From Balkanized Cleveland to Global Cleveland

A Theory of Change for Legacy Cities

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A White Paper Funded by Ohio City Inc.

November 2013

Acknowledgement

Introduction

With the 2010 census tallied, Cleveland officially hit a 100-year low for population. The community sprang into action without fully understanding the reasons for decline. The goal of this concept paper is to reframe the challenges facing the city and region, thereby informing a more effective policy agenda.

Cleveland didn't decline because industry left. Cleveland didn't decline because people left. Vacant houses are not Cleveland's cross to bear. Cleveland's ultimate problem is that it is cut off from the global flow of people and ideas. Cleveland needs to be more tapped into the world.

What follows is a conceptual frame to guide the region toward global connectivity and, ultimately, economic redevelopment. It focuses on *migration and neighborhood development* as the means to achieve a globalized Cleveland. The concept paper is a first step to creating an empirical roadmap that can guide subsequent analysis and strategic implementation.
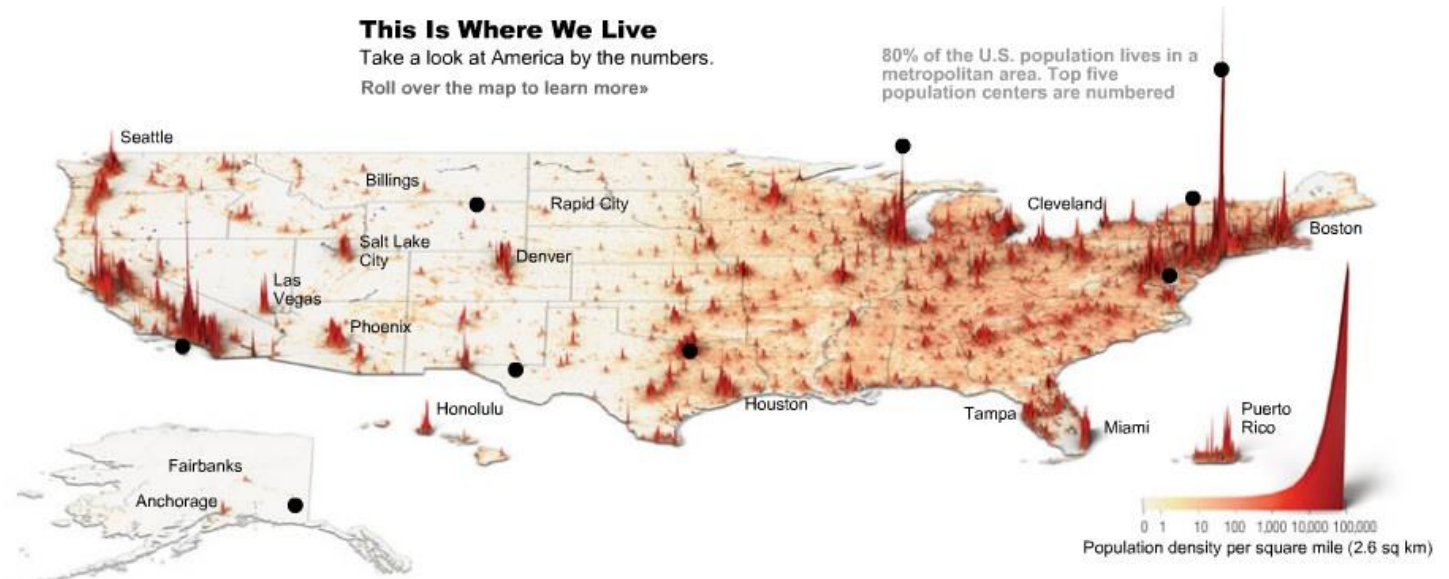

Image 1 Courtesy of Time Magazine

Balkanized Cleveland Loses Ground

There are winners and losers in urban America. The winners, termed "spiky" locales[1], are centers of innovation, and they include the likes of New York City, Boston, Chicago and Silicon Valley. Like the manufacturing centers before them, innovation centers are developed via migration. Yet this migration is not driven by demand for labor, like in 20th-century industrialized cities, but by demand for ideas. Economist Enrico Moretti explains[2]:

> *More than traditional industries, the knowledge economy has an inherent tendency toward geographical agglomeration. In this context, initial advantages matter, and the future depends heavily on the past. The success of a city fosters more success, as communities that can attract skilled workers and good jobs tend to attract even more. Communities that fail to attract skilled workers lose further ground.*

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[1] See: http://isites.harvard.edu/fs/docs/icb.topic30774.files/2-2_Florida.pdf
[2] See: http://www.hmhbooks.com/newgeographyofjobs/pdfs/TheNewGeographyofJobs_excerpt.pdf

In other words, successful urban centers require a constant inflow of migrants. While cries of "brain drain" are predominant, retaining residents is less import than attracting migrants, and this is evidenced by the fact that the Metropolitan Statistical Areas (MSA's) of New York City, Los Angeles, Washington, D.C., and Chicago led the country in the number of residents *leaving* a region from 2000 to 2010[3]. (See Appendix A for list of metros with most residents leaving.) Cleveland's metro ranked 35th in the number of residents out-migrating from 2000 to 2010, despite being the 28th largest metro in the country[4]. In fact, the Cleveland metro showed stable population figures from 1990 (2,102,248) to 2010 (2,077,240).

But those same metros that have the highest outmigration rates also exhibit the highest inmigration rates. Again, the Cleveland metro lags, ranking 44th in the number of inmigrants from 2000 to 2010[5]. (See Appendix B for list of metros with most residents arriving.) Too, the number of Greater Clevelanders born in Ohio is high (75%)[6]. Contrast this with the country's economic epicenters, with the number of locally-born residents of Los Angeles, New York City, Washington, D.C., and Chicago ranging from approximately 30% to 60%[7]. Taken together, Cleveland lacks a demographic "churn" indicative of knowledge economies.

It is important to note how this "churn" helps cities. Knowledge-based economies run on the quality of ideas. Ideas are not only a function of intelligence or education, but also the depth of information a person, or a city, receives. Historically, a lack of information—via a lack of demographic inflow—has "Balkanized" social networks in Rust Belt cities. This has led to a culture of parochialism, which has hurt economic development.

For instance, in the seminal study entitled "Why the Garden Club Couldn't Save Youngstown"[8], author Sean Safford concludes Youngstown's inability to innovate from its steel days was due to the fact its "economic and social core was populated by the third and fourth generations of the city's original elite, [so] relatively little "turnover" had occurred". For Stafford, it was this "configuration of [Youngstown's] social capital" that negated the region's ability to evolve its economy.

This insularity pervades throughout the entirety of a legacy city's social system. "Old economies" are reflected in "the old neighborhood", in which a dearth of inmigration and lack of mobility can seal a city off from the global flow of ideas, thus creating a localized society that tends to "inbreed homophily"—defined as "the likelihood a person only speaks to members of a same group". The echo chamber undermines progress. From a research paper "Migrant Networks and the Spread of Misinformation"[9], the authors contrast open versus closed networks:

Two examples for migrant networks with different degrees of integration are illustrated in Figure 1. The figure on the left describes an ethnic enclave. Its members, represented by the circles, have close connections within the network strong ties, but very few connections to the outside world, represented by the crosses. An enclave is a typical example for a network with a high degree of closedness...The graph

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[3] Source: Telestrian via Internal Revenue Service, 2000 to 2010
[4] Source: U.S. Census Bureau, 2010
[5] Source: Telestrian via Internal Revenue Service, 2000 to 2010
[6] Source: U.S. Census Bureau, 2007-2011 American Community Survey
[7] See: http://www.csu.edu/cerc/researchreports/documents/DemographicDynamismMetropolitanChangeChicago1999.pdf
[8] See: http://web.mit.edu/ipc/publications/pdf/04-002.pdf
[9] See: http://www.iza.org/conference_files/Transatlantic_2013/elsner_b7340.pdf

on the right represents a well-integrated network, whose members have weak connections among each other but strong connections to the outside world…

