

Community and Economic Development

AT A GLANCE

Over the last ten years, Lycoming County has experienced a decline in population, net migration, and new construction while generally seeing median income levels rise approximately at the same pace as the state and nation. Aside from the onset of the natural gas industry and the sudden spike of employment in this sector (470% from 2006-2015), the other most notable occurrence in the last ten years is the very steady increase of owner-occupied home values. Lycoming County never experienced a housing bubble or the correction in the market that triggered the economic recession during the 2007-2009 years. In addition, local taxes, particularly in the City of Williamsport, have been on the rise and have been the cause of much out-migration from the City to surrounding townships where the tax millage rates are much lower. This has created a challenging fiscal environment where the costs of services and operations have become increasingly shouldered by the remaining population.

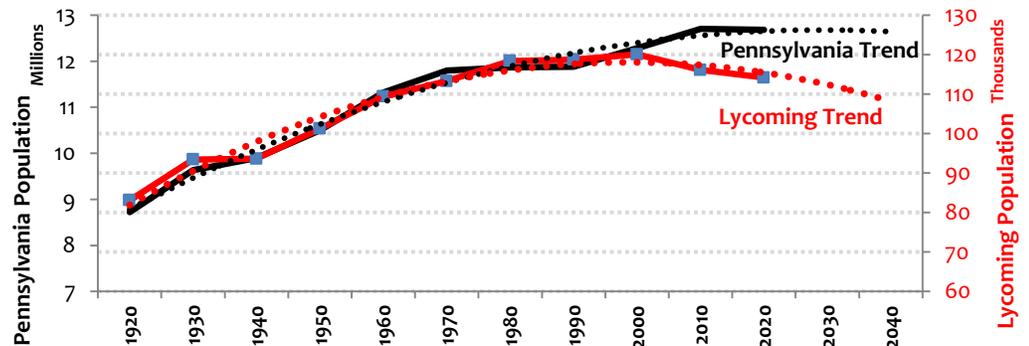
Lycoming County residents currently have slightly lower educational attainment rates than the state or nation with the largest gain in graduate and professional degrees earned in the last ten years. Although this has some relation to the healthy rise in median household income, there is still a sizable difference between County resident's earnings and the statewide median and per capita income levels.

POPULATION TRENDS

According to the 2010 United States Census, there were a total of 116,111 persons residing in Lycoming County. The 2015 population estimates from the American Community Survey calculated approximately 115,300 at

that time, therefore indicating a slight population decline over the five year period. It appears that the steady population increase that the County experienced between 1920 and 2000, peaked in the late 1990's and has now begun to decline, based on projections of current trends and recent American Community Survey (ACS) estimates. Population projections are now showing a steady decline out to 2040 while Pennsylvania's population is projected to remain relatively stagnant in that time frame.

Lycoming County residents remain overwhelmingly white (92%) with approximately 4.8% African American and the remaining percent is a mixture of other races. 98% of residents are of non-Hispanic descent.

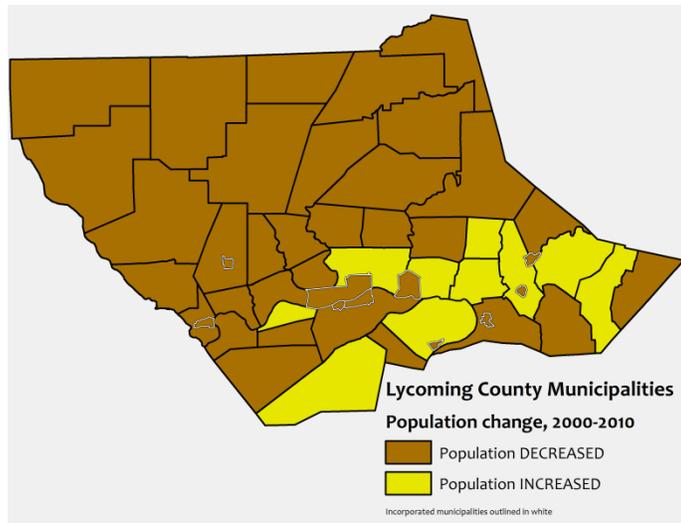
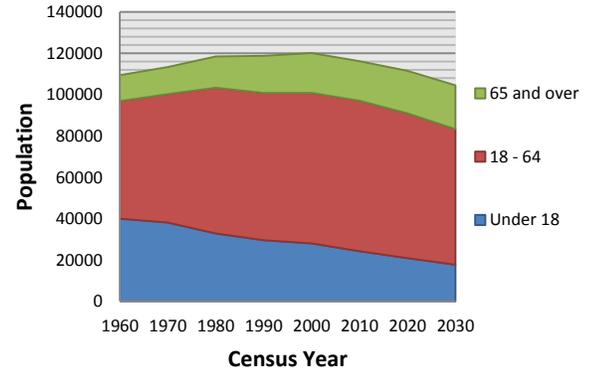


