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By- Haren, Claude C.

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The implications of additional employment opportunities and population shifts in a large number of rural areas, principally the Southeast, East South Central, West North Central, and West, are discussed. Data are presented indicating the extent and regions in which economic growth brought recent employment peaks. Population statistics indicate that population trends since 1950 in both urban and rural areas have almost coincided with those occurring in employment. It is concluded that a workable solution to increasing population pressures appears to be the application of principles of close-knit community design, emphasizing a balanced combination of work opportunities, residential areas, and recreational facilities. (DA)

UNITED STATES DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE

A CHANGING RURAL AND URBAN AMERICA*

by

Claude C. Haren 1/

America's people are continuing each year to migrate in unparalleled numbers to new jobs, fresh homes, and different localities. The present movement departs significantly from that of earlier years of the postwar period in the slowing or leveling off of the rate of growth of the Nation's major urban and metropolitan complexes. Expanding work opportunities meanwhile are increasing the share of today's rural areas in annual increments in employment, raising rural family incomes, and reducing or in some instances reversing former outflows of population.

Such factors as mounting land values and a deepening transportation crisis are resulting in fewer jobs being created and lesser numbers of new houses being built in a high proportion of the major growth areas of the 1950's. The recovery of other metropolitan and urban-dominated areas from the employment lows of the recession years has been mixed, with the buildup in service employment often falling short of counteracting further losses of jobs in manufacturing and other goods-producing industries.

Substantial additions have been made to employment and payrolls in a fairly large number of rural and semirural areas, notably in certain parts of the Southeast, the East South Central States, the West North Central States, and the West. But gains of this magnitude have been limited mainly to those communities on transportation and communications mainstreams, and having adequate water supplies, utilities and housing, plus good schools, hospitals and other public services and facilities. Gaining very few or actually losing workers have been several hundred other rural areas. These localities either had small populations and economic bases to begin with, or were seriously affected by declines in farming, mining, and related industries, or by the closing of lumber and textile mills and other local manufacturing establishments.

Before discussing some of the implications of these and other shifts in jobs and people, a few remarks need to be made about the area growth indicators that we have tested and are applying to their identification and measurement. Because of the current interest in more definitive and workable distinctions between urban and rural areas, somewhat more time will be given to reviewing our experiences with a series of classifications by counties, ranging from breakdowns by residence and density to separations according to differences in scale of economic activity, in family incomes, and in economic viability.

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1/ Agricultural Economist, Economic Development Division.

Turning directly to this afternoon's topic of what is happening to America's rural and urban areas, information is introduced to indicate the overall extent and the regions and subregions in which either sustained growth or economic recovery has brought or failed to bring postwar covered employment 2/ to 1964 peaks. In recognition of the catalytic effect on many local economies of the current national economic upturn, changes in the 1962-64 period are variously contrasted with those identified with the period ending in 1959 and with the 1960 recession.

In order to reserve a few minutes for exploring transitions in the offing throughout the remainder of the 1960's, or that may be brought about in the more distant future, only brief mention will be made of the corresponding changes that have occurred in payrolls and average weekly wages. Inasmuch as details will be provided in a report now in preparation 3/, both materials on and the analyses of the interrelationships of employment, rural-urban composition, and other area characteristics have also been abridged.

Some additional time has had to be set aside for presenting data to confirm the belief that increases and decreases in employment in the past two years have more or less continued shifts set in motion in preceding years in small as contrasted with large labor market areas. Also possibly interesting to today's audience are other data that point up how changes in population since 1960 -- in this instance in metropolitan versus nonmetropolitan areas -- have closely paralleled those taking place in employment.

Table 1.--Distribution of total labor force, United States, 1965 1/

Component and industry	Number (millions)	Percent
	No.	Pct.
Civilian:		
Private nonfarm	57.8	74
Wage and salary workers	51.0	65
Other workers	6.8	9
Government	9.8	12
Farm	4.6	6
Unemployed	3.4	4
Armed forces	2.8	4
Total	78.4	100

1/ Adapted from Bureau of Labor Statistics data.

2/ As reported under the Old Age and Survivors Insurance (OASI) program and published in County Business Patterns. or recorded in connection with individual State Unemployment Compensation (UI) activities.

3/ Changes in Employment and Earnings in Private Nonfarm Industries in the Recent as Compared with the Earlier Postwar Period, by Counties, by C. C. Haren and R. B. Glasgow.

AREA GROWTH INDICATORS

Statistics on covered (OASI) employment and earnings have supplied the most satisfactory initial source of materials from which to construct a set of low-cost and reasonably reliable indicators of area growth. As listed in County Business Patterns reports for various years, coverage of all wage and salary employees in private nonfarm industries has been fairly consistent throughout the period since first presented for 1947. Proportions of such workers that have been reported have been higher in areas of concentrated population and industry, but even in rural sections approximately 90 percent have been included.

Exemplifying the traditional role of employment in private nonfarm industries as a barometer of economic change, wage and salary workers in the sector expanded by 1965 to 51 million persons, or to nearly two out of every three members of the total labor force (table 1). Since 1949, earnings from this major source have represented a consistent 50-percent-plus of all personal income, and an increase by nearly 160 percent in the 16-year period ending in 1965 closely approximated the gain in total personal income.

Locally, distributions of the work force have varied over time and from area to area as numbers of government workers, farmers and farm laborers, the unemployed, and so on, have also risen or fallen. But, pending the development of more comprehensive measures of area growth, sufficient information already is accessible to prevent serious misinterpretations where, for example, the rapid expansion of a local college or university -- or the ups-and-downs in civilian employment and service populations associated with today's military installations -- may have an important bearing not only on other employment but on the viability of the economy as a whole.

DIFFERENTIATING TODAY'S URBAN AND RURAL AREAS

Historically, the Nation's emerging cities have been distinguished from the towns, villages, and hamlets from which they evolved by their expanding roles as centers of industry, trade, government, and social and cultural activities, plus the availability of such amenities as paved streets and sidewalks, and water, waste disposal, electric and fuel systems. That these and similar attributes appear to have been fairly well established characteristics of the cities and other municipalities of approximately 2,500 population undoubtedly had an important bearing on setting this particular minimum for places to be included in the urban classification introduced in the 1900 Census of Population.

Even by then, however, the processes of urbanization were already creating many suburban or peripheral areas -- along the Atlantic Seaboard and in what was later to be termed Megalopolis by Dr. Gottmann -- that if incorporated would have met specifications for classification as urban. From decade to decade, the concept has necessarily been broadened to add certain New England towns, and elsewhere, townships and even counties. In 1950, the urbanized area was introduced as a devise to add areas on the fringes of cities of 50,000 or more people, and in built-up but unincorporated areas of at least 2,500 population throughout the rest of the United States.

One continuing weakness of the urban classification stems from the fact that reliance on data for separate municipalities rather than for the urbanized areas of which they are a part can lead in so many instances to serious underrating of total concentrations of population and economic activity. The impact of this problem has been magnified by the difficulty of compiling composite data on the

