

Cumberland Area Economic Development Corporation

Economic Development Strategy

Economic Development Component

Cumberland County Comprehensive Plan

**Approved by CAEDC Board of Directors on
September 15, 2015**

This document was prepared by the CAEDC staff and its Policy and Planning Committee. It was approved by its Board of Directors on 9/15/15 and is now being circulated to the public and the County's stakeholders for public comment.

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Chapter 1: Introduction

1.1 Cumberland Area Economic Development Corporation

Cumberland Area Economic Development Corporation (CAEDC) was founded in 2005 by the Cumberland County Board of Commissioners. CAEDC, a 501(c) 3 nonprofit corporation, is the designated economic development and destination marketing organization for Cumberland County, Pennsylvania.

Mission:

Promote and advance economic opportunities by leveraging our organizational and community assets, strategic location, workforce and natural resources.

Vision:

CAEDC is the economic development catalyst for retaining and attracting businesses and visitors on behalf of citizens and stakeholders.

Core Values:

- Partner-Centric
- Results-Driven
- Innovation
- Accountable
- Integrity
- Education

Services:

- Destination Marketing- CAEDC markets Cumberland Valley to increase visitation and business growth to increase capital investment.
- Business and Government Advocacy- CAEDC coordinates with local, state and federal officials and organizations to ensure public and private support of project goals or funding requests.
- Funding Solutions- CAEDC identifies and works to secure sources of funding to best achieve project goals, through financing, grants and incentives.

Guiding Principles for Economic Development Projects:

1. Support financing and funding for public infrastructure, utilities, site preparation and vertical construction.
2. Support LERTA and/or TIF in designated areas of blight, redevelopment, greenfield, or targeted areas for development. Must meet the requirements of state law.
3. Support developers, companies, or non-profits streamline the land development and permitting process.
4. Support small business through our county-wide relending programs, DCED programs, and SBA 504.

Corporate Strategic Focus Areas:

1. A balanced approach to economic development through:
 - Business retention
 - Business attraction
 - Business expansion
 - Redevelopment and Reuse
 - Financing/Funding
 - Visitor growth
 - Stakeholder engagement
2. Diversify its funding sources and expand the financial base through:
 - Enhanced public funding
 - Fee based services
 - Fundraising/grantsmanship
 - Asset allocation strategy and strategic investments
3. Engage the following stakeholders about economic development:
 - Business
 - Local, county and state governments
 - Institutions of higher education
 - School districts and other educational organizations
 - Citizens
 - Community groups and non-profits
 - Media
4. Ensure it has sound planning and policy in place to accomplish its economic development goals through:
 - Board Policy & Procedures
 - Maintaining a balanced budget
 - Assessment of economic development projects or prospects
 - Sound county-wide economic development principles

1.2 Economic Development Strategic Planning Purpose

The purpose of this plan is to guide economic development philosophy and activity for Cumberland County. The plan is administered by CAEDC. The plan focuses on targeted industries derived from locational and industrial analysis.¹ This plan also serves as the Economic Development element of the Cumberland County Comprehensive Plan.

Ensuring this economic development strategic plan incorporates the needs of all sectors and partners throughout Cumberland County, stakeholders and members of the public were engaged throughout the process. The variety of ideas and considerations brought together to create this plan establish an economic development directive for Cumberland County that is all-inclusive and utilizes the strengths intrinsic in the Cumberland County economy.

1.3 Steering Committee Structure

Through CAEDC's Policy and Planning Committee, the CAEDC Board of directors embarked on a strategic planning process in April 2014 when Board members and Board community liaisons were invited to participate in a half-day retreat. Prior to the retreat, Board members and key staff were surveyed electronically and the County Commissioners were interviewed individually. The results of the surveys were considered as the retreat session was planned. The half-day session was planned and facilitated by Rhonda Campbell Consulting. The outcomes of the retreat included the creation of a mission statement, vision statement, core values and definition of four corporate strategic focus areas.

Over the next several months, these outcomes were adopted by the CAEDC Board of Directors and the Policy and Planning Committee was charged with defining a plan for creation of a comprehensive economic development strategy that can be deployed over the coming years by CAEDC.

The Policy and Planning Committee is chaired by a CAEDC Board member and is comprised of other Board members, the delegate liaison Commissioner, all chamber liaisons, the County's Planning Director and a representative from the Cumberland County Housing and Redevelopment

¹ Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014
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Agency (CCHRA). This committee is augmented by two at-large members from the Leadership Cumberland program.

1.4 Stakeholder Involvement and Public Engagement

Over the summer months of 2014, planning commenced to assemble working task force representation from the communities at large. These communities included the educational sector, the governmental sector and the business sector. In September 2014, three task force meetings were held. Each sector met separately in a facilitated session that was administered by the Cumberland County Planning Department and CAEDC staff. The results of these sessions were used as input into the creation of the strategic focus areas that had been defined through the retreat process.

Over the summer months of 2014, Penn State University prepared a County-wide economic assessment study, the results of which were released to CAEDC stakeholders in late October 2014.

The Policy and Planning Committee, supported by CAEDC staff, spent the latter part of 2014 and into the summer of 2015 incorporating the results of the task force sessions, and Cumberland County Economic Assessment to support the development of this economic development strategy.

Chapter 2: Economic Development Goals and Strategic Focus Areas

2.1 Fundamental Goals of Economic Development Overview

There are three fundamental goals of economic development as it is envisioned and implemented by CAEDC for Cumberland County. These goals are supported by the overarching desire to protect and grow Cumberland County's quality of life indicators which are integral to attracting investment and visitors.

1. INCREASE THE COMMERCIAL AND INDUSTRIAL TAX BASE
2. INCREASE THE MEDIAN INCOME AND OPPORTUNITIES FOR THE BROADEST ARRAY OF RESIDENTS
3. MAINTAIN A DIVERSIFIED INDUSTRY BASE

Goal 1: Increase the commercial and industrial tax base

Commercial and industrial properties increase the Cumberland County real estate tax base without requiring a number of services that are often associated with residential properties. Although the residential properties throughout Cumberland County exceed market expectations, a balance is needed between commercial, industrial, residential and agriculture to maintain a healthy tax structure that can meet all the needs of residents without increasing the tax burden.

Goal 2: Increase the median income and opportunities for the broadest array of residents

No matter the current economic situation of a resident, there should be ample opportunities throughout Cumberland County for residents to grow their wealth through a variety of job opportunities and a sustainable cost-of-living. Creating a stable and diverse economy would give residents the potential to enjoy long-term employment. Increasing the business tax base and the number of tourists that visit Cumberland County will increase economic growth without additional strain on current residential services ensuring a cost-of-living that promotes long-term wealth accumulation for all residents.

