

## Profile 4 - Economic Profile

### Introduction

The growth and sustainability of Mercer County is largely dependent on its existing economic structure and relationship to regional and national market conditions. Areas having a sound economic structure possess the potential for continued growth and development. As employment opportunities increase, the population and general development activity of an area also increases, as well as the total wages and salaries paid. The resulting increase in disposable income places a greater demand on the provision of goods and services sold within the area, thus strengthening the local economy.

### Regional Setting and Background

- **Mercer County lies at the crossroads of two mid-Atlantic interstate corridors.** Located in western Pennsylvania at the juncture of Interstates 79 and 80, Mercer County lies between the metropolitan centers of Pittsburgh, Erie, and Cleveland, and along the interstate travel corridors between Columbus, Chicago, Buffalo and New York City. Table 4-1 shows the distance from Mercer, the County seat and near geographic center, to various major metropolitan centers.

**Table 4-1 Distance from Mercer PA to Major Metropolitan Areas**

Pittsburgh PA	65 miles
Erie PA	70 miles
Cleveland OH	95 miles
Buffalo NY	160 miles
Columbus OH	195 miles
New York City NY	370 miles
Chicago IL	425 miles

Mercer County was settled in the late 1700s and early 1800s by European immigrants from Ireland and Scotland. These early residents established farms, mills and community centers to support their social and economic needs. Coal and iron were discovered in Mercer County in the mid 1800s, which led to mining, processing and refining activities. Iron works expanded to manufacture and mold steel products, such as engines, transformers, pipes, valves, fittings, etc., in support of general industry and wartime needs. Steel manufacturing continued to lead the County's economy until the late 20<sup>th</sup> century and spurred the development of supporting and service industries.

- **Today, these service industries—health care, education, and other social and government services—lead economic activities in terms of employment,** accompanied by several steel and utility manufacturing and retail corporations, including Werner Company (ladders and climbing equipment), John Maneely Company (parent company for Wheatland Tube and Seminole Tubular Products, manufacturer of steel pipe fittings and steel electrical tubular conduit fittings), Wal-mart and Duferco Farrell Corporation (manufacturer of hot-

rolled bands, cold-rolled sheet, low carbon cold-rolled sheet, and high strength low alloy steels) among others. Table 4-2 lists the Top 20 Leading Employers in Mercer County (2002) as reported by Penn Northwest Development Corporation.

**Table 4-2 Leading Employers, 2002**

Rank	Employer	Rank	Employer
1	Sharon Reg. Health System	11	Sharon School District
2	Horizon Hospital System Inc.	12	Sharon Tube Company
3	Werner Co.	13	General Electric Company
4	John Maneely Co.	14	Hermitage School District
5	Wal-Mart Associates Inc.	15	Pennsylvania Department of Corrections
6	Duferco Farrell Corp.	16	Grove City Area School District
7	George Junior Republic Inc.	17	Mercer County
8	United Community Hospital	18	St Paul Homes
9	U.S. Investigations Services Inc.	19	Farrell Area School District
10	Grove City College	20	Thomas & Betts Corporation

Source: Penn Northwest

## Labor Force

Labor force participation is a measure of the percentage of residents 16 years and older who are eligible for employment. See Tables 4-3 and 4-4 for labor force statistics for Mercer County, the surrounding counties and Pennsylvania.

- **More Mercer County residents were working in 2000 than in 1990.** Mercer County's total labor force participation was 58.1 percent in 2000, and identical to both Lawrence and Venango Counties. Total participation increased by just over 2.0 percent from 1990 to 2000. The County had the lowest male labor force participation (65.1 percent) of the surrounding counties. This percent declined from 66.3 percent in 1990 to 65.1 percent in 2000. The County's female labor force participation (51.7 percent) ranked fifth among surrounding counties, and increased by nearly 5.0 percent between 1990 and 2000. These statistics reflect an older community comprised of many senior and retired residents who do not participate in the labor force, as well as a greater percentage of women over the age of 16 years who work outside the home.

**Table 4-3 Labor Force Participation, 1990-2000**

Persons 16 years and Older	1990			2000		
	% Males in LF	% Females in LF	Total % in LF	% Males in LF	% Females in LF	Total % in LF
Pennsylvania	71.7	52.8	61.7	69.2	55.3	61.9
Mercer County	66.3	46.8	56.0	65.1	51.7	58.1
Bulter County	73.6	50.5	61.6	73.2	54.7	63.6
Crawford County	70.1	48.9	59.0	67.7	51.8	59.3
Lawrence County	66.1	43.6	54.0	67.0	50.3	58.1
Venango County	66.9	47.1	56.5	66.5	50.2	58.1
Mahoning County	67.2	47.3	56.5	65.0	52.7	58.5
Trumbull County	71.4	51.1	60.6	67.3	52.9	58.5

Source: U.S. Census Bureau

**Table 4-4 Civilian Labor Force Characteristics  
(Civilian Employment = Persons 16 Years and Older)**

Municipality	Total Civilian Labor Force		Civilian Labor Force Unemployment		Civilian Labor Force Unemployment Rate	
	1990	2000	1990	2000	1990	2000
Pennsylvania	5,790,534	5,992,886	314,611	339,386	5.4	5.7
Mercer County	53,690	55,495	3,663	3,353	6.8	6.0
Butler County	72,875	86,346	4,098	3,812	5.6	4.4
Crawford County	39,145	42,016	3,311	2,502	8.5	6.0
Lawrence County	41,161	43,715	3,357	2,680	8.2	6.1
Venango County	25,909	26,386	2,051	1,899	7.9	7.2
Mahoning County, OH	117,079	118,910	10,646	7,536	9.1	6.3
Trumbull County, OH	106,980	105,575	8,172	6,029	7.6	5.7

Source: U.S. Census Bureau

Mercer County's labor force participation trends are similar to state and regional trends for 1990-2000, reflecting increases in total and female participation and decreases in male participation. Lawrence County is the only exception, where male participation increased from 1990-2000.

