

From Centralization to Deconcentration: Economic Activity Spreads Out

*By Gerald Carlino**

Prior to the 1970s, the U.S. witnessed a net flow of migrants from its rural to its urban areas. Since 1970, though, this long-standing tendency has been reversed, and the turnaround has placed the nation's major metropolitan centers, especially those in the Northeast and Midwest, in a degree of economic jeopardy.

Some observers have attributed this dramatic change to growth in the mining and recreation industries out in the countryside. Others focus on the increase in the number of older people who can live where they want and on their preferences for rural living. But it seems far more likely that recent innovations in the technologies of production, transportation, and communication have been the decisive factors in making rural counties

better able to compete for economic activity. These innovations not only are the basis for rural employment growth but also serve to reduce the cultural isolation of nonmetropolitan locations.

PEOPLE AND JOBS HEAD FOR OPEN SPACE

The United States has a long history of increasing population concentration in urban areas.¹ In the 1950s, for example, metropolitan areas saw their populations increase by well over two percent annually, while populations elsewhere were just

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¹ The expressions 'metropolis' and 'urban area' and their corresponding adjectives are being used to designate standard metropolitan statistical areas (SMSAs). In general, SMSAs are statistical constructs used to represent integrated labor market areas which consist of the counties containing a central city of at least 50,000 people along with any contiguous counties, if such counties meet certain economic considerations.

holding their own.

In the 1960s, people slowed their drift toward the cities, and urban population growth dropped to an average of a little more than one and a half percent per year. Meanwhile, growth in nonmetropolitan areas was inching upward, averaging close to half a percent per year for the decade.

The historical pattern reversed itself suddenly and dramatically during the last decade in many areas of the country. Between 1970 and 1980, the growth rate of metropolitan populations fell to a little less than one percent per year while the nonmetropolitan rate jumped to better than one and a half percent, exceeding the metropolitan rate for the first time in 160 years (see POPULATION GROWTH SHIFTS TO NONMETROPOLITAN AREAS).

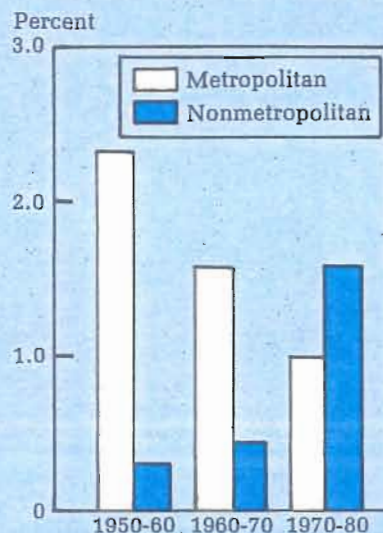
Likewise, employment is growing more rapidly outside urban areas. In 1970, for example, metropolitan places accounted for 70.6 percent and nonmetropolitan ones 29.4 percent of employed persons. By 1977, however, the SMSA share of employment was down to 68.8 percent, while the nonmetropolitan share was up to 31.2 percent. The share of total employment located in nonmetropolitan places increased for all but two employment groupings. The gains in nonmetropolitan employment shares were generally largest in the goods production industries; but there were large gains in the nonmetropolitan share of service employment as well.²

Movement of people and jobs out of the central cities is nothing new, and this movement is continuing. But the shift out of traditional metropolitan areas is quite new, and the shape of things to come is likely to be far more complex than the traditional arrangement of thinly settled suburbs surrounding densely populated core cities.

² U.S. Department of Commerce, *Current Population Reports*, Special Studies P-23, No. 75.

POPULATION GROWTH SHIFTS TO NONMETROPOLITAN AREAS

Annual Rates of Population Change by Metropolitan and Nonmetropolitan Location



SOURCE: U.S. Department of Agriculture EDD, ESS, Population Studies Group.

DECONCENTRATION PERVADES THE SCENE

What makes the current shifts so different from past ones is the effect on places that are outside the influence of metropolitan areas. To be sure, people and jobs are continuing to spill out of the central cities into both the nearer and the more distant suburbs. But now rural areas far removed from urban concentrations are growing, too.³ Further, the smaller the unit of either sort, metropolitan or non-

³ The term 'rural' is used for counties not in or adjacent to a metropolitan area.

metropolitan, the faster its growth is likely to be. These trends are found in all parts of the country. And the evidence suggests that some form of deconcentration is occurring in all the industrialized countries, not just in the U.S.