Goal 3: Maintain a diverse industry base

Industries and economies change over time, whether through growth or decline. The establishment of a diverse industry base has maintained the economic well-being of Cumberland County through a number of national and industrial challenges. CAEDC will continue to support the retention and attraction of businesses that contribute to the diverse character of Cumberland County. Diverse opportunities for employment offer regional residents places to grow their careers, their wealth and their families.

2.2 Corporate Strategic Focus Areas Overview

CAEDC Corporate Strategic Focus Areas:

1. A balanced approach to economic development through:
 - Business retention
 - Business attraction
 - Business expansion
 - Redevelopment and Reuse
 - Financing/Funding
 - Visitor growth
 - Stakeholder engagement

➤ Each industry and business in Cumberland County is unique. Depending on the specific need of that particular industry or business, CAEDC will provide an appropriate economic development approach that corresponds with that need.
2. Diversify its funding sources and expand the financial base through:
 - Enhanced public funding
 - Fee based services
 - Fundraising/grantsmanship
 - Asset allocation strategy and strategic investments

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- In order to provide programs that strengthen the Cumberland County economy, CAEDC needs to expand its sources of funding. Incorporating private investment and diversified funding options allows CAEDC to increase capacity to implement programs and activities for Cumberland County.
3. Engage the following stakeholders about economic development:
- Business
 - Local, county and state governments
 - Institutions of higher education
 - School districts and other educational organizations
 - Citizens
 - Community groups and non-profits
 - Media
- Economic development extends beyond the business community. Incorporating a variety of partners and stakeholders from Cumberland County in CAEDC's economic development efforts ensures successful economic development initiatives.
4. Ensure it has sound planning and policy in place to accomplish its economic development goals through:
- Board Policy & Procedures
 - Maintaining a balanced budget
 - Assessment of economic development projects or prospects
 - Sound county-wide economic development principles
- Planning and policies are necessary in sustaining successful economic development programs, efforts and initiatives. As CAEDC continues to meet the economic development needs of Cumberland County sound policies ensure long-term value for the community.

2.3 Economic Development Strategic Focus Areas Overview

There are six economic development strategic focus areas through which CAEDC works to achieve the three fundamental goals of economic development for Cumberland County. These strategic focus areas are the framework and methodology for CAEDC's economic development strategies.

1. Business Attraction

- Targeted focus on attracting specific industries that match Cumberland County's assets and provide economic value to the Cumberland County economy

2. Business Retention & Expansion

- Providing existing businesses in Cumberland County with the resources necessary to remain profitable and operating within Cumberland County

3. Redevelopment & Reuse

- Collaborating with Cumberland County Housing and Redevelopment Authority (CCHRA) to ensure that non-residential redevelopment sites and reused buildings have the tools necessary to attract new users

4. Funding & Financing

- Providing technical assistance and knowledge of potential federal, state, local and private funding opportunities for Cumberland County and ensuring that businesses have access to capital by providing gap financing to purchase property, equipment and working capital

5. Visitor Growth

- Attracting visitors to the Cumberland Valley destination through marketing and promotional efforts and supporting the visitors experience

6. Stakeholder Engagement

- Engaging all public, private and non-profit entities within Cumberland County and the region that benefit from the economic development and destination marketing efforts of CAEDC in order to spread awareness of available services and provided assistance

Chapter 3: Industry Clusters of Interest

3.1 Industry Clusters of Interest for Attraction, Retention and Expansion

After reviewing industry data and analysis from Penn State University, six industry clusters were identified for future targeted economic development activities. These industry clusters were selected based on their competitive advantage, historic growth rates, wage rates, and projected growth. With additional business attraction, retention and expansion programming, these industries will be complimentary to the existing Cumberland County industrial base and land uses, while providing unique opportunities for balanced economy growth.

Tourism

- The “Cumberland Valley” destination is the primary focus of CAEDC’s destination marketing efforts as the economic development and tourism entity for Cumberland County. Attracting visitors and promoting the “Cumberland Valley” destination is an opportunity to bring revenue into Cumberland County, while promoting natural assets, history, and recreational opportunities. CAEDC continues their work marketing the destination through a comprehensive multi-year marketing plan.

Agribusiness

- The long standing history of agriculture in Cumberland County and the soil quality make agribusiness a direct industry target for CAEDC’s business attraction efforts. Employment in Cumberland County’s farming industry has increased from 2003-2012 and the competitive advantage in this industry for Cumberland County is 4.49. The strength of farming, coupled with the existing base of food manufacturing, packaging, and distribution opportunities make agribusiness attraction a viable opportunity and target for future business attraction, retention, and expansion efforts.

Transportation and Warehousing

- Cumberland County is a central location with Interstate 81 and Interstate 76, the Pennsylvania Turnpike, running directly through it. The access to major cities, ports, airports, and populations make Cumberland County attractive to the distribution and logistics industry. The demand for warehousing in Cumberland County is recognized by the business community and public. As demand for goods continues to grow through the online retail movement, the warehousing industry will continue to expand to meet customer delivery demands. CAEDC will provide

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business retention and development support to the transportation and warehousing industry sector, ensuring these industries remain a healthy part of the Cumberland County economy.

Health Care and Social Assistance

- With the expansion of Pinnacle Health, Holy Spirit, and Carlisle Regional Medical Center, Cumberland County has seen the health care industry grow to meet demand within the county and region. Increasing in retirement communities and the continued growth in population require more health care and social services. This industry is the second largest employer in the county and has a location quotient of .84, allowing room for more providers to enter the Cumberland County market to meet demand. As this industry continues to see growth, CAEDC will provide business retention & expansion assistance to maintain the health of the industry and the population as a whole within Cumberland County.

Manufacturing

- As technology advances, the manufacturing industry sector has seen increases in productivity and decreases in employment levels. Positions within the manufacturing industry require technical skills and advanced machine operations. The jobs within this sector are the 8th highest weekly wage of all industries in Cumberland County. Nearly 100 mid and large manufacturers are currently located in Cumberland County, employing 6% of the total workforce. In order to make and transport products to market in an efficient manner, manufacturing is attracted to areas with transportation options and proximity to major markets. As Cumberland County has been a central location for the logistics industry, it has also been attractive to the manufacturing sector. To continue supporting the current and future manufacturers in Cumberland County, CAEDC will provide business retention & expansion assistance. Agribusiness related manufacturing will be a primary focus in the attraction efforts of CAEDC.

