

Quarterly Economy Tracker

The Institute

Turning Information into Insight

The Institute is a partnership among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton, and Wilkes University

Women & Minority Owned Business Trends

By Kara McGrane, Research Assistant

Though women constitute just over half the country and Pennsylvania populations, women are the majority owners of one-fifth or fewer of the businesses in both geographies. Just 20 percent (U.S.) and 17.7 percent (PA) of all firms with paid employees are women-owned. In the state, there are just seven women-owned businesses for every 1,000 women compared to 29 male-owned business for every 1,000 men, as of 2016. This statewide ratio reflects slightly less gender parity in business ownership compared to the nationwide ratios.

However, from 2014 to 2016, female-owned businesses increased at a higher

rate than male-owned businesses in both Pennsylvania and the United States.

This was true among several racial and ethnic segments as well. In

Pennsylvania, businesses owned by Asian women grew by 37 percent and businesses owned by Hispanic women grew by 33 percent. Businesses owned by women in the "some other race"

continued on page 3

	Proportion of gender-owned businesses to respective population	
	Women	Men
PA	7:1,000	29:1,000
USA	8:1,000	28:1,000

	2014-2016 % Change in Number of Business Owned			
	Female		Male	
	Pennsylvania	United States	Pennsylvania	United States
Overall	2.9%	2.2%	5.8%	3.0%
White	0.2%	1.5%	4.1%	2.0%
Black or African American	4.0%	29.9%	14.5%	12.9%
American Indian and Alaska Native	-49.2%	-43.0%	14.7%	6.6%
Asian	36.7%	14.0%	11.5%	9.0%
Native Hawaiian and Other Pacific Islander	54.5%	0.0%	7.1%	12.8%
Some other race	84.5%	20.9%	27.0%	15.5%
Hispanic	32.7%	17.0%	11.7%	12.1%

The Economy Tracker is a quarterly publication of The Institute for Public Policy & Economic Development which seeks to explore economic data, trends, and issues related to our region's economy. Subscribe at www.institutepa.org to receive an electronic edition of the Tracker free of charge. In all its publications, The Institute uses the most current data available at the time of release.

In This Issue:

Women & Minority Business	1	City Housing Markets	5
Labor Market at a Glance	2	Low Income Schools	6
News from The Institute	2	Cartography Corner	7
The Region's Aging Workforce	4	Data Spotlight	8-9
Self Employment	5	Cost of Living Index	10

Labor Market at a Glance

Labor market data from 2019 suggests that the region’s unemployment rate may have reached its floor for the current economic cycle. The labor market is likely at or approaching full employment (the baseline unemployment rate below which higher rates of inflation and wage growth can be expected). In the last two months of 2019, non-seasonally adjusted employment in both counties was lower than the same months of 2018, despite higher labor force participation.

Accordingly, the unemployment rate rose in both counties in December 2019, reaching six percent in Luzerne County for the first time since January 2018. The preliminary December rate in Lackawanna County was the highest December unemployment rate in that county since 2014.

Statewide, December unemployment was also higher than the same month in 2017 or 2018. Nationally, the unemployment rate remained low in the fourth quarter of 2019.

Additional data over the coming months will provide more guidance on whether the recent unemployment upticks are signs of a weaker regional labor market pattern, or a season fluctuation perhaps due to weaker holiday season hiring.

Unemployment Rate (Not Seasonally Adjusted)				
	Lackawanna	Luzerne	Pennsylvania	United States
2009	8.2	9.0	8.0	9.3
2010	9.0	10.0	8.5	9.6
2011	8.8	9.6	7.9	8.9
2012	8.8	9.8	7.8	8.1
2013	8.3	9.4	7.4	7.4
2014	6.6	7.3	5.9	6.2
2015	5.8	6.4	5.3	5.3
2016	5.6	6.3	5.4	4.9
2017	5.1	5.9	4.9	4.4
2018	4.6	5.4	4.3	3.9
Oct 2019	4.8	5.5	4.4	3.3
Nov 2019	4.8	5.5	4.3	3.3
Dec 2019	5.1	6.0	4.6	3.4

Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics
December 2019 data is preliminary, except for national rate

Labor Force & Employment				
	Lackawanna County		Luzerne County	
	Labor Force	Employment	Labor Force	Employment
2009	107,192	98,396	161,298	146,781
2010	106,992	97,407	159,767	143,867
2011	107,276	97,816	159,846	144,503
2012	107,642	98,123	160,859	145,107
2013	107,648	98,713	160,771	145,695
2014	106,658	99,644	158,948	147,310
2015	106,329	100,137	158,643	148,413
2016	106,753	100,722	158,706	148,726
2017	105,903	100,481	158,505	149,208
2018	105,330	100,502	157,784	149,255
Oct 2019	107,027	101,913	160,120	151,368
Nov 2019	106,624	101,549	159,611	150,821
Dec 2019	106,014	100,656	159,096	149,500

Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics
December 2019 data is preliminary, except for national rate

What’s New at The Institute: Winter 2020

By Teri Ooms, Executive Director &
Susan Magnotta, Director of Community Outreach

Indicators 2020: Be in the Know!