While counties bordering metropolitan areas are the country's fastest growing places, other nonmetropolitan places also are growing rapidly. From 1970 to 1980, population increased faster in nonmetropolitan places (15.8 percent) than in metropolitan ones (9.8 percent). Nonmetropolitan counties which are adjacent to metropolitan counties showed the fastest growth of all (17.4 percent). But nonadjacent nonmetropolitan counties also saw rapid growth—at a 14-percent rate (see **NONMETRO COUNTIES SHOW LARGEST POPULATION GROWTH**).

This tendency toward growth in small places holds up even when the microscope is trained on areas smaller than county size. Population in unincorporated places grew

three times faster, for example, than in the largest nonmetropolitan places. This relation of small size to high growth holds even when the data are partitioned into adjacent and nonadjacent nonmetropolitan counties (see **SMALLER NONMETRO PLACES GROW FASTER**).

Likewise, the smaller the metropolitan place the faster its population growth rate is likely to be. During the past decade, the population growth rate for the smallest size category of SMSA (fewer than 250,000 people) was over 15 times as large as the population growth rate for the larger (over 3,000,000) SMSAs (see **SMALLER METRO PLACES GROW FASTER, TOO**, overleaf).⁴

⁴ These figures may overstate the growth of the smaller metropolitan places since, at the start of the 1970s, many of these small SMSAs still were classified as nonmetropolitan. During the decade, many nonmetropolitan places gained enough people to be reclassified as metropolitan. Thus some of the faster growth registered by the

NONMETRO COUNTIES SHOW LARGEST POPULATION GROWTH

(Thousands of people)

	1970	1980	Percent Change
Total U.S.	203,301	226,500	11.4
Metropolitan	148,887	163,503	9.8
Nonmetropolitan	54,424	63,002	15.8
Adjacent	28,033	32,901	17.4
Nonadjacent	26,391	30,101	14.0

SOURCE: U.S. Department of Agriculture, Economic Development Division, ESS, Population Studies Group.

SMALLER NONMETRO PLACES GROW FASTER

Nonmetropolitan Population by Size of Place: 1970 and 1975

	Average Annual Percent Change
Unincorporated places	1.96
Incorporated places	
Under 2,500	1.16
2,500 to 9,999	0.66
10,000 to 24,999	0.66
25,000 to 49,999	0.62
Total	1.38

SOURCE: Compiled from J. F. Long, "The Deconcentration of Nonmetropolitan Population," a paper presented at the 1978 Annual Meeting of the Population Association of America, Atlanta, Table 1.

SMALLER METRO PLACES GROW FASTER, TOO

Population Growth by Metropolitan Size
and Major Region: 1970 and 1978

Average Annual Percent Change of Population

	Total	Northeast	North Central	South	West
Metropolitan*	0.73	-0.17	0.24	1.53	1.53
Over 3,000,000	0.09	-0.36	0.04	0.38	0.89
1,000,000 to 3,000,000	0.92	-0.41	0.13	1.66	1.76
500,000 to 1,000,000	0.91	0.81	0.36	1.15	2.44
250,000 to 500,000	1.26	0.43	0.48	1.70	2.06
Less than 250,000	1.37	0.64	0.65	1.56	2.69

* According to 1979 SMSA definitions.

SOURCE: Bureau of the Census, *Current Population Reports*, "Population Characteristics," Series P-20, No. 350, Table 14.

The trend toward faster growth of non-metropolitan places is found in all regions of the country—in the Frostbelt as well as in Sunbelt states (see **THE TURNAROUND PHENOMENON IN THE THIRD DISTRICT**). During the 1970 to 1978 period, nonmetropolitan places in the West experienced the largest inflow of people (0.89 percent per year) followed by the Northeast (0.67 percent), the South (0.60 percent), and the North Central (0.17 percent) regions.

Thus, while the well publicized shift of population from the more heavily urbanized Frostbelt to the more rural Sunbelt has augmented the deconcentration tendency, it is not the primary cause by any means. The more important demarcation may not be the

Mason-Dixon line or the Mississippi River but metropolitan-nonmetropolitan.