A local culture that is tightly wound by closed social networks—i.e., a reliance on mostly family and friends—will disallow new information from entering the network's idea bank. Taken to scale, neighborhoods become cut off from neighborhoods (e.g., East Side vs. West Side), the city from its

Figure 1

FIGURE 1 – ETHNIC ENCLAVE (LEFT) AND LOOSELY CONNECTED NETWORK (RIGHT)

suburbs, and the region from the world. Worse, the provincial environment can make it hard for new arrivals, be they native-born newcomers, repatriates, or the foreign born. Writes one young Clevelander upon her move back from San Francisco[10]:
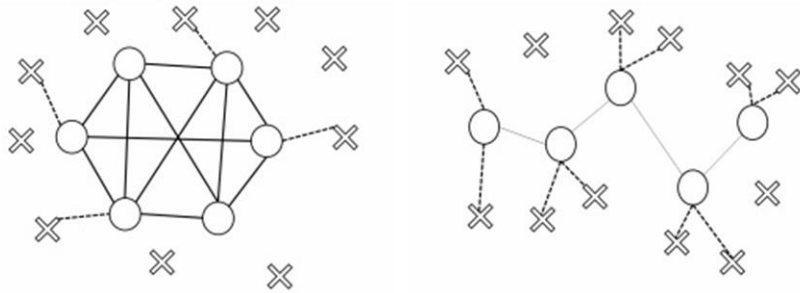
I need to keep believing that the game changers and boomerangers, the passionate progressive civic leaders and the creative entrepreneurs that I came here to join, to be part of their reshaping and rejuvenation of Cleveland, are here. I need to believe that there are cool people I'll find and connect with…who resemble the masses of interesting, dynamic, creative, intellectually thirsty friends/colleagues/acquaintances/random strangers I left behind in San Francisco, but I may need to accept that they are fewer and harder to find.

Echoes a 34-year old immigrant from Shanghai living in Cleveland's Tremont neighborhood[11]:

"I want a city that is intellectually stimulating. I want to be challenged. It seems like Cleveland can strive for mediocrity…It seems like an international mentality is a liability [in Cleveland]".

This is not to say there's no hope. In fact, Cleveland is demographically churning. But to discover this, you must to know how and where to look. This is important, because you can't strengthen what you can't uncover, let alone what you misunderstand.

Cleveland Churns

When imagining the demographic future of Cleveland, overall population figures have sufficed. The narrative of the region usually is played out this way: Cleveland lost 17% of its population loss from 2000 to 2010. Cuyahoga County, the regional hub, lost 110,000 plus residents, with regional growth largely occurring in the exurban neighboring counties.

While this narrative is intuitive, it misses the "demographic dynamism"[12] occurring beneath the surface. Specifically, by disaggregating demographic data by age and race at finite geographic levels across time, you begin to notice microtrends of urban infill. This is important. ***Because encouraging emerging***

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[10] See: http://rustbeltchic.com/three-months-in/
[11] See: http://www.freshwatercleveland.com/features/demographicdynamism091913.aspx
[12] See: http://www.csu.edu/cerc/researchreports/documents/DemographicDynamismMetropolitanChangeChicago1999.pdf

demographic trends flowing into the city is far more efficient than attempting to reverse long-standing demographic trends of outmigration.

A starting point for this microtrend analysis was undertaken by one of the co-authors for the Urban Institute. A "reverse of the donut hole" concept was used to ascertain whether or not nascent urban infill was occurring. And if so, where?

The analysis, entitled "Not Dead Yet: The Infill of Cleveland's Urban Core"[13], showed the city's downtown grew by 96% from 1990 to 2010, reaching 9,098 residents. Most of the growth was due to a rapid increase in young adults aged 22 to 34.

The analysis examined whether this growth was "spilling" into inner-core neighborhoods. Analyzing long-term trend lines (see Figure 2), the city's inner-core neighborhoods surrounding downtown had also experienced positive trends. Still, these trends do not show population growth, but rather a decline in the rate of population loss. Was this because less people were leaving inner-core neighborhoods, or was continued outmigration neutralized by young adults moving back in?

Figure 2
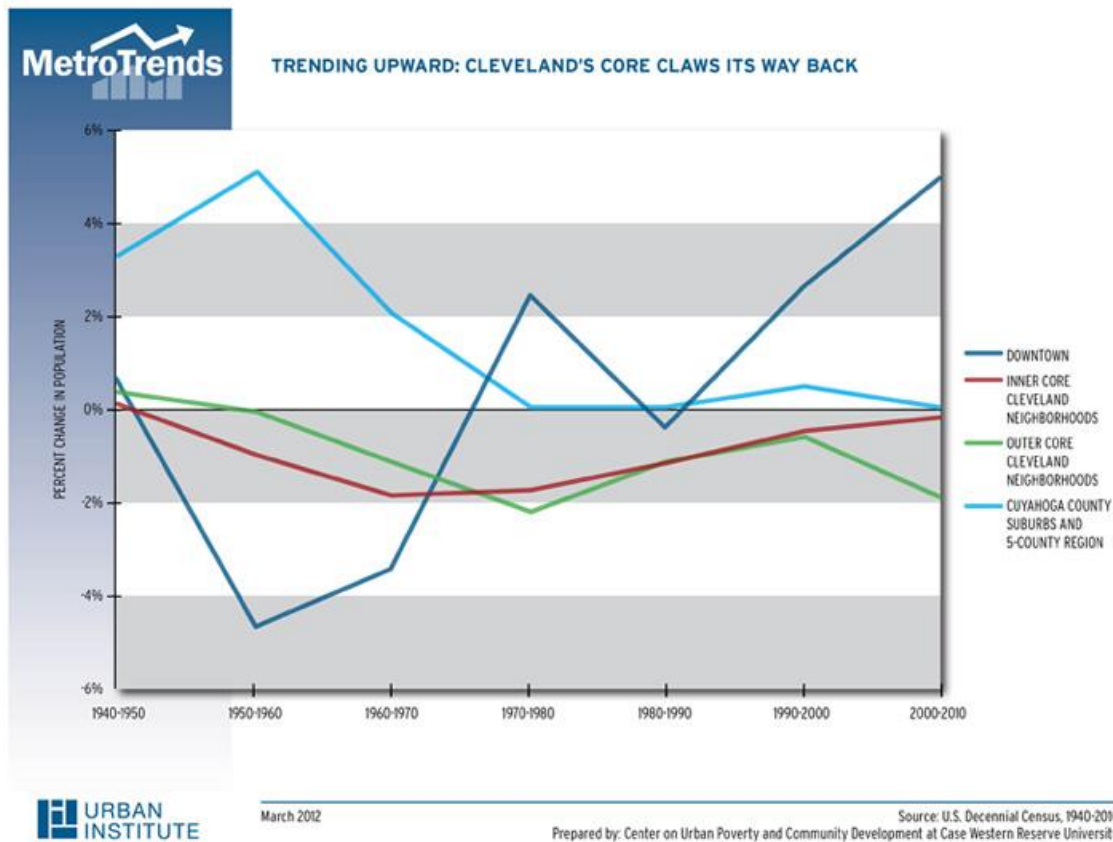
To help uncover hidden population growth, a technique termed "simple cohort analysis"[14] was used. For example, if 1000 15-24 year-olds were present in the Ohio City neighborhood in 2000, then we would expect to find 1000 25-34 year-olds there a decade later if no one moved in or out, or died. That

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[13] See: http://www.metrotrends.org/spotlight/Cleveland_Spotlight.cfm
[14] See: http://blog.case.edu/msass/2013/02/14/Briefly_Stated_No_13-02_Mapping_Human_Capital.pdf

