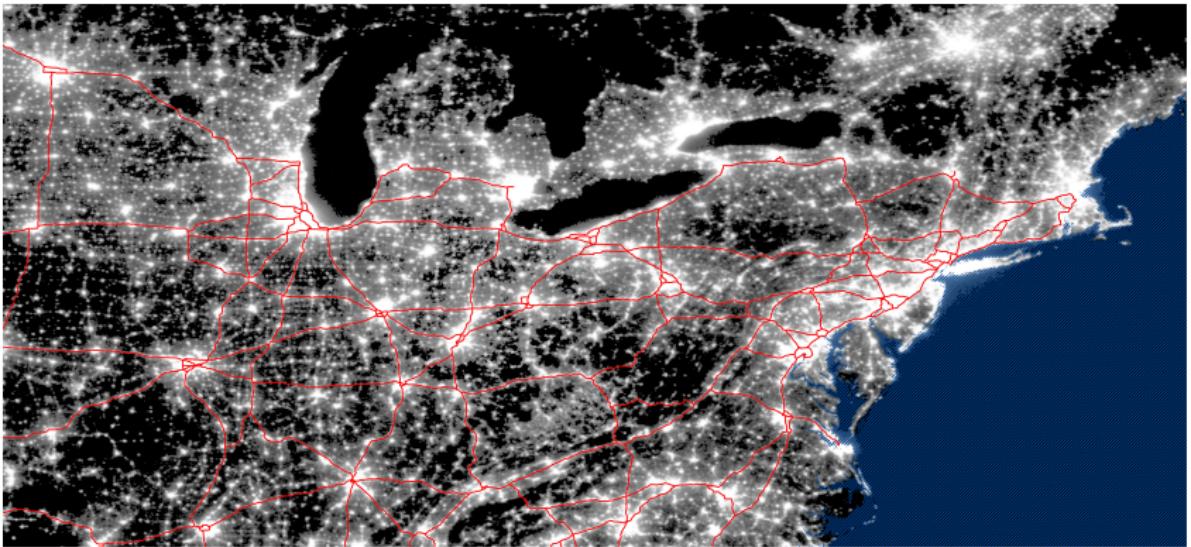


Basic facts about cities relevant to the monocentric city model

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February 4, 2020



This is the basic phenomena that we would like to explain.

- ▶ Many cities are approximately circular.
- ▶ Transportation seems important to location patterns.
- ▶ Cities look like part of a system of cities.
- ▶ We start with studying cities in isolation, then worry about how they interact.

Population density decreasing in distance

The monocentric city model rationalizes density gradients. One of the earliest demonstrations of such gradients was Clark (Royal Statistical Association, 1951).

Clark conducts a remarkable, pre-computer empirical exercise.
Define,

$$y = \text{population density} \quad (1)$$

$$x = \text{distance to center}, \quad (2)$$

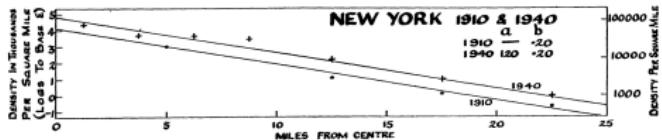
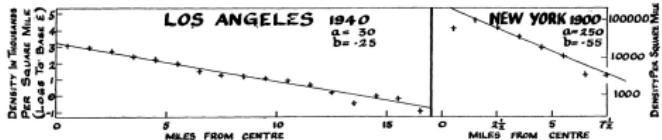
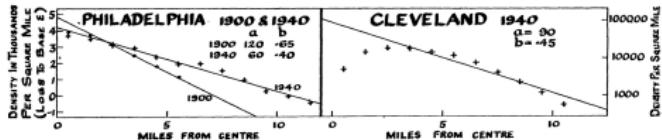
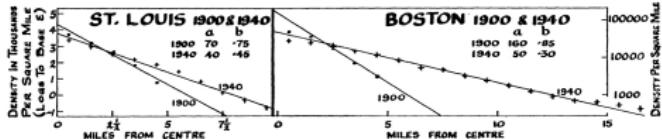
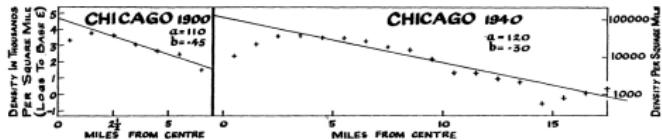
and estimate

