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# **The Divided City:**

**And the Shape of the New Metropolis** 

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#### **EXECUTIVE SUMMARY**

Class is an inescapable presence in America, one that influences almost every aspect of our lives-from our education and employment to our income, our politics, and even our health.

Class is also inscribed on our very geography.

To better understand the relationship between class and geography, this report charts the residential locations of the three major workforce classes: the knowledge-based creative class which makes up roughly a third of the U.S. workforce; the fast-growing service class of lower-skill, lower-wage occupations in food preparation, retail sales, personal services, and clerical and administrative work that makes up slightly more than 45 percent of the workforce; and the once-dominant but now dwindling blue-collar working class of factory, construction, and transportation workers who make up roughly 20 percent of the workforce.

The study tracks their residential locations by Census tract, areas that are smaller than many neighborhoods, based on data from the 2010 American Community Survey. The study covers 12 of America's largest metro areas and their center cities: New York, Los Angeles, Chicago, Washington, DC, Atlanta, Miami, Dallas, Houston, Philadelphia, Boston, San Francisco, and Detroit. It examines these patterns of class division in light of the classic models of urban form developed in the first half of the 20th century. These models suggest an outward-oriented model of urban growth and development with industry and commerce at the center of the city surrounded by lower-income working class housing, with more affluent groups located in less dense areas further out at the periphery. It also considers these patterns in light of more recent theories of a back-to-the-city movement and of a so-called "Great Inversion," in which an increasingly advantaged core is surrounded by less advantaged suburbs.

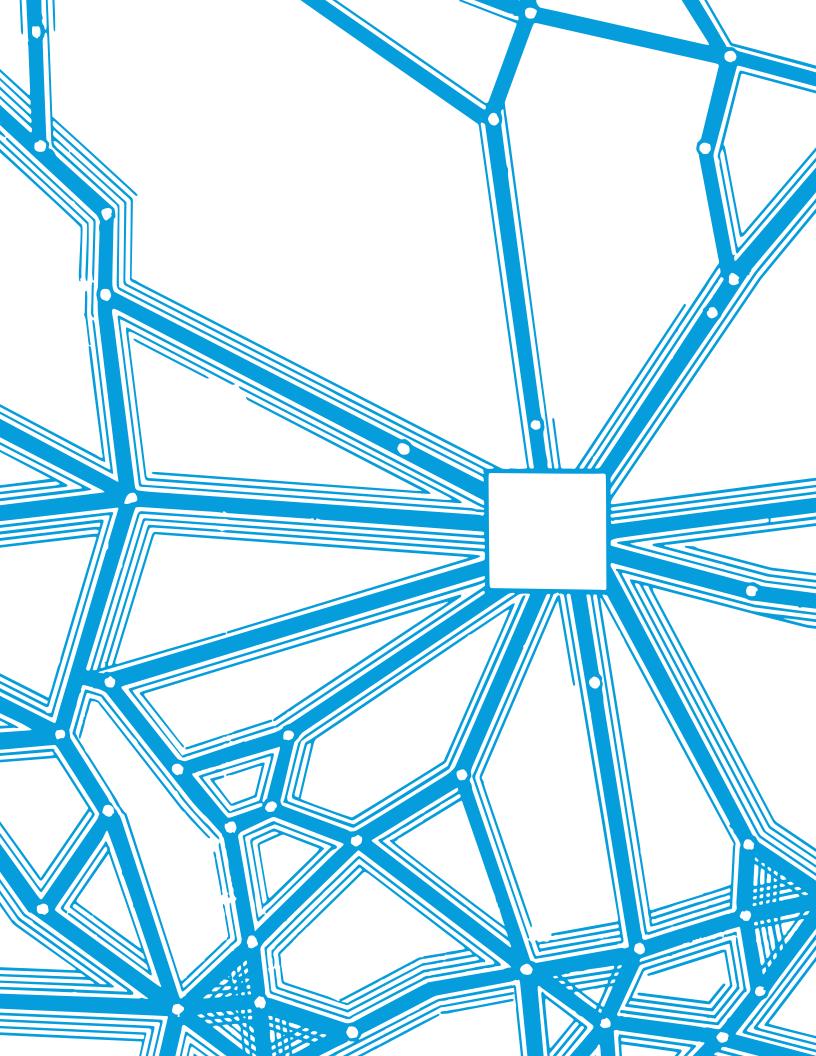
The study finds a clear and striking pattern of class division across each and every city and metro area with the affluent creative class occupying the most economically functional and desirable locations. Although the pattern is expressed differently, each city and metro area in our analysis has evident clusters of the creative class in and around the urban core. While this pattern is most pronounced in post-industrial metros like San Francisco, Boston, Washington, DC, and New York, a similar but less developed pattern can be discerned in every metro area we covered, including older industrial metros like Detroit, sprawling Sunbelt metros like Atlanta, Houston, and Dallas, and service-driven economies like Miami. In some metros, these class-based clusters embrace large spans of territory. In others, the pattern is more fractured, fragmented, or tessellated.

The locations of the other two classes are structured and shaped by the locational prerogatives of the creative class. The service class either surrounds the creative class, being concentrated in areas of urban disadvantage, or pushed far off into the suburban fringe. There are strikingly few working class concentrations left in America's major cities and metros.

The study identifies four key location factors that shape the class divided city and metropolis, each of which turns on the locational imperatives of the creative class:

- **Urban Centers:** The concentration of affluent creative class populations in and around central business districts and urban centers, especially in larger and more congested metro areas.
- Transit: The clustering of more affluent creative class populations around transit hubs, subway, cable car and rail lines.
- Knowledge Institutions: The clustering of the creative class around research universities and knowledge based institutions.
- **Natural Amenities:** The clustering of creative class populations around areas of natural amenity, especially coastlines and waterfront locations.

The map of the modern metropolis thus differs substantially from both the suburban-oriented pattern described by the Chicago School and the back-to-the-city one of the Great Inversion. Today's class divided city and metropolis no longer conforms to the traditional urban-suburban divide. Instead, these class divisions form a patchwork of concentrated advantage and concentrated disadvantage that cuts across center city and suburb alike.



## INTRODUCTION

Class is an inescapable presence in America, one that influences almost every aspect of our lives - from our education and employment to our income, our politics, and even our health.

Class is also inscribed on our geography. Some years ago, Bill Bishop identified the tendency of like-minded, like-voting, like-earning people to cluster together as "the big sort."1 Charles Murray's book *Coming Apart* highlighted the increasingly polarized econyomic and social situation of "a new upper class with advanced educations, often obtained at elite schools, sharing tastes and preferences that set them apart from mainstream America" and a "new lower class, characterized not by poverty but by withdrawal from America's core cultural institutions."2

Just as the rise of the knowledge economy has created a job market that is split between high wage knowledge jobs and lower wage service jobs, middle class neighborhoods have been hollowed out as the geography of cities and metropolitan areas has become increasingly divided between high and low income neighborhoods.

These geographic divides reflect a basic, underlying economic force. The same clustering force that generates economic prosperity, also underpins the growing geographic divide between the major classes. "The highly educated cluster around a few small nodes," as David Brooks wrote in The New York Times. "Decade after decade, smart and educated people flock away from Merced, Calif., Yuma, Ariz., Flint, Mich., and Vineland, N.J. In those places, less than 15 percent of the residents have college degrees. They flock to Washington, Boston, San Jose, Raleigh-Durham, and San Francisco. In those places, nearly 50 percent of the residents have college degrees." This sorting "is self-reinforcing," he added, "and it seems to grow more unforgiving every year."3 In other words, the same clustering of knowledge, ideas, and talent that power economic growth also divides the advantaged and disadvantaged in new and troubling ways that go far beyond the old urban-suburban divides of yesteryear.

This study examines this new geography of class in America's largest cities and metropolises. The major classes are defined by the occupations that people are engaged in: the highly-skilled knowledge, professional and creative class who work in the technology, professional, management, arts, healthcare, and legal occupations (roughly a third of the U.S. workforce); the even larger and faster-growing service class who toil in lower-skill. lower-wage jobs in food preparation, retail sales, personal services, and clerical and administrative work and make up slightly more than 45 percent of the workforce; and the once-dominant but now dwindling blue-collar working class of factory, construction, and transportation workers who make up about roughly 20 percent of the workforce.4

This report is structured around detailed maps of the class divides in twelve of America's largest metros and their center cities: New York, Los Angeles, Chicago, Washington, DC, Atlanta, Miami, Dallas, Houston, Philadelphia, Boston, San Francisco, and Detroit. These metros account for nearly 30 percent of the total U.S. population and 37 percent of U.S. economic output. The analysis charts the residential locations of these three major classes by census tract, areas that are smaller than many neighborhoods, and is based on data from the 2010 American Community Survey.5

This study considers these urban divides in the light of classic models of urban and metropolitan form and structure, developed by social scientists at the University of Chicago.<sup>6</sup> These models reflect an outward-oriented pattern of development and class stratification that proceeds from an urban core where commercial and industrial activities predominate to surrounding neighborhoods where increasingly affluent populations live. Despite the differences between the various models, the overarching pattern is one in which higher income residents are located at greater distances from the core, with affluence increasing as density declines.

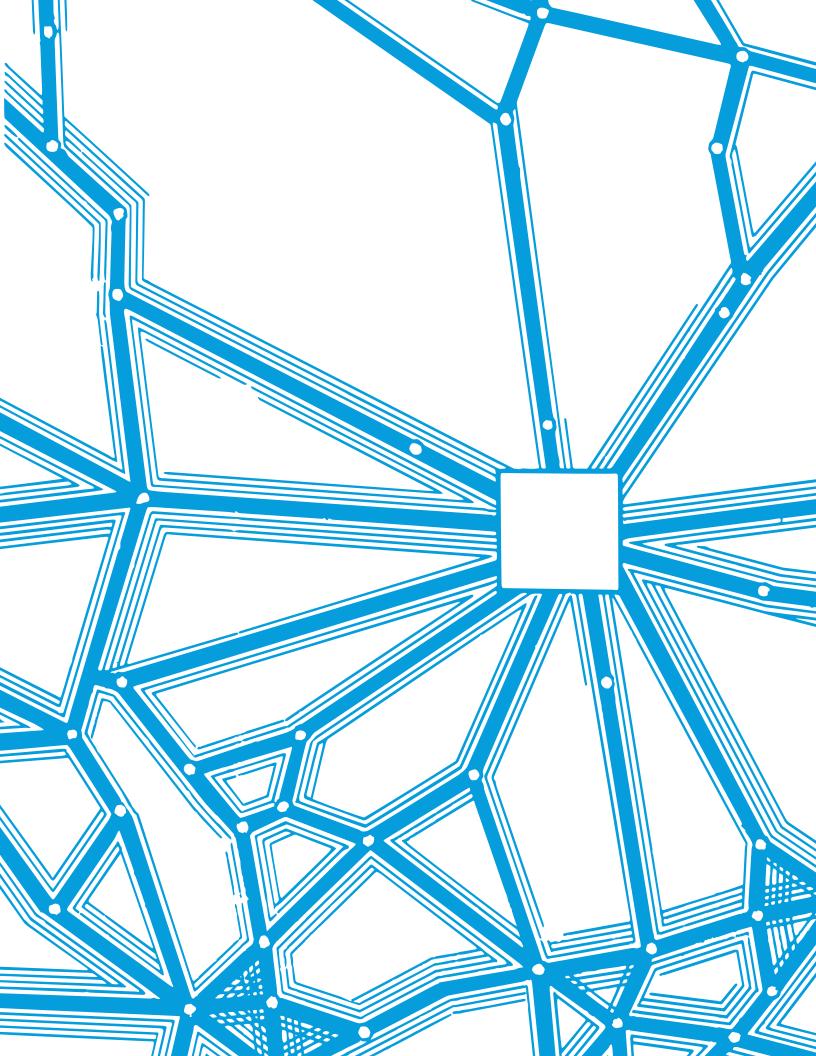
This study finds a clear and unmistakable pattern of geographic class division within and across all twelve metros and their central cities. Although the pattern is expressed differently, each has pronounced clusters of the creative class in and around the urban core. The service class surrounds these creative class clusters and is also pushed towards the peripheries of these cities and regions. There are very few remaining working class clusters, and the ones that remain are also largely pushed to the peripheries. While this pattern of creative class concentration in and around the urban core is most pronounced in post-industrial metros like San Francisco, Boston, Washington, DC, and New York, a similar but less developed pattern can be discerned in every metro area we covered, including older industrial metros

like Detroit, sprawling Sunbelt metros like Atlanta, Houston, and Dallas, and service-driven economies like Miami.

Our analysis suggests that four key factors are driving these class divides:

- The concentration of affluent creative class populations in and around central business district and urban core.
- The clustering of more affluent creative class populations around transit hubs, such as subway, cable car, and rail lines.
- The clustering of the creative class around research universities and other knowledge-based institutions.
- The clustering of creative class populations around areas of substantial amenities, especially highly-valued natural amenities like coastlines and waterfronts.

The patterns we identify here are more complex than the construct of a "great inversion," 7 in which disadvantaged suburbs surround a reviving urban core. Instead, we find class-based clusters throughout the entirety of each metropolitan region, a patchwork of concentrated advantage and concentrated disadvantage that cuts across both center cities and suburbs. In some metros, these class-based clusters embrace large spans of territory. In others, the pattern is more fractured, fragmented, or tessellated.



