POLITICAL ECONOMY

IN THE CAROLINAS

A BRIEF HISTORY OF URBANIZATION IN NORTH AND SOUTH CAROLINA

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While the Carolinas remain rural with just over 66 percent of their residents living in urban areas (relative to 84 percent for the United States), the cities of the Carolinas have emerged as engines of economic growth. This paper explores the economic history of the urban areas of the Carolinas, with special attention to the Charlotte metropolitan area and Charleston. In the late nineteenth and early twentieth century, Charlotte's emergence as a powerhouse of economic activity in the South can be attributed to a strong economic foundation based on textiles, manufacturing, transportation, and branch banking. In the post-World War II period, Charlotte has emerged as a national powerhouse in banking and finance which has fueled dramatic population growth and urbanization. In contrast, Charleston's fortunes between 1850 and 1960 primarily relied on the US military and a large web of federal facilities. Additional growth in Charleston post-World War II has derived from manufacturing, healthcare, and a world class hospitality industry. Even as Charlotte and Charleston continue to fuel economic growth in the Carolinas, both cities will need to address their poor record in the area of upward economic mobility for its poorest residents, particularly in the African American community.

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THE CAROLINAS

I. INTRODUCTION

In 1910 the Carolinas were overwhelmingly rural states. Only 14.4 percent of North Carolinians and 14.8 percent of South Carolinians lived in urban areas. By comparison 45.6 percent of all US residents lived in urban areas.[1] Indeed, North Carolina was the seventh least urbanized state in the United States in 1910, and South Carolina ranked just behind as the eighth least urbanized state.[2] Fifty years later, the Carolinas remained predominantly rural even though they had many more residents living in urban areas. In 1960, 39.5 percent of North Carolina residents and 41.1 percent of South Carolina residents lived in urban areas. Nearly 70 percent of US residents lived in urban areas by 1960, and the Carolinas retained their rankings as the seventh and eighth least urbanized states in the nation. By 2010 more than 50 percent of Carolina residents lived in urban areas. North Carolina had become the fifteenth least urbanized state with 66.1 percent of its residents living in urban areas, and South Carolina was the seventeenth least urbanized state with 66.3 percent of its residents living in urban areas (Iowa State University, n.d.).

The United States has become an urban nation. As of 2018, 84 percent of US residents lived in urban areas, which represents a nearly 40 percentage point increase in urbanization in the past century (University of Michigan, n.d.). While the Carolinas remain comparatively rural, there can be no question that the cities of the Carolinas have emerged as engines of economic growth. Thus, an understanding of the Carolinas' most important cities is essential if one is to understand what the future holds for the residents of these states. In this paper we look to explore the economic history of the urban areas in the Carolinas in greater detail. The next section of the paper dives into data describing the population of the Carolinas' largest cities. It provides evidence that the Carolinas have a substantial number of urban areas that are important contributors to the states' economies. However, it also points to a need for exploring two of the urban areas in much greater detail. Accordingly, the paper undertakes an in-depth examination of Charlotte and Charleston. We conclude by offering thoughts on what the future might hold for the Carolinas' cities—in the short term and in the long term.

CAROLINA CITIES

The previous section demonstrated how the Carolinas have remained comparatively rural throughout the past century. In this section we take a closer look at how the populations of individual cities in the Carolinas have changed over time. Table 1 shows the population rankings for select Carolina cities from 1790 until 2010. Several trends are immediately apparent. Being located on or near the coast played a particularly important role in determining city size before the Civil War. In 1820 only one city in North Carolina, New Bern, cracked

1. The definition of what constitutes an "urbanized area" has evolved over time. However, the Census Bureau began using something close to the current definition in 1910. Today, people are classified as living in an urban area if they live in either an urbanized area (UA) or an urban cluster (UC). A UA is a densely populated area with population greater than 50,000, and a UC is a densely populated area with population between 2,500 and 50,000. For more detailed information, please consult: https://www.census.gov/programs-surveys/geography/about/faq/2010-urban-area-faq.html.