The Institute is pleased to announce that the annual Regional Indicators Forum will be held on May 7, 2020 at Mohegan Sun Pocono Casino Resort.

This year’s presentation will include an overview of key regional data on demographics, economics, housing, health, and more that decision-makers in our community need to know.

Other research projects presented at the event will include reports on workforce , child welfare, housing for the underserved, the transportation needs of our region’s growing industrial centers, and much more.

For more information or to register, visit www.institutepa.org ♦



Teri Ooms addresses last year’s Indicators event attendees.

Women & Minority Owned Business — continued from page 1

category also grew substantially, as did businesses owned by Native Hawaiian and Other Pacific Islander women.

American Indian and Alaskan Native women at the state level were the only female group to experience a decrease between those years. White women saw the smallest increase between the years analyzed.

Also notable was the significant increase in business ownership among African American men. However, this same rate was not seen among African American women, where four-percent growth was observed.

The chart below shows the number of businesses per 1,000 population for

various racial and ethnic subgroups, as well as veterans and the overall population.

Among African Americans, overall rates of business ownership are low, despite growth since 2014 in businesses owned by African Americans. However, there is a relatively small gap in the number of businesses owned per 1,000 African American women and men statewide. A similar trend is seen among Hispanic men and women.

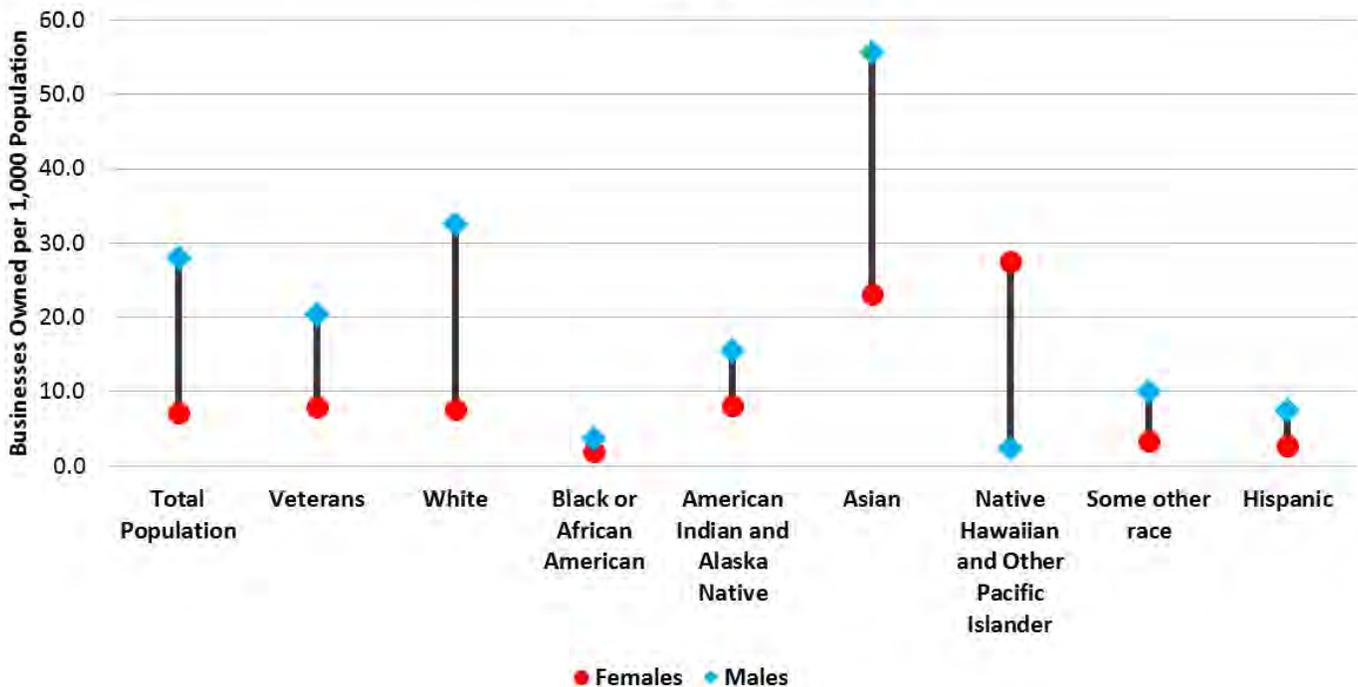
Men own businesses at higher rates than women in all groups, with the exception of Native Hawaiian and Pacific Islander women, where female businesses ownership far outpaces male business ownership. On the other

hand, a large gap in business ownership by gender is seen among Asians; though Asian men and women both own businesses at higher rates than white, African American, and Hispanic men and women. Overall, these trends show that business ownership disparities exist across gender and racial lines, though variation across groups is significant. ♦

“Men own businesses at higher rates than women in all groups, with the exception of Native Hawaiian and Pacific Islander women.”