"expected" number is compared to the "observed" population of the age cohort, allowing the researcher to infer migration (positive or negative).
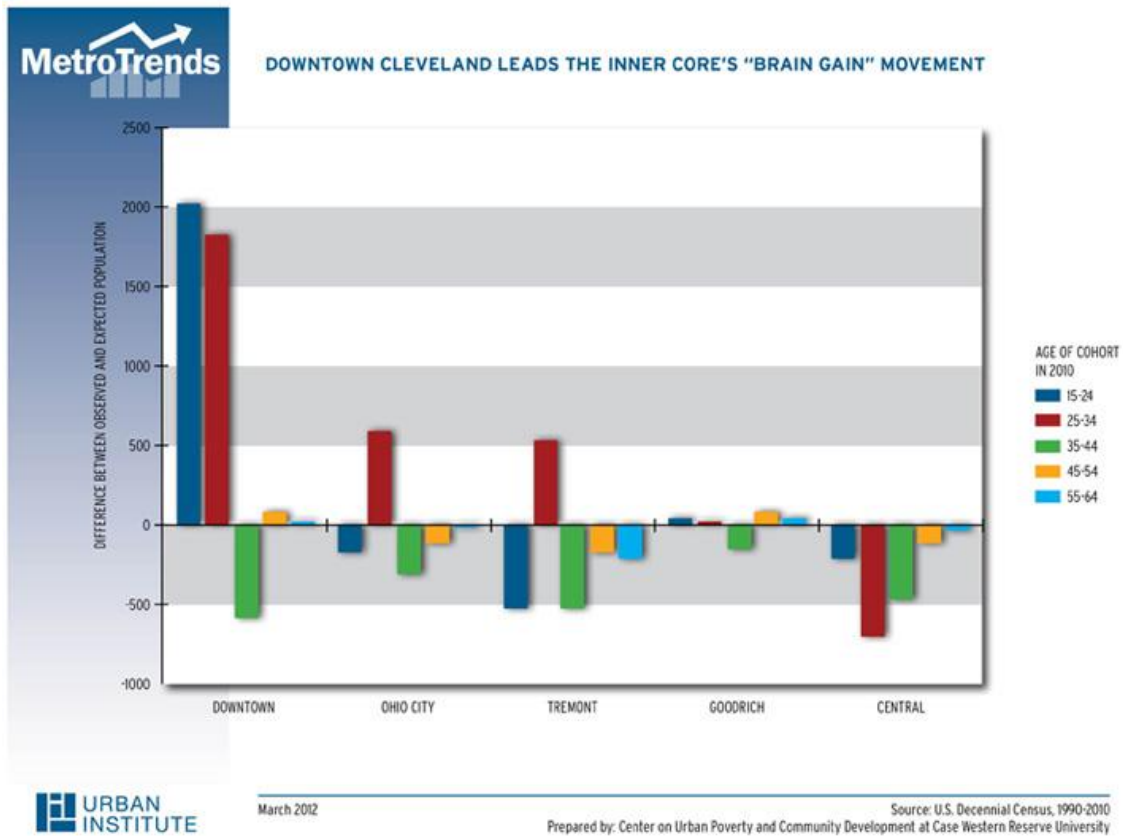

Figure 3

The results in Figure 3 showed there was an influx of 25-34 year-olds into the neighborhoods of Ohio City and Tremont that are pushing the population change in line with that of downtown. Going back to Figure 2, one can imagine the dark blue "Downtown" trend line "pulling up" the red "inner core" trend line. This influx has likely affected the area's socioeconomic status. Analyzing resident salaries for the zip code 44113—which makes up Tremont, Ohio City, and parts of downtown—the number of employees making more than $3,333 a month increased from 1,679 (23% of the neighborhoods' working population) in 2002, to 2,767 (42% of the neighborhoods' working population) in 2011[15]. Such trends are important in a city with a historically declining tax base and high poverty rate.

Beyond the core, a subsequent study found young adult growth into other inner-city neighborhoods as well, including Edgewater, Kamms Corners, and Old Brooklyn, as well as the historic inner ring suburbs of Lakewood, Cleveland Hts., and Parma.[16] (See Appendix C for a map of city neighborhoods experiencing young adult growth.) In all, the results support a tentative "reverse of the donut hole". Yet the infill is nascent, and growing it requires knowledge of where the flow may be coming from and why.

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[15] Source: Longitudinal Employee Household Dynamics, U.S. Census
[16] See: http://blog.case.edu/msass/2013/02/14/Briefly_Stated_No_13-02_Mapping_Human_Capital.pdf

The "Push" and "Pull" of Rust Belt Chic Migration

Migrations patterns are developed by "push" and "pull" factors that occur in a global context. Cleveland's embryonic infill, termed "Rust Belt Chic" migration[17], is not simply about "preference for urban living", but is tied to macroeconomic shifts. The cities that understand these shifts are the metropolises that can strategize to grow the infill to a critical mass.

The Push Factor: The "Spiky" Metro Leaks

As a rule, "spiky" metros continuously pull in talent. In the industrial Midwest, Chicago has historically been fed by Greater Cleveland and the like. Notes author Edward McClelland[18]:

> *Chicago is the drain into which the brains of the Middle West disappear. Moving there is not even an aspiration for ambitious Michiganders. It's the accepted endpoint of one's educational progression: grade school, middle school, high school, college, Chicago.*

This is the prevalent narrative: "backwater" Rust Belt city loses its educated to "cool" global city. What is less talked about is just how many people leave global cities. The cities with the highest outmigration rates are metros that have historically attracted Midwestern talent (see Figure 4). In examining Cleveland's urban infill, what may be occurring is reverse brain drain, or rather "brain circulation", with the outmigration from global city providing the demographic dynamism fueling Ohio City, Tremont, Downtown, and other neighborhoods seeing young adult growth.

Total Out-Migrant Exemptions (2010)
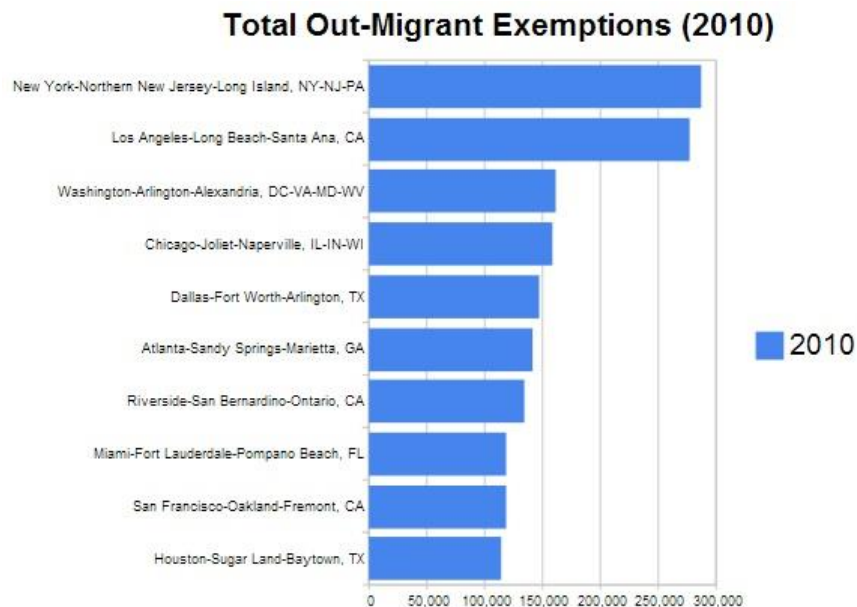
Figure 4

Using IRS data for 2000-2010, nearly 10,000 people moved from the New York metro to the Cleveland metro (See Appendix D for table of top metros sending people to Greater Cleveland)[19]. In fact, in the migrant exchange, more people came to Greater Cleveland (200 people) than left for metro New York.

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[17] See: http://www.salon.com/2012/05/12/rust_belt_chic_declining_midwest_cities_make_a_comeback/
[18] See: http://www.chicagomag.com/Chicago-Magazine/June-2013/How-Chicago-Became-the-Undisputed-Star-of-the-Midwest/
[19] Source: Telestrian via Internal Revenue Service, 2000, 2010

Outside of Ohio, no metro sends more people to Cleveland than New York. The Chicago metro is a close second. Somewhat unique in the United States, Cleveland has excellent churn with these two global cities.

Data from the Census corroborates this "ironic migration" from global city into Greater Cleveland. Table 1 shows that Cuyahoga County gained the second most people from Kings County, New York, which is the county seat of Brooklyn. Also on the list is Queens County, NY; Chicago's Cook County; Pittsburgh's Allegheny County; and Norfolk County, a county of Greater Boston.

