

The **INSTITUTE** for  
Public Policy & Economic Development  
at Wilkes University

# Quarterly Economy Tracker

A partnership among Geisinger Commonwealth School of Medicine, Keystone College, King's College, Lackawanna College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes-Barre, The University of Scranton & Wilkes University

## In This Issue:

Underemployed Workers	1-2
Wage Distribution	3-4
Indicators 2017	4
Restaurant Industry Statistics	5
Selected Economic Indicators	6-7
Labor Market at a Glance	8

The Economic 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.

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## Underemployed NEPA Workers Still Face Economic Struggles

On the surface, America's unemployment crisis appears to be on the wane. The official unemployment rate, which peaked at 10 percent in October 2009, has since been halved to 4.7 percent as of December 2016, a percentage not last seen since September 2007. While the United States as well as Northeastern Pennsylvania have seen improvements in labor market conditions, this unemployment rate is not the only measurement of joblessness. For example, the most commonly reported

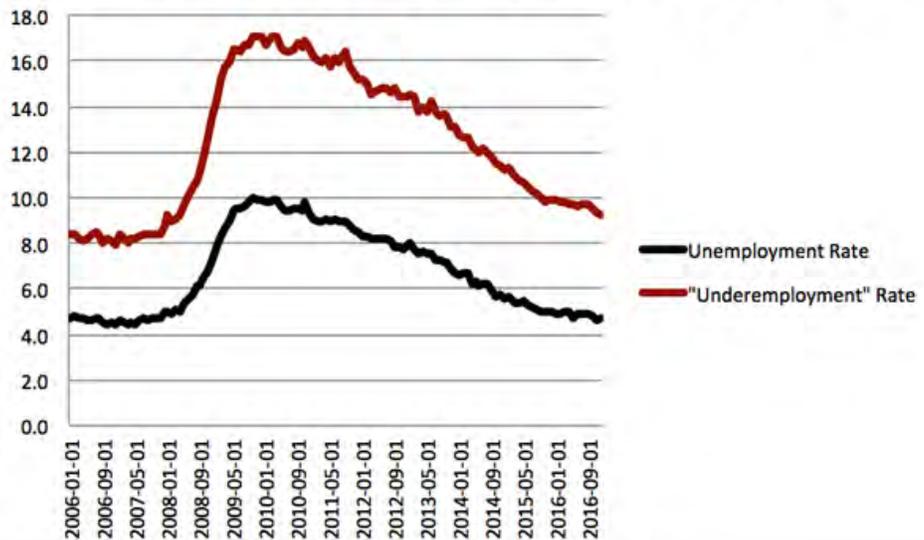
metric – formally called the U3 unemployment rate – measures the “total unemployed, as a percent of the civilian labor force.” This rate is a useful baseline measure of labor market conditions, and is reported on a quarterly basis in this publication.

But of special note is the U6 unemployment rate, which examines the total percentage of unemployed plus those working fewer hours than the full-time jobs they would like to attain, otherwise known as underem-

ployed workers. Underemployment can affect workers of all educational backgrounds and socioeconomic positions. These workers may be working part-time involuntarily due to a lack of job openings, vocational training, or inaccessibility to public transportation or affordable childcare.

(continued on the next page.)

National Unemployment and Underemployment Divergence, 2006-present



Source: Bureau of Labor Statistics

## Underemployment *(continued from Page 1)*

Underemployment is highly linked with poverty, as part-time work most often remains insufficient in meeting basic needs. For example, according to the latest U.S. Census Bureau American Community Survey estimates, the average salaries for part-time workers in Lackawanna and Luzerne Counties amount to under \$17,000 for men and around \$12,000 for women.

Full-time workers throughout the region, on the other hand, earn an average of around \$46,000 and \$36,000, respectively, for men and women. Additionally, nearly 20 percent of underemployed workers are earning income below the poverty level, while a mere fraction – roughly 3 percent – of full-time workers have incomes below the poverty level.

