

State of the Nation

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Every decade, the U.S. Bureau of the Census takes our nation's pulse. These detailed results complement other findings gathered through the year by private and government data collectors, providing a vivid picture of where our society is headed. With most census results now out, we thought this an opportune time to review America's long-term health. Following are nine essays in which experts describe some of the important things—both positive and negative—we've learned recently about how the U.S. is faring deep in its bones and muscles.



Americans Settle Down

By Joel Kotkin

Michael Chambers is precisely the kind of young man one expects to meet in places like Silicon Valley or Austin, Texas. At 27, the microbiology and biotechnology graduate is building his own, already profitable, company. But Chambers has started Aldevron, which produces plasma for DNA therapies, not in one of the traditional metropolitan technology centers, but in his home state of North Dakota. Nor is he alone. Literally hundreds of tech companies have emerged, including software giant Great Plains Software and biotech leader Pracs, here in bustling Fargo, the hub of Cass County, home to some 120,000 people.

In our digital age, the long-term prospects for any place will be defined by the quality of its workforce. That is a big plus for Fargo. Chambers notes that North Dakota has some of the most diligent workers as well as finest public schools in the nation. Science test scores are second in the country, and the state is sixth in the percentage of young people holding bachelor's degrees.

Yet like many who make their home in Fargo, Chambers' reasons for remaining in North Dakota have more to do with lifestyle choices than business considerations. "My family is here," states the young scientist, who grew up in a family of beekeepers in Carrington, a rural North Dakota hamlet of 2,500.

The longstanding American impulse to move is declining, and at the same time our destinations are changing. We are gradually becoming more rooted.

Plus "the cost of living is low, people are nice, and, most important, it is a community."

For Mike Chambers, community trumps all those factors that have lured millions of Americans to the bright lights of New York, Los Angeles, or Dallas. He was searching for a place that would be not just a residence and business base, but a home, a place to raise a family, a place in which to participate in a larger spiritual and communal experience.

Churches are well-attended in Fargo, and this was part of the area's allure for Chambers. He is one of many sophisticated Americans who can speak matter-of-factly about faith as an important part of their lives. Chambers sees no conflict between the employment of technology to solve human problems and his commitment to Christian beliefs. "I think the technologies are of God," he explains. "Man has been given the ability to decipher these technologies."

The growth in Fargo, and in scores of other communities like it across America, may reflect the reversal of a trend. Traditionally, one of the essences of the American experience was that individuals anxious for personal and financial success would sacrifice other aspects of their lives, such as home and family, by heading to a big city to realize their economic dreams. Instead of this restless uprooting of past decades, however, we may now be entering a post-nomadic era, where even the most ambitious people will tend more to stay put.

The events of September 11 are only likely to accelerate this existing trend. Business executives, concerned about safety, have become decidedly less anxious to locate within urban cores. "If you're looking for a new Chicago location, I don't think you'll be tempted by the hundredth floor of the Sears tower," suggests Matt Walton, president of E-Team, a provider of internet-based security and disaster services.

This search for safe havens has earlier precedents. For decades, middle-class Americans have fled inner cities—which,

by nature, accentuate the nomadic characteristics of anonymity, restless careerism, lack of faith, and impermanence—in favor of suburbs which attempt to recreate some of the atmosphere of small towns. Today, three out of four whites in America's largest metropolitan regions live in suburbs.

More fundamentally, both population and job growth have, since 1950, been moving inexorably from the most densely settled regions of the country to less dense areas. Deconcentration has been most profound, according to a recent study by the Federal Reserve Bank of Philadelphia, in the Northeast and Midwest, the traditional home of the nation's thickest urban corridors.

Despite the urban "renaissance" of the 1990s, the trend toward deconcentration and toward smaller communities continued during the last decade. For every three suburban households who moved to the city, five urban households departed for the suburbs, with the fastest growth rates in the most peripheral suburbs. This is not, as sometimes claimed, the fault of government officials in cahoots with developers and highway builders, but a matter of choice. A 1997 survey found that less than one in ten Americans wanted to live in a major city. Even racial minorities are opting more and more to move to smaller communities.

More powerful population deconcentration seems likely in the future. The bursting of the dot-com bubble has weakened the economies of many of the most successfully revived cities, notably New York, San Francisco, Seattle, and Boston. Recent rises in urban crime in places like Los Angeles, Chicago, and Houston may also re-fuel a shift to smaller, more secure communities.

