

Berks County Workforce Development Board: Industry Sector Priorities (2020-2025) Revised December 2020

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

- Largest sector by annual economic output (2019) = \$4.5 Billion (21.2% of Berks GDP)
- Largest sector by employment: 32,065 jobs (17.6% of local employment 2020Q2).
- Leading local pandemic jobs recovery:
 - Despite the arrival of the COVID-19 pandemic in March 2020, this sector experienced no total year over year job losses between August 2019 and August 2020.
 - Increasing number of alerts from employers bypassing orders due to overextended workforce.
 - Critical current and future skills shortages for technical occupations, especially precision machining, industrial maintenance/mechatronics technicians, welders and quality systems professionals.
 - Entry-level production worker hiring/retention increasingly difficult.
- Average Weekly Wages for local manufacturing workers grew 4.3% in one year (4th Quarter 2018 versus 4th Quarter 2019) per the US DOL Bureau of Labor Statistics (BLS).
- Industry average annual wage = \$62,115 (*JobsEQ*[®] 2020Q2 dataset)
- 519 establishments (including 1st and 3rd largest employers^① – East Penn Manufacturing and Carpenter Technology Corp.)
- Very Strong Location Quotient (LQ) = **2.13** (projected to remain static through 2025)
- Local Manufacturing Sector is broad-based but with some significant concentration in certain sub-sectors. Top three manufacturing sub-sectors by employment (51% of total sector employment):

Industry Sub-Sector (<i>JobsEQ</i> [®] 2020Q2 dataset)	LQ	Employment	% Industry
1. Electrical Equipment, Appliance, and Component Manufacturing	18.54	8,667	27%
2. Primary Metal Manufacturing	9.64	4,243	13%
3. Food Manufacturing (does not include Beverage & Tobacco)	1.79	3,490	11%

- Significant multiplier effect supports many jobs in supply chain and other sectors
- Continued productivity growth will drive increased economic output with moderate decline expected in manufacturing job growth through 2025 (i.e. Berks will remain successful if we retain ≈30,000 manufacturing industry jobs thru 2025).
- >27% of manufacturing workers are age 55 or older – need 6,000 new entrants by 2025 to maintain current workforce level due to exit forecast.
- Failure to address talent pipeline/skills shortages and incumbent talent upskilling 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 (excludes Social Assistance)

- 2nd largest sector by employment: 25,146 jobs (13.6% of local employment 2020Q2)
- 2nd largest employer (Tower Health/Reading Hospital) and 10th (Penn State Health - St. Joseph Medical Center) largest employers^①
- Despite being hit especially hard by the pandemic, this sector is projected to have steady job growth - ≈200 per annum total growth demand through 2025
- Industry average annual wages = \$61,634 (*JobsEQ*[®] 2020Q2 dataset)
- 2019 Location Quotient = 1.17, slightly above national average
- 10.6% of Berks GDP = \$2.2 Billion (2019)

^① Source: PA DOL&I Center for Workforce Information & Analysis - Top 50 Berks County Employers, 2020Q1

Berks County Workforce Development Board: Industry Sector Priorities (2020-2025) Revised December 2020

- Top five Healthcare occupations by employment/5-year growth/annual growth percentage:

Occupation	Current Employed	5 Year Employ Growth	% Annual Growth
1. Registered Nurses	3,620	520	0.6%
2. Personal Care Aides	2,037	833	2.7%
3. Nursing Assistants	1,829	501	0.5%
4. Licensed Practical & Licensed Vocational Nurses	909	160	0.8%
5. Medical Assistants	885	184	1.5%

- Excellent system of industry-recognized licenses and credentials driving education & career pathways. Good opportunities for middle-skill jobs and career paths
- Service industry with limited jobs multiplier effect

III. Priority B (*Infrastructure Industry*): Construction

- Approximately 8,700 jobs (4.8% of Berks total employment 2020Q2)
- Annual economic output (2019) = \$967 Million (4.6% of Berks GDP)
- Location Quotient (LQ) = **0.82**, below national and PA (0.90) concentrations
- Industry average annual wage = ≈\$60,300. Significant upward pressure on wages expected to continue through 2025.
- Top five Construction Trades occupations by employment - 5-year mean wage progression/regression percentage (*BLS 2015 versus 2019 Occupational Employment Statistics Data*):

Occupation	Current Employed	5 Yr. Wage % Δ
1. Construction Laborers	1,259	17.4%
2. Carpenters	868	10.5%
3. Electricians	549	0.7%
4. Plumbers, Pipefitters, and Steamfitters	495	5.9%
5. HVAC/R Mechanics & Installers	404	21.9%

- 25% currently employed at or above age 55 or older years
- Employment forecast – modest increase to ≈8,900 by 2025Q2. Lagging talent pipeline will continue to pose a threat, however, *the Berks construction industry currently has 49 distinct employer-sponsored apprenticeship “earn and learn” training models with well-defined career and wage progression to recruit, train, and retain workers.*

IV. Priority C (*Watch Industries*):

A. Transportation and Warehousing:

- Approximately 8,600 jobs (1,500 new jobs = 21% growth over last five years).
- 7th largest employer^① – Penske Truck Leasing
- Industry average annual wage = \$49,682 (*JobsEQ® 2020Q2 dataset*)
- 2019 Location Quotient = **1.00**, equal to the national average
- Dramatic development of new facilities along I-78 and across the larger region has generated greatly increased competition for available workers
- Predominantly low-skill entry-level positions; however, significant upward pressure on wages expected to continue through 2025. Sector lacks strong career ladders
- Ongoing demand in 2016-2028 for CDL Drivers (425 on-line ads in September 2020)

B. Agriculture

- Legacy industry – 114 establishments, ≈3,600 jobs (2% Berks employment 2020Q2)

^① Source: PA DOL&I Center for Workforce Information & Analysis - Top 50 Berks County Employers, 2020Q1

Berks County Workforce Development Board: Industry Sector Priorities (2020-2025)

Revised December 2020

- Relatively stable employment – less than $\pm 1\%$ average annual change in the last 5 years
- Industry average annual wage = $\approx \$39,500$ (*JobsEQ[®] 2020Q2 dataset*)
- \$400 Million annual output (2019) – 1.7% of Total Berks GDP
- 2020 Location Quotient = **1.46**, above the national average
- Tied closely to food production (manufacturing sub-sector) with “locally-sourced” advantage
- Related regional demand for mechanics/technicians to service increasingly sophisticated farm and production equipment – including electronic, hydraulic and diesel technicians.