



PITTSBURGH ECONOMIC QUARTERLY

University Center for Social and Urban Research



Inside This Issue

- Pennsylvania's Population Growth Crescent4
- Eighth Annual Steven D. Manners Awards.....7
- Students Tackle Urban and Regional Projects.....7

Old Folks NOT at Home: New Scenarios for Senior Workers

■ By Clarke M. Thomas

As the baby boom generation approaches retirement age, the workforce scene may be considerably changed.

Many people approaching normal retirement age wish to continue in some earning capacity, whether for financial or self-gratification reasons. At the same time, many companies facing an employee crunch have reasons to retain experienced elders, perhaps as mentors to younger workers. The fit is obvious.

Those findings are the gist of a just-released Issues Brief, *Old Folks NOT at Home: New Scenarios for Senior Workers*, published by the University of Pittsburgh Institute of Politics.

This article will describe the research I conducted for the document, giving a somewhat different angle on the pluses and minuses of this significant trend in workforce development and employer/employee relations.

Some of this terrain has been covered in the best guide on the subject, a book by William Byham titled *70: The New 50*. Byham is chair and chief executive officer of Development Dimensions International, Inc., a global human resources consulting firm headquartered in suburban Pittsburgh. His book outlines both the advantages and disadvantages for employers and employees of workers extending their careers beyond the customary retirement age.

Understanding firms' views of workforce issues related to aging is complex. Byham warned that finding employers to discuss employment and age issues would be difficult because employers are skittish about being quoted on the subject.

Contacts made through the Three Rivers Workforce Investment Board and its workshops on this subject proved to be rewarding in discerning the employer's viewpoint on the complicated issues involved.

Three knowledgeable attorneys from the Leech Tishman firm—Steve Irwin, David J. DelFiandra, and William Buck—provided invaluable information on the complicated issues involved. Companies and nonprofit organizations can establish systems that from the start will accommodate discrimination concerns and avoid lawsuits. This includes the ideal of “diversity,” a category now encompassing the inclusion of people of different ages as well as the customary categories of race and physical disabilities.

It is clear that in most firms, the human resources departments have yet to grapple with the issue of the workforce elderly. Not surprisingly, anxiety over antidiscrimination laws and regulations is a major reason. Companies and organizations should set clear policies and procedures to reduce exposure to claims of age discrimination while recruiting the best workforce (see Table 1 for summary suggestions).

One solution to the legal and other dilemmas related to the employment of older workers is the use of phased retirement plans. Phased retirement means a gradual change in a person's work arrangements as a transition toward full retirement. This may involve a change of employers (including self-employment), a change of career, or a reduction in the number of hours worked. All of these matters are covered in detail in

■ ■ ■ continued on page 6

Profile of Pittsburgh's Population Not in the Labor Force

■ By Christopher Briem

Who is not in the labor force in the Pittsburgh region? Recent data from the Current Population Survey are used to compile a summary profile of the Pittsburgh region's population not in the labor force.

The regional labor force is defined as workers currently employed, along with the population that is available for work and actively seeking employment.

Generally, labor force participation is highest between the ages of 25 and 54, what is known as the prime working age cohort. In Pittsburgh, the labor force participation rate for this cohort was 73 percent in 2007, with men slightly higher at 78 percent and women slightly lower at 69 percent (see Figure 1).

Labor force participation is lower for the remaining cohorts. For those between ages 16 and 24, the high number of full-time students means lower labor force participation. Labor force participation is also lower for workers between ages 55 and 64, reflecting early retirement decisions and other factors. Above the typical retirement age of 65, the participation rate is very low, estimated to be less than 15 percent for the Pittsburgh region in 2007.

The Current Population Survey (CPS) is a monthly survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics. The CPS is the primary source of information on the labor force characteristics of the U.S. population. The sample is scientifically selected to

■ ■ ■ continued on page 2

■ continued from page 1

represent the civilian noninstitutional population. Respondents are interviewed to obtain information about the employment status of each member of the household 15 years of age and older.

The data presented here were compiled for the resident population living in the seven-county Pittsburgh metropolitan statistical area in 2007. To distinguish from the student population and retirees, the results focus on the prime working age population between the ages of 25 and 54.

At any given time, part of the working-age population is unavailable for work. The reasons include but are not limited to family responsibilities, enrollment in school or training programs, and ill health or disability. In 2007, an estimated 269,477 people age 25–54 were not in the labor force. Early retirees represented 3.6 percent of the population, while nearly 18 percent were disabled. The remaining 212,253 were not in the labor force for other reasons. Some of these could include family commitments, participation in education or training programs, or discouragement.

