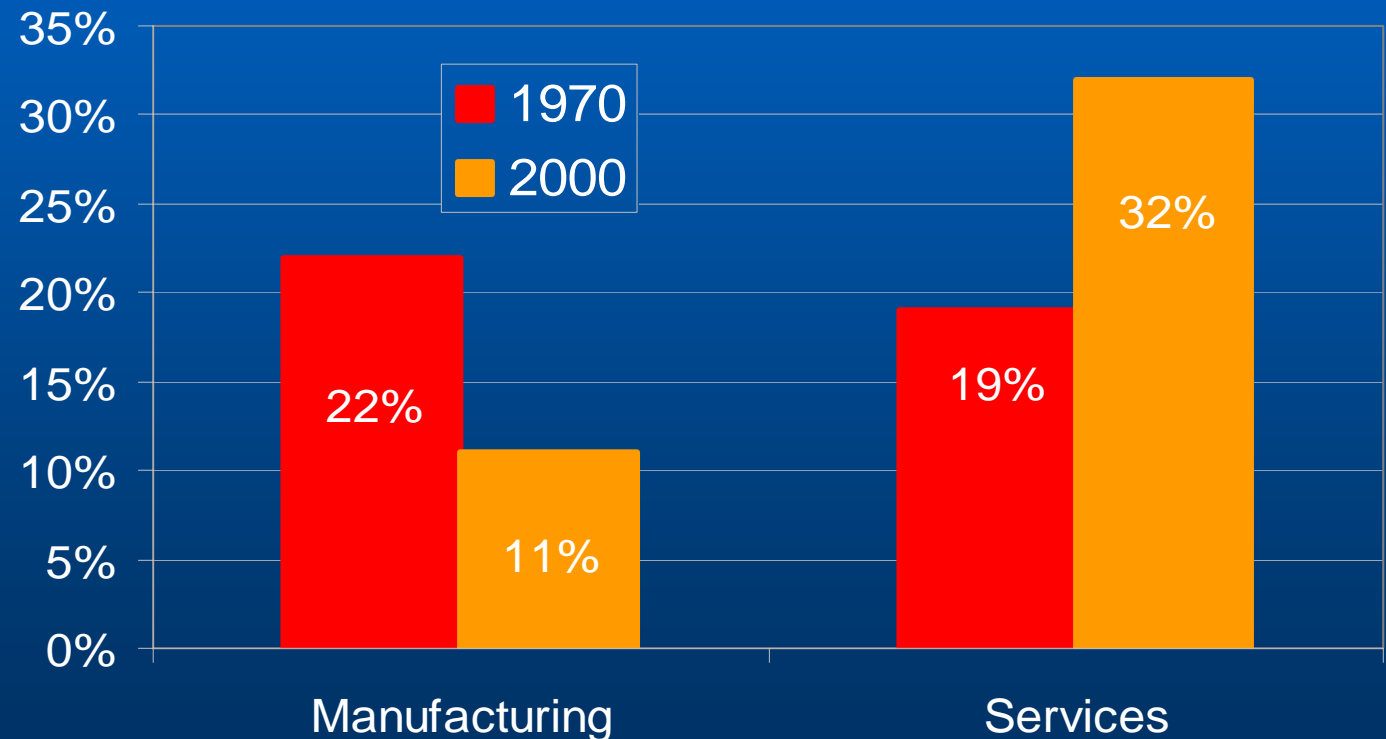




Since 1970, the U.S. has moved from a manufacturing-based economy to one based on services

Share of employment
in manufacturing and
services,
1970 and 2000

Source:
Bureau of Economic Analysis

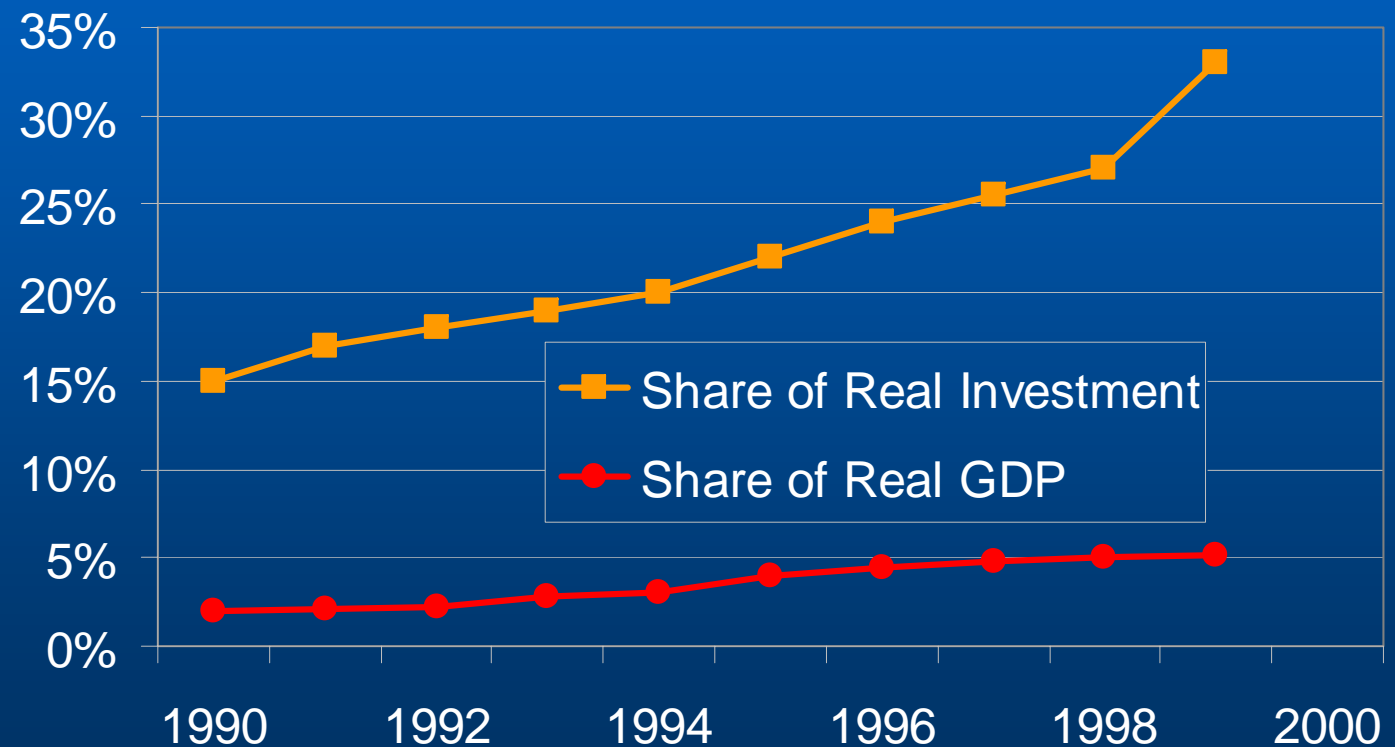




The share of U.S. investment in New Economy industries is steadily rising

Share of real investment and GDP in New Economy industries, 1990-1999

Source:
Ned Hill, "Innovation and Economic Development."
Presentation to the White House Office of Science and Technology and the National Governors Association

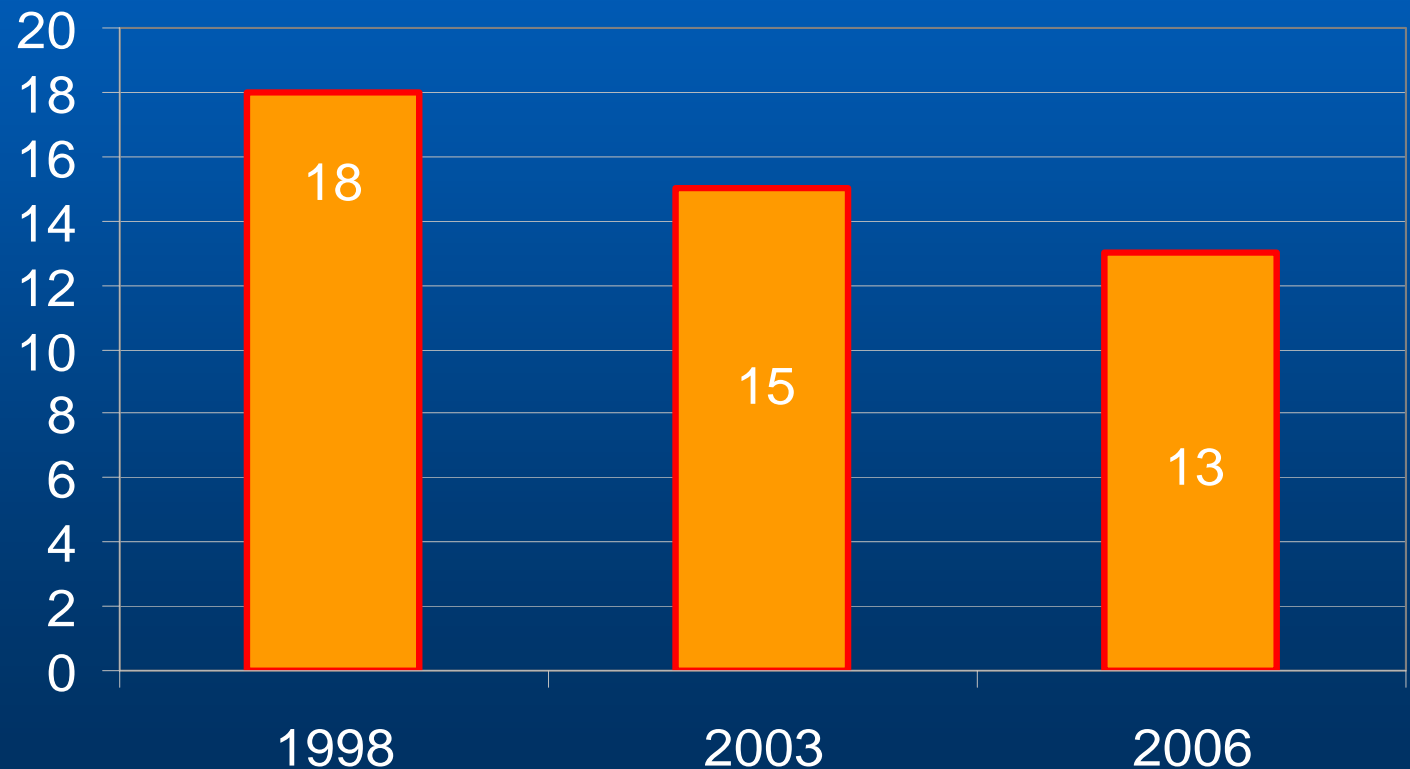




Innovation is speeding up, with time-to-market expected to fall to just over a year by 2006

Time from research and development to market, in months, 1998, 2003, and 2006

Source:
Ned Hill, "Innovation and Economic Development."
Presentation to the White House Office of Science and Technology and the National Governors Association

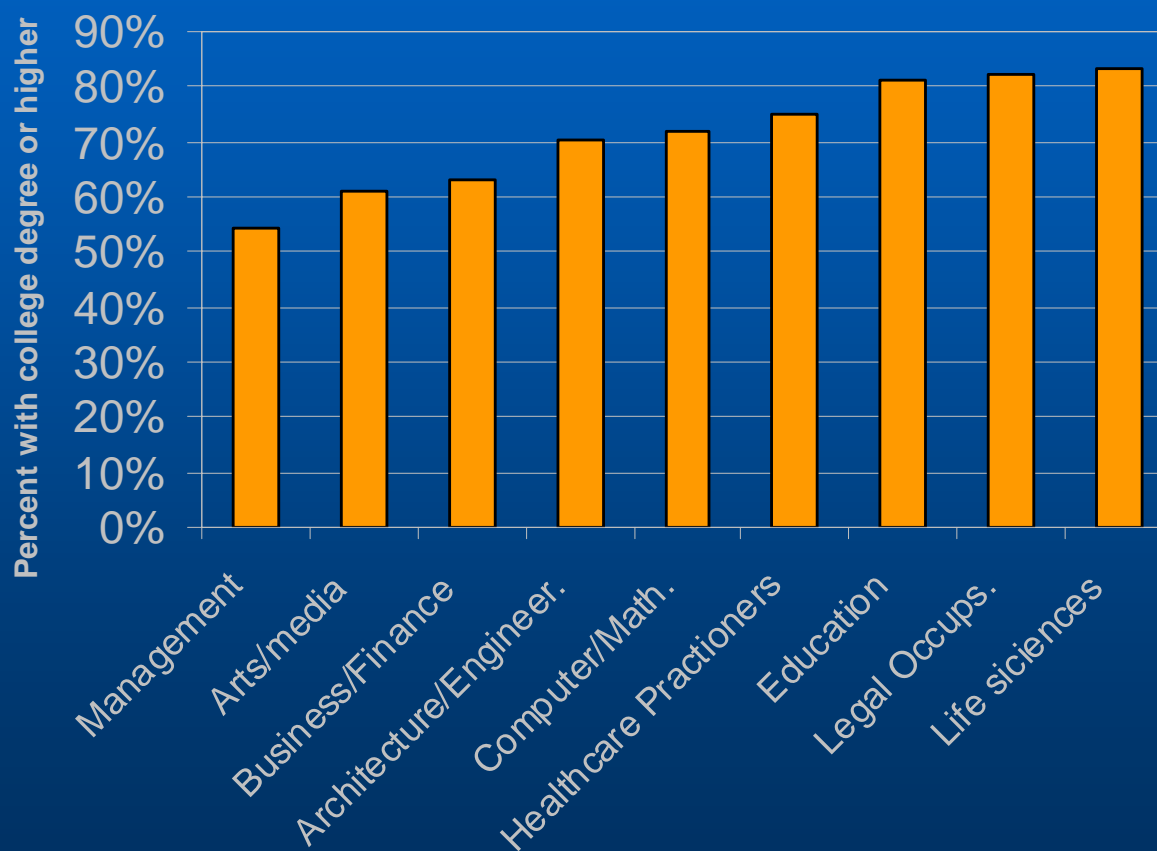


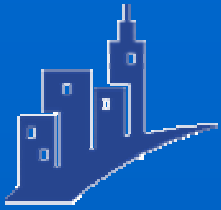


All these changes are placing a high premium on education and skills

Percentage of Workers with a College Degree or Higher, select occupations, 2002

Source: National Education and Attainment, National Bureau of Labor





The State of American Cities and First Suburbs

I

What are the general demographic trends affecting the United States?

II

What are the major trends affecting cities and suburbs?

III

What does this mean for state and local housing policy?



What are the major trends affecting cities and suburbs?