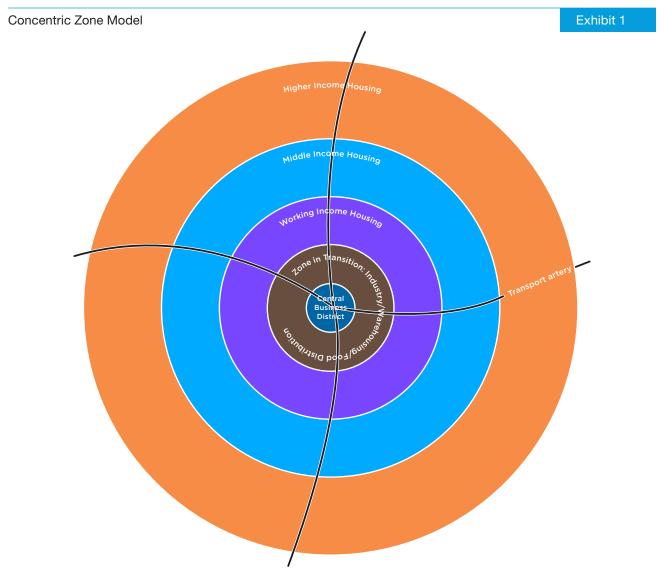
# THINKING ABOUT THE DIVIDED CITY

## **CLASSIC MODELS OF URBAN FORM**

Our basic understanding of the form and structure of cities comes from the work of the <u>Chicago School of urbanism</u>. Beginning in the 1920s and 1930s and using Chicago as their laboratory, <u>Robert Park</u>, <u>Ernest Burgess</u>, and their associates at the University of Chicago developed a basic model of the city based on "<u>concentric zones</u>" (see **Exhibit 1**).8 Economic activity and land uses were sorted as they radiated out from the central

business district in the core: first the factory district; then the warehousing and logistics functions of the "zone in transition"; then working class, middle class, and finally higher-income residential uses.

Subsequent models refined these basic insights. Homer Hoyt, developed an alternative



Adapted from: Robert E. Park and Ernest W. Burgess, The City, University of Chicago Press, 1967 (original 1925).

"sector model." Instead of radiating outward in neat concentric circles, major economic and residential activities take shape as irregular sectors or segments along main transportation arteries. Populations and economic activities are sorted and organized by access to transportation as well as by their distance from the urban core (see Exhibit 2).

A third model is the "Multiple Nuclei Theory" introduced by Chauncy Harris and Edward Ullman in an influential 1945 article, "The Nature of Cities."10 This model envisioned the city as a set of nuclei for different types of economic activities. The centers of commerce and business are separated from the centers of manufacturing, warehousing, and transportation; each economic function forms a distinct cluster. But here again, the residential users with the most means seek to avoid the dis-amenities of industry, forming residential hubs away from the manufacturing centers. Once a hub is established, it tends to persist. Urban geography and location is thus "path dependent,"11 shaped and structured by previous development patterns and trajectories (see Exhibit 3).

# FROM SUBURBANIZATION TO POST-INDUSTRIALISM

These models provide a reasonably accurate picture of cities and urban development through the era of mass suburbanization following World War II when, prompted by shifts in federal

Sector Model Exhibit 2

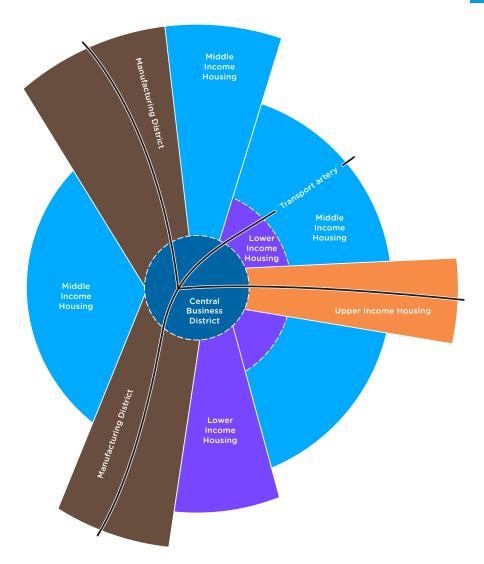
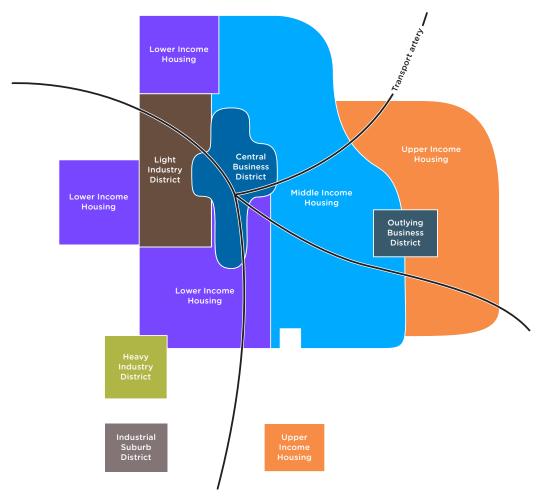


Exhibit 3 Multiple Nuclei Model



Adapted from: Chauncy D. Harris and Edward L. Ullman, "The Nature of Cities," Annals of the American Academy of Political and Social Science 24, 2, 1945, pp. 7-17.

housing and transportation policy, people and jobs began flowing out of urban centers in unprecedented numbers. In their landmark 1959 study of the New York metropolitan area Anatomy of a Metropolis, the economists Edgar M. Hoover and Raymond Vernon documented this "flight to lower density."12 Vernon's "product cycle" model of industrial location later showed how the rise of standardized manufacturing technologies allowed factories to be relocated to outlying areas where land and labor were cheaper.<sup>13</sup>

This outward-oriented suburban pattern reached its pinnacle in the 1980s, captured by Joel Garreau's Edge City model, where suburban office parks and malls came to essentially replicate the functions of the central business district far outside the city center.<sup>14</sup> By then, suburbs were not just overtaking cities as population centers, but supplanting them as innovation centers as well. High-tech industry, came to be concentrated in clusters of so-called "nerdistans" in Silicon Valley, the Route 128 beltway around Boston and Cambridge, the Research Triangle in North Carolina, and suburban Seattle and Austin. 15

Reflecting upon these changes in the post-industrial metro-

polis, researchers associated with the "LA School" questioned whether the classic models still had salience.16 Using greater Los Angeles as their case study, they argued that growth in the modern metropolis no longer proceeded from the core outward but in a sprawling, less coherent manner, with a multiplicity of industrial, commercial, and residential zones spread across the city and metropolis without any predictable pattern.

A 2011 study by sociologist Andrew Beveridge compared contemporary Chicago, LA, and New York to the models associated with the Chicago and LA schools and also to a New York school of urban development associated with Jane Jacobs and William H. Whyte.17 Utilizing census tract data, he examined the processes and patterns of population growth in all three metro areas since 1910. With the movement of people and firms back to the

urban core and the suburbanization of poverty over the past couple of decades, Beveridge found that patterns of urban development have become considerably more complicated, an that the overall process of urban development has come to reflect aspects of all the major schools. "When one looks at the actual spatial patterning of growth," Beveridge wrote, "one can find evidence that supports exponents of the Chicago, Los Angeles and New York schools of urban studies in various ways." Many cities have vigorously growing downtowns, as the New York model would suggest, but outlying areas that are developing without any obvious pattern, as in the Los Angeles model. In some cases these patterns are so amorphous that they call into doubt the very constructs of "city" and "suburb."

#### THE GREAT INVERSION

The past decade or so has witnessed a phenomenon that Ehrenhalt has dubbed "the great inversion," in which center cities are luring back businesses and affluent populations, while the suburbs are becoming poorer and their rate of growth has slowed.18 This is a striking reversal of long-term trends that Brookings Institution demographer William Frey summarized in dramatic terms in the summer of 2012: "for the first time in more than nine decades, the major cities of the nation's largest metropolitan areas grew faster than their combined suburbs," he wrote, adding that "this puts the brakes on a longstanding staple of American life, the pervasive suburbanization of its population."19

It's not quite as simple as that, however. While urban centers are growing, not all cities are reviving; and a lot of wealth still remains concentrated in the suburbs. And while it is true that more poor people live in suburbs than cities, the nation's suburban population is much larger than its urban population. Cities continue to have greater shares of poor residents than suburbs do overall.

Still, the once considerable divides between cities and suburbs are less hard and fast than they were. Many urban neighborhoods have taken on characteristics that are more commonly associated with the suburbs, such as high-end, mall-like retail shopping centers, housing with more square footage, and greater economic homogeneity. At the same time, a

growing number of suburban neighborhoods have come to look more like cities, with higher densities, better transit connectivity, more mixed-use development, and greater walkability.

Numerous explanations for this shift have been proposed. For Nobel prize winning economist Robert Lucas, it to a large extent follows from a basic law of economic growth. In his now classic essay "On the Mechanics of Economic Development," he invoked Jane Jacobs' vision of cities as diverse concentrations of talented people, identifying those powerful "human capital externalities" as the motor force not just for urban but for overall economic growth.20 Harvard University urban economist Edward Glaeser and his colleagues suggest that the efficiencies and amenities that urban locations provide are desirable to those who can afford them, noting that the rise of this "consumer city" represents a significant change from the older industrial producer city.21 University of Chicago sociologist Terry Clark and his colleagues similarly herald the advent of "the city as an entertainment machine."22 University of Michigan economist David Albouy documents the powerful combination of productivity and amenity that is driving growth in incomes and housing prices in America's metro regions.23

Much of this research focuses on the clustering and sorting of people and economic activity across metros that Florida has dubbed the "means migration." 24 Glaeser and his colleagues have also noted the divergence of educated people or human capital across regions 25 as they cluster and concentrate in some cities and metro regions as opposed to others. The Economist's Ryan Avent describes it this way: "Cities that had relatively skilled populations in 1980 have become more skilled and more productive, and have generally featured fast-rising wages and housing costs. Places that were relatively less skilled, by contrast, have stayed that way and have mostly experienced a growing wage and productivity gap with the high flyers."26 This process is something of a zero-sum game. If clustering enriches some places, others are left behind.

# THE GEOGRAPHY OF INEQUALITY

Socio-economic inequality is a subject of growing concern and one that has been the subject of considerable academic study.<sup>27</sup> Economists tend to focus on the decline of lower-skill middle class factory jobs and the widening wage gap between highly skilled knowledge work and lower skilled service work as its primary cause.28

Inequality has a geographic dimension, as well. A detailed NBER study that tracked the income gap across U.S. metros from 1979 and 2004 found that city size alone accounted for roughly 25 to 35 percent of the total increase in economic inequality over this period, over and above the role of effects of skills, industry composition and other factors. It found the role of city size to be even more pronounced among lower wage earners, explaining more than half of the increase in inequality.<sup>29</sup>

Florida and Mellander examined the factors that shape

income inequality across metros.30 Wage inequality, they found, explains only 16 percent of the variation in income inequality across metros, which was also significantly associated with endemic poverty, levels of unionization, and tax rates, which vary substantially by location. While all classes of workers receive higher wages in knowledge metros, they found, housing prices are higher too — and the wage premiums that the service class and the blue-collar working class receive are not large enough to make up for the difference.31

Another study found that inequality was compounded by differentials in access to services and amenities. Skilled knowledge workers derive distinct advantages from living in safer neighborhoods with better schools, better heath care, and a wide range of services and amenities, a gap in well-being that is 20 percent higher than the simple wage gap between skilled and unskilled workers can account for.32

There is also a considerable literature on the gentrification of urban neighborhoods.33 A detailed analysis by the Cleveland Federal Reserve examined the extent of gentrification across America's 55 largest cities over the past decade. Defining gentrification as a neighborhood (more precisely, a census tract) that moved from the bottom half to the top half of the distribution of home prices, it found substantial levels of gentrification in several cities - Boston, Seattle, New York, San Francisco, and Washington, DC, most notably – but much more modest levels in most. In nearly three quarters of cities, less than ten percent of all neighborhoods experienced gentrification, and in 22 cities, including San Diego, Charlotte, Buffalo, Pittsburgh, and Detroit (40 percent of the sample), gentrification affected 5 percent or less of all neighborhoods. Florida and Mellander used this data to examine the kinds of metros that are more likely to see high levels of gentrification. They found gentrification to be more likely in larger, denser, more affluent metros with higher levels of human capital and technology-based industries. Interestingly they found gentrification to be associated with wage inequality but not with income inequality across metros.34

A number of studies have focused on economic segregation within cities and metro areas. A recent report for the Russell Sage Foundation noted that as recently as four decades ago, 65 percent of Americans lived in neighborhoods that could be described as middle income. Just 42 percent do today.<sup>35</sup> A 2012 study by the Pew Research Center found that segregation of upper- and lower-income households has increased in 27 of the 30 largest metro areas in the U.S. over the past several decades.<sup>36</sup> This growing socio-economic divide is also evident in cities and metro regions in Canada. Detailed studies by researchers at the University of Toronto's Cities Centre document the erosion of once stable middle-income neighborhoods, the dramatic growth of lower-income areas, and the increased segregation of the rich and poor in their own separate enclaves in Toronto and Vancouver.37

Other research documents the geography of persistent poverty and concentrated disadvantage. In his book *Great American* City, the Harvard sociologist Robert Sampson showed how residential segregation exacerbates the disadvantages of the

poor. Aggressive policing cuts young males off from the positive influences of their families and community, not to mention the legitimate job market. Levels of incarceration in some African American communities are forty times higher than the highest rates found in white communities. This has had the counter-intuitive effect of *increasing* crime. "Despite commitment to mainstream values and striving to get ahead," he remarked in a recent interview, "the stigmatization heaped on poor neighborhoods and the grinding poverty of its residents are corrosive, leading to what I call 'moral cynicism' and alienation from key institutions, setting up a cycle of decline. Those with the means move out, leading to further cynicism and an inten-sified 'poverty trap' in the neighborhoods left behind."38

In his 2012 book Stuck in Place, the NYU sociologist Patrick Sharkey further documents the role that neighborhoods play in the perpetuation of poverty. "Neighborhood inequality," he remarked in a recent interview, is "something that is passed down from parents to children in the same way that genetic background and financial wealth are transmitted across generations."39

Two recent studies further document the effects of spatial segregation on economic mobility. The first, by Raj Chetty, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez of the Equality of Opportunity Project,40 ranked U.S. metros on their rates of upward mobility. The second, 41 by Sharkey and University of California at Berkeley economist Bryan Graham, examined datasets from three longitudinal studies focusing on two demographic cohorts - people born in the 1960s and residing with their parents in a U.S. metropolitan area in the late 1970s and people born in the early 1980s and residing with their parents in a U.S. metropolitan area in the late 1990s. Both studies find a close connections between segregation and mobility. The metropolitan areas with the greatest levels of income segregation by neighborhood also tended to have the lowest levels of economic mobility. Children raised in affluent neighborhoods tend to grow up to be affluent adults; children raised in poor neighborhoods are more likely to end up poor.

