

Buying Attitudes Set New Records—Yet Again

Richard T. Curtin
Survey Research Center
The University of Michigan

Sustained Period of Confidence

In the second quarter 1986 survey, the Index of Consumer Sentiment was 96.8, up from 95.5 in the first quarter and 91.1 at the close of 1985. During the past thirteen quarters the Index has remained in the relatively narrow range of 91.1 to 99.5, the longest period of such high consumer confidence levels since the mid-1960s.

Among families with incomes of \$30,000 or more, the Index of Consumer Sentiment stood at 105.9 in the most recent survey, just below the 106.8 recorded in the first quarter. Since the cyclical peak was recorded in the first quarter of 1984, the loss in confidence has been somewhat greater among high income families (from 115.9 to 105.9) than among families with incomes under \$30,000 (from 93.7 to 89.7).

Favorable Buying Attitudes Continue to Set New Records

Buying conditions for homes, vehicles, and major household durables were viewed more favorably in the second quarter 1986 survey than at any other time in the history of these surveys. Overall, three-in-four families thought that current buying conditions were favorable. These very favorable perceptions were due to declines in interest rates as well as the continued availability of price discounts.

Attitudes toward buying conditions have followed a remarkable course during the past three years. From the all-time low levels recorded during the last recession, favorable buying attitudes rose rapidly; and by mid-1984 they had become more favorable than at anytime during the prior decade. In late 1983, favorable buying attitudes declined by a small amount, only to be followed by a resurgence to new highs in the first half of 1984. This same pattern of small decline followed by a resurgence was repeated in 1985 and

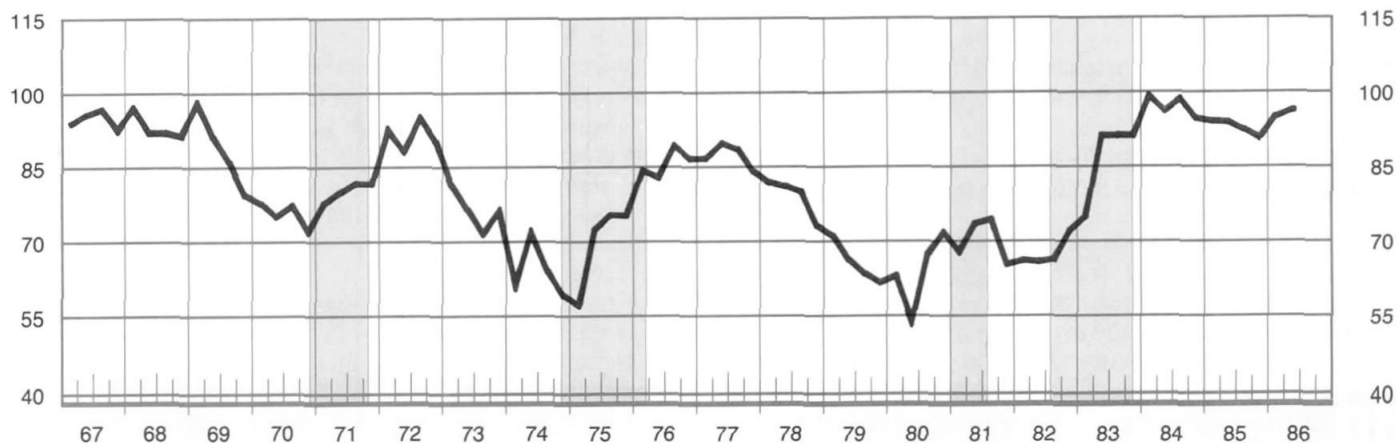
1986. Although this pattern has led to the establishment of ever higher peaks during the past three years, the net yearly improvement since 1983 has been small.

The same factors that were responsible for the initial rise in favorable buying attitudes have also been responsible for the maintenance of these attitudes at record levels during the past three years. Price discounts and the declines in interest rates have been the two reasons most consistently cited by consumers for their very favorable attitudes. And the small declines and subsequent rebounds in attitudes during the past three years have been due to changes in the availability of discounts on prices and interest rates. When price discounts have been withdrawn, or when interest rates have edged upward, consumers have reacted by postponing purchases. This reaction is quite different from prior expansions, when consumers reacted to increased prices by stepping up demand, in anticipation of even higher prices in the future. Such buy-in-advance rationales depended on the expectation of ever-escalating prices. In sharp contrast, consumers now expect relatively low rates of inflation during the years ahead. Moreover, consumers now expect sellers to react to sluggish sales by offering renewed and possibly larger discounts, thus giving consumers reason for postponement in the hope of future discounts. While the reaction of consumers to inflation in the 1970s tended to accelerate and exaggerate economic cycles, the current reaction by consumers tends toward dampening cyclical increases as well as declines.

Homes. Favorable attitudes toward buying conditions for homes were held by more families than ever before in the history of these surveys. In the second quarter 1986 survey, 85 percent of all families thought that home buying conditions were favorable, up from the prior record of 76 percent recorded just one quarter earlier, and the 64 percent recorded one year earlier. Only 12 percent of all families reported unfavorable home buying conditions in the second quarter,

INDEX OF CONSUMER SENTIMENT

February 1966 = 100



Note: Shaded areas indicate recession periods as designated by the National Bureau of Economic Research, Inc.

down from 21 percent one quarter earlier, and 32 percent one year earlier. Overall, during the past five years the proportion of families that held favorable views of home buying conditions has more than quadrupled—rising from under 20 to over 80 percent.

The primary factor behind these very favorable attitudes has been reduced mortgage interest rates. In the second quarter 1986 survey, 77 percent of all families referred to the availability of reduced interest rates when asked to explain their views, up from 63 percent one quarter earlier, and 40 percent one year earlier. Just 5 percent of all families complained about high mortgage interest rates in the most recent survey. This domination of home buying attitudes by declines in mortgage rates is the reverse of the situation recorded five years earlier, when just one percent of all families mentioned low rates, and 75 percent complained about high mortgage rates.

In addition to reduced mortgage rates, consumers hold favorable perceptions of market prices for homes. In the second quarter 1986 survey, 21 percent referred to the availability of good buys on homes, while just 6 percent complained about high prices. This was the most favorable balance of opinion recorded since the 1950s—largely due to the very small number of complaints about rising home prices.

Vehicles. Favorable attitudes toward car buying conditions were held by 75 percent of all families in the second quarter 1986 survey, the highest proportion ever recorded. This was slightly above the prior records of 72 percent recorded one quarter earlier, and 67 percent recorded one year earlier. A record 56 percent of all families in the most recent survey reported the availability of reduced interest rates offered by vehicle manufacturers, twice the 26 percent recorded one year earlier. Just 3 percent of all families complained about high interest rates on vehicle loans in the second quarter 1986 survey.

The availability of price discounts on vehicles was mentioned by 24 percent of all families in the second quarter 1986 survey, slightly below the 26 percent recorded one year earlier; complaints about high prices, however, declined during the past year to 12 from 19 percent, yielding a more positive balance of opinion than anytime since the 1960s.

Durables. Buying conditions for large household durables were viewed favorably by 77 percent of all families in the most recent survey, unchanged from the first quarter reading, and the highest level ever recorded. The availability of discounted prices on household durables was mentioned by 34 percent of all families in the second quarter 1986 survey, down from 39 percent one quarter earlier, and 37 percent one year earlier. This small decline was offset, however, as references to the availability of reduced interest rates rose to a record 29 percent in the second quarter of 1986, from 19 percent one quarter earlier, and 10 percent one year earlier.

Favorable Financial Situation Expected to Remain Unchanged

Consumers' evaluations of their personal financial situation remained favorable in the second quarter 1986 survey. Among all families, 45 percent reported that their financial situation had improved during the past year, just above the 44 percent recorded one quarter earlier, and the 41 percent recorded one year earlier. The proportion of families that reported increases in their family income was 34 percent in the most recent survey, just ahead of the 32 percent recorded one year earlier. Importantly, few consumers complained

about the erosion of living standards due to inflation: just 11 percent in the second quarter survey, unchanged from the first quarter reading, and the lowest level recorded in more than two decades.

Consumers continued to hold a favorable outlook for their own financial situation during the year ahead. Among all families in the second quarter 1986 survey, 39 percent expected improvement in their financial situation, compared with just 11 percent that expected a worsened financial situation during the year ahead. Income increases were expected about as frequently in the most recent survey as one year earlier (59, up from 57 percent), although the size of the expected annual increase remained small. The median increase expected in nominal family income across all households was 3.2% in the second quarter. This was just half of a percentage point above the median inflation expectation of 2.7%. As a result, real income was widely expected to remain unchanged at current levels during the year ahead by 44 percent of all families in the second quarter survey. Only about half that many families expected real income increases (21 percent).

Given the widespread financial progress reported during the past few years, prospects for an unchanged financial situation during the year ahead have continued to support the willingness of consumers to make major purchases. Willingness to incur new debt in order to make major purchases was reported by 35 percent of all families at mid-1986, up from 28 percent one year earlier, and the highest level in more than five years. Willingness to withdraw money from accumulated savings to finance major purchases was reported by 41 percent of all families in second quarter 1986, just above the year-earlier reading of 38 percent. These spending plans, however, are held with the expectation of only small future increases in income, and thus shift the emphasis in decisions concerning the affordability and timing of purchases to the availability of discounted prices and low interest rates.

Evaluations of the Economy: Favorable, with Changed Rationale

The proportion of consumers that had heard news about favorable changes in business conditions rose to 46 percent in the second quarter 1986 survey, from 31 percent at year-end 1985. Most of the increase in favorable news reports involved declines in prices and interest rates. Overall, 58 percent of families in the second quarter survey thought that business conditions in the country as a whole had improved during the past year, up from the recent low of 49 percent at the close of 1985. Further improvement in the economy during the year ahead was expected by about half as many consumers as reported improvement during the past year. In the most recent survey, 27 percent of all families expected the economy to improve during the year ahead, between the 26 percent recorded one quarter earlier and the 28 percent recorded one year earlier. However, only 14 percent of all families in the second quarter of 1986 expected worsening economic conditions during the year ahead, just below the 15 percent recorded both one quarter and one year earlier. For the fourth consecutive quarter, the majority of families expected the performance of the national economy to remain unchanged during the year ahead—57 percent in the second quarter survey.

This outlook for slow but continued economic growth has meant to consumers the continuation of good times financially in the country as a whole. Among all families in the

second quarter 1986 survey, 61 percent thought that economic conditions would remain "good" during the year ahead, up from the recent low of 53 percent at the end of 1985. While consumers do not see a recession on the near-term horizon, they do not expect economic growth to continue indefinitely over the longer term. More families in the second quarter survey expected an economic downturn sometime during the next five years or so than expected continuous growth that far into the future (42 versus 38 percent). With this perspective, the expectation of continued slow economic growth during the year ahead may be viewed as a welcome hiatus. Following more than a decade of volatile and uncertain times, it is the absence of such adversity and instability that now forms the threshold for favorable evaluations of the economy.

