

## “Shrinking Cities” Revisited

*Fourteen years later, how have  
shrinking cities fared?*

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**IN THE FALL 1997** issue of the *Wharton Real Estate Review* we proposed a unique solution to the problems faced by many American cities that had been steadily losing population over the previous forty years. Between 1950 and 1990 (the most recently available Census data at that time), of the seventy-seven cities with populations in excess of half a million, twenty-six had shrunk by an average of 24 percent. These shrinking cities included some of the nation's largest. Moreover, seven of the cities that lost population (New York, Chicago, Philadelphia, Detroit, Baltimore, Washington, D.C., and Boston) had been doing so steadily since 1950. Further, cities that had

grown between 1950 and 1970, such as Indianapolis, Milwaukee, and Memphis, declined in population between 1970 and 1990. In fact, only one major city—San Francisco—had reversed its previous 1950 to 1970 decline in the following two decades.

We argued that for shrinking cities the solution to population loss was not simply growth, as we noted, “When population loss has passed a certain point, urban revival is likely to require drastic measures.” But current solutions had not been successful. “Rehabilitation has usually worked only in downtown areas. Enterprise zones and empowerment zones have proved to be only marginally effective—where they have succeeded at all—but they depend on the infusion of federal or state funds, which are not always available.” We proposed a far more drastic course for shrinking cities: consolidate sparsely populated neighborhoods, and even de-annex selected districts. “If large tracts, in excess of 100 acres, say, were sold as de-annexed, unincorporated areas with associated suburban cost structures,” we wrote, “it is possible that developers would find this an attractive opportunity to create new ‘suburban’ municipalities in the central areas of the city.” We noted examples of suburban municipalities embedded within cities, including River Oaks in Houston, and Highland Park and University Park in Dallas. We imagined

that the newly de-annexed municipalities would be legally independent of the city, hence controlling their local governments, schools, and regulations. We assumed that, like most suburbs, these communities would preserve a high degree of autonomy and probably a degree of exclusivity. “Given the pattern of new planned communities in the United States,” we wrote, “some form of common interest housing development governed by homeowner associations is likely to result.”

We acknowledged that the political and social obstacles to dealing effectively with shrinking the urban landscape were massive, perhaps proving insurmountable. Municipal politicians whose electoral bases would be eroded by consolidation or de-annexation could be expected to resist the idea of physically downsizing the city. Since the inhabitants of many of these affected areas would be minorities, the politics of consolidation and shrinkage would run headlong into opposition from these groups. Neighborhood activists whose careers have been spent trying to promote local economic development would likely view shrinkage policies as defeatist, not the least because the activists would lose their political power bases. Moreover, if selected urban areas were allowed to become autonomous suburban municipalities, the legal means would have to be carefully crafted so as to prevent the city as a whole from disintegrating.

“Shrinkage will also be seen by many as weakening the mechanism that has traditionally been used to elicit federal urban aid,” we concluded. “Historic preservationists will undoubtedly object to wholesale demolition, since even decrepit areas contain buildings of architectural merit, and some of the worst areas are the locations of so-called industrial landmarks. Obviously, much will depend on how successfully consolidation deals with issues of dislocation, new housing, and new community services. But the challenge is clear, our cities must be radically redesigned to be both better and smaller.”

In the fourteen years since we wrote that, how have our shrinking cities fared? As Table I reveals, of the twenty-five largest U.S. cities, the majority have grown in population during 1990 to 2009. Cities such as Las Vegas, Charlotte, Austin, Fort Worth, Phoenix, and San Antonio boomed during this period. Other large cities, including Houston, Dallas, Denver, Jacksonville and Portland, Oregon continued their patterns of vigorous growth. Two decades of U.S. population growth helped reverse the population losses of New York, Boston and, less strongly, Chicago. Washington, D.C. seems to be rebounding, but it is too early to say if the small gains made by Philadelphia and Milwaukee from 2000 to 2009 signal a modest reversal or merely a stabilization. Rustbelt cities such as Detroit and

Baltimore continued to lose population. Louisville, a shrinking city, grew solely by consolidating with the surrounding county in 2003.