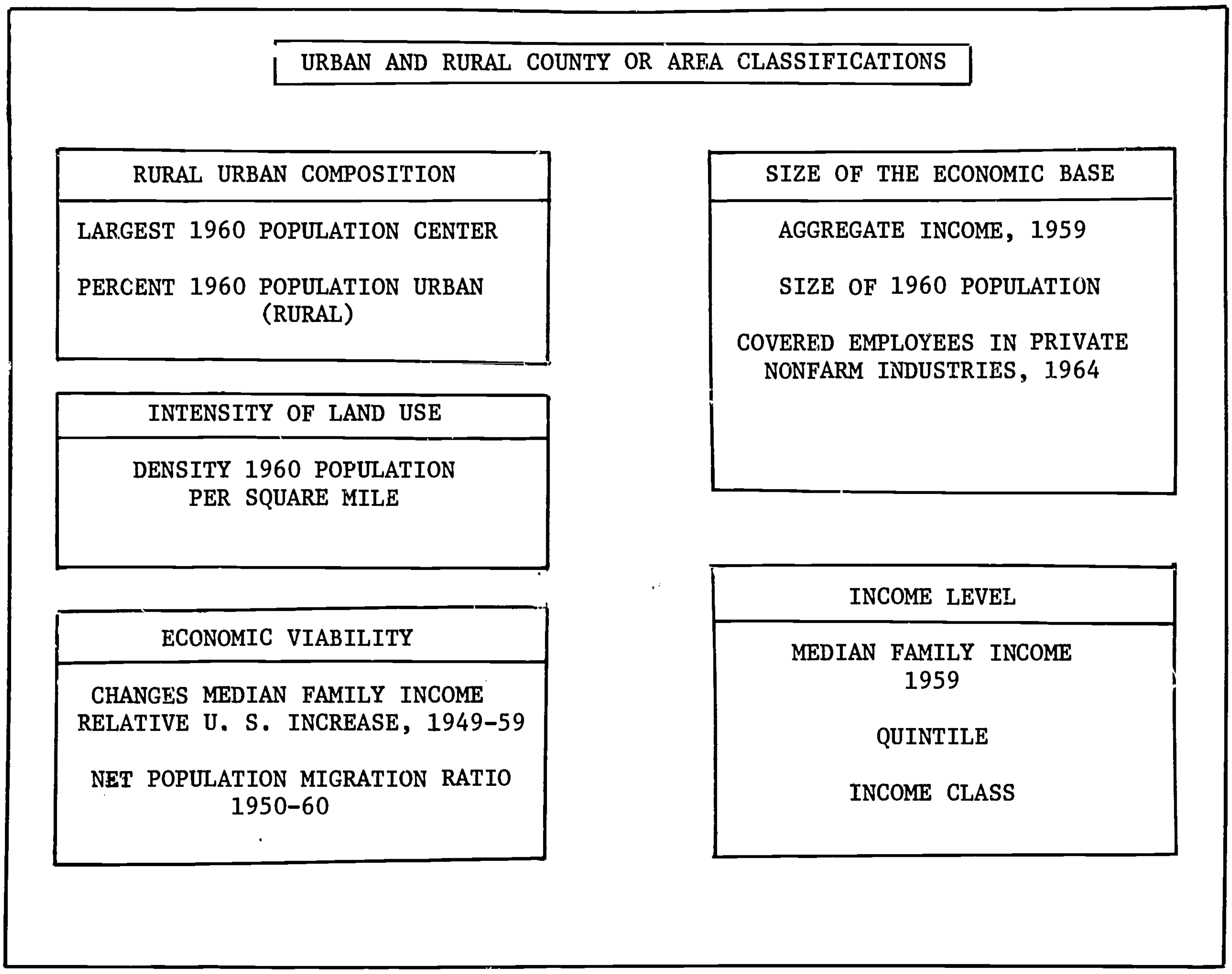


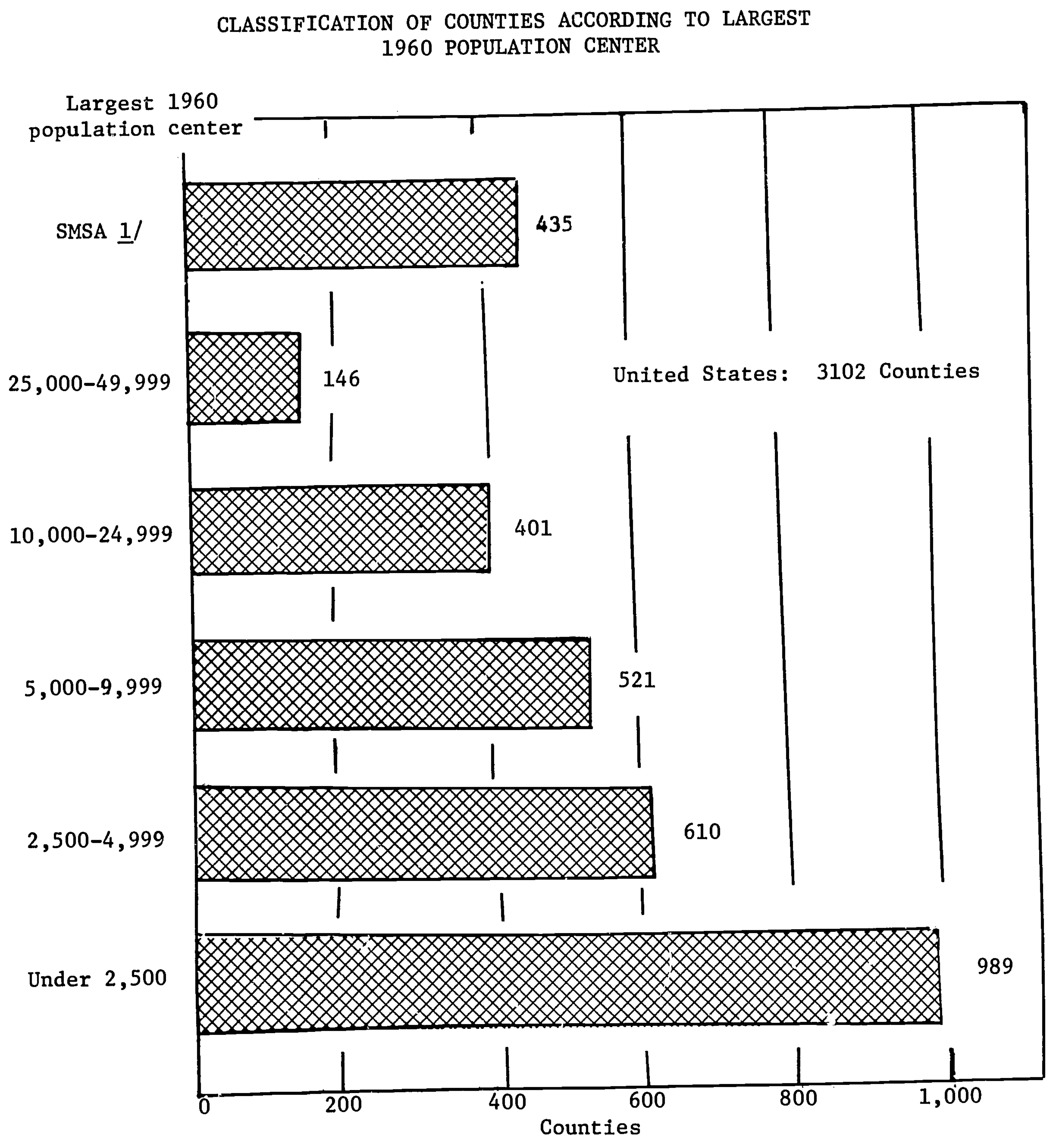
Figure 1

total developed area in and outside the smaller cities.

True, annexations add many built-up areas to adjacent municipalities each year. But, as evidenced by a check -- based on aerial photographs as well as data on enumeration districts -- of a cross-section of population centers in the nonmetropolitan areas of the Southeast, annexations frequently either included already developed or partially developed areas, or did not extend fully to the new subdivisions where much of the addition to the population of present day communities has typically been made.

Referring to figure 1, rural and urban composition represent the basis for two area classifications: (1) largest 1960 population center, and (2) percentage of the 1960 population urban or rural, and hence involve this question of what is and is not urban. Shifting attention to figure 2, the classification of counties by size of centers with the largest 1960 population combines nearly 1,000 counties -- or almost a third of the total -- in the group with no places as large as 2,500. Actually, a fairly high percentage of these counties differ from those in the next catagory in having largest centers of only slightly less than the 2,500 people required for qualification as urban. Thus, if entire populations in urban-type situations were considered, classifications of a great many of these counties -- and of marginal counties in other groups -- would be shifted.

As initally designated, the Standard Metropolitan Areas -- included in the first or top catagory in figure 2 -- omitted a number of urban complexes. This



1/ 1960 designations plus additions from 1960 to 1966, with other classes adjusted accordingly.

Figure 2

Table 2.--Size of the 1960 population of counties in Standard Metropolitan Statistical Areas: total delineations, 1960 designations, and 1960-66 revisions 1/

Size of 1960 population	Counties in: Total delineations	1960 designations	1960-66 revisions
	Number	Number	Number
1,000,000 or more	16	16	-
500,000-999,999	49	49	-
250,000-499,999	63	63	-
100,000-249,999	128	120	8
50,000-99,999	89	71	18
25,000-49,999	62	27	45
Less than 25,000	18	6	12
Total	425	352	83

1/ Data are from Current Population Reports Technical Studies Series P-23, No. 10, December 5, 1963, supplemented by releases by Bureau of the Budget of amendments after October 18, 1963.

shortcoming has been overcome only in part through subsequent broadening of the concept of the central city -- as witnessed by the continued exclusion of such concentrations of people and of economic activity as are found in the New Brunswick-Perth Amboy, Bristol-Johnson City-Kingsport, and the Newburgh-Middletown areas.

As pointed up by table 2, the addition since 1960 to SMSA's of counties meeting the 50,000 population specification has further reduced the number of counties in the second group. In general, this reduction has had the effect of also eliminating counties from the group with the more viable economies, thereby increasing the proportion among the remainder that are continuing to grow slowly if not to decline. Then too, a similar enlargement of the criteria for establishing linkage of contiguous counties to the central cities has resulted in substantial additions to the fairly large number of counties already included in the SMSA's whose populations were too small and sparse to measure up to a conception of a metropolitan area as consisting of relatively large and extensive collections of places to work, live, and play.

From the foregoing, it is fairly evident that the second classification based on residence -- percentage of the 1960 population that was urban (or rural) -- would be about equally lacking in range and flexibility. In the search for alternative systems, a grouping of counties by income quintiles was found to have some advantages, but they were largely nullified by the fact that classes could not be satisfactorily amended to either conform to county arrays, or to furnish data for areas within specific income ranges. As initially designed, the index of population mobility contained only three subclasses, and additions are unlikely to be helpful because of special factors that accelerated or slowed the movement of certain age, occupational, ethnic, racial, and other groups during the 1950's.

