PART

1

METRO
PATTERNS

METRO
PATTERNS

METRO PATTERNS

Metropolitan areas are very diverse places. City/suburban disparities have been well documented, but differences among suburban areas have not. In region after region, problems associated exclusively with central cities in the national psyche have moved into inner-ring suburbs. As metropolitan areas have continued to grow more quickly in geographical area than in population, growth pains in those outer reaches have taken on prominence in the public consciousness. Many suburbs have come to recognize that they now have as much, if not more, in common with large cities than with their suburban counterparts. Coalition building in state legislatures is beginning to change to reflect this flash of recognition.

How sharp are the divisions in metropolitan areas? Can suburban areas be categorized in ways that are of more than academic interest? What portion of metropolitan populations live in suburban places that fit the long-held image of the suburbs—largely white, low-poverty, low-density, and growing bedroom communities? Are suburban areas a mosaic of affluence with small pockets of fiscal and social stress, the converse, or something more complicated? How effectively have states responded to fiscal and social disparities across cities and towns?

These issues are explored in chapters 1, 2, and 3. Chapter 1 begins by documenting the extent of social separation (by income and race) as reflected in schools in America's 25 largest metropolitan areas. It goes on to analyze the fiscal resources at the disposal of the more than 5,000 cities, towns, townships, and unincorporated areas in those metropolitan areas.

Chapter 2 examines the fiscal health of the central cities in those metropolitan areas and compares the cities' and the suburbs' ability to raise revenues and their public service needs and costs. Finally, a typology of municipalities is developed, grouping suburban cities, towns, townships, and unincorporated areas according to their tax capacities, needs, and costs. The characteristics of the groups that emerge are then used to examine suburban diversity.

Chapter 3 compares the regions to each other on the dimensions of (1) social and racial segregation, (2) fiscal equality, and (3) sprawl. It finds that regions doing comparatively well on any one of these dimensions tend to be doing well on the others.

SCHOOLS AND TAX WEALTH: LEADING INDICATORS OF COMMUNITY HEALTH

Metropatterns presents a typology, or classification, of America's suburbs. This classification scheme relies on a technique called cluster analysis, which groups places according to common characteristics of social and physical need and locally available tax resources. The characteristics used in *Metropatterns* are a community's tax capacity, poverty, density, age of infrastructure, certain characteristics of the school population, and growth in population and tax capacity. The two features especially important in the cluster analysis here are schools and local tax resources.

ELEMENTARY SCHOOLS

Schools are a powerful indicator of a community's current health and of its future well-being. First, when a community's schools reach certain thresholds of poverty, middle-class families of all races choose not to live in that community. Second, a community's school children are likely to become its next generation of adults.

For several reasons, such change in the overall community is likely to lag behind changes in local schools. As communities become poorer, flight is not immediate. Rather, as the number of poor school children grows, demand for local housing gradually declines. Think of it this way: Americans move a great deal. Housing in stable communities is in continuous demand. As schools gradually gain more and more poor students, middle-class families' demand for housing in the community softens. Housing prices reflect this. As poverty continues to increase,

demand slackens further. As the school population becomes noticeably poorer, nonpoor families with school-age children are likely to leave first because changes in the schools affect them most. Some nonpoor families may choose to abandon a school system but not the community itself, by putting their children in private schools. In the end, despite frequent local claims about a large percentage of children attending private schools, few households can afford the additional expense.

Poverty rates among school-age children therefore tend to rise more quickly than the overall poverty rate. A community with schools in transition may also continue to draw nonpoor households without school-age children (empty-nesters, for instance), easing the increase in overall poverty rates. Eventually, however, when schools reach certain thresholds of poverty—and its attendant racial segregation—middle-class families of all races with children that have residential choices will leave the community, and they will eventually be followed by other middle-class segments of the housing market.

Poverty and its consequences underlie social separation, but it is difficult to separate poverty from race and ethnicity—particularly for African Americans and Latinos, who are strongly discriminated against in the housing market.[1] (Because Asian Americans face relatively low levels of housing market segregation, they are not included in this discussion.)[2] In 1996 about half of all U.S. schools had black and Latino enrollments of 10 percent or less.[3] Of those schools, only 7.7 percent reported more than half of the children living in poverty. Meanwhile, 8 percent of U.S. schools had black and Latino enrollments of 90 to 100 percent. Of this group, 87 percent had poverty rates above 50 percent. "In other words," as housing researchers Gary Orfield and John Yun have noted, "the students in segregated minority schools were eleven times more likely to be in schools of concentrated poverty, and 92 percent of white schools did not face this problem."[4]

Sadly, analysis of racial data for elementary school students in the 25 largest U.S. regions shows that once the minority share in a community's schools increases to a threshold level (10 to 20 percent), racial transition accelerates until minority percentages reach very high levels (greater than 80 percent). Change occurs fastest at levels of 20 to 50 percent and proceeds inexorably until schools are highly segregated.

