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The State of Aging in Allegheny County: Retirement Confidence

■ *By Don Musa*

In early 2014, the University Center for Social and Urban Research will conduct a representative survey of older adults in Allegheny County and an analysis of secondary data to produce a comprehensive report on Allegheny County’s elderly population. This UCSUR report will characterize Allegheny County’s older residents, examine issues related to aging, and update results from UCSUR’s 2003 report, *The State of Aging and Health in Allegheny County*.

A pilot survey for this study was carried out in August 2013 and asked questions about, among other topics, the confidence that older workers and retirees in Allegheny County feel in their ability to afford a comfortable retirement. These questions parallel those asked in the 2013 Retirement Confidence Survey (RCS), a nationally representative survey of workers and retirees conducted annually since 1991 by the Employee Benefit Research

Institute. Comparing the results of these two surveys suggests that older adults here are more confident in having a comfortable retirement than older adults in the nation as a whole.

The UCSUR pilot study of 235 Allegheny County adults age 55 and older selected participants from the UCSUR Research Registry, a panel of individuals who have given their permission to be contacted for future survey research studies. The registry is comprised of respondents from previous UCSUR random sample surveys of Allegheny County and the Pittsburgh region who indicated a willingness to be approached for future surveys. The 235 pilot study participants are reasonably representative of the Allegheny County population as a whole in terms of their basic socio-demographic characteristics. While caution should be exercised in drawing final conclusions, the data show interesting issues that

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Profile of Veterans in the Pittsburgh Region

■ *By Christopher Briem*

How many veterans are there in Pittsburgh? The American Community Survey (ACS) estimates that just over 190,000 veterans reside in the Pittsburgh Metropolitan Statistical Area (MSA), comprised of Allegheny, Armstrong, Beaver, Butler, Fayette, Washington and Westmoreland counties. This represents 10 percent of the MSA’s civilian population age 18 and over.

The ACS is an ongoing national survey conducted by the Census Bureau that samples a small percentage of the national population every year. Data collected as part of the ACS is self-reported by survey respondents. Census data define a civilian veteran as someone age 18 and older who is not currently on active duty, but who once served on active

duty in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or who served in the Merchant Marine during World War II. The data here is from the 2012 ACS one-year estimates released in September 2013. (See PEQ, March 2011, “The Impact of Veterans Returning to the Pittsburgh Region.”)

The proportion of veterans in the population increases dramatically by age. In the Pittsburgh region, just over 2 percent of the civilian population age 18-34 are veterans, compared to 27.4 percent of the population age 75 and over. This is similar to national patterns, although in the local population, there are slightly more older veterans and fewer younger veterans. The lower proportion of veterans among

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The State of Aging in Allegheny County

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the 2014 comprehensive survey will address in greater depth.

Using a classification scheme similar to that of the RCS, the pilot survey found that of the 235 Allegheny County survey respondents age 55 or older, 27 percent, or 64 respondents, were classified as workers while almost three quarters of the respondents (73 percent) were fully or partially retired.

Two questions addressed the financial aspects of retirement confidence for both workers and retirees: How confident are you that...

1. You will have enough money to take care of your basic expenses during your retirement? and
2. You will have enough money to live comfortably throughout your retirement years?

