

# URBAN FAILURE

**HOW BIG GOVERNMENT POLICIES  
AND LIBERAL POLITICIANS HAVE DESTROYED  
AMERICA'S ONCE GREAT CITIES.**



A TURNING POINT USA PUBLICATION



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# INTRODUCTION

American cities have shown the world true prosperity, yet some have fallen.

**Baltimore**, once an economic powerhouse. **Detroit**, was the car capitol of the world. **Chicago**, created the first building that touched the sky. **Philadelphia**, stood for individual freedom. And **Cleveland**, used to be America's comeback kid.

These cities have all fallen into the same destructive mindset. They turn their backs on the power of their people. Then, city leaders turn to big government policies for 'solutions'. But the more government has intervened, the worse the situation has become.

This has created the domino effect: collapsing cities from within by limiting the ability of people to succeed.

In order to prevent all of America from meeting the same fate, we must examine the cause and effect of the big government policies that created a perfect storm for the cities to fall.

Smaller problems are made large by government intervention, instead of allowing those closest to the problem to address the issue. Taxes are raised and regulations are put in place which end up making problems worse.

In truth, government intervention is about creating more dependence and cronyism.

A portrait of John Marshall, an elderly man with white hair, wearing a dark coat and a white cravat. He has a serious expression.

**“THE POWER TO TAX IS  
THE POWER TO DESTROY.”**

**- John Marshall**

**I'M FROM THE  
GOVERNMENT,  
I'M HERE  
TO HELP**



The most terrifying words in the English Language

As citizens see their city raising taxes and regulations making it harder to live, the wealthier move to different cities. Poor residents who can't easily move are stuck while businesses leave and taxes increase, shrinking the base of taxpayers. Meanwhile, the government uses bad results as an excuse for more intervention, excusing it as compassion.

This booklet explores the domino effect of how government intervention has failed our U.S. cities. It is important because understanding the government is vital to molding our future.

The same problems that are created by big government at the national level are experienced in the same way when you have big government at the state or local level.

As Ronald Reagan said, "Government is best which remains closest to the people." We need to give local citizens more freedom to craft their future, placing more power in the hands of the citizens who know their communities the best.

Government intervention made these cities fall, now the people need to raise them back up.



# BALTIMORE



After recent riots in Baltimore, media pundits wanted to place the blame on different factors. Some tried to say that it was underlying racism that led to the strained relations between the police and the community. Others claimed that it was economic issues that causes the protest. Ultimately, the root cause of many of Baltimore's problems are big government policies.

Baltimore primarily elects big government politicians based on their promises to help those in poverty. Here are the results of the government occupation:

- Maryland's taxes are the 10th highest in the country, which has forced many citizens to move away, taking their businesses and tax payer dollars with them.
- 40,000 residents moved to Virginia from Maryland between 2007 and 2010, resulting in a \$2.17 billion dollar decrease in tax revenue.
- 47% of Baltimore's residents claimed they would love to move away if they could afford to, which is the third highest percentage in the country.

High taxes and a loss of jobs are causing the homeless population to increase as well. However, the government occupation has been especially damaging on young people.



According to Baltimore County Public Schools data, the school system saw a 28% increase between 2012 and 2014 in homeless enrollment. While many probably do want to fix the problems, social workers and government employees profit from the problems in the public schools.

Instead of being focused on education, Baltimore schools are now a place for the government to take care of everyone. The government tries to teach kids what to think, but fails to teach them how to learn.

When the economy slows and education fails, crime rates grow. The city's paid out \$5.7 million in police brutality settlements since 2001. Former big

government Mayor and Presidential candidate Martin O'Malley has been named responsible for increasing tensions between police and the citizenry.

Regardless of former Mayor O'Malley's escalation of the police brutality crisis, he must be made to answer for his big government policies which have disastrously affected the economy. Implementing dozens of new taxes, fees and tolls, including an embarrassing tax on the rain.



Baltimore's big government policies on a local level are hurting citizens' chances to succeed.

