

PITTSBURGH ECONOMIC QUARTERLY

University Center for Social and Urban Research

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NEIGHBORHOOD CHARACTERISTICS AND SATISFACTION IN ALLEGHENY COUNTY

By Scott Beach

This is the fifth in a series of articles describing initial findings from the new UCSUR Pittsburgh Region Quality of Life Survey. The fall 2003 issue of *PEQ* introduced the survey and presented basic descriptive statistics for various quality of life domains from the pilot telephone survey of 443 Allegheny County residents conducted between February and April 2003. Random-digit dialing methodology was used, which gives all telephone households (including unlisted numbers) in the county a chance of being selected. Areas with higher concentrations of African American residents were over-sampled to ensure enough cases for analysis of racial differences, and the data were weighted to reflect this over-sample prior to statistical analysis. The March 2004 issue presented additional data on socio-demographic differences in overall perceptions of Southwestern Pennsylvania as a place to live. The June 2004 issue presented findings from multivariate models examining

predictors of regional perceptions and intentions to relocate from the Pittsburgh region, and the December 2004 issue presented data on public transportation usage and satisfaction. This article presents findings on neighborhood satisfaction and its relationship to neighborhood amenities and social characteristics.

First are presented descriptive statistics for overall ratings of Allegheny County residents' neighborhood as a place to live, as well as social integration and diversity indicators (see figure). The survey estimated that over 80% of Allegheny County residents rated their neighborhoods as "good," "very good," or "excellent" places to live. The majority of residents (about 53%) reported knowing "many" or "most" of their neighbors, while nearly 70% said that they talked to or visited with their immediate neighbors "several times a month" (43%) or "just about every day" (26%). The majority of residents reported that their neighborhood was "somewhat" racially

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UCSUR REMI FORECAST FOR THE PITTSBURGH REGION

By Sabina Deitrick and Christopher Briem

UCSUR has revised its Pittsburgh REMI Model Forecast for population and employment for the Pittsburgh region to 2025. This new set of projections updates previously reported figures in the Summer 2001 *PEQ*. UCSUR uses the Regional Economic Models, Inc.

