




Government
Analytica

Top 12 Megatrends for Cities

A Megatrends Roadmap for *Regional Council of Mayors*

Dr. John Pournoor

A photograph of two horses running in a field of dry grass. The horse in the foreground is dark brown, and the one behind it is black. The image is slightly blurred to convey a sense of motion.

“Trends, like horses, are easier to ride in the direction they are going.”

John Naisbitt, who coined the word "megatrends"

U.S. Cities Profile

- ❑ 83% U.S. population lives in urban areas.
- ❑ Urban land area is 3% of total land area in the U.S.
- ❑ Urban housing units increase: 6.7% (2010-2020).
- ❑ 70% of global emissions from urban areas
- ❑ 14% of global emissions from urban transport.
- ❑ "Urban heat island effect," 1-7°F higher in cities.
- ❑ In large U.S. cities, 26% of land is parking lots.
- ❑ In 2018, U.S. metropolitan areas economies accounted for:
 - ❑ 91.1% of GDP,
 - ❑ 91.8% of wage income, and
 - ❑ 88.1% of jobs
- ❑ The median household income inside cities (MSAs) is \$73,823; outside cities it is \$53,750. Costs are higher in cities than outside



**Infrastructure &
Resources**

**Economic
Competitiveness**

**Governance &
Policy**

5 Clusters

**Innovation &
Sustainability**

**Demographics &
Social Change**

Top 12 Megatrends for Cities

Infrastructure & Resources

- Cities Put a Premium on Access to Their Infrastructure and Resources
- Cities Invest in Diversifying Transportation, Freight, Logistics, and Supply Chains to Build Stronger and More Resilient Urban Economies

Economic Competitiveness

- Cities Will Invest in Sectors with Strong Competitive Advantages
- Production Will Migrate to Cities with Lower Cost and Higher Political Stability

Governance & Policy

- City Relations with Other Urban Areas Will Be Bipolar, Swinging Between Ideology and Pragmatism
- City Policies Will Remain Influenced by Political Ideology as Much as Pragmatism

Demographics & Social Change

- Changes in Demographics and Related Generational Expectations Will Reshape the City's Political Landscape
- Politics, Climate Impact, and Economic Opportunity Fuels Waves of Migration to and from Cities

Innovation & Sustainability

- Utilitarian Policy Will Shape a Growing Portion of City's Economic Strategies
- City's Demographic Differences, Labor Shortages, and Rising Costs Accelerate Innovation, Invention, and Adoption of New Technologies
- City Policies and Public Discourse Are Influenced by the Information Its Citizens Consume
- Urban Influence on a Regional, State, or National Scale Is Powered by the Strength of a City's Economy, Its Sought-After Commodities, or Its Strategic Geography

Public Value Drivers

- **Self-Reliance:** Emphasize leveraging local resources and strengths, minimizing dependence on external funding.
- **Efficiency:** Each trend focuses on cost-effective solutions that align with fiscal constraints.
- **Long-Term Impact:** These trends support sustainable growth, ensuring cities remain competitive and resilient despite funding challenges.



