REBUILDING AMERICA'S LEGACY CITIES

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New Directions for the Industrial Heartland

Alan Mallach, Editor

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Summary: For America's Legacy Cities—cities losing population and their economic base—this book puts forth strategies to create smaller, healthier cities. Creative strategies for using vacant land need to be matched with successful efforts to stabilize the local economy and re-engage residents in the workforce, and to reinvigorate the city's still-viable neighborhoods. This volume offers a broader discussion which recognizes the complex relationships between today's problems and their solutions.

The rich material contained in this volume provides thought-provoking reading for anyone concerned with the transformation of America's older industrial cities, either with respect to a specific city or from a broader perspective, whether the reader is a policymaker, practitioner, or concerned layperson. These chapters do not suggest that that the process of change will be an easy one. They do offer a robust collection of ideas and directions that can help animate local action or state policy and help practitioners and policymakers take the steps that may indeed lead to the smaller, stronger, and healthier city that the authors believe is possible.

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Foreword

Our nation's well-being is substantially tied to the strength of our metropolitan areas and the central cities around which they grew. The cities and their metro area can be the country's economic drivers in the 21st century, and our overall national economic strength will be directly correlated to their well-being.

While many cities in America are doing far better than thirty years ago, when mayors and city managers were confronting economic decline, rising crime, and abandonment amidst widespread sentiment that cities no longer mattered, other cities are still struggling to define their role in the 21st century. These cities are searching for their future as they seek to transition from their historic role as the manufacturing centers of the industrial revolution and the arsenal of America during World War II.

These cities—called Legacy Cities in this book—are the places that have continued to lose population, see their neighborhoods decay and which must grapple with high unemployment and poverty. This book of thoughtful, informed essays edited by Alan Mallach will make a major contribution in helping business, civic, and political leaders of these cities understand the dimensions of what is occurring in our country and elsewhere, and offers valuable ideas and suggestions on how to confront the challenges these cities face.

The recovery of the nation's legacy cities is important not only to the people and businesses in them but to our nation as a whole, for many reasons. First, these cities contain centuries of accumulated infrastructure, an investment that the nation cannot afford to allow to go to waste through neglect. That infrastructure goes far beyond roads, highways, sewer and water lines. It includes the historic neighborhoods and downtowns that were the glory of American urban life at the end of the 19th, and for much of the 20th century. It includes many of the nation's greatest academic institutions and medical research centers, such as the Cleveland Clinic or Johns Hopkins. All of these represent powerful economic assets that need to be harnessed for these cities' revitalization and for the nation's growth.

Second, these cities have critical resources needed to accommodate the millions of additional people that will live in our country. We are likely to see population growth occurring in places where natural resources have already become a constraint on growth. In much of the Southwest and West, the water supply is simply not sufficient to accommodate the fifty million additional people expected to be added to the nation by 2050. Revitalizing legacy cities that have plentiful water and other natural and built resources so that some of that population growth can be attracted to these places is sound national policy.

Both of us have been mayors of major American cities. As mayors, we came personally to understand how important it is that the actions taken to mold our cities' futures be based on thoughtful analysis and sound planning principles. The essays in this volume, which offer thoughtful insight and suggestions on not only the physical, but also the economic and social dimensions of the process of re-building our legacy cities, will be of great value for everyone wrestling with this critical and timely public policy issue.

The Hon. Henry G. Cisneros
Executive Chairman
CityView
Former Mayor
City of San Antonio

The Hon. Gregory S. Lashutka
Senior Consultant
Findley Davies
Former Mayor
City of Columbus

Preface

The revitalization of many U.S. cities from their nadir of two or three decades ago is one of America's major success stories. While these cities have developed healthier downtowns, safer neighborhoods, and vibrant local economies, other cities, inside and outside the industrial heartland, face daunting challenges as they struggle with prolonged demographic and economic downturns. All too often, these material difficulties are complicated by political, psychological, and legal challenges. There is little accepted language for talking about a city experiencing severe population loss and few policy frameworks that do not revert to talk about growth.

If they are to thrive once again, this group of American cities must find strategies that manage their realities and that result in stabilization and reinvention rather than continued decline. Identifying those strategies was the challenge The American Assembly took on in the fall of 2009, as it began planning the activities that culminated in the 110th American Assembly and in this edited volume. The Assembly remains conscious of building on the important work of many others—including its own earlier projects on urban policy in formulating language and policy recommendations adequate to the challenge. Yet, the time has come for more deliberate and focused attention to these problems, lest we lose the rich historical heritages and valuable resources of these cities. Documenting these challenges and charting practical paths through them is the central purpose of this volume.

Many people contributed to this process. Urban policy scholar and advocate Paul C. Brophy, of Brophy & Reilly LLC, guided the project from its early planning meetings to the final report from the Assembly. Mr. Brophy was involved in or led most of The American Assembly's urban policy projects. The project benefited greatly from the cosponsorship of The Center for Sustainable Urban Development at Columbia University's The Earth Institute, directed by Elliott D. Sclar, who served as project co-director with Mr. Brophy and The

Center for Community Progress of Flint, Michigan and Washington D.C., led by Daniel T. Kildee.

Henry G. Cisneros, the Executive Chair of CityView and the former Secretary of Housing and Urban Development and Gregory S. Lashutka, Senior Consultant, Findley Davies and former Mayor of Columbus, Ohio served as co-chairs. They were assisted by a distinguished national steering committee whose names and affiliations are listed in the appendix.

Alan Mallach, non-resident senior fellow at the Brookings Institution and senior fellow at The Center for Community Progress, conceived and structured this volume. As its editor, he was nothing short of remarkable in guiding his writing team through various drafts and producing this important and much-needed contribution to U.S. urban policy.

The chapters in this volume were first used as background for the 110th American Assembly held in Detroit, Michigan on April 14-17, 2011. Eighty representatives of government, business, law, labor, academia, nonprofit organizations, and the media came together to discuss the harsh realities facing these "legacy cities"—as the Assembly participants chose to call them—and develop policy frameworks for addressing them. In their fifty-page report of findings and recommendations, the participants agreed these legacy cities can be placed on a trajectory for long term recovery. The participants' names and affiliations as well as the final report are included in the appendix of this volume.

In 1997 Mr. Brophy directed an Assembly project called "Community Capitalism: Rediscovering the Markets of America's Urban Neigborhoods" that helped launch a redefinition of inner city communities as viable investment opportunities. It is our hope that the land use strategies, creative financing approaches, improved civic capacity, and stronger partnerships presented in The Assembly report and in this new volume will make a similar contribution. We want to ensure that our nation acknowledges the historic contributions of its legacy cities, and that the immense value in skills, institutions, and hard resources that these cities hold are assets for America's future.

We gratefully acknowledge the generous support of, the Ford Foundation, the Kresge Foundation, the Mott Foundation, Bank of America, and Ally Financial. Without their invaluable help, this project could not have been undertaken.

The chapters in this volume reflect the opinions and positions of their authors, and do not represent positions of the American Assembly, the Center for Community Progress, or the Center for Sustainable Urban Development.

David H. Mortimer
The American Assembly

Introduction

Alan Mallach, Editor

With the end of World War II, an era of urban disinvestment in the United States began. Suburban flight, deindustrialization, and the southward movement of the nation's population to the Sun Belt led to massive population and job loss in the cities that had driven America's economic growth for the preceding century. While some cities have rebounded in recent years, others—including iconic American cities like Detroit, St. Louis, and Cleveland, as well as many smaller cities and towns—have not, and they continue to decline. As the population of these legacy cities, as we term them, has declined, lack of demand for their land and buildings has created a new urban landscape dominated by vacant lots and empty buildings. Their remaining population has become poorer, with many residents lacking the skills, labor-force attachment, or mobility to compete in the regional or national labor markets. Recent trends, including the rise and fall of subprime lending, the Great Recession, and the crisis in the automotive industry, have hit these cities with particular force, making their already difficult conditions worse.

Today, many of these cities are in crisis. While some may have begun to stabilize in recent years, most continue to hemorrhage jobs and people. All share debilitating problems of vacant land and buildings, unemployment, and poverty. Today, more than ever before, they share even more crippling fiscal problems, as declining incomes and property values, coupled with shrinkage of the one-time state and federal safety net, have drastically cut municipal revenues, while expenditures for public services, debt service, health benefits, and pensions continue to skyrocket. Layoffs have become endemic, while the once-unthinkable subject of municipal bankruptcy has become a matter of serious discussion.

Legacy cities, as we call them in this volume, are far smaller cities—not in land area, but in population and economic activity—than they were in their heyday. Even if they emerge from the current crisis, they will continue to be smaller cities. That is not a matter of speculation, but reality. Some will continue to lose population for years to come, while others may stabilize their population and begin to grow once more, but they will still remain smaller than they were fifty or sixty years earlier. How to address this reality is the central challenge for these cities. How they reconfigure their physical environment and repurpose their surplus buildings and vacant land, how they stabilize their economies and utilize their human capital, and how they capitalize on their man-made and natural assets may determine whether their future will be one of continued decline or that of regained vitality as smaller but stronger cities.

These Cities Matter

The future of America's legacy cities is not a minor matter. In 2000, 45 million people—15 percent of the nation's population—lived in these cities and their surrounding metropolitan areas. This in itself should be enough to make the question of what will happen to them a matter of national importance, and make their efforts worthy of careful attention. There are other reasons, though, why the future of America's legacy cities should be seen as important, not only for the people who live there but for all of us.

Disproportionately concentrated as these cities are in the nation's Northeast and near Midwest, the so-called Rust Belt, their course will affect not only themselves and their immediate surroundings but also the future vitality of states like Michigan, New York, Pennsylvania, and Ohio. Legacy cities offer both resources for and impose burdens on the larger economy. They contain untapped resources of human capital, and billions of dollars in sunk infrastructure investment in roads, transit, sewer and water facilities, parks, and other public facilities. They contain major networks of educational and medical facilities, including such renowned centers as Johns Hopkins, Carnegie-Mellon, and the Cleveland Clinic, while they continue to serve as regional and national centers of culture, art, sport, and entertainment. These assets and resources are of critical importance for a nation struggling with rebuilding its economy and finding its course in the twenty-first century.

