

PITTSBURGH

TODAY & TOMORROW

The facts and the future of our region

Pittsburgh Today presents its annual report on the progress of Greater Pittsburgh, comparing Pittsburgh with 14 other regions in 10 key quality of life categories. This report, written by Jeffery Fraser, is based on statistics at pittsburghtoday.org and on the Pittsburgh 2011 Quality of Life Survey. We have also asked regional leaders to describe an obstacle we need to overcome and/or an opportunity we need to seize in order to ensure a strong future for the region.



John Aitdorfer; cover: David Aschkenas (city), iStockphoto (trees)

DEMOGRAPHICS TODAY

EXTRA! EXTRA!



A FEW YEARS AGO, A MODEL that University of Pittsburgh researchers use to help them assess local demographic trends suggested the day was coming. Last year brought further evidence that it, in fact, has arrived: southwestern Pennsylvania has finally turned the corner to become a place where more people arrive than leave.

The exodus is over—more people are moving here than leaving

U.S. Internal Revenue Service data released last year confirm that the reversal in migration trends seen in 2009 wasn't a one-year anomaly, reporting that 1,430 more people moved into the Pittsburgh Metropolitan Statistical Area (MSA) between 2009 and 2010 than packed up and moved out.

This is welcome news for a region with one of the largest elderly populations in the nation—and where attracting and retaining young people has long been a source of considerable angst.

“Most migration is related to jobs, and the most mobile peo-

ple are younger workers,” said Chris Briem, regional economist at the University of Pittsburgh’s University Center for Social and Urban Research. “When you see a change in migration, it’s probably driven by changes in the younger end of the workforce. That leads to the conclusion that if you are seeing a positive trend in migration, you’re probably doing better in bringing young people here.”

Last year also marked the release of data from the 2010 decennial U.S. Census that, again, show the Pittsburgh MSA having the largest percentage of elderly residents and the lowest percentage of foreign-born residents among the 15 Pittsburgh Today benchmark regions. The census data also show that the Pittsburgh MSA has not escaped the troubling rise in poverty that has crept across the nation, although its poverty rate remains below the national average.

MOVING IN

The total population of the Pittsburgh MSA stands at 2,356,285, according to the 2010 census. That’s almost 75,000



fewer people than what the U.S. Census Bureau reported in its 2000 population count.

But looking at the 10-year trend doesn't tell the whole story, which is an encouraging one for the region of late. In 2010, southwestern Pennsylvania's total population rose by 1,328 over the 2009 Census Bureau estimate—a small increase that nonetheless was significant, in that it was the first overall gain Pittsburgh MSA had experienced in years. And the region has the reversal in domestic migration trends to thank for it.

The region's domestic migration numbers started to show significant improvement in 2007. That year, 3,157 more people moved out than moved in, which, while nothing to brag about, was much better than the previous year, when nearly 8,800 more people left the region than moved in. Even before then, there was evidence to suggest the tide was turning. The number of people migrating out of the Pittsburgh MSA, for example, began to decline steadily in 2004.

"We don't rank badly in the rate at which people leave,"

said Briem, who released a report on his analysis of regional migration data last year. "What we tend not to have is a lot of people coming to Pittsburgh."

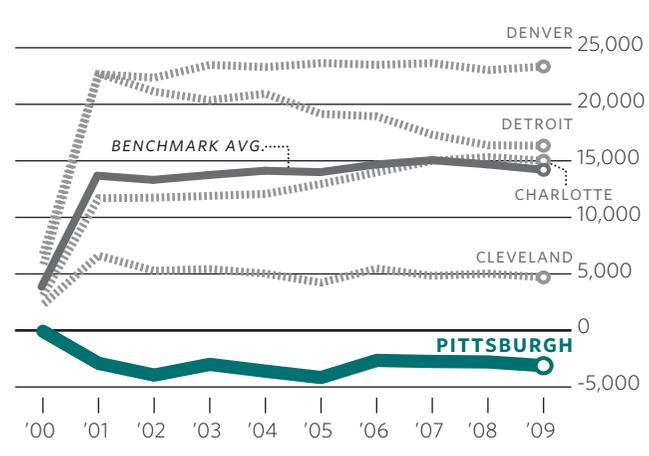
Migration flows in and out of the region showed only a net loss of 587 people in 2008. Then, in 2009, the negative trend in net domestic migration that had lingered for nearly two decades ended when the number people who moved in outnumbered those who left by 1,144.

That the region is seeing more people move in than out is particularly impressive in light of the fact that national migration rates have slowed and are lower than what is usually seen during times of economic hardship. The depth of the recession has likely played a role in restricting the national migration rate, as does the turmoil in the housing markets—something that has inflicted pain in many parts of the country, but that southwestern Pennsylvania has largely managed to avoid.

"There is evidence that in a lot of other regions the housing market has inhibited



NATURAL POPULATION CHANGE | 2000-2009
(measures net births and deaths)

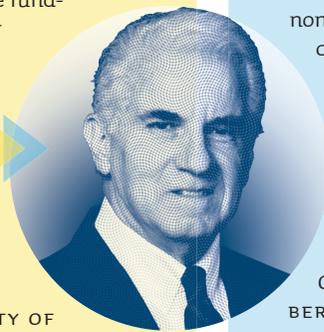


source: U.S. Census Bureau, Population Estimates Program

Key needs for the future

PITTSBURGH TOMORROW

Declining public support for higher education makes it increasingly difficult for students to earn a university degree. Too many are forced to abandon their dream of a college education. Those who earn a diploma also may incur a crushing burden of debt. If our nation hopes to remain competitive in a high-tech global economy, we must address the funding crisis in public higher education and find innovative ways to make high-quality education available at the lowest possible cost to students.



Angelo Armenti, Jr.,
President
CALIFORNIA UNIVERSITY OF PENNSYLVANIA

This is the 21st century. Let western Pennsylvania be a leader—in utilizing advanced research to safely extract Marcellus shale gas, coal, and other resources while protecting our water and air supplies; in valuing the benefits of an educated citizenry and providing superior and non-fee-based basic education for our children; in providing access to health care for all; and in increasing the presence of women in elected office, the boardroom and the executive suite. As the Chinese proverb says, women hold up half the sky!

Georgia Berner, President & CEO
BERNER INTERNATIONAL CORPORATION

A university can play important roles in the community. Libraries contain the stories of human society, museums inspire us to create, and databases offer rich sources of information. Institutions of higher education are, however, not merely storehouses—they are vibrant, living organizations. It is in using the accumulated wisdom of those who've gone before us that we are able to generate new ideas through research and apply our learning to new problems. It is the nature of every university to be a social force, to live in a social reality, to shed university intelligence upon that reality, and to use university influence to transform it.

Richard A. Beyer, President
WHEELING JESUIT UNIVERSITY

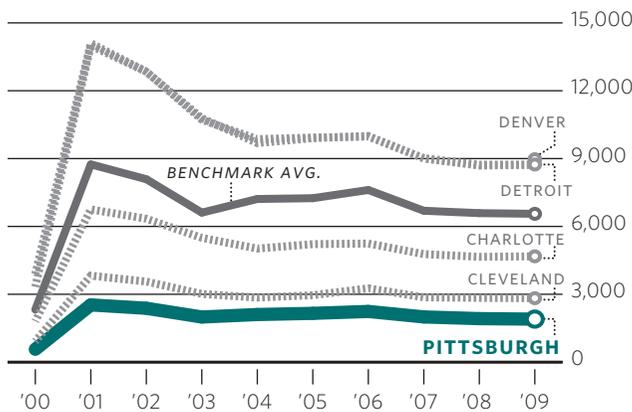


DEMOGRAPHICS

<< the normal flow of migration,” Briem said. “If you are under water in your mortgage and not walking away from it, you might be stuck where you are.”

Several factors contribute to the region’s recent positive migration trends. But, given that domestic migration is fueled by the pull of jobs, southwestern Pennsylvania’s resilient economy during the recession and beyond has likely been a major draw. None of the other 14 benchmark regions tracked by Pittsburgh Today, for example, had a greater rate of job growth over the past two years. And the region’s unemployment rate rests well below the national average.

NET INTERNATIONAL MIGRATION | 2000-2009



source: U.S. Census Bureau, Population Estimates Program

So where are these newcomers coming from? Not far. True to a long-observed pattern of migration known as the “gravity model,” most of the new arrivals hail from nearby regions, with the largest numbers having decided to leave Philadelphia, New York City and Washington, D.C. to live in southwestern Pennsylvania.

While migration flow into and out of southwestern Pennsylvania has shifted, the movement of people within the region continues to follow a long-standing pattern away from urban areas.

Allegheny County continues to lose population to surrounding counties. It experienced a net loss of 1,599 residents to other southwestern Pennsylvania counties between 2009 and 2010, with the largest number moving to Westmoreland County.

However, the rate at which Allegheny County is shedding population has slowed since 2005, when more than 12,100 people left to live elsewhere.

EDUCATED IMMIGRANTS

One group that doesn’t move to the region in large numbers is people who emigrate from other countries. But those who do arrive here tend to be highly educated.

Only 3.1 percent of those who live in the Pittsburgh MSA are foreign born—the lowest rate among the Pittsburgh Today benchmark cities and well below the highest benchmark rate found in Boston, where 16.8 percent of the population was born in another country.

The region’s recent immigration trends are far different from that of a century ago, when its mills and mines were a magnet attracting blue-collar workers from across the Atlantic Ocean.

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For more regional data, visit: pittsburghtoday.org

Pittsburghers are finally recognizing that our city stands head and shoulders above others of similar size and history. Everything is in place for us to reclaim our greatness, and the arts have a pivotal role to play. Art brings together our past, present, and future. We have a great opportunity ahead in 2013, when the Americans for the Arts Convention comes to Pittsburgh, and we continue to benefit from our ever-increasing national visibility.

Bill Bodine, Director
FRICK ART & HISTORICAL CENTER

TOMORROW

Through several recent events, Pittsburgh has returned to the world stage. Yet, by attracting international attention, we have clearly raised the bar for ourselves. We are now not only competing with our Midwestern neighbors and the Sun Belt, but with people around the world. We must continue to improve our competitiveness if we want to build on our success to date. The good news is, Pittsburgh is operating from a position of strength. I truly believe that by working together, we can succeed.

Charles E. Bunch,
Chairman & CEO
PPG



It’s a painful irony that our community—the community which gave such a warm and ready welcome to the victims of Hurricane Katrina—suffers from such deep racial segregation that 72.5 percent of African Americans would have to move in order to complete racial integration.

Such separation contributes mightily to Pittsburgh having the highest poverty rate among working-age African Americans and African American children under 5 of the top 40 US metropolitan regions.

Esther L. Bush,
President & CEO
URBAN LEAGUE OF GREATER
PITTSBURGH



DEMOGRAPHICS



But the immigrants who do come to Pittsburgh are more highly educated than immigrants to any other American city. Today, 53.5 percent of the region's 59,000 foreign-born residents hold at least a bachelor's degree—the highest rate of any MSA in the country, according to the latest census data. And no other region has a greater percentage of foreign-born residents with science and engineering degrees.

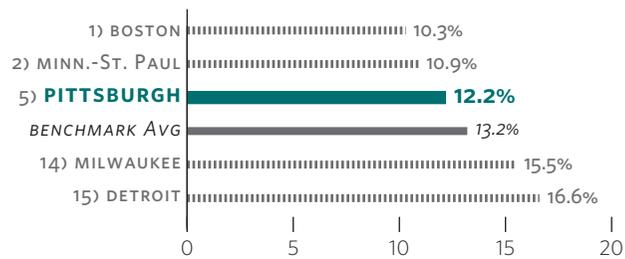
OLDER AND MOSTLY WHITE

Natural population changes affect the Pittsburgh MSA more than any other metropolitan region in the country. For years, the region has experienced more deaths than births, which has played an influential role in its population trends.

The reason for the region's consistently negative changes in natural population is clear. In terms of the age of its residents, the region has long been one of the oldest in the nation.

New census data show little has changed. Some 17.3 percent of Pittsburgh MSA residents are 65 years old or older, which is the highest percentage of elderly among the 15 Pittsburgh Today benchmark regions. Although the region is not likely to relinquish

POVERTY | 2010 (% of residents in poverty)



source: U.S. Census Bureau

that ranking anytime soon, losses in natural population have not significantly increased in years, and the latest census data show the percentage of elderly residents has dropped slightly since 2000, when they made up 17.7 percent of the population.

Also changing little is the racial composition of the region and its diversity. Once again, the Pittsburgh MSA is the whitest among the Pittsburgh Today benchmark regions, with whites making up 87.1 percent of the population, according to 2010 census data. That's down from 2000, when whites accounted for 89.5 of the region's population.

But the Pittsburgh MSA still has a lower rate of Hispanics (1.3 percent of the population) and multiracial residents (1.6 percent)

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than any of the Pittsburgh Today benchmark regions. And only Boston, Minneapolis-St. Paul and Denver have a lower percentage of African Americans than the Pittsburgh MSA, where they make up 8.4 percent of the population.

POVERTY RISES

Any increase in the poverty rate is troubling, but the news delivered by the 2010 census was especially grim for the nation as a whole. Over the course of a decade, the national poverty rate jumped from 11.3 percent to 15.1 percent.

Few places were left untouched. The Pittsburgh MSA was no exception, although the rise in the number of poor in the

region was less dramatic than what was seen nationally. In 2010, 12.2 percent of Pittsburgh MSA residents were living in poverty, compared with 11.6 percent of the population in 2000. Among the 15 Pittsburgh Today benchmark regions, only Boston, Minneapolis-St. Paul, Baltimore and Richmond had lower poverty rates.

Child poverty rates were higher. The census reports that 16.8 percent of the children in the Pittsburgh MSA are growing up poor. Although that rate falls below the Pittsburgh Today benchmark average, it remains a concern. Childhood poverty contributes to a range of outcomes that threaten the well-being of children and prove costly to society, including health and mental-health problems, poor academic performance and criminal offenses. ■

SURVEY SAYS!

Major regional survey reveals generally happy residents

John Altidorfer

MOST OF US HAVE been here for at least two decades and like it. We don't anticipate moving any time soon. But if we do, it will likely be somewhere close by, which means some other part of southwestern Pennsylvania, or to

nearby counties in Ohio, West Virginia and Maryland.

Ask about race relations, and the majority of us will tell you it's not a problem in our community, although the answer may differ a bit depending on the race of the person asked.

Politically, fewer of us identify with the Republican Party than with the Democrats, but more of us describe ourselves as conservative than liberal.

And, unlike the days when the region was an industrial power, few of us belong to a union.

We tend to talk to our neighbors at least once a week and trust that they will come to our aid if we need them. Perhaps that's why most of us give our neighborhoods high marks as places to live. Having said that, more of us tend to complain that the overall quality of life in the region has slipped in recent years than say it has gotten better.