1. Massey and Denton (1993); Orfield and Logan (2001).
2. Orfield and Yun (1999); Massey (1993).
3. Orfield and Yun (1999).
4. Orfield and Yun (1999) and www.law.harvard.edu/civilrights/publications/resegregation99.html.

As racial and social change spreads through the older suburbs and satellite cities, an especially distressing pattern emerges. The gradually expanding black and Latino middle class, in pursuit of the American dream, begins moving away from poverty and into the suburbs. In their search for new homes, they are frequently steered to areas where their presence will be the least controversial.[5] When black and Latino residents reach a critical mass in a neighborhood and its schools, white homebuyers, *perceiving* the community to be in decline, choose not to buy there, and, before long, whites already living in the neighborhood move away. Businesses and jobs soon follow. The consequent decline in demand causes housing prices in the neighborhood to fall, and poorer individuals (whites, blacks, and others) move into the homes vacated by the middle-class whites. The earlier perceptions become reality. In a short time—often less than a decade—the black middle-class migrants find themselves in the same kind of neighborhood they sought to escape just a few years earlier.

Spurred by the growth of the country's nonwhite population, the already rapid suburban racial and social change is likely to accelerate. According to census statistics, nonwhite enrollment in the United States stood at only 11 to 12 percent between 1940 and 1960, but jumped to 36 percent by 1996 and is expected to reach 58 percent by 2050. The two most populous states, California and Texas, already have a majority of nonwhite students in their schools.

The close relationship between racially segregated communities and areas of concentrated poverty has been used to support flawed conclusions about blacks and Latinos. Some people, associating an influx of minorities into a community with social and economic decline, conclude that minority residents somehow contribute less than whites to a community's health and stability.

Nowhere was this tragic misconception better illustrated than in a segment from the television news magazine *NBC Dateline* about the white-collar Chicago suburb of Matteson, Illinois, 20 miles south of the Loop.[6] In the early to mid-1990s, black middle-class families began to move to Matteson, a community of large, attractive suburban homes, open space, and good schools. These blacks were, by most important demographic measures, at least the socioeconomic equals of Matteson's white residents. Some were, in fact, better off than Matteson's whites.

When black and Latino residents reach a critical mass, white homebuyers perceive the community as in decline, and soon white residents also move away.

5. See Yinger (1995).
6. Tom Brokaw Special Report, "Why Can't We Live Together?" Dateline NBC, June 27, 1997.

But as soon as black households became a significant percentage of the population, there was a sudden sell-off of homes by white residents. Asked why they were moving, the white sellers replied, "Because the schools are getting worse and crime is increasing." On the evidence, neither claim was true. School test scores and the crime rate remained unchanged. However, once the white residents left, demand for middle-class housing in Matteson cooled, because the black middle class was not large enough to sustain market demand. Not only did the schools become more segregated, they also became much poorer. This is why "white flight" invariably means poverty.

There is an unhelpful myth that the black or Latino middle class has achieved a separate, stable prosperity, apart from the white mainstream.

There is an unhelpful myth that the black or Latino middle class has achieved a separate, stable prosperity, apart from the white mainstream. A companion report that discusses this myth in reference to parts of Prince George's County in suburban Washington, D.C., finds that the county is actually a telling example of the process of racial and social change in America's at-risk suburbs.[7] In 1996, 47 of the county's elementary schools had a non-Asian minority student population of 90 percent or more. Students qualifying for the free-lunch program fell below 20 percent in only three of these schools. As a rule, middle-class families with residential choices do not select communities in which more than 20 percent of the school population is poor. A student is eligible for free lunch if family income is 130 percent of the poverty line or below. They are eligible for reduced-cost lunch with incomes up to 185 percent of poverty. Because the federal poverty line is so low (roughly $12,000 for a single mother and child in 2000), free or reduced-cost lunch is a slightly more realistic measure of family stress. It is also a statistic that is updated yearly.