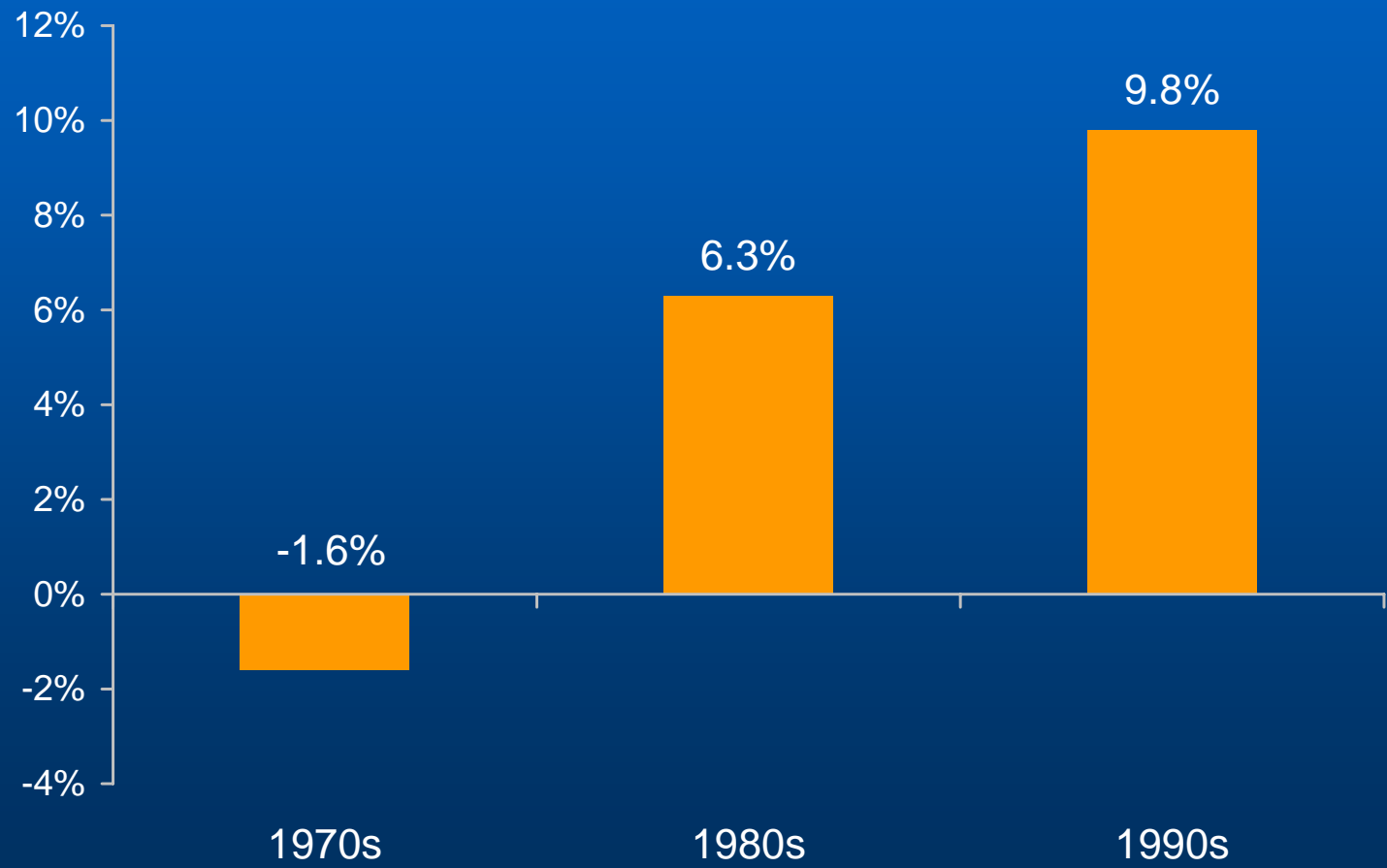
1. Cities are growing, but metros are still sprawling
2. Regional variation is substantial
3. Cities and suburbs are becoming more diverse
4. The geography of work is changing
5. The geography of poverty is changing



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

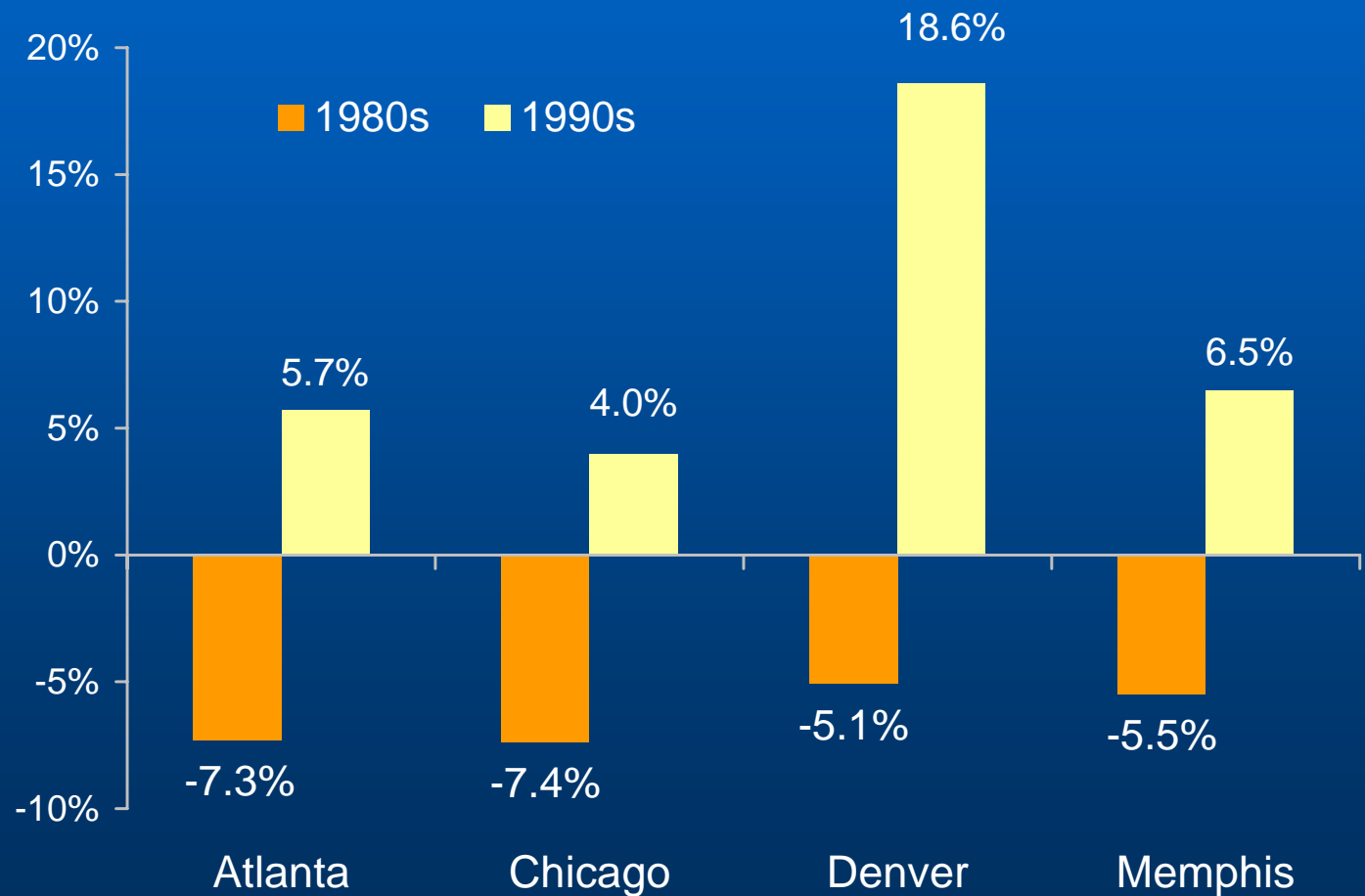




Several large cities gained population during the 1990s after losing population in the 1980s

Selected cities,
population growth
1990-2000

Source:
U.S. Census Bureau





Cities in growing metros grew, while those in slow growth metros generally declined

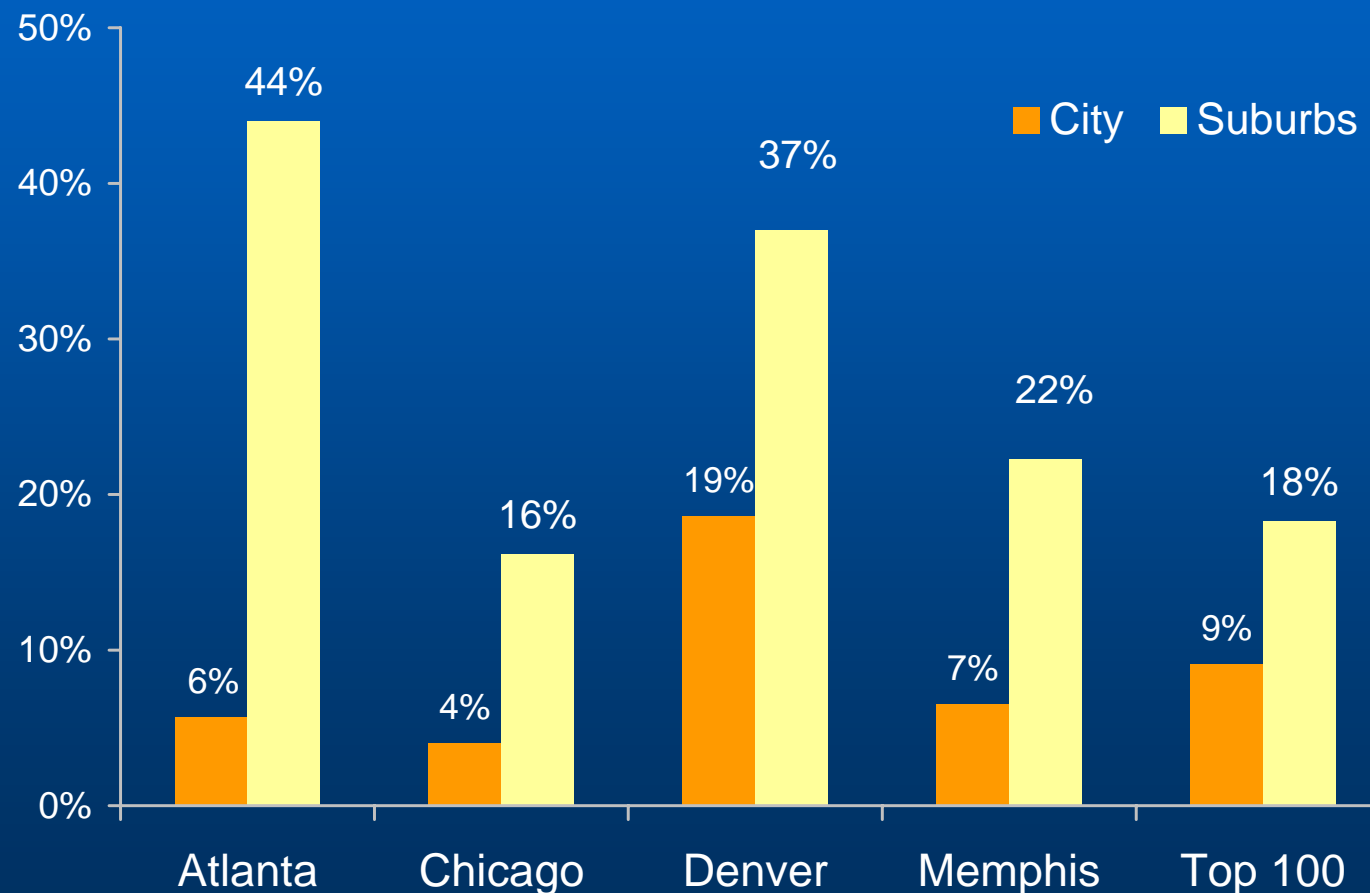
City Category	Number of Cities	City Population Change	MSA Population Change
Rapid Growth (over 20%)	14	32%	25%
Significant Growth (10 to 20%)	22	15%	22%
Moderate Growth (2 to 10%)	36	7%	13%
No Growth (-2 to 2%)	6	0%	11%
Loss (below -2%)	20	-7%	6%



