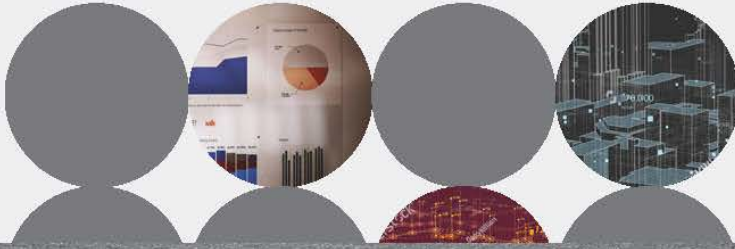


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THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



A Strategic Approach to Growing the Region's Economy

May 2023

The Institute

Turning Information into Insight

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Contents

Research Methodology 3

Executive Summary..... 3

Introduction 5

Industry Overview..... 8

Occupation Overview..... 10

Regional Data Compared to Peer Region and National Trends..... 13

Regional Data Compared to Global Trends..... 19

 Health Care and Social Assistance 19

 Transportation and Warehousing..... 19

 Retail Trade 19

 Manufacturing 20

Conclusion and Recommendations 20

References 22

Endnotes 23

Research Methodology

The data in this report is derived from secondary sources such as Jobs EQ, a licensed labor market databased through Chmura Economics, and the U.S. Census Bureau's most recent American Community Surveys. Additional information was sourced from reputable economic publishers, such as Forbes, Deloitte, International Monetary Fund, and World Bank. The Scranton—Wilkes-Barre—Hazleton Metropolitan Statistical Area (MSA) is used instead of county totals in this report because all identified peer regions are also represented by MSAs. In addition to the three largest cities in the region, the Scranton—Wilkes-Barre—Hazleton MSA includes Wyoming County.

Executive Summary

Project Abstract

This report serves as a blueprint for regional economic development by identifying growth opportunities and providing a guide for increasing economic diversity (defined as economic activity spread across a greater variety of industry sectors). The report includes a study of the most recent available data on wages by occupation and industry for comparison to state and national benchmarks, as well as data on the current industry composition and location quotients in the region. This data provides a basis for the identification of opportunities in targeted industry sectors, within the context of national and global economic forces.

Findings

The top four industries in the Scranton—Wilkes-Barre—Hazleton area are as follows: health care and social assistance (17.4 percent), transportation and warehousing (11.5 percent), retail trade (11.4 percent), and manufacturing (11.3 percent). Considering average annual wages by industry, utilities offer the highest wages in the Scranton—Wilkes-Barre—Hazleton area (\$121,802).

In terms of employment by occupation, the Scranton—Wilkes-Barre—Hazleton area has the highest number of workers employed in transportation and material moving occupations (14.5 percent). At the state and national levels, relatively large shares of workers fill office and administrative support occupations (12.7 percent and 12.3 percent, respectively).

Employment by Occupation		
Scranton—Wilkes-Barre—Hazleton, PA		
Total - All Occupations		259,314
Transportation and Material Moving Occupations	37,729	14.5%
Office and Administrative Support Occupations	31,840	12.3%
Sales Related Occupations	23,366	9.0%
Production Occupations	19,439	7.5%
Food Preparation and Serving Related Occupations	19,145	7.4%

Source: Jobs EQ

In the Scranton—Wilkes-Barre—Hazleton area, the highest paid entry-level positions are management occupations, which pay about \$51,800 annually. Management occupations also pay the most at the state and national levels (\$55,700 and \$49,500, respectively).

In the previous ten years, the Scranton—Wilkes-Barre—Hazleton area has increased its employment level by 523 occupations. Transportation and material moving occupations have grown the most, with 10,142 positions added. This growth is consistent with the region’s geography, as it is home to multiple major highways, such as Interstates 80 and 81, and the Pennsylvania Turnpike.

Fastest Growing Occupations	
Scranton—Wilkes-Barre—Hazleton, PA	
Total Occupations Added	523
Transportation and Material Moving Occupations	10,142
Business and Financial Operations Occupations	2,344
Computer and Mathematical Occupations	1,605
Management Occupations	1,529
Healthcare Support Occupations	1,417

Source: Jobs EQ

The location quotient relates to the relative concentration of an industry or occupation in a specific region compared to the national average. A location quotient of 1.00 means that that industry is present in equal shares of the region and nation. In the Scranton—Wilkes-Barre—Hazleton area, the industries that surpass the national average location quotients are as follows: transportation and warehousing (2.31), utilities (1.64), manufacturing (1.40), health care and social assistance (1.21), and retail trade (1.13).

In most instances (with the exception of Binghamton, New York) the Scranton—Wilkes-Barre—Hazleton workforce is more equally dispersed among its top four industries than its peer regions. Unlike its peer regions, Scranton—Wilkes-Barre—Hazleton has a significant number of employees in the transportation and warehousing industry (11.5 percent).

Top 4 Industries	
Scranton—Wilkes-Barre—Hazleton, PA	
Total - All Industries	259,314
Health Care and Social Assistance	45,094 17.4%
Transportation and Warehousing	29,799 11.5%
Retail Trade	29,559 11.4%
Manufacturing	29,421 11.3%

Source: Jobs EQ

At the global level, Russia’s war in Ukraine, economic policies aimed at containing high inflation, and supply chains disruptions resulting from lingering COVID-19 effects have negatively impacted current industrial trends. The top industries of the Scranton—Wilkes-Barre—Hazleton area are all likely to be impacted by these trends.

Recommendations

Lackawanna and Luzerne Counties appear best suited to continue cultivating its existing industry strengths. Focusing growth on industries already strong in the region allows the region to build upon its competitive advantages and may be appropriate given the ongoing tight labor market, in which building

new specialized workforce pipelines may be difficult and uncertainty is high. The logistics sector is already a key source of competitive advantage. Health care, already a strength, should be a priority for economic and workforce development, as outpatient and home-based care segments grow. Expanding tourism-related industries could allow the region to build on an asset while diversifying its economy.

Nonetheless, there are still new areas ripe for economic development. A much greater investment in the renewable energy industry, which is still small in the region, could create an even more resilient economy.

Introduction

The counties of Lackawanna and Luzerne in Northeastern Pennsylvania are home to 540,354 residents. Of these residents, the vast majority identify as White and non-Hispanic or Latino. Additionally, most of the populations of these two counties range from 25 to 54 years in age. Large shares of residents in both counties have earned their high school diplomas only, and most households fall into the \$50,000-to-\$74,999 income bracket. With Lackawanna and Luzerne Counties’ geographic location, age range, and average level of education, there is opportunity for economic growth.

As of 2022, approximately 259,314 total occupations exist within the Scranton—Wilkes-Barre—Hazleton area, with transportation and material moving occupations most prominent (14.5 percent).

The following tables and graphs further expand on the characteristics of the workforce of Lackawanna and Luzerne Counties.

Most of the residents of both Lackawanna and Luzerne Counties are White (82.9 percent and 78.9 percent, respectively). In Lackawanna County, residents identifying as two or more races comprise the second largest share (5.9 percent), whereas residents identifying as “other” comprise the second largest share in Luzerne County (7.7 percent). Both counties have higher percentages of residents who identify as Hispanic or Latino compared to the whole of Pennsylvania. Over 14.0 percent of Luzerne County’s population identifies as Hispanic or Latino, and 8.5 percent of Lackawanna County’s population identifies as Hispanic or Latino.