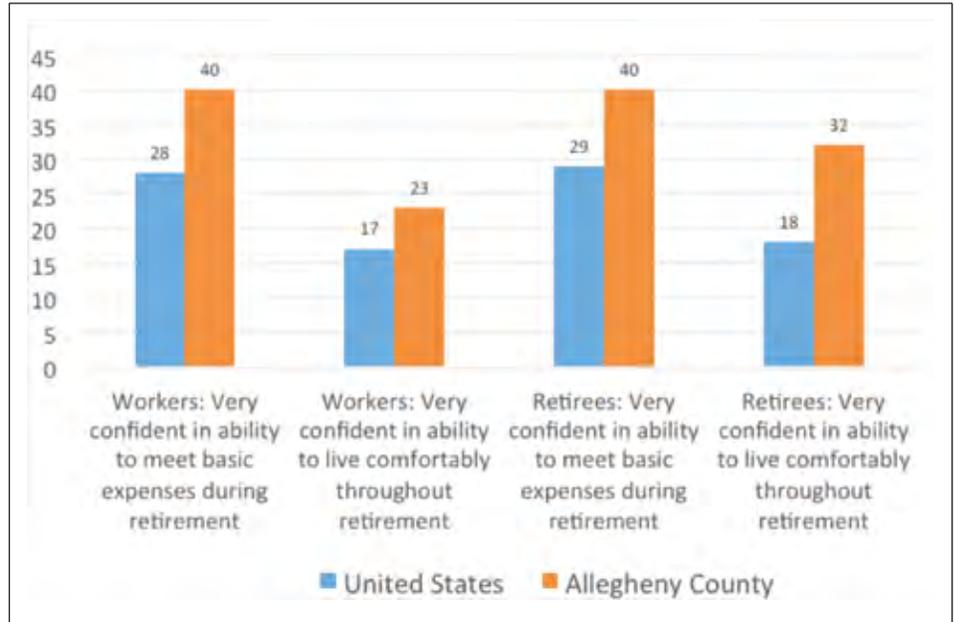
Comparing UCSUR Pilot Study of Allegheny County survey results to national RCS results shows that both older workers and retirees in Allegheny County consistently view their financial futures more confidently than their counterparts nationally.

For Allegheny County survey respondents classified as workers, 40 percent reported that they were very confident in their ability to take care of their basic expenses during their retirement, compared to 28 percent of older workers nationally. Similarly, 23 percent of older Allegheny County workers were very confident in their ability to live comfortably throughout their retirement versus 17 percent nationally.

Among retirees, 40 percent in Allegheny County were very confident in being able to meet their basic expenses, a higher share than 29 percent of retirees nationally.

Thirty-two percent of Allegheny County retirees were very confident in being able to live comfortably throughout retirement, well above the national figure of 18 percent

Figure 1: Percentage of Workers and Retirees Very Confident in Financial Aspects of Retirement United States and Allegheny County



Sources: 2013 Retirement Confidence Survey and UCSUR Pilot Study of Allegheny County

(see Figure 1).

Level of debt, an important factor in retirement confidence, is also less of a problem for older workers and retirees in Allegheny County compared to national results from the RCS. Local debt levels have also improved from five years ago.

Two survey questions addressed this issue:

1. Thinking about your current financial situation, how would you describe your level of debt, as a major problem, a minor problem, or not a problem? and
2. Compared with five years ago, would you say your current level of debt is higher, lower, or about the same?

Among older workers, 56 percent of pilot study respondents in Allegheny County reported that debt was not a problem compared to 47 percent nationally. With regard to change in level of debt from five years ago, current debt levels were lower for 53 percent of Allegheny County older workers compared to 35 percent nationally.

Among retirees, current debt was not a problem for 63 percent in Allegheny County versus 61 percent nationally. Current levels of debt, however, were much lower than five years ago for 59 percent of Allegheny County retirees versus 34 percent nationally (see Figure 2).

These findings suggest that economic conditions for older adults locally are better than conditions nationally. These results, however, will need to be confirmed with the larger population-based sample to be conducted in 2014.