Businesses Owned per 1,000 Population: Pennsylvania, 2016									
	Total Population	Veterans	White	Black or African American	American Indian & Alaska Native	Asian	Native Hawaiian & Other Pacific Islander	Some other race	Hispanic (of any race)
Total	20.6	19.6	21.7	3.0	12.3	45.0	20.7	7.7	5.7
Females	7.1	7.9	7.7	2.0	8.1	23.0	27.4	3.3	2.7
Males	28.0	20.4	32.5	3.6	15.5	55.7	2.3	10.0	7.5

Rates of Business Ownership for Men & Women, for Selected Groups:
Statewide, 2016



Sources: US Census Bureau

The Region's Workforce is Aging

By Megan Stachowiak, Research Analyst

The demographic landscape of the United States is shifting as the older population continues to grow, driven by the aging baby boomer generation. The generation of baby boomers began turning 65 years old in 2011. According to the U.S. Census Bureau, by 2030 all baby boomers will be older than age 65, and one in five U. S. residents will be retirement age. In 2050, the number of Americans aged 65 and older is projected to be 85.7 million and account for 22 percent of the population - up from an estimated 49.2 million in 2018 and representing 15.2 percent of the population.

As the older population represents an increasingly larger segment of the U.S. population, it also accounts for a larger proportion of the workforce. According to the U.S. Census Bureau's Quarterly Workforce Indicators data, the number of employees in the age 55+ age segments increased statewide and in Luzerne and Lackawanna Counties between 2009 and 2019. The number of employees age 55-64 grew by 22 percent in Lackawanna County, and 28 percent in Luzerne County and statewide. The age 65+ segment demonstrated the largest growth during this time period, with employee counts in the age group increasing 55 percent in Lackawanna County, 59 percent in Luzerne County,

and 58 percent statewide. At the same time, the number of employees among the 35-54 age groups declined in all three regions.

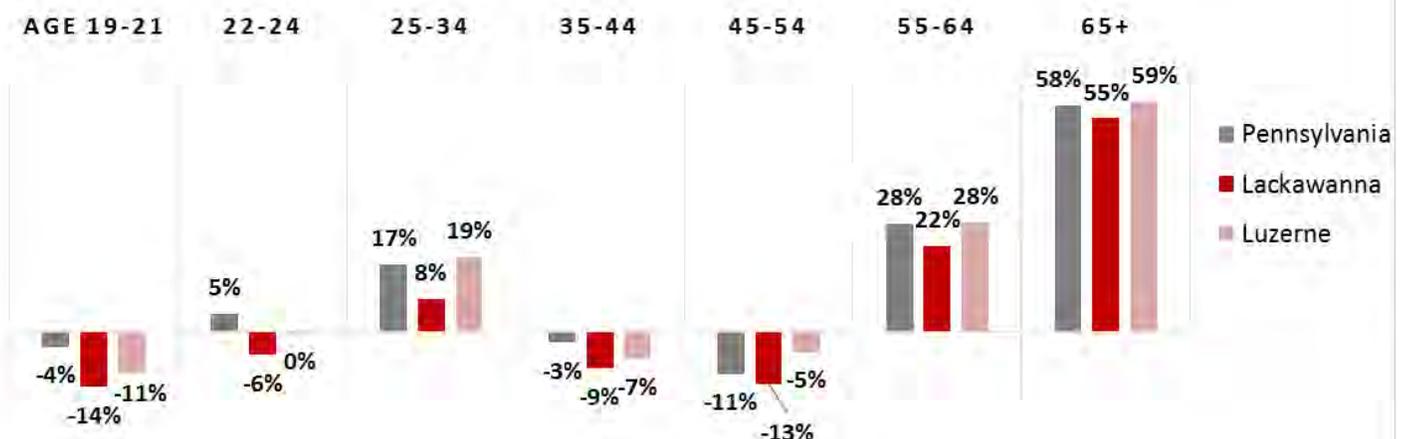
More seniors are working past the traditional retirement age of 65 - either out of choice or necessity. A 2016 Pew Charitable Trusts national survey of employed U.S. adults aged 18-64 found that 65 percent said they 'probably' or 'definitely' would work past age 65.

Some seniors choose to work past retirement age if they are healthy and able to continue working. In the U.S., the 'healthy life expectancy' is 68.5 years of a total average life expectancy of 78.5 years, according to the World Health Organization. The healthy life expectancy is the average number of years that a person can expect to live in full health. Financial necessity may require other seniors to work longer. A secondary analysis of the Employee Benefit Research Institute's (EBRI) 2017 Retirement Confidence Survey by AARP Research found that more than a third (35 percent) of workers age 50+ and 21 percent of retirees do not feel financially secure. Continuing to work past 65 years can help supplement Social Security benefits and retirement savings.

As employers face a decline in the proportion of available younger workers, recruiting and retaining older, experienced workers will become more critical to the success of their businesses and organizations. Employers will have to pursue innovative ways to encourage older individuals to continue working beyond the traditional retirement age, and target this population in recruitment efforts. In addition to providing financial benefits, offering flexible schedules, training and educational support, opportunities to mentor younger workers, and phased retirement options can also help attract and engage older workers. ♦

"As the older population represents an increasingly larger segment of the U.S. population, it is also accounting for a larger proportion of the workforce."

