



The State of Industry: County Business Patterns Show Changing Economic Landscape

HARRISBURG - The release of the 2015 County Business Patterns from the U.S. Census allows for an opportunity to assess both Pennsylvania and its counties' economies. The release highlights the number of establishments, employment, and payroll by 19 major industries. The following sections will provide an in-depth look at each metric highlighted in the release and the change that's occurred since 2005.

Statewide Change in Establishments by Industry

Pennsylvania lost 6,310 establishments from 2005 to 2010 and gained 2,672 from 2010 to 2015 for a net loss of 3,638. The largest numeric losses occurred in Retail Trade which lost 3,824 establishments from 2005 to 2015 and Construction which lost 3,400 establishments from 2005 to 2015. The highest numeric gains were in Healthcare and Social Services as well as Accommodation and Food Services which saw net gains of 3,030 and 1,882 respectively in the past decade.

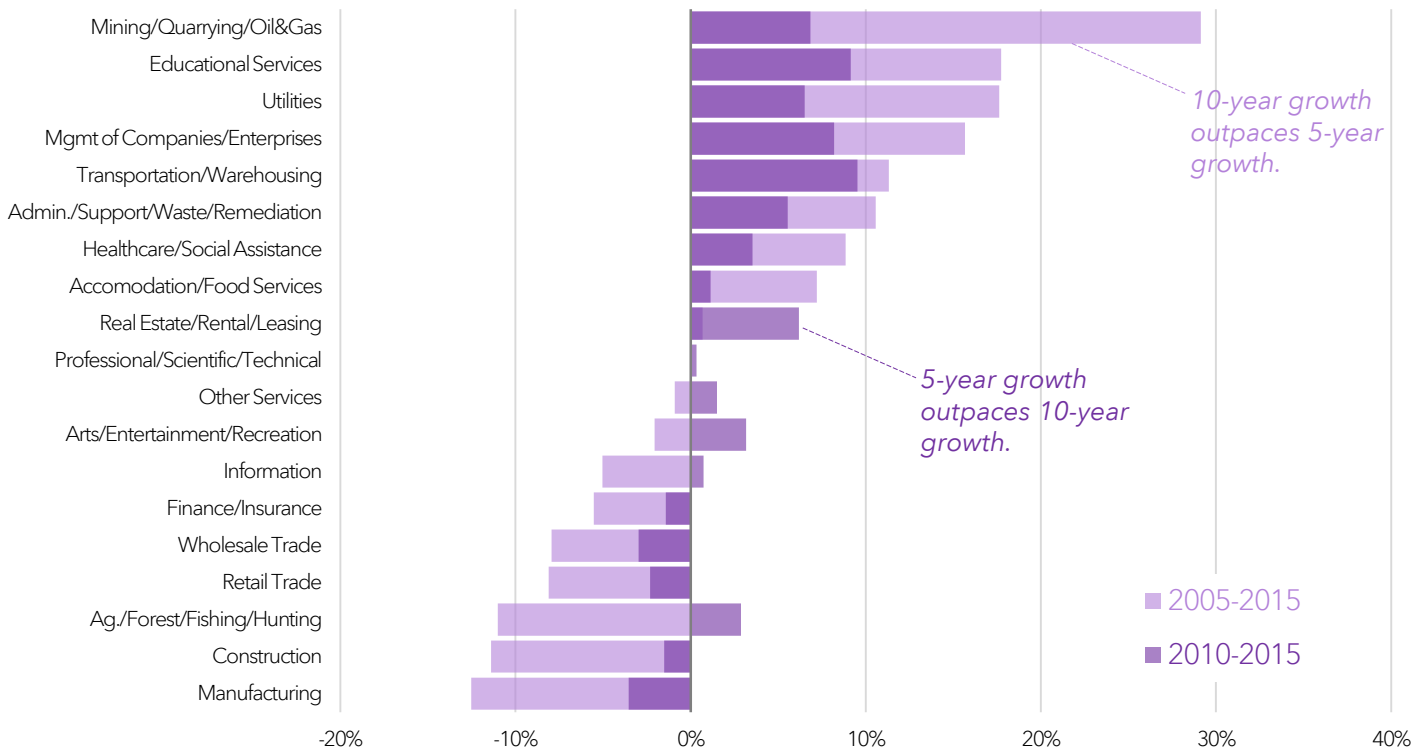


Figure 1. Percent change in establishments for five-year and ten-year period by industry in Pennsylvania.

