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Brookings Throws Cold Water on Pittsburgh's Livability Rating

A month or so after the Pittsburgh area was dubbed the nation's most livable city by the *Places Rated Almanac*, along comes the Brookings Institution with a report showing Pittsburgh does not warrant such accolades. For City and County officials who glommed on to the *Almanac*'s rating the Brookings Institution findings have to be doubly distressing since Brookings is the think tank of choice for those who believe in expansive and growing government.

Here's the problem. The Brookings Institution's recent report "Restoring Prosperity: The State Role in Revitalizing America's Older Industrial Cities," produces a ranking of 302 cities using two measures, the index of city economic condition and the index of residential well-being. Unfortunately for Pittsburgh, the City ranks 254th on economic conditions and 250th on residential well-being—hardly the stuff of a "most livable city." To be sure, the *Places Rated* livability index applies to the region as a whole. But with the economic performance of much of the region no better than the City's, it is likely a Brookings' ranking of the metro area would mirror the City ranking. The fact that from February 2000 to February 2007 there was no net increase in private sector jobs in the seven county metro area confirms this assertion.

Brookings' city economic condition index takes into account employment growth, income gains, and the change in the number of business establishments. The residential well-being index is made up of median household income, unemployment rate, poverty rate, labor force participation rate, and per capita income. All these index components make sense for the purpose of developing city rating indexes.

Pittsburgh's low rankings on both indexes point to serious economic problems in the City. And what's worse, the Brookings indexes do not take into account the City's governance issues including its financially distressed status, the high cost of underperforming schools, and the extraordinarily high vacancy rates in Downtown office buildings.

But Pittsburgh isn't alone in the disparity between the Brookings' rankings and the *Places Rated* "livability" rating. The Philadelphia area, which ranked 5th in the ten top livable cities as assessed by *Places Rated Almanac*, had a core city economic condition index ranking of 295th and a residential well-being index ranking of 270th. Rochester,

NY, the 6th ranked most livable city, had Brookings index rankings of 281st on city economic conditions and 266th on residential well-being. For these cities, as with Pittsburgh, the livability rating and economic realities bear no relation to each other.

Meanwhile, places like Salt Lake City, Raleigh, Charlotte, Boise, Austin, and Phoenix all score much higher on both the economic condition and residential well-being indexes, but did not make it into the latest top ten list of *Places Rated Almanac*'s most livable cities. In a recent *Policy Brief (Vol. 7, No. 23)* we demonstrated the inanity of the rating scheme used by the *Almanac* to rate cities. The Brookings report merely confirms that which should be patently obvious to anyone who has taken time to examine the *Almanac* ratings, not only for this year but also for prior years.

Inappropriately elevated livability ratings can delude officials and some of the public into believing that the City and region are doing very well when the truth is just the opposite. Such a misreading of reality can cause officials not to make the hard decisions necessary to move City finances and business climate in the right direction.

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