“Professional” Industries

- The industries within the “professional” industries category are some of the fastest growing in Cumberland County. Management of companies has seen a 104% increase from 2003-2012 in employment and has the highest competitive advantage of any industry sector at 25.68 for Cumberland County. This advantage makes this industry an area to focus business retention efforts. Proximity to Harrisburg and the presence of military installations provides a continued influx and need for “professional” industries. Ensuring that the businesses located within this sector are strong and sustainable will ensure that the additional administrative, scientific,

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and technical positions that support these businesses will also remain profitable in Cumberland County. CAEDC will provide business retention and expansion services for this cluster.

3.2 Industry Clusters Overview

The industry clusters identified for attraction, retention and expansion were selected based on various data trends. Employment trends, wages, location quotients and overall local competitive advantages were considered when making the selections. Competitive advantage takes into account an overall shift-share analysis comparing the job growth of an industry in Cumberland County to the region. The higher the competitive advantage number, the more likely the industry has a unique competitive advantage in the region not resulting from national trends. The location quotient (LQ) is a ratio used to compare regions to larger reference areas. The higher the LQ above 1, the more concentrated an industry in the area.

Industry Clusters of Interest for Attraction, Retention and Expansion		
Industry Clusters	Included Industries	Selection Rationale
Tourism *	Retail trade	<ul style="list-style-type: none"> • Current largest employing industry with 12% of the employment share • Location Quotient (LQ) of 1.06, local needs are met and the industry is attracting regional users • Weekly wage in Cumberland County of \$496 is highest in the region for industry • Part-time/seasonal work offering flexible opportunities for individuals throughout the labor market
	Accommodation and food services	<ul style="list-style-type: none"> • Large growth in employment growing by 11% from 2003-2012 in Cumberland County • LQ of .82 reveals there is an opportunity to increase businesses within this industry sector to meet local demand • Part-time/seasonal work offering flexible opportunities for individuals throughout the labor market • Accommodations are a critical component of our tourism infrastructure and provides tax revenue to support destination marketing efforts
	Arts, Entertainment and Recreation	<ul style="list-style-type: none"> • Growing industry increasing by 12% from 2003-2012 in Cumberland County • LQ of .51 reveals an opportunity to attract additional businesses to Cumberland County from this industry sector to meet the local needs and attract visitors from the region • Potential to increase competitive advantage and increase destination recognition, quality of life
Agribusiness	Agriculture, forestry, fishing, and related activities	<ul style="list-style-type: none"> • Employment has increased by 23% from 2003-2012 in Cumberland County • 16% growth in earnings from 2003-2012 in Cumberland County
	Farming	<ul style="list-style-type: none"> • 4.49 Competitive Advantage for Cumberland County • 19% growth in earning from 2003-2012 in Cumberland County • Employment increased by 23% from 2003-2012, compared to a 4% increase in Pennsylvania
Transportation and Warehousing	Transportation and warehousing	<ul style="list-style-type: none"> • 2013 average weekly wage is \$62 higher than that of Pennsylvania • One of the highest employing industries in Cumberland County accounting for 9% of employment in Cumberland County • LQ of 2.94 is the highest for any Cumberland County industry • 2% employment growth from 2003-2012
Health care and social assistance	Health care and social assistance	<ul style="list-style-type: none"> • 2nd largest employer in county, employing 10% of total employment in Cumberland County • 1% employment growth between 2003-2012 with 15% wage growth from 2003-2012

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		<ul style="list-style-type: none"> LQ of .84, opportunity for increasing this industry sector in Cumberland County
Manufacturing	Manufacturing	<ul style="list-style-type: none"> 8th highest weekly wage of all industries in Cumberland County, 2013 LQ of .69, opportunity for growth and a relatively strong industry within the County Declines in the industry are related to technological advances, availability of programs and trainings within the region enhance current manufacturers adaptability with business retention support
"Professional" Industries	Management of companies and enterprises	<ul style="list-style-type: none"> Highest competitive advantage of any industry sector with 25.68 Employment increased by 104% between 2003-2012 for Cumberland County 2nd highest LQ at 2.32 Earnings grew by 107% between 2003-2012 for Cumberland County
	Professional, scientific, and tech services	<ul style="list-style-type: none"> Currently 5th largest industry LQ of .93, opportunity to increase this is sector in Cumberland County Industry support and talent 21% growth in earnings
	Administrative services	<ul style="list-style-type: none"> Potential support industry to other "professional" industries Employment growth by 39% in Cumberland County from 2003-2012, outperforming industry growth across Pennsylvania by 26% High competitive advantage of 22.92 LQ of 1.10, concentrated industry exceeding local demand and providing regional opportunities 50% growth in wages from 2003-2012

*The tourism industry cluster encompasses a broad range of industries and particular segments of those industries. Certain segments of the transportation industry are included within the overall tourism industry cluster. CAEDC utilizes the Commonwealth's definition of tourism and tourism related businesses as they are set forth by Pennsylvania Department of Community and Economic Development Tourism Office.

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3.3 Metrics and Performance Measures

CAEDC will track a number of metrics to inform an overall performance assessment with visitor growth, business retention, expansion and attraction activities. Performance evaluation is critical to determine the most effective use of resources. These metrics will be reviewed and evaluated every three years to guide the five year updated economic development implementation plan as provided in Chapter 5. Metrics will vary by activity and any additional increases through technology or availability. The most commonly used metrics that will be tracked and used by CAEDC for determining overall effectiveness are as follows:

CAEDC Activities

- # and type of inquiries to CAEDC
- # of jobs created, retained or lost through CAEDC interaction
- Capital investment from projects involving CAEDC
- Website visits and social media conversations
- Earned Media
- Calculated Overnight Stays

Public County and Regional Data

- Labor Force Data/Employed, Unemployed, Unemployment rate
- Commercial and industrial tax base
- Median income, average wages and income distribution
- Industry diversity
- Building permits
- Cost of living
- Occupancy % and average daily rate
- Gross Hotel Tax Revenue
- Location Quotient

When available through public sources, CAEDC will track and report on quality of life indicators which include;

- Housing home prices, median home values, sales trends
- Crime rates
- County health ranking
- Educational attainment and test score comparisons
- Recreational opportunities & access to green space

Chapter 4: Economic Snapshot of Cumberland County

4.1 Population

Cumberland County's population has consistently grown and is the fastest growing county in the state since 2010². The estimated population of Cumberland County in 2014 by the US Census Bureau was 243,762 and is projected to grow by 16% by 2030. The age distribution of Cumberland County residents remains consistent with the age distribution of Pennsylvania. Persons 65 years and over accounted for 16% of both Cumberland County and Pennsylvania residents. Persons under 18 years old account for 20% of residents in Cumberland County and 21% of residents in Pennsylvania. The largest age group in Cumberland County is 50-64 with 50,267 residents or 20.8%.³

Population Projections

	2000	2010	2020	2030
Cumberland County Population Projections	213,674	234,902	258,880	282,921

Source: Penn State Data Center

4.2 Labor Force

Cumberland County has maintained a diverse industry base and employment is distributed reasonably across a number of industries. When public and private employment are not aggregated, public sector employment in Cumberland County is the largest employing industry sector with 12.67%.