Global Economy

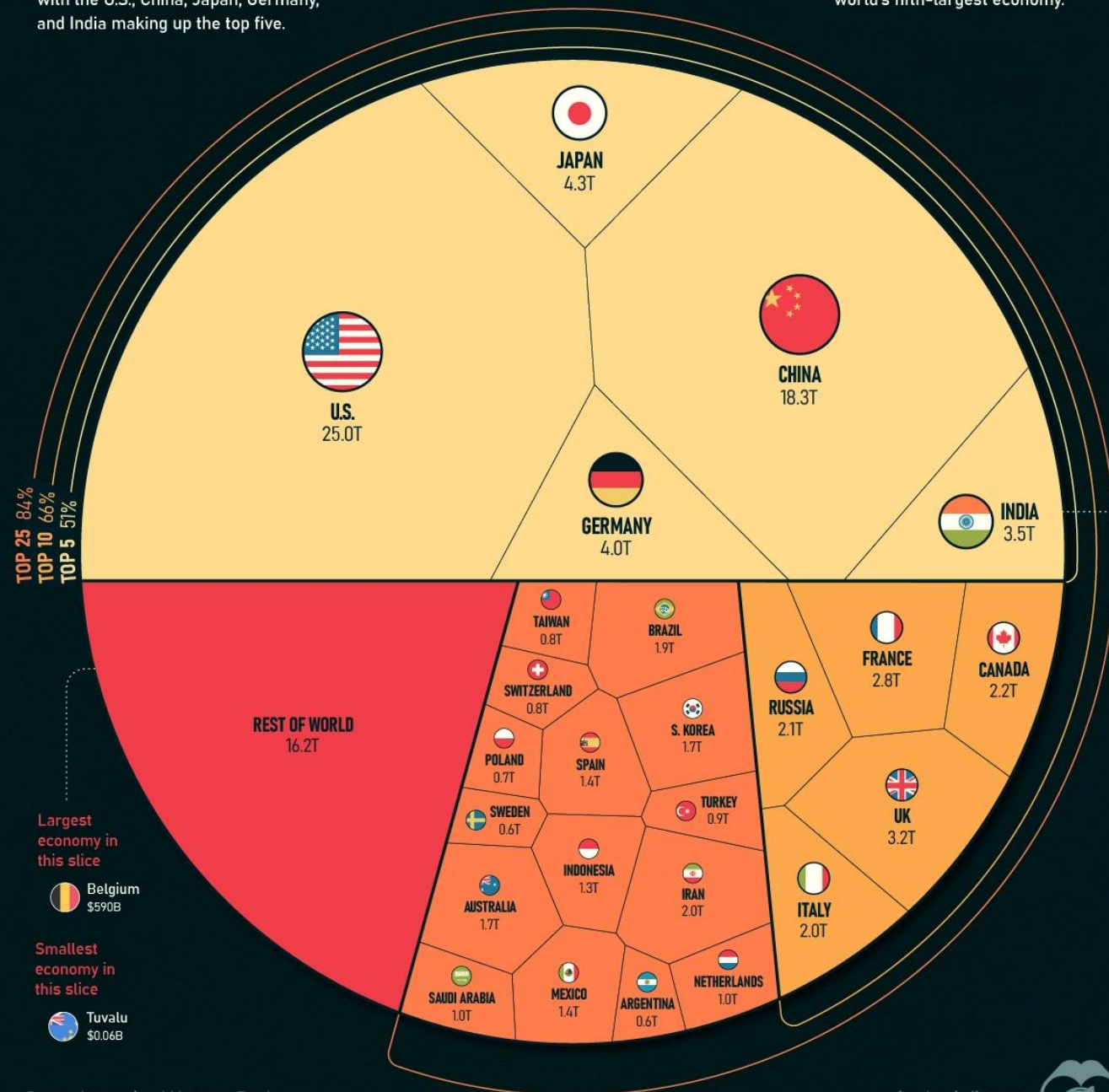
\$102 trillion

SOURCE: Visual Capitalist from IMF Data

The majority of global economic activity comes from just a handful of countries, with the U.S., China, Japan, Germany, and India making up the top five.

Share of the \$101.6 trillion global GDP, by country (2022)

In 2022, India overtook the United Kingdom to become the world's fifth-largest economy.



