Report from the President

Regenerating America's Legacy Cities

Over the past several decades, the structure of the U.S. economy has changed as it experienced a continuing reduction of overall employment in manufacturing and ongoing growth in the service sector, especially services involving knowledge workers. The geographic distribution of activity has also changed as population has continued to shift from the seasonal Northeast and Midwest to the warmer South and West. Finally, within metropolitan areas, populations and employment moved from cities to the suburbs as trucking and automobile travel became ubiquitous. These three trends have left many cities in the Northeast and Midwest with much smaller populations, weaker economies, fewer manufacturing jobs, and an inability to offset lost employment opportunities with gains from sectors that are expanding nationally. These are today's legacy cities, which often have excess infrastructure capacity, underutilized housing stocks, and fiscal stress related to past obligations from public sectors now greatly diminished in size. A recent Lincoln Institute policy focus report, *Regenerating America's Legacy Cities*, by Alan Mallach and Lavea Brachman, reviews the performance of a sample of these urban areas and identifies steps the more successful cities have taken to produce stronger outcomes.

Gregory K. Ingram

While the declines of legacy cities have common causes, their economic performance has become quite diverse in recent decades, as some have delivered much stronger economic, institutional, and fiscal results than others. All legacy cities have an array of assets including infrastructure, neighborhoods, institutions, populations, and ongoing economic activity. Differences in their comparative performance are related to how local policies and leadership have leveraged existing inventories of these assets. In particular, recovering legacy cities have built upon and expanded existing institutions in research, medicine, health, and education. They have also exploited the growing interest in urban neighborhoods where it is easy to walk to stores and restaurants, and where residential densities are higher than those in most suburban communities. Recovering cities also typically have maintained or attracted more educated residents and have seen growth in knowledge-related activities.

Legacy cities that have seen their economies begin to transform and grow again have not necessarily experienced population increases. The population of most legacy cities peaked in the mid-20th century and then declined. Buffalo and St. Louis, for example, had lower populations in 2000 than in 1900. Sometimes the decline in city populations is offset by suburban growth, so that metropolitan populations do not decline. But some successful legacy cities, such as Pittsburgh, have experienced modest population declines even at the metropolitan level. Changing the composition of city populations and economic activity is more important for success than population growth alone.

The successful recovery of legacy cities normally has not resulted from megaprojects that focus on redevelopment, but on the accretion of many small steps with a large cumulative impact—an approach Mallach and Brachman have dubbed "strategic incrementalism." Their research shows that successful legacy cities have pursued such an approach continually and relentlessly. The key elements of strategic incrementalism require the evolution of new forms for a city's physical organization, economic components, governance, and linkages to its surrounding region. Physically, the practice involves focusing on the city's central core, its key neighborhoods, and the management of vacant land. Economically, it involves restoring the economic role of the city based on its comparative advantages and existing assets, sharing the benefits of growth with its population, and strengthening connections to the city's region. Cities also must strengthen their governance and address the flow of services and fiscal resources between the city and the municipalities in the greater metropolitan area.

Legacy cities have declined over many decades, and recovery will take time and require patience. While the performance of some, such as Camden, NJ, continues to deteriorate, others show signs of progress. In Pittsburgh, Philadelphia, Milwaukee, and other legacy cities on the rebound, economic performance has improved, and the rates of unemployment, crime, and poverty have fallen below national averages despite the fact that populations remain well below their peak 60 years ago.

For additional information on the determinants of legacy city success, see *http://www.lincolninst.edu/pubs/2215_Regenerating-America-s-Legacy-Cities*.