Groupings by income class may reflect situations in which incomes of most people are low, or vice versa, where per person or per family incomes are high,

Table 3.--Classification of counties by size of the 1960 population, 1960 population density per square mile, and 1959 aggregate income 1/

Classification	County counts	Cumulative totals Number	Cumulative totals Percent
Size of the 1960 population:			
500,000 or more	62	62	2
250,000-499,999	64	126	4
100,000-249,999	174	300	10
50,000-99,999	290	590	19
25,000-49,999	589	1,179	38
10,000-24,999	1,075	2,254	73
5,000-9,999	545	2,799	91
2,500-4,999	193	2,992	97
Less than 2,500	84	3,076	100
Total	3,076 2/	3.076	100
1960 population density:			
1,000 or more	59	59	2
500-999	57	116	4
250-499	94	210	7
100-249	275	485	16
50-99	512	997	32
25-49	828	1,825	59
10-24	668	2,493	81
5-9	245	2,738	89
Under 5	338	3,076	100
Total	3,076 2/	3,076	100
1959 aggregate income (mil. dol.):			
1,000 or more	63	63	2
500-999	54	117	4
250-499	108	225	7
100-249	247	472	15
50-99	385	857	28
25-49	570	1,427	46
10-24	970	2,397	78
5-9	500	2,897	94
Under 5	179	3,076	100
Total	3,076 2/	3,076	100

1/ Adapted from reports of the 1960 Census of Population.
2/ Includes consolidation of boroughs of New York City; Los Alamos with Sandoval county, N. Mex.; independant cities with counties in Virginia; and judicial divisions not election districts in Alaska.

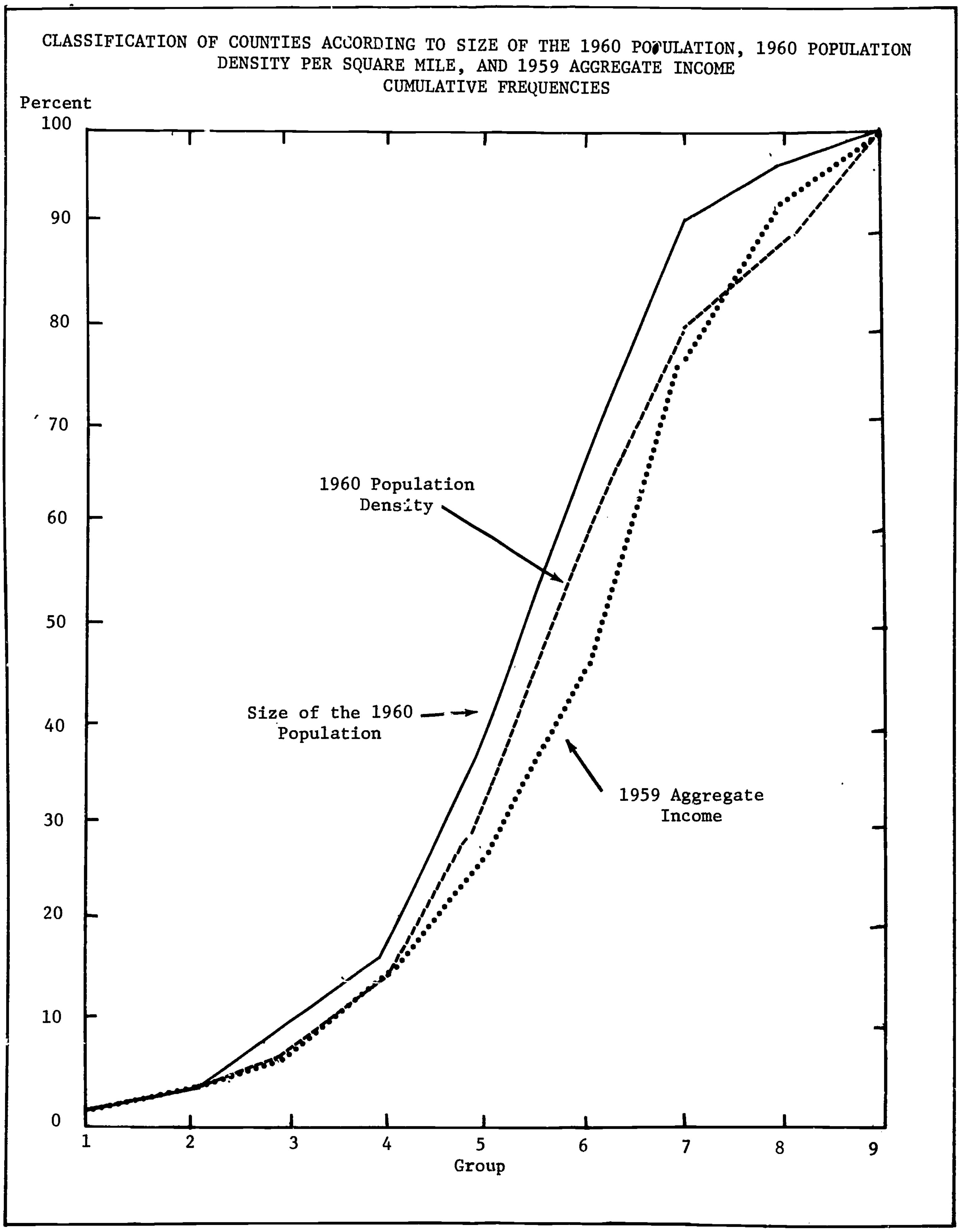

CLASSIFICATION OF COUNTIES ACCORDING TO SIZE OF THE 1960 POPULATION, 1960 POPULATION DENSITY PER SQUARE MILE, AND 1959 AGGREGATE INCOME
CUMULATIVE FREQUENCIES
Percent
100
90
80
70
60
50
40
30
20
10
0
1
2
3
4
5
6
7
8
9
Group
1960 Population Density
Size of the 1960 Population
1959 Aggregate Income

Figure 3

but there are few people or households. Nevertheless, the absence of statistics on aggregate income in the 1950 Census of Population made recourse to this type of income data -- in this instance on median family incomes -- necessary in constructing an effective yardstick of economic viability. Otherwise, as special-purpose indexes for a single year, say 1959, or in the form of comparisons over time, classifications by income class supply useful guidelines to comparative wellbeing, not only of individual members but of communities as a whole.

Purposely reserved for comment until last are the three classifications -- density of population, size of population, and aggregate income -- that show promise of being particularly useful in ranking or arraying today's complex assortment of counties, not only in individual but in joint or composite terms.

If modified to exclude rough and other essentially undevelopable lands in individual counties, density of population per square mile, for example, would furnish a more effective index of the intensity of land use than the unadjusted data on population per square mile that is listed in table 3 and plotted in figure 3; it would also correlate more significently with measures of size or scale. For the latter, what is most needed are modifications that would give more weight to scale of economic activity (as determined by 1959 aggregate incomes) in the intermediate ranges, and about the same emphasis -- accompanied by adjustments in the class intervals applied in determining distribution by size of the 1960 population -- at the lower limits of the scale.

THE EMPLOYMENT SITUATION IN 1964

As shown by table 4, covered (OASI) employment in private nonfarm industries was at a postwar peak in 1964 in more than 1,500 or approximately half of the 3,000-odd counties in the United States. Amplifying somewhat on the evidence presented in this table and by figure 4, we can see rather clearly where this has come about through recovery in conjunction with the present national upturn, and where it has resulted from more or less sustained growth over the entire period. Also much in evidence are those other and about equally numerous situations where employment in 1964 had not been completely restored as yet to peaks attained sometime in the 1959's or -- less frequently -- in 1962, together with those hard-core cases where there had been a continued lag if not a further decline from employment levels prevailing in the years immediately following World War II.

Turning first to the South -- the region with the highest percentage of counties with 1964 employment peaks -- further expansion in such major growth centers as the Washington, Atlanta, Southern Florida, New Orleans, Dallas, Fort Worth and Houston areas was still extending employment totals upward. But the most prominent feature of the 1964 situation in the South was the degree to which current boosts in employment were contributing to a spread to additional localities of the type of widespread or pervasive development already underway.

In Oklahoma and Texas, reductions in employment from previous peaks were associated in part with the tapering off of work opportunities in the petroleum and natural gas fields. Also emerging in the Great Plains and adjacent areas of these and other states, including the Dakotas, western Minnesota and eastern Montana, was a form of growth whereby employment and economic activity were shifting from the smaller to larger local population centers.