O'Malley left the state with the second-highest foreclosure rate in the country, a gang-run prison, and a costly exodus of taxpayers and jobs to neighboring states.

The worst part is that these bad public policies have snowballed into more negative consequences.

When people have a hard time finding work and kids reject the Baltimore school system, crime rates increase. The city's youth are losing their chances at high paying jobs which can reignite Baltimore's economic engine.

# THE GREATEST SOCIAL PROGRAM IS A JOB!

# DETROIT



Detroit stood once as one of the world's greatest cities. It was the 4th largest metropolis in America, jobs were plentiful, the auto industry was thriving, and Motown even kept the city musically cutting edge.

The city used to be controlled by its' people.

Unfortunately, from 1962 until the present day, the mayors of Detroit have been big government Democrats. The results?

- Detroit's population has dropped from 1.8 million to just over 700,000
- The unemployment rate is over 50% if you count people who've given up on finding jobs
- Property values have dropped so much you can buy homes in the crime-ridden city for \$500 and Detroit has gone bankrupt.



Meanwhile, Detroit spends millions of dollars every year on a 3 mile train known as the "people mover". Instead of investing in real infrastructure such as roads or streetlights, Detroit and the state of Michigan continue to subsidize a little-used train.

Unions crippled the auto industry and reckless government spending bankrupted the city. The poor economic conditions created crime which helped drive much of the middle class out of the city.

President Obama often ignored the failures of the big government leadership in Detroit, because the situation is a living representation that his policies kill economic growth.

The government has failed Detroit, but citizens won't give up on their city and are stepping up to the plate. The people of Detroit have realized they don't need to government to do everything for them, and have filled the power vacuum with a vision to fix their home.



A group of citizens with lawnmowers banded together and voluntarily maintain the city's landscapes.



A private law enforcement group called the Crisis Management Task Force have stepped in to replace the inefficient Detroit police.

People have a way of uniting in the face of disaster, and Detroit is a wonderful example of when big government policies fail, communities will still succeed.



# SYRIA NEEDS OUR HELP



# THAT'S DETROIT? NEVERMIND

# CHICAGO





Chicago also has almost 30 taxes, which apply to almost everyone. These taxes are not just standard property taxes or sales taxes, but are taxes on bottled water, soft drink syrup, and a tax on parking.<sup>1</sup>

