



ALLEGHENY INSTITUTE
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*Pittsburgh and the Benchmark City:
2016 Update*

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Table of Contents

| | |
|---|----------|
| Introduction | 2 |
| Methodology | 3 |
| Pittsburgh and the Benchmark City, 2016 | 4 |
| <i>City Demographics</i> | |
| <i>City Revenues and Expenditures</i> | |
| <i>City Workforce</i> | |
| <i>City Debt</i> | |
| Pittsburgh and the Benchmark City, 2005-2015 | 8 |

Introduction

In 2004, to ascertain whether Pittsburgh was in-line or out-of-line with other regional hub cities in the U.S., the Allegheny Institute wrote its first installment of the Benchmark City report. Following earlier work where we examined cities of similar population size to Pittsburgh, and then those in the same geographic sphere (the “Rust Belt”) as Pittsburgh, we selected four geographically dispersed cities of various population size that act as the center of their respective regions.

These cities—Columbus (OH), Charlotte (NC), Omaha (NE), and Salt Lake City (UT)—were amalgamated together to form the “Benchmark City”. Key financial measurements of Pittsburgh and the Benchmark City could be compared to determine if Pittsburgh was performing well or poorly relative to the Benchmark City.

To measure progress over time, we have updated the report three times previously: 2007, 2010, and 2013.¹

¹ “A Benchmark City for Pittsburgh to Emulate” (2004); “Pittsburgh’s Finances: an Updated Comparison with the Benchmark City” (2007); “Pittsburgh and the Benchmark City: 2010 Update” (2010); “Pittsburgh and the Benchmark City: 2013 Update” (2013).

Methodology

In order to obtain a strong set of data for variables evaluated in this report, we relied on each City's Comprehensive Annual Financial Report, which is produced each year following the completion of the calendar/fiscal year. The statistical section of these reports contains a wealth of information on various topics².

We examine the following areas with 13 variables in all:

- *City Demographics*—Population, School Enrollment, and School Enrollment per 1000 people.
- *City Revenues and Expenditures*—Total Revenues per capita, Total Taxes per capita, Total Expenditures per capita, Debt Service per capita, Capital Outlay per capita, and Total Expenditures less Debt Service and Capital Outlay per capita.
- *City Workforce*—Total Employees per 1000 people, Police Employees per 1000 people, and Fire Employees per 1000 people.
- *City Debt*—General obligation debt per capita.

² The CAFR statistical section contain a ten year snapshot of data, so in order to obtain data for 2005 through 2015, two CAFRs were examined for each city. Pittsburgh, Comprehensive Annual Financial Report for the Year Ended [December 31, 2014](#) and [December 31, 2015](#); Salt Lake City, Comprehensive Annual Financial Report for the Year Ended [June 30, 2014](#), and [June 30, 2015](#); Columbus, Comprehensive Annual Financial Report for the Year Ended [December 31, 2014](#) and [December 31, 2015](#); Charlotte, Comprehensive Annual Financial Report for the Year Ended [June 30, 2014](#) and [June 30, 2015](#); Omaha, Comprehensive Annual Financial Report for the Year Ended [December 31, 2014](#) and [December 31, 2015](#)

Pittsburgh and the Benchmark City, 2016

The following section analyzes the characteristics of Pittsburgh and the Benchmark City in 2016.

*Demographics*³

Based on the 2015 estimates of population from the Census Bureau's American Fact Finder, Pittsburgh's population of 304,391 was 47 percent lower than the Benchmark City population of 578,440.

| Variable | Pittsburgh | Benchmark City | On this Variable, Pittsburgh was... |
|-----------------------------------|------------|----------------|-------------------------------------|
| Population | 304,391 | 578,440 | 47% lower |
| School Enrollment | 23,639 | 75,092 | 68% lower |
| School Enrollment per 1000 People | 78 | 136 | 43% lower |

Public school enrollment in Pittsburgh stood at 23,639, roughly 70 percent lower than the Benchmark City public school enrollment total. When measuring school enrollment per 1000 people, Pittsburgh's rate was 43 percent lower than the Benchmark City rate.

