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Save America's Dying Cities

Old formulas have failed, but new research points the way toward better approaches for urban revitalization. Restoring competitiveness is the key.

What accounts for the success and continued thriving of some cities, and the decline of others? During the decade when I ran the Ewing Marion Kauffman Foundation, as we developed a data-based research agenda on the phenomenon of entrepreneurship, I became impressed by differences in rates of business formation, from city to city. Controlling for population, it was clear that certain locales were home to more new businesses, a widely accepted surrogate of innovation and, in turn, economic growth and social well-being.

One of the marvels of America's economic history is how widely distributed genius appears to have been. One might expect more "smart" people in New York because of its size, but New York has had no greater per capita claim to commercial creativity. Many cities, among them Chicago in the mid-nineteenth century and Detroit in the 1920s, had spells of growing both new businesses and per capital wealth much faster. Such spells of innovation were also accompanied by a growing population.

The last 50 years, however, have revealed indisputable evidence that some urban areas are more suited to persistent invention, new firm formation, and wealth creation than others. Such areas also experience continued population growth, for the obvious reason that they offer more opportunities for people to flourish than other places. Meanwhile, a common wisdom has emerged about how entrepreneurial infrastructures, including institutional innovations such as venture capital and federal policies that encourage a small number of big universities to commercialize intellectual property, can predict the differential growth rates of cities. The presence of these infrastructures accounts for what is called "agglomeration of talent" in fortunate locales. This interpretation of urban innovativeness forces a zero-sum hypothesis, namely, that the happy present—and future—of some cities is determined by self-selecting gatherings of talent drawn from across the nation (and beyond), and that, therefore, other cities must lose out as their best and brightest, now fully aware of the increased probability of higher economic returns on their talent, decamp.

If this is true, then cities should invest significant resources in developing their entrepreneurial infrastructures. But is it true? As I returned to academic life I decided to study the forces that were leading some cities to flourish while others exhibited a phenomenon largely unknown before 1960—namely, negative population growth rates. Major American cities have always included areas of failure, slums, and substandard housing conditions caused by industrialization, immigration, and racial and cultural discrimination. But long-term depopulation was largely unseen.

Socrates and the city

For seven years I have taught an honors seminar at Syracuse University called "Why Cities Flourish And Fail." My students and I explore the vast literature on urban growth and contraction. Because it is an undergraduate course, I work to ensure students are exposed to a wide range of theories relating to city success. Seminars work best when, in Socrates's manner, students are provoked by questions that the readings might not pose. One is whether American genius is still distributed uniformly across the country. Another, perhaps finally receiving the attention it deserves and requires, relates to understanding why African Americans and ethnic minorities are more likely to achieve economic success comparable to their majority neighbors in some cities but not in others. Such questions have in turn led me on a quest for deeper understanding of what it would take to assure that all US cities are better able to foster growth and create opportunities for all their citizens.

One dominant and persistent narrative about how cities should maintain their urban culture, even as they inevitably grew, can be traced to Jane Jacobs, whose enormously successful *Death and Life of Great American Cities* (1961) grabbed attention in large measure for anticipating the destruction the Interstate Highway System was about to inflict on cities across the nation. Jacobs saw herself as a pioneering community activist, telling a story of the cultural vibrancy of ordinary neighborhoods such as hers in New York City's West Village, using the memorable term "ballet of the streets." Her book, really a jeremiad against urban planning, amounts to a plea to preserve the richness of neighborhood life as she told of it, where the proprietors of shoe repair shops, small groceries, and dry cleaners knew every customer, and everyone was watchful of the neighborhood's children. It has been read ever since as an idealized vision of how middle-class families could persevere in the face of the automobile and the dreaded destination it built—the sterile anticity, the suburbs.

Given her importance in helping to frame how people think about cities, one of the Socratic challenges I pose to my students is why Jacobs never addressed the topic of declining cities. Indeed, to Jacobs, city life was essentially static. Nothing in her book's 458 pages hints at the possibility of the American tragedy soon to come: that once-vibrant cities would soon begin to decline and die.