The latter are known as discouraged workers. These are defined as people who want work but are not actively seeking employment.

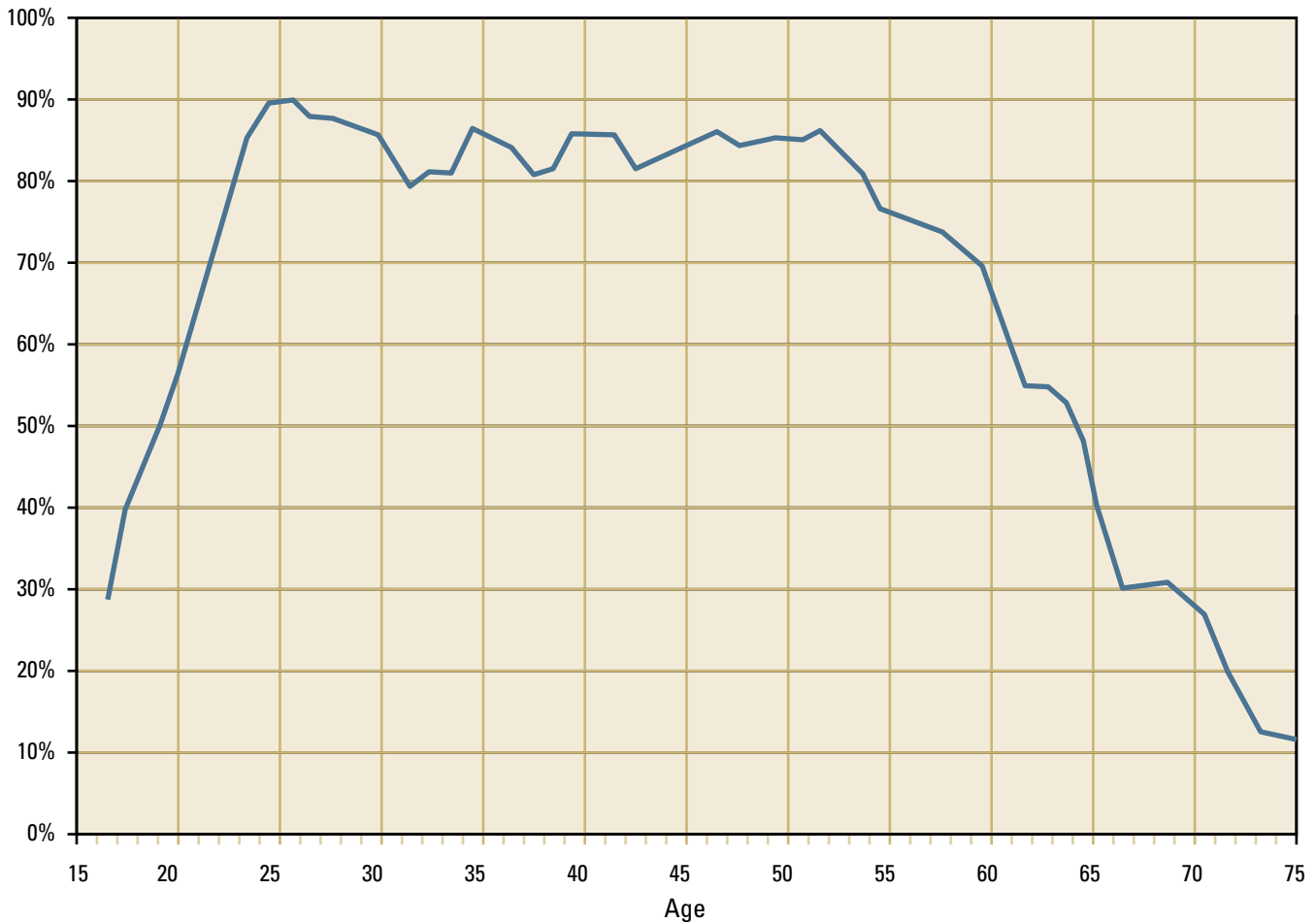
For government statistics, actively looking for work may consist of any of the following activities: contacting an employer directly or having a job interview, contacting a public or private employment agency or a school or university employment center, sending out résumés or filling out applications, placing or answering advertisements, checking union or professional registers, or some other means of active job search. Passive methods of job search that do not result in job seekers' actually contacting potential employers are not acceptable for classifying persons as unemployed. These would include such things as attending a job training program or course or merely reading the want ads.