AGE COMPOSITION

The greatest population cohort in Lycoming County is those who are 35-54 years old (24.8%). Five to nineteen year olds equated to 17.9% of the population which has declined from 26.6% in 2000 and 28% in 1990. After that, those 20-34 years old hold 19.7% of the population share and those 65-84 and 55-64 are nearly equal with 15.1% and 14.1% respectively.

The population of Lycoming County is also becoming older, on average. This is mostly due to a 50 year trend of a linear decline in the proportion of the population under the age of 18. In 1960, youths numbered 40,000 and comprised 37% of the population. By 2010, they had decreased to 24,000 and made up just 21% of the County's population. The single outlier to this trend is the City of Williamsport which experienced an increase in the proportion of young adults (age 20-24) from the 2000 to the 2010 census. The proportion, which reached near 15% of the population, was higher than the County and the state. Overall, death rates have outpaced birth rates for six of the last seven years. Without an increase in population from outside of the County or a drastic increase in birth rates, Lycoming County is likely to see a significant decline in population in the coming years.

Lycoming County Age Composition of Population



Similar to statewide trends, Lycoming County population has been shifting outward from the City and boroughs (core communities) into the suburban and rural townships. One rationale for this is that housing stock is mostly newer and tax rates are generally lower in the townships, which is attractive to many. More discussion can be found on this topic in Chapter 2 under the Housing sub-topic.

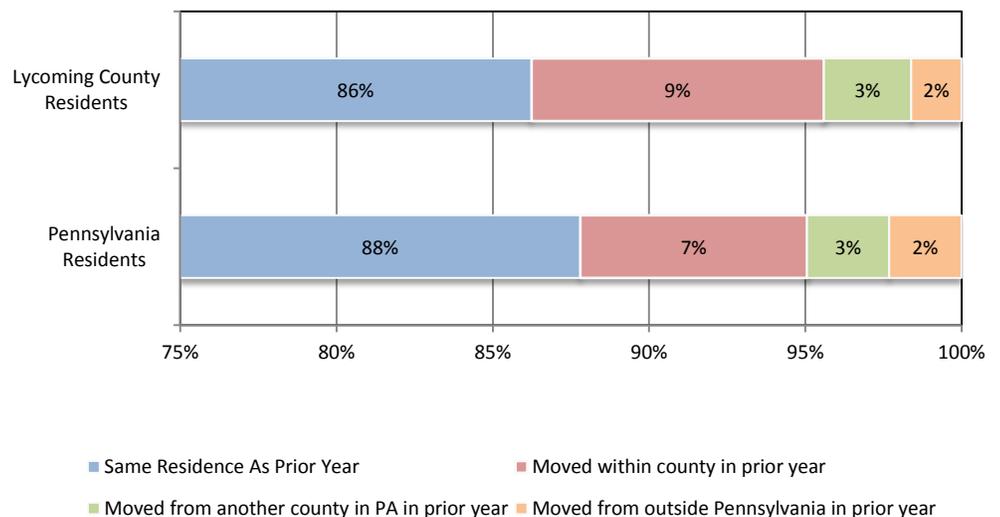
The City and all boroughs have all experienced population decreases in the last decade. The Borough of Muncy experienced a 7% decline while the City and other boroughs ranged between a 2-4.5% population decline. The central, western, and northern parts of the County saw the largest population decreases, some by over a 10% decline, including: Old Lycoming, Pine, Plunketts Creek, Gamble, Lewis, Brown, McNett, and Cummings. Municipalities that experienced population growth are mostly rural townships located generally along the I-180 corridor between Williamsport and the Borough of Muncy.

