

IV. AGE

BY THE NUMBERS

49%

Growth in the 55-to-64
year-old population,
United States, 2000-2010

65%

Projected growth in
65-and-over population,
Chicago metro area,
2010-2030

**44% /
85%**

Share of under-18 /
65-and-over population
that is white,
Phoenix metro area, 2008

71%

Share of 45-and-over
population that lives
in suburbs, 100 largest
metro areas, 2008





OVERVIEW

- **America's population of "pre-seniors" (age 55 to 64) grew by half in the 2000s.** This leading edge of the baby boom generation will not only transform the profile of seniors in U.S. society, but will contribute to massive growth rates of the 65-and-over population in the next two decades.
- **Metropolitan areas experiencing the fastest senior growth in the 2000s differed from those with the largest concentrations of seniors.** The former group included destinations in the Intermountain West and Southeast that accumulated working-age migrants who are now "aging in place" into seniorhood. The latter group included Florida retirement magnets and also mostly older industrial areas of the Northeast and Midwest where young populations have declined, leaving seniors as a greater share of the remaining population.
- **Pre-senior populations grew rapidly everywhere.** The 55-to-64 year-old population grew fastest in the 2000s in Sun Belt destinations like Raleigh and Austin, as well as areas with natural and cultural amenities like Boise and Madison. Yet even slower-growing major metro areas such as New York, Philadelphia, and Chicago will witness rapid increases in senior population over the next two decades due to the aging of these leading-edge boomers.
- **Child populations grew in two-thirds of large metro areas in the 2000s, but declined in one-third.** This divergence has created metro areas in the Southwest with large child-to-worker ratios, as well as metro areas in the industrial Midwest with larger senior-to-worker ratios. Moreover, boomer aging amid ongoing diversification of U.S. children is creating wide "cultural generation gaps" in metro areas like Los Angeles, Phoenix, and Riverside that have young Hispanic and Asian populations, and older white populations.
- **Most growth in the senior population in years ahead will take place in the suburbs.** In 2008, 71 percent of pre-seniors lived in suburbs, and their numbers (as well as those of seniors) grew faster in suburbs than in cities during the 2000s. This reflects boomers' status as America's "first suburban generation," and signals their likelihood to remain in these communities as they grow older.

After modest growth in the past two decades, America's senior population will begin to mushroom as the leading edge of the huge baby boom generation turns 65 in 2011.

NATIONAL TRENDS

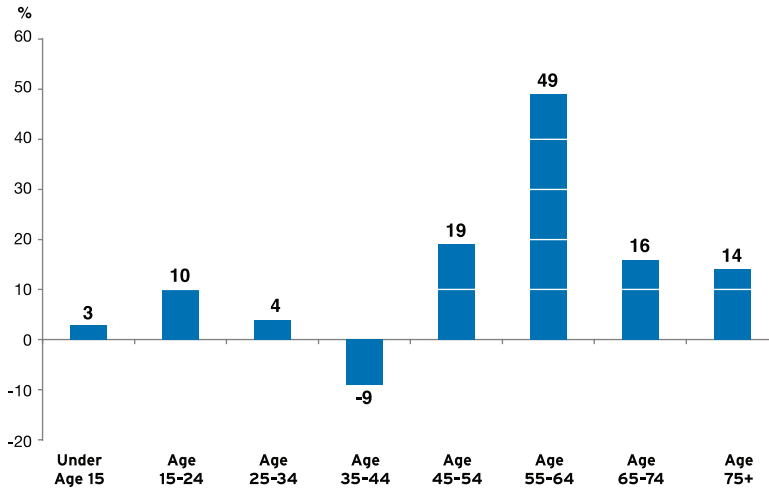
The phrase "demography is destiny" was never more appropriate than when used to characterize the impending "age tsunami" that is about to hit America's population. After modest growth in the past two decades, America's senior population will begin to mushroom as the leading edge of the

huge baby boom generation turns 65 in 2011. As this unique generation has plowed its way through the nation's school systems and labor, housing, and stock markets, it has transformed institutions both public and private in its path. Boomers' impending seniorhood carries important implications not just for themselves or even the nation as a whole, but also



Figure 1. The Nation's Pre-Senior Population Expanded by Nearly Half in the 2000s

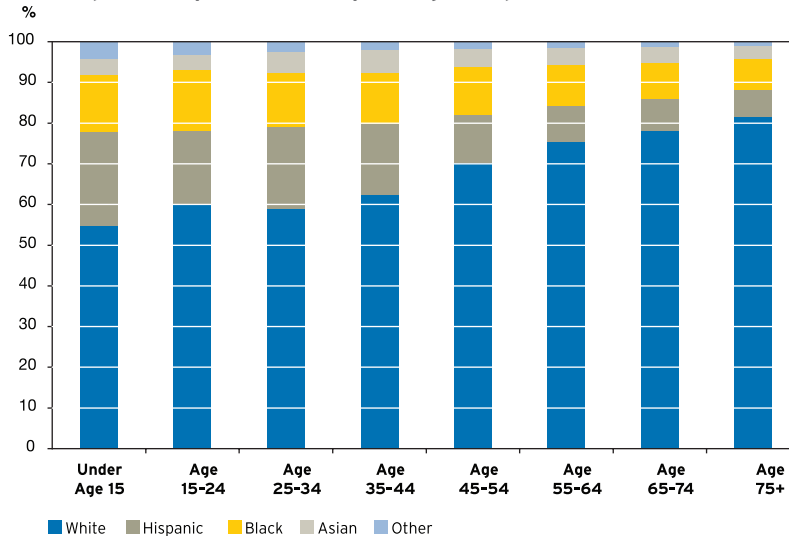
Change in Population by Age Group, United States, 2000-2010



Source: Brookings analysis of U.S. Census Bureau Population Estimates Program data and projections

Figure 2. The Nation's Child Population is Considerably More Racially and Ethnically Diverse than its Older Population

Population by Race/Ethnicity and Age Group, United States, 2009



Source: Brookings analysis of U.S. Census Bureau Population Estimates Program data

for the specific places where they will live, and the other portions of the population (such as children) with whom they will share those communities.

The next two decades portend rapid increases in America's senior (age 65 and over) population. From 2000 to 2010, "pre-seniors" (age 55 to 64) experienced the nation's fastest growth, as the leading edge of the baby boomers (born between 1946 and 1955) entered those ages and expanded their overall numbers by half (Figure 1). The 45-to-54 year-old group continued to grow as well, as the larger, younger boomer cohort (born between 1956 and 1965) increasingly occupied that demographic territory. The result is that over the next two decades, from 2010 to 2030, the nation's 65-and-over population will grow much faster than in recent U.S. history. While the nation as a whole is projected to grow at roughly 8 to 9 percent each decade, senior growth rates will top 30 percent.

The aging of the baby boom generation is noteworthy not only because of its large size, but also because its members' social and demographic profile contrasts sharply with earlier generations at retirement age.¹ Boomers possess more education, have more women in the labor force, are more likely to occupy professional and managerial positions, and are more racially and ethnically diverse than their predecessors. At the same time, their higher rates of divorce and separation, lower rates of marriage, and fewer children signal the potential for greater divisions in seniorhood between those who will live comfortably, and those who will have fewer resources available to them.

At the other end of the age spectrum, America's child population (under age 15) registered a low growth rate (3 percent) in the 2000s. This reflected in part its replacing the relatively large "echo boom" cohort, which has entered its late teens and early



adult years. Still, at 62 million strong—roughly one-fifth of the nation's population—children in the United States today are a demographically important group, with an increasingly distinctive racial and ethnic profile compared with older groups (Figure 2). Only a little more than half in 2009 were non-Hispanic whites, versus three-quarters of the pre-senior population, and even higher shares of those aged 65 and over.

REGIONAL AND METROPOLITAN TRENDS

Recent Senior Population Shifts

Recent geographic shifts among the 65-and-over population, driven by the World War II generation, do not yet reflect the experiences of the baby boomers soon to reach seniorhood. Yet these shifts do signal the parts of the country where seniors are growing, and where they are concentrated—two types of areas that exhibit only limited overlap.

Senior populations grew unevenly across the nation in the 2000s. The fastest growing states for seniors from 2000 to 2008 were located in the West, and to a slightly lesser extent, in the Southeast (Map 1). Alaska and Nevada saw increases in their senior populations of more than 35 percent, followed closely by Utah and Arizona. In this way, senior populations are spreading well beyond what are usually thought of as “retirement magnet” states like Florida. On the other hand, a broad swath of states in the Midwest, parts of the Northeast, and the interior South displayed senior growth rates below the national rate of 10.8 percent; these included states experiencing declines in senior population (Rhode Island, Pennsylvania, and North Dakota).

At the metropolitan level, the Sun Belt/Snow Belt growth distinction holds. Provo, Raleigh, Austin, Atlanta, and Boise registered the highest senior growth rates from 2000 to 2008, exceeding 35 percent. Twenty-four (24) metro areas, mostly in the Sun Belt, saw increases of at least 20 percent in the first eight years of the decade. By contrast, 38 large metro areas, located mostly in the Northeast and Midwest, registered senior growth rates below the national average. Eleven (11) showed losses in senior populations during this time, led by Scranton, New Orleans, Pittsburgh, Buffalo, and Youngstown.

The phenomenon of “aging in place,” rather than senior migration, explains much of the difference between areas with fast- and slow-growing senior populations. Aging in place refers to the ascension of existing under-65 populations into the 65-and-over age category over time. States and metropolitan areas experiencing fast senior growth, such as Arizona and Austin, typically accumulated large numbers of working-age in-migrants who remained in these areas as they got older. These places tend to have senior populations with higher incomes, more education, and more people in their “young senior” (age 65 to 74) years. In contrast, metro areas in the Northeast and Midwest with slow senior growth lost working-age migrants in past decades, and thus have smaller aging-in-place populations today; many are also losing younger seniors.²

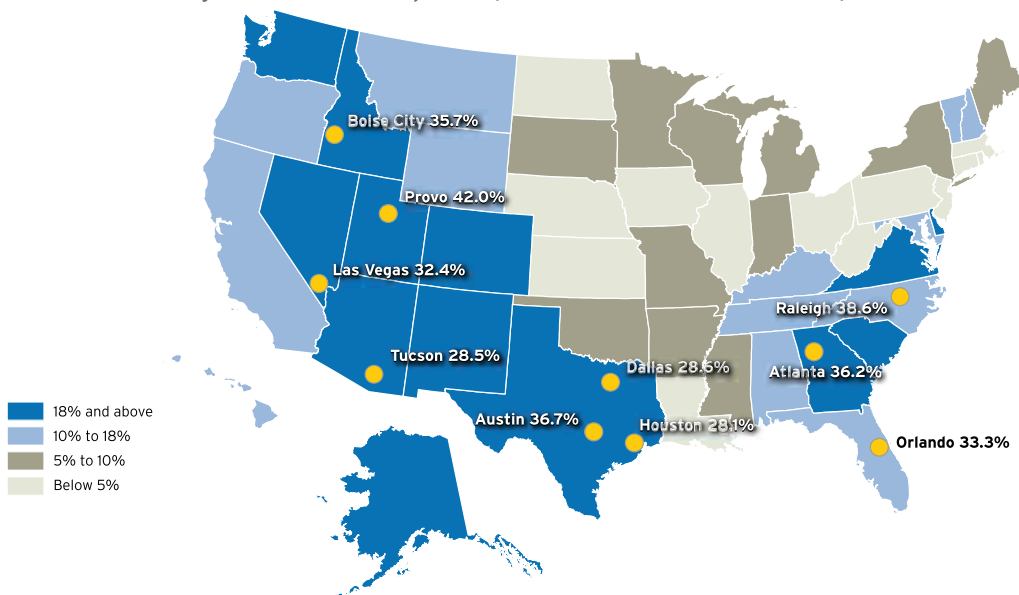
Senior Concentrations

Areas that exhibit the fastest senior growth differ (with a few exceptions, such as Florida) from those in which seniors represent the greatest shares of population (Map 2). Pennsylvania, for example, has the third-highest share of seniors among all states at 15.3 percent, but it is one of three states in which senior population dropped from 2000 to 2008.



Map 1. Senior Growth in the 2000s Was Most Rapid in the Intermountain West and Southeast
Change in 65-and-Over Population, States and Selected Metro Areas, 2000-2008

Areas that exhibit the fastest senior growth differ from those in which seniors represent the greatest shares of population.



Source: Brookings analysis of U.S. Census Population Estimates Program data

What's going on here?

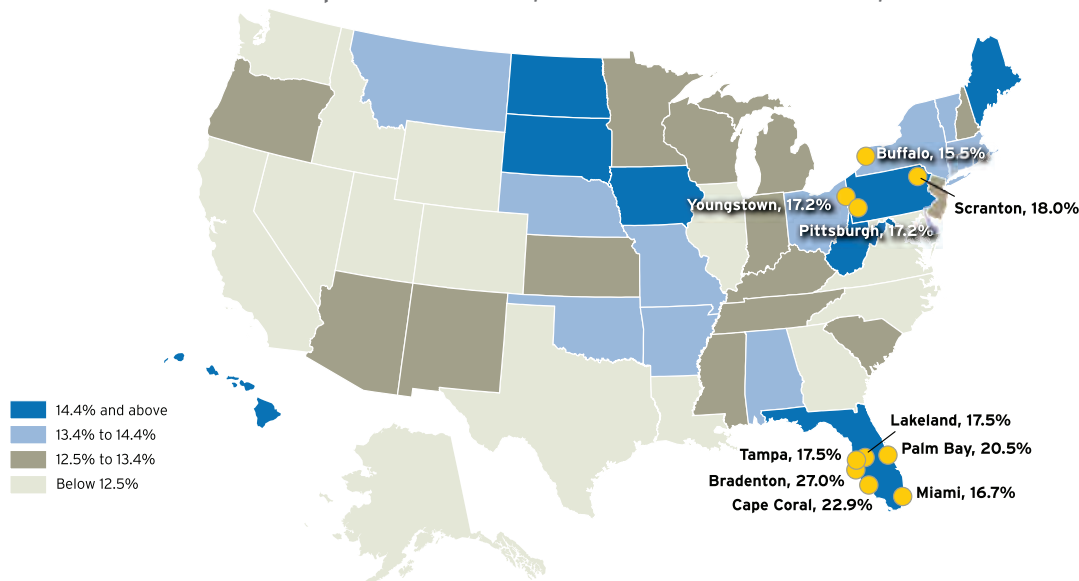
Places with high senior shares of population have typically experienced one or more decades of declines among their younger populations, leaving seniors, who are far less mobile than people in their 20s or 30s, behind. Many states with large shares of seniors have more in the “mature senior” age group of 75 and above. Their social and demographic profiles may not be as favorable to firms catering to the younger segment of the senior population. Moreover, the public expenditures required for health care and other social support for older senior segments may be higher than in states with more youthful elderly.

Florida, for its part, registered the highest senior share of any state, at 17.4 percent (compared to the national percentage of 12.8 percent). This resulted not from out-migration of younger people, but from

decades of attracting seniors from other parts of the country. As such, the Sunshine State continued in the 2000s to grow in both its young senior and mature senior segments. Florida's metropolitan areas stand out, too, occupying six of the top 10 rankings for senior share of population. Yet among the 33 metro areas in which seniors represent more than 13 percent of the population, the majority are located in the Northeast and Midwest.

At the other extreme are states and metro areas with low senior population shares. These are usually areas that experienced recent rapid growth of seniors alongside continued growth in their younger populations. Thus Provo, Austin, Raleigh, Houston, Atlanta, and Dallas have senior shares below 9 percent of population, even as they rank among the leaders in recent senior population growth.

Map 2. Seniors Are Most Prevalent in Areas of the Northeast, Midwest, and Florida
Share of Population 65 and Over, States and Selected Metro Areas, 2008



Source: Brookings analysis of U.S. Census Population Estimates Program data

Seniors in Waiting: Recent Boomer Growth

During the past decade, the leading edge of the much heralded baby boom replaced the World War II generation in the 55-to-64 year-old cohort. Where this pre-senior group is growing fastest today coincides with the areas where senior growth will likely dominate in the decades to come.

Not surprisingly, the metropolitan areas showing the fastest growth in pre-seniors from 2000 to 2008 are located disproportionately in the South and West. Because of their high employment growth over the last several decades, as well as their increasing lure of “pre-retirees,” Raleigh and Austin lead all other metro areas in growth among 55-to-64 year-olds, both exceeding 80 percent (Table 1). Also on the fast-growing list are areas with natural and cultural

amenities such as Boise, Portland (OR), and Madison. Fully 27 metro areas saw their pre-senior populations jump by at least half from 2000 to 2008, including the large metro areas of Houston, Denver, Seattle, Phoenix, Orlando, and Minneapolis-St. Paul.

Because the huge baby boom generation is inflating pre-senior growth everywhere, even metro areas with the lowest growth rates, such as Scranton, Buffalo, and Youngstown, saw increases in this population of more than 20 percent from 2000 to 2008. The surprisingly low levels of pre-senior growth in Florida metro areas such as Bradenton, Cape Coral, Palm Bay, and Lakeland owe to their already large pre-senior populations, which serve to minimize growth rates from in-migration and aging in place.

The pre-senior population differs somewhat in its social and demographic composition between

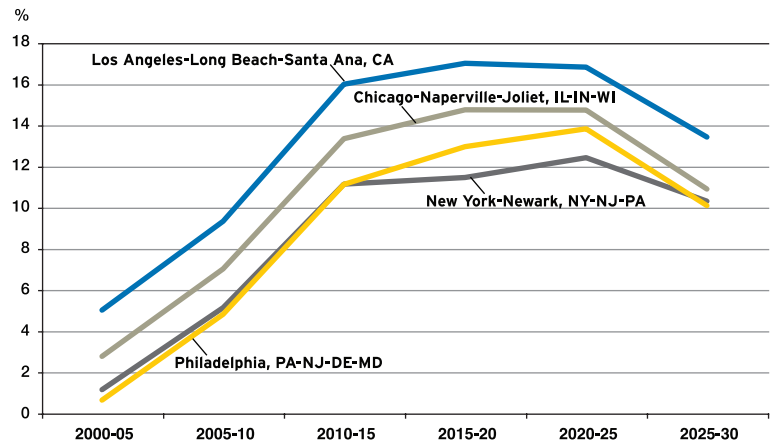


Table 1. Southern and Western Metro Areas Outpaced Others in Pre-Senior Growth During the 2000s
Metro Areas Ranked by Change in Pre-Senior (Age 55 to 64) Population, 2000 to 2008

Highest Pre-Senior Growth Rates			Lowest Pre-Senior Growth Rates		
Rank	Metro area	Population Change (%)	Rank	Metro area	Population Change (%)
1	Raleigh-Cary, NC	89.4	91	New Orleans, LA	29.2
2	Austin, TX	84.3	92	Dayton, OH	27.2
3	Provo, UT	78.0	93	Bridgeport-Stamford, CT	27.1
4	Atlanta, GA	73.7	94	Youngstown, OH-PA	27.1
5	Boise City, ID	72.9	95	Buffalo, NY	26.7
6	Portland-Vancouver, OR-WA	71.3	96	Lakeland, FL	26.3
7	Charlotte, NC-SC	71.0	97	Palm Bay, FL	26.1
8	Madison, WI	66.4	98	Cape Coral, FL	25.5
9	Houston, TX	64.7	99	Scranton, PA	25.5
10	Denver-Aurora, CO	64.6	100	Bradenton, FL	22.0

Source: Brookings analysis of U.S. Census Population Estimates Program data

Figure 3. The Next Two Decades Will Bring High Senior Growth Rates in Major Metro Areas
Change in 65-and-Over Population by 5-Year Period, Selected Metro Areas, 2000 to 2030

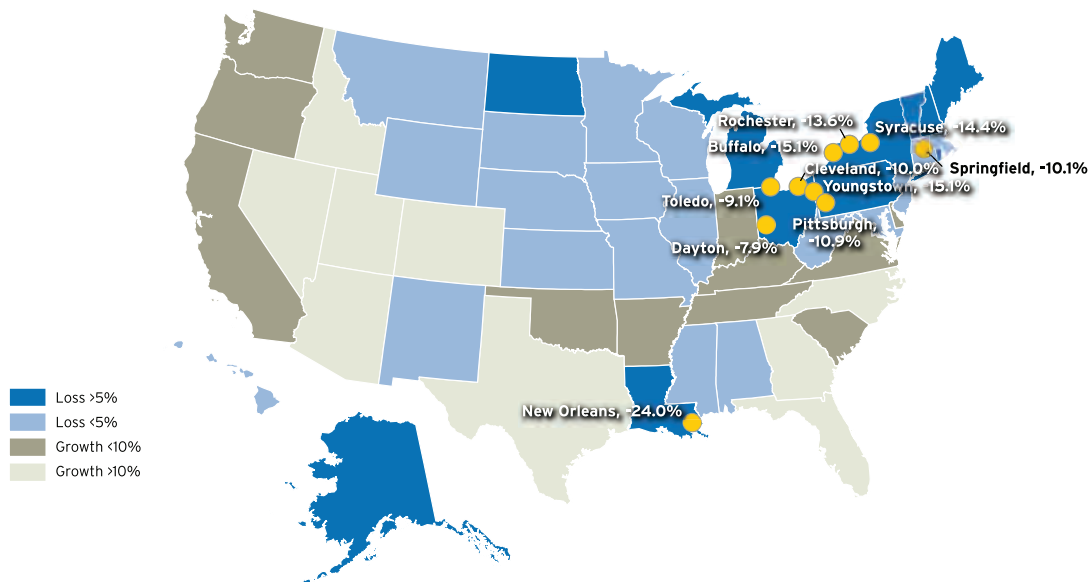


Source: Brookings projections based on U.S. Census Bureau data

faster and slower growing parts of the nation. For instance, pre-seniors in states experiencing the fastest growth in that group are more likely to have attended at least some college, or to have earned a degree. Hispanics and Asians are the primary minority groups among 55-to-64 year-olds in these states, versus African Americans in states experiencing slower growth.³

Just as older boomers swelled the ranks of the 55-to-64 year-olds in the 21st century’s first decade, they will begin to inflate the ranks of senior populations over the next two decades. Due largely to “aging in place,” senior populations in major metropolitan areas such as New York, Philadelphia, Chicago, and Los Angeles are projected to grow by at least 10 percent over each five-year period from 2010 to 2030. Growth rates are projected to be higher still in booming Sun Belt markets like Houston, Dallas, and Atlanta.

Map 3. Child Populations Declined in Many Older Industrial Areas of the Northeast and Midwest in the 2000s
Change in the Under-18 Population, States and Selected Metro Areas, 2000-2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Growth and Decline in Child Populations

While a massive aging movement of the U.S. population is clearly at hand, a selective youth movement is also taking place in some parts of the country. Employment growth and relatively affordable housing in many parts of the South and West attracted younger families with children during the 2000s. Fully 20 states registered gains in their child (under age 18) populations from 2000 to 2008, led by Nevada, Arizona, Utah, Georgia, Texas, and North Carolina (Map 3). At the same time, slower growing areas in the Northeast and Midwest experienced fewer births and higher out-migration of their younger population segments. Thirty-one (31) states and the District of Columbia showed absolute declines in their child populations, with New England and industrial portions of the Midwest and Northeast

leading the way.

Among the nation's 100 largest metropolitan areas, 34 experienced declines in their child populations from 2000 to 2008. Hurricane-damaged New Orleans led the list, joined by a slew of older industrial Great Lakes metro areas including Buffalo, Youngstown, Syracuse, Rochester, and Pittsburgh. Conversely, among the 66 metro areas in which child populations grew during the 2000s, growth rates topped 30 percent in the Southern and Western locales of Provo, Cape Coral, Raleigh, Las Vegas, Austin, Phoenix, and Charlotte.

The twin patterns of aging and "young-ing" of the American population contribute to regionally distinct dependency ratios, which reflect the level of support that the working-age population can provide to retirees or children. Metro areas with the highest



Table 2. Dependency Ratios Reflect the Regionally Distinct Prominence of Children and Seniors Among Local Populations
Metro Areas Ranked by Child and Age Dependency Ratios, 2008

Highest Child Dependency Ratios			Highest Age Dependency Ratios		
Rank	Metro Area	Child Dependency Ratio*	Rank	Metro Area	Age Dependency Ratio**
1	McAllen, TX	50.3	1	Bradenton, FL	42.7
2	Provo UT	46.8	2	Cape Coral, FL	34.7
3	El Paso, TX	42.9	3	Palm Bay, FL	30.1
4	Ogden, UT	42.0	4	Scranton, PA	25.4
5	Fresno, CA	40.2	5	Lakeland, FL	25.2
6	Bakersfield, CA	39.8	6	Tampa-St. Petersburg-Clearwater, FL	24.7
7	Salt Lake City, UT	39.1	7	Youngstown, OH-PA	24.3
8	Stockton, CA	39.0	8	Pittsburgh, PA	24.0
9	Modesto, CA	38.5	9	Miami-Fort Lauderdale-Pompano Beach, FL	23.4
10	Riverside-San Bernardino-Ontario, CA	38.3	10	Buffalo, NY	21.4
All Large Metro Areas		33.3	All Large Metro Areas		15.9

* Population under age 18 divided by 18-to-64-year-old population and multiplied by 100
** Population age 65 and over divided by the 18-to-64-year-old population and multiplied by 100
Source: Brookings analysis of U.S. Census Population Estimates Program data

child dependency ratios tend to be located in interior California, Utah, and along the Texas border. These areas have large Hispanic and/or Mormon populations, and with more than four children for every 10 working-age adults, the needs of families with children come more to the fore. Alternatively, places with the highest age (elderly) dependency ratios lie in Florida and the industrial Midwest. With more than two seniors for every ten adults, and ratios sure to rise in the future, the concerns of aging populations will increasingly take center stage there.

Cultural Generation Gaps

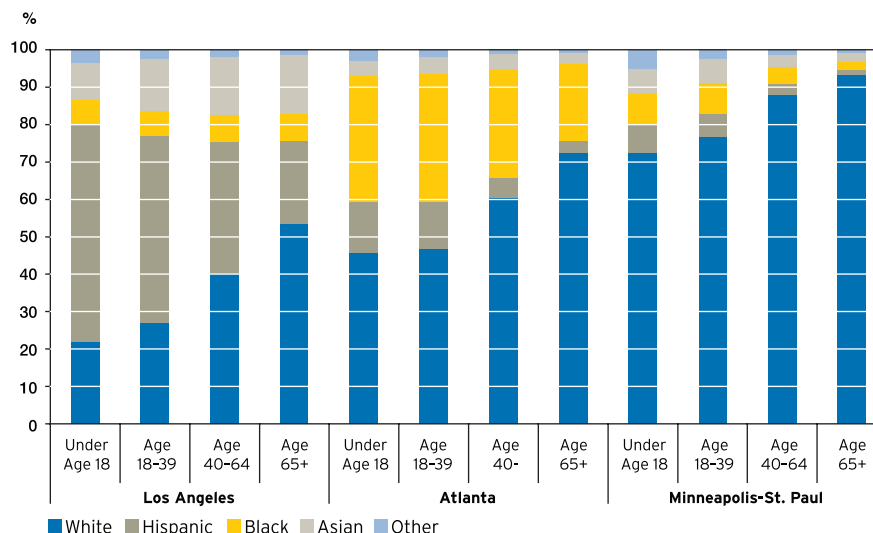
As explored earlier, one of the distinguishing features of U.S. population is the juxtaposition of its racially and ethnically diverse young population and its largely white older population. These differences

will become more muted over time as younger generations age into adulthood and, eventually, into middle and old age.⁴

For the present, however, metro areas that have attracted large numbers of Hispanics and Asians display something of a “cultural generation gap,” more pronounced than that which exists at the national level (shown in Figure 2).⁵ The distinctions are most noticeable above and below the 40 year-old mark. In Los Angeles, less than a quarter of children are white, as are only 27 percent of those aged 18 to 39 (Figure 4). By contrast, 40 percent of the older middle-aged population is white, as is more than half of the senior population. The Atlanta metro area exhibits similar distinctions, with African Americans assuming a more prominent role in the gap. At the other extreme lie areas like predominantly white



Figure 4. The Size of the "Cultural Generation Gap" is Greatest in Metro Areas with Large Numbers of Hispanics
Share of Population by Race/Ethnicity and Age Group, Selected Metro Areas, 2008



Source: Brookings analysis of 2008 American Community Survey data

Minneapolis-St Paul, where minorities are just beginning to account for a significant share of the child population.

This cultural generation gap is even more pronounced in many of the metropolitan areas beyond Los Angeles that have "majority-minority" child populations (see the Race/Ethnicity chapter). In Riverside, for instance, about seven in 10 children are non-white or Hispanic, while almost seven in 10 seniors are white. Phoenix, long a haven for Midwestern migrant retirees, shows sharp disparities between its 85 percent white senior population and its 44 percent white child population. Setting public priorities and fostering social cohesion in these and other regions may take on added challenges due to their unique racial/ethnic overlay.

