



It's the Economy, Stupid

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By: Justin Hauke

The *Wall Street Journal* ran an interesting [article](#) today about the new "urban renaissance," which has been fueled by baby boomers and "millennials" fleeing the suburbs for chic urban living and lower gas bills.

This is good news for Missouri's urban areas, which have made important strides in improving livability over the past several years.

But the article fails to address a third demographic noticeably left out of the equation. What about the 30- and 40-somethings raising young families? Why aren't they moving into the cities?

We all know why. It's the [schools](#) . And this is still the big elephant in the room regarding why cities remain less desirable than suburbs for many parents.

The article also attributes much of the recent urban growth to "[New Urbanism](#) " and the trend toward light-rail commuter trains. While I love commuter trains (particularly in cities where they work), research suggests that they do little to spur urban growth. Most cities (unless they have an extremely dense urban center) would be better off expanding existing bus lines (which we discussed in [our review](#) of Kansas City's light-rail proposal) □ but I guess buses aren't as "sexy" as trains.

It's a shame that the *Journal* fails to understand this.

But at least one thing is true. Economic incentives always correct market imbalances. Think about it. Is it government fiat that is changing Americans' attitudes toward public transportation and energy policy, or is it the market's forces at work?

It's a shame that environmentalists fail to understand this.

About the Author



Justin Hauke

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[2] <http://finance.yahoo.com/real-estate/article/105262/Suburbs-a-Mile-Too-Far-for-Some>

[3] <http://www.stltoday.com/stltoday/news/stories.nsf/stlouiscitycounty/story/0F6585B218BE2CE18625743600105E46?OpenDocument>

[4] http://en.wikipedia.org/wiki/The_Death_and_Life_of_Great_American_Cities

[5] http://showmeinstitute.org/publication/id.105/pub_detail.asp

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Show-Me Institute

5297 Washington Place	3645 Troost Avenue
Saint Louis, MO 63108	Kansas City, MO 64109
Phone: (314) 454-0647	Phone: (816) 287-0370
Fax: (314) 454-0667	

Email: info@showmeinstitute.org

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