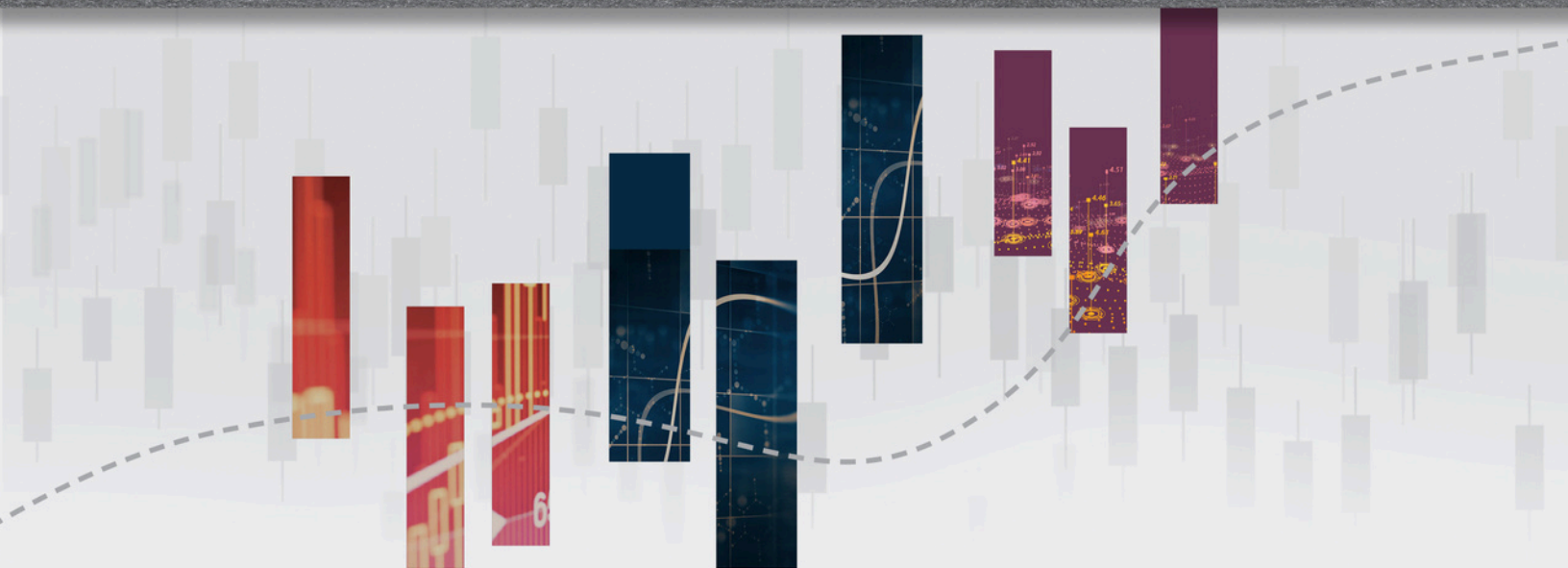


Economy Tracker



THE INSTITUTE FOR PUBLIC POLICY & ECONOMIC DEVELOPMENT



About The Quarterly Economy Tracker:

The Economy Tracker explores economic data, trends, and issues related to our region's economy. Subscribe for free at www.institutepa.org. In all its publications, The Institute uses the most current data available at the time of release.

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The Impacts of Immigrants on the Local Economy

By: Ethan Van Gorden, Research Analyst



Immigrants, or foreign-born, workers play a crucial role in the U.S. workforce. Research has shown that foreign-born workers are beneficial to the U.S. economy in a variety of ways, such as addressing workforce shortages, generating entrepreneurship, and providing a source of deflationary pressure. [1] Moreover, as the U.S. workforce continues to age, foreign-born workers can help to sustain and grow the American population and its industries. In Lackawanna and Luzerne counties, for example, there is a high retirement risk. The national average for retirees in areas of similar size to the two counties is 62,813 employees 55 years and older. However, in Lackawanna and Luzerne counties, an estimated 69,842 are expected to retire across all industries.[2] Furthermore, the median ages of Lackawanna and Luzerne counties are 41.9 years and 42.1 years, respectively, which are slightly higher than the national average of 38.7 years. These characteristics describe an aging population, which will likely strain health care resources that are already experiencing long waitlists in the region. To better understand the share of foreign-born workers in each industry in Northeast Pennsylvania and their impact on the local economy, The Institute analyzed secondary data from the U.S. Census Bureau, though no data related to foreign-born citizens in Wayne County was available through the U.S. Census Bureau.