Source: International Monetary Fund

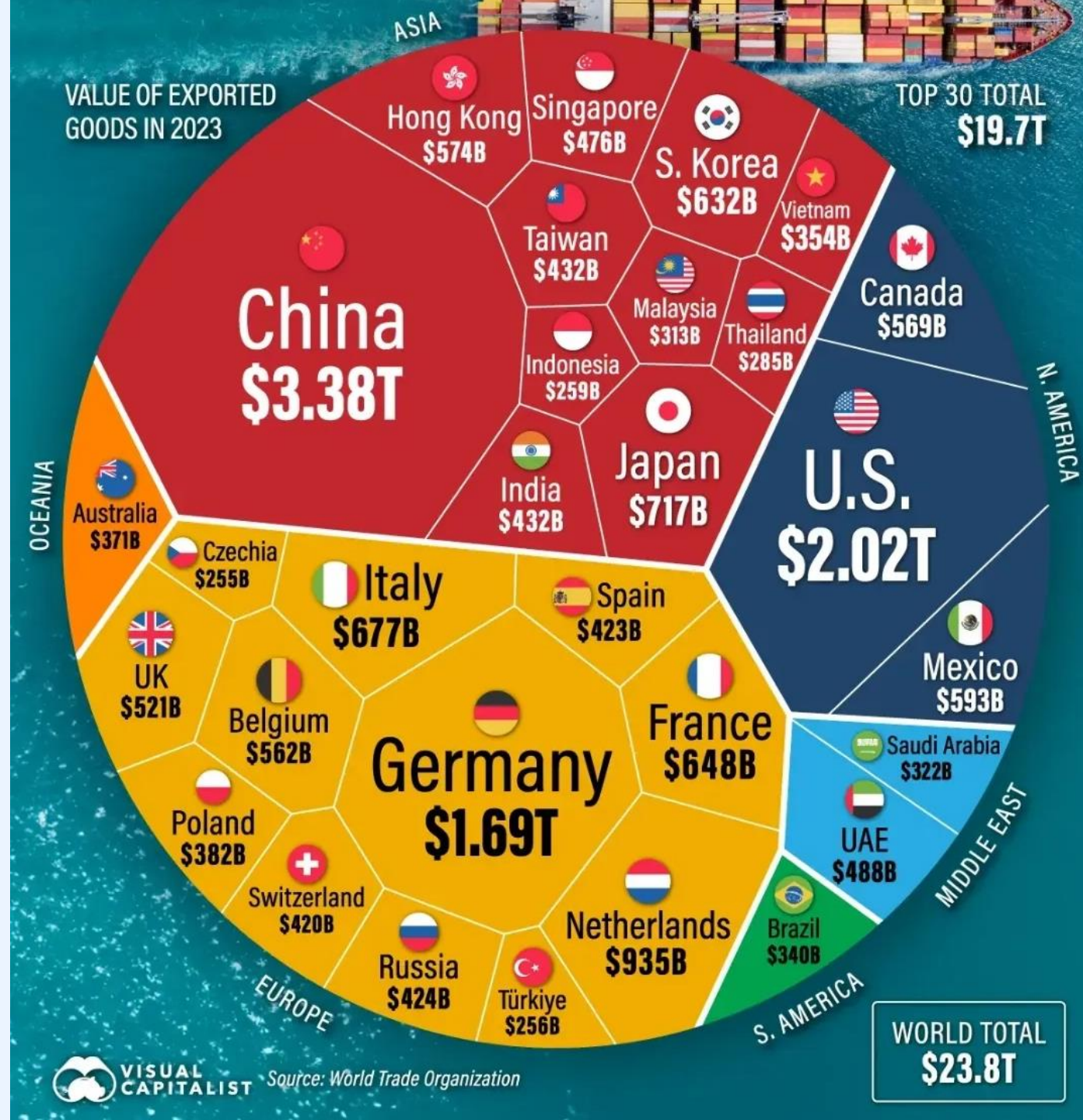
visualcapitalist.com



Global Trade

\$24 trillion In Goods

SOURCE: Visual Capitalist from IMF Data



Global Economy 2050

\$228 trillion

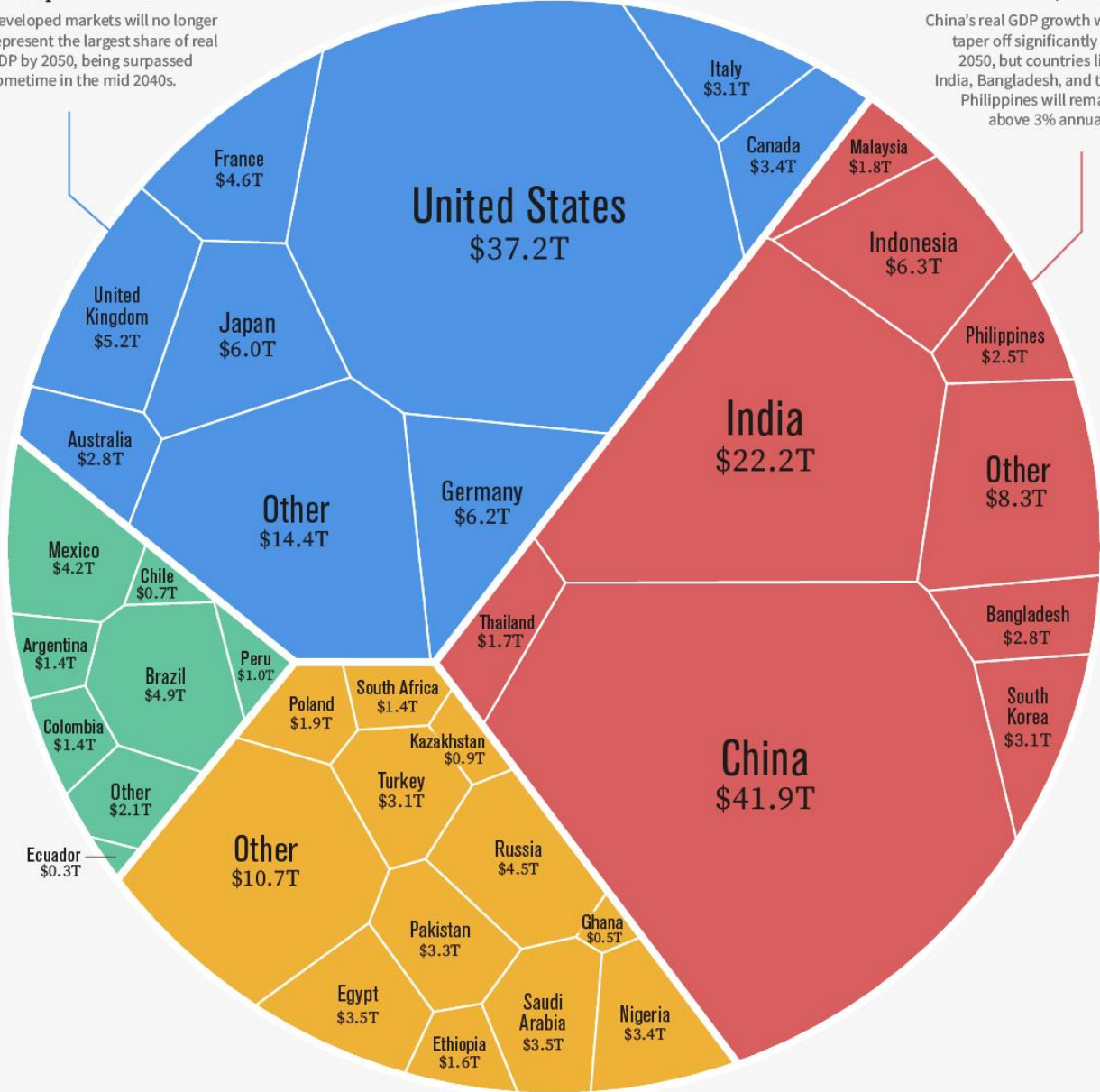
SOURCE: Visual Capitalist from Goldman Sachs

Developed Markets

Developed markets will no longer represent the largest share of real GDP by 2050, being surpassed sometime in the mid 2040s.

