

**A Blueprint for National Prosperity:
What the 2008 Election Should Be About... and How to Make It Happen
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Introduction

We stand on the eve of a remarkable juncture in American history, the first presidential election since 1952 when no incumbent president or vice president will run as the nominee of either political party. This promises to set off a competition for ideas among the major candidates, as they scramble to distinguish themselves before a public hungry for leadership.

The '08 election also takes place at a time of dynamic change in the US and abroad—demographic, economic, environmental—which fundamentally alters the mix of challenges facing the nation.

Given this historic moment, let me offer some thoughts about what this election should be about... from the perspective of a person who is daily immersed in the ebb and flow of American communities.

My “candidate” for a 2008 election narrative is as follows:

First, broad demographic and economic forces are repositioning metropolitan areas as our engines of national prosperity and the drivers of environmental sustainability and social progress. The world, in essence, is not just flat; it is, as Richard Florida has argued, “spiky,” with each spike representing a metropolis where the world’s economy and population is disproportionately concentrated. An astonishing 83 percent of our population lives in metropolitan areas which, together, drive and dominate the economy and house our wealth-generating industries, our centers of research and innovation, our ports of commerce, and our gateways of immigration.

Second, for all their assets and dominance, our leading metros cannot solve their myriad challenges or leverage their boundless opportunities by themselves. New York is at the leading edge of urbanization in our country and the cutting edge of policy reform, as evidenced by the mayor’s sustainability and anti-poverty initiatives. Yet New York offers a cautionary tale: Cities and their metropolitan areas cannot “go it alone”; they need the support of higher powers, national not divine, in order to thrive and prosper over the long term.

Finally, as we approach the 2008 presidential election, the United States needs a national agenda—a Blueprint for National Prosperity—to give cities and metros the rules and the tools to leverage their economic strengths, grow in environmentally sustainable ways and build a strong and diverse and resilient middle class.

This Blueprint must respect the central lesson of our time: that the ability of our nation (or any advanced nation) to compete globally and meet the great environmental and social challenges of our time rests largely on the health and vitality and prosperity of major cities and their metropolitan areas.

We are, in short, a full fledged “Metro Nation;” it is high time to start acting like one.

So let me start with the initial proposition: Big forces have put metro areas in the driver’s seat of American prosperity and vitality.

Our country is going through a period of profound, dynamic change.

The population is growing by leaps and bounds: from 151 million in 1950 to 282 million in 2000. We surpassed 300 million in population last year and we are projected to expand by another 120 million in the next 43 years. Only China and India will experience this level of growth.

Broad demographic changes are happening: immigration, aging, the shrinking of households. Our growth since the mid 1960s, in particular, has been fueled in part by an enormous wave of immigration. Incredibly, some 35 million of our residents were born outside the United States. That is more than 12 percent of the population, the highest share since 1920.

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

Globalization has accelerated the shift in our economy from the manufacture of goods to the conception, design, marketing, and delivery of goods, services, and ideas. The American economy is now firmly a knowledge-oriented, technologically-driven, globally-integrated, innovative economy.

Technological innovation has shrunk the world, reducing the cost of transmitting information to virtually nothing.

Thirty years ago, some futurists predicted that the restructuring of the American economy and our technological advances would free and un-anchor us from place, precipitating a mass de-urbanization throughout the nation.

Well, they were wrong. The opposite has occurred.

Big forces have reconfirmed the primacy and centrality of place.

The top 100 metro areas alone claim only 12 percent of our land mass but harbor more than 65 percent of our population, 74 percent of our most educated citizens, 76 percent of our knowledge economy jobs and 84 percent of our most recent immigrants.

Our new metro era is defined by five central characteristics.

First, is *scale* and *size*. In 1950, the United States had 22 metropolitan communities with populations greater than 1 million, growing to 24 in 1960, 35 in 1970, 38 in 1980, 42 in 1990, and 49, both in 2000 and 2005.

As metros have grown in people, they have stretched outwards, consuming vast expanses of land and covering enormous distances. Thus, the term “urban” now encompasses places radically different, in form and design, than our traditional notions of a city.

