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Labor Force Participation Trends in the Pittsburgh Region

■ *By Christopher Briem*

Labor force participation is defined as the proportion of the working age population either employed or actively seeking work. Labor force participation rates are most commonly calculated for the civilian population age 16 and over.

Over the latter half of the 20th century, national labor force participation rates increased dramatically. Through that period, increasing female labor force participation rates offset the more slowly declining labor force participation rates of men.

National labor force participation rates peaked in 1998 and 1999 at 67.2 percent, but have been trending downward since and have accelerated in recent years.

When the growth of female labor force participation rates abated early in the 21st century, the overall national labor force participation rate began to decline.

The onset of the recession in December 2007 and its aftermath, named the Great Recession, have been attributed as the cause for the accelerating decline in labor force participation nationally.

Labor force participation rates are considered to be procyclical. They generally expand during periods of economic expansion as jobs increase and more individuals are pulled into the labor force and decline during recessions when some unemployed workers drop out of the labor force.

■ ■ ■ *continued on page 2*

Economic and Community Impacts of Colleges and Universities in Smaller Communities in Western Pennsylvania

■ *By Sabina Deitrick*

The economic and community impacts of colleges and universities have grown in importance in their cities and regions over recent decades. The restructuring of regional economies, largely through the contraction of manufacturing activity and the expansion of knowledge industries, means that the educational sector, along with health care, is today one of the largest and fastest growing components of many regional economies.

This is particularly true in Western Pennsylvania, which has seen a loss of manufacturing jobs and its manufacturing base over the past three decades, famously with the collapse of steel mills, but pervasively across key manufacturing sectors. Today's post-industrial economy finds the education and health care sectors to be larger and more significant parts of regional economies across Western Pennsylvania.

Colleges and universities, along with health care establishments, are commonly referred to as "anchor institutions" —geographically-based institutions with major

roles in community and economic affairs of their locales. While much of the initial understanding of higher education institutions as anchor institutions came from urban universities, particularly those that became engaged in urban revitalization efforts in their neighborhoods, our recent work has focused on small universities and colleges as anchors in Western Pennsylvania.

In our studies of Washington & Jefferson College, Westminster College, Waynesburg University, Seton Hill University, and the regional campuses of the University of Pittsburgh, particularly in Bradford and Johnstown, we found that smaller higher education institutions in smaller communities can serve a community anchor role. They create important, institutionalized, and influential effects on their communities and make substantial economic impacts in their regions. Their relative size and position can make them as effective and influential as anchor higher educational institutions (HEIs) in larger cities.

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Labor Force Participation Trends in the Pittsburgh Region

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Demographic changes within the labor force also affect overall participation rates. Since the propensity to work differs significantly by age and gender, aging in the labor force, particularly the retirement of the baby boom generation, is a growing factor impacting changes in labor force participation rates. The continuing exit of such a large age cohort from the prime-aged workforce will depress the nation's overall labor force participation rate over time.

While national labor force participation rates are routinely reported by the U.S. Bureau of Labor Statistics (BLS), comparable rates for metropolitan regions are not available from the BLS. In order to calculate labor force participation rates

at the regional level, data from the Current Population Survey (CPS) can be used.

The CPS is a national monthly survey of households conducted by the U.S. Census Bureau and used by the BLS to estimate a wide range of labor force statistics, including national labor force participation rates.

Regional labor force participation rates are calculated here for the seven-county Pittsburgh Metropolitan Statistical Area (MSA) made up of Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties in Pennsylvania.

When we compare labor force participation rates for the Pittsburgh MSA to Pennsylvania and the United States, we find that Pittsburgh has not mirrored national trends in labor force participation, especially since the onset of the Great Recession.

The most recent data show that the Pittsburgh region's labor force participation rate was calculated to be 68.1 percent, averaged over the first ten months of 2013. This is significantly higher than the comparable labor force participation figures for Pennsylvania (63.6 percent) and the nation as a whole at 63.3 percent. Since 2011, labor force participation rates for the Pittsburgh region have been above comparable national rates (see Figure 1).

