

TODAY'S METROPOLITAN AREAS: THE NEED FOR CRITICAL REEVALUATION

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The number of Standard Metropolitan Statistical Areas (SMSAs) in the United States grew from 169 areas in 1950 to 272 as of August 12, 1975 (30). This represented an increase of 103 areas or approximately 60 percent. In the same 25-year period, SMSA counties, including county equivalents in New England and certain independent cities elsewhere, expanded from 269 to 637--a number about two and a third times greater.

A total of 39 SMSA counties lack urban inhabitants, in other words, were completely rural in 1970. An additional 216 units remain equally small town or city in their economic and demographic attributes. Another 26 counties, again with fewer than 50,000 1970 urban residents, contain one or more comparatively small centers, which are typically combined to meet the size of city criteria for SMSA designation.

A number of recent SMSA additions comprise units in which sufficient extra persons were turned up to meet the new 50,000 urban population minimum introduced in 1971 (28). In part, this was accomplished by special recounts of student enrollees at local colleges or universities. It also was achieved by postcensal adjuncts to urbanized areas, mostly coinciding with the nearly unbroken clutter of residences and commercial establishments lining so many of the older and unlimited access highways.

Unlike the 281 fringe and marginal counties, a combined total of 102 secondary or borderline core and ring units, had a 1970 urban population of 50,000 or greater (table 1). But, with an average urban count of only approximately 75,000 persons, they appear almost equally lacking in metropolitan character, especially alongside New York City, Cook and Los Angeles counties, and dozens of other major concentrations of population and economic activity.

More accurately and adequately, the 75 units classifiable as core counties may be regarded primarily as outlying or regional labor market, trade, and service centers. For the most part, the 27 ring counties comprise strictly bedroom or dormitory communities. Many, however, barely had a 1970 urban population above 50,000, and total population, as with the 75 core counties, averaged only about 100,000. From experience, it thus could take several decades for many of them to become reasonably urban.

Following release of the new SMSA criteria in 1971 (28), 181 counties--virtually half of the 368 additions over the past 25 years--were appended to the metro classification. Included

with the 134 fringe units were 36 of the 39 entirely rural counties. Combined with 16 marginal, and 24 secondary core and ring units, 174 counties, or all but 7 of the 181 recent additions to SMSA coverage, had fewer than 100,000 urban inhabitants in 1970.

IMPLICATIONS FOR STATISTICAL STANDARDS AND PUBLIC PROGRAM PLANNING AND OPERATIONS

Mixed in with the 254 premier SMSA counties, the 283 fringe, marginal, and borderline units merely contributed to perpetuating the illusion of never-ending SMSA growth and ever-greater centralization of people, jobs, and economic affluence. Were the 283 counties to be restored to the nonmetro category, added employment opportunities, population, and incomes, by countering continued losses, notably in the Great Plains, would be reflected in at least doubling growth rates.

The SMSA classification furnishes a very poor geographic and statistical frame of reference for studying the metropolitan problems, typically associated with either inner cities or suburbia. Only New York City, Philadelphia, St. Louis, San Francisco, and a handful of other cities also comprise counties or county equivalents. The single-unit SMSA delineations not only combine the central cities and their immediate suburbs, but exclude the remainder of the labor market and trade areas often served. The multi-county designations are highly uneven in their representativeness of labor market, retail or wholesale trade, and service areas. Also frequently included (3) are relatively large and autonomous satellite centers, thereby effectively obscuring intercommuting and similar interrelationships.

Marked depreciation of the metropolitan character of the SMSA classification began in the 1960's and intensified in recent years (2, 26, 28). This has contributed to a reduction in the average number of persons per unit from nearly a half million, based on 1950 coverage, to less than a quarter million, predicated on 1975 definitions. Due to the inclusion in SMSAs of the entire land area of counties like San Bernardino, Calif., and Washoe, Nev., comparative population densities were not fully determined. If they were, the 290-odd persons per square mile in 1970, determined for the 637 counties, undoubtedly would be equally reduced from the average density of the 269 counties initially included.

