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A STUDY OF THE RELATIONSHIP  
OF FEDERAL AND STATE GRANTS TO  
THE GROWTH OF NON-METROPOLITAN  
CITIES IN PENNSYLVANIA

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Cities and boroughs of non-metropolitan Pennsylvania are unique governmental units. Each is small with well defined boundaries, generally completely developed, with old and deteriorated housing, commercial centers and industries. Unlike their counterparts in other states, the Pennsylvania communities are separate jurisdictions from the surrounding, more rural areas. This creates a problem similar to major metropolitan areas, only on a smaller scale, that is, they are land locked. They cannot expand their tax base. They cannot provide land for development except through clearance of existing structures. Most homes are old and deteriorating. The greatest contributing factor to the problem is the movement of the middle and upper income families to the surrounding townships where there is more space, lower taxes, less crime, and newer housing. Shopping centers and industries are likewise making townships their homes, causing further erosion of the communities' tax base. }

The use of Federal and State grants have become primary sources for municipal project funding. Since communities now seek governmental aid to achieve activities which would in the past have occurred only through municipal revenues or private investment, this study was developed to determine whether a relationship exists between gains which are being made by non-metropolitan cities

and boroughs in Pennsylvania and the amount of grant assistance they have received. While studies have been undertaken to show the impact of Federal programs on communities, I have been unable to locate any study which attempts to relate grant funding to community growth or stabilization.

Since all cities and boroughs in question have received some Federal or State funding, does a relationship exist between the per capita grant funds received by these communities and the rate of growth of the communities as measured by: 1) the percent of change of assessed property value, or 2) the percent of change of the population?

In order to begin any analysis to determine relationship, three sets of figures were needed: 1) the percent of population change 1960 to 1978, the percent of property value change 1960 to 1978, and the per capita grant income received 1960 to 1978. Next the subject communities were rank ordered and were compared by use of the Pearson Product Moment Correlation Coefficient formula to determine the degree of relationship. The results of such calculations resulted in a finding of no relationship existing between either per capita grant funds received and either population change or property value change. In each case there was actually a slight negative relationship.

The implications seem rather obvious, the communities must stress restoration of commercial and residential properties. Where demolition of a structure is

necessary, a concerted effort to create additional compatible development should be made. Communities should continue to seek funds from government agencies but should be more selective in the activities to be undertaken. Funding to preserve the existing structures, as well as expansion of undeveloped sectors of the community, should be carefully planned and executed. More than ever, it is important that a community realistically plan for its future.