Race and Ethnicity						
	Lackawanna County		Luzerne County		Pennsylvania	
Total Population	215,896		325,594		13,002,700	
Race						
White	179,038	82.9%	257,042	78.9%	9,750,687	75.0%
Black or African American	8,350	3.9%	16,226	5.0%	1,423,169	10.9%
Native American Indian and Alaska Native	570	0.3%	888	0.3%	31,052	0.2%
Asian	6,826	3.2%	4,070	1.3%	510,501	3.9%
Native Hawaiian and Other Pacific Islander	35	0.02%	109	0.03%	4,276	0.03%
Other	8,334	3.9%	25,207	7.7%	508,531	3.9%
Two or More Races	12,743	5.9%	22,052	6.8%	774,484	6.0%
Ethnicity						
Hispanic or Latino (of any race)	18,267	8.5%	46,898	14.4%	1,049,615	8.1%
Not Hispanic or Latino	197,629	91.5%	278,696	85.6%	11,953,085	91.9%

Source: U.S. Census Bureau

While most of the populations range from 25 to 54 years in Lackawanna and Luzerne Counties, there is also a considerable share of residents between 65 and 74 years in both counties. The smallest shares of the populations in Lackawanna and Luzerne Counties are 85 years and over (2.9 percent and 2.7 percent, respectively). The median age for Lackawanna County is 42.1 years, whereas the median age for Luzerne County is 42.4 years. These median ages are higher than that of Pennsylvania (40.8 years).

Population Age				
	Lackawanna County		Luzerne County	
Under 5 years	11,196	5.2%	17,060	5.3%
5 to 9 years	11,670	5.4%	17,673	5.4%
10 to 14 years	13,799	6.4%	18,702	5.8%
15 to 19 years	13,866	6.4%	20,094	6.2%
20 to 24 years	12,806	5.9%	19,612	6.0%
25 to 34 years	26,570	12.3%	40,981	12.6%
35 to 44 years	25,061	11.6%	38,100	11.7%
45 to 54 years	27,371	12.7%	42,982	13.2%
55 to 59 years	14,619	6.8%	23,058	7.1%
60 to 64 years	16,026	7.4%	22,899	7.0%
65 to 74 years	24,269	11.3%	36,395	11.2%
75 to 84 years	11,968	5.6%	18,571	5.7%
85 years and over	6,308	2.9%	8,698	2.7%
Total Population	215,529	100.0%	324,825	100.0%

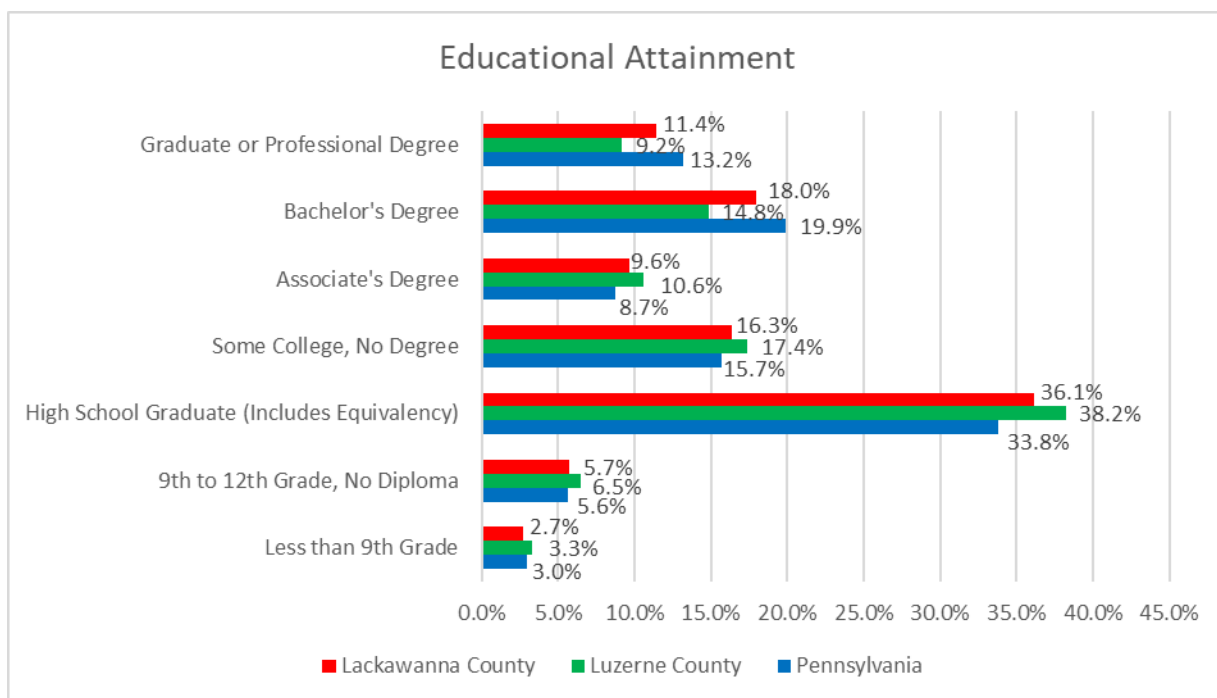
Source: U.S. Census Bureau

In both Lackawanna and Luzerne Counties, large proportions of households fall into the \$50,000-to-\$74,999 bracket – 17.9 percent and 17.6 percent of all households, respectively. Five percent of Lackawanna County residents receive less than \$10,000. The percentage of residents earning less than \$10,000 in Luzerne County (6.2 percent) is higher than that of Pennsylvania (5.4 percent).

Household Income						
	Lackawanna County		Luzerne County		Pennsylvania	
Total Households	87,217		131,556		5,147,783	
Less than \$10,000	4,351	5.0%	8,219	6.2%	275,900	5.4%
\$10,000 to \$14,999	5,077	5.8%	6,654	5.1%	206,667	4.0%
\$15,000 to \$24,999	9,125	10.5%	12,642	9.6%	418,904	8.1%
\$25,000 to \$34,999	8,017	9.2%	14,137	10.7%	433,184	8.4%
\$35,000 to \$49,999	11,188	12.8%	17,255	13.1%	596,390	11.6%
\$50,000 to \$74,999	15,624	17.9%	23,118	17.6%	879,398	17.1%
\$75,000 to \$99,999	11,688	13.4%	18,231	13.9%	679,745	13.2%
\$100,000 to \$149,999	13,081	15.0%	18,618	14.2%	845,598	16.4%
\$150,000 to \$199,999	4,706	5.4%	7,247	5.5%	380,936	7.4%
\$200,000 or more	4,360	5.0%	5,435	4.1%	431,061	8.4%
Median household income	\$58,366		\$56,534		\$67,587	
Mean household income	\$77,855		\$74,353		\$92,849	

Source: U.S. Census Bureau

In Lackawanna and Luzerne Counties, relatively large shares of residents are high school graduates (including equivalencies). In Lackawanna County, 36.1 percent of residents are high school graduates, whereas 38.2 percent of residents are high school graduates in Luzerne County. In both counties, a small share of residents have less than a 9th grade education. In Lackawanna County, 2.7 percent of residents received less than a 9th grade education. In Luzerne County, 3.3 percent of residents received less than a 9th grade education, which is higher than the statewide percentage (three percent).



