

# ***POLICY BRIEF***

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## **Conference Chairman Tells Us to Count Our Blessings**

Not wanting to miss out on a chance to be thankful at this time of the year, the Chairman of the Allegheny Conference used the platform of the Conference's annual meeting to tell the Pittsburgh region that things are so good here that we should be proud of what we have. He went on to challenge critics who constantly call attention to things like a shrinking population, with very heavy losses of young people and the fact that there has been no net growth in private sector jobs in seven years. He asked, "Is Pittsburgh really that bad when compared to faster growing regions struggling with higher taxes, crime, traffic, and crumbling roads that sometimes accompany a booming economy?"

Apparently, that was said with a straight face. Last we checked the Pittsburgh region has all those problems without the growth. Indeed, Pittsburgh's problems with old and fragile infrastructure are so prevalent they are constantly in the news. And local taxes here are much higher than in most of the fast growing regions of the country. Further, rush hour traffic on the parkways and Route 28 are no bargain either.

Continuing in this vein, he asked "What do we really want to be? Is meeting the national [job growth] average good enough for our kids? I think it probably is. Do we want to grow at 15 percent? I don't know if we want to. Our infrastructure, our roads couldn't handle a 15 percent growth rate. We couldn't handle a 10 percent growth rate". This is a typical straw man argument advanced by those who have exhausted any reasonable response. Truth be told, as matters stand now, we will probably never have the pleasure of finding out how the region would deal with substantial, let alone, rapid growth. The last seven years of virtually no net private sector job gains are well below the national average and among the very worst of any metro area in the nation. What's worse, there is little indication that the region's anemic growth is about to give way to even moderate gains.

The Chairman's comments certainly echo what he said last November at the Conference's meeting, where, shortly after a musical interlude of "The Grass is Always Greener" played by the Civic Light Opera, he suggested to the audience that folks should think hard about moving to a region with rapid growth where they were sure to find a longer commute, higher crime, and a higher cost of living. But he doesn't mention the need to move to take a great job opportunity. Again what we get is a weak straw man argument.

It illustrates how out of kilter things are when the chair of an organization whose mission statement is to "stimulate economic growth and improve the quality of life in the Pittsburgh region by making the regional business climate more competitive and promoting the region worldwide" says "We just need to move the ball in the right direction," so, "we can turn the region over to the next generation in at least as good a shape as we inherited it.

That seems to be an unnecessarily defeatist attitude. We should certainly want to leave the region in much better shape than we inherited it; stronger economically with plentiful good jobs and career opportunities for the children who grow up here; first class roads and infrastructure, and an open, ethical, transparent government not forever controlled by a few powerful special interests.

It appears the Conference has taken the wrong lesson from its own recent experience. While the new found humility is a good sign, settling for pitiful economic gains as being good enough is uncalled for. Although, after seeing their promises of a dawn of a new age of prosperity go unfilled following the creation of the Regional Asset District tax along with the completion of new stadiums under their highly touted Plan B, some rethinking of strategy was needed. The Conference now says it wants to improve the business climate, address high taxes and boost school performance. All laudable goals.

Unfortunately, the Conference has undermined its claims of wanting to be more pro-business by supporting the passage of two new job destroying taxes in Allegheny County. They now stand in virtual isolation from most business groups as well the Downtown Partnership by taking this ill-advised stance.

Then there are the big economic “wins” that the Chairman wants us to recognize, like Westinghouse opting to keep its headquarters in western Pennsylvania, though it took the creation of a tax free zone merely to move the company from the eastern suburbs of Allegheny County to southern Butler County. Not mentioned is the Chairman’s own company, PNC Bank, and its “win” of \$48 million in state and local subsidies to build an office/condo/hotel complex in Downtown Pittsburgh. These two companies are probably thankful for what the region has given them, while other businesses not lavished with such favorable treatment wait for lower taxes and possibly have to brace for the burden of two new taxes supported by the Conference.

This region is blessed with many wonderful resources and assets for which it can be grateful. However, it suffers grievously from governmental policies that are inimical to economic freedom and vitality. Those misguided policies have proved very resistant to change. But with strong and powerful leadership dedicated to real, meaningful change, it could happen. And for that we could be truly thankful.

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**Jake Haulk, Ph.D. President**

**Eric Montarti, Policy Analyst**

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<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: <a href="mailto:aipp@alleghenyinstitute.org">aipp@alleghenyinstitute.org</a></p>
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