Still, population is decentralizing in nearly every U.S. metropolitan area

Selected cities and suburbs,
population growth
1990-2000

Source:
U.S. Census Bureau





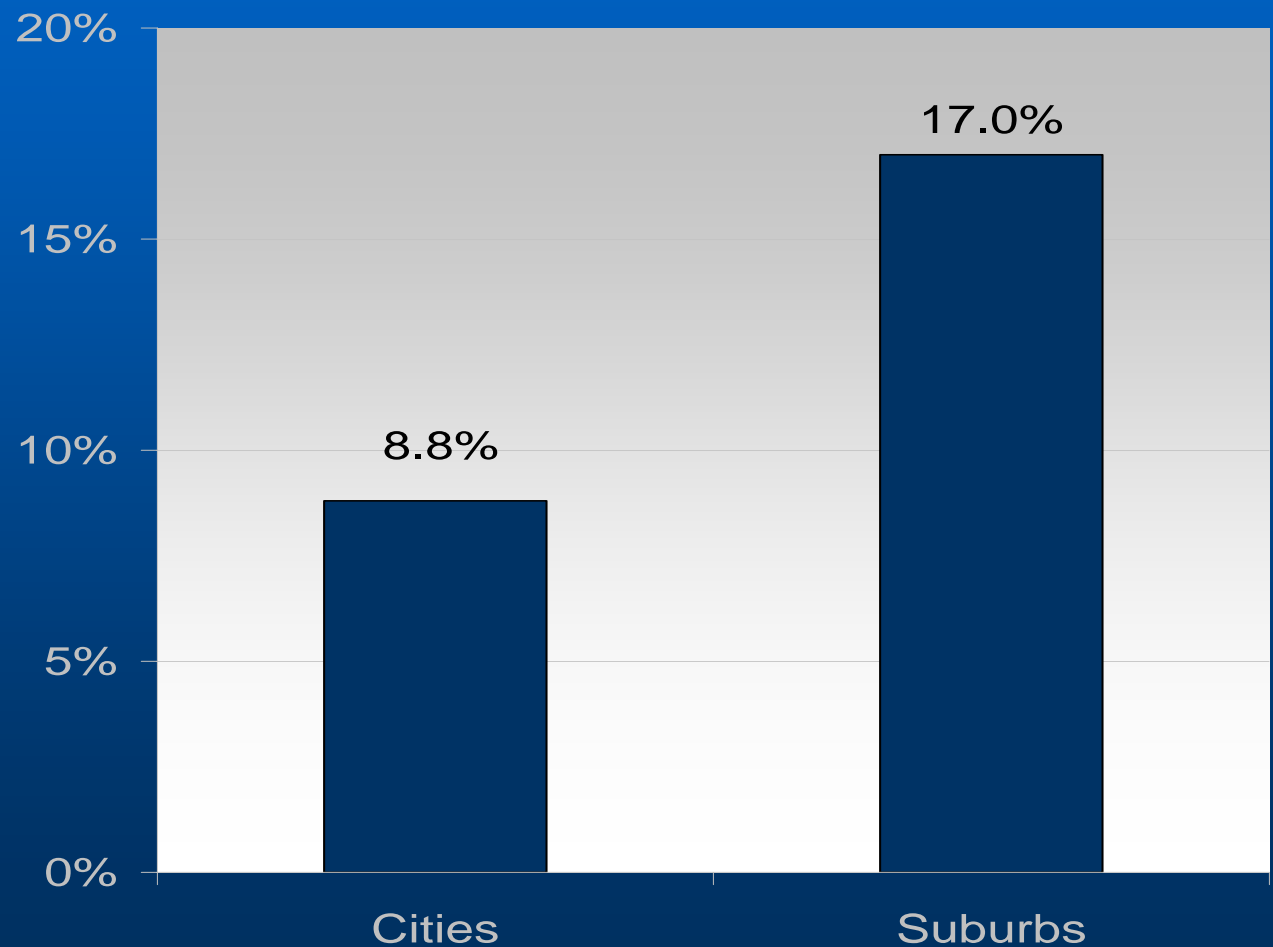
Suburbs



Suburbs grew faster than cities in the 1990s

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

Source:
U.S. Census Bureau





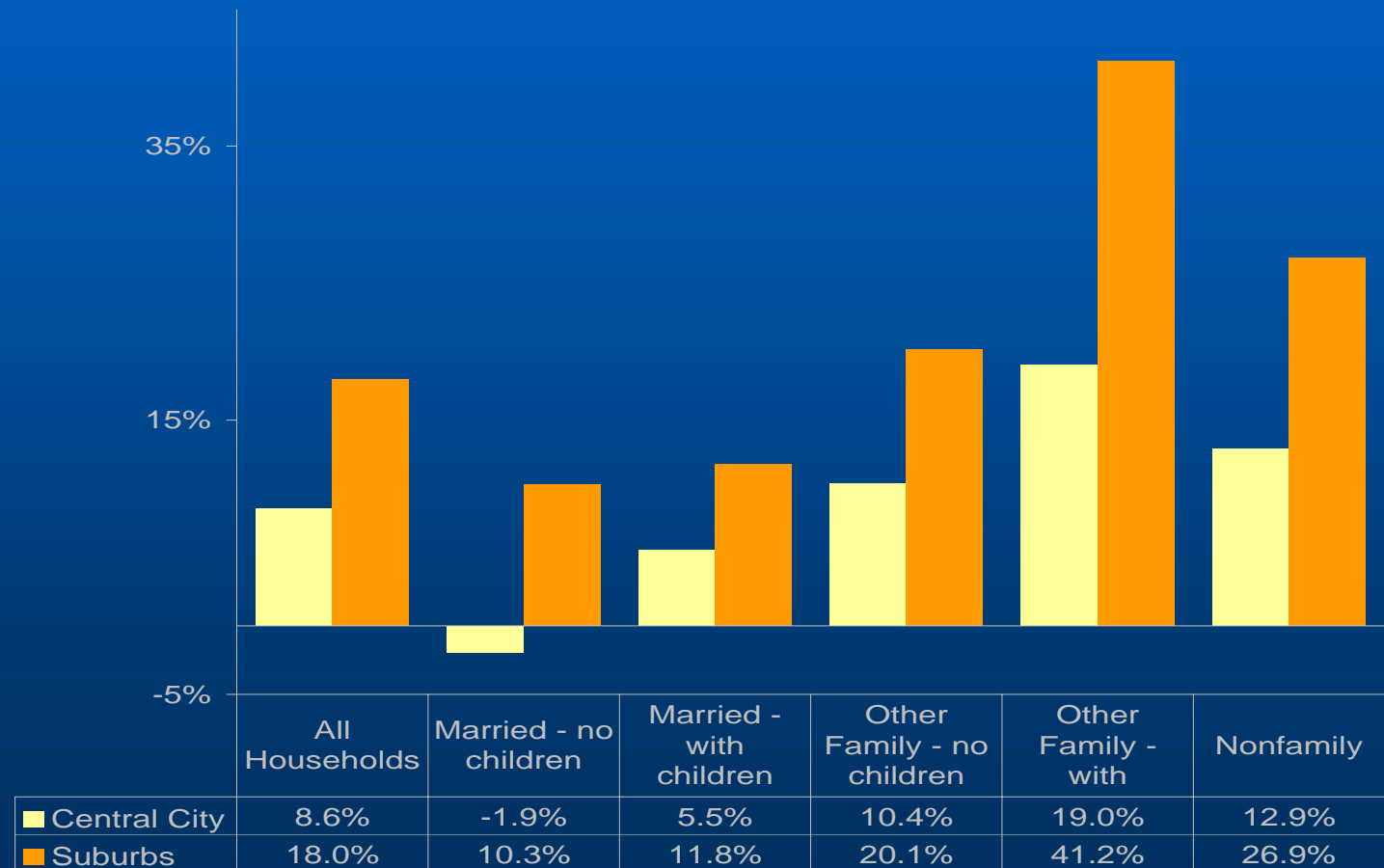
Suburbs



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

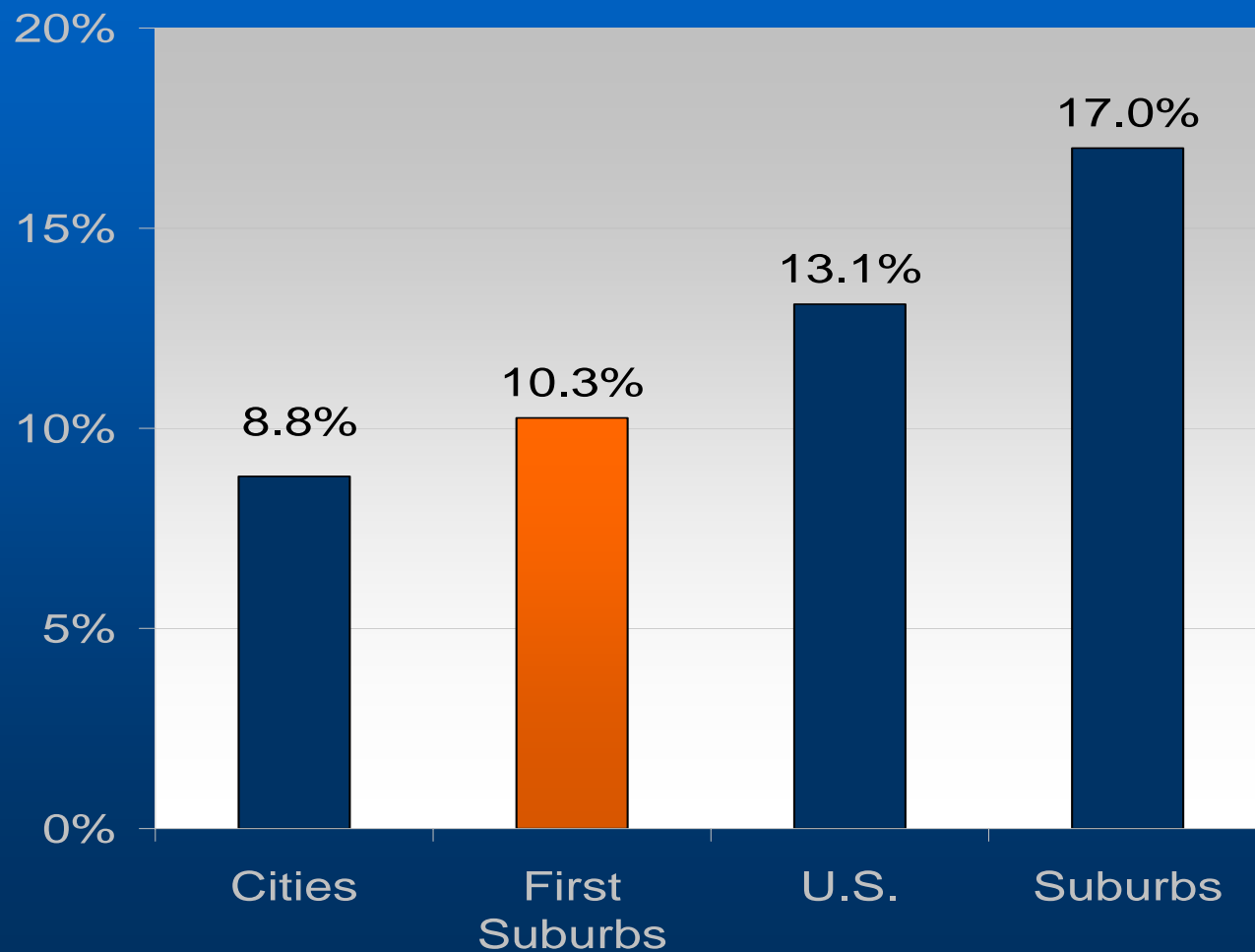




However, First Suburbs are growing much slower than all other suburbs, at a rate comparable to cities

Percent population growth, 100 largest cities, suburbs, the U.S., and First Suburbs 1990-2000

Source:
U.S. Census Bureau



II

What are the major trends affecting cities and suburbs?

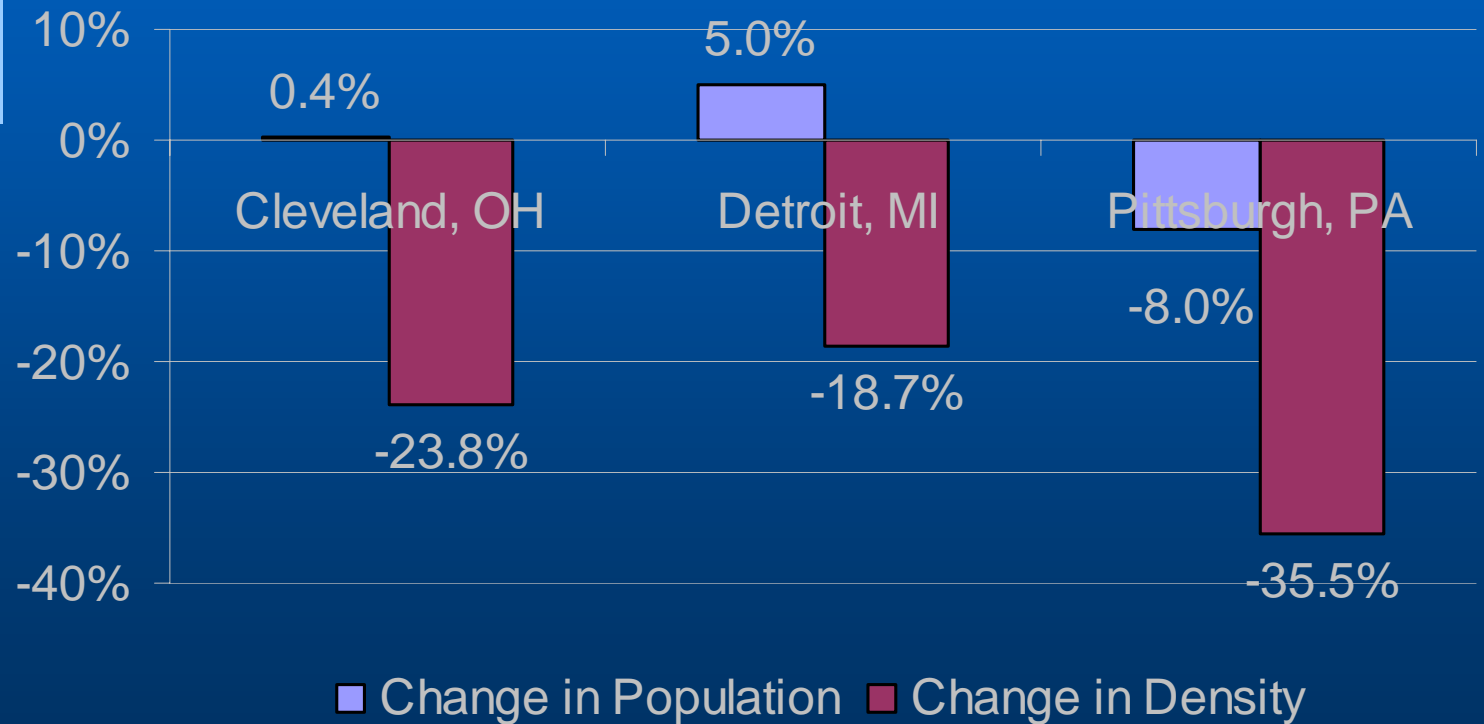
1. Cities are growing, but metros are still sprawling
2. Regional variation is substantial
3. Cities and suburbs are becoming more diverse
4. The geography of work is changing
5. The geography of poverty is changing



In the Northeast/Midwest stagnant growth and sprawl are common

Change in
population and
density, 1982-1997

Source:
Fulton et al, 2001

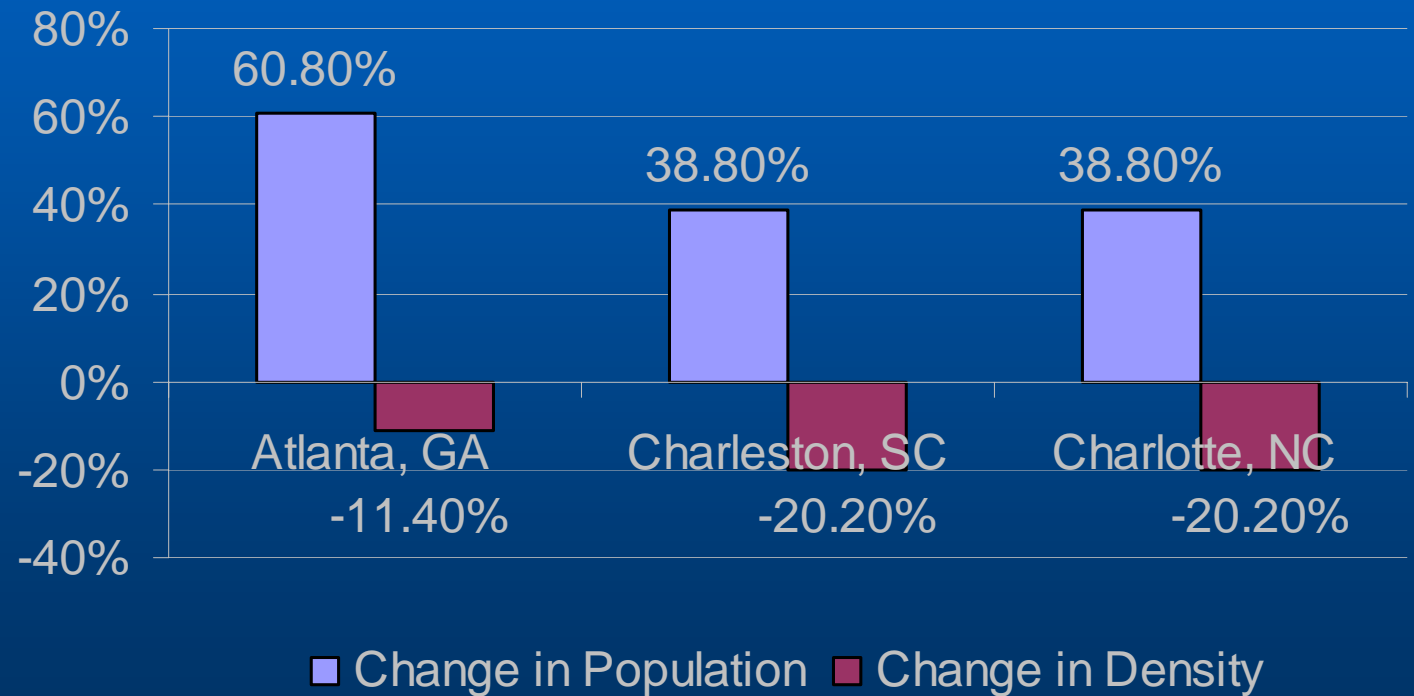




In the South/Southeast, many cities are growing and spreading out

Change in
population and
density, 1982-1997

Source:
Fulton et al, 2001

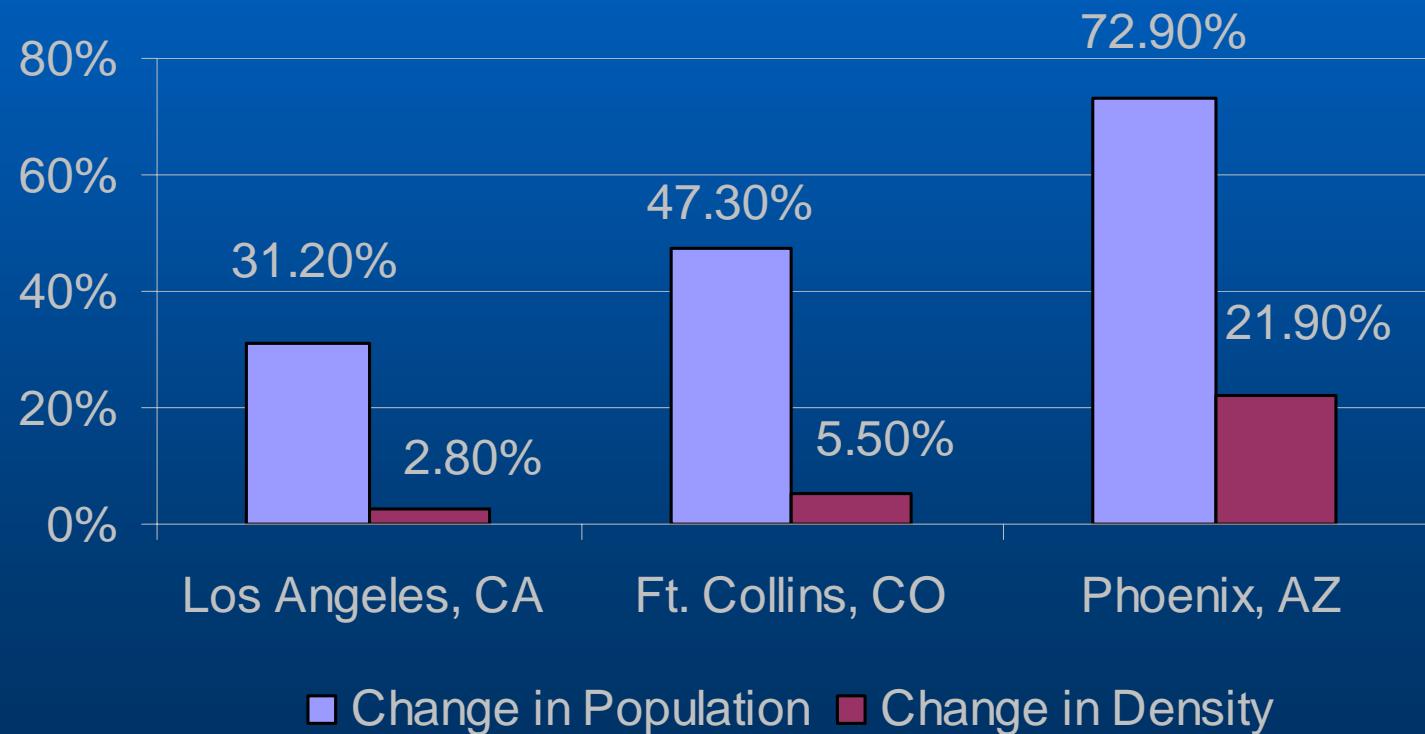




In the West, some cities are growing and densifying

Change in
population and
density, 1982-1997

Source:
Fulton et al, 2001



II

What are the major trends affecting cities and suburbs?