In their present condition, these cities are also weighty burdens on public resources, due to the municipal and school aid they need to provide public services and due to transfer payments to their residents, who are disproportionately poor, elderly, and disabled. In 2009, the state of New Jersey spent over $400 million to support Camden's city and school budgets, or over five thousand dollars per city resident. Continued deterioration and impoverishment in central cities also act as a drag on suburban economies, which are, even after decades of sprawl and decentralization, still closely interwoven with the fates of their central cities. The revival of America's older industrial cities will add value to the regional and national economy while reducing the burden that these cities impose in their present condition.

Defining A New Paradigm

The challenge of sustained population loss is not a new one. For most of the cities under consideration, shrinkage has been a reality since the 1950s or 1960s. It is a challenge, however, that cities have only recently begun to take up. When the idea of addressing urban population loss was raised in the past, its advocates were shouted down. Roger Starr's 1976 call for the "planned shrinkage" of parts of New York City ignited a polemical firestorm, while when Detroit's city ombudsman proposed in 1993 that the city "mothball" severely blighted areas, demolishing properties and suspending city services to those areas, her proposal was greeted with a mixture of controversy and ridicule.

This has changed dramatically. More and more public officials and civic leaders have acknowledged that their cities are, in fact, smaller cities, and that the way they plan and allocate their resources must recognize that reality. Cleveland, Dayton, Detroit, and Rochester, among others, have all incorporated the reality of sustained population loss into their plans, recognizing that the future shape of their cities will be very different from what it was fifty or a hundred years earlier. What has begun to emerge is a new planning paradigm, which confronts the reality of population loss by offering a vision of a city that is a smaller but healthier place. That paradigm recognizes that with a smaller population, the face of the city will change in ways still hard to predict, a subject addressed by Terry Schwarz in Chapter 6.

The growing acceptance of this paradigm does not mean that it is no longer a matter of controversy. To some, the mere idea of acknowledging shrinkage still seems to be a declaration of failure or an abdication of responsibility, as is the case with the usually thoughtful *New York Times* columnist Bob Herbert, who has characterized it as an example of "the same pathetic lack of creativity and helpless mind-set that now seems to be the default position of Americans in the 21st century."

I would argue the opposite, an argument that is borne out by the rich variety of ideas, suggestions, and proposals that will be found in the chapters of this volume. To address the reality of smaller cities is to recognize that times have indeed changed, that the great days of steel and coal are gone, but that rather than passively surrender, cities are not helpless in the face of change. Rather than either wallowing in fantasies of silver bullets that will bring about the return of the good old days or assuming that continued decline and shrinkage are inevitable, cities can chart a new course to make them vital participants in today's economy and society. The many individuals and organizations that have embraced this idea, and are working to rebuild their communities, need the active support and engagement not only of the state and federal governments but of private business and community leadership, and of the public at large.

The mission of the April 2011 American Assembly was to build that engagement by reshaping the policy conversation about America's legacy cities at the local, state, and federal levels. As part of that goal, this volume plays a critical role. It tries to answer a central, salient question: How can change best be brought about? What attitudes and past practices need to be changed and what concrete steps need to be taken in order to put these cities on the path to regeneration as smaller, healthier cities? First, though, it is worth offering some thoughts on what we mean by smaller, healthier cities.

Visualizing Smaller, Healthier Cities

Restoring vitality to older industrial cities that have experienced decades of population and job loss will not be a simple matter, and it will not happen overnight. It will be a complex, gradual process involving change to these cities' social, economic, and physical features, a task rendered even more difficult by the severe fiscal constraints facing not only the cities themselves but the state and federal governments to which they might hope to turn for help. It also demands that we try to visualize what should be the end of this process; in other words, what does it mean to be a smaller, healthier city?

While the smaller, healthier city of the future will still contain poor people and distressed areas, it will be a very different place from today's shrinking older industrial city. It will be a city in which the local and regional economy offers a pool of jobs commensurate with the size of the area's workforce, along with the education, training, and mobility options that will enable any willing resident of the city not only to find a job but to have opportunities for upward mobility without having to leave the community. The city's population will be stable, and may even grow slightly, as more people choose to stay rather than leave. It will accommodate a variety of healthy, stable neighborhoods that will have become communities of choice for different segments of the regional market; while distressed and disinvested areas may still exist, they will be outnumbered by the city's stronger, vital neighborhoods. Downtown will once again be a center of life and activity for the city and region, although perhaps at a more modest level and within a smaller geographic compass than in the city's heyday.

The great majority of the city's businesses and residents will now occupy a land area considerably smaller than the total contained within the city's boundaries, but the city will have far fewer vacant, derelict buildings than before, in part because of demolition and in part because of reuse. Since reuse and upgrading of existing buildings will have met most of the city's demand, little of the city's vacant land will have been redeveloped with new buildings. Most of that land will be reused instead for non-development purposes such as wetlands, forests, or farming—thereby providing visually attractive and environmentally sustainable areas that will enhance the city's quality of life.

Local government will deliver good-quality and cost-effective public services, and work closely with CDCs and other nonprofit organizations, colleges and hospitals, businesses, and residents to sustain healthy neighborhoods and reuse vacant land. The cities and towns within the region will cooperate with one another and with the private sector to build the regional economy and increase opportunities for the region's residents.

This is not a utopian dream, but an achievable vision. It will not, however, be an easy one to achieve, nor will it come unbidden. Such a vision demands that people change how they think about their communities, how they distribute their resources, and how they form relationships with one another. Above all, it will only be realized through deliberate, systematic action by all of those who have a stake in the future of their city or region.

Setting The Course

While we may not yet know enough to offer a road map to create the smaller, healthier city described above, we can begin to put the pieces together to help build that map for cities ready to make the effort to get there. The first step is to acknowledge that change will require not a single step, but many separate, parallel steps along many different paths in order to address the complex and interrelated issues that have led to and that perpetuate the current condition of the nation's legacy cities. While much of the "shrinking city" discussion—and much of the media attention it has received—has focused on what to do about these cities' large and growing inventory of vacant land and buildings, that is only part of the picture and it cannot be addressed in isolation. Creative strategies for using vacant land in heavily abandoned areas will not in themselves restore a city to health unless they are matched with successful efforts to stabilize the local economy and re-engage residents in the workforce, and to reinvigorate the city's still-viable neighborhoods. We need a shrinking city discussion that is broader in scope than the debate over demolishing buildings and using vacant land, and which recognizes the complex relationships between today's problems and their solutions.

The object of the eleven chapters that make up this volume is to contribute to this discussion. The first three chapters frame the discussion; Bob Beauregard provides an overview of urban population loss in the United States, while Ned Hill, Hal Wolman and their colleagues examine the factors, both internal and external, that are likely to affect a city's growth or decline. I contribute a chapter that looks at the forces that have created the surplus property inventory in older industrial cities, and the implications of this surplus for the future of these cities.

The next group of chapters explores a series of specific topics, each of which will play a critical role in the process of building a strategy for change. Since planning practice has historically been about managing growth, Margie Dewar and Hunter Morrison open this section with their ideas on how planning practices can be reframed to address the future of shrinking cities. David Boehlke addresses the ways in which strong neighborhoods can be preserved, and others regenerated, while Terry Schwarz looks at the growing arsenal of ways to think about the reuse of vacant urban land, the "places in between." Bob Giloth and Jillien Meier look at these cities' underutilized human capital and address how shrinking cities can integrate workforce development with economic development strategies, while June Manning Thomas looks at how public policy should address the critical but often neglected intersection between race, class, and ethnicity in America's older industrial cities.

The final section of this volume looks more broadly at the role of policymaking and governance in creating a better future for older industrial cities in the United States. Paul Brophy and I explore the need for reforming local government practices, while Lavea Brachman looks at the role the states and the federal government must play in providing the support that these cities need if the opportunity for change is to be a real rather than an illusory one. Finally, Jörg Plöger draws on the rich body of experience in Europe, with its older industrial cities, in order to draw lessons for American cities.

Interspersed among these chapters, each of which offers an extended discussion of an issue or question, are a number of shorter essays or "sidebars," illustrating the themes of the chapters with short, descriptive case studies drawn from the experience of specific cities. The case studies include descriptions of existing conditions—like Saginaw's fiscal problems or Detroit's vacant land inventory—and of changes and new initiatives—such as Pittsburgh's high-tech revival or the innovative Youngstown 2010 planning process.

The rich material contained in this volume offers thought-provoking reading for anyone concerned with the transformation of America's older industrial cities, either with respect to a specific city or from a broader perspective, whether the reader is a policymaker, practitioner, or concerned layperson. These chapters do not suggest that that the process of change will be an easy one. They do offer a robust collection of ideas and directions that can help animate local action or state policy and help practitioners and policymakers take the steps that may indeed lead to the smaller, stronger and healthier city that the authors believe is possible.

1

Growth And Depopulation In The United States

Robert A. Beauregard, Columbia University

Since this country's European settlement, unrelenting national growth and a continuous geographic concentration of people have meant that the great majority of the country's urban places have grown without interruption. At the same time, numerous villages, towns, and cities have failed to keep pace with their peers or have actually become smaller as they have lost out to regional competition. Others were too small to survive and disappeared. In the United States, a decrease in population growth and decline that results have been inseparable.

This chapter provides a general overview of the complex mix of population expansion and contraction that has characterized urban development in the United States. It also includes a more detailed investigation of the phenomenon of shrinking cities in the late twentieth century. In considering both, I treat shrinkage as a matter of depopulation. My assumption is that a city experiences decline (that is, multiple dimensions of incapacity) when it is no longer attractive to households, a condition that occurs almost always because it has become less attractive to investors. A drop-off in investment capital diminishes a city's economic activity and constricts job opportunities, powerful deterrents to living there. Disinvestment, a signal of a problematic future, makes matters worse.

