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Recent Population Trends in the Eighth District

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Migration has been a substantial factor affecting population, influenced in large part by declining farm employment, and the business cycle. Net out-migration occurred in more district counties in the 1940's than after 1950. On balance, population in the district gained as the natural increase more than offset the out-migration.

The out-migration trend has affected the age structure, average educational characteristics of the population, and the growth of retail trade. The faster growth of the suburbs in metropolitan areas has affected the location of economic activity. The large out-migration from the district points to the opportunity as well as the need for greater industrial development.

Federal Reserve Bank
of St. Louis

Survey of Current Conditions—p. 78

Recent Population Trends in the Eighth District

ONE OF OUR AMERICAN HERITAGES is the right to move freely from job to job and from place to place to improve our economic status. Long ago, the pioneer moved westward seeking better opportunity. More recently people have moved from the farm to the city to obtain greater income. "Pushed" by the drop of employment opportunities in face of a growing supply of labor on the farm and "pulled" by the new job openings and higher income in the towns and cities, workers have moved in vast numbers. Today, much of the ceaseless flow of people within the nation results from the desire to obtain more income.

In the Eighth District (composed of Arkansas, most of Missouri, southern Illinois and Indiana, western Kentucky and Tennessee and northern Mississippi), agriculture bulks larger than in the nation. It is not surprising, then, with farm employment declining and nonfarm employment increasing in the district only about as rapidly as in the nation, that people have migrated elsewhere.

For many years it has been apparent from the decennial Censuses that this district has grown less rapidly than the nation. During the depressed '30's, when nonfarm employment stagnated and the off-farm migration slowed, the district population increased 6 per cent, while the national population rose

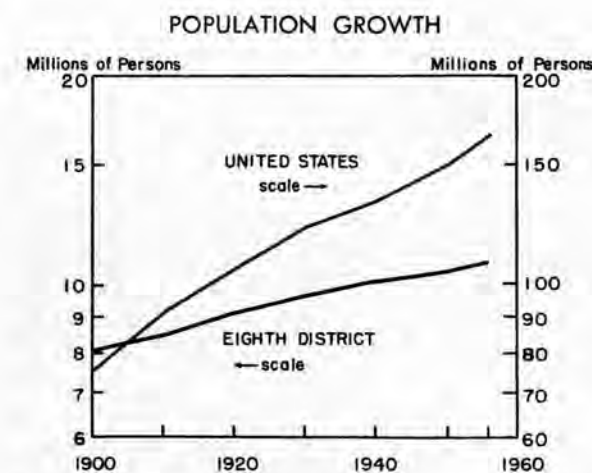
7 per cent. During the '40's, when nonfarm employment expanded under the influence of World War II and the postwar boom, district population grew by 3 per cent and national population by 14 per cent. Official population data for the district since 1950 are not available. However, estimates made by this bank and others indicate a continuation of the slower than national growth.

In addition to migration, the population change in an area is affected by births and deaths. It will be of interest to note how each of these three factors has affected the district population since 1940.¹

The birth rate in the Eighth District has increased, but not as fast as the national rate, . . .

There were approximately 270,000 births in the Eighth District during 1954 and probably about as many in 1955. This was about 10,000 more than were born in 1950 and substantially more than the estimated births of 220,000 in 1940. The increase in births has been even more rapid than the rise in population. As a result, the birth rate in the district has increased, as it has for the nation, since 1940.² In that year there were 21.5 births per 1,000 population, in 1950 the rate rose to 24.8, and by 1954 to an estimated 25.2. However, the birth rate for the nation has risen somewhat faster since 1940 than in the district. As indicated in Table 1, the district birth rate was 11 per cent higher than the national rate in 1940. By 1950 the district rate was only 3 per cent higher, but in 1954 the district rate was about the same as nationally.

The decline in the district birth rate relative to the national reflects, in part, the faster decline of population in rural areas of the district than nationally. It also probably results from the out-migration of the child-bearing age groups. Another factor may be the



Source: U. S. Bureau of Census
1955 district estimate by this Bank

¹ Estimates of population by county as of December 31, 1955, have been prepared by this bank. Data on a county basis will not be published here, but are available on request at the Research Department, Federal Reserve Bank of St. Louis, St. Louis 2, Missouri. The data are compiled from census material and statistical reports by State and Federal agencies.

² Birth rates used in this article are the corrected birth rates, obtained by dividing the number of registered live births during a year to residents of an area adjusted for under-registration, by the total population in thousands.

TABLE 1
BIRTH, DEATH, AND NATURAL INCREASE RATES, 1940, 1950, 1954

Eighth District Counties	1940			1950			1954		
	Birth rate ¹	Death rate	Rate of natural increase	Birth rate ¹	Death rate	Rate of natural increase	Birth rate ¹	Death rate	Rate of natural increase
Arkansas.....	26.0	8.8	17.2	27.1	8.1	19.0	27.2	8.5	18.7
Metropolitan Areas									
Little Rock (Pulaski).....	24.5	13.7	10.8	23.6	9.0	19.6	28.5	8.6	19.9
Fort Smith (Sebastian).....	25.6	8.5	17.1	28.1	8.5	19.6	35.3	8.8	26.5
Nonmetropolitan Areas.....	26.1	8.4	17.7	26.9	7.9	19.0	26.8	8.5	18.3
Illinois.....	18.0	11.8	6.2	21.0	11.0	10.0	22.0	10.6	11.4
Metropolitan Areas									
St. Louis (Madison, St. Clair)...	17.2	11.0	6.2	23.7	9.7	14.0	27.1	9.3	17.8
Nonmetropolitan Areas.....	18.2	12.1	6.1	19.9	11.5	8.4	19.6	11.2	8.4
Indiana.....	19.0	12.3	6.7	23.6	10.6	13.0	24.8	9.7	15.1
Metropolitan Areas									
Evansville (Vanderburgh).....	18.4	12.1	6.3	25.6	9.6	16.0	26.7	8.7	18.0
Louisville (Clark, Floyd).....	18.7	12.4	6.3	26.0	9.3	16.7	27.7	8.7	19.0
Nonmetropolitan Areas.....	19.2	12.3	6.9	22.5	11.3	11.2	23.4	10.2	13.2
Kentucky.....	22.4	11.4	11.0	25.2	10.0	15.2	25.4	9.2	16.2
Metropolitan Areas									
Evansville (Henderson).....	23.5	13.4	10.1	25.2	12.0	13.2	27.5	9.5	18.0
Louisville (Jefferson).....	19.8	13.0	6.8	27.6	10.4	17.2	28.9	9.6	19.3
Nonmetropolitan Areas.....	23.3	10.8	12.5	24.2	9.8	14.4	23.6	9.0	14.6
Missouri.....	18.4	11.4	7.0	22.2	10.9	11.3	22.8	10.4	12.4
Metropolitan Areas									
St. Louis (St. Louis City, St. Louis, St. Charles).....	16.4	11.7	4.7	24.0	10.8	13.2	25.7	10.1	15.6
Springfield (Greene).....	18.2	11.8	6.4	22.7	10.2	12.5	20.4	9.3	11.1
Nonmetropolitan Areas.....	19.7	11.1	8.6	20.8	11.0	9.8	20.3	10.7	9.6
Mississippi.....	27.4	10.3	17.1	31.4	9.9	21.5	31.7	9.4	22.3
Tennessee.....	18.7	11.0	7.7	26.6	9.3	17.3	27.3	8.8	18.5
Metropolitan Areas									
Memphis (Shelby).....	19.1	11.7	7.4	28.3	9.4	18.9	30.3	8.6	21.7
Nonmetropolitan Areas.....	18.5	10.5	8.0	24.8	9.2	15.6	24.0	9.0	15.0
Total Eighth District.....	21.5	10.9	10.6	24.8	10.0	14.8	25.2	9.6	15.6
United States*.....	19.4	10.8	8.6	24.1	9.6	14.5	25.3	9.2	16.1

