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Pittsburgh's Population Plunge Persists

A local news story that seems to have slipped quickly off the radar screen in recent weeks pointed out that the City of Pittsburgh's population continues to decline. It is understandable perhaps that the story has not generated a tremendous amount of attention: national and international issues loom large and there is a great deal of uncertainty about state and local finances, gambling, and possible tax hikes. Then too, the dwindling population of the City is not a new development. Rather, it is a continuation of a trend that shows no sign of abating, especially if the City takes its planned course of action to close its deficit.

The numbers from the U.S. Census Bureau show that Pittsburgh had a net loss of 6,665 people from 2000 through 2002. As of last year, the City's population stood at 327,898, down two percent from the 2000 total. If this rate of decline continues, the 2010 Census population for the City of Pittsburgh would stand at roughly 301,000.

The Census examined 242 incorporated places (cities and towns) with a population of 100,000 or more. Over the two-year time frame, 175 (72%) of these places saw net population gains. The remainder, including Pittsburgh, saw net losses. Pittsburgh also fell into a smaller subset of places--twelve in all--that had net losses of more than 5,000 people. This group included Cleveland and Baltimore with net losses of 9,608 and 12,540, respectively.

Of the eight cities of about the same size as Pittsburgh (in the range of 300,000 to 350,000), other "net losers" included Toledo, Cincinnati, and St. Louis. Meanwhile, four other cities in the range--Arlington, Anaheim, Santa Ana (CA), and Tampa--had net increases over the period. In fact, Arlington and Anaheim had populations smaller than Pittsburgh in 2000 and have since overtaken the City in size.

There are several reasons for the losses in Pittsburgh. These lessons can be applied to several other large cities as well.

First and foremost is the burden of city and city school taxes. In a previous *Policy Brief (Volume 2, Number 60)*, tax data from fourteen comparable cities were analyzed to examine the share of these taxes as a percentage of all state and local taxes and as a percentage of income. Not surprisingly, the four cities where city and school taxes represented the largest share of both total non-federal taxes and income also saw significant decreases in population over the decade of the 1990s and so far in this decade. These cities were Pittsburgh, Cleveland, Cincinnati, and St. Louis.

The second problem is a tendency for the public sector to underwrite questionable development in the name of growth. Pittsburgh and other cities that engaged in economic development strategies that focused on subsidizing glitzy entertainment venues, such as sports stadiums, tended to be on

the net loss side more often than not. Pittsburgh, Cleveland, Baltimore, and Cincinnati are joined by Detroit, Philadelphia, and Milwaukee as cities that hitched their hopes to stadium driven economic development schemes that have not panned out as promised.

Lastly, the continuing drop in education quality is a key element in explaining the decline of many of these cities. Pittsburgh schools' extraordinarily high spending, coupled with well below average results, does not encourage parent or taxpayer confidence in the schools. Emphasis on outcomes, accountability, and cost control will be required if the City school district is to play a role in reversing Pittsburgh's population decline.

Clearly, City and School policymakers have missed--or ignored--the signals sent by recent population changes. Sadly, there have been few attempts aimed at achieving fundamental changes. Nor is there any indication that public officials are interested in real reform or, even worse, don't think it is necessary. Amazingly, City officials are lobbying for additional taxes, apparently not aware of the effect these levies will have on individuals and businesses that constitute the tax base. Higher taxes and higher spending will not reverse population trends: they will exaggerate them.

In addition, there has been no effort to tie expenditure growth to population change. It is important to note that if City expenditures had been held to the rate of population growth (decline in Pittsburgh's case) plus inflation over the last twenty years, the current debate would be over what to do with the surpluses rather than how to close the deficit or look for additional taxing powers.

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