Amongst private sector industry employment, the largest employing industry sectors are retail trade; health care and social assistance; transportation and warehousing; accommodation and food services; and administrative support and waste management services. When comparing number of employees with the number of employer units, the public sector employs the most individuals per unit. In the private sector, management of companies and enterprises has the largest number of employees per unit with 66 employees per unit.

² U.S. Census Bureau-2014

³ U.S. Census Bureau-2014

2013 Industry Employment Averages for Cumberland County Industries

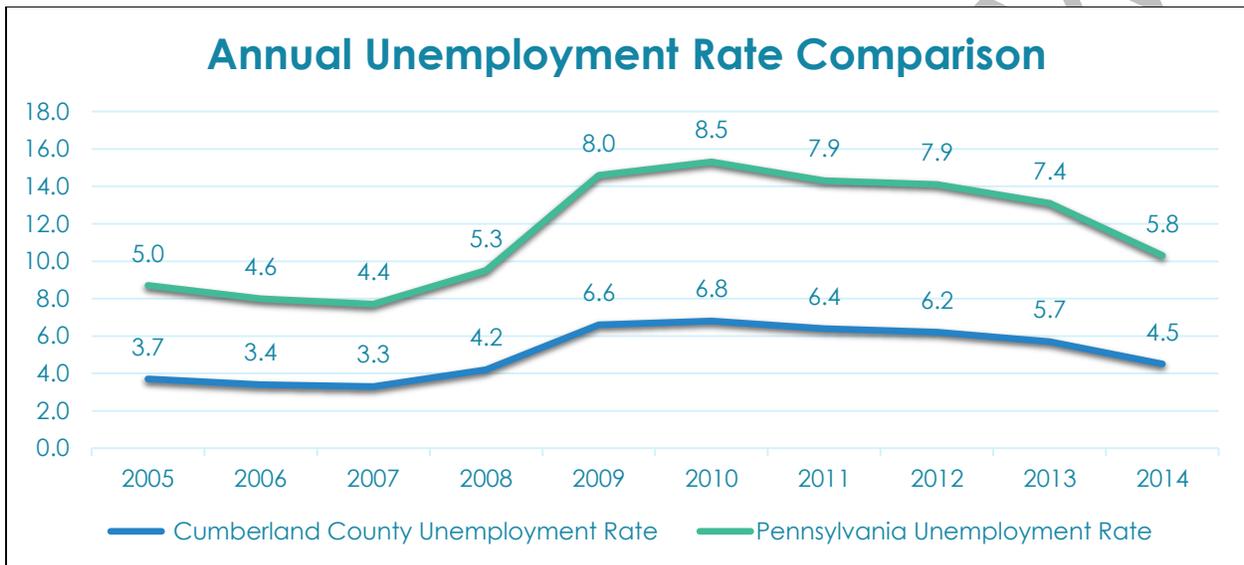
	NAICS Industry Sector	Employer Units	Employment	Percentage of Industry Employment	Number of Employees per Employment Unit
	Total All Industries	6,005	124,749	100.00%	20.77
11	Agriculture, Forestry, Fishing and Hunting	23	221	0.18%	9.6
21	Mining	8	83	0.07%	10.38
22	Utilities	6	71	0.06%	11.8
23	Construction	395	4,024	3.23%	10.19
31-33	Manufacturing	189	8,059	6.46%	42.64
42	Wholesale Trade	278	3,653	2.93%	13.14
44-45	Retail Trade	823	15,456	12.39%	18.78
48-49	Transportation and Warehousing	196	12,084	9.69%	61.65
51	Information	84	2,168	1.74%	25.80
52	Finance and Insurance	421	8,577	6.88%	20.37
53	Real Estate and Rental and Leasing	207	1,359	1.09%	6.57
54	Professional and Technical Services	662	7,289	5.84%	11.01
55	Management of Companies and Enterprises	71	4,691	3.76%	66.1
56	Admin/Support, Waste Mgmt/Remediation Services	321	8,845	7.09%	27.56
61	Educational Services	70	3,144	2.52%	44.9
62	Health Care and Social Assistance	831	14,324	11.48%	17.24
71	Arts, Entertainment and Recreation	66	1,009	0.81%	15.29
72	Accommodation and Food Services	502	9,662	7.75%	19.25
81	Other Services, except Public Administration	621	4,732	3.79%	7.62
99	Unclassified	0	0		
	Federal Government	62	4,592	3.68%	74.06
	State Government	34	3,301	2.65%	97.09
	Local Government	139	7,407	5.94%	53.28
	Total Government	236	15,804	12.67%	66.97

Source: PA Department of Labor & Industry, Center for Workforce Analysis, 2013

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Unemployment rates in Cumberland County have remained consistently lower than those of the Commonwealth of Pennsylvania. The unemployment rate is calculated dividing the number of unemployed individuals actively looking for work by the number of total individuals in the labor force. The labor force is considered all individuals employed or seeking employment over the age of 16.

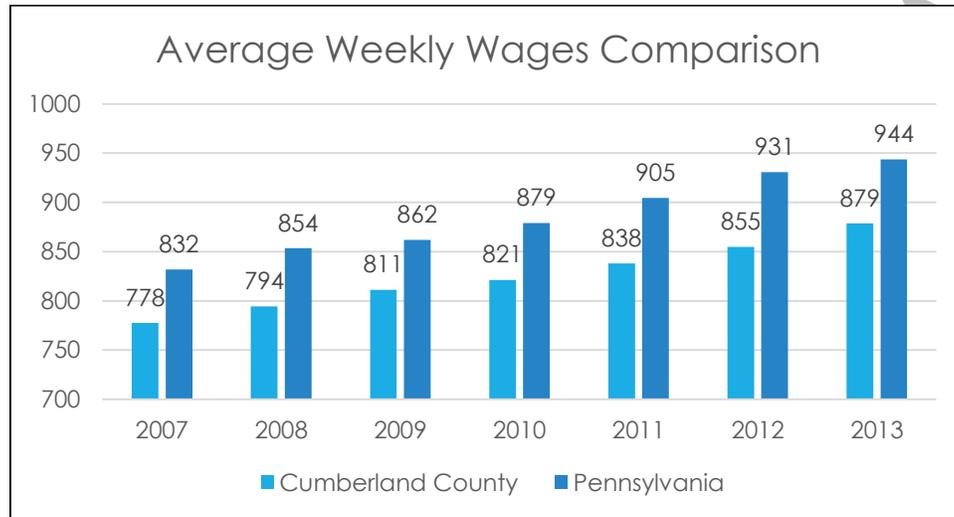
After the unemployment rate peaked in 2010, Cumberland County continues to see a decrease in unemployed individuals. The low unemployment level suggests continued access to job opportunities within Cumberland County and the region.