¹ Crude birth rates adjusted for underregistration

*Source of U. S. data: *Statistical Abstract of the U.S.*, 1955, pp. 59-61 (1954 data are from the National Office of Vital Statistics)

faster out-migration and resultant reduction in relative proportion of non-whites, whose fertility is higher than whites.³

The birth rate in the district varies considerably from place to place. It is highest in the southern part of the district, where the non-white population ratio bulks largest. Reflecting the migration to the metropolitan areas of those age and racial groups with the highest fertility, the rates of births in 1950 and 1954 were generally higher in the metropolitan areas than in the nonmetropolitan areas in the same state. In 1940, however, the opposite was true. At that time more equal proportions of the child-bearing ages existed in metropolitan and nonmetropolitan areas, partially reflecting the slow out-migration from rural areas during the '30's. In addition, fertility has been lowest in urban areas, somewhat higher in rural-non-

farm areas, and highest in rural-farm areas. However, the differences between urban and rural areas narrowed between 1940 and 1952, according to a recent Bureau of the Census report, as fertility in urban areas increased more than in rural areas. The average number of children born to women 15 to 44 years old apparently increased by about 15 per cent in urban areas, by about 10 per cent in rural-nonfarm areas, and by about 5 per cent in rural-farm areas.

... and the death rate has declined more slowly in recent years.

In 1940 there were about 111,000 deaths of residents of the Eighth Federal Reserve District. By 1950, however, the number of deaths declined to about 105,000 and in 1954 there were an estimated 103,000 deaths.

But the death rate in the district is slightly higher than in the United States despite the decline in the

³ Fertility is used here as a measure of the actual reproductive performance of a group of women.

number of deaths.⁴ The district death rate in 1940 was 10.9 per 1,000 population, only slightly higher than the 10.8 rate for the nation. By 1950 the death rate in the district had declined to 10.0, but the national rate dropped even faster to 9.6. The downward trend in the death rate continued through 1954 when the district rate was 9.6 and the national rate 9.2 per 1,000 population.

The above-national rate existing in the Eighth District reflects a number of factors, the lower per capita income and standard of living that prevails throughout most of the district and the higher proportion of non-white population in the area, for example. But the principal condition explaining the level of the district death rate and its less rapid decline in recent years is the larger proportion of district population 65 years of age and over. Furthermore, the difference between district and nation in proportion of population 65 years and over increased from 1940 to 1950, and information for district states indicates that this trend continued through 1954.

As between various areas of the Eighth District the death rate differed only slightly. In Arkansas and Kentucky, the rate was lower in nonmetropolitan areas than in metropolitan areas of the same states, but elsewhere the reverse was true.

Thus, the district rate of natural increase has risen less rapidly and is now slightly below the national rate.

With the district birth rate rising less rapidly and the death rate falling more slowly than nationally, the rate of natural increase of district population also has risen at a slower pace than in the nation. In 1940 the rate of natural increase in the district was somewhat higher than nationally. But by 1954 the rate of natural increase in the district was slightly less than the United States, as indicated in Table 1.

Within the district the rate of natural increase has continued to be largest in southern portions. Arkansas and the district portion of Mississippi had the highest rates of natural increase. The metropolitan areas generally had higher rates of natural increase than did the nonmetropolitan areas of the same states.

The excess of births over deaths resulted in a natural increase of 107,000 persons in the Eighth District in 1940. By 1950 the annual natural increase had risen to 155,000 and in 1954 was estimated at 167,000 persons.

⁴ Death rates used here are the crude rates, obtained by dividing the number of deaths of residents in a year by the population in thousands.

Migration has been a substantial factor affecting population, . . .

The importance of migration on population changes reflects the mobility of the American people. In the year ended April 1955 some 10 million persons in the United States, or one in every fifteen, moved to another county. About one-half of these moved from one state to another. While the total population movement is large, the net movement in or out of a particular region may be moderate with inflows and outflows partially offsetting each other. For example, in the year ended April 1955, 814,000 persons moved to the South, but, at the same time, 993,000 Southerners moved out of their region. As a result, the South lost 179,000 persons in that year due to migration.

Historically, the persistence of out-migration has had a large cumulative effect on the population of district states. For the nation as a whole, 26 per cent of the population in 1950 was living in states other than

TABLE 2
NATIVE POPULATION BY STATE OF BIRTH
AND RESIDENCE, 1950

(Numbers in thousands)				
State	Born in state, living elsewhere Percent	Number	Born elsewhere, living in state Number	Net Migration Number
Arkansas	43	1,100	421	— 680
Illinois	25	1,966	1,925	— 41
Indiana	25	958	941	— 17
Kentucky	32	1,211	351	— 860
Missouri	36	1,609	954	— 655
Mississippi . . .	33	947	226	— 721
Tennessee . . .	29	1,050	637	— 413
Total		8,841	5,455	—3,387

Source: U. S. Census of Population, 1950.

their state of birth. All district states except Illinois and Indiana had proportions of migration in excess of the 26 per cent.

The migration pattern is usually not the same for all parts of a state, however. For example, while the states of Illinois and Indiana gained population by in-migration from 1940 to 1955, the Eighth District parts of those states had a net out-migration. Similarly, some of the metropolitan areas of the district have had net in-migration, while the nonmetropolitan areas of the same state have had net out-migration.

As has been indicated above, the rate of natural increase shows significant differences between the vari-

ous areas of the district. However, those areas which have the highest rate of natural increase have actually had the smallest absolute gain or, in some cases, an actual loss in population in recent years. Migration has been a substantial factor affecting the district's population, and in some areas, obviously, the dominant factor.

... influenced in large part by declining farm employment, ...

One of the main forces affecting migration in the past twenty years has been the decline in farm employment. Diminishing employment in agriculture reflects the increasing output per worker without a corresponding gain in consumption of farm products. The number employed in agriculture declined from an average of 9.5 million in 1940 to 6.7 million in 1955, a drop of 29 per cent. At the same time farm output per man-hour jumped 89 per cent and total farm output rose by 35 per cent. As a result of these changes in the demand for labor on the farm, the number of persons living on farms in the United States declined by over 5 million between 1940 and 1955 to a total of about 22 million.

