

FROM THE MAGAZINE

America's Post-Pandemic Geography

Covid-19 is transforming all types of communities, from big cities to suburbs to rural areas.

Richard Florida, Joel Kotkin
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Even as vaccination increases across the United States and an end to the tragedy of the Covid-19 pandemic seems in sight, the economic, fiscal, political, and geographic fallout from the virus cannot be overstated: a massive public health crisis that left more than half a million Americans dead, an economic catastrophe that caused record unemployment and small-business closures, and a seismic political event that surely helped tip the presidential election. The pandemic will pass, and the economy will revive, as it is already doing. But in geographic terms, today's Covid-precipitated crises may well prove to be the most transformative event that America has experienced since the great migration to the suburbs after World War II. After hitting record lows, mobility is up as a result of the pandemic. Between 14 million and 23 million Americans say that they are likely to move as a result of their ability to work remotely, according to research by economist Adam Ozimek. These geographic shifts are even more critical because they point in many directions and represent less a fundamental break with the past and more an acceleration of changes already under way in how we live and work.

America's economic geography has long been shaped by the interplay of pull and push forces. On the one hand, centrifugal forces pull some people out of cities: families seek more affordable space, backyards, and access to better schools. With the wider scope of choice that remote work affords, some are casting their nets wider and moving farther afield, not just to suburbs but also to other cities, smaller metro areas, and even rural communities. On the other hand, centripetal forces remain that push other groups and activities toward urban centers. College-educated young people in their mid-twenties to mid-thirties [have accounted for roughly half](#) the revival of close-in urban neighborhoods (those located near a metro area's central business district) over the past decade, according to research by Joe Cortright of City



ahead, propelled in part by falling urban real-estate prices. Superstar cities may regain some of their former creativity as artists, musicians, writers, and the like, many uprooted by the pandemic, can once again afford to live in them.

It's hard to predict how this will play out in the long run, but the pandemic has placed a new burden on *all* communities. Big cities, Sunbelt boomtowns, small urban regions, and rural areas alike must develop effective strategies for recovery in a post-pandemic world.

The pandemic hit superstar cities like New York and London first and hardest. With their central business districts turned into ghost towns, big cities have suffered a blow from which they will need years to rebound. New York's midtown and Wall Street still remain noticeably empty. Broadway theaters are still shuttered. San Francisco's office district, home to many leading tech companies, stands similarly empty.