- **Mercer County had a slight increase in the number of persons eligible for employment from 1990 to 2000.** Civilian labor force statistics reflect those persons 16 years and older who participate in non-military employment. The civilian labor force has generally increased across Pennsylvania and Mercer County, as well as in surrounding counties, with one exception—Trumbull County, OH. Changes in civilian labor force participation between 1990 and 2000 ranged from -1.3 percent in Trumbull County, OH to 18.5 percent in Butler County. Mercer County's change in civilian labor force was a 3.4 percent increase.
- **Of those who were eligible to work, more residents were employed in 2000 than in 1990.** Civilian labor force unemployment is the number of persons 16 years and older who are unemployed. Mercer County and its surrounding counties experienced a decline in the

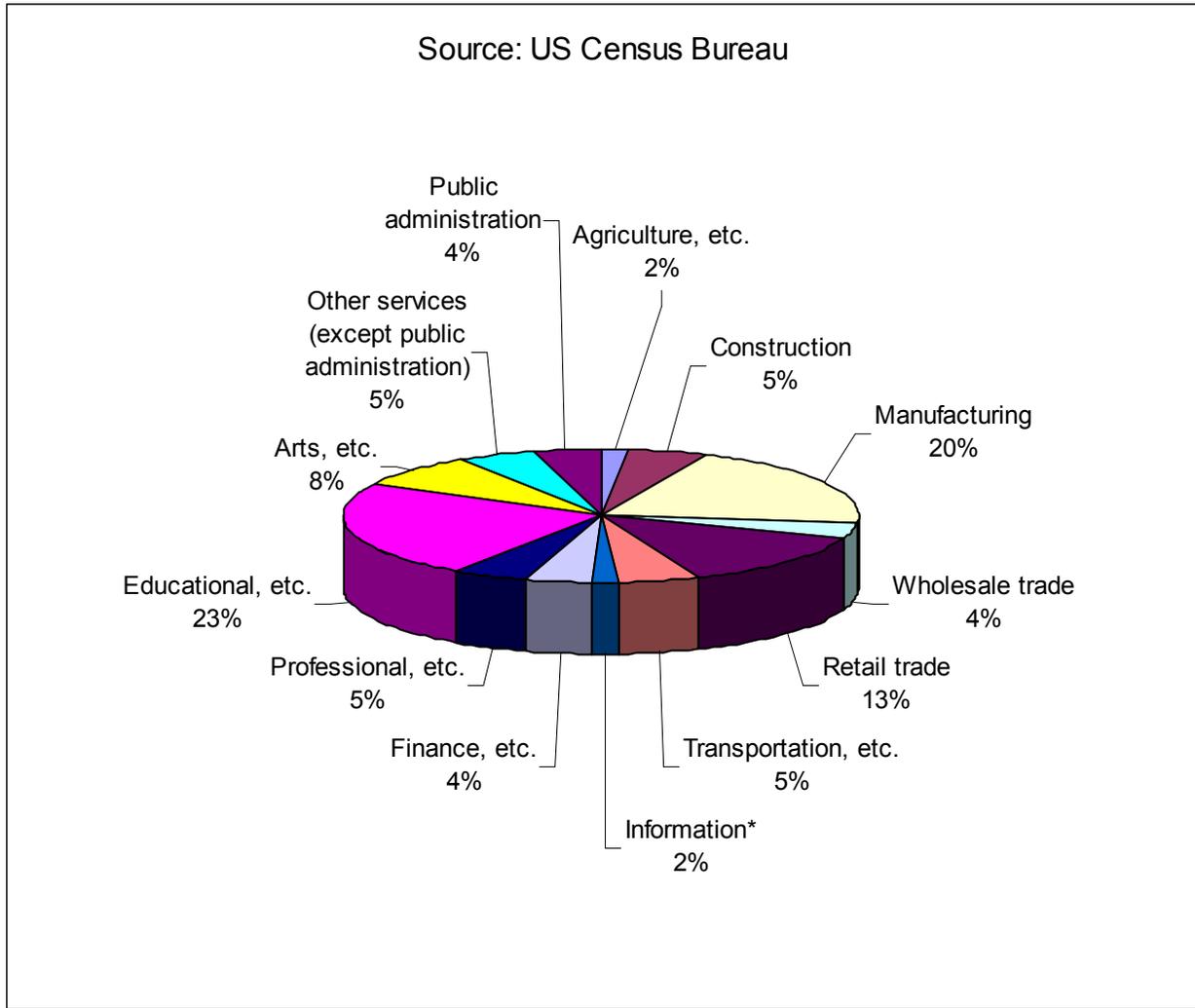
number of unemployed civilian labor force persons from 1990 to 2000, while Pennsylvania as a whole showed an increase in unemployment. Mahoning County, OH experienced the largest decrease in unemployment—a decrease of 2.8 percent. Mercer County’s civilian unemployment had one of the smaller but still beneficial decreases in unemployment—a decline of 0.8 percent from 1990 to 2000.

## **Resident Employment by Major Industry**

Resident employment refers to the employment characteristics of residents 16 years and older of the surveyed community, regardless of whether they work within the community or elsewhere. Analysis of resident employment by major industry enables comparison of the distribution of employed residents across industry type. Resident employment statistics by major industry are given in Table 4-5 and shown in Figure 4-1 and 4-2.

- **Serving people and making products are the focus of Mercer County’s economy.** Mercer County’s leading major industries and their respective percentages of the labor force are education, health, and social services (23.7 percent); manufacturing (20.1 percent) and retail trade (13.4 percent). Together these three major industries employ 57.2 percent of the County’s work force. These industries are also the leading industries across Pennsylvania and the surrounding counties. Mercer County’s resident employment is higher in each of these industries than Pennsylvania as a whole, and on par or slightly higher than the surrounding counties. The County’s resident employment in finance, insurance, real estate, and rental and leasing, and in professional, scientific, management, administrative, and waste management services is lower than that of Pennsylvania, and in the lower range of the values for the surrounding counties.

