

URBAN CONCENTRATION: PROSPECTS AND IMPLICATIONS

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Two familiar phenomena characterize American population distribution. First, except for the years between 1810 and 1820, the urban population has grown more rapidly than the rural in every census decade since 1790, and urban dwellers now comprise 70 to 75 percent of the total population. Second, most of the population growth in larger metropolitan areas since 1920 has been in the suburbs, and during the early 1960's suburbanites became a majority of the nation's metropolitan population.

This paper is focused upon two facets of the phenomena just described. The first section examines recent trends and the probable future course of population distribution in the United States. The second section analyzes the social, economic, and political implications of present and probable future patterns of urban concentration. The concluding section examines the role of public policy.

TRENDS IN POPULATION DISTRIBUTION

During the 1960's population growth in large urban centers has slackened significantly, both absolutely and relative to population growth elsewhere. More than anything else, slower growth rates in large urban areas reflect the lower national population growth in this period. The drop in the birth rate not only means less growth in existing large urban areas, but also fewer smaller cities and towns mushrooming into larger urban centers.

In addition, recent changes in immigration laws have virtually guaranteed that foreign migration will account for an ever diminishing percentage of population growth. Since most immigrants settle in larger urban areas—between 1960 and 1965 they accounted for about half of the net gain in metropolitan area population through migration—a permanent tailing off of immigration will narrow the differential in population growth between larger urban areas and the rest of the nation.

Until recently migration, foreign and domestic, contributed more to the population growth of large urban areas than did natural population increases (the excess of births over deaths). Most of the differential between rural and urban population growth rates was explained by domestic

rural-urban migration. But in the late 1950's rural-urban migration began to slacken (Table 1). Between 1950 and 1960, annual net migration from nonmetropolitan counties averaged 400,000 in the South, 150,000 in the North Central states, and about 600,000 nationally. During the 1960's, Southern nonmetropolitan counties lost 50,000 annually through migration—approximately one-eighth as much as the annual rate in the 1950's.

TABLE 1. MIGRATION PATTERNS, 1950-60

Area	Net Gains Through Migration ¹			
	Metropolitan Areas ²		Nonmetropolitan Areas	
	1950-60	1960-66	1950-60	1960-66
	<i>Thousands</i>			
United States	8,824	2,772	-5,850	-889
New England	644	121	- 30	- 1
Mid-Atlantic	584	103	- 156	89
East North Central	1,271	- 200	- 406	-181
West North Central	284	- 111	-1,084	-464
East South Central	87	0	-1,526	-179
West South Central	767	259	-1,336	- 69
South Atlantic	1,782	859	-1,141	- 64
Mountain	780	270	- 216	-176
Pacific	3,209	1,844	35	156

¹Data for 1950-60 are net civilian migration, for 1960-66 total migration (including military).

²Standard metropolitan statistical areas: counties containing a city exceeding 50,000 population or the suburbs of such a city.

SOURCES: Bureau of the Census, "Estimates of the Population of Counties, July 1, 1966," *Current Population Reports*, Series P-25, Nos. 401, 404, 407, and 409, and *County and City Data Book*, 1962.

Migration of Negroes from the South has also fallen off significantly in the 1960's. Negro outmigration reached a peak of 160,000 per year between 1940 and 1950. The annual rate fell to 150,000 in the 1950-60 decade and to 90,000 per year in the 1960-65 period. More recent data show an even further decline, and since the mid-1960's the Northeast coastal states have experienced a net loss of Negroes through migration.

The preceding remarks should not be interpreted as a claim that migration from rural areas has ceased. Perhaps one-third of the predominantly rural counties are still losing population, compared to well over half in the 1950's. Two changes have occurred: a significant increase in the number of rural counties gaining population and a greater tendency for migrants from rural areas to resettle in other nonmetropolitan counties.

Two factors help explain the drop in rural-urban migration. The first is the deterioration of conditions within the ghettos of the large cities,

punctuated by several long, hot summers of civil disorders. Many of the indicators of socio-economic welfare have risen for the total population during the 1960's, but within the poverty areas of large cities, many of these same indicators have declined, as has population. Apparently, as relatively more successful members of racial minorities have found it somewhat easier to move to better residential neighborhoods, the central core ghetto has become more homogeneously poor. Since migrants from rural areas, particularly Southern Negroes, have historically relocated in these central ghettos, deteriorating conditions there are probably dissuading some potential migrants from moving.