The idea of a city really dying, shrinking to a shadow of its once-bustling prosperous self that contributed its goods to the nation's and the world's markets, is difficult to contemplate. Buffalo once ranked with New York, Philadelphia, and Boston as among the wealthiest cities per capita in America. The coming of the railroad in the 1860s allowed Cleveland, Chicago, Dallas, Denver, and St. Louis to become wealthy too. In the early twentieth century, Detroit was emblematic of how a paradigm shift in technology could radically change the course of a city: when Henry Ford harnessed the internal combustion engine to the assembly line, he could formulate his dream of making automobiles a mass-produced consumer product. In the 1920s, Detroit became the nation's fastest-growing city and one of the wealthiest. George Eastman's impact on Rochester, New York, was similar. His breakthroughs in chemistry, manufacturing, and marketing allowed anyone to capture "Kodak moments." He turned his hometown into a technology center that later birthed Xerox and by extension Silicon Valley.

Every American city that had attained a population in excess of 100,000 by 1900 continued to grow through the first five decades of the new century. It is hardly surprising, then, that Jacobs did not recognize that cities were actually dying. Her book was published just before many cities reached an inflection point. In the 1970 US Census, St. Louis was the first city revealed to have 25% fewer residents than it had in 1950. By 1980, the systematic loss of population in larger cities had gathered such momentum that nine cities were at least 25% smaller than they had been in 1960. The trend has continued without interruption. In 2010, 17 cities were at least 25% below their residential high-water marks. Of course, many have lost much larger numbers: Detroit today is home to 44% of what was in 1960 a city of 1.5 million people.

In each of these 17 once-much-larger cities, population loss has been accompanied by a near doubling of the population living in poverty, with none having less than 20% of residents living below the federal poverty standard. Data from the 2020 census are likely to show that the number has increased to at least 20 such cities. Like Detroit and Rochester, each will have lost at least a third its population in the past five decades and, of residents remaining, at least a fifth will be living in poverty.

I term these "dying cities" because there is no evidence that we have devised any effective interventions that can reverse their downward course. There is as yet no known cure for their continuing collapse. The nation has actively pursued "urban renewal" and "slum clearance" since the Great Depression, and "innovation hubs" and "tech corridors" more recently, yet not one consciously devised revitalization solution has stemmed decay in any significant way. I have been determined to understand not only why, but what we might be able to do about it.

The forces of the urban apocalypse

To survive and thrive in modern market democracies, cities must be resilient. Above all, they must be able to respond to transformational changes in the structure of the economy—to the creative destruction of technological innovation, to evolving labor markets, and to the competition of a globalized economy. Economic dependence on a single industry is a well-known danger; the northeastern United States is dotted with small cities that have been in decline for more than a century due to the disappearance of textile manufacturing. And the effects on Detroit of rising global competition in automobile manufacturing have been apparent for decades.

So cities that survive and thrive must be able to create new businesses as fast or faster than they lose them. But, equally important, they must be able to maintain a good quality of life for their citizens, so residents want to stay and participate in their city's evolution and future. This means that cities must be not only economically flexible; they must be politically creative as well, so they can respond to changing pressures and opportunities required for good governance. And these two needs are tightly linked in a way that is not often appreciated, and that is at the heart of the challenge faced by most dying cities.

George Floyd's death at the hands of Minneapolis police has not only triggered a national resurgence of revulsion about racism. It has also made clear how difficult it is to reform ossified political institutions. As assessed in a front-page article in the *New York Times* in June 2020, the key roadblock to improved policing are the police unions: "The greater the political pressure for reform, the more defiant the unions often are in resisting it—with few city officials, including liberal leaders, able to overcome their opposition."

A related cause of declining quality of dying city life is the dismal performance of public schools. If a city's schools produce students deficient in math and science, its future workforce can never be competitive. This sad reality is the result of decisions made in the 1960s by many mayors who traded away control of schools to teachers' unions. As with the power of the police unions, teachers have been allowed to set work rules and enjoy immunity from the consequences of their own poor performance.

