

Job Sprawl in Northeast Pennsylvania

A Rebuttal of the Brookings Institution Report on Job Sprawl
Revisited

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The Institute for Public Policy & Economic Development

The **INSTITUTE** for

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*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*

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Introduction

A report released in spring 2009 by The Brookings Institution (“Brookings”), a Washington, D.C. based public policy organization, focused on job sprawl trends across 98 of the largest U.S. metropolitan areas. The report concluded that the Scranton/Wilkes-Barre metro region was ranked as the second most decentralized area, with considerable job sprawl. Further, the report concluded that the City of Wilkes-Barre is actually a suburb of Scranton, which further contributes to the sprawl.

The Brookings study also found that:

- 21% of employees in nation’s top metro areas worked within three miles of downtown, while twice as many work more than ten miles away from downtown.
- Job locations within metro areas varied across industries.
- 95 of 98 metro areas experienced a decline in jobs within three miles of the urban core.
- From 1998 to 2006, in nearly every major industry, jobs shifted away from the city center.

The diffusion of jobs into the suburbs is associated with a variety of issues that affect an urban core’s economy, environment, and social inclusion. As highlighted in the Brookings study, job sprawl:

- Decreases inter-firm and worker interaction, thus reducing the rate of innovation;
- Further disconnects under-represented groups from job opportunities; and
- Places additional strain on existing infrastructure as well as increases infrastructure costs.

As previously stated, the Brookings study ranked the Scranton/Wilkes-Barre metro area as the second most decentralized among small employment center metros.¹

Northeast Pennsylvania has been experiencing suburban sprawl but the trend is not unique to the area. An increase in land development accompanied by an expansion of the urban population into the suburbs and rural areas has grown consistently since the 1980s.² During the 1990’s, the

total number of acres developed statewide increased by 53.6%, while the population increased by just 3.4%. From 1940 to 2000, housing in Pennsylvania increased by 100.2%, while total population increased by just 24%.³

Recognizing the importance of the city center for development and the adverse effects associated with its decline, Wilkes-Barre and Scranton have made significant strides in revitalizing their downtowns - transforming them into a hub of economic activity. Proper analysis of the Wilkes-Barre and Scranton area reflects this effort. Appropriate analysis reveals that the level of employment at central business districts for both cities has steadily increased.

This report explains the methodology used in the Brookings report and demonstrates how such methodology does a disservice to the Scranton/Wilkes-Barre metro area, and many other metro areas around the U.S by focusing on population as opposed to jobs. This region has two strong core cities and strong second ring communities that have been established for a number of years.

Methodology

In formalizing its methodology, Brookings used some existing criteria and identified other factors to apply to all metro areas when determining the Central Business District (CBD). For a city's employment center to be considered a CBD, it must first be listed in the official metro area name. Other cities mentioned in the official metro area may be considered to contain a CBD if such cities meet the following three conditions:

1. Population over 100,000;
2. Contain a CBD identified in the 1982 Census Retail Trade; and
3. Zip codes that lie within the CBD must contain at least half of the number of jobs found in the primary CBD's zip codes.

Once a CBD is identified, three rings are drawn around the employment center. The first ring lies three miles from the CBD center, the second ring lies ten miles out, and the third ring is 35 miles out. The area within the first ring is called the "core"; the core identifies the extent to which

the city has an employment center. The second ring serves to reveal the extent of job sprawl within the metro area. The third ring bounds the metro for those metro areas that extend beyond the 35 mile ring. Next, the zip codes or portion of zip codes that lie within the rings are identified. Using the U.S. Census' Zip Code Business Patterns look up, each zip code is searched for the years 1998, 2000, 2002, 2004, and 2006.⁴ Zip Code Business Patterns provide the number of employees within that zip code for a given year.⁵

The Brookings report identified Scranton as the region's CBD and Wilkes-Barre as a suburb lying within Scranton's outer ring. Wilkes-Barre was classified as a suburb of Scranton because, although the city met criteria two and three, it did not meet the first criterion — population greater than 100,000. By classifying Wilkes-Barre in this way, the job share outside of Scranton's CBD was high, as it included Wilkes-Barre's employment center. Therefore the region appears much more decentralized. As a matter of fact, Wilkes-Barre City is ranked in the top five of Pennsylvania downtowns, with the largest working population.