The second factor leading to the decline in rural-urban migration is a dispersion of manufacturing employment. Throughout World War II and the Korean War, the seven states of the Northern industrial belt (Massachusetts, New York, New Jersey, Pennsylvania, Ohio, Michigan, and Illinois) contained roughly 55 percent of manufacturing employment in the United States but less than 40 percent of the total population. In the mid-1950's the distribution of new manufacturing jobs changed significantly. Between 1956 and 1966, manufacturing employment grew by 1,840,000 (11 percent) nationally, but only 37,000 (less than 1 percent) in the seven most heavily industrialized states. During the same period manufacturing jobs jumped 465,000 (26 percent) in the West and 1,026,000 (33 percent) in the South.

Total nonagricultural employment is growing fastest in the least densely settled areas. Counties with no urban center exceeding 10,000 population and other nonmetropolitan counties both experienced a 5 percent annual growth in nonfarm jobs between 1962 and 1966, compared to 4 percent annually in metropolitan areas and only 3 percent in the thirteen largest metropolitan areas.

Several factors have contributed to the decentralization of nonagricultural employment. The American transportation network has been vastly expanded and improved since World War II with the development of the interstate highway system, jet planes, pipelines, and other innovations. Interconnection of electrical power generating facilities into regional grids has also brought large quantities of power to less densely settled areas. In addition, many of the most rapidly growing industries, such as electronics, technical instruments, and consumer durables, produce commodities with an above-average value per unit of volume and weight. Transportation costs in these industries are consequently a lower fraction of total costs, reducing the importance of transportation relative to other cost elements in location decisions.

Certainly the civil disturbances of the mid-1960's must have played some role in location decisions of both individuals and businesses. The

impact upon population is indicated by the fact that according to Census estimates the nation's largest cities experienced greater outmigration between 1967 and 1968 of both whites and Negroes than in the previous seven years combined. Yet the dispersion of employment and the decline in rural-urban migration began considerably before the first major riot, providing some evidence of a fundamental change in location patterns.

The future population distribution implied by these new trends is very interesting. If the birth and death rates of the early 1960's continue, and if immigration laws are not changed significantly, the U.S. population should be approximately 300 million by the year 2000. If present domestic migration trends continue, metropolitan areas will gain roughly 11 million new residents by 2000 through migration—a very small amount considering that in the 1950's metropolitan areas added about 6 million migrants.

California's developing urban corridor, running from San Francisco Bay to the Mexican border, will receive more than half of the domestic migrants to metropolitan areas. Urban areas exceeding 3 million inhabitants will expand from 40.5 percent of the national population in 1965 to about 48 percent in 2000. By 2000 roughly 80 percent of the population will reside in metropolitan areas (i.e., in or around cities exceeding 50,000 population), compared to two-thirds in 1965, and less than 2 percent (about 5 million) will live on farms.

These projections make clear a central reality concerning future patterns of population distribution. Although migration to large cities could remain very low compared to historical trends, even a slow national population growth rate will still cause significantly greater urban concentration. Large cities will become much larger, and many smaller cities and towns will become major metropolises. These projections suggest that *as much land will be converted to metropolitan use in the next thirty years as has been converted in the preceding two centuries.*

Within metropolitan areas, the suburbanization of the population appears to be proceeding at much the same pace as it has for several decades. The population of central cities in all metropolitan areas increased about 1 percent between 1960 and 1968, compared to a growth of 28 percent in the suburbs. If central cities remain roughly the same size for the next three decades, then by 2000 the majority of the American population—170 million strong—will reside in politically independent suburban communities.

CONSEQUENCES OF URBAN GROWTH

Rural communities bear a significantly heavier burden of poverty than do cities. In 1966 nonmetropolitan areas contained 31 percent of the population and 48 percent of the poor, while central cities accounted for

32 percent of the population and 32 percent of the poor and suburbs 37 percent of the population and 20 percent of the poor.

Migration probably improves the living conditions of most rural-urban migrants. In some cases it does not, and among some the improvement may not be enough to allow them to escape poverty. Migration does redistribute poverty, shifting the responsibility of caring for the poor from rural to urban areas.

From the viewpoint of the city resident, rural-urban migration has intensified the problems associated with poverty in the city. The central city is at a disadvantage relative to the suburbs in attracting or retaining middle income individuals or new businesses because the suburbs offer the prospect of less taxes for the purpose of providing services to the poor. The central city spends far more on items related to poverty, such as welfare and health, while the suburbs are able to combine lower per capita total expenditures and taxation with much higher per capita expenditures for education (Table 2).

