

As economic conditions continue to worsen, so do sentiments of city officials about the direction of the country. The National League of Cities *2008 State of America's Cities: Annual Opinion Survey of Municipal Officials*, conducted September - October 2008, prior to the presidential election, finds that more than six in 10 city officials are either very (27%) or mildly (36%) pessimistic about the general direction in which the country is heading. This percentage is much greater than the first year of the two previous recessionary periods of the 1990s and early 2000s.

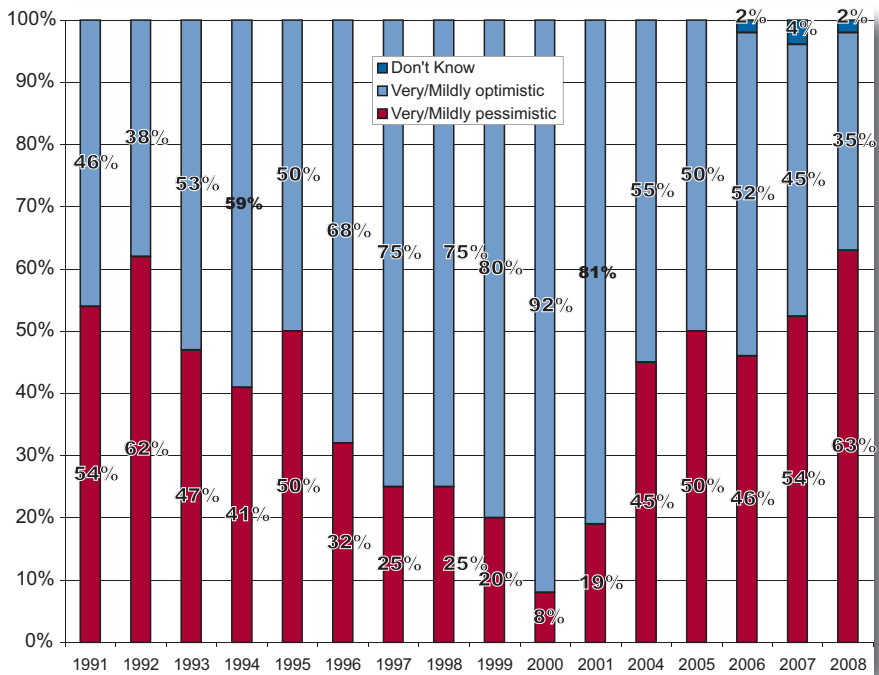
Other major survey findings include:

- Healthcare (64%), transportation (43%), and education (43%) top the list of issues that city officials feel are the most important for the next presidential administration and Congress to address.
- Six in 10 (62%) city officials report that overall economic conditions have worsened during the last year, and seven in 10 (69%) report that overall economic conditions are either a major (19%) or moderate (50%) problem for their city.
- City officials from all parts of metropolitan areas - core cities in larger (78%) and smaller-mid-sized (54%) regions, inner ring suburbs (68%), and developing suburbs (57%) - are more likely to say that foreclosures have worsened over the past year, than to report that they have improved or not changed.
- City relations with federal (21%) and state (32%) partners have worsened over the past year, while relations with regional (35%) and business and civic (42%) partners have improved.
- One in two (54%) city officials say that their ability to finance city services is either a major (36%) or moderate (18%) problem for their city; a problem exacerbated by negative impacts of volatile fuel and energy costs.

## 2008 State of America's Cities: Annual Opinion Survey of Municipal Officials

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How do you feel about the direction the country is heading?<sup>2</sup>



<sup>1</sup> Christiana McFarland is the Research Manager in the Center for Policy and Research at the National League of Cities. The author would like to acknowledge the data collection assistance of Will McGahan, Policy Assistant, as well as contributions made by the 365 city officials participating in this year's survey.

<sup>2</sup> Data for the immediate post-2001 recessionary period can not be attained because the survey was not conducted in 2002 and 2003 due to targeted survey research on homeland security needs in cities.

