

THE McCord Report

A look at Pennsylvania's economic vital signs.

Demographic Information on Act 47 Municipalities



The current twenty Act 47

municipalities tend to be small both geographically and in population – with a median land area of 4.45 miles and a population of 8,067. In addition, many municipalities in Act 47 share demographic characteristics that may help explain their difficulty in exiting the program, including high unemployment, poverty, and senior populations.

While obtaining demographic data on small municipalities can be challenging, the U.S. Census Bureau provides estimates of these data through its American Community Survey.

Using the cursor* to select any municipality changes the data set presented.

**PDF version only.*

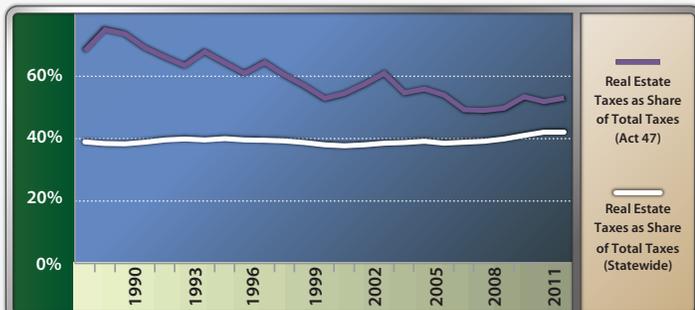
-The Municipality of-	- Median of Act 47 Municipalities -			
	Harrisburg	Current	Former	PA
Population	48,764	8,069	4,872	12,289,177
Unemployment	14.8%	12.1%	10.0%	8.4%
Percent Living in Poverty	31.2%	27.1%	25.6%	13.1%
Population Aged 65 and older	9.2%	17.0%	14.8%	15.4%
Household Income	\$34,011	\$32,285	\$30,036	\$52,267

Note: Former municipalities are those that were under Act 47 at any point in time but have since exited the program.
Source: PA Treasury analysis of the U.S Census Bureau's American Community Survey for the period 2008-2012.

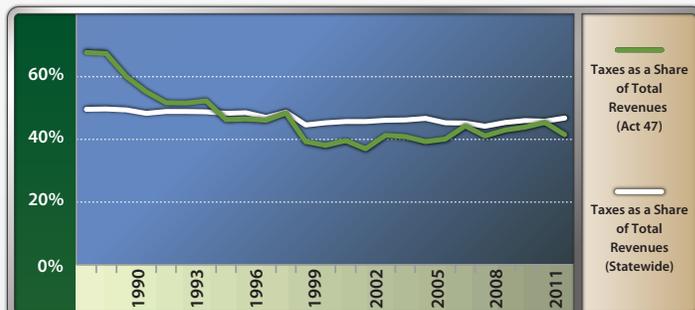
Tax Revenues

The proportion of total tax revenues derived from real estate taxes has remained fairly constant for Pennsylvania's municipalities, at approximately 40%. For Act 47 municipalities the share of total taxes derived from real estate taxes, while declining over time, has been much higher than for the remainder of the Commonwealth.

Additionally, Act 47 municipalities have seen the share of total revenue that comes from the local tax base decline over time, even while this ratio has remained relatively stable for the remainder of the Commonwealth. This supports the notion that many Act 47 municipalities suffer from shrinking tax bases and difficulty finding replacement sources of revenue.



Source: Treasury Analysis of Department of Community & Economic Development Municipal Statistics.



Source: Treasury Analysis of Department of Community & Economic Development Municipal Statistics.

