Regional Insights: Little room for growth without minorities
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For many years, no matter what kind of good economic news our region received, it was always overshadowed by a lingering sign of economic decline -- our continuing loss of population.

After losing nearly 7 percent of our population in the 1980s (the largest loss of any region in the country), the Pittsburgh region was the only major region to lose population in the 1990s. Rather than slowing or reversing losses after 2000, population decline actually accelerated, and the region ended the decade with 3.1 percent fewer residents than it had in 2000, for a total cumulative 30-year population loss of 11 percent.

So it's hard to blame people for feeling optimistic about the fact that in both 2011 and 2012, the Census Bureau estimated that the Pittsburgh region had experienced a net increase in population. Unfortunately, though, the estimated growth has been very small. According to the Census Bureau, the Pittsburgh region added only 1,795 people between 2010 and 2011, and an even smaller number, 619 people, between 2011 and 2012. Those are minuscule increases in the region's total population of 2.3 million, and the fact that the increase was smaller in 2012 than 2011 is not a good sign.

What's holding our population growth back?

One of the biggest factors is likely the lack of diversity in our region. The largest source of population growth in every region in the country has been racial and ethnic minorities. But Pittsburgh has fewer minorities than every other major region in the country. The 2010 census showed that only 13 percent of the residents of our region were nonwhite or Hispanic -- the smallest percentage in any of the top 40 regions in the country.

The diversity of the Pittsburgh region's population has increased over the past 30 years, but only barely. Although the minority share of the region’s population increased from 8 percent in 1980 to 13 percent in 2010, every other region of the country experienced significantly more growth in its minority population than the Pittsburgh region over that 30-year period. Today, on average, 45 percent of the residents of other major metropolitan regions are minorities.

Why does this matter?

If Pittsburgh wants its population to grow, attracting and retaining more minority residents isn't an option, it's a necessity. In fact, Pittsburgh's population losses during the 1980s, 1990s and 2000s would have been even bigger if not for the growth the region did have in its minority population. Over the past 30 years, the white population here declined by 16 percent, but the nonwhite population grew by 44 percent. Between 2000 and 2010, the number of white residents of our region declined by 5.6 percent, but because the minority population increased by 18 percent, our region's total population loss was held to only 3.1 percent.

Moreover, unless we attract more residents from other states and countries, our population will continue to shrink. Between 2010 and 2012, the Pittsburgh region had the lowest birth rate and the highest death rate among the top 40 regions, and it is still the only major region in the country with more deaths than births. So unlike any other region, Pittsburgh's population would have declined in 2011 and 2012 if it hadn't been for new residents moving here from other communities.

The subgroup that Pittsburgh has done the poorest job in attracting is foreign-born residents. Census estimates for 2011 indicate that only 3.3 percent of the Pittsburgh region's residents are foreign-born, the smallest
percentage among the top 40 metropolitan regions. There are almost twice as many foreign-born residents in Cleveland (6 percent), more than three times as many in Minneapolis (9.7 percent), and more than 10 times as many (36.4 percent) in Silicon Valley as here. Since census estimates show that we also rank dead last in the rate of international migration into the region, the gap will continue to widen. This will likely affect not just our population growth but also our job creation rate, since studies have shown that a high percentage of successful technology companies across the country have been started by immigrant entrepreneurs.

Pittsburgh's success a century ago derived from the entrepreneurship and labor of immigrants, so it's ironic that today Pittsburgh has become one of the least diverse regions in the country, and it's also likely that's a significant reason why our job growth also has been much slower.

Although it is not easy to change the diversity of a region, other communities have done it successfully. In fact, 30 years ago, Pittsburgh was not the least diverse of the major regions in the country the way it is today. Minneapolis was. In 1980, only 5 percent of the residents of the Minneapolis metro area were minorities. But today, 21 percent of the residents of the Minneapolis region are minorities.

The change in Minneapolis wasn't an accident. The community made a major effort to resettle southeast Asian refugees into the Twin Cities and to help migrant farmworkers become homeowners in rural areas. As a result, Minneapolis had the 11th-highest growth in Hispanic residents and the 12th-highest growth in Asian residents among the top 40 regions between 1980 and 2010.

By comparison, during the same time period, Pittsburgh ranked 37th and 35th in attracting Hispanic and Asian residents. Minneapolis still has a smaller percentage of African-American residents than Pittsburgh does, but it's had the second-highest growth in African-Americans over the past 30 years among major regions, whereas Pittsburgh has had the fifth-slowest growth, so Minneapolis will likely soon surpass us on that measure, too.

Expanding diversity certainly hasn't hurt the Minneapolis economy. Jobs in the Minneapolis region grew four times as fast as they did in Pittsburgh over the past decade. Moreover, the unemployment rate in Minneapolis in March was only 5.3 percent, significantly lower than the 7.1 percent unemployment rate in Pittsburgh, so it seems that attracting new residents has benefited everyone in the Minneapolis region.

Pittsburgh's lack of diversity is unlikely to change dramatically on its own. Public and private leaders in the region need to proactively focus on the issue and invest sufficient resources over a multiyear period to achieve success. Two strategies will likely have the most immediate impact:

• Encourage minority and international students to stay in the region after graduation. Thanks to our world-class universities, we're already attracting some of the best and brightest minorities in the world to our region. We just need to do everything we can to encourage them to stay here. Businesses in the region could help by offering minority students internships and jobs and also by serving as mentors and customers for students who want to become entrepreneurs.

• Help existing minority residents obtain the education, jobs and entrepreneurial assistance needed for success. Last month's column ("Regional Insights: Minorities Getting Left Behind Here," May 5, 2013) outlined ways to address the high rates of unemployment and poverty among our African-American residents. If we show African-Americans and other minority groups that they can be successful in our region, more will likely be willing to come here.
