

POLICY BRIEF

An electronic publication of
The Allegheny Institute for Public Policy

August 9, 2002

Volume 2, Number 40

Beltways And Right To Work: A Winning Combination

It makes sense that metropolitan areas (MSAs) with beltways would enjoy greater economic growth potential than those without a beltway. Yet, the debate rages: Does highway growth contribute to economic growth? In Pittsburgh for example, spirited argument continues over the value of the Mon Fayette Expressway and the so-called Southern Connector. Proponents insist that new roads open areas to economic development and “generate” new jobs over time. Opponents argue that new highways contribute to growing congestion, longer commute times, and a degraded environment.

While we cannot assuage the fears of those who view virtually every infrastructure project as detrimental to the environment, we can provide insight as to how cities with beltways, or the “functional equivalents” of beltways, have fared in terms of employment growth versus those major metro areas, including Pittsburgh, that have neither a beltway nor its functional equivalent. Given the Pittsburgh region’s economic malaise over the past decade, how we invest our limited infrastructure dollars now will have critical impact on our future.

Of the 50 largest US metropolitan areas, 20 have purposeful beltways, that is, a road system constructed specifically as a circumferential highway, including: Atlanta, Nashville, Dallas, Houston, Norfolk, Salt Lake City, Memphis, Oklahoma City, Raleigh-Durham, Jacksonville (all of the aforementioned are located in Right to Work states) Denver, Washington, DC, Indianapolis, Kansas City, Baltimore, Boston, Minneapolis, Cincinnati, Columbus and Portland (the last 10 are located in Non Right to Work states). The average employment growth rate for this group from 1990 through 2000 was 25.1%.

Another 21 have the functional equivalent of a beltway--a series of major arterial roads, limited access, that surround the city forming a system that facilitates commuting and surface transportation and opens suburban acreage to development. Eight of these are located in Right to Work States. The functional equivalent group as a whole demonstrates an average employment growth rate over the period under review that is nearly as high as the purposeful beltway cities—24.7%.

We found only nine of the 50 largest metropolitan areas lack a beltway or a functional equivalent. As we expected, this group had the lowest average employment growth rate (7.8%) in the years 1990 through 2000. Pittsburgh, San Francisco, Hartford, Buffalo, Rochester, and Philadelphia are in Non Right to Work states, while Miami, Tampa – St. Pete, and New Orleans are in Right To Work states.

While metropolitan areas with beltways enjoy faster economic growth than those without them, the table below clearly shows that Right to Work has considerable influence as well:

All Major Metro Areas With Beltway Or Equivalent	Right To Work MSAs With Beltway Or Equivalent	Non Right To Work MSAs With Beltway Or Equivalent
Average Job Growth: 24.9%	Avg. Job Growth: 35.5%	Avg. Job Growth: 16.6%
All Major Metro Areas Without Beltway Or Equivalent	Right To Work MSAs without Beltway Or Equivalent	Non Right To Work MSAs Without Beltway Or Equivalent
Average Job Growth: 7.8%	Avg. Job Growth: 19.5%	Avg. Job Growth: 1.90%

Data Source: US Bureau of Labor Statistics, Employment Figures 1990 through 2000

We reach several conclusions from analysis of the MSA job growth data:

First, employment growth in major metropolitan areas that lack a beltway or equivalent highway system is much slower than growth in cities with beltways. Lack of adequate capacity for surface transportation of people and goods throughout a metropolitan area serves to constrain development and results in stagnation. Mass Transit cannot offset the lack of sufficient highway capacity to facilitate economic growth in what have come to be called “ring” developments outside of the urban center.

Second, the Right to Work has had a significant positive influence on job gains. As is shown in the table above, the major metropolitan US areas in Right To Work states enjoyed vastly superior job growth rates compared to their counterparts in Non Right To Work states. Remarkably, the average job growth for MSAs with a beltway and Right to Work was 15 times faster than the average rate for metro areas with neither a beltway nor Right to Work.

Pennsylvania’s members of the Top 50 Metro areas, Pittsburgh and Philadelphia, had a combined job growth rate in the 1990s of just 4.3%. Neither city has an effective beltway system. And, sadly, Pennsylvania remains a Non Right to Work state. This combination creates an enormous obstacle to more robust economic growth.

Major highway funding ought to become a priority of the Governor and the Legislature over the next decade. And, nothing would better demonstrate that the Legislature is serious about making Pennsylvania more “competitive,” than passing a Right To Work bill.

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