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Pennsylvania Metropatterns
A Regional Agenda for Community and Stability in Pennsylvania

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Thomas Luce
Ameregis
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Foreword

Pennsylvania Metropatterns is a project of Ameregis and …

Ameregis is a research and geographic information systems (GIS) firm that documents evolving development patterns in U.S. metropolitan regions, and the growing social and economic disparities within them. Ameregis is dedicated to integrating GIS mapping and traditional research methods to inform decision-making and assist individuals and groups in fashioning local remedies that address these concerns. Ameregis was founded by Myron Orfield, a nationally recognized leader in promoting reform around land use, social and fiscal equity and regional governance.

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Overview

More than three out of four Pennsylvanians live in the eight metropolitan areas included in this study—Allentown, Erie, Harrisburg, Lancaster, Philadelphia, Pittsburgh, Scranton, and York. *Pennsylvania Metropatterns* finds that the way the state’s metropolitan regions are growing is hurting all communities—from the most impoverished to the most affluent.

Here are the report’s main findings:

**The idea of an affluent suburban monolith is a myth.**

Nearly two-thirds of suburban populations—64 percent—live in suburbs that are struggling with social or fiscal stresses. One group of suburbs has problems typically associated with large cities, including weak tax bases and significant and growing poverty in their schools. Another group of outlying places has fewer social needs, but is facing growth-related costs with low tax bases and modest household incomes. Even a group of middle-class suburbs struggles to provide needed schools and infrastructure with largely residential tax bases. Just a small share of the population lives in affluent suburbs with expensive housing and plentiful commercial development.

**All communities in Pennsylvania’s metropolitan areas are hurt by the way the regions are growing.**

Pennsylvania’s regions are increasingly segregated by income and race. Their central cities remain troubled, and a growing group of suburbs is experiencing similar social strains. Despite slow population growth in most of the metropolitan areas, they continue to sprawl outwards. As a result, on the urban edge, low-density development is threatening valuable farmland and natural habitat, and growing traffic congestion is threatening the quality of life for many residents.

Across the state, Pennsylvania’s state and local finance system is pitting local governments against one another in a competition for tax base and depriving many of its neediest schools of adequate funding.

**All places would benefit from regional reforms.**

Regional cooperation offers the best hope for strengthening communities, preserving the environment, and fulfilling the state’s promise of equal opportunity for all:

- Cooperative land-use planning can help communities coordinate development, revitalize stressed neighborhoods and conserve open space.
- Tax and state aid reforms can stabilize fiscally stressed schools and help communities pay for needed public services.
- Metropolitan governance can help address issues that cross municipal boundaries and ensure that all communities have a voice in regional decision-making.

**Change is possible.**

Cooperative efforts like these can encourage environmentally sensitive development, reduce inequalities among communities and expand the opportunities of the state’s most vulnerable residents. These endeavors are already in effect in various forms throughout the country, and have impassioned, thoughtful advocates in Pennsylvania. They offer a powerful path for Pennsylvania regions to follow to meet the state’s great challenges.
Pennsylvania Metropatterns

An analysis of demographic and fiscal trends in the Allentown, Erie, Harrisburg, Lancaster, Philadelphia, Pittsburgh, Scranton, and York regions shows how poorly planned, inefficient development and competition for tax base are hurting almost every city and suburb—wasting resources, harming the environment and undermining the nation’s promise of equal opportunity for all.

The idea of an affluent suburban monolith is a myth.

Analysis of eight regions in the state dispels the myth of uniformly affluent suburbs. In fact, nearly two-thirds of all suburban residents in these regions reside in places facing stress—meager tax resources or high public service needs.

This report relied on cluster analysis to classify communities according to several fiscal, social and physical characteristics. (See sidebar on page X for a description of the clustering technique and page X for summary of characteristics of each group in each metropolitan area.)

Here are the types of communities within Pennsylvania’s metropolitan areas:

Despite some revitalization, the state’s central cities remain severely stressed, with high and growing poverty, severe racial segregation and aging infrastructure. Central cities, home to 27 percent of the population in the eight regions, must provide for great social need with tax bases significantly below average and growing at a slower-than-average rate. These factors discourage investment and dramatically limit the opportunities of residents.

At-risk segregated suburbs are some of America’s most stressed places to live. These areas, home to 8 percent of the population in the eight metropolitan areas included this study, are experiencing dramatic social change, and their fiscal resources are a fraction of the central cities they surround. In fact, total tax capacity per household within at-risk segregated suburbs was only 66 percent of the regional average, 9 percentage points lower than even the central cities. In addition to this, their tax capacities were growing more slowly than average, widening the gap. School poverty rates in at-risk segregated suburbs are just shy of those in the central cities, and the effects of concentrated poverty are disproportionately borne by children of color—public schools in these places have higher shares of minority children than even those in central cities.

At-risk older suburbs are also experiencing many of the stresses traditionally associated with cities. These communities, home to 15 percent of the population, have below-average property tax bases that are growing more slowly than average. Their populations are growing slowly or declining, and residents’ average incomes are below average.

With higher-achieving schools, lower land costs and wide-open spaces, at-risk low-density suburbs appear to offer an alternative to declining communities. But over time the cost of growth—new schools, roads, parks and police—can exceed the modest fiscal resources of local taxpayers. At-risk low-density places are home to 11 percent of residents of the eight metropolitan areas.

One in three residents in the metropolitan regions in Pennsylvania live in bedroom-developing suburbs, fast-growing, low-density, middle-class places. Their above-average tax bases are growing at a rapid clip, and more households are moving in. Such growth comes with its own stresses; residents of bedroom-developing places often endure long commutes to work, and their schools strain to accommodate growing enrollment.

Affluent job centers enjoy high incomes and large tax bases. In fact, their total tax
capacity per household is more than one and a half times the regional average. These factors help them provide high quality public services at low tax rates. Affluent jobs centers are home to 5 percent of the households in the eight metropolitan areas.

Sidebar:
Cluster analysis: How it works

Because there are 1,199 jurisdictions included in this study, it is impossible to individually measure each one against the others. Instead this study relies on a statistical procedure called cluster analysis to assign municipalities to groups that are as internally homogeneous and as distinct from one another as possible, based on specified social, fiscal and physical characteristics.\(^2\)

The characteristics used to cluster Pennsylvania communities were: 1999 tax capacity per household (property and income tax bases combined), percentage change in tax capacity per household from 1993 to 1999, percentage change in households from 1993 to 1999, average age of the housing stock in 1990, percentage of elementary students eligible for the free or reduced lunch program in 2001 and percentage of non-Asian minority elementary students in 2001. All variables were expressed as percentages of the relevant regional average and standardized (as number of standard deviations from the regional mean) for the clustering.

These variables provide a snapshot of a community in two dimensions—its ability to raise revenues from its local tax base and the costs associated with its social and physical needs. Fiscal capabilities are measured by tax base and the change in tax base.