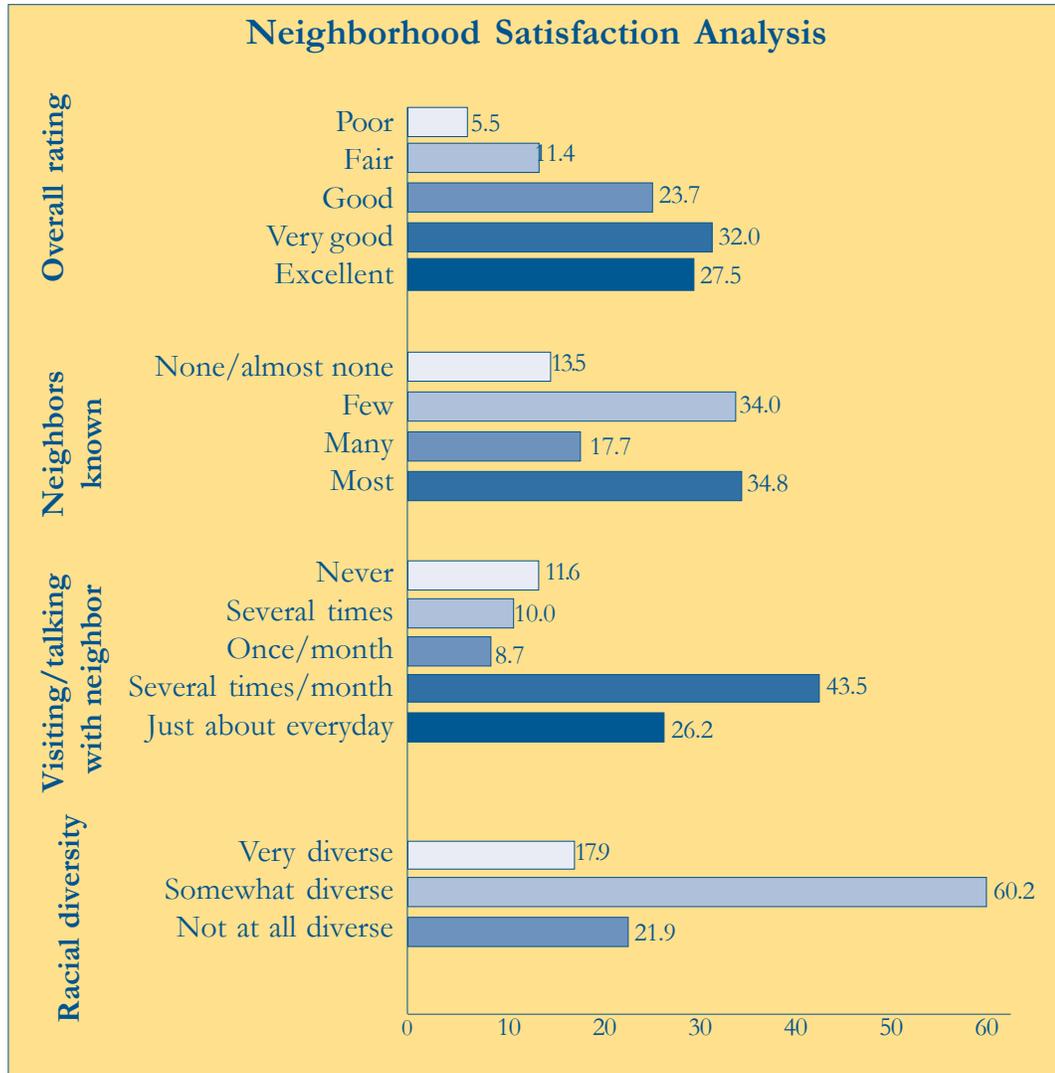
(REMI) to produce a forecast of population and economic trends for the Pittsburgh region. Presented here is the summary forecast for the six-county Pittsburgh region, including Allegheny, Beaver, Butler, Fayette, Washington, and Westmoreland counties. For this forecast, Armstrong County, which

was added to the definition of the Pittsburgh Metropolitan Statistical Area (MSA) in 2003, is not included.

Population and employment forecasts are used by public officials and policy analysts for infrastructure and transportation planning. Economic development practitioners can use

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NEIGHBORHOOD CHARACTERISTICS AND SATISFACTION IN ALLEGHENY COUNTY (CONT.)



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diverse (60%), while 18% said it was “very” racially diverse, and 22% “not at all” racially diverse. Two neighborhood amenities that were asked about on the survey were: (1) whether there is a convenient place to buy fresh produce and healthy food (78% said yes); and (2) whether there are convenient places to spend time relaxing or exercising such as public parks or green spaces (80% said yes).

A multivariate regression model was developed to analyze the overall rating of the neighborhood as a place to live as the outcome variable. In addition to the neighborhood amenities, social integration, and diversity indicators, the models included race,

sex, age, education level (1 = 8th grade or less to 6 = more than a 4-year college degree), and years lived at current residence as socio-demographic factors. The demographic model, which explained 13.5% of the variance, showed that African Americans were less satisfied with their neighborhoods, while older residents and those with higher education levels were more satisfied. Sex and length of residence were not predictive of neighborhood satisfaction. Education level is a proxy for socioeconomic status, and this finding likely reflects the “good neighborhood” versus “bad neighborhood” phenomenon related to income levels.

However, this does not explain the lower neighborhood ratings among African American residents, which persisted after statistically controlling for education level.