This problem goes still deeper, to the heart of what it takes to make a city financially and fiscally healthy over the long haul. Quality of urban life depends on the delivery of a wide variety of public services: safe streets and good schools, of course, but also provision of clean water, maintenance of sewers, sidewalks and bridges, collection of trash and recycling, delivery of fire-fighting and emergency services, and so on. As the economist William Baumol first observed in 1967, a key characteristic of such public services is that they are labor intensive—they are not easily subject to improved productivity through technological substitution. This means that the cost of offering good public services will increase over time, but unlike in the private economy, those increases cannot be easily offset by productivity gains that add value to the cost of labor.

The implications for cities are obvious. Cities need vibrant and growing innovative private sectors, to assure a growing tax base. But, equally important, they need the political flexibility to reform public sector service provision, or they will become financially unsustainable. The political history of twentieth-century cities helps explain how some cities maneuvered themselves into a political dead end that robs them of the capacity to meet the evolving needs of their citizens.

The power of unions is a central obstacle. As mayors allowed unionization of municipal workers, they magnified the inefficiencies for which public agencies are famous. In return, mayors latched on to a permanent source of campaign contributions from public-sector unions, which profoundly changed the balance of power in municipal politics. City employees acquired immense and permanent advantage over taxpayers. The costs of schools that cannot produce an internationally competitive workforce with basic skills, coupled with inflexible perpetual pressure on city budgets largely related to generous employee compensation and benefits, are directly responsible for the inability to institute reforms that might reverse the exodus of both businesses and residents.

In light of "Baumol's law" about the increasing cost of public services, one can see a direct relation between the shift of power in municipal politics and a second cause of city decay, the never-ending increases in real property, corporate, individual income, and other ad valorem taxes. It has long been a tenet of municipal finance that residents so love their cities that they are largely indifferent to their taxes. This is belied by the experience of the past two decades, which has overwhelmingly shown that taxpayers around the nation are highly sensitive to comparative tax burdens. The upcoming census will show significant out-migration from high-tax cities into surrounding, lower tax, counties, in addition to migration from high-tax states to those with no income taxes. Yet downsizing public workforces is often politically impossible due to long-term collective bargaining agreements that protect workers from layoffs. New York State, for example, employs 316 public workers per 10,000 citizens while Florida's ratio is 213; Rochester employs 17 municipal workers for every 1,000 residents while Tampa, nearly twice its size, employs only 11.

One-party towns

Dying cities also suffer from long-term political trends that have robbed them of ideological diversity. President Franklin D. Roosevelt used his New Deal programs in part to transform municipal politics, which he saw as critical to the long-term future of the Democratic party. Historically its power base was rural white southerners who had backed Jim Crow segregation after the Civil War. FDR encouraged urban machines in the Northeast and upper Midwest. He earmarked the first federally financed public housing projects for Kansas City and Detroit, and strategically located other projects in cities with ascendant Democratic majorities. President Johnson similarly tilted his Great Society programs to politically friendly cities. Starting in the 1960s, an avalanche of federal dollars started flowing toward American cities.

Thus, beginning with the Roosevelt administration, and progressing through the Johnson presidency and to the present day, as cities have needed to increase taxes to accommodate the growing cost of public services, they have also become increasingly dependent on federal grants and revenue sharing. Both of these trends have favored and been favored by Democrats, and unsurprisingly, the party has monopolized City Hall in many cities: St. Louis has not had a Republican mayor for 71 years, Philadelphia for 68, Detroit for 63, Baltimore for 53.

Whatever one's political views, the dangers of political monoculture should be apparent. Ideological diversity is the lifeblood of democratic problem-solving. Long-term political monopoly has rebuffed dissent and prevented cities from challenging entrenched interests to explore a wider range of ideas to reverse their declining populations, business base, and quality of life.

Before the Roosevelt years, most mayors came from the ranks of men (as they all were) who owned businesses that were important to the economic well-being of the city, as well as those who invested in those enterprises including local banks, and the lawyers who represented businesses and residents in legal transactions. Business experience proved useful to mayors, who had to act as managers when cities were self-sustaining, when a city's tax revenues had to cover its expenses. I do not mean to ignore the excesses and failures of those days. That version of governance left many city residents behind and was its own monopoly of power, lacking in diversity of people, perspective, and priorities. But replacing one political monopoly with another largely without the experience of working in business has meant the loss of a range of sensibilities that must be a part of a city's long-term success.