In the part of the Appalachian Development Region in the South, recent changes have tended to broaden previous differentials in growth between the southern and northern segments. As a result, employment in the southern portion was at a postwar peak in a very high proportion of individual counties. In the northern part, a pattern of complete versus partial recovery, persisting decline,

POSTWAR PEAK COVERED (OASI) EMPLOYMENT
PRIVATE NONFARM INDUSTRIES
WESTERN STATES

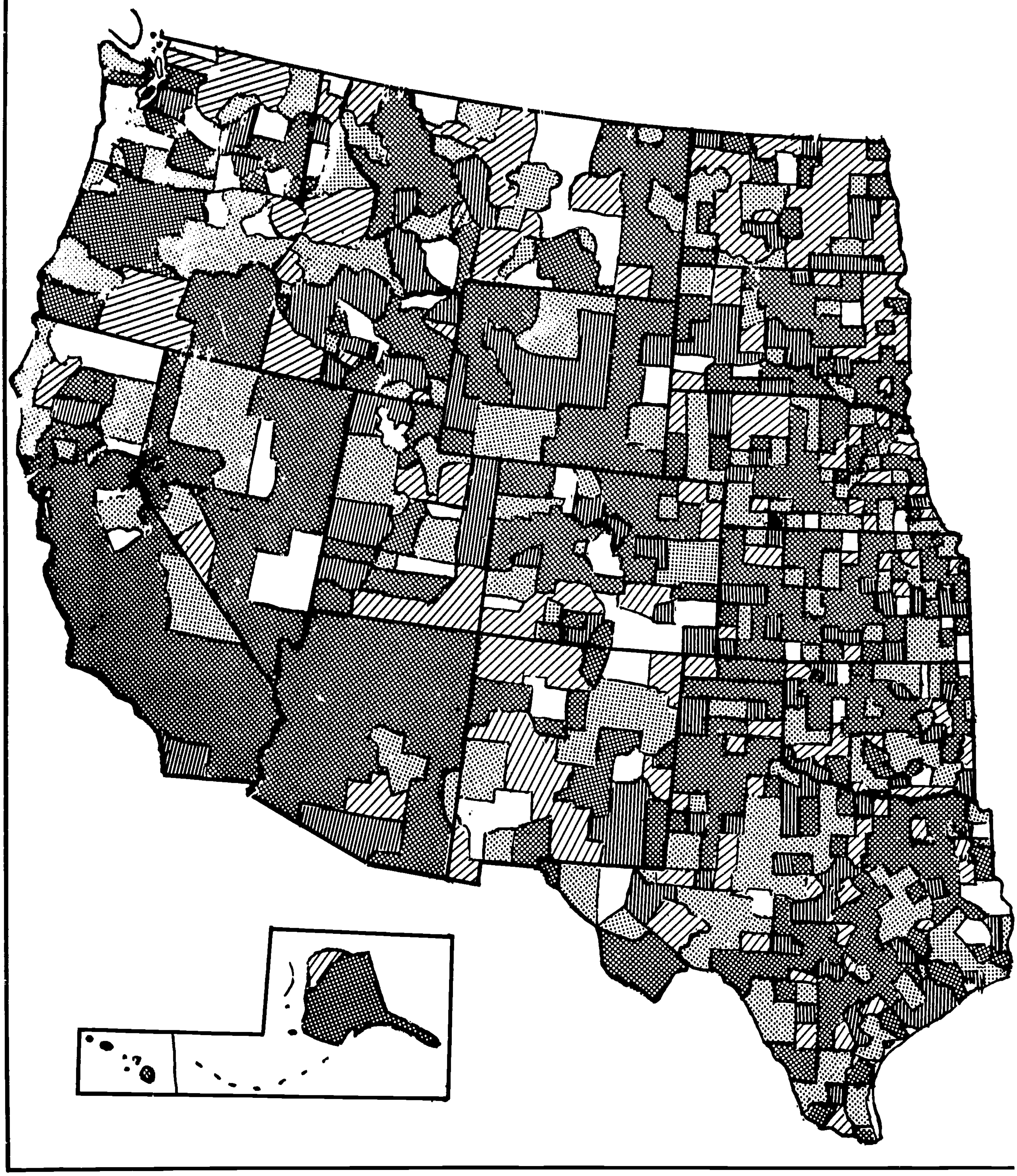


Figure 4

POSTWAR PEAK COVERED (OASI) EMPLOYMENT
PRIVATE NONFARM INDUSTRIES
EASTERN STATES

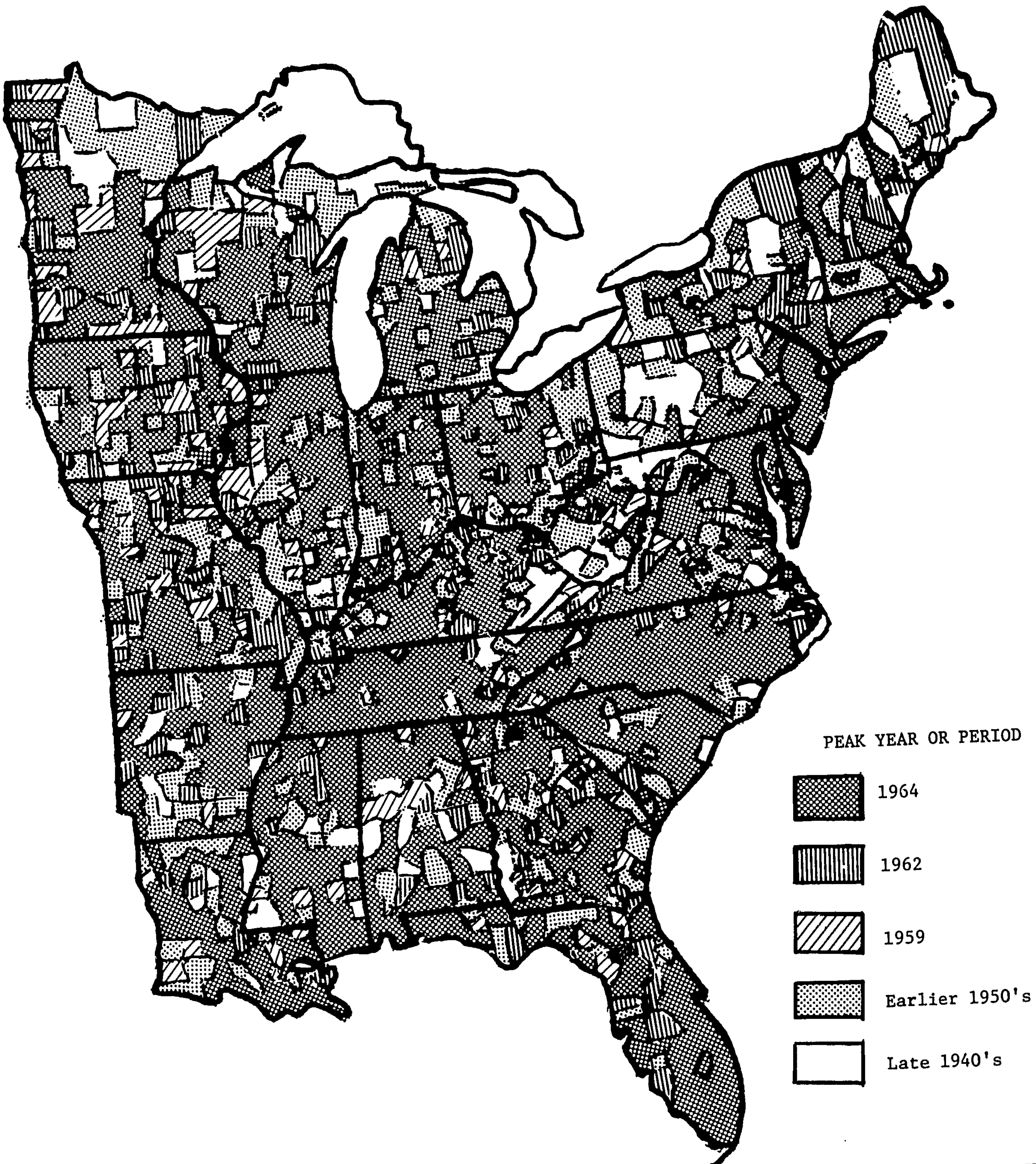


Figure 4

Table 4.--Year or period in which county employment (covered) in private nonfarm industries was at a peak, by regions and census divisions, 1947-64 1/

Region and census division	Total	Peak in: 1964	1962	1959	Earlier 1950's	Late 1940's
	Number	Number	Number	Number	Number	Number
Northeast:						
New England	67	29	14	1	14	9
Middle Atlantic	146	66	12	8	37	23
Total	213	95	26	9	51	32
North Central:						
East N. Central	436	219	38	33	117	29
West N. Central	619	278	76	120	119	26
Total	1,055	497	114	153	236	55
South:						
South Atlantic	555	327	38	32	105	53
East S. Central	364	219	36	22	45	42
West S. Central	470	212	63	49	122	24
Total	1,389	758	137	103	272	119
West:						
Mountain	278	99	39	41	65	34
Pacific	141	76	8	8	27	22
Total	419	175	47	49	92	56
United States total	3,076	1,525	324	314	651	262

1/ Limited to individual years for which coverage was available from County Business Patterns reports.

plus some new growth, closely paralleled that in adjoining sections of the region in Pennsylvania, New York, and southeastern and southern Ohio.