In 31 of those 47 high-minority elementary schools, less than 50 percent of the children were eligible for free lunches. Since a majority of students in those schools were not poor, theoretically the schools could be called middle-class minority schools (although, again, most middle-class families with residential choices would not choose schools with these levels of poverty). However, nearly all of the schools were in the midst of rapid downward social transition: in 11 of the 31 schools (36 percent), the number of students eligible for free lunch increased by more than twenty percentage points in just seven years (1989–96); and in 24 of the 31 schools (78 percent), the number increased by more than ten percentage points over the same period. Those are big changes. None of those schools were socioeconomically stable.

7. See Orfield (1997).

In 57 of Prince George's County's elementary schools, minority students constituted between 50 and 90 percent of enrollment in 1996. Thirty-two of those schools (56 percent) experienced an increase in minority enrollment of more than 15 percentage points between 1989 and 1996. Only 7 of the 57 schools showed changes of less than 10 percentage points. In 41 of the 57 schools (72 percent), students qualifying for the free-lunch program increased by more than 15 percentage points. The schools in the older suburbs of Atlanta showed a similar pattern of change: discrimination, racial succession, and neighborhood deterioration.[8] This process has torn apart untold numbers of urban neighborhoods over the past century and is now entrenched in U.S. suburbs.

Maps 1-1 through 1-24 show the shifting geography of poverty and race among elementary school children in six representative metropolitan areas: Atlanta, Chicago, Denver, Minneapolis–St. Paul, New York, and San Francisco. The six were chosen because they are geographically diverse and because their school-poverty and tax-capacity patterns from 1992 to 1997 were representative of patterns in other metropolitan areas across the nation. Both the percentage of students eligible for free-lunch programs and the percentage change in free-lunch eligibility are shown for every elementary school in the five regions except Chicago, for which these data were not available. Racial data were available for all six.

In all of the metropolitan areas shown here, and in fact in all of the 25 largest regions in the United States, high-poverty, largely minority schools show marked concentrations in the central cities and older satellite cities and towns. Moving outward, poverty increases hand in hand with increasing diversity. In several regions, suburban racial diversity appears to precede socioeconomic change. White people choosing not to live in areas where middle-class blacks and Latinos have moved is a very important part of the downward social change in communities. To reiterate, this is not because middle-class blacks and Latinos inherently destabilize a community. Rather, it is because the ranks of middle-class blacks and Latinos in most metropolitan areas are

---

8. In the 1980s, Gary Orfield's attempt to study middle-class black schools in the Atlanta suburbs met with two problems. First, although the region had one of the nation's largest black middle-class populations, there were only a handful of middle-class, predominantly black schools. Second, because the residential areas in which those schools were located were in constant flux, the schools did not remain middle-class long enough for him to study them. See Orfield and Ashkinase (1991, pp. 103–48).

currently too small to maintain a robust middle-class housing market if middle-class whites are not also interested in that market.

The Atlanta maps show significant school poverty in the interior of Dekalb, Clayton, and Fulton Counties. The non-Asian minority maps show a very similar pattern with respect to race. However, the spread of racial diversity is somewhat larger in geographic scope than the spread of poverty, reaching deeper into Cobb and Gwinnett Counties. As the maps measuring changes in poverty and race show, the most rapid changes are occurring in the places beyond the inner suburban subdivisions, namely, the outer edges of Dekalb, Clayton, Cobb, and southern Forsyth Counties.

In Chicago, many south- and west-side suburban districts actually had a higher percentage of blacks and Latinos than did the city itself. To the north, trendy Evanston has schools that are very racially diverse and struggling with social and economic changes. Like Atlanta, all of suburban Cook County is experiencing rapid racial change at the elementary school level, reaching even to traditional suburban power centers of Schaumburg and Palatine, the electoral base of conservative U.S. senator Peter Fitzgerald. In inner suburban Cicero, where a visit by Martin Luther King once precipitated a violent protest against housing integration, nonwhite students are in the majority. Park Forest was the locus of William H. Whyte's *Organization Man*, a classic study of the white-collar worker of the 1950s and his suburban life. Today, the schools are increasingly poor and diverse and, per household, the city has a fraction of the local resources of Chicago. Local malls had been empty so long in the 1990s that the city government moved into one of them. The rapidly changing suburb of Matteson, subject of the NBC documentary, is geographically so far into the suburbs that it is literally off this map.