The major concern with the long-term vitality of the domestic economy involves job prospects. Slow economic growth was expected to result in no further declines in unemployment. The majority of families expected the national unemployment rate to remain at about its current level during the year ahead. Expectations concerning the national unemployment rate have remained largely unchanged during the past two years. Among all families in the second quarter 1986 survey, 53 percent expected the rate of unemployment to remain unchanged during the year ahead. During the past two years, this figure has remained in the narrow range of 50 to 54 percent. Increases in unemployment during the year ahead were expected by 30 percent in the second quarter of 1986, compared with 16 percent that expected the unemployment rate to decline.

Confidence in government economic policies to control inflation and unemployment remained at very high levels in the most recent survey. Among all families, 31 percent favorably rated government economic policies, up from 27 percent in the first quarter, and just below the recent peak of 33 percent.

Summary Outlook

The second quarter 1986 survey indicates the continuation of the longest period of consumer confidence since the mid-1960s. For more than three years, consumer sentiment has remained at very favorable levels due to sustained declines in inflation and interest rates. Attitudes toward buying conditions reached new record levels in the recent survey, as consumers expected the availability of discounts on prices and interest rates to remain widespread. Consumers expected the growth in the domestic economy to remain slow during the year ahead, resulting in no further declines in the national unemployment rate. In addition, only small improvements in their own financial situation were expected during the year ahead. Importantly, however, few consumers expected reversals in either their personal financial situation or in the economy as a whole.

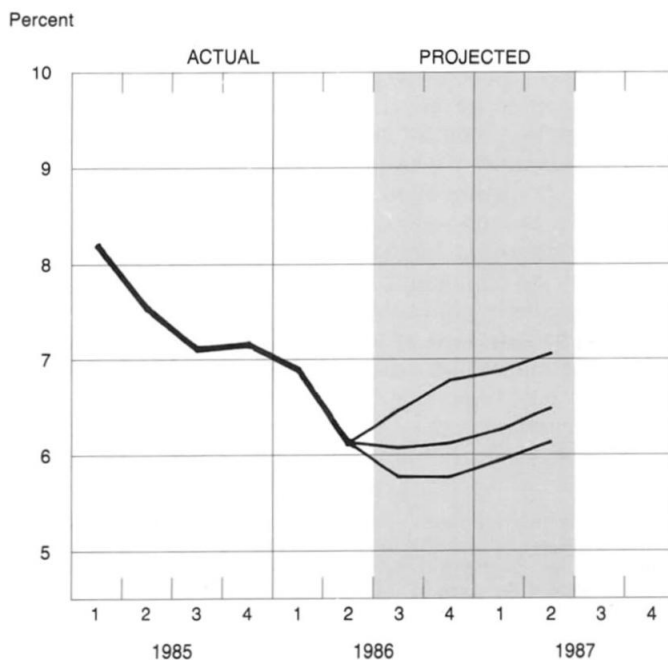
The uncharacteristic aspect of this long expansion is that consumers' assessments have remained favorable despite the expectation of little if any real improvement in their own financial situation or in the overall economy. In an earlier era, the expectation of a stagnant economy would have been a serious cause for concern, and would have resulted in a sharp loss in consumer confidence. Times change, and so do people's standards of comparison. The decade of the 1980s began with a much changed perspective when compared with the 1970s. Following a long period of rapid and sustained economic growth in the 1950s and 1960s, the 1970s witnessed a prolonged series of economic adversities, amid widespread

uncertainty and confusion. This situation was quite a departure from what many had experienced and had come to expect from the economy. This resulted in steep declines in sentiment and, because of the persistent sense of uncertainty, more volatile changes in attitudes and behavior.

In contrast, the performance of the economy in the 1980s follows a decade when many feared that double digit inflation, unemployment, and interest rates would become a permanent feature of the economy. That these concerns have not been confirmed has lessened these fears, but it has not led consumers to now expect a return to the prior high levels of economic performance. At present, assessments do not depend as much on whether the economy is meeting its potential for growth, as on whether the economy can avoid the adversities of the past decade. Importantly, a renewed sense of stability in the economy—even if stagnant—has helped to insulate consumer attitudes from volatile changes. Slower growth has not yet been viewed as a signal of an impending recession, as was often true in the past; and spending cutbacks are not now planned by consumers as a precaution against possible economic reversals. Indeed, consumers expect the sluggish economy to keep pressure on sellers to offer purchase incentives on prices and interest rates, and thus maintain favorable buying conditions during the year ahead. Since consumers expect only small improvements in their financial situation during the year ahead, these survey results point toward diminished growth but still favorable levels of consumer sales through early 1987.

August 1986

3-MONTH TREASURY BILL RATE



Sources: Actual data are from U.S. Department of Commerce; projected data are from ASA-NBER Panel of Forecasters, revised when necessary to be consistent with latest actual data. The 3 lines display 3rd, 2nd (median), and 1st quartile values from the array of forecasts.

Lifecourse Migration and Redistribution of the Elderly Across U.S. Regions and Metropolitan Areas*

William H. Frey
Department of Sociology and
Population Studies Center
The University of Michigan

The increased "footlooseness" of the elderly population along with the recognition that this population will grow substantially in the foreseeable future has prompted a flurry of interest in the study of patterns, trends, and demographic components of change in this population's geographic distribution.¹ Among the most significant of the findings that this emerging research program has brought to light is that the elderly population—rather than remaining "left behind" as in major redistribution epochs in the nation's past—appears to have participated fully in the pervasive metropolitan deconcentration that has touched practically all segments of the population and national territory since 1970.² In fact, the evidence suggests that the elderly played a pioneering role in this new redistribution tendency, having exhibited the metropolitan-nonmetropolitan "turnaround" already in the 1960s.³ Clearly, the full-fledged participation in the deconcentration phenomenon on the part of a rapidly growing elderly population holds important implications for the tax bases, demographic compositions, and social service requirements of large and small places alike,⁴ and underscores the need for a continuing assessment of elderly redistribution tendencies.

While the studies undertaken thus far have shed a great deal of light on the trends and components of change in the elderly population's distribution, most have taken a fairly restricted view of the migration component by focusing only on the migration of the elderly. These studies generally examine the natural increase and migration components of the *age-delimited* elderly (65 and over) population where the "birth" component of natural increase pertains to "aging-in-place" of some portion of the under-65 population into the 65-and-over category, while the death and migration components pertain specifically to the 65-and-over population. The migration contribution in such an examination is restricted because the earlier lifetime migration experiences which affect the size of an area's "aging-in-place" population are left out of the analysis. This omission is especially crucial when the size of the "aging-in-place" population is large and represents the dominant component of change in the size of an area's elderly population.

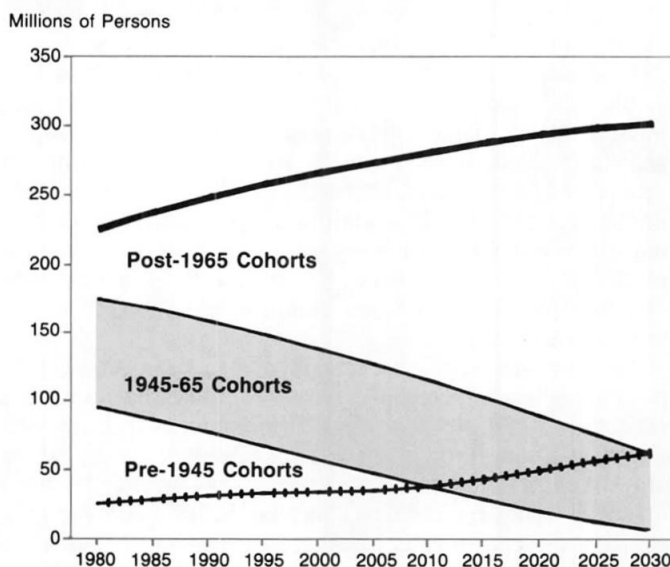
An alternative view of migration's contributions to elderly population change follows a lifecourse perspective and treats the elderly population, at a given point in time, as a *cohort-delimited* population. According to this perspective, the geographic distribution of the elderly population, at that

time, is affected by the *lifecourse migration patterns* of these particular cohorts both prior to and after their entry into the elderly age category. This more comprehensive view of migration's impact on elderly redistribution patterns takes cognizance of the fact that the vast number of a cohort's lifetime moves take place during the early and middle-aged adult years rather than during elderly (ages 65 and over) years.

The lifecourse perspective is a particularly valuable one to take when (1) the cohorts under examination are large in size, and, therefore, likely to contribute substantially to elderly population growth as they pass into the 65-and-older ages; and (2) the cohorts under examination display lifecourse migration patterns that lead to very different geographic redistribution tendencies than those of earlier cohorts. Both of these conditions appear to apply to the baby-boom cohorts (broadly defined as those born between 1945 and 1965), and thus the present paper focuses on these cohorts in order to demonstrate how lifecourse migration patterns affect the redistribution of the elderly population.

The impact of the large baby-boom cohorts for the elderly population, nationwide, is illustrated in Chart 1, which displays projections through the year 2030 of the total population and the elderly population (ages 65 and over). The plot also shows, in lexis diagram format, the aging of the baby-boom cohorts between 1980, when these cohorts range in age

CHART 1. Projected Population Size for Total Population and Elderly Population (Ages 65 and Over), 1980-2030



Notes: (1) Shaded area represents the aging of the Baby Boom cohorts (1945-65 cohorts) as they progress from ages 15-34 in 1980, through ages 65-84 in 2030. (2) Vertical distance from the time axis to the ticked data line indicates the number of persons ages 65 or more, while the distance from the ticked line to the thick data line (top) indicates the number of persons with ages less than 65.

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¹See, for example, Golant, 1979; Longino and Jackson, 1980; Biggar et al., 1982; Heaton, 1983; McCarthy, 1983.

²See Long, 1981; Fuguitt, 1985.

³See Fuguitt and Tordella, 1980; Lichter et al., 1981; Longino et al., 1984.

⁴See Heaton, 1983.

from 15 to 34, through 2030, when their ages range between 65 and 84. The plot clearly indicates the significant contribution that these large-sized cohorts make to the elderly population between the years 2010 and 2030—the period during which all baby-boom cohort members graduate into the 65-and-over age category.⁵

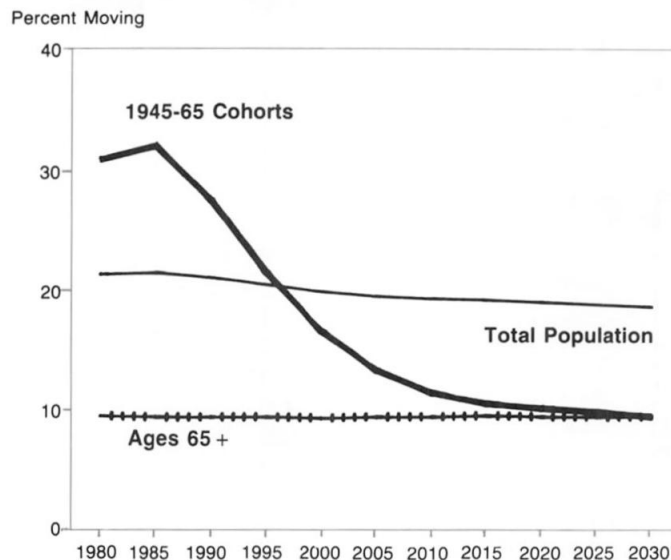
While the sheer size of the baby-boom cohorts, alone, provides sufficient justification for examining their pre-elderly migration patterns, another justification lies with suggestions that the lifecourse migration pattern followed by these cohorts should lead to a far more deconcentrated redistribution of cohort members than has been the case with previous cohorts. The new redistribution tendencies, from core-to-peripheral regions and down the metropolitan hierarchy, have been exhibited by most of the population (of all ages) since 1970. However, the fact that the baby-boom cohorts were still in their early adult years during this period—and just entering into their “peak migration” ages—places them in a position to become the first cohorts to exhibit the new deconcentrated redistribution tendencies over the entirety of their adult lifecourse.⁶ Given the long lead time between a cohort’s peak mobility years and its entry into the elderly population age categories (illustrated in Chart 2), the baby-boom cohorts—by exhibiting “new” redistribution tendencies throughout their lifecourse—may become distributed across areas quite differently than their predecessor cohorts *before* passing into the 65-and-older age categories.