2. This ranking treats all of the territories in 1910 (Arizona, New Mexico, Alaska, and Hawaii) as if they were already states. In 1910 both Alaska and New Mexico had a lower percentage of residents living in urban areas than did either of the Carolinas.

the top fifty on the list of largest US cities. New Bern had served as the capital of the colony from 1743 until 1792, it is located on the Neuse River, and it is approximately fifty to sixty miles from open water in the Atlantic Ocean. However, the Neuse River has only "natural depths of 13 feet or more" for the first twenty-five miles above its mouth (NOAA n.d.). This eventually made it difficult for large ships with deep drafts to access the city of New Bern. In 2018 New Bern was a city of only thirty thousand residents.

In the antebellum period, the only other cities from North Carolina appearing on the list of the one hundred largest US cities included Raleigh, Fayetteville, and Wilmington. Raleigh and Fayetteville served as important inland cities for North Carolina—as the state capital and an important commercial city on the Cape Fear River, respectively—during and immediately after the American Revolution. Wilmington, as North Carolina's most important port city, retained its position on the list until the start of the Civil War.

In the postbellum period, North Carolina's railway network finally began to expand. Between 1880 and 1900 the network doubled in size as it went from 1,660 miles to 3,380 miles of track (Ready 2005, p. 274). Historian Milton Ready (2005, p.273) notes the strategic importance of the expanding railway network in North Carolina: "Over 70 percent of the state's freight and transshipments went north and south through Greensboro and Charlotte . . . the state's prosperity depended upon developing the towns as well as tobacco and textile industries along the route." As Southern entrepreneurs realized that cotton could be processed profitably in the South, textile mills popped up throughout the Piedmont. Historian Tom Hatchett notes that by 1920, the Piedmont of the Carolinas had "surpassed New England to become the nation's top cotton manufacturing district" (Hatchett n.d.).

The emergence of textile mills—along with furniture factories and tobacco-processing plants—resulted in a rather atypical pattern of urbanization. Instead of one or two cities emerging as industrial giants, North Carolina developed a constellation of large towns and small cities. Each of these urbanized areas played an important role in the North Carolina economy, yet no single city came to dominate the state the way that Detroit would come to dominate Michigan's economy or Cleveland would come to dominate the economy of northern Ohio. Ultimately, this development pattern left the state without a representative in the list of the one hundred largest US cities until 1940. In the decades since World War II, North Carolina has finally witnessed the emergence of a handful of cities that appear to be firmly entrenched in the top one hundred. Charlotte is the state's largest city, with 872,000 residents (as of 2018), but Raleigh is also in the top fifty, with more than 469,000 residents (US Bureau of the Census n.d.). Moreover, Greensboro, Winston-Salem, and Durham have also cracked the top one hundred. Each city has between 245,000 and 295,000 residents and finds itself ranked eighty-seventh or higher in the national rankings (US Bureau of the Census n.d.).

South Carolina's pattern of urbanization looks somewhat different from that of North Carolina. As shown in table 1, Charleston was one of the largest cities in the United States during the nation's first fifty years of

Table 1: Carolina Cities Appearing in the List of 100 Largest US Cities, 1790—2010.

STATE / CITY	1790	1800	1810	1820	1830	1840	1850	1860	1870	1880	1890	1900	1910	1920	1930	1940	1950	1960	1970	1980	1990	2000	2010
NORTH CAROLINA																							
Charlotte	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91	70	59	60	47	35	26	18
Durham	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87
Fayetteville	-	-	-	51	86	98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Greensboro	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100	96	-	88	78	70
New Bern	-	-	-	48	72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Raleigh	-	-	-	59	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75	63	43
Wilmington	-	-	-	60	73	76	99	100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Winston Salem	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84
SOUTH CAROLINA																							
Charleston	4	5	5	6	6	10	15	22	26	36	53	68	90	-	-	-	-	-	-	-	-	-	-
Columbia	-	-	-	-	78	95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

existence. And, at the outbreak of the Civil War, Charleston was still one of the 25 largest cities in the United States. Charleston would eventually leave the top 100 at the beginning of the twentieth century, and today there isn't a single city in South Carolina that is among the 200 largest cities in the United States (US Bureau of the Census n.d.). Columbia is the only other South Carolina city to have appeared—in 1830 and 1840—on the list of the 100 largest cities in the United States. Today, Columbia is the state's 2nd-largest city and the 201st-largest city in the nation (US Bureau of the Census n.d.).

