

Are Demographic Forces Generating an Urban Revival?: American Cities, 1950-2006

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“For 60 years, Americans have pushed steadily into the suburbs, transforming the landscape and (until recently) leaving cities behind. But today the pendulum is swinging back toward urban living.” This hopeful vision of urban revival, penned by Christopher Leinberger (2008) in *The Atlantic Monthly*, echoes scores of recent reports in the popular press heralding the end of suburban expansion. Most often, this return to the city is attributed to a series of demographic shifts. Writing in *The New Republic*, Alan Ehrenhalt’s (2008) lists the “increased propensity to remain single, the rise of cohabitation, the much later age at first marriage for those who do marry, the smaller size of families for those who have children, and at the other end, the rapidly growing number of healthy and active adults in their sixties, seventies and eighties” as forces that pull the population toward “central cities over distant suburbs,” presumably because smaller families and aging Baby Boomers have little need for large houses and suburban schools.

The proposed connection between demographic patterns and urban revival, while frequently offered as conventional wisdom, has yet to be scrutinized by scholars. This paper asks whether metropolitan Americans did indeed eschew suburbs for urban living in the 1990s and 2000s and, if so, whether this shift was driven in part by demography. In addition to changes in household structure due to later age at first marriage and the lifecycle of the Baby Boom cohort, we consider the role of immigration and the aging out of the Greatest Generation, many of whom had access to veterans’ benefits that favored suburban home ownership. We use decadal Census data from 1950-2000, supplemented with the 2006 American Community Survey, to place these demographic trends into historical context.

Unlike the popular accounts, we find no evidence of a recent urban revival. Outside of a few large coastal cities, the outflow from cities and the corresponding growth of the suburbs has continued through 2006. Indeed, the share of metropolitan residents living in the central city declined at a similar pace in every decade since 1950. However, we find that, if not for a series of demographic factors, the number of downtown residents would have declined even further. Together, these forces were only strong enough to stanch the flow of population out of cities, not to reverse it.

We reach this conclusion through a two-step process. First, we build a simple model of the determinants of living in the central city, conditional on being in a metropolitan area. We then use the coefficients from this model to construct a series of demographic counterfactuals, asking questions like: what would the urban share of the population have been if immigration had remained at its low point?, and so on. In order of quantitative importance, we find that city population was bolstered by a growth in immigration, the aging out of cohorts who served in World War II, and an increase in childless households. The increase in the share of household heads who were born abroad – from nine percent in 1970 to 21 percent in 2006 – added two percentage points to the urban share of metropolitan residents. A reduction in the share of household heads who had served in the military – from 44 percent in 1960 to 13 percent in 2006 – contributed 1.5 points to the urban share. Finally, a reduction in the share of households with at least one child under the age of 18, from 64 percent in 1950 to 45 percent in 2006, added another 1.2 points to the urban share.

Interestingly, we find little evidence that life-cycle mobility of the large Baby Boom cohort from the city to the suburb (and back again) has had a quantitatively meaningful effect on residential patterns. Boomers moved to cities in their twenties and retreated to suburbs in their

thirties and forties, but despite the cohort's size, these swings were only large enough to shift the urban share by a few tenths of a percentage point. This finding reinforces Nelson (1988) and Frey (1993)'s conclusion that hopes for "boomer-initiated 'gentrification'" in the 1970s – and today – are misplaced.

Finally, we document that the demographic pull to central cities has not been a phenomenon unique to the past decade, but rather has been a secular trend from 1970 onward. The actual share of metropolitan residents living in the central city declined at 1.2 percent average annually from 1950 to 1970 and again from 1970 to 2006. Absent these demographic forces, the additional 5 percentage point decline in this share would have increased the rate of change to 1.8 percent average annually from 1970 to 2006. Demographic forces served only to keep the outflow from central cities on trend but were not strong enough to lead a return to the city.