When underemployed workers are factored into an assessment of the U.S. workforce, a much larger portion of American workers remain alienated from the economic recovery. As of December 2016, the U6 underemployment rate stands at 9.2 percent – down from 17.1 percent in April 2010, yet not quite at pre-recession lows.

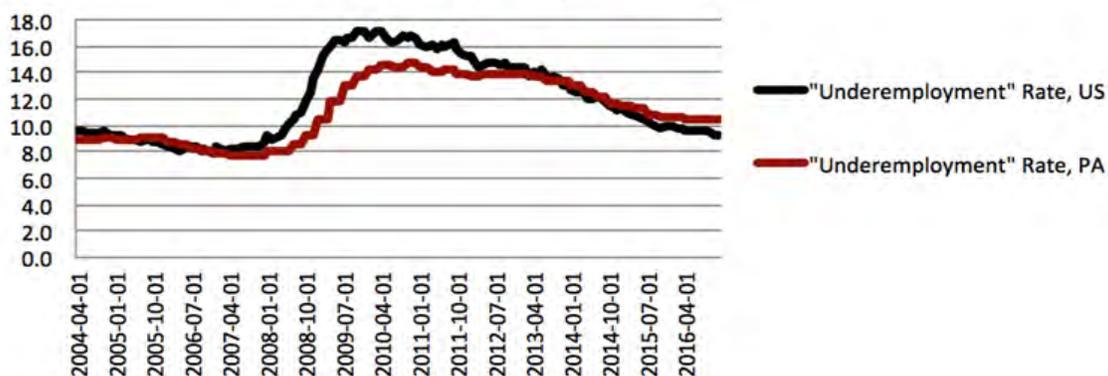
The Commonwealth of Pennsylvania, however, has enjoyed even less success. While Pennsylvania's U6 unemployment rate never attained the severity of the national rate during the peak of the 2008 recession, the figures have failed to improve as quickly, lingering at 10.5 percent compared to October 2010's high of 14.7 percent. Thus, while nationwide underemployment has been nearly halved, Pennsylvania's underemployment rate remains over 70 percent of its recession highs, and is now substantially above the national underemployment rate for the first time in several years.

How does the U6 underemployment rate figure into an analysis of Northeastern Pennsylvania's workforce? Unfortunately, the Bureau of Labor Statistics stops collecting data beneath the state level, leaving a precise measurement of the regionally underemployed impossible to determine. However, comparing alternative measurements can help tell the rest of the story. According to U.S. census data, almost 37 percent of all workers throughout Lackawanna and Luzerne counties are currently working in a part-time or part-year capacity. Among the labor force living below the poverty line, that percentage balloons to over 80 percent. This demonstrates that there is a close link between poverty and underemployment in Northeastern Pennsylvania.

While the regional unemployment rate near six percent may be close to the pre-recession rate, a significant number of workers throughout Northeastern Pennsylvania risk alienation from the kind of economic recovery that others have since enjoyed. While the precise extent of this issue in the region cannot be fully understood due to the lack of available data, Pennsylvania's underemployment rate now exceeds the national rate, which, along with Northeastern Pennsylvania's higher than average poverty and wage rates, suggest that the region is home to many underemployed workers. Moving forward, it is likely that the region's greatest challenge of labor market economics will be to reduce the number of workers in the labor force who involuntarily work part-time or part-year work due to economic circumstances. ♦

*"There is a close link between poverty and underemployment in Northeastern Pennsylvania."*

**US & PA Underemployment Rates, 2004-present**



Source: Bureau of Labor Statistics

## Wage Distribution Varies Among Occupation Groups

Data tracked by the U.S. Bureau of Labor Statistics has tracked the median hourly wages for occupations groups within the Scranton-Wilkes-Barre-Hazleton Metropolitan Statistical Area, which includes Lackawanna, Luzerne, and Wyoming Counties.

