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## American Population since 1940

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### *1. Richard A. Easterlin*

Before World War II it was confidently assumed that American population growth was grinding to a halt (Hansen 1939; Whelpton 1947). This assumption was subsequently belied by the huge upsurge in population growth following World War II, described by one scholar of the postwar period as “perhaps the most unexpected and remarkable feature of the time” (Hickman 1960, pp. 161–62). This population boom, which peaked in the late fifties, has been followed by an equally surprising population “bust.” Although few scholars in the late 1950s expected the undiminished continuation of the high growth rates prevailing at that time, no one foresaw the rapidity and depth of the subsequent decline. This boom and bust pattern of population growth is one of the most dramatic and unanticipated developments of the post-World War II period with far-flung social and economic ramifications.

Although the growth rate itself is the most startling feature of the postwar population record, it is not the only surprise. The recent upsurge in illegal immigration has received increasing attention. So too have new developments in internal migration—the movement to non-metropolitan areas and the Sunbelt. Even mortality, the most slighted subject in population studies, has produced its share of surprises—the 1954–68 plateau in death rates now appears to have been pierced in a substantial and startling way.

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This chapter outlines these developments in postwar American population growth and touches on some of their cause-effect relations to changes in the economy and society more generally. Primary attention will center on the swing in the population growth rate and the associated change in marriage and childbearing, but there will be some discussion of mortality and migration as well.

#### 4.1 Population Growth and Fertility

Swings in the rate of population growth are not new in American experience. For as far back as the record reliably goes—and probably before—there have been marked surges and relapses in the rate of population growth.<sup>1</sup> Before 1940 these movements (often designated Kuznets cycles in honor of Nobel prizewinning economist Simon Kuznets who pioneered their study) were around fifteen to twenty-five years in duration and due largely to corresponding movements in immigration (fig. 4.1).<sup>2</sup> What is notable about the post-1940 swing is its duration, about forty years instead of twenty, and the fact that it is attributable to a fertility movement—a baby boom and bust—rather than to immigration.

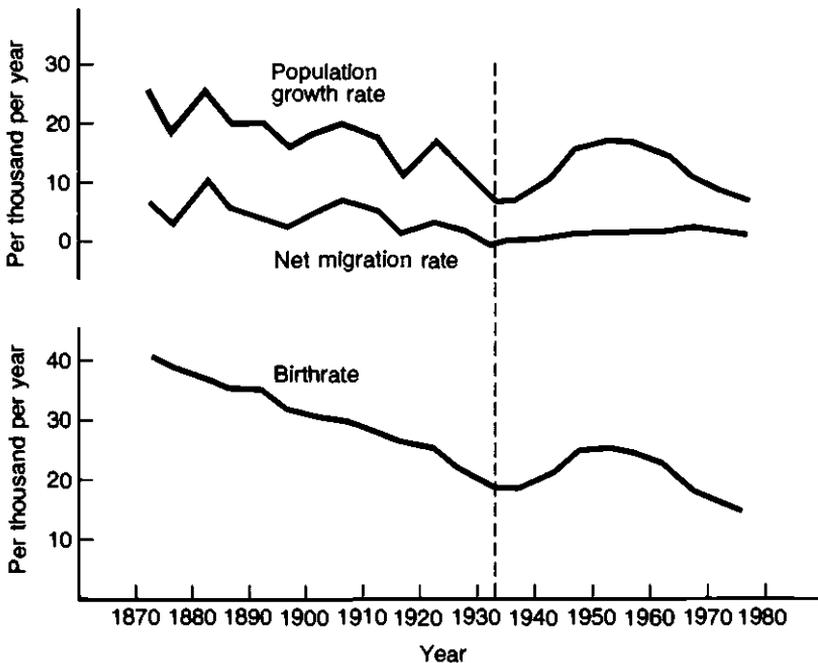


Fig. 4.1

Swings in population growth, migration, and fertility. Data from table 4.A.1.

Such an immense swing in American fertility is unprecedented, as figure 4.1 makes clear, and any attempt to explain the recent swing in population growth must focus on this fertility movement.

#### 4.1.1 Causes of the Fertility Swing

What are the causes of the baby boom and bust? No one knows for sure, but there are numerous speculations, including one for which I am responsible. Since I am partial to my own theory, I will stress it here. But first I should like briefly to discuss some of the other arguments that have been advanced.

##### *Birth Control Technology*

A number of hypotheses focus on the baby bust since 1960, and leave the baby boom unaccounted for. This is true of what might be called for short, “the pill hypothesis.”

In June 1960 the long-sought-after oral birth control pill was authorized for use, and since then use of the pill has grown rapidly. The late 1960s saw the introduction of the intrauterine device (IUD) and a widespread liberalization in abortion laws. To many writers these developments in access to or availability of new means of fertility control—especially the innovation and spread of the oral pill—are the key to the baby bust (Westoff and Ryder 1977, p. 340).

As plausible as this seems, there are a number of reasons to question this assumption. Well before the introduction of the pill most young American families were using contraception. Population surveys on contraceptive practice in the 1950s show this to be the case (see Whelpton, Campbell, and Patterson 1966, chap. 5). The pill was largely a substitution of a new method for old ones. For some households—especially Catholic households—the pill may have been a more effective means of preventing conception. But experience shows that if the motivation to limit fertility is strong, so-called inefficient methods can be used effectively. A valuable new study by Jean Claire Ridley (in process) reveals that the primary contraceptive methods used by couples in the 1930s to achieve the unprecedented low fertility of that period were the so-called “inefficient” ones of condom, withdrawal, and douche.

The “pill hypothesis” leaves unexplained the pre-1960 baby boom. This was hardly a period of retrogression in the ability of Americans to control their fertility. On the contrary, World War II assured that many more young Americans than ever before were systematically educated in techniques of fertility limitation (chiefly the condom) as part of their indoctrination in the Armed Forces. Yet the postwar fertility rate soared despite more universal knowledge on how to prevent conception.

The pill and other changes in contraceptive availability since 1960 may have had some “add-on” effect in reducing fertility. But, for the

reasons just noted, it seems likely that the rapid spread of these new techniques, rather than being a principal cause of the fertility decline, was itself a response to other, more fundamental, factors making for lower fertility.

### *Women's Sex Role Attitudes and Status*

Another popular explanation—again of the baby bust, but not of the baby boom—is what might be called the New Woman hypothesis. This view asserts that a drastic shift has occurred in young women's views on their proper roles in life in an antinatal, prowork direction. The emerging modern woman is seen as well educated, career oriented, and financially independent—freed from the wheel of marriage and childbearing. Evidence of this, it is said, is the sharp increase since 1960 in work outside the home among young women, especially wives, the counterpart of their plunging fertility. As additional support for the changed status of women, it is claimed that “educational differences between the sexes have greatly diminished” (Westoff 1978).

So far as education is concerned, rather than women having improved their status compared to men, the truth is just the opposite. In the 1940s and 1950s young women enjoyed a slight educational advantage over young men. Since then the differential has shifted in the opposite direction, and currently young men enjoy a slight educational advantage over young women.<sup>3</sup>

As for attitudes toward sex roles, there is no doubt that in recent years there has been a questioning as never before of traditional views. And there are real signs of change. Certainly schools are doing more to treat students equally regardless of sex; and businesses, colleges, and other institutions are trying to expand opportunities for women. Also, surveys show that increased proportions among both sexes are in favor of equal labor market rights for women and of making important household decisions jointly (Mason 1973; Thornton and Freedman 1979). However, on the issue of whether there has been a fundamental shift in views among the population generally as to the principal roles that husband and wife should play in the family, the answer suggested by the evidence is negative. Today, as they reach adulthood most men and women envisage the traditional arrangement in which the man in the family is a full-time worker throughout his life, while the woman drops out of the labor force to have two or more children whom she raises at home, at least until they reach school age. The woman is expected to work outside the home before childbearing and also, in most cases, to return to the labor force after the children reach school age. But the job the woman expects to hold is usually a traditional “female job,” just as the man expects to hold a traditional “male job.” Here are the results of some recent surveys of young adults, the group for whom significant

change, if it has occurred, is most likely to be noticeable (survey dates and age groups vary somewhat because of differences among the surveys):

1. There has been little backing away from the ideal of motherhood for young women. In 1977, three out of every four *single* women aged 18 to 21 expected to have at least two children; among married women in this age group, the proportion was four in five (U.S. Bureau of the Census 1978, p. 27). As demographer Judith Blake (1974) has pointed out from studying similar survey responses on ideal family size, despite the large decline in the birthrate, Americans today, including young Americans "are highly tolerant of large families and noticeably intolerant of the one child family or childlessness" (p. 36).

2. A national sample of high school seniors from the class of 1977 was asked how it felt about different work situations for husbands and wives with preschool children (Herzog, Bachman, and Johnston 1978). Out of four possible ratings (not acceptable, somewhat acceptable, acceptable, desirable), seven out of ten considered a situation in which both partners work full time as not acceptable, and over half of the remainder gave this situation the second lowest rating (somewhat acceptable). In contrast, the traditional arrangement—husband works full time, wife doesn't work—received the two highest ratings from four students in five (desirable, acceptable) with the division between the two ratings about equal. Male respondents tended to be more traditional than female in their evaluations, but the difference by sex was very small.

3. In 1979 a national cross-section of teenagers aged 13 to 18 was asked, "As of right now what kind of work do you think you will do for a career?"<sup>4</sup> The job aspirations of teenagers are likely to be unrealistic, of course, with an emphasis on glamorous occupations; hence one cannot take the responses as indicative of the lines of work that will actually be pursued. What is interesting, however, is the difference between boys and girls in their responses. Here are the top ten career choices of each:

<i>Rank</i>	<i>Boys</i>	<i>Girls</i>
1	Skilled Worker (e.g., Mechanic)	Secretary
2	Doctor, Dentist	Doctor, Dentist
3	Lawyer	Musician, Artist
4	Musician, Artist	Nurse
5	Professional Athlete	Teacher
6	Electronics career	Stewardess
7	Military career	Accountant, Auditor
8	Businessman	Lawyer
9	Aviation industry career	Social worker
10	Architect	Psychologist

There are some indications of new aspirations among young women as evidenced by the appearance in the girls' top ten of the occupations of doctor, lawyer, and accountant. A comparison of the two lists, however, shows a substantial difference in the occupational orientation of the two sexes—only three occupations appear on both lists, and the girls' list is dominated by what have been traditional female occupations (secretary, teacher, nurse, stewardess, social worker).

4. Somewhat more realistic are the responses of women 21 to 24 years old, who were asked the following question in 1975: "Now I would like to talk to you about your future job plans. What kind of work would you like to be doing when you are 35 years old?"<sup>5</sup> Note that the question relates to an age when for most women all of their children would already be in school, and this predisposes the respondent to reply in terms of work outside the home. Despite this, only slightly more than half (56 percent) actually specified some job plans, 31 percent answered "married, keeping house, raising a family," and 13 percent said "don't know." Among those who did have plans to be working outside the home, the most frequently named jobs that they would "like to be doing" were in traditional female occupations. The ten leading ones were:

- |                          |                        |
|--------------------------|------------------------|
| 1. Teacher               | 6. Hospital attendant  |
| 2. Secretary             | 7. Typist              |
| 3. Nurse                 | 8. Bookkeeper          |
| 4. Social welfare worker | 9. Artist, Art teacher |
| 5. Practical nurse       | 10. Sewer or Stitcher  |

Together these ten occupations accounted for more than half of those women with job plans. Again, the impression conveyed is that most young women continue to think along traditional lines.

There are doubtless some young women who conform to the New Woman model cited above. But the evidence clearly indicates that for the bulk of the female population the shift from childbearing to work outside the home cannot be attributed to any drastic shift in underlying attitudes on women's "proper" roles in life.

#### *Women's Employment Opportunities as the Cause of the Fertility Decline*

Seemingly related to the New Woman hypothesis, but, in fact, quite different is an explanation advanced by William P. Butz and Michael P. Ward. They argue that "young women's fertility has been strongly influenced by increasing demand for female labor" (1977, p. 18). "The prolonged economic expansion of the 1960s, with rising wages and job opportunities, induced increasing numbers of women to work outside their homes, and correspondingly, to forgo, or at least delay, having children. . . . After the 1970 recession, real wages resumed their steep rise and women went to work in record numbers instead of having chil-

dren" (Butz and Ward 1978, pp. 9–10). According to this view, it is not a change in women's attitudes that accounts for their altered work and fertility behavior, but a change for the better in their job opportunities that has pulled them out of the home and into the labor market, and thereby reduced childbearing.

This theory is at variance with a number of facts of the female labor market in the post-World War II period. Both historically and at present, the overall demand for female labor has been primarily dependent on the growth of a limited number of occupations in the professional, clerical, sales, and service fields. Compared with the growth of jobs generally, women's occupations did not expand more rapidly in the years after 1960 when young women's labor force participation rose more rapidly than before (Easterlin 1978). Hence the demand for female labor was not unusually favorable after 1960, and women were not disproportionately pulled into the labor market by demand conditions. Corroboration is provided by the descriptions of opportunities in women's occupations in the Labor Department's *Occupational Outlook Handbook*. The handbooks of the 1950s use terms such as "serious shortage" (elementary school teachers, 1951), "excellent prospects" (secretaries, 1951), and "many thousands of job opportunities" (sales clerks, 1959). In contrast, those of the 1970s describe women's opportunities in much more guarded terms. Also, if demand for young women in the labor force were unusually favorable since 1960 one would expect to find their wages rising compared with men's and their relative unemployment rates falling. In fact, by both of these measures, the relative position of women appears to have deteriorated since 1960.<sup>6</sup> Finally, if the demand for female labor were unusually favorable during this period, one would expect the growth in labor force participation to be similar for all age groups of women because of the high degree to which older and younger women are substitutes for each other. In fact, the rise in young women's participation has been accompanied by a slowing or cessation in that of older women. Figure 4.2 shows the percentage of women in the labor force from 1890 to 1975. The contrasting pattern for younger and older women occurred in the two decades before 1960 as well, except that then it was the older women whose labor force rates rose rapidly and the younger women's hardly at all. Subsequently I shall suggest the reasons for this inverse pattern, which has appeared only since 1940. For the present purpose, it is sufficient to note that the proposed explanation of the fertility swing in terms of major new female employment opportunities leaves this important development wholly unaccounted for.

### *The Relative Income Hypothesis*

What, then, is the reason for the postwar fertility swing? In my view, the interpretation that is most plausible, and consistent with a wide range of evidence, is what has been termed the "relative income" hypothesis.

Positive attitudes toward marriage, childbearing, and other aspects of family formation and growth reflect confidence in the future by young adults. Decisions regarding family formation depend crucially on how the "typical" young couple assesses its prospects for achieving the economic life-style to which the partners aspire; this will be called here the couple's "relative income." The more favorable this assessment, the freer will a couple feel to marry and raise a family, and the less will be the pressure on the young woman during the family forming years to couple work outside the home with childbearing and childrearing.

There are two elements entering into the judgment about the couple's prospects for achieving its desired life-style. One is the potential earning

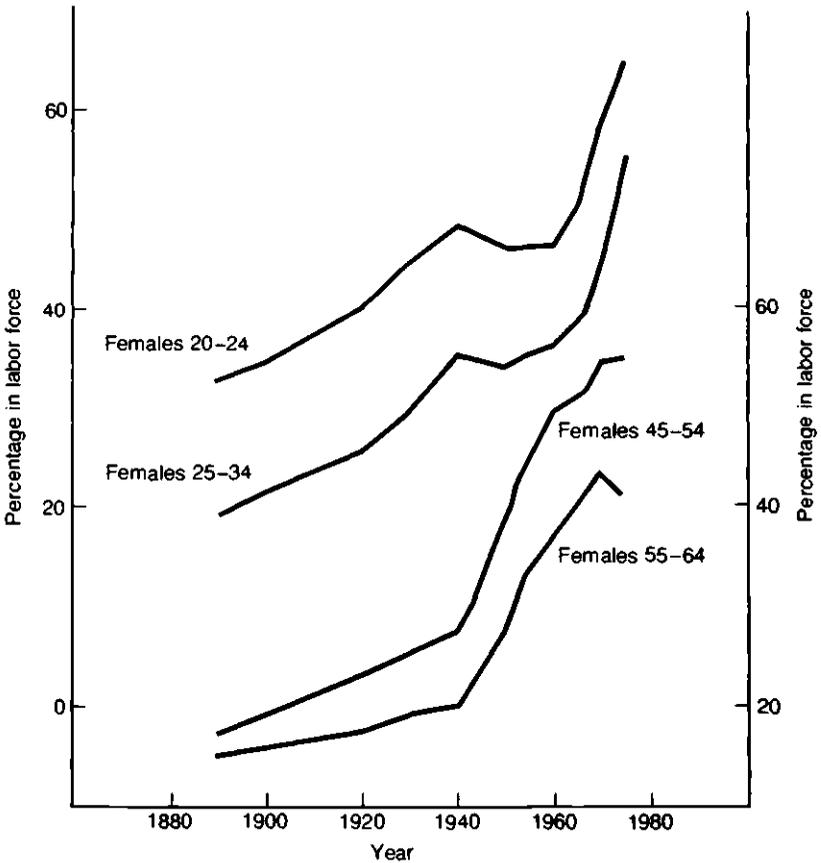


Fig. 4.2 The trend in women's work outside the home. Data from table 4.A.2.

power of the partners; the other is their material aspirations. It is the ratio between the two that determines judgments on the ease or difficulty of forming a household, and this ratio can vary because of changes in the numerator, denominator, or both. Thus an optimistic outlook may arise from exceptionally high earnings prospects for the couple, unusually low material aspirations, or a combination of the two. Let us look at numerator and denominator in turn.

*Factors in the earnings outlook.* How does a young couple judge its earnings prospects? Clearly many considerations are involved that will vary markedly from one couple to the next, such as energy, ambition, education, "connections," and so on. But whatever the list one might think up in advance, it is certain that the actual experience of "working and getting" will dominate in judgments on the earnings outlook. A couple may think its prospects are good or bad, as the case may be, but the ultimate test is the labor market itself. For most young adults there is an interval of several years between starting work and marrying. A recent United States Labor Department study (1970, p. 122) shows that labor market knowledge among young adults is positively associated with years of exposure to the labor market. Thus there is a period of some length in which valuable information is accumulated that provides an important basis for projecting the future. If jobs are easily acquired, wages good, and advancement rapid, the future will look rosy; if times are bad, the opposite will be true.

