

# 1

## Once the American Dream

In his book *The Epic of America*, historian James Truslow Adams first coins the term “the American Dream.” He states, “[The American Dream is] that dream of a land in which life should be better and richer and fuller for everyone, with opportunity for each according to ability or achievement. . . . It is . . . a dream of social order in which each man and each woman shall be able to attain to the fullest stature of which they are innately capable, and be recognized by others for what they are, regardless of the fortuitous circumstances of birth or position” (Adams 1931: 404). The American Dream rests on the belief that even those from the humblest origins can achieve social eminence and a richer standard of living. This dream has inspired many Americans and has attracted millions of immigrants to the United States in search of prosperity and a new life. It has shaped the country’s image and has brought forth strong feelings of national pride (Mennell 2007).

The American Dream manifests itself most acutely in the American suburb. Over time, suburbia has evolved to become that imagined land of opportunity, the place where life is better and richer and fuller for everyone. In their early history, suburbs were “bourgeois utopias” available only to society’s elite (Fishman 1987). Early in the nineteenth

century, tensions between social classes, the tremendous problem of overcrowding, and the more noxious aspects of industrialization caused the cities' affluent to seek escape at the suburban fringe. Suburbs were envisioned as sanctified spaces in deep contrast to the wicked, irreverent, and gritty industrial city. Eventually, and most profoundly in the postwar period, suburbs acquired a new image of material well-being for everyone, even those from the humblest origins. Suburbs were reinterpreted as the ultimate path to material success and the true expression of the American Dream.

This dream took concrete form in the physical structure of the suburban house, usually complete with an automobile and private yard. In the 1950s, Americans moved en masse to the suburbs. Housing was not readily available during the war years, and many young families lived with their parents or in-laws or packed into cramped apartments in the city. Spurred by postwar federal housing policies, white Americans, many of them returning World War II veterans, were suddenly able to afford new homes in the suburbs. The suburban boom of the postwar era presented new opportunities for homeownership and the possibility of a middle-class lifestyle. As Kenneth Jackson states, "The American suburb was transformed from an affluent preserve to the normal experience of the middle class" (Jackson 1985: 215).

In a study of American automobile workers in this postwar period, Ely Chinoy (1955) sought to understand their perceptions of the American Dream and opportunities for progress. Spending more than a year with workers from the so-called ABC plant in the pseudonymous midwestern city of Autotown, Chinoy interviewed white male workers and found that many lacked hope for any major advancement within the factory. They envisioned progress in another way. Ultimately, they felt they were "getting ahead" if they were each able to buy a new car, a new washing machine, and a small home of their own, all possessions needed for living the good, middle-class suburban life. The workers redefined advancement through the consumption of middle-class goods. Single-family houses in particular became the "fundamental components of the new identity kit for middle-class status" (Knox 2005: 36). For these workers of the postwar era, real advancement through the production process was unattainable, but a house and an automobile in the suburbs were viewed as marks of success, achievements of the American Dream.

A great symbol of suburban possibility was Levittown, a suburb on Long Island created by developers Levitt and Sons between 1947 and 1951.

When first built, this quintessential postwar seven-square-mile suburb contained close to 17,500 houses. In her book *Expanding the American Dream*, Barbara Kelly (1993: 148) recalls an interview between an exchange student and a Levittown resident who stated, “The war was over, and we were living in one room in my parents’ apartment. . . . Think of it, Wei Ren, we were living in one room with two children. The boys had come from overseas and all we wanted was a home of our own. Then Mr. Levitt turned all these little potato farms into Levittown, and we got a piece of the American Dream.” For Levittowners, the ability to purchase a suburban home—a piece of the American Dream—symbolized upward mobility.

The federal government was instrumental in promoting homeownership in the suburbs. The Federal Housing Administration (FHA), established in 1934, began insuring home mortgages. With risk underwritten by the federal government, banks were much more willing to lend money to house buyers previously considered risky. Federal government involvement helped lessen down payments and lengthen the repayment period. Prior to the FHA, buyers typically needed to put down 50 percent of a home loan and pay it off in five years. Homeownership was therefore restricted only to the most affluent in society who could meet these financially burdensome requirements. A typical FHA loan, in contrast, required just 10 percent down with thirty years to pay, opening up the housing market to the middle and working class. Because of FHA as well as Veterans Administration loans, the houses of the 1950s became cheaper to buy than the cost of renting an apartment in the city. Homeownership was feasible for more people than ever before, and the suburbs were envisioned and sold as the open path to new opportunities.

