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Summer Reading for Urban Leaders

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It may be a bit harder to get through multiple books now that the summer is ending, but for urban leaders, three recent books are worth reading even after Labor Day. Each offers some provocative insight about what's happening in American cities, why, and what we might do about it. While none of these books is a suspenseful, escapist page-turner, they will get you thinking about how economic change is likely to affect your city in the years ahead. (If you'd rather watch a video than read a nonfiction book, we've got a recommendation for you, too.)

The New Geography of Jobs by Enrico Moretti offers a readable and comprehensive view of the economic forces at work in the nation's metropolitan areas. Moretti, an economist at the University of California Berkeley, offers a comprehensive and non-technical discussion of the shift to a knowledge-based economy, the growing importance of human capital to individual and community economic success, and the critical role played by industry clustering in driving innovation and productivity. For Moretti, this shift to a knowledge economy means the economic prospects of cities are diverging: adaptable places with talent are becoming more prosperous, while those with less talent and locked in to traditional industries struggle.

CEOs for Cities members will readily see strong support for the thinking behind the Talent Dividend -- human capital, measured by the fraction of the adult population with a college degree, is the single best predictor of metropolitan economic success. In addition, one vitally important and often overlooked message -- drawn from Moretti's own path-breaking research -- is that education is economically valuable. This is true not just for the person who receives it, but for her neighbors as well. Moretti shows that wages for lower skilled workers (those with just a high school diploma or less) are higher in cities with more college educated workers. The benefits of higher productivity and greater innovation spill over to benefit a wide cross-section of the community.

Moretti marshals a good deal of economic evidence for his points, but presents it in a painless, jargon-free way (no regression equations or obscure footnotes), simultaneously offering some compelling case studies.

If the book has a weakness, it is a chicken-versus-egg argument -- leaning on anecdotes rather than data implying that amenities and talent attraction have little or nothing to do with a city's

economic prospects. To Moretti, urban amenities are an effect, rather than a cause, of growth (Seattle), and are ineffective in triggering economic growth (Berlin). Each of these examples is highly debatable, but more importantly, there's little question that the interaction between talent and amenities is a self-reinforcing virtuous circle: cities with great urban amenities attract talent; places with a strong talent base support urban amenities.

While Enrico Moretti is describing the distribution of jobs and economic activity among different metro areas, Alan Ehrenhalt is looking at the location of people and prosperity within our metro areas. In *The Great Inversion and the Future of the American City*, Ehrenhalt argues that after decades of sprawl and decentralization, activity and prosperity are shifting back to the nation's urban centers.

This radical rearrangement is being driven by people with money increasingly making the choice to live in downtown areas and neighborhoods close to the urban core. In contrast, immigrants and those of low income (who historically have been left behind and concentrated in older city centers) are now much more likely to live in the suburbs. This is the great inversion -- the rich moving to the center and poor living on the fringe.

Ehrenhalt, the former editor of *Governing Magazine*, explores this subject through a series of profiles of changing neighborhoods -- from the revival of older working-class districts in Chicago, to the emergence of new immigrant-filled suburbs in Atlanta. These stories of change illustrate the dynamics of the inversion and the way that urban (and suburban) leaders are working to cope with the challenges they raise.

The strength of the Great Inversion is its careful, on-the-ground story telling about the nature and implications of this inversion. Its weakness is a lack of data: How big is the inversion? How quickly is it proceeding in different metropolitan areas? While the trend may be in the direction Ehrenhalt describes, we may have a long way to go before things "invert." For example, while poverty rates have increased in the suburbs, it is still true that poverty rates are higher in the urban core of virtually every large metropolitan area in the nation than they are in its suburbs (see the analysis of core vitality in CEOs for Cities recent report *City Vitals 2.0*, for details). As a result, it's hard to tell if the scale of the change represents a "great" inversion or a "lesser" one, and whether perhaps for some metropolitan areas it is a "great mixing" rather than an inversion.

The underlying theme of both books is of a divide: for Moretti it is the great divergence among metro areas; for Ehrenhalt, it is the great inversion of wealth and poverty between the core and periphery. If they are right -- and both authors make a good case -- urban leaders will want to think about which side of those divides their city will find itself on.

Our next book is a blast from the past -- but with a new twist. Richard Florida has updated his 2002 bestseller, *The Rise of the Creative Class--Revisited*. There's little question that the original generated a huge amount of debate and attention on the questions of cities and creativity, putting Florida at the center of many controversies. This edition revisits and updates the analysis from the original book, showing how many of the relationships from a decade ago--such as the correlation between tolerance and technology -- persist or have grown stronger.

Much of the book is a response to critics, and while this may be Florida's effort to have the last word -- it won't be. Readers will find some points familiar and unchanged: despite broadening his case to include the creativity of all people, the book still retains his trademark term "class" to describe creative people. It is still possible to dispute some specifics, but Florida does deserve credit for signaling what he calls the bottom line: "cities need a people climate as much, and perhaps even more than they need a business climate."

Urban leaders may want to focus special attention on Chapter 15, "Building the Creative Community," where Florida discusses the growing movement of creative workers back to cities. One of the signs of hope in the wake of the Great Recession is that talented young people are moving into urban centers and helping to foster a wave of entrepreneurship.

Finally, there's one book that if you haven't read yet, you just aren't the reading type: Ed Glaeser's opus *Triumph of the City*. We have good news for you folks who can't be bothered to crack a book on vacation or download it to Kindle: If you have an Internet connection and an hour, you can get the CliffsNotes, double-espresso video version of Glaeser's compelling talk [here](#).

Enjoy the rest of your summer!