The data in table 2 show that most of the residents of the Carolinas living in urban areas are not residing in large cities. Rather, the pattern in the data reinforces the idea that what has emerged is a constellation of urban places and urban clusters. For example, the Raleigh-Durham area contains Raleigh, Durham, and Cary, but Burlington and Chapel Hill, urban areas of approximately 50,000 residents that do not appear in table 2, are also close by. Winston-Salem, Greensboro, and High Point form the state's "Triad." Taken together, these three cities contain nearly 700,000 residents. Moreover, the Triad's largest city—Greensboro—is nearly as

Table 2. Population of the Largest Cities in the Carolinas, 2018.

STATE / CITY	2018
North Carolina	
Charlotte	872,498
Raleigh	469,298
Greensboro	294,722
Durham	274,291
Winston-Salem	246,328
Fayetteville	209,468
Cary	168,160
Wilmington	122,607
High Point	112,316
Concord	94,130
Greenville	93,137
Asheville	92,452
South Carolina	
Charleston	136,208
Columbia	133,451
North Charleston	113,237
Mount Pleasant	89,338
Rock Hill	74,309
Greenville	68,563

large as the city of Cincinnati. (Greensboro has 294,000 residents, and Cincinnati has 302,000 [US Bureau of the Census n.d.]). However, a visit to each of the cities would leave one with the clear impression that Cincinnati was the true city. Cincinnati has a downtown core that contains a collection of high-rise buildings, two professional sports stadiums, and a recently redeveloped riverfront park. Greensboro has a much smaller downtown with fewer skyscrapers and a minor league baseball team. Appearances aside, Greensboro's population grew by more than 10 percent between 2010 and 2018. Cincinnati failed to grow by even 3 percent over the same time period. Thus, while the Triad may not possess the downtown core that we associate with larger cities of the North and Midwest, it remains a vibrant urban area that serves as an economic engine for the state's Piedmont. In fact, the Triad is sufficiently urban to have once been considered for a Major League Baseball team (Mollerus 2017).

South Carolina's urban areas have developed in a similar manner, though that is not immediately obvious when glancing at table 2. While the Charleston area (Charleston, North Charleston, and Mount Pleasant) has a combined population of nearly 350,000, it ranks third in the state in population density, behind Greenville County and Richland County. The city of Greenville is the urban area at the heart of Greenville County. While the city contained only 68,000 residents as of 2018, Greenville County had a population of nearly 525,000, which makes it the most densely populated part of the state. The city of Columbia is the urban area at the core of Richland County, and Columbia's population of nearly 134,000 represents more than a quarter of Richland's total population of 425,000 (US Bureau of the Census n.d.).

Finally, it is important to note that the Charlotte metropolitan area contains urban areas and urban clusters on both sides of the North Carolina–South Carolina border. Among North Carolina cities, Charlotte and Concord appear in table 2 and Gastonia and Huntersville narrowly missed appearing in the table, with populations of 77,000 and 57,000 respectively. Rock Hill is situated just south of the state line, and it has nearly 75,000 residents.

While many cities have played a critical role in developing the Carolinas' economies, in the remainder of this paper we more comprehensively examine two of the most important: Charlotte and Charleston.

CHARLOTTE

Charlotte is a city of contradictions. As shown in table 3, it has grown tremendously over the past seventy years; moreover, many of the city's residents are prosperous. The