The foreign-born population applies to anyone who is not a U.S. citizen at birth, including those who become U.S. citizens through naturalization.[3] In Lackawanna and Luzerne counties, the share of the foreign-born population that is comprised of residents who are not yet citizens of the United States is nearly identical to the share of those that have become naturalized citizens. Naturalization, as defined in the Immigration and Nationality Act (INA), is the process by which U.S. citizenship is granted to a lawful permanent resident after meeting the necessary requirements.[4] Those who are not considered naturalized citizens include noncitizen U.S. nationals, lawful permanent residents (immigrants), temporary migrants (i.e., foreign students), and humanitarian migrants (i.e., refugees and asylees).[5]

Com bined Counties Foreign-Born Population C itizenship		
Lackawanna+Luzerne		
Foreign-Born Population	41,043	
Naturalized Citizen	20,174	49.2%
Not a Citizen	20,869	50.8%
Source: U.S. Census Bureau		

Industry Overview

In Lackawanna and Luzerne counties, the largest industry is comprised of educational services, and health care and social assistance positions. It encompasses over one-quarter (25.8 percent) of all jobs among the two counties of Northeast Pennsylvania. It is followed by the retail trade industry (12.9 percent) and manufacturing industry (11.0 percent). These industries are based on the North American Industry Classification System (NAICS), which is a federal statistical system used to compare all business activities in North America.

The Gross Regional Product (GRP) of these specific industries in Lackawanna and Luzerne counties was \$11.0 billion in 2024.[6] GRP refers to the estimated gross value added by all producers in a region, and it reflects the total value of goods and services produced by that region each year.

Com bined Counties'Top Industry Breakdow n		
Lackawanna+Luzerne		
Civilian Employed Population 16 Years and Over	254,570	
Educational services, and health care and social assistance	65,611	25.8%
Retail trade	32,743	12.9%
Manufacturing	27,880	11.0%
Source: U.S. Census Bureau		

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Among the top three industries in Lackawanna and Luzerne counties, nearly 10.0 percent of the workforce is comprised of foreign-born workers. At the state level, 9.0 percent of the workforce of these same industries is comprised of foreign-born workers. Specifically, the share of foreign-born workers in the educational services, and health care and social assistance industry in Lackawanna and Luzerne counties is 6.8 percent. In the retail trade and manufacturing industries of Lackawanna and Luzerne counties, the share of foreign-born workers is 10.7 percent and 14.6 percent, respectively.

Share of Foreign-Born Workers in Combined Counties' Industries		
	Lackawanna+Luzerne	Pennsylvania
Civilian Employed Population 16 Years and Over	9.4%	9.2%
Agriculture, forestry, fishing and hunting, and mining	19.4%	10.8%
Transportation and warehousing, and utilities	16.6%	11.8%
Manufacturing	14.6%	10.4%
Wholesale trade	12.1%	8.5%
Retail trade	10.7%	7.6%
Other services (except public administration)	10.3%	10.1%
Professional, scientific, and management, and administrative and waste management services	9.9%	11.2%
Arts, entertainment, and recreation, and accommodation and food services	8.2%	9.9%
Construction	7.4%	8.1%
Educational services, and health care and social assistance	6.8%	9.0%
Information	4.4%	8.4%
Public administration	3.7%	4.7%
Finance and insurance, and real estate and rental and leasing	3.4%	7.9%

Source: U.S. Census Bureau

Occupation Overview

While industry refers to the production of goods or services by companies, businesses, or organizations, the type of work done by employees to produce these goods or services is classified as an occupation. In Lackawanna and Luzerne Counties, a plurality of occupations are categorized as management, business, science, and arts occupations (36.1 percent). Following these types of occupations are sales and office occupations (20.4 percent); production, transportation, and material moving occupations (18.1 percent); service occupations (17.5 percent); and natural resources, construction, and maintenance occupations (7.9 percent). Occupation titles are based on the Standard Occupational Classification (SOC) system.

Similar to NAICS, the SOC system is another federal statistical standard used to classify workers into occupational categories for data collection and analysis purposes.