Paralleling national trends, farm population has fallen in the Eighth District. Growing mechanization of cotton production, for example, has sharply reduced the need for labor. A study by the Missouri Division of Employment Security indicates that the percentage of cotton harvested in Missouri by mechanical pickers increased from 7 per cent in 1952 to 30 per cent in 1955. This change in production methods and others have reduced by about half in the past twenty years the number of man-hours required to raise a bale of cotton.

... and the business cycle.

It has long been observed that the movement of people from farm to city is closely associated with the rate of business activity. When nonfarm employment opportunities are expanding in the urban areas, the higher income opportunities attract workers from the farms. Conversely, when unemployment in the cities is rising, the attraction of farm workers is reduced. In some cases those laid off in the city return to the small towns and rural areas from which they originally came, slowing the tide of out-migration.

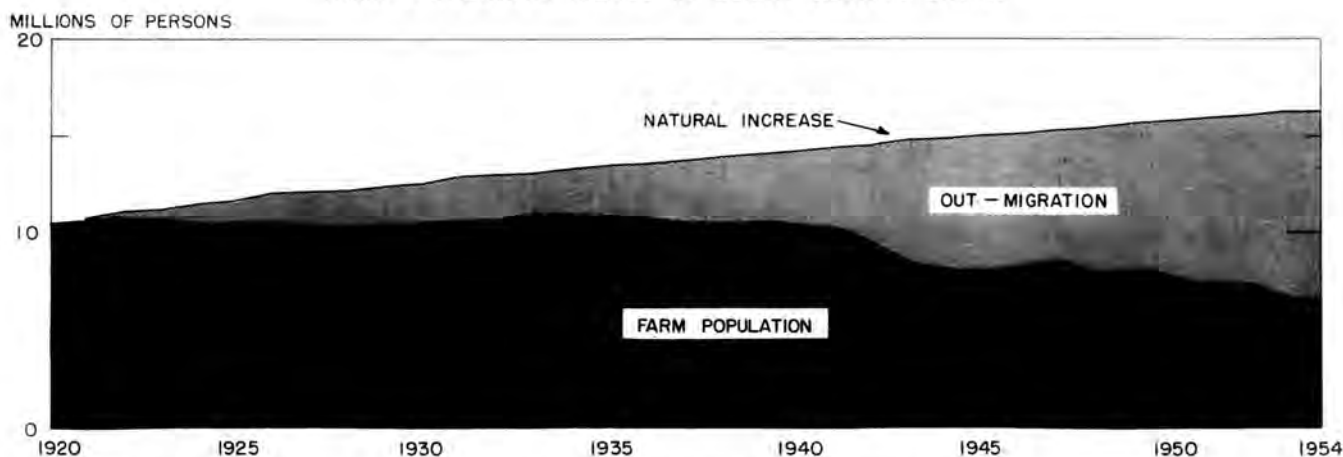
The return of workers from the large industrial centers during the 1953-54 recession aggravated the surplus labor situation existing in some parts of the district. Reports indicate that the same thing occurred on a more limited basis in early 1956 when automobile plants laid off workers.

Net out-migration occurred in more district counties in the 1940's than after 1950.

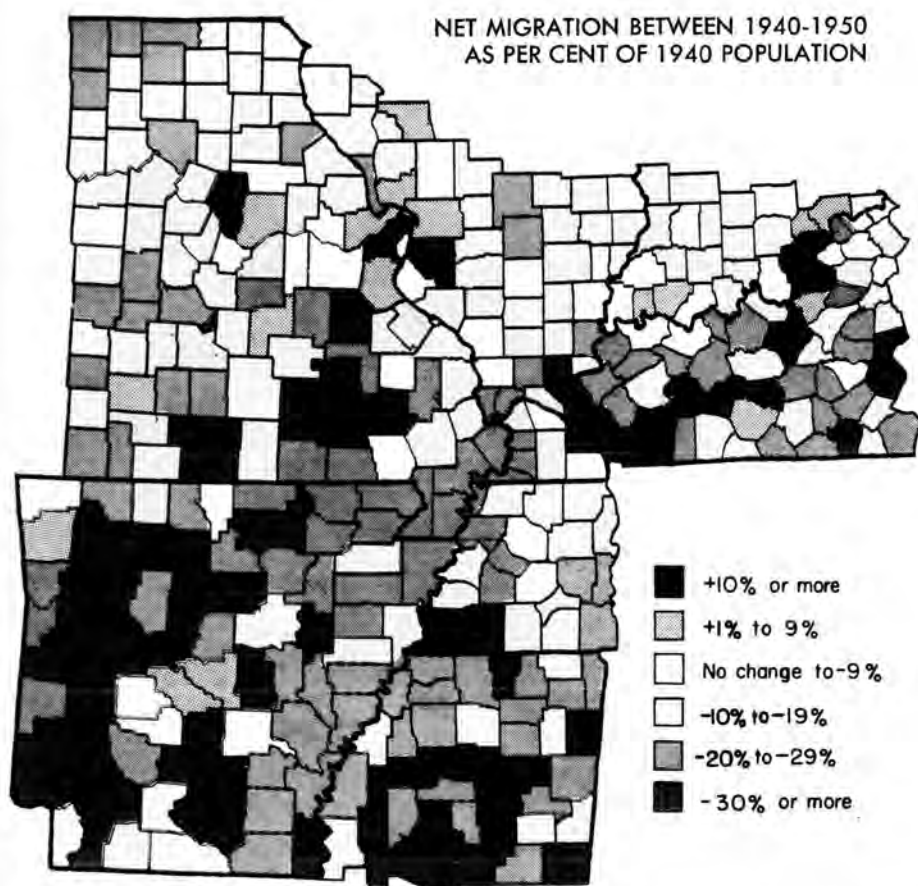
With few exceptions, most of the nonmetropolitan counties in the Eighth Federal Reserve District experienced net out-migration from 1940 to 1950. Only 27 of the 363 counties in the Eighth Federal Reserve District attracted more migrants than they lost in that period and 11 of these were metropolitan counties.⁵

⁵The apparent net in-migrations to Boone County, Missouri, and Washington County, Arkansas, were due mostly to a change in the Census recording of the residence of university students at the Universities of Missouri and Arkansas between the two periods. In 1950 the college town was considered their residence, but in 1940, their parents' addresses were used. The enlargement of Fort Knox and the establishment of Camp Campbell and Fort Leonard Wood between 1940 and 1950 were responsible for the net in-migration to Hardin and Christian Counties, Kentucky, and Phelps County, Missouri. In a few cases counties adjoining metropolitan areas also gained population by net in-migration in the decade.