In the Denver region, the economic and racial composition of inner suburban elementary schools is indistinguishable from those at the outer edges of the city. High-poverty schools are particularly centered in western Adams County, inner Jefferson County, and Arapahoe, Westminister, and Englewood County school districts. Even the northern part of the white-collar Littleton school district (site of the infamous school shootings) has several poor elementary schools. The race maps follow a similar pattern, with racial change moving slightly deeper into the suburban ring. The maps show the movement of poverty deeper into Jefferson County to the west and to the north through the Westminister and North Glenn school districts. Racial change is again moving hand in hand with socioeconomic change.

14

In Minneapolis–St. Paul, poverty-related change is occurring in most of the older suburbs, while racial change is concentrated in the southern suburbs of Minneapolis and the northern inner suburbs adjacent to Minneapolis's historic north side black neighborhoods. The most dramatic suburban racial changes have occurred in the heart of the Brooklyn Center and Osseo school districts. These districts serve the city of Brooklyn Park, whose mayor through much of the 1990s was the Honorable Jesse Ventura. Ventura, a former wrestler, was elected during a tidal wave of public discontent because of the rapidly worsening social conditions in Brooklyn Park, exemplified in protests over crime, the state of local schools, a troubled mall, and general decline. During this period, a citizens' group calling itself "the Legion of Doom" made a highly public push to limit affordable housing in Brooklyn Park. Ventura eventually became a supporter of regional tax sharing and metropolitan fair housing as tools to stabilize his community.

The vast mosaic of the New York region shows poverty and racial change moving in many directions. There are deep pockets of poverty in inner Long Island; in many of the New Jersey communities on the eastern shore of the Hudson River, in areas surrounding older industrial towns in the region; and to the north in Yonkers, Mount Vernon, and beyond. New Rochelle, the home of the 1960s fictional sitcom couple Rob and Laura Petrie (of "The Dick Van Dyke Show"), is facing dramatic challenges in terms of school poverty and diversity. The maps of racial and social change show powerful transformations deep into Long Island, through inner Westchester, and far into the suburban counties of New Jersey.

In San Francisco, the largest core of segregated poverty is concentrated in the city of Oakland on the east side of San Francisco Bay. A second, less extensive core is in the city of San Francisco. A third is centered in the south bay city of San Jose. Poverty and racial change are spreading quickly out of Oakland and through the school districts of San Leandro, San Lorenzo, and Hayward to the south and Berkeley and Western Contra Costa to the north. Similar changes are also pushing south out of San Francisco into the Jefferson and South San Francisco districts, and outward in all directions from the city of San Jose.

TAXES

Trends in a community's school population indicate critical local needs, and local tax capacity—or tax resources—is a good measure of the ability to raise revenues to meet those needs. Communities with copious tax

15

resources have low tax rates and great services. Resource-poor communities have just the opposite. Why is this? Think of it this way: if community tax wealth per household is $100, a 10 percent tax rate raises $10 per household for services; if tax wealth is $1,000 per household, the same rate raises $100. No matter how smart administrators are, and no matter how much reorganization they do (and all governments should constantly seek economy and efficiency)—even if they hire Bill Gates to run their city—they cannot avoid this basic math.

Most of the suburban places experiencing rapid school change and decline also have relatively few local tax resources. Moreover, these local resources are either declining, stagnant, or growing at a much slower rate than the resources for the region as a whole. What does it mean when schools are socially poor and local resources are meager and declining? It means that the community is implying to prospective home-buyers and new businesses, "Please come here. We have high and growing school poverty. We can tax you at a comparatively high rate and spend comparatively little on you." This claim is not likely to persuade a person or a business to locate there.

Many growing communities are gaining people faster than they are expanding their tax base and trying to provide services with less-than-average resources.

As maps 1-25 through 1-38 show, communities at the metropolitan edge are not immune from fiscal stress either. Many growing communities are gaining people faster than they are expanding their tax base and trying to provide streets, sewers, and schools with less-than-average resources. This fiscal stress at the edge is even greater when regions are "growing against themselves," that is, adding urbanized land area at many times the rate of population growth. While these edge communities do not have social needs of the poor and old infrastructure to pay for, they have significant fiscal and physical pressures related to growth.