TABLE 2. PER CAPITA EXPENDITURES AND REVENUES OF CENTRAL CITIES AND SUBURBS, 1965-66

Item	Average for Ten Central Cities ¹	Average for Ten Suburban Counties
Total general expenditures	\$368	\$315
Current expense	309	247
Capital expense	59	68
Current education expenditures	90	141
Health and welfare	75	22
Police and fire protection	44	23
Highways (current expense)	9	12
Current sewer, parks, recreation, sanitation	25	18
General government	15	10
Interest	13	13
Other ²	65	24
Total local revenues, all local sources	271	219
Local tax revenues	216	179
Total intergovernmental revenue	112	77
Federal	16 ³	5
State	93	72

¹Includes the ten central cities which are coextensive, or nearly so, with a central county: New York, Philadelphia, Boston, St. Louis, Baltimore, Washington, Newark, San Francisco, New Orleans, and Denver.

²Includes correction, general public buildings, housing and urban renewal, libraries, natural resources, parking facilities, water transport and terminals, and airports.

³Excludes Washington, D.C., where \$137 per capita of federal revenue is more comparable to total state and federal revenues for other cities.

SOURCE: Bureau of the Census, *Local Government Finances in Selected Metropolitan Areas in 1965-66*.

These differences in local government budgets may explain an important political phenomenon affecting central city population. Among the central cities of the thirty most populous metropolitan areas, population grew by 1.4 million during the 1950's, although within the political boundaries of the cities population actually declined slightly. All of the increase was due to annexations of suburban territories by newer, medium-sized cities (none of the cities in the fifteen largest metropolitan areas annexed significant population during the 1950's). The virtual halt to central city population growth in the 1960's probably reflects a diminished ability of even the middle-sized central cities to annex suburbs. If this is the case, the drop in growth of the central city is mainly evidence of its weakening political power.

An important consequence of reduced central city annexation is an acceleration of the political fragmentation of the metropolitan area. This phenomenon has two damaging effects upon the central city. First, the causes of fragmentation, which are reflected in public expenditure differentials, are intensified. One potentially important mechanism for the central city to employ in order to finance public expenditures for the poor is annexation of new tax base. An ability to use this weapon increases even more the burdens on those still living inside the old city boundaries. Second, the ability of local government to deal effectively with metropolitan-wide problems, such as pollution abatement, waste management, transportation, recreation, and public utilities, is undermined by jurisdictional fragmentation. The central city, with relatively less vacant land to devote to these public activities, is especially affected when unable to combine with suburban areas.

Aside from problems associated with caring for the poor, big cities may also be inefficiently large. If this is the case, population growth from any source, poor or rich, may add significantly to the living costs of present city residents. A new resident in a city pays only the average cost for his income group of living in the city. If his coming causes average city living costs to rise, present city residents will find their own costs increasing as the costs created by the new resident are spread over the entire population.

The significance of these externalities of migration is open to debate. Most of the costs attributed to urban growth are difficult to measure. But some can be supported by plausible, logical argument, and a few can be demonstrated.

Environmental pollution is one problem which clearly does intensify with larger population. Up to certain limits, the natural environment can absorb some fraction of any increase in contaminants produced by society, but that fraction declines as the level of pollution increases. Consequently per capita pollution rises with increasing population. Even if local govern-

ment does not respond to rising per capita pollution by increasing efforts (and incurring greater expenditures per capita) to reduce pollution, the decline in environmental quality represents a real cost to individuals, as indicated by the fact that most city residents would certainly be willing to pay some price to clean up the environment.

Local government budgets reveal a significant correlation between population size and expenditures. Of course, existing expenditure differentials between metropolitan areas could represent differences in the quality and extent of services provided, reflecting partly differences in incomes and tastes and partly different allocations of responsibility between state and local governments. Nevertheless, differences by population size are fairly large, even after attempts to correct for extraneous effects by looking at cities of different sizes in the same regions. Table 3 shows per capita general expenditures and police costs for the largest metropolitan areas, by region and size class. Some expenditures are probably more related to density than size; for example, police expenditures are probably related to the frequency of individual contacts and the number of people affected by a given act of violence, and thus should increase with population density. But size and density are highly correlated; as a metropolitan area grows, centrally located land acquires increasing economic advantages, becomes more expensive, and is used more intensively.