Average per Capita Taxes, Revenues, and Expenditures

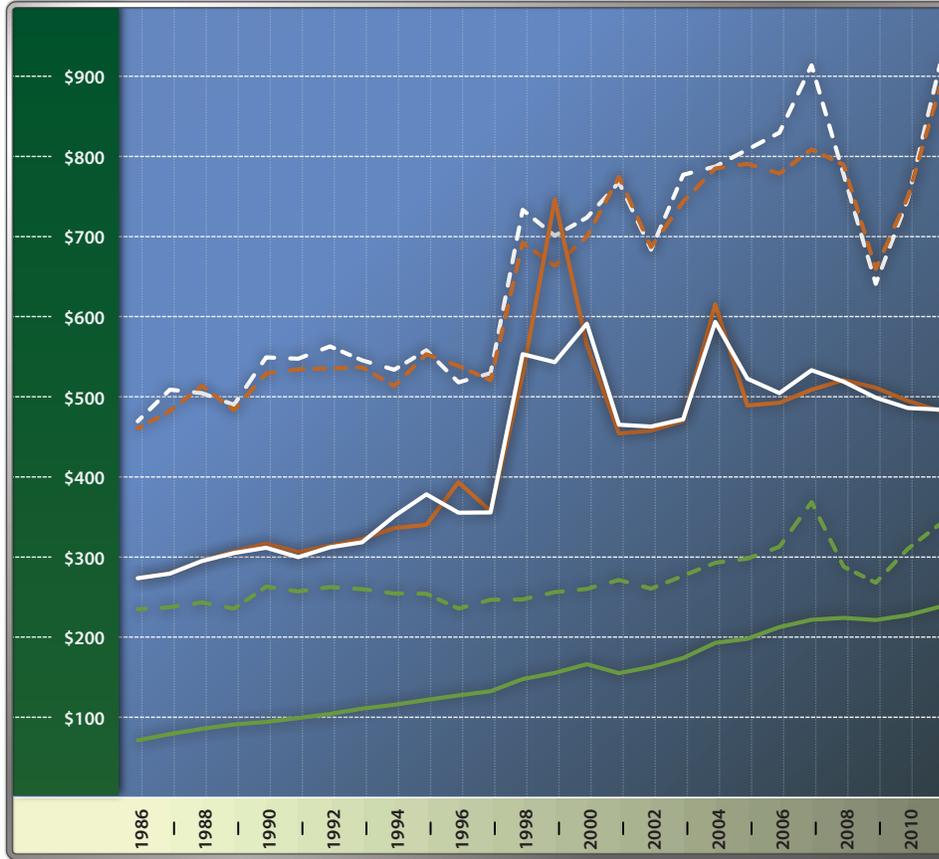
Act 47

municipalities are marked by higher levels of taxation, revenue, and spending per capita than their peers throughout the Commonwealth.

The interactive buttons* to the right of the graph allow the individual data lines to be isolated, or compared in varying combinations.

*PDF version only.

Note: Figures reported in 2000 dollars.



Show All

Clear All

--- Revenue per Capita (Act 47)

— Revenue per Capita (Statewide)

- - - Expenditures per Capita (Act 47)

— Expenditures per Capita (Statewide)