Central to my approach is the recognition that shrinkage is not new. Rather, it is a novel way of thinking about the failure of places to maintain their social and economic value. Shrinking, or legacy, cities have become a prominent topic in academic and policy circles for three reasons. One is that urban decline, a condition that has been in ample evidence at least since the early twentieth century, has become entrenched in cities like Buffalo, Philadelphia, and Detroit, places that were once the powerhouses of the national economy and seemingly invincible.[1] Second, although political and corporate elites have resisted and attempted to reverse decline for decades, they have done so with only limited success; they have pursued growth but failed to attract it. Consequently, since the 1990s, civic leaders in a number of shrinking cities have entertained the possibility that these cities might never recapture their glory days.[2] The most realistic and likely future is that these cities will become smaller. Civic leaders must therefore embrace policies that make a city viable and livable even as it shrinks. Third, city planners, neighborhood activists, and elected officials have embraced a new combination of policy tools—demolition, land banking, and "green" initiatives—that has engendered the hope that these cities can be stabilized and made desirable once again. "Smaller" is not only becoming acceptable but seems to be manageable.

This chapter has three substantive sections, all of which rely on population data published by the U.S. Census. (*See Research Note on page 23*). The first section takes a national perspective and looks to the country's past. It assesses population growth in the United States at various spatial scales: the nation, the four census regions, metropolitan areas both as a whole and disaggregated into the central cities and the suburban periphery, and cities in different size categories. What we see through this lens is nearly uninterrupted expansion both in population size and in the number of urban places. The second section shortens the time frame to the last half of the twentieth century and considers places that have lost population. Despite a background of growth, a number of metropolitan areas, central cities, suburbs, and neighborhoods have become smaller. The third and last section compares three shrinking cities with three growing cities in order to convey a sense of the disadvantages that residents and local governments experience when their cities shrink. Population loss is accompanied by fewer job opportunities, deterioration in the condition of neighborhoods and the market value of housing, and local governments constrained to provide quality public services.

National Expansion

In 1790, the federal government undertook its first census; it recorded just shy of four million people living in the country. Since then, the population of the United States has risen without interruption, climbing to just over 308 million people in 2010. Between 1790 and 1850, in fact, the population expanded by about one-third every ten years. Thereafter, the rate of growth fell steadily until the 1960s and has hovered around 10 percent for each decade since that time. Yet the population continues to increase by significant numbers. Interestingly, some of the largest absolute increases have occurred recently. In the 1990s and in the first decade of the twenty-first century, approximately sixty million residents were added to the population; much of this increase is due to a renewed and robust immigration.

Regional Growth

The four major regions—the Northeast, Midwest, South, and West—of the United States have each experienced unbroken demographic expansion throughout the twentieth century (*See Figure 1*). The regions, though, have not expanded at similar rates, and significant regional variation exists (*See Figure 2*). In 1890, the Midwest was the largest region, with 22.5 million inhabitants, followed by the South's 20 million residents. At that time, the West was sparsely populated, with just over three million people. By 2010, the Midwest had lost its numerical dominance to both the South and the West. Over the last one hundred years or so, the South and West have experienced the fastest growth, while the Midwest and the Northeast have lagged behind. In fact, the South now overshadows the other three regions in population size, being home to one out of every three U.S. inhabitants. The West is over twenty times larger in population than it was in 1890, whereas the Northeast, in contrast, has had a mere threefold increase. In 1890, almost three out of every five residents lived in the Northeast or Midwest. By 2010, that ratio had fallen to one of every three residents. Although no region

Figure 1: *Census Regions and Divisions of the United States*

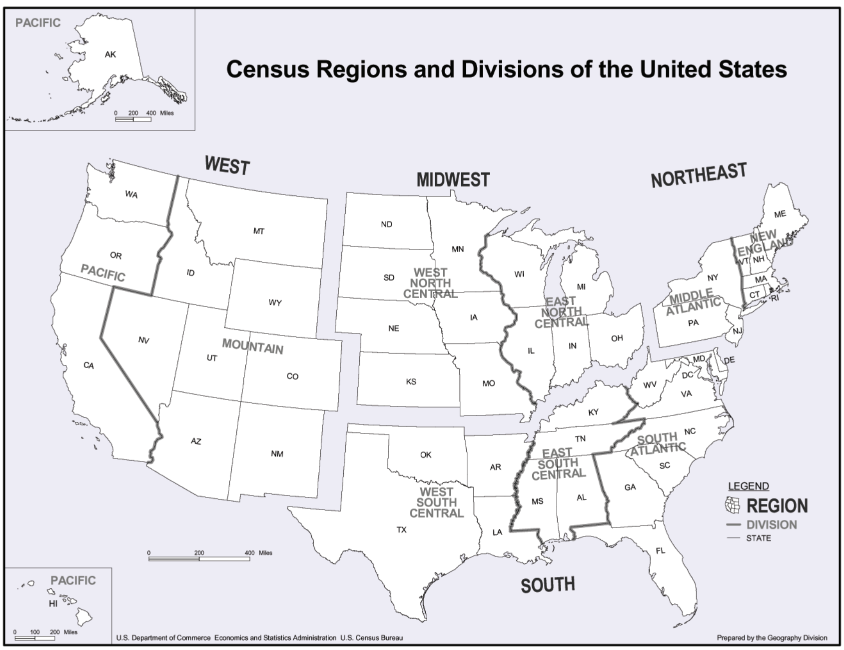
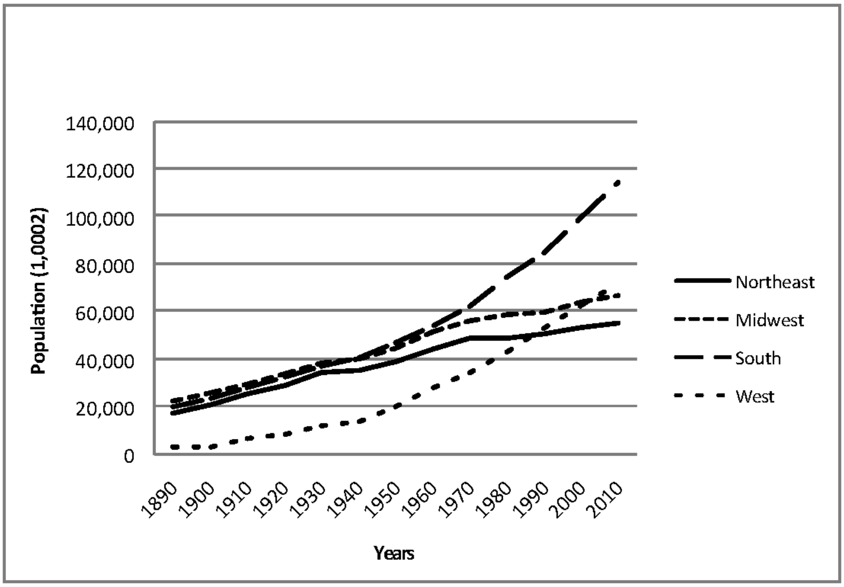


Figure 2: *Regional Population Change: 1890-2010*



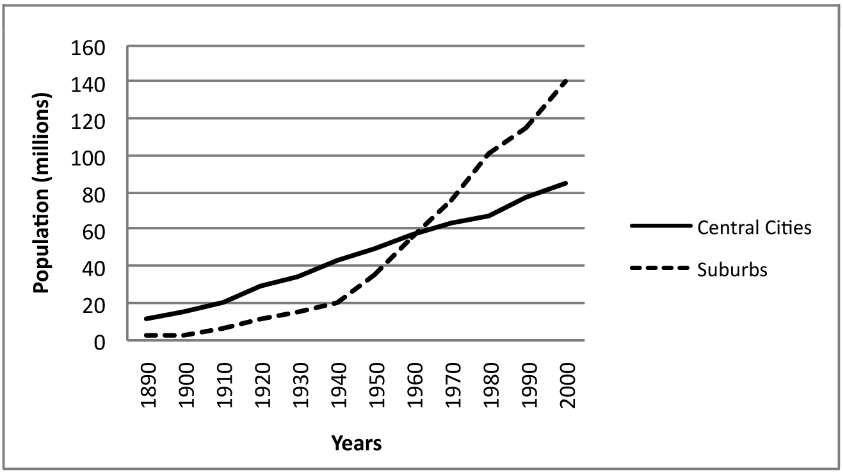
Although no region has declined in population, where people live has changed dramatically. Proportionately, fewer and fewer people are living in the Northeast and Midwest, the two regions whose nineteenth century prosperity was built on manufacturing, a point to which we will return.

Metropolitan Growth

Growth continues to be the dominant condition when we drop down in scale to the metropolis, the integrated urban sub-regions where work and commuting are spatially concentrated. Since the late nineteenth century, the number of people residing in these regions has risen from 14 million to over 250 million. By the beginning of the twenty-first century, approximately eight out of every ten residents of the United States lived in a metropolitan area. The number of these places, moreover, has steadily increased. As of 2009, there were over 366 such urban regions, ranging from Sandusky (OH) and Corvallis (OR), with fewer than 100,000 residents, to New York City and Los Angeles, with over 22 million and 18 million people, respectively.

When one looks within metropolitan areas, growth is pervasive, although one also encounters circumstantial evidence of shrinkage. For example, consider the simple but widely-used distinction between the central cities and the suburban peripheries. Central cities once anchored their metropolitan areas economically, politically, culturally, and demographically; they were dominant within the metropolis. Whereas the number of people living in central cities throughout the twentieth century has risen steadily, mainly due to the growth of metropolitan areas in the South and West, the central city share of metropolitan population has fallen from about three-quarters to approximately one-third. Since the end of World War II, most growth in metropolitan areas has been in the suburban periphery, not in the central cities. From 1950 to 2000, the number of suburbanites went from 35 million to over 140 million, while the number of those living in central cities failed even to double, going from 49 million to 85 million (*See Figure 3*). This has meant a loss of demographic dominance for the central cities. St. Louis, for example, had over 80 percent of the area's residents in 1910; by 2010, it had 13 percent. Among others, the cities of Providence, Milwaukee, Pittsburgh, and Kansas City also witnessed a relative (if not absolute) decline in their metropolitan position. Moreover, emerging metropolitan areas like Las Vegas, Phoenix, and Austin grew not in the center but on their edges, quite unlike the early twentieth century metropolises.