Source: Local Area Unemployment Statistics, BLS, 2015 (Not Seasonally Adjusted, Annual Averages)

4.3 Wages

The five industries with the highest wages in Cumberland County are management of companies & enterprises; professional & technical services; finance & insurance; public administration and utilities. Wages have steadily increased in Cumberland County except for declines in the administrative & waste services; information; mining, quarrying & oil/gas extraction; and transportation & warehousing industries.



Source: Quarterly Census of Employment and Wages, BLS, 2015

Historically, Cumberland County wages have been lower than those of Pennsylvania. Four Cumberland County industries; however, surpassed the average wage rates of the Commonwealth: health care & social assistance, other services except public administration, public administration, and transportation & warehousing. The industries that have seen the largest wage disparity between Cumberland County and the Commonwealth are mining, quarrying & oil/gas extraction and utilities. The significant growth of these industries in other areas of Pennsylvania and the consolidation of these industries in the Cumberland County region explain the large wage disparities.

Industry Weekly Wage Comparison

Industry	2005		2009		2013		Cumberland compared to PA
	Cumberland County	PA	Cumberland County	PA	Cumberland County	PA	
Total, All Industries	\$750	\$763	\$811	\$862	\$879	\$944	-\$65
Accommodation and Food Services	\$240	\$259	\$268	\$285	\$296	\$313	-\$17
Administrative and Waste Services	\$424	\$532	\$487	\$602	\$475	\$623	-\$148
Agriculture, Forestry, Fishing & Hunting	\$358	\$476	\$442	\$535	\$539	\$593	-\$54
Arts, Entertainment, and Recreation	\$241	\$452	\$279	\$526	\$299	\$578	-\$279
Construction	\$828	\$862	\$937	\$1,003	\$1,033	\$1,085	-\$52
Educational Services	\$734	\$784	\$824	\$884	\$916	\$972	-\$56
Finance and Insurance	\$993	\$1,194	\$1,142	\$1,341	\$1,240	\$1,544	-\$304
Health Care and Social Assistance	\$741	\$717	\$830	\$818	\$899	\$872	+\$27
Information	\$1,091	\$1,013	\$1,143	\$1,157	\$1,105	\$1,311	-\$206
Management of Companies and Enterprises	\$2,096	\$1,580	\$1,279	\$1,886	\$1,914	\$2,213	-\$299
Manufacturing	\$796	\$910	\$884	\$991	\$984	\$1,091	-\$107
Mining, Quarrying, and Oil and Gas Extraction	\$815	\$1,027	\$823	\$1,188	\$721	\$1,504	-\$783
Other Services, Ex. Public Admin	\$501	\$466	\$569	\$525	\$599	\$565	+\$34
Professional and Technical Services	\$1,061	\$1,251	\$1,192	\$1,451	\$1,391	\$1,585	-\$194
Public Administration	\$998	\$829	\$1,119	\$955	\$1,162	\$1,034	+\$128
Real Estate and Rental and Leasing	\$690	\$754	\$729	\$846	\$766	\$985	-\$219
Retail Trade	\$431	\$444	\$464	\$474	\$496	\$496	--
Transportation and Warehousing	\$860	\$749	\$913	\$791	\$911	\$849	+\$62
Utilities	\$901	\$1,437	\$1,110	\$1,510	\$1,150	\$1,672	-\$522
Wholesale Trade	\$924	\$1,071	\$1,013	\$1,224	\$1,042	\$1,395	-\$353

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

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4.4 Income

Personal income, which includes total earning from individual wages, investment and other ventures, in both 2009 and 2013 for Cumberland County residents remained the highest of a six county region. Additionally, Cumberland County per capita personal income exceeded the per capita personal income of the Commonwealth. Average weekly wages in Cumberland County remain lower than those of Pennsylvania. In 2013, the per capita personal income in Cumberland County was \$47,258. From 2009-2013, per capita personal income increased by 13.04%.⁴ Median family income of Cumberland County residents was \$72,574 in 2012.⁵ The Census Bureau defines median family income as the amount that divides the income distribution into two equal groups with half the income above and half the income below for two or more people related by birth, marriage, or adoption residing in the same housing unit.

Regional Personal Income 2009-2013

Geography	2009		2013		Percentage Change Per Capital Personal Income 2009-2013
	Population	Per Capita Personal Income	Population	Per Capita Personal Income	
Pennsylvania	12,666,858	40,636	12,773,801	46,202	13.7%
Adams County	101,252	33,705	101,546	36,428	8.08%
Cumberland County	233,910	41,808	241,212	47,258	13.04%
Dauphin County	267,090	40,712	270,937	45,396	11.51%
Franklin County	148,662	33,932	152,085	37,377	10.15%
Perry County	45,874	34,346	45,562	38,224	11.29%
York County	433,022	37,189	438,965	40,979	10.19%

*Note: Census Bureau midyear population estimates were used for 2010-2013 to reflect county population estimates available as of March 2014. All dollar estimates are in current dollars (not adjusted for inflation).
Source: Bureau of Economic Analysis

⁴ Bureau of Economic Analysis, 2014

⁵ U.S. Census Bureau, 2012

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4.5 Major Employers

Cumberland County has a variety of major employers from a number of industries, some of which are international companies and others that are headquartered in Cumberland County. The top 20 employers in Cumberland County in 2014 are⁶:

Employer	Industry
1. Federal Government (Includes Military Installations in Cumberland County)	Government
2. State Government (Except Pennsylvania State University, SEPTA, System of Higher Education, PA College of Technology, and PHEAA)	Government
3. Giant Food Stores, LLC	Grocery Stores
4. Holy Spirit Hospital	Health and Allied Services
5. Highmark Health	Health Care Services
6. Wal-Mart Associates Inc.	General Merchandise Stores
7. Cumberland County Government	Government
8. Cumberland Valley School District	Education
9. AHOLD Financial Services, LLC	Financial Transactions Processing, Reserve, and Clearinghouse
10. Dickinson College	Education
11. Select Employment Services, Inc.	Employment Placement Agency
12. The Ames Companies, Inc.	Other Miscellaneous Durable Goods Manufacturing and Merchant Wholesales
13. Rite Aid Headquarters Corporation	Pharmacies and Drug Stores
14. Fry Communication, Inc.	Newspaper, Publishing, and Printing
15. Exel, Inc.	General Warehousing and Storage
16. HGSS, Inc.	Restaurants
17. Novitas Solutions, Inc.	Insurance Carriers and Related
18. Amazon.com DEDC LLC	Catalog and Mail-Order General Merchandise
19. PA State System of Higher Education (Includes Shippensburg University, Pennsylvania State University)	Education
20. Vantage Foods PA LP	Meat Processing

⁶ PA Department of Labor & Industry, Center for Workforce Analysis, 3rd Quarter 2014

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MILITARY

The large portion of federal employment in Cumberland County is a result of three military installations located within and adjacent to the County. These combined installations employ over 7,000 individuals. Through the Cumberland York Area Local Defense Group (CYALDG), the largest employer in Cumberland County is actively supported at the regional and federal level to ensure continued operations within the County. Advocacy for the military presence in Cumberland County ensures the County's largest employment sector remains sustainable through Base Realignment and Closure (BRAC) activities.

