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## INTRODUCTION

There are more than 16,000 cities, villages and other incorporated places in the United States, of which 481 had populations in excess of 25,000 in 1950. This is a study of the per capita expenditures in 1951 of 462 of these larger cities and the per capita expenditures in 1953 of the forty largest cities and their overlying local governments.<sup>1</sup>

The 462 cities in 1950 contained more than 60 million people, approximately 40 per cent of the national population, and spent some \$4,700 million<sup>2</sup> in 1951. In October of 1950 they employed 940,000 persons,<sup>3</sup> about one-fifth of all state and local employees. City government, however, is more important than either the expenditure or employment figures indicate. Certainly no other unit of government directly contributes so much toward the everyday life and business activities of our huge urban population.

The rapid increase in expenditures by American cities in recent years<sup>4</sup> emphasizes the importance of extending our knowledge in this area. Although new services are increasing, the traditional functions continue to account for the great bulk of city expenditures. Analysis, based for the most part on 1951 data, should indicate at least some of the influences helping to shape their patterns and magnitudes. Automotive transportation and the greater mobility it has brought may be changing the basic nature of our cities. But the process has been going on for many years. Thus a cross-section analysis such as this may be important not only for understanding cities as they are, but also for what it may suggest about future changes.

<sup>1</sup>Nineteen of the 481 cities are not included in this study — Washington, D.C., because of the absence of overlying state or local governments, and eighteen others because employment figures were not reported for them in the 1947 Census of Manufactures or 1948 Census of Business. These others are Montgomery, Ala.; Pine Bluff, Ark.; Key West and Panama City, Fla.; Athens, Rome, and Columbus, Ga.; Port Huron, Mich.; Laurel and Vicksburg, Miss.; West Orange, N. J.; Santa Fe, N. Mex.; Parma, Ohio; Norman, Okla.; Odessa and San Angelo, Tex.; Wheeling, W. Va.; and Cheyenne, Wyo.

<sup>2</sup>Exclusive of insurance trust and utility accounts and debt repayment.

<sup>3</sup>Bureau of the Census, *City Employment in 1950*, pp. 6-24.

<sup>4</sup>By fiscal 1955 the general expenditures of the 462 cities had attained a level of \$6.5 billion, almost 40 per cent more than they had spent in 1951.

The Bureau of the Census reports city expenditures both by object and by function. This study, however, deals only with total general expenditure and the major functional categories.<sup>5</sup>

Capital outlays, largely reflecting construction programs, vary sharply from year to year.<sup>6</sup> They may be expected to respond to forces different from those that influence current expenditures and have, therefore, been excluded from all but three expenditure categories for the 462 cities<sup>7</sup> and from all categories in the forty-large-city analysis. The magnitude of capital expenditures and the wide amplitude of their fluctuations suggest the desirability of studying the influences shaping them, but this is beyond our scope.

We have two general objectives. First, the establishment of patterns of differences in per capita expenditures. We begin with the frequency distribution for the 462 cities, following this with an analysis of the relative amounts spent by cities on various kinds of services. We also examine the association between levels of expenditure and the states and regions in which the cities are located. Second, we analyze the association between city expenditures per capita and available measurable economic variables and between expenditures and the nature of the city.

While the same dollar outlays do not, in any two instances, produce the same quality or quantity of public service, it is expenditures rather than performance or units of service that we are analyzing. Efficiency and quality of service contribute to variations in expenditure levels, but we are a long way from being able to measure either. They have been neglected only because it is not feasible to do otherwise.

## VARIATION IN CITY EXPENDITURES

Some cities obviously spend considerably more than others per inhabitant on the various functions for which they are responsible. Our analysis may be useful in at least two ways: (1) City officials and others concerned with city government may be aided in evaluating the relative position of

<sup>5</sup>See Appendix A for a description of the expenditure categories.

<sup>6</sup>In fiscal 1951 \$809 million out of a total of \$979 million in capital expenditures for general government purposes was spent for new construction. Capital outlays rose from \$318 million in 1947 to \$467 million in 1948, \$674 million in 1949, \$782 million in 1950 and \$979 million in 1951, more than tripling in the course of only four years.

<sup>7</sup>Police, fire and general control, for which the Census Bureau does not provide a breakdown between capital and current expenditures for individual cities. In 1951 these three categories accounted for only \$52 million of the total of \$979 million in capital expenditures.