The questionable nature of the socioeconomic integration achieved is seen in the residence within the present SMSAs of 21 million persons, or almost 40 percent of the entire rural population enumerated in 1970. Of equal or greater import, only 10 percent of the land area of 459 SMSA counties, (22) identified as of February, 1971, was in residential, industrial, commercial, and other intensive urban uses. And, of the 90 percent

* The viewpoints expressed are those of the author. They do not necessarily reflect the policy of either the Economic Research Service or the U. S. Department of Agriculture.

of the SMSA area in rural uses, nearly half was in a combination of cropland, pasture and range, and more than a third was in forest or woodland.

Some Inadequacies of SMSA Statistics

Published SMSA statistics seldom if ever are complete or up-to-date, mainly because new designations and area redefinitions have been made in such numbers and so frequently. For purely practical reasons, metro-nonmetro breakouts of the Current Population Survey (CPS) national probability sample (5) are revised only once every 10 years, in conjunction with the latest decennial census.

Researchers have to be constantly on the alert to be sure, especially in utilizing employment and other labor or work force data, that statistics disseminated in earlier County Business Patterns and similar reports are for areas coinciding with the latest SMSA boundaries. For nonfarm wage and salary jobs, current data are available from the monthly issues of Employment and Earnings for only slightly more than 200 SMSAs or their labor market area counterparts. Comparable coverage of overall employment and unemployment, but for only 150 major areas, are reported monthly in Area Trends.

Almost invariably, basic building block data, current labor force estimates, especially, for the nearly 500 counties included in multi-unit SMSAs, are not computed and reported separately, but lumped into statistical aggregates. Attributable to increasing diversity, particularly in the composition of the Atlanta, Dallas-Fort Worth, Houston, and other complexes, data composites have become less and less meaningful.

Apart from a maximum of 150 single-unit SMSA delineations, reasonably up-to-date labor force statistics are available annually for possibly 1,000 rural and other counties outside existing SMSAs. Even so, as a result of the recent change in methodology (21, 34) to a place of residence concept, data on total employment in these counties, as elsewhere, have been rendered practically useless, for local planning and development purposes.

Minimal Contributions to Federal Program Administration

SMSA designations and statistics (26) have proven of highly circumscribed if not negative worth in the implementation of Federal programs. For the most part, individual programs serve persons, families, and organizations directly, or function through duly constituted instrumentalities of State and local governments.

From the outset, prompt and positive measures were evolved (16, 24) to make distributions under the State and Local Fiscal Assistance Act of 1972, along with the States, to county and other eligible units of local government. The stress on community control in the administration of the Housing and Community Development Act of 1974 (17, 32) appears to exclude participation

in programs, requiring a community size of 50,000 or greater, where part of the population would have to be appended. Such additions obviously could only come from either regularly or specially defined urbanized areas, or from other unincorporated territory on the peripheries of cities with insufficient population counts.

To enable the Farmers Home Administration to carry out its responsibilities under the 1974 Housing and Community Development Act, special stipulations had to be added to assure that cities and towns under 10,000, together with rural and other nonurbanized areas, located within SMSAs, were served. Similar language necessarily was included earlier in the Rural Development Act of 1972 (31).

Otherwise, such traditional agricultural and rural-oriented programs as those of the Federal-State Cooperative Extension Service, Soil Conservation Service and Rural Electrification Administration have remained extended, budgets permitting, to qualified participants, regardless of whether or not they happened to be situated in a designated SMSA.

Until recently, data on substantial or persistent unemployment have continued to be applied in designating entire SMSAs, as well as smaller labor market areas, as eligible for various types of manpower assistance. Since enactment of the Comprehensive Emergency Employment and Training Act of 1973, officials have been confronted (15, 21, 23) with one challenge after another, particularly in recent months, in allocating funds to States and localities for public service jobs and related programs. It is practically a foregone conclusion (1, 20, 27), accordingly, that the shift in determinations already underway from SMSA and similar multi-county delineations will maintain if not gain further momentum in forthcoming months.