Figure 3: *Metropolitan Population Growth: 1890-2000*



Growth of Cities

Our last look from the national level considers the growth of cities of different sizes. The U.S. Census Bureau aggregates population data for places ranging from fewer than 2,500 inhabitants (non-urban places) to those over a million inhabitants. Most places—over 90 percent in the early twentieth century and still well over 80 percent in the early twenty-first century—have fewer than 25,000 residents. Places with populations from 25,000 to 250,000 make up the great majority of the remainder. Relatively few cities exceed this size. In 2009, the United States had nine cities with over a million residents, with New York City, Los Angeles, Chicago, and Houston leading the way. Another twenty-five cities (places like Denver and Jacksonville) had between 500,000 and 1 million residents, and forty-two cities (for example, Anaheim [CA]and Omaha [NE]) had between 250,000 and 500,000 people. In almost all of these city-size categories—with few exceptions—the numbers of cities have increased since 1790. The largest city, New York in 1790 had only fifty thousand or so residents and the country did not have a single city with one million inhabitants until the population of New York reached that number in 1880. Prior to 1820, no cities exceeded 100,000 residents. The city which did so first was New York, and it has sat atop the nation's urban hierarchy ever since.

Throughout its history, the United States has extended its land area from the East to the West and South (and to Alaska and Hawaii in 1959) and experienced continuous population expansion. Regionally, growth has also been uninterrupted, although the regions themselves have shifted in demographic importance. Further down in scale, metropolitan areas have grown in number and expanded, with four out of every five Americans now living in either a central city or a suburb. Most important, investors and households continue to create new places and make existing places larger. Except for the loss of metropolitan dominance of some central cities, a national perspective reveals little evidence of shrinkage. For this, one must turn to a more detailed analysis of metropolitan areas, cities, and neighborhoods for the decades after World War II.

Postwar Urban Shrinkage

During the early postwar period and into the 1980s, three large migratory shifts and a new round of industrial restructuring established the conditions for the shrinkage of cities. The worst of the consequences fell on the industrial cities of the Northeast and Midwest.[3] One of these migrations occurred just after World War II. It involved working-class and middle-class residents leaving their urban neighborhoods for the suburbs. Pushed from the central cities by the lack of housing and the ensuing over-crowding, they were attracted to the suburbs by newly built single-family homes. At the same time, African-Americans from the South were traveling to the industrial cities in search of decent jobs and relief from discrimination. There, they were channeled into the older, less costly, and more deteriorated neighborhoods, making their presence both obvious and politically contentious. The third migration was the movement of people away from the Northeast and Midwest. This trend had begun during the war, but did not gain full momentum until the 1980s, when a collapse of heavy manufacturing in the country's industrial areas sent people in search of jobs in the South and West. This further drained population from the older, central cities.

These migratory shifts were amplified by a restructuring of the country's industrial base, a change that had originated during World War II. One dimension of this restructuring was spatial: the growth of manufacturing in the South and

West, whereas it had previously been concentrated in the Northeast and Midwest. Textile and shoe manufacturing industries, for example, prior to moving overseas, fled the pro-labor union states of the Northeast and Midwest for the right-to-work, lower-wage states of the South. War mobilization, moreover, had established new centers of shipbuilding and aircraft production on the West Coast. After the war ended, the plant and public infrastructure that had been built there enabled the growth of domestic industries. Equally important were the decline of heavy manufacturing (for example, shipbuilding and steel production) and the decentralization of light manufacturing (such as food production) from the industrial Northeast and Midwest. Decentralization of plants, foreign competition, and the shift to new products (for example, to plastics and away from steel) favored the growing regions of the country. As manufacturing declined, business, social, and personal services—insurance, business consulting, higher education, fast food retailing, and health care, among others—became more economically important. The national economy shifted from manufacturing to services, and this disadvantaged the cities and regions whose prosperity had been based on the production of goods.

Together, industrial restructuring and these three migrations had a profound impact on older, industrial cities, their neighborhoods, and the metropolitan areas in which they were located. As large-scale heavy manufacturing declined, unemployed workers left for the suburbs or regions where jobs were on the rise. Too few people moved to the cities to overcome this out-migration and neighborhoods subsequently emptied. In fact, most of the in-migrants (primarily African-Americans) were steered into slums or lacked the income to maintain the neighborhoods in which they were allowed to live. African-Americans who came to the cities in search of well-paying manufacturing jobs were, more often than not, unsuccessful, not just because the industries offering these jobs were leaving or disappearing but also because they encountered prejudice and discrimination in job and housing markets. Denied the opportunity to benefit from upward mobility, they ended up economically and culturally marginalized in deteriorating urban neighborhoods. The shrinkage of manufacturing also hit industrial suburbs like McKeesport, outside Pittsburgh and Pawtucket, adjacent to Providence. They, too, declined, often causing the metropolitan area to falter and people to move to growing metropolises in the South and West. Shrinking cities emerged because of these conditions.

Metropolitan Shrinkage

We begin with the postwar flight of residents from metropolitan areas. Despite the promise of suburbanization and the rise of business, retail, and other services in the metropolitan periphery, a number of metropolitan areas have shrunk in population size, mostly, but not wholly, driven by the depopulation of their central cities.

According to the celebratory wisdom of postwar suburbanization, metropolitan areas are not designed to lose population and decline.[4] The suburbs are a unique form of American urbanism, one encased in a growth ideology that has constant spatial expansion as one of its defining characteristics. The growth of the metropolis is seen by many as relentless and unstoppable. And this has been more or less true. Throughout most of the twentieth century, the number of urban regions and the number of people living in them has steadily increased. Central cities declined, but they did so due to factors heretofore alien to the suburbs: crime, physical decay, political incompetence, poor schools, racial tensions, and obsolete industries. Suburbs were their opposites and ostensibly slated for uninterrupted prosperity.

Yet, in the 1970s, a number of metropolitan areas did lose residents. During that decade, the largest of them in the Northeast and Midwest experienced a collective loss of population—an almost 10 percent deficit.[5] On the whole, all other metropolitan areas in the United States grew, with those in the South and West doubling and even tripling the rate of expansion in the other two regions. The metropolitan areas of New York, Philadelphia, Detroit, Cleveland, St. Louis, Pittsburgh, and Milwaukee all had smaller populations in 1980 than in 1970. Pittsburgh's metropolitan area, moreover, had also shed residents in the 1960s and it, along with the metropolitan areas of Detroit and Cleveland, lost population in the 1980s, as well.[6]

In fact, instances of metropolitan decline extend back to the 1940s. Then, of the metropolitan areas of more than 250,000 residents, five of them experienced depopulation: Scranton, Wilkes-Barre, and Johnstown, Pennsylvania; Wheeling, West Virginia; and Duluth, Minnesota. Moreover, metropolitan decline has persisted; fifteen of the large metropolitan areas suffered population loss between 2000 and 2009. The 1980s represented the worst decade—population-wise—for metropolitan areas. Then, twenty-one of them—compared to nineteen in the 1970s—were smaller at the end compared to the start of the decade. All of these metropolitan areas—with the exception of Beaumont (TX), Shreveport (LA), and New Orleans—are located in the Northeast and Midwest and, furthermore, are geographically concentrated in the states of New York, Pennsylvania, and Ohio.

Most relevant is the number of metropolitan areas that have shed residents over multiple and even consecutive decades. A one-decade population decline might be simply an anomaly—or a harbinger—but a string of losses is a clear sign of chronic and debilitating conditions and bodes ill for the central city and its older suburbs. Scranton and Wilkes-Barre lost residents in the 1940s and 1950s. Then, combined into a single metropolitan area by the Census Bureau, they did not lose population again until the 1980s. Growth was only temporary, however. Detroit and Cleveland both declined in the 1970s and 1980s and again in the 2000s. Buffalo's metropolitan area has been losing population continuously since 1980 and Pittsburgh's since 1970.

Almost all this metropolitan decline (with the exception of Duluth, Johnstown, and Wheeling in the 1940s) has been accompanied—even driven—by central city population loss. The city of Trenton (NJ) was one-third smaller in 2000 than it had been in 1950, while one of its bedroom communities—Ewing Township—had doubled. Yet, in many of these metropolises, the municipalities in the suburban periphery lost residents, as well. Buffalo, Cleveland, and Detroit, for example, experienced suburban shrinkage in the 2000s; Pittsburgh and Scranton/Wilkes-Barre in the 1990s; Gary (IN), Erie (PA), and Pittsburgh and Scranton/Wilkes-Barre again in the 1980s; and Pittsburgh, Newark (NJ), and Boston in the 1970s. For the most part, though, suburban losses in the aggregate have not exceeded central city losses. In the 1970s, Boston's suburbs decreased by nearly sixty thousand residents while the city itself lost nearly eighty thousand residents. Syracuse (NY) in the 1990s, Louisville (KY) in the 1980s, and Jersey City (NJ) in the 1960s had similar imbalances.

