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Allegheny County's Population Change by Age and its Effects

It is conventional wisdom that Allegheny County has a population that, when gauged in terms of median or average age, is significantly higher than the nation and certainly many other states. And in this case the conventional wisdom is correct. The County's current (2006) median age is just under 40; that is, half the people are over and half below that age. Nationally, the median is placed at 36.6 years, about three years younger than Allegheny County.

However, the general perception that the median age difference is due to rapid increases in the population over 65 is wrong. That was true two decades ago but no longer. For example the over 65 category expanded by about 30,000 between 1980 and 1990 but declined slightly through 2000. And from 2000 to 2006 fell quite sharply dropping back to just above the 1980 reading. This came about primarily as a result of a substantial 17 percent decline in the population aged 65 to 79, about 28,000 people. The over 80 age group did rise about 7,000 or 12 percent—not enough to offset the bigger decline in the 65 to 79 group.

The most dramatic changes by age group since 1980 have occurred in the younger age categories. Allegheny County's population under the age of 25 shrank from 529,000 in 1980 to 376,000 in 2006, a decline of 153,000 or 29 percent. Even more startling is the drop in the 25 to 34 age group where population fell from 223,000 to 123,000, an astonishing decrease of 45 percent. All told, since 1980 the population aged 34 and younger has fallen by more than 250,000. In 1980, this group represented 52 percent of the population. Now that ratio is just 41 percent and, if the trend so far in this decade holds, will slip even further.

During the same period 1980 to 2006, the nation's population under 25 managed to increase by 10 million while the 25 to 34 group held almost level. Clearly, by comparison the huge losses in these age groups in Allegheny County stand in stark contrast to the stable to slight population growth at the national level. Indeed, the relative shortfall of people in these age groups bodes ill for the County's future population and labor force growth. This is obviously a threat to the ability of the County to expand economically.

In the middle age category, 35 to 54, the County has had fairly significant gains with total population in that age range rising 17 percent from 1980 to 2006. However, as might be expected for a county whose overall population fell by 16 percent while the country had growth of 32 percent, the nation's 35 to 54 category grew much faster than Allegheny County's middle age group, posting a 79 percent increase.

Moreover, and somewhat surprisingly, the population of the working age groups of 55 to 59 and 60 to 64 fell in Allegheny County over the 1980-2006 period by 11 and 30 percent, respectively. Once again the national picture was very different with the 55 to 59 group rising by 56 percent and the 60 to 64 group increasing by 32 percent—vastly different from the declines in Allegheny County. Workers in these age groups tend to be at the high end of wage earners and to have them in decline is not a healthy development. Although it might be speculated, that the shrinking numbers will open up more advancement opportunities for younger workers. Still, one must ask why the 55 to 64 population is shrinking. It could reflect a lot of early retirees moving away from the County.

It is important here to call attention to a key fact in the recent labor force trends in Allegheny County. Beginning in the late 1970s and extending through the mid 1990s, there was a major run up in the work force participation rate of women as it climbed from around 50 percent to 70 percent by 1996. This major economic and sociological change provided the County with additional work force to offset the impact of population declines. However, with participation rates now reaching levels close to national rates and near male rates in younger age groups, the increase in female work force participation will not be able to prevent loss of labor force if population continues to fall.

Then too, it is fascinating to note the enormous gap in the growth rates of the 65 and over age groups nationally and in the County. From 1980 to 2006, the County's older group, 65 and up, increased by a mere 4 percent while the national growth was an astounding 47 percent driven by a 135 percent jump in the 85 and older category and a 70 percent rise in the 75 to 84 age range. Thus, in a sense it is really the nation's population that is aging quickly as measured by the rapid gains in the very oldest brackets. Allegheny County's supposed aging is actually an age distribution shift toward a higher percentage of older people as a result of huge losses in the younger ages rather than faster than national growth in the numbers of older residents.

In fact, looking at the last six years there is a very disturbing trend wherein the County's 65 to 79 category is declining at a significant pace, led by a big 28 percent drop in the 70 to 74 group compared to a national drop of 2 percent and a 9 percent decline in the 65 to 69 category compared to 10 percent national rise. Thus, what we are likely seeing is the tendency of County residents to move away in significant numbers upon retirement as well as the impact of substantial losses in younger age groups in earlier decades owing to the massive downsizing of the region's manufacturing sector.

In sum, Allegheny County's population differs dramatically from the national in terms of age distribution and population change by age. Some of those differences are decidedly

unhealthy inasmuch as they suggest further weakening of the labor force's ability to expand and a further decline in population because of the huge drop in the number of residents in their prime child bearing years. It is also true that younger folks tend to be the most entrepreneurial and the bigger risk takers. They create much of the dynamism in an area. Losing them in great numbers as has been happening is a strong negative for the County.

At the same time, the loss of the younger retirees, 65 to 74, is particularly ominous because of the tax base they represent and the economic contribution they can still make to the area.

Allegheny County is getting older but not in the way or for the reasons commonly accepted. It is losing its young at a rapid rate, not growing its old at a rapid rate. All the focus on helping senior citizens, while ignoring the needs of younger folks, is leading to unpleasant and ever dimmer prospects for the County. The situation simply must be addressed. Unfortunately, it appears the younger crowd has little or no faith that a turnaround is coming and many are opting to leave. So too, many of those in their early retirement years who have the wherewithal are choosing to leave the County. Many are undoubtedly moving to be closer to their children and grandchildren who have moved away. Many are looking to lower their tax bills that are so onerous in Allegheny County.

What is the County doing? It is contemplating levying new taxes—a surefire way to make matters even worse.

The County should deal with the cost of government, get it down and cut taxes. Take the bull by the horns with respect to the Port Authority and go after some truly meaningful changes in the egregious cost structure and inefficiency at that agency. We have detailed how in our reports and Policy Briefs for those who are interested in how it can be done. More of the same is not an acceptable answer if any improvement is expected.

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