Table 3. Population - Charlotte, Raleigh, Charleston, and Columbia

STATE/CITY	1940	1950	1960	1970	1980	1990	2000	2010	2018
Charlotte	100,899	134,042	201,564	241,420	315,474	395,934	540,828	738,534	872,498
% change		32.58	50.37	19.77	30.67	25.50	36.60	36.56	18.14
Charleston	71,275	70,174	60,288	66,945	69,779	80,414	96,650	120,911	136,208
% change		-1.54	-14.09	11.04	4.23	15.24	20.19	25.10	12.65

city's median household income of $60,886 stands above US median household income ($60,293) and well above North Carolina's median household income ($52,413) (US Bureau of the Census n.d.). Yet many of the city's residents grow up in poverty and never escape it. Harvard economist Raj Chetty's recent work ranked Charlotte dead last among major U.S. cities in its least well-off residents' ability to climb the ladder of socioeconomic well-being. The residents at the bottom of the socioeconomic ladder in Charlotte are concentrated in a select group of neighborhoods, and the residents of these neighborhoods are overwhelmingly African American (Chetty et al. 2014). It is a cruel twist of fate that many of the residents of Charlotte's African American community suffer in these conditions when in the 1960s Charlotte received national attention for its "peaceful implementation of desegregation" (Lassiter 2010, p. 29). In fact, Charlotte's business leaders once admitted that their desire to promote economic growth in the city necessitated their "moderate stance on race relations" (Lassiter 2010, p. 29). In order to better understand how Charlotte has become a city of contradictions in the twenty-first century, we begin by discussing Charlotte's roots as a small town in an "unexceptional location" (Graves and Smith 2010, p. 1).

Charlotte, named after the English queen Charlotte (the wife of King George III), was chartered in 1768. Settled on a ridge that served as part of a Native American trading route, Charlotte was a very small town that nonetheless served as a "hornet's nest" of colonial rebellion during the Revolutionary War (Hatchett n.d.). In their 2010 volume *Charlotte, NC: The Global Evolution of a New South City*, geographers William Graves and Heather Smith describe Charlotte's location as "unexceptional" because it is not on the coast nor located on a major waterway of any kind. Charlotte's slow growth in the early national period can surely be attributed to its location.

In the decade leading to the Civil War, Charlotte had grown to a population of one thousand residents, and railroad connections linked Charlotte to Raleigh, North Carolina, and Columbia, South Carolina. Charlotte's population grew rapidly during the Reconstruction era. By 1880 the city had more than seven thousand residents and was located on the Southern Railroad, which linked Atlanta and Washington, DC. Charlotte's lack of access to navigable waterways was no longer a major obstacle to the city's growth (Hatchett n.d.).

The foundation for the modern economy in Charlotte was established in the second half of the nineteenth century. Charlotte's position on the Southern Railway line led it to play a role as an important transshipment point. Moreover, as described earlier in the paper, the textile industry had blossomed in the Carolina Piedmont as entrepreneurs realized there was profit to be made by producing textiles locally. By the turn of the century, more than half of the looms in the South were located within one hundred miles of Gastonia, Charlotte's neighbor just twenty-three miles away (Goldfield 2010, p. 12). The strength of the textile industry led to the emergence of another industry that has come to dominate the Charlotte economy in the twenty-first century: banking. Piedmont farmers and merchants provided the capital for the region's first banks, which, in turn, offered funds to the entrepreneurs in Piedmont towns at more favorable rates than those offered by Northern banks. Charlotte cemented its place in the banking community in 1927 when, surprisingly, it was selected as a site for a branch bank of the Federal Reserve. (Conventional wisdom had identified Columbia, South Carolina, as the most likely landing spot for the branch [Goldfield 2010, p. 13].)

In his essay "A Place to Come To," historian David Goldfield lays out the many challenges that Charlotte faced as it looked toward the future when World War II ended. The city possessed a strong economic foundation based on textiles, manufacturing, transportation, and banking, but it lacked a major research university and it suffered from the perception that it was a backward Southern city. Charlotte's community leaders made every effort to portray Charlotte as a city that had peacefully integrated and that had been spared the violence found in Little Rock, New Orleans, or Birmingham (Goldfield 2010, p. 17). While the desegregation of schools only took place after the landmark court case *Swann vs. Charlotte Mecklenburg School Board* (1971), Charlotte's experience with school desegregation was surprisingly successful and received attention from the national news media (Goldfield 2010, p. 16).

