Attracting young professionals to declining cities

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Outline

• Attracting ‘young professionals’ to declining cities: What is it? (a slightly eccentric fad)
• What are the mechanics? (unclear)
• Is it difficult? (an uphill battle)
• Are there benefits? (small at best)
• Are there alternative policies? (yes but not very glamorous)
Attracting ‘young professionals’ to declining cities: What is it?

• Another chapter in the quest for the silver bullet of local economic development? (after big infrastructure, downtown rejuvenations, clusters, etc)

• A policy aimed at improving ‘fundamentals’ of human capital and amenities

• Policies that are hard to evaluate

• It’s really about population growth being picky (or super picky) about who to attract
What are the mechanics?

• Bring talented people, jobs will follow and multiply

• The arrival of talent, cause or consequence of local prosperity?

• Where’s the multiplier?
  – Demand
  – Enterprise?
  – Input-output linkages?
  – Learning spillovers?

• Who benefits?
Why it’s difficult

• The persistence of urban decline

• The divergence of human capital across cities

• The drivers of mobility
  – We don’t know
  – Nice weather
  – Attractive location
Why the benefits cannot be big

- Human capital is a driver of urban growth but its effects are not big
- There are other drivers
  - Roads
  - Nice weather and other amenities
  - Entrepreneurs
  - Initial sectors of activity
  - Good luck

and successful cities combine several of these drivers

And policies that aim to attract talent have costs!
Alternative policies

• Federal policies to help the ‘immobile’

• Attract unglamorous activities: assembly plants, call centers, etc

• Manage decline