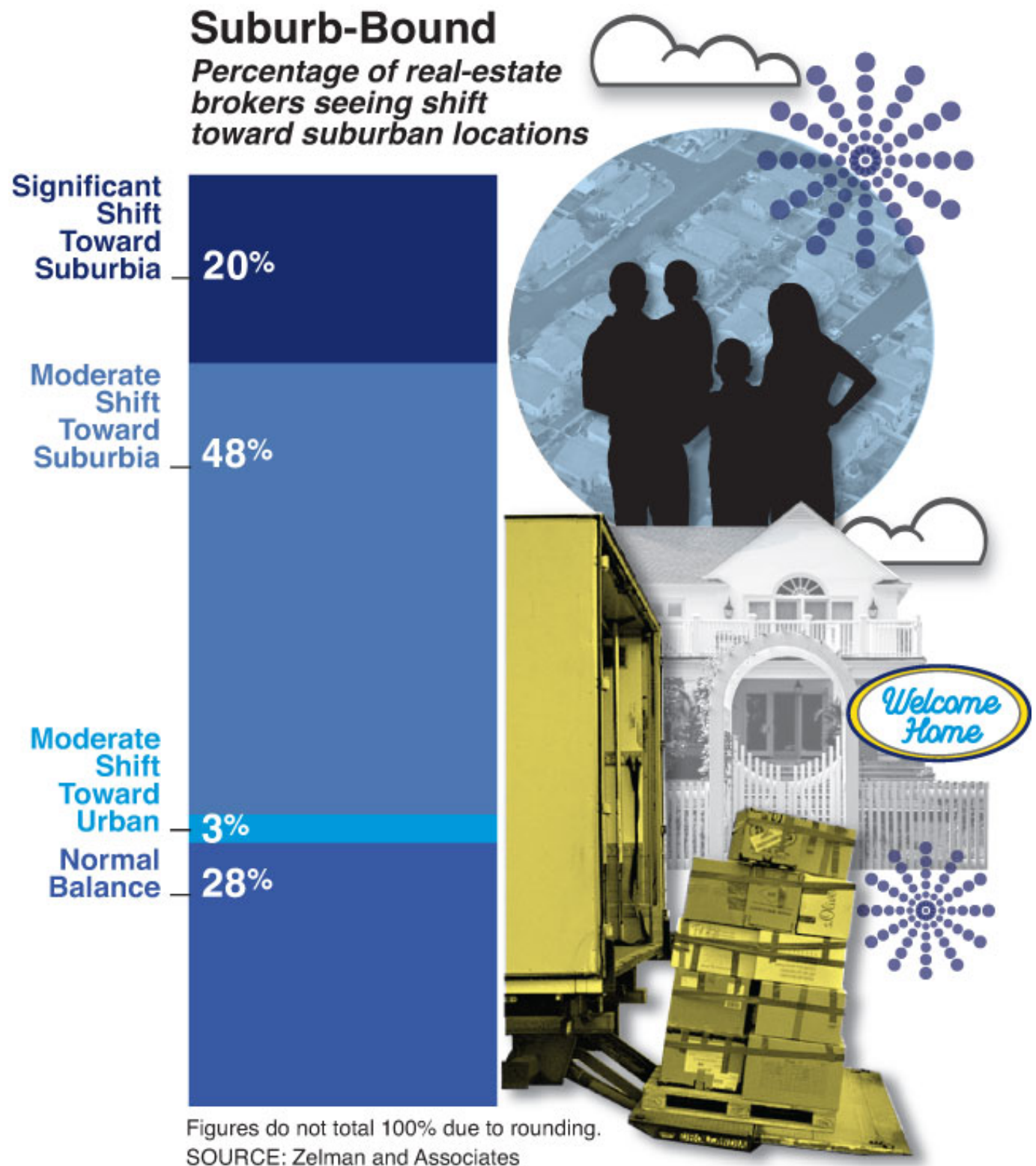
Dense cities suffered the most total fatalities largely because, as globally connected places, they were hit by the virus in its first, deadliest phase. [Time and research](#) have shown, however, that they are not uniquely vulnerable. By the fall of 2020, the second wave of infections and death had spread out across the country to smaller states and rural communities. While large urban centers and big states still have the highest overall death tolls, more sparsely populated places overtook them on a per-capita basis, with North Dakota logging the nation's highest Covid death rate in the fall. The danger lies not in density per se, but in overcrowding: the number of people per square foot, as opposed to square mile. (See "[Problem: Overcrowding](#)," New York City: Reborn, 2021.) A kind of "[exposure density](#)" thus seems key to the spread of the virus.

Yet superstar cities are not about to disintegrate. Cities are more resilient than in the past. The swift distribution of vaccines makes urban comebacks more likely, and far more rapid, than those of ancient cities rising after eruptions of the plague. London recovered from cholera, and New York added 2 million people in the wake of the Spanish flu. Berlin survived Hitler, World War II, and a half-century of partition. New York roared back after 9/11. Large global cities are incredibly resilient places. (See "[The Enduring City](#)," New York City: Reborn, 2021.)

But part of the exodus from New York and San Francisco is rooted in factors that will outlast the virus and that were already in play earlier. Both cities lost people before the pandemic, largely because of their increasing unaffordability. The rate of growth



pandemic has worsened the [new urban crisis](#) of rampant gentrification, high living costs, and class and racial division—all sharply dramatized amid the wave of protests and riots in the summer of 2020.



Charts by Alberto Mena

In a fundamental way, the difficulties confronting the Bay Area may turn out to



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quite pricey, housing in the San Francisco metro area costs about three times as much as housing in metro New York. Gotham's economy is not only bigger but also more diverse, steeped in entrenched finance, media, advertising, design, medicine, international trade, education, and high-technology sectors. The Bay Area is principally a high-tech economy and has been seeing its [lead in venture-capital-backed startups erode](#) to domestic tech hubs like Seattle, Boston, Los Angeles, and New York, and to global competitors like Shanghai, Beijing, London, and Bangalore. Remote work also threatens to spread some of the Bay Area's jobs to less expensive places like Austin, Denver, and Boise. San Francisco has a smaller geographic footprint and a less extensive transportation infrastructure than Greater New York, making it harder and more costly for families to decamp to less expensive suburbs or even more far-flung rural areas.