Charlotte's population growth from 1940 to 1980 shows that community leaders enjoyed a good deal of success in making Charlotte "a place to come to." Nonetheless, Charlotte's economy was about to undergo a seismic change. North Carolina was one of only nine states in the country that did not limit branch banking after the Great Depression. This regulatory environment allowed Wachovia (based out of Winston-Salem) to become the largest bank in the South in the 1950s, a position that Charlotte's North Carolina National Bank (NCNB) would take over in 1972 (Graves and Kozar 2010, p. 88). Federal regulation prohibited interstate branching after the Depression, but NCNB's chairman, Hugh McColl, found a loophole that allowed him to acquire First National Bank of Lake City, Florida, in 1982. Within five years McColl spearheaded an effort to form a cooperative agreement among banks in the Southeast, and the agreement paved the way for interstate banking in the Southeast. Eventually, deregulation in 1994 allowed for widespread interstate branch banking (Graves and Kozar 2010, p. 89). Charlotte would emerge as the nation's second-largest banking city (as measured by bank assets).

As Charlotte grew to be a national powerhouse in banking and finance, the city's population continued to explode. The city's population increased by 36 percent in the 1990s and then again by 36 percent in the 2000s. Urban growth was fueled by the rise of the banking industry, but other industries and firms found their home in Charlotte too. By the 2010s Charlotte's major employers included Lowe's (with a corporate campus just north of the city in Iredell County), Novant Health Care, Atrium Health Care, American Airlines, Duke Energy, and Harris Teeter.

Unfortunately, Charlotte's prosperity has not filtered down to all of its residents. Southeastern Charlotte's population has become increasingly white, and this section of the city has witnessed an increase in population density.[3] Median household income for this segment of the city is now two to four times higher than median household income in the predominantly African American communities that have formed or expanded on the city's north and west sides, an area of Charlotte that is frequently referred to as the crescent.[4] Many of these census tracts are now over 90 percent African American, and

3. We identified these patterns and accessed the census data mentioned in this paragraph using Social Explorer at https://www.socialexplorer.com/explore-maps.

4. The crescent specifically refers to a band of census tracts stretching from West Charlotte to north of Uptown and over to the near northeast side of the city.

these census tracts have some of the city's lowest-income residents. While segregation and limited economic opportunities for African Americans are problems that are widespread in the United States, Charlotte faces a more serious problem than the data might suggest. As we discussed in the opening paragraphs of this section, Harvard economist Raj Chetty's work on economic mobility suggests that Charlotte is an especially tough place in which to grow up at the bottom of the economic ladder. A careful look at data presented by Badger and Bui (2018) shows that children who grow up in poverty in one of the census tracts in the crescent can expect to live in households (as adults) that will earn income in the range of $17,000 to $22,000. This stands in stark contrast to a child who grows up in poverty in the southeastern part of Charlotte. A child from one of these census tracts can expect to grow up and live in a household that will earn $38,000 to $59,000 a year. In the years to come, one of Charlotte's greatest challenges will be to find a way to ensure that prosperity is attainable by all of its citizens—not just those who are fortunate enough to be born in the right neighborhood (Badger and Bui 2018).

CHARLESTON

The Lowcountry played an important role in colonial South Carolina's prosperity. In the early nineteenth century, South Carolina's trade network was largely based on trade in locally produced or imported commodities (furs, indigo, rice, and cotton), a natural harbor, and intracity transportation facilities (Moore 1979). The Civil War dealt a severe blow to South Carolina's economic prosperity as banking capital, property values, and tax revenues all fell sharply.

In the years following the Civil War, Charleston was the largest urban coastal city in the South, and the harbor was capacious enough to handle up to two hundred cargo vessels; besides, one-tenth of the nation's cotton crop was shipped out of Charleston. However, the industrial and technological revolution in the Northeast dealt further blows to the economy of Charleston (Moore 1979). In particular, three factors played a significant role in the decline of the city's economy.

Cotton production in South Carolina increased dramatically, from 225,000 bales in 1869–70 to just under 750,000 bales in 1889–90, and the number of cotton mills nearly tripled from twelve to thirty-four. However, over the same period, the portion of the US cotton crop that was processed in Charleston dropped from 11.5 percent to approximately 5.7 percent. Moreover, agricultural economic fortunes, now tied to a single crop, worsened when cotton prices began falling from 21 cents per pound in 1869–70 to under 7 cents in 1891–92 (Moore 1979).