The Impacts of Immigrants on the Local Economy

By: Ethan Van Gorden, Research Analyst



Com bined Counties' O ccupation Breakdown				
	Lackawanna+Luzerne		Pennsylvania	
Civilian Employed Population 16 Year and Over	254,570		6,315,752	
Management, business, science, and arts occupations	91,879	36.1%	2,680,488	42.4%
Service occupations	44,653	17.5%	1,026,587	16.3%
Sales and office occupations	51,891	20.4%	1,227,803	19.4%
Natural resources, construction, and maintenance occupations	20,193	7.9%	491,920	7.8%
Production, transportation, and material moving occupations	45,954	18.1%	888,954	14.1%
Source: U.S. Census Bureau				

When examining the shares of foreign-born workers in the region by broad occupational categories, it is revealed that production, transportation, and material moving occupations has the highest share of foreign-born workers (nearly 19.0 percent). At the state level, these types of occupation also have the largest share of foreign-born workers. The share within Lackawanna and Luzerne counties is significantly greater, however.

Share of Foreign-Born Workers in Com bined Counties' O ccupations		
	Lackawanna+Luzerne	Pennsylvania
Civilian Employed Population 16 Year and Over	9.4%	9.2%
Management, business, science, and arts occupations	6.2%	9.5%
Service occupations	10.1%	10.6%
Sales and office occupations	6.5%	6.3%
Natural resources, construction, and maintenance occupations	7.7%	8.5%
Production, transportation, and material moving occupations	18.9%	11.4%
Source: U.S. Census Bureau		

The employed population in Lackawanna and Luzerne counties has a slightly larger share of foreign-born workers than the Commonwealth. The industries with the highest share of foreign-born workers, including agriculture, forestry, fishing and hunting, and mining; transportation and warehousing, and utilities; and manufacturing, have a combined GRP of \$7.7 billion. With the significance of these industries to the local economy in combination with an aging workforce, the impact of and continued need for foreign-born workers are demonstrated.

Sources:

- [1] Daniel Costa, Josh Bivens, Ben Zipperer, and Monique Morrissey, "The U.S. benefits from immigration but policy reforms needed to maximize gains," Economic Policy Institute, 2024.
- [2] Lightcast.
- [3] "Foreign-Born," U.S. Census Bureau.
- [4] "Citizenship and Naturalization," U.S. Citizenship and Immigration Services.
- [5] Lauren Medina, Shannon Sabo, and Jonathan Vespa, "Living Longer: Historical and Projected Life Expectancy in the United States, 1960 to 2060," U.S. Census Bureau, 2020, 2.
- [6] Lightcast.