But overall, we're largely satisfied with the quality of the lives we are leading.

In 2011, the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today surveyed 2,200 people in the region for their views on an extensive list of quality-of-life issues. Those selected as representative samples of the region included 367 African Americans, and residents of cities, suburbs and rural municipalities within the seven-county Metropolitan Statistical Area (MSA) and the 25 counties that surround it, including several in Ohio, West Virginia and Maryland.

The 2011 Pittsburgh Quality of Life Survey is the most comprehensive survey to be done in the region in decades, and it offers a comprehensive portrait of who we are, and how we view our communities and our neighbors.

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DEMOGRAPHICS

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For example, the majority of those who live in the region tend to stay put. Nearly 90 percent of all residents have lived in the region longer than 10 years and 80 percent have been here more than 20. Nearly 55 percent overall have lived at their current address for 10 years or longer, with 35 percent having lived there for more than two decades.

That's not likely to change for most of them. Nearly 74 percent overall say the chances of them moving are slim. And 84 percent expect to be living in the region five years from now.

Overall, more than 78 percent own their own home, unless they are African American. Their home ownership rate is just over 41 percent. And there are racial differences when residents are asked to rate their neighborhood as a place to live. Nearly 56 percent overall describe where they live as either excellent or very good. But only 24 percent of African Americans use such terms to describe their neighborhood, with another 36 percent simply describing it as "good."

As for their assessment of the quality of life within the region, 46 percent overall feel it has stayed the same over the past few years. But 37 percent say it has declined—more than twice

the percentage of those who think it has improved.

Most residents are socialble and see their neighbors as neighborly. Nearly 74 percent overall talk to their neighbors at least several times a month, with 38 percent doing so every day. And more than 90 percent overall agree that their neighbors are willing to help others. But African Americans are more likely to be skeptical about that assessment. Nearly 19 percent somewhat or strongly disagree that their neighbors are willing to help fellow neighbors. That's more than twice the percentage of non-African Americans who feel the same way.

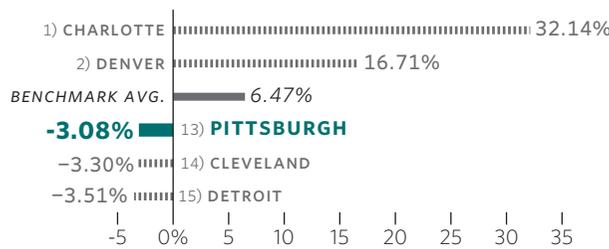
DIFFERENCES BETWEEN WHITES & BLACKS

There is also some disagreement over the state of race relations. Nearly 64 percent overall say there is no problem whatsoever with race relations in their community. But only 44 percent of African Americans see no problem with race relations. And 12 percent not only say there are race problems in their neighborhood or local community, but describe them as severe—nearly four times the percentage of non-African American residents who offer the same observation.

In terms of our politics, geography and race are influential. Overall, 42 percent of

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TOTAL POPULATION CHANGE, as percent | 2000-2010



source: U.S. Census Bureau

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pittsburghtoday.org

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James Cashman, CEO
ANSYS

TOMORROW

Let's get better at developing existing talent and become more welcoming to newcomers. Yes, we're friendly, but we should embrace newcomers and help them become part of the fabric of our community—true "Pittsburghers." Our region has a rich history and an incredibly bright future. Those of us at UPMC encourage everyone to join together to make our region a greater place to live and work. That's the focus of the Dignity & Respect Campaign sponsored by UPMC.

Candi Castleberry-Singleton,
Chief Inclusion & Diversity Officer
UPMC



For Pittsburgh to have a bright future, we MUST convince students to view math and science as viable career options. We need more scientists, more engineers, more innovators to stay competitive and continue to grow. I truly believe Pittsburgh offers the best of everything—from schools to jobs to the quality of life. To maintain these benefits long into the future, we need to keep the pipeline of students interested in math and science flowing.

Randy Dearth,
President & CEO
LANXESS CORPORATION



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residents consider themselves Democrats; 26 percent, Republicans; and 24 percent, independents. But more than 79 percent of African Americans identify with the Democratic Party and the percentage of residents who consider themselves Republican climbs to 39 percent in the 25 counties surrounding the Pittsburgh MSA.

Similar trends are seen when residents express their political philosophies. Overall, more than 38 percent describe themselves as conservative, and fewer than 21 percent as liberal. The rest of us define ourselves as political moderates. More than 31 percent of African Americans express liberal leanings and, geographically, the highest percentage of self-described liberals—26 percent—is found in Allegheny County. The highest percentage of conservatives is found outside the Pittsburgh MSA, where 41 percent of residents consider themselves such. No matter what their party affiliation, most residents say they vote, although the frequency by which they do so varies. But only 13 percent overall admit never having cast a vote on Election Day.

For the better part of a century, the region was an organized labor stronghold, whose steel mills and factories were filled with unionized workers. Things have changed. Most of the mills closed long ago and today only 16 percent of residents overall say they belong to a union.

We do largely consider ourselves spiritual people. Nearly 32 percent of all residents describe themselves as

very spiritual, for example, while fewer than 8 percent say they are not spiritual at all. And 39 percent attend a religious service at least once a week.

As far as the quality of our lives are concerned, we rate it at 7.7 on a scale of 1 to 10 in terms of satisfaction, with 10 meaning “very satisfied” and 1 meaning “very dissatisfied.”

Perhaps most important, we are a relatively happy people. Overall, we rate our happiness at 7.84 on a scale of 1 to 10, with 10 meaning that we consider ourselves “very happy.” And regardless of our race or where in the region we live, we share a high level of happiness. ■



John Altorfier

Key needs for the future

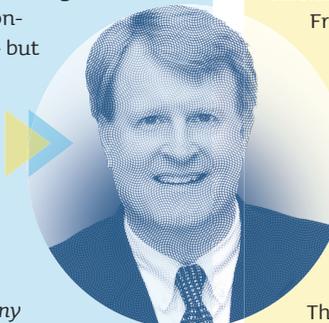
Despite Pittsburgh’s frequent recognition as America’s most livable city, our declining population and tax base puts a financial strain on public services, schools and infrastructure. We must create a more business-friendly environment by lowering taxes and reducing the complexity of government regulations. By helping regional companies that compete globally to grow and hire, we provide incentive for young people to remain here and attract companies, families and, thereby, workers to the region.

J. Christopher Donahue, *President & CEO*
FEDERATED INVESTORS, INC.

TOMORROW

Allegheny County has weathered this economy very well, but our efforts and progress could be in jeopardy if we’re not proactive in addressing mass transit. We need long-term solutions (like regional transit), but today, we must come together to address transit’s funding. This isn’t just a commonwealth or local issue— but one we all need to address independently and cooperatively. With your help, and that of the state, I believe we will find a solution.

Rich Fitzgerald, *Allegheny County Executive*
ALLEGHENY COUNTY



World-class cities have world-class public transportation systems. If Pittsburgh is to realize its full potential, developing public transportation that is efficient, affordable and effective must be one of the highest priorities for both the public and private sectors. We cannot expect talented young people from San Francisco, Chicago, Atlanta and Boston, who view public transportation as their primary means of transportation, to move to Pittsburgh unless they can have the same convenience here. If we get a little creative, we might even draw some tourists.

Thomas T. Flannery
Managing Director
BOYDEN

PITTSBURGH TOMORROW



John Altendorfer

ECONOMY

TODAY

A STRONG REGIONAL ECONOMY



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ITH THE PASSING OF another year comes further evidence that southwestern Pennsylvania is weathering the nation's post-recession blues better than most regions, just as it had the recession itself. And the chief reason for its resilience is an economic core anchored by the more balanced mix of employers

that evolved in the decades after the collapse of steel and other heavy industry.

Jobs grew again in the Pittsburgh Metropolitan Statistical Area (MSA) and did so at a rate that topped all of the 14 benchmark regions. Regional unemployment dropped well below the national rate. And the Pittsburgh MSA, having missed the housing boom and bust, avoided the subsequent hangover that lingered elsewhere.

"In 2010 and 2011, the recovery years from the 2008-09 recession, the southwestern Pennsylvania region's economy has kept pace with or outpaced the national trends, which for us is a

Post-recession job growth defies recent trends

much more positive development than what we've seen over the past 50 years coming out of recession," said Stuart Hoffman, chief economist of PNC Financial Services Group and chairman of the Pittsburgh Today Regional Economic Indicators Committee.

That's not to say the regional economy is without areas of concern. County and municipal governments, among the biggest employers in the region, shed another 1,000 jobs in 2011 and are expected to eliminate as many more jobs as they try to bring deficit-ridden budgets into balance.

But experts expect 2012 will be another year in which the region experiences steady, but moderate, economic growth, sustained by strengths in sectors such as education, health care and finance, as well as an energy sector revived by the rush to tap the natural-gas-rich Marcellus Shale formation.

"We expect 2012 to be a year of reasonably good economic growth in southwestern Pennsylvania," Hoffman said. "The

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ECONOMY

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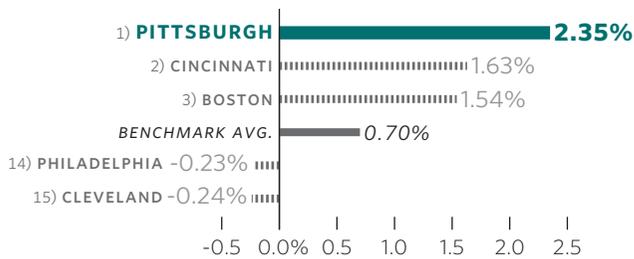
backdrop to that is that we don't think the national economy is going to go into recession. We think that a modest but persistent U.S. economic recovery will be ongoing, which helps set the table for what happens in any region."

IMPROVING JOBS PICTURE

The Pittsburgh MSA added another 26,700 jobs in the 12 months from December 2010 through December 2011, according to not-seasonally adjusted U.S. Bureau of Labor Statistics data. The 2.35 percent rate of growth raised the total non-farm jobs in the region to 1,164,000.

Falling unemployment is the flip side of the increase in jobs. The region's seasonally adjusted jobless rate fell from 7.5 percent to 6.6 percent from December 2010 through December 2011. Only Boston and Minneapolis had lower seasonally adjusted rates of unemployment among the Pittsburgh Today benchmark regions over that period.

JOB GROWTH | DEC. 2010-DEC. 2011 (% change)



source: Bureau of Labor Statistics

In the Pittsburgh MSA, government and information were the only sectors to lose jobs in that 12-month period. Retail, education and health services, three of the region's biggest employers, were among the sectors posting the strongest growth. Others included financial services, transportation and utilities, and the natural resources, mining and construction sector.

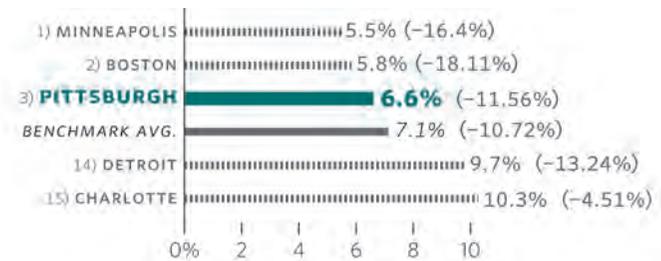
Even manufacturing showed a small gain, adding 400 jobs over the 12-month period. It was the first gain in manufacturing jobs in nearly a decade. However, the region's plants and factories still employ 28 percent fewer workers than in 2001.

Marcellus Shale-related activity continues to add jobs in the region's energy sector.

Jobs related to energy extraction alone jumped 10.5 percent in 2010 and have grown by 22 percent since 2005 in the Pittsburgh MSA, where wells have been drilled in every county.

Although energy is not among the region's largest employers—it has nearly 38,000 jobs overall, with about 15,000 related to energy extraction—continued growth is projected for the coming years that should help take the edge off of anticipated losses in government employment, a sector that has struggled.

UNEMPLOYMENT RATE, non-seasonally adjusted data | DEC. 2011



source: Bureau of Labor Statistics

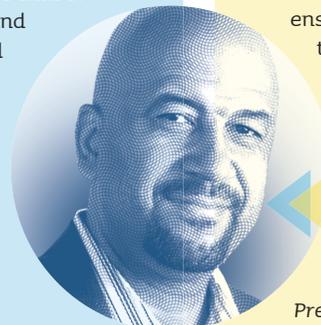
Pittsburgh has outstanding expertise in many areas of health care, including world-class hospitals, research centers and academic institutions. In the current environment, this has the potential to be either a major obstacle OR an opportunity for our region. If a new, effective, efficient model of health care delivery can be achieved through UPMC and Highmark's negotiations and strategic plans, it could allow Pittsburgh to be a positive example for other regions. The stakes are too high to let this be an obstacle.

Kim Tillotson Fleming, Chairman of the Board HEFREN-TILLOTSON, INC.

TOMORROW

One of the greatest challenges facing the Pittsburgh area is finding ways to ensure that all segments of the community have opportunities to benefit from and contribute to the productivity of our region. With the unemployment rate of African Americans at nearly double that of the majority population, and the absence of senior level African American corporate executives, the region must continue to focus on diversity and inclusion in order to be competitive.

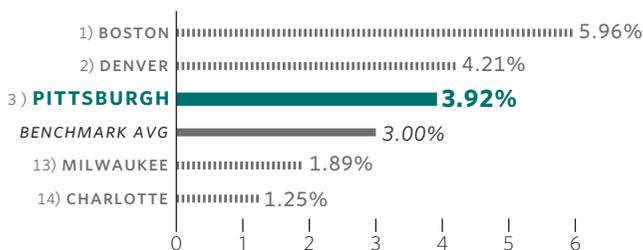
Evan S. Frazier, Senior Vice President, Community Affairs HIGHMARK INC.



Until the Pittsburgh Promise is able to pay dividends, Pittsburgh's emerging industries of healthcare, education and technology will continue to have to disproportionately recruit their workforce from outside of the region. In order to ensure that Pittsburgh retains the title of "most livable city," those recruiting efforts need to be deliberate in an approach to attract individuals to the area that resemble the entire cultural landscape of the country.

André Kimo Stone Guess, President & CEO AUGUST WILSON CENTER FOR AFRICAN AMERICAN CULTURE

AVERAGE WEEKLY WAGE | 2nd Q. 2010-2011
(% change)



source: Bureau of Labor Statistics

Government jobs cover a range of occupations, including police, paid firefighters, municipal managers, judges, planners, office personnel and jail staff. In December 2011, such jobs employed 128,700 workers throughout the Pittsburgh MSA—0.77 percent fewer than in December 2010 and 1.68 fewer than in December 2009. Local government budget shortfalls, some of which are severe, are expected to lead to further cuts in 2012 and beyond.

Overall, however, Hoffman expects jobs to continue to grow throughout the region in 2012 by 0.8 percent, which would add about 9,000 jobs.