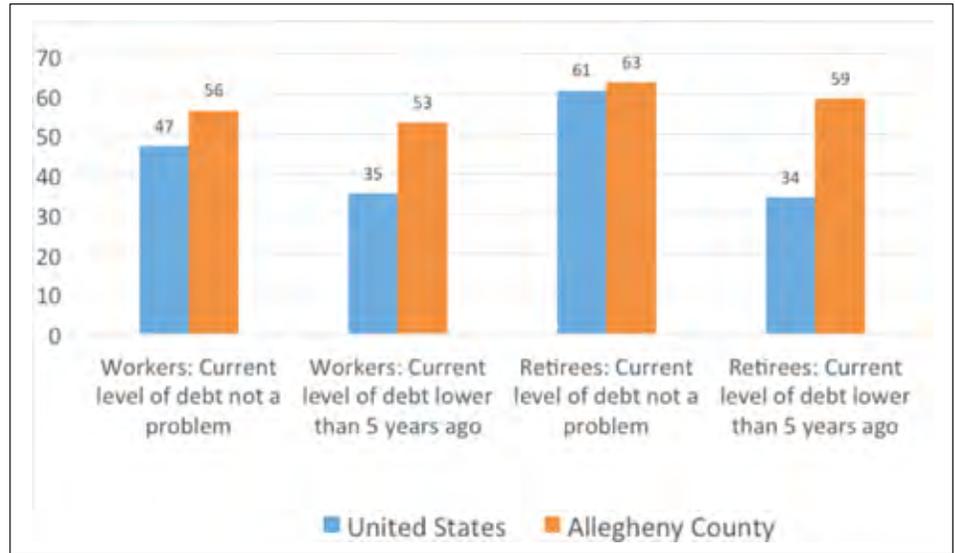
The upcoming UCSUR report on the state of aging in Allegheny County will provide more information about these issues and others relevant to older adults including their health and health care, aging service use and needs, caregiving, volunteering, income and poverty, work and retirement, housing and migration, and well-being and quality of life. The survey of older adults is under development and there is still an opportunity for interested parties to provide input to the

survey content and to support the effort.

Note that all comparative national percentages, with the exception of workers confidence, are for respondents age 50 and older.

For more information, please see Employee Benefit Research Institute, *The 2013 Retirement Confidence Survey: Perceived Savings Needs Outpace Reality for Many*, Issue Brief No. 384, March 2013. A secondary analysis of the RCS survey data for respondents age 50 and older was also reported in AARP, *2013 Retirement Confidence Survey, A Secondary Analysis of the Findings from Respondents Age 50+*. The 2003 UCSUR report, *The State of Aging and Health in Allegheny County* is available at www.ucsur.pitt.edu/files/frp/Schulz%20Elderly%20Presentation%20final.pdf.

Figure 2: Current Debt Level of Workers and Retirees and Debt Level Compared to Five Years Ago United States and Allegheny County



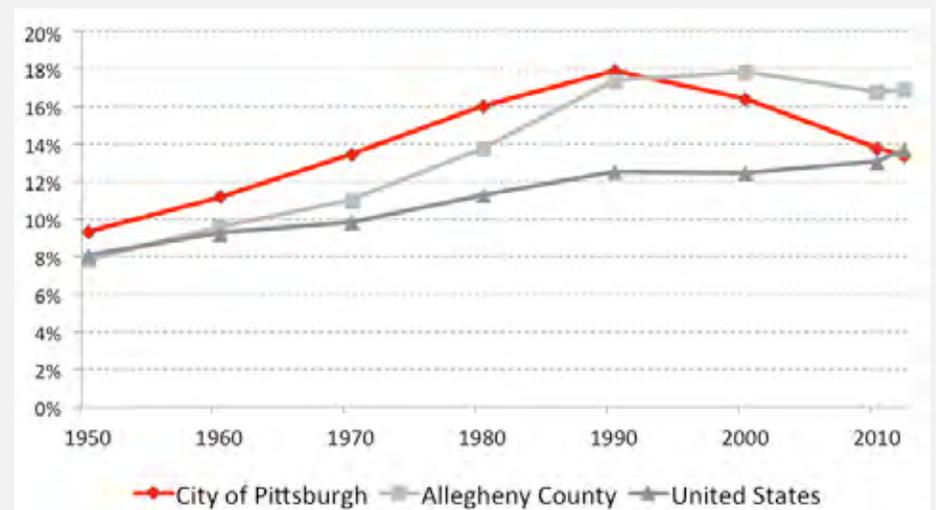
Sources: 2013 Retirement Confidence Survey and UCSUR Pilot Study of Allegheny County

Update on Demographic Trends in the City of Pittsburgh

The September 2011 edition of the *Pittsburgh Economic Quarterly* highlighted changes in the demographic composition of the city of Pittsburgh. One of the most striking demographic shifts was in the share of city of Pittsburgh residents age 65 and older that trended continuously downward since 1990.