Brookings used some of the methodology from Glaeser, Khan, and Chu, from another study, and created additional criteria for determining CBDs; as such, the standard used misrepresents the Scranton/Wilkes-Barre metro area as well as other metro areas with unique situations —multiple central business districts.

An alternative analysis would be more appropriate. A more suitable analysis for the metropolitan statistical area would hold the magnitude of the metro area's downtown working population instead of total city population as a criterion. Going by population can be misleading since a city may be heavily populated, yet not be a center for employment, (i.e., Detroit, MI). The opposite is also true. A city may have a population of less than 100,000, but if a significant portion or magnitude of people works in that city's downtown, which is an employment center (i.e., Nashville-Davidson, TN). Nashville-Davidson meets the population criteria by having had a population of 552,120 in 2006.⁶ As a share of total population, 24% of people in the metro area work within three miles of the CBD. Wilkes-Barre, with a population of 41,288 in 2006⁷, which is 7.5% of the Nashville-Davidson population, has 22.6% of its population working downtown. By creating a new analysis that uses magnitude of employment rather than population as the first criterion, Wilkes-Barre meets all criterion to be considered its own CBD. The appendix includes

tables of the downtown working populations by zip code within the three and ten mile rings over time, as well as a table depicting average establishment size by number of employees.

In addition, an alternative analysis focusing on Wilkes-Barre and Scranton as their own individual employment centers should only extend the outer ring as far out as ten miles for each city. Scranton and Wilkes-Barre are too close in proximity to measure a 35-mile ring around each of their CBDs. The appropriate outer boundary should be ten miles, considering there is a distance of 20 miles between the cities. Outside of the ten-mile boundary, the zip codes within each city’s 35-mile ring overlap. Such overlap would cause the employees of those zip codes to be counted for both cities.

After the Brookings Institution released the report, there was significant frustration expressed to Brookings by informed stakeholders. Brookings then prepared and distributed an “alternate” methodology to be used for regional purposes. This alternate methodology depicted below identified both Scranton and Wilkes-Barre as Central Business Districts.

Original analysis:

	3 miles	3-10 miles	10-35 miles
1998	24.7%	22.4%	52.9%
2006	24%	24.0%	52%
Change	-0.7%	1.6%	-0.9%

Alternate Methodology

	3 miles	3-10 miles	10-35 miles
1998	48.8%	31.1%	20.1%%
2006	46.9%%	32.5%	20.6%%
Change	-1.9%	1.4%	.5%

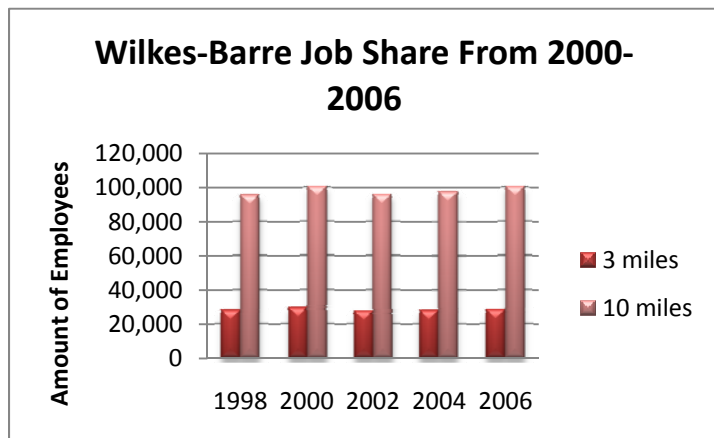
What the alternative analysis shows, – contrary to Brookings original report – we actually have an extremely dense concentration of jobs in our traditional urban cores – one of the densest, in fact, to be found in the MSAs studied by Brookings – but there is a small but worrisome migration of employment away from those two CBD cores (1.9% decrease in employment within the 3-mile ring; 1.9% increase in employment beyond the three-mile ring around the two core CBDs). Some of that trend is surely due to the rise of Industrial parks around the region. This analysis, then, should serve as a call for us to continue the “reinforcement of the urban core” work noted by The Institute in this study.