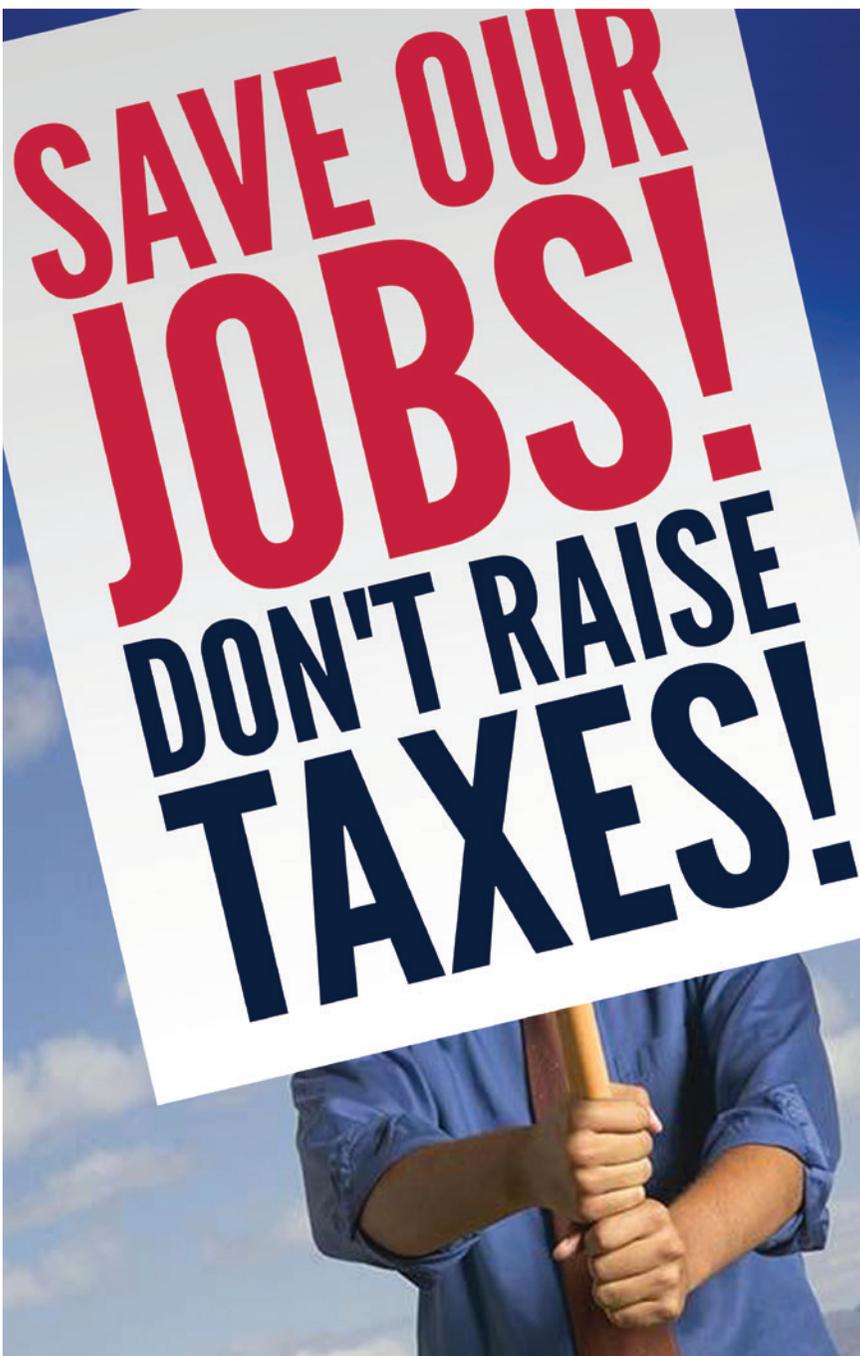
Even worse, is that big government rule extends to the whole county of Cook, where Chicago is located. Led by big government lover, County Board President, Toni Preckwinkle, the county has recently raised the sales tax, making Chicago and the Cook one of the highest tax areas in the country.

Preckwinkle even tried to tax large business purchases from other counties<sup>2</sup>, for example ovens for baking or other new pieces of machinery. Doing so discourages businesses from opening up in Cook, thus making it even harder for people to find jobs.

1 [http://www.cityofchicago.org/city/en/depts/fin/supp\\_info/revenue/tax\\_list.html](http://www.cityofchicago.org/city/en/depts/fin/supp_info/revenue/tax_list.html)

2 <https://www.illinoispolicy.org/the-irony-of-cook-countys-2013-budget/>







The unions in the city of brotherly love are anything but fraternal. With a stranglehold on the school system, the government has been forced to subsidize the teacher's union to a drastic degree. Many of Philadelphia's educators are overpaid and underworked.

A well-educated future generation is vital to growing and sustaining Philadelphia's economy. Sadly, the public school system is failing to output the quality that is demanded by parents.

Philadelphia's economy has seen far better days. The city is in a \$80 million deficit this year. Last year they had a \$100 million deficit and the mayor proposed a soda tax to fill the gap. It was defeated, so they raised property taxes instead.



By now you are probably seeing a pattern.

Philadelphia is just one more example of cities using financial problems they created to increase the nanny state. In reality, a soda tax is a double win for big government liberals -- it increases control over personal decisions while also taxing citizens for big government programs.

Big government leaders always take a small problem, try to fix it with more spending and taxes, and then use it as an opportunity to control people's lives even more.

For example, a tax on cigarettes to pay for a public health program looks like it is about helping people who are sick, but in reality is about taxing people's personal choices and trying to backdoor regulate smoking.