Yet even in cities such as Chicago, Philadelphia, and Washington, D.C., vast swathes of largely depopulated areas con-

**Table I:** Population change (percent) in 25 largest U.S. cities, 1990 to 2009 (U.S. Census)

	1990-2000	2000-2009
New York	8.6	4.6
Los Angeles	5.7	9.0
Chicago	3.9	-1.6
Houston	16.5	13.5
Phoenix	25.6	17.1
Philadelphia	-4.5	1.9
San Antonio	18.2	16.7
San Diego	9.2	6.4
Dallas	15.3	8.5
San Jose	12.6	7.2
Detroit	-8.0	-4.4
San Francisco	6.8	4.7
Jacksonville	13.7	9.6
Indianapolis	7.7	1.9
Austin	29.1	16.5
Columbus, Ohio	11.0	7.5
Fort Worth	16.3	26.5
Charlotte, N.C.	26.8	23.4
Memphis	6.1	3.9
Boston	2.5	8.7
Baltimore	-13.0	-2.2
El Paso	8.6	9.2
Seattle	8.4	8.6
Denver	15.7	9.1
Nashville	10.5	9.9
Milwaukee	-5.2	1.3
Washington, D.C.	-6.1	4.6
Las Vegas	46.0	15.7
Louisville	-5.2	54.8
Portland, Oregon	17.3	6.5

tinued even as the city cores prospered. For example, the area of Chicago within a mile of Lake Michigan has seen enormous population growth over the past two decades, while the rest of the city has lost substantial population. The same is true for Center City Philadelphia versus the rest of the city. As a result, even where growth has occurred, opportunities exist to shrink the urban fabric in order to improve the city by reducing the area of urban services (police, fire, utilities), while creating improved green urban space.

Of the sixty American cities with populations greater than 300,000 in 2009, eleven cities were unable to reverse their population losses during the period 1990 to 2009 (Table II). With the exception of New Orleans, a unique case of a Southern shrinking city (whose previous shrinkage was radically accelerated by Hurricane Katrina), and Washington, D.C., all are Rustbelt cities. The persistence of shrinkage underlines what our colleague Joe Gyourko has argued in these pages (“Why Does Anybody Still Live Here?,” *WRER* Spring 2002), that while urban growth may be explosive, urban decline is a slow, persistent process.

Sadly, no cities have taken up our de-annexation proposal, as apparently the political and social obstacles we noted are simply too great. But there are early signs that a few cities are coming to terms with the need to manage urban shrinkage. In

**Table II:** Population loss (percent) in cities greater than 300,000, 1990 to 2009 (U.S. Census)

	percent
New Orleans	40.0
Pittsburgh	18.7
Cleveland	17.2
Baltimore	15.5
Detroit	12.9
St. Louis	11.2
Cincinnati	9.3
Toledo	5.3
Milwaukee	3.8
Philadelphia	2.5
Washington, D.C.	1.2

Detroit, Mayor Dave Bing has reduced municipal services in certain neighborhoods. According to *Forbes*, “Bing wants to strengthen Detroit’s viable neighborhoods and raze or recycle the rest of the city—some 40 square miles in all, or 30 percent of its land—for new industries, sprawling residential lots, public parks and urban farms.” Consolidation is also being tried in neighboring Flint, Michigan. “If a city does need to shrink,” says Genesee County treasurer Dan Kildee, “if there are areas that need to be returned to natural condition, in order to do that the community needs to gain control of abandoned properties, the most efficient way of gaining control of vacant land is having a land bank.” Yet such strategies are difficult to put into practice. In 2005, after decades of failed attempts to promote growth, Youngstown, Ohio, which has lost 60 percent of its population in

the last forty years, adopted a master plan that aimed at stabilizing the population at its current 80,000 level. The city offered incentives to residents of depopulated neighborhoods to move, so that streets and buildings could be demolished and services disconnected. However, the *New York Times* reports, “despite the city’s efforts to entice residents in far-flung areas of the city to move closer to the center, no one has agreed, and the city’s footprint remains unmanageably large.”

While the transformation to smaller, greener, more compact cities has yet to occur, we continue to believe it is the direction forward. Historic size for shrinking cities was an anomaly of an era dominated by European migration to Eastern cities, the absence of air conditioning (in Southern and Western cities), and the artificial urbanization created by the Second World War. But smaller need not be worse for shrinking cities, and growth should not be the goal. Instead, the aim should be to create places with enhanced and expanded green space, and lower servicing costs associated with consolidation. As we wrote fourteen years ago, “Just as physicians manage health care to allow gracious and healthy decline as people age, so too must our planners focus on managing shrinkage of the city population.”