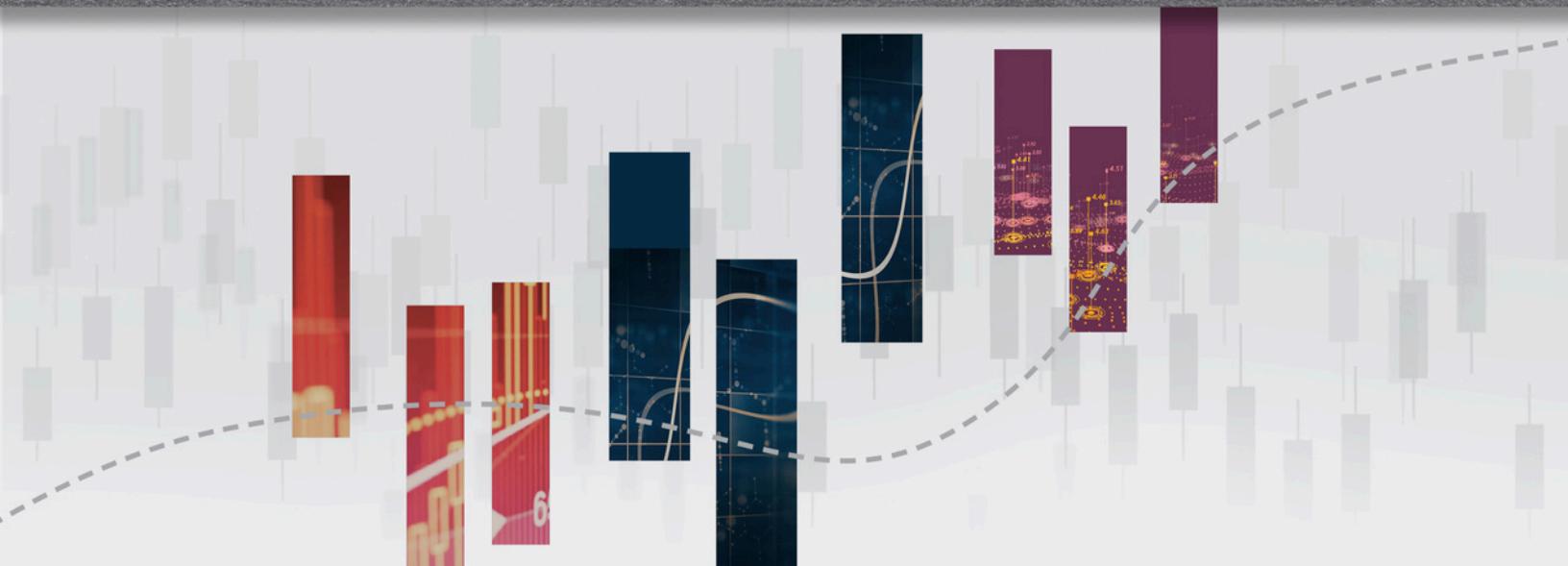


Economy Tracker



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 Economic Impact of Early Childhood Education

By: Ethan Van Gorden, Research Analyst



Introduction

The following analysis was conducted with the assistance of Microsoft Copilot and then reviewed and edited by a research analyst.

Early childhood education is crucial in building cognitive, social, and emotional skills, setting children up for success later in life. Studies show that investing in early childhood education positively impacts children's future academic achievement and later their workforce earnings.¹ Publicly funded pre-kindergarten (pre-K) and Head Start programs, for example, introduce children to concepts such as basic math and reading, fostering academic achievement for those enrolled. Studies have found that participating in high-quality education increases high school graduation rates by 11.4 percent.² The attainment of a high school diploma can be vital for future economic success because it is a standard requirement for most jobs and higher education opportunities. Education is a driving force behind employment and earning potential, and increased lifetime wages among enrollees and parents lead to greater tax revenue and reduce reliance on public assistance programs. Moreover, economists estimate the annual rate of return for investments in high-quality early childhood programs is 13.7 percent with an associated benefit/cost ratio of 7.3.³ Other economic benefits of access to early childhood education include reduced costs connected to special education, public health outcomes, and criminal justice spending, and greater ability of parents to participate in the workforce when their children are enrolled.