Reasons for not actively seeking employment vary for discouraged workers (see Table 1). These might include beliefs that suitable employment is not available to them or that there is a shortage of jobs in their locality or line of

work. Discouragement also can arise because of perceived discrimination for reasons such as age, race, sex, and religion. Some discouraged workers lack necessary skills, training, or experience. Finally, for discouraged workers of prime working age in the Pittsburgh region in 2007, just over half cited family responsibilities, schooling/training, or ill health/disability as the reason for not seeking employment.

The population not in the labor force has a distinct educational profile (see Figure 2). Those not in the labor force tend to be less well educated than their working counterparts. For those between ages 25 and 54 in 2007, just over 26 percent of the population not in the labor force did not have a high school diploma. Only 5 percent of those in the labor force did not graduate from high school. The sharp differences persist at higher educational levels. More than 37 percent of the labor force age 25–54 had a bachelor's degree or higher in 2007, while fewer than 15 percent of the population not in the labor force had similar levels of education.

Figure 1. Labor Force Participation Rate, by Age, Pittsburgh Metropolitan Statistical Area, 2007



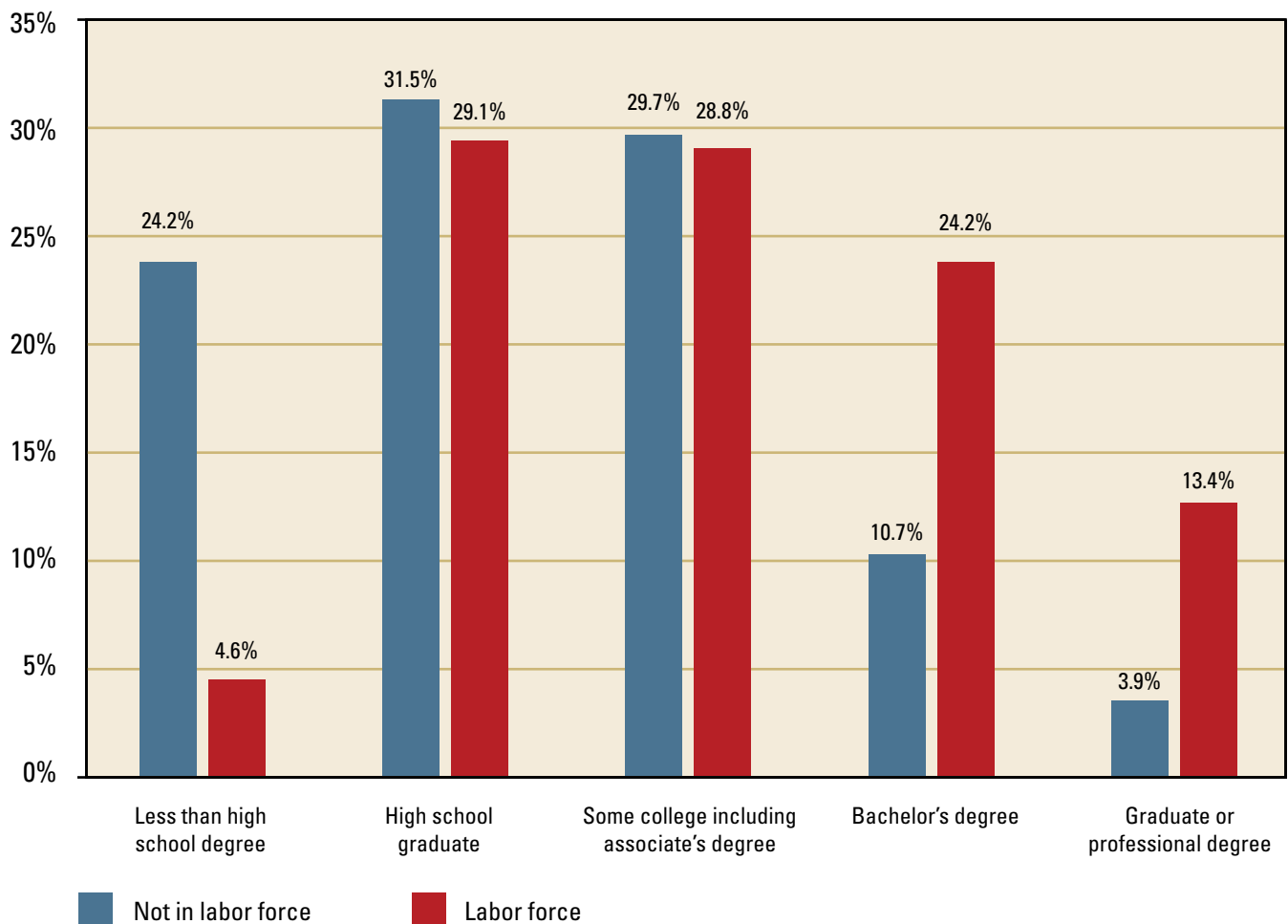
Transformation in the Pittsburgh economy has had a major impact on changing labor force participation patterns in the region. Through much of its history, Pittsburgh trailed the nation in terms of female labor force participation. A high concentration of heavy industry and other factors depressed the rate at which women, especially married women with dependents, entered the workforce. It has only been recently that female labor force participation rates have generally caught up with national levels. Significant disparities continue to exist in labor force participation rates by race and age. In future issues of *Pittsburgh Economic Quarterly*, we will continue to investigate labor force participation in the Pittsburgh region. ■