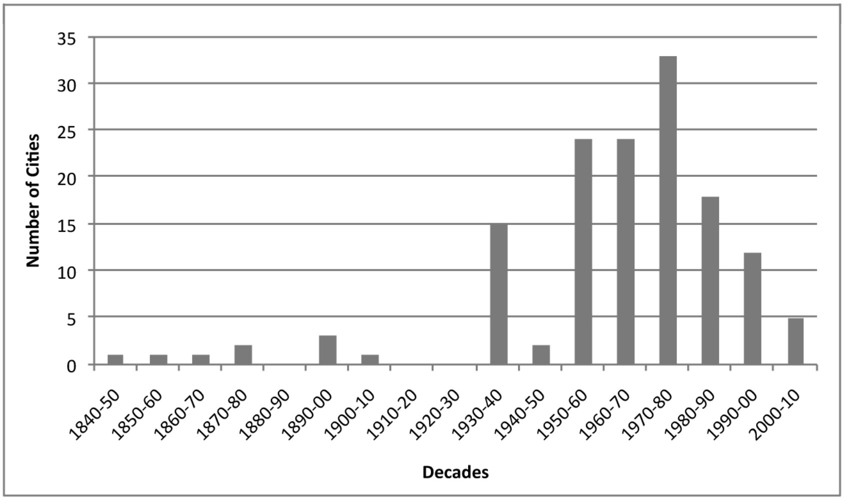
Only in rare instances did suburban losses overshadow central city losses. Rochester (NY) shed nearly five times as many residents from its suburbs than from its central city in the 2000s, in part because the city had been hemorrhaging population for decades. In the 1980s, Pittsburgh's suburban shrinkage was twice the central city's shrinkage—102,000 versus 54,000 residents. With both the central cities and the suburbs of these metropolitan areas losing residents, we have, as in Rochester, a situation in which shrinking cities are located in shrinking regions. There, attempts by city officials to resist decline or engender growth are more difficult than if the metropolitan region were expanding.

Shrinking Cities

The phenomenon of shrinkage, though, is popularly, politically, and primarily associated with central cities. This is due in part to the general sense that suburbs and metropolitan areas are immune from decline. The assumption, as we have just seen, is wrong for metropolitan areas and, as I will show below, for suburbs, as well. But first, we will consider the cities.

Since the late nineteenth century, central city decline has been a topic of public discussion in the United States.[7] One hundred years ago, the issue was not the disappearance of households and businesses. Rather, it was the consequences of rapid growth: overcrowded housing, precarious public health, and shortfalls in such public services as education, waste removal, and parks. After World War II, however, growth was no longer the culprit. Cities were shrinking. Racial tensions; the loss of residents, economic activity, and tax revenues; and the spread of slums and blight took center stage.

Figure 4: *Large City Population Loss, 1840-2010*



Prior to the postwar period, only infrequently did central cities lose population (*See Figure 4*). Between 1790 and 1930, very few large cities lost population in any decade, and only one city experienced multiple decades of loss—Charleston (SC) in the 1830s and 1850s.[8] In fact, only the 1830s had a significant number of depopulating cities, when five of the large cities (10 percent) struggled unsuccessfully to retain residents. Many decades witnessed no such occurrences, and most of the cities that lost population did so in a single decade and grew thereafter.Urban shrinkage prior to 1930 was an aberration, with some of the losses so small—seventeen fewer people for Trenton in the 1820s—as to be statistically suspect, given the crudeness of census surveys at the time. These shrinking cities were not just located, like Albany (NY), in the Northeast but were spread throughout the Midwest (for example, Omaha), as well as in the South (for example, Augusta [GA] and Mobile [AL]).

During the 1930s, though, fifteen of the fifty largest cities (30 percent of the total) lost residents.[9] The Depression had stifled migration to the cities and discouraged people from having babies. The result was depopulation in Grand Rapids (MI), Syracuse (NY), Toledo (OH), and Philadelphia, among other central cities. With war mobilization and the expansion of the national economy, people were attracted back to the cities. The Depression-era shrinking cities, with the exception of Jersey City, subsequently experienced population growth. In the 1940s, only Jersey City and Providence, of the large cities, failed to hold on to their residents.

Not until just after World War II did large numbers of large cities begin to shed residents and do so continuously.[10] The peak came in the 1970s, when thirty-three of the fifty largest cities shrank. Since then, the numbers have declined,

Table 1: *Population Change in Selected Cities by Size in 1950*

	Population in Peak Year	*Population in 2009*	*Absolute Change*	*Percent Change*
Large Cites (>500,000 residents):				
St. Louis, MO	856,796 (1950)	356,587	-500,209	-58.4
Buffalo, NY	580,132 (1950)	270,240	-309,892	-53.4
Cleveland, OH	914,808 (1950)	431,369	-483,439	-52.8
Detroit, MI	1,849,568 (1950)	910,921	-938,647	-50.7
Baltimore, MD	949,708 (1950)	637,418	-312,290	-32.9
Medium-Size Cities (250,000–499,999 residents):				
Rochester, NY	332,488 (1950)	207,294	-125,194	-37.7
Newark, NJ	442,337 (1930)	278,154	-164,183	-37.1
Louisville, KY	390,639 (1960)	256,231	-134,408	-34.4
Cincinnati, OH	503,998 (1950)	333,012	-170,986	-33.9
Toledo, OH	383,062 (1970)	316,179	-66,883	-17.5
Small Cities (100,000–249,999 residents):				
Syracuse, NY	220,583 (1950)	138,560	-82,023	-37.2
Camden, NJ	124,555 (1950)	78,788	-45,767	-36.7
Duluth, MN	107,312 (1960)	84,419	-22,893	-21.3
Bridgeport, CT	158,709 (1950)	137,298	-21,411	-13.5
Worcester, MA	203,486 (1950)	182,882	-20,604	-10.1

Source: U. S. Census Bureau's population reports for selected years.

Note: Population data for the 2010 census year were not available for all cities at the time this table was created.

in part because certain of these cities ceased to be large cities and dropped out of this size category. Only five large cities lost population between 2000 and 2009. Throughout this period, population loss has been devastating for the large manufacturing-based cities. Between 1950 and 2009, Detroit lost nearly 900,000 residents, approximately one-half its population; Philadelphia lost a half million people; Chicago, 700,000; and Pittsburgh, over 300,000. Left behind were empty factories and stores, swaths of uninhabited housing—much of it later abandoned—near-empty neighborhoods, a shrunken tax base, and fiscally stressed local governments. Moreover, these losses were not confined to large cities. In the 1970s, three out of every four cities with a population between 50,000 and 500,000 people cast off residents, and even though that ratio has decreased considerably, an alarming number of these cities continue to shrink (*see Table 1 for examples*).

Unlike the late nineteenth century and first half of the twentieth century, after World War II many of these cities shrank multiple times and even in consecutive decades. Of the large cities, Baltimore, Cleveland, Detroit, Pittsburgh, and St. Louis, among others, have been contracting continually since 1950. Persistent population loss has made it more and more difficult for city leaders to counter an image of decay. These cities are basically unable to attract and retain households and investors. Despite these traumas, many shrinking cities have prosperous neighborhoods with thriving retail districts, places like Rittenhouse Square in Philadelphia and the Central West End in St. Louis, as well as areas with substantial concentrations of jobs, such as the Oakland neighborhood in Pittsburgh where the University of Pittsburgh, Carnegie Mellon University, and a major hospital complex are located. Nevertheless, the overall reputation of these cities is one of decline, a characterization vividly supported by images of dilapidated waterfronts, derelict industrial areas, half-empty neighborhoods, and central business districts pockmarked with boarded-up storefronts. Seattle lost population in two postwar decades and then rebounded; Buffalo, with a persistent population loss over many more decades has had a much different, and less enviable, experience, and it has fewer prospects as a result.

Shrinking Suburbs

Suburban communities have not been immune from depopulation. Depopulation in the suburbs, though, seems to be confined to industrial communities, such as Lynn, outside of Boston, and Chester, south of Philadelphia and the first-tier or inner-ring suburbs of the early postwar period, such as Levittown (NY), whose population dropped nearly 20 percent between 1960 and 2000.[12] The industrial suburbs have suffered from the decline of manufacturing, while their inner-ring counterparts are constrained by a housing stock comprised of small homes with little aesthetic appeal, disadvantaged by the allure of newer and bigger homes on the suburban periphery, and unable to leverage the assets (for example, universities and hospitals) that many central cities still possess.

Much of the literature on suburban shrinkage focuses on decline as measured by a combined fall in household incomes, rising poverty, and population loss.[13] Typically, such research uses multiple variables to identify different types of suburbs. In one study[14], the number of suburbs experiencing extreme distress was arrayed by census region. The Washington, D.C.–Baltimore metropolitan area led the way in the South with 20 percent of its suburbs distressed. St. Louis and Chicago topped the list in the Midwest at 22 percent apiece, New York at 40 percent was first in the Northeast; and Los Angeles was on top in the West at 29 percent.

In places like Milwaukee and Providence, staunch manufacturing cities throughout the early twentieth century, relatively small percentages of their suburbs—3 and 2 percent, respectively—qualified for this dubious distinction.

The discussion of shrinkage here, though, focuses on depopulation and not "distress" as measured by income. In this regard, consider two shrinking cities: Buffalo and Pittsburgh. In 1950, the Buffalo urban area had approximately 800,000 people spread across eleven municipalities, ten of which can be considered suburban. Of those suburbs, only one—Lackawanna—had a net loss of population over the next fifty years. An industrial suburb of 28,000 people just after World War II, it was one-third smaller by 2000, having lost most of the steel industry, which in 1965 had employed nearly twenty thousand workers. The bulk of the metropolitan shrinkage, though, still came from Buffalo; it lost one-half of its 1950 population of 600,000 people. Compare this concentrated suburban decline with that occurring in Pittsburgh. Twice as big in population as Buffalo, it had fourteen times the number of suburban municipalities. Of these, close to six out of every ten of these communities shed residents between 1950 and 2000. Most of the losses were small compared to that from the central city, but McKeesport lost over one-half its 52,000 residents, while Aliquippa and Wilkinsburg experienced significant population declines. All of these losses were small relative to Pittsburgh's drop of over 300,000 people. Clearly, this is a much different picture than that for Buffalo. In Pittsburgh, suburban shrinkage has been prevalent and has spread across multiple municipalities, including industrial satellites as well as their bedroom communities. Nonetheless, metropolitan depopulation in both areas was dominated by the central city, not the suburbs.

By contrast, consider Boston, a metropolitan area that has never lost population and with a central city that shrank in the three decades between 1950 and 1980 but has grown ever since. Falling numerically between Buffalo and Pittsburgh, 30 percent of Boston's suburbs became smaller between 1950 and 2000. Many of these, like Lynn and Watertown, had been major manufacturing centers. None of them experienced the scale of depletion recorded in the Pittsburgh metropolitan area. The largest absolute suburban decline was Somerville, with 25,000 fewer residents, but as with Buffalo and Pittsburgh, once again, the central city accounted for the largest losses. Since other suburbs were attracting residents, the Boston metropolitan area grew.