Of course, some groups were excluded from participation in the suburban dream. African Americans in particular were denied access to the postwar suburbs. The FHA actively promoted the idea of racially and ethnically segregated neighborhoods. African Americans were refused insured loans to purchase houses in white suburbia. Developers were advised by the FHA to draw up restrictive covenants preventing the sales of suburban houses to nonwhites. Developer William Levitt actively limited the sale of homes in Levittown to whites only, declaring that buyers did not want racially integrated neighborhoods. He stated, “We can solve a housing problem or we can try to solve a racial problem. But we cannot combine the two” (Jackson 1985: 241). The exclusion of nonwhites from the suburbs had lasting implications for metropolitan patterns of race and

ethnicity. Many African Americans became isolated into poor city neighborhoods, and suburbia became the cultural home of white, middle-class Americans.

Recent work has demonstrated that U.S. suburbs have been mischaracterized as completely homogenous (Kruse and Sugrue 2006). Working-class and black suburbs have long existed, and certainly tensions among social classes and different racial and ethnic groups exist within suburbia as they do between suburbs and cities (Nicolaides 2002; Wiese 2004). Suburbs were always diverse, and they have become more diverse as time has passed. They have evolved tremendously in the past half century into places black and white, unconventional and stereotypical, old and new.

In 2007, the classic postwar suburb of Levittown turned sixty years old. Since it was first built, this Long Island suburb has transformed greatly. Many of Levittown's original Cape Cod-style houses have been expanded upward and outward. Bought for about \$7,000 in the 1950s, the average Levittown house sold for nothing less than \$350,000 in 2008. Levittown is no longer accessible to its original residents—the lower middle class—and, compared to other postwar suburbs, few minorities live there: The suburb has remained almost 100 percent white over its sixty-year history.

Ironically, Levittown, once the archetype of postwar suburbanization, is today quite different than other postwar suburbs. Many have devolved into much poorer places, struggling with issues of fiscal stress, income decline, housing deterioration, and race and ethnic segregation. The socioeconomic decline of these aging suburbs has upended the American Dream. Once the bastion of the middle-class lifestyle, many older inner-ring suburban communities, especially those built in the immediate postwar period, have declined into places of desolation and decay. Once symbolic of the American Dream, some have now become America's nightmare.

Take for instance Lansdowne, outside Baltimore. An iron-ore mining town during the nineteenth century, this inner-ring suburb was built up primarily in the 1950s and 1960s. The postwar houses in Lansdowne are small, boxy structures, most under one thousand square feet. Many are attached row houses, each with only one bedroom and a tiny yard. Now more than fifty years old, the housing stock is showing signs of disrepair, and, unlike in Levittown, little expansion or remodeling has occurred over the decades. Poverty in Lansdowne has steadily increased. In 1970, 5 percent of the population lived in poverty, increasing to 14 percent by 2000. Six in every ten students in the local Lansdowne elementary school

received free and reduced-price lunches in 2003, a major indicator of poverty among the suburb's children. Income levels have dropped. In 1980, the median household income was \$38,800 (in 1999 dollars), declining to \$37,000 by 2000, a number 40 percent below the median household income of the Baltimore region. Once growing in the 1950s and 1960s, Lansdowne has experienced population loss, losing an average of fifty residents a year for the past two decades. The white population has declined, and the black population has risen as whites moved to Baltimore's outer suburbs and blacks migrated from inner-city neighborhoods. The social structure of Lansdowne and other similar struggling inner-ring suburbs has changed dramatically in recent decades.

In part, this book describes the extent and nature of socioeconomic decline among inner-ring suburbs, comparing these suburbs to outer suburbs over the twenty-year period from 1980 to 2000. I provide an exact definition of inner-ring suburbs in Chapter 3, but, in short, these are the oldest suburbs closest to the city core of a metropolitan area. Outer suburbs were built more recently, and they are located farther from the city. This book is a contemporary study of these areas and, although some historical discussion of particular suburbs is included, the focus is on more recent transformations.

Unfortunately, because of data constraints, much of the analysis in this book ends in 2000. Since then, the U.S. economy, financial system, and housing market have experienced tremendous upheaval. The housing bubble that began around 2000 finally burst, sending the economy and Wall Street into a tailspin. As this book goes to press, figures emerge each day that paint a very bleak picture of the U.S. housing market and future economic stability. News reports of rising unemployment, lack of credit flow, declining stock prices, and loss of homes to foreclosure are a daily occurrence.