The tax maps also help illustrate the problems related to the fragmentation of local government and intrametropolitan competition for local tax resources. Remember, each of the little boxes on the map is a separate government. Only the citizens living in that box, and no one else, elect each government. These governments are elected to respond to a central imperative of politics in any democracy: to provide the best services and the lowest taxes to their constituents. These governments are not elected to take care of other cities or other people. How do American local governments respond? They try to be efficient, to be sure, but their main tool for keeping taxes low and the quality of services high is land management through zoning codes, development agreements, and development practices. The developable land within such a locality is its resource for both present and future needs. In short,

if local governments are fiscally conscious—if they are alert—they will necessarily seek to zone for the most expensive homes that the market will bear and the most valuable commercial/industrial property that they can capture. This system sets them into competition against each other. The local governments have no choice about it. As noted in the next section, there are few winners in this game, and the region as a whole is definitely a loser.

MEASURING FISCAL CAPACITY

A municipality's general fiscal condition is determined by two factors: its ability to raise resources (*revenue capacity*) and the costs of providing local services (*expenditure needs*). The interplay of those factors determines whether the municipality can provide the services its households and businesses want at a tax rate that is competitive within the regional economy. Here is described the procedure that will be used throughout the book for measuring the fiscal capacity of localities and exploring variations in capacities within the 25 largest U.S. metropolitan areas.

Revenue capacity is determined by several characteristics of the locality and its economic and institutional operating environment. First, the robustness of the local tax base determines how high the local tax rate must be to raise adequate revenues. Second, state law determines the mix of local taxes and other revenue instruments available to localities. Third, in many states, local tax rates are regulated (or limited) by state law. And fourth, most state governments share their tax revenues with localities.

The measure of local revenue capacity used in this book accounts for the first three factors by projecting the amount of revenue a locality would have if average local tax rates within the locality's metropolitan area were applied to its actual local tax base. Three local taxes are considered: property, sales, and income taxes. Together those taxes made up 84 percent of all local tax revenues in the United States in 1996.[9]

9. U.S. Bureau of the Census (2000). The tax-capacity measure does not include fees and charges. Although these are important local revenue sources in many states (representing about one-third of local government general revenues nationwide in 1996), how to measure a place's capacity to raise revenues in these ways is problematic. Income is one possible measure, and the inclusion of poverty rate in the clustering procedure partly controls for this issue. Local tax capacity is a useful measure for comparing the tax capacity of localities within a given metropolitan area, but it allows for only limited comparisons across metropolitan areas. One can compare the tax capacities of the city of Los Angeles and its suburbs, say, regardless of whether

The final element of local revenue capacity, state aid to local governments, is an important policy instrument in many states. Direct measures of that component of local revenues are available for most states. Of particular interest is the degree to which aid systems target localities with limited local resources and the extent to which they equalize the localities' overall capacity to provide public services.[10]

Table 1-1 shows the number of jurisdictions and the taxes available to them (and therefore included in the capacity calculation) in each of the metropolitan areas. All local governments in the 25 metropolitan areas had access to the property tax in 1998. In 5 of the 25 areas, the property tax was the only local tax. Localities in 11 areas used both local sales and property taxes; those in 4 other areas could use both local income and property taxes. In 2 multistate metropolitan areas, only jurisdictions in one state in the area could use the sales tax, and in 3 multistate areas only those in one of the included states could use the income tax. In addition, a few jurisdictions (mainly large cities) in several metropolitan areas had special access to one or more taxes not available to all municipalities in their state. The most notable examples were Washington, D.C., Kansas City, and St. Louis, Missouri, the only cities in their regions with access to a local income tax; Detroit and New York City, which (together with a very few other municipalities in their regions) can assess income taxes; Minneapolis–St. Paul and New York City, which (together with a very few other municipalities) can assess a local sales tax; and Philadelphia, the only jurisdiction in Pennsylvania empowered to tax the earnings of nonresidents who work in the city.

---

all localities in the comparison group employ the full range of taxes available to them under state law (property and sales taxes in California). However, the measure cannot be used to compare the tax capacities of the Los Angeles metropolitan area and the Atlanta metropolitan area for two reasons. First, the only local tax available to localities in Atlanta is the property tax, and adequate tax-base data are available only for that tax. Second, because Georgia and California differ in the division of responsibilities for expenditures among state, regional, county, and local governments, average tax rates will differ in the two metropolitan areas. See appendix A for a full discussion of the procedures used in computing tax capacities.

10. Tax capacities were calculated for nearly all of the 4,977 general-purpose municipalities in the 25 largest metropolitan areas in the United States. Of those, 371 municipalities were eliminated either because they were too small to generate reliable data (places with fewer than 50 households in 1998) or because adequate fiscal data were not available. Estimates of tax capacity were generated for the remaining 4,606 municipalities and for the unincorporated portions of 135 of the 151 counties in the sample that were not fully incorporated.

