

TABLE 9.—*Local government expenditure, 1962*

	Within SMSA's	Outside SMSA's	United States
Total.....	\$267.05	\$199.68	\$242.96
Education.....	97.29	95.29	96.57
Highways.....	18.46	22.85	20.03
Public welfare.....	16.13	9.78	13.86
Police protection.....	12.59	5.28	9.98
Fire protection.....	7.79	2.91	6.05
Sewerage.....	8.44	3.98	6.85
Housing and urban renewal.....	8.69	1.61	6.16
Parks and recreation.....	6.43	1.77	4.77

Source: U.S. Bureau of the Census, *Census of Governments, 1962*, vol. V, "Local Governments in Metropolitan Areas," table 9.

CENTRAL CITY-SUBURBAN FISCAL DIFFERENCES

More directly relevant to the question of local disparities is an analysis of central city-suburban differences. Harvey Brazer, in a study of the 12 largest metropolitan areas in the country, found that there are substantial differences between the central city and the rest of the metropolitan area in the amount spent per capita, in total, and for separate major functions such as education, highways, and welfare.⁷

Highway expenditures were found to be slightly higher in the suburbs. Rapid population growth requiring large capital outlays for new schools also resulted in higher education expenditures in the suburbs. On the other hand, per capita expenditures for police and fire protection, welfare, health and hospitals, urban renewal, public housing, and sanitation were consistently higher in the central city than in the suburbs of these 12 largest metropolitan areas.

Seymour Sacks, in his studies for Brookings Institution, has analyzed per capita expenditures of the central city and the remainder of the metropolitan area for the 24 largest metropolitan areas of the country.⁸ In 1960, these 24 SMSA's had almost 55 percent of the Nation's total metropolitan population of 113 million. As indicated in table 10, expenditures measured both in per capita terms and as a percent of income were almost uniformly higher for the central city than for the remainder of the metropolitan area. Per capita expenditures for the central city averaged slightly over \$200, compared with \$168 outside the central city.

Because of the complexities imposed by intergovernmental financing, comparison between central city and suburbs within individual metropolitan areas is more significant than an aggregate comparison of central cities (or suburbs) among metropolitan areas. Local fiscal differences between and within metropolitan areas are a result of, among other factors, (a) State assumption of responsibility for direct expenditures on such functions as public welfare and highways; (b) State aid in financing of education, public welfare, and, to a lesser extent, highways and health; and (c) differences in tax bases, especially the extent to which the nonresidential portion of the property tax base is used by local governments.

⁷ Harvey E. Brazer, "Some Fiscal Implications of Metropolitanism," in *Metropolitan Issues: Social, Governmental, Fiscal* (Syracuse: Syracuse University, 1962, pp. 61-82.

⁸ Seymour Sacks, "Metropolitan Area Finances," paper presented at annual meeting of National Tax Association, November 1963.