We now provide an update of this major demographic shift in Pittsburgh using data from the 2012 American Community Survey (ACS), released in September 2013. The population data for the city of Pittsburgh shows that the share of the city population age 65 and over has continued to drop. In 2012, the proportion of this population in the city of Pittsburgh has fallen to 13.4 percent, now below the comparable national figure of 13.7 percent.

Proportion of Population Age 65 and Over City of Pittsburgh, Allegheny County, and the U.S. 1950 - 2012



Sources: U.S. Census Bureau, *Decennial Census 1950 to 2010*; *American Community Survey, 2012*.

Hilltop Housing Market Analysis

■ *By Bob Gradeck*

UCSUR recently completed an analysis of housing market dynamics in the Hilltop communities in South Pittsburgh for the Hilltop Alliance, an organization dedicated to forging collaboration among neighborhood-based organizations in twelve South Pittsburgh communities (see PEQ, September 2011). This analysis used data available through the Pittsburgh Neighborhood and Community Information System (PNCIS), supplemented by a series of stakeholder interviews.

The analysis was performed to help the Hilltop Alliance and its member organizations better understand the underlying housing market dynamics in the area and inform strategies for improving the attractiveness and livability of South Pittsburgh's neighborhoods. One of the recommended housing strategies for the community is now being developed in Beltzhoover and Allentown by Fourth Economy & Maynes Associates Architects, LLC.

The study area of the report includes Mt. Oliver Borough, along with the city of Pittsburgh neighborhoods of Allentown, Arlington, Arlington Heights, Beltzhoover, Bon Air, Carrick, Knoxville, Mount Oliver, Mount Washington, Southside Slopes, and St. Clair (see Figure 1).

Largely composed of single-family homes, with small neighborhood business districts, many of these South Pittsburgh neighborhoods have seen recent changes in housing market conditions. Some neighborhoods in the area have remained stable and attractive to many new residents, while others have experienced growing levels of blight and abandonment.

The twelve South Pittsburgh neighborhoods covered in the report were home to 38,000 residents in 2010, a drop of 14.6 percent residents from 2000. Over these same years, the population of the city of Pittsburgh fell by 9.4 percent. The largest percentage losses in population in the Hilltop occurred in the St. Clair neighborhood, which lost 86 percent of its population over the decade, largely the result of the closing

and demolition of St. Clair Village, a large public housing community in the neighborhood. Steep population losses also occurred in Beltzhoover and Allentown, which lost 31 percent and 22 percent of their residents, respectively, between 2000 and 2010.

Homeownership is also on the decline in the Hilltop. In 2010, 54 percent of Hilltop households owned their own home, a drop from 61 percent in 2000. Nonetheless, the Hilltop's 2010 homeownership rate was above the city of Pittsburgh's rate of 48 percent.

Hilltop homeowners were, on average, just slightly older than homeowners in Pittsburgh, with 32 percent of Hilltop homeowners age 65 and over compared to 30 percent in the City.

The report examined Allegheny County property transaction and assessment records available through the PNCIS to study what types of buyers are most active in the South Pittsburgh housing market. Traditionally in the Hilltop, most housing sales involved owner-occupants, with a modest number of sales to housing investors. In recent years, however, falling homeownership rates in South Pittsburgh imply that more houses are being purchased for investment purposes rather than owner occupancy.

