

# URBANLAND

## The Fading Differentiation between City and Suburb

A "Great Reset"—the structural change following crisis—is underway. And there are some indicators of how metropolitan areas are evolving through a time of historic upheaval.



The Pearl Street Mall in Boulder, Colorado, has traits that might have been considered 'suburban' in previous decades.

Cycle your mind back to the late 1950s or early 1960s, the days of *Mad Men* and *Leave It to Beaver*. Cities were losing people and jobs. Suburbs and the Sunbelt were booming. Most people got married young, had children, and settled down for a lifetime in the same house. Men worked: if they were white-collar executives, they moved up through the ranks and were possibly transferred a few times along the way; if they were factory workers, like my father was, they stayed in one place. The vast majority of women were stay-at-home wives.

It was stable and it worked. Suburbia's rise—characterized by a shift from less than 45 percent of Americans owning single-family homes in 1940 to more than 60 percent in 1960—was more than a matter of consumer choice or even of the government policies that promoted it, like tax incentives and subsidized infrastructure production. Its rise was so inexorable because it was an inextricable component of the complex workings of the high Fordist economy, which was driven by the mass production of goods that were destined to be consumed by the very workers who produced them. As people like my parents settled down in their suburban houses, their purchases of washers, dryers, television sets, living room sofas, carpets, and automobiles stimulated the manufacturing sector, creating more jobs and still more homebuyers.

Things are very different today. We are living through one of the greatest economic upheavals in modern history—a great systemic crisis, as economists Kenneth Rogoff and Carmen Reinhart put it in their seminal book *This Time Is Different: Eight Centuries of Financial Folly*. The

decline of the old manufacturing economy and the concurrent rise of the postindustrial creative economy have been every bit as traumatic as the decline of the agricultural economy and the rise of industry in the 19th century.

It is more than just the crisis itself; it is the fundamental changes that follow crisis—changes not just in how we make and consume goods, but in how we live and work. In a book published in 2010, I called it "the Great Reset." Economists have long known that recoveries are powered by waves of innovation—what economist Joseph Schumpeter termed the "great gales of creative destruction" that herald the rise of new technologies and industries—and by new patterns of government spending, like the New Deal and the massive military spending of the 1940s and 1950s. But at a deeper and more fundamental—if less visible and frequently unacknowledged—level, they are powered by spatial and psychic changes in how we live and work. The first Great Reset that followed the panic and long depression of the 1870s took form around great industrial cities. The second Great Reset, which followed the Great Depression of the 1930s, took form around the great suburban shift of the 1950s and 1960s.

We are living through such a Great Reset today. It is a generational event that will take decades to fully shake out. It's hard to know exactly what form it will ultimately take, but there have been some clear trends.

One such trend is the resurrection of our cities. In the 1960s and 1970s, our urban cores had been all but left for dead. I witnessed Newark, New Jersey's tipping point with my own eyes—I still have vivid memories from 1968 of a tense drive through a city that was literally aflame, and of my father telling us kids to lie down on the floor of the back seat so we wouldn't be targets for snipers. The departure of manufacturing jobs to the South and abroad not only had left acres of abandoned and derelict buildings, but it also shattered the longstanding social compact that promised working-class people stable, high-paying jobs—and assured all Americans that their children would be better educated and more prosperous than they were.

But what a change there has been. For the first time in decades, American cities are growing faster than the suburbs. According to the U.S. Census Bureau, city centers grew faster than suburbs in 27 of the nation's 51 largest metropolitan areas between July 2010 and July 2011. In the decade before, only five metropolitan areas had seen their cores grow faster than the surrounding suburbs. America's 50 largest metro areas now account for 64 percent of the U.S. population, 56 percent of its jobs, and 72 percent of the nation's economic output, as measured by gross domestic product.

By the turn of the 21st century, U.S. cities were cleaner than they had been in the days of smokestack industry, and crime rates were falling. All of a sudden there were young couples pushing strollers down streets in neighborhoods that even the police used to avoid; seedy waterfront precincts were becoming parks and entertainment centers; once-derelict industrial complexes were housing tech startups, luxury apartments, restaurants, and high-end retail establishments.

