

legislative house. After term limits, the average increased to 127 out of 151 possible contests.

Term limits were supposed to draw in a large new group of candidates to vie for public office and create “a more democratic, open, and active electoral environment populated by citizen legislators.” So far, the authors conclude, that claim has proven “almost entirely false.”

POLITICS & GOVERNMENT

Money for Metros

THE SOURCE: “Miracle Mets” by Bruce Katz, Mark Muro, and Jennifer Bradley, in *Democracy*, Spring 2009.

HERE’S SOME ADVICE FOR Washington: To get the most out of each stimulus dollar, focus on the country’s top metropolitan areas and forget about the states.

The 100 largest metro areas are the engines of the U.S. economy, write Bruce Katz, Mark Muro, and Jennifer Bradley, of the Brookings Institution’s Metropolitan Policy Program. Though these urban centers occupy just 12 percent of the nation’s land area, they generate two-thirds of its jobs and three-quarters of its gross domestic product. California has the eighth-largest economy in the world, but most of the activity is concentrated in just four metro areas. Together, the economies of Los Angeles, San Francisco, San Diego, and San Jose are larger than India’s.

The federal government sends the bulk of infrastructure funds to states, whose departments of transportation tend to favor build-

ing new roads across wide expanses of rural land. If that money were invested instead in urban areas, its effects would be far greater, the authors say. In dense locations, more people benefit from improved infrastructure.

But Washington is ill equipped to coordinate the multiple levels of government in metro areas, many of which extend into multiple municipalities and even states. As a result, programs dealing with housing and schooling or transportation and energy “remain largely divorced from one another, precluding integrated problem-solving.”

Nearly 70 years ago, the historian Arthur Schlesinger Sr. wrote: “These urban provinces, new to the American scene . . . face grave difficulties in meeting the essential needs of the aggregate population. . . . It is clear that new and unanticipated strains are being placed on the federal system framed by the Fathers for a simple agricultural economy.” It’s long past time, the authors say, for a new approach.

POLITICS & GOVERNMENT

\$43 Million for What?

THE SOURCE: “Superfund Follies, Part II” by Daniel K. Benjamin, in *PERC Reports*, March 2009.

THE U.S. ENVIRONMENTAL Protection Agency’s Superfund program was created to clean up the nation’s worst toxic waste sites and draw renters and buyers to once contaminated areas. Twenty-nine years

and \$35 billion later, Clemson University economist Daniel K. Benjamin writes, the program has produced an average economic benefit per site “likely quite close to zero.”

The law was passed after the Love Canal disaster captured headlines across the country. Chemicals buried in an abandoned canal in upstate New York had begun oozing into basements, turning trees and vegetation black, and pooling on lawns and on a local school grounds. Hundreds of families were evacuated, and the site was eventually cleaned up at a cost of millions of dollars.

Earlier studies of a small number of Superfund cleanups have found substantial benefits. But Superfund sites are hard to compare to average housing tracts because they are often located in poor rural areas. Economists Michael Greenstone of the Massachusetts Institute of Technology and Justin Gallagher of the University of California, Berkeley, investigated what happened to housing prices, rental rates, population movements, and overall demographics in roughly 400 areas cleaned up under the Superfund law compared with 290 similar sites that narrowly missed being included because of a lack of money. They noted that there may be health and aesthetic benefits that were not captured in their data, but the bottom line was clear: Superfund expenditures made no difference in rents, sales, or desirability of adjacent housing, either immediately or even 20 years after the cleanup.

Benjamin says it’s possible that the hazards at the sites were overestimated by the EPA, or that the toxic

waste areas weren't adequately cleaned up. But when the price tag for the average Superfund cleanup is \$43 million without producing measurable results, Benjamin contends, Americans should face a painful conclusion: The "Superfund program is failing and it is time to stop pretending otherwise."

POLITICS & GOVERNMENT

The Higher-Ed Bubble

THE SOURCE: "Will Higher Education Be the Next Bubble to Burst?" by Joseph Marr Cronin and Howard E. Horton, in *The Chronicle of Higher Education*, May 22, 2009.

AFTER THE COLLAPSE OF THE dot.com and housing markets, will the next irrationally inflated bubble to burst be higher education?

Educators Joseph Marr Cronin and Howard E. Horton think it might. With tuition, fees, and room

and board at dozens of private institutions now topping \$50,000 a year, some parents are questioning whether it is worth \$1,000 a week to send their kids to college. The middle class has traditionally paid for higher education through loans, but home equity has withered and jobs are at risk. Congress recently raised the Pell grant limit from \$4,731 to \$5,350 a year. Potentially a big deal for the federal budget, the increase doesn't even cover an extra week at some private universities.

College tuition and fees have increased 440 percent over the last quarter-century, more than four times the rate of inflation. And even demographics are conspiring against the current college finance model. The "baby-boom echo" that flooded so many colleges over the past few years crested with this year's high school senior class. From here on, enrollment is downhill for the foreseeable future. The state of Vermont expects to turn out 20 per-

cent fewer potential college freshmen by 2020, report Cronin, former Massachusetts secretary of educational affairs, and Horton, president of New England College of Business and Finance.

Cheaper alternatives to traditional higher education are increasingly available. The University of Phoenix now teaches upward of 300,000 students a year, half of them online. Applications to community colleges and other public institutions have already risen dramatically. Some former college presidents are proposing year-round school so that expensive facilities get used 52 weeks a year, instead of only about 30, and others are calling for three-year degrees.

Critics have highlighted the mounting costs of higher education for 30 years without having much impact. Maybe, the authors say, the economy is now in dire enough shape that the warnings will take.

ECONOMICS, LABOR & BUSINESS

Broadband Hype?

THE SOURCE: "The Internet and Local Wages: Convergence or Divergence?" by Chris Forman, Avi Goldfarb, and Shane Greenstein, and "The Broadband Bonus: Accounting for Broadband Internet's Impact on U.S. GDP" by Shane Greenstein and Ryan McDevitt, summarized in the *NBER Digest*, April 2009.

IT SEEMED INTUITIVELY OBVIOUS: If you made high-speed access to the Internet available in

sparsely populated areas, rural America would enjoy the same sort of economic boost that urban America did when broadband largely replaced slower dial-up Internet access during the last 10 years. Notably, it seemed obvious to President Barack Obama, whose \$789 billion economic stimulus bill

enacted by Congress in February included up to \$7.2 billion in grants and loans to expand high-speed access in remote corners of the country. A strong economy, Obama said, "means expanding broadband lines across America, so that a small business in a rural town can connect and compete with their counterparts anywhere in the world."

But as is sometimes the case, what seems obvious may in fact be wrong. Chris Forman, Avi Goldfarb, and Shane Greenstein, of the Georgia Institute of Technology, the University of Toronto, and