Adding the neighborhood factors as predictors, which accounted for an additional 10% of the variance, did not affect any of the demographic findings. Thus, race, age, and education level effects were not explained by differences among these groups in neighborhood amenities, integration, or diversity. The data show that neighborhoods with convenient places to relax and exercise, such as public parks and green spaces, were rated more positively than those without such

NEIGHBORHOOD CHARACTERISTICS AND SATISFACTION IN ALLEGHENY COUNTY (CONT.)

features. In addition, residents who reported knowing more of their neighbors tended to rate their neighborhoods as better places to live. The presence of a convenient place to buy healthy food and the frequency of social interaction with neighbors were not predictive of overall neighborhood ratings. Finally, residents who perceived their neighborhoods as “very (racially) diverse” tended to rate their neighborhoods as poorer places to live. This latter finding regarding perceived racial diversity, while provocative, is somewhat difficult to interpret. Residents seeing their neighborhoods as “somewhat diverse” generally had the highest levels of neighborhood

satisfaction, and over 70% of residents from “very diverse” neighborhoods rated it as “good,” “very good,” or “excellent” places to live. It appears as though neighborhood diversity may be seen as attractive, but only up to a certain point. In any case, this finding, while having potential implications for racial segregation patterns, will need to be replicated with larger samples and followed up with more detailed analyses.

UCSUR is currently seeking funding to conduct: (1) 400 additional surveys with randomly selected Allegheny County residents; (2) 500 surveys of African Americans in Allegheny County; and (3) 800 surveys

with randomly selected residents from the five-county region surrounding Allegheny County. This would allow for more sophisticated analyses involving breakdowns of the findings by race, sex, age, residence, and so on. The survey could also be conducted in smaller geographic areas, resulting in community-level quality of life profiles. Individuals or organizations interested in participating in or supporting such surveys should contact UCSUR Survey Research Director Scott Beach at 412-624-7785 or scottb@pitt.edu

2005 Steven Manners Faculty Development Awards Winners

Each year, UCSUR awards the Steven Manners Faculty Development Awards to promising research and infrastructure projects on campus. These awards honor the memory of Steven Manners, a sociologist and UCSUR Assistant Director, whose research and service to the Center were dedicated to improving social conditions in the urban environment. The following received 2005 Manners Awards from UCSUR:

Charlotte Brown, Associate Professor of Psychiatry and Faculty Affiliate, Center on Race and Social Problems, for “Depression Stigma, Race, and Treatment Seeking Behavior and Attitudes.” The proposed pilot study will examine the relationship between stigma and treatment-related behaviors and attitudes in adults with depression. The major focus of this research is to examine the impact of both perceived public stigma and internalized stigma on treatment-related behaviors and attitudes.

Through this research, Dr. Brown hopes to refine conceptual understanding of how stigma affects mental service utilization in adults with depression, and also to identify modifiable factors that can be the target of clinical and community-based interventions to reduce depression stigma and increase treatment utilization for depression, particularly in African Americans.

Bruce S. Ling, Assistant Professor of Medicine, Institute for Doctor-Patient Communication, for “Patient-Provider Communication Symposium: Enhancing Research Skills.” With the support of the Steven Manners Faculty Development Award, a symposium will be conducted and will convene nationally recognized experts in patient-provider communication research to promote the importance of patient-provider communication and provide junior faculty at the University of Pittsburgh with the opportunity to advance their research skills.

Eva Marie Shivers, Assistant Professor, Psychology in Education-Applied Developmental Psychology, School of Education, for “Take Extra Care: African American Family, Friend and Neighbor Child Care Study.” The specific goal of this research project is to learn more about the quality of child care offered by informal, non-regulated African American child care providers in the Pittsburgh area by asking the following questions: (1) what is the range and variability of informal providers’ characteristics; (2) what is the quality of child care in these settings, and what provider characteristics are associated with child care quality; and (3) can provider characteristics and child care quality predict children’s emotional and cognitive outcomes?

Congratulations to all.

TRENDS IN PROPERTY TAX REVENUES FOR ALLEGHENY COUNTY AND THE PITTSBURGH REGION

By Christopher Briem

Property tax is a major revenue source for most local governments in the United States. Trends in property tax revenues reflect changes in population, the value of local property, and property tax rates, known as the millage. Property tax rates and revenues vary significantly between different types of local governments. Local governments in the region not only include county and municipal governments, but also special districts and school districts. Trends in property tax revenues vary significantly between the different types of governments and between the different counties within the Pittsburgh region.