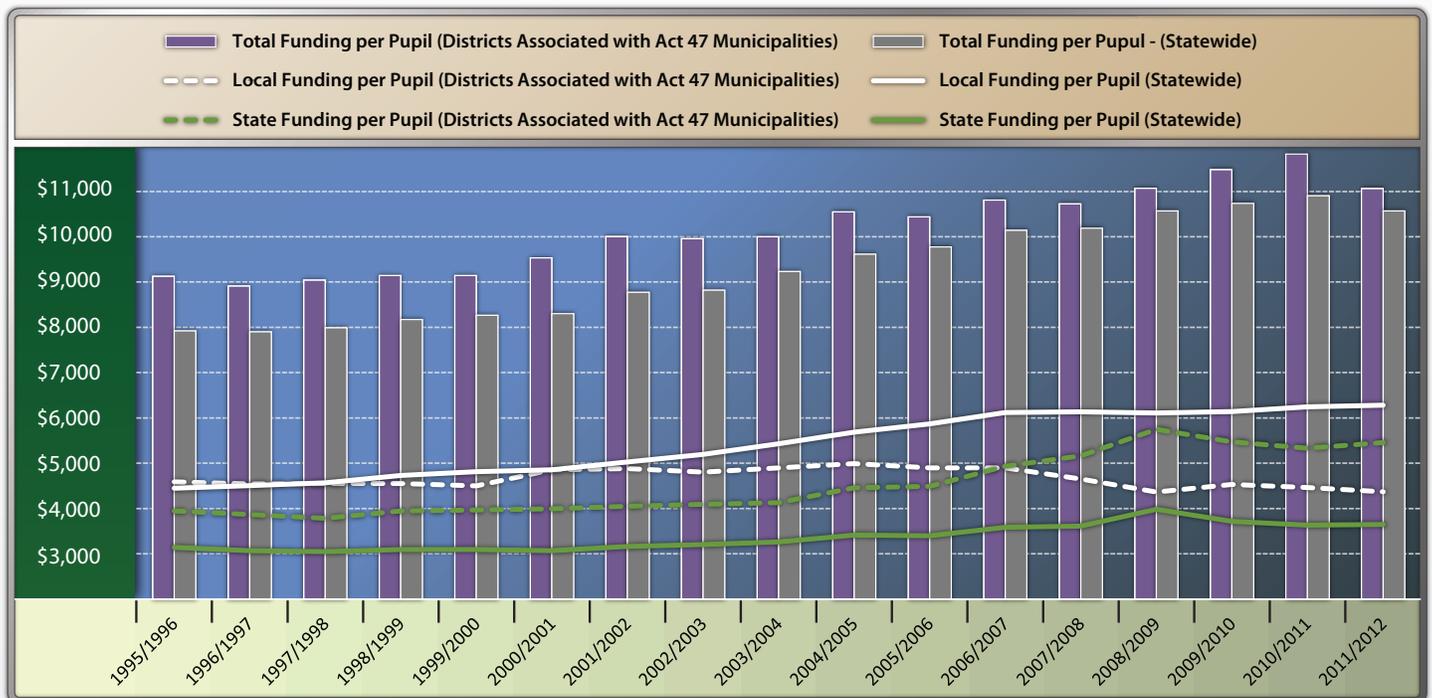
- - - Taxes per Capita (Act 47)

— Taxes per Capita (Statewide)

Source: Treasury Analysis of Department of Community & Economic Development Municipal Statistics.

School Districts in Act 47 Communities

While total per-pupil education funding for districts in Act 47 communities is slightly higher than – and increases at a pace similar to – other communities in the state, the sources of education funding have changed over time. This chart shows that districts in Act 47 communities are becoming increasingly dependent on revenue from the state.



Note: Figures reported in 2000 dollars.

Source: Treasury analysis of PA Department of Education annual financial reports.

