

Tioga County Development Corporation

eNews Insider



Special Edition

Summer 2008

Tioga County's Economic Analysis & Forecast: 2007

The *Tioga County Development Corporation* presents, as a public service, ***Tioga County's Economic Analysis & Forecast 2007***. This Special Edition is the sixth in a series of Annual Reports on changes in the health and structure of Tioga County. This year's issue includes an update of changes in the economy from the second quarter of 2005 through the second quarter of 2006 (fiscal year 2007). The report is now part of the annual review of the Tioga County Enterprise Zone and will be included with the Measure of Attainment document.

The report is based on the performance of the County economy (by sector) in terms of jobs, wages, and establishments. The County is compared to the Commuting Region, and the Commonwealth, to put that performance in context. This year, it additionally tracks changes in total wages paid. Total payroll (also called the wage bill) is calculated by multiplying the number of workers by their average weekly wage. This is an important measure in that it indicates the impact that the sector has on the total economy. Only private sector activities are reported in the data; hence government employment is not considered in this analysis but it is reflected in total employment.

2007 Relatively Flat but County Outperforms

The overall economy of Tioga County showed little employment change from Quarter 3 of 2006 through Quarter 3 of 2007. Despite a slight loss of employment (-0.1%) payrolls increased by 5.1%, very nearly the same as the state change. Total employment declined by 19 workers but the \$29 per week average increase in wages led to a growth in weekly payroll of \$358,000. The number of establishments in the County grew rapidly. Total establishments grew from 1,038 to 1,095. This 5.5% increase was more than double the state rate.

Potter County continued the steep decline in employment and payroll that has plagued it since the early part of the decade. Employment in Potter fell by 12.8% and payroll by 37.2%. Lycoming County gained 119 workers (0.2%) but wages increased more slowly than they did in Tioga. Lycoming's total payroll increased by just 4.8%.

Table 1: Total Economy 2007 and Change from 2006

Total, Including Gov'ts	Tioga	Lycoming	Potter	PA
Establishments	1,095	3,114	507	341,745
Employment	12,708	51,165	5,491	5,653,631
Weekly Wage	\$584	\$623	\$676	\$802
Weekly Payroll (\$1000's)	\$7,421	\$31,876	\$3,712	\$4,534,212
Change in Establishments	57	78	14	9054
Change in Employment	-19	119	-806	47414
Change in Wages	29	27	-262	34
Change in Payroll (\$1000's)	\$358	\$1,452	-\$2,195	\$228,637
% Chg in Establishments	5.5	2.6	2.8	2.7
% Chg in Employment	-0.1	0.2	-12.8	0.8
% Chg in Wages	5.2	4.5	-27.9	4.4
% Change in Payroll	5.1	4.8	-37.2	5.3

Source: PA Dep't of L&I, 2008

Change by Sector of Economic Activity

Among the fourteen reported sectors Tioga had nine that lost employment and five which gained. Health and Social services gained the most employees and Administration and Waste Management lost the most.

The five sectors which gained in total employment were Accommodations and Food Service, Construction, Health and Social Services, Professional, Technical, and Scientific Services, and Retail Trade. Those which experienced losses in employment were Administration and Waste Management, Art, Entertainment, and Recreation, Finance and Insurance, Information and Communications, Manufacturing, Other Services, Real Estate and Renting and Leasing, Transportation and Warehousing, and Wholesale Trade. The sectors not reported or addressed in this Update due to a lack of data are Agriculture, Education, Management, Mining, and Utilities. The following articles detail the performance of the various sectors.

Table 2: Accommodations and Food Service

Accommodations and Food Service

A major surge in wages propelled this sector during the period. Although employment climbed just 1.9%, sector wages in Tioga County were up by 15.8%. This led to an overall increase in sector payroll of 18.0%. The weekly wage in Tioga County at the end of the period was \$264, well above the wage paid in Lycoming and Potter and nearly equal to the state average of \$280. The increase in payroll over the period was second only to the Construction sector.