Philadelphia big government politicians have used the same handbook for over 50 years. But the answer to every problem is not government intervention.

***"I hope we once again have reminded people that man is not free unless government is limited. There's a clear cause and effect here that is as neat and predictable as a law of physics: As government expands, liberty contracts."***

**– Ronald Reagan**

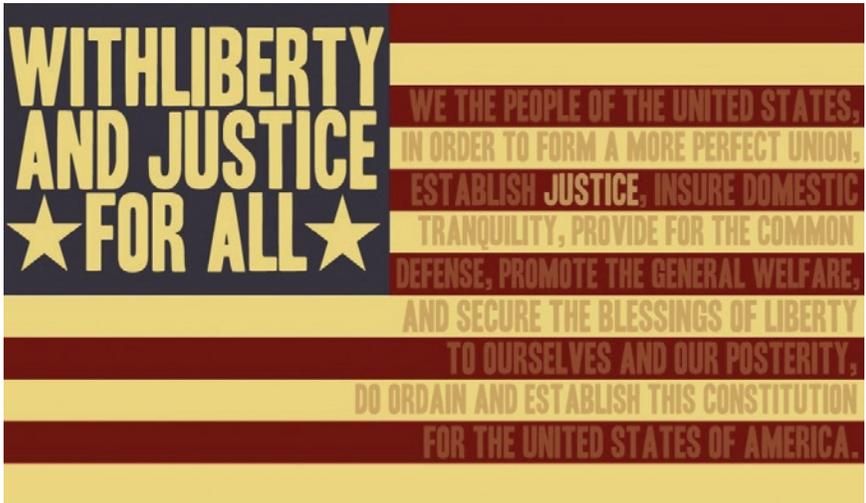


The citizens of Philadelphia have sacrificed far too many liberties in the name of 'helping others' which have yielded poor results. And the lackluster results are mostly felt by the people they were originally trying to help.

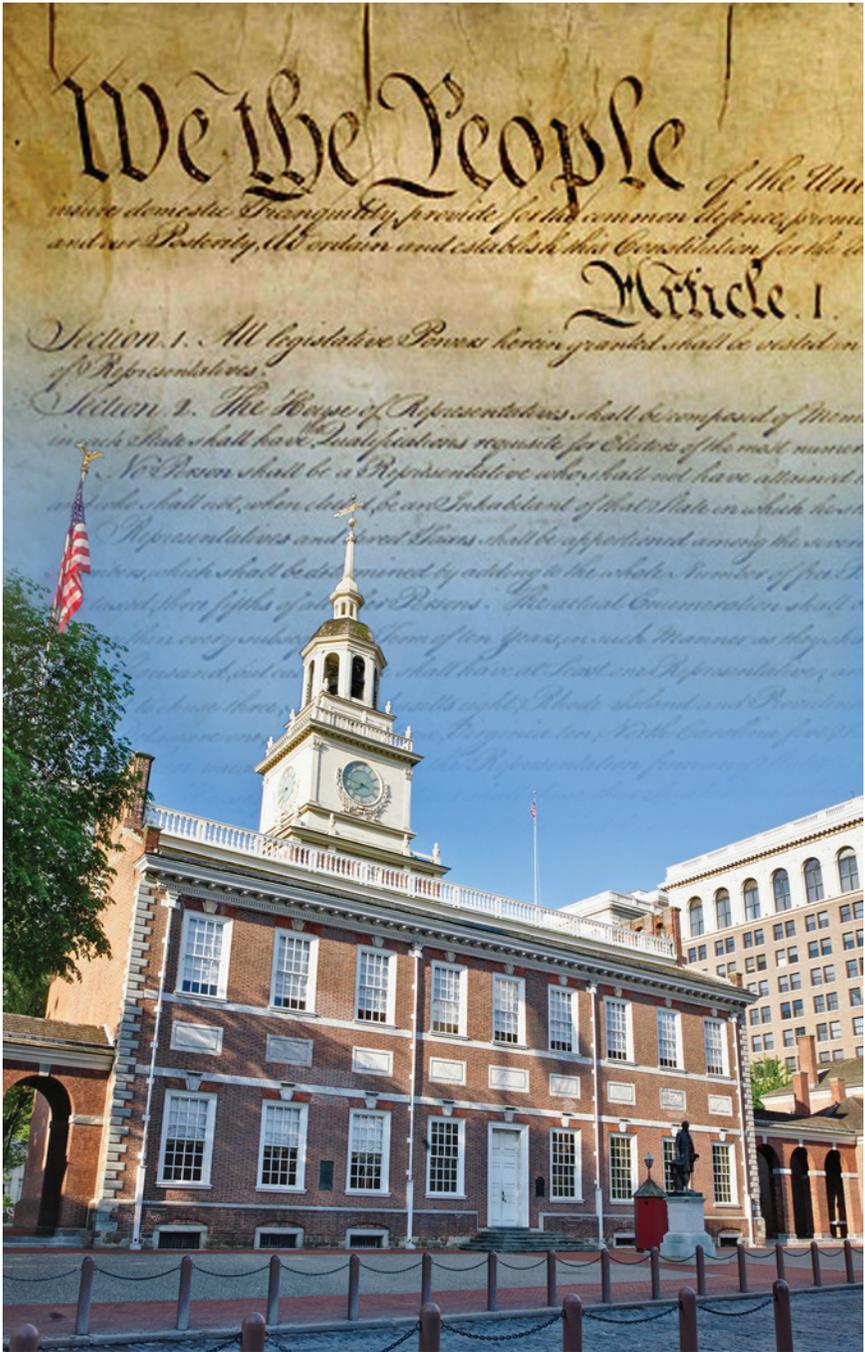
Mayor Nutter's name is fitting. He is just another in the long line of Democratic mayors who have ruled Philadelphia since the 1950's and whose policies of welfare handouts for their voting base paid for by taxing the producers, has resulted in a population decline from 2.1 million in 1950 to 1.5 million today.