Figure 4-1 Employment by Industry, 2000



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**Table 4-5 Resident Employment by Industry,  
Employed Persons 16 Years and Over, 2000**

	By Number of Employees							
	Pennsylvania	Mercer County	Butler County	Crawford County	Lawrence County	Venango County	Mahoning County, OH	Trumbull County, OH
<b>Total:</b>	5,653,500	52,142	82,534	39,514	41,035	24,487	111,374	99,546
Agriculture, forestry, fishing and hunting, and mining	73,459	850	1,093	1,386	540	431	765	639
Construction	339,363	2,642	5,585	2,352	3,037	1,258	6,279	5,096
Manufacturing	906,398	10,501	15,132	10,384	6,943	4,860	20,794	28,435
Wholesale trade	201,084	1,984	3,621	864	1,626	673	4,415	2,704
Retail trade	684,179	6,970	11,480	4,373	5,463	3,380	15,210	12,622
Transportation and warehousing, and utilities:								
Information	304,335	2,594	5,058	1,705	2,943	1,448	5,208	4,335
Finance, insurance, real estate and rental and leasing	148,841	835	1,809	612	748	377	2,430	2,022
Professional, scientific, management, administrative, and waste management services:	372,148	2,179	4,080	1,162	2,080	885	5,666	4,219
Educational, health and social services	478,937	2,425	5,780	1,793	2,243	1,316	7,171	5,665
Arts, entertainment, recreation, accommodation and food services	1,237,090	12,362	16,476	8,351	8,779	5,995	24,761	18,412
Other services (except public administration)	397,871	4,036	6,032	2,832	2,980	1,441	8,705	7,343
Public administration	274,028	2,588	4,257	2,124	1,982	1,245	5,734	4,641
	235,767	2,176	2,131	1,576	1,671	1,178	4,236	3,413

**Figure 4-2 Change in Industry by Employment, 1990-2000**

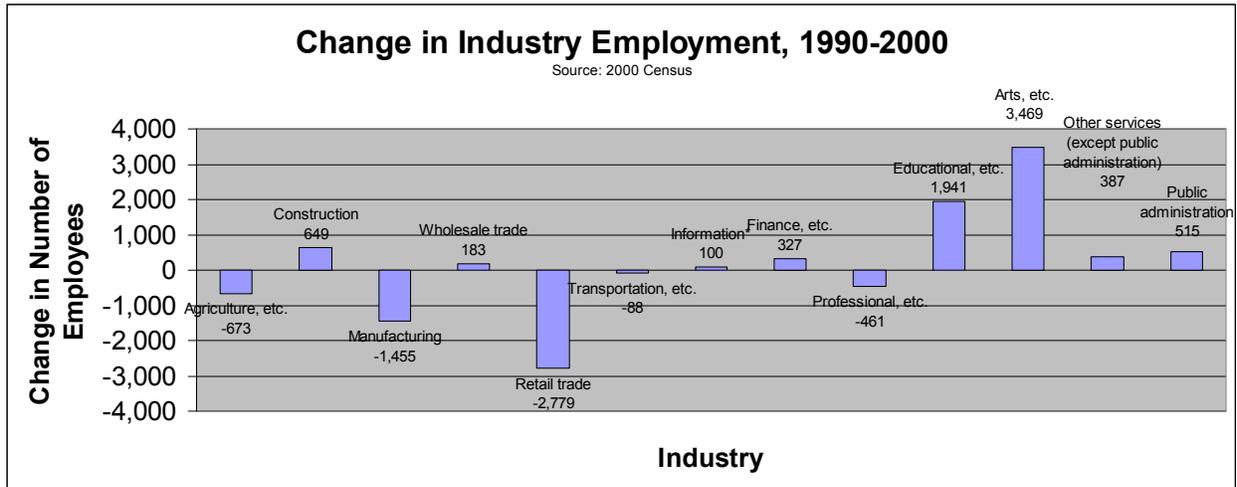


Table 4-6 presents average annual wage information for industrial sectors in Mercer County and Pennsylvania in 1999.

- **Manufacturing pays the highest wages in the County.** The average annual wage across all industrial sectors in Mercer County was \$24,804. Manufacturing offered the highest average annual wage (\$34,788) of all industrial sectors. Public administration ranked second with an average annual wage of \$33,436. Construction ranked third with an average annual wage of \$31,824.
- **Mercer County's average annual wages are lower than those of Pennsylvania** by as little as \$4,316 for the construction industry and as much as \$15,600 for the wholesale trade industry. Alternatively, looking at the difference in value as a percentage, Mercer County's wages range from 12 percent (construction) to 40 percent (arts, entertainment, recreation, accommodation and food services) lower than those of Pennsylvania. As a result, businesses have a lower payroll costs (one cost of doing business) in Mercer County, and resident employees have lower incomes (one measure of quality of life) than most other areas of Pennsylvania.

**Table 4-6 Industries and Wages in Mercer County, 1999**

Industry Sector	Mercer County		Pennsylvania		Difference in annual wage value	
	% Labor Force	Annual Wage	% Labor Force	Annual Wage	\$	%
Educational, health and social services	23.7%	\$25,688	21.9%	\$30,524	\$4,836	16%
Manufacturing	20.1%	\$34,788	16.0%	\$41,080	\$6,292	15%
Retail trade	13.4%	\$13,104	12.1%	\$16,484	\$3,380	21%
Arts, entertainment, recreation, accommodation and food services	7.7%	\$10,816	7.0%	\$18,148	\$7,332	40%
Construction	5.1%	\$31,824	6.0%	\$36,140	\$4,316	12%
Transportation and warehousing, and utilities	5.0%	\$31,304	5.4%	\$40,560	\$9,256	23%
Other services (except public administration)	5.0%	n/a	4.8%	n/a	n/a	n/a
Professional, scientific, management, administrative, and waste management services	4.7%	n/a	8.5%	n/a	n/a	n/a
Finance, insurance, real estate and rental and leasing	4.2%	\$32,084	6.6%	\$45,084	\$13,000	29%
Public administration	4.2%	\$33,436	4.2%	\$45,448	\$12,012	26%
Wholesale trade	3.8%	\$26,468	3.6%	\$42,068	\$15,600	37%
Agriculture, forestry, fishing and hunting	1.5%	\$16,068	1.0%	\$21,476	\$5,408	25%
Mining	0.1%	\$31,096	0.3%	\$45,136	\$14,040	31%
Information	1.6%	n/a	2.6%	n/a	n/a	n/a
All Industries	100.0%	\$24,804	100.0%	\$32,292	\$7,488	23%