POISED TO SPEND

Wages and other income provide the fuel for consumer spending and can have a significant impact on the economy. In that regard, the region appears relatively well-positioned in early 2012. Incomes declined only briefly during the recession, and although the region continues to lag behind many others in wages, the gap is narrowing.

The average weekly wage in the Pittsburgh MSA, for example, rose by \$33 to \$875 from the second quarter of 2010 to the second quarter of 2011—a 3.92 percent increase. Only Denver and Boston saw a higher increase in the average weekly wage among the benchmark regions.

Hoffman's expects to see personal income in the region growing 4.7 percent in 2012. He also points out that the lack of significant home equity losses in the

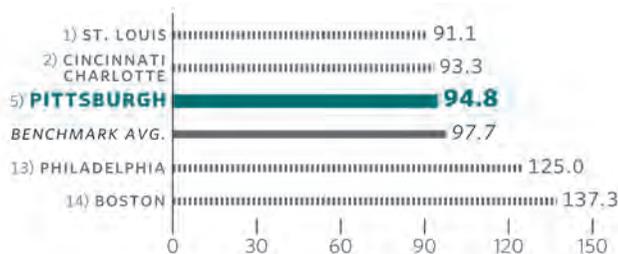
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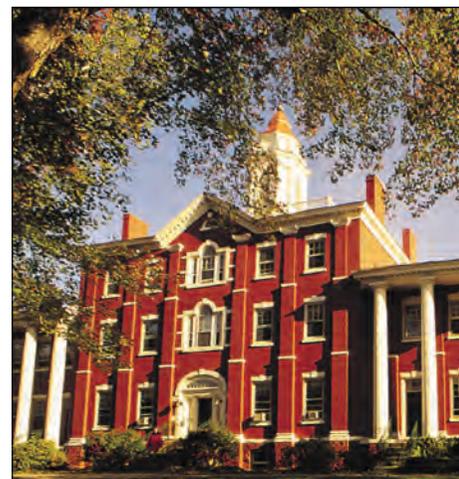
John Altiorfer

COST OF LIVING | 2011

(a composite ranking with the national average being 100)



source: The Council for Community and Economic Research (C2ER)



ALLEGHENY COLLEGE

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region should help those income gains play a larger role in economic growth.

ATTRACTING CAPITAL

Also important to the region's future economic health is its ability to raise young, entrepreneurial companies to adulthood. The venture capital secured by these companies slid 2 percent to \$149 million in 2011. Even so, Pittsburgh Today benchmark rankings show that only companies in Boston, Philadelphia and Minneapolis raised more capital than those in the Pittsburgh MSA.

The number of firms in the region receiving rounds of capital dropped from 40 to 26, which suggests that while fewer companies received financing, the deals tended to be larger than the previous year.

"We are going to get some ebbs and flows, but we are doing pretty well," said Craig Gomulka, chief investment officer at the Pittsburgh venture capital firm Innovation Works. "I struggle to think of companies in the region that deserved to receive a venture capital round and did not get it."

"Our region is in a position where we are net importers of venture capital, since we don't have a great number of venture firms," he says. "Investing in early stage companies is not an easy business. These companies need a lot of support and many [venture capital firms] want to be local to their investments. That means companies in Pittsburgh have a higher bar to cross to get engaged with out-of-town investors. On the up side, we have great technical talent here."

Another encouraging sign for the region's economy is found in recent demographic data that shows that, for the second consecutive year, more people moved into the Pittsburgh MSA than left it. Economists say migration into and out of regions is primarily driven by employment opportunity. Moreover, those who migrate are most often younger workers, which suggests a welcome trend for southwestern Pennsylvania, where the population is among the oldest in the nation. ■

Economic realities

Survey shows blacks are worse off but more optimistic

RESIDENTS OF GREATER Pittsburgh are much more bullish on the regional economy than they are on the national economy, the prospects for which they see as quite dim, according to a 2011 survey of residents of the seven-county Pittsburgh Metropolitan Statistical Area (MSA) and 25 surrounding counties.

The majority of regional residents never have trouble paying their mortgage or rent, utility bills, or the cost of other basic necessities. A significant percentage, however, struggle at times to make ends meet—even though most of them say that rarely happens.

And race is not a benign factor when it comes to who in southwestern Pennsylvania faces financial hardship, who doesn't, and where they think the national and regional economies are heading in the new year.

The region's economy and the financial state of individual households were among the issues discussed in telephone interviews with more than 2,200 residents of the 32-county Pittsburgh region who participated in the 2011 Pittsburgh Quality of Life Survey conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today.

Nearly 48 percent of regional residents see the national economy getting somewhat worse or much worse in 2012. On the other hand, fewer than 32 percent feel the same way about the region's economy. In fact, nearly 79 percent believe the region's economy will stay the same, get somewhat better or get much better in 2012, while only 52 expect the same of the national economy.

The perspective of African Americans is rosier on both fronts. Nearly 39 percent believe the national economy will get somewhat or much better in 2012. Only 23 percent of the region's non-African American residents hold the same view. And 37 percent of African Americans expect to see improvement in the region's economy, compared to 23 percent of non-African American residents.

Having a more optimistic outlook of the local economy is not unusual, said Stuart Hoffman, chief economist of PNC Financial Services Group. "In our surveys, we tend to find that people generally feel their region's economy is better off. But when you ask them about the national economy, they will tell you how bad it is. That might be what they hear from the news media. With the local economy, it's what they see in their own household and neighborhood."

Survey responses offer a glimpse inside those households.



Nearly 54 percent of the region's residents say they never have difficulty paying for basic necessities. But the rest do, at least to some degree. A little more than 20 percent only rarely have difficulty paying for basic necessities, nearly 17 percent sometimes have trouble doing so, 5 percent often have difficulty and more than 4 percent always have trouble making ends meet.

The data reveal modest geographic differences among residents facing hardship. In general, those who live the farthest from Allegheny County are more likely to experience some difficulty paying for basic necessities. But racial differences are much more pronounced.

Nearly 18 percent of African Americans say they often or always have trouble paying for basic necessities, including housing, utilities and food. That's more than double the percentage of non-African Americans who share that level of hardship. While nearly 55 percent of non-African Americans never have trouble paying for basic necessities, only 37 percent of African Americans can say the same thing.

Yet many more African Americans have seen their financial situations improve over the last three years. For 41 percent, household financial conditions got somewhat or significantly better, while only 23.6 percent of non-African Americans saw the same improvement. Household finances stayed the same for 48 percent of southwestern Pennsylvania residents overall.

Regardless of their race or where they live, most southwestern Pennsylvania residents agree the job market is tough. Nearly 72 percent overall believe they would have a hard time finding a job with another employer that offers the same wages and benefits they now earn, while fewer than 7 percent are confident they can do better. ■



TRANSPORTATION TODAY

AN URGENT PROBLEM



The state has yet to address funding for public transit, roads and bridges

IT'S BEEN A RECURRING THEME OF LATE: Another year goes by, during which the news about the state of public transportation, roads and bridges in the region is mostly grim.

The Port Authority of Allegheny County, the largest public transit system in southwestern Pennsylvania, reduced service in 2011 and braced for deeper cuts in 2012 as it continued to wrestle with revenue shortfalls and high pension and other legacy costs. A national report on structurally deficient bridges identified 1,133 such structures in the Pittsburgh Metropolitan Statistical Area (MSA), which is the most of any metro area with a population of 2 million or more.

And by year's end, long-term strategies for financing the improvements necessary to resolve such critical transportation issues remained elusive.

Residents of the region are not oblivious to the problems. The 2011 Pittsburgh Quality of Life Survey found that most view the state of public transportation and the condition of roads and bridges as matters of concern—and that a majority favor spending additional public dollars to fix our transportation infrastructure. The survey, conducted by the University of Pittsburgh University

Center for Social and Urban Research and Pittsburgh Today, involved telephone interviews with more than 2,200 residents in Allegheny County, the other six counties in the Pittsburgh MSA and 25 counties surrounding it, including counties in Ohio, West Virginia and Maryland.

In recent years, fixing the Port Authority's financing problems to prevent further cuts in service has attracted wide community support, including business leaders and neighborhood organizations. They have good reason to be concerned. Public transit is critical to getting workers to and from jobs, particularly in Allegheny County. Between 45 and 50 percent of downtown Pittsburgh workers commute by bus or rail, according to Port Authority estimates.

Times are tough for those commuters. In 2011, the Port Authority reduced overall service by 15 percent, eliminating 29 bus routes, paring service on another 80, and cutting 260 transit jobs. Still, it needed the last of \$45 million in state emergency funds granted the previous year and had to dig deep into its operating reserve to cover the \$305.5 million it spent during the fiscal year.

Projections for 2012 offer no signs of relief—a \$64 million

John Altiorfer



State and local funding issues and heavy legacy costs are the core problems that beset the transit agency.

Pennsylvania's failure to win federal approval to place tolls on Interstate 80 in 2010 crippled its ability to fund Act 44 fully, which was enacted to help finance public transit as well as road and bridge projects. For the Port Authority, the shortfall led to an immediate loss of \$27 million in state funding and nagging uncertainty over future state transit subsidies. And despite receiving \$27.7 million in county poured-drink tax revenue that year, the Port Authority ranked near the bottom of similar-sized transit systems in terms of local funding, a position it still occupies.

The future of transit funding in Pennsylvania is unclear. Gov. Tom Corbett's Transportation Funding Advisory Commission in 2011 recommended the state use a variety of means to raise as much as \$2.5 billion in new annual revenue for public transportation, roads and bridges. But the governor has announced that transportation is a matter for the legislature.

Legacy costs, including pension contributions and retiree health care, remains a considerable challenge for the Port Authority. Between 2003 and 2012, legacy costs increased 37.5 percent, according to authority data. The impact of legacy costs is such that without them, Port Authority expenses would have risen less than the rate of inflation for those years.

Progress has been made to trim future legacy costs through recent contract negotiations, said Stephen Bland, chief executive officer of the Port Authority. Between 2006 and 2012, legacy cost increased at a much smaller rate of 13.9 percent. "The challenge is that even if you can do something massive on the legacy cost side, you would see little immediate benefit because it would only impact future retirees."

The consequences will be grave if the Port Authority doesn't

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budget shortfall, service cuts of up to 35 percent, and another round of fare increases.

Lack of ridership isn't the problem. Residents of southwestern Pennsylvania use public transportation more than those living in many of the Pittsburgh Today benchmark regions, including Cleveland, Cincinnati, Detroit, Indianapolis, Minneapolis, Kansas City, Richmond and Charlotte. And most southwestern Pennsylvania commuters rely on the Port Authority fleet, which carries about 65 million passengers a year. That is nearly 15 times the ridership of the nine other transit systems in the region combined. Fare revenue isn't the problem, either. Port Authority fare revenue compares favorably with transit systems of similar size, and its administrative overhead is among the lowest in the nation.

We must finally embrace the concept that the richness of our arts scene distinguishes us even more than the richness of our sports scene, and that the combination of the two makes us an unstoppable proposition. These two worlds must, for the good of the region, learn to love and respect each other. Enjoying sports does not make one a cultural boor, and supporting the arts scene does not make one slightly suspect.

Christopher Hahn, *General Director*
PITTSBURGH OPERA

TOMORROW

The student body of La Roche College is internationally diverse, with over 250 students from 39 countries—roughly one-quarter of our undergraduate students. We believe that their education will be shaping the world for generations to come. So too Pittsburgh needs to attract more individuals and companies from a variety of cultures who will live and work to make southwestern Pennsylvania a significant player on the global stage.

Sister Candace Introcaso,
President
LA ROCHE COLLEGE



The revitalization of the Pittsburgh region appropriately has been attributed to the rise of "eds and meds"—our fine universities and internationally renowned UPMC. These sectors will only become more vital to our growth in the coming years. But, as federal and state support becomes less certain, our philanthropic partnerships will become even more important.

Imagine the possibilities when we combine the best and brightest researchers and physicians with the generous, hardworking spirit of the Pittsburgh community.

Clyde B. Jones III, *President*
MEDICAL AND HEALTH SCIENCES
FOUNDATION



TRANSPORTATION

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find a way to ease the burden of its legacy costs and if an adequate, stable statewide source of public transit funding isn't created, he said. "Unless we address those core issues, reducing service by 35 percent in the upcoming year would only be a precursor to the following year and the year after that. In our business, that's called the death spiral. Short of money, you cut service, but lose riders, which means you'll be short more money."

The impact of public transportation cuts falls more heavily on African Americans, who tend to use it far more often than non-African Americans. According to the 2011 Pittsburgh Quality of Life Survey, nearly 29 percent of African Americans use public transit five days a week, compared to only 4 percent of non-African Americans.

Residents of Allegheny County tend to regularly use bus and rail service more than those who live outside the county, particularly those in the 25 counties surrounding the Pittsburgh MSA, where transit systems are smaller and service much more limited. In fact, 23 percent of those residents say public transit is not available where they live.

But, regardless of where they live, the majority of the region's residents recognize there is a problem with access to public transportation, at least to some degree. Fewer than 33 percent thought the region had no transit problem at all.

Roads and bridges are also a concern of a majority of residents throughout the Pittsburgh MSA and in the counties beyond it, including those in nearby parts of Ohio, West Virginia and Maryland. Nearly 67 percent of residents overall considered the quality of our roads and bridges to be a moderate or severe problem, while fewer than 10 percent see no problem at all.

More Allegheny County residents (nearly 77 percent) view the

condition of roads and bridges as a severe or moderate problem than residents who live outside of the Pittsburgh MSA (60 percent), where there tend to be fewer roads and fewer bridges than are found in the rolling terrain of the Allegheny, Monongahela and Ohio River valleys. Nearly 13 percent of residents outside of the MSA say there is no problem at all with their roads and bridges, a perspective shared by only about 5 percent of Allegheny County residents.

No other state has more structurally deficient bridges than Pennsylvania, where 26.5 percent are considered to be in such condition. And the Pittsburgh MSA is home to 1,133 structurally deficient bridges, which is more than 30 percent of the bridges found in the region, according to a report released by Transportation for America, a Washington, D.C.-based coalition of 500 organizations representing business, transportation, development and other interests.

While Pittsburgh had the highest percentage of deficient bridges among large metro areas, Philadelphia ranked third with 20 percent. Other Pittsburgh Today benchmark regions with enough structurally deficient bridges to rank in the top 10 include Kansas City, Boston, Detroit and Cleveland.

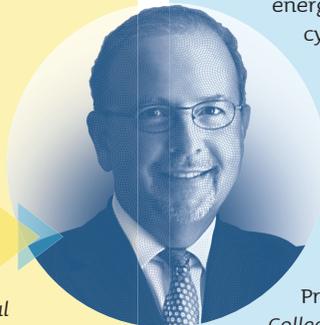
The report noted that the bridge conditions that led to the poor rankings of Pennsylvania and the Pittsburgh region could have been worse. Many bridges have been improved over the last several years under an intensive statewide program supported by a quadrupling of bridge repair funds.