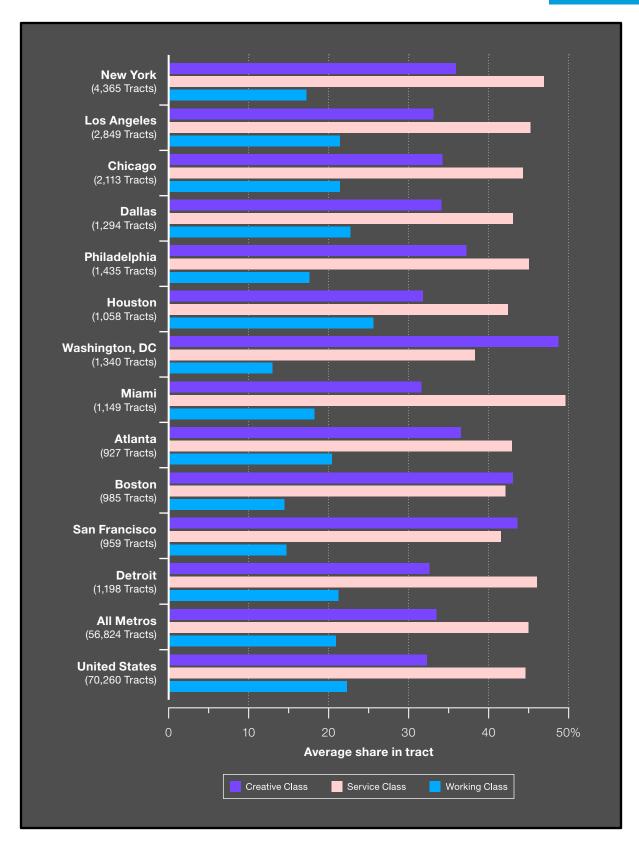
These studies inform and shape our own research. In light of them, we turn to our analysis of the contemporary class geography of the American city and metropolis.

## MAPPING THE DIVIDED CITY AND METROPOLIS

The following pages report the main findings of our study of the geography of class across twelve of America's largest metros. The discussion is organized around maps that chart the residential locations of the creative class, service class, and working class in each of these twelve major metros and their center cities. Predominately creative class locations are shaded purple; predominantly service class areas are shaded beige; and predominantly working class areas are shaded blue. We track these class divides by census tract for each metro, excluding very small tracts (those with fewer than employed 500 residents) from our analysis. A class is predominant in a census tract when it commands a plurality of residents.

The twelve metros examined, which as noted above account for nearly 30 percent of the total U.S. population and 37 percent of U.S. economic output, show considerable variation in their class structures. The creative class makes up almost half of the workforce in Washington, DC (46.8 percent) and just slightly more than 30 percent (30.4 percent) in Miami (Exhibit 4). The service class ranges from a high of more than 50 percent in Miami to a low of just slightly more than 40 percent in Washington, DC. The working class ranges from a low of 12.8 percent in Washington, DC to a nearly a quarter of the workforce (24.4 percent) in Houston. (Appendix 1 and 2 provide more detail on the class structure and economic characteristics of each of the twelve metros).

We now turn to our maps and analysis of the class geography of each of these metros, organized by the size of their populations.



## **NEW YORK**

The New York metro is the nation's largest, with 19 million people and \$1.3 trillion in economic output.42

Map 1-A charts the class geography of the entire New York metro region. The creative class makes up 35.8 percent of the area's workforce, with average wages and salaries of \$87,625, which exceeds the national average of \$70,714 by 24 percent.

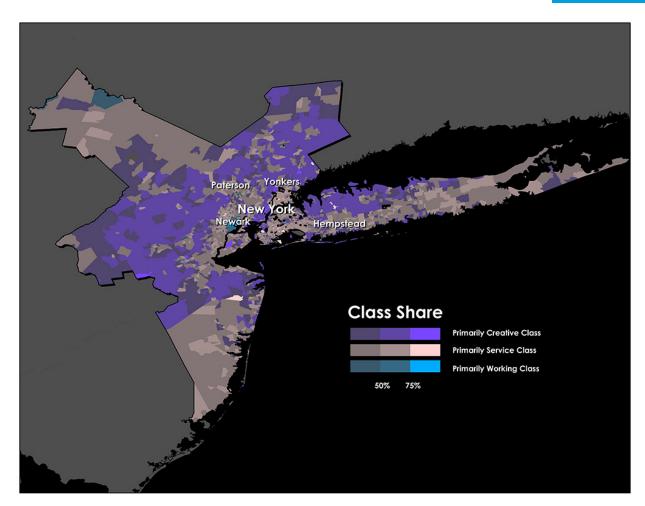
Across the metro area, the creative class numbers more than 40 percent of residents in 37.6 percent of tracts (1,641) and more than half of all residents in 21.2 percent (926 tracts). There are 214 tracts (4.9 percent) that are more than two-thirds creative class and 45 (1.0 percent) where the creative class makes up more than three-quarters of all residents. Overall,

more than half (53.8 percent) of New York's creative class lives in tracts where the creative class makes up a plurality of residents.

As **Map 1-A** shows, the creative class is mostly located closer in, toward the urban center, while service class neighborhoods tend to be situated in the outer boroughs of New York City and the comparative hinterlands of Long Island, as well as in coastal and northwest New Jersey.

Accounting for 48.1 percent of the workforce, the service class is roughly a third larger than New York's creative class; its members work in some of the metro's fastest growing job categories, earning an average of \$34,241 in wages and salaries, 17.3 percent above the national average of \$29,188 but just 39 percent of what the metro's creative class members make. Metro wide, the service class makes up more than half of all residents in 1,635 tracts (37.5 percent of the total) and more than two-thirds of residents in 197 tracts (4.5 percent). New York's service class is guite concentrated geographically. More than seven in ten of its members (71.5 percent) live in tracts where the service class forms a plurality.

New York Metro Map 1-A



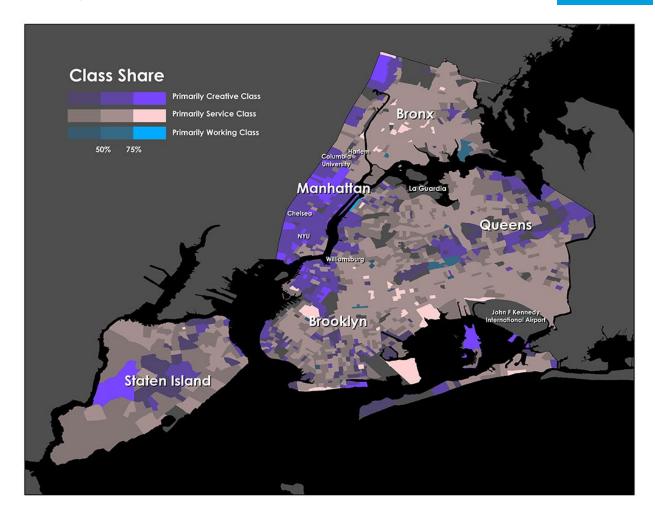
Averaging \$43,723 in wages and salaries, 18.2 percent above the national average of \$36,991 but just 50 percent of what the metro's creative class makes, the working class comprises 16 percent of the region's workers. Just a few specks of blue on the map can be seen in and around Newark and Elizabeth and Paterson and Passaic; the extent to which the working class has disappeared from the region's geography is striking. There are just 17 tracts — less than one-half of one percent of the tracts in the metro — where the working class accounts for more than half of all residents. Conversely, there are over 1,000 tracts - more than one in five—in which the working class accounts for ten percent or fewer residents, and 366 tracts (8.4 percent) where the working class represents five percent or less of all residents. The decline of the working class is reflected in another startling metric. Overall, just 3.5 percent of its members live in tracts where a plurality of residents belong to the working class. This is startling in a region that had a huge manufacturing base and extensive working class neighborhoods less than half a century ago.

Map 1-B maps the class geography of New York City proper. The creative class is highly clustered and concentrated throughout Manhattan, from the southern tip of the Financial District through Tribeca, SoHo, the Village, Chelsea, Midtown, and the Upper East and West Sides.

In Brooklyn, the creative class is confined almost completely to northern neighborhoods in close proximity to and easy commuting distance to Manhattan, such as Williamsburg, Brooklyn Heights, Cobble Hill, Ft. Greene, Clinton Hill, DUMBO, and Park Slope.

The service class is mostly clustered in the city's outer boroughs. With the exception of solidly purple Riverdale, the Bronx is almost completely dominated by the service class. Queens is solidly service class as well, with

Map 1-B New York City



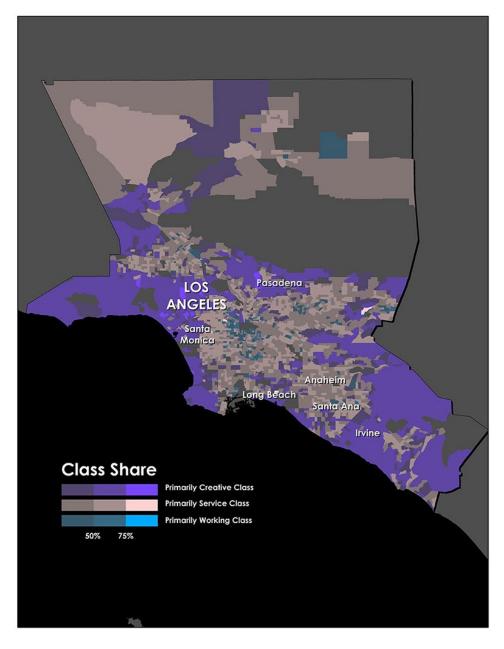
a small line of working-class blue in neighborhoods like Elmhurst and the Rockaways as well as purple splotches marking relatively affluent neighborhoods like Forest Hills. The leading service class locations—where more than 75 percent of residents hold service class jobs, compared to an average of 46.9 percent for the metro—are all in Brooklyn, the Bronx, and Long Island.

# LOS ANGELES

Los Angeles is the nation's second largest metro, with 12.8 million people and \$755 billion of economic output.

**Map 2-A** charts the class geography of the Los Angeles metro. The creative class makes up 34.1 percent of the Los Angeles metro area's workers, slightly above the national average. Its members earn \$80,859 per year in wages in salaries, 14.4 percent more than the national average of \$70,714. There are 1,036 tracts (36.4 percent) in which more than 40 percent of residents belong to the creative class, 628 (22 percent) in

Map 2-A Los Angeles Metro



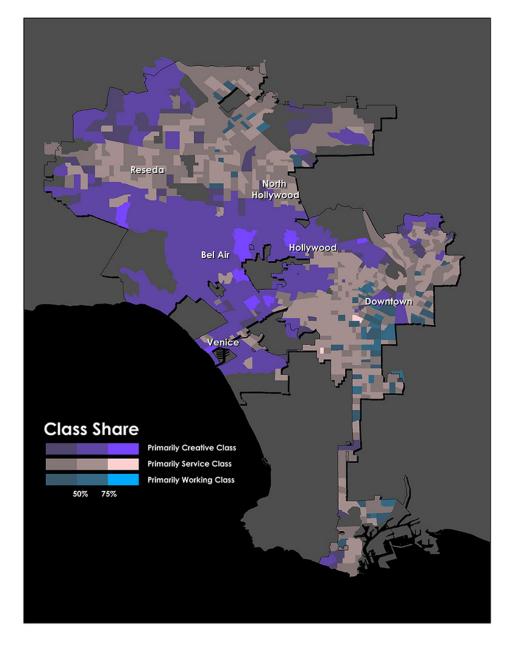
which its share is more than 50 percent, 104 (3.6 percent) in which it's more than two thirds, and 16 (0.6 percent) where the creative class makes up more than three-quarters of all residents. More than half of the creative class (54.2 percent) resides in census tracts where the creative class is predominant.

The service class makes up 46.3 percent of the region's workforce and its members average \$32,367 per year in wages and salaries, considerably above the national average of \$29,188 but just 40 percent of what the creative class earns. There are 859 (30.1 percent) tracts in which more than half of the residents belong to the service class, 25 (0.9 percent) where more than two-thirds do, and four (0.1 percent) where their share exceeds

75 percent. More than two-thirds (68 percent) of the service class live in tracts where the service class is predominant. The service class is mostly clustered along the peripheries. The map shows an enormous service class concentration between Santa Monica in the west and Pasadena in the east that stretches all the way south to Anaheim and Santa Ana, and two additional big clusters in the metro's northern and northeastern corners.

The working class comprises 19.5 percent of the region's workers (below the national

City of Los Angeles Map 2-B



average). They make on average \$37,066 in wages and salaries, more than the national average of \$36,991, but less than half that of the region's creative class workers. L.A.'s once thriving working class districts have essentially disappeared. There are just 59 tracts (2.1 percent) where the working class makes up more than half of all workers (the smatterings of blue that can be seen around downtown, in the northeast near Burbank, and south in the Compton and Long Beach areas). But there are 712 tracts (25 percent) where they make up less than ten percent of residents and 256 (9 percent) where their share is less than five percent. Across the LA metro, 13.3 percent of the working class lives in majority working class tracts.

Map 2-B plots the class geography of the city proper. Unlike New York, with its heavy concentration of creative class at the core, much of L.A.'s creative class is spread out along the natural amenity of the waterfront.

A major creative class cluster stretches from Hollywood, Bel Air, and Westwood, where UCLA is located, to the beach community of Venice. There is a small cluster near downtown, especially around USC. For the metro broadly, the creative class follows the coast from Malibu in the north to Irvine, Laguna Beach, and Dana Point in the south, with a notable cluster in Pasadena in the east, home to Caltech and the Jet Propulsion Laboratory. L.A.'s service class tends to reside on the periphery of the major creative class clusters in North Hollywood, further out in Reseda, and in the neighborhoods between Hollywood and downtown.

L.A.'s gentrification has taken a different pattern than is characteristic of older Northeastern cities, with their well-defined industrial cores. Industry in Los Angeles was never as centralized as it was in the east. The pattern of gentrification in the urban core that has taken shape around repurposed industrial buildings as well as new construction has resulted in a more diffuse pattern.

## **CHICAGO**

With 9.5 million people and \$546.8 billion in economic output, Chicago is the nation's third largest metro. Map 3-A tracks the class geography for the Chicago metro area.