This same diversity also was typical of much of Upstate New York, Upper New England, the Ozark-Appalachians border area, and the Upper Lake States. In the rest of the South, and in the West, this mixed type of postwar change was identified with fairly numerous but scattered areas where previous declines in mining, lumbering, textiles, etc., generally had been offset only in part if at all by additions of new sources of employment.

Rounding out the 1964 picture, employment was at postwar peaks in 1964 in Megalopolis, with such exceptions as the Boston, New York City, Philadelphia, and Baltimore City areas. In the Midwestern industrial heartland, the impact of continued industrial decentralization and diversification, together with variations in the current status of Detroit, Cleveland, Chicago, Milwaukee, Minneapolis-St. Paul and other areas, were much in evidence. In the West, some tendency is seen toward a spread of the growth previously concentrated so heavily in the major centers to areas with populations and economies of intermediate and in some instances relatively small size.

CURRENT AND EARLIER EMPLOYMENT CHANGES

The information charted in figure 5 points up some of the more important differences between changes recently occuring in employment in major urban and metropolitan, and in rural and semirural areas 4/ as contrasted with those taking place in the 3-year period that included the 1960 recession, and in earlier post-war years.

There was a substantial decrease -- from 134 to 108 counties or about 20 percent --in the major urban and metropolitan counties experiencing very large gains in employment 5/ in 1962-64 as compared with 1948-59 period. This reduction carried through to a lowering of the proportion of counties recording gains of fairly moderate to greater dimensions from about seven-eighths of the total in 1948-59 to approximately four-fifths in 1962-64. As there was only a negligible change one way or the other in the number of counties with minor gains or losses, the result was a net addition of about the same number -- and a 50 percent increase -- in the counties sustaining fairly moderate to very severe losses.

The pattern of major gains and losses in rural and semirural areas in the 1962-64 as contrasted with the earlier period was the reverse of that in the major urban and metropolitan complexes. Large to very large gains occured in 140 counties, or in 24 more than between 1948 and 1959, and there was a corresponding decline in counties experiencing losses of these dimensions.

The increase in the number of rural and semirural counties in which fairly moderate gains took place contributed further to offsetting reductions in those experiencing moderate to large gains, and in turn to maintaining the proportion with gains on this or a greater scale at the 50 percent level. But this in itself added increased emphasis to the fact that the economies of approximately 1,000 counties -- 40 percent semirural and the rest completely so -- apparently remained virtually at a standstill.

Also requiring special emphasis is the more severe impact of the 1960 recession on rural and semirural localities than on their urban and metropolitan counterparts. Compared with two thirds of the latter only about a third -- or half the proportion -- had fairly moderate or greater gains in the 1959-62 period. Added to approximately 1,170 counties in which there was little change one way or the other were another 570 in which losses ranged from fairly moderate to severe.

4/ The metropolitan and urban-dominated counties include those entirely or in part (New England) in Standard Metropolitan Statistical Areas as designated in 1960, together with all other with largest population centers of a minimum of 25,000 people; the remainder for present purposes are considered semirural if they had a population of at least 2,500, rural if the largest center had less than that number of people in 1960.

5/ This and other terms have been introduced to describe gains and losses, adjusted as nearly as has been readily feasible, for differences in the lengths of the three periods.

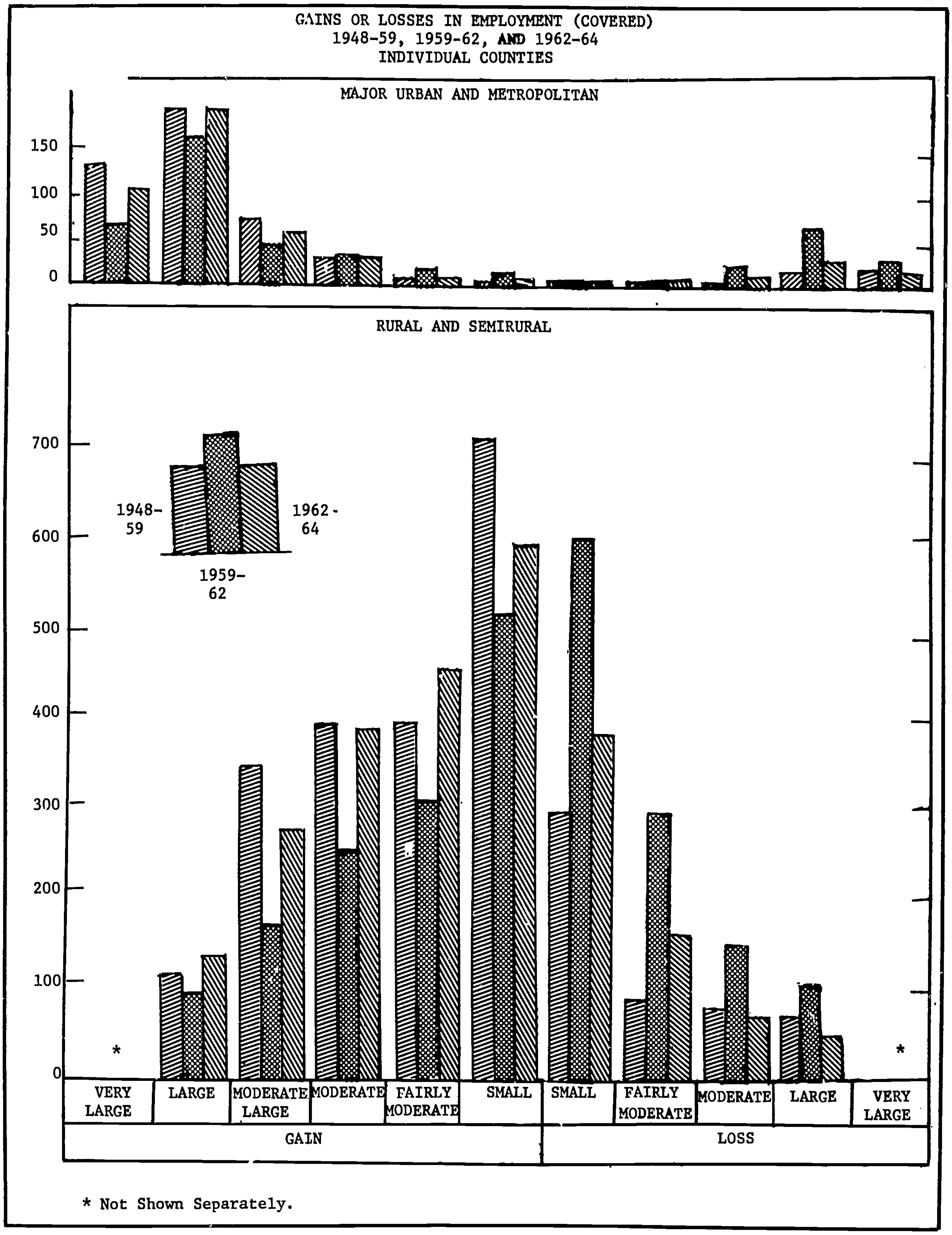

GAINS OR LOSSES IN EMPLOYMENT (COVERED)
1948-59, 1959-62, AND 1962-64
INDIVIDUAL COUNTIES
MAJOR URBAN AND METROPOLITAN
150
100
50
0
RURAL AND SEMIRURAL
700
600
500
400
300
200
100
0
1948-59
1959-62
1962-64
*
VERY LARGE
LARGE
MODERATE LARGE
MODERATE
FAIRLY MODERATE
SMALL
SMALL
FAIRLY MODERATE
MODERATE
LARGE
VERY LARGE
GAIN
LOSS
* Not Shown Separately.

Figure 5

The proportion in which 1959-62 losses were at least moderate in scope was almost as high as in the major urban and metropolitan areas. Not only this, but the impact on individual counties quite frequently was magnified by their small employment bases.

RELATIONSHIP OF THE SHIFTS TO LARGEST 1960 POPULATION CENTER

In this initial exploration of the transitions taking place in employment over different segments of the postwar period, observations were necessarily limited mainly to information on county breakdowns or distributions. In order to describe net effects in more concrete terms, the influence of differences in lengths of the individual time periods should not only be fully nullified, but measures must be introduced to similarly minimize the effects of variations in size or scale. In figure 6, the required framework of reference has been supplied by converting data to annual increments, and then computing annual rates and shares of the gains of the six residential groups or classes.