But by far, the biggest hurdle facing superstar cities is major changes in the geography of work. The shift to remote work will endure. Before Covid, less than 5 percent of Americans worked from home; one-third are now doing so. Data on remote work differ based on the source, but according to [research by Upwork's Ozimek](#), roughly one-fifth of workers are likely to work from home full-time, with as many as 30 percent more working from home one or more days a week. Surveys suggest that as many as 40 percent of workers would like to work from home on a regular basis and that corporations are expecting as many as a quarter of their employees to do so.

These changes are likely to disrupt the central business districts of superstar cities. With their massive skyscraper blocks, these office districts may become the last remaining urban holdover from the industrial revolution, which, as it drew people off the land and out of artisan shops, definitively separated work from life. Jane Jacobs and William H. Whyte famously deplored the skyscraper blocks for their sterility and inefficiency. With limited residential populations, devoid of people at night, they were the classic nine-to-five, one-dimensional places. Yet the current calamity, while posing steep fiscal and economic challenges, presents an opportunity for reimagination and revitalization. Just as the abandoned factories in New York's Soho were transformed into artists' lofts after the meltdowns of the 1970s and 1980s, now-redundant office towers can be repurposed into housing, flexible workspaces, and artisanal businesses, transforming once-deadened districts into much livelier, 24-hour communities.

Talented people will continue to be attracted to great urban neighborhoods like [Park Slope](#), [Carroll Gardens](#), and [Brooklyn Heights in Brooklyn](#), as well as Tribeca, Soho, and Greenwich Village in lower Manhattan. Brooklyn's real estate market appears



like Noe Valley in San Francisco, Wicker Park in Chicago, and Echo Park / Silver Lake in Los Angeles are all likely to keep thriving.

Yet this may not be enough. In the coming decade, superstar cities will need to offer residents something beyond concentrated, winner-take-all gentrification. Their prosperity will turn on their ability to rebuild as more inclusive and resilient places and, most of all, as more affordable places of opportunity for the working and middle classes.





The New Company Towns: Suburbs and Midsize Cities

Percentage of consultants rating these location types as “likely” or “highly likely” for corporate expansions or relocations

SUBURBAN AREAS

64%

MIDSIZE URBAN AREAS (LESS THAN 1 MILLION POPULATION)

57%

RURAL AREAS

31%

LARGE URBAN AREAS (MORE THAN 1 MILLION POPULATION)

10%

SOURCE: Site Selectors Guild

Any shift away from superstar cities may augur a long-overdue and much-needed geographic recalibration of America’s innovation economy. High-tech industries [have come to be massively concentrated](#)—some would say overconcentrated—in coastal elite cities and tech hubs. The San Francisco Bay Area and the Acela Corridor (spanning Boston, New York, and Washington, D.C.) have accounted for about three-

half leading up to the pandemic, more than 90 percent of employment growth in America's innovation economy was concentrated in just five major coastal metros: San Francisco, San Jose, Seattle, San Diego, and Boston, according to the [Brookings Institution](#). The current shift to remote work makes geographic rebalancing of these industries more feasible, and a number of leading big tech companies have openly embraced it. Such a rebalancing might help not only smaller cities develop more robust economies but also take some pressure off the housing and real-estate markets of superstar cities and tech hubs, making them more affordable.

Former AOL chairman Steve Case dubbed this rebalancing “[the Rise of the Rest](#).” Starting around 2015, larger Sunbelt metros like Phoenix, Dallas–Fort Worth, Houston, Atlanta, and Miami—and some smaller ones, like Austin, Nashville, Salt Lake City, and Charlotte—began attracting the [talented people](#) who had previously flocked to coastal cities in the early 2000s. Some, including Austin, Orlando, Raleigh, Phoenix, Nashville, Salt Lake, and Dallas, have [grown jobs faster](#) even than Silicon Valley and Seattle, and more than twice as fast as New York, Los Angeles, and Chicago over the last five years.