Shrinking Neighborhoods

The public discussion of shrinking cities primarily addresses depopulating and distressed neighborhoods in shrinking cities. Neighborhoods in decline are often called "slums" and slums have existed in the United States since the nineteenth century, becoming the target of public health and other Progressive reformers in the early twentieth century.[16] After World War II, as the central cities began to falter, more generally, slums were addressed with redevelopment projects that relied on demolition to clear large sites for new construction. Often, public housing complexes were built to replace the housing that had been destroyed. As the central city became less attractive, though, slum-like conditions—overcrowding, unsanitary and unsafe buildings, and abandonment—spread. In the 1980s, a few of these run-down neighborhoods in a few of these cities began to experience an influx of middle-income residents. Places like Adams Morgan in Washington, D.C., the Lower East Side in New York City, and Northern Liberties in Philadelphia gentrified.[17] Nevertheless, in many gentrifying neighborhoods, the number of residents continued to fall as a result of the displacement of existing residents and the loss of housing units as developers and gentrifiers combined apartments to create larger living spaces. A declining population, however, did not always mean fewer households. Hoboken (NJ) is a prime example. Despite significant gentrification and real estate speculation in the late 1970s and 1980s that attracted new residents, the overall population declined through to 2000. At the same time, household size was shrinking and Hoboken actually had an increase in the number of households. Gentrification thus reminds us that population loss from neighborhoods is not always an indicator of a social problem, though it most often is.

Various studies have documented neighborhood decline in shrinking cities.[18] Their focus has been mainly on the economics and politics of this transition and the racial and class consequences that ensued. Moreover, they tend to investigate only specific neighborhoods. Our concern, though, is with all of the neighborhoods within a city and, specifically, with their depopulation. Enabling us to do this for two shrinking cities—Cleveland and Pittsburgh—are data sets created by the respective city planning departments. They display the population for each neighborhood in the city for the census years from 1940 to 2000.

In Cleveland, the planners have divided the city into thirty-six Statistical Planning Areas, each of which they consider "equivalent to a traditional neighborhood." Of the total, thirty-one neighborhoods were smaller in 2000 than in 1940, and even the five neighborhoods that grew experienced population losses in at least two decades. The neighborhoods with the biggest declines were places like Hough, which fell from 65,000 residents to 16,000, and Ohio City, which went from 28,000 to 9,000 residents. Moreover, whereas nineteen neighborhoods (over one-half the total) had lost population in the 1940s, thirty-five did so in the 1980s—only one neighborhood actually grew in those ten years. The 1990s offered a respite; six neighborhoods added population, up from that one neighborhood (Euclid-Green) in the 1980s. Neighborhood shrinkage was geographically pervasive and unrelenting, even though the rate of depopulation varied.

The story in Pittsburgh is similar. In the 1940s, over one-half of its ninety neighborhoods lost residents, and by the 1980s, that ratio exceeded 90 percent. The 1990s were an improvement; ten neighborhoods grew in population, compared to seven in the previous decade. Still, thirty-four neighborhoods lost population in all six decades and only eleven grew in size over the sixty years. Decade increases, though, were small and short-lived. Neighborhoods like Crawford and the South Side Flats had major losses; the former from 17,000 to less than 3,000 and the latter from 22,000 to less than 6,000. Crawford actually grew in the 1940s, before starting its decline. By contrast, the South Side Flats, Polish Hill, and Lawrenceville went steadily downward.

In sum, population change in the United States has been dominated by aggregate growth, but with numerous instances of shrinkage at finer geographical scales. Population growth and depopulation have coexisted, with growth, for most of the country's history, dominant. After World War II, though, the balance shifted, specifically in the metropolitan areas and central cities of the Northeast and Midwest. There, growth has become abnormal and depopulation the default condition.

City Comparisons

In the discussion of shrinking cities, one is likely to encounter the claim that losing residents could be desirable. In cities where serious overcrowding exists in the housing market, the flight of households might relieve this pressure and thereby dampen the high housing costs with which it is associated. Then there is an argument, implicit in the literature on shrinking suburbs, that population loss does not capture the change in the quality of life of a place. A suburb might experience a net loss of population, but this could involve low-income households leaving and being partly replaced in number by higher-income households, thus resulting in the suburb—Hoboken is an example—being better off.[20] Or depopulation might be an opportunity for the city government to make the city more environmentally sustainable.[21] While these are all theoretical possibilities, cities that experience large and often sustained population loss are more likely to have a lower quality of life for most residents, fewer opportunities to counter the loss, and a municipal government unable to provide high-quality services. Depopulation almost always leaves the city less desirable as a place to live and invest.[22]

In order to illustrate the hardships associated with shrinkage, I compare three shrinking cities to three growing cities. The three shrinking cities are Detroit, Pittsburgh, and Flint and their counterparts are San Diego, Arlington (TX), and Alexandria (VA). Each group has a large, medium-sized, and small central city. All of the shrinking cities are in the former manufacturing belt of the country and none of the growing cities is. For each of these cities, I have collected data on the indicators typically used to assess the multiple dimensions of urban growth and decline.

Table 2: *Demographic Change in Shrinking and Growing Cities*

	Shrinking Cities:			*Growing Cities:*		
	Detroit	*Pittsburgh*	*Flint*	*San Diego*	*Arlington*	*Alex-andria*
Population, 1950	1,849,568	676,806	163,143	334,387	7,692	61,787
Population, 2010	713,777	305,704	102,434	1,301,617	365,438	139,966
Absolute Population Change, 1950–2010	-1,135,791	-371,102	-60,709	967,230	357,746	78,179
Percent Population Change, 1950-2010	-61.4	-54.8	-37.2	289.3	4 ,650.9	126.5
Percent Foreign-Born, 2000	4.8	5.6	1.5	25.7	15.3	25.4
Percent African-American, 2005	82.1	28.8	55.8	6.8	16.9	20.1
Percent Hispanic or Latino Origin, 2005	5.6	1.8	2.3	25.9	23.8	13.8
Percent Asian, 2005	1.1	3.8	0.2	15.8	5.4	5.7

Sources: U.S. Census Bureau's population reports and County and City Data Book 2007 for data on race and ethnicity.

Clearly, the three shrinking cities and the three growing cities are on radically different developmental trajectories (*See Table 2*).

Between 1950 and 2000, the former lost between one-fifth and one-half of their residents, while the latter doubled, tripled, and, in the case of Arlington, expanded by over forty times in population. The differences seem to lie in the movement of people in and out of these places rather than with any natural increase (that is, excess of births over deaths).

Take immigration. Shrinking cities are much less likely to attract immigrants than growing cities, as measured by the percentage of residents born outside the United States. In the shrinking cities, these percentages are much smaller than they are in the growing cities. The sense that these cities are unable to attract immigrants is supported by metropolitan-level data. The metropolitan areas of all three growing cities attracted more immigrants than their shrinking counterparts. In the Arlington and Alexandria metropolitan areas—Dallas–Fort Worth and Washington, D.C., respectively—there was an increase of more than 250,000 immigrants between 2000 and 2008, whereas Flint's metropolitan area showed an increase of just over 1,000 immigrants and Detroit's immigrant population increased by fewer than 95,000.

Over the same time period, the three shrinking cities also had a net loss of domestic migrants from their metropolitan areas—that is, people moving to other places within the country. Detroit alone had 330,000 more people leave the metropolitan area than enter it. And while the San Diego and Alexandria metropolitan areas, too, had a deficit of domestic migrants, they more than compensated for this with immigration and natural increase. Only Arlington had a surplus of domestic migrants.

What is interesting about these population fluctuations is how it has sharpened racial differences between the two types of cities (see Chapter 8). These shrinking cities have much higher proportions of African-Americans and much lower proportions of Hispanics and Asians. African-Americans are, on the whole, poorer than non-African-Americans—their median household income in 2009 was $34,000 compared to $68,500 for Asians and $54,500 for Caucasians—and this suggests a lessened ability to invest in housing or pay higher rents, and an increased need for social and other public services. Their presence also conveys a racially charged image that has, throughout the history of the United States, contributed to residential segregation by race and class and the flight of white residents to the suburbs.[23] Second, the relative lack of Hispanics and Asians also raises concerns. These groups are likely to be immigrants and are associated (possibly stereotypically) with hard work, if not entrepreneurship, and these qualities often add economic activity to the city, thereby counteracting decline.

Table 3: *Economic Characteristics of Shrinking and Growing Cities*

	Shrinking Cities:			*Growing Cities:*		
	Detroit	*Pittsburgh*	*Flint*	*San Diego*	*Arlington*	*Alexandria*
Metropolitan GDP/ capita, 2008 ($)	45,404	48,700	26,898	56,081	60,285	73,587
Percent Metropolitan Job Growth, 2000-2008	-14.5	-2.6	-19.6	12.9	42.6	10.9
Percent Residents in Labor Force, 2000	56.3	58.5	58.5	65.7	74.0	74.4
Percent Residents With Graduate and Professional Degrees	4.7	15.1	4.3	16.1	8.1	28.2
Median Household Income, 2005 ($)	28,069	30,278	25,972	55,637	48,992	66,116

Sources: GDP data are from State and Local Government Finance Reports, U.S. Census Bureau; the job data are from *County Business Patterns* for selected years; the labor force data from the 2000 decennial census; and the educational and income indicators from the *County and City Data Book*.

In addition, shrinking cities are further challenged by being in poorly performing metropolitan economies (*See Table 3*).[24] For 2008, the gross domestic product (GDP) per capita for the metropolitan areas of shrinking cities was well below that for growing cities. Detroit, at $45,000 came close to San Diego, at $56,100, but Alexandria, at $73,590, dwarfed Flint, at $26,900. Moreover, the metropolitan economies in which shrinking cities exist are all growing much slower in GDP terms, or even declining, relative to the metropolitan economies of growing cities. Employment data reinforce these differences. The number of paid employees in the shrinking cities metropolitan areas declined between 2000 and 2008. In the growing cities, paid employment grew between 10 and 40 percent. Data on the number of business establishments show a similar pattern. Shrinking cities tend to be located in shrinking metropolitan economies.