One of the more reliable gauges of the housing market is the Standard and Poor's/Case-Shiller home price index. The index is calculated by tracking the changes in residential housing values in twenty metropolitan regions across the United States. It measures how much a home price has increased or decreased in a certain market since January 2000. The January 2000 figure is assigned a price index value of 100.

As Figure 1.1 indicates, since around 2006, housing values have slumped nationally. Housing prices are still about 50 percent higher than they were in 2000, but they are slowly creeping down to 2003 levels.

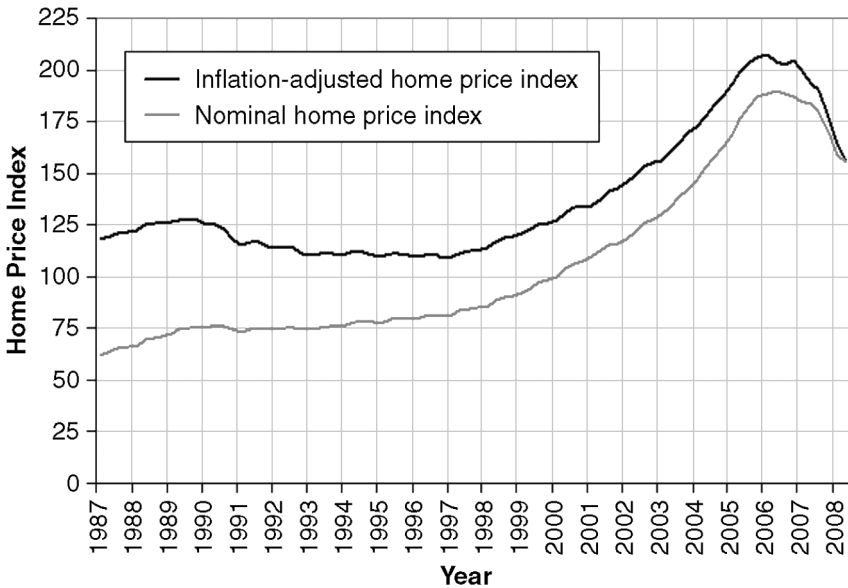


FIGURE 1.1 Standard and Poor's/Case-Shiller Home Price Index in the United States from 1987 to the second quarter of 2008. (Standard and Poor's and Fiserv.)

According to recent figures, in 2008, housing prices across the nation fell more than 13 percent.

Some metropolitan areas have fared worse than others. The most intense price drops have occurred in cities and suburbs in Arizona, California, Florida, and Nevada. These Sun Belt metropolitan areas had huge increases in housing prices in the height of the boom period. They have also been the hardest hit by the market crash. From October 2007 to October 2008, housing prices dropped by 31 percent in the San Francisco area, 33 percent in Phoenix, and 32 percent in Las Vegas. In some suburbs, housing price decline has been even more dramatic. The largest drop has occurred in Fort Myers, Florida, where the median sales price declined by 50 percent in the fourth quarter of 2008.

Housing price decline is one element of the recent housing market debacle. There has also been an unprecedented jump in housing foreclosures, in part the result of the exceptional growth in the subprime mortgage lending market beginning in the 1990s. In 2008, two million people nationwide faced foreclosure proceedings (*Business Journal of Milwaukee* 2009). Foreclosures have been particularly copious in vulnerable, low-income minority communities. This frequency is often the result of racial