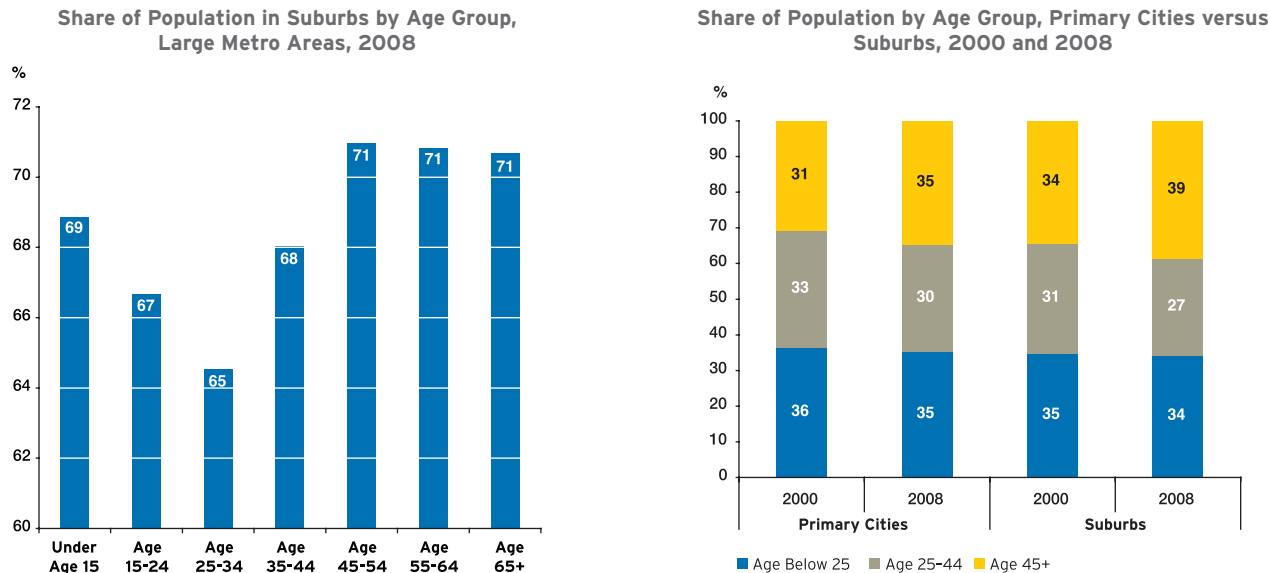
CITY AND SUBURBAN TRENDS

Graying of Suburbia

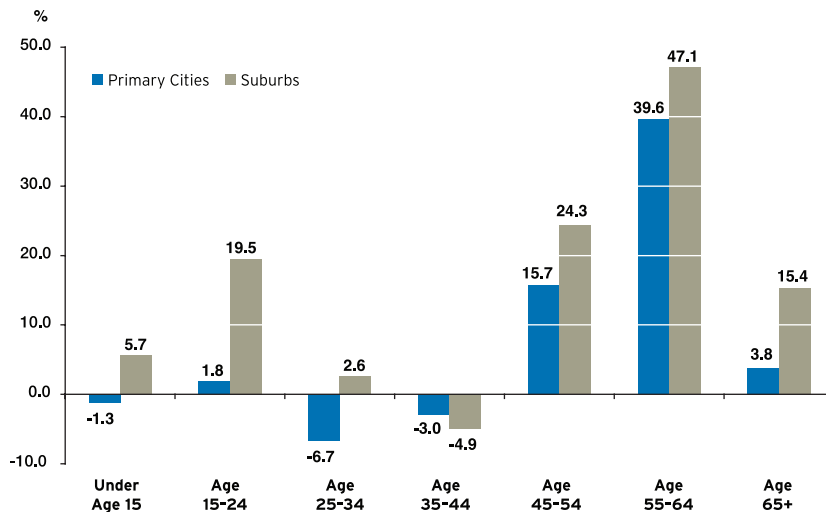
Baby boomers might be considered the "first suburban generation," as their parents began populating the nation's burgeoning suburbs in the immediate postwar period. Not surprisingly, then, the boomers (along with seniors, a group that includes their parents) are more suburbanized than other metropolitan age groups (Figure 5). They are contributing to a significant "graying" of suburbia, as now almost 40 percent of suburban residents are age 45 or older, up from 34 percent in 2000, and higher than their 35 percent share in primary cities. Moreover, their numbers—especially those of seniors—grew faster in suburbs than in cities over the course of



Figure 5. Boomers Are Highly Suburbanized, and Contributed More to Suburban than City Growth in the 2000s



Change in Population by Age Group, Primary Cities versus Suburbs, 2000 to 2008



Source: Brookings analysis of 2008 American Community Survey data



Table 3. Selected Suburbs in Both the Snow Belt and Sun Belt Have Large Boomer and Senior Populations
Metro Area Suburbs Ranked by Share of Population Age 45 and Over, 2008

Highest Share of Population Age 45+			Lowest Share of Population Age 45+		
Rank	Suburbs of Metro Area	Population Share (%)	Rank	Suburbs of Metro Area	Population Share (%)
1	Cape Coral, FL	50.3	86	Houston, TX	33.2
2	Palm Bay, FL	49.8	87	Fresno, CA	32.6
3	Pittsburgh, PA	47.2	88	Austin, TX	32.5
4	Youngstown, OH	46.6	89	Riverside-San Bernardino-Ontario, CA	31.6
5	Tucson, AZ	46.5	90	Bakersfield, CA	30.6
6	Scranton, PA	46.4	91	Salt Lake City, UT	30.6
7	Buffalo, NY	45.9	92	Ogden, UT	29.6
8	Tampa-St. Petersburg-Clearwater, FL	45.5	93	McAllen, TX	26.5
9	Milwaukee, WI	44.4	94	El Paso, TX	26.3
10	Cleveland, OH	44.1	95	Provo, UT	22.7

Source: Brookings analysis of 2008 American Community Survey data
Reflects data for 95 of 100 large metro areas

Table 4. More Than a Third of Suburban Areas Lost Population Under Age 45 During the 2000s
Metro Area Suburbs Ranked by Greatest Under Age 45 Decline, and Greatest Age 45+ Growth, 2000 to 2008

Greatest Rate of Decline, Under Age 45 Population				Highest Growth Rate, Age 45+ Population			
Rank	Suburbs of Metro Area	Under Age 45 (% Change)	Age 45+ (% Change)	Rank	Suburbs of Metro Area	Under Age 45 (% Change)	Age 45+ (% Change)
1	Youngstown, OH	-12.7	6.8	1	Austin, TX	38.7	68.4
2	Buffalo, NY	-10.8	11.3	2	Provo, UT	48.9	62.5
3	New Orleans, LA	-10.5	16.7	3	El Paso, TX	11.3	60.4
4	Pittsburgh, PA	-10.2	9.1	4	Colorado Springs, CO	12.0	58.7
5	Syracuse, NY	-7.8	17.0	5	Phoenix-Mesa-Scottsdale, AZ	52.5	56.3
6	Bridgeport-Stamford, CT	-7.8	17.6	6	Raleigh-Cary, NC	34.5	56.0
7	Cleveland, OH	-7.6	13.4	7	Houston, TX	25.9	54.0
8	Dayton, OH	-6.6	15.0	8	Boise City, ID	32.8	53.7
9	Scranton, PA	-6.5	5.7	9	Dallas-Fort Worth-Arlington, TX	21.5	52.1
10	Rochester, NY	-6.5	18.9	10	Atlanta, GA	19.2	51.1

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data
Reflects data for 95 of 100 large metro areas



the decade. The suburbs are thus poised to house an older population than has been the case in the past.

Similar to metropolitan areas overall, suburbs divide between those with high concentrations of older populations, and those experiencing fast growth among those populations. The suburbs of Cape Coral, where half the population is age 45 and over, lead the former group, which includes other metropolitan suburbs in Florida, as well as rapidly aging areas around Youngstown, Buffalo, Pittsburgh, Scranton, and Cleveland (Table 3). In most of these suburbs, the “below 45” population declined in the 2000s, accelerating their overall aging (Table 4). In fact, fully 32 of 95 large metro areas showed no growth or loss in their younger populations from 2000 to 2008, even as their older populations continued to gain. The rapid aging that has ensued increasingly flies in the face of the common stereotype of suburbs as havens for young families and child rearing.

The other type of suburb, exemplified by metro areas in the Intermountain West, Texas, and portions of the Southeast, is characterized by fast growth in older populations, amid healthy gains for younger adults and children. In most cases, growth rates there among the 45-and-over population still outstrip those for younger populations, but the greater balance of growth among age groups may ease the graying of those suburbs over time.

LOOKING AHEAD

Current and future geographic shifts of America’s senior and pre-senior populations, with baby boomers on the verge of entering their retirement years, are among the most potentially influential demographic trends in metropolitan America today.

Emerging senior populations will break with those of the past, not only in terms of their size, but in their educational profiles, their household diversity, and their greater gender equality, as well as their potential for exhibiting greater economic inequality. The sheer size of the baby boom tsunami will magnify these distinct social and demographic attributes, altering metropolitan, city, and suburban populations in both growing and declining parts of the country.

What are the local and regional ramifications of this impending transformation? With boomer-dominated pre-senior populations now residing in Southern and Western metropolitan areas and suburbs in large numbers, relatively well-off older populations should emerge in areas like Charlotte, Dallas, and Atlanta—places heretofore known primarily for their youthful profile. These populations may create demands for new types of housing and cultural amenities, and may continue to fuel the economic and civic growth of these areas as they remain involved in the labor force. That noted, the housing bust that affected senior and pre-senior magnets in the Intermountain West and Florida in the latter part of the decade may reduce, for the foreseeable future, household wealth and cause some older workers to remain in—or re-enter—the labor market.

On the other hand, slow-growing metropolitan areas, mostly in the Northeast and Midwest, will age as well, amid slow growth or even decline in their younger populations. If anything, the severe economic contraction that some of these areas experienced during the Great Recession could accelerate the out-migration of working-age adults, once hiring and interstate migration resumes. As a result, large senior populations in these metropolitan areas could be comprised of disproportionately older individuals who are less well-off financially or health-wise. They may require greater social support, along with



affordable private and institutional housing, and accessible health care providers. To the extent those resources are currently more focused on central cities, greater regional action and cooperation may be needed to ensure adequate supply and access for suburban seniors who are aging in place.

The metropolitan divide between areas experiencing growth versus decline of their child populations reflects a longer-term redistribution of population that is making the Sun Belt more youthful than other parts of the country. In the decades ahead, all parts of the country will experience aging in place among baby boomers. Places that can gain young people through immigration, domestic migration, or increased births to existing families may be better able to cope with the new demands brought on by an aging society.

Yet in these areas and others, another potential divide looms, between the racial and ethnic profiles of a highly diverse younger population and a mostly white older population. Our aging society renders unavoidable generational debates over local, regional, and state public resources (e.g., funding for schools versus senior services or tax levels) and so-called “quality-of-life” factors in all parts of the country. In these metropolitan areas, the strong cultural distinction between the young and old could add further complexity and challenge to these deliberations, and amplify the role of civic sector actors that promote community engagement and bridge generational divides.

Age changes across the nation’s landscape over the next few decades will be uneven, but will inevitably create new challenges for all types of communities. Fortunately, tracking the trajectory of these changes and planning for the future will be relatively straightforward for most places, because households already residing there will provide the primary

source of their senior growth. Public and private-sector leaders should thus be poised to evaluate how the impending senior explosion, and continued diversification of the child population, will once again transform the economic and social landscape of America’s metropolitan areas. ■

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ENDNOTES

1. William H. Frey, “America’s Regional Demographics in the ‘00s Decade: The Role of Seniors, Boomers and New Minorities” (Washington: Research Institute for Housing America and Brookings Institution, 2006).
2. William H. Frey, “Mapping the Growth of Older America: Seniors and Boomers in the Early 21st Century” (Washington: Brookings Institution, 2007).
3. Ibid.
4. William H. Frey, “Census Projects Minority Surge” (Washington: Brookings Institution, 2008).
5. Frey, “America’s Regional Demographics in the ‘00s Decade.”



WILLIAM H. FREY

V. HOUSEHOLDS & FAMILIES

BY THE NUMBERS

**21% /
28%**

Share of households that are
married couples with
children / people living
alone, United States, 2008

**+30% /
-25%**

Change in married couple
with children households,
Las Vegas / Youngstown
metro areas, 2000 to 2008

50%

Share of households
containing a married couple,
Bakersfield city, 2008

53%

Share of households *not*
containing a married couple,
Springfield suburbs, 2008



OVERVIEW

■ For the first time in several decades, U.S. population is growing at a faster rate than U.S. households.

With baby boomers well past their peak household-formation years, and new immigrants fueling growth, places that are losing population have less of a household “buffer” to sustain housing demand and tax base.

■ Married couples with children accounted for just over one in five U.S. households in 2008, about half their share in 1970.

These households declined in number during the 2000s, as non-family households—mostly people living alone—grew at a rapid clip to account for more than one in three households in 2008.

■ Many metro areas with already-high shares of married couples with children experienced strong growth in these households in the 2000s.

In contrast to these “married with children” magnets like Raleigh, Boise, and Austin, Northern industrial metro areas like Dayton, Toledo, and Youngstown saw their married couples with children decline by at least one-sixth over the eight-year period.

■ Many fast-growing cities in the South and West added larger families in the 2000s, even as declining cities in the Midwest shed them.

Cities such as Charlotte, Bakersfield, and Lakeland added households of all types, including married couples with children. Cities such as Cleveland, Detroit, and Pittsburgh lost all types of households, but losses were more modest among their aging non-family households.

■ People living alone and non-married-couple families are the fastest-growing household types in suburbs.

A majority of married-couple families of all races and ethnicities live in the suburbs today. But as their share of households declined to one-quarter or less in all types of suburbs, non-families became the most prominent suburban household type by 2008.

NATIONAL TRENDS

Households and families are critical organizing units of our society. Major life events—birth, leaving home for college or a job, marriage, divorce, death—all register as changes to the number or composition of our households and families. The members of households make most major spending decisions—for housing, food, transportation, and education—collectively. They are the units from which most government revenues are collected, and to which most government services are rendered. Indeed, households are the sampling unit for the American Community Survey,

on which most of this report is based.

The shape of America’s households and families also reflects a number of large, long-run demographic forces transforming our society. Delays in marriage, increases in life expectancy, and rising immigration from shifting source nations have all contributed to growth and decline of different types of households in the United States, with greater impacts in some parts of the country than others.

Along those lines, the United States passed an important milestone in the 2000s. In a break from the past several decades, the national household

The shape of America’s households and families reflects a number of large, long-run demographic forces transforming our society.

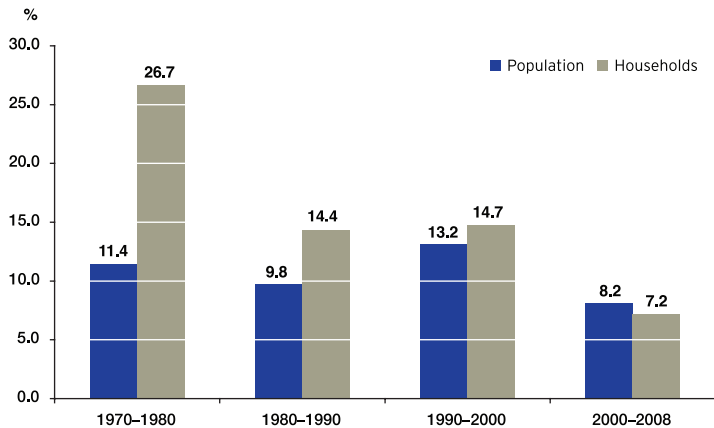


growth rate sank slightly below that for total population. Beginning in the 1970s, the large baby boom cohorts started to enter adulthood and the traditional ages at which new households are formed. Not only were they more numerous than previous generations at those ages, but also they waited longer to “double up” as couples to start families, and eventually they had fewer children per household than their parents did.

With boomers dominating the American demographic landscape, the number of households in the 1970s grew at more than twice the rate of the U.S. population (Figure 1). This growth differential narrowed somewhat during the 1980s, but the rate of household growth generated by the second half of the boomers (born between 1956 and 1965) during that decade still exceeded the population growth rate by more than half.

After the household-population growth gap further narrowed in the 1990s, the relationship flipped

Figure 1. For the First Time in Decades, Population Growth Outpaced Household Growth
Change in Population and Households by Decade, United States, 1970 to 2008



Source: Brookings analysis of decennial censuses and 2008 American Community Survey

CLASSIFYING HOUSEHOLDS

This chapter classifies households at the national, metropolitan, and city/suburban levels into five basic types:

Married with children: The traditional “nuclear family” household type, married couples with children under 18 years old

Married without children: Young, often two-earner couples who have not yet had children, older “empty nester” couples whose children may recently have left home, and elderly couples who may have grandchildren of their own

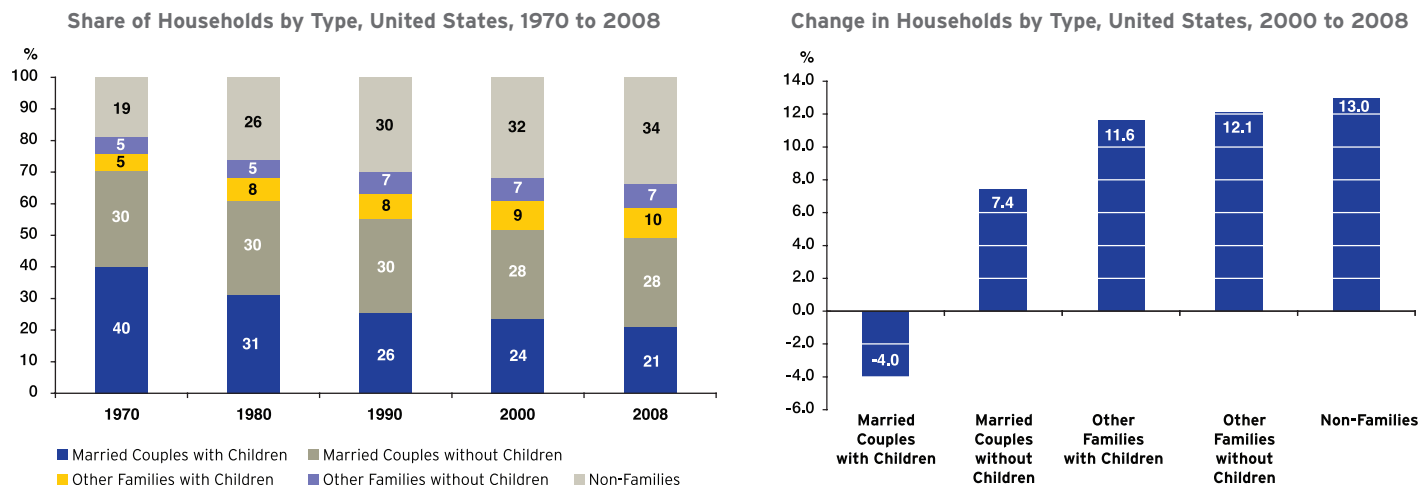
Other families with children: Usually single-parent family households; and four of five are headed by females. While disadvantaged single mothers who gave birth at a young age make up a significant portion of these households, the category also includes most divorced and separated parents with children, never-married mothers who had children at a later age, and unmarried partners with children

Other families without children: Single adults with parents living in their home, single parents with children over 18 living in their home, and adult relatives (such as brothers and sisters) living in the same household

Non-families: More than 80 percent of non-family households are single persons living alone; of these, more than one-third are 65 years and older. Other non-family households consist of nonrelatives living together, including unmarried partners with no children



Figure 2. Married Couples with Children Today Account for Barely Half the Share of U.S. Households as in 1970, and Their Numbers Fell in the 2000s



in the 2000s, so that population growth exceeded household growth. In the past, places that sustained population declines could nevertheless count on continued demand for housing due to a robust household growth rate. But now that population growth has overtaken household growth, these places may only be able to enjoy sustained housing demand and growing tax bases if their populations are also increasing.

Declines in household growth have been attributed to the smaller post-boomer generations who entered their household formation years beginning in the 1990s. On the other hand, increases in population growth can be attributed in large part to immigrant waves who have younger age structures than the native-born U.S. population, and often higher birth rates. The households these newcomers form are different from those formed in the 1970s by “coming-of-age” baby boomers. Immigrants and

children of immigrants are more likely to marry earlier and form larger households with children.

As these trends imply, the structure of U.S. households has also shifted markedly over time.

Although the “Ozzie and Harriet” married couple with children persists as the archetypal American household, the seeming explosion of such families in the immediate post-World War II decades, thanks to the baby boom, represented an aberration of long-term U.S. household trends.¹ The share of U.S. households that are married couples with children under 18 years old began a steady slide as the boomers came of age in the 1970s, and today stands at just 21 percent—roughly half its level from 40 years ago (Figure 2).

A number of societal shifts ushered in by the baby boom generation—among them delayed marriage, reduced childbearing within marriage, higher divorce rates, and increased life expectancy—have driven



these dramatic changes in household composition over the last 40 years.² Over this period, there has also been an increased tendency for women to bear children outside of wedlock, increasingly in the context of cohabiting couples. The larger shifts away from the so-called “traditional family” occurred during the 1970s and 1980s.

All family types except married couples with children have grown since 2000 (Figure 2). Yet a mini-rebirth in married-with-children families in some parts of the country, associated with the growth of the Hispanic and Asian populations, suggests that the movement away from “traditional families” might have bottomed out among the post-boomer generations.³ The next decades will, of course, also see gains in households associated with aging boomers, such as childless couple “empty nesters” and non-families, including people living alone.

Finally, the overall household type profile of the United States disguises significant differences in the prevalence of these types across racial and ethnic groups (Figure 3). For Asians and Hispanics, married couples with children are the most numerous of household types, reflecting their younger ages and higher fertility rates. For whites, non-families and married couples without children predominate, reflecting their older ages. And for blacks, non-families and female-headed families (with and without children) are the largest household types. These differences influence the household character of the different places across the metropolitan landscape where these groups cluster.

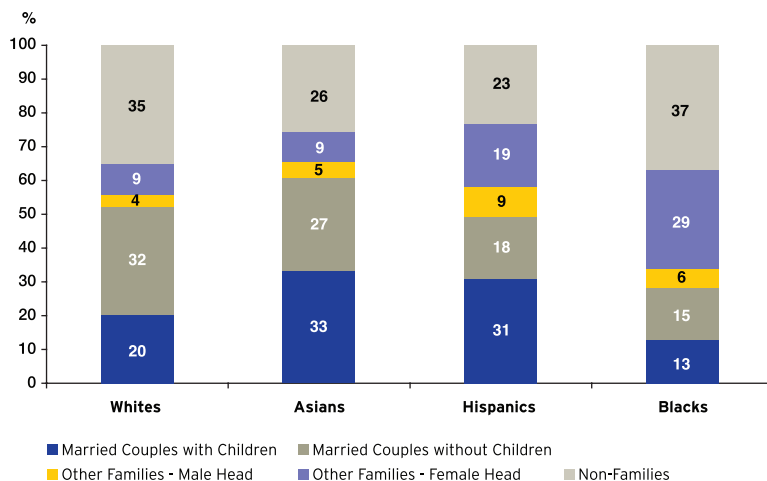
METROPOLITAN TRENDS

Household versus Population Growth

In the nation as a whole, and for large metropolitan areas in the aggregate, the large discrepancy between household growth and population growth in the 1970s and 1980s diminished sharply in the 1990s, and population growth surpassed household growth in the 2000s.⁴ Yet more of the nation’s 100 largest metro areas (92) gained households from 2000 to 2008 than gained population (89). Overall, metro areas exhibited less extreme gains or declines in households than in population, which buffered their housing markets against even wider swings in demand.

The “bunching up” of population growth is most prominent in metro areas with large numbers of immigrant minorities and recent gains of young people in their childbearing years. Among the top 10 are Southern and Intermountain West locations such as Las Vegas, Raleigh, Boise, and Austin (Table 1). Other areas with population gains exceeding

Figure 3. Major Racial and Ethnic Groups Possess Distinctive Household Type Profiles
Share of Households by Type and Racial/Ethnic Group, United States, 2008



Source: Brookings analysis of 2008 American Community Survey data



Table 1. Population Growth Exceeded Household Growth in Many Fast-Growing Metro Areas
Large Metro Areas Ranked by Change in Households (%), 2000 to 2008

Highest Household Growth					Lowest Household Growth/Household Decline				
Rank	Metro Area	Household Change (%)*	Population Change (%)*	Difference (% pts)	Rank	Metro Area	Household Change (%)	Population Change*	Difference (% pts)
1	McAllen, TX	34.9	28.0	-6.9	91	Toledo, OH	0.4	-1.5	-2.0
2	Provo, UT	34.3	43.5	9.2	92	Rochester, NY	0.3	-0.7	-1.0
3	Las Vegas, NV	33.6	35.9	2.3	93	Dayton, OH	0.0	-1.4	-1.4
4	Raleigh-Cary, NC	31.0	37.2	6.3	94	Bridgeport-Stamford, CT	-0.1	0.7	0.8
5	Charlotte, NC-SC	29.6	28.6	-1.0	95	Pittsburgh, PA	-0.8	-3.4	-2.6
6	Boise City, ID	29.4	27.6	-1.8	96	Youngstown, OH-PA	-1.4	-6.5	-5.1
7	Cape Coral, FL	29.3	34.1	4.8	97	Providence, RI-MA	-1.7	0.6	2.3
8	Austin, TX	27.9	32.4	4.4	98	Cleveland, OH	-1.9	-2.9	-1.0
9	Phoenix-Mesa-Scottsdale, AZ	22.4	32.2	9.8	99	Detroit-Warren, MI	-2.5	-0.8	1.8
10	Ogden, UT	21.8	20.5	-1.2	100	New Orleans, LA	-23.0	-13.9	9.1

* population in households

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

household gains include Sun Belt destinations Riverside, Stockton, Dallas, and Atlanta.

About one-third of metro areas that added households in the 2000s added population more slowly. These include places which attracted smaller-sized households, both young singles and older “empty nesters,” such as Charlotte, Boise, Seattle, and Minneapolis. Other metro areas with somewhat slower population than household growth include those with older, established Hispanic populations such as Albuquerque, McAllen, and El Paso.

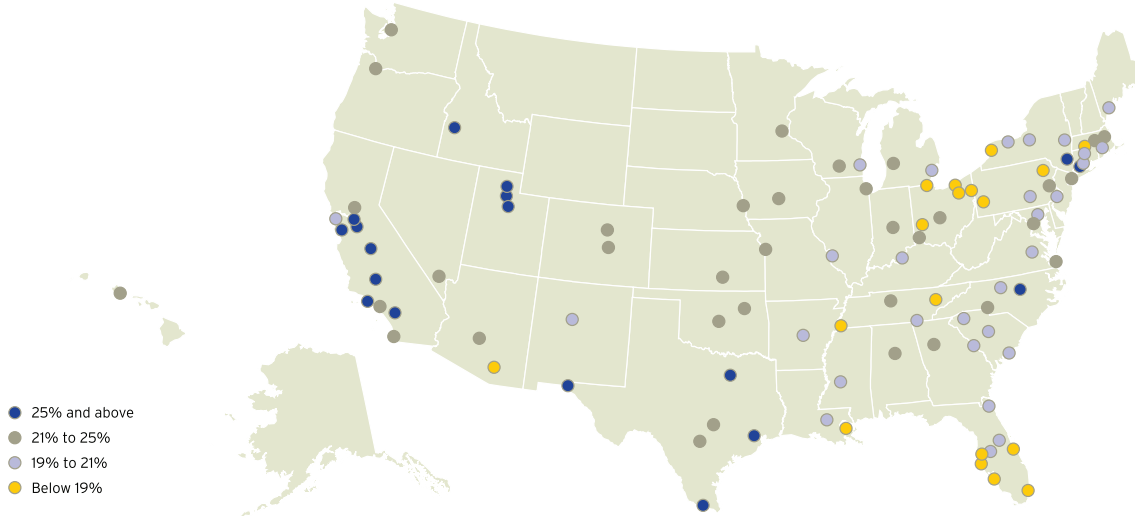
At the other end of the spectrum are metropolitan areas in which household numbers are dropping or growing very slowly. These areas, especially those located in the industrial heartland, typically show greater declines in population than households, reflecting a selective out-migration of younger, larger households. Youngstown, Pittsburgh, Cleveland, Dayton, and Rochester rank among such areas.

Married-with-Children Metropolitan Magnets

Although married-with-children households now comprise only about one-fifth of all U.S. households, and declined in number from 2000 to 2008, they maintain a substantial presence in some parts of the country. The Age chapter of this report indicates that while most of the country is getting older, selected parts are “younging,” and a good part of that younger population lives in married-with-children households.

In 18 of the nation’s 100 largest metro areas, married couples with children comprise more than one-quarter of all households (Map 1). Many are located in the West and Southwest, especially in California, Utah, and Texas, although Raleigh and Bridgeport also make the list. These areas have large Hispanic populations, high fertility, or have become magnets for young families with children. Married couples

Map 1. In Only 18 Metro Areas Are Married Couples with Children More than a Quarter of Households
Share of Households that Are Married Couples with Children, 2008



Source: Brookings analysis of 2008 American Community Survey data

with children comprise 40 percent of all households in Provo, the highest share nationally, and the same share as the United States back in 1970.

At the other end of the spectrum are 18 metropolitan areas where these “traditional families” comprise less than 18 percent of all households. They are located largely in the industrial Northeast and Midwest, Florida, Tennessee, and Arizona. Most of these areas are largely white or have large African American minority populations, and contain large senior populations. Bradenton’s married-with-children share of households, at 13.5 percent, ranks lowest nationally.

Many of the areas experiencing the largest growth in married couples with children during the 2000s also registered large shares of these households in 2008. Only 41 large metro areas gained married-with-children households from 2000 to 2008, and just 17 exhibited growth of more than 10

percent. In eight of the 10 metro areas with the fastest growth rates among this household type, married couples with children represented a larger than average share of all households in 2008. In this sense, the ever-more atypical “typical” American household is congregating in a smaller number of U.S. metro areas.

This relationship (in reverse) looms even stronger in declining markets. The familiar list of industrial Northeastern and Midwestern metro areas, along with New Orleans, recorded the largest percentage declines in married couples with children from 2000 to 2008; the Youngstown area had fully one-quarter fewer of these households in 2008 than eight years prior. In all of these metro areas, married couples with children accounted for a well below-average share of all households. With rapidly aging populations, over one-third of their households are non-families, mostly older people living alone.



Table 2 : Married Couples with Children Grew in Metro Areas with Already-Large Shares of These Households
Metro Areas Ranked by Change in Married Couples with Children (%), 2000-2008

			Share of Households, 2008 (%)	
Rank	Metro Area	Change in Married Couples w/ Children (%)	Married Couples w/ Children	Non-Families
Highest Growth in Married Couples with Children				
1	Cape Coral, FL	35.5	16	33
2	Las Vegas, NV	29.7	21	36
3	Raleigh-Cary, NC	29.3	26	33
4	Provo, UT	24.0	39	20
5	Boise City, ID	22.7	27	31
6	Austin, TX	22.7	23	38
7	Charlotte, NC-SC	20.1	22	34
8	Lakeland, FL	19.3	20	30
9	McAllen, TX	15.0	33	18
10	Phoenix-Mesa-Scottsdale, AZ	14.5	22	34
Largest Declines in Married Couples with Children				
91	Pittsburgh, PA	-14.1	18	37
92	Providence, RI-MA	-14.2	19	36
93	Syracuse, NY	-14.3	19	38
94	Buffalo, NY	-14.5	17	39
95	Akron, OH	-15.6	18	36
96	Rochester, NY	-16.2	19	36
97	Dayton, OH	-16.7	18	35
98	Toledo, OH	-17.9	17	38
99	Youngstown, OH-PA	-24.5	16	36
100	New Orleans, LA	-36.1	17	36
All Large Metro Areas			22	34

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

CITY AND SUBURBAN TRENDS

The faster population-than-household growth occurring in the 2000s carries special implications for cities. In past decades, many sustained greater population losses than household losses due to the “flight” of families to suburbs, but were able to retain some tax base and housing demand in the process. In the 2000s, however, 58 of 95 primary cities added

population living in households, while 61 registered increases in households. More so than for metropolitan areas, primary cities exhibited a greater “bunching up” of population growth. Among the 61 cities where households grew, only 34 had population growth exceeding household growth. Cities gaining these larger-than-average households included Cape Coral, Palm Bay, Raleigh, and Bakersfield (Table 3).



Table 3. Growing Cities Tended to Add Larger-than-Average Households, While Shrinking Cities Tended to Lose Them
Primary Cities Ranked by Change in Households (%), 2000 to 2008

Highest Household Growth					Highest Household Decline				
		Household Change	Population Change	Difference			Household Change	Population Change*	Difference
Rank	Primary Cities	(%)	(%)*	(% pts)	Rank	Primary Cities	(%)	(%)	(% pts)
1	Cape Coral, FL	42.1	51.1	9.0	86	Albany, NY	-8.1	-5.5	2.7
2	Charlotte, NC	32.8	27.0	-5.9	87	Youngstown, OH	-9.1	-14.9	-5.8
3	Raleigh-Cary, NC	28.0	32.0	4.1	88	Birmingham, AL	-9.5	-13.1	-3.6
4	Bakersfield, CA	26.6	30.9	4.3	89	Pittsburgh, PA	-9.6	-12.3	-2.7
5	McAllen, TX	24.9	21.1	-3.8	90	Cleveland, OH	-11.5	-14.8	-3.3
6	Palm Bay, FL	22.3	28.3	6.0	91	Dayton, OH	-11.7	-14.5	-2.7
7	Lakeland, FL	20.9	22.6	1.6	92	Rochester, NY	-13.3	-13.5	-0.2
8	Charleston, SC	19.4	19.1	-0.4	93	Cincinnati, OH	-14.8	-11.7	3.2
9	Las Vegas, NV	18.8	20.8	2.0	94	Detroit-Warren, MI	-19.1	-16.2	2.9
10	Sacramento-Roseville, CA	18.4	18.4	0.0	95	New Orleans, LA	-53.7	-36.4	17.3

* population in households

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

And among the 34 primary cities that registered household declines, populations declined even faster in 16 of them. Dayton, Cleveland, Youngstown, Rochester, and Pittsburgh fit this profile. New Orleans exhibits a greater household decline than population decline, reflecting its post-Katrina loss of single-person and larger households.