“Need” measures were selected to capture a range of local characteristics that affect the cost of providing public services. High poverty, measured by the percentage of elementary students eligible for the free or reduced lunch program, is a well-documented contributor to public service costs. It both generates greater needs for services and increases the cost of reaching a given level of service. The age of the housing stock is a commonly used proxy for the age of infrastructure—older infrastructure is more costly to maintain than newer. Population declines and large increases tend to increase the per-person costs of long-lived assets like sewers, streets or buildings. When population declines the costs of these assets must be spread across fewer taxpayers. When population is growing rapidly, the costs for new infrastructure tend to fall disproportionately on current residents (compared to future residents) because of the difficulty of spreading the costs over the full lifetime of the assets.

These variables also capture a cross-section of the socioeconomic characteristics that define a place’s political character. Housing age and school demographics are among the factors people examine when deciding if a community is “their kind of place.”
All types of communities are hurt by the way their regions are growing.

The wide diversity of community types in metropolitan Pennsylvania shows that its communities are highly, and increasingly, segregated by income, race and fiscal condition. In part this is because local governments in Pennsylvania are highly dependent on locally generated tax revenues to pay for the public services—everything from schools and parks to police and fire.

That reliance has led to great variations in tax base, and great inequalities in level of services communities can provide. Pennsylvania’s affluent job centers—including many of the state’s wealthiest communities—have more than twice the total tax resources per household of the central cities. While tax-base rich cities can provide high-quality services at reasonable rates, fast-growing cities with low tax bases often struggle to keep up with the onslaught of new residents. Likewise, older at-risk communities, burdened with declining or stagnant tax bases, must cut services or raise taxes to provide the level of service desired by residents. Either choice puts them at a disadvantage in the regional competition for jobs and residents.

These pressures shape the state’s physical development. In order to maximize revenues and minimize costs, communities often restrict needed land uses like affordable housing. Because of the intense pressure to grab big commercial projects and high-end housing, they have no incentive to cooperate on land-use planning or other efforts that can help rein in sprawling development. That helps explain why the Pittsburgh area is among the Sierra Club’s “Most Sprawl-Threatened Cities.”

These inequalities harm entire regions, not just individual low-tax base communities. A recent study by the Pennsylvania Public Interest Research Group (PennPIRG) shows that from 1962 to 1992, sprawling development in the Delaware Valley—home to some of the most productive farmland in the nation—has contributed to a 37 percent loss in farmland. Sprawl also directly contributes to air pollution, as low-density suburbs located far from employment centers represent greater reliance on the automobile for commuting purposes. Automobiles are one of the leading sources of air pollution, and an increase in driving by 20 percent from 1990 to 1999 in Pennsylvania has contributed to the state’s status as the state with the fourth-worst air quality in the nation.

Inequalities also have serious repercussions for schools. In recent years the Pennsylvania Supreme Court has heard a number of cases arguing that the state’s school aid formula violates the state’s constitutional requirement that the legislature provide “a thorough and efficient system of public education.” As evidence, the plaintiffs cited the decline in the state’s share of public school funding from 54 percent to 37 percent over the past 30 years, as well as hikes in local property taxes of $1.7 billion, or nearly 32 percent, in the past six years.

The Supreme Court ruled that the issue belongs in the state legislature rather than the courts, leading state-aid reformists to “raise the heat” on lawmakers to reform the state’s method of paying for its schools.

Pennsylvania’s current school finance system hurts many communities, from developing suburbs with greater than average numbers of school age children and primarily residential property tax bases to older communities serving disproportionate shares of low-income students.

The well-being of schools is so important because they are leading indicators of community health. When the perceived quality of a school declines, it can set in motion a vicious cycle of middle-class flight and disinvestment. Many schools in older suburbs are now showing the same patterns of social change that occurred a generation ago in central cities.
These patterns have especially harmful effects on people of color. In part due to subtle discrimination in the housing market, they are much more likely than whites to live in high-poverty areas. That means that segregated schools are very likely to be poor schools. For example, 83 percent of non-Asian minority students in the Philadelphia region attend high-poverty schools, while 12 percent of white students attend them. Minority students in the Philadelphia region are nearly 7 times more likely than white students to attend such schools.

These facts help demonstrate that, for better or worse, the well-being of different parts of metropolitan areas are linked. The problems of declining neighborhoods, congested highways and degraded natural resources cannot be solved by communities working alone. Rather, they are regional problems requiring regional solutions.
Philadelphia

Community Types

The distribution of community types in the Pennsylvania portion of the Philadelphia metropolitan area is typical of large metropolitan areas across the country. The central city, containing 41 percent of the population, shows very clear signs of stress—relatively low fiscal capacity combined with very high social costs. The combined property and income tax capacity is 26 percent below the regional average and has been growing more slowly than average. School poverty is more than three times the average and the housing stock is the oldest in the region.

The area immediately around the city is a mix of struggling at-risk suburbs and bedroom developing areas. There are several clusters of at-risk suburbs in this part of the region—in Delaware County west of the city, southwest along the Delaware River, to the west around Norristown and northeast along the Delaware in Bucks County.

The second ring of suburbs is largely comprised of affluent areas, forming a nearly continuous arc from Lower Makefield in the northeast through Montgomery County in the northwest and into Chester County in the west. Many of these places are affluent residential areas directly adjacent to communities containing the office complexes along the Pennsylvania Turnpike.

The fringes of the region are largely low-density bedroom developing areas with a few clusters of at-risk areas, largely in the Pottstown and Coatesville environs.

Many of the at-risk suburbs in the region are experiencing stress comparable to Philadelphia. The 29 at-risk, segregated communities, home to 8 percent of the region’s households, show no household growth, tax capacities lower than Philadelphia’s and school poverty rates comparable to the city. Examples of at-risk, segregated places are Norristown, Cheltenham, Coatesville, Chester and Bristol.

Another 8 percent of the region’s households live in 41 at-risk, older communities that are scattered across the region. These places, like Haverford, Upper Darby, Newtown, Quakertown and West Chester, have moderate school poverty rates overall but command below-average tax bases. Fully-developed, they show very little household growth.

Compared to other large metropolitan areas the Pennsylvania portion of the metropolitan area contains relatively few lower-density at-risk communities. Most of the communities of this type in the Philadelphia area are on the New Jersey side of the Delaware.\(^1\) However, 10 municipalities on the Pennsylvania side—places like Bristol, West Brandywine, Phoenixville and Elk—fall into this category. These places must cope with greater than average poverty with lower than average tax bases that are growing more slowly than average.

Thirty percent of the region’s households live in 109 bedroom-developing communities spread across the region. These places are largely stable residential areas in the inner part of the region (like Lower Gwynedd, Warminster and Edgmont) or growing residential areas in the outer reaches of the region. However, this group also includes a number of areas along the Pennsylvania Turnpike and U.S. 202 (such as Upper Merion, Tredyffrin and East Whiteland) with significant job centers mixed in with residential areas. The commercial-industrial tax bases in these places lift the average tax capacity for this group higher than that typically seen in these kinds of places in other large metropolitan areas.

Philadelphia has a large number of localities in the affluent category—47 of them housing 10 percent of the region’s households. These places, stretching across
the middle of the region, are growing very rapidly and command tax bases 50 percent above the regional average with poverty rates much below the average.

