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Livability Ratings: Fleeting and Spurious

To great hoopla and rejoicing Pittsburgh has been designated “America’s Most Livable City” by the *Places Rated Almanac*. This is the second time in the history of the *Almanac* that Pittsburgh has received the “honor.” It was previously bestowed upon the City in 1985. To be precise, the *Almanac* actually ranks metro areas, not just center cities, so Pittsburgh’s “honor” is shared with the seven counties in the metro area.

What has happened in the metro area since the 1985 honor was proclaimed by local leaders to be a sign Pittsburgh was in the midst of another renaissance? Population has fallen by 280,000 (due mostly to people leaving) and hefty job losses have occurred in manufacturing. These realities call into question the whole livability concept as presented by the *Almanac*. How can a measure of livability be taken seriously when it ignores outmigration? There is no stronger or better indicator of residents’ perception of a community as a place to live than whether they stay or leave. And on that score, the City of Pittsburgh and Allegheny County have performed woefully since the number one rating of 1985.

A quick look at the top ten metro areas in this year’s rating reveals a very interesting common feature. There are no southern cities on the list even though several have strong economies, good housing, solid higher education, great roads, etc. But most telling is the indisputable fact that many are growing rapidly, indicating something is very livable about them.

It is also true that politically liberal regions tend to do well in the recent livability rating. San Francisco, Portland, Oregon, Seattle, Philadelphia, Boston, Madison, and Washington, D.C are all in the top ten. More conservative, fast growth areas such as Dallas, Charlotte, and Phoenix are not found in the top ten. Coincidence?

Further calling into question the value of the livability rating is the way it jumps around from rating year to rating year. For instance, 1999’s first place winner (until 2007 there was not another rating), Salt Lake City, does not even make it into the top ten for 2007. That’s also the case for the 1996 winner (Orange County, CA) and the 1993 winner (Cincinnati). Only two previous first place winners (Pittsburgh in 1985 and Seattle in 1989) appeared in the 2007 top ten list. Looking at what has happened since 1999 in Salt Lake City and Pittsburgh, when it ranked 12th overall, is quite illuminating:

A Comparison of Growth in America’s Most Livable Cities, 1999 and 2007

| Metro | 1999 Almanac Rating | 1999 Total Private Jobs | 2006 Total Private Jobs | % Change |
|----------------|---------------------|-------------------------|-------------------------|----------|
| Salt Lake City | 1 st | 470,000 | 523,000 | 11 |
| Pittsburgh | 12th | 999,000 | 1,010,000 | 1 |

Clearly, questionable factors are at work when a twelfth-placed performer seven years ago can add jobs at a pace far slower than the former first place performer and claim the top spot while the former first place metro area does not even make it into the top ten in the current ranking.

Moreover, the volatility in the ratings from one period to the next suggests the rating methodology is not reliable or stable. What could have changed so dramatically in Cincinnati and Salt Lake City that in just a few years they have fallen so far out of favor with the rating system? This volatility forces one to conclude the rating methodology is badly flawed. Or, alternatively, the “livability” index is a meaningless construct and should come with a label, “for entertainment purposes only.”

Nine measures of “livability” are blended to create the metro area ratings, including housing, jobs, crime, transportation, education, health care, recreation, climate and ambience. We have argued on many occasions that while there are a variety of factors one might consider when deliberating a move, employment and career opportunities are the predominant factor for those of working age. From there, housing and education (if it is a family with school age children) would likely take precedence. Crime would be an issue primarily if one were moving to a center city or planned to take a job in a center city. Access to good health care, ambience (cultural assets) and recreational assets would follow. But none of these would outweigh the importance of a good job for most working age people since they need the income to enjoy or make use of the others.

But, contrary to logic, the *Almanac* places equal weight on the nine factors rather than placing higher weights on the factors people actually weigh highest to make location decisions. Thus, although Pittsburgh did not rank among the top 20 metro areas on any of the nine measures of livability, it still managed to take the top prize. Nothing really too good, just middling in a lot of things. Hardly the stuff of bragging rights. And, from the author of the *Almanac*’s own admission, the “rankings favor large metropolitan areas with history”.

The ratings author has noted the rankings are “somewhat subjective”. There is obviously a lot of truth in this statement. Consider that Rochester, NY placed 6th this year after standing at 30th in 1999. How did it make the jump? A newspaper in Rochester noted that the author “speculates that this boost is because other metropolitan areas have seen enormous increases in the cost of housing in recent years, while Rochester has remained relatively affordable”. The fallacy of this argument is apparent given that San Francisco, with its enormous and rising housing costs, is rated number two in livability.

The *Almanac*'s release and its subsequent reception in the Pittsburgh area is similar to other rankings placing Pittsburgh above states where growth is occurring, thus raising doubt as to how reliable those rankings really are. The reaction to the *Almanac* ratings is succinctly explained by a 1999 *London Times* article: "the publication of the *Almanac* sets off a round of preening from mayors of winning cities and huffing and puffing from the losers."

When all is said and done, the number one ranking by the *Almanac* means little and it certainly cannot be used to disguise the region's problems. We all know and appreciate Pittsburgh's great cultural and entertainment amenities, as well as its wonderful universities and hospitals. But they have been here for a long time. If that were the end of the story, we would deserve a top ten rating for livability. But, with our high taxes, poor business climate, a financially distressed core city, a fiscally strapped mass transit system, sizable population loss and lack of significant job growth this entire decade, we must conclude that beyond some short-lived media attention, this livability rating means virtually nothing about how the region will fare in the future. We have a lot of hard work to do in order to fix the deeper problems holding us back from the level of prosperity being enjoyed in much of the country.

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