Median wages range from \$9.17 per hour for food preparation and serving workers to \$43.09 for management occupations. The median wage for all occupations is \$15.81 per hour. Production occupations, transportation and material moving occupations, and arts, design, entertainment, sports, and media occupations all have median wages comparable to the overall median for the region.

The table on the following page shows wage percentiles for selected occupational categories with high levels of employment and/or lower than average hourly wages.

In 2016, The Institute partnered with the University of Scranton to complete an analysis of the living wage in Northeastern Pennsylvania – the wage that is necessary to achieve a modest level of economic security. The data used in that study found that a “living wage” in the region was \$9.40 per hour for a single adult, \$28.16 for a family of two adults and two children, and \$20.48 for a single parent with one child.

Occupations with Median Hourly Wage		
Occupation	Total Employment	Median Hourly Wage
All Occupations	255,810	15.81
Management Occupations	7,840	43.09
Business and Financial Operations Occupations	9,350	27.12
Computer and Mathematical Occupations	4,260	29.35
Architecture and Engineering Occupations	3,350	33.14
Life, Physical, and Social Science Occupations	1,180	29.46
Community and Social Service Occupations	5,200	17.59
Legal Occupations	1,310	22.93
Education, Training, and Library Occupations	16,390	25.87
Arts, Design, Entertainment, Sports, and Media Occupations	1,990	16.49
Healthcare Practitioners and Technical Occupations	16,900	26.10
Healthcare Support Occupations	9,310	13.00
Protective Service Occupations	5,690	17.50
Food Preparation and Serving Related Occupations	22,040	9.17
Building and Grounds Cleaning and Maintenance Occupations	8,070	10.66
Personal Care and Service Occupations	8,380	10.54
Sales and Related Occupations	25,780	11.38
Office and Administrative Support Occupations	42,350	14.93
Farming, Fishing, and Forestry Occupations	190	17.97
Construction and Extraction Occupations	9,040	19.79
Installation, Maintenance, and Repair Occupations	10,090	19.41
Production Occupations	20,020	15.59
Transportation and Material Moving Occupations	27,080	15.12

*Source: Bureau of Labor Statistics*

As the table on the following page shows, office and administrative support occupations make up the largest category by number of jobs, and has about half of its workers making less than the living wage for a working adult with two children and a spouse who also works full time.

Food preparation and serving occupations, which stands as the fourth largest category by number of jobs, has the lowest hourly wage rates across every percentile. Less than half of these workers earn the \$9.40 per hour needed just to meet the living wage for a single adult household.

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***“Median wages range from \$9.17 per hour for food preparation and serving workers to \$43.09 for management occupations. The median wage for all occupations is \$15.81 per hour.”***

## Wages by Occupation *(continued from Page 3)*

The vast majority of these workers earn less than the living wage for other household types.

Although encompassing a fewer employees, the occupation groups of building and grounds cleaning/maintenance and personal care and service follow food preparation and serving with the next lowest in median hourly wage. For these categories, the median wage is below the living wage for any worker regardless of number in

the household, and 75 percent of those workers earn wages that would not allow them to achieve economic security if they have two children in their household unless their spouse earns considerably higher wages.

Two occupation groups, production and transportation and material moving, represent better opportunities to meet the living wage threshold, and both employ large numbers of workers in the

region. Ninety percent of production occupations pay at least \$9.75 per hour, which represents a living wage for a single adult. More than half of production workers earn the equivalent of a living wage for a household with two children and two working adults.