As fiscal dependency on Washington grew, political options were further reduced, as federal monies were accompanied by regulations that substantially reduced the discretion of mayors to manage traditional municipal services such as education, public health, hospital construction, policing, caring for the poor, transportation, and housing. Since the 1960s, a principle responsibility—often, the most important responsibility—of every city mayor has been to petition the federal government for funds. In 2018, the once wealthy and self-financing city of Buffalo received 42% of its budget from state and federal funds.

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Transformative technology

Thus, loss of political flexibility and fiscal control has been a key internal threat to the viability of American cities. Yet an even more powerful, irresistible force hurting many cities has come from the outside: transformative technologies. Consider the Interstate Highway System, now a largely assumed part of the national woodwork, which proved to be an extraordinarily potent technological catalyst. By 1980 when only half of the federal highway system was completed, Americans were driving twice as many miles as in 1956, the year that Congress authorized its construction. High-speed roads led to the production of much faster, more comfortable, and safer cars. Suddenly, faraway places were more accessible. Visiting Florida for a winter vacation didn't seem so farfetched or exotic. I-95 turned a trip by car from Philadelphia to Jacksonville from a three-day ordeal into a comfortable 12-hour drive.

At about the same time, the jet engine transformed commercial aviation. Demand for US domestic air travel soared from about 4 million passenger trips per year in 1960 to more than 775 million in 2018. As the supply of aircraft expanded to keep up with demand, the price of intercity air travel plummeted. Today, budget fares from Philadelphia to Jacksonville, about two hours in the air, can cost less than $100 each way, little more than the cost of Uber to and from the airports.

While jets first allowed people in Massachusetts, Minnesota, and Wisconsin to temporarily escape their winter weather, cheap air service then began to facilitate the decision to move to southern and southwestern cities—often those with much lower tax burdens. Commuting back to see family, or even to work, on a two-hour flight made acceptable what once looked unthinkable.

A complementary and largely unrecognized technology that disrupted the competitive position of cities in the Northeast and upper Midwest was air conditioning, which the English historian Sir Sydney Markham once called "The greatest contribution to civilization in this century." It was air conditioning that made steamy southern cities, and dry desert environments, livable and workable. In 1955, fewer than 2% of US homes had air conditioning, but by the end of the 1970s more than half, mostly in the South, did—a technological transition that occurred in parallel with the revolutions in transportation. Ironically, Carrier Corporation, the largest maker of air conditioners in the world, was located during its heyday in Syracuse, New York, a city known for its harsh winters. Now its corporate headquarters are in Florida.

Meanwhile, of course, the technology that continues to rearrange America's economic geography more than any other is the microprocessor and all that it has enabled, above all the internet, with its capacity to create professional and social networks that are entirely independent of geography. Now, at virtually no cost, high schoolers in West Virginia or Sri Lanka can form ambitions about careers with no proximate role models. They can learn needed skills and develop a supportive social circle that yields income and wealth in real or virtual space. If cities exist and thrive in great part because of the network effects resulting from people's proximity to one another, then the internet may threaten this fundamental raison d'etre. Rapid social and economic adaptation to COVID-19 may now be accelerating this threat.

A nation of microbrewers?

Amid these powerful forces pushing against the growth and very survival of many cities are a number of strategies for reinvigorating urban economies and livelihoods. The most commonly encountered strategy is to try to invent a new industrial cluster—often modeled on a city's once prosperous past. Michael Porter of Harvard Business School proposed the process: a city first discerns an unattended frontier of technology and then induces local entrepreneurs to develop a cluster of complementary companies that can develop a new market.

City economies cannot, however, be restarted by officials conjuring clusters of companies to exploit a new technology. This technique ignores the historical reality that the nation's first technological clusters were never planned, but rose organically. Worcester, Massachusetts, made wire; Schenectady, New York, produced locomotives; Toledo, scales; Milwaukee, beer. And the national economy was the sum of these city economies, each providing the rest with specific products.