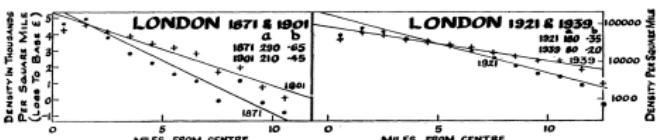
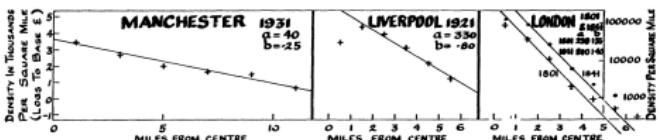
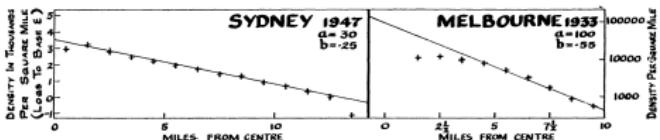
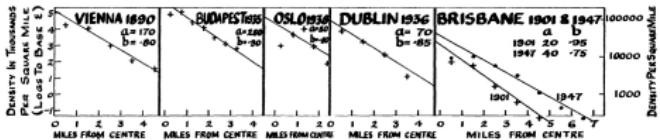
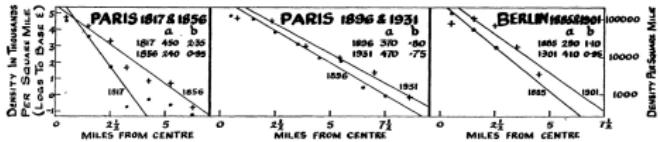
$$y = Ae^{-bx}$$

or equivalently,

$$\ln y = \ln A - bx,$$

He uses data from about 20 cities, several years.





Parameters in the Expression $y = Ae^{-bx}$ Relating Density of Resident Population in Thousands per Square Mile to Distance in Miles from the Centre of the City

Region, City and Date	A	b	Region, City and Date	A	b
Australia—		Continental Europe (continued)—			
Brisbane			Oslo		
1901	20	.95	1938	80	.80
1947	40	.75	Paris		
Melbourne			1817	450	2.35
1933	100	.55	1856	240	.95
Sydney			1896	370	.80
1947	30	.25	1931	470	.75
British Isles—		Vienna			
Dublin			1890	170	.80
1936	70	.85	United States of America—		
Liverpool			Boston		
1921	330	.80	1900	160	.85
London			1940	50	.30
1801	290	1.35	Chicago		
1841	800	1.40	1900	110	.45
1871	290	.65	1940	120	.30
1901	210	.45	Cleveland		
1921	180	.35	1940	90	.45
1939	80	.20	Los Angeles		
Manchester			1940	30	.25
1931	40	.25	New York		
Ceylon—Colombo			1900	250	.55
1946	60	.40	1910	?	.20
Continental Europe—		Philadelphia			
Berlin			1900	120	.65
1885	290	1.10	1940	60	.40
1901	410	.95	St. Louis		
Budapest			1900	70	.75
1935	280	.90	1940	40	.45

Notice:

- ▶ All have broadly downward sloping density gradients (except near zero where there is industry).
- ▶ All get flatter and lower over time – cities are spreading out.
- ▶ Population densities were MUCH higher than they are now. Several large cities recorded densities of 100,000/sq mile. Very few modern cities are anywhere near that dense. Toronto Ward 20 is about 26,000/mile.
- ▶ Over time, we've seen population and income go up, and transportation costs go down. Thus, we can't really check more than the basic comparative static of a downward sloping gradient.
- ▶ There are many more of these papers: Mills and Tan (Urban Studies, 1980), Harrison and Kain (JUE 1974), Arnott and Small (JEL 1998).