*The formation of material aspirations.* While the labor market may be the principal teacher of earning prospects, one's family of origin is the most plausible instructor of life-style. By life-style, I mean how the material standards of young adults are formed—why one generation of young adults, say, views a car as a luxury and the next, as a necessity. My argument is that the expectations of young adults about how they ought to live are largely the unconscious product of the material environment that they experienced during their upbringing. In other words, economic aspirations are unintentionally learned or "internalized" by virtue chiefly of one's exposure in one's parents' home. And this environment is very largely shaped by the economic circumstances of one's parents, the income in one's family of origin. Thus a child raised in an affluent suburban home in a life-style centered on automobile trips to school, shopping, friends, movies, and so forth comes to view the automobile as an integral part of everyday life.

One may cite, of course, a number of other factors affecting aspirations, including religious training, formal education, neighborhood environment, the influence of peers and relatives—the multitude of circumstances that enter into what sociology calls the "socialization expe-

rience"; that is, the long years of transition from being a young protected child in the bosom of the family to becoming a functioning independent adult member of contemporary society. But many of these factors—where one lives, what school one attends, who one's peers are—are also determined in important part by one's parents' income. Nor should style fads be confused with trends in material aspirations. The current craze for casual dress, epitomized by the international market for Levi's, is not a rejection of material affluence by the young, as a look at the price tags on Levi's quickly testifies. Today's youth may prefer a more casual style, but not a less costly one—witness the cost of "necessities" like stereos, vans, and rock concerts.

*Relative versus absolute income.* A couple's assessment of its earnings potential might be thought of as its *absolute* income outlook. But the same absolute amount of income may look quite different to two couples differing substantially in their "economic" socialization experience. To one couple, from an affluent background and with consequently high material standards, a sum of \$20 thousand might leave the couple feeling pinched; whereas to another, from an impoverished background and with low material desires, it could look like Easy Street. The same argument would apply to a comparison between two different points in time. To a second generation, \$20 thousand might not mean as much as to a first generation—even if the purchasing power of the sum were the same—because the first generation comes from wealthier backgrounds and consequently has formed more ambitious material expectations. A study by Lee Rainwater (1974) based on Gallup Poll surveys that asked the question, "What is the smallest amount of money a family of four needs to get along in this community?" found that the amount, expressed in dollars of the same purchasing power, increased by one-third between 1954 and 1969. Why did respondents at the second date think that so much more was needed to get along? The answer is clear. The survey at the second date reflected respondents' experience with more affluent conditions, and this experience elevated the standards by which respondents judged the minimum amount necessary to get along.

This reasoning can be distilled into a fairly simple *relative* income notion. Relative income, the relation between earnings and aspirations, can be defined in simple ratio terms as:

$$\text{relative income} = \frac{\text{earnings potential of couple}}{\text{material aspirations of couple}}$$

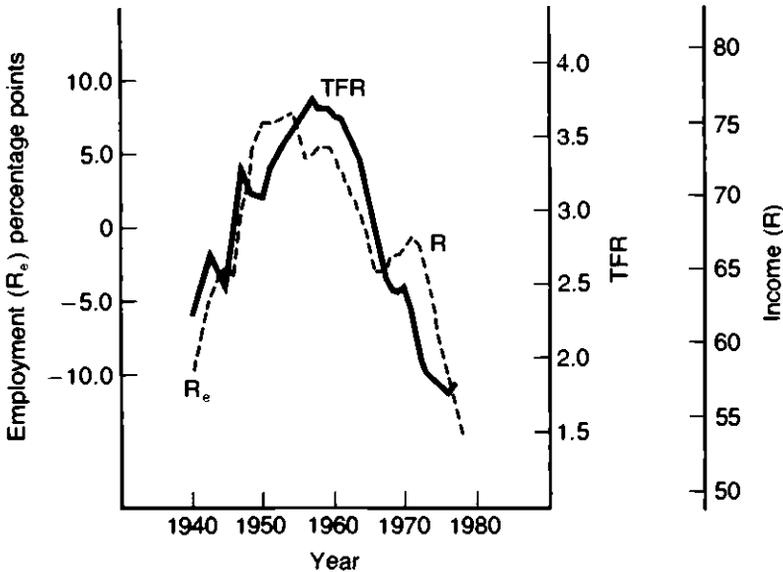
To simplify matters, I propose to approximate this by:

$$\text{relative income} = \frac{\text{recent income experience of young men}}{\text{past income of young men's parents}}$$

In the latter formulation, the recent income experience of young men in the labor market is taken as shaping the assessment of the couple's earnings prospects; the past income of their parents as establishing their aspirations. In the numerator I focus on the male side of the labor market, because in most families the man's income accounts for the major share of the total over the life cycle. Also as we shall see the economic fortunes of young men and women tend to fluctuate together.

*Testing the relative income theory.* The argument so far can be summarized quite simply in terms of this relative income concept: as the relative income of young adults rises, they will feel less economic pressure and hence freer to marry and have children; as their relative income falls, they will feel increasing economic stress, and marriage and fertility will decline. Is there evidence to support this view?

The answer is yes. The data available to estimate relative income are hardly ideal, and are poorer before 1957 than after, but what we have shows a pattern consistent with the swing in fertility (fig. 4.3). Relative income is estimated here in the following way. For the period from 1957 the numerator, the young man's earnings outlook, is estimated on the basis of his prior earnings experience; the denominator, the material aspirations of the couple, from the incomes in their families of origin, on the assumption that their parents' living levels played an important



**Fig. 4.3** Relative income and fertility. Fertility is represented by TFR and relative income by R and R<sub>e</sub>. R<sub>e</sub> is an approximation to relative income based on employment data. Data from tables 4.A.3 and 4.A.4.

part in shaping the couple's material standards. For example, the 1957 value of relative income is 73 percent. Consider a typical young man under twenty-five years old at that date who was thinking about marrying and forming a family. If he and his partner aspired to a standard of living that (whether they were aware of it or not) corresponded roughly to the income levels of their families of origin when they were growing up, the young man's prospective income would in itself support 73 percent of that desired level of living. Twenty years later, according to the chart, the man's prospective income, though absolutely greater, would support only 56 percent of the level of living desired by the couple. Thus, young adults in the 1970s find themselves under considerably greater economic stress than those in the late 1950s, in the sense of the male primary breadwinner's ability to support the couple's aspirations. This has led, in turn, to deferred marriage and reduced childbearing within marriage, both of which enter into the fertility decline shown in figure 4.3. There is, of course, nothing sacred about the particular values of 73 and 56 percent—one can think of reasons why the numbers ought to be higher or lower. What is important here is the *change* in the numbers, which indicates that a systematic shift for the worse has occurred in the factors that make up a young man's ability to support a household.

*Relative income and relative numbers.* Why has the relative income of young men deteriorated so much in the past two decades? Appropriately for this chapter the answer is primarily a demographic one—the relative income of young men has fallen as their relative numbers have grown. In 1955 for every four men between the ages of thirty and sixty-four there were two between the ages of fifteen and twenty-nine; in 1977, there were three—an increase by 50 percent in the ratio of younger to older men.

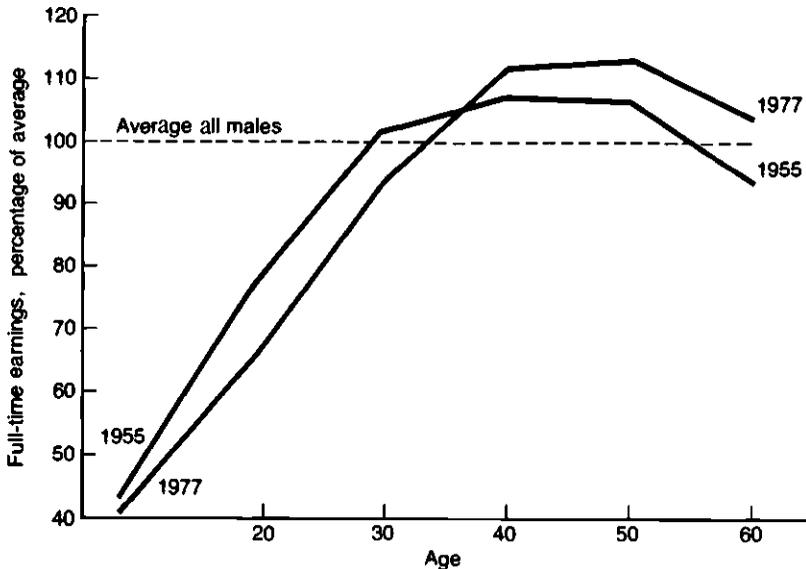
How does the relative number of young men affect their relative income? The answer is, through altering the balance of supply and demand. Imagine that there is some typical proportion between the jobs of younger and older workers, and as the economy expands these jobs grow at about the same rate, that is, the demand for younger and older workers grows equally. Suppose now that the supply of younger compared with older workers changes noticeably over a period of a decade or so. At a time when the relative supply of younger workers is high, competition among the young will be intense and employers can be choosy. For younger workers to find satisfactory jobs may take considerable time and effort, salaries may be disappointing, and rates of advance up the career ladder frustratingly slow. Conversely, when younger workers are in short supply, it is the employers who find themselves competing, and younger workers are in a position to pick and choose.

Employers will be much more likely to snap up those seeking jobs, and they will more readily offer higher wages to attract the needed workers.

We can read this story of demand and supply in statistical averages that summarize the earnings experience of individuals. Because older men are further up the career ladder than younger men, older men's earnings are typically above average, and younger men's below. However, when the number of younger workers grows relative to older ones, the wages of the young fall even farther below the average while those of older men rise farther above. As shown in figure 4.4, this is what happened between the mid-1950s and 1977.<sup>7</sup>

It should be emphasized that the subject here is the *relative* earnings of the young. In absolute terms, full-time working men in their early twenties in 1977 earned almost one-third more than their counterparts in 1955, even after adjustment for the sharp increase in the cost of living. But it is the relative income situation that is critical in shaping much of young adults' behavior as well as their feelings of well-being.<sup>8</sup>

The altered relative position of young men shown by the earnings data is repeated in statistics on the unemployment rate—the ratio for each age group of unemployed workers to those in the labor force. A higher



**Fig. 4.4**

The earnings of younger men compared with older men, 1970s versus 1950s. For each date, earnings at the age shown at the bottom of the figure are expressed as a percentage of the average for all ages (the horizontal broken line). Data from table 4.A.5.

unemployment rate for younger workers than for older ones is normal, because of such factors as the newness of younger workers in the job market or the tentativeness of their job commitments. In the 1970s, however, the relative position of younger workers was noticeably worse than in the 1950s. Thus the weight of numbers sharply aggravates the relative unemployment as well as relative earnings disadvantage of the young. It is as though young and old were at opposite ends of a seesaw, with the ends of the seesaw corresponding to their earnings (or employment) levels. The seesaw is always tilted against the young. But when relatively more young workers are piled on their end, the seesaw tilts even more against them.

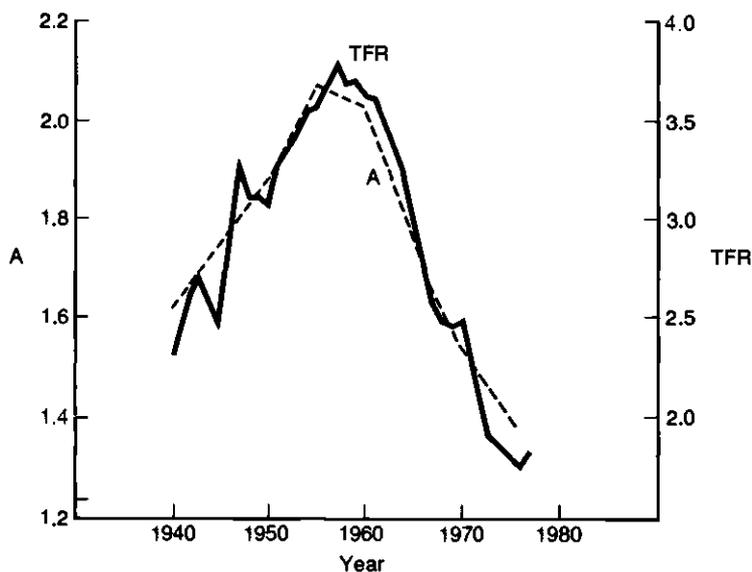
These changes in younger men's relative earnings and unemployment rates reflect shifts in the supply of young versus old relative to normal demand. If wages were highly flexible, the effect of changes in relative numbers would be confined to rates of pay alone. But minimum wage laws, unemployment compensation, and similar conditions limit downward pressure on wages, so that the "numbers effect" shows up both in earnings and unemployment rates.

If younger male workers could substitute easily for older, then a relative abundance of younger men would simply result in their shifting into older men's jobs without any adverse effect on their relative earnings and unemployment. But younger men are not good substitutes for older men, primarily because the two groups are at different stages on the career ladder. Older workers have acquired more skills, have greater experience with the internal workings of the firm in which they are employed, and are likely to be viewed by the employer as more reliable and responsible. Union restrictions and employer job specifications differentiating among workers on the basis of age reinforce the lack of substitution.<sup>9</sup>

*Women's labor market experience.* I have focused so far on younger men. The economic experience of younger women parallels that of the men. For example, in 1955 the earnings of women in their early twenties who were full-time, year-round workers were almost the same as those of women aged 45–54; by 1977, the earnings of the younger group had fallen to 82 percent of those of the older group (table 4.A.5). Similarly for unemployment rates: between the 1950s and 1970s the unemployment rate of females aged 20–24 rose relative to that of females aged 45–54. As Gertrude Bancroft has pointed out, in the 1950s because of their scarcity in the labor market, younger women could pick and choose among jobs, and avoid lower paying types of work.<sup>10</sup> This has not been true in the seventies when the relative supply of younger women was vastly greater.

*Relative numbers and fertility.* The available empirical approximation to relative income is quite crude. Hence an alternative test of the relative income hypothesis is to compare fertility directly to the relative number of young men, on the assumption that the latter is chiefly responsible for variations in a couple's relative income.

Figure 4.5 measures relative numbers by the ratio of the male population aged 30–64 to that aged 15–29. The increase in this measure to 1955–60 indicates a growing scarcity of younger relative to older men; the subsequent decline in the measure, a growing abundance. Note how the fertility curve moves in a fashion consistent with the hypothesis. Before 1955–60 an increasing scarcity of young men and consequent improvement in their life chances is accompanied by a rise in fertility; after 1955–60 an increasing abundance of young men is paralleled by a decline in fertility. The conclusion pointed to by both figures 4.3 and 4.5 is the same: the evidence supports the relative income hypothesis, both for the baby boom and the baby bust.



**Fig. 4.5** Relative numbers and fertility. Fertility = TFR. A = relative number of males 30–64 to males 15–29. Data from table 4.A.4.

*Relative numbers and female labor force participation.* Figure 4.2 brought out the differing patterns in the uptrend of labor force participation for younger and older women in the two decades before and after 1960. Between 1940 and 1960 the labor force participation of younger women shows little change while that of older women rises abruptly. (The wartime boost in labor force participation rates is not shown in figure 4.2 so that long term trends will stand out more clearly.) After 1960, it is younger women who show the abrupt increase in labor force participation, while the growth of participation among older women slows noticeably. These contrasting movements can also be explained by the relative income hypothesis.<sup>11</sup>

Consider the situation of a young man and woman who are contemplating marriage. Although both are working full-time, their relative income situation, let us say, is poor, in the sense that both partners find it difficult to make as much as they feel they need to live in the way they'd like. What can they do to improve their economic situation? For each of them, there are possibilities such as seeking extra training to improve job advancement prospects or "moonlighting," that is, taking on a second job. But the most obvious adjustment over the long run is a reallocation of the woman's work time from the home to the labor market. For couples who expect to start having children as soon as they are married, this means putting off marriage so that the woman can work a longer time. For married couples it may mean putting off childbearing. For those who have children, it may mean trying to combine childbearing and childrearing with work outside the home. Or it may mean stopping at fewer children than were desired so that the wife can return to the labor market sooner than planned. In all of these cases, the solution to the economic pressures that the couple feels is increased labor force participation for the woman. This option is not available to the man because the couple is already planning on his continuous labor force participation throughout the family forming years.

The relevance of this reasoning to the post-World War II movement in young women's work outside the home is obvious. In the 1950s young workers were in unusually short supply—this was the "scarcity generation" born in the low birth rate period of the 1930s. For both men and women, job opportunities at good wages were plentiful and unemployment rates relatively low. It proved relatively easy to earn enough to satisfy life-style aspirations. This contrasted sharply to the pre-World War II situation when demand for labor of all types was low, jobs hard to find, and young persons had a hard time "making ends meet," which is another way of saying "living as they would like to." The favorable experience of young adults in the fifties encouraged earlier marriage and childbearing in two ways. First, a number of young adults found it possible to accumulate fairly rapidly a savings "nest egg" or to acquire

goods that would eventually be used in establishing a home. Second, the favorable employment and earnings experience of young men and their relatively rapid job advancement increased couples' confidence that the man in each household would be able to support its needs and that the woman could give up her job so that the couple could start a family. Thus in the 1950s the high relative income of couples due to their small numbers led to a sharp departure from pre-World War II trends. Couples could get married earlier and women leave the labor market sooner to start raising a family.

In the 1970s large relative numbers of young adults have produced the opposite effect. Relative to their life-style aspirations young men and women today find the economic going tough. As shown by the crude relative income measure above, a young man's ability to supply a couple's needs has declined on the average, by close to one-third (fig. 4.3). Since women's economic experience is affected similarly by increased relative numbers, the ability of young women to contribute to the couple's desired living levels has correspondingly declined. Hence young persons are under much greater economic pressure. We have seen some response to this on the part of men, such as increased "moonlighting." But the more pervasive response has been on the female side through much more rapidly increased labor force participation.