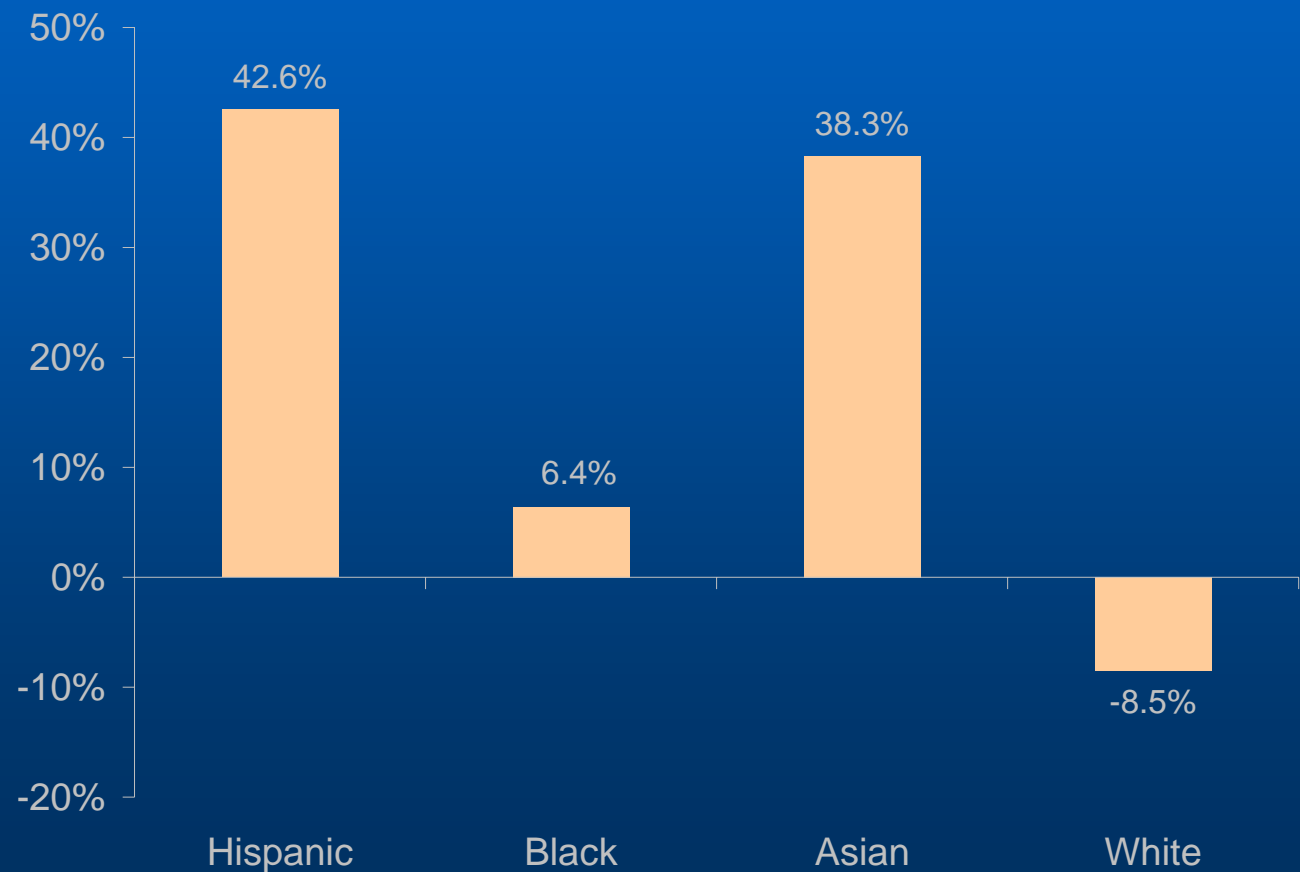
1. Cities are growing, but metros are still sprawling
2. Regional variation is substantial
3. Cities and suburbs are becoming more diverse
4. The geography of work is changing
5. The geography of poverty is changing



Central City Growth in the 1990s was fueled by Asians and Hispanics

Population growth,
100 largest cities
1990-2000

Source:
U.S. Census Bureau

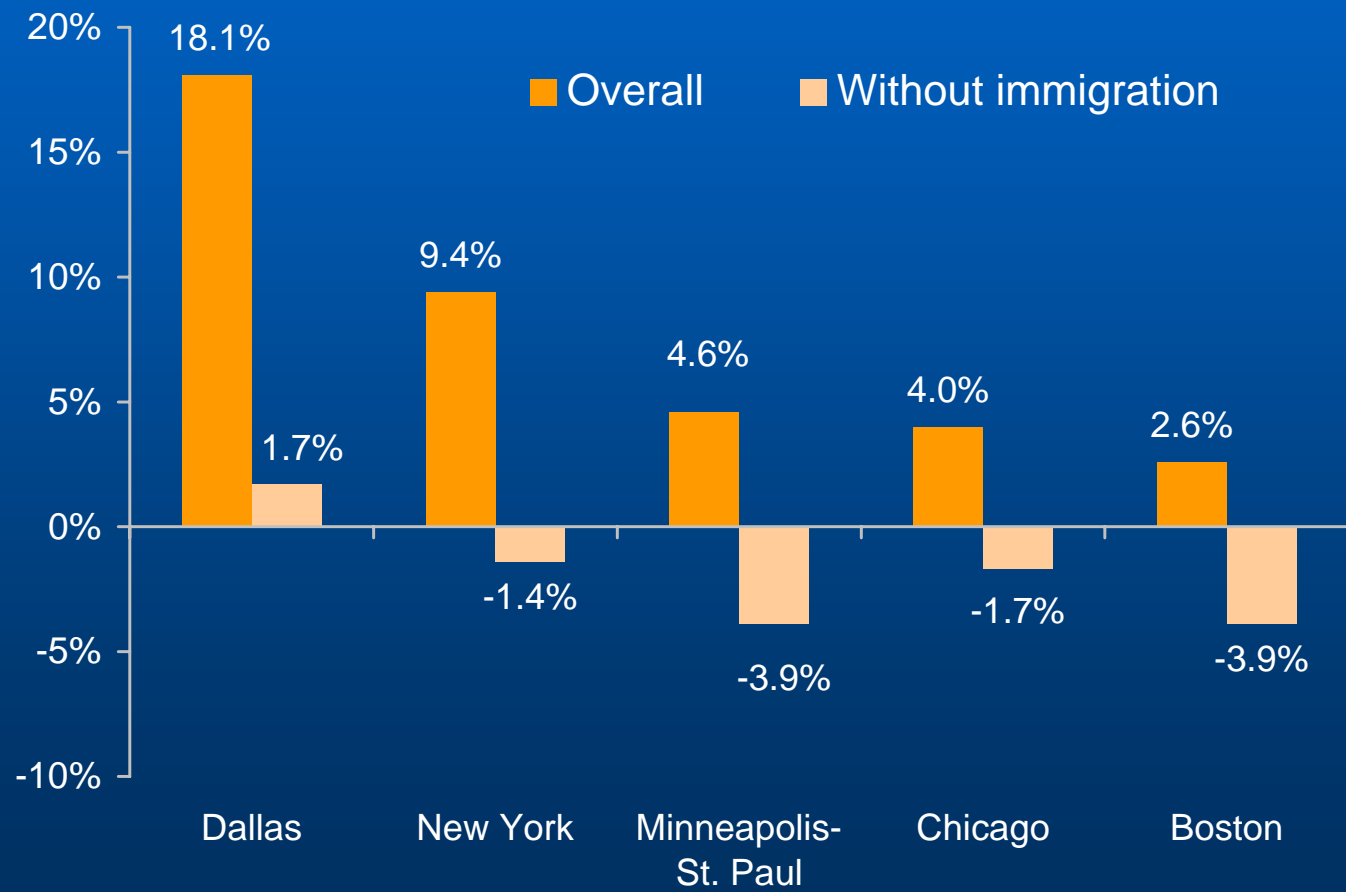




If not for immigration, several of the nation's largest cities would not have grown during the 1990s

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

Source:
U.S. Census Bureau

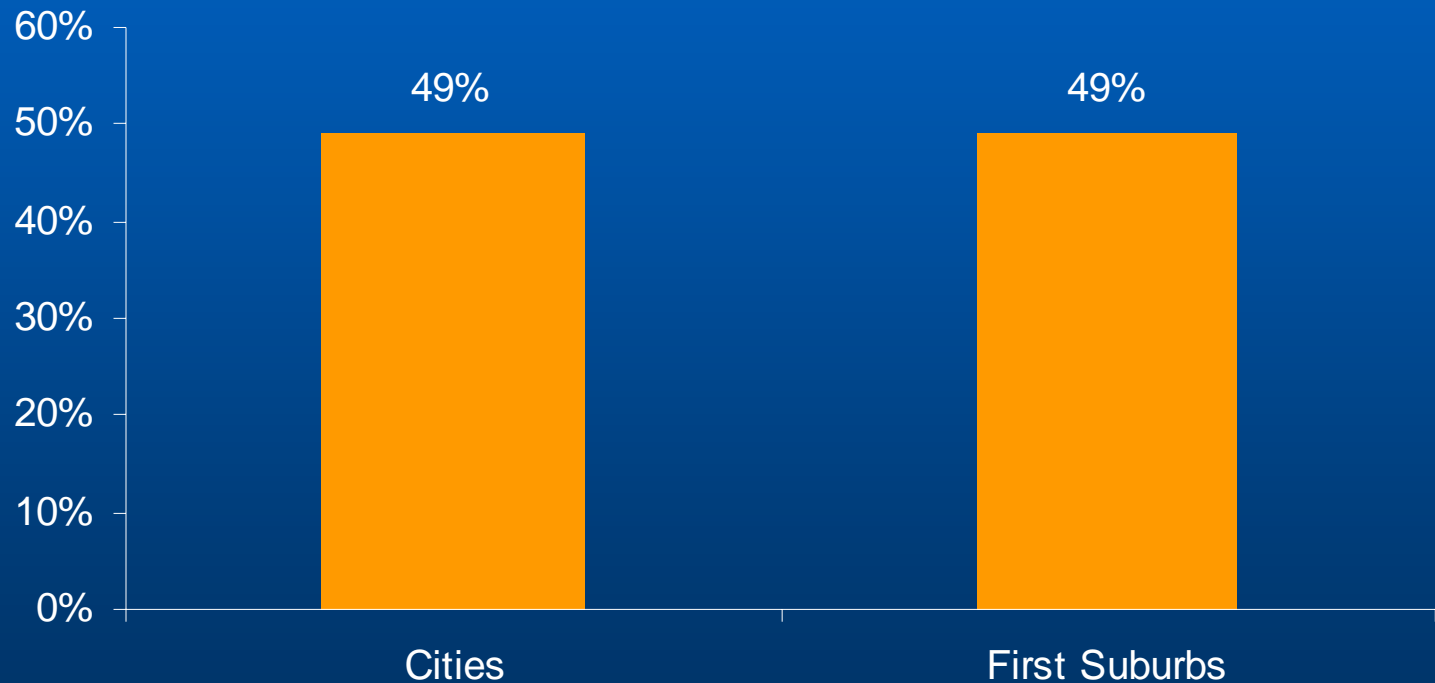




In the 1990s, immigration increased by 49% in both cities *and* First Suburbs

Percent change in foreign born population in cities and First Suburbs, 1990-2000

Source:
U.S. Census Bureau



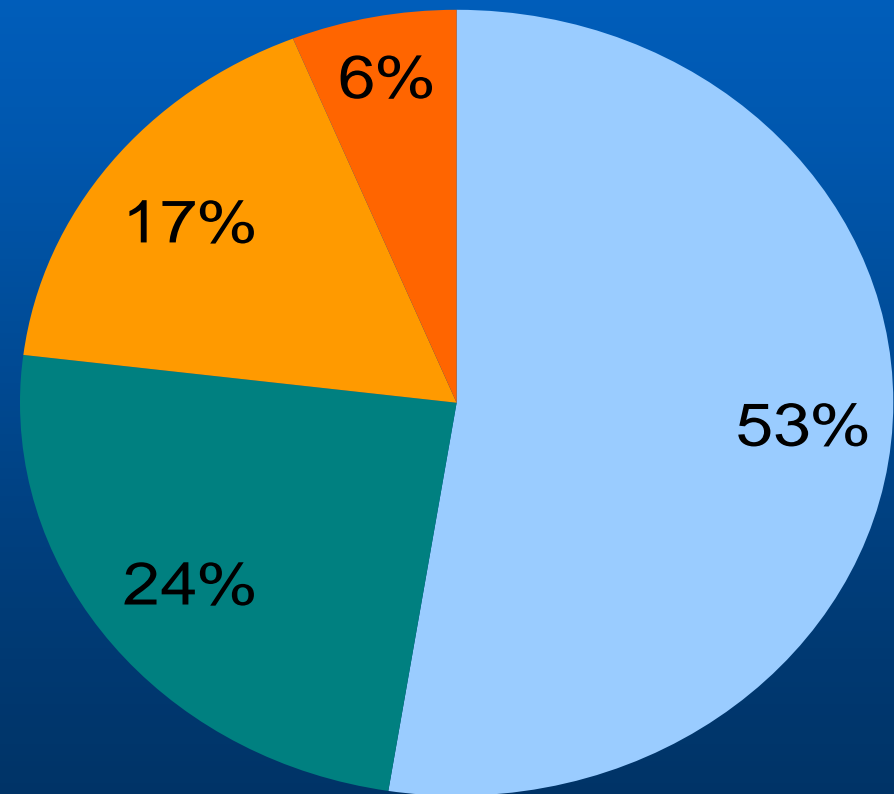


In aggregate, the racial makeup of the 100 largest cities has shifted....