City Household Types

Trends in the types of households growing and declining in cities in the 2000s follow distinct regional patterns. Cities in the South and West, as was the case in the 1990s, added all types of households, most notably married couples, including those with children. Slow-growing cities of the Northeast and Midwest, on the other hand, showed declines in almost all types of households, but especially married couples with children.

Fast-growing cities are characterized by the

considerable presence of married couples, including those with children, among their residents and new arrivals. In each of the 10 fastest growing primary cities, married couple households [with and without children] account for more than 40 percent of all city households, and more than half in Cape Coral, Bakersfield, McAllen, and Palm Bay (Table 4). In six of these cities, married-with-children household shares equal or exceed the national average of 21 percent. The growth of younger, racial and ethnic minority populations in these cities has boosted these “traditional” family types. That noted, most of these cities experienced significant growth in other types of households as well; in fact, their growth rates for other families and non-families generally exceeded those for married-couple families.

In primary cities with decreasing numbers of households in the 2000s, declines in married couples with children outpaced declines in other types of



Table 4 . Cities with Fast-Growing Household Populations Added All Types of Households in the 2000s
Change in Households by Type (%), Primary Cities Ranked by Total Household Growth/Decline, 2000 to 2008

Percent Change 2000-2008						Share of Households, 2008 (%)	
Rank	Primary Cities of Metro Area	Married Couples	Married Couples	Other Families	Other Non-Families	Married Couples	Non-Families
		w/Children	w/o Children			w/Children	
Highest Household Growth							
1	Cape Coral, FL	58	17	53	61	25	29
2	Charlotte, NC	23	27	45	36	19	39
3	Raleigh-Cary, NC	12	39	34	29	20	42
4	Bakersfield, CA	28	15	28	33	29	28
5	McAllen, TX	11	13	64	25	29	21
6	Palm Bay, FL	10	17	40	28	21	30
7	Lakeland, FL	18	19	21	23	13	40
8	Charleston, SC	3	22	15	25	12	48
9	Las Vegas, NV	14	10	34	21	21	34
10	Sacramento-Roseville, CA	24	12	9	24	21	41
Highest Household Decline							
86	Pittsburgh, PA	-22	-12	-18	-2	10	52
87	Albany, NY	-25	6	-2	-11	8	53
88	Dayton, OH	-31	-9	-19	-4	10	48
89	Rochester, NY	-32	-11	-16	-8	9	50
90	Cleveland, OH	-33	-18	-14	-1	9	46
91	Cincinnati, OH	-33	-12	-17	-11	8	53
92	Detroit-Warren, MI	-36	-22	-21	-9	11	39
93	Birmingham, AL	-41	-15	-11	4	8	46
94	Youngstown, OH	-59	-23	2	6	5	45
95	New Orleans, LA	-63	-44	-66	-46	11	46
All Primary Cities		-7	1	2	8	17	42

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

households. Eight of the ten cities with the fastest overall household declines lost at least 30 percent of their married-with-children households over the eight-year period. And while these households made up at least 20 percent of all households in most of the fastest-growing cities by 2008, they represented less than half that share of households in many of the fastest-declining cities that year. A few of these

cities did manage to post gains or much more modest declines in non-families, which accounted for 45 percent or more of their households in 2008. This does not necessarily indicate that they attracted large numbers of “coming-of-age” singles; rather, the loss of spouses in elderly married-couple families may have increased the number of older people living alone.



With minimal growth in their married-with-children household populations, the suburbs of large metropolitan areas are home to growing numbers of household types traditionally associated with cities.

The selective out-migration of larger, married-couple family households characterizes many older shrinking cities. Most are located in regions of the country where neither primary cities nor suburbs are gaining residents from other parts of the country. Additionally, none of these cities is benefiting appreciably from the recent immigration waves that have fueled growth in many fast-growing cities. In earlier decades, these cities could count on boomer coming-of-age households, including married couples, to locate there prior to moving to the suburbs. For demographic and economic reasons, such growth prospects are no longer strong.

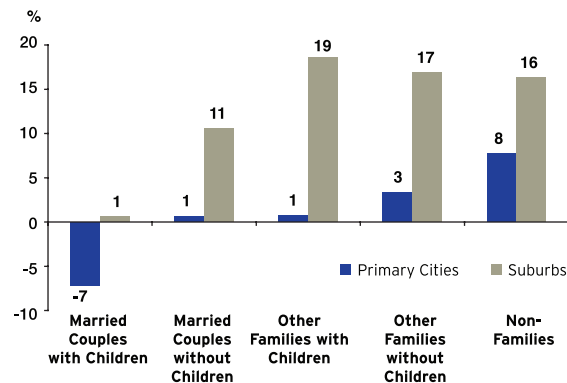
Suburban Household Types

In the 2000s, suburban growth continued to dominate the metropolitan landscape. Its household sources, however, were quite different from those associated with the iconic suburbs of the mid-20th century.

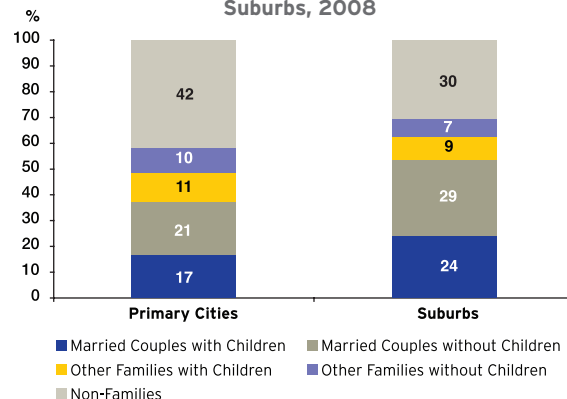
Overall, households in the suburbs grew by nearly 11 percent from 2000 to 2008, compared to just over 2 percent in primary cities. Faster suburban growth was not limited to certain types of households. Across four of the five major household types, suburban growth rates far exceeded primary city growth rates. And while married couples with children declined by more than 7 percent in cities in the 2000s, they actually grew—although minimally—in suburbs (Figure 4).

With minimal growth in their married-with-children household populations, the suburbs of large metropolitan areas are home to growing numbers of household types traditionally associated with cities. Non-families and families without married couples (with and without children) grew fastest in suburbs from 2000 to 2008. These household types in suburbs may look somewhat different from

Figure 4. Non-Traditional Households Grew in Suburbs at High Rates During the 2000s
Change in Households by Type,
Primary Cities vs. Suburbs, 2000 to 2008



Share of Households by Type, Primary Cities vs. Suburbs, 2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data
Data reflect 95 of 100 large metropolitan areas

those in cities. For example, compared with cities, a greater share of “other families with children” households in the suburbs may be the product of divorce, separation, or cohabitation. Accordingly, the housing they seek may be somewhat different than that demanded by the larger household types that traditionally dominated the suburbs. In 2008, less than one-quarter of suburban households were



married families with children, and 30 percent were non-families (five in six of whom were people living alone).

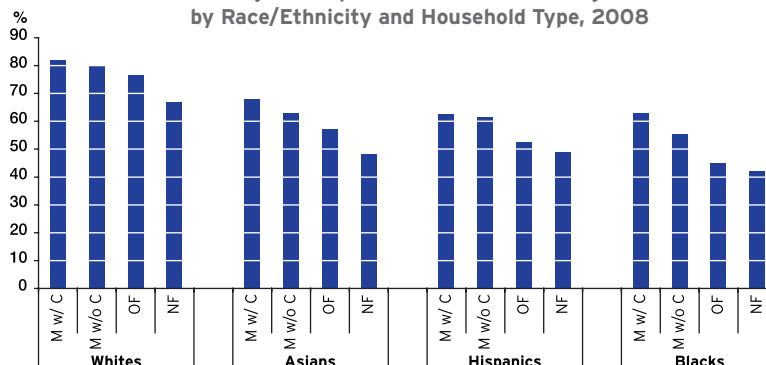
Nonetheless, suburbs are still the dominant location of married couples (with and without children). This is true across racial and ethnic groups (Figure 5). For large metro areas, the percentage of households living in the suburbs (compared with primary cities) is highest for married couples with children, lowest for non-families, and in-between for childless married couples and other families. Thus, even as “traditional families” become a less prominent part of the metropolitan landscape, those families still choose suburban locations at a significant rate. This is especially the case among African Americans, whose metropolitan populations are dominated by unmarried households. For that group, only married-couple households are more likely to live in suburbs than in primary cities.

As with primary cities, sharp distinctions in household types separate fast-growing and slow-growing suburban areas (Table 5). In five of the 10 fastest-growing metropolitan suburbs, married couples with children account for more than 30 percent of households, led by Provo, where fully 43 percent of all suburban households are married couples with children. This contrasts sharply with the situation of the slowest growing suburbs. Six of those 10 suburbs have “traditional family” shares at less than one-fifth of all households, and, in nearly all, non-family households exceed married couples with children.

Perhaps most striking, these struggling suburbs each show declines in their married-with-children couples over the decade. Among 95 large metropolitan suburbs, in only three—New Orleans, Providence, and Youngstown—did the number of households drop between 2000 and 2008. Nonetheless, fully 51 of these metropolitan suburbs showed declines in their

Figure 5. A Majority of Married-Couple Households in Every Major Racial/Ethnic Group Live in Suburbs

Share of Large Metropolitan Households Living in Suburbs
by Race/Ethnicity and Household Type, 2008



Source: Brookings analysis of 2008 American Community Survey data
M w/ C = married couple with children; M w/o C = married couple without children; OF = other family;
NF = non-family
Reflects data from 95 of 100 largest metro areas

married-couple-with-children populations, suggesting that the family-raising image of the suburbs continues to fade.

Moreover, married-with-children families represent no more than one-quarter of households even in the farther-out, less developed mature and emerging suburbs and exurbs of metropolitan areas (Figure 6). They do have somewhat higher shares of married couples with no children, and somewhat lower shares of non-families, than higher-density suburbs surrounding cities. Yet these still-developing areas surprisingly seem no more or less “family-oriented” based on their household types than suburbs in general.

LOOKING AHEAD

Focusing exclusively on population change offers only a partial picture of metropolitan growth dynamics. Change in the number and composition of



Table 5. Other Families and Non-Families Were the Fastest Growing Household Types in Growing and Shrinking Suburbs
Change in Households by Type (%), Suburbs Ranked by Total Household Growth/Decline, 2000 to 2008

Percent Change 2000-2008						Share of Households, 2008 (%)	
		Married Couples w/Children	Married Couples w/o Children	Other Families	Other Non-Families	Married Couples w/Children	Non-Families
Rank	Metro Area Suburbs						
Highest Household Growth							
1	Provo, UT	31	50	78	66	43	16
2	Phoenix-Mesa-Scottsdale, AZ	40	34	58	46	23	30
3	Las Vegas, NV	38	31	42	52	21	36
4	Boise City, ID	36	31	45	59	31	26
5	Austin, TX	26	39	47	56	29	28
6	McAllen, TX	16	39	56	72	34	17
7	Raleigh-Cary, NC	41	22	35	39	32	26
8	El Paso, TX	1	69	43	69	38	13
9	Houston, TX	17	33	41	32	30	23
10	Colorado Springs, CO	8	35	46	37	29	22
Highest Household Decline							
86	Springfield, MA	-7	-1	11	7	19	37
87	New Haven, CT	-6	2	3	6	21	34
88	New York-Newark, NY-NJ-PA	-5	-1	6	7	26	29
89	Scranton, PA	-9	3	11	2	18	34
90	Cleveland, OH	-10	-3	5	11	21	35
91	Pittsburgh, PA	-13	0	8	8	19	34
92	Bridgeport-Stamford, CT	-1	-1	14	-1	29	26
93	Youngstown, OH-PA	-22	-3	9	13	17	35
94	Providence, RI-MA	-15	-2	6	5	19	35
95	New Orleans, LA	-28	0	-3	11	19	33
All Suburbs		1	11	18	16	24	30

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

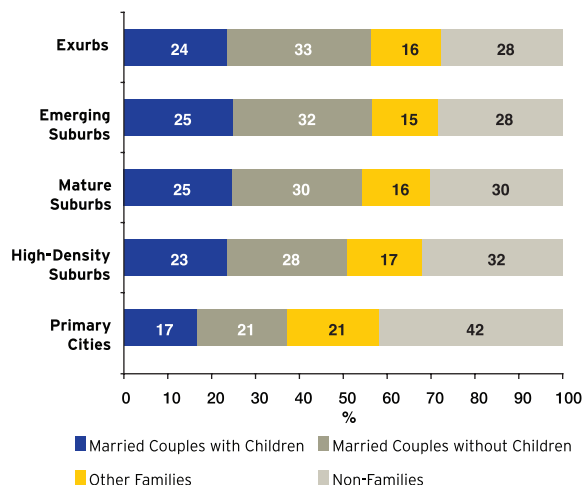
households may be a better indicator of changes in demand for housing, schools, health services, as well as the fiscal ability to meet critical local needs.

The changes in America's households reflect a complicated mix of long-run trends that together have upended traditional notions of city and suburban household profiles. Suburbs are no longer bastions of families and child-rearing, just as cities are

not solely home to young singles and older residents. Still, shifts in the household makeup of cities and suburbs continue to occur within a nationwide context of dispersing households and population. The trend of faster suburban than city growth pervades fast-growing and slow-growing metropolitan areas alike, and holds for all household types.

The growth of child-centered city populations in

Figure 6. Household Types Vary Only Minimally Among Different Types of Suburbs
Share of Households by Type and Metropolitan Community Type, 2008



Source: Brookings analysis of 2008 American Community Survey data

the country's diverse metropolitan areas, especially those in the South and West, presents several challenges. They create new needs for public and private services like childcare; they may further test the adequacy of urban school systems; and they may put new stresses on the fiscal positions of these cities. At the same time, though, household patterns in the fastest-growing cities suggest that burgeoning family populations create opportunities for vibrant neighborhoods and continued growth that may not exist in other cities.

The picture is quite different in a growing number of Northeastern and Midwestern suburbs home to increasing numbers of non-family and single-parent family households. The need for affordable, multi-family housing in these jurisdictions will only continue to increase. Elderly homeowners, both married

couples and individuals living alone, may demonstrate a greater demand over time for services like transportation and home healthcare as they "age in place" in the suburbs.

Whether these changes ultimately spur greater cooperation across city and suburban borders will undoubtedly depend on complicated local dynamics, as well as a broader realization that new realities have overtaken old perceptions of who inhabits our metropolitan communities. ■

ENDNOTES

1. Andrew J. Cherlin, *Marriage, Divorce, Remarriage* (Cambridge, MA: Harvard University Press, 1992).
2. Lynne M. Casper and Suzanne M. Bianchi, *Continuity & Change in the American Family* (Thousand Oaks, CA: Sage Publications, 2002).
3. William H. Frey, "Married with Children." *American Demographics*, March 2003, pp. 18-20.
4. Household growth and decline in a particular place can occur in a more dynamic, varied fashion than population change. Aside from in-migration and out-migration, changes in the number of households result from household formation and dissolution. New households form largely when "coming-of-age" late teens and young adults leave their parents' homes to form their own. Changes in other existing households can also affect household growth. For instance, two non-family single households may combine to form a married couple household; likewise, a divorce may create two households from one. Life transitions can also lead to changes in household type, as when a married couple without children household experiences the birth of a child (thus creating a married couple with children household), or the death of a spouse (thus creating a non-family household).

VI. EDUCATIONAL ATTAINMENT

BY THE NUMBERS

32%/15%

Share of white and Asian/
Hispanic and black adults
with bachelor's degree,
United States, 2008

47% / 15%

Share of adults with bach-
elor's degree, Washington,
DC (#1) / Bakersfield (#100)
metro areas, 2008

58%

Share of adults with a
high school diploma or
less employed,
Detroit metro area, 2008

91

Number of metro areas
(out of 100) with
significant increases in
share of 18-to-24 year-olds
enrolled in higher education,
2000 to 2008

OVERVIEW

■ Americans are growing more educated, but progress appears to be slowing among younger adults.

While the share of U.S. adults holding a four-year college degree rose from 24 percent to 28 percent from 2000 to 2008, a lower share of 25-to-34 year-olds than 35-to-44 year-olds held a four-year college degree in 2008, a reversal from the pattern in 2000. Nearly a quarter of those younger adults have completed some college, but not a degree.

■ Smart metropolitan areas are getting smarter, faster. Already highly-educated metro areas such as Boston, New York, San Diego, and San Francisco ranked among the top gainers of college graduates in the 2000s. Thirty-four percentage points separated the top- (Washington, D.C.) and bottom-ranked (Bakersfield) large metro areas on college degree attainment in 2008, up from 26 points in 1990.

■ In every large metro area, educational attainment for whites exceeds that for both blacks and Latinos.

Educational disparities by race and ethnicity evident at the national level are uniformly present in large metropolitan areas, where overall, 36 percent of white adults possess college degrees, versus 19 percent of blacks and 14 percent of Hispanics. Some metro areas in the West register higher degree-earning rates for African Americans, as do some in the Midwest, Northeast, and Florida for Latinos.

■ Residents of older suburbs are more highly educated than other metropolitan residents. In Cambridge, MA; Arlington, VA; Bellevue, WA; and Sunnyvale, CA, more than half of adults have a four-year college degree, as do 36 percent of residents across all high-density suburbs. As a group, primary cities lost some of their share of college-educated residents to suburbs over the 2000s, reflecting in part the suburbanization of the large, highly-educated baby boomer generation.

■ Throughout the country, more young people are going to college or graduate school. Among the 100 largest metro areas, 91 experienced a significant increase in the share of their young adults enrolled in higher education between 2000 and 2008. Some of the largest increases occurred in older industrial metro areas of the Northeast and Midwest, suggesting that young people in these struggling economies increasingly recognize the need for a post-secondary degree to succeed in the labor market.

There are worrisome signs that younger Americans are not making the same level of progress on educational attainment as older generations.

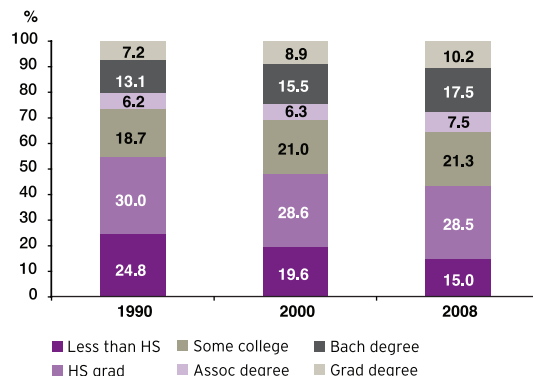
NATIONAL AND REGIONAL TRENDS

The United States is one of the most highly educated nations in the world. The Organisation for Economic Cooperation and Development (OECD) places the United States second among 29 developed

economies in the proportion of its working-age population with a high school diploma and third among 30 in the proportion with a post-secondary degree.¹

On this front, the nation made continued gains over the past two decades. The share of adults with at least a high school diploma rose from 75 percent

Figure 1. U.S. Adults Have Become More Highly Educated Over the Past Two Decades
Share of Population Age 25 and Over,
by Highest Level of Attainment



Source: Brookings analysis of 1990 Census, Census 2000, and 2008 American Community Survey data

in 1990 to 85 percent in 2008 (Figure 1). Similar progress was evident for post-secondary degrees, which 35 percent of adults possessed in 2008, up from 26 percent in 1990. These gains have been uneven across regions, however. The Northeast is now the most highly educated region, with just short of 40 percent of its adults holding some form of post-secondary degree, a trait shared by fewer than one-third of Southern adults.

Even more significant than these regional differences are deep and abiding attainment differences by race and ethnicity across the United States (Table 1). Only 61 percent of Hispanic adults have a high school diploma, reflecting both recent low-skilled immigration as well as below-average completion rates for native-born Hispanics. And while that

Table 1. Large Disparities by Race/Ethnicity, and Emerging Disparities by Age, Underlie Educational Attainment in America
Educational Attainment by Race/Ethnicity, Nativity, and Age, United States, 2000 and 2008

	High school diploma or more		Some college		Associate's degree		Bachelor's degree	
	2000	2008	2000	2008	2000	2008	2000	2008
Race/Ethnicity								
White	85.5	90.1	21.9	22.1	6.6	7.9	27.0	30.7
Black	72.3	80.7	22.5	24.3	5.8	7.4	14.3	17.5
Asian	80.4	85.1	14.0	12.8	6.6	6.6	44.1	49.7
Hispanic	52.4	60.8	15.6	16.6	4.3	5.3	10.4	12.9
Nativity								
Native-born	83.3	88.3	22.3	22.9	6.5	7.9	24.4	27.8
Foreign-born	61.9	67.5	13.6	13.0	5.1	5.5	23.8	27.1
Age								
25 to 34	83.9	86.4	23.1	23.5	7.5	8.3	27.5	29.5
35 to 44	85.0	87.3	22.6	21.4	8.1	8.7	25.9	30.8
45 to 64	83.2	87.6	21.7	21.9	6.4	8.2	26.4	28.9
65 and over	65.5	75.7	15.7	17.5	2.5	3.9	15.4	20.0

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

rate increased by more than 8 percentage points since 2000, the share of Hispanics with any sort of post-secondary degree increased by less than half that margin. Meanwhile, black adults posted above-average gains in high school diploma attainment during the 2000s, but below-average gains in college degree completion. Today, just 13 percent of Hispanics and 18 percent of African Americans hold a four-year college degree, compared to 31 percent of whites, and 50 percent of Asians.

Finally, there are worrisome signs that younger Americans are not making the same level of progress on educational attainment as older generations, which could threaten continued upward progress in U.S. living standards. Over time, the United States has become more educated as younger adults gained credentials to access fields with growing educational requirements, replacing older workers who were aging out of industries and occupations that on average required less education. Now, however, a gap is beginning to open in which younger adults are posting lower levels of attainment than some older groups. In 2000, 25-to-34 year-olds actually had a slightly higher (28 percent) rate of bachelor's degree attainment than 35-to-44 year-olds (26 percent) (Table 1). But by 2008, 29 percent of 25-to-34 year-olds held a degree, compared to 31 percent of 35-to-44 year-olds. A rising share of the 25-to-34 year-old group—24 percent by 2008—indicated that they had completed some college, but had not obtained a degree, a troubling trend that is drawing increased attention in higher education.²

METROPOLITAN TRENDS

College Degree Attainment in 2008

Considerable disparities exist across U.S. metropolitan labor markets in the educational attainment of their residents, due to differences in their underlying economic and demographic structures, migration patterns, and historical and cultural mores that affect the real and perceived return to education. As this section explores, however, recent trends may be “locking in” longstanding attainment differences across metropolitan areas rather than narrowing the gaps.³

Ranking all 100 metropolitan areas on the share of their population with a bachelor's degree shows that the top (Washington, DC) and bottom (Bakersfield, CA) metro areas are separated by a factor of three (Table 2). Most metro areas at the top of the list are hubs for professional services and scientific/technical industries, including Bridgeport, San Jose, San Francisco, Boston, and Raleigh.⁴

The metro areas with the lowest college attainment rates include ones in California's Central Valley, along the Texas border, and in older industrial centers of the Northeast, Midwest, and Southeast. These regions have historically been home to industries such as manufacturing, agriculture, and shipping, for which a college degree was not a prerequisite to obtaining a good-paying job. Some of these areas, such as Scranton, Modesto, or Riverside may benefit from their proximity to more productive, higher-cost markets, which during the 2000s helped them attract firms and households seeking lower costs. However, the relatively low education levels of adults in these metropolitan areas pose an important barrier to their growing more productive industries, achieving greater economic diversity, and boosting the local standard of living.

Recent trends may be 'locking in' longstanding attainment differences across metropolitan areas rather than narrowing the gaps.

Table 2. Higher Educational Attainment Levels Vary Widely Across Metropolitan Areas
Metro Areas Ranked by Proportion of Adults Age 25 and Over with a Bachelor's Degree, 2008

<i>Highest Rates</i>				<i>Lowest Rates</i>			
Rank 2008	Rank 1990	Metro Area		Rank 2008	Rank 1990	Metro Area	
1	1	Washington-Arlington-Alexandria, DC-VA-MD-WV	46.8	91	94	Scranton, PA	21.0
2	2	Bridgeport, CT	43.8	92	91	El Paso, TX	19.6
3	4	San Jose-Sunnyvale-Santa Clara, CA	43.5	93	97	Youngstown, OH-PA	19.1
4	3	San Francisco-Oakland-Fremont, CA	43.4	94	92	Riverside-San Bernardino-Ontario, CA	19.0
5	7	Boston-Cambridge, MA-NH	41.9	95	87	Fresno, CA	18.9
6	8	Raleigh, NC	41.5	96	99	Lakeland, FL	18.7
7	5	Madison, WI	39.8	97	96	Stockton, CA	15.6
8	6	Austin, TX	38.2	98	100	McAllen, TX	15.1
9	11	Minneapolis-St. Paul, MN-WI	37.6	99	98	Modesto, CA	15.1
10	9	Denver-Aurora, CO	37.5	100	95	Bakersfield, CA	14.7

Source: Brookings analysis of 1990 Census and 2008 American Community Survey data

Changes in Attainment in the 2000s

Notwithstanding the differences in 2008, adults nearly all 100 metropolitan areas achieved increases over the 2000 to 2008 period in their college degree attainment rates. The magnitude of those increases, however, varied widely, from a more than 6 percentage-point increase in Worcester to a less than 1 percentage-point increase in New Orleans and Albuquerque (Table 3).

In general, two types of metro areas made significant gains: large, coastal regions with high value-added economies (e.g., Boston), and mid-sized markets that have made a transition away from manufacturing toward higher education and health care industries (e.g., Pittsburgh, Baltimore). Those metro areas nearer the bottom of the list include many that attracted large numbers of less-educated immigrants from Latin America throughout the decade to fill jobs in their growing housing sectors. Regions such as Phoenix and California's Central Valley all grew

at rapid rates prior to the housing crash due in part to the new construction built by these immigrant laborers.⁵

These recent changes in educational attainment at the metropolitan level reflect a striking "path dependency" to this attribute. That is, metro areas with higher levels of college degree attainment in the first place have tended to make greater gains than those starting out with lower educational levels. Indeed, 9 of the 10 metro areas with the highest rates of college degree attainment in 2008 also ranked among the top 10 in 1990, and 9 of the 10 at the bottom of the list in 2008 were also there in 1990 (Table 2).⁶ Meanwhile, the distance from the top to the bottom of the attainment distribution has grown; 34 percentage points separated the top-ranked and bottom-ranked metro areas on this indicator in 2008, up from 26 in 1990. This pattern is not immutable—indeed, initially low-ranked areas like Louisville and Las Vegas managed to post above-

Table 3. Growth in College Degree Attainment Varied Widely Among Metro Areas in the 2000s
Metro Areas Ranked by Change in Proportion of Adults Age 25 and Over with a Bachelor's Degree, 2000-2008

<i>Highest Growth</i>			<i>Lowest Growth</i>		
Rank	Metro Area		Rank	Metro Area	
1	Worcester, MA	6.1	91	Austin, TX	1.5
2	Miami-Fort Lauderdale-Pompano Beach, FL	5.4	92	Tucson, AZ	1.5
3	Pittsburgh, PA	5.3	93	Phoenix-Mesa-Scottsdale, AZ	1.4
4	Indianapolis, IN	5.3	94	Fresno, CA	1.3
5	Baltimore, MD	5.1	95	Bakersfield, CA	1.1
6	New Haven, CT	5.0	96	Stockton, CA	1.1
7	Akron, OH	5.0	97	Modesto, CA*	1.1
8	Boston-Cambridge, MA-NH	5.0	98	Dallas-Fort Worth-Arlington, TX	1.1
9	Cape Coral, FL	5.0	99	Albuquerque, NM*	0.9
10	Des Moines, IA	5.0	100	New Orleans, LA	0.7

**Change not statistically significant at 90 percent confidence level*
Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

average gains in their shares of college-educated adults—but nevertheless indicates that gains in the “war for talent” among U.S. metro areas are accruing disproportionately to already better-educated places.

Slowing Attainment Growth

Another dynamic contributing to the gap among metro areas is the rate at which younger adults are earning college degrees compared to their predecessors. As noted above, progress has slowed on this indicator at the national level, but outcomes at the metropolitan level remain diverse. There are 30 metropolitan areas in which degree-earning rates for 25-to-34 year-olds exceed (by at least half a percentage point) those for 35-to-44 year-olds (Map 1). Many lie in the Northeast, including several with a strong university presence (e.g., New Haven, Boston, Syracuse, Pittsburgh) that helps attract graduate students, or leads these regions to retain recent bachelor’s degree earners. Yet there are many more

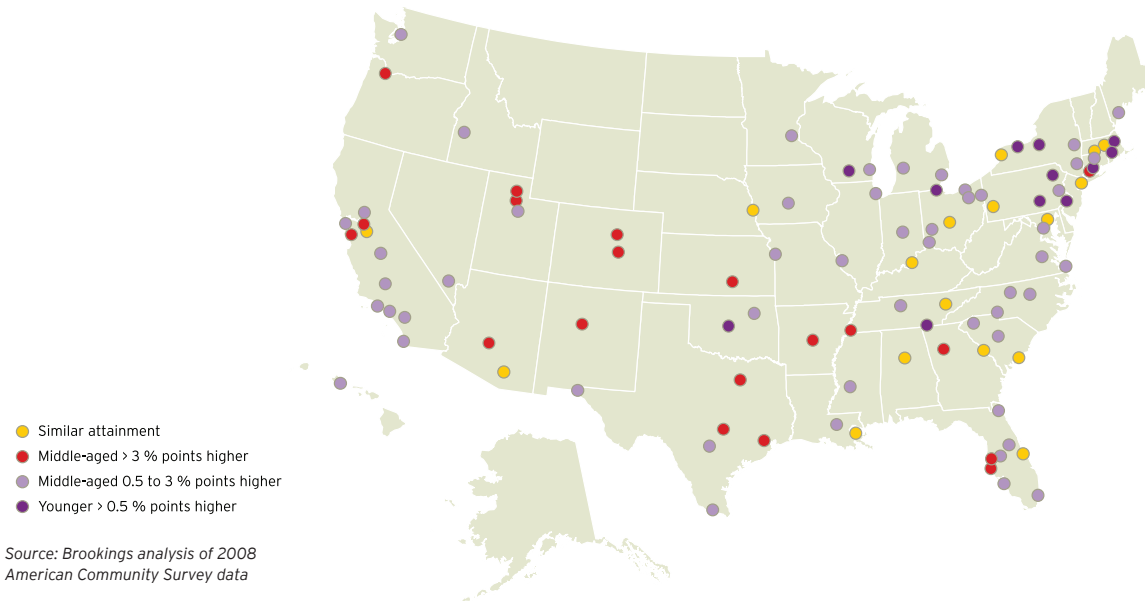
metro areas where younger adults lag the previous cohort in attainment, with serious gaps evident in several Sun Belt metro areas that already possess below-average attainment levels.⁷ Even the gaps in metro areas with fairly well-educated populations overall, such as Atlanta and Portland (OR), may raise concerns about their future economic trajectory.