One result of this is that fewer residents of shrinking cities have jobs. Just over one-half of all adults work in these shrinking cities, whereas two-thirds to three-quarters do so in the growing cities. In the former, more of the population is dependent on fewer workers. Their residents, with the exception of those in Pittsburgh, are also less likely to have graduate or professional degrees, thus disadvantaging them in the country's service and knowledge-based economy. The result—lower household incomes—is predictable. Median household incomes in the growing cities are twice and three times those in the shrinking cities. And although the cost of living is usually higher when growth and not decline is the backdrop, the lower values for the residents of shrinking cities provide few resources to migrate to better-performing economies where they might prosper.

Table 4: *Housing Characteristics of Shrinking and Growing Cities*

	Shrinking Cities:			*Growing Cities:*		
	Detroit	*Pittsburgh*	*Flint*	*San Diego*	*Arlington*	*Alexandria*
Housing Built Pre-1939 2000 (%)	29.9	50.7	23.0	7.7	0.7	10.4
Housing Vacancy Rate, 2005-2009 (%)	21.4	16.1	20.9	7.3	9.7	10.2
Median Value of Owner-Occupied Housing, 2005 ($)	88,300	74,000	64,600	566,700	121,700	490,700

Sources: U.S. Census Bureau reports plus *County and City Data Book* for 2005 median housing value data and the American Community Survey for the five-year estimates of housing vacancy rates.

All of these "negatives" associated with shrinking cities have implications for their housing markets.[25] For most cities, housing occupies the largest amount of land, its quality can influence people to migrate or stay, its value can stabilize neighborhoods or not, its maintenance can project a positive image of the city, and it can provide people with secure homes and even augment their financial assets. The housing markets of shrinking cities have none of these "positives" (*See Table 4*). First of all, much of the housing stock in shrinking cities was built prior to 1939, whereas that in growing cities is much newer. Older housing is usually smaller, lacks contemporary amenities, and is thus less desirable. Second, a significant proportion of units are vacant, with the percentages well above the two to four needed for a housing market to work smoothly. This suggests chronically vacant and possibly abandoned housing. Abandoned housing, in fact, is a key element in the discussion of shrinking cities.[26]

Lastly, stemming from the age and a likely lack of maintenance and upgrading, the median housing values in shrinking cities are well below those of the growing cities. In Detroit, the median owner-occupied house was estimated to be worth $88,300 in 2005; in San Diego, it was $566,700. The value for Detroit, moreover, is deceptive. It represents what homeowners declare their home to be worth and excludes renter-occupied housing. The number needs to be seen in relation to sale prices. In 2010, one local real estate reporting service (AOL Real Estate) estimated the average sale price at $41,000. Even more telling of the state of housing markets in shrinking cities is this statistic: of the 24,500 homes for sale in Detroit in 2010, 70 percent of them were vacant and only one was a new construction; the rest were existing homes. With so many homes vacant, it is not only difficult to sell in Detroit but, even if one could sell, what little one could earn from doing so would make it difficult to relocate to someplace with a stronger housing market.

Low and declining house values harm municipal governments. Highly dependent on their property tax base for revenues, governments in shrinking cities have to cut services, obtain more intergovernmental aid, or raise taxes, with the last being a desperate move and likely to make matters worse, given the low incomes of residents and the lack of highly profitable and growing businesses. Additionally, it is commonly accepted that local governments in shrinking cities suffer from revenue shortfalls, a lowered capacity to find new revenue sources, and an inability to pay good wages to city workers. The results are cuts in services and a diminishing capacity to plan and thereby address the city's problems.[27]

Using the Comprehensive Annual Financial Reports for each of the cities, one can calculate the "ending balances as a percentage of expenditures." This is the year's revenues plus the previous year's savings (or deficit) divided by the year's expenditures. The calculations indicate that the shrinking cities are financially weaker than the growing cities. When the ratio drops below 1.0, a shortfall is indicated. Both Detroit and Flint are well below that cutoff (0.78 and 0.81, respectively), and Arlington (1.06) and Alexandria (1.01) above it. Pittsburgh and San Diego are the exceptions, with the former above 1.0 and the latter slightly below it.

In short, the argument that depopulation might be good for cities does not apply to shrinking cities. Population loss is associated with, and partly a function of, lower home values, housing vacancy and abandonment, poorer residents, racial segregation, and a paucity of employment opportunities. On the whole, living in Flint confers few advantages. One would be better off in Arlington.

Conclusion

The shrinkage of cities in the United States is not a new phenomenon. Its prevalence and intensity increased after World War II, but it was hardly absent in the early twentieth century or in the nineteenth century. Its postwar manifestation, however, was not ubiquitous across the country. In fact, whether one talks of metropolitan, central city, or suburban shrinkage, each has been geographically concentrated in the famed "manufacturing belt" that spawned the country's industrial cities. There, the big industrial states—New York, Pennsylvania, Ohio, and Michigan—have a disproportionate share of shrinking cities.

Shrinkage, moreover, is not confined to cities; depopulation has occurred at other spatial scales. Certain types of suburbs have also become smaller, with shrinking cities having a higher proportion of them than growing cities. These cities and suburbs are also likely, though not necessarily, to be in metropolitan areas that are faltering, as well. The decline of nearby industrial suburbs with which the central cities were once economically connected casts an additional pall over their fortunes. And even though the regions in which shrinking cities are located are not suffering absolute losses of residents, these regions are falling behind the South and West as regards overall population growth.

Nevertheless, shrinkage has always unfolded against a background of growth. The United States has never declined in population and continues to add residents at a healthy pace. All of its major regions are growing, some admittedly more slowly than others, and not one of them is in such dire straits as to be labeled as "depressed." In the weaker regions, a good deal of prosperity remains. Boston, New York, and Chicago are vibrant cities, and many suburban communities—places like Stamford (CT) and Catonsville (MD), outside Baltimore—are faring well economically and demographically. This is particularly the case when the suburbs have developed significant office parks and regional shopping centers. Additionally, in many shrinking cities, certain neighborhoods—Squirrel Hill in Pittsburgh, the Central West End in St. Louis, and the Ironbound in Newark—remain attractive as places to live and shop.

Not all shrinking cities remain on a downward trajectory. Boston lost population in two consecutive decades and then rebounded. Oakland, Miami, Denver, and Atlanta have had periods of depopulation followed by growth. These cities have been resilient in the face of adversity; they have managed to weather shrinkage. Still, they are anomalies.

Many shrinking cities seem unable to overcome the forces causing depopulation. Nor are they able to deflect the burdens faced by their governments, households, and businesses. Opportunities are scarcer than in growing cities; metropolitan economies are not as robust, job growth is relatively anemic and fewer jobs are available, and less wealth is being generated. Immigrants who might occupy homes and open businesses are less likely to locate in shrinking cities, while these cities are more likely to have higher percentages of African-Americans. As a result, fewer people work in shrinking cities and household incomes are lower. These factors burden the local housing market, as well. Home values barely appreciate, chronic vacancy is prevalent, and an older housing stock is neither upgraded nor replaced. Here, housing is not a source of wealth. Moreover, the local governments can hardly be of much assistance, constrained as they are by diminishing tax bases and expanding demands to demolish abandoned housing, replace aged infrastructure, and offer services for an increasingly dependent population.

In sum, the depopulation of metropolitan areas, cities, suburbs, and neighborhoods poses significant challenges for policy makers at the local, state, and federal levels. For local government officials in these cities, shrinkage and its consequences are unavoidable and civic leaders struggle with how to respond. The pursuit of growth and past glory seems ill-advised. "Rightsizing" makes sense, but how to do it is neither obvious nor politically palatable. Therein lies the challenge.

Research Note

The population data used in this chapter came from the U.S. Census Bureau decennial censuses for various years. The data were accessed using both the paper census reports available in university libraries and the Census Bureau's web site (www.census.gov). The web site enables access to the population reports for each decade by state. In addition, it provides access to various compilations: *Statistical Abstract of the United States, County and City Data Book*, and *State and Metropolitan Area Data Book*. The data on immigration and domestic migration for the shrinking and growing cities are from the State and Metropolitan Area Data Book, accessed on the Census Bureau's web site.

Notes

1. Beauregard (2006), pp. 19–39.
2. Berkooz (2010), pp. 26-31.
3. Beauregard (2006), pp. 19-39.
4. Baxandall and Ewen (2000).
5. Frey (1988), p. 745, Table 1.
6. Frey (1988), p. 747, Table 2.
7. Beauregard (2003a).
8. Beauregard (2003b), pp. 672-690.
9. Beauregard (2006), Appendix A.
10. Beauregard (2009), pp. 514-528.
11. Ebner (1985), pp. 368-381.
12. Lucy and Phillips (2000), pp. 55-62, and Short, Hanlon, and Vicino (2007), pp. 641-656.
13. Hanlon (2008), pp. 423-456, and Short, Hanlon and Vicino, (2007), pp. 641-656.
14. Hanlon (2008), pp. 423-456.
15. Billiteri (2010), pp. 941-964.
16. Spain (2001), pp. 30–60.
17. Lees, Slater, and Wyly (2008).
18. for example, Gordon (2002)
19. Bradbury, Downs, and Small (1982), pp. 4–5, 18.
20. Hanlon (2008), pp. 432–433.
21. Schilling and Logan (2008).
22. Vey (2007), pp. 10–33.
23. Sugrue (1996).
24. Vey (2007), pp. 10–33.
25. McGovern (2006), pp. 529-570.
26. Gurwitt (2002), pp28-34.
27. Davey (2010), Judd and Swanstrom (1994), pp. 307–334, and Hoene and Pagano (2010).