Beyond the economic benefits, pre-K programs are also designed to bolster children's social-emotional development by introducing them to concepts such as working with classmates and expressions of creativity. Although there are other options beyond publicly funded pre-K (e.g., private child care centers and home-based child care programs), they carry costs many families are unable to cover. Nationally, an estimated \$122 billion is lost annually because of insufficient access.⁴ Understanding rates of enrollment in early childhood education programming is important because of its profound impact on children's future economic success.

Pre-K Enrollment

As of 2024, over one in four children (26.5 percent) in Lackawanna County is served by publicly funded pre-K programming, whereas approximately one in three children in Luzerne and Wayne counties (33.4 percent and 33.9 percent, respectively) is served by the same programming.

The number of children between the ages of three and four with access to publicly funded, high-quality pre-K programming in Lackawanna, Luzerne, and Wayne counties has fluctuated between 2018 and 2024. Most notably, the number of children with access gradually decreased between 2021 and 2023 before experiencing a significant increase 2024-2025 (22.5 percent), indicating progress towards reducing gaps in access to early childhood education.

Children Ages 3 to 4 With Access to Pre-K				
	Lackawanna	Luzerne	Wayne	Total
2018-19	1,759	1,805	318	3,882
2019-20	1,219	1,739	194	3,152
2020-21	1,438	1,578	217	3,233
2021-22	1,142	1,835	237	3,214
2022-23	1,148	1,769	222	3,139
2023-24	1,143	1,591	249	2,983
2024-25	1,192	2,172	290	3,654

Source: Kids Count Data Center

Conversely, the number of children without access to these programs followed a similar pattern of variability. In the most recent period, the number of unserved children decreased by 7.6 percent, which also indicates progress towards reducing gaps in early education availability.

Children Ages 3 to 4 Without Access to Pre-K				
	Lackawanna	Luzerne	Wayne	Total
2018-19	2,963	4,960	626	8,549
2019-20	3,503	5,026	750	9,279
2020-21	3,284	5,187	727	9,198
2021-22	3,580	4,930	707	9,217
2022-23	3,574	4,996	722	9,292
2023-24	3,359	4,912	607	8,878
2024-25	3,310	4,331	566	8,207

Source: Kids Count Data Center

Compared to the state as a whole, the three counties consistently have greater shares of children with access to publicly funded, high-quality pre-K programming. The only instance in which one of the counties had a higher share of children without access to early childhood education programming compared to the statewide share was in Wayne County in 2019. This higher share of children without access and the corresponding lower share of children with access is represented by the red percentages in each of the following tables. Both Luzerne and Wayne counties had their highest shares of children with access to early childhood education programming among observed years in 2024.

The Economic Impact of Early Childhood Education (cont)



Percent of Children Ages 3 to 4 With Access to Pre-K				
	Lackawanna	Luzerne	Wayne	Pennsylvania
2018-19	37.3%	26.7%	33.7%	25.5%
2019-20	25.8%	25.7%	20.6%	23.0%
2020-21	30.5%	23.3%	23.0%	20.5%
2021-22	24.2%	27.1%	25.1%	22.2%
2022-23	24.3%	26.1%	23.5%	23.4%
2023-24	25.4%	24.5%	29.1%	24.0%
2024-25	26.5%	33.4%	33.9%	23.9%