GEOGRAPHIC MOBILITY

According to the 2012-2016 American Community Survey Estimates, the County's migration rates and profile mimic those of the State overall. The majority of Lycoming County residents (86%) remain in their current residence from year to year. Less than ten percent have moved within the County and far fewer have moved from another county in Pennsylvania or another state. The large majority of those moving to the County from another state or county are between the ages of 18 and 29. This is a direct correlation with the ages of students who attend college and are coming to Lycoming County for an education at Lycoming College or Penn College of Technology. Migration numbers for people over the age of 30, moving into Lycoming County, drops off significantly.

Geographic Mobility

Source: 2012-2016 American Community Survey 5-Year Estimates

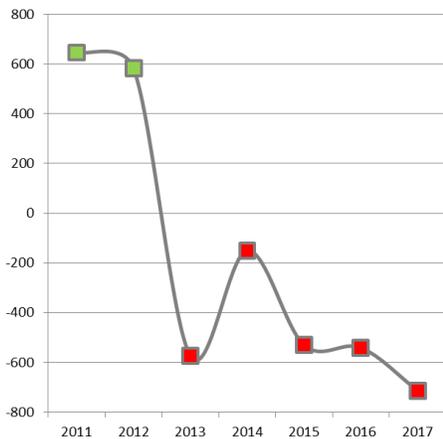


GEOGRAPHIC MOBILITY (CONT'D)

Furthermore, Census Bureau estimates show five consecutive years of negative net migration after a period a positive net migration into the County. The most likely explanation of this would be an inflow and subsequent outflow of workers related to the natural gas boom between 2009-2012.

Lycoming County Net Migration

Source: US Census Bureau Estimates of the Components of Resident Population Change



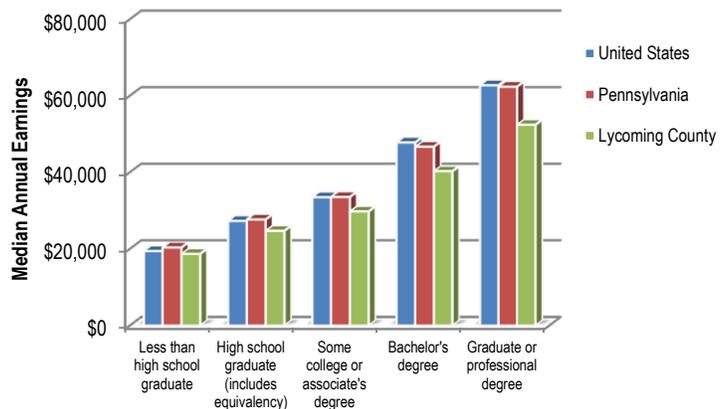
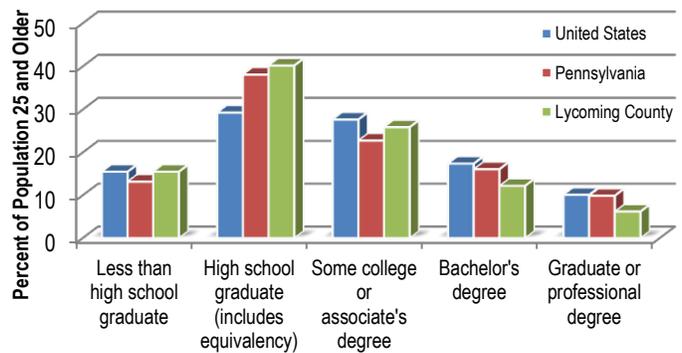
WORKFORCE PROFILE

By 2015, there were 54,200 workers from Lycoming County employed in the workforce. This is 57% of the population ages sixteen and above. Over half (52.9%) of the workforce is between the ages of 30 and 54 years with workers ages 29 and younger comprising 22.2% of the workforce and those 55 or older at 25%. The most notable and documented change in the workforce is the decline of high school graduates entering the workforce. Total college-bound graduate numbers have declined by nearly 200 since 2006. Overall, there are just fewer younger adults in Lycoming County.

