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# What's Happening to Metropolitan America?

*America has changed from a nation of cities to become a metropolitan nation, with more than half of its people living in metropolitan areas with a population of one million or more. The author describes the physical changes which have taken place, and the current forces that shape these regions. He ends by discussing the role of metropolitan universities in fostering civic investment in the metropolitan areas.*

What is happening in Metropolitan America? What are the demographics? What are the shifts in economic and political power? What are the principal local development issues? I am very pleased to address these matters in order to provide the context for the role of metropolitan universities in their regions.

In July 1991, members of the Institute of Politics and of the Center for State and Local Government at the Kennedy School at Harvard University asked some practitioners and some politicians and academics from around the country to come to Harvard. We wanted them to spend a day and a half with us, trying to figure out just what was happening in some of these big complex, urban places that we have called metropolitan areas for a long time. These regions are changing and are challenging our ability to provide governance and some kind of democratic process of decision making. The conference was fascinating and resulted in a conclusion that we often come to at Harvard: We need some more research on this issue. That is one of the messages I will try to leave with you. I will draw on that conference and the follow up that has occurred in the last year and a half, as well as on my own checkered political past as a mayor who was trying to cope with this enormous amount of inter-governmental change and other societal changes during the 1980s.

These changes in the form and function of these huge urban regions matter to all of us for lots of good reasons. One can argue that paramount among those

reasons is our very economic future as a nation. Jane Jacobs told us in the 1960s that it is cities, not nations, that are generators of wealth on the planet. The General Agreement on Trade and Tariffs (GATT), the European Common Market, the end of the cold war, the move toward a North American Free Trade Agreement—all these factors have speeded the flow of international capital around the world. The structural slowing of our own economic growth relative to other nations told us something important in the 1980s as well. We learned that national economies compete in a global economy not as nation states waging war, but as regional metropolitan economies which are generally concentrated in and around large and central cities. If Jane Jacobs is correct in that the economic power of cities stems from the creative power of humans challenging each other in the close shared society of urban settings, then, as Neal Pierce has pointed out in his new book, *Citistates*, those cities or regions will flourish that can attract and keep educated and talented people, provide them with a complex and sophisticated physical infrastructure, with security, and with a high level of quality in their lives.

### Physical and Demographic Changes

I want to review quickly what has happened to the metropolitan regions of our country in the '80s. We moved from a nation of cities to a metropolitan nation. 50.2 percent of the nation, about 125 million, live in 39 metropolitan areas with populations of a million or more. By comparison, in 1950 only 14 metropolitan areas had over a million population and they housed less than a third of the population.

There has been a stunning level of physical change in America. The growth and development across metropolitan America has had a disquieting and disenchanting effect on many of our citizens. The private housing boom has eaten a large amount of open space in the growing parts of our country. We have witnessed, as well, a huge boom in office space. We added 1.5 billion square feet in the first half of the '80s alone. Twenty years ago 25 percent of the office space was in the suburban ring. Today this fraction has risen to 60 percent. We clearly lead the rest of the world in vacant office space. There was also a big retail boom at the same time in America. We are at saturation in terms of retail capacity and everywhere I go in the country, I encounter an empty mall on some freeway interchange.

In addition, metropolitan areas are experiencing fundamental demographic changes. I am no demographer, but I know enough to be sobered by the fact that, for the first time in my life, the President of the United States is younger than I am. Jim Hughes, a professor of Urban Planning at Rutgers, sees a number of long waves in the structure of population change in these metropolitan areas as a result of the aging of the population. First there was the baby boom, resulting in increasing school population, more schools, more suburban pressure. This was followed by what Hughes calls shrinkage: the baby bust generation of people born in 1965 to '76, resulting in the end of population-driven economic growth and helping to shrink the labor force in the foreseeable

future. A further wave consists of the elderly, resulting in more bad news on the still unresolved health care side and more interesting news for suburban jurisdictions with regard to social and health services.

Finally there is the rapid growth of minority populations. By the year 2000, 34 percent of America's children will be non-white. In the '90s only 13 percent of the net addition to the labor force will be white males. More than 50 percent will be non-white, the rest white women.