Asia (ex DM)

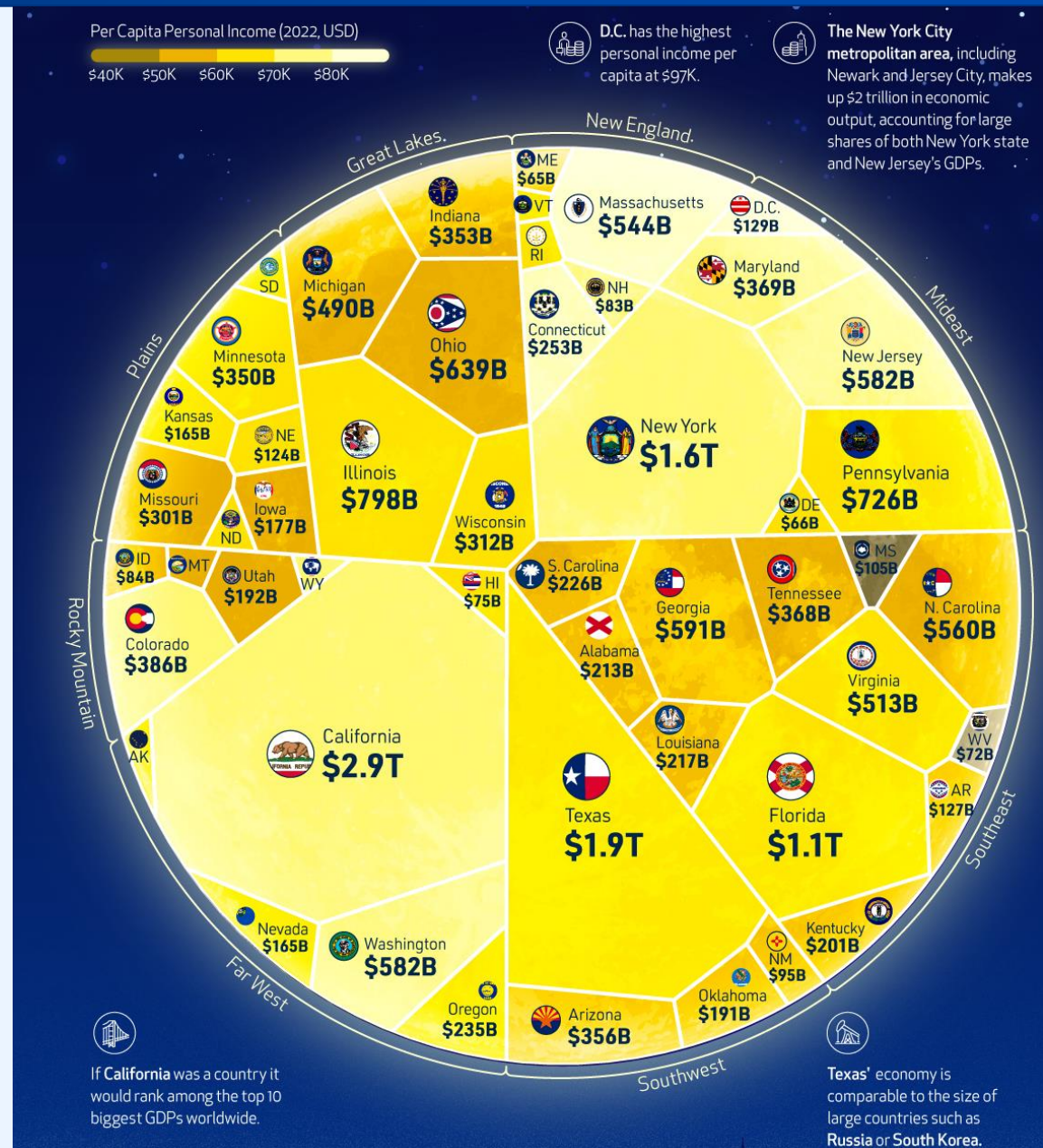
China's real GDP growth will taper off significantly by 2050, but countries like India, Bangladesh, and the Philippines will remain above 3% annually.



How do we compare in the U.S.

Are we growing fast enough to keep our ranking?

SOURCE: Visual Capitalist from Goldman Sachs



Minnesota from 2025-2050

The first 25 years of this century just ended!

What is our runway to get to where we want to in 2050:

- 6 presidential elections
- 25 annual congressional budgets
- 12 Minnesota Biennium Budgets