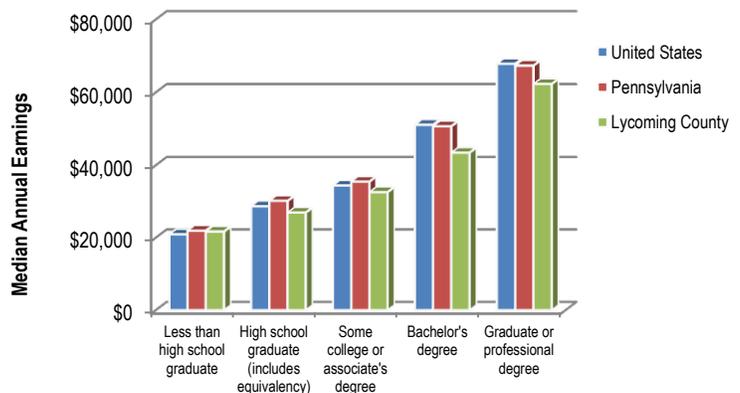
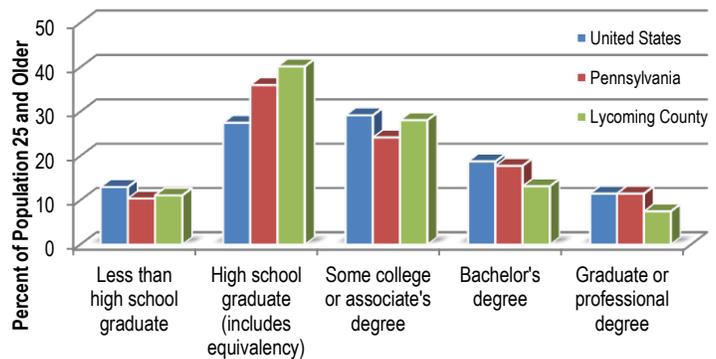
EDUCATIONAL ATTAINMENT

Nearly 40% of the Lycoming County population, age 25 and older, has earned a high school diploma or equivalent as their highest educational attainment. This is greater in Lycoming County than both the state and nation. Between 2005 and 2016 the percent of residents earning less than a high school education dropped from 15.5% to 11.1%. When comparing median annual income based on educational attainment, Lycoming County residents saw the most income growth in those who have earned graduate or professional degrees over any other educational attainment category. This growth equated to a nearly \$10,000 increase.

2005 - 2009, US Census Bureau, American Community Survey

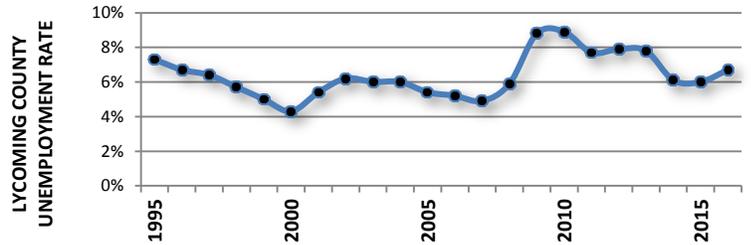


2012 – 2016, US Census Bureau, American Community Survey



UNEMPLOYMENT

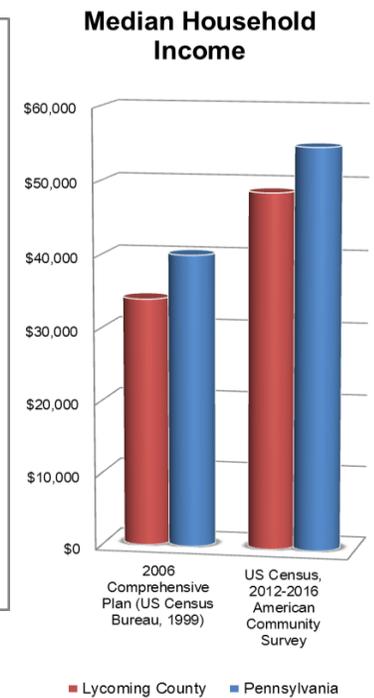
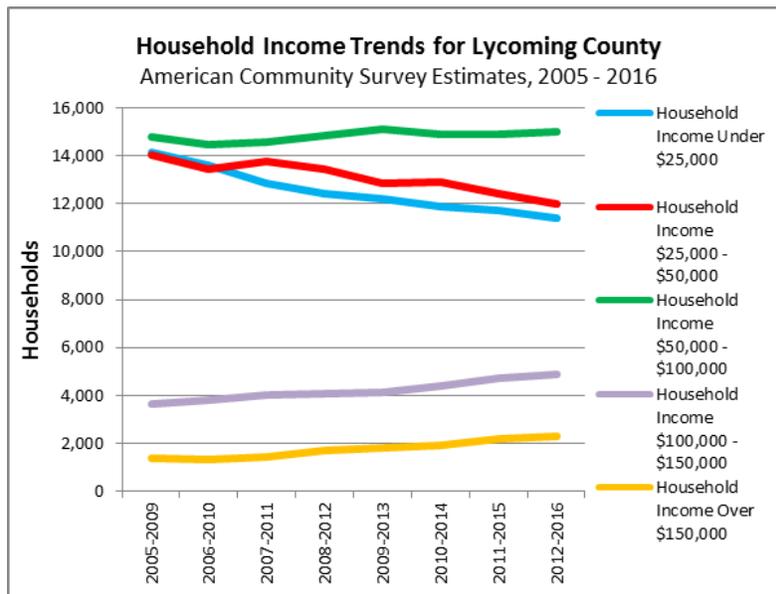
As of the last quarter of 2018, the unemployment rate was 5.4% according to the Quarterly Census of Employment and Wages. The County's unemployment rate was 4.7% in 2006 when the last plan was completed. This does not represent a steady increase over that twelve year period, but rather periods of fluctuating rises and falls over the last twenty years. Lycoming County's unemployment rate peaked in 2009 and 2010 at 8.8 and 8.9% in concert with the national recession at the time.