Racial and Ethnic Outcomes

At the metro-area level, the wide racial/ethnic disparities that characterize educational attainment nationally are replicated across the board. In each of the 100 largest metro areas, white college degree attainment exceeds that for blacks and Hispanics. Across all 100, 50 percent of Asian adults and 36 percent of white adults hold a four-year degree, compared to just 20 percent of blacks and 14 percent of Hispanics.

Among these demographic subgroups, educational attainment levels vary greatly across

Map 1. In Many Metro Areas, Middle-Aged Workers Are More Highly Educated Than Younger Ones
Share of 35-to-44 Year-Old Adults versus 25-to-34 Year-Old Adults with Bachelor's Degrees, by Metro Area, 2008



metropolitan America. College degree-earning rates among blacks are relatively high in several of the high-tech metro areas that perform well overall (Map 2a), with Atlanta posting the second-highest rate for blacks. Also ranking high are a handful of Western metro areas, including Phoenix, San Diego, Los Angeles, and Portland, where the history of racial segregation is not quite as severe as in the East. Metro areas with the highest educational levels for Hispanics, by contrast, lie largely east of the Mississippi, and include Midwestern (St. Louis, Columbus, Minneapolis), Northeastern (Baltimore, Rochester, Boston), and Southern (Miami, Jacksonville, New Orleans) locations (Map 2b). With a couple exceptions, these metropolitan areas tend to have relatively small Hispanic populations.⁸ Yet even the college degree attainment rates for minorities in these metropolitan areas lag the average for whites

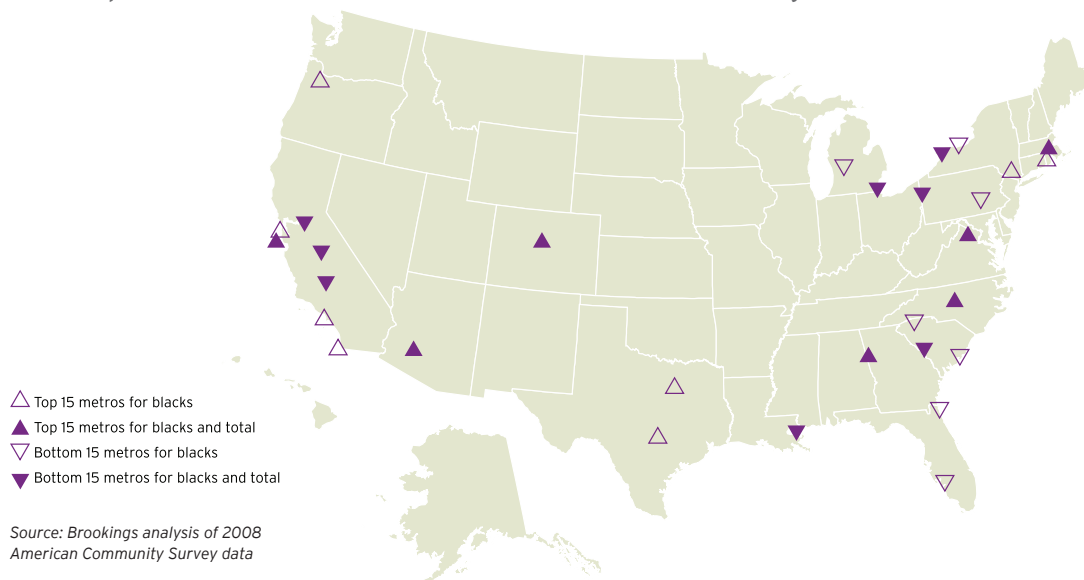
across all metro areas (36 percent).

Metro areas at the bottom of the educational attainment list for blacks and Hispanics are also quite distinct from one another. Manufacturing areas of the Midwest and South figure prominently among the regions with low educational levels for blacks, while 11 of the bottom 15 for Hispanics are Western locations that have experienced significant immigration of less-skilled workers from Latin America to fill construction, agricultural, and lower-level service-sector jobs.

Employment Levels by Educational Attainment

As the Great Recession has demonstrated, there are clear linkages between educational attainment and employment prospects.⁹ While we do not yet know how the downturn affected workers

Map 2a. College-Degree-Earning Rates for Blacks are Relatively High in Many Western Metro Areas, and Low in the Manufacturing Belt
 Top and Bottom Metro Areas on Share of Blacks/African Americans Age 25 and Over with Bachelor's Degree, 2008



Map 2b. College-Degree-Earning Rates for Latinos are Relatively High in a Diverse Set of Metros, and Low in Some Southern and Western Metros
 Top and Bottom Metro Areas on Share of Latinos Age 25 and Over with Bachelor's Degree, 2008



Table 4. Adults with No More than a High School Diploma Are Employed at Very Low Levels in Some Metro Areas
Metro Areas Ranked by Proportion of Adults Age 25 and Over with a High School Diploma
or Less Employed in 2008

<i>Highest Rates</i>			<i>Lowest Rates</i>		
Rank	Metro Area		Rank	Metro Area	
1	Des Moines, IA	76.0	91	Jackson, MS	61.2
2	Omaha, NE-IA	74.6	92	Modesto, CA	60.9
3	Madison, WI	74.4	93	El Paso, TX	60.7
4	Washington-Arlington-Alexandria, DC-VA-MD-WV	74.3	94	Augusta-Richmond County, GA-SC	60.7
5	Minneapolis-St. Paul, MN-WI	74.2	95	Greenville, SC	60.5
6	Salt Lake City, UT	74.0	96	Stockton, CA	59.9
7	Ogden, UT	74.0	97	McAllen, TX	59.1
8	Denver-Aurora, CO	73.9	98	Fresno, CA	58.9
9	Harrisburg, PA	73.7	99	Detroit-Warren, MI	57.6
10	Virginia Beach-Norfolk-Newport News VA-NC	72.1	100	Bakersfield, CA	55.1

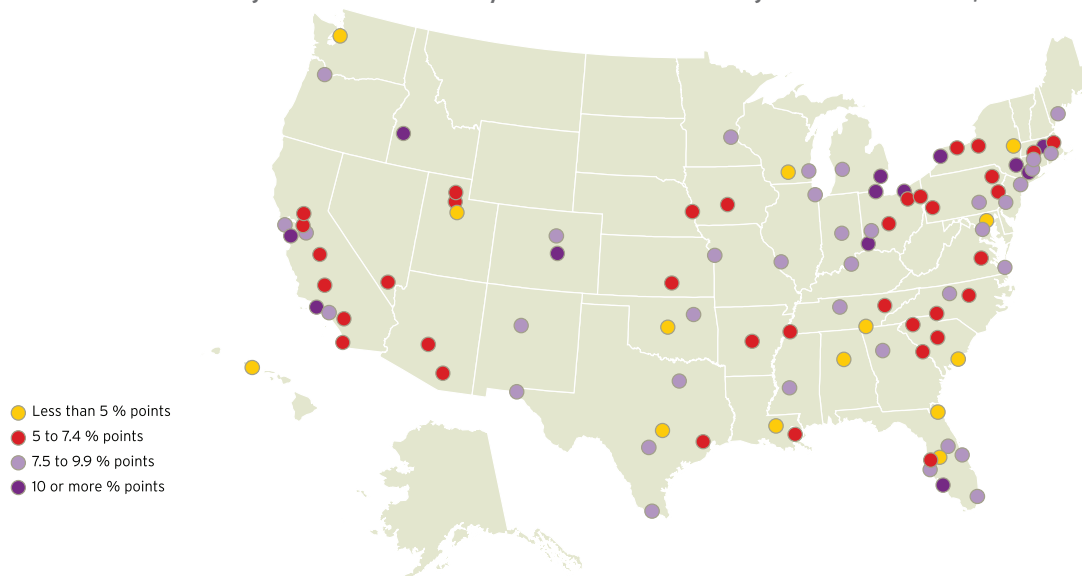
Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

at the metropolitan level, even before the worst of the recession set in, there were marked differences among metro areas in employment rates for less-educated workers. For the college-educated, employment rates were fairly consistent, with 97 of 100 metro areas posting rates between 80 and 90 percent. For those with no more than a high school diploma, however, prospects varied enormously (Table 4). In some metro areas, particularly those in the country's mid-section, 70 percent or more of these adults were in work in 2008. Yet at the same time, many metropolitan areas posted much lower employment rates for this group. They include several manufacturing-oriented metro areas and a mix of those in the Southeast, California's Central Valley, and Detroit, regions with substantial numbers of African American adults who lack a college degree. The hard times these economies encountered in 2009 are only likely to exacerbate the serious labor market challenges facing this group.

Rising Enrollment Nationwide

Perhaps in view of the increasing returns to higher education in America, the 2000s saw widespread increases in college and graduate school enrollment among young adults. Nationally, 41 percent of 18 to 24 year-olds were enrolled in higher education in 2008, up from 34 percent in 2000. Metropolitan areas throughout New England and upstate New York all had more than half of their young adults enrolled in 2008. Gains over the decade were particularly rapid in a number of older industrial metro areas in the Great Lakes region, including Toledo, Detroit, Cleveland, and St. Louis, where enrollment rates were up 10 percentage points or more (Map 3). It may be that the loss of manufacturing jobs over the course of the decade, many of which had not required a bachelor's degree, spurred more young people in these regions to pursue higher education. Whether they will stay in these regions to pursue job opportunities after earning degrees remains to be seen. Most metro areas posting small gains already

**Map 3. Enrollment in Higher Education Rose Everywhere in the 2000s,
Especially the Northeast and Midwest**
Change in Share of 18-to-24 year-olds Enrolled in College or Graduate School, 2000 to 2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

had significant student bodies, such as Baton Rouge (LSU), Madison (University of Wisconsin), Austin (University of Texas), and Provo (BYU).¹⁰

CITY AND SUBURBAN TRENDS

Some have posited that big cities, in particular, play an increasing role in attracting and retaining the most educated workers, especially younger individuals.¹¹ Across all metropolitan areas, however, college-educated adults are actually slightly less likely to live in cities than the population as a whole (Table 5). Cities with outsized proportions of their metro areas' highly educated workers include mainly southern and western locales like Charleston, Little Rock, and Seattle, as well as cities with rural, lower-income

suburbs like McAllen and Bakersfield. Selective outmigration from cities in the nation's manufacturing belt over several decades has left places such as Detroit, Hartford, and Cleveland with college degree attainment rates less than half those in their suburbs.

Moreover, most metro areas saw further movement of college degree holders away from big cities, toward suburbs, during this decade. A few large cities like New York, Boston, and Washington posted a small edge over their suburbs in gaining college-educated adults from 2000 to 2008. But many more, such as Omaha, Tulsa, and Baton Rouge sustained significant losses in their share of metropolitan college graduates. This trend may indicate some degree of out-migration of the highly educated from cities, but probably owes at least as much to the aging of

Table 5. The Proportion of College-Educated Adults Living In Cities Dropped Slightly in the 2000s
Relative Likelihood of Adults with Bachelor's Degree to Live in Primary Cities in 2008, and Change in Proportion Living in Primary Cities, 2000-2008

Relative likelihood of college-educated to live in cities, 2008					Change in relative likelihood of college-educated to live in cities, 2000 to 2008				
Rank	Metro Area	Share of College Educated in City(ies)	Share of All Adults in City(ies)	Ratio*	Rank	Metro Area	Share of College Educated in City(ies), 2000	Share of College Educated in City(ies) 2008	Change, 2000-08
1	McAllen, TX	35.5	19.1	185.5	1	Bakersfield, CA	53.0	55.2	2.2
2	Charleston, SC	26.6	17.3	153.8	2	Sacramento-Roseville, CA	25.7	27.5	1.8
3	Little Rock, AR	41.9	28.3	147.7	3	Cape Coral, FL	18.6	20.3	1.7
4	Bakersfield, CA	55.2	39.8	138.7	4	New York-Newark, NY-NJ-PA	39.7	41.3	1.6
5	Seattle-Tacoma-Bellevue, WA	37.9	27.9	135.9	5	St. Louis, MO-IL	9.7	11.1	1.5
91	Allentown, PA-NJ	7.1	12.6	56.4	91	Jackson, MS	36.7	29.0	-7.7
92	Youngstown, OH-PA	6.0	11.2	53.7	92	Omaha, NE-IA	54.0	45.8	-8.1
93	Cleveland, OH	9.1	18.5	49.3	93	Tulsa, OK	57.9	49.0	-8.9
94	Hartford, CT	3.8	8.5	44.9	94	Baton Rouge, LA	43.2	33.7	-9.4
95	Detroit-Warren, MI	8.5	19.6	43.3	95	New Orleans, LA	40.6	29.8	-10.8
All metro areas		30.4	31.1	97.8	All metro areas		31.5	30.4	-1.1

Results include 95 metros with primary city(ies) represented in 2008 ACS estimates
 *ratio of share of college-educated in city(ies) to share of total adult population in cities; 100 = parity
 Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Across all metropolitan areas, college-educated adults are actually slightly less likely to live in cities than the population as a whole.

highly suburbanized boomers, who account for an increasing share of the nation's college-educated population.

These highly educated suburbanites live disproportionately in the high-density suburbs that surround primary cities in most metropolitan areas. Overall, 36 percent of adults in these suburbs hold a bachelor's degree, versus 31 percent in mature suburbs, 28 percent in emerging suburbs, and 19 percent in exurbs. Inner suburban cities like Cambridge (MA), Arlington (VA), Bellevue (WA), and Sunnyvale (CA) exemplify the highly educated, high-income locales that abut central cities in many metro areas. In those cities, more than half of all adults hold a four-year degree.

LOOKING AHEAD

There is fairly broad recognition that the U.S. economy—and its constituent metropolitan economies—remain on an inexorable path toward higher demand for education. Technological progress and the rise of developing economies will, on balance, further shift job growth in the United States and its regions toward service-related industries that require higher-order skills, and place added value within industries on occupations and tasks that utilize such skills. Rising enrollments in higher education suggest that young people recognize this reality as well.

If anything, the deep economic downturn of 2009 magnified the educational challenge for the nation and its metropolitan labor markets. Less-educated workers, as well as the metro areas in which they are most concentrated, have borne the brunt of the significant rise in unemployment. Many of the jobs that they occupied—in sectors such as manufacturing, construction, and retail—have likely disappeared for a considerable length of time, if not permanently. Amid the worst labor market in a generation, more and more adults are going to college. The share of individuals aged 18 to 24 enrolled in school hit an all-time high in October 2008, and statistics from September 2009 indicate that it rose even further in the subsequent year, particularly in lower-cost community colleges.¹²

What might be the longer-run impact of the Great Recession on the educational profile of metropolitan areas? Trends from the past decade, along with the regionally disparate character of the recession, suggest that regional differences in educational attainment could further widen across at least three types of metro areas.

First are the highly-educated, mostly coastal metropolitan areas that were making rapid gains in

college degree attainment prior to the downturn. Metro areas like Washington, D.C., New York, Boston, and the San Francisco Bay area have, in general, been less affected by the recession than other metro areas. Some of their better performance can be attributed to their higher educational levels, which research has suggested allow workers to transition more easily from declining to growing sectors.¹³ If, as some expect, professional, health, and educational services continue to become a more important source of U.S. exports, these metro areas are likely to grow and attract even more highly educated workers and the firms that employ them.¹⁴

Second are Sun Belt destinations in Florida, the Intermountain West, and inland California suffering a “housing hangover” in the wake of overbuilding and speculative lending during the early and middle years of the decade. With outsized shares of their economies concentrated in housing-related activities (e.g., construction and real estate) before the bubble burst, they may take some time to find a more stable equilibrium. Most face the added obstacle of low educational attainment among their adult populations, which resulted in part from rapid immigration (until the recession hit) of less-educated workers from Mexico and Latin America. Fortunately, many of these places still have in-demand amenities like mild weather that will probably attract more residents over the long haul. However, growing their base of educated workers will be critical to efforts to move these metropolitan economies up the value chain. Strategies to promote flexible economic opportunities for well-educated boomer residents and in-migrants, and better educate and retain young people who already live in these metropolitan areas—especially Latino minorities—could help improve their long-run outlook.

Third are the metropolitan areas of the

If anything, the deep economic downturn of 2009 magnified the educational challenge for the nation and its metropolitan labor markets.

manufacturing belt. In the wake of the Great Recession, employment levels in many of these areas may be permanently lower, especially for workers who possess no more than a high school education. Recognizing this, states like Michigan are putting considerable resources into post-secondary education and training for displaced workers. Yet these workers and others who are coming of age in the Great Lakes region with high levels of education may nevertheless continue to leave to pursue opportunities elsewhere. Younger college-educated adults from these metro areas may be attracted to large labor markets with diverse job opportunities, not just on the coasts but also in Midwestern locations like Chicago and Minneapolis-St. Paul. Mid-career workers who have some post-secondary education and flexible skills may depart for economically healthier climes in Texas and parts of the Southeast. Such migration dynamics would probably leave these workers better off, but could further disadvantage the metro areas left behind—and their large numbers of less-educated African American residents—as they struggle to adapt to a knowledge-fueled economy.

In sum, educational inequalities among metropolitan areas seem likely to grow in the years ahead, absent more deliberate public policies to upgrade educational achievement and attainment in lagging corners of the country, and for the demographic groups that live there. ■

ENDNOTES

1. Education at a Glance 2009: OECD Indicators.
2. William G. Bowen, Matthew M. Chingos, and Michael S. McPherson, *Crossing the Finish Line: Completing College at America's Public Universities* (Princeton University Press, 2009).
3. The section focuses primarily on four-year college degree attainment, the level at which these distinctions are most evident.
4. These regions and others near the top also boast very high proportions of adults holding graduate degrees; for instance, nearly half of all college graduates in the Washington region have such a degree.
5. See the Immigration chapter for further metropolitan-level analysis of immigrant educational attainment in the 2000s.
6. A simple linear regression of the trend from 1990 to 2008 suggests that a metropolitan area with a college degree attainment rate one standard deviation above the mean in 1990 experienced a rise in that rate 2.3 percentage points higher than a metropolitan area with a rate one standard deviation below the mean in 1990.
7. Colorado Springs and Virginia Beach rank near the bottom of the list due in part to the presence of major military bases, which tend to inflate the number of young adults in these areas who lack a college degree, relative to the 35 to 44 year-old group.
8. The Latino population in these metropolitan areas is also characterized by a smaller share of Mexican-born members than in metro areas with a less highly educated Latino population.

9. Between December 2007 and November 2009, unemployment rates increased by: 2.7 percentage points for workers with a four-year degree; 5.3 percentage points for workers with some college or an associate's degree; 5.7 percentage points for workers with only a high school diploma; and 7.4 percentage points for workers without a high school diploma.
10. The data do not reflect a significant change in enrollment during the first year of the Great Recession (from 2007 to 2008), but as noted later, reports from 2009 suggest surging enrollment in response to a terrible labor market for young people.
11. See, e.g., Richard Florida, *The Rise of the Creative Class: And How It's Transforming Work. Leisure, Community and Everyday Life* (New York: Basic Books, 2002); Joseph Cortright, "The Young and Restless in a Knowledge Economy" (Chicago: CEOs for Cities, 2005).
12. Richard Fry, "College Enrollment Hits All-Time High, Fueled by Community College Surge" (Washington: Pew Research Center, 2009).
13. Jonathan Rothwell, "College Education: Metros' Anti-Recession Vaccine?" *The Avenue*, December 30, 2009 [online at www.tnr.com/blogs/the-avenue]
14. Moreover, the greater size of these areas has been found to increase productivity and raise wages for educated workers. Edward L. Glaeser and Albert Saiz, "The Rise of the Skilled City," *Brookings-Wharton Papers on Urban Affairs* 5(2004): 47-94.

Educational inequalities among metropolitan areas seem likely to grow in the years ahead, absent more deliberate public policies to upgrade educational achievement and attainment.

VII. WORK

BY THE NUMBERS

**+3.4% /
-8.3%**

Change in wages for high-wage / low-wage workers, United States, 1999 to 2008

5

Metro areas (out of 100) in which wages increased for low-, middle-, and high-wage workers, 1999 to 2008

1.85

Ratio of earnings, workers with college degree to workers with high school diploma only, 100 largest metro areas, 2008

2

Metro areas (out of 20) experiencing among highest jumps in unemployment during last two recessions, 2001-2003 and 2007-2009 (Detroit and San Jose)





OVERVIEW

- **Nationwide, wage inequality grew in the 2000s.** From 1999 to 2008, the inflation-adjusted earnings of high-wage workers grew by 3.4 percent. This occurred while hourly earnings for middle-wage workers fell by 4.5 percent and the wages of low-wage workers fell by an even greater 8.3 percent.
- **In half of the 100 largest metropolitan areas, high-wage earners saw their wages grow, while middle- and low-wage workers experienced declines.** Most large metro areas had wage growth at the top and sometimes at the midpoint of their wage distributions, but in only five metropolitan areas—Cape Coral, Jacksonville, Providence, New Haven, and Virginia Beach—did wages grow for high-, middle-, and low-wage workers.
- **Earnings inequality rose more sharply in the 100 largest metro areas than in the nation overall.** All but three metro areas—Augusta, Syracuse, and Tucson—posted increases in their high- to low-wage earnings ratios. By 2008, five states accounted for 17 of the 20 large metro areas with the highest earnings inequality. Eleven (11) were located in either California or Texas, and Colorado, Louisiana, and New York contained two each.
- **Overall metropolitan wage inequality levels are associated with wage outcomes by factors such as race and educational attainment.** High levels of wage inequality in metro areas like Houston, Los Angeles, and New York accompany relatively large differences there in the earnings of whites versus other groups, and college graduates versus those with only a high school diploma.
- **Unemployment rates skyrocketed between 2007 and 2009 in metropolitan areas most affected by the housing bubble and turmoil in the automotive industry.** These effects are most obvious in metropolitan areas in California and Florida, where the effects of the housing crisis have been widespread, and in the manufacturing-oriented states of Ohio and Michigan. The geography of unemployment growth during this recession differed from that following the 2001 recession, primarily due to the extraordinary impact of the recent housing market collapse, though both downturns heavily impacted many Great Lakes metro areas.

NATIONAL TRENDS

The U.S. economy is the largest in the world, propelled by a vast labor force of some 154 million people.¹ But the great sums of income that the American labor force generates are distributed unevenly among these workers, and many millions of individuals who want to work are unable to find jobs. This

chapter focuses on trends in these most basic labor market outcomes and the disparate experiences of workers across the many distinct metropolitan labor markets that together form the American economy.

Following the 2001 recession, the United States entered a period of impressive productivity gains that lasted until the Great Recession took hold in

The great sums of income that the American labor force generates are distributed unevenly among its workers.



2008.² Productivity growth is critical to increasing standards of living because it allows workers to produce more without increasing hours.³ However, productivity growth alone does not guarantee that all, or even most, workers will see their standard of living improve. In the late 20th century, the gains from increased productivity—measured in terms of wages—were not distributed evenly, with high-wage workers benefiting more than middle- and low-wage workers.⁴ This chapter examines growth trends in hourly wages for full-time, full-year workers from 1999 through 2008 in metropolitan areas, asking who has benefited from the productivity growth of the 2000s.⁵

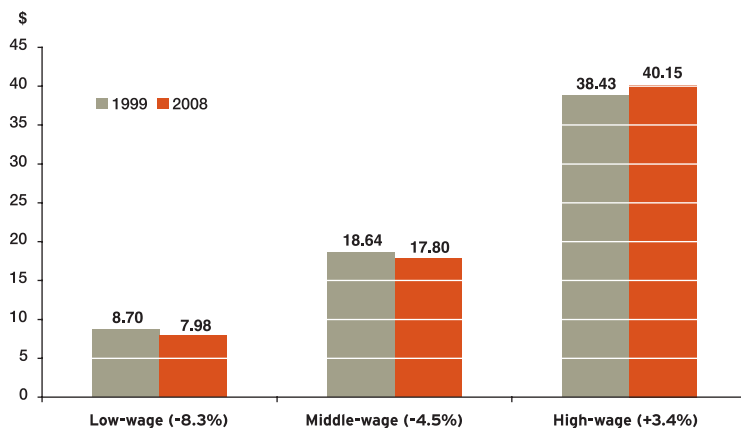
At the national level, wages at the top diverged from those at the middle and bottom. Middle-wage workers saw their inflation-adjusted hourly earnings

decline by 4.5 percent from 1999 through 2008.⁶ In 2008, they earned \$17.80 per hour, down from \$18.64 in 1999 (all wages are expressed in 2008 dollars). A steeper drop of 8.3 percent was recorded for low-wage workers, whose hourly earnings fell from \$8.70 in 1999 to \$7.98 in 2008. The trend was positive for high-wage workers, however. Their hourly earnings rose by 3.4 percent, to just over \$40.00 in 2008. In short, the productivity gains of the 2000s did not result in broadly shared wage gains.

This divergence caused earnings inequality to increase in the United States in the 2000s. In 1999, the high-to-low wage ratio—a broad measure of earnings inequality that captures just how far high wage earners have “pulled away” from low wage earners—stood at 4.5; by 2008, it had risen to 5.0, reversing a trend of declining wage inequality in the late 1990s.⁷ This inequality in turn is associated with unequal wage outcomes in the labor market for workers with different characteristics. For example, middle-wage male workers make 21 percent more than middle-wage female workers; white workers make 29 percent more than black workers and 48 percent more than Hispanic workers; and the college wage premium is especially high—workers with a bachelor’s degree or higher make nearly 78 percent more than workers with just a high school education.

Of course, any discussion about work in America in the 2000s cannot overlook the labor market convulsions that occurred at the end of the decade. The economy officially entered a recession in December 2007, when the nation’s unemployment rate stood at 4.8 percent. One year later, the rate had risen to 7.1 percent, and workers nationwide were clearly feeling the recession’s effects. The jobs picture worsened greatly in subsequent months, and failed to improve noticeably during the second half of 2009 despite growth in GDP. By December 2009, the

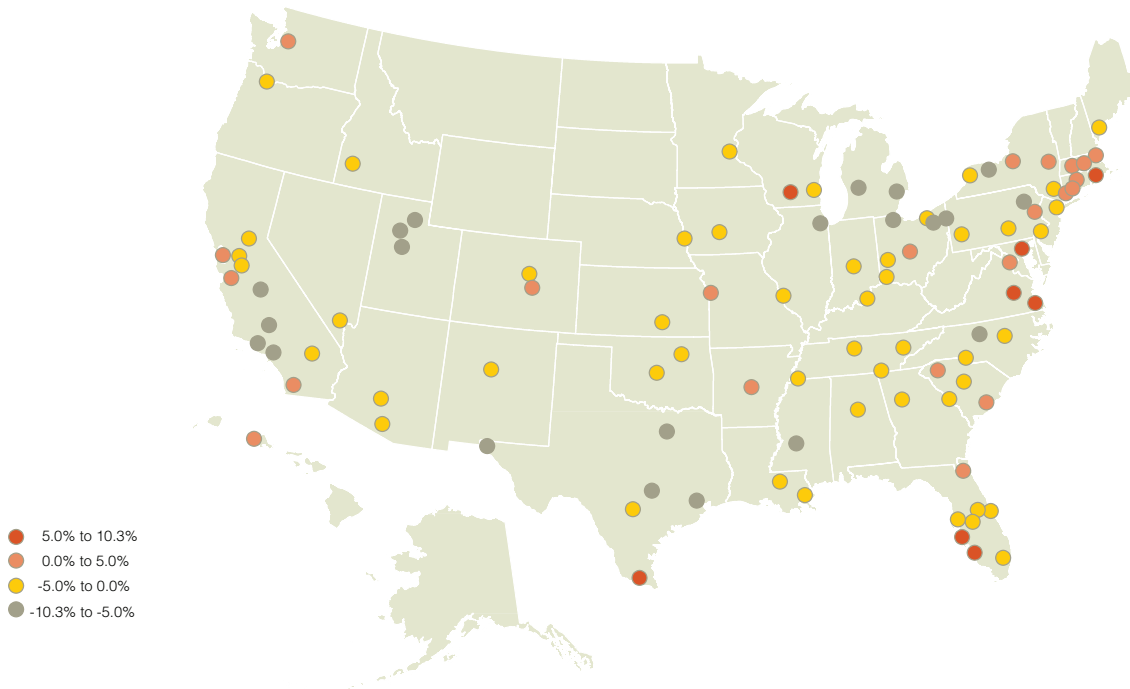
Figure 1. Wages Declined for Middle-Wage and Low-Wage Workers in the 2000s, but Rose for High-Wage Workers
Inflation-Adjusted Hourly Wage by Wage Category, Full-Time, Year-Round Workers, United States, 1999 and 2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data
Worker wage categories are defined by position in the wage distribution of all workers in year noted: low-wage (10th percentile); middle-wage (50th percentile); and high-wage (90th percentile)
Change in wages from 1999 to 2008 noted in parentheses



Map 1. Middle-Wage Workers in 30 of 100 Large Metro Areas Experienced Wage Increases in the 2000s
Change (%) in Inflation-Adjusted Hourly Wages, Middle-Wage Workers, 1999-2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Note: Middle-wage workers are those earning at the 50th percentile of wage distribution for specified year and metro area

U.S. unemployment rate was 9.7 percent—more than double the rate two years prior.

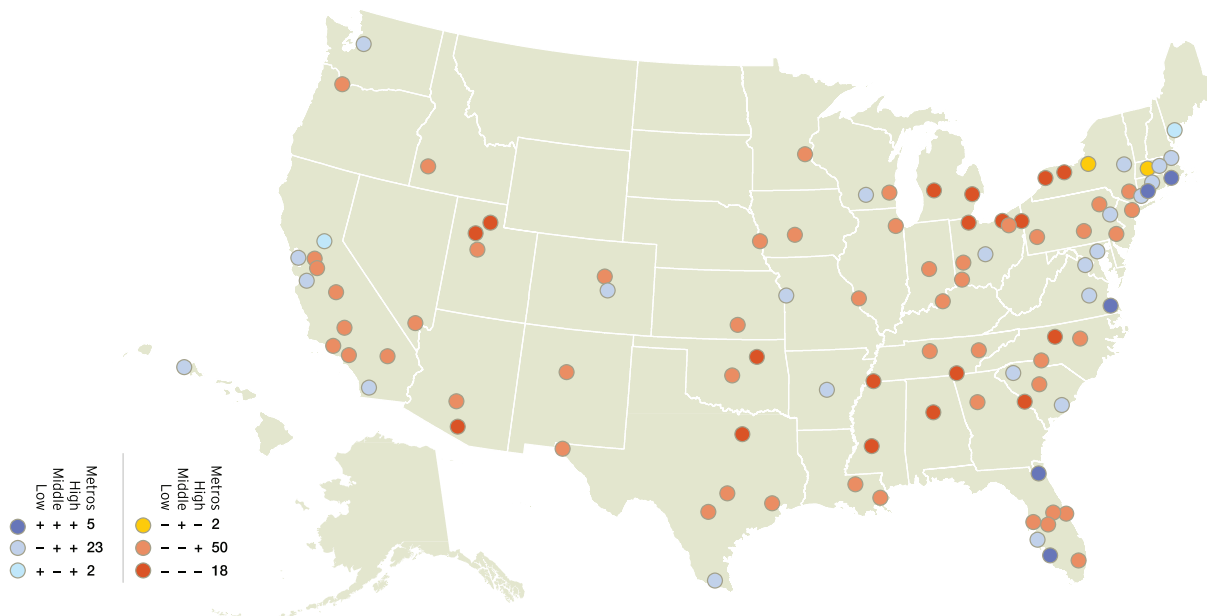
The persistence of high unemployment even after economic growth resumes is not a new story; indeed, a “jobless recovery” followed the early 2000s recession. While that recession officially lasted only eight months (March 2001 to November 2001), unemployment continued to rise for more than a year-and-a-half after the recession ended and it didn’t approach pre-recession levels until late in 2006 (the national unemployment rate never did return to its March 2001 rate).⁸ But the Great Recession has caused the national unemployment rate to soar far beyond its

levels during the 2001 recession; not since 1983 have so many people been out of work. This makes the prospect of a jobless recovery all the more troubling as the nation moves further into 2010.