Between 2000 and 2010, the populations of both Lackawanna and Luzerne Counties increased by 0.5 percent. The population of the entire state, however, increased by 3.4 percent. From 2010 to 2020, the population of Lackawanna County increased by 0.7 percent, whereas Luzerne County’s population increased by 1.5 percent.

Population Change			
	2000	2010	2020
Lackawanna County	213,295	214,437	215,896
% Change		0.5%	0.7%
Luzerne County	319,250	320,918	325,594
% Change		0.5%	1.5%
Pennsylvania	12,281,054	12,702,379	13,002,700
% Change		3.4%	2.4%

Source: U.S. Census Bureau

Industry Overview

The top four industries in the Scranton—Wilkes-Barre—Hazleton area are as follows: health care and social assistance (17.4 percent), transportation and warehousing (11.5 percent), retail trade (11.4 percent), and manufacturing (11.3 percent). While three of the top four industries in Pennsylvania match those of the region, the transportation and warehousing industry is only the seventh largest industry by employment (5.9 percent) at the state level. In contrast to the Scranton—Wilkes-Barre—Hazleton area, the educational services industry is one of the top four industries in terms of employment in Pennsylvania.

Employment by Industry					
Scranton—Wilkes-Barre—Hazleton, PA			Pennsylvania		
Total - All Industries	259,314		Total - All Industries	6,212,579	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	1,081,431	17.4%
Transportation and Warehousing	29,799	11.5%	Retail Trade	630,168	10.1%
Retail Trade	29,559	11.4%	Manufacturing	570,239	9.2%
Manufacturing	29,421	11.3%	Educational Services	481,211	7.7%
Accommodation and Food Services	19,213	7.4%	Accommodation and Food Services	444,618	7.2%
Educational Services	18,434	7.1%	Professional, Scientific, and Technical Services	431,310	6.9%
Administrative and Support and Waste Management and Remediation Services	15,692	6.1%	Transportation and Warehousing	368,259	5.9%
Construction	11,986	4.6%	Administrative and Support and Waste Management and Remediation Services	333,724	5.4%
Other Services (except Public Administration)	9,378	3.6%	Construction	326,582	5.3%
Wholesale Trade	9,202	3.5%	Other Services (except Public Administration)	282,357	4.5%
Public Administration	8,733	3.4%	Finance and Insurance	275,385	4.4%
Finance and Insurance	8,408	3.2%	Public Administration	230,397	3.7%
Professional, Scientific, and Technical Services	8,251	3.2%	Wholesale Trade	215,204	3.5%
Information	3,788	1.5%	Management of Companies and Enterprises	142,520	2.3%
Arts, Entertainment, and Recreation	3,291	1.3%	Arts, Entertainment, and Recreation	111,236	1.8%
Real Estate and Rental and Leasing	2,640	1.0%	Information	98,285	1.6%
Management of Companies and Enterprises	2,552	1.0%	Real Estate and Rental and Leasing	82,739	1.3%
Utilities	2,148	0.8%	Agriculture, Forestry, Fishing and Hunting	51,564	0.8%
Agriculture, Forestry, Fishing and Hunting	1,185	0.5%	Utilities	33,678	0.5%
Mining, Quarrying, and Oil and Gas Extraction	541	0.2%	Mining, Quarrying, and Oil and Gas Extraction	21,673	0.3%

Source: Jobs EQ

Considering average annual wages by industry, utilities offer the highest wages in the Scranton—Wilkes-Barre—Hazleton area (\$121,802). Utilities also offer the highest wages in Asheville, Binghamton, Canton-Massillon, Duluth, and York-Hanover. In Altoona and Spokane, management of companies and enterprises offers the highest wages. Finally, finance and insurance offer the highest wages in Lewiston.

The following chart compares the average annual wages of the Scranton—Wilkes-Barre—Hazleton Metropolitan Area (MSA) to its peer regions across the United States.

Average Annual Wages by Industry - Peer Regions									
	Scranton—Wilkes-Barre—Hazleton, PA	Altoona, PA	Asheville, NC	Binghamton, NY	Canton-Massillon, OH	Duluth, MN-WI	Lewiston, ID-WA	Spokane-Spokane Valley, WA	York-Hanover, PA
Accommodation and Food Services	\$21,638	\$19,245	\$27,241	\$23,597	\$19,604	\$20,576	\$20,664	\$26,813	\$20,193
Administrative and Support and Waste Management and Remediation Services	\$40,098	\$34,458	\$43,496	\$41,622	\$37,096	\$35,246	\$30,961	\$48,299	\$38,478
Agriculture, Forestry, Fishing and Hunting	\$28,022	\$43,288	\$28,018	\$24,853	\$23,502	\$18,611	\$45,821	\$31,398	\$30,244
Arts, Entertainment, and Recreation	\$28,567	\$19,302	\$34,794	\$38,884	\$26,065	\$26,862	\$31,620	\$32,067	\$23,732
Construction	\$59,817	\$48,679	\$50,513	\$60,603	\$58,376	\$66,679	\$51,326	\$60,081	\$64,992
Educational Services	\$53,816	\$45,416	\$49,126	\$63,632	\$44,950	\$50,559	\$43,888	\$59,452	\$55,944
Finance and Insurance	\$78,675	\$72,684	\$88,633	\$86,081	\$75,887	\$72,912	\$85,410	\$102,209	\$94,129
Health Care and Social Assistance	\$57,840	\$54,488	\$60,700	\$62,971	\$49,932	\$60,074	\$49,053	\$58,003	\$66,434
Information	\$59,257	\$55,099	\$90,066	\$48,906	\$45,976	\$47,818	\$47,596	\$71,568	\$54,743
Management of Companies and Enterprises	\$91,562	\$117,910	\$80,573	\$75,880	\$83,199	\$96,821	\$80,364	\$136,555	\$106,927
Manufacturing	\$61,778	\$55,401	\$59,109	\$89,623	\$63,863	\$66,642	\$62,456	\$62,811	\$67,967
Mining, Quarrying, and Oil and Gas Extraction	\$84,956	\$79,275	\$64,078	\$58,551	\$63,347	\$122,771	\$50,128	\$112,861	\$80,995
Other Services (except Public Administration)	\$32,259	\$28,017	\$32,290	\$27,721	\$27,783	\$29,134	\$27,721	\$35,215	\$32,375
Professional, Scientific, and Technical Services	\$68,119	\$56,875	\$65,236	\$63,112	\$72,375	\$70,176	\$52,972	\$79,069	\$73,992
Public Administration	\$59,353	\$52,417	\$55,393	\$62,864	\$56,919	\$59,961	\$52,023	\$77,815	\$72,566
Real Estate and Rental and Leasing	\$50,703	\$47,325	\$49,784	\$44,168	\$53,645	\$43,166	\$44,717	\$53,871	\$59,189
Retail Trade	\$33,094	\$29,950	\$31,637	\$31,458	\$30,979	\$28,782	\$36,824	\$37,882	\$30,059
Transportation and Warehousing	\$50,590	\$64,504	\$48,649	\$47,138	\$51,991	\$69,309	\$52,336	\$58,196	\$50,849
Unclassified	-	-	-	\$31,164	\$36,912	-	-	\$20,138	-
Utilities	\$121,802	\$88,448	\$95,598	\$93,136	\$88,087	\$106,213	\$83,043	\$125,512	\$135,078
Wholesale Trade	\$66,651	\$57,277	\$61,861	\$64,183	\$65,172	\$64,383	\$61,563	\$70,954	\$73,504

Source: Jobs EQ

Occupation Overview

Scranton—Wilkes-Barre—Hazleton transportation and material moving occupations comprise the most populous occupation group in the Scranton-Wilkes-Barre area (14.5 percent). At the state and national levels, large shares of people work in office and administrative support (12.7 percent and 12.3 percent, respectively). In the Scranton—Wilkes-Barre—Hazleton area, relatively few people are employed in farming, fishing, and forestry occupations (0.2 percent), which is also the case at the state and national levels (0.4 percent and 0.6 percent, respectively).