Secondly, *speed* and *velocity* define our Metro era. The pace of growth in our major metros is fast and relentless. Six of the million plus metros grew by more than 30 percent in the 1990s; 16 grew by more than 20 percent and 31 grew by more than 10 percent.

Thirdly, mobility and migration across nations is fuelling a good part of metropolitan growth, particularly in the traditional cities. From 2000 to 2005, the top 100 metropolitan areas in the U.S. received 6.6 million new immigrants, or nearly 84 percent of all new foreign born arrivals in the U.S.

Fourth, our metros have become exceedingly complex and have moved way beyond the conventional city versus suburb divide.

Consider these realities:

Suburbs, once bedroom communities, now dominate the economic landscape. Only one-fifth of the jobs in metropolitan areas are located within three miles of traditional downtowns; an astonishing and growing 35 percent of metropolitan jobs are located more than 10 miles away from city centers.

Poverty, once overwhelmingly concentrated in cities, has drifted into the suburbs. In 2005, for the first time in American history, more poor people live in suburbs than in traditional cities.

And diversity now permeates our metropolitan communities. Racial and ethnic minorities now make up 27 percent of suburban populations, up from 19 percent in 1990.

Yet, far from being dead, cities are experiencing a second life—fueled, in part, by their distinctive physical assets—mixed use downtowns, pedestrian friendly neighborhoods, adjoining rivers and lakes, historic buildings, and distinctive architecture.

In short, these are not your parents’ cities, not your parents’ suburbs and decidedly not your parents’ metros.

And then, perhaps most importantly, there is the reality of connectivity across places, fueled by the concentration of industry clusters within places.

Where are our leading industries concentrated?

Motor vehicles in Detroit and the metropolitan regions of the industrial heartland in the Midwest.

Aerospace in Seattle and St. Louis.

Pharmaceuticals in Northern New Jersey counties and San Francisco and the Research Triangle.

Finance in New York and Charlotte and Boston.

Information technology in Silicon Valley, San Francisco, Seattle, and Washington, D.C.

Energy in Houston and New Orleans and Atlanta.

Why do these agglomerations occur? Because the American economy has evolved into a series of clusters—networks of firms that engage in the production of similar products and the provision of similar services. And firms within these clusters crave proximity—to pools of qualified workers, to specialized services like legal or finance that often require face-to-face interaction, to infrastructure that enables mobility of people and goods, to other firms so that ideas and innovations can be rapidly shared.

Density—the essence of urban places—matters even more in the knowledge economy than it did in the industrial economy.

These five qualities of urbanization—scale, speed, diversity, complexity, and connectivity—place cities and their regions at the center of national challenges... and national solutions.

But the growth of America's great places has not been friction free.

Across the nation, metropolitan areas face a daunting set of challenges that threaten their ability to grow in robust, sustainable and inclusive ways.

Areas of rapid growth are grappling with traffic congestion, sapping productivity, undermining the ability for workers to live near jobs or maintain a decent quality of life and driving up greenhouse gas emissions. The top 100 metros alone drive 60 percent of all the vehicle miles traveled in the United States—a reflection not just of their dominance in population, but of the impact of global trade, shipping, and freight.

Older industrial communities have the legacies of their industrial past—aging infrastructure, polluted lands, and discarded factories, making it hard for them to compete with the newer communities for families and businesses.

With income disparities growing markedly in recent years, all metro areas are wrestling with how to grow quality, better paying jobs for their workers.

This now takes me to my second point: Metros cannot resolve these great challenges... or leverage their opportunities...by themselves.

Perhaps no place reflects the challenge of sustaining and sharing prosperity more than New York.

Nearly bankrupt in the 1970s, plagued by crime and racial unrest in the 1980s, New York City staged a remarkable recovery in the 1990s... led by globalization, which revalued New York's traditional role as America's finance, media and fashion center, and the precipitous decline in crime, which reestablished New York as a tourist and talent magnet.