Accomm. & Food Service	Tioga	Lycoming	Potter	PA
Establishments	100	260	45	26,498
Employment	1,122	3,670	304	425,303
Weekly Wage	\$264	\$224	\$178	\$280
Weekly Payroll (\$1000's)	\$296	\$822	\$54	\$119,085
Change in				
Establishments	4	6	5	948
Change in Employment	21	78	19	6,335
Change in Wages	36	20	3	17
Change in Payroll (\$1000's)	45	89	4	8,896
% Chg in Establishments	4.2	2.4	12.5	3.7
% Chg in Employment	1.9	2.2	6.7	1.5
% Chg in Wages	15.8	9.8	1.7	6.5
% Change in Payroll	18.0	12.2	8.5	8.1

Administration and Waste Management

Although it is not a major sector of the Tioga economy the poor performance of the Administration and Waste Management sector was significant during the period. The loss of 84 jobs represented 35.0% of the sector workforce. This was the greatest loss of any sector in the County in both absolute and percentage terms. Most of the jobs lost were at the low end of the wage scale as evidenced by the fact that average wage for those who remained employed was 50.0% higher at the end of the period than the beginning. In fact, because of the loss of so many low end jobs, the average wage was \$633 per week, well above the state average of \$560. This implies that the change was temporary and probably not sustainable.

Table 3: Administration and Waste Management

Administration & Waste Mgt	Tioga	Lycoming	PA
Establishments	28	106	16,162
Employment	156	1,986	294,290
Weekly Wage	\$633	\$376	\$560
Weekly Payroll (\$1000's)	\$99	\$747	\$164,802
Change in Establishments	2	3	821
Change in Employment	-84	200	9512
Change in Wages	211	7	25
Change in Payroll(\$1000's)	-\$3	\$88	\$12,446
% Chg in Establishments	7.7	2.9	5.4
% Chg in Employment	-35.0	11.2	3.3
% Chg in Wages	50.0	1.9	4.7
% Change in Payroll	-2.5	13.3	8.2



Arts, Entertainment & Recreation

This is a small sector and one which has been quite volatile in Tioga County over the past several years. The loss of 44 jobs was 28.9% of the 2006 employment and was one of the largest percentage losses in the County over the 2006 – 2007 period. Wages have traditionally been quite low in the County compared to the state and even with the 9.7% increase in average wages over the period total sector payroll fell by 22.1%.

Table 4: Arts, Entertainment, and Recreation

Art, Entertainment, & Rec.	Tioga	Lycoming	PA
Establishments	16	36	4,783
Employment	108	407	101,031
Weekly Wage	\$249	\$546	\$436
Weekly Payroll (\$1000's)	\$27	\$222	\$44,050
Change in Establishments	1	2	119
Change in Employment	-44	-41	3303
Change in Wages	22	161	6
Change in Payroll(\$1000's)	-\$8	\$50	\$2,026
% Chg in Establishments	6.7	5.9	2.6
% Chg in Employment	-28.9	-9.2	3.4
% Chg in Wages	9.7	41.8	1.4
% Change in Payroll	-22.1	28.8	4.8

Construction

The Construction sector added 24 new jobs in Tioga County between the 3rd Quarter of 2006 and the 3rd Quarter of 2007. This was identical to 7.7 percent gain in Lycoming County and far above the 0.9% gain in the state as a whole. Equally important, wages grew by 19.0%, leading to an increase in payroll of 28.2%, the largest among Tioga's sectors.

Table 5: Construction

Construction	Tioga	Lycoming	Potter	PA
Establishments	73	277	30	31,770
Employment	337	2,251	200	278,295
Weekly Wage	\$563	\$763	\$627	\$934
Weekly Payroll (\$1000's)	\$190	\$1,718	\$125	\$259,928
Change in Establishments	8	5	-2	541
Change in Employment	24	161	3	2,346
Change in Wages	90	37	6	41
Change in Payroll(\$1000's)	\$42	\$200	\$3	\$13,505
% Chg in Establishments	12.3	1.8	-6.3	1.7
% Chg in Employment	7.7	7.7	1.5	0.9
% Chg in Wages	19.0	5.1	1.0	4.6
% Change in Payroll	28.2	13.2	2.5	5.5

Finance & Insurance

The Finance and Insurance sector has had several years of declining employment in Tioga County. This pattern has been prevalent throughout rural Pennsylvania and has more to do with the restructuring of the industry than with specific locations. During the period, the sector lost 14 employees in Tioga County, about 4.2% of the 2006 workforce. Lycoming saw a similar percentage loss, while Potter lost almost 18% of its employment. The state lost just 0.7% but this was still almost 1,900 jobs. Wages continued to rise across in all of the areas and, except for Potter, payrolls increased as well. Still, the sector did not have even average growth in payroll in either the state or the County.