To illustrate, an addition of an average of 482,000 workers annually in the 1948-59 period was translated into a yearly rate of gain of 1.8 percent, and into an addition of approximately 75 percent of the total increment to the major concentrations of workers already in the SMSA counties.6/ The growth pattern in the counties having 1960 population centers in the 25,000-49,999 range was strongly influenced by additions in the fairly large number of rapidly expanding areas in the group. The extension of growth to more rural areas particularly in the Southeast was also beginning to exert somewhat the same effect on net or aggregate changes in the Class 6 counties.

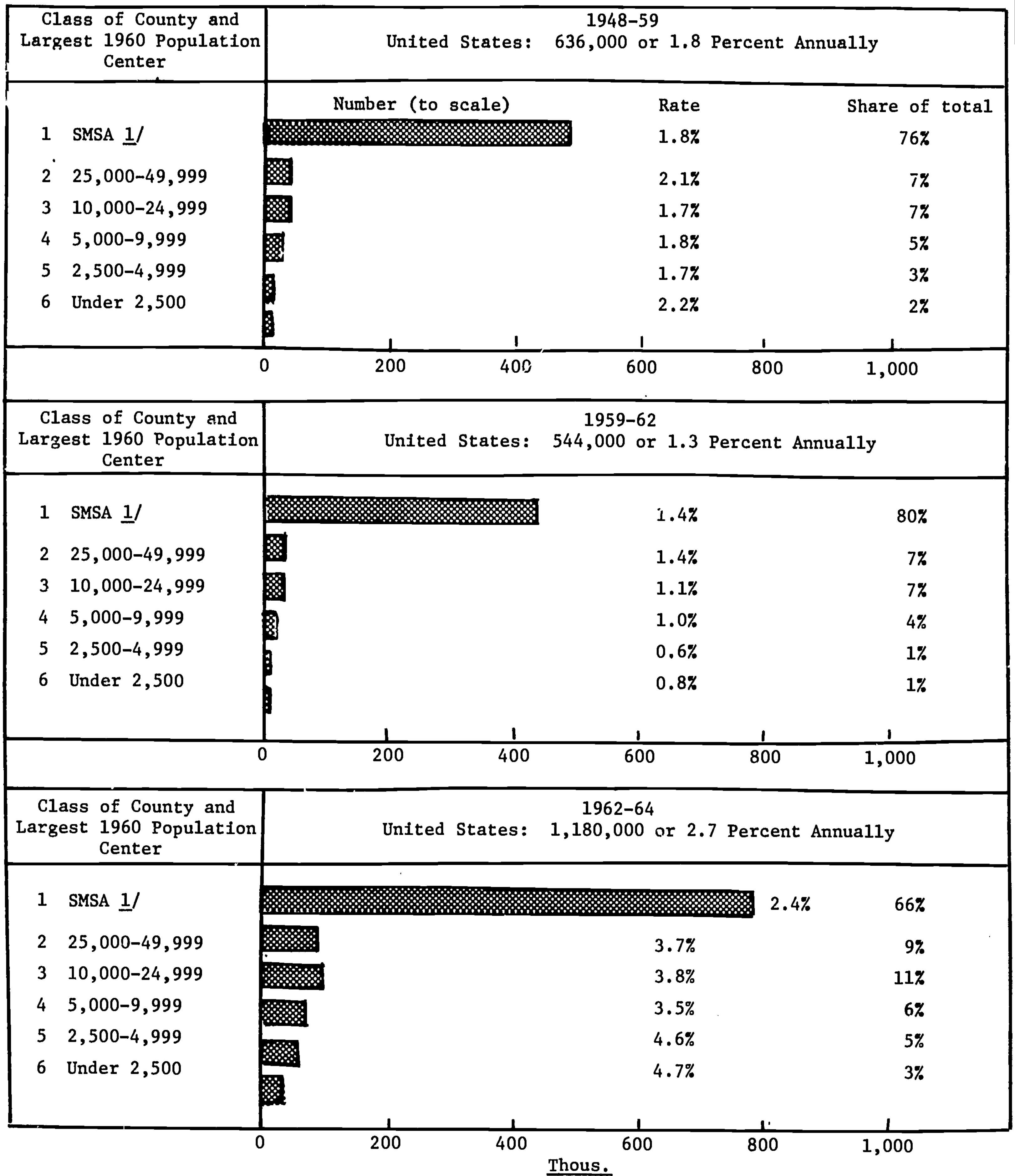
Under the impact of the 1960 recession, the severity of the cutback in these and the other strongly rural counties in Class 5 stemmed largely from the magnitude of widespread declines in rural sections elsewhere. Rates in the emerging rural growth areas continued at about the same, or in some instances, at a more rapid pace, and expansion to extend somewhat frequently to new localities. In the 1962-64 resurgence, high growth rates contributed to increased share of the total increment in workers by the Class 5 and 6 counties, and together with other gains, mainly in Class 3 counties (1960 largest population centers of 10,000-24,999), to reduce the share of the metropolitan areas from three fourths to about two thirds.

Referring to figure 7 for comparable data, the most important feature of the postwar changes in covered payrolls (OASI) has been the degree and consistency to which gains -- even after adjustments for increases in living costs -- have exceeded increases in employment. A major factor has been the progressive increases in average weekly wages that have occured in good times and even somewhat in the bad -- expansions that in themselves have been identified from period to period and area to area with various combinations of job and wage increases, shifts from or the outright elimination of low paying jobs, steadier work, and so on.

In the Class 6 areas, the net replacement of marginal by better paying jobs not only has exerted a profound influence on increased rates throughout earlier and more recent years of the postwar period, but did so especially between 1959 and 1962 when additions in employment were exceedingly minor. On the other side of the coin, wage scales were so low to begin with that the bulk of the gains to rural and semirural areas in shares of total gains has been derived by the Class 3, 4, and 5 areas and not by those in Class 6.

6/ References here, in figure 6 itself, and in the suceeding chart and discussion are to counties based on 1960 designations.

CHANGES IN COVERED (OASI) EMPLOYMENT IN RELATION TO LARGEST POPULATION CENTER IN COUNTY
UNITED STATES
BY SPECIFIED POSTWAR PERIODS



Employment for mid-March pay period. 1/ 1960 designations. Revised.