Residents of the region tend to favor spending even more, the Pittsburgh Quality of Life Survey suggests. More than 55 percent overall say government should increase spending on roads and other transportation infrastructure, while fewer than 8 percent favor spending less.

The survey also offers insight on what residents think about

The region's greatest challenge is to complete the transition to a 21st-century economy. The region needs a greater connection to the global economy than our air service is providing. We need a legal framework that is not an impediment to business locating or relocating here. Pennsylvania must become a Right to Work state so that it can join the most progressive, business-friendly states in the nation when it comes to attracting business. Texas and North Carolina rank numbers 1 and 2 in that respect, and business leaders say that their status as Right to Work states is the most important attraction.

Peter J. Kalis, *Chairman & Global Managing Partner*
K&L GATES LLP



Pittsburgh continues its transformational journey from steel to high tech as more start-ups call western Pennsylvania home. Much of that start-up energy comes from Carnegie Mellon University, with faculty and students creating more than 300 companies and 9,000 jobs in the past 15 years. The university's leadership in strategic research areas such as energy, biomedical engineering, cybersecurity and infrastructure issues is making the region a hub for technology leadership that will ultimately make life safer and more economically stable for this region and the world.

Pradeep K. Khosla, *Dean,*
College of Engineering
CARNEGIE MELLON UNIVERSITY

TOMORROW

Every great achievement begins with a child and a dream. From Rachel Carson reading Beatrix Potter stories on her Springdale farm to Jackie Evancho watching a "Phantom of the Opera" DVD and imagining a singing career, the Pittsburgh region has nurtured the dreams of literally thousands of talented children. What we now need to do is to shape a community where our future achievers can also realize their boldest dreams without having to leave Pittsburgh.

Anne Lewis, *Board Chair*
OXFORD DEVELOPMENT COMPANY
& community volunteer



other transportation issues. More than 60 percent of residents overall, for example, consider the availability of nonstop destinations from Pittsburgh International Airport to be a problem. But fewer than 17 percent view it as a serious problem, and 39 percent don't see any problem with the range of nonstop destinations available when flying out of Pittsburgh.

Although Pittsburgh International is considered one of the finest, most passenger-friendly airports in the nation, it has been underutilized since USAirways dismantled its hub operations there and steadily reduced service over the last decade. The loss of such a significant level of service, lingering weakness in the airline industry, and other factors have combined to push Pittsburgh International into the bottom third of the Pittsburgh Today benchmark airports in measures of total passengers, markets served, and departures per day.

Pittsburghers are increasingly turning to simpler means of travel. Recent data suggest walking and bicycling are growing in

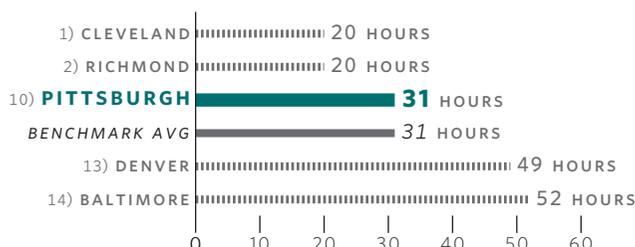
popularity. Perhaps one reason is the availability of safe bike or pedestrian routes. More than 40 percent of residents in the region say the availability of such routes isn't a problem where they live and about 22 percent say it's only a minor problem.

Personal cars, trucks and other motor vehicles are the dominant means of transportation in the U.S., and southwestern Pennsylvania is no exception. But Pittsburgh commuters are developing a reputation for embracing alternatives. Five years ago, less than 0.5 percent of Pittsburgh commuters rode their bicycles to work. Their ranks have now swelled to 1.6 percent, according to 2010 American Community Survey data. And walking is the primary means of commuting for another 10.8 percent.

Those numbers are enough to rank Pittsburgh fourth among U.S. cities in the percentage of commuters who have abandoned their cars in favor of biking or walking to work. ■

TRAFFIC CONGESTION | 2010

(average annual time lost per traveler during peak travel times)



source: Texas Transportation Institute, Urban Mobility Report

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GOVERNMENT TODAY

THE PEOPLE HAVE SPOKEN



Survey shows the region's political realities

THOSE WHO LIVE in southwestern Pennsylvania and in parts of neighboring states have fairly clear views on where their tax dollars should be spent. And a majority favors spending more on roads and infrastructure, schools, and economic development and job creation, even though they know that government budgets are strained.

In fact, relatively few favor spending less on any of the six basic services discussed in the 2011 Pittsburgh Quality of Life Survey conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today.

And clear racial differences emerge from the opinions on how public dollars should be spent. Across the entire region, significantly higher percentages of African Americans favor greater spending for police protection, schools, human services, economic development, and parks and recreation than non-African

American residents. The survey involved telephone interviews with more than 2,200 residents of the seven-county Pittsburgh Metropolitan Statistical Area (MSA) and 25 counties surrounding it, including counties in Ohio, West Virginia and Maryland.

More than 53 percent of all residents in the region support increasing funds for schools, while 12 percent favor spending cuts. But among African Americans, 89 percent support spending more on schools and only 3 percent favor spending less.

Spending more on economic development and job creation is something 70 percent of all residents support. Only 9 percent favor spending less. Here, too, racial differences are seen. More than 94 percent of African Americans say more should be spent on job-creating initiatives and economic development, while only 1.5 percent favor spending less. Among non-African American residents, 68 percent favor spending more and 10 percent favor spending less.

Investing more in the region's roads and infrastructure is supported by 55 percent of all residents, while fewer than 8 per-

cent favor cutting such expenditures. Again, more African Americans (73 percent) favor increased infrastructure spending than non-African American residents (54 percent).

And only among African Americans do police find a majority in favor of spending more for their services. Only 9 percent of all residents are in favor of reducing public safety spending. About 57 percent say spending should remain at current levels and 34 percent favor spending more. Among African Americans, 62 percent favor spending more on police protection.

Residents overall are less inclined to spend more on parks and recreation than any of the other services discussed in the survey; only 26 percent of all residents favor increasing spending. But only 10 percent of all residents favor actually cutting parks and recreation spending, and that is a smaller percentage than those who favor reducing spending on protective services for abused children, aid to the homeless, mental health and other human services.

About half of all residents favor keeping human services spending at current levels; 36 percent support increasing it; and nearly 15 percent favor reducing it. Nearly 67 percent of African Americans support higher spending on human services, however, which is double the percentage of non-African American residents who feel the same way. African Americans also have the lowest percentage of those who favor cutting human services spending. Generally, the highest rate of those who want to lower costs is found in the 25 counties surrounding the Pittsburgh MSA.

In terms of their political leanings, the greatest percentage of all regional residents say they are moderates, with 41 percent describing themselves as such. More than 38 percent describe themselves as conservative, and fewer than 21 percent as liberal. Geography makes a difference. The highest percentage of self-described liberals—26 percent—is found in Allegheny County, while the highest per-

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centage of conservatives—41 percent—reside in the 25 counties surrounding the Pittsburgh MSA, including parts of Ohio, West Virginia and Maryland.

As for their political party affiliation, 42 percent of all residents consider themselves Democrats; 26 percent, Republicans; 24 percent, independents; and fewer than 8 percent, other. And regardless of party, political persuasion, geography or race, they tend to participate in the political process. Only 13 percent of all adult residents across the region never go to the polls to vote, while 57 percent cast votes in every election. ■

THE ONLY ALTERNATIVE

Financial necessity may finally open the door to government consolidation

W

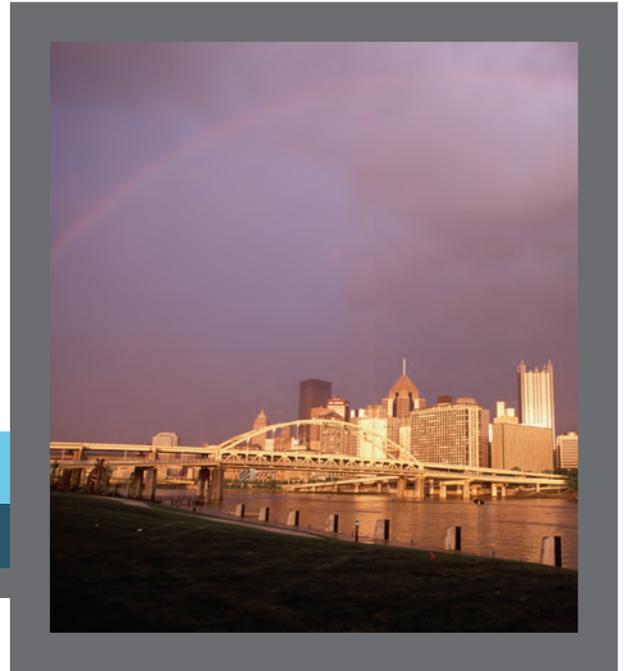
HEN FREDERICK Thieman was U.S. attorney for western Pennsylvania in the mid-1990s, there was one topic that was certain to put him on the wrong side of municipal officials. “If you talked about consolidation or merger, you got drummed out of the room,” he said.

Today, when talk turns to consolidating local government services and operations—even merging two municipalities into one—he is much more likely to have their ear.

Driving this change of heart is the financial distress that city, county and municipal governments are experiencing in the wake of recession as they struggle to sustain services from police to snow removal with shrinking revenues.

“Historically, consolidation had been an academic discussion,” said Thieman, now president of the Buhl Foundation and co-chair of the University of Pittsburgh Institute of Politics Fiscal Policy and Governance Committee. “But in the past few years, it has turned into a practical discussion of how local municipal governments can survive given the long-term prospects of reduced funding from federal and state governments.

“The only solutions they have are to cut costs, which have been cut to the bone; raise new revenue sources, which is somewhere between impractical and impossible in Pennsylvania; or work more efficiently, which means better cooperation at a minimum, or ultimate consolidation.”



Jack Wolf

Southwestern Pennsylvania is not at a loss for consolidation partners. The 10 central counties in the region are home to 907 governments, school districts and governmental authorities—more per capita than any of the 14 other Pittsburgh Today benchmark regions and twice the per capita benchmark average.

And there is evidence to suggest that those who live in our region are not steadfastly opposed to the idea of municipal mergers, even when they involve their borough or township. In a recent survey, 38 percent of people living in southwestern Pennsylvania and parts of adjoining states said they would support merging with a neighboring municipality, while 33 percent said they would not. The rest neither supported nor opposed the idea of a municipal merger.

And residents throughout the region are almost equally divided on whether they would support merging their school district with another. About 51 percent wouldn't support a merger, while 49 percent would.

Their views were gathered as part of the 2011 Pittsburgh Quality of Life Survey conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today. The survey involved telephone interviews with more than 2,200 residents of the seven-county Pittsburgh Metropolitan Statistical Area and the 25 counties that surround it, including counties in Ohio, West Virginia and Maryland.

Consolidation options range from combining basic local government operations and entering into joint purchasing agreements to structural consolidation, such as merging school districts and municipalities.

Early examples include the 9-1-1 emergency dispatch system, which began taking shape in the region during the late 1990s. The Northern Regional Police Department was born more than a



decade earlier, merging law enforcement in Pine, Marshall, Bradford Woods and Richland Townships into what today is widely recognized as an example of successful police consolidation.

More recently, Pittsburgh and Allegheny County officials agreed to consolidate financial management systems beginning in 2012. And the merger of the Center Area and Monaca school districts in Beaver County was completed in 2010. The merger, driven by falling enrollments and other factors, was the first voluntary consolidation of school districts in Pennsylvania.

Progress also has been made in promoting a regional approach to addressing the problems and aspirations of the Greater Pittsburgh area. The three-year-old Power of 32 initiative, for example, has brought together government, business, foundations, community leaders and residents in 32 counties in southwestern Pennsylvania and three neighboring states to create a shared vision for the region and work toward building the capacity, collaboration, cooperation and support structure necessary to achieve it. And Pitt's Institute of Politics recently published a tool kit for local governments outlining the challenges of consolidation and recommendations to help address them.

Meanwhile, several big problems facing the region are helping convince municipalities that the most prudent means of solving them is to work together. One of the most pressing is the need to improve the aging sewer lines found throughout the 83 municipalities in the Allegheny County Sanitary Authority (ALCOSAN) service area. ALCOSAN and its member municipalities are under federal orders to eliminate the chronic overflow of sewage into the region's three rivers and meet Clean Water Act standards—a job estimated to cost as much as \$6 billion.

The municipalities, working with 3 Rivers Wet Weather, have agreed to collaborate on a plan to bring their systems into compliance. To date, inter-government cooperation has produced the first

digital map of the more than 4,000 sewer lines in the system and saved an estimated \$12 million by jointly conducting a required flow-monitoring program. "It's not a lot of money when you're talking about billions of dollars, but it shows there are benefits when we act as a region," said John Schombert, 3 Rivers Wet Weather's executive director.

Consolidation, whether it involves combining services or merging local governments, can present challenging political, legal, labor and cost issues. State law, for example, does not allow struggling municipalities to dissolve, but instead requires them to continue to provide services regardless of their diminished ability to do so. And consolidation can attract opposition from residents concerned about losing their municipal or school identity, or having their access to local public officials diminished.

There is also no guarantee that consolidation will result in the kind of immediate, easily identified cost saving that tends to soften opposition. Eliminating duplication might yield quick results, as demonstrated by the joint sewer-monitoring program undertaken by ALCOSAN municipalities, but other steps may not. "Sometimes savings come from increased efficiency, which means future costs will be less, but current costs may stay the same," Thieman said.

Despite such obstacles, he expects consolidation of government operations—even outright mergers—to gain momentum in the coming years, as declining revenues, limited taxing ability, rising costs, steady demand for services, the dilemma of complying with unfunded state and federal mandates, and other fiscal pressures continue to take their toll on local municipalities.

The region is not alone in that regard. A recent survey of municipal finance officers by the National League of Cities estimates that from 2010 to 2012 municipalities across the country experienced fiscal shortfalls totaling as much as \$83 billion. ■

Science and technology drive the economic growth of our region. In order to fuel that growth, we face the challenge of inspiring and educating the next generation workforce in science, technology, engineering and math (STEM) so that we remain competitive nationally and internationally. This will require collaboration from a broad cross-section of the community, including those in formal and informal education, business leaders, government officials, and parents.

Ann M. Metzger, Co-Director
CARNEGIE SCIENCE CENTER

TOMORROW

With the foundation of a strong work ethic, low crime, affordable housing, great universities, industrial infrastructure, and strong corporate presence, Pittsburgh has made great strides and has been widely recognized as one of America's most livable cities. However, there is still a lingering resistance to change and a tie to old politics and political practices that hold that progress back. Pittsburgh needs a comprehensive strategic plan that promotes development, growth and economic activity, and a public/private partnership that develops that plan and implements it.