**Table 1. Discouraged Workers Not Looking for Work
Population Age 25–54, Pittsburgh Metropolitan Statistical Area, 2007**

What is the main reason you were not looking for work during the past four weeks?

Believe no work is available in area of expertise	1,945	5.4%
Couldn't find any work	3,553	9.9%
Lack necessary schooling or training	1,992	5.6%
Employers think I'm too young or too old	1,908	5.3%
Couldn't arrange child care	228	0.6%
Family responsibilities	6,216	17.4%
In school or other training	5,841	16.3%
Ill health or physical disability	6,371	17.8%
Transportation problems	1,043	2.9%
Other—specify	6,723	18.8%
Total	35,821	

**Figure 2. Distribution of the Population by Educational Attainment and Labor Force Status,
Population Age 25–54, Pittsburgh Metropolitan Statistical Area, 2007**



Pennsylvania's Population Growth Crescent

■ By Sabina Deitrick

The spring primary election brought a lot of attention to Pennsylvania, and Pennsylvanians played briefly on the national stage. The attraction of the national media to what almost became a standard, uniform narrative masked what most of us Pennsylvanians and politicians already know. There is not one but many regions in Pennsylvania, as has been throughout much of our history.

Today, we see an impressive geographical split in the commonwealth along the lines of population growth and decline. Population growth in Pennsylvania today forms a crescent shape from the northeast part of the commonwealth around the Poconos, expanding in the midsection from the far exurban fringe of the Philadelphia metropolitan area and slimming on the southwestern edge around growth in Adams County and near the Appalachians.

Border counties in Pennsylvania have been among the commonwealth's fastest growing between 2000 and 2006, with considerable immigration from nearby areas. And much of that growth is not necessarily traditional metropolitan

decentralization. The far northeast part of the commonwealth finds Pike County now part of metropolitan New York, with commuters from the Poconos streaming across the state line to jobs in New Jersey and beyond. The thickened midsection comes from multiple sources—continued expansion in metropolitan Philadelphia, growth in the capital region, and cross-state, integrated development in places such as Bethlehem and York.

Pike County in the Poconos; Adams County around Gettysburg; York County near Baltimore, Md.; and Northampton County are all among the commonwealth's fastest-growing counties.

Unlike traditional suburban population growth, which saw a decentralization of population from central cities to suburban areas and from central counties to other parts of the metropolitan region (e.g., Butler County in the Pittsburgh