What about older women? Why, in the light of the similar trends for older and younger women before World War II, has the period since the war been marked by opposing movements for the two age groups? The key to the answer is provided by the fact that older women and younger women do essentially the same types of work. In contrast to the situation among males, older women are not typically on a higher rung of the career ladder than younger women. This means that from an employer's point of view there is a high degree of substitution possible between younger and older women, though young women are somewhat preferred for several reasons, among them, their superior education.

Consider now the post-1940 labor market for women as a whole. The demand for female labor was expanding steadily with the growth of the economy, creating new openings for teachers, secretaries, cashiers, sales clerks, and so on. After World War II because the relative income situation of young adults was so good, the normal growth in labor force participation of younger women was interrupted as couples opted for marriage and a family at higher rates than previously. With young women failing to come forward at the normal rate, employers turned increasingly to older women to fill the gap. In Gertrude Bancroft's words: "Faced with a restricted number of women in the age groups that they normally favor, employers were forced to turn to other ages for their labor supply" (1958, p. 80).<sup>12</sup> The result was a disproportionate growth in work outside the home for older women, as they bene-

fited from the incremental demand left unfilled by younger women. It is worth quoting more fully Bancroft's description of this period:

With the strong demand for labor during most of the 1950s, based in part on the defense program, middle-aged and older women free to take jobs outside the home were the only substantial source of additional workers. In all probability, if they had not been available and if traditional attitudes about the suitability of both married and middle-aged women for many jobs had not broken down, the high levels of employment of the 1950s could never have been achieved. [P. 132]

What about the subsequent turnaround in the sixties and seventies—the accelerated growth in work outside the home for younger women and the slowdown in growth for older women? The key to the answer is the reversal in young adults' relative income as their relative numbers increased. As young couples' relative income progressively deteriorated, young women flooded the labor market at above normal rates, taking advantage of the continuing growth in demand for female labor and partly displacing the normal growth in older women's work outside the home.

It is possible also that the movements for older women have reflected a relative income influence of their own (Wachter 1977). Before 1960, the relative income situation of *older men* (which is essentially the inverse of that for younger) was adverse, and the wives of the older men were under greater pressure to work. After 1960 the relative income situation of older men improved as that for younger men deteriorated, thus reducing the pressure for their wives to work.

*Relative numbers, psychological stress, and social conditions.* Marriage, fertility, and women's work outside the home are not the only conditions sensitive to the economic pressures felt by young adults. Another way to test the relative income hypothesis is to see whether there are other conditions among young adults that indicate swings in stress consistent with the argument. Figure 4.6 shows that there are. Before the late fifties homicide and suicide rates among young men were low or declining. Thereafter, they rose, at first gradually, and then, starting around the mid-sixties, quite sharply. In contrast, the suicide rate for men aged 45–54 declined from 1960 on, and the homicide rate rose only mildly.<sup>13</sup>

Increased stress among young adults in the past two decades is evident in a variety of other social conditions as well.<sup>14</sup> The drinking of alcoholic beverages by young persons has increased noticeably. This has doubtless been one connecting link between stress and the rise in suicide and homicide rates just noted. It has also contributed to increased mortality due to accidents, especially motor vehicle accidents.

Another indication is the rise in illegitimacy rates, which is due in considerable part to the fact that legitimation by marriage of premarital conceptions has dropped noticeably, partly because of the increased difficulty young men are experiencing in their ability to support a family. Divorce rates among young adults have also risen at above average rates, reflecting the strains that economic pressures are placing on marriages. Although other factors have influenced these social conditions, the pattern of worsening since 1960 that they show in common is consistent with the view that young adults have been experiencing increased stress as their relative numbers have grown.

*Relative numbers and economic stability.* Changing demographic conditions have also aggravated the problem of economic stabilization in the

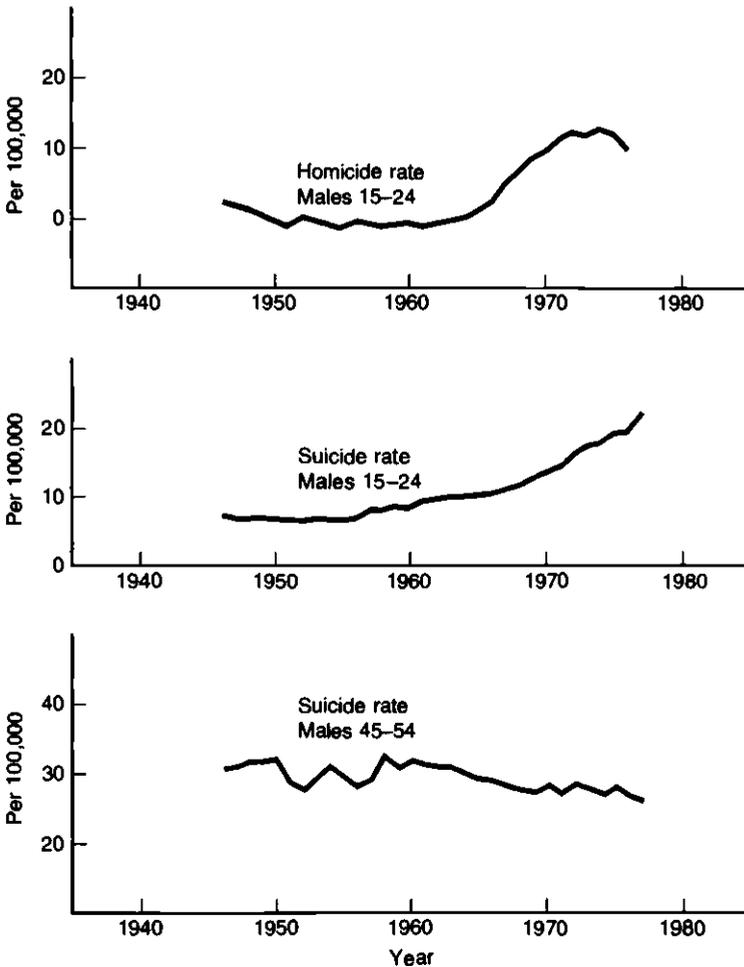


Fig. 4.6 Crime and suicide rates. Data from table 4.A.6.

last two decades.<sup>15</sup> A rise in the relative number of young adults tends to raise the economy-wide unemployment rate for two reasons. As has been mentioned, the unemployment rates of younger workers are typically higher than those of older workers. Because the economy-wide rate is an average of the rates for younger and older, a rise in the share of younger workers in the total labor force will raise the average. Also, as we have seen, an increase in the relative number of young workers raises their own unemployment rate, and this further increases the economy-wide unemployment rate.

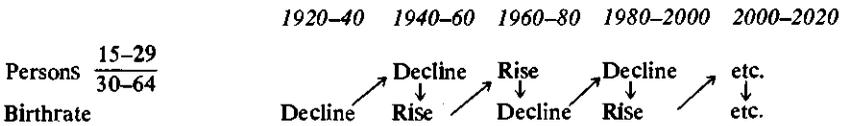
An increase in the general unemployment rate due to changed labor supply conditions is not as susceptible to correction by the usual monetary and fiscal policies as is a rise in unemployment due to inadequate demand. Monetary and fiscal policies aim to raise the total level of spending and thereby stimulate output and employment. If the source of increased unemployment is a disproportion between younger and older workers, however, firms will find it difficult to hire new workers in the right proportion of skilled older workers to unskilled younger workers, because there are not enough older skilled workers to go around. Under these conditions, the response of firms to increased demand is therefore more likely to be increased prices rather than expanded output and employment. More rapid price inflation and increased unemployment—so called “stagflation”—are thus likely to occur together. Many other factors of course, have been responsible for the last decade’s stagflation, but it is clear that changed demographic conditions have been a contributing factor.

*Pre-1940.* The discussion so far has been confined to the period since 1940 and for good reason. It is only since 1940 that the effect of relative numbers has played such a dominant role in shaping the conditions of young adults. Before World War II the demand for labor fluctuated widely from one decade to the next. If labor demand was grossly deficient, the benefit of scarce numbers was swamped by general unemployment. As for boom periods, any potentially beneficial effect of scarce numbers was wiped out by free immigration. Before the mid-1920s, if the domestic demand and supply situation produced a tight labor market—plentiful job prospects at good wages—it served as a green light turning on the flow of traffic from abroad. The potential benefit to young American men of a major boom was lost in the influx of European workers.<sup>16</sup>

All this has been changed by federal laws drastically altering the historical relations between labor demand and supply. On the supply side federal legislation since the 1920s has had the effect of sharply restricting immigration in periods when labor demand is high. On the

demand side, the Employment Act of 1946 committed the federal government to maintaining a high and growing level of labor demand through monetary and fiscal policies. The feasibility of the government's accomplishing this was helped by the substantial rise in the relative importance of federal government expenditures in the post-World War II economy compared with the prewar economy. Although immigration and fluctuations in labor demand have not wholly ceased, their magnitudes (even including illegal immigration) compared with the past are much smaller. In contrast, the magnitude of swings in the proportion of younger to older adults is strikingly greater than in the past. The result has been a major shift in the comparative roles of these factors in shaping the fortunes of young adult Americans.

*Post-1980.* If the relative income hypothesis is correct, then, under the new conditions of post-World War II American society, a self-generating cycle in the birthrate may have been born. In simplest terms the reasoning is as follows. The birthrate at any given time is largely determined by the relative number of younger to older adults (fig. 4.5). But as shown in figure 4.7, the relative number of younger to older adults is itself an echo of the birthrate about twenty years earlier. Thus we have a historical situation which can be represented diagrammatically as follows:

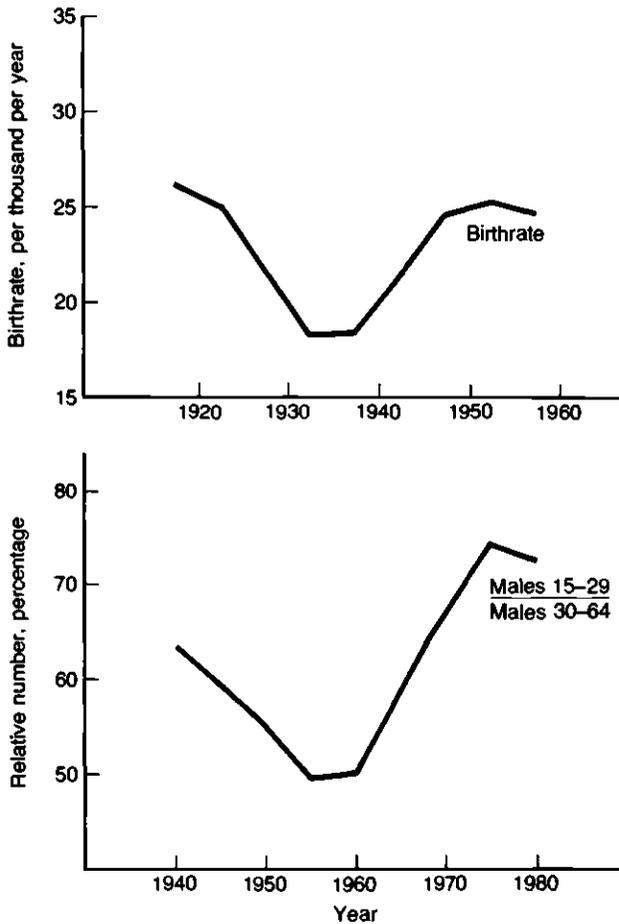


This shows that the fertility decline of 1920-40 caused in 1940-60 a decline in the relative number of young adults, and the effects of that, in turn, gave rise to a concurrent baby boom. The baby boom of 1940-60, in turn, caused a rise in the relative number of young adults twenty years later, and a consequent baby bust. The baby bust of 1960-80 will itself cause another turnaround in the proportion of younger adults, a decline from 1980 to 2000, and thus lay the basis for a new baby boom at that time. That baby boom—of 1980-2000—would in turn, cause a rise in 2000-2020 in the proportion of young adults and lead to a new baby bust. And so on into the future.

If one short-circuits the mediating role in the diagram of the proportion of young adults, one sees directly that the birthrate in any given twenty-year period is causing an opposite movement in itself in the next period. Thus we arrive at a self-generating fertility movement lasting forty years, if one counts both boom and bust phases. Along with these fertility movements would be corresponding cycles in a wide variety of

socioeconomic phenomena, reflecting variations in the relative income of young adults. And, to return to the rate of population growth, with which this section started, this implies that American population growth in the future, as in the past, would be marked by sizable fluctuations, although the length of the fluctuations would be longer than in the past and the reasons for them different. The size of the American population would, in consequence, continue to grow in roughly stepwise fashion.

This argument is, of course, speculative. But, in contrast to others that are current, it is based on a theory that is consistent with a wide range of evidence over the past forty years.



**Fig. 4.7**

The lagged effect of the birthrate on the relative number of younger men compared with older men. Data from tables 4.A.7 and 4.A.8.

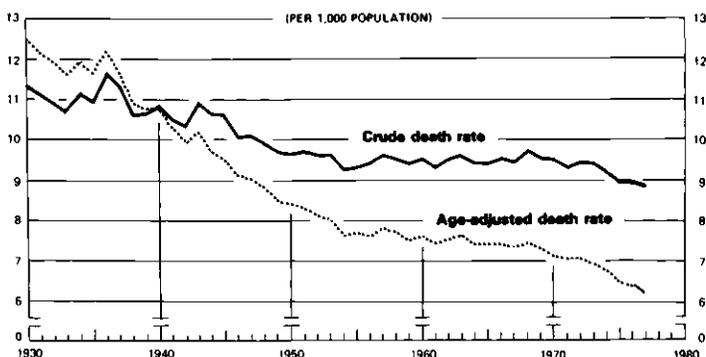
## 4.2 Mortality

Mortality change in the post-1940 period falls into three clearly demarcated periods.<sup>17</sup> Up to the mid-1950s there was a phase of unprecedented improvement chiefly due to the diffusion of a succession of newly discovered antibiotic "wonder drugs," first introduced in the 1930s. Then there was a period of leveling off, so pronounced that it led analysts at the National Center for Health Statistics in 1964 to caution that "the death rate for the United States has reached the point where further decreases as experienced in the past cannot be anticipated" (HEW 1964, 42). As reasonable as this statement seemed at the time, it was very shortly undercut by events. After 1968 a new decline in mortality set in at rates like those of the two decades before 1954. Even more remarkable is the age pattern of this recent decline. Rates of improvement at the older ages are higher than in the earlier period, and are perhaps the highest ever, while young adult mortality has shown very little change. Infant and child mortality, however, has declined at about the same pace as earlier. By race, whites continue to have lower mortality than blacks, but the differential has declined, and black females now have higher life expectancy than white males. In contrast, for both races the differential by sex has continued to widen in favor of females.

### 4.2.1 Trends and Differentials

The crude death rate, the number of deaths per year divided by the total mid-year population, is not a good measure of mortality improvement, because it is affected by the age distribution of the population. For example, even if the mortality rate at each age remained the same, the crude death rate would increase if the proportion of elderly persons in the population grew. The "age-adjusted death rate" is free of distortions caused by shifts in the age distribution and is thus a better indicator of the rate of improvement in mortality. The trend in this rate has been sharply downward since the mid-1930s, except for the protracted plateau from 1954 to 1968 (fig. 4.8). The crude death rate has followed a similar course, but the gradient has been lower because of an upward trend in the share of older persons in the population.

Historically, mortality improvements have been highest at younger ages and lowest at older, and this was true of the advances in the 1936-54 period (fig. 4.9). Between 1954 and 1968, improvement came virtually to a halt at all ages except those under 15, and even for these, the advances were less than in the earlier period. Indeed, there was an upward trend in mortality rates of males above age 15 in almost every age group between 1954 and 1968. Since 1968 rates of improvement at all ages other than 15-34 have approached or exceeded those of the 1936-



**Fig. 4.8** Crude and age-adjusted death rate, 1930-77. Data from HEW (1979).

54 period. Rates of decline for young adults, however, have lagged behind noticeably.

The mortality improvement since 1936 translates into an average advance in life expectancy at birth of almost fifteen years, from 58.5 years in 1936 to 73.2 in 1977. As is well known, however, life expectancy varies considerably by race and sex within the population. The excess of white life expectancy over that of "all other races," as the category is called in the official statistics, has been more than halved since 1936, as shown by the following figures for both sexes combined, in years (HEW 1979; 1977):

	1936	1977
White	59.8	73.8
All Other Races	49.0	68.8
White Minus all Others	10.8	5.0

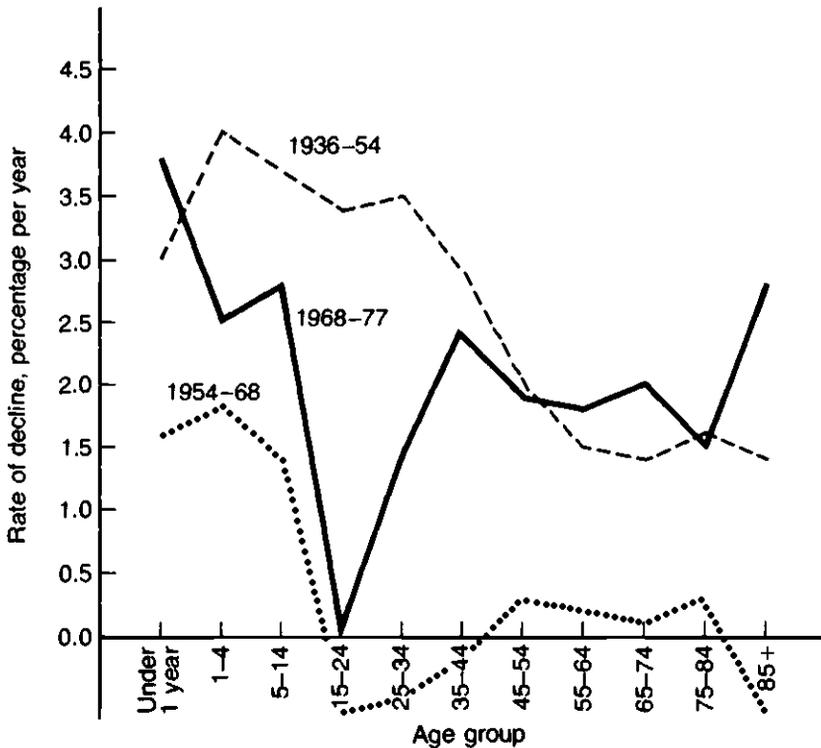
The trend in this differential has been far from steady, and during the period from 1954 to 1968 when national mortality leveled off, there was actually a slight widening. On the other hand, the recent narrowing has been at a faster rate than in the pre-1954 period. Differences in mortality by race are usually attributed chiefly to the more favorable social and economic circumstances enjoyed by whites, and the narrowing observed since the sixties in both black-white income differences and mortality is consistent with this.

