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An unflattering portrait of Pittsburgh

By Colin McNickle

Pittsburgh compares poorly to a composite of four cities that serve as a performance benchmark, concludes an updated analysis by the Allegheny Institute for Public Policy.

"Pittsburgh's lethargic emergence from the COVID-19 pandemic … stood in stark contrast to the impressive recovery and improvement of the benchmark city," say Eric Montarti, research director at the Pittsburgh think tank, and Alex Sodini, a research assistant there.

"The latest comparison of financial and employment data on a per capita basis demonstrates in detail Pittsburgh's very poor performance against the benchmark city on nearly every metric," the researchers found (in *Policy Brief Vol. 24, No.29*).

It was in 2004 that the Allegheny Institute published its first report comparing Pittsburgh with the "benchmark city." The intent was to examine how Pittsburgh fared when measured against four comparable "regional-hub" cities.

The benchmark is comprised of Columbus, Ohio; Charlotte, N.C.; Omaha, Neb.; and Salt Lake City, Utah. The measurement factors from these cities of varying size were then averaged together to form the "benchmark city." The last full benchmark update was published in 2019.

Montarti and Sodini note that Pittsburgh's estimated population is less than half of the benchmark city.

"Since 2020, Pittsburgh's population has been relatively unchanged while the benchmark city grew 2.1 percent," they say. Columbus, Salt Lake City and Charlotte all experienced positive growth while Omaha's population declined.

But the chief comparison in the benchmark city analysis is focused on the cities' fiscal metrics. All metrics are reviewed on a per capita basis and incorporate total governmental fund revenues and expenditures, debt and taxation, the think tank scholars remind.

"Pittsburgh's total revenues (all taxes and fees, etc.) stood at $2,771 per capita, 37 percent higher than the benchmark city," Montarti and Sodini note. "Looking at just tax revenue, the City of Pittsburgh raised nearly $550 more in tax revenue per capita – 44 percent higher than the benchmark city."

Pittsburgh's total expenditures per capita – which include general government functions, public safety, public works, debt service, etc. – totaled $2,828 – 42 percent higher than that of the benchmark city. Its debt per capita was 41 percent higher.

Montarti and Sodini remind that, historically, one of the chief contributors to Pittsburgh's chronic overspending is its workforce size relative to the benchmark city.

"Pittsburgh had almost four more total employees per 1,000 people (48 percent greater)," they detail. "At the benchmark city's rate, Pittsburgh would have only around 2,400 employees, roughly 1,100 fewer."

The researchers found police and fire employees (civilian and sworn) per 1,000 people were also higher, with 22 percent and 38 percent more staffing than the benchmark city, respectively.

"The city budget is further strained not only by salary but benefit costs as well," Montarti and Sodini add, noting Pittsburgh's 68 percent pension funding ratio lagged behind the benchmark city's 80 percent funding ratio.

In conclusion, the think tank researchers say Pittsburgh's very high spending, excessive taxation and embrace of unions have all contributed to an overbearing public sector which has impeded growth and gives the city a reputation of being unfriendly to business.

"For Pittsburgh to become a solid economically performing city, the solution is not greater levels of public spending which landed Pittsburgh in its current situation, as some local policymakers have advocated, but instead by making Pittsburgh an attractive destination for businesses and residents by curbing public spending, reducing burdensome taxation, trimming excess public employment, encouraging the state to adopt Right-to-Work and embracing free-market policies," Montarti and Sodini say.

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