**Social Separation and Sprawl**

Philadelphia is sprawling. From 1970 to 1990, the urbanized land area in the region increased by 55 percent while population in that area grew by just 5 percent. The resulting decrease in population density in the urbanized area (a 32 percent decline) was greater than that in all but two of the 25 largest U.S. metropolitan areas. This pattern continued through the 1990’s, with very high population growth rates concentrated in an arc across the middle of the region in affluent and bedroom developing communities and significant declines in many neighborhoods in Philadelphia and its at-risk neighbors.

This unbalanced growth has had real consequences for the region’s residents. Often, the people left behind in the declining areas are those with the greatest needs for social services—aging and poor populations. As a result, social stresses have spread into many of the region’s older inner suburbs. These places house disproportionate numbers of older residents—people who are both more likely to need public services and more likely to be on fixed incomes. The areas with the highest percentages of older residents in the region form a band around the City of Philadelphia.

Poverty is also increasingly a fact of life in schools in the region’s at-risk segregated and older suburbs. Although Philadelphia schools are very poor (76 percent of the 100,000 elementary students in the district were eligible for free or reduced cost lunches in 2001), the district is not the poorest in the region. Chester-Upland School District holds that distinction, with 81 percent of its nearly 3,400 students eligible for free lunches in 2001. Nearly all of the elementary schools in these two districts had poverty rates above 40 percent and many were above 95 percent. The public schools in Philadelphia and the Chester-Upland School District have become so impacted that 20 Philadelphia schools have been taken over by the for-profit firm, Edison Schools, as have nine of the 10 Chester-Upland public schools.

Other, less concentrated pockets of school poverty also exist in districts serving at-risk communities further from the city in the Norristown, Coatesville and Bristol areas.

The high degree of concentration of poverty can be seen in the individual school data as well. In 2001, there were 54 elementary schools, enrolling 27,246 students, with free and reduced-priced lunch eligible rates of 95 percent or higher. All but two of them were in the city of Philadelphia; the other two were in the Chester-Upland district. At the other extreme, there were 93 schools, enrolling 46,249 students, with free and reduced-price eligible rates of 5 percent or lower.

Increases in school poverty rates were much more widespread around the region. A large number of suburban schools districts saw considerable increases in poverty between 1995 and 2001 despite the fact that the regionwide school poverty rate declined by nearly 3 percentage points over the period. Poverty in the Chester-Upland School District intensified, increasing by 16 percentage points from 1995 to 2001. The Coatesville Area and Kennett Consolidated school districts also saw notable increases of 6 and 7 percentage points in free and reduced cost lunch eligibility rates.

The vast majority of minority students attend schools in the Philadelphia School District. Seventy-eight percent of the region’s non-Asian minority students attended school in Philadelphia, down from 81 percent in 1995. In contrast, Philadelphia schools served just 11 percent of the region’s white students (down from 16 percent in 1996) and 43 percent of Asians (down from 55 percent in 1995) compared to 39 percent of all elementary students in 2001 (down from 42 percent in 1995).
By School, 2001
Percentage of Elementary Students Eligible for Free and Reduced Lunch

Legend

Data Source: Pennsylvania Department of Education

Philadelphia Area

No data

4.7% or more

7.8% to 9.2%

4.1% to 7.2%

2.7% to 4.1%

0.2% to 2.6%

Regional value: 4.7%
Two districts, Kennett Consolidated, located in Chester County, and Bristol Borough, in Bucks County, had higher percentages of Hispanic students—27 percent and 16 percent, respectively—than did the Philadelphia school district, where Hispanic students made up 14 percent of total enrollment in 2001. In three other suburban districts, Oxford Area, Avon Grove and Norristown Area, Hispanic students comprised more than 10 percent of total enrollment. Regionwide, Hispanics accounted for 7 percent of school enrollment.

Two other suburban districts, Chester-Upland and William Penn, both located in Delaware County, both had higher percentages of black students—89 percent and 76 percent, respectively—than did the Philadelphia district, where black students comprised 65 percent of total enrollment. Five other suburban districts—Norristown Area and Cheltenham Township in Montgomery County; Coatesville Area in Chester County; Morrisville Borough in Bucks County and Southeast Delco in Delaware County—had black enrollment higher than the regional average of 32 percent.

The link between poverty and race is very strong in the Philadelphia area. Minority students are increasingly concentrated in schools with extremely high levels of poverty. In fact, in 2001, 71 percent of the region’s Hispanic, black and American Indian elementary students attended very high-poverty schools—schools where more than 60 percent of students were eligible for free or reduced cost lunches. In comparison, only 5 percent of white students attended these schools.

**Municipal Tax Capacities**

Like social factors, the ability to raise revenues is distributed unevenly around the Philadelphia region. Fiscal disparities in the Philadelphia region are seriously stratified, with the city of Philadelphia struggling with low tax capacity per household, even as residents pay infamously high taxes. But Philadelphia is not the only place facing this conundrum. At-risk communities to the north and south of Philadelphia along the Delaware River struggle with low tax capacity as well.

In 1999, if all of the municipalities in the region had levied the same property and earned income tax rates, the revenues coming to the 95th percentile municipality (the place with total revenue greater than 95 percent of municipalities) would have been nearly 4 times the revenue of the 5th percentile municipality. Put another way, for all residents of the region to receive equal levels of public services, municipalities with the lowest tax bases would have to tax residents at 4 times the rate of those with the highest tax bases—something that no place can afford to do if it hopes to be competitive in the region-wide competition for businesses and residents.

The contrast between the central city and the rest of the region is a very important part of the picture in the Philadelphia area. Tax rates in the city exceed suburban areas by substantial margins—the City’s municipal property tax rate was more than twice the regional average in 1999 and the wage tax rate, although declining during the 1990’s, still was more than 4 times the average. The wage tax has hurt the city’s economy for decades. Although ostensibly a tax on workers, the wage tax is in reality a tax on city businesses and is therefore a major incentive for businesses to locate outside of the city limits.

The net effect of these disparities is that residents and businesses are taxed very heavily in the City. A recent study concluded that, among large American cities, only Newark, New Jersey, has a higher tax burden than Philadelphia.

The city-suburb tax differential has narrowed in recent years. To some extent this reflects recent reductions in the City wage tax but the narrowing gap also reflects increasing tax burdens in many suburban
areas, particularly in at-risk communities experiencing increasing social strain. For instance, local tax burdens in several eastern Delaware County communities, like the city and township of Chester, and the boroughs of Darby, Lansdowne, Yeadon, Aldan and Norwood, are edging up near, and in some cases surpassing, that of Philadelphia, particularly for people who live in those communities and work in Philadelphia (and who therefore must pay the city’s high wage tax in addition to relatively high local property taxes).20

The good news on taxes is that tax base disparities narrowed a bit in the late 1990’s. Growth rates for property tax base per household tended to be higher between 1993 and 1999 in places that started the period at a disadvantage. In particular, property tax base grew more quickly than average in older at-risk communities in inner Delaware County than in most of the region. On the down side, the City of Philadelphia fell further behind during the period. The picture is much the same when the earned income tax is added to the mix.