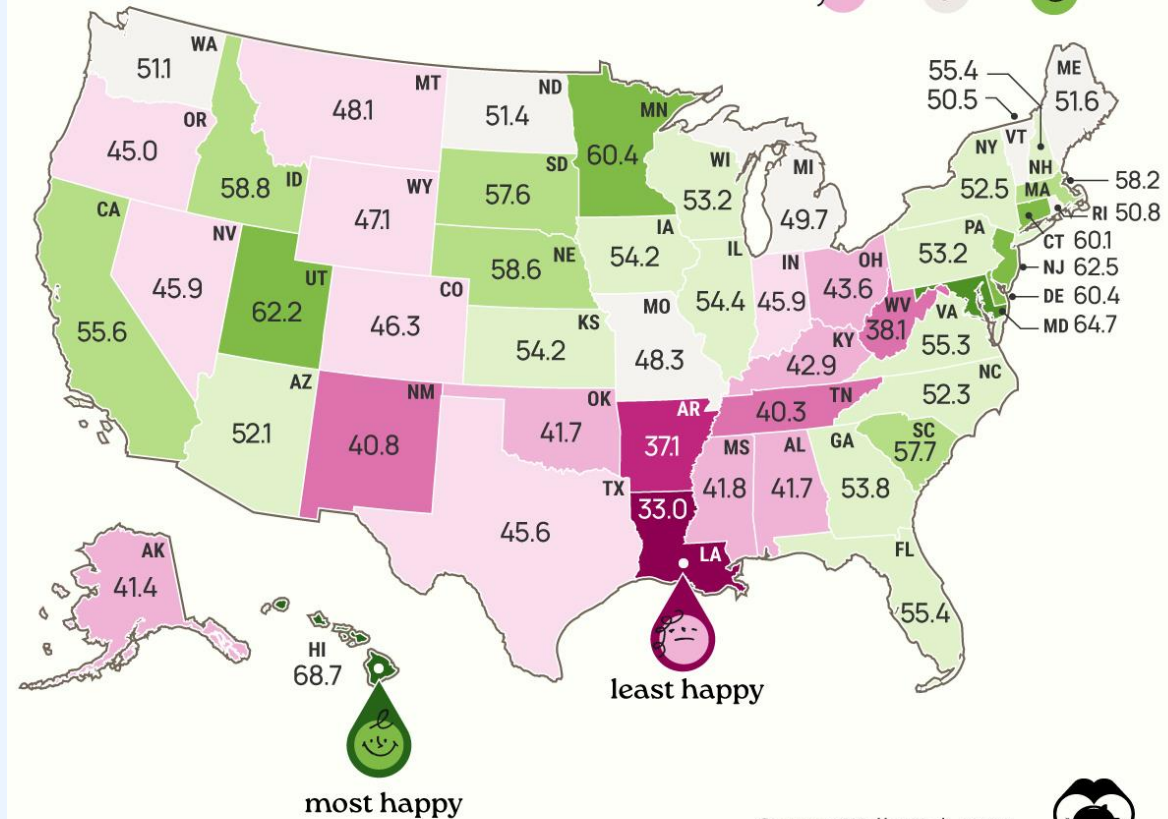
We Are Happy in Minnesota

america's happiness

by state in 2024

Scores are on a scale of 0-100, using 30 metrics including:

- life expectancy
- ideal weather
- # of hours worked



Source: WalletHub, 2024

Headwind:

**Leaner
Budgets**



Megatrend: *City Policies Will Remain Influenced by Political Ideology as Much as Pragmatism*

Connection: Lean budgets moves the needle towards pragmatic policymaking that focuses on cost-effectiveness rather than ideological goals when more generous funding is available.



Megatrend-Driven Actions

1. Investments should target **multi-purpose infrastructure** that serves both immediate needs and future demands, such as smart utilities and shared mobility networks.
2. Supporting startups, small businesses, and **industry clusters** can maximize economic output with relatively low costs compared to large-scale development projects.
3. Leveraging **incentives** for green projects matching the funders criteria allows cities to achieve more with less financial burden on local budgets.
4. Emphasizing **digital transformation** can reduce operational costs, improve service delivery, and enhance citizen engagement with limited resources.
5. Engaging the **private sector, nonprofits, and community groups as partners in delivering public services** can mitigate the effects of budget constraints.

Megatrend: *Cities Invest in Diversifying Broadband, Transportation, Freight, Logistics, and Supply Chains*

Connection: Lean budgets require using funding to increase the tax base and becoming more inviting to businesses and new residents. Businesses need access to markets to move their products and services.



Megatrend-Driven Actions:

❑ Energy Efficiency Programs

- Retrofitting public buildings with energy-efficient systems and promoting renewable energy adoption to reduce long-term costs and enhance economic resilience.

❑ Transportation Optimization

- Investing in multi-modal transport systems, including public transit, bike-sharing programs, and digital traffic management platforms, to improve mobility and support economic activity.

❑ Digital Transformation for Public Services

- Implementing smart city technologies like IoT-enabled infrastructure and digital payment systems to enhance service delivery, reduce administrative costs, and engage citizens more effectively.

❑ Workforce Reskilling Initiatives

- Collaborating with educational institutions and local businesses to retrain workers for emerging industries like green tech, healthcare, or AI-driven jobs, ensuring a strong talent pipeline for city growth.

❑ Public-Private Partnerships (PPPs)

- Engaging private-sector partners to co-fund critical infrastructure projects such as transit systems, affordable housing, and broadband expansion, maximizing public value while minimizing city expenditure.

Megatrend: *Cities Will Invest in Sectors with Strong Competitive Advantages*

Connection: By focusing on sectors where they already have an advantage—such as Ag, MedTech, mining, energy, manufacturing etc. — cities can create jobs, attract investments, and strengthen their tax base.

Megatrend-Driven Actions

❑ Technology and Innovation Clusters

- Cities leverage innovation hubs and partnerships to foster growth in high-tech sectors like AI, MedTech, and software development.

❑ Creative, Tourism, Hospitality and Cultural Industries

- Capitalize on their unique cultural assets to attract tourism, generate revenue, and enhance global branding. Targeted investment in hospitality and destination marketing boosts visitor numbers and supports local economies.

❑ Reskilling, Education and Talent Development

- By strengthening educational institutions and workforce training, cities ensure a steady pipeline of skilled talent for key industries.

❑ Logistics and Distribution

- Strategic infrastructure improvements turn cities into critical hubs for freight, e-commerce, and supply chain operations..