This growth—which the pandemic has only reinforced—is due to a combination of more affordable housing, lower taxes, less regulation, the availability of developable land, more building, and, in many cases, a warm climate. Growth appears to be accelerating as companies like Uber, Lyft, Tesla, SpaceX, Toyota, and McKesson shift some investment and facilities to such locales. Tech hubs have taken root not just in Austin and North Carolina's Research Triangle but in metros like Denver, Nashville, Miami, and Pittsburgh. This geographic rebalancing is now extending to even smaller metros, such as Fayetteville, Fargo, Sioux Falls, Tulsa, and Huntsville.

Another set of cities that may be poised to rise post-pandemic are the smaller and medium-size former industrial satellites surrounding the bigger cities—places like Newark, Jersey City, Bridgeport, and Norwalk, which previously had lost their offices to New York, their factories to greenfield and offshore sites, and their middle-class populations to the suburbs. Now, their commercial corridors provide an option for nearby suburban professionals, including remote workers, who need a place that allows them to go to work or meet with colleagues without enduring the long commutes and high prices associated with superstar cities.

That said, not every small and medium-size metro is rising. Many older cities outside coastal metros and Sunbelt growth centers will continue to face considerable headwinds that the pandemic only worsened.



America has long been a suburban nation. More Americans live in the suburbs than in **A**urban or rural areas. Since 2012, suburbs and exurbs have accounted for about **90 percent of all metropolitan growth**. A significant **share of millennials**, even those currently living in cities, ultimately want to get married, have children, and raise them in single-family suburban homes, largely because of their better schools and relative affordability, compared with urban cores. For families with kids, Covid-19 and stay-at-home orders have placed a premium on outdoor space like backyards, lawns, and play areas, as well as additional indoor space for remote work and at-home education. The pandemic has compressed into months family-formation moves that would have been made over years.

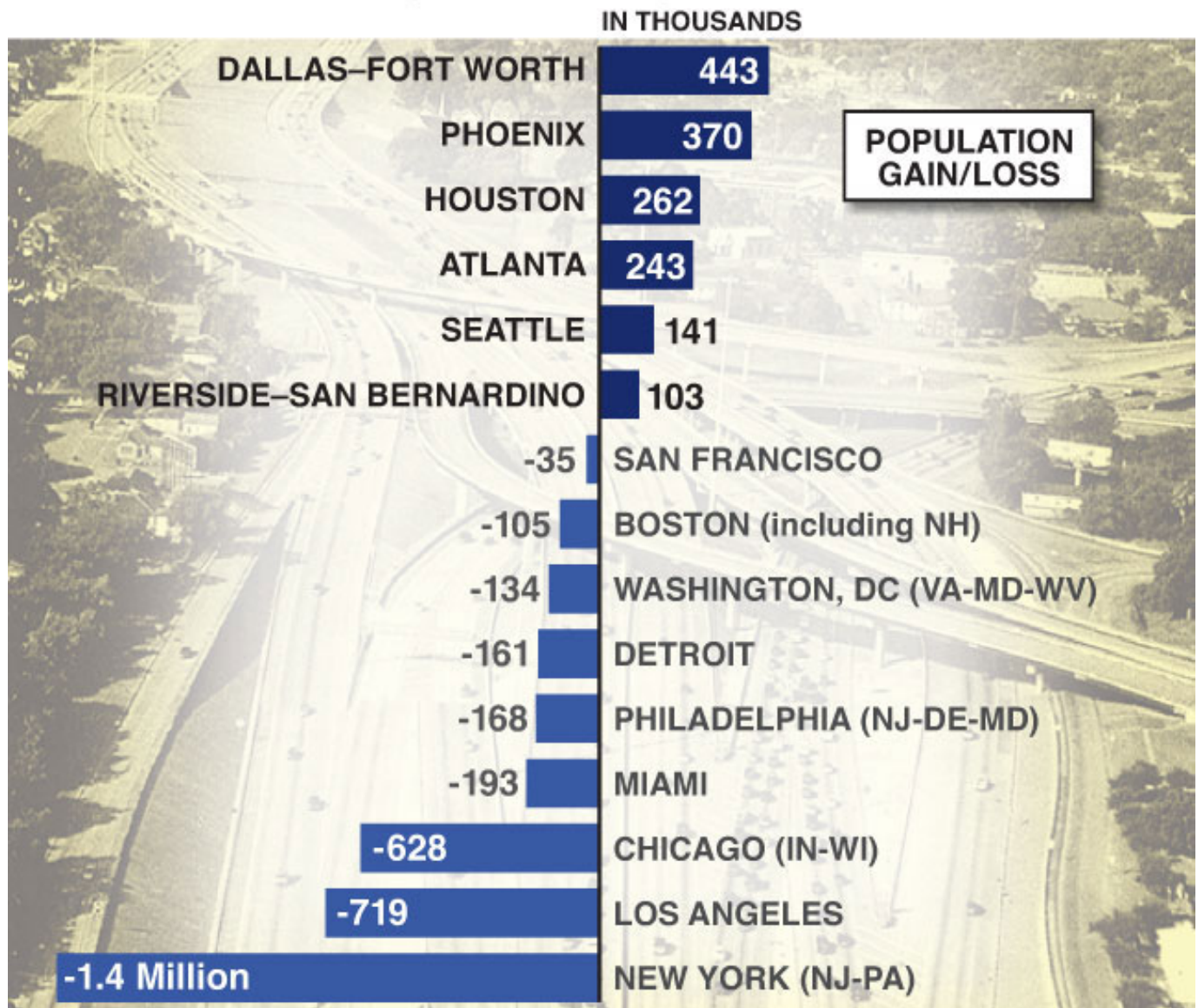
Today's suburbs differ dramatically from the *Leave It to Beaver* suburbs of the 1950s and 1960s. For one, they are far more racially and ethnically diverse. In the 50 largest U.S. metro areas, 44 percent of residents live in racially and ethnically diverse suburbs, in which nonwhites make up 20 percent to 60 percent of the population. More than **one-third of the 13.3 million new suburbanites** from 2000 to 2010 were Hispanic, with whites accounting for merely a fifth of suburban growth over that period. African-Americans have been steadily moving from inner cities.