CHANGE IN EMPLOYMENT COUNTS BY AGE GROUP Q1 2009 - Q1 2019



Source: U.S. Census Bureau Quarterly Workforce Indicators

Self-Employment Falls From 2010 to 2018

By Andrew Chew, Senior Research & Policy Analyst

In both Lackawanna and Luzerne Counties, the population of self-employed workers (those who work in their own businesses, professional practices, or farms) has ranged from 3.5 to six percent.

For most years since 2010, both Lackawanna County and Luzerne County have had smaller shares of the self-employed workforce compared to the state as a whole. Since 2015, Luzerne County had the lowest of the three regions, most recently at 4.2 percent in 2018, compared with 4.6 percent in Lackawanna County and 5.2 percent statewide.



Source: US Census Bureau ACS 1 year estimates

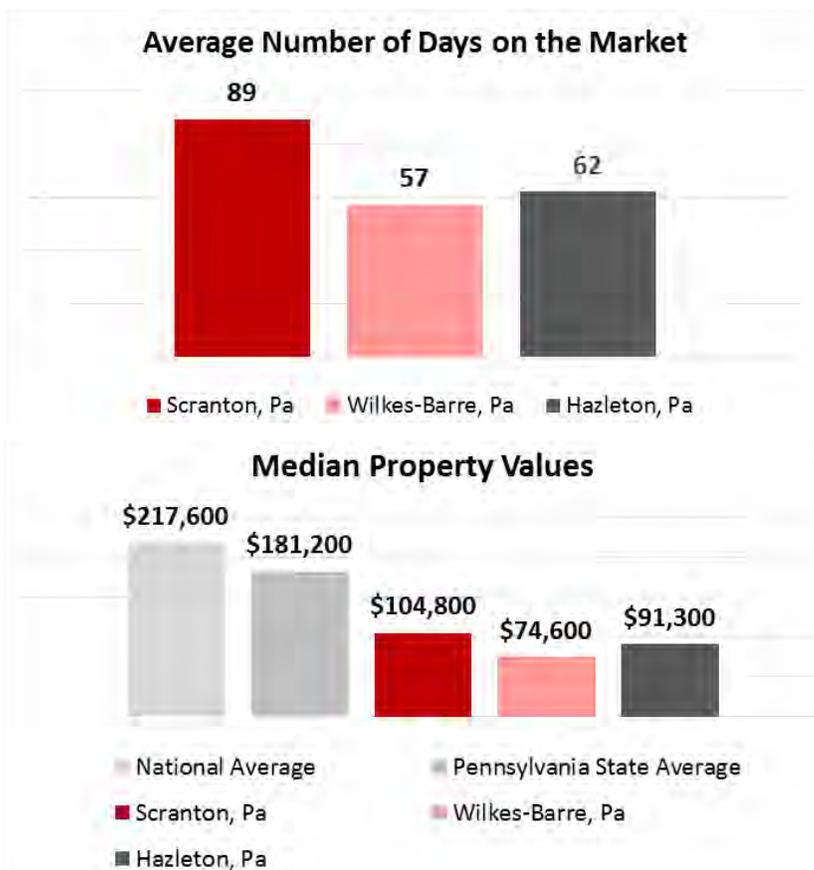
City-Level Data Shows Housing Market Variations

By Hunter Glidewell, Research Intern and Andrew Chew, Senior Research & Policy Analyst

In the region's three principal cities, median home values are below the national and statewide medians. They stand at \$74,600 in Wilkes-Barre, \$91,300 in Hazleton, and \$104,800 in Scranton. These median values are also below the countywide medians for Lackawanna and Luzerne.

Though higher home values are often considered signs of a more active housing market, the average number of days homes remain on the market in each city is correlated with median property value. While Scranton had the highest home values of the three largest cities in the region, homes in Scranton also are slower to sell. In Wilkes-Barre, where homes have a lower median price, properties stay on the market for an average of just 57 days.

In Scranton, homes sell an average of 5.8 percent below asking price. In Wilkes-Barre, homes sell an average of 5.5 percent below asking price. In Hazleton, however, homes sell just 3.2 percent under asking price. ♦



Sources: Realtor.com, DataUSA

Economic Disparities Persist Between School Districts

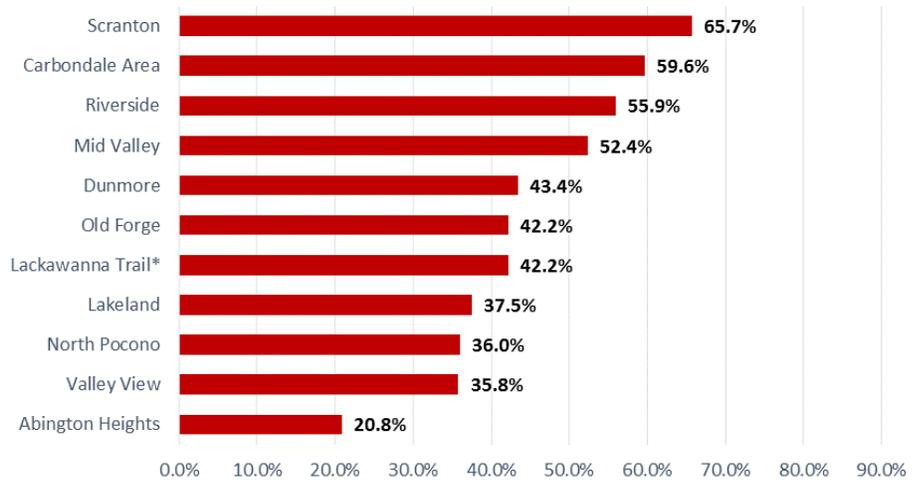
By Joe Gallo, Research Assistant

As the annual budgeting season gets underway in Harrisburg, education funding is in the spotlight. In his 2020 state budget address, Governor Tom Wolf emphasized investment in public education. As the details of the next year’s budget are debated by lawmakers, it is important to understand how economic differences between communities affect educational needs. Many school districts in Northeastern Pennsylvania serve large shares of economically struggling families.