The number of establishments decreased 1.2 percent overall in all industries in Pennsylvania from 2005 to 2015 with a slight increase of 0.9 percent from 2010 to 2015. The largest percent decreases occurred in the manufacturing industry for the five-year (-3.5 percent) and the ten-year (-12.5 percent) periods (Figure 1). Wholesale Trade establishments also experienced a large decrease from 2010 to 2015 (-3.0 percent) while Construction establishments decreased by approximately 11.4 percent from 2005 to 2015.

The growth of establishments in the Mining, Quarrying, and Oil and Gas Extraction industry from 2005 to 2015 greatly exceeded that of Pennsylvania's other industries with an increase of 29.1 percent, nearly 12 percent higher than any other industry. From 2010 to 2015, the highest percent increases occurred in the Transportation and Warehousing (9.5 percent) and Educational Services (9.2 percent) industries.

Retail Trade was the highest-ranking industry in number of establishments for both 2005 and 2015. Other Services (second in 2005) traded places with Health Care and Social Assistance (third in 2005) in 2015. Professional, Scientific, and Technical Services moved from the sector with the fifth-largest number of establishments in 2005 to fourth in 2015. Construction, (fourth in 2005) dropped from the top five in 2015, and Accommodation and Food Services had the fifth-largest number of establishments in 2015.

Statewide Employment by Industry

Pennsylvania lost 106,437 employees from 2005 to 2010 and gained 330,703 from 2010 to 2015 for a net gain of 224,266 employees. The Manufacturing sector accounted for approximately 57.9 percent of the total employment lost from 2005 to 2015 with a net loss of 111,808. The greatest numeric gains were in Healthcare and Social Services which added 147,600 employees from 2005 to 2015 and accounted for over a third of all employees added from 2005 to 2015.

Employment in Pennsylvania increased by 6.6 percent from 2010 to 2015 and 4.4 percent for the decade. The Agriculture, Forestry, Fishing, and Hunting sector's employment decreased by 17.5 percent from 2010 to 2015 (Figure 2). The next largest employment decrease during that five-year period occurred in the Utilities sector (-7.6 percent). Manufacturing experienced the greatest percent decrease in employment from 2005 to 2015 at 16.8 percent, followed closely by the Information (-14.8 percent) and Utilities (-14.2 percent) sectors. The Mining, Quarrying, and Oil and Gas Extraction industry ranked the highest for percent change in employment for both the five-year (43.5 percent) and ten-year (86.5 percent) periods.

Healthcare and Social Assistance, Retail Trade, Manufacturing, and Accommodation and Food Services were the top four industries in both 2005 and 2015. Professional, Scientific, and Technical Services, the fifth-largest employing industry in 2005 was replaced by the Administrative and Support and Waste Management sector in 2015.

