I
THE BIG PICTURE FOR GLOBAL GEOGRAPHY

American Aspiration Is Metropolitan

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Too many urbanists start their analysis of cities too late. They look at booming urban areas and see the amenities and jobs as the essential building blocks of urban dynamism. But before those amenities and jobs existed, these were places of aspirations with ambitious founders. What began as a river outpost here or crossroads there became a place where people with overlapping aspirational goals realized they would do better by cooperating or maybe even competing.

Creativity, invention, ideas—these have been central to modern economic success. And nowhere have they been more evident than in cities. Cities grow because people move to them. People move to them because of the range of opportunities. And the range of opportunities exists because cities are the theater where the best ideas compete and spin off all kinds of opportunity.

Included in "all kinds of opportunity" are good vocational options and other building blocks of a meaningful life that even modest incomes can afford, such as a good home in a safe and good community. This is the central challenge to our urban future—not only in the West but around the world.

The Interplay Between Urbanization and Inequality

The forces that produce opportunity in metropolitan areas now too often produce outsize gains for some but not for many others. As the Massachusetts Institute of Technology's David Autor suggests, although beneficial for many on the high end, our most elite cities do not much reward blue-collar or middle-class families.[1] Gentrification benefits poorer populations in ways that are often overlooked, but the forces driving it also tend to produce highly segregated regions in which the newest and best housing and amenity-rich areas are the domain of the wealthier, more highly educated workforce.[2]

It is important to recognize how class-based this urban inequality has become over the past generation. In 1980, the 15 most unequal metro areas in America were mostly in the South and did not include New York; San Francisco; Los Angeles; San Jose, California; or Washington, DC—all of which are among the 15 most unequal metros today. None of today's 15 most unequal metros are Southern cities, and most are either in the Northeast or on the West Coast, reflecting a marked shift from an era of race-based to an era of class-based inequality. All of the 15 most unequal metro areas today have an inequality ratio—that is, the gap between the top and bottom 10 percent of incomes—greater than the most unequal metro area in 1980.[3] Many commentators who have been quick—and often right—to point out how the legacy of racial inequality has continued in American cities have been much quieter about the way America's leading metro areas—home to many said commentators—have created huge class divides, which are often congruent with racial divides.

As class-based inequality has come to characterize America's most unequal cities, so has progressive politics. Of today's largest 20 cities, 16 have Democratic mayors, compared to two with Republicans and two with independents. In 1995, mayoral leadership was split evenly at 10 Democrats and 10 Republicans.[4] The makeup of city councils has also trended leftward.

Many factors contribute to the inequality divide in America's largest cities, and there is no easy way to assess the role of partisan leadership in this trend. But wherever there are partisan monopolies, there is also a kind of blindness that prevents the competition of ideas from providing solutions. Progressive attachment to familiar narratives about climate change and race, for instance, have prevented urban leaders across the country from recognizing how their actions are contributing to the increased cost of housing or deafening them to minority residents' concerns about crime.

Managing Urbanization's Two Driving Forces

The task for policymakers and urban and suburban political leaders, then, is to figure out how to harness two forces that are often in tension. The first is the push that a majority of people feel to live in metropolitan areas as a way to pursue opportunities for work and life, and the second is the pull of prosperity to mold a metro area to its advantage. As the former gains momentum, the latter begins to erect barriers to new entrants by raising housing costs or rewriting regulatory rules to its advantage. Conversely, the latter becomes an additional pull to people and businesses in desired industries, which adds to the force of the former. The result is growing inequality and geographic segregation.

These twin forces of urbanization leave us in a situation with too many policymakers pretending structural factors expanding inequality do not exist—or that they can be managed through blunt instruments such as expanding transfer payments. Efforts to restrict growth have typically exacerbated class divides. Blaming macro forces for unaffordability and demanding federal solutions no longer fool local residents. And turning a blind eye to concentrated affluence while offering a range of subsidies to parts of town on the other side of the metaphorical tracks—that default bad habit of progressives that Edward Banfield analyzed more than 50 years ago—ultimately leads to unrest and conflict.[5]

Rather than avoiding, ignoring, or disingenuously pretending to fix the two prevailing urban dynamics, policymakers and metro leaders should embrace them as part of the ongoing competition for talent, ideas, jobs, and prestige. Accept urbanization and the reality that people will continue wanting to live in dynamic and growing places. Accept that people will blame you for unaffordability, even if indirectly by moving away. Accept that people could care less about socially sophisticated explanations for rising crime and simply want safe neighborhoods. Accept that people with resources want access to a range of lifestyle opportunities, *and* understand that those people will be more likely to stay in a metro area if lesser-affluent people *also* have access to a range of lifestyle opportunities, in both the city and elsewhere in the metropolitan area.

When working- and middle-class people have access to all kinds of opportunity, you are actually creating a kind of urban immune system that resists the contagions that have ultimately pushed people away from megastars such as New York and San Francisco. The best path to a vibrant metropolitan future in the United States is for more leaders in urban areas to understand how to promote growth, affordability, public safety, community, amenities, and schools—without sacrificing any of them individually for others.

