

A partnership among Keystone College, King's College, Luzerne County Community College, Marywood University, Misericordia University, Penn State Wilkes Barre, The Commonwealth Medical College, University of Scranton & Wilkes University

THE ANATOMY OF DOUBLE DIGIT GROWTH

The Institute believes that Northeastern Pennsylvania could be primed for significant economic growth. Each of the following growth factors will contribute to overall economic growth.

Migration

County-to-County migration data shows an increase in people movement from New York, New Jersey and other parts of PA into the region. The Institute believes that the ongoing westward migration that began in the 1990s in the Poconos, 2002 in the Wyoming Valley, and is too recent to be documented in the Northern Tier Counties, will continue for the next decade.

Immigration

In the early 1900s, NEPA was the recipient of an ethnically diverse population from eastern and western Europe. Immigration into the region laid the foundation for the rich culture, foods, work ethic, and community spirit. After 60 years of decline, immigration increased. The region began to see new changes in race and ethnicity. Ethnic diversity is stemming from a wave migration from Russia, Eastern Europe, Latin and South America to increases in Gujarati, Bhutanese, and Hindu people into the region. This opportunity is a chance for another NEPA renaissance culturally, entrepreneurially, and socially.

Baby Boomers

Forty percent of the U.S. population is comprised of Baby Boomers. There are about 10,000 Boomers per day eligible for retirement, but only 3,000 per day retiring. Estimates from July 2012 show the retirees are staying in urban areas closer to job centers that are "walkable" communities. College towns are ideal for Baby Boomers because of the cost of living, health care, arts and culture, recreational activities and public transportation. Communities in northeastern PA may be poised to attract baby boomers because many of our local communities have these amenities.

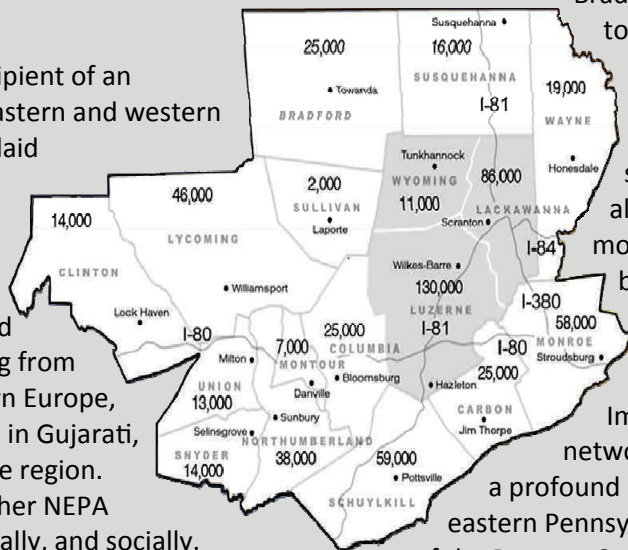
Marcellus Shale

Marcellus Shale is a factor behind the increase of population in NEPA. When The Institute first examined Marcellus Shale in 2008, it was reported that 93 drilling permits had been issued and 18 wells drilled in the Northern Tier Counties. From 2008 through August 2013, there were 6,682 wells permitted and 2,854 active unconventional wells drilled in

Bradford, Lycoming, Susquehanna, Clinton, Sullivan, Wayne, and Wyoming Counties. Marcellus Shale brings considerable possibilities for growth within Northeastern Pennsylvania. Marcellus is a generational industry and has the ability to promote economic development through business development and exports.

Panama Canal

Improvements in the worldwide network of shipping routes could have a profound impact on the economy of Northeastern Pennsylvania. The \$5.2 billion expansion of the Panama Canal is an important development in international trade. The amount of goods traveling the Canal has increased sharply over the past several decades. The expanded Panama Canal is expected to become the primary trade route for liquefied natural gas from the U.S. to Asia. This bodes well for the economic impact of Marcellus Shale gas and the economy of Northeastern Pennsylvania. This reiterates the importance of overseas shipping of shale gas from Northeastern Pennsylvania. The ability of Marcellus Shale gas to compete for Asian demand within the global economy will ultimately determine the impact of the Panama Canal on the local area.



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Conclusion

The Institute believes that Northeastern Pennsylvania could be primed for significant economic growth. Of the hypothesized growth factors, each will contribute to overall economic growth to varying degrees. One of the most important drivers of future growth is likely to be the Marcellus Shale formation and potentially the Utica and Devonian Shale formations.

Better access to global markets for natural gas and other products, thanks to the Panama Canal expansion project and port improvements along the Eastern Seaboard, will help the region grow. NEPA with its location and proximity to major markets and transportation infrastructure lends itself to be a major hub for expanded logistics

The population of the region is likely to continue growing at a moderate pace, thanks to the "Westward" migration into NEPA from elsewhere. The affordable cost of living and strong quality of life has led to population migration from New York, New Jersey, the Philadelphia and Lehigh Valley areas consistently since 2002 (earlier in the Poconos). Many workers continue to work in those areas while many are now filling local jobs. Workers will continue to move into the area to fill the numerous job vacancies in the natural gas industry, and the relatively low cost of living and small town character of the area is attractive to people who work in Northern New Jersey, New York City, or Southeastern Pennsylvania.

Further immigration from Latin and South America, eastern Europe, Russia, and India show growth and diversity occurring in Northeastern Pennsylvania – again! In the early 1900s, growth came primarily from western and eastern European countries and developed the rich ethnically diverse region prevalent from the 1920s to the early 2000s. A renaissance in immigration has begun a new and promises to bring as many additions to cuisine, retail, events, and entertainment as the prior immigration wave.

A significant increase in population will grow the overall size of the regional economy as new residents spend money locally. The movement of retiring Baby Boomers into the area is the least likely of these factors to have a large economic growth impact. NEPA faces stiff competition from other states and regions in attracting this cohort, but possesses some helpful attributes, so a moderate growth effect from Baby Boomer in-migration is certainly not impossible. Overall, Northeastern Pennsylvania could be poised for economic prosperity.

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