Yet not all suburbs are thriving. While some rank with the most affluent and advantaged places in America, others number among its poorest and most distressed. For every Montclair or Maplewood, New Jersey, another suburban or exurban area is mired in decline, like Ford Heights outside Chicago, Hempstead on Long Island, and San Bernardino, California. As a whole, suburbs are seeing **increased growth in poverty**, though still at a far slower rate than in cities. Overall, like their gentrified urban neighbors, wealthy suburbs have been the main beneficiaries of the immigration of educated professionals **earning more than \$75,000** per year, especially those aged 30 to 44.



Net Domestic Migration, Pre-Covid: 2010–2019

15 largest U.S. metropolitan areas



SOURCE: Census Bureau annual estimates

A new model appears to be emerging, transforming many suburbs from bedroom communities to mixed-use places: Bethesda, Maryland; Birmingham, Michigan; Orange, California; and Coral Gables, Florida—all boast walkable downtowns and amenities similar to those found in larger cities. Places like Fairfax, Virginia, the Woodlands and Cinco Ranch outside Houston, and Irvine, California, are shifting toward this more mixed-use development model. Remote work gives such suburbs a chance to remake themselves into places where people work closer to where they live. One of the biggest trends we see in the offing is a shift of offices back to suburbs; abandoned malls and office parks can be transformed into new remote work hubs with office space, coworking space, restaurants, cafés, and fitness studios, as well as single family homes, town homes, and rental apartments.

All but written off before the pandemic, rural America is now having a moment of its own. Story after story has chronicled the movement of affluent urbanites to vacation retreats like the Hudson Valley, Santa Barbara, the Napa Valley, and the skiing paradises of Colorado, Montana, Wyoming, Utah, and Idaho—or to so-called [Zoom towns](#). Rural gentrification is not new. Most locales on the short list of up-and-coming rural places have been on the upswing for a while. Remote work simply made it possible for some affluent people to live full-time in their vacation and second homes and for other newly remote workers to leapfrog the suburbs and move farther out.

Still, only a relatively small subset of rural America is likely to benefit from the shift to remote work. [Research by Timothy Wojan](#), a leading expert on rural innovation, finds that just 100 or so rural locations are experiencing a sustained economic renaissance. These tend to be located within a few hours' drive of a superstar city and near a major international airport, to host a research university or elite college, and to possess a thriving local arts and creative scene or rich outdoor amenities like ski slopes, hiking and cycling trails, coastlines, lakes, and national parks.

