

CONFIDENTIAL



LABOR MARKET ANALYSIS LYCOMING COUNTY

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Disclaimer:

This analysis is not based on a specific business endeavor. Rather, this report examines the labor market, educational attainment levels, age, industry employment, occupational status, and commute times of areas surrounding an arbitrarily selected, centralized location in Lycoming County, located within the Central Workforce Investment Area (WIA), which can then be applied to a general marketing study for potential business ventures. A point was visually chosen in Lycoming County to make it as centralized as possible. Data is provided by DemographicsNow.

Introduction:

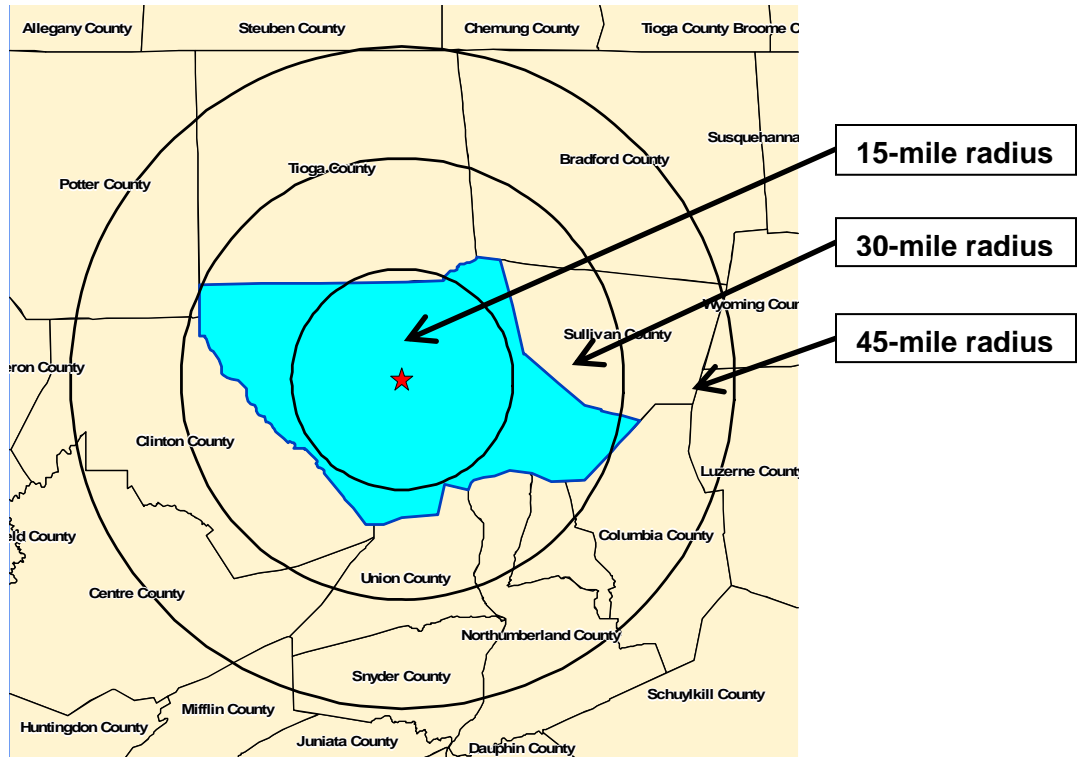
It is important to understand the labor force in areas surrounding this centralized location in Lycoming County as potential plans for recruitment or expansion are made by various businesses. The following analysis compares the labor force demographics in 15-, 30- and 45-mile radii from this point. This analysis can be customized around a potential company's desired location or existing business parks.

Recruitment Area:

This analysis looks at the general characteristics of the labor force that apply to all business ventures. More specific analysis can be completed to explore the labor force potential for particular ventures within Lycoming County or any other area in the Central WIA.

Potential companies will look to create superior workforces to make each business successful. Undoubtedly, a variety of factors will be considered when choosing which applicants will be hired, such as experience, education, references, et cetera. Additionally, companies will want to avoid problems such as high employee turnover and unqualified applicants. It will be important to confront these concerns and develop a quality staff from which a successful business can be built.

If potential companies are able to establish themselves as magnet employers in Lycoming County, it is not unreasonable to expand the recruitment of residents to 8 counties within a 30-mile radius of the centralized location in Lycoming County as depicted in the map below. A potential company will be much more likely to find a sufficient pool of qualified and available workers if it is able to broaden its reach beyond a 15-mile radius that includes essentially only Lycoming County.