FARM POPULATION TRENDS IN SOUTH CENTRAL STATES*



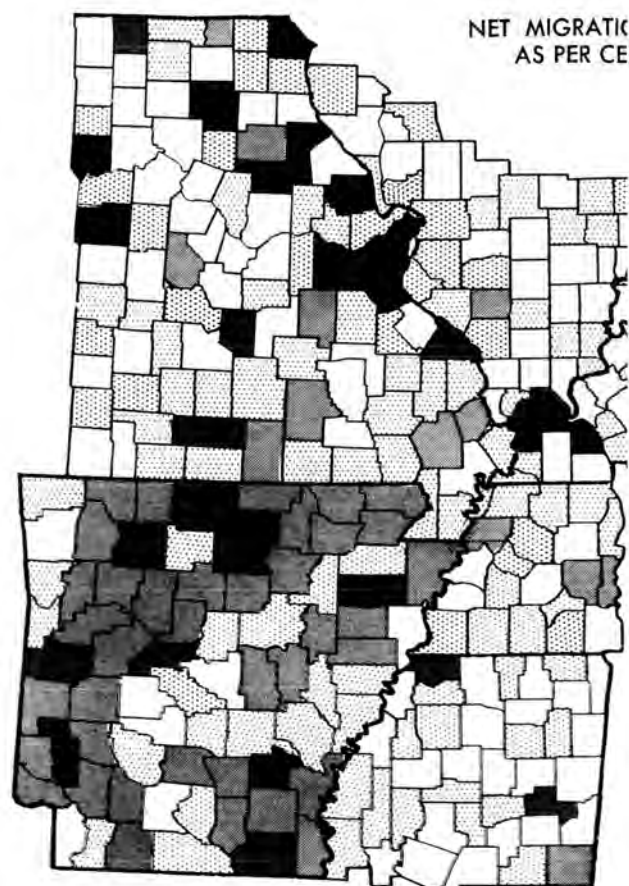
*Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma and Texas. Source: U. S. Department of Agriculture.



In general, the net out-migration was a larger proportion of the 1940 population for those counties having the lowest per capita income in 1939. In some Arkansas counties, for example, the net out-migration in the decade amounted to nearly one-half the 1940 population.

From April 1950 to December 1955, 62 of the 363 counties in the Eighth Federal Reserve District attracted more migrants than they lost compared with only 27 that gained by migration from 1940 to 1950. Expansion of industrial employment was probably responsible for the net in-migration in many of the counties. For example, since 1950, considerable numbers of people have moved to four counties in western Kentucky and Massac County in Illinois, reflecting developments around Paducah, Kentucky. The reactivation of an Air Force base near Sedalia, Missouri, resulted in a net in-migration in that area.

In the remaining 301 counties the net outflow of migrants ranged to as much as 44 per cent of the 1950 population. Net out-migration of less than 10 per cent of the 1950 population occurred in 100 coun-



ties and of between 10 and 20 per cent in 114 counties, while the remaining 87 counties had net out-migration of more than 20 per cent. Since 1950 there has been a small net outflow from the metropolitan areas of Little Rock, Fort Smith and Evansville.

On balance, population in the district gained as the natural increase more than offset the out-migration.

From April 1950 to December 1955 births in the Eighth Federal Reserve District exceeded deaths by 924,000, but, at the same time, 613,000 more people moved away from the district than into the district. As a result, district population increased from 10,473,000 in April 1950 to an estimated 10,785,000 at the close of 1955.

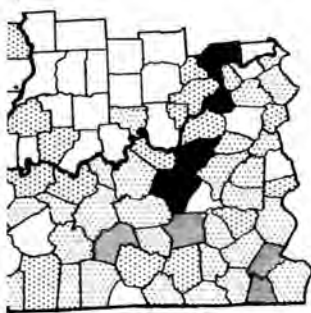
The nonmetropolitan counties experienced a net loss of 708,000 persons by net out-migration, which more than offset the natural increase of 588,000. As a result, the population of the nonmetropolitan counties in the Eighth Federal Reserve District declined 2 per cent from 1950 to 1955, continuing the downward

TABLE 3

POPULATION, NATURAL INCREASE AND NET MIGRATION, 1940-55
(In thousands)

Eighth District Counties	Population April 1, 1940	Natural Increase 1940-1950	Net Migration 1940-1950	Population April 1, 1950	Natural Increase 1950-1955	Net Migration 1950-1955	Population Dec. 31, 1955	Per Cent Change in Population 1940-1950	1950-1955
Arkansas.....	1,949	375	— 415	1,910	199	—328	1,780	— 2	— 7
Metropolitan Areas.....	156	30	+ 11	197	24	— 5	215	+26	+ 9
Little Rock (Pulaski).....	63	14	+ 12	64	9	— 7	66	+ 2	+ 3
Fort Smith (Sebastian).....	1,730	331	— 413	1,649	166	—316	1,499	— 5	— 9
Nonmetropolitan Areas.....									
Illinois.....	1,305	110	— 97	1,319	83	— 42	1,360	+ 1	+ 3
Metropolitan Areas.....	316	38	+ 34	388	39	+ 12	439	+23	+13
St. Louis (Madison, St. Clair).....	989	73	— 131	931	44	— 54	921	— 6	— 1
Nonmetropolitan Areas.....									
Indiana.....	639	72	— 17	693	57	— 15	735	+ 8	+ 6
Metropolitan Areas.....	131	17	+ 12	160	16	— 6	170	+22	+ 6
Evansville (Vanderburgh).....	66	11	+ 15	92	10	+ 2	105	+39	+14
Louisville (Clark, Floyd).....	442	44	— 45	441	31	— 11	461	*	+ 5
Nonmetropolitan Areas.....									
Kentucky.....	1,466	205	— 110	1,561	146	+ 16	1,724	+ 6	+10
Metropolitan Areas.....	27	4	—	31	3	+ 2	36	+15	+16
Evansville (Henderson).....	385	60	+ 39	485	55	+ 25	564	+26	+16
Louisville (Jefferson).....	1,054	141	— 149	1,046	89	— 11	1,124	— 1	+ 7
Nonmetropolitan Areas.....									
Missouri.....	2,860	290	— 179	2,970	209	— 33	3,146	+ 4	+ 6
Metropolitan Areas.....	1,116	110	+ 67	1,293	113	+ 59	1,465	+16	+13
St. Louis (St. Louis City, St. Louis, St. Charles).....	91	11	+ 4	105	8	+ 4	116	+15	+10
Springfield (Greene).....	1,653	169	— 250	1,572	88	— 96	1,565	— 5	*
Nonmetropolitan Areas.....									
Mississippi.....	1,110	216	— 285	1,041	127	—170	998	— 6	— 4
Tennessee.....	858	138	— 17	978	103	— 40	1,042	+14	+ 7
Metropolitan Areas.....	358	61	+ 64	482	61	+ 10	553	+35	+15
Memphis (Shelby).....	500	77	+ 81	496	43	— 50	489	— 1	— 1
Nonmetropolitan Areas.....									
Total Metropolitan Areas.....	2,709	354	+ 234	3,297	336	+ 96	3,730	+22	+13
Total Nonmetropolitan Areas.....	7,478	1,052	—1,355	7,175	588	—708	7,055	— 4	— 2
Total Eighth District.....	10,187	1,406	—1,120	10,473	924	—612	10,785	+ 3	+ 3