Approximately half the homes sold in the South Pittsburgh study area since 2008 were purchased by housing investors, with the other half of these properties purchased by a homeowner. Sales between homeowners were most common, accounting for 40 percent of the property sales in this period. Sales between investors accounted for 26 percent of all residential properties sold, with sales from owners to investors representing 23 percent of the market. The remaining eleven percent property sales were transfers from an investor to a homeowner.

A central concern of community organizations, including the Hilltop Alliance, are properties owned by investors who do not effectively manage or maintain the properties in their

portfolio. Data from the PNCIS was used to develop a profile of the investor market and identify the owners and managers with the largest numbers of residential properties.

Analysis of PNCIS's property sales data found that most investors who own properties in South Pittsburgh are not large scale property owners and own only one or a few residential properties in their portfolio. Just one percent of properties in the study area were held by an owner with five or more properties in the South Pittsburgh community.

Although most investors in the twelve communities do not have large portfolios, nine investors had at least 20 properties under management across the study area. Many of these nine large residential property owners or managers have concentrated holdings in just one or two neighborhoods. The practices of these large investors can have a significant impact on parts of a neighborhood. The report contains maps of the portfolios held or managed by the largest owners, counts of properties owned by neighborhood, and listings of the most active sellers and buyers.

Another area of interest to the Hilltop Alliance was the current sales prices of residential units in the neighborhoods. Homes in the Hilltop are largely affordable, selling for less than half the price of the average home in the city of Pittsburgh in recent years. The average price of a Hilltop home in 2012 was approximately \$50,000, compared to \$120,000 in the city of Pittsburgh. The median sales price of a home in most of the Hilltop communities was \$27,000, well below the \$75,000 median sales price in the city of Pittsburgh. Mt. Washington and the South Side Slopes had significantly higher average sales prices of homes than the rest of the Hilltop study area, at \$95,000 and \$75,000, respectively.

Turnover in the housing market is less than what a stable urban housing market would experience in any given year. On average,

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Figure 1: Sales/Mortgage Originations by South Pittsburgh Neighborhoods and the City of Pittsburgh, 2009-2011