In contrast to the differential by race, that by sex widened steadily throughout the period. In 1936 for both races female life expectancy at birth exceeded male by around four years; by 1977 the differential had risen to about eight years. This differential is generally believed partly to reflect differences between the sexes in their consumption and the

kind of work they do and partly, biological factors (Fuchs 1974, p. 50; Siegel 1978).

#### 4.2.2 Causes and Effects

Although living levels may partly account for some point-of-time differentials in mortality, their relationship to the general trend in mortality is, at best, uncertain. This is most apparent from the historical perspective of the mid-nineteenth century. From 1850 to 1900 the long term rate of economic growth as measured by real per capita income—the economic magnitude whose improvement is most often presumed responsible for mortality decline—was just about the same as in the twentieth century. Yet in the nineteenth century, mortality rate improvement, if it occurred at all, was quite modest (Easterlin 1977). The rapid decline which set in toward the start of the twentieth century seems principally due—here as in Europe—to the diffusion of public health improvements (Stolnitz 1955), followed in the 1930s by the discovery and spread of antibiotics. By the 1950s, as the incidence of infectious disease was reduced to fairly low levels, the mortality decline virtually



**Fig. 4.9** Age pattern of mortality decline in three periods. Data from table 4.A.9.

ceased, despite the persistence of high growth in real GNP per capita. Then, in the last decade mortality reduction at a rapid rate resumed, although there was a noticeable drop in the rate of economic growth.

The causes of this recent unforeseen mortality decline have not as yet been adequately investigated, but it seems clear from data on death by cause that some important new factors are at work. Since 1968 deaths resulting from cardiovascular diseases have dropped at a surprising rate, and this has been the chief reason for the dramatic decline in mortality at older ages (HEW 1979). Noticeable declines in mortality from infectious diseases have also occurred in this period, but this factor is no longer the main source of mortality improvement as it was in the 1936–54 period. The reduction in mortality from cardiovascular diseases may partly reflect new medical care developments both in identifying high risk cases and in the treatment of such diseases. It may also reflect life-style changes in the population, involving reduction of cigarette smoking, improved diet, and greater exercise.

The failure of mortality to decline among young adults, especially males, reflects the trend in a quite different cause, deaths from violence (accidents, homicide, and suicide), the chief killer in this age group. Among young adults, mortality from this cause has been on the rise since around 1960, and has offset mild improvements in other areas (Weiss 1976). As indicated in the preceding section, this group has been subject to increasing economic stress, and the movement in deaths from violence is symptomatic of this—not only of the homicide and suicide components, but also the accident component, which is partly sensitive to the same stresses that lead to homicide and suicide. One interesting development is that a drop in the motor vehicle accident rate in the early 1970s, not only for this age group but for others as well, is clearly associated with the nationwide reduction of the motor vehicle speed limit.

As Fuchs has pointed out, the high young male death rate due to violence entails a substantial economic cost to society, because it involves men who had many productive years ahead of them (Fuchs 1974, pp. 42–43). If, as was suggested above, the psychological pressure felt by young men abates in the next decade as their relative numbers decline, there should be a reduction in this rate with corresponding benefits to society.

With regard to infant mortality, new factors also seem to be partly at work. For one thing, the “baby bust” has tended to reduce infant mortality. This is because later births to a mother are subject to higher mortality risk, and as fertility has declined the proportion of third, fourth, and higher order births has fallen. Attempts to assess the magnitude of this factor indicates that it accounts for perhaps one-fourth of the recent decline (Morris, Udry, and Chase 1975; Wright 1975). If fertility turns up substantially again, this source of infant mortality re-

duction will be removed. Possibly longer intervals between births have also contributed to the decline in infant mortality.

The recent mortality improvements at older ages have already led to a substantial upward revision in the projected population aged 65 and over at the turn of the century. The most recent (1977) projection is that this group will number 31.8 million, over 10 percent more than was projected only a decade ago. Close to half (45 percent) will be aged 75 and over (Siegel 1978, pp. 17, 19). If labor force participation rates of older men continue to decline, including those for men under 65, this will add to recent mortality reductions in raising further the prospective size of the *retirement* population.

Because of the sex differential in mortality, the older population is always disproportionately composed of women. Among those 65 and over in 1976 there were about seven men for every ten women; by 2000, the proportion could be two to three (Siegel 1978).

The share in the total population of those 65 and over in the year 2000 depends, of course, partly on the outlook for fertility. The latest Census Bureau projection, based on a conservative fertility projection, is for a slight increase by 2000—from a 1976 value of 10.7 percent to between 11.3 and 12.9 percent. If there is, in fact, a new baby boom then this proportion might not rise at all.

Mortality changes since 1940 have had only a minor effect on the rate of population growth, and this will continue to be true. This is partly because the crude death rate has not fluctuated over a wide range as has the fertility rate (cf. figs. 4.3 and 4.8). Moreover, mortality is already at a fairly low level, and as we have seen, the effect on the crude death rate of further reductions in mortality at given ages is partly offset by the growth in the proportion of the population at older ages.

Additional declines in mortality rates will have only a limited impact on life expectancy. This is because mortality rates in early and middle life have already been reduced to quite low levels, and most future mortality improvement would necessarily be concentrated at older ages, the principal exception being the effect of eliminating deaths from violence among young adults. For example, it is estimated that elimination of mortality from cancer of all types would raise life expectancy at birth 2.5 years; from heart disease, 5.9 years.<sup>18</sup> Given that the maximum life-span for humans is about 100 years, there is clearly an upper limit to the improvement possible, short of discovery of the Fountain of Youth.<sup>19</sup>

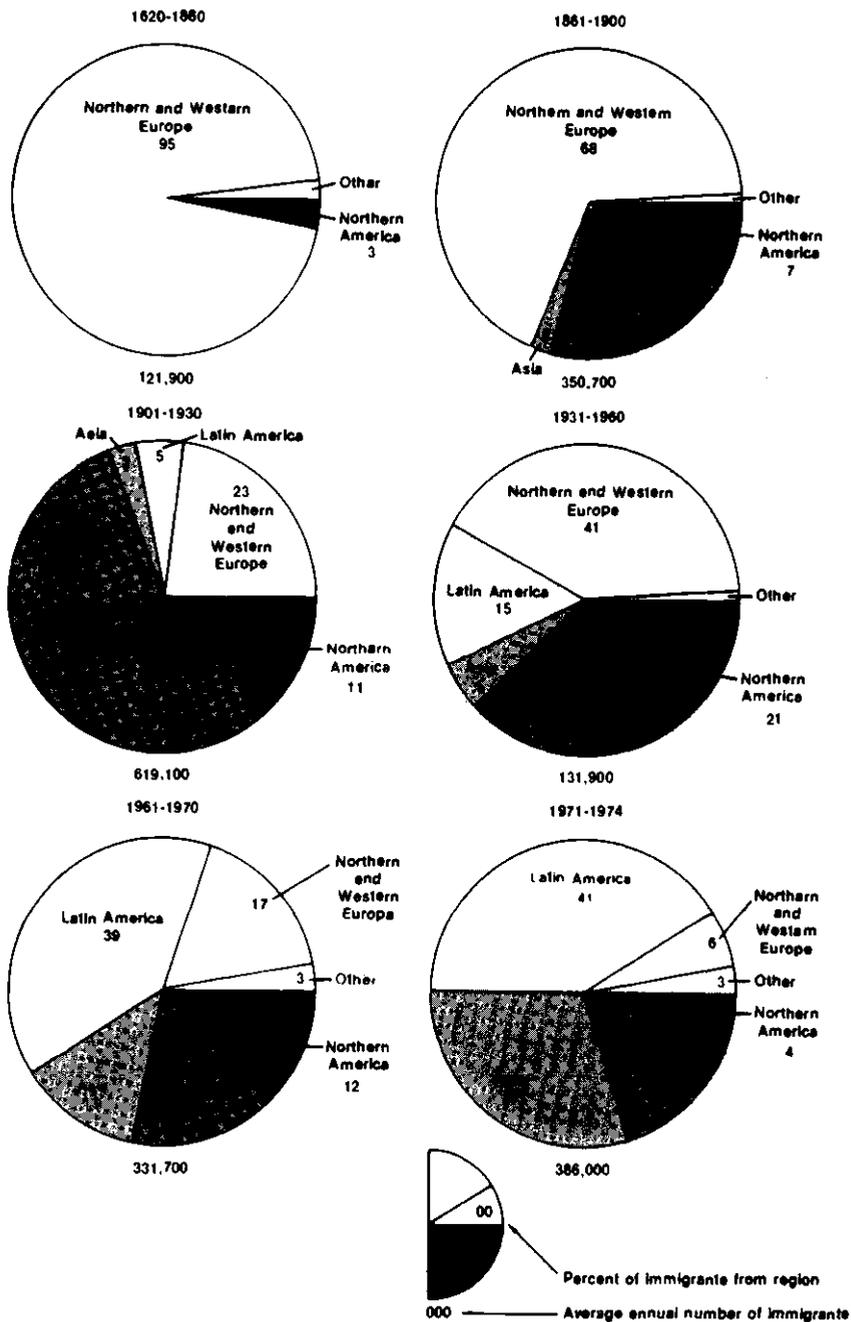
#### 4.3 The New "New Immigration"

For much of its history, the United States prided itself on being the "melting pot" of the world, and not without cause—the net inflow of 24 million persons from 1840 to World War I is unmatched in the his-

tory of the world. By 1920, nineteenth century immigrants and their descendants had doubled the size of the American population compared with that which would have resulted from the colonial stock of 1790 alone (Easterlin 1980b). However, from a worldwide point of view the ingredients considered appropriate for the melting pot were rather narrowly defined. The era of American independence started with a population almost wholly of northwest European origin (predominantly British), and this remained true down to the Civil War (fig. 4.10). As the nineteenth century wore on, the origins of immigrants shifted increasingly to southern and eastern Europe as population growth surged upward in those areas with the onset of modern economic development. This growth in southern and eastern European immigration, characterized by contemporaries as the New Immigration, became a subject of growing concern, and, eventually in the 1920s, the target of restrictive legislation with national origins quotas. Earlier, incipient flows from Asia to the Pacific Coast had been substantially terminated by legislation and treaties which sought to stem the "Yellow Peril." From the 1920s to the 1950s the makeup of the American population in terms of racial mix and national origin remained essentially fixed. The 1920s restrictions also had the effect of substantially reducing the total flow of immigrants, especially relative to population (see fig. 4.1).

In the last two decades, however, dramatic changes have occurred in the immigration picture—what might be called the *new* New Immigration has come into being. In the 1960s persons of Latin American and Asian origin accounted for over half of *legal* immigration, and, in the first half of the seventies, for almost three-fourths (fig. 4.10). In 1972–76, the seven leading countries of origin of immigrants were, in descending order: Mexico, the Philippines, Korea, Cuba, India, Taiwan, and the Dominican Republic (U.S. Congress 1978).

To an important extent this change is the result of the Immigration Act of 1965, which shifted the basis of American immigration policy from a national origins criterion of quota allocation to one based on considerations such as labor skills, reuniting families, and humanitarian concerns (e.g., providing asylum for political refugees). The new policy affected not only national origins, but a number of other characteristics of immigrants as well (although some of these changes had been foreshadowed in the McCarran-Walter Act of 1952).<sup>20</sup> As compared with the period of free immigration before World War I, the proportion of females and of married persons rose considerably, reflecting the priority given to reuniting families and the importance of refugee or quasi-refugee movements. Also, the occupational composition of immigration shifted sharply in the direction of higher skill. For example, in the 1960s the proportion of immigrants in professional occupations was close to one-fourth, compared with a mere 1 percent in 1901–10; the proportion



**Fig. 4.10**

United States immigrants by region of origin, 1820-1974. Data from Leon F. Bouvier, Henry S. Shryock, and Harry W. Henderson, "International Migration: Yesterday, Today, and Tomorrow," *Population Bulletin* 32, no. 4: 3-42 (Washington, D.C.: Population Reference Bureau, Inc.).

who were laborers and domestic servants was around 20 percent, compared with over 70 percent in 1901-10.

Much more publicized in the popular press has been recent illegal immigration. This, of course, is not a new phenomenon—so-called wet-backs were a prominent concern in the 1950s. Although relevant facts about illegal immigration are hard to come by, a few tentative generalizations can be made.<sup>21</sup> Illegal immigration appears to be increasing, and the principal countries of origin of these immigrants are much the same as for legal immigration—Mexico, for example, is estimated to account for about 60 percent of illegal immigrants. In contrast to legal immigrants, illegal aliens are largely unskilled, many of them being agricultural wage workers. So far as Mexicans are concerned, there is a considerable two-way movement across the United States-Mexico border, indicating that a significant share of the migration is temporary, although on balance the net flow is to the United States. Rather than illegal aliens being a burden to the American taxpayer, as some have claimed, the opposite appears to be true—illegal aliens are more likely to pay taxes than they are to receive the benefits of government-supported facilities and services.

Since 1950 the volume of net *legal* immigration has averaged 300 to 400 thousand per year, with the highest levels occurring mostly in the 1960s. It is possible that net illegal immigration in the last decade-and-a-half may be of comparable magnitude.<sup>22</sup>

Of the nation's estimated growth in population of 15 million between 1970 and 1979, net legal immigration accounted for a little over one-fifth (U.S. Bureau of the Census 1979). Allowance for illegal immigration would raise the growth in total population size and the share contributed by immigration, perhaps to one-third. In contrast, in the 1950s, legal immigration accounted for somewhat over one-tenth of population growth. The increased importance of immigration as a source of population growth is partly due to the inflow of illegal aliens, but chiefly to the drop in domestic fertility. Currently, the percentage of United States population that is foreign born is 5 percent; this compares with 13 percent in 1920. If fertility rates remain at their current low levels, the percentage of foreign born will start to grow.

Illegal immigration and most legal immigration today is stimulated by the opportunities for employment at comparatively attractive wages offered in the United States, as was true of immigration before World War I (Briggs 1975; M. Wachter 1978). Moreover, in the next decade employment opportunities for unskilled labor are likely to grow—hence the prospect is for continued high levels of illegal as well as legal immigration (M. Wachter 1979). However, conditions in the country of origin are also important in determining the size of the flow. As noted previously, the New Immigration before World War I was partly a result

of higher rates of population growth in southern and eastern Europe that occurred as the process of modern economic growth spread to those areas. Viewed in perspective, the new New Immigration is a continuation of this historical pattern, as modern economic development accompanied by high population growth extends to Latin America and Asia. That such "push" factors are important is shown by the low levels of immigration from Mexico to the United States before World War II, despite the absence of legal restrictions.<sup>23</sup>

#### **4.4 The New Internal Migration**

The geographic distribution of American population has so far gone through two great epochs and today appears to be on the verge of a third. The first, that of agricultural settlement of the country, was largely completed by 1860 although it stretched on until the end of the nineteenth century. Overlapping this in time and eventually superseding it was the cityward movement of population, which started to grow in the first half of the nineteenth century and continued at a rapid rate until the last decade or so (Davis et al. 1972, chap. 5). So powerful was this movement that rural depopulation had become a pervasive phenomenon by the mid-twentieth century.

It seems likely that we are now at the brink of a third great epoch—one of repopulation of a number of previously rural areas. The first clue to this was the emergence of "suburbanization" in the first quarter of this century. More recently the return to rural areas has, in addition, taken the form of population growth in rural areas not bordering on major cities (so-called nonmetropolitan areas) and the shift to the Sunbelt.<sup>24</sup> Fifty years hence it is possible that the history of American population distribution will be seen as a paradoxical succession of settlement, abandonment, and resettlement.

##### **4.4.1 Recent Developments**

The shift to the Sunbelt is shown clearly by comparing, as in table 4.1, regional population growth and net migration rates in the fifties, sixties, and seventies (Beale and Fuguitt 1978, chap. 8). In every period the South and West lead in rate of population growth, and the lead widens noticeably over time (col. 1). This is chiefly the result of internal migration. Throughout the period the Northeast and the north central region have low or negative rates of net migration, while the South and West have positive rates—that is, net in-migration—except for the 1950–60 decade in the South (col. 5). By the seventies the South moved into a virtual tie with the West for leadership in rates of population growth and net in-migration.

**Table 4.1** Annualized Population Change and Net Migration Rates (per 1,000) by Metropolitan Status and Adjacency Status: Census Regions 1950-60, 1960-70, and 1970-75

	Annualized Net Migration Rates									
	Annualized Population Change					Annualized Net Migration Rates				
	Metro		Non-Metro		Not Adjacent	Metro		Non-Metro		Not Adjacent
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<i>Northeast</i>										
1950-60	12.4	13.2	7.0	7.8	4.9	0.8	1.7	-4.6	-3.2	-8.2
1960-70	9.4	9.5	8.1	9.9	3.2	0.7	0.8	-0.2	2.5	-6.0
1970-75	1.5	-0.3	13.0	13.7	11.0	-2.7	-4.5	8.5	9.5	5.7
<i>North Central</i>										
1950-60	14.9	20.9	3.6	7.7	-0.2	-0.3	4.5	-9.3	-4.8	-13.4
1960-70	9.2	12.2	2.7	5.8	-0.3	-1.4	0.3	-5.1	-2.4	-7.8
1970-75	3.6	2.4	6.3	6.0	6.0	-2.9	-5.1	1.8	1.4	2.3
<i>South</i>										
1950-60	15.2	28.6	-1.4	1.0	-3.5	-2.8	10.0	-18.5	-16.1	-20.7
1960-70	13.3	20.0	3.0	4.8	1.3	1.2	7.0	-7.8	-5.9	-9.6
1970-75	15.4	17.0	12.7	14.7	10.7	7.6	8.5	6.1	8.1	4.1
<i>West</i>										
1950-60	32.6	38.6	14.0	15.0	13.4	16.0	22.5	-4.2	-1.9	-5.6
1960-70	21.6	24.8	9.3	16.2	4.9	9.2	12.4	-2.9	-4.6	-7.7
1970-75	15.7	13.6	23.9	27.9	21.2	7.4	5.5	15.1	19.5	12.1

Source: Fugitt and Voss, 1979, table 5, p. 8.