Population both in New York City and the region has been growing steadily, fueled in large part by immigrants. That growth is expected to persist, with projections that the city will add another 1 million people by 2030. The region is expanding every outwards, stretching further and further north into Connecticut and further and further west beyond the urbanized counties of Northern New Jersey to the eastern counties of Pennsylvania.

Challenges, some new, some old, abound.

Economically, the city is facing intense competition from the world's other global finance capital—London.

On the sustainable front, although the city and the region have the most extensive public transportation system in the nation, traffic congestion has worsened considerably and is now estimated to cost the region \$13 billion a year.

Despite the fact that the city is one of the most environmentally efficient places in the country, with New Yorkers producing 71 percent less CO₂ emissions than the average American, size matters and the city produces 1 percent of the total carbon emissions of the United States.

And, for large portions of New Yorkers, the gap between wages and prices is growing wider.

Mayor Bloomberg has launched not one but a series of ambitious city strengthening efforts.

The city is subsidizing the largest municipal affordable housing plan in the nation's history. Over the next seven years, the city plans to commit billions of dollars to build and preserve 165,000 units of affordable housing.

To accommodate new residents and new development, the city is creatively using zoning and regulatory powers to re-use vacant industrial sites in its old port areas.

To reduce poverty, the city has launched a privately-funded poverty reduction effort that rewards positive behavior, like preventative medical visits and consistent school attendance, with cash grants.

To grow in sustainable ways, the city has developed a bold and far-reaching 2030 plan that will reduce the city's carbon emissions by 30 percent over two decades, restore and extend the city's basic infrastructure, courageously institute congestion pricing, create homes for a million more residents, and ensure that all New Yorker live within a ten minute walk of a park.

All these actions and plans are imaginative, path-breaking, and grounded in sound evidence and world wide practice.

Yet, they raise a troubling, stark question: Can a global city and metropolis, buffeted by intense social and economic and environmental pressures, "go it alone" and resolve the inevitable byproducts of modern life by itself?

In the end, cities and metros act within the context of constitutional and statutory law, set by higher levels of government.

A city focuses on its immigrants but cannot control immigration laws.

A city focuses on reducing income disparities, but does not have sufficient tools to close the gap between wages and prices.

A city focuses on environmental sustainability, but generally lacks the power to catalyze market change through regulatory interventions.

A city focuses on building on its economic strengths, but its economy is profoundly influenced by national laws governing trade, corporate governance, and various sectors of the economy.

So we come to my final point: Just as cities and metro areas need smart national and state policies to realize their economic potential and grow in sustainable and inclusive ways... so the nation needs an agenda that recognizes and reinforces the economic, environmental, and social potential of cities and metro areas.

And so, my proposition for the 2008 election is this: The United States needs a national agenda—a Blueprint for National Prosperity—to give cities and metros the rules and the tools to leverage their economic strengths, grow in environmentally sustainable ways and build a strong and diverse and resilient middle class.

What general policies are we talking about?

If metros are going to grow high-road, productive economies, we need strategic federal and state investments in science and technology, advanced research, and innovation as well as support for business growth, particularly small businesses: skills training, health care, capital access, and entrepreneurial support.

If metros are going to grow in sustainable ways, we need smart federal and state policies on transportation, housing, land reclamation, brownfield remediation, and energy efficiency... and a market shaping commitment to environmental sanity that reduces our carbon contribution to climate change.

If metros are going to grow a strong middle class, we need a federal and state commitment to improve access to quality education at all levels, enhance skills, supplement incomes, reduce the prices of being poor and ultimately grow assets and wealth.

Let's make this interesting and get more specific.

What if we had a National Innovation Corporation that harnessed all our next generation federal investments in health, information technology, clean energy, and the environment?

What if federal infrastructure policy targeted resources not to “bridges to nowhere” but to congested metropolitan areas that stand at the heart of our economic life?

What if federal infrastructure policy unleashed the potential of market forces and market players to deliver a 21st century infrastructure and the pricing mechanisms for managing congestion and growth?