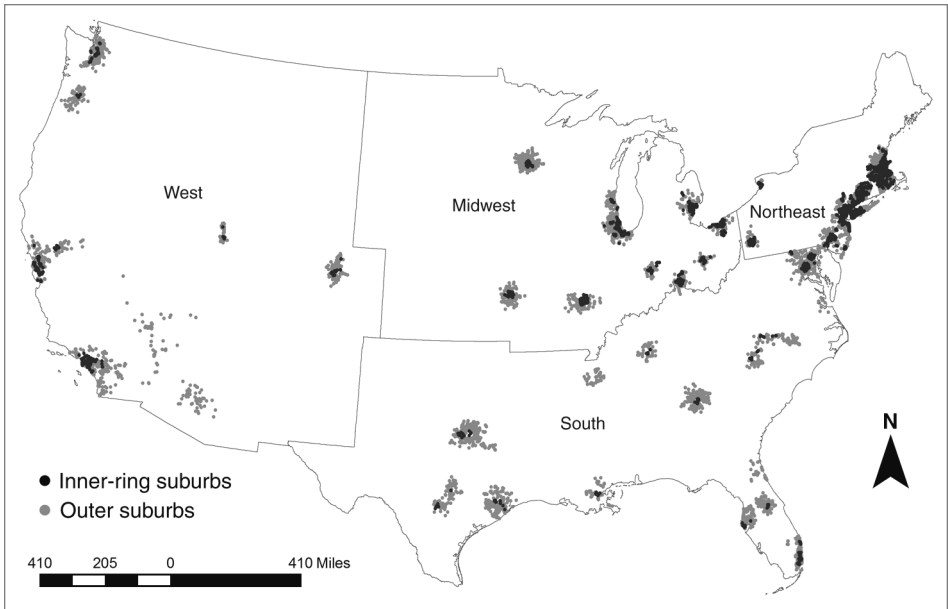
discrimination and predatory lending practices, particularly in the subprime lending market (Wyly et al. 2006). In a recent article in *Professional Geographer*, David Kaplan and Gail Sommers (2009) describe the geography of foreclosures in Summit County, Ohio. They demonstrate that this geography corresponds tightly with the county's racial distribution. They also show how poorer communities are particularly affected. Kaplan and Sommers suggest that policies that specifically address the issue of predatory lending will go a long way in resolving the foreclosure problem. Vulnerable people were sold the American Dream for a price that was often unaffordable and that quickly changed with rising variable interest rates.

The future effects of the housing market crisis and economic downturn on U.S. suburbs will no doubt be profound. However, describing these effects on inner-ring and outer suburbs more specifically is not part of this book's purpose. Studying future effects will have to wait until 2010 census data can be analyzed. As a result of the economic downturn, many of the suburban communities examined in this study will no doubt suffer tremendously from increased unemployment, housing stress, fiscal instability, and social malaise. My prediction is that the suburbs I categorize as "in crisis" during the twenty-year period from 1980 and 2000 will decline even further by 2010. Certainly, many poorer and minority inner-ring communities will be more vulnerable than other places, especially in metropolitan areas where the regional economy suffers from large-scale unemployment and declining production.

One interesting story to follow will be the effects of the housing market crash on outer suburbs and continued outward suburban expansion. The rather scary reality of upside-down mortgages,<sup>1</sup> the halting of housing construction and sales, and the explosion in foreclosures has already greatly damaged outer communities in such states as Arizona, California, Nevada, and Florida. In a recent article in the *New Yorker*, reporter George Packer (2009) describes Florida as "the Ponzi state," where uncontrolled investment in the real-estate market went awry, leaving a trail of foreclosures in once fast-growing suburbs, such as Fort Myers, Twin Lakes, and Cape Coral. Left in the wake of the housing market crash are empty suburban homes and cleared but undeveloped greenfield sites abandoned by developers and investors who once benefited tremendously from the housing boom.

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<sup>1</sup> In this scenario, homeowners owe more than the current value of their house.



**FIGURE 1.2** Visual representation of the location of inner-ring suburbs and outer suburbs across different census regions of the United States. (*U.S. Bureau of the Census, Census 2000 Tiger/Line Files for Census Places [and County Subdivisions for New England] in the United States. The polygons were converted to points for the purposes of this visualization.*)

The long-term effects of the economic downturn on metropolitan growth and decline are as yet unknown, but they will likely lead to a reconfiguration of the metropolitan landscape. Some suburbs will be lost and abandoned, but others will probably continue to grow. Certain city neighborhoods and downtown areas will likely benefit. But this speculation is the topic of future research. For now, let us return to this particular study.

This book focuses on examining approximately five thousand suburbs across one hundred different metropolitan areas and census regions in 1980 and 2000. Figure 1.2 provides a visual representation of their locations across the United States. The four census regions of the West, South, Midwest, and Northeast are marked. A high proportion of sample suburbs are located along the eastern seaboard, stretching from Boston in the Northeast to Washington, D.C., in the South. A concentration of suburbs can also be found in the Great Lakes region in the Midwest, along California's and Washington's west coast, and in the southern states of Florida and Texas. By examining these suburbs, I set out to achieve six major goals in this book:



1. Review the current state of knowledge about suburban decline.
2. Develop a definition of inner-ring suburbs.
3. Describe the primary forces shaping inner-ring suburbs.
4. Examine the prevalence and extent of decline from 1980 to 2000 among the inner-ring compared to outer suburbs and demonstrate how suburban decline differs across census regions and metropolitan areas.
5. Identify different types of inner-ring suburbs.
6. Discuss the policy implications of the research findings.