To view the entire living wage report, visit <http://www.scranton.edu/academics/provost/education-justice/livingwage.shtml> ♦

**Occupations with Highest Employment and/or Lowest Median Hourly Wage**

Occupation	Total Employment	10th Percentile (\$USD)	25th Percentile (\$USD)	Hr. Wage Median (\$USD)	75th Percentile (\$USD)	90th Percentile (\$USD)
Office and Administrative Support	42,350	\$9.31	\$11.56	\$14.93	\$19.09	\$24.65
Transportation and Material Moving	27,080	\$9.13	\$11.54	\$15.12	\$19.72	\$25.53
Sales and Related Occupations	25,780	\$8.02	\$8.85	\$11.38	\$18.76	\$29.19
Food Preparation and Serving Related	22,040	\$7.75	\$8.29	\$9.17	\$11.31	\$14.43
Production	20,020	\$9.75	\$11.74	\$15.59	\$20.67	\$25.81
Healthcare Support	9,310	\$9.39	\$10.81	\$13.00	\$15.21	\$18.98
Building and Grounds Cleaning and Maintenance	8,070	\$7.93	\$8.76	\$10.66	\$13.80	\$17.72
Personal Care and Service	8,380	\$7.98	\$8.84	\$10.54	\$13.16	\$16.77

Source : Bureau of Labor Statistics

## The Institute Announces 2017 Indicators Event

The Institute for Public Policy and Economic Development has announced that its annual Regional Indicators Forum will be held on May 11, 2017 at Mohegan Sun Pocono Convention Center. The event will begin at 8:30 am and conclude at 11:30 am and include breakfast. Attendees will also receive a copy of the 2017 Regional Indicators Report. The cost of the event is \$50.

As in past years, the event will feature the latest data on demographics, economics, housing, education, health, infrastructure, and other topics in Northeastern Pennsylvania.

Additionally, The Institute’s seven topic-based task forces will present original

research conducted in the past year. This year’s research will include studies on energy costs, oral health and access to dental care, blighted housing, career and technical education, financial literacy, public transit, and more.

The Institute will produce a current Pillars of a Strong Community Index. The Institute created the index in 2016. Pillars of a Strong Community is a model designed to systematically measure progress at achieving overall community strength, and provide a framework for benchmarking progress against other regions around the United States.

The first step in this process involved identifying the major conditions associated with success as a community. The four criteria identified **Diverse & Resilient Economy, Healthy & Prosperous Families, Investment in Physical Assets & the Environment, and Civic Engagement & Community Ties.** Each of the four pillars are comprised of multiple indicators from various topics covered in The Institute’s 2016 Regional Indicators report as well as supplemental data. ♦

*Mark your calendars now, and watch for more details from The Institute on our website, e-mails, and social media!*

## Restaurant Industry Employs Over 14,000 in NEPA

The hospitality industry represents a sizeable portion of the region's economy. Specifically, restaurants and other establishments that serve food and beverages employ 14,638 in the two county region, a growth of 376 jobs over the last five years. For purposes of this analysis, restaurants includes four categories of business as shown in the table below; bars and taverns which primarily serve alcoholic beverages but have limited food offerings are not included.

The fastest employment growth and greatest concentration of employment in the region is in the category that includes snack bars and nonalcoholic beverage bars, such as concession

stands and casual food and drink vendors commonly found in shopping centers, stadiums, and other public locations.

Food prep workers, including fast food workers, and waiters and waitresses are the largest occupations within these industries, employed over 3,600 in the region. Though these occupations are associated with relatively low wages, other occupations with somewhat higher wages such as supervisors,

managers, and restaurant cooks are also a large part of the industry's workforce. There is projected to be a demand for workers over the next five years due to both industry growth and a need for replacement of workers leaving the workforce or moving into other jobs. There are projected to be openings for 255 restaurant cooks, 140 first line supervisors, 93 bartenders, 31 food service managers, and a combined over 1,200 food preparation workers and restaurant servers. ♦

*"There is projected to be a demand for workers over the next five years due to both industry growth and a need for replacement of workers leaving the workforce or moving into other jobs."*