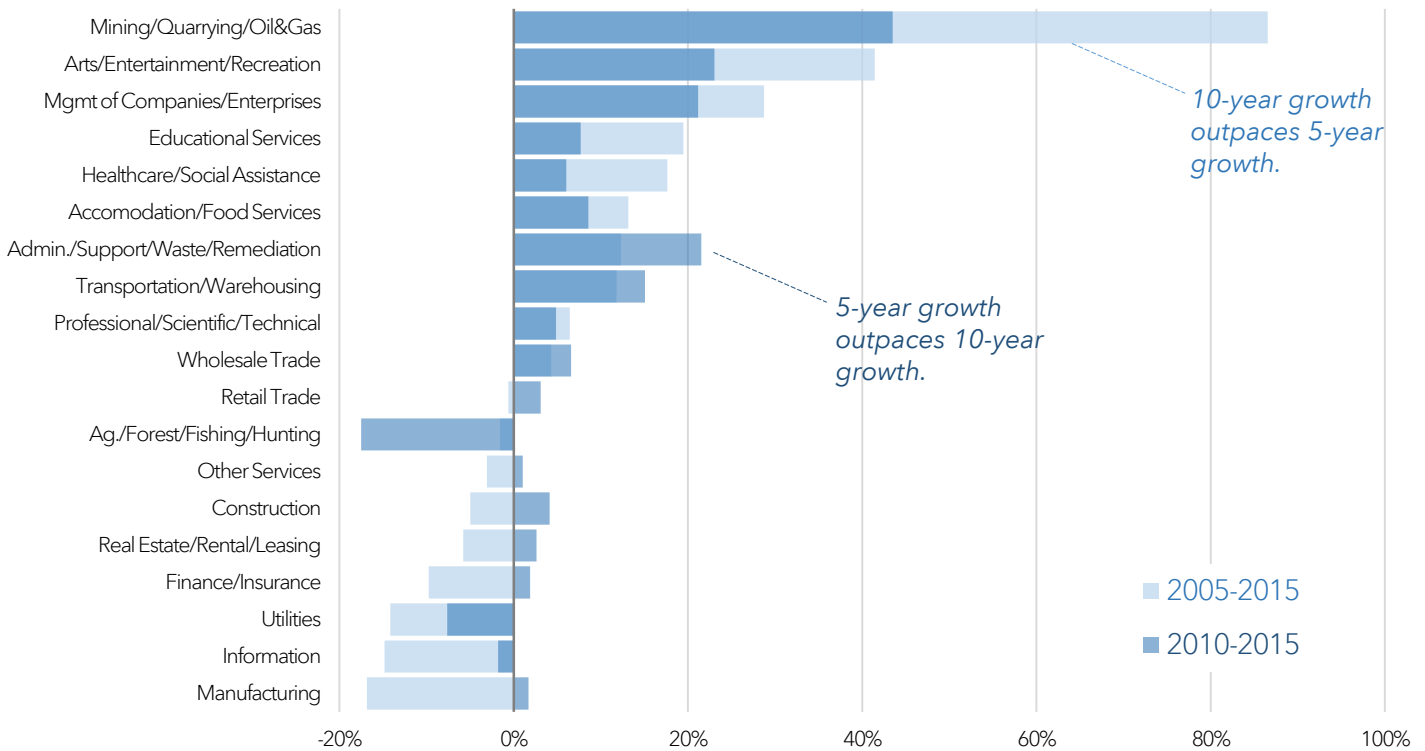


Figure 2. Percent change in employment for five-year and ten-year period by industry in Pennsylvania.

Statewide Change in Annual Payroll of Businesses by Industry

The payroll of Pennsylvania’s businesses increased by \$27.4 billion from 2005 to 2015 despite a decrease of \$150 million from 2005 to 2010. The Agriculture, Forestry, Fishing, and Hunting sector’s payroll increased by only \$6.2 million, raking lowest in numeric growth followed by the Utilities sector (\$32.1 million) from 2010 to 2015. Manufacturing (-\$4.0 billion) and Utilities (-\$6.2 million) were the only two sectors to decrease during the ten-year period. Healthcare and Social Assistance had the highest amount of numeric increase for the five-year (\$3.4 billion) and ten-year (\$8.3 billion) periods.

