

CENSUS BRIEF

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BUREAU OF THE CENSUS



“Rust Belt” Rebounds

ONE OF THE MOST STRIKING demographic and economic trends of the mid-1990s has been the comeback of the so-called Rust Belt — that swath of formerly smoke-shrouded Midwestern cities identified with big factories, big autos and big steel.

During the late 1970s and early 1980s, when heavy manufacturing experienced major downturns in domestic and international markets, many metropolitan areas in the Rust Belt suffered high unemployment, expanding welfare rolls, rising crime, declining wage growth and net out-migration.

But, according to the Census Bureau’s *State and Metropolitan Area Data Book: 1997-98*, in the 1990s these trends either stopped or reversed direction. Experts disagree on the exact boundaries of the Rust Belt. For purposes of this brief, we focus on traditional centers of heavy industry in the Midwest.

for example, increased exports by 27 percent during 1994-96, more than 5 percent above the nation as a whole.

In many Rust Belt metro areas, unemployment is down (below the national average), welfare rolls are down, crime is down, wages are up and the population is either up or stable, according to Glenn King, the Census Bureau economist whose branch produces the data book.

“Although there are exceptions, our numbers show a definite pattern of economic and demographic recovery across the area — starting with the recovery of their populations,” King said.

Zero in on an area that might be considered the Rust Belt’s industrial capital, the Detroit-Ann Arbor-Flint, Mich, consolidated metropolitan statistical area. It has seen a dramatic turnaround in population in the 1990s. From 1980 to 1990, the region’s population declined by 2 percent as job-seekers moved

DIVERSIFICATION AND GLOBAL MARKETS FUEL TURNAROUND

A look at 1980 and 1990 statistical indicators shows that Rust Belt metro areas have followed the U.S. lead in shifting from a mostly goods-related economy to a service-based economy. More flexible, market-oriented companies have generated hundreds of thousands of new jobs. Some areas have entered the global marketplace and increased exports significantly. Cleveland, Ohio,

FROM 1980S’ LOSERS TO 1990S’ WINNERS: RUST BELT TURNAROUND

Metropolitan area	Population, percent change, 1990-1997	Population percent change, 1980-1990	Non-farm business establishments, percent change, 1990-1995	Civilian labor force, unemployment rate, 1996
Cedar Rapids, Iowa	7.7	-0.6	13.4	2.9
Sioux City, Iowa-Neb.	5.1	-2.1	6.6	3.6
Detroit-Ann Arbor-Flint, Mich.	4.9	-2.0	6.2	4.5
Louisville, Ky.-Ind.	4.7	-0.5	10.9	4.4
Jackson, Mich.	3.7	-1.1	8.9	5.1
Kokomo, Ind.	3.1	-6.5	5.7	3.6
Canton-Massillon, Ohio	2.2	-2.6	7.9	5.4
Peoria-Pekin, Ill.	2.0	-7.3	8.8	6.1
Dubuque, Iowa	2.0	-7.8	8.9	5.7
Davenport-Moline-Rock Island, Iowa-Ill.	1.8	-8.8	5.9	4.4
Cleveland-Akron, Ohio	1.7	-2.7	6.3	5.1
Parkersburg-Marietta, W.Va.-Ohio	1.0	-5.5	6.7	6.2
Saginaw-Bay City-Midland, Mich	0.9	-5.3	8.7	4.9

away. Nationally, it ranked 230 out of 273 areas in population growth rate.

In the first seven years of the 1990s, however, this metro area's population, led by the Ann Arbor area, jumped 4.9 percent, a substantial reversal. Average annual pay increased 7 percent in one two-year period, from 1994 to 1996 (\$32,788 to \$35,072). Business and industry generated more than 120,000 new jobs in two years from 1994 to 1996, and unemployment dropped from 5.7 percent to 4.5 percent in 1996. Crime declined dramatically — from 353,434 serious crimes in 1990 to 297,761 in 1995. The area saw a 6.2 percent growth in private nonfarm businesses between 1990 and 1995.

OTHER METRO AREAS DISPLAY SIMILAR PROGRESS

One could argue that Detroit, center of the American automobile industry, is a special case and may not be representative of the real Rust Belt. But old, mostly industrial metro areas, such as Cleveland-Akron, Ohio; Canton-Massillon, Ohio; Kokomo, Ind.; and Louisville, Ky.-Ind. — hit hard in the 1980s — have bounced back in the 1990s, too. (See table on first page.)

The Cleveland-Akron, Ohio, consolidated metro area lost nearly 3 percent of its population in the 1980s, but grew by a respectable 1.7 percent between 1990 and 1997. While its unemployment rate in 1996 (5.1 percent) was about the same as the national average (5.4 percent), Cleveland experienced a 6.3 percent growth in

business establishments in the 1990s and a 4 percent increase in job growth between 1994 and 1996.

Canton-Massillon, Ohio, is another example. Its population grew by 2.2 percent between 1990 and 1997, compared with a 2.6 percent population loss in the 1980s. Business growth was robust — 8.4 percent — between 1990 and 1995. Unemployment in 1996 hovered around the national average of 5.4 percent, but the number of non-farm jobs grew 4.6 percent between 1994 and 1996.

Kokomo's revival was substantial: a 3.1 percent population increase from 1990 to 1997, compared with a drastic 6.5 percent decline during the 1980s. Business grew 5.7 percent between 1990 and 1995, and the unemployment rate in 1996 was a healthy 3.6 percent.

Louisville's population grew by 4.7 percent in the 1990s, compared with a half of a percentage point decline during the 1980s. The number of business establishments grew by 10.9 percent between 1990 and 1995, and the unemployment rate in 1996 was 4.4 percent.

SOME EXCEPTIONS TO THE ROSY PICTURE

While several Rust Belt metro areas have made a comeback, others have not been as successful. Steubenville-Weirton, Ohio-W.Va.; Wheeling, W.Va.-Ohio; Decatur, Ill.; and Benton Harbor, Mich. — population losers in the 1980s — continued to lose population in the 1990s, and had higher than average unemployment rates in 1996. However, the population decline in these areas appears to be moderating. (See table below.)

POPULATION LOSERS IN BOTH THE '80S AND THE '90S (1990-97)

Metropolitan area	Population, percent change, 1990-1997	Population, percent change, 1980-1990	Non-farm business establishments, percent change, 1990-1995	Civilian labor force, unemployment rate, 1996
Steubenville-Weirton, Ohio-W. Va.	-4.1	-13.0	5.7	6.3
Wheeling, W.Va.-Ohio	-3.2	-14.2	5.0	5.7
Decatur, Ill.	-2.5	-10.8	2.5	8.1
Waterloo-Cedar Falls, Iowa	-1.9	-10.3	4.1	4.6
Muncie, Ind.	-1.7	-6.9	6.0	4.6
Youngstown-Warren, Ohio	-0.9	-6.8	2.9	6.4
Duluth-Superior, Minn.-Wis.	-0.7	-10.0	8.6	5.6
St. Joseph, Mo.	-0.6	-4.1	7.2	6.6
Benton Harbor, Mich.	-0.4	-5.8	4.8	6.0
Toledo, Ohio	-0.4	-0.4	2.0	4.8

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