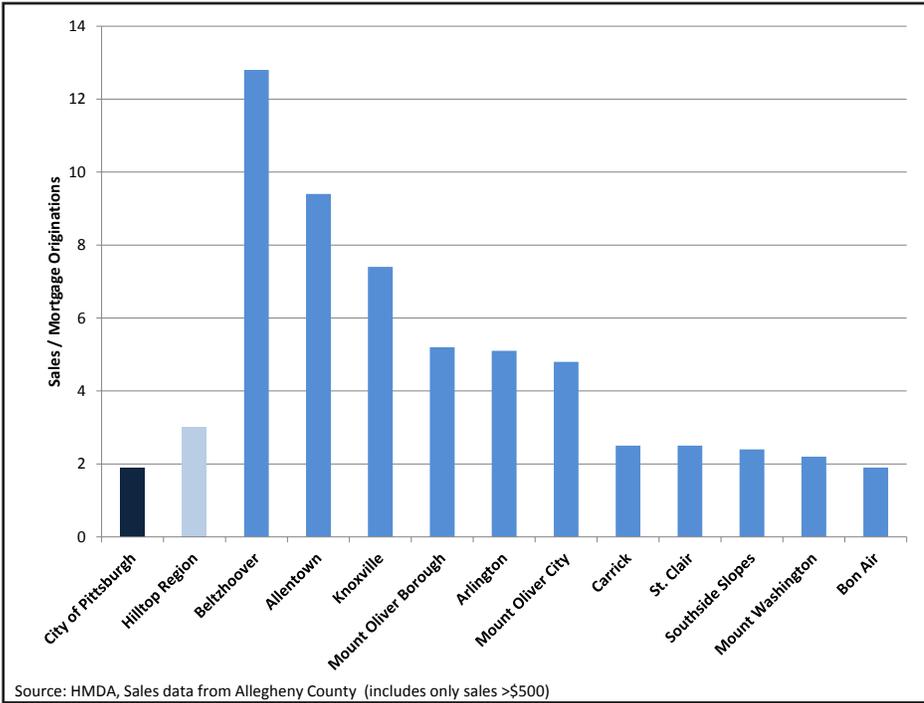
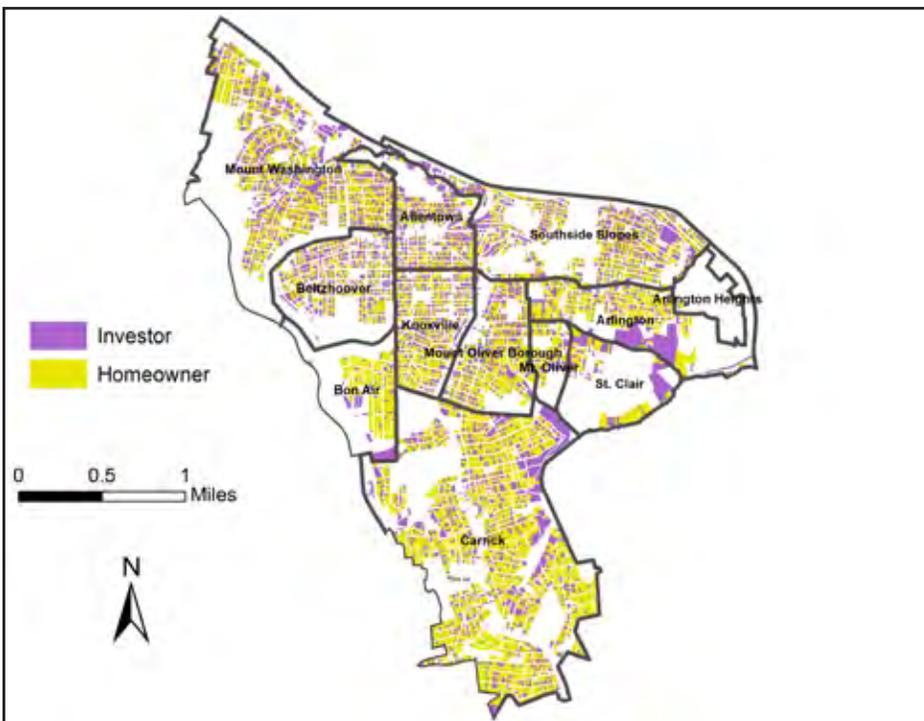


Figure 2: Tenure by Residential Parcel, South Pittsburgh Neighborhoods, October 2012



one in every 24 homes in the Hilltop was sold each year between 2009 and 2011. Housing researcher Alan Mallach suggests that under normal market conditions, communities with a ratio over 15 properties/sales may see low levels of absorption for properties entering the market, a sign of weak demand. This indicator, along with vacancy rates, sales prices, and mortgage originations present a picture of housing demand in South Pittsburgh.

Further investigation into housing transactions found that many houses in the Hilltop are sold as “cash only” deals and do not involve a mortgage. Generally, on average, “cash only” home sales are a sign of high investor activity. In the city of Pittsburgh, for example, just over one in two residential property sales between 2009-2011 were “cash only” sales. In the Hilltop neighborhoods, however, “cash only” represented two of every three home sales in that period (see Figure 2), while mortgage financing represented only one in three home sales. In parts of the Hilltop, mortgage financing is much lower. Knoxville, Allentown, and Beltzhoover saw fewer than one in seven house sales financed using a mortgage in the 2009–2011 period. The low cost of housing in these neighborhoods does not present a barrier to entry for investors. Furthermore, it can put potential homeowners purchasing with mortgages in competition with investors paying with cash. In many cases, home sellers may view a cash transaction as preferable due to the speed of the transaction and risk of appraisals and loan approvals involving a mortgage.

The Hilltop Housing Market Analysis includes a series of maps and over 50 indicators describing the housing market in many of South Pittsburgh’s neighborhoods. It can serve as a template for communities looking to use the PNCIS to evaluate their housing markets in other parts of Allegheny County. The report also contains a summary of stakeholder interviews. The report is available at www.ucsur.pitt.edu/files/nrep/2013/Hilltop%20Report%20Final%20July%202010%202013.pdf.