Payrolls increased at roughly the same rate for the five-year (12.0 percent) and ten-year (11.9 percent) periods. The Utilities sector had the lowest growth in payroll funds (1.0%) from 2010 to 2015 and was one of two industries that experienced a percent decrease in their payrolls from 2005 to 2015 at 1.9 percent (Figure 3). The other, Manufacturing, decreased by 11.4 percent. The Mining, Quarrying, and Oil and Gas Extraction sector saw the most substantial increase during both time periods with an increase of 33.4 percent during 2010 to 2015 and an increase of 121.5 percent for the decade. Other notable sectors include Arts, Entertainment, and Recreation, Management of Companies and Enterprises, Transportation and Warehousing, Information, and Administrative and Support and Waste Management which all managed an increase of 20.0 percent or more for both time periods.

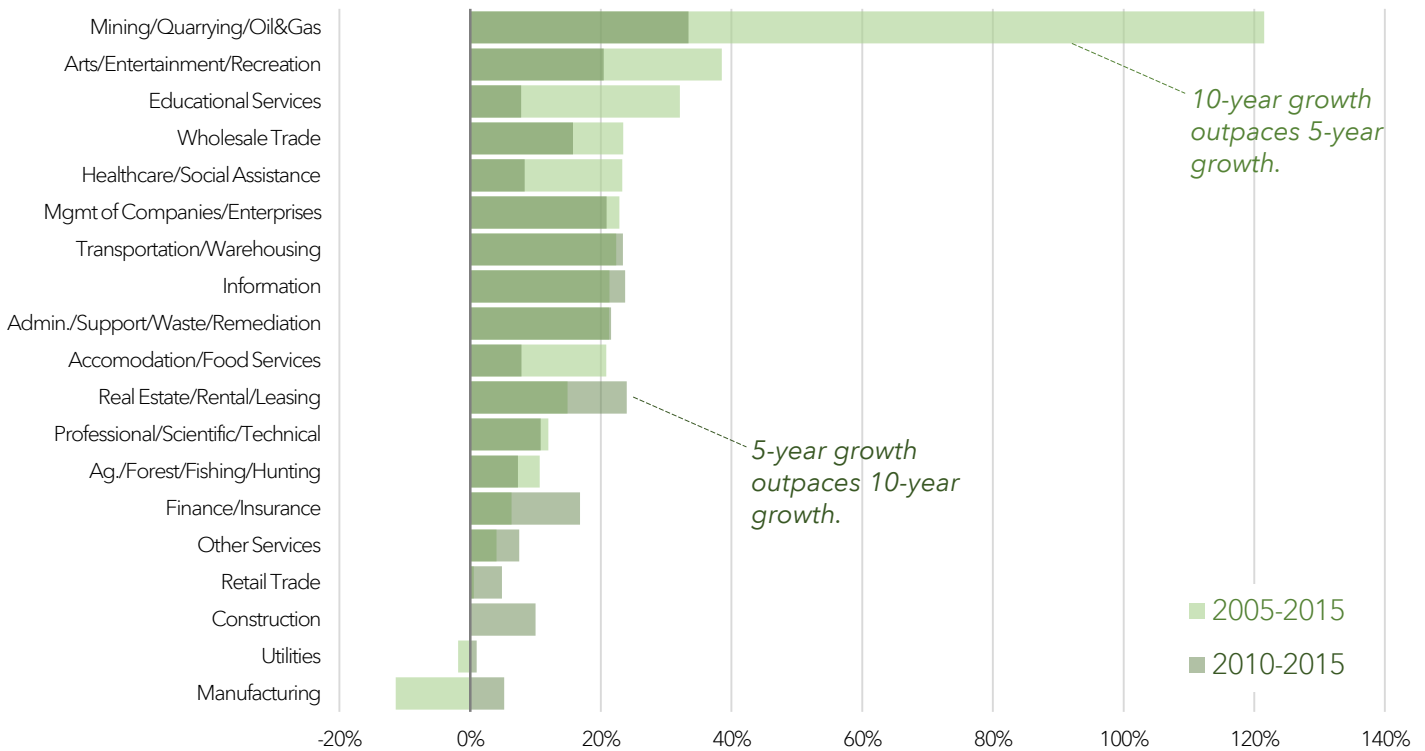


Figure 3. Percent change in annual payroll for five-year and ten-year period by industry in Pennsylvania.

