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Lessons From Charlotte That Pittsburgh Refuses to Learn

A couple of weeks ago the Allegheny Conference for Community Development sponsored a junket to Charlotte to try to learn how to consolidate City and County governments and governmental services. Apparently, they did not garner any wonderful secrets since they have not held a press conference to regale us with all the cost saving, service enhancing changes they will be trying to get implemented.

But they could have learned some useful things if they had bothered to get out of their meetings and drive around Charlotte and Mecklenburg County. There they would have seen what a growing, prosperous area looks like. Housing starts 15 times the pace of Allegheny County along with massive new construction of commercial, industrial and retail space—all without TIFs and other huge taxpayer handouts. They would have also learned that employment gains in the Charlotte MSA just keep coming with another 30,000 new jobs expected this year, dwarfing the miniscule growth in the Pittsburgh metro area. Moreover, the job growth is widespread across many sectors.

Economists in the Charlotte region project 50,000 new residents per year moving to the MSA for the next several years. (*Charlotte Observer*, July 9, 2006) Little wonder building of homes and commercial space there is so strong. The visitors from Allegheny County would have also learned that attracting large numbers of new residents is not dependent on having an absurdly expensive school system with strong academic achievement. Charlotte Mecklenburg schools as a whole are just not very good as the high drop out rate attests and complaints from parents verify.

Not only is Mecklenburg County thriving, but the surrounding counties are enjoying substantial gains in people, jobs and business activity as well. All this growth is occurring with all those independent municipalities and cities. How can it be? According to so-called experts here, only consolidated regional governments are consistent with economic prosperity. Put this down as another canard debunked. Presumably, the awful experience of Philadelphia has not yet registered.

Of course, the so-called experts refuse to look at what is really wrong with Pittsburgh and Allegheny County that causes population to decline and job gains to be anemic or non-existent. What the junketeers should have learned on their trip to Charlotte is something they could have learned without leaving their offices. Charlotte and the counties in the Charlotte area (including those in SC) all lie in Right-to-Work states. They do not have public sector unions dictating how governments are run. They do not have teachers unions who can strike to hold school boards and taxpayers hostage in order to get them to capitulate to outrageous demands. They do not have mass transit drivers making the highest cost of living adjusted wages in the country along with a benefits package that is the envy of working people everywhere. Finally, they do not have Act

111, which enables public safety unions to bankrupt municipalities. All these things the junketeers either already knew or could have easily learned sitting at their desks.

As a result of the things the Charlotte MSA doesn't have that Pittsburgh does, property taxes are lower and business costs and operating environment are much more advantageous to companies moving in or expanding. In short, they have a recipe for private sector growth that does not require heavy government subsidies.

And by the way, Charlotte is building a 9.6-mile light rail system for \$8 million less than Pittsburgh is getting ready to pay for a 1.2-mile extension of its light rail system. Of course, the Conference has had naught to say about the Port Authority's decision to proceed with the ludicrous tunnel project and the accompanying egregious misuse of tax dollars.

Meanwhile, all the talk in Allegheny County about city-county consolidation and changes to government structure is nothing more than a diversionary tactic to avoid facing the reality of the failed economic policies that have transmuted free market entrepreneurship into special interest power politics wherein the government and its elected officials actually believe that tinkering with government structure will get job growth moving again. The avoidance behavior means they can endlessly postpone tackling real obstacles to prosperity while blaming the suburbs or Washington or anyone or anything but that which is really holding the region back. This may be a convenient ploy but it represents a complete failure of responsibility to lead on the part of elected officials and civic leaders.

The failure of the County and region to move away from the tired old growth inhibiting policies can be dramatically shown with a simple calculation. If the Pittsburgh MSA labor force had grown at the 13 percent rate posted nationally over the last decade instead of the paltry 1.2 percent it actually grew, the metro area would have added 136,900 more labor force participants. Likewise, if the metro area had matched the national growth in jobholders, the region would also now have 137,400 more people working. And bear in mind that the national rates are far below the growth experienced in most Southeastern Right to Work states which means the gap between Pittsburgh and faster growing states is even more astonishing.

With an additional 137,000 people working, the area would have upwards of \$4 billion more annual income with accompanying consumer and housing demands—not to mention tax base. The price the region pays for the state laws and local policies that create unnecessary obstacles to growth is large and palpable. The out-migration of 40,000 folks from Allegheny County in the last five years is testimony to that price.

But it is easier for civic leaders and elected officials to talk about consolidating city and county services and merging city and county governments than to seriously discuss dealing with the real causes of high cost, inefficient governments and authorities.

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