Yet building cold-start companies with hoped-for potential to revolutionize a local economy is now a vision pursued by all decaying cities. A billboard on I-81 outside Harrisburg, Pennsylvania, declares the area to be "Silicon Valley 2.0." Silicon Valley is every mayor's model because it continues to be one of the world's most innovative local economies. It is unclear, however, what new technology can be locally invented that will reverse the economic fortunes of Harrisburg or Dayton or Minneapolis. Often in collaboration with universities, city governments build the institutional foundations of what they perceive to be Silicon Valley's entrepreneurial ecosystem. They create business incubators or accelerators (coworking spaces where aspiring entrepreneurs enjoy subsidized rent), organize venture capital funds intended to support local entrepreneurs, encourage groups of private "angel" investors, and recruit community mentors whose previous business experience is presumed to be useful to individuals starting new businesses.

The Brookings Institution in Washington believes the federal government should not only develop a cluster strategy for each city but also fund it. It is worth recalling, however, that government stimulus was seldom part of most cities' entrepreneurial past. Moreover, as reported in my recent book *Burn the Business Plan*, the costs of state and local government regulation and taxation on start-up companies is invariably highest in those very cities that most need new businesses. My research also shows that city-focused incubators are, for the most part, ineffective. At least half of 100 such efforts that I studied failed to produce even one start-up that survived more than five years. Just as with failed attempts to recreate new industry clusters in a city, ineffective efforts to build cadres of entrepreneurs in a given locale suggest the organic nature of entrepreneurship.

In aspiring to become home to more start-ups, many cities have turned to another strategy. Twenty years ago, the urban planning scholar Richard Florida wrote that troubled cities could recruit an imagined group of untethered college graduates, artisans, and designers—the "creative class"—to jumpstart local economies. He continues to advise cities hoping to attract new residents from this demographic by redeveloping former industrial neighborhoods, making old factory space into loft apartments, studios, and shops.

But no city that has lost most of its historic industrial base has been able to create the tens of thousands of new jobs necessary to revitalize its economy by turning to outside creative talent. Evidence I uncovered suggests that the creatives being recruited are much more likely to be artists opening galleries or lifestyle entrepreneurs running microbreweries, than tech inventors who build companies that employ thousands to manufacture and supply important products to national and world markets.

Replacing one political monopoly with another largely without the experience of working in business has meant the loss of a range of sensibilities that must be a part of a city's long-term success.

Four more reasons why not

In addition to such direct efforts to create new businesses, failing cities continuously recycle at least four other development strategies. One is building light-rail systems, perennially proposed not only to make it easier for more people to get to and from jobs but also as an emblem of the city's commitment to environmental sustainability. Seldom discussed, however, are the negative implications of light-rail, where routes are inflexible and more expensive than bus routes that can reach into many more neighborhoods and change with neighborhoods and the location of new jobs. Moreover, in and of itself, the debt connected to light-rail construction makes it more difficult for cities to lower commercial and residential taxes, a precondition to encouraging the formation of new firms and their hiring capacity.

Building downtown sports venues is another common strategy, aimed at reshaping a city into a tourist destination. This approach has been widely copied since 1984, when Indianapolis used public funds to lure the Colts, whose owners were unhappy with Baltimore's older outdoor football stadium, to a new indoor venue. Multiple studies have shown, however, that new stadiums have little impact on reversing urban decline. Construction jobs evaporate once the facilities are completed, and the number of game days is insufficient to create a permanent demand for hotels and restaurants. Even cities that have built museums, aquariums, and other attractions near new stadiums have experienced no discernible change in their overall economies.

A third proposed rehabilitation strategy for dying cities is to merge them with wealthier surrounding suburbs, thereby enlarging the city's tax base. This solution rests on a view that, as cities struggle with eroding tax revenues that cannot support their physical infrastructure, schools, and social services, surrounding suburbs that benefit from the cultural and employment opportunities of the nearby city should share these costs. But 50 years of consolidation efforts by cities looking for more tax revenue have failed in almost every instance. Residents of suburbs, generally happy with smaller, more efficient and responsive governments, see municipal administrations seeking to expand their tax base as both incompetent and corrupt.

A handful of cities have been fortunate to have local business leaders step forward to become "hometown champions." Detroit's Dan Gilbert, the founder of Quicken Loans, is enthusiastically taking charge of restoring the Motor City's downtown. In Baltimore, Kevin Plank, the founder of Under Armour, is leading an effort to rebuild the city's old industrial center. Diane Hendricks, a billionaire roofing-supply entrepreneur, has committed to reviving her adopted hometown, Beloit, Wisconsin.

