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Still Heading West

Time cover stories and *New York Times* analyses have headlined lately the big demographic story of the 1970's—the continued shift of the nation's population to the West and South, and frequently to the smaller communities within those regions. There is ample reason for such attention. According to Census Bureau calculations, the population grew by 10 million, to 213 million, in the first half of the decade—and 85 percent of that growth occurred in the West and South.

By the *Times'* account, "Behind all these dry numbers are some compelling human and economic realities—the industrialization of the South, the greening of the Arizona deserts, pollution of the wilderness, land swindles, the overnight blossoming of villages and the ungainly emergence of one-time cowtowns such as Houston and Phoenix into major metropolises. Propelling it all is the quest for money and leisure and, perhaps for some, escape from the decaying and 'unliveable' Northeast."

For market analysts, numbers alone do not provide the complete story. Also important are the dollars that the migrants bring with them, and the dollars that they earn and spend in their new communities. A recent study by the Commerce Dept.'s Bureau of Economic Analysis casts some light on that subject by comparing real income growth for the nation's 173 economic areas between 1950 and 1973. (Each economic area consists of both a major trading center and its surrounding counties, so that it is frequently larger than a standard metropolitan area.) In particular, significant shifts have occurred over that almost quarter-century span in the 22 economic areas located West of the Continental Divide.

Boom in total income . . .

These 22 Western areas boosted their share of the nation's personal income from 13.3 percent in 1950 to 16.1 percent in 1973, reaching $177 billion at that point. The Los Angeles area by itself accounted for more than one-third of the entire Western market in 1973; in fact, L.A. was two-thirds larger than the entire fast-growing Florida market in that year. Yet eight other Western markets (such as Phoenix, San Diego and Las Vegas) grew even faster than the Los Angeles area over the quarter century. On the other hand, eight regional centers in the Northwest and rural California—including Portland, Spokane and Fresno—failed to match the nation's 4.3-percent average annual growth of real income over this period.

Meanwhile, the population of the 22 Western centers grew from 11.3 percent to 15.3 percent of the national total, reaching 32.0 million in 1973. Population gains were widespread throughout the region, since only three centers (Spokane, Idaho Falls and Yakima) failed to exceed the national growth pace of 1.42 percent annually. All other Western markets considerably bettered the national average, and

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some centers (San Diego, Phoenix, Tucson and Las Vegas) increased their population at triple the national pace or more.

. . . but slower per capita growth
The crucial point, however, is that people rather than dollars accounted for the rapid growth of Western markets over this quarter-century; indeed, in 17 of the 22 regional centers, per capita income grew at a slower-than-national pace. For example, Los Angeles' margin over the U.S. per capita income was 26 percent in 1950 but only 11 percent in 1973, while the San Francisco-Oakland differential dropped from 32 percent to 18 percent over the same period. Per capita income for the region as a whole, at $5,532 in 1973, still averaged five percent above the national figure, yet 13 of the 22 Western areas fell below the average U.S. figure in that year as other centers throughout the nation scored stronger gains.

While high-income areas moved toward the national norm, lower-income areas did the same. Most of the regional centers which scored better than average gains over the quarter century, such as Phoenix and Tucson, were below the national per capita figure in 1950, but narrowed the gap somewhat by 1973. In fact, increased income leveling was evident throughout the nation; the number of economic areas with per capita incomes more than 15 percent above or below the national average declined significantly between 1950 and 1973.

The increased homogeneity of industrial structures helped account for this leveling of incomes, regionally and nationally. Over time, the number of areas specializing in industries with relatively high earnings per worker, such as manufacturing and government, grew relative to those specializing in low-income industries such as agriculture. Moreover, rapid technological change—and at times, strong bursts of demand—led to increased earnings per worker in agriculture and other extractive industries. Although the level of per capita income was 25 percentage points lower in agricultural than in manufacturing areas in 1950, that differential disappeared completely by 1973.

Problems of the '70's
Detailed economic comparisons cannot be made for the first half of the 1970's, but demographic data are available, and these show a continued flow of migrants to the West (and South). Between 1970 and 1975, Washington's and California's population expanded roughly in line with the national (five-year) growth of 4.8 percent, but all other Western states grew at least twice as

fast as the nation during this period. Arizona led the pack with a 25.3-percent overall increase, and was followed by Florida and then a half-dozen other Western states.

Still, for the West as for the nation, the '70s have been a period of highly selective growth. Between 1970 and 1974, population grew by 6.2 percent in Western metropolitan areas and by 9.8 percent in nonmetropolitan areas. Thus, just as elsewhere, nonmetropolitan areas grew half again as fast as metropolitan areas—in striking contrast to the much larger metropolitan growth in the three preceding decades. The Los Angeles metro area suffered a net loss of 330,000 people through outmigration during this period, and this was only partly offset through natural increase. The loss of population, at least proportionately, was also great in other centers such as Seattle, which almost matched L.A.'s 4.7-percent population loss through migration.

Nationally, the big cities' problems were compounded by the higher-than-average income of outmigrants. In 1973, families who moved out of metropolitan centers received an average (mean) income of $14,200, compared with the $12,900 average income of families moving in. Thus, if there had been no migration (in or out) during the 1970-74 period, the aggregate income of citydwellers would have been about 11 percent ($30 billion) higher than it actually was. Applying that income pattern to Western cities would indicate an annual income loss of about $5 billion in those Western cities (Los Angeles, San Francisco, Portland and Seattle) that have been heavily affected by outmigration.

Altogether, the data available for the '70s show that the nation's population is still moving West (and South), creating expanded markets in its wake. But recent growth has been highly selective within metropolitan areas, as anyone can see who visits the downtown cores of the major West Coast cities. Suburbia is growing, exurbia is growing, and (a special feature of the '70s) the smaller nonmetropolitan areas are expanding rapidly, reversing a long pattern of relative decline. But in the final analysis, and despite the headlines from Phoenix, Las Vegas, Anchorage and other boomtowns, the Western market is still concentrated in the big but non-growing West Coast cities and their environs. It's worth emphasizing that, with all the center-city problems, more than one-third of the entire Western market can still be found in the Los Angeles economic area, and another one-third in the San Francisco, Seattle and Portland areas.

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