Source: U.S. Census Bureau, 2000 STF3A  
Pennsylvania Covered Employment, Annual 1999

## Resident Employment by Occupation

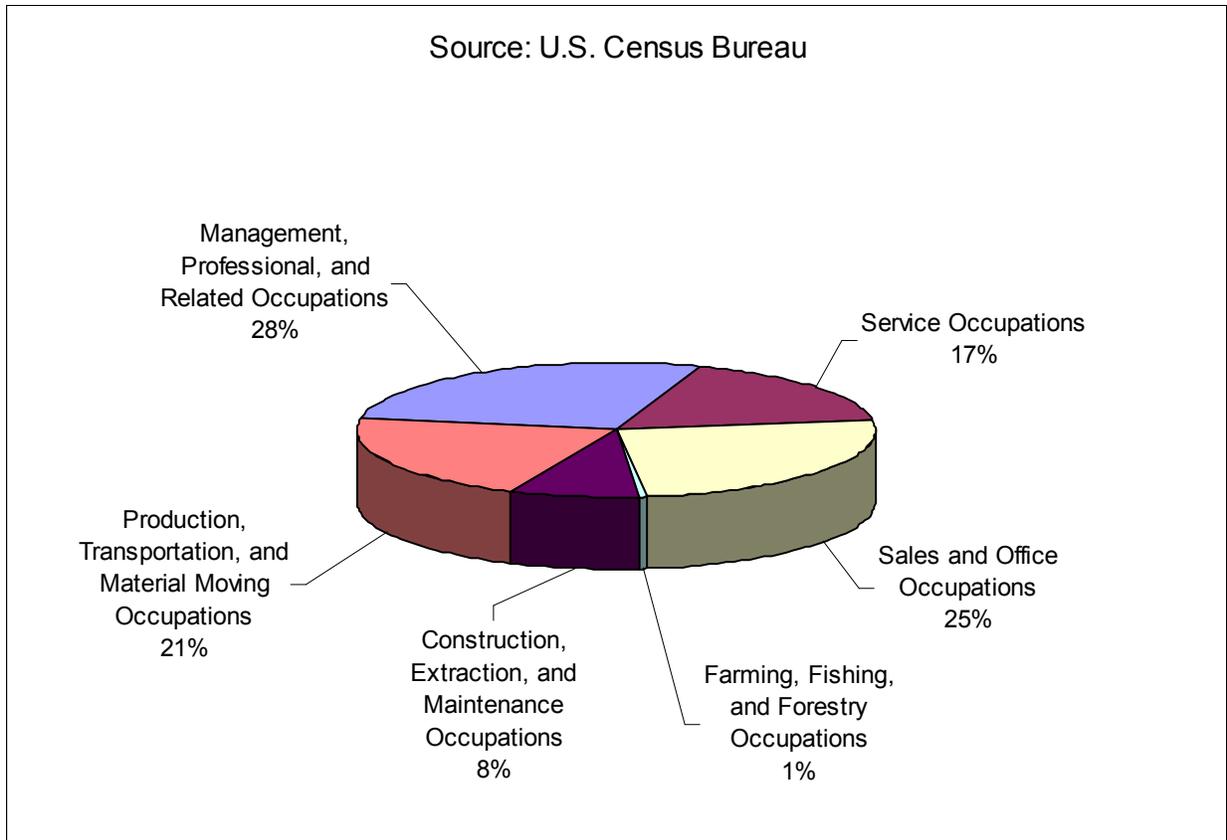
Resident employment by occupation statistics refer to the type of occupation or position a person (again, 16 years and older) holds. Occupations are classified among six types: management, professional and related occupations; service occupations; sales and office occupations; farming, fishing and forestry occupations; construction, extraction, and maintenance occupations; and production, transportation, and material moving occupations. Such statistics for Mercer County, the surrounding counties and Pennsylvania are given in Table 4-7 and shown in Figure 4-3.

- Leading County occupations correspond with leading industries.** Across Mercer County, the surrounding counties, and Pennsylvania, the leading occupational types are management, professional and related occupations; sales and office occupations; and production, transportation, and material moving occupations. These occupational types rank as one, two and three, respectively in Pennsylvania, Mercer County, Butler County, and Venango County. Management, professional and related occupations; and sales and office occupations co-lead in Lawrence County. Sales and office occupations lead in Mahoning County, OH, and production, transportation, and material moving occupations lead in Trumbull County, OH.

Mercer County's employment in management, professional and related occupations (27.6 percent); and sales and office occupations (25.3 percent) is similar to Venango County (25.5

percent and 24.0 percent, respectively), and slightly lower than that of Butler County (32.0 percent and 25.9 percent, respectively) and Pennsylvania as a whole (32.6 percent and 27.0 percent, respectively). The County's employment in production, transportation, and material moving occupations (21.0 percent) is again similar to Venango County (23.7 percent), but somewhat higher than that of Butler County (17.0 percent) and Pennsylvania as a whole (16.3 percent).