But history suggests that such truly admirable rejuvenation efforts by local champions are unlikely to have a long-term impact. In 1977, Ford Motor Company led an immense effort to restore downtown Detroit. It financed the building of the Renaissance Center, seven connected skyscrapers, which was among the largest urban redevelopment efforts ever undertaken. Unfortunately, the project had minimal spillover effects in other parts of downtown, and surrounding businesses continued to leave.

Two lessons from Detroit's mid-70s history of failed urban renewal are worth remembering. First, the absolute number of residents is critical. To begin to resemble its economy of 50 years before, Detroit would require 800,000 new residents. Second, if a downtown is to revitalize, it must be more of a spontaneous process, not guided by comprehensive plans, whether devised by government or private initiatives. Plans always reflect their authors' normative views of how people should live and work in an idealized city. Such norms are unlikely to be disciplined by capital risk, changing labor markets, or evolving consumer preferences. The evolution of historic city centers shows that market signals, not heroic aspirations, are the best guide to urban development.

Great idea ... but does it work?

Why do we stand witness to so few instances of success? In part because there have been no systematic attempts to understand what works. Indeed, the most frequently attempted interventions meant to reverse the decline of specific cities have never been rigorously evaluated as to their effectiveness. Many of the initiatives proposed, developed, and implemented in cities have derived from case studies or even news stories about programs that have appeared at the outset to be promising in other locations. But case studies are context specific and thus a dangerous basis for new programs or interventions in disparate environments and circumstances. Entirely lacking has been serious quantitative research that could provide citizens, business leaders, city champions, and elected politicians a framework for charting more effective strategies and programs.

To develop a useful theory of intervention, needed statistical series must measure various urban functions that, when they degrade, presage urban decline. For example: What percent of out-migrating residents are relatively higher income earners? What is the velocity of home sales by neighborhood, and the vector of home prices? What are the skill levels and wage rates of job vacancies? What is the rate of decline or improvement in measures of comparative school performance? What is changing about the nature of crime? What about the growth of long-term pension obligations per resident? Such statistical information can establish more precisely whether a city's private-sector activity provides a sufficient tax base to assure the welfare of all its citizens.

Such research also should be able to model complex life-cycle patterns of cities whose growth and stagnation can be correlated with larger contemporaneous macroeconomic forces, including technological innovations such as robotics, globalization of manufacturing, and the loss of

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community-based banking. The resulting insights could assist cities in the difficult task of managing themselves as if they were the size they really are, not some hypothetical size to which they aspire, and to establish priorities in acquiring the assets needed to shape their future, such as more charter schools, and job training programs where factory owners advise on curriculum.

A second kind of data is also necessary. Local officials are bombarded with ideas promising the certainty of reversal of the fortunes of a declining city if specific—and inevitably expensive—initiatives are embraced. Where do city planners and mayors go to find a comprehensive and longitudinal record of the number of times, and the locations and circumstances, in which various interventions have been tried? Where is the historical catalog of success or failure?

In many disciplines, scholars and practitioners have, over time, curated histories of interventions to guide future generations in their fields, to help newcomers avoid repeating the mistakes of those who came before them, and to enable them to add to a growing body of knowledge. In research on cancer, for example, extensive tumor registry models exist both to advance research and optimize the treatment of individual patients.

If such a registry model could be constructed for urban revitalization initiatives, researchers could develop empirically grounded guidelines to assist city officials in judging the likely effectiveness of proposals prior to committing limited funds. Has a proposed intervention ever demonstrated its ability to expand the number of city residents and increase the level of indigenous private-sector activity? Where has that happened? Did a particular program produce an expanding tax base that has made possible the reconstruction of crumbling infrastructure? How was that achieved? Did funding to modernize school curricula work? Did a better-trained police force stabilize urban blight or hasten it?