Findings

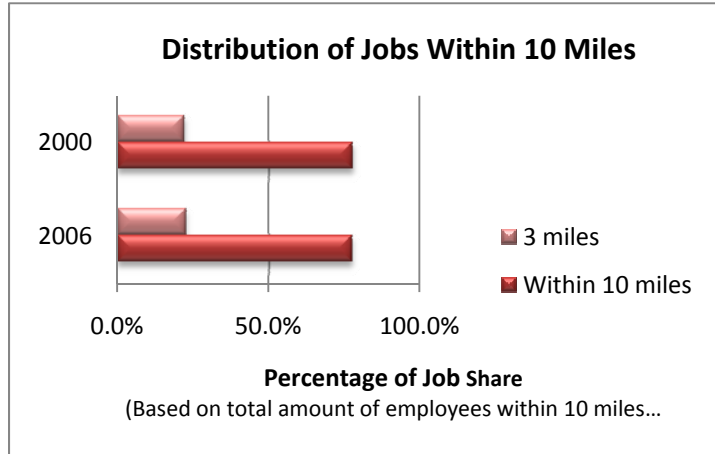
Wilkes-Barre

As a proportion of total population, Wilkes-Barre has a high job share in the inner ring, making it as much a CBD as Scranton. For example, 28,476 people (or 68.9% of the city’s population) work downtown. Wilkes-Barre has a population of 40,000, yet within the outer ring of the city (10-35 miles out), there is double the number of employees. From 1998 to 2006, employment in both rings has been steadily increasing. In 1998, 28,109 people worked in downtown Wilkes-Barre, compared with 28,476 people in 2006 who worked within three miles of the city’s employment center. This represents a 1.7% increase from 2000 and 2006. Such increase is significant considering the population decreased 4.0% since 2006.

These findings indicate that a significant number of people work within the “urban core” as well as within ten miles of the city’s CBD. Wilkes-Barre has been successful in attracting employees through extensive renovations and commercial development in its downtown area. The Innovation Center, located on the city’s Main Street near the Public Square, houses Barnes and Noble and approximately ten start-up businesses.



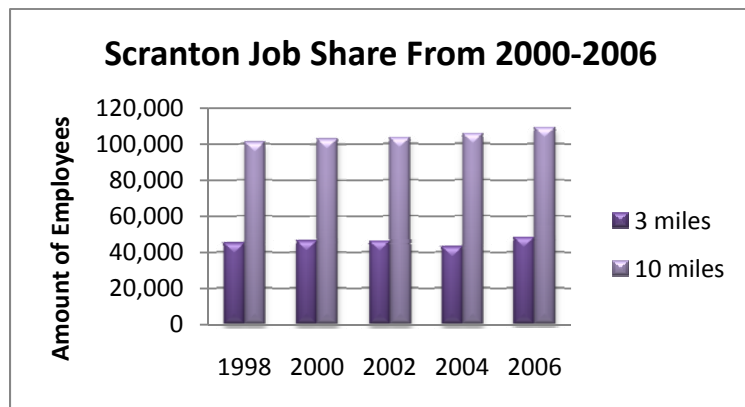
The Northampton and Main Streets project is a revitalization of a city block that is home to a new theatre, loft apartments, and retail stores. It also contains many new office spaces, which, together, represent the largest concentration of office space in all of Northeastern Pennsylvania.



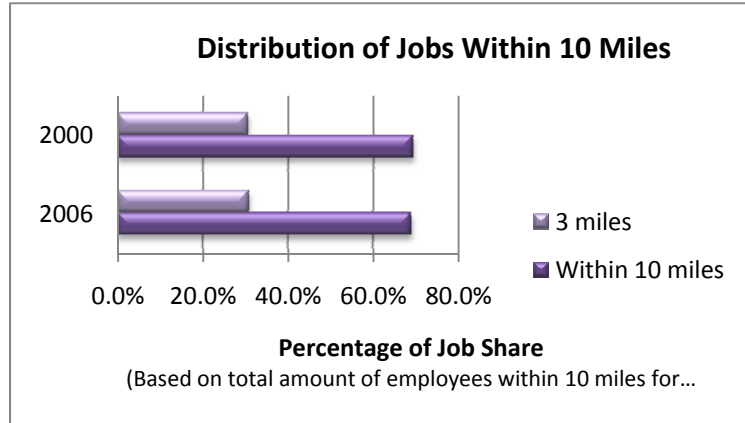
Scranton

The city of Scranton experienced a significant population decline from 2000 to 2006. In 2000, the city’s population was 76,415. By 2006, the population decreased by 4.6% to 72,861. Despite such decline, the downtown working population increased by almost 9% during this same time period. The working population between three and ten miles of Scranton’s CBD increased 10% by 2006, compared to the number of employees in 2000. For 1998, 2000, 2002, 2004, and 2006, the average change in the number of employees within three miles of the CBD was 1.9%. For employees within three to ten miles of the city’s CBD throughout those same years, the average change was similar - at 2%.

