

# **Berks County Workforce Development Board: Industry Sector Priorities (2017-2021)**

*Approved June 16, 2017*

## **I. Priority A (*Driver Industry*): Manufacturing**

- Largest sector by annual economic output = \$3.4 Billion (23% of Berks GDP)
- Largest sector by employment: 30,983 (17% of local employment).
- Led local post-recession recovery with 2,200 new jobs added in the period 2011Q4 to 2016Q4 (1.5% growth vs. -0.2% PA).
- *Average Weekly Wages for local manufacturing workers grew 9.14% in one year (3<sup>rd</sup> Quarter 2015 – 3<sup>rd</sup> Quarter 2016) per the Bureau of Labor Statistics (BLS).* This strong wage growth in the sector drove **Berks County's ranking to 14<sup>th</sup> nationally** in one-year average weekly wage growth for the period.
- Average annual earnings = \$56,380 (+ 33% in benefits/other compensation: Total Average Compensation=\$75,000 per year)
- 525 establishments (including 1<sup>st</sup> and 4<sup>th</sup> largest employers – East Penn Manufacturing and Carpenter Technology Corp.)
- Strong Location Quotient (LQ) = **2.04** (projected to remain fixed through 2026)
- Local Manufacturing Sector is broad-based and not overly concentrated in any single sub-sector
- Multiplier effect supports many jobs in other sectors / supply chain
- Continued productivity growth will drive increased economic output with relatively flat manufacturing job growth (i.e. Berks will be successful if we retain >30,000 manufacturing industry jobs thru 2021).
- 52% of manufacturing workers are age 45 or older – need ≈7,000 new entrants by 2026.
- Current and future skills shortages for technical occupations, especially precision machining and industrial maintenance/mechatronics technicians, welders and quality systems professionals.
- Failure to address talent pipeline/skills shortages will lead to reduced business investment and lower economic output with a significant negative impact on local economic prosperity.

## **II. Priority B (*Sustaining Industry*): Healthcare & Social Assistance**

- 2<sup>nd</sup> largest sector by employment: 29,308 (16% of local employment)
- 2<sup>nd</sup> Largest employer (Reading Health Systems) and 9<sup>th</sup> largest employer (St. Joseph Medical Center)
- Steady job growth since 2000 will continue – 5,000 total growth demand in 2016-2026
- Likely to surpass manufacturing as largest employment sector by 2022
- Good opportunities for middle-skill jobs and career paths; average annual earnings = \$47,700 (+ 15% in benefits/other compensation)
- 2026 Location Quotient = **1.19**, slightly above national average
- Excellent system of industry-recognized licenses and credentials
- Slightly less than 10% of Berks GDP
- Service industry with limited jobs multiplier effect
- Relatively normal age distribution
- Industry change/consolidation with implementation of Affordable Care Act and possible successor legislation

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- Top five Healthcare occupations by 10 year demand:

Occupation	Current Employed	10 Yr. Total Demand
1. Registered Nurses	3,330	1,249
2. Personal Care Aides	2,864	1,050
3. Nursing Assistants	2,016	792
4. Home Health Aides	1,560	918
5. Licensed Practical/Licensed Vocational Nurses	912	402

### III. Priority B (*Recovering Industry*): Construction

- Approximately 9,340 jobs ( $\approx 5\%$  of Berks total employment)
- Location Quotient (LQ) = **0.93** (estimated 0.94 by 2026)
- Average annual earnings =  $\approx \$56,000$  + benefits. Significant upward pressure on wages now being reported and expected to continue through 2021.
- 818 new jobs in the period 2011Q4-2016Q4 (1.9% growth vs. 1.0% PA)
- 48% currently employed at or above age 45 years
- Employment forecast – 10,146 by 2026Q4
- Top five Construction occupations by 10 year demand:

Occupation	Current Employed	10 Yr. Total Demand
1. Construction Laborers	1,163	434
2. Electricians	703	226
3. Carpenters	946	197
4. Plumbers, Pipefitters, and Steamfitters	472	118
5. Painters, Construction and Maintenance	299	104

### IV. Priority C (*Watch Industries*):

#### A. Transportation and Warehousing:

- Approximately 7,800 jobs
- 10<sup>th</sup> largest employer – Penske Truck Leasing has over 1,500 employees and growing
- Otherwise, relatively flat employment growth projections thru 2026
- Average annual earnings = \$46,737 (+ 26% in benefits/other compensation)
- 2020 Location Quotient = **1.04**, slightly above national average
- New facilities on I-78 and across the larger region
- Lots of entry-level positions, but sector lacks strong career ladders
- Ongoing, increasing demand in 2016-2026 for CDL Drivers

#### B. Agriculture

- Legacy industry - approximately 3,600 jobs (2% Berks employment)
- Average annual earnings = \$42,000 (+ 22% in benefits/other compensation)
- \$160 Million annual output, projected to grow after years of decline
- 2020 Location Quotient = **1.33**, above the national average
- Tied closely to food production (manufacturing sub-sector)
- Related regional demand for technicians to service increasingly sophisticated agricultural equipment – including electronic, hydraulic and diesel technicians.