The preceding discussion asserts that the baby-boom cohorts, by virtue of their large size and new lifecourse redistribution tendencies, are likely to initiate significant shifts in the distribution of the elderly population as these cohorts enter into the 65-and-older age categories. In order to investigate this assertion (and also to demonstrate our contention that cohorts’ pre-elderly lifecourse migration patterns should be incorporated into studies of elderly population distribution shifts), this analysis will address the following questions:

- 1) Will the new lifecourse migration patterns provide for a more deconcentrated redistribution of the baby-boom cohorts, both prior to and after their entry into the elderly age categories, than the lifecourse migration patterns followed by earlier cohorts?
- 2) Will the new lifecourse distribution patterns lead, in the long run, to a significantly more deconcentrated distribution of the elderly population?

Our examination of both questions focuses, largely, on redistribution across nine broad regional and metropolitan area groupings defined on the basis of three census regions—the North (combining the Northeast and Midwest census regions), the South, and the West; and three categories of metropolitan status—large metropolitan areas (those with 1980 populations exceeding 1 million), other metropolitan areas, and nonmetropolitan areas. (See Table 1 footnotes for further details.) Within these groupings, the hypothesized deconcentration tendencies—consistent with observed nation-

CHART 2. Percent Moving between Counties During Previous 5-Year Interval, Projected for Total Population, Elderly Population, and Baby-Boom Cohorts, 1980-2030



wide post-1970 shifts—should lead to greater growth in the South and West regions at the expense of the North (“core to periphery” regional redistribution), and greater growth in small and nonmetropolitan areas at the expense of large metropolitan areas (redistribution “down the metropolitan hierarchy”). Greatest losses are, therefore, expected for large metropolitan areas while greatest gains, according to the deconcentration hypothesis, are anticipated in nonmetropolitan areas within the South and West. In selected portions of the analysis, redistribution patterns for the 35 large individual metropolitan areas are presented in order to point up variations that occur across individual areas, but within regions.

Population Redistribution of the Baby-Boom Cohorts

Our analysis of question 1 cannot be based on the lifecourse migration experiences of actual cohorts, since appropriate migration data are not available in this form. Rather than attempting to construct bona fide cohort-specific migration patterns, our comparison of “new” versus “old” lifecourse migration patterns will contrast the census-based age-specific migration stream rates, registered over the 1975-80 period, with those registered over the 1965-70 period. Given the sharp and broad-based shift toward deconcentrated redistribution which characterized practically all segments of the population during the 1970s, we will assume that the age-specific migration patterns observed over the 1975-80 period approximate, in broad measure, the more deconcentrated redistribution tendencies which will be adopted by the baby-boom cohorts (and their successors) over the remainder of their lifecourse. Alternatively, the 1965-70 age-specific rates, registered prior to national deconcentration shifts, come closer to approximating the “older” lifecourse patterns that characterize the mobility experiences of cohorts that will precede the baby-boom cohorts into the 65-and-older age category.

⁵These plots are scaled to projections which appear in U.S. Bureau of the Census (1984), based on the middle series survival rates and middle series fertility rates employed therein.

⁶This assertion assumes the post-1970 deconcentration tendencies will continue to occur over the foreseeable future. This view is consistent with those espoused by Long (1981), Wardwell (1980), and others who link these deconcentrated redistribution tendencies to technological innovations in transportation, communication, and production which have served to reduce the significance of physical distance over time. Nevertheless, recent evidence suggests some moderation of these deconcentration tendencies in the post-1980 period (see Engels and Forstall, 1985; Richter, 1985).

TABLE 1. Age-specific Net Migration as Percentage of Beginning of Period Populations for Regional Metropolitan and Nonmetropolitan Area Groupings, 1965-70 and 1975-80¹

Metropolitan Area Groupings and Age at End of Period	North		South		West	
	1965-70	1975-80	1965-70	1975-80	1965-70	1975-80
Large Metro. Areas²						
5-9	-1.4	-4.3	+5.7	+2.0	+2.4	-0.4
10-14	-1.5	-4.3	+4.7	+1.4	+2.1	-0.8
15-19	-3.4	-6.5	+3.2	-0.6	+4.4	+0.3
20-24	-2.4	-7.3	+12.6	+5.6	+13.5	+6.7
25-29	+2.1	-2.9	+12.7	+9.7	+8.2	+6.1
30-34	-1.8	-5.5	+6.7	+3.3	+3.4	+1.7
35-39	-1.8	-4.9	+5.7	+2.0	+2.5	+0.1
40-44	-1.5	-4.0	+5.0	+1.8	+2.3	-0.2
45-49	-1.3	-3.3	+3.8	+1.4	+1.8	+0.0
50-54	-1.4	-3.5	+3.6	+1.2	+1.5	-0.4
55-59	-2.1	-4.5	+3.7	+1.4	+1.1	-0.9
60-64	-4.0	-6.4	+6.0	+2.9	+1.0	-0.9
65-69	-5.7	-7.4	+9.3	+4.9	+1.7	+0.0
70+	-2.8	-3.4	+6.1	+3.2	+2.1	+1.4
Other Metro. Areas²						
5-9	+0.7	-1.0	-1.1	+0.4	+0.8	+3.7
10-14	+0.0	-1.2	-0.5	+1.9	+1.6	+4.3
15-19	+2.6	+1.3	+4.1	+6.1	+4.4	+6.9
20-24	+0.8	+0.8	+10.8	+9.2	+13.4	+13.4
25-29	-0.9	-5.2	-5.1	-1.1	-3.3	+2.7
30-34	+0.7	-2.0	-1.4	+0.6	-0.1	+4.7
35-39	+0.2	-1.6	-0.5	+2.1	+0.9	+5.1
40-44	+0.1	-1.3	-0.1	+1.9	+0.7	+4.1
45-49	-0.5	-1.4	+0.6	+2.1	+0.8	+3.5
50-54	-0.4	-1.3	+1.1	+2.3	+1.0	+3.4
55-59	-0.3	-1.7	+1.5	+3.4	+1.7	+4.7
60-64	-1.3	-2.4	+2.8	+5.0	+3.0	+5.7
65-69	-1.8	-2.5	+3.9	+5.9	+4.1	+5.9
70+	-0.4	-0.7	+2.8	+3.2	+3.5	+3.4
Nonmetro. Areas						
5-9	+0.4	+1.8	-2.1	+3.6	-2.2	+7.6
10-14	+0.2	+1.5	-1.2	+4.0	-1.2	+7.8
15-19	-2.1	+0.3	-3.0	+3.2	-3.8	+4.1
20-24	-14.8	-8.1	-14.2	-3.5	-11.4	+2.8
25-29	-5.4	-3.2	-8.4	-0.6	-6.6	+6.7
30-34	-0.3	+1.8	-2.2	+4.2	-2.7	+10.6
35-39	-0.3	+1.4	-0.9	+4.5	-1.2	+9.0
40-44	-0.6	+0.8	-1.0	+4.3	-2.0	+5.7
45-49	-0.6	+0.4	-0.5	+3.7	-1.1	+4.5
50-54	-0.5	+0.7	-0.1	+4.4	-0.2	+6.3
55-59	+0.2	+1.2	+0.6	+5.4	+0.5	+7.8
60-64	+1.6	+1.9	+2.1	+6.7	+1.4	+8.5
65-69	+1.8	+1.5	+2.4	+5.3	+2.3	+6.0
70+	-0.5	-0.5	-0.4	+1.1	-0.6	+1.2

¹Metropolitan areas are defined in terms of 1980 SMSAs, SCSAs and, in New England, NECMA approximations to SCSAs. (The New York SCSA, as defined here, excludes territory in New England.) Regions are consistent with census regions ("North" combines the census Northeast and Midwest regions) except where census region boundaries bisect individual SMSAs. In the latter case, the territory for the entire SMSA is assigned to the region in which most of its population resides.

²Metropolitan areas (defined in footnote 1) with 1980 populations greater than 1 million are classed as Large Metropolitan Areas; all others are classed as Other Metropolitan Areas.

The 1965-70 net migration rates (Table 1) point up the aggregate redistribution implications associated with the "old" lifecourse migration stream patterns. Among the rates for North large metropolitan areas, the only positive net migra-

tion is observed for the 25-29 age category—a reflection of the high in-migration from smaller and nonmetropolitan areas; while the greatest net out-migration rate is shown for the 65-69 age category—a reflection of the secondary peak

in gross out-migration from these areas. On the other hand, the rates for South nonmetropolitan areas are negative for all age categories under age 55, and most accentuated net out-migration is shown during the young-adult years. The positive net migration exhibited for the older adult and post retirement ages reflects the low out-migration rates from nonmetropolitan areas during these ages, and the slight peaking of in-migration for these years.

It is apparent from the net migration rates in Table 1 that the late 1970s exchanges have shifted significantly with respect to pre-elderly migration. From the perspective of large metropolitan areas, out-migration to small and nonmetropolitan areas has increased considerably in the late-young and middle-aged adult years, while the young adult "peak" in in-migration from smaller areas has dropped sharply. Hence, large areas are attracting fewer migrants from other areas in their young adult ages and losing more of them than before in their middle-aged years. Nonmetropolitan areas, in contrast, are losing fewer and gaining more pre-elderly migrants with the 1970s patterns than was the case with the 1960s patterns. The reduction in out-migration is occurring primarily in the young adult years, although it is also evident, to a lesser degree, among middle-aged adults. The increased in-migration occurs largely with middle-aged adults and reflects increased "down the hierarchy" out-movement from larger areas for these ages. Underlying migration stream data, not shown, indicate that South and West small metropolitan areas underwent pre-elderly shifts that were less accentuated but similar in direction to those shown for nonmetropolitan areas.