Philadelphia can do better. The people deserve better.



**SHRINK GOVERNMENT GROW  
FREEDOM!**



# CLEVELAND



Cleveland is the 4th poorest city in the nation, and has been run by big government leadership since 1989. Coincidence? Not likely.

As we've seen with the other cities on this list, liberal policies have greatly failed this area. High taxes, along with a growing welfare state, have led many people to move away. Strict gun control laws have aided the poor economic conditions which increase crime.

Big government policies are society-killers over time.

***"Freedom is a rare and delicate plant. Our minds tell us, and history confirms, that the great threat to freedom is the concentration of power."***  
– Milton Friedman



The first domino in this chain reaction are high taxes, which force businesses to move elsewhere or else go bankrupt. This leads to population and job loss, which only increases a city's poverty.

America's voters deserve the truth: It is only by reducing taxes, and in turn limiting government, that allows businesses and jobs to thrive.



Fiscal responsibility and an end to the reckless spending done by these leaders are the only hope these cities have of returning to the path to prosperity. Policies championed by big government politicians are often the results of originally sinister and self-motivated ambitions.

For example, the Davis-Bacon Act is a law which requires "prevailing wages" on federally funded projects (for example, interstate highways). While unions hail it for paying high wages, it actually was intended to shut out minority owned businesses from competing for federal contracts.



According to the Foundation for Economic Education, “ Minority contracting firms are often small and non-unionized, and cannot afford to pay the “prevailing wage.” The Act

also requires contractors to pay unskilled laborers the prevailing wage for any job they perform, essentially forcing contractors to hire skilled tradesmen, selecting workers from a pool dominated by whites.”<sup>3</sup>

Prevailing wages are an example of a minimum wage. The minimum wage was heavily advocated for by northern textile manufacturers who faced competition from cheaper labor in the South. By advocating for a higher minimum wage, the manufacturers were able to stifle companies in the South who were using cheaper, black labor (because of a relative lack of educational opportunities, they were more likely to be lower-skilled, but could perform better than their white counterparts when given a chance, at a lower wage originally).<sup>4</sup> Prevailing wage laws also drive up the cost of construction projects, which means the government has to waste more money on basic infrastructure, and then has to raise taxes to pay for things like schools or social services.

