

Urban Legend

*The craze over coffeeshops and condos won't revive American cities.
Improving urban life for the middle class will.*

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ince their origins, cities have served many functions: as centers of religion, political power, and commerce. But among their most important tasks has been to serve as engines of upward mobility and aspiration. Nowhere has this been more true than in American cities. From the earliest American settlements, European observers were often struck by the remarkable social mobility found in America's urban centers. The average nineteenth-century American factory worker, whether native-born or immigrant, enjoyed a far better chance, and his offspring an even better one, of rising into the middle or even upper classes than his European counterpart.

This is not to say that Industrial-Era American cities constituted a workers' paradise. Virtually every major city had its share of slums, and in the most important American metropolis, New York, the rate of infant mortality actually

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doubled in the mid-nineteenth century. Yet aspiring newcomers kept coming to American cities, from both the surrounding countryside and the rest of the world, for one reason: the prospect of upward mobility. As historians Charles and Mary Beard noted in 1930, there may have been poverty “stark and galling enough to blast human nature,” but “all save the most wretched had aspirations.” There was, as they put it, “a baton in every toolkit.”

So newcomers in search of a better life—the Irish in the 1840s, Italians and Eastern Europeans towards the century’s end, African Americans from the South following the First World War—propelled urban growth. As late as 1850, the United States had only six cities with a population of over 100,000, constituting barely 5 percent of the population. By 1900, there were 38 such cities, and they now housed roughly one in every five Americans. “A metropolitan economy, if it is working well, is constantly transforming many poor people into middle class people . . . greenhorns into competent citizens,” the great urbanist Jane Jacobs wrote. “Cities don’t lure the middle class, they create it.”

Sadly, in recent decades, this notion of cities as mechanisms for upward mobility has broken down. Many cities, rather than trying to uplift their working class and nurture a middle class, have chosen to concentrate on luring the affluent, the “hip,” and the young as their primary development strategy. In some cases, such as in Boston, New York, and San Francisco, this has created the basis for a new kind of urban area, the “boutique city,” which effectively abandons the middle class for the allure of an elite-based strategy focused on top-tier business services, arts, and hip culture.

Many other cities, particularly hard-pressed former industrial centers such as Baltimore, Cleveland, Philadelphia, and Detroit, have attempted to follow this “cool city” model without much success. They may have developed Potemkin villages of coolness in their center, but they remain among the poorest and most neglected regions of North America. Cleveland, for instance, with its much-ballyhooed downtown renaissance catalyzed by the Rock and Roll Hall of Fame, ranked first in urban poverty in 2004.

In contrast, there is a group of cities which most commentators consider chronically unhip—primarily sprawling new cities of the South and West—but which are actually the most dynamic in the creation of middle-class residents. These cities—such as Phoenix, Houston, Charlotte, and Las Vegas—traditionally have put their focus on their basic infrastructure and economic competitiveness and, for the most part, enjoy relatively low costs of living, particularly for housing. As unhip as they may seem, it is these cities that present a model for how urban America can not only rejuvenate itself, but rejuvenate America’s central promise of upward mobility as well.

The Rise of the Boutique City

Traditionally, progressive urban leaders embraced Jane Jacobs' mission of building the middle class and providing avenues of aspiration. The old political machines did this crudely, dispensing patronage and finding jobs for newcomers. Later, the Progressive movement, the New Deal, and the Truman Administration promoted upward mobility largely by building critical, wealth-creating infrastructure: schools, roads, bridges, mass transit, public parks, and housing.

Culture did play an important role in this traditional urban model, but generally it wasn't a major part of the city government's job—rather, the arts were funded by those individuals who made fortunes there. Indeed, the great cultural assets of places like St. Louis, Cleveland, or Philadelphia—such as these cities' world-class orchestras—owe their existence to their cities' aspirational past. This is true even in some newer cities like Los Angeles, whose greatest artistic monuments bear the names of those—Getty, Disney, Geffen—who found that city a place of unlimited opportunity.