Source: Kids Count Data Center

Increased access to publicly funded, high-quality pre-K in 2024 can be attributed to several factors—state budget increases, programmatic rebids, and targeted expansion grants. The 2024-2025 Pennsylvania spending plan includes a total increase of \$17.7 million for pre-K programs: \$15 million for pre-K counts and \$2.7 million for the Head Start Supplemental Assistance Program (HSSAP).⁵ Additionally, the Pre-K Counts program underwent a competitive five-year rebid cycle in 2023–2024, meaning all existing grantees had to reapply and new applicants were accepted.⁶ As a result, this rebid created opportunities for expanded provider participation. Lastly, the Office of Child Development and Early Learning (OCDEL) received a three-year Preschool Development Birth Through Five Renewal Grant (PDG-R) from the U.S. Department of Health and Human Services in 2022. As part of the \$16 million award, OCDEL established Child Care Start Up and Expansion Grants in the 2024-25 state fiscal year to expand the availability of licensed child care and other eligible early learning programs in geographically underserved regions of Pennsylvania.⁷ Combined, these factors helped to boost enrollment and lower the number of unserved children within Lackawanna, Luzerne, and Wayne counties.

Percent of Children Ages 3 to 4 Without Access to Pre-K				
	Lackawanna	Luzerne	Wayne	Pennsylvania
2018-19	62.7%	73.3%	66.3%	74.5%
2019-20	74.2%	74.3%	79.4%	78.2%
2020-21	69.5%	76.7%	77.0%	79.5%
2021-22	75.8%	72.9%	74.9%	77.8%
2022-23	75.7%	73.9%	76.5%	76.6%
2023-24	74.6%	75.5%	70.9%	76.0%
2024-25	73.5%	66.6%	66.1%	76.1%

Source: Kids Count Data Center

Sources

- [1] R'riuna Moore, Callie Poole, and Heather Hanna, "Investing in Early Childhood Education Pays Dividends," Mississippi State Undergraduate Research Journal.
- [2] Dana Charles McCoy et al., "Impacts of Early Childhood Education on Medium- and Long-Term Educational Outcomes," Educational Researcher.
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The Role of Savings in Financial Health and Wealth

By: Brigitte Guariglia, Research Analyst



Millions of Americans struggle to achieve economic stability. Both income and wealth are necessary for upward mobility, yet rising costs of living have made it increasingly difficult for many people in the United States to build wealth.

Income alone does not fully reflect economic well-being. According to the Urban Institute, nearly 60 percent of families lack sufficient income and resources to cover monthly living expenses or meet the basic costs required for economic security, which must cover health care, food, transportation, and childcare. On average, families fall more than \$13,000 short of meeting these essential needs when income and available resources are combined.

Many families also lack adequate wealth, which is distinct from income. Wealth includes resources such as emergency savings, home equity, retirement accounts, and other investments that provide financial security and help households manage unexpected expenses. In 2022, the wealthiest families held 71 times more wealth than middle-class families.

Emergency savings have increased across all racial and ethnic groups since 2010. Still, fewer than 40 percent of Black and Hispanic families have enough savings to cover one month of lost income, and only about half of U.S. families overall had one month of income in accessible savings in 2022. Income alone is insufficient to ensure financial stability; families also need wealth to support long-term financial health and resilience.

According to the Urban Institute's Financial Health and Wealth Dashboard, several local regions are on par with state and national indicators of financial health and wealth. Across the regions analyzed, the percentage of households with at least \$2,000 in emergency savings varies from 61 percent to 75 percent. The regions that contain cities such as Scranton, Hazleton, and Wilkes-Barre yield lower percentages. These urban areas also showcase higher rates of residents with delinquent debt and housing cost burden. Access to retirement plans vary considerably, with Scranton and South-Central Luzerne County yielding relatively low percentages.

Together, these national and local trends underscore the need for strategies that strengthen income supports and wealth-building opportunities, particularly in communities facing heightened financial strain.