But if our cities are reviving, it is happening on a fundamentally new set of terms—spatially, economically, and demographically. The rise of cities is intimately related to the rise of the

creative economy and of the highly skilled creative-class workers (scientists and engineers, architects and designers, educators, artists, musicians, lawyers, financial analysts, and entrepreneurs) who make it run. Cities have supplanted the industrial corporation as the key social and economic containers of the creative age.

Creative workers are gravitating back to cities in search of jobs, of course, but also because of the abundance of cultural, recreational, and social amenities—namely, the diversity, authenticity, and high levels of tolerance—they find there. Creative businesses, in turn, come to cities in search of cheap rents, well-developed infrastructure, and ever-deepening talent pools. To a considerable degree, it is cities themselves that make innovation possible. As activist Jane Jacobs pointed out long ago, and as entrepreneurs like Steve Jobs and musicians like Jack White of the White Stripes have both observed, cities enable the combination and recombination of people and ideas that are the essence of creative enterprises. They are the places where ideas come to mate, to paraphrase author Matt Ridley's phrase.

Disproportionate numbers of the new urbanites are 20- to 34-year-olds—who are delaying marriage much longer than their parents did—and since 2008, they have been dealing with the effects of the economic contraction. Urban living provides them with thicker job and dating markets, opportunities to share rent with roommates, and plenty of things to do in their off hours, from bar-hopping to attending graduate school.

Cities provide them with opportunities to live smaller, too, in keeping with their comparatively straitened circumstances, and with an emerging ethos that puts a premium on clean and green. Multiunit dwellings and rowhouses are more efficient to heat than detached houses; less sprawl and greater density promote walking and mass transit. Car ownership is at an all-time low among young people—a trend that is likely to continue as gas prices rise.

These young people are making their presence felt not just in cosmopolitan metro areas like New York City, Chicago, San Francisco, and Washington, D.C., but even in an archetypal Rustbelt capital like Cleveland. Though the Ohio city lost almost one-fifth of its population over the last decade, its inner-core neighborhoods and downtown have been booming. A story in the *Cleveland Plain Dealer* painted a vivid picture: "Twentysomethings are creating a new and potentially powerful housing pattern as they snap up downtown apartments as fast as they become available. ... Neighborhood life is blossoming on blocks once dominated by office workers and commuters, and people are clamoring for dog parks."

A big component of this shift is the tilt back to rental. John McIlwain, ULI senior resident fellow, predicts a decline from almost 70 percent single-family, owner-occupied housing to "the low 60 percent range." My own research shows that the metropolitan areas with the most robust economies have about 55 percent owner-occupied housing and 45 percent rentals, while the most stodgy have a ratio of 75 to 25 or even 80 to 20. The flexibility, adaptability, and resilience provided by the increased number of rentals are congenial to a more mobile workforce.

Not all the singles flowing back into our cities are young, however. Uncoupled people make up a large and growing segment of our overall demography. In the early 1960s, approximately 80 percent of Americans lived in households headed by married couples. As of 2010, that number

had fallen to just less than one-half—48.4 percent—or 56.6 million out of 116.7 million total households. Today, less than a quarter of us live in nuclear families, defined as married couples with children living at home. But as [Eric Klinenberg noted in his book \*Going Solo\*](#), some 33 million Americans—28 percent of households at the national level, much more in cities—live alone.

It's not just our cities and urban cores that are changing; our suburbs have, too—and to such an extent that the very categories of urban and suburban are becoming increasingly outmoded. More and more suburban households are made up of singles, empty nesters, or retirees. Even families with children are seeking a more compact, less sprawling, less car-dependent way of life.

The Great Reset is not just about the intensification of cities but their extensification, as great metropolitan areas morph into even larger megaregions. Our suburbs need to be reimaged and rebuilt as more walkable, human-scale, mixed-use places. They are the next arena and next agenda for large-scale place making, as Christopher Leinberger, senior fellow at the Brookings Institution, and Ellen Dunham Jones, architecture professor at Georgia Institute of Technology, and June Williamson of the City College of New York have noted.