Note: Metropolitan status is as of 1974.

Equally noteworthy are developments in the relative growth within each region of metropolitan versus nonmetropolitan areas. In the 1950s metropolitan growth exceeds nonmetropolitan in every region, and the nonmetropolitan areas are net exporters of population to metropolitan (cols. 2, 3, 7, and 8). By the 1970s the situation has almost completely turned around. Nonmetropolitan growth rates are higher than metropolitan in every region except the South (cols. 2 and 3). In the Northeast and the north central region there is net out-migration from metropolitan areas and net in-migration to nonmetropolitan; in the South and West the trends in migration rates are in the same direction as in the North, but because the metropolitan areas of these regions are beneficiaries of the regional population shift to the Sunbelt, they continue to show net in-migration to both metropolitan and nonmetropolitan areas.

In part the resurgence of nonmetropolitan areas reflects the process of suburbanization. This is shown by the population growth and migration trends for nonmetropolitan areas bordering on metropolitan (cols. 4 and 9). In part, however, the resurgence reflects a quite unexpected development, a turnaround in areas not bordering on the metropolitan sector. In every region these "nonadjacent" nonmetropolitan areas show net out-migration in the 1950s and 1960s—though usually at a lower rate in the 1960s—but in the 1970s they show net in-migration (col. 10). Correspondingly, population growth rates which had been low and declining in these areas—in some cases actually negative as rural depopulation occurred—turned sharply upward in the 1970s (col. 5). Indeed, in every region except the South, population growth was higher in these nonmetropolitan areas than in the metropolitan, although growth in the nonmetropolitan areas adjacent to the metropolitan sector was usually highest.

#### 4.4.2 Work, Residence, and Play in the Location of the American Population

What are the reasons for the shift to the Sunbelt and nonmetropolitan areas, and will it continue? There are, of course, special factors at work such as the stimulus to locate in the South because of its relatively low wages (cotton textiles) or natural resource endowments (petrochemicals), and government decisions regarding the location of military, space, and educational activities. But the shift appears to reflect also the emergence of longer term factors connected with the process of economic growth. These will be stressed here, because they bear particularly on the prospective continuation of the new migration pattern. To understand them, it is necessary to see first how the earlier tides in the movement of American population—settlement and urbanization—were connected with economic growth.

Throughout the history of mankind residence decisions have been dominated by place of work, and this is true of the epochs of settlement and urbanization in the United States. The settlement phase of American population distribution is a reflection of the immense agricultural opportunities offered by America's land. That the key factor was one of *economic* opportunities is clearly evidenced by the absence of substantial settlement in the vast but economically submarginal interior lands of Australia and Brazil.

Starting in the nineteenth century a major new set of economic possibilities was added to the pursuit of agricultural opportunity. The British Industrial Revolution ushered in the era of modern economic growth. The key element in this was the widespread implementation of the long-envisaged possibilities of mechanized production that were made possible by new inventions in power (the steam engine) and industrial materials (especially wrought iron and later steel). The impact of these developments on the location of economic opportunities was profound. Prior to the Industrial Revolution, the prevailing manufacturing technology typically involved little more than hand tools and could be carried on in the shop or home. Because of this, manufacturing was fairly widely dispersed over the land. The new industrial technology shifted the balance sharply in favor of urban locations. This was partly because the new technology had sizable economies of scale, and factories, unlike shops, required access to substantial markets as outlets for their products. It was partly because the new technology was geared initially to a narrow set of resource requirements, primarily coal and iron ore, that were much less ubiquitous than the agricultural and forest resources on which preindustrial technology was based. Hence location was favored at or near the sources of the new industrial inputs or at transport points that made these resources cheaply accessible.

The result was the creation of new business and job opportunities in urban centers and a corresponding response to these opportunities in the geographic distribution of the American work force and population. This was reinforced by several factors. First, application of the new steam and iron technology to internal transportation led to invention of the railroad. The rail network that eventually came into being sharply accentuated the economic advantages of those places at key junctions in the network. Second, what are called "agglomeration" economies added to the opportunities in urban centers. For example, industries serving consumers, such as printing and publishing, were attracted to cities by the concentration of workers and consumers that had been induced by the new technology. Finally, the new technology had an impact on location via consumer demand, because it gave rise to an unprecedented growth in per capita income. With income rising, consumer demand grew proportionately more rapidly for high-income-elasticity

nonagricultural products than for low-income-elasticity agricultural products. Because production of the former is more concentrated in urban areas, the result was further to expand the job opportunities in urban areas and hence their attractiveness to the population.

As this process continued into the mid-twentieth century, the counterpart of urbanization came to be rural depopulation. For example, of the over 3,100 counties in the United States, in each of the two decades between 1940 and 1960 about half experienced absolute declines in population. Modern economic growth was "de-settling" the areas filled up only a century earlier, and concern over rural decay started to grow.

However, modern economic growth, through its continuing impact on technology, per capita income, and leisure time, was already undoing its own handiwork, by breaking the ties that had previously bound the consumer's residence to his place of work.<sup>25</sup> The new forces can best be understood if one considers the impact of economic growth in this century on the relative advantages of rural and urban areas with regard to: (1) residential preferences of consumers; (2) recreational preferences of consumers; and (3) locational decisions of business firms.

With regard to residential preferences, there is considerable evidence that many urban Americans prefer rural or semirural living, although some like it coupled with proximity to urban centers (Fuguitt and Zuiches 1975, p. 493). The technological breakthrough that opened up the possibility of reconciling the economic advantages of urban location for businesses with the residential preferences of consumers was the automobile, although the horsedrawn trolley and electric streetcar were forerunners of the automobile.<sup>26</sup> Higher consumer income was necessary to realize this possibility because of the cost of purchasing and operating an automobile. Modern economic growth supplied this need and contributed further via shortened working days that left time for lengthy commutation. Nor should one overlook another major technological development, electricity transmission, that supplied the power so vital for modern household operation to dispersed residential communities.

With regard to the recreational preferences of the American consumer, it is clear that modern economic growth has tipped the balance in favor of rural areas. Urban centers have special advantages for certain types of recreation—most notably spectator sports like baseball and football. Cultural activities such as opera and live theater are perhaps other examples, but they depend on an elite not a mass market. The crucial technological development affecting recreation was television, which brought spectator sports and movies into the home, thereby drastically lessening the need for urban residence to enjoy these pursuits. On the other hand, the recreational activities offered by rural areas, such as camping, picnicking, and water sports, inhere in their very setting. Even recreational activities closer to home, such as softball, tennis, and

golf, typically favor rural over urban residence. As George Katona (1964, chap. 25) has pointed out, outdoor recreation is the most distinctive feature of American leisure-time activities. This predisposes many households toward rural areas. Modern economic growth today permits the realization of this preference, not only via new technology, but also by giving households the money and time to pursue it.

The manifestation of these residential and recreational preferences is nowhere clearer than in the locational patterns of the retirement population—a group largely freed from the constraint of place of work. Several studies have shown that one of the groups centrally involved in the new pattern of American population distribution is retirees. As we have seen, improved longevity is a concomitant of economic growth (though for the most part not directly caused by it), and the span of retirement years will rise further in the future. The result will be to reinforce the new trends in location already apparent.<sup>27</sup>

So far, the discussion has centered on how economic growth has affected the relative advantage of rural and urban areas with regard to consumer residential and recreational preferences. How has twentieth-century economic growth affected the location of business firms? In the nineteenth century, modern economic growth spurred urban concentration by endowing cities with drastic new advantages over rural locations. The twentieth century has seen a sharp reduction in this. The progress of modern technology has greatly diversified industrial materials—witness the shift from ferrous to nonferrous metals and plastics, and energy inputs from coal to petroleum, natural gas, and other sources. The innovation of an electric power network has contributed to a more even geographic distribution of power costs. The rigid rail transport network has been supplemented and replaced by truck transportation and a far-flung network of highways. New possibilities of information transmission and processing via the telephone and computer have opened up. Such developments, it seems safe to say, have increased the number of firms that are “footloose” vis-à-vis those whose locational decisions are tied to narrow resource input requirements. Moreover, agglomeration economies of urban areas have turned into diseconomies as pollution and congestion have grown. Even the trend in consumer demand has turned against urban-based activities, as expenditures on services, which can usually be produced equally well in small and large communities, have grown relative to those on manufactured products. All of this means that in contrast to the nineteenth century, the location of business firms in this century is less bound by technology to a limited urban network and is more responsive to consumer preferences, not only as manifest in product markets, but also as evidenced in worker preferences for more attractive working locations.

Economic historians sometimes distinguish between a *first* Industrial Revolution based on the steampower/coal/iron-and-steel technology of the nineteenth century, and a *second* Industrial Revolution, associated with the innovation of the internal combustion engine, electrical power, and chemical developments of the twentieth century. The locational mandate of the First Industrial Revolution was urban concentration. The Second Industrial Revolution is now starting to make its effect felt in the form of rural repopulation, though, of course, this will entail new urban centers in formerly rural areas, and will not uniformly embrace all rural places. This new technological era of modern economic growth, coupled with continued growth in consumer income and leisure has broken the link that throughout mankind's history chained consumer residence to the economic dictates of place of work. For the first time, industrial location is being shaped in important part by consumers' locational preferences rather than the other way around. Although little recognized by planners and nonplanners alike, the market has been at work on problems of excessive urban growth and rural decay, and America is now beginning to see the first signs of this in the new directions of population movement.

#### **4.5 Concluding Remarks**

Every aspect reviewed here of post-1940 American population change has been characterized by major unforeseen developments. Contrary to expectation, fertility and the rate of population growth surged upward after World War II and then, starting around 1960, turned around and plummeted downward in equally startling fashion. In the last decade, mortality rates, after a period of leveling off, have unexpectedly started to fall sharply, with especially surprising declines occurring at older ages. There has been a dramatic increase in illegal immigration, and, for the first time in American history, the majority of immigrants—legal and illegal—are of non-European origin. Internally, the historic trend toward growing urbanization appears to have been reversed, and a number of rural areas not adjacent to cities have shown renewed population growth, much to everyone's surprise.

These developments in fertility, mortality, and migration have had important effects on the labor markets of younger and older workers and of skilled and unskilled, and have aggravated the problem of economic stabilization in recent years. Also, through their effects on demand, they have altered the composition of output and the allocation of resources, and, via relative wages, the distribution of income. In turn they have themselves been shaped by ongoing social, economic, and technological developments.

There was a time when population growth and distribution seemed reasonably predictable, but post-World War II experience has disproved that view. In recent decades population has emerged as a dynamic force, shaping and being shaped by social and economic conditions.

## Appendix

Table 4.A.1 Average Growth Rate of Population by Component of Change, 1870-1978 (per Thousand per Year)

Period	Rate of Population	Net Migration Rate	Birth Rate	Death Rate
<i>1870-1955</i>				
1870-75	25.5	6.7	40.8	21.8
1875-80	18.3	3.4	38.8	23.8
1880-85	25.4	10.1	36.9	21.0
1885-90	19.9	5.8	35.3	20.6
1890-95	20.1	4.5	34.3	19.5
1895-1900	16.3	2.8	31.6	18.8
1900-05	18.5	6.0	30.0	17.6
1905-10	19.8	6.9	29.6	16.6
1910-15	17.5	5.3	27.5	14.7
1915-20	10.5	1.1	26.1	16.2
1920-25	16.9	3.6	25.0	11.3
1925-30	12.5	2.0	21.5	10.6
1930-35	7.0	-0.4	18.3	11.0
1935-40	7.2	0.2	18.3	11.3
1940-45	10.6	0.5	21.2	10.9
1945-50	15.6	1.3	24.5	9.9
1950-55	16.9	1.2	25.2	9.6
<i>1950-1978</i>				
1950-55	17.2	1.8	24.8	8.9
1955-60	17.0	1.8	24.6	9.4
1960-65	14.5	1.9	22.2	9.4
1965-70	10.6	2.2	18.1	9.5
1970-75	8.3	1.7	15.8	9.5
1975-78	7.6	1.6	14.9	8.8

Sources: 1870-1955: except as noted below, Kuznets, 1958, p. 37, table 1, col. 4; p. 39, table 3, col. 5; p. 41, table 5, col. 7; and p. 43, table 6, col. 5 (underlying unrounded quinquennial estimates were used). However, for net migration, 1910-40 data were from Simon Kuznets and E. Rubin, *Immigration and the Foreign Born* (New York: NBER, 1954), pp. 95-96, table B-1. For 1940-55, estimates for all series were revised somewhat, the chief differences from the original source being inclusion of armed forces deaths overseas and keeping the scope of the net migration estimate the same as for the pre-1940 period.

1950-78: U.S. Bureau of the Census, 1977, p. 7; U.S. Department of Health, Education and Welfare, *Monthly Vital Statistics Report: Births, Marriage, Divorce and Deaths for June 1978* (12 September 1978). U.S. Bureau of the Census, *Estimate of the Population of the United States to July 1, 1978*, series P-25 no. 729 (Washington, D.C.: Government Printing Office, August 1978).

Note: The sum of the components does not exactly equal total increase, because net migration refers to alien arrivals less departures and thus includes some non-migratory movements. Pure migration estimates are not available prior to 1910.

**Table 4.A.2**      **Labor Force Participation Rates of  
Females by Specified Age Groups,  
1890-1975**

Year	20-24 (1)	25-34 (2)	45-54 (3)	55-64 (4)
1890	32.7	18.8	17.4	14.8
1900	34.2	21.7	19.1	16.0
1920	40.0	25.7	22.8	17.7
1930	44.3	29.1	24.6	18.7
1940	48.1	35.3	27.3	20.0
1950	46.1	34.0	38.0	27.0
1955	46.0	34.9	43.8	32.5
1960	46.2	36.0	49.8	37.2
1965	50.0	38.6	50.9	41.1
1970	57.8	45.0	54.4	43.0
1975	64.3	54.6	54.6	41.0

*Source: 1950-75: Employment and Training Report of the President (Washington, D.C.: GPO); 1890-1940: extrapolation of 1950 value in ibid., by percentage point change shown in Bancroft (1958, p. 207).*

**Table 4.A.3** Annual Average Total Money Income of Families with Head 14-24 Years Old as Relative of Prior Income of Families with Head 45-54, 1957-78 (\$ of 1964 Purchasing Power)

Head 14-24 Years Old		Head 45-54 Years Old		Relative Income (2) ÷ (4)	
Period (1)	Income (2)	Period (3)	Income (4)	Year (5)	Percentage (6)
1950-54	3,596	1947-53	4,917	1957	73.1
1951-55	3,687	1948-54	5,028	1958	73.3
1952-56	3,814	1949-55	5,203	1959	73.3
1953-57	3,956	1950-56	5,439	1960	72.7
1954-58	4,033	1951-57	5,641	1961	71.5
1955-59	4,132	1952-58	5,830	1962	70.9
1956-60	4,210	1953-59	6,011	1963	69.7
1957-61	4,222	1954-60	6,204	1964	68.0
1958-62	4,241	1955-61	6,404	1965	66.2
1959-63	4,282	1956-62	6,602	1966	64.8
1960-64	4,414	1957-63	6,795	1967	65.0
1961-65	4,625	1958-64	7,019	1968	65.9
1962-66	4,824	1959-65	7,288	1969	66.2
1963-67	5,032	1960-66	7,564	1970	66.5
1964-68	5,289	1961-67	7,874	1971	67.2
1965-69	5,485	1962-68	8,205	1972	66.5
1966-70	5,520	1963-69	8,566	1973	64.4
1967-71	5,506	1964-70	8,872	1974	62.1
1968-72	5,523	1965-71	9,175	1975	60.2
1969-73	5,532	1966-72	9,507	1976	58.2
1970-74	5,492	1967-73	9,814	1977	56.0
1971-75	5,377	1968-74	10,017	1978	53.7

*Sources:* Richard A. Easterlin, "Relative Economic Status and the American Fertility Swing," in *Family Economic Behavior: Problems and Prospects*, ed. Eleanor Bernert Sheldon (Philadelphia: Lippincott, 1973), p. 185, table 12, cols. 5 and 6. Recent data were kindly provided by Dr. Campbell Gibson, U.S. Bureau of the Census. The choice of dates used in constructing the relative income measure is explained in *ibid.*, pp. 182-86.

**Table 4.A.4** Total Fertility Rate, 1940-77, Relative Employment Experience of Young Adult Males, 1940-55, and Ratio of Males Aged 30-64 to Males Aged 15-29, 1940-75

Year	Total Fertility Rate (1)	Relative Employment Experience (2)	Ratio, Males 30-64 15-29 (3)
1940	2.30	-10.2	1.586
1941	2.40	- 8.6	
1942	2.63	- 5.8	
1943	2.72	- 4.4	
1944	2.57	- 3.2	
1945	2.49	- 2.9	
1946	2.94	- 3.3	
1947	3.27	0.4	
1948	3.11	3.5	
1949	3.11	6.1	
1950	3.09	7.2	1.840
1951	3.27	7.0	
1952	3.36	7.2	
1953	3.42	7.5	
1954	3.54	7.6	
1955	3.58	6.7	2.014
1956	3.69		
1957	3.77		
1958	3.70		
1959	3.71		
1960	3.65		1.994
1961	3.63		
1962	3.47		
1963	3.33		
1964	3.21		
1965	2.93		1.716
1966	2.74		
1967	2.57		
1968	2.48		
1969	2.45		
1970	2.47		1.509
1971	2.28		
1972	2.03		
1973	1.90		
1974	1.86		
1975	1.80		1.351
1976	1.76		
1977	1.83		

**Table 4.A.5 Median Income of Year-Round Full-Time Income Recipients by Sex-Age Group as Percentage of Average, 1955 and 1977**

Age Group	1955 (1)	1977 (2)	Age Group	1955 (1)	1977 (2)
<i>All Males</i>	100.0	100.0	<i>All Females</i>	100.0	100.0
14-19	43.3	40.1	14-19	83.8	63.9
20-24	77.7	65.0	20-24	101.2	85.1
25-34	101.7	93.8	25-34	104.4	108.3
35-44	106.5	111.9	35-44	104.5	105.3
45-54	106.0	113.0	45-54	102.4	103.7
55-64	93.4	104.0	55-64	93.6	100.4

Sources: 1955: U.S. Bureau of the Census, *Current Population Reports*, series P-60, no. 23 (Washington, D.C.: Government Printing Office, November 1956), table 3, p. 13. 1977: U.S. Bureau of the Census, *Current Population Reports*, series P-60, no. 116 (Washington, D.C.: Government Printing Office, July 1978), table 10, p. 16.