Sources

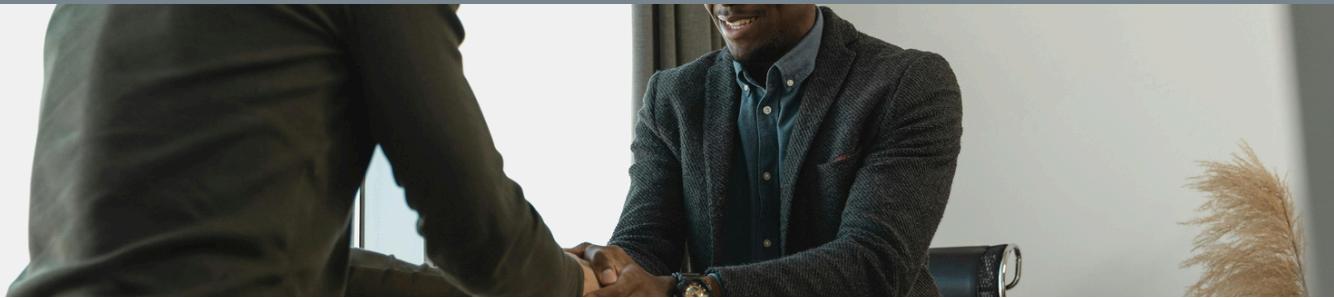
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<https://www.urban.org/urban-wire/financial-security-requires-income-and-wealth-most-americans-struggle-both>

Urban Institute. (2025). Financial Health and Wealth Dashboard.
<https://apps.urban.org/features/financial-health-wealth-dashboard/>

Financial Health and Wealth in Pennsylvania				
Location	Percent of Households with at Least \$2,000 in Emergency Savings	Percent of Workers with any Employer-Based Retirement Plan	Percent of Residents with Delinquent Debt	Percent of Low-Income Households with Housing Cost Burden
Lackawanna & Wyoming (Outside Greater Scranton)	73	62	18	72
Lackawanna (Scranton City)	61	48	28	89
Luzerne (East)	69	55	23	78
Luzerne (South-Central including Hazleton and Wilkes-Barre Cities)	62	47	27	79
Luzerne and Columbia (West)	70	55	23	72
Wayne & Pike	75	55	20	66
Pennsylvania	72	61	21	76
United States	73	57	23	79

Source: The Urban Institute Financial Health and Wealth Dashboard

Talent Attraction in Northeast Pennsylvania



There are more than 900 metropolitan and micropolitan areas throughout the United States. The largest (of which there are 192) contain at least 250,000 people. Mid-Sized metropolitan areas (of which there are 200) contain between 100,000 and 250,000 people. Small (micropolitan) areas – of which there are 209 – contain between 50,000 and 100,000 people. Very small areas (of which there are 319) contain between 10,000 and 50,000 people.

Lightcast, specializing in labor market analytics, has evaluated talent attraction across these regions. Seven measures of equal weight were used:

- Overall job growth
- High-earning job growth (the 200 high-paying occupations, by average earnings)
- Blue-collar job growth (including installation, manufacturing, production, protective services, and skilled trades)
- Competitive effect (the extent to which job change results from a region's competitive advantages, rather than influence from industry-specific or national trends)
- College-educated population growth (the population with an associate's degree or higher)
- Prime-age population growth (the number of individuals aged 25 to 54 years, per capita, who relocated to the region since 2018)
- Attraction of earners (the number of individuals with annual incomes at \$25,000 or higher, per capita, who relocated to the region since 2018)

Scores for each region and state were calculated according to these metrics. Among the 50 states, Pennsylvania ranked 39 overall, dropping from a prior year ranking of 27. The Commonwealth's highest ranking (18) pertains to college-educated population growth. The lowest ranking (49) pertains to competitive effect.

Among all 920 MSAs, the Scranton-Wilkes-Barre Metropolitan Statistical Area ranked 585. The highest ranking (263) pertains to blue-collar job growth. The lowest ranking (872) pertains to competitive effect.

