



Research Brief

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The Holiday Journey of a Pennsylvania Toy

MIDDLETOWN, Pa – Nearly every Christmas shopper will have a young boy or girl on his or her list this holiday season, and while a new sweater or coat may be practical, most children are looking forward to unwrapping that special toy. In celebration of the holiday season, the Pennsylvania State Data Center follows the statistical journey of a Pennsylvania toy from the manufacturer to Christmas gift.

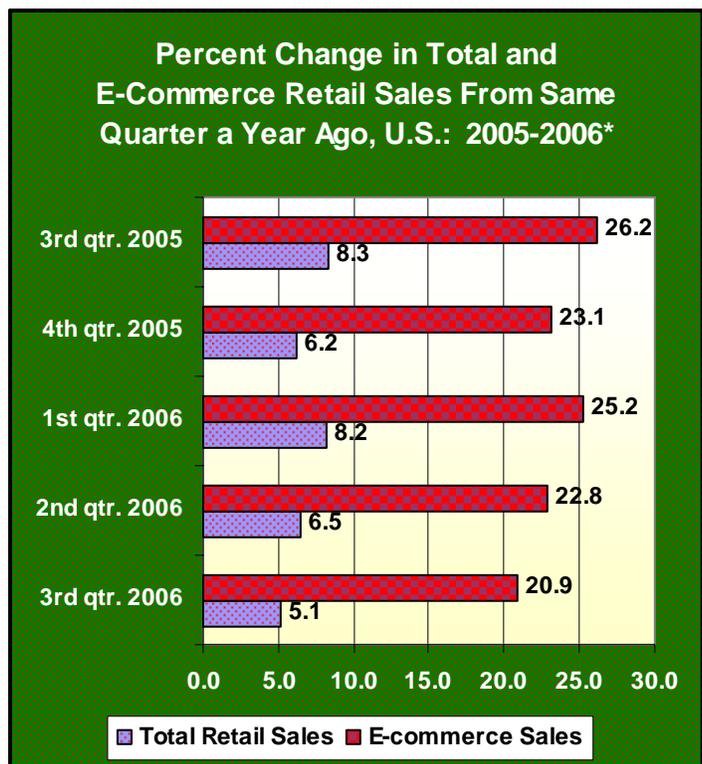
Pennsylvania Toys

Did you know that many beloved childhood toys are made in Pennsylvania? The Slinky, for example, is made in Hollidaysburg, Blair County, the Crayola Crayon is produced in Easton, Northampton County, and Boyd's Bears are made in Gettysburg, Adams County. These are just three of the 52 doll, toy, and game manufacturers located in the Commonwealth in 2002, employing 1,207 Pennsylvanians and generating \$191.3 million in revenue. In 2004, Bucks and Montgomery led all Pennsylvania counties with 6 doll, toy, and game manufacturing establishments located in each county.

Where Can I Find That Perfect Toy?

Retailers all over Pennsylvania provide plenty of places to purchase that perfect gift for a loved one. Pennsylvania consumers had 473 hobby, toy, and game stores to choose from in 2002. These businesses employed 6,883 people and generated \$810.5 million in sales. Department stores have traditionally been among the biggest winners during the holidays. Pennsylvanians had 500 department stores to choose from in 2002. They employed 70,616 people and generated more than \$10.2 billion in sales. The growth in retail sales during the holiday season usually means a temporary boost in employment as well. Last year, retail trade employment grew by 4.6 percent, or 30,699 persons between October and December.

Rather stay home and shop? The growth of e-commerce and mail order shopping is a significant shift in the way people purchase gifts for the holidays. Even the classic Slinky can now be purchase online. In the Commonwealth,



the number of e-shopping and mail order establishments has grown by more than 27 percent since 2000. The 569 Pennsylvania e-shopping or mail order establishments that were operating in 2004 employed more than 12,000 people. Nationwide, e-commerce sales have grown at a significantly faster rate than the retail sales as a whole. Over the last five quarters, e-commerce sales have averaged 23.6 percent growth over the same quarter of the previous year, while total retail sales averaged just 6.9 percent. Since e-commerce sales have grown steadily every year since 2000, it's difficult to pinpoint spikes in holiday sales. In fact, in the 4th quarter of the 2005, sales grew just 3.6 percent over the preceding quarter, compared to growth of 6.2 percent in the 3rd quarter and 6.9 percent in the 1st quarter of 2006. When compared with total retail sales, however the shift in holiday shopping is apparent: total retail sales growth in the 4th quarter of 2005 over the preceding quarter was just 0.4 percent. The \$23.6 billion in e-commerce sales in the 4th quarter of 2005 comprised 2.5 percent of all retail sales, up from just 1.0 percent in the 4th quarter of 2000.* (See Chart)

Wrapped up in the Holidays

No gift is complete until it's wrapped in festive holiday wrapping paper and topped with a bow. In Pennsylvania, the 23 coated and laminated paper manufacturers that make gift wrap employ 2,634 people and generate \$805.5 million in revenue annually. Gift wrap manufacturers account for 8.7 percent of the total revenues brought in by the paper industry in the Commonwealth. (2002)

Holiday Mail

As more and more Americans move across the country and around the world, sending Christmas packages through the U.S. Postal Service to family and friends is becoming part of the holiday tradition. The Slinkys, Crayons, and Boyd's teddy bears making their way along their Christmas journey will have plenty of company. The Postal Service expects to deliver 20 billion letters, packages and cards between Thanksgiving and Christmas, with the busiest mailing day expected to be Monday, December 18. About 12 million packages will be delivered every day through Christmas Eve. The busiest delivery day will be Wednesday, December 20. Our Pennsylvania toys will be transported by some of the 700,000 full-time and seasonal Post Office workers and more than 210,000 Post Office vehicles.

Should We Take The sleigh?

Plan on playing Santa Claus and personally delivering your Pennsylvania toy to its happy recipient? According to the Pennsylvania Department of Transportation, you should be happy it's not summer. Christmas and New Year's Day ranked at the bottom of the big seven holidays in order of the most highly traveled holidays and holiday (7-day) periods in 2004. Independence Day was the most highly traveled 7-day period (8,617,646 automobiles), while Memorial Day had the highest traffic volume for a single-day holiday (1,416,992). Traffic data shows that vehicle travel over the 7-day Christmas holiday period is actually decreasing, down 37,134 in 2004, while traffic volume during the New Year's holiday period continues to increase, growing from 6,773,479 in 2003 to 6,914,888 in 2004.

*Note: Adjusted for seasonal variation and holiday and trading-day differences, but not for price changes

Sources: *U.S. Census Bureau, 2002 Economic Census, 2004 County Business Patterns, Monthly Retail Trade Survey, Quarterly Retail E-Commerce Sales; U.S. Department of Labor, Bureau of Labor Statistics, Quarterly Census of Wages; U.S. Postal Service; Pennsylvania Department of Transportation, 2004 Traffic Data Report*

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic, contact Penn State Harrisburg's Public Information Office at 717.948.6029.

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