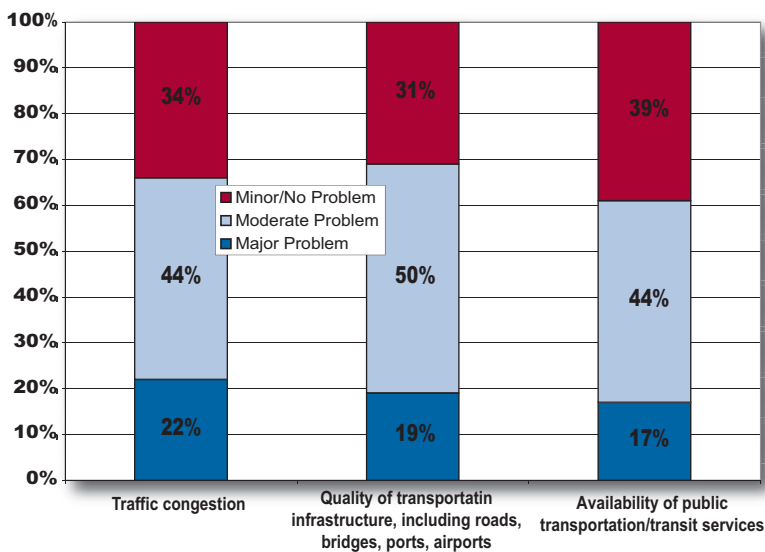
## “PRIORITY ISSUES” FOR OBAMA AND THE NEW CONGRESS

When asked to identify the most important issues for the next presidential administration and Congress to address, city officials say healthcare (64%), transportation (43%), and education (43%).<sup>3</sup> These responses echo calls from city officials to the Federal government to engage in stronger intergovernmental partnerships on these critical concerns.

Four in 10 (38%) city officials report that the availability of affordable health care and health services has worsened over the past year; 8 in 10 report that health care is either a major or moderate problem for their city. A recent NLC study found that employee health care-related costs are having devastating impacts on municipal budgets.<sup>4</sup>

Additionally, at least six in 10 city officials feel that the quality of transportation infrastructure (roads, bridges, airports, and ports) (69%); traffic congestion (66%); and availability of public transportation/transit services (61%) is a problem for their city. One in three (29%) city officials report that the quality of transportation infrastructure has worsened over the past year and one in two (50%) say that traffic congestion has worsened.

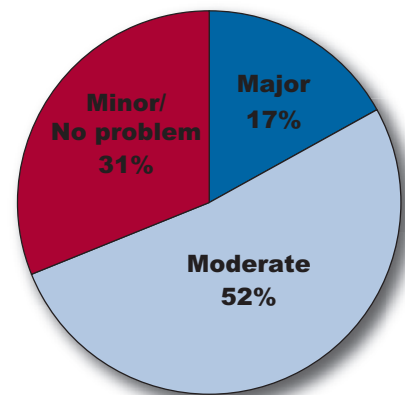
*To what extent are transportation and infrastructure-related conditions a problem for your city?*



### Most Important Issues for Next Presidential Administration and Congress to Address

Healthcare	64%
Transportation	43%
Education	43%
Housing	34%
Environment	31%
Immigration	28%
Public safety	22%
Emergency preparedness and response	19%

*How much of a problem is the availability of affordable healthcare and health services?*



<sup>3</sup> In an effort to uncover other important issues, the survey question response-set specifically excluded an option about the “economy.”

<sup>4</sup> *City Fiscal Conditions in 2008*, Christopher Hoene and Michael Pagano, National League of Cities [www.nlc.org](http://www.nlc.org)

## ECONOMIC AND HOUSING CONDITIONS

Cities continue to feel the devastating impacts of broader economic conditions and the housing finance crisis. At least 40% of city officials report that key indicators of local economic performance have worsened over the past year, including: foreclosures (55%); unemployment/poverty (46%); blight and vacant properties (42%); and ability to finance city services (43%).