The federal government uses data on low-income schools (schools in which over 30 percent of students come from low-income families) to determine eligibility for loan forgiveness for teachers who serve disadvantaged communities. However, the data may have other implications as well. In Pennsylvania, a large share of education funding is derived from local property tax values. Low-income schools are likelier than others to be underfunded due to limited or shrinking tax bases, and their students often need additional resources and support. These schools may also be in greater need of repair and infrastructure improvements than schools serving wealthier populations. Poor school infrastructure—which can include the presence of lead, mold, asbestos, or unsafe drinking water among other hazards—negatively impacts both health and student performance.

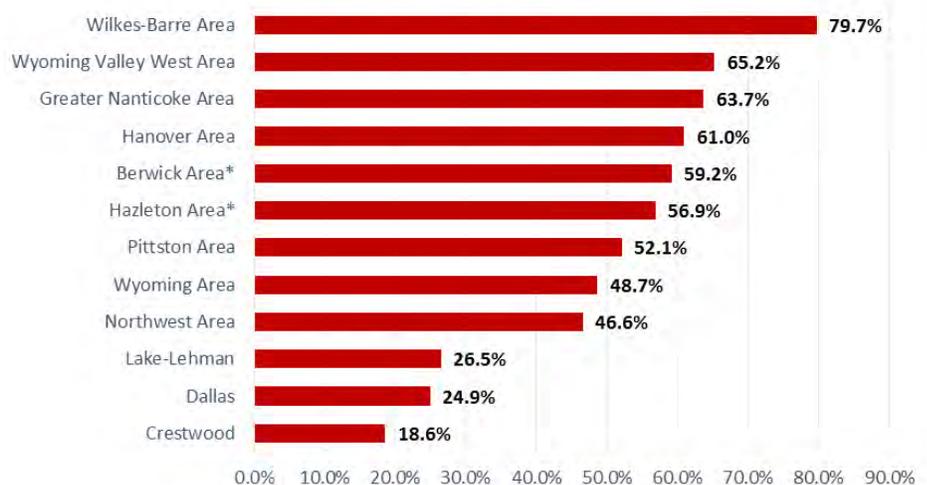
In ten of the 11 school districts located partially or entirely within Lackawanna County, over a third of the students enrolled in public schools come from low-income families. Four of those school districts have low-income enrollment rates of more than 50 percent. In Luzerne County, nine of 12 school districts have over 30 percent low-income enrollment, and in seven of those districts over half of all students live in low-income households. The Wilkes-Barre Area School District has the region’s highest low-income enrollment rate by far, at nearly 80 percent, followed by Scranton at 66 percent. ♦

Percent Enrollment from Low Income Families in Lackawanna County School Districts



“Low-income schools are likelier than others to be underfunded due to limited or shrinking tax bases, and their students often need additional resources and support.”

Percent Enrollment from Low Income Families in Luzerne County School Districts



* - School District Located Partially Within County
 Source: Pennsylvania Department of Education