In other words, the economy came first, and the amenities followed. But such an approach has been gradually abandoned over the past few decades, replaced with a strategy that puts the cultural horse before the aspirational cart. This shift well predates the early 2000s rage over public policy scholar Richard Florida's gospel asserting the primary need for a "creative class" of well-educated, hip, single, and gay people in the urban core. Rather, it began as urban decline became painfully evidence in the 1960s and 1970s. Aware that the middle class as well as many companies were moving out, cities, particularly New York and Chicago, placed their future hopes on seizing "the commanding heights" of the global economy—notably the finance, design, project coordination, and information industries. Although planning for the "commanding heights" did leave an appropriate legacy of high-rise office towers, this elitist strategy fundamentally failed to reverse the out-migration of headquarters, jobs, and the middle class outside the urban core.

Like aging dowagers, many cities have sought to arrest their decline by applying both a touch of rouge and some serious cosmetic surgery. This is the urban landscape of the "boutique city"—one dominated not by middle- or working-class concerns, but by elite culture and the antics of celebrities, whether cultural icons, financial titans, foundation bosses, or media moguls. The boutique city is the playground of Paris Hilton and P. Diddy, as well as the assorted "masters of the universe"; it not a place with playgrounds for working-class and middle-class kids. These cities are almost obsessively concerned with "coolness" and "hipness," being "with it" and "trend-setting." Boutique cities, like a high-end specialty merchandiser, have little use for the general run of the working and

middle class, whose needs are assigned to the domain of Target, Wal-Mart and other suburban merchandisers. Indeed, if the makers of the boutique city worry about anything beside themselves, it is usually not the disappearance of this hard-working middle, but how to deal with the potential threat represented by the alienated underclass, with its potential for lethal mayhem. Many denizens of these environments do not see the city as a place that holds their commitments, but only one locale that, for a period of time or a particular season, seizes their fancy. Many are not even full-timers, instead flitting to Florida, Malibu, Palm Springs, Europe, or the Hamptons, depending on the season and their latest whims (since the 1990s, for example, the number of Manhattan residences serving as second homes has grown by as much as three-fold).

Spatially, the boutique city can be found in certain locations—Manhattan, Chicago’s “Gold Coast,” much of San Francisco, Seattle, and West Los Angeles—but it can best be viewed as an interconnected archipelago of inter-related elite communities. Its fundamental economic power lies not so much in the efficiency of place but in harnessing the influence of the media and financial elites. It depends also on the energies of a steady stream of young, educated workers and legions of poorly paid, often immigrant, service workers.

To understand the change from a traditional to a boutique city, it is instructive to look into the evolution of our greatest urban center, New York. For much of its history until the 1950s, New York’s economy, including its manufacturing sector, more than held its own against the rest of country. Although it always had its slums, the city also boasted scores of solidly middle- and working-class neighborhoods. But starting in the mid-1960s, New York’s job engine became to sputter as manufacturing firms and corporate headquarters decamped, and the city failed to find industries of comparable size and quality to replace them. By 2000, the city’s overall employment stood at *less* than that in 1969 (and this during a period in which the number of positions nationally grew by 61.3 million jobs, an increase of 87 percent). Five years later, despite a much-ballyhooed recovery after 9/11, there were yet another 100,000 fewer private sector jobs.

Equally troubling, throughout this period the city’s employment pattern has become ever more characterized by a mix of elite and low-wage employment. Since 2002, much of the job growth has been concentrated in the lower-paying retail and hospitality industries. As a result median average wages, including for college graduates, have not kept up with inflation. Yet at the same time, there has been robust income growth, paced by often-spectacular gains at the upper echelons of the financial and business service sectors. There are as little as a third as many Fortune 500 headquarters in New York today compared to 1955, but those that remain employ a relatively small number of people at rapidly

escalating wages. These changes have had a severe impact on New York's demography. While it is true that the city continues to attract legions of talented people under 35, this inflow is more than balanced by an out-migration of people over that age. Nor does the current "boom" seem to be changing this reality. Since 2000, in New York City and its environs, rates of domestic out-migration, already among the highest nationwide, have actually accelerated.

These developments suggest a tragic conclusion: the decline of New York's historic role as an incubator of upward mobility. Back in the 1960s, Jane Jacobs could still predict that Latino immigrants to New York, mainly from Puerto Rico, would inevitably make "a fine middle class." Yet today in the Bronx, the city's most heavily Latino borough, roughly one in three households lives in poverty, the highest rate of any urban county in the nation. At the other extreme, Manhattan, where the rich are concentrated, the disparities between the classes have been rising steadily. In 1980, it ranked seventeenth among the nation's counties for social inequality; today it ranks first, with the top fifth of wage earners earning 52 times that of the lowest fifth, a disparity roughly comparable to that of Namibia.