Table 6: Finance and Insurance

Finance & Insurance	Tioga	Lycoming	Potter	PA
Establishments	38	176	15	19,159
Employment	322	1,437	78	266,425
Weekly Wage	\$721	\$780	\$663	\$1,170
Weekly Payroll (\$1000's)	\$232	\$1,121	\$52	\$311,717
Change in Establishments	1	-2	-3	212
Change in Employment	-14	-47	-17	-1,885
Change in Wages	49	65	74	48
Change in Payroll(\$1000's)	\$6	\$60	-\$4	\$10,673
% Chg in Establishments	2.7	-1.1	-16.7	1.1
% Chg in Employment	-4.2	-3.2	-17.9	-0.7
% Chg in Wages	7.3	9.1	12.6	4.3
% Change in Payroll	2.8	5.6	-7.6	3.5

Health & Social Services

This sector has surpassed Retail and now has the second largest private sector employment in Tioga County, after Manufacturing. During 2007 it added 169 employees to its total which was an increase of 9.3%, far above the state level of 1.9%. Most were probably low wage workers as the average wage declined by \$15 per week or 2.7%. However, the overall effect on payroll was still strongly positive at 6.4%. Wages in sector in Tioga County remain far lower than for any of the compared areas. The \$546 weekly wage was only about 72% of the state average. Some of this discrepancy is undoubtedly caused by the relatively large number of persons employed in the social services industries in the County as these tend to have lower wages than most of the medical industries.

Table 7: Health and Social Services

HSS	Tioga	Lycoming	Potter	PA
Establishments	249	478	91	46,256
Employment	1,986	7,957	1,032	847,482
Weekly Wage	\$546	\$666	\$694	\$763
Weekly Payroll (\$1000's)	\$1,084	\$5,299	\$716	\$646,629
Change in Establishments	32	21	0	2,773
Change in Employment	169	-81	-11	15,916
Change in Wages	-15	48	29	31
Change in Payroll(\$1000's)	\$65	\$332	\$23	\$37,922
% Chg in Establishments	14.7	4.6	0.0	6.4
% Chg in Employment	9.3	-1.0	-1.1	1.9
% Chg in Wages	-2.7	7.8	4.4	4.2
% Change in Payroll	6.4	6.7	3.3	6.2



Tioga County Development Corporation
Tioga County, Pennsylvania

UNEMPLOYMENT RATES: 2007/FINAL

Tioga County Labor Market Area
March
2008

Month	Year	Tioga County	Pennsylvania	Difference	United States	Difference
January	2007	5.1	4.7	0.4	4.6	0.5
February	2007	4.2	3.8	0.4	4.4	-0.2
March	2007	4.3	4.1	0.2	4.5	-0.2
April	2007	4.6	4.2	0.4	4.5	0.1
May	2007	4.8	4.1	0.7	4.5	0.3
June	2007	5.3	4.1	1.2	4.5	0.8
July	2007	5.2	4.5	0.7	4.6	0.6
August	2007	5.6	4.5	1.1	4.7	0.9
September	2007	5.7	4.5	1.2	4.7	1
October	2007	5.9	4.2	1.7	4.7	1.2
November	2007	5	4.7	0.3	5	0
December	2007	5.7	4.8	0.9	4.9	0.8
	Final					
ANNUAL AVERAGE		5.12	4.35	0.77	4.63	0.48

Source: Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis

Tioga County Development Corporation

Tioga County, Pennsylvania

UNEMPLOYMENT RATES: 2006 FINAL**Tioga County Labor Market Area**

April 2007

Month	Year	Tioga County	Pennsylvania	Difference	United States	Difference
January	2006	3.8	4.5	-0.7	4.8	-1
February	2006	6.5	4.5	2	4.7	1.8
March	2006	5.3	4.5	0.8	4.7	0.6
April	2006	4.9	4.8	0.1	4.6	0.3
May	2006	4.8	4.7	0.1	4.6	0.2
June	2006	4.9	4.8	0.1	4.8	0.1
July	2006	5.1	4.9	0.2	4.7	0.4
August	2006	5	4.8	0.2	4.6	0.4
September	2006	4	4.2	-0.2	4.4	-0.4
October	2006	5	4.5	0.5	4.5	0.5
November	2006	5.7	4.7	1	4.6	1.1
December	2006	5.2	4.6	0.6	4.6	0.6
ANNUAL AVERAGE		5.02	4.63	0.39	4.63	0.38