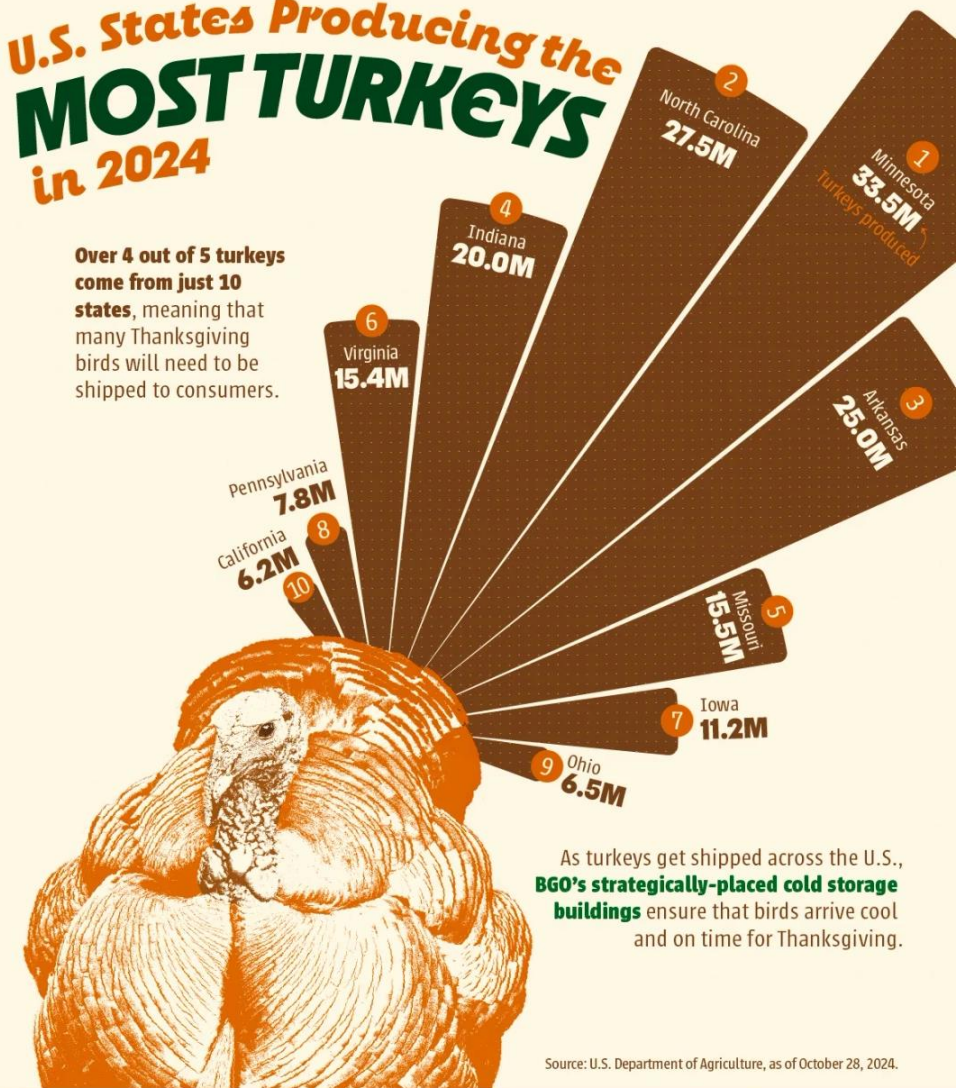
❑ Business Attraction Incentive Programs

- Cities design targeted incentive packages—such as tax breaks, grants, and infrastructure support—to attract businesses, foster job creation, and boost economic development.

One of Our Ag Advantages

U.S. States Producing the MOST TURKEYS in 2024

Over 4 out of 5 turkeys come from just 10 states, meaning that many Thanksgiving birds will need to be shipped to consumers.



As turkeys get shipped across the U.S., **BGO's strategically-placed cold storage buildings** ensure that birds arrive cool and on time for Thanksgiving.

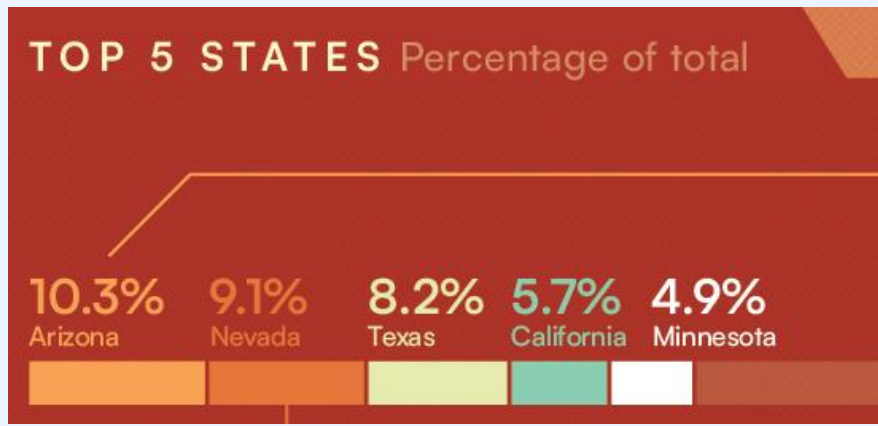
Source: U.S. Department of Agriculture, as of October 28, 2024.