More than a third of the metro's workers (35.1 percent) belong to the creative class, slightly above the national average, and they earn an average of \$75,033 per year in wages and salaries, 6.1 percent above the national average of \$70,714. There are 729 tracts (34.5 percent of the region's total) in which more than 40 percent of the residents belong to the creative class, 407 (19.3 percent) in which more than 50 percent do, 67 (3.2 percent) in which more than two-thirds are creative class, and nine tracts (0.43 percent) that have more than 75 percent creative class membership. In the broader metro, the areas of highest creative class concentration hug the lakeshore but also take in suburban Oak Park to the west and Evanston, home of Northwestern University, to the north. There is also a band of purple to the west, running north and south of Naperville. Just over half (50.6 percent) of Chicago's creative class live in primarily creative class tracts.

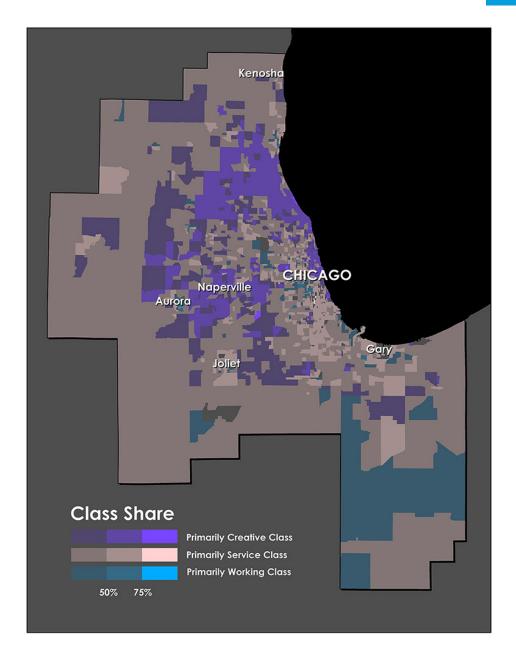
The service class makes up 43.4 percent of the region's workforce (less than the national average). Service workers in the metro make about \$30,946 in wages and salaries, 2.5 percent above the national average but just 41 percent of what the creative class earns. There are 491 tracts (23.2 percent of the region's total) where more than half, 37 tracts (1.75 percent) where more than two-thirds, and two tracts (0.09 percent) where more than three-quarters of residents belong to the service class. As a whole, the south side of the region is serviceclass dominated, with a few gentrifying pockets (e.g. near the University of Chicago), and several working class outposts including the "Little Village" neighborhood. More than two thirds (67.3 percent) of Chicago's service workers live in tracts where they predominate.

Averaging \$40,295 per year in wages and salaries, 8.9 percent above the national average of \$36,991 but just 54 percent of what creative class workers make, the working class comprises 21.4 percent of the region's workers. In only 37 tracts (1.8 percent of the region's total) do more than half the residents belong to the working class. But there are 401 tracts (18.9 percent) in which less than ten percent of residents belong to the working class and 149 (7.1 percent) where less than 5 percent do. About one out of ten (11.5 percent) of working class Chicagoans lives in census tracts in which they form a plurality.

**Map 3-B** shows the class geography of the city proper. The creative class is most concentrated along the shores of Lake Michigan, from the Loop to Wrigleyville in the north and south to the Hyde Park area surrounding the University of Chicago.

The creative class commands more than 70 percent of tracts in Streeterville and Lincoln Park. Sampson has noted the considerable clustering of artists, musicians, dancers, actors, and painters and other workers based on Florida's "bohemian index" in downtown neighborhoods. 43 Sampson further finds

Chicago Metro Map 3-A

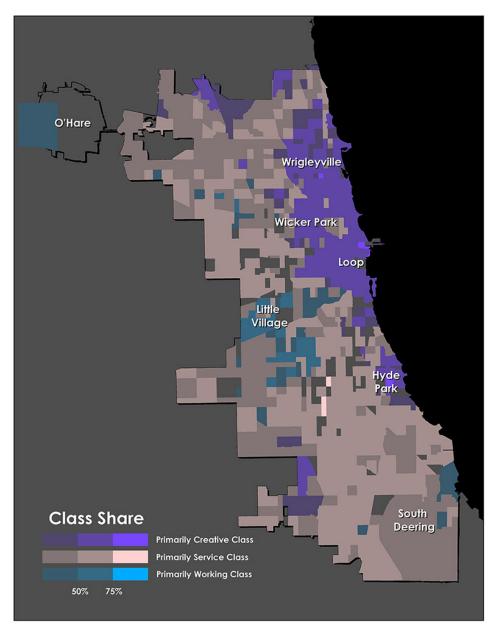


that neighborhoods with high concentrations of these bohemian occupations also have higher levels of Internet usage than income alone can account for, indicative of broader creative class clustering.

Within the city limits, the service class is settled at the periphery of creative class neighborhoods and out towards the city's boundaries. Across the metro, nine of the ten tracts with the highest percentages of service workers are in the city proper, and four of them are located in Englewood, a three-mile square neighborhood

in the southwest that has a poverty rate of more than 40 percent, more than twice the city's overall rate. Seven of the region's ten tracts with the largest working class concentrations are in the city proper as well.

Мар 3-В City of Chicago



## **DALLAS**

The Dallas-Fort Worth metro is the fourth largest in the U.S., with 6.4 million people and economic output of \$401.3 billion.

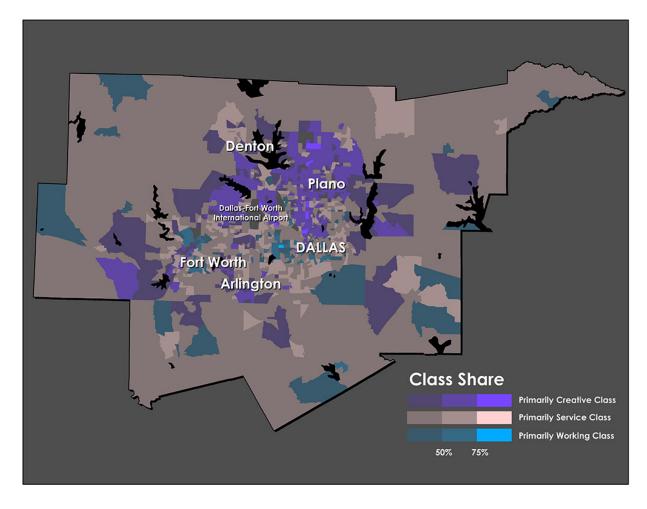
Map 4-A charts the geography of class for the Dallas metro, which includes Fort Worth, Plano, Arlington, and Denton. The creative class makes up 34.3 percent of its workers, who average \$73,016 in wages and salaries, 3.3 percent more than the national average. There are 471 tracts (36.4 percent) with more than 40 percent creative class, 267 (20.6 percent) with more than 50 percent creative class, 37 (2.9 percent) with more than two-thirds creative class, and 11 (0.8 percent) in which the creative class makes up more than three-quarters of all residents. More than half (54.4 percent) of Dallas's creative class live in tracts in which they are predominant.

The metro's creative class radiates north out of downtown Dallas into the suburbs of Plano and Denton and to the communities of Fort Worth and Arlington to the west. Most of its southern area is either solidly service class with some blue specks indicating working class clusters. The far north of the metro is also mostly service class.

The service class numbers 44.2 percent of the region's workers. Service workers in the metro average \$29,441 in wages and salaries, 40.3 percent of what the region's creative class workers earn. There are 248 tracts (19.2 percent of the total) where more than half the households are service class. The ten tracts with the greatest concentrations of service class workers are spread across the region, with four in Fort Worth, three in Dallas, two in Denton, and one in Lewisville. Almost two-thirds (63.7 percent) of Dallas's service class live in tracts where the service class is predominant.

Comprising 21.5 percent of the metro's workers, the working class averages \$34,699 in wages and salaries, 47.5 percent of what the region's creative class workers make. There are just 52 tracts (4 percent) where more than half the households belong to the working class. In contrast, 270 tracts (20.9 percent) are less than ten percent working class and there

Dallas Metro Map 4-A



are 92 tracts (7.1 percent) in which less than 5 percent of residents belong to the working class. Working class clusters are found mainly to the south, around the intersection of I-30 and Walton Walker Boulevard, but also in the northern section of Fort Worth, 17.9 percent of Dallas's working class lives in census tracts with a working class plurality. This is the second highest share of the 12 metros in this study. Only Houston (also in Texas) has a greater share (22 percent) of its working class living in primarily working class tracts.

Map 4-B plots the geography of class for the city of Dallas proper. The city's class divide follows a similar north-south axis, demarcated by Interstate 30 and the impressive steel and glass skyline of Dallas's downtown core. There is also a less pronounced east/west divide along the Trinity River just south of downtown, separating the working and

service class neighborhoods to the west of the river from the creative class enclaves to the east.

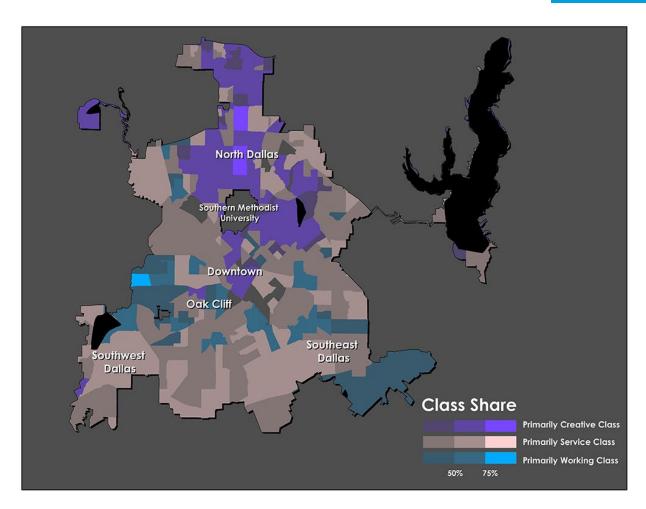
Six out of the top ten creative class tracts are located in the suburbs of Plano, Frisco, and Irving. North Dallas is the site of a creative class enclave that spans downtown through Southern Methodist University and University Park. Two additional tracts in affluent Highland Park, an incorporated city embedded within Dallas's boundaries, are essentially suburban in character. The Colony, an area of Denton, is a part of this greater area.

# **HOUSTON**

Home to six million people and with \$420 billion in economic output, the Houston metro is the nation's fifth largest.

**Map 5-A** charts the class geography of the Houston metro. The creative class makes up 33 percent of the metro's workers who average \$75,570 per year in wages and salaries, 6.9 percent above the national average.

City of Dallas Map 4-B



The creative class occupies an archipelago of clusters that spread across the center of the metro, from downtown Houston to Sugar Land in the southeast and the Woodlands to the north, as well as neighborhoods sprouting north and south from the I-10 as it heads west. Toward Houston's boundary to the southeast is Clear Lake, a suburban area whose creative class is tied to the aerospace industry or nearby Johnson Space Center. More than half (54.4 percent) of Houston's creative class live in tracts where they predominate.

The service class makes up 42.5 percent of the region's workforce (less than the national average) and average \$28,455 in wages and salaries, less than the national average for the service class and just 38 percent of what the metro's creative class workers earn. The service class makes up more than half of all residents in roughly one in five of the metro's tracts. Almost two-thirds (62.2 percent) of the service class lives in tracts with service class pluralities.

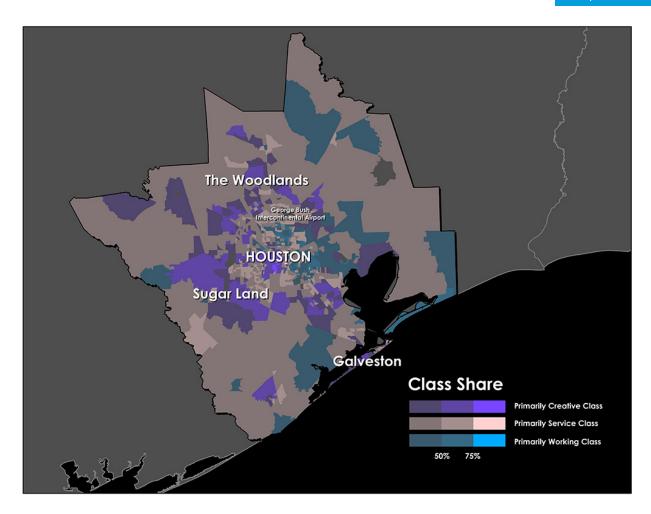
Blue-collar workers comprise nearly one in four (24.4 percent) of the region's workforce, well above the national average. The metro's blue-collar workers average \$37,719, more than

the national average of \$36,991, but just half of what the region's creative class workers make. Concentrated in districts to the south and north of downtown and around the Port of Houston, the working class makes up more than half of all residents in five percent of the metro's tracts - the highest share we have seen in any of the metros covered thus far. Twentytwo percent of Houston's working class lives in tracts that are primarily working class, also the highest share of any of the twelve metros we looked at.

**Map 5-B** shows the class geography of the city proper. The creative class is clustered in and around Houston's downtown and in each of the quadrants of the city, including Montrose, roughly four miles to the southeast of the central business district, home to a large population of gays, artists, and bohemians.

Nine of the region's top ten creative class

Houston Metro Map 5-A



tracts are in the city proper. Seven are located in the upscale area around Rice University.

Nine of the region's ten tracts with the largest service class concentrations are in the city proper as well. Each and every one of them is located along its periphery—five in the distressed southeast and southwest areas of the city, two in neighborhoods near George Bush Intercontinental Airport, one in the northern outpost of Westchase, and one in the northeastern area of the city.

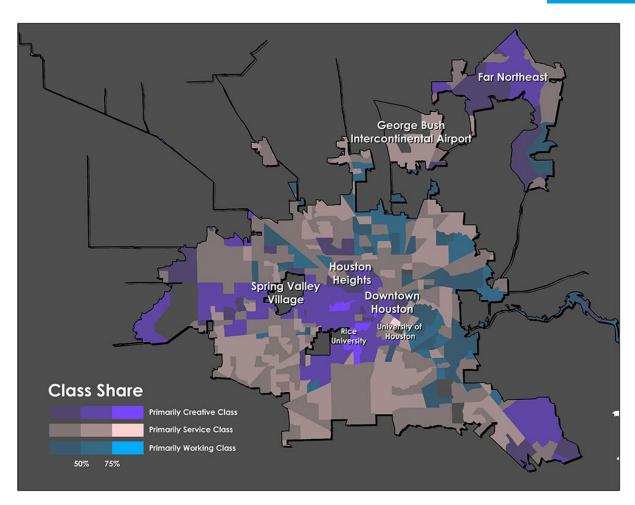
## **PHILADELPHIA**

Home to roughly six million people and with some \$350 billion in economic output, Philadelphia is the nation's sixth largest metro. Spanning three states, it takes in the wealthy Main Line suburbs and Montgomery, Delaware, Bucks, and Chester counties; distressed Camden and affluent Cherry Hill, New Jersey; and Wilmington, Delaware in the south.