What is going on here? The authors theorize that a new migration pattern is emerging. Specifically, much like the manufacturing economy before it, the innovation economy— epitomized by the spiky knowledge hubs of Silicon Valley and New York—may be diffusing due to the diminishing scale of returns of agglomeration. These diminished returns are keyed by a high cost of labor for knowledge workers in spiky metros, with the labor overhead tied to exorbitant cost of living

Table1: Top Locations Feeding Cuyahoga County			
FIPS Code	County	State	Net Migration
26163	Wayne County	Michigan	655
36047	Kings County	New York	283
25021	Norfolk County	Massachusetts	239
17031	Cook County	Illinois	226
36029	Erie County	New York	221
36081	Queens County	New York	213
42003	Allegheny County	Pennsylvania	194
22015	Bossier Parish	Louisiana	150
26161	Washtenaw County	Michigan	148
13063	Clayton County	Georgia	145

Source: U.S. Census Bureau, 2006-2010 5-year American Community Survey

indexes in cities such as San Francisco, New York, Chicago, and Boston[20]. Another issue is the fact that technological advances have in effect leveled the playing field for Middle America. It is becoming more common, for instance, to telecommute to a job in New York from a home office in Cleveland.

Also noteworthy are potential trends relating to firm location as talent continues "leaking" from global cities. Specifically, other regions, like Portland, attract talent, but their educational ecosystems are less developed. Conversely, the industrial Midwest has an advanced educational and innovation ecosystem. According to the Chronicle of Higher Education, half of the top 10 states for out-of-state freshman enrollment reside in the Rust Belt (Pennsylvania is 1, Ohio is 7)[21]. Moreover, the region is still the "nursery of applied science", hosting 4 of the top 10 engineering schools in the country, as well as the largest concentration of nation's engineers, some 320,000[22]. This matters greatly in terms innovation, as the field of engineering accounts for nearly 70% of the nation's corporate research and development activity, according to Joel Kotkin in the article "Rust Belt Chic and The Keys to Reviving the Great Lakes"[23].

This scenario that's unfolding in which coastal talent is arriving, or re-arriving, into the legacy city landscape can foretell an economic sea change. This is because firms, due to labor costs, are increasingly following people. (See Googles recent move to Pittsburgh to be close to Carnegie Mellon[24].) A business

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[20] See: http://www.theatlanticcities.com/housing/2013/10/where-even-middle-class-cant-afford-live-any-more/7194/
[21] See: http://chronicle.com/article/List-Freshman-Class/129559/
[22] See: http://www.forbes.com/sites/joelkotkin/2013/08/30/rust-belt-chic-and-the-keys-to-reviving-the-great-lakes/
[23] See: Ibid
[24] See: http://www.post-gazette.com/stories/business/technology/google-to-expand-pittsburgh-office-690637/

model centered on talent attraction into spiky metros is becoming a competitive disadvantage to firms. From the *Harvard Business Review[25]*:

It goes without saying that no matter how much talent a company might have, there are many more talented people working outside its boundaries. Yet all too many companies focus solely on acquiring talent, on bringing talent inside the firm. Why not access talent wherever it resides?

It is hypothesized that more firms will be asking the same question, and it will be those legacy cities, like Cleveland, who best understand the opportunity at hand that will be providing the answers.

The Pull Factor: Big Fish Small Pond Talent Migration

In April of 2013, U-Haul's annual National Migration Trend Report showed Pittsburgh ranked tops in the country for "growth cities", or the number of people moving into an area[26]. Pittsburgh beat out Austin, Texas. Columbus, Ohio ranked 9th. Also, as shown in Figure 5, Ohio gained nearly 400,000 workers with a college degree from 2000 to 2012, ranking the state 13th overall, ahead of Colorado and Massachusetts[27].

Figure 5
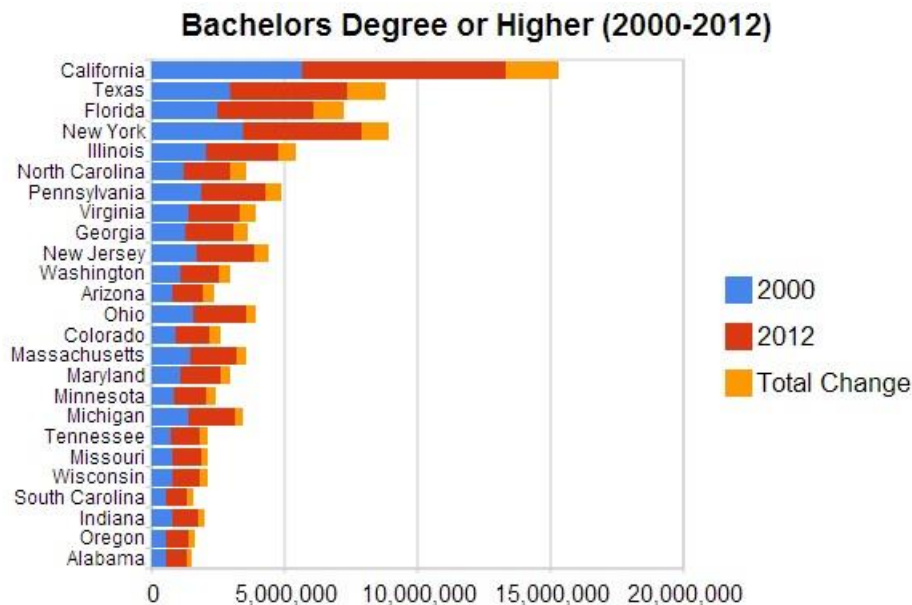
What is the pull? The authors hypothesize there is a psychogeographic attraction toward a life that entails making *real* change in a community. This is called "big fish small pond talent migration"[28]. It is part regional pride for "boomerangers" longing to revitalize home, but also part opportunity. From the *New York Times* article "Replanting the Rust Belt"[29]:

Mr. [Jonathon] Sawyer lived and cooked in New York City for five years, working for the chef Charlie Palmer, before he and his wife decided to raise their children back in their hometown.

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[25] See: http://blogs.hbr.org/2009/03/the-strategic-advantage-of-glo/
[26] See: http://www.bizjournals.com/pittsburgh/news/2013/04/12/pittsburgh-tops-u-hauls-moving-study.html
[27] Source: Telestrian via the American Community Survey, 2000, 2012
[28] See: http://burghdiaspora.blogspot.com/2013/01/big-fish-small-pond-talent-migration.html
[29] See: http://www.nytimes.com/2013/05/08/dining/replanting-the-rust-belt.html?pagewanted=all&_r=0

But he was determined that if he came back, it would be partly to help the city transcend its Rust Belt reputation.

The "big fish small pond" migration story is gaining a saturation point narratively speaking. "[A] critical mass of diehard young Clevelanders are either staying or coming back to turn the place around," notes a recent *Atlantic Cities* article "The Passion of Young Cleveland".[30] The article interviews 29-year old architect and Harvard grad Marika Shioiri-Clark, a former resident of San Francisco, Boston, Mumbai, and Paris, who states that it's "much easier to be an entrepreneur [in Cleveland]. There's a much lower threshold in terms of risk and price."

Such is a vastly different talent attraction paradigm than Creative Class theory migration, which posits that urban amenities and creative place-making will attract the next generations' economic change agents[31]. But you don't move to Cleveland to live out your Portland or Brooklyn fantasy on the cheap. You migrate for opportunity. Despite the challenges and the warts, Cleveland offers something that New York doesn't.

Furthermore, what cannot be overlooked is the "cool fatigue" that's affecting many global city inhabitants. There is an increasing chorus of concern that global cities are turning into "vast gated communities where the one per cent reproduces itself"[32]. Here, rising housing costs, deepening income inequalities, cultural homogenization due to vast commercialization of local neighborhood identity, it all provides psychogeographic fuel for seeking alternative, "frontier" locations.

"The jobs crisis has caused young people to thumb their noses at the biggest cities and move to places like New Orleans, Austin, or the Rust Belt to save money, help with revitalization efforts, or become a big fish in a small pond…" writes a young New Yorker struggling to remain in the city[33].