Learn what's moving the markets in **The Chief Economist** newsletter



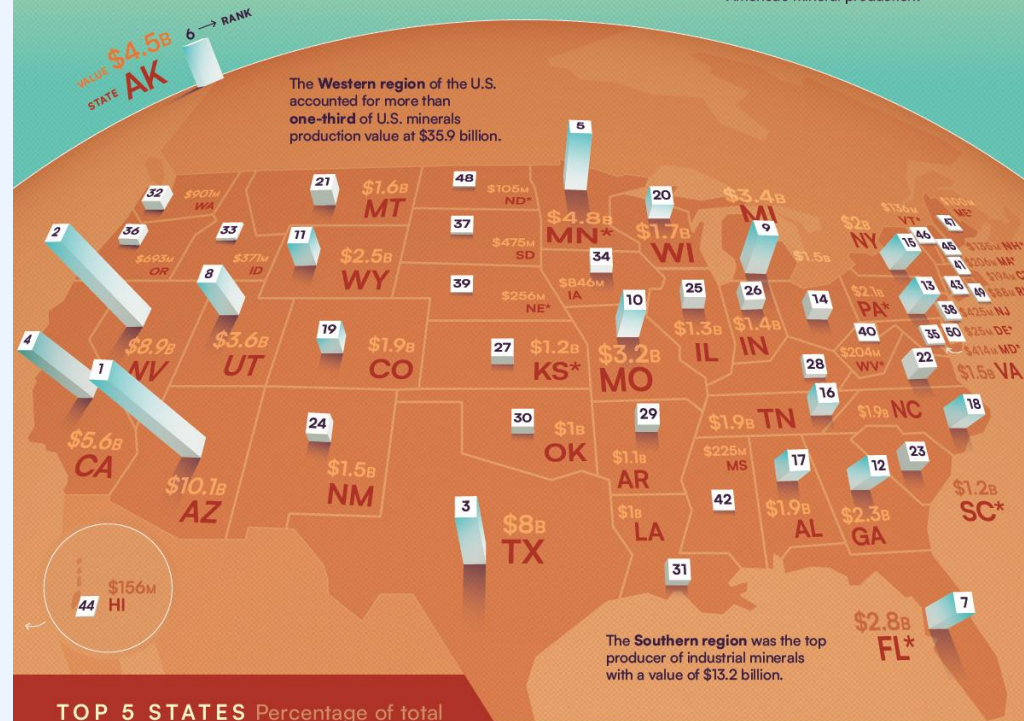
Mineral Production



U.S. STATES RANKED BY THE VALUE OF THEIR MINERAL PRODUCTION

The U.S. generated more than \$98 billion of nonfuel mineral commodities in 2022.

Which states contributed the most to America's mineral production?



TOP 5 STATES



Nevada remains the nation's top producer of gold and silver, along with being the only lithium-producing state.

*The value of these states is a partial total which excludes withheld values by the USGS to avoid disclosing company, proprietary data. Rankings remain unaffected, which is why some states may rank higher than others despite having a lower value. The total value of undisclosed mineral production is \$4.21 billion. Source: USGS

Top 50 Science+Tech Clusters

i Clusters are ranked by their combined share of international patent applications and scientific publications.*

NUMBER = TOP 50 RANK



U.S.

The first American cluster on the list, the San Francisco Bay Area, is home to major tech companies such as Adobe, eBay, Google, and PayPal.



CHINA

Every Chinese cluster rose in the rankings compared to last year, with only one (Beijing) falling by one place. China has also overtaken the U.S. as the country with the most clusters in the top 100.

JAPAN

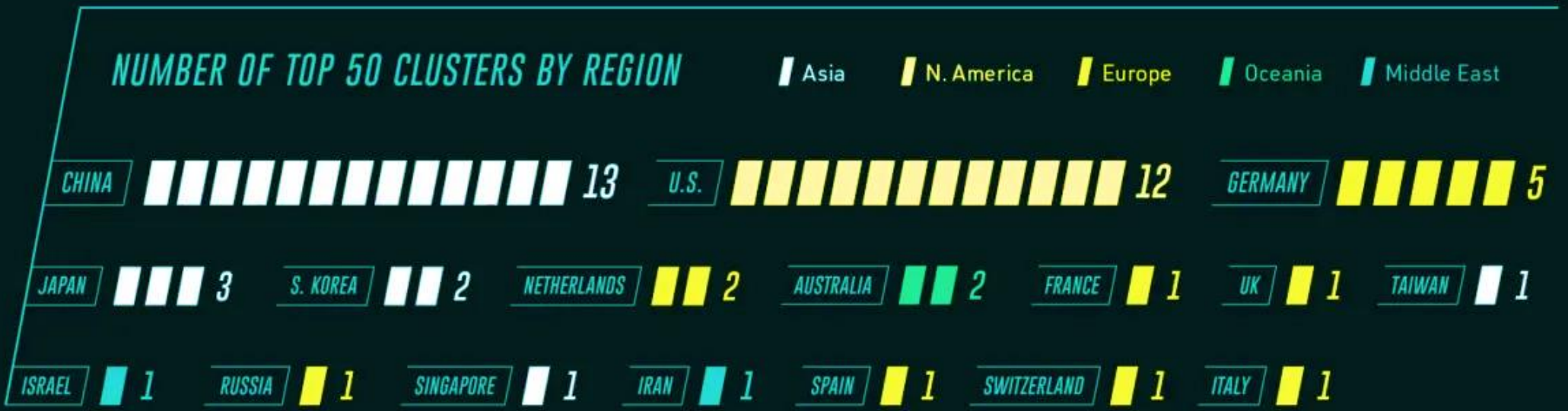
The top-ranked Tokyo-Yokohama cluster made up just over 10% of all patent applications between 2018-2022.