### Selected Statistics for Restaurant Industry

Industry (NAICS code)	Current Employment	Employment Change over last 5 Years	Annual Projected Growth	Location Quotient
Full Service Restaurants (722511)	8,022	+ 32	-0.3%	0.91
Limited Service Restaurants (722513)	5,061	+ 108	-0.1%	0.72
Cafeterias & Buffets (722514)	125	-2	-0.1%	0.57
Snack Bar/Nonalcoholic Beverage Bars (722515)	1,429	+ 237	-0.2%	1.36
Restaurant Industry Total (72251)	14,638	+ 376	-0.2%	0.85

### Restaurant Industry Workforce Indicators

	Current Employment	Average Wages	5-Year Total Demand
Food Preparation/Serving Workers, including Fast Food Workers	3,561	\$18,300	559
Waiters and Waitresses	3,171	\$21,400	681
Restaurant Cooks	1,495	\$23,600	255
First-Line Supervisors of Food Preparation/Serving Workers	920	\$34,400	140
Fast Food Cooks	710	\$17,200	56
Food Preparation Workers	639	\$20,800	89
Dishwashers	581	\$18,500	95
Hosts and Hostesses	524	\$19,500	189
Bartenders	415	\$19,700	93
Dining Room and Cafeteria Attendants and Bartender Helpers	409	\$18,600	95
Counter Attendants: Cafeteria, Food Concession, or Coffee Shop	387	\$20,000	120
Food Service Managers	210	\$61,400	31