Taken together, talent is slamming into a ceiling in thick labor market metros. They are increasingly finding a better return on their skills in Rust Belt cities like Cleveland.

Migration is Economic Development

The importance of Cleveland's nascent infill as a means to arrest its economic and demographic decline cannot be overstated. Yet this will only occur if migration is leveraged so as to develop real economic growth. In other words, simply developing "creative class" enclaves in the likes of Ohio City and Tremont will do nothing to transition Cleveland from a segregated, siloed city with high rates of poverty into a globalized, integrated city comprised of neighborhoods that produce human capacity. Below sketches a roadmap for how such a transition can occur.

From Balkanized Cleveland to Global Cleveland

The diffusion of the innovation economy happens at the scale of the Rust Belt neighborhood. The intensity and scale of globalization in spiky cities force out hundreds of thousands of residents every year, driving world-class talent to Cleveland's gentrifying areas. In short, Tremont, Ohio City, etc. provide an atmosphere of city living cultivated in a global city.

The long-term economic potential for this talent migration rests not in how many microbrews are consumed or condos are leased, but rather how it affects Cleveland's global interconnectivity. These

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[30] See: http://www.theatlanticcities.com/arts-and-lifestyle/2013/11/passion-young-cleveland/7486/
[31] See: http://www.washingtonmonthly.com/features/2001/0205.florida.html
[32] See: http://www.ft.com/intl/cms/s/2/a096d1d0-d2ec-11e2-aac2-00144feab7de.html#axzz2WTkLrPTI
[33] See: http://www.theatlanticcities.com/neighborhoods/2012/06/how-recession-has-made-me-gentrifier-my-home-town/2289/

migrations are rearranging Cleveland's historical insular social networks, with the gentrifying neighborhoods acting as urban portals to the global flow of information.

Often, Cleveland's interconnectivity is weaved as thus: college graduates hailing from Greater Cleveland move to global city and experience neighborhoods filled with outsiders. A successful global city network is one of weak ties and openness to people living outside of the community. This environment socializes Cleveland expatriates for knowledge transfer, as well as inter-regional and international trade. Think of an act of migration, then, as a laying down of human "fiber optics" that connect two points in space.

Upon repatriation to Cleveland, return migrants bring with them this social orientation that opens up certain neighborhoods to globalization. The neighborhood's evolving interconnectedness makes the area more attractive to outsiders who have no connection to Cleveland, pulling more globally-connected citizens—be they native newcomers or the foreign born—into the city.

Eventually, returning to the Figure 1, neighborhoods such as Ohio City begin losing their "ethnic enclave" orientation, instead resembling loosely connected social networks that disable the informational inertia associated with inbreeding
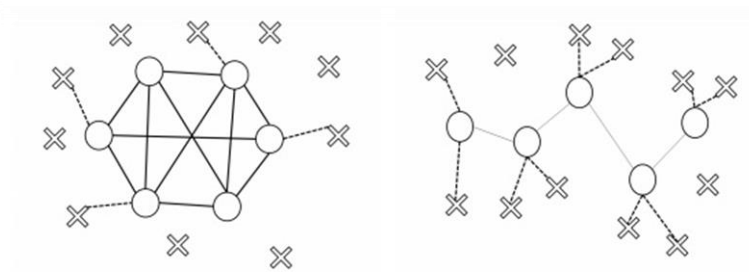

FIGURE 1 – ETHNIC ENCLAVE (LEFT) AND LOOSELY CONNECTED NETWORK (RIGHT)

homophily. Specifically, loosely connected networks have far better "signaling" capacity to a migrant network's country or city of origin. This is called the "strength of weak ties"[34]. Be it through Facebook, cell phone use, etc. the "word" gets out, and the migration chain between two points strengthens. Notes migration scholar Douglas Massey in the classic article "Economic Development and International Migration in Comparative Perspective"[35]:

"Migration may begin for a variety of reasons, but once the migration reaches a critical threshold, expanding networks cause the cost of movement to fall and the probability of migration to rise; these trends reinforce one another, and over time migration spreads outward to encompass all segments of society. This feedback occurs because the networks are created by the act of migration itself."

While the international economic development literature on the importance of migrant networks is vast[36], what is important to know is rather intuitive: an inflow of people brings in a depth of information, and a city's economic fortunes are only as good as its citizenry's exposure to new ideas and the evolution that comes with change.

Beyond Gentrification

The mistake cities make when it comes to reinvestment into the urban core is to settle with the low-hanging fruit of gentrification. Here, the neighborhood is seen as a center of consumption, with trickle down effects from increased commerce hypothesized to reach low-income residents residing in gentrified zones. This does not happen. In fact, as researched by urbanist Richard Florida, the arrival of the "creative class" en masse can have negative effects for low- and middle-income residents, primarily through

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[34] See: http://sociology.stanford.edu/people/mgranovetter/documents/granstrengthweakties.pdf

[35] See: http://worldroom.tamu.edu/Workshops/Migration06/EuropeanUnion/EU%20articles/Economic%20Development%20and%20International%20Migration.pdf

[36] See: http://www.umass.edu/digitalcenter/research/pdfs/JF_NetworkSociety.pdf

displacement. "On close inspection," Florida writes in the *Atlantic Cities*, "talent clustering provides little in the way of trickle-down benefits [to the poor]."[37]

Most city officials feel the negative effects of gentrification are the inevitable cost of progress. ""I have never…come up with a satisfactory answer of how to make sure everyone benefits [from gentrification]," notes New York's City Planning Director[38]. Others, like scholar Storm Cunningham, feel creating equitable neighborhoods that leverages reinvestment for all demographics is simply not a priority. Cunningham writes[39]:

Avoiding unfair pain, and damage to heritage, must be a conscious and measured component of the redevelopment project's goals. It seldom is: too many developers and planners make it sound like such suffering is the inevitable price of progress. Bull: it's just a lack of sufficient desire to avoid it.

This avoidance depends on a re-prioritization of capital from one chiefly financially-based, to community- and human-focused. This shift is not simply out of benevolence, but rather for the betterment of the regional economy. In order for Cleveland to sustain long-term economic growth, neighborhoods must be seen as producers of human capital, not simply centers of consumption. Developing human capital depends on cultivating capacity which, in turn, hinges on the neighborhood context.

It says here that the unique dynamics within Cleveland's unfolding gentrification can position the city to be a model in the development of the equitable, integrated neighborhood. It is a model that can eventually be scaled citywide.

Unlike in New York, San Francisco, Chicago, etc., Cleveland's "gentrifying" areas are becoming at once younger, less white, and more minority. That is, Cleveland's gentrification is a process of middle class reinvestment into areas that are simultaneously diversifying. Table 2 shows the Cleveland neighborhoods experiencing the top young adult growth. Collectively, these six neighborhood's white population declined from 1990 to 2010 by 21%, whereas the percent change in blacks for the gentrifying neighborhoods increased by 103%, though the city as whole saw its black population decrease by 13%. The Hispanic population increased by 58% in these neighborhoods, compared to 15% for the city. For Asians, the increase was 79%, vs. 12% citywide.