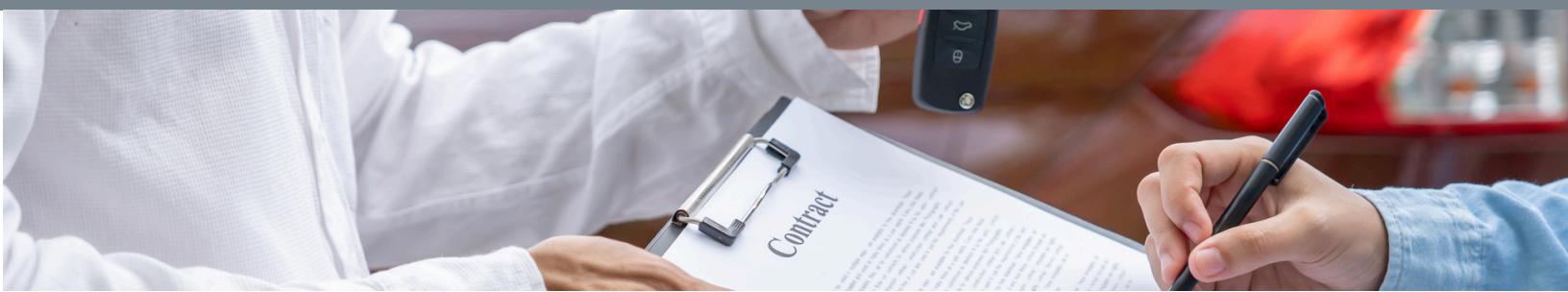
The Scranton-Wilkes-Barre Metropolitan Statistical Area is considered a large MSA. Among the 192 large MSAs, the Scranton-Wilkes-Barre Metropolitan Statistical Area ranked 144. The highest ranking (66) pertains to blue-collar job growth. The lowest ranking (155) pertains to prime-age population growth; this ranking is followed closely by overall job growth at 151 and competitive effect at 146.¹

Sources

[1] Lightcast. (n.d.). Talent attraction scorecard 25 - full rankings. https://lightcast.io/talent-attraction-scorecard-25-full-rankings?utm_medium=email&hsenc=p2ANgtz-UZ8rb7ArxsUGEhvZDclxhoZWB19aJmZ41sEsd3ik_ifVPNi6BbIYw28hiHXqtBU_nf2aum3ed9Fmskr2LKVVVGFYmHKPws3pdET_0xMDb4-Mrkw&hsmt=394007956&utm_content=394008496&utm_source=hs_email#All%20MSAs%20Map

Scranton-Wilkes-Barre Metropolitan Statistical Area Talent Attraction Ranking			
Metric	Large MSAs	All MSAs	Pennsylvania
Overall job growth	151	518	39
High-earning job growth	119	440	22
Blue-collar job growth	66	263	36
Competitive effect	146	872	49
College-educated population growth	102	429	18
Prime-age population growth	155	655	42
Attraction of earners	173	709	39

Auto Debt in NEPA



Nationally, average car loan debt rose throughout 2024 – exceeding \$24,000. The rate of growth has declined, however; average debt rose 2.1 percent between 2023 and 2024, compared to 5.2 percent between 2022 and 2023. Despite some stabilization with regard to vehicle cost, financing rates have risen considerably since 2022, accounting for the continued upward pressure on debt balances. As of 2024, nearly four percent of auto loans reached delinquency status, with payments at least 30 days late. The average monthly payment is \$662.

Inflation, tariffs on steel and aluminum, and rising insurance costs (which has outpaced the rate of inflation) may contribute to these trend in the future.

In Pennsylvania, average car loan debt rose 2.3 percent between 2023 and 2024, from \$20,710 to \$21,186.¹

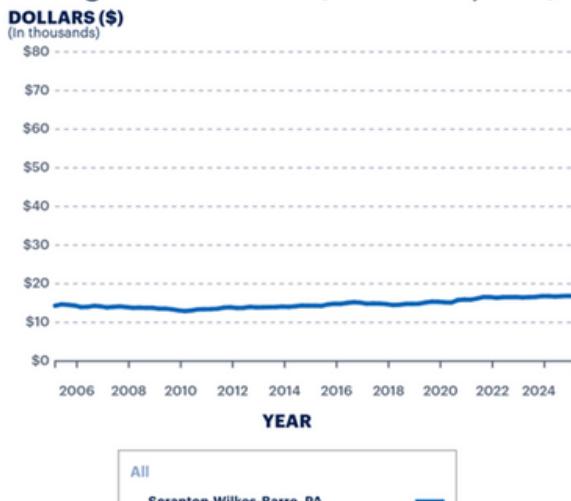
In Northeastern Pennsylvania's metropolitan area, average total auto debt is approximately \$18,000. This figure has risen since 2010.