We turn now to alternative projections of the baby-boom cohorts' redistribution based on the "old" 1965-70 lifecourse migration rates (appearing in Table 2), and on the "new" 1975-80 rates (appearing in Table 3).⁷ These projections show that the "new" lifecourse patterns lead to a decidedly more deconcentrated redistribution of the baby-boom cohorts before they reach their elderly ages in year 2010. Under the "old" lifecourse patterns (in Table 2) these cohorts would continue to concentrate into South and West large metropolitan

areas at the expense of all other geographic areas—and even within the North region, small and nonmetropolitan areas lose population to a greater degree than the largest areas. However, under the "new" lifecourse patterns (in Table 3) the baby-boom cohorts become redistributed down the metropolitan hierarchy in all three regions—with greatest gains occurring in South nonmetropolitan and small metropolitan areas and West nonmetropolitan areas, and greatest losses occurring in North large metropolitan areas. Indeed, under the "new lifecourse" projections, the share of baby-boom cohort members that reside in sunbelt small and nonmetropolitan areas increases from 32 percent in 1980 to 37 percent, 30 years later. Under the "old lifecourse" projection, this share decreases over the 30 years to 27 percent.

Despite these differences in pre-elderly redistribution shifts, the alternative projections show a fairly similar redistribution of the baby-boom cohorts, across regions, after they reach age 65. The fifth column in Tables 2 and 3 shows that under both the "old" and "new" lifecourse redistribution patterns the baby-boom cohorts become deconcentrated "down the metropolitan hierarchy" as they begin passing into their elderly ages (between the years 2010 and 2030). Hence, while the overall 50-year redistribution shift (the sixth column in each table) shows a far less deconcentrated redistribution of the baby-boom cohorts to occur under the "old" lifecourse pattern than under the "new" one, most of the difference is attributable to the pre-elderly portion of the lifecourse.

These alternative projections of baby-boom cohort redistribution are consistent with the age-specific migration comparisons reviewed earlier. They indicate that only since 1970 do we find a strong tendency for pre-elderly lifecourse migration to lead to redistribution "down the metropolitan hierarchy" as well as toward the "peripheral" South and West regions. If the baby-boom cohorts do, indeed, adopt this more deconcentrated migration pattern over their lifecourse, they will become more heavily represented in South and West small and nonmetropolitan areas *before* they reach age 65 than would be the case if they adopted the older lifecourse pattern. Moreover, the baby-boom cohorts' continued "aging in place" along with their even further deconcentration between the years 2010 and 2030 will place 40 percent of their members in these "peripheral" small and nonmetropolitan areas.

TABLE 2. Projected Year 1980, 2010, and 2030 Distributions for Baby-Boom Cohorts Across Regional Metropolitan and Nonmetropolitan Area Groupings, Assuming 1965-70 Age-specific Migration Stream Rates

Area Groupings	Years			2010 minus 1980	2030 minus 2010	2030 minus 1980
	1980	2010	2030 ¹			
North Large Metro. Areas	25.0	24.8	21.8	-0.2	-3.0	-3.2
North Other Metro. Areas	12.3	12.0	11.4	-0.3	-0.6	-0.9
North Nonmetro. Areas	9.7	9.1	10.1	-0.6	+1.0	+0.4
South Large Metro. Areas	9.0	10.4	10.8	+1.4	+0.4	+1.8
South Other Metro. Areas	13.7	13.2	13.9	-0.5	+0.7	+0.2
South Nonmetro. Areas	10.3	9.7	11.2	-0.6	+1.5	+0.9
West Large Metro. Areas	12.2	13.5	13.2	+1.3	-0.3	+1.0
West Other Metro. Areas	4.5	4.2	4.3	-0.3	+0.1	-0.2
West Nonmetro. Areas	3.3	3.1	3.3	-0.2	+0.2	0.0
TOTAL	100.0	100.0	100.0			

¹Includes pre-baby boom cohort members, aged 85+.

**TABLE 3. Projected Year 1980, 2010, and 2030 Distributions for Baby-Boom Cohorts
Across Regional Metropolitan and Nonmetropolitan Area Groupings, Assuming 1975-80
Age-specific Migration Stream Rates**

Area Groupings	Years			2010	2030	2030
	1980	2010	2030 ¹	minus 1980	minus 2010	minus 1980
North Large Metro. Areas	25.0	20.2	17.2	-4.8	-3.0	-7.8
North Other Metro. Areas	12.3	10.9	10.3	-1.4	-0.6	-2.0
North Nonmetro. Areas	9.7	9.6	10.2	-0.1	+0.6	+0.5
South Large Metro. Areas	9.0	9.9	10.0	+0.9	+0.1	+1.0
South Other Metro. Areas	13.7	14.8	15.8	+1.1	+1.0	+2.1
South Nonmetro. Areas	10.3	12.4	14.2	+2.1	+1.8	+3.9
West Large Metro. Areas	12.2	12.7	12.3	+0.5	-0.4	+0.1
West Other Metro. Areas	4.5	5.2	5.4	+0.7	+0.2	+0.9
West Nonmetro. Areas	3.3	4.3	4.6	+1.0	+0.3	+1.3
TOTAL	100.0	100.0	100.0			

¹Includes pre-baby boom cohort members, aged 85+.

Implications for Elderly Population Redistribution

Turning now to question 2 of this analysis, we wish to determine what the new lifecourse migration patterns imply for the redistribution of the elderly population per se over time. Clearly, the aging of the baby-boom cohorts should exert a particularly strong influence on this change due to their large sizes and the fact that they represent the first cohorts to exhibit the new redistribution patterns over the entirety of their adult lifecourse. Yet older cohorts, preceding the baby-boom cohorts, should also contribute to an altered redistribution of the elderly population, since the "new" deconcentrated migration patterns are likely to characterize some portion of these cohorts' pre-elderly lifecourse migration experiences.

Our examination of question 2 will consist of projecting ahead the elderly population between 1980 and 2030, assuming that *all* cohorts will adopt either the "new" or "old" lifecourse migration patterns discussed earlier. This will allow us to compare differences in elderly geographic distribution that are directly attributable to the new lifecourse patterns. We will then attempt to identify the contributions to these differences made by the baby-boom cohorts.

The alternative projections for the elderly population appear in the middle columns of Table 4 (for the reader's information, like projections for the total population are shown in the left-hand panel). Comparisons between the two projections show distinct and significant shifts in the redistribution of the elderly, such that the projection based on the 1975-80 migration rates leads toward a greater elderly growth in South and West small metropolitan and nonmetropolitan areas. Both projections show greater than average elderly population growth in the South and West; yet those based on the "older" lifecourse patterns show a higher concentration in large sunbelt metropolitan areas, while those based on the "newer" patterns show greatest growth in West small and nonmetropolitan areas and South nonmetropolitan areas.

A link between these projected shifts in elderly population redistribution and similar shifts for baby-boom cohorts is suggested in the right-hand panel of Table 4. While both projections of the baby-boom cohorts show these cohorts to decline in size over time (due to mortality), the differences in their *relative* change across areas—associated with the two

projections—is consistent with the differences across areas in the elderly projections. Both the elderly and baby-boom projection comparisons (the sixth and ninth columns in the table) show the same area groupings to exhibit the largest gains (i.e. West small and nonmetropolitan areas and South nonmetropolitan areas) and losses (i.e. North large metropolitan areas and North other metropolitan areas) with the "newer" lifecourse migration patterns. Similar gain and loss tendencies across the elderly and baby-boom projections are evident for individual metropolitan areas in Table 4.⁸

Conclusion

The intent of this paper has been to demonstrate the significance of pre-elderly lifecourse migration for the redistribution of the elderly population, in response to a flurry of research which has restricted its focus to the migration of the elderly population per se. In making this point, we have focused on the potential contributions of the baby-boom cohorts, which, by virtue of their large size and the more deconcentrated lifecourse migration patterns they are likely to follow, can considerably alter the geographic distribution of the elderly population as these cohorts pass into the elderly ages.

While the implicit assumption we have made throughout—that the baby-boom cohorts (and their successors) will adopt the more deconcentrated lifecourse migration patterns of the 1970s—may or may not come to pass, it is clear that the "aging" of the large baby-boom cohorts will strongly affect the sizes of the elderly populations and the elderly shares of the total populations in all areas of the country. Most certainly, the pre-elderly migration patterns of these cohorts—whatever form they take—will play a dominant role in their geographic distribution as they pass into their elderly years. These results imply that greater attention should be given to migration, over the entirety of the lifecourse, in future studies of elderly population redistribution.

⁸The projections for each of the 35 individual metropolitan areas are performed separately based on a 10-area regional system. One of the 10 areas consisted of the individual metropolitan area that was being projected, while the remaining nine areas represented the nine regional and metropolitan area groupings used in other projections (for territory that lay outside of the individual metropolitan area). This "collapsing" of the projection areas was necessitated by limitations in the projection program.

TABLE 4. Projected Percent Change, 1980-2030, of Total Population, Elderly Population, and Baby-Boom Cohorts for Regional Metropolitan and Nonmetropolitan Groupings and Individual Metropolitan Areas, with Alternate Projections Assuming Age-Specific Migration Stream Rates for 1965-70 and 1975-80