There is evidence also that deconcentration is not limited simply to the United States. Daniel Vining of the University of Pennsylvania and Thomas Kontuly of Boston University suggest that this phenomenon is occurring simultaneously in most other industrialized countries. "A summary of recently published statistics," they say, "shows an actual or imminent population decline in the great metropolitan regions of many, if not all, of the major industrialized nations (Japan, France, Great Britain, Sweden, Norway, Italy, and the USA)."⁵

No doubt about it: deconcentration of population and employment is a pervasive

smaller SMSAs really should be attributed to the rapid growth of nonmetropolitan places too. But the overall picture remains the same: the smaller the unit, the faster its growth is likely to be.

⁵ D. R. Vining and T. Kontuly, "Population Dispersal from Major Metropolitan Regions: An International Comparison," *International Regional Science Review* 3, 1 (1978), pp. 49-73.

THE TURNAROUND PHENOMENON IN THE THIRD DISTRICT

In the three states of the Third Federal Reserve District—Delaware, New Jersey, and Pennsylvania—metropolitan population growth declined substantially while nonmetropolitan population growth was either already strong or on the increase over the past three decades.* But while these states reflect the national pattern of faster nonmetropolitan population growth, turnaround occurred in two of the states in advance of the national trend.

New Jersey, for example, appears to have gone through its turnaround before 1950, and Delaware was seeing its adjacent nonmetropolitan counties chalk up their highest population growth rates even before 1960. Metropolitan areas in Pennsylvania continued to dominate through the 1960s, but the 1970s slowed the Keystone State's metropolitan population growth to the point of turning it negative.

The turnaround in employment growth hit all three Third District states before 1970. Pennsylvania was the last to see this change (in the period 1962-70); New Jersey and Delaware already were experiencing larger nonmetropolitan employment growth at the outset of the 1950s.

POPULATION AND EMPLOYMENT GROWTH IN DELAWARE, NEW JERSEY, AND PENNSYLVANIA

Average Annual Percentage Change

	Population			Total Employment		
	1950-1960	1960-1970	1970-1980	1951-1959	1962-1970	1970-1979
Delaware						
Total	4.03	2.28	0.86	2.04	5.04	2.08
Metro	4.05	2.55	0.34	2.78	4.90	2.17
Nonmetro	4.00	1.66	2.09	—	—	—
Adjacent†	7.34	2.47	1.99	3.00	7.76	2.44
Nonadjacent	1.93	0.98	2.20	0.28	4.61	2.64
New Jersey						
Total	2.55	1.82	2.70	0.91	2.90	1.77
Metro	2.45	1.64	-0.04	.05	2.92	1.71
Nonmetro	5.22	5.96	5.21	3.67	5.62	7.04
Pennsylvania						
Total	0.78	0.42	0.06	-0.32	2.36	1.65
Metro	0.97	0.50	-0.11	-0.09	2.47	0.71
Nonmetro	0.06	0.12	0.80	—	—	—
Adjacent	0.06	0.16	0.80	-0.54	3.13	1.99
Nonadjacent	0.03	-0.08	0.58	-1.16	2.65	1.46

* The Third Federal Reserve District includes two-thirds of Pennsylvania, half of New Jersey, and all of Delaware.

† 'Adjacent' means next to a metropolitan area. All nonmetropolitan counties in New Jersey are adjacent.

SOURCE: U.S. Department of Agriculture, Population Studies Group.

trend that is having a profound economic impact on the U.S. and other countries. Suburbanization and the attendant losses suffered by central cities may receive most of the attention, but deconcentration is a phenomenon even larger in scope.

PEOPLE LEAVE, BUT WHY?

There must be some reason, most analysts would say, for this change in people's behavior. Economists contend that the explanation should be connected with some new economic advantage to nonmetropolitan living. What incentives do people have for making this adjustment in where they live and work—what incentives that they didn't have before?