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It's not just New York, either. Beyond the Big Apple, the middle class has largely disappeared from many urban communities, and nowhere more so than in cities that consciously promote their boutique status. Since 1970, a recent Brookings Institution study found, cities have become dramatically more bifurcated between rich and poor neighborhoods. Fewer than one in four urban neighborhoods had a middle-class "profile" in 2000, compared to almost half three decades earlier; although suburban areas also suffered a decline in middle-class neighborhoods, they had overall nearly twice the percentage. San Francisco, despite its avowedly liberal, even radical politics, is becoming a particular poster child for social inequality—a cross, in the words of historian Kevin Starr, "between Carmel and Calcutta." The difference between African-American and white incomes in this liberal bastion, for example, is almost three times the national average.

In many cities, the shrinking of the middle class has brought about an overall drop in population. Although New York, with its large immigrant population, still enjoys slowing yet positive population growth, many other boutique cities, including some which gained population in the 1990s—such as Boston, San Francisco, and Chicago—have all lost population over the past five years. Some

boosters explain this depopulation as a sign of a “qualitative” improvement in the population, a kind of genteel version of ethnic cleansing where middle- and working-class families are being replaced by well-educated, affluent and often childless households. They point to certain positive developments, such as the proliferation of upscale restaurants, art galleries, trendy shops, and architecturally pleasing hotels and condos. Yet look at what’s missing: middle-class jobs and families. Boutique cities such as San Francisco, Seattle, Boston, and Portland, Oregon rank among the American cities with the lowest percentages of children. In San Francisco, there are more dogs than children. And why? Extremely high housing costs and an economic environment that provides few middle-class opportunities. Since 2000, almost all these cities have produced far fewer jobs—even in the business services—than the nation as a whole or their surrounding suburbs. Put simply, all but the richest families don’t see a future that they can afford.

The Potemkin City

Despite the limitations of the boutique city, many other urban areas’ fondest wish seems to be to emulate their example. This includes less-favored cities such as Philadelphia, Cleveland, Cincinnati, Baltimore, Detroit, St. Louis, and Newark. Both political and business leaders in these cities have pegged their future on luring the hip and affluent demographics to their long-benighted burghs with a slew of high-cost cultural amenities. The results are Potemkin villages of art museums, performance centers, tourist attractions, luxury hotels, and condos enthusiastically promoted both to locales and visitors as evidence of urban renewal. Yet in almost no case have these projects done much more than restore property values in a small area, and not one can claim that its economy has had anything remotely like a major rebound. If you measure job growth in the new century, much-heralded “renaissance” places like Baltimore and Philadelphia sit at the bottom of the pack, well behind even the most anemic boutiques.

There is perhaps no more searing evidence of the limitations of the Potemkin strategy than New Orleans. Once a great industrial and commercial center, the city economy—despite its huge port—has lost most of its sources of middle- and working-class employment. Even before Katrina, it had roughly half the percentage of jobs in manufacturing and wholesale trade than the national average. Instead, over the past quarter century, New Orleans chose to focus on arts, culture, and tourism. Unfortunately, tourism does not readily provide much middle-class employment or social mobility. Before Katrina, nearly 40 percent of New Orleans households, nearly all of them black, earned less than \$20,000 a year, twice the proportion in the rest of the country. Whatever might have

worked for Garden District elites or the operators of the tourist hotels failed the rest of the city's population on a staggering scale.

Yet while New Orleans gets the tragic opportunity to rebuild itself anew, most older industrial cities do not. They lack New Orleans' natural appeal, but they still think that Potemkinism can work for them. In Michigan, for example, Governor Jennifer Granholm's urban strategy has focused on the notion of creating "cool cities." Since 2002 she has promoted the growth of art galleries, coffee houses, and other yuppie accoutrements as a means to restarting the state's urban areas. Although perhaps some urban Michiganders now might see themselves as cooler, their cities—most notably Detroit under its self-professed "hip-hop Mayor" Kwame Kilpatrick—still rank consistently at the bottom of American urban areas in terms of job growth and near the top in terms of population loss.