**School District Capacities and Costs**

The state of the school districts in a region is important because schools are a significant factor in homebuying decisions. In this way the future of a community and its relative health in the region depends on its school district having adequate resources to pay for the needs of its schools. New households with residential choices steer clear of school districts known to be stressed and declining.

While school aid is meant to equalize school resources across a region, school districts nevertheless vary considerably in their abilities to cover costs. Nearly half of the school districts in the Philadelphia region are classified as high-cost districts. A number of bedroom-developing and affluent places are served by with high-cost school districts. Pressures that face school districts include high eligibility rates for free and reduced lunch, and rapid increases and declines in enrollment.

In order to examine the distribution of fiscal stress in school districts across the region, districts were divided into groups based on the resources available to them and the costs they face in educating students. The available resources were measured by the revenue capacity of the school district. A district’s revenue capacity is the revenue per pupil that the school district would receive if it assessed regional average property and earned income tax rates against its actual tax bases (equalized valuation of property and taxable income in the district), plus state and federal education aid per pupil. Aid is added to the calculation for schools because it represents such an important contributor to school spending.21 In 2000, state and federal aid represented roughly 40 percent of total revenues to school districts in the region.

Districts with revenue capacity per pupil less than 95 percent of the regional average (29 districts) were classified as low capacity and those with revenue capacity per pupil greater than 105 percent of the average (23 districts) were high capacity. The remaining districts were classified as moderate capacity.

Costs were measured by two factors—poverty and enrollment change. Districts with free and reduced lunch eligibility rates above the average in the eight metropolitan areas included in this study (34 percent) were classified as “high cost” and the remainder were low cost. High poverty is a well-documented cost factor in education. Districts where enrollments either increased by 10 percent or more between 1996 and 2001 or decreased over the same period were also classified as high cost. Enrollment declines add to costs because the fixed costs associated with buildings and other assets cannot be reduced quickly in response to enrollment declines. Personnel costs may be sticky as well because of hesitancy (or inability) to lay off teachers and other staff immediately as enrollment declines. Quickly increasing enrollments are a cost factor because for a variety of reasons it is difficult to spread the costs of new capital costs over the full lifetime of new assets, placing a
disproportionate cost burden on current taxpayers (compared to future taxpayers).

A district was classified as high cost if it met any of the three conditions. This procedure meant that nearly half of the districts in the region—29 out of 62—were classified as high cost.

The resulting geographic distribution of school district types shows a pattern similar to the community classification with some important differences. Districts in the core of the region are largely low or moderate capacity and high cost. In these districts, poverty and enrollment decline were the dominant cost factors and state and federal aid was not sufficient to offset the low local capacities to raise revenues. For instance, revenue capacity per pupil in Philadelphia was 7 percent lower than the regional average ($7,714 per pupil compared to $8,332), enrollment declined by 2 percent, and the free lunch eligibility rate was more than twice the regional average (76 percent compared to 37 percent). Similarly, the Southeast Delco District (which includes Collingdale, Darby Borough and Township, Folcroft and Sharon Hill) had revenue capacity 12 percent below the regional average in 2001, school poverty a third higher than the average (48 percent compared to 37 percent) and had experienced an enrollment decline of 3 percent between 1996 and 2001.

Low capacity/high cost districts further from the core are a mixture of high-poverty districts (the Norristown and Coatesville area districts, for instance) and high-growth districts (Souderton, Perkiomen, Kennett and Central Bucks, for instance). Many of these low capacity/high growth districts serve bedroom-developing and affluent communities where school-age populations are increasing even more rapidly than overall population. For instance, the school districts in the central areas of Bucks and Montgomery counties, areas dominated by bedroom-developing and affluent communities, show the greatest increases in school-age population in the region. Even these places are not immune from fiscal stresses.

This mixture of cost factors produces a distribution of school district types with an extraordinary percentage of students in highly stressed districts—56 percent of students in the region are in low capacity/high cost districts. (The region with the next highest percentage is York, with just 29 percent of students in this category.) The current school aid system in Pennsylvania is clearly not well tailored to the distribution of costs and capacities in the Philadelphia area.

Nor are the low capacity districts the only ones facing stress. The Chester-Upland School District, a very high poverty district (78 percent) with sharply declining enrollment (a 9 percent decline between 1996 and 2001) receives enough state and federal aid to be classified as moderate capacity. However, the district is currently facing a multi-million dollar deficit and is contemplating removing 80 teachers, 21 administrators and 100 support personnel from its 10 schools.22
Pittsburgh

Community Classification

Politically, the Pittsburgh region is highly fragmented, far more so than any other Pennsylvania metropolitan area. There are more than 400 communities containing roughly 950,000 households in the Pittsburgh region; by comparison, the Pennsylvania portion of the Philadelphia region has 237 communities with roughly 1.4 million. Political fragmentation to this degree is inevitably associated with increased competition for tax base, duplication of municipal services from city to city, and difficulty in enacting regional reforms.

As in most regions, the central city shows clear signs of stress. School poverty is more than twice the regional average and increasing; population is declining; and the housing stock is the oldest in the region. Although the city’s tax base compares well with many suburban areas, it still lags behind the regional average and was growing more slowly than average in the 1990’s. An important reflection of these disparities is the city’s tax rates. The municipal property tax rate is nearly three times the regional average and the earned income tax, although not as serious a drag on job growth as in Philadelphia, is twice what is seen in the rest of the region.23

But by no means is the city of Pittsburgh the only place that is stressed. Two hundred and ninety-five of the region’s municipalities (72 percent) are categorized as at-risk places. Nearly half of the region’s residents—and over half of the suburban residents—live in these at-risk communities. There are 43 at-risk, segregated places, more than in any other Pennsylvania region (Philadelphia has 29). Home to 14 percent of the region’s households, these places are losing population and have school poverty nearly as high as Pittsburgh’s but command tax resources barely one-half the regional average. And they are falling further behind—their tax bases grew much less the region as a whole and poverty increased in the 1990’s. Many of these segregated suburbs are clustered to the east and south of the city of Pittsburgh. The category includes places like New Kensington, Penn Hills, Duquesne, White Oak and Redstone.

Another 15 percent of the region’s households reside in 129 older at-risk suburbs—places with fewer social problems than the central city or segregated suburbs but with only two-thirds the tax resources of the region as a whole. These places are also losing population and have housing stocks nearly as old as Pittsburgh’s. A number of them are clustered along the Ohio River northwest of the city of Pittsburgh. Others can be found scattered throughout the region in places like Cherry Valley, Burgettstown, Centerville and Scottsdale.

A group of low-density suburbs on the fringes of the region also show clear signs of stress. Home to nearly a fifth of the region’s households, they command tax bases just 77 percent of the regional average but must cope with school poverty 8 points above the average.