Cartography Corner

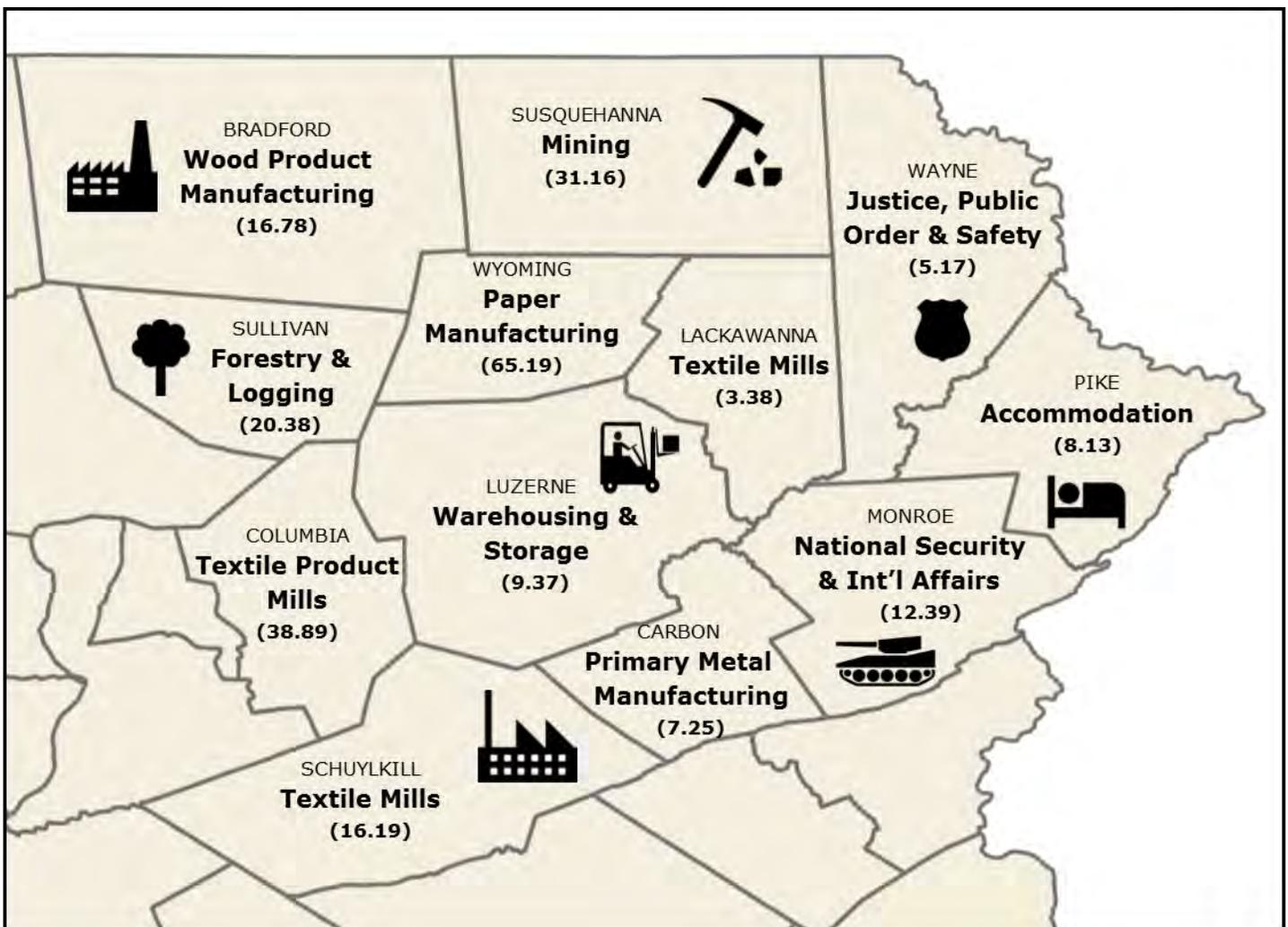
Measuring Industry Concentration with Location Quotients

Location quotients are a measure of the relative concentration of an industry in a region compared to the national industry mix. A location quotient above 1.0 indicates that an industry accounts for a larger share of employment in a region than would be expected in that region's economy mirrored the nation's economy as a whole. Location quotients can provide a sense of where industry clusters or located, where large employers have an outsized affect on the local economy, or where a region has a competitive advantage. The map below shows the top industry by location quotient (at the 3-digits NAICS level) for several counties in Northeastern Pennsylvania. In Luzerne County, the top industry location quotient is 9.37 for Warehousing and Storage, meaning Luzerne County's share of employment in that industry is over nine times the national share. In Lackawanna County, the employment share in Textile Mills is 3.38 times the national employment share in that industry.

In many of the smaller counties by population size, the location quotients are much higher, likely due to single employers accounting for a large share of the economy in smaller and/or less economically diverse counties. In half the counties shown, the top industry by location quotient is a manufacturing industry. However, the map also shows a significant diversity in industry strengths across Northeastern Pennsylvania.

What Are The Most Concentrated Industries in Each County?

Top Industry by Location Quotient for Selected Counties in Northeastern Pennsylvania



Data Spotlight

Workforce in Demand

The table below shows the top occupations in the two-county region by total forecast demand—the projected number of workforce participants needed to fill open positions over the next ten years. The total demand is the sum of three components of demand: jobs open through exits (workers leaving the workforce, primarily through retirement), transfers (workers leaving occupations to work in other occupations), and growth (newly created positions).

The occupation with the highest total demand over the next decade is projected to be hand laborers and material movers, a category which includes many employees in warehousing and transportation industries. Many of the top occupations are associated with either transportation and warehousing, health care, or the service sector. Some occupations have high demand despite negative demand due to growth. However, several have disproportionate shares of demand due to newly created jobs; these include personal care aides, nursing and home health aides, registered nurses, and miscellaneous healthcare support occupations.