Population density gradient and transportation costs

Baum-Snow (QJE 2007) conducts the following regression for 139 US MSA's between 1950 and 1990.

$$\Delta \ln N_i^{\text{CBD}} = \delta_0 + \delta_1 \Delta \text{ray}_i + \Delta_2 \ln N_i^{\text{MSA}} + \delta_3 X_i + \epsilon_i$$

N = population for CBD or MSA

X = Controls; area, income distribution, mean income

ray = Interstate highway rays through CBD

- ▶ Sample is populations for constant boundary centers and whole metropolitan region. $\delta_1 < 0 \implies$ expansion when transport cost down (rays up).
- ▶ With logs on both sides, this is really estimating population share in center.
- ▶ This is a test of the main comparative static of the monocentric city model.

TABLE I
AGGREGATE TRENDS IN SUBURBANIZATION, 1950–1990

	1950	1960	1970	1980	1990	Percent change 1950–1990
Panel A: Large MSAs						
MSA population	92.9	115.8	134.0	144.8	159.8	72
Total CC population	44.7	48.5	51.3	49.2	51.0	14
Constant geography CC population	44.7	44.2	42.6	37.9	37.1	-17
N for constant geog. CC population	139	132	139	139	139	
Panel B: Large Inland MSAs						
MSA population	39.2	48.9	57.0	65.0	73.5	88
Total CC population	16.8	19.7	22.1	22.1	23.2	38
Constant geography CC population	16.8	16.5	15.4	13.3	12.5	-26
N for constant geog. CC population	100	94	100	100	100	
Total U. S. population	150.7	178.5	202.1	225.2	247.1	64

Notes: All populations are in millions. CC stands for central city. The sample includes all metropolitan areas (MSAs) of at least 100,000 people with central cities of at least 50,000 people in 1950. The sample in Panel B excludes MSAs with central cities located within 20 miles of a coast, major lake shore, or international border. MSA populations are for geography as of year 2000. Constant geography central city population uses 1950 central city geography. Census tract data are not available to build constant geography central city populations for some small cities in 1960. These cities are assigned a population of 0 for constructing the aggregates. Reported total U. S. population excludes Alaska and Hawaii.

LONG-DIFFERENCE REGRESSIONS OF THE DETERMINANTS OF CONSTANT GEOGRAPHY
CENTRAL CITY POPULATION GROWTH, 1950–1990

	Large MSAs in 1950					
	Change in log population in constant geography central cities					
	OLS3	IV1	IV2	IV3	IV4	IV5
Change in number of rays	-.059 (.014)**	-.030 (.022)	-.106 (.032)**	-.123 (.029)**	-.114 (.026)**	-.101 (.046)*
1950 central city radius	.080 (.014)**		.111 (.023)**	.113 (.023)**	.106 (.023)**	.125 (.021)**
Change in simulated log income	.084 (.378)			.048 (.417)	-6.247 (6.174)	-.137 (.480)
Change in log of MSA population	.363 (.082)**			.424 (.094)**	.374 (.079)**	.405 (.108)**
Change in Gini coeff of simulated income					-23.416 (23.266)	
Log 1950 MSA population						-.062 (.062)
Constant	-.640 (.260)*	-.203 (.078)*	-.359 (.076)**	-.588 (.281)*	4.580 (5.091)	-.611 (.265)*
Observations	139	139	139	139	139	139
R-squared	.39	.00	.01	.30	.33	.37

Notes: In columns IV1–IV5, the number of rays in the 1947 plan instruments for the change in the number of rays. Standard errors are clustered by state of the MSA central city. Standard errors are in parentheses. ** indicates significant at the 1 percent level, * indicates significant at 5 percent level. Summary statistics are in the Appendix Table. First stage results are in Table II.

Roads and population density

- ▶ This basic research design has been replicated on Chinese data (Baum-Snow et al, 2018) and Spanish data (Garcia-Lopez et al, unp 2013). Roads have the same effect everywhere?
- ▶ The effects are huge. Central city population declined 17% over study period, while MSA population grew by 72%. Each highway ray causes about a 9% decrease, sample mean is about 2.2, so highways cause about 20% decrease in mean central city. Slope of population density gradient is sensitive to transportation costs.

Conclusion

- ▶ Many of the basic predictions of the monocentric city model with housing are consistent with observation:
 - ▶ Decreasing density gradient of population and density.
 - ▶ Gradients flatter, city larger with falling transportation costs.
- ▶ Some are not:
 - ▶ Non-contiguous development
 - ▶ non-monocentric pattern
- ▶ Monocentric city model does not answer the question of why cities exist at all.