

### Pittsburgh area continues to shed population

**Introduction:** A recent editorial in the Post-Gazette raised the question: “Can Pittsburgh thrive without growing?” The author states that the metro area and county have lost population, and as a result, local gross domestic product has fallen since pre-pandemic 2019. A look at U.S. Census data shows that population losses are a problem for most counties in the area which will have detrimental effects on the economic vitality of the region.

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In March 2024, the U.S. Census Bureau released its population estimates for July 2023 and compared components of change such as natural change (births minus deaths) and net migration (the sum of domestic migration and international migration) to the 2020 decennial Census count. The results for the area are not encouraging.

#### *The Pittsburgh area*

The largest county in the Pittsburgh Metropolitan Statistical Area (MSA) is Allegheny County with a 2020 count of 1,250,536 persons. The estimated population in 2023 was 1,224,825, a reduction of 25,711 or 2.06 percent. The natural change was a decline of 8,494 and a negative net migration of 18,254 with 24,748 domestic migrants leaving the county and only 6,530 international migrants entering. More specifically for every four domestic migrants leaving, only one international migrant arrived.

Of the other six counties in the MSA, Butler County posted the largest gain with 4,639 more people (2.3 percent) and Washington County gained a scant 863 (0.4 percent). The four remaining counties each lost population over the period: Armstrong (-1,486 or 2.3 percent); Beaver (-2,598 or 2.8 percent); Fayette (-4,910 or 3.8 percent) and Westmoreland (-3,509 or 0.99 percent).

All counties in the MSA had more deaths than births. Only four counties—Beaver, Butler, Washington and Westmoreland—had increases in both domestic and international migration. Domestic migration in these four counties increased by a total of 13,950. However, it does not offset the loss of 26,119 domestic migrants in the other three counties, including Allegheny. The MSA had a net loss of 12,169 domestic migrants.

International migration in the six smaller counties in the MSA was 1,092 people—a very small percentage, 0.1 percent, of their combined population (1,113,428). And when added to

Allegheny's increase, the total draw of international migrants is 7,622, not enough to counter the loss of domestic migrants in the MSA.

### *Statewide*

Statewide, Pennsylvania had a very modest loss in estimated population over the period, dropping from 13,002,788 to 12,961,683—just 0.32 percent. The components of this change included 67,343 more deaths than births. The state added 62,322 international migrants but lost 40,449 domestic migrants.

While the overall drop is minor for a state of nearly 13 million people, that it is a decrease in and of itself should raise eyebrows. With many southern states gaining population, South Carolina gained 255,133 (5 percent) and Tennessee grew by another 215,703 (3 percent), Pennsylvania's lack of growth will have ramifications not just economically, but politically as well as the state may lose representation in the U.S. House of Representatives if this trend continues.

Of the 67 statewide counties, Allegheny County, the state's second most populous, had the largest decrease in natural change, and the second largest drop in net migration to Philadelphia's fall of 63,644. Philadelphia lost 80,765 domestic migrants and only gained 17,121 international migrants—a nearly 5-to-1 ratio. Philadelphia also had an increase due to natural change (9,295).

When it comes to natural change, Pennsylvania does not fare well. From the 2020 census count until the 2023 population estimate, the statewide drop was 67,343. Only seven of the commonwealth's counties had growth due to natural change. All are either ring counties of Philadelphia (Chester, Montgomery and Delaware) or are very close (Dauphin, Lancaster and Lehigh).

Even though many more counties had positive migration changes (42) ranging from 11,789 (Cumberland County) to 31 (Snyder County), the five largest migration counts occurred in the east-southeast: Cumberland, Chester, Montgomery, York and Northampton Counties. Butler County held the sixth spot.

### *Implications on the labor force*

According to the U.S. Bureau of Labor Statistics' household survey, the seven-county Pittsburgh MSA had a drop in the labor force from 2019 through 2023 (annual monthly average) of 3.95 percent (1.225 million to 1.177 million—48,000). Each of the seven counties had labor force losses ranging from 4.83 percent (Fayette) to 2.76 percent (Butler) during this time.

In contrast, the counties in the south and east portion of the state had increases in the labor force count. The Philadelphia area of Montgomery, Bucks and Chester Counties had a combined increase of 2.22 percent while Philadelphia's rise was 1.14 percent. Delaware County had the smallest change (0.26 percent) while Dauphin (1.51 percent) and Lancaster (1.15 percent) had modest increases.

As was noted in *Policy Brief, Vol. 24, No. 12*, the changes in labor force are being reflected in employment levels. The Pittsburgh MSA's total private sector employment in 2023 was 27,000 or 0.5 percent *lower* than it was in 2019. Meanwhile the Montgomery, Bucks, and Chester Counties Metropolitan Division had a 1.54 percent rise in private sector jobs (15,500). Statewide the increase was just 0.73 percent (39,100).

### *Conclusions*

As population falls so does the number of people available for the labor force. Without a growing and strong labor force, the economy is going to languish—current firms will have a difficult time filling jobs with local residents and with ongoing net out-migration that will likely continue indefinitely. At the same time, firms will be very reluctant to enter the market for the same reason. Unfortunately, a stagnant economy will result in a reduced tax base thus forcing higher tax rates on remaining residents and pushing more people away.

With a contracting tax base and declining population, the burden of high-cost services will rest on those who remain.

Unfortunately for Allegheny County, the new Chief Executive has embarked on a social services campaign and has ignored advancing any reforms, such as conducting frequent property assessments that would ensure fairness in taxation and making the county more attractive for business expansion and perhaps encouraging new business to begin operations in the county.

Even statewide the focus is not on policies that promote economic growth. Instead, the governor is pushing a cap-and-trade policy on energy that will only raise its price for all, including businesses.

Without any meaningful movement toward making either the Pittsburgh MSA or Pennsylvania more business-friendly, the long-term trend of population decline and tepid economic growth in the state and region relative to growing states will continue.

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