Sources to Table 4.A.4: Total fertility rate: Easterlin 1968, p. 247, col. 4; and Campbell Gibson and Martin O'Connell, U.S. Bureau of the Census. Relative employment experience: Richard A. Easterlin, "Relative Economic Status and the American Fertility Swing," in *Family Economic Behavior*, ed. Eleanor Sheldon (Philadelphia: Lippincott, 1973), p. 195, table 6, cols. 5-6. Age ratio: U.S. Bureau of the Census, *Current Population Reports*, Series P-25 as follows: for 1940-50—no. 98, p. 115; for 1955—no. 265, p. 25; for 1960—no. 286, series C, p. 42; for 1965—no. 519, p. 20; for 1970-75—no. 614, pp. 11-16.

**Table 4.A.6**      **Death Rates from Homicide and Suicide, Males Aged 15–24, and Death Rate from Suicide, Males, Aged 45–54, 1946–77 (per 100,000)**

Year	Males 15–24		Males 45–54
	Homicide (1)	Suicide (2)	Suicide (3)
1946	12.2	7.4	30.3
1947	11.9	6.6	30.5
1948	11.3	6.6	31.5
1949	10.1	6.7	31.6
1950	9.6	6.5	32.0
1951	9.0	6.5	28.5
1952	9.9	6.5	27.9
1953	9.6	6.5	29.2
1954	9.3	6.7	31.0
1955	8.5	6.3	29.7
1956	9.4	6.3	28.3
1957	8.9	6.4	28.6
1958	8.8	7.4	32.1
1959	9.0	7.7	31.0
1960	9.1	8.2	31.6
1961	8.8	7.9	31.0
1962	9.0	8.5	30.9
1963	9.0	9.0	30.7
1964	9.9	9.2	29.9
1965	10.7	9.4	29.1
1966	12.0	9.7	28.5
1967	14.3	10.5	27.9
1968	16.4	10.9	27.3
1969	18.0	12.2	27.2
1970	19.0	13.5	27.9
1971	20.6	14.0	26.8
1972	21.5	15.7	28.0
1973	20.7	17.0	26.9
1974	22.1	17.1	26.6
1975	21.2	18.9	27.9
1976	19.1	18.5	26.2
1977	19.4	21.8	25.6

*Sources:* 1946–60: National Center for Health Statistics, HEW, *Vital Statistics Rates in the United States: 1940–1960*, no. 1677 (Washington, D.C.: Public Health Service, 1968), table 63.

1961–75: National Center for Health Statistics, HEW, *Vital Statistics of the United States, Annual Yearbook* (various issues), vol. 2, *Mortality*, part A.

1976–77: Unpublished data from Mortality Division of National Center for Health Statistics.

**Table 4.A.7 Crude Birthrate, 1915-60**

Period	Rate (1)	Period	Rate (1)
1915-20	26.1	1940-45	21.2
1920-25	25.0	1945-50	24.5
1925-30	21.5	1950-55	25.2/24.8
1930-35	18.3	1955-60	24.6
1935-40	18.3		

*Sources:* 1915-55: Kuznets, 1958, p. 37, table 1, col. 4; table 3, col. 5; p. 41, table 5, col. 7; and p. 43, table 6, col. 5 (underlying unrounded quinquennial estimates were used). 1950-60: U.S. Bureau of the Census, *Current Population Reports*, series P-25 (Washington, D.C.: Government Printing Office, September 1977), no. 706, p. 7. The break in the series in 1950-55 is due to the shift in sources.

**Table 4.A.8 Male Population Aged 15-29 as Percentage of That Aged 30-64, Actual 1940-75 and Projected 1980**

Date	Male Population Aged		Ratio, 15-29
	15-29 (1)	30-64 (2)	30-64 (percentage) (3)
1940	17,442	27,664	63.0
1950	17,216	31,761	54.4
1955	16,772	33,781	49.6
1960	17,794	35,478	50.2
1965	21,151	36,295	58.3
1970	25,262	38,115	66.3
1975	28,793	38,908	74.0
	<i>Projected</i>		
1980	30,426	42,184	72.1

*Sources:* 1940-95: U.S. Bureau of the Census, *Current Population Reports*, series P-25 (Washington, D.C.: Government Printing Office) as follows: for 1940-55—no. 98, p. 115; for 1955—no. 265, p. 25; for 1960—no. 286, series C, p. 42; for 1965—no. 519, p. 20; for 1970-75—no. 614, pp. 11-16; for 1980—no. 704, series 2, pp. 40-60.

**Table 4.A.9** Percentage Change per Year in Age-Specific Death Rates, Three Periods, 1936-77

Age	1936-54	1954-68	1968-77
Under 1	-3.0	-1.6	-3.8
1-4	-4.0	-1.8	-2.5
5-14	-3.7	-1.4	-2.8
15-24	-3.4	+0.6	0.0
25-34	-3.5	+0.5	-1.4
35-44	-2.9	+0.2	-2.4
45-54	-2.0	-0.3	-1.9
55-64	-1.5	-0.2	-1.8
65-74	-1.4	-0.1	-2.0
75-84	-1.6	-0.3	-1.5
85+	-1.4	+0.6	-2.8

*Source:* 1936-54: National Center for Health Statistics, HEW, *Vital Statistics Rates in the United States, 1940-60*, no. 1677 (Washington, D.C.: Public Health Service, 1968). 1968-77: National Center for Health Statistics, Monthly Vital Statistics Department, *Final Mortality Statistics, 1977* (Washington, D.C.: Public Health Service, 1979).

## Notes

1. The analysis in this part is developed more fully in Easterlin (1980a).
2. See Kuznets 1958; 1961.
3. Shown below is the trend since 1940 in the median years of school completed by men and women aged 25-29:

	1940	1950	1960	1970	1977
Males	10.1	12.0	12.3	12.6	13.0
Females	10.5	12.1	12.3	12.5	12.8
Excess of Males over Females	-0.4	-0.1	0	0.1	0.2

Data are from U.S. Bureau of the Census (1950; 1960; 1970; 1977, table 1, p. 7).

4. Data supplied by Gallup Poll.
5. Tabulation of unpublished data from the National Longitudinal Survey of Young Women. The original national sample was of females, aged 14-24 in 1968; the same women were then surveyed again in 1975 at ages 21-31.
6. For data on unemployment rates, see the following: 1957-66—BLS (1967, table 51, pp. 84-85). 1967-77—BLS (1977, table 54, pp. 109-10). 1978—BLS (1978, table A-3, p. 21). For information on the earnings gap between men and women, see U.S. Department of Labor, Women's Bureau (1976; 1975, pp. 126-27). Unfortunately, no studies are available covering the full period that standardize adequately for relevant factors such as education.

7. The chart is confined to year-round full-time workers to get as nearly as possible to salary or pay rates.

8. The relative income measure in figure 4.3 is not exactly the same as relative earnings in figure 4.4. Nevertheless, the movement of the relative income measure is largely shaped by the change in the relative number of young men.

9. The sizable employment and earnings effects of recent shifts in the relative numbers of younger and older men and the low elasticity of substitution between them, even after controlling for other pertinent factors such as education, have been demonstrated in a number of recent studies. *On earnings*, see Freeman (1979), Lee (1978a), Welch (1979), and Wachter (1977). *On employment*, see Anderson (1978; 1977), and Wachter (1976).

10. According to Bancroft (1958): "The abundance of white-collar jobs which did not require extensive training attracted an increasing proportion of young women and made it possible for them to avoid the lower-paid or less desirable types of work" (p. 82).

11. See also Wachter (1972).

12. See also Bancroft (1958, p. 30).

13. See the homicide arrest data in FBI (1960 through 1976).

14. See Easterlin (1980a, chaps. 5 and 6). See also Preston and McDonald (1979).

15. For further discussion, see Easterlin, M. Wachter, and S. Wachter (1978) and the references they cite therein.

16. For a fuller discussion of experience before World War II, see Easterlin (1968).

17. This section on mortality is partly based on a paper by Eileen M. Crimmins (1980).

18. Siegel 1978, p. 15. See also Preston (1974).

19. Research on aging is the modern, more promising equivalent of this. See the National Academy of Sciences (1979), p. 447.

20. Keely 1975. See also American Association for the Advancement of Science (1966).

21. U.S. Congress 1978, pp. 1-3. See also Bustamante (1977).

22. The Scheuer Committee Report suggests that the current consensus on the population of undocumented aliens in the United States is around 3 to 6 million (U.S. Congress 1978, p. 2). If one takes the mid-value, 4.5 million and assumes most of these persons came in the past fifteen years, then net immigration per year would average 300 thousand.

It is possible that this guess is on the high side. A recent paper by David Heer (1979) estimates the annual net flow of undocumented Mexican immigrants to the United States in 1970-75 at between 82,000 and 232,000 persons.

23. A recent analysis suggests that a shift in Mexican government agricultural policy favoring capital-intensive techniques was also an important stimulus to illegal immigration. See Jenkins (1977).

24. The "Sunbelt" as usually defined includes Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Arkansas, Louisiana, Texas, Oklahoma, Missouri, New Mexico, Arizona, and California.

25. Some time ago Simon Kuznets (1964) emphasized the growing role of consumer preferences in affecting the spatial distribution of population. Ann R. Miller (1977) has pointed out the consistency of new patterns of migration by occupation with Kuznets' hypothesis.

26. The impact of the automobile on population distribution is stressed in a number of studies. See, for example, Downs (1979) and Guest (1979).

27. The importance of recreational and retirement factors in the new migration patterns has been brought out in a number of recent studies, among them are: McCarthy and Morrison (1979), Fuguitt and Voss (1979), Williams and Sofranko (1979), Fuguitt and Zuiches (1975), Biggar (1979), and Morrison and Wheeler (1976).

## 2. *Victor R. Fuchs*

### Continuity and Change in American Life

The celebration of the National Bureau's sixtieth birthday is an opportune time to stop and take stock of where we are as a people, how we got to our present condition, and where we are likely to be going. This paper does not deal with all aspects of American life, but emphasizes demographic variables broadly defined to include not only the size and composition of the population, but also where and how we live and when and how we die. The United States in 1980 is surely a very different country from the one that Wesley Mitchell, Edwin Gay, Malcolm Rorty, N. I. Stone, and the other founders of the NBER knew in 1920. We must, however, guard against exaggerating the magnitude or novelty of recent developments. As we review the changes that have occurred since 1950, it is useful to consider the extent to which they are a continuation of earlier trends. Such comparisons not only serve to highlight the continuity in our demographic history, but also help to identify those recent changes which do represent a sharp break with previous experience.

In this paper I examine selected demographic variables grouped into four categories: (1) population size and composition, (2) fertility, (3) mortality, and (4) the family.<sup>1</sup> Tables C4.1 through C4.4 present the trends in these variables from 1950 to 1980 (actually the closest years to 1980 available) and, data permitting, compare them with rates of change from 1920 to 1950. Trends for the subperiods 1950-65 and 1965-80 are also shown. I offer brief comments on many of the trends and conclude the paper with a discussion of the phenomena that seem to me to have the most significant long-run implications for the economy, namely changes in family life.

Throughout I follow a Rip Van Winkle approach to the data, concentrating on broad secular changes between benchmarks rather than becoming enmeshed in the ups and downs of the intervening years. Let us suppose an economic demographer had fallen asleep in 1950 and had awakened just a few days ago. When he (or she) examines the latest statistics, what does he (or she) find?

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Table C4.1 Selected Demographic Variables, 1920, 1950, 1965, 1980: Population Size and Composition

Variable	Year				Rate of Change (% per Annum)			
	1920	1950	1965	1980	1920-50	1950-80	1950-65	1965-80
Population (millions)	106	151	194	218 <sup>b</sup>	1.18	1.31	1.67	.90
<i>Percentage:</i>								
Under 21	42.5	35.4	40.7	35.4 <sup>c</sup>	-.61	.00	.93	-1.16
21-64	52.9	56.5	49.8	53.6 <sup>c</sup>	.22	-.20	-.84	.61
65 or over	4.6	8.1	9.5	10.8 <sup>c</sup>	1.89	1.07	1.06	1.07
Northeast	28.0	26.1	24.5	22.8 <sup>c</sup>	-.23	-.50	-.42	-.60
North central regions	32.1	29.4	27.9	26.8 <sup>c</sup>	-.29	-.34	-.35	-.34
South	31.2	31.2	31.0	32.3 <sup>c</sup>	.00	.13	-.04	.34
West	8.7	13.3	16.6	18.2 <sup>c</sup>	1.41	1.16	1.48	.77
Nonwhite	10.3	10.5	11.9	13.4 <sup>c</sup>	.06	.90	.83	.99
Cities over 500,000	15.4	17.5	15.9 <sup>h</sup>	15.6 <sup>e</sup>	.43	-.46	-.96 <sup>i</sup>	-.13 <sup>j</sup>
Other urban	36.2	46.7	53.9 <sup>h</sup>	59.9 <sup>e</sup>	.85	1.00	1.43 <sup>i</sup>	.70 <sup>j</sup>
Rural	48.4	35.8	30.1 <sup>h</sup>	24.5 <sup>e</sup>	-1.01	-1.52	-1.73 <sup>i</sup>	-1.37 <sup>j</sup>
Nonwhite in:								
Northeast cities over 500,000	3.8	11.0	16.5 <sup>h</sup>	24.9 <sup>f</sup>	3.54	4.08	4.05 <sup>i</sup>	4.12 <sup>k</sup>
North central cities over 500,000	4.9	13.8	24.3 <sup>h</sup>	32.6 <sup>f</sup>	3.45	4.30	5.66 <sup>i</sup>	2.94 <sup>k</sup>
Black in:								
SMSA* central cities	12.3	20.6 <sup>g</sup>	20.6 <sup>g</sup>	22.7 <sup>c</sup>		2.27	3.22	.88
SMSAs outside central cities	5.4	4.2 <sup>g</sup>	4.2 <sup>g</sup>	5.6 <sup>c</sup>		.13	-1.57	2.62
Outside SMSAs	10.8	9.8 <sup>g</sup>	9.8 <sup>g</sup>	8.9 <sup>c</sup>		-.72	-.61	-.88

<sup>a</sup>1979; <sup>b</sup>1978; <sup>c</sup>1977; <sup>d</sup>1976; <sup>e</sup>1975; <sup>f</sup>1970; <sup>g</sup>1966; <sup>h</sup>1960; <sup>i</sup>1950-60; <sup>j</sup>1960-75; <sup>k</sup>1960-70.

\*Standard Metropolitan Statistical Area.

**Table C4.2 Selected Demographic Variables, 1920, 1950, 1965, 1980: Fertility**

Variable	Year				Rate of Change (% per Annum)			
	1920	1950	1965	1980 <sup>b</sup>	1920-50	1950-80	1950-65	1965-80
<b>Crude Birthrate (per 1,000)</b>								
Total	27.7	24.1	19.4	15.3 <sup>a</sup>	.46	-1.68	-1.45	-2.46
White	26.9	23.0	18.3	13.8	.52	-1.96	-1.52	-2.57
Nonwhite	35.0	33.3	27.6	21.1	.17	-1.75	-1.25	-2.44
<b>Births per 1,000 Women, Aged 15-44</b>								
Total	117.9	106.2	96.6	65.8	.35	-1.84	.63	-3.49
White	115.4	102.3	91.4	62.2	.40	-1.91	.75	-3.50
Nonwhite	137.5	137.3	133.9	87.6	.00	-1.73	.17	-3.86
White 1st & 2d birth order	61.4	65.6	51.9	46.9	.22	-1.29	-1.56	.92
White 3rd & higher birth order	54.0	36.7	39.6	15.3	-1.29	-3.37	.51	-8.65
Nonwhite 1st & 2d birth order	65.0	64.1	62.4	61.2	.05	.18	.18	.18
Nonwhite 3rd & higher birth order	72.5	73.2	71.4	26.4	.03	-3.92	.17	-9.04
<b>Births per 1,000 Unmarried Women, Aged 15-44</b>								
Total		14.1	23.5	24.7		2.16	3.41	.45
White		6.1	11.6	12.7		2.82	4.28	.82
Nonwhite		71.2	97.6	78.1		.36	2.10	-2.03
<b>Births to Unmarried Women as Percentage of All Births</b>								
Total		3.9	7.7	14.8		5.13	4.53	5.94
White		1.7	4.0	7.7		5.81	5.70	5.95
Nonwhite		16.8	26.4	45.2		3.81	3.01	4.89

<sup>a</sup>1977.

<sup>b</sup>all 1976, except as noted.