DEFECTIVENESS OF SELECTION CRITERIA

With minor exceptions, the 169 Standard Metropolitan Areas (SMAs), introduced with the 1960 Census, contained all major U.S. concentrations of population and economic activity. The objective of the classification, briefly put, was to break away from prior preoccupation (3, 14) with delineations of physical features, rural land uses, and types of farming, and give appropriate geographic expression (10, 18) to the rapidly mounting impact of industrialization and urbanization on the American scene. Mainly omitted, due strictly to the unique distribution of residential uses locally, were counties like Middlesex, Monmouth, and Somerset, N. J. Small size of the total population and relatively high rural composition of the few (21) fringe counties included were affected mainly by local dispersion of industry, and in the Upper Ohio Valley, by coal mining.

The appendage of so many basically rural and other nonmetro counties to the SMSAs in the 1960's was attributable largely to the relaxation (2) of standards of metropolitan character and density.

Also a factor, then and in 1970's, was the unqualified acceptance of journey-to-work data, from the two censuses, for validating commuter ratios.

Yet, quoting 1970 statistics, data were lacking for 5.7 million workers--7.4 percent-- because information (19) was not given or could not be interpreted. Of responses coded, 10 percent were in error. As many respondents have only a vague idea where household members work, or tend to name the nearest large city, response errors could well be two or three times greater.

In view of the sharp dilution (28) of SMSA criteria in 1971, it is surprising that many more than 181 mostly fringe, marginal, and borderline counties weren't added since then. There are scores of cities meeting new population minima of 25,000. Infinite opportunities exist for raising total urban population to bare 50,000 required. Simply needed would be linkups with nearby cities and towns, via narrow strips in housing and similar uses, fronting on connecting roads.

Proposals (2, 7, 8) to shift to a functional type classification would contribute equally or more so to obscuring intercommuting and related patterns. In addition to central cities, their immediate environs and satellites, variously involved are outlying centers, together with their more or less distinctive hinterlands.

DUBIOUS VALUE OF METRO-NONMETRO DATA COMPARISONS

The mixture of metro and nonmetro counties has now proceeded to such lengths that it doesn't matter much (table 2) whether metropolitan units consist of most of the 272 SMSAs or their labor market area equivalents, or just 150 larger ones. Reducing SMSA coverage to Ward's 70 sample units (33) still would make little difference, except for identical unemployment rates, and a lower job gain (3.1 percent) in enlarged nonmetro residual.

Unrealistic unemployment and other statistics shown (table 3) for nonmetro component of the CPS probability sample is due to overrepresentation of strongly rural areas. The high proportion of the labor force in agriculture, self employment, and government makes for low but fluctuating jobless rates, while farming and other nonfarm employment grow slowly if at all. Addition of 14,000 households to CPS now underway should help no end. Still needed, however, would be a reordering of nonmetro breakout to include at least 132 fringe and marginal counties in SMSAs for 1970 Census.

RESOLVING ISSUES OF MEASURING UNEMPLOYMENT

Fourteen years after formation of Gordon Committee (1), another call has gone out (20) for a major review of unemployment statistics. This time, the integrity of the estimates (6, 15, 23) has been accepted, virtually without challenge. But, deep interest and controversy (21, 27) have been aroused over efficacy of new methodology (24) for delivering manpower revenue sharing and related funds to States and localities.

Disregarded were serious undercounts, response and processing errors (13, 25), in the 1970

Census, defects also affecting the CPS. Just as journey-to-work statistics are supposed to remain fixed over time, multiple jobholding (9) is presumed to hold at a constant five percent.

Along with Moore (15), Schneider and Knott (25) have emphasized the subjective aspects of the definition. Moore also has made a number of highly promising recommendations, premised on the relationship of job losers to total employment in economic upturns and downswings.

At a minimum, guidelines should evolve that will cope with job quitters, and in-and-outers. In interests of equity, serious attention should be given to shifting to jobless counts in future determinations of eligibility.