Figure 4-3 Employment by Occupation, 2000



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**Table 4-7 Employment by Occupation, 2000**

Occupation		Pennsylvania		Mercer County		Butler County		Crawford County	
		#	%	#	%	#	%	#	%
WHITE COLLAR	Management, Professional, and Related Occupations	1,841,175	32.6	14,392	27.6	26,394	32.0	10,438	26.4
	Service Occupations	838,137	14.8	9,001	17.3	12,163	14.7	6,189	15.7
	Sales and Office Occupations	1,525,131	27.0	13,203	25.3	21,348	25.9	8,481	21.5
BLUE COLLAR	Farming, Fishing, and Forestry Occupations	26,722	0.5	319	0.6	365	0.4	548	1.4
	Construction, Extraction, and Maintenance Occupations	500,898	8.9	4,281	8.2	8,264	10.0	3,619	9.2
	Production, Transportation, and Material Moving Occupations	921,437	16.3	10,946	21.0	14,000	17.0	10,239	25.9
<b>Total</b>		<b>5,653,500</b>	<b>100.0</b>	<b>52,142</b>	<b>100.0</b>	<b>82,534</b>	<b>100.0</b>	<b>39,514</b>	<b>100.0</b>
Occupation		Lawrence County		Venango County		Mahoning County, OH		Trumbull County, OH	
		#	%	#	%	#	%	#	%
WHITE COLLAR	Management, Professional, and Related Occupations	10,897	26.6	6,256	25.5	30,003	26.9	24,357	24.5
	Service Occupations	6,240	15.2	4,087	16.7	18,159	16.3	14,936	15.0
	Sales and Office Occupations	10,918	26.6	5,880	24.0	31,074	27.9	24,473	24.6
BLUE COLLAR	Farming, Fishing, and Forestry Occupations	172	0.4	170	0.7	235	0.2	325	0.3
	Construction, Extraction, and Maintenance Occupations	4,329	10.5	2,297	9.4	9,380	8.4	9,388	9.4
	Production, Transportation, and Material Moving Occupations	8,479	20.7	5,797	23.7	22,523	20.2	26,067	26.2
<b>Total</b>		<b>41,035</b>	<b>100.0</b>	<b>24,487</b>	<b>100.0</b>	<b>111,374</b>	<b>100.0</b>	<b>99,546</b>	<b>100.0</b>

Source: U.S. Census Bureau

### Resident Employment by Class of Worker

Resident employment by class of worker classifies employment statistics according to public sector (government), private sector (incorporated business; both for profit and not-for-profit), self-employment and unpaid family workers. See Table 4-8 for statistics on class of worker for Mercer County, the surrounding counties and Pennsylvania.

- **Nearly 11 percent of County resident employees work in the public sector.** Of the remaining majority of Mercer County’s labor force, 71.9 percent is employed in the private sector as for-profit wage and salary workers. Private, not-for-profit wage and salary workers comprise an additional 9.7 percent of the County’s labor force. Workers are typically employees of a private company (69.9 percent), though 2.0 percent of the labor force is self-employed as incorporated businesses. An additional 2.0 percent are self-employed, but not as an incorporated business. Government employees living in Mercer County include local government workers (5.5 percent), state government (4.4 percent), and federal government (1.2 percent). Finally, 0.5 percent of persons 16 years and older are employed as unpaid family workers.

Mercer County’s classes of worker statistics are very similar to those of surrounding counties and Pennsylvania. There are only a few exceptions to the regional and statewide trends. Self-employment is higher in Crawford County. State government employment is much higher in Venango County. Private, not-for-profit workers are less common and local government workers are more common in the Ohio counties.

**Table 4-8 Resident Employment by Class of Worker, 2000**

	Pennsylvania	Mercer County	Butler County	Crawford County	Lawrence County	Venango County	Mahoning County, OH	Trumbull County, OH
Private for-profit wage and salary workers:	72.1	71.9	75.2	68.4	72.6	67.7	74.8	77.1
Employee of private company	69.7	69.9	73.2	66.2	70.3	65.7	72.0	74.4
Self-employed in own incorporated business	2.4	2.0	2.0	2.3	2.4	1.9	2.8	2.7
Private not-for-profit wage and salary workers	10.3	9.7	9.1	9.8	9.2	9.1	8.4	6.9
Local government workers	5.8	5.5	4.5	5.2	5.5	5.6	6.7	6.6
State government workers	3.2	4.4	2.8	5.3	3.6	8.4	3.4	2.5
Federal government workers	2.3	1.2	2.4	1.2	1.9	1.6	1.3	1.3
Self-employed workers in own not incorporated business	6.0	6.8	5.7	9.6	6.7	7.3	5.0	5.3
Unpaid family workers	0.3	0.5	0.3	0.5	0.4	0.4	0.3	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: U.S. Census Bureau

### Place of Work and Journey to Work

Select place of work and journey to work statistics for Mercer County and Pennsylvania are shown in Table 4-9.

- **Almost 10 percent of the County’s resident employees work outside of Pennsylvania.** The vast majority of Mercer County’s labor force (90.8 percent) works with Pennsylvania, however 9.2 percent work outside the Commonwealth, presumably in Ohio. Mercer County residents who work in Pennsylvania tend to work in Mercer County (78.9 percent), though most work outside their local municipality (77.4 percent). Such values are similar to values for Pennsylvania as a whole, with the exception of a higher rate for PA residents working outside the state.
- **Four out of five employees living in Mercer County drive alone to work.** Mercer County residents’ statistics for means of travel for journey to work are generally similar to Pennsylvania, though the County has a much higher percentage of residents that drive alone (83.3 percent compared to 76.5 percent for PA) to work and a much lower percentage using public transportation for their commute (0.3 percent compared to 5.2 percent for PA). Mercer County has a slightly higher percentage of residents who work from home (3.2 percent) than Pennsylvania (3.0 percent).
- **Commuting times for County resident employees is shorter than for most Pennsylvanians.** Mercer County residents’ travel time to work is generally less than that of Pennsylvania residents as a whole. While 44.0 percent of Pennsylvania residents reach their workplace in 19 minutes or less, 59.0 percent of Mercer County residents reach their

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workplace in the same amount of time. Commutes of 20 to 39 minutes are the norm for 27.7 percent of County residents but 34.5 percent of Pennsylvania residents. Finally, 10.0 percent of County residents commute 40 minutes or more, while approaching twice the percent (18.1 percent) of Pennsylvania residents have a 40 minute commute.