In Baltimore, Mayor Martin O'Malley has identified the migration of gays and artists as key to his city's revival. Even before O'Malley's administration, Baltimore had looked to tourism—centered around the Inner Harbor "festival marketplace," two new sports stadiums, and the Aquarium—to revive its long-sagging fortunes. In 2003, O'Malley packaged all this around what has to be among the most bizarre slogans in recent memory—"The Greatest City in America." To be sure, things in Baltimore in the early 2000s were pretty good for real-estate speculators, who cashed in on a property bubble and the migration of some professionals from an even more overheated Washington, D.C. property market. But Baltimore's overall performance was far from the "greatest." Demographic decline has continued apace—population, which dropped 11 percent in the 1990s, has fallen another 2.3 percent so far in the 2000s. The city still has thousands of abandoned homes and, to make things worse, a homicide rate that is perennially among the nation's highest. "What good is it to be hip and cool," one local talk show host asked me, "if you're dead?"

Cities of Aspiration

Surveying the urban landscape, one lesson of the past few years starts to become clear: It is hip to be square. In an age of loft condos and lattes, the least-appreciated American urban form may turn out to be the one that still best adheres to the traditional role of cities as generators of upward mobility. These are the new Sunbelt cities—places like Houston, Charlotte, Orlando, and Phoenix—whose sprawl and rough edges often elicit derision from traditional urbanists, even as they attract newcomers and create middle-class jobs and entrepreneurial opportunities. Between 1994 and 2005, the Phoenix area expanded its job base by 52 percent, Orlando by 48 percent, Charlotte by 31 percent, and Houston by

25 percent. In comparison, New York and greater Chicago expanded by only single digits, while the Cleveland, Baltimore, and Philadelphia areas all lost jobs.

The differentials in housing are, if anything, starker. In cities like San Francisco, less than one tenth of households can afford a median priced home; in Phoenix, one-third can do so, as can over half in Dallas, San Antonio, Charlotte, and Houston. Of course, one can argue that there are cities with even lower housing costs, notably in the depressed Midwest. But unlike those old industrial centers, the Sunbelt cities are in a rapid growth mode, creating large numbers of new jobs while attracting new residents both domestically and, increasingly, from abroad.

What drives the growth of these cities are the very aspirations that have created great urban centers throughout history. Phoenix and Houston, in terms of their job growth and appeal to those seeking a better life, resemble New York, San Francisco, Chicago, or Pittsburgh at the turn of the last century. Like the great American boomtowns of the nineteenth and early twentieth centuries, today's aspirational cities are protean, being constantly redefined by newcomers. In fact, almost a third of all Phoenix residents, according to the 2000 Census, arrived only five years ago or less. The prototypical Phoenician, or Houstonian, like their counterpart in New York a century earlier, is often someone who came with little more than hopes to create a better life. "We came with nothing. We came here because it had wealth that was increasing. You can find opportunities," Phoenix entrepreneur Deb Weidenhamer told me. "People come here for a new start and come with ambitions. . . . Longevity here doesn't matter here. You can be here 10 years and it's like you're an old fogey—on the East Coast you'd be like a newcomer."

Of course, even within Phoenix or other aspirational cities, some, particularly in the media, yearn to follow the trends observed in boutique cities like Boston, Seattle, or San Francisco. These cities are held up as paragons of urban progress, in large part because of their concentration of high-wage jobs and "creative" professionals. This approach misses many critical points. First of all, even hip, educated young people migrate to where the jobs are; according to the 2000 Census, Las Vegas, Charlotte, Atlanta, and Phoenix experienced a higher rate of migration by the young, single, and college-educated than San Francisco or Seattle. These patterns have likely accelerated since San Francisco, Boston, and other boutiques saw their economies slow in the ensuing five years.

Equally important, the lower cost of living in most aspirational cities translates into a better life, including for professionals. San Francisco and Silicon Valley may generate higher wages in fields like software or financial services, but weighted against the cost of living, Phoenix, Dallas, and Houston actually deliver to their workers, in real terms, higher purchasing power. Critics make

much of the fact that cities like Phoenix have seen somewhat lower per capita income growth than other regions. This, however, stems in large part from the area's rapid growth in both household size and population. Places with few children, like San Francisco and Seattle, tend to have higher per capita incomes; the little tykes can have a powerfully negative impact on such incomes, as do new arrivals who often come with more hope than money in their pocket.