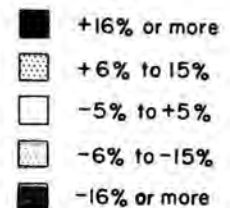
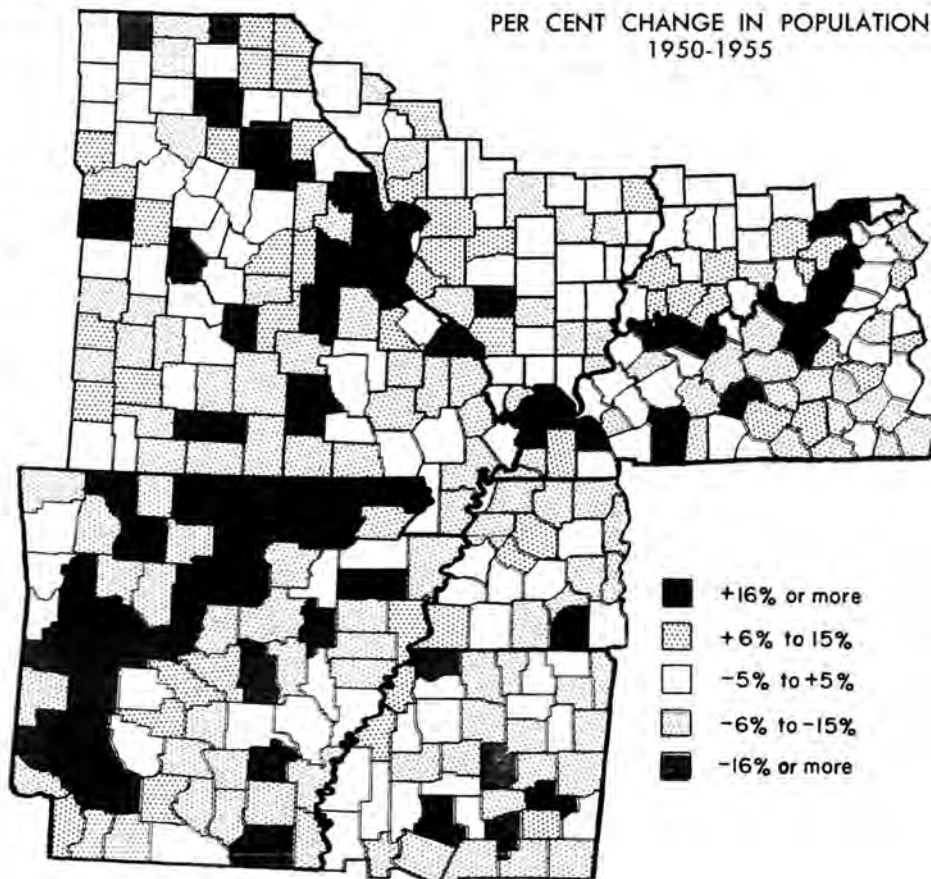
*Less than ½ of 1 per cent change
Births have been adjusted for underregistration
Totals may not add due to rounding

GROWTH BETWEEN 1950-1955
AS PERCENT OF 1950 POPULATION

trend experienced from 1940 to 1950 when the population of the same counties declined 4 per cent. The nonmetropolitan counties of district portions of Indiana and Kentucky were the only group of counties to gain population from 1950 to 1955. Net out-migration was more than offset by the natural increase in these areas.

On the other hand, the metropolitan counties continued to grow in population. From 1950 to 1955 a natural increase of 336,000, plus a net in-migration of 96,000 added 13 per cent to the population. From 1940 to 1950 these same counties had net growth of 22 per cent. All of the metropolitan areas of the district shared in this growth.

The population increase from 1950 to 1955 was concentrated in about one-third of the Eighth District counties. Only 129 of the 363 counties had more people in 1955 than in 1950.

PER CENT CHANGE IN POPULATION
1950-1955

The out-migration trend has affected the age structure, . . .

One of the principal effects of the continuing trend of out-migration from the district has been to alter rather sharply the age structure of the population that remains. Since one of the main reasons people move is to find better jobs, it is not surprising that the younger and less settled members of the labor force are more mobile than older persons. In the year from April 1954 to April 1955, 40 per cent of those who moved to another county were between eighteen and thirty-four years of age; in the case of those who had not moved, the percentage in this age group was only half as large.

The persistence of out-migration from the Eighth District has reduced the percentage of the population between the ages of eighteen and forty-four years below the national proportion. In 1950 the differences were greatest in those areas where the out-migration had been the largest. On the other hand, in the metropolitan areas, which experienced net in-migration from 1940 to 1950, the proportions were above the national percentage (See Table 4). Data for 1954 indicate that the trend of out-migration since 1950 has continued to reduce the proportion of population between the ages of 18 and 44 years faster than nationally in Arkansas, Mississippi and Illinois. On the other hand, the proportion of population between

45 and 65 years increased in Arkansas and Mississippi from 1950 to 1954. Nevertheless, the ratio of economically active population (roughly 18 to 65 years) to the total is lowest in those two of the seven district states. Only in Illinois and Missouri is the ratio above the national average.

Because of the relatively high proportion of young men and women usually found among migrants, the economically active population increases more than the inactive population in those areas experiencing net in-migration. Out-migration lowers the ratio of active to inactive population. For example, the ratio of persons 18 to 65 years to other ages in the United States in 1950 was 1.55 compared with 1.36 for the Eighth District.

. . . average educational characteristics of the population, . . .

Studies indicate that mobility increases with the amount of education. This is understandable, since job opportunities broaden with increased education. Generally, those areas experiencing an out-migration tend to lose some of the better educated residents. As indicated in the accompanying chart, the non-metropolitan areas of the district, which have experienced out-migration, generally had an adult population with lower average education than did the metropolitan areas. Of course, some of the variation within the district can be attributed to factors other than migration.

. . . and the growth of retail trade.

Another effect of the trend of out-migration can be seen in the dampened growth of retail trade in the district. Retail sales in the Eighth Federal District gained less rapidly than in the nation from 1948 to 1954. While sales in the nation rose 32 per cent, the increase in the district was only 28 per cent.

The less than national increase in district retail sales can be partly explained in terms of the slower rate of growth of population in the district, which more than offset the somewhat greater increase in per capita income. Population in the district gained only 2 per cent from 1948 to 1954, compared with an 11 per cent gain nationally. On the other hand, per capita income in the district rose 27 per cent, while the United States average advanced 25 per cent. The ratio of district to nation in both retail sales and total income declined from 1948 to 1954.