TABLE 3. PER CAPITA GENERAL CURRENT EXPENDITURES BY LOCAL GOVERNMENT IN THE 38 LARGEST METROPOLITAN AREAS, 1965-66

1965 Population Group (Thousands) and Expenditure Item	Per Capita Expenditures ¹			
	Total	North	South	West
739-999:				
Total general current expenditures	\$204.57	\$217.80	\$174.19	\$229.57
Police protection	11.01	10.66	10.55	14.16
1,000-1,699:				
Total general current expenditures	242.38	246.62	191.46	288.22
Police protection	14.18	14.89	13.12	14.39
1,700 and over:				
Total general current expenditures	265.99	248.66	361.30
Police protection	18.95	18.45	21.74

¹Unweighted averages of per capita expenditures for areas included in each regional and population group.

SOURCE: Bureau of the Census, *Local Government Finances in Selected Metropolitan Areas in 1965-66*.

The table indicates rising costs with increasing metropolitan area size, particularly between the first two size groups. A rough interpolation from the table indicates that a new resident in a metropolitan area of more than 1 million inhabitants adds 20 to 50 percent more to local government costs than the average tax contribution of existing residents. The difference, of course, is made up through higher tax collections from the entire population.

If local government expenditures reflect the true social costs of metropolitan area population growth, then the externalities of urban concentration will cause cities to grow inefficiently large. Individuals would continue to move into a metropolitan area as long as the benefits to them exceeded the costs they are required to pay. If these costs are lower than the true social costs, people will continue to move in after the benefits have ceased exceeding the true costs.

URBAN POLICIES

An important consideration for the development of public policies with regard to urban growth is the sensitivity of urban concentration to national population increases. Because of the decline in rural-urban migration, a stabilization of national population would just about halt the growth of all but a few large metropolitan areas.

Probably the most effective strategy for eliminating further concentration of the population in already large urbanized areas is to check population growth, such as by providing birth control information and devices to anyone desiring them. With a very slowly increasing national population, policies to check urban concentration further should be oriented toward reducing even further rural-urban migration, or even foreign migration to large cities. At the present national population growth rate, the main source of urban concentration will be the natural increase in the present population of large urban complexes. In this case policy must be oriented either toward inducing significant numbers of residents of large metropolitan areas to migrate or toward accommodating further growth of large urban complexes.

With the exception of the recently enacted program to provide some minimal assistance to developers of new communities (most of which will be satellites of present large metropolitan areas), federal policy has been oriented, intentionally or not, more toward reducing rural-urban migration. Federal agencies provide assistance to rural communities and smaller cities for economic diversification and development. These programs operate under the plausible assumption that a significant proportion of migrants to large urban complexes would prefer to live in smaller communities similar to their initial place of residence if only adequate economic opportunities were available and made known to them.

While subsidies may have contributed to the recent decline of migration to big cities, they are less likely to generate substantial migration from these areas. Sentimentality for present life styles and familiar surroundings, the lack of a strong motivation to investigate job opportunities elsewhere during periods of prosperity, and simple inertia must all be reckoned with in trying to induce individuals to change residence. In the absence of policies aimed at undermining economic opportunities in large cities or to force relocation (both of which almost certainly entail far larger social costs than any conceivable benefits and, in any case, are not feasible politically), residents of large metropolitan areas are unlikely to respond to improved (subsidized) conditions elsewhere. And if subsidies that adequately correct for divergences between private and social costs of residing in different communities do not induce significant migration to subsidized areas, it will be persuasive evidence that the socially most desirable way to settle the 100 million additional Americans expected to arrive by the year 2000 is to make room for most of them in the nation's large urban complexes.

Another challenge to public policy is to avoid confusing the regional development problem of urban sprawl with the national problem of poverty. Many of the problems normally associated with urbanization would evaporate if the federal government were to assume a greater share of the financial burden of providing for the poor. The first step should be to federalize welfare standards and costs.

The case for a federal welfare system cannot be made on the grounds of its presumed impact on rural-urban migration, for the connection between migration and differences among states in welfare benefits is not very strong. The rapid growth in welfare rolls and benefits in the richer states began about a decade ago, after migration to the big cities had subsided. Throughout the 1960's welfare has continued to grow while migration has declined further. The principal cause of the rise in persons receiving welfare has been a rapid increase in the proportion of applicants for welfare who are accepted. For example, acceptances in New York City rose from 51 percent to 74 percent of all applicants between 1960 and 1967. In the South, acceptances have risen the least, but nonetheless substantially—from 48 to 60 percent.