The Pittsburgh region has 103 bedroom-developing communities, where one-third of the region’s households are located. These places look a lot like the region’s 10 affluent job centers, except that their tax capacities aren’t quite as high as those of the job centers. Growth rates are markedly different between the two kinds of places; bedroom-developing communities grew by 5 percent between 1993 and 1999 while the affluent job centers grew by 35 percent (though only 2 percent of the region currently lives there). The majority of the bedroom-developing places like Shaler, Monroeville, Jefferson, and Robinson form a ring around the city of Pittsburgh. Although possessing relatively strong tax bases, these places must accommodate the majority of the growth that is occurring. The affluent job centers are primarily located in the northern parts of the
PITTSBURGH REGION:
Community Classification

Legend
- At Risk, Segregated (43)
- At Risk, Older (129)
- At Risk, Lower Density (123)
- Bedroom-Developing (103)
- Affluent Job Center (10)
- Central City (1)
- No data (3)

Note: Municipalities with "No data" had insufficient data.

Data Source: Metropolitan Area Research Corporation.
region in places like Slippery Rock, Center and Marshall.

**Social Separation and Sprawl**

Despite the fact that it has had the slowest growth of any large metropolitan area in the country for an extended period of time, the Pittsburgh region continues to consume more land. Population retrenches while the urbanized land area is growing with the result that the region has more area to support with limited resources to pay for the necessary roads, sewers and schools. Congestion on the highways and longer commute times for suburban residents are a common outcome of this pattern of sprawl, along with intense competition among municipalities for new commercial development and its tax base.

Between 1970 and 1990 population in the urbanized portion of the region declined by 9 percent, yet the urbanized land area grew by 30 percent. This pattern continued in the 1990’s. Although population in the region as a whole declined by 1.5 percent, large tracts in the outermost parts of the region—areas that, for the most part, did not qualify as “urbanized” in 1990—showed significant population growth. Butler County, the northern-most county in the metro, experienced the greatest population growth, 15 percent, and was one of only two counties in the metropolitan area to gain population at all. Cranberry Township more than doubled in population, adding nearly 9,000 new residents, and adjacent Adams Township grew by 75 percent, adding almost 3,000 people. Even in fast-growing Butler County, however, older cities tended to lose population. The city of Butler lost 4 percent of its citizens, and surrounding Butler Township lost 3 percent.

The other growing county was Fayette, the southern-most county in the region, which grew by 2 percent. Growth was concentrated in the southeastern corner of the county. In Westmoreland County, big increases in places like Penn Township, Murrysville and Youngwood were offset by significant population declines in outlying townships and boroughs on its northeastern edge and in and around Hempfield. Washington and Beaver Counties lost people during the decade. Aliquippa, Baden and Harmony Township, in Beaver County, each lost population at a rate of 10 percent or more during the decade.

The city of Pittsburgh lost 10 percent of its population, or 35,000 people, during the 1990s. However, many suburban areas—73 municipalities—experienced even greater rates of population loss than Pittsburgh proper. These places, which collectively lost over 23,000 people in the 1990s, included many of the at-risk suburbs of Allegheny County. South Versailles Township and the borough of Braddock suffered some of the most dramatic losses, each suffering population declines of over 30 percent. Other Allegheny places suffering significant population declines in the 1990s included Clairton, which shrunk by 12 percent, and Duquesne, which lost 14 percent of its residents. Although the western portion of the county showed significant pockets of growth, Allegheny County lost 4 percent of its population overall during the decade, or 55,000 people.

One result of the region’s slow growth is an aging population. Nearly 18 percent of the region’s population was 65 years old or older in 2000—second only to Scranton among the eight regions included in this study. The core of the region—Pittsburgh and many of its at-risk neighbors—shows consistently greater-than-average shares. In addition, many at-risk, low density suburbs in Fayette, Westmoreland, Beaver and Washington Counties show relatively high percentages.

Growth patterns in metropolitan Pittsburgh have created great extremes in wealth among places. The problems resulting from concentrated poverty—everything from high crime to poor health—dramatically limit the opportunities of residents, discourage investment in neighborhoods, and place a
PITTSBURGH REGION:
Change in Urbanized Area, 1970-1990

Population Density in Urbanized Area
(per square mile)

<table>
<thead>
<tr>
<th></th>
<th>1970</th>
<th>1990</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pittsburgh</td>
<td>3,095.0</td>
<td>2,157.5</td>
<td>-30.3%</td>
</tr>
<tr>
<td>Monessen</td>
<td>-</td>
<td>1,414.6</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: The Monessen urbanized area did not exist in 1970.

Legend
- Urbanized Area in both 1970 and 1990.
- Growth:
  - Change from non-urbanized area in 1970 to urbanized area in 1990.

Data Source: U.S. Census Bureau.
burden on city resources. Patterns of income segregation in Pittsburgh-area schools reflect broader community trends: schools with a high percentage of students eligible for free and reduced-price lunches are disproportionately located in the city of Pittsburgh, many inner-suburban schools in at-risk communities immediately surrounding the city, and in outlying exurban districts in at-risk communities throughout Fayette County and in and around Beaver County.

Schools with the lowest shares of poor students are concentrated in the bedroom developing and affluent communities northwest, southwest and east of Pittsburgh—in and around the North Allegheny district, in an area centered in the Peters, Upper St. Clair and Bethel Park districts and in an area centered on the Franklin Regional district.

The public schools in Pittsburgh have become so stressed that three Pittsburgh area foundations have suspended their support of the schools due to the “sharp decline of governance, leadership and fiscal discipline” in the district.24 The foundations’ announcement in July 2002 sent a clear message of the public’s growing loss of confidence in the public schools.

Changes in the social make-up of elementary schools provide an early warning signal for the community as a whole. As schools grow poor, whole communities may follow. In the late 1990s, poverty rates in the region as a whole actually dropped slightly—1 percent. However, many Pittsburgh schools, as well as those in nearby boroughs and cities, saw significant increases in poverty in this period, as did schools in outlying areas of the south metro.

Patterns of racial segregation in Pittsburgh-area schools were even more striking than patterns of income segregation. Minority students in the region are highly concentrated in schools in Pittsburgh and nearby, older suburbs. In fact, 79 percent of the region’s minority students attend school in Allegheny County. (Non-Asian minorities in Pittsburgh are almost all black—Hispanics and American Indian students together comprise less than 1 percent of the region’s elementary enrollment.)

Increasingly, minority students are not segregated solely in the central city, but in older suburban communities as well. In fact, three districts in the region actually have higher shares of minority students than Pittsburgh: Wilkinsburg Borough and Duquesne City, 98 percent and 92 percent, both in Allegheny County, and Aliquippa, 70 percent, located in Butler County. Pittsburgh’s minority enrollment is 62 percent. The Clairton City and Woodland Hills districts, both in Allegheny County, have similar rates, 57 percent and 56 percent, respectively.

There are 19 schools with minority enrollments of 90 percent or higher (schools which also have an average free and reduced-price lunch eligibility rate of 83 percent) in a region where the overall minority enrollment is only 15 percent. There are 281 schools with minority enrollments of 5 percent or less (with an average free and reduced-priced lunch eligibility rate of 22 percent).