Areas	Projected Percent Change over Years 1980-2030								
	Total Population			Elderly Population			Baby-Boom Cohorts ¹		
	Assume 1965-70 Rates	Assume 1975-80 Rates	Differ- ence	Assume 1965-70 Rates	Assume 1975-80 Rates	Differ- ence	Assume 1965-70 Rates	Assume 1975-80 Rates	Differ- ence
Regional and Metropolitan Area Groupings									
North Large Metro.	+17.5	-12.3	-29.8	+117.7	+71.9	-45.8	-29.1	-44.0	-14.9
North Other Metro.	+23.6	+10.1	-13.5	+140.5	+116.9	-23.6	-24.2	-31.6	-7.4
North Nonmetro.	+6.3	+11.7	+5.4	+99.5	+100.2	+0.7	-14.8	-14.5	+0.3
South Large Metro.	+52.3	+44.1	-8.2	+238.6	+210.5	-28.1	-1.4	-9.5	-8.1
South Other Metro.	+27.6	+48.8	+21.2	+185.5	+227.9	+42.4	-17.6	-5.3	+12.3
South Nonmetro.	+7.6	+46.9	+39.3	+123.8	+185.1	+61.3	-11.9	+12.2	+24.1
West Large Metro.	+51.3	+40.6	-10.7	+227.6	+205.2	-22.4	-11.7	-17.8	-6.1
West Other Metro.	+27.8	+64.3	+36.5	+210.7	+286.3	+75.6	-22.5	-3.7	+18.8
West Nonmetro.	+12.0	+69.1	+57.1	+164.5	+268.1	+103.6	-19.3	+12.3	+31.6
TOTAL	+24.5	+24.5	0.0	+152.9	+152.9	0.0	-18.5	-18.5	0.0
Metropolitan Areas									
New York ²	-2.9	-31.9	-43.0	+74.1	+28.6	-45.5	-35.9	-52.7	-16.8
Chicago ²	11.1	-14.2	-25.3	+118.8	+78.2	-40.6	-38.2	-49.7	-11.5
Philadelphia ²	+32.5	-3.7	-36.2	+149.0	+95.3	-53.7	-16.1	-34.2	-18.1
Detroit ²	+28.8	-9.1	-37.9	+151.7	+97.1	-54.6	-33.8	-48.2	-14.4
Boston ³	+21.1	-6.1	-27.2	+106.0	+70.2	-35.8	-30.7	-42.7	-12.0
Cleveland ²	+22.6	-18.6	-41.2	+127.9	+68.5	-59.4	-25.4	-44.9	-19.5
St. Louis	+26.7	-1.8	-28.5	+134.2	+96.2	-38.0	-19.3	-32.4	-13.1
Pittsburgh	+2.2	-11.9	-14.1	+86.7	+62.1	-24.6	-23.7	-33.9	-10.0
Minn.-St. Paul	+42.6	+18.4	-24.2	+176.4	+152.0	-24.4	-30.9	-37.0	-6.1
Cincinnati ²	+25.5	+8.1	-17.4	+159.9	+121.8	-38.1	-22.1	-33.6	-11.5
Milwaukee ²	+14.4	-7.4	-21.8	+127.5	+82.6	-44.9	-29.0	-43.0	-14.0
Kansas City	+31.3	+10.4	-20.9	+165.4	+137.6	-27.8	-21.4	-29.6	-8.2
Buffalo	+7.8	-28.7	-36.5	+99.3	+43.0	-56.3	-26.4	-47.2	-20.8
Indianapolis ²	+29.4	+13.4	-16.0	+173.9	+143.9	-30.0	-23.0	-31.4	-8.4
Providence ³	+16.8	-1.1	-17.9	+104.3	+80.1	-24.2	-18.3	-27.9	-9.6
Columbus	+33.4	+11.5	-21.9	+189.6	+151.5	-38.1	-34.0	-42.6	-8.6
Hartford ³	+37.9	+3.2	-34.7	+156.1	+114.0	-42.1	-16.2	-30.0	-13.8
Dayton ²	+42.1	-1.1	-43.2	+189.5	+125.1	-64.4	-16.5	-35.1	-18.6
Houston ²	+54.0	+83.0	+29.0	+372.3	+383.4	+11.1	-23.1	-21.3	+1.8
Washington, D.C.	+65.1	+6.7	-58.4	+268.5	+157.1	-111.4	-26.8	-48.9	-22.1
Dallas-Ft. Worth ²	+72.1	+70.3	-1.8	+305.3	+298.9	-6.4	-10.0	-11.4	-1.4
Miami ²	+42.2	+29.2	-13.0	+173.0	+136.3	-36.7	+63.0	+41.1	-21.9
Baltimore	+35.0	+18.0	-17.0	+190.7	+153.6	-37.1	-18.0	-28.4	-10.4
Atlanta	+61.5	+58.5	-3.0	+305.5	+307.8	+2.3	-17.9	-17.5	+0.4
Tampa-St. Pete	+52.2	+68.0	+15.8	+200.0	+199.0	-1.0	+123.0	+122.2	-0.8
New Orleans	+15.5	+26.9	+11.4	+177.8	+178.6	+0.8	-29.9	-29.7	+0.2
San Antonio	+32.9	+39.9	+7.0	+214.5	+239.4	+24.9	-21.9	-15.7	+6.2
L.A.-Long Beach ²	+42.4	+18.9	-23.5	+219.0	+158.6	-60.4	-13.5	-29.9	-16.4
S.F.-Oakland ²	+57.8	+24.7	-33.1	+211.5	+165.0	-46.5	-13.1	-26.0	-12.9
Seattle-Everett ²	+91.3	+74.9	-16.4	+276.6	+266.5	-10.1	-2.6	-5.2	-2.6
San Diego	+51.7	+62.2	+10.5	+252.5	+279.3	+26.8	-9.1	-2.2	+6.9
Denver-Boulder	+38.0	+57.0	+19.0	+255.9	+275.1	+19.2	-30.3	-26.5	+3.8
Phoenix	+30.1	+86.2	+56.1	+189.9	+322.6	+132.7	-5.4	+37.9	+43.4
Portland	+61.1	+77.7	+16.6	+244.3	+238.8	-5.5	+2.7	+1.0	-1.7
Sacramento	+30.5	+68.3	+37.8	+186.3	+307.6	+121.3	-26.6	+4.5	+31.1

¹The year 2030 population, used in these calculations, includes pre-baby boom cohort members, aged 85+.

²SCSA (New York SCSA, as defined here, excludes territory in New England).

³New England NECMA approximations of SCSA.

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Assessing Black Progress: Voting and Citizenship Rights, Residency and Housing, Education*

Reynolds Farley
Department of Sociology and
Population Studies Center
The University of Michigan

Introduction

The Rand Corporation report about racial differences, released earlier this year, generated a new controversy about the changing status of blacks. The authors, Smith and Welch, focused on those men who worked at least one-half time during the year before the censuses of 1940 to 1980, and concluded that the economic position of blacks improved because racial differences in earnings declined drastically. Indeed, black wages as a proportion of white wages increased from 44 percent in 1940 to 73 percent in 1980.¹

Arguing that the report gave an erroneously optimistic picture of racial change, civil rights organizations and other analysts have noted that for more than a decade there has been little reduction in the poverty rate among blacks, that the ratio of black to white median family income has stagnated, and that, since the mid-1950s, the unemployment rate of blacks has been double that of whites.² In the words of Senator Moynihan, "... the decade of the 1970s was the first in which as a group, black Americans, with respect to white Americans, were better off at the beginning than at the end."³

This controversy reflects the problems which arise when analysts measure racial progress. We have an extensive statistical system which generates hundreds of indicators of the status of blacks. The development of improved statistical models helps us assess the net effects of race on earnings, occupational achievement, and poverty. In addition to the

*This article will conclude in the next issue with a discussion of black progress in the areas of employment, occupation, earnings, family income, and poverty.

indexes from the federal statistical agencies, there are measures of the attitudes of blacks, such as their beliefs about racial change, their feelings of alienation, and their perceptions of whites' support for or opposition to equal opportunity programs.⁴

There is, however, no consensus about which are the most important measures or how different indicators should be weighted to reach a judgment about whether racial gaps are narrowing or growing larger. This dilemma comes about because there are two fundamentally different models of this nation's social structure.

America as a Melting Pot. Many social science theories and empirical investigations stress the assimilation process which incorporated Europeans, Asians, and Latin American immigrants. Presumably these groups entered the United States in an impoverished status, were concentrated in urban slums, and were the targets of discrimination. In the course of several generations, they took advantage of opportunities—especially educational opportunities—and prospered.

An elaboration of this model stresses that blacks were once singled out for unusually harsh treatment but places greater weight upon the removal of those barriers which formerly excluded them from white society. Court decisions in the post-World War II era encompassing civil rights laws, as well as the sustained growth of the economy, permitted blacks to compete equitably. Advocates of this model will point to those many measures which show rapid declines in black-white differences.

America as a Polarized Society. A different model sees this country as riven by racial, ethnic, and economic class issues. Gains for any one group are made at the expense of another. Powerful groups seek to retain their economic advantage and pass it on to their offspring. Hostility and discrimination have been useful for this purpose, so the nation has a history both of laws which favor one group over another and of conflicts over who controls jobs and neighborhoods.

From the earliest days of the colonial era, laws and common customs mandated special treatment for blacks because of their supposed racial inferiority and their unique economic niche. Advocates of this model doubt that great change occurred after World War II and are skeptical about the removal of those barriers which kept blacks out of the economic mainstream. They emphasize indicators which show little racial change.

It is impossible to gauge black progress by examining just one indicator, even such an important measure as the earnings of men. To understand the extent of racial change, it is necessary to analyze the aims, accomplishments, and failures of the civil rights movement. Its aims have been broader than just wage rates. Since the late nineteenth century, this movement has sought racial equity in five areas of public life: voting and citizenship rights, public accommodations, housing, education, and employment.

Voting Rights and Rights to Equal Opportunities in Public Places

These are two important areas in which racial barriers have been effectively removed. The Fourteenth and Fifteenth Amendments seemingly guaranteed blacks their voting privileges, but for a seven-decade span these rights were denied in southern states. A major goal of the civil rights movement was to permit blacks to influence the electoral process in the same manner as whites. Most important in this regard was the Voting Rights Act of 1965.

Since the early 1960s, the proportion of southern blacks casting ballots has increased sharply.⁵ Although racial differences in voting remain large, even after the effects of factors influencing turnout such as education and place of residence are taken into account,⁶ no one contends that this results primarily from the systematic abridgement of voting rights.

The Civil Rights Act of 1875 outlawed racial segregation in public accommodations, but by the turn of the century Jim Crow laws in southern states called for such segregation in schools, public transportation, parks, and most other public places. In the North, common customs, business practices, and the policies of local governments produced a similar segregation of blacks from whites. Even after World War II, hotels and restaurants in northern cities often refused black clientele.⁷

There is a long history of sit-ins, protests, marches, and strikes designed to end this segregation. The Montgomery bus boycott and similar protests in dozens of other cities led to enactment of Title II of the Civil Rights Act of 1964, which proscribed such racial practices.⁸ Although a few cases arise each year in which a black is denied service in a restaurant, a hotel, or a barber shop, the blatantly discriminatory policies of the Jim Crow era have ended. By the late 1960s, blacks in all regions could use the same public accommodations as whites.

Residential Segregation and the Quality of Housing for Blacks

In most metropolitan areas, *de facto* racial segregation persisted long after the laws were changed. As a result, shopping areas, parks, hospitals, restaurants, and transit lines are thoroughly coded by color. Racial residential segregation is a development of the late nineteenth and early twentieth centuries.⁹ When blacks first came to live in cities in large numbers, municipal authorities passed laws to guarantee that whites would not live next to blacks. Courts often overturned such ordinances on the grounds that they infringed upon property rights, but private practices, such as restrictive covenants and government policies, segregated blacks from whites.¹⁰ Supreme Court decisions and local open-housing ordinances supported the right of blacks to live where they could afford, but the major change was the Fair Housing Act of 1968, which outlawed racial discrimination in the sale or rental of most housing units.

Its proponents believed that this law would reduce the traditional geographic isolation of blacks in American metropolises. Although there were some declines in residential isolation, the separation of blacks from whites did not end in the 1970s.¹¹ In areas which have large black populations, there are many central city neighborhoods and a few in the suburbs which are either all-black or well along to becoming exclusively black enclaves. Most other neighborhoods have no more than token black populations. Studies of residential patterns in 1980 revealed that blacks are very different from other minority or ethnic groups in this respect. In particular, they are much more segregated from whites than are two more newly arrived groups: Asians and Hispanics.¹²

Table 1 presents indexes of residential segregation based upon census tract data for the nation's metropolitan areas of 2.5 million or more. This measure—the *index of dissimilarity*—takes on its maximum value of 100 when all census tracts are racially homogeneous.⁹ It would have a value

TABLE 1. Measures of Residential Segregation in 1980 for Metropolitan Areas of 2,500,000 or More

Metropolitan Area	Population in Millions	Percent Black	Residential Segregation Indexes* Comparing Non-Hispanic Whites to Three Groups		
			Blacks	Hispanics	Asians
New York	9.120	21	81	65	49
Los Angeles-Long Beach	7.477	13	81	57	47
Chicago	7.104	20	88	64	46
Philadelphia	4.717	19	79	63	47
Detroit	4.353	21	88	45	48
San Francisco-Oakland	3.251	12	72	41	47
Washington	3.061	28	70	32	31
Dallas-Ft. Worth	2.975	14	79	49	43
Houston	2.905	18	75	49	45
Boston	2.763	6	77	57	51
Nassau-Suffolk	2.606	6	77	36	40
Average	4.576	16	79	51	45

*These indexes of dissimilarity were calculated from census tract data. Hispanics may be of any race.