TABLE 4

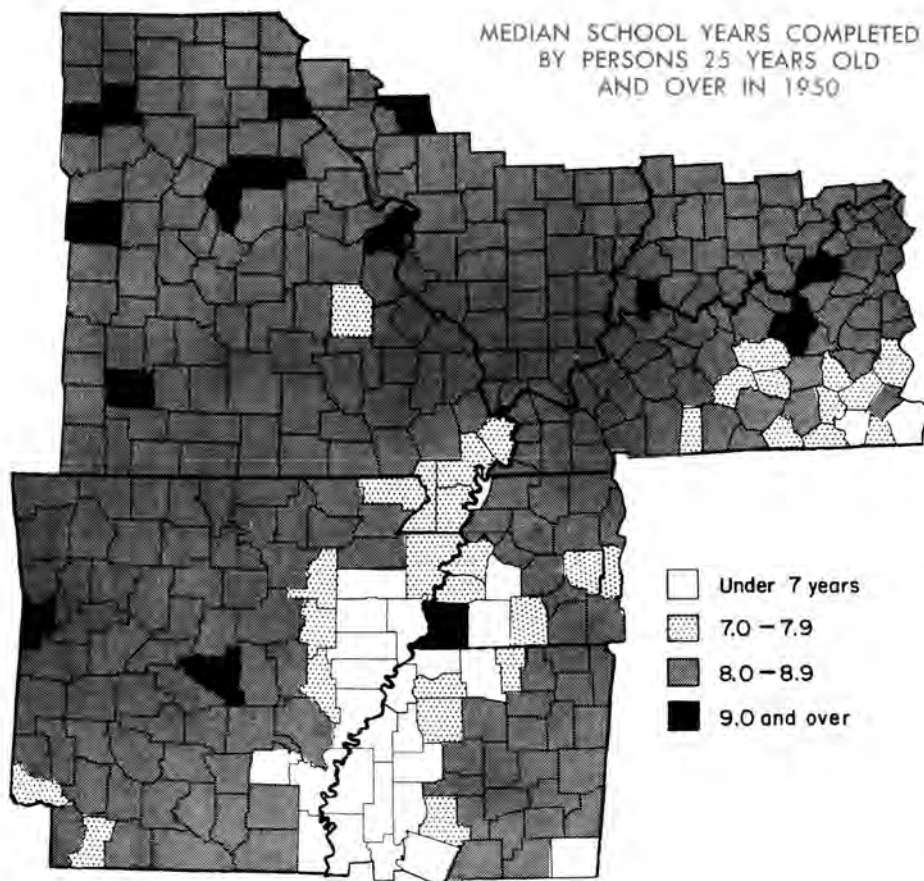
PERCENTAGE AGE DISTRIBUTION, 1950

Eighth District Counties	Under 18 years	18 to 44 years	45 to 64 years	65 years and over
Arkansas	37.2	36.7	18.3	7.8
Metropolitan Areas				
Little Rock (Pulaski)	30.7	42.0	20.0	7.3
Fort Smith (Sebastian)	33.2	38.8	19.6	8.4
Nonmetropolitan Areas	38.1	36.0	18.1	7.8
Illinois	30.4	37.4	21.7	10.5
Metropolitan Areas				
St. Louis (Madison, St. Clair)	29.2	42.4	20.5	7.9
Nonmetropolitan Areas	30.8	35.3	22.2	11.7
Indiana	32.3	37.4	20.4	9.9
Metropolitan Areas				
Evansville (Vanderburgh)	29.8	41.6	20.5	8.1
Louisville (Clark, Floyd)	33.2	40.2	18.4	8.2
Nonmetropolitan Areas	33.0	35.3	20.7	11.0
Kentucky	32.9	39.0	19.2	8.9
Metropolitan Areas				
Evansville (Henderson)	33.0	37.9	19.7	9.4
Louisville (Jefferson)	29.4	42.3	20.5	7.8
Nonmetropolitan Areas	34.5	37.5	18.7	9.3
Mississippi	40.7	35.9	16.2	7.2
Missouri	29.8	38.2	21.8	10.2
Metropolitan Areas				
St. Louis (St. Louis City, St. Louis, St. Charles)	26.6	41.9	22.9	8.6
Springfield (Greene)	28.3	40.3	21.3	10.1
Nonmetropolitan Areas	32.6	34.9	21.0	11.5
Tennessee	33.2	40.8	18.4	7.6
Metropolitan Areas				
Memphis (Shelby)	30.1	44.9	18.5	6.5
Nonmetropolitan Areas	36.3	36.9	18.3	8.5
Total Eighth District	33.3	37.9	19.8	9.0
United States	31.0	40.5	20.3	8.2

DISTRICT PERCENTAGE OF UNITED STATES

	Retail Sales	Income
1948	5.6	5.3
1954	5.4	5.0

The smallest increases in retail sales from 1948 to 1954 occurred in the district portions of Missis-



Mississippi and Arkansas where population has actually declined. Elsewhere in the district, with the exception of Kentucky, retail sales rose more slowly than in the nation. Retail sales in nonmetropolitan areas generally increased at a slower rate than did the sales of the metropolitan areas of the same state, reflecting, in part, the rise in population in metropolitan areas as compared to a general decline in population in the nonmetropolitan areas of the district.

The faster growth of the suburbs in metropolitan areas has affected the location of economic activity

Another type of continuing population movement which has important economic and social consequences is the shift of population to the peripheral areas of the urban centers. The central cities of the metropolitan areas generally have grown at a slower pace than have the surrounding areas. For example, during the decade from 1940 to 1950 the population of the central cities of the 168 metropolitan areas in the United States increased by only 14 per cent, while the outlying parts rose by 35 per cent. From April 1950 to April 1955 this trend con-

tinued at an accelerated pace. The rate of population growth in the outlying parts of the metropolitan areas was seven times as rapid as in the central cities.

District metropolitan areas followed this same pattern. For example, the City of St. Louis showed virtually no change in population from April 1950 to January 1956 while the other parts of the metropolitan area increased by 26 per cent. Data available for Louisville, Memphis and Evansville indicate the same trend of faster growth in the suburban areas.

The more rapid increase in the population of the outlying areas of the metropolitan centers has been allied with a relative shift in the location of economic activities. For example, many of the new manufacturing plants erected in the past ten years have been located in the outlying parts of the metropolitan areas. Retail stores and other service establishments have also followed people to the suburbs. New shopping centers have been erected in the outlying parts of the larger metropolitan areas. In the St. Louis, Louisville and Memphis metropolitan areas a greater share of the total retail dollar was spent outside the central city in 1954 than in 1948. In the other district metropolitan areas, however, retail sales advanced faster within the central city than for the entire area.

The large out-migration from the district points to the opportunity as well as the need for greater industrial development.

In one sense out-migration can be considered as an adjustment of the supply and demand for labor in an area. At the same time, the large out-migration points to the large potential supply of labor which can be tapped if job opportunities are increased in the district. With both the agricultural and nonagricultural sectors of the economy continuing to become more efficient, new industrial plants to provide additional job opportunities become necessary to retain the natural growth in the district's labor force and raise the standard of living.

WILLIAM H. KESTER

Survey

OF CURRENT CONDITIONS

Released for publication June 1

CONSTRUCTION ACTIVITY and industrial production, with the notable exception of automobile assembly, generally continued at fairly high levels during May in the Eighth Federal Reserve District. Department store sales advanced and wholesale prices and prices received by farmers continued to rise. With activity at a high level and inventories apparently being augmented further, the strong demand for bank credit by businesses continued during the month. However, automobile sales still lagged. Cutbacks in automobile and supplying industries were reflected in a rise in insured unemployment in St. Louis, Louisville, and Evansville during May.

