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OPINION | THE WEEKEND INTERVIEW

Can America's Cities Make a Post-Pandemic Comeback?

America's leading economist of urban life says a return to the workplace is crucial, especially for the young.

By Tunku Varadarajan

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Before Covid came to America in January 2020, only 5% of the U.S. labor force worked remotely all the time. Within a few months of the pandemic setting in, however, nearly every American who could work from home was doing so. Today remote work is a white-collar norm.

"If you take the U.S. as a whole," says Edward Glaeser, chairman of Harvard's economics department, office attendance is "down about 19%, relative to pre-pandemic levels." That average masks some startling variations among major cities. While Houston sits squarely on the mean at 19% and Los Angeles is "looking pretty good" at 21%, New York and Boston are both down 32%.

"And then you go to San Francisco," Mr. Glaeser says with an almost unseemly gusto. "San Francisco is still down 52%. The tech hub is the most extreme."

These figures are based on data drawn from Google Maps, which tracks users' comings and goings by monitoring the location of their phones. "They're pretty good, a reliable indicator," he says. But numbers from Kastle Systems, a New York property-management company that provides swipe technology for clocking into fancy office buildings, are disconcerting. "Those numbers are down by over 50%" in America's top 10 cities, Mr. Glaeser says. "They're telling you that in the highest end of the commercial real-estate market, the picture is more severe."

Mr. Glaeser has mixed feelings about the long-term effects of all this. The perspective of the economist "tends to be one that favors choice, rather than thinking there's only one way to live or work," he says. "For many workers, some form of hybrid will be desirable." Some, perhaps those in the later stages of their careers, may settle only for going fully

remote. He doesn't think it's "absolutely necessary" that every employee get back into an office. "But I will say that it's going to be very difficult for cities if it doesn't happen."

Mr. Glaeser, 55, is arguably the foremost economist who studies cities. It's a growing tribe, he says in a Zoom interview from his office on the Harvard campus, to which, he's keen to stress, he's been going in person since August 2021. The "hallmarks" of the urban economic models he studies involve space—"recognizing that people and firms make choices about where to locate." Zoom and hybrid work may be here to stay, he allows. "But for most of us the most important interactions of our lives will occur in the real world and, consequently, location remains absolutely critical."

The way Mr. Glaeser tells it, cities are among mankind's finest creations—engines of entrepreneurship, inventiveness and economic growth. His intellectual inspiration as an urban economist is Alfred Marshall (1842-1924), who formulated the hypothesis that Mr. Glaeser says has been central to his own career. "Great are the advantages," Marshall observed of cities, "which people following the same skilled trade get from near neighborhood to one another. The mysteries of the trade become no mystery but are, as it were, in the air."

That explains why young people are drawn to cities—and why, in Mr. Glaeser's view, in-person work is vital in the early stages of a career. Cities—and face-to-face contact at work—have "this essential learning component that is valuable and crucial for workers who are young," he says. The acquisition of experience and improvement in productivity, "month by month, year by year," ensures that individual earnings are higher in cities than elsewhere.

Mr. Glaeser commends a "superb paper," published in the *Review of Economic Studies* in 2017, that documents how people learn by working in big cities. The authors show that workers in Madrid earn 55% more than those in rural Spain. "These wage benefits don't appear magically when workers come to Madrid or Barcelona," Mr. Glaeser says. "Instead, a new worker in the big city earns only about 10% more than a worker in a mid-sized city." After 10 years, that earnings gap grows to 35%.

"The sort of young people who don't want to come back to the office," he says, "don't really know what they've missed." They think that the experience of "working from a Starbucks is all there is, and that they're having just as much career development as they would have if they were surrounded by mentors." They aren't. He cites a study that finds remote workers face "a 50% reduction in their probability of being promoted."

Mr. Glaeser describes the pandemic as a direct and withering assault on cities. “If you take the definition of urbanism,” he says, “a city is the absence of physical space between people. A city is density, proximity, closeness.” Social distancing amounted to “the rapid-fire deurbanization of the world.” Americans went from willingly paying a “hefty premium, whether we were an advertising company on Madison Avenue or an ordinary 22-year-old who just wanted to be in New York, to all of a sudden wanting to have no one around us whatsoever.”

The world did connect virtually, “which essentially changed the rules of the game.” However exhausting we find Zoom and other technologies, we’d have incurred greater economic or health damage without them: “We would have either gone ahead and not social-distanced, in which case we would have had more deaths, or we would have lost more economically—lost more from our productivity.”