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Population & Labor Force:

In a 15-mile radius around this centralized location in Lycoming County, the estimated average unemployment rate in 2006 was 7.47%, which equates to over 3,000 individuals actively seeking employment. Potential companies are unlikely to engage the necessary amount of individuals by recruiting solely from the unemployed population within the 15-mile radius. This is based on the assumption that a significant proportion of individuals actively seeking a job (i.e., unemployed) would need to be interested, qualified and eligible for employment in order for a company to meet its hiring needs. For obvious reasons, potential companies would not be limited to hiring unemployed workers as the wage and opportunity may entice individuals currently employed to change jobs or may be attractive to individuals seeking part-time employment.

Recognizing the difficulties associated with this small population, potential companies could expand their recruitment of employees beyond the 15-mile radius. Based on available data, the unemployment rate decreases by approximately 1.3% for the 30-mile radius and 1.5% for the 45-mile radius. However, the number of unemployed individuals increases about 2 times by concentrating on a recruitment area that is 15 miles larger (i.e., the 30-mile radius) and nearly 4 times at the 45-mile radius. It becomes more reasonable when the demand for so many workers is a smaller percentage of the unemployed population as it would be within the 30- and 45-mile radii, compared to the higher proportion that would be evident in the previous model of a 15-mile radius. The probability of a potential company finding qualified workers becomes higher as the potential population increases.

By expanding the reach to a 30-mile radius, the size of the labor force, individuals working or actively seeking employment, increases from 45,000 to 110,000.

Population	15 Miles	30 Miles	45 Miles
Unemployment Rate	7.47%	6.20%	5.96%
Civilian Employed	41,790	103,317	205,526
Civilian Unemployed	3,380	6,835	13,041
Total Labor Force	45,253	110,316	218,811

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In 2006, the combined labor force in a 30-mile radius of the centralized location in Lycoming County was 110,316, representing about 59% of the population over the age of 16. The civilian unemployment rate for the radius is 6.20%, which is much higher than the statewide average of 5.54%.

Educational Attainment:

High school graduates continue to account for the highest percentage among educational attainment levels in and around the Central WIA. The following chart demonstrates the number of individuals within each of 7 educational attainment levels within 15, 30 and 45 miles of the centralized location in Lycoming County. While this data does not distinguish between those individuals who are in the labor force and those that are neither employed nor actively seeking employment, it illustrates that worker availability according to educational attainment increases significantly as the distance from the location increases.

Population	15 Miles	30 Miles	45 Miles
Less Than 9th Grade	2,282	6,925	14,545
9th to 12th Grade No Diploma	7,506	21,456	38,708
High School Graduate	25,387	69,313	139,515
College, No Diploma	9,998	22,759	42,444
Associate Degree	5,517	11,809	20,272
Bachelor's Degree	6,725	15,642	30,366
Graduate or Professional School Degree	3,401	8,532	17,780

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As previously described, high school graduates make up the largest portion of the population ages 25 years and older. The number of graduates increases nearly 3 times when drawing on a 30-mile radius and approximately 6 times at the 45-mile level. Similar population growth is seen in those who have some postsecondary educational experience.

Within 30 miles of the centralized location, 44% of the population over the age of 24 has earned a high school diploma. An additional 38% has at least some college experience, but only 23% of the population over the age of 24 has earned a college degree. The statewide average is 40% with a high school diploma and 48% with some college experience.

Age Distribution:

The following chart demonstrates the number of individuals within each of 6 age categories within 15, 30, and 45 miles of the centralized location in Lycoming County. While this data does not distinguish between those individuals who are in the labor force and those that are neither employed nor actively seeking employment, it illustrates that worker availability according to age increases significantly as the distance from this location increases.

Age Group	15 Miles	30 Miles	45 Miles
0-19	21,902	54,272	106,091
20-29	13,040	34,147	64,921
30-39	10,036	27,628	53,713
40-49	13,121	33,364	65,072
50-64	16,958	42,791	83,650
65+	15,069	36,865	71,021

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Within 30 miles of the centralized location in Lycoming County, 24% of the population is under the age of 19. Furthermore, an additional 16% has reached the retirement age of at least 65, and an additional 19% of the population will reach retirement age over the next 5 to 15 years.

Industry Employment:

The following chart identifies the top 10 employing industries within 30 miles of the centralized location in Lycoming County (values are sorted according to the 30 mile radius, but employment values are presented for the 15- and 45-mile radii). It is important to note that employment values are based on the area of residence and not the area of work.

Industry	15 Miles	30 Miles	45 Miles
Manufacturing	8,825	23,688	45,527
Retail trade	5,397	12,257	24,054
Health care and social assistance	5,040	11,970	25,863
Educational services	3,723	10,104	20,581
Construction	2,774	6,281	12,330
Accommodation and food services	2,856	6,253	12,044
Public administration	1,804	4,702	8,985
Other services (except public administration)	1,995	4,464	8,720
Transportation and warehousing	1,245	3,662	7,383
Finance and insurance	1,581	3,075	5,526

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These 10 industries account for approximately 85% of all employment within 30 miles of the centralized location in Lycoming County. Similar trends are apparent for the 15- and 45-mile radii. Within the 30-mile radius of the centralized location in Lycoming County, 23% of all employees are working in the manufacturing industry, with an additional 12% employed in retail trade. Other top employing industries include health care and social assistance (12%), educational services (10%), and construction (6%).