And it's not just our destinations that are changing, but the impulse to move itself. Demographer William Frey notes that Americans are gradually becoming more settled. In the 1970s, more than 20 percent of Americans moved each year. A decade ago it was over 18 percent. Today it is barely 15 percent. As a population ages, it tends to become less mobile. Most baby boomers, Frey suggests, are likely to "age in place."

This trend toward staying put springs from attitudinal shifts. Researchers have found that Americans are giving growing priority to a feeling of "community." There was evidence even before September 11 of a greater commitment to family life, neighborhood health, and church participation. The popularity of New Traditionalist communities in some suburban areas and the revival of many smaller towns around the country give physical evidence of the emergence of these priorities.

There is strong evidence that many Americans are seeking a less frantic style of living. A 1995 survey by the Merck Family Fund found that 28 percent of the U.S. adult population had

already “downshifted” their lifestyles; 62 percent said they wanted to take steps to “simplify” their days. Baby boomers in particular are showing interest in what could be described as small-town values. Since the early '80s, boomers have gradually increased their church and synagogue attendance. Even many who are not conventional Christians or Jews show strong interest in spiritual matters. Ideas of what is most relevant in life, and in what sort of community one should pursue these priorities, are clearly changing.

The events of September 11 seem likely to reinforce these trends. With air travel down as much as 30 percent in some areas, Americans are staying closer to home. People are not giving up on recreation, but they are re-directing their activities to nearer venues and hometown attractions. Some of this shift to localism will be enduring.

The long-term decline in nomadism, compounded by more recent reductions in holiday wanderlust, will hurt some areas. According to a recent Milken Institute study, cities with high per capita concentrations of airport employment, such as

surveys, and the opportunities that new telecommunications technologies provide for “stationary flexibility” suggest that city-centric, nomadic living patterns may be on the wane.

One beneficiary could be the “meat loaf” communities—comforting small-town vicinities that boast local recreational and cultural assets. These can be found all across the country, particularly in places like New England, eastern Ohio, northern California, Oregon, and the small-city South. New communities that appeal to “post-nomadic” businesses and individuals may also be constructed—in ways that provide easy access to local cultural, civic, retail, educational, employment, and entertainment facilities, as well as high-speed telecommunications links to the wider world. One example can be seen in the Newhall Land Company’s developments in the Valencia area of California—which stress an accessible town center, a strong link between working districts and residential areas, and an advanced fiber optic network. Newhall’s sales have continued to soar, executives report, even in the midst of the current recession.

The gradual easing of baby boomers into retirement, during which there will be an extended blending of leisure and work, is

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Miami, Dallas-Fort Worth, and Tucson, will suffer the most. Economies that have flourished due to hotel businesses, such as Atlantic City and Las Vegas, and amusement centers such as Orlando, New Orleans, and Anaheim in California’s Orange County, are also highly vulnerable.

Old-fashioned local entertainment is back. The San Fernando Valley Fair in Southern California doubled its attendance last fall. The Texas State Fair broke all records this past October. In New York City, attendance at tourist-dominated restaurants, institutions, and Broadway theaters has dropped significantly, according to recent surveys by the Center for an Urban Future, while establishments more dependent on local clientele, such as the Queens Zoo, city libraries, and local repertory theaters, have enjoyed increased business.

Private entrepreneurs report similar patterns across the country. Sam King, president of a restaurant chain with roughly 1,000 employees throughout southern California, reports that sales are off significantly in tourist-oriented Santa Monica and downtown San Diego, but are going well at restaurants located in residential neighborhoods like Calabasas and Irvine, as well as in business-oriented downtowns.

Developers, investors, and owners may be tempted to dismiss these phenomena as temporary, even illusory. Certainly, once the fear caused by the September 11 attacks subsides, Americans will return to travel and tourism in force. Still, a close look at long-term demographic and geographic trends, attitudinal

likely to further favor a shift toward settled, non-urban community life. Within this decade, one quarter of the U.S. workforce will be 50 or older, and these prime-agers and seniors will control the majority of the nation’s wealth. Many of these people have no reason to put up with the long commutes of suburbia or the hassles of center-city living.

In any case, the overall pattern of U.S. population growth has shifted, for the first time in generations, toward smaller communities. According to the 2000 census, the number of whites moving to the rural periphery leapt by 70 percent over the last decade—the largest single migration of America’s white population—while suburban households grew by roughly half that percentage.

Even in the Great Plains, where depopulation has been taking place for decades, communities such as Fargo are now showing signs of vigor. Having stagnated after World War II, Plains cities like Fargo, Sioux City, and Omaha are now rebounding sharply. Growth in Plains towns of more than 20,000 people soared by over 8 percent during the 1990s, more than four times the rate of the 1980s.