Other parts of rural America are less advantageously positioned. For starters, Covid-19 rates rose in many rural areas throughout last fall and winter, though with lower death rates than those experienced by urban neighborhoods last spring. And not all these places have laid out the [welcome mat](#) for relocating urbanites. In Skamania County, outside Portland, Oregon, spray-painted signs read: "Stay Out: Locals Only." Checkpoints were set up on the border of Dare County in the Outer Banks of North Carolina to stop non-full-time residents, even second-home owners, from entering. Some new arrivals may well return home after the pandemic abates.

Despite the success of high-amenity rural areas near major metros, however, many more rural areas struggle with high rates of poverty and economic dislocation and have suffered immeasurably from the opioid epidemic.

The pandemic and its related crises are reshaping America's economic geography across the board, creating new trials as well as opportunities for cities, suburbs, and rural areas. No single type of community is a clear beneficiary or victim. The geography of post-pandemic America will be cleaved between winners and losers in each category. But communities cannot sit idly by and wait for the crisis to play out or focus exclusively on the pandemic's public health aspects. Places that develop proactive recovery strategies can boost their chances for success.



The authors of this essay worked together as part of a team led by the think tank [Heartland Forward](#) to develop an [economic recovery strategy for Northwest Arkansas](#). Home to more than half a million people and [producing](#) nearly \$25 billion in economic output, the region is anchored on one side by Bentonville, location of Walmart's global headquarters; and on the other by Fayetteville, home to the University of Arkansas. Our strategy identifies key pillars that can help guide post-pandemic recovery.

As companies reduce their physical footprints, the driving force of local economic development shifts from attracting businesses to attracting and retaining talent. Northwest Arkansas stressed affordability for families seeking more space and a less frenetic living pace and called for a "Talent Moonshot," which would offer substantial cash grants to attract the best and brightest scientists, entrepreneurs, and creatives to the region.

Other smaller regions have the opportunity to attract remote workers. As many as 23 million remote workers may relocate as a consequence of the pandemic, according to a [recent Upwork survey](#), and half say that they are seeking more affordable places to live. One signature program is [Tulsa Remote](#), already enormously successful before the pandemic. Tulsa Remote attracts workers from coastal cities through a combination of small financial incentives, affordable housing, and community-building. It is rapidly scaling up and has stimulated dozens of similar programs in communities across the country, as more cities and towns compete for talent and remote workers.

Startups and dynamic small businesses are the growth engines of the U.S. economy. Until now, coastal elite cities and tech hubs have been home to most high-tech startups, but over the past several years, dynamic startup ecosystems have begun to take root and grow in places such as Miami, Pittsburgh, Nashville, Kansas City, and Indianapolis. Their success has relied on new public-private partnerships with local universities, investing in technology transfer and commercialization, and committing to building up their startup ecosystems.

Northwest Arkansas has invested in affordability, world-class arts and cultural institutions like Crystal Bridges, and a network of bike trails and other outdoor amenities. An initiative to attract artists and creatives is also in development. A host of other regions could develop similar strategies, from New York's Hudson Valley to large swaths of North Carolina, south Florida, and Texas areas like Dallas-Fort Worth, Houston, and Austin.