### **Four Forces That Shape *Metropolitan Regions***

With these physical and demographic changes as background, we can look at four forces that I think have shaped the big cities and their regions in the past, and that continue to determine in large part the general direction of metropolitan areas in America in the '90s. They are daunting forces that are driving lots of what is happening in urban America and that also seem to be fairly deep and structural in their character:

- The continuing growth in structural cost of state and local government;
- The growing isolation of people in our country, by race, class, and culture;
- The growing mismatch between the geography of our urban problems and the geography of our attempts at solutions, mostly through the public sector;
- The continuing anti-politics, anti-government feelings still running so deeply through American life, virtually paralyzing large scale innovation, especially with regard to those issues requiring trust in government and large public investments.

### **Growing Structural Costs**

Elsewhere in this journal, John Kincaid addresses the state and local fiscal crisis in detail, and provides the numbers. I just want to touch on this issue, by saying that the state and local fiscal crisis in the country is a structural one. It is imbedded in the status quo, and it is worsening because of the pressure of health care, education, and prisons. The situation is complicated by slow economic growth in the country. Furthermore, the taxes are just not where the problems happen to be. We have seen massive disinvestment in older regions all across the country. Poverty is the largest single driver of the fiscal problem, and poverty increasingly is concentrated in the most heavily urbanized of the nation's regions, mostly in central cities and older suburbs characterized by deteriorated housing.

A couple of numbers serve to describe what has happened. Direct federal aid in 1977 was 34 percent of what the nation's largest 15 cities raised from all taxes and user fees. In other words, they were able to get from the Federal Government in 1977 one third of their total tax and

user fee revenues. By the late '80s that figure had fallen to 10 percent. There has been a withdrawal of support for these large central cities that are the cores of the economic regions on which we will depend in the future.

## **The Growing Isolation By Race, Class, and Culture**

A second force is the growing isolation in this country by race and class. In the 1980s we added 8 million Hispanics, 4 million Asians, and 3.5 million African Americans to our population. White America grew by 6 percent compared to a 53 percent increase in the Hispanic population, 108 percent in Asian individuals, and 13 percent in African American ones. In the late '70s to the year 2000, total immigration flow into the United States is expected to go from about 1.1 million to 1.8 million per year. Ninety-eight percent of those immigrants are from developing countries. By the end of the century the majority of Californians will be non-white, and the overwhelming majority will be living in urban regions.

Thirty-two million Americans now live in poverty, 6 million more than ten years ago. 12 million of them are children. One in five children born in the '90s will be born into poverty, one in three Latinos, one of every two black children. No country in the world is trying to be more things to more people with more kinds of built-in human problems and with less direct investment as compared to our capabilities.

## **A Mismatch Of Geography**

The third force arises from the growing mismatch between the geography of our problems and the geography of our solutions. In the last two years the ten largest metropolitan areas of the country which make up about 20 percent of our population have absorbed more than 50 percent of the new immigrants. It is a coastal phenomenon and an urban phenomenon. If this were occurring as the result of the closing or the opening of a federal facility such as a large Army base, the United States Government would be there with aid to help schools, to help humans services, to help local governments to try to cope with the enormous influx of population and problems. No such help is forthcoming to cope with the influx of immigrants.

The disproportionate loading of the centers of the country's urbanized regions in terms of race, class, and culture, has also accelerated abandonment by those who have mobility. This has further ghettoized these important economies and stressed state and local budgets to the breaking point. Flight from the cities is not a new phenomenon in this country, but the new numbers from the 1990 Census tell us that the flight has quickened. In addition, what is new and disturbing is the flight of work and jobs out to the suburban ring. In the '70s, a bare majority of jobs existed in the suburbs. Today, two-thirds of them are there, and the jobs are not going to the central city core. Atlanta, for example, enjoyed a huge economic rise from 1980 to 1985, resulting in a full 50 percent

increase in jobs in that region. According to a study by Harvard's Gary Orfield, the outlying, mostly white suburban ring in Atlanta was gaining jobs up to a hundred times as fast as the central city.