BRIGHTENED PROMISE FOR BASIC COUNTY DATA SERIES

Virtually without saying, top priority must be given to restoring counties to their traditional role as basic statistical building block units. Making for far more optimism than only a few years ago have been recent breakthroughs (4, 19, 25), all in strict conformity with the preservation of confidentiality (12), in interchanges of Census, CPS, Social Security Administration (SSA), and Internal Revenue Service (IRS) data.

The wealth of information compiled under State unemployment insurance laws should be mobilized to remedy deficits in job data for small areas. Especially to gain insight (11, 19) into job mobility and related patterns, similar advantage should be taken of availability of 10 percent work-history sample, evolved from SS records.

The release (29) of population and income projections, developed for the revenue sharing program, suggests a design of suburban and related strata, independent of county boundaries. Meanwhile, the breakout explored in the paper shows sufficient potentials for supplying useful metro-nonmetro data to merit further study.

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Period and subclass	Counties 2/	Population			Persons:		1970 rural	
		1970	1960	Increase	per	county:	population	
				Number	Per-	Number	Per-	
					cent	1970		cent
	No.	Thou.	Thou.	Thou.	Pct.	Thou.	Thou.	Pct.
TOTAL	637	149,672	127,830	21,842	17.1	235	21,264	14.2
Core 3/	304	118,300	103,400	14,900	14.4	389	11,889	10.1
Primary 4/	203	108,866	95,111	13,755	14.5	536	8,865	8.1
Secondary 5/	75	7,946	7,003	943	13.5	106	2,384	30.0
Marginal 6/	26	1,488	1,286	202	15.7	57	640	43.0
Ring 7/	78	21,768	16,529	5,239	31.7	279	3,448	15.8
Primary 4/	51	18,837	14,343	4,494	31.3	369	2,338	12.4
Secondary 5/	27	2,931	2,186	745	34.1	109	1,110	37.9
Fringe 8/	255	9,604	7,901	1,703	21.6	38	5,927	61.7
1950	269	122,396	106,395	16,001	15.0	455	10,993	9.0
Core 3/	191	101,853	90,457	11,396	12.6	533	7,867	7.7
Ring 7/	57	19,300	14,840	4,460	30.0	339	2,554	13.2
Fringe 8/	21	1,243	1,098	145	13.2	59	572	46.0
1951-60	73	9,815	7,460	2,355	31.6	134	2,356	24.0
Core 3/	41	7,466	5,783	1,683	29.1	182	1,285	17.2
Ring 7/	9	1,030	667	363	54.4	114	316	30.7
Fringe 8/	23	1,319	1,010	309	30.6	57	755	57.2
1961-70	114	8,093	6,415	1,678	26.2	71	3,499	43.2
Core 3/	30	3,832	3,039	793	26.1	128	994	25.9
Ring 7/	7	780	524	256	48.9	111	295	37.8
Fringe 8/	77	3,481	2,852	629	22.1	45	2,210	63.5
Since 1970	181	9,368	7,560	1,808	23.9	52	4,416	47.1
Core 3/	42	5,149	4,121	1,028	24.9	123	1,743	33.9
Ring 7/	5	658	498	160	32.1	132	283	43.0
Fringe 8/	134	3,561	2,941	620	21.1	27	2,390	67.1
NONMETRO RESIDUAL:								
Outside 637 counties	2,462	53,611	51,493	2,118	4.1	22	32,585	60.8
" 356 counties 9/	2,743	64,703	60,680	4,023	6.6	24	39,152	60.5
" 254 counties 10/	2,845	75,580	69,869	5,711	8.2	27	42,646	56.4

10/ Also includes total 102 secondary core and ring SMSA counties.