David Morehouse, CEO/President
PITTSBURGH PENGUINS



To succeed in the 21st century, Pittsburgh must develop an economy based on technology and innovation. We have the raw materials—two superb research universities and one of the biggest and most well-respected academic medical centers in the world. Our challenge is to leverage these assets to create a more vibrant and diverse entrepreneurial culture. We need to increase the rate of new business formation, and to attract the funding that will ensure that companies that start here have the support they need to remain here.

Marlee S. Myers
Managing Partner, Pittsburgh office
MORGAN LEWIS & BOCKIUS



John Altendorfer

HOUSING TODAY

REVITALIZATION & BLIGHT



As vacant housing rates rise, new solutions begin to emerge

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ACANT PROPERTY and the blight that often follows have emerged as a crisis for U.S. cities and suburbs alike. Southwestern Pennsylvania is no exception.

Slightly more than 9 percent of the housing in the seven-county Pittsburgh Metropolitan Statistical Area (MSA) stands vacant, according to the 2010 U.S. Census. That rate of vacancy compares favorably with the U.S. average that suggests 11.4 percent of houses and apartments across the nation are vacant.

But the region's vacant housing rate is higher than the average of the 15 benchmark regions tracked at pittsburghtoday.org. More than 100,400 housing units are vacant in Allegheny and the six surrounding counties that make up the MSA. The census does not count vacant lots, which far outnumber vacant houses.

Moreover, the vacant housing rate in the Pittsburgh MSA has risen since the 2000 census, and the overall rates mask dense pockets of vacancy.

In Allegheny County, more than 24 percent of Braddock's housing is vacant, as is 22 percent of Homestead's. In Beaver County, 18 percent of Aliquippa's housing is vacant. In Butler

County, Slippery Rock's vacant housing rate is 16 percent. In Monessen, Westmoreland County, it's 17 percent. In Tyler County, W.Va., the vacant housing rate is 23 percent. In Youngstown, Ohio, 19 percent of the housing is vacant.

The most obvious toll that vacant properties impose on neighborhoods is the broken windows, overgrown lots and other visible evidence of blight. They also deny local governments much-needed tax revenues, consume millions of tax dollars, erode the value of nearby homes, pose health and safety risks, and complicate already challenging community revitalization efforts.

In Philadelphia, for example, a 2010 study estimates that tax-delinquent vacant properties rob the city of \$2 million in tax revenue a year and \$20 million in police, fire, maintenance and other costs. In Cleveland, vacant houses and lots are estimated to lower neighborhood property values by 10 percent. Detroit spent \$1.4 million just to board up 6,000 abandoned houses last year. And maintaining vacant homes in foreclosure cost Fannie Mae and Freddie Mac nearly \$1 billion in 2010 alone, according to a Government Accounting Office report.

The good news is that reducing such costs and returning vacant and abandoned properties to productive use is a concept that is gaining traction among state and local officials. Recently,



the legal tools to do that have improved in Pennsylvania and legislation is pending that would make it easier for municipalities to take control of vacant properties on a large scale.

POTENTIAL ASSETS

Under the right circumstances, vacant and blighted properties can actually be used to advance the renewal of the neighborhoods whose decline they accelerated. And in several southwestern Pennsylvania communities, government, nonprofits and others are showing how reclaiming vacant property can help redesign neighborhoods in ways better suited to their down-sized populations, such as creating green space to improve aesthetics and market values.

Pittsburgh's Larimer neighborhood, for example, is being reborn as a green community. About 42 percent of its buildings and lots are vacant. Plans call for Larimer to turn that liability into a refreshed but downsized business district, community gardens and athletic fields, hiking and bike trails, and acres of park along its blighted western border, where nearly 2,000 houses are vacant or have been razed.

Such projects tend to raise property values, which blighted neighborhoods desperately hope to do. Carnegie Mellon University researchers report that being located close to Pittsburgh's urban parks significantly boosts the value of a house. They found, for instance, that the sale price of a house located 1,000–1,400 feet from a park 30 acres or larger is typically more than \$39,000 higher than the price for a comparable house farther away.

Gaining control of vacant properties is a key first step toward returning them to productive use. Pittsburgh's East Liberty neighborhood takes an ambitious approach to doing just that. The local community development corporation buys nearly all of the tax-delinquent properties that become vacant as part of a strategy to restore stability and confidence to the real estate market.

NEW TOOLS

Better legal tools to combat vacant and blighted property are emerging in Pennsylvania as policymakers become more aware of the cost of allowing the problem to spread unchecked.

Among them is the Abandoned and Blighted Property Conservatorship Act, which enables municipalities, community groups, and others to petition the court to appoint a third party to

take possession of a blighted, abandoned building. The building can be rehabilitated or razed, then the property can be offered back to the owner for the cost of the work or sold to someone else.

Butler County was one of the first to use the conservatorship law against neglectful property owners rather than condemning structures in advanced stages of decay. And community groups are using conservatorship and other new legal tools to step up efforts to control blight in the Pittsburgh neighborhood of Homewood, where nearly 44 percent of the land parcels are vacant.

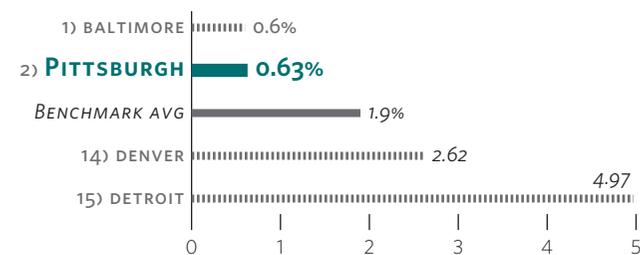
But laws such as the Conservatorship Act are surgical tools, not meant to address the scale of vacant and blighted property found in major cities, counties and regions across Pennsylvania. Allegheny County alone has more than 55,000 vacant houses and apartments.

Land banks, the consensus best practice for tackling large numbers of vacant properties, were still not available in Pennsylvania at year's end. Land banks are capable of taking control of significant numbers of tax-delinquent properties more quickly than antiquated tax-foreclosure processes, such as Pittsburgh's Treasurer's sale. Once a land bank takes a property, it can rehab, sell, rent or demolish it.

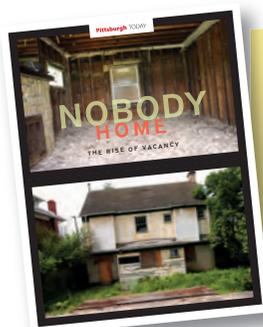
A land bank in Genesee County, Mich. created a program to help homeowners avoid tax foreclosure and adopted a redevelopment plan for the more than 4,000 tax-foreclosed properties under its control. A land bank in Cuyahoga County, Ohio, acquired some 900 vacant properties in 2010 alone—three times the number Pittsburgh can acquire each year through Treasurer's sales.

Special legislation is required to create and empower land banks. In Pennsylvania, land-bank legislation sponsored by state Rep. John Taylor, R-Philadelphia, was approved by the House Urban Affairs Committee in December 2011, raising hope it could become law in 2012 and give municipalities a powerful new tool to address vacant and blighted property on a large scale. ■

FORECLOSURES AS A % OF TOTAL HOUSING | Annual, 2011



source: RealtyTrac



For more information about the region's vacant property issue, see the Pittsburgh Today special report: **Nobody Home: The Rise of Vacancy** online at: www.pittsburghtoday.org/special_reports.html



iStockphoto

EDUCATION

TODAY

A MIXED PICTURE



Racial differences exist on key school issues
and fewer districts are graduating students on time

SOUTHWESTERN PENNSYLVANIA residents tend to agree that the education their children receive deserves high marks for quality. But on the issues of school safety and finances, perceptions are more divided, particularly along racial lines.

Education quality and school finances were among the issues discussed in telephone interviews with more than 2,200 southwestern Pennsylvania residents who participated in the 2011 Pittsburgh Quality of Life Survey conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today. The survey included residents of the seven-county Pittsburgh Metropolitan Statistical Area (MSA) and 25 surrounding counties.

The year 2011 also saw the release of high-school graduation rates using new methodology intended to offer a more accurate accounting of students who graduate on time. As a result, many schools throughout the region and state found their graduation rates lower than what had been reported the previous year using a different calculation method.

VIEWS ON EDUCATION

The Pittsburgh Quality of Life Survey asked Greater Pittsburgh residents several education questions, even if they did not have school-age children. The adequacy of the financial resources available to local public schools was among the questions. Overall, half of the full survey sample said public school funding is generally adequate and 15 percent felt it is completely adequate. By comparison, nearly 35 percent rated public school funding as generally inadequate or completely inadequate.

Sharply different views on school finances are seen across races. Survey results suggest African Americans overwhelmingly feel their public schools are underfunded. Nearly 42 percent rated their school's financial resources as generally inadequate and 25 percent said funding was completely inadequate—more than three times the percentage of non-African Americans who felt the same way. And while 16 percent of non-African Americans rated school funding as completely adequate, only 2 percent of African Americans agreed.

If school spending must be reduced, 38 percent of residents



chosed athletics and after-school programs as their top candidates for cuts. More than 27 percent favored cutting expenditures for buildings and facilities, 19 percent favored cutting teachers and administrators, and 15 percent favored making transportation cuts.

All of those surveyed were also asked to rate the safety of their local public schools. Overall, they characterized them as safe with 49 percent rating the schools as very safe and 38 percent rating them as somewhat safe. Only 2.3 percent of those surveyed rated their local schools as very unsafe.

Again, racial differences were apparent. Only 15 percent of African Americans rated their public schools as very safe, compared to more than 51 percent of non-African Americans. And nearly 32 percent of African Americans rated their schools as somewhat or very unsafe, while only 12 percent of non-African Americans agreed with that characterization.

The survey also suggests most southwestern Pennsylvania residents are comfortable with the emphasis placed on statewide test scores in public schools. More than 64 percent of those surveyed characterized such testing as either very or somewhat appropriate. However, the farther residents were from Allegheny County, the less likely they were to hold favorable views of statewide testing.

And residents were almost equally divided on whether they would support merging their school district with another. A little more than 51 percent said they wouldn't support a merger and about 49 percent said they would.

A QUESTION OF QUALITY

More than 67 percent of those who have children in school enroll them in public schools. The highest percentage of those with children in private school—17 percent—was in Allegheny County.

Asked to rate the quality of the education their children are receiving, 28 percent said it is excellent, more than 36 percent said it is very good, 22.5 gave it a good rating, 10 percent felt it is only fair, and 3 percent said the quality of education offered their children is poor.

Geographical and racial differences are seen among residents who rate school quality as excellent. Nearly 36 percent of Allegheny County residents said the quality of education is excellent, for example, compared with 24 percent of those who live in the 25 counties that surround the Pittsburgh MSA. And 34 percent of African Americans rated the quality of their children's education as

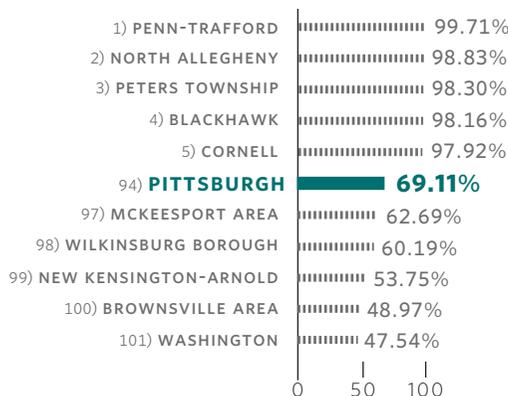
excellent compared to 27 percent of non-African Americans surveyed.

Fewer than 30 percent of the region's residents have children under 18 living with them. The finding is consistent with enrollment data tracked by Pittsburgh Today, which show a steady decline in the number of public and private school students in the region for longer than a decade.

Falling enrollments present school officials with challenges ranging from closing and consolidating buildings to reducing staff. And fewer households with school-age children challenge educators to rally support for local schools among a majority of residents with no direct ties to them.

“One of the things that schools haven't done well is to articulate the public purpose of schooling and education,” said Jerry Longo, Ph.D., a visiting associate professor of education at the University of Pittsburgh and co-director of the Educational Leadership Initiative. “You fall into this trap that it's all about the children. The children are the raw material, but it's more about the adults they are going to become. As a society, we need these children to be well educated and become good workers, providers and citizens.”

HIGH SCHOOL GRADUATION RATES | 2010
(by school district)



(see pittsburghtoday.org for a list of all regional districts)

source: PA Department of Education

NEW GRADUATION RATES

In 2010, Pennsylvania adopted a more uniform and precise measure of the high school graduation rate that can be used to compare rates across states. The federally required change calculates the rate of students who graduate three years after their ninth-grade year, but unlike the previous method, it tracks the status of each student and accounts for those who transfer in and out of schools and districts.

The new method often results in lower graduation rates than were reported using the previous method, and experts caution against comparing the new rates with earlier ones. The state released the first rates derived from the new methodology in 2011.

Among public schools in the region, graduation rates ranged from 47.54 percent in the Washington School District to 99.71 percent in Penn-Trafford. Most districts had graduation rates of 85 percent or higher, and more than 50 districts in the region had rates higher than 90 percent. Eleven districts in the region had graduation rates lower than 70 percent. Six cyber schools serving students in Pennsylvania also had graduation rates lower than 70 percent. (For a listing of graduation rates in the region's public

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EDUCATION

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schools, go to pittsburghtoday.org and click on education, and then subcategory: high school graduation rates.)

The new rates report the number of students who do not graduate on time, but the rates do not offer data on the circumstances of those who didn't receive a diploma three years after their ninth-grade year. Not all of the students counted as failing to graduate on time are drop-outs, Dr. Longo cautioned. "You're not tracking kids who stay a fifth year or sixth year—a special needs child who needs another year, or a child who for one reason or another had to miss a year, but returned to complete.

"The best thing about how we do secondary and post-secondary education in this country is that you're never out of the game. If you drop out or miss a year and decide you want to get that high school diploma, you can. That's one advantage of our system."

Only 8.7 percent of the residents of the Pittsburgh MSA over the age of 25 have failed to earn a high school diploma or equiva-

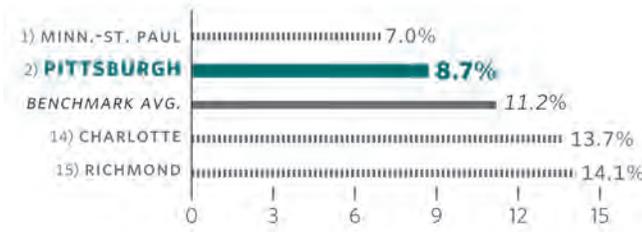
lent degree, according to 2010 American Community Survey data. Only Minneapolis-St. Paul has a better rate among the 15 benchmark regions ranked at pittsburghtoday.org.