Unions continue to shut-out those who need help the most. For example, the Chicago Transit Authority (CTA) was running a program for ex-felons. The ex-felons, who often could not find jobs out of prison, could work for the CTA cleaning buses and trains. The program, which has now been expanded thankfully, was once halted by the CTA unions, who did not like that ex-felons were being paid less than union workers, even though the program was helping put people to work and gaining job experience so they could find jobs.

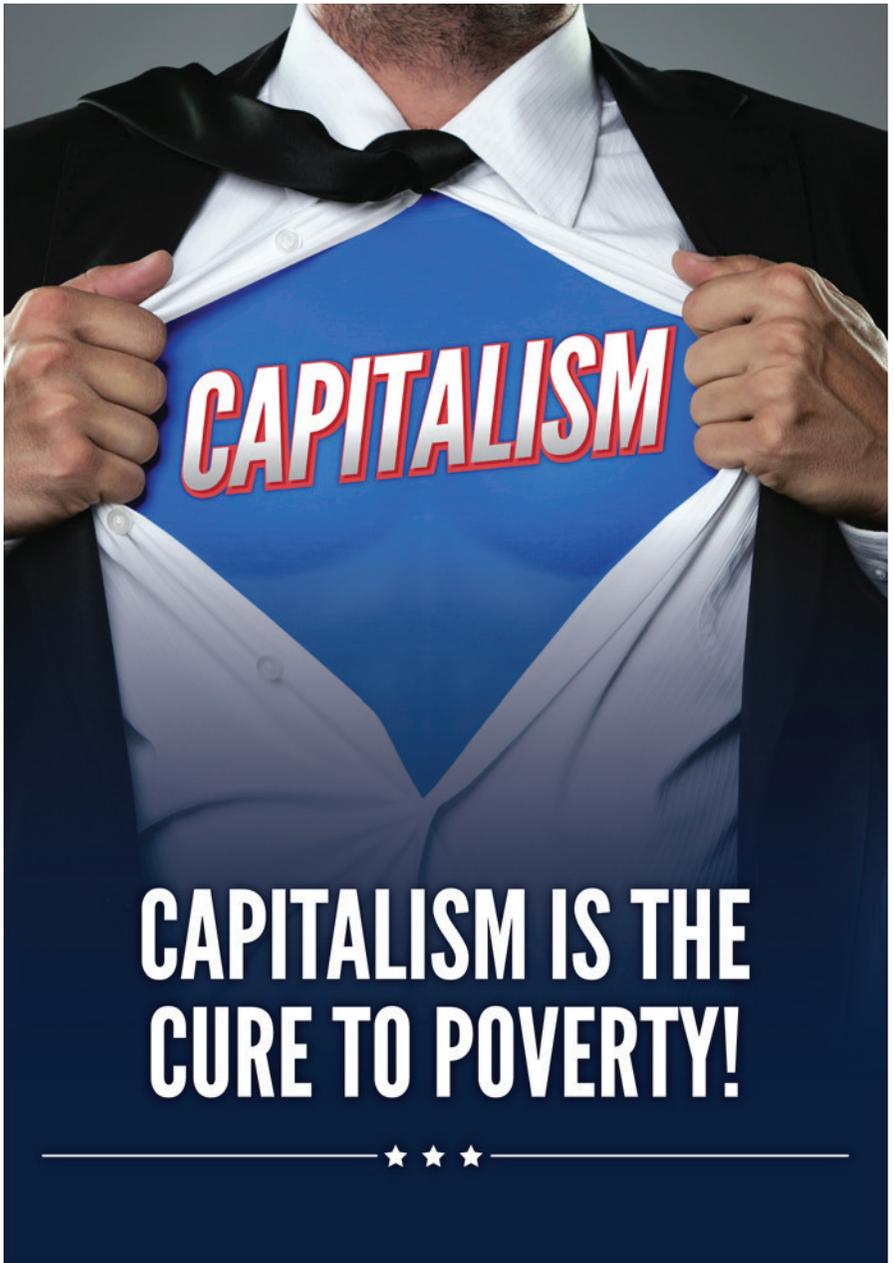


Big government policies are harming Cleveland’s youth, as poorly run union public schools leave them with little schools, and anti-business policies make it harder for young entrepreneurs to dream big.<sup>5</sup>