Table 2: Gentrifying Neighborhoods Becoming More Racially Diverse

Neighborhood	White, number, 2010	White, percent, 2010	Black, number, 2010	Black, percent, 2010	Asian, number, 2010	Asian, percent, 2010	Hispanic, number, 2010	Hispanic, percent, 2010	White Percent Change	Black Percent Change	Hispanic Percent Change	Asian Percent Change
Downtown	4004	44%	4088	45%	707	8%	288	3%	87%	76%	172%	470%
Ohio City	4593	50%	3135	34%	137	1%	2107	23%	-27%	25%	-23%	136%
Tremont	4274	62%	1583	23%	74	1%	1455	21%	-32%	34%	-23%	95%
Kamms Corners	16223	89%	1022	6%	324	2%	971	5%	-19%	680%	216%	56%
Old Brooklyn	26224	82%	2559	8%	435	1%	4414	14%	-23%	675%	432%	20%
Edgewater	4941	65%	2015	26%	151	2%	686	9%	-36%	227%	64%	-35%

One reason for this unusual pattern relates to the housing crisis in Cleveland, which may have created for lower barriers of entry into neighborhoods that were historically "no go's" for minorities. Migration from the historically black East Side to the historically white West Side nearly doubled from 11% to 20% in

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[37] See: http://www.theatlanticcities.com/jobs-and-economy/2013/01/more-losers-winners-americas-new-economic-geography/4465/

[38] See: http://www.theatlanticcities.com/housing/2013/10/what-we-havent-figured-out-question-gentrification/7166/

[39] See: http://www.theatlanticcities.com/housing/2013/08/what-happens-when-critics-gentrification-are-gentrifiers-themselves/6468/
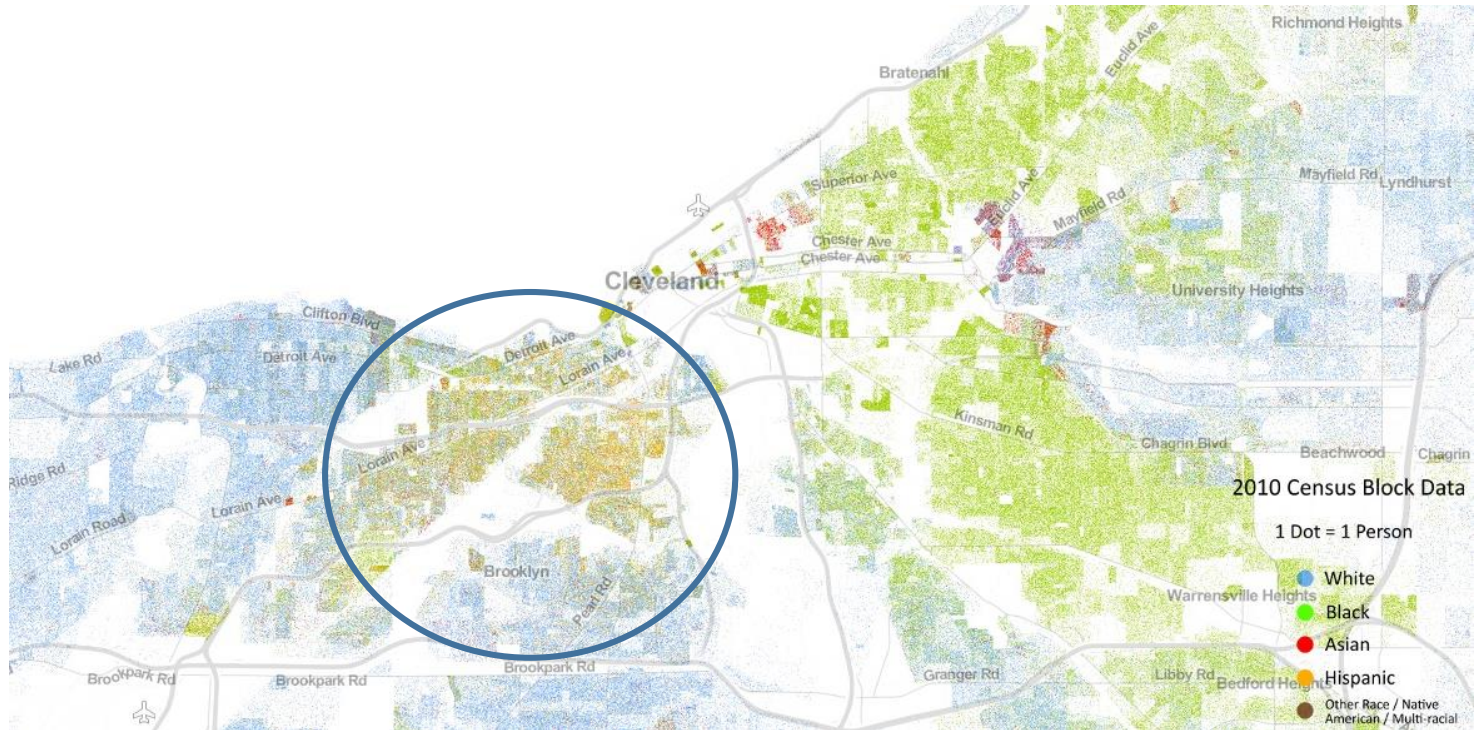
Image 2 Organic Diversity in Cleveland

the last decade. Combine this desegregation patterning with the fact that younger suburban whites are crossing into the city limits to live, and what you have is a nascent rewiring of Cleveland's historic divides between suburb vs. city and white vs. non-white. Just as repatriates, native-born newcomers, and the foreign born connect Cleveland to the world, inter-regional migration that mixes class and race connects Cleveland to itself. Image 2 visualizes the diversification occurring, particularly on the Near West Side.

Writer Afi-Odelia Scruggs recently chronicled this emergent racial mixing in the piece "River Crossings" for *Cleveland Magazine*.[40] "I joked that the Cuyahoga River might as well be the Red Sea, because getting Clevelanders to cross it took an act of God," notes Scruggs. She speaks to a number of younger African Americans, like small business owner Ra Washington, who have moved into the West Side. Noting the generational difference in perceptions of the city, Scruggs writes:

Washington says he runs into folks who think like his aunt: The neighborhood isn't for them. But he brushes them off. They're the old-timers who lived through white flight and the Hough riots, not the 20-somethings who wear skinny black jeans, have sleeve tattoos and browse the store for crime novels and fiction.

"The younger people weren't part of that, so they have no concept of the racial history," Washington says. "They want to talk about the now."

Nonetheless, ensuring this organic diversification continues in the face of increasing investment is the challenge of the day, not just in Cleveland, but for the whole of urban America. To date, no city has

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[40]See: http://goo.gl/Z5Cl8G

systematically ensured a process of policies that prioritizes the long-term benefits of integrated, equitable communities over the short-term benefits of consumer-driven gentrification.

The benefits include increased economic mobility for individuals who grow up in integrated neighborhoods. For instance, a new study called "The Equality of Opportunity Project"[41] found that Cleveland ranked 45th out of 50 metro areas in terms of upward mobility, meaning a child in Cleveland raised in the bottom fifth of an income class only has a five percent chance of rising to the top fifth in her lifetime. The study, however, concludes that "upward mobility tended to be higher in metropolitan areas where poor families were more dispersed among mixed-income neighborhoods".

Such demographic shifts in Cleveland and other Rust Belt cities can change long-term economic trajectories, but only if policies and strategies are institutionalized so that urban infill does not entail re-segregating the city through the construction of creative class enclaves.

Bowling with Strangers

In the book "Bowling Alone", author Robert Putnam laments the decline of social capital, or the power of groups, that has occurred in America across time. Putnam, a Port Clinton, Ohio native, states an overemphasis on individualization—and the breakdown of civic society and the "old neighborhood"—has contributed to the decline of the middle class, suggesting recently that the lack of "egalitarian ethos…of the 1950's" has enabled economic inequality to worsen[42].

In many respects, traditional efforts at community revitalization—particularly through federal programs like Choice Neighborhoods[43] that are implemented in America's most segregated, poverty-stricken areas—is aimed at building a sense of the "old neighborhood" back. But such retention measures, while laudable, have not succeeded at turning around communities, if only because—while social capital may increase—the neighborhoods still act "as lonely islands" cut-off from the global economy[44].

Why have such retention strategies struggled? What is missing is Stafford's finding in "Why the Garden Club Couldn't Save Youngstown", or that too much social capital can be just as bad as not enough; that is, too much trust in others like you can parallel not enough trust in others unlike you, leading to immobility, insularity, and stagnation of ideas. What Cleveland needs is less social capital, or more outsiders and natives crossing psychogeographic divides that have served to Balkanize Cleveland. As noted, such movement is beginning to unfold.