Circumstances have grown more difficult in recent years for those who fail to earn a diploma. Funding for adult basic learning has been steadily reduced, eliminating many General Educational Development (GED) test preparation classes across the state. And the job market remains highly competitive in the wake of recession.

"People without a high school diploma are a tough sell," said Jefferson Brooks, director of the Mon Valley Initiative's Workforce Development program. "Some of your better-paying jobs are in the

building and construction trades. The minimum requirements are not that difficult. If you pass an aptitude test, a drug screen, have a driver's license, and have a high school diploma or GED, you can pursue those jobs, even if you have a criminal record. But, if you don't have a high school diploma or GED, you can't even apply." ■

EDUCATIONAL ATTAINMENT | 2010
(% of the population age 25 and over with less than a high school diploma)



source: U.S. Census Bureau



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Sharing student data

Once unheard of, this new practice is helping troubled students reach their potential



DAVID, A NINTH-GRADER, has a grade-point average barely above failing and a dismal attendance record, including 17 days missed due to suspension. Outside of school, he's lived in shelters and with relatives as much as at home, changed schools seven times, and made mistakes serious enough to involve him in the juvenile justice system.

But his performance on the Pennsylvania System of State Assessment (PSSA), particularly his advanced score on the math test, indicates his academic potential is far greater than what his grades, behavior and attendance in school suggest.

In the Pittsburgh Public Schools, more than 760 students have PSSA scores indicating potential that belies the poor grades and high absenteeism that mar their school records. And more than 170 of those students have a history of receiving human services and experience circumstances outside of school similar to David's situation.

The fact that this "high achievement/low engagement" population was identified at all is a major accomplishment—the result of a groundbreaking legal agreement between the city public schools and Allegheny County Department of Human Services (DHS) to share data on students who are in both systems.

While it may seem only prudent that schools and local human service agencies integrate their data to get a more complete picture of the children they serve, doing so is the exception rather than the rule across America. The biggest obstacles are confidentiality laws, including the federal Family Educational Rights and Privacy Act of 1974, which restricts disclosure of education records, and the federal Health Insurance Portability and Accountability Act, which governs the release of health-related information.

But a way was found to draft a legal agreement clearing the way for the city public schools and DHS to integrate data related to students involved in human services. The process involved more than a year of negotiations among county and school officials and attorneys that were guided by Frederick Thieman, a former U.S. Attorney for the Western District of Pennsylvania, who today co-chairs the Youth Futures Commission and is president of the Buhl Foundation.

The agreement meant that, for the first time, city public school data, ranging from academic performance and attendance to special education and gifted program records, were allowed to be sent to the county's data warehouse and integrated with child welfare, homelessness, drug and alcohol, juvenile justice and other records revealing the situations of students outside of school.

As a result, school officials, guidance counselors and teachers are now less likely to be in the dark about circumstances

in students' lives that can have a significant impact on how they perform in school. And child welfare caseworkers, for example, are able to monitor how their young clients are doing academically. The data have also provided the basis for richer analysis, which helps identify areas of need and new approaches to addressing them, and provides a framework for collaboration between the schools and DHS.

The data-sharing agreement has attracted national attention, and negotiations are under way to extend it to schools outside the city.

A more complete profile

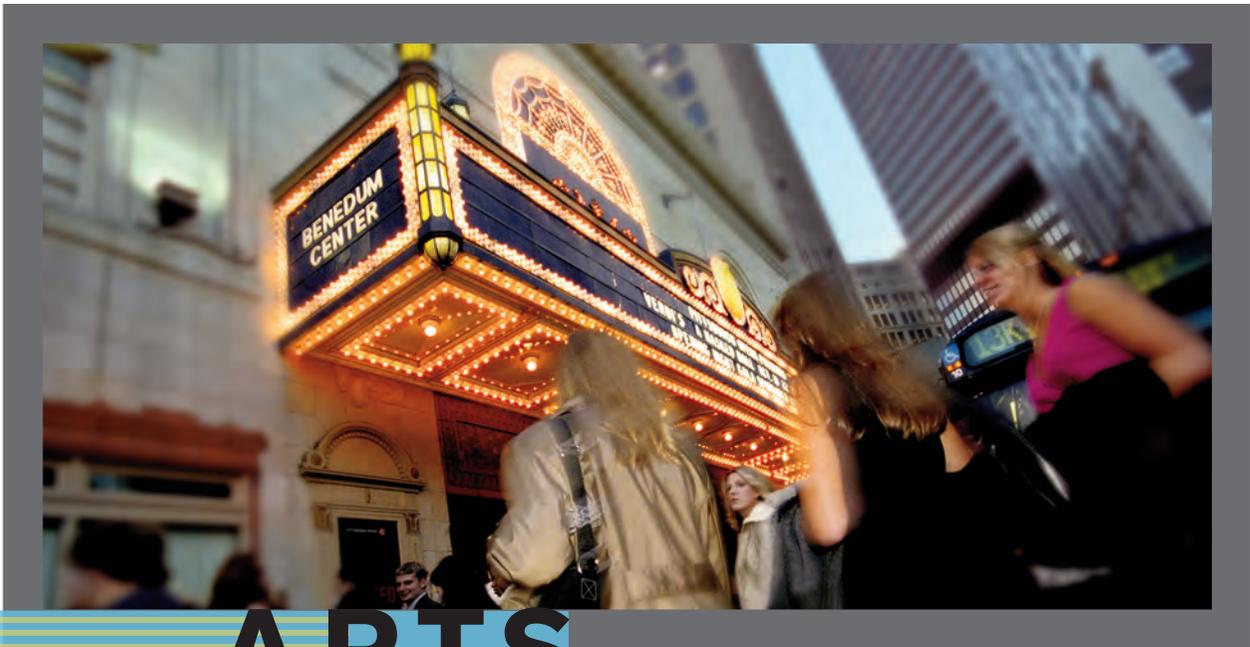
A 2010 analysis of the integrated data suggests such an agreement was long overdue. Some 14,450 students—about 53 percent of Pittsburgh Public Schools enrollment—have been involved with at least one of the 17 human service programs included in the analysis, and 36 percent of those students received services within the last year.

More specifically, 31 percent of city public school students have been involved in child welfare services due to being abused or neglected. More than 87 percent of special education students have received DHS services. About 28 percent of students have received county behavioral health services. And the needs of 34 percent of students are such that they have received support services such as food stamps and Temporary Assistance for Needy Families support.

A key provision of the agreement allows data to be used in "action research" projects, in which DHS and the schools collaborate to address challenges students face. The first project targets students who have demonstrated potential on the PSSA, but do poorly in school, with a focus on the 22 percent who, like David, have received human services due to poverty, abuse, homelessness and other debilitating circumstances.

Among the interventions is an after-school program for underperforming students who receive human services. It's designed to help them develop career aspirations, foster creativity, and kindle interest in academics with courses such as crime scene investigation, fashion design, computer game design and aviation.

Such programs would not have been possible without the ability to share school and human services data, said Marc Cherna, DHS director. "We wouldn't have picked up on any of these kids—we would have never known." ■



David Aschkenas

ARTS TODAY

SOLID SUPPORT



In attendance, donations and volunteerism, Pittsburghers are arts fans

C

ASSES IN THE ARTS are often on the short list of candidates to cut when school officials facing budget shortfalls consider ways to pare costs and make ends meet. But anyone who thinks of arts education as an expendable luxury of little importance is out of touch with the overwhelming majority of people who live in southwestern Pennsylvania and parts of three neighboring states.

Fewer than 4 percent view arts education as a subject of no importance, while 68 percent of their fellow residents consider it to be either a very important or extremely important part of a school's curriculum, according to data reported in the 2011 Pittsburgh Quality of Life Survey.

More than 2,200 people were interviewed in the survey conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today. Together they provide a representative sample of the seven-county Pittsburgh Metropolitan Statistical Area (MSA) and 25 counties surrounding it, including counties in Ohio, West Virginia and Maryland.

"Who says arts education isn't important? Almost no one. That's a very strong statement and an encouraging one, because arts education is important to continuing what we have here," said Mitch Swain, chief executive officer of the Greater Pittsburgh Arts

Council, a nonprofit arts service organization lending support to more than 250 arts organizations and artists.

"Our arts community is stronger than what is typical for cities our size. And the arts are a big reason why Pittsburgh is routinely identified as a most-livable city and a great place for families and businesses."

Several developments in 2011 should help sustain the health of that arts community, at least in the near term, including the decision by the Allegheny Regional Asset District Board to award more money to support community assets, such as arts and cultural organizations, in 2012, and the encouraging outcome of a special single-day fundraising campaign for the arts held in May.

VERY FEW DON'T ATTEND

In terms of the number of theaters, dance companies, musical groups, other performing arts, museums, zoos and botanical gardens, the Pittsburgh Metropolitan Statistical Area ranks above—in many cases well above—the average found among the 15 benchmark regions tracked by Pittsburgh Today. Only the region's number of arts dealers, independent artists and fine arts schools falls below the average.

The majority of residents are regular customers of the local arts community to some degree or another. Nearly 77 percent of all

residents in the region visit a museum or a gallery or attend a cultural event at least once a year; 51 percent do so at least 3 times a year; and more than 26 percent do so six or more times a year.

Among Allegheny County residents, 36 percent attend arts events at least six times a year, the highest rate of frequent participation in the region, compared to 21 percent in the 25 counties outside the Pittsburgh MSA. Those counties also have the highest rate of residents who don't visit a museum or attend an arts event at least once a year.

The reasons for lack of attendance vary. Only 7 percent of all residents say lack of awareness is the reason they don't go to cultural events. For the most part, those who don't go say it's because they are not interested, find it too expensive, or don't have the time.

Most of those who do take advantage of the region's arts and cultural offerings give them high marks for quality. More than 72 percent of all residents rate the quality as either good, very good or excellent, while fewer than 8 percent rate it as poor. Allegheny County residents are the most impressed with the arts and cultural offerings, which 19 percent rate as excellent and 40 percent as very good. Tougher critics are found in the counties outside the Pittsburgh MSA and among African Americans. For example, only 6 percent of the residents in the surrounding counties and 5 percent of African Americans rate the quality of the arts as excellent.

THE ART OF GIVING

Across the region, 39 percent of all residents give to regional arts and cultural establishments by making donations or volunteering their time. And the rate of those contributing to the arts in some way is fairly consistent across geographic locations and race.

These gifts of their time, effort, and money are particularly important to arts and cultural organizations still feeling the sting of the economic downturn, which brought, among other things, a sharp decline in state arts funding of more than 40 percent.

The opportunities throughout our region clearly outweigh our obstacles. We have a vast resource in the Marcellus Shale—one of the world's largest natural gas fields. We must also have the stewardship and vision to develop these same opportunities wisely. As a community bank, First Commonwealth plays a vital role in getting capital to consumers, businesses and entrepreneurs. It is surprisingly simple, but as long as hard-working, talented people have access to capital, they will create jobs, wealth and opportunity.

Michael Price, President
FIRST COMMONWEALTH BANK

TOMORROW

"Don't make it like other places, because Pittsburgh was never, ever like other places." What makes us, in David McCullough's words, "never, ever like other places"? A critical factor is our creative institutions and people. Whether it's an artist working with children in a Pittsburgh neighborhood, the creation of a beautiful riverfront park, or a provocative performance in the cultural district, it's the creative perspective that can transform Pittsburgh. We need to value and use our artists. We need to think of them as problem solvers in addressing important community issues. Let the "creatives" in!

Janet Sarbaugh, Senior Program Director
THE HEINZ ENDOWMENTS

Long-standing support from local foundations has significantly contributed to the growth of the region's arts and cultural organizations, as well as their ability to weather tough economic times. In fact, the Pittsburgh MSA ranks third in per capita foundation giving, behind only Kansas City and Boston, and well above most Pittsburgh Today benchmark regions.

In Allegheny County, another financial lifeline is the annual Regional Asset District funds allocated for the arts by the RAD board from a portion of the 1 percent county sales tax. These allocations have been a reliable source of revenue for arts organizations, declining only once in recent years. In 2011, the board approved an \$84 million budget for 2012, which represented a \$2.1 million increase in funds for arts and cultural organizations, libraries, sports facilities, and parks and trails.

But while the Pittsburgh MSA has a much higher rate of foundation support for the arts, it has tended to lag behind the average for Pittsburgh Today benchmark regions in per capita giving from other private sources. Last year brought encouraging news on that front when arts organizations raised more than \$1.4 million in individual donations and \$475,000 in matching funds during the Pittsburgh is Art Day of Giving in May. The single-day arts fundraising drive was initiated by the Greater Pittsburgh Arts Council and the Heinz Endowments and sponsored by the Pittsburgh Foundation, based on a model it had used a year earlier to create a daylong campaign to raise money for a broader spectrum of nonprofits in the region.

Perhaps just as important as the amount of money raised for arts organizations that day was the fact that about 50 percent of donations came as gifts from new or lapsed donors, said Swain. "The Pittsburgh arts community has enjoyed a traditional level of support from foundations that you don't find in many communities our size. But it can't always be about the foundations. We need new blood, new donors to support arts and cultural organizations as well. And when state and federal support is down, it becomes even more important that people understand ticket prices alone don't cover the cost of creating the exhibitions or productions they attend." ■

We have the proud legacy of transforming thousands of acres of degraded riverfront into parks, trails and marinas, and creating a new front door for mixed-use development. But we have yet to take on the profoundly important task of reclaiming our river bank ecology, replenishing habitat, restoring permeable soils and native plants, and cleaning our water before it is released into our rivers. This is a next legacy to leave future generations.

Lisa Millspaugh Schroeder,
President & CEO, RIVERLIFE



PUBLIC SAFETY

TODAY

DEFYING THE TREND



MOST PEOPLE IN THE region believe crime in their neighborhood has remained flat, but among those who disagree, more believe it's gotten worse than better. Such views, however, are likely at odds with actual crime data. In Greater Pittsburgh, the rates of nearly all major crimes are falling.

In fact, overall crime rates have remained remarkably low throughout the latest recession and recovery. Even during the recession, the rates for several major offenses—including burglary and murder—fell below what they were before economic conditions began to erode.

And the region is not alone. Both property and violent crime rates have dropped every year across the nation since 2007, according to FBI Uniform Crime Reports.

While certainly welcome news, the recent crime trends have criminologists scratching their heads. Crime, in the context of difficult economic conditions, is not supposed to behave this way.

“What’s been fascinating is that the current recession has been associated with a negative trend in crime, rather than a pos-

Crime falls despite tougher economic times and high unemployment

itive trend in crime. We don’t know why. No one has a definitive answer explaining it, only speculation,” said criminologist Alfred Blumstein, professor of urban systems and operations research at Carnegie Mellon University.

