

RECOMMENDED READING

# The Next Hundred Million: America in 2050

by Joel Kotkin (©2010, The Penguin Press, Inc., 308 pages)

REVIEWED BY DAVID J. LYNN, PH.D., CRE



BASED ON EXTENSIVE RESEARCH, *The Next Hundred Million* analyzes in poignant detail how an additional 100 million people will affect the U.S. social and urban landscape by 2050. I found the book highly informative and readable at the same time, which I expect is atypical for a book on demographics. I think Mr. Kotkin's

journalistic style of writing, with its many examples and sprinklings of reportage, adds to the liveliness of the text. The book covers a lot of ground and is more of a fascinating survey rather than a detailed scientific analysis.

The first chapter talks about the remarkable growth expected to occur in the U.S. over the next 40 years. By 2050 the population will have increased to approximately four hundred million—roughly 100 million more than today. Along the way, the U.S. will become a much more crowded and complex place. The composition of the population will change as the vast majority of new population growth will occur in its racial minorities, particularly Asian and Hispanic. He points out that our country is unique in its robust rate of growth as compared to other mature industrialized economies in Europe and Asia. Interestingly, he sees this growth as a positive trend for the ongoing health and success of the country—essentially growing our way out of some of the doom and gloom forecasts. Moreover, he sees robust immigration as a validation of our system of values and institutions, perennially attracting new citizens from both developed and developing countries alike. Nevertheless (and I certainly could not agree more), he cites one of the biggest challenges of the population today, and especially

in the future, will be access to an improving standard of living and higher income growth for a broader swath of the population—not just the top echelons.

Chapter Two discusses the ramifications of growth and population diversity on cities. Unlike many other writers on urban change, he does not forecast one predominant future. For example, there is much talk in recent years about 24-hour global cities such as New York, Los Angeles and San Francisco, which he calls “luxury” cities. While he predicts growth of these cities, he also anticipates the

## About the Reviewer



**David J. Lynn, Ph.D., CRE, CPIM, CMA, AICP**, is an economist, institutional real estate investor and strategist with extensive experience in national and international markets.

Currently serving as managing director of research and investment strategy, ING Clarion Partners, New York City, Lynn develops investment strategies for the private equity, public debt and public equity (REITs) platforms, and leads the firm's fund and product development initiatives. He is also responsible for tactical and strategic asset allocation and portfolio construction for more than \$23 billion in private equity real estate assets. Lynn is the author of two books, the most recent entitled *Active Private Equity Real Estate Strategy*, and is the founder of *Colloqui*, an academic journal at Cornell University. He is a noted speaker and commentator, and writes a regular column on real estate capital markets called “Capital Trends” for the National Real Estate Investor. Lynn earned his doctorate degree in Financial Economics at the London School of Economics; a master's degree in business administration as a Sloan Fellow from the Sloan School of Management at MIT, where he specialized in finance and real estate, and a master's degree in city and regional planning from Cornell University.

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growth of other, less snazzy urban forms such as the exurbs and the dreaded suburbs. He points out that the suburb has been the preferred form of urban setting for many people, particularly families for much of the recent past, and predicts it will remain that way for the future of 2050. Moreover, the luxury cities are very expensive, with housing unaffordability and the general cost of living pushing many people to secondary cities, the suburbs and the exurbs. These trends, he predicts, will only continue with additional population growth. He discusses the changes in suburbia, from being more or less bedroom communities, to becoming “villages” with developed social infrastructure and amenities. He looks at the “greening” of some suburbs, as more residents seek natural, more sustainable environments.

Chapter Four makes, I think, a rather bold prediction that the heartland will experience a resurgence due in part to these many new Americans looking for room, particularly less expensive room, in which to grow. This view of the future contradicts many who, witnessing a century of decline of the country’s heartland, see only more of the same in the future. He maintains the rising value of commodities and energy will also play a role in the region’s rising prominence. The increasing flexibility of businesses and people to locate just about anywhere they desire will also fuel this growth. With technology and a service economy, firms and people can do business anywhere there is basic telecommunications infrastructure and high amenity locations. He points out that certain Midwestern states in the 1990s such as Iowa, North and South Dakota, and Kentucky had among the highest rates of immigration in the country, particularly among Asians and Latinos.

Chapter Five explores the increasing diversity of the U.S. population, particularly as it grows toward 400 million. The fact that the U.S. accepts and successfully integrates diverse peoples and cultures is a key strength of the country (with which I agree) and one of the main drivers of growth. He contrasts this with the mostly dismal record of many countries in Europe and Asia where greater homogeneity and less cultural flexibility are the norms. Americans of European descent will no longer be the majority of the population in 2050; instead there will be a mixture of peoples and an increasing hybridization of cultures.

Chapter Six explores the changes to the American family. He predicts a new localism with people preferring to be more settled and tied into their local communities. He sees a family-friendly shift in the coming decades. The Echo

Boomers (the offspring of the Baby Boomers) seem to value family and traditional values more than their parents. Rural villages and small towns will see increased popularity not only among Baby Boomer retirees but also among younger families seeking a sense of family and community traditions. As a part of this he sees a resurgence of religion in the “new ecumenicalism” where faith is used as a means to create and extend local community and cultural bonds.

The last chapter reiterates the major points of the book. The U.S. stands in stark contrast to its peer countries in terms of its growth and increasing diversity. He believes the country will continue to promote growth, as it has been an intrinsic part of our culture and value system and a component of upward social mobility. In terms of urban form, the country will further decentralize as suburbs, small towns and exurbs continue to accommodate population growth. While luxury cities grow and attract population, they will be only one part of the new landscape. He advocates investments in infrastructure, technology, clean energy, and reviving manufacturing as ways to foster long-term economic growth.

Overall the book was an informative, thought-provoking discussion of the anticipated growth and compositional change of the population. However, the great strength of the book—its journalistic and wide-ranging approach, is also its key weakness. The book is based not on rigorous analysis, but more on the collected reports, research and opinions from many different sources, some of which cannot be regarded as scientific. Therefore much of the forecasts and predictions come across as opinions and inadequately substantiated conjecture rather than convincing analysis. The book would have benefitted more from original and primary research. For example, there was no detailed or credible explanation as to methodology of how the population forecast was developed. This was a central concept of the book. Knowing just a little bit about population forecasting, I have learned that there can be huge inaccuracies in such predictions, particularly the farther out one goes. This left me feeling skeptical, when I generally believed in the author’s thesis and major points. This is true with other key topics in the book. Greater attention to methodology, as well as more rigorous development of his many hypotheses, would have made for a more credible and cogent exposition. That said, I still believed in most of his rationale and predications and enjoyed the discussion. All in all, a great book and well worth the time to read it cover to cover. ■