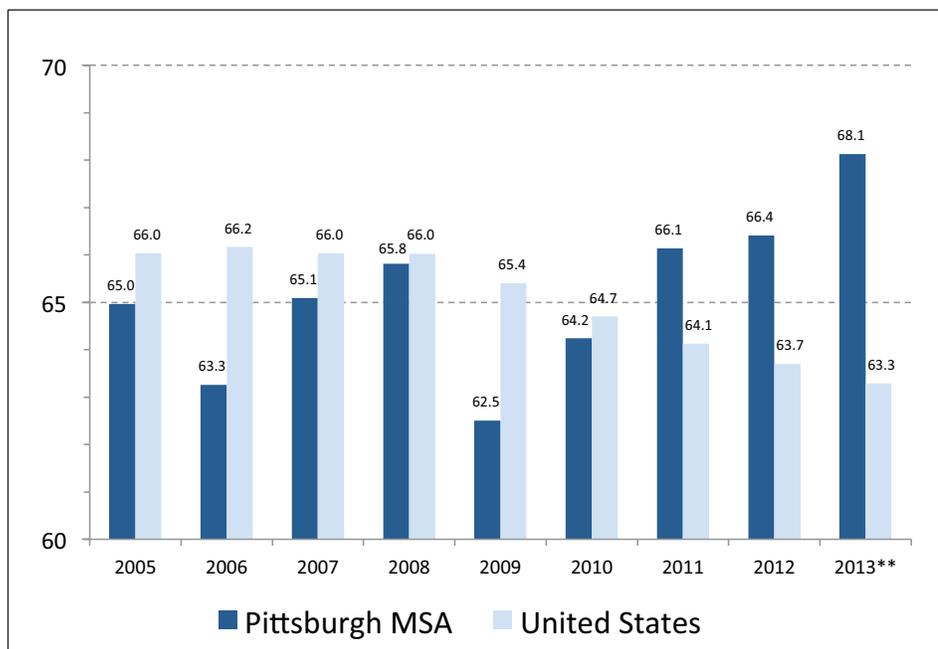
Labor force participation rates, both regionally and nationally, vary significantly based on race, age, educational attainment and other characteristics (see Table 1). By educational attainment, labor force participation in Pittsburgh is highest for those who have obtained a bachelor's degree or higher, 81.0 percent compared to 60.2 percent for those with only a high school degree or equivalent.

Regional labor force participation is highest for those age 35-44 (86.0 percent) compared to all other ages. Locally and nationally, labor force participation rates for the older population has been increasing. Labor force participation for those age 65 and over in Pittsburgh is estimated to be 20.5 percent.

While the labor force participation for men in Pittsburgh (75.9 percent) exceeds that of women (61.2 percent), the difference is comparable to gender differences nationally. Significantly, the labor force for women in the Pittsburgh MSA is estimated to be 61.2 percent, higher than 58.6 percent for the nation.

The overall rate of labor force participation in the Pittsburgh region has historically fallen below comparable national rates. For Pittsburgh to have registered higher labor force participation rates than the nation as a whole over three successive years indicates a significant break with the past.

Figure 1. Civilian Labor Force Participation Rates, Pittsburgh Metropolitan Statistical Area* and the United States, 2005-2013



* The Pittsburgh MSA includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

** 2013 data is average of January through October.

There are several reasons why labor force participation in the Pittsburgh region typically fell below national averages, but the biggest reason was that labor force participation rates among women in the Pittsburgh region were significantly lower than comparable rates for women, on average, in the nation.

The low rate of female labor force participation compared to national averages had been a characteristic of Pittsburgh's labor force extending back to the beginning of the 20th century, if not earlier.

With regional female labor force participation rates now comparable to national patterns, Pittsburgh has likely moved past one of the longest lasting legacies of its industrial past.

**Table 1. Civilian Labor Force Participation Rates by Worker Characteristics, 2010 vs. 2013
Pittsburgh Metropolitan Statistical Area* and the United States**