Figure 6

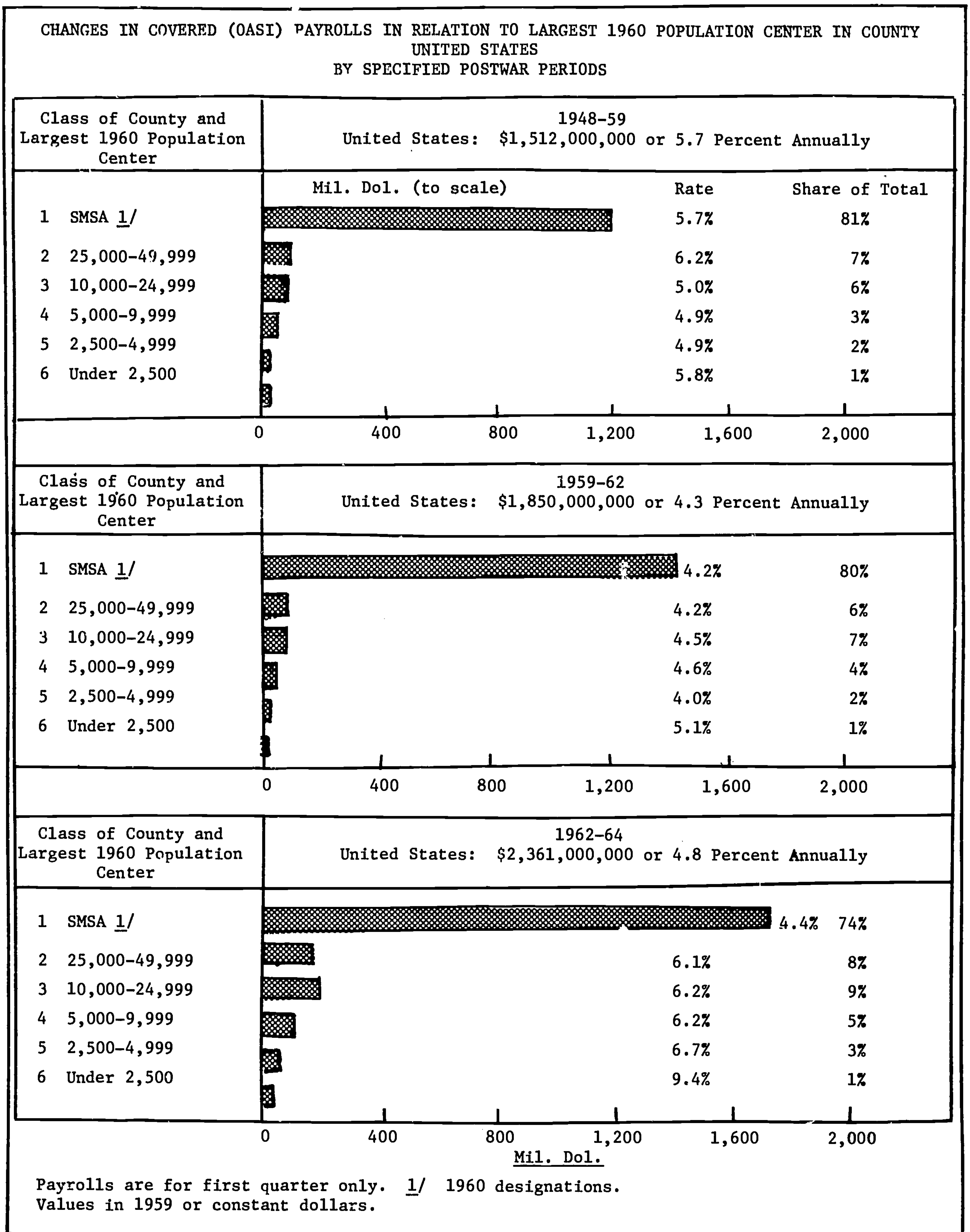

CHANGES IN COVERED (OASI) PAYROLLS IN RELATION TO LARGEST 1960 POPULATION CENTER IN COUNTY
UNITED STATES
BY SPECIFIED POSTWAR PERIODS
Class of County and Largest 1960 Population Center
1948-59
United States: $1,512,000,000 or 5.7 Percent Annually
Mil. Dol. (to scale)
Rate
Share of Total
1 SMSA 1/
5.7%
81%
2 25,000-49,999
6.2%
7%
3 10,000-24,999
5.0%
6%
4 5,000-9,999
4.9%
3%
5 2,500-4,999
4.9%
2%
6 Under 2,500
5.8%
1%
0
400
800
1,200
1,600
2,000
Class of County and Largest 1960 Population Center
1959-62
United States: $1,850,000,000 or 4.3 Percent Annually
1 SMSA 1/
4.2%
80%
2 25,000-49,999
4.2%
6%
3 10,000-24,999
4.5%
7%
4 5,000-9,999
4.6%
4%
5 2,500-4,999
4.0%
2%
6 Under 2,500
5.1%
1%
0
400
800
1,200
1,600
2,000
Class of County and Largest 1960 Population Center
1962-64
United States: $2,361,000,000 or 4.8 Percent Annually
1 SMSA 1/
4.4%
74%
2 25,000-49,999
6.1%
8%
3 10,000-24,999
6.2%
9%
4 5,000-9,999
6.2%
5%
5 2,500-4,999
6.7%
3%
6 Under 2,500
9.4%
1%
0
400
800
1,200
1,600
2,000
Mil. Dol.
Payrolls are for first quarter only. 1/ 1960 designations.
Values in 1959 or constant dollars.

Figure 7

Table 5.--Relationship of average annual changes in employment (covered) to size of the 1960 population, 1960 population density per square mile, and 1959 aggregate income, 1948-59, 1959-62, and 1962-64 comparisons

Classification	Average annual gain					
	Rate of gain			Share of gain		
	1949-59	1959-62	1962-64	1948-59	1959-62	1962-64
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1959 aggregate income (mil. dol)						
1,000 or more	1.6	1.5	1.7	44	56	32
500-999	3.1	1.6	4.0	16	13	16
250-499	2.1	1.1	3.4	13	10	14
100-249	1.8	1.2	3.7	10	9	14
50-99	1.7	0.9	3.9	7	5	10
25-49	1.8	0.9	3.6	5	3	7
10-24	2.4	0.9	4.4	4	3	6
5-9	1.5	1.2	3.6	1	1	1
Under 5	2.0	0.8	6.1	1/	1/	1/
Total	1.8	1.3	2.7	100	100	100
1960 population density:						
1,000 or more	1.2	1.2	1.4	30	40	23
500-999	3.4	2.1	4.9	19	19	22
250-999	2.3	1.2	3.0	14	11	13
100-249	2.1	1.2	3.6	14	10	16
50-99	2.3	1.7	4.0	10	11	12
25-49	2.4	1.1	3.9	8	5	9
10-24	2.3	1.2	3.8	3	3	4
5-9	2.5	0.2	1.3	1	1/	1/
Under 5	2.0	1.8	5.2	1	1	1
Total	1.8	1.3	2.7	100	100	100
Size of the 1960 population:						
500,000 or more	1.5	1.4	1.7	42	55	32
250,000-499,999	3.1	1.5	3.8	19	14	18
100,000-249,999	2.1	1.2	3.7	16	13	19
50,000-99,999	1.7	1.2	3.8	9	8	12
25,000-49,999	1.9	1.0	3.6	8	6	10
10,000-24,999	1.8	0.8	3.7	5	3	7
5,000-9,999	2.2	0.8	4.4	1	1	1
2,500-4,999	2.1	0.6	9.1	1/	1/	1
Less than 2,500	1.4	0.8	3.0	1/	1/	1/
Total	1.8	1.3	2.7	100	100	100

1/ Less than 0.5 Percent.

Table 6.--Average annual changes in employment (covered) in relation to income class and economic viability, 1948-59, 1959-62 and 1962-64 comparisons

Classification	Average annual gain: Rate of gain 1948-59	1959-62	1962-64	Share of gain 1948-59	1959-62	1962-64
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Income class 1/:						
$6,000 and over	2.0	1.6	2.6	59	66	52
$5,500-$5,999	1.4	1.1	1.9	13	14	11
$4,500-$5,499	1.7	0.9	3.2	16	12	20
$3,500-$4,499	2.0	0.9	3.8	7	5	10
$3,000-$3,499	2.4	0.9	4.6	2	1	3
$2,500-$2,999	1.9	1.2	5.0	2	1	3
$2,000-$2,499	2.1	2.2	5.6	1	1	1
Under $2,000	1.5	1.6	5.5	2/	2/	2/
Total	1.8	1.3	2.7	100	100	100
Economic viability class 3/:						
140 percent or more	8.2	5.3	8.3	13	18	15
120-139 percent	2.3	1.8	1.9	33	39	20
100-119 percent	1.6	1.0	2.5	22	19	22
80-99 percent	1.4	0.7	2.5	22	15	24
60-79 percent	1.2	0.9	3.1	8	8	13
40-59 percent	1.2	0.7	3.8	2	1	4
Under 40 percent	4/	0.2	3.4	2/	5/	2
Total	1.8	1.3	2.7	100	100	100

1/ Median family income, 1959, in individual counties.
2/ Less than 0.5 percent.
3/ Expressed as a ratio of changes in median family income in individual counties (in 1959 or constant dollars) to U. S. increase, 1949-59.
4/ Less than 0.05 percent.
5/ Decrease of less than 0.5 percent.

In the metropolitan areas, a dropoff in rates contributed to holding the share of overall gains in the 1959-62 period to about 1948-59 levels. As the rate of gain in employment in the period sufficiently outweighed that elsewhere to increase the SMSA's share appreciably, a less favorable rate of gain in average weekly wages -- in dollars as well as percentage wise -- was the key factor. In the 1962-64 period, opposite patterns prevailed, with the result that a lesser slippage in weekly earnings blunted the impact of the relatively limited recovery made in the rate of job increases.

EMPLOYMENT CHANGES IN RELATION TO OTHER AREA CHARACTERISTICS

As already noted, the lack of range and flexibility of this particular classification was the main reason for our experimentation with alternative systems. As a basis, accordingly, for a review of what additional insights can be provided by other classifications, changes in employment have been arranged in tables 5 and 6 by the five found to be most useful for this purpose.

Starting with relationships to size of the 1960 population, its density per square mile, and 1959 aggregate income, upper class intervals were set so about an equal number of counties -- approximately 60 -- would be included in each. Additional breakouts may be helpful, and should be used when -- as in the classification by size of the 1960 population -- there are significent differences between the subgroup with 1,000,000 or more people and that with 500,000 to 999,999 population. But when -- as with the density of population per square mile -- this and other parts of the distribution are so qualified by variations in size of county area and particularly in the land suited to residential and related uses, then modification along the line suggested earlier merits serious study.

This type of inconsistency is not apparent in the other two breakdowns, with the result that considerable latitude is available for either retaining or adding to existing intervals, or effecting consolidations. What is also important is that decisions can be made knowing on the one hand, that the 1962-64 rate of 6.1 percent for areas with under $5,000,000 income in 1959 (reference is to table 5) is in keeping with an established growth pattern, and on the other, that the 9.1 percent rate indicated for areas in the 2,500-4,999 population range reflects a major gain in employment in one county only.

In assigning counties to classes according to 1959 median family incomes (table 6), a split of the $6,000-plus group was avoided due to the heterogenuous assortment of units known to be included. Although this problem of classification could remain insurmountable, some interesting and informative sidelights are already included.

For example, the breakpoint between county groups with increased and decreased shares of national employment gains in 1962-64 took place between classes below and above $5,500 -- or at approximately the United States median -- in 1959. In counties in the classes with incomes under $5,500, the greatest gains in rates were in those with 1959 median family values under $3,000 -- or below what frequently has been referred to as the poverty line.