Yet despite these facts, many journalists and policy makers seem determined to spread the boutique model. This approach often has a certain political logic. The construction of new hotels, condos, art museums, and performing arts centers presents mayors with tangible assets to show off to their constituents. Large property owners, developers, hotel and construction unions, and arts foundations also tend to support such an approach to urban development, for obvious reasons.

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One can see this pattern in cities such as Los Angeles, which straddles the line between an aspirational city—with strong population growth and grassroots entrepreneurialism—and a boutique city. Mayor Antonio Villaraigosa, an erstwhile progressive firebrand, has put much of his prestige on the line to back huge subsidies for

entertainment, condo, and hotel development in the city's downtown. As a result, his popularity has been soaring among billionaire developers, like Phillip Anschutz, a right-wing Coloradan whose massive \$2.5 billion LA Live project depends heavily on a \$300 million city subsidy for a luxury condo and hotel tower next door. As is so often the case, the goal is to lure not only tourists but the rich, powerful, and hip to the urban core. Villaraigosa has also signed up to back the schemes of another billionaire, Eli Broad, in his attempt to turn downtown's doughty Grand Avenue into a West Coast "Champs d'Elysée." This development also has been made possible through generous deals with government agencies, in this case Los Angeles County, for the land to build Broad's vision, and may need other more direct subsidies to pencil out. Broad, who made his fortune building suburban tract homes, is a particularly peculiar case: a self-made Sunbelt billionaire (originally from the Detroit area) whose view on urban greatness nevertheless follow a conventional twentieth-century notion of a downtown-centric city.

It is dubious how much this kind of policy promotes upward mobility outside of a selected group of hotel workers and those involved in the building of these

structures. Meanwhile, the city's economy consistently under-performs that of others in the region, in large part due to higher taxes, a difficult regulatory regime, decaying road systems, and dysfunctional schools. Not surprisingly, Los Angeles, according to research by the Brookings Institution, has experienced some of the highest rates of loss of middle-class residential areas as well as a growing concentration of poorer neighborhoods.

Towards a New Urban Strategy: Back to Basics

Today it appears that most cities—even if they have the money—will not invest it in ways to stimulate the middle class and broad-based economic growth. Instead, once a city's fiscal picture brightens, the first people to be rewarded are the public employee unions. In the summer of 2006, for example, both New York and San Francisco, each benefiting from the real estate bubble, rewarded city workers with good raises that did not include tough productivity incentives. They also failed to confront the thorny issues that threaten their long-term future, such as their massive pension obligations (in the case of New York, this obligation has been estimated at roughly \$40 billion with new analysis suggesting it may be much higher). As the property markets—that fueled much of this revenue growth—continue to cool in the coming months, the foolhardiness of these decisions will become ever more apparent. As a result, the city is stuck with declining revenues and increasing payrolls, without enjoying any of the added productivity benefits that would have resulted from smart investments in labor.

These political realities are just part of the problem; many of the biggest barriers are the products of economic evolution. Late-twentieth-century cities like Houston, Phoenix, Charlotte, or Dallas were essentially built to meet the tastes of the mass of Americans for a detached house, a yard, and an automobile commute. They also enjoy, for the most part, more up-to-date infrastructure, such as major airports surrounded by lots of land allowing for expansion, which is increasingly critical to urban growth. In this respect, older cities—even if they had a change of heart politically—have more limited possibilities for middle-class mobility and economic growth. In many cases, these cities have scarce open land to develop and are, for better or worse, stuck with a housing stock and infrastructure dating back, in some cases, to the nineteenth century. Yet at least some of these depressed older cities, and even parts of some of the most prominent boutique cities—such as outlying sections within the borders of Chicago as well as the outer boroughs of New York—still have potential for aspirational growth. In some cases, as in parts of Queens, middle-class families, many of them immigrants, have already moved into once declining neighborhoods and turned them around.