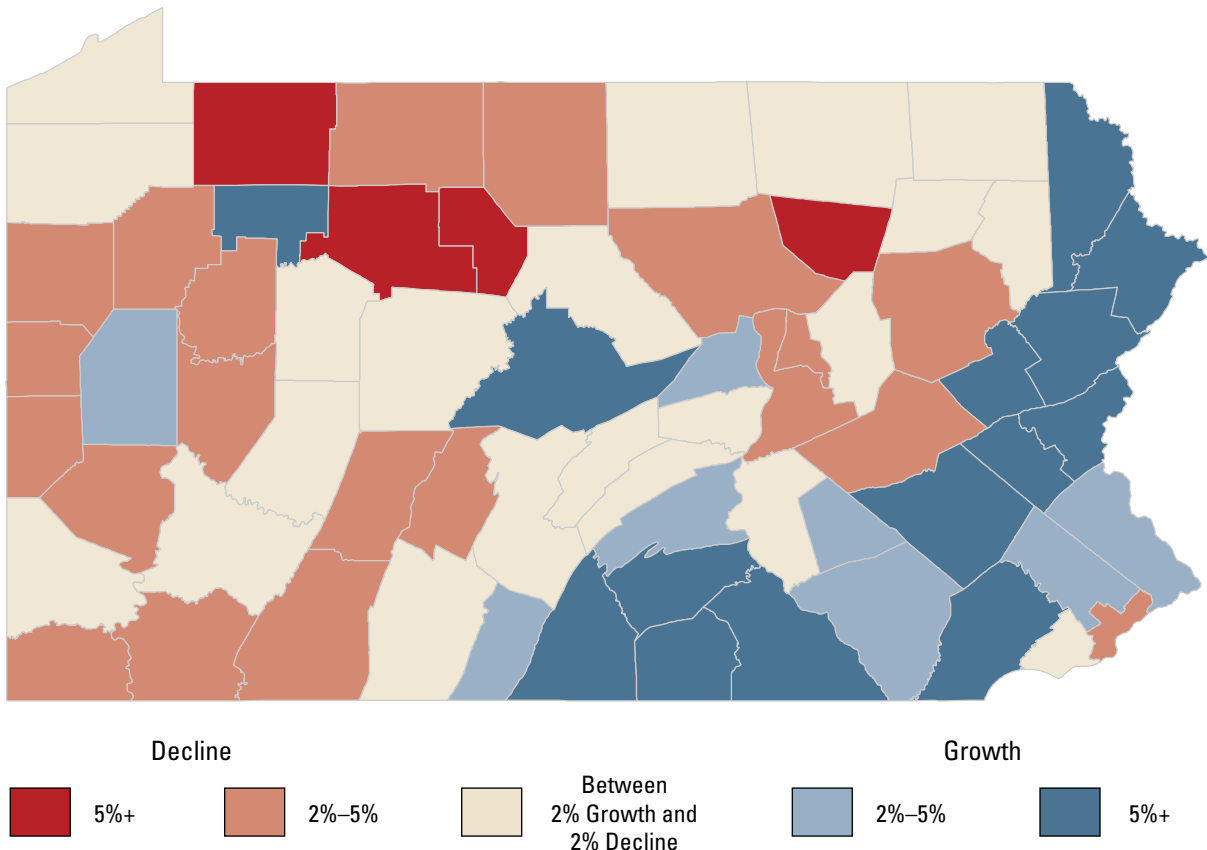
region today), where movers commuted back to the central city or county, much of the population growth in these counties is tied to economic growth in border states.

These population and commuting trends are likely to continue and grow in the coming decades. A number of factors are driving them, and they are certainly inter-related. Relatively lower costs of living and housing are pulling people across state lines. The availability of commute corridors makes cross-state commuting possible, although increased congestion is a growing concern. Commute times continue to lengthen, on average, across the country, from 22 minutes in 1990 to 26 minutes in 2000. Other push-and-pull factors include quality-of-life issues, retirement, second homes, recreation, and amenities.

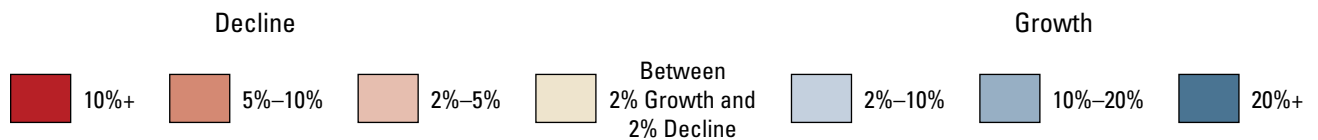
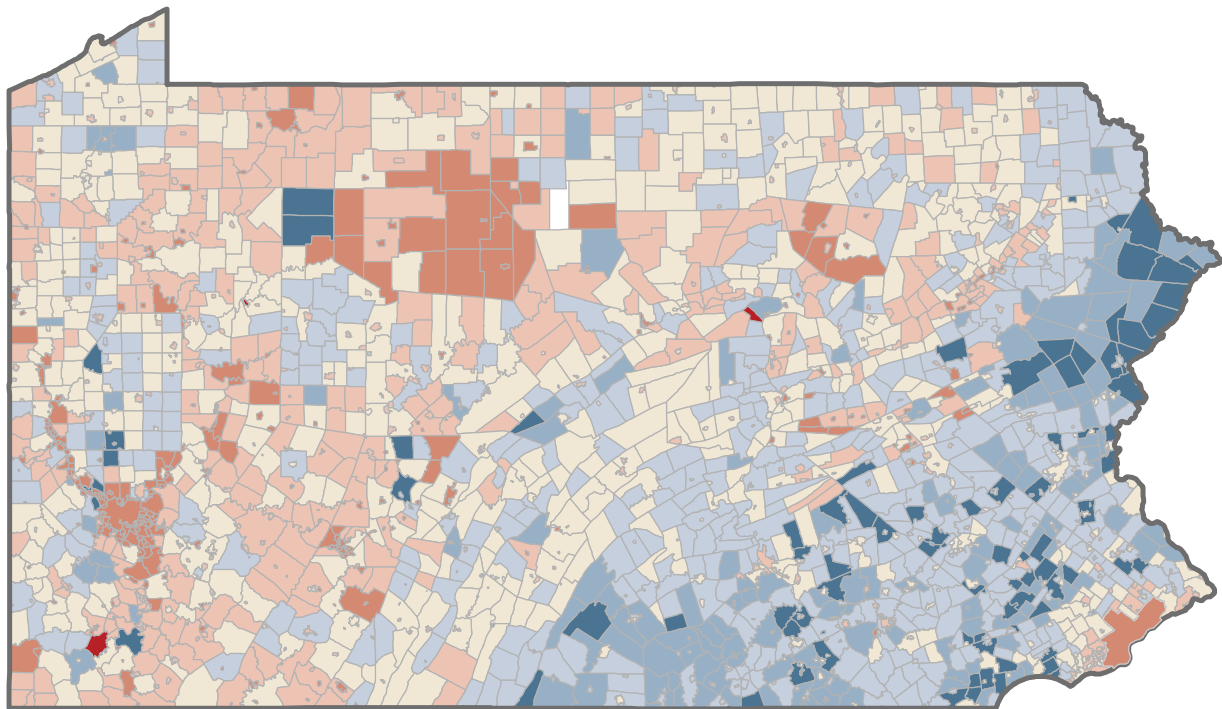
Job growth in metropolitan areas of border states continues to expand and expand