Aging Is Not the Cause. Many observers contend that the changing age distribution of the population is, for several reasons, a source of rural growth. The aging of the baby-boom cohort, for instance, brought a large increase in the number of college-aged people. Over the period 1970 to 1977, there was a 16.2-percent increase in the number of people 18 to 24 years old (see **THE POPULATION AGES**). Colleges and universities tend, it is argued, to employ a great deal of land and therefore choose relatively cheap sites—nonmetropolitan locations. So, this argument runs, the increased demand for educational services occasioned by more college-aged people leads to increased employment opportunities in rural places.

The role of higher education in nonmetropolitan growth, however, should not be overemphasized. Places of higher education tend to have metropolitan as well as nonmetropolitan locations. While the employment opportunities associated with the growth of higher education may be potentially attractive as explanations for rapid rural population growth, their role has yet to be confirmed by rigorous studies.

Another factor frequently cited as the key to explaining nonmetropolitan growth is the 8.3-percent increase in the 65-years-and-over

THE POPULATION AGES

Changing Age Distribution
of Population: 1970-1977

Age Group	Percent Change
Under 5 years	-15.3
5 to 13 years	-18.3
14 to 17 years	- 1.3
18 to 24 years	16.2
25 to 34 years	23.6
45 to 64 years	- 5.3
65 years and over	8.3
Total population (in thousands)	6.4

SOURCE: U.S. Department of Commerce, *Current Population Reports*, "Social and Economic Characteristics of the Metropolitan and Nonmetropolitan Population: 1977 and 1970," Special Studies P-23, No. 75, compiled from Table 1.

cohort. People who have location-independent sources of retirement income may be migrating to amenity-rich, low-cost locations, many of which are nonmetropolitan.

While some studies report migration of retirees as a significant factor in rural growth, others do not. C.J. Tucker of Atlanta University, for example, using the 1970 census and the 1975 Current Population Survey, found that while some part of the trend reversal could be attributed to a changing age distribution, most of it came from shifts in migration patterns in all age categories.⁶ Age isn't the answer.

Industry Growth Isn't the Whole Answer, Either. Other writers argue that the growth of the extractive and recreational industries underlies much of the rural renaissance.

⁶ C. J. Tucker, "Changing Patterns of Migration Between Metropolitan and Nonmetropolitan Areas in the United States: Recent Evidence," *Demography* 13, 4 (1976), pp. 435-443.

Their scenario suggests that the changing energy picture has resulted in a renewal of domestic sources of energy, which should give rise to rapid employment growth in several resource-rich nonmetropolitan regions. The coal regions of Appalachia, with their newly created mining jobs, are a prime example.

Outdoor recreation has become another growth industry. A general increase in income has raised the demand for recreational goods and services, as well as the demand for second homes, in amenity-rich regions. Since most of the areas well endowed with recreational amenities are nonmetropolitan, the increase in recreation business could be yet another source of rural employment growth.

In fact, there is little evidence that these industries have grown faster in nonmetropolitan places. Indeed, according to data published by the Census Bureau where the mining, entertainment, and recreation industries are concerned, employment is growing faster in metropolitan locations than in nonmetropolitan ones—the only sectors where this has occurred over the period 1970-77 (see EMPLOYMENT GROWS FASTER IN NONMETRO AREAS).

While the finding that the mining industry is growing faster in metropolitan areas is interesting, we should not push it too hard. There are several qualifications one must make regarding these data. To begin with, they are based on samples and are therefore subject to sampling error. That is, the result

EMPLOYMENT GROWS FASTER IN NONMETRO AREAS

Percent Distribution of Employed Persons 16 Years Old and Over,
by Industry Group and Type of Residence: 1970 and 1977

Industry	Nonmetropolitan		Percent Change 1970 to 1977	Metropolitan		Percent Change 1970 to 1977
	1970	1977		1970	1977	
Agriculture, forestry & fishery	71.4	72.1	1.0	28.6	27.9	-2.5
Mining	59.9	58.0	- 3.2	40.1	42.0	4.7
Construction	34.0	37.2	9.4	66.0	62.8	-4.9
Manufacturing	29.8	33.2	11.4	70.2	66.8	-4.8
Transportation, communica- tions & other public utilities	25.0	27.9	11.6	75.0	72.1	-3.9
Wholesale trade	20.1	22.1	10.0	79.9	77.9	-2.5
Retail trade	29.1	30.3	3.8	70.8	69.7	-1.6
Fire	17.6	19.5	10.8	82.4	80.5	-2.3
Business services	19.2	20.5	6.8	80.8	79.5	-1.6
Personal services	32.0	34.8	8.8	68.0	65.2	-4.1
Entertainment and recreation	21.3	19.5	- 8.5	78.7	80.5	2.3
Professional	27.6	29.2	5.8	72.4	70.8	-1.6
Public administration	24.0	25.9	7.9	76.0	74.1	-2.5
Employed	29.4	31.2	6.1	70.6	68.8	-2.6