The catch here is that simply diversifying a neighborhood won't necessarily lead to evolving communities and a deepening urban network. For instance, how diversity is playing out in D.C.[45]:

> *Both groups [whites and blacks] feel entitled and resent the other's sense of entitlement. Over time the neighborhood's revitalization engineers a rigid caste system eerily reminiscent of pre-1965 America. You see it in bars, churches, restaurants and bookstores. You see it in the buildings people live in and where people do their shopping. In fact, other than public space, little is shared in the neighborhood. Not resources. Not opportunities. Not the kind of social capital that is vital for social mobility. Not even words.*

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[41] See: http://obs.rc.fas.harvard.edu/chetty/website/IGE/Executive%20Summary.pdf
[42] See: http://opinionator.blogs.nytimes.com/2013/08/03/crumbling-american-dreams/
[43] See: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn
[44] See: http://blog.metrotrends.org/2013/08/city-neighborhoods-lonely-island/
[45] See: http://nextcity.org/culture-livability/entry/forefront-excerpt-separate-and-unequal-in-d.c

What is occurring relates to a recent controversial finding of Putnam's that shows that diversifying neighborhoods can act as environments that decrease social capital *too much*. "People living in ethnically diverse settings appear to 'hunker down'", writes Putnam, or "to pull in like a turtle"[46].

Part of the reason for this is that neighborhood diversity can equate to living "by" each other and not "with" each other. This is because neighborhood integration is still raw in the American zeitgeist, with heterogeneity, according to Putnam, engendering mistrust. A next step is needed. Here, community leaders should heed lessons from the concept of "creative destruction" in the private sector. From the article "The Downside of Diversity"[47]:

> *If diversity, at least in the short run, is a liability for social connectedness, a parallel line of emerging research suggests it can be a big asset when it comes to driving productivity and innovation…*
>
> *… [T]hose in more diverse communities may do more bowling alone, but the creative tensions unleashed by those differences in the workplace may vault those same places to the cutting edge of the economy and of creative culture.*

In other words, the same process that leverage heterogeneity in the marketplace to evolve innovation can be used in city making to evolve communities. This, then, represents a key opportunity for Cleveland to reconstitute a new neighborhood model by harnessing the potential inherent in its diversifying neighborhoods. This opportunity is greater in Rust Belt communities given—as of yet—the absence of housing market pressure that tends to filter people along similar demographic lines. The mission is simple: how can cities foster mobility without a sacrifice of trust? Or, how can diverse neighborhoods become more socially integrated?

The answer entails thinking about social capital in a new way: neither a presence nor absence of it, but a continuum of social capital with insularity based on comfortability on one end, and insularity based on mistrust on the other. The sweet spot of social capital is somewhere in the middle, which entails not bowling with your buddies or bowling alone, but bowling with strangers—until they no longer aren't.

Tactics to foster "bowling with strangers" are common in community development. For instance, Kauser Razvi, Principal of Strategic Urban Solutions, created a public "Third Space" called "Literary Lots" that used storytelling and placemaking to foster family interaction in Ohio City[48]. Ohio City Inc. has helped implement T-ball and soccer, which is bringing a mix of residents together on a continual basis[49]. In Collinwood, Zoetic Walls, a series of ongoing murals by internationally-renowned street artists, is getting a divided neighborhood of older ethnic groups and African Americans talking, with the art, which some see as provocative, acting as the vessel of social capital change[50].

While such community programming is common, it is often implemented in a piecemeal fashion, untethered to a theory of change. The current paper bridges micro tactics to macroeconomic theory at the level of the neighborhood. Put simply, where people live informs them no less than where they work or go to school. Neighborhoods are factories of human capital. Equitable, integrated environments maximize

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[46] See: http://www.boston.com/news/globe/ideas/articles/2007/08/05/the_downside_of_diversity/?page=full

[47] See: Ibid

[48] See: http://literarylots.org/

[49] See: http://vimeo.com/47909938

[50] See: http://www.coolcleveland.com/blog/2013/09/controversy-in-collinwood/

potential. America needs to go past the gentrification model of revitalization. The cities that still have a fighting chance, like Cleveland, should lead.

Summary

The current paper provides a macroeconomic theory that can guide Cleveland's revitalization. While the literature described previously is substantive, the takeaways that can lead to an actionable plan going forward are relatively straightforward. They include:

- Takeaway 1: Knowledge and information are the driver of the modern economy, those cities without migration "churn", or demographic dynamism, are at a significant disadvantage.
- Takeaway 2: Cities lacking churn need to increase it. Demographic research methods that "peek under the hood" can identify microtrends of growth, even into so-called "shrinking cities". These microtrends need to mapped and understood—i.e., what are the "push" and "pull" factors driving migration—so that strategies can be implemented to grow and leverage the inflow. Sources of churn include native-born newcomers, Cleveland repatriates, or the foreign born.
- Takeaway 3: The economic importance of migrants is not simply to grow a city's consumptive capacity, but rather to broaden a city's global interconnectivity.
- Takeaway 4: Due to the regional disadvantages related to the housing crisis and population decline, gentrification into Cleveland's core neighborhoods provides an opportunity, as the areas are becoming at once younger and more diverse—and thus are ideal to test a set of policies and strategies that can ensure diversity remains.
- Takeaway 5: Diversity does not equal integration. To create new forms of community and social capital leaders need to ensure "creative class" enclaves do not negate the economic potential of integrating societies. To date, such neighborhood innovation, termed "bowling with strangers", has not been institutionalized and scaled, primarily due to a lack of theoretical context.

Appendix A

Total Out-Migrants (2000-2010)

Rank	Geography	Total
1	New York-Northern New Jersey-Long Island, NY-NJ-PA	3838366
2	Los Angeles-Long Beach-Santa Ana, CA	3444804
3	Washington-Arlington-Alexandria, DC-VA-MD-WV	2017509
4	Chicago-Joliet-Naperville, IL-IN-WI	1983707
5	Dallas-Fort Worth-Arlington, TX	1635291
6	San Francisco-Oakland-Fremont, CA	1575588
7	Atlanta-Sandy Springs-Marietta, GA	1497626
8	Miami-Fort Lauderdale-Pompano Beach, FL	1481684
9	Riverside-San Bernardino-Ontario, CA	1401677
10	San Diego-Carlsbad-San Marcos, CA	1342453
11	Boston-Cambridge-Quincy, MA-NH	1302148
12	Houston-Sugar Land-Baytown, TX	1274308
13	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1240325
14	Phoenix-Mesa-Glendale, AZ	1152549
15	Seattle-Tacoma-Bellevue, WA	1139950
16	Detroit-Warren-Livonia, MI	999499
17	Tampa-St. Petersburg-Clearwater, FL	917908
18	Orlando-Kissimmee-Sanford, FL	904867
19	San Jose-Sunnyvale-Santa Clara, CA	885110
20	Virginia Beach-Norfolk-Newport News, VA-NC	869140
21	Denver-Aurora-Broomfield, CO	859914
22	Baltimore-Towson, MD	815779
23	Minneapolis-St. Paul-Bloomington, MN-WI	775629
24	Las Vegas-Paradise, NV	695122
25	Portland-Vancouver-Hillsboro, OR-WA	641152
26	Sacramento--Arden-Arcade--Roseville, CA	637936
27	St. Louis, MO-IL	632837
28	San Antonio-New Braunfels, TX	630724
29	Kansas City, MO-KS	587046
30	Charlotte-Gastonia-Rock Hill, NC-SC	558221
31	Austin-Round Rock-San Marcos, TX	555291
32	New Orleans-Metairie-Kenner, LA	543462
33	Jacksonville, FL	526554
34	Columbus, OH	524426
35	Cleveland-Elyria-Mentor, OH	514938

Appendix B

Total In-Migrants (2000-2010)