Map 6-A charts the class geography of the Greater Philadelphia area. The creative class makes up 34.6 percent of the metro's workers, slightly above the national average. Philadelphia's creative class averages \$76,694 per year in wages and salaries, also higher than the national average of \$70,714. The creative class makes up more than half of all residents in roughly one in five of the metro's census tracts. Over half (56.7 percent) of the Philadelphia creative class live in census tracts with creative class pluralities.

As **Map 6-A** shows, the heart of the metro is solid creative class purple, from downtown Philadelphia through Manayunk-Roxborough and Chestnut Hill/Germantown in the western part of the city through the super-affluent Main Line suburbs.

City of Houston Map 5-B



There are many colleges and universities along this stretch, including Bryn Mawr, Haverford, and Villanova.

The service class accounts for 47.5 percent of the region's workforce, slightly more than the national average. Service workers average \$31,693 in wages and salaries, more than the national average of \$29,188, but just 41 percent of what the region's creative class workers make. Half of all residents are service class in roughly 30 percent of the metro's census tracts. Service class areas are clustered around the peripheries of the city and the metro at large, many along I-95, including a major cluster in the former shipbuilding and auto manufacturing center of Chester. Just over two thirds (66.5 percent) of Philadelphia's service class lives in tracts with a majority of service class residents.

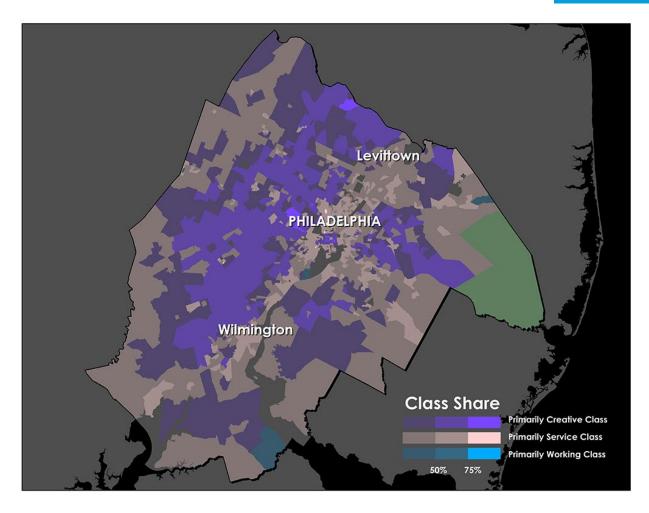
The working class accounts for 17.8 percent of the region's workers, significantly below the national average. The metro's blue-collar workers average \$40,539 per year in wages and salaries, significantly better than the national average for these blue-collar jobs (\$36,991), but just 48 percent of what the region's creative class workers make. Less than one percent (0.6 percent) of the working class lives in primarily working class census

tracts, the lowest share of the 12 metros we examined in this report.

There is only one tract (0.07 percent of the metro's total) where the working class makes up more than half of all residents, and that is in hard-hit Camden, where the per capita income is less than \$13,000 - a legacy of the city's past strengths as an industrial powerhouse. Philadelphia has the lowest share of working class of any metro in this series, including post-industrial Washington, DC and service-dominated Miami - a striking illustration of how thoroughly the region has been deindustrialized. Just three small blue specks indicate significant working class concentrations - in Camden, around Wilmington and Dover to the south, and farther northeast towards Trenton, New Jersey.

**Map 6-B** charts the class geography of the city proper. The class divide in the city is pronounced, with tracts and neighborhoods

Map 6-A Philadelphia Metro



running the gamut from leafy townhouse enclaves to some of the most blighted urban neighborhoods in the country.

The city is home to several creative class clusters. One is in and around the urban core, in gentrified neighborhoods such as Rittenhouse Square and Society Hill, and along the tree-lined Benjamin Franklin Parkway through the museum district. Another is to the west in Chestnut Hill and Manayunk-Roxborough. West Philadelphia's University City area is home to the University of Pennsylvania and its world-renowned hospital and medical campus, as well as Drexel University. There are several other smaller creative class concentrations throughout the city, among them Fox Chase and Wynnefield, a predominantly middle class African American neighborhood that includes Saint Joseph's University. All ten of the metro's top creative class tracts are within city limits, most of them in and around the center city.

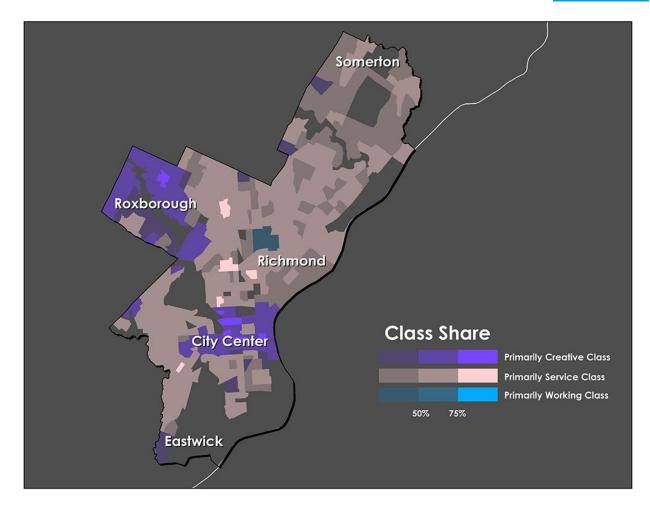
The creative class makes up between 76 and 88 percent of those tracts. Eight of the top ten service class locations are in the city proper as well, most of them in the hard-hit northern section.

# WASHINGTON, DC

By population, Greater Washington, DC is the nation's seventh largest metro, with approximately 5.7 million people. It is the fourth largest in economic output, however, producing some \$434 billion in goods and services.

Washington, DC is for all intents and purposes an archetypal post-industrial region (see Map 7-A). The creative class makes up nearly half of the metro's workforce (46.8 percent), 14 percentage points above the national average (33 percent) and the third highest percentage in the nation. Creative class workers in the metro average \$90,442 in wages and salaries. also well above the national average. Over three quarters (76.6 percent) of Washington's creative class live in primarily creative class census tracts, the highest share of any of the 12 metros we looked at. In fully two-thirds of the census tracts in the

City of Philadelphia Map 6-B



metro 40 percent or more of the residents are in the creative class; nearly one in five tracts (18.5 percent) have two thirds of residents in the creative class, and in 7.5 percent of tracts the creative class tops 75 percent.

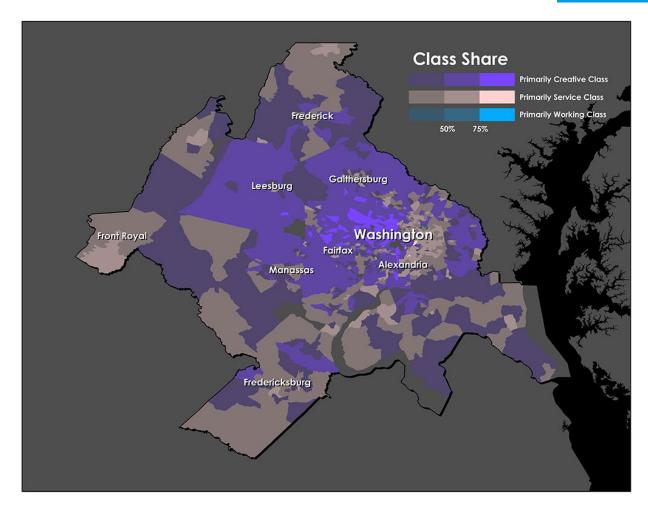
The creative class is concentrated in the center of the metro, as the map shows, in and around Northwest DC, Arlington, and Alexandria and out to Fairfax, Manassas, and Leesburg in Northern Virginia, and Bethesda, Gaithersburg, and Frederick in Maryland. There are also extensive swaths of lighter purple farther out. Three of the metro's top ten creative class tracts are located in the District proper.

While the service class accounts for 46.6 percent of the workforce nationally, it accounts for just 40.3 percent of the DC metro workforce, less than its share of creative class. The metro's service workers average \$34,336 in wages and salaries, significantly better than the national average of \$29,188, but just 38 percent of what the metro's creative class workers earn. The service class comprises more than 50 percent of residents in just 13.6 percent of the region's tracts, the smallest fraction of any metro in this series. More than 45 percent of the region's service class lives in tracts where the service class predominates.

The service class is pushed to the metro's far corners and the in-between spaces separating creative class concentrations. Seven of the ten top service class tracts are located in historically black neighborhoods within DC city limits. Two are in Maryland's Prince George's County, which wraps around the southern border of the District. One tract includes Georgetown University dorms, where 97 percent of residents are between the ages of 18 and 24, and thus likely to be temporarily employed in service jobs. This is an isolated island in a neighborhood that is predominantly creative class.

Blue-collar workers comprise 12.8 percent of the metro's workers (a little more than half of the national average). The metro's blue-collar workers average \$41,951 in wages and salaries,

Map 7-A Washington, DC Metro



more than the national average but still less than half of what the metro's creative class workers earn. The working class is virtually invisible on the maps. Less than one percent (0.1 percent actually) of the metro's service tracts are more than 50 percent working class, less than in any other metro we examined. Conversely, the working class comprises less than ten percent of residents in 40 percent of the region's tracts and less than five percent in 20 percent of them.

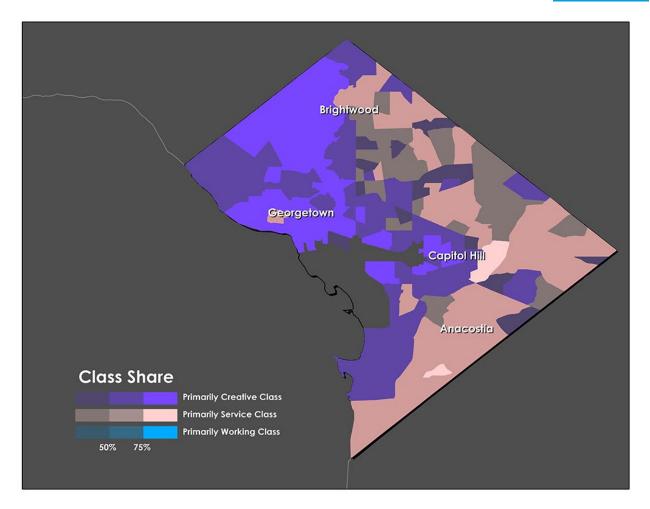
Less than two percent (1.7 percent) of Washington's working class live in primarily working class tracts and none of the top ten working class tracts are located within the city limits. Six of the top ten working class tracts are in Maryland. The top two working class tracts are in Langley Park, Maryland, an area that has a considerable concentration of Central American immigrants. The rest

are located farther out in the suburbs and exurbs of Northern Virginia, which also have significant numbers of recent Hispanic and Asian immigrants.

As Map 7-B shows, the class divide in the District itself is sharper and more well-defined than in the metro as a whole, running across a sharp east/west axis, with the creative class concentrated in the west, especially in the Northwest quadrant of the city. There are also substantial creative class clusters in and around downtown and Capitol Hill, reflecting the more recent transformation of those neighborhoods.

City of Washington, DC

Map 7-B



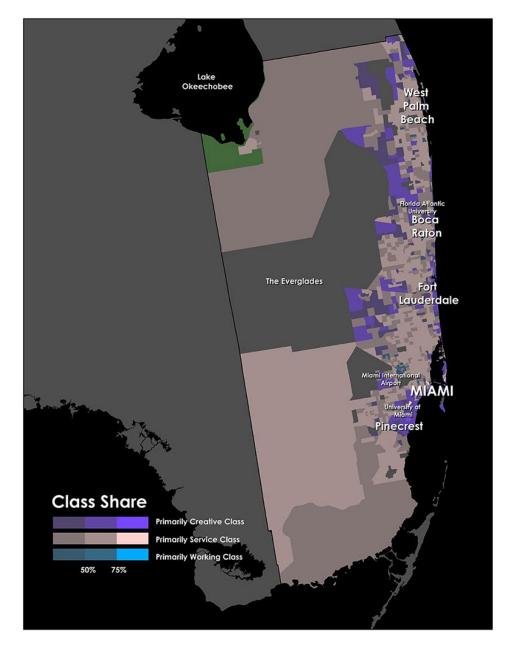
## MIAMI

With 5.6 million people and \$260 billion in economic output, Miami is the nation's 8th largest metro. Map 8-A shows the class geography for greater Miami (the green blotch in the upper left hand corner of the map is primarily agricultural.)

The creative class makes up 30.4 percent of the metro's workforce, less than the national average. Creative class workers average \$68,797 in wages and salaries, over \$25,000 more than the region's average salary (\$42,176), but less than the national average for the creative class. Only 12 percent of the

tracts in greater Miami have more than half of their residents employed in the creative class, less than any of the ten largest metros and much less than in New York, Chicago, and Boston, where roughly 20 percent of tracts have 50 percent or more creative class residents, and greater Washington, DC, where nearly 50 percent of all tracts do. About a third (30.6 percent) of the creative class live in primarily creative class tracts, the lowest share of any of the twelve metros we examined.

Miami Metro Map 8-A

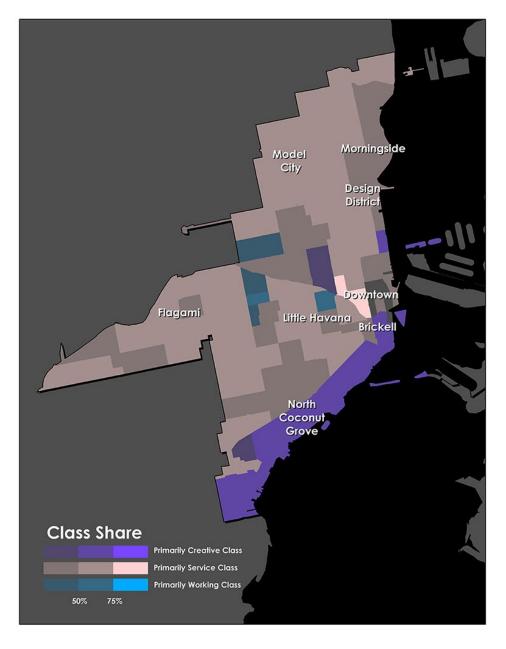


The service class makes up 53 percent of the region's workers, considerably above the national average. Service workers in the metro average \$29,087 in wages and salaries, roughly 40 percent of what the metro's creative class workers earn. Of the ten largest metros in the U.S., Miami has the highest share of tracts - half - where more than 50 percent of residents are employed in the service class (compare this to Chicago's 23 percent, Boston's 20 percent, and Washington, DC's 14 percent).