Top 20 Occupations by Total Forecast 10 Year Demand: 2 County Region					
Occupation	Avg. Wages	Job Demand Components			Total Demand
		Exits	Transfers	Growth	
Laborers and Material Movers, Hand	\$30,200	6,384	10,295	-228	16,451
Fast Food and Counter Workers	\$20,000	6,363	6,469	204	13,036
Personal Care Aides	\$24,900	5,369	4,027	1,570	10,965
Cashiers	\$19,600	5,909	5,783	-920	10,773
Retail Salespersons	\$25,200	4,166	5,224	-759	8,631
Driver/Sales Workers and Truck Drivers	\$42,100	3,136	4,704	-362	7,479
Waiters and Waitresses	\$25,200	2,883	4,402	-128	7,157
Nursing, Psychiatric, and Home Health Aides	\$29,000	3,645	3,047	412	7,104
Office Clerks, General	\$33,000	3,517	3,398	-722	6,193
Customer Service Representatives	\$34,100	2,657	3,907	-479	6,084
Building Cleaning Workers	\$25,900	3,092	2,779	-183	5,688
Stock Clerks and Order Fillers	\$25,900	2,480	3,201	-310	5,371
Cooks	\$26,700	2,086	2,828	123	5,037
Secretaries and Administrative Assistants	\$35,900	2,670	2,572	-737	4,505
Registered Nurses	\$65,500	1,732	1,314	306	3,352
Miscellaneous Healthcare Support Occupations	\$33,600	1,232	1,532	214	2,978
Industrial Truck and Tractor Operators	\$34,100	948	2,032	-69	2,911
First-Line Supervisors of Sales Workers	\$49,800	1,085	1,942	-353	2,673
First-Line Supervisors of Office and Administrative Support Workers	\$55,700	1,070	1,591	-229	2,432
General and Operations Managers	\$117,200	650	1,858	-92	2,416

Data Spotlight

Occupation Gaps

The preceding table shows demand alone, factoring in the supply of available workforce with the appropriate skills or training. The table below shows occupations projected to face significant annual supply gaps over the next decade. The supply gap refers to the shortfall between the available workers to fill positions and the total demand in that occupation.

Due to the nature of this measure, occupations requiring little formal education or technical knowledge do not yield a large supply gap even if total demand is high. Many of the occupations with the largest supply gaps share two commonalities—overall growth in employment and the need for technical skills or training beyond the high school level.

A few occupations on this list (general and operations managers, accountants and auditors, and secondary school teachers) have annual supply gaps despite a declining employment size. It indicates that, for these occupations, the number of newly trained workers entering the labor force is well below the number needed to replace retiring workers.

Top Occupations by Demand/Supply Gap: 2 County Region				
Occupation	Annual Supply Gap	Current Employment	Annual Demand	Projected Employment
Registered Nurses	-81	5,857	335	6,162
Therapists	-26	1,391	85	1,574
General and Operations Managers	-22	3,152	242	3,060
Counselors	-21	1,667	201	1,883
Miscellaneous Healthcare Support Occupations	-20	2,434	298	2,648
Software Developers and Programmers	-19	1,541	108	1,621
Licensed Practical and Licensed Vocational Nurses	-19	1,788	129	1,822
Social Workers	-19	1,572	183	1,752
Health Practitioner Support Technologists and Technicians	-13	1,561	119	1,571
Medical and Health Services Managers	-12	732	67	815
Physicians and Surgeons	-11	1,177	31	1,183
Maintenance and Repair Workers, General	-11	2,455	226	2,375
Accountants and Auditors	-11	1,740	145	1,687
Health Teachers, Postsecondary	-10	624	55	685
Market Research Analysts and Marketing Specialists	-10	829	90	908
Secondary School Teachers	-10	1,806	111	1,719

"Many of the occupations with the largest supply gaps share two commonalities—overall growth in employment and the need for technical skills or training beyond the high school level."

Regional Cost of Living Remains Competitive

By Andrew Chew, Senior Research & Policy Analyst

Scranton & Wilkes-Barre are among 266 nationwide metro areas participating in the Cost of Living Index compiled by the Council for Community and Economic Research. The Index provides a benchmark for comparing cost of living in several categories. Data is collected three times each year for a basket of goods and services that reflects a specific standard of living, defined as managerial and professional households.

The chart below shows 2019 cost of living scores for each participating region in Pennsylvania. The nationwide average score for each purchasing category is 100.

Overall, Northeastern Pennsylvania's cost of living falls below the average of all metro areas, and the other three participating Pennsylvania regions in have overall indices slightly above the average. Both Wilkes-Barre and Scranton have overall scores at about 97 percent of the average of the 266 participating

regions.

The region's competitive cost of living is driven largely by comparatively low housing and health care costs.

Each of the Pennsylvania regions had comparatively high scores in the categories of transportation and utilities. Both Scranton and Wilkes-Barre had slightly above average grocery prices and slightly below average prices in the miscellaneous category.

These results suggest that cost of living in Northeastern Pennsylvania remains on par or better than the average of many nationwide metropolitan areas, and compares favorably with larger urban areas such as Philadelphia. ♦

"The region's competitive cost of living is driven largely by the region's comparatively low housing and health care costs."

What Is Included in the Index?

The following are examples of the 57 items priced as part of the Cost of Living Index.