	2013*		2010	
	Pittsburgh MSA	United States	Pittsburgh MSA	United States
Population Age 16 and over	68.1%	63.3%	64.2%	64.7%
Gender				
Male	75.9%	69.9%	72.1%	71.2%
Female	61.2%	57.3%	57.1%	58.6%
Age				
under 25	68.2%	55.4%	61.0%	55.2%
25-34	85.4%	81.2%	88.9%	82.2%
35-44	86.0%	82.2%	80.0%	83.2%
45-54	82.9%	79.8%	81.1%	81.2%
55-64	72.0%	64.5%	67.6%	64.9%
65 and over	20.5%	18.7%	17.7%	17.4%
Race				
White only	68.9%	63.6%	64.9%	65.1%
Black only	61.6%	61.4%	54.8%	62.2%
Asian/Pacific Islander only	64.5%	64.6%	64.7%	
Educational Attainment				
Less than high school	35.8%	**	34.1%	46.3%
High school degree	60.2%	**	56.3%	61.6%
Some college	71.7%	**	68.5%	70.5%
Bachelor's degree or higher	81.0%	**	80.5%	76.7%

* The Pittsburgh MSA includes Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

UCSUR Urban and Regional Analysis Program Announces Two New Projects

The Urban and Regional Analysis Program at UCSUR has recently begun two new projects:

1. **Advancing Entrepreneurship in the Mon Valley Region.** Funded by: Economic Development Administration, U.S. Department of Commerce, 2013–2015. UCSUR and the University of Pittsburgh Institute for Entrepreneurial Excellence will provide consulting, education, connections and research to existing small business owners and emerging entrepreneurs in the Mon Valley Region.
2. **Connecting People and Place: Improving Communities Through Integrated Data Systems.** Funded by: Annie E. Casey Foundation in conjunction with the National Neighborhood Partnership Center at the Urban Institute, 2014. UCSUR will collaborate with the Allegheny County Department of Human Services and their integrated data system, the DHS Data Warehouse, to focus on school absenteeism in three area school districts.

For more information about these projects, please contact Principal Investigator Sabina Deitrick at sabinad@pitt.edu.

Allegheny County's Older Population in 2010

■ By Christopher Briem

In 2014, UCSUR will release an omnibus report on the state of aging in Allegheny County. The report will detail sociodemographic trends in the county's current resident older population, age 65 and over. This report updates previous work.

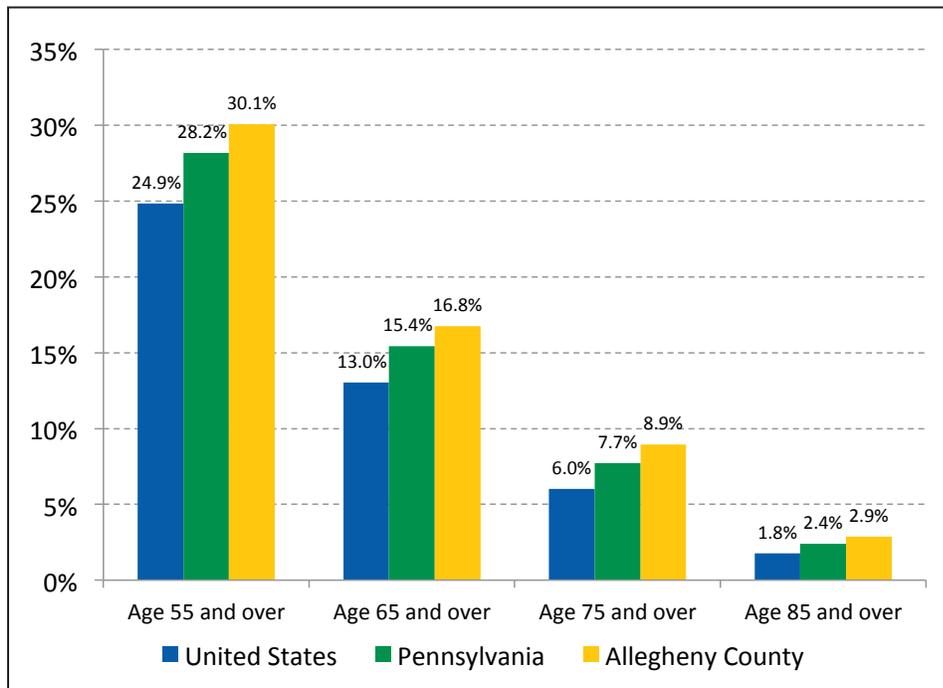
Demographic trends and characteristics of the older population continue to define Allegheny County, which remains older than the nation with 16.8 percent of its population age 65 and over in 2010, compared to 13.0 percent for the United States and 15.4 percent in Pennsylvania. Demographic patterns are not uniform across the county, especially trends in the size of the older population. In 2010, 33 of the 130 municipalities in Allegheny County had a concentration of older residents age 65 and over of 20 percent or greater.