The leading service class neighborhoods, where more than 70 percent of residents hold service class jobs, are mostly inland, though some are contiguous to more affluent resort locations. More than eight out of ten (84.2 percent) of Miami area service workers live in tracts where the service class forms a plurality, the highest share of any of the twelve metros we looked at.

The working class comprises 16.2 percent of the region's workforce, some five percentage points below the national average of 21 percent. Members of the region's working class average \$35,440 in wages, below the national average for blue-collar workers (\$36,991) and only half of what the metro's creative class

Map 8-B City of Miami



workers earn. One in five tracts in Greater Miami are less than ten percent working class; less than one percent (0.6 percent) of the region's tracts have more than 50 percent working class. Most of these neighborhoods are near the airport and the warehouse districts.<sup>44</sup> About five percent (4.9 percent) of the working class lives in tracts where blue-collar workers predominate.

Unlike many of the metros we have covered, in which the creative class radiates outward from the center, Miami's creative class spreads out along the water, somewhat as it does in Los Angeles. Six of the top ten creative class tracts in the metro are along the waterfront. Two are in the affluent suburb of Pinecrest (with a median family income in excess of \$120,000); Coral Gables, Aventura, and Boca Raton each have one.45 Two of these tracts include or are close to universities—the University of Miami in Coral Gables and Florida Atlantic University in Boca Raton — a pattern which is common across the other cities and metros in this series.

**Map 8-B** charts the class geography of the city of Miami. Five of the region's top ten creative class tracts are located in Miami proper, mainly close to downtown and on or near the waterfront. It's interesting to note that South Beach and ultrawealthy Palm Beach do not make the top ten. Perhaps this is due to their high percentages of second homeowners, who are not captured as residents in the Census.

Miami's class divide is overlaid by a long-standing racial divide and also by the cleavages between its affluent part-time residents and its far less-advantaged locals, who overwhelmingly work in the service industry. As a global city, Miami also bears the stamp of two distinct immigrations—the influx of wealthy Latin Americans, Europeans, Russians, and others who are part of the global one percent, and the much larger group of low-wage, low-skill immigrants from across Latin America and the Caribbean, who toil in low-wage service and blue-collar jobs.

#### **ATLANTA**

With roughly 5.3 million people and an economic output of about \$284 billion, Atlanta is the nation's ninth largest metro. Its boundaries extend to Carrollton and Griffin to the south and Marietta and Roswell to the north.

The creative class makes up 36.3 percent of the metro's workers (more than the national average). They average \$73,272 in wages and salaries, better than the national average of \$70,714, and over \$25,000 more than the average wage (\$46,442) for the metro.

Across the metro area, the creative class accounts for more than 40 percent of residents in 354 tracts (38.2 percent), and more than half in 196 tracts (21.1 percent). There are 32 tracts (3.5 percent) where the creative class accounts for more than two thirds of residents. Just over half (50.8 percent) of

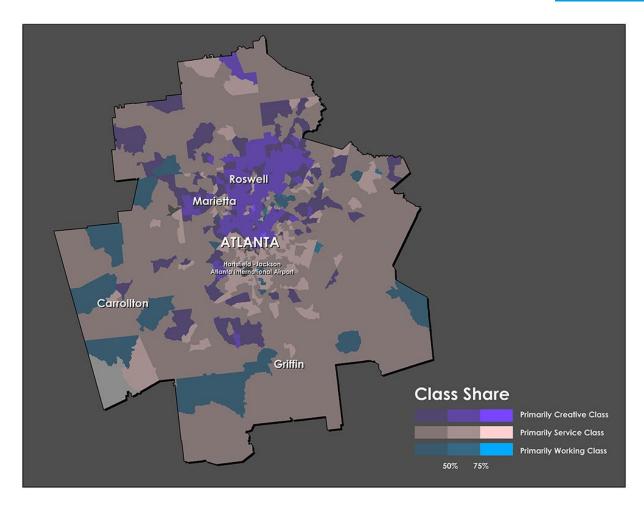
the Atlanta creative class lives in census tracts with creative class pluralities.

As Map 9-A shows, the creative class is clustered in the center of the metro, from downtown Atlanta to Marietta and Roswell in the north, with some pockets or islands mainly throughout the upper half of the metro.

The service class comprises 43.8 percent of Atlanta's workers, less than the national average. These workers average just \$28,973 in wages and salaries, less than the national average of \$29,188, and just 42 percent of the average wage for the region's creative class. There are 165 tracts (17.8 percent) where more than half of the residents are service class. Two thirds (66.6 percent) of Atlanta's service class live in census tracts with service class pluralities.

The working class comprises 19.8 percent of the region's workers (slightly below the national average) and averages \$36,991 in wages and salaries, just 49 percent of what the metro's creative class workers make. Less than one percent of the metro's tracts are more than 50 percent working class. Conversely, nearly one in four tracts are less than ten percent

Map 9-A Atlanta Metro

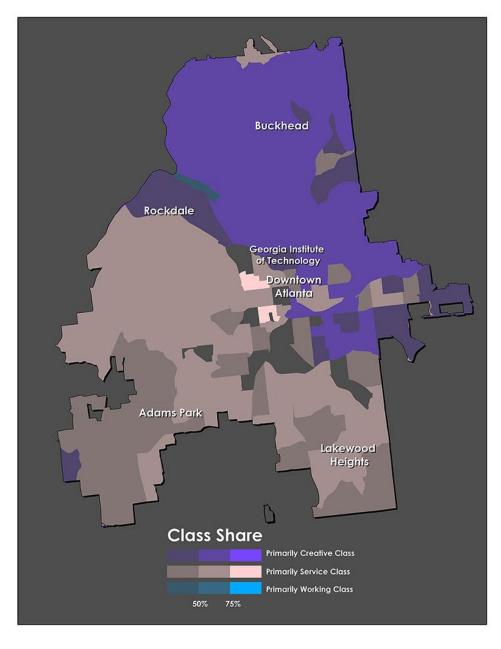


working class. Less than one out of ten (8.7 percent) of the region's blue-collar workers live in tracts where the working class predominates. None of the top ten working class districts are located in Atlanta proper. Two are in Forest Park, a largely minority (African-American and Hispanic) town roughly ten miles south of the city, where some 30 percent of the population lives below the poverty line.

Map 9-B shows the class divides in the city proper. The line of class demarcation in the city cuts across a sharply defined east-west

axis. The creative class dominates the entire northeast of the city. Five of the region's top ten creative class tracts are in the city of Atlanta proper and four are in or around the affluent, gentrified Buckhead neighborhood. The other is in the Midtown neighborhood that includes Georgia Tech, which has undergone substantial transformation and intensification of development. The service class occupies the entire Southwest of the city out to Adams Park and Lakewood Heights. Seven of the region's top ten service class locations are located within Atlanta's city limits. Many of these tracts are poor and black, with the geography of racial segmentation overlaying that of class.

Map 9-B City of Atlanta

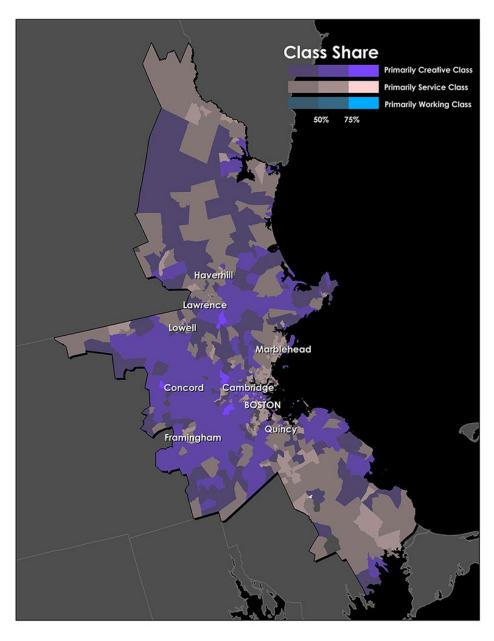


## **BOSTON**

Home to roughly 4.6 million people, with an economic output of approximately \$326 billion, Boston is America's tenth largest metro. Once a center for manufacturing, Boston, like Washington, DC, is now an archetypal post-industrial metropolis. Its central core is almost solidly creative class purple, surrounded by a sea of service class areas. Working class clusters are few and far between.

Map 10-A charts the geography of class for the Boston metro. The creative class makes up 41.6 percent of the metro's workforce, the ninth highest share in the nation, and they earn an average of \$84,403 per year in wages and salaries, substantially more than the national average. The creative class makes up between 80 and 90 percent of residents in the metro's top ten creative class tracts. Three of these tracts are in Boston proper, and four are in Cambridge, around Harvard and MIT (The creative class makes up more than two-thirds of Cambridge's population). The remaining three are in suburban Newton, which sits on the Green line close to Boston College.

**Boston Metro** Map 10-A

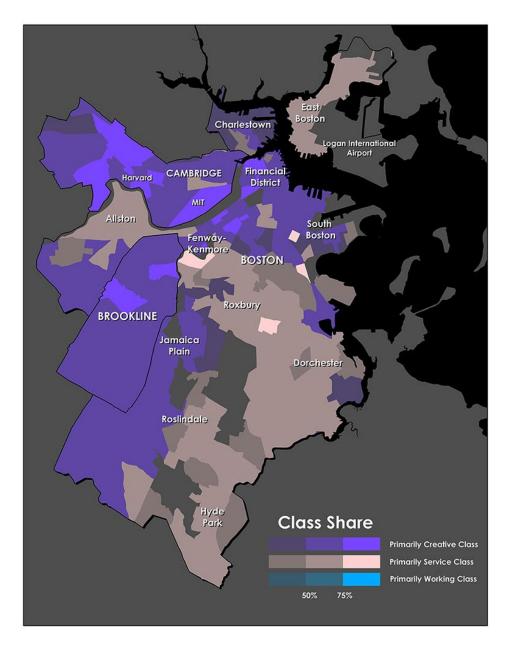


Just over two thirds (66.8 percent) of Boston's creative class live in predominately creative class tracts, the third highest share of the twelve metros covered by this study. Half or more of residents are creative class in roughly one in five of the metro's tracts. Following a pattern identified a half century ago by the historian Sam Bass Warner in his classic book Streetcar Suburb, the city and metro alike have been powerfully shaped by their transit infrastructure. 46 The creative class is highly clustered and concentrated along the city and region's main transit lines.

Major creative class concentrations can be found immediately to the west of the city in Belmont, an historically affluent

suburb where Mitt Romney's Massachusetts residence is located and which Charles Murray used as a proxy for a prosperous creative class location in *Coming Apart*. 47 Further west are the historic colonial towns of Lexington and Concord, as well as Newton, Wellesley, and Sudbury. The suburbs with greatest concentrations of the creative class are mostly to the north and the west. They have excellent school systems and easy access to the city via rail and highways. Substantial creative class clusters can be found along Boston's Route 128

Boston-Cambridge Map 10-B



corridor (sometimes referred to as "America's technology highway"), where such companies as Digital Equipment Corporation, Data General, and Bose were born. There are also considerable creative class concentrations in the affluent communities that line the north shore. like Manchester-by-the-Sea, Swampscott, and Marblehead.

The service class makes up 43.4 percent of the region's work force, slightly less than the national average. Service workers in the metro average \$33,738 in wages and salaries, better than the national average of \$29,188, but just 40 percent of what the creative class earns. Nine of the metros' leading service class tracts are in Boston proper, mainly in South and East Boston (near Logan airport) and Roxbury. The service class makes up a majority of residents in roughly one in five of the metro's tracts. More than half of the members of this class (55.7 percent) live in neighborhoods where they comprise the majority of residents.

Just 14.9 percent of the region's workers belong to the blue collar working class, well below the national average - a shockingly low percentage for what once was a preeminent manufacturing region. The metro's blue-collar workers average \$42,765 per year in wages and salaries, substantially better than the national average of \$36,991, but just half of what the region's creative class workers make. The traditional blue-collar cities of Lowell and Lawrence still have a substantial working class presence, but there is not one tract in the city where the working class makes up as many as half of the residents. Less than one out of one hundred (0.7 percent) of Boston's blue-collar workers live in census tracts with working class pluralities.

Map 10-B charts the geography of class for the Boston area's urban core, including Cambridge and Brookline. The creative class, which accounts for about 42.5 percent of the workforce, is clustered in and around downtown and in several other pockets across the city.

The largest creative class concentrations are located in the central business district and the Financial District around Faneuil Hall, as well as gentrified Beacon Hill and Back Bay. There are creative class clusters in the South End, the heart of the city's gay community, and in the Fenway-Kenmore area - home to many colleges and arts and cultural institutions. Other neighborhoods

with a significant creative class presence are the North End, Boston's Little Italy and its oldest residential community. Charlestown, traditionally an Irish working class area, now houses a large creative class population. The creative class area that hooks out from the main body of the city to the west is Brighton, which has a significant university population. The service class area adjoining it is Allston, a diverse area of immigrants and students that is also home to Harvard Business School. Jamaica Plain, to the south and east, has also attracted a substantial creative class population.

#### SAN FRANCISCO

The San Francisco metro is America's 11th largest, home to 4.4 million people and with \$335 billion in economic output. Taking in Oakland and Berkelev across the bay, it extends north through Marin County, east past Mount Diablo to Antioch and Livermore, and south to the industrial area around Fremont on the East Bay. On the peninsula, the metro stretches down to Menlo Park and along the coast to Pescadero and La Honda.