SAFER THAN MOST

Increases in property crime are typically predicted during an economic downturn. And the recession that took hold of the nation late in 2007 proved deeper than any experienced since the Great Depression. A prolonged period of high unemployment, such as that which the nation continues to endure, would also be expected to give people added incentive to rob, burglarize, steal cars, and commit other property crimes.

But burglary rates, for example, fell to 431 per 100,000 residents across the seven-county Pittsburgh Metropolitan Statistical





PUBLIC SAFETY

Area (MSA) in 2010, which is 8 percent lower than the rate recorded in pre-recession 2006.

The burglary rate is lower in the Pittsburgh MSA than in any of the 14 other regions tracked by Pittsburgh Today and it is 52 percent lower than Cleveland's, where burglaries occur at a rate of 896 per 100,000 population, the highest among the benchmark regions.

Among the benchmark regions, only Minneapolis-St. Paul and Denver have robbery rates lower than the Pittsburgh MSA, where robberies occurred at a rate of 96.5 per 100,000 residents in 2010. And local residents were far less likely to be robbed than residents of Philadelphia, where the rate was

222.5 per 100,000 population, the highest of all Pittsburgh Today benchmark regions.

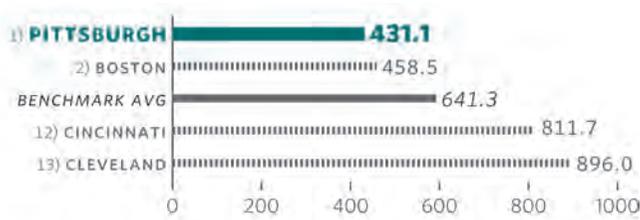
Violent crime is also comparatively low in the Pittsburgh MSA. Murder occurred at a rate of 4.7 per 100,000 people in 2010, which was lower than in 2006, before the nation's economy took a turn for the worse. Only the benchmark regions of Cincinnati, Boston, Minneapolis-St. Paul and Denver had lower murder rates in 2010. Baltimore, where murder occurred at a rate of 10.3 per 100,000 population, had the highest rate among the comparison regions.

More recent FBI data for the City of Pittsburgh suggest crime is continuing to follow a downward trend. During the first six months of 2011, the city experienced a 22 percent decrease in property crime from the same period in 2010, and violent crime fell by more than 19 percent.

Several theories have been discussed among criminologists as to why crime rates across the nation have defied the upward trends that are typically seen during recession and in times of high unemployment. These theories, none of which have been proven, range from more sophisticated policing techniques to possible behavioral changes related to the presidency of Barack Obama, whose election coincided with a drop in the number of African Americans arrested for robbery, murder and drug dealing, while white arrest rates rose slightly, Blumstein said.

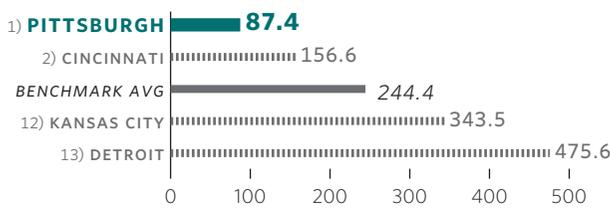
In southwestern Pennsylvania, the recession and recovery have been less harsh than in many regions throughout the country. Jobs have grown slightly in recent years and the jobless rate continues to be well below the nation's. But the region's crime rates were consistently below the Pittsburgh Today benchmark averages even before the advent of the latest recession. One of the chief reasons, in Blumstein's view, is the stability of the region's population. Stability brings fewer transients and allows for better connections among neighbors and other forms of social control that "help keep people going straight. It's people coming in who don't have connections to others who are more willing to take the risks that contribute to crime rates."

BURGLARY RATE per 100,000 population | 2010



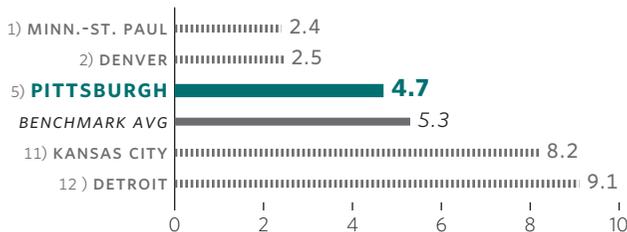
source: FBI Uniform Crime Reports

MOTOR VEHICLE THEFT RATE per 100,000 population | 2010



source: FBI Uniform Crime Reports

MURDER RATE per 100,000 population | 2010



source: FBI Uniform Crime Reports

THE PUBLIC'S PERSPECTIVE

Most residents feel safer in their neighborhoods than in others; most don't see much change in crime rates; and most give their police passing grades for protecting them. In some cases, however, opinions vary depending on the race of the residents asked and where in the region they live.

Residents' views on public safety issues were gathered as part of the 2011 Pittsburgh Quality of Life Survey conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today. The survey involved telephone interviews with more than 2,200 residents of the seven-county Pittsburgh Metropolitan Statistical Area (MSA) and 25 counties surrounding it, including counties in Ohio, West

Additional data available at: pittsburghtoday.org

Virginia and Maryland.

Although crime rates have fallen steadily in recent years, nearly 67 percent of residents overall don't sense the change. The way they see it, crime has stayed the same. And more than 17 percent say it has risen. But among African Americans, 53 percent say crime has stayed the same and more than 26 percent say it is higher. And more residents outside the Pittsburgh MSA—nearly 22 percent—believe crime has increased, while fewer than 14 percent of Allegheny County residents feel the same way.

Relatively few residents were victims of either property or violent crimes in the past year. Overall, 15 percent had a property crime committed against them and only 1.8 percent were victims of a violent crime. Race, however, tends to influence the likelihood of becoming a victim of violence: 5.5 percent of African Americans say they were victims of a violent crime, which is three times the victimization rate of non-African American residents.

Race also influences how residents rate police performance. Overall, 78 percent rate their police protection as good, very good or excellent. But among African Americans, only about 53 percent award police such ratings. Moreover, African Americans are twice as likely as non-African Americans to rate police performance as poor.

And most residents feel safer in their own neighborhood than in others. Overall, 67 percent say there is less crime where they live than in other neighborhoods. And only 7 percent overall say there is more. African Americans are more likely to feel that crime is higher where they live. Still, more than half of African Americans believe their neighborhood is safer than others.

Such perceptions among residents of the relative safety of their own neighborhood is not surprising, said Blumstein. "They read in the paper about crime, and more crime occurs in what is known as hot spots—a small number of neighborhoods that contribute a disproportionate amount of crime. Unless they live in those neighborhoods, most people see crime as occurring somewhere else." ■



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But we have never forgotten our roots here in western Pennsylvania. Nor will we ever cease to be actively involved in our community, supporting its causes, providing for its needs and loudly and proudly calling it home.

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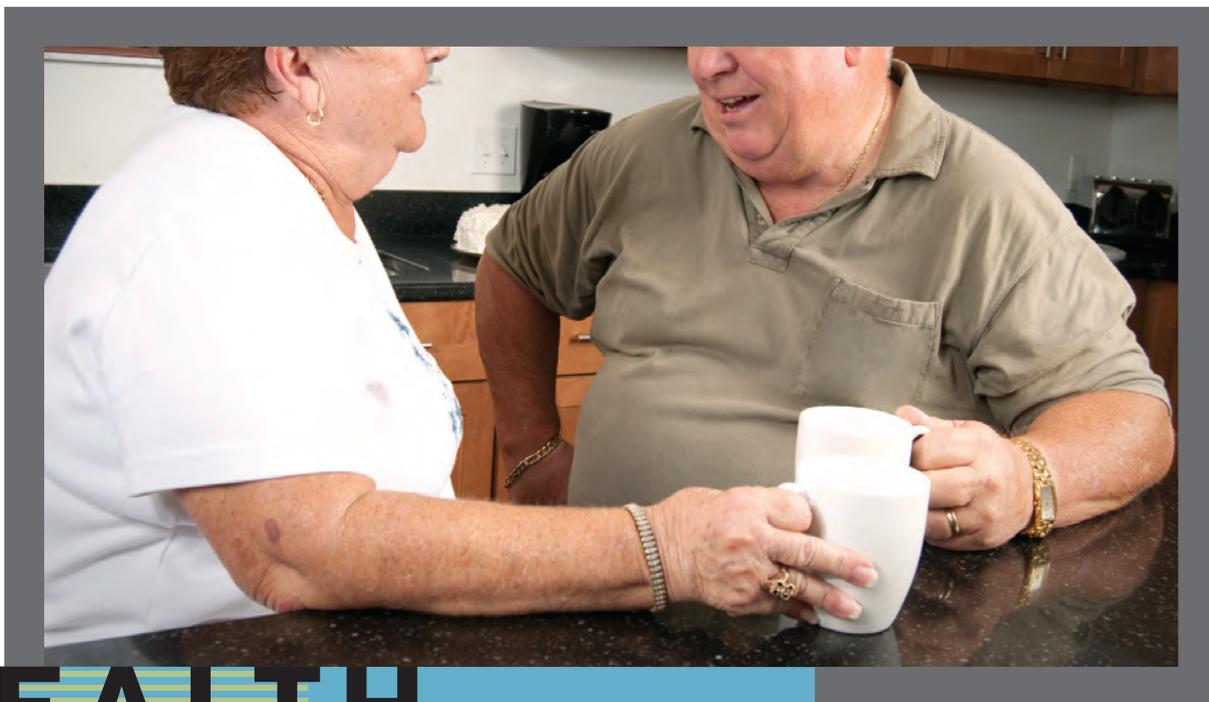
Visit our **NEW** website
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The logo for Northwest Savings Bank. It features a large, stylized letter 'N' in white on a green background. To the right of the 'N', the words 'NORTHWEST' and 'SAVINGS BANK' are written in a bold, sans-serif font, stacked vertically.

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HEALTH

TODAY

WE'RE GETTING HEAVIER



More weight and stress
for regional residents

THE LATEST NEWS IN THE BATTLE to control our waistlines is not good. The passing of another year brought an increase in the obesity rate among southwestern Pennsylvania residents. At the same time, diabetes is also on the rise, which comes as no surprise to public health experts.

“There is a very strong relationship between being overweight and diabetes,” said Dr. Bernard Goldstein, professor of public health

and former dean of the Graduate School of Public Health at the University of Pittsburgh. “The more people you have who are overweight, the more people you are going to have who are diabetic.”

The seven-county Pittsburgh Metropolitan Statistical Area (MSA) again has plenty of both, according to 2010 U.S. Centers for Disease Control & Prevention survey data, the latest annual data available.

That year, 29.3 percent of those who live in the Pittsburgh MSA were obese. In 2009, the region’s obesity rate was 28.2 percent. Only St. Louis, Kansas City and Detroit have higher rates of obesity among the 15 benchmark regions tracked by Pittsburgh Today.

Of all of the factors that contribute to obesity, diet appears to have the greatest influence on the region’s weight problem, Dr. Goldstein said. “We’ve looked at the exercise issue and we are not too bad with exercise. If you accept that, then it’s more about how much and what we eat. When people ask me why Pittsburgh is different, I tell them that when I get my steak salad at a restaurant, it has french fries in it.”

If there is good news in the weight-related data, it’s that 35 percent of the region’s residents are at a healthy weight, compared to 34.2 percent in 2009. And slightly fewer residents were in the middle category of “overweight.”

But diabetes continues to increase in the Pittsburgh MSA. In 2010, diabetics accounted for 9.9 percent of the region’s population, compared with 9.5 percent the previous year. Nevertheless, the Pittsburgh MSA improved its ranking among Pittsburgh Today benchmark regions from having the third highest prevalence of diabetes in 2009 to 10th highest.

Southwestern Pennsylvania’s improved ranking was largely



by default. Diabetes simply rose more sharply elsewhere. And the chief reason is the corresponding increase in obesity the nation has experienced for several years.

In fact, the unabated expansion of America's waistline has kindled debate among public health experts as to when obesity should be declared as having overtaken smoking as the leading cause of preventable disease in the U.S.

There are also a fair number of smokers in southwestern Pennsylvania, although not as many as in previous years. The region is following a nationwide trend showing a small but steady drop in the smoking population. In the region, the percentage of adults who smoke fell from 18.5 percent in 2009 to 17.2 percent in 2010, which is just below the national rate of 17.3 percent and less than the 18 percent average among Pittsburgh Today regions.

So, do we feel healthy? A majority of us do, according to CDC data. But the residents of the Pittsburgh MSA still don't feel as healthy as those who live in most of the Pittsburgh Today benchmark regions. In southwestern Pennsylvania, 14.8 percent of residents rate their health as fair or poor, which is tied with Cleveland as the third highest rate of people not feeling so well.

A survey of the broader region around Pittsburgh suggests that a larger share of residents rate their health as either fair or poor. Nearly 20 percent of all residents interviewed as part of the 2011 Pittsburgh Quality of Life Survey described their health in those terms. The regional survey, conducted by the University of Pittsburgh University Center for Social and Urban Research and Pittsburgh Today, involved 2,200 people who live in the Pittsburgh MSA and the 25 counties that surround it, including several in Ohio, West Virginia and Maryland.

The survey found that Allegheny County had the lowest percentage of residents who rate their health as either fair or poor, while the highest percentages were found in the counties outside of the Pittsburgh MSA and among African Americans.

Health insurance is a key factor in determining access to medical care. The 2010 Center for Disease Control data show that the percentage of the U.S. population without insurance fell slightly from 15.4 percent to 15 percent, while uninsured residents in the Pittsburgh MSA rose from 9.6 percent in 2009 to 12.9 percent. What that means today, however, is unclear, given the changes brought about by national healthcare reform last year.

The 2011 Pittsburgh Quality of Life Survey suggests that, overall, 10 percent of the region's residents don't have insurance. But race and geography tend to make a difference: 15.7 percent of African Americans and 12.6 percent of residents in the 25 counties surrounding the Pittsburgh MSA say they are without any kind of health care coverage.

The survey offers insight into other health-related issues among the region's residents.

Stress is not a benign health factor. It can alter such functions as immune system response, heart rate and digestion. And the Pittsburgh Quality of Life Survey suggests we are anything but stress-free. Only 10 percent of the region's residents overall experienced no stress during the month prior to being interviewed, while nearly 52 percent experienced moderate to severe stress.

And for a significant number of southwestern Pennsylvania residents, the health issues of others significantly impact their daily lives.

More than 23 percent of all residents care for a family member or friend with a long-term illness or disability on a regular basis, the Pittsburgh Quality of Life Survey found. Nearly 25 percent have provided such care for 25 months to five years. Another 24 percent have been regular caregivers for five years or longer. And the extent to which people care for an ailing relative or friend varies little across race and where in the region they live. As Dr. Goldstein said, "This has now become part of American life." ■

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Pittsburgh is too apologetic about itself. Why don't we wake up and admit that this is a great city with a tremendous history... and an even more dynamic future? Why do we always take the safe route, instead of becoming a trailblazer? We have all it takes to make this the city of the future, embracing great design and brilliant minds. I hope that those in decision-making positions opt to move into the future, full-steam ahead!