The size of the older population has not been static. Between 2000 and 2010, the population age 65 and over in Allegheny County decreased by 10 percent, declining from 228,416 in 2000 to 205,059 in 2010. This decline in the county's older population is projected to have abated by 2011. From 2012 forward, Allegheny County's population age 65 and over is expected to increase continuously into the foreseeable future.

Demographic shifts were not even across the county and disparate changes occurred across municipalities. Between 2000 and 2010, the population age 65 and older increased by 25 percent or more in 17 municipalities, while that population decreased by 25 percent or more in 21 municipalities.

The city of Pittsburgh, in particular, is experiencing a dramatic shift in the demographic composition of its population. For over two decades, the proportion of the city's population age 65 and over has been declining. Between 2000 and 2010 the city of Pittsburgh's population age 65 and over decreased by over 23 percent, from 55,034 in 2000 to 42,151

Figure 1. Older Population in 2010, United States, Pennsylvania, Allegheny County, 2010



in 2010. This demographic shift over the decade has been acute in certain areas within the city, with 29 neighborhoods experiencing a decline of 30 percent or greater in the total population age 65 and over.

While the city was still marginally older than the nation as of 2010, 13.8 percent to 13.0 percent, respectively, in the subsequent years, the city has become younger than the nation by estimates available from the American Community Survey (see September 2013 *PEQ*).

The 2012 American Community Survey estimated that 13.2 percent of the city's population was age 65 and over, lower than 13.7 percent of the total U.S. population. This marked the first time in over 70 years that the city's concentration of population age 65 and over was less than the nation's. The reason for this reversal in this long standing trend has mostly likely been the

result of natural demographic changes and trends, including the recent decline in the resident population age 65 and over.

To be released with the report will be results from a comprehensive survey of the county's population age 55 and over focusing on the region's quality of life, health and service needs, and retirement planning. The September 2013 *PEQ* introduced early results from the study from a pilot survey conducted in the summer of 2013. The 2014 report will update results from UCSUR's 2003 report, *The State of Aging and Health in Allegheny County*. More on the current state of the older population in Allegheny County, including detailed projections of the population over the next quarter century, will be included in the full report.

Table 1. Concentration of Older Age Cohorts in Allegheny County Municipalities, 2010

Percentage age 65 and over Highest Concentrations		Percentage age 85 and over	
Aleppo	54.9%	Aleppo	23.6%
Harmar	32.4%	Harmar	7.1%
Churchill	25.7%	Whitehall	5.4%
Cheswick	25.6%	East Deer	5.3%
Braddock Hills	24.6%	Avalon	5.1%
Haysville	24.3%	Scott	4.8%
Versailles	24.2%	Bridgeville	4.7%
West Homestead	24.1%	Turtle Creek	4.6%
White Oak	23.8%	Pleasant Hills	4.6%
Whitehall	23.8%	Oakmont	4.6%
County Average	16.8%		2.9%

Lowest Concentrations			
Etna	12.9%	Kilbuck	1.4%
Moon	12.9%	Fawn	1.4%
Findlay	12.8%	Oakdale	1.4%
Edgewood	12.5%	Whitaker	1.3%
Ben Avon	12.3%	Mount Oliver	1.1%
Dormont	11.7%	Bradford Woods	1.0%
Pennsbury Village	11.6%	Franklin Park	1.0%
Bellevue	11.6%	Marshall	0.9%
Rankin	11.5%	North Fayette	0.9%
Mount Oliver	10.9%	Ohio	0.9%

Source: Decennial Census 2010, SF1

Table 2. Population Age 65 and Over Allegheny County Municipalities, 2000-2010

	Ranked by Largest Percentage Increase		
	2000	2010	Change
Aleppo	215	1,051	388.8%
Sewickley Hills	58	104	79.3%
Trafford	6	10	66.7%
Pennsbury Village	47	77	63.8%
Oakdale	188	276	46.8%
Marshall	463	657	41.9%
Ohio	302	426	41.1%
Crescent	345	473	37.1%
Franklin Park	1,070	1,455	36.0%
Hampton	2,304	3,009	30.6%
Allegheny County Total	228,416	205,059	-10.2%