Military Installations:

- Carlisle Barrack - Carlisle, PA
- Naval Support Activity- Mechanicsburg, PA
- Defense Logistics Agency Distribution- New Cumberland, PA

EDUCATION

Cumberland County is home to six colleges & universities and eleven school districts including vo-techs and an intermediate unit. These institutions not only serve as major employers, but provide a pipeline of talent to enter into the Cumberland County workforce. As resources to businesses and the community, educational institutions in Cumberland County are a central part of economic development activities. National trends in education and state policy changes impact the education industry. Monitoring these trends, advocating on behalf of the Cumberland County educational community and supporting business & industry partnerships with education will keep the educational industry sector as a prominent employer in the County, as well as, an asset to residents.

Colleges and Universities:

- Central Penn College
- Dickinson College
- Messiah College
- Pennsylvania State University- Dickinson Law
- Shippensburg University
- U.S. Army War College

School Districts:

- Big Spring School District
- Camp Hill School District
- Capital Area Intermediate Unit
- Carlisle Area School District
- Cumberland Perry Area Vocational Technical School
- Cumberland Valley School District
- East Pennsboro School District
- Mechanicsburg Area School District
- Shippensburg Area School District
- South Middleton School District

Public

4.6 Industry Sector Data Overview

In October 2014, Penn State College of Agricultural Sciences Extension delivered an economic assessment and overview of Cumberland County's industries and employment at the request of the CAEDC Policy and Planning Committee. The assessment included a series of industry data and shift share analyses. This assessment was used by the Policy and Planning Committee to direct conversation and determine the industries that have competitive advantages in Cumberland County. Using this assessment and analyses, industry clusters were identified by the Policy and Planning Committee that were advantageous to Cumberland County and could be impacted by the economic development efforts and capacities of CAEDC.

EMPLOYMENT

In 2003, Cumberland County's economy employed 155,115 individuals. Of those employed, 13.4% were proprietors. Proprietors are individuals who are employed as the owner of an establishment. In 2012, employment grew by 2% to 158,965 individuals with 14.6% being proprietors.

Private nonfarm employment accounted for 87% of all Cumberland County jobs in 2012. Farm employment comprised 1% of county employment and government (federal, state, and local) accounted for 12% of employment. The private sector industries with the largest percentage of employment were retail trade (12%), healthcare and social assistance (10%), transportation and warehousing (9%), finance and insurance (7%) and administrative services (7%).

Employment & Percent Employment by Industry, Cumberland County, 2012 (1)⁷

	Employment	Percent of Total
Total Employment	158,965	
Farm employment	1,756	1%
Nonfarm employment	157,209	99%
Private nonfarm employment	138,353	87%
Forestry, fishing, and related activities	167	0%
Mining	133	0%
Utilities	95	0%
Construction	6,618	4%
Manufacturing	8,841	6%
Wholesale trade	4,540	3%
Retail trade	18,433	12%
Transportation and warehousing	13,807	9%
Information	2,811	2%
Finance and insurance	11,594	7%
Real estate and rental and leasing	4,813	3%
Professional, scientific, and technical services	10,199	6%
Management of companies and enterprises	4,446	3%
Administrative and waste management services	10,457	7%
Educational services	4,897	3%
Health care and social assistance	15,705	10%
Arts, entertainment, and recreation	2,282	1%
Accommodation and food services	9,949	6%
Other services, except public administration	8,566	5%
Government and government enterprises	18,856	12%
Federal, civilian	4,914	3%
Military	1,358	1%
State and local	12,584	8%
State government	4,940	3%
Local government	7,644	5%

Source: BEA CA25 Local Area Data

(1) Estimates of employment for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007-2010 are based on the 2007 NAICS. The estimates for 2011 forward are based on the 2012 NAICS. Last updated: May 5, 2014 for restoration of employment estimates; new employment estimates for 2012; revised employment estimates for 2001-2011.

From 2003 to 2012, the industries with the largest growth in employment were management of companies, administration and waste management services, and farm employment. Management of companies increased employment from 2,182 in 2003 to 4,446 in 2012, a 104% increase. Industries of support for management also saw an increase in employment. Farm employment saw an increase of 23% and additional non-farm related

⁷ Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014
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resource driven industries, such as mining, forestry, fishing and related industries, saw an increase over the 2003-2012 period.

Sampling of Cumberland County employers with
Management of Companies and Enterprises NAICS 55 Code:

- Ahold USA
- Orrstown Financial Services Incorporated
- Select Medical Corporation
- Susquehanna Bank

Sampling of Cumberland County employers with
Administrative, Support and Waste Management NAICS 56 Code:

- AAA
- Advanced Disposal
- Foot Locker Corporate Service Center
- SMX

Sampling of Cumberland County employers with
Agriculture, Forestry, Fishing and Related NAICS 11 Code:

- Ashcombe Farm
- Greenspring Trout Farm Inc.
- Holly Tree Farm
- Toigo Orchards

Total Full-Time & Part-Time Employment (Number of Jobs) by Industry (1)⁸

	2003	2012	Change	% Change Cumberland County
Total Employment	155,115	158,965	3,850	2%
Farm employment	1,432	1,756	324	23%
Nonfarm employment	153,683	157,209	3,526	2%
Private nonfarm employment	134,069	138,353	4,284	3%
Forestry, fishing, and related activities	136	167	31	23%
Mining	112	133	21	19%
Utilities	295	95	(200)	-68%
Construction	7,239	6,618	(621)	-9%
Manufacturing	11,231	8,841	(2,390)	-21%
Wholesale trade	5,029	4,540	(489)	-10%
Retail trade	19,024	18,433	(591)	-3%
Transportation and warehousing	13,494	13,807	313	2%
Information	3,564	2,811	(753)	-21%
Finance and insurance	11,964	11,594	(370)	-3%
Real estate and rental and leasing	4,119	4,813	694	17%
Professional, scientific, and tech services	9,377	10,199	822	9%
Management of companies & enterprises	2,182	4,446	2,264	104%
Admin and waste management services	7,521	10,457	2,936	39%
Educational services	3,950	4,897	947	24%
Health care and social assistance	15,610	15,705	95	1%
Arts, entertainment, and recreation	2,032	2,282	250	12%
Accommodation and food services	8,966	9,949	983	11%
Other services, except public admin	8,224	8,566	342	4%
Government and government enterprises	19,614	18,856	(758)	-4%
Federal, civilian	5,806	4,914	(892)	-15%
Military	1,454	1,358	(96)	-7%
State and local	12,354	12,584	230	2%
State government	4,861	4,940	79	2%
Local government	7,493	7,644	151	2%