NEPA Employment Outlook

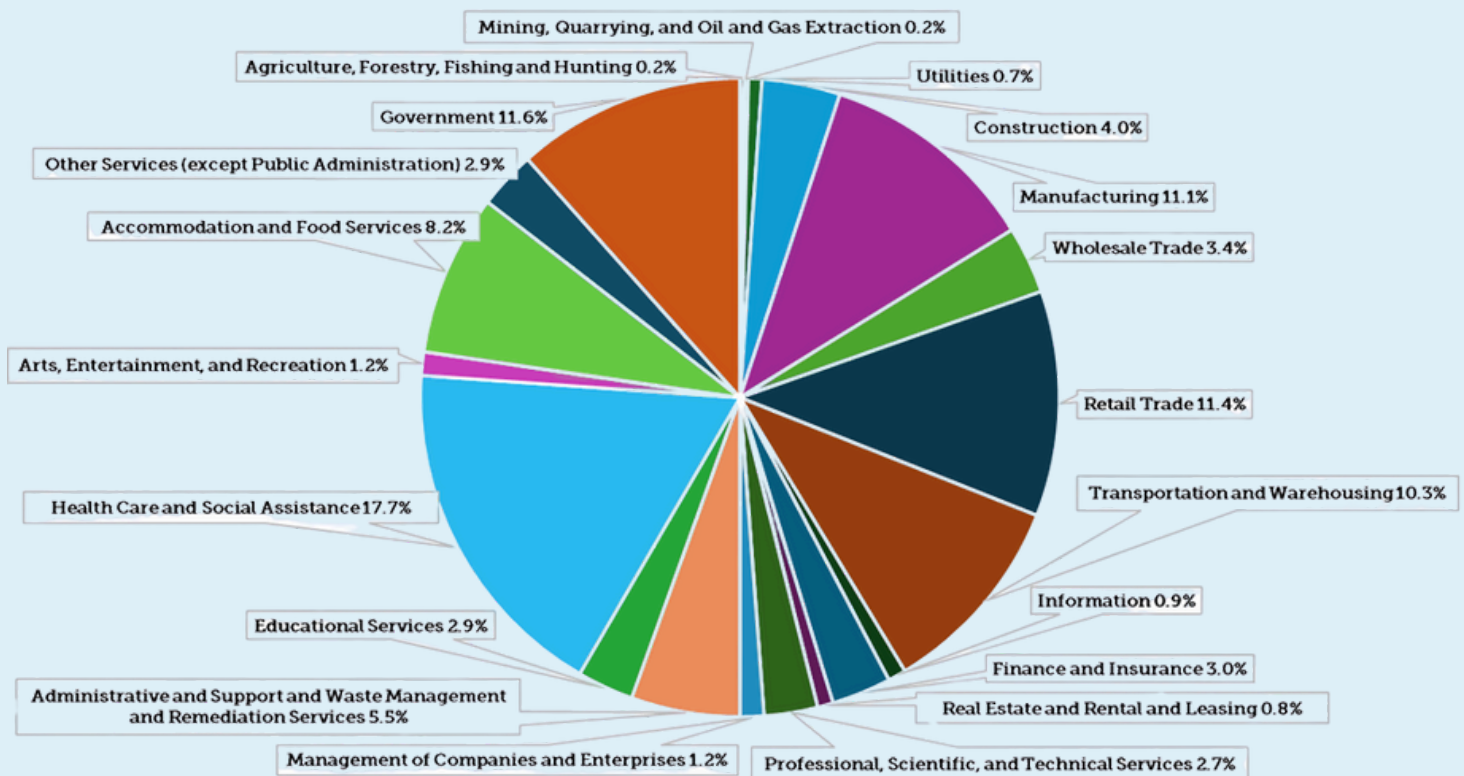
By: Michael Shuba, Research Assistant



The graph below depicts the breakdown of employees by industry in a three-county region labor shed (defined as Lackawanna, Luzerne, and Wayne counties).

Health care and social assistance is by far the largest sector with government and retail trade falling closely behind to make up the top three. Health Care and Social Assistance employs 45,731 workers. The next-largest sectors in the region are Government (29,850 workers) and Retail Trade (29,437). Location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Transportation and Warehousing (LQ = 2.47), Utilities (1.80), and Educational Services (1.39).

Examining wages, the highest average wages per worker are Utilities (\$186,365), Management of Companies and Enterprises (\$102,609), and Finance and insurance (\$96,423). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Transportation and Warehousing (+6,462 jobs), Manufacturing (+1,584), and Professional, Scientific, and Technical Services (+560).



Source: Lightcast

Educational Attainment Among Immigrants in PA

By: Brigitte Guariglia, Research Analyst



According to the Bureau of Labor Statistics Current Population Survey, between 2019 and 2024, 479,000 workers born in the United States were added to the United States labor force. Over the same period, 3.6 million foreign-born workers were added to the US labor force. The slowdown in growth of the working population among US-born individuals is attributed to pandemic-related deaths, an aging population, and increase retirements. With many US-born individuals leaving the workforce, and fewer entering the workforce, immigration has played a large role in maintaining the US labor force growth. In Pennsylvania, many of these workers have entered industries facing labor shortages, particularly in sectors such as healthcare, transportation, hospitality, and manufacturing. The data below highlights the growing economic reliance on immigrant workers to fill labor gaps and support economic expansion.

Foreign-born individuals make up a larger share of the workforce in manufacturing (13.0 percent) compared to US-born workers (10.8 percent). Similarly, transportation, warehousing, and utilities (8.6 percent) have a higher percentage of foreign-born workers than US-born workers (six percent). This suggests that immigrant workers play a crucial role in Pennsylvania’s industrial and logistics sectors. In contrast, public administration has nearly double the share of US-born workers (4.1 percent) compared to foreign-born workers (2.1 percent), which could be due to citizenship or residency requirements for government jobs.