Of course, as we all know, lots of public subsidies are involved in locating and accommodating those jobs. Clearly, voters view some public subsidies as more desirable than others. When Atlanta wanted to extend MARTA, its public transportation rail system, further out from the inner city, the suburbs voted it down. They were not against transportation: they were against different people coming to the suburbs. In 1980, 64 percent of Americans drove to work alone in their cars. In 1990 that number rose to 73 percent as a direct result of jobs moving to the suburbs. Carpooling is down; transit is down slightly. We are sprawling senselessly without very much policy to guide us, bleeding especially the centers of the critical economic regions of their resources, their tax bases, and their jobs for the middle class. The taxes just are not where the problems are. Over the last two decades, cities have had to make revenue decisions that really hurt them in terms of their growth by making investment in suburban or rural locations a better deal for business than investment in renewal of these urban places.

This leaves behind the poor who, as Gary Orfield puts it, are then criticized by political leaders for not working in jobs that do not exist. Our metropolitan regions are sprawling so those who have the means and the immobility can live further and further way from those who do not.

The low density sprawl is resulting in gridlock, environmental degradation, and growing isolation by race, class, and culture. Detroit saw its metropolitan area grow by some 40 percent over the last 20 years, while experiencing virtually zero population growth. Chicago's metropolitan population grew by about 4 percent but its land area grew by a full 25 percent in the same period. Much of this expansion and sprawl is publicly subsidized, resulting in superior public services and better access to work and recreation for those suburban populations with the means and the mobility.

These disparities in income and opportunity, this separation by race, class, culture, and space, constitute a widening crack in our nation's critical economic engines. These cases are the nitro to the glycerin of isolation in central cities. They place at risk the health of the whole region. A survey by the National League of Cities a few years ago looked at the issue of fiscal disparities in these localities. It found a dramatic and important correlation between the economic well being of the central city and the overall health of the region. In 1980, city income as a percent of suburban income was 89 percent. By 1987, that had dropped to 59 percent. That is a precipitous drop in parity between central and ring populations.

The extent to which the income in central city and suburbs in any one of your communities are close together is the extent to which yours is a healthier region and one with perhaps a brighter future than those with a large gap.

In short, America's metropolitan regions are becoming more polarized, more divided by race, culture, class, space, and disparity of opportunity, with little if any shared values or visions. And, with one or

two exceptions, there is no government structure or system of governance in place to allow for decision making by some kind of broader, more regional community. The result is not only the absence of common policy and a shared vision, but the lack of a democratic way to distribute resources and responsibility equitably and fairly across a large and diverse metropolitan region. The people we need to do the work of the next century, the foreign born, African Americans, Hispanics, Asians, single women with children, are precisely the individuals whom public policy and politics should not allow to fall through the cracks.

### **Anti-politics, Anti-government Feelings**

The fourth force I want to describe is the deepening discontent with the performance of government. This anti-government, anti-politics current continues to run deeply through American life. Again, like suburban sprawl, this is not a new American phenomenon. It just seems to be worse than in the past. In 1964, when pollsters asked people if they trusted government to do the right thing most of the time, 78 percent said yes. By 1992, only 22 percent of the people were saying yes to this question. A record 78 percent of Americans during this last election were saying that they felt the country was heading in the wrong direction. Those are really enormous numbers and indicate widespread discontent and anger. In the 1992 elections, measures setting term limits for politicians as one way of striking back were on the ballots in 14 states, and they all passed.

One can find some hopeful signs of change in this anti-politics, anti-government mood. In contrast to the last three incumbents, the current President of the United States did not run against the government per se. He ran against the performance of the government, but did not attack it, displaying an interest and a willingness to use the institution as an instrument for change. Remember in the debates this year how great it was when people actually stood up and stated: "We don't want any more of this negative, dirty stuff. We would like to talk about those things that are important to us and to our communities."

