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Allegheny County’s real economic performance

By Colin McNickle

Elected and appointed government officials have a troubling habit of engaging in what we’ll call “sound-bite promotion.” They go on a radio or television program making wondrous claims of economic progress yet offer only vague support of those claims and seldom are challenged by their interviewers.

Thus, for the public at large, these public figures’ contentions become articles of faith, “facts” by default, if you will. They must be true because the official said so, repeatedly, and no counter information was presented.

Consider the case of Allegheny County Chief Executive Rich Fitzgerald. He has been on the media hustings touting how great the county economy has been doing since 2000. But as an analysis by the Allegheny Institute for Public Policy concludes, there’s little to tout.

“In short, Allegheny County’s economic performance, as measured by household employment and labor force gains in comparison with the nation and state and several (comparable) counties, has not fared well over the last two decades,” says Frank Gamrat, executive director at the Pittsburgh think tank.

“Of course, part of that story is tied with the loss of population,” he notes (in *Policy Brief Vol. 20, No. 3*). “But it all comes down to the availability of jobs and the business climate. Job availability draws people to a county and boosts labor force and employment levels.”

A review of household employment data (provided by the U.S. Bureau of Labor Statistics) compared Allegheny County’s numbers for counties that host cities for which their metro areas are named. They are Mecklenburg, N.C. (Charlotte); Hamilton and Cuyahoga (Cincinnati and Cleveland); Marion, Ind. (Indianapolis) and Bexar, Texas (San Antonio).

Household employment stood at 612,461 people in Allegheny County in 2000 (based on the 12-month average for the year cited). In 2019 employment had increased to 625,287, up 2.1 percent.

That was fourth best among the peer counties, ahead of Cuyahoga’s negative 11.4 percent and Hamilton’s negative 1.4 percent. But it was well behind Mecklenburg’s 57.5 percent household employment growth in the same period, Bexar’s 45.7 percent increase and Marion’s 7.8 percent rise.

"Nationally, household employment rose 15 percent and Pennsylvania's count moved up 6.5 percent," says Gamrat, a Ph.D. economist.

Allegheny County trailed its comparable counties even in the post-recession years of 2010-19. Indeed, Allegheny County saw an increase of 6.4 percent in that period but that bested only Cuyahoga's 1.8 percent gain. The county's household employment growth again fell far below its peers.

But that's not the only pertinent metric. When considering labor force growth, Allegheny County again posted lackluster results.

In the 2000 to 2019 period, the county's labor force rose barely 2 percent, from 638,137 to 650,557. It rose 6.5 percent statewide and 14.7 percent nationally.

The Mecklenburg labor force soared 58.9 percent; Bexar rose 44.3 percent; Marion jumped by 8.4 percent. Both peer Ohio counties, Hamilton and Cuyahoga, saw labor force drops of 1.5 and 10 percent, respectively.

Labor force numbers are dependent upon the population at large. Allegheny County's population has continued to shrink (though at a slower rate in the 2010-18 period). Among its peer counties, Mecklenburg's population jumped 57.3 percent, Bexar's rose 42.3 percent and Marion's grew 11 percent.

Hamilton County's 2000-18 population fell 3.4 percent, Cuyahoga's plunged 10.8 percent.

"(T)he business climate in Allegheny County has been less than ideal for job growth," Gamrat says. "It is not free-market oriented or business friendly. A large part of that is the stifling regulatory climate coming from the state level but also from the county's core, the City of Pittsburgh."

And let's not forget burdensome taxes, such as the Regional Asset District's one percent piggyback tax on top of 6 percent sales tax, the drink and rental car tax and the very high level of school real estate taxes within the county.

"Until the county reverses course and becomes more welcoming to businesses – without using public subsidies to draw them here – the slow growth that characterized the first two decades of this millennium will continue," Gamrat concludes.

And no amount of "sound-bite promotion" can change that.

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