SOURCE: U.S. Department of Commerce, Current Population Reports, special Studies P-23, No. 75, Compiled from Table O.

that mining employment is growing faster in urban places could be simply a statistical artifact. Another problem is that the data report employment by residence rather than employment by establishment. Thus people residing in urban places but commuting to work in nonmetropolitan ones would be counted as part of urban employment. Finally, Calvin Beale of USDA, a previous proponent of the growth of mining as a significant factor underlying the rural revival, has more recently softened this view. In a statement before the House of Representatives Subcommittee on Economic Development he claims that "if one considers all rapid growth areas, mining is the major cause of growth in only a minority of cases—media attention on these cases notwithstanding."⁷

In short, while development of the extractive and recreational industries may have contributed to growth in some rural places, this hasn't been the leading influence for deconcentration.

The Call of the Wild, or Maybe Main Street? Another popular explanation of the rural renaissance is an alleged shift in preferences toward nonmetropolitan living. *Newsweek's* recent cover story—"America's Small Town Boom"—reports on new rural arrivals who, though they make only half as much money as they did in the big city, are compensated by the "cry of a loon" on nearby lakes.⁸

But there is nothing new about such preferences. Indeed, suburbanization has always been an attempt on the part of those tied to cities to have their cake and eat it too—to have the benefits of a metropolis while maintaining some of the amenities of a rural

life. What is different is that these preferences now seem to be easier to satisfy than they used to be. The question is, why?

TECHNOLOGICAL CHANGE UNDERLIES DECONCENTRATION

Businesses tend to go where they can prosper. In the nineteenth century, the state of technology placed certain limits on a firm's prosperity that could be overcome only by locating near other firms. But many of those limits have been overcome in this century by technological changes.

Forces for Concentration. The nineteenth-century city tended to be highly concentrated, containing as much as 90 percent of total employment within a one-mile to three-mile radius of its central business district.⁹ Manufacturing activity tended to concentrate in these cities because of interindustry linkages and the need to keep transportation costs as low as possible. It was advantageous for nonmanufacturing enterprises (banking, finance, and insurance, for example) to join the cluster if they supplied business services to local firms or consumer services to their employees. This process led to the spatial concentration—or what economists call agglomeration—of people and jobs.

In the printing industry, for example, firms tended to gather in large cities such as New York to share certain products or services that individual firms could not purchase economically if they were isolated.¹⁰ Demand for commercial printing was important, and the big cities had it, for example, in the form of newspapers, other publishing, general-use office products, and specialized products for the legal and financial

⁷C. L. Beale, "Population Change in Rural America and Implications for Economic Development," statement before the Subcommittee on Economic Development, House Committee on Public Works and Transportation, November 19, 1981.

⁸"America's Small Town Boom," *Newsweek*, July 6, 1981.

⁹This section draws and extends the arguments in a paper by Alex Anas and Leon Moses as well as one by Charles Leven, both found in Leven, *The Mature Metropolis*.

¹⁰E. Tobier and M. A. Willis, "Has New York's Printing Industry Bottomed Out?" *New York Affairs* 6,2 (1980), pp. 59-69.

industries. But so was supply, of both materials and labor. Printing equipment needed to be provided with paper and ink in volume, and it required highly skilled labor for operation, maintenance, and repair.

The city of a century ago represents one way of bringing the factors of production together. It depended on the technology of its time—steam and then electric power, overland transportation in the form of trains and trolleys, high-grade mechanical equipment. In many respects, this technology continued to dominate economic organization in America through the period of World War II. But in the intervening years, U.S. industry has found new ways to organize itself and new ways to operate—ways that make use of still newer technologies that permit firms and individuals to participate in the same production process even though they aren't always in the same place.