Employment Industries in Pennsylvania 2022		
	% Foreign-Born Individuals	% US-Born Individuals
Agriculture, forestry, fishing and hunting, and mining	1.5%	1.2%
Construction	5.0%	5.9%
Manufacturing	13.0%	10.8%
Wholesale trade	2.2%	2.3%
Retail trade	10.3%	11.6%
Transportation and warehousing, and utilities	8.6%	6.0%
Information	1.3%	1.5%
Finance and insurance, and real estate and rental and leasing	5.4%	6.8%
Professional, scientific, management, administrative, and waste-management services	13.0%	11.0%
Educational services, health care, and social assistance	25.4%	26.8%
Arts, entertainment, recreation, accommodation, and food services	7.5%	7.3%
Other services (except public administration)	4.8%	4.6%
Public administration	2.1%	4.1%
Source: Migration Policy Institute		

Educational Attainment Among Immigrants in PA

By: Brigitte Guariglia, Research Analyst



As displayed in the table below, the educational attainment of Pennsylvania's foreign-born population displays a range of academic backgrounds. Of the foreign-born population, 18.7 percent did not complete high school, highlighting barriers to formal education that may affect job opportunities and wages. Around 22.6 percent attained a high school diploma or equivalency. The smallest share of foreign-born individuals pursued some college or obtained an associate's degree, with 17.0 percent of the population making efforts towards higher education without completion on a four-year degree. Approximately 21.5 percent hold a bachelor's degree, demonstrating a significant portion of college-educated immigrants contributing to Pennsylvania's skilled workforce. Lastly, 20.2 percent have a graduate or professional degree, displaying a highly educated segment of foreign-born individuals who can contribute to specialized fields such as healthcare, technology, and academia.

Educational Attainment Among Foreign-Born Population in Pennsylvania 2023	
	%
Less than high school diploma	18.7%
High school graduate (includes equivalency)	22.6%
Some college or associate's degree	17.0%
Bachelor's degree	21.5%
Graduate or professional degree	20.2%

Source: US Census American Community Survey

The table below displays the educational attainment of individuals that are active in Pennsylvania's workforce. There is a notable difference in educational attainment among foreign-born individuals and those born in the United States. The largest difference is notable among workers without a high school diploma, highlighting that 13.7 percent of foreign-born workers do not have a high school diploma. This contrasts with the 3.8 percent of US-born workers without a high school diploma who are in the workforce. In addition, 40.2 percent of foreign-born workers have limited English language proficiency, compared to just 1.2 percent of US-born workers. This language barrier can pose limitations in acquiring a job and challenges in job mobility, access to higher-paying positions, and overall economic integration.

Degree Levels in the Workforce in Pennsylvania 2022		
	Foreign-Born	US-Born
Civilian Employed Workers (age 25 and older)	575,300	4,975,300
Workers without a high school diploma	78,600	189,100
Percent of workers without a high school diploma	13.7%	3.8%
Workers with at least a bachelor's degree	264,700	2,094,500
Percent of workers with at least a bachelor's degree	46.0%	42.1%
Workers with limited English Proficiency (LEP) (age 25 and older)	231,300	61,200
LEP among all workers	40.2%	1.2%

Source: Migration Policy Institute

Educational Attainment Among Immigrants in PA

By: Brigitte Guariglia, Research Analyst



The table below displays the underutilization of skills among individuals born within and outside of the United States. Skill underutilization occurs when highly educated individuals are either unemployed or working in jobs that do not require their level of education. This can be a significant issue for both foreign-born and US-born workers, but it disproportionately affects immigrants due to various barriers. In Pennsylvania, people who are foreign-born have a slightly higher rate of skill underutilization at 18.2 percent, compared to US-born (16.2 percent). This suggests that immigrants with degrees may struggle to find jobs that match their qualifications, potentially due to credential recognition, work authorization challenges, or employer biases.

Skill Underutilization in Pennsylvania, 2022		
	Foreign-Born	US-Born
Total civilian, college-educated labor force, age 25+	270,100	2,133,300
Number underutilized (unemployed or employed in low-skilled jobs)	49,100	346,500
Percent of civilian, college-educated labor force, age 25+	18.2%	16.2%

Source: Migration Policy Institute

The data indicates that despite potential barriers, Pennsylvania has a highly skilled population of individuals that are foreign-born that contribute greatly to the labor market. Immigrants play a crucial role in both high-skilled and essential industries and have been instrumental in labor force growth throughout the United States.

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