Urban and Regional Brown Bag Seminar Series 2013-14 Calendar of Events

University of Pittsburgh Center for Social and Urban Research

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

2013 FALL/WINTER PRESENTATIONS

Ageing in Place: An Exploration of Built Environment Challenges in the Rust Belt

Friday, October 25, 2013

Beverly McLean, PhD, Research Professor, School of Architecture and Planning, University at Buffalo, The State University of New York, Buffalo, NY

The City After Abandonment: Urban Policy After Neoliberalism

Friday, November 8, 2013

Jason Hackworth, PhD, Professor, Department of Geography and Planning, University of Toronto, Toronto, ON

A Bridge for a Thousand Years: How Planners Should Think About Infrastructure

Thursday, November 14, 2013

Ernest Sternberg, PhD, Professor and Chair, Department of Urban and Regional Planning, University at Buffalo, The State University of New York, Buffalo, NY

The Promise and Power of Open Data

Thursday, November 21, 2013

Mark Headd, Chief Data Officer, City of Philadelphia, PA

Negotiating with the Growth Machine: Community Benefits Agreements and Value-Conscious Growth

Friday, December 6, 2013

Colleen Cain, PhD, Senior Policy Analyst, Northeast-Midwest Institute, Washington, DC

2014 WINTER/SPRING PRESENTATIONS

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

Friday, January 24, 2014

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

Chicago Historic Zoning Research

Friday, February 7, 2014

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

Driving Detroit: The Quest for Respect in the Motor City

Friday, February 21, 2014

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

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

Friday, February 28, 2014

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

Profile of Veterans in the Pittsburgh Region

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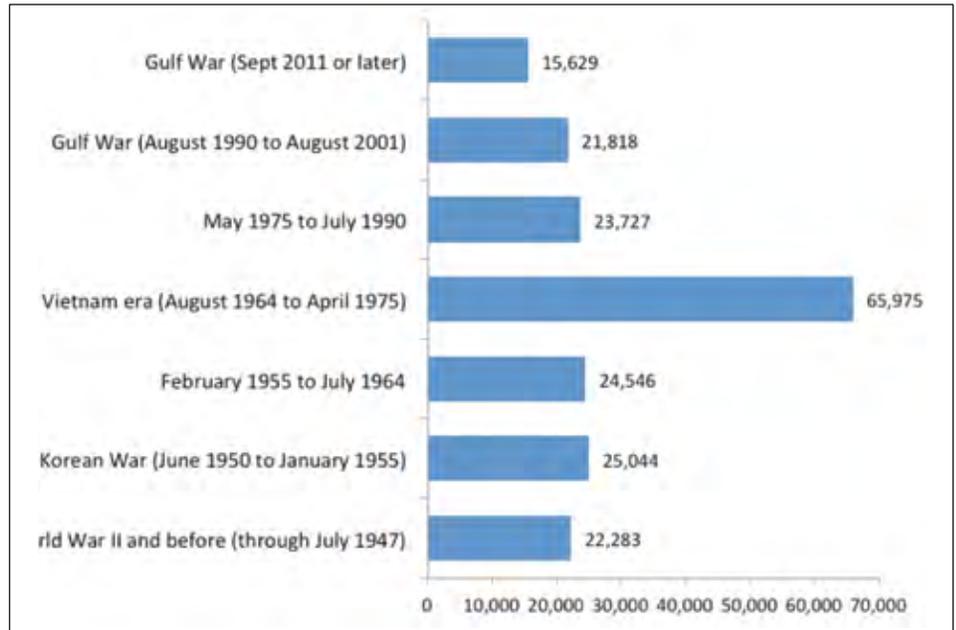
younger age groups reflects the larger size of the military in the past, a national draft in place until 1972, and the lengthening tenure of careers in the military services.