Border counties in Pennsylvania have been among the commonwealth's fastest growing between 2000 and 2006.

Estimated Population Change 2000–07, Pennsylvania Counties



Estimated Population Change 2000–06, Pennsylvania Municipalities



the definition of those metropolitan regions. Specifically, metropolitan job growth in New York, Baltimore, and Washington, D.C., is not concentrated in the central cities but is rapidly increasing on the fringes of the metropolitan area, closer to Pennsylvania commuters, even beyond the “edge cities” to what are now known as “edge-less cities,” according to Robert Lang at Virginia Tech. In 2000, for instance, 41,000 Pennsylvanians commuted into Maryland. Working against these trends will be the rising costs of commuting long distances for those driving cars. In some areas, however, cross-state commuting is made easier by existing transit corridors.

Recognition of these trends and developing plans to accommodate growth is imperative for the commonwealth and these counties. For instance, Pike County’s comprehensive plan is tied to managing growth, and the emphasis on growth management in planning is expanding across the commonwealth. Maryland, a national leader in growth management, compares its housing prices and changes with Lancaster, Franklin, York, and Adams counties, recognizing the expansion of cross-state commuters and the attraction of lower housing costs across state lines. Lacking public transit access, commuter bloggers attempt to create private vanpools of

similarly geographic-based commuters—in one instance, from Harrisburg to Washington, D.C.

For the rest of the commonwealth, slow growth or population decline is the norm, with a few exceptions, including a nearly one-third jump in population in Forest County—population 6,506—owing to a new federal prison. Decline continues in the commonwealth’s two largest urban counties—Philadelphia and Allegheny—along with much of the largely rural northern tier.

Population growth in Pennsylvania marks a break from state averages and brings opportunities to a growing set of counties along the commonwealth’s new growth crescent. ■

■ ■ ■ continued from page 1

the Issues Brief, including the discouraging fact that the U.S. Department of Treasury keeps postponing the fashioning of regulations to implement a 2004 law regarding phased retirement plans, thus leaving everyone in limbo.

Two other concerns surfaced that touch upon the thorny questions of “legacy” costs. The first is pensions. Many firms are shucking off those costs, to the consternation of retirees and soon-to-be retirees alike. Any personal plan involving, for example, phased retirement will need to face that question. And note that this is true even for seemingly protected categories such as public employees, because many governmental entities at various levels face precariously large and underfunded pension liabilities.

Second, and particularly interesting, is the fact that health care costs inevitably crept into the interviews. I say “crept” because while interviewees were willing to discuss problems, almost no one wanted to touch a major proposed solution—universal health care of some kind. As described in the Issues Brief, the problems

Ever-escalating medical and hospital costs increasingly adversely impact the corporate balance sheet.

particularly surface in plans where employers match employee contributions.

Ever-escalating medical and hospital costs increasingly adversely impact the corporate balance sheet. Some firms have dropped their health insurance plans entirely. In turn, this places at a disadvantage those of their competitors who have retained their plans. Firms involved with international competition particularly feel the impact of vying with firms from countries where the government picks up health care costs. And in the public sector, the fact that many municipalities from the state level down, including school districts,

face heavy unfunded pension liabilities suggests precarious factors for the future. All of this affects retention or phased-retirement decisions by elderly employees.