So there is some reason for hope, but we are in a very precarious position as Americans. We want change to happen and attitudes to turn around in a hundred days, and I think that is asking a lot. Because of this impatience, I fear that the lack of trust and the lack of willingness to turn to government as some kind of problem solver will continue. This attitude exists at the worst possible time given the great difficulties faced by the important metropolitan regions of the country. We cannot turn away from government; we need to improve it. We need to face up to the layers of government, its inefficiencies, its management problems, the bad characters in politics, the turf wars, and the political pettiness which cripple our capacity to make the regional decisions which are out there waiting to be made by means of some kind of a democratic process involving the region as a whole. Instead, decisions are now being made either piecemeal, as is the case in some parts of the country, or they are being made undemocratically, or without accountability, or they are just not being made at all, which is the general rule.

## What Can Be Done?

What then can be done by those of us who are concerned about the health of these metropolitan communities in which we have this mutual interdependence? What decisions are needed to maintain high quality places in which we choose to live? What can we do to try to change the way those decisions are being made, or change the way those actions are hurting us? I think that there are a lot of positive things we can do. Foremost is management and revenue reform in government. There is a lot to this notion of re-inventing government. I was in office as mayor of Seattle for 12 years. I resisted the notion for many years that government could run like a business, because we are not a business. I still don't think that it can run like a business, but it can be run better than it is running now. We do lots of things in government, not because we really want to do them or because there is profit at the end of the action. We do them because we have to do them. We can do those things much better and there are lots of good ideas out there, even in Chicago and some of the other big cities of the country. Governments are changing the way they do business, in order to be more efficient, and to win back some credibility.

The state governments of the future need to be players in the big regional issues if they can get their acts together. They should concentrate on the regulatory side by freeing up the local government, giving them some of the freedom and some of the incentives to act more regionally and less locally.

The other need is the creation of new political coalitions. Nobody believes that the answer to governing these regions is more structural change creating bigger government or new metropolitan systems. As we know from experience, bigger is not necessarily better in government. But when you look at this as a problem in governance and the opportunity for putting together new political coalitions you begin to think about possibilities. The private sector—the business community—must be a part of these new political coalition.

I come from a city where people put a very high premium on civic investment. They drive you crazy in Seattle, because they meet every single night in somebody's house, or in some community club, or some neighborhood organization. They don't even watch television. All they do is figure out ways to make the mayor's life more miserable, by providing lots of opportunities for citizen involvement in everything you can imagine. It is wonderful that they do that, but the business community is not involved, because it too is spreading out and losing its local ties. How many of you have banks that are locally owned in your community? How many locally Texas owned banks are left today in Dallas? In Seattle there is one. California owns the rest of them.

I never did anything in Seattle that was worth a darn without some political coalition involving business and the university and civic leadership. But now you don't know where to go to find it. The new people and companies that are coming along, corporations like Microsoft which happens to be located right outside my front door in Seattle, are big enterprises that have grown up over night without a sense of civic

responsibility. They lack the sense that you need to go through the ranks at the Rotary Club, or be involved in running the United Way, or put up some money for summer jobs, or help in some real way to further the community in which they are doing business.

If the creation of effective coalitions is to result in broader regional interest, we might start with a process aimed at defining the region somewhat differently, not just geographically but as an economic or even as a cultural entity. The need is to define the region in some way so as to extend the boundaries of civic investment and civic responsibility. In my city, one of the ways we tried to build those coalitions was once every year to put the leadership of the region, not just that of the city, on an airplane to go to some place in America or abroad, where they were doing something extraordinarily well or badly, so that we could learn from it. We went to a bunch of cities. We started out with about fifteen people I could get to go on the first trip and there were 150 on the last one that I did. 200 people went to Rotterdam from Seattle to look at the importance of that port and its regional economy.

Every time we came home from one of those trips we sat down as a team to work on that problem. We didn't always accomplish it. We didn't always win it. We are still working on some of the first ones that we took on. But the trips and their follow-ups created a sense of team spirit and working together on something. It also showed us as we got out of our community and looked at others, that our community was pretty darn good, that we had a lot of talent there and a lot worth working on.