Using data from the Census Bureau's Census of Governments, we

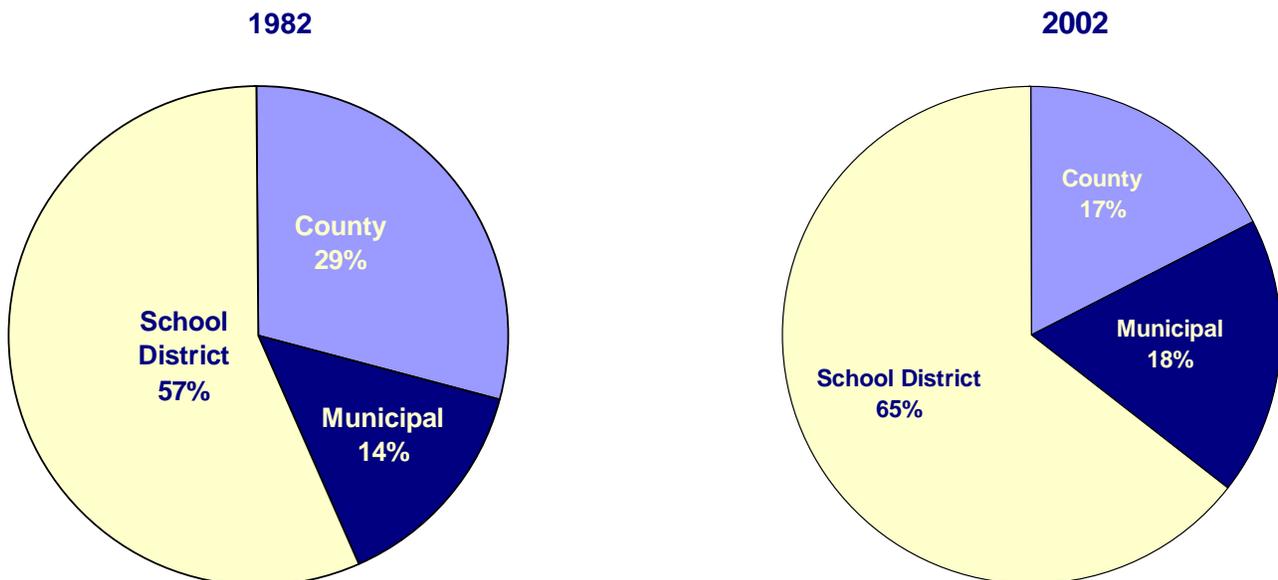
can analyze trends in property tax revenues in the Pittsburgh region, consisting of the seven counties of the Metropolitan Statistical Area (MSA). The Census of Governments collects data on the expenditures and revenues of all local governments every five years. The data here are aggregates of property tax revenues compiled for all local governments in the Pittsburgh region, broken down by county and type of government. All dollar amounts presented are in inflation-adjusted 2002 dollars and are adjusted to per capita measures to reflect the different population levels across counties. Aggregate tax measures, such as these, will show major trends in tax collections but will not reflect large differences in tax rates or tax

incidences across individual school districts or municipalities within each county.

Allegheny County is typical of counties in Pennsylvania where school districts collect the largest proportion of all property taxes. In 1982, school districts received 57% of all property taxes in Allegheny County (see figure). By 2002, school districts' share of total Allegheny County property taxes had increased to 65%. Other counties in the region had an even larger proportion of property taxes collected by school districts, including Armstrong (79%) and Washington (75%) counties.

In 2002, Allegheny County government itself collected less than 18% of all property tax among taxing

Allegheny County Property Tax Revenue by Type of Government



bodies within the county, down from 29% in 1982. The proportion collected by municipal governments increased slightly from 14% to 18%.