Many businesspeople dislike the subject because it raises for them the specter of some kind of government-based universal health care plan. To many, that is a slide into socialism. For others, there is the fear that the corporate share of taxation to support universal health care coverage will be greater than savings from moving away from today’s private insurance systems.

At that point in the Issues Brief, I make two observations that may be of interest to the policy-oriented readers of *Pittsburgh Economic Quarterly*:

1. There is a need for advocates of universal health care coverage, as well as those seeking the more far-reaching single-payer system, to become more specific about the costs to the business sector as against the financial advantages of such prospective changes.
2. More than any other single factor, health costs may determine the trend of employer and elderly employee decisions about whether to work full time, cut to part time, or retire completely. ■

Clarke M. Thomas is senior editor (retired) of the Pittsburgh Post-Gazette. He is the author of the recently published Old Folks NOT at Home: New Scenarios for Senior Workers by the Institute of Politics at the University of Pittsburgh (available at www.iop.pitt.edu). This is the latest of 14 Issues Briefs that he has written for the institute, on topics ranging from welfare reform to Medicaid to highways and urban sprawl to a history of Allegheny County politics from the 1930s to 1990s. Thomas can be reached at clt77@verizon.net.

Table 1. Hiring and Retaining Workers

Issue	Do	Don't
Advertising	Include an equal opportunity disclaimer	<ul style="list-style-type: none"> • Identify age as a job requirement • Include photos only of young people in advertising and collateral
Interviewing	Train your interviewers	<ul style="list-style-type: none"> • Ask questions that indirectly obtain information about age, such as “When did you graduate from high school?”
Hiring	Determine salary based on experience	<ul style="list-style-type: none"> • Determine salary based on perceived reduced need, such as “empty nest” status
Evaluation	Subject employees in comparable positions to the same evaluation	<ul style="list-style-type: none"> • Use subjective criticism that employee is “stuck in the old way of doing things”
Promotion	Establish objective benchmarks for promotion	<ul style="list-style-type: none"> • Fail to consider older workers for advancement because of perceived shorter career span
Disciplining and discharging	Evenly discipline and establish severance plans regardless of age	<ul style="list-style-type: none"> • Impose nonessential job duties that are particularly burdensome for older workers

From: Phyllis Hartman, human resources private consultant, Pittsburgh, reproduced in Old Folks NOT at Home: New Scenarios for Senior Workers by Clarke M. Thomas, 2008, page 9.

UCSUR Names Recipients of Eighth Annual Steven D. Manners Awards

Each year, the University of Pittsburgh University Center for Social and Urban Research (UCSUR) awards the Steven D. Manners Faculty Development Awards to promising research and infrastructure projects on campus. These awards honor the memory of Steve Manners, a sociologist who began working at the center in 1974 and served as its assistant director from 1989 until his death in September 2000. His research and service to the center and the University community were dedicated to improving social conditions in the urban environment.

The first awards were made in 2001. UCSUR offers annual awards in two categories: (1) research development grants to support pilot research in the social, behavioral, and policy sciences; and (2) infrastructure development awards aimed at enhancing faculty capabilities to carry out interdisciplinary research in the social, behavioral, and policy sciences.

The following received the 2008 Manners awards from UCSUR:

Peter J. Gianaros and J. Richard Jennings, Western Psychiatric Institute and Clinic, for "A Teaching and Student Research Laboratory for Integrative Biological and Psychosocial Assessments."

Through the Manners award, a laboratory will be equipped and designed for the purpose of enabling faculty and graduate students to develop, acquire, and disseminate new research skills in relating biological measures to concepts in the social, behavioral, and policy sciences.

Elizabeth La Rue, School of Nursing, Department of Health and Community Systems, for "The Validity and Utility of a Tool for Evaluating Web Pages Presenting Health Content."

A pre-test/post-test experimental design will be used to establish the validity of SPAT, a mnemonic tool used by people to help them pre-evaluate Web page health information for accuracy. Results will be used to assist in converting the paper-based SPAT instructional

sheet to a Web-based format and provide support for future work in examining the impact of SPAT on self-care behaviors.

Keith H. Morgenlander, School of Medicine, Department of Medicine, for "Assessing Health-seeking Behaviors, Fatalism, and Cancer Knowledge by Reticent, Difficult-to-Reach Populations in McKeesport, Pa."

The proposed research aims to use respondent-driven sampling (RDS) to: (1) develop a pilot survey research program to assess health-seeking behaviors, fatalism, primary care utilization, and cancer-related knowledge among hidden populations in McKeesport; (2) obtain practical experience with the administration of RDS; (3) develop experience in the use of RDS in Western Pennsylvania; and (4) leverage the results to obtain future funding.

For more information about the Steven D. Manners Faculty Development Awards, contact UCSUR at 412-624-5442.