Employment by Occupation						
	Scranton—Wilkes-Barre—Hazleton, PA		Pennsylvania		United States	
Total - All Occupations	259,314		6,162,317		158,952,180	
Architecture and Engineering Occupations	3,071	1.2%	97,098	1.6%	2,590,263	1.6%
Arts, Design, Entertainment, Sports, and Media Occupations	3,155	1.2%	95,477	1.5%	2,806,614	1.8%
Building and Grounds Cleaning and Maintenance Occupations	7,214	2.8%	186,515	3.0%	5,256,358	3.3%
Business and Financial Operations Occupations	11,737	4.5%	372,195	6.0%	10,187,914	6.4%
Community and Social Service Occupations	4,879	1.9%	120,974	2.0%	2,817,511	1.8%
Computer and Mathematical Occupations	5,470	2.1%	191,617	3.1%	5,451,796	3.4%
Construction and Extraction Occupations	9,678	3.7%	259,790	4.2%	7,189,374	4.5%
Educational Instruction and Library Occupations	12,928	5.0%	331,185	5.4%	8,486,001	5.3%
Farming, Fishing, and Forestry Occupations	641	0.2%	23,116	0.4%	1,030,233	0.6%
Food Preparation and Serving Related Occupations	19,145	7.4%	437,387	7.1%	12,453,017	7.8%
Healthcare Practitioners and Technical Occupations	16,849	6.5%	413,037	6.7%	9,231,527	5.8%
Healthcare Support Occupations	14,775	5.7%	350,537	5.7%	7,008,452	4.4%
Installation, Maintenance, and Repair Occupations	10,135	3.9%	240,824	3.9%	6,138,920	3.9%
Legal Occupations	1,608	0.6%	52,492	0.9%	1,365,251	0.9%
Life, Physical, and Social Science Occupations	1,574	0.6%	57,104	0.9%	1,396,313	0.9%
Management Occupations	13,359	5.2%	380,793	6.2%	10,869,890	6.8%
Office and Administrative Support Occupations	31,840	12.3%	780,937	12.7%	19,617,880	12.3%
Personal Care and Service Occupations	5,567	2.1%	145,835	2.4%	3,837,339	2.4%
Production Occupations	19,439	7.5%	374,613	6.1%	8,985,448	5.7%
Protective Service Occupations	5,157	2.0%	122,919	2.0%	3,392,158	2.1%
Sales and Related Occupations	23,366	9.0%	550,163	8.9%	14,937,949	9.4%
Transportation and Material Moving Occupations	37,729	14.5%	577,709	9.4%	13,901,973	8.7%

Source: Jobs EQ

In the Scranton—Wilkes-Barre—Hazleton area, the highest paid entry-level positions are for management occupations, which pay about \$51,800 annually. Management occupations also pay most at the state and national levels (\$55,700 and \$49,500, respectively). In terms of median salary, management occupations also pay the most the region (\$91,500), Pennsylvania (\$102,000), and the United States (\$88,200).

Entry Level Wages						
Occupation	Scranton—Wilkes-Barre—Hazleton, PA		Pennsylvania		United States	
	Entry Level	Median	Entry Level	Median	Entry Level	Median
Architecture and Engineering Occupations	\$ 50,700	\$ 78,700	\$ 51,100	\$ 78,900	\$ 48,300	\$ 74,900
Arts, Design, Entertainment, Sports, and Media Occupations	\$ 27,700	\$ 43,800	\$ 28,700	\$ 48,200	\$ 26,400	\$ 41,700
Building and Grounds Cleaning and Maintenance Occupations	\$ 24,100	\$ 31,800	\$ 23,000	\$ 30,800	\$ 22,100	\$ 29,200
Business and Financial Operations Occupations	\$ 43,000	\$ 66,500	\$ 45,000	\$ 71,000	\$ 41,000	\$ 63,500
Community and Social Service Occupations	\$ 31,900	\$ 46,800	\$ 30,900	\$ 46,800	\$ 30,300	\$ 44,500
Computer and Mathematical Occupations	\$ 44,000	\$ 78,000	\$ 48,600	\$ 84,900	\$ 41,800	\$ 74,300
Construction and Extraction Occupations	\$ 35,700	\$ 51,400	\$ 34,700	\$ 51,500	\$ 33,900	\$ 48,900
Educational Instruction and Library Occupations	\$ 29,000	\$ 58,000	\$ 29,800	\$ 60,000	\$ 27,800	\$ 55,300
Farming, Fishing, and Forestry Occupations	\$ 21,200	\$ 30,600	\$ 21,700	\$ 32,600	\$ 20,500	\$ 29,200
Food Preparation and Serving Related Occupations	\$ 19,300	\$ 25,600	\$ 18,700	\$ 25,000	\$ 17,800	\$ 23,500
Healthcare Practitioners and Technical Occupations	\$ 39,600	\$ 67,100	\$ 42,000	\$ 70,000	\$ 37,700	\$ 63,900
Healthcare Support Occupations	\$ 24,500	\$ 30,200	\$ 23,900	\$ 29,500	\$ 23,100	\$ 28,500
Installation, Maintenance, and Repair Occupations	\$ 32,100	\$ 48,400	\$ 32,900	\$ 49,600	\$ 30,400	\$ 45,900
Legal Occupations	\$ 35,800	\$ 80,300	\$ 46,800	\$ 83,800	\$ 34,200	\$ 76,500
Life, Physical, and Social Science Occupations	\$ 39,500	\$ 65,000	\$ 40,400	\$ 68,100	\$ 37,600	\$ 62,100
Management Occupations	\$ 51,800	\$ 91,500	\$ 55,700	\$ 102,000	\$ 49,500	\$ 88,200
Office and Administrative Support Occupations	\$ 27,900	\$ 39,800	\$ 27,400	\$ 39,900	\$ 26,300	\$ 37,400
Personal Care and Service Occupations	\$ 20,600	\$ 27,800	\$ 19,600	\$ 27,200	\$ 19,000	\$ 25,600
Production Occupations	\$ 27,400	\$ 39,700	\$ 28,400	\$ 40,200	\$ 25,700	\$ 37,300
Protective Service Occupations	\$ 26,900	\$ 48,300	\$ 26,100	\$ 43,800	\$ 25,500	\$ 46,400
Sales and Related Occupations	\$ 21,100	\$ 30,800	\$ 21,300	\$ 30,900	\$ 19,800	\$ 28,900
Transportation and Material Moving Occupations	\$ 28,000	\$ 38,700	\$ 25,000	\$ 36,600	\$ 26,000	\$ 36,100

Source: Jobs EQ

In the previous ten years, employment in the Scranton—Wilkes-Barre—Hazleton area has increased by 523 occupations. Transportation and material moving occupations have grown most, with 10,142 positions added, followed by business and financial operations occupations (2,344 positions added). The growth of transportation and material moving occupations within the region is consistent with its geography, as it is home to multiple major highways, such as Interstates 80 and 81, and the Pennsylvania Turnpike.

