

POLICY BRIEF

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Infrastructure Inadequacies Dim Region's Economic Prospects

Southwestern Pennsylvania has experienced a dismal growth rate compared with the truly up and coming places around this country. In fact, this region lags many areas of the country by every measure: population growth, growth in jobs, growth in per capita income. And the truth is that this is no recent phenomenon. Southwestern Pennsylvania has been in relative decline since roughly 1950, when the population of this region's center of economic activity—Pittsburgh—reached its peak.

Population Trends: Pittsburgh vs. Other Selected Cities 1950 to 2000

City	1950 Rank/ Population	1990 Rank/ Population	2000 Rank/ Population	% Pop. Chg. 1990-2000
Pittsburgh	12 677,000	40 369,879	53 335,000	- 9.5%
Boston	10 801,000	20 574,283	20 589,000	2.6
Charlotte	42 134,000	34 395,934	26 541,000	36.6
Columbus	28 376,000	16 632,910	15 711,000	12.4
Dallas	22 434,000	8 1,006,877	8 1,189,000	18.0
Indianapolis	23 427,000	12 741,952	12 792,000	6.7
Jacksonville	38 205,000	15 635,230	14 736,000	15.8
Phoenix	45 107,000	9 983,403	6 1,321,000	34.3
San Antonio	25 408,000	10 935,933	9 1,145,000	22.3
San Diego	30 334,000	7 1,110,549	7 1,223,000	10.2
San Jose	49 96,000	11 782,248	11 895,000	14.4

Source: US Census Bureau and Public Purpose's "Demographia" Website

Pittsburgh's 1950 population was 677,000, making it the 12th largest city in the country. Pittsburgh's population is now below Columbus' population in 1950 and Columbus' population now exceeds Pittsburgh's 1950 peak. The trajectories of the two cities have been in opposite directions. The startling diversity of the cities and regions that have grown while Pittsburgh has declined demonstrates that it has not been the pursuit of some "economic game plan," the wrong one in Pittsburgh and the right one elsewhere, that has led to these results. It should also give pause to those suggesting that Pittsburgh can succeed by recreating the history of those places. Too much of what passes for economic planning here is based on turning Pittsburgh into the "next" San Antonio or Seattle by importing their successful industries.

Boston is a city that has witnessed a recent history similar to Pittsburgh's—up to a point. In 1950 Boston's population was the 10th largest in the US. Its manufacturing sector was basic: clothing, textiles, leather, machinery, and shoes. By 1971 those industries had either fled elsewhere in this country—primarily to the south—or had been supplanted by foreign competitors. The 1970s were projected to be a decade of decline. Instead, a boom was beginning that would be fueled by a "new economy" based on electronics, defense and high technology. Today the region's population is greater than ever at 5.8 million, and no one longs for a return to the 1950s. The outlook is optimistic, notwithstanding defense cutbacks and a currently troubled technology sector.

Metropolitan Area Populations and Change 1990-2000

Metro Area	1990 Population	1990 Ranking	2000 Population	2000 Ranking	1990-2000 Change
Pittsburgh	2,394,811	17	2,358,695	22	- 1.5%
Boston	5,455,403	7	5,819,100	7	6.7
Charlotte	1,162,093	35	1,499,293	34	29.0
Columbus	1,345,450	30	1,540,157	33	14.5
Dallas*	4,037,282	9	5,221,801	9	29.3
Indianapolis	1,380,491	29	1,607,486	29	16.4
Jacksonville	906,727	47	1,100,491	46	21.4
Phoenix	2,238,480	20	3,251,876	14	45.3
San Antonio	1,324,749	31	1,592,383	30	20.2
San Diego	2,498,016	16	2,813,833	17	12.6
San Jose **	6,253,311	5	7,039,362	5	12.6

* Dallas-Fort Worth ** San Jose is included in San Francisco-Oakland-San Jose CMSA

Source: US Census Bureau and Public Purpose's "Demographia" Website

What accounts for the different Boston and Pittsburgh experiences? Some point to Boston's Route 128—"the beltway" that loops to the west of the city through what is often called "Silicon Valley East." But that infrastructure simply became the suburban perimeter where the "new economy" firms located, not the economic engine that spawned them. Boston's airport—Logan International—lacks the capacity and amenities and convenience of Pittsburgh International, yet handles a greater volume of traffic. It is not the airport that has produced that result, but the thriving economy and steady population growth. The region supports two other major airports—in Providence (RI) and Manchester (NH)—making the air travel market 17th largest in the country. The recovery of the Boston region was not planned, nor was it generated by specific economic development policies and actions. It just seemed to "happen." It is likely that the other regions in the table above owe their growth and success to market and demographic forces working in unforeseeable ways rather than any governmental "game plan."

Thus we're left with a puzzle. Suppose this region embarked upon a huge infrastructure-building program constructing a beltway and extending water and sewer out to a vast suburban and rural network of greenbelt and highways over the next 10 years. Would a "new economy" follow or would those acres of productive land and miles of new roadway languish to no appreciable effect? We're not sure. But the question may be moot in any case. The opportunity for the kind of infrastructure juggernaut we believe this region needs came and passed in the late 1950s and early 1960s when the federal government was funding a national highway system. Today federal and state governments lack the resources to provide significant highway funding for major new projects, having changed their priorities to social welfare spending. The lion's share of federal and state highway dollars is committed to maintaining infrastructure already in place. And grassroots community groups are opposing highway projects in favor of the false grail of "mass transit."

What then is to be done? Any genuine "renaissance" here must be truly regional, and Pittsburgh cannot lead it. It will come through development of the distant suburbs and rural areas surrounding Pittsburgh, and from new enterprises and opportunities unforeseen by conventional "planners," much as occurred in Boston. Obviously, a transformation of our infrastructure will be necessary to accommodate the new economic reality as it unfolds.

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Note: On September 26, the Allegheny Institute will host a luncheon featuring Victoria Hughes. Ms. Hughes is the founder and president of the Bill Of Rights Institute, and organization dedicated to educating students about the power and importance of the Bill of Rights. Contact the Allegheny Institute for details.

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