Research also could inform mayors and city councils about innovative ways to actively manage a city's population to optimal effect. One example would be encouraging community colleges and local four-year institutions to develop curricula tailored to the emerging knowledge needs of the community. Research might provide information that results in mayors actively encouraging immigrants with specific skills to relocate to their communities. Perhaps by recruiting immigrants from a limited number of countries, cities could make it easier for them to build localized markets among themselves as a first step to providing services to the larger community. The demonstrated success of Utica, New York's Bosnian community might suggest a hypothesis for further investigation. Research could also open new questions about the economic value of complementarities among various cities. For example, Akron's tire industry has long enjoyed a synergistic relationship with Detroit. Today, Silicon Valley draws on Pittsburgh and Boston for engineering talent. Could certain cities join forces in strategic partnerships that would prove mutually beneficial?

One reason dying cities can waste money on unproven fads such as light-rail and stadiums is that they are able to generate funds by borrowing. This raises another important research question: Why don't municipal debt markets play an effective role in identifying dying cities and putting pressure on mayors to adjust spending and indebtedness in anticipation of further declines in population and economic activity? How can it be that Buffalo, a city with less than half of its 1960 population, a current average household income of $37,300, and over 45,000 vacant houses, enjoys a rating of A+, while Dallas, a city whose population has doubled in the same period and where average household earnings exceed $52,000, merits only a marginally higher AA- rating? What types of policy interventions might inject some rationality in municipal bond ratings and, thus, some fiscal realism into efforts to keep dying cities on life support?

From *Our Town* to ghost town?

Y'know Babylon once had two million people in it, and all we know about 'em is the names of the kings and some copies of wheat contracts….

—Thornton Wilder, *Our Town* (1938)

Cities are dying in front of us, yet there is no official recognition of the phenomenon, let alone an empirically grounded theory of collapse that would suggest a rational strategy for recovery, much less new growth. We cannot save every city and, as we have seen, government actions have often made the situation worse. Given the dependence of dying cities on the federal government for their survival, however, a research program to establish an empirical foundation for effective intervention should be an absolute prerequisite for future efforts.

A systematic research program of the sort I've outlined here will contribute both to understanding the key indicators of urban decline and to identifying the most important interventions for meaningful recovery. Indeed, even at this early stage of analysis, the silver lining of our coming to better understand the reality of city failure as a phenomenon is a growing appreciation of the accelerating dynamics of urban economies. The continued decline of some cities is matched by the success of many others, as measured by rapidly growing populations and increasing economic activity in what many see as America's cities of the future.

Surprisingly, anyone guessing at a list of such cities 20 years ago would likely have gotten it mostly wrong. Few urbanists saw Florida as much more than a five-month economy. It was common to think of Miami as a winter convention town. The thought that Boise, Idaho, would be an overflow city for California's millennials ready to start families and uncomfortable with the costs and lifestyle of San Francisco was unimaginable. The surprising emergence of many cities as homes to high-tech businesses and the high-value jobs they create are developments entirely dependent on the internet. Only 10 years ago Amazon was somewhat contained in Seattle, but its enormous success in shaking the retail world is of such magnitude that it is remaking the economic futures of remote locales. A suburb of Syracuse will soon have 1,000 Amazon jobs at one of its many new distribution centers.

The point here is not that a solution for a city will drop from the rigging. Some cities do get lucky. But marquee cities long thought impregnable to competition because of their hold on technology are being challenged by their own success. This reality opens opportunity for regeneration in struggling cities ready to signal their fitness for the future by undertaking unconventional strategies. The foundational mindset is an acceptance by the city's leadership that the solution for each city must be organic and emerge as appropriate to current conditions. As I've emphasized, there is no cookie cutter solution—many have been proposed and tried to little impact. At the same time, civic leaders must appreciate that it is much easier to compete when the national economy is expanding. Time and again I have met with mayors who dismiss general economic conditions as of no consequence to their plans for revitalization.