In their book *Confronting Suburban Decline*, William Lucy and David Phillips (2000a) convincingly argue that the focus on issues of suburban sprawl masks the recent decline among America's suburbs. In Chapter 2, I examine the major findings from recent studies of suburban decline, focusing in particular on those studies that examine the problem of decline among inner-ring suburbs. Many of these suburbs experience similar problems and symptoms of decline. They suffer from a dwindling tax base, and they are often unable to raise sufficient revenue to sustain adequate public services. Many are on a downward spiral. Poor declining suburbs are often very similar to poor neighborhoods in the central cities of the United States, where the negative impacts of racial, ethnic, and class segregation abound.

So far, I have thrown about a number of different terms—for example, “inner-ring suburbs,” “postwar suburbs,” and “older suburbs.” Exact definitions of suburbs and various recognized suburban types, such as inner-ring or outer suburb, are lacking. Yet, as suburban differentiation continues to unfold, the search for new methodologies for collecting data and analyzing suburbs becomes ever more paramount. This study provides a definition that distinguishes inner-ring suburbs from outer suburbs. I use the term “inner-ring” to denote the closeness of these suburbs to the major cities in a metropolitan area. Other scholars employ different terms. In Chapter 3, I discuss how urban scholars define inner-ring suburbs, and I outline my methodology for defining the boundaries of these places.

In Chapter 4, I outline the forces shaping the demise of certain inner-ring suburbs. The continued outward movement of people, employment, and investment resources is a tremendous force shaping the inner ring. As growth pushes to the metropolitan fringe, inner-ring suburbs are left behind in terms of people, jobs, and capital. More than sixty years have passed since the period of mass suburbanization, and the housing stock

in inner-ring suburbs has become outdated, requiring large-scale capital for revitalization. However, the real-estate industry, developers, and lending institutions have focused more on developing pristine landscapes than on trying to revitalize inner-ring suburbs. At the same time, local governments of declining suburbs lack the resources to encourage rejuvenation. The political fragmentation of U.S. metropolitan areas ensures that suburbs compete with one another, each trying to retain and to attract wealthy taxpayers. Declining suburbs are at a tremendous disadvantage. Losing population and the battle for much-needed investment resources, many suburbs have hit rock bottom.

In Chapter 5, I examine changes in the population of suburbs, comparing inner-ring to outer suburbs across different census regions and metropolitan areas. In Chapter 6, I turn my attention to issues of poverty and declining incomes. I examine suburban poverty, again comparing inner-ring to outer suburbs. I also study what I refer to as “the suburban dichotomy”: An increasing dichotomy is developing between poor inner-ring suburbs and more affluent outer suburbs.

In Chapter 7, I identify what I term “suburbs in crisis.” These suburbs are places where decline is most extreme. The focus in this chapter is largely on the notion of relative suburban decline or growth—that is, a determination that compares suburbs *to each other*. In most other studies, suburbs are compared to cities or to the metropolitan area where they are located, and typically one measure—income—is used. In contrast, I compare each suburb in a metro area to other suburbs in the same metro area. Also, I use a combination of measures. This method of comparing suburbs to suburbs on a blend of decline measures is unique among suburban studies. I identify suburbs in crisis and compare them to suburban successes. I explore the different features of these suburbs and provide insight into why some inner-ring suburbs are more vulnerable to decline than others in the same metropolitan area.

So far, the emphasis has been on the problem of decline and poverty among inner-ring suburbs. However, many of the wealthiest as well as poorest suburbs in the metropolitan United States are found in the inner ring. Different types of inner-ring suburbs exist. In Chapter 8, I explore the results of a cluster analysis in which I identify a typology of inner-ring suburbs. Some inner-ring suburbs are high income, and others are poor. Some inner-ring suburbs have changed dramatically, and others have

changed hardly at all. Certainly, some inner-ring suburbs are major success stories, and others are much more troubled.

Despite the reality of suburban decline, little is being done at a national or even a state level to revitalize our older suburbs. In Chapter 9, I offer some broad policy prescriptions that might help improve inner-ring suburbs, and I discuss different policies that affect declining inner-ring suburbs. Much more can still be learned about the process of decline and growth among inner-ring and other suburbs. The concluding chapter includes an agenda for future research on the transformation of U.S. suburbia and describes the principal findings of this particular study.