Source: BEA CA25 Local Area Data

(1) The estimates of employment for 2001-2006 are based on the 2002 North American Industry Classification System (NAICS). The estimates for 2007-2010 are based on the 2007 NAICS. The estimates for 2011 forward are based on the 2012 NAICS.

⁸ Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014
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WAGES AND EARNINGS

Earnings, measure of income calculated as the sum of all labor and wage income less personal contributions for social insurance by employees, followed a similar pattern to industry growth from 2003-2012. Management of companies saw a 107% increase with earnings of \$161,921 in 2003 to \$170,577 in 2012. Administrative and waste management services saw a 50% increase and educational services saw a 29% increase. Government sector earnings saw a slight increase by 2%, but the military sector in Cumberland County saw a 32% increase. Farm earnings increased by 19% from 2003-2012.

The decreases in earnings follow employment patterns. In the mining and utilities industries, Cumberland County saw earnings decrease from 2003-2012. These industries saw total employment decrease over that same time period. The information industry saw an employment decrease by 21%, which mirrored the 30% decrease in earnings for that industry sector.

Earnings by Industry, Cumberland County (\$1,000), 2003-2012⁹

	2003	2012	2012 Inflation Adjusted	% Change, Cumberland County *
Farm earnings	\$29,994	\$ 44,521	\$35,675	19%
Nonfarm earnings	\$ 6,605,529	\$8,341,195	\$6,683,800	1%
Private nonfarm earnings	\$ 5,404,350	\$6,814,712	\$5,460,629	1%
Forestry, fishing, and related activities	\$ 3,715	\$ 5,400	\$4,327	16%
Mining	\$ 2,882	\$ 3,322	\$2,662	-8%
Utilities	\$ 22,181	\$ 7,084	\$5,676	-74%
Construction	\$ 322,628	\$ 366,172	\$293,414	-9%
Manufacturing	\$ 573,578	\$ 526,607	\$421,970	-26%
Durable goods manufacturing	\$ 197,258	\$ 225,539	\$180,724	-8%
Nondurable goods manufacturing	\$ 376,320	\$ 301,068	\$241,246	-36%
Wholesale trade	\$ 272,197	\$ 323,196	\$258,977	-5%
Retail trade	\$ 469,919	\$ 513,695	\$411,624	-12%
Transportation and warehousing	\$ 679,892	\$ 813,872	\$652,156	-4%
Information	\$ 232,394	\$ 202,306	\$162,108	-30%
Finance and insurance	\$ 639,362	\$ 731,079	\$585,814	-8%
Real estate and rental and leasing	\$ 113,019	\$ 106,693	\$85,493	-24%
Professional, scientific, and tech services	\$ 484,406	\$ 730,560	\$585,398	21%
Mgmt. of companies & enterprises	\$ 164,921	\$ 426,514	\$341,766	107%
Admin and waste management services	\$ 153,939	\$ 288,325	\$231,035	50%
Educational services	\$ 106,019	\$ 170,577	\$136,683	29%
Health care and social assistance	\$ 743,685	\$1,070,553	\$857,834	15%
Arts, entertainment, and recreation	\$ 22,209	\$ 25,819	\$20,689	-7%

⁹ Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014

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Accommodation and food services	\$ 149,567	\$ 200,132	\$160,366	7%
Other services, except public admin	\$ 247,837	\$ 302,806	\$242,638	-2%
Government and government enterprises	\$ 1,201,179	\$1,526,483	\$1,223,171	2%
Federal, civilian	\$ 455,703	\$ 477,430	\$382,565	-16%
Military	\$ 109,731	\$ 180,651	\$144,756	32%
State and local	\$ 635,745	\$ 868,402	\$695,851	9%

*Change inflation adjusted - \$1,000 in 2003 = \$801.30 in 2012 Source: BEA CA05 Local Area Data

SHIFT-SHARE ANALYSIS

Shift-share analysis is a regional analysis method that determines how much of regional job growth can be attributed to national trends and how much is a product of a location's unique factors. There are three components to a shift-share analysis: National Growth, Industry Mix and Regional Shift. The National Growth component represents the effect of how much regional growth is explained by the overall health of the national economy. Positive growth in the overall national economy would ideally lead to positive growth in the local economy. Industry Mix provides insight into what share of a regional industry growth is explained by industry growth at the national level. Essentially, if an industry is growing at the national level there would be local growth effects. The final and most important piece of a shift-share analysis is the Regional Shift. Regional Shift is how much change in a given industry is due to a unique local advantage, because the growth cannot be explained by national trends of the overall nation.

In a shift-share analysis conducted by Penn State Extension for 2007-2012, Cumberland County's employment trailed national employment growth by - 0.13%. Industries that outperformed the national average in Cumberland County were farms; utilities; management of companies and enterprises; construction and administrative and waste services.