Source: U.S. Bureau of the Census, *Census of Population: 1980*, PC80-A-B1, Table 69; *Census of Population and Housing: 1980*, Summary Tape File 3A.

close to zero if two groups were randomly distributed across a metropolis.

In metropolitan New York, the segregation score comparing blacks and non-Hispanic whites was 81, while that comparing Hispanics to non-Hispanic whites was only 65. The residential segregation of Asians from whites in New York was much less, an index of 49. In Washington, the index of black to non-Hispanic white residential segregation was 70, or more than double the level of segregation of Hispanics and Asians from non-Hispanic whites. Additional studies demonstrate that blacks at all economic statuses are highly segregated from whites of the identical economic level.¹³ The Fair Housing Act of 1968 produced much less change in the status of black Americans than did the Voting Rights Act of 1965.

A major effort of civil rights organizations has been the upgrading of housing quality for blacks. Forty years ago, many blacks lived in dilapidated rural housing or in urban slums, often in units which lacked the basic plumbing and kitchen facilities we take for granted; and almost one-half of the black-occupied units in 1950 lacked an indoor flush toilet.¹⁴ The movement of blacks to cities, urban renewal projects of the 1950s and 1960s, new federal housing programs, and improvements in the economic status of blacks led to great changes in the quality of housing. By 1980, only 6 percent of the homes and apartments occupied by blacks lacked complete plumbing facilities.¹⁵ Unlike the modest changes in residential segregation, racial differences in housing quality have been greatly reduced.

Equal Opportunities in Education

Litigation to provide equal opportunities in public schools predates the Civil War, and throughout this century civil rights leaders continued efforts to bring this about.¹⁶ One set of efforts sought equal facilities for black students and equal pay for black teachers. Another sought racial parity in amounts of education. Finally, a major aim of the civil rights movement was the actual integration of public schools, an achievement which would seem to guarantee that black and white children receive identical educations. Supreme Court

decisions in the post-World War II era—especially those which called for the use of busing and racial ratios—are important with regard to educational equity.¹⁷ In terms of measurable aspects of school facilities such as age of the building, presence of libraries or laboratories, extracurricular activities, degrees of teachers, and their salaries, black students approached parity with whites in the 1960s.¹⁸ There is no evidence that black children now attend public schools which are less well-equipped or have less well-paid teachers than white children in the same area.

In addition, we are nearing a time when the years of schooling completed by blacks and whites will be the same. Chart 1 shows the average years completed by black and white men and women when they reached ages 25 to 29. In 1940, young blacks averaged about three fewer years of attainment than whites. By the 1970s, racial differences in enrollment rates through the teen years were eliminated, and, despite claims to the contrary, the long-term trends suggest a racial convergence in college enrollment.¹⁹ We have not yet reached educational parity, but, unless there is a reversal of established trends, young blacks and whites will differ little in the number of years they attend school.

Racial differences in scores on tests of intellectual skills and learning have been large. For twenty years, innovative programs such as Head Start sought to improve the educational achievements of children and reduce racial differences. The National Assessment of Educational Progress, which measures the skills of national samples of students, found that there were modest declines in black-white differences on tests of reading, writing, mathematics, science, and social studies.²⁰ Although differences remain large, the 1970s were years in which there was some convergence, not only of the enrollment rates of blacks and whites but also of their test scores.

In the 1954 *Brown* decision, the Supreme Court unanimously declared that racially segregated schools were inherently unequal and that the state-imposed separation of black children marked them as inferior. Did this ruling and the many activities of civil rights groups lead to the integration of schools?

In small and medium-sized cities throughout the country, public schools are generally integrated. The gains in the South have been impressive because the federal courts in that region ordered a thorough mixing of students and teachers.²¹

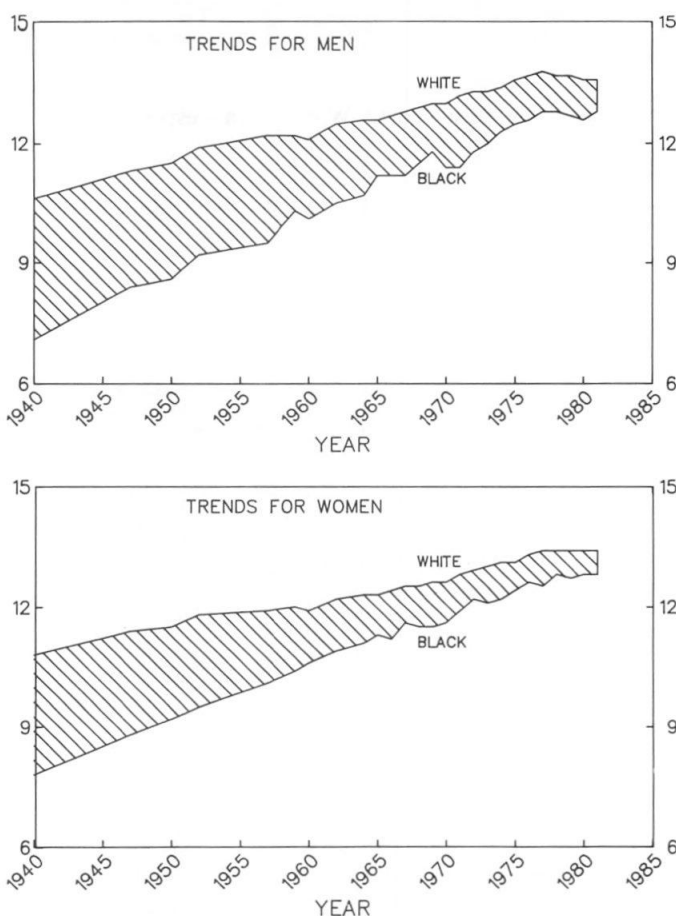
The situation in the largest metropolitan areas is very different. Thirty years ago schools in southern cities were segregated because of state laws and, in the North, because of residential segregation. However, school districts enrolled both blacks and whites, so integration could be accomplished by transferring students within the districts. Today, public schools are segregated, in large part, because blacks and whites live in separate districts: in most large central cities,

the public schools enroll few whites but many blacks and Hispanics. In 1980, three-quarters of the nation's public school students were non-Hispanic whites,²² but in Washington, D.C., only 4 percent were non-Hispanic whites; in Atlanta, 8 percent; in New Orleans, Detroit and San Antonio, 12 percent.²¹ Only three of the 25 largest central city school districts had a majority white enrollment in 1980.

Within these metropolises, white students are in the suburban ring or attend private or parochial schools. Unless policies which separate city and suburban students into different school districts are altered, the persistence of residential segregation will combine with demographic trends to produce public schools which are almost as segregated as those permitted before 1954.

CHART 1. Average Educational Attainment of Persons 25 to 29, by Race and Sex, 1940 to 1981*

Years of Attainment



*Data for years prior to 1967 refer to whites and nonwhites.

Source: U.S. Bureau of the Census, *Census of Population: 1950*, P-C1, Table 115; *Census of Population: 1960*, PC(1)-1D, Table 173; *Current Population Reports*, Series P-20, Nos. 15, 77, 121, 138, 158, 169, 182, 194, 207, 229, 243, 274, 295, 314, and 390.

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Actual and Projected Economic Indicators