Fargo, whose population grew by 20 percent in the 1990s, also enjoyed robust growth in wages, and, critically, saw its population of young people (20 to 34, as well as those under 17), rise by about 10 percent (even as surrounding smaller communities continued to decline). “There’s more opportunity here now,” technology entrepreneur Chambers believes. “People are starting to stay.”

The success of places like Fargo suggests more than a shift in geography. It represents hope for a future of new, sustainable hometowns. After generations of Americans heading off to chase opportunity, opportunity is now brought home to Ameri-

under extremely comfortable conditions. Sport shirts and slacks are in; ties and pantyhose are out.

More Americans than ever are free to choose their own time and place for work—as long as the job gets done. In 1997, 28 per-

Fully 80 to 90 percent of American workers now say they are satisfied with their jobs.

cans where they already live and want to stay. Aided by demographic trends, new technology, and a growing hunger for stability and permanence, the twenty-first century could end up producing not an accelerated version of the lifestyle of the twentieth century, but rather a return to the more pastoral, community-based patterns associated with the nineteenth century.

“Even the smallest town is wired now. Living in a small community is not about being remote. It’s about choosing to live in a place that makes sense from a personal point of view,” Chambers explains. “For a lot of people, North Dakota reaches into the past—it provides a sense of security. But it is also about reaching for the future.”

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Jobs Become More Rewarding

By W. Michael Cox

When discussing America’s prosperity, we usually focus on rising incomes and all the gadgets and gizmos that middle-class families cram into their homes. Often overlooked—but just as dramatic—is the steady progress in the way we work.

With each passing generation, Americans reap more of life’s satisfactions directly through their actual work, not just in their job’s monetary and material compensation. Simply put, today’s offices, factories, and other job sites are more pleasant, more stimulating, more flexible, and safer than ever before. The work, while still work, is becoming less tedious and physically demanding.

Better working conditions are one of capitalism’s most important success stories. For the most part, modern work takes place in a clean, well-lighted, and air-conditioned environment, a far cry from the Industrial Age’s noisy, smelly, dirty workplaces, freezing cold in the winter, stifling hot in the summer.

A growing number of modern workplaces offer on-the-job amenities previous generations couldn’t even contemplate. More and more employees receive family leave, personal days, exercise facilities, health insurance, stock purchase plans, profit sharing, educational benefits, and paid sabbaticals. Business travel and conferences generally take place in interesting places,

cent of Americans worked on flexible schedules, double the 14 percent in 1985. With laptop computers, cell phones, fax machines, electronic mail, and the Internet, fewer employees are tethered to the office. Telecommuting began with a handful of workers three decades ago. By 2001, 29 million Americans worked at least part of the time away from their companies’ offices.

The tyranny of timeclocks is largely over. According to University of Michigan studies, a typical employee spends more than an hour a day engaged in something other than assigned work. We chat with co-workers, run errands, make personal phone calls, and surf the Internet. (At the same time, work is also more often conducted after hours on personal time.)

Work isn’t just more pleasant; it’s also safer. Occupational injuries and illnesses are at an all-time low of 61 per 1,000 workers. The number of Americans killed on the job has tumbled to a record low of 38 per million workers, down from 87 in 1990, and 214 in 1960. Safer workplaces stem in part from fewer accidents in dangerous occupations such as construction and manufacturing, as well as a shift in our economic base toward services and other less risky jobs.

The very nature of the work we do is changing, too. For most Americans in past generations, long days on the job involved tasks that were repetitive, physically exhausting, and often dangerous. Modern work is more likely to require analytical and interpersonal skills, so fewer employees are making their livings with their backs and hands.

Jobs Rated Almanac 2001 provides a handy database of 300 occupations, ranked from best to worst. To focus on working conditions rather than pay, wages are taken out of the equation. It’s clear our employment base is shifting in a congenial direction: Since 1970, the 30 best jobs—including computer scientist, legal assistant, and engineer—have risen from 9 percent to 13 percent of total employment. At the same time, the 30 worst occupations—from logger to textile-mill worker—declined from 13 percent to 9 percent of all jobs.

The trend toward better jobs is likely to continue. In its current outlook for the upcoming decade, the Bureau of Labor Statistics estimates that the 30 best jobs will grow to 27 percent of total employment, while the 30 worst jobs will continue to shrink to under 7 percent.

The improvement in working conditions hasn’t come at the expense of pay or time off. Average real hourly compensation—