But at their best, cities and suburbs are coming to look more and more alike—suburban shopping districts are walkable and rich with amenities like cafés and galleries; urban "strollervilles" are filled with young families. The most successful suburban and urban neighborhoods both have good transit, mixed uses, and green spaces; most important, they foster the interactions from which vital communities are built. As Bruce Katz of the Brookings Institution has argued, "The United States is, incontrovertibly, a metro nation." People move back and forth between cities and suburbs in search of the most congenial modes of living for their various stages in life.

In my book *Who's Your City?*, I identified five overlapping but distinct life stages that are associated with relocation decisions. The first is recent graduates (ages 20 through 29); the second is young professionals (30 through 34), who may be coupled but are still childless. Then there are families with children (parents aged 64 or younger, with children in the household), empty nesters (45 through 64), and retirees, who are 65-plus.

Some mayors, city leaders, and urban planners think they are in a zero-sum competition for these different groups. Some target young people, others families, yet others retirees. But it is much more complicated than that. It's not as if you can stake your city's success on just one demographic type. My focus groups and research have shown that people want it all: they want to live in vibrant communities with diversity and social offerings, and they want openness and quality of place.

## NEIGHBORHOOD TYPES AND TARGET RESIDENTS

NEIGHBORHOOD TYPES	EXAMPLES			TARGET RESIDENTS
<b>College Towns</b>	Ann Arbor, Michigan	Boulder, Colorado	Eugene, Oregon	Singles and retirees
<b>Urban Mosaics</b>	Columbia Heights, Washington, D.C.	Astoria, Queens, New York	Mission District, San Francisco	Singles
<b>Hipster Havens</b>	Williamsburg, Brooklyn, New York	Wicker Park, Chicago	Montrose, Houston	Singles
<b>Designer Digs</b>	Shadyside, Pittsburgh	Pearl District, Portland	Beacon Hill, Boston	Singles and retirees
<b>Preservation-Burgs</b>	Hoboken, New Jersey	Alexandria, Virginia	Birmingham, Michigan	Families and retirees
<b>Family-Land</b>	Arlington, Virginia	Beaverton, Oregon	Winchester, Massachusetts	Families
<b>Edge Cities</b>	Gaithersburg, Maryland	Grapevine, Texas	Santa Clara, California	Families
<b>Newurbias</b>	Plano, Texas	Longmont, Colorado		Families
<b>Exurbias</b>	Frederick, Maryland	The Woodlands, Texas	Castle Rock, Colorado	Families

The most successful metro areas ensure that they are rich in options that will attract and retain residents of all ages: transitional, ethnic "urban mosaic" neighborhoods, where young professionals cluster alongside immigrants and the working poor; "hipster havens," those formerly gritty districts that are most notable now for their music and art scenes and café cultures; and "designer digs," where wealthier urbanites can live in elegantly renovated apartments and townhouses. Though goodly numbers of retirees and empty nesters are still drawn to condo communities in warmer, drier climes, many are also attracted to college towns because of their cultural amenities, or to urban centers, where they can get around more easily.

For singles, childless couples, and families who prefer to live in detached houses surrounded by greenery, there are "preservation-burgs" (formerly industrial large towns and small cities that have made the transition to elegant residential communities); for those who prefer traditional suburban models, there are "family land" and "edge city" options as well as "newurbias" and "exurbias," which can be found out in the farthest rings of development.

Economic changes are ushering in new ways of living that emphasize mixed uses, walkability, and abundant transit options. These trends will intensify as the economy of the Great Reset leverages concentration and clustering. Of course, we remain divided—politically, culturally,

demographically, and economically. But our old vocabulary of "city" and "suburb," "urban" and "suburban" reinforces a divide that is nowhere nearly as hard and fast as it once was.

This resurrection, renewal, and extensification of our cities and metro areas cannot be understood outside the context of the Great Reset—which is fundamentally transforming the way we live, annihilating not only the old industrial economy, but also the old distinctions between city and suburbs. As different as they are, our metropolitan areas are becoming increasingly alike in one important way: the tremendous variety of living options they offer.