Share of
population by race
and ethnicity,
1990

Source:
U.S. Census Bureau

- White
- Black
- Hispanic
- Other

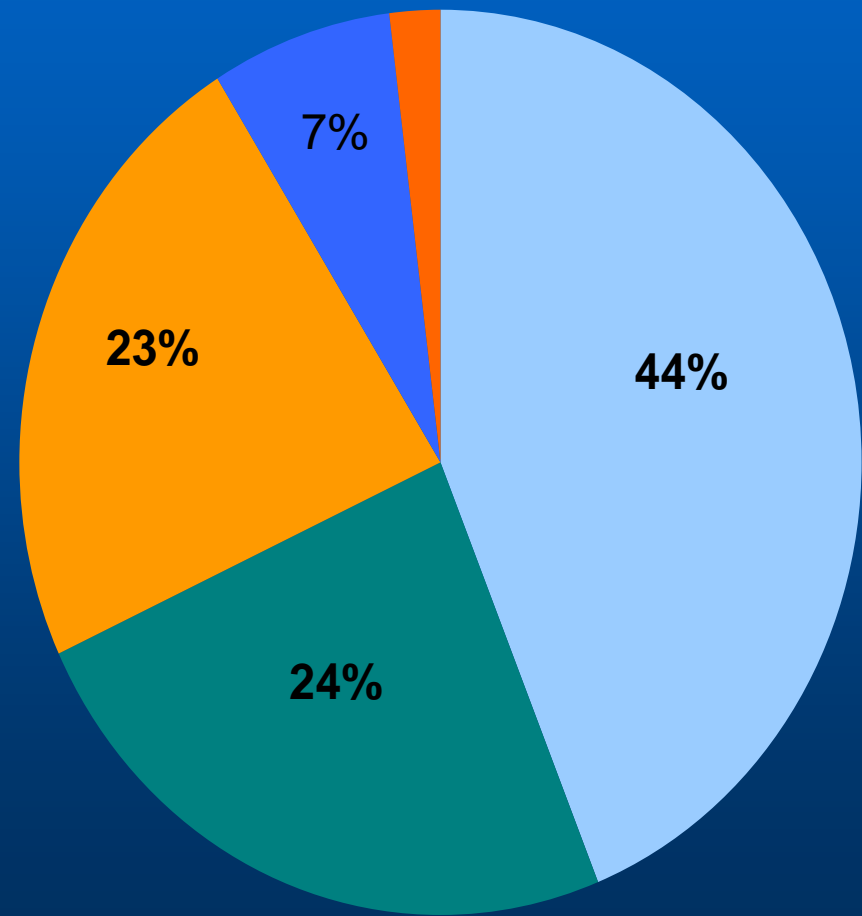




In 2000, the top hundred cities became majority minority

Share of
population by race
and ethnicity,
2000

Source:
U.S. Census Bureau



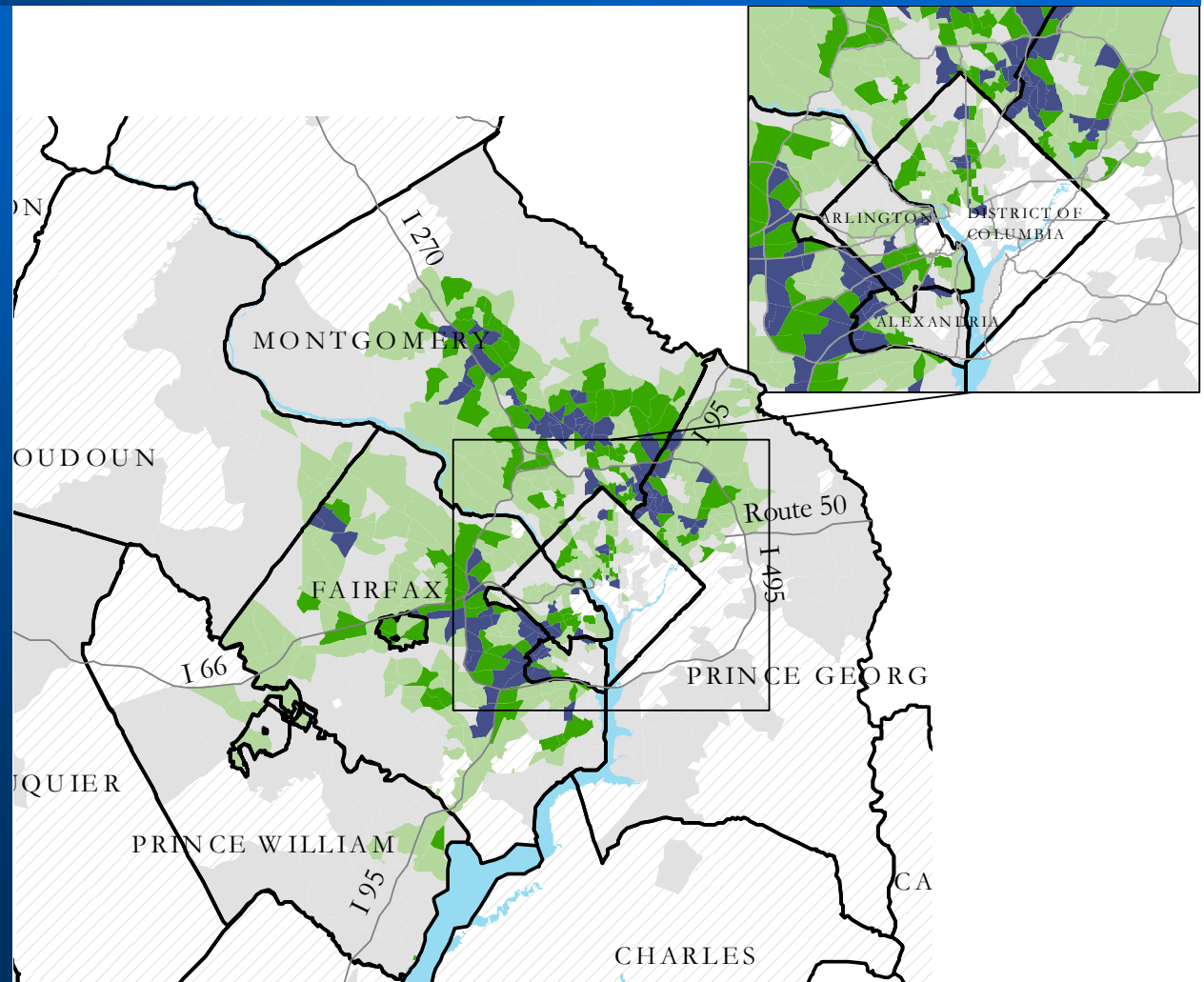
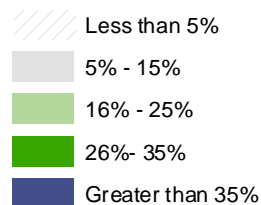


In many metro areas, the locus of immigration is shifting from the central city to the suburbs

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)