Also typical of large urban counties, Allegheny County has a higher total tax incidence than neighboring suburban counties (see table). At \$1,149 per person, property tax revenues per capita in Allegheny County in 2002 were highest in the MSA. By each taxing body - county, municipal government, and school district- Allegheny County registered the highest per capita property tax rates in the region in 2002. The six suburban counties had an average per capita property tax incidence of \$695 per person in 2002. Fayette County had

the lowest total incidence of property taxes per person at \$341.

The difference in property tax incidence between Allegheny County and suburban counties has been slowly declining over the past two decades. In 1982, the total property tax collections per capita in Allegheny County were 81% higher than the average for the six suburban counties. In 2002, Allegheny County’s total property tax incidence had dropped to 65% above the suburban counties. Total property taxes per capita in 2002 dollars increased the most between 1982 and 2002 in Armstrong and Butler counties. The lowest growth in total property taxes per capita was in Fayette and Allegheny counties.

An individual’s property taxes are determined by property assessment methodology and affected by the accuracy of the assessment. Property tax incidence is also affected by how taxing bodies treat commercial versus residential properties. Data are not available on the breakdown of property tax between commercial and residential properties. If the proportion of property tax revenue collected on commercial property varies significantly between counties, the incidence of property tax per residential household could also vary from the total per capita values calculated here.

Property Tax Revenues Per Capita, by Type of Government Pittsburgh Region - 1982 and 2002

		County Government	Municipal Governments	School Districts	Total*
1982	Allegheny	\$202	\$98	\$392	\$776
	Armstrong	\$40	\$20	\$330	\$410
	Beaver	\$87	\$35	\$336	\$487
	Butler	\$72	\$20	\$289	\$398
	Fayette	\$40	\$19	\$162	\$247
	Washington	\$69	\$32	\$310	\$439
	Westmoreland	\$98	\$32	\$319	\$482
2002	Allegheny	\$200	\$208	\$741	\$1,149
	Armstrong	\$124	\$40	\$600	\$764
	Beaver	\$157	\$115	\$497	\$769
	Butler	\$119	\$51	\$530	\$700
	Fayette	\$70	\$30	\$241	\$341
	Washington	\$103	\$75	\$534	\$712
	Westmoreland	\$157	\$89	\$529	\$776
Change 1982-2002	Allegheny	-1.3%	113.0%	88.9%	48.0%
	Armstrong	212.1%	102.8%	81.7%	86.4%
	Beaver	80.2%	233.7%	47.9%	57.8%
	Butler	64.5%	160.9%	83.1%	75.8%
	Fayette	73.1%	54.3%	49.2%	38.2%
	Washington	49.2%	131.3%	72.1%	62.0%
	Westmoreland	60.2%	176.4%	66.0%	61.1%

Total includes a small amount of Special District Property Tax Revenue

HIGHLIGHTS FROM THE AMERICAN HOUSING SURVEY: NEIGHBORHOOD AND HOUSING CHOICE OF RECENT MOVERS IN PITTSBURGH

BY CHRISTOPHER BRIEM

The latest American Housing Survey (AHS) for the Pittsburgh region was just released this summer. The AHS is a collaboration between the U.S. Census Bureau and the U.S. Department of Housing and Urban Development. Each year a subset of residents in metropolitan regions are surveyed about their views on housing costs and other housing characteristics. For 2004, the AHS sampled 3,614 housing units in the Pittsburgh region, which is estimated to have a total of 953,800 occupied housing units. The previous Pittsburgh AHS was conducted in 1995.

An important area covered in the AHS is housing and neighborhood choice. Results from the survey reveal why people chose a neighborhood as

a place to live. In the Pittsburgh metropolitan area, the most common reason renters cited for their choice of neighborhood was its convenience to a job - 23% of region's renters cited that as the main reason for their choice of present neighborhood (see table). For owners, convenience to a job was a far less likely reason to choose where to live than for renters. Only 12% of home owners found convenience to a job to be their main reason to choose a neighborhood to live. Owners were most likely to select neighborhoods for their residence by the characteristics of the house, convenience to friends and relatives, and the design of the neighborhood than to other factors, including job location.