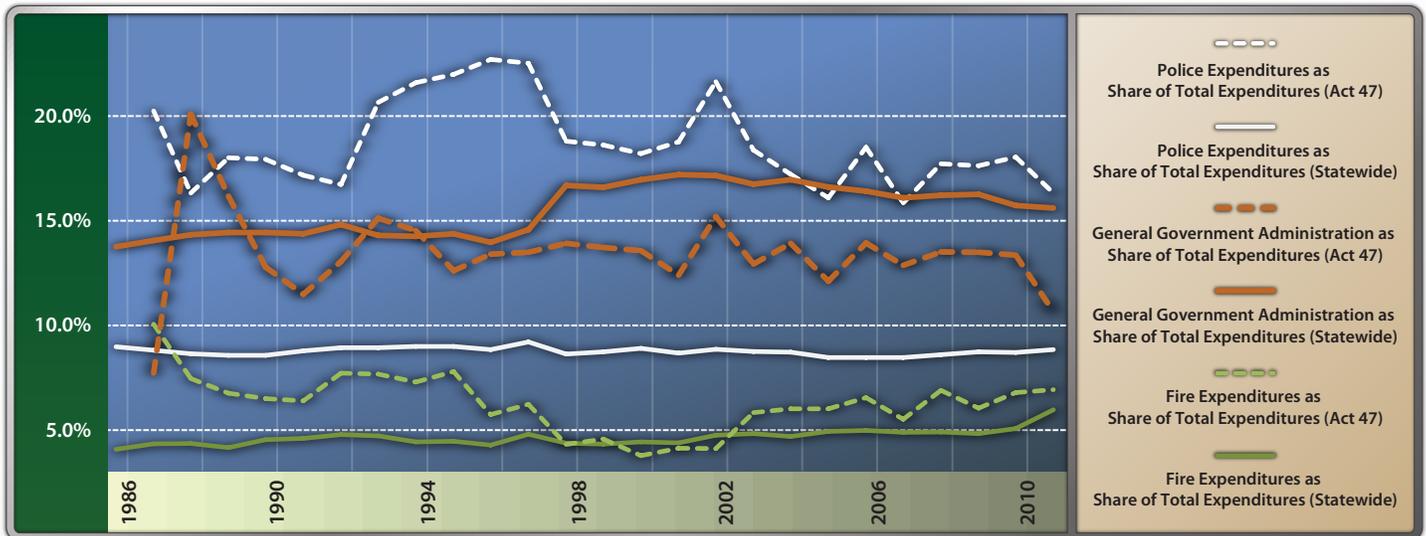
Violent Crime

While Act 47 municipalities do have a higher incidence of violent crime than other Pennsylvania municipalities, their relative expenditures on police activities are still proportionally higher than their relative crime rates.



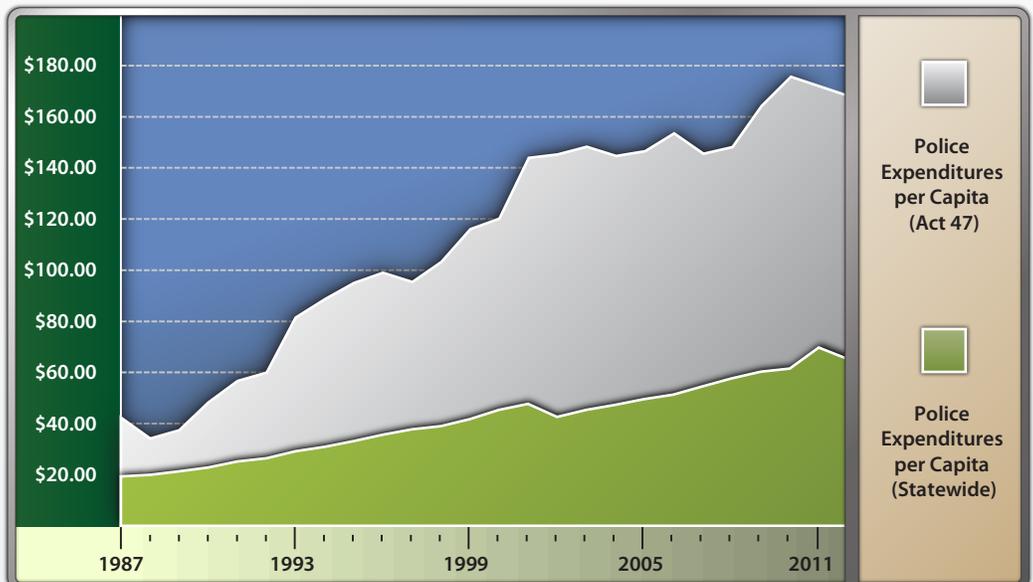
Source: Treasury Analysis of Department of Community & Economic Development Municipal Statistics and the Pennsylvania State Police Uniform Crime Reporting System.

Selected Expenditure Categories as Share of Total Expenditures



Source for charts above and bottom: Treasury Analysis of Department of Community & Economic Development Municipal Statistics.