How the Great Recession will ultimately affect the distribution of wages in the United States is still unclear. We do know, however, that less educated workers have been hit particularly hard, at least in terms of employment. From December 2007 to December 2009, BLS data show that the national unemployment rate for college graduates rose from 2.0 to 4.7 percent compared with an increase from 4.7 to 10.6 for high school graduates only. If extremely



Map 2. Half of Large Metro Areas Saw Wages Rise for High-Wage Workers, and Fall for Middle- and Low-Wage Workers
Direction of Inflation-Adjusted Wage Changes by Worker Wage Category, 1999-2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Note: High-wage workers are those earning at the 90th percentile; middle-wage workers earn at the 50th percentile; low-wage workers earn at the 10th percentile of wage distribution for specified year and metro area

high unemployment among less educated, lower earning workers holds back wage growth for that group in the coming months and years, wage inequality at the national level could increase even further in the future. However, it is too soon to tell whether the disparity in unemployment between these two groups will persist as the economy recovers.

to follow national wage trends in the 2000s, but displayed notable variation among themselves in the relative performance of workers in different parts of the wage distribution. Across all 100 areas, middle-wage workers suffered a less severe decline in wages (1.5 percent) than the national average (4.5 percent) from 1999 to 2008. In either case, these workers faced the troubling reality of being worse off near the end of the decade than at the start.

Most, but not all, large metro areas shared in this trend. Middle-wage workers in 30 metro areas experienced a rise in hourly earnings from 1999 to 2008, from as little as 0.1 percent in Colorado Springs to as much as 10.3 percent in Cape Coral (Map 1). The

METROPOLITAN TRENDS

Trends within the Wage Distribution

The 100 largest metropolitan areas together tended



Table 1. Only Three Metro Areas Saw a Decline in Wage Inequality in the 2000s; Increases Were Rapid in Others
Metro Areas Ranked by Change in Ratio of Wages for High-Wage Versus Low-Wage Workers, 1999-2008

Declines/Smallest Increases				Greatest Increases			
Metro Area	1999	2008	Change	Metro Area	1999	2008	Change
Tucson, AZ	4.53	4.43	-0.10	Greenville, SC	3.89	4.81	0.93
Augusta-Richmond County, GA-SC	4.68	4.62	-0.06	Knoxville, TN	4.07	5.00	0.93
Syracuse, NY	3.93	3.91	-0.02	Washington-Arlington-Alexandria, DC-VA-MD-WV	4.55	5.50	0.95
Providence, RI-MA	3.96	4.00	0.04	Charlotte, NC-SC	4.20	5.16	0.96
Youngstown, OH-PA	3.95	4.06	0.11	Austin, TX	4.51	5.48	0.96
Cape Coral, FL	3.79	3.91	0.12	Jackson, MS	4.21	5.17	0.96
Harrisburg, PA	3.70	3.84	0.14	Minneapolis-St. Paul, MN-WI	3.58	4.55	0.97
Greensboro-High Point, NC	3.81	3.97	0.15	El Paso, TX	4.26	5.25	0.99
Albany, NY	3.94	4.10	0.16	Denver-Aurora, CO	4.16	5.29	1.14
Sacramento-Roseville, CA	4.24	4.40	0.16	Bridgeport-Stamford, CT	5.93	7.20	1.27

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data
Note: High-wage workers are those earning at 90th percentile, and low-wage workers at 10th percentile, of wage distribution for specified year and metro area

positive trend extended to most large New England metro areas, as well as the mid-Atlantic areas of Baltimore, Washington, Richmond, and Virginia Beach. California, Florida, New York, and South Carolina also had multiple metro areas in which middle-wage workers experienced wage growth in the 2000s. By the same token, 70 metropolitan areas saw wages for middle-wage workers decline over the decade. The declines were largest (greater than 5 percent) in a number of Great Lakes metro areas (e.g., Detroit, Grand Rapids, Toledo, Rochester), as well as in Utah and California metro areas where the mid-decade construction boom had fallen off rapidly by 2008.

Compared to the national trend, wages at the top and bottom of the distribution in the nation's 100 largest metro areas diverged even more strongly in the 2000s. In these metro areas, high-wage workers experienced wage growth of 4.3 percent from 1999 to 2008 (versus 3.4 percent nationally), while at the same time low-wage workers' hourly earnings

declined by a full 10.0 percent (versus 8.3 percent nationally).

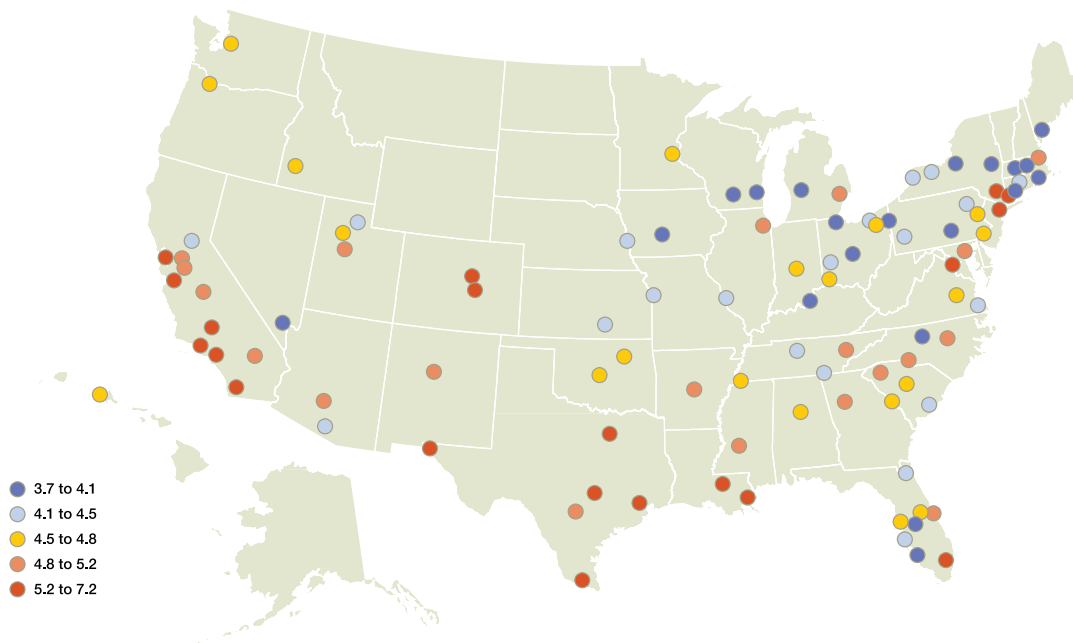
Exactly half of the nation's 100 largest metro areas followed the national pattern at all three points in the wage distribution: growth for high-wage workers, and declines for middle- and low-wage workers (Map 2). Those metro areas could be found in nearly every region of the country, with the exception of New England. Growth was more widely shared in another group of 23 metro areas where both high- and middle-wage workers saw increases. But in only five East Coast metropolitan areas (Cape Coral, Jacksonville, New Haven, Providence, and Virginia Beach) did workers at all three points of the wage distribution experience growth. More common was a pattern in 18 metro areas, extending from the Great Lakes to portions of the Southeast and Intermountain West, in which wages declined across the board during the 2000s.

Earnings Inequality Trends

While wages are somewhat higher in the 100 largest metropolitan areas than in the nation as a whole at the low,



Map 3. California and Texas Have a Large Number of Metro Areas with High Levels of Wage Inequality
Ratio of Wages for High-Wage Workers to Wages for Low-Wage Workers, 2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Note: High-wage workers are those earning at the 90th percentile, and low-wage workers earn at the 10th percentile, of wage distribution for specified year and metro area

middle, and high ranges of the distribution, the difference is greater at the high end. High-wage workers in the 100 largest metro areas earned \$44.00 hourly in 2008, versus a national rate of \$40.00 hourly; large-metro low-wage workers earned only \$0.40 more hourly than the national average (\$8.40 versus \$8.00). As a result, wage inequality across large metro areas exceeds the national average, with a high-to-low wage ratio of 5.25.

That ratio varied considerably across metropolitan labor markets in 2008, from 3.7 in Springfield (MA) to 7.2 in Bridgeport (Map 3). California and Texas had 11 of the 20 metro areas with the highest wage inequality, and Colorado, Louisiana, and

New York each added two metropolitan areas to this group. Wage inequality was high in some high-wage metro areas such as New York, San Francisco, and Washington, as well as in some relatively low-wage metro areas such as El Paso, New Orleans, and Bakersfield. Size also related to wage inequality, with New York, Houston, Los Angeles, San Francisco, Washington, Miami, and Dallas all ranking among the metro areas with the highest levels of wage inequality.

Metro areas with low levels of wage inequality, on the other hand, tended to cluster in the Midwest, Northeast, and Florida. Las Vegas was the only metropolitan area in the western United States to rank



Table 2. Metropolitan Wage Inequality Reflects Underlying Wage Differences by Race/Ethnicity and Education

Metro Areas Ranked by Ratio of Wages for High-Wage versus Low-Wage Workers, and Wage Differences by Gender, Race/Ethnicity, and Educational Attainment

Highest Overall Wage Inequality

Metro Area	High-Wage/Low-Wage	Male/Female	White/Non-White	Bachelor's/HS Only
Bridgeport-Stamford, CT	7.20	1.22	1.70	2.05
San Jose-Sunnyvale-Santa Clara, CA	6.31	1.26	1.44	2.27
Los Angeles-Long Beach-Santa Ana, CA	6.13	1.11	1.77	2.00
Houston, TX	6.13	1.21	1.67	1.93
Oxnard-Thousand Oaks-Ventura, CA	5.95	1.18	1.74	2.05
New York-Newark, NY-NJ-PA	5.87	1.13	1.60	1.83
San Francisco-Oakland-Fremont, CA	5.77	1.13	1.59	2.06
San Diego, CA	5.77	1.08	1.41	2.00
Bakersfield, CA	5.60	1.16	1.54	1.90
Baton Rouge, LA	5.54	1.33	1.52	1.56

Lowest Overall Wage Inequality

Metro Area	High-Wage/Low-Wage	Male/Female	White/Non-White	Bachelor's/HS Only
Youngstown, OH-PA	4.06	1.34	1.16	1.65
Louisville/Jefferson County, KY-IN	4.05	1.16	1.29	1.67
Providence, RI-MA	4.00	1.22	1.37	1.63
Greensboro-High Point, NC	3.97	1.21	1.41	1.79
Cape Coral, FL	3.91	1.20	1.35	1.38
Syracuse, NY	3.91	1.17	1.42	1.56
Harrisburg, PA	3.84	1.12	1.31	1.70
Portland, ME	3.79	1.22	1.13	1.64
Madison, WI	3.75	1.21	1.38	1.57
Springfield, MA	3.72	1.11	1.33	1.47

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Note: High-wage workers are those earning at 90th percentile, and low-wage workers at 10th percentile, of wage distribution for specified year and metro area

among those with the lowest levels of wage inequality, likely due to its high rates of union membership.

Consistent with the national trend, fully 97 of 100 large metro areas experienced a rise in wage inequality in the 2000s. Only three regions—Tucson, Augusta, and Syracuse—actually posted a decline in their high-to-low wage ratios (Table 1). However, in each of these metro areas, the decline resulted from

a faster drop in wages for high-wage workers than for low-wage workers, rather than a real improvement in wages at the bottom end.

At the other extreme lay metro areas that experienced large jumps in wage inequality. Bridgeport and Denver exemplify two different patterns underlying the trend. Hourly earnings for high-wage workers in Bridgeport grew at a brisk 15.6 percent pace from



1999 to 2008 (highest among the 100 largest metro areas), while those for low-wage workers declined modestly by 4.8 percent. By contrast, wages for Denver's highest earners grew at a relatively anemic 2.8 percent rate, even as wages at the low end plummeted 19.3 percent (the second-largest decline). As shown above, this pattern of growth at the high end and decline at the low end led to increases in wage inequality in 73 of the 100 largest metro areas during the 2000s.

Demographic Dimensions of Wage Inequality

At the national level, wages differ among groups of workers by gender, race and ethnicity, and educational attainment. Places that are more diverse along the dimension of race and ethnicity, and where wage outcomes differ more widely by race and educational attainment, exhibit higher overall levels of overall wage inequality.

Generally speaking, metro areas with larger minority populations tend to have higher overall wage inequality and more unequal outcomes by race. Six California metro areas with relatively large Hispanic populations, along with the highly diverse metro areas of Houston and New York, rank among the 10 metro areas with the highest levels of overall wage inequality. All exhibit above-average differences in wages between whites and non-whites, or between workers with college degrees and those with only a high school diploma, or both.⁹ Metro areas with smaller minority populations, including mid-sized manufacturing centers (Youngstown, Greensboro, Springfield) and those with state capitals (Harrisburg, Portland (ME), Madison) exhibit lower overall wage inequality, in part because of their smaller wage differences by race/ethnicity and educational attainment. Notably, wage inequality

by gender appears to be somewhat higher in these places than in metro areas with high overall wage inequality.

Trends in the 2000s exacerbated these demographic wage differentials. Across the 100 largest metro areas, the college/high school wage premium grew from 1.73 to 1.85, the result of flat wages for college-educated workers and falling wages for workers with a high school diploma only. Similarly, overall wage gaps by race continued to widen from 1999 through 2008 with the white/black wage differential growing from 1.29 to 1.34 and the white/Hispanic differential increasing from 1.53 to 1.60.

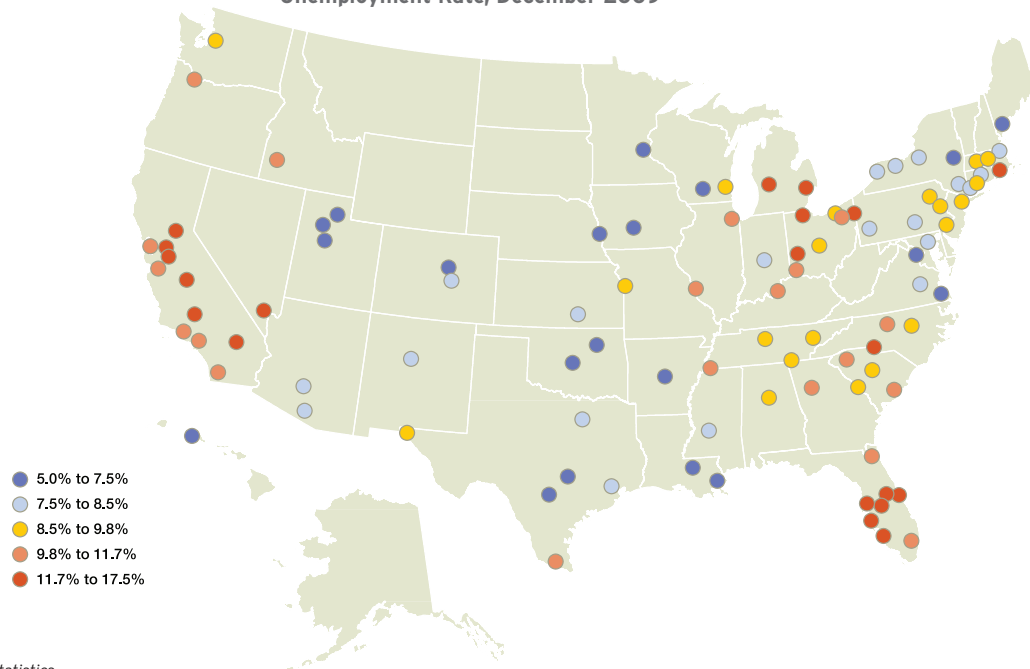
Unemployment

Wage trends provide one view of the disparate outcomes experienced by workers in metropolitan areas in the 2000s. As the economy has struggled under the weight of the Great Recession, these divergent outcomes have become even more apparent in metropolitan unemployment rates.

According to data from the Bureau of Labor Statistics, in December 2009, unemployment rates varied considerably across the nation's 100 largest metropolitan areas, from 5.0 percent in the Omaha area to 17.5 percent in the Modesto area (Map 4). The geographic pattern reveals two of the major storylines of the Great Recession—the collapse of the housing market and the woes of auto and auto parts manufacturing. Seven of the 10 metro areas with the highest unemployment rates (12.8 percent or higher) were located in “housing bubble” areas of California and Florida, joined by similarly hard-hit Las Vegas. The auto-dependent regions of Detroit and Youngstown areas rounded out the 10 most heavily affected metro areas. Conversely, the 10 metro areas with the lowest unemployment rates (6.6 percent or less) lay mostly in the nation's mid-section, and



**Map 4. Metro Areas Most Affected by Crises in the Housing and Manufacturing Sectors
Have the Highest Unemployment Rates**
Unemployment Rate, December 2009



Source: Bureau of Labor Statistics

portions of the Intermountain West. Each of the 100 largest metro areas experienced an increase in its unemployment rate between December 2007 and December 2009. However, those increases ranged from under 2 percentage points in Omaha to nearly 8 percentage points in Lakeland, Stockton, and Cape Coral.

The 2000s were bookended by two recessions that, beyond obvious differences in their magnitudes, also affected America's metropolitan landscape quite differently. Of the 20 metropolitan areas experiencing the largest increases in unemployment in the two years following the start of the Great Recession, only two—Detroit and San Jose—ranked among the hardest-hit 20 in the two years after the start of the

2001 recession (Map 5). During that period, most large Florida metro areas, and California metro areas outside the Bay Area, experienced small- to medium-sized upticks in unemployment. In another contrast, most metro areas in the nation's mid-section, extending into the Colorado and Utah portions of the Intermountain West, experienced above-average jumps in unemployment during and after the 2001 recession, compared with below-average increases this time around. Finally, in addition to large differences across metropolitan areas, trends in unemployment within metro areas appear to differ from the early 2000s recession, as suburbs are tracking cities more closely than before.¹⁰

Some patterns, however, held in each recession.

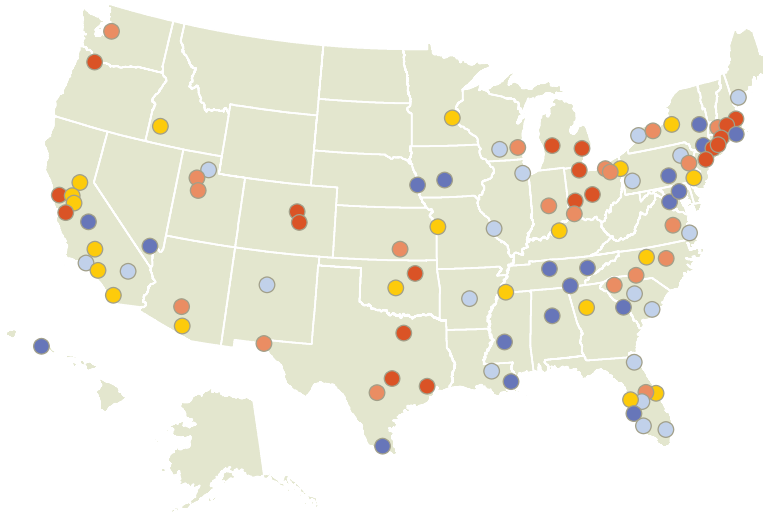


Map 5. The Two Recessions of the 2000s Drove Large Unemployment Increases in Different Sets of Metropolitan Areas

Change in Unemployment Rate 24 Months from Start of Two Most Recent Recessions—
March 2001 to March 2003 and December 2007 to December 2009

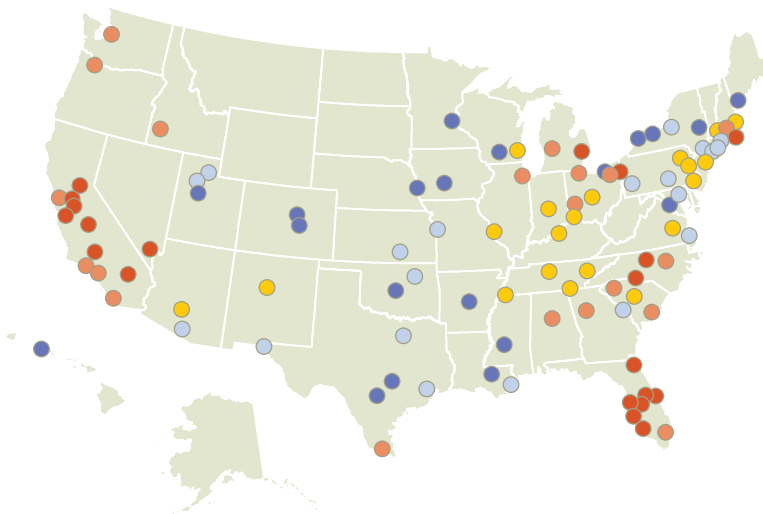
March 2001 - March 2003

- -0.1 to +1.1 pts.
- +1.1 to +1.4 pts.
- +1.4 to +1.7 pts.
- +1.7 to +2.3 pts.
- +2.3 to +5.4 pts.



December 2007 - December 2009

- +1.9 to +3.4 pts.
- +3.4 to +4.2 pts.
- +4.2 to +5.0 pts.
- +5.0 to +6.4 pts.
- +6.4 to +7.9 pts.



Source: Bureau of Labor Statistics



Several metro areas in the Great Lakes states of Michigan and Ohio suffered large increases in unemployment during both downturns, likely a reflection of decreased demand for cars and many of the other durable goods produced in those regions. A number of metro areas (such as Albany, Des Moines, Jackson (MS), Honolulu, Omaha, and Washington, D.C.) also experienced more stable unemployment rates during both periods.

Data from 2008 for metropolitan areas reflect the unemployment rate disparities by educational attainment evident at the national level in more recent data. For the 100 largest metro areas combined, the unemployment rate in 2008 was 6.6 percent for individuals with only a high school diploma, versus 2.8 percent for individuals with a bachelor's degree.¹¹ In every one of the 100 largest metro areas, the 2008 unemployment rate was higher for those with only a high school diploma than for college degree holders. In Detroit and Fresno, the gap was more than 8.0 percentage points, while in Salt Lake City, Tulsa, Honolulu, Harrisburg, and Provo, it was less than 2.0 percentage points. Both Fresno and Detroit have experienced large overall increases in unemployment during the Great Recession, suggesting that if national trends hold in these regions, unemployment rates among those with only a high school education might very well be closer to 19 and 21 percent, respectively.¹²

LOOKING AHEAD

The unemployment and wage inequality findings reported in this chapter raise profound questions about the future of economic opportunity in America at the regional level. For most of the last century, the auto-producing metropolitan areas of the central

Great Lakes region, with their combination of high overall wages and low wage inequality, exemplified broadly shared prosperity in a way that most other parts of the country did not. As such, they showed what the U.S. economy, at its best, could deliver for working people. The Great Recession decimated the economies of those metropolitan areas. Will those economies recover anytime soon? If so, will they recover in a way that restores broadly-shared prosperity?

It is not clear whether other metropolitan areas will take the place of the auto-producing areas as exemplars of such growth. The housing-bubble metropolitan areas of Florida, Nevada, and much of California, which also suffered from very high unemployment during the recession, mostly had much larger wage gaps between high- and low-wage workers. Absent major changes in the structure of their economies, they do not seem likely to inherit the mantle of broadly-shared prosperity even when their economies eventually recover. The large coastal metropolitan areas, though generally hit less hard during the recession than either the auto-producing or housing-bubble areas, also had very large wage gaps. So did the regional economies of Texas, where the Great Recession's impact was more modest than elsewhere.

Two groups of metropolitan areas both suffered relatively little during the recession and had relatively small gaps between high- and low-wage earners before the recession: (1) the broad swaths of the South and Great Plains that did not have a housing bubble and (2) the eastern Great Lakes metropolitan areas of western Pennsylvania and New York that do not depend heavily on the auto industry. Either of these groups of metropolitan areas could point the way toward new forms of inclusive economic growth, but in each case there are obstacles that stand in the

The unemployment and wage inequality findings reported in this chapter raise profound questions about the future of economic opportunity in America at the regional level.



If no metropolitan areas provide a model of what a more inclusive form of economic opportunity can look like in the 21st century, then it will be increasingly difficult for Americans to imagine that such a future is possible.

way of that outcome.

For decades before the Great Recession, the growth of the non-housing-dependent South and Great Plains was based largely on low wages and a low cost of living. As these regions grew, however, their wages and living costs rose relative to those in the Northeast, West Coast, and Great Lakes, potentially threatening their continued ability to attract employers from other parts of the nation and abroad. Moreover, with few exceptions the states and metropolitan areas of the South and Great Plains lack public policies that would raise productivity to support high-wage job growth. The eastern Great Lakes metropolitan areas, despite suffering relatively small increases in unemployment during the recession, must still overcome the effects of decades of long-term manufacturing job loss. Their regional economies, now based in large part on higher education, health care, and highly specialized manufacturing, are much smaller than they were just a few decades ago. They may offer a regional model for shared economic growth, but perhaps on only a relatively small scale.

Broadly shared prosperity is important at the metropolitan level, not just the national level. Most people experience the economy where they live and work. Almost no one lives or works throughout the nation; the vast majority live and work in economically distinct metropolitan areas. If no metropolitan areas provide a model of what a more inclusive form of economic opportunity can look like in the 21st century, then it will be increasingly difficult for Americans to imagine that such a future is possible. ■

ENDNOTES

1. Data are from the Bureau of Labor statistics for 2009; this figure counts the civilian labor force only.
2. Lawrence Mishel, Jared Bernstein, and Heidi Shierholz, *The State of Working America* (Ithaca: ILR Press, an imprint of Cornell University Press, 2009).
3. Robert Atkinson and Howard Wial, "Boosting Productivity, Innovation, and Growth Through a National Innovation Foundation" (Washington: Brookings Institution and Information Technology and Innovation Foundation, 2008).
4. Ibid.
5. Using annual wage data and information on hours and weeks worked from the 2000 Census PUMS and 2008 American Community Survey (ACS) PUMS, we calculate hourly wages for all full-time, full-year (those who work 35-plus hours per week and 50-52 weeks per year) wage and salary workers (i.e. not those who report that they are self-employed or who are unpaid family workers). Wage data from the 2008 ACS are collected throughout the year and so different individuals report data for different 12-month periods. However, we refer to these data as representing the year 2008 (all data have been adjusted to 2008 dollars). Wage data from Census 2000 refer to earnings from the previous year, and we refer to these data as representing the year 1999, accordingly. Access to PUMS data was provided by the IPUMS-USA project at the Minnesota Population Center. See Steven Ruggles and others, *Integrated Public Use Microdata Series: Version 4.0* [Machine-readable database] (Minneapolis, MN: Minnesota Population Center [producer and distributor], 2009).

The lowest level of geography identifiable in the PUMS is the Public Use Microdata Area (PUMA); we aggregate PUMA data to create data for metropolitan statistical areas. In most cases, PUMA boundaries align well with metropolitan area boundaries, but in some



cases PUMAs extend beyond the boundaries of metro areas—resulting in overbounding error—and in other cases PUMAs do not extend far enough—resulting in underbounding error. According to 2000 population data, in eight metro areas the sum of individuals erroneously assigned (or not assigned) to a metropolitan area due to overbounding error (or underbounding error) equals between 10 and 20 percent of the actual metro area population; in three metro areas (Des Moines, Grand Rapids, and Greenville), this amounted to approximately 22 percent of the actual metro area population. Due to population growth since 2000, errors may be more substantial for 2008 data; available data do not allow us to precisely measure error as of 2008, though our analysis reveals that it is likely Des Moines represents the extreme in 2008 with an underbounding error around 30 percent.

6. To represent low-, medium-, and high-wage workers, we use the 10th, 50th, and 90th hourly wage percentiles. A wage at a given percentile describes the share of workers earning more or less than that wage. For example, if the 10th percentile hourly wage is \$8/hour, it implies that 10 percent of workers made less than that amount and 90 percent made more. All calculations of wage change have been carried out using inflation-adjusted data.
7. Mishel, Bernstein, and Shierholz, *The State of Working America*. Note that this trend is based on a more broad group of workers than the full-time, full-year working population covered in this chapter.
8. Analysis uses seasonally adjusted data.
9. However, in three metro areas where 50 percent or more of the population was a race other than non-Hispanic white (Honolulu, Stockton, and Modesto), the wage ratio of white to non-white workers was relatively low.
- 10 Elizabeth Kneebone and Emily Garr, “The Landscape of Recession: Unemployment and Safety Net Services

Across Urban and Suburban America” (Washington: Brookings Institution, 2010).

11. Based on data from the 2008 American Community Survey.
12. These figures are meant to approximate 2009 annual unemployment rates. They were calculated by applying 2008-2009 growth rates for the labor force and unemployed population (according to national-level BLS data) to the metro-level American Community Survey data for each metro area and education group. Note that data from the 2008 ACS is published for the population age 25 to 64 while BLS data by educational attainment cover the population age 25 and older.



ELIZABETH KNEEBONE and EMILY GARR

VIII. INCOME & POVERTY

BY THE NUMBERS

-\$2,241

Change in real median
household income, United
States, 1999 to 2008

**+8.2% /
-17.1%**

Change in real median
household income,
Worcester / Detroit metro
areas, 1999 to 2008

53%

Share of poor individuals
living in suburbs, 100 largest
metro areas, 2008

+2.2

Projected percentage-point
change in poverty rate, 100
largest metro areas, 2008
to 2009

OVERVIEW

- **The middle class shrank over the course of the decade as income for the typical U.S. household declined.** In 2008, U.S. median household income was \$52,029—a real decline of \$2,241 since 1999. Over the same period, the share of households earning “middle class” incomes fell by 1.8 percentage points. In 2008, racial income disparities persisted, with the typical black household lagging U.S. median income and the typical Asian household exceeding it by nearly the same margin (\$17,000 and \$18,000, respectively).
- **Even as incomes fell for the typical metropolitan household, large disparities persisted across and within metro areas.** Between 1999 and 2008, metro areas in every Census region saw median incomes decline. Midwestern metro areas—led by regions like Detroit, Grand Rapids, and Youngstown—experienced the greatest decline in median income (8.2 percent). Meanwhile, the difference in median income between the 10th-ranked and 90th-ranked metro area rose from \$19,500 to \$22,000.
- **Suburbs are home to the fastest growing and largest poor population in the country.** Between 1999 and 2008, the suburban poor population grew by 25 percent—almost five times the growth rate of the primary city poor—so that by 2008 suburbs were home to almost one-third of the country’s poor population, and 1.5 million more poor than primary cities. While city and suburban poor residents generally resemble one another, slightly more of the suburban poor are high-school graduates, married, and white; blacks and Latinos make up a disproportionate share of the poor in both cities and suburbs.
- **Income declined and poverty increased in the first year of the Great Recession, particularly in Sun Belt metro areas.** Metro areas in California and Florida saw some of the greatest declines in median household income, along with the largest increases in city and suburban poverty between 2007 and 2008, likely reflecting the early timing and impact of the housing market collapse. Based on unemployment increases over the past year, Sun Belt metro areas like Cape Coral, Modesto, and Stockton, and manufacturing metro areas like Detroit and Youngstown may see their poverty rates rise by at least 3 percentage points in 2009.