Table C4.3 Selected Demographic Variables, 1920, 1950, 1965, 1980: Mortality

Variable	Year				Rate of Change (% per Annum)				
	1920	1950	1965	1980 <sup>b</sup>	1920-50	1950-80	1950-65	1965-80	1965-80
<b>Crude Death Rate (per 1,000)</b>									
Total	13.0	9.6	9.4	8.8 <sup>a</sup>	-1.01	-.32	-.14	-.50	
White	12.6	9.5	9.4	9.0	-.94	-.21	-.07	-.40	
Nonwhite	17.6	11.2	9.6	8.2	-1.53	-1.20	-1.03	-1.43	
<b>Age-Adjusted Death Rate† (per 1,000)</b>									
Total	14.2	8.4	7.4	6.3	-1.75	-1.11	-.85	-1.46	
White male	14.2	9.6	9.1	8.0	-1.30	-.70	-.36	-1.17	
White female	13.1	6.5	5.3	4.4	-2.34	-1.50	-1.36	-1.69	
Nonwhite male	20.4	13.6	12.2	10.7	-1.35	-.92	-.72	-1.19	
Nonwhite female	21.0	10.9	8.3	6.4	-2.19	-2.05	-1.82	-2.36	
<b>Life Expectancy at Birth</b>									
White male	54.4	66.5	67.6	69.7	.67	.18	.11	.28	
White female	55.6	72.2	74.7	77.3	.87	.26	.23	.31	
Nonwhite male	45.5	59.1	61.1	64.1	.87	.31	.22	.44	
Nonwhite female	45.2	62.9	67.4	72.6	1.10	.55	.46	.68	
<b>Life Expectancy at Age 65</b>									
White male	12.2	12.7	12.9	13.7	.14	.28	.08	.55	
White female	12.7	15.0	16.3	18.1	.54	.72	.55	.95	
Nonwhite male	12.1	12.7	12.6	13.8	.18	.30	-.08	.83	
Nonwhite female	12.4	14.5	15.5	17.6	.53	.73	.43	1.16	
<b>Infant Mortality (per 1,000 Live Births)</b>									
White	82.1	26.8	21.5	13.3	-3.73	-2.69	-1.47	-4.37	
Nonwhite	131.7	44.5	40.3	23.5	-3.62	-2.46	-.66	-4.90	

Table C4.3—continued

Variable	Year					Rate of Change (% per Annum)				
	1920	1950	1965	1980 <sup>b</sup>	1985-80	1920-50	1950-80	1950-65	1965-80	
<b>Death Rate by Cause (per 100,000)</b>										
<i>Crude</i>										
infectious diseases	386.1	60.5	37.6	36.5		-6.18	-1.94	-3.17	-.28	
circulatory diseases	365.3	508.8	509.5	453.9		1.11	-.44	.01	-1.05	
neoplasms	83.2	139.2	153.2	176.2		1.62	.91	.64	1.27	
accidents and violence	85.8	76.8	72.4	68.5		-.37	-.44	-.39	-.50	
other	379.6	174.7	167.3	154.9		-2.57	-.46	-.29	-.71	
<i>Age-adjusted<sup>†</sup></i>										
heart disease		307.6	273.9	216.7			-1.35	-.77	-2.13	
lung cancer		12.8	23.0	33.5			3.70	3.91	3.42	
other cancer		112.6	104.0	98.8			-.50	-.53	-.47	
other		408.5	338.1	278.5			-1.47	-1.26	-1.76	

<sup>†</sup>Age adjustment by direct method using 1940 United States age distribution.

<sup>b</sup>1977.

Ball 1976 except as noted.

Table C4.4 Selected Demographic Variables, 1920, 1950, 1965, 1980: The Family

Variable	Year					Rate of Change (% per Annum)				
	1920	1950	1965	1980	1920-50	1950-80	1950-65	1965-80	1965-80	
Percentage of Women Ever Married:										
Ages 20-24	54.0	67.7	67.9 <sup>a</sup>	52.4 <sup>b</sup>	.75	-.91	.02	-1.99		
Ages 25-29	76.8	86.7	89.5 <sup>a</sup>	82.0 <sup>b</sup>	.40	-.20	.21	-.67		
Median Age at First Marriage:										
Male	24.6	22.8	22.8	24.2 <sup>b</sup>	-.25	.21	.00	.46		
Female	21.2	20.3	20.6	21.8 <sup>b</sup>	-.14	.25	.10	.44		
Divorce Rate per 1,000 Married Women	8.0	10.3	10.6	21.1 <sup>c</sup>	.84	2.66	.19	5.74		
Persons per Household	4.33	3.47	3.40	2.87 <sup>b</sup>	-.74	-.68	-.14	-1.30		
Percent Living Alone:										
All adults		3.9	7.3	10.8 <sup>b</sup>		3.64	4.18	3.01		
Widows 65 and over		24.5	43.2	65.3 <sup>b</sup>		3.50	3.78	3.18		
Never married, ages 25-34		5.1	16.3	30.5 <sup>b</sup>		6.39	7.75	4.82		
Labor Force Participation Rate,										
Married Women, Spouse Present:										
Children 6-17 only		28.3	42.7	55.6 <sup>c</sup>		2.50	2.74	2.20		
Children under 6		11.9	23.3	39.3 <sup>c</sup>		4.42	4.48	4.36		

<sup>a</sup>mean of 1960 and 1970.

### Population Size and Composition

First, our newly awakened colleague would probably be surprised by the size of the United States population in 1980; it is now 30 percent larger than the "medium" forecast and 15 percent above the highest forecast made by the Bureau of the Census in 1947 (Whelpton 1947). This is not because the rate of growth from 1950 to 1980 was much greater than from 1920 to 1950 (1.3 versus 1.2 percent per annum), but because extrapolation of pre-1950 trends suggested that further deceleration in growth was likely. Such deceleration is readily evident since 1965; it was the 1950-65 population boom (approximately equal to the turn-of-the-century rate of growth) which confounded post-World War II forecasts.

The age distribution of the population in 1980 is not very different from what it was in 1950, although there were some large changes during the intervening years. The *percentage* of the population sixty-five or over has increased somewhat, but this is not a new phenomenon. Moreover, the rate of growth of the *number* of elderly was actually more rapid from 1920 to 1950 than since 1950, and more rapid from 1950 to 1965 than from 1965 to 1980.<sup>2</sup>

The regional shift in population, also much discussed in recent years as if it were something unusual, loses much of its novelty when examined against a background of earlier trends. The relative shift from the Northeast and the north central regions to the West is a familiar story; one new regional development is the relative growth of population in the South since 1965.

One demographic variable which does show marked change in the past three decades is the percentage of the nonwhite population. Between 1920 and 1950 the racial composition of the population was virtually constant, but since 1950, white and nonwhite growth rates have differed by a full percentage point per annum. The interaction between this differential and shifting geographical patterns has produced some of the most marked demographic changes of the post-World War II era.

Until the middle of this century there was a strong long-term shift in population from rural areas to urban areas, including the big cities.<sup>3</sup> After 1950 the relative decline of rural areas continued, but the relative growth of big cities was reversed. Since then, all of the relative growth has been concentrated in smaller cities or in urban areas outside of city limits. The one group that continued to head for the big cities was the nonwhites, with the result that by 1970 one in four residents of large cities in the Northeast was nonwhite, and in the north central region the proportion was one in three. Taking all SMSA central cities in the United States as a group, blacks accounted for 23 percent of the population in 1977, up from 12 percent in 1950.

Given the legacies of slavery, segregation, and discrimination, these demographic trends have had enormous economic and social impact. As one observer wrote in 1964: "Except for the worldwide population explosion itself, the movement of Negroes from the southern part of the United States has without a doubt been the greatest and most significant sociological event of our country's recent history" (Hamilton 1964, p. 294).

In 1977 the median age of blacks was 24.1, compared with 30.3 for whites. Thus, even if age-specific birth and death rates become identical for blacks and whites, there will be a substantial differential in the rate of natural increase for many years to come. Although considerable progress has been made in civil rights, several questions must still be faced. Can the cities cope with such a disproportionate share of the poorest and most disadvantaged members of our society? Will racial discrimination in housing outside the central cities be reduced enough to permit a less segregated residential pattern?<sup>4</sup> How rapidly will racial differences in education and income decrease?

### Fertility

Changes in the size and composition of the population depend upon differential trends in fertility, mortality, and migration. With respect to fertility, our modern Van Winkle would note with interest (but probably not shock) that the American birthrate is at a historic low. The decline since 1950 has been far more rapid than in the previous thirty years, but the 1980 rate is not far out of line with extrapolations covering a much longer period. The fertility decline has been much larger for birth orders three and above than for first and second births. The trend away from large families was evident in 1920–50 as well, but has been particularly marked since 1965.<sup>5</sup>

This reduction in the variance in family size is of major demographic importance. Consider for instance, birthrates in 1976 compared with 1936, the previous low point of United States fertility. For white women (and probably for nonwhite women as well), *all* of the decrease was in births of third order or higher. The rate per 1,000 women aged 15–44 for first and second birth orders rose slightly, from 46 to 47, but the rate for the higher orders fell from 28 to 15. One clear consequence of these trends is that many fewer children will have to share parental resources with large numbers of siblings. If, as some observers believe, such sharing contributes to physical, social, and intellectual deficits in some children, the next generation should, in this respect, be much better off.<sup>6</sup>

One extraordinary trend in American life is the rise in the birthrate for unmarried women at a time of generally decreasing fertility. Such births, relatively rare in 1950, now account for 8 percent of white births and almost one in two of nonwhite births. A small part of the increase

(about one-eighth) can be attributed to the rising proportion of births to women under twenty years of age (who have always had the highest percentage of babies born out of wedlock), but most of the increase reflects higher percentages at every age.

### Mortality

United States death rates were lower in 1980 than in 1950 at all ages and for both sexes and races. The rate of decline was greater for females than for males, and greater for nonwhites than for whites. These differential trends were also evident in 1920–50, but the decrease in nonwhite death rates in recent decades has been particularly striking and has been the major factor in the rise in the proportion of nonwhites in the population. To be sure, nonwhite fertility has been substantially higher than white fertility during the past thirty years, but this differential was equally evident in the years 1920–50. The nonwhite-white differential in rate of natural increase (excess of births over deaths), which was 3.1 per 1,000 in 1920, had risen to 8.1 by 1976. Between those dates the racial difference in birthrates actually declined slightly, from 8.1 to 7.3, but the difference in death rates declined dramatically from +5.0 to -0.8 per 1,000.

Since 1950, and especially since 1965, the rate of increase in life expectancy at age 65 has been unusually rapid for all sex-race groups. This is particularly noteworthy inasmuch as the rate of increase in life expectancy at birth was much smaller after 1950 than before that date. Because death rates at younger ages are now quite low, future declines in mortality will result primarily in additional years being lived at older ages. This is very different from the effect of mortality reductions in the first six decades of this century when *half* of the additional person-years were lived at ages 25–60 and another one-fourth below the age of 25 (Fuchs 1978). Each additional year of life expectancy at age 65 adds more than 5 percent to the cost of retirement benefits. One way that society may choose to deal with this is to raise the age at which benefits can be collected and thus reverse the trend toward earlier retirement.

Infant mortality, usually a useful indicator of social and economic well-being, fell much more slowly 1950–65 than in 1920–50, but has fallen very rapidly since 1965. No one has been able to explain satisfactorily the 1950–65 retardation, nor is there any consensus regarding the reasons for the unprecedented rate of decline since 1965.<sup>7</sup> Another puzzle is the failure of infant mortality to decline more rapidly for nonwhites than for whites prior to 1965. The racial gap might have been expected to narrow over time if the white-nonwhite economic gap did not, because the income elasticity of infant mortality moves toward zero as income rises and because barriers to medical care for nonwhites have been substantially reduced. It is possible that improvements in statistical

coverage of nonwhite infant deaths (as the percentage of babies delivered in hospitals rose) offset some narrowing of the race differential. Since 1965, nonwhite infant mortality *has* declined more rapidly than has white.

The differential trends in death rates by cause are striking, particularly the rapid decline in the rate for diseases of the circulatory system (cardiovascular and cerebrovascular) since 1965 compared with a rapid rise from 1920 to 1950. According to the noted medical historian, Henry Sigerist, "Each civilization creates its own diseases." He might have added "and sooner or later tries to deal with them." As the great killers of the first quarter of this century, influenza, pneumonia, tuberculosis, diphtheria, and other infectious diseases, succumbed to economic development and medical progress, their places were taken by heart disease and cancer. Now the peak seems to have been passed for heart disease. It is not clear how credit for the improvement should be allocated between changes in medical care and changes in life-style, but it is clear that age-specific death rates have fallen 20 to 25 percent in the past ten years.

Very recently, even lung cancer mortality has stopped rising for white males 35-54, and would almost surely fall for all groups who gave up cigarette smoking. Although heart disease and cancer account for more than half of all deaths, accidents and violence (suicide and homicide) are emerging as the greatest contributors to health costs (medical care plus indirect costs of morbidity and mortality) in American society. In 1975 the economic cost of accidents and violence was 62 percent larger than the cost of cancer and only 17 percent below the cost of all cardiovascular diseases (Berk, Paringer, and Mushkin 1978). The costs are so high because many of the accident and violence victims are young, with much of their potential production still ahead of them. Reduction of these costs must be sought in the social as much as in the medical arena.

### The Family

Many of the greatest changes in recent decades have been in "family life," although even here there is a danger of exaggerating the novelty of contemporary phenomena. For instance, the propensity to marry—as evidenced by the percentage of women ever married at given ages, or by the median age at first marriage—while substantially lower in 1980 than in 1950, is at approximately the same level as in 1920. The divorce rate has soared since 1965, but the novelty is in the rate of change, not direction, which has been upward throughout the century.

Average household size has continued to shrink; the rate of decline since 1950 has been about the same as in the preceding thirty years. In recent decades the major factor has been a decrease in the number of *adults* per household through divorce, and especially through a rise in

the proportion of adults who live alone. This proportion has increased for almost every age-sex group and the rise has been particularly important in absolute numbers for widows 65 and over and never-married men and women 25-34 (Michael, Fuchs, and Scott 1980).

The increase in divorce (and in the proportion of births to unmarried women) has resulted in a substantial percentage of children not living with both parents. In 1977 among whites, 15 percent of children did not live with both parents, and among nonwhites, 53 percent did not.<sup>8</sup> Even when children do live with both parents there has been a marked change in family life because of an increase in female labor force participation. This increase has been particularly remarkable for married women with spouse present who have children at home. The child who lives at home with a father who is in the labor force and a mother who is not is now becoming the exception rather than the rule.

These changes in family life seem to me to have significant long-run implications for our economy and our society. To develop my thesis fully would take far more space than is available here; I can only state in simplified form the main lines of the argument:

1. Recent changes in the family, while possibly subject to cyclical variation, have a clear secular trend. Although Easterlin's relative income hypothesis is appealing, I do not expect changes in cohort size alone will induce major reversals in female labor force participation or bring about baby-boom fertility rates.<sup>9</sup> The absolute rise in value of women's time in the market (Mincer 1962; Becker 1965), improvements in contraception (Michael 1977), the growth of a service economy,<sup>10</sup> and the general weakening of most hierarchical relations<sup>11</sup> seem to me to be producing changes in sex roles which are significant and long lasting.

2. Recent changes are an extension of a long-term cumulative reduction in the scope and magnitude of functions performed within the family. The first activities to move outside—production of food, clothing, fuel, and other staples—were taken over by business firms. More recently, many responsibilities such as education, health care, and social insurance have been assumed by the state. Within the next decade we will probably see another major role transfer—care of the young—which is, in many respects, the quintessential family function.

3. The market system, which is the most efficient and most conducive to individual freedom yet devised, does not itself provide a sufficient basis for the organization of society. Its success over the last 200 years is attributable in good part to the existence of strong nonmarket institutions such as the family, which has been the primary agent of socialization and, in conjunction with religion, the primary source of values and beliefs. The decline of the family and the growth of government will

seriously jeopardize the market system and associated political, social, and cultural freedoms.

To conclude, most of the demographic changes of the past thirty years are not sharp departures from earlier trends and pose no insurmountable problems for the economy. The financial burden of a rise in the number of elderly, for instance, could be accommodated by small gradual increases in the age at which social security benefits begin. In a few instances, however, such as the growth of the nonwhite population in major cities, and the decline of the traditional family, the changes have been so marked as to warrant urgent consideration. In the long run, a healthy economy requires a healthy society. The NBER would be faithful to the aspirations of its founders if, in the coming decade, it gave high priority to the economic analysis of social problems.

## Notes

1. Given Easterlin's excellent survey paper, I have felt free to be selective in coverage both with respect to variables and time periods. I regret that limitations of space precluded consideration of the future of immigration, a subject of great potential importance.

2. When a variable is presented as a proportion (e.g., percent  $\geq 65$ ) rather than in absolute form, considerable care should be taken in interpreting the rate of change measured in percentage per annum. Since a proportion is bounded by zero and 100 percent, the rate of change can be very large near zero and must be very small near 100 percent. The rate of change of the absolute value of a variable that has been expressed as a proportion can easily be obtained by adding the rate of change of the proportion to the rate of change of the total population. E.g., if *percent  $\geq 65$*  increased at 1.89 percent per annum 1920-50 and the total population increased at 1.18 percent per annum, then the *population  $\geq 65$*  increased at 3.07 percent per annum. The comparable figure for 1950-80 is 2.38 (1.07 + 1.31). The comparable rates for 1950-65 and 1965-80 are 2.73 and 1.97 percent per annum, respectively.

3. "Big cities" are defined in this paper as having populations over 500,000.

4. In Standard Metropolitan Statistical Areas (SMSAs) outside central cities, the percentage of blacks is very low (5.6 percent in 1977), but has started to rise.

5. The increase in the relative importance of first and second order births is partly attributable to a relative increase in the number of females under twenty-five, but even after adjusting for changes in age distribution there has been a large decline in higher order births.

6. See, for instance, De Tray (1978). He concludes that "holding income, the opportunity cost of the mother's time, and the parents' educational level constant, there is a quantitatively and statistically strong negative partial relationship between a couple's fertility and the amount of education their children receive" (p. 36).

7. "Success has many fathers." Some possible reasons are: improvements in neonatology, better contraception, legalized abortion, Medicaid, and mother-child health centers in poor neighborhoods.

8. In 1968 the percentages were 11 and 42.

9. A primitive formulation of the relative income hypothesis led me in 1956 to predict a decline in United States fertility (see Fuchs 1956). This was a very special situation, however, involving a deep depression followed by a postwar boom.

10. The service sector (defined to include trade; finance, insurance and real estate; services; and government) has provided seven out of every eight additional jobs in the United States since 1948. These are the jobs that offer the greatest opportunities for women.

11. E.g., parent-child, employer-employee, teacher-student, priest-layperson.

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### *3. Simon Kuznets*

#### Notes on Demographic Change

These notes raise questions about the economic consequences of demographic trends, consequences in terms of what the trends imply for the rate of economic advance and for the distributive aspects of economic growth. These are questions rather than answers, for lack of firm basis for the latter; and even the questions are selective. The two trends chosen for comment are: the long-term decline in birthrates, associated largely with increasing control of intramarital fertility; and the long-term rise in the proportion of population in advanced ages (65 and over), associated largely with the recent impact of health technology in reducing mortality at the higher ages.