Shift-Share Components, Cumberland County 2007-2012¹⁰

Major Industry	Actual Growth		National Growth		Industry Mix		Regional Shift	
	Percent	Net	Percent	Net	Percent	Net	Percent	Net
Farm Employment	2.69	46	-0.15	-2	-1.66	-28	4.49	77
Utilities	23.38	18	-0.15	-0	-0.78	-1	24.31	19
Construction	-12.09	-910	-0.15	-11	-22.81	-1,717	10.87	818
Manufacturing	-16.21	-1,710	-0.15	-15	-12.81	-1,352	-3.25	-343
Wholesale Trade	-19.16	-1,076	-0.15	-8	-4.16	-234	-14.85	-834
Retail Trade	-7.02	-1,392	-0.15	-29	-4.26	-844	-2.62	-519
Transportation and Warehousing	-2.32	-328	-0.15	-21	-1.71	-242	-0.46	-65
Information	-1.02	-29	-0.15	-4	-8.26	-235	7.39	210
Finance and Insurance	4.08	455	-0.15	-16	3.58	1,513	-9.35	-1,041
Real Estate and Rental and Leasing	-4.77	-241	-0.15	-7	6.28	318	-10.91	-551
Prof., Scientific, & Technical Services	1.49	150	-0.15	-15	2.72	274	-1.08	-109
Mgmt of Companies and Enterprises	36.25	1,183	-0.15	-5	10.72	350	25.68	838
Administrative and Waste Services	23.01	1,956	-0.15	-12	0.24	20	22.92	1,948
Educational Services	8.20	371	-0.15	-7	12.69	574	-4.34	-197
Health Care and Social Assistance	3.78	572	-0.15	-22	10.37	1,569	-6.44	-975
Arts, Entertainment, and Recreation	5.94	128	-0.15	-3	7.89	170	-1.81	-39
Accommodation and Food Services	-2.08	-211	-0.15	-15	4.48	455	-6.41	-651
Other Services (except Public Admin.)	2.83	236	-0.15	-12	3.37	280	-0.39	-32
Federal Civilian	-0.16	-8	-0.15	-7	3.41	168	-3.43	-169
Military	7.27	92	-0.15	-2	0.78	10	6.63	84
State Government	2.38	115	-0.15	-7	0.80	38	1.73	84
Local Government	1.78	134	-0.15	-11	-1.90	-143	3.83	288
Other/Suppressed Industries*	2.39	7	-0.15	-0	18.52	54	-15.99	-47
Total Employment	-0.28	-442	-0.15	-232	0.63	998	-0.76	-1,208

Source: Calculations by the Pennsylvania Regional Economic Analysis Project (PA-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis May 2014 SHIFTSAREB.

¹⁰ Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014
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Additionally, Penn State Extension calculated location quotients for Cumberland County industries to identify importing and exporting industries. Exporting industries have met the demand within Cumberland County and are able to sell products outside the region. Importing industries do not have sufficient local production to meet demand and products must be imported from outside the locality. A location quotient greater than 1.0 signifies a self-sufficient industry with potential to export.

LOCATION QUOTIENTS

Location quotients (LQ) are ratios that compare regions to larger reference areas according to a particular characteristic or asset. For industry assessments, the LQ is used to compare an industry in a particular location to that industry in a larger area. This LQ is a way to reveal what makes a particular area “unique” in comparison to the national average regarding each industry. A LQ of 1 is the base line. For this LQ, employment was used as the comparative factor. Industries with LQs less than 1 are not quite concentrated in a region and have not exceeded the demands of the local population. If a LQ is more than 1, the industry is highly concentrated in that region and has exceeded the local demand. This industry would then seek to export to other regions or bring in additional clientele from other areas.

Location Quotients Calculated From Quarterly Census of Employment and Wages Data, 2013¹¹

INDUSTRY	Cumberland County
Base Industry: Total, all industries	1.00
Agriculture, forestry, fishing and hunting	0.19
Mining, quarrying, and oil and gas extraction	0.11
Utilities	0.13
Construction	0.71
Manufacturing	0.69
Wholesale trade	0.66
Retail trade	1.06
Professional and technical services	0.93
Management of companies and enterprises	2.32
Administrative and waste services	1.10
Educational services	1.23
Health care and social assistance	0.84
Transportation and warehousing	2.94
Information	0.83
Finance and insurance	1.57
Real estate and rental and leasing	0.70
Arts, entertainment, and recreation	0.51
Accommodation and food services	0.82
Other services, except public administration	1.18
Unclassified	NC

Footnotes:

(ND) Not Disclosable

(NC) Not Calculable, the data does not exist or it is zero

SUMMARY

Overall, the shift-share analysis and corresponding industry trend data provide a picture of industries that Cumberland County has a high competitive advantage compared to the nation and the strength of those industries' employment compared to the state. The industries that have the most competitive advantage for Cumberland County are: Management of companies & enterprises, Utilities, Administrative & waste services, Construction, Information & technology and farming. Cumberland County employment growth in three of these six industries surpassed the state from 2003-2012. Industries that have slightly lower competitive advantages, but have positive location quotients and similar growth trends to Pennsylvania are Manufacturing, Accommodations & Food Services and Educational Services.

¹¹ Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014
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Cumberland County's industry mix varies in regional and national competitiveness and strengths. Employment growth patterns are not as strong compared to the state for a number of industries and the competitive advantage of a number of industries is negative when compared to the nation. Through the identification of specific industries as targets for attraction and retention efforts, CAEDC can align employment, competitive advantages and location quotients for these identified industries.

Summary Matrix: Share of Employment, Percent Change in Employment, Shift-Share (Local Share) and Location Quotient for Industry Sectors, Cumberland County and Pennsylvania¹²

Sector	2012 Share of Employment (%)		Percent Change in Employment (2003-2012)		Competitive Advantage (Shift-Share - Local Share, %)	Import/Export (Location Quotient)	
	County	PA	County	PA		County	PA
Retail trade	12%	11%	-3%	-3%	-2.62	1.06	0.97
Government and government enterprises	12%	11%	-4%	-4%	-3.43	*	*
Health care and social assistance	10%	14%	1%	20%	-6.44	0.84	1.21
Transportation and warehousing	9%	4%	2%	10%	-0.46	2.94	1.15
Finance and insurance	7%	6%	-3%	18%	-9.35	1.57	1.04
Admin and waste management services	7%	5%	39%	13%	22.92	1.10	0.81
Manufacturing	6%	8%	-21%	-18%	-3.25	0.69	1.08
Professional, scientific, and tech services	6%	7%	9%	14%	-1.08	0.93	0.92
Accommodation and food services	6%	6%	11%	10%	-6.41	0.82	0.83
Other services, except public admin	5%	6%	4%	4%	-0.39	1.18	1.05
Construction	4%	5%	-9%	-5%	10.87	0.71	0.89
Wholesale trade	3%	3%	-10%	2%	-14.85	0.66	0.91
Real estate and rental leasing	3%	3%	17%	40%	-10.91	0.70	0.68
Management of companies & enterprises	3%	2%	104%	69%	25.68	2.32	1.47
Educational services	3%	4%	24%	22%	-4.34	1.23	1.50
Information	2%	1%	-21%	-18%	7.39	0.83	0.75
Farm employment	1%	1%	23%	4%	4.49	*	*
Arts, entertainment, and recreation	1%	2%	12%	28%	-1.81	0.51	1.04
Forestry, fishing, and related activities	0%	0%	23%	22%	*	0.19	0.44
Mining	0%	1%	19%	98%	*	0.11	1.00
Utilities	0%	0%	-68%	-18%	24.31	0.13	0.92

*Not calculated (Industry sectors are listed from largest to smallest percent of total employment.)

¹² Penn State Extension, *Cumberland County Economic Assessment and Discussion Guide*, 2014
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