Postbellum railroad development in South Carolina was characterized by undercapitalization and mismanagement, and several attempts to connect Charleston to the expanding markets in the West collapsed and failed to improve Charleston commerce (Jaher 1982). Railroad reorganization thereafter did not bring much benefit to Charleston, and ever-increasing proportions of cotton cloth and yarn were being transported by rail rather than by water. The value of foreign and domestic commerce routed through Charleston Harbor fell from $75 million in 1882 to $29.5 million in 1901. Merchandise trade going through the Port of Charleston fell from 5.6 percent of total US exports in 1856 to 0.2 percent in 1908 (Moore 1979).

Charleston lacked a manufacturing base well into the early twentieth century. Charleston's port was primarily geared toward moving bulk cargo, and in the absence of a strong manufacturing base, economic prosperity in Charleston was largely dependent upon cotton farming in the interior of the state. Ultimately, a manufacturing boom propelled by the textile industry in the Piedmont failed to have a major impact on Charleston, and the city's economy stagnated. Upcountry towns emerged as commercial centers in the last quarter of the nineteenth century, and collective effort to promote town building became an important concern for the affluent town merchants. Ford (1984) argues that "boosterism"—railroad expansion, building textile mills, improved school systems, electrification infrastructure, and other efforts to accelerate the towns' economic growth and development—became a critical element of a town merchant's civic duty. Between 1880 and 1910, over 80 percent of the largest one hundred textile firms in the state were located in the Upcountry, most of them in the upper Piedmont.

By comparison, Charleston lagged behind other maritime centers in every area of commercial capitalism. Jaher (1982) argues that the limited railroad network, which, expanded by further entrenching the plantation economy through increased cotton shipments, inhibited the development of an industrial base and the diversification of the economy. The city aristocracy's hostility and indifference to industrialism also played a role.

However, in the late nineteenth century and early twentieth century, Charleston's economy was strengthened by the US government's desire to transform it into a significant military base. In 1885, as part of a national coastal-defense system, Congress budgeted $3.4 million for the defense of Charleston Harbor. This brought a permanent army garrison to Charleston, and, soon thereafter, the Spanish-American war made Charleston a candidate for a naval base in the South. By 1908, the US Navy had moved the Port Royal Station to Charleston, and by 1910, the naval station's annual payroll in Charleston amounted to over half a million dollars (Moore 1979). The outbreak of World War I brought additional coastal-defense projects, which solidified the city's economic links between the navy and the rest of the economy.

By 1941 the navy was the largest industry in Charleston (third largest in the entire state), bringing in more than $10 million per year to the city. During World War II, Charleston was receiving 80 percent of all federal defense appropriations for South Carolina. The spillover effects of the massive injection of federal money into the local economy were primarily in the form of services auxiliary to the navy: hospitals, housing units for staff, new docks and railroads, schools in military neighborhoods, and airports. By the 1960s, a substantial part of economic activity in various sectors of the local economy served, in one way or another, a large web of federal facilities that accounted for a third of the area's personal income (Moore 1979). Federal expenditures also brought to Charleston permanent port facilities and an improved regional transportation system. In the twenty-first century, Joint Base Charleston (a fusion of Charleston's naval and air force bases that was created in 2010) is the largest employer in Charleston County (Charleston County, SC n.d.).

While the US military remains a major employer in Charleston, several other sectors of the economy have succeeded in the post–World War II period. In the public sector, Charleston's second-biggest employer is the Medical University of South Carolina, one of four medical schools in the state (Charleston County, SC n.d.). In the private sector, manufacturing and health care are the two sectors with the most employees. Boeing and Mercedes-Benz are the largest employers in the manufacturing sector while Roper St. Francis and Trident rank first and second in the health care industry (Charleston County, SC n.d.). What obviously is missing from this discussion is employment in the service sector. While only one employer in the hospitality industry (The Kiawah Island Resort) ranks in the top ten employers in Charleston County, the accommodation-and-food-services industry ranks just behind the health care services industry by number of employees in the county (SC Department of Employment & Workforce 2020). Charleston is the home to dozens of hotels and restaurants, many of which are considered world class. Indeed, Charleston had six James Beard Award semifinalists in 2020, double the number of nominations of much larger cities such as Charlotte, North Carolina (Infante 2020).