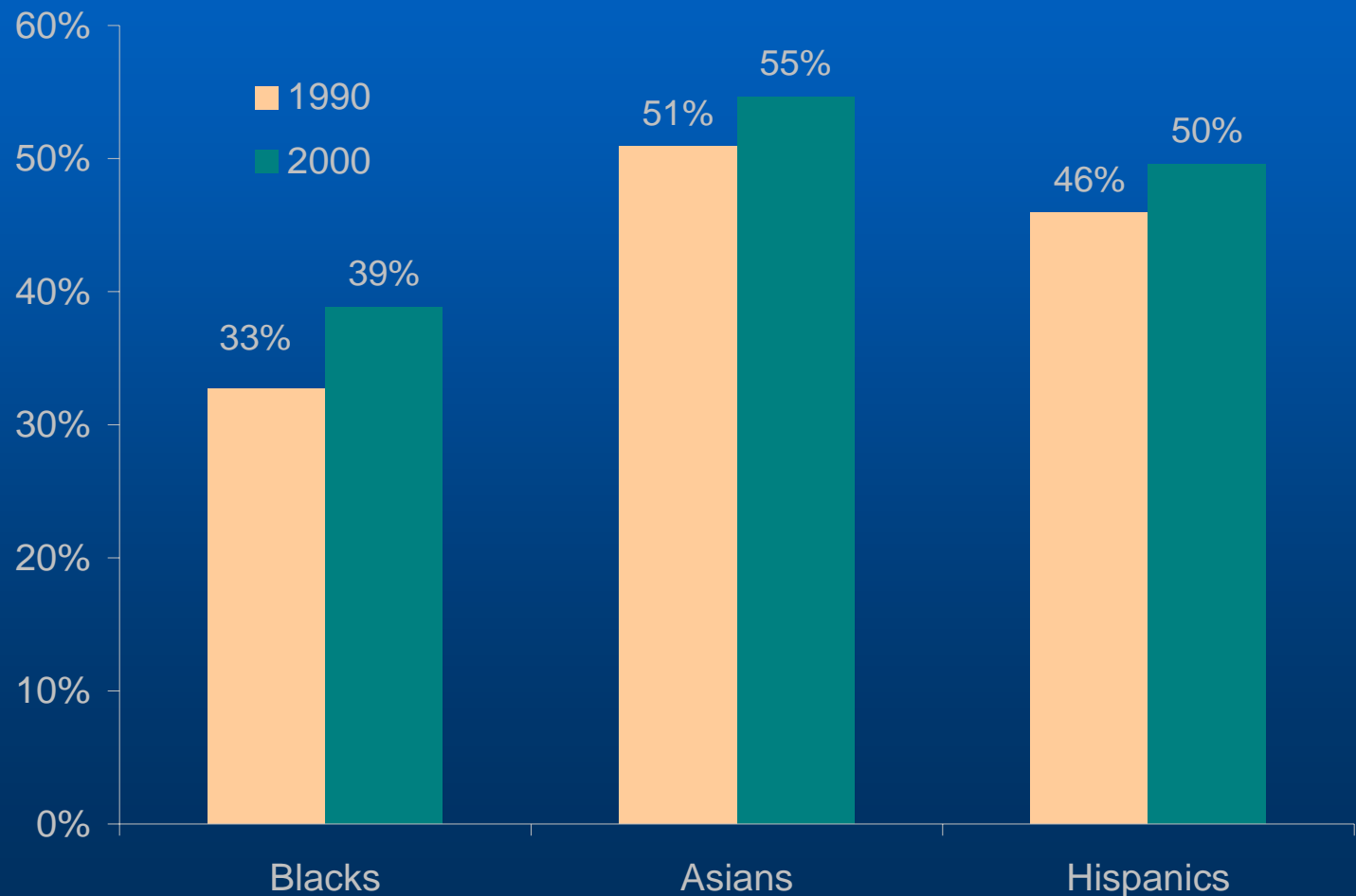
Suburbs



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





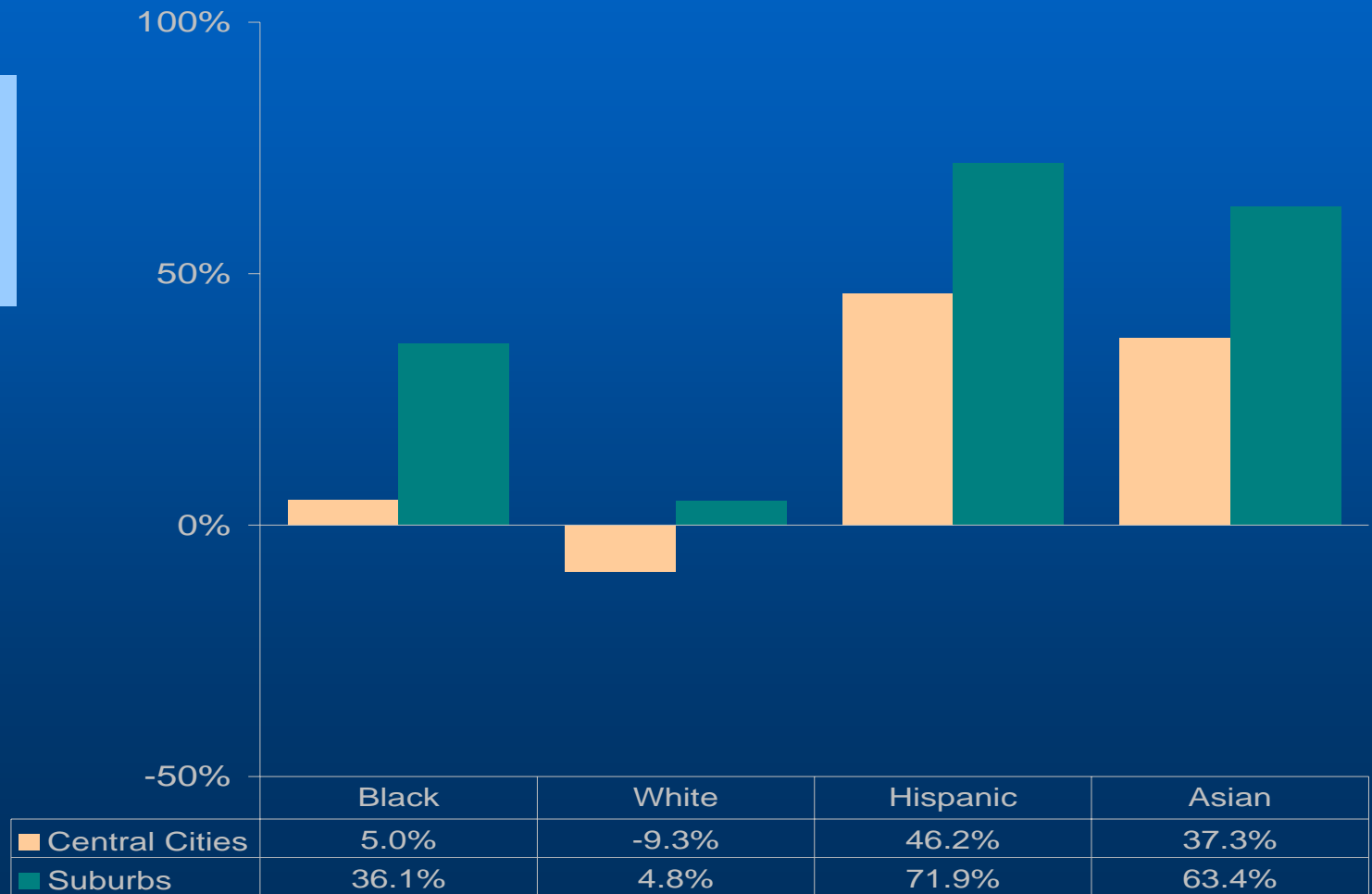
Suburbs



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





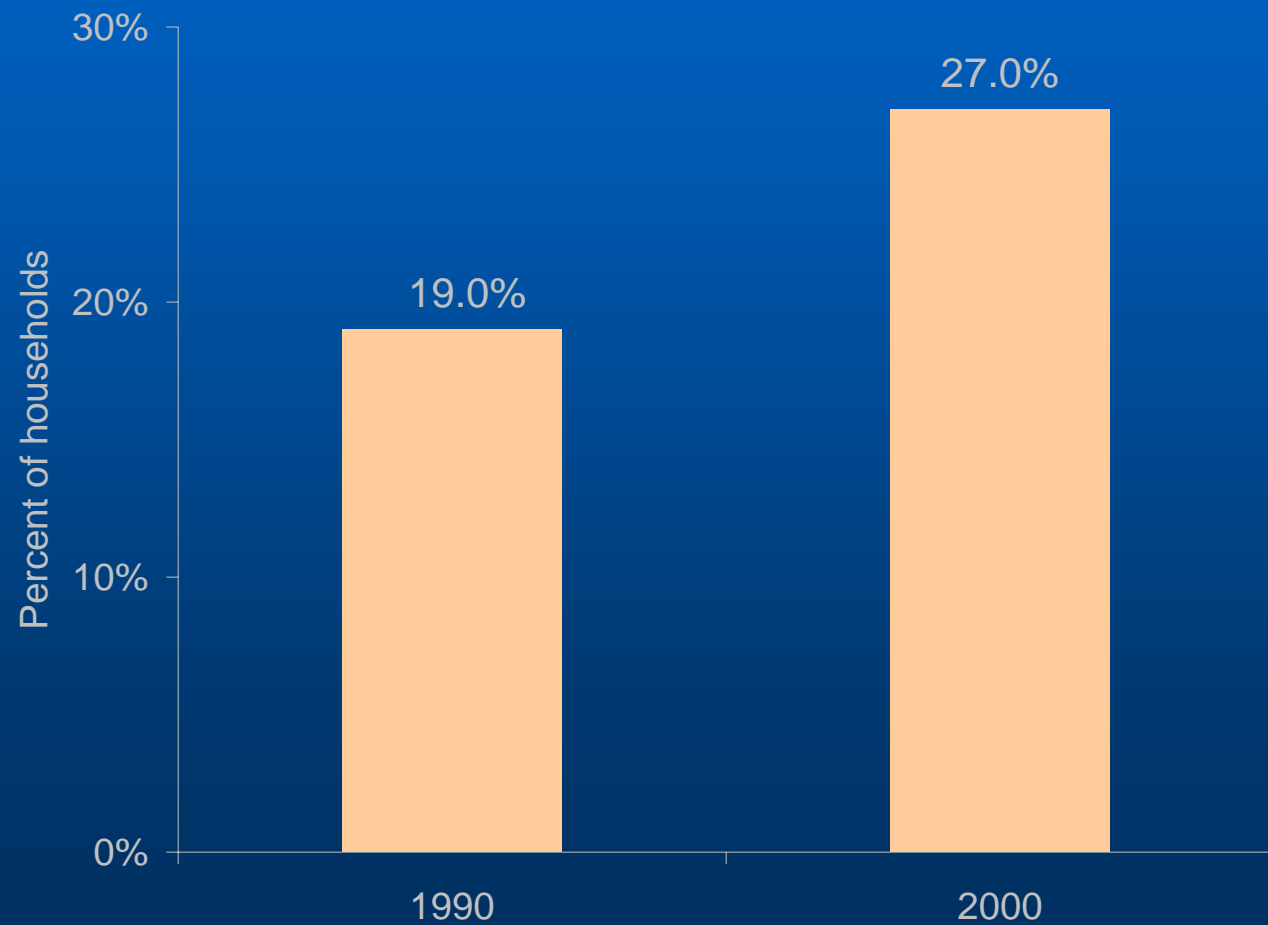
Suburbs



Now more than 1 in 4 suburban households are minority

Minority share of
population,
1990-2000

Source:
U.S. Census Bureau

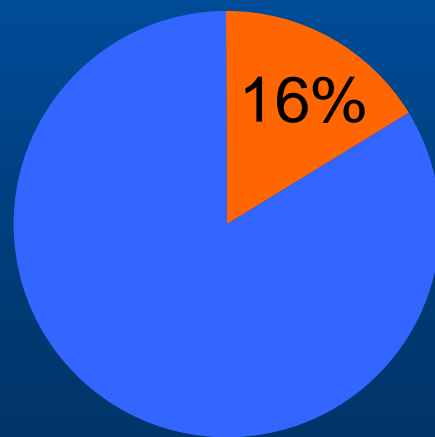




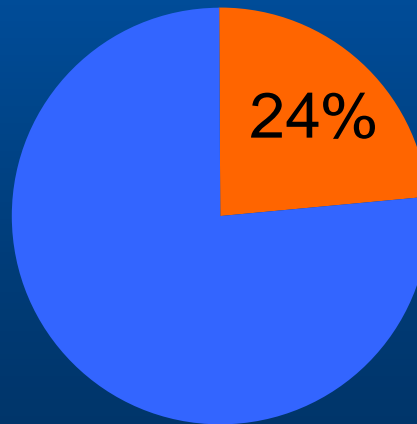
In First Suburbs, the trend is even more pronounced, with minorities now making up one-third of the population

Percent of First Suburban population other than Non-Hispanic White, 1980-2000

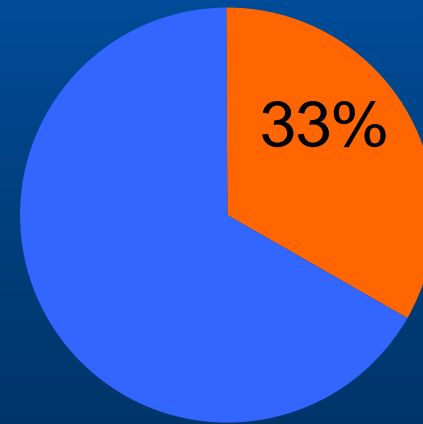
■ Racial/Ethnic Minorities ■ Non-Hispanic White



1980



1990



2000

Source:
Brookings Analysis
of U.S. Census
Bureau data

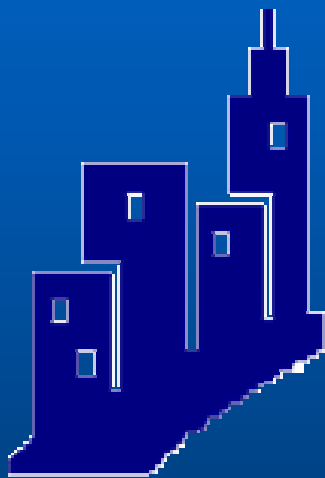
II

What are the major trends affecting cities and suburbs?

1. Cities are growing, but metros are still sprawling
2. Regional variation is substantial
3. Cities and suburbs are becoming more diverse
4. The geography of work is changing
5. The geography of poverty is changing



Nationally, 78 percent of jobs are found over 3 miles outside the central business district; one-third are located over 10 miles away



22%

43%

35%

Central Business District
(CBD)

Jobs Within
3 Miles From CBD

Jobs Between 3 And 10
Miles From CBD

Jobs More Than 10 Miles
Away From CBD

Source: Glaeser, Kahn, and Chu, "Job Sprawl: Employment Location in U.S. Metropolitan Areas," 2001

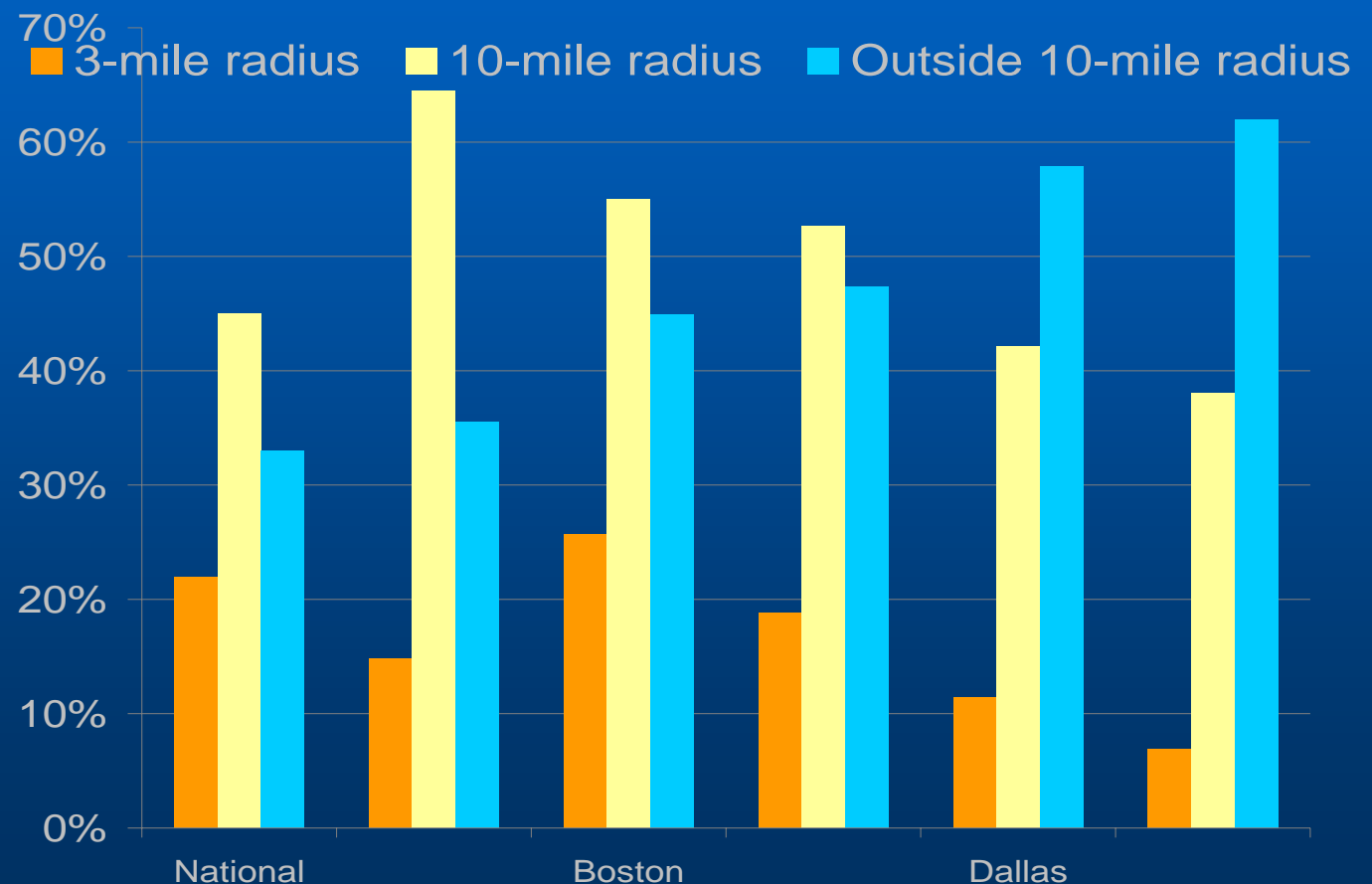


Employment decentralization



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

Share of
metropolitan
employment, 1999



II

What are the major trends affecting cities and suburbs?

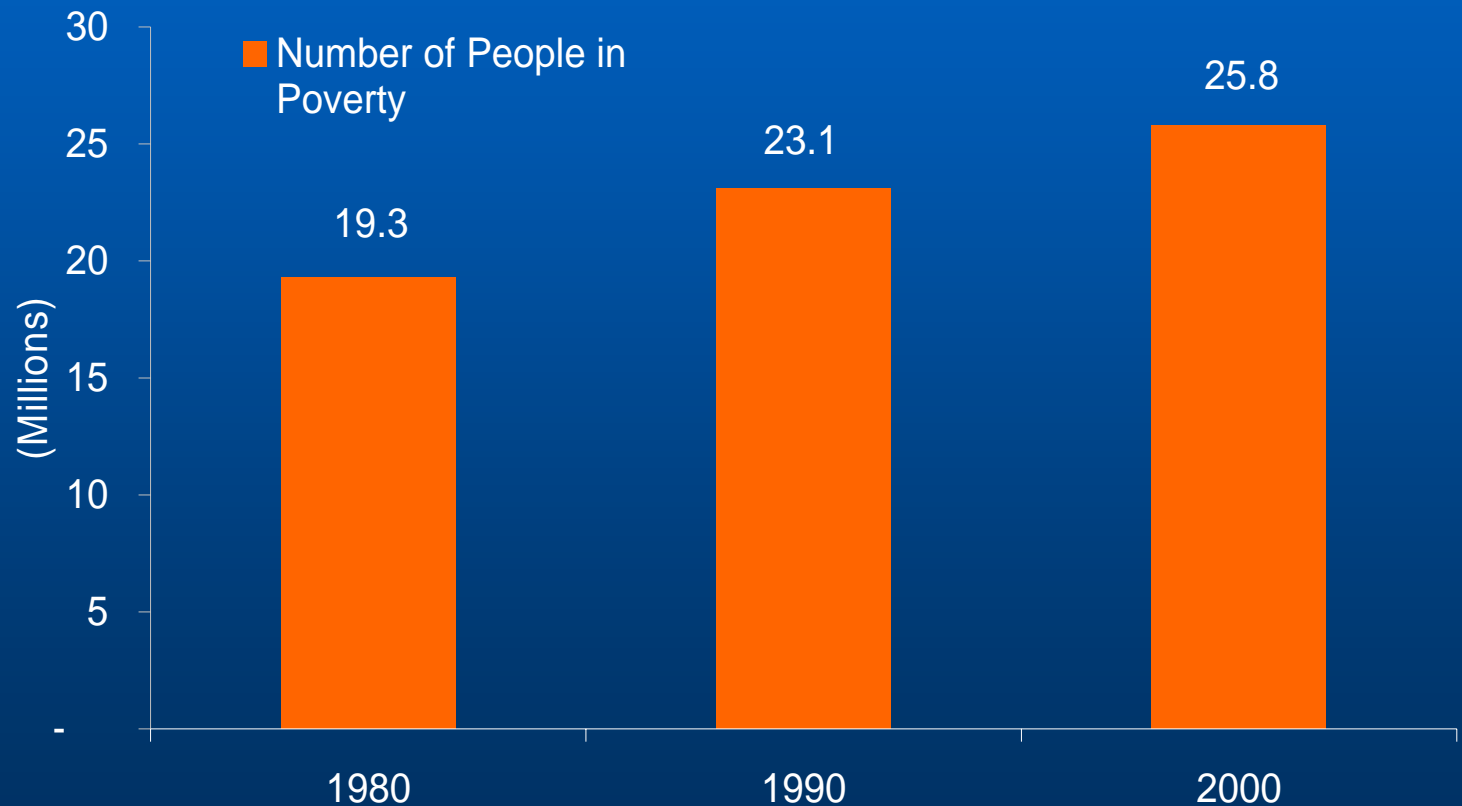
1. Cities are growing, but metros are still sprawling
2. Cities and suburbs are becoming more diverse
3. The economy continues to restructure
4. The geography of work is changing
5. The geography of poverty is changing