Income growth for the typical American household had stalled even before the onset of the Great Recession.

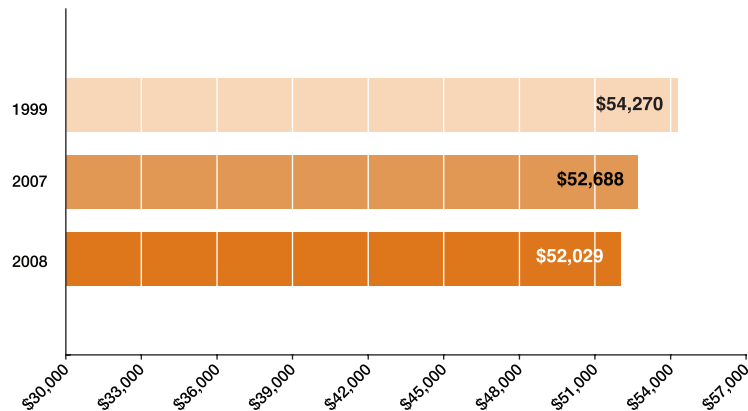
NATIONAL TRENDS

The Great Recession has brought about falling incomes and increased economic hardship across the country. But income growth for the typical American household had stalled even before its onset (Figure 1). By 2007, median household income in the United States had fallen by almost \$1,600 since the start of the decade. It fell further in 2008 to \$52,029, a real decrease of 4.1 percent, or \$2,241,

from its level in 1999.

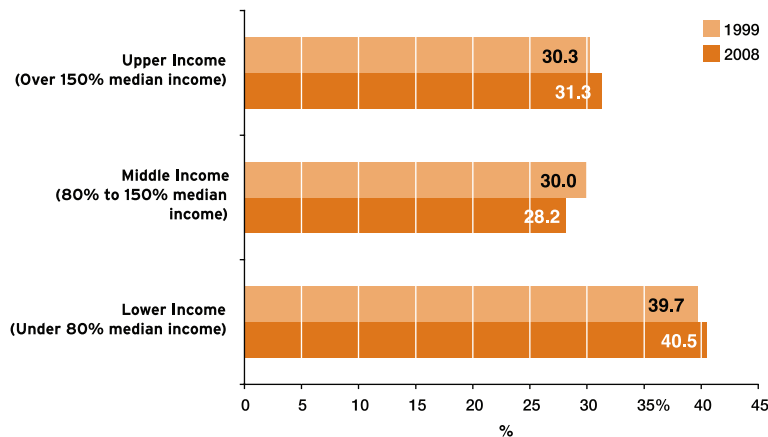
As income in the typical household fell, the relative size of the middle class declined. Between 1999 and 2008, the share of middle-income households (i.e., between 80 and 150 percent of median income) dropped to 28.2 percent, while the share of households at both the upper and lower ends of the income spectrum increased (Figure 2).¹ In 2008, lower-income households continued to make

Figure 1. Median Household Income in the United States Declined Over the Course of the Decade
U.S. Median Household Income, 1999, 2007, and 2008 (\$2008)



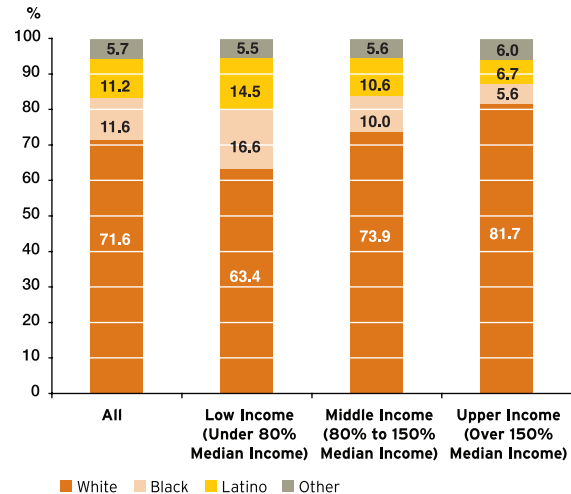
Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Figure 2. The Share of Middle Class Households Declined in the 2000s
Share of U.S. Households by Income Category, 1999 and 2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Figure 3. Minority Householders are Over-Represented Among Low-Income Households
Share of U.S. Households by Race and Income Category, 2008



Source: Brookings analysis of internal 2008 American Community Survey data

up the largest share of American households (40.5 percent).

The country also saw significant increases over the 2000s in the number of individuals living below the poverty line, which was \$21,834 for a family of four in 2008. From 1999 to 2008, the poor population in the United States grew by 5.2 million people, or 15.4 percent—almost twice the growth rate of the population as a whole. By 2008, more than 39.1 million individuals lived in poverty, or 13.2 percent of the nation’s population. That represented a significant increase over 1999 (12.4 percent) and put the rate on par with that in 1990 (13.1 percent).

Amid a decade of economic stagnation or decline for most American households, large economic disparities among different racial and ethnic groups persisted. Nationally, the median income for African American households (\$35,425) was almost \$17,000

Table 1. As Metropolitan Median Incomes Fell Overall, the Gap Between City and Suburban Incomes Narrowed Slightly
Change in Median Income by Primary Cities and Suburbs and Region, 95 Metro Areas*, 1999 to 2008

Region	1999			2008			% Change, 1999 to 2008		
	Metro Total	Primary Cities	Suburbs	Metro Total	Primary Cities	Suburbs	Metro Total	Primary Cities	Suburbs
Midwest	61,181	46,604	68,524	56,135	41,593	62,303	-8.2%	-10.8%	-9.1%
Northeast	61,839	45,833	69,863	61,598	46,229	68,875	-0.4%	0.9%	-1.4%
South	56,823	48,009	62,054	54,724	45,398	59,497	-3.7%	-5.4%	-4.1%
West	62,126	55,373	66,797	61,143	54,441	65,436	-1.6%	-1.7%	-2.0%
95 Metro Area Total	60,080	49,317	66,345	57,970	47,317	63,525	-3.5%	-4.1%	-4.3%

All income figures are reported in 2008 dollars
All changes significant at the 90 percent confidence level
**Primary city and suburb data are reported for 95 of the largest 100 metropolitan areas for which data are available*
Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

below the median for all households in 2008, while the gap for the typical Latino household (\$41,470) was \$11,000. In contrast, white households had a median income of \$56,826—almost \$5,000 above the median for all households—and the typical income for an Asian household (\$70,069) exceeded the overall median by \$18,000. At the same time, black and Latino households made up a disproportionate share of low-income households and were under-represented among middle- and upper-income households (Figure 3).

METROPOLITAN, CITY, AND SUBURBAN TRENDS

Median Household Income

Taken together, the country’s largest metro areas saw income in the typical household fall more than \$2,100, or 3.5 percent, between 1999 and 2008 (Table 1). By far the most marked decreases occurred

in Midwestern metro areas, which experienced a drop of over 8 percent—more than \$5,000—in their median household income. Driving this regional trend were metro areas like Detroit, Grand Rapids, Toledo, and Youngstown (Table 2). Each of these metro areas saw their median incomes decline by 10 percent or more, likely reflecting the economic toll of job losses in the region’s auto manufacturing sector during the 2000s.

Southern metro areas, however, have the lowest median household income among all regions (\$54,724), while Northeastern metro areas have the highest (\$61,598). Among other factors, the considerable income gap between these two regions likely reflects differences in costs of living and average wage levels. That gap widened in the 2000s, as incomes fell more steeply in Southern metro areas than in the Northeast.

The income gap across individual metro areas also widened over the decade, increasing the “distance” between metro areas at the top and bottom of the list for median household income. For

Table 2. Changes in Median Household Income Varied Widely Across Metro Areas
Metro Areas Ranked by Percent Change in Median Household Income, 1999 to 2008

Largest Increases			Largest Declines		
Rank	Metro Area	Change, 1999-2008 (%)	Rank	Metro Area	Change, 1999-2008 (%)
1	Worcester, MA	8.2	81	Akron, OH	-10.1
2	New Orleans, LA	5.9	82	Little Rock, AR	-10.2
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	5.1	83	Cleveland, OH	-10.8
4	San Diego, CA	4.7	84	Greenville, SC	-11.2
5	Honolulu, HI	4.6	85	Dayton, OH	-11.2
6	Virginia Beach-Norfolk-Newport News, VA-NC	3.9	86	Youngstown, OH-PA	-13.6
7	Stockton, CA	3.5	87	Greensboro-High Point, NC	-13.9
8	Poughkeepsie, NY	3.5	88	Toledo, OH	-14.3
9	Albany, NY	3.1	89	Grand Rapids, MI	-14.6
10	Riverside-San Bernardino-Ontario, CA	2.9	90	Detroit-Warren, MI	-17.1

Changes were statistically insignificant at the 90 percent confidence level in 10 metro areas, thus 90 metro areas are ranked
Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

instance, the difference between median household income in the 10th ranked metro area and the 90th ranked metro area increased from roughly \$19,500 in 1999 to \$22,000 in 2008.²

Wide disparities in income also exist within metro areas, though the income gap between city and suburban households varies by region (Table 1). In 2008, the median income in large metropolitan suburbs was \$63,525—roughly \$16,000 more than median income in primary cities (\$47,317). This disparity, however, is somewhat less stark in Southern metro areas, and even more muted in the West. In contrast, median incomes in Northeastern and Midwestern suburbs outstripped those in their primary cities by over \$20,000. The gap reached almost \$30,000 in metro areas like Milwaukee, Cleveland, and Detroit, and as much as \$40,000 in Bridgeport and Hartford. In part, the magnitude of these disparities reflects long-standing racial and ethnic divisions between cities and suburbs in these regions.

While these differences are striking, between 1999 and 2008 the gap between suburban and city median incomes did narrow slightly—overall and in three of the four regions—reversing the widening seen during the 1990s. With the exception of Northeastern metro areas, this narrowing has not occurred because of gains in primary cities, but because of declining median incomes in the suburbs.

Racial and Ethnic Disparities in Income

Similar to national figures, black and Latino households in the 100 largest metro areas lagged behind the median income for all households in 2008, while white and Asian households exceeded it. The Bridgeport metro area showed the greatest level of income inequality across races in 2008; the median income for black households there was \$42,000 less than the median for all households, while the gap was more than \$37,000 for Latino households. In general, metro areas in the Northeast and Midwest,

and along the coasts, exhibited considerably larger racial and ethnic income disparities than metro areas in the South and interior West. Disparities between black households and all households topped \$30,000 in Minneapolis-St. Paul, San Francisco, Des Moines, Madison, and San Jose. Metro areas where Latino households faced income gaps of that magnitude included Boston, Hartford, and Worcester. In contrast, metro areas like Albuquerque, Greensboro, Las Vegas, and Oklahoma City all exhibited below-average racial and ethnic income disparities.

Size and Characteristics of the Middle Class

In addition to declining median incomes, this decade has also seen the metropolitan middle class lose ground. Of the top 100 metro areas, 52 experienced a significant change in the size of their middle class. Fully 42 of these metro areas saw the share of their households with middle incomes decline, with 10—including Ogden, Wichita, Virginia Beach, and Madison—experiencing a drop of at least 5 percentage points. For the metro areas that saw an increase in their middle-income household share—including Knoxville, New York, and McAllen—that growth coincided with a drop in the share of upper-income households, rather than a relative decline in lower-income households.

Suburbs accounted for a majority of this middle-class decline in metropolitan areas in the 2000s. Led by metro areas like Denver, Minneapolis-St. Paul, Chicago, and Dallas, suburbs saw their middle-class share of households drop by 1.8 percentage points between 1999 and 2008, compared to a decline of 1.5 percentage points in primary cities. However, suburbs experienced somewhat greater growth than primary cities in their upper-income household share (1.2 percentage points versus 0.9 percentage points)

Table 3. Middle-Class Households in Cities Are More Diverse and More Highly Educated than Those in Suburbs
 Characteristics of City and Suburban Middle-Class Householders, 100 Metro Areas, 2008

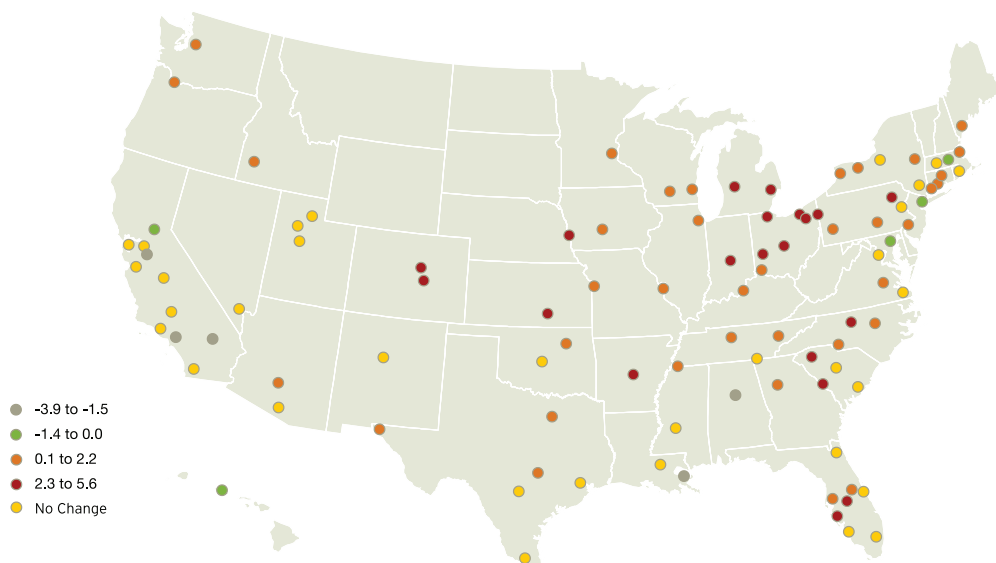
Householder Characteristic	Primary Cities	Suburbs
<i>Race/Ethnicity (%)</i>		
White	55.3	73.6
Black	18.3	9.0
Latino	17.7	11.2
Other	8.7	6.1
<i>Gender (%)</i>		
Male	55.0	58.7
Female	45.0	41.3
<i>Educational Attainment (%)</i>		
No diploma	10.2	7.8
High school only	20.3	24.9
Some college	23.0	24.9
Associates degree	8.1	9.3
Bachelor's degree	23.9	21.5
Graduate degree	14.5	11.5

Source: Brookings analysis of internal 2008 American Community Survey data

and, in turn, less growth in their lower-income household share. Even with these changes, the middle class makes up a larger share of households in suburbs than in primary cities (30.2 percent versus 26.5 percent), though they are increasingly rare in both types of places.

Interesting differences emerge between the characteristics of middle-income households in cities and suburbs (Table 3). White households make up nearly three-fourths of the suburban middle class, while black and Latino households account for a greater share of the middle class in primary cities. Middle-class households in primary cities are

Map 1. Most of the Largest Increases in Metropolitan Poverty Occurred in Midwestern Metro Areas
Change in Poverty Rates, 100 Metro Areas, 1999 to 2008



All estimates of change are significant at the 90 percent level

Source: Brookings analysis of Census 2000 and American Community Survey 2008 data

somewhat more likely to be headed by a female than such households in suburbs. And while middle-class householders in cities are slightly more likely to have not completed high school, they also have higher shares of bachelor's and advanced degree holders than their suburban counterparts.

Poverty Trends

As metropolitan incomes declined and the middle class shrank, the country's 100 largest metro areas also saw their collective poverty rate increase significantly between 1999 and 2008, from 11.6 percent to 12.2 percent. However, these increases were not shared evenly across all 100 metro areas (Map 1). As with the steepest declines in income,

many of the greatest increases in poverty were concentrated in Midwestern metro areas like Grand Rapids and Youngstown, and Southern metro areas like Greenville, Greensboro, and Little Rock. In contrast, some regions showed significant decreases in poverty between 1999 and 2008, like Los Angeles, Modesto, and Riverside, though as the recession deepened and spread in 2009, this progress likely stalled and probably reversed.

These poverty trends across metropolitan areas occurred amid an important shift in poverty within metro areas. In 1999, 400,000 more people below the poverty line lived in primary cities of the country's largest metro areas than in their suburbs. Between 1999 and 2008, however, the number of

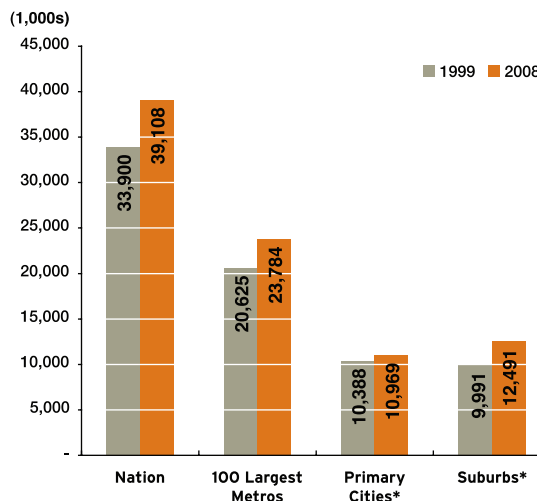
suburban poor increased by 25 percent—10 points above the national average and almost five times the growth in primary city poor (Figure 4). Overall, suburbs gained more than 2.5 million poor individuals, and by 2008 they were home to almost one-third of the country's poor population. Between 1999 and 2008, the balance of metropolitan poverty had effectively “tipped” so that by 2008 suburbs were home to 1.5 million more poor than their primary cities. Metro areas including Cleveland, Baltimore, Detroit, Rochester, Minneapolis-St. Paul, Jackson, and San Diego exemplify the shift in poverty from majority urban to majority suburban, as they saw the share of poor living in the suburbs pass the 50 percent mark this decade.

As the suburban poor population grew, the gap between city and suburban poverty rates narrowed slightly. Suburbs saw a greater increase in their poverty rate than cities from 1999 to 2008—0.9 percentage points versus 0.3. Despite this narrowing, by 2008 primary-city residents were still almost twice as likely as suburban residents to live in poverty (18.2 percent versus 9.5 percent, respectively).

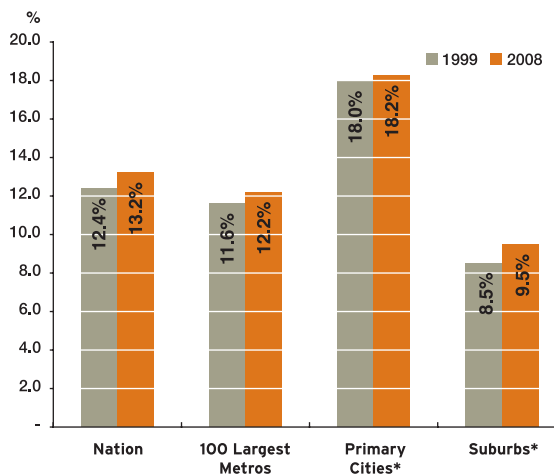
Characteristics of the City and Suburban Poor

By and large, poor residents of cities and suburbs resemble one another on key social and demographic characteristics (Table 4). City residents are just slightly more likely to live in “deep” poverty, with incomes less than half of the poverty line (44 versus 42 percent), whereas a somewhat higher share of suburban residents have incomes just below the poverty line (32 versus 30 percent). Comparable shares obtained a college degree, though the city poor are less likely to have completed high school (38 versus 32 percent). And immigrants make up only a slightly larger share of the city poor than the suburban poor

Figure 4. The Number of Poor, and the Poverty Rate, Increased Significantly Over the Decade in Metro Areas, Cities, and Suburbs
Individuals in Poverty by Location, 1999 and 2008



Poverty Rates, 1999 and 2008



*Includes 95 of the largest 100 metropolitan areas for which data are available
Source: Brookings analysis of Census 2000 and internal 2008 American Community Survey data

Table 4. Poor Residents of Cities and Suburbs Have Many Similar Characteristics
Characteristics of the Poor in Cities and Suburbs, Large Metro Areas, 2008

	Primary Cities	Suburbs
Share of individuals in poverty	18.2	9.5
Share of households in poverty	16.6	9.0
Share of poor individuals:		
With incomes:		
Below 50% of the poverty threshold	44.0	42.3
50 to 74% of of the poverty threshold	26.2	25.4
75% to 99% of the poverty threshold	29.8	32.4
Between 16 and 64 who:		
Work full-time, year-round	11.4	12.0
Work part-time or part-year	36.6	38.8
Did not work	52.0	49.2
25 and over who have completed*:		
Less than high school	38.1	31.8
High school only	28.7	31.9
Some college or associates degree	21.3	23.6
Bachelor's degree or higher	12.0	12.7
Who are:		
White	24.8	46.4
Black	32.4	17.0
Latino	34.3	29.1
Other	8.6	7.4
Who are foreign born	22.3	18.9
Share of poor households:		
That are:		
Married couples	15.5	20.3
Female-headed families	29.2	27.5
Male-headed families	4.8	5.1
Female-headed non-families	29.3	29.2
Male-headed non-families	21.2	17.8
That received Food Stamps*	39.2	32.0

* Includes 95 of the 100 largest metro areas for which data are available
Source: Brookings Institution analysis of 2008 American Community Survey data

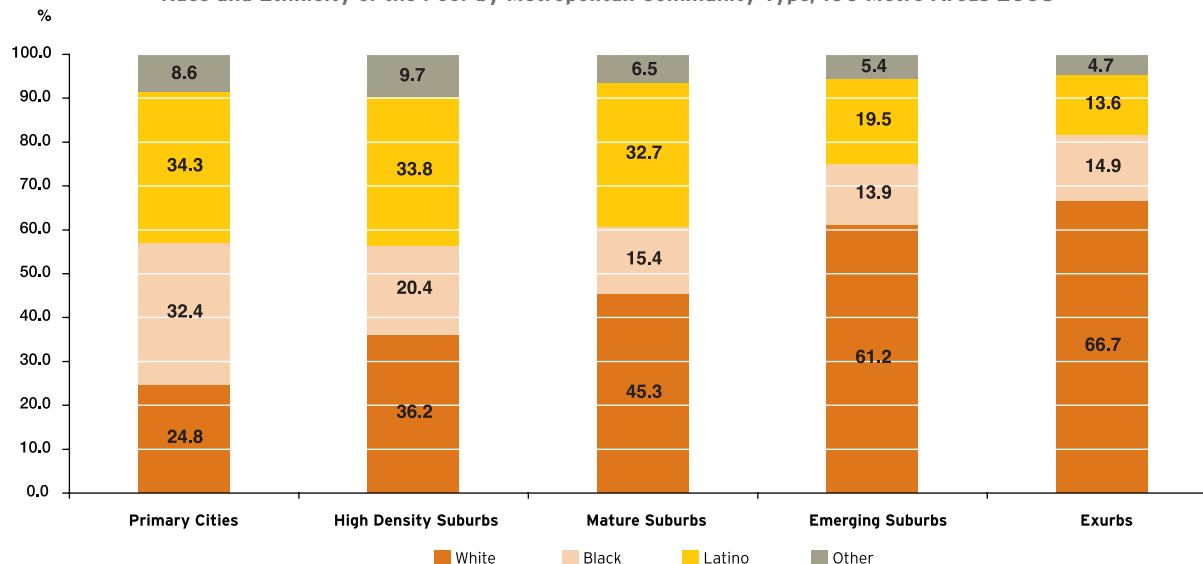
(22 percent versus 19 percent). Larger differences arise when it comes to family structure: Married-couple families make up more than 20 percent of poor suburban households, compared to less than 16 percent of poor city households. And though more poor now live in the suburbs, food stamp receipt in cities continues to outpace suburban uptake; only 32 percent of poor suburban households received food stamps in 2008, compared to 39 percent of poor city households.

By far the greatest differences between the city and suburban poor are found in their racial and ethnic makeup. In primary cities, 25 percent of the poor population was white in 2008 versus 46 percent in the suburbs, while 32 percent of poor city residents were black, compared to 17 percent in the suburbs. Some of the differences in the makeup of the city and suburban poor can be explained by differences in the racial and ethnic composition of their total populations. However, even accounting for these differences, African Americans and Latinos make up a disproportionate share of the poor in both cities and suburbs. Only in outer suburbs and exurbs do whites account for a majority of the poor, and, even there, minorities make up a disproportionate share of the poor (Figure 5). In both cities and low-density exurban communities, African Americans account for an outsized share of the poor, whereas in older and denser suburbs, the poor are disproportionately Hispanic.

**LOOKING AHEAD:
INCOME, POVERTY, AND
THE GREAT RECESSION**

Whether in large cities, suburbs, or the nation as a whole, income and poverty trends are inextricably

Figure 5. Minorities Make Up More than Half the Poor in Cities and Most Types of Suburbs
Race and Ethnicity of the Poor by Metropolitan Community Type, 100 Metro Areas 2008



Though more poor now live in the suburbs, food stamp receipt in cities continues to outpace suburban uptake.

Source: Brookings analysis of internal 2008 American Community Survey data

linked to the performance of the economy. Declining median incomes, a shrinking middle class, and rising poverty this decade reflect in part the economic challenges the nation faced in the early 2000s, as well as the onset of the deepest and longest recession of the post-World War II era. But these trends also reflect several years of aggregate economic growth that failed to produce real gains for the typical American household.

Undoubtedly, we have yet to see the full extent of the Great Recession's impact on these trends, but early indications reveal that the nation was already feeling the negative effects of the downturn by the end of 2008. Nationally, median income declined over the first year of the recession, falling 1.3 percent, or \$659, between 2007 and 2008. At the same time, the country saw the middle class

contract 0.4 percentage points, with an accompanying slight, but significant, uptick of 0.2 percentage points in the share of lower-income households.³ The nation's poor population grew by more than 1 million, a roughly 3 percent increase over the course of one year, leading to an increase of 0.2 percentage points in the U.S. poverty rate.

The 100 largest metro areas also experienced declines in real median income between 2007 and 2008, with the suburbs bearing the brunt of the decreases overall: the typical suburban household saw income drop \$388 while primary city median income remained statistically unchanged on the whole. Suburban decreases were driven by declines in Sun Belt metro areas, like Modesto, Bakersfield, Fresno, Palm Bay, and Tampa. This likely reflects the early timing of the housing market collapse, which

Table 5. Western Metro Areas Saw the Greatest Growth in Both City and Suburban Poor Populations in the First Year of the Great Recession

Change in City and Suburban Poor Population by Region, 95 Metro Areas*, 2007 to 2008

	Primary Cities			Suburbs		
	2007	2008	Change (%)	2007	2008	Change (%)
Metro Total	10,748,398	10,969,243	2.1%	11,941,943	12,491,486	4.6%
Midwest	2,127,005	2,143,793	0.8%	2,138,486	2,198,817	2.8%
Northeast	2,520,359	2,516,153	-0.2%	2,184,478	2,289,853	4.8%
South	3,320,929	3,356,181	1.1%	4,419,690	4,612,951	4.4%
West	2,780,105	2,953,116	6.2%	3,199,289	3,389,865	6.0%

All changes significant at the 90 percent confidence level

*Includes 95 of the largest 100 metropolitan areas for which data are available

Source: Brookings Institution analysis of Census 2000 and 2008 American Community Survey data

hit many Sun Belt metro areas—with concentrations in the construction and real estate industries—particularly hard. At the same time, a number of metro areas managed to buck this trend—many of them in the Northeast (e.g., Worcester, Poughkeepsie, and Buffalo)—and experienced real increases in their median incomes in the first year of the recession.

Changes in metropolitan poverty over this time period largely mirror the income dynamics in these regions. Much of the nation's increase in poverty was concentrated in the largest metro areas, and particularly in the suburbs, which accounted for more than half the nation's increase in the number of poor. Contrary to the longer-run trend from 1999 to 2008, Western metro areas led among regions for increases in both city and suburban poverty between 2007 and 2008, again likely reflecting the early onset of the recession in the Sun Belt (Table 5). At the same time, primary cities in the Northeast actually saw their central-city poor population decline overall, even as the poor population in the surrounding suburbs increased almost 5 percent.

While it is notable that some areas saw household income growth and falling poverty during the

first year of the recession, research indicates that 2009 is likely to bring higher poverty rates across all major metropolitan areas.⁴ Based on the increases in unemployment seen over the course of 2009 as the recession deepened and spread, the 100 largest metro areas may see a 2.2 percentage-point increase in their collective poverty rate, with increases of 3.5 percentage points or more in Sun Belt metro areas like Cape Coral, Stockton, and Modesto; and manufacturing centers like Detroit and Youngstown. In general, these trends are driven by high unemployment increases in both cities (e.g., Stockton, CA) and suburbs (e.g., Modesto, CA) between 2008 and 2009.⁵ Altogether, more than half of metropolitan areas may see a rise of 2 percentage points or more in their poverty rates in 2009.

In the wake of the recession at the start of the decade, the nation lost ground on incomes for typical households and reducing poverty. Now, as the country works to emerge from a much deeper and more protracted recession, the trends explored in this chapter are likely to get worse before they get better, especially in communities hit hardest by recent job losses and rising unemployment. But the

future trajectory of these trends will depend on how the economy recovers: Will this recovery be a repeat of the one we saw earlier this decade, which brought increased productivity but stagnating income and growing poverty? If so, what will that mean for metro areas that have already fallen behind as metropolitan income disparities widened over the decade? Or will this recovery bring the kind of shared prosperity the country experienced in the 1990s—one that increased incomes for the average family, reduced poverty in cities and suburbs, and brought economic gains to metropolitan areas now in danger of suffering permanent losses?⁶ ■

ENDNOTES

1. In 2008, U.S. median household income was \$52,029, thus nationally middle-income households were those with incomes between \$41,623 and \$78,044. The 80 percent threshold is in keeping with the U.S. Department of Housing and Urban Development's definition of low-income (see, e.g., www.huduser.org/portal/datasets/il/index_il2009.html). While no one definition of "middle income" exists in the literature, we use the 150 percent income cutoff as in Paul Taylor, et al, "Inside the Middle Class: Bad Times Hit the Good Life" (Washington: Pew Research Center, 2008).
2. Dollar amounts in 1999 were adjusted to 2008 for comparison purposes.
3. The increase of 0.2 percentage points in the share of upper-income households did not meet the test for statistical significance at the 90 percent level.
4. Elizabeth Kneebone and Emily Garr, "The Suburbanization of Poverty: Trends in Metropolitan America, 2000 to 2008" (Washington: Brookings Institution, 2010).
5. Elizabeth Kneebone and Emily Garr, "Landscape of Recession: Unemployment and Safety Net Services Across Urban and Suburban America" (Washington: Brookings Institution, 2009).
6. Paul Jargowsky, "Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s" (Washington: Brookings Institution, 2003).

Much of the nation's recent increase in poverty was concentrated in the largest metro areas, particularly in the suburbs.