Source: PA Dept of Labor and Industry, 2018

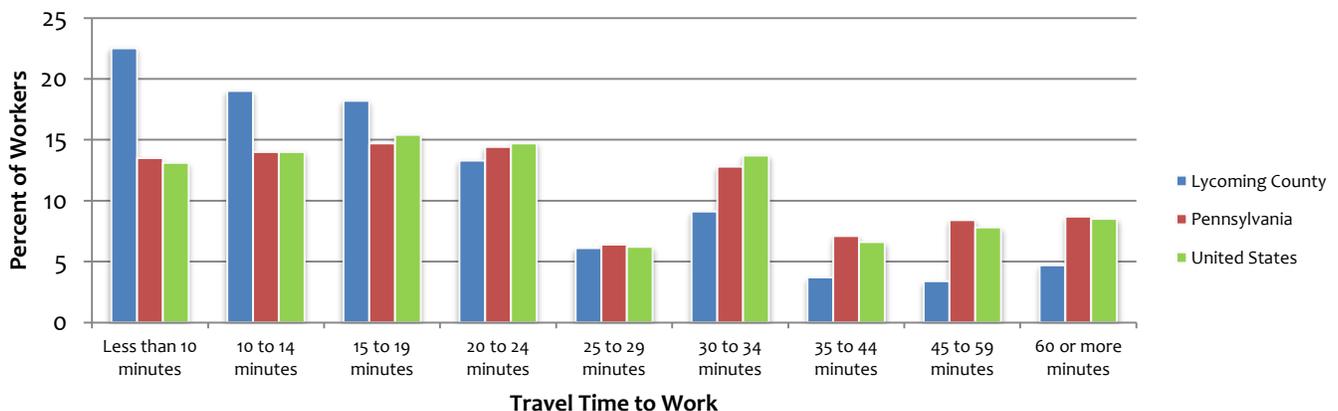
HOUSEHOLD INCOME

The median household income according to the 2016 ACS estimates is \$48,731. This is 43% higher than it was in 1999 when data was collected for the last comprehensive plan. This is a significant increase over that period of time and greater than the statewide average that showed a 36.8% increase over the same period. Despite this income spurt, Lycoming County continues to have over a 10% difference from the state's median income. Additional data shows that the numbers of households earning less than \$50,000 annually have declined while those that earn greater than that have either stayed the same or increased over that the same time period.



JOURNEY TO WORK OR COMMUTING PATTERNS

Compared to Pennsylvania and the United States as a whole, residents of Lycoming County have much shorter commute times and yet are more reliant on driving alone in motor vehicles. The average travel time to work in Lycoming County is 20.2 minutes compared to 26.3 and 25.9 minutes respectively for Pennsylvania and the United States. (Data from the American Community Survey)



BUSINESS ESTABLISHMENTS AND EMPLOYEES BY SECTOR

According to the 2015 County Business Patterns Census data, the following business sectors had over 200 establishments located in Lycoming County:

- Professional, Scientific, and Technical Services
- Construction
- Health Care and Social Assistance
- Accommodation and Food Services
- Retail Trade
- Other Services (except public administration)

According to the 2013 County Business Patterns Census data, the following business sectors had over 4,000 employees located in Lycoming County:

- Accommodation and Food Service (4,402)
- Retail Trade (7,609)
- Manufacturing (7,801)
- Health Care and Social Assistance (8,912)

INDUSTRY AND ECONOMIC DRIVERS

An often looked-to source of information to help reveal what makes a particular area “unique” in comparison to statewide or national economies is the County industry location quotients (LQ). Location quotients are a means of quantifying how concentrated a particular industry group is in comparison to others. An LQ equal to one means the industry has the same share of its area employment as the state or nation (depending on the comparison base). An LQ greater than one indicates the area has a greater share of employment in that industry. According to the Quarterly Census of Employment and Wages, 2016 Annual Averages, Lycoming County is particularly strong in: Mining, Quarrying, and Oil and Gas (3.69) and Manufacturing (1.57) compared to the rest of the state of Pennsylvania. Other industry groups that are, on average, stronger in Lycoming County than the rest of PA include:

- Retail Trade (1.18)
- Other Services (except public administration) (1.14)
- Real Estate and Rental and Leasing (1.12)
- Utilities (1.11)
- Accommodation and Food Services (1.04)
- Wholesale Trade (1.04)

The industry groups that are the weakest, in comparison, include:

- Management of Companies and Enterprises (0.33)
- Art, Entertainment, and Recreation (0.38)

According to the US Census Bureau County Business Patterns 2006-2015 data sets, the following industry sectors added the greatest number of establishments during that timeframe: 1) Transportation and Warehousing; 2) Professional, Scientific, and Technical Services; 3) Administrative and Support and Waste Management and Remediation Services; and 4) Mining, Quarrying, and Oil and Gas Extraction Services. Industry sectors that lost the greatest number of establishments were: 1) Finance and Insurance; 2) Retail Trade; and 3) Manufacturing.

Top Ten Employers

According to data from the PA Department of Labor and Industry, Center for Workforce Information and Analysis, as of the 3rd Quarter of 2017, the Top 10 Employers in Lycoming County were:

1. Susquehanna Health Systems
2. State Government
3. Pennsylvania College of Technology
4. Williamsport Area School District
5. Weis Markets Inc.
6. County of Lycoming
7. West Pharmaceuticals Services Inc.
8. Aramark Facility Services LLC
9. CS Group Payroll Services LLC
10. Lycoming Division

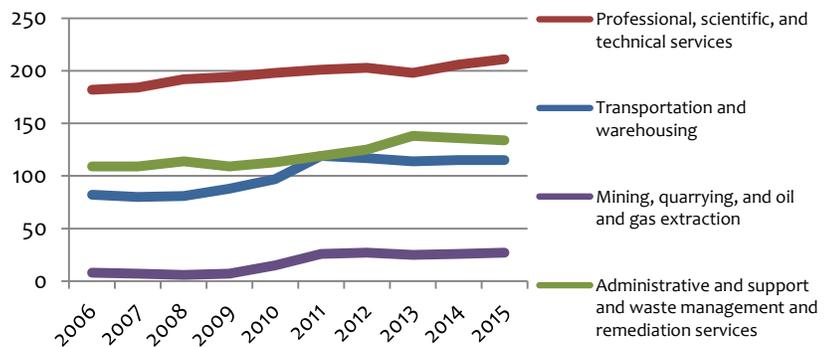
According to historical data from the same source, 7 of these employees were also one of the top ten employers in Lycoming County in the 3rd Quarter of 2006. They are:

- Susquehanna Health Systems
- State Government
- Pennsylvania College of Technology
- Williamsport Area School District
- Weis Markets Inc.
- West Pharmaceuticals Services Inc.
- Avco Corp (Lycoming Division)

This indicates a stronghold in the market for these businesses and institutions and therefore they are characterized as significant drivers of the Lycoming County economy.

The Top 50 Employers in the 3rd Quarter of 2006 and 2017 are listed in Appendix C.