The natural concentration in Professor Easterlin's paper on the recent, forty-year swing in fertility, left little room for noting the underlying downtrend. Yet it is conspicuous in Easterlin's table 4.A.1, from the 1870s to World War II; and even within the swing itself, the average birthrate declined, from 22.3 per thousand in the four quinquennia of 1935-55 to 19.5 per thousand in the twenty-three years from 1955 to 1978. The consensus of the present projections suggests further decline. According to the latest, 1978, assessment (medium variant) by the United Nations, the average for 1955-60 to 1975-80 (the latter weighted by half) of 19.8 per thousand will drop to an average of 15.8 for 1975-80 (weighted by half) through 1995-2000.<sup>1</sup> Two comments should be added. First, the marked decline in fertility was observed in, and projected for, many other countries, in some of which it dropped to much lower levels than in the United States (e.g., the United Kingdom, France, Germany, and Sweden). Second, with the age composition moving toward the older, and higher mortality ages, the crude rate of natural increase dropped more relatively than the crude birthrate. Thus, for the United States, the birthrate drops from an average of 37.9 per thousand

for 1870–75/1885–90, to the projected rate of 14.2 in 1995–2000, a decline of 62 percent; the rate of natural increase drops from 16.3 to 4.4 per thousand, by 73 percent.

The other trend to be noted is the sustained rise in the proportion of population 65 years old and older. To go back just to 1930, we find a steady rise in the proportion from census to census, from 5.4 percent in 1930 to 9.9 percent in 1970; and the recent projections move the proportion from 10.5 percent in 1975 to 12.7 in the year 2000.<sup>2</sup> The relative rise is far greater than would be produced as a secondary effect of the fall in the birthrates, and hence of the proportions of the very young. This is shown clearly when we observe the share of the next to the oldest group, 55–64, which rises from over 6.8 percent in 1930 to 9.1 in 1970, and is projected to only a slightly higher share in the year 2000.

In turning now to economic consequences of the long-term decline in fertility, one may note first that, given the limited universe in which we live, and the marked decline in mortality due to scientific advance and economic progress, a reduction of fertility was to be expected. And one could view it as a free and rational response of would-be parents to higher survival rates of children and to the value of greater investment of human capital in a smaller number of offspring. But this does not mean that some of the consequences of the downtrend in fertility and of the associated decline in the rate of natural increase, may not be problematic. The decline in the proportion of new entrants into, and of the younger groups in, the labor force may result in sluggish mobility, in an inadequate response to new employment and growth opportunities afforded by technological innovations. And the reduced growth rate in total product may have a damping effect on entrepreneurial capital formation because of lowered growth horizons.

A more interesting aspect of birthrates, and—for posttraditional societies, of the associated rates of natural increase—is their negative correlation, within a country, with the income level of the parental pair (or more strictly, of the family or household—income on a per capita or per consuming unit basis). That the poor tend to have more children, and with the death rates at lower secular levels, more *surviving* children, has been observed repeatedly; and there is some evidence for it for recent decades in the United States. If so, the contribution of the lower income groups, the poorer classes in the population, to new additions to the population and eventually to the labor force, is appreciably greater than their weight in the parental population. Several consequences follow. First, if we assume that the growth rate ( $G$ ) for product per worker, from one generation to the next, is the same for the offspring of the lower and the higher income groups, say 3 percent per year or 81 percent over a span of two decades, the growth rate for the total body of workers would be *below* this assumed rate—because of the rise in the

proportion of the low income groups. Second, if, retaining the assumed overall rate of 3 percent per year for the initial, parental population, we modify the growth rate to make it higher for the lower income offspring and lower for the higher income offspring, thus reducing the initial income inequality, the shortfall in the growth rate of per worker product for the total labor force would be even greater. Thus, other conditions being equal, the negative association between income levels and rate of natural increase makes either for lower rates of growth of product per worker, or for widening income inequality, or for both.<sup>3</sup>

The data easily at hand refer to racial or ethnic groups, characterized by substantially lower than average income per capita. Thus, the 1970 census shows the proportion of the black population to total of 11.1 percent; but the ratio of the black group aged 0-4 to total population aged 0-4 was 14.2 percent (see the series in the *Historical Statistics* volume cited in note 2). In March 1978 the average family comprised 3.33 persons, of whom 1.10 were related children under 18 years of age. But the average white family averaged 3.28 persons, of whom 1.04 were related children, while the average for a black family was 3.77 persons of whom 1.59 were related children under 18. The black family population accounted for 11.5 percent of total family population, and for 14.7 percent of related children under 18. But the money income per person was \$3.2 thousand in black families and \$5.7 thousand in white. A similar case of higher propensity to have children is found for families with head of Spanish origin: the average number of persons per family was 3.88, of whom 1.66 were related children, and the per capita income of \$3.4 thousand was 40 percent below that for all families.<sup>4</sup>

The economic and social class differences in birth and fertility rates just suggested are an important subject for further study; and so are the economic and social class differences in mortality, which are negatively correlated with the per capita income level of the families or households involved. Such further analysis would make it possible to deal more insightfully with the problems raised by concentration of births and of eventually resulting additions to the working population in the lower income levels. But, in the present connection one might push speculation further and ask whether the combination of declining fertility and mortality, in the typical pattern associated with economic growth and the demographic transition, is not likely to make, in some phases, even greater concentration of new population and new labor force in the lower income families; and thus aggravate the task of integrating the additions, without limiting effect on growth of product per worker or without worsening inequality in the income distribution.

This possibility can again be illustrated by using crude birth and death rates for a racial group, viewed as a proxy for the lower income and

social components in the population. Comparing whites and nonwhites (the latter including races other than black, but greatly dominated by the latter), we find that for 1921–30, the crude vital rates (per 1,000) were: for births—23.6 for the white population, and 31.9 for nonwhite; for deaths—11.1 for white and 16.6 for nonwhite; for rates of natural increase—12.5 and 15.3 respectively, a spread of 2.8 points per thousand. The death rates used here are for total population, and the differential mortality for the younger groups could be different; but the general bearing of the illustration may be valid. By 1961–70, the rates were: births at 18.8 and 27.3 per thousand for the white and nonwhite populations; death rates at 9.5 and 9.7 per thousand, for the two groups; and the rates of natural increase were 9.3 and 17.6, respectively, a spread of 8.3 points per 1,000.<sup>5</sup> The spread in the rates of natural increase, the rates most relevant here, widened partly because the birth-rates for the nonwhites declined somewhat less than for the white population; but largely because in the diffusion of lower mortality, the drop in the death rates for the nonwhite group was so much larger and mortality rates for the two groups converged to almost equality. With the ratio of nonwhite population to total in 1930 at 10.2 percent, and rising to 13.0 percent by 1970, the proportion of the nonwhite population aged 0–4 to total population of that age class rose from 11.4 percent in 1930 to 15.9 percent in 1970. The eventual effect would obviously be to raise substantially the proportion of nonwhites in the additions to the labor force.

All of the parameters above need revision, and the suggested inferences are illustrative. They are intended to stress that during the long-term decline of the birth and death rates, the higher proportion of offspring of the lower income groups surviving to join the country's labor force, higher than in the parental population, means pressure making for a more limited growth of product per worker or for widening inequality of income. In some phases of this process, the pressure may be greater, either because the income-origin mix in the addition to working population becomes more biased toward the lower income groups; or because the initial income inequality has widened; or for other reasons (e.g., changes in requirements for labor force participation, raising the levels of education and skill required to levels not easily accessible to children of the poor).

The reduction in fertility obviously had a variety of other consequences, among them the recent and increasing rise in the rate of participation of women in the labor force. And there are also the obvious effects on the age and sex structure of the population viewed as groups of consumers, with the resulting shifts in the structure of total consumer demand—decline in the relative importance of some consumer goods

and rise in that of other goods. But let me turn now to the second trend selected for comment, the long-term rise in the proportion of population in the advanced ages.

Three aspects of this rise were noted in Professor Easterlin's paper. First, within the group of 65 and over, the older subgroups rose proportionately more than the younger. Thus, the share of the 65-74 age group in total population rose from 5.58 percent in 1950 to 6.50 percent in 1975, and is then projected to rise to 6.91 percent in the year 2000; the share of the 75 and over group rose from 2.56 percent in 1950 to 3.99 percent in 1975, and is projected to rise to 5.75 percent in 2000. The share of the younger group rises by less than two-tenths; that of the older group more than doubles.<sup>6</sup> Second, the widening difference in favor of women in life expectation at advanced ages means that, within the total group of 65 and over, the share of women and their excess over men has increased. Thus, the ratio of women to men, within the 65 and over group, rose from 1.02 in 1950 to 1.44 in 1975, and is projected to 1.50 in the year 2000. Third, the excess of women over men grew conspicuously more within the older subgroups. Thus, the ratio of women to men in the 65-74 age class rose from 1.02 in 1950 to 1.30 in 1975, and drops somewhat to 1.27 in the projection to year 2000; the ratio of women to men within the 75 and over age class rises from 1.21 in 1950 to 1.71 in 1975, and is projected to 1.85 by the year 2000.

Partly because of the progressive aging within the 65 and over group, but largely because of factors on the demand side, the labor force participation rates for the male group declined sharply since 1950, and are projected to decline further. Those rates (based on census data) were as high as 68 percent in 1890, declined to 41 percent by 1950, and dropped, in just two decades, to 25 percent in 1970 (see *Historical Statistics, 1976*, Series D29-41, p. 132). The International Labor Office (ILO) data indicate a movement of the labor force participation rates for males 65 and over from 45 percent in 1950 to 26 percent in 1970, and then project a further decline to 19 percent in the year 2000.<sup>7</sup> Both sources show very low rates of participation for women aged 65 and over, ranging from 7 to 10 percent in the census data, hovering below 10 percent in the ILO data, and projected to about 9 percent in the year 2000. Given the differences in the level of participation rates between the two sexes, and rising proportions of females, the combination of the two sexes yields (in the ILO data) a decline for the total participation rate from 26 percent in 1950 to 16 percent in 1970, and a projection to 12 percent in the year 2000.

The reduction of mortality at the advanced ages might have meant also reduction of morbidity; and, at a given age, say in the 65-74 age class, better health and greater productive capacity than before. If so, one may ask why the drastic fall in the labor force participation rates

for the older males, and why the failure of the very low rates for older females to rise. Was it because of increasing obsolescence of the knowledge and skill of the older groups, induced by changes in the requirements for effective employment on the demand side? Or, less likely, was it due to favorable changes in the asset position of the aged (or in welfare policies) that made a shift to earlier retirement from the labor force feasible and preferable? The substantial rise in the proportions of the aged in the total population, and further projections of it (which may turn out to be understatements because of breakthroughs in health technology), assign to the question of working capacity and propensity of the aged, indeed of their role in society, large and increasing weight.

Another question relates to the two problems implied in a rising proportion of aged. The first is the likely increase in the share of the aged with shortages of income or wealth relative to needs. While it is not feasible to document this possible trend, several groups of factors appear to have made for it. One is connected with the unforeseen character of the relevant mortality trends and of other economic circumstances—which could have rendered earlier rational plans for financing retirement seriously deficient (because of extension of life, but not of work; and of the effects of inflation particularly on the nonworking aged). Another is implied in the convergence of death rates for poorer and richer groups in society, with the result that the proportions of lower income groups within the total group of 65 and over might have increased.<sup>8</sup> The third is suggested by the recently marked trend on the part of the aged to live separately, in single or two-person households, implying a weakening of the family ties between the active generations and their aged parents; and reduction in the possibly ameliorative effects of intra-larger-family sharing. It is hardly surprising that in the greater concern in recent decades over consumption deficiencies among the lower income groups, particular attention had to be paid to the aged among them.

Even assuming adequate provision for consumption needs of the aged, the other possible problem—increased excess of their consumption over the contribution of their labor and capital to total product—remains. Indeed, the real dissaving involved in such excess may only be increased by transfer and other policies properly oriented to sustain consumption by the aged. The concern here is not with the intricacies of the estimate of such excess. If, simply, one assumes the realistic possibility of a discrepancy, positive or negative, between a given human unit's consumption and the contribution of its labor and capital to total product, it is possible to argue that the rising proportion of the aged in total population—with their limited labor force participation and the likely growth of the poorer subgroups among them—means an increasing weight of the real dissaving, at least in absolute magnitude. The question then arises as to the weight of such dissaving relative to national product; or,

better, relative to the net positive savings that may be generated in the economy by groups and institutions other than those represented by the aged.

The notes above stressed the consequences of selected demographic trends; and the need, in considering them, to distinguish the differing incidence among the several socioeconomic groups within the country. Demographic trends are long, so that changes are gradual and are likely to be overshadowed by the shorter term economic and political changes and their reflections. Yet one must emphasize that demographic trends, because of their biological bases, imply substantial constraints within which people must act. Thus, only women in childbearing ages can produce children (at least until another method is devised); breakthroughs in health technology are not predictable responses to economic investment, and some mortality differentials (e.g., between women and men) are not yet subject to human control; and various age and sex groups differ widely as producers and as consumers. To be sure, the constraints of the long biological cycle, from birth to death, are partly modified by society's institutions and dominant views. But this makes it all the more important to be able to appraise the economic consequences of these *changing* constraints, in their impact on economic advance, on the distribution of this advance among the several socioeconomic groups, and on the institutional adjustments that may be called for.

## Notes

1. See United Nations, *World Population Trends and Prospects by Country, 1950-2000: Summary Report of the 1978 Assessment* (New York: United Nations, 1979), tables 2-A and 2-B, pp. 47-56.

2. These and other data in the paragraph are: for 1930-70, from U.S. Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970, Bicentennial Edition, Part 1* (Washington, D.C.: Government Printing Office, 1975), Series A-119-34, pp. 15-18; for 1975-2000, U.S. Bureau of the Census, "Illustrative Projections of World Population to the 21st Century," *Current Population Reports, Series P-23, no. 79* (Washington, D.C.: Government Printing Office, 1979), table 2, part U, p. 39.

3. See Simon Kuznets, "Income-Related Differences in Natural Increase: Bearing on Growth and Distribution of Income," in *Nations and Households in Economic Growth: Essays in Honor of Moses Abramovitz*, ed. Paul A. David and Melwin W. Reder (New York: Academic Press, 1974), pp. 127-46.

The illustrative data used in this earlier paper are not available over a long time span; and I am using here data on racial and ethnic minorities, with lower average incomes, in comparison with the white majority with its higher average income. The comparisons are rough and cannot be pursued here with adequate attention to the limitations of the data.

4. The data are from U.S. Bureau of the Census, *Current Population Reports, Series P-60, no. 118* (Washington, D.C.: Government Printing Office, 1979), table 2, pp. 14-19.

5. The data here and in the rest of the paragraph are from *Historical Statistics* (Washington, D.C.: Government Printing Office, 1976), Series A-119-34, pp. 16-18; Series B-5-10, p. 49; and Series B-160-80, p. 59.

6. In addition to the Census Bureau projection referred to in note 2, and covering the span from 1975 to 2000, we used for 1950-75 the United Nations' age and sex distribution of population according to the 1973 assessment (this involves projections to 1970 and 1975, but these are close to the Bureau of Census later date. The source is United Nations, Population Division, "Population by Sex and Age for Regions and Countries, 1950-2000, as Assessed in 1973: Medium Variant," ESA/P/WP.60 (mimeographed), (New York: United Nations, 1976), p. 97.

7. See International Labour Office, *Labour Force Estimates and Projections, 1950-2000*, 2d ed. (Geneva, 1977), vol. 4, tables 2, 5, pp. 9, 76.

8. The share of black population in the total, for all ages, rose from 9.7 percent in 1930 to 11.6 percent in 1977; the share within the 65 and over group rose from 5.6 percent in 1930 to 8.2 percent in 1977 (see *Historical Statistics, 1976*, the series referred to in note 2); and *Statistical Abstract of the United States, 1978*, Washington, D.C.: Government Printing Office, 1978, table 29, p. 29). The sharper rise of the share of the lower income, black, population in the aged group, is striking.

## Summary of Discussion

In leading off the discussion, Wilbur Cohen developed some of the implications of the demographic shifts for income support programs. First, as the life expectancy of women continues to grow over that of men, there will be an increasing number of 75-90 year old widows, putting an added strain on the social security system. This will be exacerbated by a general aging of the population and a decline in the labor force share of younger workers. The increasing number of births out of wedlock will tend to increase economic inequality, while the decline in number of large families may reduce poverty and inequality.

A number of participants speculated on the causes and consequences of the decline in extended families and the apparent decline, more generally, in family values. Robert Gordon pointed to welfare provisions as a major influence in the decline of two-adult households in American inner cities. A more favorable effect, Gordon stated, has resulted from the social security system, which has reduced dependence of older individuals on younger family members. Milton Friedman, on the other hand, saw social security as a detrimental influence on social trends. He declared that as children stopped contributing voluntarily to the support of their parents, and began contributing through a system of government fiat, a serious erosion of family values became inevitable.

Samuelson ventured the judgment that, although the 1945-80 data are broadly consistent with the Easterlin model of an every-other-generation cycle in population growth generated by changes in economic se-

curity and opportunity of young adults resulting from changes in their *relative* numbers, the power of that evidence to give one confidence in the hypothesis is weak. It is almost as if one had but two or three data points in the relevant scatter of cycles. It would seem safer to regard Easterlin's point as just one of many and not one strong enough to dominate the rest. If economics is to describe the dynamics of demography, the fad and fashion theory of skirt length may be as germane as the doctrine of invariant indifference and preference contours.

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# Errata

The following corrections should be made to chapter 5

Page 368, last line—for “p. 42” read “p. 546”; add additional data source: BLS 1979a, table 42, p. 134, and table 147, p. 502.

Page 378, table 5.6—add additional source: Joe Russell, “Changing Patterns of Employment of Nonwhite Workers,” in L. A. Ferman, J. L. Kornblah, and J. A. Miller, *Negroes and Jobs* (Ann Arbor: University of Michigan Press, 1968).

Page 382, table 5.7, line 13—for “doctorate women” read “doctorate workers”

Page 385, section heading 5.9.1—read “Level and Composition of Unemployment”

Page 387, line 10—add: “All the data except those in figure 5.4f are from *Employment and Training Report of the President 1979*; the education data are from Bureau of Labor Statistics, *Special Labor Force Reports*, various years.”