The impact of virtual work was very different “at different parts of the education distribution,” Mr. Glaeser points out—and that may exacerbate economic and social inequality. He cites data from the Bureau of Labor Statistics: The share of people with advanced degrees who were working remotely in May 2020 was 68.9%, compared with only 15% of remote-working high-school graduates and 5.2% of high-school dropouts. “This was a fairly elite phenomenon.”

But now that the threat from Covid has abated, will employees go back to work in their city offices? Those who ask the question range beyond employers who yearn to have them back, and include everyone from city mayors to the humblest vendors of coffee and hot dogs who ply their trade on urban sidewalks.

Service workers in the retail, leisure and hospitality sectors accounted for 32 million American workers in 2019—or a fifth of the American labor force. They may be hit

particularly hard. “Those workers thrive by providing services to people that come to big offices,” Mr. Glaeser says. He had believed that the pandemic would be “absolutely catastrophic” for them. “As it turns out, any decrease in labor demand was shielded by the trillions of dollars that flowed out in federal largess.” As that money dries up, the effect is likely to be acute.

There’s an irony in all this. “There tends to be a very strong correlation with political beliefs,” he says. “The difference in mobility—people moving around—was very clear early on between red and blue. There was much more Covid fear in blue states, where there were also more knowledge workers.” Although liberals also profess concern about economic inequality, the effects of remote work are “probably more problematic for upward mobility in blue states than red states,” he says. “The well-heeled in San Francisco not going to the office is bad for demand for urban services, which are provided by less-well-educated San Franciscans.”

How would Mr. Glaeser make the case for a nationwide return to the workplace? “If I were making it to Mayor [Eric] Adams of New York or Mayor [Michelle] Wu of Boston, it would be pretty easy.” The job would be one of civic and moral “suasion,” as well as talking up the vital importance of cities. “The city depends upon being a thriving place, where people buy and sell to each other, and interact with each other. It’s terrible for a city that many of its key urban office markets feel like wastelands during the daytime.”

Cities, Mr. Glaeser says, must recognize their “traditional function of providing economic opportunity, even more so helping poor people become middle-income people.” He’d recommend making it as easy as possible for businesses to reopen and offering “permit holidays” for new businesses in currently dormant downtown areas. Most of all, he’d like America’s urban mayors to tackle crime, which increased alarmingly during the pandemic. Homicides in 2021, he points out, were up 44% “in major American cities” compared with 2019.

He would be “more circumspect” in making the case to a business owner. “I would say, ‘I understand that a lot of your employees don’t like coming in, so let’s look at some data.’ ” He points to an [article](#) in Nature that examines the impact on more than 61,000 [Microsoft](#) employees of working remotely over the first six months of 2020. “Firm-wide remote work,” the study found, “caused the collaboration network of workers to become more static and siloed, with fewer bridges between disparate parts.” Employees found it much harder to acquire and share information. Mr. Glaeser would counsel employers to ask

themselves whether they were “causing long-term problems for the company by not bringing people together into the office.”

Which raises another question: “*Can* they get their workers to come back? Certainly. They can use their wage power to get anyone to come back.” There’s a price at which “almost all of us will come into the office—the question is, just how much?” But there has, he says, been a great “clarifying” that has led us to think about “the nature of work, and the nature of offices.” And he thinks the pace and incidence of return will differ by the task an employee performs.

He cites the example of his own workplace. “I consider it incredibly important to have a community of scholars in this building,” he says, “one that is there and available for our graduate students, that runs into each other in the halls and is a living, breathing community.” By contrast, he doesn’t think the support staff “who work on our financials” need to be in the building. “They need a little bit of time to onboard, and then it’s really OK for them to go home.”

Remote connection has been calamitous for education, Mr. Glaeser says: “The unmitigated disaster that remote learning has been for American children—and children throughout the world—has been confirmed in study after study, and particularly for the most disadvantaged kids.” College instruction has suffered too. Delivering a lecture to 100 students on Zoom, he says, is “just a bad movie, a really bad movie. None of the magic that comes from live lecturing and live interaction with students is there when you’re doing it via Zoom.”

As for individual employees, Mr. Glaeser would tell them that his own return to his Harvard office nine months ago was “just fantastic for my mental health”: “I have been a much happier person for being around young people again, for being around my colleagues. And that has been not only productive but also joyful.”

Mr. Varadarajan, a Journal contributor, is a fellow at the American Enterprise Institute and at the Center on Capitalism and Society at Columbia University.

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