Fastest Growing Occupations	
Scranton—Wilkes-Barre—Hazleton, PA	
Total Occupations Added	523
Transportation and Material Moving Occupations	10,142
Business and Financial Operations Occupations	2,344
Computer and Mathematical Occupations	1,605
Management Occupations	1,529
Healthcare Support Occupations	1,417

Source: Jobs EQ

The location quotient relates to the relative concentration of an industry or occupation in a specific region compared to the national average. A location quotient of 1.00 means that that industry has the same share of total employment in the region as the national average; higher location quotients mean

that the industry makes up a larger percentage of all employment, whereas a lower quotient means the opposite.

In the Scranton—Wilkes-Barre—Hazleton area, the industries that surpass the national average are as follows: transportation and warehousing (2.31), utilities (1.64), manufacturing (1.40), health care and social assistance (1.21), and retail trade (1.13). The transportation and warehousing industry’s large location quotient in the Scranton—Wilkes-Barre—Hazleton area is consistent with its proximity to the multiple major highways previously mentioned.

Industry	Location Quotients					
	Scranton—Wilkes-Barre—Hazleton, PA		Pennsylvania		United States	
	Employed	LQ	Employed	LQ	Employed	LQ
Accommodation and Food Services	19,213	0.88	435,692	0.84	13,324,730	1.00
Administrative and Support and Waste Management and Remediation Services	15,692	0.93	328,096	0.82	10,295,758	1.00
Agriculture, Forestry, Fishing and Hunting	1,185	0.34	51,696	0.62	2,156,359	1.00
Arts, Entertainment, and Recreation	3,291	0.66	108,022	0.93	2,986,221	1.00
Construction	11,986	0.78	325,871	0.89	9,466,817	1.00
Educational Services	18,434	0.89	479,702	0.98	12,673,286	1.00
Finance and Insurance	8,408	0.80	274,807	1.10	6,452,363	1.00
Health Care and Social Assistance	45,094	1.21	1,074,748	1.21	22,878,608	1.00
Information	3,788	0.72	96,590	0.78	3,204,863	1.00
Management of Companies and Enterprises	2,552	0.65	140,522	1.51	2,396,990	1.00
Manufacturing	29,421	1.40	566,141	1.14	12,847,138	1.00
Mining, Quarrying, and Oil and Gas Extraction	541	0.60	21,604	1.02	543,768	1.00
Other Services (except Public Administration)	9,378	0.84	280,775	1.05	6,864,866	1.00
Professional, Scientific, and Technical Services	8,251	0.44	427,726	0.95	11,591,504	1.00
Public Administration	8,733	0.73	230,468	0.80	7,394,053	1.00
Real Estate and Rental and Leasing	2,640	0.58	82,176	0.75	2,812,577	1.00
Retail Trade	29,559	1.13	629,342	1.00	16,199,570	1.00
Transportation and Warehousing	29,799	2.31	361,989	1.19	7,850,630	1.00
Unclassified	-	-	-	-	270,552	1.00
Utilities	2,148	1.64	33,760	1.08	807,113	1.00
Wholesale Trade	9,202	0.95	212,591	0.92	5,934,461	1.00
Total - All Industries	259,314	1.00	6,162,317	1.00	158,952,226	1.00

Source: Jobs EQ

Regional Data Compared to Peer Region and National Trends

The top four industries of the Scranton—Wilkes-Barre—Hazleton area are as follows: health care and social assistance (17.4 percent), transportation and warehousing (11.5 percent), retail trade (11.4 percent), and manufacturing (11.3 percent). Three of these four industries match the top four industries in the nation based on employment. For example, the health care and social assistance industry employs the most workers in both the U.S. (14.3 percent) and the Scranton—Wilkes-Barre—Hazleton area.

Top 4 Industries - National Comparison					
Scranton—Wilkes-Barre—Hazleton, PA			United States		
Total - All Industries	259,314		Total - All Industries	160,228,873	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	22,981,704	14.3%
Transportation and Warehousing	29,799	11.5%	Retail Trade	16,232,397	10.1%
Retail Trade	29,559	11.4%	Accommodation and Food Services	13,558,172	8.5%
Manufacturing	29,421	11.3%	Manufacturing	12,958,908	8.1%
Accommodation and Food Services	19,213	7.4%	Educational Services	12,743,045	8.0%
Educational Services	18,434	7.1%	Professional, Scientific, and Technical Services	11,717,984	7.3%
Administrative and Support and Waste Management and Remediation Services	15,692	6.1%	Administrative and Support and Waste Management and Remediation Services	10,419,293	6.5%
Construction	11,986	4.6%	Construction	9,518,560	5.9%
Other Services (except Public Administration)	9,378	3.6%	Transportation and Warehousing	7,957,907	5.0%
Wholesale Trade	9,202	3.5%	Public Administration	7,396,552	4.6%
Public Administration	8,733	3.4%	Other Services (except Public Administration)	6,866,447	4.3%
Finance and Insurance	8,408	3.2%	Finance and Insurance	6,473,730	4.0%
Professional, Scientific, and Technical Services	8,251	3.2%	Wholesale Trade	5,999,549	3.7%
Information	3,788	1.5%	Information	3,260,122	2.0%
Arts, Entertainment, and Recreation	3,291	1.3%	Arts, Entertainment, and Recreation	3,062,325	1.9%
Real Estate and Rental and Leasing	2,640	1.0%	Real Estate and Rental Leasing	2,832,730	1.8%
Management of Companies and Enterprises	2,552	1.0%	Management of Companies and Enterprises	2,440,815	1.5%
Utilities	2,148	0.8%	Agriculture, Forestry, Fishing and Hunting	2,144,380	1.3%
Agriculture, Forestry, Fishing and Hunting	1,185	0.5%	Utilities	810,702	0.5%
Mining, Quarrying, and Oil and Gas Extraction	541	0.2%	Mining, Quarrying, and Oil and Gas Extraction	553,321	0.3%
Unclassified	0	0.0%	Unclassified	300,230	0.2%

Source: Jobs EQ

The following tables compare the top four industries of the Scranton—Wilkes-Barre—Hazleton area to its peer regions across the United States. Peer regions share characteristics (such as size and economy) similar to those of Northeastern Pennsylvania. Scranton—Wilkes-Barre—Hazleton. They include Altoona, Pennsylvania; Asheville, North Carolina; Binghamton, New York; Canton-Massillon, Ohio; Duluth, Minnesota-Wisconsin; Lewiston, Idaho-Washington; Spokane-Spokane Valley, Washington; and York-Hanover, Pennsylvania. These regions were identified in a previous research initiative by The Institute, Pillars of a Strong Community. They were selected from all metropolitan statistical areas in the United States based on total population, racial and ethnic diversity, age, income, and unemployment rate. By identifying the top four industries of a specific region, the economic resilience of that region is revealed. For instance, if a region has its highest concentration of workers in a few sectors only, then it is more vulnerable to economic downturn should any of those industries experience significant layoffs.