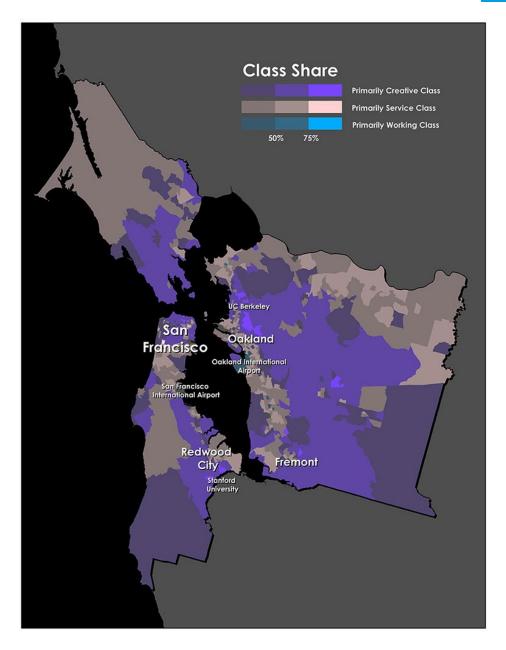
Map 11-A charts the class geography of the metro. San Francisco's class divide is pronounced, with large purple areas in and around its gentrified urban core, in Berkeley around the University of California, in the north around Marin, and in the southeast and southwest around Livermore and Menlo Park. Nearly 40 percent (39.4) of the metro's workers belong to the creative class, substantially more than the national average, and they make some \$91,361 per year in wages on average, almost 30 percent more than the national average and second only to the nearby San Jose metro, the heart of Silicon Valley.

Across the metro, 44.1 percent of workers belong to the service class, slightly less than the national average. Service workers average \$36,426 in wages, better than the national average of \$29,188 but just 40 percent of what the region's creative class workers earn. The service class makes up more than half of all residents in roughly one in five (22.8 percent) of the metro's tracts. Nearly six in ten (57.3 percent) of the area's service class live in neighborhoods where they make up the majority of residents and in the metro's top ten service class tracts they make up between 70 and 85 percent of the population. Eight of those tracts are located in San Francisco proper, six of them within an about 1.5-mile circle encompassing Chinatown and the Tenderloin. The remaining two tracts are located in Oakland and Menlo Park. The service class areas on the peninsula include parts of Redwood City on the bay side of Highway 101, as well as East Palo Alto, a low-income pocket amid the relative wealth of neighboring Palo Alto and Menlo Park.

The metro is almost completely post-industrial. Only a handful of blue specks in the East Bay and around Oakland, Hayward, and Richmond indicate large working class concentrations. Across the region, the working class comprises 16.5 percent of workers, substantially less than the national average; they make \$46,540 per year in wages and salaries, substantially better than the national average of \$36,991, but just half of what the metro's creative class workers earn. The working class makes up half of all residents in less than one percent (0.21 percent) of the metro's census tracts, the second lowest figure after Greater Washington, DC. Conversely, the working class makes up less than 10 percent of residents in nearly 40 percent (38.6 percent) of the tracts in the region. Less than two percent (1.7 percent) of the working class live in census tracts where they are the majority. The metro's leading working class neighborhood is in the Fremont neighborhood, where more than half of the residents belong to the working class. Five of the ten leading working class neighborhoods are in Oakland.

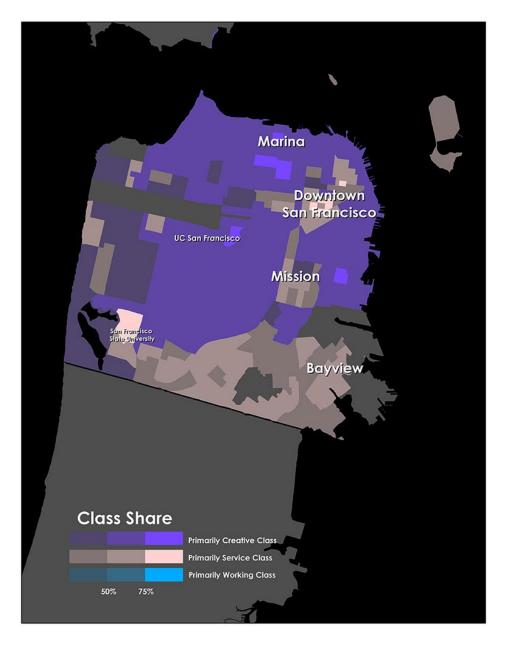
Map 11-B charts the class geography for the city of San Francisco proper. Most of the city is purple, reflecting the large creative class concentrations in neighborhoods such as Pacific Heights and Russian Hill. SoMa or South of Market, which stretches below Market Street along the eastern part of the city south of the Bay Bridge, is an area of mixed-use and warehouse buildings that now house both start-ups and big name tech companies like Twitter, Zynga, and Airbnb. SoMa bleeds south into Dogpatch, a formerly industrial enclave

San Francisco Metro Map 11-A



along Third Street that was colonized by artists who are now being priced out by techies and entrepreneurs. The dark purple cluster in the center of the city runs from the Haight down to the Castro, Twin Peaks, and Noe Valley. The creative class is also clustered along the region's main transit lines.

Map 11-B City of San Francisco



## **DETROIT**

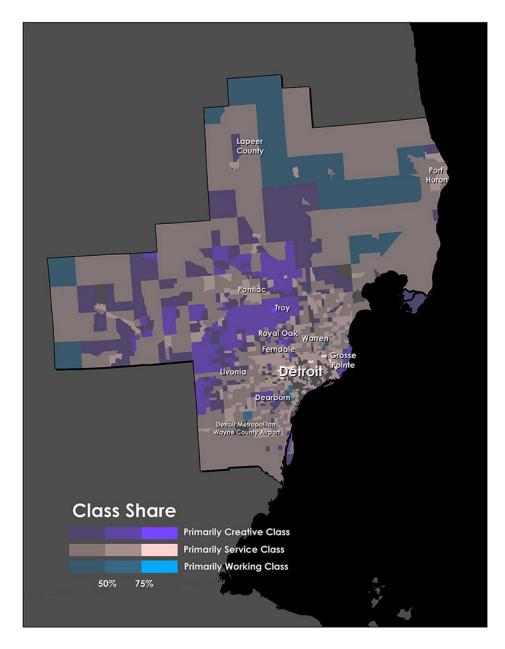
Greater Detroit, America's 14th largest metro, has a population of roughly 4.3 million and produces \$198.8 billion in economic output. It encompasses Wayne, Oakland, Macomb, Lapeer, Livingston and St. Clair counties, and includes the municipalities of Ferndale, Royal Oak, Birmingham, Troy, Warren, and Bloomfield Hills to the north, Grosse Pointe to the northeast, Livonia and Dearborn to the west, and Melvindale and Lincoln Park to the south.

**Map 12-A** charts the class geography of the Detroit metro. The creative class makes up 34.5 percent of its workforce,

a bit above the national average. Creative class workers average \$73,097 per year in wages and salaries, also above the national average. Almost half (47.5 percent) of Detroit's creative class live in predominately creative class tracts.

Detroit's creative class is concentrated in the center of the metro in the upscale suburbs of Troy, Birmingham, and Bloomfield Hills, as well as Grosse Pointe. Located along the old streetrail route that ran along Woodward Avenue and formed the metro's main commercial and development corridor, the communities of Ferndale,

**Detroit Metro** Map 12-A



Royal Oak, and Birmingham have provided suburbanites with an alternative urbanity; they are exemplars of walkability, with mixed-use downtowns and attractive older houses.

Each and every one of the metro's top ten creative class tracts is in the suburbs. This is not surprising, as Detroit has witnessed some of the most pronounced white flight of any U.S. city. Two of the top ten creative class tracts are in the walkable, mixed-use suburb of Birmingham. Two are in Bloomfield Township, and another is in Bloomfield Hills, home of the Cranbrook Academy. Another is in nearby Troy, a sprawling middle class suburb with excellent public schools, and the site of a high-end mall. Two are in Huntington Woods, a leafy enclave that boasts a public golf course and the Detroit Zoo. Two more are in the "Grosse Pointes" — Grosse Point Shores and Grosse Point Park whose lakeshores are lined with sprawling Gilded Age mansions.

The service class makes up 44.8 percent of the region's workforce, slightly less than the national average. On average service class workers earn \$29,730, which is on par with the national average of \$29,991, but just 40 percent of the average pay for creative class workers. The service class makes up more than half of all residents in 30 percent of the metro's census tracts. Almost three quarters (72.4 percent) of area service class workers live in census tracts where they are in the majority, the second highest share of the 12 metros examined in this report.

The working class makes up roughly one in five of the metro's workers. Blue-collar workers make up more than half of all residents in less than one (0.4) percent of the metro's census tracts, a striking illustration of how thoroughly the metro has de-industrialized. This compares to two percent in LA, four percent in Dallas and five percent each in Houston and Boston. The biggest blue clusters are in the far corners of the region, especially in the north. Greater Detroit's working class averages \$41,070 per year in wages and salaries, significantly more than the national average of \$36,991, but just half of what the region's creative class workers make. Only four percent of Detroit's working class live in tracts that are primarily working class.

Map 12-B City of Detroit



Map 12-B charts the class geography for the city of Detroit proper, whose economic decline and population collapse have been well chronicled. Once a booming hub for automotive manufacturing and a center for technological innovation, the veritable Silicon Valley of its day, Detroit has lost more than half its population since 1950; 285,000 plus residents left the city between 2000 and 2010 alone. In 2009, at the height of the recent economic crisis, Detroit's official unemployment rate neared 30 percent. Former Mayor Dave Bing asserted at the time that if discouraged workers were also taken into account the rate would be "closer to 50 percent." 48 In the summer of 2013, the municipality declared bankruptcy.

There are a few distinct creative class clusters and just three small working class concentrations in the city proper; most of it is a sea of service class. Detroit's creative class is located along the lakeshore on a narrow strip that runs north along Jefferson Avenue towards Grosse Pointe. Rapidly revitalizing Midtown, the home to Wayne State University and the city's major arts and cultural institutions, has also drawn a mounting creative class population. The purple blotch in the north is upscale Palmer Woods.

Greater Detroit's class divides overlay and underpin its long history of white-flight and racial cleavage. Each and every one of the metro's top ten service class tracts is located in the city, most of them surrounding the urban core.

Four of Detroit's top ten working class clusters are in the city; six are in the suburbs. One is in Dearborn, home of the Ford Motor Company's corporate headquarters (and the original home of Henry Ford himself). Dearborn is also the hub of greater Detroit's large Arab-American population. Another is in Pontiac, which was home to GM's Pontiac Motor Division as well as its Fisher Body unit, and one is in Romulus, home of the GM Romulus engine and power train plant. Two others are much further out in Lapeer County, abutting Flint.

## UNDERSTANDING THE DIVIDED CITY

Several key patterns emerge from our analysis. Most striking is the sheer extent of class division in the modern city and metropolis. In most every case, the creative class is concentrated in and around the center of the metropolis, in many cases radiating out from the city's historic urban core into the suburbs along key transit lines, or clustering in proximity to knowledge institutions and along areas of substantial natural amenity, such as waterfronts. The service class is generally pushed out towards the periphery. Strikingly,

very few working class clusters remain even in what were once leading industrial cities and metros.

This divided class geography takes the form of three basic spatial patterns:

*Core-Oriented:* This appears to be the dominant pattern, most evident in large metros like New York and Chicago and also in post-industrial metros like San Francisco, Boston, and Washington, DC. But substantial creative class clusters can also be found in and around downtown Philadelphia, Houston, Atlanta, Miami, and even Detroit (see Exhibit 5).

Core-Oriented Exhibit 5

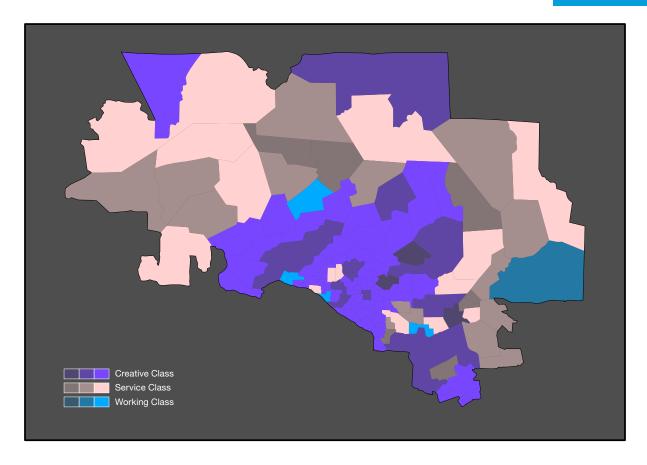
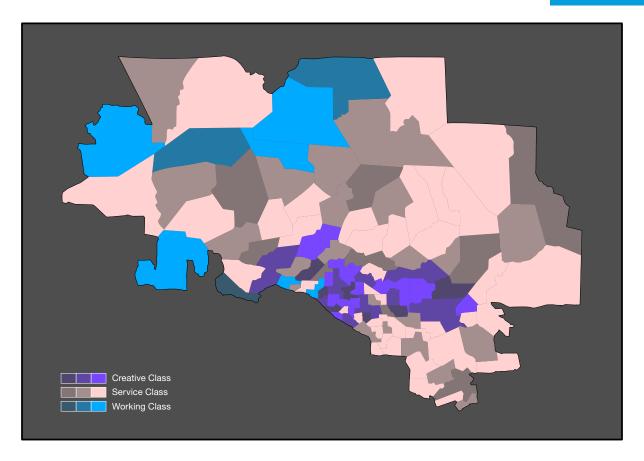


Exhibit 6 Class Blocs

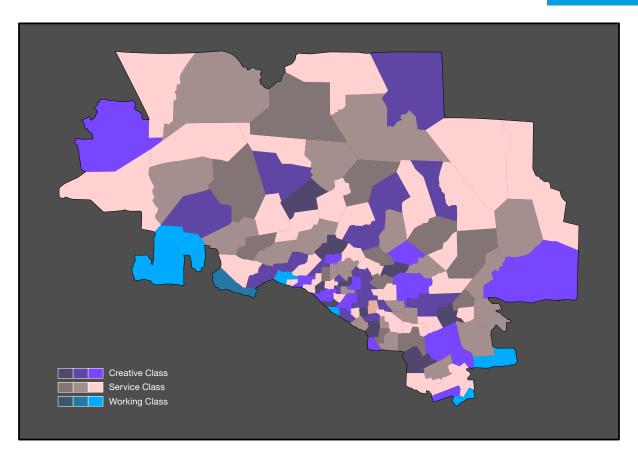


Class Blocs: In some metros, the creative class occupies a large geographic bloc extending across substantial quadrants or in some cases as much as half of the metro. This kind of bloc pattern is exemplified by Washington, DC, Dallas, and Atlanta. It is also found in a more limited form in western Los Angeles, the north part of Chicago, northern San Francisco, and the southern portion of Miami (see Exhibit 6).