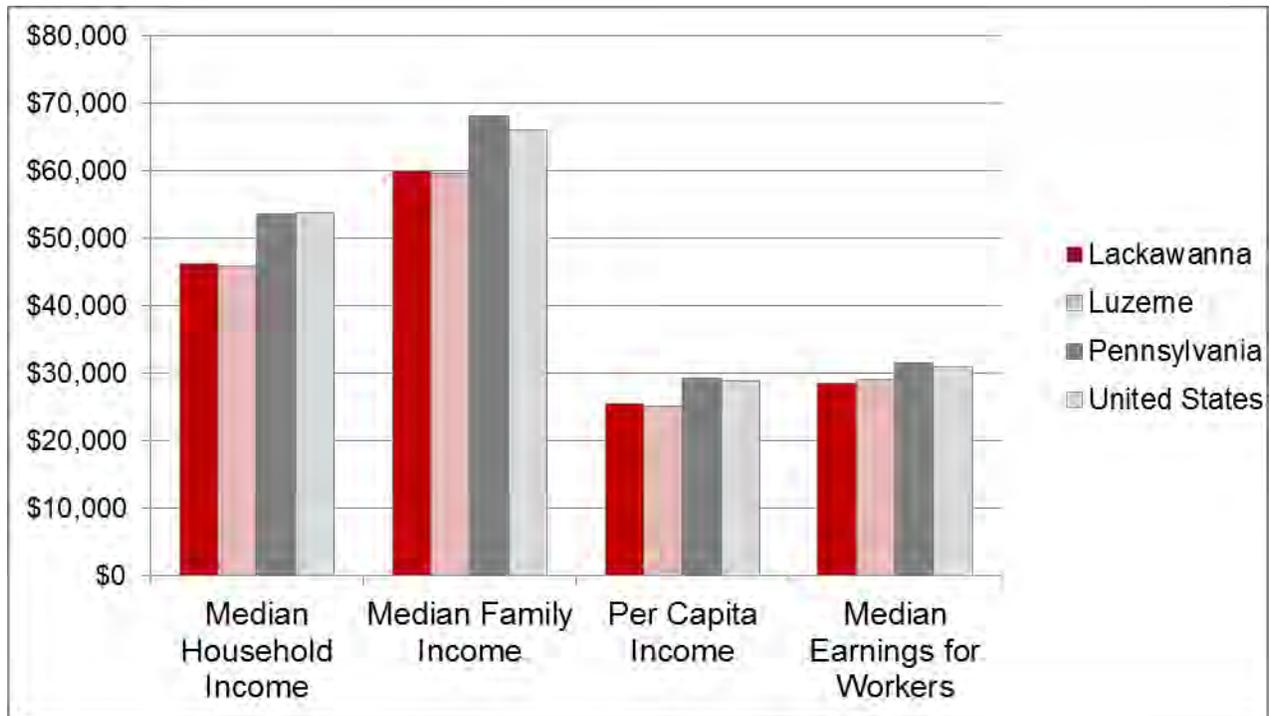
Data Source: JobsEQ

## Selected Economic Indicators

### Household, Family, and Per Capita Income

Updated data from the United States Census Bureau’s American Community Survey includes several measures of income and earnings. The latest data, for 2015, shows that Lackawanna and Luzerne Counties have median household incomes about \$7,000 less than the statewide and national median. There is a similar trend for median family income. Per capita income in the region stands around \$25,000 per year; while the median earnings per worker amount to \$28,613 in Lackawanna County and \$29,011 in Luzerne County.

Income Overview - 2015				
	Lackawanna	Luzerne	Pennsylvania	United States
<b>Median Household Income</b>	\$46,271	\$45,897	\$53,599	\$53,889
<b>Median Family Income</b>	\$59,995	\$59,622	\$68,158	\$66,011
<b>Per Capita Income</b>	\$25,608	\$25,224	\$29,291	\$28,930
<b>Median Earnings for Workers</b>	\$28,613	\$29,011	\$31,542	\$30,926



*Source: U.S. Census Bureau American Community Survey 1-year Estimates*

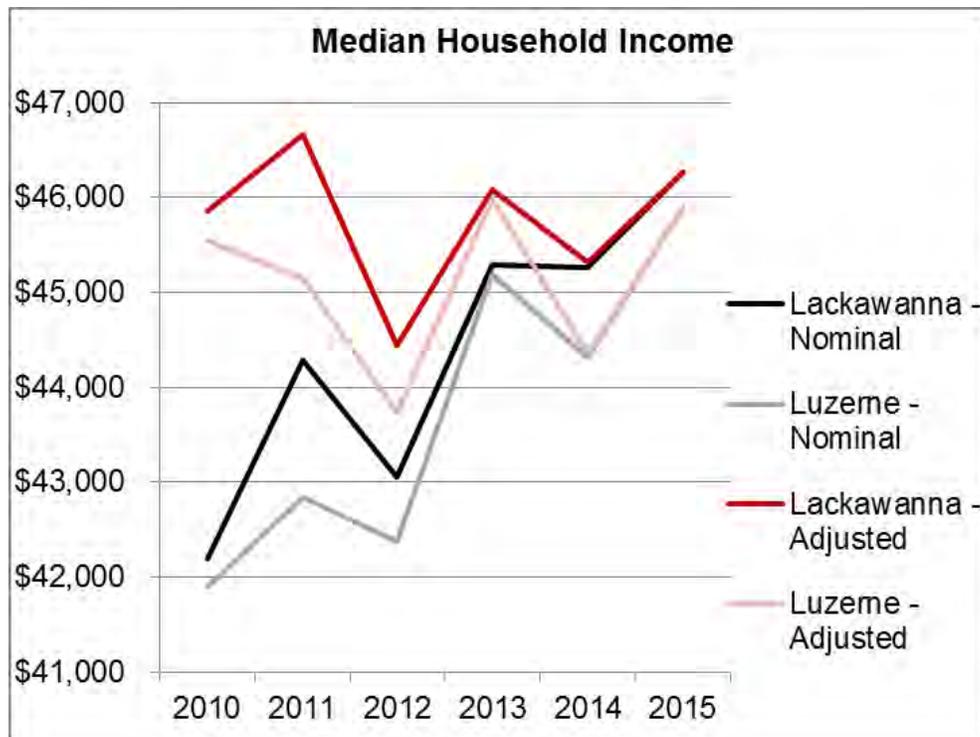
## Selected Economic Indicators

### Income Trends

Compared with the prior year's household income data, Lackawanna and Luzerne Counties saw growth of 2.2 and 3.6 percent, respectively. Since 2010, the reported median household income has grown by nearly ten percent.

