The Future of the Affluent American City

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This article addresses the following point of contention: "In 40 years, the average person will live closer to her neighbors and farther from the ground than she does today."

In 40 years most Americans will likely not live closer to their neighbors and farther from the ground than they do today, at least not materially so. American cities (which are all areas outside rural areas) will continue to disperse, as they did in the decade of the 2000s, when nearly 95 percent of major metropolitan growth was more than 10 miles from downtown areas (Cox, 2012c). Even the share of the Millennial generation (young adults ages 18 to 31) living in lower density areas increased (Kotkin, 2013b) (both contrary to popular lore and refuted by reality).

To be sure, the resurgence of the micro-urban cores, including their population growth, has been encouraging. The actual footprint of occupying disused commercial buildings and abandoned land, however, is small compared with the growth that continues in the suburbs. This micro-urban core growth reflects something rarely considered by urban planners: the vast preference—roughly 80 percent—of most Americans for single-family houses (Beldon, Russonello, and Stewart, 2011). As Pew Research (2009) and others report, suburbanites are surprisingly satisfied with their environment, and considerably more so than urban dwellers. Nor is this preference merely that of older people; both Millennials, particularly as they enter their 30s (Winograd and Hais, 2010), and immigrants (Kotkin, 2012), the two key demographically expanding groups, also seem to prefer suburbs as their long-term residence.

This outward movement, however, is not simply an American trend. As Shmolo Angel (2012) points out in his recently released *A Planet of Cities,* dispersion continues in nearly all global metropolitan areas; with the exception of extremely land-constrained places like Hong Kong and Singapore, virtually all the world's largest cities are becoming less dense (Cox, 2013a).

This continuing dispersal is being driven by the very reason people moved to cities, the desire for a better life for themselves and their families. This higher standard of living, in turn, is facilitated by the near universality of personal mobility (the automobile) in most of the higher income world. Personal mobility has become so pervasive that no metropolitan planning organization anywhere in the world has seriously proposed a transit system that could largely replace the automobile.

Nearly all the higher income world cities rely principally on the automobile, and citizens in the two or three cities that do not rely on the automobile pay for it in much longer travel times. For example, transit carries most urban travel in Tokyo and Hong Kong, yet travelers in those cities have one-way work trips of more than 45 minutes, more than 1.5 times that of automobile-oriented and much less dense Los Angeles.

The pervasiveness of automobile use may appear to contradict the current theology in urban planning that imagines car drivers can or will be dragooned into transit and walking by increasing urban population densities. In fact, despite rising gas prices and the massive expansion of new rail lines, the percentage of people commuting to work by transit is less than it was 30 years ago. At the same time, the vast majority of urban growth in the country, even since the recession, has been in the more dispersed and least transit-oriented areas (Kotkin, 2013a).

This is not to say that appropriate places for transit-oriented development will not exist, but that transit works primarily in cities where downtowns play an outsized role in the local economy. In terms of transit, proximity to downtown is far more important than density (Ewing and Cervero, 2010). It is not surprising that more than one-half of the transit commuting (Cox, 2013b) in the United States is to only six municipalities ("legacy cities") with the largest share of downtown employment, including New York, which alone accounts for 35 percent of transit commuting destinations (25 percent in Manhattan alone). By contrast, virtually all other metropolitan areas, from Los Angeles and Miami to Salt Lake City and Indianapolis, have smaller downtowns and much lower transit ridership.

Even in metropolitan areas with legacy cities, however, job locations are so dispersed that less than 10 percent of jobs are accessible (calculated from Tomer et al., 2011) to the average metropolitan area employee in 45 minutes by transit service. The capital and operating subsidies required to materially change this reality are well beyond the capacity of taxpayers. Overall, the average travel time by car to work is about 25 minutes, but, by mass transit, travel time averages 47 minutes.

The densification agenda for urban planning has been around for decades, but it has been re-energized by the concern about greenhouse gas (GHG) emissions. Yet, data in national studies indicate that nearly all the anticipated reduction in GHG emissions (Cox, 2012b) to 2050 will be the result of fuel-efficiency improvements. More restrictive land use regulation, such as densification, spends far more per ton of greenhouse gas removed than necessary and leads to less economic growth, less household affluence, and more poverty, as economic research has indicated (see, for example, Jansen and Mills, 2013).

The densification agenda also has other negative consequences. Virtually all economic research (see, for example, Cheshire, 2009; Green and Malpezzi, 2003) demonstrates that policies such as urban growth boundaries lead to higher housing costs (just as tighter Organization of the Petroleum Exporting Countries, or OPEC, quotas lead to higher gasoline prices). As densities increase, so do traffic congestion and travel times, which impede economic growth. As a result, the densification agenda leads to less household affluence and greater poverty. Metropolitan economies perform better (Prud'homme and Lee, 1999) when greater mobility exists (more jobs can be reached in a particular period, such as 30 minutes).

The Portland, Oregon metropolitan area may be a good indicator of the future. Portland has had the most radical regional densification policies in the nation. The area has developed one of the nation's largest light-rail systems and restricts development to within an urban growth boundary. Some densification has taken place, but not enough to make much of a difference. Portland remains a medium-density urban area. If Portland were to continue to densify at its 2000-to-2010 rate, it would take another 125 years before Portland's density would reach the density Los Angeles has today.

Working at home (which requires no densification and no public funding) has increased substantially in Portland—and in most major American metropolitan areas—and now exceeds transit (both light rail and bus) in most American regions. At the same time, the car has increased its share of travel relative to the so-called sustainable modes of transit—walking and cycling—since before the first light-rail line was opened. Now the financial situation of transit in Portland is so dire that 70-percent service cuts have been threatened, largely because of the transit agency's failure to control labor costs (Rose, 2013). Does the average Portlander live closer to her neighbors or farther from the ground than she did 33 years ago? Not to any material degree. Yet, the median house price has skyrocketed relative to incomes.

We do not suggest that future suburban development will replicate the planning-induced and artificially low densities of urban areas such as Atlanta and Boston but suggest instead that densities will remain in a range that accommodates both automobiles and consumer preference. Indeed, the continuing expansion of information technology could lead more people to leave the urban area completely, which would lead to even lower densities.

U.S. cities are the richest in the world—36 of the 50 most affluent metropolitan areas in the world are in the United States, according to data in the Brookings Institution *GlobalMetro Monitor* (Istrate and Nadeau, 2012). They also have the some of the most affordable housing in the world (Cox and Pavletich, 2013). U.S. traffic congestion is less intense, largely because of the lower population densities and more dispersed employment patterns of American cities. Finally, American workers have shorter work trip travel times than workers in Europe, Canada, Australia, or high-income Asia (Cox, 2012a). The success of American cities in shorter commute times and more affordable housing is at least partially attributed to their lower densities.

Given this success and the vast weight of preferences, it appears highly unlikely—short of draconian planning restrictions or decades-long recession—that the American city will ever see revival of the high urban densities experienced in the 19th and early 20th centuries. Density may retain and even expand its presence in places, but the future of the American city seems more likely to remain largely dispersed in the decades ahead.

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