Nationally, the outlook for the short term contrasted sharply with that for the longer term. The decline of stock market prices during May reflected the shift in business sentiment concerning the course of business activity over the next few months. The downturn in automobile production earlier this year did not spread beyond the immediate supplying industries and was in large part offset by expansion in other lines. The divergent trends resulted in near stability in the over-all level of output. But in May, when automobile assemblies were cut back further, some other major industries were reducing output. The question seemed to be whether or not the fewer expanding sectors would hold total production at its earlier level.

However, confidence in the long-term growth of the economy apparently remained undiminished as evidenced by the firmness in businessmen's plans for new plant and equipment expenditures. A recent McGraw-Hill survey indicated that business plans to increase capital investment this year by even more than had been forecast by the earlier Department of Commerce and Securities Exchange Commission survey. Confidence in the long-term future was further indicated by the substantial size of plans for investment in future years.

Industry

Except for a decided drop in automobile assembly, there was little change in the Eighth District indus-

trial picture from April to May, preliminary indicators showed. Steel ingot output in the St. Louis area was at 96 per cent of rated capacity compared with 97 per cent for the month of April. Lumber production edged upward seasonally, and crude oil production held even. Livestock slaughter in the St. Louis area was down a few percentage points. Railroad freight interchange in the first nine days of the month was virtually the same as for the corresponding period in April.

Labor Markets

Lay-offs at automobile assembly and some other plants in St. Louis and Evansville were reflected in a rise in insured unemployment during May in contrast to declines in the same period a year ago. In Memphis and Louisville insured unemployment in the week ended May 26 was about the same as four weeks earlier, in contrast to some decline in the same period last year.

Employment in nonagricultural establishments in the five larger metropolitan areas of the district increased about seasonally from March to April. In the Louisville metropolitan area the demand for labor was augmented by seasonal expansion in construction activity and in the manufacturing of lumber, wood and food products. In the Evansville metropolitan area, recalls to automobile and mechanical refrigerator plants plus increased construction activity were largely responsible for the addition of 4,000 workers to payrolls between March and April. In the Little Rock metropolitan area, manufacturing employment declined slightly as seasonal contractions more than offset modest expansions between March and April. However, activity in construction and service industries and government increased sufficiently to add 1 per cent to total employment.

Construction

The value of construction contracts awarded in the district in April was larger than a year earlier, the gain being substantial enough to bring the total

awards for the first four months slightly ahead of the comparable months of 1955. The rise in the district, however, was not as large as in the 37 eastern states, where January-April awards were 13 per cent greater than in the same months of 1955. Although the total value of contracts awarded in the first four months was about the same as a year ago, sharp changes occurred in many areas of the district. Awards in the St. Louis, Memphis, Evansville and Little Rock metropolitan areas were down sharply, but in the Louisville area and the remainder of the district as a whole they were greater than a year ago.

Residential building awards in the district during April totaled about the same as a year earlier, but for the first four months were 5 per cent less than in 1955. Here, too, the district experience lagged the rest of the nation, where the four months' total was 8 per cent larger than a year ago. The value of residential contracts awarded in the district dropped less than did the number of dwelling units, reflecting the higher value per unit started this year than last. The number of dwelling units included in the first four months' awards fell 16 per cent. The higher average value resulted entirely from increased size which more than offset a small decline in average cost. For example, in the St. Louis territory of F. W. Dodge Corporation, which includes most but not all of the Eighth District, the average size of new dwelling units rose 17 per cent, from 1,210 square feet in the first four months of 1955 to 1,420 square feet in the same period of 1956. Partially offsetting this increased size was a small reduction in cost per square foot, probably reflecting a shift in the type of construction.

Trade

Conflicting sales trends were apparent during May: department store sales improved but automobile sales continued at their slow pace. Consumer buying at district department stores in the first four weeks of May increased more than seasonally from April and was about 9 per cent larger than a year earlier. The pickup was welcome, because department store stocks at the end of April were at a seasonally adjusted record level.

New car sales in the first part of May remained sluggish, showing no improvement from the slow April rate. New cars in the hands of dealers continued at a high level in April, despite production cutbacks.

Furniture store sales in April were only 4 per cent larger than a year earlier.

Credit was used to an increasing extent in April over earlier this year or a year ago at district furniture and department stores, as indicated by a rise in the ratio of charge and instalment sales to total sales. Nationally, the same trend was true for automobile sales in the first quarter, as shown by the smaller drop in credit extensions than in sales.

Finance

A strong demand for credit continued at district banks during May. For the four weeks ended May 23 total loans (excluding interbank lending) increased contra-seasonally at district weekly reporting banks. The expansion was largely the result of a heavier than normal demand by consumers, which was evidenced by the growth in "other" loans, coupled with less than seasonal net repayments by businesses. At banks reporting detailed information on commercial and industrial loans by type of borrower, the strength in loans reflected large new credit extensions to manufacturers of textiles, apparel, leather, metals and metal products, along with a relatively small volume of net repayments by commodity dealers, amounting to \$35 million from the beginning of the year through May 23, the smallest amount paid in any corresponding period during the last four years. Loans on real estate rose moderately in the four weeks under review. On the other hand, advances for purchasing or carrying securities declined in the period.

Agriculture

Farming activity was on schedule in most of the Eighth District states near the close of May. Corn planting progressed satisfactorily and good stands of cotton could be observed in the southern part of the district. Small grain crops were aided by ample moisture and generally good growing conditions.

Higher prices continued to improve the farmers' condition. Prices of all major district commodities marketed, except wheat, advanced during the four-week period ending in mid-May. Hogs and milk led the advance with increases of 12 per cent each. Nationally, the index of prices received by farmers rose one per cent during the month ending in mid-April. Prices paid by farmers also advanced, leaving the parity ratio at 82, the same as in March and 6 per cent lower than in April of last year.



The District Record

Industry

VARIOUS INDICATORS OF INDUSTRIAL ACTIVITY

Industrial Use of Electric Power (thousands of KWH per working day, selected industrial firms in 6 district cities)
 Steel Ingot Rate, St. Louis area (operating rate, per cent of capacity)
 Coal Production Index—8th Dist. (Seasonally adjusted, 1947-49=100)
 Crude Oil Production—8th Dist. (Daily average in thousands of bbls.)
 Freight Interchanges at RR's—St. Louis. (Thousands of cars—25 railroads—Terminal R. R. Assn.)
 Livestock Slaughter—St. Louis area. (Thousands of head—weekly average)
 Lumber Production—S. Pine (Average weekly production—thousands of bd. ft.)
 Lumber Production—S. Hardwoods. (Operating rate, per cent of capacity)

Apr. 1956	Apr. 1956* compared with Mar. 1956	Apr. 1955
N.A.	N.A.	N.A.
97	+5	-0
100 p	+4	+19
382.5	-1	+8
107.1	-7	-3
118.3	-10	+20
221.9	+4	+7
88	-0	-1

* Percentage change is shown in each case. Figures for the steel ingot rate, Southern hardwood rate, and the coal production index, show the relative percentage change in production, not the drop in index points or in percents of capacity.

p Preliminary. N.A. Not available.