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Table 2.--Civilian labor force, employment, and unemployment: Comparative changes, various labor market area groupings, arranged by metropolitan and nonmetropolitan area equivalents, March 1973-74 1/

Designation	Metropolitan				Nonmetropolitan			
	1974	1973	Increase		1974	1973	Increase	
			Number	Percent			Number	Percent
	Thou.	Thou.	Thou.	Pct.	Thou.	Thou.	Thou.	Pct.
260 LARGE LABOR MARKET AREAS 3/								
Civilian labor force ...	65,053	63,353	1,700	2.7	24,711	23,953	758	3.2
Employment	61,486	60,307	1,179	2.0	23,246	22,706	540	2.4
Establishment	59,203	58,090	1,113	1.9	18,089	17,421	668	3.8
Other 2/	2,283	2,217	66	3.0	5,157	5,285	-128	-2.4
Unemployment	3,567	3,046	521	17.1	1,465	1,247	218	17.5
Rate (percent)	5.5	4.8	--	--	5.9	5.2	--	--
150 MAJOR LABOR MARKET AREAS 4/								
Civilian labor force ...	56,665	55,291	1,374	2.5	33,099	32,015	1,084	3.4
Employment	53,551	52,640	911	1.7	31,181	30,373	808	2.7
Establishment	52,004	51,121	883	1.7	25,286	24,389	897	3.7
Other 2/	1,547	1,519	28	1.8	5,895	5,984	-89	-1.5
Unemployment	3,114	2,651	463	17.5	1,918	1,642	276	16.8
Rate (percent)	5.5	4.8	--	--	5.8	5.1	--	--
70 SAMPLE LABOR MARKET AREAS 5/								
Civilian labor force ...	44,289	43,247	1,042	2.4	45,475	44,059	1,416	3.2
Employment	41,817	41,109	708	1.7	42,916	41,904	1,012	2.4
Establishment	41,233	40,543	690	1.7	36,058	34,967	1,091	3.1
Other	584	566	18	3.1	6,858	6,937	-79	-1.1
Unemployment	2,472	2,138	334	15.6	2,559	2,155	404	18.8
Rate (percent)	5.6	4.9	--	--	5.6	4.9	--	--

Table 3.--Civilian labor force, employment and unemployment: Comparative changes, metropolitan and nonmetropolitan areas, 1973-74 1/

Designation	Metropolitan				Nonmetropolitan			
	1974	1973	Increase		1974	1973	Increase	
			Number	Percent			Number	Percent
	Thou.	Thou.	Thou.	Pct.	Thou.	Thou.	Thou.	Pct.
CPS PROBABILITY SAMPLE 6/								
Civilian labor force ...	63,883	62,320	1,563	2.5	28,510	27,707	803	2.9
Employment	60,252	59,121	1,131	1.9	27,025	26,592	433	1.6
Unemployment	3,631	3,199	432	13.5	1,485	1,115	370	33.2
Rate (percent)	5.7	5.1	--	--	5.2	4.0	--	--
150 LARGE LABOR MARKET AREAS 4/								
Civilian labor force ...	57,882	56,542	1,340	2.4	35,402	34,723	679	2.0
Employment	54,567	53,707	860	1.6	33,445	32,028	417	1.3
Establishment	52,641	52,039	602	1.2	25,882	25,456	426	1.7
Other 2/	1,926	1,668	258	15.5	7,563	7,572	-9	-0.1
Unemployment	3,315	2,835	480	16.9	1,957	1,695	262	15.5
Rate (percent)	5.7	5.0	--	--	5.5	4.9	--	--

1/ Data are adapted from estimates of State Employment Security agencies.

2/ Residuals consisting of farm work force, other nonfarm employment, and adjustments for multiple-jobholding, commuting, and workers idled by labor disputes.

3/ Metro coverage is for all SMSAs and labor market area equivalents for which monthly estimates are readily available, either in regular newsletters or as specially prepared from ES work sheets.

4/ Metro component represents 150 major labor market areas, for which estimates are reported monthly in Area Trends.

5/ Metro equivalent corresponds with the special classification of labor market areas, reported (33) in the May 1975 issue Monthly Labor Review.

6/ Adapted from table A-59, October 1974 issue Employment and Earnings. Data are for third quarter; those based on 150 labor market areas are for August only.