**Table 4-9 Place of Work and Journey to Work, 2000**

Category	Total Persons			
	Pennsylvania		Mercer County	
Place of Work	#	%	#	%
Worked in state of residence:	5,298,536	95.4	46,431	90.8
Worked in county of residence	4,023,014	72.4	40,319	78.9
Worked outside county of residence	1,275,522	23.0	6,112	12.0
Worked in minor civil division of residence	1,486,267	26.7	11,543	22.6
Worked outside minor civil division of residence	4,070,044	73.3	39,577	77.4
Worked outside state of residence	257,775	4.6	4,689	9.2
<b>Journey to Work (Mode)</b>				
Car, truck, or van:			47,259	92.4
Drove alone	4,247,836	76.5	42,534	83.2
Carpooled	577,364	10.4	4,725	9.2
Public transportation	289,699	5.2	177	0.3
Walked	229,725	4.1	1,611	3.2
Other means	29,805	0.5	428	0.8
Worked at home	164,646	3.0	1,645	3.2
<b>Journey to Work (Travel Time)</b>				
Less than 5 minutes	196,492	3.5	2,676	5.2
5 to 9 minutes	615,919	11.1	9,275	18.1
10 to 14 minutes	825,199	14.9	10,342	20.2
15 to 19 minutes	836,006	15.0	7,886	15.4
20 to 24 minutes	782,790	14.1	6,107	11.9
25 to 29 minutes	327,459	5.9	2,575	5.0
30 to 34 minutes	655,811	11.8	4,485	8.8
35 to 39 minutes	148,906	2.7	1,007	2.0
40 to 44 minutes	187,483	3.4	988	1.9
45 to 59 minutes	407,516	7.3	2,052	4.0
60 to 89 minutes	265,759	4.8	1,253	2.5
90 or more minutes	142,325	2.6	829	1.6
Worked at home	164,646	3.0	1,645	3.2

Source: U.S. Census Bureau

## Indicators and Trends

In addition to broader economic statistics, the U.S. Census Bureau reports data on retail and farm sales. Table 4-10 provides data on retail establishments and sales, and Table 4-11 reports data on farm sales.

- In 1997, Mercer County had 618 retail establishments, or 5.06 retail businesses per 1,000 residents. These establishments reported \$1.29 million in sales (1997), equivalent to \$10,525 per capita. This indicates considerable in-migration to retail outlets by out-of-county visitors.
- Mercer County has more retail establishments per 1,000 residents than any of the surrounding counties and Pennsylvania. Its retail sales per capita value was also higher than that of Pennsylvania and notably higher than any of the surrounding counties. These statistics reflect the influence of Prime Outlets in Grove City, where over 140 retailers are located.

Farm statistics are collected every five years by the USDA. Data from the 1997 Census of Agriculture is the most current information available.

- Mercer County farms reported a total of \$4.6 million in agricultural product sales in 1997. The average value of products per farm was \$44,753. The average market value of products sold per acre was \$277. The average size of a Mercer County farm was 162 acres.
- Mercer County had the second highest total market value of its agricultural products of the surrounding Pennsylvania counties. Only Crawford County reported a higher value (\$58.4 million).
- The County also had the second highest average market value of products sold per farm, again following Crawford County (\$54,657). The County ranks third in average market value of products sold per acre after Crawford County (\$291) and Butler County (\$282) among surrounding Pennsylvania counties. These regional values are significantly lower than the statewide average market value of products sold per acre (\$558).

**Table 4-10 Retail Sales Statistics, 1997**

	Retail Establishments, 1997	Retail Establishments Per 1,000 Residents	Total Retail Sales (\$1,000)	Retail Sales Per Capita
Pennsylvania	50,208	4.18	\$109,948,462	\$9,150
Mercer County	618	5.06	\$1,285,017	\$10,525
Butler County	709	4.2	\$1,480,171	\$8,761
Crawford County	360	4.03	\$628,750	\$7,039
Lawrence County	370	3.88	\$627,064	\$6,583
Venango County	247	4.25	\$417,353	\$7,180

Source: Center for Rural Pennsylvania; Census 2000

**Table 4-11 Farm Sales Statistics, 1997**

	Total Market Value of Ag. Products Sold, (\$1,000), 1997	Average Market Value of Products Sold per Farm	Average Market Value of Products Sold per Acre
Pennsylvania	\$3,997,565	\$87,942	\$558
Mercer County	\$46,096	\$44,753	\$277
Butler County	\$27,671	\$28,468	\$233
Crawford County	\$58,428	\$54,657	\$282
Lawrence County	\$25,396	\$40,895	\$291
Venango County	\$6,515	\$18,561	\$141
	<b>Percent of Farm Sales by size of farm</b>		
	<b>Small Sale Farms (Sales Under \$10,000)</b>	<b>Medium Sale Farms (Sales \$10,000-49,999)</b>	<b>Large Sale Farms (Sales \$50,000 and Over)</b>
Pennsylvania	45.90%	22.80%	31.30%
Mercer County	51.20%	29.50%	19.30%
Butler County	60.50%	22.90%	16.60%
Crawford County	48.20%	22.50%	29.40%
Lawrence County	53.90%	27.10%	19.00%
Venango County	68.90%	20.50%	10.50%

Source: Center for Rural Pennsylvania

A number of other business statistics relevant to the health and diversity of the business environment are reported among the Census *Quickfacts*. Tables 4-12a, 4-12b, and 4-12c report these select statistics. A few highlights are presented here:

- Mercer County's employment among nonfarm establishments rose 16.4 percent from 1990 to 1999. This rate was twice that of Pennsylvania as a whole and second only to Butler County among surrounding counties.
- Manufacturers in Mercer County shipped \$2.4 billion in goods in 1997. This value ranked third among surrounding counties behind Trumbull County, OH (\$11.2 billion) and Butler County (nearly \$3.0 billion).
- One in five businesses in Mercer County is owned by women (21.3 percent). This percent is on par with Pennsylvania and the surrounding region.
- Only 3.1 percent of businesses in Mercer County are minority-owned. This value is similar to those of surrounding Pennsylvania counties, but lower than those of Pennsylvania (5.9 percent) as a whole and adjacent Ohio counties (Mahoning County, 5.8 percent; Trumbull County, 5.1 percent).
- Mercer County received \$660.6 million in federal funds and grants in 2001, ranking fourth among surrounding counties (second among surrounding Pennsylvania counties). Mahoning and Trumbull Counties, OH each received over \$1.0 billion in federal aid monies.
- Mercer County and its municipalities employed 3,318 full-time employees (or full-time equivalents) in local government in 1997, ranking fourth among surrounding counties (second among surrounding Pennsylvania counties).

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**Table 4-12 Select Business Statistics, 2000**

	Private nonfarm establishments, 1999	Private nonfarm employment, 1999	Private nonfarm employment, percent change 1990-1999	Nonemployer establishments, 1999	Value of Manufacturers' shipments, 1997 (\$1000)
Pennsylvania	293,491	4,986,591	8.40%	614,594	172,193,216
Mercer County	2,951	44,414	16.40%	5,785	2,440,846
Butler County	4,292	60,989	36.50%	9,242	2,989,977
Lawrence County	2,158	28,718	2.90%	4,553	1,076,616
Crawford County	2,127	27,936	9.70%	5,066	1,263,394
Venango County	1,310	17,000	-3.70%	2,655	1,084,640
Mahoning County	6,451	95,110	2.90%	12,639	2,110,011
Trumbull County	4,785	84,059	-3.40%	10,724	11,235,598

A **nonemployer** business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Nonemployer businesses are generally small, such as real estate agents and independent contractors. Nonemployers constitute nearly three-quarters of all businesses, but they contribute only about three percent of overall sales and receipts data.

Generally, an **establishment** is a single physical location at which business is conducted or services or industrial operations are performed. However, for nonemployers, each distinct business income tax return filed by a nonemployer business is counted as an establishment. Nonemployer businesses may operate from a home address or a separate physical location. Most geography codes are derived from the business owner's mailing address, which may not be the same as the physical location of the business.

**Table 4-13 Select Business Statistics, 2000**

	Minority-owned firms, percent of total, 1997	Women-owned firms, percent of total, 1997
Pennsylvania	5.90%	24.20%
Mercer County	3.10%	21.30%
Butler County	1.70%	25.40%
Lawrence County	2.10%	21.10%
Crawford County	2.00%	24.00%
Venango County	less than 100	20.10%
Mahoning County	5.80%	24.40%
Trumbull County	5.10%	24.80%

Women-owned firms are those owned by sole proprietors who identified themselves as female on the 1997 or 1992 survey or were categorized as female on their applications for a Social Security Number; or, in the case of firms with multiple owners, where 51 percent or more of stock interest, claims or rights were held by females.

Minority-owned firms are those where the sole proprietor was Black, Hispanic, Asian, Pacific Islander, or American Indian/Alaska Native, or, in the case of firms with multiple owners, where 51 percent of the stock interest, claims or rights were held by Blacks, Hispanics, Asians, Pacific Islanders, or American Indians/Alaska Natives.

**Table 4-14 Select Business Statistics, 2000**

	Federal funds and grants, 2001 (\$1000)	Federal funds and grants (2001) per capita (\$)	Local government employment - full-time equivalent, 1997	Local government employment - full-time equivalent, 1997 per capita
Pennsylvania	79,310,064	6,458	365,556	0.03
Mercer County	660,590	5,492	3,318	0.03
Butler County	968,354	5,563	4,306	0.02
Lawrence County	577,871	6,395	2,328	0.03
Crawford County	427,479	4,517	2,216	0.02
Venango County	306,712	5,328	2,070	0.04
Mahoning County	1,450,850	5,633	8,776	0.03
Trumbull County	1,051,817	4,672	7,544	0.03

Federal funds and grants include federal expenditures or obligation for the following categories: grants, salaries and wages, procurement contracts, direct payments for individuals, other direct payments, direct loans, guaranteed or insured loans, and insurance. Dollar amounts (reported here in thousands of dollars) represent either actual expenditures or obligations.

## **Target Location Assessment**

The preparation of the Mercer County Comprehensive Plan update was accompanied by a Target Location Assessment, as a means to catalyze economic development and readiness. The following is a summary of the Target Location Assessment Report, which is available at the office of the Mercer County Regional Planning Commission.

### ***Summary***

Mercer County's Strategy 1000 Initiative developed in 1998 had a goal of preparing 1,000 acres of land for new or reuse economic development. The need to achieve this goal was further reinforced by historical industrial development trends that support that Mercer County does not have an adequate supply of readily available land to meet prospect demand in a favorable economic climate.

The goal of the Target Location Assessment, as established by MCRPC and Penn-Northwest, was to identify and rank three or four sites within Mercer County that can serve as the catalyst for implementing Strategy 1000 – preparing a new supply of shovel ready properties in Mercer County. Each site identified through Strategy 1000 was analyzed from a market perspective – identifying what type of development would potentially be considered at specific locations in Mercer County based on existing market conditions.

Mercer County Regional Planning Commission (MCRPC) and Penn-Northwest Development Corporation (Penn-Northwest) identified several key economic development issues that further prompted the preparation of the Target Location Assessment. First, several significant recent plant closures have resulted in the loss of 1,285 jobs between 2000 and 2003. Second, declining County population combined with a natural population decrease (more deaths than births) has exacerbated the job losses. Finally, when economic development prospects consider Mercer County as a business location, sites with proper infrastructure and zoning are not readily available, resulting in missed job creation opportunities. There are available sites in Mercer County that have appropriate land controls and infrastructure; however, these sites are not often chosen by prospects in the current market place.