America's Metropolitan Past Is Its Present and Future

America's metropolitan past is also its future. Metro areas grow because people are drawn to them for quality of work and life reasons, and yet the pecking order of metro areas is always changing. America will always be a metro nation but never in the same way year after year. More than 240 million people live in the 3 percent of the country's geographic regions that count as urban but that are, for the most part, overwhelmingly suburban and exurban.[6] America's agrarian beginnings gave way to urbanization long ago, and over the past 100 years, its urban population has grown by 500 percent, compared to rural growth of about 20 percent. Today, more than eight in 10 people live in urban areas.[7]

After more than a century of steady urbanization in America, more than 90 percent of gross domestic product and wage income is generated in America's often sprawling metro economies. Median household income is 38 percent higher in metro areas than outside them, and contrary to common perceptions, poverty rates are lower inside them than in nonmetro areas.[8]

As metro areas grow, housing and related costs usually rise, but employers and workers put up with them not only because incomes are higher in metro regions but because of the enhanced quality of the jobs and greater levels of energy one finds in urbanized places. Even when taking education, intelligence, and experience into account, people in metro areas of more than a million residents are 50 percent more productive than are those outside those areas, according to urban economist Edward Glaeser.[9]

America's metro growth is thus a story of not only economic dominance but increasing consumer orientation. Cities provide an arena of economic, social, and cultural activity that follows from people working in industries that reward inventiveness, creativity, and insight. Ideas create companies that create jobs, and then people attracted to idea-centric environments follow. As growing companies and amenities concentrate in these areas, still more people follow.

But they don't follow in the same way and the same places, which is why urbanization is an upward mobility story that keeps retelling itself in America. American states benefit from a common language and currency and a generally common culture, and yet different state laws, histories, and subcultures allow cities across the country to compete with each other in ways that would be impossible among European Union member countries, for instance, where linguistic and cultural barriers prevent the same kind of competitive mobility. We can learn a lot about what makes a city unique by assessing the reasons people move there. We can also learn a lot about how to hold in balance the essential elements of opportunity and quality of life mentioned earlier.

Opportunity Cities and Middle-Class Metros

Over the past 20 years, the fastest-growing metro areas with more than a million residents have famously been in the South and West—where the weather is warmer or the infrastructure newer, or both—rather than the dominant cities of yesterday in the Northeast, Midwest, and California coast. Sunbelt cities grew faster between 2000 and 2010 than they did in the following 10 years, but overall, since population growth slowed nationwide, they still dominated by any measure. Fourteen major metros grew their populations by more than 20 percent in the first decade of this century, and six did so in the second decade; none of them were in the Northeast or Midwest. The top 20 metros in both decades are roughly a mix of the same places such as Austin, Texas; Dallas, Texas; Denver, Colorado; Jacksonville, Florida; Nashville, Tennessee; Phoenix, Arizona; and Raleigh, North Carolina—moving up or down a bit in the rankings but not changing that much as a whole.[10]

Digging a little deeper, we can see that these are not only places with better weather and newer shopping malls. They are also states that are favorable to new businesses, sensible on taxation, realistic about public safety, and supportive of building homes the middle class can afford.

Digging even deeper, we can find two useful measures of urban vitality that urbanists often overlook. The first is the balance between population growth and affordability. Most fast-growing cities become unaffordable because of basic supply-and-demand issues—the supply of housing cannot keep up with the number of people moving into town—in which supply is artificially rather than naturally constricted. Unlike a crop that results in diminished supply because of blight or too little rain, housing supply is almost always restricted by local leaders who consciously decide to make it more costly in service of environmental goals or unfounded hopes of slowing growth. But not all growing cities suffer from the same spikes in unaffordability. It is worth learning from them.

The second measure is a metro area's middle class. Today's class-based urban inequality is marked by a shrunken middle class. It's been a long time since anyone has seen a minivan parked in front of the home of an insurance agent, a schoolteacher, and their three kids in Manhattan or San Francisco. But that minivan can be found in Jacksonville; Nashville; Salt Lake City, Utah; and other metro areas that have been growing at a faster clip than Manhattan and San Francisco have for a while. In fact, one can find quite a few migrants from the latter two to the former three these days.[11]

Balancing Growth and Affordability. Cities that offer promising vocational possibilities, a good quality of life, and relative affordability are what we might think of as "opportunity cities." Their population growth is a reflection of their appeal to people in other places who are looking to make a new life for themselves. The COVID-19 pandemic has generated a lot of media commentary about the flight of Americans from high-priced megacities to more affordable, smaller cities, but these migration patterns were already well established before the pandemic attracted the media's attention to them.