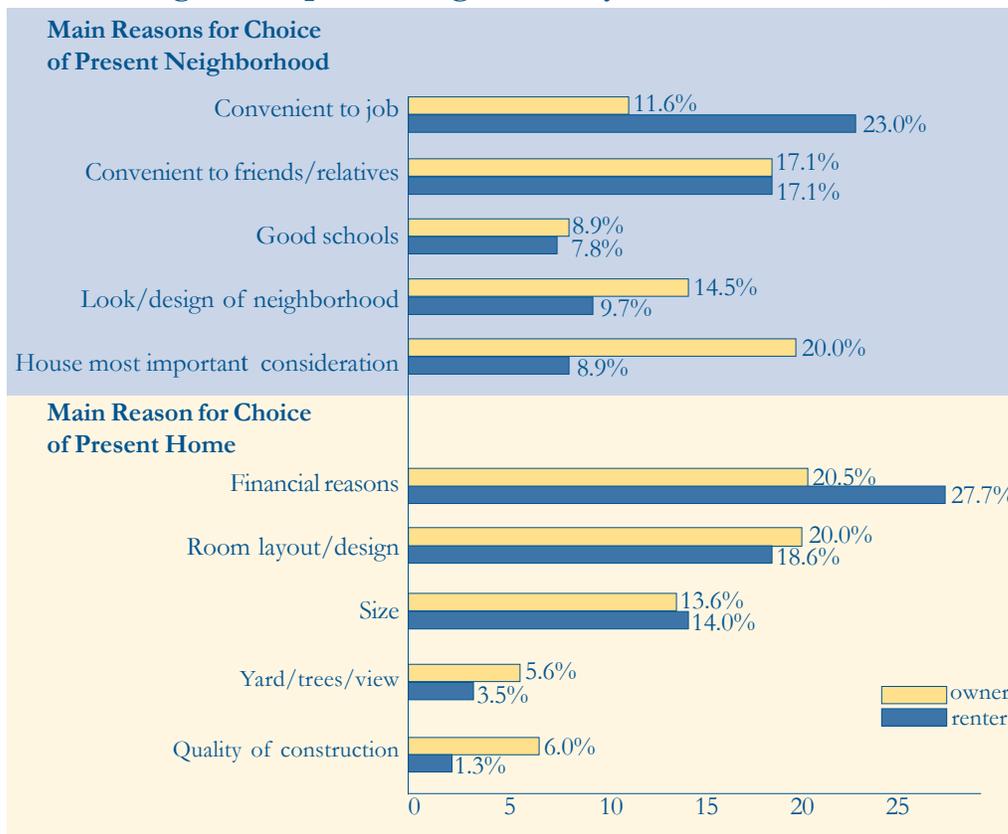
When it came to choosing a house or apartment in which to live, renters and home owners' responses were much more alike. Not surprisingly, when it comes to choosing a house to buy or rent, for both renters and home owners, financial reasons are the most important consideration. Over one-fourth of renters and one-fifth of home owners reported that financial reasons were the most important factor in their choice of a housing unit. Next for both renters and home owners are the layout or design of the housing unit and its size.

These are just a few findings that can be compiled from survey data in the AHS. In subsequent issues of the *PEQ*, we will analyze information from the AHS further.

The AHS collects extensive data on the nation's housing, including apartments, single-family homes, mobile homes, vacant housing units, household characteristics, income, housing and neighborhood quality, housing costs, equipment and fuel, size of housing unit, and recent movers. The national sample covers an average of 55,000 housing units. Each metropolitan area sample covers 4,100 or more housing units. For 2004, data on 13 metropolitan areas were released, including Atlanta, GA; Cleveland, OH; Denver, CO; Hartford, CT; Indianapolis, IN; Memphis, TN; New Orleans, LA; Oklahoma City, OK; Pittsburgh, PA; Sacramento, CA; San Antonio, TX; Seattle, WA; and St. Louis, MO. Certainly, as of this writing, the selection of New Orleans presents a detailed snapshot of housing and perceptions in that region in 2004, but, nonetheless, one that has been overcome by events. Housing losses as a result of Hurricane Katrina and its aftermath have only begun to be quantified at this point.