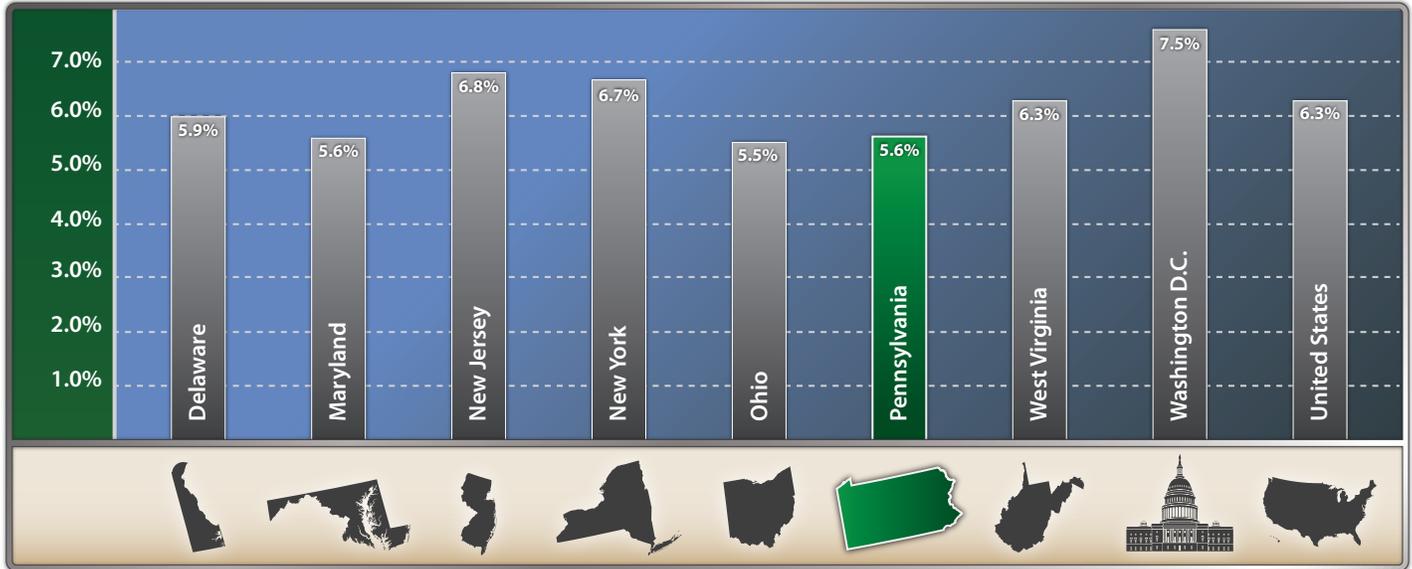
One important driver of the higher spending levels observed in Act 47 municipalities is spending on local police and fire departments. As a share of their total expenditures, Act 47 municipalities spend approximately twice as much as the Commonwealth's other municipalities. Furthermore, as the chart to the right shows, Act 47 municipalities have seen per capita spending on police departments – always higher than the state's other municipalities – grow at a much higher rate than the Commonwealth as a whole.



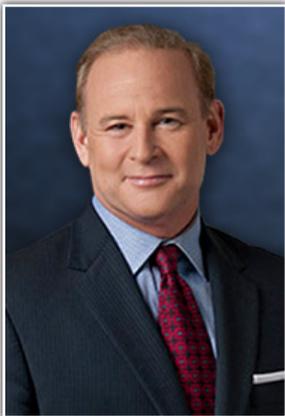
Note: Figures reported in 2000 dollars.

Unemployment

The data is as of May (the most recent data point for the states) and the data come from Bureau of Labor Statistics.



A Message from Pennsylvania State Treasurer Rob McCord



Pennsylvania has more than 2,500 municipalities of all types and size -- wonderful communities that residents are proud to call home. Sadly, however, some of our communities have suffered in recent decades from the decline of major industries as well as the erosion of tax bases due to closing businesses and shrinking populations. As a result, they struggle to provide stability and services to their residents. The most challenged communities are deemed “financially distressed” under Act 47, a 1987 law designed to help communities ease and recover from financial difficulties. While we have examined Act 47 municipalities before, recent events – such as discussion in Harrisburg about amending Act 47, the successful exit of some communities from distressed designation, and the addition of new communities to the list of distressed municipalities – have prompted us to take another look.

In this edition of **The McCord Report**, we hope to illuminate trends that separate some of our most financially challenged communities from the rest of the state. We will also show how distressed status, and the underlying problems that cause it, affect the services available to residents of these communities, including the consequences for students and teachers in school districts affiliated with Act 47 communities.

In our ongoing effort to provide useful information to policy makers and citizens within the commonwealth, this edition marks the first issue of **The McCord Report** with embedded interactive features. As you review this document online, you will find a number of graphs and maps that allow readers to isolate specific variables and examine the data provided in a number of different ways.

As always, we welcome your feedback and suggestions for future issues. Please email us at McCordReport@patreasury.gov.

Sincerely,

Rob McCord
Pennsylvania State Treasurer