³ U.S. Census Bureau, [American Fact Finder](#) Pittsburgh, Table 19 Demographic and Economic Statistics; Salt Lake City, S-18, Demographic and Economic Statistics; Columbus, Table 16 contains population, Table 27 shows enrollment for Columbus Public Schools, however it should be noted that there are several other school districts serving the City of Columbus; Charlotte, Demographic and Economic Statistics, page 190, school enrollment from Charlotte-Mecklenburg Board of Education [Comprehensive Annual Financial Report](#); Omaha, Schedule 17, Demographic and Economic Statistics.

City Revenues and Expenditures⁴

The centerpiece of the Benchmark City analysis is on fiscal characteristics: revenues raised, and taxes collected as a portion of total revenues; expenditures, which include a separating out of debt service and capital outlay so as to see expenditures without these two factors included.

| Variable | Pittsburgh | Benchmark City | On this Variable, Pittsburgh was... |
|--|------------|----------------|-------------------------------------|
| Total Revenues per capita | \$1,883 | \$1,332 | 41% higher |
| Total Taxes per capita | \$1,430 | \$890 | 61% higher |
| Total Expenditures per capita | \$1,925 | \$1,474 | 31% higher |
| Debt Service per capita | \$316 | \$252 | 25% higher |
| Capital Outlay per capita | \$0 | \$200 | 100% lower |
| Total Expenditures, less Debt Service and Capital Outlay, per capita | \$1,608 | \$1,021 | 57% higher |

On revenues per capita—which include all taxes, fees, licenses, permits, etc.—Pittsburgh collected \$1,883, which was 41 percent higher than the Benchmark City. When separating out taxes from overall revenue, this difference increased to 61 percent on a per capita basis. All of the cities levy taxes on property; taxes on income, sales, business activity, and other specific targeted taxes are either present or non-existent in the cities.

On the expenditure side, we start with total expenditures per capita, which take into account all functions that the cities spend on—general government operations, public safety, sanitation, public works, debt service, and capital needs to mention a few. Pittsburgh spent \$1,925 per capita, an amount 31 percent higher than the Benchmark City. Taking two components of expenditures out—debt service (principal, interest, and any bond issuance costs) and capital outlay—gives a fairly good approximation of what is spent on day to day operating costs of a city. When that measurement was taken, Pittsburgh’s expenditures less debt service and capital outlay (for which the City reported none) leaves a \$600 per capita difference in expenditures between Pittsburgh and the Benchmark City.

⁴ Pittsburgh, Table 5, Changes in Fund Balances, Governmental Funds, Total Revenues, Taxes, Payment in Lieu of Taxes, Total Expenditures, Capital Outlay, Bond Issue Costs, Debt Service; Salt Lake City, Table S-6, Changes in Fund Balances of Governmental Funds, Total Revenues, General Property Taxes, Sales, Use, and Excise Taxes, Franchise Taxes, Total Expenditures, Capital Improvement, Debt Service; Columbus, Table 4, Changes in Fund Balances, Governmental Funds, Total Revenues, Income Taxes, Property Taxes, Total Expenditures, Capital Outlay, Debt Service; Charlotte, Changes in Fund Balances, Governmental Funds, Page 174, Total Revenues, Property Taxes, Other Taxes, Total Expenditures, Capital Outlay, Debt Service Omaha, Schedule 4, Changes Fund Balances of Governmental Funds, Total Revenues, Property Taxes, Motor Vehicle Taxes, City Sales and Use Taxes, Business Taxes, Payments in Lieu of Taxes, Total Expenditures, Debt Service, Capital Outlay

*City Workforce*⁵

On measures of personnel on a per 1000 person basis we compared the cities on total general fund employees, total police, and total fire (the latter two include both sworn and civilian personnel).

On all three variables Pittsburgh is more than one-third higher than the Benchmark City.

| Variable | Pittsburgh | Benchmark City | On this Variable, Pittsburgh was... |
|--|------------|----------------|-------------------------------------|
| Total Employees per 1000 people | 10.7 | 7.5 | 43% higher |
| Total Police Employees per 1000 people | 3.5 | 2.5 | 40% higher |
| Total Fire Employees per 1000 people | 2.2 | 1.6 | 38% higher |

Total employees Pittsburgh had 10.7 per 1000 people to the Benchmark City's 7.5. At the Benchmark City rate Pittsburgh would have 2,500 employees, or about 970 fewer than it has currently.