IX. COMMUTING

BY THE NUMBERS

76% / 5%

Share of workers
commuting by driving alone
/ public transit,
United States, 2008

-0.2% / -1.6%
/ 0.5%

Change in share of workers
commuting by driving alone/
carpool/transit, 100 largest
metro areas, 2000 to 2008

2

Metro areas (out of 100)
in which fewer than 75% of
workers commute by car,
2008 (New York and
San Francisco)

14% / 27%

Share of transit commut-
ers with incomes \$75,000
and over, primary cities /
suburbs, 2008



OVERVIEW

- **Reversing a pair of 40-year trends, the share of Americans that commute by transit increased from 2000 to 2008, while the share of those that drive alone to work fell slightly.** However, driving alone remains the method by which fully three-quarters of Americans get to work. Transit usage increased among whites and Asians, while carpooling dropped significantly among blacks and Hispanics.
- **Regional differences distinguish metropolitan commuting modes.** Commuters drive alone to work in high proportions in mid-sized Midwestern and Southern metro areas like Youngstown and Baton Rouge. Carpooling is most popular in Southern and Western metro areas, including many with large Hispanic populations like Bakersfield and McAllen. Public transit commuting is concentrated in the nine large metro areas that have rates above the metropolitan average (7 percent), including New York, San Francisco, Washington, and Boston.
- **Metropolitan areas with large transit systems were not alone in seeing increased transit usage during the 2000s.** While metropolitan areas such as New York and Washington with extensive rail networks saw the largest increases in the share of commuters using transit, metro areas that opened light rail lines this decade such as Charlotte and Phoenix saw upticks as well. Others that rely almost exclusively on buses for transit commuting (Colorado Springs, Albuquerque, and Seattle) also experienced notable increases.
- **In only 19 of the 100 largest metro areas did more than a quarter of the workforce in 2008 commute by a mode other than driving alone.** In only two of those metropolitan areas (New York and San Francisco) did more than a quarter of workers commute other than by car. Carpooling is an important alternative to driving alone in both mid-sized (Honolulu, Stockton) and large (Los Angeles, Seattle) metro areas.
- **Residents of cities and older, high-density suburbs are more likely to use transit than commuters elsewhere in metro areas.** Suburban transit users have higher incomes than both city transit users and suburbanites overall. Rates of working at home are roughly the same across cities and all types of suburbs, though more common among higher educated workers.

Commuting flows are the 'blood' of regional economies, showing the connections among businesses and the labor market.

NATIONAL TRENDS

Travel to work is essential in defining our metropolitan areas.¹ Commuting flows are the “blood” of regional economies, showing the connections among businesses and the labor market. They also tie together urban cores and adjacent places and, in fact, are the key criteria used to statistically define

U.S. metropolitan areas.²

Commuting—that is, the journey to and from work—is only a small fraction of daily travel in the United States, about 15 percent of trips in 2009.³ The significance of commuting results not from the amount of it but from the requirements it imposes on the transportation system. In comparison with



Transit increased significantly its share of all commutes for the first time in 40 years.

other trips, commuting is regular in its frequency, time of departure and destination. Because of its volume and regularity, commuting significantly determines peak travel demand patterns.⁴

From the view of transportation policymakers, how people get to work—by car, public transportation, walking, or another “mode”—is among the most important aspects of commuting.⁵ It shows commuters’ demand for the use of the transportation system, such as highways, transit, or streets. This information feeds directly into the planning of transportation services and capacity. Therefore, this chapter focuses almost exclusively on commuting mode patterns in metropolitan America, leaving aside other issues covered in the American Community Survey such as travel time, departure time, or workplace geography.

In this regard, several small but important changes in the national modal patterns of commuting occurred in the 2000s (Figure 1).⁶ One is that transit increased significantly its share of all

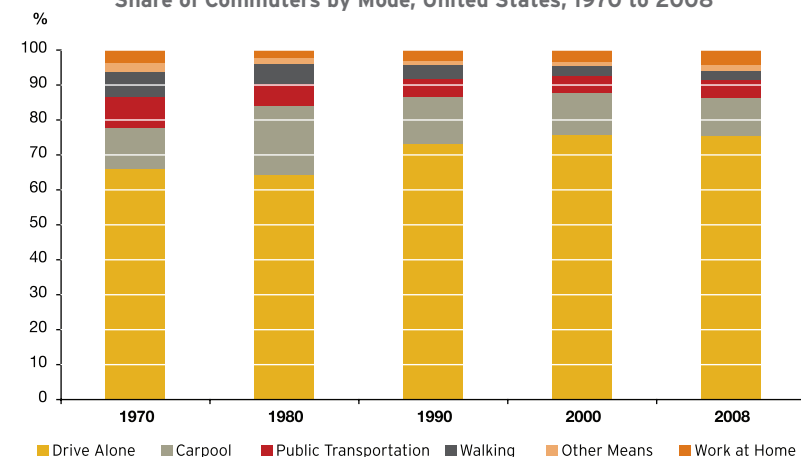
commutes for the first time in 40 years. Five percent of American workers took transit to work in 2008, compared to 4.6 percent in 2000.⁷ Commuters in the Northeast and Midwest helped drive this increase, as did bus commuters, who accounted for over half of transit growth from 2000 to 2008. While even this slight increase is historic, it still leaves transit short of its 1990 share of all commutes (5.1 percent).

Another shift regards the role of the car in commuting. The share of Americans driving alone to work stayed relatively stable between 2000 and 2008 at 76 percent, though this disguised a small but statistically significant drop during the first year of the recession (0.6 percentage points). Even so, Americans continue to drive alone to work in vastly greater numbers than all other modes combined. Carpooling, however, experienced the largest decline in its share of commutes during the 2000s, led by decreases in the South and West. The share of workers who commuted via carpool in 2008 (11 percent) was even below its level in 1970 (12 percent).

Other commuting modes displayed both increasing and decreasing popularity. Commutes via two wheels (mostly bicycles and motorcycles) increased slightly to 1.7 percent of all commutes from 2000 to 2008. However, the share of Americans that walk to work continued to decline and now stands at 2.8 percent, down from 7.4 percent in 1970, reflecting the steady dispersal of people and jobs throughout U.S. metro areas. And while this chapter focuses on Americans’ work trips, there is a growing trend of people not commuting at all: those who work at home. That share reached 4.1 percent in 2008, a number closer to the transit commuting share and much higher than walking or biking, with the South leading the way.

These different commuting modes do not distribute equally across all types of places. In particular,

Figure 1. The Share of Workers Commuting Via Public Transit Increased in the 2000s, Though Driving Alone Remains the Dominant Mode
Share of Commuters by Mode, United States, 1970 to 2008



Source: Brookings analysis of decennial census and 2008 American Community Survey data



commuting via public transportation is primarily a large-metro phenomenon; the 100 largest metro areas accounted for 93 percent of such commutes in 2008, compared to two-thirds for other modes. These metropolitan areas drove the slight increase in public transit usage seen nationwide during the 2000s.

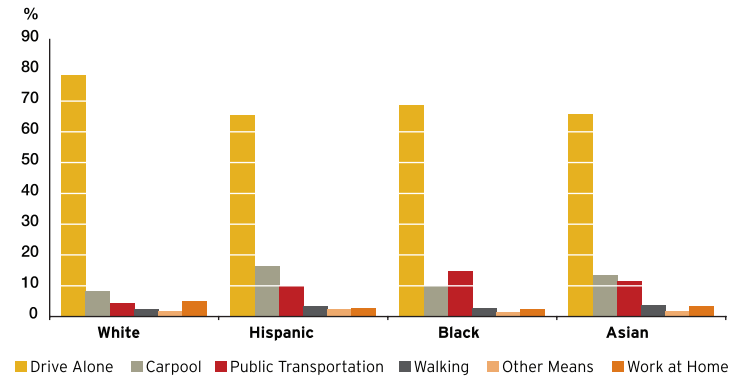
As further evidence of the diverse distribution of modes across the country, racial and ethnic groups in large metro areas diverged in their commuting mode patterns in the 2000s (Figure 2).⁸ Whites and Asians commuted more by public transportation in 2008 than in 2000, essentially driving the small increase in transit usage in the 2000s. But Hispanics and blacks drove alone more, and carpooled much less, perhaps reflecting their increased suburbanization (see the *Race and Ethnicity* chapter). All groups saw small upticks in working at home. In the end, however, a majority of every major racial/ethnic group drove alone to work in 2008, as was the case in 2000. Whites did so at a far greater rate than other groups, but were also the only group who used this mode less in 2008 than in 2000.

METROPOLITAN TRENDS

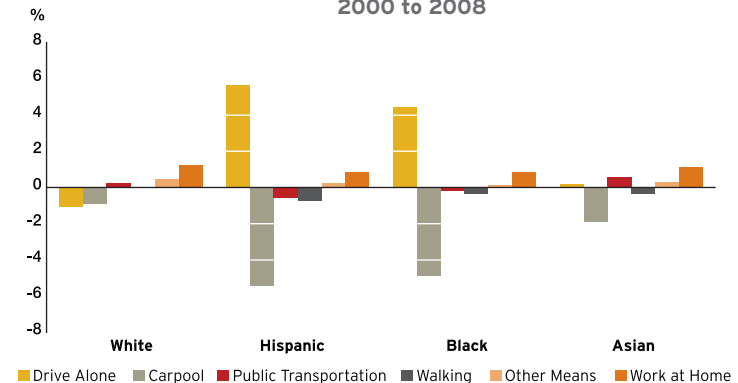
Commuting patterns by mode at the national level conceal starkly different trends among the top 100 metropolitan areas.⁹

Workers in Midwestern and Southern metro areas tend to drive alone to work more often than those elsewhere. Youngstown is the nation's commuting capital for solo drivers, with over 85 percent of its metropolitan workers choosing that mode in 2008 (Table 1). Conversely, Northeastern and Western metropolitan areas tend to rank lower on this measure. New York is a significant outlier, with only about half of its commuters driving alone to work.

Figure 2. Minority Groups Commute Via Public Transit More Often than Whites, but Whites Drove Increases in Transit Usage in the 2000s
Commuting Mode by Race/Ethnicity, 100 Largest Metro Areas, 2008



Change in Commuting Mode by Race/Ethnicity, 100 Largest Metro Areas, 2000 to 2008



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Though the rate remained relatively stable nationally, about one-fourth of the 100 largest metro areas saw the share of commuters driving alone to work increase significantly from 2000 to 2008 (Map 1). This trend reinforced current patterns in the South (e.g., El Paso and Charleston) and in the interior West (e.g., Las Vegas, California's Central Valley, and Tucson). Metropolitan New Orleans witnessed the largest increases in driving alone to work



Table 1. Commuters in Midwestern and Southern Areas Exhibit Higher Rates of Driving Alone to Work
Metro Areas Ranked by Share Commuting By Driving Alone to Work, 2008, and Change in Share, 2000-2008

Share Driving Alone to Work, 2008 (%)			Change in Share Driving Alone to Work, 2000-2008 (% pts)		
Rank	Metro Area		Rank	Metro Area	
1	Youngstown, OH-PA	85.1	1	New Orleans, LA	5.3
2	Wichita, KS	84.6	2	Modesto, CA	3.3
3	Akron, OH	84.4	3	El Paso, TX	3.2
4	Baton Rouge, LA	84.1	4	Las Vegas, NV	3.0
5	Knoxville, TN	84.0	5	Oxnard-Thousand Oaks-Ventura, CA	3.0
96	Seattle-Tacoma-Bellevue, WA	69.0	96	Bridgeport, CT	-2.7
97	Washington-Arlington-Alexandria, DC-VA-MD-WV	66.3	97	Poughkeepsie, NY	-2.9
98	Honolulu, HI	64.2	98	Portland, ME	-3.2
99	San Francisco-Oakland-Fremont, CA	62.4	99	Dayton, OH	-3.3
100	New York-Newark, NY-NJ-PA	50.3	100	Austin, TX	-3.6
All metro areas		74.0	All metro areas		-0.2

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data
Note: All changes statistically significant at 90 percent confidence interval

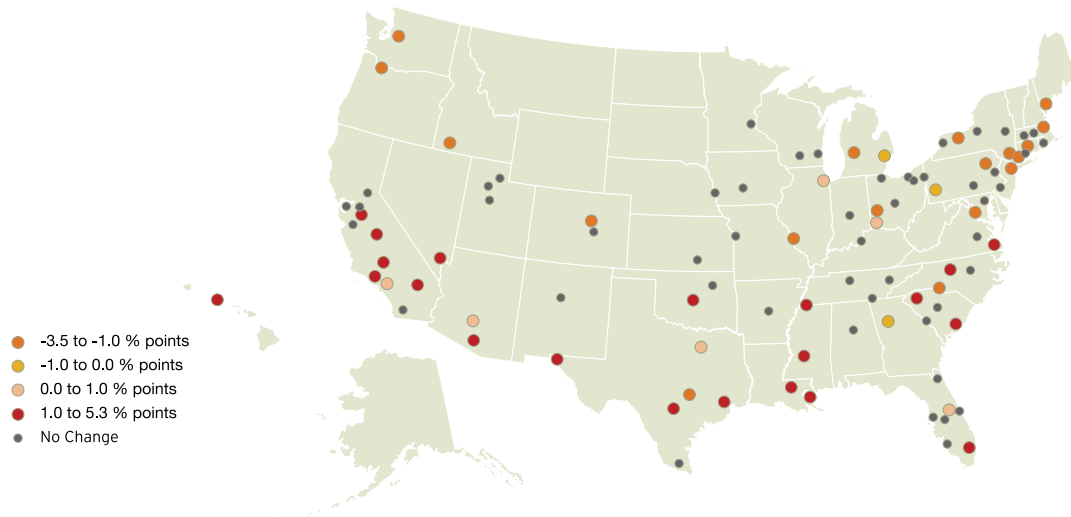
(5.3 percent), likely due to the aftermath of Hurricane Katrina.¹⁰ Interestingly, no Northeastern metropolitan area experienced a significant increase in commuting by solo driving during the 2000s. Carpooling rates tell a similarly diverse regional story. Southern and Western metro areas, particularly those with large Hispanic populations, dominate the top ranks, while Northeastern and Midwestern metropolitan areas rank near the bottom (Table 2). In Bakersfield, 17 percent of workers drove with others to work in 2008, nearly double the national rate. Indeed, only two Western metropolitan areas (Modesto and San Jose) exhibited carpooling rates below the metropolitan average of 10.3 percent. At the same time, only three Northeastern metropolitan areas (Scranton, Harrisburg, and Portland) cracked the top 50. And as carpooling declined nationally in

the 2000s, only Dayton among the 100 largest metro areas saw its carpooling rate increase. Conversely, rates declined in a number of Sunbelt metro areas where driving alone increased over the decade. Not surprisingly, the metropolitan areas with the largest shares of transit commuters are older, larger areas with relatively extensive systems: New York, San Francisco, Washington, Boston, and Chicago (Table 3). Transit commuters in New York and Washington commute primarily by subway, while those in Chicago and San Francisco mostly ride the bus to work. Bridgeport, just outside of New York, leads in the share of its workers commuting by railroad/commuter rail. These large places clearly dominate, as only nine of the top 100 metropolitan areas have transit commuting rates exceeding the large metro area average (7.0 percent).



**Map 1. More Commuters Drove Alone to Work in Southern and California Metro Areas,
While Fewer Did in the Northeast and Midwest**
Change in Share of Commuters Driving Alone to Work, 100 Largest Metro Areas, 2000-2008

About one-fourth of the 100 largest metro areas saw the share of commuters driving alone to work increase significantly from 2000 to 2008.



Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

Table 2. Southern and Western Metro Areas Rank High on Carpooling, But Saw Rates Slip in the 2000s
Metro Areas Ranked by Share Commuting by Carpool, 2008, and Change in Share, 2000-2008

Share Carpooling, 2008 (%)			Change in Share Carpooling, 2000-2008 (% pts)		
Rank	Metro Area		Rank	Metro Area	
1	Bakersfield, CA	17.1	1	Dayton, OH*	2.0
2	Honolulu, HI	15.9	2	Madison, WI	0.9
3	Stockton, CA	15.1	3	Scranton, PA	0.9
4	Cape Coral, FL	14.4	4	Cape Coral, FL	0.7
5	McAllen, TX	14.2	5	Portland, ME	0.5
96	Cleveland, OH	8.1	96	Lakeland, FL*	-3.7
97	Springfield, MA	8.0	97	Jackson, MS*	-4.1
98	Youngstown, OH-PA	7.8	98	McAllen, TX*	-4.9
99	Akron, OH	7.5	99	El Paso, TX*	-5.2
100	New York-Newark, NY-NJ-PA	7.3	100	Modesto, CA*	-5.2
All metro areas		10.3	All metro areas*		-1.6

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data

* Changes statistically significant at 90 percent confidence interval



Table 3. Northeastern and Western Metro Areas Continue to Dominate Public Transit Commuting
Metro Areas Ranked by Share Commuting by Public Transit, 2008, and Change in Share, 2000-2008

Share Using Public Transit, 2008 (%)			Change in Share Using Public Transit, 2000-2008 (% pts)		
Rank	Metro Area		Rank	Metro Area	
1	New York-Newark, NY-NJ-PA	30.4	1	New York-Newark, NY-NJ-PA*	2.9
2	San Francisco-Oakland-Fremont, CA	14.4	2	Washington-Arlington-Alexandria, DC-VA-MD-WV*	2.3
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	13.4	3	Bridgeport, CT*	1.3
4	Boston-Cambridge, MA-NH	11.7	4	Poughkeepsie, NY*	1.2
5	Chicago-Naperville-Joliet, IL-IN-WI	11.3	5	Seattle-Tacoma-Bellevue, WA*	1.0
96	Greenville, SC	0.4	96	Houston, TX*	-0.5
97	McAllen, TX	0.4	97	Milwaukee, WI*	-0.5
98	Lakeland, FL	0.4	98	Las Vegas, NV*	-0.6
99	Tulsa, OK	0.4	99	Honolulu, HI	-0.7
100	Palm Bay, FL	0.3	100	New Orleans, LA*	-2.7
All metro areas		7.0	All metro areas*		0.5

Source: Brookings analysis of Census 2000 and 2008 American Community Survey data
* Changes statistically significant at 90 percent confidence interval

As described above, transit usage increased for the first time in decades during the 2000s, though by a small degree. The increase was most apparent in metropolitan areas with large transit systems, such as New York and Washington, where the share of commuters choosing the mode rose by at least 2 percent from 2000 to 2008. But increases were also seen in metropolitan areas that opened new transit lines and expanded transit service in the last eight years. Charlotte opened a light rail line in November 2007 and Colorado Springs opened an intercity commuter bus line in 2004, and both managed to place among the top 10 metropolitan areas for increases in commuter transit ridership, and rate of commuting by transit.¹¹

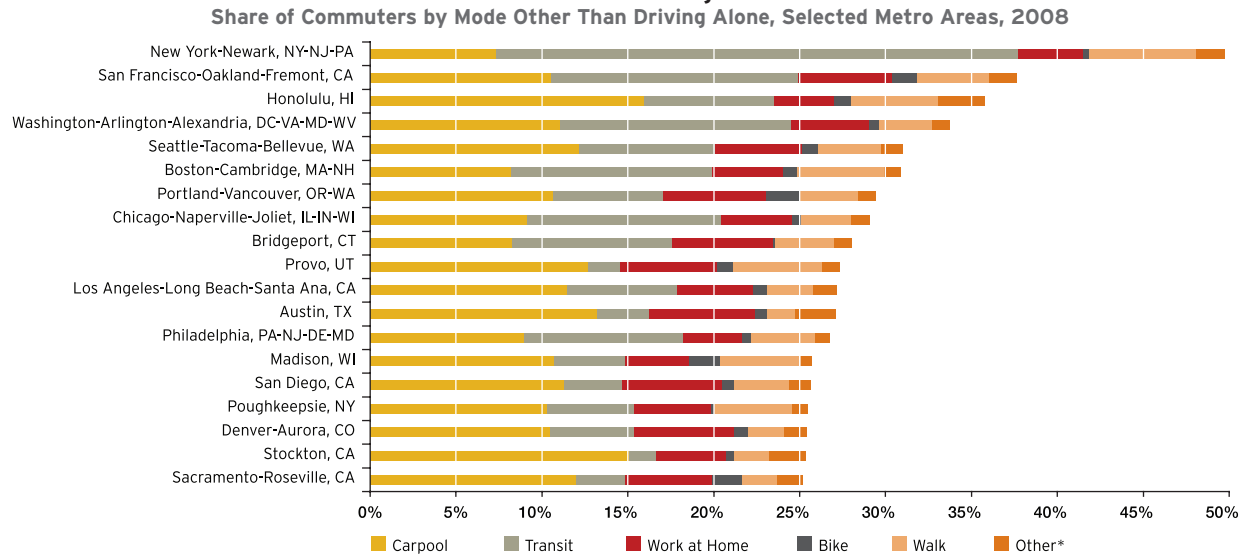
While one-third of metropolitan areas saw significant increases in their transit commuting rate during the 2000s, most of these increases were very small.

Only five metro areas posted increases of more than one percentage point. At the same time, the only decrease larger than one percentage point occurred in New Orleans, as a result of hurricane-inflicted damages to its public transit infrastructure. The first year of the Great Recession, which coincided with a spike in gasoline prices, contributed to the move toward greater transit usage. Between 2007 and 2008, rates of driving alone to work dropped in 38 of the largest 100 metro areas. In return, about 30 metro areas saw increases in carpooling and commuting by transit during the same period.

For most metropolitan areas, driving alone to work remains the commuting mode for the overwhelming majority of workers, and other options concentrate in a relatively small number of places. Indeed, only 14 metro areas have transit commuting rates higher than the national rate of 5 percent. In



Figure 3. In Only 19 Metro Areas Do More than 25 Percent of Commuters Travel to Work By a Mode Other Than Driving Alone



Source: Brookings analysis of 2008 American Community Survey data

* Includes taxicab, motorcycle, and miscellaneous means of transportation

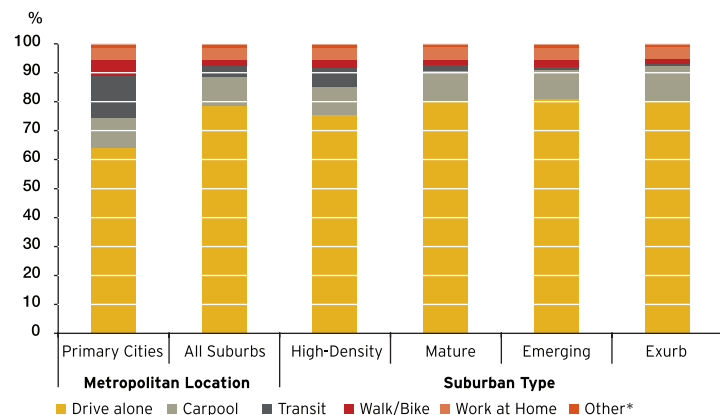
fully half of the 100 largest metro areas, transit commuting rates lie below 2 percent. Only 19 had more than one-quarter of their workforce in 2008 commuting by a mode other than driving alone (Figure 3). When taking into account any other means of transportation besides cars, only New York and San Francisco have more than 25 percent of their labor force not driving to work. Carpooling looms as a more important mode in smaller metro areas like Honolulu and Stockton, and larger ones like Seattle, Los Angeles, and Denver.

City and Suburban Trends¹²

Americans commute differently based on where they live within metropolitan areas. Across the 100 largest metro areas, a majority of commuters in both primary cities and suburbs drove alone to work in 2008, but city residents did so at a lower rate (64

Figure 4. City and Inner Suburban Residents Are Less Likely to Drive, and More Likely to Use Transit, than Commuters Elsewhere in Metro Areas

Share of Commuters by Mode and Metropolitan Community Type, 2008



Source: Brookings analysis of 2008 American Community Survey data

* Includes taxicab, motorcycle, and miscellaneous means of transportation



Table 4. Transit Commuters in Cities and Suburbs Have Different Socio-Economic Characteristics
Selected Characteristics, Primary City versus Suburban Transit Commuters, 79 Large Metro Areas, 2008

Characteristic	Primary Cities	Suburbs
Share of all workers	15.5	3.8
With incomes:		
\$15,000 to \$24,999	18.2	13.9
\$75,000 and over	13.7	26.5
In the Age Group:		
25 to 44	50.6	45.6
45 to 54	19.3	23.8
Who are:		
Below the poverty line	11.3	6.9
Foreign-born	38.1	29.8
Renters	67.6	41.0

Source: Brookings analysis of 2008 American Community Survey data
Note: Analysis limited to 106 primary cities and 79 metro areas due to data availability.



percent) than suburbanites (78 percent) (Figure 4). City workers commute more by transit, walking, and biking than those in suburbs, while rates of carpooling are similar in both types of places.

All suburbs are not created equal in their commuting patterns, of course. In 2008, commuters in the high-density suburbs that often surround primary cities took transit more often, and drove alone less often, than other suburban commuters. By contrast, less than 1 percent of exurban commuters took transit, but more than 12 percent carpoolled to cover the often long distances between home and work. Rates of working at home, somewhat surprisingly, differed little among metropolitan community types.

The overall increase in the 2000s of transit usage owes primarily to increased transit commuting in cities. In 2000, commuters in primary cities used transit at a rate 10.3 percentage points higher than

suburban commuters, and the gap had narrowed in the 1990s due to decreased ridership in cities. This trend reversed over the past decade, as transit usage increased faster in primary cities than in suburbs, so that the gap reached 11.2 percentage points in 2008. Carpooling, on the other hand, declined among both primary city and suburban commuters in the 2000s, though the decline was faster in cities, erasing any difference in the rate of carpooling across city and suburban lines by 2008.

Interesting differences emerge in probing the socioeconomic profile of transit commuters in cities and suburbs (Table 4).¹³ Those residing in the suburbs tend to be older than those in cities, in line with the overall population age differences between cities and suburbs. Not surprisingly, suburban transit commuters are more likely to have higher incomes, but they are actually higher income than suburban



residents overall, perhaps reflecting their greater likelihood of residing in close-in, transit-accessible suburbs that may be more expensive than outer suburbs. And while immigrants make up a larger share of city transit commuters, they still account for an outsized share of suburban transit commuters (30 percent). Primary city workers who commute by transit are more likely to rent, and more likely to be poor. These differences signal that while transit may be evolving into a mode of choice for certain types of suburban residents, it remains a mode of necessity for many city residents.

Finally, mode choices differ among workers at different educational levels, but the patterns are not necessarily consistent across cities and suburbs. In all types of communities, workers who have completed some college exhibit the highest rates of driving alone to work (from 69 percent in primary cities to 82 percent in outer suburbs), and the lowest rates of transit usage, while those without a high school diploma carpool much more often than others (20 percent). In suburbs, the least educated workers are more likely than other groups to walk to work, but in cities, all groups walk at roughly the same rate (4 to 5 percent). Workers with a bachelor's degree are slightly more likely than others to bike to work in cities (1.2 percent), but slightly less likely to bike in suburbs. And across all community types, the highest educated workers are most likely to work from home (5 to 6 percent), reflecting the more flexible nature of their jobs and access to technology.

CONCLUSION

Between 2000 and 2008, transit commuting increased as a share of all commuting for the first time in 40 years. It grew across the entire United

States, in primary cities and suburbs, in metropolitan areas with large transit systems in the Northeast and West, and in metropolitan areas in the South and West with growing systems. While significant, the increase was rather small, at the national and metropolitan levels. Less than 2 percent of the workforce in half of the 100 largest metro areas commuted by transit in 2008.

Driving remains, by a long shot, the primary commuting mode in America. While driving alone to work had underwent a small loss in commuting share during the last decade, carpooling use declined significantly. An increasing share of Hispanics and blacks traded carpooling for driving alone to work between 2000 and 2008, although more Americans preferred carpooling to driving alone during the first year of recession.

While it is uncertain whether these trends will continue, it does suggest that very few of the largest metro areas are seeing dramatic changes toward a "greener," lower-carbon commuting future. Only 19 of the 100 largest have more than a quarter of the workforce commuting by other means than driving alone to work. The number is reduced to only two (New York and San Francisco) when considering only non-driving commuting means.

Part of the challenge is that workers in many metropolitan areas simply do not have any alternatives to driving to work. Fifty-four (54) of the 100 largest metro areas do not have any rail transit service and also have relatively weak bus systems. Half of them are found in the South.¹⁴ Some metro areas, such as Charlotte, are opening new transit lines, but such efforts remain limited. Even as metro areas in the Northeast and portions of the West were able to reduce their driving-alone-to-work footprint in the 2000s, several in the Southeast and Southwest saw those rates increase over the decade.

Very few of the largest metro areas are seeing dramatic changes toward a 'greener,' lower-carbon commuting future.



Others still have to make do with a road and transit network that fits commuting patterns of the 1950s, when cities still functioned as regional hubs. Today only 21 percent of jobs in large metro areas locate within three miles of downtown, while over twice that share (45 percent) are more than 10 miles away from the city center. Moreover, job decentralization accelerated through at least the first half of the 2000s.¹⁵

Given these overall trends, the incremental changes in commuting patterns evident in the 2000s are not sufficient to reach any meaningful reductions in carbon emissions. In order for the U.S. to truly commit to a low carbon future, significant investments in cleaner vehicles and alternative transportation modes will be necessary.¹⁶ But given the continued decentralization of metropolitan area jobs and residences, serious attention to more sustainable growth patterns will also be necessary.

As the experience of other countries shows, this will not be a rapid change.¹⁷ Yet policy initiatives abound on all levels of government to help remake the sprawling American landscape, by developing integrated regional plans that link housing, transport, jobs and land use and create more compact and transit rich communities. Doing so will bring particular advantages, in compact development patterns that preserve rural lands and valuable ecosystems, and in a wider array of transportation options in more of our metropolitan areas that lead to fewer miles driven and lower greenhouse gas emissions. ■



ENDNOTES

1. This chapter employs the U.S. Census notion of “journey-to-work” as the travel from home to work of American workers 16 years and older. Therefore, commuting data

refer only to half of the commuting trip, unless noted otherwise.

2. The Office of Management and Budget (OMB) measures the social and economic integration between the core and adjacent territory of Metropolitan Statistical Areas and Micropolitan Statistical Areas by commuting ties. Office of Management and Budget, “Update of Statistical Area Definitions and Guidance on Their Uses.” OMB Bulletin No. 09-01 (2008).

3. The 2009 National Household Travel Survey (NHTS) data was collected over thirteen months—April 2008 through April 2009. The estimates represent annual estimates but not a calendar year. Federal Highway Administration, National Household Travel Survey 2009 (Department of Transportation, 2010).

4. Alan E. Pisarski, “Commuting in America III.” National Cooperative Highway Research Program Report 550 and Transit Cooperative Research Program 110 (Washington: Transportation Research Board, 2006).

5. The Census Bureau defines commuting mode in this way: “means of transportation to work refers to the principal mode of travel or type of conveyance that the worker usually used to get from home to work during the reference week.” Source: U.S. Census Bureau, “American Community Survey 2008: 2008 Subject Definitions” (Department of Commerce, 2009). There are four main categories: private vehicle (drive alone or carpool), public transportation (bus, streetcar, subway and elevated systems, railroad, ferryboat), other means (taxicab, motorcycle, bicycle), and walking. The absence of travel to work, “work at home,” is also reported by the Census Bureau as part of the travel behavior of American workers. One of the major shortcomings of Census travel data is that the commuting modes refer only to “the principal mode of travel.” Given that driving and public transportation are the main means used to commute for longer distances, walking or biking in a multi-modal commuter trip is not reported.