The region, which like many other parts of Pennsylvania has seen relatively little immigration in recent years, did not become much more racially diverse in the late 1990s. (Immigrants have been responsible for stemming population decline in many of the nation’s central cities.)25 Minority enrollment grew only 1 percent in the region’s elementary schools between 1996 and 2001.

However, the Allegheny County districts of Woodland Hills and Penn Hills, and the Washington district in Washington County all saw increases of 12 point to 14 points. The Clairton City and South Fayette Township districts, both in Allegheny County, saw the biggest drops, 4 percent for each.
PITTSBURGH REGION:
Percentage of Elementary Students Eligible for Free and Reduced Lunch by School, 2001

Legend
Regional Value: 35.5%
- 0.7 to 4.9% (23)
- 5.6 to 18.0% (81)
- 19.4 to 35.3% (90)
- 35.5 to 54.2% (78)
- 55.4 to 82.1% (74)
- 83.6% or more (23)
- No data (17)

Note: Schools with "No data" either had fewer than 50 students or did not have free and reduced lunch data available for 2001.

Data Source: Pennsylvania Department of Education.
PITTSBURGH REGION:
Change in Percentage Points of Elementary Students Eligible for Free and Reduced Lunch by School, 1996-2001

Legend
Regional Value: -1.0
-32.0 to -12.8  (17)
-11.3 to -4.9   (74)
-4.7 to -1.1    (78)
-1.0 to 3.2     (93)
3.5 to 12.4     (66)
13.4 or more    (25)
No data         (33)

Note: Schools with "No data" either did not exist in 1996, did not have free and reduced lunch data available for 1996 or 2001, or had fewer than 50 students in 1996 or 2001.

Data Source: Pennsylvania Department of Education.
PITTSBURGH REGION:
Percentage of Non-Asian Minority Elementary Students by School, 2001

Legend
Regional Value: 15.3%

- 0.0 to 4.4% (218)
- 4.7 to 8.2% (30)
- 8.8 to 14.3% (28)
- 15.3 to 47.8% (54)
- 51.3 to 69.6% (23)
- 76.3% or more (24)
- No data (9)

Note: Schools with “No data” either had fewer than 50 students or did not have racial data available for 2001.
As in most places, the link between poverty and race in the Pittsburgh region is very strong. In 2001, minority students were 14 times more likely than white students to attend a high-poverty school—71 percent of the region’s non-Asian minority students attended one of them, compared with just 5 percent of white students.

**Municipal Tax Capacities**

The Pittsburgh area shows the greatest interlocal disparities in tax bases among the eight regions. In 1999, the tax capacity per household in the 95th percentile municipality was nearly 5 times greater than the capacity of the 5th percentile place. Put another way, for all residents of the region to receive equal levels of public services (as measured by tax revenues), municipalities with the lowest tax bases would have to tax residents at 5 times the rate of those with the highest tax bases—an unlikely proposition.

In spite of this, the City of Pittsburgh compares relatively well with the rest of the region—better than any of the other central cities in this study. For instance, in the other seven metropolitan areas included in this report, the property tax base per household in the central cities is just 46 percent to 66 percent of the regional average. In Pittsburgh, the ratio is 90 percent.

One possible reason for this is the City’s willingness to innovate. Pittsburgh was one of the first cities in Pennsylvania to adopt a “split-rate” tax, which lowers taxes on buildings and raises the tax on land values. Pittsburgh and Scranton implemented the policy in 1913 to encourage renovations to buildings and discourage land speculation. Today 15 Pennsylvania cities rely on split-rate taxes. By shifting the tax burden from improvements to the land itself, the split-rate tax encourages more intensive use of land and discourages land speculation or abandonment—there is evidence that the tax has had positive economic outcomes.

However, the City’s relatively strong fiscal position is accompanied by very wide disparities in the suburbs. On the one hand, the at-risk segregated communities have property tax bases just 54 percent of the regional average and at-risk older places have just 64 percent of the regional average. On the other hand, the region’s bedroom-developing places have property tax bases 1.5 higher than the regional average, and the property tax bases in affluent places are double the regional average.

**School District Capacities and Costs**

The classification of school districts by capacity and costs shows that a very significant proportion of students in the Pittsburgh region attend schools in districts exhibiting fiscal stress of some sort. (See the discussion in the Philadelphia section for a description of how school districts were grouped.) Nearly one-half of students in the region are in school districts with high costs and only low or moderate capacities. Another third attend schools in districts grappling with either high costs or low revenue capacity.

Particularly noteworthy is the finding that many of the most stressed districts—low capacity, high cost—serve communities in the large bedroom-developing category. Based on municipal resources alone, these places look relatively comfortable with local tax bases more than 40 percent greater than the regional average. However, many of the school districts serving these places look much less secure. For instance, the Penn-Trafford, Greensburg-Salem, Kiski Area, Deer Lakes, Pine-Richland and Mars Area School Districts each serve bedroom-developing and affluent municipalities but fall into the high-stress school district category. Similarly, a large number of districts serving at-risk, low-density communities on the fringes of the region show low capacities and high costs. Clearly, many of the region’s growing “middle class” suburbs are not immune from fiscal stress.
PITTSBURGH REGION:
Tax Capacity per Household by Municipality, 1999

Legend
Regional Value: $403

- $106 to $196 (54)
- $200 to $302 (141)
- $310 to $352 (48)
- $356 to $402 (47)
- $403 to $664 (82)
- $697 or more (32)
- No data (8)

Data Sources: Pennsylvania State Equalization Board; Pennsylvania Department of Community and Economic Development; MARC.

Note: Municipalities with "No data" either did not have income tax data or had fewer than 50 households in 1999.
PITTSBURGH REGION:
Percentage Change in Tax Capacity per Household
by Municipality, 1993-1999

Legend
Regional Value: 10.3%
-46.7 to -5.4% (39)
-4.6 to 5.1% (94)
5.4 to 10.2% (58)
10.3 to 19.1% (116)
19.7 to 51.6% (87)
56.2% or more (12)
No data (6)

Data Sources: Pennsylvania State Equalization Board; Pennsylvania Department of Community and Economic Development; MARC.

Note: Municipalities with "No data" either did not have income tax data available or had fewer than 50 households in 1993 or 1999.
PITTSBURGH REGION:
Property Tax Base per Household by Municipality, 1999

Legend
Regional Value: $70,065

- $15,749 to $29,423 (56)
- $30,053 to $40,228 (77)
- $40,760 to $61,117 (107)
- $61,789 to $69,942 (44)
- $70,064 to $129,779 (93)
- $135,173 or more (28)

No data (7)

Note: Municipalities with “No data” either did not have property tax data available or had fewer than 50 households in 1999.

Data Sources: Pennsylvania State Equalization Board; MARC.
PITTSBURGH REGION:
Percentage Change in Property Tax Base per Household by Municipality, 1993-1999

Legend

Regional Value: 11.0%

-43.6 to 0.0% (68)
0.7 to 6.2% (65)
6.6 to 10.8% (60)
11.0 to 15.2% (64)
15.6 to 27.1% (102)
27.7% or more (46)
No data (7)

Note: Municipalities with "No data" either did not have property tax data available or had fewer than 50 households in 1993 or 1999.