Scranton has seen positive growth in both its number of employees within three and ten miles of the CBD. Just like Wilkes-Barre, Scranton made and will continue to make revitalization and development efforts. The Scranton Plan 2009/2010 Program of Work includes bringing new companies into the area, attracting \$50 million in new capital investment – expected to create 1,600 jobs in



Lackawanna County, and continue job retention efforts through the Pennsylvania Business Retention and Expansion Program.⁸



Conclusion

It was necessary Brookings to develop criteria that can define CBDs of all metro areas, but the methodology used cannot be rightfully applied the Scranton/Wilkes-Barre metro area. The fact that a CBD is judged based, in part, by population automatically disqualified Wilkes-Barre as an employment center. Judging Wilkes-Barre as a suburb and not an employment center because it has under 100,000 residents does not reflect the real state of job sprawl in Scranton and Wilkes-Barre. Although both cities are economically interdependent upon each other and part of a greater region, they each have their own thriving employment centers, which the original methodology ignores. Both cities are equally as important as a CBD. Aware of the effects that population and urban decline can have on the economic development of a city, revitalization efforts have helped to attract businesses and job into the city's urban core. Wilkes-Barre has a high job share in the inner ring, making it as much a CBD as Scranton. Employment in both rings has been steadily increasing. The city of Scranton experienced a significant decline, but, despite this, its downtown working population has increased by an astonishing 9% from 1998 to 2006. Using an alternative methodology tailored to our unique area's situation reveals that the area has been defying the job sprawl trend. The region has a very dense concentration of employment in our central business districts and that is an asset worth protecting.

Endnotes

- ¹ Kneebone, Elizabeth. Job Sprawl Revisited: The Changing Geography of Metropolitan Employment. *Brookings.edu*. The Brookings Institute. April 2009. Web.
- ² State Land Use and Growth Management Report 2005. *newPA.com*. PA Governors Center for Local Government Services. 2005. Web.
- ³ State Land Use and Growth Management Report 2005.
- ⁴ Kneebone.
- ⁵ County Business Patterns. *Census.gov*. U.S. Census Bureau. Last revised: June 09, 2009. Web.
- ⁶ State and County Quick Facts. *Census.gov*. U.S. Census Bureau. Last revised: May 05, 2009. Web.
- ⁷ State and County Quick Facts.
- ⁸ Works in Progress: Revitalize, Reinvent, Restore. The Greater Wilkes-Barre Chamber of Business and Industry. June 2005.
- ⁹ The Scranton Plan. The Greater Scranton Chamber of Commerce. *Scrantonchamber.com*. 2009. Web.

Appendix

Wilkes-Barre						
Number of Employees Within 3 Miles						
		1998	2000	2002	2004	2006
Wilkes-Barre	18701	6,936	7,259	6,628	7,330	7,123
Wilkes-Barre	18702	1,342	26,463	23,810	24,976	25,380
Wilkes-Barre	18703	1,655	1,856	1,020	1,622	1,273
Kingston	18704	12,011	12,908	11,961	11,182	12,007
Wilkes-Barre	18705	3,504	3,505	3,205	3,185	3,291
Wilkes-Barre	18710	70	32	2	33	32
Wilkes-Barre	18711	5,404	4,897	4,210	4,996	4,318
Wilkes-Barre	18762	431	445	714	714	716
Wilkes-Barre	18764	2,162	2,201	2,392	2,477	2,475
Wilkes-Barre	18765	431	445	714	714	716
Wilkes-Barre	18766	8	22	13	75	106
Wilkes-Barre	18773	900	634	831	712	738
Totals		34,854	60,667	55,500	58,016	58,175
Number of Employees Within 10 Miles						
		1998	2000	2002	2004	2006
Bear Creek	18602	86	67	79	45	27
Dallas	18612	4,673	5,755	6,110	5,398	5,331
Lehman	18627	107	102	84	78	78
Nanticoke	18634	2,286	2,326	2,259	2,343	2,215
Pittston	18640	9,483	8,984	9,126	9,808	11,007
Pittston	18641	1,673	1,790	1,640	1,655	1,622
Duryea	18642	1,566	1,389	1,274	1,261	1,131
Pittston	18643	4,121	4,034	4,658	4,558	4,340
Wyoming	18644	1,868	2,055	1,823	1,921	2,052
Plymouth	18651	1,228	1,260	1,085	1,005	1,053
Wilkes-Barre	18706	2,591	4,179	4,955	4,751	6,008
Mountain Top	18707	4,491	4,426	4,642	4,490	4,898
Shavertown	18708	1,208	1,326	1,290	1,249	1,307
Luzerne	18709	1,087	1,775	1,181	928	916
Totals		36,468	39,468	40,206	39,490	41,985