Eric C. Shiner, Director
 THE ANDY WARHOL MUSEUM

TOMORROW

Don't waste a child! As the world gets smaller and as the Pittsburgh population gets younger (due to the seismic demographic shift that is changing the make-up of this community), we need to invest in educating our youth to be "global citizens." It is vital for the successor generation to have the tools, skills, and abilities to navigate an increasingly multi cultural, multi ethnic, and multi lingual global environment.

Steven E. Sokol,
 President & CEO
 WORLD AFFAIRS COUNCIL OF
 PITTSBURGH



I see four primary initiatives that we need to continue advancing in order to move downtown Pittsburgh forward. In no particular order (as they are all equally important), they are: facilitating more people living downtown; nurturing small and medium-sized businesses downtown; growing the cultural/theater district downtown; and growing the convention/conference business downtown. Anything that advances one or more of these initiatives should be supported, as it will encourage more businesses, residents, and visitors.

Merrill Stabile, President
 ALCO PARKING



ENVIRONMENT TODAY

AIR QUALITY



Elusive air quality goals may be within reach

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RECENT SURVEY SUGGESTS the majority of southwestern Pennsylvania residents believe that the region's air quality is "not a problem at all." Unfortunately, they are incorrect.

The seven-county Pittsburgh Metropolitan Statistical Area (MSA) once again failed to meet health-based federal air quality standards for ozone

pollution in 2011. Air quality monitors in Allegheny County also report that annual levels of fine particle pollution in spots along the Monongahela and Ohio Rivers are higher than what the U.S. Environmental Protection Agency considers safe.

And recent evidence suggests emerging challenges. Ozone levels are inexplicably rising in South Fayette at a time when levels are falling everywhere else in Allegheny County, leading air quality officials to wonder whether increased natural gas drilling in the area is playing a role. But, overall, projections for the region suggest better days ahead due to tough new federal pollution rules and major upgrades at the U.S. Steel Clairton Coke Works, which are

expected to reduce emissions that for years made it one of the region's largest single pollution sources.

Forecasts based on air quality modeling call for ozone pollution levels to drop low enough to nudge the region into compliance with the latest federal standards within two years. At the same time, fine particle pollution is projected to fall to legally acceptable annual levels in Allegheny County, including the communities immediately downwind of the Clairton Coke Works.

PUBLIC PERCEPTIONS

In 2011, The Heinz Endowments launched The Breathe Project to rally government, businesses, foundations and others around improving the region's air quality. The broad coalition ranges from Google and U.S. Steel to the Allegheny Conference on Community Development and the Group Against Smog and Pollution. One early initiative was a campaign to inform the public about invisible pollutants and their impact on health, the environment, and the economy.

David Aschkenas



Evidence suggests the campaign has its work cut out for it. According to the 2011 Pittsburgh Quality of Life Survey, fewer than 4 percent of the region's residents believe there is a severe problem with the region's air, while nearly 54 percent say the quality of the air is not a problem at all. And 82 percent of residents say air quality is either a minor problem or not a problem at all.

The survey is a joint project of the University of Pittsburgh's University Center for Social and Urban Research and Pittsburgh Today. More than 2,200 residents were contacted in Allegheny County, the other six counties in the Pittsburgh MSA, and 25 surrounding counties.

Air quality also ranked low among quality-of-life issues seen as needing improvement in surveys commissioned by the Heinz Endowments in 2011. Only 15 percent of the 1,017 residents surveyed in the 10-county Greater Pittsburgh area said "a lot of work" is needed to improve air quality.

"It's complicated," said Caren Glotfelty, director of The Heinz Endowments' Environment Program. "You can't see the problem. Some people remember, or their parents or grandparents tell them, that it used to be so much worse. And clean air here can be associated with economic distress and job loss—the steel industry went away and the air got cleaner."

OZONE

Southwestern Pennsylvania contains two EPA "attainment areas" for air quality monitoring purposes: the seven-county Pittsburgh-Beaver Valley Consolidated Metropolitan Area and the Liberty-Clairton attainment area near the Clairton Coke Works.

Both areas fell short of meeting the EPA's most recent 8-hour ozone standards of .075 parts per million in 2011. Ozone, or smog, is formed by a reaction of sunlight and nitrogen oxide and volatile organic chemicals emitted when cars and trucks, factories, power plants and other sources burn fuel. Health risks range from asthma attacks to heart disease.

Prevailing winds greatly influence the southwestern Pennsylvania air quality. They typically blow in from the west and southwest, carrying pollutants from a dense concentration of Ohio River Valley and Midwest power plants, and industries and vehicle traffic in upwind cities.

Predictions that ozone throughout southwestern Pennsylvania will soon fall to within federal standards are largely based on models that anticipate the impacts of the Cross-State Air Pollution Rule. By 2014, power plants east of the Mississippi are required to reduce their sulfur dioxide emissions by 73 percent and cut nitrogen oxide emissions by 54 percent.

Eight-hour ozone averages have been dropping for the past three years across Allegheny County, except in South Fayette, where the monitor is showing a trend toward higher levels.

"South Fayette is bucking the trend and we don't know why," said Jim Thompson, director of the Allegheny County Health Department's Air Quality Program. "One thing that's happened in the area is the prevalence of Marcellus Shale production."

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If the region is to continue to grow and thrive, we must figure out a way to insure that public school children and particularly minority public school students are academically and psychologically prepared to participate in the future of the region. This all requires superior educational achievement levels consistent with the demands of a future technologically-oriented region with an eye to becoming a fully integrated world leader, including all levels of experience, demographics, ethnicity and religion.

William E. Strickland, Jr., *President & CEO*
MANCHESTER BIDWELL CORPORATION

TOMORROW

Statistics show that more and more young women are going to college and graduate school. Women are joining higher-earning professions that used to be almost exclusively limited to men, such as physicians, attorneys, corporate executives, etc. A major challenge for this community and the Pittsburgh Symphony, as it is for other organizations, is getting these women actively involved in leadership roles in our institutions and shouldering a larger portion of our philanthropy needs.

James Wilkinson,
President & CEO
THE PITTSBURGH SYMPHONY, INC.



Who knew that gas under Pennsylvania could lead to a competitive rebirth of the petrochemical industry that will benefit the region and all of North America? This is a unique moment for our industry, for our society, and for each of us. But as we take advantage of this phenomenal potential, we have a responsibility to do it right, for the sake of all of our stakeholders.

Randy Woelfel, *CEO*
NOVA CHEMICALS



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Compressor stations emit a lot of nitrogen oxide and increased traffic is associated with shale production. That makes us suspicious. But we are still a ways away from determining the exact cause.”

FINE PARTICLE POLLUTION

The new federal pollution rule also is expected to play a key role in reducing the region’s fine particle pollution, which is often referred to as PM2.5, for fine particles 2.5 microns in diameter or smaller. These microscopic particles are linked to higher risks of respiratory ailments, cardiovascular disease, cancer, and other serious illnesses.

Like ozone, PM2.5 rides prevailing winds into the region. It is estimated that 70 percent of the PM2.5 measured in Allegheny County originates in upwind states.

PM2.5 is the total mass of particulate matter that can consist of a variety of compounds that are created by a variety of sources, the most prolific being coal-fired power plants, steel and coke-making facilities, and motor vehicles. One such compound is nitrogen oxide. Another is sulfur dioxide. The Cross-State Air Pollution rule calls for steep reductions of both.

In 2010, the Pittsburgh-Beaver Valley Consolidated Metropolitan Area was in compliance with the annual PM2.5 standard, which has a ceiling of 15 micrograms per cubic meter.

However, Allegheny County failed to comply, as did the municipalities in the Liberty-Clairton area.

And of concern in 2011 were readings from a new air quality monitor in Avalon, along the Ohio River, downwind of the Shenango Coke Works. Its annual PM2.5 reading of 16.3 micrograms per cubic meter was the highest in the county, topping the 16.0 reading at the Liberty monitor downwind of the U.S. Steel Clairton Coke Works.

“I was very surprised,” said Thompson. “Shenango is a much smaller facility than the U.S. Steel coke works, and the area does not get as severe temperature inversions as Liberty.” At year’s end, negotiations between the county Health Department and Shenango management were under way, and a hearing on more than 100 air quality violations against the plant was pending.

In Clairton, U.S. Steel is building a new coke battery designed to emit far less pollution than the two aged batteries it replaces. Lower emissions also are expected from two new quench towers the company is expected to begin building in 2012. The upgrades and lower out-of-state power plant emissions are the key developments that air quality officials believe will enable Allegheny to join the other counties in the region in meeting with the current PM2.5 standards. ■

AN UNSEEN PROBLEM



istockphoto

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HEN A U.S. Environmental Protection Agency order made it clear that the days of allowing raw sewage to spill routinely into the creeks and rivers in and around Pittsburgh were numbered, nobody thought a fix would be quick and easy.

Some 4,000 sewer lines snaking through 83 Allegheny County municipalities and 120,000 manholes were involved. And nobody could say with certainty where all of those lines were buried, let alone accurately report their age and condition.

The clock ticks as the region struggles to face its biggest water issue

The only records of what was beneath the surface were maps that each municipality kept of the lines residing within its borders. Nine years ago, when the municipalities agreed to start working in earnest toward complying with the Clean Water Act, those maps

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were more a patchwork of subdivisions and other separate pieces of the sewer system than an integrated document. Some were relatively up to date. Others were historic artifacts.

“One community came in with a map that was dated around 1900. It was on linen. They carefully rolled it out on the table because it was falling apart,” said John Schombert, executive director of the 3 Rivers Wet Weather project, created to help communities address the untreated sewage that overflows into the region’s waterways during times of wet weather. “That was the only record they had of their sewer system. They had nothing done with modern tools.”

That is no longer the case. For the first time, engineers have a complete, digital map of the entire network of sewers running through and connecting all 83 municipalities—the product of years of gathering municipal maps, converting them into 160 digital files and piecing them together like a jigsaw puzzle.

It was a significant challenge in terms of logistics and cooperation among disparate local governments, but it was only the first of many that await engineers and county and municipal officials as the clock ticks down to 2026, when an EPA consent order requires that Clean Water Act standards be met and chronic sewage overflows be all but eliminated in the Allegheny County Sanitary Authority (ALCOSAN) service area.

THE SEWAGE MONSTER

Aging, leaky pipes and the fact that most municipal collection systems in the ALCOSAN network were designed to carry both sewage and storm water are major reasons why wet weather leads to sewage overflowing into streams and rivers in southwestern Pennsylvania.

As little as one-tenth of an inch of rain or the equivalent snowmelt can deliver enough extra water volume to overload the sewage collection system, causing overflows at several hundred locations before sewage reaches treatment plants. Such wet weather events are frequent in southwestern Pennsylvania, where the average rainfall is one-quarter of an inch—or 2-1/2 times greater.

The Allegheny, Monongahela and Ohio Rivers are the chief sources of water for much of Pittsburgh and surrounding municipalities, as well as key recreational attractions.

Evidence suggests the public has confidence in the quality of their drinking water—and for good reason. Treatment plants that produce the region’s drinking water, the largest of which is the ALCOSAN plant along the Ohio River, are among the most advanced in the nation.



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According to the 2011 Pittsburgh Quality of Life Survey, fewer than 6 percent of the region's residents said there is a severe problem associated with their drinking water, while 59 percent don't believe there is a problem at all. The survey, a joint project of the University of Pittsburgh's University Center for Social and Urban Research and Pittsburgh Today, contacted some 2,200 residents of Allegheny County, the other six counties in the Pittsburgh Metropolitan Statistical Area (MSA) and 25 surrounding counties.

In Allegheny County, where overflows are most frequent, 4.4 percent of respondents said there is a severe drinking water problem, while nearly 61 percent said there is no problem at all.

Chronic sewage overflows place a high burden on drinking water plants, regardless of how sophisticated those plants are.

One measure of the risk is the percentage of recreational days lost when orange "Combined Sewage Overflow" flags are posted along the rivers, warning that bacteria levels are at unsafe levels. In 2011, high bacteria levels claimed more than 40 percent of the recreational season, which runs from May 15 through Sept. 30, according to Allegheny County Health Department data reported by Pittsburgh Today. In 2010, 28 percent of the season was lost.

The difference from year to year is mostly due to the amount of rainfall. The higher the rainfall, the more recreational days lost. In 2004, the region's wettest year on record, more than 90 percent of the recreational season was lost to poor water quality.

These lost days are particularly troubling in Pittsburgh, where the city, private developers, nonprofits and others have spent more than a decade reinventing the waterfront as a recreational amenity. Overtaxed sewage systems can also restrict new home and business development.

But health risks are the greatest concern. Untreated sewage can contain disease-causing organisms, such as cryptosporidium and giardia. The last major outbreak in the region occurred during the winter of 1983-84, when giardia cysts made their way from the

Youghiogheny River to the drinking water of McKeesport, sickening more than 340 people.

CHALLENGES AHEAD

ALCOSAN was spared more than \$200 million in fines when it agreed to make the improvements necessary to comply with federal water quality regulations. Municipalities in the service area also signed a consent order requiring them to take steps to address sewage overflow.

Mapping the entire municipal sewage collection system was one of them. "We can now view the system as a single system for the first time, not 83 separate pieces," Schombert said. "From an engineering standpoint, that was essential. From a cost-saving standpoint, being able to design solutions by looking at the system in a regional way and not piecemeal is critical."

ALCOSAN is considering building three 10-mile-long, 200-foot-deep concrete tunnels beneath the Ohio, Allegheny and Monongahela Rivers to hold wet-weather sewer overflow and release it after a rain, when the system's capacity is again able to handle it. The idea is similar to the 26-mile-long underground tunnel built to prevent sewage in Milwaukee, Wis. from spilling into Lake Michigan, the city's drinking water source. It was built after more than 400,000 people fell ill in 1993 from drinking water contaminated with cryptosporidium, a microbe that causes diarrhea.

Municipalities in the ALCOSAN service area are taking other measures to address the overflow problem. A flow-monitoring program was completed to characterize how each municipality's sewers respond to rainfall. And municipalities are working on a plan for specific improvements they will make to bring their systems into compliance with the Clean Water Act.

More daunting challenges lie ahead. Implementing the system-wide fixes, for example, is expected to cost as much as \$6 billion. ■

Pittsburgh TODAY

 Pittsburgh Today and the Regional Indicators at pittsburghtoday.org seeks to spark a more informed civic dialogue by providing timely and accurate informa-

tion about regional life. Comparing our region to other areas of the country lets us see how

Dedicated to understanding our region

we measure up, and what our strengths and weaknesses are. It also gives us a way to measure progress as we move forward as a region. ■

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