Changing Production Technology. A frequently cited factor in the movement of manufacturing away from central cities is the development of assembly line techniques. The assembly line requires a horizontal flow of goods, which uses more land than previous methods. Horizontal plants are more costly to construct in the existing built-up central cities but much less expensive to build on large, vacant suburban lots.

More recent innovations in production technology have made locating in a metropolitan center still less important. The production process has been divided, for example, into a sequence of individual operations. This increase in the number of stages in the production process has given firms the ability to split off and relocate phases of their operations that do not require central city or even metropolitan locations.

According to Daniel Garnick and Vernon Renshaw of the Bureau of Economic Analysis, the deconcentration pattern is also explained by developments in miniaturization and light-weight materials, the reduced numbers of movable parts in equipment, and

the substitution of electronic for mechanical processes. These improvements have further reduced the relative importance of transportation costs and of large skilled labor pools.¹¹

A case in point is NCR, formally the National Cash Register Corporation. Between 1969 and 1977, NCR moved from a line of mechanical cash registers to point-of-sale terminals based on microcircuitry, sharply reducing the number of component parts in the final product. Assembling a 5,000-part mechanical register had required a large skilled labor pool such as that at the Dayton plant. The new machine, however, is much easier to assemble and can be handled by a smaller, less skilled labor force. Where workers in Dayton used to do 70 percent of NCR's U.S. production, they now do 15 percent. According to the *Washington Post*, this deconcentration "would have been economically undesirable before the advent of the microcircuit."¹² This example shows how the economies of agglomeration which favored concentration in centralized locales have been weakened by changes in production technology.

Changing Transportation Technology. Changes in transportation technology also helped to produce first suburbanization and now deconcentration. Before the invention of the automobile, rail transport was the most rapid and efficient method of moving people overland. Residential choice, however, tended to be restricted to the vicinity of the tracks radiating from the central city. The increase in automobile ownership and the improvement in urban roads after World War II brought significant reductions in transportation costs (including time) and attracted people to the suburbs. The motor truck meant

¹¹ D. Garnick and V. Renshaw, "Competing Hypotheses on the Outlook for Cities and Regions: What the Data Reveal and Conceal," unpublished manuscript.

¹² "How Technology Altered NCR and Dayton," *The Washington Post*, January 8, 1978.

that economic activity no longer had to be tied to railroad siding locations. All these developments gave firms an efficient and dependable form of transportation outside the more congested central city and brought jobs to the suburbs as well.

Continuing improvements in transportation technology have helped to encourage deconcentration. The interstate highway network has connected many previously remote rural counties with the old mainstream and with one another. Moreover, the increased size and efficiency of trucks, as well as the expansion of high-speed thruways, are increasing still more the economic viability of nonmetropolitan business locations.

Changing Communications Technology.

The nineteenth-century city was spatially concentrated partly because people and firms were not able to communicate very effectively over long distances. The telegraph could transmit information, but it was unable to accommodate a high volume of messages. When the primary means of relating complicated pieces of information were the messenger and face-to-face meetings, the benefits of concentrated location patterns were obvious.

The advent and improvement of the telephone aided suburbanization. The telephone permitted a firm to locate in the suburbs while maintaining contact with both customers and suppliers in the city.

A more recent revolution in technology has improved long-distance communications and contributed still further to deconcentration. Low-cost long-distance WATS lines, improvements in information storage and retrieval systems, and the use of document transmission equipment allow branch plants to be located in rural communities while maintaining good communications with the corporate office located, for example, in New York or San Francisco.

Technological change not only has increased the economic viability of deconcentration, it also has reduced the advantages of concentration. In other words, it has reduced

the agglomeration economies available to economic activity from locating in metropolitan (especially large) centers. A research project recently conducted at the Federal Reserve Bank of Philadelphia attempted to measure agglomeration economies for the aggregate of all manufacturing firms for the 80 largest SMSAs for two time periods—1957-69 and 1970-77. This research revealed that a weakening of agglomeration economies led to a 7-percent decline in the optimal population size of cities—the size at which the net advantages of being close to other business activities are at their greatest. The optimal size now appears to be just a little over 3,000,000 people—a result consistent with the Census Bureau's finding that nationally it is the 3,000,000-plus cities which are declining.¹³ This evidence supports the view that the economic forces which led to concentration of economic activity in cities have peaked and are dissipating. The result is deconcentration.

