

INTERVIEW

29. May 2024

“Back To The City”: Childless Young Americans Boost Urban Revival

Interview with Ana Moreno-Maldonado,
EPOS Economic Research Center

Bonn, Mannheim, 29.05.2024 – **Young childless Americans favor urban living and often move to the downtowns of U.S. cities. Researchers from the EPOS Economic Research Center have linked this phenomenon to the revival of inner cities which has taken place since 1980. They find that delayed parenthood of college graduates significantly contributes to the urban revival in the United States. These results are published in the discussion paper “Delayed Childbearing and Urban Revival: A Structural Approach”.**

Ms. Moreno-Maldonado, how have college graduates reshaped inner cities in the U.S.?

Ana Moreno-Maldonado: Households live in different parts of the city depending on their family structure. Individuals without children tend to concentrate downtown, where there is a high density of consumption amenities like bars or theatres. In contrast, households with children are typically overrepresented in the suburbs, where school quality tends to be higher and houses are larger.

Given that households with and without children choose different residential locations, demographic trends have an impact on the structure of the city. We find that college graduates’ decisions to delay childbearing and live downtown account for about 52 percent of our measures of urban revival. Specifically, this means rising house prices and income in inner city locations compared with the suburbs. In addition, we show that amenities in neighbourhoods change as the proportion of households without children increases, e.g., with the opening of restaurants, which is amplifying the initial differences.

INTERVIEW

Is this what is also called “gentrification”?

Ana Moreno-Maldonado: Yes, what we saw in the U.S. and other countries around the world is sometimes called “gentrification”. It means that the socio-economic structure of urban neighborhoods is shifting. Owners and tenants with higher socioeconomic status are moving into previously low-income neighbourhoods. Because housing prices increase, this phenomenon can also lead to the displacement of lower-income households who can no longer afford to live in inner city areas.

Did you observe this disparity in your research as well?

Ana Moreno-Maldonado: Yes, our research shows that mostly well-educated young Americans enjoyed the effects of urban revival. College graduates who moved to the city centers benefited considerably more from the changes than low-educated individuals. The latter suffered more from the increase in housing prices.

What should city planners do?

Ana Moreno-Maldonado: Our research illustrates the good and bad sides of inner city revival. On the one hand, the influx of college graduates who delay starting a family leads to regeneration and better amenities. On the other hand, rising house prices and more jobs for skilled workers also mean that some people can no longer afford to live or work downtown.

The interactions that our research has identified between demographic trends, urban revival and welfare effects can help city planners to anticipate future challenges and design policies that mitigate the negative consequences of urban revival.

INTERVIEW

The presented discussion paper is a publication without peer review of the Collaborative Research Center Transregio 224 EPoS. Access the full discussion paper here : <https://www.crctr224.de/research/discussion-papers/archive/dp550>

Find the list of all discussion papers of the CRC here: <https://www.crctr224.de/research/discussion-papers>.

Authors

Ana Moreno-Maldonado, Assistant Professor in Economics, University of Mannheim and member of EPoS Economic Research Center

Clara Santamaria, Assistant Professor in Economics, Sciences Po and CEPR research affiliate.

The Collaborative Research Center (CRC) Transregio 224 EPoS

Established in 2018, [the Collaborative Research Center Transregio 224 EPoS](https://www.crctr224.de), a cooperation of the universities Bonn and Mannheim, is a long-term research institution funded by the German Research Foundation (Deutsche Forschungsgemeinschaft, DFG). EPoS addresses three key societal challenges: how to promote equality of opportunity; how to regulate markets in light of the internationalization and digitalization of economic activity; and how to safeguard the stability of the financial system.

Press Contact

econNEWSnetwork

Sonja Heer

Telefon + 49 (0) 40 82244284

Sonja.Heer@econ-news.de

Contact

Prof. Ana Moreno-Maldonado

University of Mannheim

ana.moreno@uni-mannheim.de

CRC TR 224 office, Marja Eisheuer

phone | +49 228 737926

e-mail | crctr224@uni-bonn.de

www.crctr224.de