Debt-related disparities are among several factors that may contribute to the racial wealth gap. In NEPA, people who are non-Hispanic White have more total debt on average than people of color (slightly higher than \$50,000 compared to slightly more than \$30,000). This disparity does not appear to extend to auto loan debt, however. The average amount of auto loan debt among people of color has generally remained on par with the average amount of such debt among non-Hispanic White borrowers.

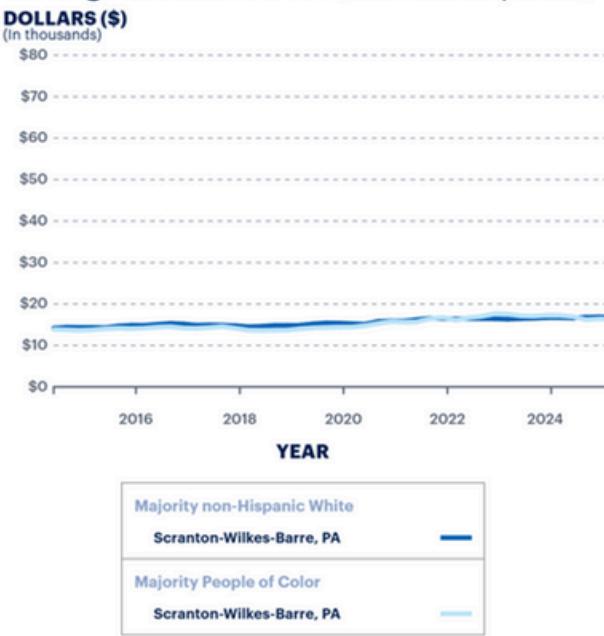
Sources

[1] Horymski, C. (2025, April 24). Average auto loan debt grew 2.1% to \$24,297 in 2024. Experian. <https://www.experian.com/blogs/ask-experian/research/auto-loan-debt-study#:~:text=recently%20as%202022.,Rate%20of%20Auto%20Delinquencies%20Levels%20Off%20in%202024,at%20least%2030%20days%20late.&text=The%20percentage%20of%20borrowers%2030,debt%2C%20the%20increases%20were%20modest.>

Average Total Auto Debt (Inflation Adjusted)



Average Total Auto Debt (Inflation Adjusted)



Sources: Federal Reserve Bank of New York Consumer Credit Panel/Equifax Data and Federal Financial Institutions Examination Council Census Flat File, accessed via the Consumer Credit Explorer on 9/23/2025.

What's New at The Institute



Happy Holidays from The Institute!

The staff, Board of Directors, and Advisory Board of The Institute would like to wish you a very happy holiday season. We are thankful for our community that makes the work we do possible: our college partners, research underwriters, and our clients. Thank you for supporting data-driven research that strengthens communities across Northeastern Pennsylvania.

Please note: The Institute will close for winter break on December 24th and reopen on January 2nd.

May your holidays be full of warmth and cheer. We look forward to working with you in 2026!

The Institute Team: Teri, Jill, Sarah, Ethan, Tim, Brigitte, Michael, Emily, and Jean

Updated Project Profiles

The Institute has updated the [Project Profiles](#) section on our website, which highlights the wide variety of work we have completed for our clients, including economic impact studies, survey work, needs assessments, strategic initiatives, program evaluation, and more.

The new Project Profiles section is updated with more project overviews, and can be filtered by a range of categories. We encourage you to [take a look](#) and see what The Institute can do to help your organization.

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The Winter Newsletter is Now Online

Take a look at our latest newsletter to see:

- Previews of the 2026 Task Force Research
- The new Understanding Local Government Guide
- Highlights of The Institute staff in the community
- and more!

The winter 2025 newsletter is [available to read here](#).

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