CONCLUSION

The very kinds of forces which gave rise to suburbanization also have made rural locations economically attractive. Technical innovations in information storage, retrieval, and transmission have reduced the economic advantage of locating closely related activities near one another. Improvements in cars, trucks, and planes have lowered transportation costs. And the interstate highways have opened up virtually any location to business development and residential use.

The impact of deconcentration on the old cities, of course, is another matter. Many different trends are at work, and nearly all tend to make small look beautiful. The urban infrastructure (schools, port facilities, public utilities, and mass transit systems) in cities

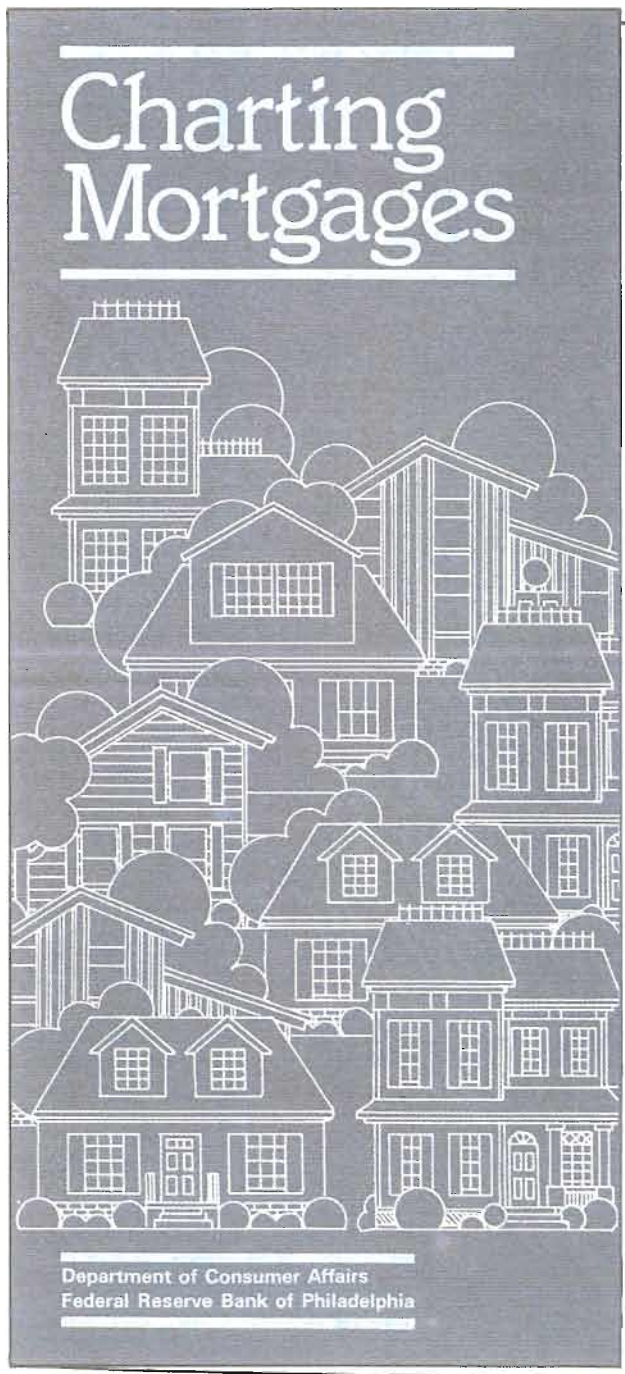
¹³ G. A. Carlino, "The Role of Agglomeration Economies in Metropolitan Decline," Federal Reserve Bank of Philadelphia, Research Paper No. 71, 1981.

such as New York, Boston, Philadelphia, Pittsburgh, and St. Louis were designed to service a certain number of people and jobs. As population and employment leave these cities, excess capacity develops and the tax base erodes. The cities then are forced into disinvesting in those assets (via under-maintenance and depreciation). Meanwhile, just the opposite is occurring in the expanding regions: excess demand pressure for social

capital plagues the new regions experiencing rapid growth.