6. All the changes in this chapter are statistically significant at the 90 percent confidence level, unless noted otherwise. Due to data constraints, public transportation includes taxicab in Figure 1.
7. Commuting by transit excludes trips to work by taxicab, unless noted otherwise.
8. The analysis of commuting mode by race and ethnicity is limited to 92 metro areas for African Americans, 75 metro areas for Asians, and 90 metro areas for Hispanics due to data availability limitations. There were no commuting mode data in the following metro areas for African Americans: Albuquerque, Boise, McAllen, Ogden, Oxnard, Provo-Orem, Salt Lake City, and Scranton; for Asians: Akron, Augusta, Birmingham, Boise, Bradenton, Cape Coral, Chattanooga, Dayton, Des Moines, El Paso, El Paso, Greensboro, Greenville, Jackson, Knoxville, Lakeland, Little Rock, McAllen, Ogden, Palm Bay, Portland, Scranton, Toledo, Tulsa, Wichita, Youngstown.; and for Hispanics: Akron, Augusta, Baton Rouge, Birmingham, Chattanooga, Harrisburg, Jackson, Knoxville, Little Rock, Youngstown. Note: The changes in share of commuting mode add up to one by race. Change in transit share for African Americans and driving alone share for Asians for the largest 100 metro areas are not statistically significant at the 90 percent confidence level.
9. This analysis focuses on the primary commuting modes: driving alone to work, carpooling and transit. The authors intend to explore other modes (walking, biking, and working at home) in a separate analysis.
10. Flooding related to Hurricane Katrina damaged miles of the New Orleans metropolitan area's streetcar tracks and destroyed hundreds of buses. Three years after the hurricane, ridership had dropped by 75 percent. Ariella Cohen, "Transportation's Slow Ride to Recovery in NOLA." *Next American City*, Fall 2008.
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12. Changes in this section have not been tested for statistical significance due to data limitations.
13. The analysis of transit commuter profiles in primary cities and suburbs is limited to 106 cities in 79 metropolitan areas, because there were no commuting mode data for 21 primary cities that are the only primary cities in their metropolitan areas in ACS 2008. There were no data for additional 10 primary cities, but because they were not the only primary cities in their metropolitan areas, the data for their 10 metropolitan areas are included in the analysis. Excluded metro areas are: Albany, Birmingham, Bradenton, Cape Coral, Charleston, Chattanooga, Columbia, Greenville, Harrisburg, Hartford, Jackson, Lakeland, Little Rock, McAllen, Palm Bay, Portland (ME), Poughkeepsie, Providence, Scranton, Springfield, and Youngstown. Excluded cities are: Bellevue (Seattle); Cary (Raleigh); High Point (Greensboro); Joliet (Chicago); Kansas City, KS (Kansas City); Pompano Beach (Miami); Scottsdale (Phoenix); Thousand Oaks and Ventura (Oxnard); and Warren (Detroit).
14. Robert Puentes, "A Bridge to Somewhere: Rethinking American Transportation for the 21st Century" (Washington: Brookings Institution, 2008).
15. Elizabeth Kneebone, "Job Sprawl Revisited: The Changing Geography of Metropolitan Employment," (Washington: Brookings, 2009).
16. Electric vehicles will only partially solve this problem if the sources of electric generation themselves remain as carbon-intensive as they are today.
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POLICY IMPLICATIONS

Polling Place

**Centro Electoral
Lugar ng Botohan
Địa Điểm Phòng Phiếu**



Some commentators have begun to refer to the 2000s as “the lost decade,” largely on the basis of the lack of job and economic growth nationally over the decade.¹ President Obama himself referred to the decade as such in his January 2010 State of the Union address.

But the decade was lost in another sense, too; the nation lost time and opportunity to respond to the challenges and prospects that its new demographic realities portend.

We now stand on the precipice of a “decade of reckoning.” The economic rollercoaster of the past 10 years has distracted the United States and its major metropolitan areas from grappling with the urgent implications of the longer-run shifts afoot in our society. Issues such as how to support communities with rapidly aging populations, how to meet family and labor market needs through immigration, how to build workforce skills to maintain American economic leadership, and how to help lower-paid workers support themselves and their families simply cannot go unaddressed for another decade without risking serious degradation to our collective standard of living, not to mention the quality of our democracy. Tackling these and other challenges will require coherent, purposeful leadership at the national scale in the coming years.

This reckoning must occur at the metropolitan level, too. National policy will be necessary, but not sufficient, for addressing the wide range of challenges facing metropolitan areas. Indeed, the increasingly distinct profiles of major metro areas along the key dimensions outlined in this report demand that their own agendas—at the state, regional, and local levels—confront the issues most

pressing to their own futures. For all metropolitan areas, that includes embracing governance adaptations that recognize and take advantage of the increasingly common demographic, social, and economic trajectories of their cities and suburbs.

THE MACRO—SECURING THE PLATFORM FOR METROPOLITAN PROSPERITY

The issues that the five new realities documented here raise are by no means completely off the national radar. Government fiscal analysts, financial planners, and hospital administrators, for instance, are only too aware of the challenges and opportunities raised by the impending retirement and ongoing aging of the boomers. Likewise, the future of America’s immigration policies remains in flux amid contentious debate over how they should treat undocumented workers.

Yet in these areas and others, national conversations tend to overlook the fact that these new realities affect not only “macro” conditions such as the federal budget and the U.S. labor market. They are also experienced in places—mostly in our nation’s largest metropolitan areas. Actors at the metropolitan level cannot, on their own, tackle the enormous challenges emerging from these social, demographic,

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and economic shifts. Only national policy makers have the fiscal and jurisdictional reach, and authority to make the truly market-shaping decisions needed to address these new realities. However, this requires an agenda that goes beyond the conventional ways in which these issues are framed at the national level, to confront aspects of particular concern for the metropolitan communities on the front lines of these trends.

Accommodating More Efficient Growth

America's growth, as described earlier, confers both blessings and challenges. The economic and fiscal future of our nation would be in much greater doubt if we were not managing to continuously replenish our younger population through natural increase and immigration. At the same time, the volumes of people that we expect to add in the coming decades—a projected 90 million between now and 2050—are without equal in the industrialized world. Moreover, that growth will coincide with urgent new challenges for energy consumption and global climate change. Quite naturally, the debate at the national level around growth and the future of our environment has focused on reducing greenhouse gas emissions by raising the relative market price of the energy sources that produce them, through a carbon tax, “cap and trade,” and investment in cleaner energy technologies.

In addition to these strategies, however, national leaders makers must address flaws in federal policy that have enabled the sort of energy-intensive, distended growth patterns familiar to most metropolitan areas:

- Because transportation is the single largest contributor to the nation's carbon footprint, federal **transportation policy** must also play a role in reducing wasteful growth patterns. The reauthorization

of the federal transportation law should reward and direct greater alignment between housing and transportation planning at the state and local levels; condition federal affordable housing and transit funds on the coordinated use of both; and issue “sustainability challenge contracts” to states and metropolitan areas that allow them to pursue coordinated growth strategies that collectively reduce their carbon footprints²

- Reducing the **deductibility of mortgage interest** could help discourage the over-consumption of housing, which not only contributes to sprawling development patterns within metro areas, but also fueled the economic crisis of the late 2000s and over-supply in many Western and Southeastern growth centers. Proposals to lower the rate at which higher-income taxpayers can itemize deductions, convert the mortgage interest deduction to a credit, or phase out the deduction for larger, more expensive, or second homes could all preserve society's implicit preference for homeownership, while encouraging more environmentally prudent housing patterns³

Integrating and Incorporating Diverse Populations

The notion of America as a great “melting pot,” popularized during the last great wave of immigration at the dawn of the 20th century, implied that new arrivals to this country would absorb the ways of their new society, preserving a more homogeneous “American culture.” That notion was always a bit of a myth, because as immigrants assimilated into American society, they expanded the boundaries of its culture. That expansion and its accompanying tensions continue today, especially given the dramatic regional shift in the sources of U.S. immigration, the rising share of population born abroad, and the

labor market challenges currently facing the country. Moreover, underlying concerns extend beyond the foreign born to include other growing non-white shares of the U.S. population, such as African Americans and the “second generation” children of immigrant parents.

As others have persuasively argued, the demographics of our society require the successful economic and social incorporation of diverse younger populations.⁴ As the ratio of seniors to working-age residents grows in the coming decades, how these populations fare will largely dictate our ability to support older populations economically, maintain a stable housing market, and supply the human capital for the institutions and occupations on which seniors will depend. In this sense, comprehensive immigration reform that protects our borders, meets our labor market needs while protecting U.S. workers, and provides a fair pathway to legal status for long-time residents is surely an immediate national policy priority.

While this approach may resolve for now the future of U.S. immigration policy, it does not amount to a coherent U.S. *immigrant* policy that assists in the incorporation of these new populations and others like them. In its absence, metropolitan communities on the receiving end of recent waves of immigrants have responded in hundreds of conflicting, often counter-productive ways to these influxes. Responding in a timely and strategic way to new and existing immigrant populations at the regional level may require federal support to bolster programs and practices—such as literacy training, workforce assistance, civic engagement and citizenship classes—that facilitate incorporation but may be destined for cuts in the current fiscal environment. One proposal would create a **national Office of New Americans** to elevate the largely makeshift, localized efforts

toward integration to form a strategic nationwide network.⁵ Such a network should focus on metropolitan approaches, as individual jurisdictions do not serve the broader set of communities (e.g., workplaces, schools, places of worship, social networks) that form the locus of immigrant integration.

Enhancing Community Affordability and Vitality for Seniors

The national conversation around aging has recently focused, with good reason, on the fiscal impacts of boomer retirements—particularly on public health care expenditures. The recently enacted health care reform law probably represents only the beginning of what will be a long-running debate on the topic. Still to be fully reckoned with are decisions to ensure the fiscal future of the Social Security system, while preserving and encouraging the labor market contributions of boomers as they advance beyond age 65.

We cannot know for sure what the retirement of the boomers will mean for the landscape of America’s metropolitan areas, especially the suburbs in which most are located. The generation’s demographic, social, and economic diversity suggests that communities will both benefit and face new challenges from the aging in place of the boomers.

Federal policy has an important role to play in helping communities accommodate these diverse older populations in ways that enhance quality of life and community vitality for all residents. On priority must be to meet increased demand for **affordable housing** for seniors, such as units subsidized through the U.S. Department of Housing and Urban Development’s (HUD’s) Section 202 program, and coordinate supportive services for those populations (funded by the U.S. Department of Health and Human Services). For the home-owning majority of boomers, HUD should also exact greater oversight of

The generation’s demographic, social, and economic diversity suggests that communities will both benefit and face new challenges from the aging in place of the boomers.

counseling around **home equity conversion mortgages (HECMs)**. These products allow seniors to convert their home equity into cash advances while still living in their homes, but which are too often marketed and sold in misleading ways.⁶ To preserve and enhance senior mobility, federal **transportation planning requirements** could obligate grantees to take into account the specific highway and transit needs of older populations, and funding could be conditioned on their success in meeting accessibility targets.⁷ Likewise, greater coordination of federal affordable housing and transit programs could be a further lever to improve seniors' access to walkable communities with a range of transportation options.⁸

Accelerating Higher Educational Attainment

Improving the quality of education is no less than a public policy obsession for many public- and private-sector leaders, at all levels of the system. And with good reason—the rising human capital levels of our population explained much of America's economic success in the 20th century, and will probably be an even more important contributor to our standards of living into the future.⁹

In that regard, it is difficult to see how much longer the United States can abide widely divergent educational outcomes by race and ethnicity, given our changing population characteristics. By 2050, non-Hispanic whites will represent less than half of the nation's prime working-age (25 to 64) population. Over the next 40 years, blacks and Hispanics are projected to account for roughly 90 percent of total growth in that age range.¹⁰ But post-secondary educational attainment rates for those groups track below 20 percent, roughly half those for whites and Asians. Although racial and ethnic gaps in educational achievement and access to college have

narrowed over time, they have persisted in college completion. Increasing diversity in the younger college-going population may go some way toward explaining the lower rate of college degree attainment among 25 to 34 year-olds than the previous cohort.

Thus, federal policies that promote access to higher education, such as the recently enacted increase in the Pell Grant program, are important but not sufficient for significantly raising attainment. First, strategies to reduce inequities in preparedness for higher education are crucial. The U.S. Department of Education should continue to focus, through multiple programs such as **Race to the Top**, **Investing in Innovation Fund**, and **Title I**, on enhancing teacher quality for students in need and promoting effective interventions for low-performing schools, which locate disproportionately in large metropolitan centers, both inner-city and suburban. Second, research indicates that rewarding institutions and students not just for enrollment, but also for persistence and completion, in higher education can result in improved rates of attainment.¹¹ The proposed **College Access and Completion Innovation Fund** and **American Graduation Initiative** would focus more federal resources, and leverage state and local resources, to promote pathways to degrees. Their biggest targets would be the community colleges that are present in multiple parts of all metropolitan areas, and which serve a large and growing share of their racial and ethnic minority students. Both programs were dropped from recent legislation enacting the Pell Grant increase, but their ideas deserve continued support from federal policy makers concerned with reducing racial and ethnic disparities in higher education.

Reducing Income Inequality

Throughout most of the 1980s and 1990s, middle-income households and middle-wage workers derived limited benefit from economic growth in the form of rising earnings. Higher-income families and workers began to pull away from the pack, and income inequality increased. But the 2000s put an exclamation point on this pattern, resulting in real income and wage losses at the middle and bottom of the distribution, even as those at the higher end posted gains. The combination of the types of jobs lost during the recession, and those sustained and now growing in its wake, could in fact contribute to a labor market with even greater wage and income inequality than what preceded the downturn.¹²

At the moment, lessening income inequality has taken a back seat to resolving the plight of unemployed workers and creating jobs among federal economic policy priorities, with good reason. As the federal government considers strategies and investments to reduce unemployment, it should seek to create and sustain jobs that not only fill critical functions in the economy, but also provide employment opportunities and decent wages for low- to middle-skilled workers. Along these lines, investments that restore and grow the productive capacity of the nation's **auto communities** would help keep the nation on the front lines of innovation and the move to a low-carbon economy, rebalance U.S. trade, and bolster a sector that has traditionally generated good middle-class jobs.¹³ Given the suffering these communities endured at the hands of the economic crisis, investments to modernize their infrastructure and land use, support their leadership in clean energy production, and keep and grow their advanced manufacturing industries now lie clearly and uniquely within the purview of federal policy.

Over the longer run, educational policies that

prepare a larger segment of the workforce to serve in higher-paying industries and occupations are another wise investment. But for the foreseeable future, there will remain jobs that pay wages insufficient to help workers meet basic costs of living for themselves and their families. This is especially the case now that unemployment rates will likely remain high for an extended period of time. Federal policy must thus continue to supplement the wages and incomes of low- and moderate-income families. Subsidizing their purchase of health insurance, as the recently enacted health care reform law will, is an important step in this direction. Stepped-up **labor standards enforcement**, which the Obama administration has begun to undertake, could help improve wages for vulnerable workers and communities toward the bottom of the income distribution.¹⁴ Equally critical are tax credits that support lower-income working families—a majority of whom live in suburbs—such as the **Earned Income Tax Credit** and the **Child Tax Credit**.¹⁵ Federal policy makers should renew provisions of these credits in the coming years that are scheduled to expire, as well as consider strategies to combine and expand these and related credits as part of a more fundamental re-writing of the federal tax code.

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THE METRO-UNDERSTANDING AND TAILORING RESPONSES TO REGIONAL REALITIES

National policy makers have the unique obligation to address aspects of the five new realities that affect all metropolitan areas, or are simply beyond metropolitan areas' own capacity to tackle. As this report demonstrates, however, different challenges assume varying levels of prominence in different types of

metropolitan areas. The future of second generation Americans, for instance, is a much more pressing issue in Diverse Giant and Border Growth metro areas than in Industrial Core areas. National policy responses must recognize the diverse starting points of metropolitan areas and, where necessary, ensure that interventions are tailored to those differing on-the-ground realities.

The 2010s will be metropolitan areas' decade of reckoning, too. Because these places pulled even farther apart from one another on several dimensions of the new realities in the 2000s, federal policy alone cannot provide a solution tailored to each metropolitan area's individual situation. Therefore, leaders at the state, regional, and local levels must now more than ever understand and respond purposefully to the demographic, social, and economic changes most affecting their places. In doing so, they can look to the experience and support of metro areas with which they share important characteristics, as no metropolitan area is so unique that it stands totally alone in the face of these dynamics.

Border Growth and Mid-Sized Magnets

In the once booming, now sputtering growth centers of the Southwest and Southeast, the 2000s were an ephemeral decade in which housing and in-migration grew to play too important a role in the metropolitan economy. The subprime mortgage crisis originated in many of these places, and eventually triggered a full-blown international economic crisis that shut down the engines of their growth. Much of that growth was not only economically unsustainable, but also environmentally wasteful.

Over the next decade, these metropolitan areas must seek greater balance. This applies first and foremost to their economies, which policies must

seek to diversify away from housing, toward productive industries that can contribute to America's emerging next economy. Smart infrastructure investments in these metro areas could promote growth of alternative energy production and distribution, international travel and tourism, and linkages with larger nearby centers of global commerce (e.g., Los Angeles, Houston, Miami). This also applies to their own growth patterns, which in many cases have strained natural resources by concentrating development in low-density locations. Their current oversupply of housing and slowed rates of in-migration obligate these places to reconfigure their housing and transportation plans, to provide more sensible options for homeowners and renters in an aging society (especially in the Southeast) and carbon-constrained economy.

The other, even more existential challenge facing these places is to equip their emerging workforce with the education and skills necessary to attract and retain productive, competitive industries and occupations. With many of these metro areas located in states suffering severe fiscal challenges, their institutions of higher education—both 2-year and 4-year colleges—face severe cuts in their own budgets. Local and regional leaders in these areas must be fierce champions for the continued viability of these institutions, which offer the best hope for ensuring that their large and growing young, minority populations can contribute meaningfully to future economic growth, and provide an even better life for their families than their parents could.

Diverse Giant/Next Frontier

The large coastal and growing Western metro areas that make up the Diverse Giant and Next Frontier categories will retain an economic advantage in

the next decade from their built-in stocks of human capital, innovative firms and research institutions, and denser urban cores that attract and retain highly educated workers. While their increasingly diverse demography confers numerous strengths, it also raises challenges in the form of high and rising educational and income inequality.

The 18 metropolitan areas in these categories contain 56 percent of the nation's foreign-born population, and a majority of its "second generation" children, too. These populations are highly diverse in their national origin, educational background, and recentness of entry to the United States. Moreover, 57 percent of their foreign born are located in suburban communities, many of which are quite new to the phenomenon of immigration. As changes in these populations occur relatively quickly, public, private, and non-profit leaders in Diverse Giant and Next Frontier metro areas should undertake region-wide efforts to monitor the size and status of their foreign-born populations. They should also adopt the most innovative practices for accelerating the civic and labor market integration of these populations, such as intergenerational and vocational literacy training, and programs that help immigrants become U.S. citizens.¹⁶

The high levels of inequality that mark many of these areas also create intense price pressures for low-income, and even middle-income, workers and families. Providing high-quality, affordable communities for these segments of the population is important not only to ensure that basic public needs are met (e.g., by key workers in health care, education, and safety), but also to keep retail prices in check more generally, and to provide viable options for families as they climb the economic ladder.¹⁷ The housing price crash has perhaps ameliorated the affordability pressures in these markets temporarily,

but they are sure to grow again in the coming decade. More cities and regions in these metro categories could benefit from the sort of bold, long-term thinking that undergirded New York City's ambitious PlaNYC, or the Sacramento Region's Blueprint, each of which provide a roadmap for addressing future local and regional population needs in an environmentally sustainable, fiscally efficient manner.¹⁸ In addition, strategies to promote greater affordability within these regions should take into account the costs of not just housing but also household transportation, as the latter can represent an equally heavy burden on the budgets and time of moderate-income working families.¹⁹

New Heartland

New Heartland metropolitan areas, as indicated by their title, represent in some ways the "middle of the road" on the new demographic realities transforming America. Their population characteristics—more educated, somewhat less diverse, younger, and with lower levels of educational and income inequality—reflect in large part the selective in-migration they experienced in the 2000s and earlier decades. As the recovery gets underway, the diverse economic specializations of these places will likely position them well to participate in the next wave of U.S. economic growth during the 2010s. However, with migration rates likely to remain somewhat lower in the near term, an "import strategy" for augmenting their human capital may not be as reliable as in the recent past.

To that end, these metropolitan areas would do well to focus on growing a more educated pipeline of workers, both present and future, from within their own borders. Some are home to challenged urban and inner-suburban school systems with high proportions of lower-income minority students (e.g.,

Leaders at the state, regional, and local levels must now more than ever understand and respond purposefully to the demographic, social, and economic changes most affecting their places.

Atlanta, Indianapolis, Minneapolis), that may now have an opportunity to attract new, young, middle-class families who are choosing to live in the urban core. This could mean improved learning prospects for disadvantaged kids as well as a wider constituency for continued investment in and improvement of these systems.²⁰ In addition, most of these metropolitan areas are home to major public universities that educate many of their own residents, or those elsewhere in the state. Closer partnership between regional economic development and university officials could be geared toward convincing more of their students to begin their careers—and build the next middle class—in their alma mater’s region.

Skilled Anchor and Industrial Core

Economically, the Skilled Anchor and Industrial Core metro areas are quite distinct. The former have lower shares of their populations in manufacturing industries, and higher shares in services industries such as health and education. This difference has insulated them from the recent, deep economic suffering visited on the Industrial Core areas. Indeed, some of the larger cities among the Skilled Anchors (e.g., Baltimore, Boston, Philadelphia, Pittsburgh, St. Louis) showed renewed signs of residential strength in the 2000s that were less apparent in the Industrial Cores.

Yet on most of the five new demographic realities transforming metropolitan areas, Skilled Anchor and Industrial Core areas are more similar than distinct. They experienced rapid decentralization amidst only modest growth in the 2000s, and an above-average share of their commuting occurs by car (the highest rate in Industrial Cores). Immigration to these metro areas—with a couple of notable exceptions—is quite low, though most retain significant African American populations as a consequence of their former

manufacturing might. They have among the oldest age profiles of the metropolitan types, the result of low in-migration and a significant aging-in-place boomer and senior population.

While both types of areas have similar challenges to tackle, then, their different economic positions may dictate different approaches. Slowing the tide of decentralization should be a priority for all of these metropolitan areas. Skilled Anchors have, as their name implies, significant anchor institutions in the form of universities and hospitals that can be effective partners in both economic and residential development.²¹ Many such institutions are present in the Industrial Cores, too, but in light of their vast but now unutilized industrial and population footprints, those regions likely need more radical land-use interventions to revive residential and economic vitality.

These strategies should also take account of the particular opportunities and challenges accompanying the rapid aging of their populations. Many experienced a “brain drain” of younger workers in recent decades, even the Skilled Anchors where educational attainment remains above average. For that reason, efforts to keep the boomers connected to the labor market, even as they reach retirement age, could benefit these regions both socially and economically.²² Integrating housing and social services for their larger-than-average senior populations, in both urban and suburban settings, as well as supporting the use of home and community-based services (versus institutional care) to care for the elderly should be additional priorities.

Finally, the out-migration these regions have experienced reflects not only a decline in their economic functions, but also the perception among departing younger workers and married-couple families that areas like the New Heartland and the Next Frontier may offer themselves and their

children better educational opportunities, or a more diverse and vibrant cultural environment. Thus, priorities that apply to other metropolitan categories around welcoming and incorporating new (if still small) immigrant populations, and improving (if not completely overhauling) the human capital pipeline, apply at least equally to the Skilled Anchors and Industrial Cores.²³

Enabling Metropolitan Action

Finally, new demographic realities must be met with new governance arrangements. More than ever, the lines between cities and suburbs—and the long, fruitless history of battles and mistrust between them—must be transcended. Cities and suburbs increasingly share challenges like poverty, growing elderly populations, and influxes of new Americans. At the same time, the fiscal crisis has dramatically undermined the capacity of individual jurisdictions to address familiar existing needs, and has compromised their ability to react to new realities. States are facing their own intense fiscal stresses, which will get worse before they get better, and thus they cannot be counted on to support the local government status quo.

The demographic and fiscal outlook demands three kinds of changes from local leaders. First, they must create regional solutions to new, shared regional challenges. Changes in suburban demographics and the challenges they raise will not abate in the 2010s. Local leaders need to recognize that these trends are playing out to a greater or lesser extent across most of the jurisdictions in their metropolitan area, and work toward regional solutions to regional issues. Older, larger jurisdictions, with greater experience in dealing with poverty, or the needs of second-generation children, have valuable insights that can structure regional

responses and keep other places from reinventing the wheel. Sometimes, new institutions are needed. For instance, in a growing number of metro areas, regional workforce intermediaries serve as critical links between the supply and demand sides of the labor market, working with employers, educational institutions, workforce training providers, and workers at the regional scale.²⁴

Second, metropolitan areas need to overcome their legacy of fragmented “little box” governments, either through greater collaboration between jurisdictions, or outright consolidation of outdated, inefficient local government units. The Pittsburgh metropolitan area, for example, which declined in population in the 2000s, still contains 775 separate local governments that include municipalities, townships, counties, and special districts. Fragmentation such as this keeps governments weak: the vast majority of municipalities have limited tax bases and struggle to provide even the most basic services. Fragmentation also increases the cost of government, often leading competing jurisdictions to duplicate infrastructure, staffing and services that could otherwise be provided more cost effectively. Finally, fragmentation exerts weakens long-term regional economic performance: parochial jurisdictions compete against each other rather than working together to resolve shared challenges and compete in the world economy. Consolidation, particularly of school districts, has yielded savings, better services, or both. Maine has saved \$36 million by reducing the number of school districts from 290 to 215, and hopes to make additional reductions. School district consolidation has also been proposed in Pennsylvania (from 500 districts to 100) and Indiana.

Third, metropolitan areas have to act like metropolitan areas, especially in their dealings with states. In 29 states, large metropolitan areas contain a

More than ever, the lines between cities and suburbs—and the long, fruitless history of battles and mistrust between them—must be transcended.

majority of the population; in some of those states, just one or two metropolitan areas alone make up a majority of the population. Yet state legislators from these large centers, together with their smaller metropolitan counterparts, do not reliably unite to exercise their numerical advantage. They are divided by party, by race, by class, and by the outdated view that cities, suburbs, exurbs, and rural areas (all of which are found within metropolitan areas) have incompatible interests. As metropolitan areas grow and share an increasingly unified demographic profile—and attendant challenges—they should consolidate their influence on common issues that concern the well-being of their populations.

These governance ideas are, admittedly, not necessarily new, nor have they been widely practiced to date. But the recent pace and scale of demographic change in metropolitan areas, and the challenges those trends raise amid a bleak fiscal environment, mean that the time has come for individual metropolitan jurisdictions to govern together, in ways befitting their increasingly common destinies.

CONCLUSION

Specific policy responses that truly engage and make the most of America's potential in the face of emerging demographic realities must be priorities for national, metropolitan, and local actors alike in the coming decade. This chapter presents a policy framework for approaching these issues from both "macro" and "metro" perspectives.


But a higher-order leadership is just as needed. Notwithstanding the long-term sweep of many of the trends described here, the pace of change and complexity of U.S. society only seems to multiply with each passing decade. Now, as the nation and its major metropolitan areas reach a series of critical demographic junctures, forging a constructive path forward to the "next society" is as much about helping communities manage the velocity of change as it is about responding to its specific character. Failure to maximize shared responses to the inevitable challenges of change, and to promote common ownership of the solutions, will only serve to sow the seeds of intergenerational and inter-racial, inter-ethnic conflict. The resulting polarization, already evident in our national politics, impedes adaptation and the timeless American struggle to form a more perfect union.

Understanding—from the ground up—who Americans are, and who they are becoming, is a critical step toward building those bridges before they become impassable divides. We hope that the *State of Metropolitan America* proves a useful platform from which to build that understanding. ■

ENDNOTES

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13. Jennifer Vey and others, "The Next Economy: Rebuilding the Nation's Auto Communities" (Washington: Brookings Institution, forthcoming 2010).
14. Melanie Trottman, "Employees Urged to Seek Wage Rights." *The Wall Street Journal*, April 6, 2010, p. A4.
15. For more on the spatial distribution of those benefiting from the Earned Income Tax Credit, see Alan Berube and Thacher Tiffany, "The 'State' of Low-Wage Workers: How the EITC Benefits Urban and Rural Communities in the 50 States" (Washington: Brookings Institution, 2004).
16. Audrey Singer and others, "Recent Immigration to Philadelphia: Regional Change in a Re-Emerging Gateway" (Washington: Brookings Institution, 2008).
17. David M. Frankel and Eric D. Gould, "The Retail Price of Inequality." *Journal of Urban Economics* 49 (2001): 219-39; Jason Booza, Jackie Cutsinger, and George Galster, "Where Did They Go? The Decline of Middle-Class Neighborhoods in Metropolitan America, 1970-2000" (Washington: Brookings Institution, 2006).
18. "PLANNYC: A Greener, Greater New York" (City of New York, 2007); "Sacramento Region Blueprint:

- Transportation/Land Use Plan" (Sacramento Area Council of Governments, 2004).
19. Barbara J. Lipman, "A Heavy Load: The Combined Housing and Transportation Burdens of Working Families" (Washington: Center for Housing Policy, 2006).
 20. A selective return of the middle class to public schools has begun to occur in some of these cities; see, e.g., Kristina Torres, "More Kids Stick with Buckhead Schools." *Atlanta Journal-Constitution*, March 15, 2010.
 21. Timothy J. Bartik and George Erickcek, "The Local Economic Impact of 'Eds and Meds': How Policies to Expand Universities and Hospitals Affect Metropolitan Economies" (Washington: Brookings Institution, 2008); Jennifer Vey, "Higher Education in Pennsylvania: A Competitive Asset for Communities" (Washington: Brookings Institution, 2005).
 22. See, e.g., analysis and recommendations of various government reports on the subject of engaging older workers including: Government Accountability Office, "Highlights of a GAO Forum: Engaging and Retaining Older Workers" (GAO-07-4385P, 2007); Expert Panel on Older Workers, "Supporting and Engaging Older Workers in the New Economy" (Toronto, ON: Workplace Institute, 2007).
 23. The cities of New Orleans and Detroit, among others, have embarked upon significant restructuring of their public school systems; see: Paul Tough, "A Teachable Moment." *New York Times Magazine*, August 14, 2008; Excellent Schools Detroit, "Taking Ownership: Our Pledge to Educate All of Detroit's Children" (Detroit, MI, 2010). The City of Boston created an Office of New Bostonians in 1998 to coordinate its responses to the needs of the city's growing and changing population of newcomers from abroad; see www.cityofboston.gov/newbostonians/
 24. For examples of workforce intermediary efforts in Ohio and Pennsylvania regions, see Jennifer Bradley, Lavea Brachman, and Bruce Katz, "Restoring Prosperity: Transforming Ohio's Communities for the Next Economy" (Columbus, OH and Washington, D.C.: Greater Ohio Policy Center and Brookings Institution, 2010).

A large, diverse crowd of people is gathered on a city street, likely for a public event or protest. The crowd is dense, with people of various ages and ethnicities visible. In the background, city buildings and a traffic light are visible. A semi-transparent dark box in the upper right corner contains white text.

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BROOKINGS

1775 Massachusetts Avenue, NW
Washington, DC 20036-2188
telephone 202.797.6000
web site www.brookings.edu

Metropolitan Policy Program

at BROOKINGS

telephone 202.797.6139

fax 202.797.2965

web site www.brookings.edu/metro