Unemployment and poverty is truly a national problem, with city officials from all regions of the country - Northeast (46%), Midwest (45%), South (46%), and West (48%) - much more likely to report worsening, rather than improving, conditions.

Additionally, city officials from all parts of metropolitan areas are more likely to say that foreclosures have worsened over the past year, than to report that they have improved or not changed. These findings about the location of foreclosures corroborate media and other reports about the spread of the crisis throughout metropolitan regions.

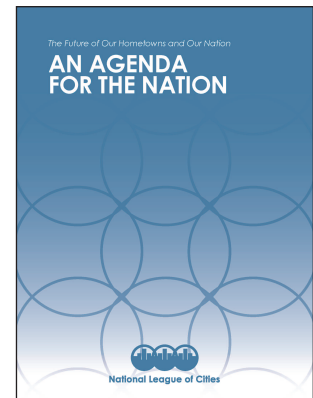
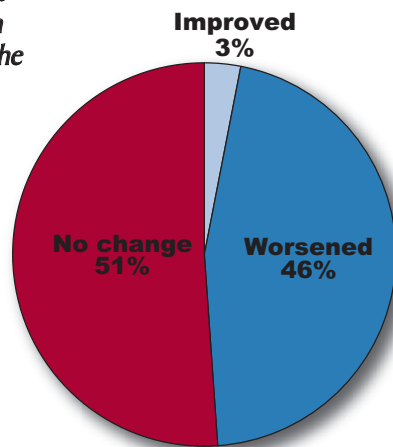
The most common local strategies to combat issues related to the housing crisis include stricter code enforcement (26%), maintaining foreclosed properties, including mowing lawns and removing trash (18%), and initiating education campaigns to help residents avoid foreclosure (18%).

This research is part of a broader effort by the National League of Cities to track changing local conditions. Other recent research on local conditions includes *City Fiscal Conditions in 2008* and upcoming interim research on *City Fiscal Conditions*.

### An Agenda for the Nation

*America's future is taking shape - right now - in the nation's cities and towns. To make it a better future for all Americans, we need to work together at all levels of government to find solutions to the critical challenges we face, from the economy and housing to health care and public safety. NLC has developed policy briefs on each of these issues, available at [www.nlc.org](http://www.nlc.org).*

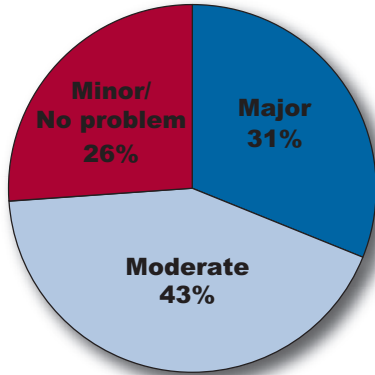
*How has unemployment and poverty changed in your community over the past year?*



### Change in Foreclosures during the Past Year, by City Type

	Worsened	Improved	No Change
Core city of a larger region (n=45)	78%	0%	22%
Core city of a smaller/mid-sized region (n=75)	54%	4%	41%
Inner ring or developed suburb (68)	68%	2%	31%
Developing or outer suburbs (n=59)	57%	0%	43%
Core city/town of a rural region (n=75)	36%	1%	63%
Rural city/town (n=42)	42%	0%	59%

## GOVERNANCE



*To what extent are the impacts of unfunded mandates and preemption a problem for your city?*

More city officials report that city relations with federal (21%) and state (33%) governments have worsened over the past year than improved, while more say that city relations with regional (35%) and business and civic (42%) partners have improved.

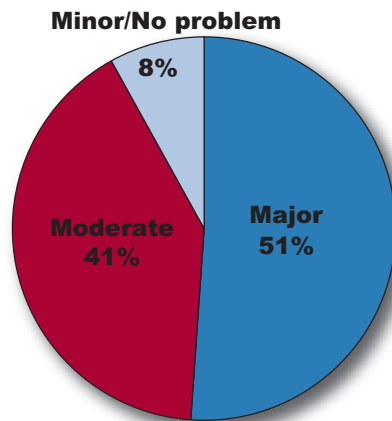
City officials from the Midwest (32%) are less likely than city officials from the West (49%), Northeast (46%), and South (43%) to report improved business and civic leadership over the past year.