Fractal: In other cases, the pattern of class segmentation is less organized and takes the form of archipelagos or even tessellations (see Exhibit 7). This can be seen in metros like Los Angeles and Miami, where the creative class pays a premium to live close to the water. Such a pattern can also be discerned in parts of otherwise core-oriented metros like Philadelphia, Boston, and parts of New York outside Manhattan.

Furthermore, our research identifies four principal axes of cleavage, across the divided city and metropolis.

Fractal Exhibit 7



## **CLUSTERING IN AND** AROUND THE URBAN CORE

The urban core has become a key axis, if not the key axis, of the class geography of the modern metropolis. The transformation of the core as a locational center for the creative class is a striking reversal from its former role as a center for industry, commerce, and shopping – and its abandonment in the 1960s and 1970s.

Our maps and analysis reflect the clustering and concentration of the creative class in and around the urban core. 49 This is especially so in dense metros like New York and Chicago and post-industrial ones like Boston, San Francisco and Washington, DC, which have seen substantial back-to-the city movements. This pattern has emerged in tandem with the de-industrialization of urban centers that has been underway for the past half century. Though its initial effect on cities was economic devastation, the exodus of industry established the broad context for the reclamation of once dirty and noxious neighborhoods.

That said, it is important to recall that large creative class clusters and complexes continue to exist in the suburbs and exurbs. We also find pockets of low-income service work and large swaths of poverty in and around the cores and the suburbs alike. Even though clustering at the core is a general trend, the pattern of class division in the contemporary metropolis is more complex and complicated than a simple class inversion.

#### PROXIMITY TO TRANSIT

Proximity to transit is the second key axis of cleavage in the divided city and metropolis. In virtually all of the metros examined here, we find evidence of creative class clustering around major mass transit arteries. This is especially true in denser metros like New York, Boston, Chicago, San Francisco, Philadelphia, and Washington, DC, where mass transit, especially subways and light rail, reliably connects commuters to central business districts.

Access to transit provides a way for knowledge and professional workers to access the core without having to bear the opportunity costs of commuting by car, while enhancing their productivity by allowing them to work and interact while in transit.

# **CLUSTERING AROUND KNOWLEDGE INSTITUTIONS**

Knowledge institutions comprise a third key axis of class cleavage in the divided metropolis. Across every city and metro we examined, there are substantial clusters of the creative class around major universities and research facilities, for example,

NYU and Columbia in New York; USC, UCLA, the Jet Propulsion Laboratory, and the Rand Corporation in LA; the University of Chicago and Northwestern in Chicago; Rice and the medical center in Houston; Georgetown and George Washington universities in DC; Emory and Georgia Tech in Atlanta; Harvard, MIT, Boston University, and Boston College in Boston; UC-Berkley, UC-San Francisco, and Stanford in the Bay Area; the University of Miami, Florida International University and Florida Atlantic in greater Miami; Southern Methodist University in Dallas, and even Wayne State in Detroit.

This is something of a shift from the past, when universities functioned as more transitory stopping points for students to gain knowledge and degrees en route to their professional lives and careers. Many of the universities that were located in the downtowns of big cities (USC in Los Angeles; the University of Chicago; New York's Columbia; Georgia Tech in Atlanta; MIT and Harvard in Cambridge) were surrounded by blight and disadvantage, though some of these neighborhoods did retain higher and middle income residents, mainly professors and health care workers employed at universities and medical centers.

# **CLUSTERING AROUND NATURAL AMENITIES**

Natural amenities comprise a fourth axis of urban class cleavage. Of particular importance is location along waterfronts. This pattern can be seen most clearly in Los Angeles and San Diego along the Pacific coast, Miami along the Atlantic coastline and Biscayne Bay, and Chicago along the shores of Lake Michigan. It can also be seen in Detroit along the Detroit River, Lake St. Clair, and the smaller lakes. Recent efforts to open up Manhattan and Brooklyn riverfronts have resulted in new creative class clusters in those neighborhoods. In many cases, waterfronts have been reclaimed from industrial uses and provide the additional advantages of close proximity to the urban core and an abundance of warehouse buildings that can be repurposed as loft offices and housing.

These four key axes of cleavage are frequently interrelated and overlap with one another geographically. The urban cores of many cities and metros grew up beside natural harbors and navigable lakes and rivers. Many older universities and colleges originally grew up in city centers as well.

The rise of the new class divided city and metropolis is not a mechanical response to these four axes of cleavage, but a gradual consequence of ongoing historical and economic processes. The geographic shape and structure of the industrial metropolis evolved according to a basic dynamic outlined by William Alonso in his model of urban bid rent curves.<sup>50</sup> Industrial, commercial, and retail actors would bid the most for central access locations. Higher income residents were pushed further outward towards the suburbs in large part to avoid the congestion, noise, and pollution generated by those industrial uses.

The decline of industry and the rise of the knowledge economy altered that calculus. As industry moved out of the urban core, central locations became more attractive for residential and retail uses. In the early days of post-industrialism, bohemians and artists took advantage of the availability of cheap, abandoned industrial spaces in transitional higher crime urban districts for their lofts and studios. But as the ranks of knowledge workers grew, talent has come to replace capital as the leading bidder for central locations.

This shift is shaped by several key factors in the evolution of cities.

The first is the intense clustering of creative class workers and the firms they work for and create. This is a function of the basic clustering force and human capital externalities long ago identified by Jacobs and Lucas.<sup>51</sup> Location around universities and other knowledge-based institutions reflects and reinforces this basic effect. Location around transit routes reduces the time costs of commuting and travel within the region and improves the productivity of knowledge workers, while providing access for service workers as well.

While these human capital and productivity effects predominate, amenities or consumption effects also play a role. If productivity effects alone were responsible for shaping the class divides of the modern metropolis, we would not see such substantial concentrations of affluent workers and households around

natural amenities. But as these clusters of human capital attract firms, additional productivity effects are also created, as in the case of Santa Monica, which has emerged as a center for high-tech startups and industries.

Urban centers and university neighborhoods offer a host of cultural amenities — restaurants, music venues, galleries, bookstores, museums, and other entertainment options – that appeal to the creative class.<sup>52</sup> These neighborhoods are also filled with the coffee shops and other "third places" that knowledge workers use as workspaces.<sup>53</sup> In her book The Warhol Economy, Elizabeth Currid highlights the ways that restaurants and nightclubs also become arenas in which professional networks are formed and forged.<sup>54</sup>

When all is said and done, the once hard and fast distinctions between spaces of work and play and of production and consumption have blurred in the modern city and metropolis, compounding the key axes of class division. With their flexible yet intense work schedules, the creative class demands services and amenities on an around-the-clock basis, the ability to walk and bike around their neighborhoods, and a social milieu that reflects and promotes their values. These neighborhood-level features tend to be found more at higher densities, and higher densities tend to be found in the urban core.

All of these processes evolve in mutually reinforcing ways over time. The influx of creative workers leads to higher levels of amenities and better public services, from safety to schools to regular street cleaning, which in turn help attract still more creative class workers, driving property values and rents ever higher. As this process goes on, creative class districts expand in the urban center and begin to blur together with similar locations in older, mixed-use suburbs along transit lines. As service and working classes are pushed to the less attractive, edges and peripheries, a geography of concentrated disadvantage emerges, juxtaposed to and shaped by the geography of concentrated advantage. The new divided city and metropolis transcends the old constructs of city and suburb, and is more fragmented, fractured and tessellated along class lines.

This basic pattern of class division appears to extend beyond the dozen metros we have examined here. It is also reflected in a broader correlation analysis of the locational patterns for the three major classes across all U.S. metros and all 70,000-plus U.S. census tracts. That analysis finds a substantial negative correlation between the share of creative class residents and the share of working class and/or service class residents across all census tracts (Exhibits 8, 9, and 10). Furthermore, the share of creative class residents is highly positively correlated with both average incomes and the share of highly educated residents across all census tracts (measured as the share of adults who have graduated from college). The opposite pattern holds for the working and service classes. Both the shares of working class and of service class residents are negatively correlated with income and college grads.<sup>55</sup> This suggests the basic pattern of class division and socioeconomic sorting we have identified in these twelve metros extends across the U.S. as a whole.

Exhibit 8 Creative Class Correlations

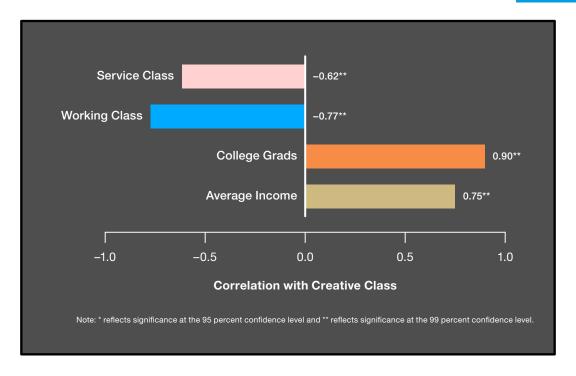
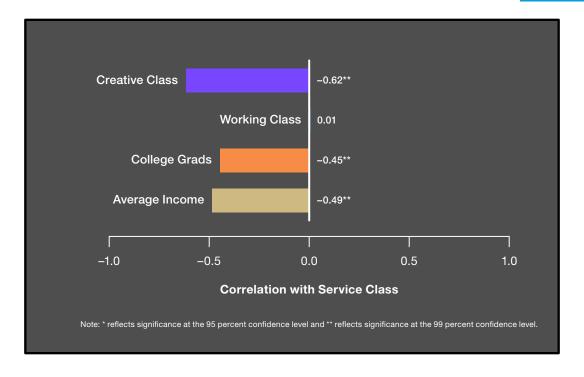
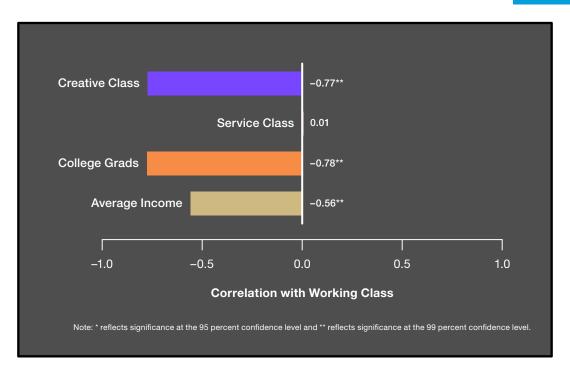


Exhibit 9 Service Class Correlations





## **FUTURE RESEARCH**

The research and findings in this report are just a start. The maps and data we have provided above are descriptive and exploratory, rather than confirmatory in nature—they are our preliminary attempt to outline the basic contours and construct a basic typology of the divided city and metropolis. More research is needed on many dimensions of these geographic class divisions. For one, we need to map the pattern of class division across a larger set of cities and metros, as well as across other countries outside the United States. More systematic empirical research is required to fully probe the extent of these class divides and to examine the underlying factors such as income, education, occupation, race, neighborhood conditions and others which are associated with them. More research is also required on the factors that shape these constellations of concentrated advantage and concentrated disadvantage.

Despite these and other caveats, we hope our provisional research has helped to identify some key trends, patterns and processes and opened up this important area of inquiry for future research.

The past decade or so has seen great progress in identifying the key factors that shape the economic growth and development of cities and metropolitan areas. The next big frontier of urban research is to dig deep inside the black box of cities to better understand their internal structure and differentiation — how the clustering of class and economic activity at the neighborhood level simultaneously shapes and divides them.

# **APPENDIX**

# Average Wages and Class Shares for the Three Major Classes by Metro

Appendix 1

Metro	Creative Class		Service Class		Working Class	
New York	\$87,625	35.8%	\$34,241	48.1%	\$43,723	16.0%
Los Angeles	\$80,859	34.1%	\$32,368	46.3%	\$37,066	19.5%
Chicago	\$75,033	35.1%	\$30,946	43.4%	\$40,295	21.4%
Dallas	\$73,016	34.3%	\$29,441	44.2%	\$34,699	21.5%
Philadelphia	\$76,694	34.6%	\$31,693	47.5%	\$40,539	17.8%
Houston	\$75,570	33.0%	\$28,455	42.5%	\$37,719	24.4%
Washington, DC	\$90,442	46.8%	\$34,337	40.3%	\$41,951	12.8%
Miami	\$68,797	30.4%	\$29,087	53.0%	\$35,440	16.2%
Atlanta	\$73,272	36.3%	\$28,973	43.8%	\$35,961	19.8%
Boston	\$84,403	41.6%	\$33,738	43.4%	\$42,765	14.9%
San Francisco	\$91,361	39.4%	\$36,426	44.1%	\$46,540	16.5%
Detroit	\$73,097	34.5%	\$29,730	44.8%	\$41,070	20.7%
United States	\$70,714	32.6%	\$29,188	46.0%	\$36,991	21.1%

Source: Analysis by Martin Prosperity Institute based on data from the Bureau of Labor Statistics, Occupational Employment Statistics, 2010.

Metro	Population	Economic Output (in billions)
New York	18,897,109	\$1,287.7
Los Angeles	12,828,837	\$755.0
Chicago	9,461,105	\$546.8
Dallas	6,371,773	\$401.3
Philadelphia	5,965,343	\$352.7
Houston	5,946,800	\$420.4
Washington, DC	5,582,170	\$433.9
Miami	5,564,635	\$260.0
Atlanta	5,268,860	\$283.8
Boston	4,552,402	\$326.0
San Francisco	4,335,391	\$335.3
Detroit	4,296,250	\$198.8
United States	308,745,538	\$15,094

Source: U.S. Conference of Mayors, *Metro Economies, Outlook: Gross Metropolitan Product, and Critical Role of Transportation Infrastructure*, Prepared by IHS Global Insight, Washington, DC: U.S. Conference of Mayors, 2012.

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