Aside from social equity arguments, the principal reason for federalized welfare relates to the pressures expanding welfare has brought to bear on state and local governments. Welfare has become the largest expenditure of many big city governments, and is responsible for a significant part of the central city's disadvantaged position with respect to suburbs in attracting new businesses and keeping higher income residents. Furthermore, since less than half of the poor receive welfare and since welfare programs are primarily oriented toward groups for whom poverty is de-

clining very slowly, if at all, the prospects for reductions, or even slower growth, in welfare over the next few years are dim.

Welfare is but one example of several social services closely related to poverty that ought to be financed to a greater degree by the federal government. Other examples are education, job training, and public health. These social services greatly facilitate the reduction of poverty, yet areas with a large low-income population have less financial ability to provide adequate services. A principal source of urban poverty has historically been the poor rural migrant to big cities who arrives inadequately prepared by the rural educational system. In recent years the educational system in big cities, particularly in poverty areas, has deteriorated, and now the poorly educated city native is becoming the main source of urban poverty. Without substantial federal or state assistance, large cities are unlikely to make the expenditures necessary to provide quality education, as well as other social services, to the children of the poor.

The final policy issue connected with urban poverty is the worsening of conditions in the central city ghetto. A consequence of policies that reduce racial discrimination in housing is the gradual conversion of ghettos from areas with considerable social and economic heterogeneity to areas with near uniform poverty. While this improves conditions for the low-middle and middle income families who escape the slum ghetto, conditions for those who remain become worse. In addition, the resources within the ghetto for redevelopment and the attractiveness of the ghetto for private investment (either by whites or blacks) are reduced. The effects upon poverty area children and upon the viability of the central city of concentrating the hard-core poverty cases into homogeneous central core areas are potentially devastating.

Ideally, the response of policy to deteriorating conditions in slum ghettos would be to make the population of both suburbs and poverty areas more heterogeneous, first, by undertaking community development projects for the poor in suburbs and, second, by attracting middle income families back into ghetto neighborhoods. Such a policy response will be very long in developing, for it faces two extremely high barriers. First, attitudes among both whites and blacks and among both poor and nonpoor are hardened against such policies. Among the poor, and particularly blacks, the hoary "Negro removal" aspect of urban renewal has created justifiable suspicions of community development programs not run for and by ghetto residents. Second, building viable communities for the poor in suburbs will be an expensive, long-term project even if suburban residents will accept them.

One important aspect of the problem is avoiding disastrous effects upon employment among the poor and near-poor through relocation in the suburbs. Despite the more rapid growth of jobs in suburbs, most job

openings, particularly in low-skill occupations, are in the central core. In addition, suburban employment is spread over a much wider geographical area and is generally less adequately served by public transportation. Consequently the suburban poor are more likely to be physically isolated from potential sites of employment. A similar argument can be made with respect to shopping facilities and social contacts in the less densely populated suburbs. Suburbanization of the poor would, therefore, require development of parallel employment opportunities, shopping areas, and transportation systems. It is difficult to imagine, from both a political and an economic perspective, this type of comprehensive development for the slum ghetto poor in sufficient scale to relocate a significant proportion of the urban poor in the reasonably near future.

The only other policy alternative to dispersion of the poor is so-called ghetto gilding. In fact, most existing or proposed urban redevelopment schemes fall into this category: public housing, urban renewal, model cities, black capitalism, tax incentives for ghetto investments, etc. Recently it has become in vogue to speak of mobilizing private capital to reconstruct the ghetto.

To evaluate alternative ghetto-gilding policies, it is useful to make a distinction between the blighted slum or poverty area and the deteriorating but still viable low-income (but not poverty) neighborhood. In the latter case incomes are generally rising, the number of stable families headed by an employed parent is high, and programs to induce self-improvement or investment from outside have some chance for success. But in the worst slums, with high unemployment, many unstable families, and declining incomes and population, it is futile to expect the private sector to make the investments necessary for redevelopment without extremely large governmental subsidies. In these areas massive public expenditures are necessary if living conditions are to be significantly improved. Eventually such expenditures might raise incomes and improve physical conditions sufficiently to make the slum ghetto attractive to business and more successful families, but this is a distant hope.

The preceding remarks have centered on policies to deal with urban poverty because, first, so many of our urban problems are in reality local outcroppings in especially virulent form of the national problem of poverty and, second, because the future pattern of urban growth depends critically upon the policy response to poverty—both urban and rural. Past migration of the rural poor to large cities and the concentration of the poor, particularly of minority groups, in central cities has substantially biased urban development toward fragmentation and suburbanization. In the absence of other policies for effectively combatting urban poverty, the task of arriving at rational solutions to other urban problems is made immensely more difficult.