Students Tackle Urban and Regional Projects

This summer and fall, the following students from the Graduate School of Public and International Affairs (GSPIA) are working on urban and regional projects at the University Center for Social and Urban Research.

Kathryn Collins (GSPIA '06) is a third-year PhD student studying public policy and international development. Her interests focus on the third sector and its impacts on economic and social development. She has a bachelor's degree in economics from American University and master's in international development from GSPIA. She is working on the Impact of the Nonprofit Sector in Allegheny County project, funded by the Forbes Funds.

Bok-Gyo Jonathan Jeong will begin his second year in GSPIA's doctoral program. He has BAs in political science and social welfare and a MA in public administration and policy from Seoul National University. Jeong's research is in community development, nonprofit management, social policy, and network analysis. He is working on the Pittsburgh Neighborhood and Community Information System project.

Laura Meixell (A&S '08) is a second-year MPA student in urban and regional affairs and a political science major. She is editor of the *Pittsburgh Political Review* and has interests in local and state government. She is working on the Pittsburgh Neighborhood and Community Information System project.

Huiping Xie is writing her dissertation policies on the impact of cultural and social factors on community-driven development. She has a BA in English literature and culture from Renmin University of China and is working on the Impact of the Nonprofit Sector in Allegheny County project.

Yongfei Zhao is a doctoral student in GSPIA, studying public administration and development policy. He has a BA from Xi'an International Studies University in Shaanxi Province in China and a MPA from Bowling Green State University. His interests are in public administration and development policy in East Asia. He is working on the PA Cleanways project.

UCSUR congratulates Andrew Aurand and Sungsoo Hwang on their new appointments:

Andrew Aurand (SOC WK '99G, GSPIA '07) is postdoctoral research associate at the Taubman Center for Public Policy at Brown University. He completed his dissertation, "Is Smart Growth Smart for Low-income Households?" He worked on the PA Cleanways project, Large Landowners project for the Lincoln Institute for Land Policy, and the Regional Indicators Project, directed by John Craig.

Sungsoo Hwang will begin a postdoctoral fellowship at Grand Valley State University, Department of Public Administration, beginning in September. He is completing his dissertation, "Leveraging Public Nonprofit Partnership for IT Innovation: Building Effective Neighborhood Information Systems." Hwang worked on the Pittsburgh Neighborhood and Community Information System project.



University of Pittsburgh

University Center for Social and Urban Research
121 University Place
Pittsburgh, PA 15260

Recent Publications by the University Center for Social and Urban Research

EEO Employment Data for Allegheny County and the Pittsburgh Region (2/08)
Gender Wage Disparity in the Pittsburgh Region (12/07)
The Impact of the University of Pittsburgh Cancer Institute and UPMC Cancer Centers on the Pittsburgh Regional Economy (10/07)
Migration Trends in the Pittsburgh Region, 2000–2006 (7/07)
Diversity Among Pennsylvania State Boards (12/06)
Allegheny County Economic Trends (12/05)
Allegheny County Housing and Socio-demographic Trends (12/05)
Disabilities in Southwestern Pennsylvania (10/04)
Women's Benchmarks Reports (4/04)

Black-White Benchmarks Reports (3/04)
The State of Aging and Health in Pittsburgh and Allegheny County (5/03)
2002 User Survey for the Pennsylvania Allegheny Trail Alliance (3/03)
Diversity Among Elected Officials in the Pittsburgh Region in 2002 (2/03)
Black Papers on African American Health in Allegheny County (9/02)
African American and Women Board Members in the Pittsburgh Region (11/01)
The State of the Environment in Allegheny County: Land, Water, and Air (3/01)

University of Pittsburgh

University Center for Social and Urban Research
121 University Place
Pittsburgh, PA 15260

Phone: 412-624-5442

Fax: 412-624-4810

E-mail: ucsur@pitt.edu

Web site: www.ucsur.pitt.edu

Pittsburgh Economic Quarterly Editor

Sabina Deitrick

Assistant Editor

Anna Aivaliotis

University Center for Social and Urban Research

Director

Richard Schulz

Urban and Regional Analysis

Codirectors

Ralph Bangs

Sabina Deitrick

Subscription Form

Please send me the Pittsburgh Economic Quarterly

Name

Address

E-mail

Mail to: University of Pittsburgh
University Center for Social and
Urban Research
Pittsburgh Economic Quarterly
121 University Place
Pittsburgh, PA 15260

Or fax: 412-624-4810

The University of Pittsburgh is an affirmative action, equal opportunity institution. Published in cooperation with the Department of University Marketing Communications. UMC65067-0708