However, when adjusting prior year data for inflation, the growth has been substantially slower and less consistent. The graph below shows median household income change in both nominal (unadjusted) dollars and inflation-adjusted 2015 dollars. While incomes have grown significantly in nominal dollars, the inflation-adjusted statistics shows slow and inconsistent growth. Inflation-adjusted incomes have grown by 0.9 percent and 0.8 percent in Lackawanna and Luzerne Counties since 2010.

Median Household Income Change Over Time				
	Nominal Income Change		Inflation-Adjusted Change	
	Lackawanna	Luzerne	Lackawanna	Luzerne
2010 to 2015 change	9.7%	9.5%	0.9%	0.8%
2014 to 2015 change	2.2%	3.6%	2.1%	3.5%



Source: U.S. Census Bureau American Community Survey 1-year Estimates, BLS Inflation Calculator

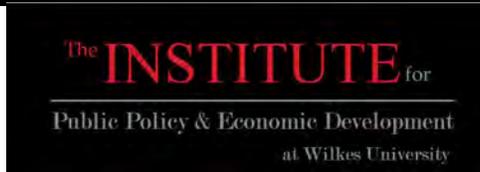
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The Willary Foundation is a family foundation dedicated to developing ideas and projects that are interesting, creative and imaginative and which benefit communities in Northeastern Pennsylvania. Willary seeks to foster groups with unique, innovative or unusual ideas and efforts.

The Foundation is disposed to leveraging the impact of its grants by encouraging efforts that could have a ripple effect in the community or by supporting projects in conjunctions with other sources of funding. The Foundation wishes to promote the special qualities of the people of Northeastern Pennsylvania.

Supporting Underwriters



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*In its publications, The Institute uses the most current data available at the time of release.*

## Labor Market at a Glance

Figures from BLS for August through October 2016 showed unemployment rates in both counties and Pennsylvania as a whole that were near the 2015 annual average.

The United States rate was at 5.1 percent. When compared to rates from previous years, June of 2016 had higher unemployment than 2015, but both counties still remain below 2014 figures.

Employment in the two counties remains below pre-recession peaks. However, employment has continued to trend upwards, coinciding with the falling unemployment rate. However, the labor force in both counties remains well below 2008 levels. The recent fluctuations in the size of the labor force send mixed signals about the health of the region's labor market economy. ♦

Unemployment Rate (Not Seasonally Adjusted)				
	Lackawanna	Luzerne	Pennsylvania	United States
2007	4.8	5.0	4.4	4.6
2008	5.8	6.2	5.3	5.8
2009	8.2	9.0	8.0	9.3
2010	9.0	10.0	8.5	9.6
2011	8.9	9.6	7.9	8.9
2012	8.9	9.8	7.8	8.1
2013	8.3	9.4	7.4	7.4
2014	6.6	7.4	5.9	6.2
2015	5.7	6.3	5.1	5.3
Aug '16	6.4	6.9	6.0	5.0
Sep '16	5.5	6.2	5.4	4.7
Oct '16	5.6	6.3	5.4	4.4

*Prior year figures have been revised.*

*Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics*

Labor Force & Employment				
	Lackawanna County		Luzerne County	
	Labor Force	Employment	Labor Force	Employment
2007	106,909	101,792	159,118	151,181
2008	108,526	102,231	161,744	151,642
2009	107,192	98,396	161,298	146,781
2010	106,987	97,402	159,759	143,859
2011	107,292	97,796	159,797	144,474
2012	107,654	98,118	160,921	145,098
2013	107,613	98,661	160,775	145,618
2014	106,654	99,602	158,933	147,248
2015	106,388	100,353	158,303	148,351
Aug '16	107,573	100,663	159,870	148,814
Sep '16	106,998	101,126	159,405	149,474
Oct '16	106,602	100,651	158,701	148,768

*Prior year figures have been revised.*

*Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics*

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