Number of Establishments
US Census Bureau County Business Patterns 2006-2015

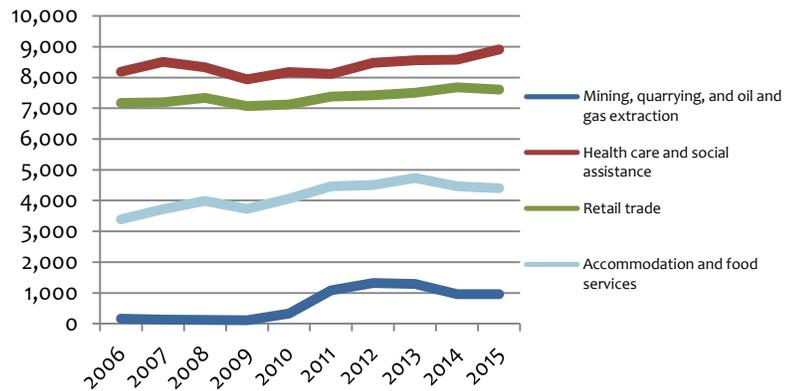


INDUSTRY AND ECONOMIC DRIVERS (CONT'D)

According to the same data source, the industry sectors that had the most significant job growths between 2006 and 2015 were: 1) Accommodation and Food Services; 2) Mining, Quarrying, and Oil and Gas Extraction; 3) Health Care and Social Assistance; and 4) Retail Trade. Industry sectors that lost the greatest numbers of employees were: 1) Manufacturing; 2) Administrative and Support and Waste Management and Remediation Services; 3) Information; and 4) Finance and Insurance.

The industry sectors that are adding establishments and/or employees are also the ones that have had the greatest increases in payroll. The most notable change comes from the Healthcare and Social Assistance sector with over a \$164 million payroll increase in Lycoming County during the same time period. This is more than \$100 million more than the increase found in the second-place industry sector (Mining, Quarrying, and Oil and Gas Extraction).

Number of Paid Employees
US Census Bureau County Business Patterns 2006-2015

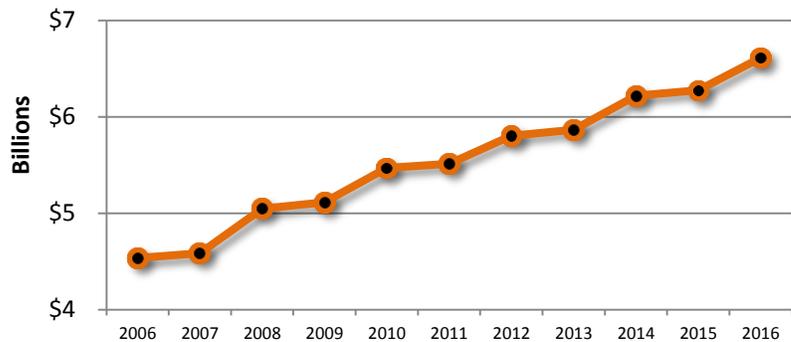


REAL ESTATE MARKET VALUE

In the ten year period between 2006 and 2016, the total real estate market value of all properties in Lycoming County increased by 45% from \$4.5 billion to \$6.6 billion. The rural municipalities of the County kept pace with these real estate market increases with a total value increase of 40%. The following townships experienced the highest market value increases with over a 50% increase: Cummings, Jordan, Mill Creek, Penn, and Washington (see the Data Profile in Appendix C for full details).

Lycoming County Total Real Estate Market Value

Source: State Tax Equalization Board

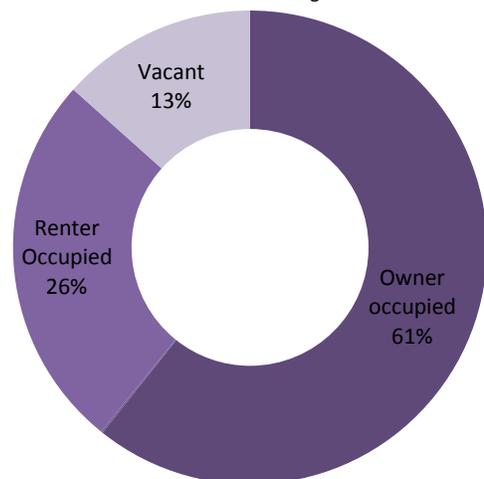


HOUSING OCCUPANCY

According to the US Census American Community Survey 5-year averages, there are 52,705 housing units in Lycoming County. This number represents a slight decline in total housing units since 2006 by approximately 737 units. The composition of our housing occupancy has not changed much in the last ten years. However, since 2006, the County has lost approximately 550 owner-occupied units and 1,100 rental units while increasing its vacant units by over 900 units.