Healthcare and Social Assistance, Manufacturing, and Professional, Scientific and Technical took the top three spots in 2015. Finance and Insurance (first-largest in 2005) and Wholesale Trade (third-largest in 2005) were downshifted to fourth and fifth-largest industries by annual payroll in 2015 while Retail Trade (second-largest in 2005), Management of Companies and Enterprises (fourth), and Construction (fifth) no longer ranked in the top five for 2015.

County-Level Changes in Establishments, Employment, and Annual Payroll

Allegheny County lost the most establishments from 2005 to 2010 while Bucks County experienced the largest numeric losses in employment (-4,968 employees) and annual payroll (-\$259,213) during that time. Establishments in Cameron County decreased at the fastest rate (-20.6 percent) from 2005 to 2015 while employment and annual payroll dropped the fastest in Potter County (-21.7 percent and -20.9 percent, respectively).

Philadelphia County saw the greatest numeric increase in establishments and employment from 2005 to 2015 (667 establishments and 39,166 employees) while Allegheny County had the highest numeric increase in annual payroll (\$4.3 million). Establishment growth occurred most rapidly in Montour County from 2005 to 2010 (18.7 percent) while Greene County experienced the fastest growth in both employment (50.4 percent) and annual payroll (69.8 percent).

Table 1. Pennsylvania counties with the fastest growth or decline in employment from 2005 to 2015 by industry.

Industry	Fastest Growing		Fastest Declining	
	County	Change	County	Change
Accommodation/Food Services	Greene	95.5%	Wayne	-38.4%
Admin./Support/Waste/Remediation	Warren	571.4%	Clinton	-67.4%
Ag./Forest/Fishing/Hunting	Centre	387.5%	Cumberland	-83.3%
Arts/Entertainment/Recreation	Philadelphia	147.1%	Wayne	-78.0%
Construction	Greene	238.9%	Monroe	-48.2%
Educational Services	Columbia	237.7%	Jefferson	-65.2%
Finance/Insurance	Montour	83.6%	Venango	-51.8%
Healthcare/Social Assistance	Snyder	76.5%	Wyoming	-50.3%
Information	Greene	90.5%	Wayne	-55.9%
Manufacturing	Juniata	20.9%	Huntingdon	-49.5%
Mgmt. of Companies/Enterprises	Jefferson	534.0%	Union	-44.9%
Mining/Quarrying/Oil & Gas	Bradford	1,278.8%	Bucks	-67.1%
Other Services	Butler	35.6%	Dauphin	-29.0%
Professional/Scientific/Technical	Butler	193.3%	Lawrence	-36.4%
Real Estate/Rental/Leasing	Bradford	287.5%	Somerset	-77.3%
Retail Trade	Greene	122.6%	Armstrong	-29.4%
Transportation/Warehousing	Columbia	188.8%	Monroe	-68.1%
Utilities	Indiana	60.3%	Washington	-52.1%
Wholesale Trade	Armstrong	175.9%	Montour	-83.3%

Bradford County had the greatest employment increases in both the Mining, Quarrying, and Oil and Gas Extraction industry (1,278.8 percent) and the Real Estate and Rental and Leasing industry (287.5 percent). Greene County led employment growth in four industries: Construction (238.9 percent), Retail Trade (122.6 percent), Accommodation and Food Services (96.5 percent), and Information (90.5 percent).

Monroe County had the fastest decreasing employment in both Transportation and Warehousing (-68.1 percent) and Construction (-48.2 percent). Wayne County headed the employment decline in three industries: Arts, Entertainment, and Recreation (-78.0 percent), Information (-55.9 percent), and Accommodation and Food Services (-38.4 percent).

Source: U.S. Census Bureau's 2005, 2010, 2015 County Business Patterns. All dollar amounts have been adjusted to 2015-dollars.

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.

Questions? Contact the Pennsylvania State Data Center at **717.948.6336** or online at pasdc.hbg.psu.edu.