

# Attracting young professionals to declining cities

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FRBP May 10, 2012

## 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*