Rank	Geography	Total
1	New York-Northern New Jersey-Long Island, NY-NJ-PA	2312963
2	Los Angeles-Long Beach-Santa Ana, CA	2271082
3	Atlanta-Sandy Springs-Marietta, GA	2006179
4	Washington-Arlington-Alexandria, DC-VA-MD-WV	1995236
5	Dallas-Fort Worth-Arlington, TX	1961164
6	Riverside-San Bernardino-Ontario, CA	1885699
7	Phoenix-Mesa-Glendale, AZ	1545691
8	Houston-Sugar Land-Baytown, TX	1537245
9	Chicago-Joliet-Naperville, IL-IN-WI	1519873
10	Miami-Fort Lauderdale-Pompano Beach, FL	1340548
11	San Francisco-Oakland-Fremont, CA	1285969
12	San Diego-Carlsbad-San Marcos, CA	1229989
13	Tampa-St. Petersburg-Clearwater, FL	1160700
14	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	1153175
15	Seattle-Tacoma-Bellevue, WA	1150911
16	Orlando-Kissimmee-Sanford, FL	1083555
17	Boston-Cambridge-Quincy, MA-NH	1069379
18	Las Vegas-Paradise, NV	958290
19	Denver-Aurora-Broomfield, CO	936574
20	Virginia Beach-Norfolk-Newport News, VA-NC	866456
21	San Antonio-New Braunfels, TX	809795
22	Baltimore-Towson, MD	801131
23	Charlotte-Gastonia-Rock Hill, NC-SC	767973
24	Sacramento--Arden-Arcade--Roseville, CA	766128
25	Minneapolis-St. Paul-Bloomington, MN-WI	757669
26	Austin-Round Rock-San Marcos, TX	743381
27	Portland-Vancouver-Hillsboro, OR-WA	729497
28	Detroit-Warren-Livonia, MI	705686
29	San Jose-Sunnyvale-Santa Clara, CA	666364
30	Jacksonville, FL	641105
31	Kansas City, MO-KS	627975
32	St. Louis, MO-IL	612685
33	Raleigh-Cary, NC	564982
34	Columbus, OH	561817
35	Nashville-Davidson--Murfreesboro--Franklin, TN	561758
44	Cleveland-Elyria-Mentor, OH	399513

Appendix C

Map 1: In-Migration and Out-Migration for 25-34 Year Olds

Population Gains/Losses

- 2201 and above
- 1201 to 2200
- 201 to 1200
- -200 to 200
- -1200 to -201
- -2200 to -1201
- -2201 and below
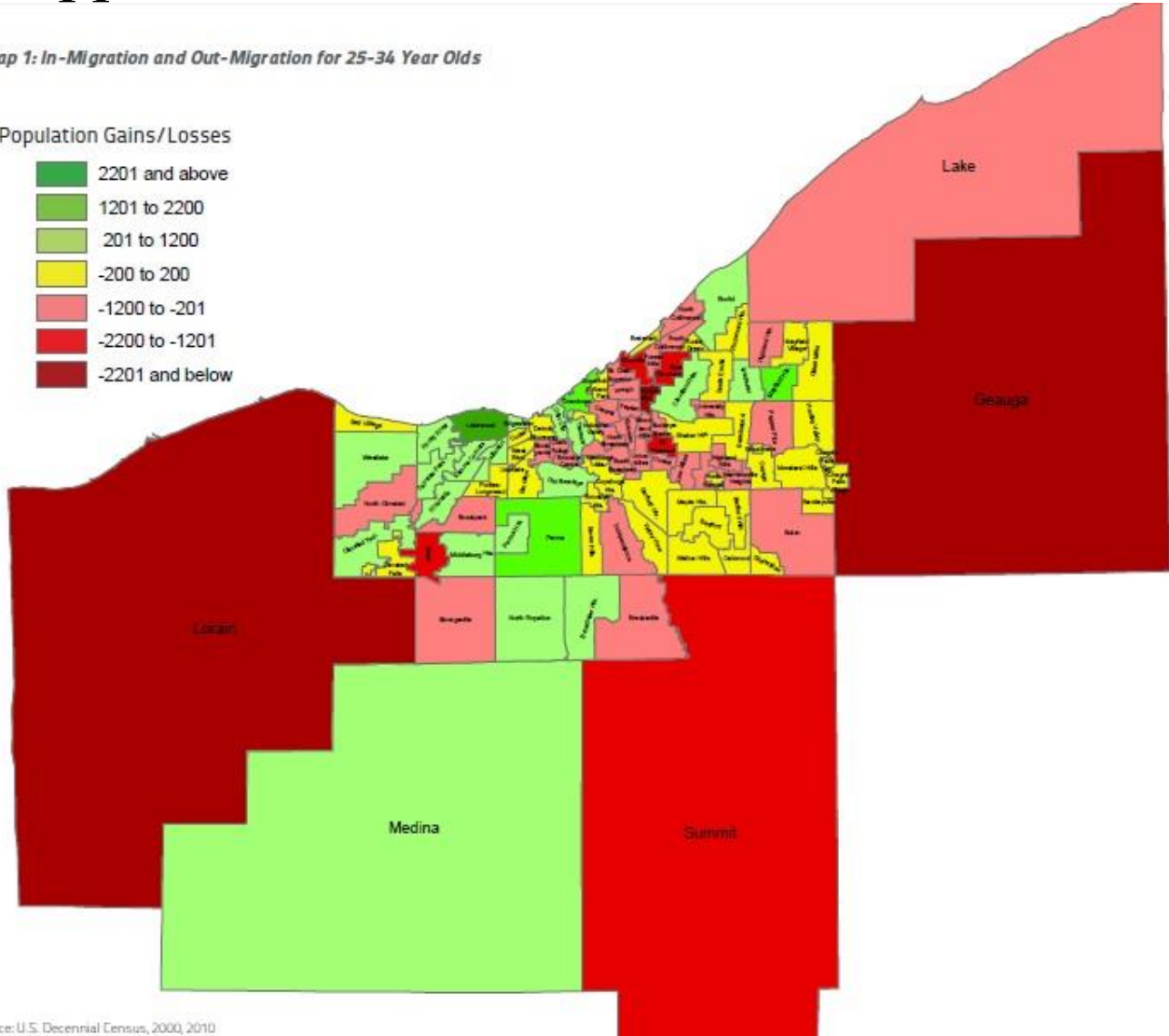
Source: U.S. Decennial Census, 2000, 2010

Appendix D

Metros with Top In Migration for Cleveland-Elyria-Mentor, OH (2000-2010)

Rank	Geography	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
1	Akron, OH	5261	5265	5195	5182	5506	5164	5386	5104	5121	5474	5190	57848
2	Columbus, OH	1542	1569	1580	1509	1418	1501	1456	1309	1550	1387	1246	16067
3	Youngstown-Warren-Boardman, OH-PA	1026	939	879	840	835	902	910	860	890	904	716	9701
4	New York-Northern New Jersey-Long Island, NY-NJ-PA	749	798	804	800	764	840	692	989	860	727	745	8768
5	Chicago-Joliet-Naperville, IL-IN-WI	898	833	969	848	805	767	758	683	690	602	600	8453
6	Toledo, OH	664	757	690	739	742	690	640	723	784	670	639	7738
7	Sandusky, OH	682	737	742	673	741	694	655	665	637	656	608	7490
8	Detroit-Warren-Livonia, MI	637	612	674	555	599	567	688	529	739	597	526	6723
9	Canton-Massillon, OH	647	625	579	554	508	588	548	443	551	590	584	6217
10	Pittsburgh, PA	707	690	672	488	508	531	539	510	441	427	399	5912
11	Cincinnati-Middletown, OH-KY-IN	573	618	544	527	517	550	545	526	440	474	473	5787
12	Los Angeles-Long Beach-Santa Ana, CA	448	363	337	400	400	340	382	456	403	352	317	4198
13	Washington-Arlington-Alexandria, DC-VA-MD-WV	340	372	368	355	380	290	358	392	345	292	234	3726
14	Miami-Fort Lauderdale-Pompano Beach, FL	306	303	425	273	263	361	373	357	401	361	269	3692
15	Atlanta-Sandy Springs-Marietta, GA	290	291	309	346	287	300	322	317	390	362	351	3565
16	Phoenix-Mesa-Glendale, AZ	293	348	299	214	282	331	341	311	331	314	302	3366
17	Tampa-St. Petersburg-Clearwater, FL	272	249	311	338	263	219	286	417	300	359	324	3338
18	Dayton, OH	312	299	324	345	253	346	287	288	287	269	222	3232
19	Boston-Cambridge-Quincy, MA-NH	217	212	265	217	250	295	265	247	241	203	222	2634
20	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	280	272	249	207	229	258	193	305	160	273	166	2592

Source: Telestrian, via Internal Revenue Service, 2000 to 2010