When viability during the 1950's is evaluated, the most viable group earlier is shown to have merely increased its share of additions to employment in the 1962-64 period to 15 percent from 13 percent between 1948 and 1959. The share of the group ranking next highest on the basis of prior performance was expanded from a third earlier to nearly two-fifths in the 3-year period including the 1960 recession, then was down to a fifth over the next two years. As the counties in which increases were not more than 20 percent above or below the national trend in the 1950's merely held their earlier shares, the greatest percentage gains were by the three groups most economically disadvantaged in the 1950's.

RECENT EMPLOYMENT CHANGES IN LARGE AND SMALL LABOR MARKET AREAS

For the United States as a whole, table 7 shows that the rate of increase in employment in private nonfarm industries in the past two years was about double that from 1962 to 1964 in both large and small labor market areas. Although shares nationally remained at the same 60/40 ratio, variations in rates of growth of employment in individual regions -- notably in the Northeast and South -- gave rise to fairly pronounced shifts in the proportions shared by the two groups.

In the Northeast, the upswing in small labor market areas -- in Appalachia, Upstate New York, and Upper New England -- exceeded that in the major labor market

Table 7.--Comparison of annual changes in employment in private nonfarm industries in large as contrasted with small labor market areas, by regions, March 1962-64 and March 1964-66

Region	Average annual change					
	Large			Small		
	Number	Rate	Share	Number	Rate	Share
	Thous.	Pct.	Pct.	Thous.	Pct.	Pct.
1962-64:						
Northeast	55.6	0.5	82	11.8	0.6	18
North Central	162.6	1.9	62	101.4	2.2	38
South	170.8	3.0	43	222.0	3.6	57
West	161.0	3.0	76	50.6	3.5	24
United States	550.0	1.8	59	385.8	2.7	41
1964-66:						
Northeast	285.5	2.4	71	118.4	5.5	29
North Central	386.8	4.4	62	241.9	5.0	38
South	244.2	4.1	39	374.9	5.7	61
West	214.3	3.5	78	60.9	3.9	22
United States	1,130.8	3.6	59	796.1	5.3	41

areas. In the South, the shift was not as pronounced as in the Northeast, but there was a net change nevertheless from 57 to 61 percent in the share of the small labor market areas.

In the North Central States, increases in rates also loomed fairly large, but recovery was so uniform between the large and small labor areas as to result in proportions remaining unaltered. In the West, rates were up only moderately in either group, but the upturn was enough higher in the large labor market areas to expand their share of the gain from 76 to 78 percent.

POPULATION TRENDS SINCE 1950

Trends in population since 1950 in the metropolitan and nonmetropolitan areas of the United States have closely paralleled those occuring in employment (table 8). In the Standard Metropolitan Statistical areas, 7/ fewer persons were added annually in 1960-64 than in 1950-60 period, and additions between 1964 and 1965 were even more sharply reduced. The bulk of the reduction in number of people added was in the 55 largest SMSA's, but on a percentage basis the dropoff in rates of annual gain was about the same in both groups.

In 28 major population centers in the nonmetropolitan areas that have not been added to SMSA's, there was a small buildup in the average annual gain in numbers recorded in the first four years of the 1960's as contrasted with the previous decade. With the reduction in persons added between 1964 and 1965, however, falloff in percentage gain has closely approximated that in the SMSA's.

7/ 1960 designations.

In the other nonmetropolitan areas, there was more than a three-fold increase -- from 0.4 to 1.5 percent -- in the rate at which people were added each year in the 1960-64 compared with the 1950-60 period. A slight increase in the number of persons added between 1964 and 1965 was insuffficent to hold the rate at 1.5 percent, but the actual rate -- 1.4 percent -- equaled the national rate of gain -- an important change particularly over what had taken place in the 1950's.

Table 8.--Changes in population of metropolitan and nonmetropolitan areas, United States, specified periods, 1950-65 1/

Area	Average annual gain		
	1950-60	1960-64	1964-65
	Thous. persons	Thous. persons	Thous. persons
Metropolitan:			
55 largest SMSA's	1,770	1,485	1,240
Other 173 SMSA's	695	770	585
Total	2,465	2,255	1,825
Nonmetropolitan:			
28 major areas 2/	85	95	70
All other areas	250	825	835
Total	335	920	905
U. S. Total	2,800	3,175	2,730
	Percent	Percent	Percent
Metropolitan:			
55 largest SMSA's	2.7	1.8	1.4
Other 173 SMSA's	2.5	2.2	1.5
Total	2.6	1.9	1.4
Nonmetropolitan:			
28 major areas 2/	2.6	2.3	1.6
All other areas	0.4	1.4	1.4
Total	0.6	1.5	1.4
U. S. Total	1.8	1.8	1.4

1/ Adapted from 1960 Census of Population, Current Population Reports Series P-23 No. 10, and Series P-25 Nos. 347 and 348, and SRDS Consumer Market Data, January 1, 1965 and January 1, 1966.

2/ Mostly individual counties in which January 1, 1966 population exceeded that in designated (1966) SMSA's.

A PREVIEW OF CHANGES IN PROSPECT

Having exhausted the fund of current statistics that could be conveniently brought to bear on changes in jobs and population that are taking place in America's rural and urban areas, the next question that arises concerns what the future has in store. Can we anticipate more of the same type of local area changes? Will today's metropolitan areas be restored to their former primacy as growth centers, or will reduced rates of expansion continue and even intensify? Or, for that matter, is some strikingly new or revolutionary kind of development in the offing?

Too many imponderables complicate the present let alone the future picture to permit any simple and direct set of answers. But from what has occurred during the current national upturn and from what happened in the course of the 1960 recession, and even before that in the postwar period, some clues can be given as to what to expect between now and 1970. What the future will unfold thereafter will largely hinge on what is done to implement recent proposals not only to create new towns where people can work, live and play, but to remold today's urban and suburban complexes so tomorrow's individual subcommunities are also self contained.

What has been occuring recently bears out the adage that today's rural areas suffer most in times of recession, benefit appreciably only in periods of national prosperity. The type of marginal industries -- including farming -- that are most sensitive to changes in the economic climate have traditionally been concentrated in rural areas. In areas like Appalachia, unemployment extended to exceptionally high percentages of the labor force in various recession years, and often was reduced only as large numbers of people migrated from the area or simply disappeared from unemployment rolls and from the labor force.

Although the present national upturn contributed to al least partial restoration of employment in these and similar areas to former levels, this was not accomplished by reopening mines and factories, and was brought about only in part by adding workers in establishments that had been previously forced to reduce employment. What frequently has taken place has been the addition of new and different types of goods-producing industries. Apart from possibly being less recession prone, these additions, together with buildup of jobs in local service industries and stabilization of employment in mining and previously existing manufacturing, contribute to an industrial mix that adds to area capabilities for weathering future economic storms.

Elsewhere in the Southeast, the lag in development of areas that throughout the 1950's remained highly dependent on such industries as lumbering and textile manufacturing has been largely overcome by the same kind of decentralization and diversification that had already contributed to major gains in other sections and localities within the general area.

An important impetus to development here and in other rural areas has been supplied by the large amounts of capital available in recent years for new plant and equipment. In many instances, moreover, expansion has proceeded without substantial interruptions through the downturns of the 1950's as well as the 1960 recession. Also of great significence in evaluating future growth is the emergence of an alert and resourceful local leadership that has moved vigorously to supply such needs as adequate water for industrial and household use, waste disposal systems, utilities, and so on.

Only a start could conceivably be made by 1970 in doing something about the transportation crisis that has arisen from the continued dispersal of places to work as well as live, let alone the other problems of today's major cities and suburbs. For this reason, and because of the strength of the forces now in motion, current rates of change in employment and population in our major urban and metropolitan areas probably will remain about the same or be somewhat reduced in the next few years.

Looking to the future, it is fairly evident that we are rapidly running out of space to continue the form of suburbanization that has been so characteristic of recent expansion. Not only this, but the expansions around smaller cities and outlying areas are increasing pressures on many of the areas of open or only partially developed space still remaining.

Reducing high densities prevailing in many of today's cities and even in certain of the suburbs in itself would require substantial readjustments in land use patterns. Accomodation of tomorrow's anticipated extra millions of people will necessitate even more drastic economies in the use of land. Building new and self contained towns and cities is unlikely to meet the challenge alone. What will also be required is the application of the same principle of a relatively close-knit community to the redesign of today's urban and metropolitan areas into components that include more or less balanced combinations of work opportunities, residential accomodations, and recreation outlets.

If suburban expansion was permitted to proceed along the same lines as in the postwar period so far, mountains would literally have to be leveled and wastelands reclaimed merely to make room for everyone by about the year 2000. Even with forms of development that would require far less space per capita, many of today's rural areas in which economies are growing very little if at all would necessarily share particularly in the additions stemming from the creation of new towns and cities.

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