Additionally, about six in 10 (57%) report that impacts of unfunded mandates and preemptions have worsened since last year.<sup>5</sup> These governance trends suggest a change in the way that city officials are choosing to dealing with local challenges in the wake of increasingly dysfunctional intergovernmental partnerships.

### How have governance relations changed over the past year?

	Improved	Worsened	No Change
City/federal relations	15%	21%	64%
City/state relations	18%	32%	49%
Regional/area-wide problem solving	35%	16%	49%
Business and civic leadership	42%	10%	48%

## LOCAL FINANCES AND SUSTAINABILITY



*How much of a problem have fuel and energy costs been for your community?*

One in two (54%) city officials say that their ability to finance city services is either a major (36%) or moderate (18%) problem for their city, with about one quarter reporting that local revenues are lower than projected (27%) and that expenditures are higher than projected (23%). A major contributing factor to local fiscal concerns is the rapid rise in fuel and energy costs.

Although fuel and energy costs have recently declined, negative impacts from the previous increase in fuel costs continue to strain municipal budgets. Additionally, broader volatility in energy costs indicates that the current lull in prices will not remain.

Cities have implemented a number of strategies to reduce fuel and energy consumption, including: limiting the use of public vehicles to essential uses (43%); increasing use of alternative fuels and green technology (32%); implementing trip planning; and increasing the use of alternative modes of transportation, such as bicycles (25%).

Local actions to reduce use of fuel and energy represent not only short-term efforts to save costs, but with four in 10 (43%) city officials reporting that the environmental quality and sustainability of their communities has improved over the past year, these efforts reflect broader changes in the way cities are thinking about energy consumption and sustainability.

<sup>5</sup> Unfunded mandates are federal laws and statutes that require state and local activity in a given arena without providing the necessary funding to carry out the activity. Preemptions refer to federal or state appropriation of local authority. For more information about unfunded mandates, preemptions and intergovernmental relationships, see *Government Working Together*, 2008, National League of Cities [www.nlc.org](http://www.nlc.org)

## SURVEY BACKGROUND AND METHODOLOGY

The National League of Cities State of America's Cities: The Annual Opinion Survey of Municipal Officials is an annual survey of municipal officials that has been conducted for about 20 years. These annual studies offer a framework for understanding how local officials view issues and problems they face in governing the nation's cities and towns.

For this year's survey, a random sample of 1,617 local officials from different cities across the country was drawn from the NLC database of municipal officials. The survey was faxed and emailed to all of the officials in the sample in September 2008 and responses were collected in September and October. A total of 365 valid responses were received and tabulated, resulting in a 23 percent response rate. With this response rate it can be expected with a 95 percent degree of confidence (*i.e.* in 95 out of 100 random sample surveys) that the answers to the survey questions from another random sample of municipal officials would be within 4 percentage points (+/- 4%) of the results of this survey. The city populations and regional locations of survey respondents are reflective of cities nationwide, except for a lower response rate from cities in the Northeast. Responses from the northeast should be interpreted with caution.

	Number of Surveys Sent	Number Returned	Response Rate
<b>Population</b>			
>300,000	59	19	32%
100,000 - 300,000	174	41	24%
50,000 - 99,999	360	88	24%
<50,000	1024	217	21%
<b>Region</b>			
Northeast	167	28	17%
Midwest	435	95	22%
South	614	149	24%
West	401	93	23%

### About the National League of Cities

The National League of Cities is the nation's oldest and largest organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. NLC is a resource and advocate for more than 1,600 member cities and the 49 state municipal leagues, representing 19,000 cities and towns and more than 218 million Americans.

Through its Center for Policy and Research, NLC provides an applied think tank capacity by developing, conducting, and reporting research on issues affecting cities and towns.