	Ranked by Largest Percentage Decrease		
	2000	2010	Change
Verona	551	386	-29.9%
McKees Rocks	1,255	877	-30.1%
Bellevue	1,399	973	-30.5%
Stowe	1,552	1,063	-31.5%
East Pittsburgh	359	241	-32.9%
Wall	142	95	-33.1%
Elizabeth borough	339	226	-33.3%
Etna	672	446	-33.6%
North Braddock	1,182	783	-33.8%
Mount Oliver	561	370	-34.0%

Source: Decennial Census 2000 and 2010, SF1

Table 3. Population Age 65 and Over, City of Pittsburgh Neighborhoods, 2000-2010 Ranked by Decrease in Number

Neighborhood	Population Age 65 and over		Change	
	2000	2010	Number	Percent
Central Lawrenceville	1,537	867	-670	-43.6%
Brookline	2,653	2,006	-647	-24.4%
Squirrel Hill South	2,858	2,271	-587	-20.5%
Bloomfield	1,636	1,057	-579	-35.4%
Southside Flats	1,289	765	-524	-40.7%
Carrick	2,007	1,503	-504	-25.1%
Brighton Heights	1,572	1,158	-414	-26.3%
Shadyside	1,809	1,429	-380	-21.0%
Greenfield	1,510	1,138	-372	-24.6%
Southside Slopes	917	549	-368	-40.1%
Beechview	1,533	1,173	-360	-23.5%
North Oakland	1,356	1,004	-352	-26.0%
Larimer	638	300	-338	-53.0%
Hazelwood	965	648	-317	-32.8%
Marshall-Shadeland	853	536	-317	-37.2%
Homewood North	720	435	-285	-39.6%
Mount Washington	1,582	1,299	-283	-17.9%
East Allegheny	554	296	-258	-46.6%
Upper Lawrenceville	504	247	-257	-51.0%
Homewood South	717	464	-253	-35.3%
City of Pittsburgh Total	55,034	41,625	-13,409	-24.4%

Source: Decennial Census 2000 and 2010, SF1

Economic and Community Impacts of Colleges and Universities in Smaller Communities in Western Pennsylvania

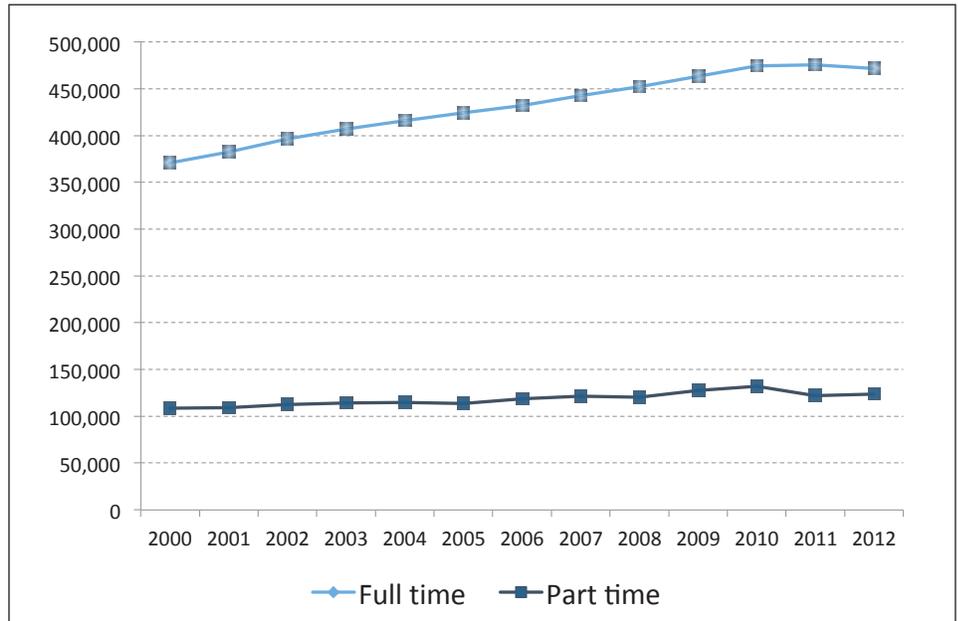
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As in larger cities, colleges and smaller universities along with their local municipalities have mutual interests that form the source and strength of collaborations and partnerships. In Washington, PA, for instance, Washington & Jefferson College and the City of Washington have engaged in a series of successful partnership efforts aimed at community revitalization and development, following a protracted legal battle in the 1990s regarding W&J's tax-exempt status.