What if federal housing policy embraced the goal of economic integration and stimulated the production of housing that is affordable to moderate and even middle-income workers in markets with rapidly appreciating real estate prices?

What if national immigration policy went beyond the narrow confines of border enforcement and focused on giving municipalities, particularly suburban jurisdictions, the tools they need to integrate tens of millions of immigrants into mainstream American society?

What if the federal government, through incentives and mandates, made clean energy and green building the norm rather than the exception?

What if we embraced the notion that “if you work, you should not be poor”—and made the necessary adjustments to, among other things, our minimum wage, health care, and the earned income tax credit?

What if we embraced a new national commitment to quality and life long education—from universal pre-k, through elementary and secondary schools, through higher education (private and public), four-year universities and community colleges... and beyond?

What if all these policies were wrapped under the trinity of economy, environment, and equity... and we set ambitious, measurable goals for the nation to aspire to, if not meet, by 2030 or even 2020.

What if... we had a Blueprint for National Prosperity?

Some of these ideas, of course, will require new investments and we need to make tough tradeoffs in national fiscal policy, starting in 2010 when the President's tax cuts expire, to free up resources.

Yet this is not just about new money.

We can and should also cut to invest, ending federal investments in programs and policies that are better left to the states and localities to design, fund, and implement. A new century requires a new federalism.

And we can get more bang for our buck we if truly integrate across segmented policies – using smart housing policies, for example, to reduce traffic congestion and support economically integrated schools.

Now why would a nation ignorant of place embrace policies that built strong and sustainable places?

First, I have already discussed the special nature of the 2008 election and the possibility for an engaged, energetic debate about the future of this nation.

Second, metro areas are currently less than the sum of their parts politically. They are disorganized, fragmented, balkanized and rarely band together to push any major national policy through. Yet there is latent power here to be exploited. As the *New York Times* recently reported, 10 metros alone have provided 60 percent of the contributions to the major presidential candidates so far.

Just imagine if the leadership networks in this region could relate in a sustained way with the leadership networks in other critical regions of the US—places like Boston, Chicago, and San Francisco as well as Atlanta, Charlotte, Dallas, Denver, Detroit, Kansas City, Los Angeles, Miami, Minneapolis, Phoenix, and Seattle.

I guarantee that what would emerge from such interactions is a clear understanding that what unites these metros in their competitive struggle—growth, immigration, congestion—is greater than what divides them.

Third, we are a mercantile nation trained to check out the competition. If we do that we will discover that we are an outlier among our competitor nations in that we lack any coherent, explicit, or focused national policy to support the health and vitality of urban and metropolitan places.

Our global competitors are making strategic investments in the foundational elements—infrastructure, education, quality places, energy efficiency and security—that drive sound, sustainable, and shared growth. Germany, for example, is creating a network of inter-linked cities, connected, and soon to be even more connected, by modern rail and technology. China is trying to replicate our vast network of advanced research institutions and universities.

Our global competitors are also making structural changes in governance to adapt to the expanding geography of human settlement and economic activity. Post-apartheid South Africa, for example, combined black and white residents under unified municipalities, ensuring a fairer allocation of tax resources and a metropolitan approach to competitiveness and growth.

Finally, there is simply no other way to achieve our central national priorities—robust growth, sustainable growth, inclusive growth—without going down the metro route. We are a Metro Nation. There is no going back. Lets accept it, embrace it, and leverage it for all its worth.

Conclusion

So let me conclude with these thoughts.

If cities and city regions are the organizing units of the new global order... and this nation... then a broad range of national policies and practices needs to be overhauled, re-ordered and integrated around new spatial realities and paradigms.

This will require some hard thinking about how to restructure the compact between various levels of government—federal/state/metro/local—and the business and voluntary sectors.

It will require us to get “out of the box” to scale up and replicate local innovations and “out of the nation” to tailor the best innovations from abroad to our insular nation.

It will require us to organize ourselves differently in the political arena, within and across cities and metros.

I firmly believe that America can act, with vision, imagination and confidence. Will we seize the possibilities before us?