The following summary table lists the total percentages of workers employed in the top four industries of the Scranton—Wilkes-Barre—Hazleton area and its peer regions. Of the eight peer regions, Asheville, Duluth, Spokane-Spokane Valley, and York-Hanover have lower concentrations of workers in their top four industries than the Scranton—Wilkes-Barre—Hazleton area.

Workforce in Top 4 Industries	
Scranton—Wilkes-Barre—Hazleton, PA	51.6%
Altoona, PA	55.3%
Asheville, NC	51.3%
Binghamton, NY	52.0%
Canton-Massillon, OH	52.9%
Duluth, MN-WI	51.3%
Lewiston, ID-WA	54.7%
Spokane-Spokane Valley, WA	46.5%
York-Hanover, PA	49.5%

Source: Jobs EQ

Compared to the top industries of Altoona, Pennsylvania, which employs 21.5 percent of its workforce in the health care and social assistance industry, the Scranton—Wilkes-Barre—Hazleton area workforce is more evenly distributed among its top four industries. Additionally, 55.3 percent of Altoona’s workforce is dispersed across its top four industries, whereas that is the case for 51.6 of the Scranton—Wilkes-Barre—Hazleton area workforce. While health care and social assistance, retail trade, and manufacturing are top industries in both geographies, Altoona has more workers in accommodation and food services than it does in transportation and warehousing.

Top 4 Industries - Peer Region 1					
Scranton—Wilkes-Barre—Hazleton, PA			Altoona, PA		
Total - All Industries	259,314		Total - All Industries	60,779	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	13,073	21.5%
Transportation and Warehousing	29,799	11.5%	Retail Trade	8,663	14.3%
Retail Trade	29,559	11.4%	Manufacturing	6,982	11.5%
Manufacturing	29,421	11.3%	Accommodation and Food Services	4,840	8.0%

Source: Jobs EQ

Workers in Asheville, North Carolina are more evenly distributed than they are in the Scranton—Wilkes-Barre—Hazleton area. This region also has a slightly lower percentage of its workforce employed in its top four industries compared to the Scranton—Wilkes-Barre—Hazleton area. Additionally, unlike the Scranton—Wilkes-Barre—Hazleton area, accommodation and food services make up one of the top four industries in Asheville.

Top 4 Industries - Peer Region 2					
Scranton—Wilkes-Barre—Hazleton, PA			Asheville, NC		
Total - All Industries	259,314		Total - All Industries	217,721	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	36,324	16.7%
Transportation and Warehousing	29,799	11.5%	Retail Trade	27,608	12.7%
Retail Trade	29,559	11.4%	Accommodation and Food Services	24,980	11.5%
Manufacturing	29,421	11.3%	Manufacturing	22,597	10.4%

Source: Jobs EQ

The concentrations of workers in the top four industries of Binghamton, New York, and the Scranton—Wilkes-Barre—Hazleton area of Northeast Pennsylvania are nearly identical. Additionally, three of the top four industries are common between the two regions. However, the Scranton—Wilkes-Barre—Hazleton area has a significant number of workers in the transportation and warehousing industry (11.5 percent), whereas 11.6 percent of Binghamton’s workers are employed in the educational services industry.

Top 4 Industries - Peer Region 3			
Scranton—Wilkes-Barre—Hazleton, PA		Binghamton, NY	
Total - All Industries	259,314	Total - All Industries	97,809
Health Care and Social Assistance	45,094 17.4%	Health Care and Social Assistance	17,083 17.5%
Transportation and Warehousing	29,799 11.5%	Retail Trade	11,592 11.9%
Retail Trade	29,559 11.4%	Educational Services	11,321 11.6%
Manufacturing	29,421 11.3%	Manufacturing	10,801 11.0%

Source: Jobs EQ

More workers in the Canton-Massillon region of Ohio are concentrated in its top four industries than is the case in the Scranton—Wilkes-Barre—Hazleton area of Pennsylvania (52.9 percent and 51.6 percent, respectively). Although the top industries of health care and social assistance, manufacturing, and retail trade are common between the two regions, accommodation and food services ranks higher in the Canton-Massillon area.

Top 4 Industries - Peer Region 4			
Scranton—Wilkes-Barre—Hazleton, PA		Canton-Massillon, OH	
Total - All Industries	259,314	Total - All Industries	172,975
Health Care and Social Assistance	45,094 17.4%	Health Care and Social Assistance	29,261 16.9%
Transportation and Warehousing	29,799 11.5%	Manufacturing	25,283 14.6%
Retail Trade	29,559 11.4%	Retail Trade	20,561 11.9%
Manufacturing	29,421 11.3%	Accommodation and Food Services	16,409 9.5%

Source: Jobs EQ

Compared to the top industries of Duluth, Minnesota-Wisconsin, where 21.9 percent of the workforce is employed in the health care and social assistance industry, the Scranton—Wilkes-Barre—Hazleton area workforce is more evenly distributed. However, the Scranton—Wilkes-Barre—Hazleton area has more workers employed in its top four industries than Duluth. Health care and social assistance and retail trade are high-demand industries in both regions, but accommodation and food services and educational services make up the third and fourth highest industries, respectively, in terms of employment in Duluth.

Top 4 Industries - Peer Region 5					
Scranton—Wilkes-Barre—Hazleton, PA			Duluth, MN-WI		
Total - All Industries	259,314		Total - All Industries	134,413	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	29,384	21.9%
Transportation and Warehousing	29,799	11.5%	Retail Trade	15,516	11.5%
Retail Trade	29,559	11.4%	Accommodation and Food Services	13,016	9.7%
Manufacturing	29,421	11.3%	Educational Services	10,966	8.2%

Source: Jobs EQ

More workers are concentrated in the top four industries of Lewiston, Idaho-Washington, than there are in the Scranton—Wilkes-Barre—Hazleton area (54.7 percent and 51.6 percent, respectively). With the exception of accommodation and food services in Lewiston and transportation and warehousing in Scranton-Wilkes-Barre, top industries are common between the two regions.

Top 4 Industries - Peer Region 6					
Scranton—Wilkes-Barre—Hazleton, PA			Lewiston, ID-WA		
Total - All Industries	259,314		Total - All Industries	29,487	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	5,246	17.8%
Transportation and Warehousing	29,799	11.5%	Manufacturing	4,532	15.4%
Retail Trade	29,559	11.4%	Retail Trade	3,666	12.4%
Manufacturing	29,421	11.3%	Accommodation and Food Services	2,673	9.1%

Source: Jobs EQ

The health care and social assistance industry employs the highest number of workers in both the Spokane area of Washington and the Scranton—Wilkes-Barre—Hazleton area of Northeast Pennsylvania. Although Spokane has a higher concentration of workers in the health care and social assistance industry (19.3 percent) than Scranton—Wilkes-Barre—Hazleton (17.4 percent), the overall percentage of workers employed through Spokane’s top four industries (46.5 percent) is much lower than that of Scranton—Wilkes-Barre—Hazleton (51.6 percent). The retail trade industry also ranks in the top four for both regions, though Spokane differs from Scranton—Wilkes-Barre—Hazleton with accommodation and food services and educational services ranking in its top four as opposed to retail trade and manufacturing.