Source: Pennsylvania Department of Labor & Industry, Center for Workforce Information & Analysis

Information & Communication Services

The numeric losses were not large but Information sector employment and payroll declined in Tioga and the state. Tioga lost 13 jobs which was 7.5% of the 2006 employment. Wages declined by 2.8% and payroll by 10.1%. The state as a whole lost 1.5% in employment and 1.1% in sector payroll. Potter, probably as an effect of Adelphia's collapse, lost 868 jobs which was over two-thirds of its sector employment and over 16% of its total employment. The Potter County losses accounted for more than one-half of the total information sector jobs lost in the state.

Table 8: Information and Communications Services

Information	Tioga	Lycoming	Potter	PA
Establishments	20	43	15	4,881
Employment	161	754	426	107,396
Weekly Wage	\$485	\$762	\$1,878	\$1,071
Weekly Payroll (\$1000's)	\$78	\$575	\$800	\$115,021
Change in Establishments	-1	2	0	-117
Change in Employment	-13	-91	-868	-1606
Change in Wages	-\$14	\$57	-\$567	\$4
Change in Payroll(\$1000's)	-\$9	-\$21	-\$2,364	-\$1,284
% Chg in Establishments	-4.8	4.9	0.0	-2.3
% Chg in Employment	-7.5	-10.8	-67.1	-1.5
% Chg in Wages	-2.8	8.1	-23.2	0.4
% Change in Payroll	-10.1	-3.6	-74.7	-1.1

Manufacturing

For once the losses in the Manufacturing sector were not the major cause of economic dislocation in Tioga County. Further, in terms of both wages and payroll, Tioga outperformed Pennsylvania during the period. Employment did fall, but by only 69 workers or 2.6% of the 2006 total. Weekly wages increased by an average of \$60 (an improvement of 8.4%) and payroll grew by 5.6%. Although Pennsylvania lost only 2.2% of its Manufacturing employment wages increased by just 3.8% and total sector payroll in the Commonwealth increased just 1.5%.

Table 9: Manufacturing

Manufacturing	Tioga	Lycoming	Potter	PA
Establishments	45	176	25	16,193
Employment	2,567	10,269	885	660,814
Weekly Wage	\$774	\$746	\$605	\$930
Weekly Payroll (\$1000's)	\$1,987	\$7,661	\$535	\$614,557
Change in Establishments	-1	-2	5	10
Change in Employment	-69	-1,008	63	-14,866
Change in Wages	\$60	\$41	\$34	\$34
Change in Payroll(\$1000's)	\$105	-\$290	\$66	\$9,148
% Chg in Establishments	-2.2	-1.1	25.0	0.1
% Chg in Employment	-2.6	-8.9	7.7	-2.2
% Chg in Wages	8.4	5.8	6.0	3.8
% Change in Payroll	5.6	-3.6	14.1	1.5

Professional, Technical, and Scientific Services

Professional Services was a strong performer in Tioga County during 2007. Although the County added only six new jobs (3.0%) wages increased by \$68 per week (12.4%) and payroll by 15.8%. Statewide employment grew by 1.8% and wages by just 7.0%. The state payroll in the sector grew by just 8.9%. Lycoming did not fare as well with a total increase of just 0.4% in employment and 2.3% in payroll. The economic disintegration of Potter County led to 10.9% loss in employment and a 16.0% decline in sector payroll.