The 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

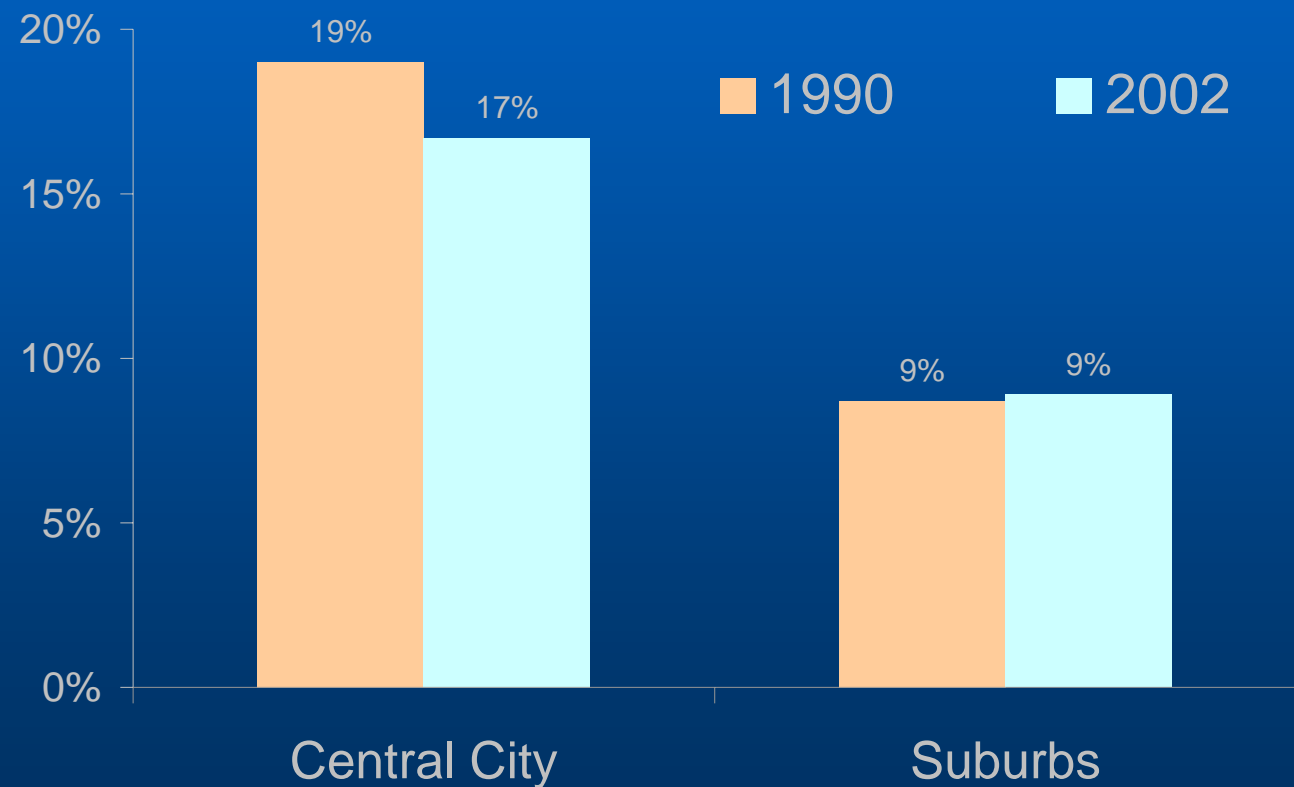




Poverty rates in central cities have declined over the 1990s, while poverty rates in the suburbs have increased slightly

Poverty rates for central cities and suburbs, 1990-2001

Source:
Current Population Survey,
2002

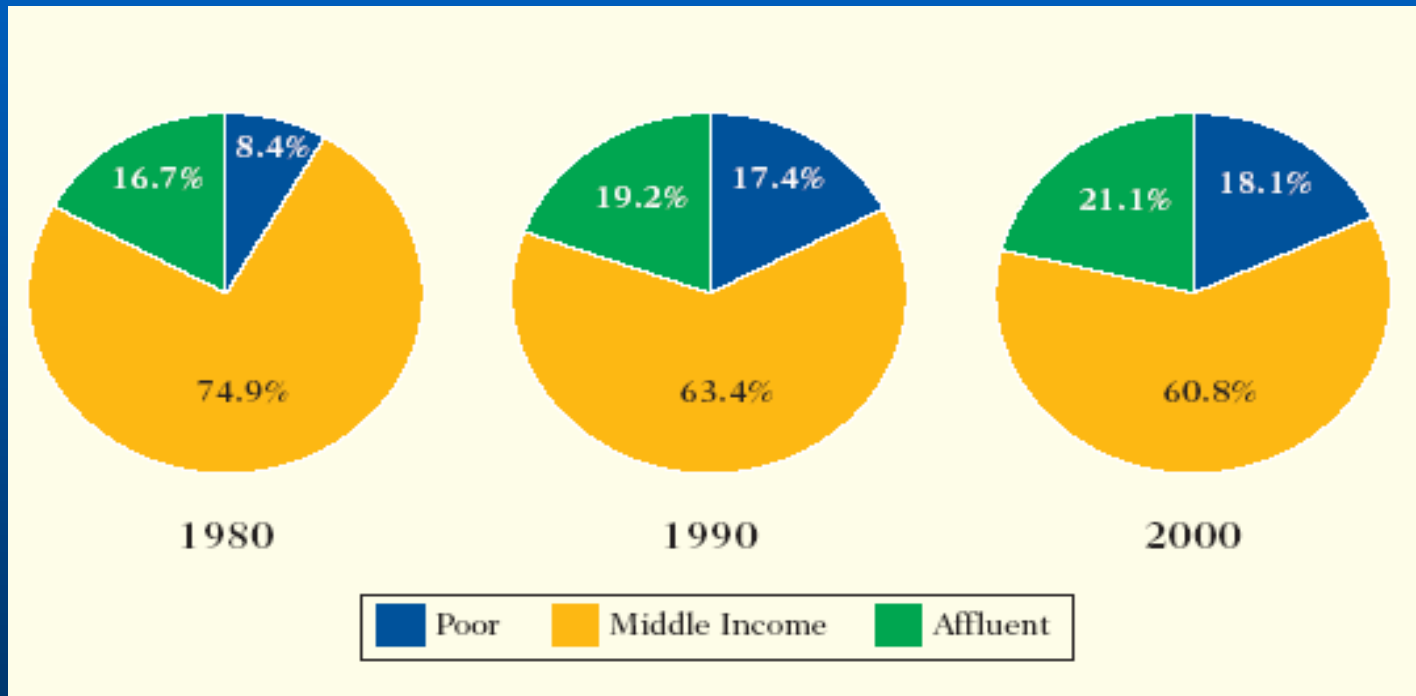




In fact, the share of suburban residents living in poor suburbs has increased by almost 10% in the last two decades

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

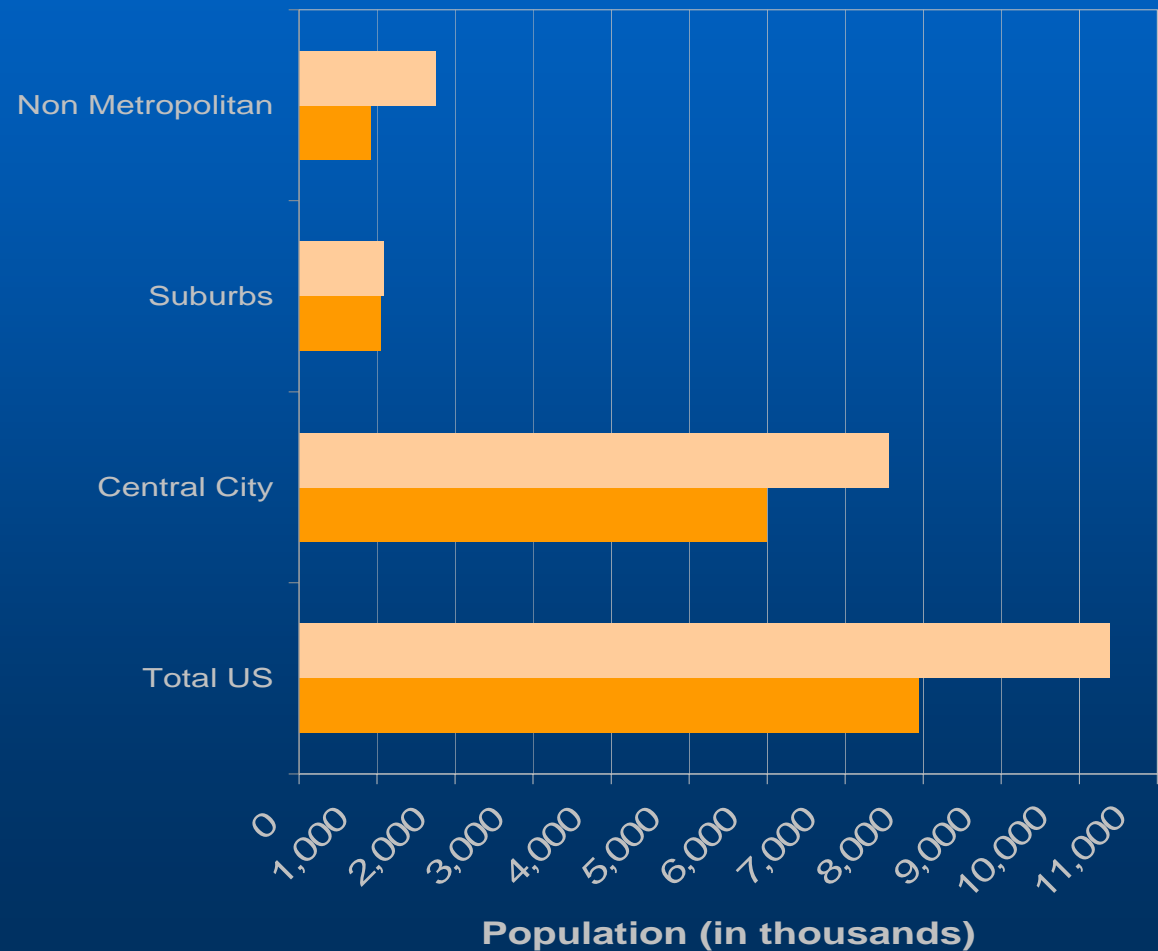


But the number of people living in high poverty neighborhoods declined during the 1990s

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

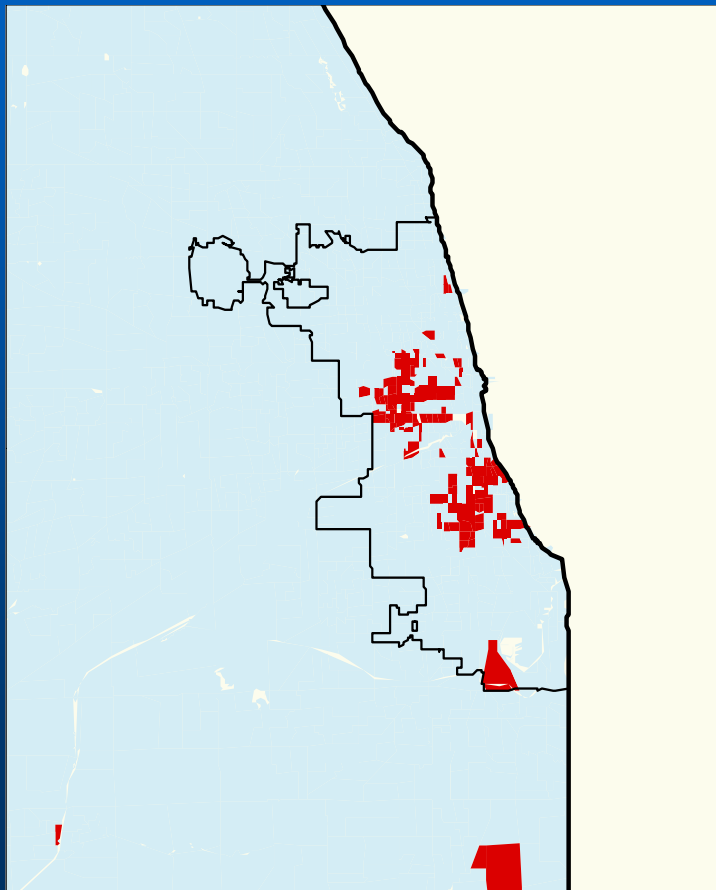
Source: Paul Jargowsky, "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s" 2003

2000 1990



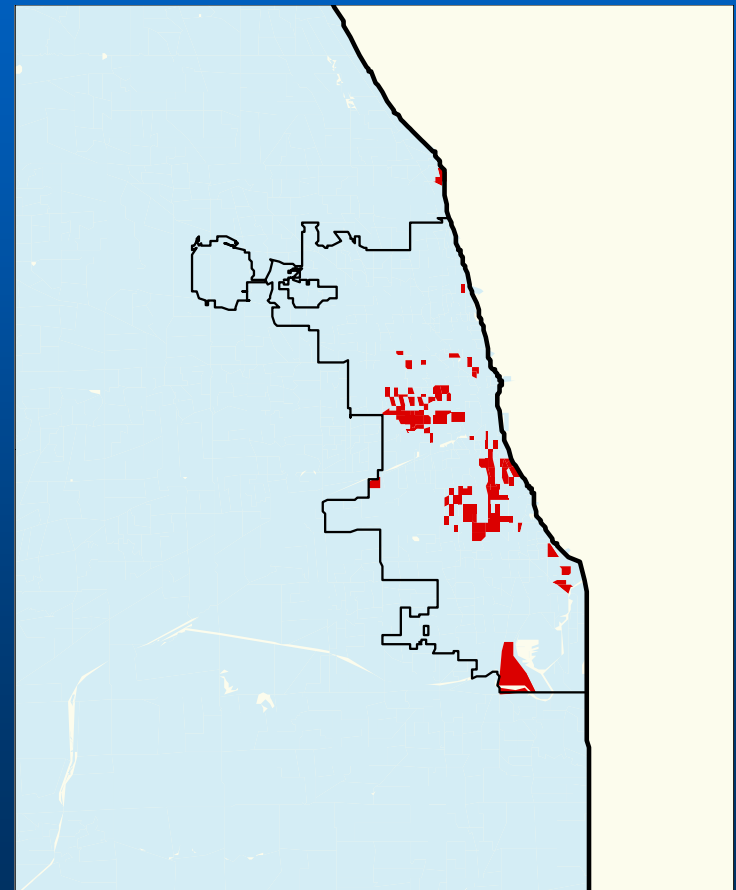


During the 1990s, number of high-poverty tracts in Chicago dropped from 187 to 114, and there were 179,000 fewer people living in high poverty areas



1990

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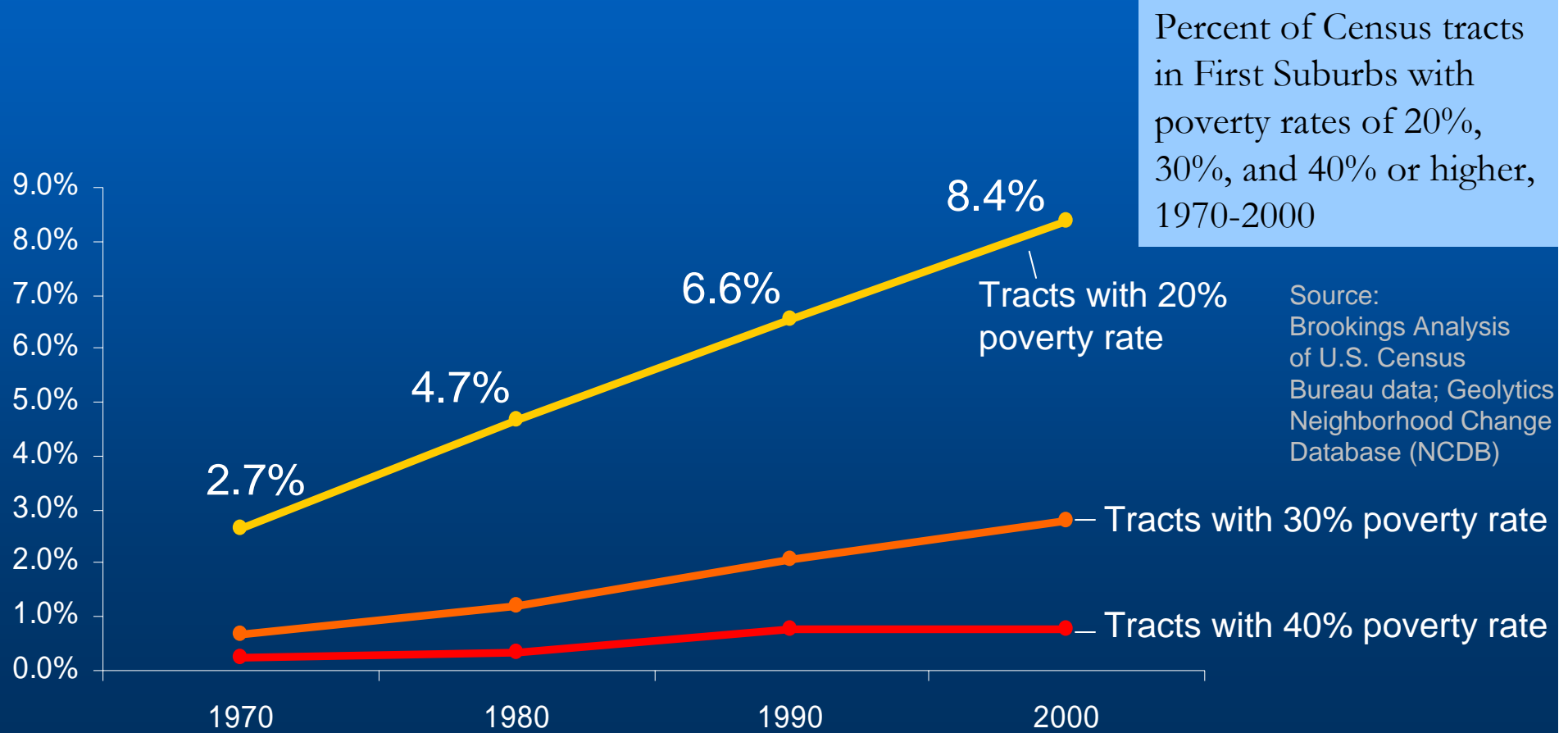


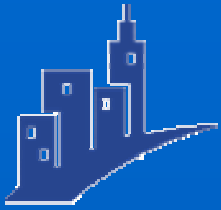
2000

METROPOLITAN POLICY PROGRAM



But neighborhoods of concentrated poverty have been increasing in First Suburbs





The State of American Cities and First Suburbs

I

What are the general demographic trends affecting the United States?