Top 4 Industries - Peer Region 7					
Scranton—Wilkes-Barre—Hazleton, PA			Spokane-Spokane Valley, WA		
Total - All Industries	259,314		Total - All Industries	265,635	
Health Care and Social Assistance	45,094	17.4%	Health Care and Social Assistance	51,154	19.3%
Transportation and Warehousing	29,799	11.5%	Retail Trade	29,615	11.1%
Retail Trade	29,559	11.4%	Accommodation and Food Services	21,720	8.2%
Manufacturing	29,421	11.3%	Educational Services	21,076	7.9%

Source: Jobs EQ

Finally, unlike the previous seven regions, industry employment in manufacturing tops the list for the York-Hanover region of Pennsylvania (17.0 percent). While both the Scranton—Wilkes-Barre—Hazleton area and York-Hanover area have three common high-demand industries, the fourth highest industry in

terms of employment in the York-Hanover area is construction (7.3 percent). However, 49.5 percent of the York-Hanover workforce is employed in its top four industries, which is lower than that of the Scranton—Wilkes-Barre—Hazleton area (51.6 percent).

Top 4 Industries - Peer Region 8			
Scranton—Wilkes-Barre—Hazleton, PA		York-Hanover, PA	
Total - All Industries	259,314	Total - All Industries	191,415
Health Care and Social Assistance	45,094 17.4%	Manufacturing	32,569 17.0%
Transportation and Warehousing	29,799 11.5%	Health Care and Social Assistance	26,650 13.9%
Retail Trade	29,559 11.4%	Retail Trade	21,664 11.3%
Manufacturing	29,421 11.3%	Construction	13,917 7.3%

Source: Jobs EQ

In most instances (with the exception of Binghamton, New York) the Scranton—Wilkes-Barre—Hazleton workforce is more equally dispersed among its top four industries than its peer regions. Scranton—Wilkes-Barre—Hazleton Also, as demonstrated by the previous eight tables, the health care and social assistance industry employs the most workers in every region (with the exception of the York-Hanover area of Pennsylvania). Retail trade, accommodation and food services, and manufacturing are common industries found in the top four of almost every region as well. Unlike its peer regions, however, the Scranton—Wilkes-Barre—Hazleton area has a significant number of employees in the transportation and warehousing industry (11.5 percent). As previously explained, this is likely due to the multiple major highways present in Northeastern Pennsylvania, as well as its geographic location between Philadelphia and New York City.

In terms of education, income, poverty level, and economic diversity, the strongest peer regions of the Scranton—Wilkes-Barre—Hazleton area are Asheville, Duluth, Spokane-Spokane Valley, and York-Hanover. When compared to Northeast Pennsylvania, certain characteristics are made apparent. These peer regions, except for York-Hanover, have higher percentages of residents with bachelor’s degrees or higher. Additionally, mean household incomes are higher (\$81,132; \$79,367; \$84,434; and \$90,037; respectively) than that of Scranton—Wilkes-Barre—Hazleton (\$76,039). Poverty levels and unemployment rates are lower in these regions as well – except for the Spokane-Spokane Valley area of Washington, which has a slightly higher unemployment rate (5.7 percent).

The economic resilience of Northeast Pennsylvania may be enhanced by extending the workforce farther beyond its current top four industries. Outside these top four, the next largest industry in terms of employment is the accommodation and food services industry, which employs 7.5 percent of the region’s workers. In contrast, approximately 8.5 percent of workers are employed in the accommodation and food services industry at the national level. While these shares are similar, the rate demonstrates how the majority of Scranton—Wilkes-Barre—Hazleton’s workforce is largely employed in four industries only.

The York-Hanover area of Pennsylvania is an appropriate model to study because it has a higher mean household income (\$90,037), and lower unemployment rate (4.7 percent) than the Scranton—Wilkes-Barre—Hazleton area. The York-Hanover area is also home to a smaller percentage of residents living below the poverty level (8.7 percent) than the Scranton—Wilkes-Barre—Hazleton area of Pennsylvania. Additionally, the York-Hanover region has a higher percentage of residents who have earned high school

diplomas or higher (91.9 percent) than Scranton—Wilkes-Barre—Hazleton (91.1 percent). This comparison is especially relevant considering both regions are located within the Commonwealth. While the York-Hanover region is less economically resilient than the Scranton—Wilkes-Barre—Hazleton area, it may be a useful economic comparison.

Regional Data Compared to Global Trends

At the global level, Russia's war in Ukraine, economic policies aimed at containing high inflation, and supply chain disruptions resulting from lingering COVID-19 effects have influenced current industrial trends. These events have caused a deceleration in global growth, which is expected to drop anywhere from 0.5 to 1.7 percent in 2023.¹ Restrictive policies aimed at curbing inflation are necessary to contain inflationary pressures, but their economic impact could result in a mild recession on the global scale. The following industries are already present in Lackawanna and Luzerne Counties, and the trends of each industry will likely impact the region.

Health Care and Social Assistance

As of 2023, the health care and social assistance industry is experiencing staffing shortages and supply chain disruptions, which are issues that have recently affected almost every industry. Inflation is also affecting health care systems because the rise in expenses is outpacing the rate of reimbursement². COVID-19 continues to impact the health care and social assistance industry as well. As a result, health professionals have learned to adapt to remote work, virtual patient visits, and minimal staffing³. As such, there is strong hiring demand in the health care and social assistance industry. In Lackawanna and Luzerne Counties, a total of 4,677 health care and social assistance positions (17 percent of all total demands) are predicted to open within the next year, which is higher than all other expected occupation openings in the region⁴.

Transportation and Warehousing

Like the health care and social assistance industry, the transportation and warehousing industry continues to face lingering effects of COVID-19. Global supply chain pressures continue to be greater than they were before the pandemic, although they have eased since the height of the pandemic and will likely continue to do so as the demand for goods weakens due to inflation⁵. Within the next year, Lackawanna and Luzerne Counties are expected to have 3,345 open transportation and material moving positions (12.2 percent of all total demands), which is the fourth highest total in the region⁶.

Retail Trade

The retail trade industry is also facing challenges, but there may be an upside in this case – pent-up demand could result in an economic rebound⁷. This scenario is possible due to potential excess private savings, resulting from pandemic stimulus checks, the state of the current labor markets, and solid wage growth⁸. Currently, however, economic policies addressing inflation have lessened activity in the retail trade⁹. Additionally, many consumers in developed economies have begun to prioritize purchasing pre-used items in recent years, shifting the focus of the retail trade industry from new products to recycled ones. As a result, 2023 could also experience consumerism curtailment as people become more invested in repair, recycling, reuse, and thrifting¹⁰. In Lackawanna and Luzerne Counties specifically, the retail trade industry is expected to have 3,572 positions (13 percent of all total demand in the region) open in the next year, which is the second highest total of all expected demand totals.

Manufacturing

Like the retail trade industry, manufacturing is suffering from rising inflation and the tight economic policies aimed at curbing its growth. In the euro area and the United Kingdom, for instance, indicators suggest that manufacturing is contracting¹¹. Similarly, manufacturing in developing economies could be undermined due to “trade spillovers from weaker-than-anticipated economic activity in advanced economies”¹². In the United States and other developed economies, the manufacturing industry is not only grappling with issues caused by inflation and economic policies – it is also continuing to deal with a scarcity of technical talent needed to develop and run manufacturing tools and systems¹³. In Lackawanna and Luzerne Counties, 2,659 manufacturing occupations (9.7 percent of all total demand in the region) are expected to open within the next year, which is the fifth highest of all expected demand totals.