Table 9: Professional Services

Professional Services	Tioga	Lycoming	Potter	PA
Establishments	48	191	21	34,337
Employment	204	1,298	49	311,902
Weekly Wage	\$615	\$752	\$573	\$1,294
Weekly Payroll (\$1000's)	\$125	\$976	\$28	\$403,601
Change in Establishments	0	13	-1	994
Change in Employment	6	5	-6	5409
Change in Wages	\$68	\$14	-\$35	\$85
Change in Payroll(\$1000's)	\$17	\$22	-\$5	\$33,051
% Chg in Establishments	0.0	7.3	-4.5	3.0
% Chg in Employment	3.0	0.4	-10.9	1.8
% Chg in Wages	12.4	1.9	-5.8	7.0
% Change in Payroll	15.8	2.3	-16.0	8.9

Retail Trade

In Pennsylvania, the last several years have seen declines in Retail Trade employment. During 2007 the state added slightly to its sector employment (0.3%) but was far surpassed by Tioga County which had an employment increase of 80 retail workers, a net addition of 4.6%. Furthermore each retail employee had a weekly wage increase of \$19 and the sector payroll grew by 10.8%. The sector payroll in Pennsylvania grew by 0.7%. Lycoming saw some increase in both wages and employment but the total payroll growth was just 8.3%.

Table 10: Retail Trade

Retail Trade	Tioga	Lycoming	Potter	PA
Establishments	161	475	62	44,042
Employment	1,801	6,751	509	652,955
Weekly Wage	\$342	\$382	\$353	\$459
Weekly Payroll (\$1000's)	\$616	\$2,579	\$180	\$299,706
Change in Establishments	6	2	-8	304
Change in Employment	80	207	-98	2,016
Change in Wages	\$19	\$18	-\$6	\$2
Change in Payroll(\$1000's)	\$60	\$197	-\$38	\$2,227
% Chg in Establishments	3.9	0.4	-11.4	0.7
% Chg in Employment	4.6	3.2	-16.1	0.3
% Chg in Wages	5.9	4.9	-1.7	0.4
% Change in Payroll	10.8	8.3	-17.5	0.7



Transportation & Warehousing

Table 11: Transportation and Warehousing

Fewer employees made more money in this sector in Tioga County at the end of the period than at the beginning. Employment declined by 30 workers while wages went up by an average of \$74 per week (12.7%). Therefore, despite the loss of 8.5% in employment, payroll grew by 3.1%. However, in the state and the other two Counties in the Region, employment increased and payroll grew as well. Pennsylvania had an increase of 5.9% in payroll. Payroll in Lycoming grew by 6.8% and in Potter by 7.8%.

Transport & Warehousing	Tioga	Lycoming	Potter	PA
Establishments	48	78	31	8,424
Employment	325	1,477	292	203,323
Weekly Wage	\$658	\$677	\$758	\$738
Weekly Payroll (\$1000's)	\$214	\$1,000	\$221	\$150,052
Change in Establishments	-1	1	3	340
Change in Employment	-30	112	16	6442
Change in Wages	\$74	-\$9	\$14	\$18
Change in Payroll(\$1000's)	\$7	\$64	\$16	\$8,298
% Chg in Establishments	-2.0	1.3	10.7	4.2
% Chg in Employment	-8.5	8.2	5.8	3.3
% Chg in Wages	12.7	-1.3	1.9	2.5
% Change in Payroll	3.1	6.8	7.8	5.9

Table 12: Wholesale Trade

Wholesale Trade

The most significant stories for the Wholesale Trade sector in 2007 were told in Lycoming and Potter Counties. Lycoming saw a growth of 623 employees or 35.3% in the sector. Potter's growth was "only" 66 employees but this was an increase of 50.4%. The sector payroll in Lycoming County grew by 26.8% and in Potter County by 36.0%. Tioga lost 14 Wholesale employees (-3.7%) but wages grew by \$41 per week (6.7%) and, therefore, payroll increased by a modest 2.8%. The Commonwealth had slower growth in employment than the Region but still increased in employment by 0.7% and in payroll by 8.4%.