II

What are the major trends affecting cities and suburbs

III

What does this mean for state and local housing policy?



*"As the devolution
of housing poli-
cies continues to
unfold, there is
great potential
for state and
local leaders to
build upon the
experience of
the past while
bringing fresh
thinking to a
new generation
of approaches."*



CENTER ON URBAN AND METROPOLITAN POLICY
THE BROOKINGS INSTITUTION
AND THE URBAN INSTITUTE

Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders

Bruce Katz and Margery Austin Turner¹

Housing policies and programs have undergone a dramatic transformation in the past several decades. The greatest change has been the federal devolution of affordable housing programs to state and local leaders, often in partnership with the private sector. This devolution, coupled with major market and demographic changes occurring in local communities, has created wide demand among state and local stakeholders for facts to help them understand "what works" in affordable housing. To that end, the Brookings Institution Center on Urban and Metropolitan Policy and the Urban Institute joined forces to examine the major lessons from 70 years of housing policies and how those lessons can inform local approaches. This action agenda, derived from the findings of that policy review, details seven principles for action to help state and local policymakers, advocates, practitioners, and foundations design more effective housing programs and strategies that truly meet the diverse needs of today's families and communities.

Since the mid-1980s, the nation's affordable housing policies and programs have undergone a profound transformation. After decades of initiatives that were designed by Washington and administered by the U.S. Department of Housing and Urban Development (HUD) and its predecessors, a palpable shift toward state and local control has dominated federal thinking. With the enactment of the Low-Income Housing Tax Credit in 1986 and the HOME program in 1990, federal policymakers essentially devolved responsibility for the design and implementation of affordable housing policies to a myriad of state and local housing agencies.

As with other domestic policies, devolution remains a work in progress. Across the nation, state and local government leaders are struggling to implement federal policies—and to effectively use available resources—in communities with significantly different market conditions, residential patterns, regulatory regimes, and local goals. These leaders—and their partners in the corporate, civic, and real estate communities—routinely ask several questions: What lessons can guide state and local efforts to design and implement effective affordable housing strategies? What affordable housing strategies have proven to be successful? In short, what have we learned from almost seven decades of trial and error in affordable housing policy?

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Seven principles for success

1. Make Policy Goals Explicit
2. Tailor Housing Strategies to Local Market Conditions
3. Housing Markets are Regional
4. Income Policy is Housing Policy
5. Regulatory Policy Makes a Difference
6. Race Matters
7. Implementation Matters



Principle One: Make Policy Goals Explicit

1. Preserve & expand housing stock
2. Make housing affordable and available
3. Promote racial & economic diversity
4. Help households build wealth
5. Strengthen families
6. Link housing with supportive services
7. Promote balanced metropolitan growth



Principle Two: Tailor Housing Strategies to Local Market Conditions

Goal	Strong Market (Wilmington)	Weak Market (Pittsburgh)
Preserve and Expand Stock	1	7
Make Housing Affordable	2	1
Promote Diversity	3	5
Help Build Wealth	6	6
Strengthen Families	5	4
Link Supportive Services	4	3
Promote Balanced Metro Growth	7	2

Priorities vary depending upon the type of market

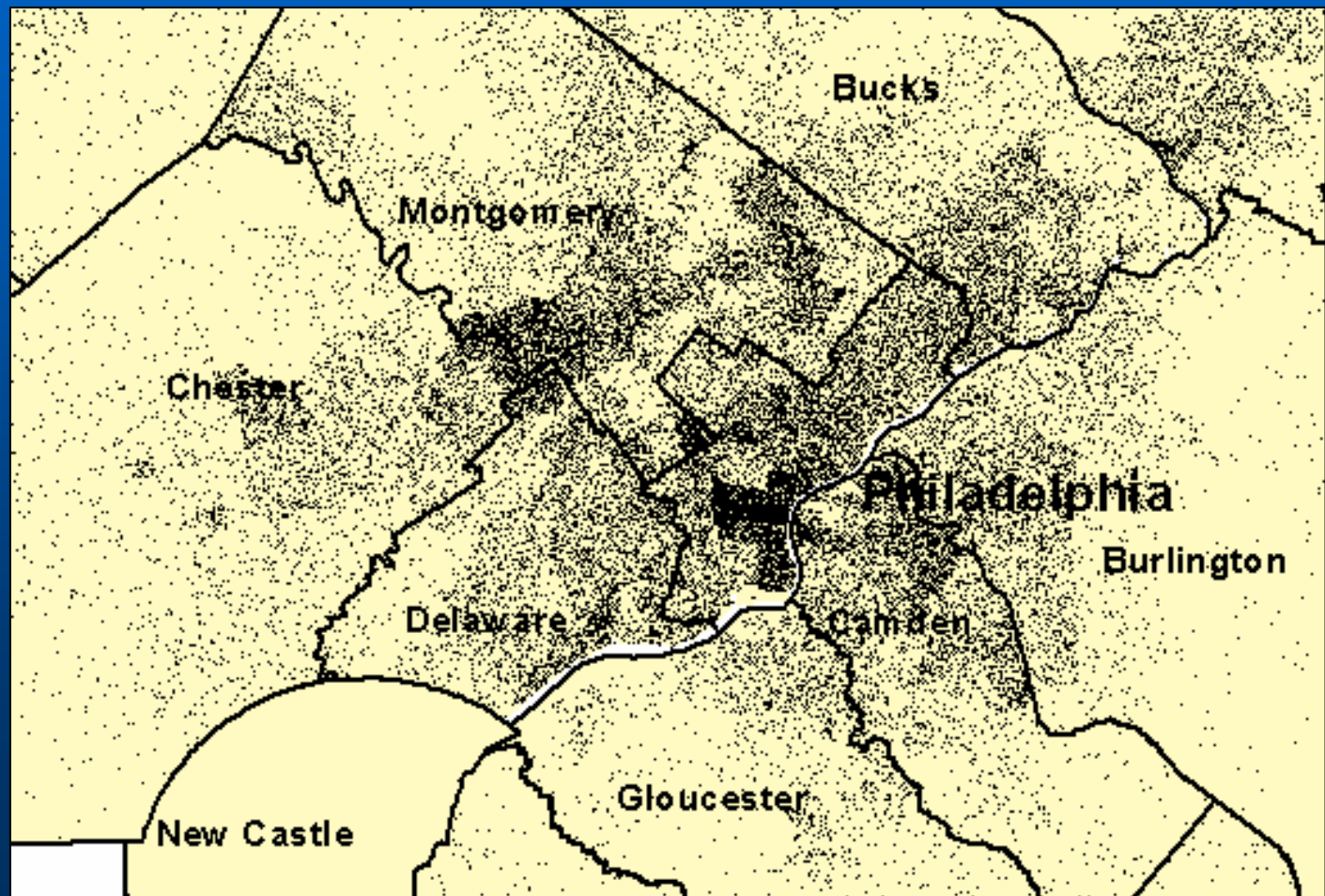


Principle Three: Housing markets are regional— Housing policies should be, too

Private Sector
Jobs,
2000

Source:
U.S. Census
Bureau Zip Code
Business Patterns

• = 50 jobs





Housing markets are regional—Housing policies should be, too

- Do not cluster affordable homes in low-income neighborhoods, especially in the core
- Enable low-income households to live closer to employment centers and better schools



Aim for this...



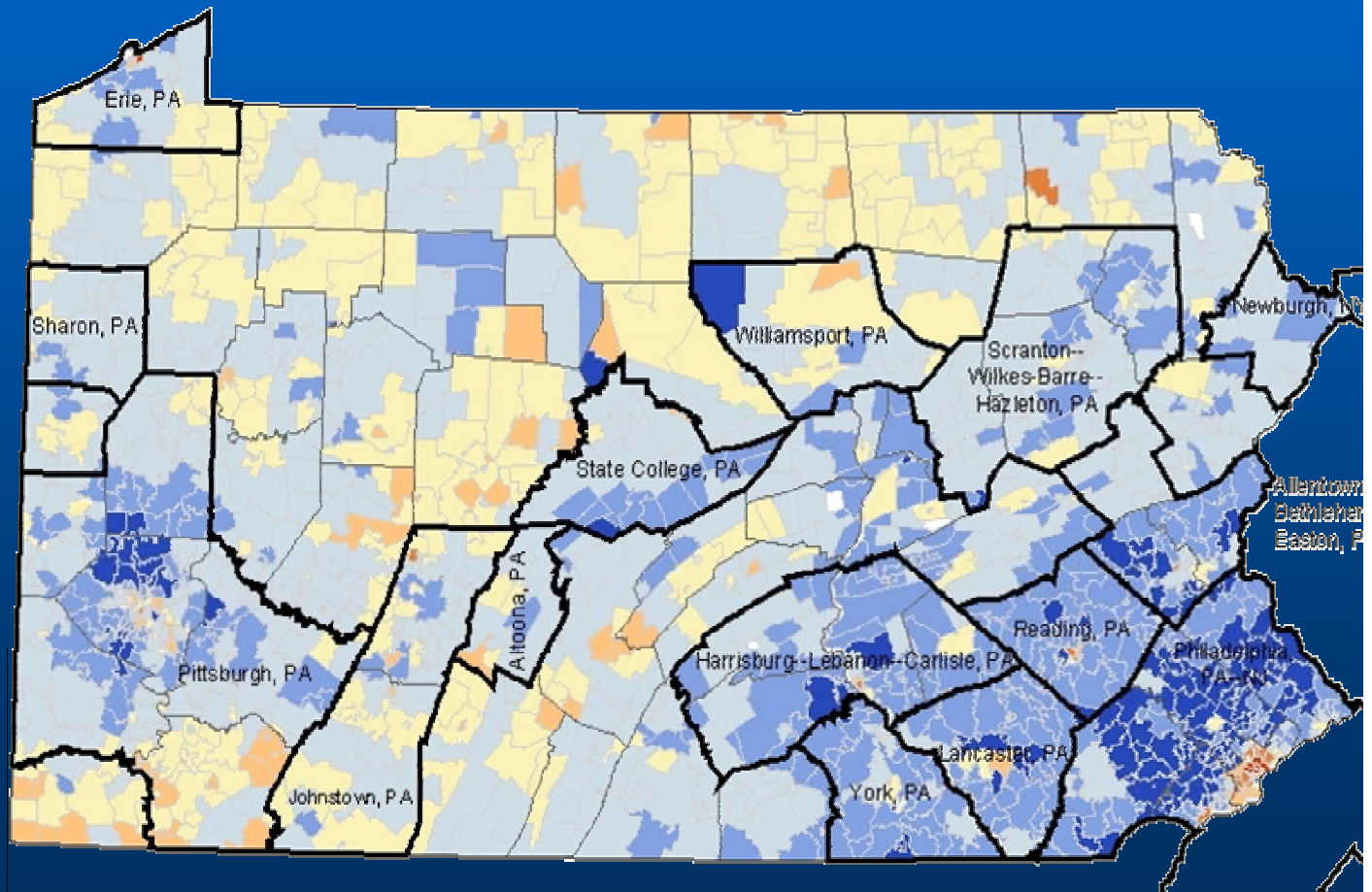
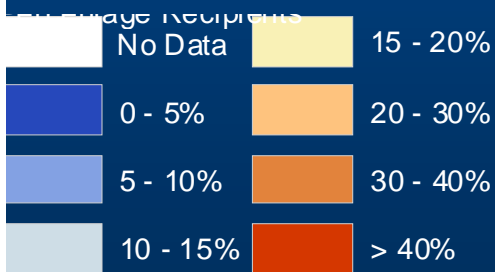
...instead of this



Principle Four: Income Policy is Housing Policy

Percent of filers
claiming the EITC
varies widely
across
Pennsylvania

Percent of filers
claiming the
EITC, Tax
Year 2001





Income policy is housing policy

- Local leaders can impact household incomes and, by extension, housing affordability
- Raise the incomes of working families through earned income tax credit, nutrition assistance, health care, and child care

***Think of affordable housing as
workforce housing***



Principle Five: Regulatory Policy Makes a Difference

- Building Codes
- Zoning Ordinances
- Rent Controls
- Development Fees
- Land Use Regulations
- Design Requirements
- Subdivision Requirements
- Parking Requirements



Policy Response

- Eliminate or moderate regulatory barriers to affordable housing production
 - Identify and get rid of regulations that are exclusionary or unnecessary
- Provide incentives for private developers to produce more affordable housing
 - Create inclusionary housing policies to improve supply of affordable housing



Principle Six: Race matters

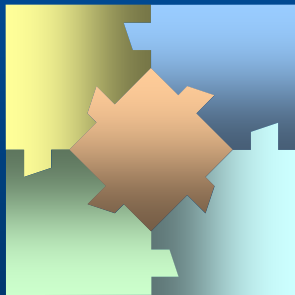
- Implement policies that do not reinforce patterns of segregation and discrimination
- Be aware that “color blind” policies may not work as intended if segregation and ethnic inequalities are ignored





Principle Seven: Implementation Matters

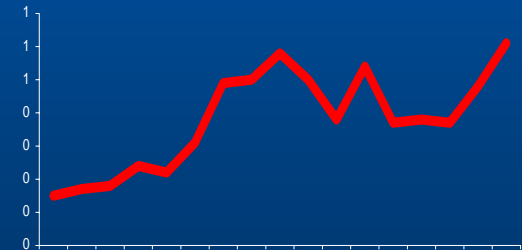
Housing policy needs to be implemented in an integrated, accountable and sustainable fashion



Integrated



Accountable



Sustainable



Implementation matters

- Housing programs should connect directly with other neighborhood interventions (e.g., schools)
- Hold implementing agencies accountable through performance measures
- Economic integration is the principle vehicle for sustainability

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ANNOUNCEMENT

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read an open letter from Brookings President Strobe Talbott

METROVIEW

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The Washington Times
June 21, 2004

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