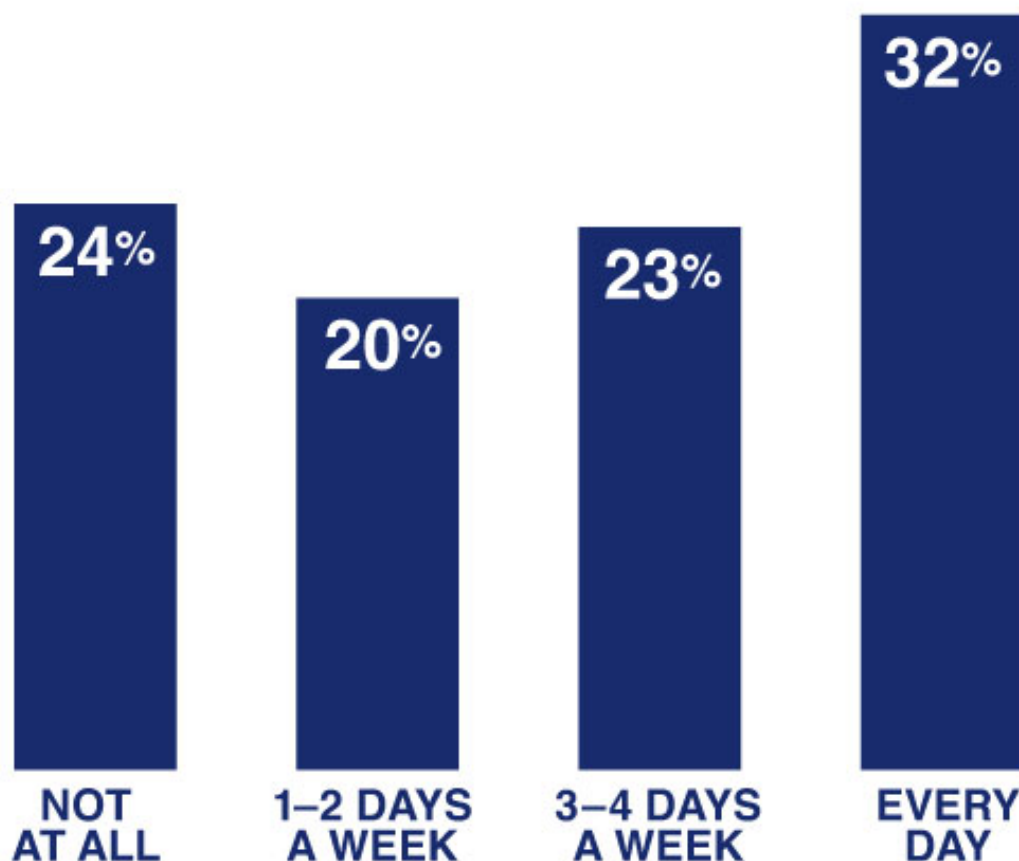
When it comes to the arts, the Covid-19 pandemic tilts the balance from mass-produced toward locally sourced culture. In the absence of large events like Coachella or Burning Man, or concerts by big acts like Taylor Swift or Beyoncé, a void opened for communities to capitalize on local arts and culture. They can take greater advantage of this by developing platforms to hire local artists, performers, and other creatives.





Strong Support for Remote Work

Most adults able to work from home want to do so at least part-time, even after the pandemic is over



Survey conducted June 2020. Figures do not total 100% due to rounding.
SOURCE: Morning Consult



The Covid crisis has also put a premium on health and safety. People will choose to live in places that address health and wellness long after the immediate crisis has passed. Northwest Arkansas is creating a plan to invest \$1.5 billion on a major new academic medical center focused on integrated medicine and a “whole” health approach. Regions across the U.S. must put health and safety at the forefront of their recovery plans.

Covid-19 has also focused America’s attention on its long-standing divisions of race and class. Though well-paid knowledge workers can work remotely, frontline service workers, many of them minorities, have been exposed to Covid in the workplace or have lost their jobs as the retail, hospitality, and tourist industries collapsed. Black Americans were infected at two and a half times the rate of whites and had nearly five times as many hospitalizations and twice as many deaths. Hispanics were infected at three times the rate of whites. For a recovery to be sustainable, it must be inclusive; it cannot be accomplished without economic growth as well as sensible political and social reform.

The United States needs less dependence on the federal government and a greater shift of power and resources to the local level. America is the opposite of a monolith. It is a mosaic of big cities and small cities, suburbs, and rural areas, each with different needs and challenges and each requiring different strategies for recovery after the pandemic. The approaches should include innovation, economic development, addressing persistent poverty, stimulating recovery in the hard-hit arts and cultural sector, upgrading and improving education (especially in urban centers), and improving services like roads, policing, and basic health and sanitation.

There is no one-size-fits-all strategy when it comes to the future of America’s communities. All types of communities will face serious challenges, but they will also have opportunities to remake themselves. The question is how best to respond to these ongoing shifts. One maxim remains true for all: no community can stand pat.

Cities can become as much about living as about working, not just places where we compromise life and family for economic gain. Suburbs can become more about working, not just about safer and more comfortable living. Parts of rural America, now connected to the wider world by wireless communications and filled with more remote workers, can build more robust economies. The move of immigrants and millennials to these areas will change them economically as well as culturally.

None of this will magically snap into being but will require intentional and strategic



define American life will only grow. What comes next can be better—but only if we make it so.

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Top Photo: Even before the pandemic, Sunbelt metros like Charlotte were attracting talented people who had previously flocked to coastal cities. (JUSTIN FIEDLER/ALAMY STOCK PHOTO)

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