Wholesale Trade	Tioga	Lycoming	Potter	PA
Establishments	25	162	13	25,546
Employment	368	2,388	197	242,074
Weekly Wage	\$650	\$657	\$465	\$1,137
Weekly Payroll (\$1000's)	\$239	\$1,569	\$92	\$275,238
Change in Establishments	-3	-5	3	636
Change in Employment	-14	623	66	1,762
Change in Wages	\$41	-\$44	-\$49	\$80
Change in Payroll (\$1000's)	\$7	\$332	\$24	\$21,228
% Chg in Establishments	-10.7	-3.0	30.0	2.6
% Chg in Employment	-3.7	35.3	50.4	0.7
% Chg in Wages	6.7	-6.3	-9.5	7.6
% Change in Payroll	2.8	26.8	36.0	8.4

Summary and Forecast

As has often been the case over the last several years Health and Social services added the greatest number of employees. The sector also had the greatest percentage increase in employment. However, the Construction sector had the best wage and payroll performance (among those sectors which added employment). Manufacturing outperformed the state by maintaining payroll growth despite the decline in employment. Retail Trade, Professional Services and Accommodations and Food Service deserve mention for producing significantly better results than those same sectors in Pennsylvania.

Several sectors had disappointing results during 2007. In particular the Administration and Waste Management sector lost 35% of its 2006 jobs and the Arts, Entertainment, and Recreation sector lost 28.9%. The Information and Communications Services continues to have difficult times in the County and the Commonwealth. Despite maintaining slight increases in total payroll, Transportation and Warehousing and Wholesale Trade had employment losses that were significant.

Even though there were some obvious weak spots in the Tioga County economy in 2006 – 2007, it appears that the worst of the employment hemorrhaging in the Manufacturing sector is over and that the potential for positive overall change exists. However, recessionary pressures and energy cost concerns, which are out of the control of local forces, may dampen growth for the next few years.



114 Main Street
 Wellsboro, Pennsylvania 16901
 Voice: 570.723.8232
 Fax: 570.723.8441
 E-mail: tcdc1@ptd.net

www.tcdc-pa.com

Chairman of the Board
 David E. Cummings

First Vice Chairman
 Karen H. Russell

Second Vice Chairman
 David G. Lamphier

Treasurer
 Wendy S. Swartz

Secretary
 Robert J. Blair

Board of Directors
 Brenda G. Abplanalp
 James D. Baker, Jr.
 Scott Bastian
 Timothy Bowers
 Donald Carman
 Susan A. Dillon
 Thomas Freeman
 Jason G. Gehman
 Joseph M. Kalata
 Raymond Kaminski
 Karl Kroeck
 Jacki Lawrence
 Maravene S. Loeschke
 Gary A. Mosher
 Leo Parchesky
 Alan J. Quimby
 William W. Roosa
 Darla J. Shick
 Patty Vlajic
 M. Sue Vogler
 Philip J. Waber
 Aneurin J. (Bill) Williams, Jr.
 Mary E. Worthington

President & Chief Executive Officer
 Robert J. Blair

Economic Development Coordinator
 Lillian Smith

**Workforce & Career Development
 Coordinator**
 Erin L. Butters

Leadership Development Coordinator
 Christie Blackwell

Administrative Assistant
 Carolyn E. Conte

Special Projects Coordinator
 Nichole R. Hall

The *Tioga County Development Corporation* is pleased to present our 6th Annual Economic Analysis Summary of the Economy of Tioga County, Pennsylvania... ***Tioga County's Annual Economic Analysis & Forecast: 2007***. An Annual Economic Analysis Summary for Tioga County, Pennsylvania.

Prepared under contract with *VanLandingham Consulting*, this Analysis presents an independent analysis of the economic conditions in Tioga County compared to the Region, the Commonwealth and the Nation. Wade VanLandingham has over thirty five years of economic development planning and analysis experience and performs similar reports for several other counties in the State.

The *TCDC* Board of Directors, seeing the value of such an economic development instrument, has commissioned an Annual Analysis for use by our Corporation; State and Federal Legislators; County Commissioners; Private Lenders; School Districts and Business & Industry; and the General Public throughout Tioga County. This year and henceforth it will be included as part of our annual Measure of Attainment for the ***Tioga County Enterprise Zone***.

The *Tioga County Development Corporation* hopes this Analysis will assist you in developing strategies for your future growth. It is our pleasure to provide you with this economic development forecasting tool. *TCDC* is here to assist you in your growth and development in making ***Tioga County...a place to call home***.

Robert J. Blair
 President/Chief Executive Officer

Please contact tcdc6@ptd.net if you wish to be removed from the *eNews Insider* mailing list.

Do you know of someone else who would like to receive this publication? Please send us their e-mail address and we will gladly add them to our distribution list.