Banking

BANK DEBITS¹

	Apr. 1956 (in millions)	Apr. 1956 compared with Mar. 1956	Apr. 1955
Six Largest Centers:			
East St. Louis—National Stock Yards, Ill.	\$ 139.8	+7%	+15%
Evansville, Ind.	159.9	-3	-3
Little Rock, Ark.	199.1	+4	+7
Louisville, Ky.	844.1	-6	+15
Memphis, Tenn.	687.5	-1	+7
St. Louis, Mo.	2,322.8	-7	+14
Total—Six Largest Centers	\$4,350.2	-5%	+12%
Other Reporting Centers:			
Alton, Ill.	\$ 38.5	-12%	-1%
Cape Girardeau, Mo.	15.3	-4	-
El Dorado, Ark.	29.2	-5	-11
Fort Smith, Ark.	56.0	-4	-5
Greenville, Miss.	24.6	-10	+14
Hannibal, Mo.	10.3	-5	+13
Helena, Ark.	8.7	-5	+13
Jackson, Tenn.	28.5	+1	+19
Jefferson City, Mo.	90.2	+42	+31
Owensboro, Ky.	43.6	-6	+1
Paducah, Ky.	26.7	-3	-11
Pine Bluff, Ark.	37.4	-5	+12
Quincy, Ill.	38.7	-0	+5
Sedalia, Mo.	14.9	-3	-
Springfield, Mo.	90.2	+5	+19
Texarkana, Ark.	21.3	-1	+14
Total—Other Centers	\$ 574.1	+2%	+9%
Total—22 Centers	\$4,927.3	-4%	+11%

INDEX OF BANK DEBITS—22 Centers Seasonally Adjusted (1947-1949=100)

1956	1955
Apr. 166.3	Mar. 163.1
	Apr. 149.3

¹ Debits to demand deposit accounts of individuals, partnerships and corporations and states and political subdivisions.

Agriculture

CASH FARM INCOME

	Mar. 1956	Mar. 1956 compared with Mar. '55	Jan. thru Mar. 1956 compared with 1955
(In thousands of dollars)			
Arkansas	\$ 29,343	+2%	+20%
Illinois	135,622	+1	+9
Indiana	73,385	-7	-3
Kentucky	15,425	-30	-33
Mississippi	18,305	+9	+12
Missouri	53,494	-15	-2
Tennessee	19,232	-1	+4
7 States	344,806	-5	-0
8th District	138,657	-7	+1

Source: State data from USDA preliminary estimates unless otherwise indicated.

Construction

AWARDED EIGHTH FEDERAL RESERVE DISTRICT* (1947-1949=100)

	Mar. 1956	Feb. 1956	Mar. 1955
Unadjusted			
Total	230.8 p	208.8	232.1
Residential	318.4 p	276.1	314.7
All Other	190.2 p	177.5	193.7
Seasonally adjusted			
Total	256.2 p	271.1	257.6
Residential	342.4 p	345.1	338.4
All Other	216.1 p	236.7	220.1

* Based on three-month moving average (centered on mid-month) of value of awards, as reported by F. W. Dodge Corporation.

p Preliminary

ASSETS AND LIABILITIES EIGHTH DISTRICT MEMBER BANKS

	Weekly Reporting Banks	All Member Banks
(In Millions of Dollars)	Change from Apr. 25, 1956	Change from Mar. 28, 1956
Assets	May 23, 1956	
Loans ¹	\$1,599	\$47
Business and Agricultural	824	2
Security	57	3
Real Estate	278	1
Other (largely consumer)	463	10
U. S. Government Securities	883	10
Other Securities	228	4
Loans to Banks	18	9
Cash Assets	852	7
Other Assets	46	1
Total Assets	\$3,626	\$6
Liabilities and Capital		
Demand Deposits of Banks	\$ 599	\$-31
Other Demand Deposits	2,088	+40
Time Deposits	571	+2
Borrowings and Other Liabilities	93	-19
Total Capital Accounts	275	+2
Total Liabilities and Capital	\$3,626	\$6

¹ For weekly reporting banks, loans are adjusted to exclude loans to banks; the total is reported net; breakdowns are reported gross. For all member banks loans are reported net and include loans to banks; breakdown of these loans is not available.

DEPARTMENT STORES

	Net Sales	Stocks on Hand	Percentage of Accounts and Notes Receivable Outstanding Apr. 1, '56, collected during April.
	Apr. 1956 compared with Mar. '56	Apr. 30, '56 compared with Apr. 30, '55	Jan. 1 to Apr. 1956
8th F.R. District Total	-9	+14	3.33
Fort Smith Area, Ark. ¹	-15	+4	3.30
Little Rock Area, Ark.	-4	+10	3.35
Quincy, Ill.	-8	+12	3.94
Evansville Area, Ind.	-2	+5	2.76
Louisville Area, Ky., Ind.	-3	+13	2.75
Paducah, Ky.	-4	+13	2.85
St. Louis Area, Mo., Ill.	-14	+18	3.50
Springfield Area, Mo.	-3	+1	3.25
Memphis Area, Tenn.	-11	+11	3.48
All Other Cities ²	+9	+17	3.38

INDEXES OF SALES AND STOCKS—8TH DISTRICT

	Apr. 1956	Mar. 1956	Feb. 1956	Apr. 1955
Sales (daily average), unadjusted ³	114	115	95	118
Sales (daily average), seasonally adjusted ³	123	128	122	122
Stocks, unadjusted ⁴	143	140	130	126
Stocks, seasonally adjusted ⁴	135	132	137	120

³ Daily average 1947-49=100

⁴ End of Month average 1947-49=100

Trading days: April, 1956—25; March, 1956—27; April, 1955—26.

¹ In order to permit publication of figures for this city (or area), a special sample has been constructed which is not confined exclusively to department stores. Figures for any such nondepartment stores, however, are not used in computing the district percentage changes or in computing department store indexes.

² Fayetteville, Pine Bluff, Arkansas; Harrisburg, Mt. Vernon, Illinois; Vincennes, Indiana; Danville, Hopkinsville, Mayfield, Owensboro, Kentucky; Chillicothe, Missouri; Greenville, Mississippi; and Jackson, Tennessee.

Outstanding orders of reporting stores at the end of April, 1956, were 10 per cent larger than on the corresponding date a year ago.

RETAIL FURNITURE STORES

	Net Sales	Inventories
	Apr. 1956 compared with Mar. '56	Apr. 1956 compared with Mar. '56
8th Dist. Total ¹	+2%	+4%
St. Louis Area	-6	-6
Louisville Area	+21	-6
Memphis Area	+10	+23
Little Rock Area	+16	+39
Springfield Area	-28	+1

* Not shown separately due to insufficient coverage, but included in Eighth District totals.

¹ In addition to the following cities shown separately in the table, the total includes stores in Blytheville, Fort Smith, Pine Bluff, Arkansas; Owensboro, Kentucky; Greenwood, Mississippi, and Evansville, Indiana.

Note: Figures shown are preliminary and subject to revision.

PERCENTAGE DISTRIBUTION OF FURNITURE SALES

	Apr. '56	Mar. '56	Apr. '55
Cash Sales	12%	13%	13%
Credit Sales	88	87	87
Total Sales	100%	100%	100%