The nearly 66,000 veterans with Vietnam era service make up over one third—34.7 percent—of all veterans in the Pittsburgh MSA, making them the largest group of veterans by period of service. Over 22,000 World War II era veterans or earlier are estimated to be living in the Pittsburgh MSA, with another 25,000 Korean War veterans, 22,000 Gulf War (1990–2001) veterans, and 15,600 veterans who have served since September 2001 comprising the rest of the region’s veteran population. The size and distribution of the veteran population in the Pittsburgh region continues to change reflecting both demographic trends and, in the case of post 9/11 era veterans, ongoing discharges from military service (see Figure 1)

The cohort of veterans with service from World War II has changed rapidly. In 1990, the total number of World War II era veterans in the Pittsburgh region exceeded 129,000. This figure is nearly six times the number of World War II veterans in the region today, as the number of World War II veterans has been declining rapidly both regionally and nationally.

The Department of Veterans Affairs (VA) compiles independent estimates and projections of living veterans by period of service for each state in the nation. The VA estimates that 122,000 WWII era veterans were living in Pennsylvania in 2010, but that is projected to drop to just under 54,000 WWII era veterans in 2015, with a further decline to 17,000 veterans by 2020. Between 2010 and 2020, the number of post 9/11 era veterans living in Pennsylvania is projected to increase by 88 percent, from 81,512 in 2010 to 153,816 in 2020. Regional trends in the Veterans population are expected to mirror these statewide projections.

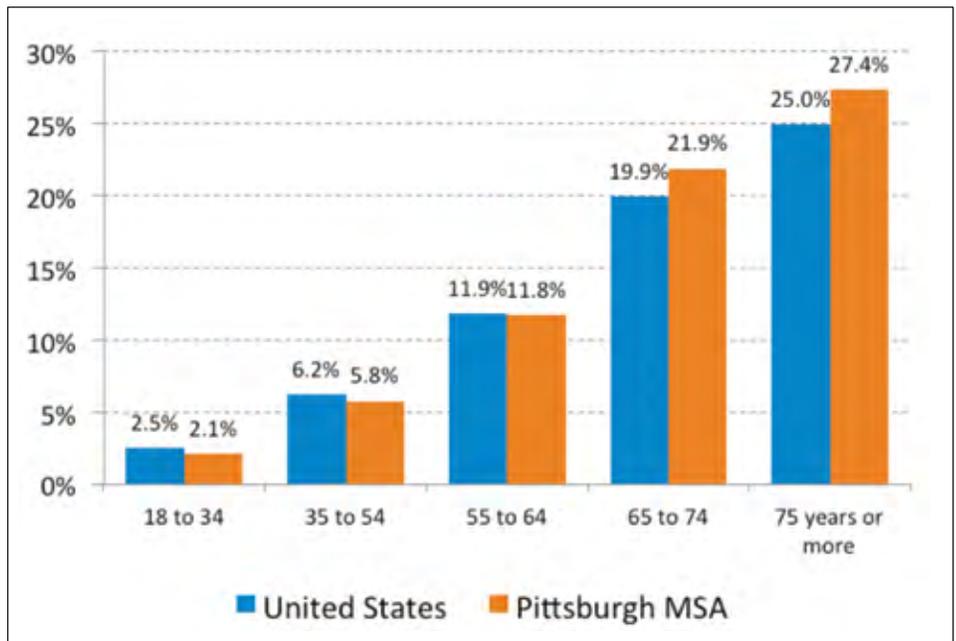
Figure 1. Number of Veterans Age 18 and Over by Period of Service, Pittsburgh MSA, 2012



Note: individuals may be included in more than one period of service.

Source: Compiled from American Community Survey, 2012

Figure 2. Proportion of Civilian Population, Veterans by Age Cohort, Pittsburgh MSA and United States, 2012



Source: Compiled from American Community Survey, 2012

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Recent Publications by the University Center for Social and Urban Research

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

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