Source: County Business Patterns.

Scranton						
Number of Employees Within 3 Miles						
		1998	2000	2002	2004	2006
Scranton	18501	2,851	3,488	2,173	1,832	2,025
Scranton	18502	17	36	33	16	2
Scranton	18503	8,677	8,900	8,828	8,624	9,214
Scranton	18504	3,765	3,754	4,041	3,748	4,110
Scranton	18505	6,388	5,932	5,770	6,520	6,528
Scranton	18508	6,734	6,711	6,873	7,860	8,275
Scranton	18509	6,045	6,706	6,551	6,244	6,424
Scranton	18510	8,408	8,476	9,665	5,358	8,178
Scranton	18515	679	677	679	679	677
Taylor	18517	1,378	1,542	1,391	1,897	2,560
Scranton	18540	2	2	7	3	7
Totals		44,943	46,224	46,010	42,781	48,000
Number of Employees Within 10 Miles						
		1998	2000	2002	2004	2006
Archibald	18403	2,115	2,030	1,493	1,525	1,626
Chinchilla	18410	482	369	324	303	252
Clarks Summit	18411	7,476	7,827	7,639	8,237	8,420
Dalton	18414	624	498	412	423	474
Elmhurst	18416	276	324	337	351	267
Jessup	18434	731	734	1,070	1,287	1,329
Moscow	18444	1,408	1,709	1,549	1,605	1,617
Olyphant	18447	2,359	2,658	2,319	2,371	2,421
Olyphant	18448	2,359	2,658	2,319	2,371	2,421
Peckville	18452	1,072	1,069	1,263	1,248	1,102
Waverly	18471	163	226	150	188	207
Moosic	18507	4,587	5,553	6,345	7,927	7,559
Dunmore /Scranton	18512	10,452	9,882	9,173	10,876	8,347
Old Forge	18518	2,048	2,086	2,233	2,293	2,107
Dickson City	18519	3,070	3,224	3,986	4,613	4,762
Pittston	18640	9,483	8,984	9,126	9,808	11,007
Pittston	18641	1,673	1,790	1,640	1,655	1,622
Duryea	18642	1,566	1,389	1,274	1,261	1,131
Pittston	18643	4,121	4,034	4,658	4,558	4,340
Totals		56,065	57,044	57,310	62,900	61,011

Source: County Business Patterns.

2006-2002 National Average Employment Figures by Establishment Size

Establishment Size (number of employees)	Average Number of Employees Per Establishment Size					
	2006	2005	2004	2003	2002	Average
1 to 4	1.5	1.5	1.5	1.5	1.5	1.5
5 to 9	6.6	6.6	6.6	6.6	6.6	6.6
10 to 19	13.5	13.5	13.5	13.5	13.5	13.5
20 to 49	30.2	30.2	30.2	30.2	30.2	30.2
50 to 99	68.7	68.7	68.7	68.8	68.8	68.7
100 to 249	149.6	149.7	149.8	149.6	149.7	149.7
250 to 499	341.9	341.7	341.7	341.8	340.7	341.6
500 to 999	676.8	677.4	676.5	678.4	677.1	677.2
1,000 or more	2104.1	2096.9	2110.6	2125.8	2123.2	2112.1

Source: U.S. Bureau of Labor

Private industry by super sector and size of establishment: Establishments and employment, first quarter 2002, 2003, 2004, 2005, and 2006.

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