Groceries: Orange Juice, Iceberg Lettuce, Coffee, Ribeye Steak, Ground Beef, Olive Oil, Canned Peaches, Potato Chips, Facial Tissues

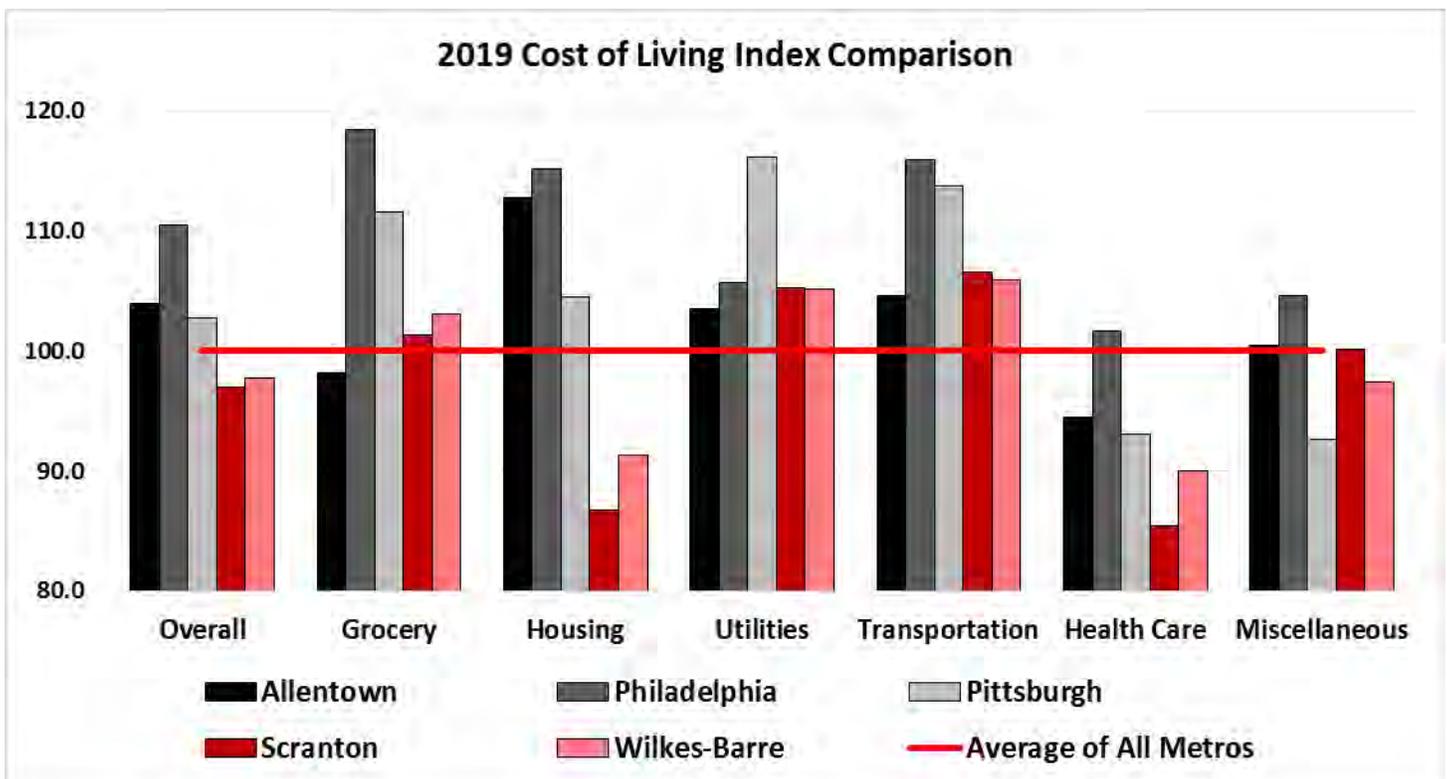
Housing: Four-Bedroom House, Two-Bedroom Apartment, Mortgage Rates

Utilities: Electricity, Natural Gas, Heating Oil, Internet Service

Transportation: Gasoline, Tire Balancing

Health Care: Ibuprofen, Insulin, Dental Exam, Doctor Exam, Eye Exam

Miscellaneous: Tennis Balls, Haircut, Dress Shirt, Fast Food Hamburger, Pizza, Beer, Veterinarian Exam, Appliance Repair, Dry Cleaning, Movie Ticket



Data Source: Council for Community and Economic Research Cost of Living Index (www.coli.org)

Quarterly Economy Tracker Research Underwriters

Signature Underwriter

SORDONI

FAMILY FOUNDATION

Supporting Underwriter



Quarterly Economy Tracker Underwriting opportunities available!
Please contact Susan Magnotta (magnotta@institutepea.org) for more information.
Circulation is over 1,000 self-subscribed individuals.

The Institute

Turning Information into Insight

**Economic, Impact, Health,
Social, and Education
Research, Evaluation, and
Consulting**

A partnership among Geisinger Commonwealth School of Medicine, Johnson College, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Scranton, Penn State Wilkes-Barre, The Wright Center for Graduate Medical Education, University of Scranton, and Wilkes University

The Institute Research Team:

Teri Ooms, Executive Director

Andrew Chew, Senior Research & Policy Analyst

Megan Stachowiak, Research Analyst

Joseph Gallo, Research Assistant

Kara McGrane, Research Assistant

Jill Avery-Stoss, Research, Data & Intern Coordinator

Susan Magnotta, Director of Community Outreach

Offices in Wilkes-Barre and Scranton

Phone: 570.408.9850

Email: info@institutepea.org

www.institutepea.org

**Follow us on
Facebook and Twitter!**



Subscribe to the Quarterly Economy Tracker at www.institutepea.org