Between 2014 and 2018, the five fastest-growing major metros by population percentage were Austin; Orlando, Florida; Raleigh; Las Vegas, Nevada; and Dallas. Others in the top 10 included Phoenix; Charlotte, North Carolina; and Jacksonville. Higher-cost cities such as Chicago, Los Angeles, New York, and San Francisco experienced slowing or declining growth during the same period. Chicago's growth rate was the third worst among all major metros, while San Francisco grew at one-third of Austin's rate.[12]

Austin and Raleigh are well-known among urbanists for their strong and continuous population growth over the past two decades. What has gotten less attention than the economic and cultural forces driving their growth is their relative affordability as they have grown. They are the only two of America's 52 major metro areas with over one million residents to rank in the top 10 in population growth, economic growth, and lowest unaffordable-housing growth. (Phoenix comes close, ranking in the top 12 in all three categories.)[13]

Many fast-growing metros tend to get good marks for business environment, but they also have kept the cost of housing under control compared to other dynamic metro areas.[14] This has been done largely by producing more housing on the periphery at a large scale apace with population growth. In contrast, a combination of urban growth boundaries and strict zoning in many metro areas has created a massive price spiral that has chased domestic migrants out of places such as Los Angeles and San Jose.[15]

According to the Milken Institute's Best-Performing Cities Index, which tracks housing affordability and economic dynamism, Austin, Raleigh, and Phoenix placed in the top seven, compared with the index's other largest cities.[16] The benefits of balancing growth and affordability are many. According to the American Enterprise Institute's Tech Worker Index, the typical technology worker can afford 81 percent of homes in Raleigh and 71 percent in Austin, compared with just 12 percent of homes in San Jose and 21 percent in San Francisco.[17] But it's not just the high-tech crowd that benefits: Austin and Raleigh rank in the top 10 of the nation's 100 largest cities in terms of immigrant homeownership.[18]

Middle-Class Metros. If opportunity cities demonstrate that it is possible to balance population growth and affordability, metro areas with a thriving middle class show that the benefits of dynamic urbanism can be more widely distributed than urbanists typically assume.

Using a sensible definition of the middle class, we see that the top 10 metro areas with the largest shares of middle-class residents include cities such as Salt Lake City; Phoenix; Jacksonville; Orlando; Nashville; Oklahoma

City, Oklahoma; and Grand Rapids, Michigan. The top five cities with the smallest share of middle-class residents are San Jose; San Francisco; Boston, Massachusetts; Philadelphia, Pennsylvania; and New York.[19] There is some overlap between the opportunity cities that balance growth and affordability with middle-class metros, since they have in common relatively strong population growth every year. People are moving to each type of place because of a blend of economic opportunity, affordability, and a mix of amenities that create a good quality of life.

Middle-class metros share some additionally important features, though. One is the median year of home construction. Houses in middle-class metros are considerably newer than in urban areas with fewer middle-class residents. Among the top 10 middle-class metros, the median year of home construction is 1993, compared to 1970 among the 10 metros with the smallest share of the middle class.[20] Not only are newer homes often more attractive than older homes and boasting of more appealing amenities, but they typically require less maintenance. This appeals to families that need to maximize disposable income for other things in life, such as savings or costs related to raising children.

Another feature of middle-class metros is their friendliness to grassroots entrepreneurship. Startups are not just a Silicon Valley phenomenon, nor should they ever be. An important part of the American dream is the ability to start and build an enterprise, even if it is small and local. A recent study of how favorable cities are to startups included in its top 10 list familiar top 10 middle-class metros such as Orlando and Jacksonville, while ranking cities with small middle-class populations, such as Philadelphia and New York, far down the list.[21]

A final important feature of middle-class metros is their family friendliness. More children grow up in two-parent households in metro areas with large middle-class populations, most of whom live in owner-occupied suburbs. A voluminous body of social science research shows that the long-term benefits to children from growing up in such homes are many and enduring. Married parents are also more likely to value involvement in religious congregations, so perhaps it is not surprising that middle-class metros also have more houses of worship per capita than do places with fewer middle-class residents.[22]

Conclusion

A recent analysis of job postings summarizes well how metropolitan dynamism looks in an era marked by a footloose workforce and a surprising resurgence of new businesses. Not only have workers in high-cost cities such as San Francisco been decamping to Austin and lower-cost northwestern cities such as Boise, Idaho, but businesses in opportunity and middle-class metros are also hiring at an impressive clip. Between February 2020 and January 2022, job postings grew at the fastest rate in some familiar places such as Austin and Phoenix but also in other popular pandemic-era metros such as Virginia Beach, Virginia, and Boise. The top 10 cities in terms of job-posting growth look almost identical to those that top lists of opportunity cities and middle-class metros.[23]

During the COVID-19 pandemic, as place of work and residence became untethered like never before for many Americans, we also saw the first reversal of declining new-firm formation in decades. Meanwhile, job postings grew at the slowest rate in metros such as San Francisco; San Jose; Washington, DC; and Baltimore, Maryland.[24]

The dynamics of a once-in-a-century pandemic are still not fully understood. We cannot draw any firm conclusions, as many of those dynamics are preliminary and we can't yet divine the long-range impact of the pandemic. But the job-postings analysis illustrates trends that we find in metros that do a good job balancing opportunity and cost. People all along the income distribution who aspire to improve their lives, build a career, raise a family, and enjoy the good things metropolitan living offers will seek out those places that validate their aspirations. Opportunity cities and middle-class metros clearly appeal to a wide swath of the US population. It is time for more policymakers and leaders in the nation's metro areas to learn this lesson and govern accordingly.

Notes

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