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Case Study: Fiscal Shrinkage In Saginaw, Michigan

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The city of Saginaw and its surrounding areas have been one of the United States' most important regional trading and manufacturing centers over the past 150 years. For almost thirty years in the period following the Civil War, Saginaw was the leading lumber center for the growing country. This wealth became the basis for Saginaw's emergence as a regional trading center in the Midwest. By the turn of the century, local business and government leaders realized that Saginaw's lumber industry was dying and it was time to diversify. Saginaw became a hub of manufacturing plants for what ultimately became General Motors. In 1947, following the war, Saginaw built a sixty-five mile water pipeline that drew water from Lake Huron, in anticipation of huge growth. During its height in the 1950s, the city's population peaked at over one hundred thousand persons.

Beginning in the 1970s, Saginaw's auto industry began to falter. Over the next few decades, plant closings and layoffs decimated the local industry. In 1970, the city of Saginaw had over fifteen thousand auto-related jobs; by 2010, this had fallen to fewer than two thousand jobs. The city began to shrink dramatically. As of 2009, the city's population was estimated at 56,321 persons. Only 10 percent of those people had a college degree or greater, and this is less than half of the national average. Educational-attainment problems mirrored disparities in poverty and income. The city of Saginaw has nearly one in three residents living below the poverty level and the per capita income is below half the national average.

Along with a falling population have come vacant and abandoned buildings and homes. Out of a total of 26,000 housing units in the city, nearly 20 percent were vacant in 2009. These vacancies were particularly concentrated in the east side of the city. These vacant homes have become major problems not only for neighborhoods but for city services. Over half of the city's fire runs were to vacant buildings in 2009. Almost no new housing has been built since 1960. Thus, vacant buildings and a falling population continue to cause stress for both the city economy and city services.

The city of Saginaw is a home-rule city and has a city-manager form of government. Its most recent charter was approved in 1935. The city provides traditional municipal services, such as police, fire, code compliance, and neighborhood services, water and sewer services, and internal functions, including accounting, treasury, general management, and human resources. In 1978, a total of $23.8 million ($63.1 million in 2011 dollars) from the city's general fund was spent to provide core services. Of that amount, nearly $7 million went to police and fire protection. The total included $1 million for maintaining a civic center and $500,000 for park and recreation services, among other items.

There are two perspectives that can be taken with regard to the city of Saginaw's budget over the last three decades. By 2008, the city's general fund had a total budget of over $33 million. On the face of it, this represents a nearly 44 percent increase in total spending. In that same time frame, the state and local government inflation factor grew by 265 percent. Thus, accounting for inflation, real city spending was actually cut by more than half. At the same time, however, police and fire spending grew by over 85 percent (see *Table 1*), to become nearly 64 percent of the general fund (see *Table 2*). All other city services were squeezed by these two major categories. In fact, police and fire spending squeezed out nearly every other municipal service without a dedicated revenue stream.

Table 1: *City of Saginaw General Fund Spending (% change and inflation-adjusted budget)*

	1978 Actual Spending	*2008 Actual Spending*	*% Change (1978-2008)*	*Inflation–adjusted budget (2008 Dollars)*
General Govt.	$1,558,063	$1,946,613	25%	$4,128,866.95
Fiscal Services	$1,108,169	$ 2,570,150	132%	$ 2,936,647.85
Public Safety	$ 11,432,906	$ 21,165,083	85%	$ 30,297,200.90
General Services	$ 5,624,303	$ 4,000,317	-29%	$ 14,904,402.95
Community Services	$ 2,398,889	$ 1,771,819	-26%	$ 6,357,055.85
Capital	$728,563	$ 0	-100%	$ 1,930,691.95
Other	$ 192,246	$ 1,807,841	840%	$ 509,451.90
Total Spending	$ 23,043,139	$ 33,261,822	44%	$ 61,064,318.35

Table 2: *City of Saginaw General Fund Spending (% Share of Total Budget by Category)*

	1978 Share of Budget	*2008 Share of Budget*
General Govt.	7%	6%
Fiscal Services	5%	8%
Public Safety	50%	64%
General Services	24%	12%
Community Services	10%	5%
Capital	3%	0%
Other	1%	5%

In *Table 2* above, public safety spending increased from a 50 percent budget share in 1978 to over 64 percent in 2008. Despite that increase, the number of police officers dropped from over 135 in 1980 to 95 in 2008. There was a major increase in the cost per officer even as the number of officers dropped. Throughout this period, crime in the city remained high. In 1980, the violent crime rate was over 2,000 incidents per 100,000 residents, and it was just over 2,500 incidents per 100,000 residents in 2008.

Many other core services were reduced as public safety spending increased. The civic center and parks and recreation spending were eliminated (see *Table 2*). Spending on community services, which included areas such as the Civic Center, inspections, zoning, and economic development have been cut by nearly 30 percent, from $2 million in 1978 to $1.3 million in 2008. General public works spending has also fallen over the last thirty years, despite cost increases and essentially the same number of streetlights, sidewalks, cemeteries, and other basic public facilities to maintain. The net result has been a major decline in the quality of such facilities and infrastructure. In some limited cases, such as the Saginaw Dow Event Center, Dow Chemical of nearby Midland, Michigan, did provide funding to maintain a privately run facility.

Another view of the city's challenges is from the revenue side. City revenues have also grown at a pace far slower than the level of inflation, explaining the significant inflation-adjusted drop in general government spending. In fact, with city revenues growing on a long-term basis at a slightly lower rate than spending (43 percent vs. 44 percent), this explains the city's persistently slim to negative general fund balance and its inability to build up adequate rainy-day reserves.

Looking beyond the current economic crisis, city income tax growth at 61 percent, state revenue-sharing growth of 143 percent and license revenue growth at 169 percent have been the key to maintaining any revenue stability over the past three decades (see *Tables 3* and *4*). Federal revenue sharing and property tax revenues have stagnated or been eliminated over the same period. The necessity of higher tax rates to maintain revenues has likely had a negative impact on economic development efforts within city limits. The recent decline in income tax due to the Great Recession only reveals the long-term inability of income taxes to fund city services adequately.

Table 3: *City of Saginaw General Fund Revenues (% change, 1978 to 2008)*

	1978 Actual Revenues	*2008 Actual Revenues*	*% Change*
Property Taxes	$ 4,256,188	$ 3,992,722	-6%
Special Assessments	$ 0	$ 83,752	
City Income Tax	$ 7,023,842	$ 11,282,887	61%
State Shared Revenue	$ 4,047,553	$ 9,837,511	143%
Federal Revenue Sharing	$ 2,054,940	$ 0	-100%
Licenses, Permits & Fees	$ 158,798	$ 1,260,985	694%
Fines, Penalties & Forfeitures	$ 253,326	$ 389,753	54%
Grants & Contributions	$ 1,865,746	$ 576,472	-69%
Indirect Costs Charged Internally	$ 157,500	$ 2,737,821	1638%
Interest	$ 1,006,331	$ 509,325	-49%
Rent	$ 500,859	$ 104,073	-79%
Sale of Materials and Services	$ 626,674	$ 808,001	29%
Miscellaneous/Fund Equity	$ 107,455	$ 34,726	-68%
Loan Repayments	$ 0	$ 0	
Total Revenue	$ 22,059,212	$ 31,618,027	43%

On the face of it, the city of Saginaw's general budget has increased greatly over the past few decades, going from $20 million in 1978 to over $36 million at its peak in 2002. This budget increase has occurred in the context of a steadily dropping population; thus more money for fewer people. However, once inflation is taken into account, the story changes dramatically. In fact, in order to keep up with the cost of goods and service increases, the city budget should be over $60 million today.

In order to maintain a semblance of fiscal stability, the city has undertaken significant cuts. For example, street maintenance is not being undertaken except on major roads. Out of the three hundred miles of city streets, only one hundred miles of major roads and highways are maintained on a regular basis. Many of the other roads are in serious disrepair—near the point of gravel in some cases. Cultural and community services have been significantly cut and not replaced by the private sector in some cases. Finally, the number of police and fire personnel has dropped even as demand arguably remains at a high level. All of this even as the city has been unable to build or maintain an adequate fund reserve for emergencies.

Table 4: *City of Saginaw Share of Total Revenues by Category*

	1978 Revenue Share	*2008 Revenue Share*
Property Taxes	19%	13%
Special Assessments	0%	0%
City Income Tax	32%	36%
State Shared Revenue	18%	31%
Federal Revenue Sharing	9%	0%
Licenses, Permits & Fees	1%	4%
Fines, Penalties & Forfeitures	1%	1%
Grants & Contributions	8%	2%
Indirect Costs Charged Internally	1%	9%
Interest	5%	2%
Rent	2%	0%
Sale of Materials and Services	3%	3%
Miscellaneous/Fund Equity	0%	0%
Loan Repayments	0%	0%

Looking out over the next decade, the city faces a significant number of financial and service challenges. The biggest financial challenge is the legacy costs of pension and retiree health care. In the early 1980s, the city had to pay out over $3.3 million in pension contributions. By 2008, the number had grown to over $9 million in contributions. These changes occurred even as the total number of city employees went from 751 in the early 1980s to just 465 by 2008.

Even more troubling, the city faces a thirty-year accrued liability, based on existing benefit plans, of $215 million for retiree health care. Currently, the city has set aside zero funding for this unfunded liability. In order to pay this amount on a funded basis, the city would have to set aside another $12 million annually out of the city budget. For example, this would essentially mean eliminating the police department. Over time, the amount that has to paid out will grow and force budget reductions if money is not set aside or major retiree benefit reductions are not secured.

This story underlines the complexity of understanding the true needs, costs, and service-delivery challenges in a declining and shrinking city. Shouldn't a shrinking city simply need fewer police officers, firefighters, and other services? If so, one would expect that the budget would decline or grow slowly over time. At the same time, perhaps a shrinking city and those remaining residents actually require a greater level of services and spending to maintain the basic infrastructure and capacity of a place. These questions challenge the basic economic and fiscal foundations of a city and its municipal government in a shrinking environment.