seasonally adjusted

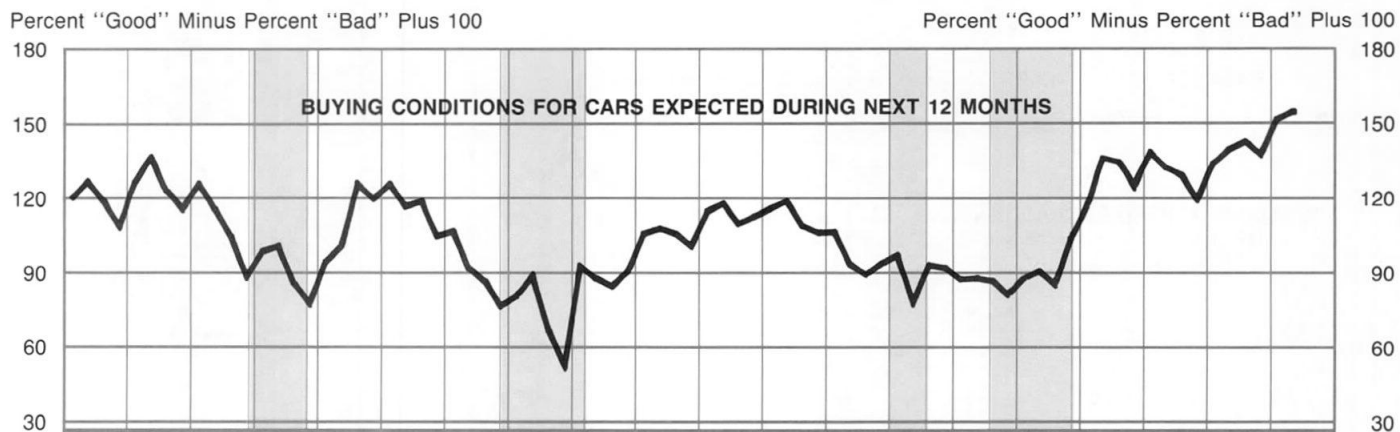
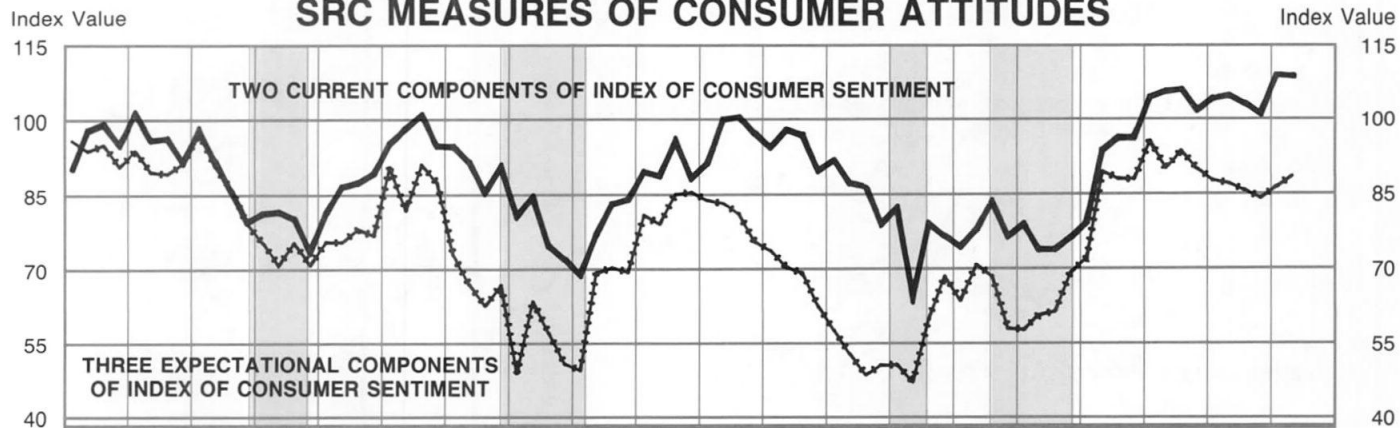
SERIES FORECAST BY THE ASA-NBER PANEL															
ECONOMIC INDICATOR	Quarterly Data												Annual Data		
	Actual							Projected					Act'l.	Projected	
	84:4	85:1	85:2	85:3	85:4	86:1	86:2	86:2	86:3	86:4	87:1	87:2		1985	1986
GROSS NATIONAL PRODUCT*	3,846	3,909	3,965	4,031	4,088	4,149	4,180	4,196	4,270	4,347	4,419	4,485	3,998	4,242	4,525
GNP IMPLICIT PRICE DEFLATOR* (index, 1982 = 100)	109.2	110.2	111.1	111.8	112.8	113.5	114.2	114.8	114.8	115.7	116.6	117.6	111.5	114.5	118.2
CORPORATE PROFITS AFTER TAXES*	140.6	136.6	126.7	133.4	139.4	135.2	140.8	145.5	150.5	155.3	158.9	159.0	131.4	149.0	160.9
UNEMPLOYMENT RATE (percent)	7.23	7.33	7.30	7.17	7.00	7.07	7.17	7.00	6.90	6.80	6.70	6.70	7.20	6.90	6.75
INDUSTRIAL PRODUCTION (index, 1977 = 100)	123.1	123.8	124.2	124.8	125.4	125.6	124.7	126.0	127.0	129.0	130.0	130.0	124.5	127.0	131.0
NEW PRIVATE HOUSING UNITS STARTED (millions)	1.613	1.762	1.743	1.688	1.773	1.998	1.908	2.000	1.980	1.925	1.900	1.800	1.741	1.973	1.835
CONSUMER PRICE INDEX (annualized percent change from prior quarter or year)	3.68	3.21	4.05	2.56	4.32	1.44	-1.66	-0.61	2.60	3.37	3.70	3.95	3.54	2.00	3.30
3-MONTH TREASURY BILL RATE (percent)	8.97	8.18	7.52	7.10	7.15	6.89	6.13	6.15	6.10	6.15	6.30	6.52	7.49	6.33	6.64
NEW HIGH-GRADE CORPORATE BOND YIELD (percent)	12.63	12.57	11.88	11.52	11.04	9.68	NA	8.80	8.84	9.00	9.30	9.55	11.75	9.07	9.40
GNP IN 1982 DOLLARS*	3,520	3,547	3,568	3,604	3,622	3,656	3,662	3,677	3,710	3,746	3,779	3,811	3,585	3,698	3,825
PERSONAL CONSUMPTION EXPENDITURES (1982 dollars)*	2,272	2,292	2,312	2,342	2,352	2,373	2,410	2,398	2,415	2,428	2,445	2,464	2,324	2,407	2,474
NONRESIDENTIAL FIXED INVESTMENT (1982 dollars)*	447.6	442.7	463.0	463.1	476.9	457.8	455.2	476.0	480.0	485.1	486.1	485.6	461.4	478.5	488.6
RESIDENTIAL FIXED INVESTMENT (1982 dollars)*	168.3	172.4	175.1	180.0	181.5	186.3	192.3	185.2	188.3	191.7	191.9	191.8	177.3	186.8	191.7
CHANGE IN BUSINESS INVENTORIES (1982 dollars)*	33.9	23.2	17.4	0.7	-5.2	39.9	11.6	16.2	13.2	16.2	20.2	21.2	9.0	19.2	21.5
NET EXPORTS (1982 dollars)*	-92.7	-78.8	-108	-114	-132	-126	-150	-119	-110	-103	-100	-100	-108	-114	-95.0
FEDERAL GOVERNMENT PURCHASES (1982 dollars)*	303.8	305.8	311.4	329.9	347.2	320.4	329.5	321.6	323.6	326.6	328.4	330.1	323.6	323.0	331.4
STATE AND LOCAL GOVERNMENT PURCHASES (1982 dollars)*	387.7	389.5	396.9	401.9	402.2	404.8	413.0	404.8	407.0	408.9	410.9	413.9	397.6	405.8	414.4
SERIES FROM THE CURRENT-DOLLAR GNP ACCOUNTS															
ECONOMIC INDICATOR	Quarterly Data												Annual Data		
	83:3	83:4	84:1	84:2	84:3	84:4	85:1	85:2	85:3	85:4	86:1	86:2	1983	1984	1985
GROSS NATIONAL PRODUCT*	3,444	3,546	3,671	3,744	3,800	3,846	3,909	3,965	4,031	4,088	4,149	4,180	3,406	3,765	3,998
PERSONAL CONSUMPTION EXPENDITURES*	2,263	2,316	2,364	2,416	2,446	2,487	2,531	2,576	2,627	2,668	2,698	2,735	2,235	2,428	2,600
GROSS PRIVATE DOMESTIC INVESTMENT*	519.7	579.8	659.5	657.5	670.3	661.1	650.6	667.1	657.4	669.5	708.3	684.7	502.3	662.1	661.1
NET EXPORTS*	-19.3	-25.8	-45.6	-63.2	-60.0	-66.1	-49.4	-77.1	-83.7	-105	-93.7	-100	-6.1	-58.7	-78.9
GOVERNMENT PURCHASES*	680.7	676.1	693.2	733.3	743.8	763.4	777.3	799.0	829.7	855.6	836.7	860.0	675.0	733.4	815.4
DISPOSABLE PERSONAL INCOME*	2,443	2,528	2,613	2,646	2,694	2,730	2,755	2,842	2,832	2,882	2,935	2,982	2,428	2,671	2,828
PERSONAL SAVING RATE* (percent of disposable income)	4.8	5.8	6.9	6.0	6.4	6.0	5.2	6.5	4.2	4.4	5.0	5.1	5.4	6.3	5.1

Note: (1) All data are at annual rates and in billions of current dollars unless otherwise indicated. (2) To facilitate comparison and evaluation of forecasts, both actual data, released in late August, and projected data, released by ASA-NBER in June, are displayed for second quarter 1986.

Sources: Projections: American Statistical Association—National Bureau of Economic Research panel of forecasters.
Actual Data: U.S. Departments of Commerce and Labor, Board of Governors of the Federal Reserve System.