Together the community and college produced its *Blueprint for Collaboration* in 2002 as a guide for prospective economic development of the city. While initial reviews found that the *Blueprint* didn't necessarily generate the development that some anticipated, the process became critical to building a strong collaborative framework between the city and college. Together they have embarked on a number of new community and economic development initiatives, including a new comprehensive plan for Washington and East Washington, support for a new community development corporation, and a downtown business incubator development. Expanding its community partnerships now makes W&J an anchor in the community, a reversal from the previous town-gown conflict.

Waynesburg University is also engaged in community planning and development, with a robust stake in the development process. Long recognized for its emphasis on service learning engagement for its students, Waynesburg University's community role has expanded into direct support for real estate, downtown development and local planning initiatives. Using the categories identified by Hodges and Dubb in their study of America's anchor higher education institutions, Waynesburg University plays a leadership role in community revitalization of Waynesburg's Main Street and adjacent neighborhoods.

Total Fall Enrollment -- Pennsylvania Higher Education Institutions Granting Bachelor's Degree or Higher, 2000-2012



Source: Integrated Postsecondary Department of Education Data System, 2014. Includes 167 institutions in Pennsylvania.

Both W&J and Waynesburg are also located in the Marcellus Shale region, bringing change to both Washington and Greene counties. As colleges and universities in smaller communities expanded into anchor roles in their municipalities and regions, community revitalization and development were recognized as important mutual interests of both the campuses and their communities. With a now strong collaborative framework in place, both Waynesburg and W&J are ready to engage in the growth that may ensue with more development related to the energy sector.

Seton Hill University in Greensburg also pursued a leadership role in the downtown revitalization of that community. With direct involvement generated from the late President Joanne Boyle, Seton Hill sought to reposition its college and campus from a small, women's college by expanding its academic offerings and become a *college in the community*.

With its theme of "Greensburg as a College Town," Seton Hill and the municipality staked out revitalization in downtown Greensburg through the university's Performing Arts Center, coupled with new construction and

investments in entertainment, downtown living, retail, and service sector and government employment. The university's role has been critical in improving the vibrancy of downtown Greensburg and generating new investments.

Community revitalization is a major goal of anchor institutions, regardless of size of the institution or community, and also, critical is their economic impact. Particularly for institutions located in rural communities where that institution is often the only higher educational option, their economic impacts extend well beyond what would be considered as direct economic impacts—employment, purchases, student spending, construction, and capital expenditures.

Using the IMPLAN economic impact tool for each region, UCSUR conducted economic impact studies of the regional campuses of the University of Pittsburgh. While the University of Pittsburgh at Bradford generated \$45.3 million in direct spending in the four county rural region around Bradford, its economic impact totaled \$67.4 million in 2011, when the indirect and induced effects of spending and salaries, along with direct spending impacts, are factored in with

the economic input-output model. Pitt-Johnstown likewise generated \$83.4 million in regional economic output to the Cambria County economy in 2012.

The impacts of higher education institutions, of course, are also centered on the students they are educating and graduating. Rural anchor institutions, such as Pitt-Bradford, Pitt-Johnstown, and Waynesburg University are critical in creating and expanding a rural region's workforce.

According to studies of rural higher educational institutions, where students attend college influences their post-graduation residence, and a sizeable number remain where they went to school. Rural colleges and universities bring newcomers to their regions, when students from other areas choose to attend their campuses. Often rural colleges and universities are the only higher education institution in their region. Without them, all students attending college would locate elsewhere.

The presence of rural HEIs also creates a third set of alumni for the institutions, students who would not have attended a higher educational institution at all, except for the opportunity and proximity provided by these institutions in their communities.

Higher educational institutions in rural and less urban regions are critical to a region's workforce and human capital. An analysis of Pitt-Bradford graduates confirms the profound importance the institution has on the workforce in the Bradford region through its graduates and other programs it offers in continuing education, workforce development training and business assistance.