Conclusion and Recommendations

During the COVID-19 pandemic, the three largest cities in the region and both counties began the crisis with higher unemployment rates than the statewide rate. The unemployment peaks apparent in the April 2020 rates were also higher than the statewide rate – 17.2 percent in Lackawanna County and 18.5 percent in Luzerne County. Similar trends were seen in Scranton, Wilkes-Barre, and Hazleton. The peaks in Scranton and Wilkes-Barre were over 200 percent higher than the 2019 annual average, and Hazleton’s April 2020 rate of 23.9 percent was 166 percent higher than the nine percent annual rate in 2019¹⁴.

Rates began to improve by May 2020, when they fell to 12.9 percent statewide, 14.4 percent in Lackawanna County, and 16 percent in Luzerne County. However, the May 2020 unemployment rate was 17 percent lower statewide than the prior month, but the improvement was slightly smaller for both counties, and only 12 percent, 10 percent, and eight percent for Scranton, Wilkes-Barre, and Hazleton, respectively¹⁵. As of 2021, the unemployment rate in Lackawanna County was seven percent, whereas Luzerne County had an unemployment rate of 6.9 percent, which demonstrates some recovery from the high unemployment rates of the pandemic.

The unemployment rates in Northeast Pennsylvania have decreased since the pandemic, but the economic outlook for 2023 is not promising. Inflation is not expected to drop quickly despite supply chain issues having improved. GDP is expected to fall below its potential in the next two years, with the unemployment rate increasing to approximately five percent¹⁶. However, some industries will be less impacted than others by a mild recession.

Despite staffing shortages and supply chain issues, the health care industry is expected to grow¹⁷. This anticipated growth will be beneficial for Lackawanna and Luzerne Counties if it holds true, as the health care and social assistance industry employs the most residents in the region. However, in the next two years, the Scranton—Wilkes-Barre—Hazleton area is expected to have 4,386 open positions in health care support occupations. This is primarily due to retirements and transfers from these occupations.

In the previous ten years, the two fastest growing health care subsectors in the Commonwealth have been services for the elderly and persons with disabilities and home health care services, with annual percent growth of 7.5 percent and 5.3 percent, respectively. In the Scranton—Wilkes-Barre—Hazleton area, services for the elderly and persons with disabilities is also the fastest growing health care subsector, followed by outpatient care center services. The average annual wages of these two subsectors in the region are \$28,544 for services for elderly and persons with disabilities and \$146,118

for outpatient care center services. Statewide, the average annual wage for services for the elderly and persons with disabilities is \$32,388, whereas the average annual wage for outpatient care center services is \$111,043.

The growth trajectory of warehousing and construction industries are not expected to be significantly impacted by a mild recession either, as investment has already slowed¹⁸. This pullback will prove beneficial for Scranton—Wilkes-Barre—Hazleton area of Northeast Pennsylvania, where there is a significant share of workers employed in the transportation and warehousing industry (29,799 employees). The construction industry, however, only employs 4.6 percent of workers in the Scranton—Wilkes-Barre—Hazleton area¹⁹. Transportation and material moving occupations will have a total demand of 9,911 positions over the next two years, which is the highest demand of any industry in the region.

In September 2022, the International Monetary Fund concluded that a medium-term fiscal framework could help address many issues caused by rising inflation. Implementation of this fiscal framework can help address urgent needs such as high food and energy prices, rebuild fiscal buffers, and advance long-term development in areas like health care and renewable energy²⁰. While the Scranton—Wilkes-Barre—Hazleton area's health care and social assistance industry already employes a significant number of people, the green energy industry cluster employs only four individuals in the entire region²¹. To create an even more resilient economy in Lackawanna and Luzerne Counties, while also addressing long-term energy needs in the region, a much greater investment must be made in the renewable energy sector.

Tourism-related businesses present another potential opportunity for economic resilience in Lackawanna and Luzerne Counties. As was referenced with regard to the retail trade industry, a boost in consumption of services resulting from pent-up demand would potentially benefit local economies. Prior to the pandemic, visitor spending in the two-county region averaged a three-percent year-over-year growth stretching as far back as 2014²². While tourism numbers in the region dropped significantly from early 2020, they are expected to rebound as the country recovers. While wages in this sector are below average, growth in tourism expands the region's economic base and results in significant ripple effects in other economic sectors.

Apart from opportunities in the green energy industry cluster, however, Lackawanna and Luzerne Counties appear best suited to continue cultivating existing industry strengths. As previously explained, the economic outlook for 2023 shows minimal promise. With GDP expected to fall below its potential, a possible rise in the unemployment rate in the coming years, and the total job demand projected, investments in industries that are already present in the Scranton—Wilkes-Barre—Hazleton area will prove beneficial. For example, due to the region's proximity to major highways and high concentration of manufacturing occupations, Scranton—Wilkes-Barre—Hazleton has the potential to increase its levels of manufacturing. Additionally, Northeastern Pennsylvania can continue to grow and sustain its existing outpatient care services and home health care services because the area already possesses such a strong health care base.

Due to its mix of industries at or near industry diversity levels in peer regions, the region's economic base is a strong foundation upon which to build. Focusing growth on industries already strong in the region allows the area to maximize its competitive advantages, and doing so may be appropriate given the ongoing tight labor market, in which building new specialized workforce pipelines may be difficult.

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Endnotes

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- ³ Stephanie Allen, “2023 Global health care outlook”, *Deloitte*, p. 3.
- ⁴ Chmura, “Lackawanna-Luzerne Counties Industry Snapshot, 2022Q3”, *Jobs EQ*.
- ⁵ World Bank Group, “Global Economic Prospects”, p. 8.
- ⁶ Chmura, “Lackawanna-Luzerne Counties Industry Snapshot, 2022Q3”, *Jobs EQ*.
- ⁷ International Monetary Fund, *World Economic Outlook: Inflation Peaking amid Low Growth*, p. 6.
- ⁸ *Ibid.*, p. 6.
- ⁹ World Bank Group, “Global Economic Prospects”, p. 84.
- ¹⁰ Shelley E. Kohan, “The 5 Biggest Retail Trends For 2023”, *Forbes*.
- ¹¹ (International Monetary Fund, 2023, p. 3).
- ¹² World Bank Group, “Global Economic Prospects”, p. 18.
- ¹³ Kate Hardin and Paul Wellener, “2023 manufacturing industry outlook”, *Deloitte*, p. 3.
- ¹⁴ The Institute, *Institute Insights: Impact of COVID-19 on Business & Industry*, p. 3.
- ¹⁵ *Ibid.*, p. 3.
- ¹⁶ Chris Chmura, “A Look Back (2022) and A Look Ahead (2023) at the Economy and Labor Market”, p. 42.
- ¹⁷ *Ibid.*, p. 43.
- ¹⁸ *Ibid.*, p. 42.
- ¹⁹ Chmura, “Lackawanna-Luzerne Counties Industry Snapshot, 2022Q3”, *Jobs EQ*.
- ²⁰ International Monetary Fund, *World Economic Outlook: Countering the Cost-of-Living Crisis*, p. 166.
- ²¹ Chmura, “Green Energy Industry Cluster in Lackawanna-Luzerne Counties, 2022Q3”, *Jobs EQ*.
- ²² The Institute, *2022 Indicators Report*, p. 22.