However, America's older cities do not need to face this choice between growing irrelevance and continued decline. For all their problems, they retain an impressive array of physical building blocks for future success: critical infrastructure, a varied housing stock, universities, hospitals, research institutions, and attractive residential neighborhoods. They offer options to walk or take public transit to work, options that appeal to a small but significant part of the workforce. These opportunities could be seized by a new approach that focuses not on an essentially ephemeral strategy of making cities themselves "cool," but by a longer-term approach that seeks to reclaim them for the middle class and the upwardly mobile. This requires a return to the basics of urban policy, focusing on such things as infrastructure development, improved schools, and enhancing the efficiency of urban governance. Rebuilding and reclaiming housing in inner-city areas for those who live there, as well as new middle-class residents, would be one start. Making the climate more attractive for entrepreneurs and small businesses would be another, coupled with expanding skills and vocational training for local residents so that they can take the jobs these firms create. Improving urban schools, a more daunting task, could be accelerated, perhaps by developing more charter schools or drastic reform of often-union-dominated school administrations.

This "back to basics" approach would work not just for traditional urban centers, but also for those outlying areas, particularly older suburbs, that now confront many of the opportunities and challenges usually associated with core cities. In many cases, particularly in the Northeast and Midwest, these areas are not so dissimilar in their densities and development patterns from Sunbelt cities, and they can more readily follow their model. These include places such as Arlington, outside Washington, or close-in suburbs, such as University City and Maplewood just outside the physically constrained borders of St. Louis.

Perhaps the most spectacular example of this approach can be found in Houston. For decades, the city has focused largely on the fundamentals of growth, pressing relentlessly to dredge its harbor, improve drainage, and construct state-of-the-art industrial facilities. With a gritty efficiency, the city has transformed itself into a major global center, assuming leadership of the world's energy industry and quietly built the world largest medical complex. [Full disclosure: I am working on a project about the future of Houston for the Greater Houston Partnership. I have also worked on projects in Los Angeles, New York, St. Louis, among other cities, all of which, along with Houston, I feel free to criticize.]

This did not happen by coincidence. During the 1990s, Bob Lanier, the son of an oil refinery worker who grew up in nearby Baytown, served as mayor.

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When he took office, the city was in deep trouble; it had lost 200,000 jobs in the near-total economic meltdown after the energy bust of the 1980s. Its once-proud skyline was filled with “see through” towers, empty of workers. Lanier, a former developer and lifelong Democrat, helped turn the city around by doing the little things and doing them right, such as filling potholes, streamlining regulations, reducing crime, and improving services to the city’s varied neighborhoods. Most of all, Lanier focused on infrastructure: roads, sewers, and cleaning the streets. At a time when many cities have chosen to eschew road building and actually encourage gridlock, sometimes with the hope of forcing greater densification, Houston has chosen to build new roads, including tollways, as well as an expanding mass-transit system. As a result, it is among the few major American cities to see commute times diminish over the past decade.

This is not to say Houston is without problems. It has higher than average rates of poverty and large areas of poor housing. It is also struggling to accommodate upwards of a 100,000 Katrina evacuees, many of them poor African Americans. Yet what has come

out clearly in scores of interviews and discussions with a broad array of Houstonians—from business leaders and current Mayor Bill White to community activists and Katrina refugees—is that many residents regard opportunity as their city’s primary attribute. Certainly, people do not move primarily to humid and flat Houston for the weather or topography; they come largely for the chance to succeed.

Other cities, such as Charleston, South Carolina have also thrived using this approach. Led for over three decades by Mayor Joseph Riley, Charleston is best known for its well-preserved downtown, but it has also made major investments in education and critical infrastructure, such as its rapidly expanding port, which has doubled its activity in the past decade. As a result Charleston, once a prototype of Deep South somnolence, has enjoyed not only remarkable job growth, but also a rapid diversification of its economy. Over the past decade, professional and business-service employment in the area jumped 80 percent, twice the growth of the hospitality industry. Key blue-collar industries, such as trade, construction, and even manufacturing, which rose 9.1 percent between 1994 and 2004, also enjoyed steady growth. At the same time, Charleston has made a successful shift towards an information-oriented economy: Its ranks of college-educated people, once well below the national average, now surpass that of the country as a whole. The changes are particularly striking at

Great cities are about being a place for a broad spectrum of people to improve their lives.

the high end; since 1980 Charleston-area residents with a graduate degree and above has expanded almost 160 percent, eight times the rate for the rest of the country. It may not be on the level of New York or San Francisco, but its rate of progress is far more rapid.