Data Sources: Pennsylvania State Equalization Board; MARC.
Allentown-Bethlehem

Community Classification

The Allentown region—Pennsylvania’s third largest metropolitan area after Philadelphia and Pittsburgh—has three central cities: Allentown, Bethlehem and Easton, places struggling with high levels of poverty and meager fiscal resources. There are two at-risk segregated communities in the region: Freemansburg and Fountain Hill. These at-risk segregated places actually have greater concentrations of poor and non-Asian minority students than the central cities. The region has 28 at-risk, older places such as Summit Hill, Jim Thorpe, Catasauqua, Northampton, Nazareth and Bangor. These places have higher than average costs due to growing social needs and aging infrastructure, and slower than average population growth. At-risk lower-density places include Lehigh, Franklin and Lower Mount Bethel, and eight other communities that are characterized by higher than average poverty and slower than average population growth.

Bedroom-developing communities comprise the largest segment of the region—37 communities fall into this classification, and 42 percent of the region’s households live in them. These places have the lowest rates of school poverty of all the communities in the area. The four affluent job centers in greater Allentown—Penn Forest, Upper Macungie, Hanover and Forks—have only 5 percent of the region’s households, but their property tax capacity is far beyond that of any of the other community types.

Social Separation and Sprawl

The Allentown region has suffered from the effects of deindustrialization (and attendant job losses), but in recent years has developed a more diverse economy. Its population has also become more diverse. In fact, supported by a growing Hispanic community, the city of Allentown was the only one of Pennsylvania’s cities with population of 100,000 or more to gain people during the 1990s, although its rate of growth, 1.5 percent, was quite modest. The region as a whole grew by 7 percent. People are using more space, too; population density in urbanized areas of the region dropped 22 percent from 1970 to 1990, and the outward movement of population continued in the subsequent decade.

Seniors are found across the area, though Carbon County has relatively high concentrations of people age 65 and older.

Schools play a critical role in the patterns of social separation because they are a key factor in homebuying decisions. Struggling schools are a warning sign of imminent decline in a municipality’s fortunes.

The cities of Allentown and Bethlehem were home to the seven schools with the highest concentrations of students in poverty in 2001, schools where at least 79 percent of the students were eligible for free or reduced lunch. A handful of the poorest schools got rapidly poorer in Allentown and Bethlehem in the preceding years. Additionally, some of the schools that changed the fastest are in Panther Valley and the Easton Area districts, where rates of school poverty in 2001 were moderate but not severe.

School poverty is highest in the at-risk, segregated communities, where rates of school poverty and percentage of non-Asian minority students are at least 10 percentage points higher than the central cities.

Municipal Tax Capacities

Property tax bases are high and getting higher in a few places, such as Lower Nazareth, Upper Saucon, Plainfield and North Whitehall. Older cities do not have the same level of tax base, nor are they seeing growth in their property tax base, which over time hobbles their ability to provide adequate services to residents. The core cities of Allentown, Bethlehem and
ALLENTOWN REGION:
Change in Urbanized Area, 1970-1990

Population Density
in the Allentown-Bethlehem-Easton
Urbanized Area (per square mile)

<table>
<thead>
<tr>
<th>Year</th>
<th>Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>3,690.5</td>
</tr>
<tr>
<td>1990</td>
<td>2,888.4</td>
</tr>
<tr>
<td>% Change</td>
<td>-21.7%</td>
</tr>
</tbody>
</table>

Legend
- Urbanized Area in both 1970 and 1990.
- Growth: Change from non-urbanized area in 1970 to urbanized area in 1990.
- Reduction: Change from urbanized area in 1970 to non-urbanized area in 1990.

Data Source: U.S. Census Bureau.
ALLENTOWN REGION: Percentage of Elementary Students Eligible for Free and Reduced Lunch by School, 2001

Legend
Regional Value: 30.2%

- 1.9 to 11.8% (32)
- 14.0 to 22.8% (15)
- 24.8 to 29.9% (9)
- 30.2 to 57.9% (14)
- 62.9 to 74.1% (8)
- 79.0% or more (7)

Data Source: Pennsylvania Department of Education.
ALLENTOWN REGION:
Change in Percentage Points of Elementary Students Eligible for Free and Reduced Lunch by School, 1996-2001

Legend
Regional Value: 2.7

-14.2 to -5.5 (10)
-4.6 to -1.2 (22)
-0.7 to 2.5 (24)
2.7 to 4.3 (7)
4.9 to 7.5 (13)
9.3 or more (9)

Data Source: Pennsylvania Department of Education.
ALLENTOWN REGION:
Change in Percentage Points of Non-Asian Minority Elementary Students by School, 1996-2001

**Legend**
Regional Value: 4.9
-3.6 to -0.8 (8)
-0.5 to 0.8 (22)
1.0 to 3.3 (24)
3.8 to 4.8 (6)
4.9 to 15.4 (20)
21.0 or more (5)

Data Source: Pennsylvania Data Services Department.
Easton all fall into this category, as do East Side, Bowmanstown and Nazareth.

From 1993 to 1999, the relative fiscal inequality in property tax capacity across the Allentown region improved, though it remained more stratified than all other Pennsylvania metros except Pittsburgh. In 1999, if all of the municipalities in the region had levied the same property and earned income tax rates, the revenues coming to the 95th percentile municipality (the place with total revenue greater than 95 percent of municipalities) would have been 5 times the revenue of the 5th percentile municipality. Municipalities with the lowest tax bases would have to tax residents at 5 times the rate of those with the highest tax bases in order for all residents of the region to receive equal levels of public services. But this is actually an improvement, considering that in 1993 the wealthiest communities generated nearly 6 times the revenue of the poorest places.

While property tax base disparities are narrowing slightly, income tax base disparities in the region are increasing. In 1993 the income tax capacity of the 95th percentile municipality was 2.7 times greater than the 5th percentile municipality, but that measure had edged up to 3.5 by 1999. When both property tax and income tax capacities are combined for total tax capacity, it is revealed that as a region, Allentown has the second highest fiscal inequality figure (again, after Pittsburgh). The overall tax capacity of the 95th percentile municipality is 3.7 times that of the 5th percentile municipality, resulting in a great gap in the level of services the wealthiest and poorest communities can provide.

A handful of municipalities are being left behind even as overall tax base disparities in the region even out. Jim Thorpe and East Side in particular have low tax capacities that are declining at a rapid rate. Places with the greatest tax capacity that are also gaining in tax capacity are Lower Nazareth, Upper Saucon, Bushkill, Weisenberg and Lowhill.

School District Capacities and Costs

Like municipalities, area school districts face wide variations in their abilities to raise revenues. They also have widely varying public service needs. Classified as low capacity and high cost school districts, the Allentown and Northern Lehigh districts face the burdens of high levels of school poverty with revenue capacity per pupil that is lower than the regional average. A situation like this leaves these districts ill-equipped to provide the educational services families desire.