Singapore

Australia

Top 50 by Location



World Intellectual Property Organization & Visual Capitalist

*patent applications under WIPO's Patent Cooperation Treaty (PCT). Scientific publications from the Web of Science's Science Citation Index Expanded (SCIE)

3 Leave-Behinds for Your Information

There are more ideas for your consideration. Please reach out to us.

1. Top 12 Megatrends – Cities Edition
2. Innovating Cities: How Small Studies Shape Big Ideas in Minnesota
3. A complimentary copy of the 2025 Edition of the Megatrend Report
4. U.S. DOT under the Trump Administration



Prepared for Metropolitan Council

Innovating Cities: How Small Studies Shape Big Ideas



An aerial photograph of a waterfall cascading over rocks in a dense, green forest. The water is white and frothy as it falls, surrounded by various shades of green foliage and moss-covered rocks.

**“
The future is
already here, it’s
just not evenly
distributed.”**

John Gibson



Our SDG's

3 Good Health & Well Being 	9 Industry Innovation Infrastructure 	11 Sustainable Cities and Communities 	17 Partnership for the Goals
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John@GovernmentAnalytica.com

2025 Edition



Top 12 Geopolitical Megatrends

Executive Summary
For Strategy & Portfolio Planning

GOVERNMENT



ECONOMY



ENVIRONMENT



TECHNOLOGY



SOCIETY



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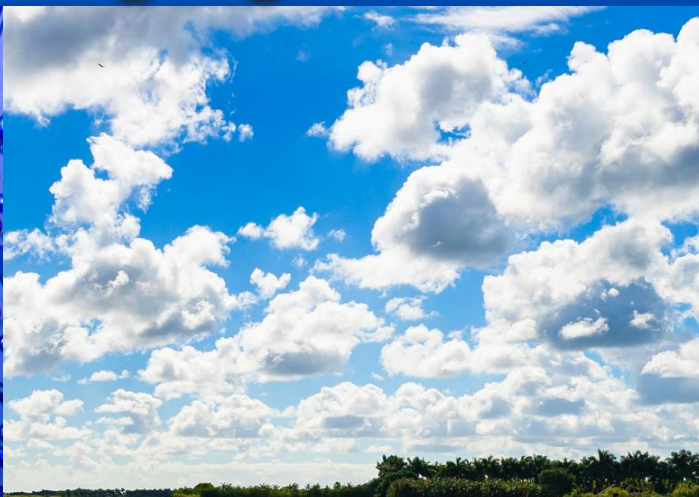
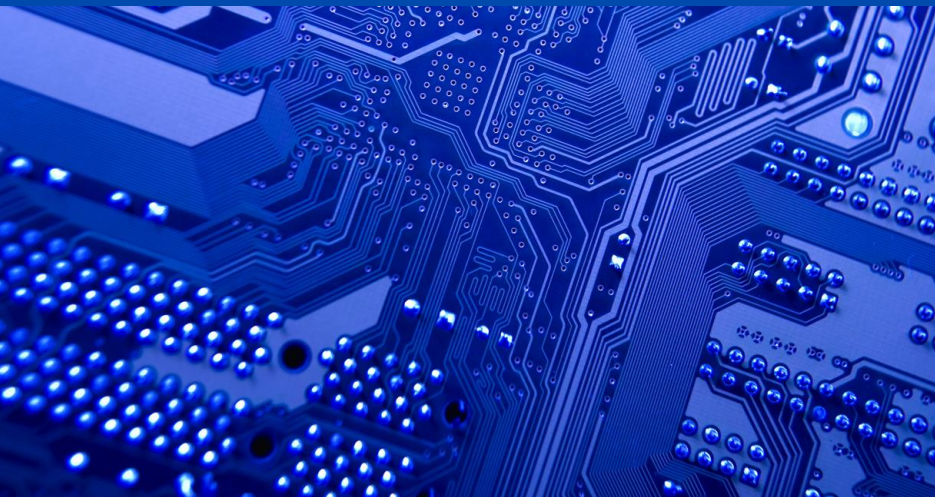
...olar: swinging between



Megatrend 1 - Weary of globalization, countries put a premium on access to their internal markets.



Megatrend 2 - Governments will invest in national economic sectors of high global competitive advantage.



Megatrend 3 - Foreign policy will be bipolar, swinging between ideology and pragmatism.



Megatrend 4 - Global influence is driven by the strength of a country's economy or its sought-after commodities.



Megatrend 5 - Environmental policy will drive an increasing share of the industrial policy and economy.



Megatrend 6 - Governments will invest to diversify sources of supply to ensure a more resilient economy.



Megatrend 7 - Government policy will be influenced by information citizens consume.



Megatrend 8 - Domestic and international industrial policy remain influenced by political ideologies.



Megatrend 9 - Change in generational public value expectations will reshape domestic political landscape.



Megatrend 10 - Labor costs & slow economic growth, drive adoption of new technologies, retraining & admission policies.



Megatrend 11 - Economic and political strife combined with greater mobility exacerbate waves of immigration.



Megatrend 12 - Production will continue to migrate to geographies of lower cost & higher political stability.





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THANK YOU