Both police and fire staffing are roughly forty percent higher in Pittsburgh than in the Benchmark City.

⁵ Pittsburgh, Table 23 Full-Time Equivalent Municipal Employees by Function/Program; Salt Lake City, S-19, Full-Time Equivalent City Government by Functions; Columbus, Table 36, Number of City Employees; Charlotte, Full-Time Equivalent Employees by Function/Program page 192 with additional information provided via e-mail by Teresa Smith Finance Department; Omaha, Schedule 19, Full-Time Equivalent City Government Employees by Function/Program

City Debt⁶

Measuring general obligation debt per capita shows a 47 percent difference between Pittsburgh and the Benchmark City. There is a \$500 difference in per capita debt based on the most recent data.

| Variable | Pittsburgh | Benchmark City | On this Variable, Pittsburgh was... |
|-----------------|------------|----------------|-------------------------------------|
| Debt per capita | \$1,619 | \$1,105 | 47% higher |

Within the next two years Pittsburgh anticipates reaching its “debt cliff” where debt obligations will decrease significantly.⁷

⁶ Pittsburgh, Table 12, Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per-Capita; Salt Lake City, S-14, Ratios of General Bonded Debt Outstanding; Columbus, Table 16, Ratio of General Obligation Debt to Assessed Value, Total Primary Government General Obligation Debt Per-Capita, Total Primary Government Debt Per-Capita, and Total Primary Government Debt to Personal Income; Charlotte, Ratios of Outstanding Debt by Type, page 182; Omaha, Schedule 12, Ratios of Outstanding Debt by Type

⁷ Allegheny Institute for Public Policy “Other Cities on Debt Diet, Too” June 6, 2014 <http://www.alleghenyinstitute.org/cities-debt-diet/> and “Five Year Forecast Foreshadows Pension and Debt Changes” September 25, 2015 <http://www.alleghenyinstitute.org/five-year-forecast-foreshadows-pension-and-debt-changes/>

Pittsburgh and the Benchmark City, 2005-15

In order to provide a long-term view of the years covered by our Benchmark City analysis and updates over the years the tables on the following pages show the variables for Pittsburgh and the Benchmark City (with data for the cities comprising the Benchmark City provided individually) for three intervals: 2005, 2010, and 2015. The tables show the degree of change over the decade as well as each year's relative difference between Pittsburgh and the Benchmark City (a positive value in the far right column means Pittsburgh was higher on that variable, a negative means Pittsburgh was lower).

Population

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|---------|----------------|-----------------------|
| 2005 | 334,563 | 178,605 | 763,351 | 632,760 | 391,405 | 491,530 | -32 |
| 2010 | 305,704 | 183,102 | 787,033 | 756,912 | 408,962 | 534,002 | -43 |
| 2015 | 304,391 | 192,672 | 850,106 | 827,097 | 443,885 | 578,440 | -47 |
| % change | -9 | 8 | 11 | 31 | 13 | 18 | |

School Enrollment

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|--------|----------------|-----------------------|
| 2005 | 32,529 | 23,310 | 59,101 | 118,765 | 73,182 | 68,590 | -53 |
| 2010 | 25,326 | 24,177 | 51,096 | 133,664 | 77,560 | 71,624 | -65 |
| 2015 | 23,639 | 24,127 | 50,419 | 144,087 | 81,736 | 75,092 | -69 |
| % change | -27 | 4 | -15 | 21 | 12 | 9 | |

School Enrollment per 1000 People

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | 97 | 131 | 77 | 188 | 187 | 146 | -33 |
| 2010 | 83 | 132 | 65 | 177 | 190 | 141 | -41 |
| 2015 | 77 | 125 | 59 | 174 | 184 | 136 | -43 |
| % change | -21 | -4 | -24 | -7 | -2 | -7 | |

Total Revenue per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|---------|----------------|-----------------------|
| 2005 | \$1,423 | \$1,205 | \$1,205 | \$908 | \$977 | \$1,074 | 33 |
| 2010 | \$1,657 | \$1,291 | \$1,468 | \$983 | \$1,130 | \$1,218 | 36 |
| 2015 | \$1,883 | \$1,478 | \$1,536 | \$1,073 | \$1,241 | \$1,332 | 41 |
| % change | 32 | 23 | 27 | 18 | 27 | 24 | |