Class of Worker

The following chart identifies the class of worker for individuals ages 16 and over within 15-, 30-, and 45-miles of the centralized location in Lycoming County.

Class of Worker	15 Miles	30 Miles	45 Miles
Federal government workers	2,308	6,115	12,796
Local government workers	1,615	4,604	11,234
Private Company Employees	978	1,905	3,516
Private Nonprofit Wage/Salary Workers	2,257	5,381	10,675
Self Employed in Own Corp	4,224	9,808	19,936
Self Employed, Not Incorporated	109	269	641
State government workers	744	2,293	4,139
Unpaid family workers	13,899	31,951	60,182

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At the 30-mile radius, 51% of workers over the age of 15 are categorized as “unpaid family workers.” Furthermore, 16% fall into the “self employed in own corporation” bracket. An additional 21% work for the government, about 10% at the federal level, 4% at the state level, and 7% at the local level.

Blue Collar Workers

At the 30-mile radius, approximately 49% of all workers are employed in “blue collar” occupations. The following table identifies the top 5 blue collar jobs based on 2000 employment estimates within 30 miles of the centralized location in Lycoming County (values are sorted according to the 30-mile radius, but values are presented for the 15- and 45-mile radii).

Blue Collar Occupations	15 Miles	30 Miles	45 Miles
Production occupations	5,520	13,759	26,161
Material moving workers	1,958	6,417	12,950
Food preparation and serving related occupations	2,691	5,988	11,588
Construction trades workers	1,801	4,791	9,814
Installation maintenance and repair occupations	1,858	4,201	8,608

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At the 30-mile radius, these 5 occupations account for about 70% of all blue collar employment. Production occupations account for 27%, while material moving workers comprise about 13% of all blue collar jobs. Furthermore, food preparation and serving related occupations account for about 12%, construction trades workers account for 10%, and installation maintenance and repair occupations account for about 8% of all blue collar jobs.

White Collar Workers

At the 30-mile radius, approximately 53% of all workers are employed in “white collar” occupations. The following table identifies the top 5 white collar jobs based on 2000 employment estimates within 30 miles of the centralized location in Lycoming County (values are sorted according to the 30-mile radius, but values are presented for the 15- and 45-mile radii).

White Collar Occupations	15 Miles	30 Miles	45 Miles
Office and administrative support occupations	6,992	15,418	29,593
Sales and related occupations	4,234	9,569	18,173
Education training and library occupations	2,203	5,364	10,620
Management occupations except farmers & farm managers	2,292	5,263	10,194
Health diagnostic & treating practitioners & technical occupations	1,409	3,154	6,966

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At the 30-mile radius, these 5 occupations account for about 75% of all white collar employment. Office and administrative support occupations account for 30%, while sales and related occupations comprise about 19% of all white collar jobs. Furthermore, education training and library occupations and management occupations both account for about 10%, and health diagnostic and treating practitioners and technical occupations account for 6% of all white collar jobs.

Commute Times:

Based on 2000 Census results, the median travel time to work by individuals ages 16 and over within 30 miles of the centralized location in Lycoming County was 17.01 minutes. The following chart demonstrates the number of workers who travel to work within each of 6 time categories in the areas surrounding this location.

Travel Time to Work	15 Miles	30 Miles	45 Miles
0-9 Minutes	9,333	22,330	42,468
10-19 Minutes	17,834	36,920	66,827
20-29 Minutes	7,577	19,308	38,415
30-39 Minutes	3,315	10,399	23,278
40-59 Minutes	1,526	5,505	13,687
60 or more Minutes	1,479	4,350	9,710

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It is apparent that a majority of workers are willing to travel 10 to 19 minutes to work. In fact, approximately 36% of all workers in the 30-mile radius travel for an average of 10 to 19 minutes. Furthermore, about 76% of all workers travel less than 30 minutes to work in this radius. Similar trends are apparent in each radius.

Conclusion:

This data is meant to provide potential companies with a snapshot of how their workforce demands can be met by extending recruitment beyond a 15-mile radius. The data is in no way a guarantee that individuals are available or interested in working for their company; rather, the data illustrates the availability of individuals who may meet the basic characteristics sought in new hires. While this analysis was based on an arbitrarily chosen point in Lycoming County, specific locations can be selected for more appropriate information in this county as well as other areas throughout the Central Workforce Investment Area.