Yet perhaps the best case for back to basics may not be in the Sunbelt, but in the hard-hit industrial Midwest. Back in the early 2000s places like Kalamazoo, Michigan, an industrial city in the southwestern part of the state, was being told by Governor Granholm that its future lay in attracting “the creative class.” A new image, “Cool Kalamazoo,” was going to remake the region of 350,000 people. It didn’t turn out that way. As Michigan’s economy has declined, the notion that being “cool” was the key to survival became something of a bad joke. Recent surveys, for example, find that one in three Michiganders considers theirs a “dying state,” and four in ten are thinking of fleeing, particularly the young. “It’s still Depression Era around here,” Ron Kitchens, head of the Southwest Michigan Now, an economic development group, told me. But one thing may be said for the hard times in places like Kalamazoo: It has spurred young leaders like Kitchens to focus on a different strategy. They are raising capital for startups in information, life sciences, services, and other growth industries, many of them operating out of an abandoned General Motors plant. They are looking at improving the transportation infrastructure—particularly the regional airport—to better connect the city with the rest of world. Perhaps most importantly, they are investing in the skills of their people. Local foundations are financing what is now called “the Kalamazoo promise,” which essentially guarantees 65 percent of college tuition for those who attend the city’s schools.

“Hungry people’s first priority is not to eat cake,” Kitchens said. “You can have an art center but it does not sustain your city. Making a successful city is not magic. It’s blocking and tackling. Government can be a catalyst in doing that and that’s what we’re doing. You’ve got to give the ordinary people a sense of hope. That’s what successful places always do.”

The Future of American Cities

Ultimately, the critical question for cities boils down to what essential purpose they should serve. Are cities to become, as H.G. Wells predicted over a century ago, largely entertainment districts—what he called “places of concourse and rendezvous”? Or have cities, as George Gilder has argued, been rendered irrelevant as economic units by technology? After all, a broadband hook-up in Bismarck, North Dakota is just as connected to the world economy as one in Brooklyn. It could well be that our major cities, under current trends, will devolve into socially bifurcated regions increasingly irrelevant to America’s mainstream

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political culture, islands of ultra-affluence and poverty, many of whose residents are either temporary or part-time.

As a lifelong urban dweller, I don't believe our cities' best days must lie behind them—particularly if we are to include more-sprawling, multi-polar cities such as Phoenix or Houston. Cities still possess many critical assets such as historic neighborhoods, freight and rail connections, major hospitals, universities, and research institutions, which make them invaluable assets to the surrounding regions and the nation as a whole. There are also intangible assets that make the fate of cities critical to the future of the republic. For one thing, they are repositories of much of our historical memory; no matter how much the suburbs and exurbs evolve, they are unlikely to provide the sense of place and cultural focus that resides in the urban core. This is most true in older cities, like New York, Philadelphia, and Boston, but also, to a much more limited extent, the case in younger, more vital places like Houston, Dallas, and Charlotte.

And as our aspirational cities today show, America's urban centers can still be, with the right leadership and smart policies, the engines of upward mobility that have powered this country for the past century. But to do so they must pursue such basic strategies as encouraging entrepreneurial growth, reducing regulatory and tax barriers to business, creating efficient transportation systems, improving education, and prioritizing public safety and public open space. It would be far better to spend the hundred of millions now wasted by many cities on convention centers, boutique hotels, performing arts centers, and subsidized condo development on these more essential services, the true sinews of an expanding urban economy.

To be sure, fancy bookstores, organic markets, sushi bars, and art galleries are important parts of urban life, but they only represent a critical factor for a small slice of the population. And they will come along naturally, as arts and amenities tend to, with economic growth and wealth creation; focusing on amenities first gets the urban equation completely backward.

Great cities are about many things, but none more than being a place for a broad spectrum of people to improve their lives and that of their families. Great cities are about real diversity of ages, family types, and incomes—not just agglomerations of the affluent and those who serve them. What we want for our cities is what we should want for our country as a whole: to be a place of great opportunity, hope and a better life, particularly for those for whom this is still part of their American dream. **■**