For more information, visit <http://www.census.gov/hhes/www/housing/ahs/ahs.html>

Pittsburgh Metropolitan Region Survey of Recent Movers, 2004



Sources: U.S. Census Bureau, U.S. Dept. of Housing and Urban Development, UCSUR

UCSUR REMI FORECAST FOR THE PITTSBURGH REGION (CONT.)

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forecasts to develop policies and programs for the region. In the Pittsburgh region, the Southwestern Planning Commission uses the REMI Model forecast for developing its long range plan and the Transportation Improvement Plan (TIP). Long-term population and employment trends are a primary input in projecting future transportation patterns. Other uses of the model include economic impact analysis of potential new business establishments locating in the region or large firm closures. The REMI Model captures both direct and indirect impact of new economic activity to produce a comprehensive estimate of changes that can be anticipated in the regional economy.

The current REMI Model forecast projects a continuation of long-term trends in population and employment for the Pittsburgh region, with few significant changes (see table). This table is just a summary of the detailed economic and demographic changes projected by the model.

Population for the Pittsburgh region is projected to decline slightly between 2002 and 2010, as the region continues to have both negative net migration and a greater number of deaths over births. After 2010, however, the trend will turn slowly

upward, and population is projected to reach nearly 2.36 million by 2015. The REMI Model projects a slight population increase over the next decade to 2025. The six-county Pittsburgh region will reach 2.5 million in population in 2025, up from its current population of 2.3 million. This represents a modest increase of 7.3% between 2002 and 2025, or 0.3% annual compound growth.

Total employment in the six-county Pittsburgh region is projected to increase by 12.6% between 2002 and 2025 to 1.5 million people. The REMI Model employment count includes both wage and salary employment, but also an estimate of self-employment. For this reason the REMI employment number will be larger than the wage and salary employment statistics that are typically reported in official statistics. Employment has been increasing in the region despite population decline because of increasing rates of labor force participation. If employment in Pittsburgh reaches 1.5 million, it would be the largest total employment figure in the history of the region. The fastest employment growth over the next two decades is projected for the following sectors: Health Care and Social Assistance; Educational Services;

Administrative and Support and Waste Management and Remediation Services; and Professional, Scientific, and Technical Services.

The Pittsburgh region's Gross Regional Product (GRP) is projected to nearly double over the next two decades to \$162 billion. GRP measures the total bill of a region's production of final goods and services. It is the value-added in the region, or total gross sales minus intermediate inputs. As such, GRP is a basic measure of the scale of economic activity and the overall size of the regional economy.

Future economic trends in Pittsburgh are based on a complex interaction of local and national industry trends as well as local demographics. The mix of local industries is one major factor that determines the pattern of economic growth. The REMI Model is an Input/Output model that captures many of the inter-industry linkages that exist between firms and industries both nationally and the specific linkages of the Pittsburgh regional economy. The REMI Model is also a dynamic time-series model, which allows the model to quantify not only the total response of the regional economy to a given shock, but it also shows how these impacts are distributed over time.

Pittsburgh Region REMI Forecast (six-county region¹), 2002-2025

	2002 ²	2005	2010	2015	2020	2025	2002-2025 change
Population	2,344,507	2,330,926	2,329,886	2,358,159	2,428,331	2,516,050	7.3%
Total Employment³	1,372,470	1,392,896	1,436,291	1,477,111	1,510,869	1,545,083	12.6%
Gross Regional Product (millions of 2000 dollars)	\$82,570	\$94,328	\$114,794	\$130,783	\$144,478	\$161,777	95.9%

Notes:

¹ Includes Allegheny, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

² Latest year of historical data in REMI Model.

³ REMI Model employment estimates include both wage and salary employment and self-employment. This will exceed the typical wage and salary employment reported in most official employment statistics.

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