### ***Industrial Land Absorption Trends in Mercer County***

An industrial land absorption study prepared for the Northwest Regional Planning and Development Commission (Northwest Commission) in March 2002 documents historical absorption trends, as well as supply and demand, in Mercer County.<sup>1</sup> Mercer County's industrial absorption trends are as follows:

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<sup>1</sup> S. Patz and Associates, Inc. Industrial Land Absorption Study, Keystone Opportunity Zones, Northwest Pennsylvania. March 2002.

- Between 1990 and 1999 an estimated 1,657 acres of industrial land in Northwest Pennsylvania was improved (or absorbed). This amount was three times the amount of land absorbed during the 1980s.
- Mercer County had the 2nd highest rate of industrial land absorption in Northwest Pennsylvania during the 1990s (383 acres), second only to Erie County.
- The land absorption during the 1990s was 38 acres per year. The average annual absorption between 1990 and 1994 was 30 acres per year and the average annual absorption increased to 48 acres per year between 1995 and 2000.
- The amount of land absorbed in Mercer County has been steadily increasing over the past two decades.
- The majority of industrial land absorbed during the 1990s was in the Shenango Valley indicating that the land demand was concentrated in this portion of the County.

***Forecast of Real Estate Supply and Demand***

- Based on a recently prepared absorption study<sup>2</sup>, approximately 300 acres of available industrial land remains.
- Using a projected absorption rate of 45 acres per year, Mercer County could anticipate exhausting its industrial land in as few as 7 years.
- The location of the largest assemblage (40 percent) of the County's available industrial land captured only 25 percent of the County's absorption during the 1990s.
- Mercer County has received requests from prospects for large amounts of contiguous land near interstate interchanges but has no available land to site these opportunities.
- Surrounding counties have a sufficient supply of available industrial property and therefore may be in a better land position to capture Mercer County prospects.
- Review of available data indicates that Mercer County does not have a sufficient supply of industrial land.
- Mercer County should assemble an additional supply of industrial land, which is of sufficient size and properly located to accommodate future land demand.

***Market Assessment and Future Market Opportunities***

- Mercer County's transportation infrastructure is a significant market strength.

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<sup>2</sup> Ibid.

- Mercer County is in the “path of progress” as land development and population patterns move north from the Pittsburgh metropolitan area toward the southeast portion of the County. With lower housing costs and excellent transportation assets, Mercer County should position itself with real estate assets and amenities that would be attractive to new businesses, including those that employ knowledge workers in Information and Professional and Business Services sectors.
- Jobs created in the Information and Professional and Business Services sectors would provide a level of diversification required to maintain a balanced economy and likely bring higher wages and additional residents to the County. These sectors are projected to grow in future years.
- The high concentration of manufacturing in Mercer County creates opportunity for developing partnerships to conduct research and development to re-engineer the County’s manufacturing sector. This would provide local companies with additional tools and opportunities to develop niche-manufacturing markets.

***Target Industries***

- The following target industries, identified using the North American Industry Classification System (NACIS), should be promoted and encouraged by Mercer County. With proper economic development support and availability of sufficiently sized land with ample infrastructure and amenities, these industries are expected to bring new jobs and residents to the County:
  - Education and Health Services
  - Professional and Business Services
  - Information
  - Transportation and Warehousing, and Utilities
  - Manufacturing
- Supporting the Manufacturing and Transportation sectors requires large, contiguous tracts of industrial land.
- Supporting the remaining industry sectors requires assembling planned development(s) to attract workers employed in these sectors and to position the surrounding communities to receive spin off development from these workers - potential County residents that will help to reverse the current pattern of out migration.
- To attract new companies, associated jobs and residents, Mercer County should consider developing a planned business park that would include office, retail, and recreational amenities.

- Capitalizing on the academic strengths of educational institutions serving Mercer County by developing private-public-educational partnerships would support target industry development at a prioritized site.

### ***Priority Sites***

The market based criterion identified as the site selection factors that were used to determine the priority sites are relatively consistent with national site selection factors and Mercer County prospect requirements. These factors included: proximity to a major transportation corridor, sufficiently sized land; proximity to the ‘path of progress’; location in close proximity to I-80; availability of a qualified workforce; and proximity to service amenities.

The following sites, listed in order of market priority, have been selected as target locations to serve as the catalyst for implementing Strategy 1000. Detailed site investigations were not conducted as part of this study. Therefore, detailed site investigations should be conducted prior to considering any of the sites to fulfill the objectives of Strategy 1000.

1. Exit 15 – I-80
2. Exit 113 – I-79/PA 208
3. Exit 4 – I-80/PA60/PA318

### ***Development Feasibility of Priority Sites***

The purpose of the Development Feasibility analysis is to create a framework to anticipate future financial results for the project(s), namely Mercer County’s return on investment at each site. As directed by MCRPC and Penn-Northwest, Development Feasibility was conducted for two of the three priority sites: Exit 4 – I-80 site and the Exit 15 – I-80 site. Results are summarized below.

#### **Exit 4 – I-80**

The Exit 4 site is projected to generate annual revenues of \$900,000 with a positive cash flow of \$53,134. This assumes:

- A favorable economic climate
- Total development cost of \$11,803,548.
- 100 percent debt financing
- Projected annual absorption of 45 acres
- Market sales price per acre of \$20,000.

#### **Exit 15 – I-80**

The Exit 15 site is projected to generate annual revenues of \$1,350,000 with a positive cash flow of \$34,272. This assumes:

- A favorable economic climate
- Total development cost of \$19,470,108.
- 100 percent debt financing.
- Projected annual absorption of 45 acres
- Market sales price per acre of \$30,000.