## The Role of Metropolitan Universities

Finally let me just say that we need a higher standard of responsibility of the key players—the politician, the business person, and the citizen. I think that metropolitan universities can play a role in that. There is a new book that will be out soon that you should get your hands on. While it is not a manifesto for the metropolitan university, it is a better context for discussing your future than anything that I can give you. Neal Pierce has written a book called *The Citistates*, in which he basically pulls together the regional research that he has done on communities. He tells you about Baltimore and Dallas and Seattle, the Twin Cities, and other places and other regions of the country. He talks about looking at these urban places as regions, and thinking about them differently. Pierce was one of the early proponents of a regional approach. In his book he tries to pull a definition of who the regional players are, and goes back to the old city states. He spells it differently, maybe so that he can get on some of the talk shows. To speak of c-i-t-i-states is a way for him to describe and define some of these regions.

One of the things he says about the citistate is that the leadership needs to access and more fully exploit the capacities of the region's universities. With the vast public and private resources being poured into them, universities represent one of society's most important investments. They can actually act as partners in developing critical technologies for the citistate's global economic niche, but that is not sufficient.



They and their faculty should also be more user friendly and persistently pursue outside opportunities to volunteer their skills in addressing the city's and region's various problems.

Typically the senior faculty who control today's highly specialized academic departments routinely reward and promote their clones, people who publish copiously, however arcane the material. However, societal problems from toxic waste and AIDS to traffic congestions, poverty, and failing schools are not compartmentalized by department or discipline. They are closely inter-related, holistic, and interdisciplinary. The necessary cross-departmental initiatives are unlikely to happen by themselves, unless partnerships of the city, state, business, and government leaders literally demand and keep on demanding them.

I will never forget going to the president of a large university, which I will not name, and asking him to please help us get some sense in our community and our region of what business and government were going through in the tough times of the '80s. The university had a fine school of public administration and a fine business school, and the president was a fine guy whom I had known for a long time. He realized that what I was saying was true, and wanted to help. And after a couple of months he said, "Well they are just not interested."

It seems to me that great universities with the talent available in them are perhaps the single most important and most under-used resource available to a guy like me, to a mayor, to somebody who is trying to put together these coalitions.

## Civic Investment

And what works well with regard to such coalitions has been described by an academic at Harvard whom people might accuse of looking arcane and of concentrating on academic material that doesn't relate to the real world. But he has written a book, that says something about the real world in a way that I never could have said it. It says it in a way that will have people talking about it. Bob Putman, who used to be the Dean of the Kennedy School and is now again at Harvard College, has written a book called *Making Democracy Work: Civic Traditions in Modern Italy*.

In 1970, Italy set up a whole bunch of new regional governments. They restructured, they did a lot of new things. Bob Putman in 1970 decided that he would watch this for about 20 years and see what happened. He did so, along with some other folks. He wanted to try to figure out how these new governments performed. And if some regions would turn out to be more successful than others, he intended to ask why. That is a good question. The obvious answer is that those who had a stronger economy probably performed better and did better. But Putnam found that answer to be wrong. He also looked at all other potentially pertinent variables: whether the regions were Catholic or conservative, poor, rich, small, big. But among all of the regions which experienced strong economic development by a whole bunch of standards during the twenty years, the only constant that he could find in this mishmash of wonderful cities and places was **civic investment**.

That investment did not have to result in big organizations or important activities. There could be choral societies, or rotary clubs, or whatever. But, the level of civic investment correlated directly with the perception of the people about the quality of life in their region, and with the health of that region. Putnam spent 20 years studying this. When I read his book, I thought: I knew that from my own experience. I know that from a Seattle neighborhood.

I think that the question for any big sprawling regions is: How can you find some broader area in which to encourage civic investment, and civic commitment? It doesn't have to be one thing or a large thing, it can be a whole lot of things. It seems to me that your institutions are poised to try to help to push those boundaries out in some significant fashion.

### *Note*

This article is based on the transcript of a presentation by the author at the Second National Conference on Metropolitan Universities held at the University of North Texas, Denton, Texas, in March 1993.

### *Suggested Reading*

- Neal R. Pearce, with Curtis W. Johnson and John Stuart Hall, *Citistates: How Urban America Can Prosper in a Competitive World* Washington, DC, Seven Locks Press, 1993.
- Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ, Princeton University Press, 1993.