Lycoming County Housing Unit Occupancy

Source: US Census American Community Survey, 2012-2016 5 Year Averages



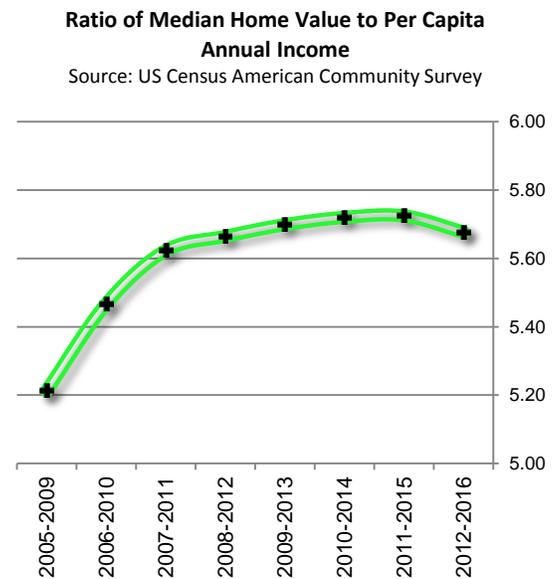
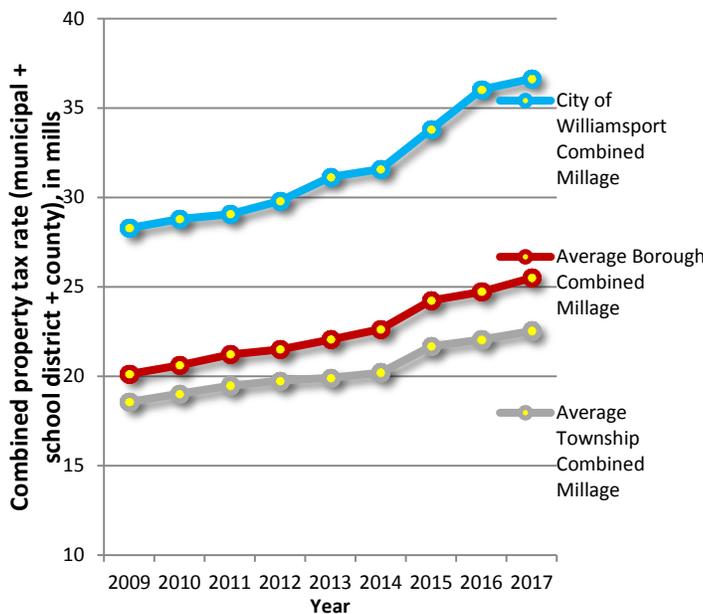
Note: "Vacant" housing units include the following: For rent, Rented but not yet occupied, For sale, Sold but not yet occupied, Seasonal, recreational or occasional use.

HOUSING AFFORDABILITY

According to the same data source, the Median Annual Housing Costs as a Percentage of Median Annual Household Income (for both owners and renters combined) has hovered around 20% for the last ten years. Taking a closer look, it is found that homeowners with mortgages have carried a 29-34% burden of housing costs to household income while renters have averaged just over an 18% burden. Homeowners without mortgages carry the lowest cost burden at approximately 11-13% of their annual household income. Thirty-percent of Household (HH) income for housing costs is the HUD-defined affordability threshold. The following municipalities have the greatest housing affordability challenges in the County:

- City of Williamsport: 39.4%
- Cummings Township: 38.8%
- Piatt Township: 38%
- McHenry Township: 35.5%
- Loyalsock Township: 35.4%
- Brown Township: 34.4%
- Muncy Township: 34.3%
- Cascade Township: 34.1%

Looking at the Median Value of Owner Occupied Housing Units compared to the County's Per Capita income earned between 2005 and 2016, it appears that incomes are not keeping pace with housing cost increases. Home values were 5.2 times higher than Per Capital Annual income in 2005 and by 2015 that ratio peaked to 5.72.



NEW CONSTRUCTION

Recent trends have shown a simultaneous decline in both population and new construction rates in the County. Amid some fluctuations, new construction in the County, particularly residential, experienced a significant decline over the last 11 years. New residential construction saw an 80% decline from a peak of 219 in 2006 to a low of 42 in 2017. All other construction remained relatively flat with the exception of the years 2011 to 2013 when natural gas drilling and supply chain business and industry expansion was at its height in the County.

New Construction Trends in Lycoming County
Source: Lycoming County Assessment Office