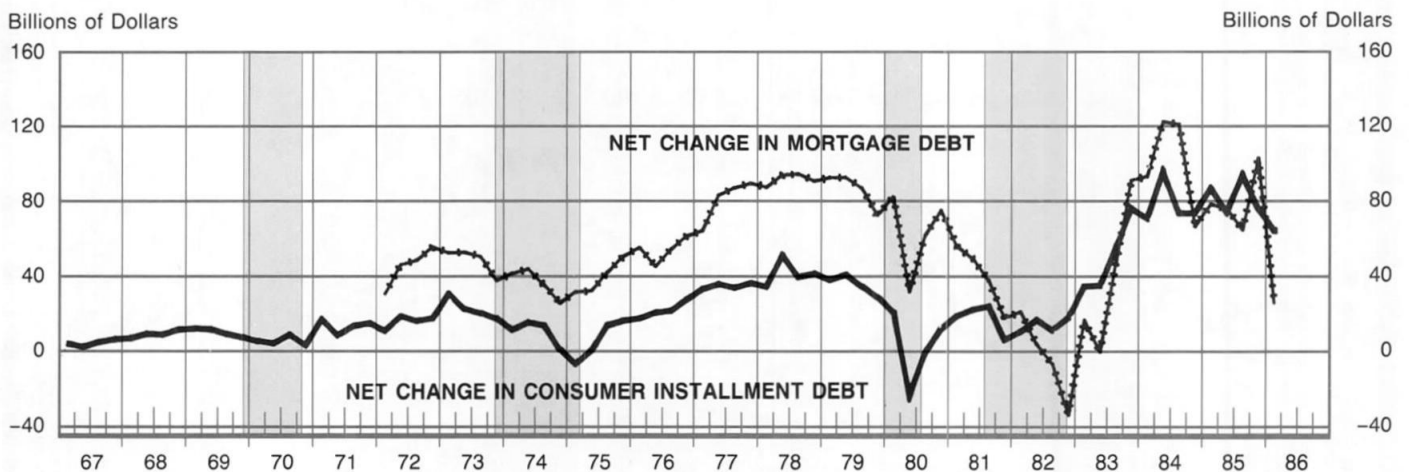
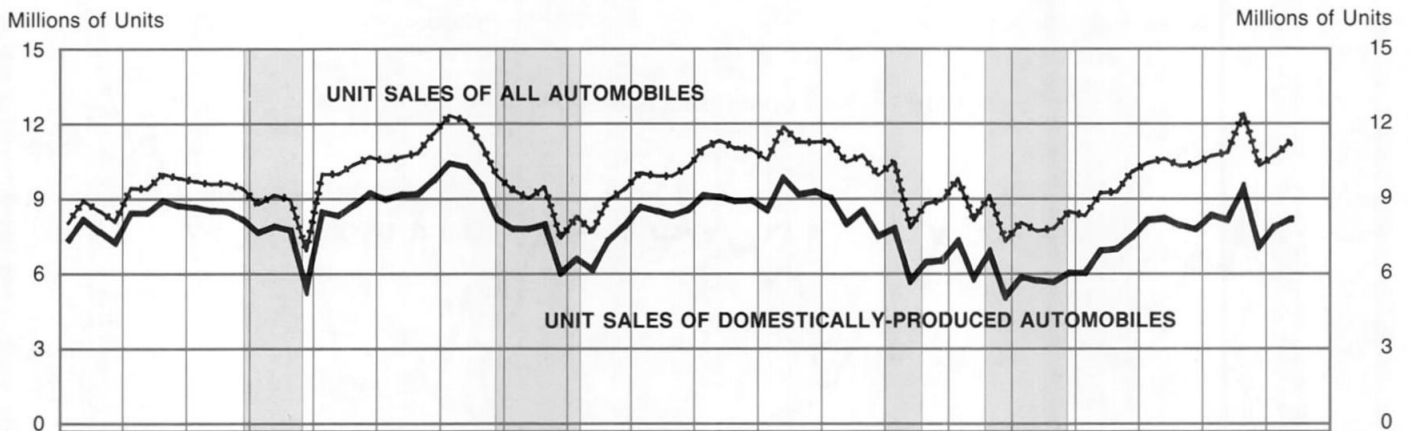
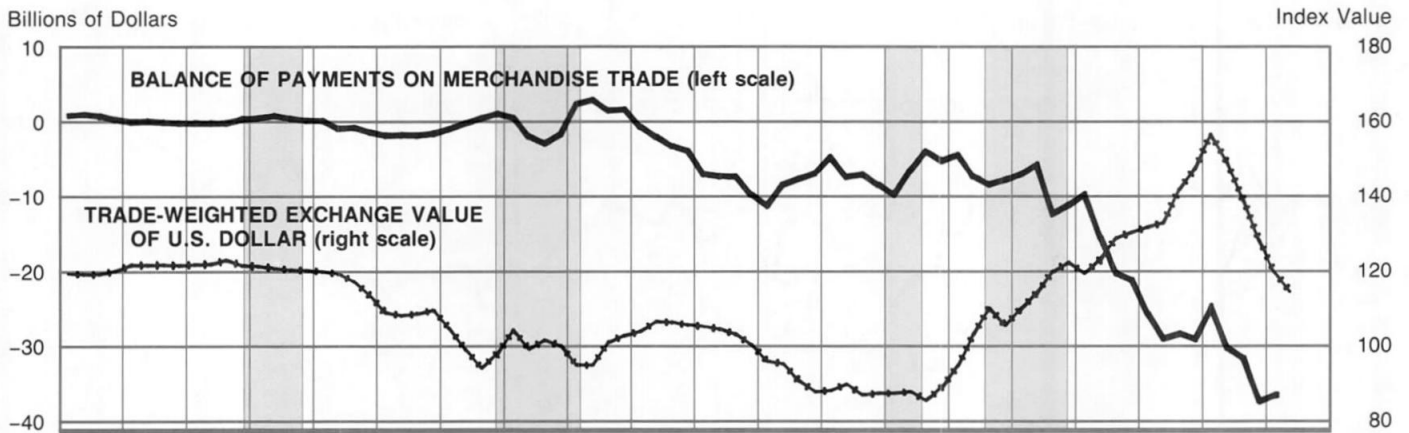
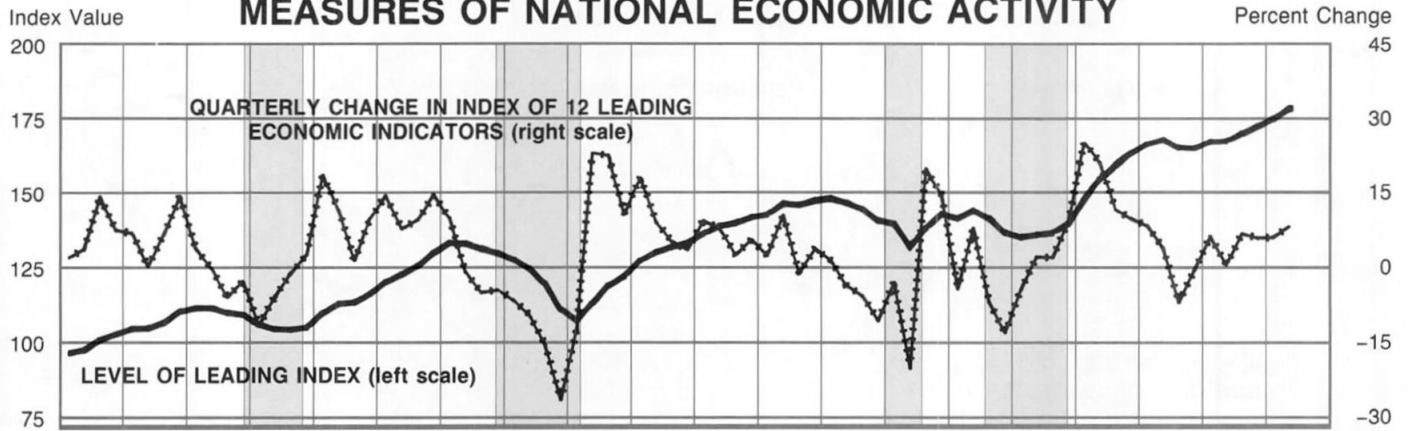
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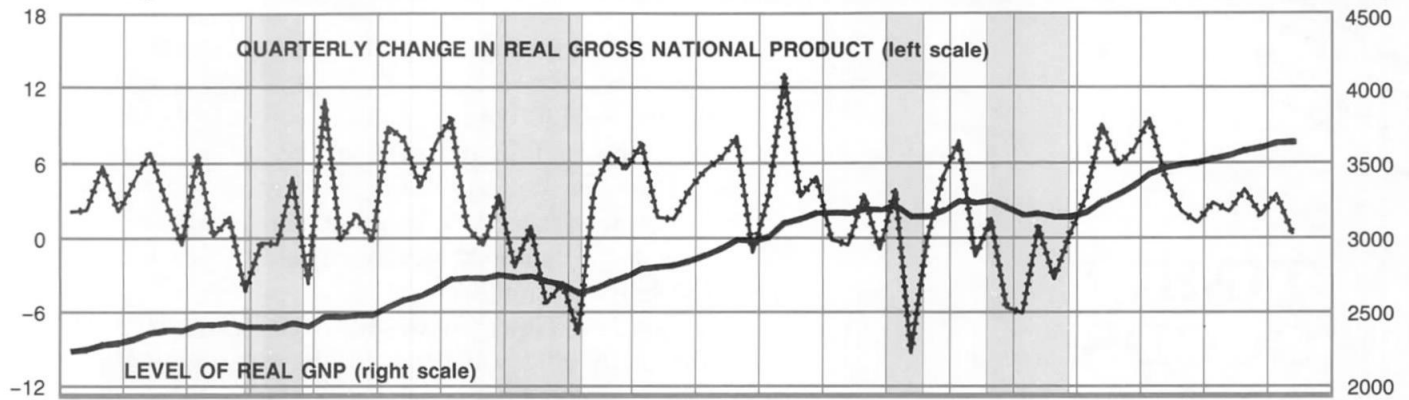


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MEASURES OF NATIONAL ECONOMIC ACTIVITY

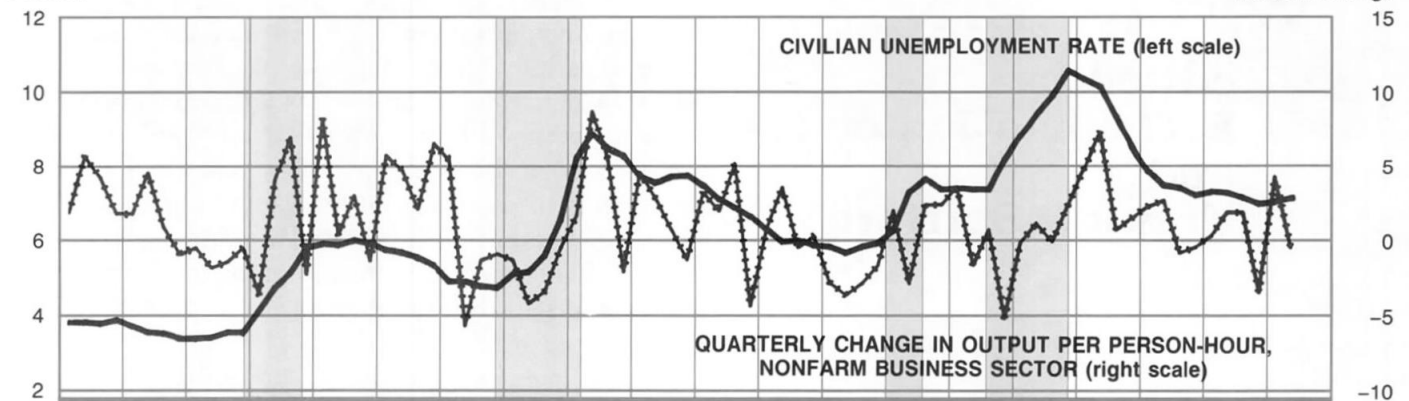
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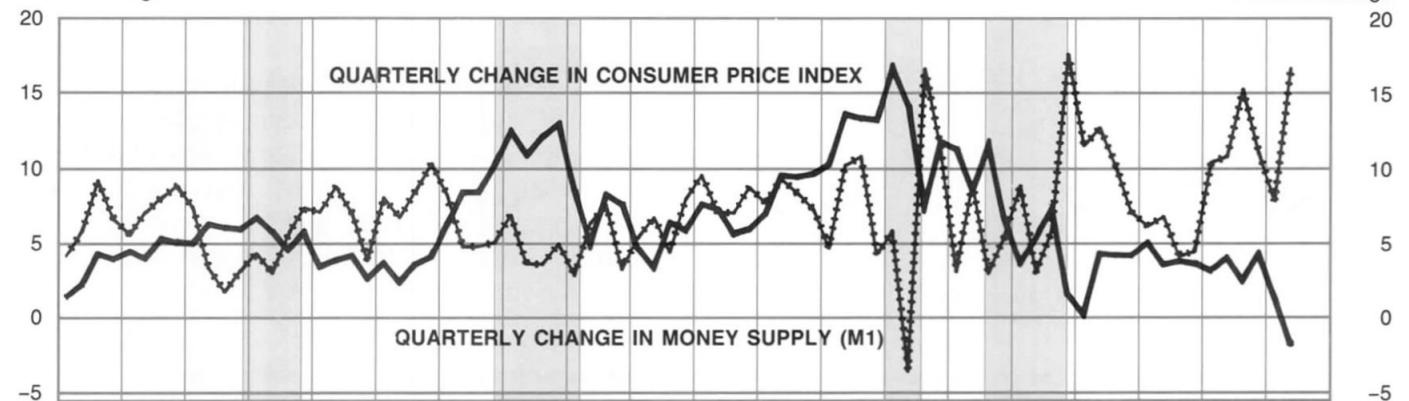
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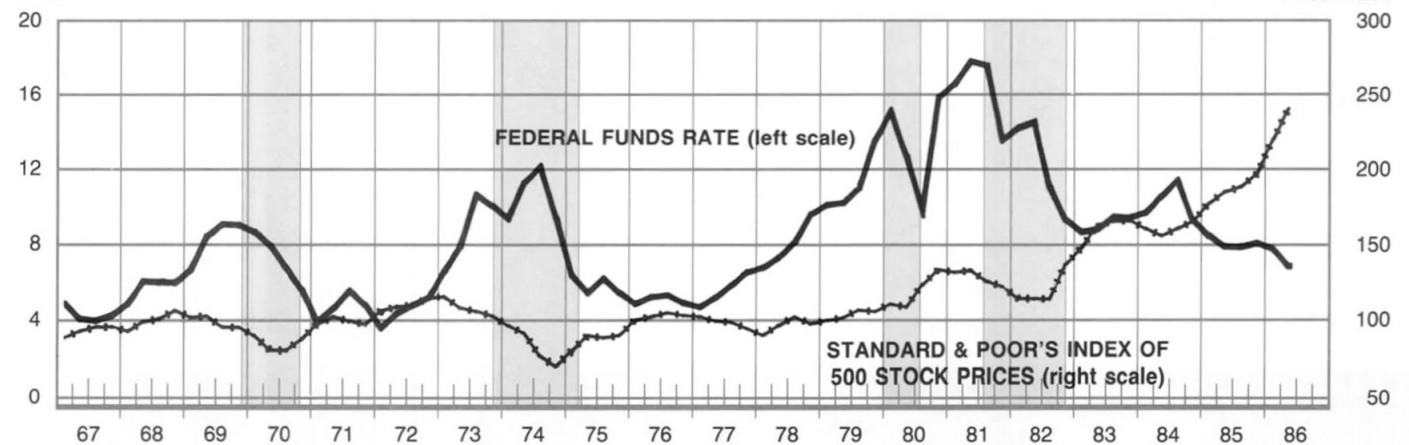
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