Charleston's hospitality industry can trace the roots of its extraordinary success to the city's longstanding commitment to preserving its history. Dating all the way back to Susan Pringle Frost's pioneering effort in 1920 to save the Manigault House (built in 1802), Charleston has spent nearly a century trying to preserve the structures—and charm—that attract millions of tourists each year (Preservation Society of Charleston n.d.). Instrumental to the success in building Charleston's reputation as a tourist destination was the leadership of Joseph Riley. First elected in 1975 at the age of thirty-two, Riley served as mayor for four decades. During his tenure, Riley oversaw the construction of the city's visitor center, the riverfront park on the Cooper River, and the International African American Museum.

Today, Charleston is the largest city in the state. Its population has grown by more than 700 percent during the past two centuries, from 16,359 in 1790 to 136,208 in 2018. As shown in table 3, population growth over the past seventy years has been irregular. After a brief period of decline between 1940 and 1960, Charleston has experienced sustained growth for more than fifty years. With growth in population, Charleston's demographic profile has also changed. In line with the nationwide trend, household size has declined from around 3.5 in 1960 to 2.18 in 2018. Meanwhile, the share of Charleston's population that is nonwhite is shrinking. Between 2000 and 2018, the share of white residents increased from 62.3 to 73.8 percent (US Bureau of the Census n.d.). Looking forward, Charleston will need to address the lack of economic mobility for its poorest residents, particularly those in the African American community. As in many other cities in the South, Charleston's children who grow up in poverty face dim prospects for economic success. Similar to what we witnessed in

Charlotte, children born into poverty in census tracts that are overwhelmingly African American can expect to live in households (as adults) that will earn between $19,000 and $23,000 annually. In contrast, a child born into a poor household located in one of the more affluent white census tracts can expect to live in a household earning approximately twice as much (Badger and Bui 2018).

CONCLUSION

When we started our research for this paper, the economies of North Carolina and South Carolina were thriving, with the unemployment rate in South Carolina below 4 percent and the rate in North Carolina below 5 percent. The coronavirus pandemic in 2020 has completely changed the economic outlook for each of these states and, of course, for the nation and the world. With US real GDP contracting at an annualized rate of 4.8 percent in the first quarter of 2020, it is difficult to predict what the short- and long-term consequences of the pandemic will be. Some economists are predicting that the US economy will contract at an annualized rate of 20 percent or more in the second quarter of 2020. The urban areas of the Carolinas will surely suffer as the economy contracts, but it seems equally certain that the pandemic will affect the Carolinas' cities differentially.

We anticipate that cities such as Asheville and Charleston will be especially hard hit by the recession induced by the pandemic. Asheville and Charleston's economies rely heavily on tourism, and since travel restrictions and stay-at-home orders dramatically reduce the demand for restaurant meals and hotel services, these cities and their workers are likely to suffer serious hardship. The effect of the pandemic on cities such as Charlotte, Columbia, and Raleigh seems less obvious. While the retail and restaurant and hospitality workers in these cities will suffer, the finance-industry employees in Charlotte and the state government and higher education employees may be insulated from the economic consequences of the recession in the short run. Yet if the pandemic causes a prolonged economic slump, we may see extensive layoffs throughout the public sector and the banking-and-finance industry in the private sector.

When the economy eventually recovers and returns to "normal"—whatever that may look like—it seems likely that the Carolinas' cities will continue to play an important role in driving economic growth. Indeed, the lower-density urban areas of the Carolinas may look like increasingly attractive options for firms that have been adversely affected by the pandemic in high-density cities in the North. What should be of particular concern for city leaders in the Carolinas is the ongoing struggle to offer opportunities for upward economic mobility.

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