The Allentown region has two high-capacity, low-cost school districts, which largely serve bedroom-developing communities. These places have higher than average tax capacity, lower than average rates of school poverty and moderate enrollment growth. The low levels of social stress on such school districts make it possible for the districts to offer their schools more than their neighbors.

The majority of districts in the Allentown region lie in between these two extremes; they face varying degrees of public service costs and fiscal capacity. The Jim Thorpe Area, Parkland and Nazareth Area school districts are seeing high percentages of new children coming into their districts; all experienced growth rates of 30 percent or above from 1990 to 2000. The influx of new students puts pressure on the school districts as their rosters swell; this is reflected in Jim Thorpe Area and Parkland school districts, which are classified as high capacity, high cost school districts. Relatively low levels of school poverty stabilize the Nazareth Area school district.
ALLENTOWN REGION:
Property Tax Base per Household by Municipality, 1999

Legend
Regional Value: $95,614

- $25,717 to $54,200 (12)
- $57,279 to $80,466 (28)
- $83,469 to $95,262 (11)
- $95,614 to $115,756 (10)
- $122,506 to $147,460 (17)
- $160,741 or more (7)

Data Sources: Pennsylvania State Tax Equalization Board; MARC.
ALLENTOWN REGION: Percentage Change in Property Tax Base per Household by Municipality, 1993-1999

Legend
Regional Value: 2.2%
-39.5 to -10.8% (7)
-9.0 to -2.0% (25)
-1.2 to 2.1% (11)
2.2 to 7.3% (12)
8.7 to 15.8% (18)
18.7% or more (12)

Data Sources: Pennsylvania State Tax Equalization Board; MARC.
ALLENTOWN REGION:
School District Classification

Legend

- Low Capacity - High Cost (2)
- Moderate Capacity - High Cost (3)
- High Capacity - High Cost (6)
- Low Capacity - Low Cost (3)
- Moderate Capacity - Low Cost (6)
- High Capacity - Low Cost (2)

*High Cost*: a district with more than 33.8% of students eligible for the free and reduced lunch program or where enrollments grew or declined by more than 10.0% from 1996 to 2001.

*Low Capacity*: revenue capacity per pupil less than 95.0% of the regional average.

*Moderate Capacity*: revenue capacity per pupil within 5.0% of the regional average.

*High Capacity*: revenue capacity per pupil more than 105.0% of the regional average.

Data Source: Metropolitan Area Research Corporation.
Harrisburg

Community Classification

Harrisburg is the only central city in this region, which consists of Cumberland, Dauphin, Lebanon and Perry counties. Five places in the region are categorized as at-risk segregated communities: Steelton, Annville, Highspire, Lebanon and West Lebanon. Tax capacity is very low, municipal costs are high, and minority children are highly concentrated in the schools of these districts. The region has 39 at-risk, older places, including Carlisle, Mechanicsburg, Shippensburg, Millcreek and West Cornwall. Eighteen percent of the region’s households live in these at-risk, older communities where tax capacity is low and population growth is stagnant. The Harrisburg region also has 10 at-risk, lower density places, many of which are clustered across the northern part of the Harrisburg region, including Juniata, Oliver, Howe, Buffalo and Williams.

Bedroom-developing communities comprise the largest segment of the region; fully 58 percent of households in the region live in the 65 such communities. These places have the lowest rates of school poverty of all the communities in the region, some of the youngest housing stock, and moderate 8 percent growth in new households. The seven affluent job centers in the Harrisburg area are all found along the outer edge of the region. Jefferson, Northeast Madison, Southampton, and both North and South Londonderry are included in this group. These high-capacity, low-poverty communities comprise just 3 percent of the region’s households.

Social Separation and Sprawl

As the state capital, the Harrisburg area has certain advantages—namely a healthy supply of government, legal, lobbyist and state agency jobs. Its “capital city” status also helps Harrisburg attract a certain amount of tourism dollars. As a result, the Harrisburg metropolitan area grew by 7 percent from 1990 to 2000, to arrive at a population of 629,400 in 2000. The urbanized area of the city of Harrisburg grew substantially from 1970 to 1990, pushing the boundaries of the urbanized area in nearly all directions, with a particularly large area of new urbanization in Derry, located to the east of Harrisburg.

Overall, the greatest boom in population from 1990 to 2000 occurred west of the Susquehanna River in Perry and Cumberland counties. But the growth in number of school-age children is spread across the region a little bit differently, with large increases in Cumberland County but not in Perry. Southern Dauphin and Lebanon counties also saw increases in number of school-age children 10 percent and higher from 1990 to 2000.

Seniors are fairly well dispersed across the region; in most municipalities the share of the population over the age of 65 hovers between 10 and 20 percent.

School poverty is highest in the core city of Harrisburg, where the rate of eligibility for free and reduced lunch is at least 74 percent at every school. One Lebanon County school has a comparable school poverty rate (84 percent) but most of the other schools in the region have school poverty rates below 50 percent. Cumberland Valley, Central Dauphin, and Derry Township have notably low levels of school poverty, although they have been seeing rising levels of school poverty over time. Harrisburg saw a decrease in student poverty in many of its schools from 1996 to 2001.

The school district classification map brings more information to the table. While Derry Township schools have low school poverty, they also have relatively few fiscal resources, and so the district is considered low capacity and low cost. Some of the school districts with the lowest school poverty also some of the deepest fiscal resources to draw from, which places the districts in an enviable position. Cumberland
Valley and Central Dauphin school districts, which basically surround Harrisburg on the east and west, are high capacity, low cost districts.

The largest group of school districts—11 of them—falls into the moderate capacity/high cost category. Harrisburg is included in this category, as are many suburban districts similarly struggling with the high costs of school poverty and rapid increases or declines in enrollments.

**Municipal Tax Capacities**

There are significant differences in the abilities of municipalities to raise revenues as well. In 1999, if all of the municipalities in the region had levied the same property and earned income tax rates, the revenues coming to the 95th percentile municipality (the place with total revenue greater than 95 percent of municipalities) would have been 3.6 times the revenue of the 5th percentile municipality. Municipalities with the lowest tax bases would have to tax residents at 3.6 times the rate of those with the highest tax bases in order for all residents of the region to receive equal levels of public services. This is a slight improvement from 1993, when the differential was 3.8.

Property tax base is strongest (and growing) in places like Heidelberg and Reed. Other places gaining in property tax base include Dickinson, Greenwood, and Upper Allen—all bedroom-developing communities.

Changes in income tax capacity during the 1990s are more notable than the changes in property tax capacity in the Harrisburg area. In 1993 the 95th percentile municipality had 2.3 times the income tax capacity of the 5th percentile municipality; just 6 years later, that figure had jumped to 3.5.

In terms of overall tax capacity, Harrisburg is roughly in the middle of the Pennsylvania regions, given that the 95th percentile places have just over 3 times the capacity of the 5th percentile places. Total tax capacity per household is highest in the bedroom-developing communities, where the tax capacity is 116 percent of the regional average. Somewhat surprisingly, Harrisburg’s bedroom-developing suburbs are outpacing even the seven affluent job centers in the four-county region, a pattern not seen in any other Pennsylvania metro.