Competitiveness restored

Yet, under any circumstances, I believe that the state of our understanding is at least sufficient to provide some basic principles for guiding efforts to improve the prospects of dying cities. First, officials of cities hoping to be successful must be seen as dedicated to managing their municipal enterprise in more honest, efficient, and business-friendly ways. Too many cities have experiences similar to Baltimore's, whose last two mayors and a recent police chief have gone to prison for corruption. One reason, as I've argued, is that many big city mayors no longer have business backgrounds. As a result, few know how to manage complex municipal organizations, including the challenge of minimizing opportunities for graft. Corruption-free cities where mayors and city councils are experienced in working the intersection of business and citizen interests, which are most often coincident, experience faster growth rates. Examples include Boise; Delray Beach, Florida; Huntington Beach, California; and Provo, Utah. Short-course programs for new mayors provided by universities are of marginal value; few professors have ever managed complex organizations, still fewer in the private sector. An apprenticeship program where aspiring mayors work with city executives known for their management success might prove a high-return investment for a city's business community.

Dying cities will escape their fate only through relentless focus on the ambitions, human capital, and institutional resources that they require to compete.

Second, mayors and other urban leaders must focus on developing productive entrepreneurship that will make cities more competitive in the future. My research shows that after two decades of betting on entrepreneurs to generate new economies, few cities appear to have benefited from their investment. Mayors should rethink their expectations of local entrepreneurs and the resources they provide to the town's efforts to encourage new firms. Emphasis should be focused instead on building partnerships with local engineering schools and firms. My research also shows that persons with engineering educations and experience are responsible for starting the majority of new firms that survive and create demand for new jobs.

Third, cities also need to create incentives for residents, especially racial and ethnic minorities, to become owners of local business. In this regard, I would point to the much-maligned Trump Tax Bill of 2017. It established "opportunity zones," a long-neglected policy innovation that uses tax incentives to attract new businesses and property restoration in center cities, for example through relocation of factories from suburban industrial parks to commercially depressed downtowns, and new housing investments proximate to relocating factories.

Many cities are already working to build out opportunity zones. San Jose, Nashville, San Diego, and Houston are among those in the lead. In the wake of this spring's demonstrations, the government will probably make even more resources available to encourage entrepreneurship in neglected downtowns. Although this latest iteration of opportunity zones has not been in place long enough to assess its impact, the Urban Institute has noted that its success will significantly depend on the inclusion of local residents in implementation, a commitment to transparency in reporting on how dollars are being spent, and a focus on projects that meet local needs—criteria whose fulfillment will in turn depend on effective leadership and governance, as per my first recommendation.

Finally, cities that demonstrate serious purpose in school reform will have a great competitive advantage. One such example is New Orleans, which is in the midst of becoming the nation's first nonprofit, all-charter district. Though the performance of New Orleans's schools still leaves much to be desired, overall they now display an attribute absent from many other cities: continual, albeit too slow, year-after-year improvement. Kansas City is pursuing a similar path, supported in part by school reform work carried out while I was at the Kauffman Foundation. Among other efforts, the foundation built a model charter school that now enrolls 90% students of color and last year graduated its first 12th grade class—with every student going on to college. Nearly half of Kansas City's K-12 students are now in nonprofit charter schools, and performance is on the rise. Charter schools signal to those fleeing other cities that their students are more competent in all the basic skills schools are expected to teach. But that's not all. School managers are free to operate with much greater freedom of curriculum and teaching methods. Parents of children in charters have the same market power as parents with children in private schools. They are able to shop for the best schools as they determine standards of success. Charter schools can help give cities a competitive advantage.

Jane Jacobs wrote about cities for another 43 years after *Life and Death* was published. In the end she saw not only that cities could fail, but that many could fail all at once, causing the collapse, she thought, of social order. "Such a thing could happen," she wrote, "if cities in too many places stagnated simultaneously or in quick succession."

Jacobs's viewed city collapse as the doing of outside malefactors who knowingly or unknowingly wished to undo democracy itself, which she saw as the preserve of densely populated urban neighborhoods. And, in one important sense, Jacobs was right: outside forces—globalization among them—can be much more powerful in pulling a city apart than whatever internal forces might hold a city together.

But what Jacobs did not see was the danger to democracy that comes from within. Content with comfortable political monocultures, unable to abandon the same tired solutions that continue to fail to arrest the erosion of city services and a core civic culture, dying cities will escape their fate only through relentless focus on the ambitions, human capital, and institutional resources that they require to compete. From the nation's perspective, the good news is there are always cities awash in those very traits that are proving themselves competitive in new markets that they are helping to shape. These newly thriving cities are the role models that America's long-troubled cities must seek to emulate.

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