Total Taxes per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | \$1,052 | \$743 | \$683 | \$585 | \$612 | \$655 | 61 |
| 2010 | \$1,180 | \$768 | \$892 | \$643 | \$746 | \$762 | 55 |
| 2015 | \$1,430 | \$970 | \$1,001 | \$718 | \$871 | \$890 | 61 |
| % change | 36 | 31 | 47 | 23 | 42 | 36 | |

Total Expenditure per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|---------|----------------|-----------------------|
| 2005 | \$1,378 | \$1,198 | \$1,339 | \$1,141 | \$1,050 | \$1,182 | 17 |
| 2010 | \$1,927 | \$1,407 | \$1,481 | \$1,258 | \$1,270 | \$1,354 | 42 |
| 2015 | \$1,925 | \$1,730 | \$1,761 | \$1,137 | \$1,270 | \$1,474 | 31 |
| % change | 40 | 44 | 32 | 0 | 21 | 25 | |

Debt Service per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | \$293 | \$214 | \$158 | \$144 | \$146 | \$165 | 77 |
| 2010 | \$331 | \$116 | \$166 | \$185 | \$183 | \$163 | 104 |
| 2015 | \$316 | \$409 | \$220 | \$178 | \$202 | \$252 | 25 |
| % change | 8 | 91 | 40 | 24 | 38 | 52 | |

Capital Outlay per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | \$9 | \$128 | \$174 | \$321 | \$122 | \$186 | -95 |
| 2010 | \$20 | \$298 | \$142 | \$333 | \$194 | \$242 | -92 |
| 2015 | \$0 | \$197 | \$306 | \$194 | \$103 | \$200 | -100 |
| % change | -100 | 54 | 76 | -40 | -16 | 7 | |

Total Expenditure, Less Debt Service and Capital Outlay, per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | \$1,077 | \$857 | \$1,007 | \$677 | \$781 | \$830 | 30 |
| 2010 | \$1,576 | \$993 | \$1,173 | \$740 | \$893 | \$949 | 66 |
| 2015 | \$1,608 | \$1,123 | \$1,234 | \$764 | \$965 | \$1,021 | 57 |
| % change | 49 | 31 | 23 | 13 | 24 | 23 | |

Total Employees per 1000 People

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | 10.9 | 9.4 | 9.6 | 7.5 | 6.4 | 8.2 | 32 |
| 2010 | 10.9 | 8.8 | 9.0 | 7.0 | 6.3 | 7.8 | 40 |
| 2015 | 10.7 | 8.7 | 8.9 | 6.3 | 5.9 | 7.5 | 43 |
| % change | -1 | -8 | -7 | -16 | -8 | -9 | |

Police Employees per 1000 People

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | 3.7 | 3.2 | 2.4 | 3.1 | 2.4 | 2.8 | 31 |
| 2010 | 3.7 | 3.2 | 2.4 | 3.0 | 2.3 | 2.7 | 34 |
| 2015 | 3.5 | 2.8 | 2.2 | 2.8 | 2.2 | 2.5 | 40 |
| % change | -5 | -13 | -10 | -10 | -9 | -11 | |

Fire Employees per 1000 People

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|-------|----------------|-----------------------|
| 2005 | 2.5 | 2.0 | 2.0 | 1.7 | 1.6 | 1.8 | 36 |
| 2010 | 2.2 | 1.9 | 1.9 | 1.5 | 1.6 | 1.7 | 24 |
| 2015 | 2.2 | 1.8 | 1.8 | 1.4 | 1.4 | 1.6 | 38 |
| % change | -12 | -10 | -10 | -18 | -13 | -13 | |

Debt per Capita

| Year | Pittsburgh | Salt Lake | Columbus | Charlotte | Omaha | Benchmark City | % Difference (+ or -) |
|----------|------------|-----------|----------|-----------|---------|----------------|-----------------------|
| 2005 | \$2,351 | \$514 | \$1,129 | \$617 | \$1,239 | \$875 | 169 |
| 2010 | \$2,072 | \$517 | \$1,158 | \$681 | \$1,287 | \$911 | 128 |
| 2015 | \$1,619 | \$806 | \$1,643 | \$836 | \$1,135 | \$1,105 | 47 |
| % change | -31 | 57 | 46 | 36 | -8 | 26 | |