- 3 [http://www.cityofchicago.org/city/en/depts/fin/supp\\_info/revenue/tax\\_list.html](http://www.cityofchicago.org/city/en/depts/fin/supp_info/revenue/tax_list.html)
- 4 [http://www.cityofchicago.org/city/en/depts/fin/supp\\_info/revenue/tax\\_list.html](http://www.cityofchicago.org/city/en/depts/fin/supp_info/revenue/tax_list.html)
- 5 [http://www.cityofchicago.org/city/en/depts/fin/supp\\_info/revenue/tax\\_list.html](http://www.cityofchicago.org/city/en/depts/fin/supp_info/revenue/tax_list.html)

Big government policies also hurt cities the most, by restricting economic freedom. Consider the laws which requires thousands of hours and dollars of training to cut hair to do someone's nails. These are good, skilled jobs that can also be done flexibly and from someone's home, allowing parents to balance work with parental responsibilities. The regulations create a barrier to economic opportunity.





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# CONCLUSION

Big government liberal policies are dismantling our cities. But there is another way.

Cities could start by implementing school choice programs and expanding educational opportunity. In addition, cities could offer vouchers to attend private schools, expand innovation in public schools, and support new ways to learn.

The wealthy have the opportunity to send their children to the school of their choice. Other citizens should have the same choice to send their children to different schools. School choice programs give lower income families more prosperity

Cities should rein in their archaic regulations which make it hard for small businesses to thrive, and instead reward businesses who open up in cities.

Opening enterprise zones for businesses allows companies to hire additional employees, thus creating more jobs. Also, it lowers the barrier to entry which allows more small businesses to succeed. Big government policies have only hurt businesses chances at success.

Cities need to lobby their states to deregulate many occupations, such as barbers or exterminators, thereby making it easier for people who want to learn a new skill and get ahead to succeed.

The free market is proof that many occupations need to be deregulated. For example, yelp and customer reviews provide key insights into which barber where you want to get your haircut and which restaurant is your choice for dinner. The government shouldn't be involved. Local citizens would have more choices and businesses.

Cities could implement smart policing, which targets high crime areas instead of pretending crime is equally distributed. Too often police departments are handcuffed by the ACLU and accused of racial profiling, even though minorities are the ones disproportionately hurt by crime.

Cities must stop leaving their citizens defenseless by repealing insane and probably unconstitutional gun laws. After leaving a city in such a desperate situation, the least the city could do is allow citizens to protect themselves and their neighbors.

Disarming good, honest citizens only helps criminals inflict more damage. There will always be criminals in this world who want to harm innocent people. The question that must be answered is: "Are we going to allow local citizens protect themselves when these attacks happen?"

Finally, citizens must demand their cities stop treating businesses like the enemy and stop imposing higher wage hikes on businesses, which only benefit large businesses and continue to squeeze and squeeze on small businesses.

Tax hikes on business do more harm to mom and pop shops than big corporations. We need to allow our wild eyed entrepreneurs to dream big when starting their businesses, taxing them from the start only hurts small businesses.

These suggestions are not comprehensive, but follow the same trend. Removing big government policies is the answer to more freedom and prosperity. Every city that has fallen has the opportunity to be raised back up by it's people. But it should be the role of the people, not big government.

**I DON'T NEED  
GOVERNMENT  
TO SUCCEED.**





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All questions should be directed to [info@turningpointusa.net](mailto:info@turningpointusa.net). Someone on our team will respond within 48 hours.

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