



Allegheny County's household employment lagging

Summary: As 2020 began, Allegheny County Executive Rich Fitzgerald touted the economic performance of the county since 2000. As noted in late 2019, an Institute *Policy Brief* (Vol. 19, No. 44) reported that the seven-county Pittsburgh Metropolitan Statistical Area's employment growth has fared quite poorly recently compared to similar-sized metros. Allegheny County makes up about half the population of the seven-county region.

The *Policy Brief* findings were based on surveys of employer payrolls. These surveys cover only metro areas and do not report data by county. However, U.S. Bureau of Labor Statistics does collect household employment and labor force data at the county level through phone surveys.

In the earlier *Brief*, the Pittsburgh metro area was compared with the Charlotte, Cincinnati, Cleveland, Indianapolis and San Antonio metro areas. This *Brief* looks at household employment data for the counties that host the cities for which the metro areas are named. They are Mecklenburg, N.C. (Charlotte), Hamilton and Cuyahoga, Ohio (Cincinnati and Cleveland), Marion, Ind. (Indianapolis) and Bexar, Texas (San Antonio). Additionally, this study will include the performance of the nation and state.

Household employment for Allegheny County in 2000 stood at 612,461 people (all figures are the 12-month average for the year cited). In 2019 employment had increased to 625,287—a rise of 2.1 percent. In the sample of counties, it ranks as fourth best ahead of Cuyahoga (-11.4 percent) and Hamilton (-1.4 percent), but well behind Mecklenburg (57.5 percent), Bexar (45.7 percent) and Marion (7.8 percent). Nationally household employment rose 15 percent and Pennsylvania's count moved up 6.5 percent.

The first decade of the new millennium ended just as the deep recession was drawing to a close with four counties having lower household employment in 2010 than 10 years earlier (Allegheny, Cuyahoga, Hamilton and Marion). Pennsylvania also saw a drop while nationally household employment posted a very small 1.6 percent gain. Meanwhile, Mecklenburg and Bexar (16.4 and 18.4 percent, respectively) recorded solid growth.

With a rebound from recession levels and ongoing strong gains in recent years, the national household employment count climbed 13.2 percent between 2010 and 2019 while Pennsylvania posted a 6.5 percent rise. Unfortunately, Allegheny County, at 6.4 percent, trailed well behind the national gain and managed to surpass only Cuyahoga's 1.8 percent. Allegheny's growth fell far behind Mecklenburg (35.3 percent), Bexar (23 percent), and Marion (17.7 percent). Hamilton County, at 8.9 percent growth, was marginally better than Allegheny County's gain.

Another measure of the economic vitality of an area is labor force growth. The labor force consists of those who are employed and those who are actively seeking employment. It does not count members of the population under age 16, retired or in an institution such as a school or hospital.

From 2000-19, labor force in Allegheny County ticked up from 638,137 to 650,557 or barely 2 percent. Over the same period the national labor force rose 14.7 percent, while the commonwealth rose by 6.5 percent. Among the counties reviewed, Mecklenburg County's labor force jumped by 58.9 percent followed by Bexar County at 44.3 percent and Marion County at 8.4 percent. Both Ohio counties, Hamilton and Cuyahoga, had losses of 1.5 and 10 percent, respectively.

While better than two Ohio counties, Allegheny County's very slow 19-year labor force gain does not signal strong economic vitality in comparison to the nation and many counties across the country.

As mentioned above, labor force is dependent upon the population at large—generally speaking, a growing population allows for a growing labor force. While the next decennial Census will be taken in 2020, recent county population comparisons can be made using annual population estimates, with the 2018 estimate being the most recently available from the U.S. Census Bureau.

In the 2000 Census Allegheny County's population was recorded as 1,281,666. By 2010 the count had fallen by 4.6 percent to 1,223,348. The losses slowed to just 0.4 percent between 2010 and the 2018 population estimate of 1,218,452. Over the time frame 2000 to 2018, Allegheny County's population fell by 4.9 percent.

By contrast, Pennsylvania's population count over the two decades increased by 4.3 percent. The bulk of that increase happened in the first decade (3.4 percent) before cooling off to less than one percent between 2010 and 2018.

From 2000 to 2018, Mecklenburg led the six-county sample with a jump of 57.3 percent to the population (695,454 to 1.1 million) and will likely surpass Allegheny County in the next Census count. Bexar County's population climbed 42.3 percent to 1.99 million people, up from 1.4 million in 2000. Marion County grew 11 percent over the period. However, Hamilton County and Cuyahoga County each saw population losses.

Hamilton's drop of 3.4 percent was smaller than Allegheny County's. But Cuyahoga was very hard hit with a population loss of 10.8 percent.

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 counties, has not fared well over the last two decades. Of course, part of that story is tied with the loss of population. 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.

As many earlier *Policy Briefs* have noted, the business climate in Allegheny County has been less than ideal for job growth. It is not free market-oriented or business friendly. A large part of that is the stifling regulatory climate coming not only from the state level but also from the county's core, the City of Pittsburgh.

It also has a lot to do with burdensome taxes, such as the additional one percent Regional Asset District 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.

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