In the Bradford region, we found that Pitt-Bradford graduates between 2000 and 2010 represented a significant share of the total workers in a number of occupations and professions, including nursing (61.7 percent), business management (49.1 percent), criminal justice (54.8 percent), and computer science (60.7 percent).

Pitt-Bradford alumni are invaluable to the North Central region's workforce.

The institutions in these studies have become major economic and community forces in their regions. The growth in their development partnerships and collaborations have been mutually beneficial to the institutions and the communities. Colleges and universities in rural areas and smaller regions have become anchor institutions in economic and community development and are important stakeholders in working to improve quality of life in these regions. They are critical to development in Western Pennsylvania.

*UCSUR reports on anchor institutions' community and economic impacts are available at www.ucsur.pitt.edu. For more on anchor institutions, see R. Hodges and S. Dubb, *The Road Half Traveled* (Michigan State University Press).*

Urban and Regional Brown Bag Seminar Series 2014 Winter/Spring

University of Pittsburgh Center for Social and Urban Research

Unless otherwise noted, all presentations begin at noon and take place at UCSUR, 3343 Forbes Avenue (across from Magee-Womens Hospital; RSVP: pncis@pitt.edu).

The Changing Role of Public Housing Authorities in the Affordable Housing Delivery System

Friday, January 24, 2014

Rachel Garshick Kleit, PhD. Professor and Section Head, Knowlton School of Architecture, City and Regional Planning, The Ohio State University, Columbus, OH

Chicago Historic Zoning Research

Friday, February 7, 2014

Randall Walsh, PhD. Associate Professor, Department of Economics, University of Pittsburgh, Pittsburgh, PA

Driving Detroit: The Quest for Respect in the Motor City

Friday, February 21, 2014—This event will be held at the William Pitt Student Union, Lower Lounge, 4200 Fifth Avenue

George Galster, PhD. Clarence B. Hilberry Professor of Urban Affairs, Department of Urban Studies and Planning, Wayne State University, Detroit, MI

Spatial Epidemiology: Beyond John Snow/GIS in Healthcare: Emerging Tools and Technologies

Friday, February 28, 2014

David Wallace, MD, MPH. Assistant Professor, Departments of Critical Care Medicine and Emergency Medicine, University of Pittsburgh School of Medicine, and Kristen Kurland, Teaching Professor, Architecture, Information Systems, and Public Policy, President-elect, Andrew Carnegie Society, H. John Heinz III College/School of Architecture, Carnegie Mellon University, Pittsburgh, PA



University of Pittsburgh

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Recent Publications by the University Center for Social and Urban Research

- Hazelwood Neighborhood Profile 2010 (10/12)
- Young Adults Report (8/12)
- The Pittsburgh Regional Quality of Life Survey (7/12)
- Who Moves to Lawrenceville and Why? (5/12)
- Migration Trends in the Pittsburgh Region: Update (12/11)
- City of Pittsburgh Neighborhood Profiles –American Community Survey, 5-Year Estimates, 2005-2009 (6/11)
- Incorporating Mt. Oliver Borough’s Data in the PNCIS: Project Summary and Lessons Learned (7/11)
- Foreclosure in South Pittsburgh’s Hilltop and Effective Responses (7/11)
- City of Pittsburgh Neighborhood Profiles – Census 2010 Summary File 1 (SF1) Data (7/11)
- Allegheny County Population Health in Black and White, Volume Two, Black Papers on African-American Health (8/11)
- Estimating the Supply and Demand of Affordable Housing in Allegheny County (3/11)
- Impacts of Vanpooling in Pennsylvania and Future Opportunities (2010)
- Social Return on Investment Case Study Analysis: Community Human Services and The Union Project (1/09)
- The Nonprofit Sector: An Economic and Community Asset (1/09)
- EEO Employment Data for Allegheny County and the Pittsburgh Region (2/08)
- Gender Wage Disparity in the Pittsburgh Region (12/07)
- The Impact on Nonprofit, Large Landowners on Public Finance in a Fiscally Distressed Municipality: A Case Study of Pittsburgh, Pennsylvania (11/07)
- The Impact of the University of Pittsburgh Cancer Institute and UPMC Cancer Centers on the Pittsburgh Regional Economy (10/07)

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