T A B L E 1 - 1 . **Local Taxes Available in the 25 Largest Metropolitan Areas, 1998**

Metropolitan area	Number of municipalities	Taxes available to local governments		
		Property	Sales	Income
Atlanta	101	X		
Boston	394	X		
Chicago	340	X	X (Illinois only)	
Cincinnati	104	X		X (Ohio and Kentucky only)
Cleveland	145	X		X
Dallas	154	X	X	
Denver	54	X	X	
Detroit	276	X		X (5 cities only)
Houston	88	X	X	
Kansas City	116	X	X	X (Kansas City, Mo. only)
Los Angeles	171	X	X	
Miami	40	X		
Milwaukee	107	X		
Minneapolis–St. Paul	324	X	X (Minneapolis and St. Paul only)	
New York	725	X	X (5 NY cities)	X (2 New York cities and 2 Pennsylvania towns)
Philadelphia	415	X		X (Pennsylvania and Wilmington, Del. only)
Phoenix	22	X	X	
Pittsburgh	397	X		X
Portland	78	X	X (Washington only)	
San Diego	18	X	X	
San Francisco	102	X	X	
Seattle	79	X	X	
St. Louis	213	X	X	X (St. Louis only)
Tampa	32	X		
Washington, D.C.	111	X	X (7 Virginia cities and Washington, D.C.)	X (Washington, D.C. only)
Total	**4,606**	**25**	**15**	**9**

Maps 1-25 through 1-38 also show the geography of tax capacities and tax capacity changes in six representative metropolitan areas. The tax-capacity patterns in Denver and Atlanta are typical of one group of metropolitan areas that have relatively strong central cities. The inner portions of both areas contain groups of relatively low-capacity suburbs, many of them islands of pink in a sea of blue: moderately low-capacity incorporated towns surrounded by unincorporated areas with higher-than-average capacity. Most of the lowest-capacity localities are farther from the core of the region—scattered in the case of Atlanta and concentrated largely in the north in Denver. Both areas show another common phenomenon: a few relatively high-capacity outer suburbs surrounded by relatively low-capacity unincorporated areas. In Atlanta, they lie largely to the east (in Rockdale and Newton Counties) and northwest (Cherokee and Bartow Counties), while in Denver they lie to the northwest (Boulder County) and south (Douglas County) of the central city. Other metropolitan areas with similar patterns are Kansas City, Phoenix, Portland, San Diego, Seattle, Tampa, and Washington, D.C.

San Francisco and Chicago display a different pattern. In both areas, two of the three central cities show lower-than-average capacity, and the suburbs exhibit very clear geographic patterns. In San Francisco, most of the highest-capacity suburbs are south of San Francisco, with lower capacities clustered to the east. In Chicago, most of the lower-capacity suburbs are in the south and east, with higher capacities in the west and north. Some of the other areas with geographic clusters are Cincinnati, Cleveland, Dallas, Houston, Los Angeles, Miami, and St. Louis.

New York and Minneapolis–St. Paul are fairly typical of the fully in-corporated metropolitan areas of the Northeast and North-Central regions (including Boston, Detroit, Milwaukee, Philadelphia, and Pittsburgh). In that group, low-capacity suburbs tend to fit into two cat-egories: high-density inner-ring suburbs and lower-density outer-ring "exurbs." The tax capacity of the central cities varies. Two-thirds of the large cities have below-average capacity (Boston, Milwaukee, New York, Newark, Philadelphia, and St. Paul), while a third have above-average capacity (Detroit, Minneapolis, and Pittsburgh). Most of these metro-politan areas also show significant clustering of affluent communities. In New York, clustering occurs in the second-ring suburbs to the west, northeast, and east in parts of Long Island. Minneapolis–St. Paul and other areas have even more distinct corridors of affluence, often paral-lel to ring roads—to the south and southwest of the central cities in Minneapolis–St. Paul; to the west in Boston; to the north and northwest in Detroit; and to the west and northwest in Pittsburgh.

Tax base per household increased by greater than regional averages in four of the eight central cities in our representative metropolitan areas (Denver, New York, San Francisco, and St. Paul) and increased in absolute terms in the other four (Atlanta, Chicago, Minneapolis, and Oakland). The declining (or slowest-growing) tax bases tend to be in inner suburbs and outlying exurbs—places likely to be facing increasing social needs or rapid population growth.