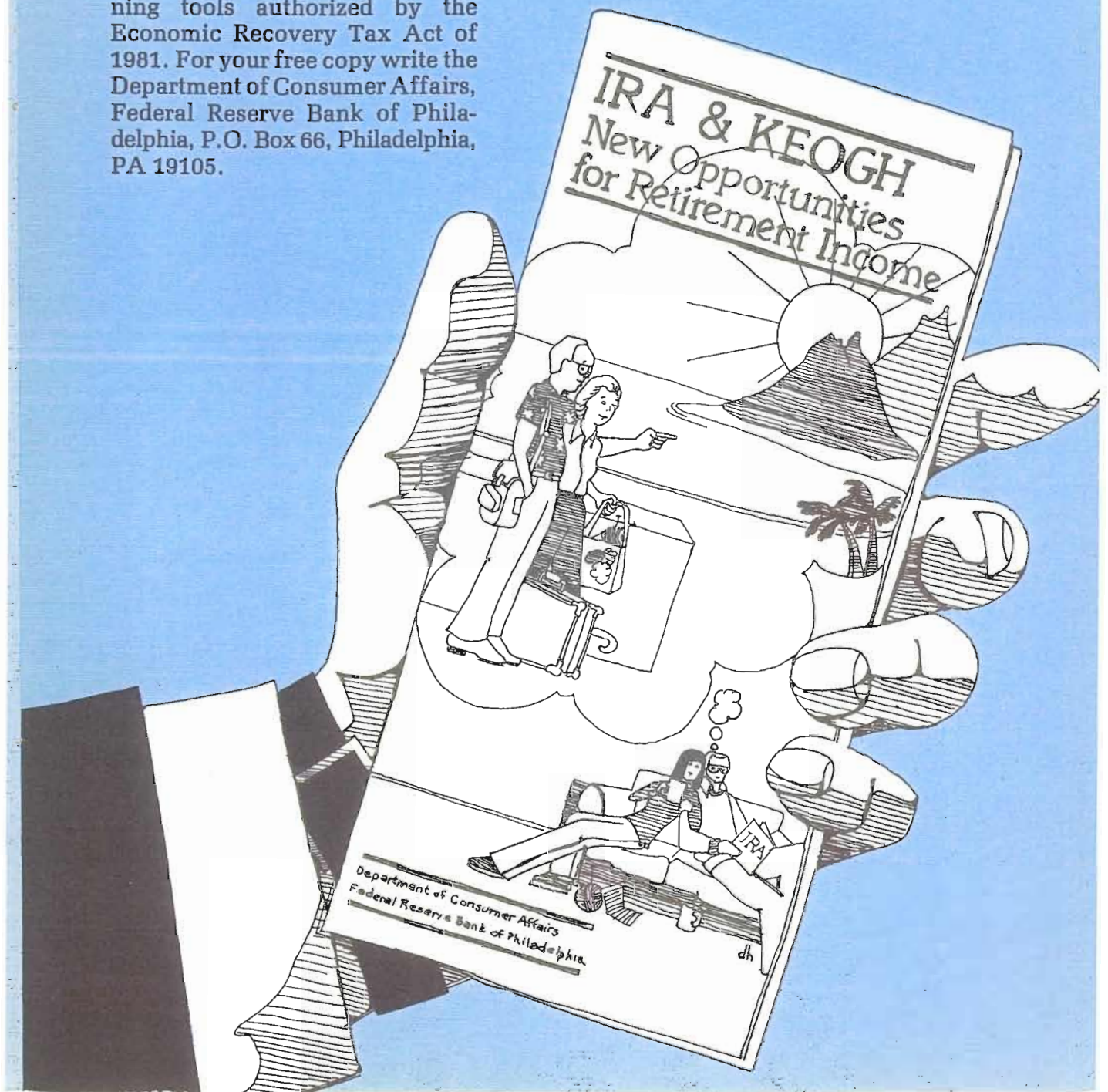
In short, the basic economic forces at work in deconcentration have proven their strength. They appear to represent long-term trends. Thus the outlook for the future of the U.S. and other industrialized countries is further shrinkage in larger centers of population and employment combined with further growth in the smaller centers.

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